



ADM Investor Services, Inc.

ADM Investor Services Market View

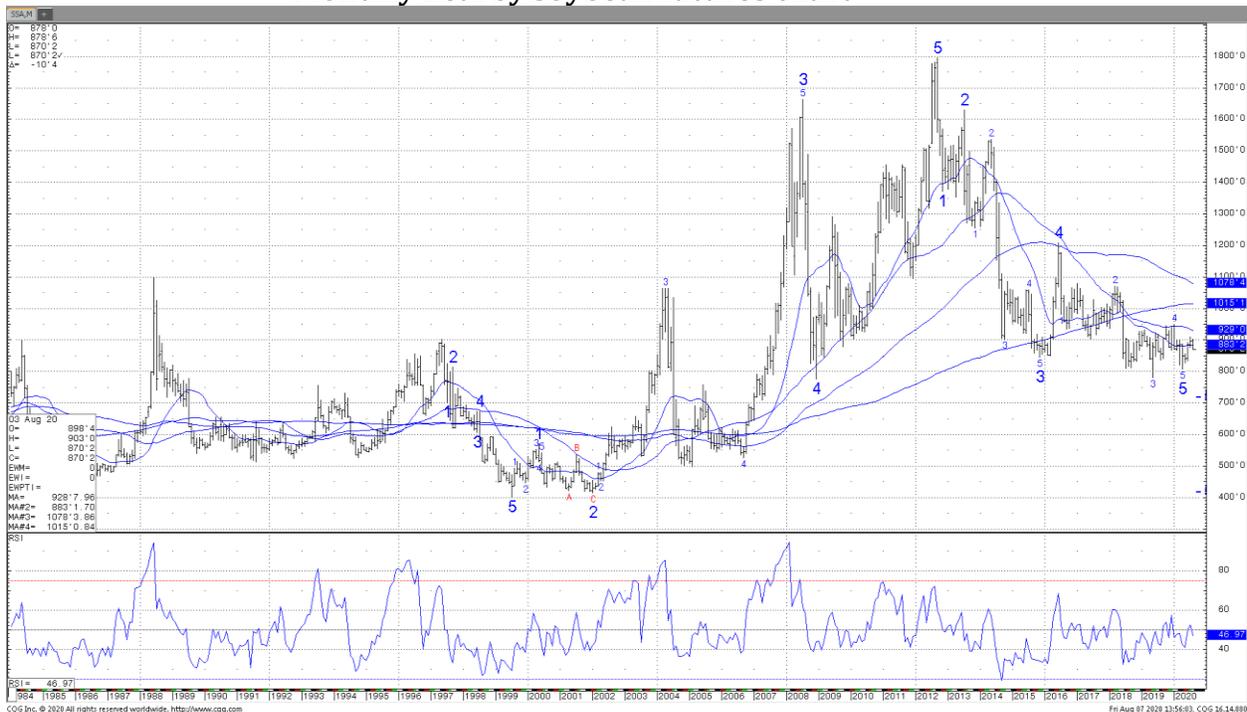
August 7, 2020 by Steve Freed

Soybeans, soymeal, soyoil, corn and wheat traded lower. Most Commodities trade lower. US dollar was higher. Gold traded lower with a negative chart formation.

SOYBEANS

Soybean traded lower. Concern about China demand for US soybeans and talk of higher US 2020 supply and 2021 Brazil supply weighed on prices. Soybean futures may be making a seasonal top. SX dropped below the July low. Next support is near 8.50. SMZ also made new lows. Drop below 278.80 SMU could suggest a test of 255-260. The average trade guess for US 2020 soybean crop is near 4,258 mil bu versus USDA 4,135. This will be the first official NASS crop estimate. It will be only a farmer survey. Range of guesses is 4,135 to 4,399. There is a private guess that the final crop could be 4,496. The average trade guess for US 2020/21 soybean carryout is near 525 mil bu versus USDA 425. This is negative to prices. US Weekend temps should warm. Next week should see normal temps and normal to below rains. Some are watching the dryness in parts of IA, SD and MN. USDA did announce new US new crop soybean sales to China.

Monthly nearby soybean futures chart



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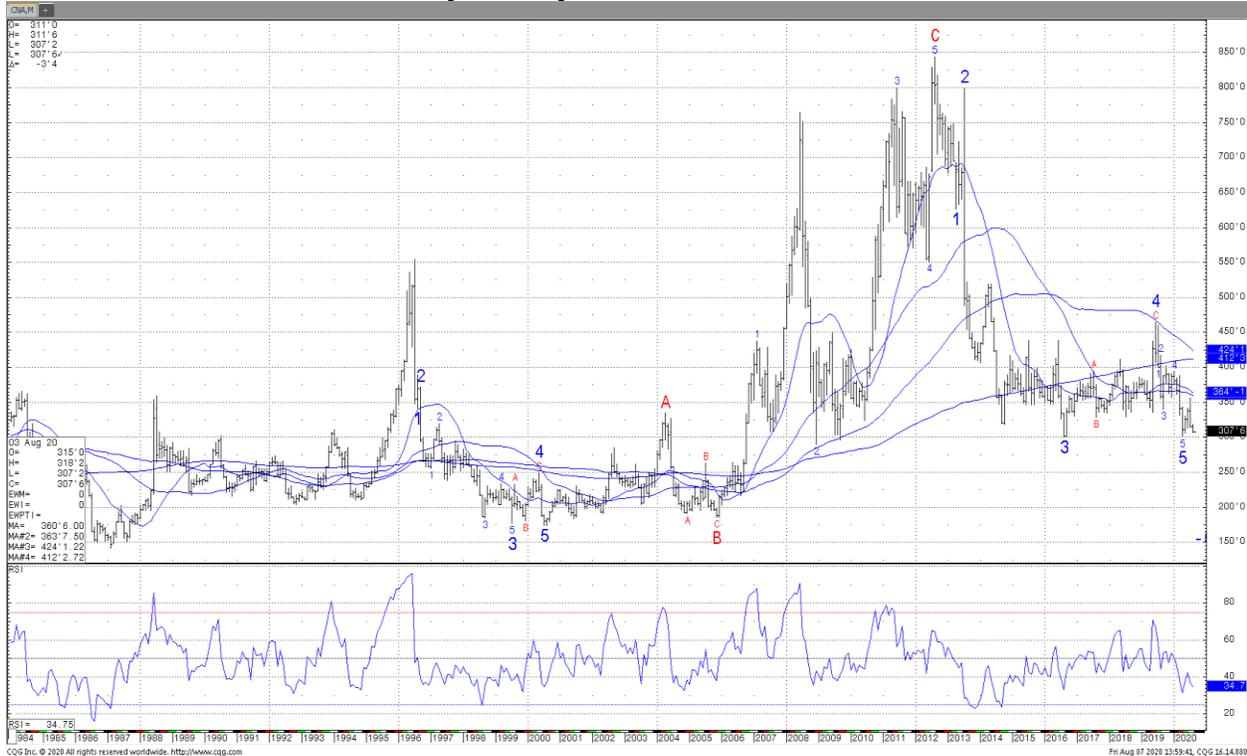


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CORN

Corn futures continued to trade lower and made new contract lows. Trade expects futures to continue lower. Prior to the US Midwest dry weather in June demand bears were talking about a fall low in December corn near 2.70. US Weekend temps should warm. Next week should see normal temps and normal to below rains. Some are watching the dryness in parts of IA, SD and MN. Besides weather, the virus and politics the grain market will focus on next week's USDA report and US/China trade talks. The average trade guess for US 2020 corn crop is near 15,170 mil bu versus USDA 15,000. This will be the first official NASS crop estimate. It will be only a farmer survey. Range of guesses is 14,925 to 15,401. Crop yield models suggest given the crop ratings final US corn yield could exceed 180. The number suggest US farmers have a record amount of corn to sell in 2020. The average trade guess for US 2020/21 corn carryout is near 2,800 mil bu versus USDA 2,648. Increase supply without equal increase in demand could continue to weigh on prices. Besides the talk of a higher US 2020 supplies, there was also concern that final US ethanol demand and export demand will be lower than USDA estimate

Monthly nearby corn futures chart



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WHEAT

Wheat futures continued their drop in prices. KWU made new contract lows. Chicago September wheat traded below key psychological level near 5.00. This week the wheat market has been hit by lower Russia and French Wheat prices. Managed funds have turned their small net futures long to a net short and added to the short today. The average trade guess for US 2020 wheat crop is near 1,833 mil bu versus USDA 1,824. Key to wheat numbers is if USDA increases Russia, Canada and Australia crops and adds to already record World supplies. There was talk this week that Canada 2020 wheat crop could be near 39 mmt versus USDA estimate of 34 and 32 last year. Russia crop could be near 80 mmt versus USDA 76.5. USDA estimate Australia crop near 26 mmt versus 15 last year. USDA is already estimating World 2020/21 wheat end stocks near a record 315 mmt.

Monthly nearby Kansas City wheat futures chart



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