



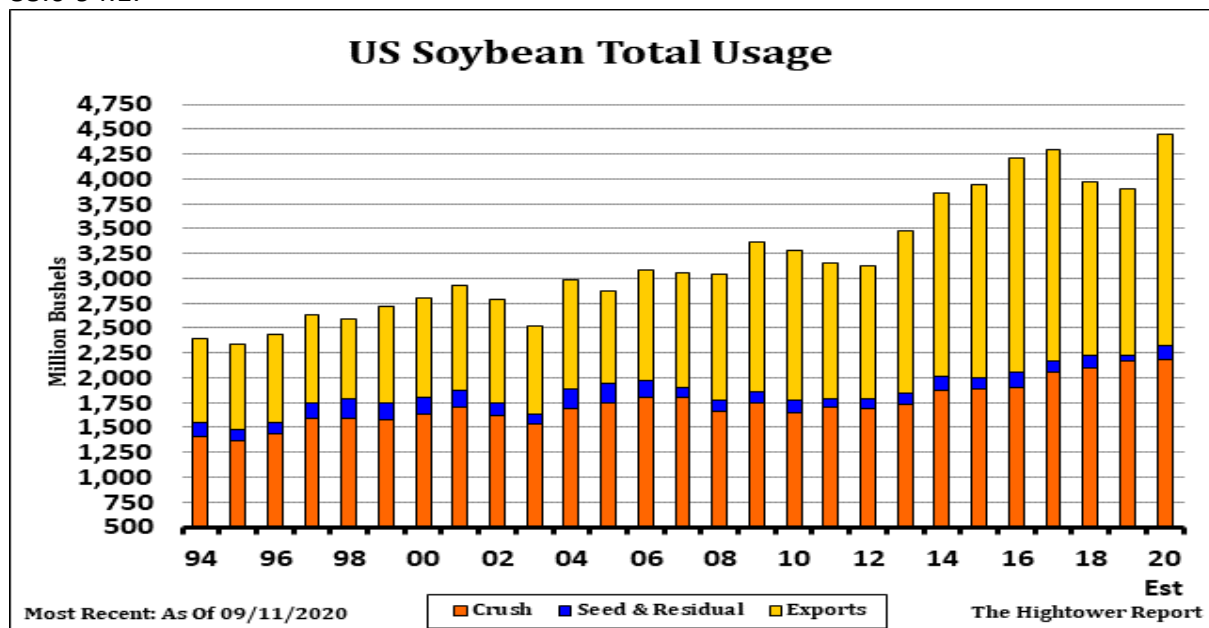
# ADM Investor Services Market View

October 7, 2020 by Steve Freed

Soybeans traded higher but off session high. Soymeal gained on soyoil. Corn and wheat traded higher. US stocks were higher. US Dollar, Crude and Gold were lower. Key USDA report is Friday.

## SOYBEANS

Soybeans traded higher. Talk of lower US 2020 supply and higher demand and concern South America 2021 crops could be lower than early estimates offered support. Talk of lower Argentina soybean crop and crush continues to offer support to soymeal. Soymeal futures made new contract highs. Managed funds are net buyers of 8,000 soybeans, 7,000 soymeal. 1,000 soyoil. Managed funds are net long 284,000 soybeans, 105,000 soymeal and 99,000 soyoil.. USDA announced 132 mt US soybeans to China and 120 mt US soybean sales to unknown. Brazil old crop soybean supply appears to be tightening. This could help US Feb soybean exports to China. Trade estimates US weekly soybean export sales near 1,500-2,500 mt versus 2,591 last week, soymeal sales near 100-500 mt versus 523 last week. USDA estimates US soybean export near 57.8 mmt versus 45.7 last year. Some are near 62.0. US soybean 2020/21 carryout is estimated near 369 mil bu versus USDA 460. Range is 285-460. Some feel if USDA estimates soybean carryout near the lower end of the range, prices could continue higher. World soybean 2020/21 carryout is estimated near 91.6 mmt versus USDA 93.6. Range is 88.0-94.1.



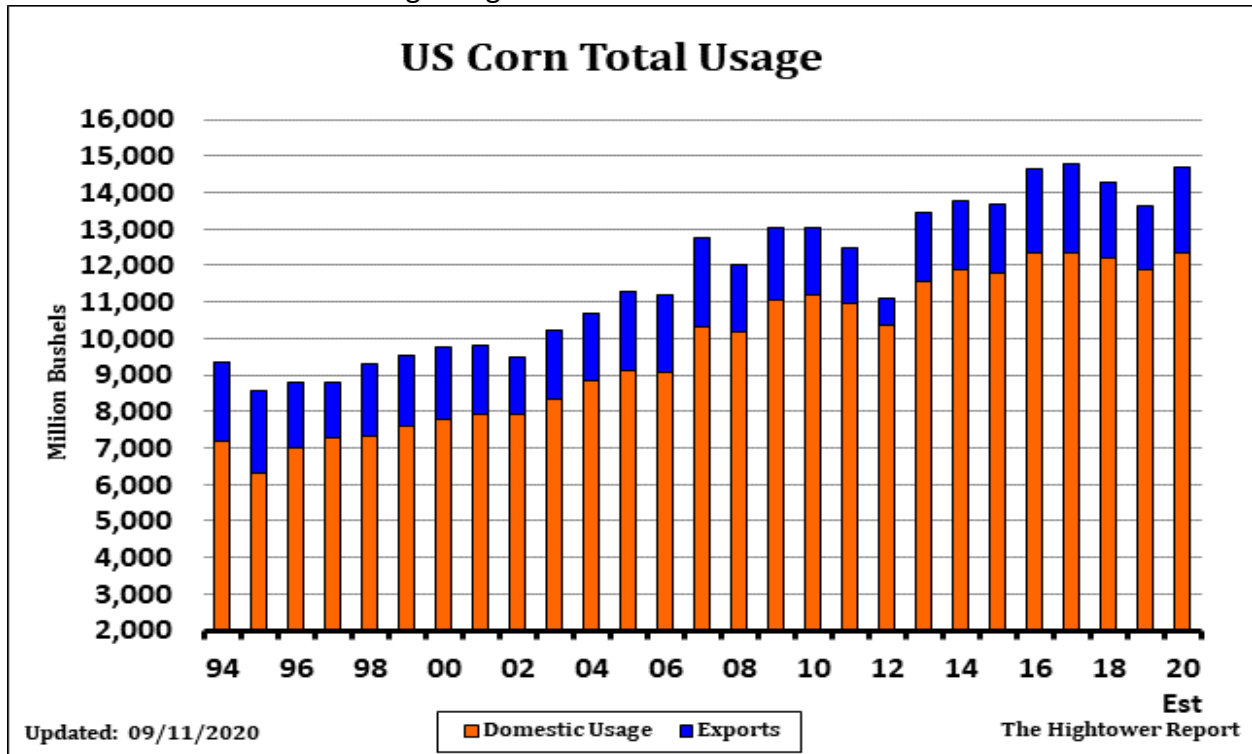
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## CORN

Corn futures traded higher. CZ is near 3.90. CZ1 is near 4.00. Rally in corn is linked in part to talk of lower US 2020 supply and higher export demand. US and Argentina farmers remain slow sellers of cash. Dryness in parts of Brazil and Argentina could also support prices. Managed funds were net buyers of 6,000 corn. Managed funds are net long 196,000 corn. Weekly US ethanol production was up 4.7 pct from last week and down 4 pct from last year. Stocks were down slightly from last week and down 7 pct from last year. Trade estimates US weekly corn export sales near 700 to 1,500 mt versus 2,027 last week. USDA goal is 59.0 mmt versus 44.8 last year. Some could see exports closer to 64.8. Trade estimates US corn 2020/21 carryout at 2,113 mil bu versus USDA 2,503. Range is 1,859-2,333. Some feel if USDA estimates US corn carryout near the lower end of the range, prices could continue higher. Trade estimates World corn 2020/21 carryout at 300.1 mmt versus USDA 306.7. Range is 291.3-305.0. US Midwest 2 week weather should be mostly dry with temps near to above normal. This should help harvest. US gulf hurricane could drop unwanted rains across the Delta and Ohio river valley this weekend. This could also slow gulf logistics.



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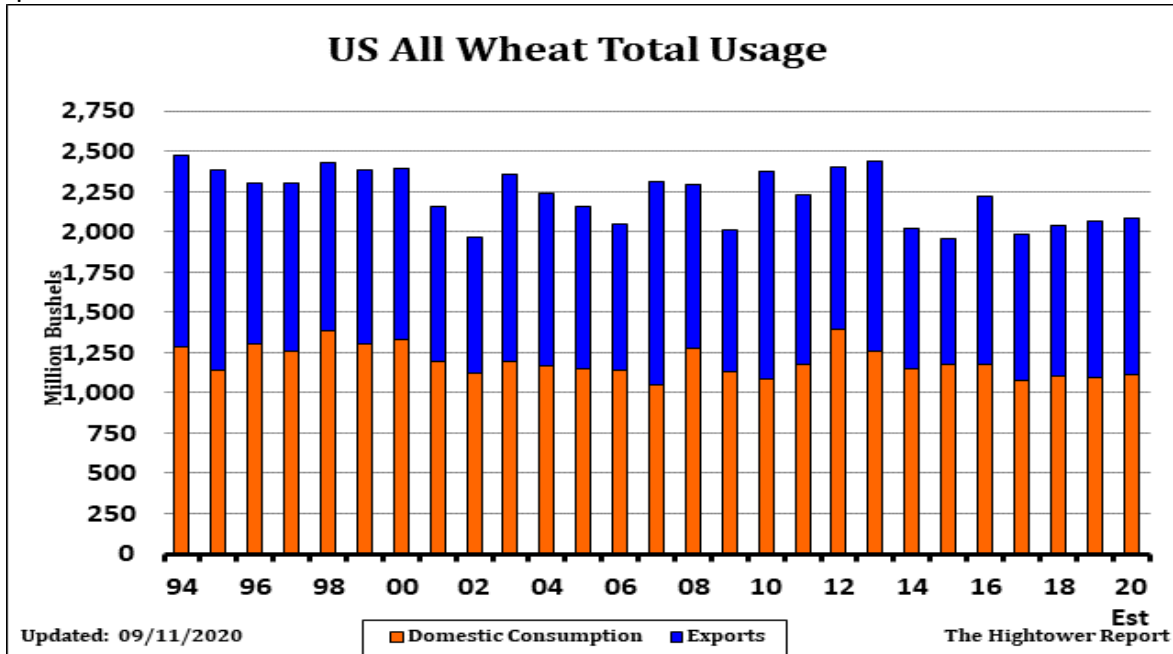


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## WHEAT

Wheat futures traded higher. Managed funds continue to add to longs. Dry weather in Russia, Argentina and US south plains is triggering the new buying. None of these areas are forecasted to see rain over the next 2 weeks. This is raising concern over US south plains and Russia winter wheat germination. WZ made new highs and is now testing 2015 highs. KWZ traded over the 200 day moving average. Next resistance is near 5.80. MWZ is near key resistance. CME Black Sea wheat futures are making all-time highs. Russia domestic wheat and flour prices are also record high. Australia prices trade up to near May highs. Managed funds were net buyers of 10,000 wheat. Managed funds are net long 62,000 wheat. Trade estimates US weekly wheat export sales near 250-600 mt versus 506 last week. USDA goal is 26.5 mmt versus 26.3 last year. Trade will be watching closely and news about 2021 Russia export quotas. Most feel USDA could raise the 2020 Russia crop 3-4 mmt to 82-83. This could allow for higher quotas and Russia front loading exports. Still if they take into account a lower 2021 crop they could limit quotas.



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