



ADM Investor Services Market View

November 17, 2020 by Steve Freed VP ADMIS Grain Research

Soybeans, soymeal, soyoil and corn traded higher. Wheat traded lower. US stocks were lower. US Dollar was lower. Metals were lower. Talk of a virus vaccine has helped stock and commodity prices. Increase in cases though offers resistance.

SOYBEANS

Soybeans traded higher. Managed funds have been buyers of 15,000 soybean, 1,000 soyoil, 5,000 soymeal. We estimate Managed Money net long 254,000 Soybeans; net long 84,000 lots of Soymeal, and; long 106,000 Soyoil. There is still no new US soybean sales to China despite rumors of them buying US soybeans. Record October US NOPA soybean crush underscores the record October US soybean export and crush demand. Many feel a tightening US soybean balance sheet could push nearby soybean futures above 12.00. Same group could see nearby soymeal futures trade over 400 and soyoil closer to 40 cents. Currently USDA estimates US 2020/21 soybean supply near 4,709 mil bu versus 4,476 last year. USDA estimates total demand near 4,519 mil bu versus 3,953. This suggest a carryout near 190 versus 523 last year and 909 2 years ago. Some feel final export demand could increase another 150 mil bu which could drop a carryout below 100.

Weekly nearby soybean futures chart



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CORN

Corn futures traded higher. Talk of higher demand for US corn exports continues to offer support. Managed funds have been buyers of 3,000 corn. We estimate Managed Money net long 250,000 Corn. Latest CFTC commit of traders report showed managed funds less long than expected. This suggest recent buying after the bullish USDA report could have been end user pricing. US farmer increase his cash selling once old crop cash prices neared 4.00. USDA announced 195 mt US corn to Mexico. Still no new US corn sales to China despite rumors of them asking for US corn prices. Talk of lower Ukraine corn supplies could lower their exports. USDA estimates their corn crop near 28.5 mmt versus 35.9 last year and exports near 22.5 versus 29.2 last year. Ukraine feeders have asked for corn export quotas. Russia domestic corn prices are also record high. Nearby Dalian corn futures ae near \$10.00 and new highs. Interesting to note that July Dalian corn is trading near \$4.16. Currently USDA estimates US 2020/21 corn supply near 16,527 mil bu versus 15,883 last year. USDA estimates total demand near 14,825 mil bu versus 13,887. This suggest a carryout near 1,702 versus 1,995 last year and 2,221 2 years ago. Some feel final export demand could increase another 350 mil bu which could drop a carryout below 1,400.

Weekly nearby Chicago corn futures chart



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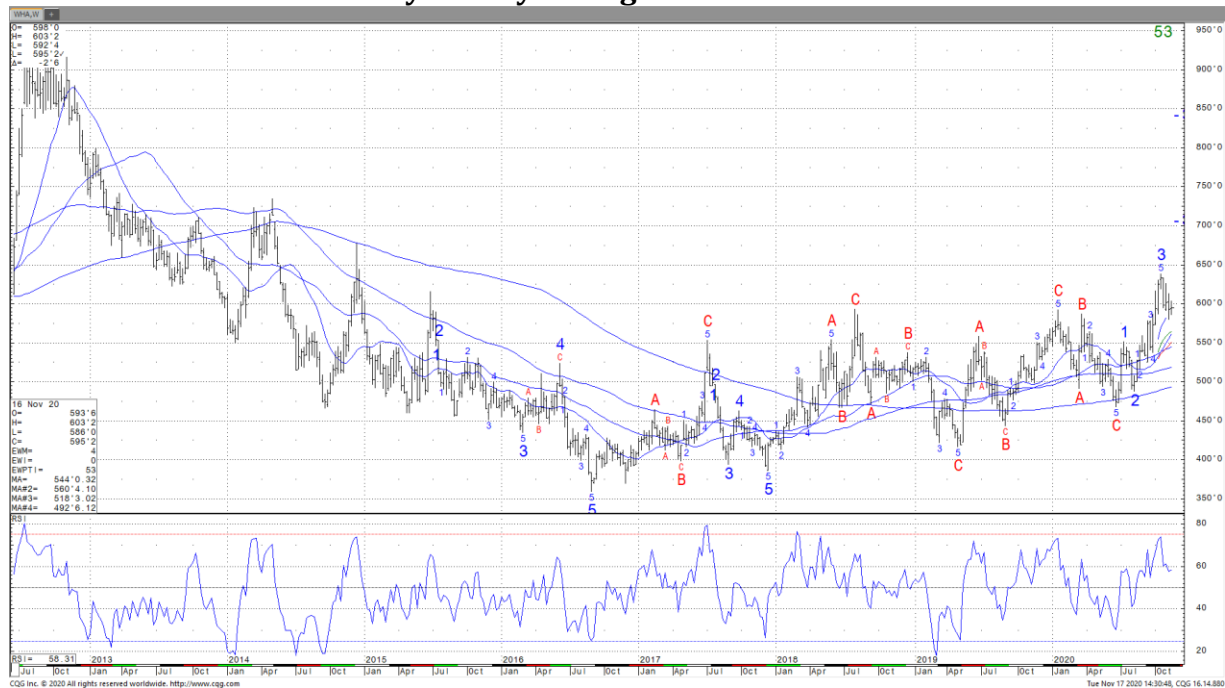
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WHEAT

Wheat futures traded lower. Managed funds were sellers 1,000 wheat. We estimate Managed Money net long 22,000 contracts of SRW Wheat. Wheat futures are a follower of corn prices. Large World supplies limits the upside in wheat but dry weather in the Black Sea, US plains and South America limits the downside. USDA estimates World wheat crop near 772.3 mmt versus 764.9 last year. Domestic demand is 752.6 versus 748.3 last year. This suggest a record carryout near 320.4 versus 300.7 last year. WZ finds support near the 50 day moving average near 5.87. Resistance is near the 20 day near 6.01 USDA estimates US 2020 wheat crop near 1,826 mil bu versus 1,932 last year. US 2020/21 carryout is estimated near 877 versus 1,028 last year. HRW is 338 versus 506 last year, SRW 107 versus 105 and HRS 284 versus 280. USDA estimates US 2021 wheat crop 46 pct good/ex. KS is 32. MO is 54. OH is 73. WA is 68. Early estimates of US 2021 wheat crop is near 1,900 mil bu with carryout near 800. US 2021/22 export remain near 965 mil bu.

Weekly nearby Chicago wheat futures chart



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