



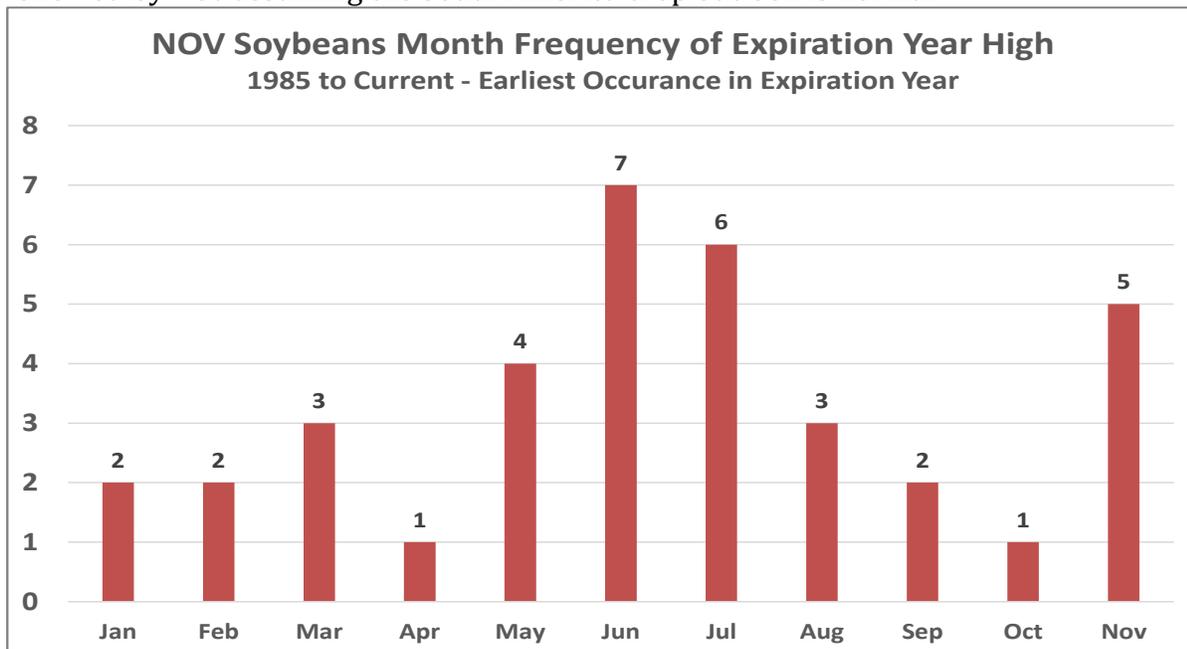
ADM Investor Services Market View

December 17, 2020 by Steve Freed VP ADMIS Grain Research

Soybeans, soyoil and soymeal traded sharply higher. Buy stops over 12.00 SH, talk of drier S Brazil and Argentina weather offered support. Corn and wheat also traded higher. Rally in US stocks, Crude and metals plus lower US Dollar offered support.

SOYBEANS

March soybean future finally traded and closed over 12.00. Next objective is 13.00. SMH is near \$400 resistance. BOH is near 40 cent resistance. Argentina weather remains mostly dry. Weekend rains have been downgraded. 2 week forecast is also dry. Argentina dock strike has slowed exports. All of this has Hightower suggesting to buy SMN21 and sell SMZ21. 5 of previous 6 years when World soybean stocks were tight versus demand, SMN-SMZ tested +160. Weekly US soybean exports sales were near 922 mt and better than expected. Total commit is near 53.8 mmt versus 28.4 last year. USDA goal is 59.8. China commit is near 31.3 mmt with 7.0 mmt in unknown. Informa est US 2021 soybean acres near 89.4 versus 83.1 last year. Some feel acres will need to be higher to satisfy demand. 2021 US soybean crop is estimated near 4,598 versus 4,146 last year. Over the last 36 years the most popular months for Nov soybean futures to make high in June and July. That is followed by Nov assuming the South America crop outlook is normal.

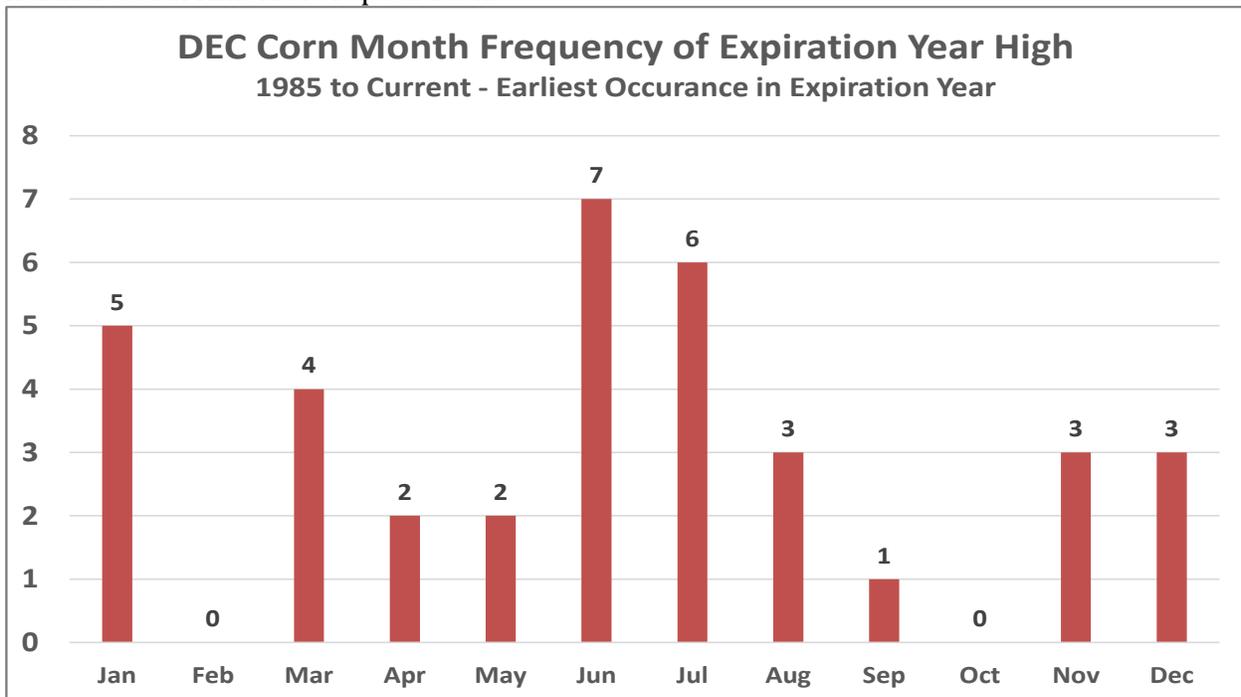




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CORN

March corn futures traded higher. Strong US domestic corn and cif basis, good weekly US corn sales and talk of lower 2021 South America corn crops helped CH to traded lower 4.30. Next objective is 4.50. Nearby corn futures have been lagging the soybean and soymeal rally. This in part due to fact USDA did not lower South America crops and Raise US corn export demand as much as hoped. Managed funds are already long a large net long corn position and need new news to trade higher. Some now estimate that 2021 South America corn production could drop 15 mmt below USDA last guess. This could be close to 560 mil bu. Some of this could be added to US exports and lower US carryout. Drop in carryout if realized could rally CH closer to 4.50-4.60. Weekly US corn exports sales were near 1,924 mt. Total commit is near 41.5 mmt versus 17.2 last year. USDA goal is 67.3. China commit is near 11.5 mmt with 7.3 mmt in unknown. Most feel China will import 20-22 mmt corn versus USDA guess of 16.5. Informa est US 2021 corn acres near 91.1 versus 91.3 last year. Some feel acres will need to be higher to satisfy demand. 2021 US corn crop is estimated near 15,156 versus 14,404 last year. Over the last 36 years the most popular months for Dec corn futures to make high in June and July. That is followed by Jan assuming normal South America crop outlook.



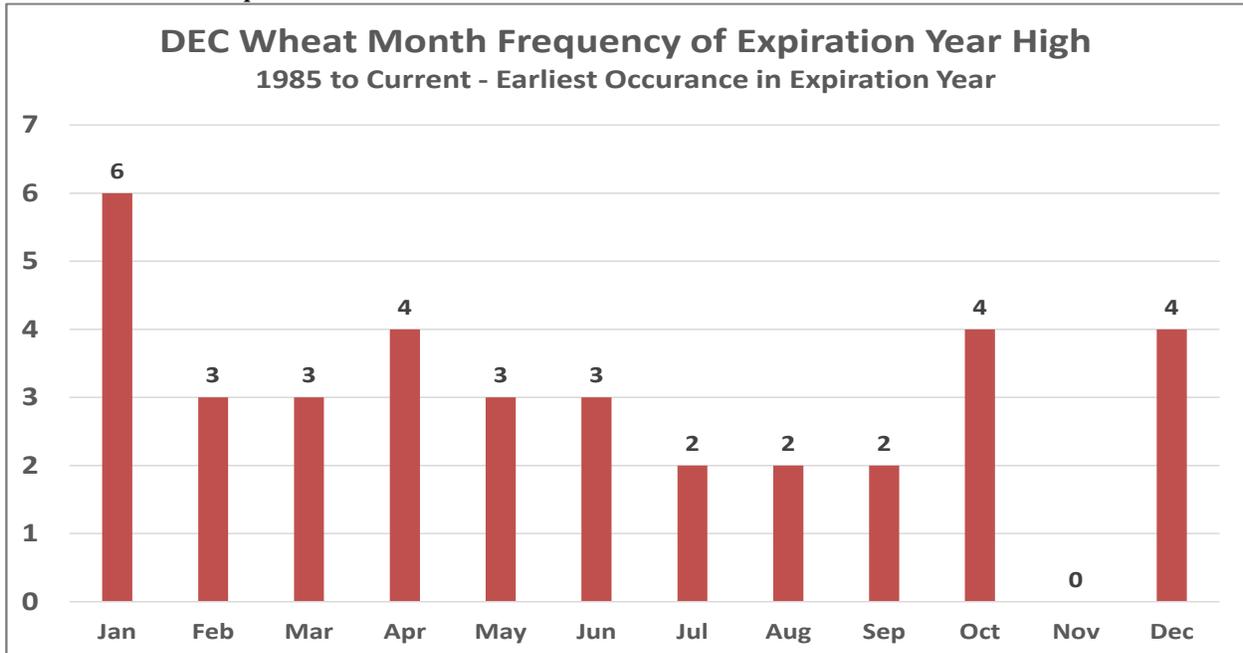


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WHEAT

Wheat futures traded higher. Lower US Dollar, talk of lower US and Black Sea 2021 crops a higher financial and energy traded and lower US Dollar may have also helped WH traded back over 6.00. NOAA 90 day US weather forecast calls for above normal temps and below normal rains in the south and above normal rains in the Ohio river valley. Informa est US 2021 wheat acres near 45.4 versus 44.4 last year. 2021 US all wheat crop is estimated near 1,909 versus 1,828 last year. Weekly US wheat exports sales were near 540 mt. Total commit is near 19.5 mmt versus 17.8 last year. USDA goal is 26.8. This week talk that Russia may move forward their date for an export tax, lower Russia 2021 crop and lack of rains in NOAA 90 day forecast may have also help rally futures. Informa est US 2021 wheat acres near 45.4 versus 44.4 last year. 2021 US all wheat crop is estimated near 1,909 versus 1,828 last year. Over the last 36 years the most popular months for Dec Chicago wheat futures to make high is Jan. That is followed by Apr, Oct and Dec assuming the US and Black Sea crop outlook is normal.



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