



ADM Investor Services, Inc.

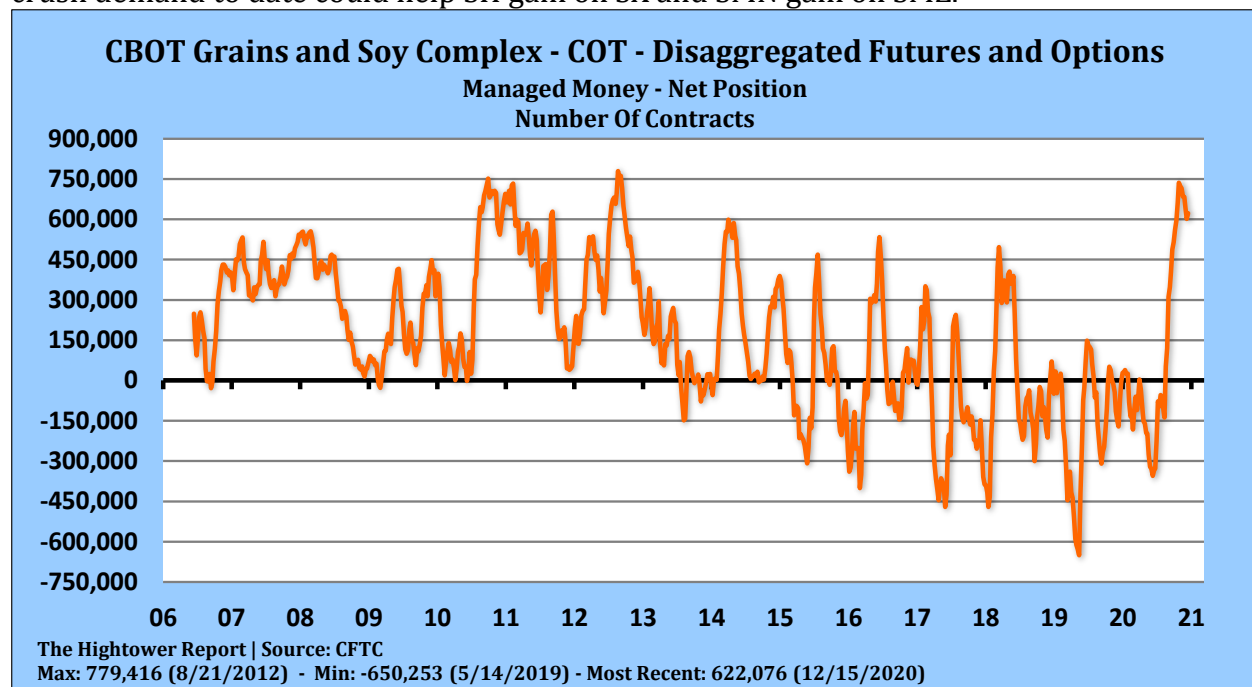
ADM Investor Services Market View

December 24, 2020 by Steve Freed VP ADMIS Grain Research

Soybeans, soyoil, corn and KC wheat traded higher. Soymeal and Chicago wheat traded lower. US stocks were higher. US Dollar was lower. Cattle were higher. Hogs were lower. Have a safe and Happy Holiday

SOYBEANS

Soybean March futures end the week at new highs and near 12.67. Managed funds were net buyers and added to their estimated net long of 253,000 contracts. Soyoil also gained on continued higher World palmoil and sunoil trade. Key is final South America soybean supply and impact a lower supply could have on demand for US soybean and soymeal demand. Some were estimating that as much as 23 pct of The Argentina soybean crop is yet to be planted. There was talk that China may have been a buyer of US Feb soybean today. USDA est US 2020/21 soybean demand near 4,534 mil bu versus 3,953 last year. This suggest a carryout near 175. Many could see higher US export and crush demand and carryout only at 100 mil bu. This should push prices higher. Lower SA soybean crops could help push SH over 13.00 and SMH over 430 and BOH over 42. Record US soybean and crush demand to date could help SH gain on SX and SMN gain on SMZ.



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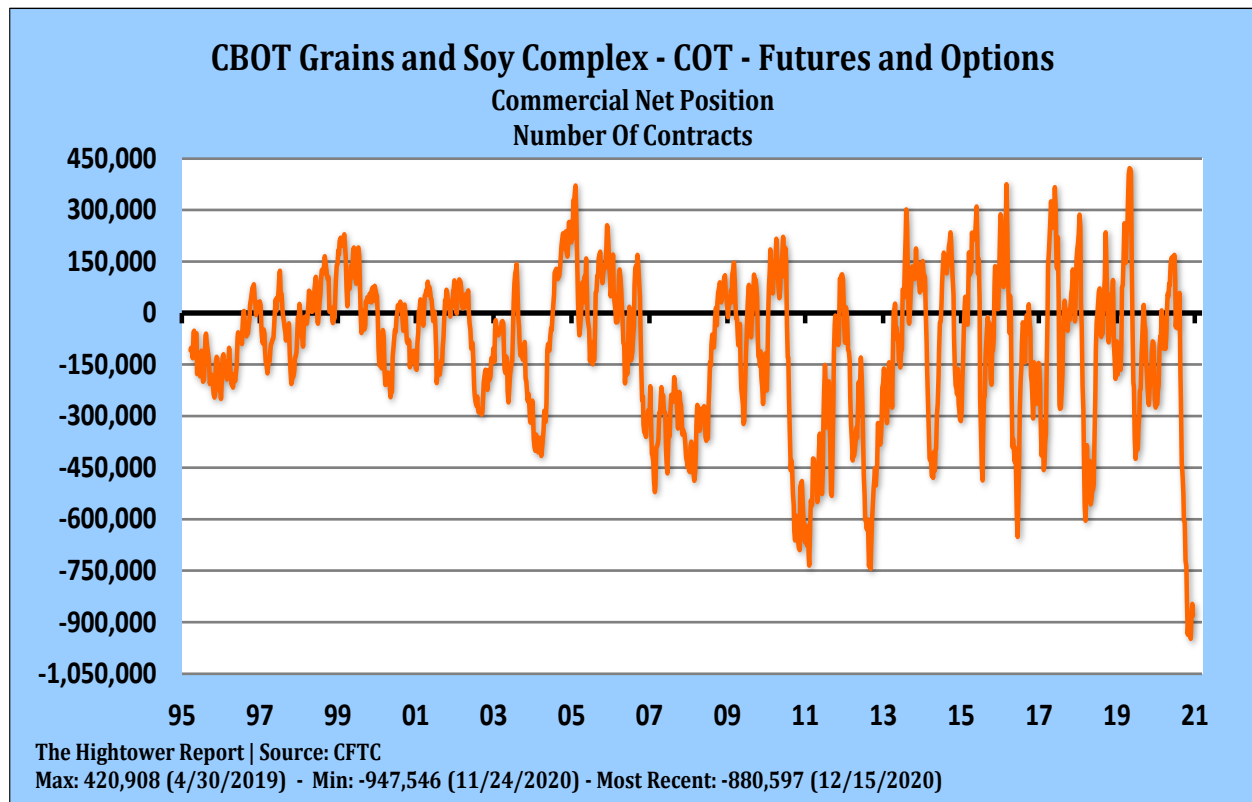


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CORN

March corn futures ended the week at new highs and near 4.50. Managed funds were net buyers and added to their estimated net long of 345,000 contracts. All corn eyes will be on next week's South America rain event. Our forecast suggest 30-40 pct coverage of $\frac{1}{4}$ to $\frac{3}{4}$ inches of rains in Argentina. Similar amounts and coverage for South Brazil. Today's maps were a little drier for C/E Brazil. Some are using combined Brazil and Argentina 2021 nears 150 mmt versus USDA 159. Today, Some were estimating that as much as 39 pct of the Argentina corn crop is yet to be planted. There was talk that China may have been a buyer of US May corn today. USDA estimates US 2020/21 corn demand near 14,825 mil bu versus 13,887 last year. This suggest a carryout near 1,702. Many could see higher US exports and carryout closer to 1,460 mil bu. This should push prices higher. Lower SA corn crops could help CH push closer to 4.60-4.70. Record US Jan-May US corn exports could help CN gain in CZ.



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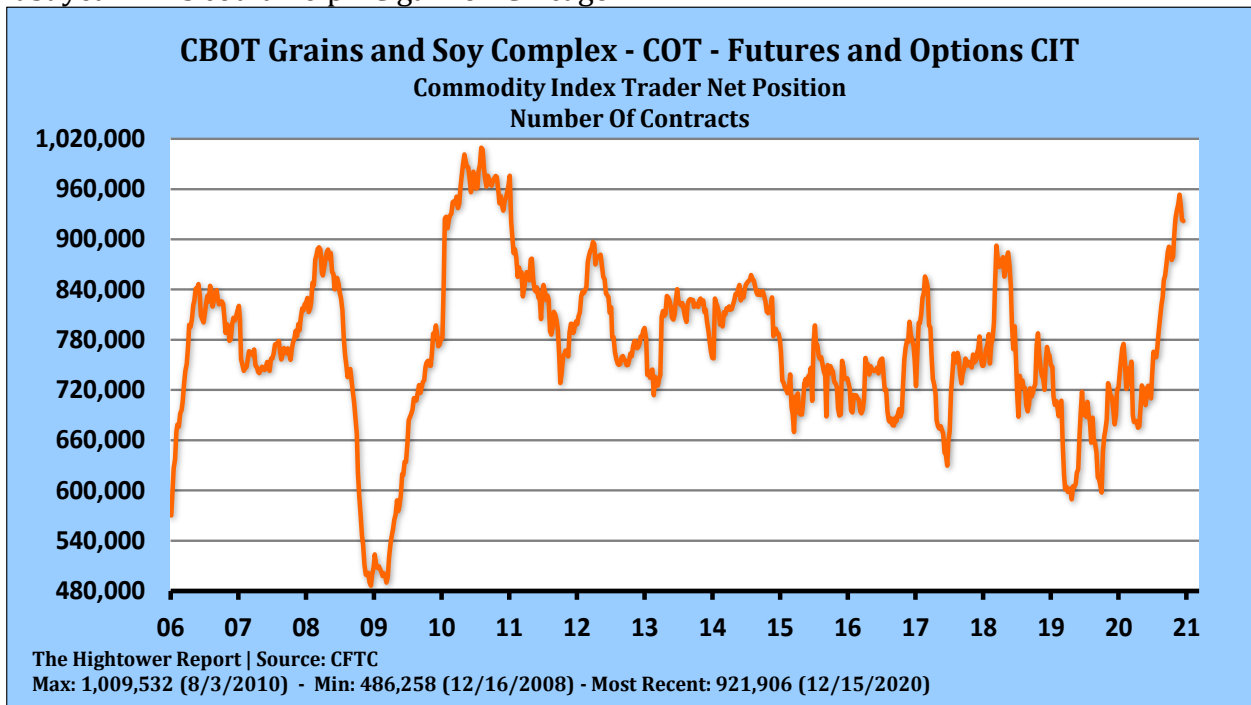


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WHEAT

Wheat futures traded mixed. WH traded down 2 cents and near 6.27. KWH traded up 2 cents and near 5.90. MWH traded up 2 cents and near 5.82. Financial markets are keeping an eye on new Brexit trade deal and what that could mean for the EU economy and currencies. In US, all hope that the vaccine will eventually help defeat the virus, bring back a normal US lifestyle and increase demand for food. Trade will also be watching administration and Fed action to help US economy. Some are already looking for slight increase in inflation post Covid. USDA estimates US 2020/21 wheat demand near 2,112 mil bu versus 2,089 last year. This suggest a carryout near 862. Most do not look for much changes in this estimate. Some estimate US 2021 wheat crop near 1,900 and carryout near 850. Still, HRW carryout could drop below last year and SRW carryout could increase from last year. This could help KC gain on Chicago.



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