



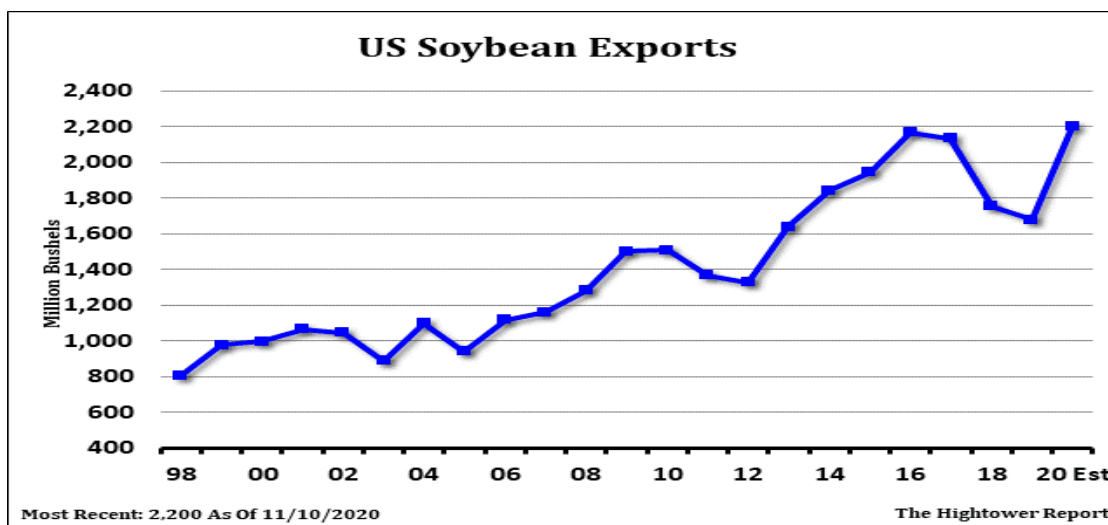
# ADM Investor Services Market View

December 9, 2020 by Steve Freed VP ADMIS Grain Research

Soybeans, soymeal, soyoil, corn and wheat traded higher. US stocks were lower. US Dollar was lower. Crude traded lower. Gold traded lower. Concern over the fate of a new US stimulus deal offered resistance to US stocks and energy prices.

## SOYBEANS

Soybeans traded higher. Managed funds are buyers of 10,000 soybeans, 3,000 soymeal and 1,000 soyoil. We estimate Managed Money net long 203,000 Soybeans; net long 64,000 lots of Soymeal, and; long 111,000 Soyoil. Some analyst are trying to pick a bottom in soybean, soymeal and soyoil futures. Most sight a drier S Brazil and Argentina long range weather forecast lowering final crops there, adding to US export demand and lowering US 2020/21 corn and soybean carryout. One group has lowered their estimate of Brazil 2021 soybean crop to 128 mmt versus USDA 133 and could lower even more if Brazil does not see good weekend rains. Most doubt USDA will change Brazil soybean crop yet on tomorrows report. Conab will also be out tomorrow with their latest estimate of 2021 Brazil soybean and corn crop. Weekly US soybean sales are estimated near 400-800 mt versus 407 last week. Some feel that talk of lower Brazil 2021 soybean crop could increase final US exports. US soybean export commit is near 52.3 mmt versus 25.9 last year. China commit is near 29.7 mmt with 8.8 in unknown. Some could see China taking 38 mmt US soybeans. This week US Feb prices are now competitive to China versus Brazil.

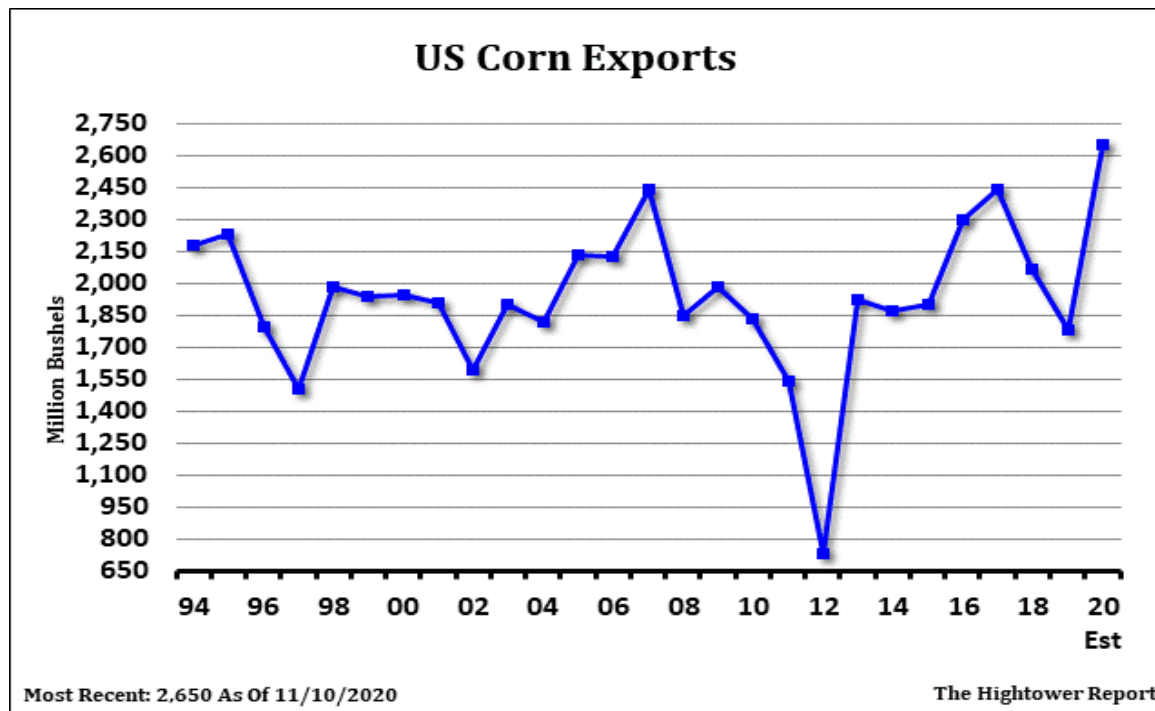




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## CORN

Corn futures traded higher. Managed funds are buyers of 7,000 corn. We estimate Managed Money net long 273,000 Corn. Some analyst are trying to pick a bottom in corn and futures. Most sight a drier S Brazil and Argentina long range weather forecast lowering final crops there, adding to US export demand and lowering US 2020/21 corn carryout. Argentina and first Brazil corn crop are beginning to pollinate. Some feel final crops could be lower than USDA Nov guesses. Most doubt USDA will change Brazil corn crop yet on tomorrows report. Conab will also be out tomorrow with their latest estimate of 2021 Brazil corn crop. Trade will also be watching closely this weeks US weekly export sales report. Weekly US corn sales are estimated near 700-1,500 mt versus 1,371 last week. Mexico buying and fact US corn is the cheapest corn and feed grain in the World could suggest sales could even be higher. US corn export commit is near 38.3 mmt versus 14.6 last year. China commit is near 11.1 mmt with 6.2 in unknown. USDA China Ag attaché estimates China corn imports neat 22 mt versus USDA Nov guess of 13. Weekly US ethanol production was up from last week but still down from last year. Stocks were up from last week and ly. Margins remain negative. Today there were rumors that China was a buyer of US ethanol. Trade hopes that the vaccine will eventually increase US gas demand late in 2021.



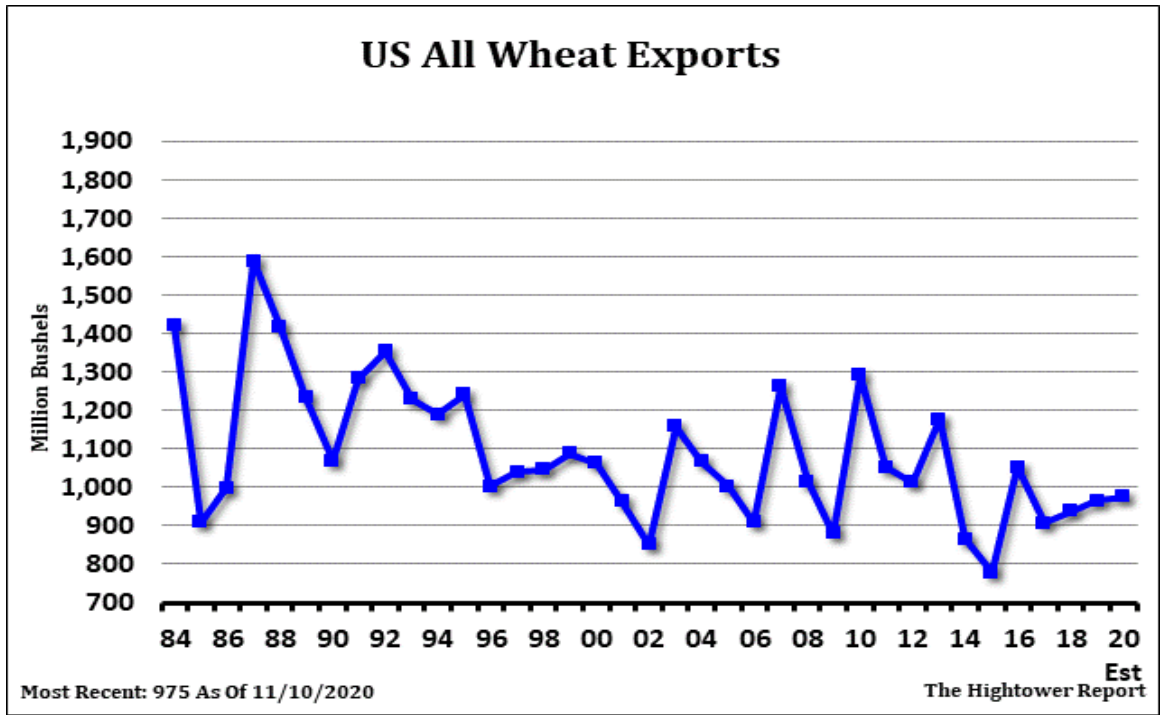


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## WHEAT

Wheat futures are higher today on rumors Hong Kong bought US HRS. Some feel that Managed Funds may be done for now liquidating out of soybean and corn longs and going short Chicago wheat. USDA is expected to increase Canada and Australia wheat crops on tomorrow report. Chicago nearby wheat futures are now near 10 week lows. Talk of higher Russia, EU and India wheat exports has helped push wheat prices lower. Some feel final 2021 Russia, Argentina and US wheat crops could drop from current estimates. This and talk of higher corn prices could push wheat futures higher in 2021. Some feel US flour users should increase 2021 coverage. Currently some estimate coverage near 50 pct for Q1 and 25 pct for Q2. Weekly US wheat sales are estimated near 200-550 mt versus 446 last week. US HRW prices are near EU and Russia but so far new World trade has been still going to east Europe and Russia. There are rumors that Hong Kong has bought US HRS wheat. A successful Covid vaccine could also increase US food demand late In 2021.



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