



Friday, April 13, 2018

by ADMIS Research Team

SOYBEANS

July soybeans settled at 1065, down 6 ¾ cents on the day leaving the market up 20 ¼ cents on the week. July soybean meal settled at \$386.80 down \$.60 on the day leaving the market down \$3.30 on the week. July soybean oil settled at 31.48 down 0.15 points on the day which left the market down 0.05 points on the week. July crush margins settled at \$1.35 ¼, up 3 ¾ cents on the day leaving the market down 28 ¼ cents on the week. China's March soybean imports were seen at 5.66 million tonnes down 11% from year ago levels according to the General Administration of Customs. The first quarter imports stand at 19.57 million tonnes, up 0.2% from year ago levels. Imports are set to rise in the second quarter as South American harvests will be finishing. April imports could reach 8.5 million tonnes while May and June imports are estimated at 9.5 million tonnes according to JCI. The Rosario Board of Trade estimate for the Argentine soybean crop is at 37.0 million tonnes versus 40.0 million last month and compared to the USDA's 40.0 million tonnes. If realized this would be down 20.8 million tonnes from last year. A wide path snow is likely from Montana to Michigan, with Nebraska and Iowa also seeing snow potential. The southern Midwest and Southeast could see 2 to 4 inches of rain over the next seven days, which will slow plantings of corn, soybeans and cotton. Producers will continue to struggle to get into fields until the end of April. This could push some corn acres into soybeans in the southern belt. The open interest in soybeans went up 17,894 contracts on Thursday with soybean meal up 9,236 contracts and soybean oil up 837 contracts.

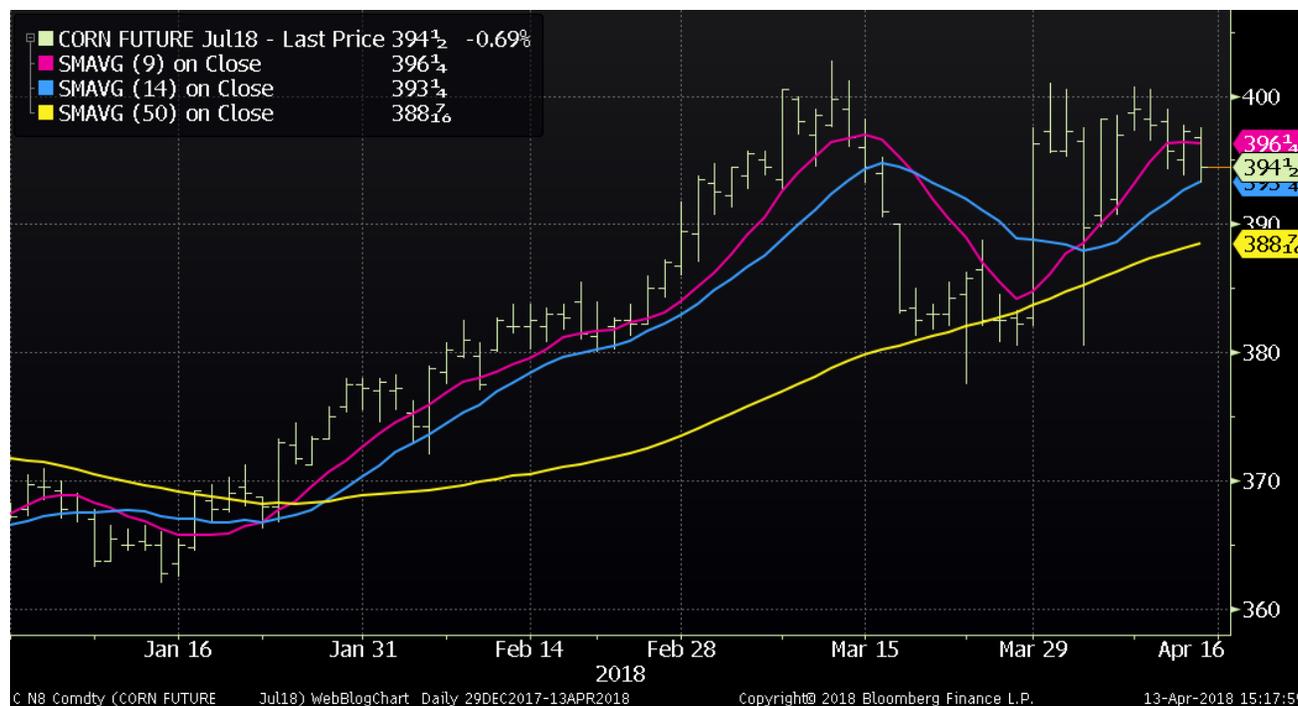


Futures and options trading involve significant risk of loss and may not be suitable for everyone. Therefore, carefully consider whether such trading is suitable for you in light of your financial condition. The information and comments contained herein is provided by ADMIS and in no way should be construed to be information provided by Archer Daniels Midland Company. The author of this report did not have a financial interest in any of the contracts discussed in this report at the time the report was prepared. The information provided is designed to assist in your analysis and evaluation of the futures and options markets. However, any decisions you may make to buy, sell or hold a futures or options position on such research are entirely your own and not in any way deemed to be endorsed by or attributed to ADMIS.



CORN

July corn settled at 394 ½, down 2 ¾ cents on the day leaving the market down 2 ½ cents on the week. December corn settled at 410 ¾, down 2 ¾ cents on the day leaving the market down 1 ¾ cents on the week. China held the second corn auction of the season today with 86% of the state reserves that were offered sold. A total of 2.92 million tonnes were purchased of the 3.39 million offered from 2013 & 2014 corn stocks. The Trump administration is outlining a US biofuel regulatory change that could include a move to year round sales of E15 blends of ethanol. In return, a possible cap on biofuel credit costs for refineries (or RINs) is being considered. If agreed upon, a two year period of time is being discussed to give the plan some complexity. Trump also has proposed to rejoin the Trans-Pacific Partnership as the White House tries to protect the agriculture sector in case of trade wars with the Chinese. Safras & Mercado lowered their Brazilian corn production estimate to 88.96 million tonnes from 89.5 million previously. They see the summer corn output at 24.01 million tonnes down from last year's 33.27 million and the winter corn production at 58.53 million tonnes down 13.1% from last year. Heavy snow in the northern Plains and upper Midwest over the weekend will keep producers idle until late April. The cold and wet start to the planting season could cause some switching of corn acres to soybeans. The open interest in corn went up 11,022 contracts on Thursday.



Futures and options trading involve significant risk of loss and may not be suitable for everyone. Therefore, carefully consider whether such trading is suitable for you in light of your financial condition. The information and comments contained herein is provided by ADMIS and in no way should be construed to be information provided by Archer Daniels Midland Company. The author of this report did not have a financial interest in any of the contracts discussed in this report at the time the report was prepared. The information provided is designed to assist in your analysis and evaluation of the futures and options markets. However, any decisions you may make to buy, sell or hold a futures or options position on such research are entirely your own and not in any way deemed to be endorsed by or attributed to ADMIS.

ADM Investor Services Market View

WHEAT

Chicago July wheat settled at 489 ¼, down 9 cents on the day leaving the market up ¾ cent on the week. Kansas City July wheat settled at 515, down 11 cents on the day which left the market down 10 ½ cents on the week. Minneapolis July settled at 626 ¾, down 5 ¾ cents on the week leaving the market up 9 ¾ cents on the week. Wheat markets continue to struggle from forecasts for improving weather for the hard red wheat and soft red wheat areas. The latest NWS 6-10 and 8-14 day outlook has above normal precipitation for the entire wheat belt from April 18-26. Russia's IKAR increased the Russian export estimate to 39.5 million tonnes from 38.5 million previously. The April USDA estimate came in at 38.5 million tonnes. Russian wheat exports for the season are estimated at 31.8 million tonnes, up 40% on the year so far according to the Russian Ag Minister. The 10% slide in the Russian ruble this week could further accelerate the pace of wheat exports. According to SovEcon exporters are seeing wide profit margins due to the weaker currency and are motivated to sell as much wheat as they can. French soft wheat conditions were rated 78% good to very good this week unchanged from last week and compared to 89% last year. Open interest in Chicago went up 6,346 contracts on Tuesday with Kansas City down 1,640 contracts.



Open an Account
with ADMIS

Learn how to better manage risk
exposure and hedge business activities.
Visit admis.com or call 1.800.243.2649



ADM Investor Services, Inc.

Futures and options trading involve significant risk of loss and may not be suitable for everyone. Therefore, carefully consider whether such trading is suitable for you in light of your financial condition. The information and comments contained herein is provided by ADMIS and in no way should be construed to be information provided by Archer Daniels Midland Company. The author of this report did not have a financial interest in any of the contracts discussed in this report at the time the report was prepared. The information provided is designed to assist in your analysis and evaluation of the futures and options markets. However, any decisions you may make to buy, sell or hold a futures or options position on such research are entirely your own and not in any way deemed to be endorsed by or attributed to ADMIS.