



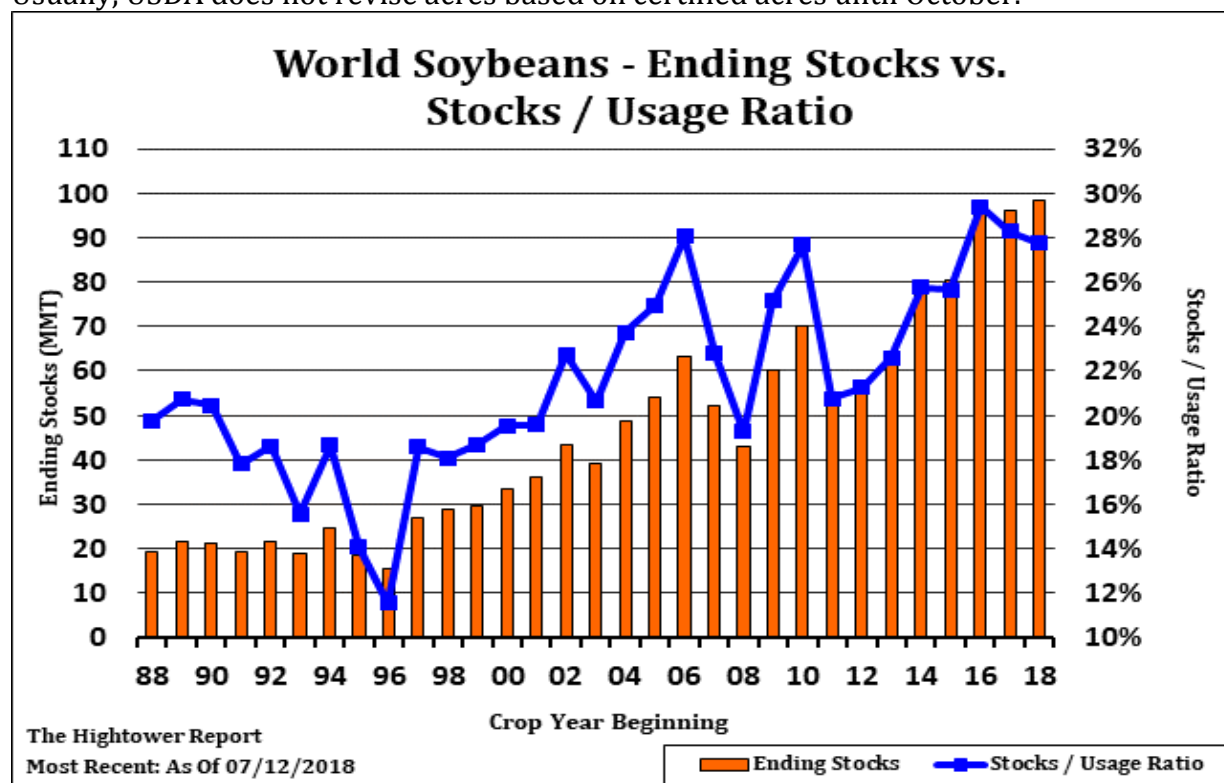
ADM Investor Services Market View

August 9, 2018

by Steve Freed, VP of Grain Research

Soybeans, soymeal, corn and wheat closed lower in front of the USDA August crop report. Market expects the report to be bearish soybean and could be friendly wheat and corn. Key will be US 2018 corn and soybean crop estimates and USDA estimate of World wheat crops.

Soybean and soymeal closed lower. Some feel traders are getting ready for a bearish USDA report tomorrow. Average guess for the US 2018 soybean crop is near 4,407 mil bu versus USDA July est of 4,310. Trade also expects US 2018/19 soybean carryout near 638 vs 580 in July. Trade could also see USDA raise World soybean end stocks to near 99.3 mmt vs 98.3 estimated in July. Trade will also be watching if they lower China soybean imports and raise Brazil exports. Weekly US soybean export sales were near 15 mil bu. Total commit is near 2,151 vs 2,229 ly. USDA goal is 2,085 vs 2,166 ly. Also on Friday, USDA will release preliminary certified acreage. Over the last 8 years, range of estimates has been 85.0-87.5 million soybean acres. Need to see a number near 87.5 to support USDA acreage est of 89.6. Usually, USDA does not revise acres based on certified acres until October.

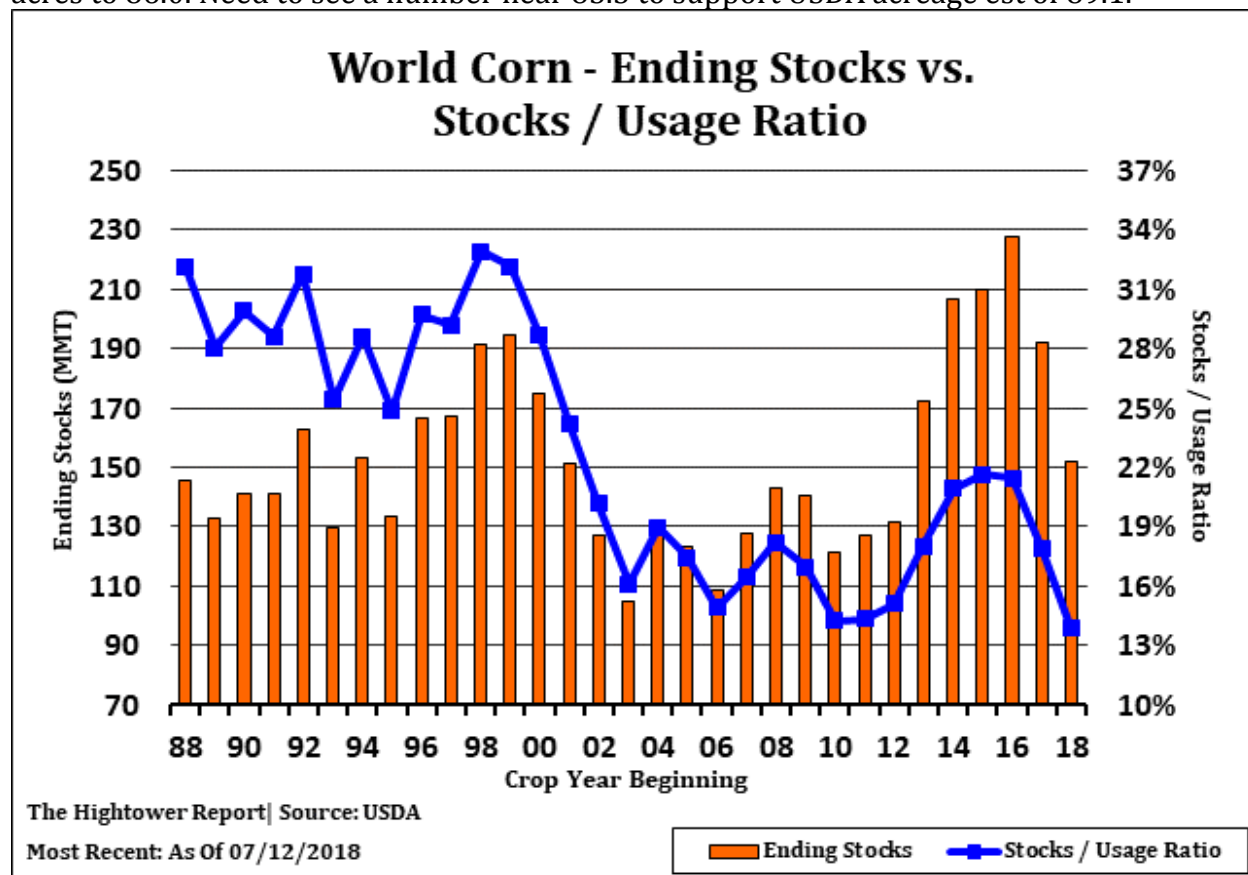


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Market View

Corn closed lower. Some feel traders are getting ready for a bearish USDA report tomorrow. Average guess for the US 2018 corn crop is near 14,411 mil bu versus USDA July est of 14,230. Trade also expects US 2018/19 corn carryout near 1,636 vs 1,552 in July. This US stocks to use ratio is still the lowest since 2013. Trade could also see USDA raise World corn end stocks to near 152.6 mmt vs 152.0 estimated in July. Minus China data, this is still historically a low World corn stocks to use ratio. Weekly US corn export sales were near 22 mil bu. Total commit is near 2,359 vs 2,221 ly. USDA goal is 2,400 vs 2,294 ly. USDA est US 2018/19 corn export near 2,225, Some feel eventually, USDA could raise that number to offset a higher crop. Final US total corn demand could be another record 14,900 mil bu. This suggest a need for at least a yield near 177. Also on Friday, USDA will release preliminary certified acreage. Over the last 8 years, range of est has been 82.0 million corn acres to 86.0. Need to see a number near 85.5 to support USDA acreage est of 89.1.

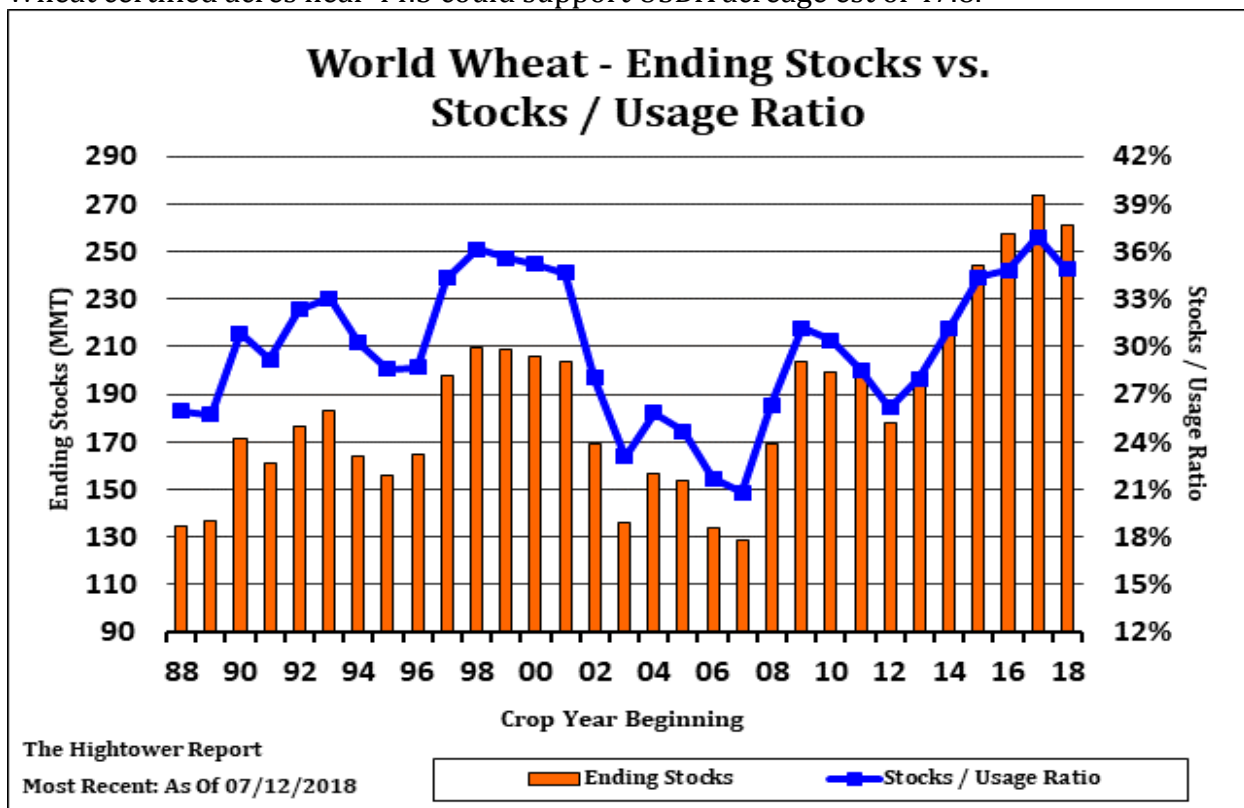


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Market View

Wheat futures closed lower. Chicago and KC lost ground to Minneapolis. Second day of profit taking in EU futures may have weighed on wheat futures. Market may have also been Overbought going into tomorrow's USDA report. Average guess for the US 2018 wheat crop is near 1,850 mil bu versus USDA July est of 1,881. Trade also expects US 2018/19 wheat Carryout near 961 vs 985 in July. Trade could also see USDA lowering World wheat end stocks to near 256.4 mmt vs 260.9 estimated in July. There are some private estimates that World wheat crop could be 18-20 mmt below USDA July estimate. Weekly US wheat export sales were near 12 mil bu. Total commit is near 276 vs 387 ly. USDA goal is 975 vs 901 ly. Wheat certified acres near 44.5 could support USDA acreage est of 47.8.



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