



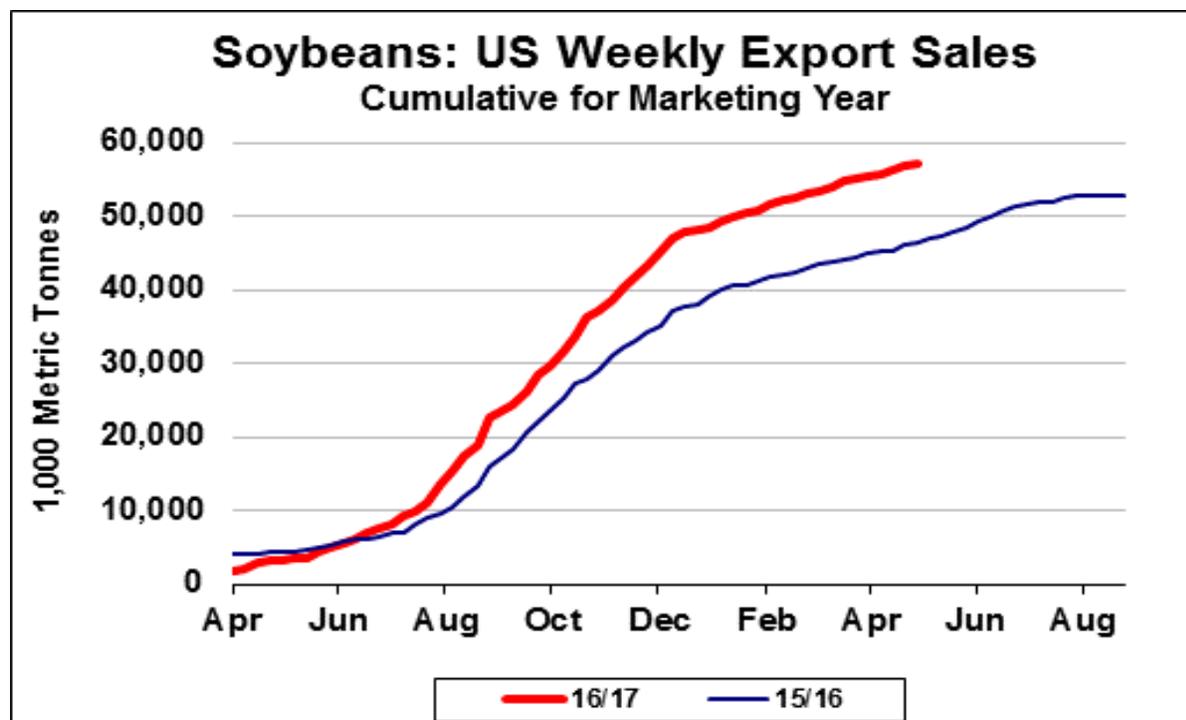
Market View

May 18, 2017

by Steve Freed, VP of Grain Research

Soybeans, soymeal and soyoil closed sharply lower. Corn futures also closed lower. Wheat closed unchanged. US Dollar turned higher. US stocks rebounded from Wednesday's steep losses. Gold was lower.

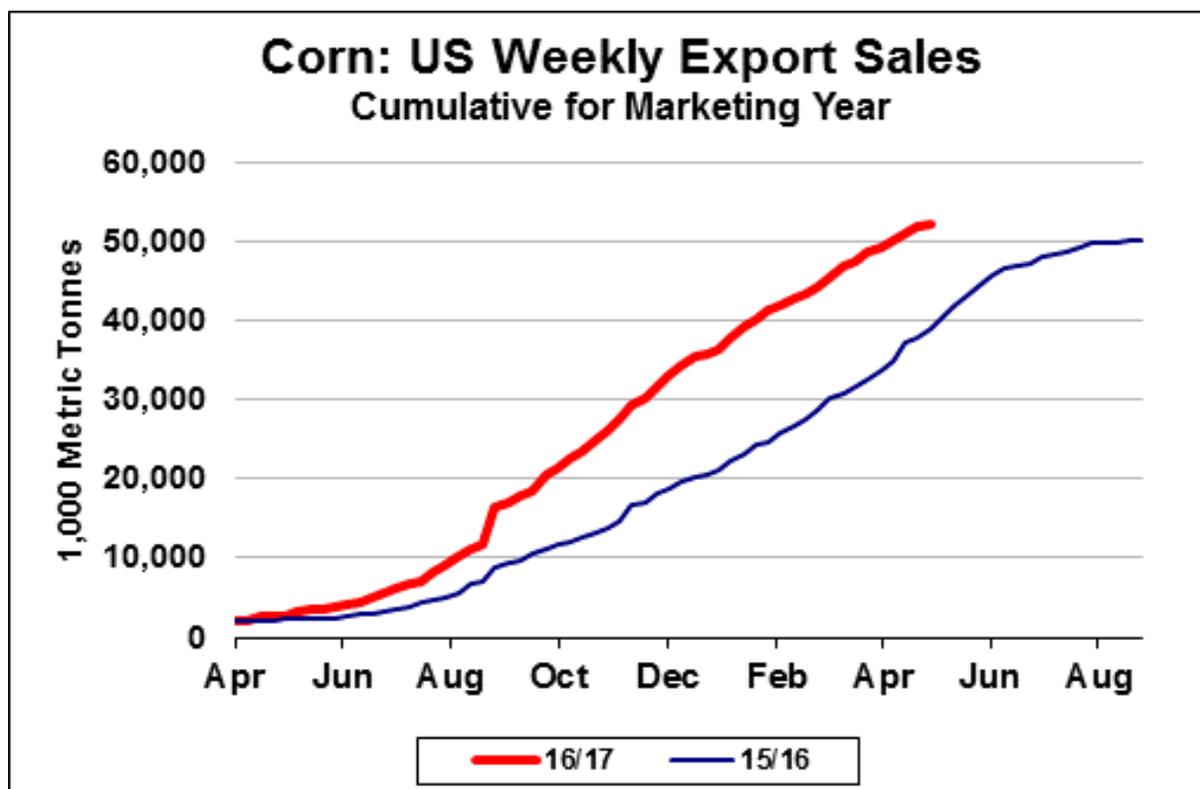
Soybeans closed lower. News that Brazil President was under investigation of bribery sent the Real sharply lower. This may have triggered Brazil farmer selling which may have triggered selling in soybean futures. One reason soybean prices have held recent prices despite negative World numbers was the slow pace of Brazil farmer selling. There is concern that the Real could go even lower and prompt increase farmer selling. Soybean futures have now traded back below May lows and into a price level which some thought China might increase buying. Weekly US soybean export sales were near 355 mt. Total commit is near 57.3 mmt vs 46.9 ly. USDA goal is 55.8 mmt vs 52.7 ly. China US commit is near 35.9 mmt. Some est China US exports could be near 44.0 mmt vs 41.5 ly.





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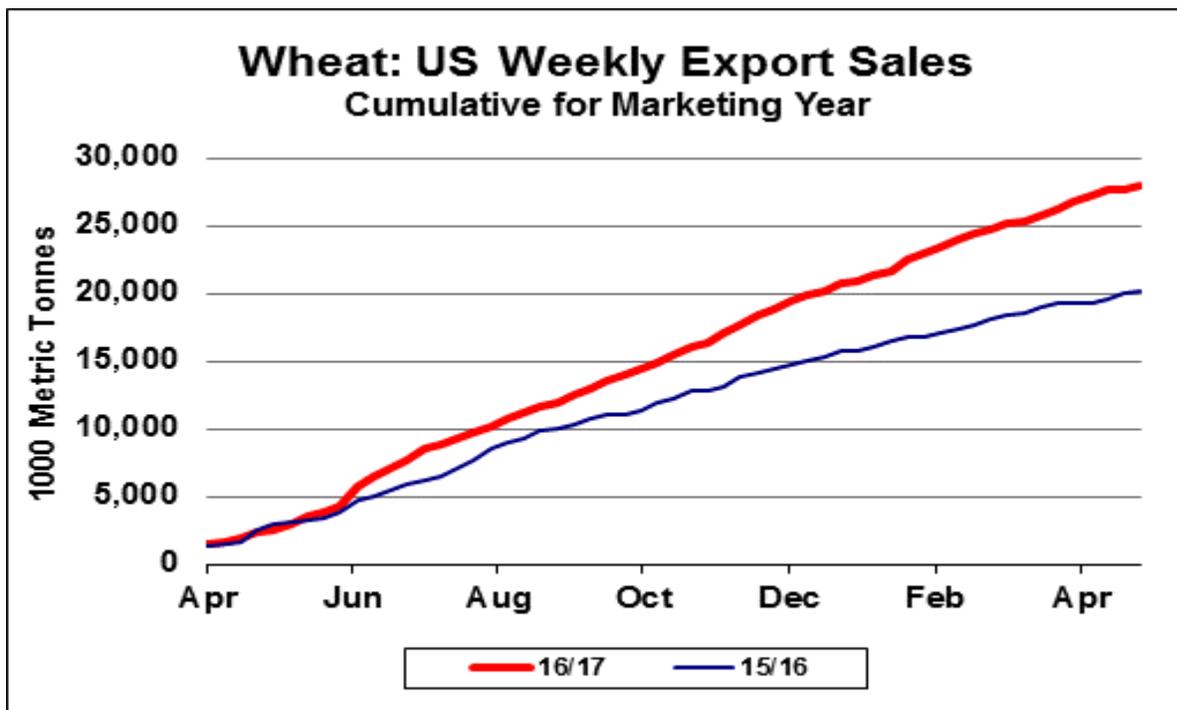
Corn futures closed lower and near session lows. Word that Brazil President was under investigation for bribery pushed the Real lower. This may have increase Brazil corn farmer to increase sales. Brazil has a record 2017 corn crop and their supply was estimated To slow US corn exports. Warm weather in the east US Midwest should help crops there. There may be too much rain in parts of the west Midwest. Weekly US corn export sales were near 705 mt. Total commit is near 52.8 mmt vs 40.4 ly. USDA goal is 56.5 mmt vs 48.2 ly. Mexico commit is near 12.6 mmt. Japan is near 10.3 mmt. Talk of a cool US May could suggest a cooler than normal June increased speculation that the final US corn crop may be slightly below trend. CZ is near 3.66. Recent support has been around 3.60. Trade below could force a test of 3.50 then 3.40. Resistance is now near 3.74.





Market View

Wheat futures closed mixed. Pressure from concern over Brazil President may have triggered selling. Uncertainty over US, China and Canada weather may have offered support. On Wed, funds may have bought wheat on concern US rains could slow winter Wheat harvest a drop quality. Early TX wheat protein yields are reported below ave. There may have also been some buying due to record high temps in China. Weekly US wheat export sales were near 248 mt. Total commit is near 28.2 mmt vs 20.6 ly. USDA goal is 28.2 mmt vs 21.1 ly. New crop sales were near 393mt. Total commit is near 3.1 mmt. USDA 2017/18 export goal is near 27.2.



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