



ADM Investor Services  
Market View

Thursday, September 13, 2018

by ADMIS Research Team

**SOYBEANS**

November soybeans have traded both sides with the market down 3 cents at 837 at mid-session. December soybean meal is down \$2.00 at \$316.40 and December soybean oil down 0.07 points at 27.92. US exporters announced the sale of 108,010 tonnes of soybeans to Mexico and 120,000 tonnes to Unknown destinations this morning. Minor support is being seen from news that Secretary Mnuchin and counterparts in China will meet for another round of trade talks. These talks will take part with higher level officials than the last meeting in August and there seems to be a bit more optimism than in the past. Yesterday's September USDA Supply Demand report was considered bearish with 2018-19 soybean yield coming in at 52.8 bushels per acre versus the average estimate of 52.3 bushels per acre. The pod weights were a record by a long shot at 0.34 grams, but the pods per 18 square foot were just the fourth highest on record. Record yields were recorded in seven states with Illinois' yield coming in at 66 bushels per acre, Nebraska's at 62 bushels per acre, and Iowa's and Indiana's yield was at 60 bushels per acre. The 2018-19 US ending stocks came in at 845 million bushels versus the average estimate of 828 million bushels. For the 2017-18 season the USDA increased crush by 15 million bushels and increased exports by 20 million bushels taking the ending stocks down to 395 million bushels from 430 million previously. The open interest in soybeans went up 9,373 contracts on Wednesday with soybean meal down 144 contracts and soybean oil up 11,170 contracts..



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## CORN

December corn pushed down to 350 ½, down 2 cents at midday with bearish forces from yesterday's USDA report still evident. The September USDA Supply/Demand report was a bearish surprise for traders with the 2018-19 corn yield coming in at a record high 181.3 bushels per acre versus the average estimate of 177.6 bushels per acre. This was nearly 3.0 bushels above the August estimate and clearly not what the various crop tours had expected. The yield was outside of the range of estimates with eight states pushing to record yields. Illinois' yield was a record 214 bushels per acre, 7 bushels above the August estimate. Iowa's came in at a record 206 bushels per acre. Other states with record yields were Nebraska, Indiana, South Dakota, Wisconsin and Michigan. The ear population per acre and ear weights were both at record high levels. US exporters announced the sale of 142,876 tonnes of corn to Costa Rica this morning. Net weekly export sales for corn came in at 774,200 tonnes for the current marketing year and none for the next marketing year for a total of 774,200 tonnes. As of September 6, cumulative corn sales stand at 24.9% of the USDA forecast for 2018/2019 (current) marketing year versus a 5 year average of 23.9%. Sales of 881,000 tonnes are needed each week to reach the USDA forecast. The open interest in corn went up 4,997 contracts on Wednesday.



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**WHEAT**

Wheat markets continue to struggle with long liquidation from speculative funds ongoing. Chicago December wheat is trading down 6 cent at 500 <sup>3</sup>/<sub>4</sub> at mid-session with Kansas City December down 4 cents at 502 <sup>3</sup>/<sub>4</sub>. The trade continues to react to the world production estimates from the USDA yesterday with the Russian wheat production increasing by 3.0 million tonnes to 71.0 million tonnes from 68.0 million previously. They also pegged Russian wheat exports at 35.0 million tonnes while there remains debate on whether the Russian Ag Minister will allow 30 million tonnes of grain exports. On Wednesday, the Russian Grain Union estimated the Russian wheat production at 68.0 million tonnes and commented that production could fall further if Siberian weather becomes an issue. Egypt bought 235,000 tonnes of Russian wheat yesterday with other importers getting active. Algeria bought wheat this week with results to be released later, Iraq is tendering for 50,000 tonnes of wheat, Saudi Arabia is tendering for 595,000 tonnes of milling wheat and Tunisia is seeking a wheat/durum/barley combo. Net weekly export sales for wheat came in at 387,600 tonnes for the current marketing year and none for the next marketing year for a total of 387,600 tonnes. As of September 6, cumulative wheat sales stand at 34.9% of the USDA forecast for 2018/2019 (current) marketing year versus a 5 year average of 50.8%. Sales of 474,000 tonnes are needed each week to reach the USDA forecast. The open interest in Chicago went up 5,783 contracts on Wednesday and Kansas City went up 1,327 contracts.



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