



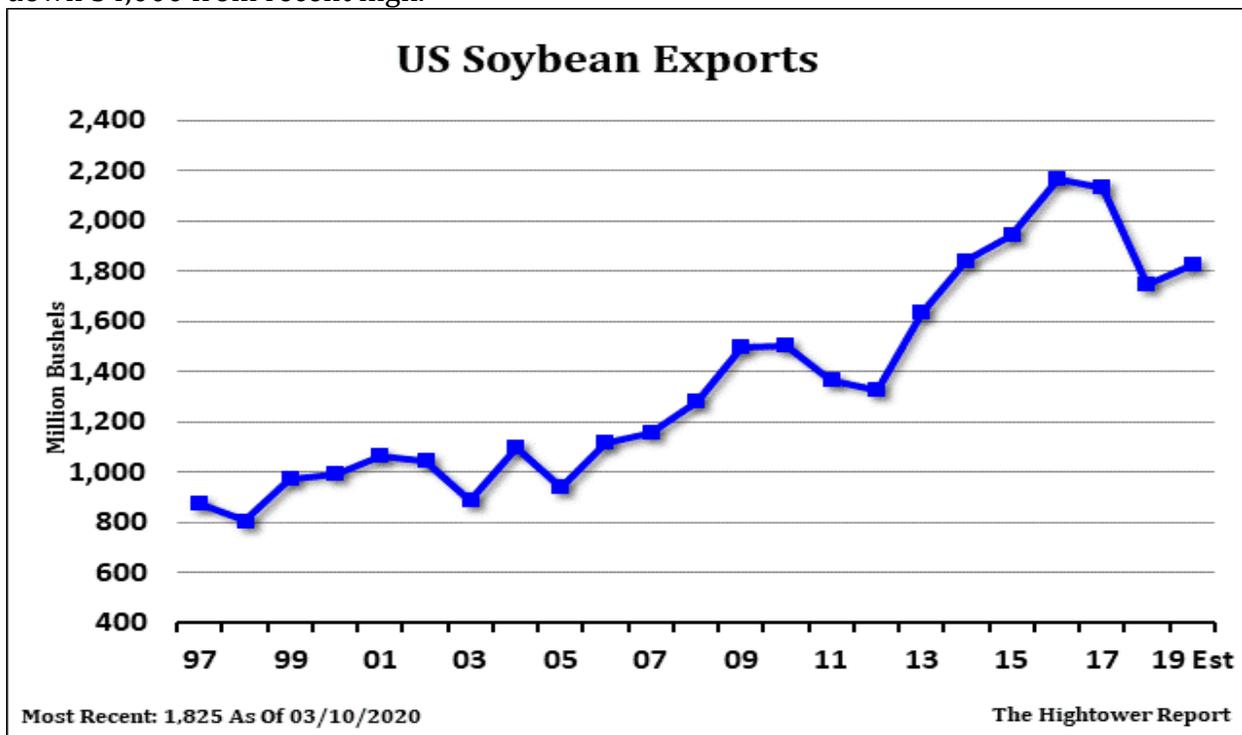
ADM Investor Services Market View

March 25, 2020 by Steve Freed

Soymeal and soybean futures are lower. Wheat and corn prices are higher. US stocks are higher Crude is up. US Dollar is lower. Gold is lower. Meats have turned lower.

SOYBEANS

Soymeal is lower on talk that large Brazil soybean exports to China could lower China soymeal prices and add to their stocks. Soybeans also could be on the defensive on lack of nearby China buying US. There is talk that China has begun to buy US new crop soybean which is helping SX. In Brazil ports are open but there are some concerns about domestic movement of grains from the farm to ports. In Argentina, same is true with ports open but farmer is not selling soybeans. Weekly US soybean export sales are estimated near 400-800 mt vs 631 last week. There remain concern global Q2 food demand could be down. Some estimate as much as 7-15 pct. Some could see increase US soybean crush demand due to increase soymeal feed use but final exports could be even lower which could increase final carryout. Daily soybean trade volume has dropped below 200,000 and open interest is down 54,000 from recent high.

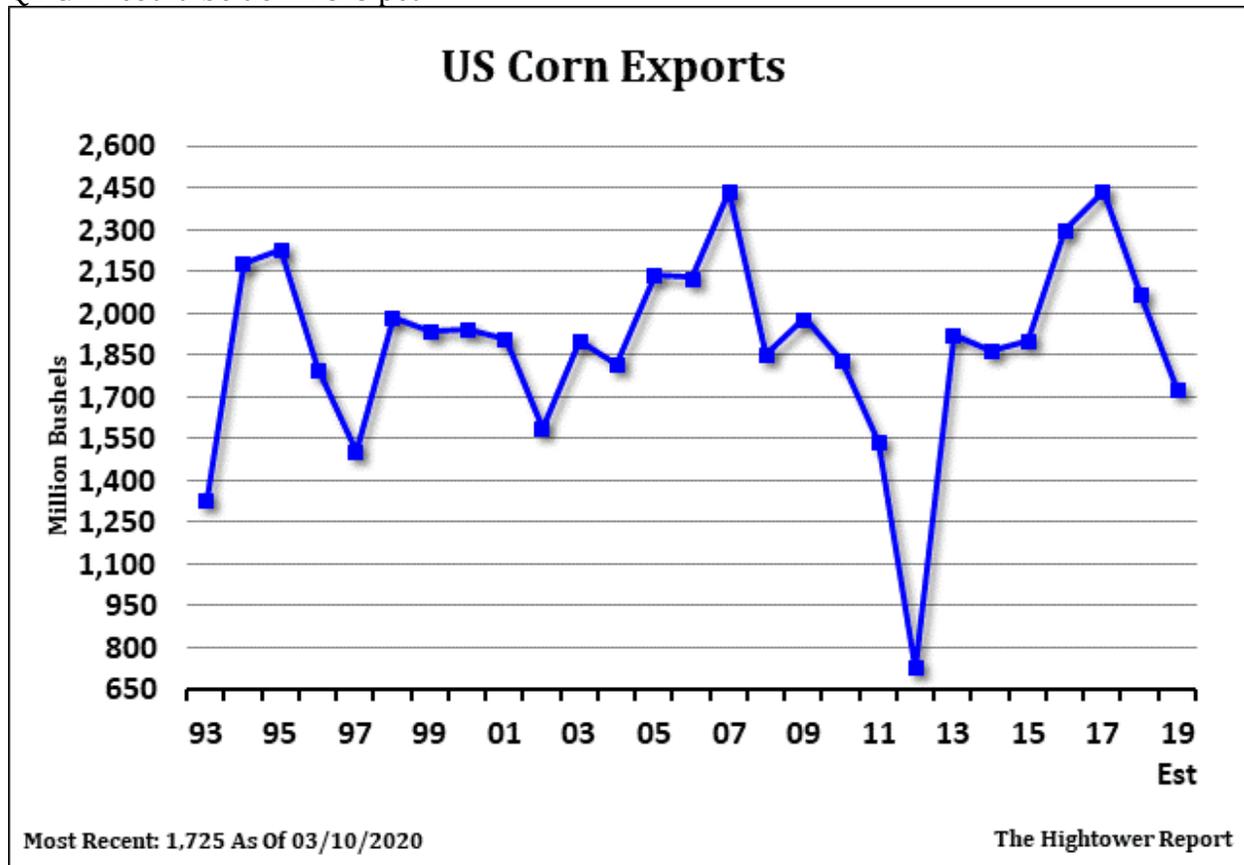




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CORN

Corn futures have continued to trend higher after China came in and bought US corn. China has now bought 1.0 mmt of US corn. Some feel they could buy 2.0-2.5 mmt of old crop US Corn and 2.0-2.5. Weekly US corn export sales are estimated near 900-1,800 mt vs 904 last week. Some feel final exports will fall 200-300 mil bu below USDA estimate which would add to the final US 2019/20 carryout. Same group could see ethanol demand down 200-300 mil bu due to poor margins and plant shutdowns. This would also add to the final carryout. Open interest is down 240,000 contract from recent high. Daily volume is also below 250,000 contracts. May corn resistance is near 3.60. Some feel if US summer weather is normal, Dec corn could trade below 3.10. US corn export prices are competitive to buyers but there is concern that global Q2 food demand could be down 7-12 pct and US Q2 GDP could be down 5-8 pct.



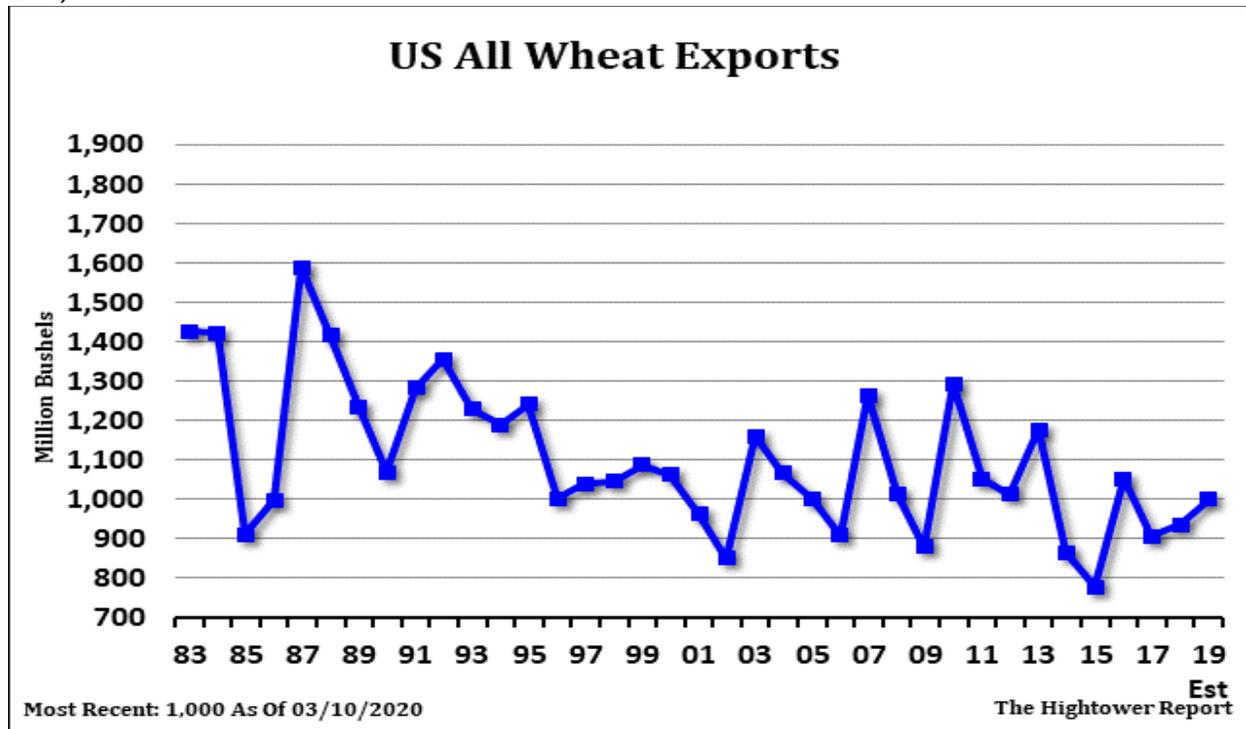


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WHEAT

Wheat futures surged higher on new speculative buying and a lack of selling. Funds were big buyers of wheat futures as prices trade above key resistance. There was some talk that Russian domestic prices had firmed on supply concerns. Still US export prices are no longer competitive for buyers. There remain good support in wheat due to large increase in US domestic flour demand. US millers have increased production due to increase consumer demand at grocery stores. Weekly US wheat export sales are estimated near 200-500 mt versus 338 last week. Some feel export could drop below USDA estate and offset a higher food demand. This week, USDA increased ratings of the US 2020 winter wheat crop. Open interest has dropped 167,000 from recent high but today daily volume jumped over 200,000.



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