

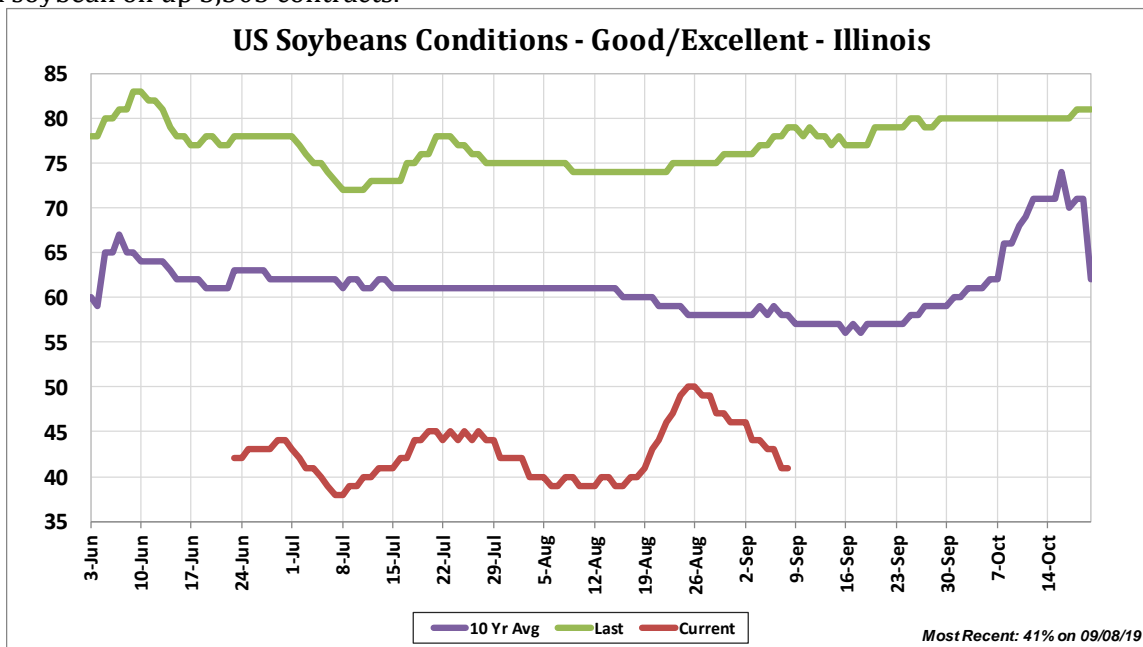
ADM Investor Services  
**Market View**

September 10, 2019

by ADMIS Research Team

**SOYBEANS**

The soybean market started the session on a firm note from some fresh demand news and crop condition concerns. The market surged higher at mid-session after headlines from the South China Morning Post stated that China is expected to buy more US agricultural goods in hopes of a delay in a series of tariffs that will take effect in October and December and the easing of a supply ban against Chinese telecom giant Huawei Technologies. November soybeans are trading at 871 <sup>3</sup>/<sub>4</sub>, up 14 cents on the day with December soybean meal at \$298.00 up \$4.00. December soybean oil is up 0.13 points at 28.58. Also supporting was a flash sale announcement of 138,000 tonnes of soybeans and 195,750 tonnes of soybean meal to Mexico. Monday's crop condition report showed soybeans rated good/excellent (G/EX) as of September 8th at 55% unchanged from last week and compared to 68% last year. Major producing states with improving conditions were Iowa at 61% (+1%), Minnesota 59% (+1%), North Dakota 66% (+2%), Missouri 48% (+2%), Kansas 55% (+2%), South Dakota 65% (+6%). Declining conditions in major producing states were Illinois 41% (-5%), Indiana 32% (-1%), Nebraska 75% (-4%), Ohio 34% (-1%), Arkansas 52% (-5%). The weather looks conducive for extended the growing season, which would be welcome news to producers, as 6.136 million acres had yet to set pods across the US as of September 8, including 1 million acres in Illinois, 552,000 in Iowa, 864,000 in Indiana, 816,000 in Missouri, 506,000 in Kansas and 315,000 in South Dakota. The open interest in soybeans went up 5,671 contracts on Monday with soybean meal up 3,059 contracts and soybean oil up 3,305 contracts.



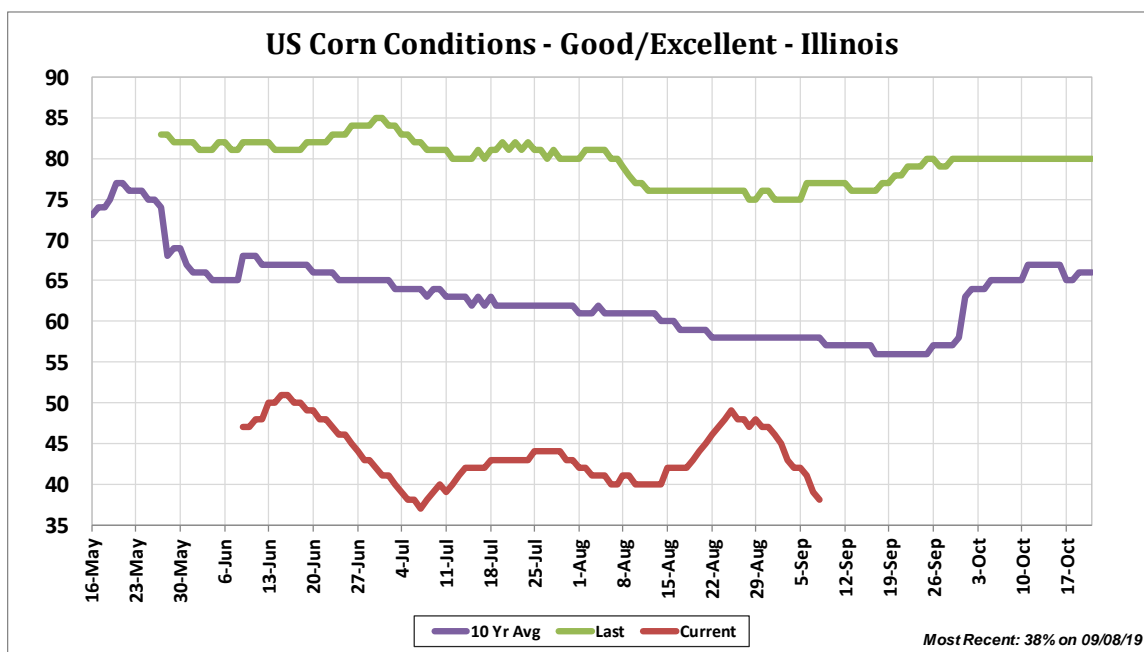
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# ADM Investor Services Market View

## CORN

December corn has pushed up to 362 ¼, up 8 cents on the day at one point. The market is just below trading at 361 ¼ at mid-session. Support was tied to another flash sale announcement of 278,000 tonnes corn sold to Mexico this morning on top of yesterday's 651,000 tonnes. Buying was also tied to yesterday's surprise crop condition report coming in at 55% good/excellent (G/EX) down from last week's 58% G/EX and compared to last year's 68% G/EX. The poor/very poor (P/VP) rating was up 1% at 14%. Major producing states with declining conditions were led by Illinois 38% (-8%), Nebraska 73% (-4%), Kansas 48% (-2%), Ohio 33% (-1%). Illinois P/VP rating went up 2% to 21%.

Corn dent stage is at 55% compared to the five year average of 77% and corn maturity is at 11% compared to 33% last year and the five year average of 24%. However, the NWS 6-10 and 8-14 day outlooks have above normal temperatures and normal to above normal precipitation for most of the Midwest from September 15-23 which will benefit the late developing crop. Bullish overtones are also coming from headlines in the South China Morning Post that stated China is expected to buy more US agriculture products as a good will gesture ahead of top level negotiations in October. The open interest in corn went up 18,396 contracts on Monday.



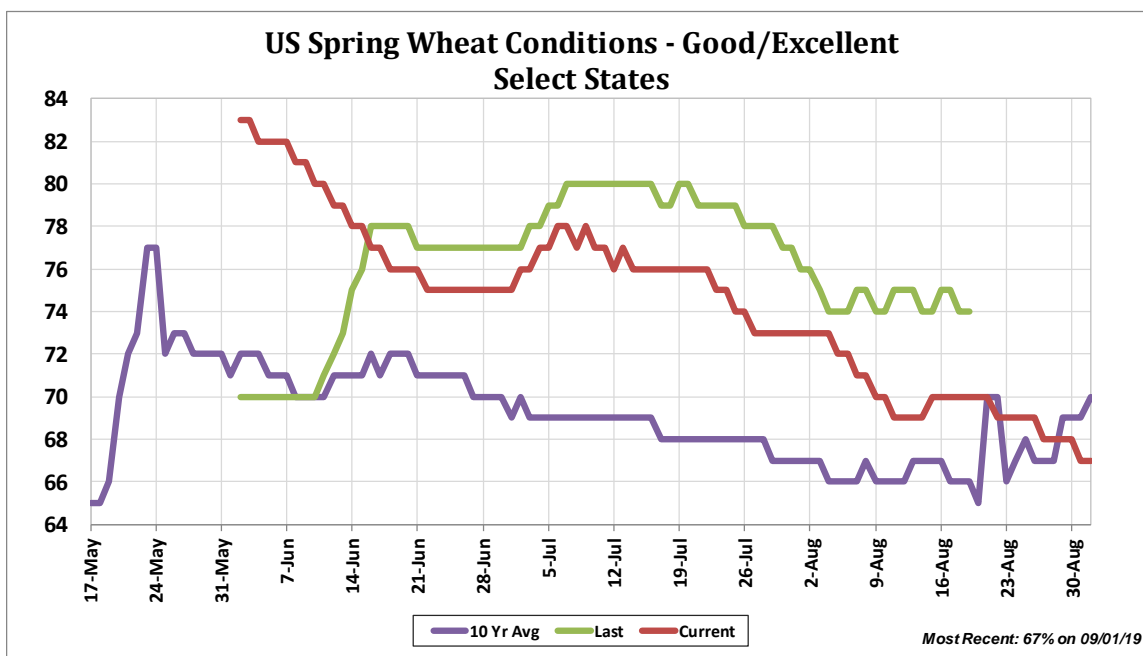


# Market View

## WHEAT

Chicago December wheat is trading at 480 ½, up 6 cents and Kansas City December is trading at 401 ¼, up 3 ¼ cents at mid-day. Strong row-crops from renewed US-China trade optimism have also sparked some short covering in all three classes of wheat today. Matif December futures settled at 170.00 Euros up over 1.0% following yesterday's strong reversal. World wheat offers have seen a slight uptick with concerns starting to develop with Australia and Argentina's wheat production. ABARES lowered their 2019-20 Australian wheat production estimate to 19.1 million tonnes compared to the latest USDA estimate at 21.0 million. Dryness in Argentina's Cordoba, La Pampa and Buenos Aires wheat regions has already started to show deterioration issues.

The French Agriculture Minister raised the wheat production estimate to 39.4 million tonnes from 38.2 million previously. The barley crop was seen at 13.6 million tonnes up 1.6% from last year. Ukraine's wheat exports exceeded 3.5 million tonnes in August according to preliminary data compiled by UkrAgroConsult. Russia shipped out 4.8 million tonnes during the month. The export data indicates a big harvest from the Black Sea region is contributing to rising global wheat inventories, which are projected to be at an all-time high for the 2019-20 season according to the USDA. The open interest in Chicago went up 8,710 contracts on Monday with Kansas City up 2,298 contracts.



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