



ADM Investor Services, Inc.

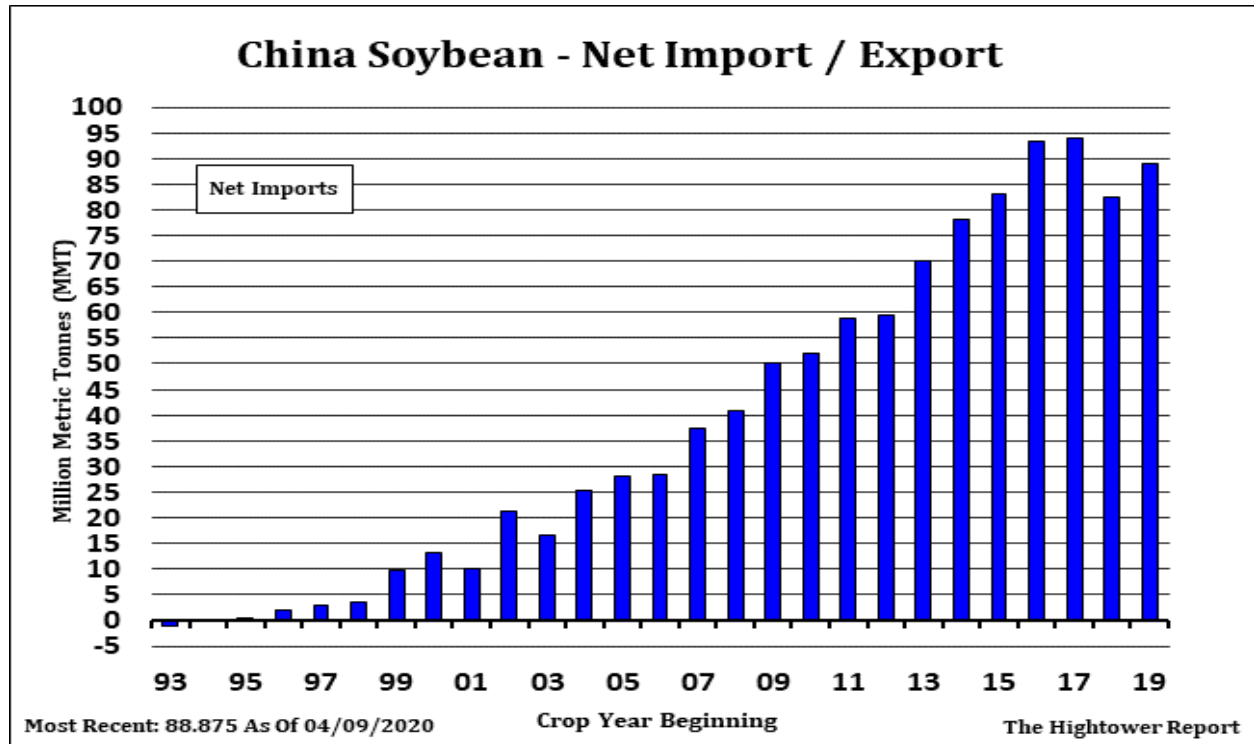
ADM Investor Services Market View

May 1, 2020 by Steve Freed

Soybeans, soymeal, soyoil, corn and wheat traded lower. Concern about demand offered resistance. US stocks were lower. Crude turned higher but ran into resistance near \$20.

SOYBEANS

Soybeans trade lower retracing some of Thursdays gains. New tension between US and China raised concern about new China buying US Ag products. This week's China buying US soybeans is thought to be by China crushers, not government reserve buying. Some feel China will need to buy 7-9 mmt of US old crop soybeans. If not, the lower demand could add 150-250 mil bu to US 2019/20 carryout. It could also widen the July-November spread to more of a carry. For the week, Soybeans up 4 cents. For the month, Soybeans prices are down 40 cents. For the year, Soybeans prices are down 38. Since the highs in early March near 8.98, July soybean futures have dropped to a recent low near 8.18. Prices rebounded to near 8.50 on talk of new China buying. Talk of higher US 2020 supplies could still send futures lower and below 8.00.



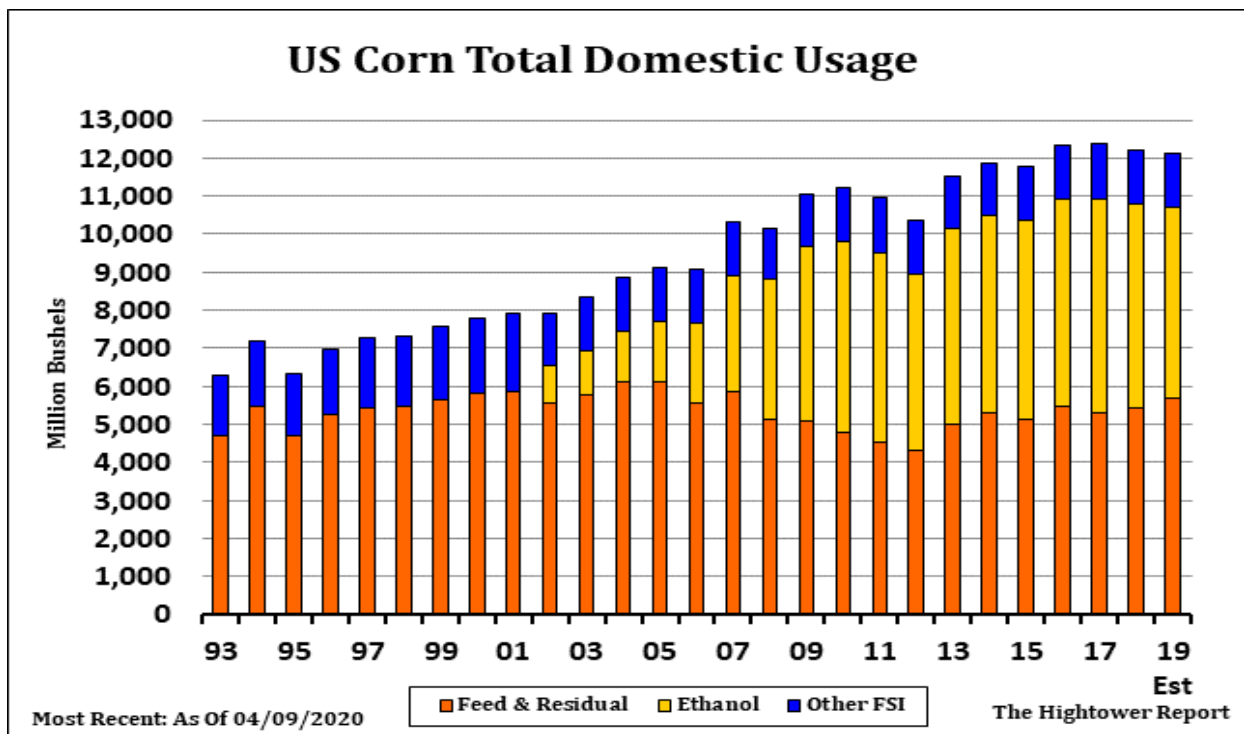
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CORN

Corn futures traded lower this week. Concern about the slow reopening US economy could continue to slow rebound in fuel, food and feed demand offered resistance. Good weekly US export sales rallied prices but there was a lack of follow through consumer buying. Ethanol numbers suggested an equilibrium between production and demand but stocks are still near record high. Margins improved this week but are still negative. There is a large build-up of hog and cattle number for slaughter. Some feel meat processing capacity need to increase to near 85 pct from 65 to help feed demand. Talk of China approving new corn import licenses offered support. Still some feel this corn has already been bought. For the week, Corn is down 7 cents. For the month, Corn was down 28 cents. For the year, Corn was down 64 cents. Better US planting weather versus last year has limited new buying. US corn planting progress is est near 46 pct versus 39 average. Managed funds are short corn futures with little new bullish news. Since early March high near 3.87, July corn futures dropped to a low near 3.09. Open interest increased on the drop in prices. Without a weather problem, corn futures should trend lower.



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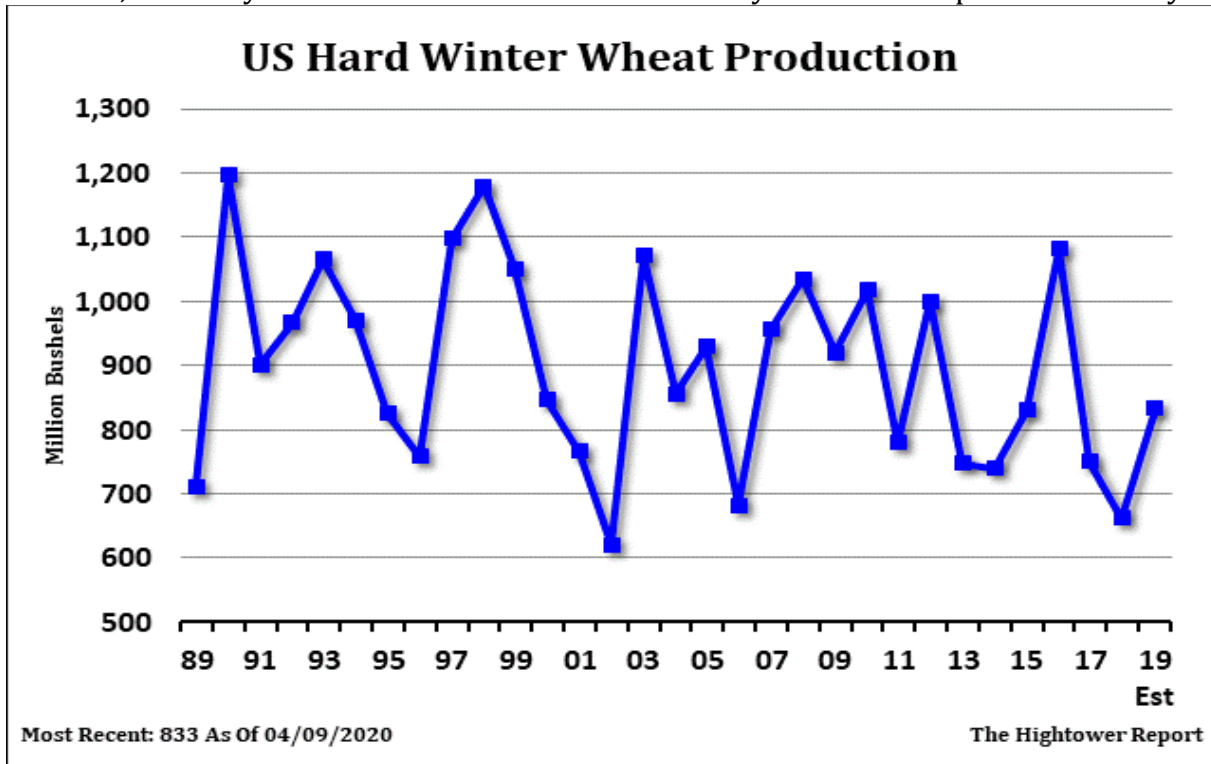


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WHEAT

Wheat futures traded lower. Concern about slow rebound in World Food demand and talk of higher World 2020 supplies continues to offer resistance to prices. For the week, SRW Wheat prices are down roughly 20 cents. For the month, SRW Wheat prices were down roughly 46 cents. For the year, SRW Wheat prices were up roughly 19 cents. Since the highs in early March near 5.71 July Chicago wheat futures have dropped to a recent low near 5.06. Rains in parts of Europe and Black Sea improved crop prospects there. This and a steep discount between new crop Russia wheat prices and old crop offers resistance to prices. Fact USDA dropped US HRW crop ratings this week offered support. 35 pct of the US SW HRW crop is dry. One private est of US 2020 winter wheat crop was near 1,243 mil bu versus 1,304 last year. KS was est near 294 vs 338 last year. USDA crop est will be May 12.



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