

MID-CO COMMODITIES, INC.

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Morning Market Commentary
Friday, August 07, 2020

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OVERNIGHT MARKETS (as of 7:15 AM)

Contract	Last	Change	Support	Resistance	RSI	Contract	Last	Change	Contract	Last	Change
CU20	310 3/4	-1/2	315	324	35.41	OU20	276 1/4	1 3/4	Dollar I.	93.196	0.408
CZ20	323 1/4	-1/2	326	332	37.75	CTV20	64.7	-0.15	Crude	41.36	-0.59
SQ20	878 3/4	-2	870	910	46.49	SMQ20	281.3	0.6	Gold	2045.1	-6.4
SX20	876 1/4	-1 3/4	871	912	46.16	BOQ20	31.52	-0.18	RBOB	1.2192	-0.0089
WU20	501 1/2	1/4	515	530	44.01	LCQ20	102.63	0.325	Ethanol	1.159	0.055
WZ20	508 3/4	1/2	524	535	43.89	LHQ20	49.75	0.3	Dow J.	26,983	-74.00

SPREADS

CORN	Last	Full Carry	% Full Carry	BEANS	Last	Full Carry	% Full Carry	WHEAT	Last	Full Carry	% Full Carry
CU20:CZ20	-12 1/2	-26.62	46.95%	SQ20:SU20	5 3/4	-10.52		WU20:WZ20	-7 1/2	-18.77	39.97%
CU20:CH21	-24	-52.95	45.33%	SQ20:SX20	2 3/4	-30.87		WU20:WH20	-15 1/2	-37.33	41.53%
CZ20:CH21	-11 1/2	-26.71	43.05%	SX20:SF21	-6 3/4	-20.68	32.64%	WZ20:WH21	-8 1/4	-18.82	43.84%

- The weaker trend continues with soybeans making new lows for the move. There are rumors that China may have bought several cargos of US Gulf beans. Traders will be looking for fresh sale announcements this morning. Other fresh fundamental news remains scarce.
- Stocks are trading lower and the dollar is higher as no progress has been reported on a new stimulus program for the US economy. President Trump signed an executive order, banning transactions with WeChat and TikTok. President Trump also initiated a plan that could force Chinese companies, with shares traded on US stock exchanges, to give up their listings unless they comply with US audit requirements.
- The average trade estimate for next Wednesday's release of the August WASDE report pegs the new crop US corn carryout at 2.8 bln bu which is up from the 2.648 bln bu carry out projected in the July report. The average soybean ending stocks estimate (2020/21) is pegged at 525 mln bu, up from 425 mln bu in the July report.
- According to data released by the US Census Bureau, the US has shipped a total of \$7.3 bln in agricultural goods to China during the first 6 months of this year. This is up 6% from last year's 11-year low, but it is down 25% from the 2017 benchmark. Phase 1 outlines China's will to purchase \$36.5 bln in 2020, a 50% increase from 2017.
- Last night's GFS model turned noticeably drier for Iowa next week, removing much of the rain that was indicated on yesterday's midday model run. The 11 to 16-day outlook maps indicate average to below average rainfall while temperatures should be running near normal.

Managed Money Activity	Prev Day's Activity	Est Net Position	Record Long	Record Short
Corn	even	-176,000	429,189	-322,215
Beans	-2,000	53,000	253,889	-168,835
Chicago Wheat	-7,000	-15,000	80,827	-162,327

Opening Calls

More friction between the US and China weighing on soybeans and stock futures.

Trade estimates are out for next Wednesday WASDE report.

Traders will be watching for export sale announcements following soybean rumors.

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