



Morning Agriculture Commentary

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Wheat prices overnight are up 15 1/2 in SRW, up 18 3/4 in HRW, up 24 1/4 in HRS; Corn is up 16 1/4; Soybeans up 21 1/2; Soymeal up \$0.59; Soyoil up 0.75.

Markets finished last week with wheat prices up 62 3/4 in SRW, up 52 1/2 in HRW, up 71 in HRS; Corn is up 33 1/4; Soybeans up 18; Soymeal up \$1.92; Soyoil down 1.36.

For the month to date wheat prices are up 23 in SRW, up 12 3/4 in HRW, up 26 in HRS; Corn is up 20; Soybeans down 40; Soymeal up \$2.90; Soyoil down 3.22.

Year-To-Date nearby futures are up 14% in SRW, up 19% in HRW, down -1% in HRS; Corn is up 35%; Soybeans up 23%; Soymeal up 16%; Soyoil up 14%.

Chinese Ag futures (SEP 22) Soybeans down 21 yuan; Soymeal up 38; Soyoil up 24; Palm oil down 36; Corn up 21 -- Malaysian markets are closed for holiday.

There were changes in registrations (-12 SRW Wheat, -11 Oats). Registration total: 2,653 SRW Wheat contracts; 4 Oats; 0 Corn; 0 Soybeans; 98 Soyoil; 0 Soymeal; 66 HRW Wheat.

Preliminary changes in futures Open Interest as of July 8 were: SRW Wheat down 1,384 contracts, HRW Wheat down 252, Corn up 1,302, Soybeans down 2,437, Soymeal up 3,937, Soyoil up 6,083.

Northern Plains Forecast: Scattered showers went through over the weekend, which brought strong wind gusts, but many areas were missed. After a brief cooldown early this week, warmer temperatures will move back into the region by the weekend, with heat likely lasting the rest of the month. Most areas have good soil moisture so far this summer but chances for precipitation are becoming more frequent north of the border than through the region.

Central/Southern Plains Forecast: Hot temperatures and spotty showers moved through over the weekend. Cooler temperatures will move into the region for a few days as a cold front brings a few isolated showers through, but heat will return by the end of the week and hotter and drier conditions are expected for the rest of the month.

Midwest Forecast: Spotty showers went through over the weekend, but many areas were missed. Even with decent showers in some areas over the last week, dryness and drought continue to build in sections of the region. A front sagging through the region this week will only provide isolated shower chances. Another front moves through with limited showers this coming weekend, but again, will be streaky, leaving many areas dry. Hotter temperatures will also spread through the region between fronts, adding to some stresses throughout the region.

Canadian Prairies Forecast: Scattered showers moved through the region over the weekend, but also came with some severe weather that may have caused some damage in a few spots. The region will be a little quieter this week, though the storm track remains through the region, giving the area opportunities for more showers. Overall, warmer temperatures are also expected. Where soil moisture is ample, the heat will make for some good crop growth. More limited areas, especially in southwestern Saskatchewan, could use some more moisture.

Europe Forecast: Cooler temperatures and more showers moved into eastern areas of the continent and offered a reduction in stress that built up from a strong heatwave in June. Showers could bring some harvest challenges as they pinwheel around an upper-level low through the week. In the west, heat and dryness continue to cause concerns for corn and other summer crops, including Spain and Italy to the south.

Black Sea Forecast: An upper-level low moved into the region over the weekend, bringing a reduction in temperatures and scattered showers. That will continue through the majority of the week. The conditions may hamper winter wheat harvest, where war is not getting in the way. But the conditions will be much more favorable for corn and sunflowers as they continue to develop, especially in Ukraine.

The player sheet for 7/8 had funds: net buyers of 18,500 contracts of SRW wheat, buyers of 20,000 corn, buyers of 12,000 soybeans, buyers of 5,500 soymeal, and buyers of 3,000 soyoil.

	Corn	Soybeans	Wheat	Soymeal	Soyoil
July 8	+20,000	+12,000	+18,500	+5,500	+3,000
July 7	+9,000	+15,000	+12,500	+5,500	+9,500
July 6	+4,000	+3,500	-2,000	+2,500	-2,500
July 5	-24,000	-23,500	-13,500	-4,500	-12,000
July 1	-13,500	-17,500	-14,000	-7,000	-8,000

TENDERS

- **FEED CORN PURCHASE:** South Korea's Feed Leaders Committee (FLC) purchased about 65,000 tonnes of animal feed corn expected to be sourced from South America in a private deal earlier this week without an international tender being issued, European traders said.

PENDING TENDERS

- **WHEAT TENDER:** The Taiwan Flour Millers' Association has issued an international tender to purchase 44,725 tonnes of grade 1 milling wheat to be sourced from the United States

- WHEAT TENDER: Bangladesh's state grains buyer issued an international tender to purchase 50,000 tonnes of milling wheat
- VEGETABLE OIL TENDER: Egypt's state grains buyer said on Monday it was seeking at least 3,000 tonnes of soyoil and 1,000 tonnes of sunflower oil in a local production tender for arrival Aug. 10-30. Deadline for offers is on July 6.
- FEED WHEAT TENDER: Importers in the Philippines are tendering to purchase at least 50,000 tonnes of animal feed wheat
- WHEAT TENDER: Jordan's state grain buyer issued an international tender to buy 120,000 tonnes of hard milling wheat
- FEED WHEAT, FEED BARLEY TENDER: Japan is seeking 70,000 tonnes of feed wheat and 40,000 tonnes of feed barley to be loaded by Oct. 31 and arrive in Japan by Dec. 22 via a simultaneous buy and sell auction on July 13, the country's agriculture minister said.
- FEED BARLEY TENDER: Jordan's state grains buyer issued a new international tender to purchase 120,000 tonnes of animal feed barley
- WHEAT TENDER: Jordan's ministry of trade has issued a tender to buy 120,000 tonnes of wheat, the state news agency reported on Sunday.
- WHEAT TENDER: The Trading Corporation of Pakistan (TCP) issued a new international tender to purchase and import 300,000 tonnes of wheat

US BASIS/CASH

- Spot basis bids for soybeans shipped by barge to the U.S. Gulf Coast fell on Friday as export demand at the gulf has been soft in recent weeks, traders said.
 - Bids for CIF Gulf soybean barges loaded in July fell to 185 cents over August soybeans, 20 cents lower than Thursday, traders said.
 - FOB soybean offers for July shipments from the Gulf were even at around 90 cents over July futures.
 - CIF corn barge offers held steady after falling a day earlier, with July and August loads trading 72 cents over July.
 - FOB basis offers for July corn loadings fell to around 92 cents over July.
 - Spot barges on the Mississippi River at St. Louis were offered at 335% of tariff, up from 325% on Thursday.
- Spot basis bids for soybeans fell sharply at river terminals on Friday, with demand from exporters at the U.S. Gulf weak due to plentiful supplies of cheaper soybeans from South American countries.
 - Around the interior, soybean bids were steady to weak at elevators, falling by 10 cents a bushel in Council Bluffs, Iowa, and flat at processors.
 - Cash bids for corn rose sharply in the rail market but were unchanged at truck market processors and elevators.
 - The corn basis was steady to firm along rivers, rising by 2 cents a bushel in Morris, Illinois.
- Spot basis bids for hard red winter wheat were steady to firm at grain terminals in Oklahoma on Friday, grain dealers said.
 - The basis was unchanged at terminals in Kansas and at Texas rail elevators that ship supplies to the U.S. Gulf.
 - Some farmers were booking deals for small amounts of their newly harvested crop, with the futures market rally that pushed cash prices above \$9 triggering the sales, an Oklahoma dealer said.

- Protein premiums for hard red winter wheat shipped by rail to or through Kansas City fell by 10 cents a bushel for the second day in a row for all grades of wheat, according to CME Group data
- Spot basis bids for corn were steady to weak at ethanol plants, river terminals and processors around the U.S. Midwest on Friday morning, grain dealers said.
 - The cash basis for corn was flat at the region's interior elevators.
 - Soybean bids were steady to weak at interior elevators and river terminals, and flat at processors.
 - Farmer sales of both commodities were slow, an Iowa dealer said.
- Spot basis offers for U.S. soymeal were mixed at Midwest truck market processors on Friday, dealers said.
 - Offers were steady to weak in the rail market, falling by \$5 a ton in Decatur, Alabama.
 - Dealers said that demand from livestock and poultry producers was routine.
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TODAY

CFTC Money Managers' Commodity Positions for July 5

			Weekly	Weekly
Agriculture:	July 5	June 28	Net Chg	% Chg
Corn	172,867	228,615	-55,748	-24.4%
Soybeans	105,048	124,498	-19,450	-15.6%
Soybean Oil	24,929	33,605	-8,676	-25.8%
Soybean Meal	65,777	62,457	3,320	5.3%
Wheat CBOT	-42	1,020	-1,062	n/a
Wheat KCBT	22,037	24,856	-2,819	-11.3%
Sugar	43,321	71,082	-27,761	-39.1%
Cocoa	-29,409	-10,793	-18,616	-172.5%
Cotton	40,686	46,738	-6,052	-12.9%
Coffee	34,692	32,861	1,831	5.6%
Live Cattle	14,297	24,265	-9,968	-41.1%
Feeder Cattle	-7,531	-5,320	-2,211	-41.6%
Lean Hogs	28,485	30,639	-2,154	-7.0%

US Agriculture Export Sales for Week Ending June 30

Corn:	June 30	June 23	Year Ago	Weekly Chg	Yearly Chg
Total net sales	44.6	208.1	371.4	-163.5	-326.8
Old crop	-66.6	88.8	173.2	-155.4	-239.8
New crop	111.2	119.3	198.2	-8.1	-87.0
Outstanding sales	14,347.0	15,329.7	26,980.8	-982.7	-12,633.8
Old crop	7,858.9	8,952.8	11,034.3	-1,093.9	-3,175.4
New crop	6,488.1	6,376.9	15,946.5	111.2	-9,458.4
Exports weekly	1,027.4	1,254.7	1,286.3	-227.3	-258.9
Exports accumulated	52,498.4	51,471.0	58,685.9	1,027.4	-6,187.5
Soybeans:					
Total net sales	80.1	7.4	182.3	72.7	-102.2
Old crop	-160.0	-120.2	63.8	-39.8	-223.8
New crop	240.1	127.6	118.5	112.5	121.6
Outstanding sales	21,462.1	21,887.0	12,808.2	-424.9	8,653.9
Old crop	7,724.4	8,389.4	3,410.3	-665.0	4,314.1
New crop	13,737.7	13,497.6	9,397.9	240.1	4,339.8
Exports weekly	504.9	517.7	221.2	-12.8	283.7
Exports accumulated	52,165.4	51,729.1	58,494.0	436.3	-6,328.6
All wheat:					
	June 30	June 23	Year Ago	Weekly Chg	Yearly Chg
Total net sales	286.4	496.7	290.8	-210.3	-4.4
Old crop	286.4	496.7	290.8	-210.3	-4.4
New crop	0.0	0.0	0.0	0.0	0.0
Outstanding sales	4,609.6	4,610.3	5,144.1	-0.7	-534.5
Old crop	4,609.6	4,610.3	5,144.1	-0.7	-534.5
New crop	0.0	0.0	0.0	0.0	0.0
Exports weekly	287.1	241.4	385.1	45.7	-98.0
Exports accumulated	1,447.0	1,159.9	1,546.8	287.1	-99.8

China to sell 500,000 T of reserve soybeans on July 15 -trade centre

China will sell 500,000 tonnes of imported soybeans from its state reserves on July 15, the National Grain Trade Center said in a notice on its website on Friday.

Beijing has been selling supplies of the oilseed to the market after a shortage of beans earlier this year.

India's summer-sown crop planting lags, raises output concerns

Farmers in India have fallen behind in planting key summer-sown crops such as rice, corn and soybeans due to the uneven distribution of monsoon rainfall, although they could recover ground in the coming week if there is enough rain.

As of July 8, 40.67 million hectares had been planted with summer crops, some 9.3% less than a year earlier, according to the Ministry of Agriculture & Farmers' Welfare.

The planting of summer-sown crops takes place in the monsoon months of June and July, while harvesting starts in October.

Some 7.2 million hectares had been planted with rice, well down from 9.5 million hectares in the previous year, the ministry said.

"Rainfall deficit is quite high in eastern rice growing states. Area and yield could fall if these areas don't get ample rainfall in next few days," said a Mumbai-based dealer with a global trading firm.

India has received normal rains since the start of monsoon season on June 1, but key rice producing regions have received as much 46% less rainfall than the normal.

In July, the most crucial month for planting of summer crops, India is likely to receive monsoon rainfall between 94% and 106% of the long-term average, weather department said last week. (Full Story)

In southern and central states sowing has gained momentum in the past few days after this region received good rainfall, the dealer said.

India is the world's biggest exporter of rice, and accounts for more than 40% of the global rice trade, A reduction in output could prompt New Delhi to curb rice exports. (Full Story)

Some 5.4 million hectares was planted with soybeans, 22% less than a year ago. Corn was planted in 3.18 million hectares, and was down 24%.

Sugarcane and cotton planting was almost unchanged at 5.3 million hectares and 8.5 million hectares respectively.

Brazil Soy 2021/22 Sales Reach 74.3% as of July 8: Safras

Compares with 65.9% in previous report, from June 3, with 79.2% a year ago and 5-year average of 77.6%, agricultural consultancy Safras & Mercado says in emailed report.

- Taking into account an estimated harvest of 122.3m tons, soybean sales have so far totaled 90.9m tons
- As for the early sales of 2022/23 crop, currently seen at 144.7m tons, Safras estimates sales at 15.7%
 - That compares with 21.5% a year ago and a 5-year average of 19.3%
 - Sales were 13.3% done as of June 3 report

China Soy Import Estimate Trimmed on Rising Output: US Attache

China's soybean import estimates for the current and upcoming marketing years were lowered slightly in an informal forecast by the US Department of Agriculture's Beijing post.

- The outlook for imports in 2021-22 is trimmed by 1 million metric tons to 94 mmt "due to ongoing weak demand for vegetable oil in the food service sector and slowly recovering margins in the swine and poultry sectors," USDA attache says in report
 - That's still 2 mmt higher than the agency's formal estimate
- The 2022-23 forecast is pared 2 mmt to 98 mmt, based partly on expectations for higher domestic production
 - USDA official estimate is 99 mmt
- Soybean production for 2022-23 is forecast to reach 18.4 mmt, above USDA's est. of 17.5 mmt
 - Increased outlook stems from high domestic prices and government policies aimed at bolstering output: report
- China's rapeseed production is seen at 14.8 mmt for 2022-23; USDA est. is 14.7 mmt

- Soybean crush and imports are forecast to recover to 95 mmt and 98 mmt, respectively, in 2022-23, driven by the increased cost-competitiveness of soybean meal versus other protein-rich feed alternatives: report

Indonesia to Start Imposing Higher Biodiesel Mandate on July 20

- Palm oil content in fuel set to increase to 35% from 30%
- Mandate to boost biodiesel consumption in the country

Indonesia, the world's biggest palm oil producer, will start imposing higher palm oil content in gasoil on July 20 in a bid to reduce overflowing stockpiles of the vegetable oil.

The B35 program mandates that local diesel must contain 35% palm oil, up from the current 30% mix. This will boost biodiesel consumption by 727,804 kiloliters until December, according to Dadan Kusdiana, director general of new and renewable energy at the energy and mineral resources ministry. Palm oil's recent slump into a bear market has reignited interest in biofuel as it is now at the cheapest to diesel in almost four years. Indonesia said last week it plans to raise the biodiesel mandate in order to bring down fuel subsidy costs in the country.

Indonesia's biodiesel consumption will hit 5.78 million kiloliters by the end of July, bringing total estimated full-year use to 10.88 million kiloliters. That's higher than the country's initial target of 10.15 million, Kusdiana said.

The nation is confident of a successful implementation of its 35% target as a 1,000-hour laboratory test using 30% and 40% palm-based biodiesel showed no significant differences in the machine performance and emissions, Kusdiana added.

The government will conduct a road test for 40% palm-based biodiesel later this month, the result of which will be used as a basis for a recommendation to use higher content of palm oil in gasoil.

India Asks Edible Oil Mills to Cut Prices to Cushion Consumers

The world's biggest edible oil buyer has directed processors to immediately reduce prices by 15 rupees a liter to cushion consumers amid import duty cuts and a slump in global prices, according to a statement by the food ministry.

The government is continuously monitoring prices and the availability situation of edible oils in the country

It is imperative that the benefit of the reduced duty structure and a significant drop in global prices "be immediately passed on to the end consumers without fail": statement

Biodiesel Supply Limited by Faltering Mandates, New-Fuel Focus

Global biodiesel-supply growth may be limited amid weak underlying producer economics and lower blend mandates in markets including Brazil and Argentina. Producers such as Renewable Energy Group, World Energy and Darling Ingredients are instead diverting capacity plans to renewable diesel to capture growing demand for lower-carbon fuel.

Biodiesel Price Surge Reflects Oil, Feedstock Move

Biodiesel prices have surged amid resilient demand, higher crude oil pricing and the elevated cost of its primary feedstock, soybean oil. Soybean oil prices are higher than usual amid broader agricultural-commodity inflation. Rising renewable-diesel production capacity, including existing-refinery conversions, could strain feedstock demand, which is increasingly shifting toward waste fats and tallows from vegetable oils. Though potential exists for biodiesel and renewable-diesel suppliers to supply product for nascent bioplastics and sustainable aviation fuels, policy support may be required to

increase production scale. Uncertainty around the long-term renewal of the US blenders tax credit after 2022 could add margin volatility for producers.

SOYBEAN/CEPEA: International decreases press down quotes in Brazil

Concerns regarding a possible economic recession and interest rate increases are driving investors away from the futures market, a scenario that has been pressing down commodities' values in general, including soybean.

As a result, the upward trend in soybean prices that had taken place since the beginning of 2022 has shifted over the last days. Price rises were attributed to the demand, limited investments and energy and the lower food supply, due to the Russia-Ukraine war.

The decrease of international values is explained by the lower demand of US grains from China and price drops of soybean oil and oil. Not even concerns about the weather in the United States and the worsening of crops conditions in that country were able to sustain prices.

The Brazilian market, therefore, was partly affected by international price decreases. The ESALQ/BM&FBovespa Index Paranaguá (PR) downed 2.4% from June 30 to July 7, closing at BRL 190.37/60-kilo bag on July 7. The CEPEA/ESALQ Index Paraná decreased by 2.8% in the week, at BRL 184.45/bag. On the average of the regions surveyed by Cepea, prices dropped by 2.4% in the over-the-counter market (paid to farmers) and by 2.7% in the wholesale market (deals between processors). Dollar quotes rose by 2.2% from June 30 to July 7, at 5.344 BRL, which limited price drops of soybean in Brazil.

As for by-products, soybean oil values decreased, while soybean meal quotations moved up this week. Soybean oil prices (with 12% ICMS) dropped by 5.4% in São Paulo city between June 30 and July 7, to BRL 8,150.70/ton on July 7. Concerning soybean meal, values rose by 1% on the average of regions surveyed by Cepea.

Secex data indicate that 10.13 million tons of soybean were shipped in the 21 working days of June, 8.5% down compared to the same period last year. In spite of that, the revenue was 6.35 billion USD, 22.7% up in relation to June/21. Imports, in turn, totaled 49.85 thousand tons, against the 151.29 thousand tons registered in June last year.

Conab data released on July 7 indicated that the 2021/22 production is now estimated at 124.04 million tons, a slight decrease compared to the previous report and downing 10.2% in relation to the previous season (2020/21).

As for exports and the domestic consumption, estimates continue at 75.23 million tons and 51.24 million tons. Due to the lower production, ending stocks (by December/22) may shrink to 4.65 million tons, 24.7% down compared to the previous season.

CORN/CEPEA: Due to high supply, prices are at the lowest levels since Jan/21

As the harvest is advancing in many areas in Brazil and due to new official estimates indicating a record 2021/22 crop, corn prices continue to decrease – in some regions, values are at the lowest levels since the beginning of 2021. Not even the good performance of exports and international price rises from the middle of this week onwards were enough to interrupt the downward trend in Brazil.

Purchasers reduced the pace of new trades since they expect new price drops. Besides the harvest advance, purchasers are focused on the need to sell from producers because they have little space in warehouses. Therefore, many sellers are more flexible regarding values, mainly in the Central-West. In Campinas (SP), the ESALQ/BM&FBovespa Index for corn closed at BRL 81.68/60-kilo bag on July 7, for a decrease of 2.2% compared to that on June 30, and the lowest nominal level since January 5, 2021. Between June 30 and July 7, on the average of the regions surveyed by Cepea (spot market), corn prices dropped by 1.8% in the over-the-counter market (paid to farmers) and by 3.1% in the wholesale market (deals between processors).

Most significant price decreases were registered in Goiás and Mato Grosso. In Rio Verde (GO) and Sorriso (MT), quotations downed 6.7% and 4%, respectively. At Paranaguá (PR) and Santos (SP) ports, comparing June 30 to July 7, decreases were 4% and 4.5%, respectively.

Exports totaled 1.05 million tons in June, a sharp increase compared to the 92 thousand tons registered in the same month in 2021, according to Secex. For July, Anec (National Association of Cereal Exporters) forecasts shipments to total 5.4 million tons. Imports, in turn, amounted 151 thousand tons, 30% higher than in June/21.

ESTIMATES – Conab released a report on July 7 increasing again the 2021/22 second crop estimate in relation to data released in June. As for first and third crops, the numbers are practically the same. Concerning the second crop, high prices and the anticipation of the soybean harvest allowed the planting on a bigger area in the ideal period.

Conab estimates a production at 88.44 million tons for the second crop in Brazil. First and third crops may hit 24.8 and 2.4 million tons, respectively. As a whole, the Brazilian production is expected to amount 115.66 million tons, 33% more than the 2020/21 season and a record.

The demand continues forecast at 77.18 million tons by Conab, and exports, at 37.5 million tons. The domestic surplus is projected at 46 million tons. In case estimates are confirmed, 10.45 million tons will remain by January/23, 35% above that in the crop before, but still 11% smaller in relation to the average over the last five years.

Russia Has Harvested 10m Tons of Grains So Far: Patrushev

The spring-sowing area was increased by 1m hectares to 53.5m hectares, Agriculture Minister Dmitry Patrushev said in a meeting with President Vladimir Putin.

He reiterated Russia's plan to harvest 130m tons of grain this year

Russian Wheat Export Tax to Rise to 5,559 Rubles a Ton Next Week

Russia's wheat export tax for the week of July 13-19 will rise to 5,559 rubles (\$88.13) a ton compared to 4,635 rubles a week earlier, Interfax reported, citing the Ministry of Agriculture.

- NOTE: This is the second time the weekly export tax has been calculated in rubles, after Russia switched it from dollars
- Last week's tax, equivalent to about \$82 at the time, was significantly lower than \$146.10 the week prior

Ukraine cancels licensing of wheat exports

The Ukrainian government has cancelled the licensing of the exports of wheat and meslin -- a mixture of wheat and rye, the country's Agrarian Policy and Food Ministry said in a statement on Friday.

In March, Ukraine imposed a ban on oats exports and added wheat to the list of goods requiring export licenses.

In April, Ukraine's union of producers, processors and exporters of grain "Ukraine Grain Association" asked the government to cancel wheat exports licensing to simplify the sales and free storage capacity for the new crop.

In the 2021-2022 marketing year, between July 1, 2021, and June 30, 2022, Ukraine exported 61.52 million tons of cereals and oilseeds, including 18.7 million tons of wheat and 12,600 tons of oats.

US Pork Production Falls 13.7% This Week, Beef Down: USDA

US federally inspected pork production falls to 426m pounds for the week ending July 9 from 494m in the previous week, according to USDA estimates published on the agency's website.

- Hog slaughter down 13.1% from a week ago to 1.983m head

- Beef production down 6.8% from a week ago, cattle slaughter falls 6.8%
- For the year, beef production is 0.9% above last year's level at this time, and pork is 3.2% below

				% Change	
Pork:	July 9	Week Ago	Year Ago	Weekly	Yearly
Slaughter (k head)	1,983	2,281	1,916	-13.1%	3.5%
Live weight (lbs)	288	290	281	-0.7%	2.5%
Dressed weight (lbs)	215	217	210	-0.9%	2.4%
Production (mln lbs)	426	494	401	-13.7%	6.2%
Beef:					
Slaughter (k head)	593	636	581	-6.8%	2.1%
Live weight (lbs)	1,341	1,343	1,350	-0.1%	-0.7%
Dressed weight (lbs)	810	810	814	0.0%	-0.5%
Production (mln lbs)	479	515	472	-6.8%	1.6%
YTD production:					
	2022	2021	% Change		
Pork (bln lbs)	14.01	14.48	-3.2%		
Beef (bln lbs)	14.44	14.31	0.9%		

Goldman Sachs Says Commodities Oversold On Recession Fears

FORECASTS RETURNS OF 34.4%, 30.4% AND 36.9% ON COMMODITIES OVER 3, 6 AND 12-MONTH HORIZON ON S&P GSCI INDEX

- SAYS COMMODITIES OVERSOLD ON RECESSION FEARS
- SAYS "PRECIOUS METALS AND ENERGY ARE THE SECTORS ON WHICH TO BE OVERWEIGHT IN THE NEAR TERM"
- FORECASTS BRENT PRICES WILL NEED TO AVERAGE \$135/BBL IN 2H22-1H23 FOR INVENTORIES TO NORMALIZE BY LATE 2023
- MAINTAINS ITS SUM23 HENRY HUB NATGAS PRICE FORECAST AT \$3.80/MMBTU
- SEES COPPER, ALUMINIUM ON A 3/6/12 MONTH HORIZON AT RESPECTIVELY \$8,650/10,500/12,000/T AND \$2,750/3,000/3,750/T
- SAYS 12M GOLD TARGET IS \$2500, WHICH IMPLIES \$700/TOZ UPSIDE FROM THE LEVEL AT THE START OF THE YEAR
- EXPECTS SILVER TO REPRICE MATERIALLY HIGHER, STICKS TO 12-MONTH TARGET OF \$30/TOZ
- LOWERS ITS 3/6/12M WHEAT TARGETS TO \$9.10/\$8.30/\$8.40/BU FROM \$10/\$10.25/\$11/BU

India Cumulative Monsoon Rainfall 5% Above Normal as of July 10

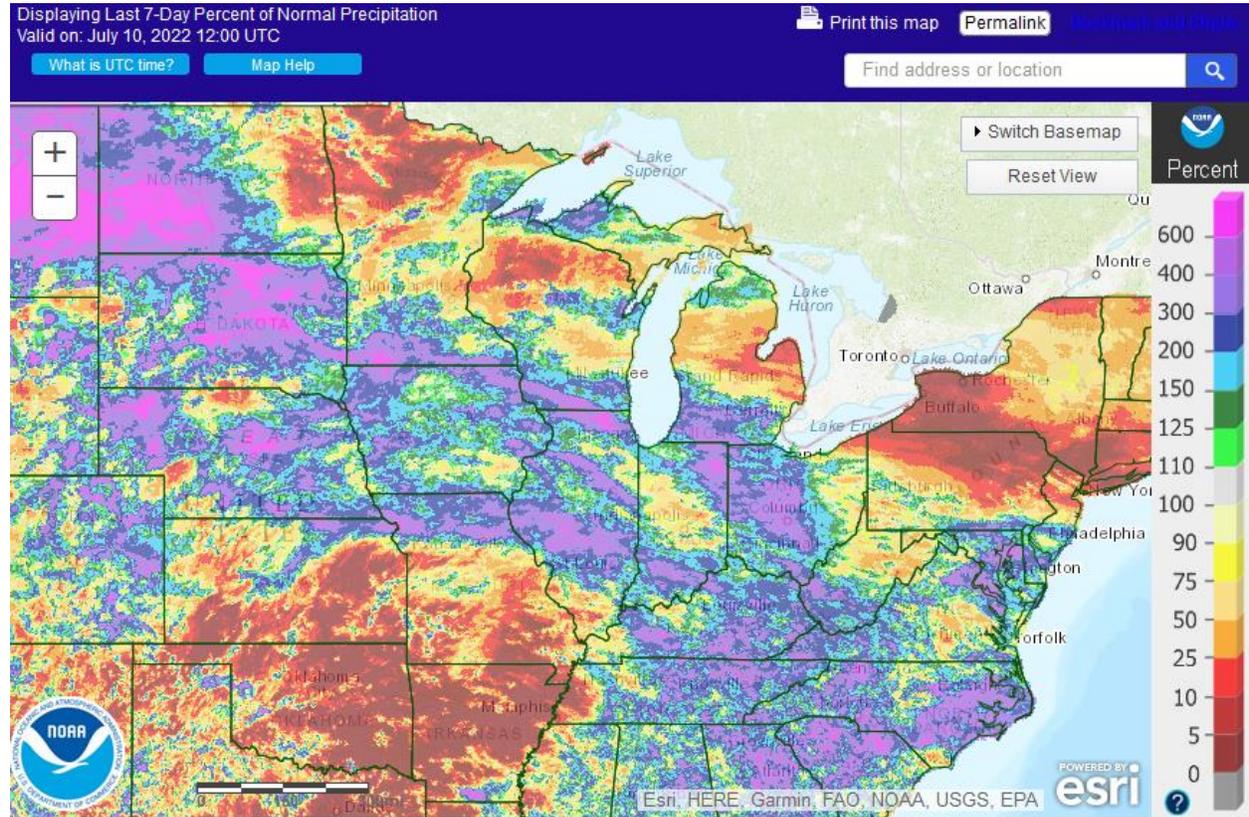
India has so far received 261.3 millimeters of rains during the current monsoon season, which runs from June through September, compared with a normal of 248.3 millimeters, according to data published by the India Meteorological Department on July 10.

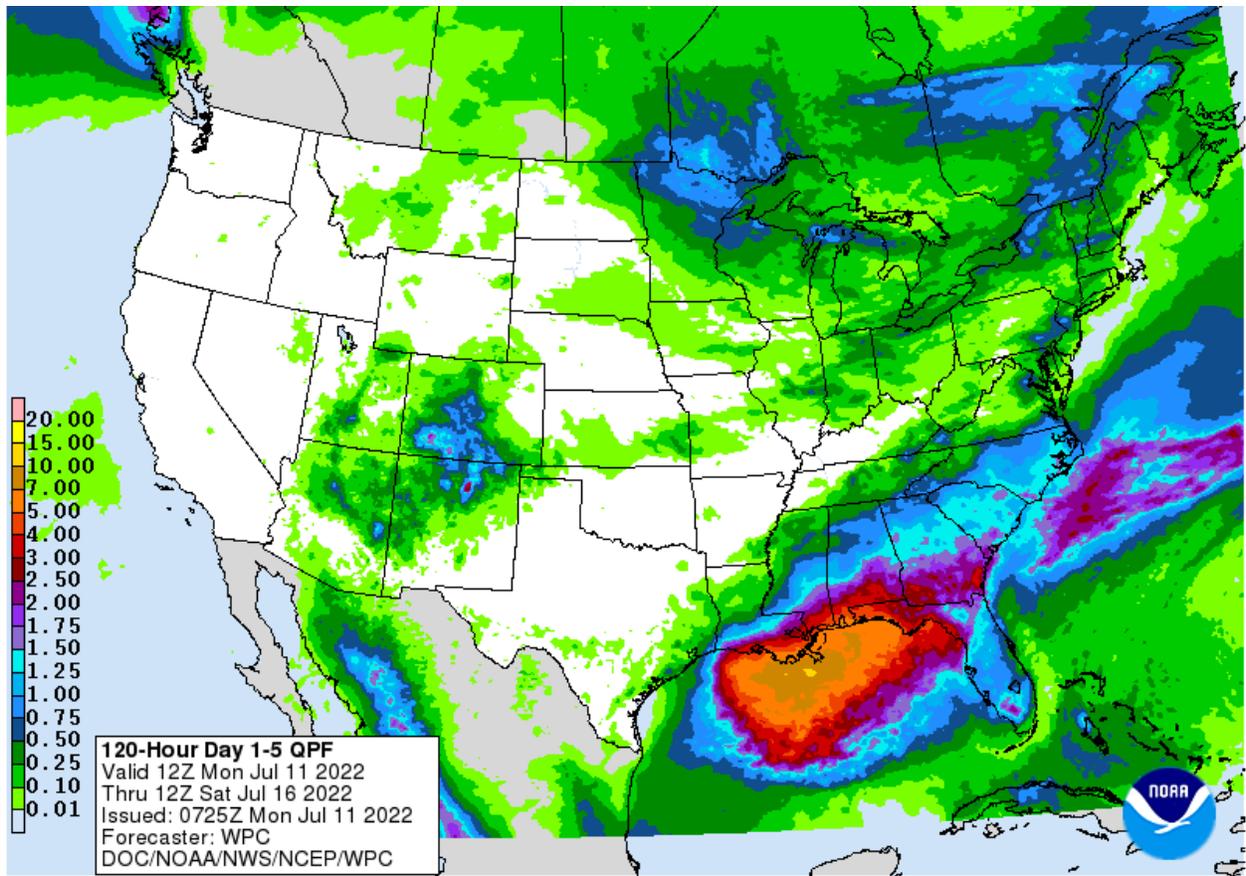
- The northwestern region got 5% below normal rains

- Rainfall in the southern peninsular region was at 24% above normal

UNITED STATES

Displaying Last 7-Day Percent of Normal Precipitation
Valid on: July 10, 2022 12:00 UTC

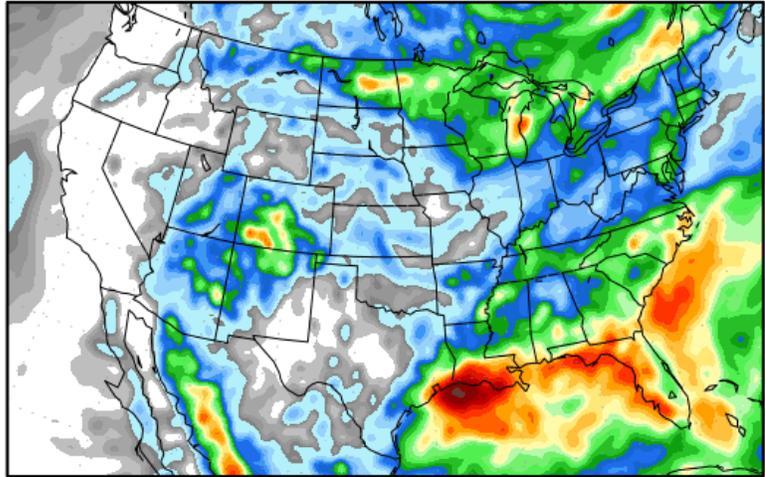
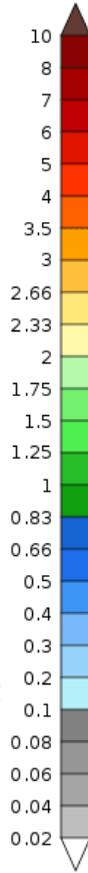




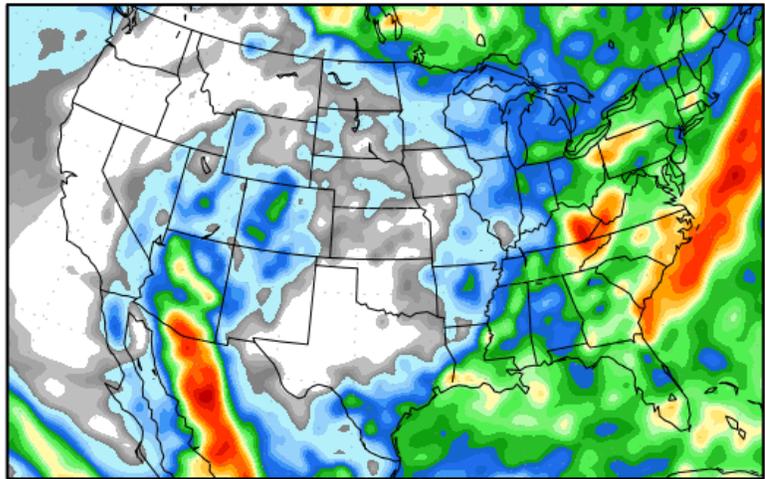
Precipitation Forecasts

Precipitation (in)
during the period:

Mon, 11 JUL 2022 at 00Z
-to-
Tue, 19 JUL 2022 at 00Z

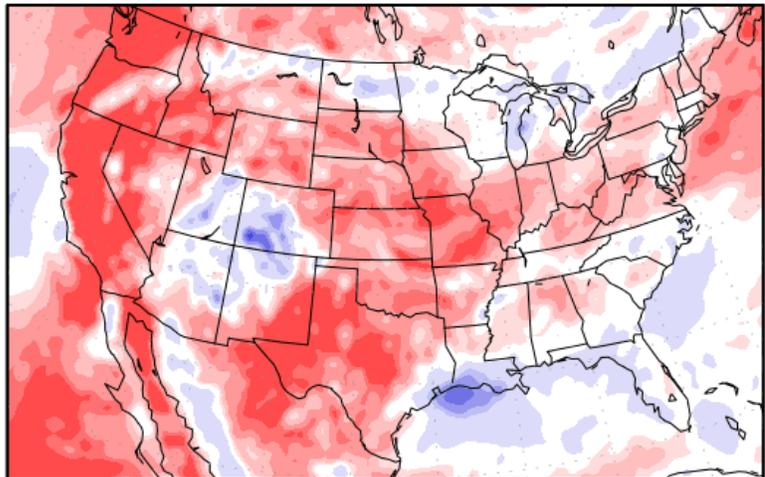
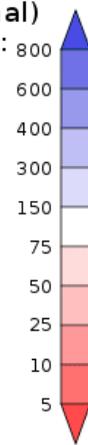


Tue, 19 JUL 2022 at 00Z
-to-
Wed, 27 JUL 2022 at 00Z



Precipitation (% of normal)
during the first period:

Mon, 11 JUL 2022 at 00Z
-to-
Tue, 19 JUL 2022 at 00Z

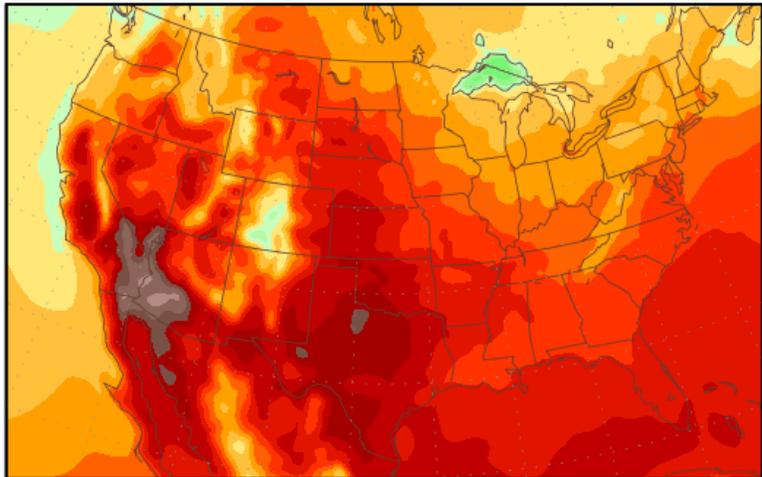
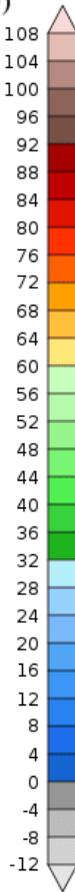


Precipitation forecasts from the National Centers for Environmental Prediction.
Normal rainfall derived from Xie-Arkin (CMAP) Monthly Climatology for 1979-2003.
Forecast Initialization Time: 00Z11JUL2022

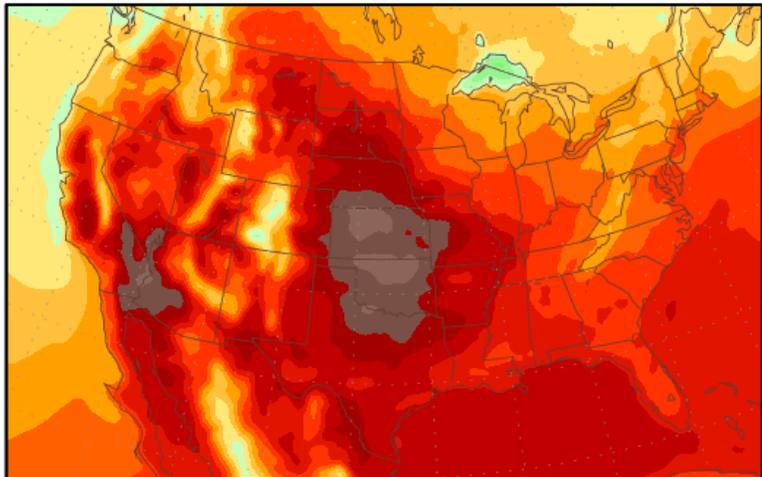
Temperature Forecasts

Mean Surface Temperature (°F)
during the period:

Mon, 11 JUL 2022 at 00Z
-to-
Tue, 19 JUL 2022 at 00Z

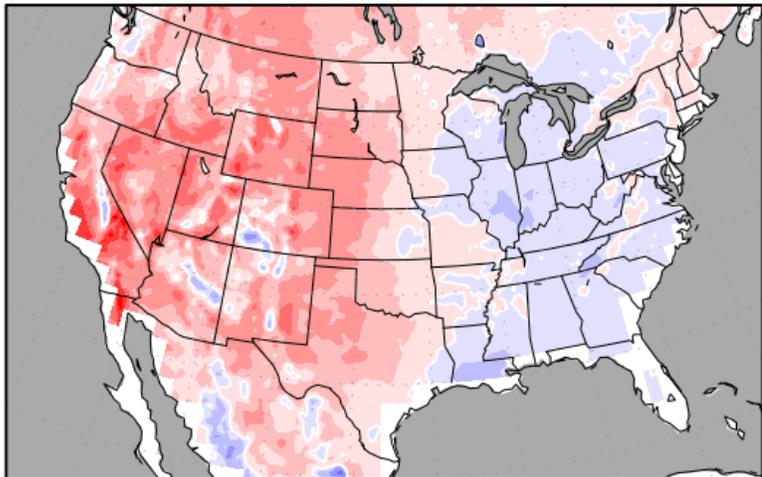
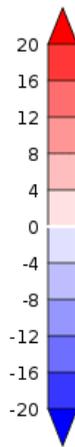


Tue, 19 JUL 2022 at 00Z
-to-
Wed, 27 JUL 2022 at 00Z



Temperature Anomaly
during the first period:

Mon, 11 JUL 2022 at 00Z
-to-
Tue, 19 JUL 2022 at 00Z



Temperature forecasts from the National Centers for Environmental Prediction.
Normal Temperature derived from CRU monthly climatology for 1901-2000
Forecast Initialization Time: 00Z11JUL2022

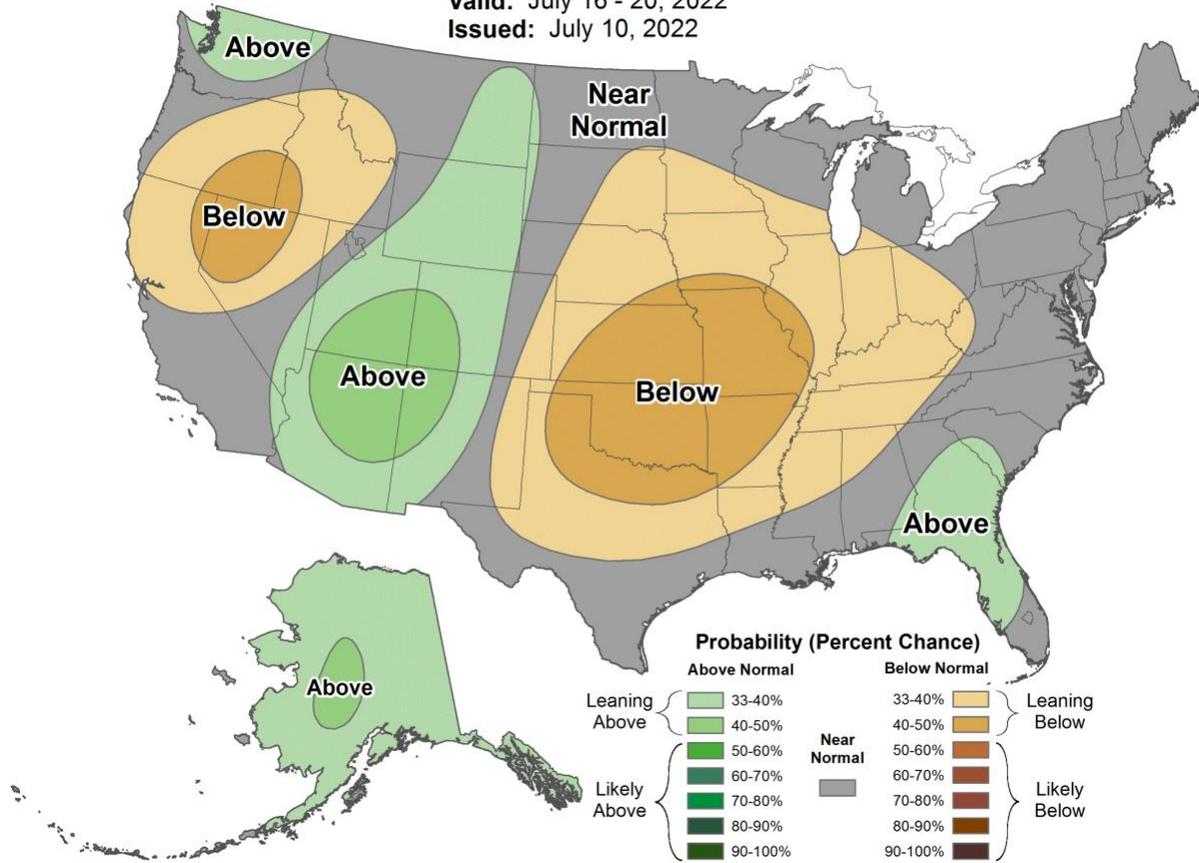


6-10 Day Precipitation Outlook



Valid: July 16 - 20, 2022

Issued: July 10, 2022



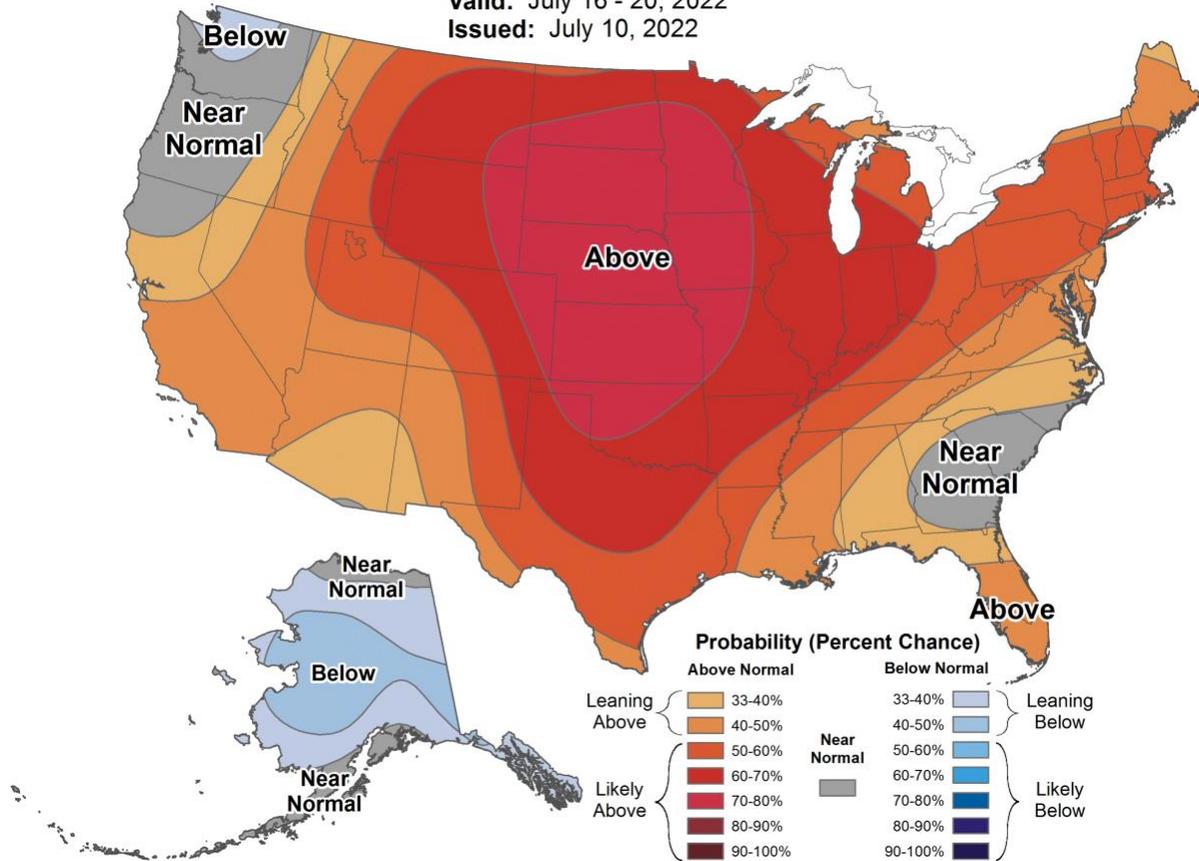


6-10 Day Temperature Outlook



Valid: July 16 - 20, 2022

Issued: July 10, 2022



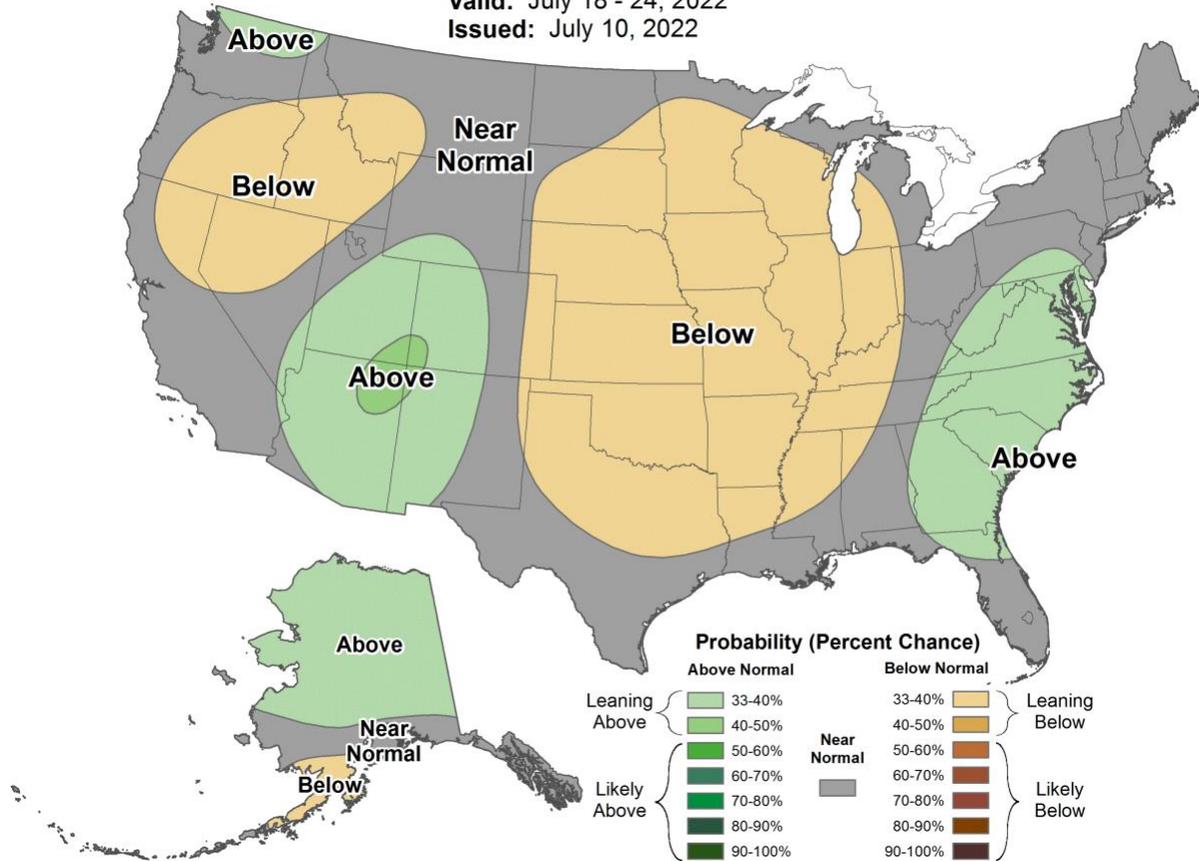


8-14 Day Precipitation Outlook



Valid: July 18 - 24, 2022

Issued: July 10, 2022



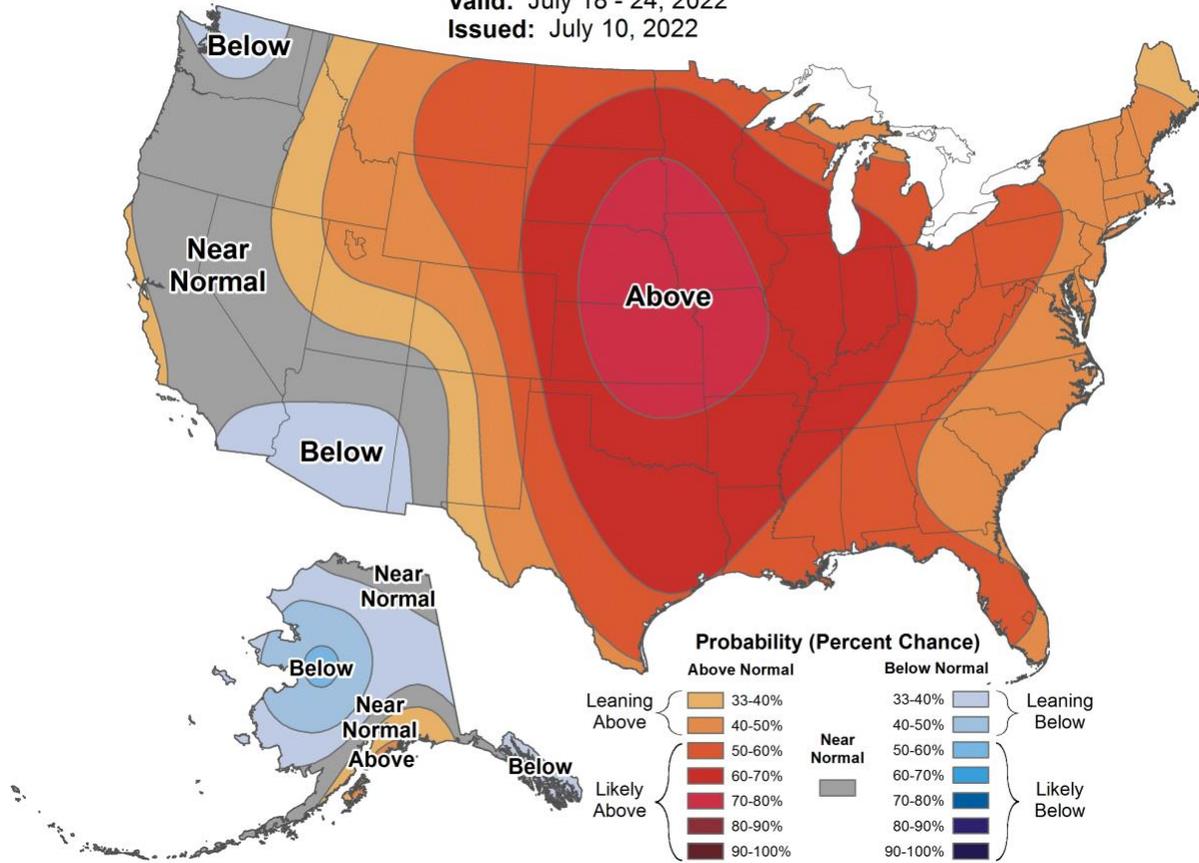


8-14 Day Temperature Outlook



Valid: July 18 - 24, 2022

Issued: July 10, 2022

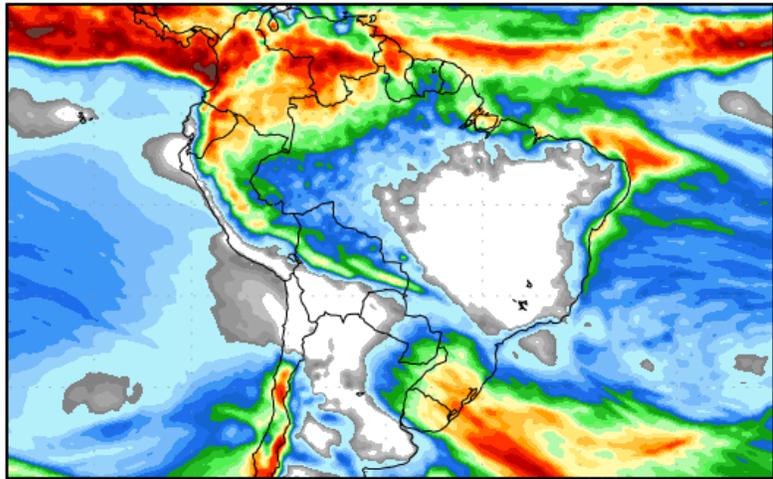
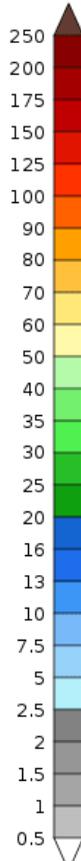


SOUTH AMERICA

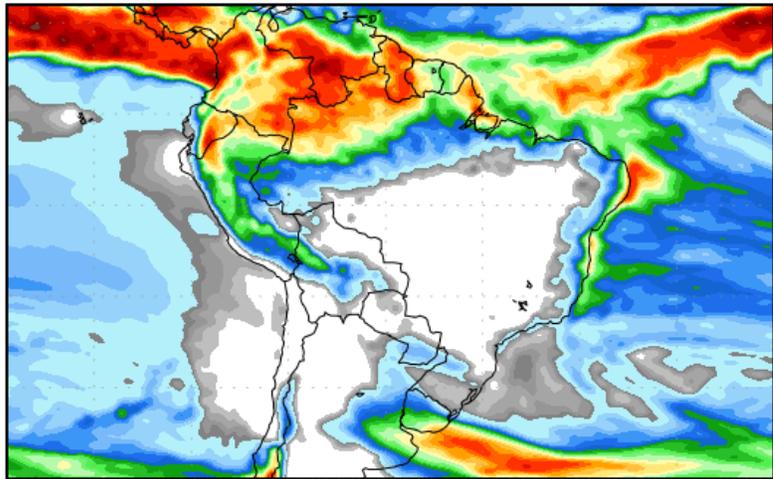
Precipitation Forecasts

Precipitation (mm)
during the period:

Mon, 11 JUL 2022 at 00Z
-to-
Tue, 19 JUL 2022 at 00Z

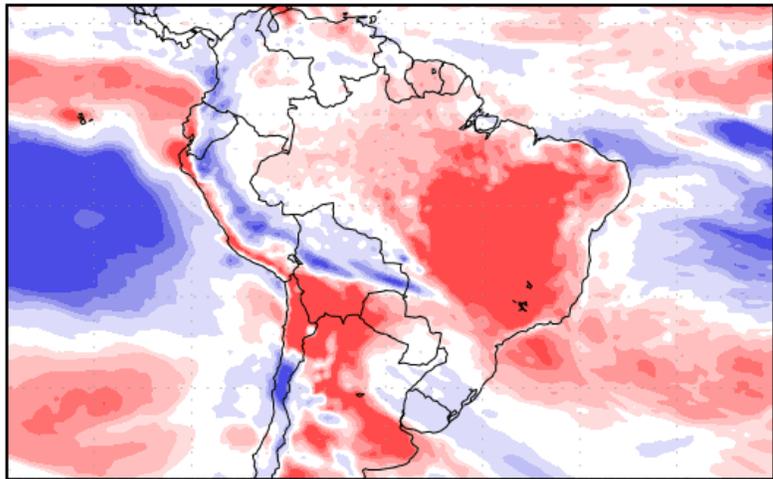
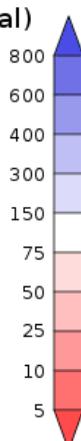


Tue, 19 JUL 2022 at 00Z
-to-
Wed, 27 JUL 2022 at 00Z



Precipitation (% of normal)
during the first period:

Mon, 11 JUL 2022 at 00Z
-to-
Tue, 19 JUL 2022 at 00Z



Precipitation forecasts from the National Centers for Environmental Prediction.
Normal rainfall derived from Xie-Arkin (CMAP) Monthly Climatology for 1979-2003.
Forecast Initialization Time: 00Z11JUL2022

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