

## GRAINS

### SOY COMPLEX RECAP

7/2/2021

July Soybeans finished up 5 at 1451 3/4, 13 1/4 off the high and 10 up from the low. August Soybeans closed up 3 1/2 at 1433 1/4. This was 15 3/4 up from the low and 16 1/4 off the high.

December Soymeal closed down 0.4 at 388.3. This was 4.8 up from the low and 4.4 off the high.

December Soybean Oil finished up 0.79 at 62.28, 1.22 off the high and 1.24 up from the low.

November soybeans closed 3 1/2 cents higher on the session after choppy and two-sided trade. It was an inside trading session. For the week, November beans closed \$1.29 1/4 higher or up 9.9%. Traders remain nervous with the potential for hot and dry weather over the next two weeks for the Northern and Western sections of the corn belt, which could cause deterioration of the crops in the Dakotas, Nebraska and Minnesota. Uncertainty over the possible shift in the forecast models by Monday night helped to spark some lightning-up ahead of the long weekend. Soybean oil closed higher but meal closed slightly lower after reaching the highest level since June 14. Recent strong export demand helped to support.

### Technical Outlook

SOYBEANS (AUG) 07/05/2021: Momentum studies are rising from mid-range, which could accelerate a move higher if resistance levels are penetrated. A positive signal for trend short-term was given on a close over the 9-bar moving average. With the close higher than the pivot swing number, the market is in a slightly bullish posture. The near-term upside objective is at 1465 1/4. The next area of resistance is around 1449 1/4 and 1465 1/4, while 1st support hits today at 1417 1/4 and below there at 1401 1/2.

SOYMEAL (AUG) 07/05/2021: Momentum studies are trending higher from mid-range, which should support a move higher if resistance levels are penetrated. The market's short-term trend is positive on the close above the 9-day moving average. The market's close below the pivot swing number is a mildly negative setup. The next upside target is 390.1. The next area of resistance is around 385.4 and 390.1, while 1st support hits today at 377.5 and below there at 374.2.

SOYBEAN OIL (AUG) 07/05/2021: The market now above the 40-day moving average suggests the longer-term trend has turned up. Positive momentum studies in the neutral zone will tend to reinforce higher price action. A positive signal for trend short-term was given on a close over the 9-bar moving average. With the close higher than the pivot swing number, the market is in a slightly bullish posture. The next upside objective is 66.29. The next area of resistance is around 64.84 and 66.29, while 1st support hits today at 62.09 and below there at 60.78.

### CORN MARKET RECAP

7/2/2021

July Corn finished down 22 1/2 at 697 1/4, 29 3/4 off the high and 14 1/4 up from the low. September Corn closed down 9 3/4 at 592. This was 4 up from the low and 19 3/4 off the high.

December corn closed lower on the session after choppy and two-sided trade early. There was some profit-taking ahead of the long weekend on uncertainty for the weather next week. China is expected to import 20 million tonnes according to the USDA foreign agricultural service which is 6 million tons below the official USDA forecast. This would be for the new crop season as the attache in Beijing believes that demand might be softer than previously anticipated. Talk of a bumper wheat harvest in China. The attache believes that 20/21 corn imports will be 28 million tons, which is 2 million tons higher than the official USDA forecast. Weakness in the dollar, lower prices for Argentina corn and the short-term overbought condition of the market were seen as negative forces. December corn managed to close 60.5 cents higher for the week or up 11.65%.

### **Technical Outlook**

CORN (SEP) 07/05/2021: Stochastics are at mid-range but trending higher, which should reinforce a move higher if resistance levels are taken out. The market's short-term trend is positive on the close above the 9-day moving average. It is a slightly negative indicator that the close was under the swing pivot. The near-term upside target is at 619 1/2. The next area of resistance is around 603 3/4 and 619 1/2, while 1st support hits today at 580 1/4 and below there at 572 1/4.

## ***WHEAT MARKET RECAP***

### **7/2/2021**

July Wheat finished down 12 3/4 at 645 3/4, 16 1/4 off the high and 2 up from the low. September Wheat closed down 12 3/4 at 652 3/4. This was 4 1/2 up from the low and 20 1/4 off the high.

September wheat closed sharply lower on the session but managed to gain 12 cents for the week. The market experienced follow-through technical selling after Thursday's hook reversal. December Minneapolis wheat closed higher on the session and the market gained 32 cents for the week, and also posted a contract high on Thursday. The spring wheat weather continues to look threatening for at least another two weeks which could hurt yield potential, but the market did post a key reversal on July 1. The surge higher in the US dollar did not help this week.

### **Technical Outlook**

WHEAT (SEP) 07/05/2021: Stochastics are at mid-range but trending higher, which should reinforce a move higher if resistance levels are taken out. A negative signal for trend short-term was given on a close under the 9-bar moving average. The market tilt is slightly negative with the close under the pivot. The near-term upside objective is at 681 1/4. The next area of resistance is around 665 and 681 1/4, while 1st support hits today at 640 1/2 and below there at 632.

## **ENERGIES**

### ***ENERGY MARKET RECAP***

### **7/2/2021**

August Crude Oil closed down 0.04 at 75.19. This was 0.78 up from the low and 0.43 off the high.

August Heating Oil closed up 2.36 at 217.98. This was 3.87 up from the low and 0.43 off the high.

August RBOB Gasoline finished up 3.42 at 230.18, 0.55 off the high and 4.48 up from the low.

August Natural Gas finished up 0.03 at 3.69, 0.05 off the high and 0.09 up from the low.

The energy markets waffled around both sides of unchanged today in a fashion that suggests a temporary overbought condition is in place. The markets are left somewhat flat-footed with an OPEC+ deal to add 400,000 barrels per day of production in each of the next several months broke down because of a demand for a larger production increase from the UAE. Furthermore, one of the largest seasonal demand weeks for gasoline of the year is upon the market, and that could temporarily offset the high US refinery operating rate.

### **Technical Outlook**

CRUDE OIL (AUG) 07/05/2021: The daily stochastics have crossed over up which is a bullish indication. Studies are showing positive momentum but are now in overbought territory, so some caution is warranted. The close above the 9-day moving average is a positive short-term indicator for trend. The market has a slightly positive tilt with the close over the swing pivot. The near-term upside target is at 76.31. With a reading over 70, the 9-day RSI is approaching overbought levels. The next area of resistance is around 75.79 and 76.31, while 1st support hits today at 74.59 and below there at 73.90.

RBOB GAS (AUG) 07/05/2021: Daily stochastics have risen into overbought territory which will tend to support reversal action if it occurs. The market's close above the 9-day moving average suggests the short-term trend remains positive. With the close over the 1st swing resistance number, the market is in a moderately positive position. The next upside target is 234.22. The next area of resistance is around 232.69 and 234.22, while 1st support hits today at 227.67 and below there at 224.17.

HEATING OIL (AUG) 07/05/2021: The crossover up in the daily stochastics is a bullish signal. Momentum studies are trending higher but have entered overbought levels. The market's short-term trend is positive on the close above the 9-day moving average. With the close higher than the pivot swing number, the market is in a slightly bullish posture. The next upside objective is 221.42. The next area of resistance is around 220.13 and 221.42, while 1st support hits today at 215.83 and below there at 212.82.

## **LIVESTOCK**

### **LIVE CATTLE RECAP**

**7/2/2021**

August Live Cattle finished down 1.57 at 122.00, 2.00 off the high and 0.22 up from the low.

August Feeder Cattle closed up 0.72 at 157.05. This was 1.12 up from the low and 1.27 off the high.

August cattle closed sharply lower on the session but managed an inside trading day. The market experienced choppy and two-sided trade early in the session but sellers turned active with weakness seen in many agricultural markets, with the dollar rallying to the highest level since April 5. Further weakness in the hog market, weakness in beef prices and sluggish cash cattle trade this week were seen as negative forces. Boxed-beef cut-out values at mid-session came in at \$285.78, down \$1.87 on the day.

### **Technical Outlook**

LIVE CATTLE (AUG) 07/05/2021: Momentum studies trending lower at mid-range could accelerate a price break if support levels are broken. The close below the 9-day moving average is a negative short-term indicator for trend. The market's close below the 1st swing support number suggests a moderately negative setup for today.

The next downside target is 120.220. The next area of resistance is around 123.100 and 124.650, while 1st support hits today at 120.900 and below there at 120.220.

## **LEAN HOGS RECAP**

**7/2/2021**

August Lean Hogs finished down 0.07 at 100.22, 1.77 off the high and 2.12 up from the low.

August hogs closed slightly lower on the day after choppy and two-sided trade. The market opened higher on the session and bounced early but could not hold the gains. The extreme discount of futures to the cash market helped to support the early bounce, but continued concerns over the potential for less export demand in the months just ahead helped to pressure. Pork exports for the month of May reached 687.78 million pounds, up 11.3% from a year ago. China imports reached 160.12 million pounds which was well down from the record of 253.3 million pounds in May 2020. Pork exports represented 33.2% of total port production for May which is a record high percentage of export. The technical action is weak and the market experienced follow-through selling from yesterday's sweeping reversal. Pork cut-out values at mid-session came in at \$116.02, up 39 cents on the day.

### **Technical Outlook**

LEAN HOGS (AUG) 07/05/2021: Rising from oversold levels, daily momentum studies would support higher prices, especially on a close above resistance. The market's short-term trend is negative as the close remains below the 9-day moving average. The market's close below the pivot swing number is a mildly negative setup. The next upside target is 104.020. The 9-day RSI under 30 indicates the market is approaching oversold levels. The next area of resistance is around 102.170 and 104.020, while 1st support hits today at 98.300 and below there at 96.250.

## **FINANCIALS**

### **BOND MARKET RECAP**

**7/2/2021**

September Bonds finished up 0-280 at 161-020, 0-060 off the high and 0-890 up from the low.

September 10 Yr Treasury Notes closed up 0-484 at 132-750. This was 0-516 up from the low and 0-016 off the high.

Apparently the treasury bond market can rally in sync with equities as several US equity market measures made record highs, and yet bonds remained nearly 1 point higher on the day. In retrospect, the June nonfarm payroll report was another report offering mixed messages on the economy. Certainly, the headline nonfarm payroll report was better than expectations, but the letdown occurred with an uptick in the unemployment rate. In conclusion, the bull camp is in control with the bullish numbers embraced and the bearish numbers discounted.

### **Technical Outlook**

BONDS (SEP) 07/05/2021: A bullish signal was given with an upside crossover of the daily stochastics. Momentum studies are trending higher from mid-range, which should support a move higher if resistance levels are penetrated. A positive signal for trend short-term was given on a close over the 9-bar moving average. The market has a bullish tilt coming into today's trade with the close above the 2nd swing resistance. The next upside

objective is 161-250. The next area of resistance is around 161-150 and 161-250, while 1st support hits today at 160-210 and below there at 160-040.

10 YR TREASURY NOTES (SEP) 07/05/2021: Momentum studies are rising from mid-range, which could accelerate a move higher if resistance levels are penetrated. The market now above the 18-day moving average suggests the intermediate-term trend has turned up. There could be more upside follow through since the market closed above the 2nd swing resistance. The near-term upside target is at 133-050. The next area of resistance is around 133-005 and 133-050, while 1st support hits today at 132-160 and below there at 132-035.

## **STOCK INDICES RECAP**

**7/2/2021**

September S&P E-Mini closed up 30 at 4340.75. This was 32.75 up from the low and 6.25 off the high.

The "Goldilocks" environment for equities continues to extend into the future with today's June jobs report providing a measure of optimism from the large jump in actual payrolls. Surprisingly, investors were not put off by an increase in the unemployment rate and a decline in the average workweek and a smaller than anticipated increase in wages. Investors also discounted EU warnings for Apple against privacy violations, while a 737 cargo plane crash landed in the Pacific Ocean thereby rekindling anxiety toward Boeing shares.

### **Technical Outlook**

S&P E-MINI (SEP) 07/05/2021: Daily stochastics have risen into overbought territory which will tend to support reversal action if it occurs. The market's short-term trend is positive on the close above the 9-day moving average. Since the close was above the 2nd swing resistance number, the market's posture is bullish and could see more upside follow-through early in the session. The near-term upside target is at 4373.12. With a reading over 70, the 9-day RSI is approaching overbought levels. The next area of resistance is around 4360.25 and 4373.12, while 1st support hits today at 4321.25 and below there at 4295.13.

E-MINI NASDAQ (SEP) 07/05/2021: Momentum studies are trending higher but have entered overbought levels. The market's short-term trend is positive on the close above the 9-day moving average. The market's close above the 2nd swing resistance number is a bullish indication. The next upside objective is 14882.81. With a reading over 70, the 9-day RSI is approaching overbought levels. The next area of resistance is around 14820.87 and 14882.81, while 1st support hits today at 14605.13 and below there at 14451.32.

MINI-DOW (SEP) 07/05/2021: Daily stochastics have risen into overbought territory which will tend to support reversal action if it occurs. The market's short-term trend is positive on the close above the 9-day moving average. The market has a bullish tilt coming into today's trade with the close above the 2nd swing resistance. The near-term upside objective is at 34855. The next area of resistance is around 34773 and 34855, while 1st support hits today at 34551 and below there at 34410.

## **METALS**

### **PRECIOUS METALS RECAP**

**7/2/2021**

August Gold closed up 12.2 at 1789. This was 14.6 up from the low and 6.9 off the high.

September Silver finished up 0.00505 at 0.26605, 0.00095 off the high and 0.00505 up from the low.

**Gold:** Not surprisingly, the gold market waffled within a trading range today as US jobs-related data was offsetting and confusing. Furthermore, after a significant surge on the upside in the dollar, the dollar relented and fell back into negative territory around midsession thereby alleviating currency related pressure on gold and silver. Over the long run, seeing another positive addition of jobs in a fashion that leaves the Fed on the sidelines increases the potential for inflation, but the inflation buzz is likely to die down in the week ahead.

### **Technical Outlook**

COMEX SILVER (SEP) 07/05/2021: Daily momentum studies are on the rise from low levels and should accelerate a move higher on a push through the 1st swing resistance. The market's close above the 9-day moving average suggests the short-term trend remains positive. Market positioning is positive with the close over the 1st swing resistance. The near-term upside objective is at 27.102. Short-term indicators suggest buying dips today. The next area of resistance is around 26.904 and 27.102, while 1st support hits today at 26.305 and below there at 25.903.

COMEX GOLD (AUG) 07/05/2021: Daily stochastics are showing positive momentum from oversold levels, which should reinforce a move higher if near term resistance is taken out. A positive signal for trend short-term was given on a close over the 9-bar moving average. A positive setup occurred with the close over the 1st swing resistance. The near-term upside target is at 1808.6. Consider buying pull-backs since daily studies are bullish. The next area of resistance is around 1799.8 and 1808.6, while 1st support hits today at 1778.4 and below there at 1765.7.

## ***COPPER MARKET RECAP***

**7/2/2021**

September Copper closed up 0.05 at 4.28. This was 0.06 up from the low and 0.01 off the high.

The copper market forged a relatively tight trading range today, but respected a recent pattern of lower highs. However, Shanghai weekly copper warehouse stocks posted a 7th straight weekly decline in a sign that Chinese supply remains tight going into next week's Chinese strategic copper reserve sale!

## **SOFTS**

### ***COCOA MARKET RECAP***

**7/2/2021**

September Cocoa finished down 35 at 2319, 56 off the high and 6 up from the low.

Cocoa prices found early support, but fell back on the defensive at midsession and reached a new 8-month low before finishing Friday's trading session with a sizable loss. For the week, September cocoa finished with a loss of 61 points. Ongoing concern with near-term demand continues to pressure the market following reports that several nations will extend their COVID travel restrictions. In addition, wet weather over West African growing regions weighed on cocoa prices as that should benefit the region's late mid-crop and next season's main crop output.

### **Technical Outlook**

COCOA (SEP) 07/05/2021: The daily stochastics gave a bearish indicator with a crossover down. Momentum studies are declining, but have fallen to oversold levels. The market's close below the 9-day moving average is an indication the short-term trend remains negative. The swing indicator gave a moderately negative reading with the close below the 1st support number. The next downside objective is now at 2270. The next area of resistance is around 2350 and 2393, while 1st support hits today at 2288 and below there at 2270.

## **COFFEE MARKET RECAP**

**7/2/2021**

September Coffee closed down 3.35 at 153.05. This was 0.25 up from the low and 3.75 off the high.

Coffee prices followed through on Thursday's wide-sweeping outside-day down as they reached a 1-week low before finishing Friday's trading session with a sizable loss. For the week, September coffee finished with a loss of 4.75 cents. Indications that frost conditions did not reach Brazil's major Arabica-growing region of south Minas Gerais was a source of pressure on coffee prices. Reports that June coffee exports from Honduras and Costa Rica were well above last year's total put additional pressure on coffee prices going into the weekend.

### **Technical Outlook**

COFFEE (SEP) 07/05/2021: The market back below the 40-day moving average suggests the longer-term trend could be turning down. A crossover down in the daily stochastics is a bearish signal. Momentum studies trending lower at mid-range could accelerate a price break if support levels are broken. The close below the 9-day moving average is a negative short-term indicator for trend. It is a slightly negative indicator that the close was under the swing pivot. The next downside target is 149.93. The next area of resistance is around 155.05 and 157.92, while 1st support hits today at 151.05 and below there at 149.93.

## **SUGAR MARKET RECAP**

**7/2/2021**

October Sugar closed up 0.21 at 18.15. This was 0.26 up from the low and 0.19 off the high.

Sugar prices built on early strength and shook off a midsession pullback as they finished Friday's inside-day trading session with a moderate gain. For the week, October sugar finished with a gain of 84 ticks. Another night of frost for cane-growing regions in Brazil's Center-South provided early support to the sugar market. Energy prices remain close to multi-year highs, which also gave a boost to sugar prices as that should help to shore up Brazilian domestic ethanol demand.

### **Technical Outlook**

SUGAR (OCT) 07/05/2021: Rising stochastics at overbought levels warrant some caution for bulls. The market's close above the 9-day moving average suggests the short-term trend remains positive. With the close higher than the pivot swing number, the market is in a slightly bullish posture. The near-term upside target is at 18.58. The 9-day RSI over 70 indicates the market is approaching overbought levels. The next area of resistance is around 18.37 and 18.58, while 1st support hits today at 17.93 and below there at 17.69.

---

**If you need help with risk analysis or strategies, please call Dave Hightower or Terry Roggensack at 312-786-4450.**

---

\*\*\*The data, comments and/or opinions contained herein are provided solely for informational purposes by ADM Investor Services, Inc. ("ADMIS") and in no way should be construed to be data, comments or opinions of the Archer Daniels Midland Company. This report includes information from sources believed to be reliable and accurate as of the date of this publication, but no independent verification has been made and we do not guarantee its accuracy or completeness. Opinions expressed are subject to change without notice. This report should not be construed as a request to engage in any transaction involving the purchase or sale of a futures contract and/or commodity option thereon. The risk of loss in trading futures contracts or commodity options can be substantial, and investors should carefully consider the inherent risks of such an investment in light of their financial condition. Any reproduction or retransmission of this report without the express written consent of ADMIS is strictly prohibited. Again, the data, comments and/or opinions contained herein are provided by ADMIS and NOT the Archer Daniels Midland Company. Copyright (c) ADM Investor Services, Inc.