

# ADM: World's food security at stake as Russia exits grain deal

DIGITAL ENGAGEMENT TEAM

02 NOVEMBER 2022

## TRADING MATTERS SERIES: STOCK HIGHLIGHT

Features a single stock and zooms in on its performance in the market

KEY METRICS	
Current Price	97.53
Latest Dividend	0.40
Dividend Ex-Date	16/8/2022
Indicated Dividend Yield	1.64%
14 Day RSI	72.89
Analysts 12M Target Price	97.93

REFINITIV STOCKREPORTS+ AVERAGE SCORE
<b>9/10</b> As of 01 Nov 2022

Refer to page 3 for indicator components

### Archer-Daniels-Midland Co (ADM US) Price Chart



Any red lines drawn on the price charts are trendlines, which are visual representations of support & resistance levels. They are drawn by connecting a series of prices together to help indicate the data's best fit or the presence of any trend over a time frame, and are for illustration purposes only.

As of 01 Nov 2022 closing

### KEY MARKET EVENTS

- 08 Nov** China CPI Releases (Oct)
- 10 Nov** US CPI Releases (Oct)
- 14 Nov** China Industrial Production (Oct)
- 16 Nov** US Industrial Production (Oct)
- 24 Nov** US Thanksgiving Holiday

### S&P 500 Index Price Chart



As of 01 Nov 2022 closing

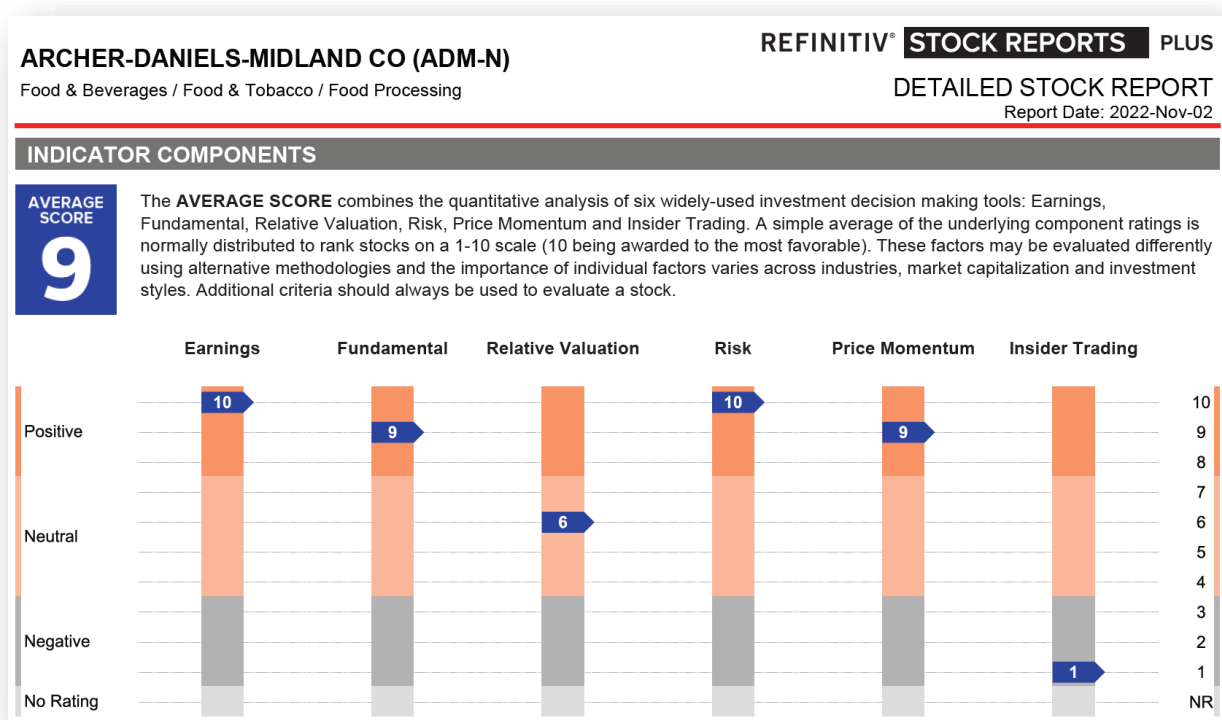
## Headline News & Information

- Archer-Daniels-Midland Company procures, transports, stores, and merchandises agricultural commodities and products. The company processes oilseeds, corn, milo, oats, barley, peanuts, and wheat. Archer-Daniels-Midland also processes produce products which have primarily two end uses including food or feed ingredients (Bloomberg)
- Grain traders reap benefits of global food crunch, high demand (26 Oct 2022, The Wall Street Journal)
  - Some of the world's largest grain companies posted better-than-expected profits and raised their financial outlooks for the year 2022, thriving off crop shortages and global volatility
  - Grain traders like ADM tend to get a boost from higher commodity prices when there are shortages, geopolitical conflicts, or extreme weather events that lead to more volatility in commodity markets
- The world's food security is at stake as Russia exits grain deal (31 Oct 2022, Bloomberg)
  - Fresh spike in grain prices after Russia's exit from a deal allowing Ukraine crops to move from the Black Sea to the countries most in need of them roils markets anew
  - The sudden move by Russia has left leaders scrambling to rescue the United Nations-and-Turkey-brokered agreement credited with saving vulnerable populations from risk of starvation
  - Typically, the world relies on the Black Sea region for more than a quarter of annual wheat and barley exports, about a fifth of its corn cargoes and the bulk of its sunflower oil shipments

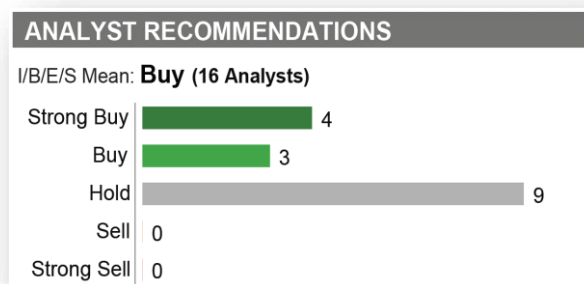
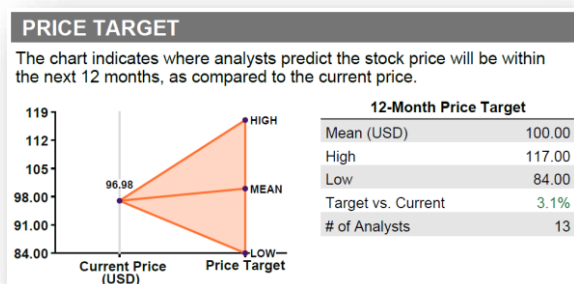
TRADING FLOWS	RESISTANCE LEVELS	SUPPORT LEVELS
<ul style="list-style-type: none"> <li>• Shares rose 7% in the past 5 days and are up 21% in the past 30 days</li> </ul>	<ul style="list-style-type: none"> <li>• 97.93 (Analysts' Consensus 12M Target Price)</li> <li>• 98.80 (Apr 2022)</li> </ul>	<ul style="list-style-type: none"> <li>• 92.00 (Sep 2022)</li> <li>• 87.46 (50 Day MA)</li> <li>• 83.30 (Oct 2021)</li> </ul>

# Fundamental Viewpoint

## An Extract from STOCKREPORTS+



## Analyst Price Target and Recommendations



Source: REFINITIV STOCKREPORTS+, extracted 02 Nov 2022

## US Peer Analysis (STOCKREPORTS+)

PEER ANALYSIS												Currency in USD
Average Score	Ticker	PRICE MOMENTUM				VALUATION			FUNDAMENTAL		ANALYSTS	
		Price (2022-10-31)	1-Mo Return	3-Mo Return	1-Yr Return	Market Cap	Trailing PE	Forward PE	Dividend Yield	Net Margin	LTG I/B/E/S Forecast Mean	# of Analysts
5	MDLZ	61.48	12.1%	-4.0%	1.2%	84.6B	22.4	21.3	2.5%	12.9%	4.5% Buy	24
9	ADM	96.98	20.5%	17.2%	51.0%	52.1B	13.4	14.8	1.7%	4.2%	8.9% Buy	16
5	GIS	81.58	6.5%	9.1%	32.0%	48.4B	17.2	19.7	2.7%	15.1%	5.4% Hold	18
8	KHC	38.47	15.4%	4.5%	7.2%	47.7B	39.3	13.9	4.2%	5.9%	-1.3% Hold	21
7	HSY	238.77	8.3%	4.7%	36.2%	35.2B	30.4	27.9	1.7%	16.8%	10.3% Hold	21
7	K	76.82	10.3%	3.9%	25.3%	26.1B	17.7	18.5	3.1%	10.2%	2.3% Hold	20
2	MKC	78.64	10.3%	-10.0%	-2.0%	19.8B	30.7	27.7	1.9%	10.9%	5.1% Hold	14
4	CAG	36.70	12.5%	7.3%	14.0%	17.6B	30.8	15.0	3.6%	4.9%	6.2% Hold	16
7	SJM	150.66	9.6%	13.9%	22.6%	16.1B	27.7	16.7	2.7%	7.3%	5.1% Hold	15
6	CPB	52.91	12.3%	7.2%	32.4%	15.8B	21.2	18.2	2.8%	8.8%	3.9% Hold	18
10	BG	98.70	19.5%	6.9%	6.5%	14.5B	10.0	8.2	2.5%	2.2%	-4.8% Buy	12
6.4	Average	91.97	12.5%	5.5%	20.6%	34.4B	23.7	18.4	2.7%	9.0%	4.1% Hold	17.7

PEER COMPANIES			
BG	Bunge	K	Kellogg Co
CAG	Conagra Brands Inc	KHC	Kraft Heinz Co
CPB	Campbell Soup Co	MDLZ	Mondelez International Inc
GIS	General Mills Inc	MKC	McCormick & Company Inc
HSY	Hershey Co	SJM	J M Smucker Co

Source: REFINITIV STOCKREPORTS+, extracted 02 Nov 2022

## Global Peer Analysis (Bloomberg)

Ticker	Name	Mkt Cap (USD) (Millions)	Last Px	P/E	P/E 5Yr Avg	P/B	P/B 5Yr Avg	Indicated Yield (%)
Average		9,885	38.87	20.66	36.19	2.33	2.03	2.48
ADM US	ARCHER-DANIELS-MIDLAND CO	53,577	97.53	13.17	13.05	2.23	1.80	1.64
GNC AU	GRAINCORP LTD-A	1,266	8.82	6.02	40.41	1.41	1.01	2.49
BG US	BUNGE LTD	14,946	99.77	7.23	6.76	1.72	1.70	2.51
600313 CH	ZHONGNONGFA SEED INDUSTRY-A	1,511	10.15	97.14	149.03	6.97	5.59	N/A
ANDE US	ANDERSONS INC/THE	1,188	35.07	8.31	13.43	1.02	1.15	2.05
OLG SP	OLAM GROUP LTD	3,726	1.37	8.49	15.57	0.83	0.93	6.20
BYW6 GR	BAYWA-BAYERISCHE WARENVERMIT	1,615	45.30	10.50	15.05	1.78	2.01	2.32
TTEN3 BZ	TRES TENTOS AGROINDUSTRIALS	1,250	12.96	14.44	N/A	2.66	N/A	0.12

Source: Bloomberg, extracted 01 Nov 2022 closing

## DISCLAIMER

---

The information provided herein is a compilation or summary of materials and data based from external sources available to OCBC Securities Private Limited ("OSPL"), and does not represent OSPL's view on the matters mentioned. Whilst we have taken all reasonable care to ensure that the information contained in this publication is not untrue or misleading at the time of publication, we cannot guarantee its accuracy or completeness, and you should not act on it without first independently verifying its contents.

Trading in capital markets products and borrowing to finance the trading transactions (including, but not limited to leveraged trading or gearing) can be very risky, and you may lose all or more than the amount invested or deposited. Where necessary, please seek advice from an independent financial adviser regarding the suitability of any trade or capital markets product taking into account your investment objectives, financial situation or particular needs before making a commitment to trade or purchase the capital markets product. In the event that you choose not to seek advice from a financial adviser, you should consider whether the capital markets product is suitable for you. You should consider carefully and exercise caution in making any trading decision whether or not you have received advice from any financial adviser. You should also read the relevant prospectus and/or profile statement (a copy of which may be obtained from the relevant fund manager or any of its approved distributors), prior to any trading or investment decision. Please refer to the prospectus of the relevant fund for the name of the fund manager and the investment objectives of the fund. In relation to collective investment schemes, the value of the units and the income accruing therefrom, if any, may rise or fall. For funds that are listed on an approved exchange, investors cannot redeem their units of those funds with the manager, or may only redeem units with the manager under certain specified conditions. The listing of the units of those funds on any approved exchange does not guarantee a liquid market for the units.

No representation or warranty whatsoever (including without limitation any representation or warranty as to accuracy, usefulness, adequacy, timeliness or completeness) in respect of any information (including without limitation any statement, figures, opinion, view or estimate) provided herein is given by OSPL and it should not be relied upon as such. OSPL does not undertake an obligation to update the information or to correct any inaccuracy that may become apparent at a later time. OSPL shall not be responsible for any loss or damage howsoever arising, directly or indirectly, as a result of any person acting on any information provided herein.

The information provided herein is intended for general circulation/discussion purposes only and may not be published or circulated in whole or in part without our written consent. All trademarks, registered trademarks, product names and company names or logos mentioned herein are the property of their respective owners, and you agree that you will not do anything to infringe or prejudice those rights. Reference to any products, services, processes or other information, does not constitute or imply endorsement, sponsorship or recommendation thereof by OSPL.