

January 6, 2014

ADVANCE INSIGHT

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Transportation					
	TW/NW/Jan	Feb	Mar	Apr	May
St. Paul Savage	//			425	425
Dub South	//		425	375	375
St. Louis 12'	425/425/415	390	350	325	325
Illinois	550/550/525	500	400	375	375
OH/Jeff/Cinn	410/410/400	375	375	375	350
Gulf/PNW	\$0.650 / bushel				
BN Shuttles	2200/2400/1750	1250	750	300	300
UP Shuttles	375/375/300	250	50	-100	-100

Cash Corn Markets					
	Jan FH/LH	Feb FH/LH	Mar FH/LH	Apr	May
CIF Nola	77h/77h 2	75h/75h	65h/65h	55h	55h
PNW	132h/132h 1	128h/128h	126h/126h	105k	105k

	Jan FH/LH	Chicago	Jan FH/LH
Cols CSX 65	-6h/-6h unc		18h/18h unc
Ft. Wayne N/S 75	-2h/-2h unc	Pekin ethanol	0h/2h x
Evansvl 15s	6h/6h unc	Decatur, IL	15h/2h x
Toledo	-14h/-14h x	Champaign CN 25	-3h/-3h x
UP Grp 3	-3h/-3h unc	Clinton, IA	18h/18h unc
Dexter, MO	/ x	Columbus, NE ethanol	2h/4h x
Fayne, OH	-1h/-1h unc	Muscatine Truck	15h/15h unc
Ottawa	-11h/-8h x	Hereford COBO B/E	50h/50h unc

Cash Bean Markets					
	Jan FH/LH	Feb FH/LH	Mar FH/LH	Apr	May
CIF Nola	101f/100f 2	107h/95h	76h/76h	75k	75k
Paranagua	/	55f/45f	45h/13h	-7	-7n

	Jan FH/LH	Chicago	Jan FH/LH	Jan FH/LH
Columbus	10h/10h unc	CN25	25h/25h x	Mankato
Toledo	0f/0f x	Chicago	0f/0f x	Cncl Bluf
Fostoria	15h/15h x	Decatur	25f/20f x	Lincoln
Windsor	10h/10h x	Naples	30h/30h	KC
PNW	175h/165h unc	Ottawa	4f/5f x	Wichita

Cash Milo Markets					
	Jan FH/LH	Feb FH/LH	Mar FH/LH	Apr	May
CIF Nola	100h/100h 15	/	/		
Houston	110h/110h unc	110h/110h	85h/85h	70k	60k
Corpus Christi	105h/105h unc	105h/105h	85h/85h	70k	60k

Cash Wheat Markets					
	Jan FH/LH	Feb FH/LH	Mar FH/LH	Apr	May
CIF SRW	100h/100h unc	97h/97h	90h/90h	70k	65k
TX Gulf HRW	45f/45f	/	/		

	Jan FH/LH	HRW	Jan FH/LH
St. Louis	35h/35h unc	KC Ords	105h/115h unc
Toledo (Mill)	/ x	KC 12s	155h/165h unc
	Jan FH/LH	KC 13s	155h/165h 5
PNW	125h/125 5	KC 14s	155h/165h unc

Export Inspections						
	TW	LW	LY	YTD	USDA Goal	Need/Week
Corn	19.3	28.7	7.3	472.0	1450	
Soybeans	56.4	43.7	40.0	922.6	1475	
Wheat	13.6	13.4	13.8	743.0	1100	
Sorghum	0.7	3.2	0.2	40.7	180	

Corn

Corn futures were higher all day in the first trading day of the first full week in the new year. Short covering in front of the index rebalancing was the initial driver as funds were estimated to be buyers of 5000 contracts. The arctic blast across the Midwest contributed to the light volume as many commercials were closed and farmers have very little interest in moving corn in these conditions. River logistics remain open on the IL river with one-way traffic for a 10 mile stretch around Peoria Lake. However, liability of staff loading barges in these temperatures probably limits logistics for the next couple of days. Export inspections came in at 19.3 mln bushels, below range of 21-30, but it was a holiday week. Spreads were slightly firmer off limited cash movement and SUDA announcement of 110,000 tons of corn sold to Mexico. China has now rejected 601K tons of corn and has taken if first shipment of Ukrainian corn. DDG levels reportedly found a floor, at least nearby, reasoning tied to limited movement/ethanol run rates due to cold weather. The market will focus on Friday's USDA report; average guess for production is 14.06 bbu vs. November report of 13.989 with the yield @ 161.1 vs. last USDA number of 160.4. The domestic carryout is estimated at 1.855 bbu vs. last of 1.792 and Dec. 1 stocks are estimated to be 10.764 bbu vs. 8.033 bbu last year.

Nate Durako

Beans

Soybeans and Meal were able post positive values on a light trading. The rally today put Soybeans back above the 200 day moving average. Export sales of 56.446 mln bu were above the expectations of 38-50 mln. Argentina corn and soybeans will be enduring a small heat wave this week, rains forecasted for the weekend. Brazil growing conditions remain favorable with rains likely this week in the southern areas. CIF basis was 2 cents stronger on the day for Jan and Fh Feb. Slow farmer movement as well as slow river navigation helped firm basis values. LH Jan CIF values are at DVE using 550% IL barge freight. Bigger question moving forward will be is coverage in the

Daily Spreads					
Corn					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Mar4-May4	(8.00)	0.25	-11.28	70.9%	3.3
May4-Jul4	(7.00)	unc	-11.70	59.9%	2.6
Mar4-Jul4	(14.75)	0.50	-22.95	64.3%	2.9
Sep4-Dec4	(6.75)	0.50	-17.52	38.5%	1.4
Beans					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Jan4-Mar4	19.50	1.50	-14.92	-130.7%	None
Mar4-May4	15.25	2.00	-14.36	-106.2%	None
Nov4-Jan5	(6.00)	-0.25	-14.04	42.7%	0.9
Wheat					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Mar4-May4	(5.75)	-0.25	-11.93	48.2%	1.8
May4-Jul4	(2.75)	0.50	-12.35	22.3%	0.2
Jul4-Sep4	(9.50)	0.25	-12.57	75.6%	3.5
KCBOT Wheat					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Mar4-May4	(1.75)	0.25	-13.95	12.5%	-0.3
Mar4-Jul4	(0.75)	0.75	-28.38	2.6%	-1.0
Jul4-Sep4	(12.00)	0.25	-20.80	57.7%	4.6

domestic processor. Soybean Meal cash values held steady in the interior Midwest with light demand due to poor weather. Trade estimates for the Jan 10th USDA report were released today. Soybean production was estimated as 3.279 bln bu with an avg guess on the yield at 43.3 and harvested acres at 75.749. Just for reference the November report estimated production at 3.258 bln bu with a yield of 43.0bpa.

Troy Presley

Wheat

All the stars should have aligned for the wheat bulls to start the week with demand optimism following Egypt's buying spree last week, a massive short fund position and of course the much talked about cold wave, but futures were unable to generate much buying momentum on a painfully quiet trading day. Mnpls and Chicago futures settled the day unchanged while KC managed to post small gains. Nearly 1/5th of the Chicago wheat volume happened in the Sunday night session demonstrating the slow day-trade environment. USDA announced a 120K ton HRW sale and 32k ton SRW sale to unknown destinations. Guessing at this point, but given all the cash trade rumors last week, it wouldn't be surprising to see this be sales to private Egyptian buyers on the SRW and Brazil wheat on the HRW. Egyptian supply minister announced that wheat reserves are sufficient until late April. The last time a statement of adequate reserves was made, it was followed with another tender. Weekly export inspections of 13.6 mbu were a little light of needed totals, but this represented a holiday week shipments. Cold temperatures merit some discussion on potential winter kill (which would seem likely), but extent of the problem and ability of the crop to recover will be a topic that is debated until harvest. There will be some wheat #'s in Friday's report. Don't look for too much on production and acreage, but surprises could show up in the stocks numbers. Trade estimates for the USDA report on HRW avg guess is 30.450 mln acres compared to USDA Nov estimate of 29.571. SRW acreage trade guess avg 9.525 vs Nov USDA 10.019. The 2nd quarter feeding residual will be tough to outguess and memories of a big Stats Can wheat stocks increase are vivid. Western Australian harvest coming to a close, and most receiving stations reporting record handles. Final production reports could be 2 mmt higher than guesses of only 30 days ago. Spreads were generally firmer on US exchanges. High protein wheat basis in KC was firmer and some very strong Spring values were noted, though much of that is still tied to logistic issues. In KC, look to the July/Sept as a good bullspread opportunity for new crop positions and for old crop supplies that might need to be carried on high freight or quality issues, the March/May still offers a little carry with a potentially tight stocks situation.

Kelly Herrick

South American Weather Outlook

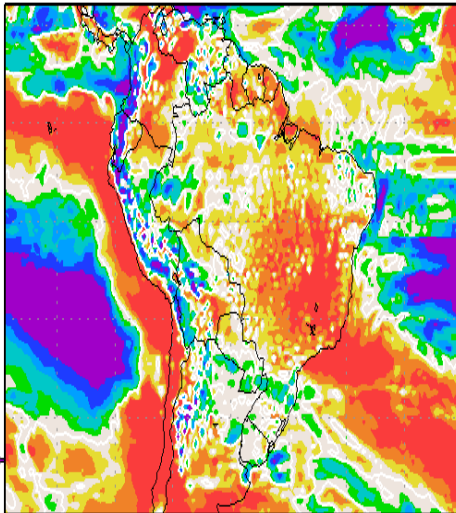
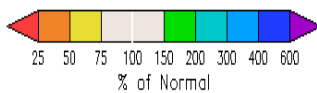
<http://www.wxmaps.org/pix/clim.html>

Precipitation (% of normal)
during the 7.5-day period:

Mon, 06 JAN 2014 at 12Z

-to-

Tue, 14 JAN 2014 at 00Z

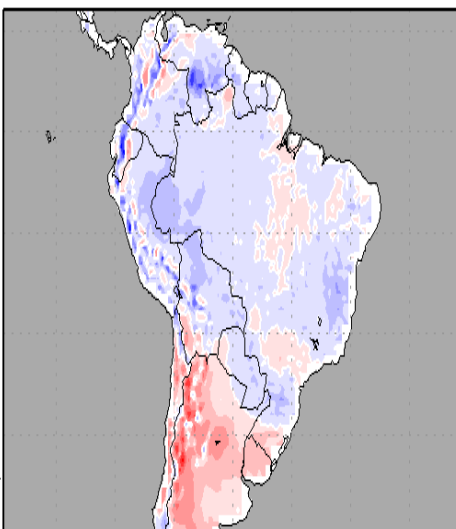
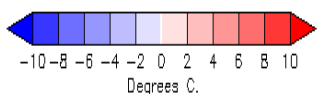


Temperature Anomaly
during the 7.5-day period:

Mon, 06 JAN 2014 at 12Z

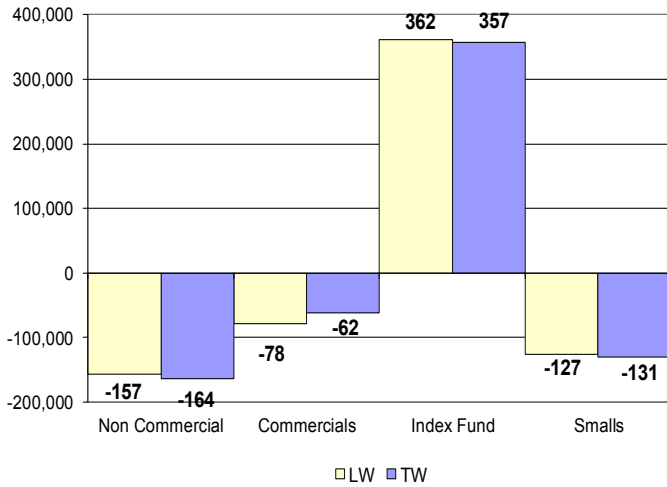
-to-

Tue, 14 JAN 2014 at 00Z

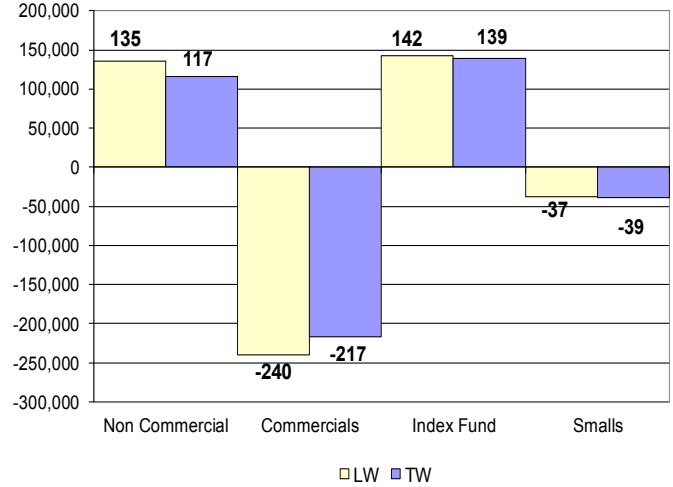


Commitment of Traders

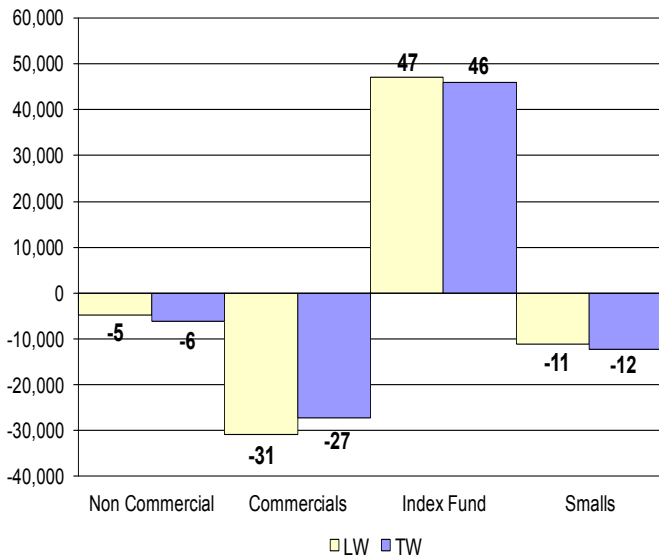
Corn Net Future & Option Positions



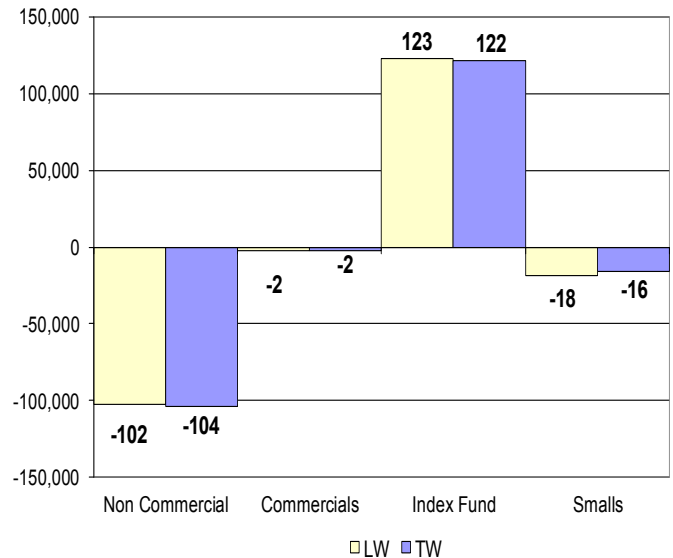
Soybean Net Future & Option Positions



KC Wheat Net Future & Option Positions



CBOT Wheat Net Future & Option Positions



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Hours (CST): Sunday 5:00pm-9:00pm, Monday-Thursday 6:00am-9:00pm, and Friday 6:00am-5:00pm

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