

July 1, 2013

# ADVANCE INSIGHT

TURN UNCERTAINTY INTO OPPORTUNITY

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## Transportation

	TW/NW/Feb	Mar	Apr	May	Jun
St. Paul Savage	//	350	350	325	325
Dub South	//	350	325	300	300
St. Louis 12'	225/230/275	275	275	275	275
Illinois	310/315/250	325	325	300	300
OH/Jeff/Cinn	200/200/325	225	225	225	250
Gulf/PNW	\$0.550 / bushel				
BN Shuttles	-50/-37.5/-75	-125	-150	-163	-138
UP Shuttles	-150/-150/-150	-175	-225	-150	-100

## Cash Corn Markets

	Feb FH/LH	Mar FH/LH	Apr FH/LH	May	Jun
CIF Nola	53h/57h	57h/54h	54k/54k	53k	63n
PNW	113h/113h x	115h/115h	121k/	123k	133n

	Feb FH/LH		Feb FH/LH
Cols CSX 65	29h/30h -3	Chicago	40h/40h unc
Ft. Wayne N/S 75	29h/30h	Pekin ethanol	25h/25h 10
Evansvl 15s	28h/33h	Decatur, IL	30h/30h 3
Toledo	20h/20h unc	Champaign CN 25	22h/22h x
UP Grp 3	17h/17h x	Clinton, IA	30h/30h x
Dexter, MO	42h/42h unc	Columbus, NE ethanol	38h/35h x
Fayne, OH	28h/33h	Muscatine Truck	20h/20h
Ottawa	4h/4h	Hereford COBO B/E	85h/85h unc

## Cash Bean Markets

	Feb FH/LH	Mar FH/LH	Apr FH/LH	May	Jun
CIF Nola	75h/72h	72h/70h	69k/69k	75k	64n
Paranagua	/	27h/27h	11k/11k	8k	24n

	Feb FH/LH		Feb FH/LH		Feb FH/LH
Columbus	13h/12h	CN25	/ x	Mankato	0h/0h unc
Toledo	9h/9h 4	Chicago	20h/20h unc	Cncl Bluf	25h/25h unc
Fostoria	23h/23h unc	Decatur	40h/32h -5	Lincoln	16h/10h x
Windsor	/ x	Naples	39h/ x	KC	40h/40h -5
PNW	145h/140h x	Ottawa	22h/20h -3	Wichita	28h/28h unc

## Cash Milo Markets

	Feb FH/LH	Mar FH/LH	Apr FH/LH	May	Jun
CIF Nola	25h/25h	/	/		
Houston	40h/40h unc	40h/40h	/		0z
Corpus Christi	15h/15h -5	20h/20h	/		0z

## Cash Wheat Markets

	Feb FH/LH	Mar FH/LH	Apr FH/LH	May	Jun
CIF SRW	73h/73h	73h/73h	60k/60k	50	25n
TX Gulf HRW	124h/124h unc	/	/		

	Feb FH/LH	HRW	Feb FH/LH
St. Louis	25h/25h 2	KC Ords	70h/85h 5
Toledo (Mill)	0h/0h unc	KC 12s	100h/115h 5
	Feb FH/LH	KC 13s	120h/135h 8
PNW	110h/110h unc	KC 14s	120h/135h 8

## Export Inspections

	TW	LW	LY	YTD	USDA Goal	Need/Week
Corn	14.8	5.9	22.8	581.5	700	13.2
Soybeans	4.5	7.8	14.7	1286.3	1330	4.9
Wheat	26.4	14.8	22.7	83.0	975	18.6
Sorghum	1.4	0.0	0.5	58.5	80	2.4

## Corn

Another volatile trading session for both flat price and spreads occurred today as funds were net sellers of 14,000 contracts. The trading range for the CN/CZ spread today was almost as much as July corn which had a 36 ½ cent range vs the spread at 33 cents. December corn opened overnight below 5.10 which it had held since early Feb. The weakness in Dec has been led by improved weather conditions and also a report from the IGC today that the World Maize stocks are expected to climb to their 13 year high for '13/14. Their production estimate is at 946 mmt vs last year's of 854 mmt. Tonight's condition report confirmed expectations rising 2% from last week and now 19% above last year at this time. Only 3 of the top recorded states showed declines led by TX at 14%, CO 8% and MN 1%. MO showed the biggest improvement of 5% followed by SD with 4%. Export inspection came in above expectations at almost 15 mbu or 5 mbu above the high end of the range. Basis was under pressure early when CN futures were trading in the upper 6.80's and CN/CU was above 1.40. This morning, many processors were down another 10-15 cents from their values going home on Friday, but as the board broke movement seemed to lighten up and by the close we're seeing some plants now bidding back above what they posted on Friday. Again, this is mainly due to CN/CU breaking hard and spot cif saw some firmness going home tonight, but for shipments within the next week. Today's early break in basis across the board for both domestic and export made us suggest to get more DP July longs across to the September. Like being under 50% of your longs in the July now.

*Dewey Hull*

## Beans

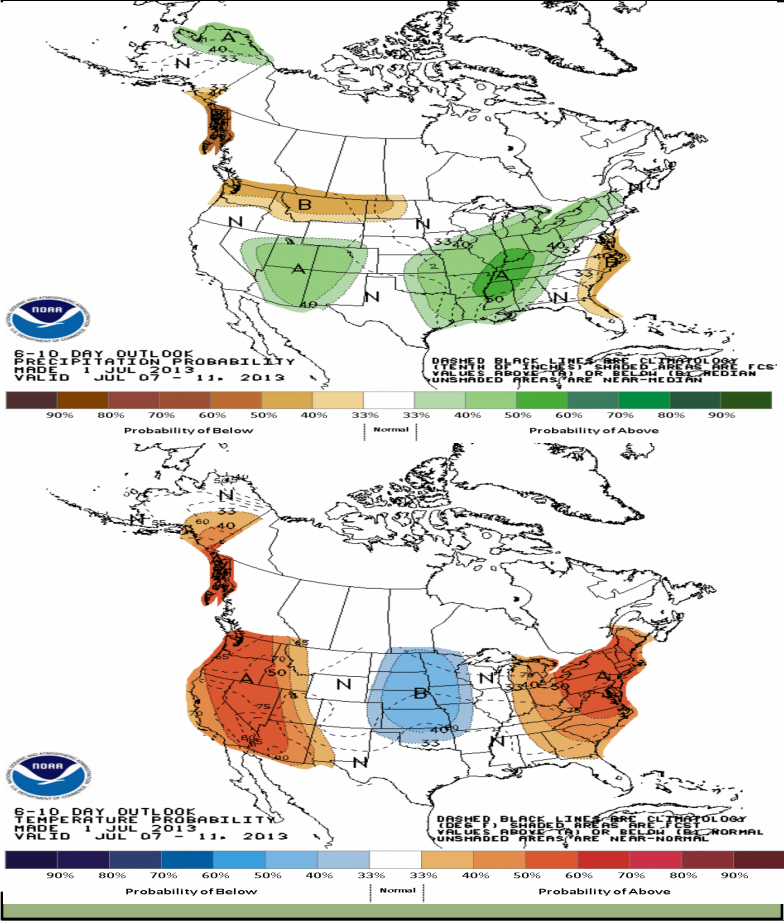
SN +6c, SX -8.75c. SN/X spread traded to a new high of 3.47 and had a range of 30c. US \$ -171 pts, with crude +\$1.50 and Gold +\$32. China PMI at 50.1 and Europe at 48.8 were both near expectations. Old and New crop beans continue their divergent pathways after last week's report. Last week's firmer processor basis brought follow through bull spreading Sunday night, but weaker export basis today tempered that trade. Ideal conditions for double crop beans is forecasted. DC beans are forecasted at a record 10% of total acreage at 7.1 mln. Overall subsoil moisture conditions are the best since '05 too. Worries over the lateness of the crop and freeze concerns appear on the back burner for a

Daily Spreads					
Corn					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Jul3-Sep3	135.25	unc	-12.36	-1003.1%	None
Sep3-Dec3	30.25	5.75	-17.86	-169.4%	None
Jul3-Dec3	154.25	-9.25	-30.51	-505.6%	None
Dec3-May4	(19.50)	-1.25	-29.43	66.3%	3.0
Beans					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Jul3-Aug3	134.25	-1.50	-7.89	-1702.0%	None
Jul3-Nov3	327.25	14.00	-31.30	-1045.6%	None
Nov3-Jan4	(5.00)	unc	-15.08	33.2%	0.1
Wheat					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Jul3-Sep3	(9.25)	unc	-12.98	71.3%	3.2
Jul3-Dec3	(23.50)	-0.75	-31.72	74.2%	3.4
Sep3-Dec3	(14.25)	-0.25	-18.89	75.5%	3.4
KCBOT Wheat					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Jul3-Sep3	(14.00)	1.75	-21.36	65.5%	5.4
Sep3-Dec3	(20.75)	1.25	-30.96	67.0%	5.5
Dec3-Mar4	(14.25)	unc	-21.84	65.2%	3.4

while. Fridays stocks report highlighted the tenacity of the farmer to hold beans and the concern buyers have in securing supplies for the remainder of the crop year. Total stocks were reported -35% from LY while On Farm stocks were -5% and Off Farm were -53%. We had more Off Farm stocks LY than we have total stocks this year. Processor basis today was mostly steady, Mankato was +10c while a couple of river located processors were down 5-10c. Cif bids were off 10-15c with river elev bids for FH July down 25 and LH down 10c. Brazilian truckers started a 72 hour strike today to help with logistic problems. USDA confirmed their intentions to re-survey soybean acreage for 14 states in the Aug report. Weekly crop conditions had 67% G/E +2% from lw and vs 45% LY. 96% planted, +4% vs LW and compares to 98% avg. This leaves 3.1 mln yet to plant which is 44% of the Double croppers. ND at 95% = 195k acres that will be planted very late. 91% have emerged vs 94% avg.

Trent Sauder

**North American Weather Outlook**  
<http://www.cpc.ncep.noaa.gov/products/predictions/610day/>



**Wheat**

With all the spread volatility in the fall crops, wheat was the forgotten commodity with KCBT (should I call it "CME HRW" now?) July and Sep up less than 1c. Chicago and MGEX were off slightly, though had low volatility days as well. Export inspections of 26.4 mbu were stronger than expected and ahead of USDA's 18.6 mbu pace. BY class, SRW led at 11.8 mbu, with HRW at 8.5 mbu, HRS at 5.5 mbu, SW at 1.2 mbu, and Durum at 400 kbu. Western harvest continues to crank along nicely with even Northern tier KS elevators reporting 60% complete. USDA's progress report showed KS as a whole at 67% and the U.S. composite at 43% (52% average). Conditions, though losing influence, improved 2% in the good to excellent category to 34%. ATI's model showed HRW up 8 mbu to 768 mbu, SRW up 1 mbu to 502 mbu, and White up 3 mbu to 196 mbu. Spring wheat heading was listed this afternoon at 18%, vs. 32% average and conditions declined 2%, though still sits at 68% good to excellent. That took ATI's model down 3 mbu to 518 mbu. SRW harvest results remain positive with some southern areas coming in 25% better than expectations. Post close, GASC tendered for wheat, their first tender since Feb, for Aug 10-20 shipment from a multitude of suppliers and qualities. They do not appear to be limiting PNW white. International Grains Council increased its world wheat production forecast 1 mmt to 683 mmt, though this lags USDA's June figure of 695.86 mmt. KCBT spreads continue to leak a little wider with N/Z now at 32 ¾ c carry. Long space houses can look as far forward as the May contract with N3/K4 at 60 ¼ c carry. This does represent just 64% of full carry, so storage space demand could certainly push it wider. This suggests those with alternative uses for space keep hedges more nearby while assessing space needs, fall crop ownership levels, and competing board carries.

Curt Strubhar

## Fourth of July Holiday Hours

All times are Central Time

### *NYMEX / COMEX*

Wednesday, July 3	4:15pm—regular close 5:00pm—regular open for trade date Friday, July 5 No night trading
Thursday, July 4	12:15pm—trading halted 5:00pm—halted products resume trading
Friday, July 5	4:15pm—regular close

### *CBOT, KCBT, MGEX—Grain and Agricultural Products*

Wednesday, July 3	12:00pm—early CBOT and KCBT close 12:15pm—early MGEX wheat close 12:30pm—early CBOT mini-sized grain close and MGEX Indices close 4:45pm—products will be in a pre-open until respective opens Friday, July 5 No night trading
Thursday, July 4	No night trading
Friday, July 5	8:30am—grains open; regular close in the afternoon

### *Other CME Group Products*

Wednesday, July 3	12:00pm—early close for dairy and lumber 12:02pm—early close for lumber options 12:15pm—early close for livestock futures and options Regular close for Ethanol No night trading
Thursday, July 4	12:15pm—Ethanol trading halt 5:00pm—Ethanol resumes trading
Friday, July 5	9:00am—Lumber will re-open 9:30am—Livestock will re-open Regular close in the afternoon

### *ICE (cotton, sugar, coffee, cocoa)*

Wednesday, July 3	Regular close No night trading
Thursday, July 4	No night trading
Friday, July 5	Coffee, sugar, cocoa normal hours 7:00am—Cotton opening; normal close

Advance Trading PO Box 1027, Bloomington, IL 61702 (800)747-9021 or (309)663-9021  
Holiday Hours (CST): Wednesday, July 3, 4:30pm close and will re-open Friday, July 5 at 6:00am.  
The Night Desk will be closed **both** Wednesday and Thursday