

July 18, 2013

ADVANCE INSIGHT

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Transportation

	TW/NW/Jul	Aug	Sep	Oct	Nov
St. Paul Savage	340/340/350	370	450	575	5500
Dub South	290/290/300	310	400	575	475
St. Louis 12'	240/240/250	270	400	550	450
Illinois	265/265/275	300	425	550	475
OH/Jeff/Cinn	200/210/220	275	350	425	450
Gulf/PNW	\$0.550 / bushel				
BN Shuttles	-150/-100/-100	-163	-175	700	325
UP Shuttles	/-150/-150	-150	-100	525	200

Cash Corn Markets

	Jul FH/LH	Aug FH/LH	Sep FH/LH	Oct	Nov
CIF Nola	180u/165u unc	130u/103u	61z/57z	63z	63z
PNW	270u/270u 5	265u/265u	/	110z	107z

	Jul FH/LH		Jul FH/LH
Cols CSX 65	150u/150u 20	Chicago	195u/195u unc
Ft. Wayne N/S 75	180u/180u 25	Pekin ethanol	145u/145u unc
Evansvl 15s	170u/170u 5	Decatur, IL	170u/170u 10
Toledo	155u/155u	Champaign CN 25	175u/175u x
UP Grp 3	195u/195u 10	Clinton, IA	180u/180u 5
Dexter, MO	/ x	Columbus, NE ethanol	192u/150u unc
Fayne, OH	180u/180u 28	Muscatine Truck	160u/160u unc
Ottawa	142u/142u -5	Hereford COBO B/E	260u/260u unc

Cash Bean Markets

	Jul FH/LH	Aug FH/LH	Sep FH/LH	Oct	Nov
CIF Nola	145q/145q 5	95q/68q	125x/105x	88x	89x
Paranagua	-8n/-8n -6	115u/115u	/		

	Jul FH/LH		Jul FH/LH		Jul FH/LH
Columbus	130q/130q unc	CN25	125q/125q x	Mankato	75q/60q
Toledo	82q/82q unc	Chicago	60q/60q unc	Cncl Bluf	163q/163u 3
Fostoria	130q/130q unc	Decatur	125q/125q	Lincoln	125q/115q unc
Windsor	115q/115q x	Naples	95q/95q unc	KC	100q/100q unc
PNW	160q/160q -10	Ottawa	104q/100q	Wichita	150q/120q unc

Cash Milo Markets

	Jul FH/LH	Aug FH/LH	Sep FH/LH	Oct	Nov
CIF Nola	120u/120u	/	/		
Houston	65z/65z unc	65z/60z	50z/50z	50z	50z
Corpus Christi	65z/65z unc	65z/65z	50z/50z	50z	50z

Cash Wheat Markets

	Jul FH/LH	Aug FH/LH	Sep FH/LH	Oct	Nov
CIF SRW	43u/43u unc	55u/63u	70u/80u	70z	70z
TX Gulf HRW	135u/135u x	135u/135u	/		

	Jul FH/LH	HRW	Jul FH/LH
St. Louis	12u/12u -1	KC Ords	75u/90u unc
Toledo (Mill)	0n/0n unc	KC 12s	123u/138u unc
	Jul FH/LH	KC 13s	115u/130u unc
PNW	110u/110u x	KC 14s	115u/130u unc

Export Sales

	Actual Old (mbu)	Actual New (mbu)	Expected (mbu)	Need
Corn	6.0	62.6	47-63 (1200-1600)	-5.2
Soybeans	4.1	21.7	18-26 (450-850)	-3.6
Wheat-All	36.6	0.0	33-44 (900-1200)	14.1
HRW	9.1	0.0		5.8
SRW	17.7	40.7		2.2
Sorghum	0.0	0.0		2.1
Bean Meal	41.6	38.0	75-175	0.1
Bean Oil	10.7	0.0	5-10	9.2

Corn

CU +2.5c, CZ -1.2c, crude +\$1.75, US \$ +80 pts, gold +\$6 and Dow + 78 pts. S & P 500 market value ticked over \$15 Trillion, +18.4% yr. CU/Z spread firmed to 40c inverse. Old crop corn premiums continue exploding to new highs. East and western values commonly 5-10 higher today as the remaining owner of corn, the farmer, waits for rain. IA/NE processor trades >2.00cu, Eastern rail crossings +1.80's. IL basis strength is being tempered somewhat from August southern corn offers. Some talk of southern rail rates being put in place to take corn to upper Midwest. To show the extremes between haves and have nots, I saw two processors within 50 miles of each other with bids 75c apart. For those with corn in storage that can't get rolled to DP, Whse receipt offers are starting to surface from southern origins. Forecasts are calling for 1"+ rains for 80% of the corn belt over the next week, it's a million dollar rain event as corn moves into peak pollination window. Climate Prediction Center released their August outlook with expectations for an avg precip and temps. Crop conditions are expected to drop again on Monday. Heavy buying was noted of CZ 750 calls today with over 10k trading electronically. New crop export sales are up to 294 mbu, a 14 yr higher for mid July. 2/3's of that is to China and Unknown (China). Black Sea corn is trading at a 65c discount delivered to S. Ko vs US corn for Nov/Dec. As a side note, the first Argentine vessel of corn is unloading in China this week. Might they start to buy the cheaper Argi corn after they see how this cargo goes? Speaking of demand, once we get through all the weather uncertainty in the market we then get to look at the 3.1 BBU increase in coarse grain usage that USDA is forecasting this year, twice the biggest increase we seen in the past. Seems optimistic to me to see that kind of demand increase.

Trent Sauder

Beans

SQ -8 ¼ at 1469 ¼, SQ/U +4 ¾ at 153 inverse. SX -17 ¾ at 1271, X/ F - ¼ at -5 ¼ carry. 7k selling of soy and 2k ea in product selling noted by funds, that to be prompted by increased chances for rain in the WCB as we are a few weeks from yield sensitive pod filling in the US. US export sales 4.1 mbu against -2.6mbu BOY needs, excluding rollovers. New crop accumulated export sales

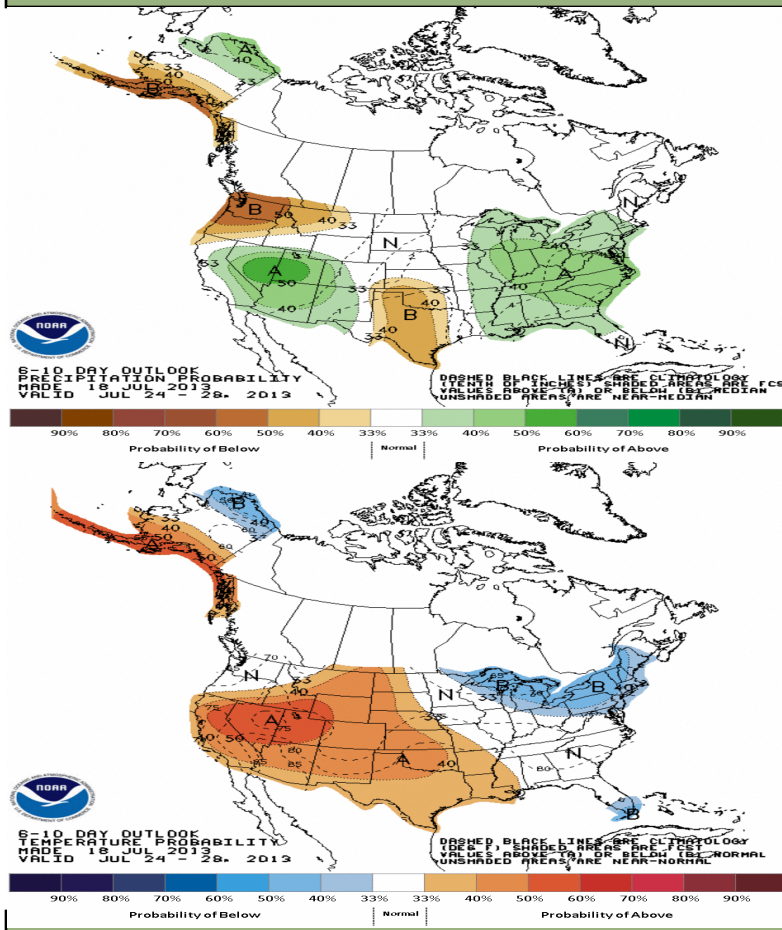
Daily Spreads					
Corn					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Sep3-Dec3	40.25	3.25	-18.07	-222.7%	None
Dec3-Mar4	(12.25)	unc	-17.84	68.6%	3.1
Sep3-Dec4	18.50	5.25	-89.22	-20.7%	None
Dec3-Jul4	(26.25)	-0.25	-41.38	63.4%	2.8
Beans					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Aug3-Sep3	154.50	4.50	-8.20	-1884.3%	None
Sep3-Nov3	51.25	5.00	-14.80	-346.2%	None
Mar4-May4	5.25	-1.75	-14.38	-36.5%	None
Wheat					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Sep3-Dec3	(12.25)	0.50	-18.88	64.9%	2.8
Dec3-Mar4	(11.50)	0.75	-18.88	60.9%	2.5
Mar4-May4	(7.50)	-0.25	-12.24	61.3%	2.5
KCBOT Wheat					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Sep3-Dec3	(13.50)	2.75	-30.98	43.6%	3.1
Dec3-Mar4	(10.50)	1.50	-21.89	48.0%	2.2
Mar4-May4	(5.00)	1.25	-14.20	35.2%	1.2

on the books running -8.6% from LY at 488.8 mbu vs. 534.7 mbu LY, yet USDA pegs annual Chinese imports up 17% at 69mmt vs 59mmt LY. US domestic soybean basis and meal basis was steady to weaker, weakness particularly out west by 5 to 15c/bu in nearby and August posted values. Seeing some stronger distiller corn oil prices as fears of slower run-rates in ethanol prompting buyers with excellent biod margins to step up feed stocks procurement. Biod rins steady from yest at \$1.45/g, near record highs for the year. Crude for refined basis in soyoil ¼ to ½ c/lb over JAS bean oil futures, and -1c/lb OND. The Aug/Sep bean oil spread has gone from .45 inverse to -.05 carry of late, as crusher/refiner margins excellent leading to ample supplies that need to get locked down to bank the exceptional margins. Alternative feedstocks (tallow/dco/canola oils/greases) have taken market share in biod feedstocks, but if they run towards crude for refined soyoil basis and flat price levels, can't rule out a market share increase for soyoil in BO biod demand. But most may view that too little too late with soyoil stocks 2.3 B lbs unchanged from LY. The meal spreads strengthened 7.7 today with SMQ:U13 at +53.3/st inverse, and herein lies the remaining strength in the old crop soybean complex. With broiler egg sets now inside the 5-year average range at least and not setting new record lows as it did LY at this time.

Joe Harroun

North American Weather Outlook

<http://www.cpc.ncep.noaa.gov/products/predictions/610day/>



Wheat

Surprisingly weak close to the wheat market Thursday as bulk of recent fundamental news has been leaning towards increasing concern of quality issues and a tightening global balance sheet. Egypt secured 300K tonnes of wheat from the Black Sea, which was the origin point most had expected. The bearish twist was US wheat trailing offers by \$25/tonne or 70¢ a bushel, which did cause some to temper the bullish outlook for US exports. Weekly export sales were just shy of 1 MMT, which again was within trade expectations following the surge of recent Chinese buying. Cash trade is still discussing the extended influence of possible Chinese wheat demand. Nature of the early aggressive purchases in combination with rumblings of quality and production losses would have the betting man putting money down on some future purchases from whoever has wheat. The Black Sea cash markets seem to have rebounded a bit with offers \$5 to \$10/MT higher than trades earlier this week. Russian quality is a bit suspect, which would seem to be an opportunity given the feed wheat premium to milling wheat, but offers have been limited. Argentina dropped their wheat production to a sub 50 Mmt total. KC protein scales were unchanged and Mnpls changes were minimal. A few days left in Nebraska for HRW harvest before it rolls into SD and what's left of the winter wheat acres in the Jackrabbit state. Spring wheat harvest start is 2+ weeks away and yields are expected to be above average. Anticipation is for a low protein crop given the rain totals and lack of heat stress this year. Spreads were firm across all exchanges, but especially strong in KC with Sept/Dec closing at 13 ¾ carry. The HRW basis started to show some weakness this week, and demand beyond this early export window is suspect, but until the producer sells wheat, basis is unlikely to concede.

Kelly Herrick

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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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