

July 22, 2013

# ADVANCE INSIGHT

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## Transportation

	TW/NW/Jul	Aug	Sep	Oct	Nov
St. Paul Savage	350/350/360	370	450	575	550
Dub South	290/290/300	310	400	575	475
St. Louis 12'	240/240/250	300	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	-225/-200/-200	-150	-175	700	325
UP Shuttles	-200/-200/-200	-200	-150	525	200

## Cash Corn Markets

	Jul FH/LH	Aug FH/LH	Sep FH/LH	Oct	Nov
CIF Nola	185u/185u 15	140u/105u	60z/57z	65z	65z
PNW	265u/265u -10	265u/	/	105z	108z

	Jul FH/LH		Jul FH/LH
Cols CSX 65	160u/160u unc	Chicago	200u/200u unc
Ft. Wayne N/S 75	180u/180u unc	Pekin ethanol	145u/145u unc
Evansvl 15s	180u/180u unc	Decatur, IL	170u/170u
Toledo	160u/160u x	Champaign CN 25	185u/185u unc
UP Grp 3	185u/185u -10	Clinton, IA	165u/165u -12
Dexter, MO	/ x	Columbus, NE ethanol	192u/150u x
Fayne, OH	195u/195u unc	Muscatine Truck	160u/160u -5
Ottawa	150u/150u	Hereford COBO B/E	260u/260u x

## Cash Bean Markets

	Jul FH/LH	Aug FH/LH	Sep FH/LH	Oct	Nov
CIF Nola	145q/145q unc	90q/70q	125x/110x	90x	89x
Paranagua	3n/3n 8	130u/130u	/		

	Jul FH/LH		Jul FH/LH		Jul FH/LH
Columbus	135q/135q unc	CN25	130q/130q unc	Mankato	50q/35q
Toledo	82q/82q x	Chicago	60q/60q unc	Cncl Bluf	163q/163u unc
Fostoria	130q/130q x	Decatur	110q/110q	Lincoln	125q/115q 25
Windsor	115q/115q x	Naples	105q/105q unc	KC	310x/310x -22
PNW	160q/160q 20	Ottawa	100q/100q	Wichita	300x/300x -82

## Cash Milo Markets

	Jul FH/LH	Aug FH/LH	Sep FH/LH	Oct	Nov
CIF Nola	130u/130u unc	/	/		
Houston	65z/65z x	65z/60z	50z/50z	50z	50z
Corpus Christi	65z/65z x	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/78u	73z	73z
TX Gulf HRW	150u/150u unc	148u/148u	/		

	Jul FH/LH		Jul FH/LH
SRW	16u/16u x	HRW	95u/110u unc
St. Louis	0n/0n x	KC Ords	130u/145u 7
Toledo (Mill)	0n/0n x	KC 12s	115u/130u unc
		KC 13s	115u/130u unc
PNW	110u/110u x	KC 14s	115u/130u unc

## Export Inspections

	TW	LW	LY	YTD	USDA Goal	Need/Week
Corn	8.9	16.3	19.6	615.1	700	14.2
Soybeans	2.8	3.7	15.8	1295.7	1330	5.7
Wheat	23.1	24.5	11.8	159.8	975	20.3
Sorghum	0.9	0.2	1.2	59.9	80	2.5

## Corn

Corn opened lower this morning and stayed lower all day, but settled 4-5 cents off of its lows. Weekend precip coverage was on the lighter side though traders seemed to be more focused on the cooler temps helping to aid pollination. Overseas weather was generally viewed as favorable for other corn production areas and this weighed on futures as well. Export inspections were below the light side of expectations at just under 9 mbu. Much of the reduction was due to light liftings to W. Hemisphere destinations by over 7 mbu from last week. Crop conditions this afternoon dropped 3% which was more than the expectations of 1-2%. The WCB saw the biggest declines led by KS and MO both dropping 9%. 43% of the U.S. crop is silking which is up 27% from last week and within 13% of the 5 year average. Basis was mixed with export values showing some strength, western processors down 5-10 and ECB processors mostly steady. Keep your DP shorts around 50% for now and look to increase that as you get into August.

*Dewey Hull*

## Beans

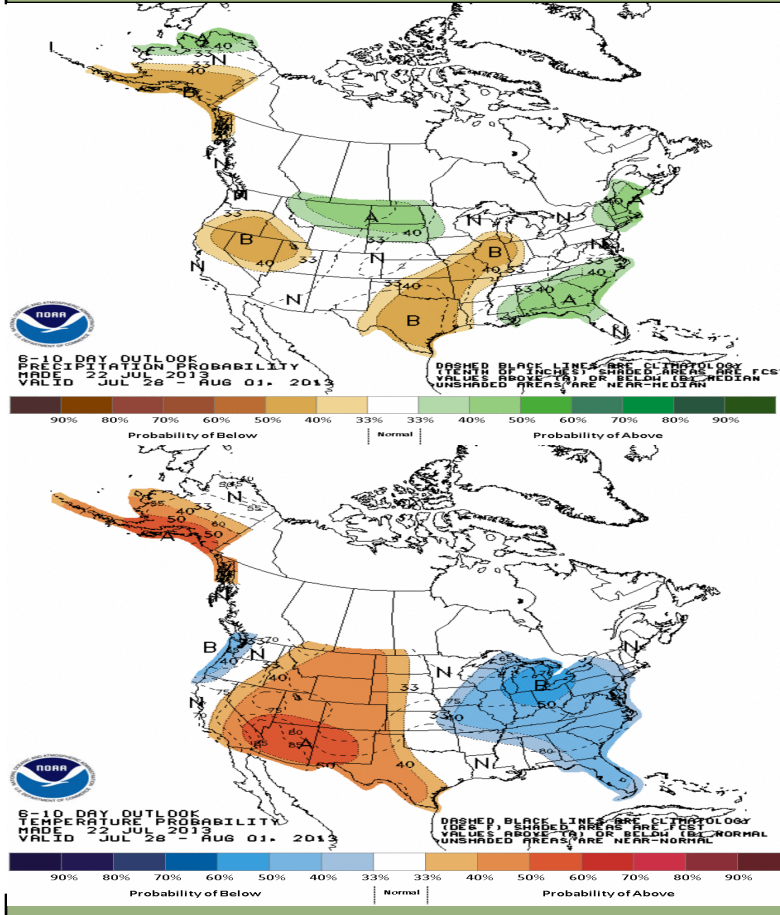
SQ +29.5c, SX +14.5c, SMQ up the +\$20 limit and synthetically trading \$3 over limit. The tight near term supplies trumped weather today as cash meal basis firmed with ongoing worries about adequate supplies. Weather was supportive too on less than expected weekend rains, but not a real worry yet for beans. Bean basis was commonly 10-30c lower across the belt ahead of the futures inverses and still has a way to go as it remains well over SQ delivery value. SQ/SU firmed 6c to \$1.72 and SMQ/U +\$3.3, both trading to new highs. Many processor bids rolled to the U or X today as they dropped bids. Remember to keep long

Daily Spreads					
Corn					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Sep3-Dec3	42.25	-1.00	-18.07	-233.8%	None
Dec3-Mar4	(12.25)	-0.25	-17.83	68.7%	3.1
Sep3-Dec4	16.50	-1.75	-89.13	-18.5%	None
Dec3-Jul4	(26.00)	-0.25	-41.33	62.9%	2.8
Beans					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Aug3-Sep3	172.25	7.50	-8.30	-2075.7%	None
Sep3-Nov3	60.25	8.25	-14.92	-403.8%	None
Mar4-May4	9.50	3.75	-14.45	-65.7%	None
Wheat					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Sep3-Dec3	(11.25)	-0.50	-18.87	59.6%	2.4
Dec3-Mar4	(11.25)	-1.00	-18.87	59.6%	2.4
Mar4-May4	(6.50)	-0.50	-12.23	53.1%	2.0
KCBOT Wheat					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Sep3-Dec3	(12.75)	-0.50	-30.97	41.2%	2.9
Dec3-Mar4	(10.25)	-0.75	-21.89	46.8%	2.1
Mar4-May4	(5.25)	-0.25	-14.19	37.0%	1.4

hedges for short basis in the Q, until the basis gets closer to DVE. Crop conditions dropped 1% to 64% G/E, similar to trade estimates. Conditions were 31% LY and the avg is 60%. In general the western belt conditions were off 2-7%, exceptions were SD +2% and MN +2%. Eastern and southeastern conditions were steady/better. Soybeans blooming 46%, vs 59% avg. Setting pods at 8% vs 19% avg. ATI research bean yield estimated dropped 1 bpa to 43.8.

Trent Sauder

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



**Wheat**

Wheat was lower all day, and while export inspections came in at the middle of the range and slightly above the needed per week number, there isn't any terribly exciting news on the export front. Talk of additional business to Egypt and China is still in the market which may provide some support to futures short term. Most SRW areas are wrapping up wheat harvest and any wheat still in the field in parts of Ohio that received 5-8" of rain last week is probably pretty much wrapped up in a different sense. Nationwide, winter wheat harvest is 75% complete which is right in line with the 76% average for this time of year. Spring wheat is 85% headed vs. 88% average, and 68% of the spring wheat crop is rated good to excellent. Chicago Sept/Dec and Sept/March spreads widened on the day, but both are significantly narrower than they were 60 days ago. Going forward, we will see local corn by mid-August available to the feeders in the southeast, then we will go into the Midwest corn harvest, and through all of that wheat will likely be sitting in space that corn will try to occupy. Given the wheat:corn price structure, the balance sheet predictions for corn ending stocks, and the inherent risk to a stopper of wheat that the falling numbers could be well below spec, it seems likely that wheat will be put out vs Sept (and probably vs. Dec) and if so, the spreads as we enter the delivery periods would have a tendency to widen.

Phil Reginelli

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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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