

August 1, 2013

ADVANCE INSIGHT

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Transportation

	TW/NW/Aug	Sep	Oct	Nov	Dec
St. Paul Savage	330/350/370	450	575	550	
Dub South	280/290/310	400	550	475	
St. Louis 12'	250/270/270	400	525	450	350
Illinois	260/270/290	400	540	475	410
OH/Jeff/Cinn	210/215/230	375	550	450	375
Gulf/PNW	\$0.550 / bushel				
BN Shuttles	0/-25/-25	-100	600	250	-88
UP Shuttles	-100/-150/-150	-150	500	150	150

Cash Corn Markets

	Aug FH/LH	Sep FH/LH	Oct FH/LH	Nov	Dec
CIF Nola	130u/93u unc	53z/51z	60z/60z	57z	60z
PNW	225u/200u 5	/	102z/102z	104z	107z

	Aug FH/LH		Aug FH/LH
Cols CSX 65	140u/ unc	Chicago	155u/130u 5
Ft. Wayne N/S 75	195u/195u unc	Pekin ethanol	85u/120u unc
Evansvl 15s	200u/200u unc	Decatur, IL	140u/140u
Toledo	125u/125u x	Champaign CN 25	140u/140u 10
UP Grp 3	/ unc	Clinton, IA	115u/115u unc
Dexter, MO	/ x	Columbus, NE ethanol	125u/80u 5
Fayne, OH	200u/200u unc	Muscatine Truck	125u/125u x
Ottawa	113u/113u	Hereford COBO B/E	200u/200u 15

Cash Bean Markets

	Aug FH/LH	Sep FH/LH	Oct FH/LH	Nov	Dec
CIF Nola	200x/170x 5	120x/104x	89x/89x	87x	84f
Paranagua	90q/90q 5	90u/90u	/		

	Aug FH/LH		Aug FH/LH		Aug FH/LH
Columbus	120q/120q unc	CN25	160x/160x 20	Mankato	150x/110x
Toledo	153x/153x x	Chicago	0q/0q unc	Cncl Bluf	80u/80u unc
Fostoria	180x/180x x	Decatur	165q/165q	Lincoln	70x/70x unc
Windsor	180x/180x x	Naples	150x/150x unc	KC	100x/70x -140
PNW	/ unc	Ottawa	5q/5q	Wichita	40x/50x

Cash Milo Markets

	Aug FH/LH	Sep FH/LH	Oct FH/LH	Nov	Dec
CIF Nola	130z/130z	/	/		
Houston	30z/30z -45	50z/50z	50z/50z	50z	50z
Corpus Christi	75z/75z unc	50z/50z	50z/50	50z	50z

Cash Wheat Markets

	Aug FH/LH	Sep FH/LH	Oct FH/LH	Nov	Dec
CIF SRW	60u/65u -5	72u/78u	80z/	80z	80z
TX Gulf HRW	148u/148u x	/	/		

	Aug FH/LH	HRW	Aug FH/LH
St. Louis	27u/27u	KC Ords	85u/100u -10
Toledo (Mill)	15u/15u x	KC 12s	125u/140u -6
	Aug FH/LH	KC 13s	95u/110u -25
PNW	105u/105u x	KC 14s	105u/120u -17

Export Sales

	Actual Old (mbu)	Actual New (mbu)	Expected mbu (kmt)	Need
Corn	5.3	43.0	16-21 (400-880)	-8.2
Soybeans	2.9	37.9	14-21 (400-825)	-6.6
Wheat-All	21.9	0.0	18-27 (500-725)	13.7
HRW	13.6	0.0		5.6
SRW	3.1	0.0		2.0
Sorghum	0.8	3.1		2.4
Bean Meal	11.1	320.3	125-350	-21.6
Bean Oil	11.3	0.2	0-30	9.6

Corn

CZ -12 at 467, CU/CZ + ½ at 20 ½ peaked 23 ¾. CZ/H4 – ¼ at -12 ¾. Weather continues favorable, with western rains helpful to dryland milo. Private yield estimate are pushing higher ahead of Aug 12th report AT 159.4 BPA, others 157.0 BPA, 158.5 BPA. Nearby corn basis generally a dime higher for rail and processor markets east and west, while CIF was steady and above DVE. Some pick-up in new crop commercial basis sales into processors, particularly out east where crops relatively early with excellent yield potential. Cash ethanol in Chicago declined 61% of Sep corn equivalent decline today, aiding board margins nearby. DDGS +5/st on decent demand for Aug at 107% Aug CIF corn, with Q4 even better. Country elevator roll charges and optimal weather for yields may combine to help shake loose some remaining farmer owned grain mid -August. Quality continues to be a nagging problem in isolated areas of the corn belt. Seeking out warehouse receipts to gain control of remaining inventories in the inverse makes some sense. Index fund rolling out of long September may start next week. Seems like a balance of reasons to keep CU/Z in check long term, but maybe a bumpy ride short term. Just think in 2 ½ month corn merchandising could become a whole lot more fun, as it is highly unlikely to be anything like what we've been thru the past 10 ½ months, are you ready?

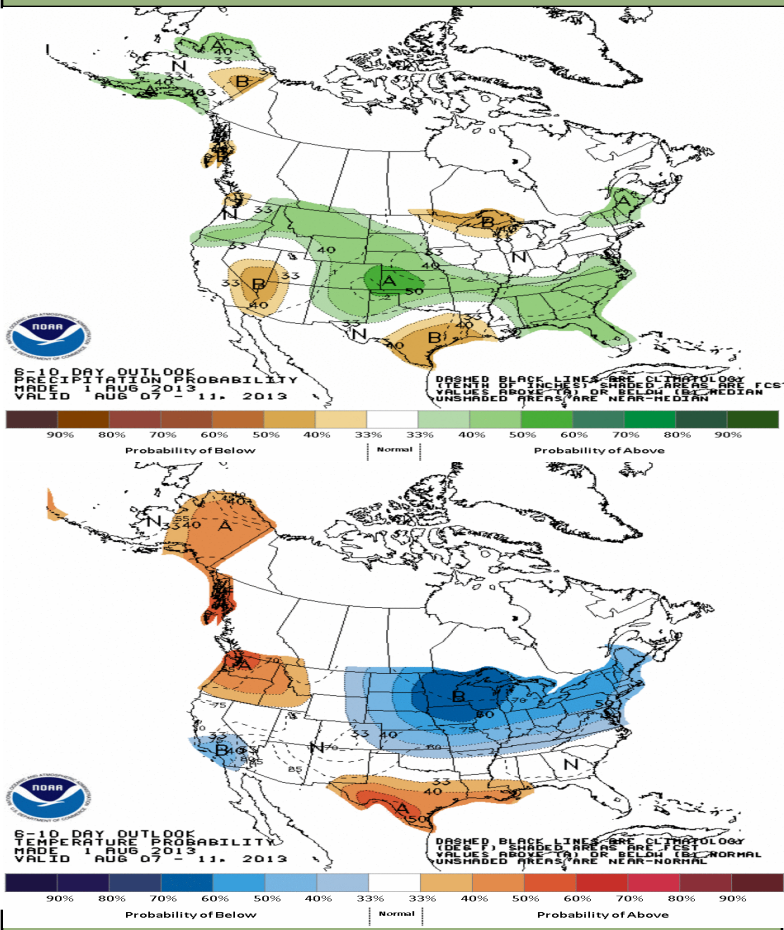
Joe Harroun

Daily Spreads

Corn					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Sep3-Dec3	20.25	0.25	-17.77	-114.0%	None
Dec3-Mar4	(12.50)	unc	-17.65	70.8%	3.3
Sep3-Dec4	(5.50)	2.25	-88.26	6.2%	-0.5
Dec3-Jul4	(26.25)	0.25	-40.93	64.1%	2.9
Beans					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Aug3-Sep3	124.25	unc	-7.98	-1557.6%	None
Sep3-Nov3	42.00	-1.50	-14.50	-289.7%	None
Mar4-May4	0.00	unc	-14.13	0.0%	None
Wheat					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Sep3-Dec3	(12.25)	0.50	-18.86	64.9%	2.8
Dec3-Mar4	(10.75)	unc	-18.86	57.0%	2.3
Mar4-May4	(6.25)	-1.00	-12.23	51.1%	1.9
KCBOT Wheat					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Sep3-Dec3	(11.25)	-1.00	-30.99	36.3%	2.4
Dec3-Mar4	(8.00)	0.50	-21.92	36.5%	1.3
Mar4-May4	(1.75)	-0.50	-14.21	12.3%	-0.4

North American Weather Outlook

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



Beans

August is the weather month for beans and forecasts look good and it's too early to trade a freeze. Today's selling was noted as Index and managed money selling. SQ -16 ¼, SX -13 ¾, SMQ -\$9.7. Fund selling was thought to be 10k beans, 3k meal and buying of 2k oil. Key support at \$11.97 SX was broken and brought some chart selling. China confirmed they are auctioning 500kmt of reserve beans next Thursday, unsure on price yet, but they are likely to be priced to sell. Interest in additional new crop US beans appears limited for the moment, but a few offers being booked for MAM from Brazil. As a side note, China's weather is good for the growing crop. Agritrend estimate for Argentina's 13/14 crop is 55mmt vs 49 TY and the record of 52.7. Export sales were better than expected for old and new crop beans and meal. Processor basis fell 20-40c at several IL/IA locations, with MN guys 10-20 firmer. Meal basis was weaker. Basis bids do not support the SQ/U inverse, but offers are thin too.

Trent Sauder

Wheat

Wheat was the least weak of the major commodities today at down 6, but caught in the Index Fund selling none the less. Export Sales continue good. 21.9 MBU sold last week vs. on 13.7 needed to make USDA projections. 13.6 HRW, 3.1 SRW, 4.9 HRS, 0.3 White, and 0.0 Durum. China at 4.8 mbu and Brazil at 3.2 were notable. Report Brazilian crop loss of 5% due to frost and US wheat being cheaper than Canadian or Argentinian wheat account for the selling. Today Pakistan bought their wheat from Ukraine and Japan did buy 178 KMT of US milling wheat, including 89 KMT of Western White. This is their first purchase of white wheat since the GMO scandal broke. Apparently signaling the end to the controversy. HRW at Gulf remains firm at +150. Gulf SRW remains non spread threatening at 60/66, down 4-5. In the Decembers, WZ3 - CZ3 = 203 vs. 150 at end of June as CZ has dropped much faster than WZ as prospects for big US corn crop develop. Come October, wheat is not close to completely with corn in the feed ration.

Terry Reinhart

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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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