

August 6, 2013

# ADVANCE INSIGHT

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## Transportation

	TW/NW/Aug	Sep	Oct	Nov	Dec
St. Paul Savage	360/370/410	425	575	550	
Dub South	280/290/310	425	560	475	
St. Louis 12'	270/270/270	425	525	450	350
Illinois	280/310/280	400	550	475	410
OH/Jeff/Cinn	290/290/325	500	575	450	375
Gulf/PNW	\$0.550 / bushel				
BN Shuttles	-100/-112.5/-112.5	-63	650	400	-88
UP Shuttles	-100// -100	-125	500	150	150

## Cash Corn Markets

	Aug FH/LH	Sep FH/LH	Oct FH/LH	Nov	Dec
CIF Nola	130u/90u x	53u/51u	60z/60z	58z	60z
PNW	240u/210u 5	/	102z/102z	105z	109z

	Aug FH/LH		Aug FH/LH
Cols CSX 65	105u/105u -25	Chicago	150u/130u unc
Ft. Wayne N/S 75	150u/150u -25	Pekin ethanol	130u/130u x
Evansvl 15s	135u/135u -15	Decatur, IL	140u/140u unc
Toledo	130u/130u x	Champaign CN 25	125u/125u x
UP Grp 3	/ unc	Clinton, IA	140u/140u x
Dexter, MO	/ x	Columbus, NE ethanol	165u/100u unc
Fayne, OH	120u/120u -20	Muscatine Truck	110u/110u 5
Ottawa	120u/120u unc	Hereford COBO B/E	200u/200u unc

## Cash Bean Markets

	Aug FH/LH	Sep FH/LH	Oct FH/LH	Nov	Dec
CIF Nola	185x/150x x	115x/105x	90x/85x	88x	83f
Paranagua	95u/95u x	95u/95u	/		

	Aug FH/LH		Aug FH/LH		Aug FH/LH
Columbus	140x/140x -15	CN25	160x/160x x	Mankato	200x/115x
Toledo	153x/153x x	Chicago	0q/0u unc	Cncl Bluf	115u/115u x
Fostoria	190x/190x x	Decatur	170q/170q 10	Lincoln	85x/85x 15
Windsor	180x/180x x	Naples	110x/110x unc	KC	155x/100x 30
PNW	/ unc	Ottawa	5q/5q unc	Wichita	40x/50x unc

## Cash Milo Markets

	Aug FH/LH	Sep FH/LH	Oct FH/LH	Nov	Dec
CIF Nola	130z/130z x	/	/		
Houston	30z/55z x	50z/50z	50z/50z	50z	50z
Corpus Christi	65z/65z x	50z/50z	50z/50	50z	50z

## Cash Wheat Markets

	Aug FH/LH	Sep FH/LH	Oct FH/LH	Nov	Dec
CIF SRW	55u/62u x	75u/78u	80z/80z	80z	80z
TX Gulf HRW	148u/148u x	/	/		

	Aug FH/LH		Aug FH/LH
SRW		HRW	
St. Louis	26u/26u x	KC Ords	70u/85u x
Toledo (Mill)	15u/15u x	KC 12s	120u/135u x
	Aug FH/LH	KC 13s	95u/110u x
PNW	110u/110u x	KC 14s	105u/120u x

## Deliverable Stocks of Grain

(thousands of bushels)

Corn		Change from LW	Change from LY
Illinois River	734	-522	50
Chicago	197	6	107
Total	931	-516	157

Soybeans		Change from LW	Change from LY
Illinois River	993	-360	322
Chicago	7	1	-293
Total	1000	-359	29

CBOT Wheat		Change from LW	Change from LY
Toledo	19921	421	-5548
Chicago	7731	277	-5001
St. Louis	1161	-266	-1079
Total	28813	432	-11628

KCBOT Wheat		Change from LW	Change from LY
Salina	24073	-1618	-1020
Hutch	22636	-647	-4390
KC	10799	35	503
Total	57508	-2230	-4907

## Corn

Corn futures had a relatively quiet trading day with Sept. up 3 and Dec off 1. The news of the day centered around the EPA's proposed reductions for the 2014 RFS. Specifically, "EPA does not currently foresee a scenario in which the market could consume enough ethanol sold in blends greater than E10, and/or produce sufficient volumes of non-ethanol biofuels to meet the volumes of total renewable fuel and advance biofuel as required by the statute for 2014". "Therefore, EPA anticipates that in the 2014 proposed rule, we will propose adjustments to the 2014 volume requirements.....". Without overthinking this statement, it opened the door for revisions to next year's ethanol mandate and this simply has a bearish corn demand feel. Other market observations old crop corn basis continues to firm and in Peoria/Cedar/Clinton, we are back up near old basis highs. As the ethanol margins roll forward, processors are looking for more corn out into September. Some areas will have corn at a price and continue to grind, other areas will be out of corn at any price and shut down until new crop. New crop basis values for gut slot(not talking about quick ship) are firm in the West and relatively cheap in the East. Everyone will need to consider these values and if/where they would make offers. Variables like ownership, futures carries, logistics and your space (long, adequate or short) all play into these considerations. If the values are high enough, ownership should be sold and DP programs become competitive to storage to help stay out of inefficient space.

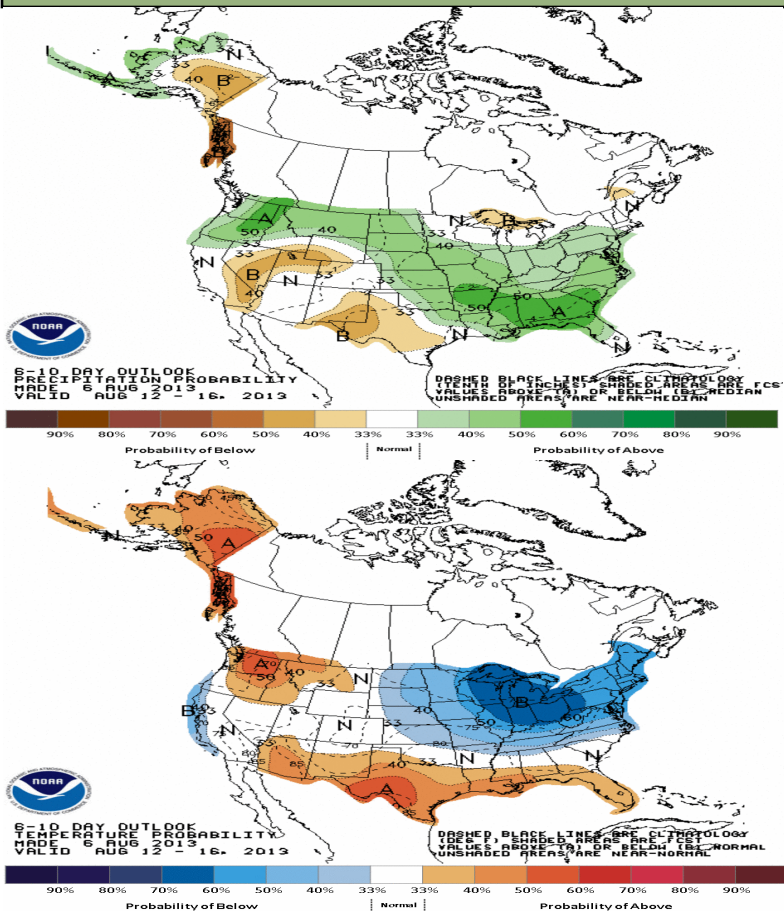
Ben Peters

**Daily Spreads**

Corn					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Sep3-Dec3	13.25	4.25	-17.68	-74.9%	None
Dec3-Mar4	(13.25)	-0.25	-17.61	75.2%	3.5
Sep3-Dec4	(22.00)	2.50	-88.05	25.0%	0.6
Dec3-Jul4	(26.75)	unc	-40.83	65.5%	2.9
Beans					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Aug3-Sep3	131.50	9.50	-7.91	-1662.2%	None
Sep3-Nov3	26.00	0.25	-14.35	-181.2%	None
Mar4-May4	(1.50)	-0.75	-14.06	10.7%	-1.4
Wheat					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Sep3-Dec3	(12.00)	0.50	-18.82	63.8%	2.7
Dec3-Mar4	(10.75)	-0.50	-18.82	57.1%	2.3
Mar4-May4	(6.50)	-0.50	-12.20	53.3%	2.1
KCBOT Wheat					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Sep3-Dec3	(10.00)	2.00	-30.96	32.3%	2.0
Dec3-Mar4	(9.00)	-0.25	-21.89	41.1%	1.7
Mar4-May4	(1.00)	unc	-14.19	7.0%	-0.8

**North American Weather Outlook**

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



**Beans**

Soybeans lead the charge lower today, funds were sellers of 7k bean contracts, 3K contracts of meal and 5K contracts of oil. August futures started the day with only 2610 contracts in open interest were only down a nickel, November futures were down 16c. This gave the sQ/sX spread some fire as the inverse jumped to 153 ¼ that's up 10 ½ on the day. Weather has cooperated as temps remain un seasonably cool and the forecast appears to keep it that way. Goldman Sachs took \$.50/bu away from their SX3 price forecast today as their outlook dropped to \$10.50. The biggest fundamental news on the day came from the EPA regarding RFS mandates. EPA maintained its overall target for biofuel use in 2013, however left the door open for the goals in 2014. Refiners that have come under pressure due to rising renewable fuel credit prices took this as a sign that the EPA could lower advanced RIN mandates moving forward. China bought 110K new crop Soybeans today that didn't appear to affect the market much. The trade is anxiously awaiting next week's USDA report to survey soybean acres. Trade estimates yield slipping to 43.7 bpa crop is expected to drop to 3.357 bbu vs ATI 3.397 bbu. New Crop spreads were mostly quite with F/X trading out to -7 and X/H at -12 ¼.

*Troy Presley*

**Wheat**

Wheat closed higher as news of global export demand dominated the headlines. Chicago Sept futures settling up 5 ¼ at \$6.50 ½ while KC Sept settled up 6 ¼ at \$7.02. As far as export business today there were a number of tenders announced: Egypt for a total of 120,000MT of wheat (60k each Ukrainian and Russian), Iraq booked a total of 150k MT (100K Australian and 50K Canadian), and Jordan booked 100K MT wheat (undisclosed origin, seller Nibulon). Though US wheat prices are not competitive versus the prices announced in these tenders, the census report released this morning pegged official US wheat exports for June at 102 mbu which is the second highest monthly export number in 25 years. Heavy rainfall in Central Russia remains a concern as harvest gets pushed back and quality has reportedly been deteriorating. Recent estimates of the Russian crop range from 50 to 52 MMT versus current USDA projections of 54 MMT. Cash basis was quiet on the day – HRW basis still strong at the gulf but pretty well unchanged from yesterday. Protein premiums were a dime firmer for 11.4 and 11.6 pro, unchanged on everything else. SRW was 2 cents weaker on the bids for nearby shipment while Sept forward numbers were unchanged. Spreads narrowed a bit today – WU/WZ narrowed ¼ cent closing at 12 ¼ while KWU/KWZ narrowed 1 ½ cents closing at 10 ¼. SRW hedges in the Dec. HRW hedges in both Sept and Dec - some thinking that a strong milo and corn crop in the West could claim wheat space thus forcing wheat to move widening basis/spreads. Make sure your Sept hedges in total do not exceed what you would be able to sell/move versus the Sept should basis or space constraints force movement.

*Paul Dubravec*

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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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