

August 9, 2013

# ADVANCE INSIGHT

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## Transportation

	TW/NW/Aug	Sep	Oct	Nov	Dec
St. Paul Savage	370/380/420	440	590	575	
Dub South	320/340/375	400	575	490	
St. Louis 12'	270/290/375	450	550	475	350
Illinois	300/310/350	375	575	475	425
OH/Jeff/Cinn	310/330/425	425	575	450	375
Gulf/PNW	\$0.550 / bushel				
BN Shuttles	-100/-112.5/-112.5	-100	725	325	-100
UP Shuttles	//-100	-175	500	150	150

## Cash Corn Markets

	Aug FH/LH	Sep FH/LH	Oct FH/LH	Nov	Dec
CIF Nola	130u/93u unc	56u/50u	60z/60z	59z	57z
PNW	210u/210u unc	175u/	102z/102z	104z	108z

	Aug FH/LH		Aug FH/LH
Cols CSX 65	100u/100u unc	Chicago	130u/130u unc
Ft. Wayne N/S 75	160u/160u unc	Pekin ethanol	145u/145u unc
Evansvl 15s	130u/130u unc	Decatur, IL	140u/140u unc
Toledo	120u/120u unc	Champaign CN 25	155u/155u -5
UP Grp 3	/ unc	Clinton, IA	142u/142u 2
Dexter, MO	/ x	Columbus, NE ethanol	150u/100u
Fayne, OH	120u/120u unc	Muscatine Truck	110u/110u unc
Ottawa	130u/130u 10	Hereford COBO B/E	200u/200u x

## Cash Bean Markets

	Aug FH/LH	Sep FH/LH	Oct FH/LH	Nov	Dec
CIF Nola	180x/160x -10	125x/110x	95x/92x	94x	86f
Paranagua	95u/95u unc	110u/110u	/		

	Aug FH/LH		Aug FH/LH		Aug FH/LH
Columbus	130x/130x unc	CN25	160x/160x unc	Mankato	215x/160x x
Toledo	153x/153x unc	Chicago	0q/0u unc	Cncl Bluf	115u/115u -7
Fostoria	160x/160x 17	Decatur	170q/170q unc	Lincoln	85x/85x unc
Windsor	180x/180x	Naples	140x/ +30	KC	160x/85x unc
PNW	/ unc	Ottawa	5q/5q unc	Wichita	75x/60x unc

## Cash Milo Markets

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

## Cash Wheat Markets

	Aug FH/LH	Sep FH/LH	Oct FH/LH	Nov	Dec
CIF SRW	40u/45u -4	58u/66u	75z/75z	75z	75z
TX Gulf HRW	60u/60u unc	75u/75u	75z/75z	75z	75z

	Aug FH/LH		Aug FH/LH
SRW		HRW	
St. Louis	6u/6u x	KC Ords	70u/85u unc
Toledo (Mill)	15u/15u unc	KC 12s	125u/140u unc
		KC 13s	105u/120u 10
PNW	116u/116u unc	KC 14s	105u/120u unc

## Corn

Corn was testing market strength today as December made new recent lows at 452. Getting things cleaned up or "even" today before Monday's USDA report seemed to be what was on everybody's mind. LH Aug basis values appeared to be weakening or "converging" however the FH Sept was another story as it felt stronger due to concerns of a delayed harvest and getting Labor Day needs met. CU/CZ spread rallied early in the day before the pressure of the Goldman Roll eventually pushed it 1c lower to settle at 12 ½ inverse. CZ/CH saw decent volume at times trading on a ½ cent range and settling at 13 ½. Many producers still scratching their heads about fall marketing. Rumors were that many sales barns today became packed with famers trying to buy cattle, as the idea of feeding their corn was more appealing than selling. Lanworth estimates out today suggested a 14.060 bil bu crop using a 159.1 yield forecast. The range of estimates for Mondays report for the 2013 production has a ~900 mil bu deviation. Funds sold an estimated 10k contract on the day, CFTC reported the large speculators increased their net short position a little more than 5k contracts this week. Record low amounts of "shorts" for commercials versus a large crop is giving the CZ/CH a great "tug of war" feeling. Be diligent in having orders in at your target levels as we try and find out who can pull harder. New crop basis levels in the west appear to be under pressure as more offers are showing up for logistical reasons. Be cautious with your bid structures as and freight needs. Barge freight up 50%, rail freight up \$75/car for Oct. This would raise delivered values and be bearish interior.

*Troy Presley*

## Beans

SU -3c, SX -2c, SMU -\$2, SMZ -.7, Crude +\$2.70. For the week: SX -1.5c, SQ/SX +10c. Weaker gulf basis pulled back the nearby futures today in and end of the week and tread water day before Mondays report. A much needed rain event is supposed to hit much of IA on Monday/Tuesday. Plenty of talk about short beans and late development across the belt, but nothing new today. U of I weather comment that cool August weather has no correlation with an early freeze. But, cool Sept weather does correlated to early freezes. With the crop lateness and main bean weather still ahead, the updated acreage survey will be the key for Monday's report. Cif premiums were off 10c for Aug and unchgd for new crop. Processor basis was more steady today after 3 days of increases to +200X + in many locations. Cash crush margins have slipped, so meal basis is trying to firm back up. New crop export bean sales are now 40% of the

Daily Spreads					
Corn					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Sep3-Dec3	12.25	-1.50	-17.64	-69.4%	None
Dec3-Mar4	(13.50)	unc	-17.57	76.8%	3.6
Sep3-Dec4	(24.00)	-1.75	-87.87	27.3%	0.7
Dec3-Jul4	(28.00)	-0.50	-40.75	68.7%	3.1
Beans					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Aug3-Sep3	121.25	-6.75	-7.94	-1526.7%	None
Sep3-Nov3	36.50	-7.00	-14.44	-252.8%	None
Mar4-May4	(0.50)	-0.75	-14.10	3.5%	-2.0
Wheat					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Sep3-Dec3	(13.50)	-1.00	-18.74	72.0%	3.2
Dec3-Mar4	(13.25)	-1.50	-18.74	70.7%	3.1
Mar4-May4	(8.00)	unc	-12.15	65.8%	2.8
KCBOT Wheat					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Sep3-Dec3	(6.00)	-1.25	-30.91	19.4%	0.7
Dec3-Mar4	(8.50)	-0.25	-21.86	38.9%	1.5
Mar4-May4	(1.50)	-1.00	-14.18	10.6%	-0.5

year's forecast vs 27% sold on avg. China continues to add to their book, with ideas they purchased another 8-10 cargoes of US and 4-6 from S. AM. World rape and sun meal continue to drop in price vs sbm and displacing sbm demand. To rehash the report one more time: '13/14 avg production estimate is 3.338 vs 2.420 LM, yield at 43.7 vs 44.5 bpa, ending stocks at 262 mbu vs 295 last LM. This year's carryout is estimated at 122 vs 125 LM. Global ending stocks are thought to increase 12mmt from TY. Weekly COT report has the non commercial (funds) short 2k options & futures; commercials short 78k, Index guys long 128k.

Trent Sauder

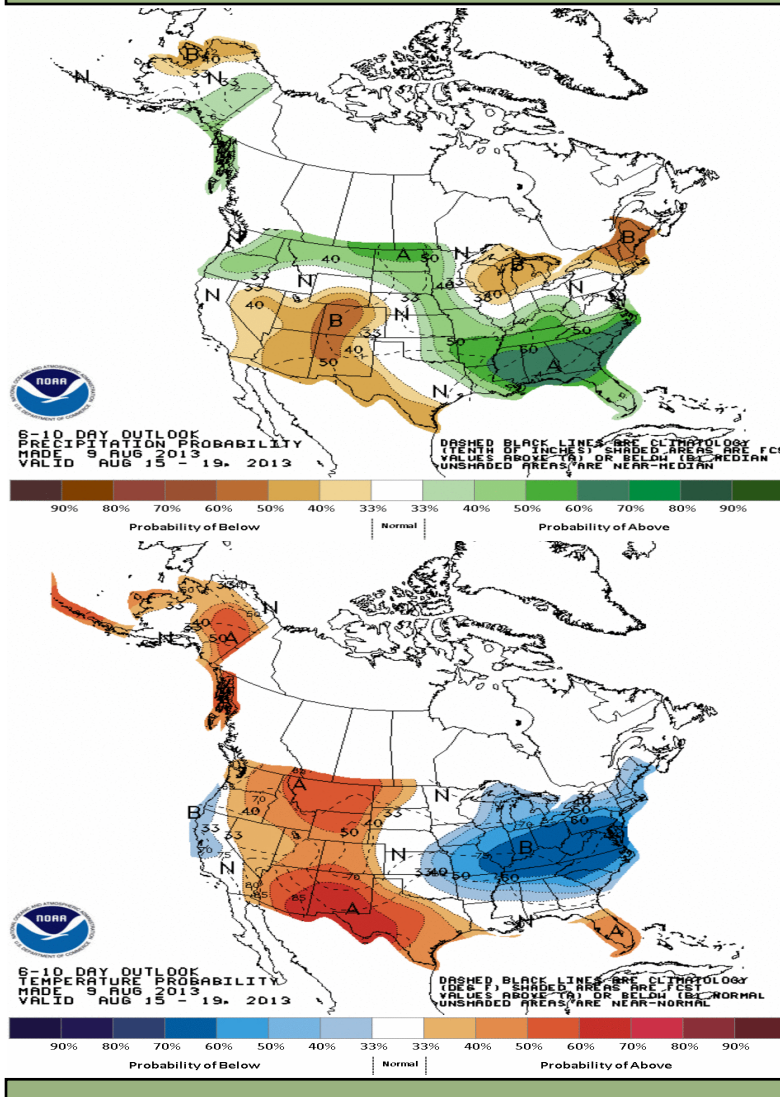
## Wheat

Lower close to the day and week for the wheat exchanges as pre-report positioning was the major theme. September contracts at the Mnpls and Chicago exchanges made new contract lows during the session on Friday. Volume was fairly active with fresh news limited to improving French wheat harvest results and Australian weather. For the week, KC and Mpls futures were down a dime, while Chicago futures lost over 25 cents. During the last month, KC futures have gained over 45 cents on Chicago. Recent flurry of SRW wheat purchases from China would have supported a bullish fundamental picture, but it's actually been the Brazil purchases driving the HRW market. Surprising to see CONAB forecast a Brazilian 2013/14 wheat crop of 5.6 mmt, unchanged from their July estimate, given the market chatter of freezing temperatures and production losses. Open interest in KC Sept futures is significant, nearly the highest in the last 10 years, while Dec KC open interest is 60% of totals 1 year ago. French wheat crop estimated at 71% harvested, now trailing last year by just 3%. Quality is reportedly better than expected. Over 60K tonnes of French wheat destined for Saudi Arabia next week is part of the significant French wheat export lineup. Adding to the export pressure is India authorizing 2 MMT of wheat exports at \$300/mt, which will likely not generate a sale, but does somewhat cap the flat price market. Sept/Dec KC wheat eased back to 7 cents carry on Friday, before closing at 6 1/4 carry. Basis values were quiet, but ordinary delivery wheat is close enough to DVE which will keep the spread cautious. Rains have been nothing short of amazing for bulk of the HRW area, which not only improves wheat seeding potential, but also creates a potential space crunch with fall crops. Elevators have struggled to get wheat ownership, but it's still more than fall grain ownership. If there are space concerns, it could force wheat into the market. This authors bias is for some weakness to show up in the spread, but basis direction will be the determining factor. If logistically you can move wheat, then it's safe to wait to roll shorts given the spread is at money costs. If selling wheat isn't an option, then use any weakness to get to the December. Have a great weekend!

Kelly Herrick

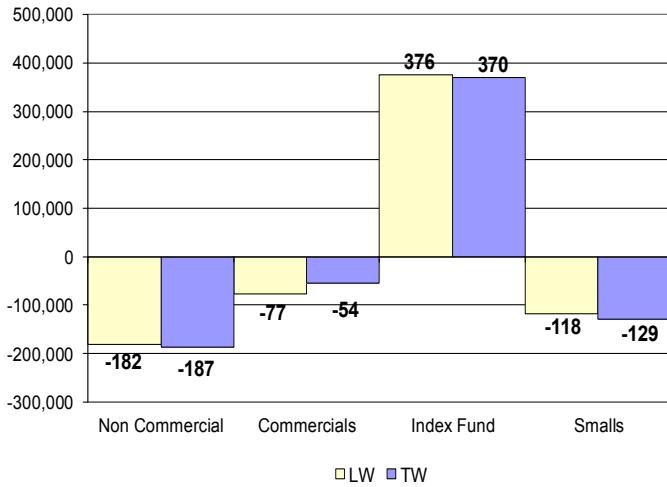
## North American Weather Outlook

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

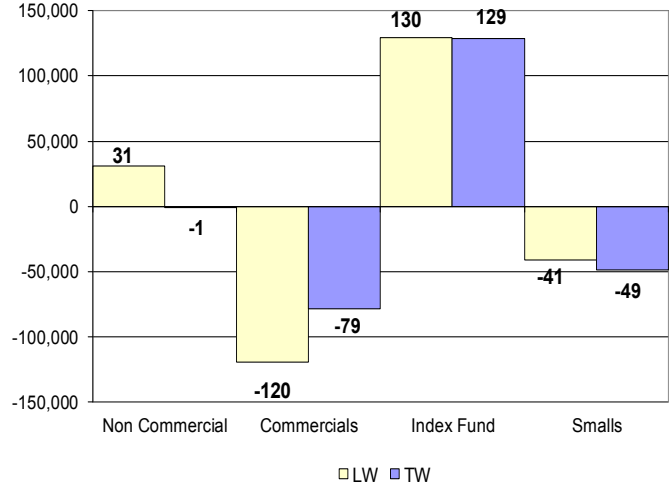


## Commitment of Traders

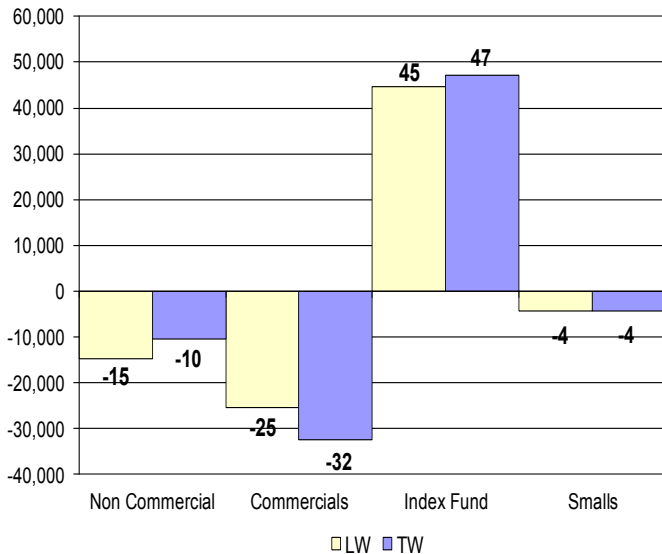
### Corn Net Future & Option Positions



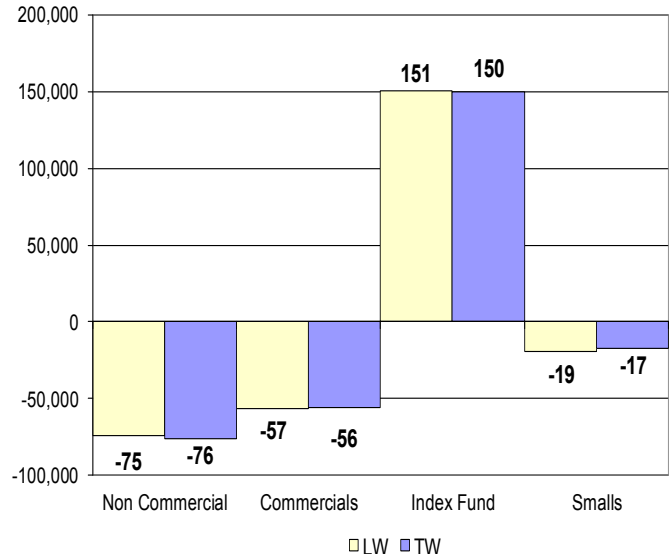
### Soybean Net Future & Option Positions



### KC Wheat Net Future & Option Positions



### CBOT Wheat Net Future & Option Positions



- USDA crop production and WASDE report out 12:00pm EDT Monday

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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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