

August 12, 2013

ADVANCE INSIGHT

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Transportation

	TW/NW/Aug	Sep	Oct	Nov	Dec
St. Paul Savage	390/410/430	450	600	600	
Dub South	325/350/375	425	590	550	
St. Louis 12'	325/350/400	475	575	475	375
Illinois	350/375/400	425	600	525	440
OH/Jeff/Cinn	325/350/375	425	600	500	400
Gulf/PNW	\$0.550 / bushel				
BN Shuttles	-100/-75/-37.5	-100	725	325	-100
UP Shuttles	//-100	-175	550	175	175

Cash Corn Markets

	Aug FH/LH	Sep FH/LH	Oct FH/LH	Nov	Dec
CIF Nola	105u/93u -25	57u/52u	61z/61z	58z	57z
PNW	210u/210u unc	175u/	102z/102z	104z	108z

	Aug FH/LH		Aug FH/LH
Cols CSX 65	100u/100u unc	Chicago	140u/140u 10
Ft. Wayne N/S 75	160u/160u unc	Pekin ethanol	150u/150u 5
Evansvl 15s	130u/130u unc	Decatur, IL	155u/155u 15
Toledo	120u/120u unc	Champaign CN 25	155u/155u x
UP Grp 3	/ unc	Clinton, IA	141u/155u -1
Dexter, MO	/ x	Columbus, NE ethanol	150u/100u unc
Fayne, OH	120u/120u unc	Muscatine Truck	110u/110u unc
Ottawa	127u/127u -3	Hereford COBO B/E	202u/202u 2

Cash Bean Markets

	Aug FH/LH	Sep FH/LH	Oct FH/LH	Nov	Dec
CIF Nola	180x/150x unc	125x/110x	94x/94x	94x	86f
Paranagua	95u/95u unc	110u/110u	/		

	Aug FH/LH		Aug FH/LH		Aug FH/LH
Columbus	130x/130x unc	CN25	160x/160x x	Mankato	215x/160x
Toledo	153x/153x unc	Chicago	0q/0u unc	Cncl Bluf	115u/115u unc
Fostoria	190x/190x 30	Decatur	170q/170q unc	Lincoln	85x/85x unc
Windsor	185x/185x	Naples	130x/ -10	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	55z/55z -10	50z/50z	50z/50	50z	50z

Cash Wheat Markets

	Aug FH/LH	Sep FH/LH	Oct FH/LH	Nov	Dec
CIF SRW	40u/45u unc	60u/68u	75z/75z	75z	75z
TX Gulf HRW	45u/45u -15	63u/68u	80z/80z	75z	75z

	Aug FH/LH		Aug FH/LH
SRW		HRW	
St. Louis	0u/0u -6	KC Ords	70u/85u unc
Toledo (Mill)	0u/0u -15	KC 12s	125u/140u unc
		KC 13s	105u/120u unc
PNW	116u/116u unc	KC 14s	105u/120u unc

Export Inspections

	TW	LW	LY	YTD	USDA Goal	Need/Week
Corn	14.8	15.1	23.2	657.5	715	14.2
Soybeans	3.4	1.4	15.8	1302.9	1315	9.0
Wheat	23.8	29.4	22.4	240.1	1100	19.9
Sorghum	3.5	1.4	1.6	67.1	75	2.6

Corn

USDA report out during the session was bullish for corn. Minor adjustment on old crop balance sheet with imports up 5 and exports up 15 to net carryout decline of 10 mbu to 719 mbu. That 10 mbu decline in carry-in, plus a 2.1 bpa decline in 13/14 US yield on unchanged acres dropped supplies 197 mbu. Demand declined 75 mbu (50 feed/25 exports) to drop 13/14 carryout 122 mbu to 1.837 Bbu. Foreign coarse grain stocks: 1 MMT lower for 12/13, ½ MMT lowers for 13/14. China corn imports unchanged for both 12/13 at 3 MMT and 13/14 at 7 MMT. So, a bit bullish to expectations and December futures closed up 11 ½. The large spec corn futures short didn't panic to liquidation today. Dec13/Mar14 spread held steady and traded 13 ¼ most of the day. Processor pushes were seen pre-report at recent highs and then when the report rallied the board, some companies tried to break basis on anticipated movement that really hasn't happened. Weather is cool and mainly dry this week with a change to a warmer pattern coming into this weekend. This change brings better chances of rain in the heart of the corn belt.

Ben Peters

Beans

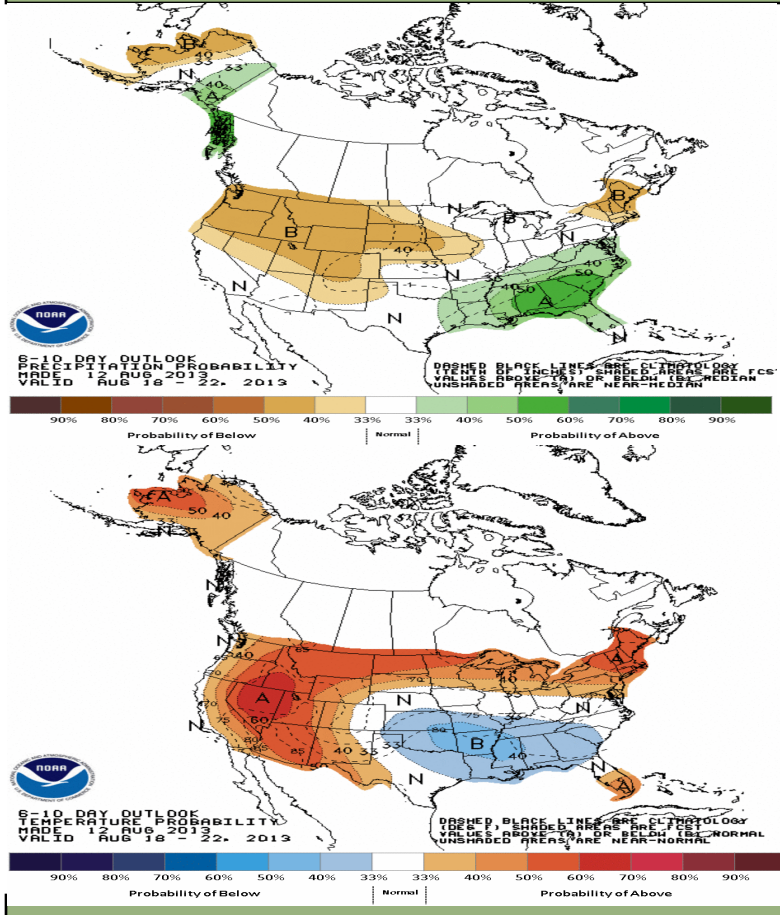
The soybean market started out Sunday night firmer on ideas that the USDA report would be friendly with slightly lower yield data. The report was indeed friendly – the USDA reduced the planted and harvested acres 500,000 and took 1.9 bpa off their last estimate. Their yield is 42.6 bpa. August is a key month for soybean production so the jury is still out if the crop is actually getting smaller. The USDA trimmed the supply 165 mbu and took demand down 88 mbu. The net was a reduction in the 13/14 carryout to 220 mbu – down from the 295 mbu last month. This is tight but manageable. We have been

Daily Spreads					
Corn					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Sep3-Dec3	8.00	-4.25	-17.68	-45.2%	None
Dec3-Mar4	(13.25)	0.25	-17.63	75.1%	3.5
Sep3-Dec4	(24.00)	unc	-88.17	27.2%	0.7
Dec3-Jul4	(27.25)	0.75	-40.89	66.6%	3.0
Beans					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Aug3-Sep3	116.25	-5.00	-8.01	-1451.8%	None
Sep3-Nov3	30.75	-5.75	-14.58	-210.9%	None
Mar4-May4	1.00	1.50	-14.25	-7.0%	None
Wheat					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Sep3-Dec3	(13.75)	-0.25	-18.76	73.3%	3.3
Dec3-Mar4	(14.25)	-1.00	-18.76	76.0%	3.5
Mar4-May4	(8.75)	-0.75	-12.16	71.9%	3.2
KCBOT Wheat					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Sep3-Dec3	(6.75)	-0.75	-30.93	21.8%	0.9
Dec3-Mar4	(9.00)	-0.50	-21.88	41.1%	1.7
Mar4-May4	(1.75)	-0.25	-14.19	12.3%	-0.4

tighter the last 3 years. It seems the market feels it needs to build in an incentive for the South American producer and try to ration a little demand. Spreads saw the old/new crop spreads weaker Monday. New crop spreads narrowed a bit with the X/F at 5 cents carry late in the day. With the tighter carryout do we need to see the beans spreads widen much? Traded at a 7 cent carry late last week. Might make sense to have orders in to lock in carry on a percentage of the soybeans you plan to carry. Cash movement and hedging was quiet Monday despite the higher market. Crop conditions Monday afternoon were unchanged with the G/E at 64%. Last year we were 30% G/E this week. Blooming is now 88%, up 9% from last week (79%). The average is 92%. There is 58% of the crop is setting pods, up from 39% last week. Last year it was 81% and the average is 68% for this time of year.

Mark Talaski

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



Wheat

Was there a report today? Wheat prices were largely left behind by the excitement in the fall crops. In the WASDE report, all wheat carryout dropped 25 mbu to 551 mbu on a 25 mbu increase in exports. The trade had been expecting a carryout of 579 mbu. By class, HRW exports were up 10 mbu, with production down 2. HRS exports were also up 10, with production down 1, while SRW exports were up 5 and production up 3. In world trade, USDA increased exports from EU and FSU by a total of 6.7 mmt. Argentine dryness is one lingering issue, though it's early enough that problems are far from certain. USDA did decrease Argie production from 13 mmt to 12 mmt. In total, world production was bumped to 705.4 mmt, up from 697.8 mmt in July's report. Ending stocks bumped just 600 kmt however (700kmt net of an old crop 100 kmt decrease). Spring wheat harvest is just starting at 6% complete, lagging the 24% average and 61% last year. Conditions showed a decline of 2% to 66% good to excellent. ATI's production model dropped from 513 mbu to 509.6 mbu. HRW merchandising remains a market suggesting sales. Though the strongest basis values previously seen are no longer available, firm spreads and basis still above shuttle seller based DVE suggests shippers remain basis sellers.

Curt Strubhar

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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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