

August 15, 2013

ADVANCE INSIGHT

TURN UNCERTAINTY INTO OPPORTUNITY

Brought to you by Advance Trading.

www.advance-trading.com



Transportation

	TW/NW/Aug	Sep	Oct	Nov	Dec
St. Paul Savage	390/400/420	440	600	600	
Dub South	340/340/360	380	575	550	
St. Louis 12'	285/300/350	425	525	475	375
Illinois	340/350/375	400	575	500	440
OH/Jeff/Cinn	325/350/375	450	575	500	400
Gulf/PNW	\$0.550 / bushel				
BN Shuttles	-50/-50/-12.5	-88	750	325	-63
UP Shuttles	-100// -50	-175	550	175	175

Cash Corn Markets

	Aug FH/LH	Sep FH/LH	Oct FH/LH	Nov	Dec
CIF Nola	127u/113u 17	60u/57u	65z/65z	60z	59z
PNW	240u/240u 20	175u/	101z/101z	102z	107z

	Aug FH/LH		Aug FH/LH
Cols CSX 65	110u/110u unc	Chicago	175u/175u 15
Ft. Wayne N/S 75	150u/150u unc	Pekin ethanol	150u/150u x
Evansvl 15s	135u/135u unc	Decatur, IL	155u/100u x
Toledo	120u/120u unc	Champaign CN 25	160u/160u 5
UP Grp 3	/ unc	Clinton, IA	141u/141u unc
Dexter, MO	/ x	Columbus, NE ethanol	150u/90u x
Fayne, OH	135u/135u unc	Muscatine Truck	120u/120u 10
Ottawa	130u/120u x	Hereford COBO B/E	205u/205u unc

Cash Bean Markets

	Aug FH/LH	Sep FH/LH	Oct FH/LH	Nov	Dec
CIF Nola	170x/160x 5	165x/118x	94x/94x	94x	90f
Paranagua	95u/95u unc	115u/115u	/		

	Aug FH/LH		Aug FH/LH		Aug FH/LH
Columbus	140x/140x unc	CN25	180q/180q	Mankato	145x/125x -40
Toledo	143x/143x -10	Chicago	40u/40u unc	Cncl Bluf	125u/125u 10
Fostoria	165x/165x unc	Decatur	175q/150q x	Lincoln	85x/85x unc
Windsor	190x/190x x	Naples	80x/80x unc	KC	165x/165x unc
PNW	/	Ottawa	5q/-35q x	Wichita	180x/170x 20

Cash Milo Markets

	Aug FH/LH	Sep FH/LH	Oct FH/LH	Nov	Dec
CIF Nola	130z/130z unc	/	/		
Houston	55z/55z unc	50z/50z	50z/50z	50z	50z
Corpus Christi	55z/55z 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 unc	55u/58u	75z/75z	75z	75z
TX Gulf HRW	45u/45u unc	60u/60u	80z/80z	80z	80z

	Aug FH/LH	HRW	Aug FH/LH
St. Louis	-10u/-10u x	KC Ords	80u/100u unc
Toledo (Mill)	0u/0u unc	KC 12s	130u/145u 4
	Aug FH/LH	KC 13s	105u/120u unc
PNW	116u/116u unc	KC 14s	105u/120u unc

Export Sales

	Actual Old (mbu)	Actual New (mbu)	Expected (mbu)	Need
Corn	-2.3	32.9	10-26(250-650)	-11.6
Soybeans	-0.4	69.6	33-44(900-1200)	-16.8
Wheat-All	18.0	0.2	20-28(550-750)	13.8
HRW	7.2	0.0		5.5
SRW	1.7	0.0		2.1
Sorghum	0.4	0.1		3.8
Bean Meal	122.4	121.1	100-200	-2.9
Bean Oil	1.8	6.0	0-25	8.8

Corn

CZ +17 at 472 ¼, CU/Z - ¼ at 9 ¼ inverse, CZ/H + ¼ at 12 ¼ carry. Cash movement was decent east and west on the flat price rally with enough processors showing stronger basis, well above DVE bids to encourage selling. Most putting short hedges in the CH and keeping any long hedges in the CU. Bullish catalysts for corn prices were plentiful today. FSA released prevented planting acreage numbers this morning which were 7.7 mln total, 3.4 mln corn and were viewed above earlier expectations. FSA acreage is an apples to oranges comparison to NASS planted acres historically, but the absolute number exceeded earlier expectations; the question remains has NASS taken this into account already, probably a good chance they have. The old crop 2.5mbu sale to China was another catalyst, but with 16 days left in old crop that could easily roll to next marketing year none the less 10 year highs in outstanding sales 13/14 is a positive, especially if the US realizes a 399mbu SON export program compared to 221mbu LY, implied by YTD unshipped book regression analysis. The poultry industry stats showing more potential corn demand developing with egg sets up 4.7% over LY and Chick placements up 1.9% over LY. Lastly the forecast remains cool, but dry, and turns warmer next week, eventually at this pace lower crop condition scores. Sep and Oct Chi platts ethanol prices increased enough to cover 50% of the rally in corn futures, and cash crush is mostly function of the corn basis performance from old to new crop and the lack of GDU accumulation is not helping speed the transition. Margin remains decent enough in ethanol to keep paying up for corn. Bearish news much less plentiful, and that is the crop still looks great, and there is plenty of corn being grown worldwide to meet expected demand which remains undefined.

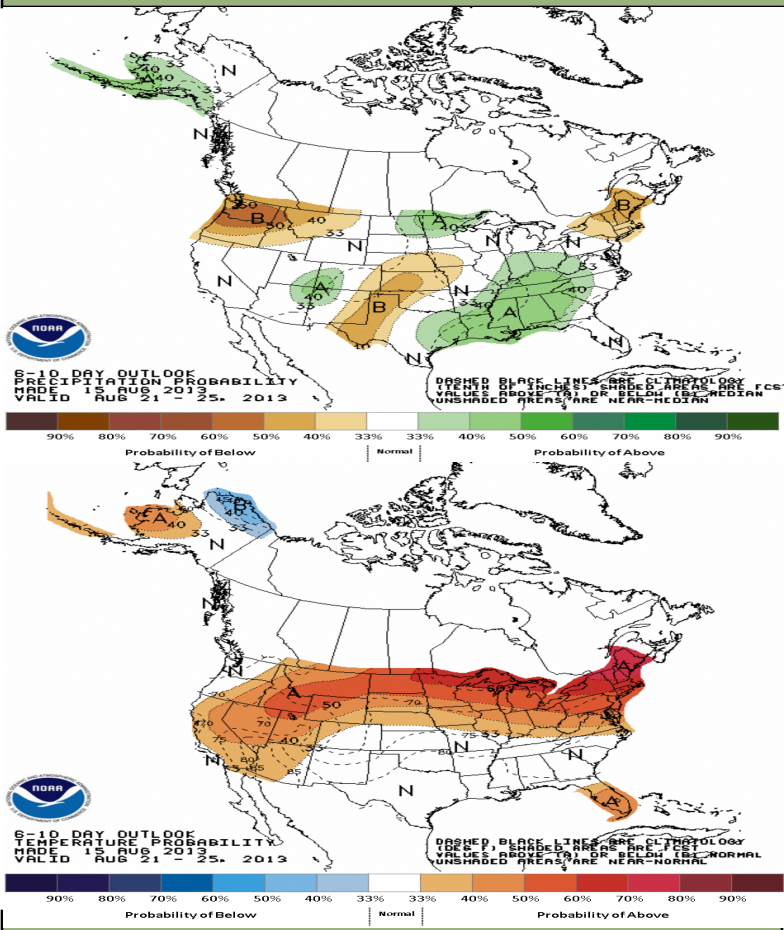
Joe Harroun

Daily Spreads

Corn					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Sep3-Dec3	9.25	-0.50	-17.73	-52.2%	None
Dec3-Mar4	(12.00)	1.00	-17.68	67.9%	3.1
Sep3-Dec4	(28.00)	1.50	-88.40	31.7%	1.0
Dec3-Jul4	(26.75)	0.75	-40.99	65.3%	2.9
Beans					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Sep3-Nov3	24.50	-6.00	-14.69	-166.7%	None
Nov3-Jan4	(3.00)	1.25	-15.10	19.9%	-0.9
May4-Jul4	(2.00)	1.50	-14.78	13.5%	-1.3
Wheat					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Sep3-Dec3	(12.00)	0.25	-18.75	64.0%	2.7
Dec3-Mar4	(12.00)	0.75	-18.75	64.0%	2.7
Mar4-May4	(7.25)	0.50	-12.16	59.6%	2.5
KCBOT Wheat					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Sep3-Dec3	(3.25)	0.50	-30.92	10.5%	-0.2
Dec3-Mar4	(7.00)	0.75	-21.89	32.0%	1.0
Mar4-May4	(3.50)	1.00	-14.19	24.7%	0.5

North American Weather Outlook

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



Beans

The bean rally caused another round of farmer movement and plants took advantage to lower posted bids 5 to 20c in IA/NE and 40 to 50c in MN. Eastern plants were a little more mixed with a few IN/OH locations dropping bids 5 to 10c. Meal basis was mostly \$2 - \$5 weaker, which should continue to put pressure on crush margins. Interesting to see Cargill at Lafayette announce they are coming back online and bidding for LH Aug. Cargill Wichita is expected to be back online by the 19th and they are pushing to find old crop origination, before southern new crop, and they raised their posted bid 20c to +180SX. Wichita has raised their bid \$1.05 in the past 3 -days. NOPA crush for July was 116.4 mbu, oil stx 2.050 and meal exports 352k. July crush increased 5% from June and was dn 4% from LY. Meal exports YTD are 10.8 MMT, up 2 MMT from LY and makes the USDA export forecast of 10.9 MMT look low. Beans sales were a strong 69.6 mbu with China the main buyer. They had been a pretty active buyer prior the latest run-up in the board. The commercial is short basis and with the lack of ownership it continues to narrow the SX/SF. SH/SK inverted another 7c to close at 17 ¼ as the weaker Brazilian Real, near a 3 ½ year low, causes additional farmer selling. FSA data showed PP acres of 1.6 mln. With the recent resurvey for the Aug report, I believe the PP acres have most likely been accounted for in the USDA's latest projections.

Nathan Mangold

Wheat

Wheat was labeled a follower of corn and beans today at up 3 to 7c. The Dakota's and west should get some harvesting done now and into weekend, but have harvest interrupting rain in their forecast 19th through the 25th. Spring wheat protein levels coming in a little light of expectations. Last week's export sales reported as 18.0 MBU vs. 26.7 last week, 13.8 needed, and guesses of 20 to 28. Open interest in KWU is rather large at 38296 kts., with first notice day 8/30/13. The KWU:KWZ has moved from -22 on 7/3/13 to -3 ¼ today, thus short of covering interest cost by about 5c bu. With the TX Gulf basis something higher than +140 KWU, negative carry from KWU to KWZ, big corn crop competing for space, and lots of short hedges in the KWU, seems like someone needs to sell nearby cash wheat.

Terry Reinhart

Advance Trading PO Box 1027, Bloomington, IL 61702 (800)747-9021 or (309)663-9021

Hours (CST): Sunday 5:00pm-9:00pm, Monday-Thursday 6:00am-9:00pm, and Friday 6:00am-5:00pm

Copyright © 2013 Advance Trading, Inc. Reproduction in any form without the expressed written consent of Advance Trading, Inc. is strictly forbidden. This data is provided for information purposes only and is not intended to be used for specific trading strategies without consulting Advance Trading, Inc. No guarantee of any kind is implied or possible where projections of future conditions are attempted. Past results are no indication of future performance. All information is based upon data that is believed to be reliable, but its accuracy is not guaranteed.