

August 28, 2013

# ADVANCE INSIGHT

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## Transportation

	TW/NW/Aug	Sep	Oct	Nov	Dec
St. Paul Savage	375/400/425	500	575	600	
Dub South	375/400/425	450	575	550	
St. Louis 12'	350/375/350	500	525	475	375
Illinois	375/400/400	400	575	500	425
OH/Jeff/Cinn	400/425/450	450	600	500	400
Gulf/PNW	\$0.550 / bushel				
BN Shuttles	300/300/300	200	750	450	-38
UP Shuttles	//		725	238	238

## Cash Corn Markets

	Aug FH/LH	Sep FH/LH	Oct FH/LH	Nov	Dec
CIF Nola	135u/135u x	80u/65u	69z/68z	64z	61z
PNW	295u/295u -5	225u/	102z/102z	102z	106z

	Aug FH/LH		Aug FH/LH
Cols CSX 65	146u/146u unc	Chicago	180u/180u unc
Ft. Wayne N/S 75	150u/150u unc	Pekin ethanol	120u/120u unc
Evansvl 15s	170u/170u unc	Decatur, IL	125u/125u
Toledo	135z/135z x	Champaign CN 25	130u/130u 10
UP Grp 3	/	Clinton, IA	155u/155u 9
Dexter, MO	/ x	Columbus, NE ethanol	165u/165u unc
Fayne, OH	160u/160u unc	Muscatine Truck	150z/150z 5
Ottawa	115u/115u	Hereford COBO B/E	205u/205u unc

## Cash Bean Markets

	Aug FH/LH	Sep FH/LH	Oct FH/LH	Nov	Dec
CIF Nola	1440x/140x x	125x/112x	93x/91x	93x	90f
Paranagua	60u/60u x	60u/60u	/		

	Aug FH/LH		Aug FH/LH		Aug FH/LH
Columbus	15x/15x unc	CN25	160x/160x 20	Mankato	135x/135x 10
Toledo	105x/105x x	Chicago	0u/0u -30.0	Cncl Bluf	150x/150x x
Fostoria	130x/130x x	Decatur	160x/160x unc	Lincoln	100x/100x unc
Windsor	215x/215x	Naples	75x/75x -10	KC	150x/150x 10
PNW	/	Ottawa	130x/130x	Wichita	170x/170x unc

## Cash Milo Markets

	Aug FH/LH	Sep FH/LH	Oct FH/LH	Nov	Dec
CIF Nola	80z/80z x	/	/		
Houston	65z/65z unc	65z/65z	50z/50z	50z	50z
Corpus Christi	55z/55z unc	55z/55z	50z/50	50z	50z

## Cash Wheat Markets

	Aug FH/LH	Sep FH/LH	Oct FH/LH	Nov	Dec
CIF SRW	40u/40u x	52u/62u	75z/80z	75z	75z
TX Gulf HRW	130u/130u unc	130u/130u	/		

	Aug FH/LH	HRW	Aug FH/LH
St. Louis	-1u/-1u -1	KC Ords	90u/100u unc
Toledo (Mill)	-3u/-3u x	KC 12s	126u/136u unc
		KC 13s	126u/136u unc
PNW	120u/120u unc	KC 14s	110u/120u unc

## Export Sales Estimates

	Expected Crop mbu (kmt)	Needed (mbu)
Corn	13-16 (335-400)	-18.6
Soybeans	18-27 (500-750)	-25.6
Wheat-All	13-21 (350-575)	13.7
HRW		5.4
SRW		2.2
Sorghum		5.7
Soybean Meal	110-275	-16.0
Soybean Oil	0-20	8.8

## Corn

Choppy and directionless hump day for futures. CU +4.5c while CZ -5.5c and CU/CZ firming to 23.5c. The trade's current leaning is that despite extreme dryness in July and Aug that corn conditions are still better than average and the crop in dry areas may be far enough along to limit yield losses. For this writer, it's hard to see the carryout below 1.5bb. So we have a stale mate between the farmer and the funds for now. On average, Sept precip has <1% impact on yields. Spot cash market is very thin with some high western train trades quoted. How many elevators actually have enough bu's to load a train? Not many. Actually, there are a several loading them, but all are south of the Mason Dixon line with the trains headed north. No deliveries expected on Friday, but current LH Sept values in the delivery market do not justify stopping either. ADM rolled Aug/Sept basis to the CZ, dropping IL plants 25-40c and keeping IA/NE plants unchanged. Cif dropped 5c for Aug. Eastern markets are the weakest and will continue to lead premiums lower. Hearing some silage to be cut near Bloomington this week. Central, KS reporting 25-30% moist corn being cut. Weekly ethanol grind was negative for corn bulls with production at 820 k m/b's -3% LW. Stocks were 16.250 down .232. Imports at 4, down 15 LW. Gasoline demand slowed 1.8% from the week before, but four week average demand is up 1.0% from last year.

*Trent Sauder*

## Beans

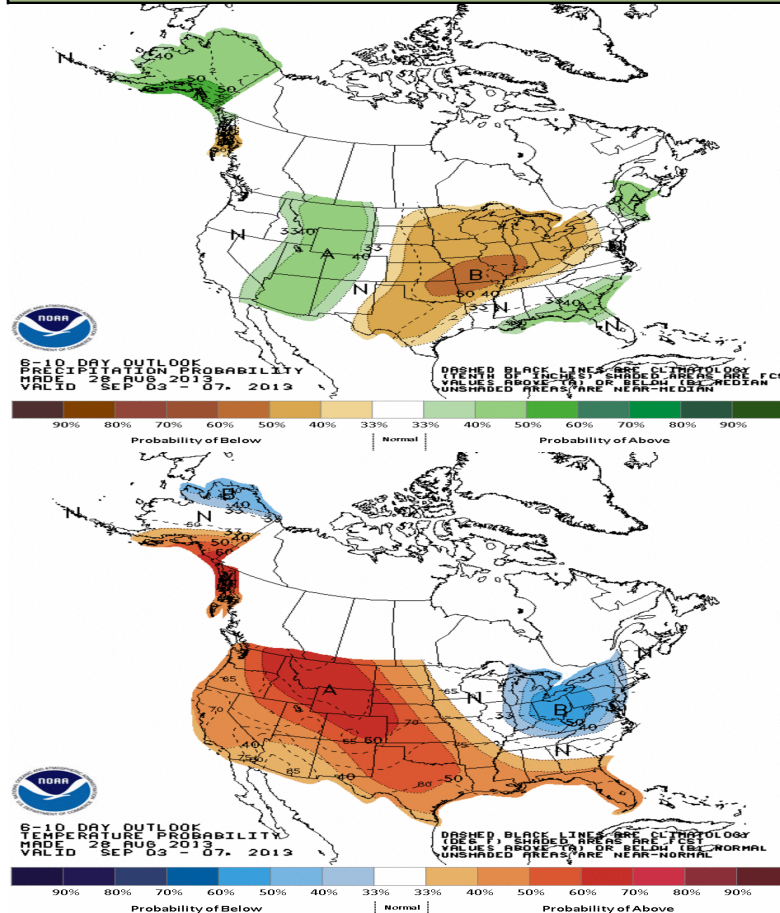
The soybean complex was the leader Wednesday as the forecast continues to be warm and dry. We did see some rains Tuesday night in southern MI and north/central Ohio however the coverage was less than ideal. T-storm noted that 78% of the soybean production area has received less than an inch of rain and over half the crop has received less

Daily Spreads					
Corn					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Sep3-Dec3	23.50	10.00	-17.86	-131.6%	None
Dec3-Mar4	(12.75)	-0.25	-17.72	71.9%	3.3
Sep3-Dec4	(15.25)	0.75	-88.62	17.2%	0.1
Dec3-Jul4	(25.75)	-0.50	-41.10	62.7%	2.8
Beans					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Sep3-Nov3	60.50	17.00	-15.22	-397.4%	None
Nov3-Jan4	4.50	-0.50	-15.50	-29.0%	None
May4-Jul4	8.00	3.00	-15.05	-53.2%	None
Wheat					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Sep3-Dec3	(12.75)	0.25	-18.80	67.8%	3.0
Dec3-Mar4	(12.00)	-0.25	-18.80	63.8%	2.7
Mar4-May4	(7.25)	unc	-12.19	59.5%	2.4
KCBOT Wheat					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Sep3-Dec3	(4.25)	-0.50	-30.94	13.7%	0.1
Dec3-Mar4	(7.50)	unc	-21.91	34.2%	1.2
Mar4-May4	(4.50)	0.25	-14.20	31.7%	1.0

than an 1/2 inch over the past two weeks. The GFS model Wednesday took some rain out of the forecast Thurs thru Sunday. Was 1.5 inches for parts of NW Iowa and is now showing 3/4 inch. The funds have been buyers early in the week and pushed us near contract highs. Once were unable to punch new highs the prices have settled back and we have seen some profit taking. The past two years we have seen the soybean highs around the Labor Day holiday and the market seems to be well aware of this... Saw the U/X spread invert further on Wednesday trading out to 55 cent inverse. This is most inverted we have been since late July. Meal spreads also continue to invert with the nearby U/V trading out to \$32.00 inverse. CIF values were weaker at midday for old crop and steady for new crop. Landworth put out their crop size at 3.14 bbu using a 40.8 bpa.

*Mark Talaski*

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



**Wheat**

Wheat futures closed mixed on the day with the winters modestly lower and MGEX firmer. Egypt's GASC bought 295 kmt for Oct 1-10 shipment. The breakdown was 60 kmt Russian, 175 kmt Ukrainian, and 60 kmt Romanian. The U.S. did not offer in the tender, and would not have been expected to be competitive. Canada nor Australia offered either. In fact, outside Black Sea origins, the only offer was French at roughly \$10/mt FOB above competing offers. USDA's daily sales report showed 119 kmt U.S. wheat sold to unknown, 40 kmt for this marketing year and 79 kmt for 2014/15. Tunisia bought 84 kmt soft wheat, optional origin. There is talk of additional buying interest from Brazil with rumors of a HRW sale today. With MGEX gaining on KCBT, there may be sentiment that Brazil is more willing to buy DNS rather than HRW, a shift they've been slow to embrace thus far. KCBT's Z/H traded -7 to -8 1/4 on the day. The 2 month range is -5 1/2 to -14. While not wanting to load up on March hedges, a share of accumulated basis length could be hedged in the H. Both shipments to date and outstanding sales are above last year while the annual export forecast is below last year (more Brazil would be a wild card). This indicates a front loaded program that could keep Z/H tight in the interim, hence the comfort in getting a nominal share forward. Tomorrow is first position day for the Sep contracts. The wheat spreads have, and generally should, exhibit less volatility into delivery than the fall crops. HRW basis remains above deliverable opportunity levels for a deliverable shuttle loader, but physical stopper economics aren't good. This writer's bias is light, but not zero, deliveries with modest spread weakening as the deliverable shipper tests the resolve of the futures long.

*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  
**\*\*LABOR DAY HOURS: Sunday, Sept 1—Bloomington Office closed, Monday, Sept 2—re-open at 5pm for 09/03/13 Trade Date\*\***  
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