

August 29, 2013

ADVANCE INSIGHT

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Transportation

	TW/NW/Aug	Sep	Oct	Nov	Dec
St. Paul Savage	375/400/375	400	575	600	
Dub South	375/400/425	400	575	550	
St. Louis 12'	375/400/450	475	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	250	750	450	-25
UP Shuttles	0/0/0	100	725	238	238

Cash Corn Markets

	Aug FH/LH	Sep FH/LH	Oct FH/LH	Nov	Dec
CIF Nola	135u/135u unc	75u/63u	69z/68z	63z	61z
PNW	295u/295u unc	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 x
Evansvl 15s	170u/170u unc	Decatur, IL	125u/125u x
Toledo	135z/135z unc	Champaign CN 25	160u/160u 30
UP Grp 3	/	Clinton, IA	157u/157u 2
Dexter, MO	/ x	Columbus, NE ethanol	165u/165u x
Fayne, OH	160u/160u unc	Muscatine Truck	150z/150z unc
Ottawa	115u/115u x	Hereford COBO B/E	205u/205u unc

Cash Bean Markets

	Aug FH/LH	Sep FH/LH	Oct FH/LH	Nov	Dec
CIF Nola	145x/145x	130x/114x	93x/91x	93x	92f
Paranagua	60u/60u unc	60u/60u	/		

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

Cash Milo Markets

	Aug FH/LH	Sep FH/LH	Oct FH/LH	Nov	Dec
CIF Nola	80z/80z unc	/	/		
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	45u/45u 5	52u/62u	70z/70z	75z	75z
TX Gulf HRW	130u/130u unc	130u/130u	/		

	Aug FH/LH	HRW	Aug FH/LH
St. Louis	0u/0u 1	KC Ords	86u/96u -4
Toledo (Mill)	-3u/-3u unc	KC 12s	116u/126u -10
	Aug FH/LH	KC 13s	116u/126u -10
PNW	120u/120u unc	KC 14s	106u/116u -4

Export Sales

	Actual Old (mbu)	Actual New (mbu)	Expected (mbu)	Need
Corn	-0.6	26.5	13-16(335-400)	-36.6
Soybeans	-0.1	31.9	18-27(500-750)	-51.0
Wheat-All	20.3	0.0	13-21(350-575)	13.6
HRW	8.6	0.0		5.3
SRW	1.8	0.0		2.2
Sorghum	-0.1	5.6		11.4
Bean Meal	47.9	162.2	110-275	-28.8
Bean Oil	6.7	17.9	0-20	9.3

Corn

The latest forecast put a chance of a scattered ¼ to ½" of rain across IA/IL, N MO, SE MN, WI, N IN and MI Saturday night through Sunday night. The market continues to debate how the dry vs. cool summer has affected the corn crop. Yield estimates seem to be ranging in the 152 to 157 bpa area. Harvest continues throughout the delta and southeast with better than expected yields reported. China bot 120kmt of milo in the weekly sales with as many as 6 cargoes said to have been sold recently. Basis saw a weaker tone at the processor with Blair dn 10, Columbus dn 25, Eddyville dn 30, Cedar/Clinton/Marshall/Decatur/Peoria spots were steady. Of course those bid vs. CZ saw their basis improve 8c as the CU/CZ was weaker. In the east Linden, IN dn 15 and Dayton, OH was steady. Rail was mostly steady and remains highly inverted to FH Sep with Hereford S/E bid +285CU, PNW +295CU and Chicago +200CU. Southern barges are making their way north as well as some rail. There are only 7 corn recpt's registered and therefore no deliveries tomorrow. I like keeping ½ to 2/3 of my long Sep futures vs. short basis in the CU heading into early deliveries. The historical low for Q1 farmer marketing's is 25.8% in 2008. This would leave a Q1 supply of 4.27 bln bu (87.6 harvest * 157 bpa +724 c/i) vs. estimated Q1 usage of ~ 4.1-blm would leave the US balance with very little excess supply. This data continues to support locking in new crop corn carry.

Nathan Mangold

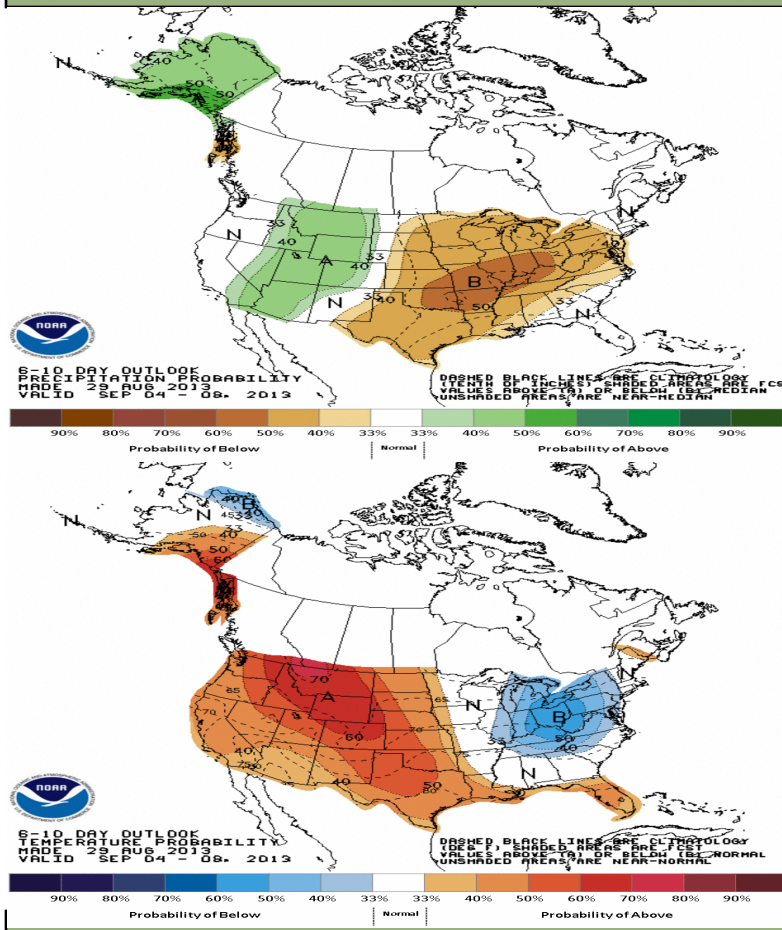
Beans

Markets finish the day in odd fashion, with corn up, and soybeans down. The last couple weeks markets have been all about soybeans, and the lack there-of in terms of rain. Coming in Thursday morning, there were some pop showers flying around the Midwest, but no major accumulation. Tonight's forecast isn't calling for a general rain either, but it

Daily Spreads					
Corn					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Sep3-Dec3	16.25	-7.25	-17.82	-91.2%	None
Dec3-Mar4	(12.50)	0.25	-17.73	70.5%	3.2
Sep3-Dec4	(16.50)	-1.25	-88.65	18.6%	0.2
Dec3-Jul4	(26.00)	-0.25	-41.11	63.2%	2.8
Beans					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Sep3-Nov3	62.00	1.50	-15.22	-407.5%	None
Nov3-Jan4	3.50	-1.00	-15.49	-22.6%	None
May4-Jul4	5.25	-2.75	-15.01	-35.0%	None
Wheat					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Sep3-Dec3	(13.00)	-0.25	-18.77	69.3%	3.0
Dec3-Mar4	(11.75)	-0.25	-18.77	62.6%	2.6
Mar4-May4	(7.25)	unc	-12.17	59.6%	2.4
KCBOT Wheat					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Sep3-Dec3	(2.00)	2.25	-30.90	6.5%	-0.6
Dec3-Mar4	(7.50)	unc	-21.88	34.3%	1.2
Mar4-May4	(4.50)	unc	-14.19	31.7%	1.0

North American Weather Outlook

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



does point to moderating temperatures early next week. Friday is First Notice Day (FND), and zero deliveries are expected. The SU3 closed down \$.03 cents at \$14.300, and SX3 closed down \$.042 cents at \$13.685. The SX3/SF4 relaxed by a \$.005 cent to \$.0375 inverse. Heard several cases on Thursday that corn is being harvested in the Delta, South East, even parts of far Southern Illinois and Indiana. But, not hearing anything of the kind in soybean activity. In fact, it's still very difficult to find anyone that has seen soybeans starting to change colors. Not saying there isn't any of that going on, but for as dry and hot as it is, one would think the crop would mature quicker. Unlike corn, processors are going to have to live off of their own particular harvest in their own particular area. This usually starts around the last 10 days of September. This year, its shaping up to be a little later than that. Processors bought beans earlier this week on the near limit rally, but will suggest that unless soybeans catch another rain, producers will be fearful of being oversold, as they are not sure what they have for a crop. The drier it stays, the harder it may be to purchase beans, even though price goes higher. Processors should also be fearful that if they drop to an all fall basis that is too cheap or too quickly, that synthetically, elevators can capture carry, if they can buy them and get them hedged in the January without losing too much skin. We've got a couple weeks to get comfortable with a harvest DP program. Out the gate, would attempt to get them on DP with some sort of charge that is under your normal storage rate. By getting soybeans on DP it accomplishes 3 things: for producers not wanting to sell, it's cheaper than storage and no shrink; allows elevator to hit quick ship premiums; and it builds in bin flexibility to hold the best paying commodity. It does take effort as there needs to be contact with the producer. New crop export sales for soybeans were 31.9 mbu, which continues to add to an already record large Unshipped book of soybeans.

Jack Fitzgerald

Wheat

First Notice Day is tomorrow. Guesses are 500-1000 SRW, 0-500 HRW and 0-500 DNS. Large inverses in cash corn continue to make Aug., Sept., and Oct HRW and SRW feed competitive. WU3-CU3=144 and WZ3-CZ3=173, thus corn 29c cheaper than corn now, than later. KWU3-CU3=203 and KZ3-CZ3=221, thus corn 18c cheaper than wheat now, than later. I rough numbers (and rough numbers on nearby corn basis is the only number available) in HRW or SRW country corn basis is at least 100c/bu cheaper in November than now, further making wheat a more expensive feed. Seems if one is going to stop WU3 or KWU3 he best already have the cash sold, as time is not on the stopper's side. Export business is unremarkable as we having trouble competing at current levels.

Terry Reinhart

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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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