

August 30, 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'	400/400/450	500	525	475	375
Illinois	375/400/400	400	575	500	450
OH/Jeff/Cinn	400/425/450	450	600	500	400
Gulf/PNW	\$0.550 / bushel				
BN Shuttles	400/400/400	300	800	400	25
UP Shuttles	//	75	700	225	225

Cash Corn Markets

	Aug FH/LH	Sep FH/LH	Oct FH/LH	Nov	Dec
CIF Nola	100u/100u -35	65u/55u	68z/66z	62z	60z
PNW	295u/295u x	225u/	102z/102z	102z	106z

	Aug FH/LH		Aug FH/LH
Cols CSX 65	146u/146u unc	Chicago	/ unc
Ft. Wayne N/S 75	150u/150u unc	Pekin ethanol	125u/125u 5
Evansvl 15s	170u/170u unc	Decatur, IL	125u/125u x
Toledo	135z/135z unc	Champaign CN 25	90u/90u -70
UP Grp 3	/ x	Clinton, IA	130z/130z -7
Dexter, MO	/ x	Columbus, NE ethanol	165u/165u x
Fayne, OH	160u/160u unc	Muscatine Truck	125z/125z -25
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	155x/155x 10	135x/115x	94x/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 unc	Mankato	135x/135x unc
Toledo	105x/105x unc	Chicago	0u/0u x	Cncl Bluf	150x/150x unc
Fostoria	130x/130x unc	Decatur	160x/160x x	Lincoln	100x/100x x
Windsor	215x/215x x	Naples	75x/75x x	KC	150x/150x unc
PNW	/ x	Ottawa	130x/130x x	Wichita	150x/150x unc

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	110z/110z 55	110z/110z	50z/50	50z	50z

Cash Wheat Markets

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

	Aug FH/LH		Aug FH/LH
SRW		HRW	
St. Louis	-7u/-7u -7	KC Ords	86u/96u unc
Toledo (Mill)	-3u/-3u unc	KC 12s	116u/126u unc
		KC 13s	116u/126u unc
PNW	120z/120z unc	KC 14s	106u/116u unc

Corn

CZ closed at 482 up 0.5 ahead of the holiday weekend. T-Storm staying with Midwest heat into the weekend, then breaking but readings will average near to above normal for the 1st half of September. Some showers are possible into the weekend with amounts in the 2/10-4/10" and higher quantities expected for OH. He notes that in the absence of more than 15/100's" through tomorrow, this August will be driest since 1897 for IL-IN-IA after the wettest Mar-May for the same states. Should see some wide swings in yield as sandy/gravelly soil likely fell much more the good soil. Nearby basis levels continued to fall Friday with bids nearly nonexistent in some locations. But eastern basis screamed > 200 < 240u at more than one eastern etoh plant noted. General weakness pressured the CU/CZ which traded down to 9c later before closing at 13. With bids dropping so fast incentive to pay big drying bills is dropping also. Like a majority of DP longs in the CU as basis levels still far above DVE. Big southern yields continue and this makes one wonder whether the market is over compensating for the last 2 weeks of hot and dry? Intl Gr Council boosted its World prod estimate 3MMT today. Mangold estimated Dec 1 free stox available of 170mbu in last night's wire assuming 157bpa and 25.8%* of crop sold during SON>(*ties 2008 record low). This continues to make a compelling argument for getting substantial CZ/CH bullspread on against sales or storage space. Last Holiday weekend of the Summer, have fun and break out the tailgate tools.

Jeff Hainline

Beans

Soybeans – SU3 -6 at 1424, SX3 -11 at 1357 ½, SU/X +5 at 66 ½ and deferred spreads weakened on the day, but remain inverted- SX/F4 -1 at +2 ¾ inverse, F/H -5 ½ at 20 ½. Cash basis was steady, 160X thru 9/6 at ADM Decatur and 135X thru 9/13. Unlike corn, heat doesn't speed up soybean development significantly as its physiology is defined by day length, so processors are likely eyeing Sep futures as a substitute for cash. The next 10 days of weather not showing significant precipitation, so crop yield potential continues to fall for the 2nd straight week. Traditional hedge funds added 38.7k contracts in to their net long position in soybeans and reduced their net short in soybean oil by 21.6k contracts. Meal/Oil spreading by funds continued today. Meal basis continues hot and Q4 OND crude for refined soybean oil was indicated -250b/-300o, with some delays on shipments noted for bean oil. No real discount noted for crude degummed oil relative to crude for refined in the remaining crop year as supplies not that plentiful with the old / new crop transition. The spread from distillers corn oil to bean oil in Oct-Nov is nearly flat, suggesting Biod demand for alternative feedstocks have grown as biod plants invested in

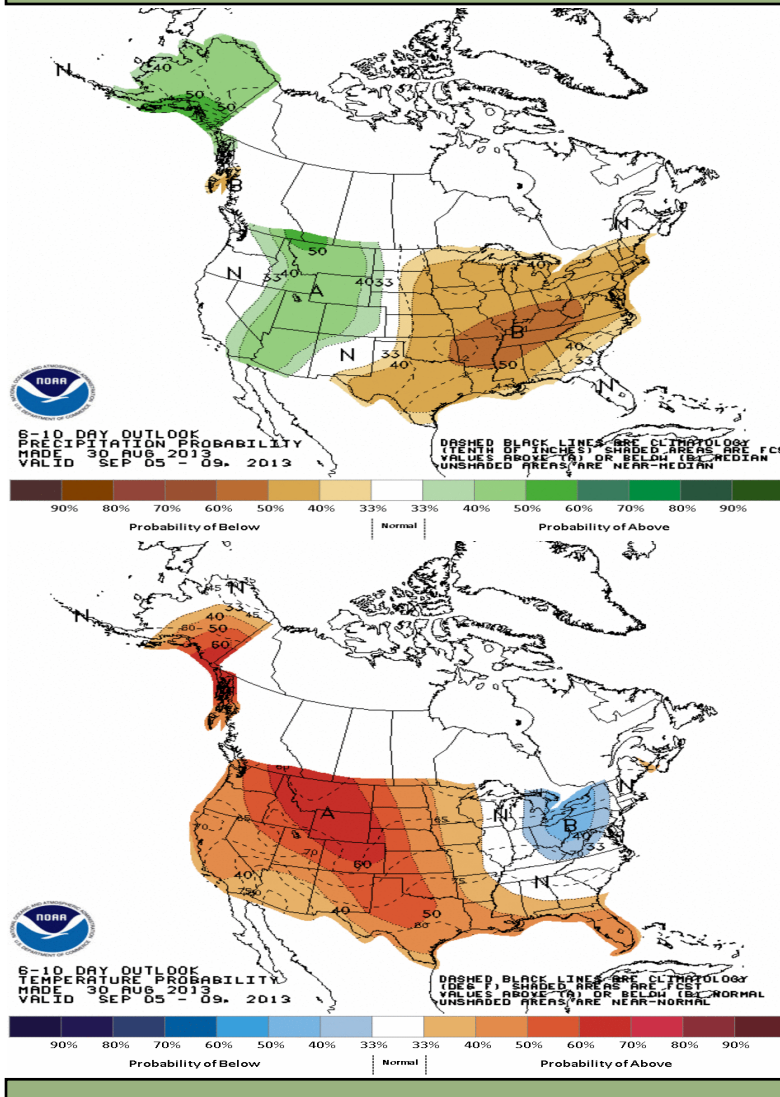
Daily Spreads					
Corn					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Sep3-Dec3	14.00	-2.25	-17.80	-78.6%	None
Dec3-Mar4	(12.75)	-0.25	-17.73	71.9%	3.3
Sep3-Dec4	(19.00)	-2.50	-88.65	21.4%	0.4
Dec3-Jul4	(26.50)	-0.50	-41.11	64.5%	2.9
Beans					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Sep3-Nov3	66.00	4.00	-15.19	-434.5%	None
Nov3-Jan4	2.75	-0.75	-15.44	-17.8%	None
May4-Jul4	4.25	-1.00	-15.02	-28.3%	None
Wheat					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Sep3-Dec3	(11.00)	2.00	-18.76	58.6%	2.4
Dec3-Mar4	(11.25)	0.50	-18.76	60.0%	2.5
Mar4-May4	(7.25)	unc	-12.17	59.6%	2.5
KCBOT Wheat					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Sep3-Dec3	(3.00)	-1.00	-30.90	9.7%	-0.3
Dec3-Mar4	(7.75)	-0.25	-21.87	35.4%	1.3
Mar4-May4	(4.75)	-0.25	-14.18	33.5%	1.1

pretreat infrastructure to utilize poorer quality feedstocks... not those feedstocks priced nearly at par w/ edible feedstocks. Bring on the canola from the Okies and Canada this fall! EMTS Biodiesel RIN suggests Jan-July 872.5 mln gallons of US biod production against mandated demand of 1.28B gal puts us at 81.5 mln gal/month BOY to reach the mandate, and since obligated parties can carry over 20% of their obligation into next year the industry to reach that level needs to produce 132.7 mln gal compared to the 166.4 mln g produced in July. So the industry is on a good track to exceed mandated levels. In fact if the biod production rate for July held for the last 5 months of the year, the biod industry could achieve 1.7 B gal of production, which would offer up about 200 mln g to the Advance mandate category. EPA statements slated for Sep on RFS-2 Advance mandate policy becomes very important to the oil and grease markets. For the Biod market to contribute more to the existing Advance mandate (2.75B g 2013 and 3.75B g 2014), then soyoil cash and spreads may have some upside given the alternative feedstocks for biod are nearly at par with soybean oil values for Q4 '13.

Joe Harroun

North American Weather Outlook

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



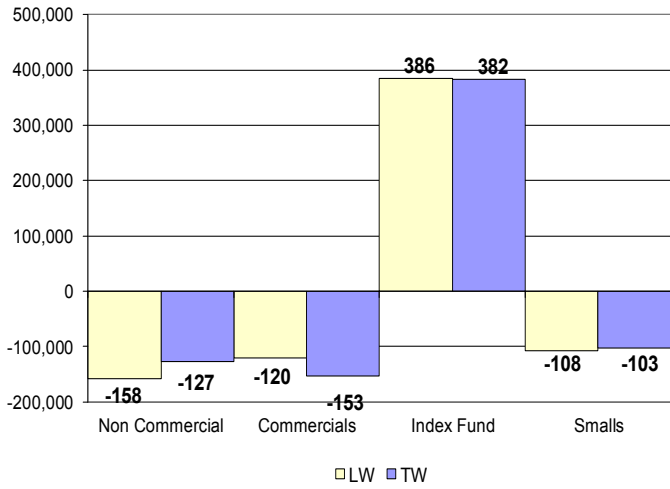
Wheat

Watching the wheat trade today, it would seem there was a 3-day weekend approaching. Volume across all the exchanges was roughly 1/2 of a normal trading session. There were 19 contracts of deliveries in KC and 106 contracts in Mnpls with Term the source of the spring wheat offerings. The optimism for a favorable planting season following heavy rains across the HRW belt is starting to wane as conditions have once again turned more towards the parched designation. It was noted that Australian wheat exports are running roughly 1/2 of their normal pace, not because of demand but due to limited farmer selling. French and Russian farmers are the also reluctant sellers- it looks like everybody is bullish wheat. If looking for problems in the global production column, can point towards hot/dry weather in Australia and Russia, too cold in South America and limited monsoon rainfall for India. It should be an active harvest weekend for SWW and Spring wheat classes. Early Canadian yields are generally better than expected with temporary storage options being explored and offers being made a dime lighter than US offers. Consensus is that US spring wheat quality is good, but might be lacking a little bit on protein. The domestic cash markets are starting to reflect that in protein scales. There was some high protein HRW harvested in KS/Ne this summer, but it's been used to blend up the ordinary wheat aiming for 12.0's. Limited cash trade offered something for everybody- spring wheat values were weaker, HRW was steady and SRW was stronger. Merchandising picture on wheat can get a little muddy. Farmers aren't selling much wheat and tendency is to want to hang on to any ownership and wait for the spreads to generate some carry. The offset of wider carries is a weaker basis and gains made in the board carry will be lost in cash returns. Reward the markets for the DVE basis values. Have a safe holiday weekend!

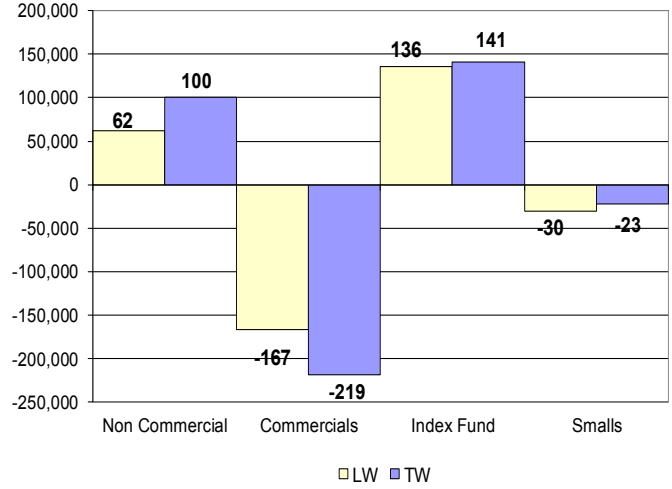
Kelly Herrick

Commitment of Traders

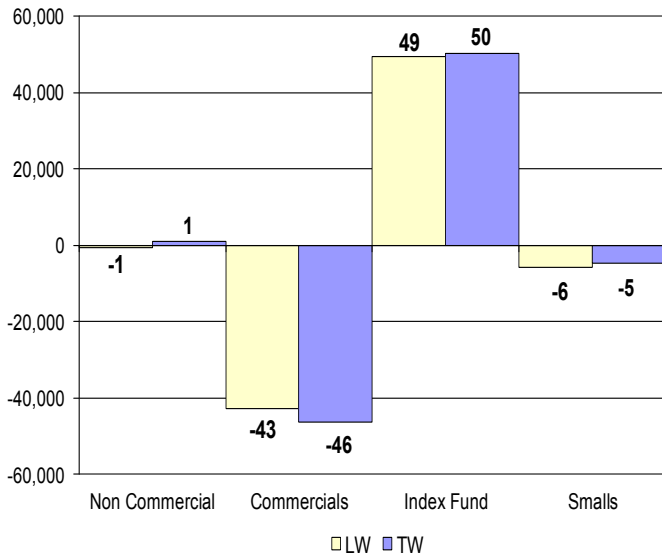
Corn Net Future & Option Positions



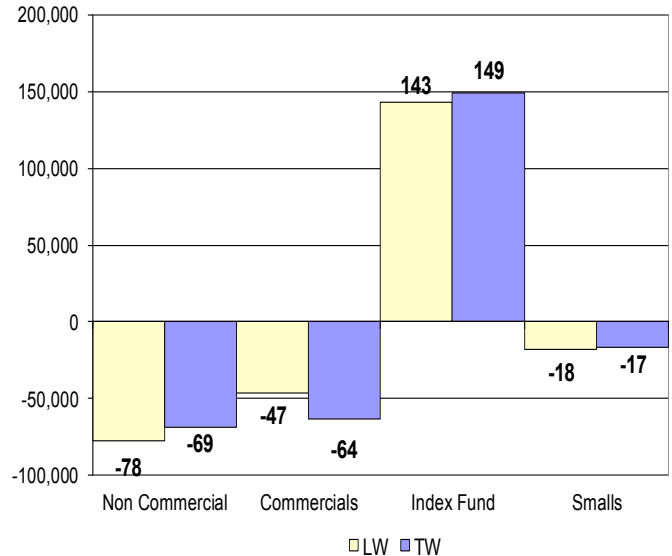
Soybean Net Future & Option Positions



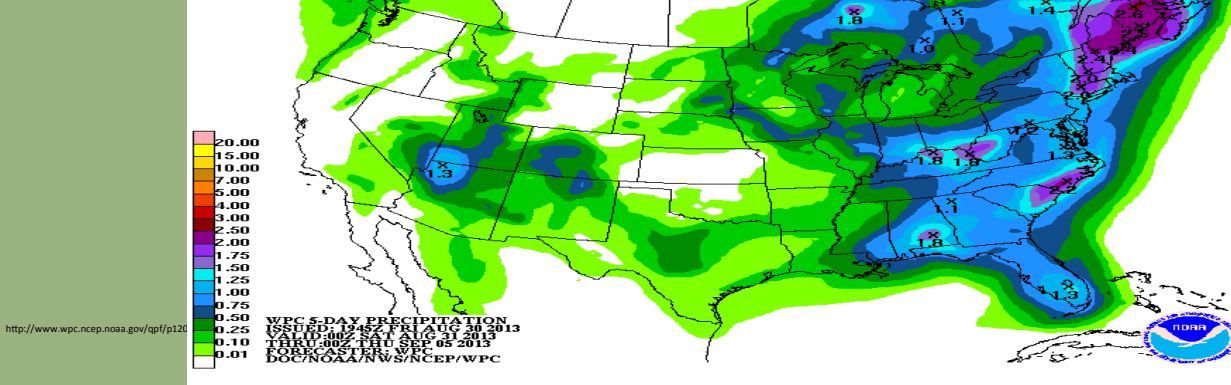
KC Wheat Net Future & Option Positions



CBOT Wheat Net Future & Option Positions



5-Day Precip



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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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