

September 5, 2013

ADVANCE INSIGHT

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| Transportation | | | | | |
|-----------------|------------------|-----|-----|-----|-----|
| | TW/NW/Sep | Oct | Nov | Dec | Jan |
| St. Paul Savage | 400/425/450 | 575 | 600 | | |
| Dub South | 375/400/400 | 575 | 560 | | |
| St. Louis 12' | 400/400/450 | 525 | 475 | 375 | |
| Illinois | 400/425/500 | 575 | 500 | 450 | |
| OH/Jeff/Cinn | 400/425/450 | 600 | 500 | 400 | |
| Gulf/PNW | \$0.550 / bushel | | | | |
| BN Shuttles | 700/500/600 | 800 | 475 | 50 | -50 |
| UP Shuttles | 0/0/-12.5 | 650 | 225 | 225 | 50 |

| Cash Corn Markets | | | | | |
|-------------------|---------------|-----------|-----------|------|-----|
| | Sep FH/LH | Oct FH/LH | Nov FH/LH | Dec | Jan |
| CIF Nola | 68z/68z unc | 66z/65z | 60z/60z | 59z | 52h |
| PNW | 115z/115z -25 | 104z/104z | 102z/102z | 105z | 96h |

| | Sep FH/LH | | Sep FH/LH |
|------------------|-------------|----------------------|---------------|
| Cols CSX 65 | 50u/50u unc | Chicago | 80z/50z unc |
| Ft. Wayne N/S 75 | 70u/70u unc | Pekin ethanol | 70z/35z -10 |
| Evansvl 15s | 78u/78u 48 | Decatur, IL | 90z/20z x |
| Toledo | 135z/135z | Champaign CN 25 | 90z/90z x |
| UP Grp 3 | / | Clinton, IA | 30z/30z unc |
| Dexter, MO | / x | Columbus, NE ethanol | 95z/40z |
| Fayne, OH | 50u/50u unc | Muscatine Truck | 75z/75z -15 |
| Ottawa | 100z/-5z x | Hereford COBO B/E | 200u/200u unc |

| Cash Bean Markets | | | | | |
|-------------------|--------------|-----------|-----------|-----|-----|
| | Sep FH/LH | Oct FH/LH | Nov FH/LH | Dec | Jan |
| CIF Nola | 140x/115x 10 | 93x/91x | 93x/93x | 93f | 90f |
| Paranagua | 85x/85x unc | 85x/ | / | | |

| | Sep FH/LH | | Sep FH/LH | | Sep FH/LH |
|----------|-------------|---------|---------------|-----------|---------------|
| Columbus | 45x/45x unc | CN25 | 140x/140x x | Mankato | 90x/-30x -20 |
| Toledo | 105x/-30x | Chicago | -10x/-10x unc | Cncl Bluf | -32x/110x unc |
| Fostoria | /130x | Decatur | 160x/160x x | Lincoln | 100x/100x unc |
| Windsor | 215x/ x | Naples | 30x/30x unc | KC | 110x/0x unc |
| PNW | 142x/142x | Ottawa | 110x/15x x | Wichita | 150x/30x unc |

| Cash Milo Markets | | | | | |
|-------------------|---------------|-----------|-----------|-----|-----|
| | Sep FH/LH | Oct FH/LH | Nov FH/LH | Dec | Jan |
| CIF Nola | 80z/80z unc | / | / | | |
| Houston | 65z/65z unc | 50z/50z | 50z/50z | 50z | 45h |
| Corpus Christi | 110z/110z unc | 50z/50 | 50z/50z | 50z | 40h |

| Cash Wheat Markets | | | | | |
|--------------------|---------------|-----------|-----------|-----|-----|
| | Sep FH/LH | Oct FH/LH | Nov FH/LH | Dec | Jan |
| CIF SRW | 33z/40z unc | 60z/69z | 60z/69z | 70z | 65h |
| TX Gulf HRW | 127z/127z unc | 127z/127z | / | | |

| | Sep FH/LH | HRW | Sep FH/LH |
|---------------|------------------|---------|-------------|
| St. Louis | -18z/-18z 5 | KC Ords | 86u/96u x |
| Toledo (Mill) | -15z/-15z | KC 12s | 110u/120u x |
| | Sep FH/LH | KC 13s | 110u/120u x |
| PNW | 122x/122z no bid | KC 14s | 110u/120u x |

Export Sales Estimates

| | Expected Crop mbu (kmt) | Needed (mbu) |
|--------------|-------------------------------|-----------------|
| Corn | 14-30 (350-750) | -36.6 |
| Soybeans | 16-31 (450-850) | -51.0 |
| Wheat-All | 16-22 (425-600) | 13.6 |
| HRW | | 5.3 |
| SRW | | 2.2 |
| Sorghum | | 11.4 |
| Soybean Meal | 125-250 | -28.8 |
| Soybean Oil | 0-25 | 9.3 |

Corn

CU -4 ½ at 489 ½, CZ -8 ½ at 461, CU/Z +4 at 28 ½ and CZ/H4 unc at -13.0. The ethanol inverse continues to reward the spot cash etoh seller with in tank ready to transfer by tomorrow in Chicago \$2.95/g and \$2.70/g for Sep 10-20 and for the month average Sept was \$2.37/g. A 25c inverse across 9 days, we can start measuring the ethanol inverse in hours: .1 cpg per hour. It's rare to see Chi in tank within 3 c of west coast values and record high against NY, but it's hard to hit Chi markets with imports. Weekly EIA ethanol statistics showed a small decline in production to 819kbbpd, increase in imports from 4kbbpd to 37kbbpd all to the west coast, domestic demand down slightly to 861kbbpd and stocks down slightly to 16.216mln bbls from last week. A continuation of draws in etoh inventories is plausible until plants finish up maintenance and new crop corn becomes more readily available across the industry. Evidence of new corn availability continues every day, but basis remains over DVE in the delivery market, thus the strength in CU/Z remains strong. There is significant grind capacity that could come back up by the end of the year depending on corn movement, basis and ultimately margin, it will be interesting to see how much is actually achieved and how quickly inventories rebound from their lows this fall.

Joe Harroun

Beans

Soybean futures pulled higher mid-session, after trading lower most of the morning. Funds bought an estimated

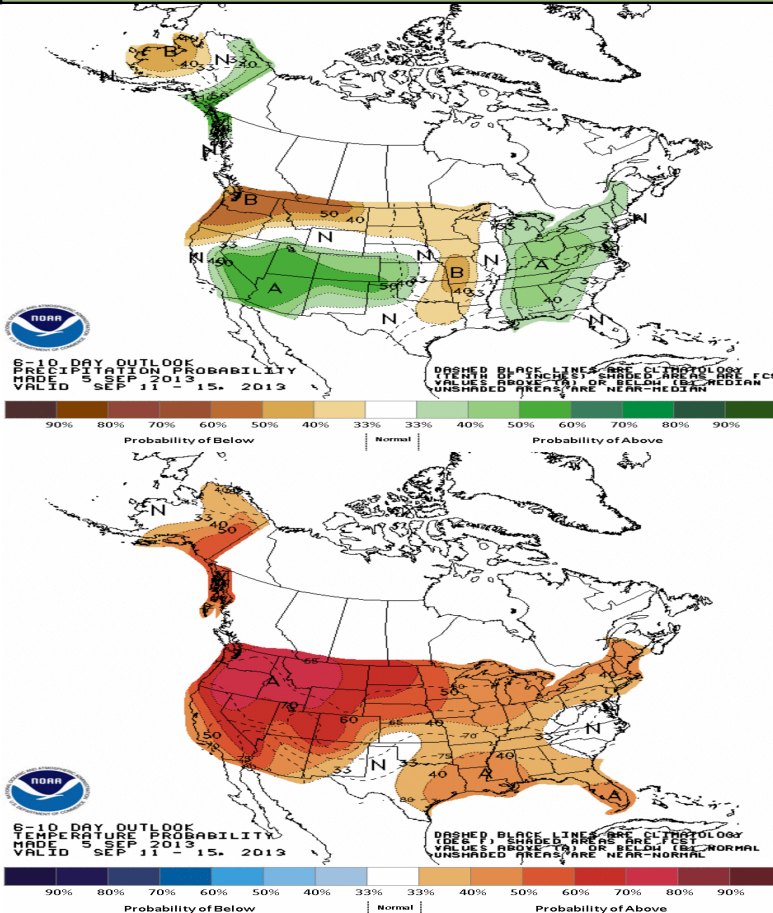
| Daily Spreads | | | | | |
|---------------|---------|--------|------------|-----------------|--------|
| Corn | | | | | |
| | Close | Change | Full Carry | % of Full Carry | ROS/mo |
| Sep3-Dec3 | 28.75 | 3.50 | -17.77 | -161.8% | None |
| Dec3-Mar4 | (12.75) | 0.25 | -17.61 | 72.4% | 3.3 |
| Sep3-Dec4 | (9.00) | 4.25 | -88.05 | 10.2% | -0.3 |
| Dec3-Jul4 | (28.00) | -0.25 | -40.83 | 68.6% | 3.1 |
| Beans | | | | | |
| | Close | Change | Full Carry | % of Full Carry | ROS/mo |
| Sep3-Nov3 | 55.50 | 11.25 | -15.18 | -365.6% | None |
| Nov3-Jan4 | 3.50 | 1.75 | -15.48 | -22.6% | None |
| May4-Jul4 | 6.50 | 0.25 | -15.03 | -43.2% | None |
| Wheat | | | | | |
| | Close | Change | Full Carry | % of Full Carry | ROS/mo |
| Sep3-Dec3 | (12.75) | -0.75 | -18.69 | 68.2% | 3.0 |
| Dec3-Mar4 | (12.75) | -0.25 | -18.69 | 68.2% | 3.0 |
| Mar4-May4 | (8.00) | -0.25 | -12.12 | 66.0% | 2.9 |
| KCBOT Wheat | | | | | |
| | Close | Change | Full Carry | % of Full Carry | ROS/mo |
| Sep3-Dec3 | 12.00 | 3.00 | -30.82 | -38.9% | None |
| Dec3-Mar4 | (7.75) | unc | -21.87 | 35.4% | 1.3 |
| Mar4-May4 | (4.75) | 0.25 | -14.18 | 33.5% | 1.1 |

8,000 contracts of beans on the day. SU13 managed to close up 25 ¼ at 1423, which is \$2.30 higher than the 1-month low. September futures expire next Friday, & thus far there have been no deliveries in beans or meal. SX13 closed up 15 at 1367 ½, nearly 33 cents off the daily low. Pressure was felt in all 3 major grain contracts early in the day. Outside markets were partly to blame, as the US\$ shot up over 450 points to a 6-week high. Showers are also expected in the driest areas of the Corn Belt over the weekend. However, fears of potential yield loss & tight supplies outweighed the potential benefits rain may bring. The USDA will release the September Crop Production report next Friday. Currently the average trade guess for bean yield is 41.09 bpa, 1.51 below the August report. Many private estimates are taking the yield even lower. Basis is still strong nearby, particularly in the Central & Eastern belt. Spreads are firming accordingly, with SU/SX moving another 10c to +55 ½. New crop spreads continue to lose ground as well, with SX/SF strengthening 1 ¾ to a 3 ¼ inverse.

Michael Reginelli

North American Weather Outlook

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



Wheat

Wheat futures were weaker on the day, with limited inter-class moves. Funds were modest sellers on the day. Egypt's GASC tendered post close for Nov 1-10 shipment. That makes the 4th tender in 9 days by GASC. Just like the recent tenders, U.S. is not expected to offer and won't be competitive if we do. ABARE is rumored to be dropping Aussie production below 25.0 mmt. USDA was 25.5 in August. HRS/DNS harvest continues to report good yields with light protein. Light farmer selling, and strong export demand (Brazil) continues to keep HRW demand chasing bushels and KCBT's U/Z traded to a 12c inverse today. The greater this inverse goes, the more incentive for a deliverable futures short to bury the long with deliveries. While a deliverable house has more opportunity to make spot sales than delivery, stocks well above logistical capacity may still leave incentive for deliveries. Z/H has remained steady through this period, generally in the 7-8c carry range. If storage space comes down to wheat vs. corn, corn owns it from fall gut slot basis values to March 1 DVE.

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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