

September 9, 2013

ADVANCE INSIGHT

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Transportation

	TW/NW/Sep	Oct	Nov	Dec	Jan
St. Paul Savage	425/450/500	550	600		
Dub South	425/450/475	585	560		
St. Louis 12'	425/450/475	550	475	375	375
Illinois	450/475/500	575	475	450	
OH/Jeff/Cinn	425/475/525	625	500	450	425
Gulf/PNW	\$0.550 / bushel				
BN Shuttles	/300/475	1050	425	25	-38
UP Shuttles	0//50	500	300	300	50

Cash Corn Markets

	Sep FH/LH	Oct FH/LH	Nov FH/LH	Dec	Jan
CIF Nola	58z/58z -10	65z/63z	58z/58z	56z	50h
PNW	110z/110z -5	103z/103z	103z/103z	105z	96h

	Sep FH/LH		Sep FH/LH
Cols CSX 65	50u/50u -10	Chicago	70z/40z -10
Ft. Wayne N/S 75	25z/25z	Pekin ethanol	40z/15z -30
Evansvl 15s	35z/35z	Decatur, IL	40z/10z
Toledo	135z/135z x	Champaign CN 25	40z/40z -20
UP Grp 3	/	Clinton, IA	60z/60z -10
Dexter, MO	/ x	Columbus, NE ethanol	95z/40z unc
Fayne, OH	25z/25z	Muscatine Truck	5z/5z unc
Ottawa	45z/0z	Hereford COBO B/E	u/u unc

Cash Bean Markets

	Sep FH/LH	Oct FH/LH	Nov FH/LH	Dec	Jan
CIF Nola	135x/110x -10	93x/92x	95x/95x	95f	93f
Paranagua	85x/85x 5	85x/	/		

	Sep FH/LH		Sep FH/LH		Sep FH/LH
Columbus	114x/114x 4	CN25	125x/125x -15	Mankato	80x/-30x -10
Toledo	100x/-30x x	Chicago	-10x/-10x unc	Cncl Bluf	140x/110x unc
Fostoria	/130x x	Decatur	135x/100x	Lincoln	100x/ unc
Windsor	215x/ x	Naples	30x/30x unc	KC	50x/-10x -60
PNW	140x/140x -10	Ottawa	65x/15x	Wichita	130x/35x -20

Cash Milo Markets

	Sep FH/LH	Oct FH/LH	Nov FH/LH	Dec	Jan
CIF Nola	75z/75z -5	/	/		
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/45z unc	55z/65z	68z/70z	70z	65h
TX Gulf HRW	127z/127z unc	127z/127z	/		

	Sep FH/LH	HRW	Sep FH/LH
St. Louis	-25z/-25z x	KC Ords	86u/96u unc
Toledo (Mill)	-15z/-15z x	KC 12s	110u/120u unc
	Sep FH/LH	KC 13s	110u/120u unc
PNW	123z/123z 3	KC 14s	113u/123u 3

Export Inspections

	TW	LW	LY	YTD	USDA Goal	Need/Week
Corn	9.8	17.8	10.2	8.0	1225	23.9
Soybeans	2.2	1.4	13.0	1.6	1385	27.1
Wheat	31.6	37.1	20.9	372.8	1100	19.1
Sorghum	4.8	0.6	0.4	4.0	150	2.9

Corn

CZ closed at 463.5 dn 4.75. Avg guess for Thursday's report is 153.9 yield/13.641 prod vs. last USDA #'s of 154.4/13.763. Big basis drops in Cent and Northern markets today (20-60c) as some selling by farmer and more by elev/merchants looking at 90 degree temps and anticipating harvest. This collapsed the CU/CZ back to 13.75 with a 23-13c range today. Early harvest reports continue for corn planted in April. Have seen reports as far north as Spfld IL. Basis will drop further but may be overdone temporarily, it will be a very bumpy ride for the basis short. Farmer selling/early harvest incentive collapsed with the spot basis. The # of better than expected yields dwarfs the less than expected so far. But the drought stressed area is not in harvest yet. CZ/CH closed at -13.00b/-12.75a with the # bid now down to 13714 on the close. We still like locking in CZ/CH but are reticent to move short to CK or CN as big yield trend may continue. G/EX was 54 dn 2 and % mature was 9 vs 4 LW and 28 avg. Question for the cash market is whether the heat is pushing maturity forward towards a normal harvest time or is tonites 9% mature # correct? Did hear Lock 52 near Bridgeport on the Lower Oh is going to have a 10 day closure of the main lock the end of Sep and another in FHOct. Given the historic yields coming from the Ohio Valley, this may back corn into the SE or onto corn piles temporarily.

Jeff Hainline

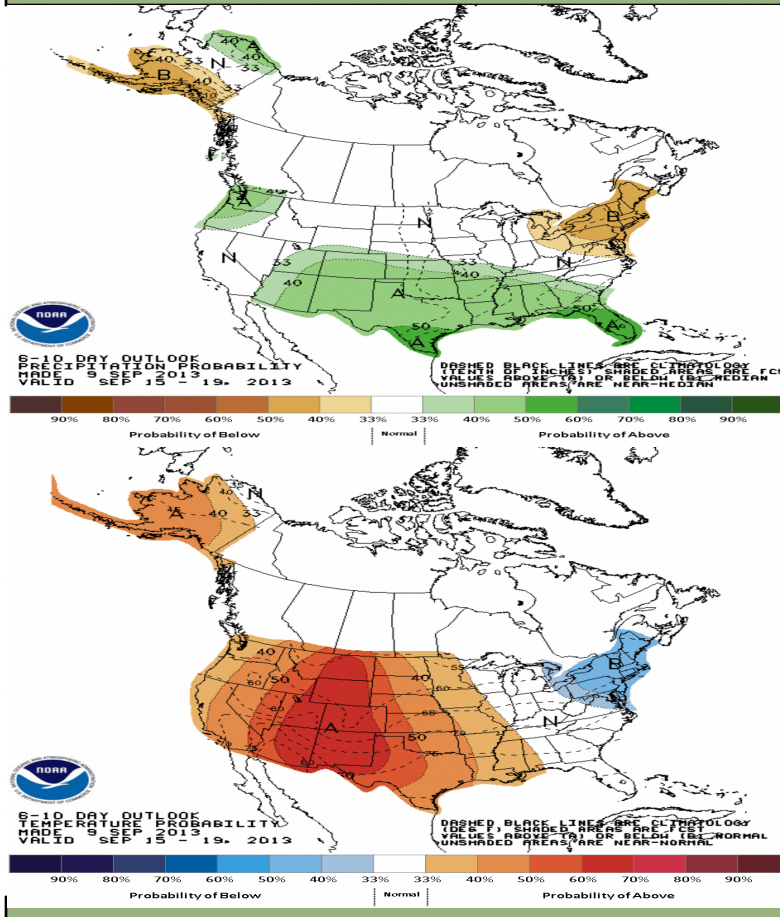
Beans

Soybean futures finishing under pressure with SX3 closing at \$13.56 1/2, down 11 1/4 cents. Futures felt like they took their direction from the cash markets, as many processors were dropping their bids to the next delivery period without the inverse rolling forward. This also managed to ease back the spreads too, with SX3/SF4 leaking 1 3/4's cents to a 1/4 cent inverse. Bean harvest getting going in its smallest degree in southern Illinois, and the Delta. Hearing great yields in the Delta. Yield reports in the Midwest haven't been very plentiful. Soybeans, like corn, trying to stair step down to an all Fall type bid. That hasn't happened yet, but every day we may take something out of the spot bid. One Central Illinois processor has pulled all bids as it is taking downtime. This may happen elsewhere. Not much rain around the Midwest this past weekend, and very little in the forecast. Hot for the beginning of the week, and cooling Wednesday forward. Last week at this time, it was difficult to find a field that had turning leaves. Fast forward a week, and now its getting harder to find a field not

Daily Spreads					
Corn					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Sep3-Dec3	14.00	-9.75	-17.70	-79.1%	None
Dec3-Mar4	(13.00)	-0.25	-17.62	73.8%	3.4
Sep3-Dec4	(12.25)	-4.00	-88.11	13.9%	-0.1
Dec3-Jul4	(27.50)	-0.25	-40.86	67.3%	3.1
Beans					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Sep3-Nov3	47.00	-22.75	-15.11	-311.1%	None
Nov3-Jan4	1.00	-1.75	-15.43	-6.5%	None
May4-Jul4	6.75	-0.25	-15.00	-45.0%	None
Wheat					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Sep3-Dec3	(12.50)	unc	-18.69	66.9%	2.9
Dec3-Mar4	(12.00)	0.25	-18.69	64.2%	2.7
Mar4-May4	(7.75)	0.50	-12.12	64.0%	2.7
KCBOT Wheat					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Sep3-Dec3	13.00	1.00	-30.81	-42.2%	None
Dec3-Mar4	(7.50)	0.50	-21.87	34.3%	1.2
Mar4-May4	(4.25)	0.75	-14.18	30.0%	0.9

North American Weather Outlook

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



turning. Crop conditions dropped from 54% to 52%, which was somewhat expected. Soybeans dropping leaves this week are 11% vs. 34% LY, and 19% avg. This heat has moved things along. Producers still act like reluctant sellers as it is hard to know what is out there. The avg. trade estimate yield at 41.2 bpa comes in light compared to last months 42.6 bpa. There was a time there last week when the trade felt like they were concerned about a sub 40 bpa. The avg. trade estimate carryout is 165 mbu, which is a tight carryout number, but one we have worked with before. This type of US crop size and yield will make the futures market sensitive to what the S. American weather pattern is doing, as the world market will not want to deal with problems down there. USDA production report on Thursday.

Jack Fitzgerald

Wheat

Wheat started the week on a sour note as spillover selling from the corn and soybean pits, tempted funds to aim for the December Chicago wheat contract low price of \$6.35 ½. The KC December futures got within ¼ cent of the \$6.88 contract low while Mnpls Dec futures took out the low of \$7.10 early in the session and then hovered around \$7 for the rest of the day. Fundamental news was thin and we can't even look forward to much fresh news in the report this week as most of the mystery is reserved for corn and soybean estimates. Inspections of 31.6 mbu this AM were solid and within guesses, but did show a little easing from LW's 37.1 mbu total. Over 1/3 of the wheat was SRW with Chinese liftings at 11.0 mbu. The very active front loaded export program is clearly evident with a balance of the year weekly shipment average needing only 19.1 mbu/week to meet USDA estimates. Outstanding book of HRW sales isn't out of line, so demonstrates the short term buying and quick shipment. While HRW YTD sales are 25% more than LY, HRS YTD sales are 15% behind last year. USDA is reporting we're down to the last 20% of the US spring wheat harvest and while the area did receive some weekend showers, should be able to get to the last acres without too many problems. Also noted in the weekly progress report is 5% of the winter wheat crop planted (mostly WA and ID), on pace with the 5-year average. Canada is 1/4th done with spring wheat and yields still exceeding expectations. Australian crop range is narrowing up a bit more with 24.0 mmt a popular guess. Stat's Canada debating if they have more faith in satellites vs surveys and might be leaning towards an imaging type report for September production guesses moving forward. Based on this year's vegetative index maps, it looks like the 30+ mmt crop from Canada is well within reach. Mnpls Dec futures dipped to a 14 cent premium to KC Dec futures. Historically, that spread usually finds support near even money though a stronger correlation post CWB monopoly (albeit on fewer data points) with Canadian production would indicate additional weakness and an eventual discount to KC December futures is possible.

Kelly Herrick

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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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