

September 18, 2013

ADVANCE INSIGHT

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Transportation

	TW/NW/Sep	Oct	Nov	Dec	Jan
St. Paul Savage	550/575/600	600	600		
Dub South	550/550/575	600	560		
St. Louis 12'	550/575/575	600	475	375	375
Illinois	550/550/575	575	475	450	450
OH/Jeff/Cinn	600/625/650	625	500	450	425
Gulf/PNW	\$0.550 / bushel				
BN Shuttles	100/50/50	900	300	-63	-50
UP Shuttles	/200/200	375	250	50	-50

Cash Corn Markets

	Sep FH/LH	Oct FH/LH	Nov FH/LH	Dec	Jan
CIF Nola	63z/63z -3	66z/65z	62z/60z	60z	50h
PNW	125z/125z unc	103z/103z	103z/105z	105z	94h

	Sep FH/LH		Sep FH/LH
Cols CSX 65	5z/5z -10	Chicago	30z/30z -5
Ft. Wayne N/S 75	-10z/-10z -10	Pekin ethanol	-8z/-8z -3
Evansvl 15s	-5z/-5z -10	Decatur, IL	10z/10z -15
Toledo	0z/0z -12	Champaign CN 25	0z/0z -5
UP Grp 3	/	Clinton, IA	45z/45z 10
Dexter, MO	/ x	Columbus, NE ethanol	80z/15z x
Fayne, OH	-10z/-10z -10	Muscatine Truck	5z/5z unc
Ottawa	-15z/-15z -14	Hereford COBO B/E	/ x

Cash Bean Markets

	Sep FH/LH	Oct FH/LH	Nov FH/LH	Dec	Jan
CIF Nola	99x/94x -1	86x/86x	90x/90x	90f	92f
Paranagua	120x/120x unc	120x/	/		

	Sep FH/LH		Sep FH/LH		Sep FH/LH
Columbus	15x/15x unc	CN25	40x/40x -25	Mankato	50x/-30x unc
Toledo	0x/0x unc	Chicago	-10x/-10x unc	Cncl Bluf	-25x/75x unc
Fostoria	10x/ unc	Decatur	50x/20x -25	Lincoln	50x/5x -10
Windsor	25x/25x x	Naples	0x/0x -5	KC	70x/-25x unc
PNW	136x/136x 1	Ottawa	0x/0x -13	Wichita	70x/35x unc

Cash Milo Markets

	Sep FH/LH	Oct FH/LH	Nov FH/LH	Dec	Jan
CIF Nola	70z/70z unc	/	/		
Houston	85z/85z unc	50z/50z	50z/50z	50z	45h
Corpus Christi	95z/95z unc	50z/50z	50z/50z	50z	40h

Cash Wheat Markets

	Sep FH/LH	Oct FH/LH	Nov FH/LH	Dec	Jan
CIF SRW	64z/64z -1	69z/74z	79z/79z	84z	70h
TX Gulf HRW	127z/127z unc	127z/127z	/		

	Sep FH/LH	HRW	Sep FH/LH
St. Louis	-23z/-23z 1	KC Ords	86z/96z unc
Toledo (Mill)	-15z/-15z unc	KC 12s	95z/105z unc
	Sep FH/LH	KC 13s	100z/110z unc
PNW	120z/120z nb	KC 14s	110z/120z unc

Export Sales Estimates

	Expected Crop mbu (kmt)	Needed (mbu)
Corn	18-26(450-650)	14.4
Soybeans	24-28(650-750)	11.3
Wheat-All	18-24(500-650)	13.5
HRW		5.3
SRW		2.1
Sorghum		2.5
Soybean Meal	100-230	-18.8
Soybean Oil	5-15	17.8

Corn

Very quiet low volume day with CZ closing up 2.25 near the day's high at 456.25 with support from outside markets. The Fed said at 1pm cdt that the "economy is growing moderately and that some indicators of labor market conditions have shown improvement". But it noted that "rising mortgage rates and government spending cuts are restraining growth" thus it will not decrease its \$85bil/month bond buying at this time. The market had anticipated a slowdown in Stimulus and the fact that it will continue rallied gold, crude and bonds while weakening the US\$. Yield reports continued with 2/3's suggesting better than anticipated with occasional poor reports NE Neb, NC and NE Mo, but even there yields were 100-130. IL reports, likely coming from April planted acres, are in the 175-235 range. How much fall off will occur with the mid May plantings is yet to be known. Basis levels now 5-10c below DVE in a # of central belt markets. This has slowed harvest and selling as low prices and no inverses don't encourage harvesting of 25-30% mst corn with the corresponding drying charges. Country Elevators should fill space at below DVE basis levels given the 12.5c Z/H carry, empty pipeline, adequate storage space, inverses in beans spreads, and low interest rates.

Jeff Hainline

Beans

A steady to higher tone to the soybean and soyoil trade on Wednesday as the USDA reported sales of 1.93 MMT to China and 182,000 to unknown. Nearby meal was a little weaker. Harvest seems to be slowly starting in parts

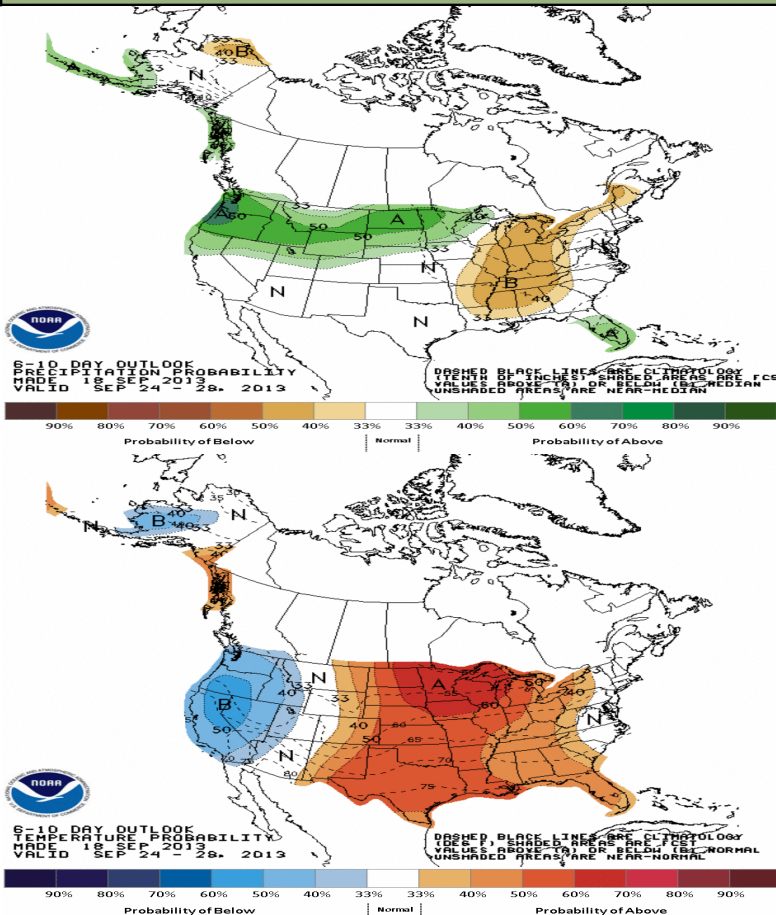
Daily Spreads					
Corn					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Dec3-Mar4	(12.50)	unc	-17.58	71.1%	3.3
Dec3-Jul4	(27.50)	unc	-40.76	67.5%	3.1
Dec3-May4	(20.75)	unc	-28.97	71.6%	3.3
Mar4-Jul4	(15.00)	unc	-23.27	64.5%	2.9
Beans					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Nov3-Jan4	(2.50)	-1.75	-15.39	16.2%	-1.3
Nov3-Mar4	15.25	-1.50	-30.28	-50.4%	None
Nov4-Jan5	(4.00)	unc	-14.74	27.1%	-0.4
Wheat					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Dec3-Mar4	(11.00)	-0.50	-18.71	58.8%	2.4
Mar4-May4	(5.25)	-0.25	-12.13	43.3%	1.5
May4-Jul4	4.50	1.00	-12.56	-35.8%	None
KCBOT Wheat					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Dec3-Mar4	(6.00)	0.25	-21.82	27.5%	0.7
Mar4-May4	(2.50)	0.25	-14.17	17.6%	0.0
Mar4-Jul4	7.50	-2.00	-28.81	-26.0%	None

of the ECB but it appears we are still a week or so away from real active soybean harvest. T-storm noted that the first half of September and even a 1.00" of rain through the end of the month in IL-IN-IA would cause it to rank #4 driest since 1960 and #10 driest since 1895. His point is we need more than just one system or an inch of rain to improve the dry conditions. The X/F spread managed to relax a bit on Wednesday trading out to a 2 ¾ cent carry. It settled at 2 ¼ cents. This is the widest that spread has in nearly a month – last time we were this wide was August 22nd. Not sure where it goes but we could see some pressure on the spread from harvest. If you need to have hedges in the January be sure to have orders in place in the event we widen a bit further. It might be short lived – especially if the crop gets smaller in future USDA reports. The X/H managed to trade into a 12 cent inverse – just 4 trading sessions ago we saw this spread trading near a 40 cent inverse! Volatility...

Mark Talaski

North American Weather Outlook

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



Wheat

Wheat futures closed slightly higher on a very light volume/light news day. Western US HRW belt received some beneficial rains over the past 24 hrs. with some forecasts adding additional precip over the next 5 days. Temps warm up and dry up after that which should help accelerate HRW planting. News of Argentina wanting to rebuild domestic wheat supply by stopping wheat shipments should force Brazil to look to the US for HRW. Not only are wheat stocks tightening, but talk of lower wheat acres in Argentina is likely making the government nervous. Cash markets were quiet across the board. SRW domestic values were unchanged while CIF was a penny weaker for nearby shipment. HRW basis also steady/firm – still trading at a premium to DVE. Protein premiums are unchanged. HRS wheat basis weaker today – continues to battle to buy/take demand away from HRW. Chicago Dec/March spread was a ¼ wider closing at 10 ¾, while KC Dec/March narrowed ¼ cent closing at 6 cents (spread has lost half of its carry in the past 30 days). SRW hedges in the March. HRW and HRS in the Dec or March with logistics/space constraints being the major factors in your decision.

Paul Dubravec

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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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