

September 23, 2013

ADVANCE INSIGHT

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Transportation

	TW/NW/Sep	Oct	Nov	Dec	Jan
St. Paul Savage	575/600/600	600	600		
Dub South	550/550/575	600	560		
St. Louis 12'	600/600/600	600	475	425	375
Illinois	550/550/600	615	525	450	450
OH/Jeff/Cinn	675/675/675	700	525	450	425
Gulf/PNW	\$0.600 / bushel				
BN Shuttles	/0/0	975	325	-50	-75
UP Shuttles	300/300/300	400	125	-38	-50

Cash Corn Markets

	Sep FH/LH	Oct FH/LH	Nov FH/LH	Dec	Jan
CIF Nola	59z/59z unc	62z/61z	60z/60z	61z	50h
PNW	135z/135z unc	104z/104z	104z/104z	107z	95h

	Sep FH/LH		Sep FH/LH
Cols CSX 65	-6z/-6z unc	Chicago	40z/40z 15
Ft. Wayne N/S 75	0z/0z unc	Pekin ethanol	-8z/-8z unc
Evansvl 15s	-10z/-10z unc	Decatur, IL	10z/10z unc
Toledo	0z/0z unc	Champaign CN 25	0z/0z unc
UP Grp 3	/	Clinton, IA	25z/25z -25
Dexter, MO	/ x	Columbus, NE ethanol	80z/60z unc
Fayne, OH	-15z/-15z unc	Muscatine Truck	5z/5z unc
Ottawa	5z/-20z unc	Hereford COBO B/E	/ unc

Cash Bean Markets

	Sep FH/LH	Oct FH/LH	Nov FH/LH	Dec	Jan
CIF Nola	91x/91x unc	88x/88x	91x/93x	93f	91f
Paranagua	145x/145x 15	145x/	/		

	Sep FH/LH		Sep FH/LH		Sep FH/LH
Columbus	12x/12x unc	CN25	10x/10x -30	Mankato	60x/-30x unc
Toledo	0x/0x unc	Chicago	-10x/-10x unc	Cncl Bluf	-25x/35x unc
Fostoria	0x/ -10	Decatur	40x/0x -10	Lincoln	20x/25x -30
Windsor	25x/25x unc	Naples	0x/0x unc	KC	-25x/-25x unc
PNW	142x/142x unc	Ottawa	-5x/-10x unc	Wichita	0x/0x unc

Cash Milo Markets

	Sep FH/LH	Oct FH/LH	Nov FH/LH	Dec	Jan
CIF Nola	90z/90z unc	/	/		
Houston	85z/85z x	50z/50z	50z/50z	50z	45h
Corpus Christi	95z/95z x	50z/50z	50z/50z	50z	40h

Cash Wheat Markets

	Sep FH/LH	Oct FH/LH	Nov FH/LH	Dec	Jan
CIF SRW	65z/65z unc	70z/75z	81z/85z	85z	70h
TX Gulf HRW	127z/127z x	127z/127z	/		

	Sep FH/LH	HRW	Sep FH/LH
St. Louis	-16z/-16z 3	KC Ords	86z/96z unc
Toledo (Mill)	-15z/-15z unc	KC 12s	95z/105z unc
	Sep FH/LH	KC 13s	108z/118z unc
PNW	120z/120z x	KC 14s	110z/120z unc

Export Inspections

	TW	LW	LY	YTD	USDA Goal	Need/Week
Corn	17.9	20.2	24.8	46.3	1225	24.1
Soybeans	16.8	3.0	12.6	21.6	1370	27.5
Wheat	42.3	46.5	22.6	462.8	1100	17.7
Sorghum	2.4	5.8	4.6	12.2	160	3.0

Corn

As of the morning coffee break, corn had less than a 5c range as weekend and overnight news was very limited. Despite the chance of a more volatile day session, the range didn't improve much with every contract through 2014 less than 7c high to low. Funds ended the day modest buyers. Weekend harvest progress continued slow in most of the central belt. This afternoon progress report verified that with corn 7% harvest, up just 3% week on week. Of the top 10 corn producing states, only Kansas and Missouri (at 16% each) exceed 10% harvested. With the weather looking clear, this week should see a good jump in harvesting. It's difficult to assign too much value to condition ratings at this stage, but overall corn ratings did improve 2% to 58% good to excellent. Milo harvest edged up slightly at 33% complete with a large portion of the remainder expected to be much later. Anecdotal yield reports remain solid, though as just noted the heart of the corn belt is not well established. Corn export inspections were 17.9 mbu, down from last week's 20.1. Year to date shipments are 46.3 mbu compared to 62.5 last year. Western Hemisphere (60% Mexico) led the way at 10.4 mbu with China at 4.7 and Japan at 2.5. Additionally a new sale of 197,200 mt to Mexico was announced for this marketing year. In general much of the central and western belt are seeing basis levels decline on real and anticipated harvest movement. But select pops illustrate how thin coverage remains, and Southern basis is showing some signs of strength. ADM's Cedar Rapids plant bumped 15c from Friday to +80Z for this week's shipment during the session, backing away to +75 this afternoon. Short term reductions in drying charges remain common as well. Corn spreads held steady as good harvest results and at least modest movement of early harvest have kept end users from aggressively buying CZ. Ultimately wider spreads imply good commercial ownership opportunities, better than those that exist today. If not buying from your producer, Z/ H (or K) bull spreads still look good.

Curt Strubhar

Beans

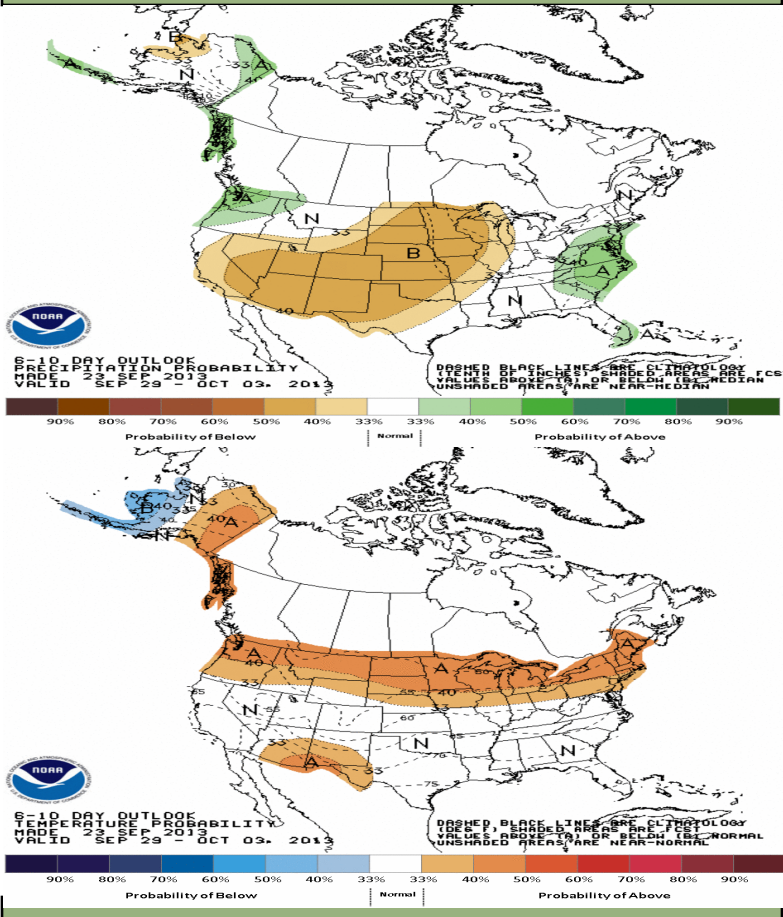
November futures down 7 1/2 cents to finish at \$13.07 3/4's. The SX3/SF4 finishes the day unchanged at 2 3/4's cents carry. Quiet day overall, although it feels like harvest will gain every day this week. The weather looks mostly clear until the end of the week with mid 70's type temperatures. Soybean crop conditions run in place this week remaining at 50% Good/Excellent. Last year

Daily Spreads

Corn					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Dec3-Mar4	(12.75)	unc	-17.56	72.6%	3.4
Dec3-Jul4	(27.75)	-0.25	-40.71	68.2%	3.1
Dec3-May4	(20.75)	0.25	-28.94	71.7%	3.3
Mar4-Jul4	(15.00)	-0.25	-23.25	64.5%	2.9
Beans					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Nov3-Jan4	(2.50)	0.25	-15.23	16.4%	-1.2
Nov3-Mar4	13.00	-2.25	-29.97	-43.4%	None
Nov4-Jan5	(4.00)	-0.25	-14.62	27.4%	-0.4
Wheat					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Dec3-Mar4	(10.50)	0.50	-18.74	56.0%	2.2
Mar4-May4	(6.00)	0.50	-12.15	49.4%	1.8
May4-Jul4	7.25	2.25	-12.59	-57.6%	None
KCBOT Wheat					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Dec3-Mar4	(4.00)	0.50	-21.84	18.3%	0.0
Mar4-May4	(2.50)	unc	-14.18	17.6%	0.0
Mar4-Jul4	7.75	-0.50	-28.83	-26.9%	None

North American Weather Outlook

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



ratings were at 35% Good/Excellent, although have to admit, it seemed like we had a better finish to last year's crop than we have this years. This crop doesn't feel 15% "better". Illinois was unchanged at 50%, while Iowa improved by 1%, to 34% Good/Excellent, and Indiana improved 2% for 58% Good/Excellent. Bean basis continues to feel pressure, as Decatur dropped a dime to +40SX. Not sure there has been enough harvest to have a feel for what the producer will do, although some speculate that the producer will be a seller of soybeans across the scale. Current unshipped open book is 836 mbu, vs 765 mbu LY at this time. This is a new record. China's purchases are 552 mbu vs 480 mbu at this time LY, which is a new record as well. If we approach LY's first quarter off-take of 406 mbu, we will have to speed up harvest, as LY we were at 21% harvested already. Soybean harvest for this year is 3% vs. the 5-year avg. of 9%. On Sept. 30th, we get a Grain Stocks report which tells us how many soybeans we start the year off with.

Jack Fitzgerald

Wheat

Another strong week of export liftings and rumors of anticipated global wheat stockpiling sparked a small flat price wheat rally to start the week on limited fresh fundamental news. Mnpls exchange was the exception to the positive futures settlements closing 1-2¢ lower. China's NGOIC bumped their wheat import estimates to 7.5 mmt vs the previous estimate of 6.5 mmt, with over 5.5 mmt already purchased from US, Australia and France. Typical marketing year imports for China are closer to 3 mmt and the USDA is already pegging the 2013/14 marketing year at 9.5 mmt, so the sharp increase shouldn't have been a huge surprise, but the 250 mbu increase in imports is reflective of the increased demand for stockpiling by other nations such as South Korea and now Russia. Quick glance at historic Chinese wheat imports have 10+ mmt imports common from 80's to early 90's, then falling to minimal imports over the last 2 decades. Russian intention is to buy 6 mmt of wheat from reserves which could establish a floor on some global pricings. Weekly export sales of 42.3 mbu were 3 mbu shy of LW's total, but there have only been a handful of weeks in the last 15 years with more shipping activity for wheat. The YTD inspection total is now over 460 mbu, which is 130 mbu more than LY's YTD total. December Mnpls futures settled at a penny premium to the KC December futures settlement, the weakest relationship to KC Dec month since late 2010. Cash trade would seem to represent a continued transition to spring wheat as cash values for 13%+ protein spring wheat are now discounted to HRW 12.0's bids. Dec/March KC spread hovering around 4 cents which doesn't offer much in the way of return for holding high priced (basis) wheat, especially with demand potentially slipping on spring wheat availability and Australian/Canadian supplies. USDA estimating only 7% of the US spring wheat crop is left in the field and 23% of the winter wheat crop has been planted, both of which are close to the 5-year average.

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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