

October 1, 2013

# ADVANCE INSIGHT

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## Transportation

	TW/NW/Oct	Nov	Dec	Jan	Feb
St. Paul Savage	575/600/600	600			
Dub South	550/575/600	560			
St. Louis 12'	550/550/600	475	375	350	375
Illinois	550/575/575	525	475	440	440
OH/Jeff/Cinn	600/625/650	525	425	425	425
Gulf/PNW	\$0.600 / bushel				
BN Shuttles	1400/1400/1000	375	-50	-75	-75
UP Shuttles	//625	175	-38		

## Cash Corn Markets

	Oct FH/LH	Nov FH/LH	Dec FH/LH	Jan	Feb
CIF Nola	63z/62z unc	62z/62z	62z/62z	48h	
PNW	103z/103z 1	103z/103z	105z/105z	94h	96h

	Oct FH/LH		Oct FH/LH
Cols CSX 65	-20z/-20z -5	Chicago	15z/15z unc
Ft. Wayne N/S 75	-18z/-18 -5	Pekin ethanol	0z/-5z unc
Evansvl 15s	-10z/-10z -1	Decatur, IL	-12z/-12z unc
Toledo	-25z/-25z unc	Champaign CN 25	-12z/-12z -2
UP Grp 3	6z/6z unc	Clinton, IA	-2z/8z unc
Dexter, MO	/ x	Columbus, NE ethanol	65z/5z unc
Fayne, OH	-20z/-20 -5	Muscatine Truck	-5z/-5z unc
Ottawa	-5z/-5z	Hereford COBO B/E	60z/60z -2

## Cash Bean Markets

	Oct FH/LH	Nov FH/LH	Dec FH/LH	Jan	Feb
CIF Nola	90x/90x unc	96x/96x	94f/94f	94f	85h
Paranagua	145x/ unc	/	/		25h

	Oct FH/LH		Oct FH/LH		Oct FH/LH
Columbus	-18x/-18x -6	CN25	-15x/-15x unc	Mankato	-20x/-20x 5
Toledo	-15x/-15x	Chicago	-5x/-5x unc	Cncl Bluf	-20x/-20x -8
Fostoria	-25x/-25x	Decatur	0x/0x unc	Lincoln	-12x/-25x unc
Windsor	15x/15x	Naples	-5x/-5x unc	KC	-10x/-20x unc
PNW	142x/138x 6	Ottawa	-5x/-5x 4	Wichita	-20x/-20x unc

## Cash Milo Markets

	Oct FH/LH	Nov FH/LH	Dec FH/LH	Jan	Feb
CIF Nola	90z/90z unc	/	/		
Houston	50z/50z nb	50z/50z	50z/	45h	45h
Corpus Christi	50z/50z nb	50z/50z	50z/	40h	40h

## Cash Wheat Markets

	Oct FH/LH	Nov FH/LH	Dec FH/LH	Jan	Feb
CIF SRW	85z/85z unc	85z/84z	84z/84z	68h	
TX Gulf HRW	127z/127z nb	/	/		

	Oct FH/LH		Oct FH/LH
SRW	-8z/-8z x	HRW	86z/96z unc
St. Louis	-15z/-15z unc	KC Ords	105z/115z -1
Toledo (Mill)	-15z/-15z unc	KC 12s	105z/115z -5
		KC 13s	115z/125z unc
PNW	115z/115z -10	KC 14s	

## Deliverable Stocks of Grain

(thousands of bushels)

Corn		Change from LW	Change from LY
Illinois River	504	225	-680
Chicago	7	1	-52
<b>Total</b>	<b>511</b>	<b>226</b>	<b>-732</b>

Soybeans		Change from LW	Change from LY
Illinois River	720	367	-826
Chicago	18	9	-105
<b>Total</b>	<b>738</b>	<b>376</b>	<b>-931</b>

CBOT Wheat		Change from LW	Change from LY
Toledo	26705	272	-748
Chicago	10083	-39	-3526
St. Louis	1026	-395	-933
<b>Total</b>	<b>37814</b>	<b>-162</b>	<b>-5207</b>

KCBOT Wheat		Change from LW	Change from LY
Salina	18022	-844	-7098
Hutch	26391	321	-1795
KC	12724	53	2039
<b>Total</b>	<b>57137</b>	<b>-470</b>	<b>-6854</b>

## Corn

Very quiet futures trade day closing near the high of a narrow 7 cent trading range. Sept corn closed up 5 and December up 3 1/2. September USDA report release tomorrow with trade looking for little change in 12/13 carryout (719 mbu vs August at 722). The 13/14 crop is production is expected around 13.641 bbu, vs the August USDA number of 13.763 bbu. The 13/14 carryout is expected around 1.739 bbu (Aug USDA @ 1.837). Cash activity was relatively quiet today. Some new crop harvest as far North as I-80. Nearby cash premiums have broken significantly in the past two weeks as the "whites of the new crop eyes" come into sight. Many markets are down to a 35-60 cent premium to gut-slot wanting to keep enough incentive for farmers to go after it. I'm finding that premiums for quick ship are not incenting all producers to get after the early harvest. Some are looking at price (disappointed) and not excited to rush into wet harvest, some are getting after it and still putting it in storage and some are looking at it as a means to get a premium to fund a GMP contract to keep the topside open. Premiums need to remain until the users are covered and the pipeline starts to fill or.... elevators will hedge it with some modest carries on the board. The first 1/3 of harvest may feel like a continuation of old crop driven by nearby premiums. CZ/CH had a 12 to 13 range today.

Ben Peters

**Daily Spreads**

Corn					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Dec3-Mar4	(12.75)	0.25	-17.48	73.0%	3.4
Dec3-Jul4	(27.50)	-0.25	-40.52	67.9%	3.1
Dec3-May4	(20.75)	0.25	-28.81	72.0%	3.3
Mar4-Jul4	(14.75)	-0.25	-23.14	63.7%	2.9

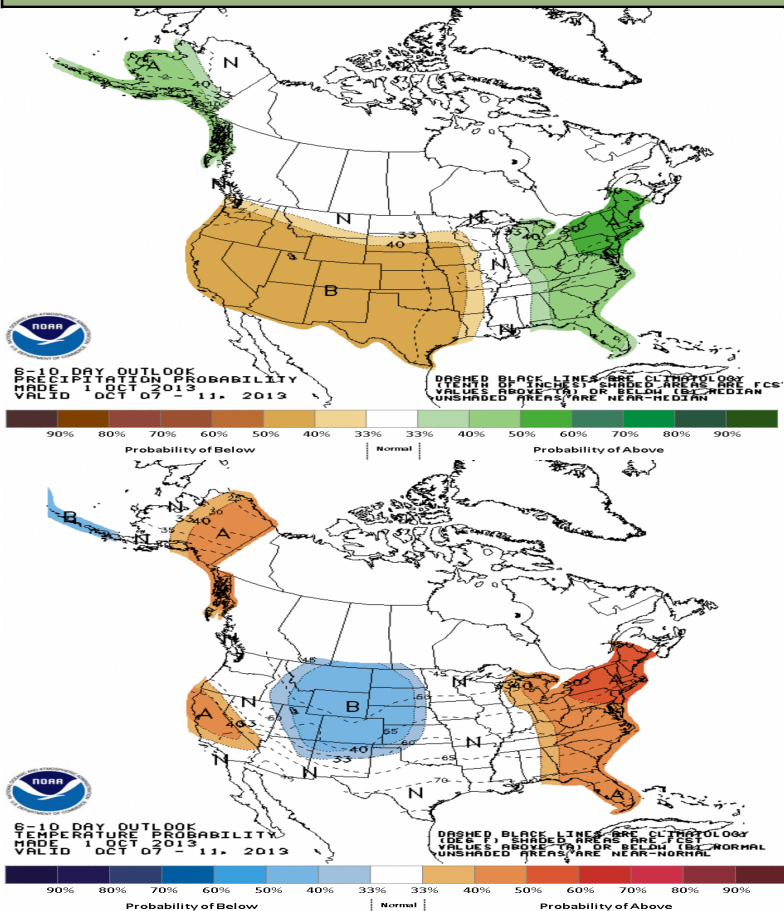
Beans					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Nov3-Jan4	(2.00)	0.25	-15.07	13.3%	-1.4
Nov3-Mar4	15.00	0.50	-29.66	-50.6%	None
Nov4-Jan5	(4.25)	-0.75	-14.46	29.4%	-0.2

Wheat					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Dec3-Mar4	(8.25)	0.25	-18.88	43.7%	1.4
Mar4-May4	(3.00)	-0.25	-12.24	24.5%	0.3
May4-Jul4	16.75	4.25	-12.67	-132.2%	None

KCBOT Wheat					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Dec3-Mar4	2.25	2.75	-22.10	-10.2%	None
Mar4-May4	2.25	1.50	-14.32	-15.7%	None
Mar4-Jul4	22.75	1.75	-29.13	-78.1%	None

**North American Weather Outlook**

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



**Beans**

SX -14.75c, SMZ -\$2.1, BOZ -.83. Follow through selling from yesterday's stocks report, good yields and tired fund longs all contributing to lower market. Harvest is picking up speed across the whole belt, ahead of late week rains coming. Forecasts are calling for a cold front to move through over the weekend, with frost expected in northern belt, but not a killing freeze. ND is 94% dropping leaves, SD 87% and MN 73%, so even a killing freeze would have limited yield impact. Rain is needed and expected for much of Brazil and Paraguay as they get started planting. MG is 1% planted and slightly behind avg. Rogers roll is this week and Goldman starts next Monday. Long index rolling and spec selling may let SX/F leak wider. If you have long hedges in the SX for a dp program, suggest moving 50% to the F/H here. If you have short SX that you can't ship, suggest rolling to SF at 5-6 carry. Private crop estimate this afternoon at 41.4 bpa vs usda at 41.2. Given the yield evidence thus far, both of those seem low. ATI price model suggests SX could be \$1 overpriced, using a 42.2 bpa yield.

*Trent Sauder*

**Wheat**

Wheat was mixed on Tuesday with moments of continuing Monday's momentum. Yesterday's stocks number continued to have influence though interclass trades showed some correction as MGEX gained back on HRW. Tunisia bought 75 kmt optional origin milling wheat. Making wheat class stock presumptions, the USDA data appears to have shown more SRW feeding (as a share) than the market would previously have expected. Commercial elevators report heavy HRW buying in the last several days of higher markets. KCBT spreads have not reacted accordingly as Z/H traded to a 3c inverse at one point today. For the commercial's perspective, the merchandising picture is to keep selling wheat until the markets tells us otherwise. Nearby freight premiums make October track sales less attractive (freight carry, all else equal) but by Dec, car values decline sharply. As mentioned in last night's wire, StatsCanada will release figures on Friday, with trade expectations for a large crop size. As the Canadian government has not shut down (name that movie "sorry folks, park's closed. Moose out front shoulda told you"), this report is expected to be released as scheduled.

*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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