

October 3, 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 | 1300/1400/1100 | 425 | -50 | -50 | -50 |
| UP Shuttles | 600//550 | 150 | -38 | | |

Cash Corn Markets

| | Oct FH/LH | Nov FH/LH | Dec FH/LH | Jan | Feb |
|----------|---------------|-----------|-----------|-----|-----|
| CIF Nola | 66z/65z 2 | 64z/64z | 61z/61z | 49h | |
| PNW | 106z/106z unc | 103z/103z | 105z/105z | 94h | 96h |

| | Oct FH/LH | | Oct FH/LH |
|------------------|---------------|----------------------|---------------|
| Cols CSX 65 | -24z/-24z unc | Chicago | 12z/12z -2 |
| Ft. Wayne N/S 75 | -18z/-18 unc | Pekin ethanol | 0z/-8z unc |
| Evansvl 15s | -13z/-13z unc | Decatur, IL | -12z/-12z unc |
| Toledo | -25z/-25z unc | Champaign CN 25 | -14z/-14z -1 |
| UP Grp 3 | 7z/7z unc | Clinton, IA | 0z/0z 2 |
| Dexter, MO | / x | Columbus, NE ethanol | 50z/-10z |
| Fayne, OH | -20z/-20 unc | Muscatine Truck | 0z/0z 5 |
| Ottawa | -23z/-23z unc | Hereford COBO B/E | 60z/60z unc |

Cash Bean Markets

| | Oct FH/LH | Nov FH/LH | Dec FH/LH | Jan | Feb |
|-----------|-------------|-----------|-----------|-----|-----|
| CIF Nola | 95x/91x unc | 96x/94x | 94f/94f | 94f | |
| Paranagua | 200x/ unc | / | / | | 35h |

| | Oct FH/LH | | Oct FH/LH | | Oct FH/LH |
|----------|---------------|---------|--------------|-----------|---------------|
| Columbus | -20x/-20x unc | CN25 | -10x/-10x -5 | Mankato | -15x/-20x 5 |
| Toledo | -25x/-25x unc | Chicago | -5x/-5x unc | Cncl Bluf | -20x/-20x unc |
| Fostoria | -25x/-25x unc | Decatur | 10x/0x +5 | Lincoln | -20x/-25x unc |
| Windsor | 15x/15x x | Naples | 0/0x +5 | KC | -5x/-20x 5 |
| PNW | 135x/138x -15 | Ottawa | -3x/-10x unc | Wichita | -20x/-20x unc |

Cash Milo Markets

| | Oct FH/LH | Nov FH/LH | Dec FH/LH | Jan | Feb |
|----------------|-------------|-----------|-----------|-----|-----|
| CIF Nola | 90z/90z unc | / | / | | |
| Houston | 85z/85z 35 | 50z/50z | 50z/50z | 45h | 45h |
| Corpus Christi | 95z/95z 45 | 105z/105z | 105z/105z | 40h | 40h |

Cash Wheat Markets

| | Oct FH/LH | Nov FH/LH | Dec FH/LH | Jan | Feb |
|-------------|---------------|-----------|-----------|-----|-----|
| CIF SRW | 75z/75z -5 | 80z/80z | 80z/80z | 70h | |
| TX Gulf HRW | 127z/127z unc | 127/127 | / | | |

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

Corn

CZ + ¼ at 439 ¼ with a 5 ¾ c range, CZ/H4 -12 ¾ unc. Deferred spreads were off ¼ c. Option volatility at historic lows. Weather forecasts for rainfall and slow harvest contributing to firmer basis as many processors are hand to mouth ahead of harvest, e.g. Cedar Rapids corn processor posted basis improved 20c to 30z for corn delivered this week and option the dec for the 2nd week of Oct. Another western processor up to +50z by tomorrow and +35z by Oct 11th. Other western processors up 5. Mixed as well out east, while thin, some leakage noted on corn basis e.g. Leipsic dropped a dime to option the Dec. Central areas getting decent fill at their bids. Up in the NW corn belt market old crop and new would trade over DVE w/ snow in the forecast and harvest delayed. At least the weather forecasters not calling for season ending frost. CIF corn was up 1-2c. In tank Chi ethanol rebounded nearly 7c to \$1.96/g for Mid Oct delivery. Oct futures expired up 9 ½ at \$1.88/g and the V/X spread expires at a 21 cpg inverse, as ethanol remains inverted modestly the balance of this year and 85% full carry by March '14. DDGs at the gulf were running over 140% the value of corn from now thru Q1 as they price more like protein than corn. Warehousemen encouraged to continue hitting quick ship bids where attractive and their logistics allow. 74% of full carry Dec/Mar at 2.2% interest, might see further widening in Dec if this crop as big as early yields projecting, but weather key to spreads too and above normal 8/14 in western corn belt may not favor a quick harvest, drier forecast central and east. Inclined to throw short hedges to the March for the central belt.

Joe Harroun

Beans

Short-covering prompted a technical rally in bean futures. SX13 closed up 14 ½ cents at \$12.88. SX13 & SF14 managed to trade through their respective 100 & 200-day moving averages. Outside markets provided some modest support as well, with the US\$ down 150+ points much of the day. The bean rally was possibly limited by better-than-expected yield reports in many areas. The market will keep a close eye on yields as harvest continues in an

| Daily Spreads | | | | | |
|---------------|---------|--------|------------|-----------------|--------|
| Corn | | | | | |
| | Close | Change | Full Carry | % of Full Carry | ROS/mo |
| Dec3-Mar4 | (13.00) | -0.25 | -17.47 | 74.4% | 3.5 |
| Dec3-Jul4 | (28.25) | -0.50 | -40.51 | 69.7% | 3.2 |
| Dec3-May4 | (21.00) | unc | -28.80 | 72.9% | 3.4 |
| Mar4-Jul4 | (15.25) | -0.25 | -23.13 | 65.9% | 3.0 |
| Beans | | | | | |
| | Close | Change | Full Carry | % of Full Carry | ROS/mo |
| Nov3-Jan4 | (0.75) | 1.25 | -15.14 | 5.0% | -2.0 |
| Nov3-Mar4 | 17.50 | 1.50 | -29.79 | -58.7% | None |
| Nov4-Jan5 | (4.25) | unc | -14.51 | 29.3% | -0.2 |
| Wheat | | | | | |
| | Close | Change | Full Carry | % of Full Carry | ROS/mo |
| Dec3-Mar4 | (7.75) | unc | -18.91 | 41.0% | 1.3 |
| Mar4-May4 | (4.25) | -2.25 | -12.26 | 34.7% | 0.9 |
| May4-Jul4 | 9.75 | -4.00 | -12.69 | -76.8% | None |
| KCBOT Wheat | | | | | |
| | Close | Change | Full Carry | % of Full Carry | ROS/mo |
| Dec3-Mar4 | 2.00 | -2.50 | -22.15 | -9.0% | None |
| Mar4-May4 | 3.75 | -2.25 | -14.35 | -26.1% | None |
| Mar4-Jul4 | 22.75 | -5.50 | -29.20 | -77.9% | None |

effort to assess whether the later planted beans fared as well. Rain is expected to slow down the pace of bean harvest through the weekend. Scattered thunderstorms through Sunday are expected to bring 1.25" to 2.5" across the northern half of the Corn Belt. Frost is expected this weekend in the western Corn Belt & Plains, however killing freezes are generally expected to stay west of key production areas. China has gone quiet amid the U.S. governmental shutdown, but the general thought is that they could step back in the market as soon as next week. Bean spreads were firmer today. SX/SF narrowed 1 ¼ to close at a ¾ cent carry, however it traded down to a ½ cent inverse early in the session.

Michael Reginelli

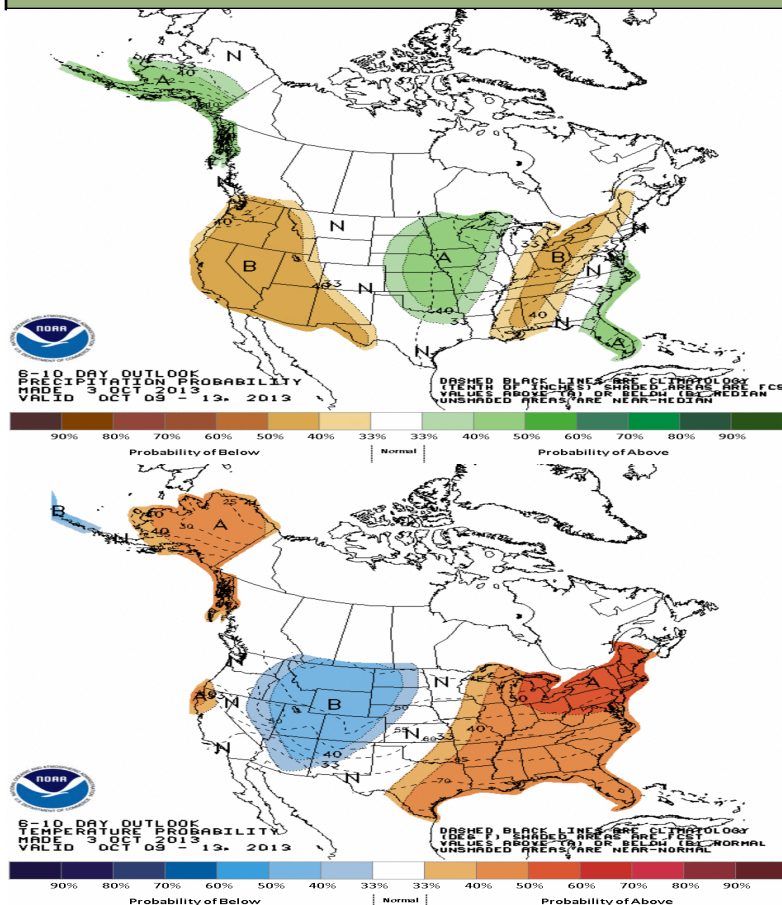
Wheat

Wheat made a run early in the day but finished with little steam. KC was 3c stronger in March and 9c higher for new crop. Spring Wheat and SRW both were 3-5 higher. A little give back in the KC spreads as the inverted Z/H finished at 2c. and the Z/K at 5 ¾. Protein scales in KC were unchanged on the day. Protein premiums at the Gulf remain defensive from new offers from country elevators but supported for nearby due to high BN car cost. HRW planting continues at a decent pace but nothing more than historical. Drought Monitor shows a little reprieve for the western 1/3 of KS however 10 day forecast are more favorable for corn harvest rather than newly planted wheat. KS wheat commission released harvest info today giving the wheat crop an avg of 12.2 protein for KS with 85% of samples grading #1HRW. Spring wheat basis staying firm as HRS is getting pulled in two directions. Mills trying to originate the last bushels before shippers turn their attention to Soybeans and Corn. Carry has slipped away very quickly from the HRS market however the basis over Chicago being at or near DVE gives a nice exit strategy.

Troy Presley

North American Weather Outlook

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



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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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