

October 4, 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	1700/1600/1200	425	-25	-50	-50
UP Shuttles	600//550	150	-38		

## Cash Corn Markets

	Oct FH/LH	Nov FH/LH	Dec FH/LH	Jan	Feb
CIF Nola	64z/64z -2	62z/62z	62z/62z	50h	
PNW	108z/108z 2	105z/105z	106z/106z	94h	96h

	Oct FH/LH		Oct FH/LH
Cols CSX 65	-24z/-24z unc	Chicago	12z/12z x
Ft. Wayne N/S 75	-18z/-18 unc	Pekin ethanol	2z/-8z 2
Evansvl 15s	-13z/-13z unc	Decatur, IL	-12z/-12z unc
Toledo	-25z/-25z unc	Champaign CN 25	-14z/-14z unc
UP Grp 3	10z/10z 3	Clinton, IA	0z/0z unc
Dexter, MO	/ x	Columbus, NE ethanol	50z/-10z unc
Fayne, OH	-20z/-20 unc	Muscatine Truck	0z/0z unc
Ottawa	-21z/-25z +2	Hereford COBO B/E	60z/60z unc

## Cash Bean Markets

	Oct FH/LH	Nov FH/LH	Dec FH/LH	Jan	Feb
CIF Nola	95x/93x unc	96x/94x	94f/94f	94f	
Paranagua	200x/ unc	/	/		35h

	Oct FH/LH		Oct FH/LH		Oct FH/LH
Columbus	-20x/-20x unc	CN25	0x/0x 10	Mankato	-15x/-20x unc
Toledo	-15x/-15x 10	Chicago	-5x/-5x unc	Cncl Bluf	-20x/-20x unc
Fostoria	-25x/-25x unc	Decatur	10x/0x unc	Lincoln	-20x/-30x unc
Windsor	20x/20x +5	Naples	-17/-17x -17	KC	-5x/-20x unc
PNW	135x/138x unc	Ottawa	-2x/-8x +1	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 x	50z/50z	50z/50z	45h	45h
Corpus Christi	95z/95z x	105z/105z	105z/105z	40h	40h

## Cash Wheat Markets

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

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

## Corn

Most of Corn Belt has received, or is expected to receive harvest pace altering rains through Sunday. Areas that get a little rain expect farmers to switch from beans to corn, thus speeding up corn harvest and areas that have received or expect to receive heavy rain, 2 " or more, will see some corn harvest delay. Ethanol plants in areas of not much harvest are openly admitting that they are "slowed down" trying to make it to "harvest". Large processors have been successful this week in busting their spot basis back, but the "inverse" is still in place. Have not seen all the PM bids at this writing, but last we saw: FH Oct CIF is 2 weaker at 64/67; LHV down 1 on the bid side with offers down 2 at 64/66. Brazil is at 10/20 for Oct and 5/15 for Nov, both unch. Ethanol is steady—Decatur, -12 CZ; IN plants, -15; Blair is at +40 CZ; and Cedar Rapids, 30 CZ. CIF milo, unchanged at 90 CZ. Informa adjusted their estimate of corn acres down by 1.4 MA, based on FSA certified acreage data, and raised yield estimate to 158.8 from 157.2 and production estimate to 14.010. Field yield reports continue to imply good yields.

Terry Reinhart

## Beans

Futures rally on Informa data with Informa Oct yield estimate of 41.7 vs. 42.4 Sep vs. 41.2 USDA. Informa production at 3.176-bln using 76.918 planted and 76.118 harvested acres. Based on Informa's FSA interpretations they lowered bean acres 260k acres. Informa also lowered Argentina's 2013 bean production 3 MMT but raised Brazil's 1.2 MMT. Most the Midwest saw some measurable precip over the past couple days along with a rainy weekend forecasted. A majority of the Midwest is not expected see any bean harvest activity over the weekend. The 6 to 10 and 8 to 14 day forecast also show AN precip over the WCB. Spot crush margins are profitable as meal basis firms on increased export demand and better inclusion into feed rations as DDGs price themselves out. There was talk of a couple crush plants having to slow their crush over the weekend on the slower than expected harvest pace. Western basis is more about managing space and logistics. BNSF shuttles had a

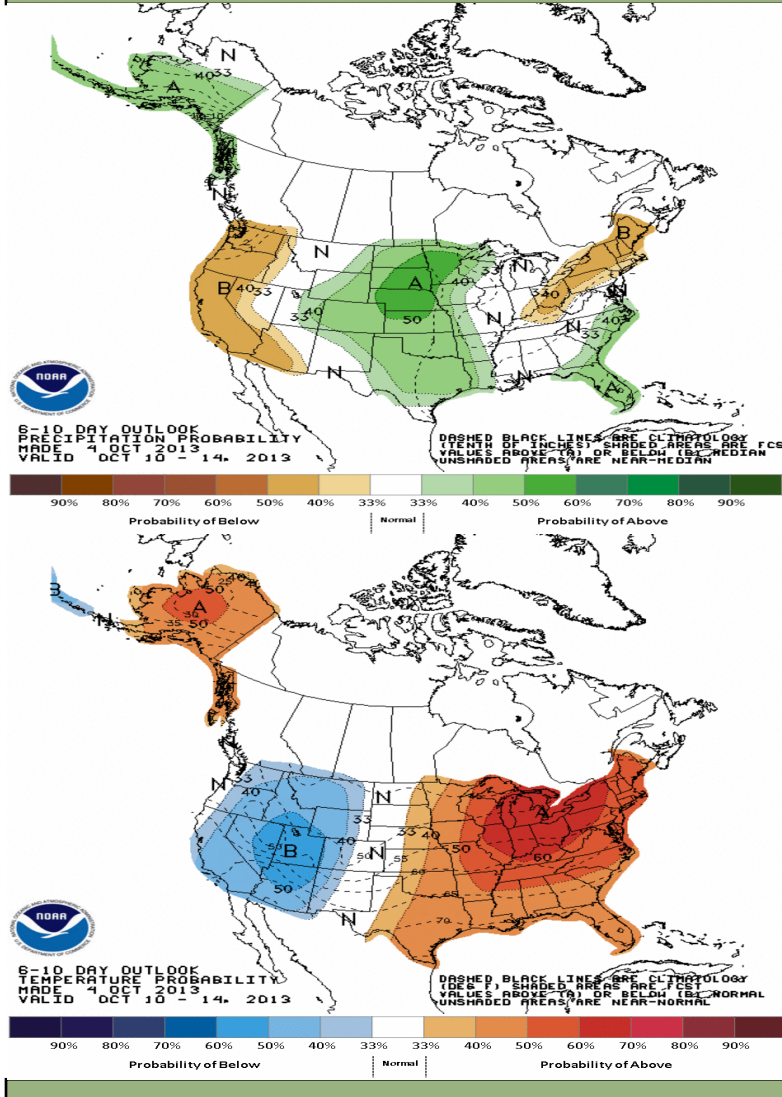
Daily Spreads					
Corn					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Dec3-Mar4	(12.75)	0.25	-17.49	72.9%	3.4
Dec3-Jul4	(28.25)	unc	-40.56	69.6%	3.2
Dec3-May4	(21.25)	-0.25	-28.84	73.7%	3.4
Mar4-Jul4	(15.50)	-0.25	-23.16	66.9%	3.0
Beans					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Nov3-Jan4	0.25	1.00	-15.16	-1.6%	None
Nov3-Mar4	16.00	-1.50	-29.84	-53.6%	None
Nov4-Jan5	(4.00)	0.25	-14.54	27.5%	-0.3
Wheat					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Dec3-Mar4	(9.25)	-1.50	-18.91	48.9%	1.8
Mar4-May4	(5.50)	-1.25	-12.26	44.9%	1.5
May4-Jul4	8.00	-1.75	-12.70	-63.0%	None
KCBOT Wheat					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Dec3-Mar4	0.75	-1.25	-22.12	-3.4%	None
Mar4-May4	0.75	-3.00	-14.34	-5.2%	None
Mar4-Jul4	17.50	-5.25	-29.17	-60.0%	None

weaker tone but still bid \$1,000/car, which is providing 25c of carry if you can hold beans until Dec. PNW basis had a softer tone for FH Oct bid +135SX. Basis along the IWDS is at or above DVE for LH Nov/Dec and should be sold. The SX/SF spread is caught between the potential bigger crop and farmer sales vs. Dec basis on the IL River trading over DVE and expected increase in crush. Argentine meal basis continues to rise as farmers prefer to hold beans. The unofficial Blue peso rate in Argentina is over 9.1 vs. official rate of 5.81. There are some that believe the Argentine farmer could be holding as much as 3 – 4 MMT of beans off the market. US meal exports in Sep were forecasted 8.6 MMT and some privates are now estimating something over 10 MMT. US soymeal for Dec is offered at +70SMZ FOB vs. Brazil for Nov trading +90SMZ this week.

*Nathan Mangold*

### North American Weather Outlook

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



### Wheat

WZ closed dn 2.25 at 687, KWZ closed dn 5.25 at 750.25, and MWZ closed dn 4.0 at 746.25. Outside markets were quiet awaiting a solution or a meltdown from our civic minded (not!) politicians. Liquidating weekend trade saw KC lose to CHI and Mnpls and calendar spreads weaken. Also, Informa came out with an Arg production estimate of 11mmt vs. USDA's Sep est. of 12. Black Sea shipment delays due to rains are becoming an issue with Asian customers. These rains lead the Ukr Ag Mn to suggest a loss of acres for the new crop and a 15mmt crop vs. 22 this year. The Canadian govt is still working and came out with an all wheat production estimate of 33mmt vs. the avg guess of 32.9 and Aug estimate of 30.6. HRW basis levels firmed slightly on the weakening of the futures spread with TxG 12's for Dec trading at 140. There were rumors of Brazil buying 200k HRW but also stories that they were looking for alternatives given the relatively high price of TxG HRW. Arg exports of 3-4mmt should come on the market in Dec and the window for further US sales to Brazil is narrow.

*Jeff Hainline*