

October 8, 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	1350/1400/1200	475	-13	-50	-50
UP Shuttles	600/550/400	250	-25		

Cash Corn Markets

	Oct FH/LH	Nov FH/LH	Dec FH/LH	Jan	Feb
CIF Nola	61z/61z 2	63z/63z	64z/64z	50h	
PNW	109z/109z 1	105z/105z	107z/107z	95h	97h

	Oct FH/LH		Oct FH/LH
Cols CSX 65	-24z/-24z unc	Chicago	10z/10z -3
Ft. Wayne N/S 75	-18z/-18 unc	Pekin ethanol	2z/-8z unc
Evansvl 15s	-13z/-13z unc	Decatur, IL	-12z/-12z x
Toledo	-25z/-25z unc	Champaign CN 25	-18z/-18z unc
UP Grp 3	10z/10z unc	Clinton, IA	-5z/-5z unc
Dexter, MO	/ x	Columbus, NE ethanol	50z/-10z x
Fayne, OH	-20z/-20 unc	Muscatine Truck	0z/0z unc
Ottawa	-25z/-26z x	Hereford COBO B/E	60z/60z x

Cash Bean Markets

	Oct FH/LH	Nov FH/LH	Dec FH/LH	Jan	Feb
CIF Nola	97x/94x 3	95x/95x	95f/95f	93f	
Paranagua	200x/ unc	/	/		35h

	Oct FH/LH		Oct FH/LH		Oct FH/LH
Columbus	-20x/-20x unc	CN25	-10x/-10x unc	Mankato	-15x/-20x unc
Toledo	-15x/-15x unc	Chicago	-5x/-5x unc	Cncl Bluf	-12x/-12x 8
Fostoria	-25x/-25x unc	Decatur	5x/0x x	Lincoln	-20x/-30x unc
Windsor	20x/20x x	Naples	0x/0x unc	KC	-5x/-20x unc
PNW	140x/140x 2	Ottawa	-10x/-8x x	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	110z/110z x	110z/110z	110z/110z	40h	40h

Cash Wheat Markets

	Oct FH/LH	Nov FH/LH	Dec FH/LH	Jan	Feb
CIF SRW	69z/74z unc	74z/74z	74z/74z	69h	
TX Gulf HRW	125z/125z nb	125/125	/		

	Oct FH/LH	HRW	Oct FH/LH
St. Louis	-2z/-2z 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

Deliverable Stocks of Grain

(thousands of bushels)

Corn		Change from LW	Change from LY
Illinois River	598	94	-593
Chicago	64	57	-104
Total	662	151	-697

Soybeans			
Illinois River	1353	633	-858
Chicago	187	169	-326
Total	1540	802	-1184

CBOT Wheat			
Toledo	26869	164	-530
Chicago	10320	237	-3463
St. Louis	880	-146	-1099
Total	38069	255	-5092

KCBOT Wheat			
Salina	17884	-138	-8020
Hutch	26328	-63	-1900
KC	12694	-30	1966
Total	56906	-231	-7954

Corn

Corn started the day steady but weakened as the rumors of Chinese buying looked to be more of a rumor than fact. Yesterday, it was thought that they had purchased 7-900,000mt of corn yet there is no official word that import licenses had been granted for 2014 to any private companies as of yet. On the day funds sold an estimated 8000 contracts. Plantings in Argentina have been slowed due to dry weather but forecasts are adding much needed rains into Friday. Last week's blizzard in South Dakota killed a reported 60,000 head of cattle. Corn harvest was still going fairly strong in the central belt today, but will see more switching to beans the balance of the week ahead of the projected rains. Brazil private analyst Celeres put their corn estimate down 1.5mmt to 83.6 which is still much higher than the last USDA estimate of 72mmt. Basis remains mixed, but saw more domestic bids weaker than firmer. The higher yielding areas are definitely seeing some bushels get sold across the scale and spot ethanol margins remain very solid making sure that they are the market for any corn that wants to move. These pushes should be sold if it is being offered in your area.

Dewey Hull

Beans

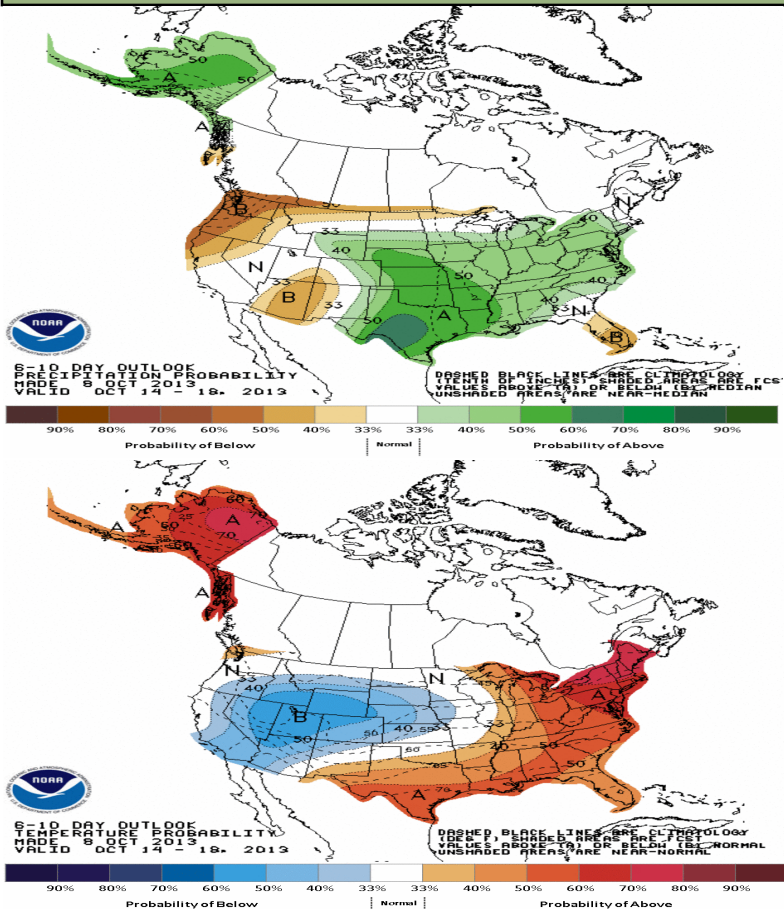
Yield reports continue to point to a 42 bpa or greater national yield. CIF values firmed nearby with FH Oct

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)	-0.50	-40.54	69.7%	3.2
Dec3-May4	(21.00)	-0.50	-28.82	72.9%	3.4
Mar4-Jul4	(15.50)	-0.25	-23.15	66.9%	3.0
Beans					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Nov3-Jan4	1.00	1.25	-15.14	-6.6%	None
Nov3-Mar4	13.00	0.25	-29.79	-43.6%	None
Nov4-Jan5	(4.75)	-0.25	-14.53	32.7%	0.1
Wheat					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Dec3-Mar4	(10.00)	-0.25	-18.95	52.8%	2.0
Mar4-May4	(5.00)	-0.25	-12.29	40.7%	1.2
May4-Jul4	8.25	unc	-12.72	-64.9%	None
KCBOT Wheat					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Dec3-Mar4	1.50	0.75	-22.18	-6.8%	None
Mar4-May4	0.75	0.50	-14.38	-5.2%	None
Mar4-Jul4	17.00	1.00	-29.24	-58.1%	None

North American Weather Outlook

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



100/105, Oct 95/99 and Nov bid +97SX. Upper IL River for Dec FOB in a barge is trading at levels that should entice the commercial to stop the SX. SX/SF closed at a 1 ¼ inverse during day two of the Goldman Roll. The question going forward is will the farmer continue to sell beans to fill the pipeline and is the national yield over 42 bpa. Western markets continue to see carry from Oct to Dec in the form of \$1,000 plus BNSF cars. Crush plants are on empty and this should be a big week for harvest but plants are still paying pushes in areas as harvest is slow to get going from weekend rains. More plants continue to roll their meal offers to the SMZ with AGP dropping basis \$9 out of the \$14 Oct/Dec inverse. China returned from holiday and domestic meal values rose 50 – 70 CNY/t. China has been quiet on booking additional cargoes from the US as ocean freight values have raised CNF premiums. Spot crush margins remain very profitable as well as hedge margins for Nov thru May. Overnight Taiwan bought a vessel of Brazilian new crop for April shipment at +192SN. Taiwan also passed on a cargo at +261SH CNF for FH Jan shipment from the US Gulf due to container offers at a \$10/mt discount or +215SF.

Nathan Mangold

Wheat

Wheat was resilient in the face of fall crop weakness on Tuesday, particularly the hard wheats. Funds were still modest sellers on the day. Ukraine seeding conditions look improved, while Southern Russian excess moisture should ease. China’s TRQ limits are reportedly unchanged from last year, at 9.6 mmt. USDA has imports penciled at 9.5 mmt. Morocco has not received offers on its tender for U.S. wheat. HRW basis was steady to weaker on the day though remains right up against DVE, keeping spreads firm. Z/H closed at 1 ¼ inverse on the day. For a shipper, the message remains to make sales vs. the Z. Oct sales are light given car costs, but sales have been occurring vs. the Nov and Dec. Until exporter coverage is comfortable, Z/H is likely to remain tight. The SRW story is different with interim demand not challenging available supply. Still, commercial selling depth appears light and any new export business may be challenged to find supply. Z/H SRW weakened slightly again to a 10 day low. With 30% of the VSR for Z/H completed, the running average of full carry is 50.03%. The one month t-bill yield jumped significantly today. While this is driven by the government shutdown and debt limit debate, a sharp interest rate move elevates full carry levels on a cents per bushel basis.

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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