

October 10, 2013

# ADVANCE INSIGHT

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## Transportation

	TW/NW/Oct	Nov	Dec	Jan	Feb
St. Paul Savage	600/600/600	575			
Dub South	600/600/600	575			
St. Louis 12'	525/525/575	525	350	350	350
Illinois	600/600/600	525	475	450	440
OH/Jeff/Cinn	575/600/600	600	525	450	425
Gulf/PNW	\$0.600 / bushel				
BN Shuttles	1600/1400/1150	513	63	-50	-50
UP Shuttles	650/550/400	300	-25		

## Cash Corn Markets

	Oct FH/LH	Nov FH/LH	Dec FH/LH	Jan	Feb
CIF Nola	60z/63z unc	66z/66z	65z/65z	51h	
PNW	109z/109z 1	104z/104z	107z/107z	94h	96h

	Oct FH/LH		Oct FH/LH
Cols CSX 65	-18z/-18z unc	Chicago	10z/10z 2
Ft. Wayne N/S 75	-16z/-16 unc	Pekin ethanol	4z/-8z unc
Evansvl 15s	-10z/-10z unc	Decatur, IL	-12z/-12z x
Toledo	-27z/-27z -2	Champaign CN 25	-18z/-18z unc
UP Grp 3	8z/8z unc	Clinton, IA	12z/12z 12
Dexter, MO	/ x	Columbus, NE ethanol	50z/-10z x
Fayne, OH	-19z/-19 unc	Muscatine Truck	5z/5z 5
Ottawa	-27z/-29z x	Hereford COBO B/E	65z/65z 5

## Cash Bean Markets

	Oct FH/LH	Nov FH/LH	Dec FH/LH	Jan	Feb
CIF Nola	99x/97x 3	98x/98x	100f/100f	98f	
Paranagua	200x/200x unc	/	/		35h

	Oct FH/LH		Oct FH/LH		Oct FH/LH
Columbus	-15x/-15x unc	CN25	-10x/-10x unc	Mankato	-15x/-20x unc
Toledo	-13x/-13x 2	Chicago	-5x/-5x unc	Cncl Bluf	-28x/-28x
Fostoria	-25x/-25x unc	Decatur	5x/0x x	Lincoln	-25x/-30x
Windsor	20x/20x unc	Naples	0x/0x unc	KC	-12x/-20x unc
PNW	145x/145x 5	Ottawa	-2x/-5x x	Wichita	-20x/-20x unc

## Cash Milo Markets

	Oct FH/LH	Nov FH/LH	Dec FH/LH	Jan	Feb
CIF Nola	95z/95z 5	/	/		
Houston	85z/85z unc	50z/50z	50z/50z	45h	45h
Corpus Christi	110z/110z unc	110z/110z	110z/110z	40h	40h

## Cash Wheat Markets

	Oct FH/LH	Nov FH/LH	Dec FH/LH	Jan	Feb
CIF SRW	70z/75z 1	80z/80z	77z/77z	70h	
TX Gulf HRW	125z/125z unc	125/125	/		

	Oct FH/LH	HRW	Oct FH/LH
St. Louis	2z/2z x	KC Ords	86z/96z unc
Toledo (Mill)	-10z/-10z unc	KC 12s	106z/116z 1
	Oct FH/LH	KC 13s	106z/116z 1
PNW	115z/115z nb	KC 14s	115z/125z unc

## Export Sales

	Actual Old (mbu)	Actual New (mbu)	Expected (mbu)	Need
Corn				
Soybeans				
Wheat-All				
HRW				
SRW				
Sorghum				
Bean Meal				
Bean Oil				

## Corn

*In case you are not aware the USDA will not release their monthly crop report Friday.* The corn market was under pressure Thursday as the see-saw week continues. There was traded chatter surrounding the RFS and reductions for 2014 crop year. The speculation was the EPA is considering a proposal that would set the 2014 renewable fuels at 15.21 billion gallons. The current RFS under the 2007 Energy Bill is 14.4 billion gallons for corn-based ethanol and this proposal would put it around 13 billion gallons. In the Reuters article that talked about this it mentioned that ethanol groups are threatening to sue the EPA if it lowers its volume target. The weather looks really good for harvest to continue across much of the corn belt but it seems the focus is soybean harvest. If the weather forecast is realized we should see corn harvest should pick up again later next week and into next weekend. CONAB noted that they expect their corn crop to drop from 81.3 MMT to 78.4-79.6 MMT. Weather in the EU is allowing for some harvest to take place. FranceAGriMer reported that they are about 3 weeks behind on harvest. Spreads and basis seemed steady Thursday. CIF corn was bid +.60Z and barge freight was steady. The Z/H spread continues to hover around 12 ¾ - 13 cents carry.

Mark Talaski

## Beans

Soybeans traded higher most of the day before seeing a little hedge pressure going into the close. SX3 traded as high as 13.02, low of 12.85 1/2, before settling up ½ @ 12.88. Volume on the close was about 7,000 contracts higher today vs. yesterday's close. Harvest activity seems

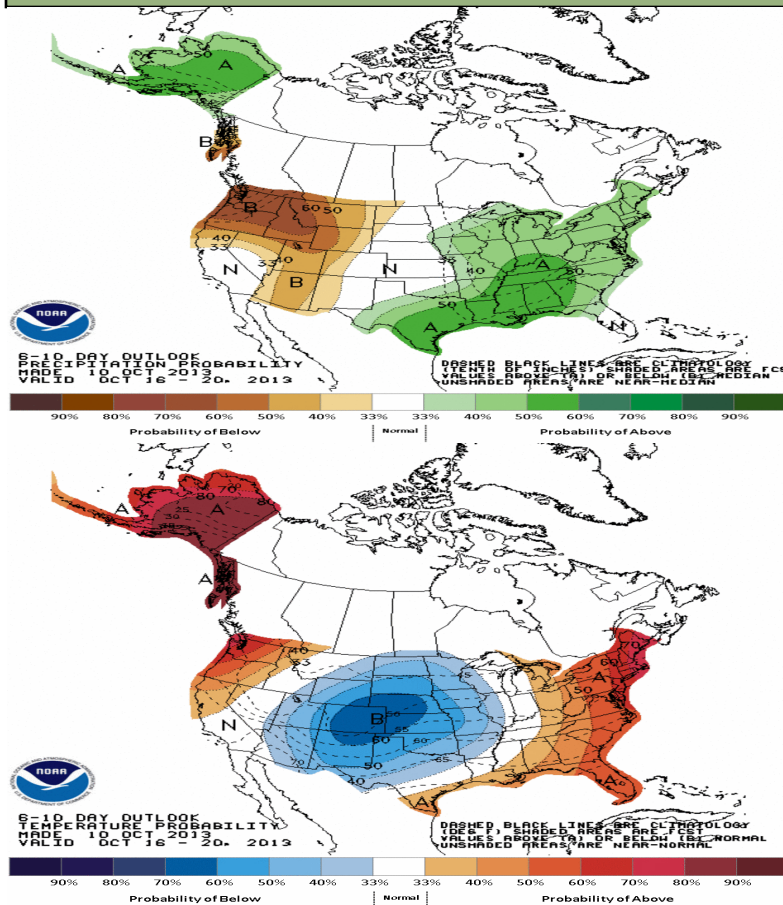
Daily Spreads					
Corn					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Dec3-Mar4	(12.75)	unc	-17.47	73.0%	3.4
Dec3-Jul4	(28.75)	-0.25	-40.50	71.0%	3.3
Dec3-May4	(21.25)	-0.50	-28.79	73.8%	3.4
Mar4-Jul4	(16.00)	-0.25	-23.13	69.2%	3.2
Beans					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Nov3-Jan4	2.50	-1.75	-15.14	-16.5%	None
Nov3-Mar4	15.50	-3.50	-29.79	-52.0%	None
Nov4-Jan5	(4.75)	unc	-14.53	32.7%	0.1
Wheat					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Dec3-Mar4	(9.75)	0.25	-18.90	51.6%	1.9
Mar4-May4	(3.50)	1.00	-12.26	28.6%	0.5
May4-Jul4	8.00	1.75	-12.68	-63.1%	None
KCBOT Wheat					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Dec3-Mar4	0.50	-0.50	-22.15	-2.3%	None
Mar4-May4	1.00	0.50	-14.36	-7.0%	None
Mar4-Jul4	16.50	1.00	-29.21	-56.5%	None

full-steam, central IL river locations broke basis 2-5 cents for spot while deferred values posted unchanged. Spreads eased slightly on cash movement, X/F down 1 ¼ @ 2 ½ inverse and Jan forward breaking 5-10 cents off the trading highs. Inverses remain and one would expect see some pressure on basis/spreads as soybean harvest activity feels heavy- this is likely the opportunity to target levels for rolling short SX (that you can't sell) forward and as the Goldman ends tomorrow. CIF values were steady, PNW up a 5 Oct-Jan and processor markets were steady to a little weaker where movement has picked up. The picture moving forward still shows a lot of bean movement need and post gut-slot basis at the processors will need to compete with the large export pull. DP will be a valuable tool and logistics should be focused on bean movement. Weather remains dry for much of the Midwest thru tomorrow and then rains, some heavy, move into the Dakotas and work east with lighter amounts. China sold about half of the reserve soybeans that were offered out. EPA proposal for adjustments to the renewable fuels standard left bio-diesel unchanged.

*Nate Durako*

### North American Weather Outlook

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



### Wheat

Wheat futures traded higher most of the morning, but appeared to lose momentum as the day wore on. Ultimately WZ13 closed down 5 at 685 ½, while WN14 closed down 7 ½ at 690 ¼. KCBT & MPLS wheat closed lower as well. A similar pattern was seen in corn & soybeans, as all 3 major grains closed well off the daily highs. Speculation of reduced export demand for U.S. wheat helped pressure prices. This morning Egypt's GASC canceled a previous wheat tender, citing high prices. It was scheduled to ship between Nov 21 & 30. Expectations for increased production in Argentina also weighed on prices. The Buenos Aires Grains Exchange is anticipating the 13/14 Argentine wheat harvest to produce 10.35 million tons, up from 8.8 last year. CIF was steady for the most part, quoted at +70/75 FH Oct & +75/80 LH Oct. Looking at spreads, WZ/WH didn't widen for the first time this week. It narrowed a modest ¼ cent to settle at 9 ¼. Hedges are mainly in the Dec or March depending on quality & ability to execute.

*Michael Reginelli*

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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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