

October 11, 2013

# ADVANCE INSIGHT

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## Transportation

	TW/NW/Oct	Nov	Dec	Jan	Feb
St. Paul Savage	580/580/600	575			
Dub South	600/600/600	575			
St. Louis 12'	525/525/575	525	350	350	350
Illinois	610/600/600	525	475	450	440
OH/Jeff/Cinn	600/600/600	450	425	425	425
Gulf/PNW	\$0.600 / bushel				
BN Shuttles	1600/1600/1225	525	125	-50	-50
UP Shuttles	750/650/500	350	-25		

## Cash Corn Markets

	Oct FH/LH	Nov FH/LH	Dec FH/LH	Jan	Feb
CIF Nola	60z/62z unc	65z/65z	65z/65z	50h	
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 unc
Ft. Wayne N/S 75	-16z/-16 unc	Pekin ethanol 5z/-8z 1
Evansvl 15s	-10z/-10z unc	Decatur, IL -12z/-12z unc
Toledo	-27z/-27z unc	Champaign CN 25 -18z/-18z x
UP Grp 3	2z/2z -6	Clinton, IA 20z/20z 8
Dexter, MO	/ x	Columbus, NE ethanol 50z/-10z x
Fayne, OH	-19z/-19 unc	Muscatine Truck 5z/5z unc
Ottawa	-28z/-28z 2	Hereford COBO B/E 65z/65z x

## Cash Bean Markets

	Oct FH/LH	Nov FH/LH	Dec FH/LH	Jan	Feb
CIF Nola	97x/96x -3	96x/96x	97f/97f	98f	
Paranagua	200x/200x unc	/	/		35h

	Oct FH/LH	Oct FH/LH	Oct FH/LH	Oct FH/LH
Columbus	-15x/-15x unc	CN25 -10x/-10x x	Mankato -15x/-20x unc	
Toledo	-13x/-13x unc	Chicago -5x/-5x unc	Cncl Bluf -28x/-28x unc	
Fostoria	-25x/-25x unc	Decatur 5x/0x -5	Lincoln -30x/-30x -5	
Windsor	20x/20x unc	Naples 4x/4x +4	KC -20x/-20x -8	
PNW	145x/145x unc	Ottawa -5x/-8x -3	Wichita -20x/-20x unc	

## Cash Milo Markets

	Oct FH/LH	Nov FH/LH	Dec FH/LH	Jan	Feb
CIF Nola	95z/95z unc	/	/		
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 unc	80z/80z	75z/75z	70h	
TX Gulf HRW	125z/125z unc	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	106z/116z unc
	Oct FH/LH	KC 13s	106z/116z unc
PNW	115z/115z nb	KC 14s	115z/125z unc

## Corn

Another day and another contract low set for CZ3. And no crop or COT report. CZ closed down 5c for the day and down 10c for the week. EPA now says their proposal to reduce RFS mandates, was only a draft statement and the administration is fully committed to biofuels and any proposals will be fully vetted with comment periods before any changes. The trade bias for now is if this happens that ethanol exports would offset reduced domestic usage. If not, we could be headed toward a 2.5 bbu carryout. Better than expected yields and a record harvest staring us down has few users that want to buy futures yet. We are seeing some cash bids fall below \$4, which actually caused some selling today, but overall think that sub \$4 cash prices will not attract normal farmer selling rates. It's a stand off for the moment, but as bins fill up, it seems the sellers' position may weaken... until we have a weather problem ... next year. Spot inverses in the west continue to fall off and now seeing some rail bids disappear. Rail freight showing \$1000/car and \$1700/car carry on the UP/BN RR's. This will help push bu's to truck markets and to ground piles. Hearing comments about storage being plugged across the belt in about 2 weeks, if weather allows for open harvest. China is asking for offers for March forward, but few think they will buy now ahead of their record harvest.

*Trent Sauder*

## Beans

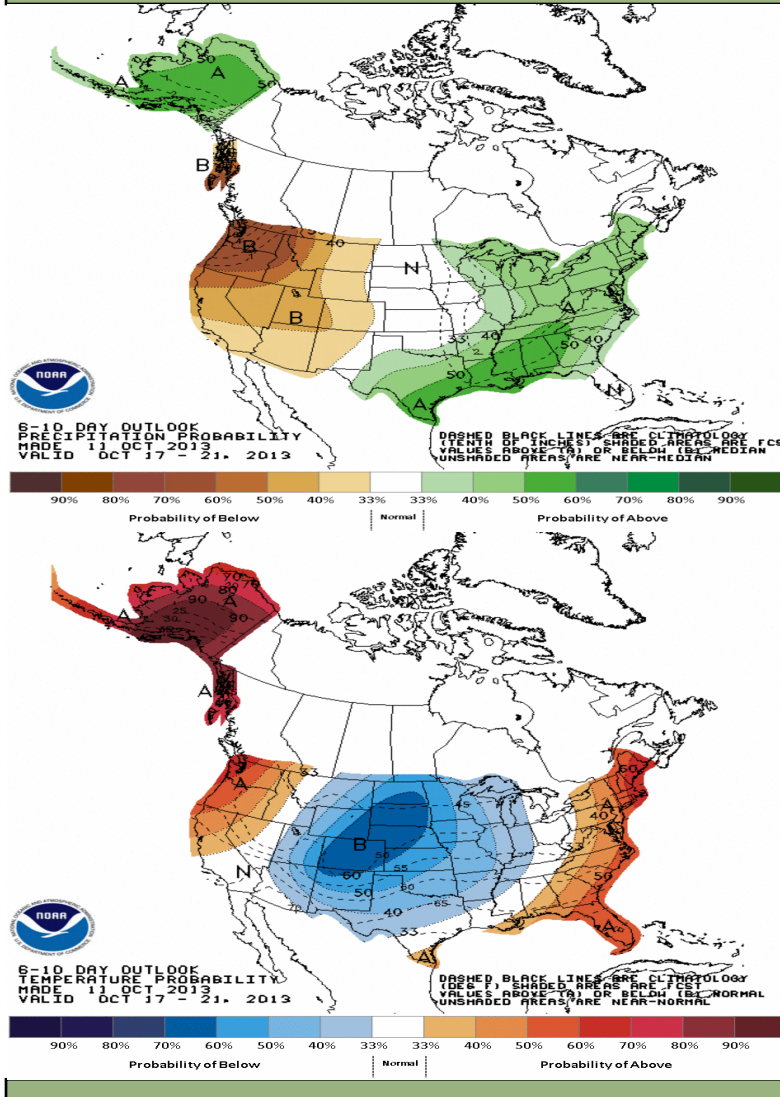
November futures closed at 12.66 ¢, down 21 ¢ and about \$1.40 off 8/27/13 high. Pressured by field reports of good yields, fair harvest weather forecast and China's Commerce Ministry lowering imports to 4.4 MMT from 6.4 in August. Heavy rain is delaying Russian soybean and sunflower harvest. 50% behind year ago. Harvest pace has been brisk the last few days. Weather guys predicting large scale pattern change starting mid-next week, resulting in frost, cooler air, and increased chances of harvest delaying

Daily Spreads					
Corn					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Dec3-Mar4	(13.00)	-0.25	-17.44	74.5%	3.5
Dec3-Jul4	(28.50)	0.25	-40.43	70.5%	3.3
Dec3-May4	(21.25)	unc	-28.74	73.9%	3.5
Mar4-Jul4	(15.50)	0.50	-23.09	67.1%	3.1
Beans					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Nov3-Jan4	0.50	-2.00	-15.06	-3.3%	None
Nov3-Mar4	13.00	-2.50	-29.63	-43.9%	None
Nov4-Jan5	(5.25)	-0.50	-14.47	36.3%	0.3
Wheat					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Dec3-Mar4	(8.75)	1.00	-18.94	46.2%	1.6
Mar4-May4	(1.75)	1.75	-12.28	14.3%	-0.4
May4-Jul4	10.25	2.25	-12.70	-80.7%	None
KCBOT Wheat					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Dec3-Mar4	1.50	1.00	-22.18	-6.8%	None
Mar4-May4	3.00	2.00	-14.38	-20.9%	None
Mar4-Jul4	21.75	5.25	-29.24	-74.4%	None

rains proceeding the pattern change. Argentina planting still hampered by dry soil, and Brazil has pockets of dry soil. Argentine issues approaching serious and Brazil has plenty of time. Most of those in harvest are experiencing decent farmer selling, and seems to us, farmer has more reasons to sell than not sell. Basis is generally defensive, and with decent harvest pace, decent farmer selling, it should be. However note, that in select markets, even to short the basis still works. Regionality is too diverse to make general statements, so one must do his own math.

*Terry Reinhart*

**North American Weather Outlook**  
<http://www.cpc.ncep.noaa.gov/products/predictions/610day/>



**Wheat**

Wheat futures had modest strength in the front months across all exchanges today. This pushed the KC inverse back to 1 ½ cents per bushel. Minneapolis and Chicago both lost some carry today as well. Argentina's latest wheat production estimate is around 10.3 MMT, 1.5 higher than last year but still well below the last USDA estimate in September of 12.0. An average wheat crop for Argentina is around 15 MMT. Reports today surfaced that tight old crop stocks have rallied to values above \$500MT ( \$13.60/bu). Australia is in the early stages of harvest and reports of low protein are plaguing the market, the realization that good milling wheat stocks will not be abundant in the world has given hope that the US HRW/HRS export demand might just last into 2014! HRW wheat country had spotty showers last night and the next decent chance of moisture will occur the first of next week. Merchandising HRW hasn't changed much. With no board carry one should look to take advantage of Nov/Dec basis values. Market has shown some life for cash carry into JFM via freight and basis. If deferred sales are made stay classic with those hedges! Keep an eye on your published cash bids as it feels the HRW has found a ceiling for basis values. One should be careful with no board carry. Don't get over aggressive trying to own wheat and not being able to logistically move it vs Dec. HRS wheat picture is much simpler now that the spreads have widened back out compared to last week's values. Stay classic with HRS hedges at this point, no need to go looking for a fight.

*Troy Presley*