October 14, 2013

ADVANCE INSIGHT

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ADVANCE TRADING

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
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	/		

SRW	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

CZ closed up 3.75 at 437.0. Outside markets saw DJIA break early to 15037 before rallying to close up 50 at 15225 as concern over debt default lessened during the day. Weekend hedging was very light with many farmers harvesting beans where possible. Basis levels were steady to firm with Decatur IL processor raising its bid from -12 to opt prx. Nearby pushes of 10c were available in many markets. CZ/CH continues range bound between 12.5 – 13.0 with 50k wanted at 13.0. Spread volume in z/h today was 16185. Farmer cash flow still makes him "large and in charge" and unwilling to sell currently, in spite of outstanding yields. This makes us continue to lock in carry with 12.75 z/h at 73% of full carry. Globally we are seeing: a $3-5/t US prem to Brazil which is the narrowest in a year; BS basis levels up 20c from last Monday; Turkey offering 190kt of export corn; and PRC state entity suggest feed mills may buy 1mmt of US/Aust milo. US harvest progress is estimated at 25-30%, PRC at 78% and UKR at 41%.

Jeff Hainline

Beans

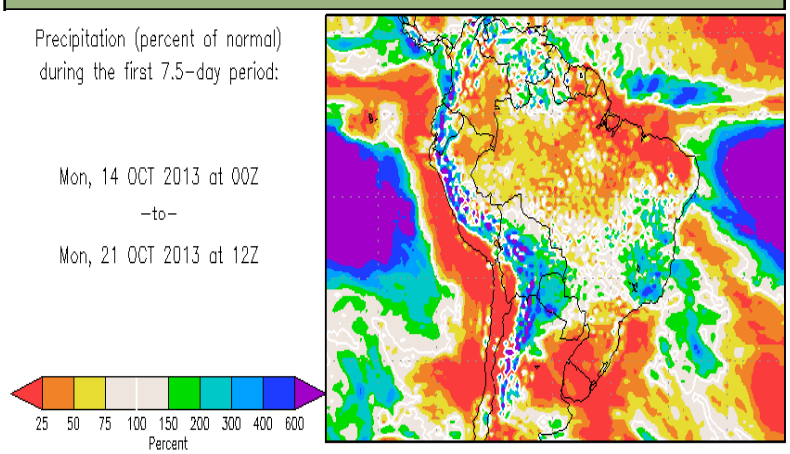
Soybean futures recovered some of Friday's selloff, closing 6 ¼ cents higher in the SX3 at $12.730. Harvest this past weekend was primarily focused on soybeans, yet flat price and nearby spreads both firmed to attempt to pry bushels loose from producers and hedgers. Nearby soybean futures were off 28 cents last week in the nearby, and as harvest creeps over 50% nationwide, end users may be concerned that the producer is putting them away. Even though the crop may feel bigger than originally thought, the ability to own a large percentage of that crop to re-fill the pipeline has not been an easy task with eroding flat price. Tues-Wed, the central Midwest is expected to receive rains that can knock producers out of harvest. Then, temperatures shift to Highs in the 50's for a stretch, which will slow the ability to get into the fields. The govt. shutdown has analysts giving their best estimates for harvest progress, and those are coming in at 50%+, with localized areas reporting as high as 80%+. Additional Chinese demand is also circulating the trade, but without USDA updates, the market trades without confirmation. The SX3/SF4 finished the day by firming ¾'s of a cent at 1 ¼ cents inverse after

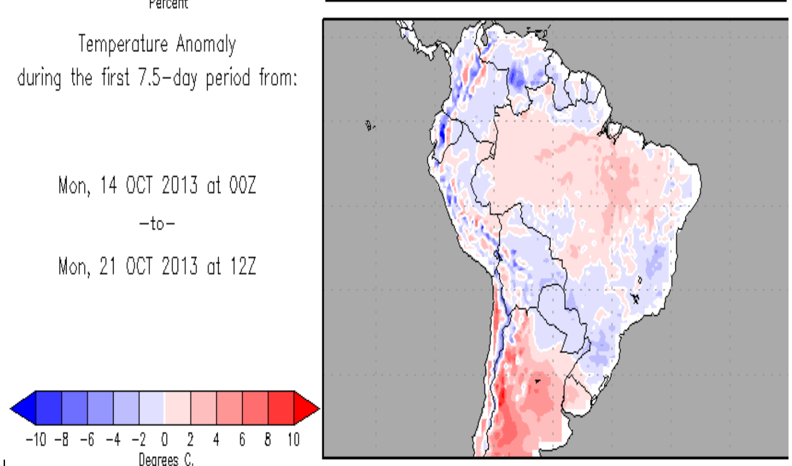
Daily Spreads

	Close	Change	Full Carry	% of Full Carry	ROS/mo
Corn					
Dec3-Mar4	(12.75)	0.25	-17.46	73.0%	3.4
Dec3-Jul4	(28.25)	0.25	-40.49	69.8%	3.2
Dec3-May4	(21.00)	0.25	-28.78	73.0%	3.4
Mar4-Jul4	(15.50)	unc	-23.12	67.0%	3.0
Beans					
Nov3-Jan4	1.00	0.50	-15.09	-6.6%	None
Nov3-Mar4	13.75	0.75	-29.69	-46.3%	None
Nov4-Jan5	(5.25)	unc	-14.50	36.2%	0.3
Wheat					
Dec3-Mar4	(9.25)	-0.50	-18.94	48.8%	1.8
Mar4-May4	(2.75)	-1.00	-12.28	22.4%	0.1
May4-Jul4	10.25	unc	-12.71	-80.6%	None
KCBOT Wheat					
Dec3-Mar4	2.25	0.75	-22.19	-10.1%	None
Mar4-May4	2.75	0.25	-14.38	-19.1%	None
Mar4-Jul4	20.25	-1.50	-29.24	-69.2%	None

South American Weather Outlook

http://www.wxmaps.org/pix/clim.html





a relatively strong harvest weekend. With rain in the forecast and heading into the last half of harvest, without a 25-50 cent flat price rally, it will be up to the spread to force movement. Basis levels for Nov-20-30 along the IWDS are already at above DVE. If short the basis keep long in the Nov. If short Nov and needing to get to the Jan, be aggressive getting there.

Jack Fitzgerald

Wheat

Wheat futures managed to shake off early weakness from the overnight trade to close 1-2 cents higher on very thin trade volume. Total wheat volume was roughly ½ of an active trade day. Fundamental news continues to focus on Black Sea and European harvest reports. Though quality will be much improved vs last year's crop that consisted primarily of feed wheat, decreased plantings will likely result in the smallest UK wheat harvest since 2001. Ukrainian weather has turned favorable for the finishing touches on harvest as well as the improved planting conditions. The slow progress could have issues with germination and dormancy this close to the winter season. Russia is expected to be a buyer of grain on Tuesday for intervention funds. Ukrainian milling wheat is trading at a $2/bu premium to Black Sea corn vs the US KC/Corn futures spread of $3.25/bu. Interesting to note that last week, the Ukraine exported over 400 kmt or 150kmt more wheat than Russian wheat exports. Still not a lot of good news coming from Argentine wheat areas, though Australian wheat yields are indicated better than last year with low protein a potential issue. Australian Crop Forecasters now pegging the crop just under 26 MMT. ETF Securities reporting that wheat had a $19.7 million inflow of funds last week, the most in 5 years. For perspective, gold had a $79 million outflow. Rain causing a few delays for the last of the HRW planting effort, but bulk of the crop is in great shape with solid stands established. Cash trade is quiet with China now ~75% done with their SRW purchases and the hard wheat basis values steady. Dec/March in KC firmed a penny closing at 2 ½ cent inverse and Mnpls trading around 9 cent carry. Mnpls December futures holding around a nickel discount to KC.

Kelly Herrick

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Hours (CST): Sunday 5:00pm-9:00pm, Monday-Thursday 6:00am-9:00pm, and Friday 6:00am-5:00pm