

October 18, 2013

ADVANCE INSIGHT

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Transportation

	TW/NW/Oct	Nov	Dec	Jan	Feb
St. Paul Savage	625/625/625	600			
Dub South	650/650/650	600			
St. Louis 12'	550/550/525	525	375	375	375
Illinois	650/650/625	575	450	450	450
OH/Jeff/Cinn	700/700/625	575	525	425	425
Gulf/PNW	\$0.700 / bushel				
BN Shuttles	1400/1600/1600	925	300		
UP Shuttles	800/700/700	500	150	50	50

Cash Corn Markets

	Oct FH/LH	Nov FH/LH	Dec FH/LH	Jan	Feb
CIF Nola	72z/70z unc	70z/70z	69z/69z	57h	58h
PNW	120z/120z 4	110z/109z	109z/109z	97h	98h

	Oct FH/LH		Oct FH/LH
Cols CSX 65	-22z/-22z unc	Chicago	10z/10z -5
Ft. Wayne N/S 75	-16z/-16 unc	Pekin ethanol	5z/5z unc
Evansvl 15s	-10z/-10z unc	Decatur, IL	5z/0z x
Toledo	-27z/-27z unc	Champaign CN 25	-18z/-18z -8
UP Grp 3	/	Clinton, IA	10z/10z 7
Dexter, MO	/ x	Columbus, NE ethanol	25z/-10z
Fayne, OH	-19z/-19 unc	Muscatine Truck	5z/5z -5
Ottawa	-24z/-24z x	Hereford COBO B/E	65z/65z unc

Cash Bean Markets

	Oct FH/LH	Nov FH/LH	Dec FH/LH	Jan	Feb
CIF Nola	98x/99x -1	97x/97x	100f/100f	98f	90h
Paranagua	280x/280x unc	280x/280x	/	205h	35h

	Oct FH/LH		Oct FH/LH		Oct FH/LH
Columbus	-10x/-10x unc	CN25	-5x/-5x unc	Mankato	-20x/-20x unc
Toledo	-25x/-25x 2	Chicago	0x/0x unc	Cncl Bluf	-28x/-28x unc
Fostoria	-20x/-20x unc	Decatur	5x/5x x	Lincoln	-25x/-30x
Windsor	30x/30x x	Naples	3x/3x unc	KC	-20x/-20x unc
PNW	160x/155x 5	Ottawa	-6x/-6x x	Wichita	-10x/-10x unc

Cash Milo Markets

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

Cash Wheat Markets

	Oct FH/LH	Nov FH/LH	Dec FH/LH	Jan	Feb
CIF SRW	87z/87z 2	90z/93z	80z/80z	75h	72h
TX Gulf HRW	125z/125z nb	125/125	/		

	Oct FH/LH	HRW	Oct FH/LH
St. Louis	9z/9z -1	KC Ords	86z/96z unc
Toledo (Mill)	-10z/-10z	KC 12s	105z/115z unc
	Oct FH/LH	KC 13s	106z/116z unc
PNW	115z/115z nb	KC 14s	115z/125z unc

Export Sales (week end 26 Sept)

	Actual Old (mbu)	Actual New (mbu)	Expected (mbu)	Need
Corn	30.5	0.0		13.5
Soybeans	31.6	1.6		8.2
Wheat-All	30.8	0.0		12.0
HRW	10.9	0.0		
SRW	1.3	0.0		
Sorghum	0.4	0.0		2.5
Bean Meal	10.8	317.0		0.0
Bean Oil	1.5	-1.0		0.0

Corn

Corn futures closed 1 ½ lower on the day and a penny from the low of a 7 cent range. Corn was 8 ½ cents firmer than last Friday's close where contract lows were made. Farmer selling continues to be very quiet and as they go back to the fields. Harvest progress will pick up despite weather from here on out. There is potential snow in the forecast for the NW corn belt and with poor stalk quality struggling to hold up 200 bu corn.....it's time to roll. Yields continue to come out better than expected and even Iowa is now generally finding the same. Corn basis was trying to break this week on anticipated harvest movement, but most processors know that the elevators are eager to hedge and hold corn inventory with the CZ13/CN14 at 28 cents carry. So, basis continues to be relatively firm until processors get their O/N coverage. Difficult environment to be patient in as an elevator merchant. If the farmer demands storage, perhaps ownership will be cheaper when they turn seller and net revenue may be better than current ownership. Informa updated their yield at unchanged to last month at 158.8 bpa. Reuters surveyed analysts and they average 157.2 bpa. Export sales were released for the week ending 9/26 @ 30.5.

Ben Peters

Beans

Beans traded mixed after yesterday's talk of meal sold out of the USG to Philippines and Chinese bean sales. Now that we have the gov back the daily reporting announced sales of 220kmt of beans to China and 140kmt of beans to unknown. Interesting to hear China bought a PNW cargo for Feb shipment this week. A sales report was released today and showed a net 31.6 mbu of beans, 10.8 meal and 1.5 soyoil sold for weekly sales ending 9/26. The Oct sales that have not been reported will be announced at a later

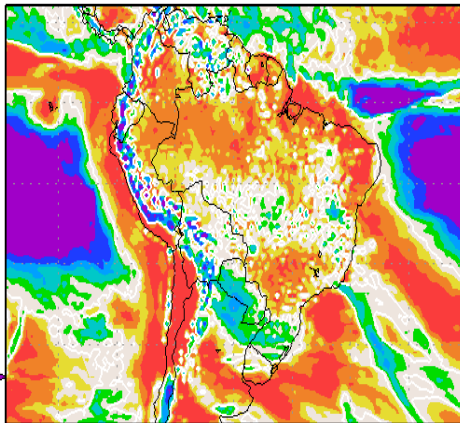
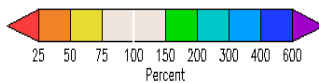
Daily Spreads					
Corn					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Dec3-Mar4	(12.25)	unc	-17.48	70.1%	3.2
Dec3-Jul4	(27.75)	0.25	-40.53	68.5%	3.1
Dec3-May4	(20.75)	unc	-28.82	72.0%	3.3
Mar4-Jul4	(15.50)	unc	-23.14	67.0%	3.0
Beans					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Nov3-Jan4	1.50	-2.50	-15.14	-9.9%	None
Nov3-Mar4	18.75	-1.25	-29.80	-62.9%	None
Nov4-Jan5	(4.25)	unc	-14.53	29.2%	-0.2
Wheat					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Dec3-Mar4	(9.00)	1.00	-19.01	47.4%	1.7
Mar4-May4	(1.75)	1.25	-12.32	14.2%	-0.4
May4-Jul4	13.00	1.00	-12.75	-102.0%	None
KCBOT Wheat					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Dec3-Mar4	2.50	1.50	-22.22	-11.3%	None
Mar4-May4	2.50	2.00	-14.40	-17.4%	None
Mar4-Jul4	19.50	5.00	-29.28	-66.6%	None

South American Weather Outlook

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

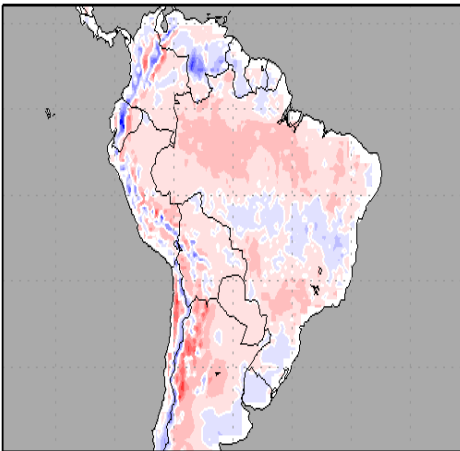
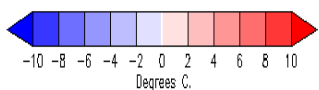
Precipitation (percent of normal)
during the first 7.5-day period:

Fri, 18 OCT 2013 at 12Z
-to-
Sat, 26 OCT 2013 at 00Z



Temperature Anomaly
during the first 7.5-day period from:

Fri, 18 OCT 2013 at 12Z
-to-
Sat, 26 OCT 2013 at 00Z



date. The USDA is expected to update harvest progress on Monday and beans are expected to be 60% plus. Informa updated their 2014 acreage estimates with beans up 300k at 83.904 mln, which is almost a 7 mln acre increase from 2012. With a normal yield this will push next year's carryout over 400 mbu. If SAM can producer over a 150 MMT bean crop, the US bean/corn ratio next year of 2.43 may not need to encourage so many bean acres. Goldman said they see flat returns in equities and commodities in 2014. Beans, copper and gold represent "significant downside opportunities". CIF beans were steady to dn 1c with Oct 99/100, Nov 98/99, Dec 100/104 and Jan bid +96SF. Western bids are all about shuttle car values. Nominal PNW bids for NDJ are in the +150 to +155 area and TX Gulf +105. SX/SF was a touch weaker on hedge movement as Nov futures traded over \$13 and settled at 1 ½ inverse. If you have Nov shorts to roll to the Jan there are only 8 trading days to FND. If futures rally and give the farmer \$13 cash we may see the spread continue to break but if you can't execute one needs to get hedges rolled. Short basis/long futures in the SX should be patient. Posted processor bids were mostly steady with meal steady/firmer.

Nathan Mangold

Wheat

Wheat finished the week strong and on a two-month high Friday. Nearby prices saw nearly a 30 cent range this week and up 13 cents higher for the week. A couple items impacted prices. First there was talk in the trade Friday that there was more interest from China for US and Australian wheat. There were also several stories talking about the concerns over the quality and size of the Argentina wheat crop. Because of this the thoughts are we could see more demand for US wheat from Brazil. The CN strike is also having its impact on prices as there are fears that the logistical log jam could prohibit moving the western Canadian wheat crop to the export market. The nearby corn/Chicago wheat spread traded out to a \$2.60 premium wheat. This is about 20 cents higher than it was to start the month. Informa was out Friday with their estimates and they are looking for an increase in wheat planting in the US this fall with acres at 57.7, up 1.2 million from last year. The majority of the increase is likely in the HRW region where planting is off to a good start. Seems like the SRW acres might be down a bit with slower harvest and quality disappointments the past couple years. With the rally we have seen the SRW spreads narrow a bit. The Z/H was around 8 ¾ - 9 cents carry. CIF wheat was firmer Friday around 87 bid/92 offer.

Mark Talaski

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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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