

October 28, 2013

ADVANCE INSIGHT

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Transportation

	TW/NW/Oct	Nov	Dec	Jan	Feb
St. Paul Savage	600/575/600	575			
Dub South	575/575/575	575			
St. Louis 12'	575/550/575	500	375	375	375
Illinois	600/575/600	525	460	460	425
OH/Jeff/Cinn	700/625/700	575	425	425	400
Gulf/PNW	\$0.700 / bushel				
BN Shuttles	2000/2000/2000	1500	750	200	163
UP Shuttles	700/700/700	500	225	100	50

Cash Corn Markets

	Oct FH/LH	Nov FH/LH	Dec FH/LH	Jan	Feb
CIF Nola	76z/73z 4	73z/71z	68z/68z	60h	58h
PNW	125z/125z -15	115z/115z	112z/112z	100h	100h

	Oct FH/LH		Oct FH/LH
Cols CSX 65	-18z/-18z x	Chicago	10z/10z unc
Ft. Wayne N/S 75	-18z/-18 x	Pekin ethanol	8z/8z unc
Evansvl 15s	-12z/-12z x	Decatur, IL	18z/18z unc
Toledo	-25z/-25z unc	Champaign CN 25	-4z/-4z 3
UP Grp 3	-5z/-5z unc	Clinton, IA	17z/17z 2
Dexter, MO	/ x	Columbus, NE ethanol	25z/25z unc
Fayne, OH	-18z/-18 x	Muscatine Truck	10z/10z x
Ottawa	-17z/-17z unc	Hereford COBO B/E	65z/65z x

Cash Bean Markets

	Oct FH/LH	Nov FH/LH	Dec FH/LH	Jan	Feb
CIF Nola	99x/99x -4	102x/97x	101f/101f	99f	90h
Paranagua	250x/250x unc	250f/250f	/	205f	40h

	Oct FH/LH		Oct FH/LH		Oct FH/LH
Columbus	-5x/-5x x	CN25	7x/7x 2	Mankato	-2f/-2f -5
Toledo	-15x/-15x 3	Chicago	0x/0x unc	Cncl Bluf	-23x/-23x unc
Fostoria	-5x/-5x unc	Decatur	10x/10x unc	Lincoln	-20x/-20x 5
Windsor	10x/10x x	Naples	5x/5x unc	KC	0x/0x 5
PNW	170x/170x unc	Ottawa	-9x/-9x -7	Wichita	-5x/-5x unc

Cash Milo Markets

	Oct FH/LH	Nov FH/LH	Dec FH/LH	Jan	Feb
CIF Nola	92z/92z unc	/	/		
Houston	85z/85z x	100z/100z	50z/50z	40h	40h
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	95z/95z unc	95z/95z	85z/85z	77h	72h
TX Gulf HRW	125z/125z x	125/125	/		

	Oct FH/LH	HRW	Oct FH/LH
St. Louis	16z/16z unc	KC Ords	103z/113z 8
Toledo (Mill)	-10z/-10z	KC 12s	133z/143z 8
	Oct FH/LH	KC 13s	128z/138z 8
PNW	120z/120z x	KC 14s	128z/138z 8

Export Inspections

	TW	LW	LY	YTD	USDA Goal	Need/Week
Corn	26.5	32.3	15.6	174.9	1225	23.9
Soybeans	83.6	59.9	63.9	257.9	1370	25.3
Wheat	16.3	20.6	9.7	589.2	1100	16.5
Sorghum	1.3	3.9	0.5	26.1	160	3.0

Corn

Corn closed dn 9 1/4c following beans lower, talk of the US yield being 160 bpa or better in the Nov 8th report, more RFS chatter and a better outlook to SAm weather. Farmers have been going around the clock to get as much harvested ahead of the rain/wind forecasted for the week. Crop progress showed we are nationally 59% harvested vs. 62% Average, so despite feeling like harvest is way behind we are only dn 3%. IL stands out at 74%, ND 33%, WI 39%, MI 31% while most other major states were around 50 – 60% harvested. Once again we saw crop condition ratings rise 2% to 62% G/E. The USDA report is Nov 8th and there will be several privates coming out with estimates this week and next. Informa's last estimate was 158.8 bpa with production of 14.010 bln bu. So with the crop 59% harvested, farmers unwilling to sell and prices trending lower processors are raising posted bids or continuing to extend their inverse in the central and western belt. Red River Valley elevators are seeing a few more wet bushels come to town due to tight propane. Propane trucks have been heard moving north from Iowa and even as far away as North Carolina. IN/OH facilities have been able to break fall basis ~ 30c. Corn spread bears continue to point to a 14-bln bu crop and bushels specifically in N IL and IN/OH tributary to the IWDS. Meanwhile the bulls are pointing out record high fall basis values, low commercial ownership and a pipeline that just can't seem to get filled. The COT report continues to confirm the light farmer ownership with the net commercial short at -38k vs. -57k contracts last week. Those short basis and long bull spreads should be patient to see if this harvest basis can break!

Nathan Mangold

Beans

A tough day for Bulls Monday morning as the 830 CDT bell sent the market into a selling frenzy. Sunday night trade and early morning trade held together pretty well, trading unchanged on Sunday evening. But at 830am, as harvest progress numbers and yield chatter circulated, the Sellers came out. Argentina received a little more rain than expected; Argentina soymeal basis eased back, and the techies broke the 100 Day Moving Avg. amongst fund selling of 12,000 contracts. Not sure that explains the flat price completely as it may be chalked up to month end and First Notice Day on Thursday, as funds need to have their positions reduced. Spreads eased back too, with the SX3/SF4 falling back 3 ¼ cents to 3 ½ inverse. The SX3/SH4 broke 7 ½ cents to 20 ½ cents inverse. This easing back might be directly tied to the CIF market trading lower too, with nearby backing down 4-6

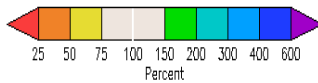
Daily Spreads					
Corn					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Dec3-Mar4	(12.25)	-0.25	-17.42	70.3%	3.2
Dec3-Jul4	(28.75)	-0.50	-40.38	71.2%	3.3
Dec3-May4	(21.00)	-0.25	-28.71	73.2%	3.4
Mar4-Jul4	(16.50)	-0.25	-23.06	71.6%	3.3
Beans					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Nov3-Jan4	3.75	-2.75	-15.06	-24.9%	None
Nov3-Mar4	21.00	-7.00	-29.63	-70.9%	None
Nov4-Jan5	(5.25)	-0.25	-14.45	36.3%	0.4
Wheat					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Dec3-Mar4	(11.00)	unc	-18.87	58.3%	2.4
Mar4-May4	(5.75)	unc	-12.24	47.0%	1.7
May4-Jul4	7.25	1.25	-12.67	-57.2%	None
KCBOT Wheat					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Dec3-Mar4	(0.75)	-0.75	-22.11	3.4%	-1.1
Mar4-May4	4.50	unc	-14.34	-31.4%	None
Mar4-Jul4	22.00	unc	-29.16	-75.4%	None

South American Weather Outlook

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

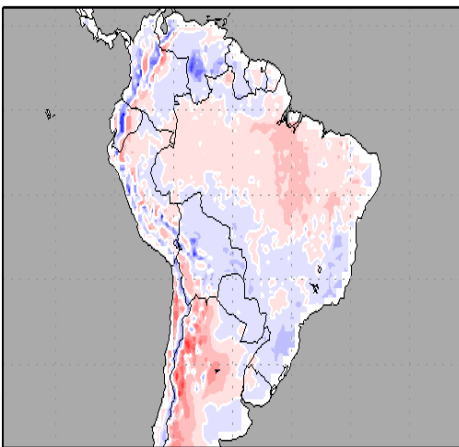
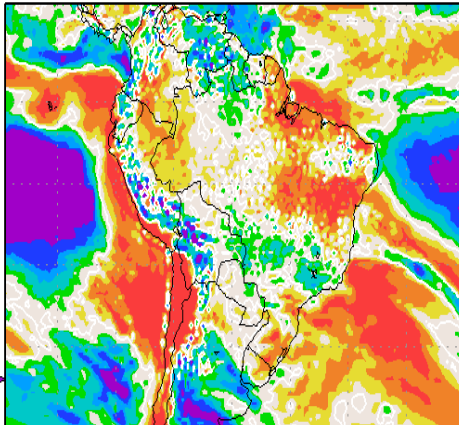
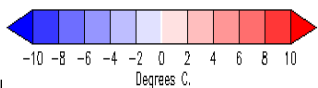
Precipitation (percent of normal)
during the first 7.5-day period:

Mon, 28 OCT 2013 at 12Z
-to-
Tue, 05 NOV 2013 at 00Z



Temperature Anomaly
during the first 7.5-day period from:

Mon, 28 OCT 2013 at 12Z
-to-
Tue, 05 NOV 2013 at 00Z



cents, trading at +98SX. The weekend harvest may have filled a lot of freight. On the other hand, processor basis had quite a few processors posting an improved basis, with a nickel improvement the most common bump. One Midwest regional cooperative company reportedly rolled their bids to the January, at what they were bidding vs. the November, which effectively is a higher bid, depending on the spread at the time. Harvest progress was called 77% complete vs 63% LW, and 77% avg. Export shipments for the week were the second highest on record at 83.604 mbu. That record happened in November of 2009. First Notice Day is Thursday, Oct. 31st. Trick or Treat?

Jack Fitzgerald

Wheat

Wheat prices were lower the entire session as funds were unable to find new supportive fundamental news. Estimated fund selling was 2K contracts leading to the 8 cent lower settlements. The driving force behind the wheat rally of the last 2 months was focused on exports, and as suddenly as they appeared, they have now disappeared. South Korea is looking for February wheat shipments and Egyptian Food Minister indicated that GASC will tender for wheat within the next 2-4 weeks, which should ensure stocks through March. Export Inspections were 16.3 mbu, just shy of the 16.5 mbu needed BOY to meet the USDA predictions. China must have been concentrating on shipping soybeans, because after consistently lifting 5-6 mbu of wheat per week, they posted the big goose egg this week. China has roughly 25 mbu left to ship from their early season buying spree of US wheat. Global picture was quiet with main headlines being a frost in Victoria Australia trimming back some yields and a sudden optimism that bulk of the Black Sea wheat will be planted after recent stretch of good weather. Sharp gains in Russian wheat prices have some producers unwilling to deliver on early sales, which could cause some problems for exporters filling their sales contracts. UAE indicating they will help Egypt build 1.5 MMT of storage for domestic wheat. Interesting report from University of Sydney suggesting that Chinese investments in the Australian ag sector from 2006-2012 totaled over \$1 Billion and foreign companies now own 11.3% of Australian land (China less than 1% of the total). The Canadian National Railroad union deadline is set for tomorrow AM with both sides "optimistic" on a settlement before additional disruptions happen. There were 21 CBOT wheat registrations cancelled. Most of the basis fireworks were centered on HRW market where values were 5-10 cents higher across most domestic destinations. Gulf HRW markets were less responsive due to another surge in rail cost. The KC Dec/March spread was slightly weaker at ¼ cent carry. Short term weakness might be focused on the 55K contracts of index longs and expected rolls to start next week. Use this weakness to roll any remaining short Dec KC wheat. USDA estimating that 86% of the winter wheat is planted with 65% out of the ground. While fall conditions don't correlate to crop size, G/E % did drop to 61% vs 65% last week- potentially a slight surprise to the market.

Kelly Herrick

Advance Trading PO Box 1027, Bloomington, IL 61702 (800)747-9021 or (309)663-9021

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

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