

October 29, 2013

# ADVANCE INSIGHT

TURN UNCERTAINTY INTO OPPORTUNITY

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## Transportation

	TW/NW/Oct	Nov	Dec	Jan	Feb
St. Paul Savage	550/550/550	550			
Dub South	575/575/575	575			
St. Louis 12'	575/550/575	400	375	360	350
Illinois	625/600/550	525	460	460	425
OH/Jeff/Cinn	700/625/700	500	425	425	400
Gulf/PNW	\$0.700 / bushel				
BN Shuttles	2500//	1300	700	350	163
UP Shuttles	800//	600	225	150	100

## Cash Corn Markets

	Oct FH/LH	Nov FH/LH	Dec FH/LH	Jan	Feb
CIF Nola	76z/76z unc	72z/71z	69z/69z	60h	
PNW	130z/130z 5	120z/120z	116z/116z	104h	105h

	Oct FH/LH		Oct FH/LH
Cols CSX 65	-20z/-20z -2	Chicago	10z/10z unc
Ft. Wayne N/S 75	-21z/-21z -3	Pekin ethanol	10z/10z 2
Evansvl 15s	-9z/-9z 3	Decatur, IL	18z/18z unc
Toledo	-25z/-25z x	Champaign CN 25	-3z/-3z 1
UP Grp 3	-15z/-15z -10	Clinton, IA	17z/17z unc
Dexter, MO	/ x	Columbus, NE ethanol	25z/25z unc
Fayne, OH	-20z/-20 -2	Muscatine Truck	10z/10z unc
Ottawa	-15z/-15z +2	Hereford COBO B/E	65z/65z

## Cash Bean Markets

	Oct FH/LH	Nov FH/LH	Dec FH/LH	Jan	Feb
CIF Nola	91x/91x -8	94x/95x	97f/97f	98f	
Paranagua	250x/250x unc	250f/250f	/	205f	55h

	Oct FH/LH		Oct FH/LH		Oct FH/LH
Columbus	7x/2x unc	CN25	5x/5x -2	Mankato	-2f/-2f unc
Toledo	-15x/-15x x	Chicago	0x/0x unc	Cncl Bluf	-20x/-20x 3
Fostoria	-5x/-5x x	Decatur	5x/5x -5	Lincoln	-20x/-20x unc
Windsor	10x/10x x	Naples	0x/0x -5	KC	0x/0x unc
PNW	172x/172x 2	Ottawa	-9x/-9x unc	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	14z/14z -2	KC Ords	103z/113z unc
Toledo (Mill)	-10z/-10z x	KC 12s	140z/150z 7
	Oct FH/LH	KC 13s	135z/145z 7
PNW	120z/120z x	KC 14s	128z/138z unc

## Deliverable Stocks of Grain

(thousands of bushels)

Corn		Change from LW	Change from LY
Illinois River	1839	809	300
Chicago	669	375	112
<b>Total</b>	<b>2058</b>	<b>1184</b>	<b>412</b>

Soybeans			
Illinois River	4683	609	1543
Chicago	815	157	-979
<b>Total</b>	<b>5498</b>	<b>766</b>	<b>564</b>

CBOT Wheat			
Toledo	26742	-40	-486
Chicago	10634	52	-3236
St. Louis	487	6	-1434
<b>Total</b>	<b>37863</b>	<b>18</b>	<b>-5156</b>

KCBOT Wheat			
Salina	18644	-18	-7631
Hutch	25952	-3	-2223
KC	12049	-256	1398
<b>Total</b>	<b>56645</b>	<b>-277</b>	<b>-8456</b>

## Corn

Corn made new lows again today but follow through selling did not occur allowing futures to settle up slightly today. We are seeing more export interest at these lower values evident by Korea buying 140tmt of corn for February. Strong ethanol margins is keeping them hungry to buy any bushels the farmer is willing to move. Even Q1 margins are getting into the dime are giving plants more confidence to bid up deferred months. ATI's crop estimate is now 14.03bbu vs the USDA at 13.76. Where is this big difference in bushels? ECB estimates are over 300mbu higher led by IL at 2.18bbu vs USDA at 1.96bbu. With export demand picking up and domestic users not covered, can we tighten spreads even though the stocks around the IWDS are plentiful? The more this harvest gets drawn out and the more stubborn the farmer gets, it can and it will. The CH/CK is trading out to 8 3/4 which is 77% of full carry. Those with space and time can look to hedges out to the May or bullspread to cover bushels you plan to buy before then.

*Dewey Hull*

## Beans

A meager turn around Tuesday trade. SX +7 3/4, SF +2 3/4, US \$ +1/2%, Crude -70c. SX/F was the most active

Daily Spreads					
Corn					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Dec3-Mar4	(12.25)	unc	-17.42	70.3%	3.2
Dec3-Jul4	(28.00)	0.75	-40.40	69.3%	3.2
Dec3-May4	(20.75)	0.25	-28.72	72.2%	3.4
Mar4-Jul4	(15.75)	0.75	-23.07	68.3%	3.1
Beans					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Nov3-Jan4	8.25	4.50	-15.09	-54.7%	None
Nov3-Mar4	24.25	3.25	-29.70	-81.7%	None
Nov4-Jan5	(5.00)	0.25	-14.47	34.6%	0.2
Wheat					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Dec3-Mar4	(11.25)	-0.25	-18.88	59.6%	2.4
Mar4-May4	(4.50)	1.25	-12.24	36.8%	1.0
May4-Jul4	7.50	0.25	-12.67	-59.2%	None

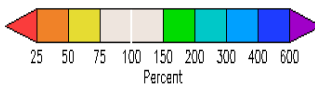
KCBOT Wheat					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Dec3-Mar4	(1.00)	-0.25	-22.12	4.5%	-1.1
Mar4-May4	4.75	0.25	-14.35	-33.1%	None
Mar4-Jul4	24.50	2.50	-29.18	-84.0%	None

### South American Weather Outlook

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

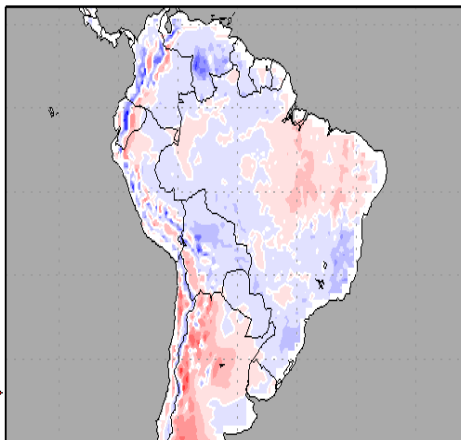
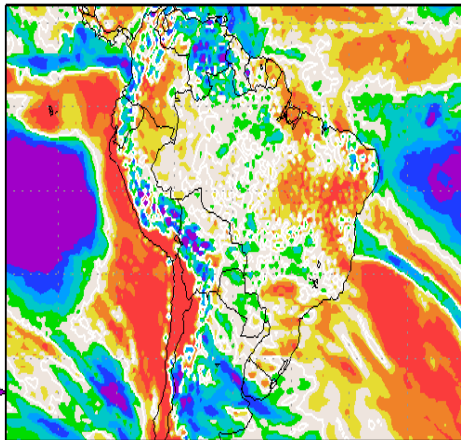
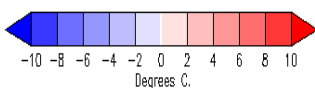
Precipitation (percent of normal)  
during the first 7.5-day period:

Tue, 29 OCT 2013 at 12Z  
-to-  
Wed, 06 NOV 2013 at 00Z



Temperature Anomaly  
during the first 7.5-day period from:

Tue, 29 OCT 2013 at 12Z  
-to-  
Wed, 06 NOV 2013 at 00Z



trade as we prepare for 1<sup>st</sup> Notice Day on Thursday. That spread had a 5c trading range and closed on its high at 8.5c inverse. Gulf basis firmed 2c. Gulf values are near DVE and we expect no deliveries. Cash/futures markets suggest optimum merchandising positions are even to short. Suggest at least 50% of long hedges stay in the X until we see the basis break. Small processor pushes are common as crushers reap record high cash crush margins of \$1.25+. USDA's 3 week catch up of export sales on Thursday is expected to show good sales, but with the current unshipped beans/meal book, ongoing sales news will be light. S. Am weather is good for planting progress.

*Trent Sauder*

### Wheat

Wheat futures had a low volatility day on Tuesday. Ukrainian fall temps remain warm helping with late seeding progress and emergence. In isolated anecdotal contrast to Monday's winter wheat condition drop, an ATI road warrior reports S. Central KS and Northern OK wheat looks fantastic. Researchers are quick to remind that fall conditions correlate poorly to final yield, but in a few words, "we'll take it." While recent Argentine rains have improved conditions, agronomists note deficits still exist with continued moisture needed. KCBT protein values again showed some slight improvement, while Z/H traded to 1 ¼ carry (1c close). Any higher protein ownership hedged in Z was at least marginally improved by this action. Any remaining Dec shorts need to be logistically flexible or rolled to the March. H/K remains inverted. To remain that way, export interest likely needs to continue firm with some signs showing a slowing of interest. CBOT Z/H closed at its widest level since late September. For SRW elevators with ownership, logistics there are the key as well. If not able to easily move wheat vs. the Z, take advantage of these carry levels.

*Curt Strubhar*

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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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