

November 4, 2013

# ADVANCE INSIGHT

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## Transportation

	TW/NW/Nov	Dec	Jan	Feb	Mar
St. Paul Savage	500/500/500				
Dub South	535/535/530				425
St. Louis 12'	525/525/500	375	360	350	350
Illinois	600/575/550	460	460	425	400
OH/Jeff/Cinn	575/575/500	425	425	400	375
Gulf/PNW	\$0.700 / bushel				
BN Shuttles	2700/3100/1600	1250	500	388	388
UP Shuttles	1000/1000/800	450	200	250	250

## Cash Corn Markets

	Nov FH/LH	Dec FH/LH	Jan FH/LH	Feb	Mar
CIF Nola	84z/74z 6	74z/74z	65h/65h	66h	
PNW	135z/130z 5	120z/120z	110h/110h	110h	110h

	Nov FH/LH		Nov FH/LH
Cols CSX 65	-18z/-18z unc	Chicago	16z/16z 4
Ft. Wayne N/S 75	-10z/-10z unc	Pekin ethanol	6z/4z -4
Evansvl 15s	-5z/-5z unc	Decatur, IL	15z/15z -3
Toledo	/ x	Champaign CN 25	0z/0z -3
UP Grp 3	0z/10z unc	Clinton, IA	24z/24z 10
Dexter, MO	/ x	Columbus, NE ethanol	25z/18z
Fayne, OH	-14z/-14z unc	Muscatine Truck	10z/10z unc
Ottawa	-10z/-4z unc	Hereford COBO B/E	66h/66h unc

## Cash Bean Markets

	Nov FH/LH	Dec FH/LH	Jan FH/LH	Feb	Mar
CIF Nola	91x/90f -7	100f/100f	95f/95f	100h	
Paranagua	250f/250f unc	/	55f/55f	42h	42h

	Nov FH/LH		Nov FH/LH		Nov FH/LH
Columbus	16x/16x unc	CN25	10x/10x	Mankato	-16f/-16f -3
Toledo	-15x/-15x x	Chicago	0x/0x unc	Cncl Bluf	-12x/-12x 3
Fostoria	-5x/-5x x	Decatur	8f/15f -7	Lincoln	-15f/-15f unc
Windsor	5f/5f	Naples	5x/5x unc	KC	5f/5f unc
PNW	155f/155f -5	Ottawa	-5f/5f -2	Wichita	10x/10x unc

## Cash Milo Markets

	Nov FH/LH	Dec FH/LH	Jan FH/LH	Feb	Mar
CIF Nola	92z/92z unc	/	/		
Houston	110z/85z unc	85z/75z	75h/75	75h	70h
Corpus Christi	105z/105z unc	105z/105z	75h/75	75h	70h

## Cash Wheat Markets

	Nov FH/LH	Dec FH/LH	Jan FH/LH	Feb	Mar
CIF SRW	95z/95z unc	85z/85z	77h/77h	77h	
TX Gulf HRW	125/125 unc	/	/		

	Nov FH/LH		Nov FH/LH
SRW	25z/25z 3	HRW	103z/113z unc
St. Louis	/ x	KC Ords	140z/150z -4
Toledo (Mill)	/ x	KC 12s	120z/130z unc
	Nov FH/LH	KC 13s	115z/125z unc
PNW	115z/115z unc	KC 14s	

## Export Inspections

	TW	LW	LY	YTD	USDA Goal	Need/Week
Corn	31.3	27.0	15.4	206.7	1225	23.7
Soybeans	80.6	84.8	61.0	338.5	1370	24.0
Wheat	7.1	16.6	14.0	596.6	1100	16.8
Sorghum	1.2	1.3	0.7	27.3	160	3.1

## Corn

ZC closed dn 1.0 at 426.25 in a narrow pre-report 3.5c trading range. Outside markets saw DJIA at 15571 up 29 at 4:12 cdt, crude and gold were little changed. Harvest progress was reported at 73% up 14 on the week. This is 2% above average in spite of the late start we got off to. Cargill announced it is opening the Ft. Dodge IA 150kbu/day eth plant it bot from Tate and Lyle in 2011 as margins continue to be strong. Export demand is now pulling on supply as well with 31.3mbu shipped last week. Big crop still must be pried out of the farmers hand as adequate storage, abundant cash flow, and prices ½ of last year leave him an uninterested seller. Basis levels were up across the board with Cedar Rapids up 11c at +33cz, and Chicago truck up 8c at +10cz. Also saw a N ILL river March bid at +8CH which is in the DVE range. Many continue to struggle with the idea that the spreads need not pay over 70% of full carry due to the likelihood of a 14+bbu crop. But the cash market is telling us that the farmer is willing to hold on to corn. So, the markets job is to narrow the carry to encourage movement. CZ/CH closed at 10.75, ½ wider than Friday.

Jeff Hainline

## Beans

Flat price trading both sides of Friday's close, but spending most of the session in the PLUS column. Every delivery month but the SX3, which closed a couple cents weaker at \$12.64.00. Thursday and Friday, there were zero Deliveries vs. the SX3, but for Monday's trade there were 275 November soybeans put out in Chicago proper. The Deliveries were scattered via 2 fcm's and stopped by a multitude of players. The ending date was was 10/1/13. The combination of CIF and freight, showing a fob value under Delivery Value, as CIF values waned on Friday, and had follow through weakness on Monday, gave the Short confidence to put out those Certificates. With the expectations of the those Certificates to be recycled, and other Shorts potentially coming out, the spread weakened as spread management was in high gear. Big export inspections again this week, with another 81 mbu pushed out. LW was 85 mbu. China accounted for 60 mbu by themselves. Harvest progress comes in at 86% complete, as 90% was expected. Rains slowed progress last week, and the central belt is expecting rains again this week, stretching remaining harvest

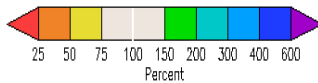
Daily Spreads					
Corn					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Dec3-Mar4	(10.50)	-0.25	-17.39	60.4%	2.7
Dec3-Jul4	(25.25)	-0.25	-40.33	62.6%	2.8
Dec3-May4	(18.25)	0.25	-28.67	63.7%	2.9
Mar4-Jul4	(14.50)	0.25	-23.02	63.0%	2.8
Beans					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Nov3-Jan4	8.00	-6.50	-15.04	-53.2%	None
Nov3-Mar4	23.75	-5.25	-29.59	-80.3%	None
Nov4-Jan5	(5.75)	-0.25	-14.43	39.9%	0.6
Wheat					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Dec3-Mar4	(11.75)	0.25	-18.78	62.6%	2.6
Mar4-May4	(6.25)	0.25	-12.17	51.3%	1.9
May4-Jul4	1.00	-0.50	-12.61	-7.9%	None
KCBOT Wheat					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Dec3-Mar4	(2.50)	unc	-22.00	11.4%	-0.5
Mar4-May4	0.50	unc	-14.27	-3.5%	None
Mar4-Jul4	13.00	-0.25	-29.02	-44.8%	None

### South American Weather Outlook

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

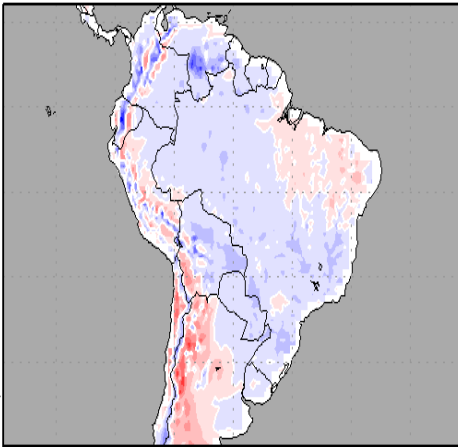
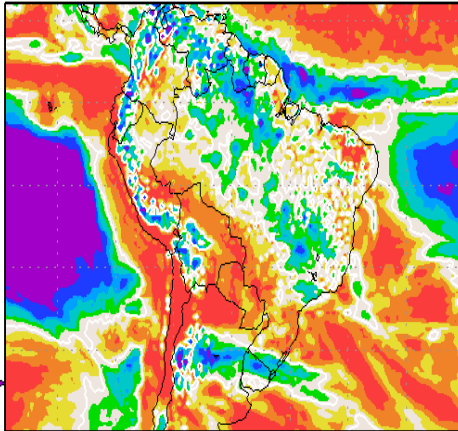
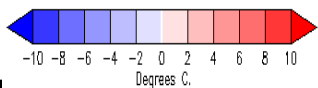
Precipitation (percent of normal)  
during the first 7.5-day period:

Mon, 04 NOV 2013 at 12Z  
-to-  
Tue, 12 NOV 2013 at 00Z



Temperature Anomaly  
during the first 7.5-day period from:

Mon, 04 NOV 2013 at 12Z  
-to-  
Tue, 12 NOV 2013 at 00Z



out. Friday at 11 am, is the USDA Crop Production report, and expectations are for crop size to increase. Perhaps that increase is already in the marketplace. Market structure still has the market inverted, and the pipeline will still want beans to be put in the pipeline. With the capitulation of the nearby market with deliveries, and perceived increase in producer movement, the spread may fall back to a "run in place" mode. But, if for some reason, producer movement drops off (i.e. flat price drop?), or remaining harvest takes longer than previously thought, there is no rule that says the spread can't re-trace back to where we were pre-drop, around \$.14 cents. It's all about movement. The more aggressive one is into a DP short, the more prudent one needs to be in moving longs forward.

*Jack Fitzgerald*

### Wheat

A nickel lower start to the week for the wheat futures on poor technical signals and drying up of export business. Weekly Export sales only tallied 7.1 mbu vs the 17-21 expectations and recent weekly totals of 17ish. The YTD inspections now total just under 600 mbu, though that's 180 mbu more than last year's YTD number. Slowdown in exports shouldn't really come as a big surprise given the capacity being covered by corn/soybeans and high freight which is discouraging wheat from making it to an export location. A couple of the global highlights were Saudi Arabia buying 720K MT of optional milling wheat and the Ag Attaché clipping 3 MMT off the Chinese wheat crop expectations to 188 MMT. Deutsche Bank started their roll today moving to the Dec 14, while Goldman roll will start on Thursday. KC basis levels were a few cents weaker for the mid-protein values, but the 12.0's pro's still demanding a 20-25 cent premium to 11's or 13's. December KC futures worked back to a dime premium vs the Mnpls December futures. Dec/March KC spread eased back to 2 ¾ ¢ and Dec/March Mnpls traded 11 ½ ¢ during the session. Winter wheat conditions inched up to 63% good/excellent versus 61% last week, though realistically the only correlation to good fall conditions is reduced abandonment next year, but it's a start. USDA also estimating 91% of the wheat crop has been planted. Missouri and Arkansas lagging slightly at just 2/3's completed. Kansas estimated at 96% complete as Nov 1<sup>st</sup> planting insurance dates have passed. Long way to go on the crop, and old crop balance sheets look tight, but what new crop HRW ownership elevators are gaining is coming with a high basis price tag. New crop spreads aren't exactly inviting, but for discussion sake are trading less than 30% of full carry with July KWN/U at 6¢ and the KWU/Z at 11¢.

*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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