

November 6, 2013

ADVANCE INSIGHT

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Transportation

	TW/NW/Nov	Dec	Jan	Feb	Mar
St. Paul Savage	475/475/475				
Dub South	520/510/500				425
St. Louis 12'	550/550/400	375	360	350	350
Illinois	575/550/475	425	460	425	400
OH/Jeff/Cinn	625/600/525	475	425	425	400
Gulf/PNW	\$0.700 / bushel				
BN Shuttles	2700/2500/1600	1150	500	350	350
UP Shuttles	300//400	225	150	100	100

Cash Corn Markets

	Nov FH/LH	Dec FH/LH	Jan FH/LH	Feb	Mar
CIF Nola	78z/76z -1	73z/73z	65h/65h	65h	
PNW	155z/140z 15	130z/130z	115h/115h	115h	115h

	Nov FH/LH		Nov FH/LH
Cols CSX 65	-16z/-18z unc	Chicago	20z/20z x
Ft. Wayne N/S 75	-12z/-12z +7	Pekin ethanol	6z/10z -2
Evansvl 15s	-8z/-5z unc	Decatur, IL	15z/15z 3
Toledo	/ x	Champaign CN 25	3z/3z
UP Grp 3	/	Clinton, IA	17z/17z 4
Dexter, MO	/ x	Columbus, NE ethanol	16z/18z unc
Fayne, OH	-11z/-11z +7	Muscatine Truck	10z/10z unc
Ottawa	-5z/3z unc	Hereford COBO B/E	60h/60h -6

Cash Bean Markets

	Nov FH/LH	Dec FH/LH	Jan FH/LH	Feb	Mar
CIF Nola	91x/94f unc	106f/106f	97f/97f	100h	
Paranagua	250f/250f unc	/	55f/55f	42h	18h

	Nov FH/LH		Nov FH/LH		Nov FH/LH
Columbus	7x/16x -9.0	CN25	10f/10f	Mankato	-7f/-7f 5
Toledo	-15x/-15x x	Chicago	0x/0x unc	Cncl Bluf	-10x/-10x unc
Fostoria	-5x/-5x x	Decatur	8f/15f -4	Lincoln	-15f/-15f unc
Windsor	5f/5f x	Naples	5x/5x unc	KC	13f/13f 3
PNW	155f/155f 5	Ottawa	2f/10f 7	Wichita	15x/15x 5

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	90z/90z unc	85z/85z	77h/77h	77h	
TX Gulf HRW	125/125 unc	/	/		

	Nov FH/LH	HRW	Nov FH/LH
St. Louis	20z/20z -4	KC Ords	110z/120z unc
Toledo (Mill)	/ x	KC 12s	138z/148z unc
	Nov FH/LH	KC 13s	120z/130z unc
PNW	115z/115z unc	KC 14s	115z/125z unc

Export Sales Estimates

	Expected Crop mbu (kmt)	Needed (mbu)
Corn	39-51(1000-1300)	9.7
Soybeans	29-40(800-1100)	4.3
Wheat-All	13-18(350-500)	49.2
HRW		19.3
SRW		8.9
Sorghum		3.3
Soybean Meal	190-250	102.8
Soybean Oil	20-60	9.1

Corn

Corn ended the day lower, Dec settling down 3 ¼ at \$4.21 ¼ on a very light volume light activity day - range of only six cents. The market continues to search for fresh news to work with until it sees the much anticipated report Friday. Saw a higher than normal volume in options today – end user/commercial pre report positioning? Market expecting/assuming a big crop number from USDA – average estimate for total corn crop at 14.022 bbu (13.421-14.330 range), avg estimate on yields at 159.4 bpa(157.1 – 163.3), avg est on harvested acreage at 88.09 (86.9 – 89.1 mln acres). For those who handle milo – watch out for major changes possible in the milo balance sheet as forecasts from USDA attache's in China and Mexico are suggesting US milo imports of 175 mbu. Bloomberg story out today, based on a survey of 302 producers in China, is estimating a drop in China's corn production for the first time in four years (down 3.2 %) – pegging total crop size at 199.1 MMT (USDA at 211 MMT). Flooding in its largest producing province and a drought in their fifth largest producing province are basically to blame for the drop. China has reportedly reached an agreement with Brazil to allow importation of Brazil corn – earlier phytosanitary concerns have been addressed. Rain rolling across the corn belt over the last 24 hours should clear out by late tomorrow – clearing up for at least 5 to 7 days to crank up harvest again. Basis steady/firmer in the east, steady central, river markets a nickel firmer and some softening in the Western rail markets. Western rail markets today are more about the freight – BN cars slightly weaker. Elevated car values have helped prop nearby truck markets and vice versa will pressure values once cars start softening. Hearing some spot CIF corn trading as high as +90 CZ. Dec/March narrowing today ¼ cent closing at 10 cents carry.

Daily Spreads					
Corn					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Dec3-Mar4	(10.25)	0.25	-17.37	59.0%	2.6
Dec3-Jul4	(25.25)	unc	-40.27	62.7%	2.8
Dec3-May4	(18.00)	0.25	-28.63	62.9%	2.8
Mar4-Jul4	(14.75)	unc	-22.98	64.2%	2.9
Beans					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Nov3-Jan4	8.00	-1.00	-15.03	-53.2%	None
Nov3-Mar4	23.00	unc	-29.58	-77.8%	None
Nov4-Jan5	(6.25)	-0.25	-14.43	43.3%	0.9
Wheat					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Dec3-Mar4	(9.50)	1.75	-18.71	50.8%	1.9
Mar4-May4	(5.50)	0.25	-12.13	45.3%	1.6
May4-Jul4	1.00	-1.25	-12.57	-8.0%	None
KCBOT Wheat					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Dec3-Mar4	(3.25)	0.25	-21.93	14.8%	-0.2
Mar4-May4	1.75	1.25	-14.23	-12.3%	None
Mar4-Jul4	10.50	-1.50	-28.94	-36.3%	None

South American Weather Outlook

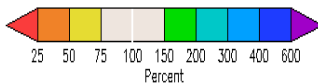
<http://www.wxmaps.org/pix/clim.html>

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

Wed, 06 NOV 2013 at 12Z

-to-

Thu, 14 NOV 2013 at 00Z

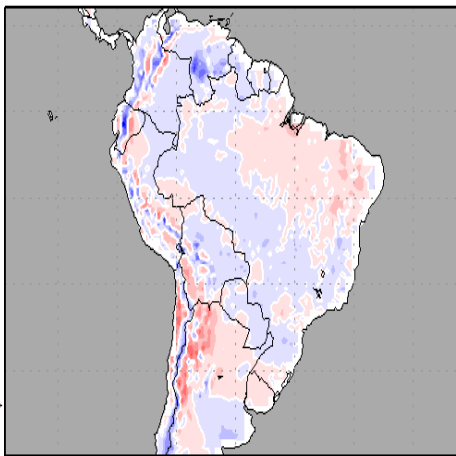
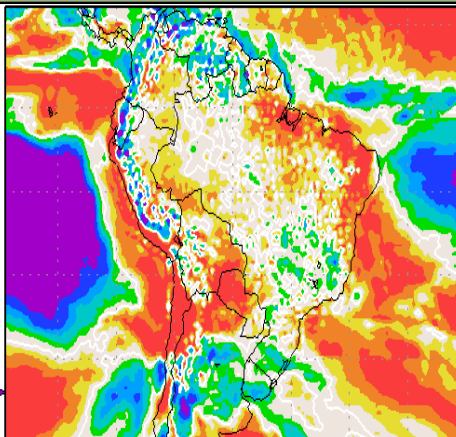
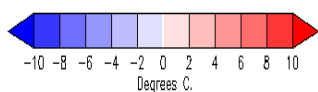


Temperature Anomaly
during the first 7.5-day period from:

Wed, 06 NOV 2013 at 12Z

-to-

Thu, 14 NOV 2013 at 00Z



Goldman roll starts tomorrow - could put some pressure on spreads, though firm cash markets will be the offset. New crop hedges in the March – or where logistics/forward sales direct you.

Paul Dubravec

Beans

Soybeans closed firmer today following higher crude and weaker US \$ and positioning ahead of Friday's report. The X/F was a little weaker today, closing at 8 inverse after seeing some redelivery on receipts and the Nov soybean open interest dwindling with 6 trading sessions left. Basis levels were steady/stronger in most markets; CIF up 3 LH Nov 94/99 and up 4 Dec 106/111, PNW up 3 for FH Nov. Processors were steady/up 5 in MN, IA, KS, IL and a few OH, IN locations breaking a nickel. Funds were estimated buying 3000 beans and 2000 meal, unchanged in oil. Today's COT report showed non-commercials reduced overall net long position in soybeans by 2937 contracts. The market is anticipating increases in the US soybean supply which will likely be followed with bumps in exports and crush. Exports sales released tomorrow or estimated .8 to 1.1 MMT's. Weather remains favorable in Argentina and Brazil with soaking rains suggested into next week.

Nate Durako

Wheat

A quiet/weaker day Wednesday in the wheat markets as the trade awaits the USDA report Friday. Chicago wheat traded a 6 week low Wednesday – you would have to go back to late September to see prices lower. The trade will be focusing on the fall crops in this USDA report but world wheat supply will also get some attention. The average estimate for the 2013/14 US carryout is 529 mbu vs. 561 mbu in the September report. World wheat stocks in the September report were 176.3 MMT. Trade chatter that the Argentina wheat crop might be only 9.5-10 MMT, well below the last USDA estimate of 12 MMT. RoboBank estimated the Australian wheat crop at 25 MMT, which is ½ MMT below the recent USDA estimate. Egypt announced they would be tendering for 60 K MT for Dec 1 -10 shipment. CIF wheat was steady to a touch weaker for both SRW and HRW. The Chicago Z/H wheat spread narrowed in a bit Wednesday – trading into 9 ½ cents carry. This is the narrowest that spread has been since Oct 24th. Hedges in both KC and Chicago should be in the March unless you plan to execute vs. the December.

Mark Talaski

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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