

November 8, 2013

ADVANCE INSIGHT

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Transportation

| | TW/NW/Nov | Dec | Jan | Feb | Mar |
|-----------------|------------------|-----|-----|-----|-----|
| St. Paul Savage | 475/475/475 | | | | |
| Dub South | 550/5540/520 | 375 | | | 425 |
| St. Louis 12' | 550/550/400 | 375 | 360 | 350 | 350 |
| Illinois | 615/600/510 | 400 | 475 | 450 | 400 |
| OH/Jeff/Cinn | 725/725/600 | 500 | 425 | 425 | 400 |
| Gulf/PNW | \$0.700 / bushel | | | | |
| BN Shuttles | 1600/2050/1100 | 650 | 400 | 250 | 250 |
| UP Shuttles | //400 | 250 | | 50 | 50 |

Cash Corn Markets

| | Nov FH/LH | Dec FH/LH | Jan FH/LH | Feb | Mar |
|----------|---------------|-----------|-----------|------|------|
| CIF Nola | 78z/75z unc | 74z/74z | 65h/65h | 66h | |
| PNW | 140z/140z unc | 130z/130z | 115h/115h | 115h | 115h |

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

Cash Bean Markets

| | Nov FH/LH | Dec FH/LH | Jan FH/LH | Feb | Mar |
|-----------|---------------|-----------|-----------|------|-----|
| CIF Nola | 104f/104f -3 | 104f/103f | 97f/97f | 100h | |
| Paranagua | 250x/250x unc | / | 48f/48f | 48h | 20h |

| | Nov FH/LH | | Nov FH/LH | | Nov FH/LH |
|----------|---------------|---------|------------|-----------|---------------|
| Columbus | 16f/16f unc | CN25 | 13f/13f 3 | Mankato | -7f/-7f unc |
| Toledo | -15x/-15x x | Chicago | 0x/0x unc | Cncl Bluf | -8f/-8f unc |
| Fostoria | -5x/-5x x | Decatur | 15f/22f 7 | Lincoln | -10f/-10f unc |
| Windsor | 5f/5f x | Naples | 13x/13x +5 | KC | 15f/15f unc |
| PNW | 143f/145f -10 | Ottawa | 3f/8f unc | Wichita | 15f/15f unc |

Cash Milo Markets

| | Nov FH/LH | Dec FH/LH | Jan FH/LH | Feb | Mar |
|----------------|---------------|-----------|-----------|-----|-----|
| CIF Nola | 105z/105z 13 | / | / | | |
| 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 | | Nov FH/LH |
|---------------|---------------|---------|---------------|
| SRW | 23z/23z -1 | HRW | 110z/120z unc |
| St. Louis | | KC Ords | 150z/160z unc |
| Toledo (Mill) | / x | KC 12s | 120z/130z unc |
| | | KC 13s | 115z/125z unc |
| PNW | 115z/115z unc | KC 14s | |

Corn

CZ + 6 ¼ at 426 ¾ and CZ/H4 -3/4 at -11 ¾ carry. Cash ethanol Chi +5 cpg to 177cpg a 4c prem to Nov mo average swaps, and Dec etoh swaps firmed 3 ½ cpg to 164.5 cpg. Cash corn basis remains firm and inverted, especially in Iowa thru Dec. Unless beans can continue to support corn prices basis feels well supported, spreads too, especially after harvest done. As of Sunday AT/Research expects US harvest expected 80-85% complete vs. 98% LY and 80% 5-year average. Good time to get short hedges scattered to K and N. USDA report cleared up the acreage uncertainty, US lost 2.1 mln from what they tried to plant and 1.9 mln more lost from harvested area. Will be interesting as we think about 2014 acres do we subtract from what they tried to plant 97.4 or what they got planted 95.3. As we think about next year 's acreage which the trade is looking for 91 to 93 mln acres next year with trend line yields and a strong rebound in demand leaves carry-out an ample 1.861B bu, about the same as USDA's 13/14 carryout of 1.887B bu, which likely grows as big crops tend to get bigger. Their ethanol use '13/14 is low at 4.9 B bu and that likely offsets some of the bigger crop estimate that may not get printed until Jan, if thots verify. No EPA announcement on renewable volume obligations (RVO) today. These announcements likely have a limited impact on corn demand from ethanol in 13/14, but if trade expectations verify (13.8 B gal mandate calendar 2014 vs. statute 14.4 B g) may pull ethanol RIN prices lower. An interesting point to highlight from USDA/WASDE report at the world level was the 4.7 mmt increase in old crop Chinese corn stocks, big crop 211 mmt unch from Sep, an unchg imports forecast of 7mmt, 8mmt decline in domestic demand due to poor industrial margins, leaving ending stocks up a whopping 12.6 mmt. Yet nearby Dalian China corn prices over \$9.64/bu, 2.25x Dec CBOT corn prices, at historical highs relative to US corn.

Joe Harroun

Beans

This AM's USDA reports found 124 mbu more supply and 103 mbu more demand (80 exports and 30 crush), thus 20 mbu more carryout. (numbers don't add due to rounding) Market reacted by going higher to compensate for a slight oversold condition and that another 20 mbu of carryout, only gets us to 170 mbu or 5.2% stx/use, which is still

| Daily Spreads | | | | | |
|---------------|---------|--------|------------|-----------------|--------|
| Corn | | | | | |
| | Close | Change | Full Carry | % of Full Carry | ROS/mo |
| Dec3-Mar4 | (11.75) | -0.75 | -17.40 | 67.5% | 3.1 |
| Dec3-Jul4 | (27.00) | -0.50 | -40.34 | 66.9% | 3.1 |
| Dec3-May4 | (20.25) | -0.75 | -28.68 | 70.6% | 3.3 |
| Mar4-Jul4 | (15.25) | -0.25 | -23.03 | 66.2% | 3.0 |
| Beans | | | | | |
| | Close | Change | Full Carry | % of Full Carry | ROS/mo |
| Nov3-Jan4 | 10.50 | -1.50 | -15.20 | -69.1% | None |
| Nov3-Mar4 | 30.50 | -1.25 | -29.91 | -102.0% | None |
| Nov4-Jan5 | (5.75) | -0.25 | -14.17 | 40.6% | 0.7 |
| Wheat | | | | | |
| | Close | Change | Full Carry | % of Full Carry | ROS/mo |
| Dec3-Mar4 | (11.75) | -1.00 | -18.71 | 62.8% | 2.7 |
| Mar4-May4 | (6.50) | -0.50 | -12.13 | 53.6% | 2.1 |
| May4-Jul4 | (1.75) | -2.25 | -12.57 | 13.9% | -0.4 |
| KCBOT Wheat | | | | | |
| | Close | Change | Full Carry | % of Full Carry | ROS/mo |
| Dec3-Mar4 | (2.75) | unc | -21.88 | 12.6% | -0.4 |
| Mar4-May4 | (1.00) | -1.50 | -14.20 | 7.0% | -0.8 |
| Mar4-Jul4 | 4.25 | -4.25 | -28.88 | -14.7% | None |

South American Weather Outlook

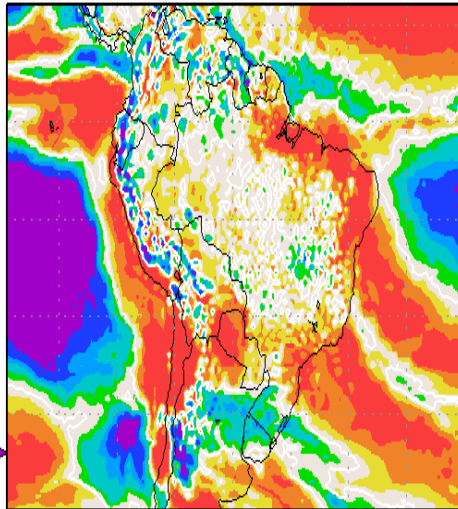
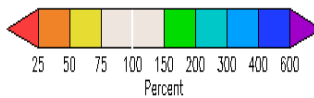
<http://www.wxmaps.org/pix/clim.html>

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

Fri, 08 NOV 2013 at 12Z

-to-

Sat, 16 NOV 2013 at 00Z

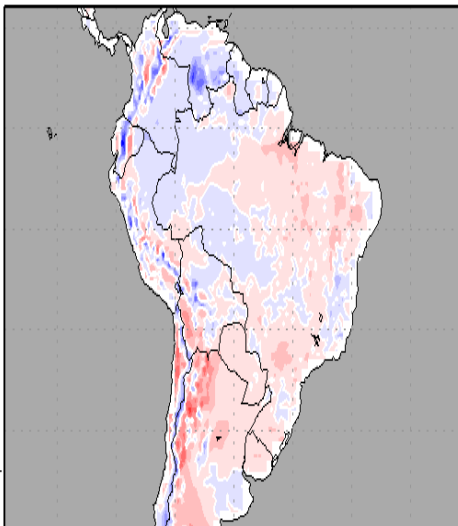
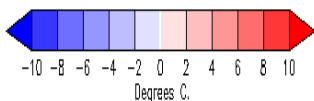


Temperature Anomaly
during the first 7.5-day period from:

Fri, 08 NOV 2013 at 12Z

-to-

Sat, 16 NOV 2013 at 00Z



tight. Planting going well in South America. 10-day Gulf all vessel line up is 79, up 16 from last week. Based on inspections, about 80% of these vessels are for beans. CIF bid +94SX, IL River fgt at 520% (week 3 prices) equals +4SX, FOB barge on Upper IL R, which is below DVE of +12, so looks like we might expect some more deliveries. Conversely "offer side" of CIF is +99SX. "Bid side" of barge freight is 510%, which equals +11SX and not far from +12, which is what a stopper would own the beans at. Therefore an exporter, that still needs to buy beans will likely keep his long SX13 until he has the physical beans bought and risk the penny.

Terry Reinhart

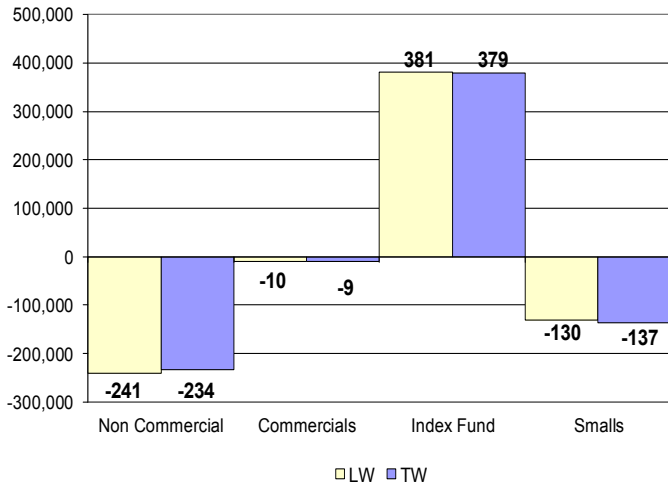
Wheat

Wheat closed slightly weaker on WASDE Friday. Wheat ending stocks were nearly unchanged from September at 565 mbu. Supply was up 26 mbu on an increase in both imports and production, while usage bumped 22 mbu, primarily on an increase in feed/residual. In the classes, HRW crop and domestic use fell by 47 and 44 mbu from Sep. HRS was an increase in production of 15 mbu and domestic use of 21 mbu, with a decrease in exports of 10 mbu. Net ending stocks showed a slight increase of 12 mbu. The SRW side saw a 23 mbu production increase but a 40 mbu usage increase. World numbers showed a slight decline in production at 706.4 mmt vs. 708.9 in Sep, however ending stocks increased to 178.5 mmt from 176.3 in Sep. Australian production was left unchanged despite the Ag Attache dropping the forecast earlier this week. FSU production was the biggest decline at 3.9 mmt. Non-WASDE fundamental news was limited and the cash markets were quiet. Black Sea weather has been ideal for the late planted crop with warmer temps allowing for "catch up" development. The KCBT protein scale was unchanged and continues to be worth more for 11.20 through 12.80 than higher levels. Z/H traded to a low of 3 ½ before settling at 2 ¾. These levels continue to give an opportunity for hedges in the Dec that will struggle to move logistically.

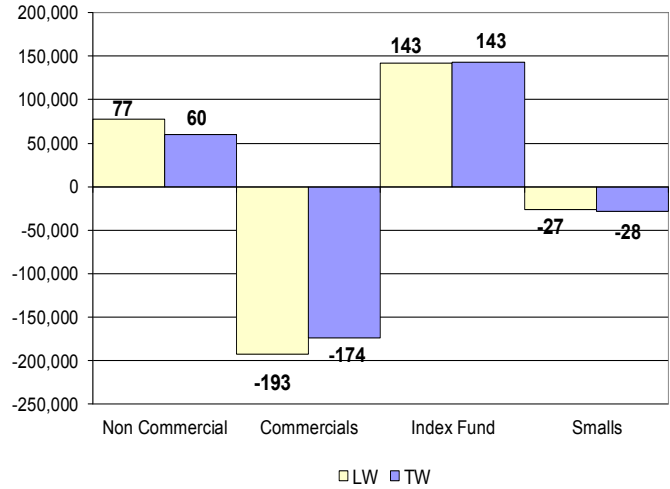
Curt Strubhar

Commitment of Traders

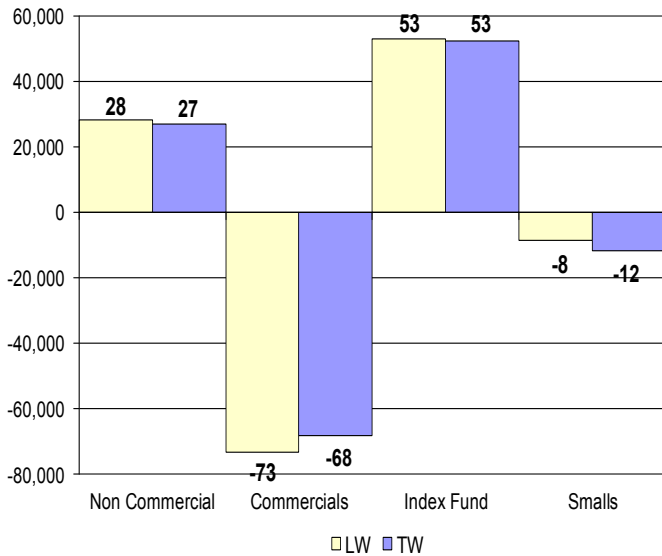
Corn Net Future & Option Positions



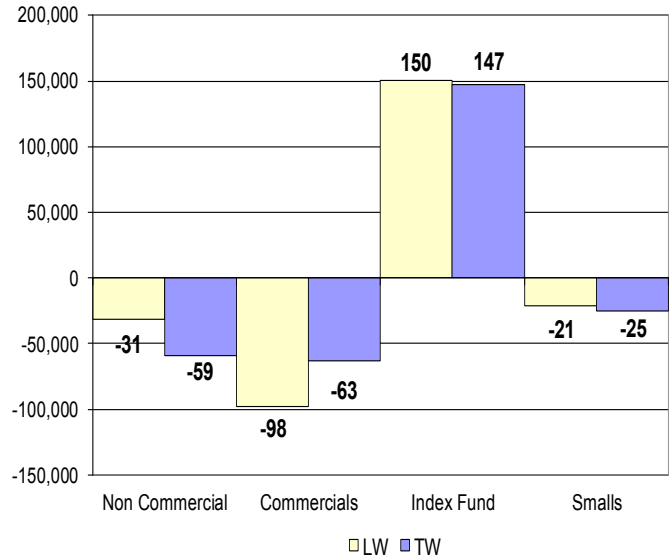
Soybean Net Future & Option Positions



KC Wheat Net Future & Option Positions



CBOT Wheat Net Future & Option Positions



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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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