

November 14, 2013

ADVANCE INSIGHT

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Transportation					
	TW/NW/Nov	Dec	Jan	Feb	Mar
St. Paul Savage	475/475/475				
Dub South	530/520/510				425
St. Louis 12'	650/575/475	375	375	350	350
Illinois	650/625/550	515	485	475	450
OH/Jeff/Cinn	850/850/525	550	500	475	425
Gulf/PNW	\$0.650 / bushel				
BN Shuttles	700/500/475	400	200	138	138
UP Shuttles	/-100/-100	-100	-125	-50	-50

Cash Corn Markets					
	Nov FH/LH	Dec FH/LH	Jan FH/LH	Feb	Mar
CIF Nola	86z/86z 2	82z/80z	66h/66h	66h	
PNW	138z/138z 7	130z/130z	115h/115h	112h	112h

	Nov FH/LH		Nov FH/LH
Cols CSX 65	-5z/-5z unc	Chicago	18z/18z unc
Ft. Wayne N/S 75	-6z/-6z unc	Pekin ethanol	6z/10z unc
Evansvl 15s	3z/3z unc	Decatur, IL	10z/10z unc
Toledo	-20z/-20z 2	Champaign CN 25	4z/4z -1
UP Grp 3	6z/6z unc	Clinton, IA	18z/18z unc
Dexter, MO	/ x	Columbus, NE ethanol	16z/18z unc
Fayne, OH	-6z/-6z unc	Muscatine Truck	10z/10z unc
Ottawa	-18z/-11z 5	Hereford COBO B/E	88h/88h unc

Cash Bean Markets					
	Nov FH/LH	Dec FH/LH	Jan FH/LH	Feb	Mar
CIF Nola	98f/101f 1	103f/103f	98f/98f	100h	
Paranagua	250x/250x unc	/	55f/55f	55h	35h

	Nov FH/LH		Nov FH/LH		Nov FH/LH
Columbus	17f/17f unc	CN25	10f/10f unc	Mankato	-10f/-10f -9
Toledo	15f/15f -5	Chicago	5x/5x unc	Cncl Bluf	-5f/-5f unc
Fostoria	15f/15f unc	Decatur	17f/17f -3	Lincoln	0f/-5f unc
Windsor	10f/10f unc	Naples	-5f/-5f -5	KC	15f/15f unc
PNW	/140f	Ottawa	-13f/-4f unc	Wichita	10f/10f -5

Cash Milo Markets					
	Nov FH/LH	Dec FH/LH	Jan FH/LH	Feb	Mar
CIF Nola	100z/100z -5	/	/		
Houston	100z/100z -10	85z/85z	75h/75	75h	70h
Corpus Christi	105z/105z	105z/105z	75h/75	75h	70h

Cash Wheat Markets					
	Nov FH/LH	Dec FH/LH	Jan FH/LH	Feb	Mar
CIF SRW	95z/90z unc	85z/85z	77h/77h	77h	
TX Gulf HRW	125/125 unc	/	/		

	Nov FH/LH	HRW	Nov FH/LH
St. Louis	11z/11z -2	KC Ords	110z/120z unc
Toledo (Mill)	-5z/-5z unc	KC 12s	160z/170z 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	31-39(800-1000)	12.5
Soybeans	33-44(900-1200)	5.4
Wheat-All	13-20(350-550)	11.4
HRW		4.4
SRW		2.5
Sorghum		2.8
Soybean Meal	200-350	90.4
Soybean Oil	25-50	7.8

Corn

Corn prices were a lower on Thursday in a very quiet trade. Continue to hear the EPA is ready to release their announcement regarding the RFS but no day or time has been scheduled. Export sales will be out Friday morning. Trade estimate is 31-39 mbu. South America has seen some rain which has delayed some planting but the forecast turns drier as we head into the weekend. Here in the States there has been limited cash movement the past couple days by the farmer. It seems the interior basis has firmed up a bit from earlier in the week. However the river market around Cincinnati was weaker. Likely due to delay with one of the locks down on the Ohio River and seems to be more isolated. CIF values at the gulf were higher at midday. Because of this the spreads have narrowed a bit with the Z/H trading into 9 ¼ cents carry Thursday – did spend a lot of the session around 9 ¾-10 cents. The last time we traded this narrow was back in early June when we briefly trading into a 9 cent carry. The H/K is trading 8 ½ cents carry. Full carry is 11 ½ cents. Given the lack of producer movement we could see the spreads continue to inch narrower. For end users with JFM or AM basis risk you could look to bull spread this against your needs. If the spread relaxes – the risk is full carry or about 3 cents. If that happens you will likely see cheaper basis. If we see it firm up further the spread should narrow and that gain will offset some of the basis appreciation. For elevators the challenge is figuring out how much you will own into the winter months. What could happen is you end up buying the grain later and the spreads are less attractive than they are today. So you could bull spread it today and then you have the spread locked in when you buy it. Risk is you don't buy enough to offset the risk but the risk is the spread goes to full carry...

Mark Talaski

Daily Spreads					
Corn					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Dec3-Mar4	(10.00)	0.50	-17.40	57.5%	2.5
Dec3-Jul4	(25.50)	1.00	-40.33	63.2%	2.8
Dec3-May4	(18.50)	0.75	-28.67	64.5%	2.9
Mar4-Jul4	(15.75)	0.25	-23.01	68.4%	3.1
Beans					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Nov3-Jan4	9.00	4.00	-15.24	-59.1%	None
Nov3-Mar4	21.50	-1.00	-29.99	-71.7%	None
Nov4-Jan5	(6.00)	-0.25	-14.23	42.2%	0.8
Wheat					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Dec3-Mar4	(10.50)	-0.50	-18.67	56.2%	2.3
Mar4-May4	(4.25)	unc	-12.11	35.1%	1.0
May4-Jul4	0.75	1.50	-12.53	-6.0%	None
KCBOT Wheat					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Dec3-Mar4	(1.75)	-1.00	-21.85	8.0%	-0.7
Mar4-May4	0.25	-0.72	-14.17	-1.8%	None
Mar4-Jul4	8.00	-0.50	-28.83	-27.8%	None

South American Weather Outlook

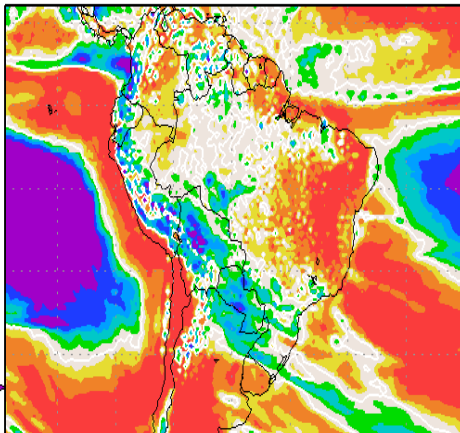
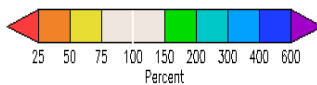
<http://www.wxmaps.org/pix/clim.html>

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

Thu, 14 NOV 2013 at 12Z

-to-

Fri, 22 NOV 2013 at 00Z

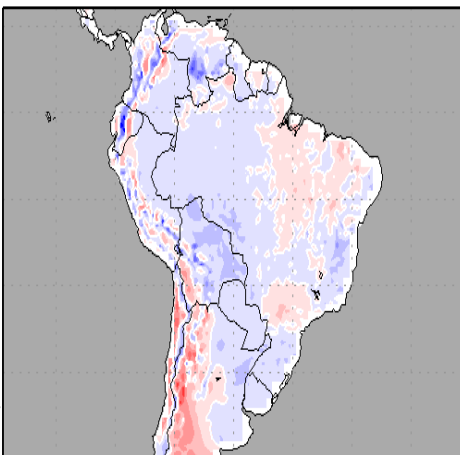
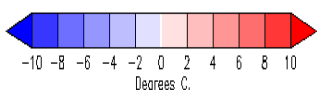


Temperature Anomaly
during the first 7.5-day period from:

Thu, 14 NOV 2013 at 12Z

-to-

Fri, 22 NOV 2013 at 00Z



Beans

Soybean futures closed lower for the first time in 7 sessions. The losses were modest, with SX13 down 2 ½ cents at \$13.17 ¼, & SF14 down 1 ½ at \$13.13 ½. Profit taking seemed to ensue after Jan futures traded to their highest level since late September. The CBOT reported that 10 contracts were delivered against November futures, which expired today. During the life of SX13, it put in a contract high of \$14.09 ¾, low of \$9.19, & was traded over 14.5 million times. SMZ13 closed at nearly \$425, which is impressive considering just a week ago it was \$392. Soybean oil wound up mixed. This morning the USDA reported export sales of 40,000 tons to India, which will be the first time for this business on record. NOPA Oct Crush will be released tomorrow. Estimates for crush are currently 154.3, vs 108.7 in September. The South American forecast looks like it will continue to offer favorable weather into early December. Cash markets were steady for the most part. CIF remained at 101/104 F for LH Nov. SX13/SF14 expired at a 3 ¾ cent inverse. SF14/SH14 actually weakened ¾ cent to close at a 16 cent inverse.

Michael Reginelli

Wheat

USDA export sales data is delayed until Friday morning due to Veterans Day holiday this week. Egypt bought 60,000 tonnes of Romanian wheat and 180,000 tonnes of French wheat for Dec 1-15 shipment. This is their first purchase of French supplies in nearly a year, and traders are expecting additional shipments of EU wheat into North Africa if price relationships remain at current levels. US supplies are not price competitive into Egypt and will therefore continue to seek demand from Mexico and South America. Wet conditions in Argentina - Buenos Aires wheat harvest is 7% compared to 14% last year. Australian crop appears to be on track to hit the USDA 25.5 MMT estimate; great crops in some areas in poor crops in others but most believe the final tally will be close to that figure. On a side note - there was a story Thursday in the Melbourne Herald Sun paper expressing concerns about Aussies going gluten free and boycotting Aussie wheat. A quote from the story regarding the rapid rise in self-diagnosis of wheat intolerance: "People eat a huge bowl of pasta, feel uncomfortable and then decide they are allergic. They're not - they've just eaten too much". CME soft red winter wheat spreads have generally narrowed this week - nothing too dramatic - but definitely a firmer tone for the week. LH Nov CIF hanging in the low to mid 90s for SRW.

Phil Reginelli

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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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