

November 15, 2013

# ADVANCE INSIGHT

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## Transportation

	TW/NW/Nov	Dec	Jan	Feb	Mar
St. Paul Savage	500/500/500				
Dub South	560/550/550				425
St. Louis 12'	675/625/475	450	400	475	350
Illinois	725/675/625	550	525	500	400
OH/Jeff/Cinn	900/825/725	600	475	425	400
Gulf/PNW	\$0.650 / bushel				
BN Shuttles	600/500/500	500	250	200	200
UP Shuttles	/0/0	-100	-100		

## Cash Corn Markets

	Nov FH/LH	Dec FH/LH	Jan FH/LH	Feb	Mar
CIF Nola	85z/84z -1	81z/80z	66h/66h	66h	
PNW	138z/138z unc	130z/130z	115h/115h	112h	112h

	Nov FH/LH		Nov FH/LH
Cols CSX 65	-5z/-5z unc	Chicago	18z/18z x
Ft. Wayne N/S 75	-6z/-6z unc	Pekin ethanol	8z/8z 2
Evansvl 15s	3z/3z unc	Decatur, IL	10z/10z unc
Toledo	-20z/-20z unc	Champaign CN 25	5z/5z 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/-16z unc	Hereford COBO B/E	88h/88h unc

## Cash Bean Markets

	Nov FH/LH	Dec FH/LH	Jan FH/LH	Feb	Mar
CIF Nola	98f/95f unc	103f/103f	98f/98f	99h	
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	-8f/-8f 2
Toledo	15f/15f unc	Chicago	5f/5f unc	Cncl Bluf	-5f/-5f unc
Fostoria	15f/15f unc	Decatur	15f/15f -2	Lincoln	0f/-5f unc
Windsor	10f/10f x	Naples	-12f/-12f -6	KC	15f/15f unc
PNW	/140f	Ottawa	-13f/-5f unc	Wichita	10f/10f unc

## Cash Milo Markets

	Nov FH/LH	Dec FH/LH	Jan FH/LH	Feb	Mar
CIF Nola	100z/100z inc	/	/		
Houston	100z/100z unc	85z/85z	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/90z unc	90z/90z	77h/77h	77h	
TX Gulf HRW	125/125 unc	/	/		

	Nov FH/LH	HRW	Nov FH/LH
St. Louis	5z/5z -6	KC Ords	110z/120z unc
Toledo (Mill)	-5z/-5z unc	KC 12s	160z/170z unc
		KC 13s	120z/130z unc
PNW	115z/115z unc	KC 14s	115z/125z unc

## Export Sales

	Actual Old (mbu)	Actual New (mbu)	Expected (mbu)	Need
Corn	47.4	0.0	31-39(800-1000)	11.3
Soybeans	31.2	2.2	33-44(900-1200)	4.7
Wheat-All	10.6	0.0	13-20(350-550)	11.1
HRW	3.0	0.0		4.3
SRW	1.8	0.0		2.4
Sorghum	5.4	0.0		2.7
Bean Meal	283.2	0.0	200-350	84.5
Bean Oil	7.2	0.0	25-50	7.7

## Corn

A stroke of the pen and a public comment period could wipe out a lot of hard work by the ethanol industry and about .7 B bu of future mandated corn demand by cal 2015, yet CZ15 down only 7c at \$4.76/bu and ethanol swaps in Dec remained strong at 1.75. Here's the math to get to conventional corn ethanol mandates for 2014: total renewable fuel 15.21B g less Advanced biofuel mandate 2.25 B g midpoint leaves 13.0 B g corn ethanol mandate divided by 2.8g /bu equates to 4.6B bu mandated corn demand domestically for ethanol, add to that exported ethanol corn equiv 180 to 360 mbu and 4.8-4.96 Bu bu demand seems quite probable and those number have upside to 5.2B bu depending on how domestic demand actually shakes out with the etoh/rbob spread favoring ethanol by 87cpg in Dec. Renewable Information Number (eRIN) prices took the brunt of the hit as not as many of those will be required for compliance purposes, E-RIN prices were pegged just under 20cpg. So the EPA's leaked document turned out to be right, who are the losers and the winners? The potential winner is big oil refiners and blenders receive relief from RFS-2 compliance costs. The potential losers? exporters of Brazil ethanol to the US, biodiesel producers, advance biofuel producers, and US farmers/corn ethanol producers via lower guaranteed corn ethanol growth. With the advance mandate cut from 3.75 B g to potentially 2.25 B g and 1.28B g of biomass biodiesel mandate nested in the 2.25 B g advance mandate it leaves only .97 B g of mandated advance biofuel left to be fulfilled by: renewable diesel, biomass biodiesel and/or Brazil sugarcane ethanol. A much smaller pie of guaranteed demand for all in 2014. What Bush started, Obama took the 1<sup>st</sup> step toward transforming from mandated to market driven demand. The best tweet was "quick someone call EPA and tell them the drought was last year". CZ3 -4 ½ at 422 and CZ/H4 +1 ½ at -8 ½ carry. Corn basis remains firm and spreads are tightening to create movement. While fundamentals don't warrant a corn rally, if basis and spreads don't accomplish movement the flat price eventually has to do the work. Time to converse with your merchandising consultant on your long CZ/H4-- starting to

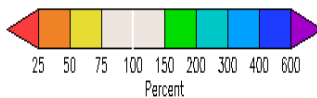
Daily Spreads					
Corn					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Dec3-Mar4	(8.50)	1.50	-17.37	48.9%	2.0
Dec3-Jul4	(23.75)	1.75	-40.27	59.0%	2.6
Dec3-May4	(16.50)	2.00	-28.63	57.6%	2.5
Mar4-Jul4	(15.25)	0.50	-22.97	66.4%	3.0
Beans					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Jan4-Mar4	14.75	5.75	-14.85	-99.3%	None
Mar4-May4	15.50	-6.00	-14.31	-108.3%	None
Nov4-Jan5	(6.50)	-0.50	-14.14	46.0%	1.1
Wheat					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Dec3-Mar4	(10.00)	0.50	-18.67	53.6%	2.1
Mar4-May4	(4.00)	0.25	-12.10	33.1%	0.8
May4-Jul4	2.75	2.00	-12.53	-22.0%	None
KCBOT Wheat					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Dec3-Mar4	(2.00)	-0.25	-21.82	9.2%	-0.6
Mar4-May4	1.00	0.75	-14.16	-7.1%	None
Mar4-Jul4	9.50	1.50	-28.79	-33.0%	None

### South American Weather Outlook

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

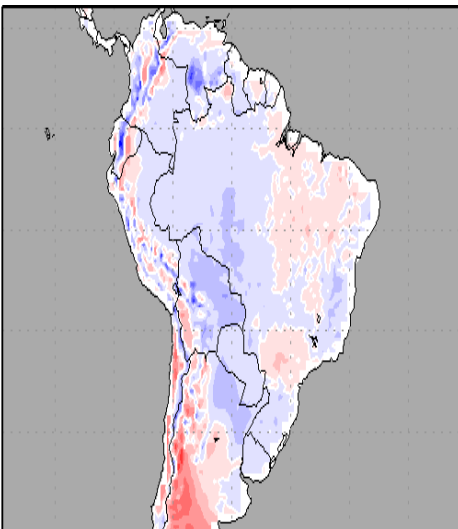
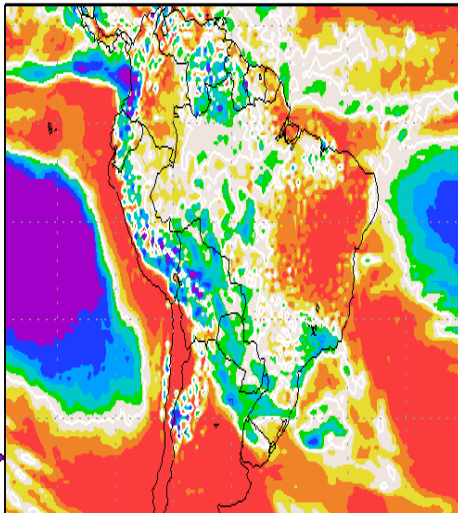
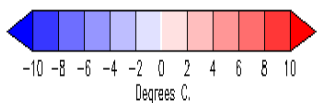
Precipitation (percent of normal)  
during the first 7.5-day period:

Fri, 15 NOV 2013 at 12Z  
-to-  
Sat, 23 NOV 2013 at 00Z



Temperature Anomaly  
during the first 7.5-day period from:

Fri, 15 NOV 2013 at 12Z  
-to-  
Sat, 23 NOV 2013 at 00Z



approach exit objectives pricewise, but each operation is different and farmers remain tight holders of corn and the spread will narrow without movement. Ethanol nearby margins surged in spot cash NY and Chicago markets which continue to grapple poor rail performance and underlying tight inventories and good margins noted on the forward curve.

*Joe Harroun*

### Beans

Funds decided to take some length off the table today after we crossed over tech support yesterday and could not follow thru. Fund sold 10k beans, 5k meal and 2k oil. SF closed -33c, and down 17c for the week. SF/H at 15c inverse, -1 for the day and off 4c for the week. Informa's '14 acreage estimate continues to show a potentially burdensome picture for the '14/15 crop. Acreage is estimated +7.3 mln from this year and production at 3.679 bbu crop. Using this year's demand that would jump carryout to well over 500 mbu. Export sales of 31.2 mbu were a bit below estimates of 32-34, but we have now sold 86% of the year's beans. Meal sales are at 56% of the year's total and we are only 6 weeks into that marketing year. If the S. Am crop develops well, the market will become more worried about export cancellations than about seeing new sales. Term put 128 deliveries back out that they had stopped; with basis not really firm enough to intent taking them out now. NOPA member crush in October 157.1 mbu, above trade guesses and +2% LY. That's a record Oct crush. Oil yield at 11.64 lb/Bu, vs. 11.76 LY. Oil production was +534 mln lbs over Sept, but stocks declined 16. Implied Oct domestic meal use is 5% over LY. EPA proposal for biodiesel was somewhat expected and is bearish for sbo as D4 rins now will not be needed to help deal with ethanol mandate. Biodiesel mandate is proposed to stay at current '13 level of 1.28 bln gals. Cot report showed the managed money position at 121k long, +23k and 17% of OI.

*Trent Sauder*

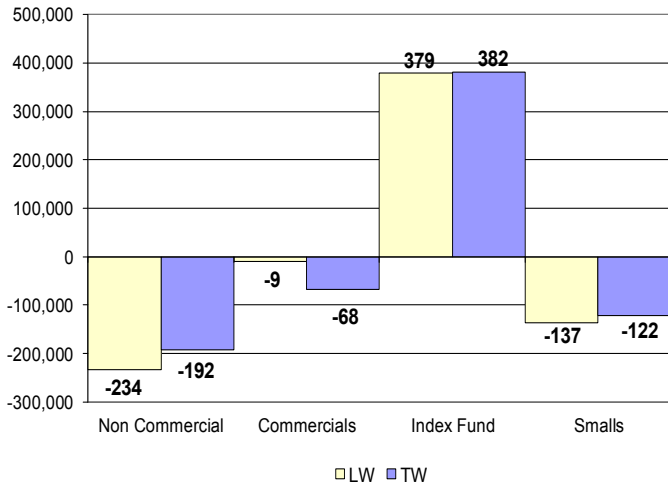
### Wheat

SRW and HRS futures took the smallest "thumping" today of the Mid-West crops at down 1 to 4. Export wheat sales of 10.6 was less than the 13-20 expected and 11.4 needed to reach USDA expectations. Sales were Nigeria, Thailand, Indonesia, unknown and Mexico. Total included 3.6 HRS; 3.0 HRW; 1.8 SRW and 2.2 White Of note in COT Report: In Chicago, Commercial short is 36,824, down 26,192; Spec is short 87,215, up 28,177. The long remains the Index Fund. In HRW, Commercial is short 58,173, down 9,969, Spec is long 18,567, down 8,561, the Index Fund long remains steady. Australia harvest is under way and yields are variable and hopes of a 25 MMT crop are dwindling. 24.7 is estimated by NAB. Spain's soft wheat is up 100 K MT, from LM to 6.72 MMT and above LY's 4.65.

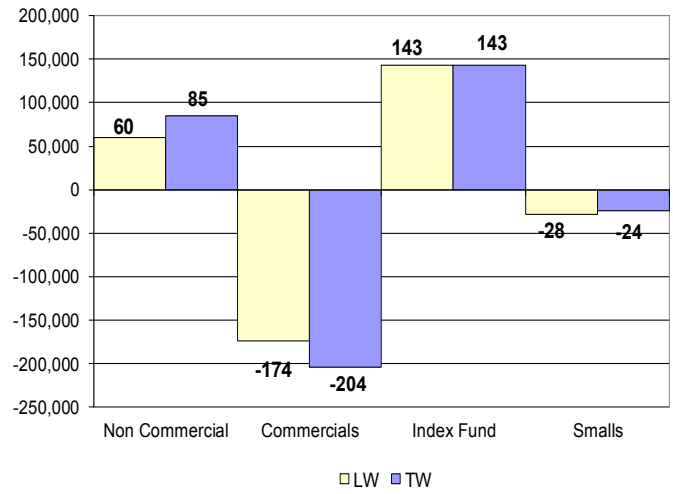
*Terry Reinhart*

# Commitment of Traders

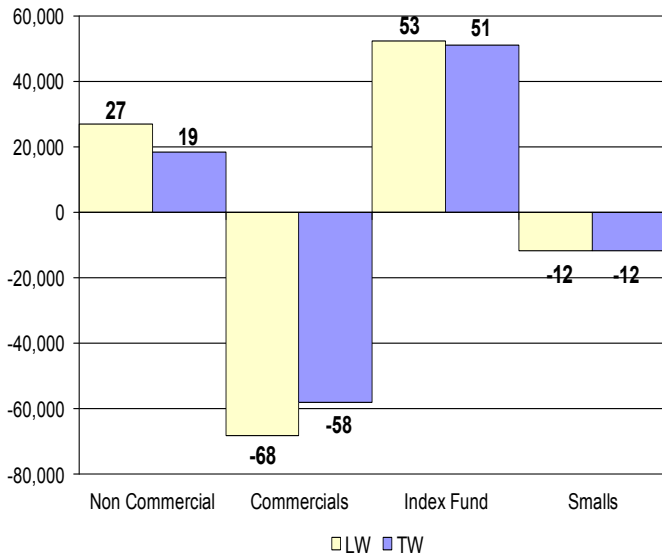
### Corn Net Future & Option Positions



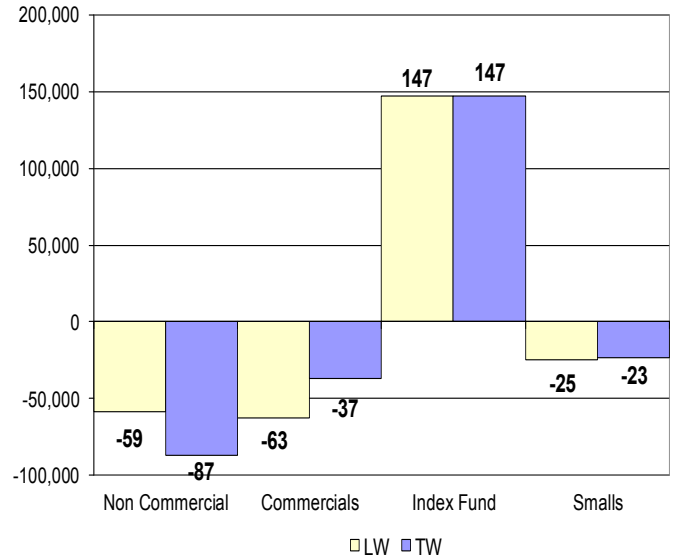
### Soybean Net Future & Option Positions



### 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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