November 18, 2013

ADVANCE INSIGHT

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ADVANCE TRADING

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	800/800/700	700	500	250	250
UP Shuttles	100/100/100	25	-50		

Cash Corn Markets

	Nov FH/LH	Dec FH/LH	Jan FH/LH	Feb	Mar
CIF Nola	86z/84z 1	84z/82z	70h/67h	67h	
PNW	138z/138z x	130z/130z	115h/115h	112h	112h

	Nov FH/LH		Nov FH/LH
Cols CSX 65	-5z/-5z unc	Chicago	20z/20z 2
Ft. Wayne N/S 75	-6z/-6z unc	Pekin ethanol	8z/8z unc
Evansvl 15s	3z/3z unc	Decatur, IL	10z/10z unc
Toledo	-17z/-17z 3	Champaign CN 25	4z/4z -1
UP Grp 3	6z/6z x	Clinton, IA	18z/18z unc
Dexter, MO	/ x	Columbus, NE ethanol	16z/18z x
Fayne, OH	-6z/-6z unc	Muscatine Truck	15z/15z +5
Ottawa	-13z/-13z 5	Hereford COBO B/E	88h/88h x

Cash Bean Markets

	Nov FH/LH	Dec FH/LH	Jan FH/LH	Feb	Mar
CIF Nola	102f/102f 4	105f/105f	101f/101f	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	-7f/-7f 1
Toledo	15f/15f unc	Chicago	5f/5f unc	Cncl Bluf	-5f/-5f unc
Fostoria	15f/15f unc	Decatur	15f/15f unc	Lincoln	0f/-5f x
Windsor	10f/10f	Naples	-10f/-10f +2	KC	15f/15f unc
PNW	/140f x	Ottawa	-5f/-5f 8	Wichita	10f/10f unc

Cash Milo Markets

	Nov FH/LH	Dec FH/LH	Jan FH/LH	Feb	Mar
CIF Nola	100z/100z unc	/	/		
Houston	100z/100z unc	85z/85z	75h/75	75h	70h
Corpus Christi	110z/110z -5	110z/110z	75h/75	75h	70h

Cash Wheat Markets

	Nov FH/LH	Dec FH/LH	Jan FH/LH	Feb	Mar
CIF SRW	90z/90z -5	97z/97z	77h/77h	77h	
TX Gulf HRW	125/125 unc	/	/		

SRW	Nov FH/LH	HRW	Nov FH/LH
St. Louis	4z/4z -1	KC Ords	110z/120z unc
Toledo (Mill)	-5z/-5z unc	KC 12s	161z/171z 1
	Nov FH/LH	KC 13s	120z/130z unc
PNW	115z/115z x	KC 14s	115z/125z unc

Export Inspections

	TW	LW	LY	YTD	USDA Goal	Need/ Week
Corn	30.8	17.2	14.4	254.7	1225	27.9
Soybeans	87.8	82.6	69.1	508.9	1370	23.0
Wheat	18.1	12.5	11.4	629.1	1100	16.8
Sorghum	2.3	0.5	0.5	30.2	160	3.7

Corn

CZ closed down 10c at 412. Weakness was related to negative interpretation of reduced corn needed to meet ethanol mandate and story out of China that a non-approved GMO variety (Syngenta AG's Agrisure Viptera) had arrived on a vessel from the US and been rejected. BN car values surged back higher with $1200 reported near mid-day. IL Riv barge frt was 650/700 for this week while Oh River was 800/900. Both of these were 50-75% lower than last week. The 10c drop in futures is not helping originate any bushels and ATI export est. for the bal of the yr is 35/week vs. the 10-15 we have been doing. CZ/CH closed unchg at 9c with 7 more trading days until FND. CIF less barge frt leaves fob Chi 5-8c below DVE but both the frt and CIF have a lot of random volatility in them. Given the record low SON farmer sales, market needs to make sure all commercially owned stocks move into the market. Thus, we expect basis along river to reach DVE and that will keep the pressure on spreads to narrow.

Jeff Hainline

Beans

Beans were the lone commodity of strength on Friday. Funds were net buyers, unlike the grains. Weekly bean shipments were record large at 87.809 mbu, above market expectations and well above the annualized 23.0 mbu needed per week. As has been the case, China carried the bulk of the shipments at 68.5 mbu. EU and Taiwan were both above 5 mbu as well. Year to date shipments now stand at 508.866 mbu, nearly double corn's total. The weekly total of all commodities is near lifting capacity for the U.S. Argentine planting was estimated at 21.8% complete by the BA Grains Exchange as of last Thursday with Brazil estimated at 69%. The forecast looks good for more progress this week though in portions of the country (Argentina), early dryness is a concern. The afternoon crop progress report showed beans 95% harvested, up 4 on the week. Central basis was steady on the day and while F/H was steady, H forward

Daily Spreads					
Corn					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Dec3-Mar4	(9.25)	-0.75	-17.31	53.4%	2.3
Dec3-Jul4	(24.50)	-0.75	-40.14	61.0%	2.7
Dec3-May4	(17.25)	-0.75	-28.54	60.4%	2.7
Mar4-Jul4	(15.50)	-0.25	-22.90	67.7%	3.1
Beans					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Jan4-Mar4	14.50	-0.25	-14.88	-97.5%	None
Mar4-May4	14.25	-1.25	-14.34	-99.4%	None
Nov4-Jan5	(5.75)	0.75	-14.13	40.7%	0.8
Wheat					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Dec3-Mar4	(10.00)	unc	-18.65	53.6%	2.1
Mar4-May4	(3.75)	0.25	-12.09	31.0%	0.7
May4-Jul4	3.50	0.75	-12.52	-28.0%	None
KCBOT Wheat					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Dec3-Mar4	(2.50)	-0.50	-21.80	11.5%	-0.5
Mar4-May4	(0.25)	-1.25	-14.14	1.8%	-1.2
Mar4-Jul4	8.00	-1.50	-28.76	-27.8%	None

South American Weather Outlook

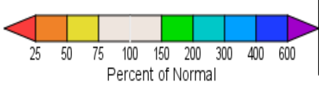
http://www.wxmaps.org/pix/clim.html

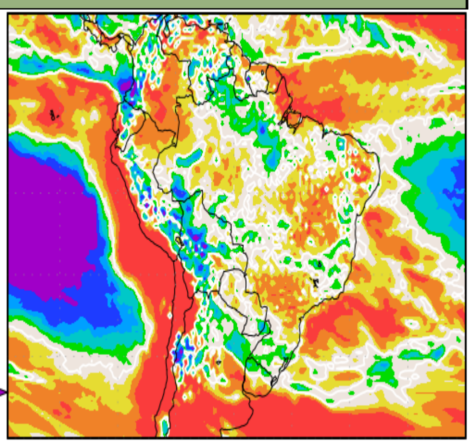
Precipitation (percent of normal) during the first 7.5-day period:

Mon, 18 NOV 2013 at 12Z

-to-

Tue, 26 NOV 2013 at 00Z



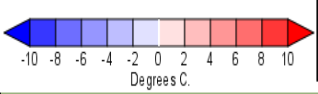


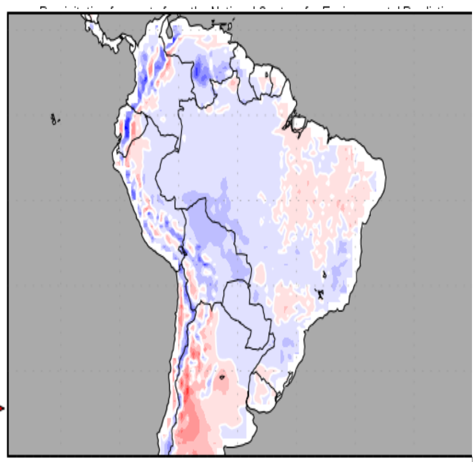
Temperature Anomaly during the first 7.5-day period from:

Mon, 18 NOV 2013 at 12Z

-to-

Tue, 26 NOV 2013 at 00Z





spreads weakened several cents. Deliverable registrations sit at 285 contracts. Jan CIF bid and Jan barge freight offer (Chicago) FOB back at +10F, just light of DVE. Commercials should still be short the basis with longs primarily in the F. To roll any forward one must be confident the farmer will carry the unpriced DP to that forward slot and/or have unsold DP available to make additional sales.

Curt Strubhar

Wheat

Sluggish start to the week for the wheat trade as futures were unable to hold early gains with price declines in the corn pit (or CPU might be more accurate). Combined volume from the 3 exchanges was light at roughly 70% of the 5-day average volume. Early trade direction was generally positive as CFTC data indicated Chicago wheat funds were significantly short. Adding to the bullish trend were results from Indian wheat sales at higher values than expected. State Traders in India received bids of ~$290 which was significantly higher than the $260 floor price established last month. The destination is likely going to Korean feed wheat shorts in the market. The 3 Indian trading companies had failed to make any sales in the last round of global tenders in October, but that was with a required price of $300/mt. This tender will put Indian wheat on par with recent Black Sea wheat values. On November 1st, Indian wheat stocks were just over 34 Mmt, which is 3X's the target level of reserves. Iraq is in the market for 50K tonnes of wheat, with Canadian origin likely. Egyptian supply minister indicating they are covered on wheat until March 5th, which would have the betting man guessing we will see a tender shortly. Rains have slowed the Australian harvest while Argentine harvest is finally getting started. Weekly export inspections were decent at 18.1 which brings the YTD export total to 630mbu vs the 438 mbu last year at this time. After a couple weeks of inactivity, China was back in the report lifting 2.2 mbu. Most of the basis activity focused on domestic HRW markets where trade looks to be reaching for low protein blending stocks with high protein inventories of spring wheat. Values trading +170kwz for 11's and 12's in KC are clearly the market for most locations if they could get single cars. KC spreads were ½ penny weaker at 2 ½ cent carry, within the 2-3 week trading range.

Kelly Herrick

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Hours (CST): Sunday 5:00pm-9:00pm, Monday-Thursday 6:00am-9:00pm, and Friday 6:00am-5:00pm