# November 26, 2013
# ADVANCE INSIGHT
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ADVANCE TRADING

## Transportation

| | TW/NW/Nov | Dec | Jan | Feb | Mar |
|---|---|---|---|---|---|
| St. Paul Savage | // | | | | |
| Dub South | 540// | | | | 425 |
| St. Louis 12' | 450/450/425 | 400 | 400 | 375 | 350 |
| Illinois | 515/510/500 | 500 | 400 | 375 | 425 |
| OH/Jeff/Cinn | 500/500/475 | 475 | 450 | 450 | 425 |
| Gulf/PNW | $0.580 / bushel | | | | |
| BN Shuttles | 1300// | 1200 | 500 | 338 | 338 |
| UP Shuttles | // | 75 | 50 | 50 | 50 |

## Cash Corn Markets

| | Nov FH/LH | Dec FH/LH | Jan FH/LH | Feb | Mar |
|---|---|---|---|---|---|
| CIF Nola | 83z/83z 2 | 83z/78z | 71h/71h | 69h | |
| PNW | 150h/150h 5 | 135h/135h | 125h/125h | 125h | 120h |

| | Nov FH/LH | | Nov FH/LH |
|---|---|---|---|
| Cols CSX 65 | 0z/0z +8 | Chicago | 15h/15h unc |
| Ft. Wayne N/S 75 | 5z/5z +8 | Pekin ethanol | 5z/5z unc |
| Evansvl 15s | 14z/14z unc | Decatur, IL | 15z/15z unc |
| Toledo | -17z/-17z unc | Champaign CN 25 | 4z/4z |
| UP Grp 3 | 7h/7h 7 | Clinton, IA | 20z/20z -4 |
| Dexter, MO | / x | Columbus, NE ethanol | 12z/18z x |
| Fayne, OH | 6z/6z -1 | Muscatine Truck | 8z/8z unc |
| Ottawa | -3z/-3z 2 | Hereford COBO B/E | 88h/88h x |

## Cash Bean Markets

| | Nov FH/LH | Dec FH/LH | Jan FH/LH | Feb | Mar |
|---|---|---|---|---|---|
| CIF Nola | 97f/97f unc | 100f/104f | 105f/98f | 100h | |
| Paranagua | 250f/250f unc | / | 55f/55f | 40h | 40h |

| | Nov FH/LH | | Nov FH/LH | | Nov FH/LH |
|---|---|---|---|---|---|
| Columbus | 13f/13f +1 | CN25 | 10f/10f unc | Mankato | -5f/-5f unc |
| Toledo | 6f/6f -9 | Chicago | 5f/5f unc | Cncl Bluf | -8f/-8f unc |
| Fostoria | 15f/15f unc | Decatur | 15f/15f unc | Lincoln | -5f/-5f unc |
| Windsor | 5f/5f x | Naples | 5f/5f unc | KC | 7f/7f unc |
| PNW | 153f/153f 1 | Ottawa | 5f/5f 2 | Wichita | 0f/0f unc |

## Cash Milo Markets

| | Nov FH/LH | Dec FH/LH | Jan FH/LH | Feb | Mar |
|---|---|---|---|---|---|
| CIF Nola | 90z/90z unc | / | / | | |
| Houston | 110z/110z x | 75z/75z | 65h/65 | 55h | 40h |
| Corpus Christi | 110z/110z x | 110z/110z | 75h/75 | 75h | 70h |

## Cash Wheat Markets

| | Nov FH/LH | Dec FH/LH | Jan FH/LH | Feb | Mar |
|---|---|---|---|---|---|
| CIF SRW | 110z/110z 10 | 100z/95z | 80h/80h | 80h | |
| TX Gulf HRW | 125/125 x | / | / | | |

| SRW | Nov FH/LH | HRW | Nov FH/LH |
|---|---|---|---|
| St. Louis | 26z/26z 1 | KC Ords | 115h/125h unc |
| Toledo (Mill) | -5z/-5z unc | KC 12s | 166h/176h unc |
| | Nov FH/LH | KC 13s | 125h/135h unc |
| PNW | 100z/100z x | KC 14s | 125h/135h unc |

## Deliverable Stocks of Grain
(thousands of bushels)

| Corn | | Change from LW | Change from LY |
|---|---|---|---|
| Illinois River | 2901 | -407 | 1415 |
| Chicago | 1894 | 321 | 1257 |
| Total | 4795 | -86 | 2672 |
| **Soybeans** | | | |
| Illinois River | 4864 | -331 | 2471 |
| Chicago | 1686 | 116 | 122 |
| Total | 6550 | -215 | 2593 |
| **CBOT Wheat** | | | |
| Toledo | 25983 | -280 | -910 |
| Chicago | 10839 | 5 | -2682 |
| St. Louis | 249 | -101 | -1633 |
| Total | 37071 | -376 | -5225 |
| **KCBOT Wheat** | | | |
| Salina | 16530 | -703 | -8138 |
| Hutch | 22796 | -1043 | -4785 |
| KC | 11515 | -218 | 1390 |
| Total | 50841 | -1964 | -11533 |

## Corn

Moderate chart selling throughout the day creating a 9 cent trading range, the biggest in a week. Liquidation ahead of FND on Friday and some whispers of index selling too. CZ3 -6 ¼ , CZ4 -5. Downside targets may be recent low of 410 ¾ and/or contract low at 398 ½. Livestock markets were firmer and ethanol weaker. The big cash inverse in ethanol has fallen hard this week, with margins still good for Dec, but back to modest levels for JFM, which may slow forward margin corn procurement. Spread volume was big with 72K CZ/H trading and 30K CH/K. Farmer selling was back to nil, with most still having large quantities to sell. A simple GMP is the best way to stop the pain and stay in the game. Basis levels were steady in central/eastern markets and steady/weaker in west. Chicago processor +25z, UP IL rail markets +10cz, Dec Fob IL river 5c over dve and Chic fob barge at 2 below dve; all point toward no deliveries on Friday. Miss river near Davenport was closed after a boat grounded and diesel spilled. Only 2 boats waiting to move through. S. Am crop scout Cordonnier holding his Argi production at 25mmt and Brazil at 68.6mmt. Good rains and prospects for more in key South African growing region aiding early crop prospects. Argentine forecast is good for planting to resume. Weekly exports sales are out Friday am.

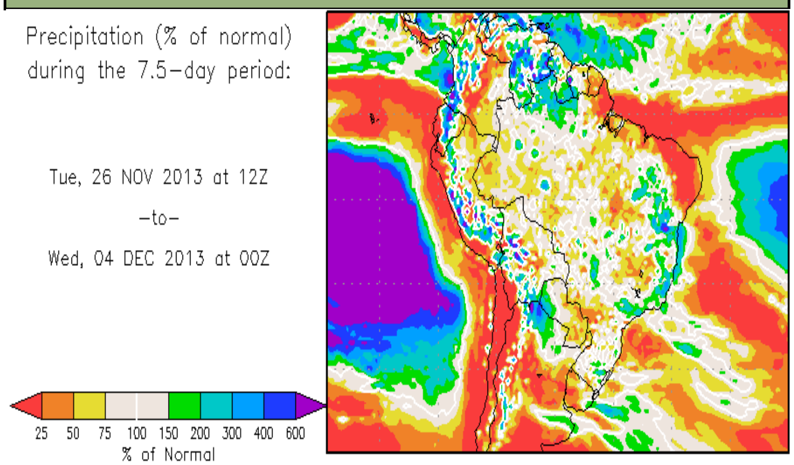
*Trent Sauder*

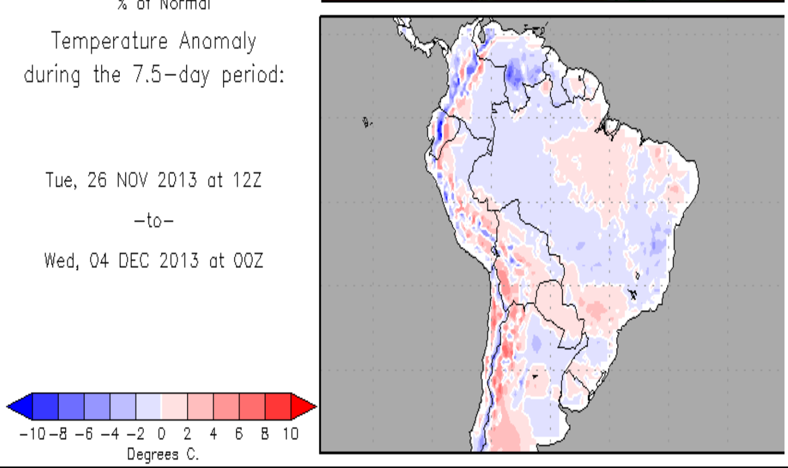
## Beans

| Daily Spreads | | | | | |
|---|---|---|---|---|---|
| **Corn** | | | | | |
| | **Close** | **Change** | **Full Carry** | **% of Full Carry** | **ROS/mo** |
| Dec3-Mar4 | (6.25) | unc | -17.35 | 36.0% | 1.3 |
| Dec3-Jul4 | (21.50) | unc | -40.23 | 53.4% | 2.3 |
| Dec3-May4 | (14.25) | 0.25 | -28.60 | 49.8% | 2.1 |
| Mar4-Jul4 | (15.25) | unc | -22.92 | 66.5% | 3.0 |
| **Beans** | | | | | |
| | **Close** | **Change** | **Full Carry** | **% of Full Carry** | **ROS/mo** |
| Jan4-Mar4 | 17.25 | 2.25 | -15.03 | -114.7% | None |
| Mar4-May4 | 19.25 | -0.75 | -14.48 | -133.0% | None |
| Nov4-Jan5 | (4.50) | -0.25 | -14.15 | 31.8% | 0.1 |
| **Wheat** | | | | | |
| | **Close** | **Change** | **Full Carry** | **% of Full Carry** | **ROS/mo** |
| Dec3-Mar4 | (9.50) | -2.75 | -18.67 | 50.9% | 1.9 |
| Mar4-May4 | (4.50) | 0.25 | -12.11 | 37.2% | 1.1 |
| May4-Jul4 | 3.25 | 1.00 | -12.53 | -25.9% | None |
| **KCBOT Wheat** | | | | | |
| | **Close** | **Change** | **Full Carry** | **% of Full Carry** | **ROS/mo** |
| Dec3-Mar4 | 5.75 | 3.75 | -21.85 | -26.3% | None |
| Mar4-May4 | 1.00 | 0.50 | -14.15 | -7.1% | None |
| Mar4-Jul4 | 9.25 | 0.50 | -28.78 | -32.1% | None |

## South American Weather Outlook

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




Beans were down basically the whole session but Jan futures clawed its way back to unchanged through the help of meal. To start the day, exports gave mixed signals as China cancelled 300tmt of beans sales whereas we sold 360tmt of beans to unknown. Forward crush margins are in question for China but also was seeing some interest out of China for JFM bean sales. Dr. Shonkwiler took a closer look at our current bean and meal sales on the books to come to a March 1 stocks estimate. Current liftings and unshipped sales would suggest stronger Bean export through March 1 vs LY but meal sales will not be as strong. In all, March 1 beans stocks would only be 50 mbu less than last year and correlate to strong inverses into this spring. Given the smaller expected corn crop in Brazil this year vs last, more of Brazil's export capacity will be dedicated to beans and meal vs corn. December meal had quite a strong close vs deferred months trading in almost a $20 per ton range. Spot meal bids at the processors were very quiet, but hearing spot export meal was in tighter supplies. Processors feel comfortable with spot supplies but beyond January will likely keep them scrambling for ownership. SF/SH at +17 should not encourage shorts to maintain any basis length and DP longs should stay in the Jan. AgRural estimates that 79% of the Brazil bean crop is planted vs 78% ly and 81% for their 5 year average. Private estimates expect Brazil and Argentina to raise 13.5 mmt more beans this year than last and prices at this level should encourage more farmer sales there.

*Dewey Hull*

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## Wheat

Wheat futures closed weaker on the day with the exception of KCBT Dec (more on that later). India keeps trying to get exports sold but at offers higher than world fair market value. Post close, GASC tendered for Dec 16-31 shipment, 55-60 kmt from all the usual suspects. Most of GASC's recent purchases have been Black Sea origin with U.S. offers limited. Results should be known tomorrow with results having been later in the morning (U.S. time) as of late than historically. KCBT protein scales were 5c firmer on the day, reflecting the strong domestic basis market that has led to nervous KWZ shorts. That general strength lead to KWZ/H jumping 4c today to settle at 5.5c inverse, with trades as high as 6 ¾. With inverses all the way to KWN, the merchandising picture is a strong sell message, particularly on the mid-level proteins. In Chicago, the spread story was the opposite at WZ lost 2 3/4 c relative to March, with the spread trading to 10c carry and settling at 9 ½. At KCBT (I still can't help calling it that), delivery expectations are zero, while Chicago could see some "test deliveries".

*Curt Strubhar*


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