

December 4, 2013

# ADVANCE INSIGHT

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## Transportation

	TW/NW/Dec	Jan	Feb	Mar	Apr
St. Paul Savage	//				425
Dub South	//			425	375
St. Louis 12'	425/425/400	400	375	350	300
Illinois	515/510/500	490	475	425	375
OH/Jeff/Cinn	530/525/500	450	450	425	375
Gulf/PNW	\$0.580 / bushel				
BN Shuttles	2500/2000/1000	700	400	400	-13
UP Shuttles	150/150/137.5	100	100	100	-50

## Cash Corn Markets

	Dec FH/LH	Jan FH/LH	Feb FH/LH	Mar	Apr
CIF Nola	69h/69h -10	73h/73h	72h/72h	66h	
PNW	127h/123h 5	120h/120h	120h/120h	115h	105k

	Dec FH/LH		Dec FH/LH
Cols CSX 65	-8h/-8h unc	Chicago	16h/16h unc
Ft. Wayne N/S 75	-4h/-4h unc	Pekin ethanol	-2h/0h unc
Evansvl 15s	8h/8 unc	Decatur, IL	0h/0h unc
Toledo	-17h/-17h unc	Champaign CN 25	-6h/-6h -1
UP Grp 3	3h/3h x	Clinton, IA	7z/7z -5
Dexter, MO	/ x	Columbus, NE ethanol	2h/6h unc
Fayne, OH	-1h/-1h unc	Muscatine Truck	8h/8h unc
Ottawa	-20h/-13h -12	Hereford COBO B/E	85h/85h unc

## Cash Bean Markets

	Dec FH/LH	Jan FH/LH	Feb FH/LH	Mar	Apr
CIF Nola	105f/106f 4	106f/99f	100h/100h	82h	
Paranagua	/	58f/58f	58h/58h	38h	-3k

	Dec FH/LH		Dec FH/LH		Dec FH/LH
Columbus	15f/15f unc	CN25	10f/10f unc	Mankato	-24f/-24f unc
Toledo	10f/10f unc	Chicago	5f/5f unc	Cncl Bluf	-12f/-12f -2
Fostoria	5f/5f unc	Decatur	15f/15f unc	Lincoln	-10f/-15f unc
Windsor	0f/0f	Naples	12f/12f +1	KC	2f/2f unc
PNW	150f/150f 5	Ottawa	14f/16f 2	Wichita	-5f/-5f unc

## Cash Milo Markets

	Dec FH/LH	Jan FH/LH	Feb FH/LH	Mar	Apr
CIF Nola	80z/80z unc	/	/		
Houston	104h/104h unc	104h/104	65h/65h	55h	40k
Corpus Christi	100h/100h unc	100h/100h	65h/65h	55h	40k

## Cash Wheat Markets

	Dec FH/LH	Jan FH/LH	Feb FH/LH	Mar	Apr
CIF SRW	95h/90h 13	85h/85h	85h/85h	85h	
TX Gulf HRW	130h/130h unc	/	/		

	Dec FH/LH	HRW	Dec FH/LH
St. Louis	30h/30h 13	KC Ords	115h/125h unc
Toledo (Mill)	0z/0z unc	KC 12s	140h/150h -26
	Dec FH/LH	KC 13s	125h/135h unc
PNW	100h/100h unc	KC 14s	125h/135h unc

## Export Sales Estimates

	Expected Crop mbu (kmt)	Needed (mbu)
Corn	33-37(850-950)	10.3
Soybeans	33-44(900-1200)	2.5
Wheat-All	17-18(450-500)	4.2
HRW		4.2
SRW		2.4
Sorghum		2.5
Soybean Meal	250-300	80.7
Soybean Oil	20-40	5.7

## Corn

Corn markets were firmer on the day as fund short covering continued as a follow thru from yesterday. Funds bought an estimated 9000 contracts on the day. Markets shook off continued reports of Chinese corn rejections and no confirmation on approval date for MIR 162. USDA confirmed export sales of 165,750 tonnes of corn sold to Mexico, weighted heavily for 13/14 crop year with a small purchase for 14/15. Exports sales released tomorrow are expected to be between 850,000 and 950,000. Unshipped sales are more than 2.5 times greater than last year. STAT's Canada released their updated production estimates, above average estimates across the board on all commodities adding to the potential glut of feed grains if commercials can ever get ownership from farmers. Basis levels were mostly steady/weaker, Decatur, IL unchanged at OCH, Group 3 a little weaker at +2CH, PNW +120's, Hereford +95CH nearby. CIF values were 2-5 lower for Dec, down 2 for Jan- Z/H spread eased 1 1/2, closing at -11 1/4. H/K was a little firmer, up 1/4 closing at -8. "Holiday" season is here and coverage by processors and exporters feels minimal Jan forward; board rally could buy some grain off the farms and keeping close eye on basis levels, locking in carry to May/July seems like the best approach to keeping the holidays joyful! EIA data slowed a small decrease in production and slight increase in stocks. Ethanol margins are very strong and starting to roll into JFM.

*Nate Durako*

## Beans

Jan beans finished the day up 9 1/4, a nickel off the high of a 23 cent trading range. Beans followed corn higher today with 3,000 contracts of fund buying. ADM was the big

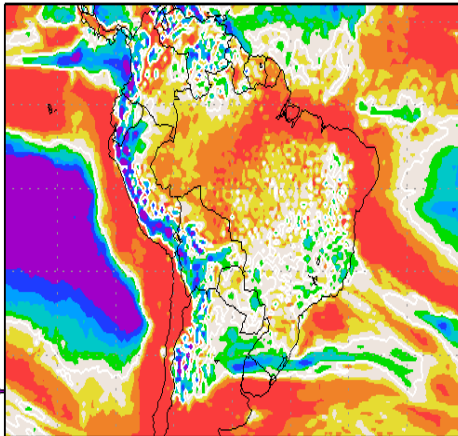
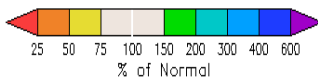
Daily Spreads					
Corn					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Dec3-Mar4	(11.25)	-2.00	-17.39	64.7%	2.9
Dec3-Jul4	(25.75)	-1.00	-40.33	63.8%	2.9
Dec3-May4	(19.00)	-1.50	-28.67	66.3%	3.0
Mar4-Jul4	(15.00)	0.50	-23.02	65.2%	2.9
Beans					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Jan4-Mar4	17.50	2.25	-15.05	-116.3%	None
Mar4-May4	16.50	0.75	-14.49	-113.9%	None
Nov4-Jan5	(4.50)	0.25	-14.19	31.7%	0.1
Wheat					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Dec3-Mar4	(14.50)	unc	-18.71	77.5%	3.6
Mar4-May4	(4.50)	-0.50	-12.13	37.1%	1.1
May4-Jul4	2.75	-1.25	-12.56	-21.9%	None
KCBOT Wheat					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Dec3-Mar4	5.00	4.75	-21.89	-22.8%	None
Mar4-May4	1.50	-0.50	-14.18	-10.6%	None
Mar4-Jul4	9.25	-2.25	-28.83	-32.1%	None

### South American Weather Outlook

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

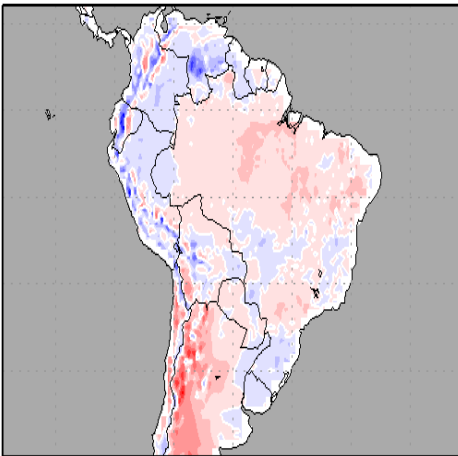
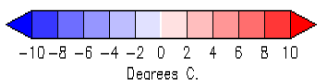
Precipitation (% of normal)  
during the 7.5-day period:

Wed, 04 DEC 2013 at 12Z  
-to-  
Thu, 12 DEC 2013 at 00Z



Temperature Anomaly  
during the 7.5-day period:

Wed, 04 DEC 2013 at 12Z  
-to-  
Thu, 12 DEC 2013 at 00Z



buyer of all CIF bean offers for LH Dec and Jan. They also were buying interior today when most others were on the sidelines. The PNW trade was fobbing back to MN at small unders (BN/CP) giving origins a chance to unload recent ownership in front of a persisting SF/SH inverse. The IL river delivery system is above DVE for late Dec and Jan and justifies the inverses in the SF/SH spread. The export basis would have to break nearly a dime fob IWDS to break the SF/SH spread. Meanwhile, the spread may catch others that are not tributary to the export market, as out of position long basis/short Jan bean futures. Don't get stubborn, break the basis and get sold up if you are processor tributary. The futures structure (inverses) is telling us to get short the basis. Stats Canada this morning put canola production @ 18 mmt, with the trade expecting 16.9 mmt. Yield estimates in the trade are approaching 90 mmt for Brazilian beans.

*Ben Peters*

### Wheat

Wheat closed weaker on Wednesday, with MGEX the weakest due primarily to a large Canadian production number from StatsCan. Funds were modest net sellers of wheat on the day. Algeria bought a confirmed 100 kmt wheat from France with some thoughts the purchase was as high as 400 kmt. The StatsCan report showed the all wheat crop at 37.5 mmt, well over the 33.8 mmt expected and 33.0 mmt in October's report. USDA's Nov WASDE had Canadian production at 33.2 mmt. Logistics may lead to that large increase being a longer term market effect as Canadian export limitations likely put much of this onto ending stocks rather than current year exports. US. values continue to weaken relative to MATIF levels, helping further ideas the U.S. may pick up new export business after the calendar year turn. KCBT mid-level proteins took a major hit with 11.20's to 12.60's down 23-26c, now all posted at +140/150 and still inverted to the 13.0-14.0 level. March forward spreads weakened slightly. As MGEX continues to lose ground to KCBT all incentives are in place to max substitutions of spring wheat into flour blends. On the KCBT Dec, 147 certificates were redelivered with ADM house stopping 132 and Tenco house the balance. With open interest at 556 to start the day, the story is nearly over. But the commercial stoppers back in gives weight to logic the issuing of deliveries was a test for the small stopper rather than a true indication of cash values relative to delivery.

*Curt Strubhar*

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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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