

December 6, 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'	400/400/400	375	350	340	320
Illinois	525/525/515	515	515	450	400
OH/Jeff/Cinn	550/500/500	450	425	400	375
Gulf/PNW	\$0.580 / bushel				
BN Shuttles	2500/2200/1500	1000	1000	1000	50
UP Shuttles	300/300/250	150	150	150	-50

Cash Corn Markets

	Dec FH/LH	Jan FH/LH	Feb FH/LH	Mar	Apr
CIF Nola	67h/70h unc	70h/70h	71h/71h	66h	
PNW	128h/128h x	118h/118h	120h/120h	120h	110k

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

Cash Bean Markets

	Dec FH/LH	Jan FH/LH	Feb FH/LH	Mar	Apr
CIF Nola	100f/102f -5	104f/100f	101h/95h	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 x	Chicago	5f/5f unc	Cncl Bluf	-15f/-15f unc
Fostoria	5/5f x	Decatur	15f/15f unc	Lincoln	-15f/-15f x
Windsor	-5f/-5f	Naples	12f/12f -3	KC	2f/2f unc
PNW	150f/145f x	Ottawa	14f/16f x	Wichita	-5f/-5f unc

Cash Milo Markets

	Dec FH/LH	Jan FH/LH	Feb FH/LH	Mar	Apr
CIF Nola	80h/80h unc	/	/		
Houston	104h/104h unc	104h/104	85h/85h	75h	60k
Corpus Christi	105h/105h unc	105h/105h	85h/85h	75h	60k

Cash Wheat Markets

	Dec FH/LH	Jan FH/LH	Feb FH/LH	Mar	Apr
CIF SRW	97h/90h -1	85h/85h	84h/84h	84h	
TX Gulf HRW	130h/130h unc	/	/		

	Dec FH/LH	HRW	Dec FH/LH
St. Louis	26h/26h -4	KC Ords	115h/125h unc
Toledo (Mill)	0z/0z x	KC 12s	145h/155h 5
	Dec FH/LH	KC 13s	125h/135h unc
PNW	100h/100h unc	KC 14s	125h/135h unc

Corn

CZ +1 ¼ at 424, CZ/H4 up ½ at -10 ¼. Commitment of traders data showed futures and options for traditional hedge funds decreased their short by 16.5k contracts to 188k, index funds reduced net longs by 5k to 373k, and commercials short position increased 16k to 66.5k net short. Decent demand in the corn market is developing across most sectors. While China GMO policy issues persist on their imported corn from the US and is creating uncertainty; US values are decently attractive vs. other origins all factors considered. Using CIF and Freight we remain under DVE, but processor pushes are still noted in and around the IL waterway delivery system keeping incentives to put corn out limited. A large bean export program doesn't need to be clogged with corn deliveries either. We do have some quality issues brewing on the wetter than normal corn handled this year, but this cold snap is just what the doctor ordered and for now kicks that can down the road. Jan ethanol futures up 10.8 cpg and Chi cash assessments 255cpg and NY harbor valued at 348 cpg, both up a few cents from yesterday. Spot ethanol prices are exceeding the price of the fuel we blend into; if temporary not a big issue, if sustained it will erode domestic demand by hurting higher blend demand. Attended a conference this week where I was a little surprised by just how high E85 demand has become with RFA spokesman suggesting 523 mln g in 2014, not bad considering in 2012 it was 40 mlng. Ethanol RINS do continue to creep higher 2013 37 and 2014 38cpg, which is counter intuitive given EPA's proposal on lower mandates. With ethanol inventories at pipeline type levels, these are great times for plants, as margins are extraordinary. The last time margins went to these heights (2006) the liquidity in paper hedge instruments was poor, this time around the industry has better tools to manage price risk. These tools are helping get a lot of debt retired and provide a key foundation for a young industry. From a warehousemen perspective am leaning on respect of this potential up-tick in demand and desire to capture the carries by moving short hedges further out on the curve at current carries.

Joe Harroun

Beans

Soybean futures spent most of Friday's day session in the red, closing down 2 ½ cents in the SF14 at \$13.25 ½. This

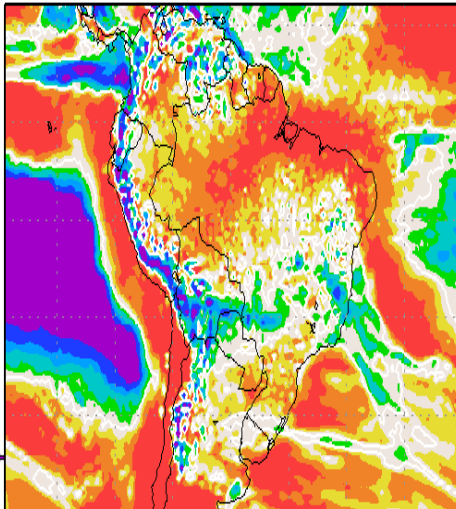
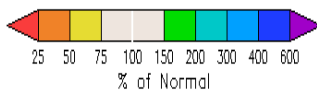
Daily Spreads					
Corn					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Dec3-Mar4	(10.25)	0.50	-17.38	59.0%	2.6
Dec3-Jul4	(26.00)	0.25	-40.31	64.5%	2.9
Dec3-May4	(19.00)	0.25	-28.65	66.3%	3.0
Mar4-Jul4	(15.50)	unc	-23.00	67.4%	3.1
Beans					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Jan4-Mar4	15.50	-0.75	-15.03	-103.1%	None
Mar4-May4	14.75	0.25	-14.48	-101.9%	None
Nov4-Jan5	(5.00)	-0.50	-14.19	35.2%	0.4
Wheat					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Dec3-Mar4	(13.75)	0.25	-18.65	73.7%	3.3
Mar4-May4	(5.25)	-0.25	-12.09	43.4%	1.5
May4-Jul4	2.75	-0.25	-12.52	-22.0%	None
KCBOT Wheat					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Dec3-Mar4	9.75	unc	-21.87	-44.6%	None
Mar4-May4	(0.75)	-1.00	-14.14	5.3%	-0.9
Mar4-Jul4	7.00	-0.25	-28.76	-24.3%	None

South American Weather Outlook

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

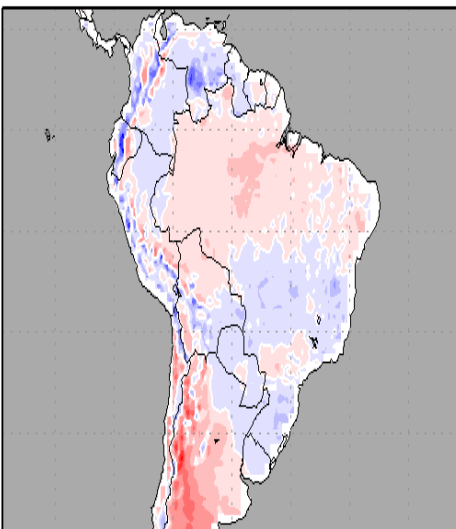
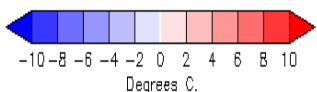
Precipitation (% of normal)
during the 7.5-day period:

Fri, 06 DEC 2013 at 12Z
-to-
Sat, 14 DEC 2013 at 00Z



Temperature Anomaly
during the 7.5-day period:

Fri, 06 DEC 2013 at 12Z
-to-
Sat, 14 DEC 2013 at 00Z



coming Tuesday's USDA report will update S. American production, and, with weather there cooperating, feels like we should see some big crop numbers posted for them. Argentina messing with tax scheme's again. Feels like an annual event. This time they may lower export tax's, in order to bring in more revenue for their country. Carryout numbers for US soybeans being projected in Tuesday's report are hovering around 150 mbu. Not hard to find analysts with tighter numbers than that. With the challenges corn is having getting into China, some have wondered if this can spill over to soybeans. I guess it depends whether the corn issues are an economic problem, or a political one (i.e. fly zones). CIF soybeans were 2-4 cents weaker on Friday, and the cold temps are putting a bid into barge freight. The lower FOB values into the interior along with the Goldman Roll, allowed spreads to lighten up on the close. The SF14/SH14 closed down 1 ¼ cents at a 15 cent inverse. Heading into the second week of December, soybean basis longs are facing a decision of whether to sell into a softening bean basis, or, taking on the inverse. The recent flat price rally pushed some soybeans into the pipeline, and at the moment, it just doesn't feel like processors are starving for bushels. Weather still looks good for S. American production, but that can change pretty quickly. Be careful dragging basis longs into the holiday weeks ahead. If you are long cash beans, or logistically challenged, and your local processor is 25 cents under DVE, look to roll short futures to the March delivery period if the spread get into single digits. With the Goldman Roll going on, it may give a shot to get that done.

Jack Fitzgerald

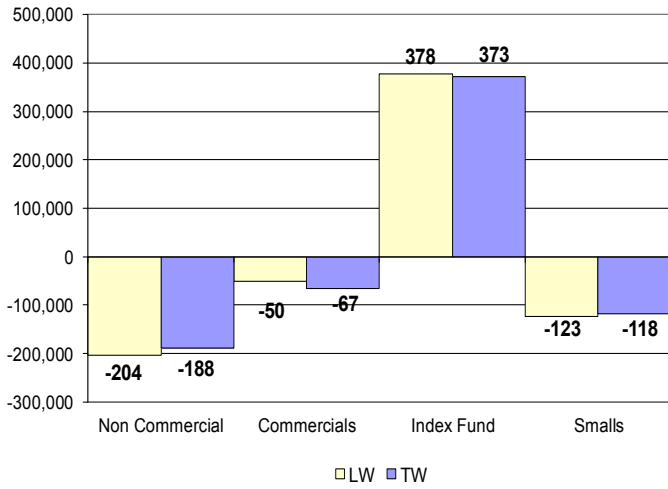
Wheat

Wheat managed to firm off lows as the US is competing for the cheapest source of world wheat. Weekly COT report showed the SRW commercial short a record small of 16k contracts. Taiwan bot US 14.5% DNS at \$349.35 FOB and 12.5% HRW at \$328.77 FOB. Japan is tendering specifically for 162kmt of Canadian Western Red Wheat. Mpls Dec/Mar saw some volatility trading a range of 6 ½ to 17 ¾ cents carry on very light volume. Mills are stopping HRS as basis is trading at or above DVE and the large Canadian crop is keeping carry in the spreads. ADM is stopping the HRW. In SRW ADM and LDC are stopping recpt's. The cold temps and winter snow storm, I refuse to call them by name, has considerably slowed down logistics ahead of the weekend. HRW 12 – 13% truck basis into Wichita was dn 5 – 10c for the week. KC 12's were up 5c. HRS Mpls spot 14% rail is +165 on +190 basis Chicago. CIF SRW for Dec bid +97WH and JFM +95WH.

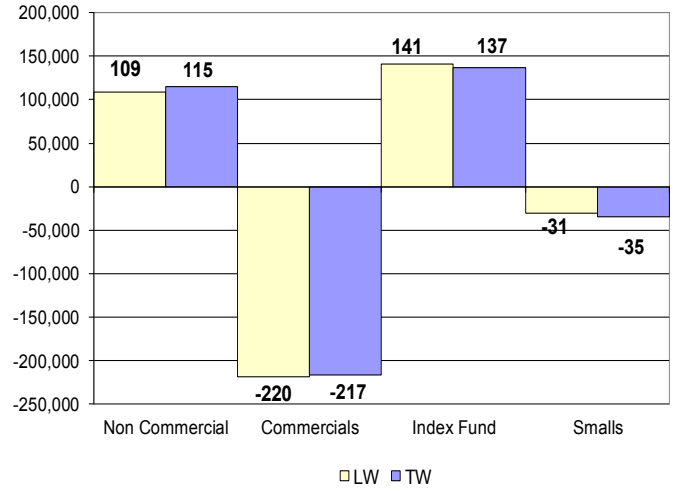
Nathan Mangold

Commitment of Traders

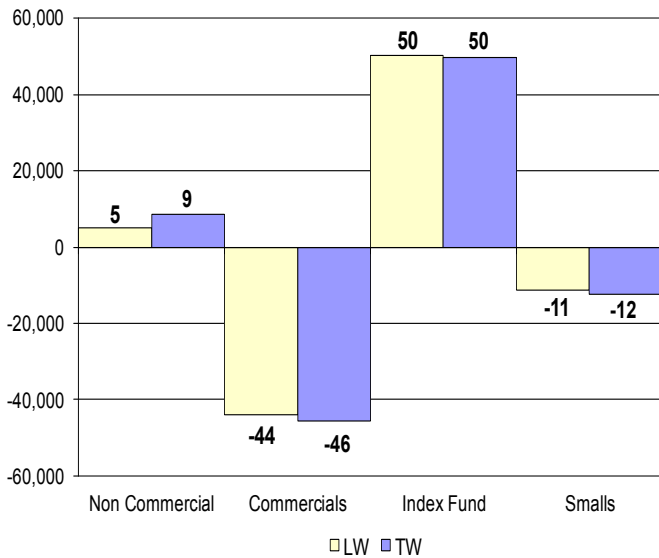
Corn Net Future & Option Positions



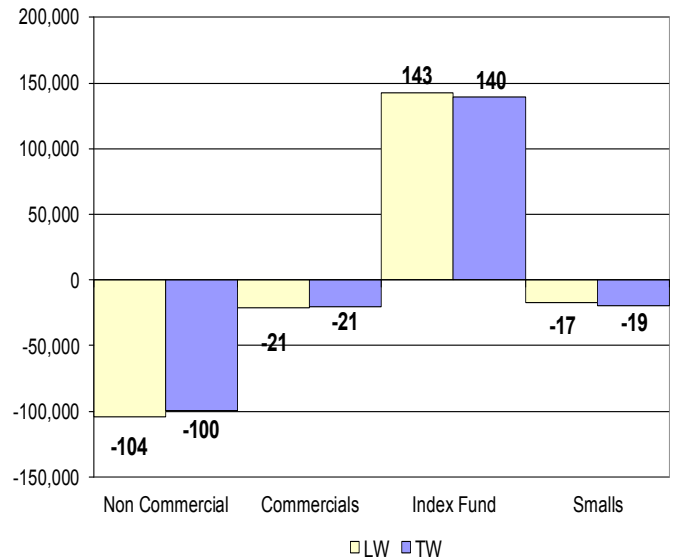
Soybean Net Future & Option Positions



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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