

December 11, 2013

**ADVANCE INSIGHT**

TURN UNCERTAINTY INTO OPPORTUNITY

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Transportation					
	TW/NW/Dec	Jan	Feb	Mar	Apr
St. Paul Savage	//				425
Dub South	//			425	375
St. Louis 12'	375/375/400	375	350	340	320
Illinois	500/500/500	490	450	400	375
OH/Jeff/Cinn	500/475/475	450	425	400	375
Gulf/PNW	\$0.580 / bushel				
BN Shuttles	3000/3000/3000	1500	1200	1200	275
UP Shuttles	700//725	300			-50

Cash Corn Markets					
	Dec FH/LH	Jan FH/LH	Feb FH/LH	Mar	Apr
CIF Nola	70h/73h x	76h/76h	75h/73h	67h	
PNW	120h/120h x	115h/115h	120h/120h	120h	110k

	Dec FH/LH		Dec FH/LH
Cols CSX 65	-6h/-6h unc	Chicago	16h/16h unc
Ft. Wayne N/S 75	-3h/-3h unc	Pekin ethanol	-2h/4h unc
Evansvl 15s	5h/5h unc	Decatur, IL	0h/0h unc
Toledo	-15h/-15h unc	Champaign CN 25	-6h/-6h unc
UP Grp 3	0h/0h x	Clinton, IA	14z/14z 3
Dexter, MO	/ x	Columbus, NE ethanol	2h/6h x
Fayne, OH	-3h/-3h unc	Muscatine Truck	8h/8h unc
Ottawa	-14h/-10h -1	Hereford COBO B/E	85h/85h x

Cash Bean Markets					
	Dec FH/LH	Jan FH/LH	Feb FH/LH	Mar	Apr
CIF Nola	105f/105f x	101f/108f	95h/95h	82h	
Paranagua	/ x	58f/58f	58h/58h	38h	-3k

	Dec FH/LH		Dec FH/LH		Dec FH/LH
Columbus	14f/14f unc	CN25	8f/8f -2	Mankato	-24f/-214f 4
Toledo	10f/10f unc	Chicago	5f/5f unc	Cncl Bluf	-23f/-23f x
Fostoria	0f/0f -5	Decatur	15f/15f -5	Lincoln	-20f/-20f x
Windsor	-10f/-10f	Naples	18f/18f unc	KC	2f/2f x
PNW	150f/150f x	Ottawa	12f/12f -2	Wichita	-15f/-15f x

Cash Milo Markets					
	Dec FH/LH	Jan FH/LH	Feb FH/LH	Mar	Apr
CIF Nola	90h/90h x	/	/		
Houston	105h/105h 1	105h/105	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	95h/95h x	95h/95h	95h/95h	83h	
TX Gulf HRW	130h/130h unc	/	/		

	Dec FH/LH	HRW	Dec FH/LH
St. Louis	31h/31h x	KC Ords	115h/125h unc
Toledo (Mill)	-10z/-10z unc	KC 12s	160h/170h 5
	Dec FH/LH	KC 13s	145h/155h 10
PNW	100h/100h unc	KC 14s	145h/155h 15

Export Sales Estimates		
	Expected Crop	Needed (mbu)
	mbu (kmt)	
Corn	24-30(600-750)	11.2
Soybeans	28-35(750-950)	2.5
Wheat-All	11-18(300-500)	10.8
HRW		4.3
SRW		1.9
Sorghum		2.6
Soybean Meal	100-200	89.0
Soybean Oil	0-30	6.0

**Corn**

Corn closed higher across the board on strong ethanol production, technical buying and continued stagnant farmer movement. USDA announced 120k MT's of corn sold to unknown today. Corn is still being sold; China continues to reject corn.....eventually someone has to give! Reuters reported that some of the rejected corn was finding a home in S. Korea- replacing deferred purchases for nearby delivery at small discounts or no discounts in some situations. CIF values were 2 cents firmer for Dec 70/73. Ethanol bids were steady/firmer; Decatur unchanged +0CH, Cedar up 10 spot and 6 next week, and Clinton up 10 spot and 3 next week at +14 CH. The bigger news was posting free DP at IL/IN ethanol plants for bushels delivered by end of Jan. as an attempt to stimulate farmer movement (especially going into holiday season). Funds bought an estimated 4000 contracts of corn. Spreads were quiet today- H/K unchanged at 8 ¼, K/ N ½ cent firmer closing at -6 ¾. Ethanol production was up 31,000 barrels/day for week ending 12/6, averaging 944K bpd and inventory increased 324,000 barrels to 15.45 million barrels.

*Nate Durako*

**Beans**

Futures markets quietly traded on both sides of unchanged with Jan finishing up 5 ½, near the high of an 11 cent range. The cold weather is making everything that requires people, power or water slow down (with the exception of ethanol production). Barge freight values will be subject to much higher values if bottoms keep dropping and ice stacks up. With that, rail cars will need to route more freight to export destinations and most

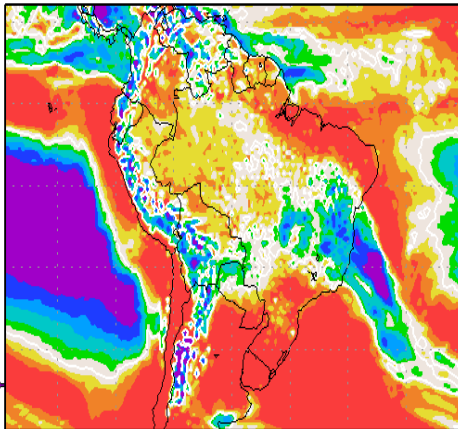
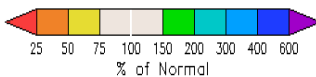
Daily Spreads					
Corn					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Dec3-Mar4	(8.00)	0.50	-17.43	45.9%	1.8
Dec3-Jul4	(23.25)	1.00	-40.41	57.5%	2.5
Dec3-May4	(16.50)	0.50	-28.73	57.4%	2.5
Mar4-Jul4	(15.25)	0.50	-23.04	66.2%	3.0
Beans					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Jan4-Mar4	15.50	-0.75	-15.10	-102.6%	None
Mar4-May4	19.25	1.75	-14.55	-132.3%	None
Nov4-Jan5	(5.00)	unc	-14.21	35.2%	0.3
Wheat					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Dec3-Mar4	(10.50)	-1.25	-18.60	56.5%	2.3
Mar4-May4	(6.00)	-0.50	-12.06	49.8%	1.9
May4-Jul4	0.25	-1.75	-12.49	-2.0%	None
KCBOT Wheat					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Dec3-Mar4	11.75	1.50	-21.82	-53.8%	None
Mar4-May4	(3.00)	-1.00	-14.11	21.3%	0.3
Mar4-Jul4	1.25	-2.50	-28.69	-4.4%	None

### South American Weather Outlook

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

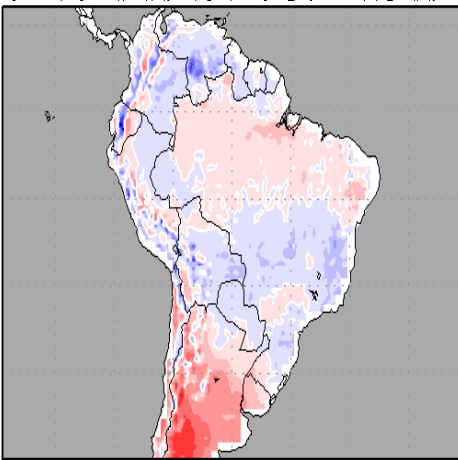
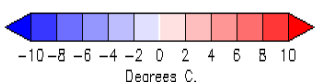
Precipitation (% of normal)  
during the 7.5-day period:

Wed, 11 DEC 2013 at 12Z  
-to-  
Thu, 19 DEC 2013 at 00Z



Temperature Anomaly  
during the 7.5-day period:

Wed, 11 DEC 2013 at 12Z  
-to-  
Thu, 19 DEC 2013 at 00Z



carriers are already performing poorly. Cash markets were more interesting today. The export markets still want for beans and have been well over delivery value for Dec and January. The cash market premium to delivery has justified SF/SH inverses. The interior river values broke a couple today and that allowed SF/SH to trade down to 15 inverse. If the IWDS basis breaks another 8-10 cents for January, the SF/SH can move toward eventual carry. With river logistics stressed and the potential for exasperating low water, I suggest we keep our position classic. Try to stay on the short side of even basis with the longs in the Jan. If you are caught with length, don't let the position grow but rather break basis and back-to-back to get even. Ideally, stay short or get even shorter in the next two weeks. If you have to sell versus the March to knock out the best net cash sale, get shorts out to the March.

*Ben Peters*

### Wheat

Wheat futures closed higher - Chicago March wheat up 2 cents at \$6.40 3/4, KC March closing up 1/2 cent to \$6.84 3/4. Market had eased back on bearish news of US wheat missing yet another chance to sell wheat to Egypt pressured values before recovering to end the day - Egypt booked 300K MT of wheat from Romania and France for delivery in mid Jan. Wire story out this morning talking about Australian wheat exports estimates being cut as a direct result of lower carryout this year - current estimates peg carryout (Sept 30 stox) below 2 MMT versus the prior year when they hit just under 7 MMT (despite the most recent ABARE estimate pegging the Austrian crop to be the third largest ever). Current exports pegged at 18.6 MMT down 600K from the Sept report and down 2.7 MMT from last year. Temperatures in the HRW belt are warming up and near term forecasts are not calling for anything drastic near term. Some comments this week on areas of winterkill occurring over the weekend though the true extend won't really be known until this spring. HRW basis unchanged with a firmer tone to it - protein premiums were firmer for domestic markets, nearby Texas gulf values were 1 to 3 cents firmer on the offer side. Spreads widened a touch today - KC H/K widening a penny to 3 cents carry while Chicago traded out to 6 1/2 before settling at 6 1/4 (-1/2).

*Paul Dubravec*

Advance Trading PO Box 1027, Bloomington, IL 61702 (800)747-9021 or (309)663-9021

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

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