

May 24, 2013

ADVANCE INSIGHT

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Transportation

	TW/NW/May	Jun	Jul	Aug	Sep
St. Paul Savage	340/335/335	330	340	375	500
Dub South	290/290/280	280	290	325	440
St. Louis 12'	240/240/240	250	275	325	450
Illinois	300/290/290	280	270	325	450
OH/Jeff/Cinn	190/190/190	200	225	375	475
Gulf/PNW	\$0.500 / bushel				
BN Shuttles	-100/-100/-100	-75	-150	-200	-213
UP Shuttles	//	-100	-125	-125	-125

Cash Corn Markets

	May FH/LH	Jun FH/LH	Jul FH/LH	Aug	Sep
CIF Nola	102n/102n -1	97n/82n	58n/58n	85u	56u
PNW	145n/145n unc	143n/143n	141n/141n		

	May FH/LH		May FH/LH
Colo CSX 65	47n/47n unc	Chicago	68n/68n -2
Ft. Wayne N/S 75	55n/55n unc	Pekin ethanol	50n/50n -4
Evansvl 15s	50n/50n unc	Decatur, IL	60n/60n x
Toledo	42n/42n unc	Champaign CN 25	50n/50n unc
UP Grp 3	/	Clinton, IA	67n/67n -4
Dexter, MO	75n/75n x	Columbus, NE ethanol	81n/81n unc
Fayne, OH	35n/35n unc	Muscatine Truck	60n/60n unc
Ottawa	57n/57n x	Hereford COBO B/E	135n/135n x

Cash Bean Markets

	May FH/LH	Jun FH/LH	Jul FH/LH	Aug	Sep
CIF Nola	90n/90n -10	90n/85n	70n/70n	58q	89x
Paranagua	-33n/-33n	-33n/-33n	-45n/-45n	27u	

	May FH/LH		May FH/LH		May FH/LH
Columbus	100n/100n unc	CN25	65n/65n unc	Mankato	0n/0n x
Toledo	20n/20n -20	Chicago	40n/40n unc	Cncl Bluf	10n/10n unc
Fostoria	95q/95q -20	Decatur	90n/90n x	Lincoln	100q/100q unc
Windsor	/ x	Naples	30n/30n -20.0	KC	250x/250x -20
PNW	120n/120n unc	Ottawa	60n/60n x	Wichita	290x/290x unc

Cash Milo Markets

	May FH/LH	Jun FH/LH	Jul FH/LH	Aug	Sep
CIF Nola	65n/65n unc	/	/		
Houston	45n/45n x	45n/70z	70z/70z	60z	50z
Corpus Christi	0n/0n x	0n/40z	40z/40z	40z	40z

Cash Wheat Markets

	May FH/LH	Jun FH/LH	Jul FH/LH	Aug	Sep
CIF SRW	65n/65n unc	57n/55n	55n/55n	50u	50u
TX Gulf HRW	135n/135n x	135n/135n	/		

	May FH/LH		May FH/LH
SRW		HRW	
St. Louis	26n/26n x	KC Ords	75n/90n 4
Toledo (Mill)	-10n/-10n unc	KC 12s	116n/131n 3
		KC 13s	130n/145n 9
PNW	140n/140n x	KC 14s	130n/145n 5

Corn

With recent trade as a baseline, corn held a pretty tight range on Friday as even the July contract was within 10c. Weather forecasts remain conducive for the seeded corn though not as great for the remaining unplanted acres. ATI research expects 85-88% nationally to be planted as of USDA's Tuesday afternoon progress report. Israeli private buyers purchased 75 kmt corn Friday. Monsanto announced plans for a \$140M non-GMO seed plant in Ukraine, where GMO corn is no legal to grow. South American values, including new crop, continue to be well below U.S. export values, though execution and timeliness remain a key. Basis values in the West continue to show at least limited weakness and the N/U spread lost some steam trading down through 90c inverse. This continues to loom for the end user's LH July/August corn basis needs when product sales aren't covering the inverse. CSO option premium seems high but helps protect against catastrophic spread moves. Z/H continues to trade out to 11c carry. As noted in earlier Advance Insights this week, as well as the Merchandising Meeting Notes, bullspreads represent reasonable risk/reward against the value of space and crop scares. If a warehouse ends up regretting bullspreads at 11, it's likely many other good things are occurring. Hope everyone has a safe, enjoyable, and respectable Memorial Day. Trade resumes Monday night at 7pm.

Curt Strubhar

Beans

Old crop soybean futures polar opposite to Thursday's action, with SN3 leading the way lower, down 23 ¼ cents, closing at \$14.76 ¼ cents. The SQ3 closed down 12 cents, at \$14.02 ½ cents, while the SX closed up a nickel at \$12.47 ¾'s. The SN3/SQ3 closed lower by 10 ¼ cents at \$.74 ¾'s inverse, and the SN3/SX3 dropped \$.28 ¾'s to \$2.27 ¾'s inverse. Basis levels appear to have stabilized after Thursday's free-fall. On a national basis, a 60-70 cent basis drop seems to be the norm, with several buyers posting bids vs the SQ3. Producer movement slowed on Friday, as flat prices are now closer to \$15.00 than they are \$16.00. The combination of flat price, basis and spreads worked together to create the producer movement, and now are working together to get it halted. Several analysts suggesting that as much as 6 to 8 weeks worth of soybeans exchanged hands with endusers, but, difficult to know that number for sure. As active as old crop was this past week, new crop basis values maintain a status quo type market mentality, and spreads also very static with the SX3/SF4 closing at 6 ¾'s cents carry. New crop

Daily Spreads					
Corn					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Jul3-Sep3	98.00	unc	-12.50	-720.0%	None
Sep3-Dec3	30.50	1.75	-18.05	-168.9%	None
Jul3-Dec3	120.25	-6.75	-30.84	-389.9%	None
Dec3-May4	(18.75)	-0.25	-29.76	63.0%	2.7
Beans					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Jul3-Aug3	74.75	-8.75	-7.82	-955.6%	None
Jul3-Nov3	227.75	-26.25	-31.04	-733.8%	None
Nov3-Jan4	(6.25)	unc	-15.05	41.5%	0.7
Wheat					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Jul3-Sep3	(7.00)	-0.50	-13.18	53.2%	2.0
Jul3-Dec3	(20.25)	-0.50	-32.22	63.0%	2.6
Sep3-Dec3	(13.25)	unc	-19.19	69.1%	3.0
KCBOT Wheat					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Jul3-Sep3	(7.00)	unc	-21.64	32.4%	1.9
Sep3-Dec3	(16.25)	0.75	-31.35	51.9%	3.9
Dec3-Mar4	(13.25)	-0.25	-22.24	59.7%	3.0

basis levels seem to be in middle ground territory. Not high enough that one would want to sell them, but also not cheap enough to want to own a lot of them. Outstanding new crop sales stand at 348 mbu vs. 381 mbu last year at this time. Outstanding soybean meal sales now stands at 401 mmt's vs 506 mmt's last year at this time. Soybean planting progress estimated to be 45-50% on Tuesday. The Northwestern corn belt is expected to stay relatively wet next week, which will re-ignite the corn/bean acreage discussion. Some still think we could lose up to 2 million acres of corn, with most of that going to soybeans. Have a great Holiday!!

Jack Fitzgerald

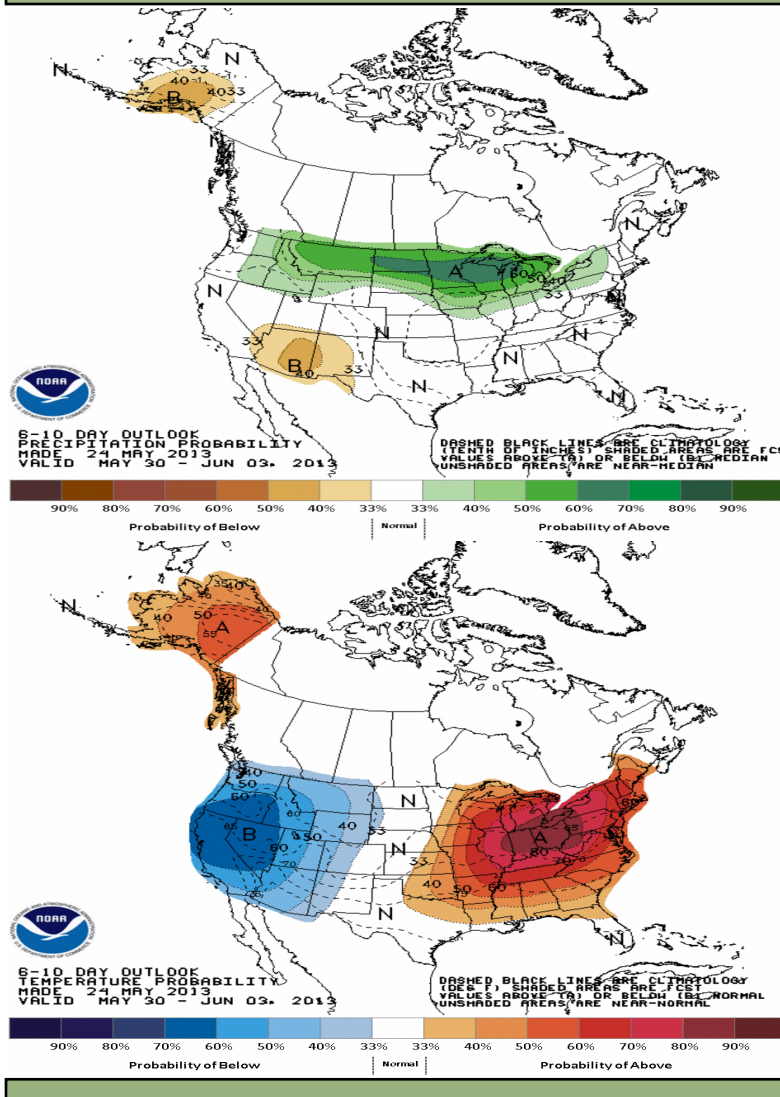
Wheat

The wheat tour ended yesterday in Abilene KS. It was truly amazing seeing the variability of the crop and the ability it has to protect itself from freeze. Some of our biggest take aways from the tour would be how late the crop is. Very difficult to predict yield in the first place, but when you are at a "late flowering" very early "fill" stage (not headed in NW KS) the weather and moisture will be crucial for the next 2-3 weeks. Our abandonment acres for wheat fields in the west exceeds the USDA estimate. We will continue to monitor the weather to make necessary adjustments. Complete other side of the story with I-135 area, I think some fields could set personal records for yields. So if you average big yields on one side and "zeroed" out wheat on the other side it can make it challenging coming to a final number, our best estimate was 15 to 20 mil bu under the USDA estimates. USDA confirmed rumors this morning about China buying wheat yesterday. 180,000 tonnes traded at \$285/tonne (\$7.75/bu) FOB USA, the more interesting point to that would be that when it was delivered to interior China and add the taxes it priced \$10/tonne more expensive than Corn equivalent. That lends us to believe that it must be used to replenish the reserves, when you see uneconomic purchases like that happen. KC new crop spreads continue to tighten. Next week's forecast for western KS doesn't fit well with what the crop needs to keep from losing more acres. If you know you can't move your wheat vs the July you should talk with your broker to get those moved to the Sept. Harvest this year for much of the state should be well behind normal thus making July more of an old crop look. If you have access to early bushels you could take the approach of being somewhat reactive as long as you can execute. Meaning if demand shows up and spreads narrow move wheat vs the July, if not we can expect the spreads to widen thus giving us better than interest cost on our carry. The majority of the KS crop this year will be around the delivery market so the spreads should be very reflective. The biggest missing piece to that puzzle is the farmer, and how much ownership he gives the warehouse to work with.

Troy Presley

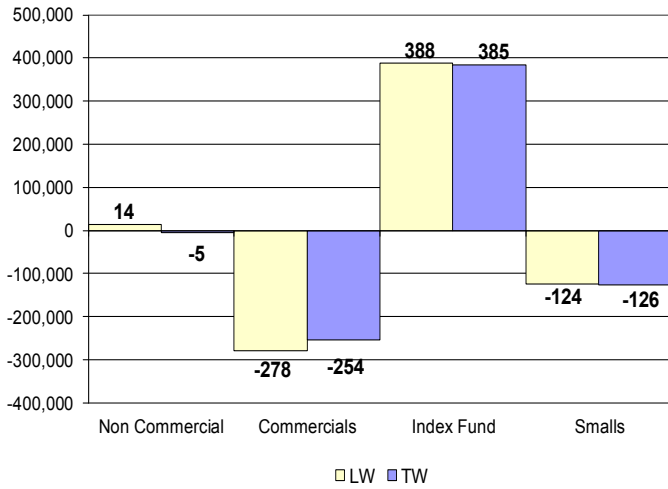
North American Weather Outlook

<http://www.cpc.ncep.noaa.gov/products/predictions/610day/>

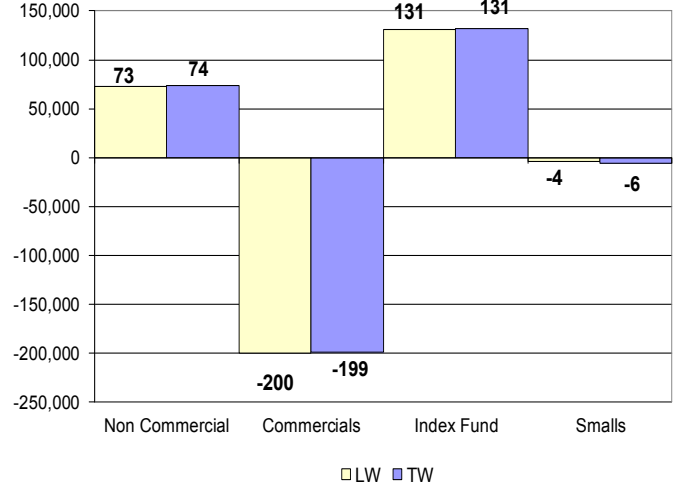


Commitment of Traders

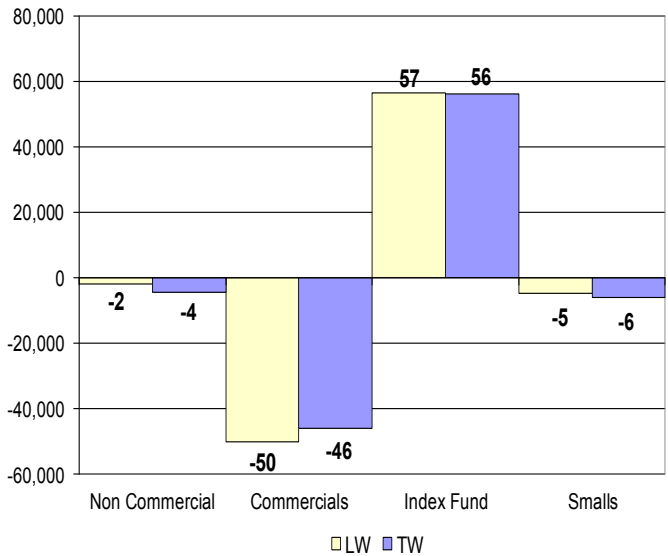
Corn Net Future & Option Positions



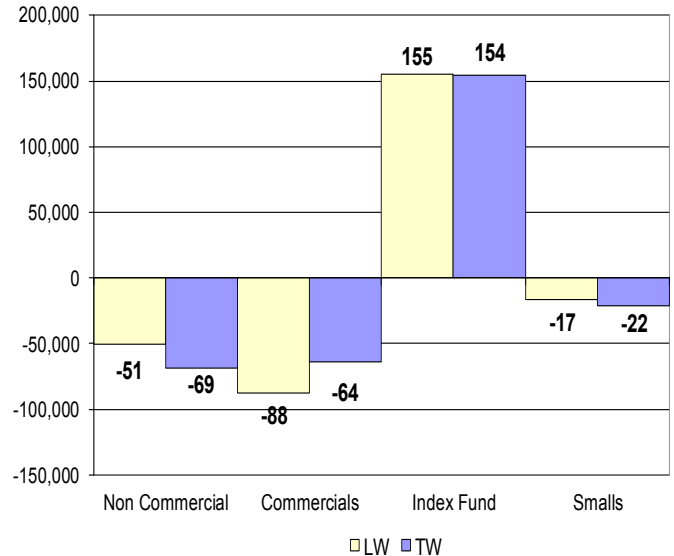
Soybean Net Future & Option Positions



KC Wheat Net Future & Option Positions



CBOT Wheat Net Future & Option Positions



- The night desk will be staffed Monday, May 27th for regular market open on Monday
- NASS crop progress will be released 4pm Tuesday
- Everyone have a safe and enjoyable Memorial Day weekend



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Hours (CST): Sunday 3:30pm-7:00pm, Monday-Thursday 6:00am-7:00pm, and Friday 6:00am-5:00pm

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