

July 23, 2013

ADVANCE INSIGHT

TURN UNCERTAINTY INTO OPPORTUNITY

Brought to you by Advance Trading.

www.advance-trading.com



Transportation

	TW/NW/Jul	Aug	Sep	Oct	Nov
St. Paul Savage	350/350/360	370	450	575	550
Dub South	290/290/300	310	400	575	475
St. Louis 12'	240/240/250	300	400	550	450
Illinois	265/265/275	300	425	550	475
OH/Jeff/Cinn	200/210/220	275	350	425	450
Gulf/PNW	\$0.550 / bushel				
BN Shuttles	-225/-200/-200	-150	-175	700	325
UP Shuttles	-200/-200/-200	-200	-150	525	200

Cash Corn Markets

	Jul FH/LH	Aug FH/LH	Sep FH/LH	Oct	Nov
CIF Nola	185u/185u 15	140u/105u	60z/57z	65z	65z
PNW	265u/265u -10	265u/	/	105z	108z

	Jul FH/LH		Jul FH/LH
Cols CSX 65	160u/160u unc	Chicago	200u/200u unc
Ft. Wayne N/S 75	180u/180u unc	Pekin ethanol	145u/145u unc
Evansvl 15s	180u/180u unc	Decatur, IL	170u/170u
Toledo	160u/160u x	Champaign CN 25	185u/185u unc
UP Grp 3	185u/185u -10	Clinton, IA	165u/165u -12
Dexter, MO	/ x	Columbus, NE ethanol	192u/150u x
Fayne, OH	195u/195u unc	Muscatine Truck	160u/160u -5
Ottawa	150u/150u	Hereford COBO B/E	260u/260u x

Cash Bean Markets

	Jul FH/LH	Aug FH/LH	Sep FH/LH	Oct	Nov
CIF Nola	145q/145q unc	90q/70q	125x/110x	90x	89x
Paranagua	3n/3n 8	130u/130u	/		

	Jul FH/LH		Jul FH/LH		Jul FH/LH
Columbus	135q/135q unc	CN25	130q/130q unc	Mankato	50q/35q
Toledo	82q/82q x	Chicago	60q/60q unc	Cncl Bluf	163q/163u unc
Fostoria	130q/130q x	Decatur	110q/110q	Lincoln	125q/115q 25
Windsor	115q/115q x	Naples	105q/105q unc	KC	310x/310x -22
PNW	160q/160q 20	Ottawa	100q/100q	Wichita	300x/300x -82

Cash Milo Markets

	Jul FH/LH	Aug FH/LH	Sep FH/LH	Oct	Nov
CIF Nola	130u/130u unc	/	/		
Houston	65z/65z x	65z/60z	50z/50z	50z	50z
Corpus Christi	65z/65z x	65z/65z	50z/50z	50z	50z

Cash Wheat Markets

	Jul FH/LH	Aug FH/LH	Sep FH/LH	Oct	Nov
CIF SRW	43u/43u unc	55u/63u	70u/78u	73z	73z
TX Gulf HRW	150u/150u unc	148u/148u	/		

	Jul FH/LH		Jul FH/LH
SRW	16u/16u x	HRW	95u/110u unc
St. Louis	0n/0n x	KC Ords	130u/145u 7
Toledo (Mill)	0n/0n x	KC 12s	115u/130u unc
	Jul FH/LH	KC 13s	115u/130u unc
PNW	110u/110u x	KC 14s	115u/130u unc

Deliverable Stocks of Grain

(thousands of bushels)

Corn		Change from LW	Change from LY
Illinois River	1157	158	-87
Chicago	218	-174	-9
Total	1375	-16	-96

Soybeans		Change from LW	Change from LY
Illinois River	1167	-297	-1299
Chicago	34	11	-626
Total	1201	-286	-1925

CBOT Wheat		Change from LW	Change from LY
Toledo	19558	3547	-5771
Chicago	7296	-269	-5072
St. Louis	1604	378	-614
Total	28458	3656	-11457

KCBOT Wheat		Change from LW	Change from LY
Salina	25894	-332	594
Hutch	23526	88	-2650
KC	10463	545	434
Total	59883	301	-1622

Corn

More overnight precip in some of the driest areas of the corn belt together with favorable weather in the forecast helped pressure corn lower. Sept corn settled at \$522 ½, -18 ¼ while Dec corn close at \$4.85 ½, -12 ½. U/Z corn broke 5 ¾ cents closing at 37 cents inverse with some light cash movement softening some select market. Western values were weaker for Sept delivery though values are still showing significant premium over gut slot harvest. Hearing some producers cut loose of corn for August and Sept which seemed to have softened basis across the board – not only in the Western belt. With the start of harvest in the Delta in the next two weeks, the market may becoming more at ease that new crop corn in the South could bridge the gap between old and new crop corn demand. The struggle with the Southern crop filling the gap is whether or not those bushels will be able to move into these markets that are bidding the triple digit overs. Southern Texas milo harvest is winding down – harvest moving north into the Central part of the state. Well over average yields and quality on milo. Corn harvest going strong from Southern into Central Texas with above average yields and little to no aflatoxin at this point. CZ/CH traded out to 12 ¾ carry today before settling at 12 ½. Still recommending scale in orders on CZ/CH at this and wider levels on some percentage (discuss with your broker) of current and anticipated new crop ownership. Lack of producer selling, lack of new crop end user coverage, plenty of empty space, and a producer unhappy at new crop cash values today could keep basis strong thus keeping spreads from widening out to far beyond today's levels.

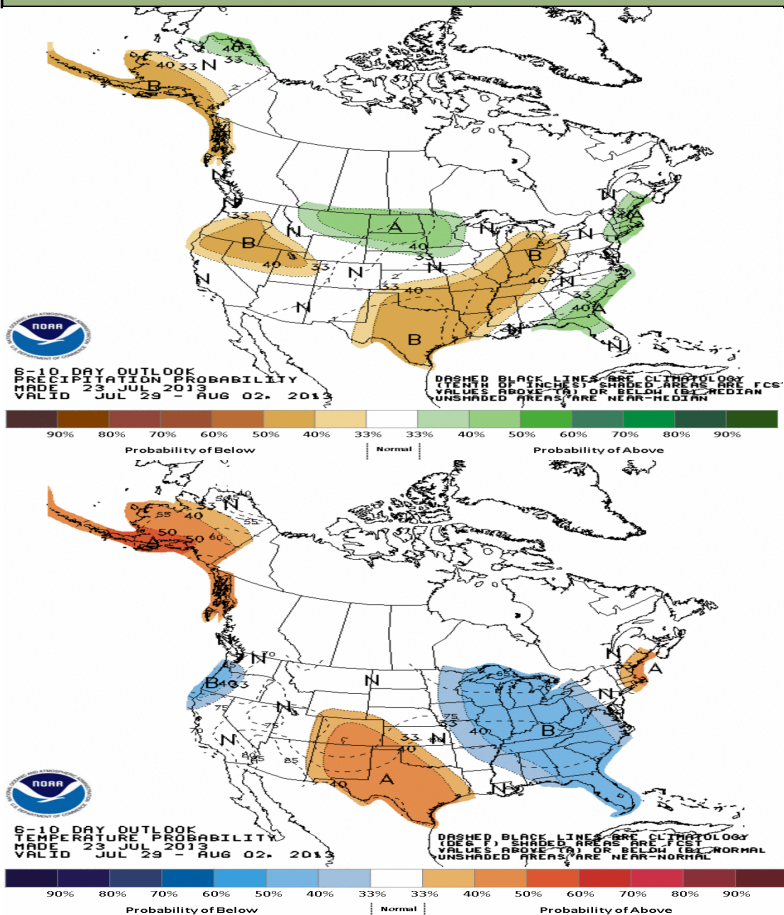
Paul Dubravec

Daily Spreads

Corn					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Sep3-Dec3	36.50	-5.75	-17.97	-203.2%	None
Dec3-Mar4	(12.25)	unc	-17.76	69.0%	3.1
Sep3-Dec4	7.00	-9.50	-88.79	-7.9%	None
Dec3-Jul4	(26.50)	-0.50	-41.17	64.4%	2.9
Beans					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Aug3-Sep3	137.75	-34.50	-8.19	-1682.9%	None
Sep3-Nov3	63.75	3.50	-14.83	-429.8%	None
Mar4-May4	4.50	-5.00	-14.37	-31.3%	None
Wheat					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Sep3-Dec3	(11.50)	-0.25	-18.84	61.1%	2.5
Dec3-Mar4	(10.75)	-0.50	-18.84	57.1%	2.3
Mar4-May4	(6.50)	unc	-12.21	53.2%	2.0
KCBOT Wheat					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Sep3-Dec3	(11.25)	1.50	-30.95	36.4%	2.4
Dec3-Mar4	(9.75)	0.50	-21.88	44.6%	1.9
Mar4-May4	(2.75)	2.50	-14.18	19.4%	0.1

North American Weather Outlook

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



Beans

Another wild day in beans with Aug futures closing dn 58c and the SQ/SU spread closing +138 ½ dn 33c. The combined futures/basis decline has significantly dropped the cash bid to farmer and should shut off any new farmer movement. Rumors circulated today that China was planning to rotate their 2010 reserve, which is estimated at 3 MMT. Posted processor basis was dn 10 – 50c across belt. Interior river bids dropped as CIF beans dropped down close to DVE but July/FH Aug went home bid +68SQ and Aug 68/90. New crop CIF values were mostly steady w/Sep 110/125, FH Oct 95/101, Oct 90/92 and Nov 90/93. Chicago BYD rail for FH Aug is bid +80SQ and still substantially over DVE. Eastern processors are well off of posted highs but there are still several plants posting +120SQ to +135SQ in IN/OH. These basis values are still over DVE. Those short the basis and long futures should keep the majority of your longs in the SQ vs. your basis short. Meal basis continues to erode as we approach delivery and end-users are hand to mouth. China is on target to import just over 58 MMT of beans this marketing year vs. USDA estimate of 59 MMT.

Nathan Mangold

Wheat

Wheat was in a 'duck and cover' mode as it watched the row crops take a shot on the chin. KC was off 3 to 4 cents on the nearby months and Chicago wheat was down around 6 cents. The bigger statement came from KC spreads firming 1 to 2 cents as KC U/Z traded as firm as 10 % carry. Farmer wheat movement is still classified as light, thus offers are still difficult to come by. KC protein scales had a pop in their step for the mid pro's 11.4-11.8's up 15-17c and 12.0 thru 12.6 pro is up a dime. The spring wheat tour organized by the Wheat Quality Council going on at the moment showed better yields than last year in southern North Dakota. Yields were variable ranging from 40 bpa to 60 bpa. Most comments were positive given the late maturing crop. Thursday the group will give a final yield estimate. Meanwhile ATI has a few representatives and customers doing a tour of their own. Yields estimates are coming in very consistent with that of the Wheat Council tour. Egypt announced late this afternoon another tender for Soft/Milling wheat from global suppliers for a Sept 1-10 shipment. Tenders are due noon Wednesday and results to be released 3:30 that afternoon. This coming off the heels of news that Egypt was asking the Russian government to allow a deferred payment in which the Russian replied that commercial companies cannot defer payment. Egypt was scheduled to discuss this in further detail with the Russians in the coming days. SRW harvest continues to progress north with Ohio pretty well wrapping up. Many still trying to sort through stocks to determine milling quality vs feed quality. Reports continue to surface about trains working west to SW feed markets. KC hedges in Sept aren't attractive to roll to Dec at the moment. Talk with your broker and have a game plan with what you can execute vs what you need to carry. Still plenty of low pro stocks in the delivery system that can create and interesting spread environment.

Troy Presley

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

Copyright © 2013 Advance Trading, Inc. Reproduction in any form without the expressed written consent of Advance Trading, Inc. is strictly forbidden. This data is provided for information purposes only and is not intended to be used for specific trading strategies without consulting Advance Trading, Inc. No guarantee of any kind is implied or possible where projections of future conditions are attempted. Past results are no indication of future performance. All information is based upon data that is believed to be reliable, but its accuracy is not guaranteed.