

January 7, 2014

ADVANCE INSIGHT

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Transportation					
	TW/NW/Jan	Feb	Mar	Apr	May
St. Paul Savage	//			425	425
Dub South	//		425	375	375
St. Louis 12'	425/425/415	400	350	325	325
Illinois	550/550/525	500	400	375	375
OH/Jeff/Cinn	410/410/400	375	375	375	350
Gulf/PNW	\$0.650 / bushel				
BN Shuttles	2200/2200/2150	1600	850	300	300
UP Shuttles	400/300/250	30	50	-100	-100

Cash Corn Markets					
	Jan FH/LH	Feb FH/LH	Mar FH/LH	Apr	May
CIF Nola	75h/75h -2	74h/74h	65h/65h	55h	55h
PNW	133h/133h 1	130h/130h	128h/128h	110k	110k
Jan FH/LH			Jan FH/LH		
Cols CSX 65	-6h/-6h unc		Chicago	18h/18h unc	
Ft. Wayne N/S 75	-2h/-2h unc		Pekin ethanol	0h/4h unc	
Evansvl 15s	6h/6h unc		Decatur, IL	15h/2h x	
Toledo	-14h/-14h x		Champaign CN 25	-3h/-3h unc	
UP Grp 3	-2h/-2h 1		Clinton, IA	18h/18h unc	
Dexter, MO	/ x		Columbus, NE ethanol	2h/4h unc	
Fayne, OH	-1h/-1h unc		Muscatine Truck	15h/15h unc	
Ottawa	-11h/-8h x		Hereford COBO B/E	50h/50h x	

Cash Bean Markets					
	Jan FH/LH	Feb FH/LH	Mar FH/LH	Apr	May
CIF Nola	126h/123h	112h/97h	76h/76h	75k	75k
Paranagua	/	55f/55f	45h/45h	-7k	-7k
Jan FH/LH		Jan FH/LH		Jan FH/LH	
Columbus	10h/10h unc	CN25	25h/25h unc	Mankato	-11h/-15h -3
Toledo	0f/0f x	Chicago	0f/0f	Cncl Bluf	-10h/-10h unc
Fostoria	15h/15h x	Decatur	25h/20h x	Lincoln	-15h/-15h 3
Windsor	10h/10h x	Naples	30h/30h unc	KC	20h/20h unc
PNW	175h/170h unc	Ottawa	4h/5h x	Wichita	0h/0h unc

Cash Milo Markets					
	Jan FH/LH	Feb FH/LH	Mar FH/LH	Apr	May
CIF Nola	100h/100h unc	/	/		
Houston	110h/110h unc	110h/110h	85h/85h	70k	60k
Corpus Christi	105h/105h unc	105h/105h	85h/85h	70k	60k

Cash Wheat Markets					
	Jan FH/LH	Feb FH/LH	Mar FH/LH	Apr	May
CIF SRW	100h/100h unc	97h/97h	90h/90h	70k	65k
TX Gulf HRW	130h/130h unc	/	/		
Jan FH/LH		Jan FH/LH			
SRW	35h/35h x	HRW	105h/115h unc		
St. Louis	/ x	KC Ords	155h/165h unc		
Toledo (Mill)		KC 12s	155h/165h unc		
Jan FH/LH		Jan FH/LH			
PNW	125h/125 5	KC 13s	155h/165h unc		
		KC 14s	155h/165h unc		

Deliverable Stocks of Grain			
(thousands of bushels)			
		Change from LW	Change from LY
Corn			
Illinois River	3307	-532	1199
Chicago	2356	7	1918
Total	5663	-525	3117
Soybeans			
Illinois River	4276	-815	1937
Chicago	1245	-299	357
Total	5521	-1114	2294
CBOT Wheat			
Toledo	-	N/A	N/A
Chicago	10222	-153	-3737
St. Louis	360	-93	-1277
Total	10582	-246	-5014
KCBOT Wheat			
Salina	15271	-225	-7036
Hutch	20595	-244	-5905
KC	10512	-175	771
Total	46378	-644	-12170

Corn

Corn rallied early in the session then midmorning broke and ended the day a couple pennies lower. Weather continues to keep freight and all logistics moving at a terribly slow pace. This has processors creeping bids to encourage movement. However a stagnant board price and inclement weather has farmer movement standing still. Group 3 rail offers for March are unchanged today. CIF corn was a penny or two weaker for Jan and Feb. Index fund rebalancing (buying 80-100K cxts) expected to start tomorrow just ahead of Friday's USDA report. The trade expects USDA on Friday to raise its estimates of the US 2013 corn production and the world ending stocks. An increased amount of US distillers is finding its way into China this has given a nice bump to DDG prices domestically over the past two days. CH/CK spread narrowed to $-7 \frac{3}{4}$ today, firming the spread to levels not seen since early November. If you long the basis and can't move your ownership talk with your broker about when to get hedges to the May. In November we had some farmer pricing the week before the Dec. USDA report. We are not seeing that this week so far ahead of the Jan report. If we get an unexpected rally from the USDA report this could stimulate the farmer to move corn. Make sure you bids are structured accordingly and be prepared to react quickly to a flat price grain movement. Until then don't expect many fireworks as traders are waiting direction from the USDA.

Troy Presley

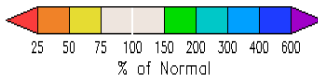
Daily Spreads					
Corn					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Mar4-May4	(8.00)	unc	-11.28	70.9%	3.3
May4-Jul4	(7.00)	unc	-11.69	59.9%	2.6
Mar4-Jul4	(14.75)	unc	-22.94	64.3%	2.9
Sep4-Dec4	(6.50)	0.25	-17.51	37.1%	1.3
Beans					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Jan4-Mar4	24.00	4.50	-14.93	-160.7%	None
Mar4-May4	17.25	2.00	-14.36	-120.1%	None
Nov4-Jan5	(6.50)	-0.50	-14.02	46.4%	1.2
Wheat					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Mar4-May4	(5.50)	0.25	-11.92	46.1%	1.7
May4-Jul4	(3.50)	-0.75	-12.34	28.4%	0.6
Jul4-Sep4	(9.25)	0.25	-12.56	73.7%	3.3
KCBOT Wheat					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Mar4-May4	(0.75)	1.00	-13.96	5.4%	-0.8
Mar4-Jul4	0.75	1.50	-28.40	-2.6%	None
Jul4-Sep4	(12.00)	unc	-20.81	57.7%	4.6

South American Weather Outlook

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

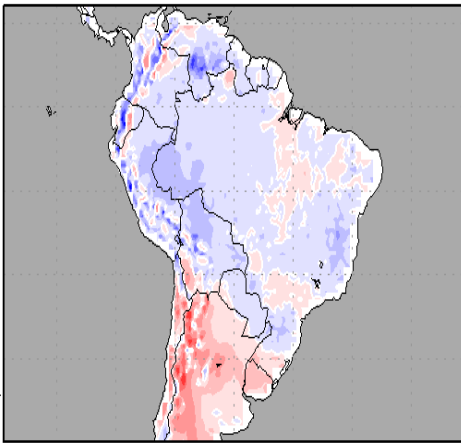
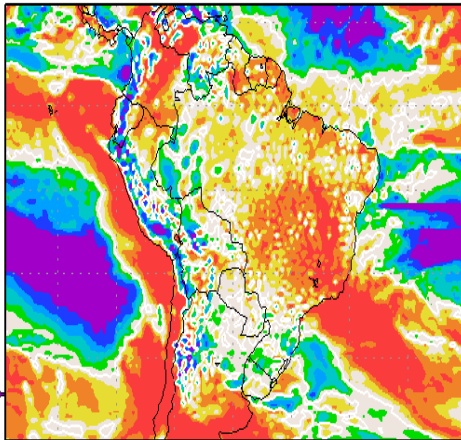
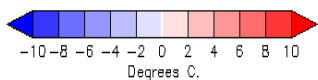
Precipitation (% of normal)
during the 7.5-day period:

Tue, 07 JAN 2014 at 12Z
-to-
Wed, 15 JAN 2014 at 00Z



Temperature Anomaly
during the 7.5-day period:

Tue, 07 JAN 2014 at 12Z
-to-
Wed, 15 JAN 2014 at 00Z



Beans

Flat price ran in place on Tuesday, despite a sizeable old crop export sale of 350,000 tmt old crop soybean sale to China. The front end responded with the SF14 closing 2 3/4's cents higher, while the deferred's all closed lower. The SF4/SH4 closed at 23 1/2 cents inverse, firmer by 3 1/2 cents. With Friday's production report looming, expectations by analysts seem to follow two pieces of the balance sheet. In a nutshell, thoughts seem to be streamlining along the lines of a bigger soybean crop, only to be offset by an increase in demand; crush and exports. Changes in carryout could be nominal, and thus, market structure most likely does not get changed much i.e. inverses. Buyers/processors are having their way with basis here in the shortterm, as basis combined with spread suggest a nice sale level vs the March. But, in 7 days, the whole market will be vs the March, and the buyer wont have anything to push against. Basis levels on Tuesday felt better, and CIF on the front end continues to firm. A flat price rally due to smaller crop on Friday bails the buyer out short term, but probably exasperates the problem long term. Friday's report is all we have to trade for the next couple months while the vigil for confidence in S American crop size takes time to develop.

Jack Fitzgerald

Wheat

Wheat futures were mixed on the day with HRW showing the most strength. The polar pig event continues to underpin at least to a small degree as limited winterkill is feared. Jordan did not purchase any wheat in its recent 100 kmt tender. Brazil is generating some talk of additional HRW business. In Friday's USDA report, the trade expects 43.5m acres total winter wheat, vs. 43.1 this past year. By class the average guesses are near unchanged for white winter, down 480 k acres for SRW and up 850 k acres for HRW. 11 days into the H/K VSR and SRW spreads are a long way from increasing deliverable storage. If export business materializes for more U.S., additional changes are even less likely. HRW basis was steady on the day though remains relatively firm. Futures spreads firmed again reflecting the lack of adequate cash movement. H/K settled at just 3/4c carry. While not attractive as a return to space and money, logistically trapped bushels need to be hedged forward. New crop spreads showed a little firmness, likely on a combination of winterkill fears as well as thin trade against new bullsreading.

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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