

July 29, 2013

# ADVANCE INSIGHT

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## Transportation

	TW/NW/Jul	Aug	Sep	Oct	Nov
St. Paul Savage	330/330/340	400	450	575	550
Dub South	280/290/300	310	475	550	475
St. Louis 12'	240/240/250	300	475	550	450
Illinois	255/260/265	275	290	540	475
OH/Jeff/Cinn	190/200/220	300	475	550	450
Gulf/PNW	\$0.550 / bushel				
BN Shuttles	0/0/0	-13	-113	750	200
UP Shuttles	-200/-200/-200	-188	-225	525	125

## Cash Corn Markets

	Jul FH/LH	Aug FH/LH	Sep FH/LH	Oct	Nov
CIF Nola	145u/145u 10	100u/80u	50z/50z	60z	60z
PNW	205u/205u unc	205u/	/	104z	106z

	Jul FH/LH		Jul FH/LH
Colo CSX 65	140u/140u unc	Chicago	140u/140u unc
Ft. Wayne N/S 75	180u/180u unc	Pekin ethanol	85u/85u unc
Evansvl 15s	185u/185u unc	Decatur, IL	130u/130u unc
Toledo	140u/140u unc	Champaign CN 25	130u/130u unc
UP Grp 3	/	Clinton, IA	98u/98u 23
Dexter, MO	/ x	Columbus, NE ethanol	/ unc
Fayne, OH	170u/170u unc	Muscatine Truck	160u/160u x
Ottawa	90u/90u -10	Hereford COBO B/E	185u/185u

## Cash Bean Markets

	Jul FH/LH	Aug FH/LH	Sep FH/LH	Oct	Nov
CIF Nola	190x/190x unc	170x/150x	120x/105x	90x	90x
Paranagua	-15q/-15q unc	-15q/-15q	80u/80u		

	Jul FH/LH		Jul FH/LH		Jul FH/LH
Columbus	120q/120q unc	CN25	115x/115x unc	Mankato	105x/105q
Toledo	170x/170x	Chicago	0q/0q	Cncl Bluf	70u/70u unc
Fostoria	180x/180x	Decatur	130x/130x unc	Lincoln	70x/70x unc
Windsor	145x/145x	Naples	20q/20q -75	KC	50x/50x unc
PNW	/	Ottawa	152x/152x 17	Wichita	40x/40x unc

## Cash Milo Markets

	Jul FH/LH	Aug FH/LH	Sep FH/LH	Oct	Nov
CIF Nola	130z/130z 5	/	/		
Houston	70z/70z x	70z/70z	50z/50z	50z	50z
Corpus Christi	70z/70z x	70z/70z	50z/50z	50z	50z

## Cash Wheat Markets

	Jul FH/LH	Aug FH/LH	Sep FH/LH	Oct	Nov
CIF SRW	55u/55u unc	60u/65u	75u/75u	80z	80z
TX Gulf HRW	160u/160u unc	148u/148u	/		

	Jul FH/LH		Jul FH/LH
SRW	23u/23u 2	HRW	95u/110u unc
St. Louis	15u/15u 5	KC Ords	130u/145u -10
Toledo (Mill)		KC 12s	115u/130u unc
		KC 13s	122u/137u 7
PNW	110u/110u x	KC 14s	

## Export Inspections

	TW	LW	LY	YTD	USDA Goal	Need/Week
Corn	11.1	10.0	21.6	627.3	700	14.5
Soybeans	1.3	3.9	15.7	1298.1	1330	6.4
Wheat	25.4	24.2	19.1	186.2	975	20.2
Sorghum	1.9	1.1	3.2	62.1	80	2.6

## Corn

After the drastic drop in cash values last week, it felt like the trade was pleased just see mainly unchanged basis values today. Board was down slightly with non-threatening weather (temp-wise) and some of the drier areas of the WCB getting some nice rains that are now getting into MO and IA. More are now worried about temps being too cool and pushing back layer making early frost a bigger concern. Even with cooler temps over this last week, the % of the crop silking is down only 4% from average at 71%. WI is the only state with less than 50% of the crop silking at 43%, but IA is right at 50% and ND is 51% which leaves room for concern. Crop conditions stayed unchanged for the week with 63% of the crop rated G/E. Only one state changed over 4% this week and that was TX which improved 5%. Friday's COT report showed that the large Spec funds are continuing to grow their short corn position by adding another 45,000 contracts to a record net short of 156,000. Assuming Mother Nature does cooperate the balance of this year, their position may feel justified, but any production threats or unexpected demand shows up and this could create some upside volatility which we witnessed last week in bean and meal specs who were on the wrong side of trying to get out of their bull spreads. Basis finally felt like it has a bottom for now as most markets were steady to better. Most domestic users were able to get the balance of their August grind covered last week and some are now showing carry into September though ethanol margins are negative meaning you need to stay short the basis and DP.

*Dewey Hull*

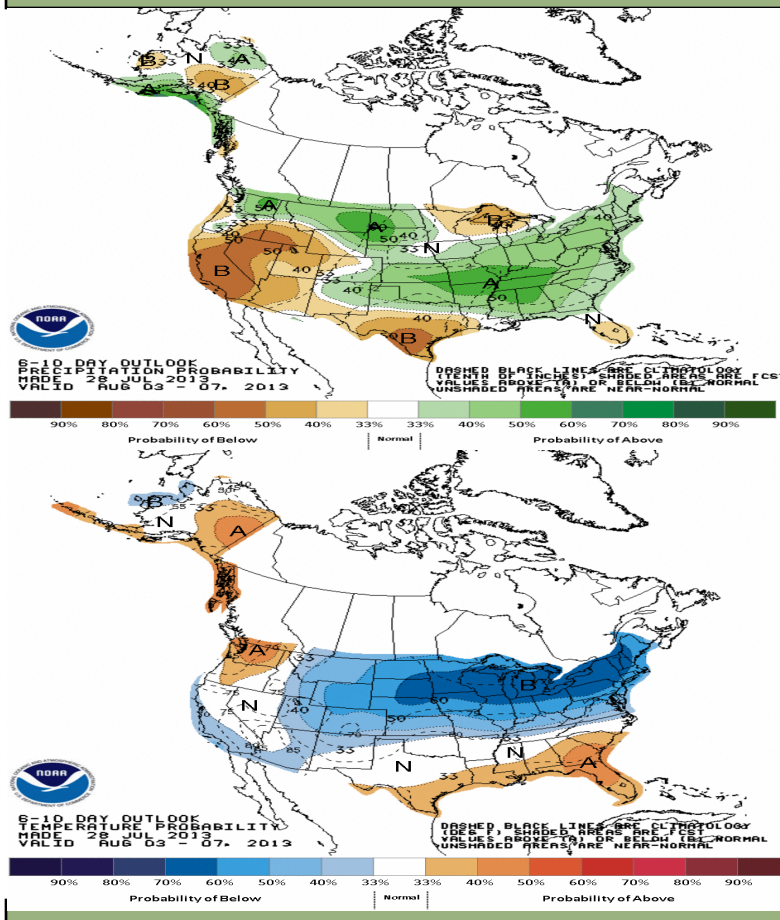
## Beans

SQ +17 ¼, SX -8 ½, SMQ +\$10.7, SMZ +\$1.7. Old crop cash markets stabilized after last week's ambush on the longs and supported nearby futures today. Interesting that cash market's bid vs the X, dropped 26c vs the Q today. This leaves many processor bids well below delivery value. Take Decatur, IL at +130X = -18Q. DVE is ~ +30-50Q. This means either the basis is too low or the spread too inverted. Suggest moving 50-75% of basis

Daily Spreads					
Corn					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Sep3-Dec3	16.00	unc	-17.78	-90.0%	None
Dec3-Mar4	(12.75)	unc	-17.69	72.1%	3.3
Sep3-Dec4	(15.00)	-0.50	-88.44	17.0%	0.1
Dec3-Jul4	(27.00)	unc	-41.01	65.8%	3.0
Beans					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Aug3-Sep3	95.50	21.00	-8.00	-1194.2%	None
Sep3-Nov3	52.00	5.25	-14.64	-355.2%	None
Mar4-May4	1.00	-1.00	-14.23	-7.0%	None
Wheat					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Sep3-Dec3	(11.75)	-0.50	-18.82	62.4%	2.6
Dec3-Mar4	(10.00)	unc	-18.82	53.1%	2.0
Mar4-May4	(6.00)	0.25	-12.20	49.2%	1.8
KCBOT Wheat					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Sep3-Dec3	(10.50)	-0.75	-30.89	34.0%	2.2
Dec3-Mar4	(8.75)	-1.00	-21.83	40.1%	1.6
Mar4-May4	(3.25)	unc	-14.15	23.0%	0.4

### North American Weather Outlook

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



short long futures hedges to the U or X. Meanwhile forecasts have needed rains coming for much of central and southern growing crop. The cooler temps have been welcome during the dry July, but rain and warmer temps are more ideal to keep optimum potential. Safras estimates Brazil's '14 production estimate at 88.1 mmt, +6mmt from TY. AG Rural's guess is 89.1 mmt. These support the trade's thinking that current SX3:CZ3 at 2.58:1 will add bean acres across the globe. China buyers were seen buying new crop Brazil (March) cargoes at +15H. No deliveries are expected Wed for meal with beans 0-100 and meal with 200-400 sbo likely put out. Weekly crop conditions were 63% G/E -1%. Expectations were for them to hold steady. Key changes were IA -3%, SD -5%, MN -2%, IL -1%. Improvements noted were ND +2%, KS +4%, MO +2%, OH +3%, MI +4%, NE +1%. P/VP conditions at 9% +1. Beans blooming were at 65% vs 74% avg. Setting pods at 20% vs 34% avg. Weekend news that JPM is selling off their physical commodity trading business may mean that even Wall St money isn't having as much fun in commodities as they'd like. Funds are long beans and meal and short oil.

Trent Sauder

### Wheat

Flat price market movement remained slight again on wheat. There was at least limited unwinding of short wheat/long corn in the spec community helping Chicago relative to the hard wheat's, though we're talking fractions of pennies in each case. Egypt states domestic supplies will meet local demand through mid-Dec, though post close GASC tendered for Sep 11-20 shipment. U.S. wheat was not offered in the last tender and is not expected to compete this time either if offered. Afternoon spring wheat condition ratings shows a slight decline, though ATI's condition model was down less than 1 mbu to 516.8 mbu. ATI's ND tour shows yield variability but final numbers are trending towards 4-5bu above USDA's 2012 yield. Export inspections of 25.4 mbu were strong relative to expectations. China's 6.8 mbu led the destinations. HRW totals were 9.7 mbu, with SRW just behind at 9.4 mbu. Soft white was 3.2 mbu, with HRS at 3.1 mbu. Durum and Hard wheat were shut out this week. HRW basis continued with a slightly weaker tone and futures spreads reflected as U/Z weakened 1c to -10 1/2c (carry). As KS rainfall has improved, fall crops are looking more likely to kick wheat out of storage. The roadblock to date has been farmer selling. Will the farmer release more as he gets more comfortable with fall production?

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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