

July 30, 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	330/330/330	350	450	575	550
Dub South	280/290/280	310	475	550	475
St. Louis 12'	250/270/270	270	400	525	450
Illinois	260/210/265	330	290	540	475
OH/Jeff/Cinn	200/210/220	275	375	550	450
Gulf/PNW	\$0.550 / bushel				
BN Shuttles	50/50/50	-13	-113	725	200
UP Shuttles	-200/-200/-200	-175	-225	525	125

Cash Corn Markets

	Jul FH/LH	Aug FH/LH	Sep FH/LH	Oct	Nov
CIF Nola	150u/150u 5	115u/115u	53z/51z	63z	58z
PNW	210u/210u 5	210u/200u	/	104z	106z

	Jul FH/LH		Jul FH/LH
Cols 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 x
Toledo	140u/140u unc	Champaign CN 25	130u/130u unc
UP Grp 3	/	Clinton, IA	98u/98u unc
Dexter, MO	/ x	Columbus, NE ethanol	/ x
Fayne, OH	170u/170u unc	Muscatine Truck	65u/65u
Ottawa	90u/90u x	Hereford COBO B/E	185u/185u x

Cash Bean Markets

	Jul FH/LH	Aug FH/LH	Sep FH/LH	Oct	Nov
CIF Nola	200x/200x 10	185x/160x	115x/103x	90x	88x
Paranagua	-15q/-15q unc	-15q/-15q	80u/80u		

	Jul FH/LH		Jul FH/LH		Jul FH/LH
Columbus	120q/120q unc	CN25	140x/140x 25	Mankato	120x/120q 15
Toledo	163x/163x -7	Chicago	0q/0q	Cncl Bluf	70u/70u unc
Fostoria	190x/190x 10	Decatur	130x/130x x	Lincoln	70x/70x unc
Windsor	145x/145x x	Naples	50q/50q +30.0	KC	50x/50x unc
PNW	/	Ottawa	152x/152x x	Wichita	40x/40x unc

Cash Milo Markets

	Jul FH/LH	Aug FH/LH	Sep FH/LH	Oct	Nov
CIF Nola	130z/130z unc	/	/		
Houston	60z/60z -10	60z/70z	50z/50z	50z	50z
Corpus Christi	75z/75z 5	75z/75z	50z/50z	50z	50z

Cash Wheat Markets

	Jul FH/LH	Aug FH/LH	Sep FH/LH	Oct	Nov
CIF SRW	60u/60u 5	63u/70u	78u/84u	80z	80z
TX Gulf HRW	160u/160u unc	148u/148u	/		

	Jul FH/LH	HRW	Jul FH/LH
SRW			
St. Louis	24u/24u 1	KC Ords	95u/110u unc
Toledo (Mill)	15u/15u unc	KC 12s	131u/146u 1
		KC 13s	115u/130u unc
PNW	110u/110u unc	KC 14s	122u/137u unc

Deliverable Stocks of Grain

(thousands of bushels)

Corn		Change from LW	Change from LY
Illinois River	1256	99	131
Chicago	191	-27	-73
Total	1447	72	58

Soybeans			
Illinois River	1353	186	-315
Chicago	6	-28	-748
Total	1359	158	-1063

CBOT Wheat			
Toledo	19500	-58	-6035
Chicago	7454	158	-5044
St. Louis	1427	-177	-791
Total	28381	-77	-11870

KCBOT Wheat			
Salina	25691	-203	308
Hutch	23283	-243	-3202
KC	10764	301	511
Total	59738	-145	-2383

Corn

Corn traded both sides today as weather remains favorable for large production potential but the cooler temperatures aren't helping the issue of early corn availability. U/Z gained 2 cents, closing at a 19 ½ inverse. Basis levels have rebounded in every market following last week's blood bath. Peoria, IL was 25 cents firmer, Cedar up 20, Hereford up 15-20 cents off the lows last week. It still feels like end users are filling needs for Aug/Sept and are becoming more concerned with timing on new crop bushels. Exports for OND could also limit availability for new crop corn to move north at any large volumes. Funds bought an estimated 5,000 contracts. S Korea bought 50,000 tonnes of corn from the Black Sea @ \$233.44 c&f.- that is a +17 CIF equivalent for Dec out of the US. Longs vs. DP shorts should have majority in the Sept. Wheat is no longer a major factor in feed rations- penciling a value of 108% or so the value of corn.

Nate Durako

Beans

Bean futures closed down nearly 20 cents across the board, within 3 cents of the low on a thirty cent range. Beneficial rains crossed from Iowa/MO into Illinois. More coming. Funds liquidated 4,000 cxt of beans. There was also bean/corn spread liquidation putting pressure on beans and supporting corn. Cash processor markets are firmer as the huge basis break a week ago and nearly 80 cent board break in the same time, have processors struggling to get offers. Long term, basis is going to converge to new crop values

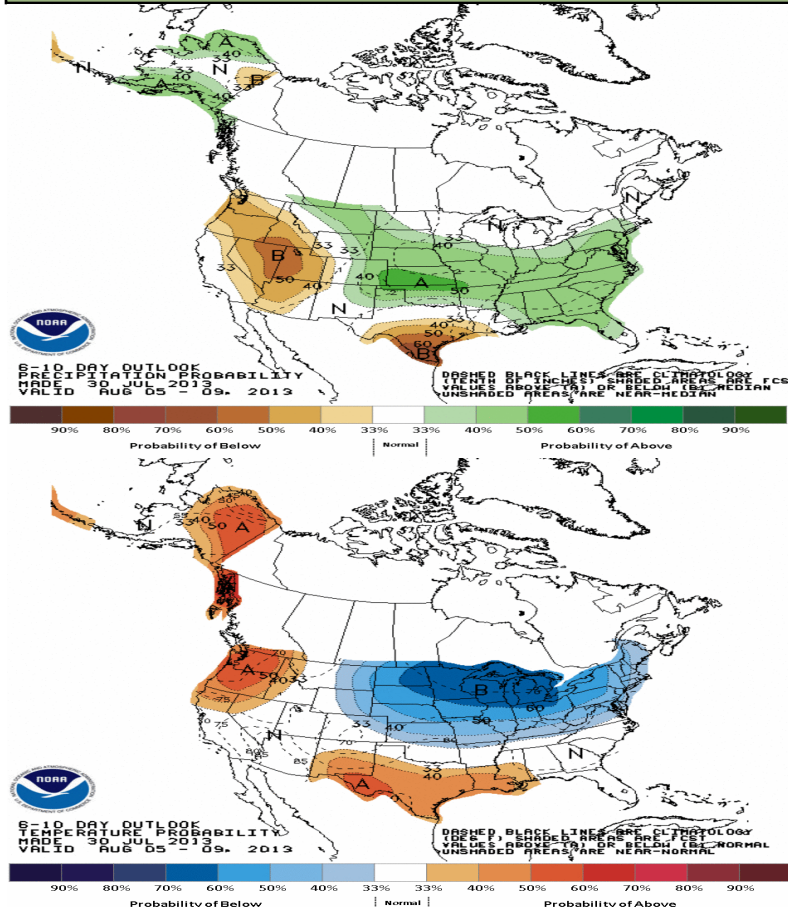
Daily Spreads					
Corn					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Sep3-Dec3	19.50	3.50	-17.81	-109.5%	None
Dec3-Mar4	(12.75)	unc	-17.71	72.0%	3.3
Sep3-Dec4	(13.50)	1.50	-88.56	15.2%	0.0
Dec3-Jul4	(27.00)	unc	-41.07	65.7%	2.9
Beans					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Aug3-Sep3	101.00	5.50	-7.96	-1268.7%	None
Sep3-Nov3	45.00	-7.00	-14.55	-309.3%	None
Mar4-May4	0.75	-0.25	-14.16	-5.3%	None
Wheat					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Sep3-Dec3	(12.50)	-0.75	-18.84	66.3%	2.9
Dec3-Mar4	(10.25)	-0.25	-18.84	54.4%	2.1
Mar4-May4	(6.25)	-0.25	-12.22	51.2%	1.9
KCBOT Wheat					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Sep3-Dec3	(12.00)	-1.50	-30.94	38.8%	2.6
Dec3-Mar4	(8.75)	unc	-21.86	40.0%	1.6
Mar4-May4	(2.50)	0.75	-14.17	17.6%	0.0

which is currently about a \$1.70 per bushel devaluation. With that, from 10,000 feet, you are going to want to stay on the short side long term. But short term, it does feel like basis will continue to have some appreciation. First notice of August deliveries is Wednesday. Using the offer side of LH Aug CIF (+70SQ) and 340% frt for the same time on the IWDS shows fob in a barge at +18SQ or just above delivery value. So, deliveries will be minimal. Processors around the river are +150 to +170SX or option the Q to +20SQ, which is too cheap to be a threat to economically stop the August. The SQ/SU is at a \$1.00 inverse. That actually feels too firm with the current cash market nearly converged with futures. It is likely a sign of the difficulty for offers, but is subject to breaking if river cash values break a dime or more. Be careful not to be insulated from financial loss if the basis appreciates or if the basis breaks significantly. Either can happen short term. Be on the short side of basis position with long scattered in the SQ, SU and SX.

Ben Peters

North American Weather Outlook

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



Wheat

Wheat stayed on the rally train today with a variety of stories in the news wire. From the demand sector Taiwan Flour Miller's Assoc bought 97,200 tonnes of US milling wheat for Sept shipment. This shipment had dark northern spring wheat, hard red winter and western white wheat. 12.5 protein HRW winter was sold at about +160U FOB PNW. Egypt made headlines announcing their tender from earlier in the week. Ukraine and Romanian were the origins of choice for the tender. The gulf equivalent of that tender would have been \$6.50/bu. The US values remain approximately 65c/bu out of the market for SRW. Rumors of China looking for wheat kept many talking. With the unknown quality of the SRW wheat some feel Australia could be the origin of choice for the Chinese. CME announced it will launch new short dated new crop options for KC HRW. Once blessed by the CFTC these options could start trading as early as Aug 26th. This will be an option based off of July 2014 futures contract but have expirations in targeted timeframes. KC protein scales had a mixed tone today with 11.6's up 8c and 12.6 down 3c. KC protein scales continue to show an inverted basis with 12.0 being the coveted protein. HRW wheat ownership remains historically light, and basis levels firm/DVE at the gulf for 11's. KC U/Z managed to settle at 12c just shy of 40% FC. Hedges should remain in the front month if logistics allow you to move the grain vs Sept, if logistically challenged talk with your broker for a plan to get to the Dec. The KC wheat corn spread has slide out to almost \$2/bu thus keeping HRW from being thrown into new rations. As it stands today wheat would be about 100% the value of corn in western KS!

Troy Presley