

August 20, 2013

ADVANCE INSIGHT

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Transportation

	TW/NW/Aug	Sep	Oct	Nov	Dec
St. Paul Savage	375/400/400	525	600	600	
Dub South	350/360/380	380	575	550	
St. Louis 12'	300/325/375	500	525	375	425
Illinois	350/375/400	400	575	500	440
OH/Jeff/Cinn	350/375/400	550	575	500	400
Gulf/PNW	\$0.550 / bushel				
BN Shuttles	25/25/25	-50	650	350	-63
UP Shuttles	-100/-100/-100	-150	550	175	175

Cash Corn Markets

	Aug FH/LH	Sep FH/LH	Oct FH/LH	Nov	Dec
CIF Nola	125u/113u unc	71u/69u	69z/69z	64z	59z
PNW	240u/240u unc	175u/	103z/101z	102z	107z

	Aug FH/LH		Aug FH/LH
Cols CSX 65	146u/146u unc	Chicago	175u/175u unc
Ft. Wayne N/S 75	150u/150u unc	Pekin ethanol	150u/150u unc
Evansvl 15s	170u/170u unc	Decatur, IL	155u/100u unc
Toledo	120u/120u unc	Champaign CN 25	170u/170u 15
UP Grp 3	/	Clinton, IA	146u/146u 5
Dexter, MO	/ x	Columbus, NE ethanol	155u/155u unc
Fayne, OH	160u/160u unc	Muscatine Truck	120u/120u unc
Ottawa	130u/130u -5	Hereford COBO B/E	205u/205u unc

Cash Bean Markets

	Aug FH/LH	Sep FH/LH	Oct FH/LH	Nov	Dec
CIF Nola	175x/150x unc	135x/115x	92x/92x	93x	90f
Paranagua	95u/95u unc	105u/105u	/		

	Aug FH/LH		Aug FH/LH		Aug FH/LH
Columbus	15x/15x -130	CN25	150x/150x	Mankato	130x/110x x
Toledo	130x/130x unc	Chicago	40u/40u unc	Cncl Bluf	120u/120u unc
Fostoria	165x/165x unc	Decatur	155x/130x -10	Lincoln	100x/100x unc
Windsor	190x/190x x	Naples	70x/70x -10	KC	150x/150x unc
PNW	/	Ottawa	120x/120x -8	Wichita	180x/170x unc

Cash Milo Markets

	Aug FH/LH	Sep FH/LH	Oct FH/LH	Nov	Dec
CIF Nola	80z/80z unc	/	/		
Houston	65z/65z 10	50z/50z	50z/50z	50z	50z
Corpus Christi	55z/55z unc	50z/50z	50z/50	50z	50z

Cash Wheat Markets

	Aug FH/LH	Sep FH/LH	Oct FH/LH	Nov	Dec
CIF SRW	35u/40u unc	55u/60u	75z/80z	75z	75z
TX Gulf HRW	130u/130u unc	130u/130u	/		

	Aug FH/LH		Aug FH/LH
SRW		HRW	
St. Louis	0u/0u 15	KC Ords	90u/100u 5
Toledo (Mill)	-3u/-3u unc	KC 12s	136u/146u 5
		KC 13s	130u/140u 25
PNW	116u/116u x	KC 14s	110u/120u 5

Deliverable Stocks of Grain

(thousands of bushels)

Corn		Change from LW	Change from LY
Illinois River	520	-220	-265
Chicago	85	-114	-14
Total	605	-334	-279

Soybeans			
Illinois River	1430	231	599
Chicago	64	55	-175
Total	1504	286	424

CBOT Wheat			
Toledo	21819	1010	-4106
Chicago	7955	-218	-5034
St. Louis	657	-214	-1515
Total	30431	578	-10655

KCBOT Wheat			
Salina	23376	-715	-2194
Hutch	23502	661	-4552
KC	11934	1106	1116
Total	58812	1052	-5630

Corn

Corn closed lower today on consolidation/profit taking as well as pressure from good yields coming out of the Pro Farmer crop tour. Sept corn ended the day down 9 ½ at \$4.83 ¾ while Dec corn settled down 10 at \$4.75 ½. Pro Farmer crop tour continued on today – Indiana yields were pegged at 179.2 bpa (vs 114 ly and 143.5 bpa 3 yr. avg.). Noted concern for top soils starting to dry out potentially taking some yield away. Results out of Southeast Nebraska pegged yields at 165 bpa (vs 132 LY and 148 bpa 3 yr. avg.). Yield checks on irrigated fields were pegged at 180 bpa, dry land at 133 bpa. ATI weather consultant T-Storm forecast some scattered thunderstorms for Wednesday night through Thursday though total precipitation amounts are expected to be minimal. Dry weather expected for the end of the week into the first part of next week with warmer to much warmer temps for the next 10 to 14 days. If this forecast becomes reality it could end up taking some yield off this crop. Cash corn basis was quiet/steady – a few noted processor bumps for quick ship. The producer selling that we had seen late last week and yesterday was not there today. Corn spreads widened back out today – CZ/CH trading out to 13 cents before settling at 12 ¾. CZ/CK widening 1 cent closing at 21, and CZ/CN widening 1 ½ closing at 26 ¾. Still advise bull spreading the Dec/March corn spread starting at these levels with the ultimate goal of being covered on a third to a half of your current and anticipated new crop ownership – discuss with your broker.

Paul Dubravec

Daily Spreads

Corn					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Sep3-Dec3	8.25	0.75	-17.74	-46.5%	None
Dec3-Mar4	(13.00)	-0.75	-17.70	73.5%	3.4
Sep3-Dec4	(25.00)	-1.25	-88.48	28.3%	0.8
Dec3-Jul4	(26.75)	-1.25	-41.03	65.2%	2.9

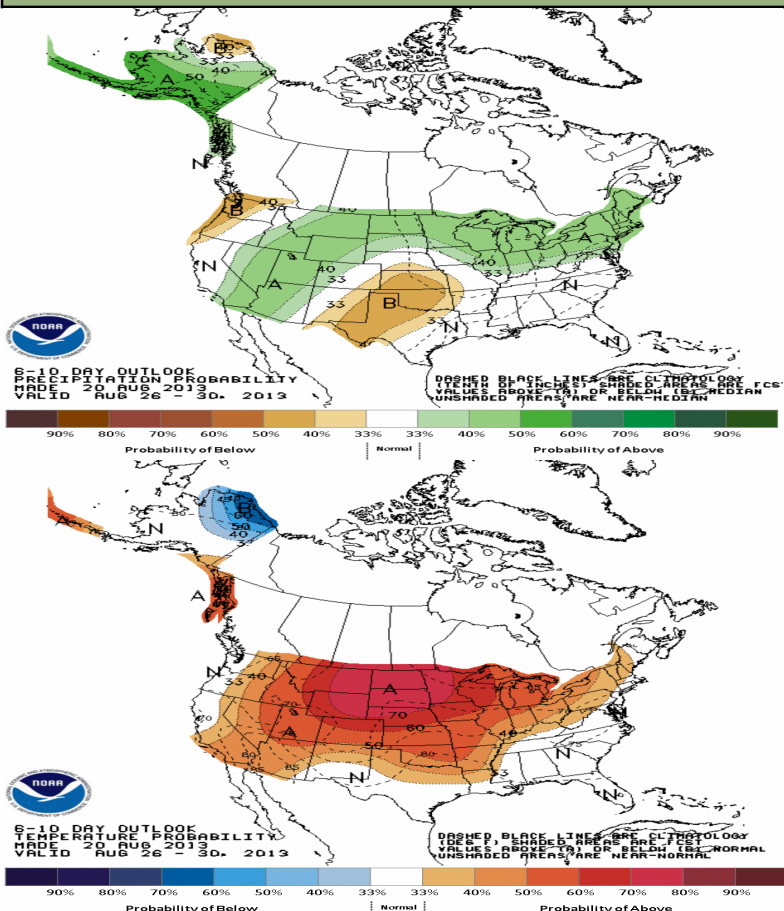
Beans					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Sep3-Nov3	18.75	0.75	-14.77	-127.0%	None
Nov3-Jan4	(1.25)	-0.75	-15.19	8.2%	-1.8
May4-Jul4	0.75	0.25	-14.77	-5.1%	None

Wheat					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Sep3-Dec3	(11.75)	0.50	-18.72	62.8%	2.7
Dec3-Mar4	(11.50)	1.00	-18.72	61.4%	2.6
Mar4-May4	(6.50)	unc	-12.14	53.5%	2.1

KCBOT Wheat					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Sep3-Dec3	(2.50)	1.25	-30.88	8.1%	-0.5
Dec3-Mar4	(7.50)	-1.25	-21.86	34.3%	1.2
Mar4-May4	(3.75)	-0.25	-14.17	26.5%	0.6

North American Weather Outlook

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



Beans

Soybeans traded lower following yesterday's impressive 2-month high. Weather hasn't changed much, finishing rains will be key to making the soybean crop. However, technical selling and profit taking pressured the market today. Funds sold an estimated 6,000 contracts. Farmer selling has also picked up in the rally- Decatur soybean basis was down a dime at +155 SX. X/F eased a penny today, closing at 1 ¼ carry. ATI yield model was slightly down to 45.7 bpa. Spot crush margins fell as meal/oil lagged soybeans with western meal offers lowers. New crop demand remains strong, keeping spreads narrow. CIF values are teetering around DVE for Nov. and lack of farmer sales, production concerns should keep basis/spreads strong until new crop potential is realized. Talk of DP programs, logistics, and inverses might not be over from the dreaded 12/13 crop year- don't let the large corn crop and harvest concerns overshadow the needs to plan for bean movement and line up basis targets for fall.

Nate Durako

Wheat

It was quiet for most of the day in the wheat pits until late in the session when we saw active selling pressuring wheat to close on the lows. The wheat markets continue to be a follower of the corn and soybean complex. Looking for fresh news in wheat is scarce. Spreads Tuesday were flat to a little firmer. The U/Z continues to hang around 11-12 cents. We only have 4 days left in the VSR observation period for the U/Z and so far the average has been 66% of full carry. This means we will stay at 5 cents a month storage. The Z/H observation period will start after the September contracts goes off the board. SRW hedges are in the December and some in the March. The Z/H is around 11 ½ -12 cents. If you have quality concerns or can't execute vs. the December look to get hedges out to the March. You could argue if you have a quality issue to take them out further. Your margin opportunity with the poorer quality wheat will be in blending with next summer's crop. Therefore you don't want to be caught with hedges in a month you can't sell against. CIF basis was flat Tuesday as well as much of the mill markets. The nearby Chicago wheat/corn spread was around \$1.50 area. This is off from the \$1.90 premium wheat we saw two-weeks ago...

Mark Talaski

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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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