

August 21, 2013

ADVANCE INSIGHT

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Transportation

	TW/NW/Aug	Sep	Oct	Nov	Dec
St. Paul Savage	350/375/375	400	575	600	
Dub South	350/375/375	400	575	550	
St. Louis 12'	300/325/375	400	525	475	375
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	100/100/100	-50	800	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/125u unc	75u/69u	69z/69z	61z	59z
PNW	250u/250u 10	175u/	102z/102z	102z	106z

	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
Toledo	120u/120u unc	Champaign CN 25	170u/170u x
UP Grp 3	/	Clinton, IA	146u/146u unc
Dexter, MO	/ x	Columbus, NE ethanol	155u/155u x
Fayne, OH	160u/160u unc	Muscatine Truck	120u/120u unc
Ottawa	135u/135u	Hereford COBO B/E	205u/205u unc

Cash Bean Markets

	Aug FH/LH	Sep FH/LH	Oct FH/LH	Nov	Dec
CIF Nola	150x/150x -25	135x/115x	95x/95x	95x	90f
Paranagua	95u/95u unc	98u/98u	/		

	Aug FH/LH		Aug FH/LH		Aug FH/LH
Columbus	15x/15x unc	CN25	150x/150x x	Mankato	130x/110x x
Toledo	130x/130x unc	Chicago	40u/40u unc	Cncl Bluf	133u/133u 13
Fostoria	140x/140x -25	Decatur	155x/130x	Lincoln	100x/100x unc
Windsor	190x/190x x	Naples	70x/70x unc	KC	150x/150x unc
PNW	/	Ottawa	120x/120x	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 unc	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	45u/45u unc	54u/59u	75z/80z	75z	75z
TX Gulf HRW	130u/130u unc	130u/130u	/		

	Aug FH/LH	HRW	Aug FH/LH
St. Louis	-5u/-5u -5	KC Ords	90u/100u unc
Toledo (Mill)	-3u/-3u unc	KC 12s	136u/146u unc
		KC 13s	130u/140u unc
PNW	117u/117u 1	KC 14s	110u/120u unc

Export Sales Estimates

	Expected Crop mbu (kmt)	Needed (mbu)
Corn	29-38 (725-975)	-11.6
Soybeans	48-66 (1300-1800)	-16.8
Wheat-All	17-20 (450-550)	13.8
HRW		5.5
SRW		2.1
Sorghum		3.8
Soybean Meal	150-300	-2.9
Soybean Oil	10-20	8.8

Corn

September futures rallied into the close and settled up 14 ¼ @ \$4.98. Dec corn was up 7 ¾. Old crop cash was firmer as positive ethanol margins roll forward allowing plants to seek out limited offers. UP group 3 reportedly trading near \$2.00CU (\$1.35 a week ago). Hereford reported @ \$2.30. Nearby river premiums firmed 10-12 cents. Southern harvest is moving northbound on river and rail. This corn is likely wet and hopefully ground up in a 10-15 days. With the strength in nearby cash, the CU/CZ strengthened 6 ½ cents to 14 ¾ inverse. Weather continues to trim crop estimates as the dryness persists. The heat is good for maturity. All eyes are on the radar with hopes that precip coverage/amounts overnight is greater than forecast. Pray for rain. Harvest will pull forward if we have dryness persist. Take extra margins and keep old crop ownership sold up.

Ben Peters

Beans

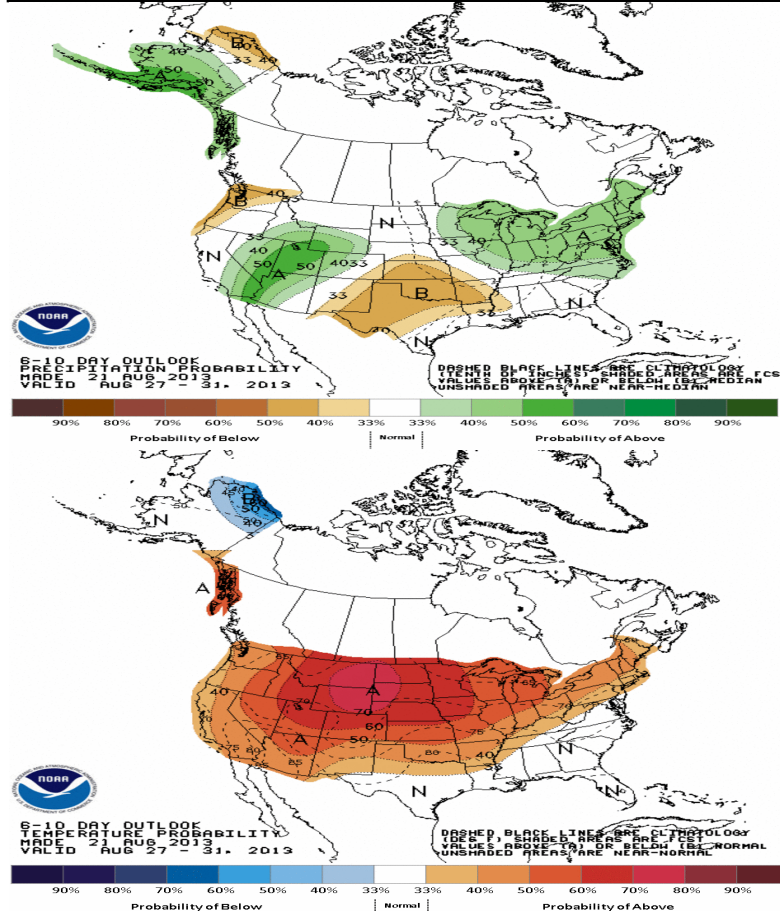
Soybeans gave to the pressure of weather concerns as the nearby Sept futures pushed 20+ cent higher on the day to settle at near session highs. Sept gained on November futures that were only up 15c on the day settling at 1304.0. The U/X spread rose to a 28 ¼ inverse while basis levels felt softer on the day with producers moving grain as they realize the discounts for holding soybeans into new crop. The game isn't over just yet or should I say you haven't missed the merchandising opportunity just yet. X/H closed at a 21 ¼ inverse as new crop farmer selling is light compared to big Chinese demand. Never to early to be planning for Fall space needs and with light farmer marketing DP programs will be key in taking advantage of the inverse. Some

Daily Spreads					
Corn					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Sep3-Dec3	14.75	6.50	-17.82	-82.8%	None
Dec3-Mar4	(12.50)	0.50	-17.74	70.5%	3.2
Sep3-Dec4	(16.75)	8.25	-88.70	18.9%	0.2
Dec3-Jul4	(25.75)	1.00	-41.13	62.6%	2.8
Beans					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Sep3-Nov3	29.00	10.25	-14.86	-195.2%	None
Nov3-Jan4	(1.50)	-0.25	-15.24	9.8%	-1.7
May4-Jul4	1.50	0.75	-14.81	-10.1%	None
Wheat					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Sep3-Dec3	(10.50)	1.25	-18.74	56.0%	2.2
Dec3-Mar4	(11.50)	unc	-18.74	61.4%	2.6
Mar4-May4	(6.25)	0.25	-12.15	51.4%	1.9
KCBOT Wheat					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Sep3-Dec3	(2.25)	0.25	-30.89	7.3%	-0.6
Dec3-Mar4	(6.75)	0.75	-21.87	30.9%	0.9
Mar4-May4	(3.00)	0.75	-14.18	21.2%	0.2

processors are unwilling to post basis levels at this time that are representative of the export demand. However, time can cure all things and as long as crush margins remain positive, they will have to keep many beans from moving to the gulf. Soymeal was higher on the day as it gained vs soyoil. Stats Canada took a stab at estimating the 2013 canola crop at 14.7 mln tonnes, this is a record crop but didn't meet the expectations of the industry (15.5 mln tonnes). Pro Farmer is still stomping thru the mid-west, pod counts in Indiana and Nebraska were in line with 3 yr avg. Again the biggest concern is just crop maturity and weather moving forward. Keep your eye to the sky as weather will be the biggest concern and stay sold up on old crop beans!

Troy Presley

North American Weather Outlook
<http://www.cpc.ncep.noaa.gov/products/predictions/610day/>



Wheat

Wheat futures closed mixed on Wednesday as the winters were supported by fall crop strength but spring weakened on strong Canadian production. Anecdotal reports of freeze damage in Australia did not appear to spook the market. CBH group forecast Western Australia production at 7.5 mmt vs LY's 6 mmt. Stats Canada showed all wheat production at 30.56 mmt, modestly bigger than expected and a figure that would be the highest in 22 years. MWU/Z has a 9 1/4c range in the last two days, closing today near the widest end of that. While the larger production number would help support that move, real/perceived increase in cash movement is the larger issue. Conversely on HRW, values remain firm and U/Z at 2c carry reflects that. As noted yesterday, deliverable stocks are starting to decline, and are below last year's levels, but are still comfortable. New crop KCBT spreads weakened a bit again, with N4/U4 out to 9c carry. With seasonal storage rates in delivery, that's still sub 50% of full carry but attractive relative to interest costs on long basis positions. File this one under "keep on the radar".

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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