

August 26, 2013

# ADVANCE INSIGHT

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## Transportation

	TW/NW/Aug	Sep	Oct	Nov	Dec
St. Paul Savage	375/400/425	500	575	600	
Dub South	375/400/425	450	575	550	
St. Louis 12'	325/375/400	450	525	525	375
Illinois	375/400/400	400	575	500	425
OH/Jeff/Cinn	375/400/375	425	575	450	400
Gulf/PNW	\$0.550 / bushel				
BN Shuttles	200/200/200	100	850	425	-38
UP Shuttles	75/75/75	50	550	200	200

## Cash Corn Markets

	Aug FH/LH	Sep FH/LH	Oct FH/LH	Nov	Dec
CIF Nola	155u/155u unc	83u/71u	71z/68z	64z	61z
PNW	295u/295u 30	225u/	102z/102z	102z	106z

	Aug FH/LH		Aug FH/LH
Cols CSX 65	146u/146u unc	Chicago	180u/180u unc
Ft. Wayne N/S 75	150u/150u unc	Pekin ethanol	160u/160u -10
Evansvl 15s	170u/170u unc	Decatur, IL	125u/125u
Toledo	135z/135z unc	Champaign CN 25	120u/120u -40
UP Grp 3	/	Clinton, IA	146u/146u unc
Dexter, MO	/ x	Columbus, NE ethanol	162u/162u
Fayne, OH	160u/160u unc	Muscatine Truck	130u/130u unc
Ottawa	120u/120u	Hereford COBO B/E	205u/205u unc

## Cash Bean Markets

	Aug FH/LH	Sep FH/LH	Oct FH/LH	Nov	Dec
CIF Nola	175x/175x 25	135x/115x	95x/90x	95x	90f
Paranagua	90u/90u unc	90u/90u	/		

	Aug FH/LH		Aug FH/LH		Aug FH/LH
Columbus	15x/15x unc	CN25	140x/140x -10	Mankato	120x/120x -15
Toledo	105x/105x unc	Chicago	30u/30u -10	Cncl Bluf	130x/130x 40
Fostoria	130x/130x unc	Decatur	160x/160x	Lincoln	100x/100x unc
Windsor	190x/190x x	Naples	45x/45x unc	KC	140x/140x -10
PNW	/	Ottawa	120x/120x	Wichita	170x/170x unc

## Cash Milo Markets

	Aug FH/LH	Sep FH/LH	Oct FH/LH	Nov	Dec
CIF Nola	80z/80z unc	/	/		
Houston	65z/65z x	50z/50z	50z/50z	50z	50z
Corpus Christi	55z/55z x	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	55u/62u	75z/80z	75z	75z
TX Gulf HRW	130u/130u x	130u/130u	/		

	Aug FH/LH		Aug FH/LH
SRW		HRW	
St. Louis	0u/0u unc	KC Ords	90u/100u unc
Toledo (Mill)	-3u/-3u unc	KC 12s	130u/140u -6
		KC 13s	130u/140u unc
PNW	120u/120u x	KC 14s	110u/120u unc

## Export Inspections

	TW	LW	LY	YTD	USDA Goal	Need/Week
Corn	12.0	7.2	15.1	677.9	715	37.1
Soybeans	2.5	5.3	17.6	1310.7	1315	4.4
Wheat	31.2	33.8	18.9	304.0	1100	19.9
Sorghum	2.3	1.0	4.7	70.3	75	4.7

## Corn

Yup, in case you were wondering this is the weather market... The current warm/dry forecast and strong rally in the neighboring soybean complex pushed corn back over \$5.00 vs. the December. You have to go back to mid-July to have find the last time December corn was above \$5.00. By mid-day the funds were buyers over 21,000 contracts of corn. South American producer selling has been noted as well today with record high prices and weakness of the Real. Here in the US we have seen a little old crop cash movement and that seems to be breaking the CU/CZ spread back. It was near a 30 cent inverse Friday and Monday it was into a 15 cent inverse on the close. The 6-10 forecast Monday afternoon continues to show above normal temps for the heart of the Corn belt with above normal temps along the far WCB, northern production areas and ECB. Almost like a half circle. <http://www.cpc.ncep.noaa.gov/products/predictions/814day/index.php> The Z/H spread was around 12 cents Monday. With the recent rally we might see the spread relax a bit and that could be a good opportunity to get carry locked in to the March. End users that want to protect late fall/early winter basis you could look to bull spread the Z/H. I might sound a little like a broken record but be sure to have orders in to lock in carry to the March if you have not done so already. Cash basis was steady to a little weaker on the rally. Export inspections were decent at 12 mbu. Crop progress was released Monday afternoon showing 59% of the crop is G/E compared to 61% last week. The trade was looking for a 2-4% decline. For the FWIW column a year ago it was 22% G/E. 23% of the crop is in the dent stage vs. the average at 45% (73% a year ago). 70% of the crop is in the dough stage vs. the average at 79% (94% a year ago).

Mark Talaski

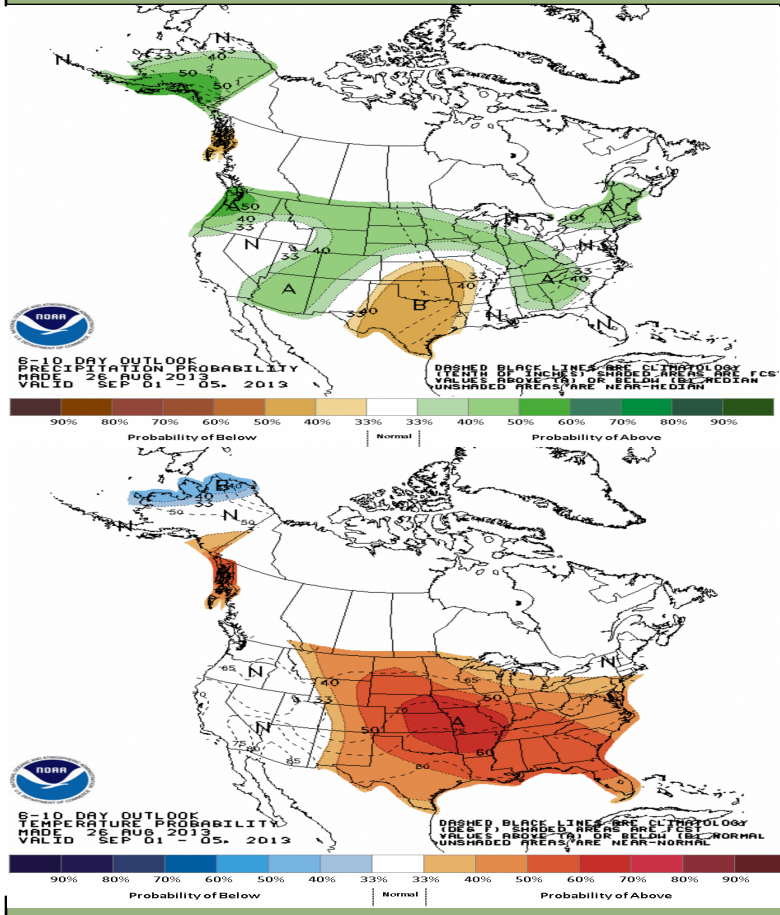
## Beans

With less than expected rains over the weekend and forecasts calling for continued heat and below normal rain into September, the market ratcheted higher in all of the bean complex. Funds were estimated buyers of almost 20k beans, 6,000 oil and 4,000 meal. Chinese interest was picking back up overnight on these fears while new crop farmer sales were noticeable, but far from heavy. As expected crop conditions were lower though exceeding expectations

Daily Spreads					
Corn					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Sep3-Dec3	16.00	-9.50	-17.92	-89.3%	None
Dec3-Mar4	(12.25)	unc	-17.84	68.7%	3.1
Sep3-Dec4	(11.25)	-2.00	-89.19	12.6%	-0.2
Dec3-Jul4	(24.25)	1.50	-41.36	58.6%	2.5
Beans					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Sep3-Nov3	38.25	1.00	-15.21	-251.5%	None
Nov3-Jan4	2.25	2.75	-15.57	-14.5%	None
May4-Jul4	4.00	3.00	-15.05	-26.6%	None
Wheat					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Sep3-Dec3	(12.00)	-0.50	-18.84	63.7%	2.7
Dec3-Mar4	(12.00)	unc	-18.84	63.7%	2.7
Mar4-May4	(7.00)	unc	-12.22	57.3%	2.3
KCBOT Wheat					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Sep3-Dec3	(5.00)	-3.25	-30.96	16.2%	0.3
Dec3-Mar4	(8.75)	-1.25	-21.92	39.9%	1.6
Mar4-May4	(3.75)	-0.25	-14.21	26.4%	0.6

### North American Weather Outlook

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



dropping 4% vs the 2-3% that many in the traded were assuming. Two states saw double digit reductions in conditions with MI down 11% and ND down 10%. If weather forecasts are correct these next 7 days, next week conditions on beans will drop much further yet, but should be more reflected in the central belt and west and not the northern states. Along with futures rallying hard, option volatility jumped 4% which is huge for one day. Last week we saw large inverses beyond Jan '14 with a slight carry in the Nov/Jan. Today the X/F traded to a 5 ½ cent inverse at one time (closed at +2 ½) and gives the commercial elevator more incentive to offer DP and short these bushels this fall. S.A. inventory will be much larger on Sept 1 this year than last and acreage is expected to grow by 10% vs last year. Logistics will again be a concern in S.A. offering some spot pushes at times in the U.S., but with the X/H at a 36 cent inverse and X/K at over 70 cents, shorting DP beans this falls looks to be the method of choice. Outstanding sales of new crop beans exceeds last year by over 100 mbu and meal sales are also over 30% higher than last year at this time. Still would be careful to sell premiums before they're in your house. A wet fall would be the kiss of death pushing basis and spreads higher. Considering we had one of the wettest springs on record only to have one of the driest July/Aug, should help to convince one to not bet on Mother Nature this harvest.

Dewey Hull

### Wheat

Wheat futures started the week sharply higher, following strong rallies in corn and soybeans. WU13 closed up 20 ¼ at 654 ¾, the largest single-day move in nearby wheat since June. KCBT & MNPS wheat closed higher as well, but trailed Chicago futures. Row crops shot higher as wide-spread heat and limited rainfall look to plague much of the Central U.S. this week. T-storm Weather reported that we are headed for the driest July/Aug since 1936, following the wettest March/Apr/May in over 100 years. There were several other bullish factors that encouraged the wheat rally today. Short covering was evident, as large specs are reportedly carrying a sizeable net-short position. Export Inspections were solid at 31.2 mbu, exceeding trade expectations & BOY needs. Brazil's Conab agency reported this morning that July frosts in Parana have reduced the expected wheat output to 1.98 million tons, down from 2.7 million previously. Parana is the top wheat-producing state in the country. There were also reports that temperatures in Argentina fell below 20 degrees Fahrenheit in parts of their wheat belt. It's unclear how much of the crop would have been affected, but temps that low could be potentially be damaging. WU/WZ widened ½ to 12 cents carry. KWU/KWZ made a strong move, widening 3 ¼ to close at 5 cents carry.

Michael Reginelli

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Hours (CST): Sunday 5:00pm-9:00pm, Monday-Thursday 6:00am-9:00pm, and Friday 6:00am-5:00pm

**\*\*LABOR DAY HOURS: Sunday, Sept 1—Bloomington Office closed, Monday, Sept 2—re-open at 5pm for 09/03/13 Trade Date\*\***

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