

August 27, 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	250/250/250	100	750	450	-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	145u/145u -5	80u/68u	69z/67z	64z	61z
PNW	300u/300u 5	/	106z/103z	102z	107z

	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	120u/120u -40
Evansvl 15s	170u/170u unc	Decatur, IL	125u/125u unc
Toledo	135z/135z unc	Champaign CN 25	120u/120u unc
UP Grp 3	/ x	Clinton, IA	146u/146u unc
Dexter, MO	/ x	Columbus, NE ethanol	165u/165u 3
Fayne, OH	160u/160u unc	Muscatine Truck	130u/130u unc
Ottawa	120u/120u unc	Hereford COBO B/E	205u/205u unc

Cash Bean Markets

	Aug FH/LH	Sep FH/LH	Oct FH/LH	Nov	Dec
CIF Nola	160x/160x -15	135x/115x	95x/93x	95x	90f
Paranagua	90u/90u unc	90u/90u	/		

	Aug FH/LH		Aug FH/LH		Aug FH/LH
Columbus	15x/15x unc	CN25	140x/140x unc	Mankato	125x/125x 5
Toledo	105x/105x unc	Chicago	30u/30u unc	Cncl Bluf	140x/140x 10
Fostoria	130x/130x unc	Decatur	160x/160x unc	Lincoln	100x/100x unc
Windsor	190x/190x x	Naples	85x/85x +40	KC	140x/140x unc
PNW	/	Ottawa	120x/120x x	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 unc	65z/65z	50z/50z	50z	50z
Corpus Christi	55z/55z unc	55z/55z	50z/50	50z	50z

Cash Wheat Markets

	Aug FH/LH	Sep FH/LH	Oct FH/LH	Nov	Dec
CIF SRW	40u/40u -5	52u/62u	75z/80z	75z	75z
TX Gulf HRW	130u/130u unc	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	126u/136u -4
		KC 13s	126u/136u -4
PNW	120u/120u x	KC 14s	110u/120u unc

Deliverable Stocks of Grain

(thousands of bushels)

Corn		Change from LW	Change from LY
Illinois River	472	-48	-218
Chicago	90	5	20
Total	562	-43	-198

Soybeans		Change from LW	Change from LY
Illinois River	1057	-373	168
Chicago	65	1	-97
Total	1122	-372	71

CBOT Wheat		Change from LW	Change from LY
Toledo	22269	450	-4067
Chicago	8582	627	-4804
St. Louis	944	287	-1231
Total	31795	1364	-10102

KCBOT Wheat		Change from LW	Change from LY
Salina	22695	-681	-2579
Hutch	24464	962	-3818
KC	12222	288	1486
Total	59381	569	-4911

Corn

Turnaround Tuesday – corn closing lower on profit taking from Monday's rally / increased chances of rain in parts of the major corn belt for next week. Sept corn ended the day down 16 cents closing at \$4.99 ¼ while Dec corn closed 14 ¼ lower closing at \$4.86 ¼. Rain specifically in the forecast for the 6 to 10 day in Northern Nebraska and Northern Illinois into the Eastern Belt states. Forecasts are not all in agreement – ATI weather consultant T-storm is calling for "large scale" heat through Sunday with some scattered showers in the Northern and Eastern areas of the corn belt, with heat breaking for Sunday and Monday with again more scattered thunderstorms only to return to above normal heat by midweek next. Harvest is slowly moving north in Mississippi south of Greenville getting more active, expecting active harvest to start in the Greenville area next week. Some early harvest talk in South Central Illinois next week – 107 days corn planted around mid April. Though this would not be the "norm" for this year in the area, there are some areas that did get planted earlier and got help from recent heat/dry weather speeding up maturity. After a decent break in basis yesterday, most markets were steady today. CIF values were a nickel weaker for August and 3 cents cheaper for Sept. Processor values were steady though posted bids versus yesterday in some cases were off sharply likely playing catch up from yesterday rather than a function of heavy old crop movement today. Spreads widened out today with CU/CZ breaking 1 ¼ closing at 13 ½ inverse and Dec/March widening ½ cent closing at 12 ½ carry. Short basis the Sept – hedges in the Sept. Still some argument whether Sept is good – though harvest is picking up in the South basis is still on fire and thus going into first notice the CU/CZ could certainly get pretty wild. Long Sept futures is still your best hedge against short basis versus Sept. Those of you who have not yet bull spread CZ/CH, get your scale in orders in starting at these levels. Talk to your broker for their recommendation on how much and at what levels. CCC tender for

Daily Spreads

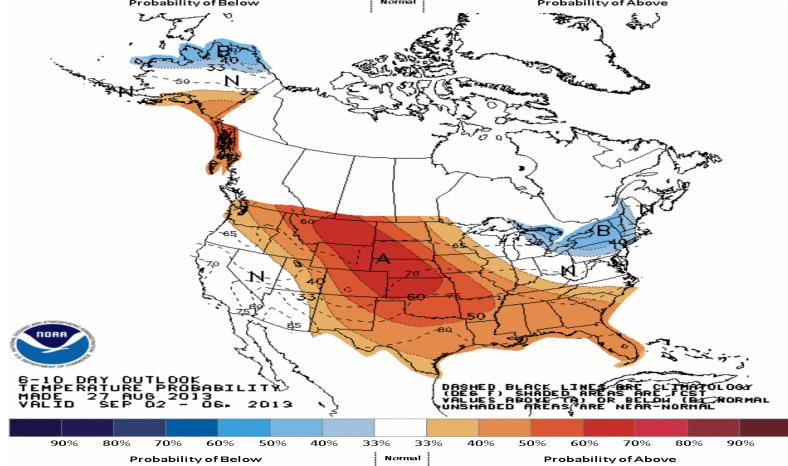
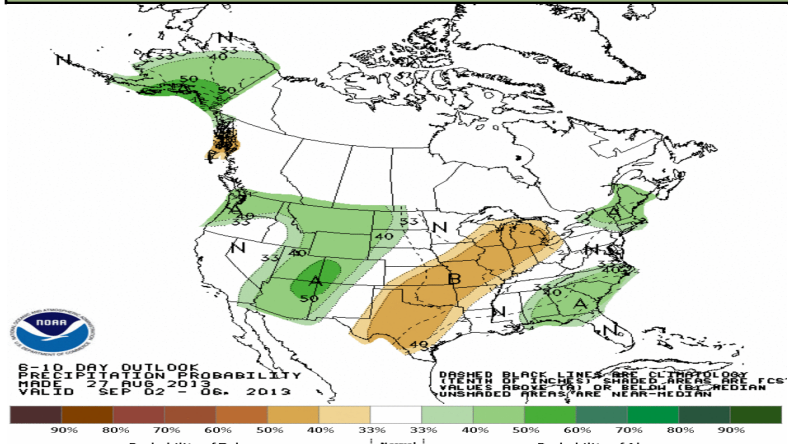
Corn					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Sep3-Dec3	13.50	-2.50	-17.83	-75.7%	None
Dec3-Mar4	(12.50)	-0.25	-17.75	70.4%	3.2
Sep3-Dec4	(16.00)	-4.75	-88.77	18.0%	0.2
Dec3-Jul4	(25.25)	-1.00	-41.17	61.3%	2.7

Beans					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Sep3-Nov3	43.50	5.25	-15.15	-287.1%	None
Nov3-Jan4	5.00	2.75	-15.49	-32.3%	None
May4-Jul4	5.00	1.00	-15.00	-33.3%	None

Wheat					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Sep3-Dec3	(13.00)	-1.00	-18.82	69.1%	3.0
Dec3-Mar4	(11.75)	0.25	-18.82	62.4%	2.6
Mar4-May4	(7.25)	-0.25	-12.20	59.4%	2.4

KCBOT Wheat					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Sep3-Dec3	(3.75)	1.25	-30.94	12.1%	-0.1
Dec3-Mar4	(7.50)	1.25	-21.91	34.2%	1.2
Mar4-May4	(4.75)	-1.00	-14.21	33.4%	1.1

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



up to 4 mln bushels of milo announced yesterday – no results to announce as of this writing.

Paul Dubravec

Beans

Soybean futures trading a little spastic on Tuesday, with SX3 trading in a \$.41 ½ cent trading range, closing down \$.19 cents at \$13.70 ½. Whew!! Monday felt like a farmer selling day with commercial customers reporting new crop bean movement by the producer. Spreads jostled around, with SU3/SX3 firming by \$.05 ¼ cents closing at \$.43 ½ cents. The SX3/SF4 closed at a 5 cent inverse, \$.02 ½ cents firmer. Despite the cash movement for new crop soybeans yesterday, basis levels were mostly steady. Currently, we have a record unshipped book on for both soybeans and soybean meal. There were reports of the Chinese continuing to buy soybeans, but focusing S. America as the origin. With the New Crop spreads inverted, the onus is now on the long to get cash covered. The market has had a huge rally, but buyers still are not covered, or the spread wouldn't be inverted. It feels like they are laying in the weeds a little bit, showing cheap fall bids, and its not against the law to do that (at least at this writing). Funds were thought to have sold 3,000 contracts on Tuesday, after purchasing 20,000 +/- on Monday. Several AT brokers have been on the road this past week, and most reported very little in the way of leaves changing color, or dropping leaves. Rule of thumb is that it takes roughly a months from when they start to change color til the combine pulls in the field. At the moment, even though we have high temperatures right now, is that buyers might have to wait longer than usual for new crop beans to be ready. Current hot/dry weather and International sparring with the middle east makes flat price moves very explosive and impulsive. Those flat price moves will gyrate the basis and spread relationships. Keep an eye on new crop values for an opportunity to lay off ownership bushels near DVE. Especially if you can put something in that space that gives a great return. Currently we have about 25 cents room to appreciate the basis, tributary to the river, in order to get that value. Remain patient.

Jack Fitzgerald

Wheat

The wheat markets held their own today, closing stronger relative to corn/beans. HRW was down 1-3 cents across the board while nearby KU/KZ and KZ/KH both firmed 1 ¾ cents closing at -4 carry and -7 ½ carry. Basis levels remain strong, as trades are thin and farmer sales remain light. Cash movement is anticipated to pick up in the coming weeks in order to make room for fall crops. Basis/spreads/futures are finding support from strong exports and concerns over dryness in Argentina- shortfall in Argentine production would favor heavier HRW exports out of the US. Exports should remain strong at 20-30 mbu/week with unshipped sales at 274 TY vs. 174 LY. Egypt's GASC seeks US and other origin tenders for wheat Oct. 1-10 shipment. SRW U/Z eased 1, closing at -12 ¾ carry, hedges should be in the Dec or March, especially if you have quality concerns and don't plan on moving vs. the Sept. Spring wheat futures were the only market firmer today, closing up ¼ cent in the Sept. Spring 14-15 protein was firmer today as harvest remains below expectations.

Nate Durako

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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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