

September 10, 2013

ADVANCE INSIGHT

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Transportation

	TW/NW/Sep	Oct	Nov	Dec	Jan
St. Paul Savage	425/450/500	550	600		
Dub South	425/450/475	585	560		
St. Louis 12'	425/450/475	550	475	375	375
Illinois	450/475/500	575	475	450	
OH/Jeff/Cinn	450/475/525	625	500	450	425
Gulf/PNW	\$0.550 / bushel				
BN Shuttles	/150/450	750	400		-50
UP Shuttles	0//50	400	300	300	

Cash Corn Markets

	Sep FH/LH	Oct FH/LH	Nov FH/LH	Dec	Jan
CIF Nola	58z/58z x	65z/63z	58z/58z	56z	50h
PNW	110z/110z unc	108z/103z	103z/104z	106z	99h

	Sep FH/LH		Sep FH/LH
Cols CSX 65	50u/50u unc	Chicago	70z/40z x
Ft. Wayne N/S 75	25z/25z unc	Pekin ethanol	60z/25z 20
Evansvl 15s	35z/35z unc	Decatur, IL	40z/10z x
Toledo	15z/15z	Champaign CN 25	15z/15z -25
UP Grp 3	/	Clinton, IA	50z/50z -10
Dexter, MO	/ x	Columbus, NE ethanol	86z/15z -9
Fayne, OH	25z/25z unc	Muscatine Truck	5z/5z unc
Ottawa	45z/0z x	Hereford COBO B/E	u/u unc

Cash Bean Markets

	Sep FH/LH	Oct FH/LH	Nov FH/LH	Dec	Jan
CIF Nola	120x/100x -15	94x/91x	94x/94x	91f	93f
Paranagua	80x/80x -5	80x/	/		

	Sep FH/LH		Sep FH/LH		Sep FH/LH
Columbus	114x/114x unc	CN25	110x/110x -15	Mankato	50x/-30x -30
Toledo	105x/-30x 5	Chicago	-10x/-10x unc	Cncl Bluf	-25x/130x
Fostoria	/130x unc	Decatur	135x/100x x	Lincoln	100x/-10x unc
Windsor	215x/ x	Naples	30x/30x unc	KC	150x/-10x unc
PNW	/	Ottawa	65x/15x x	Wichita	130x/35x unc

Cash Milo Markets

	Sep FH/LH	Oct FH/LH	Nov FH/LH	Dec	Jan
CIF Nola	75z/75z unc	/	/		
Houston	65z/65z unc	50z/50z	50z/50z	50z	45h
Corpus Christi	110z/110z unc	50z/50	50z/50z	50z	40h

Cash Wheat Markets

	Sep FH/LH	Oct FH/LH	Nov FH/LH	Dec	Jan
CIF SRW	45z/50z 11	60z/70z	70z/75z	75z	65h
TX Gulf HRW	127z/127z unc	127z/127z	/		

	Sep FH/LH		Sep FH/LH
SRW	-30z/-30z	HRW	86u/96u unc
St. Louis	-15z/-15z unc	KC Ords	110u/120u unc
Toledo (Mill)		KC 12s	110u/120u unc
		KC 13s	110u/120u unc
PNW	123z/123z x	KC 14s	115u/125u 2

Deliverable Stocks of Grain

(thousands of bushels)

Corn		Change from LW	Change from LY
Illinois River	320	-64	-296
Chicago	8	-86	-28
Total	328	-150	-324

Soybeans		Change from LW	Change from LY
Illinois River	1020	-82	523
Chicago	31	-4	5
Total	1051	-86	528

CBOT Wheat		Change from LW	Change from LY
Toledo	23183	256	-3275
Chicago	9121	31	-4553
St. Louis	979	232	-1068
Total	33283	519	-8896

KCBOT Wheat		Change from LW	Change from LY
Salina	21061	-889	-4004
Hutch	25245	292	-2709
KC	12463	59	1721
Total	58769	-538	-4992

Corn

Corn ended the day higher after a very choppy light volume trade, Dec corn closing up 5 ½ cents at \$4.69, March up 5 ¼ closing at \$4.81 ¾. Other than more weather chatter in the market, the trade feels content waiting for the upcoming USDA report for some fresh fodder to consider. Forecasts calling for cooler / some light rainfall across much of the Midwest for Wednesday/Thursday, total precip expected to be insignificant. Another chance of rain expected to come Sunday/Monday though precip in that system is expected to stay mainly West with Iowa benefitting the most. Goes without saying we are well behind normal in August through today on precip – T-storm reported solid evidence of that for three central belt states with Aug. 1 thru Sept 15 last year precip versus this year significantly lower: Iowa 4.5 inches LY vs 1.7 TY, Illinois 7.5 vs 1.8 and Indiana 7.8 vs 2.5. Some more early harvest yields popping up in the corn belt: Decatur IL 200+ bpa 22 to 27% moisture, North Central IL 195-200 bpa 27 to 29%, Central IA 209 bpa 21% moisture. Cash markets were for the most part quiet/ weaker again today. Eastern/Southeastern basis was noted to be off 3 to 5 cents, Central belt processor markets were steady, Western basis both rail and truck values were steady/slightly weaker tone - some worry in the West of rain delaying harvest later this week which has prevented some nearby values from softening. Might see erratic basis movement near term from East to West as the market continues to drag its feet buying as little as possible at nearby levels hoping sooner than later they will see the ebon flow of new crop replenishing the pipeline and hammering basis. With only three sessions left before Sept goes off the board, the U/Z spread lost more of its inverse today closing at 5 ¾ inverse, 8 cents weaker than Mondays close. The weakening of the spread is indicative of the breaks we've seen in basis/availability of new crop bushels into the pipeline causing the long to bail covering their needs with cash bushels versus taking delivery.

Daily Spreads

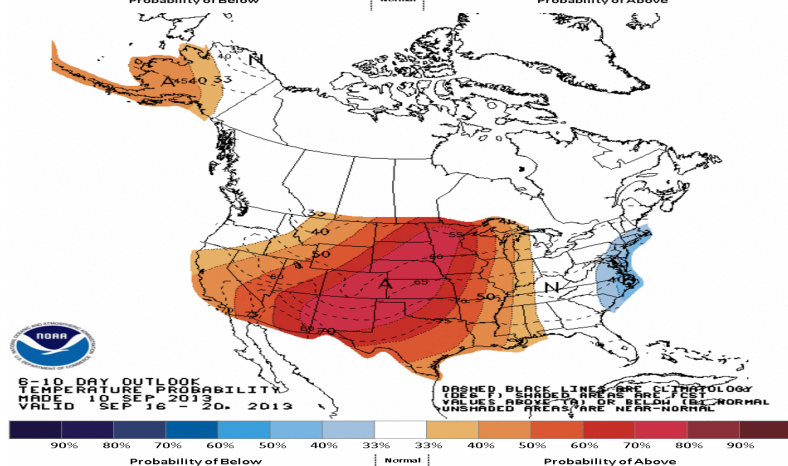
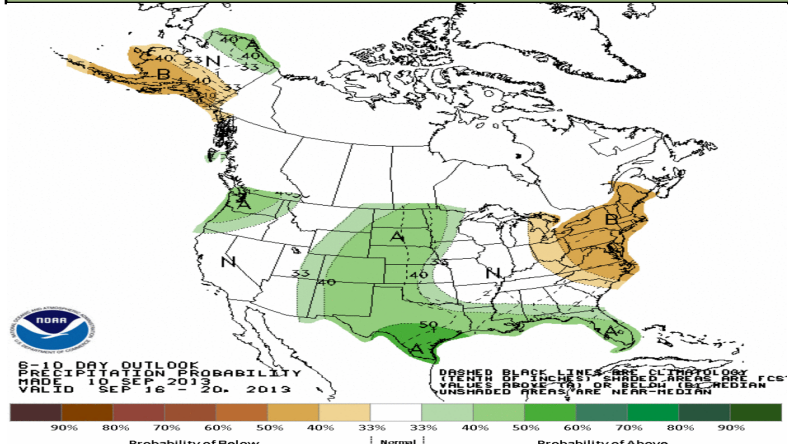
Corn					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Sep3-Dec3	5.75	-8.25	-17.69	-32.5%	None
Dec3-Mar4	(12.75)	0.25	-17.65	72.2%	3.3
Sep3-Dec4	(31.25)	-19.00	-88.26	35.4%	1.2
Dec3-Jul4	(27.75)	-0.25	-40.93	67.8%	3.1

Beans					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Sep3-Nov3	48.75	-1.75	-15.11	-322.7%	None
Nov3-Jan4	(0.25)	-1.25	-15.42	1.6%	-2.4
May4-Jul4	6.50	0.25	-15.00	-43.3%	None

Wheat					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Sep3-Dec3	(12.75)	-0.25	-18.71	68.1%	3.0
Dec3-Mar4	(11.25)	0.75	-18.71	60.1%	2.5
Mar4-May4	(7.50)	0.25	-12.13	61.8%	2.6

KCBOT Wheat					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Sep3-Dec3	12.00	-1.00	-30.84	-38.9%	None
Dec3-Mar4	(7.50)	unc	-21.90	34.2%	1.2
Mar4-May4	(4.25)	unc	-14.20	29.9%	0.9

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



Open interest as of this morning was just over 7700 contracts – 4500 contracts of U/Z traded today so and educated guestimate would peg 5000 or less left in open interest in the Sept tomorrow. CZ/CH was quiet – narrowed ¼ cent on the close to 12 ¾ (13 did trade today).

Paul Dubravec

Beans

Beans were steady to lower for most of the day, but was able to close slightly lower to unchanged for the 2013 crop and 10-13 higher for November '14, '15 and '16. Trade seems to be taking a wait and see attitude for Thursday's crop estimate as fear of pod weights will be too high if they're based on the 5 year average vs the very dry August we have seen in most of the corn belt. Currently the trade guess is at 41.2 bpa vs last month's estimate of 42.6. USDA did announce a sale of 120tmt of beans to unknown for this marketing year. According to SAFRAS the Brazil farmer has sold 25% of their '13/'14 crop vs 43% last year at this time. Looks like they are following the U.S. farmers pattern of waiting and hoping even though acres should be higher. No deliveries again for beans and meal while oil saw 13 deliveries but also had 138 receipts canceled. Last trading day for September futures will be on Friday. Basis remains highly inverted between spot vs new crop but this spread gets closer every day. Stay sold up and be prepared to get your customers to accept a DP program this fall.

Dewey Hull

Wheat

Wheat had a positive day as many attributed the gain to short covering before the USDA report. Biggest take away on the day would be the mid-day weather pushing moisture to the western 1/3rd of Kansas in the 5 day forecast. If this rain was realized it would be in great timing as wheat plantings are just around the corner. Field work has been the main focus while producers in HRW country wait for corn to dry down. The other news worthy item would be the 235k tonne Egypt tender. Romania, Russia and Ukraine got the business as US SRW was about 60 cents/bu to high. None the less the foreign demand was seen as bullish to the trade. Iraq announced a tender today as well for 55k tonnes of wheat this tender closes Sept 22nd. Brazil cut its forecast for the 2013/2014 crop by 11.9% to 4.95 million tonnes due to a frost, and Australia lowered their expectations on their wheat crop to 24.467 million tonnes. Protein scales in KC were pretty quiet 13.6-14.0 were up 2c on the day. KCBT Spreads are pretty quiet unless you are still hanging around the September, (last trading day Friday) Dec/March is an uneventful 7 ¾ carry. That value won't have people lined up to buy tickets but if you have sales vs the March one should consider staying classic. Full carry would be around 22c, the question will be how long does this export program hang around? USDA report Friday most will be watching to see if the government acknowledges a faster export pace on HRW if so you could expect a tighter carry out. World production will be closely watched as well, specifically Australia and Argentina.

Troy Presley