

September 16, 2013

ADVANCE INSIGHT

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| Transportation | | | | | |
|-----------------|------------------|-----|-----|-----|-----|
| | TW/NW/Sep | Oct | Nov | Dec | Jan |
| St. Paul Savage | 550/500/575 | 600 | 600 | | |
| Dub South | 550/550/575 | 600 | 560 | | |
| St. Louis 12' | 550/550/575 | 600 | 575 | 350 | 375 |
| Illinois | 550/550/575 | 600 | 600 | 500 | 450 |
| OH/Jeff/Cinn | 600/625/650 | 625 | 650 | 500 | 450 |
| Gulf/PNW | \$0.550 / bushel | | | | |
| BN Shuttles | 100/250/250 | 850 | 325 | -25 | -50 |
| UP Shuttles | -237.5/-100/-100 | 350 | 200 | 250 | -50 |

| Cash Corn Markets | | | | | |
|-------------------|---------------|----------------------|-------------|------|-----|
| | Sep FH/LH | Oct FH/LH | Nov FH/LH | Dec | Jan |
| CIF Nola | 60z/60z -12 | 68z/68z | 62z/62z | 58z | 50h |
| PNW | 120z/120z unc | 101z/101z | 100z/100z | 105z | 94h |
| Sep FH/LH | | Sep FH/LH | | | |
| Cols CSX 65 | 15z/15z -5 | Chicago | 30z/30z -20 | | |
| Ft. Wayne N/S 75 | 14z/14z 1 | Pekin ethanol | 0z/0z unc | | |
| Evansvl 15s | 20z/20z unc | Decatur, IL | 25z/10z | | |
| Toledo | 15z/15z unc | Champaign CN 25 | 5z/5z -5 | | |
| UP Grp 3 | / | Clinton, IA | 35z/35z -10 | | |
| Dexter, MO | / x | Columbus, NE ethanol | 80z/15z x | | |
| Fayne, OH | 10z/10z unc | Muscatine Truck | 5z/5z unc | | |
| Ottawa | 0z/0z | Hereford COBO B/E | u/u x | | |

| Cash Bean Markets | | | | | |
|-------------------|---------------|-----------|---------------|-----------|---------------|
| | Sep FH/LH | Oct FH/LH | Nov FH/LH | Dec | Jan |
| CIF Nola | 100x/97x -5 | 87x/87x | 90x/90x | 90f | 92f |
| Paranagua | 130x/130x 25 | 130x/ | / | | |
| Sep FH/LH | | Sep FH/LH | Sep FH/LH | | |
| Columbus | 50x/50x 15 | CN25 | 110x/110x unc | Mankato | 50x/-30x -10 |
| Toledo | -30x/-30x unc | Chicago | -10x/-10x unc | Cncl Bluf | -25x/75x unc |
| Fostoria | 10x/ unc | Decatur | 75x/x | Lincoln | 75x/-10x unc |
| Windsor | 215x/ x | Naples | 5x/5x -20 | KC | 135x/-25x unc |
| PNW | 137x/137x unc | Ottawa | 20x/5x | Wichita | 130x/45x unc |

| Cash Milo Markets | | | | | |
|-------------------|-------------|-----------|-----------|-----|-----|
| | Sep FH/LH | Oct FH/LH | Nov FH/LH | Dec | Jan |
| CIF Nola | 70z/70z unc | / | / | | |
| Houston | 85z/85z x | 50z/50z | 50z/50z | 50z | 45h |
| Corpus Christi | 115z/115z x | 50z/50 | 50z/50z | 50z | 40h |

| Cash Wheat Markets | | | | | |
|--------------------|---------------|-----------|---------------|-----|-----|
| | Sep FH/LH | Oct FH/LH | Nov FH/LH | Dec | Jan |
| CIF SRW | 65z/65z unc | 70z/70z | 75z/75z | 80z | 65h |
| TX Gulf HRW | 127z/127z unc | 127z/127z | / | | |
| Sep FH/LH | | Sep FH/LH | | | |
| SRW | | | | | |
| St. Louis | -24z/-24z unc | HRW | 86z/96z unc | | |
| Toledo (Mill) | -15z/-15z unc | KC Ords | 95z/105z 4 | | |
| Sep FH/LH | | KC 12s | 100z/110z unc | | |
| PNW | 120z/120z unc | KC 13s | 110z/120z unc | | |
| | | KC 14s | | | |

| Export Inspections | | | | | | |
|--------------------|------|------|------|-------|-----------|-----------|
| | TW | LW | LY | YTD | USDA Goal | Need/Week |
| Corn | 20.1 | 10.0 | 28.3 | 28.3 | 1225 | 23.9 |
| Soybeans | 3.0 | 2.5 | 10.0 | 4.8 | 1370 | 27.3 |
| Wheat | 46.0 | 31.7 | 29.5 | 419.2 | 1100 | 18.4 |
| Sorghum | 5.8 | 4.8 | 1.0 | 9.7 | 160 | 3.0 |

Corn

Corn traded both sides aided by offsetting corn/bean ratio spreads, but ended weaker on net spec selling of around 3000 contracts. Early harvest in general remains more in the better than expected category than below. Tomorrow morning at 6:00 a.m. CST the FSA will release their prevented planting acreage report and the trade is expecting a lower harvested acreage number by 1-2 million acres. Basis continues to drop in most regions though we are seeing some basis pops in areas where more harvest pressure was expected. Some of the 25% mst corn that was getting cut last week is now being kept in the field to dry down further as the producer is not liking the flat price even though there remains a premium to the harvest bid. Over the weekend some general ½ -1" rains fell in the northern corn belt which could still have some benefits to their later planted corn. Tonight's crop condition report shows that 22% this year crop is considered mature vs the 5 year average of 41%. The G/E percentage dropped 1% from last week which was within expectations. No forecast for early frost in the 7-10 day outlook and most areas should be clear if we can get past the 1st week of October given the last 30 days of heat units we have received. Export inspections were double last week at 20 mbu with W. Hemisphere taking the lion's share. The lower board and current forecast should keep harvest progress and farmer movement on the lighter side for now. Be careful selling bushels you don't have in house yet.

Dewey Hull

Beans

Bean futures sold off hard led by the front months with Nov off 33 ¼ to close at 13.48 ¼. Meal futures broke about \$14/ton. Funds sold 8,000 contract of beans and 3,000 contracts of meal. Weekend rains and more coming this week will benefit beans that are still green(over ½ the crop) to fill pods or at least stop further deterioration/yield decline. The conditions report did drop G/E 2% to 50%, as expected. CIF beans were off a nickel with FH Sept at 100/112 and full Sept at 97/100. Oil world noted a 5.3% increase in global supplies is more than sufficient to

| Daily Spreads | | | | | |
|---------------|---------|--------|------------|-----------------|--------|
| Corn | | | | | |
| | Close | Change | Full Carry | % of Full Carry | ROS/mo |
| Dec3-Mar4 | (12.25) | 0.25 | -17.58 | 69.7% | 3.2 |
| Dec3-Jul4 | (27.00) | 0.25 | -40.76 | 66.2% | 3.0 |
| Dec3-May4 | (20.75) | -0.25 | -28.97 | 71.6% | 3.3 |
| Mar4-Jul4 | (14.75) | unc | -23.27 | 63.4% | 2.8 |
| Beans | | | | | |
| | Close | Change | Full Carry | % of Full Carry | ROS/mo |
| Nov3-Jan4 | 0.00 | -1.75 | -15.39 | 0.0% | None |
| Nov3-Mar4 | 27.25 | -7.00 | -30.28 | -90.0% | None |
| Nov4-Jan5 | (3.75) | 0.25 | -14.69 | 25.5% | -0.5 |
| Wheat | | | | | |
| | Close | Change | Full Carry | % of Full Carry | ROS/mo |
| Dec3-Mar4 | (10.50) | 0.25 | -18.68 | 56.2% | 2.3 |
| Mar4-May4 | (4.50) | 0.75 | -12.11 | 37.2% | 1.1 |
| May4-Jul4 | 2.75 | 1.75 | -12.54 | -21.9% | None |
| KCBOT Wheat | | | | | |
| | Close | Change | Full Carry | % of Full Carry | ROS/mo |
| Dec3-Mar4 | (6.25) | 0.50 | -21.80 | 28.7% | 0.8 |
| Mar4-May4 | (2.50) | 0.50 | -14.16 | 17.7% | 0.0 |
| Mar4-Jul4 | 9.25 | 1.75 | -28.79 | -32.1% | None |

cover demand. Inspections were 3 mbu. Early tomorrow morning the FSA is to release updated acreage/preventive plant. With the nearby led fund selloff, spreads leaked wider. SX/SF closed at even money. Today is the first official day that they can plant beans in Mato Grasso, and planting may start next week. NOPA crush came out at 110.5 mbu, 1 1/2 mbu above trade expectations.

Ben Peters

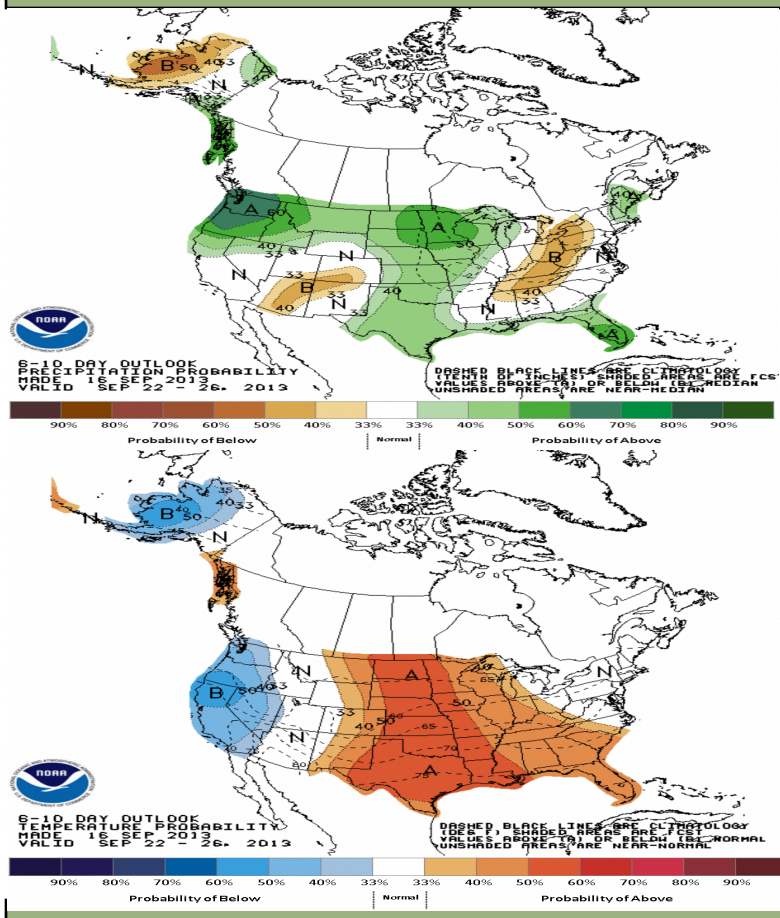
Wheat

Another disappointing day for the wheat bulls as futures started the week off with settlements in the red. The lower close following a huge 46 mbu inspection figure released this AM demonstrates that the market isn't as concerned about spot fundamentals as much as the global picture. The class breakdown of exports had 18 mbu of HRW, 14.5 mbu of SRW and ~6 mbu each of spring and soft white. China was the big player in SRW exports while Brazil, Japan and Mexico all supported the other class shipments. While inspections and spot sales have been very solid, it's tough to find much demand for US wheat beyond December. Much of the North American focus is now on Canada where the yields continue to impress. Cash markets are being flooded with Canadian wheat offers which are by some reports 10+ cents/bu lighter than US offers. The late harvest and a big canola crop will create space issues which might be causing the active movement. Another contributing factor could be the lack of experience marketing a big crop without the CWB's marketing monopoly/support. Russia is getting rain which will be good for fall planting, but 10-15% of the crop is still in the field. Russia is already dealing with a poor quality crop and more of it than expected which only means prices will drop until they can find demand. Australian crop is starting to hint at better than expected results as well. China reportedly bought 2 cargos of Australian wheat, but for April/May shipment meaning that nearby is covered? Ukraine cash values posting a \$10/mt premiums to the Dec for 12.5% and 11.0% wheat. South Korea indicating they may start stock-piling wheat and Argentine wheat conditions not in the best of shape which are still market factors to be watched. KC basis values were 4 cents higher for mid-pro's slightly correcting from the 20 cent decline late last week. As Terry mentioned in Friday's wire, HRW basis values, while lacking much for fireworks of late and easing back from highs, are still close enough to DVE that ownership should be sold versus trying to outguess the Dec/March KC wheat spread.

Kelly Herrick

North American Weather Outlook

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



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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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