

September 26, 2013

# ADVANCE INSIGHT

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## Transportation

	TW/NW/Sep	Oct	Nov	Dec	Jan
St. Paul Savage	550/575/600	600	600		
Dub South	550/550/575	600	560		
St. Louis 12'	550/575/600	600	475	425	375
Illinois	550/550/600	615	525	450	450
OH/Jeff/Cinn	625/625/625	650	450	450	425
Gulf/PNW	\$0.600 / bushel				
BN Shuttles	//	1400	450	-38	-75
UP Shuttles	800//	525	150	-38	-50

## Cash Corn Markets

	Sep FH/LH	Oct FH/LH	Nov FH/LH	Dec	Jan
CIF Nola	60z/60z 1	63z/61z	62z/62z	60z	50h
PNW	110z/110z -10	105z/105z	105z/105z	108z	96h

	Sep FH/LH		Sep FH/LH
Cols CSX 65	-5z/-5z unc	Chicago	25z/25z -5
Ft. Wayne N/S 75	-7z/-7z unc	Pekin ethanol	-5z/-5z unc
Evansvl 15s	-9z/-9z unc	Decatur, IL	-5z/-5z unc
Toledo	-10z/-10z unc	Champaign CN 25	-8z/-8z -3
UP Grp 3	/ 1	Clinton, IA	40z/40z 5
Dexter, MO	/ x	Columbus, NE ethanol	80z/60z x
Fayne, OH	-7z/-7z unc	Muscatine Truck	5z/5z unc
Ottawa	-28z/-28z unc	Hereford COBO B/E	/ x

## Cash Bean Markets

	Sep FH/LH	Oct FH/LH	Nov FH/LH	Dec	Jan
CIF Nola	95x/95x -2	92x/92x	91x/91x	95f	94f
Paranagua	145x/145x unc	145x/	/		

	Sep FH/LH		Sep FH/LH		Sep FH/LH
Columbus	5x/5x unc	CN25	10x/10x unc	Mankato	-10x/-10x -10
Toledo	0x/0x unc	Chicago	-10x/-10x unc	Cncl Bluf	0x/0x x
Fostoria	-15x/-15x -15	Decatur	0x/0x -20	Lincoln	-10x/-10x unc
Windsor	0x/0x	Naples	0x/0x unc	KC	-20x/-20x 5
PNW	142x/142x unc	Ottawa	-8x/-8x unc	Wichita	-20x/-20x unc

## Cash Milo Markets

	Sep FH/LH	Oct FH/LH	Nov FH/LH	Dec	Jan
CIF Nola	90z/90z unc	/	/		
Houston	85z/85z unc	50z/50z	50z/50z	50z	45h
Corpus Christi	85z/85z -10	50z/50z	50z/50z	50z	40h

## Cash Wheat Markets

	Sep FH/LH	Oct FH/LH	Nov FH/LH	Dec	Jan
CIF SRW	75z/75z 1	80z/85z	88z/88z	84z	69h
TX Gulf HRW	127z/127z unc	127z/127z	/		

	Sep FH/LH	HRW	Sep FH/LH
St. Louis	-13z/-13z 2	KC Ords	86z/96z unc
Toledo (Mill)	-15z/-15z unc	KC 12s	106z/116z 11
	Sep FH/LH	KC 13s	108z/118z unc
PNW	120z/120z unc	KC 14s	115z/125z unc

## Export Sales

	Actual Old (mbu)	Actual New (mbu)	Expected (mbu)	Need
Corn	25.2	0.0	16-24(400-600)	13.9
Soybeans	103.5	0.3	85-103(2300-2800)	8.7
Wheat-All	22.8	0.0	18-26(500-700)	12.5
HRW	7.4	0.0		4.9
SRW	4.0	0.0		2.0
Sorghum	0.7	0.0		2.5
Bean Meal	-60.4	307.1	95-230	-3.3
Bean Oil	2.8	-3.0	10-20	12.0

### Corn

Corn closed higher today, supported by larger than expected export sales of 25.2 mbu which exceeded the 16-24 range. China has 131 mbu on the books which is more than 3 times the book they had a year ago. Harvest updates continue to be above average. Strong spot ethanol/feed margins, even with bigger yields, have those in areas without ample harvest (Iowa) holding steady/firmer on corn basis while eastern markets were 10-15 cents lower today. CIF was a penny firmer today 60/63. An executive at China's top corn trading firm stated that the country is likely to rely more on imports in the coming years and imports "could" reach 20 MMT/year by 2018. Harvest weather looks positive with some slight delays possible for the upper Midwest this weekend and temperatures remaining above normal in the 10-14 day outlook, reducing freeze concerns. The Z/H did nothing today- weighing positive harvest data against lack of farmer selling. Markets look ahead in preparation for Monday's S&D's with Sept. 1 stocks estimated between .552-.765 with an avg. guess of .688.

Nate Durako

### Beans

Soybeans finished the day lower, despite positive moves in corn and wheat futures. SX13 closed down 5 cents at \$13.16 ¼, and SMV13 closed down \$2.3 at 416.30. Volume was light, and funds sold an estimated 4,000 contracts of beans. The down market was a bit surprising given the export data released this morning. Export sales for soybeans totaled 103.5 mbu. China accounted for 84.3 mbu, following their delegation visit last week. ATI's Q1 export model states that China should lift close to 475 mbu, or 45/week, given we're already 3 weeks in. With 49 weeks left in the crop year, it was also noted that year-to-date sales of 944 mbu account

**Daily Spreads**

Corn					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Dec3-Mar4	(12.50)	unc	-17.58	71.1%	3.3
Dec3-Jul4	(27.00)	unc	-40.75	66.3%	3.0
Dec3-May4	(20.50)	-0.25	-28.97	70.8%	3.3
Mar4-Jul4	(14.50)	unc	-23.27	62.3%	2.8
Beans					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Nov3-Jan4	(2.00)	0.50	-15.26	13.1%	-1.5
Nov3-Mar4	18.75	2.50	-30.02	-62.4%	None
Nov4-Jan5	(4.00)	-0.50	-14.61	27.4%	-0.4
Wheat					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Dec3-Mar4	(10.00)	unc	-18.87	53.0%	2.0
Mar4-May4	(4.25)	0.50	-12.24	34.7%	0.9
May4-Jul4	8.50	unc	-12.67	-67.1%	None
KCBOT Wheat					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Dec3-Mar4	(1.50)	-0.25	-22.00	6.8%	-0.8
Mar4-May4	0.00	0.25	-14.27	0.0%	None
Mar4-Jul4	17.00	3.00	-29.03	-58.6%	None

for a record 69% of the USDA's forecast. However, looking at futures it would appear that harvest pressure and better than expected yields prevailed over massive export demand. Bean harvest progress continues to increase, which has pressured interior basis. Gulf bids were 2-3 cents higher today, driven by the strong export demand. SX13/SF14 narrowed ¼ to 2 cents carry. The SX13/SH14 inverse strengthened 2 ½ cents to 18 ¾. This time last year, the X/F and X/H were respectively trading at a 2 cent carry and 35 cent inverse. It was reported today that Cargill has shut down bean processing plants in Kansas City and Wichita due to the lack of old crop supplies and slow pace of new crop harvest. Above average temperatures are called for in the Midwest next week, which should lead to a significant amount in harvest activity. The USDA will release their Sept 1 Stocks Report on Monday.

*Michael Reginelli*

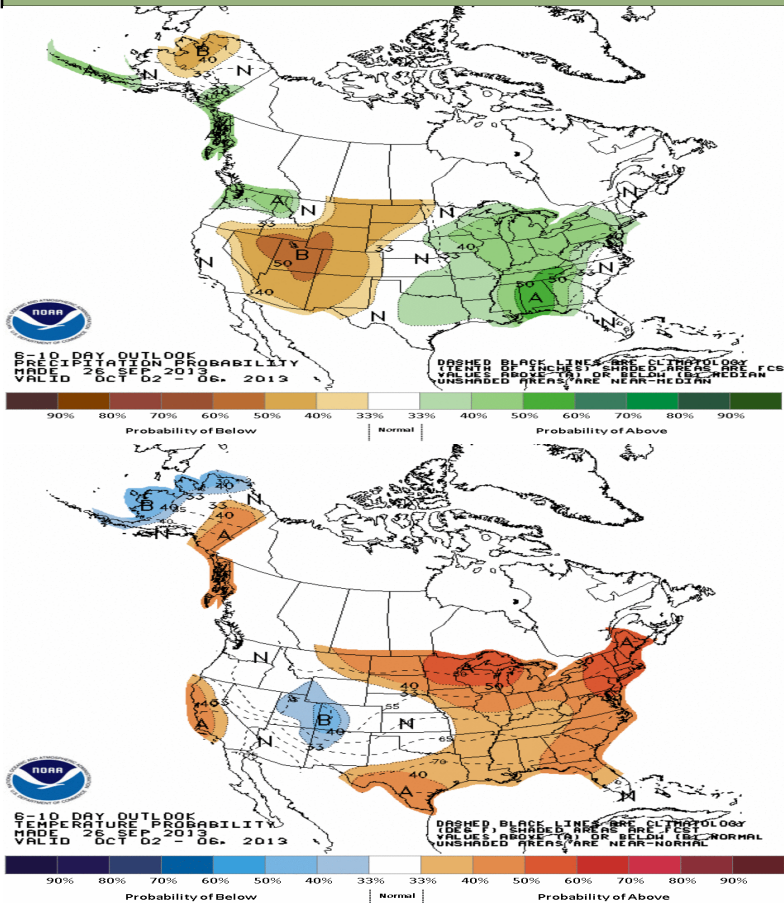
**Wheat**

Wheat continued its run higher today getting solid footing from exports released this AM. Many different rumors/stories floating around keeping the market guessing on new demand. KC HRW hit cash levels across KS that triggered decent farmer cash sales. With the new found ownership and the poor carry in the board from KWZ/KWH expect to see plenty offers show up at the Gulf/Mill in Nov /Dec. That has led to a softer HRW basis at the gulf however the Brazil demand and Argentina freeze keeps people actively looking. News wire today reported that Brazil was looking at Polish wheat if they couldn't source Argentina wheat to avoid the cost of US wheat. Issue's would be the lack of testing done on EU wheat to unsure milling quality. Speaking of milling quality, rumors were China was looking around for HRS earlier in the week. Offers in the spring wheat market have slowly rallied since the first part of the week. Given the MwZ/MwH is only at ~40% FC one would expect a little stronger basis or to see a better return in board carries. HRS has been tucked away in producer bins and will take a lot of work to bring it to town. HRW wheat is going in the ground at a normal pace according to USDA. Seed wheat cleaners are having a difficult time keeping up with the demand. With corn slow to dry down this gives the farmers a nice little window to get wheat planted if we can get the wind to stop blowing the dirt two states away!! Many people including myself believe we will see an increase in HRW wheat acres planted. All we need now is mother nature to play fair! Stay sold up on HRW ownership these basis levels deserve it. If you are carrying any HRW wheat into 2014 talk with your broker on how to manage your risk in KC.

*Troy Presley*

**North American Weather Outlook**

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



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