

September 30, 2013

ADVANCE INSIGHT

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Transportation

	TW/NW/Sep	Oct	Nov	Dec	Jan
St. Paul Savage	575/600/600	600	600		
Dub South	575/575/575	600	560		
St. Louis 12'	575/600/600	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	1250//	1450	350	-50	-75
UP Shuttles	//	525	150	-38	-50

Cash Corn Markets

	Sep FH/LH	Oct FH/LH	Nov FH/LH	Dec	Jan
CIF Nola	60z/60z -1	63z/62z	61z/61z	63z	49h
PNW	102z/102z -1	102z/102z	102z/102z	105z	94h

	Sep FH/LH	Chicago	Sep FH/LH
Cols CSX 65	-10z/-10z -5		15z/15z -5
Ft. Wayne N/S 75	-7z/-7z unc	Pekin ethanol	/ unc
Evansvl 15s	-3z/-3z unc	Decatur, IL	-12z/-12z -7
Toledo	-10z/-10z unc	Champaign CN 25	-10z/-10z -2
UP Grp 3	/ unc	Clinton, IA	10z/10z -15
Dexter, MO	/ x	Columbus, NE ethanol	65z/
Fayne, OH	0z/0z unc	Muscatine Truck	-5z/-5z -10
Ottawa	-27z/-27z +1	Hereford COBO B/E	/ x

Cash Bean Markets

	Sep FH/LH	Oct FH/LH	Nov FH/LH	Dec	Jan
CIF Nola	90x/90x -5	90x/90x	95x/95x	92f	92f
Paranagua	145x/145x unc	145x/	/		

	Sep FH/LH	CN25	Sep FH/LH	Sep FH/LH
Columbus	5x/5x unc		-15x/-15x -25	Mankato -20x/-20x -10
Toledo	-15x/-15x unc	Chicago	-5x/-5x +5	Cncl Bluf -20x/-20x
Fostoria	-25x/-25x -10	Decatur	-10x/-10x unc	Lincoln -12x/-12x -2
Windsor	15x/15x	Naples	0x/0x unc	KC -10x/-10x 10
PNW	136x/136x -6	Ottawa	-9x/-9x +1	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 nb	50z/50z	50z/50z	50z	45h
Corpus Christi	85z/85z nb	50z/50z	50z/50z	50z	40h

Cash Wheat Markets

	Sep FH/LH	Oct FH/LH	Nov FH/LH	Dec	Jan
CIF SRW	75z/75z unc	80z/85z	85z/85z	85z	70h
TX Gulf HRW	127z/127z nb	127z/127z	/		

	Sep FH/LH	HRW	Sep FH/LH
St. Louis	-12z/-12z 1	KC Ords	86z/96z unc
Toledo (Mill)	-15z/-15z unc	KC 12s	106z/116z unc
		KC 13s	110z/120z unc
PNW	110z/110z -10	KC 14s	115z/125z unc

Export Inspections

	TW	LW	LY	YTD	USDA Goal	Need/Week
Corn	21.9	18.0	20.2	68.3	1225	24.1
Soybeans	14.3	16.8	41.8	35.9	1370	27.8
Wheat	33.0	43.1	24.6	496.5	1100	17.2
Sorghum	4.1	2.5	2.4	16.3	160	3.0

Corn

In the overnight session December corn finished 2 higher, and then with the opening of the day session it continued to climb and peaked out 8 higher just in front of 10 AM central time. From there until the USDA report it drifted back to unchanged, and once the report was released it came under steady pressure for the rest of the session and closed down 12 and within a couple cents of the lows. Stocks report held a bit of a surprise as USDA finalized last year's carryout (this year's carryin) at 824 million which was 136 million more than the average guess and 163 million more than Sept 12 S&D report had pegged in the balance sheet. We can logically deduce that this bump in supplies is the result of a significant reduction in summer feed demand. Our calculations come up with a 96 mbu reduction in summer feed demand this year versus last year. Crop progress report showed a nice bump from 7% last week to 12% harvested this week, and a sizeable jump in maturity levels from 40% LW to 63% TW. Yield reports continue to flow in on a regular basis and most are better than expected, although there are a few spots a bit disappointed. Crop still wet in many areas, but this should still be a big week overall if the forecast holds true.

Phil Reginelli

Beans

Soybeans finishing the day with November futures down 37 cents and closing at \$12.82 3/4's. Soybeans were weak prior to the report coming out, as an open harvest for the most part allowed producers to get rolling east to west. So far, and it's early, yields feel as expected, if not a little better. Every once in a while a yield is reported that is in the mid-60's despite only having an inch of rain over the past 2 months. Astonishing results under those conditions!! At 11am Central time, the USDA Stocks report was released, and the avg. estimate was 126 mbu..it came in at 141 mbu. They also adjusted last year's soybean crop to 3.034 bbu from 3.015 bbu. These sort of numbers sort of gave the sellers conviction, and the market eroded pretty quickly from being down 13. Harvest progress was released after the market close, and it came in at 11%, compared to 3% LW, 39% LY and 20% avg. The market was looking for 10% -15% harvested. Crop Conditions, although almost a moot point at this juncture, showed that the crop improved this past week to 53% vs 50% LW, and 35% LY. Post report, spreads relaxed for the a moment, with the SX/SF touching 3 cents carry for a short time. That spread finished at 2 1/4 cents carry. Basis levels continue to erode with processors attempting to go to all fall type numbers. They aren't the cheap

Daily Spreads					
Corn					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Dec3-Mar4	(13.00)	-0.25	-17.49	74.3%	3.5
Dec3-Jul4	(27.25)	-0.25	-40.55	67.2%	3.1
Dec3-May4	(21.00)	-0.50	-28.83	72.8%	3.4
Mar4-Jul4	(14.50)	-0.25	-23.16	62.6%	2.8
Beans					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Nov3-Jan4	(2.25)	-0.75	-15.13	14.9%	-1.3
Nov3-Mar4	15.50	-5.75	-29.77	-52.1%	None
Nov4-Jan5	(3.50)	-0.25	-14.52	24.1%	-0.6
Wheat					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Dec3-Mar4	(8.50)	unc	-18.87	45.1%	1.5
Mar4-May4	(2.75)	unc	-12.23	22.5%	0.1
May4-Jul4	12.50	3.25	-12.66	-98.8%	None
KCBOT Wheat					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Dec3-Mar4	(0.50)	1.00	-22.07	2.3%	-1.2
Mar4-May4	0.75	1.75	-14.31	-5.2%	None
Mar4-Jul4	21.00	4.50	-29.11	-72.1%	None

numbers we've seen in past years, but working to get there. Funds sold approx. 12,000 contracts on the day today, and the Chinese are out on holiday this week. Starting Tuesday, we will start to get updated production numbers from the analysts. We'll see if they are seeing yields improving too. We are now working toward the Oct. 11th production report. Have seen producers wanting to roll HTA's and convert nearby basis contracts to deferred months. Both are tactics to buy them time, which makes it feel like producers are reluctant to sell this crop, even though yields might be better. Make sure you charge a healthy service fee if you provide these type of services, and don't let the strategy tie up your physical asset.

Jack Fitzgerald

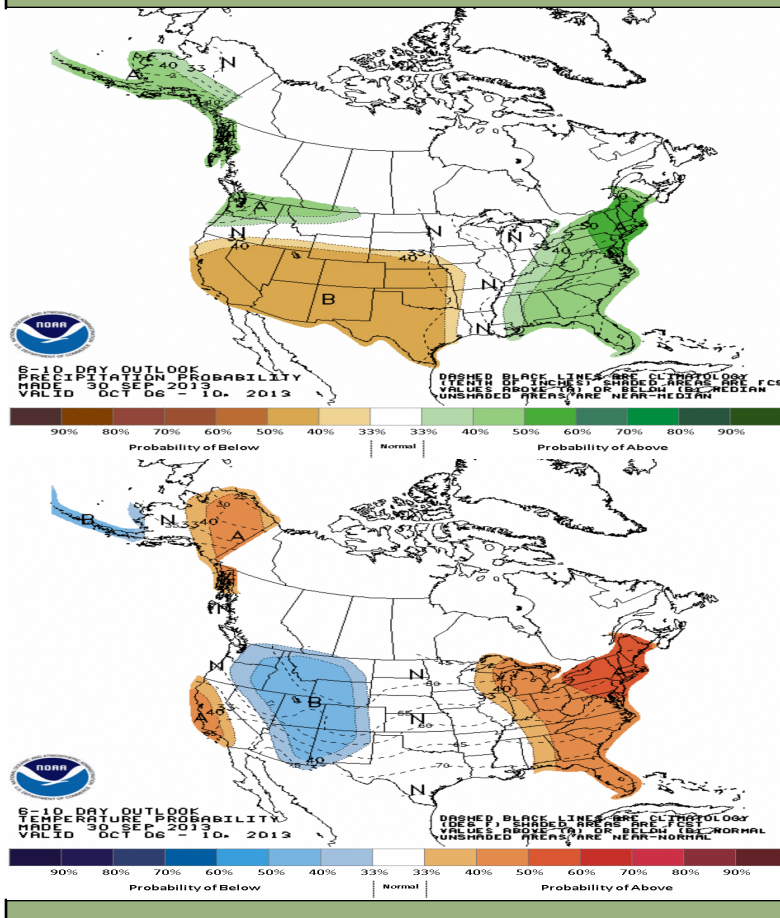
Wheat

Eventful trading day for the wheat players to end the month as focus was on the USDA Stocks and Small Grains Summary report. Once the dust settled, KC futures were 5-7 cents higher and Mnpls/Chicago closed 3-4 lower. The government didn't disappoint by forecasting a smaller-than-expected Sept 1 stocks # of 1.855, which pending some final minor adjustments to the other demand sectors, would indicate a summer quarter feed usage of ~440 mbu, which would establish a record total for the June-August time frame. Bulk of the stocks surprise was in off-farm stocks which were down 225 mbu from LY while on-farm totals only lagged last year by 26 mbu. The degree of confidence in the USDA on-farm estimates should be solid with a USDA self-stated margin of error only being 4.4% vs 8% and 16% on the row crops. The aggregate production totals were within pre-report estimates, but the sharp decline in HRW production versus the other classes triggered the inter-exchange spread adjustments. The HRW production total was lowered by 47 mbu while the SRW crop was bumped 23 mbu higher. Spring wheat crop was 14 mbu higher as a big yield increase in ND offset the ½ million acre reduction in harvested acres. Stats Canada report set to be released on Friday AM and trade already preparing for another hike in production. The low estimate is ½ mmt higher than last month's total with rumblings that the crop could reach 34 mmt. The possibility of a record crop in addition to the US spring supply is pushing the Mnpls/KC spread to a quality inverse as December Mnpls futures lost 10 ¢ to KC Dec futures and now are trading at a 11 cent discount to the winter exchange. Historically, extreme wheat class supply imbalances have pushed that spread to 30+ cents, with ATI research indicating that 20+ cents is a possibility this year. Global trade watching the dry conditions in Argentina and the cool/wet conditions in Black Sea area as possible issues. Russia and Ukraine are expected to see a slightly drier pattern develop later this week allowing for some planting activity, though optimal time window is closing. Bulk of the US HRW region received beneficial moisture allowing for prime planting conditions this week. USDA estimating 39% of the winter wheat crop is planted, in line with the average.

Kelly Herrick

North American Weather Outlook

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



Advance Trading PO Box 1027, Bloomington, IL 61702 (800)747-9021 or (309)663-9021

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

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