

October 7, 2013

ADVANCE INSIGHT

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Transportation

	TW/NW/Oct	Nov	Dec	Jan	Feb
St. Paul Savage	575/600/600	600			
Dub South	550/575/600	560			
St. Louis 12'	550/550/600	475	375	350	375
Illinois	550/575/575	525	475	440	440
OH/Jeff/Cinn	600/625/650	525	425	425	425
Gulf/PNW	\$0.600 / bushel				
BN Shuttles	1400/1300/1200	475	-13	-50	-50
UP Shuttles	600/550/550	150	-38		

Cash Corn Markets

	Oct FH/LH	Nov FH/LH	Dec FH/LH	Jan	Feb
CIF Nola	/59z	63z/63z	62z/62z	48h	
PNW	108z/108z unc	105z/105z	106z/106z	94h	96h

	Oct FH/LH		Oct FH/LH
Cols CSX 65	-24z/-24z unc	Chicago	13z/13z 1
Ft. Wayne N/S 75	-18z/-18 unc	Pekin ethanol	2z/-8z unc
Evansvl 15s	-13z/-13z unc	Decatur, IL	-12z/-12z unc
Toledo	-25z/-25z unc	Champaign CN 25	-18z/-18z -4
UP Grp 3	10z/10z unc	Clinton, IA	-5z/-5z -5
Dexter, MO	/ x	Columbus, NE ethanol	50z/-10z unc
Fayne, OH	-20z/-20 unc	Muscatine Truck	0z/0z unc
Ottawa	-25z/-26z -4	Hereford COBO B/E	60z/60z unc

Cash Bean Markets

	Oct FH/LH	Nov FH/LH	Dec FH/LH	Jan	Feb
CIF Nola	94x/92x -1	95x/95x	93f/93f	92f	
Paranagua	200x/ unc	/	/		35h

	Oct FH/LH		Oct FH/LH		Oct FH/LH
Columbus	-20x/-20x unc	CN25	-10x/-10x -10	Mankato	-15x/-20x unc
Toledo	-15x/-15x unc	Chicago	-5x/-5x unc	Cncl Bluf	-20x/-24x unc
Fostoria	-25x/-25x unc	Decatur	5x/0x -5	Lincoln	-20x/-30x unc
Windsor	20x/20x x	Naples	0x/0x +17	KC	-5x/-20x unc
PNW	138x/138x 3	Ottawa	-10x/-8x -8	Wichita	-20x/-20x unc

Cash Milo Markets

	Oct FH/LH	Nov FH/LH	Dec FH/LH	Jan	Feb
CIF Nola	90z/90z unc	/	/		
Houston	85z/85z unc	50z/50z	50z/50z	45h	45h
Corpus Christi	110z/110z 15	110z/110z	110z/110z	40h	40h

Cash Wheat Markets

	Oct FH/LH	Nov FH/LH	Dec FH/LH	Jan	Feb
CIF SRW	69z/74z -1	74z/74z	74z/74z	69h	
TX Gulf HRW	125z/125z -2	125/125	/		

	Oct FH/LH		Oct FH/LH
SRW	-2z/-2z -1	HRW	86z/96z unc
St. Louis	-10z/-10z unc	KC Ords	105z/115z unc
Toledo (Mill)	-10z/-10z unc	KC 12s	105z/115z unc
		KC 13s	105z/115z unc
PNW	115z/115z unc	KC 14s	115z/125z unc

Export Inspections

	TW	LW	LY	YTD	USDA Goal	Need/Week
Corn	25.3	22.0	17.4	93.6	1225	24.1
Soybeans	30.6	14.7	45.7	66.9	1370	27.7
Wheat	29.8	33.1	13.8	526.4	1100	16.9
Sorghum	2.0	4.1	2.0	18.3	160	3.0

Corn

CZ closed up 6.0 at 449.25. 1 year ago it was 742. Late rumors of PRC interest rallied corn. DJIA was dn 147. The European commission is investigating Abengoa for collusion and price fixing on Platts MOC price assessment. The US SEC is cooperating. Brazil's summer crop is 31% planted vs. 24 avg. Exports shipments came out in piecemeal fashion with corn totaling 25.3mbu last week while milo was 2.0. Yield reports continue running 5-10% above expectations in 80% of the belt. ATI estimates harvest progress at 20-25%. Several central IL locations reporting record receipts on Saturday. Farmer selling was next to nil at all but one company contacted. In surveying cash bean/corn ratio this morning from 15 clients between Blm IL and Garden City Ks, the range was 3.04 to 3.20. This would compare with a normal high to low range of 2.0-3.0 and a recent average around 2.2. The SX14/CZ 14 ratio is 2.40. S. Am farmers have also been looking at this ratio against their new crop May option. SK14/CK14 is 2.69. The strength of the ratio will encourage farmers worldwide to sell more beans and plant more beans. In comparison, it will encourage farmers to sell less corn and plant less. So, in spite of the very big yields coming on, it appears the corn market will struggle to get adequate cash ownership for a while. This means the futures spreads need not provide as much incentive to carry corn as one would normally expect.

Jeff Hainline

Beans

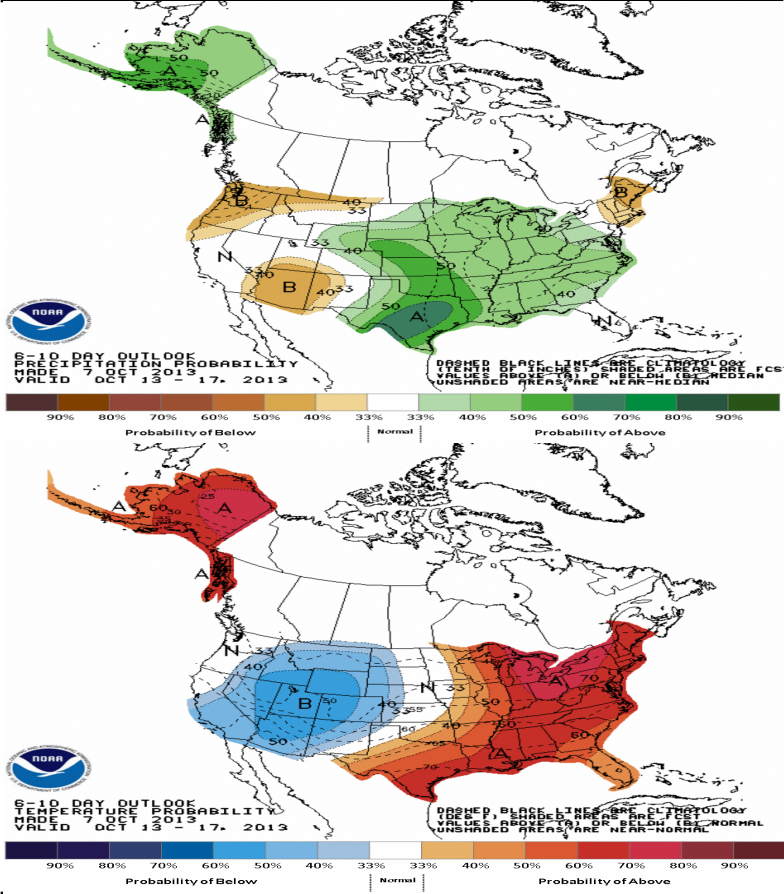
Soybean futures market under water most of the day, until the last half of the session, managing to close higher on the day. SX closed at \$12.96 1/2, up 1 1/2 cents at the finish. Rains that moved through the Midwest last Thur/Fri/Sat knocked most out of the fields. As the sun comes back out, and the breeze picks up, there is a good chance the Midwest soybean harvest will get back going on Tuesday. Export shipments slipped through the cracks and got released at normal time today, with soybean shipments at 30.5 mbu. Several wire services have released the news that the USDA report will be postponed, but did not have a suggestion for when it might be. Yield reports have slowed as harvest has slowed, but looking for more on Tuesday. Another round of rains is expected this upcoming weekend. USDA not open today, but if they were, the trade was looking for harvest progress at 22

Daily Spreads					
Corn					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Dec3-Mar4	(12.50)	0.25	-17.53	71.3%	3.3
Dec3-Jul4	(27.75)	0.50	-40.64	68.3%	3.1
Dec3-May4	(20.50)	0.75	-28.89	71.0%	3.3
Mar4-Jul4	(15.25)	0.25	-23.21	65.7%	3.0
Beans					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Nov3-Jan4	(0.25)	-0.50	-15.17	1.6%	-2.3
Nov3-Mar4	12.75	-3.25	-29.85	-42.7%	None
Nov4-Jan5	(4.50)	-0.50	-14.56	30.9%	-0.1
Wheat					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Dec3-Mar4	(9.75)	-0.50	-18.96	51.4%	1.9
Mar4-May4	(4.75)	0.75	-12.29	38.7%	1.1
May4-Jul4	8.25	0.25	-12.73	-64.8%	None
KCBOT Wheat					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Dec3-Mar4	0.75	unc	-22.16	-3.4%	None
Mar4-May4	0.25	-0.50	-14.36	-1.7%	None
Mar4-Jul4	16.00	-1.50	-29.22	-54.8%	None

-24%, vs 11% last week, and 40% the 5-year avg. Soybean basis felt steady after Friday's firming market. Future spread relaxed slightly as a Fund roll started near the close on Monday. The Chinese were on National Holiday last week, and the market is expecting them to have pricings or perhaps new purchases upon their return. The USDA will not, most likely, release new sales news, but the market may react to that kind of activity. Going forward, the ability to get into the field; yields; and weekend weather forecasts may be drivers of futures, in addition to Potential Chinese activity. Producer purchases have been slow with the inclement weather downtime, but the end-users will be anxious to see if producer marketing attitudes have changed as we get rolling again. Basis levels may flat line for a couple days until a better feel for whether the producer is a seller or holder emerges.

Jack Fitzgerald

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



Wheat

The hot topic to start the week for the wheat traders continues to be the ongoing planting delays from the Black Sea. The bullish price momentum was also aided by technical buying as futures settled near their session highs posting 5 to 8 cent gains across all three exchanges. Fundamental news was very quiet and if anything bearish as extended forecasts for Ukraine and Russia would indicate a solid 2-week stretch of warmer and drier conditions which would be ideal for planting conditions. That outlook was largely ignored with the emphasis on the optimal planting window passing for the last ½ of the wheat crop. We should be able to determine how competitive US wheat is in the global market with tenders from Algeria, Morocco, Iraq and Jordan expected over the next week. Weekly inspections did appear on the USDA website, and were just under 30 mbu, or over 11 mbu more than we need to average to meet the annual USDA projections. Cash markets in the Black Sea have rallied- especially feed wheat- over the last 10 days, which could push any possible export business to French origins. The President and CEO of the CN railroad indicated that the Western Canadian crop production could be one of the largest harvests in history with logistics now a concern. Spring wheat basis continued to slide while HRW and SRW basis values were steady. Mnpls Dec/March spread traded as wide as 9 ½ cent carry, while Dec/March in KC traded at a small inverse. The flat price rally has shaken some wheat free, especially in the spring wheat belt where yields were sharply higher than expectations, but domestic demand remains focused on quality specific factors and as long as there is limited ability to interchange spring vs winter, Mnpls futures will react independently to KC. After trading near even money on Friday, Mnpls Dec futures slipped to a 7 cent discount to KC today. Place your hedges where you have the most logistic flexibility.

Kelly Herrick