

November 12, 2013

# ADVANCE INSIGHT

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## Transportation

	TW/NW/Nov	Dec	Jan	Feb	Mar
St. Paul Savage	475/475/475				
Dub South	540/530/520				425
St. Louis 12'	600/525/400	375	375	350	350
Illinois	650/550/525	500	475	450	400
OH/Jeff/Cinn	750/750/525	475	450	425	400
Gulf/PNW	\$0.700 / bushel				
BN Shuttles	400/400/300	350	200	150	150
UP Shuttles	/100/100	100	-50	50	50

## Cash Corn Markets

	Nov FH/LH	Dec FH/LH	Jan FH/LH	Feb	Mar
CIF Nola	82z/80z 2	78z/78z	65h/65h	65h	
PNW	131z/131z -4	125z/125z	112h/112h	112h	110h

	Nov FH/LH		Nov FH/LH
Cols CSX 65	-8z/-8z unc	Chicago	18z/18z unc
Ft. Wayne N/S 75	-12z/-12z unc	Pekin ethanol	6z/10z unc
Evansvl 15s	2z/2z unc	Decatur, IL	10z/10z x
Toledo	/ x	Champaign CN 25	2z/2z 2
UP Grp 3	2z/2z 2	Clinton, IA	18z/18z 6
Dexter, MO	/ x	Columbus, NE ethanol	16z/18z unc
Fayne, OH	-11z/-11z	Muscatine Truck	10z/10z unc
Ottawa	-20z/-14z x	Hereford COBO B/E	88h/88h +8

## Cash Bean Markets

	Nov FH/LH	Dec FH/LH	Jan FH/LH	Feb	Mar
CIF Nola	103f/103f 1	105f/103f	98f/98f	100h	
Paranagua	250x/250x unc	/	58f/58f	58h	40h

	Nov FH/LH		Nov FH/LH		Nov FH/LH
Columbus	16f/16f unc	CN25	10f/10f unc	Mankato	-6f/-6f unc
Toledo	-15x/-15x x	Chicago	5x/5x +5	Cncl Bluf	-5f/-5f unc
Fostoria	-5x/-5x x	Decatur	15f/22f x	Lincoln	0f/-5f 10
Windsor	10f/10f	Naples	0x/0x unc	KC	15f/15f unc
PNW	/135f	Ottawa	-5f/2f x	Wichita	15f/15f unc

## Cash Milo Markets

	Nov FH/LH	Dec FH/LH	Jan FH/LH	Feb	Mar
CIF Nola	105z/105z unc	/	/		
Houston	110z/85z unc	85z/75z	75h/75	75h	70h
Corpus Christi	105z/105z unc	105z/105z	75h/75	75h	70h

## Cash Wheat Markets

	Nov FH/LH	Dec FH/LH	Jan FH/LH	Feb	Mar
CIF SRW	95z/90z unc	85z/85z	76h/76h	76h	
TX Gulf HRW	125/125 unc	/	/		

	Nov FH/LH	HRW	Nov FH/LH
St. Louis	14z/14z -1	KC Ords	110z/120z unc
Toledo (Mill)	/ x	KC 12s	150z/160z unc
	Nov FH/LH	KC 13s	120z/130z unc
PNW	115z/115z x	KC 14s	115z/125z unc

## Export Inspections

	TW	LW	LY	YTD	USDA Goal	Need/Week
Corn	16.7	31.4	9.5	223.4	1400	28.0
Soybeans	79.7	80.5	64.7	418.1	1450	24.6
Wheat	12.2	8.9	10.5	640.6	1100	16.9
Sorghum	0.5	1.2	2.6	27.9	160	3.6

## Corn

Corn had a two sided trade today but in the end funds were net sellers of 6000 contracts. News of Goldman Sachs lowering their 12 month price outlook to \$3.75 from 4.25 and export inspections being much less than expected at 16.7 mbu kept prices in check even as the bean market had double digit gains. Along with a drop in expected prices Goldman also is projecting corn acres to fall to 92.5 vs the previous estimate of 95.3 mil acres. Weekend harvest for many saw receipts much higher than expected and this did help break some basis values yesterday but today it is feeling short lived. Western plants especially appeared to be back to paying prices prior to Friday's report. Cif values also saw strength, but this is being helped by higher barge freight. Availability of freight is very tight and lock issues on the OH will keep barges staying put as repairs on Lock 52 will not be done until December. Harvest progress tonight showed 84% of the crop done for a 11% increase from last week. Only MI, WI and ND are less than 70% complete at 62,62 and 64% done respectively. The end-user is hoping that the last 15% of this crop will be hard to put away and flow to them. As drawn out as this harvest has been and lack of drying capacity because of higher moisture corn, it does not look like as many piles (Dry corn) will be needed and picked up in the next 60-90 days. The H/K trading at 9 and H/N trading 16 still look to be good bullspreads for those with ownership to roll out or those short the basis that need protection.

*Dewey Hull*

## Beans

SF closed up 13.5 at 1314.5. Outside markets were weaker, gold dn 13.5, DJ dn 11, crude dn 2.09 at 3:39cdt. Exports continue robust with shipments last week of 79.7mbu as expected, 72% of shipments went to PRC. During the morning 116kt of sales was announced to PRC and 35kt of SBO to Unknown. During the day GS released a 2014 price estimate for beans of \$9.50. In Weekly Fundamental Review tonight Dr.

Daily Spreads					
Corn					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Dec3-Mar4	(11.75)	0.25	-17.43	67.4%	3.1
Dec3-Jul4	(27.50)	-0.25	-40.41	68.1%	3.1
Dec3-May4	(20.75)	-0.25	-28.73	72.2%	3.4
Mar4-Jul4	(15.75)	-0.25	-23.07	68.3%	3.1
Beans					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Nov3-Jan4	4.75	-2.25	-15.25	-31.2%	None
Nov3-Mar4	22.75	-4.75	-30.00	-75.8%	None
Nov4-Jan5	(6.00)	unc	-14.23	42.2%	0.8
Wheat					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Dec3-Mar4	(10.50)	0.50	-18.68	56.2%	2.3
Mar4-May4	(5.25)	0.50	-12.11	43.4%	1.5
May4-Jul4	(0.50)	1.50	-12.54	4.0%	-1.0
KCBOT Wheat					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Dec3-Mar4	(0.75)	unc	-21.85	3.4%	-1.0
Mar4-May4	0.75	0.25	-14.17	-5.3%	None
Mar4-Jul4	6.00	2.00	-28.82	-20.8%	None

Shonkwiler lowers his estimate of bean carryout to 130 vs. the USDA at 170. His lower crop estimate is a large part of the difference. S. Am weather is generally beneficial as Matto Grosso is reportedly 86% complete with planting and Arg is in the mid-teens. Selling is picking up in Brazil as the Real has fallen 6% vs. the USD in the last 2 weeks which is the equivalent of 81c/bu. SF/SH closed at 18c inverse which makes hedgers very willing to look a selling basis values. Today's rally got the crusher and exporter some ownership, so in spite of \$1.50+ crush margins probably not much push tonight. Most elevators report farmers have sold or DP'd over 50% of crop. Purchases going forward will slow dramatically as sell store decisions are mostly over.

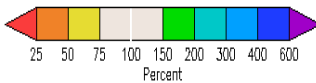
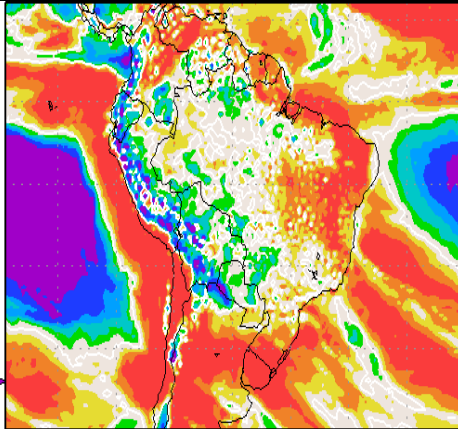
*Jeff Hainline*

### South American Weather Outlook

<http://www.wxmaps.org/pix/clim.html>

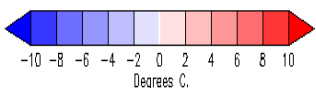
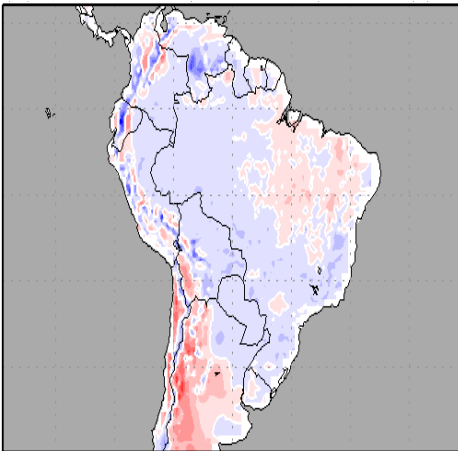
Precipitation (percent of normal) during the first 7.5-day period:

Tue, 12 NOV 2013 at 12Z  
-to-  
Wed, 20 NOV 2013 at 00Z



Temperature Anomaly during the first 7.5-day period from:

Tue, 12 NOV 2013 at 12Z  
-to-  
Wed, 20 NOV 2013 at 00Z



### Wheat

Wheat has been the quiet commodity since Friday's WASDE report gave corn and beans some points of discussion and debate. KCBT Dec closed lower for the 10<sup>th</sup> straight day. Prior to the 1c higher close on Oct 29, it had been down 3 days in a row as well. Libya announced a tender for 50 kmt milling wheat. Tunisia tendered for durum. India delayed its export tender date from Nov 15 to Nov 18 for 340 kmt. Export inspections of 12.2 mbu were just above the top end of market expectations and below the 16.9 mbu needed to ship weekly to reach USDA's annual projection. By class, HRW at 5.1 mbu led the way with SRW at 3.1, Soft White at 2.2, and HRS at 1.8. Wheat plantings were listed this afternoon at 95% complete, up 4 from last week and just ahead of average. Emergence followed a similar pattern at 84% vs. 78 last week and 80 average. Winter wheat conditions jumped again to 65% good to excellent. While often reminded the fall conditions correlate poorly to final yield, this year's 65% feels much better than last year's 36%. KCBT deliverable stocks are 79.1 mbu, down almost 2mbu from last week's 81.0 mbu. HRW cash basis was quiet again though Z/H firmed to close at 1/2c carry. N4/U4 sits at 9c carry. While a little wide for short space houses to bearsread, full carry is 21c at commercial interest rates.

*Curt Strubhar*

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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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