

December 5, 2013

ADVANCE INSIGHT

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Transportation

	TW/NW/Dec	Jan	Feb	Mar	Apr
St. Paul Savage	//				425
Dub South	//			425	375
St. Louis 12'	400/400/400	375	350	325	400
Illinois	525/525/515	515	515	450	400
OH/Jeff/Cinn	550/525/500	500	425	400	375
Gulf/PNW	\$0.580 / bushel				
BN Shuttles	2500/2000/1000	1675	700	700	
UP Shuttles	300/300/350	150	100	100	-50

Cash Corn Markets

	Dec FH/LH	Jan FH/LH	Feb FH/LH	Mar	Apr
CIF Nola	67h/70h -2	70h/70h	69h/69h	65h	
PNW	128h/128h 1	118h/118h	120h/120h	120h	110k

	Dec FH/LH		Dec FH/LH
Cols CSX 65	-8h/-8h unc	Chicago	16h/16h unc
Ft. Wayne N/S 75	-4h/-4h unc	Pekin ethanol	-2h/0h unc
Evansvl 15s	8h/8h unc	Decatur, IL	0h/0h unc
Toledo	-17h/-17h unc	Champaign CN 25	-7h/-7h -1
UP Grp 3	0h/0h -3	Clinton, IA	6z/6z -1
Dexter, MO	/ x	Columbus, NE ethanol	2h/6h unc
Fayne, OH	-1h/-1h unc	Muscatine Truck	8h/8h unc
Ottawa	-20h/-13h x	Hereford COBO B/E	85h/85h unc

Cash Bean Markets

	Dec FH/LH	Jan FH/LH	Feb FH/LH	Mar	Apr
CIF Nola	105f/106f unc	106f/98f	105h/95h	82h	
Paranagua	/	58f/58f	58h/58h	38h	-3k

	Dec FH/LH		Dec FH/LH		Dec FH/LH
Columbus	15f/15f unc	CN25	10f/10f unc	Mankato	-24f/-24f unc
Toledo	10f/10f unc	Chicago	5f/5f unc	Cncl Bluf	-15f/-15f -3
Fostoria	5f/5f unc	Decatur	15f/15f unc	Lincoln	-15f/-15f -5
Windsor	0f/0f x	Naples	15f/15f +3	KC	2f/2f unc
PNW	150f/145f unc	Ottawa	14f/16f x	Wichita	-5f/-5f unc

Cash Milo Markets

	Dec FH/LH	Jan FH/LH	Feb FH/LH	Mar	Apr
CIF Nola	80h/80h unc	/	/		
Houston	104h/104h unc	104h/104	85h/85h	75h	60k
Corpus Christi	100h/100h unc	100h/100h	85h/85h	75h	60k

Cash Wheat Markets

	Dec FH/LH	Jan FH/LH	Feb FH/LH	Mar	Apr
CIF SRW	98h/90h 3	85h/85h	83h/83h	85h	
TX Gulf HRW	130h/130h unc	/	/		

	Dec FH/LH	HRW	Dec FH/LH
St. Louis	30h/30h unc	KC Ords	115h/125h unc
Toledo (Mill)	0z/0z unc	KC 12s	140h/150h unc
	Dec FH/LH	KC 13s	125h/135h unc
PNW	100h/100h unc	KC 14s	125h/135h unc

Export Sales

	Actual Old (mbu)	Actual New (mbu)	Expected (mbu)	Need
Corn	23.4	0.0	33-37(850-950)	9.7
Soybeans	29.6	13.1	33-44(900-1200)	1.8
Wheat-All	8.4	0.0	17-18(450-500)	10.4
HRW	1.0	0.0		4.2
SRW	2.4	0.0		2.3
Sorghum	0.2	0.0		2.5
Bean Meal	120.4	10.5	250-300	78.0
Bean Oil	1.5	0.0	20-40	5.6

Corn

CH closed at 433.5, dn 3.0. Outside markets saw gold and equities move lower. Story out this morning noted 200 companies or entities had hired lobbyist's to address EPA 11/15 draft rule dropping RFS production requirements to 15-15.52 bg from 18.15 set in a 2007 law. A hearing on the issue was scheduled for today. Titan Machinery shares plunged to a three-year low after the New Holland tractor dealer unveils below-forecast results and slashes its profits guidance. WASDE report out 12/10 likely increases global grains and coarse grain production but also should increase US ethanol grind. Would have expected an increase in exports also with YTD sales at 71% of USDA yearly forecast vs. a previous high of 61% set in fall of 1995. But, the ongoing rejections by China make extrapolating those numbers questionable. Still no Dely's vs CZ with FOB N. IL River right at DVE. Did see pushes in a few central belt states by processors as rally not moving enough bushels as carry in futures and cash flow flush farmer holding corn back. Milo basis at TxG and in western market still very hot due to PRC corn tariffs/rejections. Board ethanol margins improved today with Feb eth up 2c/gal. With CH/CK at 8.5 (75% of full carry) and big margins in most livestock and ethanol, it feels like basis needs to firm till we see the farmer movement pick up. Like having big % of short hedges in CK if you have time, space, and money. Those users uncovered or short the basis should have some CH/CK bull spread.

Jeff Hainline

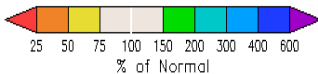
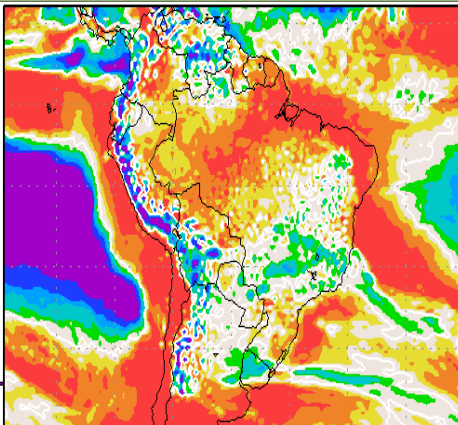
Daily Spreads					
Corn					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Dec3-Mar4	(10.75)	0.50	-17.38	61.9%	2.8
Dec3-Jul4	(26.25)	-0.50	-40.29	65.1%	3.0
Dec3-May4	(19.25)	-0.25	-28.64	67.2%	3.1
Mar4-Jul4	(15.50)	-0.50	-22.99	67.4%	3.1
Beans					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Jan4-Mar4	16.25	-1.25	-15.04	-108.0%	None
Mar4-May4	14.50	-2.00	-14.49	-100.1%	None
Nov4-Jan5	(4.50)	unc	-14.19	31.7%	0.1
Wheat					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Dec3-Mar4	(14.00)	0.50	-18.66	75.0%	3.4
Mar4-May4	(5.00)	-0.50	-12.10	41.3%	1.3
May4-Jul4	3.00	0.25	-12.53	-23.9%	None
KCBOT Wheat					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Dec3-Mar4	9.75	4.75	-21.87	-44.6%	None
Mar4-May4	0.25	-1.25	-14.14	-1.8%	None
Mar4-Jul4	7.25	-2.00	-28.76	-25.2%	None

South American Weather Outlook

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

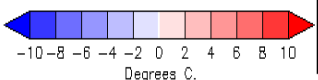
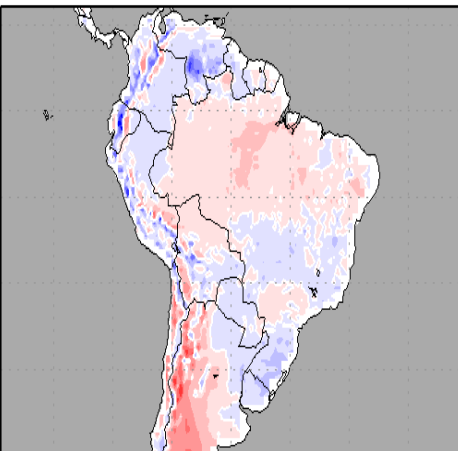
Precipitation (% of normal)
during the 7.5-day period:

Thu, 05 DEC 2013 at 12Z
-to-
Fri, 13 DEC 2013 at 00Z



Temperature Anomaly
during the 7.5-day period:

Thu, 05 DEC 2013 at 12Z
-to-
Fri, 13 DEC 2013 at 00Z



Beans

Nearby SF14 closed down 1 ½ at 1328, which is actually pretty impressive considering that's 12 cents off the daily low. Corn traded lower for the first time in 4 days & some of that pressure spilled over into beans & wheat. Export sales missed expectations this morning which also seemed to weigh on futures. It's interesting that of the 29.6 mbu in old crop bean sales, China was nowhere to be found. They may have been using an alias, as "unknown" was the largest buyer with 9.9 mbu. The friendly news this morning was that the USDA reported the sale of 110,000 tons of U.S. beans to China for next year (14/15). Expectations for large South American production seemed to hang over the market as well. Brazilian firm Agroconsult stated that they expect Brazil to produce a record 90.7 million tons of soybeans this year. To give that number some context, in 2004 Brazil produced 49.54 million tons of soybeans, meaning they have seen an 83% increase over the past decade. 90.7 million tons equates to about 3.332 bbu. The November USDA report pegged U.S. production at 3.258 bbu, so Brazil is likely to remain the largest soybean producing country in the world this year.

Michael Reginelli

Wheat

Wheat futures fell for the second straight day. It's notable that nearby WZ13 traded a daily low of 637, which is only 1 ½ cents away from the contract low created back in August. With only 6 trading days left until Dec expiration, we'll find out soon enough if the lows will hold. Ultimately, WZ13 ended up closing down 9 ¼ at 638, while new crop WN14 closed down 9 ½ at 654. Funds sold 4,000 contracts. Futures were pushed lower by poor export sales this morning. The USDA reported weekly sales of 8.4 mbu, well below the trade expectations of 17-18. Compounding the pressure was Stats Canada reporting a record Canadian wheat crop. They are stating farmers produced 37.53 million tons of wheat in 2013, up nearly 40% from last year. Paris milling wheat fell from multi-month highs on Thursday, succumbing to the weakness in Chicago futures. Extreme & potentially record setting cold temps will set in over a large portion of the U.S. this weekend. Patchy winterkill is expected to occur in several areas, particularly stretches of KS & NE where snow is absent.

Michael Reginelli

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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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