

December 20, 2013

ADVANCE INSIGHT

TURN UNCERTAINTY INTO OPPORTUNITY

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Transportation					
	TW/NW/Dec	Jan	Feb	Mar	Apr
St. Paul Savage	//				425
Dub South	//			425	375
St. Louis 12'	475/450/425	425	375	350	325
Illinois	575/550/550	525	450	400	375
OH/Jeff/Cinn	425/425/425	400	400	375	375
Gulf/PNW	\$0.650 / bushel				
BN Shuttles	/4000/4000	2800	1000	500	300
UP Shuttles	1200/1000/1000	1550	300	250	-100

Cash Corn Markets					
	Dec FH/LH	Jan FH/LH	Feb FH/LH	Mar	Apr
CIF Nola	66h/66h 1	72h/72h	71h/71h	65h	
PNW	120h/120h unc	123h/123h	123h/123h	124h	105k
		Dec FH/LH			Dec FH/LH
Cols CSX 65	-5h/-5h unc		Chicago	18h/18h x	
Ft. Wayne N/S 75	-3h/-3h unc		Pekin ethanol	0h/0h unc	
Evansvl 15s	9h/9h unc		Decatur, IL	0h/0h unc	
Toledo	-14h/-14h unc		Champaign CN 25	-5h/-5h unc	
UP Grp 3	-5h/-5h unc		Clinton, IA	19h/19h 4	
Dexter, MO	/ x		Columbus, NE ethanol	2h/6h unc	
Fayne, OH	-2h/-2h unc		Muscatine Truck	12h/12h unc	
Ottawa	-18h/-18h -2		Hereford COBO B/E	35h/35h unc	

Cash Bean Markets					
	Dec FH/LH	Jan FH/LH	Feb FH/LH	Mar	Apr
CIF Nola	102f/102f unc	102f/100f	104h/95h	82h	
Paranagua	/	/	35n/30n	5n	-13n
		Dec FH/LH	Dec FH/LH	Dec FH/LH	
Columbus	5f/5f unc	CN25	7f/7f -3	Mankato	-28f/-28f -8
Toledo	0f/0f unc	Chicago	5f/5f unc	Cncl Bluf	-30f/-30f unc
Fostoria	0f/0f unc	Decatur	10f/10f -5	Lincoln	-25f/-25f unc
Windsor	-10f/-10f x	Naples	11f/11f unc	KC	-4f/-4f unc
PNW	165f/165f -5	Ottawa	5f/5f -3	Wichita	-5f/-5f unc

Cash Milo Markets					
	Dec FH/LH	Jan FH/LH	Feb FH/LH	Mar	Apr
CIF Nola	80h/80h x	/	/		
Houston	105h/105h x	105h/105	85h/85h	75h	60k
Corpus Christi	105h/105h x	105h/105h	85h/85h	75h	60k

Cash Wheat Markets					
	Dec FH/LH	Jan FH/LH	Feb FH/LH	Mar	Apr
CIF SRW	105h/105h unc	100h/100h	97h/90h		
TX Gulf HRW	130h/130h x	/	/		
		Dec FH/LH	HRW	Dec FH/LH	
SRW	30h/30h unc		KC Ords	105h/115h unc	
St. Louis			KC 12s	135h/145h 5	
Toledo (Mill)	-10z/-10z unc		KC 13s	110h/120h unc	
		Dec FH/LH	KC 14s	110h/120h unc	
PNW	110h/110h unc				

Corn

CH4 +2 ¼ at 433 ¼ the H/K -1/4 at -8 ¼ carry. Interestingly 2840 contracts of Dec 15 CME corn traded pushing the contract up 10c/bu to 479. How old is the Renewable Sector Policy? RFS-1 2005, Energy Independence and Security Act of 2007, with less than 10 years of Biofuel policy history under our belts, how EPA's proposed mandate reduction shakes out remains an uncertainty, likely into early 2014. Trade expectations are for a mandate closer to 13 B g than the original RFS-2 14.4B g in 2014. Speaking of policy, the Chinese headline post Chinese/Vilsack & US meeting midnight last night quoted Vice Minister Niu Dun saying the MIR 162 corn "hasn't received safety certification, so it cannot be imported". CFTS data futures and options had commercials reducing their net short by 17k to -70k contracts, traditional funds added 10k to their net short -175k position and index funds reduced their net long by 5k to 364k contracts. In US cash markets remain rail freight constrained out west and its impacting many sectors from energy to ag to biofuel. Basis was steady - better with several pushes noted for holiday corn. Ethanol values pushed higher as tight inventories continue in US markets. Flat price corn continues to be function of the South American weather forecast which is too hot.

Joe Harroun

Beans

For the week beans are up 10.5c, soymeal up \$13.50 and soyoil dn 40 pts. Processors in the west broke bean basis to "all fall" type levels. Thursday AGP plants rolled bids vs. SH and dropped them 2 - 3c. Today ADM rolled western bids to SH and dropped bids 3 to 8c. At current spread levels, western plants long basis should have hedges in the March. The SF/SH broke from recent highs in the mid-teens to close at an 8c inverse. IL River facilities are having difficulty getting empty barges with several

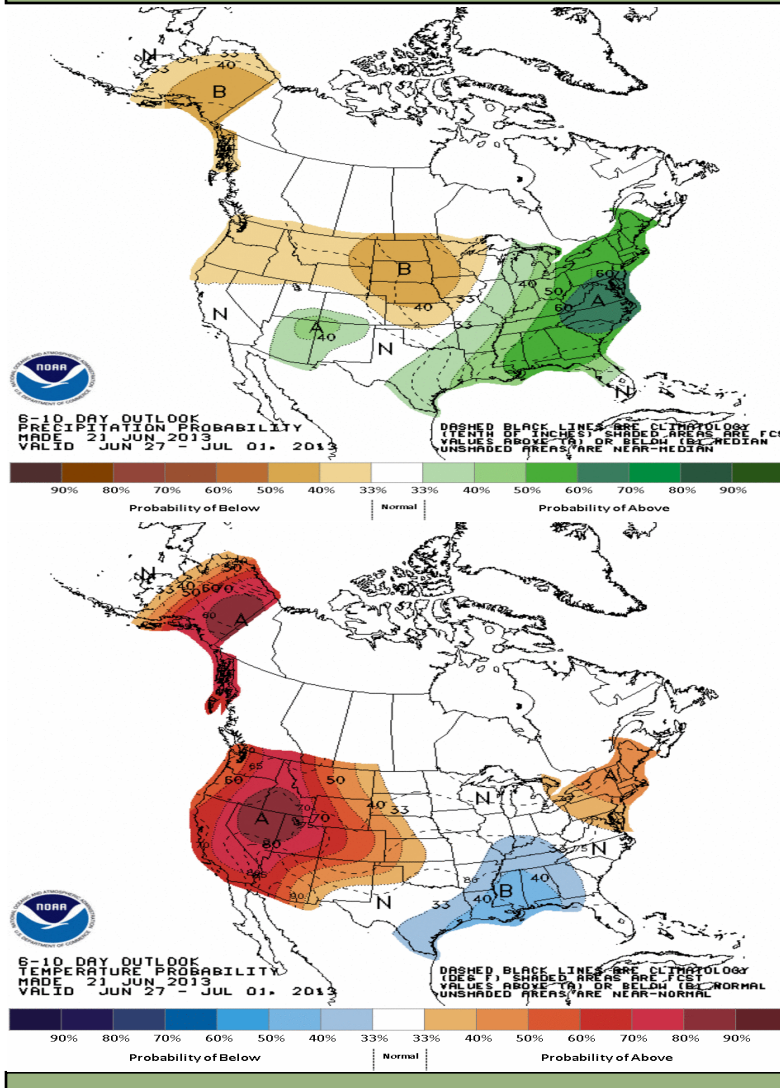
1,000+ Cap. Feedlots, % of last year

	USDA		Pre-Release Estimates
	Actual	Ave.	Range
On Feed	95	95.4	94.4—96.1
Placed	97	100.9	95.0—104.2
Marketed	95	94.6	93.7—95.7

Daily Spreads					
Corn					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Mar4-May4	(8.50)	-0.25	-11.31	75.2%	3.5
May4-Jul4	(7.00)	unc	-11.72	59.7%	2.6
Mar4-Jul4	(15.25)	-0.25	-23.00	66.3%	3.0
Sep4-Dec4	(6.50)	unc	-17.56	37.0%	1.3
Beans					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Jan4-Mar4	8.00	unc	-15.10	-53.0%	None
Mar4-May4	15.25	2.00	-14.57	-104.7%	None
Nov4-Jan5	(4.75)	-0.50	-14.22	33.4%	0.2
Wheat					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Mar4-May4	(7.00)	-0.25	-11.96	58.5%	2.4
May4-Jul4	(4.25)	-0.75	-12.40	34.3%	0.9
Jul4-Sep4	(9.25)	-0.25	-12.62	73.3%	3.3
KCBOT Wheat					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Mar4-May4	(1.00)	unc	-14.01	7.1%	-0.7
Mar4-Jul4	1.75	2.75	-28.50	-6.1%	None
Jul4-Sep4	(11.00)	-1.00	-20.86	52.7%	4.1

South American Weather Outlook

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



facilities closing their truck dumps due to being full. The IL River barge issue, western processor at typical "all fall" basis values and along with the fact that most elevators have bot 70 – 85% of their fall dump is putting pressure on the SF/SH. This is allowing C IL processors to drop bids to +0SF to +10SF. The barge frt issue should get help from the weekend precip but there is another cool down in the forecast after Christmas. Last weekend there were several issues with groundings in STL and several closings throughout the week. Today the IL River is dealing ice delays of up to 24 hours at the Lagrange, IL lock and fog delaying boats. CIF values were mostly steady for Dec/Jan in the +100 to +105SF area. FOB LH Jan on the Upper IL River is 3c over DVE. Chinese crush margins are well off Oct highs but remain profitable. Chinese crush deferred hedge margins are negative due to weaker meal as buyers are cautious on how bird flu may affect future meal demand.

Nathan Mangold

Wheat

Argentine Ag Minister raised his estimate of the crop size by ½ MMT to 9.0, which is 2 less than USDA, thus keeping their export potential in check. And shipments are being delayed due to lack of permits. UK final crop estimate is 11.9 MMT, 1.4 MMT less than last year. COT report has the "commercial" short futures (read as long the basis) down to 7k kts in SRW and down to 36k in HRW. I am a bit perplexed as to why the commercial would be long the HRW basis with no futures carry and a red hot basis. High price spot car values might explain it. Speaking of cars, hearing late shipment charges for HRW are 4 cents/bu/day.

Terry Reinhart

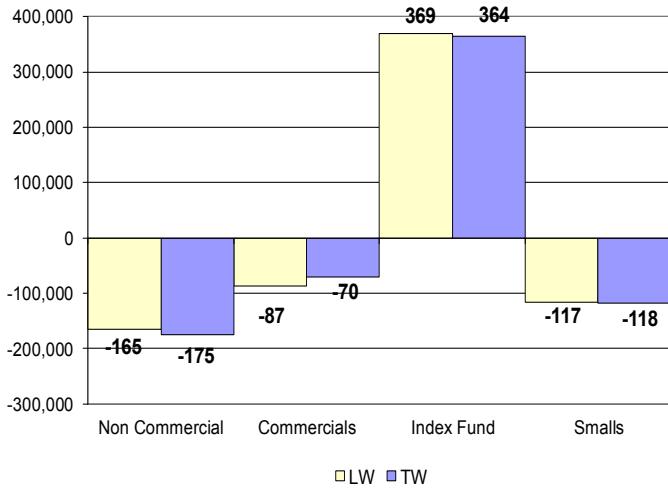
Cattle on Feed

Report is neutral to friendly cattle futures with placements below the average pre-release estimate, but within the range of estimates. Report confirms December 1 on feed supplies are the tightest for this time of year since 1996.

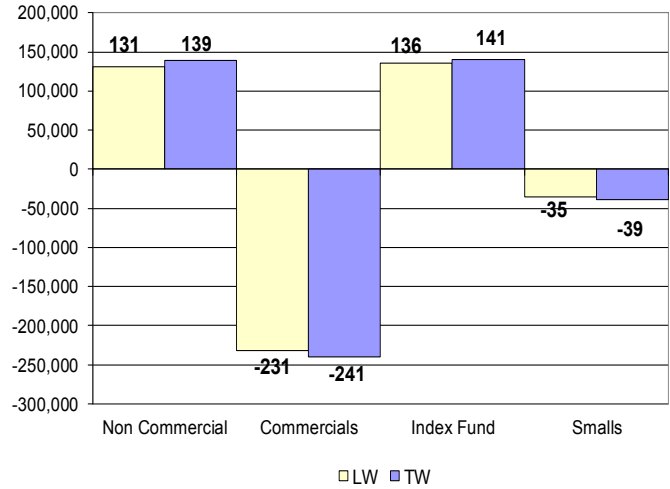
Phil Gore

Commitment of Traders

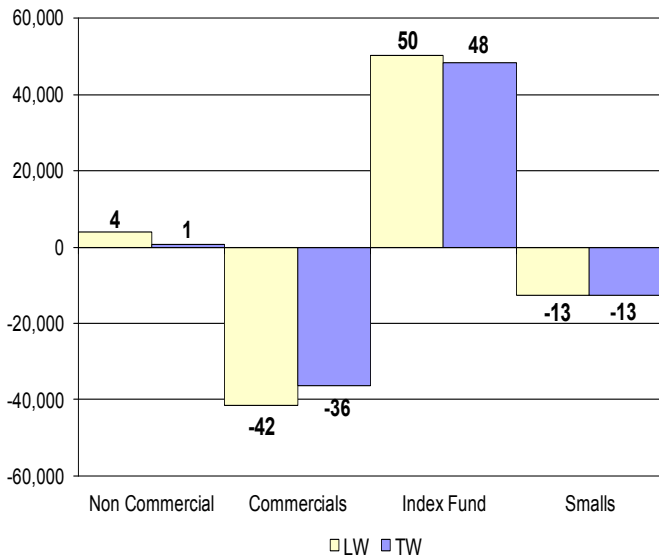
Corn Net Future & Option Positions



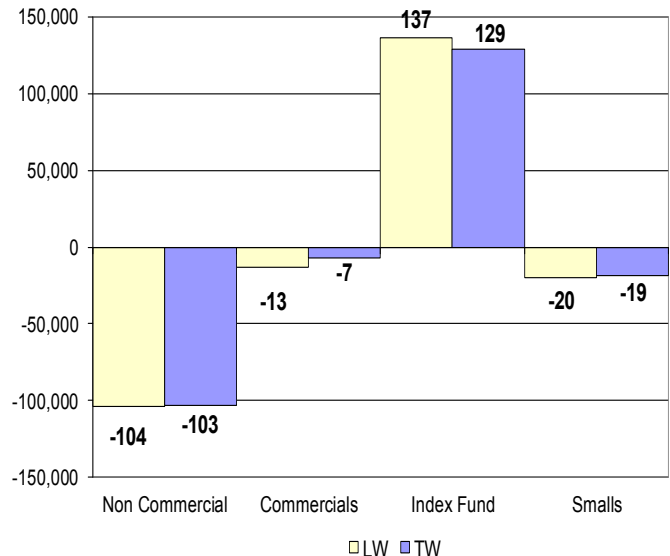
Soybean Net Future & Option Positions



KC Wheat Net Future & Option Positions



CBOT Wheat Net Future & Option Positions



****The Bloomington Office will be closing at 1:00 pm next Tuesday, December 24th. We will re-open at 6 am on Thursday, December 26th.****

Have a Merry Christmas, all!

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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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