

June 13, 2013

ADVANCE INSIGHT

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Transportation

	TW/NW/Jun	Jul	Aug	Sep	Oct
St. Paul Savage	340/340/340	340	375	475	500
Dub South	290/290/290	290	325	440	550
St. Louis 12'	235/235/235	240	300	450	525
Illinois	280/280/280	275	280	425	540
OH/Jeff/Cinn	190/190/200	215	300	425	540
Gulf/PNW	\$0.500 / bushel				
BN Shuttles	125/125/125	-75	-175	-150	575
UP Shuttles	-100//	-100	-100	-100	238

Cash Corn Markets

	Jun FH/LH	Jul FH/LH	Aug FH/LH	Sep	Oct
CIF Nola	106n/84n unc	55n/55n	125u/125u	55u	62z
PNW	151n/151n x	143n/143n	200u/200u		113z

	Jun FH/LH		Jun FH/LH
Cols CSX 65	53n/53n unc	Chicago	72n/72n
Ft. Wayne N/S 75	57n/57n x	Pekin ethanol	48n/48n unc
Evansvl 15s	48n/48n unc	Decatur, IL	47n/47n unc
Toledo	42n/42n unc	Champaign CN 25	54n/54n 1
UP Grp 3	59n/59n x	Clinton, IA	68n/68n -2
Dexter, MO	75n/75n x	Columbus, NE ethanol	75n/70n x
Fayne, OH	32n/32n unc	Muscatine Truck	65n/65n 3
Ottawa	57n/38n 4	Hereford COBO B/E	129n/129n x

Cash Bean Markets

	Jun FH/LH	Jul FH/LH	Aug FH/LH	Sep	Oct
CIF Nola	78n/78n unc	75n/65n	65q/65q	90x	82x
Paranagua	-50n/-50n unc	-50n/-50n	30u/30u		

	Jun FH/LH		Jun FH/LH		Jun FH/LH
Columbus	110q/110n unc	CN25	135q/135q unc	Mankato	115q/105q 5
Toledo	97q/97q 13	Chicago	10n/10n unc	Cncl Bluf	25n/25n 5
Fostoria	90q/90q unc	Decatur	135n/135n 10	Lincoln	100q/100q x
Windsor	/ x	Naples	32n/32n unc	KC	105q/105q 10
PNW	120n/120n x	Ottawa	24n/15n 9	Wichita	120q/120q unc

Cash Milo Markets

	Jun FH/LH	Jul FH/LH	Aug FH/LH	Sep	Oct
CIF Nola	65n/65n unc	/	/		
Houston	65n/65z unc	65z/60z	60z/55z	50z	50z
Corpus Christi	55n/55z unc	55z/55z	55z/55z	50z	50z

Cash Wheat Markets

	Jun FH/LH	Jul FH/LH	Aug FH/LH	Sep	Oct
CIF SRW	55n/55n unc	50n/52n	50u/50u	60u	60z
TX Gulf HRW	142n/142n unc	140n/140n	/		

	Jun FH/LH	HRW	Jun FH/LH
St. Louis	22n/22n 3	KC Ords	75n/90n unc
Toledo (Mill)	-10n/-10n	KC 12s	122n/137n unc
		KC 13s	137n/152n unc
PNW	143n/143n -2	KC 14s	137n/152n unc

Export Sales

	Actual Old (mbu)	Actual New (mbu)	Expected (mbu)	Need
Corn	3.2	2.7	10-18 (250-450)	5.2
Soybeans	1.2	16.4	18-24 (450-600)	0.3
Wheat-All	15.7	0.0	15-22 (400-600)	12.8
HRW	7.5	0.0		
SRW	5.1	0.0		
Sorghum	0.0	0.0		1.8
Bean Meal	97.7	47.1	125-300	-19.8
Bean Oil	13.2	0.0	10-20	7.1

Corn

CN -7 ¼ at 643 ½, N/U -2 ¾ at 73, N/Z -5 at 108 ¼, Z/H4 - ½ at -11 ¼ and H/K - ½ at -7 ½. Brazil and Argentina corn exports gaining steam, and weather conditions were viewed mostly favorable. Index funds rolling out of long July's are finishing up now and helped weaken spreads. Corn basis postings largely unchanged to higher, their pushes remain significant for nearby shipments; other end users are moving their basis bids vs. the Sep and Dec. Seeing evidence of ethanol plants posting SRW bids from our Missouri farmer marketing team. Warehousemen continue to originate price later corn and keep rewarding strong basis pushes with sales and keep long hedges in the July, the extent of the short continues to be a good discussion topic w/ your advisor. Utilization of calendar spread options (CSO) offers protection in navigating the inverse, while not perfect very worthwhile to discuss and apply to your business. Etoh board crush rebounded a nickel July thru Sep, and cash crush in some areas were aided nearby by stronger DDGs prices.

Joe Harroun

Beans

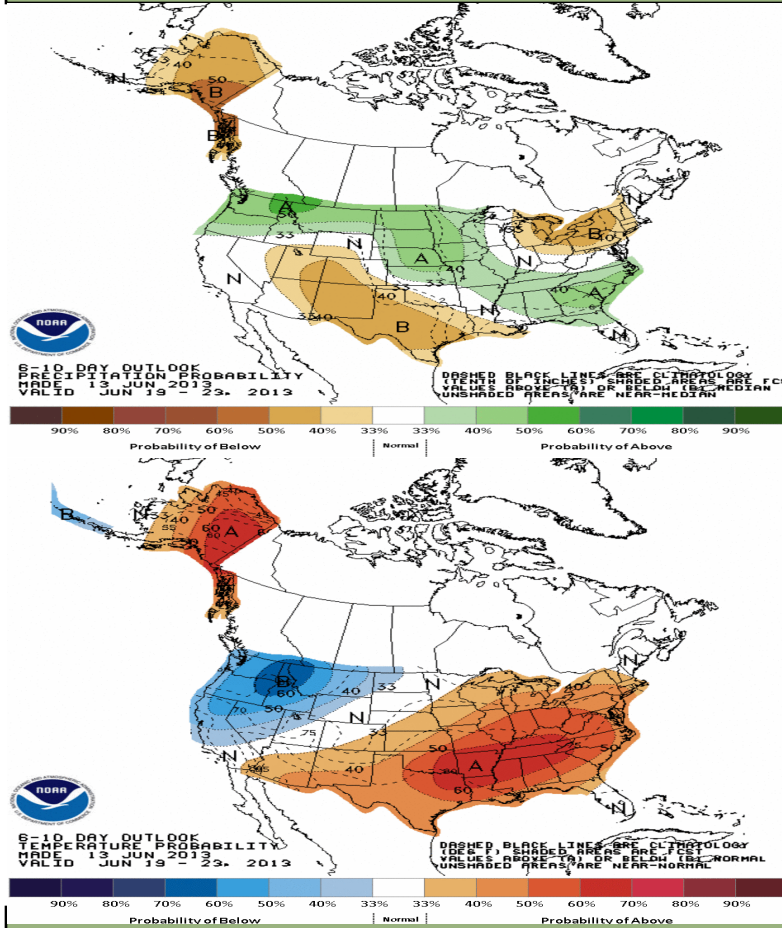
CIF beans were mostly steady w/June 80/90, FH July 72/85, July bid +65, Oct 84/87 and Nov 87/89. July CIF is bid 4c over DVE. Barge frt has a weaker tone nby as water levels recede, STL traded 210% and Granite City 230%. Posted processor bids continue to firm. SN/SQ was dn 12c which implies any plant with a steady posted bid vs. SQ

Daily Spreads					
Corn					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Jul3-Sep3	75.75	unc	-12.50	-586.2%	None
Sep3-Dec3	35.00	-3.00	-18.05	-193.9%	None
Jul3-Dec3	108.25	-5.75	-30.88	-350.5%	None
Dec3-May4	(18.50)	0.75	-29.75	62.2%	2.7
Beans					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Jul3-Aug3	83.75	-10.25	-7.87	-1064.2%	None
Jul3-Nov3	207.25	-16.00	-31.22	-663.7%	None
Nov3-Jan4	(6.25)	unc	-15.33	40.8%	0.6
Wheat					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Jul3-Sep3	(8.25)	-0.25	-13.11	62.9%	2.6
Jul3-Dec3	(21.25)	1.25	-32.04	66.3%	2.8
Sep3-Dec3	(12.75)	1.75	-19.09	66.8%	2.9
KCBOT Wheat					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Jul3-Sep3	(5.25)	-1.25	-21.48	24.4%	1.1
Sep3-Dec3	(17.75)	0.25	-31.12	57.0%	4.5
Dec3-Mar4	(13.25)	-0.75	-22.01	60.1%	3.0

improved their bid vs. SN by 12c. A few of the western plants raised truck meal offers by \$2. Recommend getting up to 75% short DP beans with the majority if not all of your long futures in the SN. NOPA report on Monday with average estimates for May crush at 118.5 mbu and soyoil stocks 2.543 bln. A SE MN producer worked through his PP insurance on beans vs. planting and taking a lesser indemnity. The producer said it would take until June 25th for the PP and crop insurance indemnity to equal when expenses are netted out. The farmer indicated they would keep planting beans in marginal conditions for now. Goldman Sachs lowered their 3, 6 and 12 mo price forecast for beans to \$11.00. They said this price embeds a weather premium and if their S&D forecast materializes, bean prices could decline to \$10.00. They currently view the downside potential in agricultural prices as the largest opportunity across the commodity markets.

Nathan Mangold

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



Wheat

Wheat and corn have been battling for the summer time feed grain market for some time, and today it looks like wheat is winning. For HRW the protein premiums are holding in the old crop but not so much for July and beyond, thus contributing to allowing new crop wheat to replace corn in the ration. With all the volatility, I am sure some will challenge these numbers but for July/Aug in SW KS, feed lot corn is worth around +135 CN and HRW is worth around +65 KWU or HRW is 95% value of corn. As one trader expressed it today, with margins projections of \$170/head loss on cattle going into the lot today, wheat is the lesser "poison". +65 KWU is +95 WU3 (SRW). Using the BN's 65c rate from IL and allowing 25c for an elevation and trucking, this is +5 WU track IL, or +13 WN, which by historical standards is a decent value to sell. Alton IL flour mill at +35, Chicago truck and river points bidding +10. With WN:WZ at -21 (11c over interest cost), and perceived space surpluses in SRW country, and the reluctance of the SRW farmer to sell before harvest, getting summer time SRW bought is proving to be a challenge. Note that by fall, wheat is much too expensive to feed. KWN-CN = 75c. KWZ-CZ = 206c. Export sales for 13/14 were 15.7 TW; 24.4 LW; 15.9 LY; with 15-22 expected.

Terry Reinhart

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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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