

July 16, 2013

ADVANCE INSIGHT

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Transportation

	TW/NW/Jul	Aug	Sep	Oct	Nov
St. Paul Savage	340/340/350	370	450	575	550
Dub South	290/290/300	310	475	575	475
St. Louis 12'	240/240/250	270	400	550	450
Illinois	265/265/275	300	425	550	475
OH/Jeff/Cinn	200/200/210	275	425	550	450
Gulf/PNW	\$0.550 / bushel				
BN Shuttles	/37.5/37.5	-88	-175	700	325
UP Shuttles	/-100/-100	-100	-100	525	200

Cash Corn Markets

	Jul FH/LH	Aug FH/LH	Sep FH/LH	Oct	Nov
CIF Nola	190u/190u 5	145u/104u	62z/57z	63z	63z
PNW	262u/262u 12	255u/255u	/	105z	108z

	Jul FH/LH	Jul FH/LH
Cols CSX 65	130u/130u unc	Chicago 190u/190u 10
Ft. Wayne N/S 75	155u/155u unc	Pekin ethanol 145u/145u unc
Evansvl 15s	165u/165u unc	Decatur, IL 160u/160u x
Toledo	135u/135u unc	Champaign CN 25 170u/170u unc
UP Grp 3	175u/175u 9	Clinton, IA 165u/165u unc
Dexter, MO	/ x	Columbus, NE ethanol 185u/150u unc
Fayne, OH	152u/152u unc	Muscatine Truck 160u/160u 5
Ottawa	147u/135u x	Hereford COBO B/E 242u/242u x

Cash Bean Markets

	Jul FH/LH	Aug FH/LH	Sep FH/LH	Oct	Nov
CIF Nola	140q/140q 15	100q/70q	125x/105x	87x	89x
Paranagua	0n/0n -3	140u/140u	/		

	Jul FH/LH	Jul FH/LH	Jul FH/LH
Columbus	130q/130q unc	CN25 120q/120q -20	Mankato 105q/65q -20
Toledo	82q/82q unc	Chicago 60q/60q -20.0	Cncl Bluf 160q/160u 5
Fostoria	130q/130q unc	Decatur 140q/140q x	Lincoln 125q/115q unc
Windsor	115q/115q x	Naples 97q/97q +2.0	KC 100q/100q unc
PNW	170q/170q -35	Ottawa 7q/7q x	Wichita 150q/120q unc

Cash Milo Markets

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

Cash Wheat Markets

	Jul FH/LH	Aug FH/LH	Sep FH/LH	Oct	Nov
CIF SRW	50u/50u 5	58u/63u	68u/79u	70z	70z
TX Gulf HRW	135u/135u	135u/135u	/		

	Jul FH/LH	HRW	Jul FH/LH
St. Louis	13u/13u 1	KC Ords	75u/90u
Toledo (Mill)	0n/0n unc	KC 12s	125u/140u
	Jul FH/LH	KC 13s	115u/130u
PNW	120u/105u	KC 14s	115u/130u

Deliverable Stocks of Grain

(thousands of bushels)

Corn		Change from LW	Change from LY
Illinois River	999	563	-275
Chicago	392	6	206
Total	1391	569	-69

Soybeans			
Illinois River	1464	288	-1449
Chicago	23	-45	-711
Total	1487	243	-2160

CBOT Wheat			
Toledo	16011	137	-9153
Chicago	7565	104	-4570
St. Louis	1226	336	-1003
Total	24802	577	-14726

KCBOT Wheat			
Salina	26226	188	873
Hutch	23438	777	-2234
KC	9918	698	-100
Total	59582	1663	-1461

Corn

September futures closed up 9 and Dec up 7 ¼. Forecasts continue to be closely watched with expectations of a break of this week's heat on Friday and chances of rain in the Eastern 2/3 of the corn belt. Iowa crop conditions are deteriorating with recent heat and no rain in the past nearly 3-weeks. The good news is maximum growing degree units on a late crop with a break in temps right as much of the Eastern corn belt enters pollination. Cash markets have been firmer this week and with the remaining stocks in farmer hands most users have had to bid \$7.00 to \$7.30 to attract any farmer offers across much of the dry-mill belt. That is equates to \$1.55 to \$1.85 CU bids. If we get a big board rally, I think \$7.50 cash cleans a lot of bin-bottoms. We are in a back to back environment and subject to the boards mercy. In that, we want to pull back our DP short to 50-75% to hold a few more bullets as we know the ethanol industry general owns very little corn for August and for good reason. If the margins structure rolls forward and turns positive, they will need corn. If they margin structure stays poor, some plants will slow/shut down until harvest. We need to be short the basis but back it down to 50% on recent movement. In coming weeks, the market will start calculating the frost free days to black layer and try to quantify bushels at risk to a Sept. 20/25th/etc. frost. The CU/CZ spread will likely remain at inverses until we get to "the whites of the new crop eyes" but CU is not a great long substitute hedge for July/August of even FH Sept physical procurement. By the time it is a viable basis long (LH Sept) we should have real new crop stocks getting into the pipeline in quantity and working North.

Ben Peters

Daily Spreads

Corn					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Sep3-Dec3	34.50	1.75	-18.10	-190.7%	None
Dec3-Mar4	(12.25)	unc	-17.90	68.4%	3.1
Sep3-Dec4	12.75	4.50	-89.50	-14.2%	None
Dec3-Jul4	(26.25)	unc	-41.51	63.2%	2.8

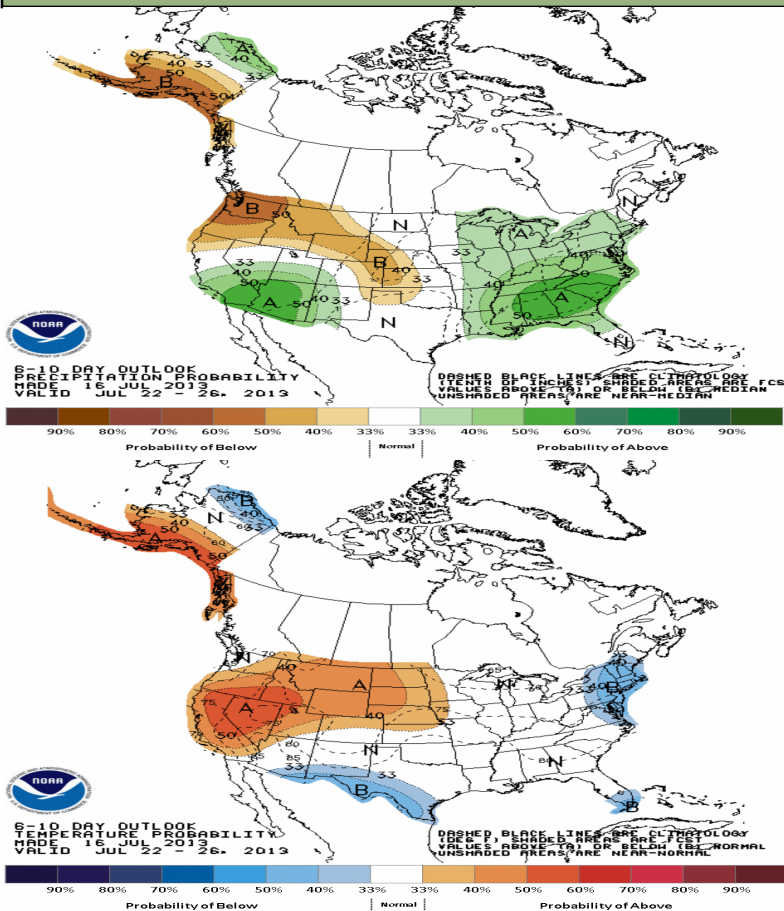
Beans					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Aug3-Sep3	139.75	0.50	-8.21	-1702.0%	None
Sep3-Nov3	49.25	-1.50	-14.88	-331.1%	None
Mar4-May4	6.75	4.00	-14.45	-46.7%	None

Wheat					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Sep3-Dec3	(13.00)	-0.25	-18.94	68.6%	3.0
Dec3-Mar4	(12.00)	unc	-18.94	63.4%	2.7
Mar4-May4	(6.75)	0.75	-12.28	55.0%	2.1

KCBOT Wheat					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Sep3-Dec3	(16.50)	0.50	-31.01	53.2%	4.1
Dec3-Mar4	(12.25)	0.25	-21.90	55.9%	2.7
Mar4-May4	(7.00)	unc	-14.20	49.3%	2.2

North American Weather Outlook

<http://www.cpc.ncep.noaa.gov/products/predictions/610day/>



Beans

Soybeans lead the rally today, living on the ups and downs of the weather market. Today's market showed a drier pattern over the next couple days for much of the corn belt. Moving to the 6-10 and the last week of July the GFS is giving a wetter cooler outlook than previous reports. Conflicting models for late July are keeping the market guessing for what to expect moving forward. None the less funds were buyers of around 8k contracts of soybeans for the day. The market was busy trying to figure out just how many soybeans are on a boat scheduled to unload in Wilmington port in North Carolina. The Q/X inverse traded out to 199 ¾ in the early hours this AM before ending the day at 188 dn 1. Some posted bids went home weaker tonight despite the lack of producer movement and the firm inverse. Tight end stocks contributed to the August soybean futures hitting a high today of 14.88 a level the market hasn't seen in over 9 months. Not much has changed from the merchandising standpoint DP longs need to be managed in Aug to protect sales. New crop spreads remain unattractive to the warehouseman, basis for new crop is at DVE at the Gulf. August USDA report will help the trade identify how many acres were planted. Interesting to note that the USDA will adjust soybean planted acres but NOT make a change to corn planted acres.

Troy Presley

Wheat

Wheat was the tired horse in the race today compared to row crops finishing slightly on the positive side. Most of the action came from protein premiums out of KC sliding 13.0 pro 20 cents and 11'-12's losing 3- 5 cents. Spreads in KC firmed ½ cent in the U/Z and Chicago U/Z widened to -13. The SRW is closely watching the forecast as reports of sprout damage continue to make their way to the market. Mill's in the east are taking hefty discounts on wheat with poor falling numbers. Some reports suggest that up to 35% of OH will have sprout damage. If the weather will cooperate hopefully OH could be done with harvest by this weekend. Colorado is working thru their HRW harvest with yields being poor to average at best. Nebraska continues to be the state to watch when it comes to HRW. USDA reported NE to be 29% complete and KS 98%. NE quality has been very promising, protein has been consistent and very favorable. This could explain the drop KC high sides protein scales. When the mills need a higher protein to blend with the low protein of central KS they will turn their efforts to NE and north to HRS. The spring wheat crop lost 2 points in yesterday's good to excellent rating but many feel the warmer weather they have endured has helped the late planted crop catch up. Ownership of wheat in Kansas remains light. Gulf values for 12 protein continue to inch higher due to the lack of offers and a decent couple weeks of exports sales. Biggest questions is how long does the export demand last?

Troy Presley

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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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