

July 9, 2013

ADVANCE INSIGHT

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Transportation

	TW/NW/Jul	Aug	Sep	Oct	Nov
St. Paul Savage	350/350/365	375	525	575	550
Dub South	300/300/310	325	425	575	475
St. Louis 12'	240/240/250	275	400	550	475
Illinois	280/280/300	325	425	550	475
OH/Jeff/Cinn	200/200/210	300	425	550	450
Gulf/PNW	\$0.550 / bushel				
BN Shuttles	-200/-137.5/-137.5	-163	-150	600	275
UP Shuttles	-200// -100	-100	-100	350	200

Cash Corn Markets

	Jul FH/LH	Aug FH/LH	Sep FH/LH	Oct	Nov
CIF Nola	51n/45n 1	158n/112u	66u/58u	62z	62z
PNW	248u/248n unc	240u/240u	/	102z	104z

	Jul FH/LH		Jul FH/LH
Cols CSX 65	110q/110u -18	Chicago	170u/170u 2
Ft. Wayne N/S 75	150u/150u 18	Pekin ethanol	180u/180u unc
Evansvl 15s	132u/132u 7	Decatur, IL	175n/175n unc
Toledo	135u/135u	Champaign CN 25	160u/160u x
UP Grp 3	165u/165u 6	Clinton, IA	165u/165u 10
Dexter, MO	/ x	Columbus, NE ethanol	170u/150u unc
Fayne, OH	138u/138u 33	Muscatine Truck	145u/145u unc
Ottawa	5n/5n unc	Hereford COBO B/E	236u/236u 1

Cash Bean Markets

	Jul FH/LH	Aug FH/LH	Sep FH/LH	Oct	Nov
CIF Nola	68n/65q -2	72q/65q	115x/100x	88x	87x
Paranagua	20n/20n unc	100u/100u	/		

	Jul FH/LH		Jul FH/LH		Jul FH/LH
Columbus	130q/130q -5	CN25	175q/175q x	Mankato	325x/280x -20
Toledo	82q/82q unc	Chicago	0n/0n unc	Cncl Bluf	145q/145u unc
Fostoria	140q/140q 10	Decatur	175q/165q unc	Lincoln	135q/120q -15
Windsor	115q/115q x	Naples	165q/165q unc	KC	145q/100q -15
PNW	238q/220q -10	Ottawa	6n/4n -4	Wichita	185q/150q 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	60z/60z unc	60z/60z	50z/50z	50z	50z

Cash Wheat Markets

	Jul FH/LH	Aug FH/LH	Sep FH/LH	Oct	Nov
CIF SRW	40u/44u unc	52u/60u	62u/67u	65z	65z
TX Gulf HRW	135u/135u unc	135u/135u	/		

	Jul FH/LH		Jul FH/LH
SRW	10u/10u	HRW	75u/90u unc
St. Louis	0n/0n unc	KC Ords	142u/157u -3
Toledo (Mill)		KC 12s	145u/160u unc
		KC 13s	145u/160u unc
PNW	120u/100u -25	KC 14s	145u/160u unc

Deliverable Stocks of Grain

(thousands of bushels)

Corn		Change from LW	Change from LY
Illinois River	436	-287	-725
Chicago	386	-76	230
Total	822	-363	-495

Soybeans		Change from LW	Change from LY
Illinois River	1176	-493	-2050
Chicago	68	7	-984
Total	1019	-424	-2902

CBOT Wheat		Change from LW	Change from LY
Toledo	15874	-355	-8559
Chicago	7461	32	-4439
St. Louis	890	543	-1081
Total	24225	220	-14079

KCBOT Wheat		Change from LW	Change from LY
Salina	26038	7835	911
Hutch	22661	5591	-2117
KC	9220	839	-572
Total	57919	14265	-1778

Corn

Corn closed higher with new crop leading the way: Dec settled up 21 ¼ at \$5.21 ¾ versus July closing up 12 ¼ at \$7.04 and Sept up 18 ½ at \$5.51 ¾. Noted fund buying/short covering led the way on concern over dryness/heat in the Western US forecast – ATI Weather consultant T-Storm forecasts are showing scattered thunderstorms moving across the belt through Wednesday in parts of MN, IA and MO east. Also notes that although cooler wet weather would be preferred, most of the major corn belt is not overly dry and the heat has for the most part stayed west of the major corn belt states. Corn and milo harvest is moving along in Southern Texas – yields on corn anywhere from 90 to 120 bpa so far – good quality. Milo yields are as high as 7K and as low as 3K pounds – average in the mid 5K which is about average with excellent quality coming in on what has been harvested. Keep in mind a good part of Corpus west and South into the Rio Grande Valley has in many cases 20% or less of a normal crop due to drought. Nearby milo demand for truck milo have seen a 30 to 40 cents premium to Corpus equivalent. Corn basis in general has a firmer tone again today. Eastern basis, though firmer is still off its earlier highs for July versus the July, Western/SW basis 1 to 2 cents firmer, Central belt markets roughly 3 to as much as 8 cents firmer. Sept Dec spread gave 2 ¾ of its inverse away closing at 30 cents inverse – due to flat price move as basis remains strong. Dec/March corn spread closed unchanged at 11 ¾. Still recommending scale in orders starting at these levels for current and expected new crop ownership – on a third to as much as half. For end users not yet covered Oct forward, this spread could also be utilized as a good substitute basis

Daily Spreads

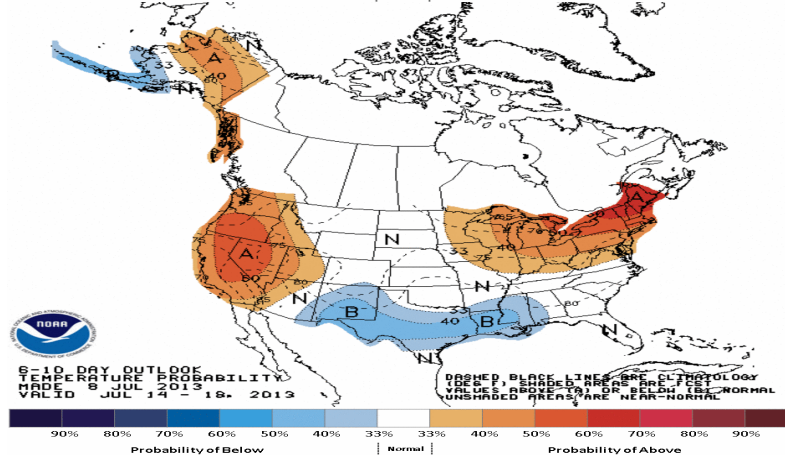
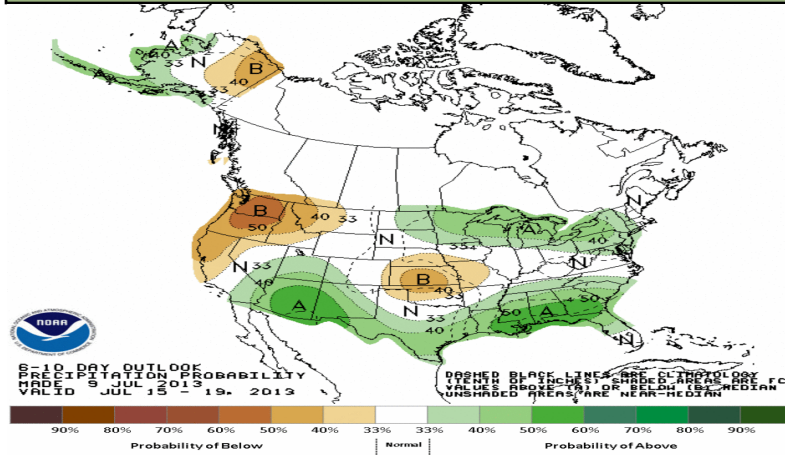
Corn					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Jul3-Sep3	152.00	-6.50	-12.44	-1222.0%	None
Sep3-Dec3	29.75	-3.00	-17.97	-165.6%	None
Jul3-Dec3	182.75	-8.50	-30.69	-595.4%	None
Dec3-May4	(19.25)	unc	-29.62	65.0%	2.9

Beans					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Jul3-Aug3	144.50	-9.25	-7.94	-1818.8%	None
Jul3-Nov3	337.00	-20.00	-31.52	-1069.1%	None
Nov3-Jan4	(5.25)	unc	-15.17	34.6%	0.2

Wheat					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Jul3-Sep3	(2.00)	1.00	-13.05	15.3%	-0.3
Jul3-Dec3	(14.75)	unc	-31.90	46.2%	1.6
Sep3-Dec3	(13.00)	-1.25	-18.99	68.4%	3.0

KCBOT Wheat					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Jul3-Sep3	4.00	1.75	-21.40	-18.7%	None
Sep3-Dec3	(19.50)	0.25	-31.03	62.9%	5.1
Dec3-Mar4	(12.75)	unc	-21.91	58.2%	2.9

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



purchase until you get covered. End user coverage for new crop is minimal, space tributary to the IWDS appears to be surplus, producers are not excited nor have they sold much new crop in the corn belt, and the variability in crop maturity throughout the corn belt will drag out harvest over a longer period of time. Could we have a 14 + bu crop and narrow up the spreads? With space and usage chasing bushels, light producer sales and a strung out harvest, you bet.

Paul Dubravec

Beans

Bean futures traded higher with August closing up 12 ¼ and November up 24. July meal continues to be squeezed with SMN/SMQ trading to and \$80 inverse as the demand for meal rolls forward affording \$1.40-\$2.00 crush margins. As long as processors continue to fetch the high meal basis, they can still pay \$16 to \$17 cash spot. Some plants pulled back today, others firmed up. Basis on the river broke 3-5 cents bringing cash to a premium to delivery of 8-10 cents. The board rally along with the SN/SQ rally(\$1.45 inverse) has July futures nearly converging up to cash. Still don't expect any deliveries but would get the last of the July longs rolled to the August in the two days. SRW area hoping to get the wheat cut and straw up to get double crop beans in. At \$80-\$100/acre cost to put in/take out beans so only need 8 bpa to cover costs and some saying they will continue to plant until July 20th.

Ben Peters

Wheat

WU closed up 14.5 at 677.5, KWU up 14.75 at 703.75, and MWU up 7.75 at 768.75. Still to wet to harvest in SE thru the Oh valley but expectations for good yields remain. FH July SRW CIF is unchanged 40/45 and millers are at opt to -10wu just below dve. HRW bid 2 higher. HRW TxG is 140/UNQ which also leaves little incentive to store. KWU/KWZ closed at 19.25 and traded from 18-20.25 vs. full carry at 32. WU/WZ is at 13.0 carry vs. full carry of 19. Slow farmer selling, delayed harvest, feed demand and new export demand is supporting spread. How to feed Egypt? Their harvest losses said to be 15-20% of production due to inadequate or poor grain storage. USDA's says \$1.5-\$1.8 billion needed to import 5 ½ MMT for the country's subsidized baladi bread program. And Bloomberg survey concludes PRC wheat imports could reach 5 ½ MMT, a 9-year high and 2 MMT more than currently forecast by the USDA. Grace period in KS/Ok should run out in the next 2 weeks and result in increased sales.

Jeff Hainline

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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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