

June 11, 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	137.5/112.5/75	-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	102n/80n -1	53n/50n	109u/109u	55u	62z
PNW	145n/145n unc	141n/141n	200u/200u		113z

	Jun FH/LH		Jun FH/LH
Cols CSX 65	53n/53n unc	Chicago	72n/72n unc
Ft. Wayne N/S 75	57n/57n unc	Pekin ethanol	48n/48n unc
Evansvl 15s	48n/48n unc	Decatur, IL	47n/47n unc
Toledo	42n/42n unc	Champaign CN 25	52n/52n x
UP Grp 3	61n/61n unc	Clinton, IA	70n/70n 2
Dexter, MO	75n/75n x	Columbus, NE ethanol	75n/70n unc
Fayne, OH	32n/32n unc	Muscatine Truck	62n/62n unc
Ottawa	53n/33n unc	Hereford COBO B/E	129n/129n x

Cash Bean Markets

	Jun FH/LH	Jul FH/LH	Aug FH/LH	Sep	Oct
CIF Nola	72n/75n unc	70n/65n	65q/65q	100x	82x
Paranagua	-55n/-55n unc	-50n/-50n	20u/20u		

	Jun FH/LH		Jun FH/LH		Jun FH/LH
Columbus	110q/110n unc	CN25	115q/115q x	Mankato	110q/85q unc
Toledo	84q/84q unc	Chicago	10n/10n unc	Cncl Bluf	20n/20n 5
Fostoria	90q/90q unc	Decatur	125n/120n unc	Lincoln	95q/95q
Windsor	/ x	Naples	18n/21n unc	KC	85q/85q unc
PNW	120n/120n	Ottawa	15n/13n unc	Wichita	115q/115q 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	45n/45z unc	45z/45z	45z/45z	45z	45z

Cash Wheat Markets

	Jun FH/LH	Jul FH/LH	Aug FH/LH	Sep	Oct
CIF SRW	55n/55n unc	50n/52n	49u/49u	54u	60z
TX Gulf HRW	143n/143n unc	/	/		

	Jun FH/LH		Jun FH/LH
SRW	19n/20n -1	HRW	75n/90n unc
St. Louis	-10n/-10n unc	KC Ords	120n/135n unc
Toledo (Mill)		KC 12s	132n/147n 6
		KC 13s	132n/147n 1
PNW	145n/145n unc	KC 14s	132n/147n 1

Deliverable Stocks of Grain

(thousands of bushels)

Corn		Change from LW	Change from LY
Illinois River	909	-349	-317
Chicago	756	-50	384
Total	1982	-399	67

Soybeans		Change from LW	Change from LY
Illinois River	1708	417	-3103
Chicago	41	8	-3044
Total	1749	425	-6147

CBOT Wheat		Change from LW	Change from LY
Toledo	16693	-381	-8537
Chicago	8648	-88	-2423
St. Louis	116	-93	-509
Total	25457	-562	-11469

KCBOT Wheat		Change from LW	Change from LY
Salina	11193	-1191	-10523
Hutch	11200	-322	-11004
KC	8483	-93	-4036
Total	30876	-1606	-25563

Corn

A short covering day for the corn market ahead of tomorrow's crop production report. Corn funds bought 8k contracts on the day. Nearby corn rallied to close 9 1/2 cents higher on the day while new crop was almost a nickel stronger. Weather remains the biggest market mover it feels at this point. The million dollar questions still remains how many acres will get planted during this stretch of dry weather. According to a Reuters poll out today the USDA will reduce it corn planting in Wednesday's report by nearly 1.5 million acres. Typically USDA does not adjust planting or yields estimates in the June WASDE however this year with the delays we have seen it is expected to happen. It is interesting to note in the last 20 years USDA has lowered its corn acreage estimates 4 times in the June report. ATI currently is penciling in 95.2 acres planted with 10.9% abandonment number thus leaving harvested acres down to 84.8 mln acres. In other news S Korea's major feedmill group purchased 134,000 tonnes of optional origin corn for middle Oct ship, Cargill was confirmed the seller on a portion of that tender. \$277.34/tonne was the negotiated price C&F (delivered S Korea), \$35/mt is the avg freight cost. That would equate to about \$6.15/bu fob the US gulf or +70Z. Cif bids today were 62/65 for VXZ so right in line with this tender. Feed values out west remain firm as we wait for wheat harvest to give feedlots an alternative to corn. Interesting to see some western KS feed yards that typically are a discount to Hereford actually paying a 15 to 20c premium to Hereford for corn. This is most likely a result of SRW working into the TX panhandle capping corn basis values. That statement tells me I would want to be sold up on ownership levels and possibly sold up on most if not all DP as well. Long futures need to be in the July as the inverse tries to ration corn. Z/K was out to 18c today, this could be worthy of a discussion for long space elevators to have with your broker if you haven't already done something.

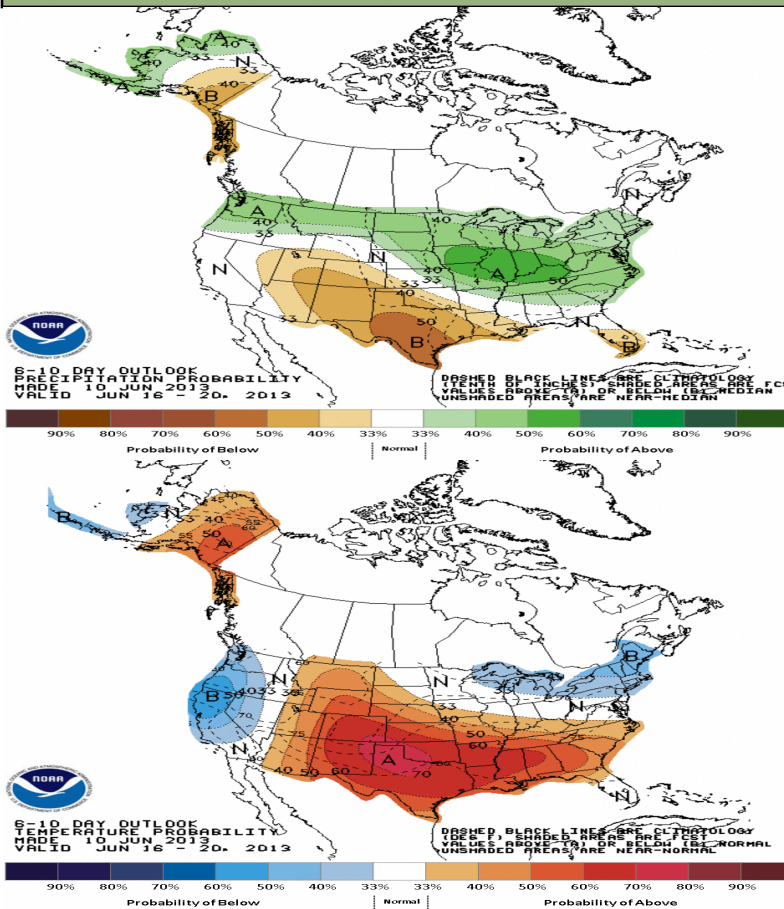
Troy Presley

Daily Spreads

Corn					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Jul3-Sep3	75.50	-9.75	-12.56	-601.4%	None
Sep3-Dec3	32.50	2.75	-18.14	-179.2%	None
Jul3-Dec3	108.00	4.00	-31.00	-348.3%	None
Dec3-May4	(18.00)	unc	-29.89	60.2%	2.6
Beans					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Jul3-Aug3	89.75	12.50	-7.91	-1134.0%	None
Jul3-Nov3	213.50	18.00	-31.40	-679.9%	None
Nov3-Jan4	(7.00)	-2.00	-15.38	45.5%	0.9
Wheat					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Jul3-Sep3	(8.25)	1.00	-13.16	62.7%	2.6
Jul3-Dec3	(22.50)	1.25	-32.17	69.9%	3.1
Sep3-Dec3	(14.50)	0.25	-19.17	75.6%	3.4
KCBOT Wheat					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Jul3-Sep3	(5.00)	1.50	-21.53	23.2%	1.0
Sep3-Dec3	(18.50)	0.25	-31.21	59.3%	4.7
Dec3-Mar4	(13.50)	-0.25	-22.09	61.1%	3.1

North American Weather Outlook

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



Beans

Beans rallied with old crop July leading the way. July closed up 28 ¾ just off the high of a 30 cent range. November closed up 8. SN/SQ inverse closed at \$.89 ¾, up 13 ¾. Cash bean markets continue to trade above delivery value in the export channels now through the LH July. Hearing some processors calling looking for offers at any price and finding limited offers. Bid/trade spreads widening to as much at 45 cents in some western processors for nearby shipment. With these pushes necessary to find the last of the ownership processor margins are at losses so cash meal offers have to go up or the plants will slow down. July meal futures were up \$15/ton and the SN/SQ spread firmed \$5.50 to a \$30.30 inverse over August futures. Merchandising picture with inverses say to be and stay short the basis. Long futures management is easier to manage then overstaying long basis in front of a 90 inverse. Be aggressively short the basis with a high majority of the longs in the July. Be prepared to stay long July well into delivery or until we see basis convincingly converge down to July futures.

Ben Peters

Wheat

Wheat futures closed higher prompted by Monday's drop in weekly crop conditions - Chicago July closed up 7 cents closing at \$6.96 ¾ while KC July wheat closed 4 cents higher at \$7.30. Very quiet, light volume day ahead of tomorrow's report. Historically there are few/ minor changes made in this report. Old crop usage is expected to be unchanged leaving carryout unchanged as well. Total winter wheat production per pre report estimates is expected to drop 25 to 30 mbu. Spring wheat acreage is expected to drop 500K to 1 mln acres (ATI Wheat analyst Brian B estimating 1 mbu decline in wheat acres) which would also trim down production by 20 to 40 mln bu. Report out at 11 a.m. Central time. Recent discovery of GMO wheat reared its ugly head again Tuesday with Japan announcing restrictions on importation of feed wheat from the US. Shipments from the PNW are suspended and only SRW wheat can be offered in any future tenders until further notice. SRW basis was steady/firm on the day in the domestic markets, CIF values were steady nearby though bids for July seemed to be a penny weaker. HRW basis, steady/firm as well - protein premiums were 6 cents firmer for 13.2 to 13.4, while 13.6 to 14 pro was a penny firmer. July/Sept spreads narrowed in Chicago and KC. Chicago N/U narrowed a penny to 8 ¾, while KC narrowed 1 ½ closing at 5 cents. Though the market is expecting a big SRW, the crop is delayed and therefore may continue to tighten up spreads - SRW hedges in the Sept. HRW wheat crop is behind on harvest progress, yields are light, basis firm - hedges in the Sept and Dec for HRW.

Paul Dubravec

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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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