

June 17, 2013

# ADVANCE INSIGHT

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## Transportation

	TW/NW/Jun	Jul	Aug	Sep	Oct
St. Paul Savage	360/360/350	350	375	475	550
Dub South	300/295/290	290	325	440	550
St. Louis 12'	240/240/240	260	300	450	525
Illinois	280/280/275	275	325	425	540
OH/Jeff/Cinn	190/190/200	215	300	425	540
Gulf/PNW	\$0.500 / bushel				
BN Shuttles	150/150/150	-50	-175	-150	575
UP Shuttles	//	-100	-100	-100	238

## Cash Corn Markets

	Jun FH/LH	Jul FH/LH	Aug FH/LH	Sep	Oct
CIF Nola	112n/90n unc	60n/50n	125u/125u	55u	62z
PNW	156n/156n 5	146n/146n	215u/215u		113z

	Jun FH/LH		Jun FH/LH
Cols CSX 65	53n/53n unc	Chicago	73n/73n 1
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	55n/55n unc
UP Grp 3	58n/58n -1	Clinton, IA	75n/75n 7
Dexter, MO	75n/75n x	Columbus, NE ethanol	78n/78n 3
Fayne, OH	32n/32n unc	Muscatine Truck	65n/65n unc
Ottawa	58n/55n 1	Hereford COBO B/E	129n/129n x

## Cash Bean Markets

	Jun FH/LH	Jul FH/LH	Aug FH/LH	Sep	Oct
CIF Nola	80n/78n unc	75n/65n	65q/65q	92x	83x
Paranagua	-50n/-50n x	-43n/-43n	30u/30u		

	Jun FH/LH		Jun FH/LH		Jun FH/LH
Columbus	110q/110n unc	CN25	125q/125q -10	Mankato	120q/110q
Toledo	92q/92q unc	Chicago	10n/10n unc	Cncl Bluf	135n/135n unc
Fostoria	90q/90q unc	Decatur	140n/140n 5	Lincoln	110q/110q 10
Windsor	/ x	Naples	32n/32n unc	KC	115q/115q 10
PNW	120n/120n unc	Ottawa	28n/28n 4	Wichita	120q/120q unc

## Cash Milo Markets

	Jun FH/LH	Jul FH/LH	Aug FH/LH	Sep	Oct
CIF Nola	65n/65n x	/	/		
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/47n x	48n/50n	50u/50u	60u	60z
TX Gulf HRW	143n/143n 1	142n/142n	/		

	Jun FH/LH		Jun FH/LH
SRW	17n/17n -5	HRW	75n/90n unc
St. Louis	-10n/-10n unc	KC Ords	122n/137n unc
Toledo (Mill)		KC 12s	137n/152n unc
		KC 13s	137n/152n unc
PNW	143n/143n x	KC 14s	137n/152n unc

## Export Inspections

	TW	LW	LY	YTD	USDA Goal	Need/Week
Corn	14.1	6.4	27.2	561	700	12.6
Soybeans	2.8	3.5	11.7	1274	1330	5.1
Wheat	21.6	24.8	21.0	41.8	975	18.7
Sorghum	0.04	0.2	0.2	57.0	80	1.9

## Corn

Overnight trade was mixed, but once the day traders came in, we re-engaged the bull spread trading again. CN closed +13.5c, CZ +5.5c. CN/U firmed 6.5c and traded up to 91.5. Some talk of shipping delays that may bring some export biz back to the US. Weekly shipments were better than expected at 14.1mbu. Barge basis strength keeps rolling forward and is clearly putting the short July futures trader in a pickle. FH July Cif/Freight is 25c over delivery value. It's not real fun to be short something that costs 25c more to buy than what you have sold. But there is 1.3 bbu of that position still remaining in July OI, so we definitely have some fun times ahead. We did see some farmer selling of old crop today, but not much more than a days or two's worth of usage. Domestic basis bids are slowly rolling to the Sept and dropping 5-15c in the process. Ethanol was only 1c firmer today, causing margins to drop by 3-4c/gal. Wheat helped the corn cause today with wheat/corn spread dropping 13c leaving WN/CN at 14c. Crop progress report showed 92% corn emerged vs 97% avg. Conditions were 64% G/E +1% from LW and 1% OVER LY. Both were near expectations. The coming warm/hot weather is generally great for the crop. Lots of N being put on too.

*Trent Sauder*

## Beans

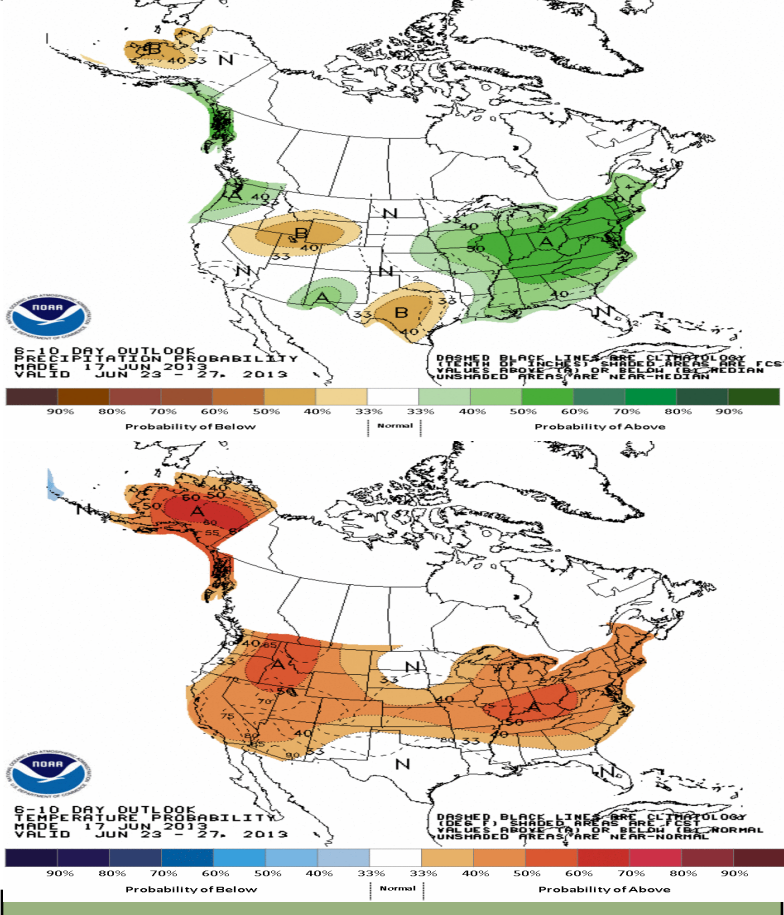
Beans had a down day, but did draw some support off their lows from today's NOPA Crush Report. The May NOPA Crush for beans came in at 122.6 or 5 mbu above the average trade estimate. Oil stocks also were supportive considering the higher crush rate. The one negative in today's NOPA report was meal exports being 80 tons below last month and almost 300 ton below last year's pace. While meal exports were less than expected, this did not factor into spreads as SMN/SMQ and SMN/SMU were \$.60 and \$2.90 firmer respectively. Planting progress came in on the high end of expectations at 85% or 14% higher than last week. Only three states are less than 65% planted (KY 63%, TN 62% & NC 57%). Crop conditions for beans are above last year at this time at 64% vs 56% ly, but three states are right at 50% including

Daily Spreads					
Corn					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Jul3-Sep3	83.25	unc	-12.51	-717.5%	None
Sep3-Dec3	40.25	2.50	-18.07	-222.8%	None
Jul3-Dec3	130.00	8.00	-30.96	-419.9%	None
Dec3-May4	(18.25)	0.25	-29.78	61.3%	2.6
Beans					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Jul3-Aug3	77.25	-4.75	-7.89	-979.6%	None
Jul3-Nov3	227.00	8.75	-31.29	-725.5%	None
Nov3-Jan4	(5.50)	unc	-15.26	36.0%	0.2
Wheat					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Jul3-Sep3	(7.25)	0.75	-13.10	55.4%	2.2
Jul3-Dec3	(20.50)	0.25	-32.01	64.0%	2.7
Sep3-Dec3	(13.25)	-0.50	-19.06	69.5%	3.0
KCBOT Wheat					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Jul3-Sep3	(2.00)	2.00	-21.45	9.3%	-0.4
Sep3-Dec3	(16.00)	1.75	-31.09	51.5%	3.9
Dec3-Mar4	(13.00)	0.25	-21.98	59.1%	2.9

IA, MO and WI which have been very wet. The SN/SQ saw some weakness today but this was not shown in export or processor markets. Cif was mostly steady today, but processor added to their bids vs the Q to equal or improve the N/Q weakening by a nickel. With the June 1 stocks report coming out in a couple weeks it was noted that bean stocks have come out higher than expectations 7 out of the last 10 years. Some of the wetter areas in the northern corn belt received less than expected rains over the weekend which will hopefully allow acres to get close to finished before the next scheduled rains late this week. Stay sold up on 90-100% of your DP with the vast majority of longs in the N. Today's strong values vs the Q are still less than the best sales made vs the K or N given that you kept longs into deliveries.

*Dewey Hull*

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



**Wheat**

Wheat spent the day on both sides of Friday's close, split between decent harvest results but strong cash markets. Harvest continues to progress North in the HRW belt, though weekend rains have temporarily slowed it. Oklahoma yield and protein reports are generally positive with some indications of lower protein as the progress moves Northward. The Kansas harvest looks to be in a fairly tight window if regional rains don't slow it with progress expected late this week (USDA's progress number showed zero harvested in KS). Export inspections of 21.6 mbu were expected by the marketplace. By class, HRW continued to lead at 12.2 mbu. HRS was 4.9 mbu, SRW 2.8 mbu, Soft White 1.6, Durum 100 kbu, and no Hard White. ATI's wheat model shows total winter wheat production off 1 mbu to 1.448 bbu. HRW was unchanged at 754 mbu, SRW up 2 to 499 mbu, and white down 3 mbu to 1.95 bbu. The spring wheat model showed an 8mbu improvement to 456 mbu. Spring wheat planting now sits at 92% complete vs. 97% average. Emergence sits at 84% vs. 94%. Winter wheat harvest was reported at 11% vs. 5% last week and 25% average. HRW basis continues to trade very firm, led by the domestic market. With values trading above DVE, either basis will break or N/U will continue to firm (traded even money today before closing at 1 3/4 c carry. Feed users look like potential stoppers of the N. All things equal, this is somewhat bearish quality basis levels as the futures inverse diminishes cash carry, allowing basis levels to do less work. This makes us more willing to sell ownership in this environment.

*Curt Strubhar*