

# MID-DAY COMMENTS

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## HIGHLIGHTS

**MACRO:** Technology is not faring too well today and on-line travel group Expedia is off 27% after its 2<sup>nd</sup> quarter results fell well short of the market's expectations. Both the S&P and Nasdaq are 6-7 points lower. Traders seem content to wait for next week's Fed Open Market committee meeting for indications on timing in reducing its bond-buying program. Gold is down \$9.40 per barrel; the \$ Index is trading between a ¼ a 1/3<sup>rd</sup> point lower and September crude is 90 cents to the downside. **WEATHER:** The latest GFS notes that scattered showers are moving across the Central Belt and Southern Plains this morning, stretching from S AR to SW WI. Cooler than normal temperatures will prevail well into the next week. T-Storm expects showers to return to the Plains late in the weekend. Expanding heat there will force the jet stream northward, bringing several rounds of precipitation and near to above average rainfall to the major corn and soybean producing areas through the week of August 5<sup>th</sup>.

## Corn

- Markets taking a breather: CU, Down 1; CZ, Down 1
- Spreads: U/Z: +18 ¼, Up 1; Z/H: -12 ¾, Down ¼; Z/K: -20 ¼, Up ¼; Z/N: -27, Off ¼; H/K: -8, Steady; K/N: -6 ½, Down ¼; N/U: -2, Up ¼
- CIF corn is weaker again today, 135/150 for July, down 45; FH Aug is 15-20 lower, 115/130. Brazil is up 5 for July, -45/-30 with August bids up 10 to -40. Ethanol bids down 80 cents or more at some locations, both East and West
- NW barge freight is bit weaker: IL River, 260/270, off 5; Upper Miss, 340/350, down 10; Mid-Miss, 290/300-steady; STL, 220/230, steady; OH River, no change at 200/210 and Memphis-Cairo, also steady, 190/200
- Trade expecting corn ratings to be unchanged to perhaps down 2. Positive yield bias in some corners
- Unknown buys 211 K 13/14 U.S. corn
- Brazil corn vessel line-up up 7 to 78, volume surges 16 million to 172 mbu
- BA Exchange says harvest edges forward 1% to 93% on rain delays; estimate maintained at 24.8 MMT
- The EU's 2<sup>nd</sup> largest corn producer, Romania, facing heat and drought stress the next week
- January Dalian corn futures slid another 1 ¾ cents to \$9.68 ½. Spread between Chinese and Chicago futures widens to nearly \$4.90/bushel; likely to spur additional import buying. Approves 1<sup>st</sup> shipment of Argentine corn; could pave way for additional imports, adding to U.S. competition

## Soybeans

- After a 50-cent slide this week, future pause and reflect, sort of : SQ, Down 7; SU, off 1/4, SX, down 1
- Spreads: Q/U: +82, Down 6 ½; U/X: +44 ¾, Up 2; X/F: -5, Steady; X/H, -7, Down 1; X/K: -5, Off 3; X/N: -9, Down 2 ½; H/K, +2, Down 2; K/N, -4 ¼, Up ¼
- July CIF 190/220 SX; Up 15-20; August, 170/190, 10 higher. Processor bids last night saw declines ranging from 10 lower to down \$1.10 per bushel. A few, east and central, were steady
- China back for more 13/14 U.S. beans, USDA announces 220 K MT sale this morning
- Brazil bean vessel line-up falls to 108, down 4 with volume 8 mbu lower to 233 million bu
- Chinese January futures drop below \$20, way below, down nearly 52 cents to \$19.66

## Wheat

- Export sales at a 25-year high, helps support market: WU, Up 2-3; KWU, Steady, ½ better; MWU, Up 1
- Spreads: WU/WZ: -11, Up ½; KWU/KWZ: -9 ½, Up ¼; MWU/MNZ: -10 ¾, Up ½
- LH July SRW CIF 55/60; FH Aug 60 B/70; HRW no change at 145 B/UNQ
- MDA raises global wheat forecast 400 K MT to 671.1 (USDA: 698) due to larger Canadian crop
- India's monsoon rains since June 1 are 16% above normal
- Spain's wheat output expected to rise 65% to 7.9 MMT—Cooperativas Agro-Alimentarias
- BA Exchange says Argentina 93% planted, up 6 points from LW with acreage forecast steady
- ND Wheat Quality Council estimates spring wheat yields at 44.9 bu/acre; development about 2 wks behind
- Russia 36% harvested; wheat take up nearly 50% year to year at 27.4 MMT

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