

Transportation and Export Report for 17 January 2019

Ocean Freight Insights and Comments:

Dry-Bulk freight news articles keep talking about the slow start to the 2019 season and trying to provide reason why things should turn upward soon. But the reality is that Global economic growth has slowed and there continues to be more freight availability than cargo demand. As a result, vessel owners and operators are having to accept lower bids than was last done; and the markets just keep moving slowly lower. This is good news for freight buyers but not so pleasant for vessel owners.

Container shipping service is the next key thing to watch. With weak markets and rising operational costs, shipping lines cannot get much more out of rates and have few options to reduce cost. The one effective option they have is to reduce service and consolidate routes. Buyers beware.

BALTIC DRY-BULK PANAMAX INDEX CHANGES

Panamax Ocean Freight Indices				
17-Jan-19	This Week	Last Week	Difference	Percent Change
P2A : Gulf/Atlantic - Japan	15000	18723	-3,723	-19.9%
P3A - PNW/Pacific - Japan	8319	9894	-1,575	-15.9%
S1C -USGULF-China-So.Japan	17333	26107	-8,774	-33.6%

Recent history of freight values for Capesize vessels of Iron-Ore from West Australia to South China:

Four weeks ago:	\$8.40-\$8.90
Three weeks ago:	\$7.50-\$8.75
Two weeks ago:	\$6.60-\$7.20
One week ago:	\$6.60-\$6.80
This week	\$5.22-\$6.40

US Vessel Line-Ups/Estimated vessel berthing delays at U.S. Export Grain Elevators:

Mississippi River:	(10 elevators)	4-7 days
Miss. River Mid-Stream loaders:	(6+ Rigs)	0-6 days
Texas Gulf	(6 elevators)	0-4 days
Pacific Northwest:	(9 elevators)	3-7 days

Panamax Market Spreads to Asia -China					
1/17019	PNW	GULF	Bushel Spread	MT Spread	Advantage
CORN	0.94	0.58	0.36	\$14.17	PNW
SOYBEANS	0.70	0.29	0.41	\$15.06	PNW
OCEAN FREIGHT	\$23.00	\$42.00	.51 -.55	\$19.00	February

Recent Reported Vessel Fixtures:

66,000 mt US Gulf to N China February 01-15 at \$42.50 fio 10000shex/8000shex -CHS.

60,000 mt Paranagua to N China 21/31 January \$30.75 fio 8000sshex/8000shex – ECTP

Route and Vessel Size	Current Week USD/MT	Change from previous week	Remarks
55,000 U.S. Gulf-Japan	\$43.00	Down \$2.00	Handymax \$43.50 mt
55,000 U.S. PNW- Japan	\$23.50	Down \$0.50	Handymax \$24.00 mt
66,000 U.S. Gulf – China	\$42.00	Down \$1.50	North China
PNW to China	\$23.00	Down \$0.25	
25,000 U.S. Gulf- Veracruz, México	\$16.75	Down \$0.25	3,000 MT daily discharge rate
30-35,000+ U.S. Gulf- Veracruz, México	\$14.25	Down \$0.25	Deep draft and 6,000 MT per day discharge rate.
25/35,000 U.S. Gulf- <u>East Coast Colombia</u>	\$20.00	Unchanged	<u>West Coast Colombia at \$29.75</u>
From Argentina	\$34.50		
43-45,000 U.S. Gulf - Guatemala	\$30.50	Unchanged	Acajutla/Quetzal - 8,000 out
26-30,000 U.S. Gulf – Algeria	\$34.00	Down \$1.00	8,000 mt daily discharge
	\$35.00		3,000 mt daily discharge
26-30,000 US Gulf-Morocco	\$36.00	Down \$1.00	5,000 discharge rate
55-60,000 U.S. Gulf –Egypt	\$29.00	Down \$0.50	60,000 -55,000 mt
PNW to Egypt	\$29.25		Russia Black Sea to Egypt \$15.00-\$16.00
60-70,000 U.S. Gulf – Europe – Rotterdam	\$18.00	Down \$0.75	Handymax at +\$1.75 more
Brazil, Santos – China	\$30.75	Down \$1.50	54-59,000 Supramax-Panamax
Brazil, Santos – China	\$29.50		60-66,000 Post Panamax
Itacoatiara-Port Up River North Brazil	\$33.75		60-66,000 mt
56-60,000 Argentina/Rosario- China Deep Draft	\$34.50	Down \$1.50	Up River with BB Top Off \$37.00

- The above rate estimates reflect the 30-45-day forward ocean freight markets.

Nautical Miles: To Xiamen China (South China)

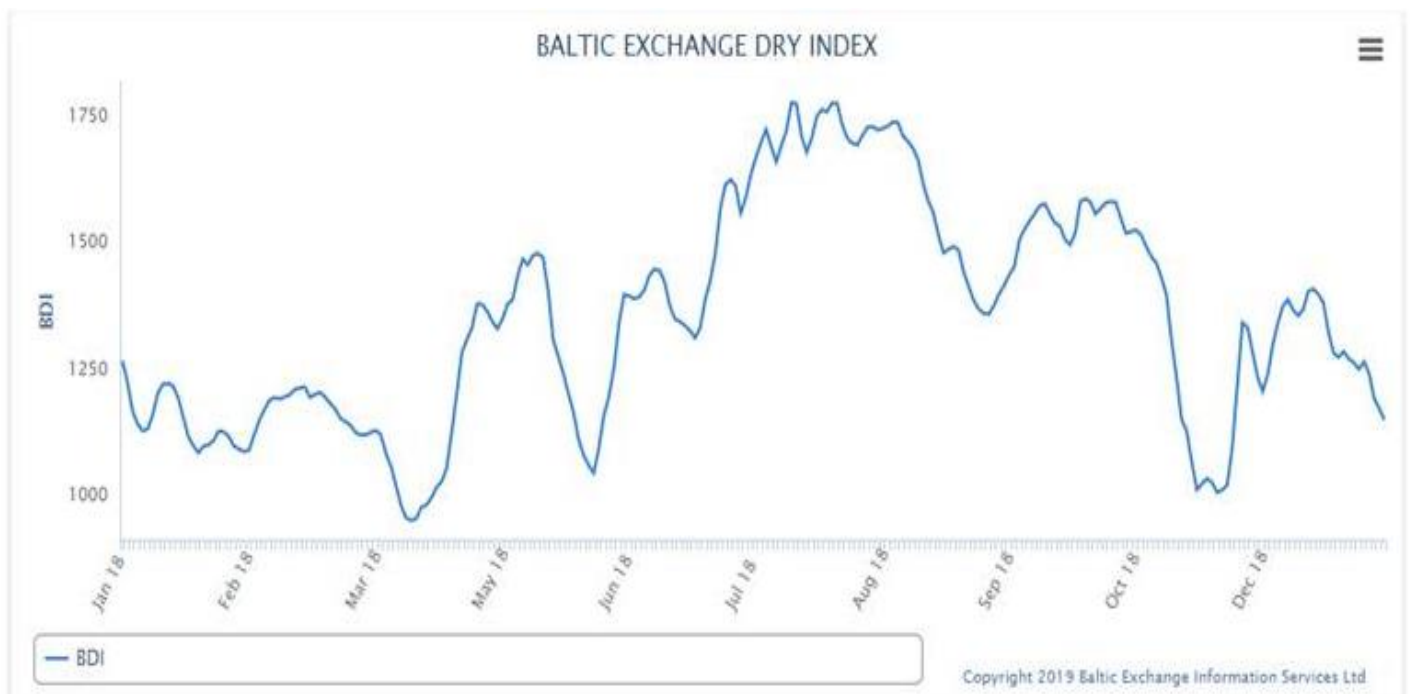
US Gulf (NOLA) (via Panamá Canal) – 10,232 nautical miles (32 days)

Santos Brazil (via Cape of Good Hope) - 10,441 nautical miles (33 days)

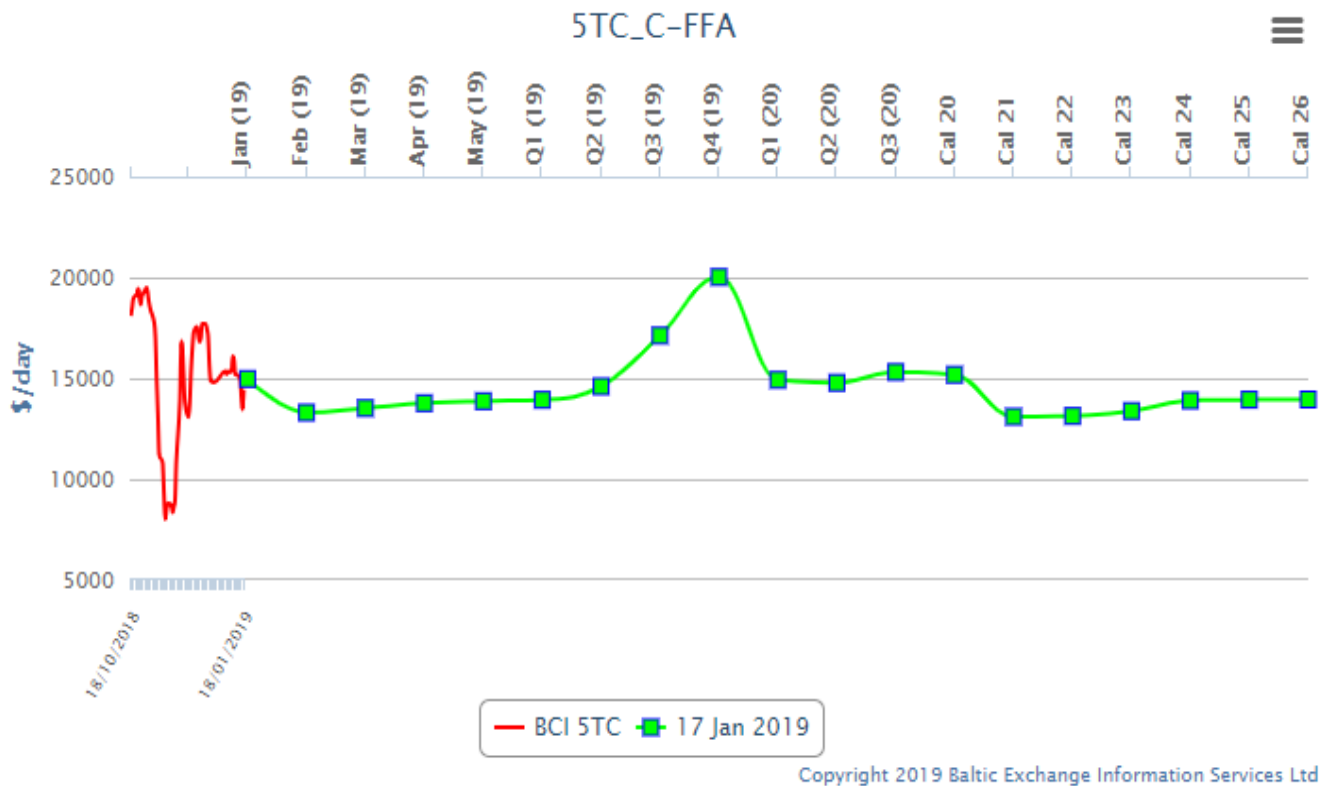
Rasario Argentina (via Cape Horn) - 10,751 nautical miles (34 days)



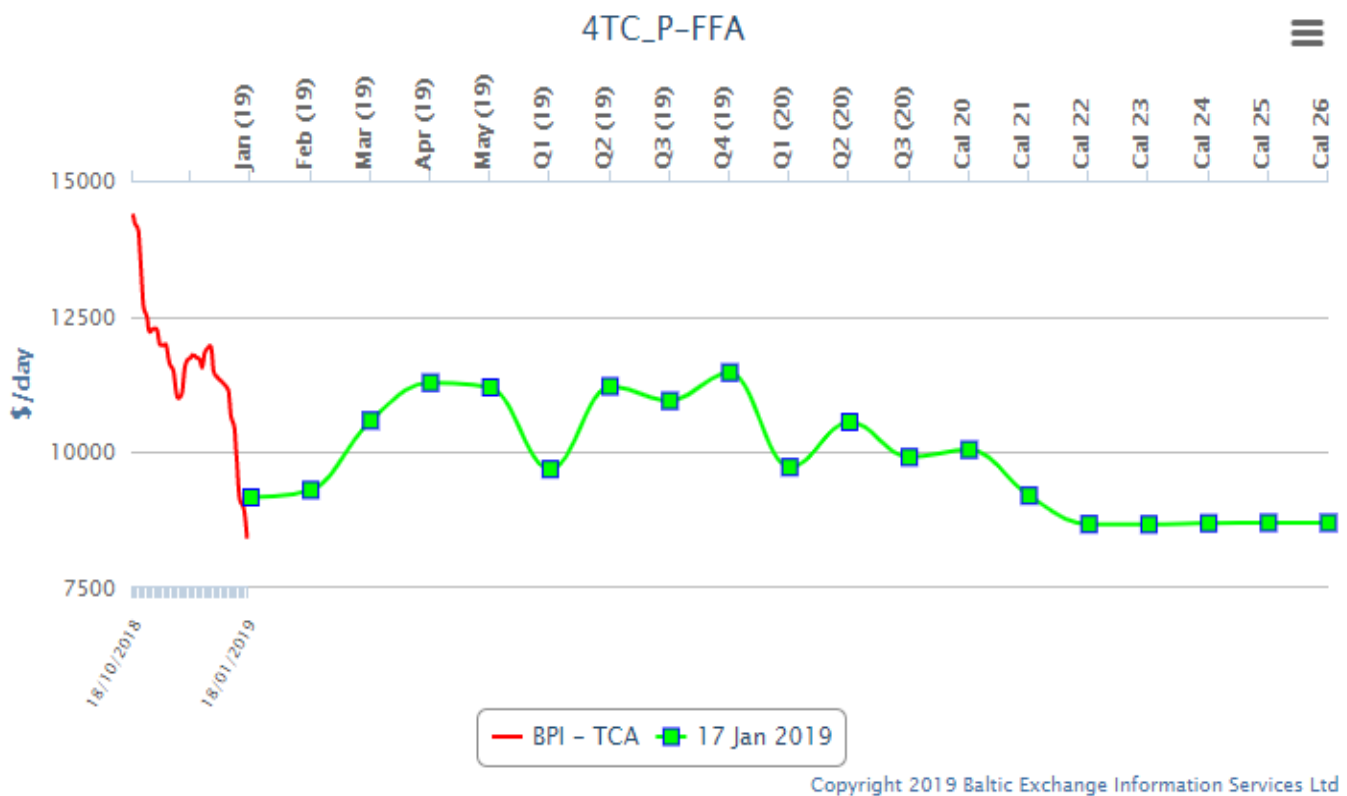
Baltic Dry Index.



Baltic Capesize Index



Forward Curve for Baltic BPI Panamax Vessel Freight



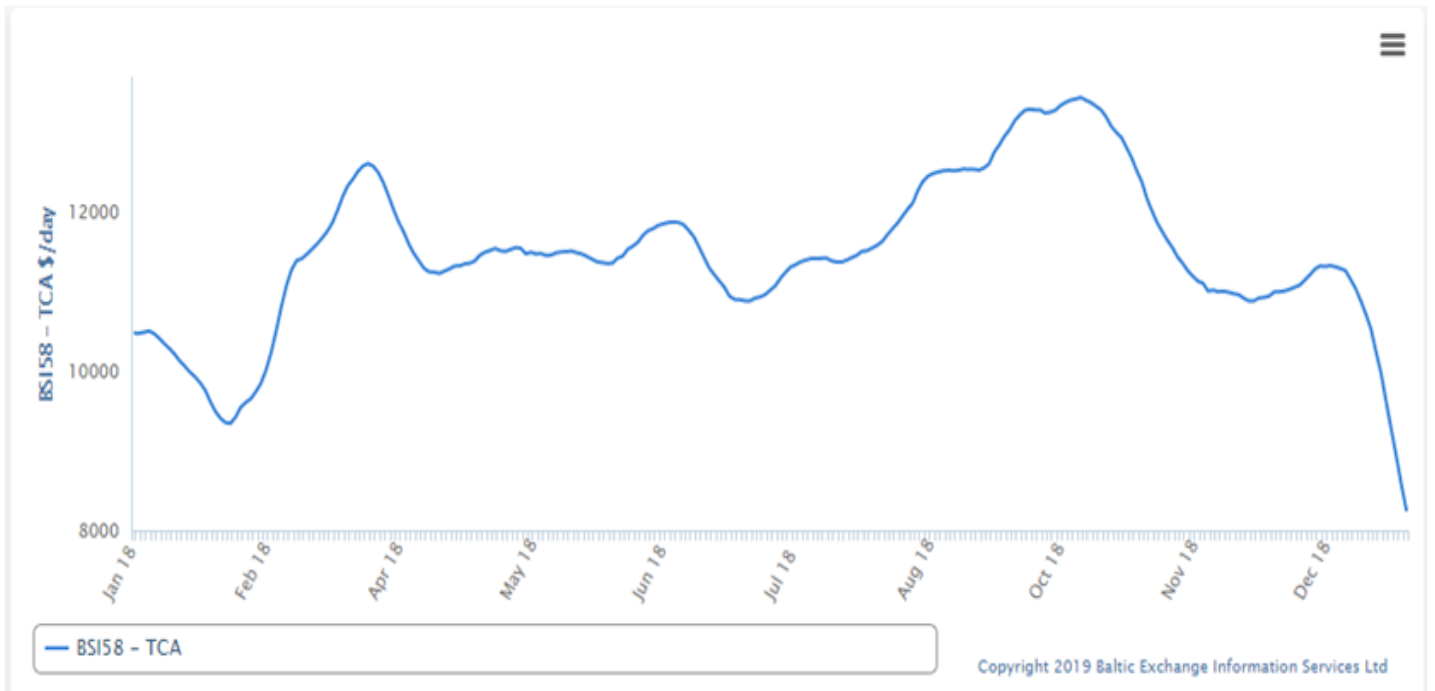
Baltic Panamax Index

Panamax

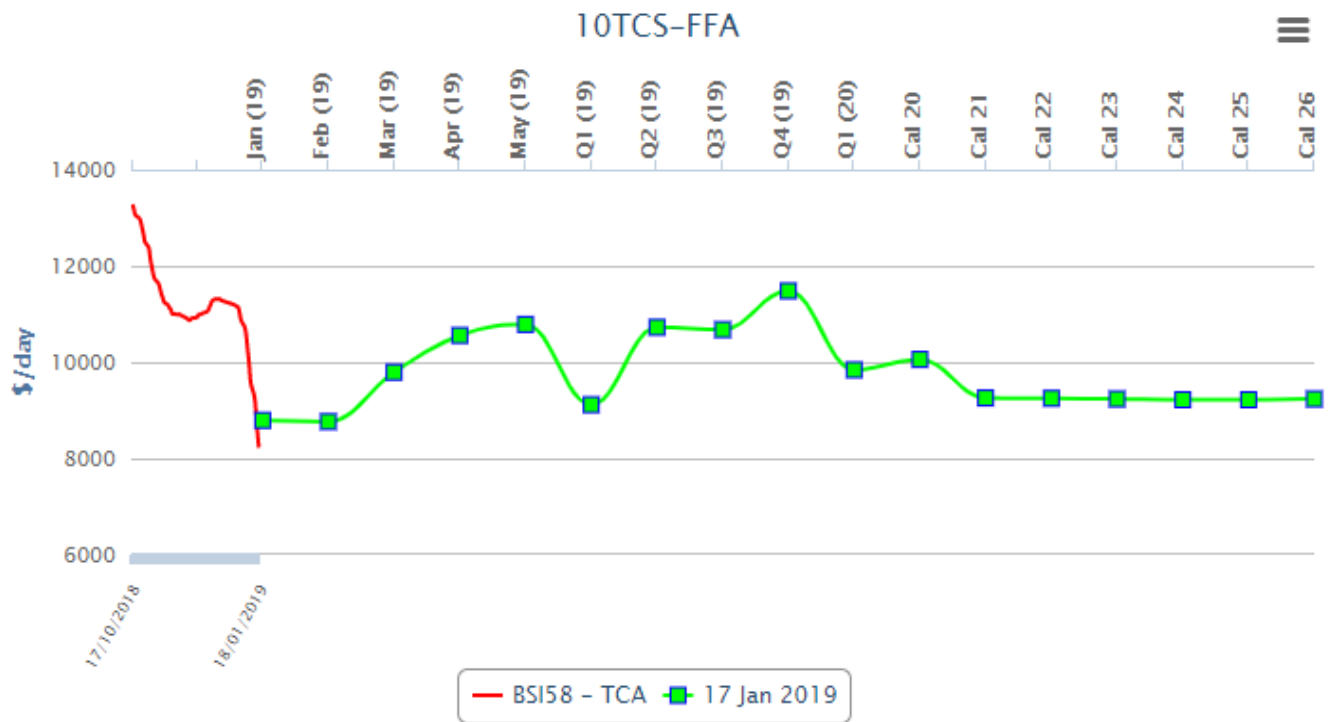


Baltic Supramax Vessel Index

Supramax

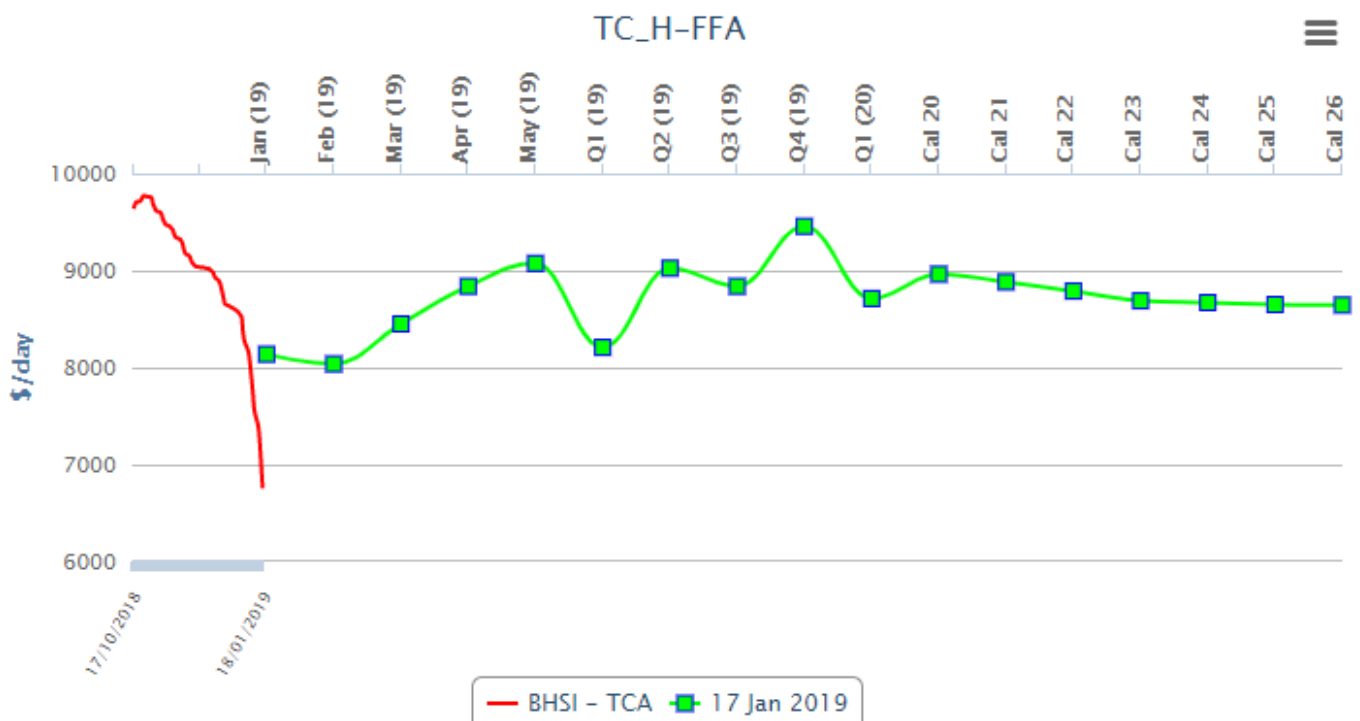


Supramax Dry-Bulk Forward Curve



Copyright 2019 Baltic Exchange Information Services Ltd

Baltic Handy Size

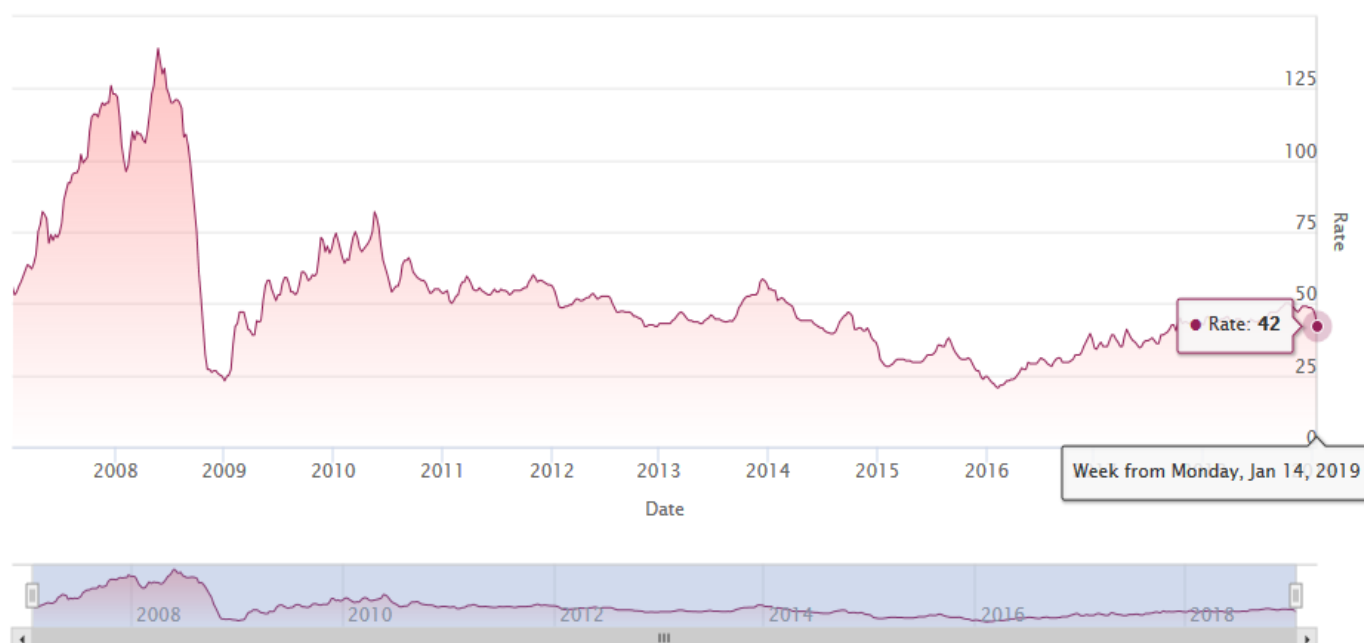


Copyright 2019 Baltic Exchange Information Services Ltd

YAMAMIZU Index

Zoom **1m** 3m 6m YTD 1y 3y 5y All

From 2007-01-29 To 2019-01-16

China Import Dry Bulk Freight Index(CDFI)
2019-01-17

Route	Size MT	Cargo/Vessel Size	Unit	Rate	Change
Composite Index			Point	790.16	-3.66
Iron ore Freight Index			Point	752.35	-2.07
Soybean Freight Index			Point	907.29	-3.46
Santos(Brazil)—North China	60000/10%	Soybean	\$/ton	29.368	-0.091
Tacoma(West America)—North China	60000/10%	Soybean	\$/ton	23.232	-0.123
Mississippi(US Gulf)—North China	66000/10%	Soybean	\$/ton	42.027	-0.219
Mississippi(US Gulf)—North China	55000/10%	Soybean	\$/ton	44.507	-0.098
Nickel ore Freight Index			Point	825.84	-4.48

17 January 2019 U.S. FOB Vessel Export Market Values:

U.S. Yellow Corn (USD/MT) FOB Vessel				
# 2 YC	U.S. Gulf #2 YC		PNW #3 YC	
15.0 % Moisture	Basis	Flat Price	Basis	Flat Price
Feb.	0.58	\$172.43	0.94	\$186.60
Mar.	0.60	\$173.22	0.97	\$187.78
Apr.	0.54	\$174.01	0.90	\$188.18
May	0.56	\$174.79	0.94	\$189.75
June	0.52	\$176.17	0.94	\$192.71
July	0.54	\$176.96	0.98	\$194.28

The Gulf spread between #2 & #3 YC is currently about 02 cents per bushel (0.80/mt)

SORGHUM (USD/MT) FOB VESSEL				
#2 YGS Fob Vessel	NOLA		TEXAS	
Max. 14.0% moisture	BASIS	FLAT PRICE	BASIS	FLAT PRICE
Feb.	1.00	\$188.97	0.80	\$181.09
Mar.	1.00	\$188.97	0.85	\$183.06
Apr.	1.00	\$192.12	0.80	\$184.24
May	1.00	\$192.12	0.85	\$186.21
June	0.95	\$193.10	0.80	\$187.19

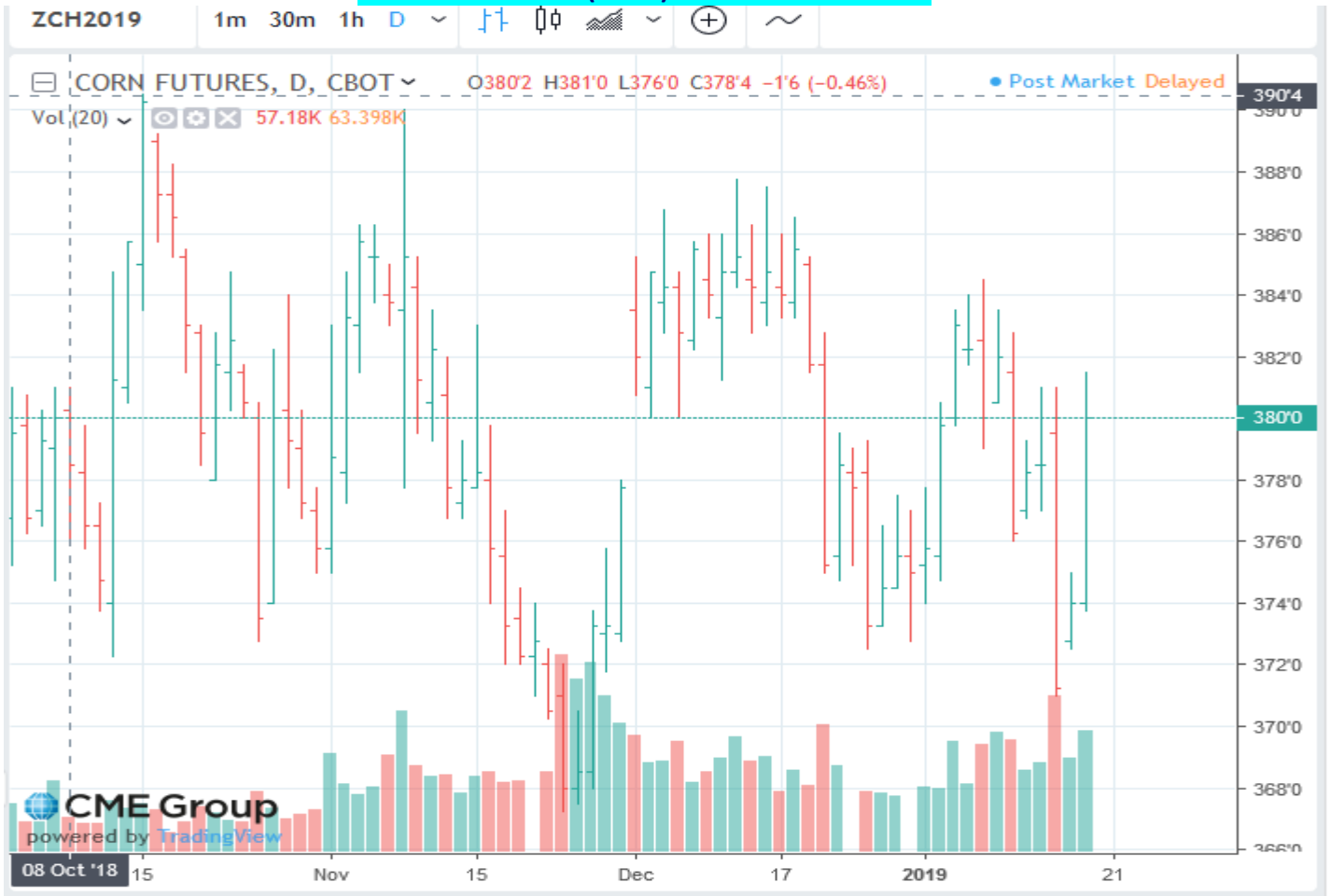
Fob vessel Texas Gulf #2 Sorghum is about 105 % the value of #2 Yellow Corn at NOLA.
In S.W. Kansas it is bid at 85 percent the value of corn.

U.S. SRW Wheat Fob Vessel at the Center U.S. Gulf

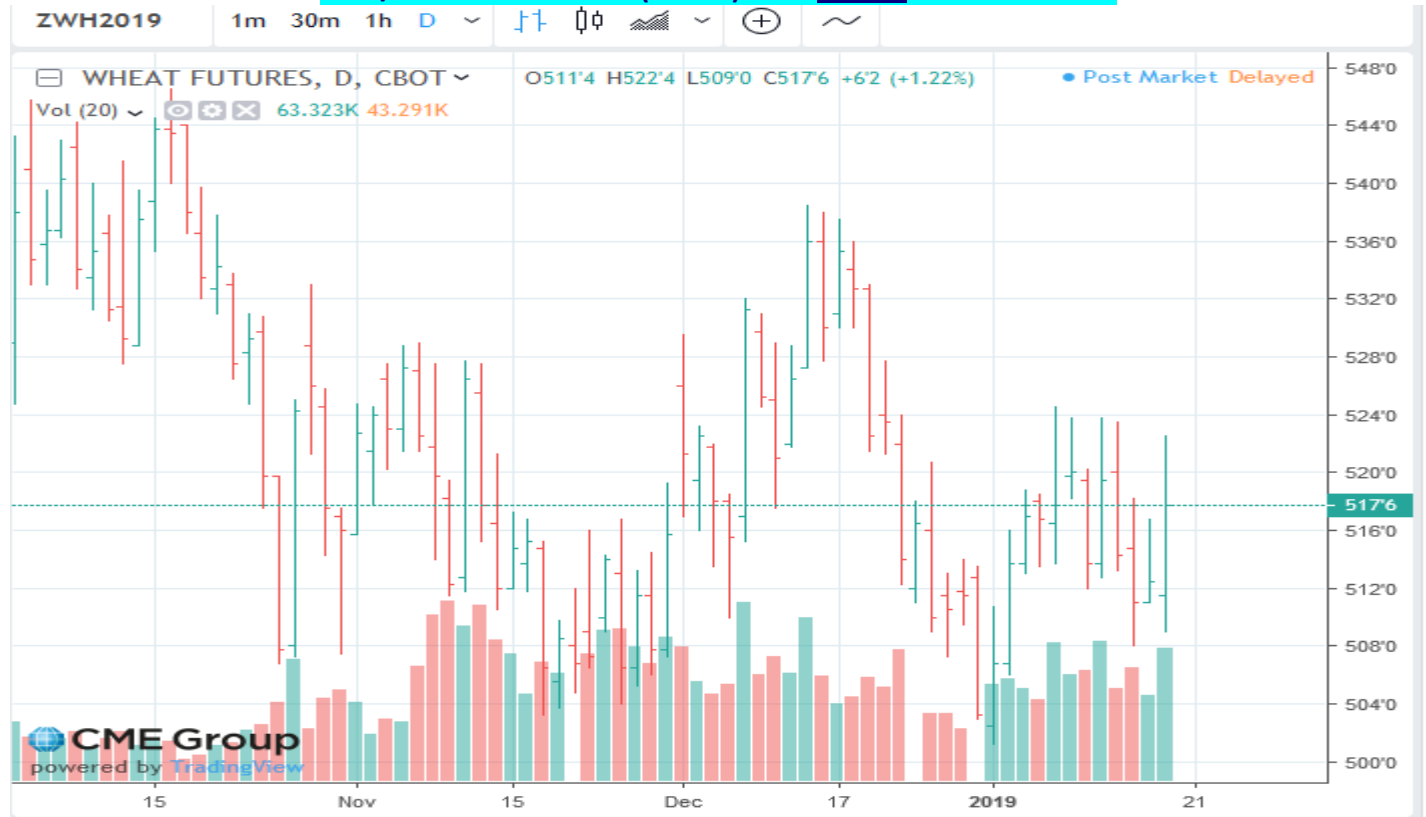
SRW Wheat	USD/MT	Fob Vessel	US Gulf	
	Feb.	Mar.	Apr.	May
FOB U.S. GULF	\$226.98	\$228.08	\$228.91	\$228.91
Basis	1.00	1.03	1.00	1.00
WH	5.1775			
WK	5.2300			
WN	5.2825			

CME Futures Market Close						
CORN	Futures	Thursday	Thursday	Last week	Last Week	Difference
Month	Symbol	Close	Close	Bushel	MT.	Bushel
Mar.	CH	\$3.8000	\$149.60	\$ 3.7975	\$149.50	\$0.0025
May	CK	\$3.8800	\$152.75	\$ 3.8750	\$152.55	\$0.0050
July	CN	\$3.9550	\$155.70	\$ 3.9475	\$155.40	\$0.0075
Sept.	CU	\$3.9850	\$156.88	\$ 3.9700	\$156.29	\$0.0150
Dec.	CZ	\$4.0325	\$158.75	\$ 4.0100	\$157.87	\$0.0225

CBOT March 2019 (CH19) Corn Futures Chart –



CME/CBOT March 2019 (WH19) SRW Wheat Futures Chart –



U.S. Soybean and SBM Markets Fob Vessel:

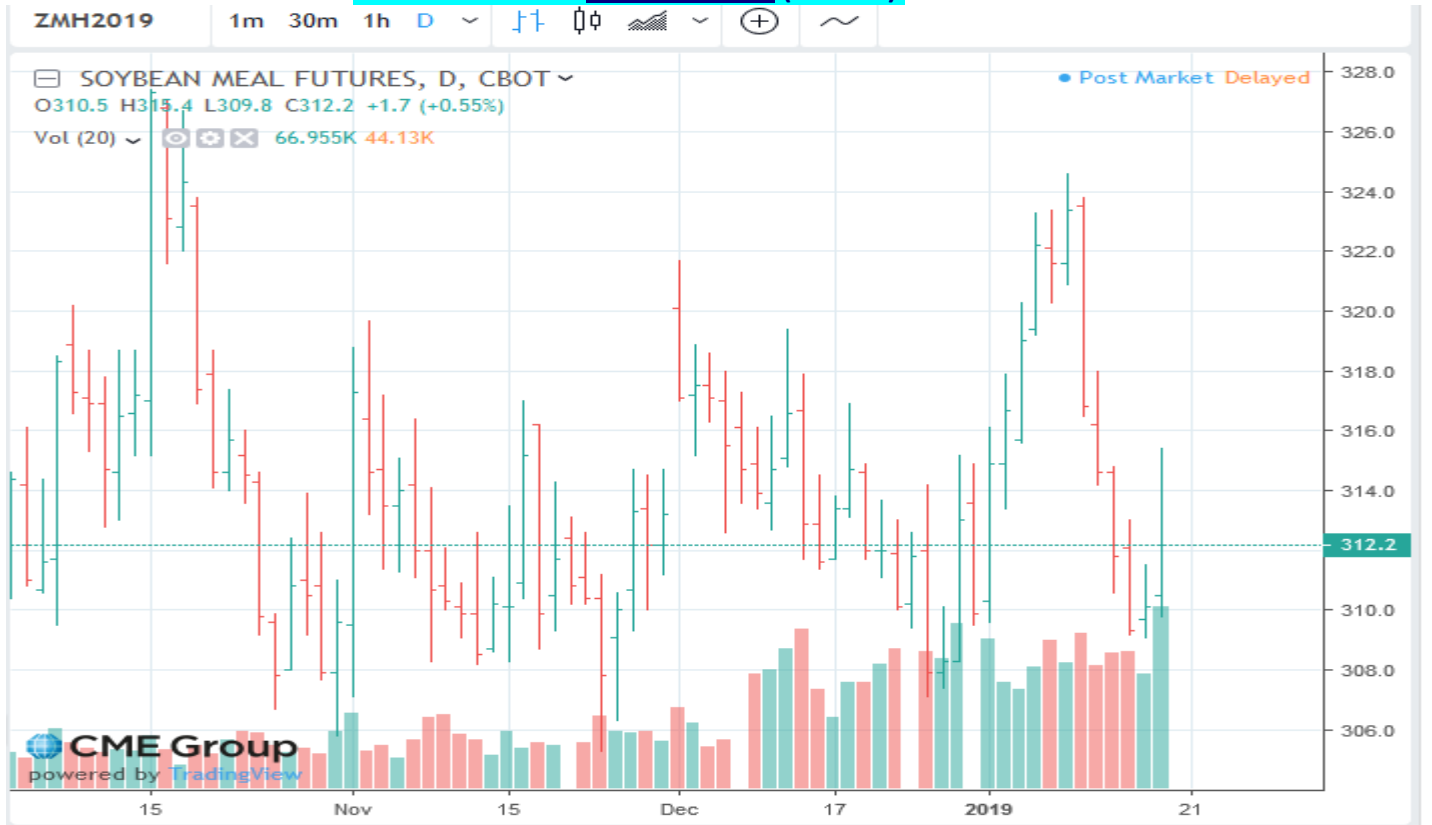
U.S. Yellow Soybeans (USD/MT) FOB Vessel				
# 2 YSB	U.S. Gulf #2 YSB		PNW #2 YSB	
14.0 % Moisture	Basis	Flat Price	Basis	Flat Price
Feb.	0.29	\$344.19	0.70	\$359.26
Mar.	0.30	\$344.56	0.72	\$359.99
Apr.	0.26	\$347.96	0.65	\$362.29
May	0.32	\$350.16	0.72	\$364.86
June	0.30	\$354.21	0.63	\$366.33
Soybean Futures				
Mar.	\$ 9.0775			
May	\$ 9.2100			
July	\$ 9.3400			
Aug.	\$ 9.3900			
Sept.	\$ 9.4100			
Nov.	\$ 9.4825			

U.S. SBM (USD/MT) FOB Vessel		
Fob U.S. Gulf Port	47.5 Pro. SBM	
max 12.5 % moisture	Basis	Flat Price
Feb.	0.00	\$ 344.20
Mar.	0.00	\$ 344.20
Apr.	0.00	\$ 348.17
May	2.00	\$ 350.37
June	1.00	\$ 353.46
SBM Futures		
SMH	312.20	
SMK	315.80	
SMN	319.60	
SMQ	321.10	
SMU	322.40	
SMV	322.90	

CME March 2019 Soybean (SH19) Futures Chart:



CME March 2019 Soybean Meal (SMH19) Futures Chart



U.S. EXPORT STATISTICS: Report Activity as of Week Ending 13 December 2018

Thursday-Weekly U.S. Export Sales (Report delayed due to shutdown)

Commodity	New Sales (000 MT)	YTD Export Commitments **(000 MT)	Total Projected Export Program for Year (000 MT)	Percent of Export Projection	Total Sales for Next Marketing Year '17- 18 (000 MT)
Corn	2065.9	29,625.1	62,230	48%	814.6
Sorghum	0.2	435.8	2,540	17%	0.0
Soybeans	2862.4	27,538.3	51,710	53%	295.3
Wheat	330.8	16,670.7	27,220	61%	6.0
Barley	0.0	57.0	110	52%	0.0

U.S. EXPORT INSPECTIONS:

Monday's report 14 January 2019 for the Export week ending 10 January 2019

	Export Inspections		Current Market Year YTD	Previous Year to Date	2018/19 YTD as Percent of 2017/18 YTD
	This Week	Previous Week			
Corn	1,013,682	501,565	19,468,865	12,062,772	161%
Sorghum	6,629	31,803	494,401	1,767,902	28%
Soybeans	1,085,251	682,029	18,393,415	30,853,731	60%
Wheat	545,804	263,918	13,486,042	15,209,303	89%
Barley	0	0	6,191	19,088	32%

For further Export Sales details: <http://www.fas.usda.gov/export-sales/esrd1.html>

U.S. EXPORT INSPECTIONS:

Monday's report 14 January 2019 for the Export week ending 10 January 2019

Last Week								
(Metric Tons)	YC	%	WC	%	Sorghum	%	Soybeans	%
Lakes	0	0%	0	0%	0	0%	7,864	1%
Atlantic	0	0%	0	0%	0	0%	38,987	4%
Gulf	502,433	50%	10,201	99%	5,000	75%	877,872	81%
PNW	330,091	33%	122	1%	0	0%	67,536	6%
Interior Export Rail	170,835	17%	0	0%	1,629	25%	92,992	9%
Metric Tons	1,003,359		10,323		6,629		1,085,251	

Sorghum Shipments:	metric tons	
	5,000	Djibouti
	1,629	Mexico
	6,629	Total

White Corn	metric tons	
Shipments:	10,201	Colombia
	122	Korea Rep
	10,323	Total

Export Inspection Highlights

Data sheet below: *USDA weekly export inspections report with corrections to the last three weeks' grain export inspections reports. (This usually covers a 2-5 week prior time frame).*

CONTAINER SHIPMENTS of GRAIN									
USDA Grain Inspections Report:		10-Jan-2019							
Last Week	metric tons								MT
	YC	WC	YSB	SRW	NS	SWH	HRW	Sorghum	TOTAL
China Main									0
China T	12,829		4,381						17,210
Hong Kong	833								833
Costa Rica	147								147
Indonesia	294		28,356						28,650
French Poly									0
Japan	192		734						926
Korea Republic	1,560		1,713						3,273
Nepal			1,666						1,666
Malaysia	3,697		7,861						11,558
Burma									0
Philippines	294		588						882
Thailand			4,360						4,360
India			147						147
Bangladesh			490						490
Vietnam			9,768						9,768
Sub total	19,846	0	60,064	0	0	0	0	0	69,505
USDA Corrections/Additions to previous reports:									
China T			24						24
China Main									0
Hong Kong									0
Korea Rep.									0
Costa Rica									0
Japan									0
Philippines									0
Indonesia			833						833
Malaysia									0
Thailand									0
Vietnam									0
Burma									0
Bangladesh									0
Sub total	0	0	857	0	0	0	0	0	857
Mt. Grand Total	19,846	0	60,921	0	0	0	0	0	70,362
Number of containers	863	0	2,649	0	0	0	0	0	

Jan - Dec 2017 Annual Totals versus 2018 Jan.-Dec. Year to Date Container Shipments (in MT)



Grain Inspections for Export by U.S. Port Regions:
U.S. Gulf and Pacific Northwest 2017 YTD vs. 2018 YTD
Report delayed due to shutdown

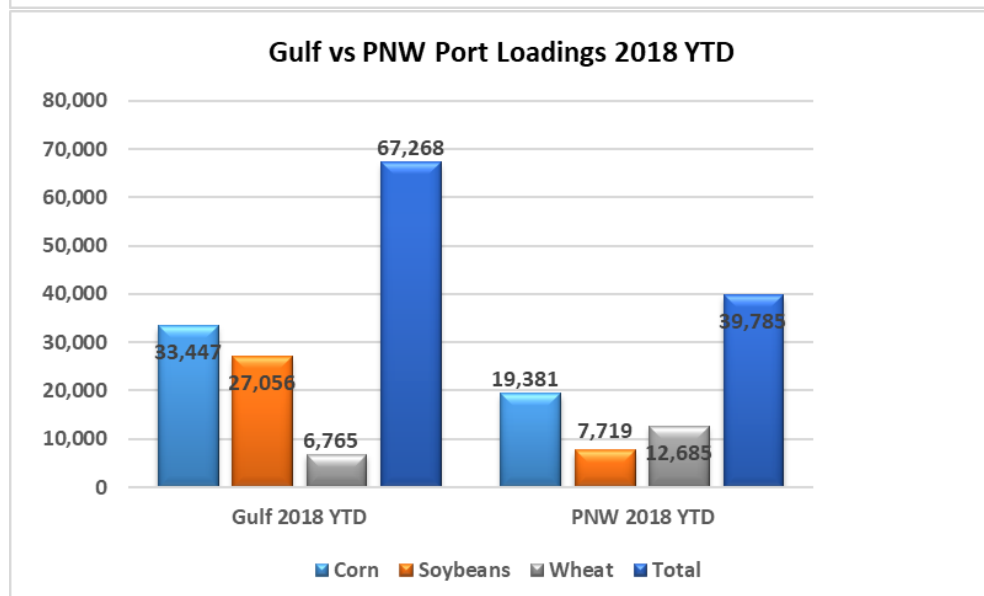
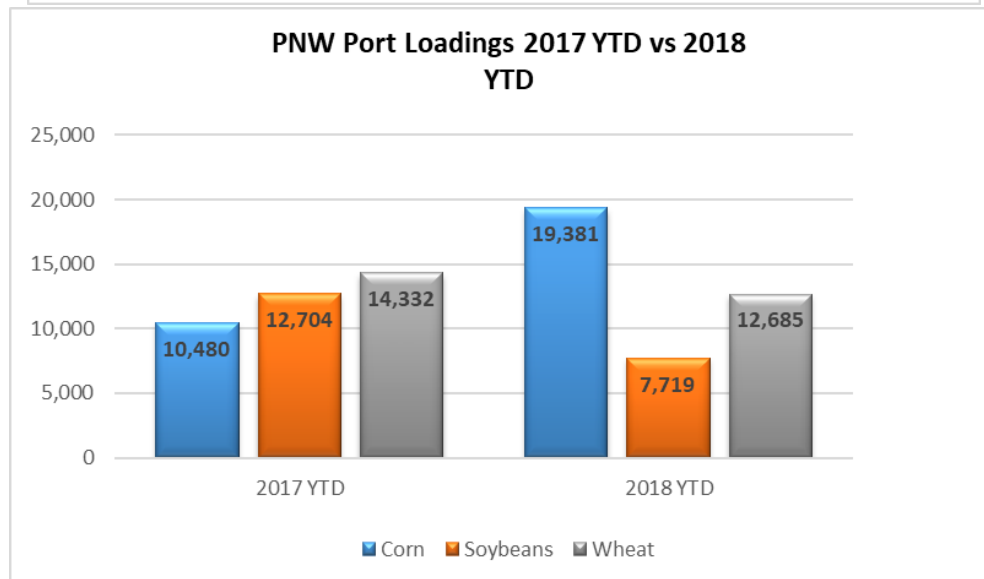
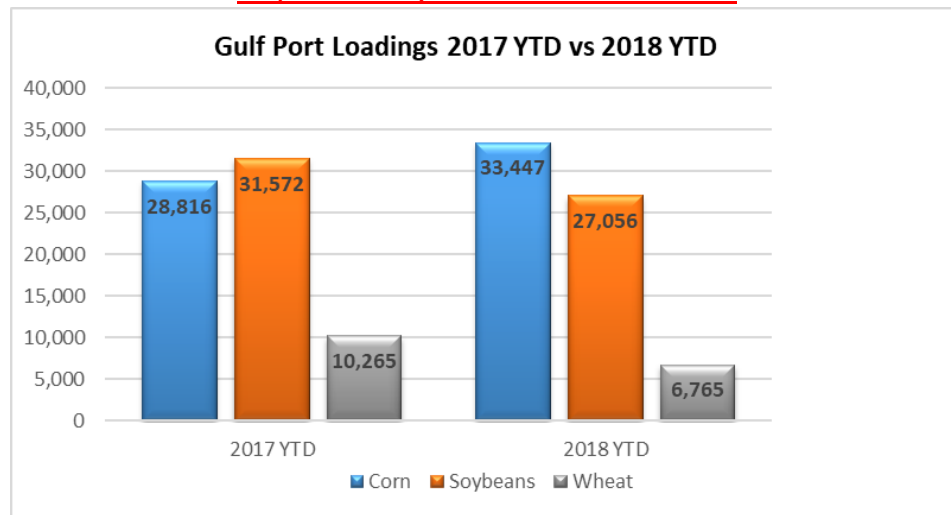
PORT LOADINGS US Gulf				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
GULF				
2017 YTD	28,816	31,572	10,265	70,653
2018 YTD	33,447	27,056	6,765	67,268
2018 as % of 2017	116%	86%	66%	95%

PORT LOADINGS US PNW				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
PNW				
2017 YTD	10,480	12,704	14,332	37,516
2018 YTD	19,381	7,719	12,685	39,785
2018 as % of 2017	185%	61%	89%	106%

PORT LOADINGS GULF vs. PNW				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
2018 Gulf YTD	33,447	27,056	6,765	67,268
2018 PNW YTD	19,381	7,719	12,685	39,785
TOTAL	52,828	34,775	19,450	107,053
Gulf Percentage	63%	78%	35%	63%
PNW Percentage	37%	22%	65%	37%

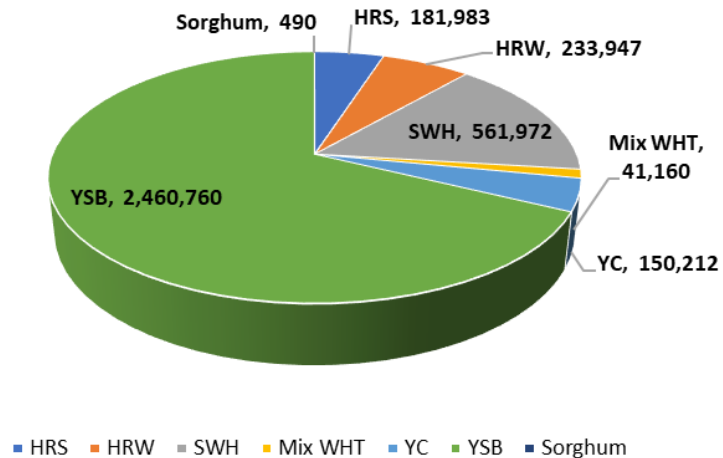
Grain Inspections for Export by U.S. Port Regions (1,000MT):
U.S. Gulf and Pacific Northwest 2017 YTD vs. 2018 YTD

Report delayed due to shutdown

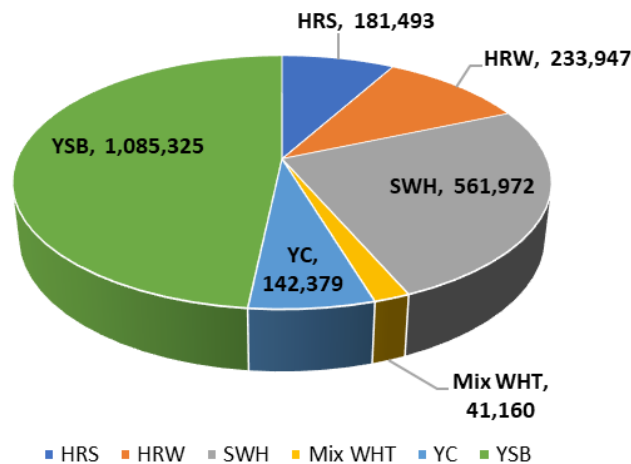


2018 YTD Total Grain Exports reported by USDA (in MT)

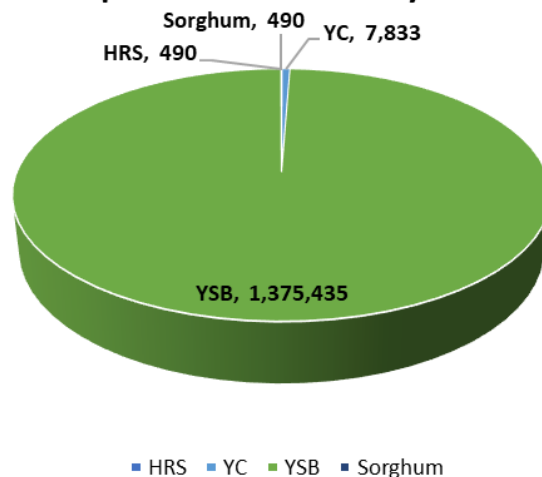
2018 Exports to Indonesia



2018 Exports to Indonesia by Vessel



2018 Exports to Indonesia by Container



*Please keep in mind that USDA does not report DDGS sales, or they would show as the largest exports by container.

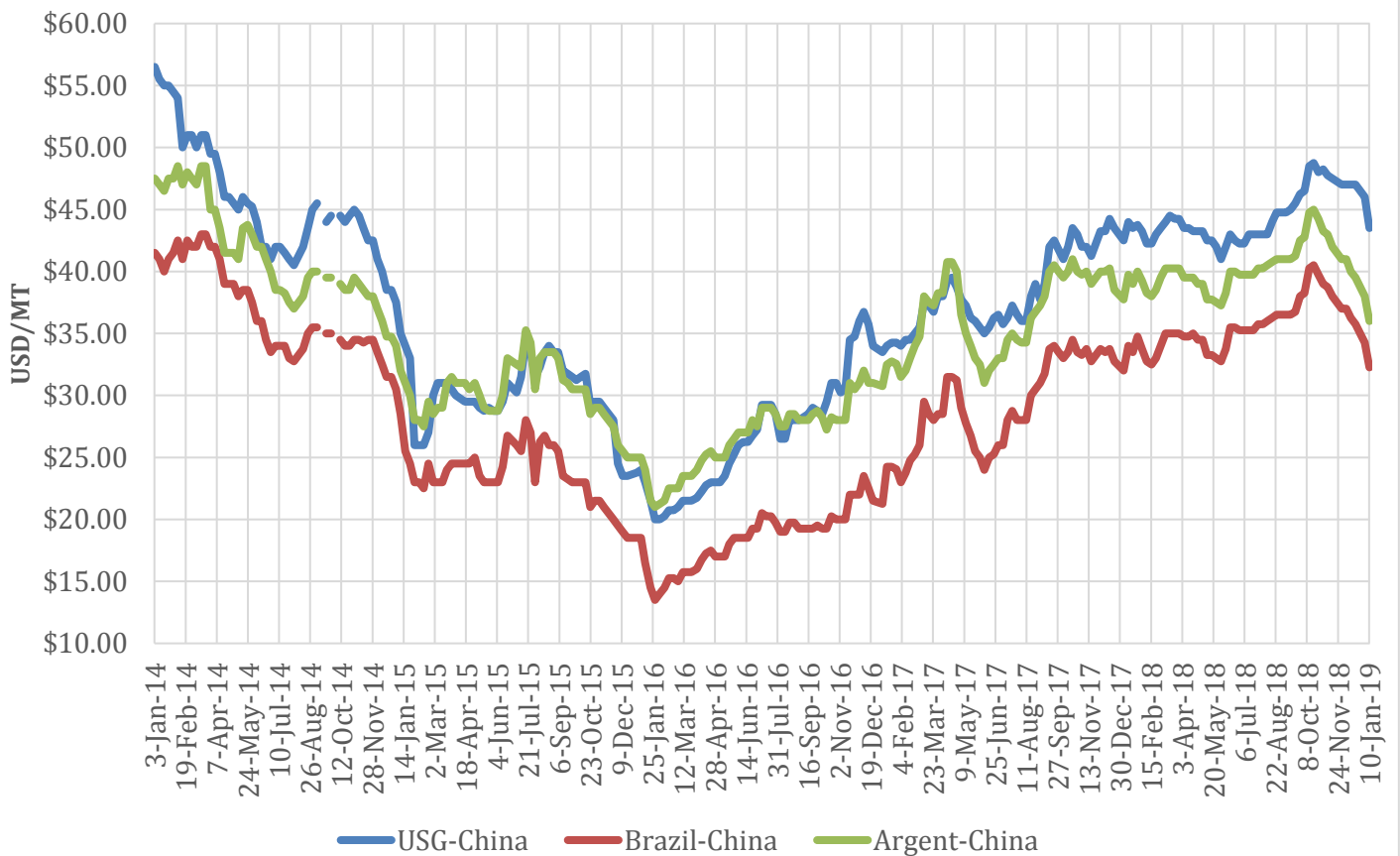
Source: USDA

Shipping News

[Peter Tirschwell](#) @PeterTirschwell · 33m

Shippers need to watch this closely; the only lever carriers have to get the rates where they need them to be to ward off disaster is to pull capacity. They have done it before.

USG vs Brazil vs Argentina to China Freight Rates



HHIC Philippines affiliate of South Korea's HHIC, "becomes the latest victim of the prolonged downturn in shipbuilding"



Largest shipyard in Southeast Asia files for court...

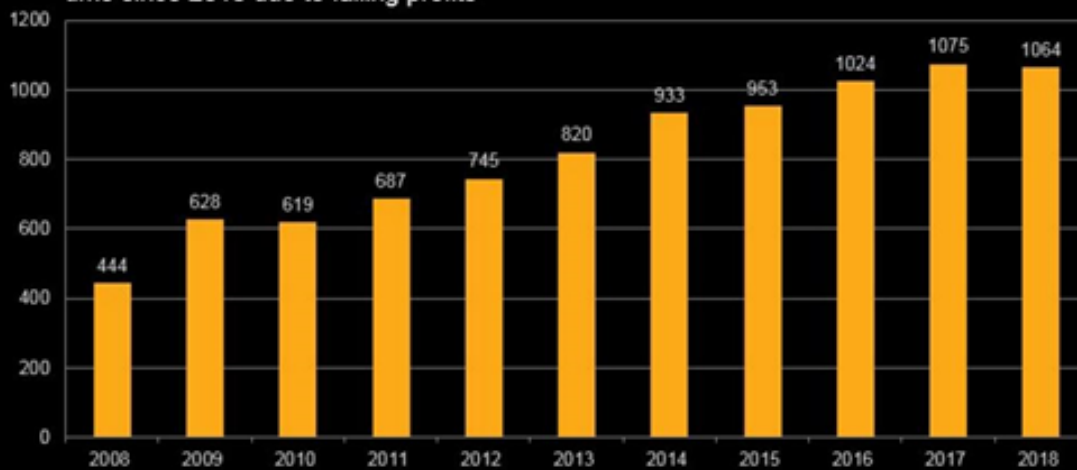
The largest shipyard in Southeast Asia by area has filed for court receivership. HHIC-Phil, the Philippines affiliate of South Korea's Hanjin Heavy Industries and Constr...

[splash247.com](#)

China's Iron Ore Imports

Iron ore imports by the world's top consumer fell in 2018 for the first time since 2010 due to falling profits

Iron ore imports
(million tonnes)



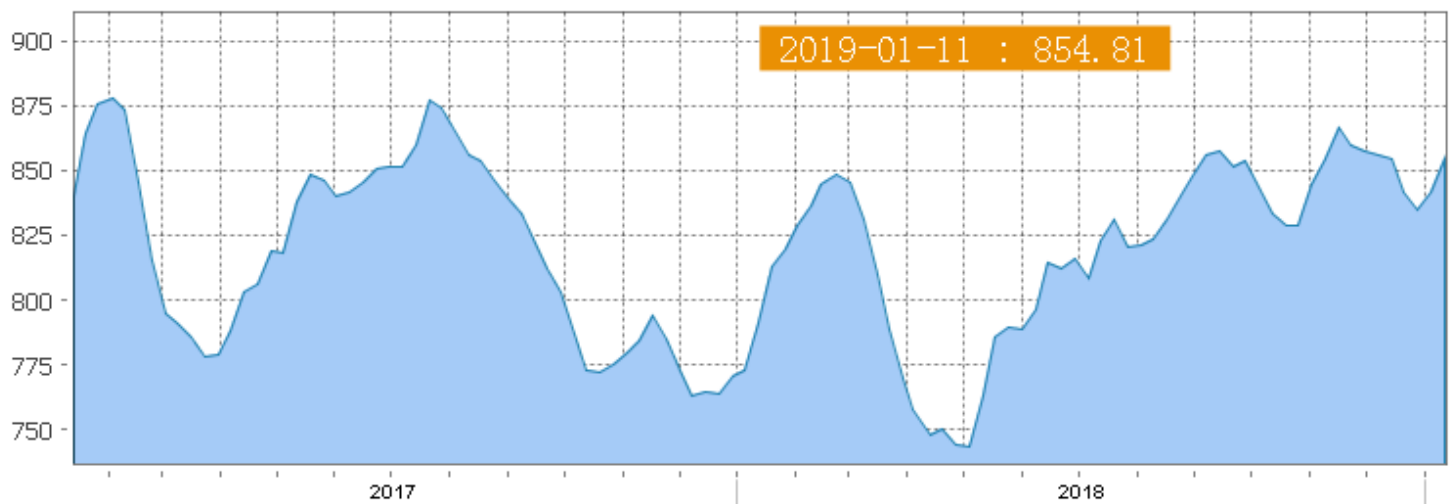
Muyu Xu| Reuters

Source: General Administration of Customs, China

THOMSON REUTERS

thomsonreuters.com

China Containerized Freight Index



U.S. RIVER BARGE FREIGHT

Current Barge Freight for Placement First Half February 2019

Placement FH February 2019	% of		Corn	Soybeans-Wheat
	Tariff	MT	BU	BU
Upper Mississippi	Closed	\$ -	0.00	0.00
Illinois River (Pekin and South)	400	\$21.21	0.54	0.58
Mid-Mississippi	Closed	\$ -	0.00	0.00
Lower Ohio	340	\$16.72	0.42	0.45
St. Louis	310	\$13.63	0.35	0.37

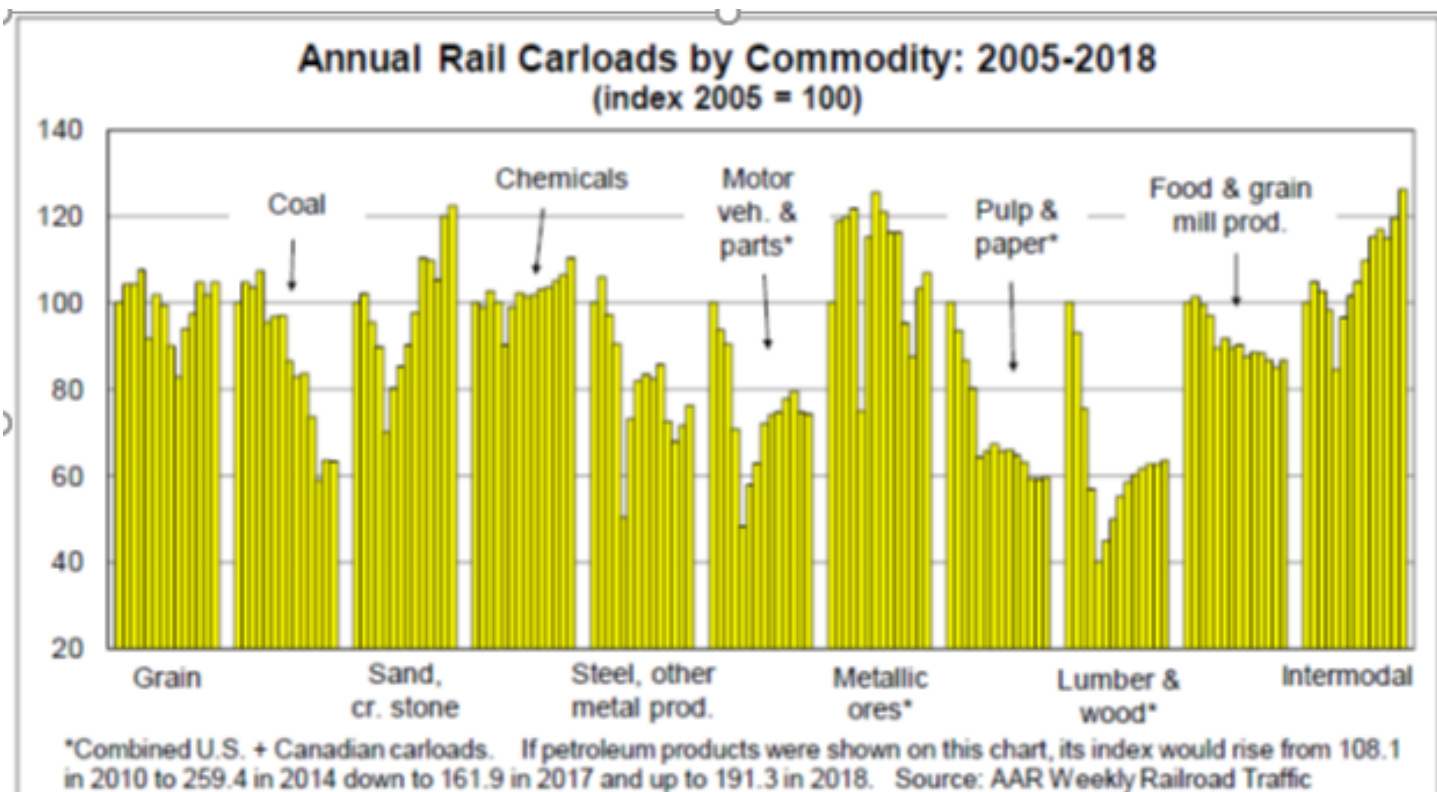
Secondary Rail Car Market for car placement period: First Half February 2019.

Secondary Rail Car Market Placement FH. February 2019	BID USD	ASK USD	BID BU.	ASK BU.	BID MT	ASK MT
BNSF Shuttle Trains	\$ 100.00	\$ 250.00	\$ 0.03	\$ 0.06	\$ 0.98	\$ 2.46
UPRR Shuttle Trains	\$ (400.00)	\$ (250.00)	\$ (0.10)	\$ (0.06)	\$ (3.94)	\$ (2.46)

North American Freight Cars in Storage by Major Car Type (as of January 1, 2019)

Car Type	Primary Commodities	Total Cars In Service	In Storage	Percent In Storage	Percent of Stored Cars
Box	Paper products, wood products, food prod.	108,193	13,674	13%	5%
Covered Hoppers	Grain, chemicals, nonmetallic minerals	570,281	105,963	19%	36%
Flats	Containers, trailers, lumber, steel, autos	74,167	14,225	19%	5%
Gondolas	Coal, nonmetallic minerals, metals, scrap	213,065	30,080	14%	10%
Hoppers	Coal, metallic ores, nonmetallic minerals	134,481	31,875	24%	11%
Intermodal	Containers, trailers	70,879	2,425	3%	1%
Refrigerator	Food products, farm products, chemicals	11,590	2,189	19%	1%
Tanks	Chemicals, petroleum, food products	417,633	93,311	22%	31%
Vehicle Flat	Autos	66,195	3,643	6%	1%
Grand Total		1,666,484	297,385	18%	100%

Source: Association of American Railroads



Best Regards,

Jay

Jay O'Neil
HJ O'Neil Commodity Consulting
785-410-2303 (cell)

joneil@ksu.edu

Follow me on Twitter @ [igpjay](#)



*** The information in this market report is derived from sources believed to be reliable and accurate but cannot be guaranteed. Forward looking projections are never completely accurate, and these markets move quickly.

All market data is subject to change with market conditions and Traders opinions.

Please obtain market updates and reconfirm all values with your regular freight supplier before making any trading decisions based on this data. This message and any attachments may contain confidential or privileged information and are only for the use of the intended recipient of this message. If you are not the intended recipient, please notify the sender by return email, and delete or destroy this and all copies of this message and all attachments. Any unauthorized disclosure, use, distribution, or reproduction of this message or any attachments is prohibited and may be unlawful.

This E-mail is covered by the Electronic Communications Privacy Act, 18 U.S.C. §§2510-2521, and is confidential.