

## Transportation and Export Report for 24 January 2019

### Ocean Freight Insights and Comments:

As the famous Dr. Seuss children's book states "There's no joy in Whoville." That is certainly an accurate statement if Whoville is where vessel owners live. If things continue going this way vessel owners may be looking for a new place to live. It was another slack demand and disappointing week for vessel owners and operators as Dry-Bulk markets continued their 2019 slump.

The P2A Baltic Panamax index is down 5,828 points since the beginning of the year. Panamax vessel freight from the US Gulf to China is down \$6.00 per tonne since the Christmas holiday. The market obviously needs more cargo demand or an increase in vessel scrapings. Apparently, it is trying to motivate both.

### BALTIC DRY-BULK PANAMAX INDEX CHANGES

Panamax Ocean Freight Indices				
24-Jan-19	This Week	Last Week	Difference	Percent Change
P2A : Gulf/Atlantic - Japan	12895	15000	-2,105	-14.0%
P3A - PNW/Pacific - Japan	6117	8319	-2,202	-26.5%
S1C -USGULF-China-So.Japan	13717	17333	-3,616	-20.9%

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

Four weeks ago:	\$7.50-\$8.75
Three weeks ago:	\$6.60-\$7.20
Two weeks ago:	\$6.60-\$6.80
One week ago:	\$5.22-\$6.40
This week	\$5.95-\$6.90

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

Mississippi River:	(10 elevators)	3-10 days
Miss. River Mid-Stream loaders:	(6+ Rigs)	0-6 days
Texas Gulf	(6 elevators)	0-4 days
Pacific Northwest:	(9 elevators)	1-5 days

Panamax Market Spreads to Asia -China					
24-Jan-19	PNW	GULF	Bushel Spread	MT Spread	Advantage
CORN	0.94	0.60	0.34	\$13.39	PNW
SOYBEANS	0.68	0.25	0.43	\$15.80	PNW
OCEAN FREIGHT	\$22.40	\$40.00	.45 -.55	\$17.60	February

### Recent Reported Vessel Fixtures:

63,000 mt Santos Brazil to N China February 15-25 at \$27.50 fio 8000sshex/8000sshex - ECTP

Route and Vessel Size	Current Week USD/MT	Change from previous week	Remarks
55,000 U.S. Gulf-Japan	\$41.00	Down \$2.00	Handymax \$41.50 mt
55,000 U.S. PNW- Japan	\$23.00	Down \$0.50	Handymax \$23.25 mt
66,000 U.S. Gulf – China PNW to China	\$40.00 \$22.40	Down \$2.00 Down \$0.60	North China
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> From Argentina	\$20.00 \$34.50	Unchanged	<u>West Coast Colombia at \$29.75</u>
43-45,000 U.S. Gulf - Guatemala	\$30.00	Down \$0.50	Acajutla/Quetzal - 8,000 out
26-30,000 U.S. Gulf – Algeria	\$33.00 \$34.00	Down \$1.00	8,000 mt daily discharge 3,000 mt daily discharge
26-30,000 US Gulf-Morocco	\$35.00	Down \$1.00	5,000 discharge rate
55-60,000 U.S. Gulf –Egypt PNW to Egypt	\$28.00 \$28.75	Down \$1.00	60,000 -55,000 mt Russia Black Sea to Egypt \$14.50-\$15.00
60-70,000 U.S. Gulf – Europe – Rotterdam	\$18.00	Unchanged	Handymax at +\$1.75 more
Brazil, Santos – China Brazil, Santos – China Itacoatiara-Port Up River North Brazil	\$28.75 \$27.50 \$31.75	Down \$2.00	54-59,000 Supramax-Panamax 60-66,000 Post Panamax 60-66,000 mt
56-60,000 Argentina/Rosario- China Deep Draft	\$32.50	Down \$2.00	Up River with BB Top Off \$35.00

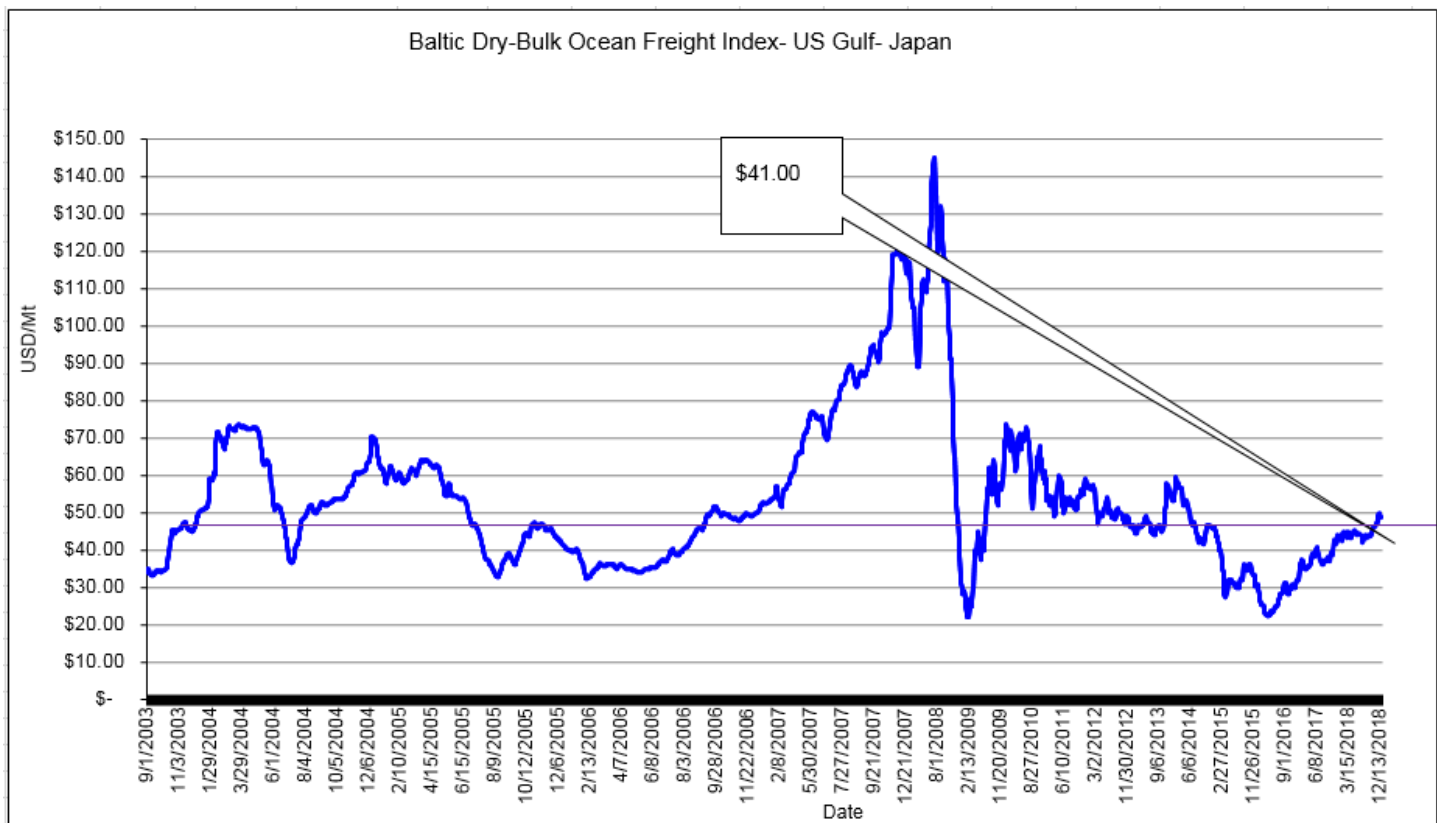
- The above rate estimates reflect the 30-45-day forward ocean freight markets.

**Nautical Miles: To Xiamen China (South China)**

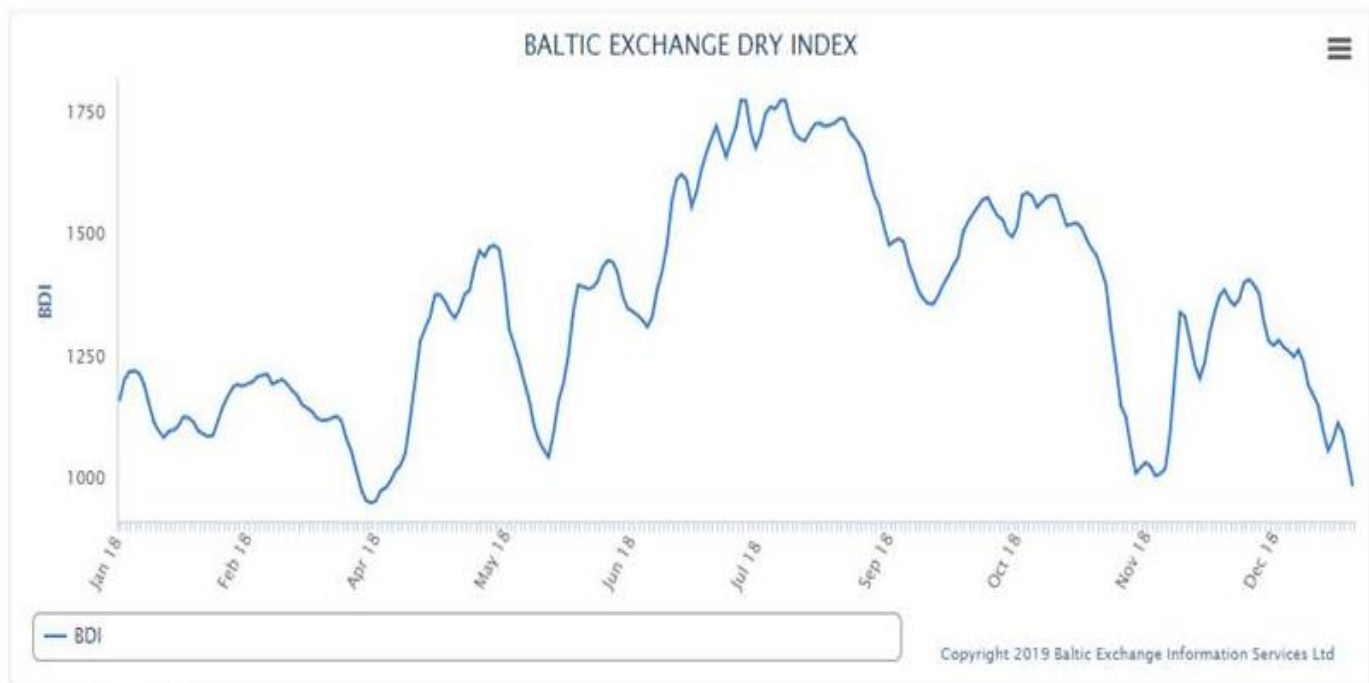
**US Gulf (NOLA) (via Panamá Canal) – 10,232 nautical miles (32 days)**

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

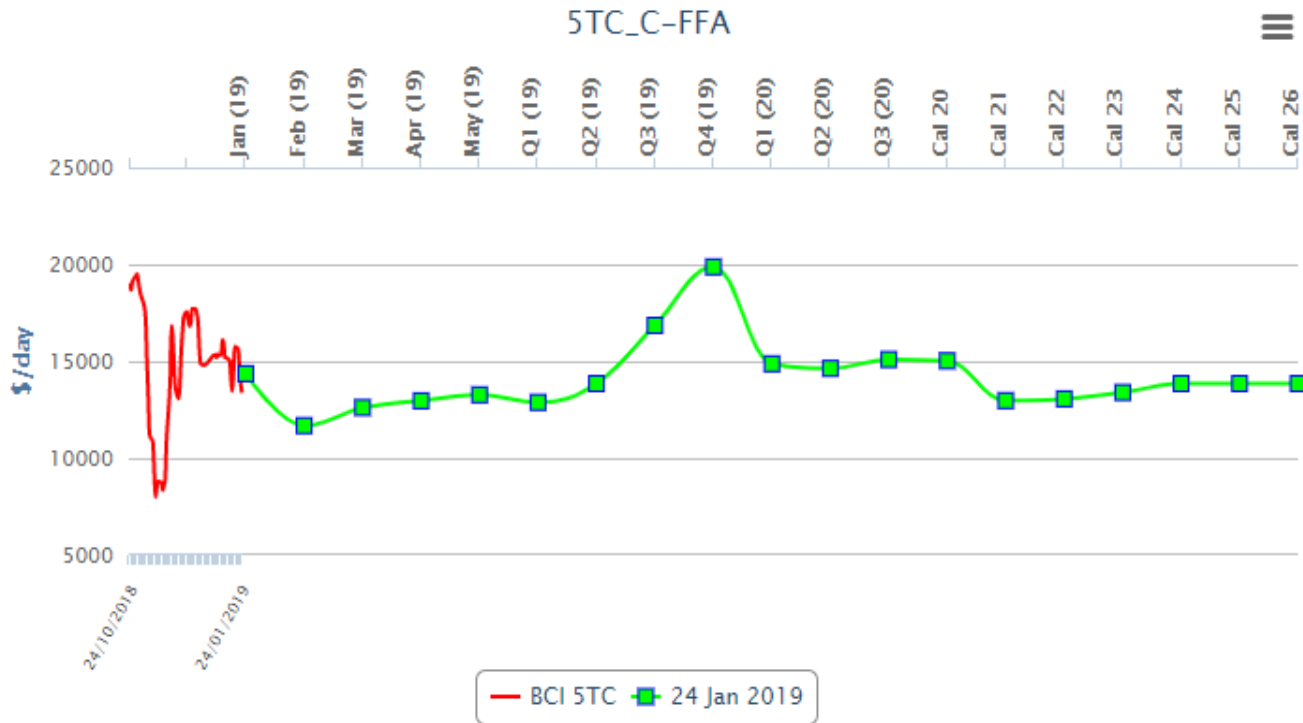
**Rasario Argentina (via Cape Horn) - 10,751 nautical miles (34 days)**



### Baltic Dry Index.

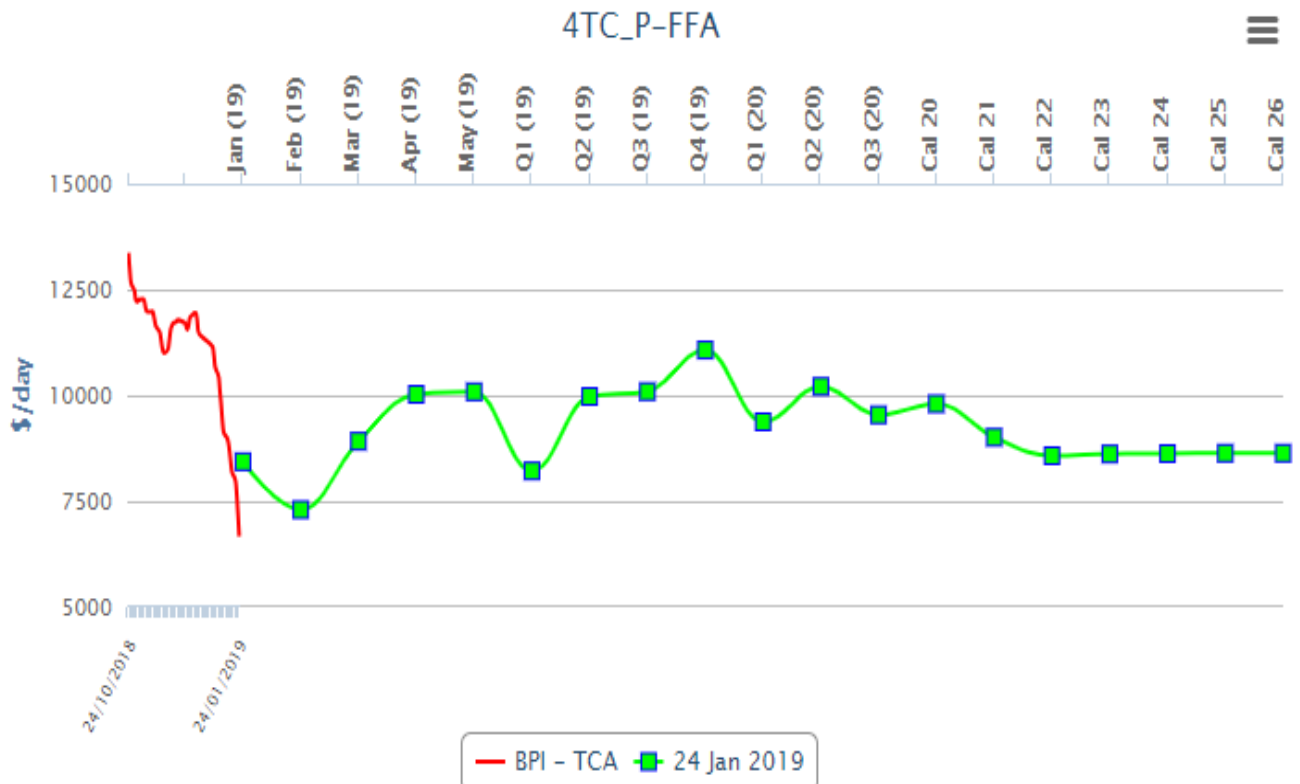


## Baltic Capesize Index



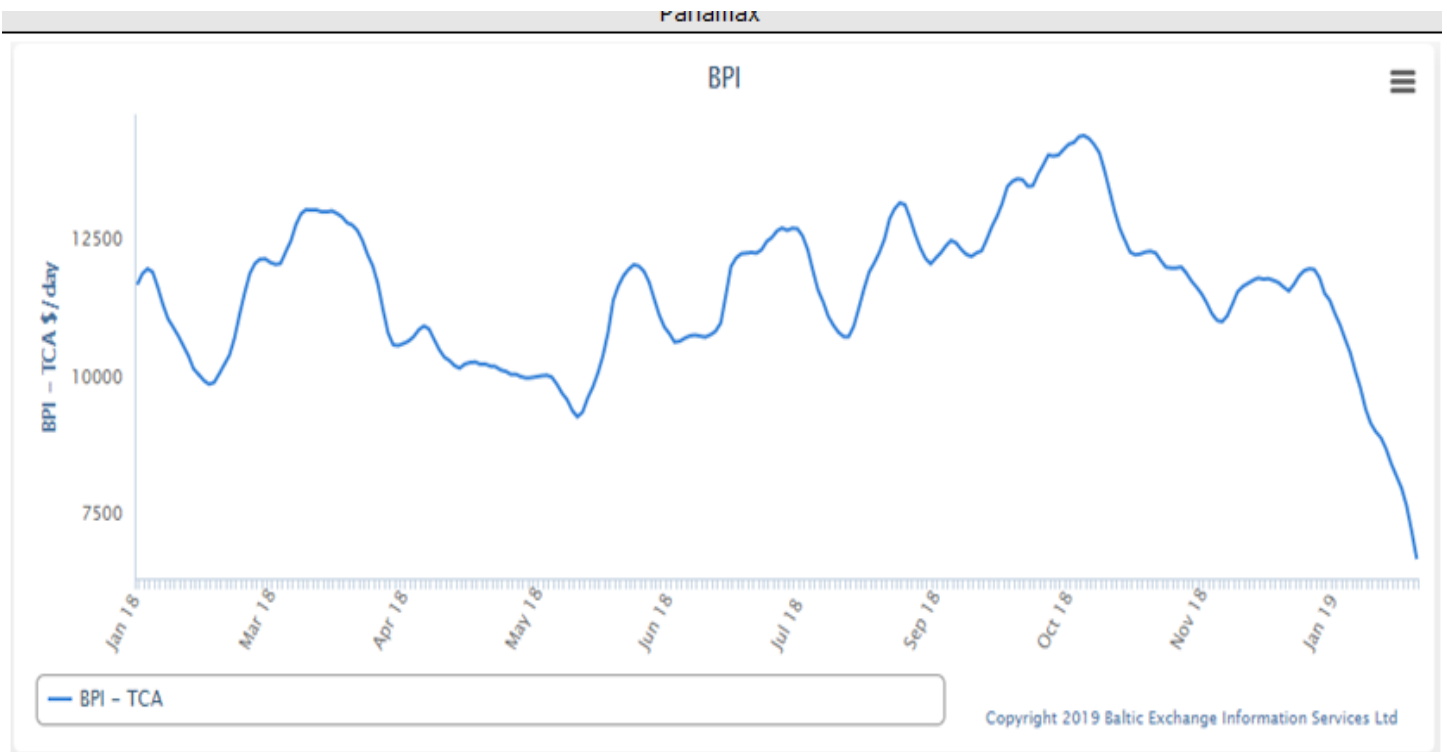
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## Forward Curve for Baltic BPI Panamax Vessel Freight

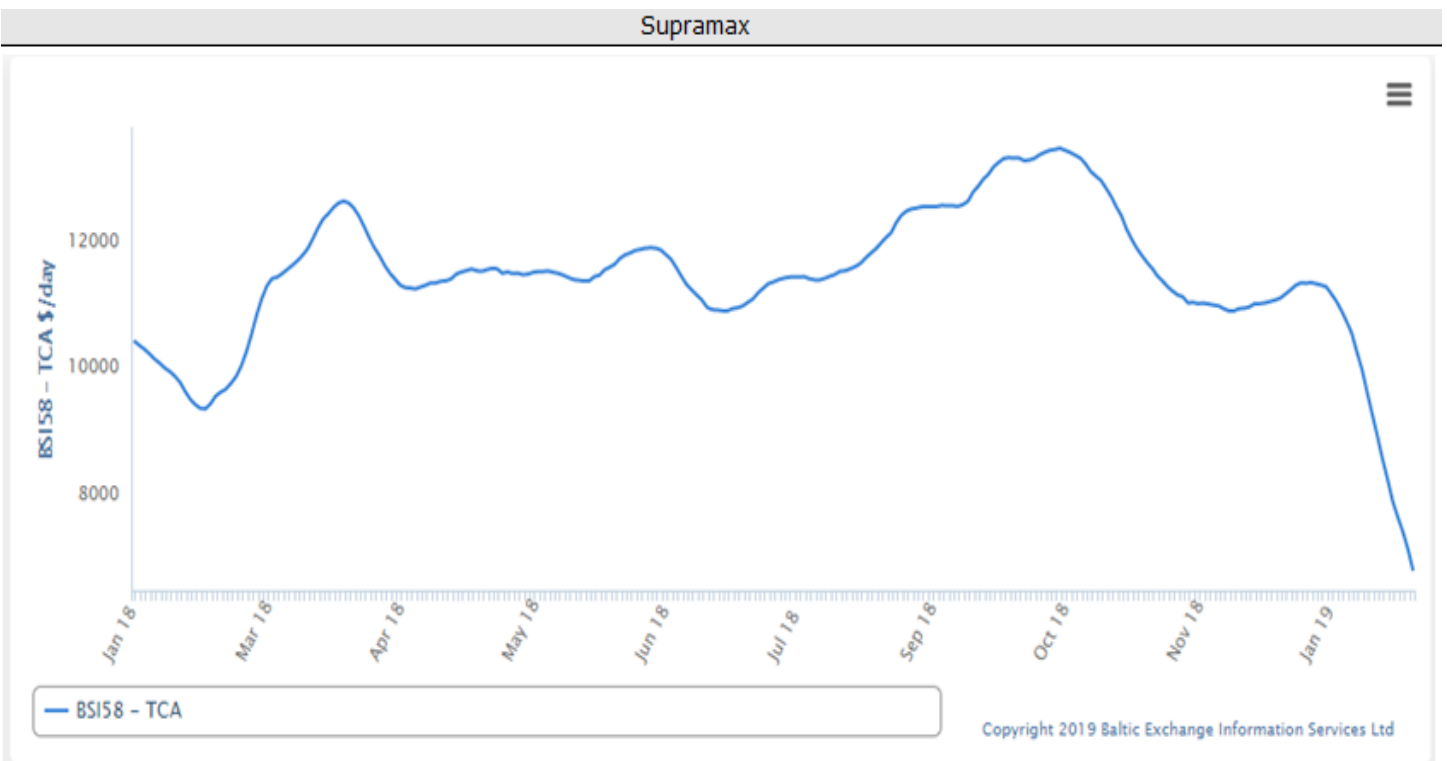


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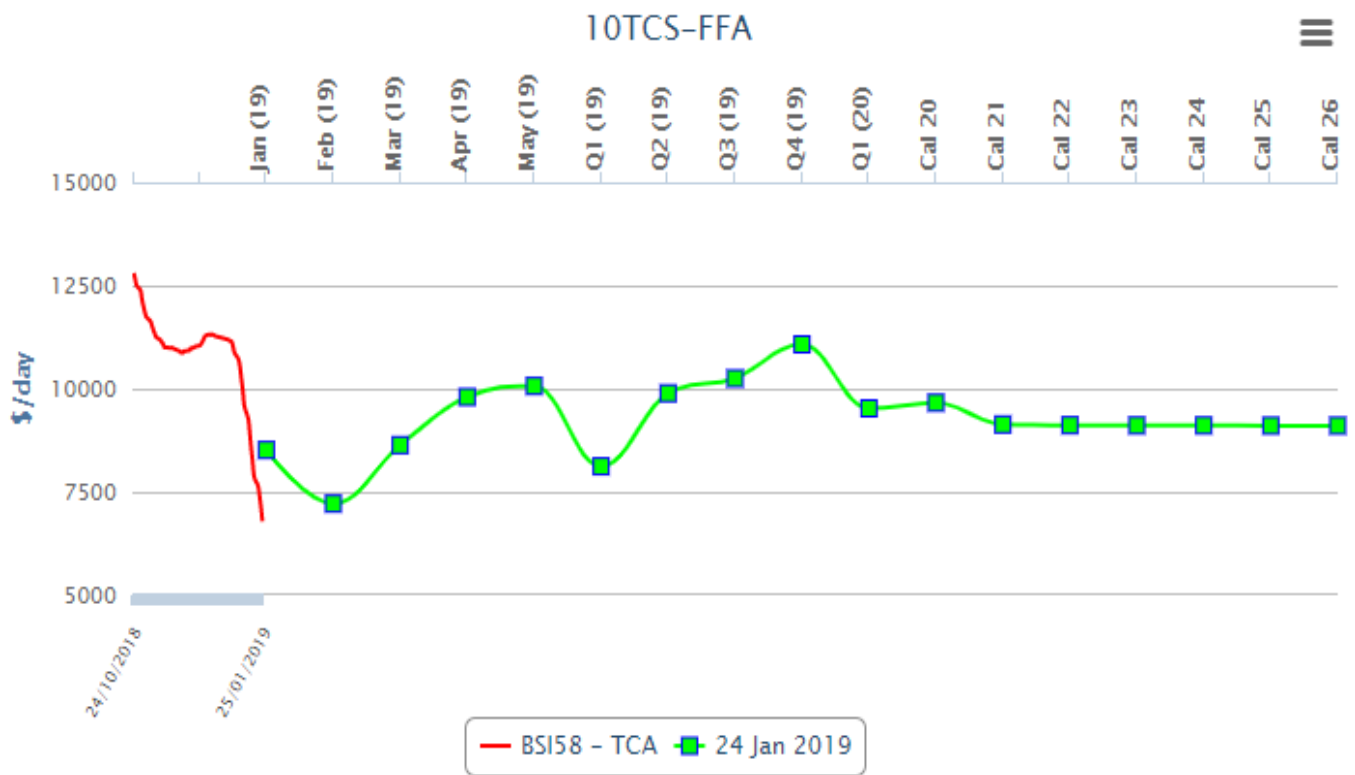
## Baltic Panamax Index



## Baltic Supramax Vessel Index

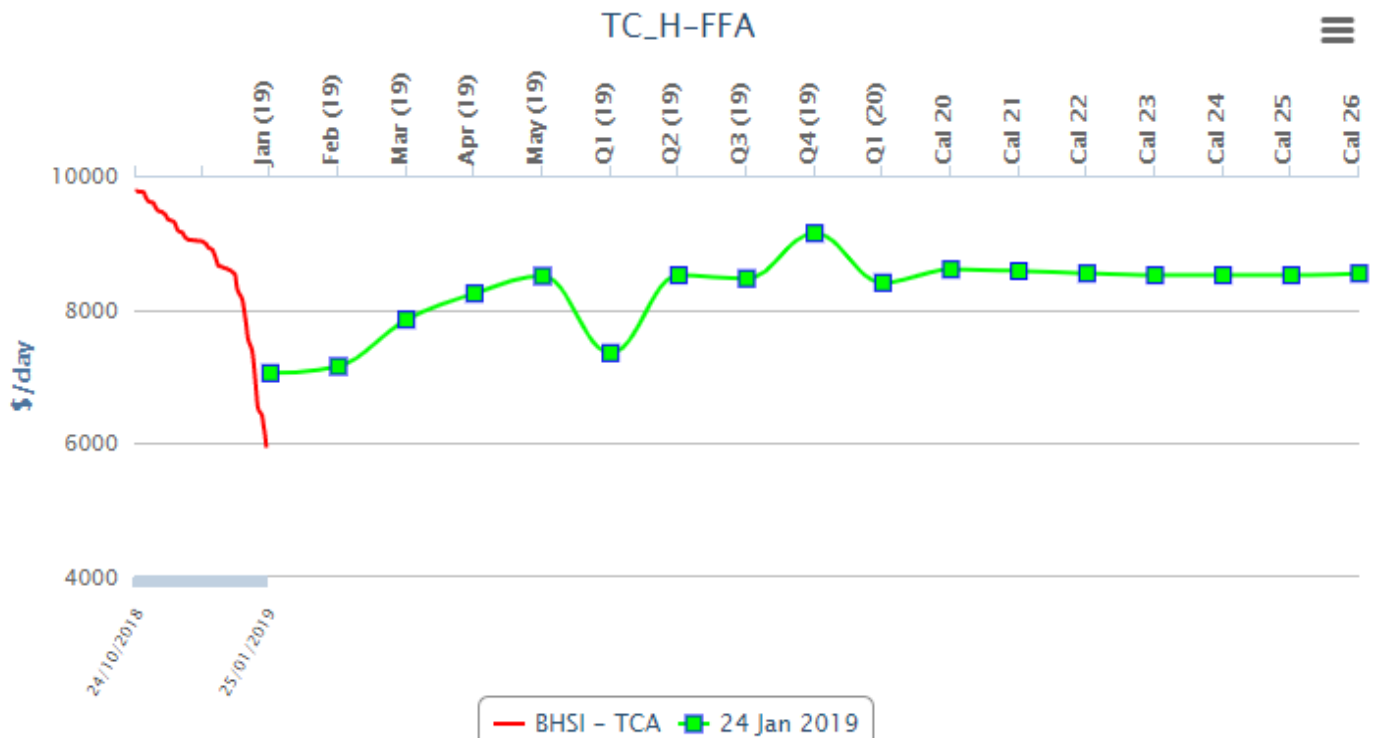


## Supramax Dry-Bulk Forward Curve



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## Baltic Handy Size

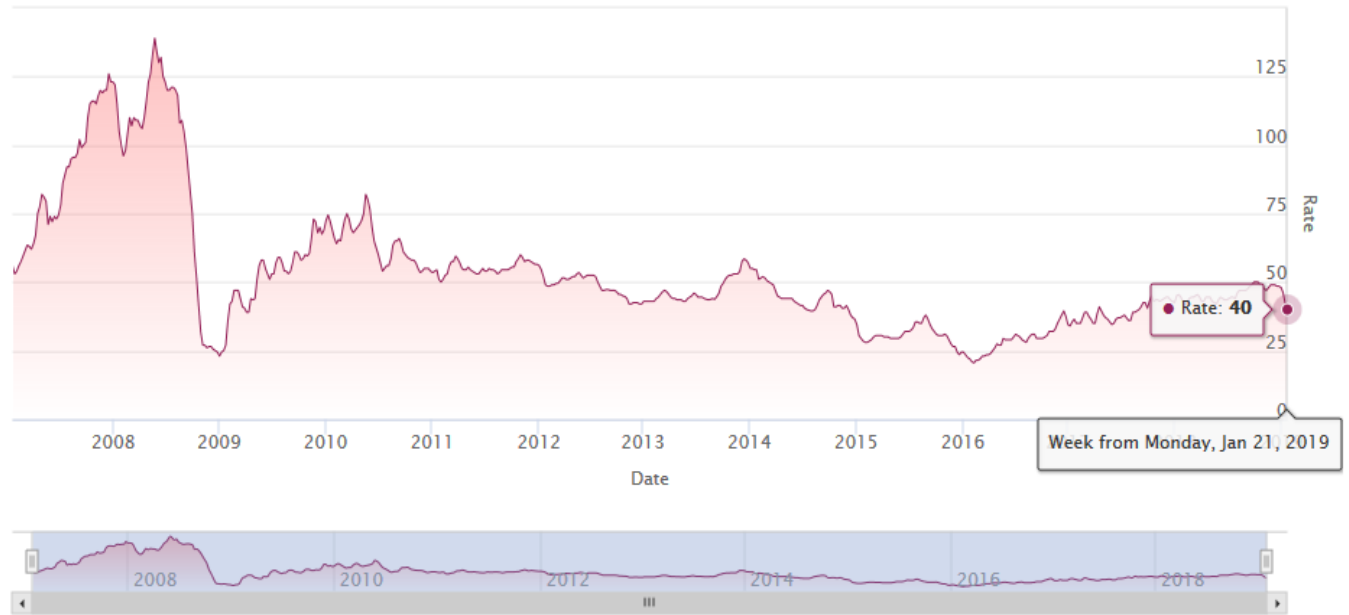


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## YAMAMIZU Index

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

From 2007-01-29 To 2019-01-23



China Import Dry Bulk Freight Index(CDFI)					
2019-01-24					
Route	Size MT	Cargo/Vessel Size	Unit	Rate	Change
Composite Index			Point	767.88	-13.79
Iron ore Freight Index			Point	751.10	-13.04
Soybean Freight Index			Point	868.24	-12.38
Santos(Brazil)—North China	60000/10%	Soybean	\$/ton	28.073	-0.427
Tacoma(West America)—North China	60000/10%	Soybean	\$/ton	22.445	-0.273
Mississippi(US Gulf)—North China	66000/10%	Soybean	\$/ton	39.986	-0.509
Mississippi(US Gulf)—North China	55000/10%	Soybean	\$/ton	42.854	-0.678

**24 January 2019 U.S. FOB Vessel Export Market Values:**

<b>U.S. Yellow Corn (USD/MT) FOB Vessel</b>				
# 2 YC	U.S. Gulf #2 YC		PNW #3 YC	
15.0 % Moisture	Basis	Flat Price	Basis	Flat Price
<b>Feb.</b>	0.60	<b>\$172.04</b>	0.94	<b>\$185.42</b>
<b>Mar.</b>	0.61	<b>\$172.43</b>	0.97	<b>\$186.60</b>
<b>Apr.</b>	0.55	<b>\$173.42</b>	0.90	<b>\$187.19</b>
<b>May</b>	0.57	<b>\$174.20</b>	0.94	<b>\$188.77</b>
<b>June</b>	0.53	<b>\$175.78</b>	0.93	<b>\$191.52</b>
<b>July</b>	0.55	<b>\$176.56</b>	0.96	<b>\$192.71</b>

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

<b>SORGHUM (USD/MT) FOB VESSEL</b>				
#2 YGS Fob Vessel	NOLA		TEXAS	
Max. 14.0% moisture	BASIS	FLAT PRICE	BASIS	FLAT PRICE
<b>Feb.</b>	0.90	<b>\$183.85</b>	0.70	<b>\$175.97</b>
<b>Mar.</b>	0.95	<b>\$185.82</b>	0.75	<b>\$177.94</b>
<b>Apr.</b>	0.95	<b>\$189.16</b>	0.75	<b>\$181.29</b>
<b>May</b>	0.95	<b>\$189.16</b>	0.75	<b>\$181.29</b>
<b>June</b>	0.95	<b>\$192.31</b>	0.75	<b>\$184.44</b>

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.

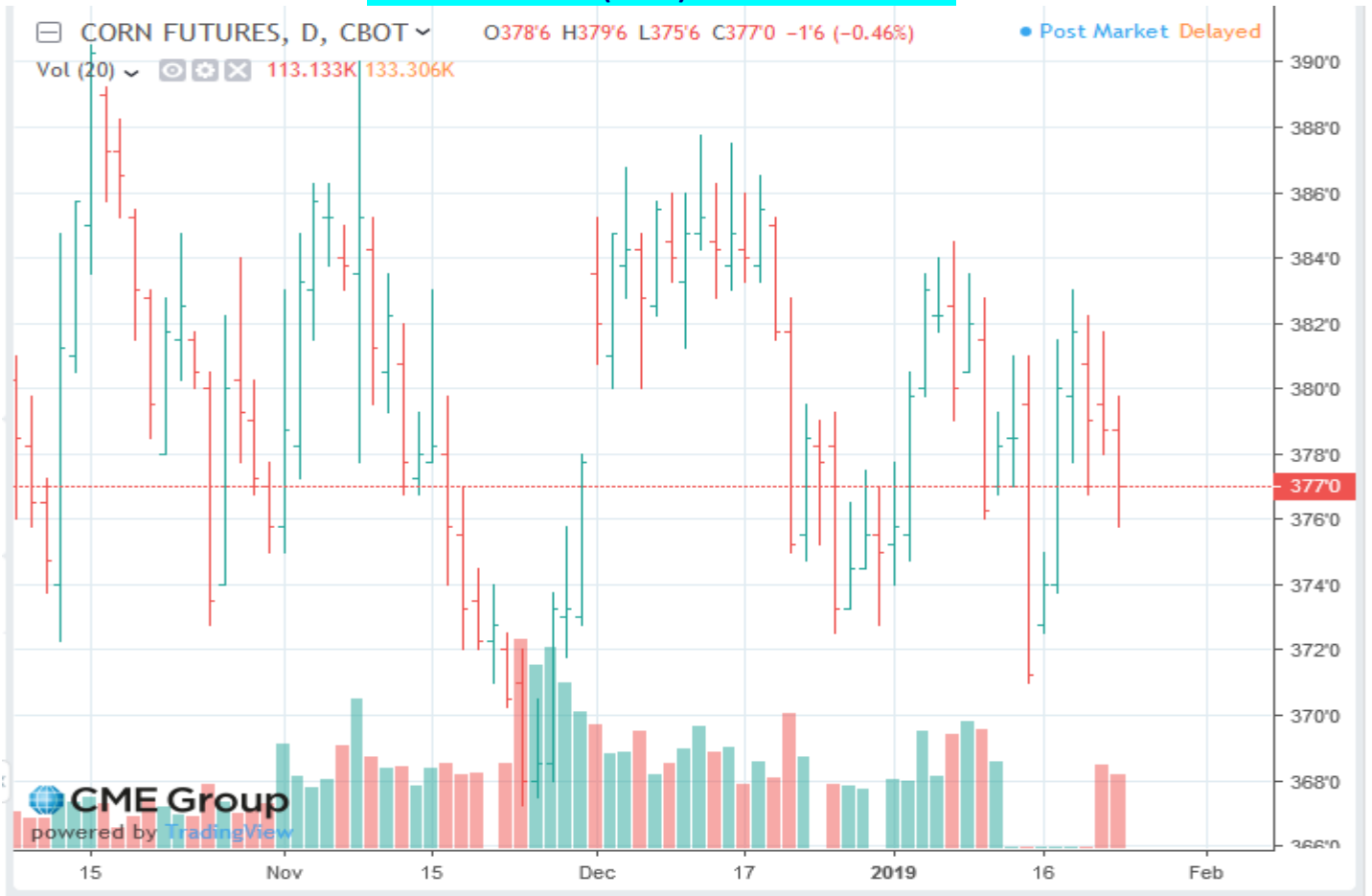
**U.S. SRW Wheat Fob Vessel at the Center U.S. Gulf**

SRW Wheat	USD/MT	Fob Vessel	US Gulf	
	Feb.	Mar.	Apr.	May
FOB U.S. GULF	\$228.36	\$229.46	\$230.84	\$230.84
Basis	1.00	1.03	1.00	1.00
WH	5.2150			
WK	5.2825			
WN	5.3400			

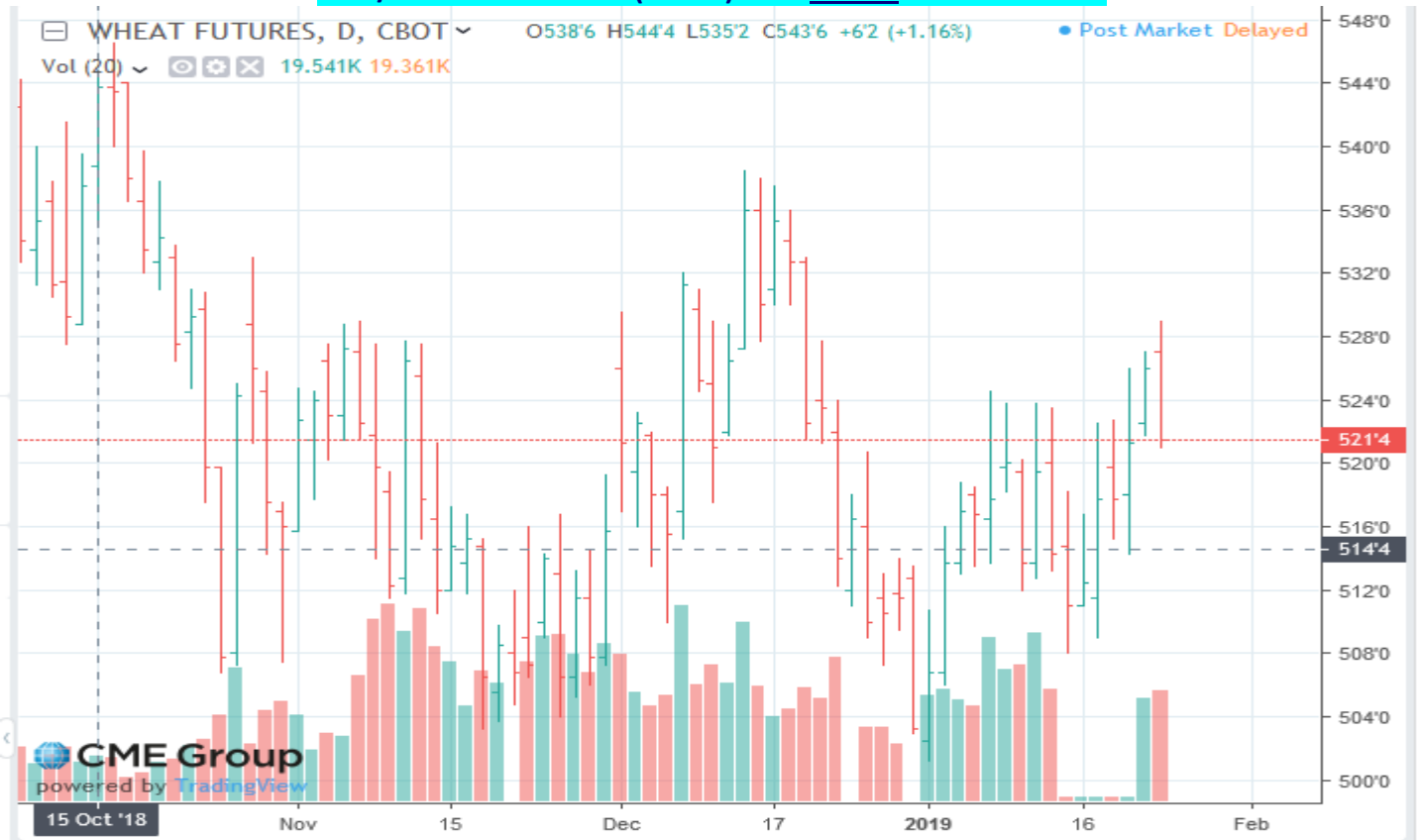
<b>CME Futures Market Close</b>						
CORN	Futures	Thursday	Thursday	Last week	Last Week	Difference
Month	Symbol	Close	Close	Bushel	MT.	Bushel
Mar.	CH	\$3.7700	\$148.42	\$ 3.8000	\$149.60	(\$0.0300)
May	CK	\$3.8550	\$151.76	\$ 3.8800	\$152.75	(\$0.0250)
July	CN	\$3.9350	\$154.91	\$ 3.9550	\$155.70	(\$0.0200)
Sept.	CU	\$3.9650	\$156.09	\$ 3.9850	\$156.88	(\$0.0200)
Dec.	CZ	\$4.0075	\$157.77	\$ 4.0325	\$158.75	(\$0.0250)



### CBOT March 2019 (CH19) Corn Futures Chart –



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



## **U.S. Soybean and SBM Markets Fob Vessel:**

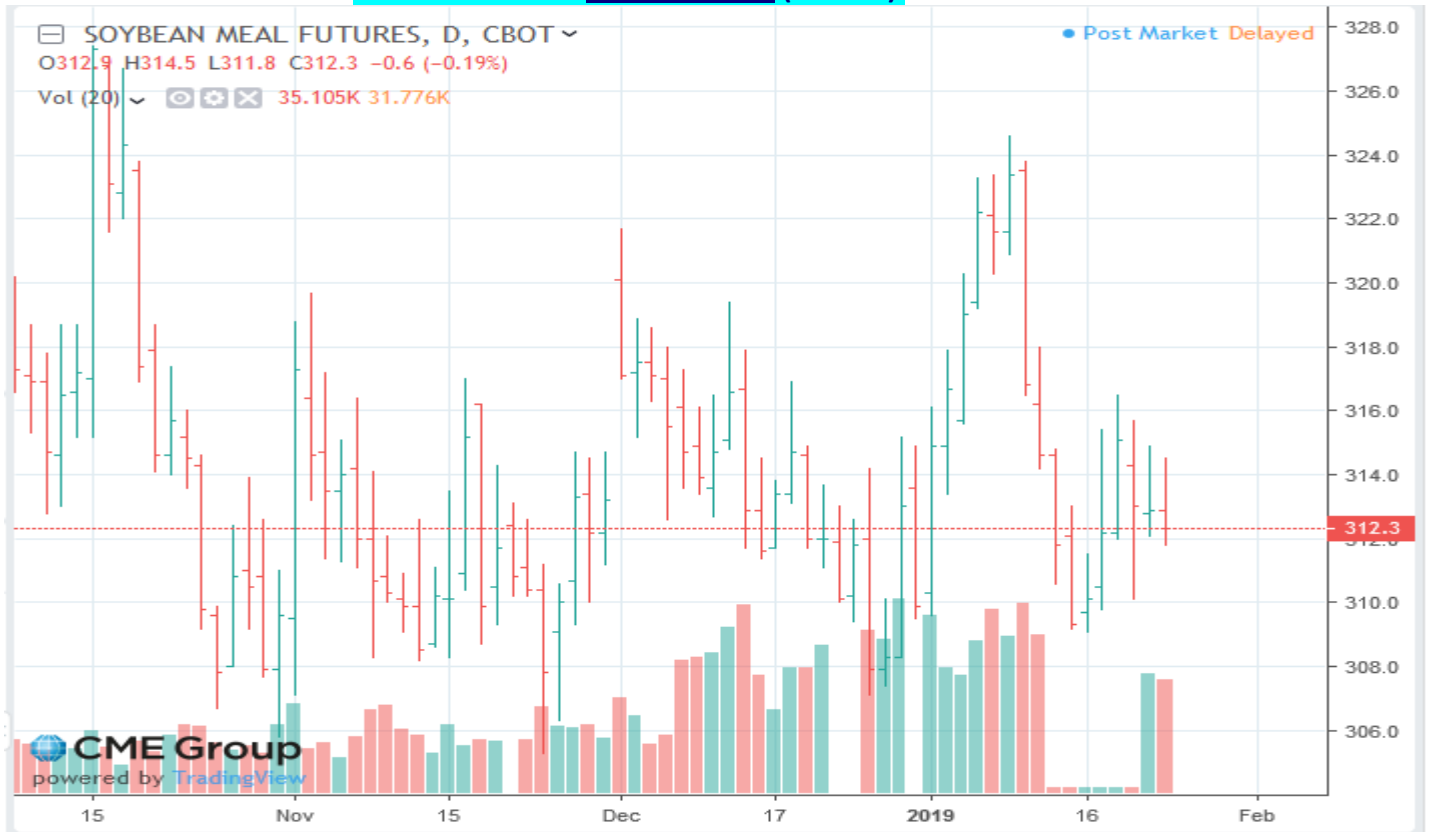
<b>U.S. Yellow Soybeans (USD/MT) FOB Vessel</b>				
# 2 YSB	<b>U.S. Gulf #2 YSB</b>		<b>PNW #2 YSB</b>	
14.0 % Moisture	Basis	Flat Price	Basis	Flat Price
<b>Feb.</b>	0.25	<b>\$345.75</b>	0.68	<b>\$361.55</b>
<b>Mar.</b>	0.25	<b>\$345.75</b>	0.68	<b>\$361.55</b>
<b>Apr.</b>	0.25	<b>\$350.81</b>	0.63	<b>\$364.77</b>
<b>May</b>	0.30	<b>\$352.64</b>	0.68	<b>\$366.61</b>
<b>June</b>	0.23	<b>\$354.76</b>	0.60	<b>\$368.35</b>
<b>Soybean Futures</b>				
<b>Mar.</b>	\$ 9.1600			
<b>May</b>	\$ 9.2975			
<b>July</b>	\$ 9.4250			
<b>Aug.</b>	\$ 9.4750			
<b>Sept.</b>	\$ 9.4975			
<b>Nov.</b>	\$ 9.5650			

<b>U.S. SBM (USD/MT) FOB Vessel</b>		
Fob U.S. Gulf Port	<b>47.5 Pro. SBM</b>	
max 12.5 % moisture	Basis	Flat Price
<b>Feb.</b>	0.00	<b>\$ 344.31</b>
<b>Mar.</b>	0.00	<b>\$ 344.31</b>
<b>Apr.</b>	0.00	<b>\$ 348.61</b>
<b>May</b>	2.00	<b>\$ 350.82</b>
<b>June</b>	0.00	<b>\$ 353.02</b>
<b>SBM Futures</b>		
<b>SMH</b>	312.30	
<b>SMK</b>	316.20	
<b>SMN</b>	320.20	
<b>SMQ</b>	321.70	
<b>SMU</b>	323.00	
<b>SMV</b>	323.50	

### 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 Government 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 22 January 2019 for the Export week ending 17 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	1,108,119	1,013,970	20,577,272	12,785,943	161%
Sorghum	65,821	8,262	561,855	1,937,171	29%
Soybeans	1,110,713	1,088,091	19,508,020	32,275,756	60%
Wheat	516,643	546,783	14,003,664	15,632,923	90%
Barley	343	0	6,534	19,088	34%

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

**U.S. EXPORT INSPECTIONS:**

Monday's report 22 January 2019 for the Export week ending 17 January 2019

Last Week								
(Metric Tons)	YC	%	WC	%	Sorghum	%	Soybeans	%
Lakes	0	0%	0	0%	0	0%	13,238	1%
Atlantic	7,216	1%	0	0%	0	0%	47,801	4%
Gulf	560,988	56%	92,609	92%	62,537	95%	668,926	60%
PNW	304,769	30%	220	0%	0	0%	274,326	25%
Interior Export Rail	134,434	13%	7,883	8%	3,284	5%	106,422	10%
Metric Tons	1,007,407		100,712		65,821		1,110,713	

Sorghum Shipments:	metric tons	
	5,000	Djibouti
	3,488	Japan
	54,049	Spain
	49	Panama
	49	Philippines
	3,186	Mexico
	65,821	Total

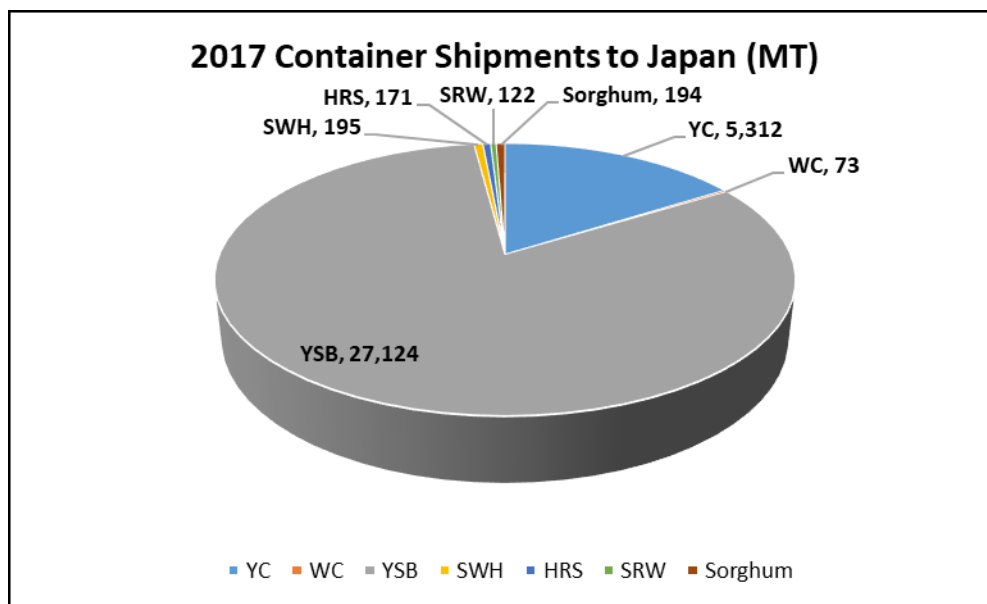
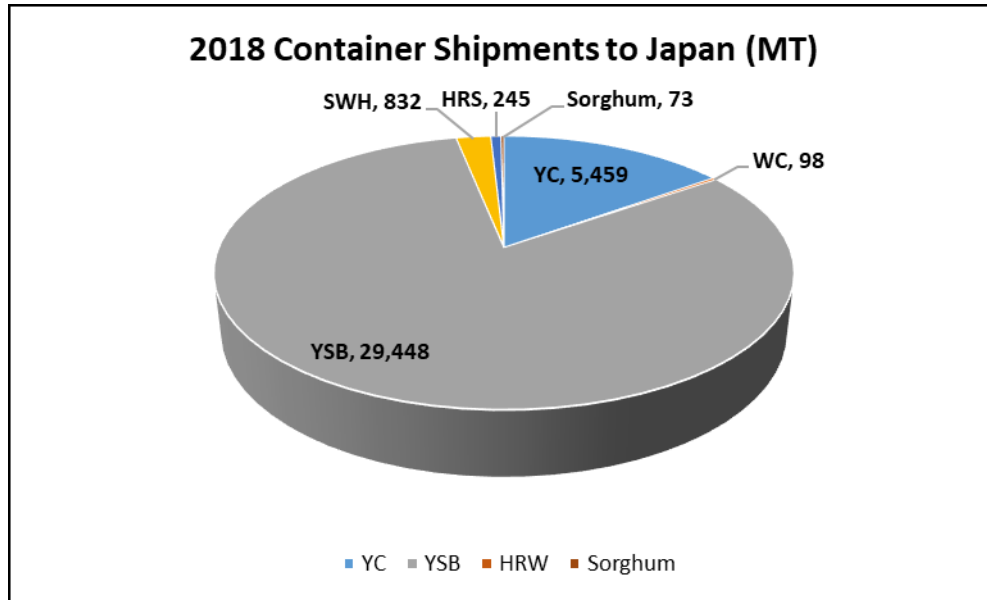
White Corn	metric tons	
Shipments:	8,909	Colombia
	14,442	El Salvador
	3,066	Japan
	41,483	Mexico
	32,592	New Zealand
	220	Korea Rep
	100,712	Total

## 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:		17-Jan-2019							
Last Week	metric tons								MT
	YC	WC	YSB	SRW	NS	SWH	HRW	Sorghum	TOTAL
China Main									0
China T	9,771		14,395						24,166
Hong Kong	1,051								1,051
Costa Rica									0
Indonesia	1,396		29,381						30,777
Panama								49	49
Japan			1,346						1,346
Korea Republic	1,028		147						1,175
Nepal			5,878						5,878
Malaysia	2,889		2,790						5,679
Burma			294						294
Philippines	784		122					49	955
Thailand			12,906						12,906
India			784						784
Bangladesh			905						905
Vietnam			11,431						11,431
Sub total	16,919	0	80,379	0	0	0	0	98	84,276
USDA Corrections/Additions to previous reports:									
China T			490						490
China Main									0
Hong Kong									0
Korea Rep.									0
Costa Rica									0
Japan									0
Philippines								196	196
Indonesia			1,738						1,738
Malaysia			1,224						1,224
Thailand									0
Vietnam									0
Burma									0
Bangladesh									0
Sub total	0	0	3,452	0	0	0	0	196	3,648
<b>Mt. Grand Total</b>	<b>16,919</b>	<b>0</b>	<b>83,831</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>294</b>	<b>87,924</b>
Number of containers	736	0	3,645	0	0	0	0	13	

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

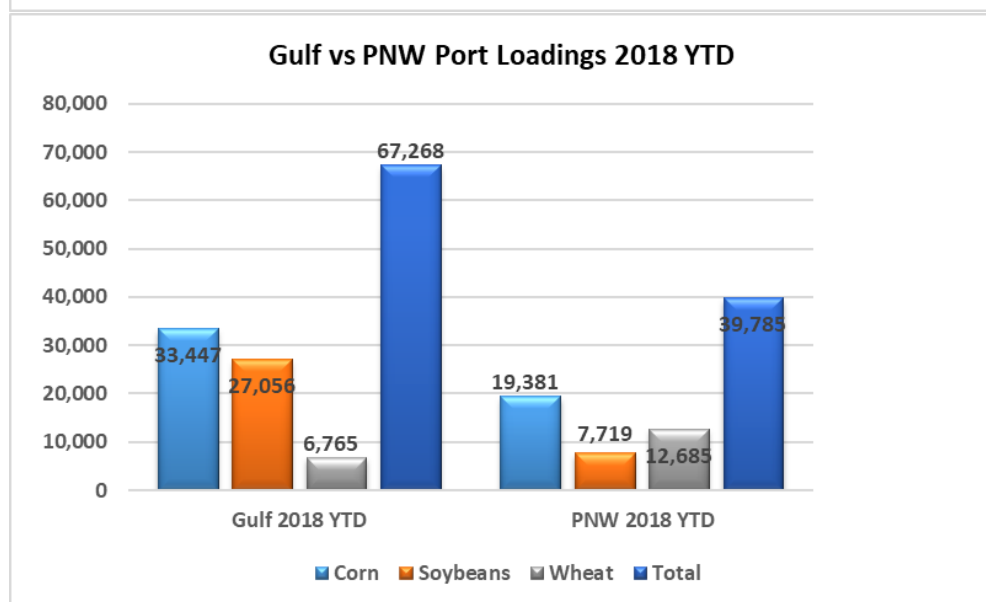
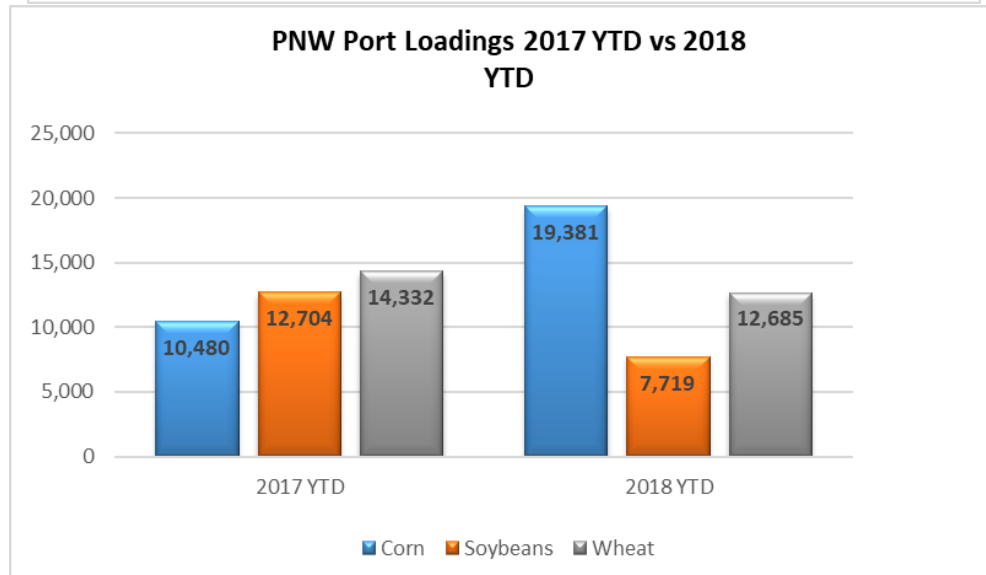
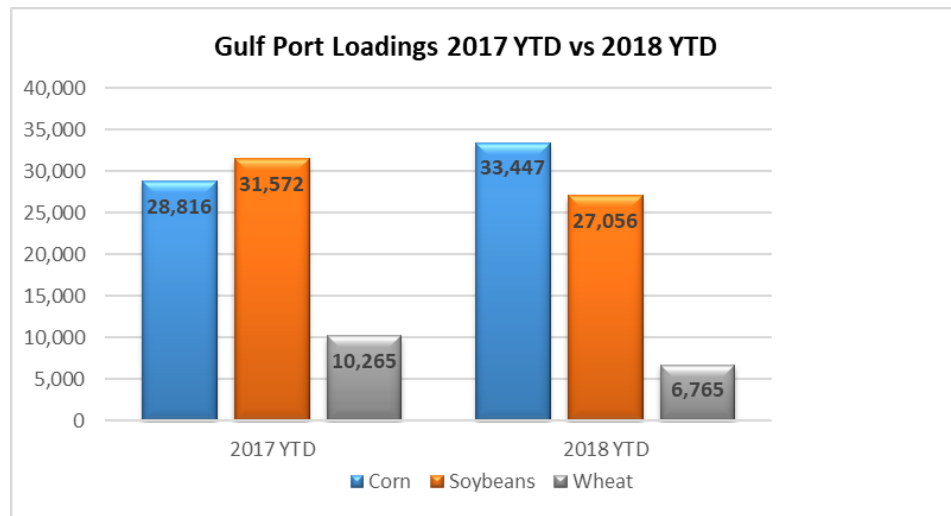
Report delayed due to Government shutdown

PORT LOADINGS US Gulf				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
<b>GULF</b>				
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
<b>PNW</b>				
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%

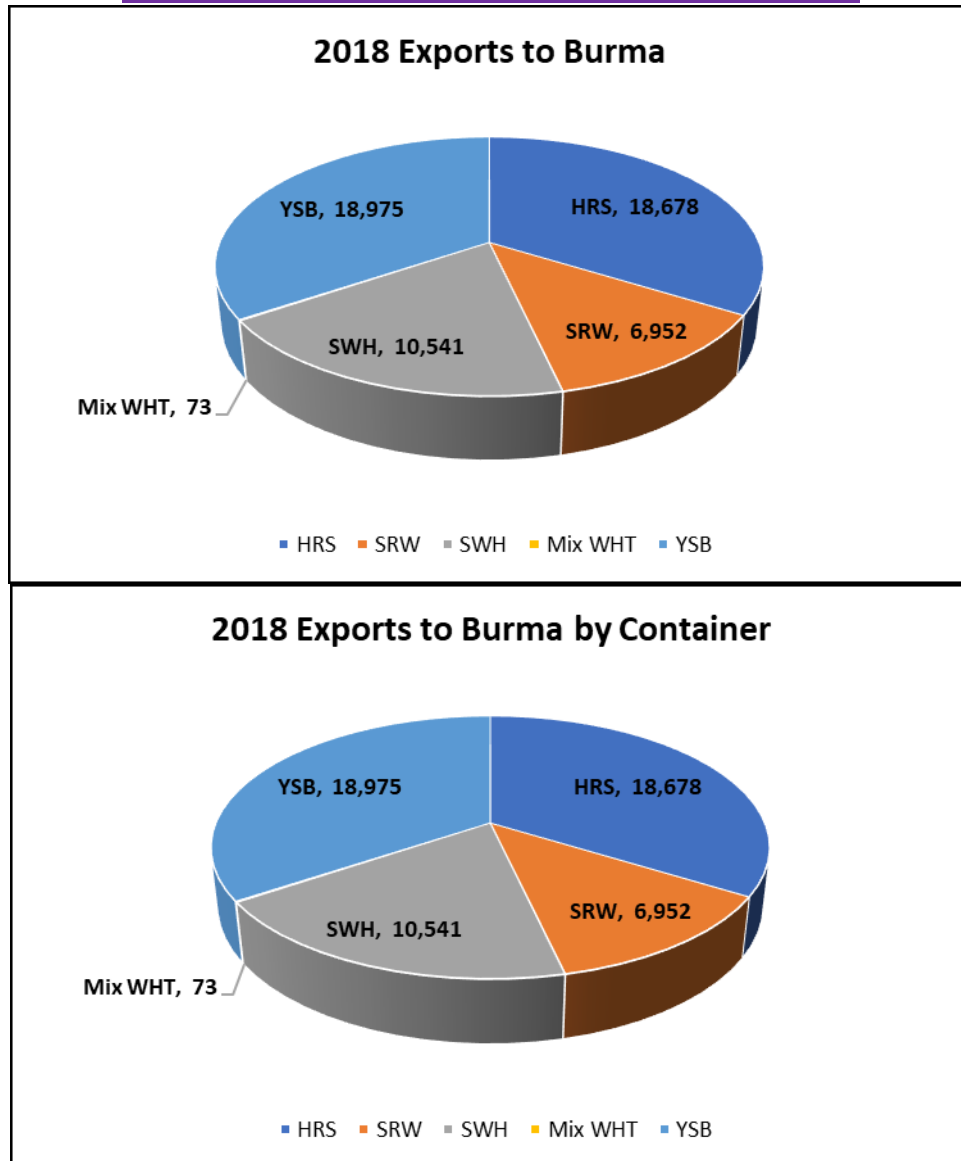
Grain Inspections for Export by U.S. Port Regions (1,000MT):  
U.S. Gulf and Pacific Northwest 2017 YTD vs. 2018 YTD  
Report delayed due to Government shutdown





Source: USDA-data

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



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

Source: USDA

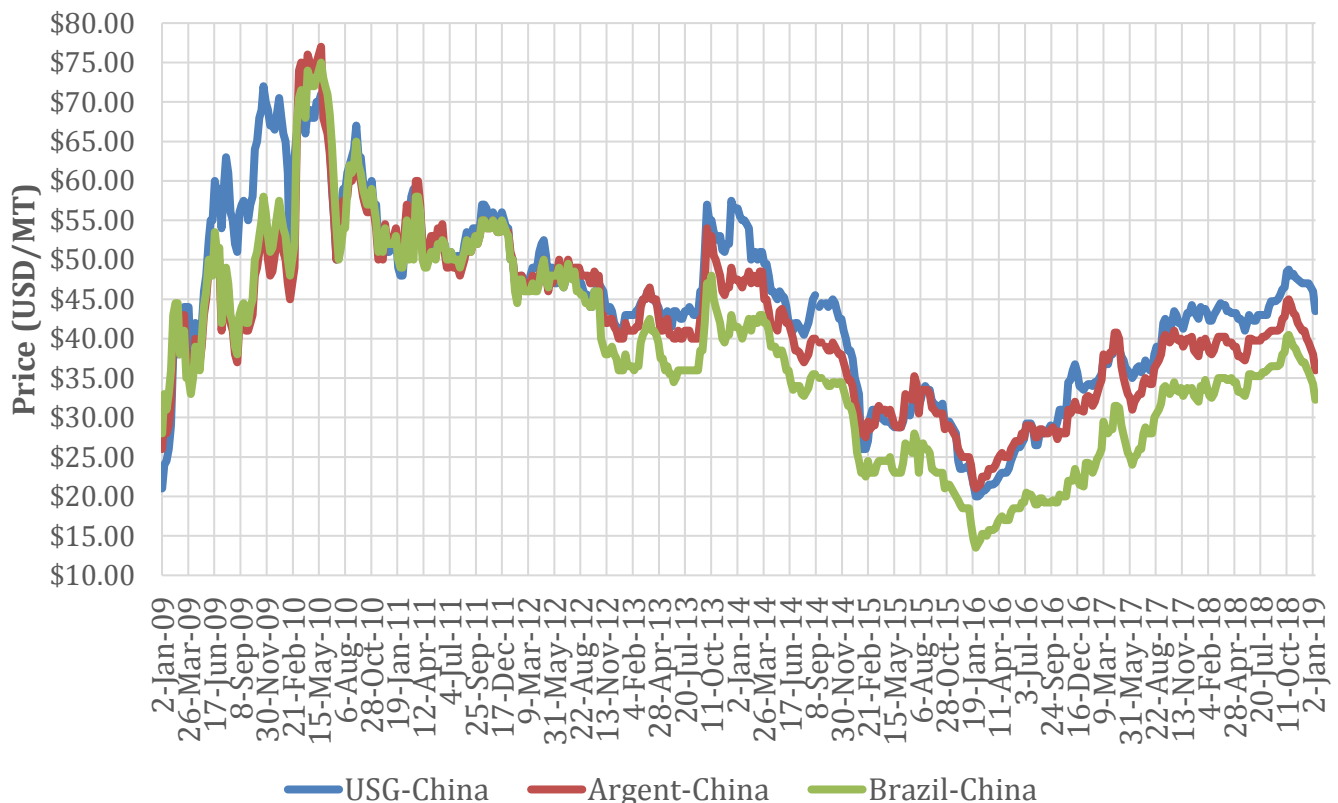
## Shipping News

Reuters- Russia's agriculture ministry requests weekly grain export data from ports Russia's Agriculture Ministry has asked the country's ports to start supplying it with grain export data and export plans on a weekly basis, it said in a letter to managers of port terminals, a copy of which was obtained by Reuters. The letter, first reported by RIA news agency on Thursday, has been interpreted by some market players as a move by the world's largest wheat exporter to step up controls over grain supplies due to a smaller crop.

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

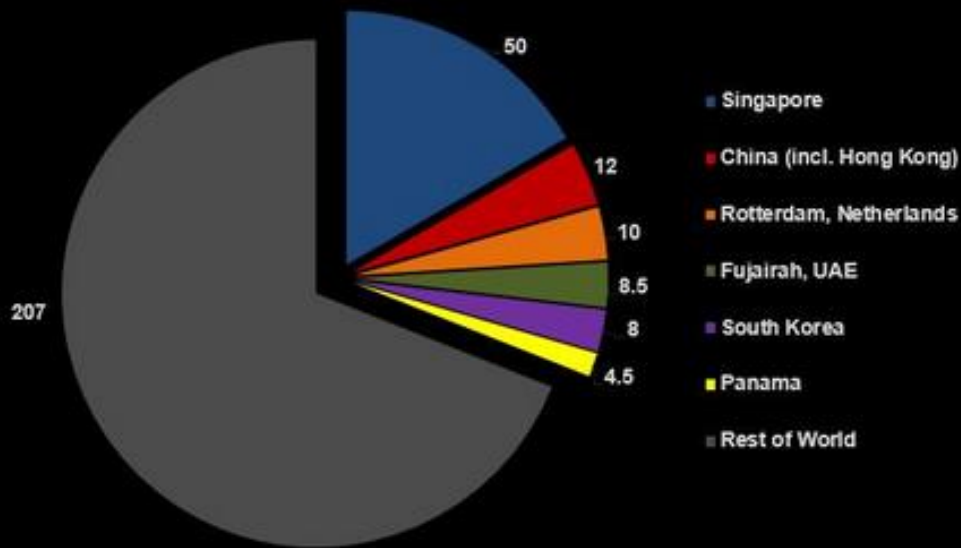
Shippers need to watch this closely; the only lever carriers have to get the rates where they need them to be to ward off disaster is to pull capacity. They have done it before.

### Ocean Freight to China



## Major Bunker Ports

Singapore is by far the world's biggest port for ships to refuel.

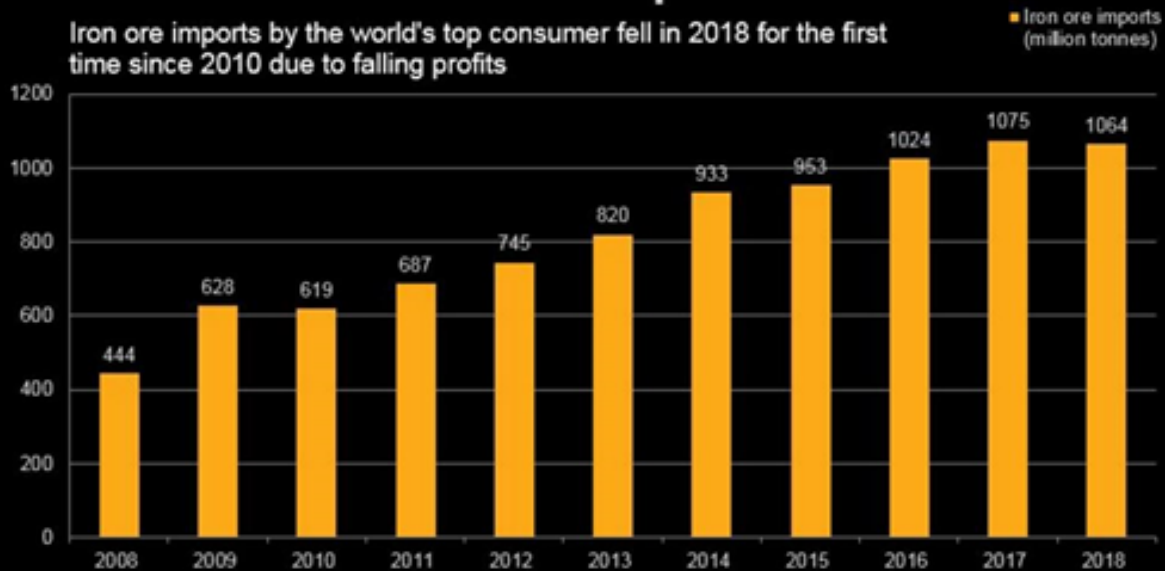


Henning Gloystein | Reuters

Unit: million tonnes per year  
Sources: Port authorities; shipping industry estimates

## China's Iron Ore Imports

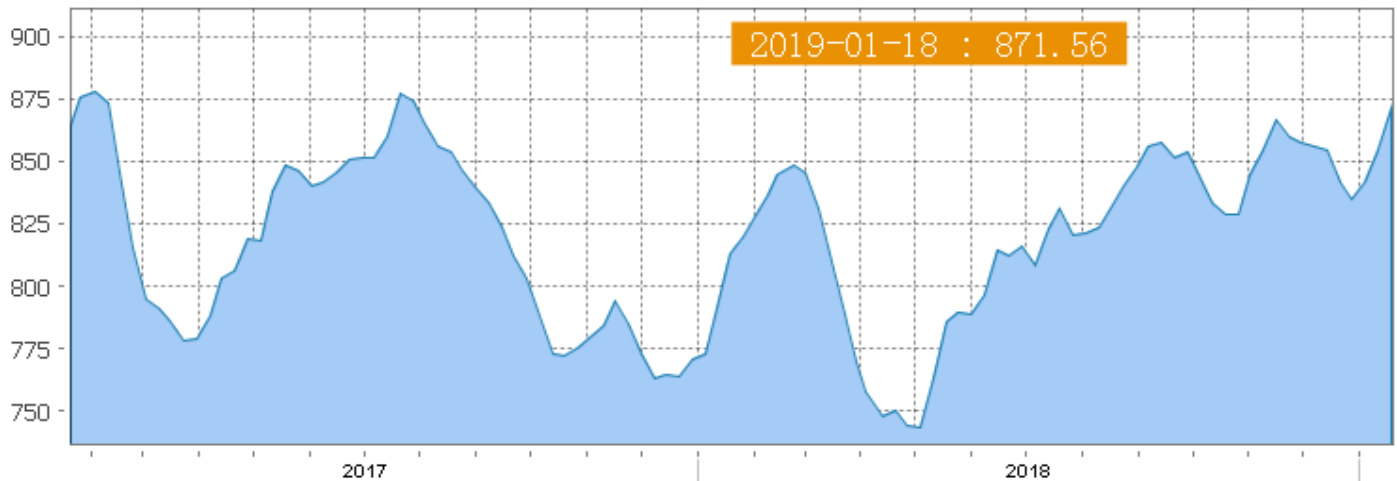
Iron ore imports by the world's top consumer fell in 2018 for the first time since 2010 due to falling profits



Muyu Xu | Reuters

Source: General Administration of Customs, China

## China Containerized Freight Index



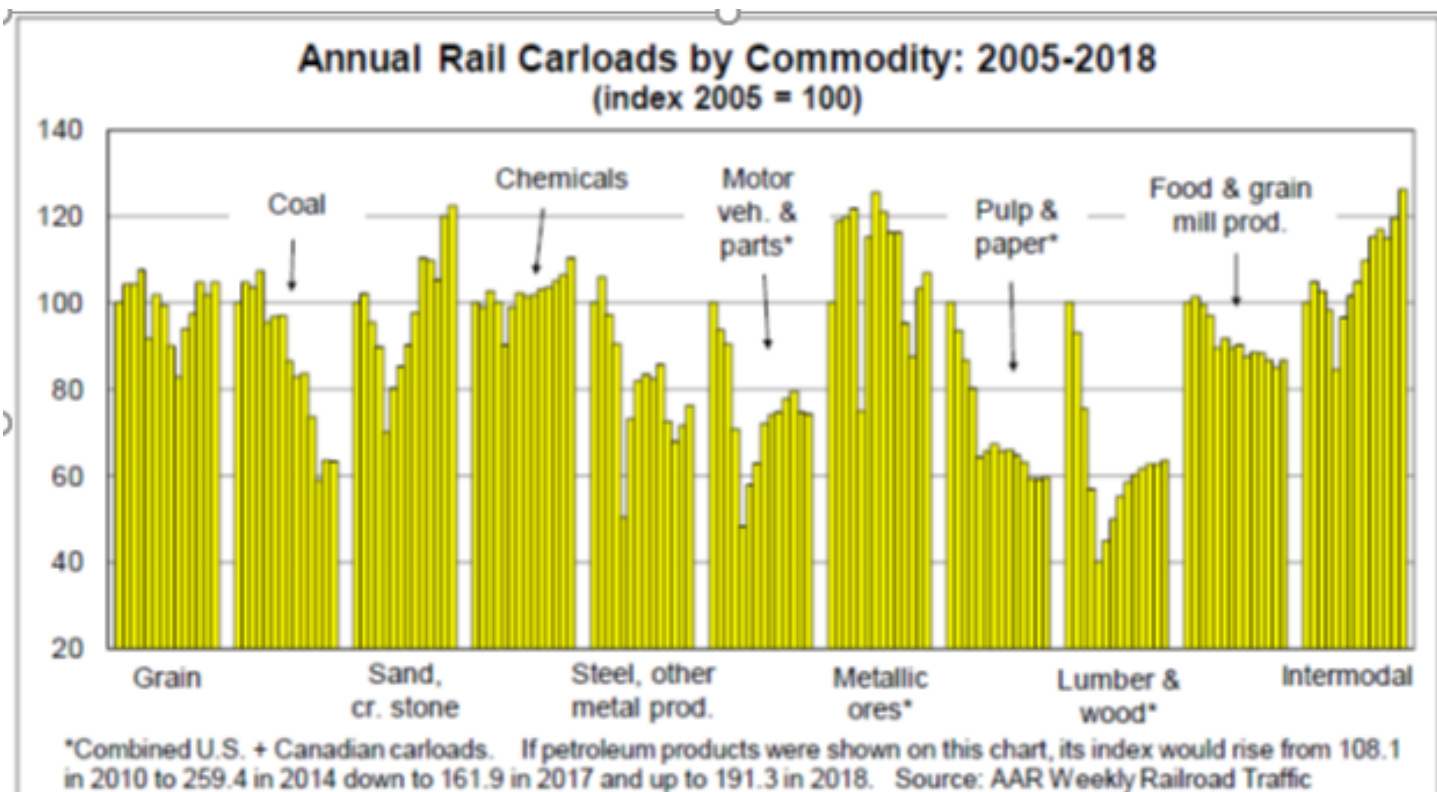
### U.S. RIVER BARGE FREIGHT

**Current Barge Freight for Placement Last Half February 2019**

Placement LH February 2019	% of Tariff	MT	Corn BU	Soybeans-Wheat BU
Upper Mississippi	Closed	\$ -	0.00	0.00
Illinois River (Pekin and South)	440	\$23.33	0.59	0.63
Mid-Mississippi	Closed	\$ -	0.00	0.00
Lower Ohio	340	\$16.72	0.42	0.45
St. Louis	305	\$13.41	0.34	0.37

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

Secondary Rail Car Market Placement LH. February 2019	BID USD	ASK USD	BID BU.	ASK BU.	BID MT	ASK MT
BNSF Shuttle Trains	\$ 100.00	\$ 225.00	\$ 0.03	\$ 0.06	\$ 0.98	\$ 2.21
UPRR Shuttle Trains	\$ (300.00)	\$ (250.00)	\$ (0.08)	\$ (0.06)	\$ (2.95)	\$ (2.46)



Best Regards,

Jay

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