

## Transportation and Export Report for 3 January 2019

### Ocean Freight Insights and Comments:

2019 is not starting out favorably for vessel owners. Global freight markets are waking up slowly after the holidays, but they are not feeling confident nor positive about the future. The tariff trade war and the slowing of the U.S. and Chinese economies remain troubling and a negative influence for global trade. The vessel industry faces serious cost increases relative to the 2020 lower CO2 emissions standards and will have a difficult time finding ways to recover these costs if the market does not recover and move upward. This could have serious consequences to the survival of some vessel operators.

The container shipping vessel owners are trying to initiate new GRI's for 2019. Hard to see how those can holdup.

### BALTIC DRY-BULK PANAMAX INDEX CHANGES

Panamax Ocean Freight Indices				
3-Jan-19	This Week	Last Week	Difference	Percent Change
P2A : Gulf/Atlantic - Japan	18723	19961	-1,238	-6.2%
P3A - PNW/Pacific - Japan	9894	10428	-534	-5.1%
S1C -USGULF-China-So.Japan	26107	27022	-915	-3.4%

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

Four weeks ago:	\$ 6.15-\$8.50
Three weeks ago:	\$7.95-\$8.25
Two weeks ago:	\$8.40-\$8.90
One week ago:	\$7.50-\$8.75
This week	\$6.60-\$7.25

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

Mississippi River:	(10 elevators)	3-6 days
Miss. River Mid-Stream loaders:	(6+ Rigs)	0-7 days
Texas Gulf	(6 elevators)	0-6 days (only 1 facility has a lineup)
Pacific Northwest:	(9 elevators)	0-8 days

Panamax Market Spreads to Asia -China					
3-Jan-19	PNW	GULF	Bushel Spread	MT Spread	Advantage
CORN	1.07	0.56	0.51	\$20.08	PNW
SOYBEANS	0.80	0.30	0.50	\$18.37	PNW
OCEAN FREIGHT	\$24.50	\$46.00	.55 -.59	<b>\$21.50</b>	February

**Recent Reported Vessel Fixtures:**

<b>Route and Vessel Size</b>	<b>Current Week USD/MT</b>	<b>Change from previous week</b>	<b>Remarks</b>
55,000 U.S. Gulf-Japan	\$47.00	Down \$1.00	Handymax \$47.50 mt
55,000 U.S. PNW- Japan	\$25.00	Down \$0.75	Handymax \$25.50 mt
66,000 U.S. Gulf – China PNW to China	\$46.00 \$24.50	Down \$1.00 Down \$0.75	North China
25,000 U.S. Gulf- Veracruz, México	\$17.50	Down \$0.50	3,000 MT daily discharge rate
30-35,000+ U.S. Gulf- Veracruz, México	\$15.00	Down \$0.50	Deep draft and 6,000 MT per day discharge rate.
25/35,000 U.S. Gulf- <u>East Coast Colombia</u> From Argentina	\$20.50 \$35.00	Down \$0.50	<u>West Coast Colombia at \$30.25</u>
43-45,000 U.S. Gulf - Guatemala	\$31.00	Down \$0.50	Acajutla/Quetzal - 8,000 out
26-30,000 U.S. Gulf – Algeria	\$36.00 \$37.00	Down \$0.50	8,000 mt daily discharge 3,000 mt daily discharge
26-30,000 US Gulf-Morocco	\$38.00	Down \$0.50	5,000 discharge rate
55-60,000 U.S. Gulf –Egypt PNW to Egypt	\$32.50 \$32.50	Down \$1.00	55,000 -60,000 mt Russia Black Sea to Egypt \$15.50
60-70,000 U.S. Gulf – Europe – Rotterdam	\$19.50	Down \$0.25	Handymax at +\$1.75 more
Brazil, Santos – China Brazil, Santos – China Itacoatiara-Port Up River North Brazil	\$34.25 \$33.00 \$37.25	Down \$1.50	54-59,000 Supramax-Panamax 60-66,000 Post Panamax 60-66,000 mt
56-60,000 Argentina/Rosario- China Deep Draft	\$38.00	Down \$1.50	Up River with BB Top Off \$40.50

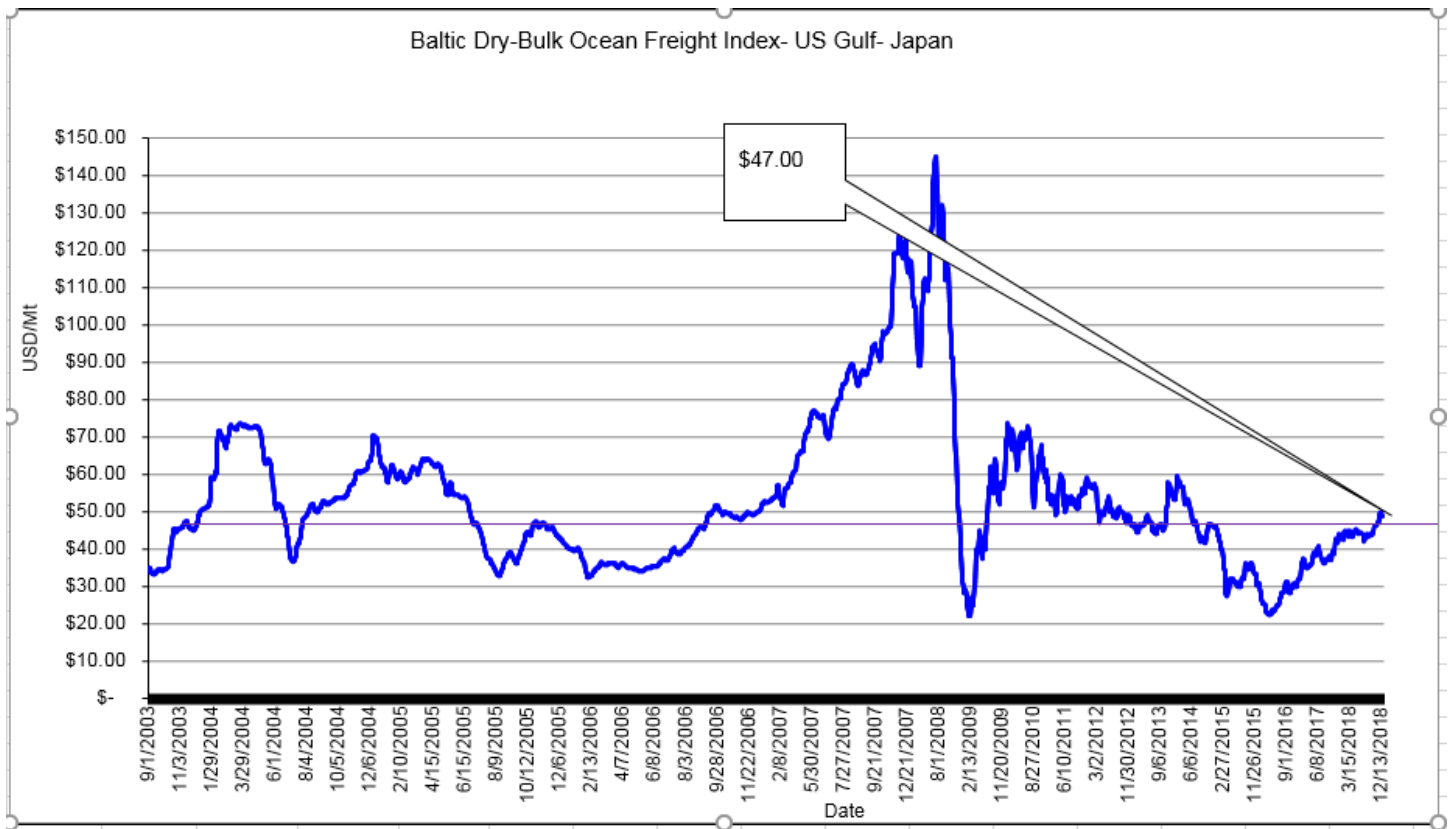
- **The above rate estimates reflect the 30-45-day forward ocean freight markets.**

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

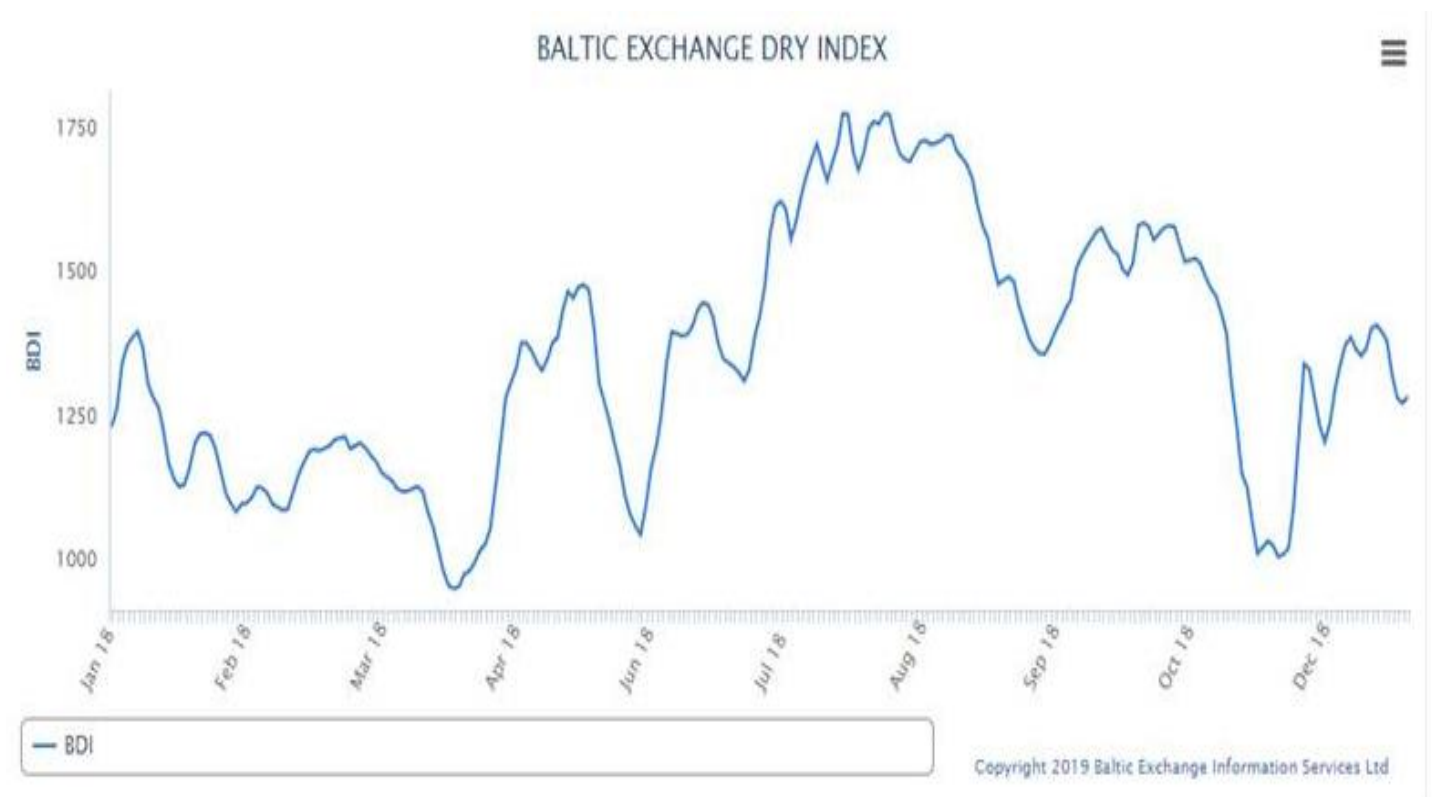
**US Gulf (NOLA) (via Panamá Canal) – 10,232 nautical miles (32 days)**

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

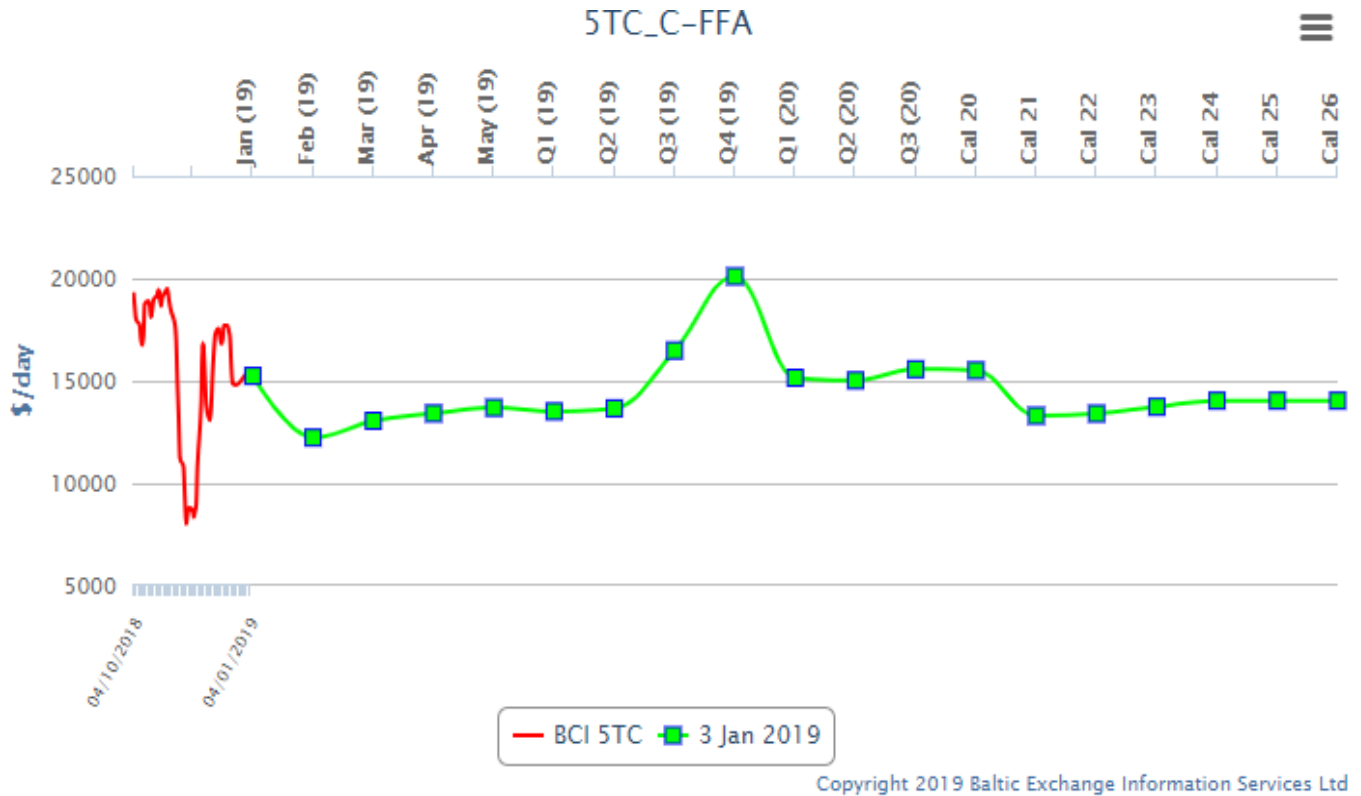
**Rasario Argentina (via Cape Horn) - 10,751 nautical miles (34 days)**



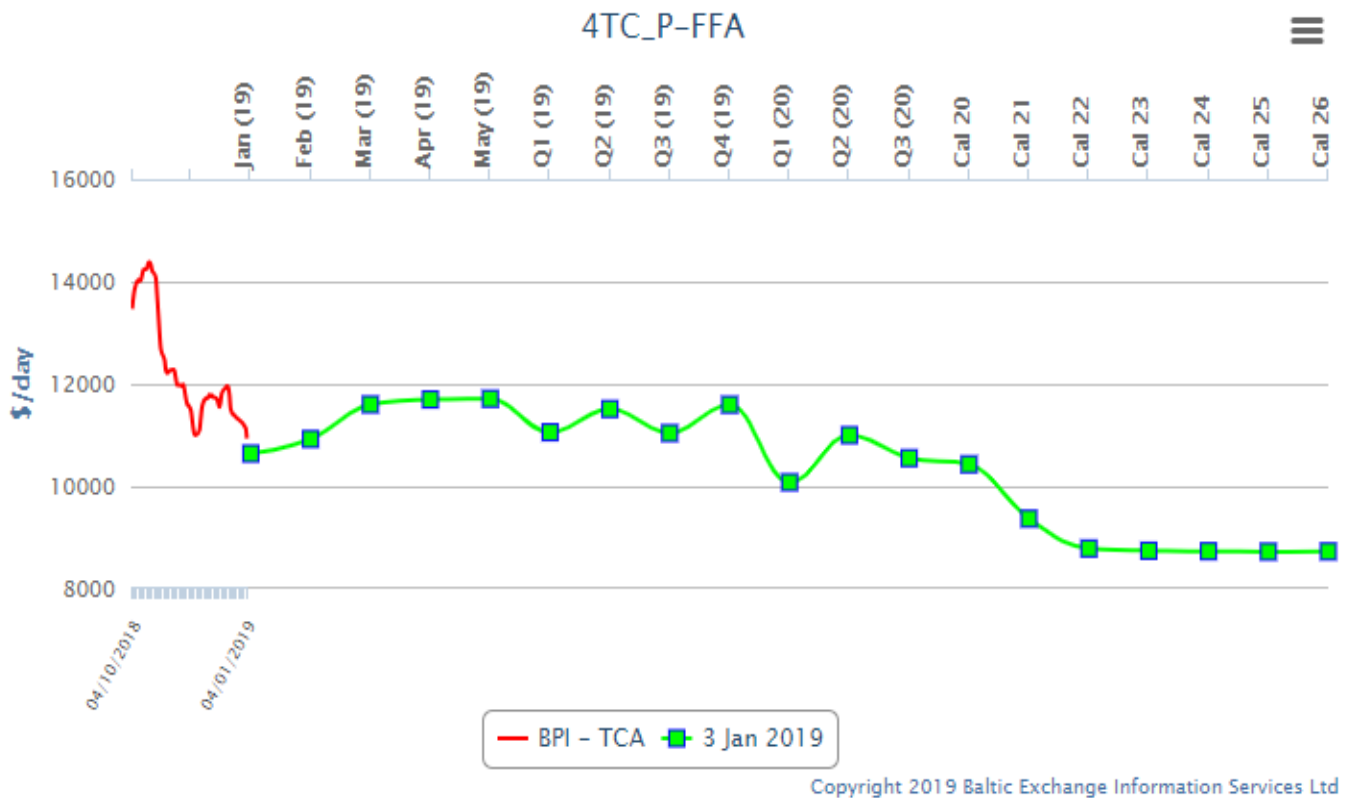
### Baltic Dry Index.



## Baltic Capesize Index



## Forward Curve for Baltic BPI Panamax Vessel Freight



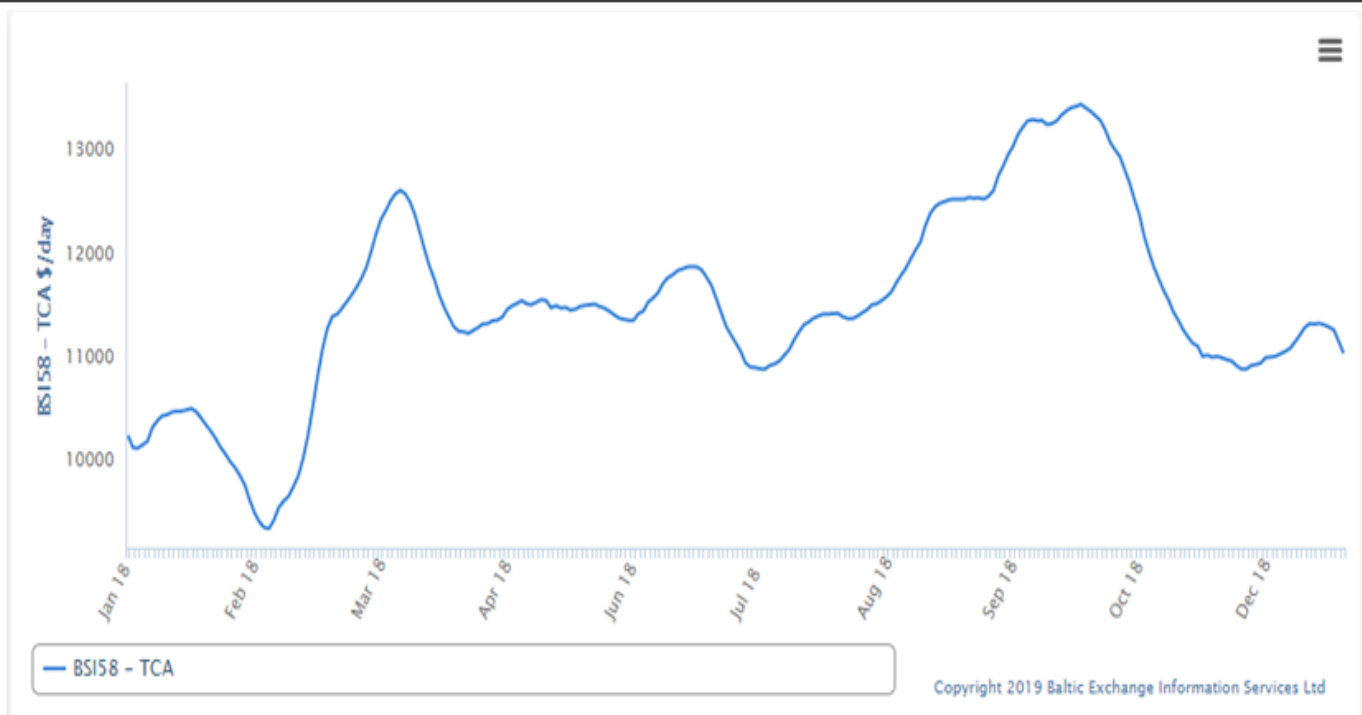
## Baltic Panamax Index

### Panamax

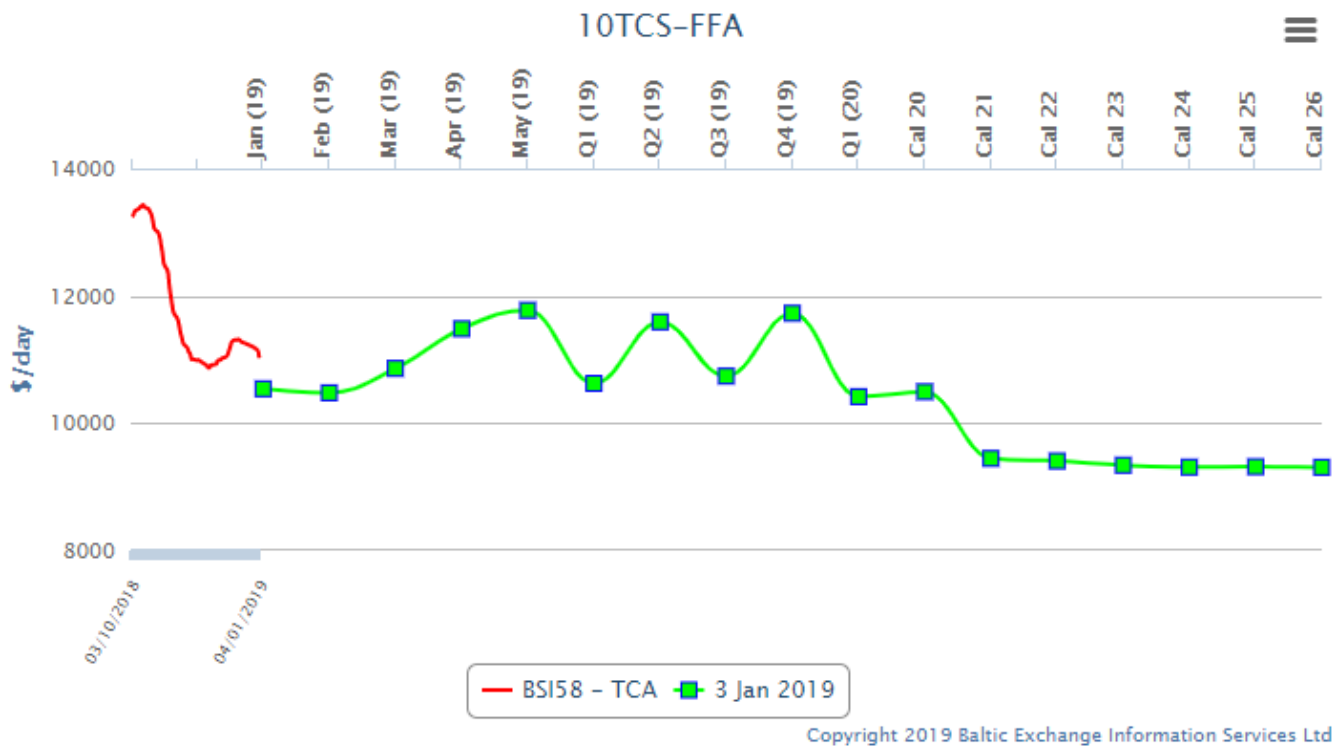


## Baltic Supramax Vessel Index

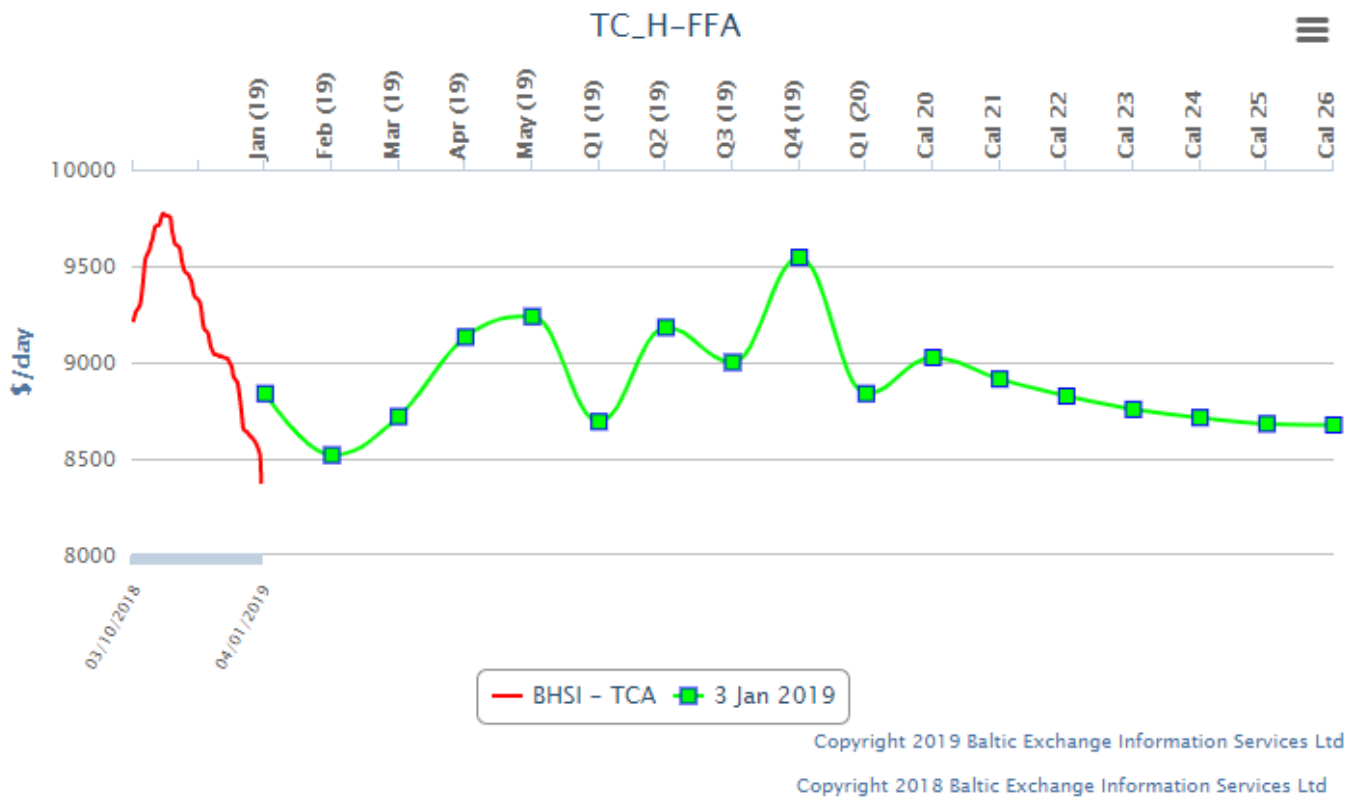
### Supramax



## Supramax Dry-Bulk Forward Curve



## Baltic Handy Size

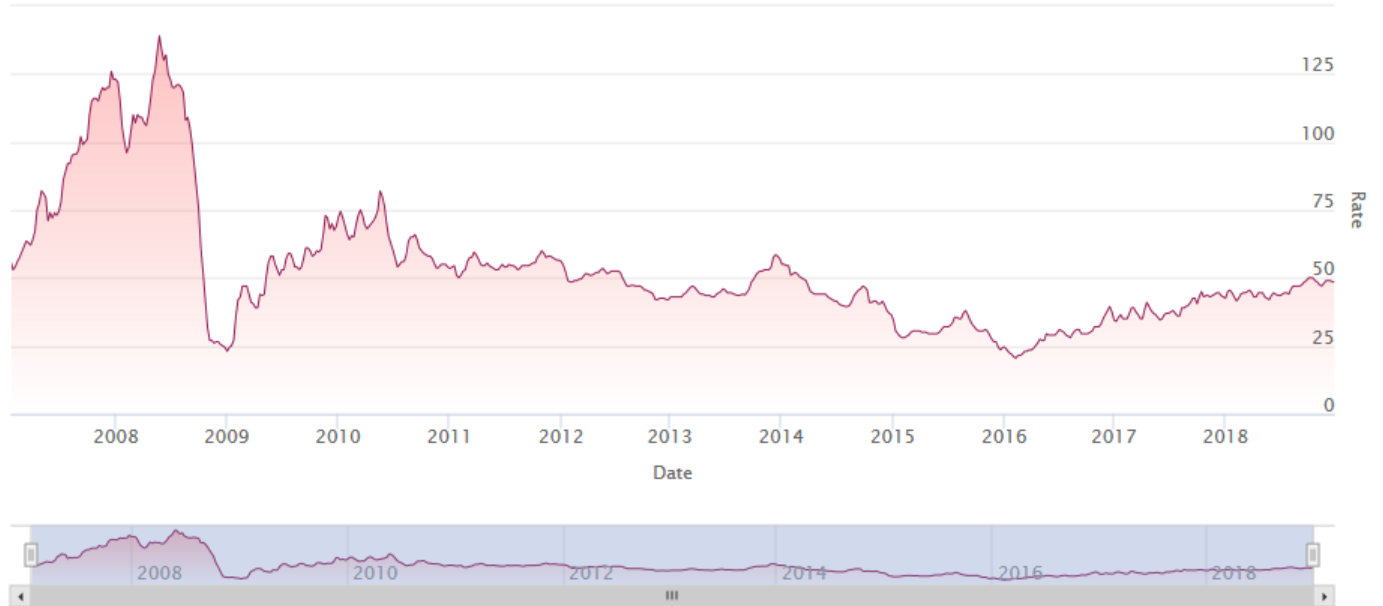


# YAMAMIZU Index



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

From 2007-01-29 To 2018-12-26



China Import Dry Bulk Freight Index(CDFI)					
2019-01-03					
Route	Size MT	Cargo/Vessel Size	Unit	Rate	Change
Composite Index			Point	846.48	-3.25
Iron ore Freight Index			Point	795.88	-2.60
Soybean Freight Index			Point	980.72	-5.67
Santos(Brazil)—North China	60000/10%	Soybean	\$/ton	31.932	-0.228
Tacoma(West America)—North China	60000/10%	Soybean	\$/ton	24.505	-0.032
Mississippi(US Gulf)—North China	66000/10%	Soybean	\$/ton	45.968	-0.326
Mississippi(US Gulf)—North China	55000/10%	Soybean	\$/ton	47.095	-0.115

**3 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>	0.56	<b>\$171.55</b>	1.07	<b>\$191.62</b>
<b>Mar.</b>	0.60	<b>\$173.12</b>	1.11	<b>\$193.20</b>
<b>Apr.</b>	0.53	<b>\$173.42</b>	1.10	<b>\$195.86</b>
<b>May</b>	0.55	<b>\$174.20</b>	1.14	<b>\$197.43</b>
<b>June</b>	0.52	<b>\$175.88</b>	1.07	<b>\$197.53</b>
<b>July</b>	0.53	<b>\$176.27</b>	1.10	<b>\$198.71</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>	1.00	<b>\$188.87</b>	0.90	<b>\$184.93</b>
<b>Mar.</b>	1.00	<b>\$188.87</b>	0.90	<b>\$184.93</b>
<b>Apr.</b>	1.00	<b>\$191.92</b>	0.90	<b>\$187.98</b>
<b>May</b>	1.00	<b>\$191.92</b>	0.90	<b>\$187.98</b>
<b>June</b>	1.00	<b>\$194.77</b>	0.88	<b>\$190.05</b>

Fob vessel Texas Gulf #2 Sorghum is about 108 % the value of #2 Yellow Corn at NOLA.  
In S.W. Kansas it is bid at 85 percent the value of corn.

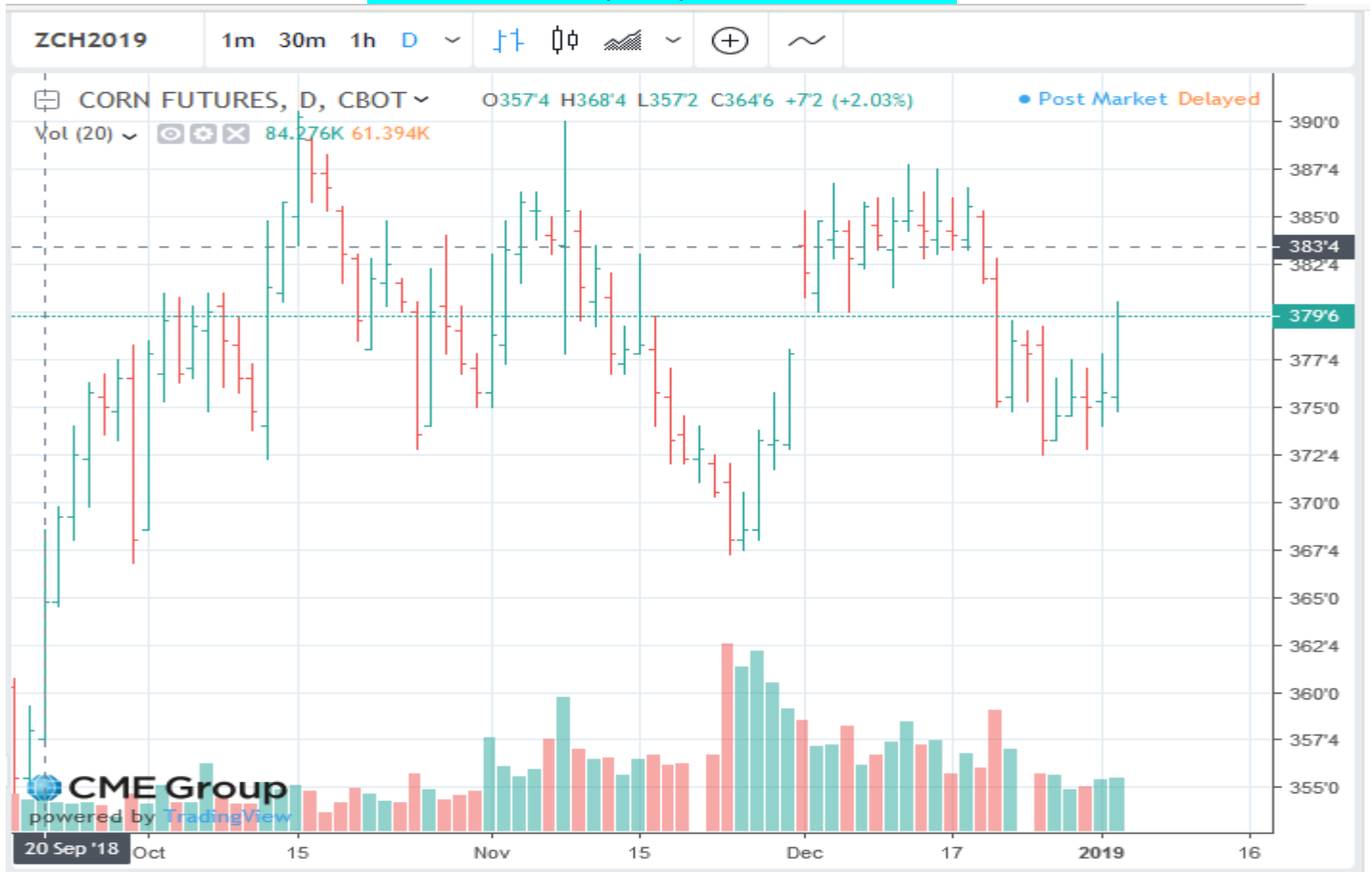
**U.S. SRW Wheat Fob Vessel at the Center U.S. Gulf**

SRW Wheat	USD/MT	Fob Vessel	US Gulf	
	Feb.	Mar.	Apr.	May
FOB U.S. GULF	\$227.35	\$227.35	\$228.18	\$228.54
Basis	1.05	1.05	1.01	1.02
WH	5.1375			
WK	5.2000			
WN	5.2700			

<b>CME Futures Market Close</b>						
CORN	Futures	Thursday	Thursday	Last week	Last Week	Difference
Month	Symbol	Close	Close	Bushel	MT.	Bushel
Mar.	CH	\$3.7975	\$149.50	\$ 3.7525	\$147.73	\$0.0450
May	CK	\$3.8750	\$152.55	\$ 3.8300	\$150.78	\$0.0450
July	CN	\$3.9475	\$155.40	\$ 3.9025	\$153.63	\$0.0450
Sept.	CU	\$3.9700	\$156.29	\$ 3.9225	\$154.42	\$0.0475
Dec.	CZ	\$4.0100	\$157.87	\$ 3.9675	\$156.19	\$0.0425



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



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



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

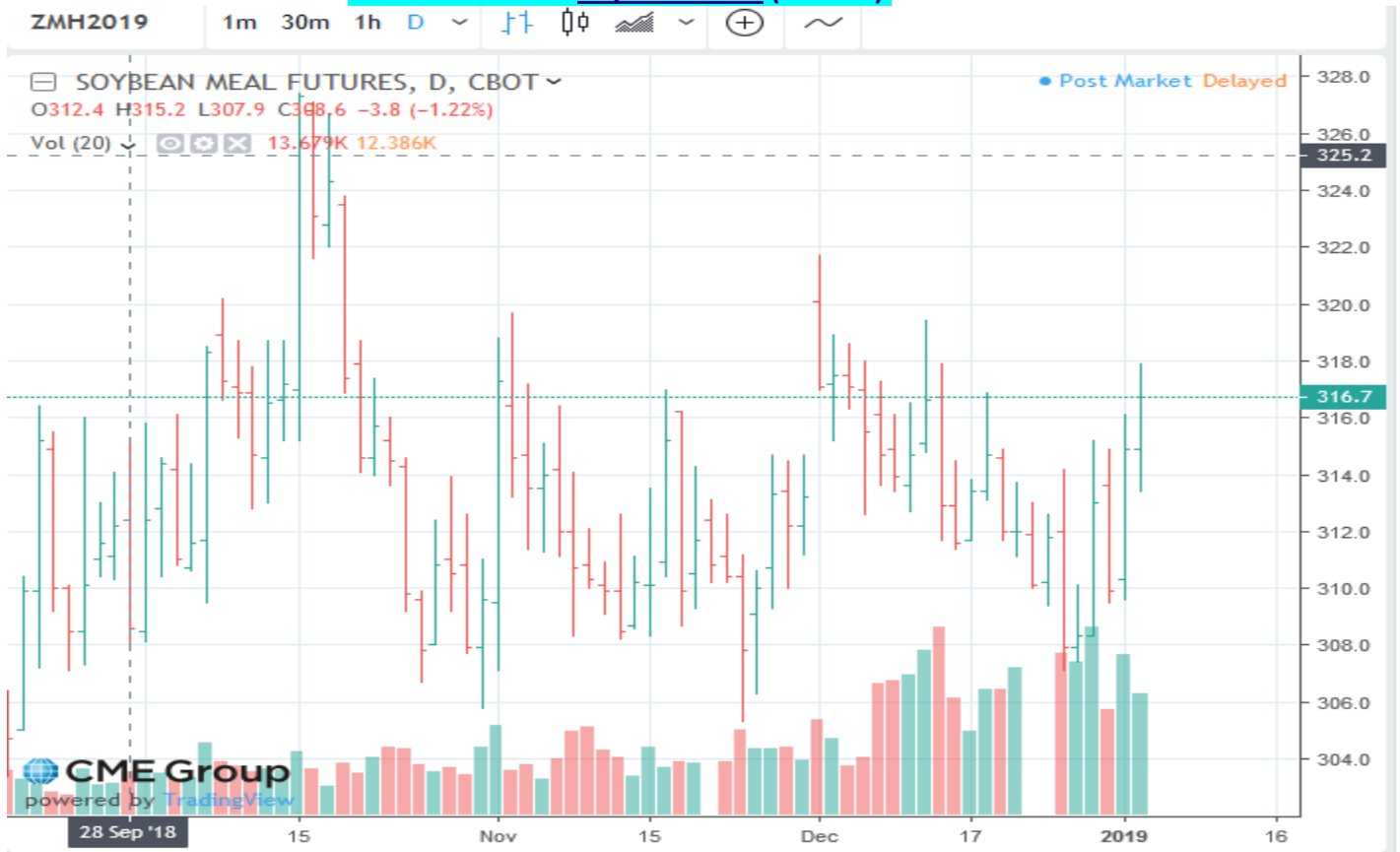
<b>U.S. Yellow Soybeans (USD/MT) FOB Vessel</b>				
# 2 YSB	<b>U.S. Gulf #2 YSB</b>		<b>PNW #2 YSB</b>	
14.0 % Moisture	Basis	Flat Price	Basis	Flat Price
<b>Feb.</b>	0.30	<b>\$346.40</b>	0.80	<b>\$364.77</b>
<b>Mar.</b>	0.31	<b>\$346.77</b>	0.81	<b>\$365.14</b>
<b>Apr.</b>	0.30	<b>\$351.08</b>	0.75	<b>\$367.62</b>
<b>May</b>	0.35	<b>\$352.92</b>	0.75	<b>\$367.62</b>
<b>June</b>	0.30	<b>\$355.40</b>	0.70	<b>\$370.10</b>
<b>Soybean Futures</b>				
<b>Jan.</b>	\$ 9.0025			
<b>Mar.</b>	\$ 9.1275			
<b>May</b>	\$ 9.2550			
<b>July</b>	\$ 9.3725			
<b>Aug.</b>	\$ 9.4175			
<b>Sept.</b>	\$ 9.4300			

<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>	2.00	<b>\$ 351.37</b>
<b>Mar.</b>	2.00	<b>\$ 351.37</b>
<b>Apr.</b>	2.00	<b>\$ 355.01</b>
<b>May</b>	2.00	<b>\$ 355.01</b>
<b>June</b>	1.00	<b>\$ 357.54</b>
<b>SBM Futures</b>		
<b>SMF</b>	312.70	
<b>SMH</b>	316.70	
<b>SMK</b>	320.00	
<b>SMN</b>	323.30	
<b>SMQ</b>	324.70	
<b>SMU</b>	325.50	

### 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**

<b>Commodity</b>	<b>New Sales (000 MT)</b>	<b>YTD Export Commitments **(000 MT)</b>	<b>Total Projected Export Program for Year (000 MT)</b>	<b>Percent of Export Projection</b>	<b>Total Sales for Next Marketing Year '17- 18 (000 MT)</b>
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 31 December 2018 for the Export week ending 27 December 2018

	<b>Export Inspections</b>		<b>Current Market Year YTD</b>	<b>Previous Year to Date</b>	<b>2018/19 YTD as Percent of 2017/18 YTD</b>
	<b>This Week</b>	<b>Previous Week</b>			
Corn	913,797	996,769	17,904,084	10,588,361	169%
Sorghum	27,026	33,929	455,681	1,645,787	28%
Soybeans	677,679	665,544	16,514,016	28,394,170	58%
Wheat	376,281	577,950	12,671,336	14,551,836	87%
Barley	0	0	6,191	18,182	34%

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

**U.S. EXPORT INSPECTIONS:**

Monday's report 31 December 2018 for the Export week ending 27 December 2018

<b>Last Week</b>							
<b>(Metric Tons)</b>	<b>YC</b>	<b>%</b>	<b>WC</b>	<b>%</b>	<b>Sorghum</b>	<b>%</b>	<b>Soybeans</b> %
Lakes	0	0%	0	0%	0	0%	0 0%
Atlantic	0	0%	0	0%	0	0%	7,028 1%
Gulf	452,552	52%	39,243	100%	12,970	48%	612,483 90%
PNW	357,065	41%	0	0%	10,822	40%	0 0%
Interior Export Rail	64,937	7%	0	0%	3,234	12%	58,168 9%
Metric Tons	874,554		39,243		27,026		677,679

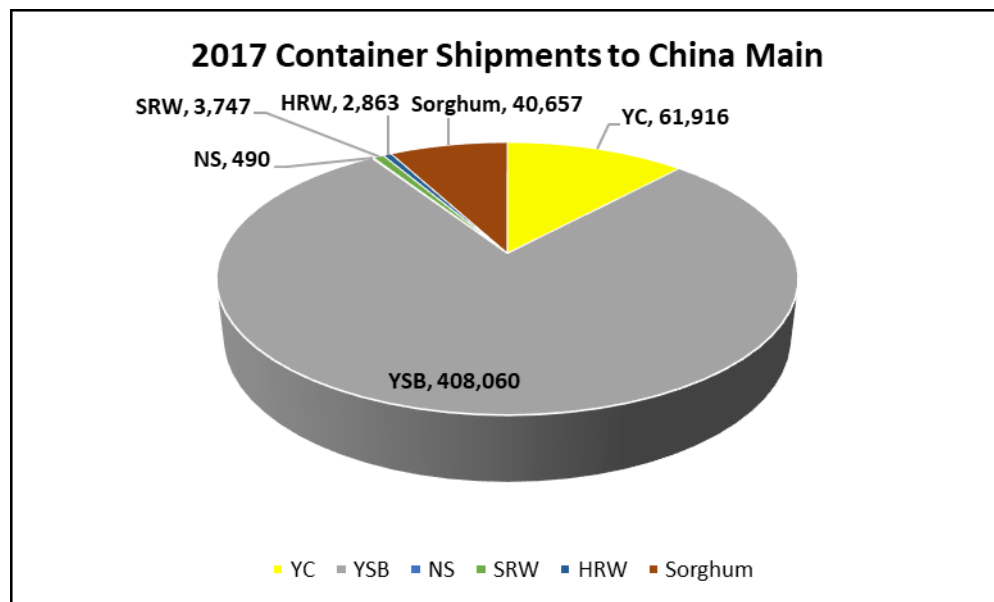
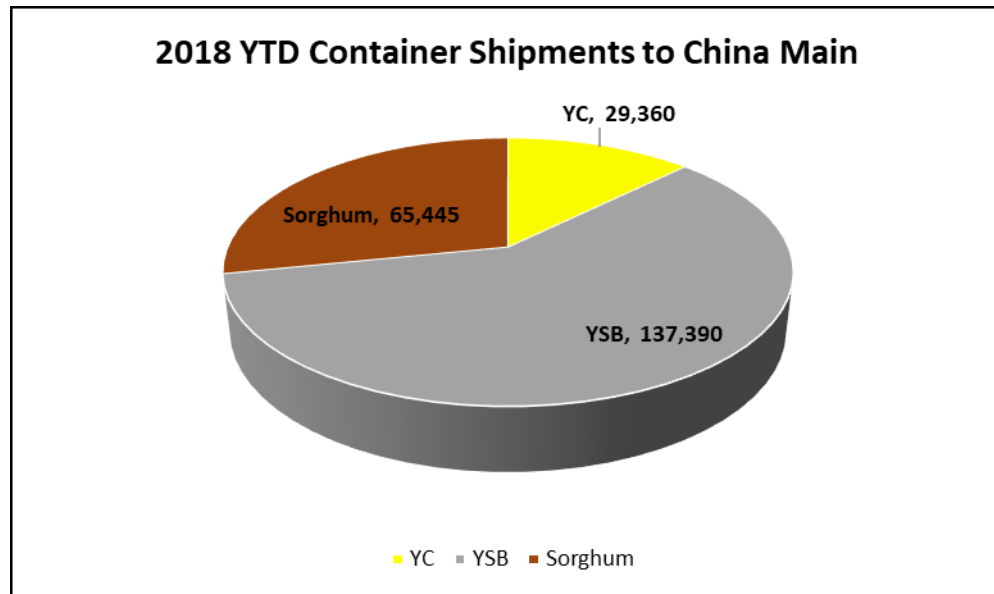
Sorghum Shipments:	metric tons		White Corn	metric tons	
	12,970	Kenya	Shipments:	8,800	Colombia
	10,822	Japan		30,443	Mexico
	3,234	Mexico		39,243	Total
	27,026	Total			

## 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:		27-Dec-2018							
Last Week	metric tons								MT
	YC	WC	YSB	SRW	NS	SWH	HRW	Sorghum	TOTAL
China Main									0
China T	9,891		7,592						17,483
Hong Kong	709								709
Costa Rica									0
Indonesia			21,594						21,594
India			367						367
Japan			587						587
Korea Republic	98		2,033						2,131
Nepal			1,028						1,028
Malaysia	857		3,846						4,703
Burma			1,101						1,101
Philippines			930						930
Thailand			8,080						8,080
Haiti									0
Bangladesh									0
Vietnam			5,972						5,972
Sub total	11,555	0	53,130	0	0	0	0	0	58,713
USDA Corrections/Additions to previous reports:									
China T			980						980
China Main									0
Hong Kong									0
Korea Rep.	489								489
Costa Rica									0
Japan									0
Philippines									0
Indonesia									0
Malaysia			2,205						2,205
Thailand									0
Vietnam									0
Canada						72			72
Bangladesh									0
Sub total	489	0	3,185	0	0	72	0	0	3,746
<b>Mt. Grand Total</b>	<b>12,044</b>	<b>0</b>	<b>56,315</b>	<b>0</b>	<b>0</b>	<b>72</b>	<b>0</b>	<b>0</b>	<b>62,459</b>
Number of containers	524	0	2,448	0	0	3	0	0	

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



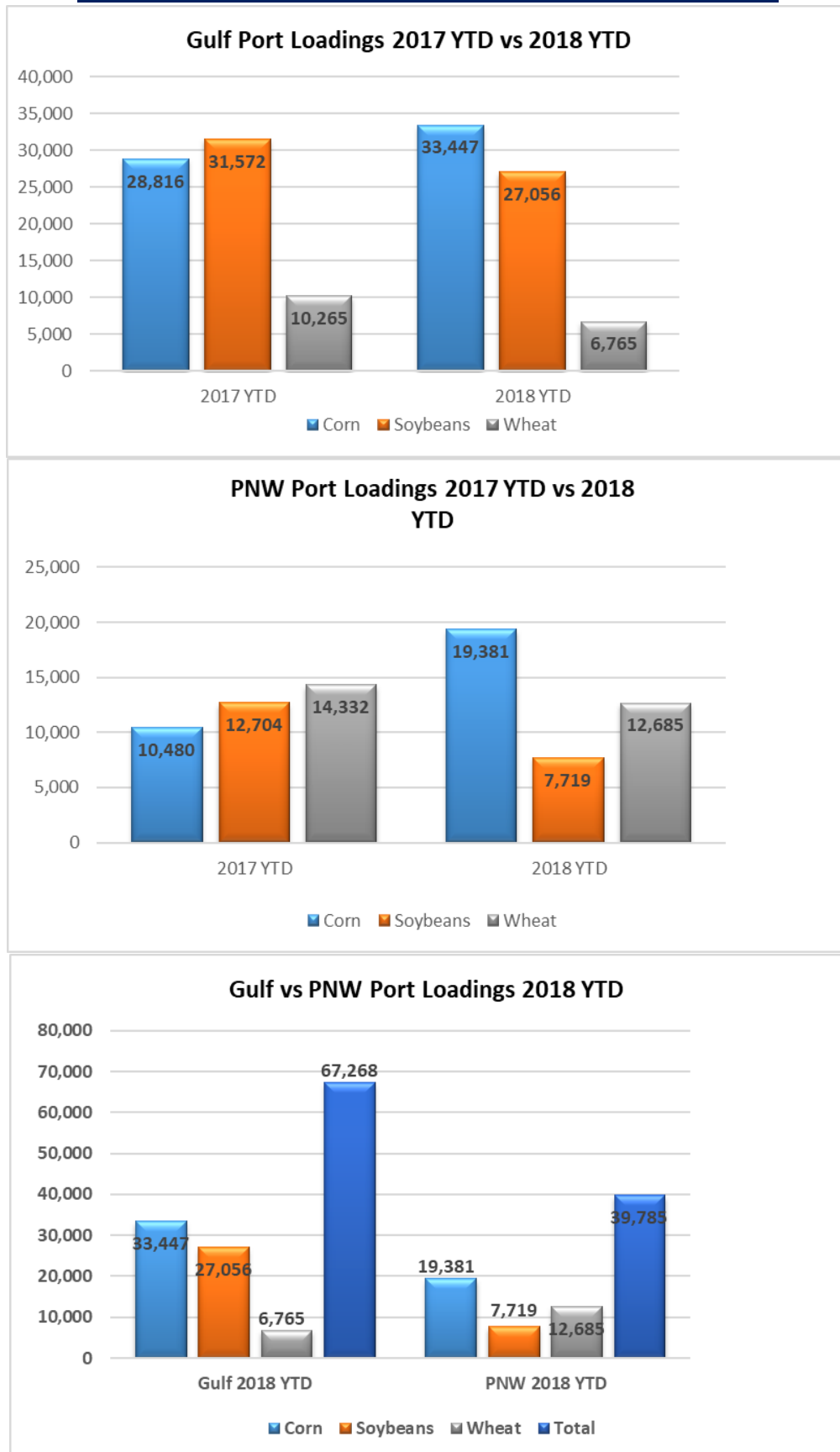
Grain Inspections for Export by U.S. Port Regions:  
U.S. Gulf and Pacific Northwest 2017 YTD vs. 2018 YTD

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

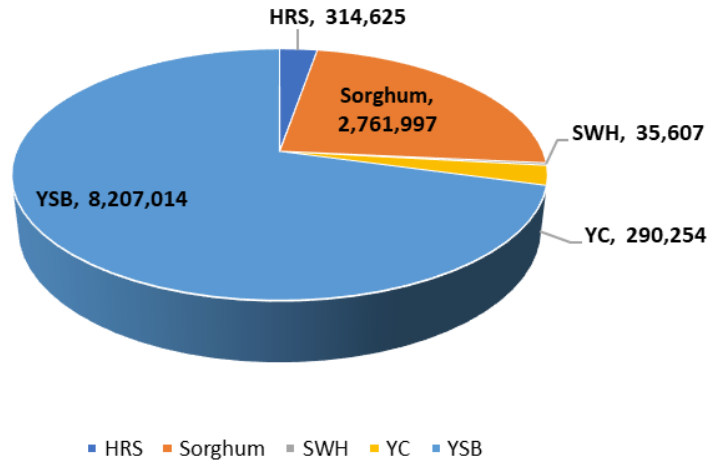


Source: USDA-data

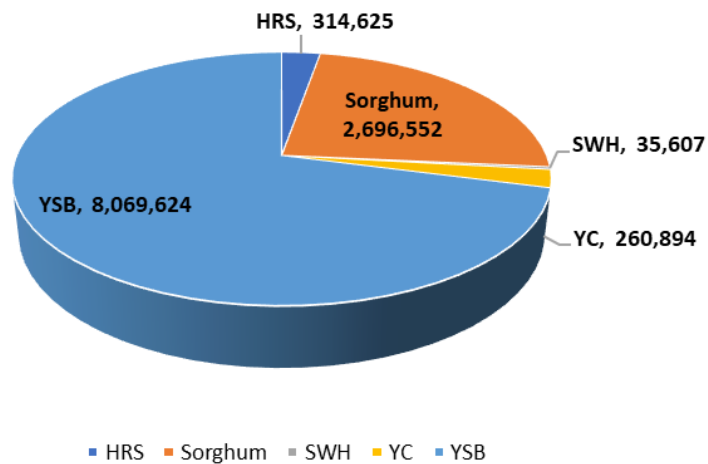


2018 YTD Total Grain Exports reported by USDA (in MT)

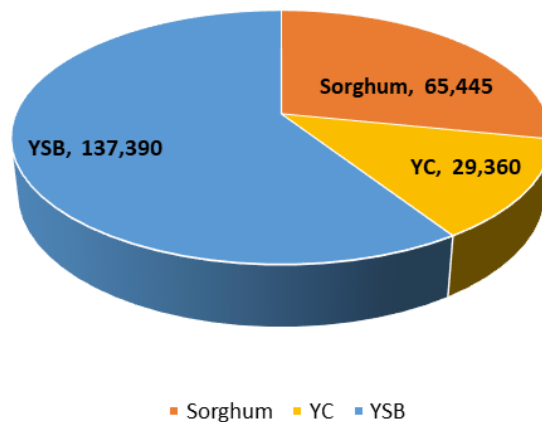
**2018 YTD Exports to China Main**



**YTD Exports to China Main by Vessel**



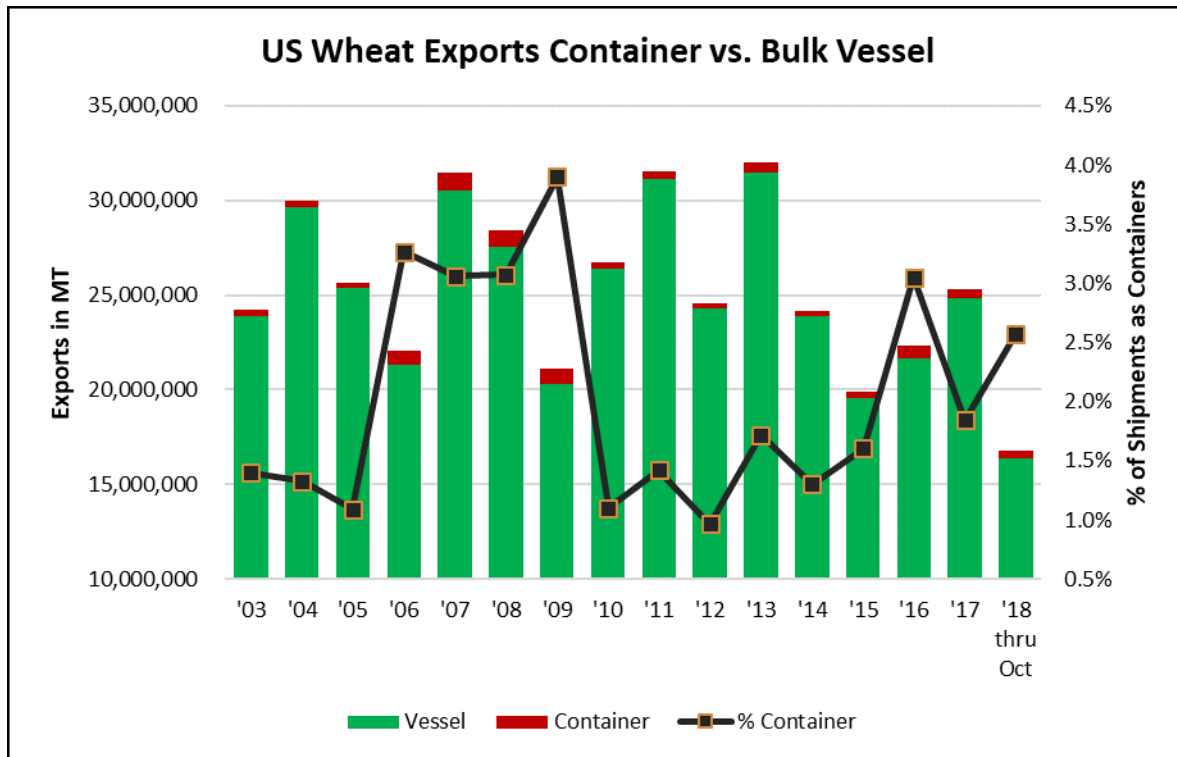
**YTD Exports to China Main by Container**



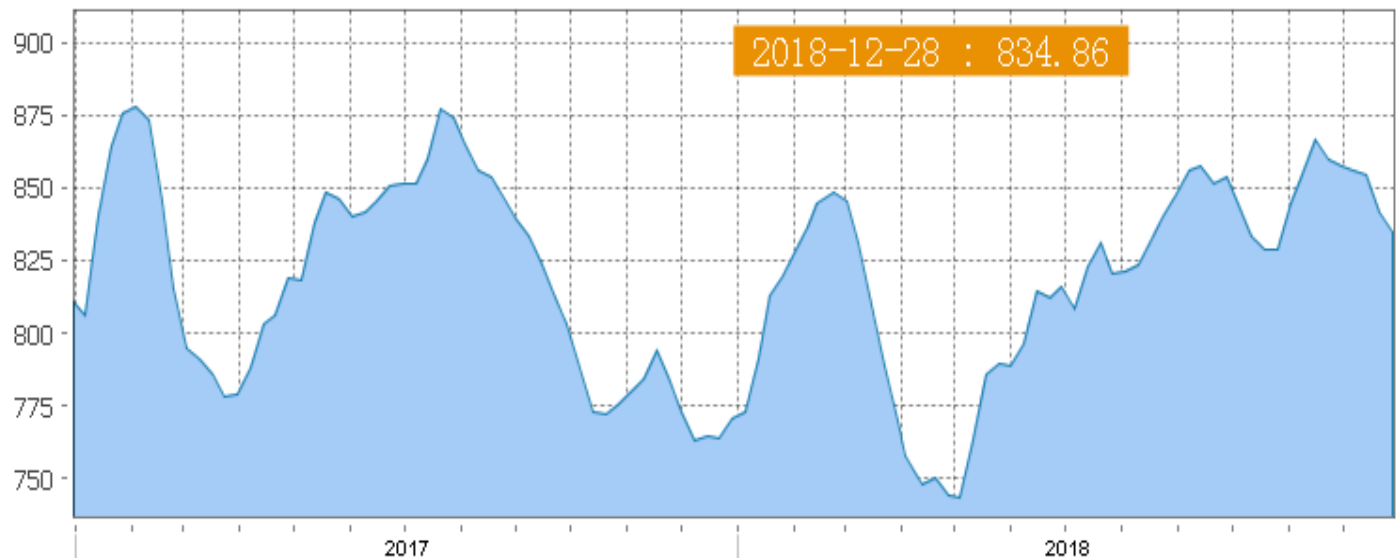
\*Please keep in mind that USDA does not report DDGS sales, or they would show as the largest exports by container.

Source: USDA

## Shipping News



## China Containerized Freight Index



# CustomerInfo

Price Announcement – Far East Westbound  
East Asia (excl. Japan) to North Europe and Mediterranean

January 2, 2019

Dear Customer,

Due to strong market demand, Hapag-Lloyd announces an increase in Ocean Tariff rates for all non-hazardous cargoes for 20' and 40' General Purpose (incl. High Cube Containers) on the westbound trade from East Asia to North Europe and Mediterranean.

Valid for sailings commencing on **January 16, 2019** onwards and until further notice, Hapag-Lloyd's **Ocean Tariff rates from East Asia (excluding Japan)** will be as follows:

**North Europe and West Mediterranean:**

- USD 1150 per 20' Container
- USD 2200 per 40' Container
- USD 2250 per 40' High Cube Container

**Adriatic:**

- USD 1375 per 20' Container
- USD 2550 per 40' Container
- USD 2600 per 40' High Cube Container

**East Mediterranean, Black Sea, Turkey & Egypt (Sokhna only):**

- USD 1500 per 20' Container
- USD 2300 per 40' Container
- USD 2350 per 40' High Cube Container

**North Africa:**

- USD 1750 per 20' Container
- USD 3400 per 40' Container
- USD 3450 per 40' High Cube Container

In other Transportation News – Cathay Pacific Airlines –

**Airline to honor  
\$16,000 first-class  
fares it accidentally  
sold for \$675: 'We  
made a mistake'**

Reuters Top News @Reuters · 29m

Cargill net drops 20 percent, revenues fall as trade fight bites [reut.rs/2TljQFS](https://reut.rs/2TljQFS)



### U.S. RIVER BARGE FREIGHT

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

Placement FH February 2019	% of Tariff	MT	Corn BU	Soybeans-Wheat BU
Upper Mississippi	Closed	\$ -	0.00	0.00
Illinois River (Pekin and South)	385	\$20.41	0.52	0.56
Mid-Mississippi	Closed	\$ -	0.00	0.00
Lower Ohio	315	\$15.49	0.39	0.42
St. Louis	270	\$11.88	0.30	0.32

**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	\$ 200.00	\$ 0.03	\$ 0.05	\$ 0.98	\$ 1.97
UPRR Shuttle Trains	\$ (500.00)	\$ (150.00)	\$ (0.13)	\$ (0.04)	\$ (4.92)	\$ (1.48)

Best Regards,

Jay

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