



Transportation and Export Report for 29 January 2020

Ocean Freight Insights and Comments:

This week's message is much like a policeman on the street telling people to move on, "there is nothing to see here." The Lunar holiday is upon us, and markets are very thin and quiet. In fact, due to the coronavirus, the Chinese government has extended the holiday for an additional three days (to Feb.7) so that people will not rush to travel from home back to work. The Baltic Dry-Bulk index has now retreated back to the low of last year; thereby erasing all gains of 2019.

Ocean freight markets are facing the fact that the global economy is flat and possibly facing its first annual drop in a decade. The year of the rate looks like it will be particularly challenging.

BALTIC DRY-BULK PANAMAX INDEX CHANGES

Panamax Ocean Freight Indices				
29-Jan-2020	This Week	Last Week	Difference	Percent Change
P2A : Gulf/Atlantic - Japan	11997	12406	-409	-3.3%
P3A - PNW/Pacific - Japan	2867	3556	-689	-19.4%
S1C -USGULF-China-So.Japan	18653	18908	-255	-1.3%
P7- Trial- Miss. River - Qingdao	41557	42936	-1,379	-3.2%
P8- Trial- Santos - Qingdao	30414	32543	-2,129	-6.5%

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

Four weeks ago:	\$9.35-\$10.65
Three weeks ago:	\$7.10-\$8.45
Two weeks ago:	\$7.20 -\$7.40
One week ago:	\$7.10-\$7.30
This week	\$7.00-\$7.20

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

Mississippi River:	(10 elevators)	4-9 days (2 facilities not currently operating)
Miss. River Mid-Stream loaders:	(6+ Rigs)	0-2 days
Texas Gulf	(5 elevators)	0-6 days (only 2 facilities have lineups)
Pacific Northwest:	(9 elevators)	2-13 days (only 2 facilities over 5 days)

Panamax Market Spreads to Asia -China					
29-Jan-2020	PNW	GULF	Bushel Spread	MT Spread	Advantage
CORN	1.15	0.68	0.47	\$18.50	PNW
SOYBEANS	0.95	0.65	0.30	\$11.81	PNW
OCEAN FREIGHT	\$23.50	\$43.50	.51-.54	\$20.00	February

Recent Reported Vessel Fixtures:

Soybean Panamax USG to Spain is running \$19.00/mt.

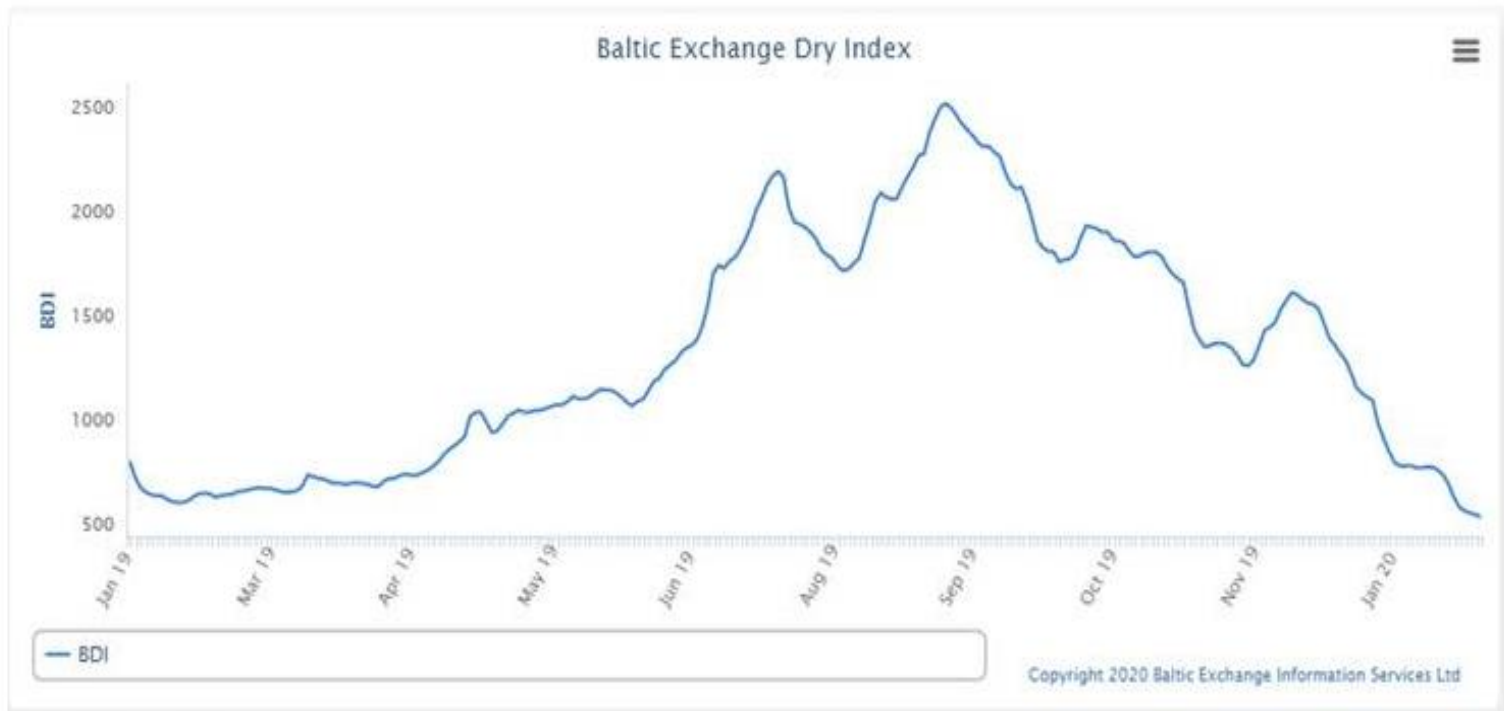
Soybean Brazil to Spain at about \$22.00/mt.

30,000 mt Corn Northern Brazil to Vera Cruz, Mexico \$18.25-\$18.75/mt .To U.S. E/C about \$20.50-21.25/mt

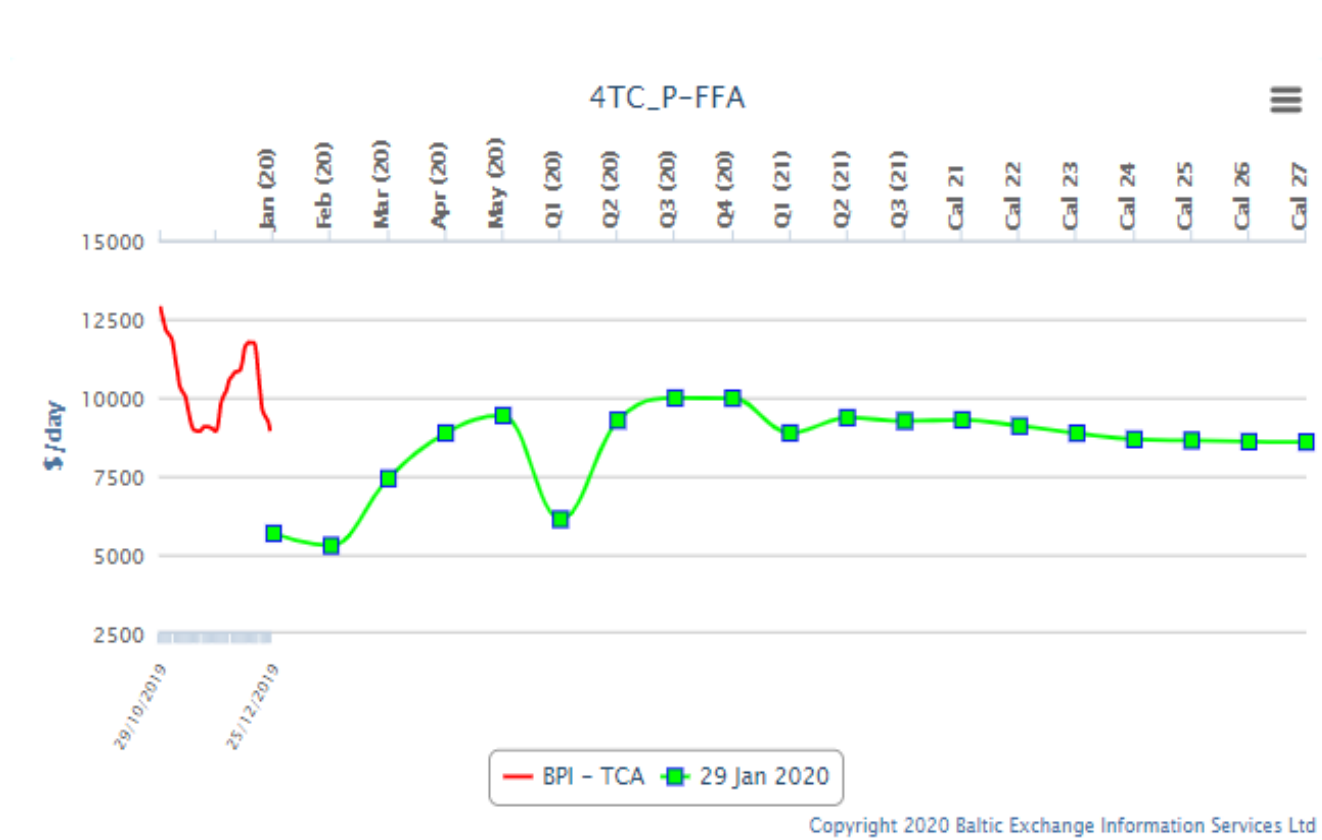
Route and Vessel Size	Current Week USD/MT	Change from previous week	Remarks
55,000 U.S. Gulf-Japan	\$45.00	Down \$0.50	Handymax \$46.00 mt
55,000 U.S. PNW- Japan	\$24.25	Down \$0.50	Handymax \$25.00 mt
66,000 U.S. Gulf – China PNW to China	\$43.50 \$23.50	Down \$0.50 Down \$0.50	North China
25,000 U.S. Gulf- Veracruz, México	\$17.00	Down \$0.25	3,000 MT daily discharge rate
30-36,000+ U.S. Gulf- Veracruz, México	\$14.25	Down \$0.25	Deep draft and 6,000 MT per day discharge rate.
30-38,000 U.S. Gulf- <u>East Coast Colombia</u> From Argentina	\$19.50 \$33.25	Sown \$0.25	<u>West Coast Colombia at \$28.75</u> USG to E/C 50,000 mt at \$15.75
43-45,000 U.S. Gulf - Guatemala	\$28.50	Down \$0.25	Acajutla/Quetzal - 8,000 out
26-30,000 U.S. Gulf – Algeria	\$34.00 \$34.50	Down \$0.25	8,000 mt daily discharge 3,000 mt daily discharge
26-30,000 US Gulf-Morocco	\$34.50	Down \$0.25	5,000 discharge rate
55-60,000 U.S. Gulf –Egypt PNW to Egypt	\$26.75 \$27.00	Down \$0.50	60,000 -55,000 mt Romania- Russia- Ukraine \$12.75 -\$12.75 -\$12.50 (France \$17.00)
60-70,000 U.S. Gulf – Europe – Rotterdam	\$16.00	Down \$0.25	Handymax at +\$1.75 more
Brazil, Santos – China Brazil, Santos – China Northern Coast Brazil	\$33.75 \$32.50 \$36.00	Down \$0.50	54-59,000 Supramax-Panamax 60-66,000 Post Panamax Upriver No. Brazil Plus -55,000 mt Plus \$7.50/mt
56-60,000 Argentina/Rosario- China Deep Draft	\$36.25	Down \$0.50	Upriver with BB Top Off \$40.50

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

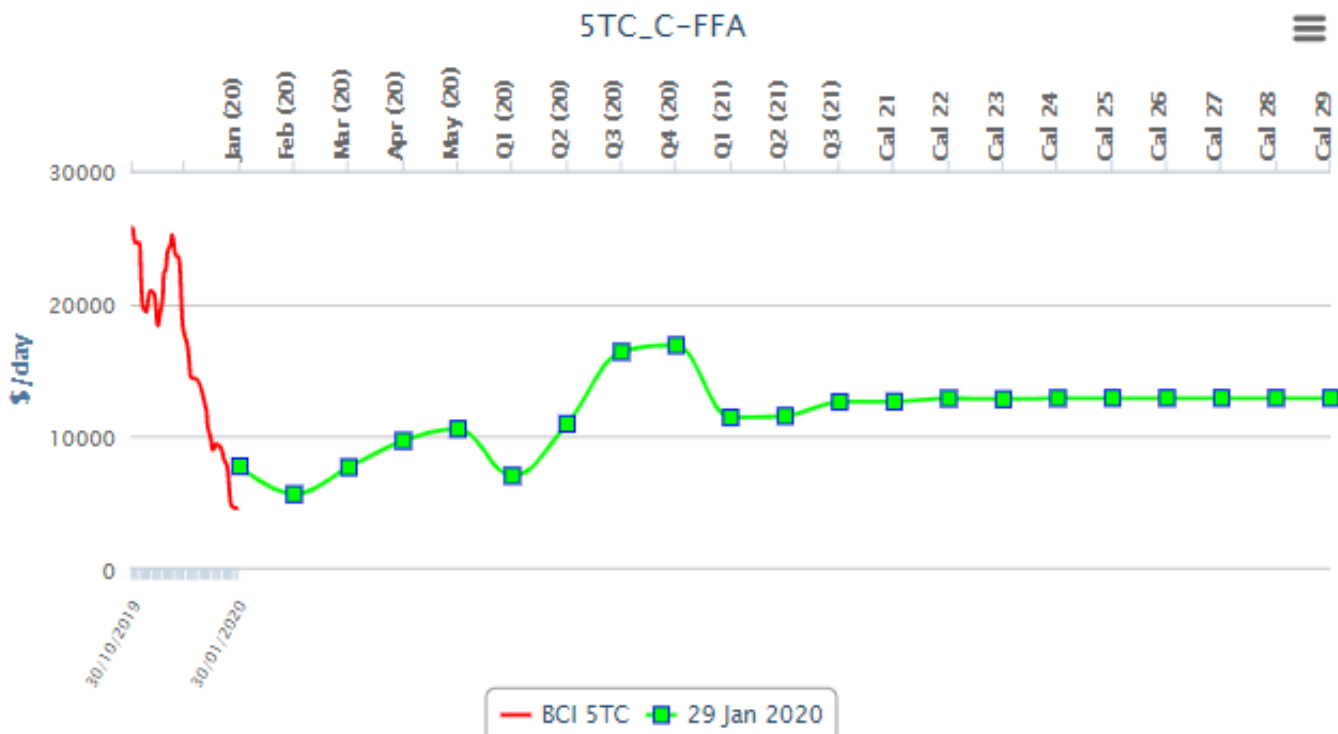
Baltic Dry Bulk Index.



Baltic Panamax Forward Curve Chart

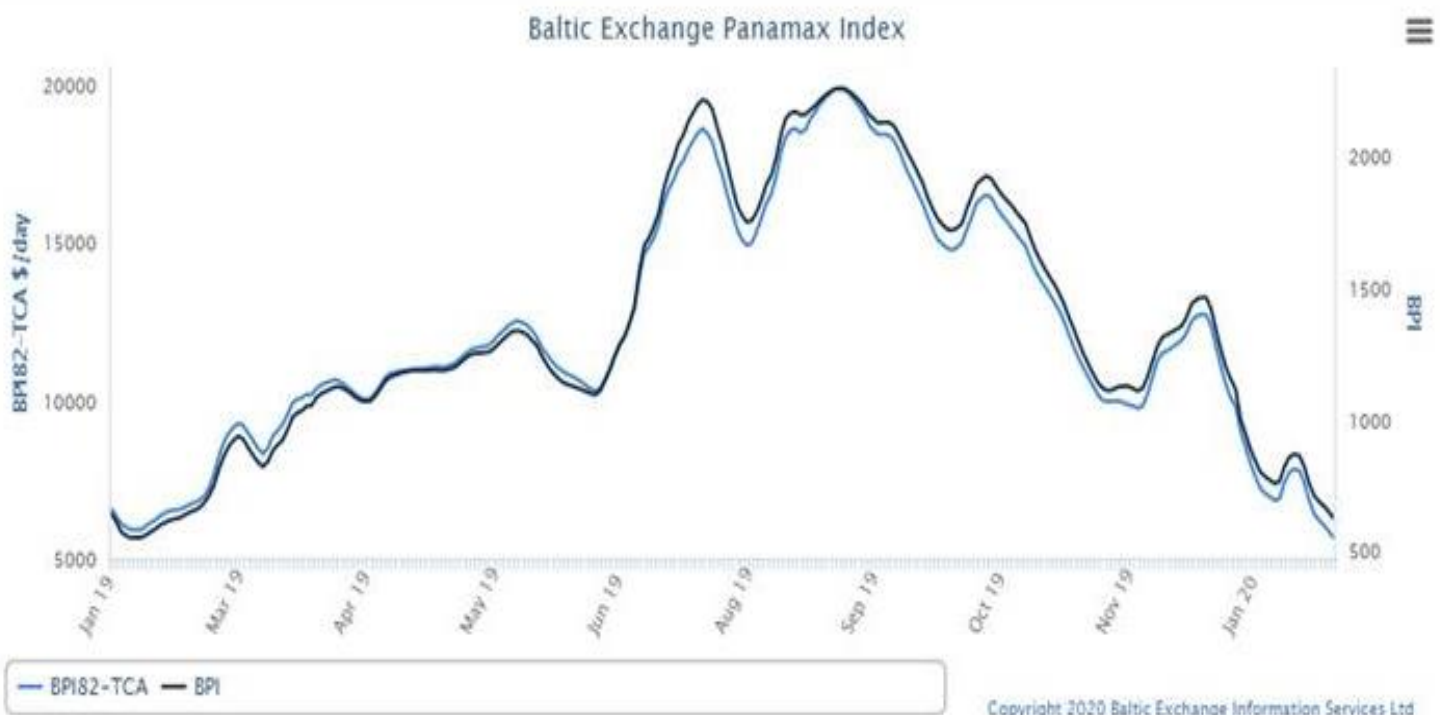


Baltic Capesize Forward Curve Chart



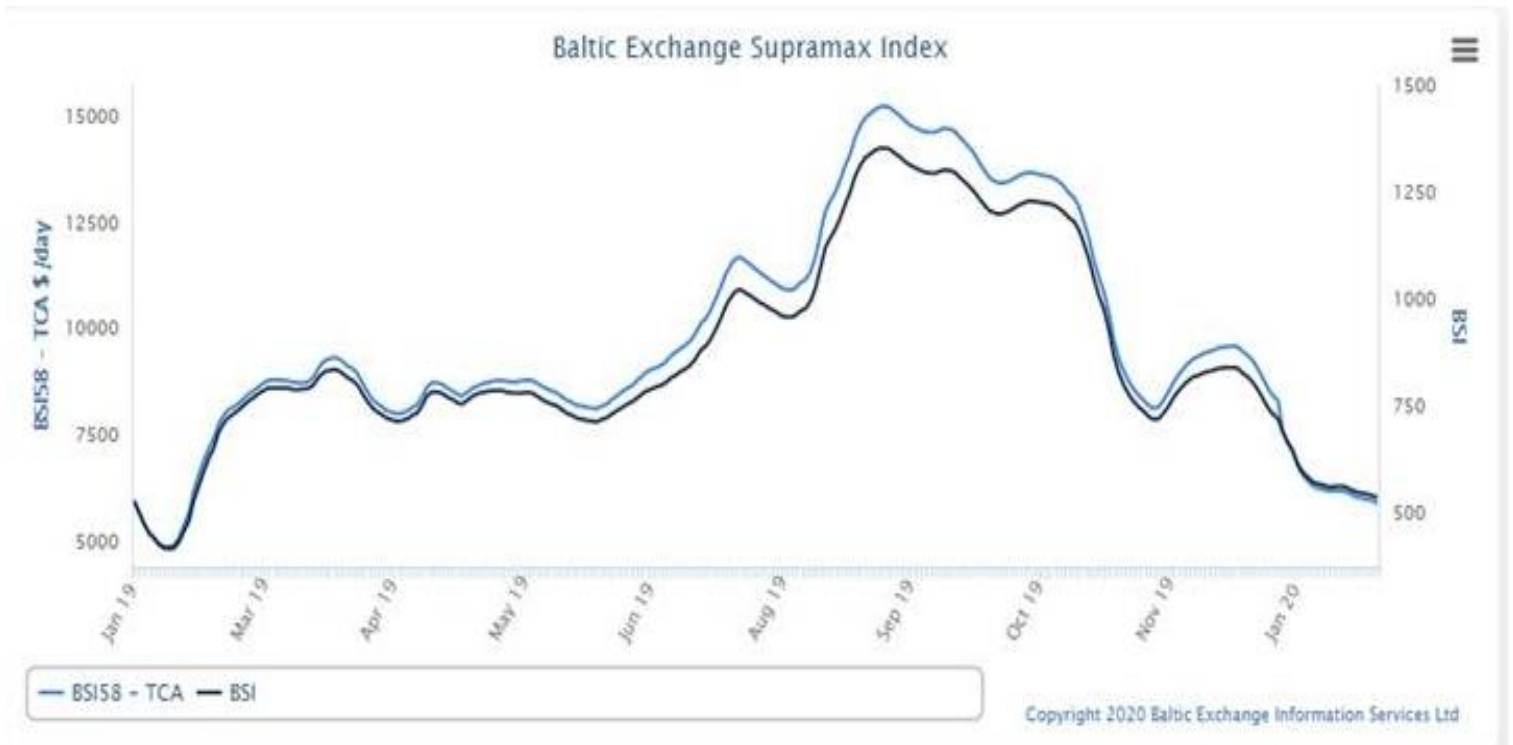
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Baltic Panamax Index

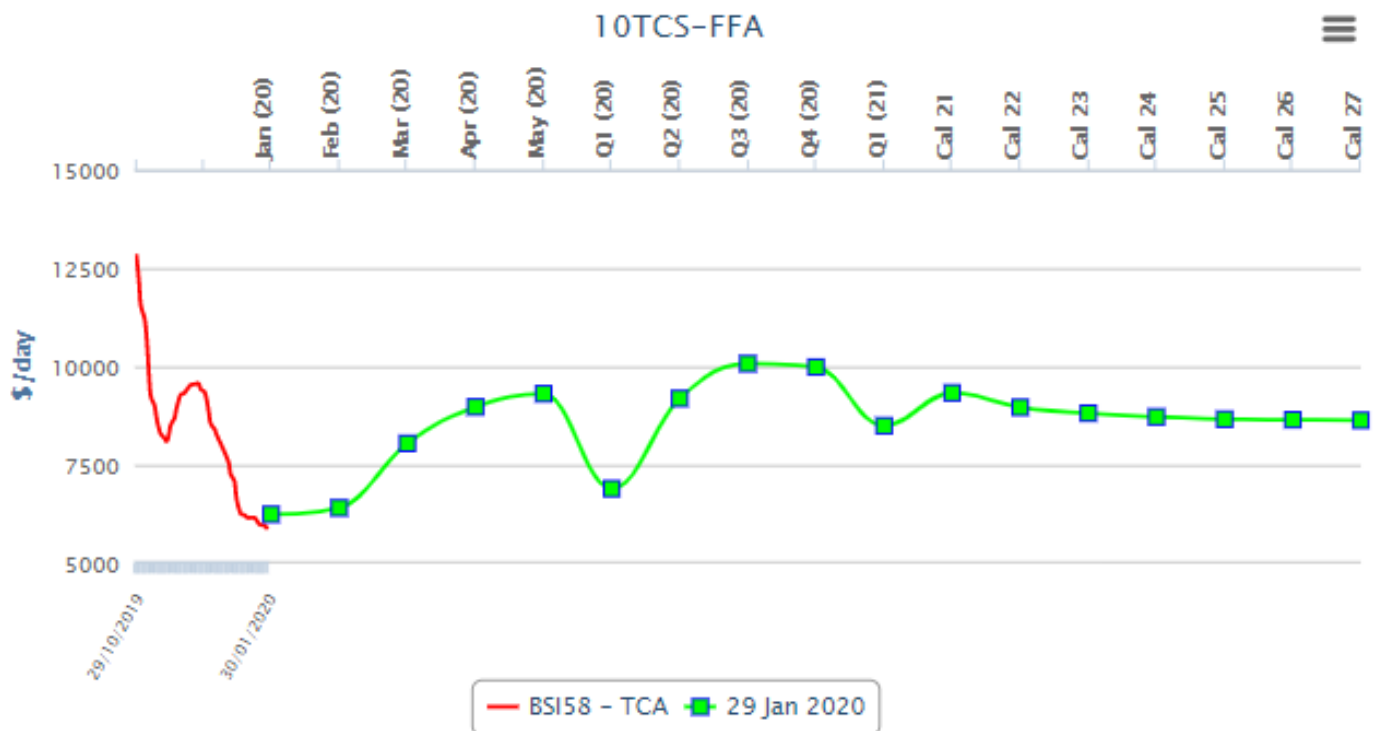


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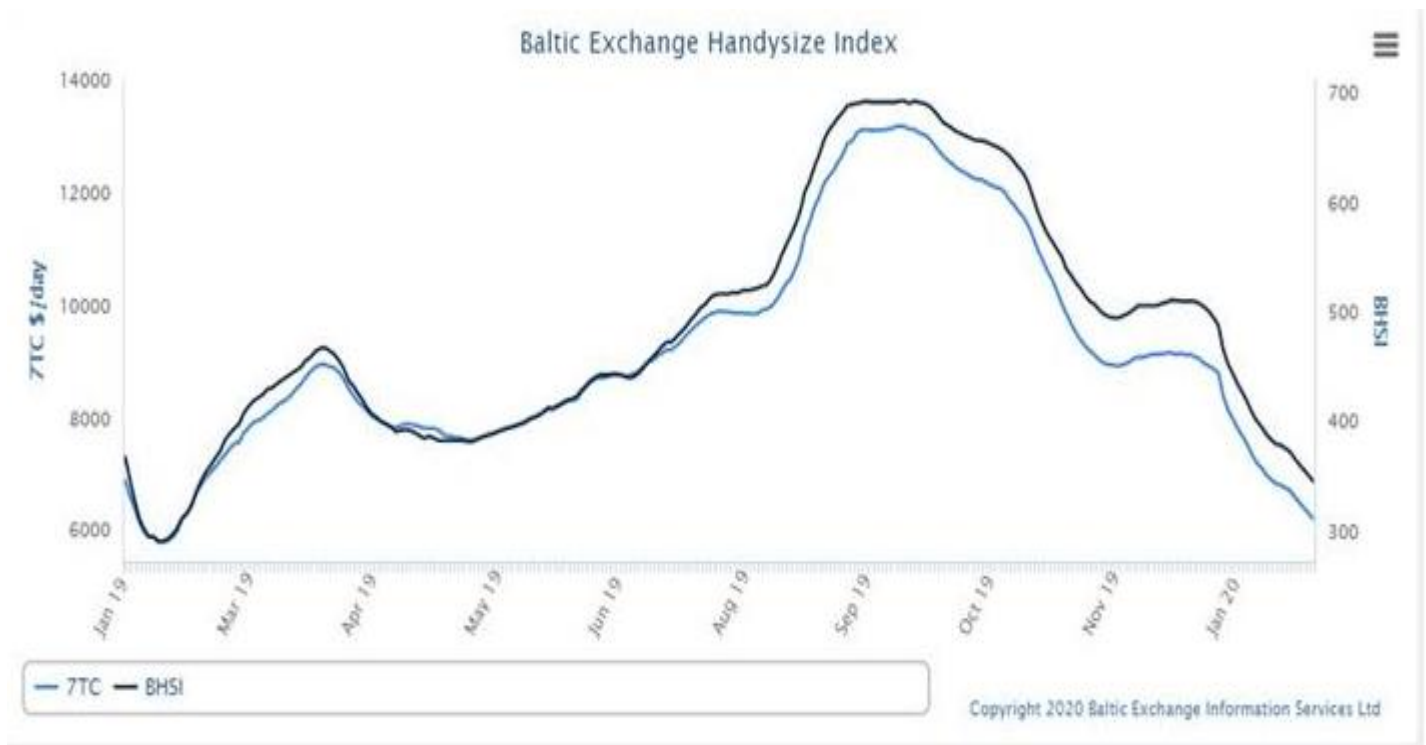
Baltic Supramax Vessel Index



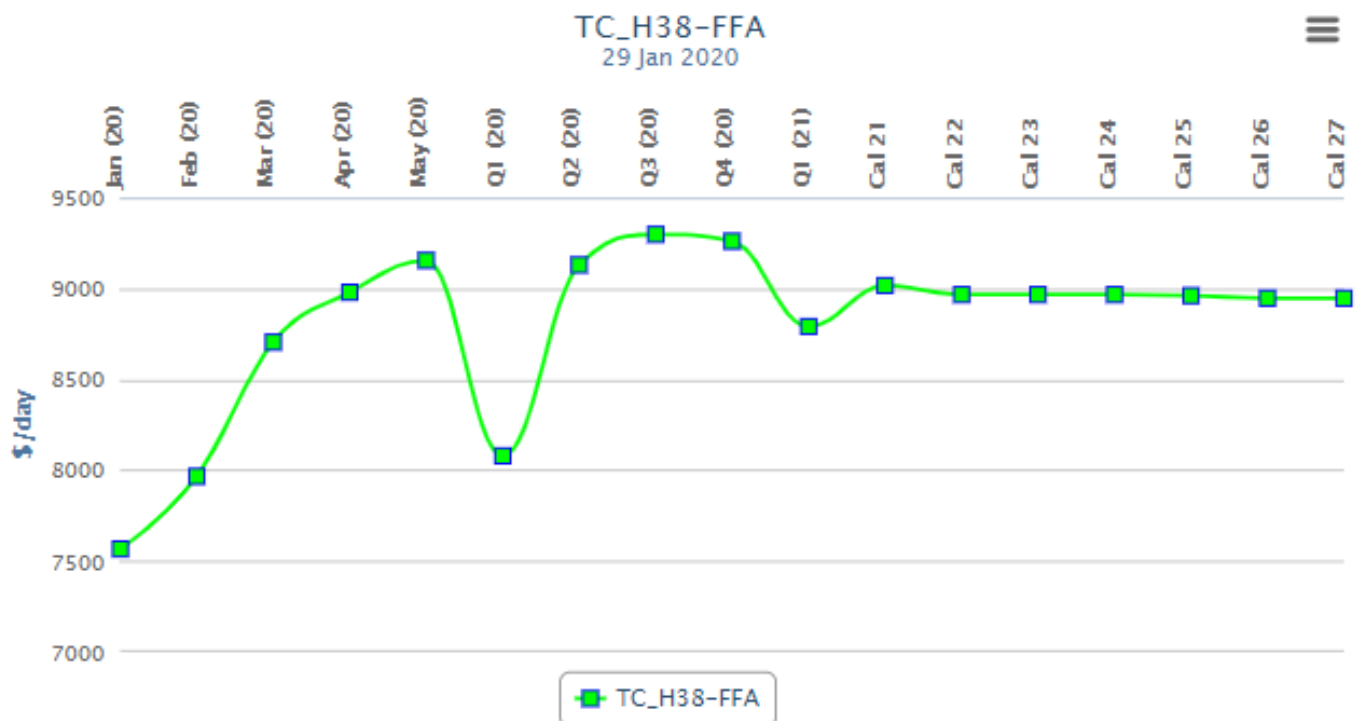
Supramax Dry-Bulk Forward Curve



Baltic Handy Size Vessel Index



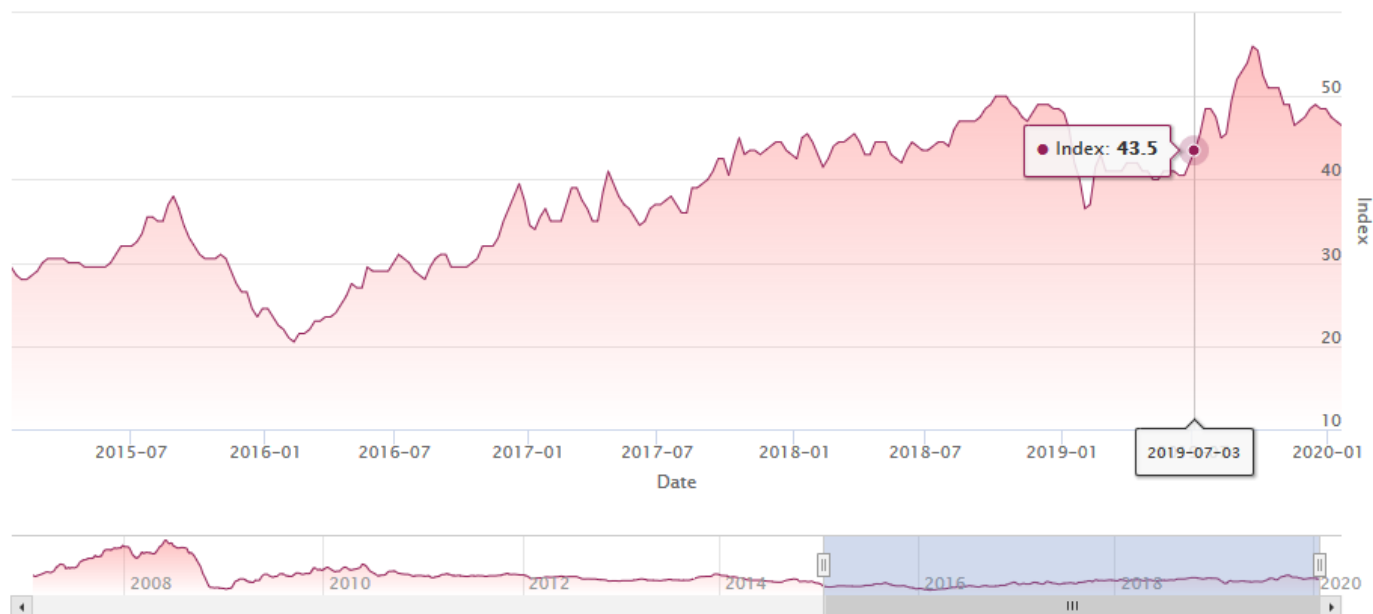
Baltic Handy Size Forward Curve



YAMAMIZU Index

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

From 2015-01-22 To 2020-01-22



China Import Dry Bulk Freight Index 2020-01-23

Description	Size MT	Cargo/Vessel Size	Unit	Rate	Change
Composite Index			Point	801	-12.31
Iron ore Freight Index			Point	775.73	-18.76
Dampier(West Australia)-Qingdao (China)	170000/10%	Iron ore	\$/ton	6.286	-0.157
Soybean Freight Index			Point	985.11	-5.85
Santos(Brazil)—North China	60000/10%	Soybean	\$/ton	33.521	-0.16
Tacoma(West America)—North China	60000/10%	Soybean	\$/ton	23.829	-0.14
Mississippi(US Gulf)—North China	66000/10%	Soybean	\$/ton	43.833	-0.345
Mississippi(US Gulf)—North China	55000/10%	Soybean	\$/ton	45.84	-0.31

29 January 2020 U.S. FOB Vessel Export Market Values:

U.S. Yellow Corn (USD/MT) FOB Vessel				
#2 YC	GULF # 2 YC		PNW # 3 YC	
Max. 14.5% moisture	BASIS	FLAT PRICE	BASIS	FLAT PRICE
Feb.	0.68	\$178.04	1.15	\$196.54
March	0.70	\$178.83	1.15	\$196.54
April	0.66	\$179.32	1.10	\$196.64
May	0.66	\$179.32	1.12	\$197.43
June	0.61	\$179.32	1.09	\$198.22
July	0.61	\$179.32	1.12	\$199.40

The Gulf spread between #2 & #3 YC is currently about .03 cents per bushel (1.18/mt)

SORGHUM (USD/MT) FOB VESSEL				
#2 YGS Fob Vessel	NOLA		TEXAS	
Max. 14.0% moisture	BASIS	FLAT PRICE	BASIS	FLAT PRICE
Feb.	0.95	\$188.67	0.80	\$182.77
Mar.	0.95	\$188.67	0.80	\$182.77
April	0.95	\$188.67	0.80	\$182.77
May	0.90	\$188.77	0.75	\$182.86
June	0.95	\$190.74	0.76	\$183.26

Fob vessel Texas Gulf #2 Sorghum is about 103 % the value of #2 Yellow Corn at NOLA. But trading at a 85% - 89% of corn to farmers in Western Kansas.

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

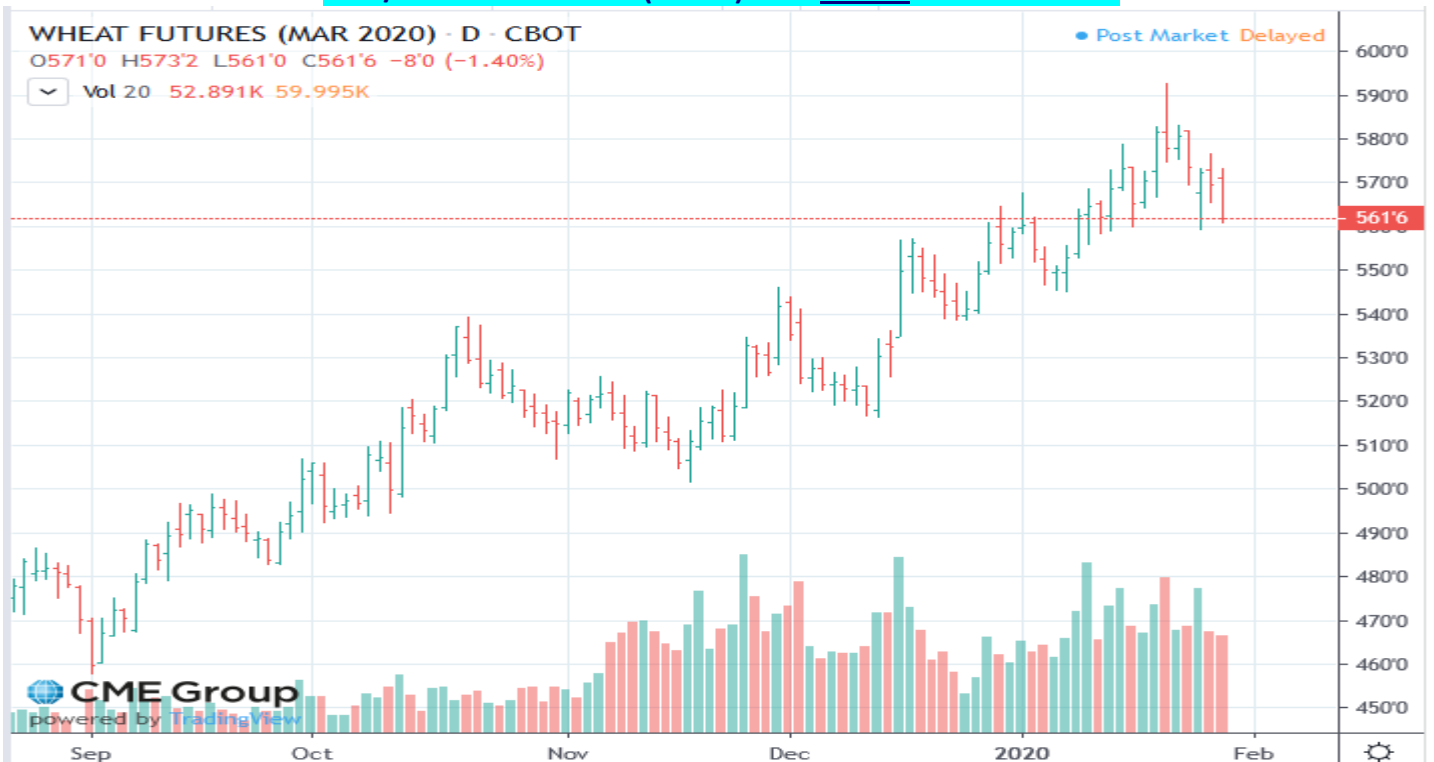
SRW Wheat	USD/MT	Fob Vessel	US Gulf	
	Feb.	Mar.	April	May
FOB U.S. GULF	\$256.19	\$256.19	\$252.15	\$252.15
Basis	1.35	1.35	1.25	1.25
WH	5.6225			.
WK	5.6125			
WN	5.6050			

29-Jan-2020	Close	This Week	Last Week.	Last Week.	Last Week	
CME Corn Futures	Bushel	MT.	Bushel	Bu. Diff.	MT	MT Diff.
Mar.	\$ 3.8425	\$ 151.27	\$ 3.9375	(0.0950)	\$ 155.01	\$ (3.74)
May	\$ 3.8950	\$ 153.34	\$ 3.9850	(0.0900)	\$ 156.88	\$ (3.54)
July	\$ 3.9450	\$ 155.31	\$ 4.0325	(0.0875)	\$ 158.75	\$ (3.44)
Sept.	\$ 3.9200	\$ 154.32	\$ 4.0075	(0.0875)	\$ 157.77	\$ (3.44)
Dec.	\$ 3.9525	\$ 155.60	\$ 4.0325	(0.0800)	\$ 158.75	\$ (3.15)
Mar..	\$ 4.0500	\$ 159.44	\$ 4.1300	(0.0800)	\$ 162.59	\$ (3.15)

CBOT March. 2020 (CH20) CORN Futures Chart –



CME/CBOT March 2020 (WH20) SRW Wheat Futures Chart –

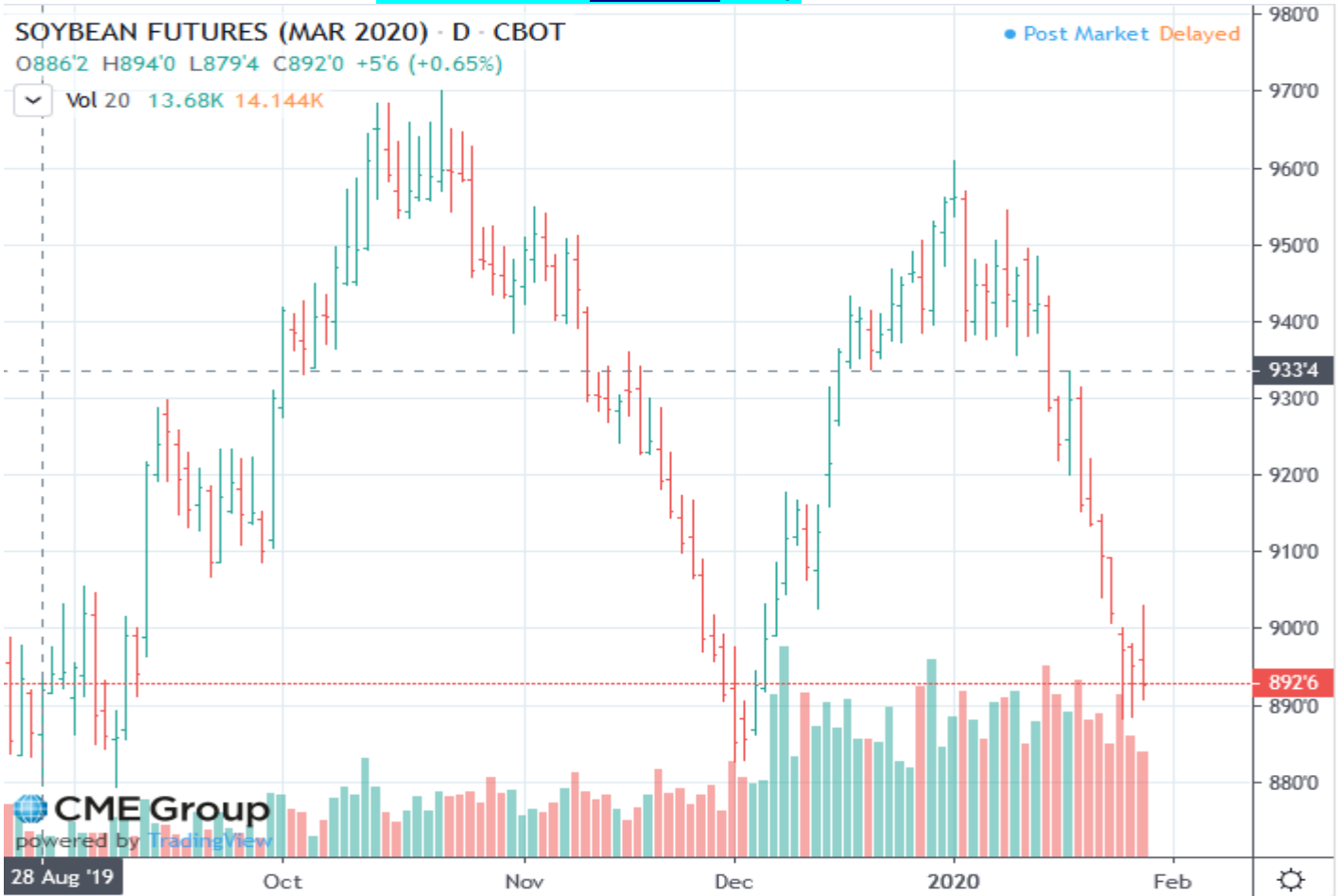


U.S. Soybean and SBM Markets Fob Vessel:

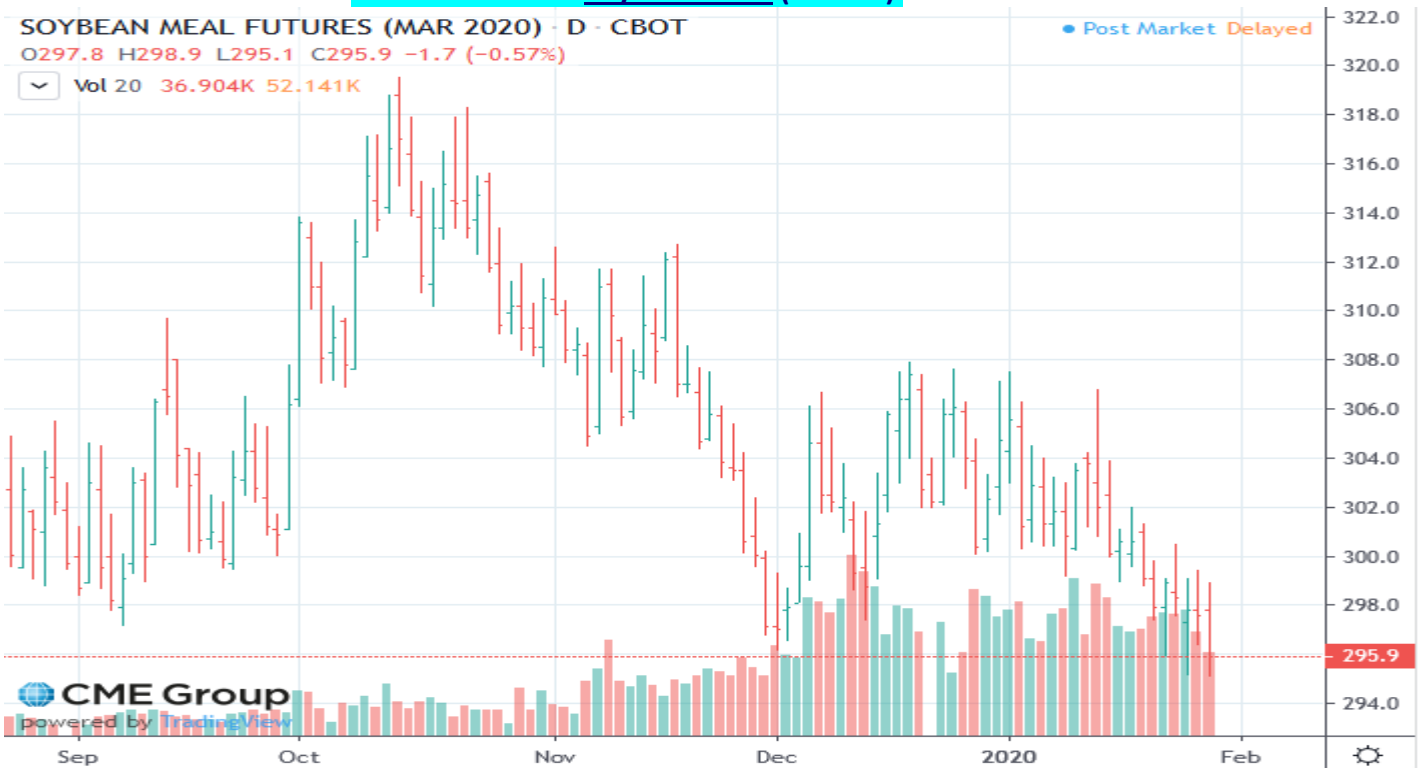
U.S. Yellow Soybeans (USD/MT) FOB Vessel				
# 2 YSB	U.S. Gulf #2 YSB		PNW #2 YSB	
14.0 % Moisture	Basis	Flat Price	Basis	Flat Price
Feb.	0.65	\$352.00	0.95	\$363.02
March	0.65	\$352.00	0.95	\$363.02
April	0.54	\$353.10	0.83	\$363.76
May	0.57	\$354.21	0.83	\$363.76
June	0.48	\$355.95	0.72	\$364.77
Soybean Futures				
Mar.	\$ 8.9300			
May	\$ 9.0700			
July	\$ 9.2075			
Aug.	\$ 9.2525			
Sept.	\$ 9.2500			
Nov.	\$ 9.2950			

U.S. SBM (USD/MT) FOB Vessel		
Fob U.S. Gulf Port	47.5 Pro. SBM	
max 12.5 % moisture	Basis	Flat Price
Feb.	16.00	\$ 348.94
March	10.00	\$ 347.07
April	10.00	\$ 347.07
May	10.00	\$ 348.72
June	10.00	\$ 348.72
SBM Futures		
SMH	296.10	
SMK	300.50	
SMN	304.80	
SMQ	306.30	
SMU	307.40	
SMV	307.90	

CME March 2020 Soybean (SH20) Futures Chart:



CME March 2020 Soybean Meal (SMH20) Futures Chart



U.S. EXPORT STATISTICS: Report Activity as of Week Ending 16 January 2020

Thursday-Weekly U.S. Export Sales

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 '20- 21 (000 MT)
Corn	1058.3	20,308.1	45,090	45%	1,024.6
Sorghum	11.1	1,140.5	3,050	37%	0.0
Soybeans	1025.3	31,203.4	48,310	65%	304.3
Wheat	730.7	20,280.9	26,540	76%	225.9
Barley	0.0	59.7	90	66%	0.0

U.S. EXPORT INSPECTIONS:

Monday's report 27 January 2020 for the Export week ending 23 January 2020

	Export Inspections		Current Market Year YTD	Previous Year to Date	2019/20 YTD as Percent of 2018/19 YTD
	This Week	Previous Week			
Corn	668,559	396,613	10,150,559	21,584,077	47%
Sorghum	142,217	31,005	1,130,903	572,227	198%
Soybeans	1,038,840	1,206,140	25,214,900	20,484,903	123%
Wheat	223,994	516,309	16,223,914	14,384,336	113%
Barley	416	318	17,662	6,534	270%

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

U.S. EXPORT INSPECTIONS:

Monday's report 27 January 2020 for the Export week ending 23 January 2020

Last Week							
(Metric Tons)	YC	%	WC	%	Sorghum	%	Soybeans %
Lakes	0	0%	0	0%	0	0%	0 0%
Atlantic	0	0%	0	0%	0	0%	10,529 1%
Gulf	519,107	81%	25,913	94%	122,258	86%	697,394 67%
PNW	14,899	2%	0	0%	11,451	8%	215,965 21%
Interior Export Rail	107,043	17%	1,597	6%	8,508	6%	114,952 11%
Metric Tons	641,049		27,510		142,217		1,038,840

Sorghum Shipments:	<u>metric tons</u>	
	122,258	China Main
	11,451	Japan
	8,508	Mexico
	<u>142,217</u>	<u>Total</u>

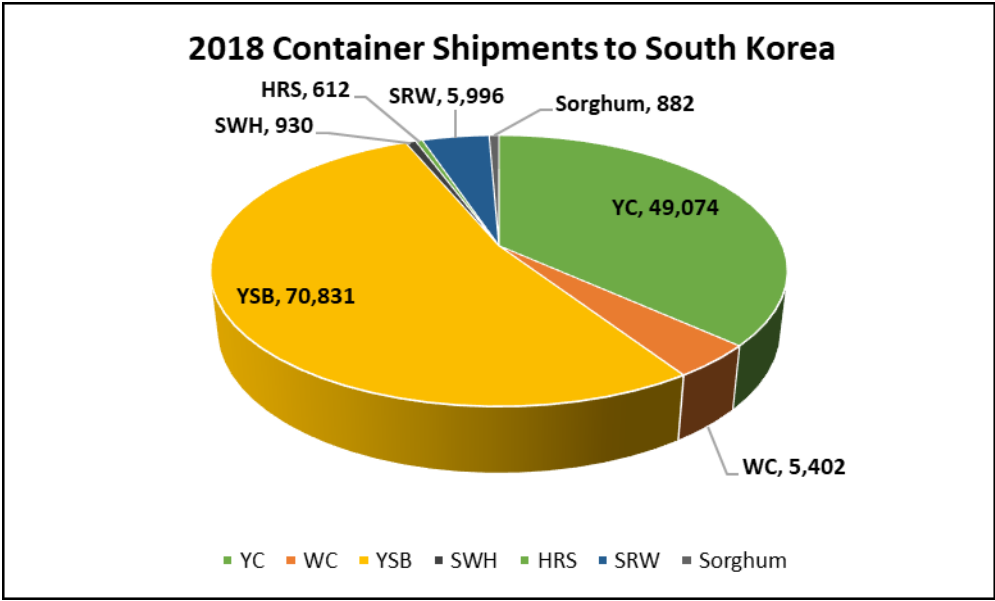
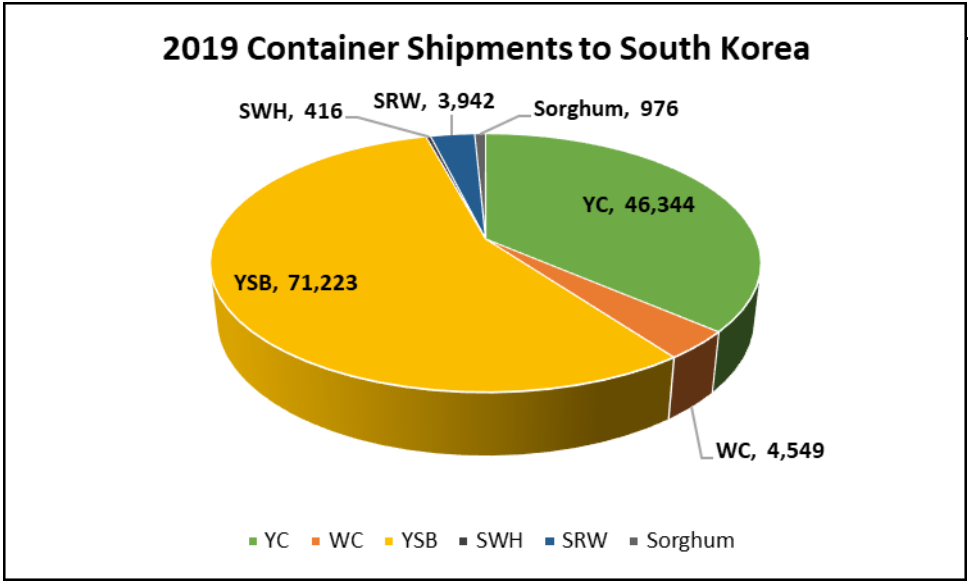
White Corn	<u>metric tons</u>	
Shipments:	25,913	Colombia
	1,597	Mexico
	<u>27,510</u>	<u>Total</u>

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:		23-Jan-2020							
Last Week	metric tons								MT
	YC	WC	YSB	SRW	NS	SWH	HRW	Sorghum	TOTAL
China Main	980								980
China T	9,841		24,880						34,721
Hong Kong									0
Costa Rica									0
Indonesia			16,553						16,553
French Poly									0
Japan			979						979
Korea Republic	122		2,596						2,718
Nepal			2,840						2,840
Malaysia			6,023						6,023
Italy									0
Philippines			636						636
Thailand			11,708						11,708
Panama									0
Sri Lanka									0
Bangladesh									0
Burma			514						514
Vietnam			6,268						6,268
Sub total	10,943	0	72,997	0	0	0	0	0	77,158
USDA Corrections/Additions to previous reports:									
China T			1,199						1,199
China Main									0
Hong Kong									0
Korea Rep.									0
Singapore									0
Japan									0
Philippines									0
Indonesia			1,911						1,911
Malaysia									0
Thailand			2,302						2,302
Vietnam			735						735
Canada									0
Bangladesh									0
Sub total	0	0	6,147	0	0	0	0	0	6,147
Mt. Grand Total	10,943	0	79,144	0	0	0	0	0	83,305
Number of containers	476	0	3,441	0	0	0	0	0	

Jan - Dec 2018 Annual Totals versus 2019 Jan.-Dec. YTD Total Container Shipments (in MT)



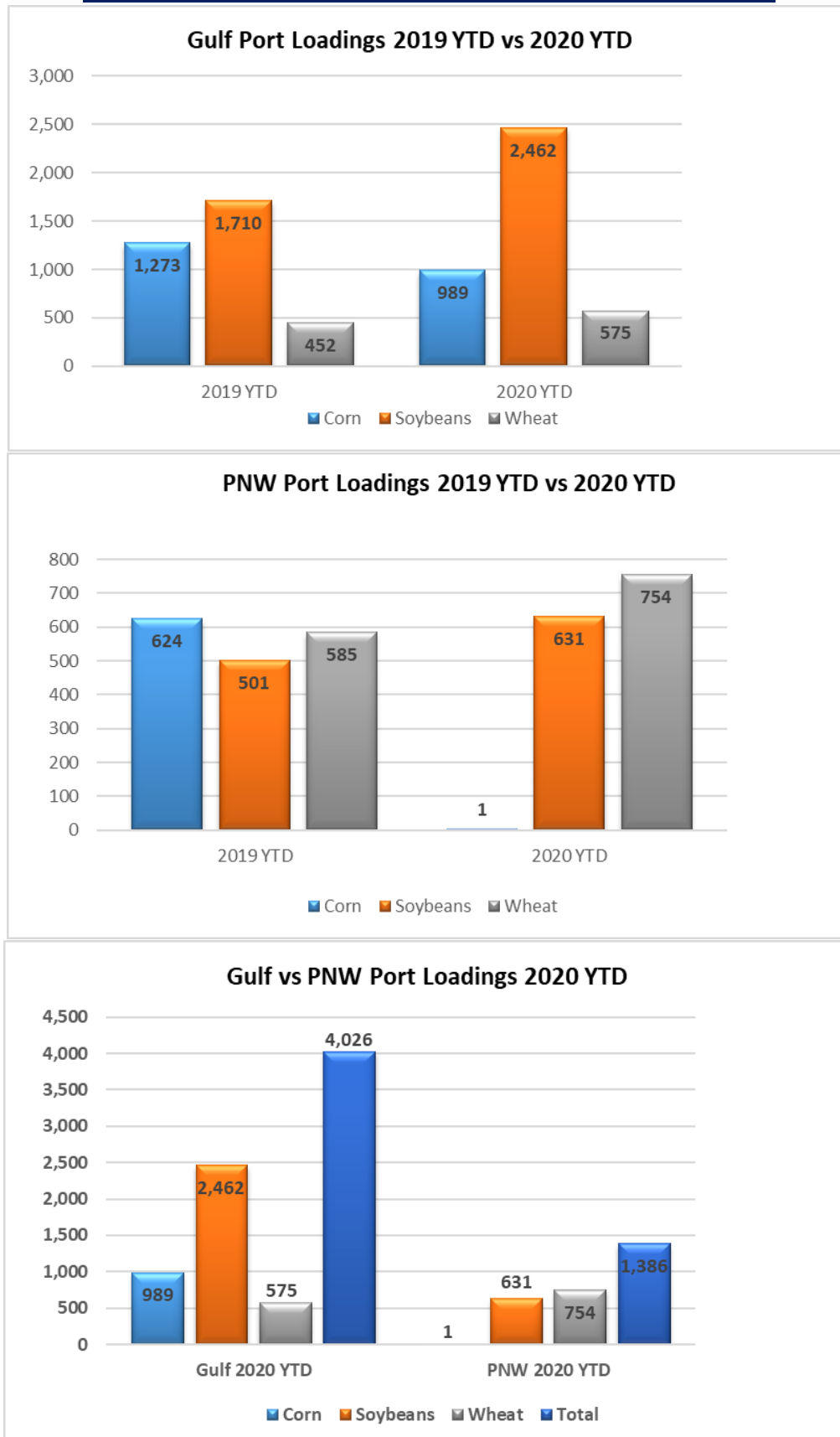
Grain Inspections for Export by U.S. Port Regions:
U.S. Gulf and Pacific Northwest 2019 YTD vs. 2020 YTD

PORT LOADINGS US Gulf				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
GULF				
2019 YTD	1,273	1,710	452	3,435
2020 YTD	989	2,462	575	4,026
2020 as % of 2019	78%	144%	127%	117%

PORT LOADINGS US PNW				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
PNW				
2019 YTD	624	501	585	1,710
2020 YTD	1	631	754	1,386
2020 as % of 2019	0%	126%	129%	81%

PORT LOADINGS GULF vs. PNW				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
2020 Gulf YTD	989	2,462	575	4,026
2020 PNW YTD	1	631	754	1,386
TOTAL	990	3,093	1,329	5,412
Gulf Percentage	100%	80%	43%	74%
PNW Percentage	0%	20%	57%	26%

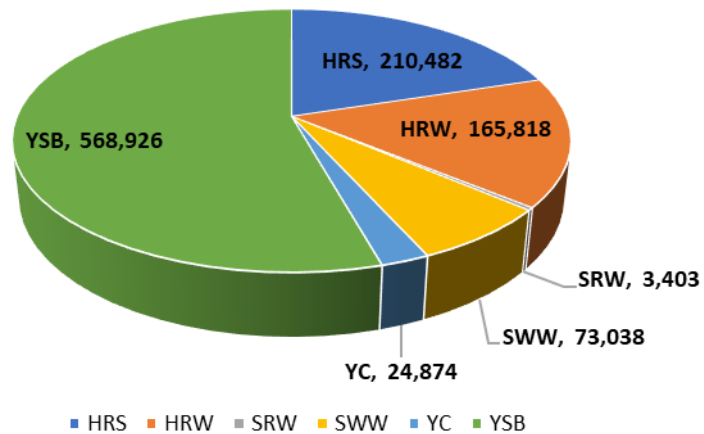
Grain Inspections for Export by U.S. Port Regions (1,000MT):
U.S. Gulf and Pacific Northwest 2019 YTD vs. 2020 YTD



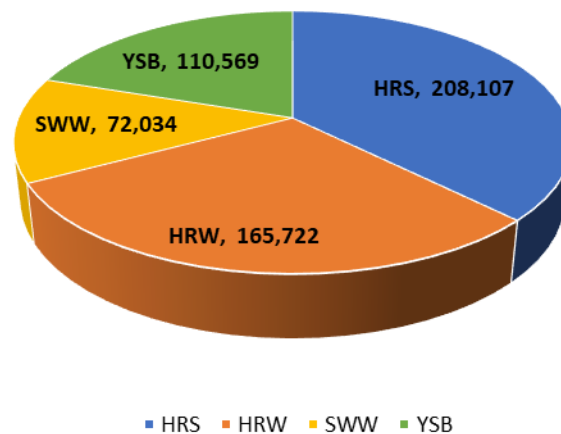
Source: USDA-data

2019 YTD Total Grain Exports reported by USDA (in MT)

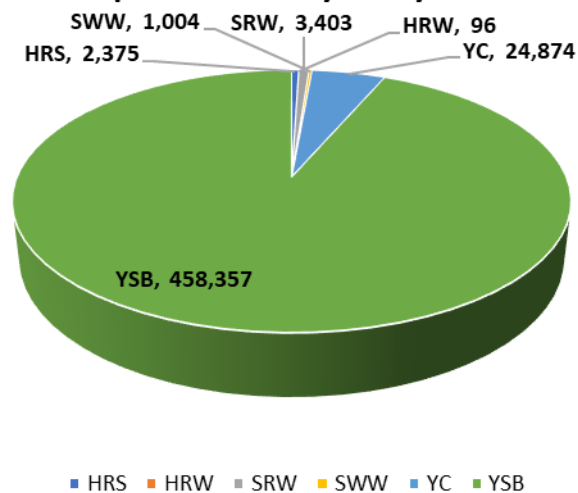
2019 Exports to Malaysia



2019 Exports to Malaysia by Vessel



2019 Exports to Malaysia by Container



*Please keep in mind that USDA does not report DDGS sales

Shipping News

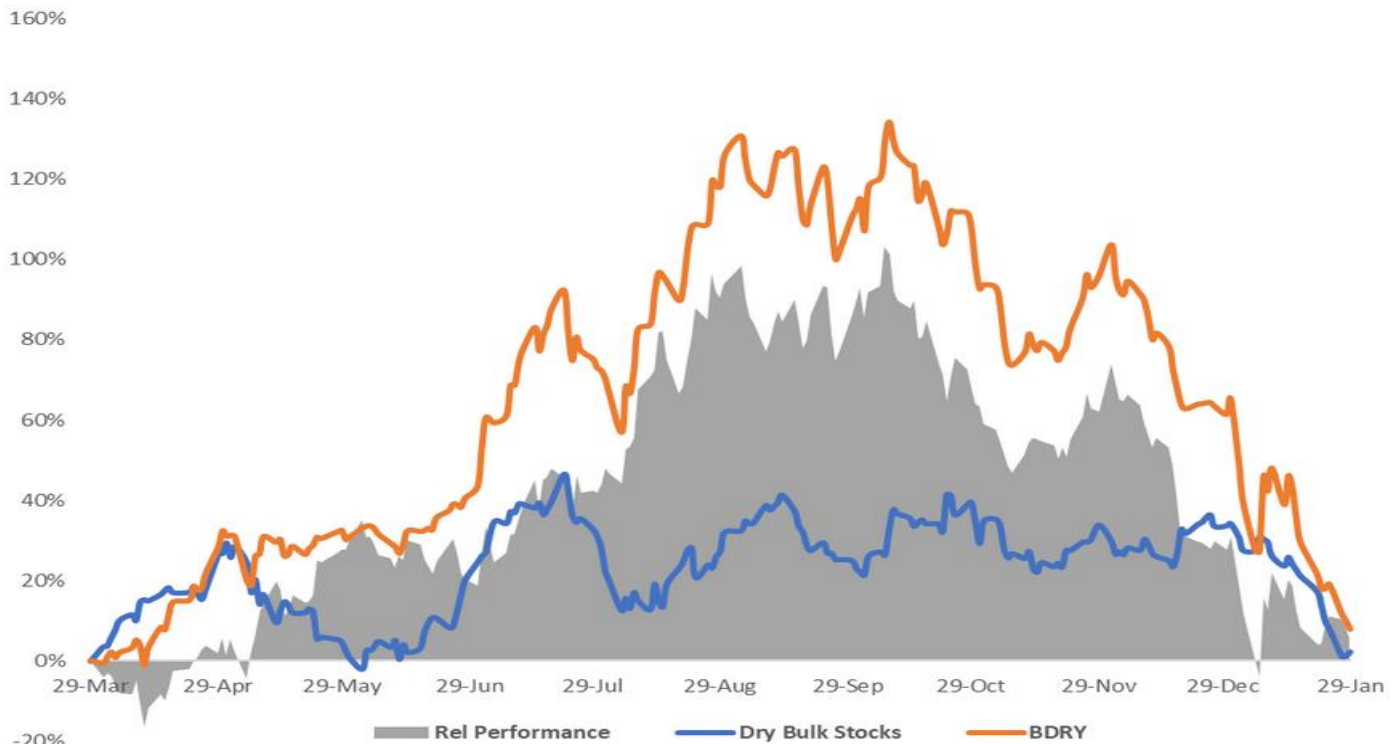
Dry Bulk ETF @DryBulkETF · 2h

The Capesize Index is now hovering close to levels that historically have signified a bottom.

#shipping #drybulk \$BDRY



BDRY vs Dry Bulk Stocks, 31/3/19-now



*Dry bulk stock index (marketcap-weighted): DSX, EGLE, GNK, GOGL, NM, SALT, SB, SBLK, SHIP

New report argues LNG as a fuel could worsen shipping's climate impact

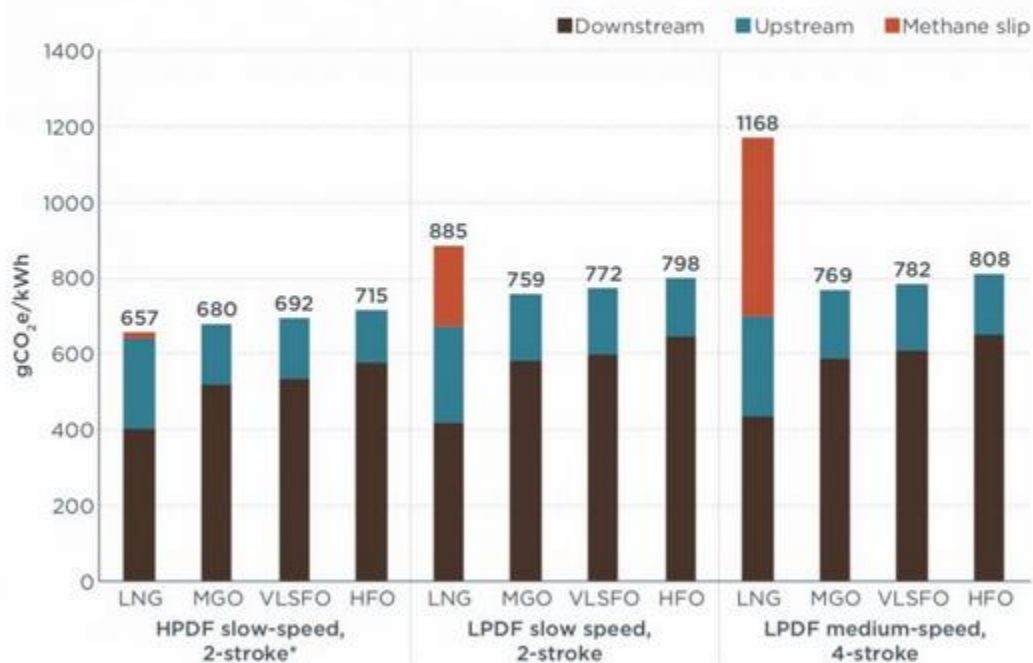
JANUARY 28TH, 2020

SAM CHAMBERS

BUNKERING, ENVIRONMENT, GAS

3 COMMENTS

"LNG's flaws are more fundamental – it is a fossil fuel that just like oil produces about three tonnes of CO₂ for every tonne of fuel consumed. This makes it an 'impasse' in a world committed to decarbonise," Smith argued.



*SSD has similar life-cycle emissions as HPDF for conventional fuels.

Figure 4. Life-cycle GHG emissions by engine and fuel type, 20-year GWP

No Cargo

Global trade on track for worst year in a decade

Change in world trade volume (YoY) 3m vs 3m year earlier

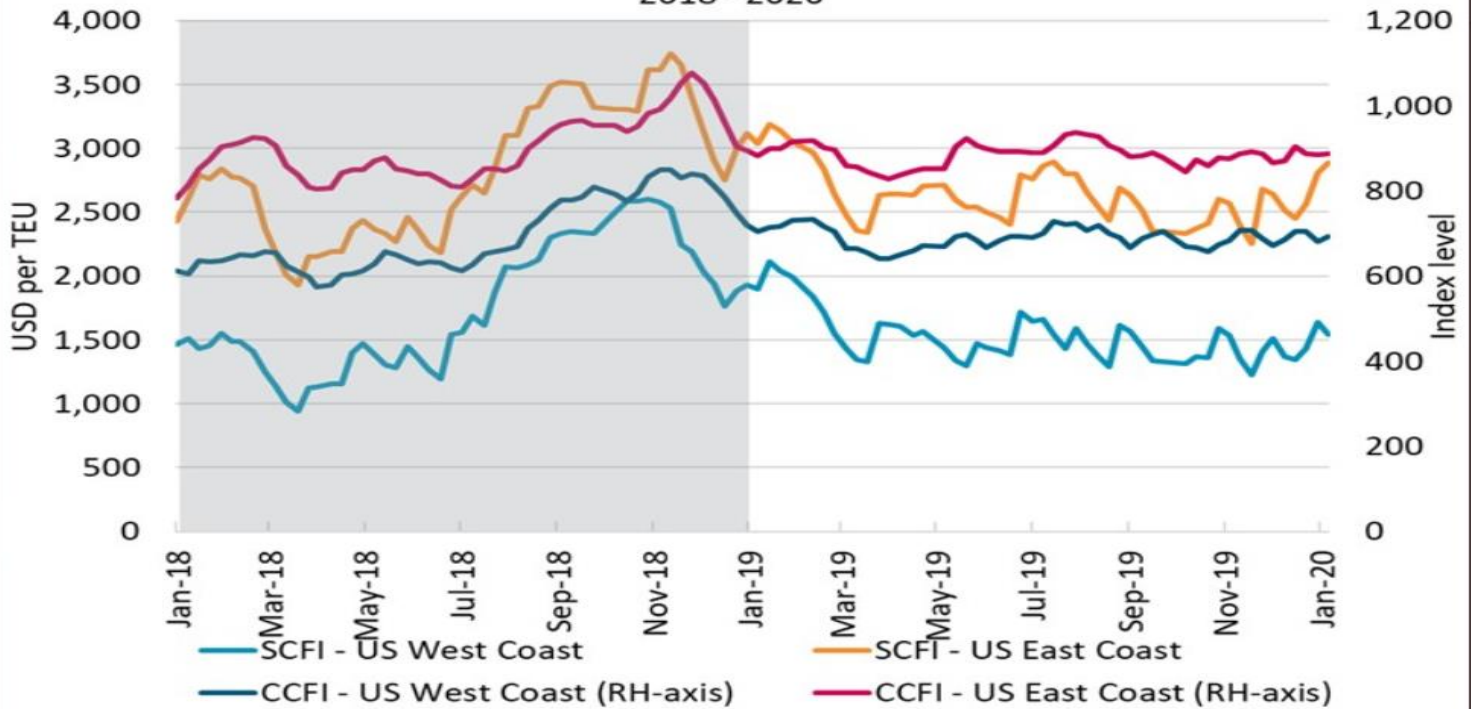


Source: CPB Netherlands Bureau for Economic Policy Analysis

Bloomberg

Shanghai to US

2018 - 2020



Source: BIMCO, Shanghai Shipping Exchange

China Import Dry Bulk Freight Index



China Containerized Freight Index



U.S. RIVER BARGE FREIGHT

Current Barge Freight for Placement Last Half February 2020

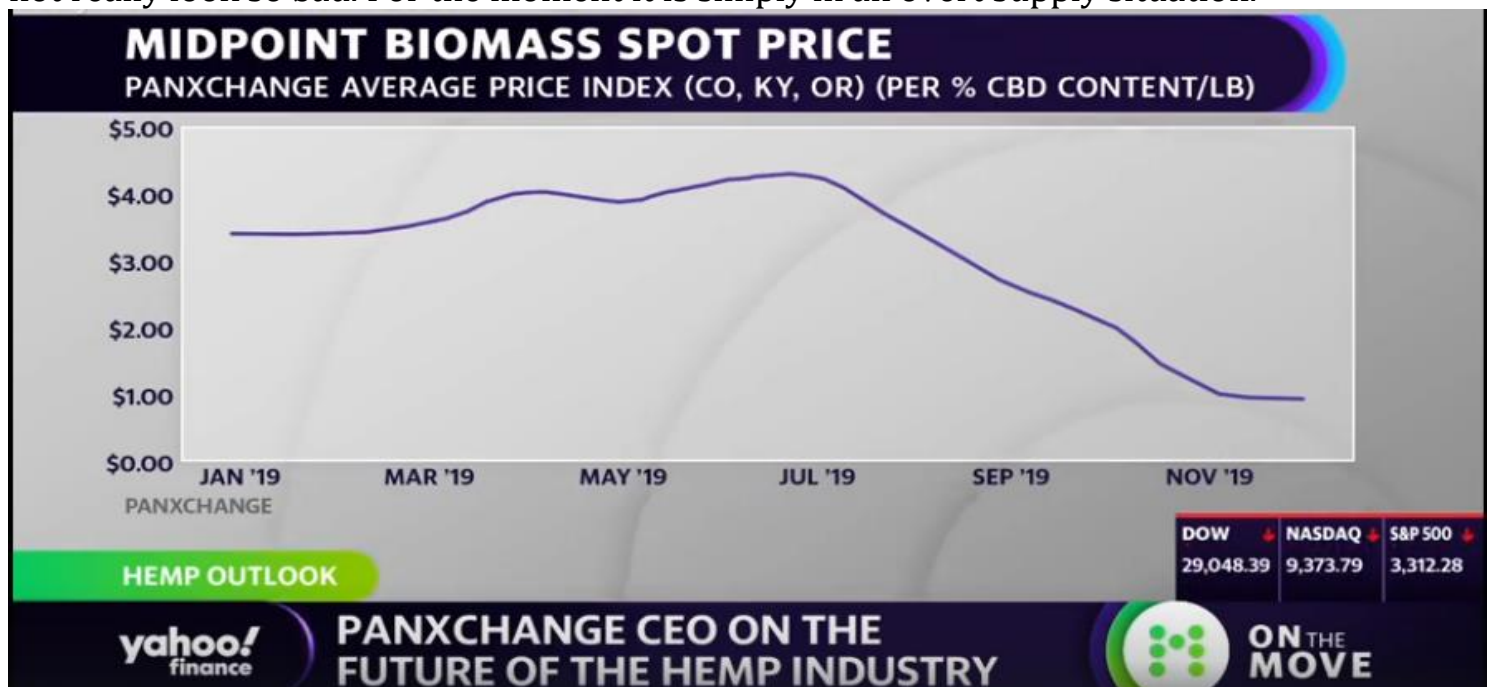
Placement LH February 2020	% of		Corn	Soybeans-Wheat
	Tariff	MT	BU	BU
Upper Mississippi	Closed	\$ -	0.00	0.00
Illinois River (Pekin and South)	330	\$17.50	0.44	0.48
Mid-Mississippi	Closed	\$ -	0.00	0.00
Lower Ohio	245	\$12.04	0.31	0.33
St. Louis	225	\$ 9.90	0.25	0.27

Secondary Rail Car Market for car placement period: Last Half February 2020.

Secondary Rail Car Market Placement LH. February 2020	BID USD	ASK USD	BID BU.	ASK BU.	BID MT	ASK MT
BNSF Shuttle Trains	\$ (250.00)	\$ (100.00)	\$ (0.06)	\$ (0.03)	\$ (2.46)	\$ (0.98)
UPRR Shuttle Trains	\$ (250.00)	\$ (100.00)	\$ (0.06)	\$ (0.03)	\$ (2.46)	\$ (0.98)

If you think trading Corn, wheat or soybeans is tough; consider the market volatility for CBD/Hemp. The price per pound has moved from \$40.00/lb (\$88,184/metric tonne) to \$10.00/lb (\$22,046/metric tonne) over the last 6 months. A drop of 75% .

For comparison ; at \$9.00/bushel (\$330.70/metric tonne) soybeans would be trading at 15 cents per pound. So a market for hemp at \$10.00/pound or \$22,046 per metric tonne does not really look so bad. For the moment it is simply in an overt supply situation.



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.
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