

Transportation and Export Report for 31 January 2019

Ocean Freight Insights and Comments:

As some vessel owners might say; this is not funny anymore. It has been a brutal month and start to the new year. The past week delivered more economic pain to the shipping industry as rates continued to slide lower. And the industry must face the upcoming slow period as we move through the Lunar New holiday. The Capesize market received the news that Vale would decommission 10 dams in Brazil due to safety concerns and, by doing so, take 10 percent of their iron ore production offline. This will obviously be detrimental to cargo business from Brazil to China.

BALTIC DRY-BULK PANAMAX INDEX CHANGES

Panamax Ocean Freight Indices				
31-Jan-19	This Week	Last Week	Difference	Percent Change
P2A : Gulf/Atlantic - Japan	11132	12895	-1,763	-13.7%
P3A - PNW/Pacific - Japan	4626	6117	-1,491	-24.4%
S1C -USGULF-China-So.Japan	12150	13717	-1,567	-11.4%

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

Four weeks ago:	\$6.60-\$7.20
Three weeks ago:	\$6.60-\$6.80
Two weeks ago:	\$5.22-\$6.40
One week ago:	\$5.95-\$6.90
This week	\$5.10-\$6.00

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

Mississippi River:	(10 elevators)	5-9 days
Miss. River Mid-Stream loaders:	(6+ Rigs)	0-3 days
Texas Gulf	(6 elevators)	0-4 days
Pacific Northwest:	(9 elevators)	3-7 days

Panamax Market Spreads to Asia -China					
31-Jan-19	PNW	GULF	Bushel Spread	MT Spread	Advantage
CORN	1.00	0.64	0.36	\$14.17	PNW
SOYBEANS	0.60	0.30	0.30	\$11.02	PNW
OCEAN FREIGHT	\$21.50	\$38.25	.43 -.46	\$16.75	March

Recent Reported Vessel Fixtures:

Route and Vessel Size	Current Week USD/MT	Change from previous week	Remarks
55,000 U.S. Gulf-Japan	\$39.00	Down \$2.00	Handymax \$41.50 mt
55,000 U.S. PNW- Japan	\$22.00	Down \$1.00	Handymax \$22.25 mt
66,000 U.S. Gulf – China PNW to China	\$38.25 \$21.50	Down \$1.75 Down \$0.90	North China
25,000 U.S. Gulf- Veracruz, México	\$16.00	Down \$0.75	3,000 MT daily discharge rate
30-35,000+ U.S. Gulf- Veracruz, México	\$13.75	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	\$19.50 \$34.00	Down \$0.50	<u>West Coast Colombia at \$29.25</u>
43-45,000 U.S. Gulf - Guatemala	\$29.50	Down \$0.50	Acajutla/Quetzal - 8,000 out
26-30,000 U.S. Gulf – Algeria	\$32.00 \$33.00	Down \$1.00	8,000 mt daily discharge 3,000 mt daily discharge
26-30,000 US Gulf-Morocco	\$34.00	Down \$1.00	5,000 discharge rate
55-60,000 U.S. Gulf –Egypt PNW to Egypt	\$27.00 \$27.75	Down \$1.00	60,000 -55,000 mt Russia Black Sea Romania - Egypt \$11.50-\$12.00 (France \$16.00)
60-70,000 U.S. Gulf – Europe – Rotterdam	\$17.00	Down \$1.00	Handymax at +\$1.75 more
Brazil, Santos – China Brazil, Santos – China Itacoatiara-Port Up River North Brazil	\$27.75 \$26.50 \$30.75	Down \$1.00	54-59,000 Supramax-Panamax 60-66,000 Post Panamax 60-66,000 mt
56-60,000 Argentina/Rosario- China Deep Draft	\$31.50	Down \$1.00	Up River with BB Top Off \$34.00

- **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)

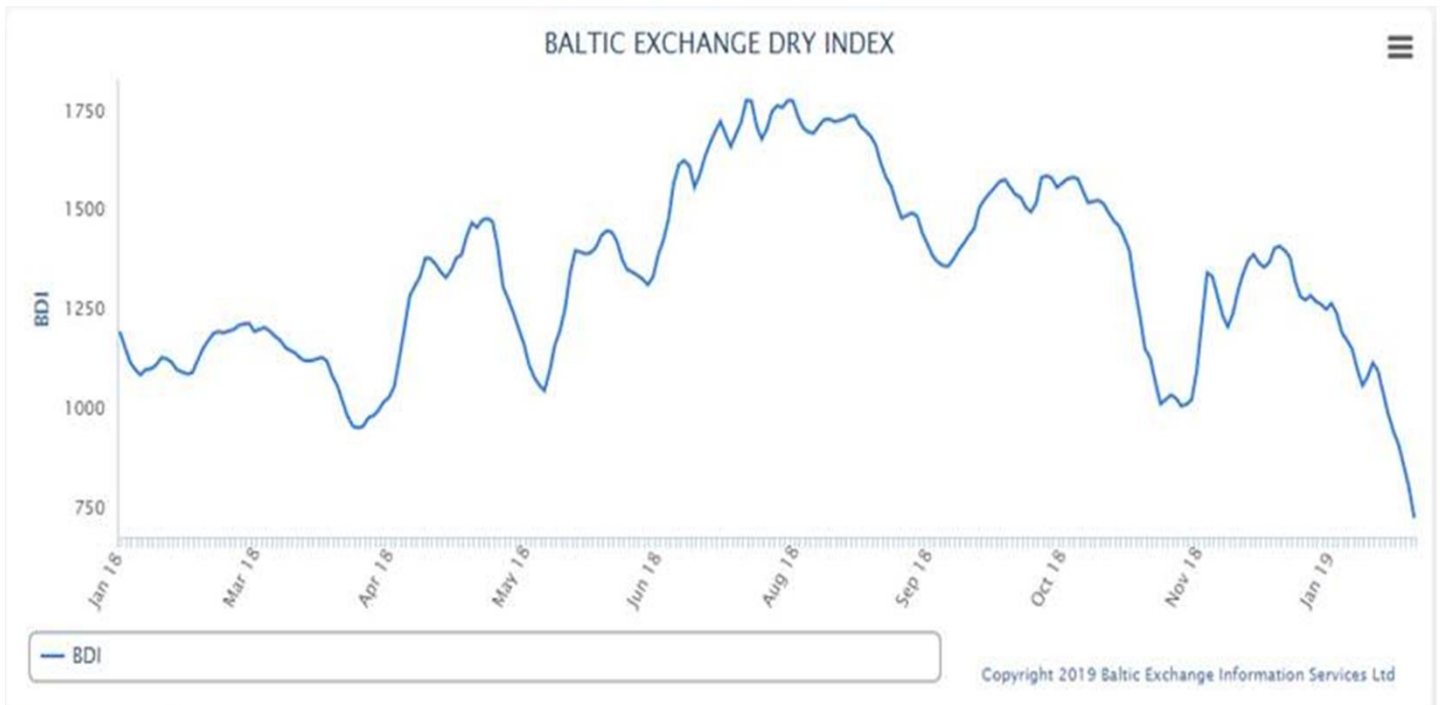
Santos Brazil (via Cape of Good Hope) - 10,441 nautical miles (33 days)

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

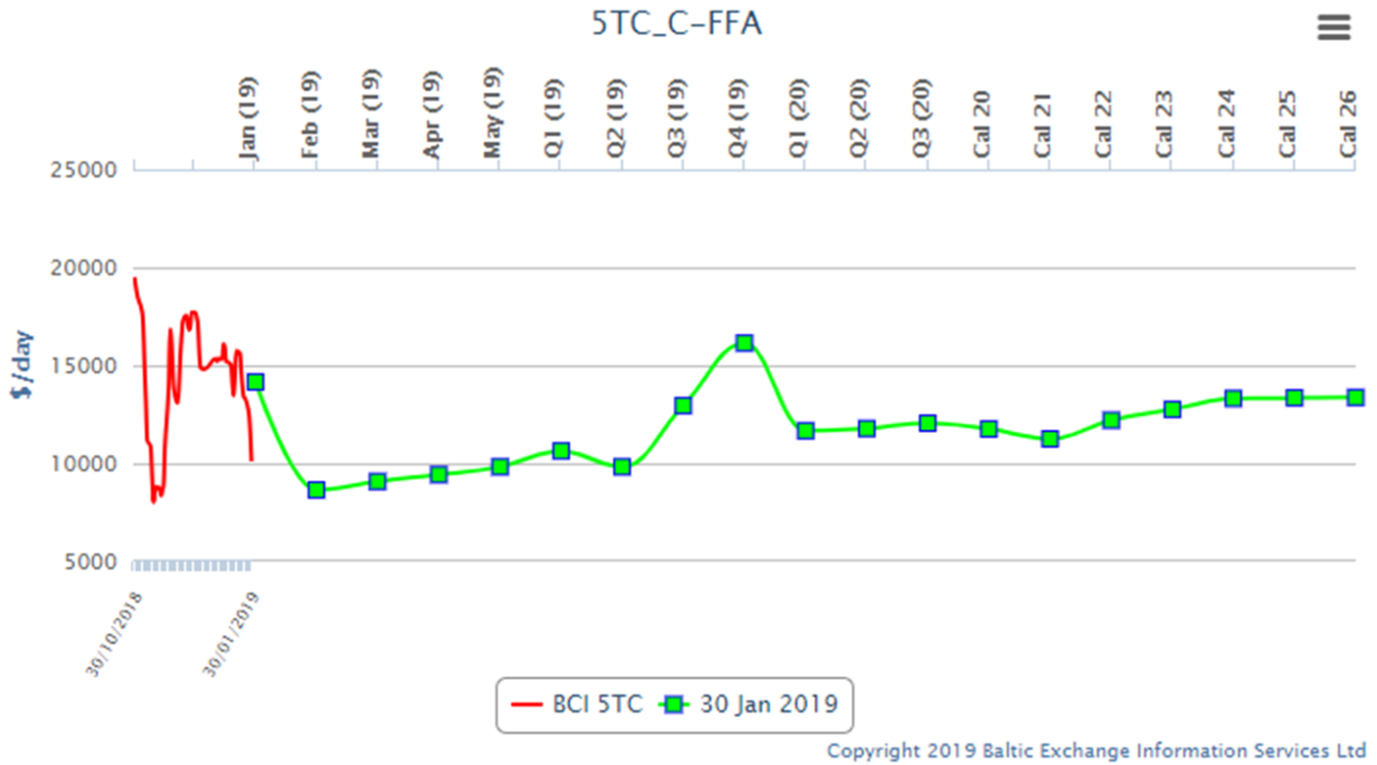
Baltic Dry-Bulk Ocean Freight Index- US Gulf- Japan



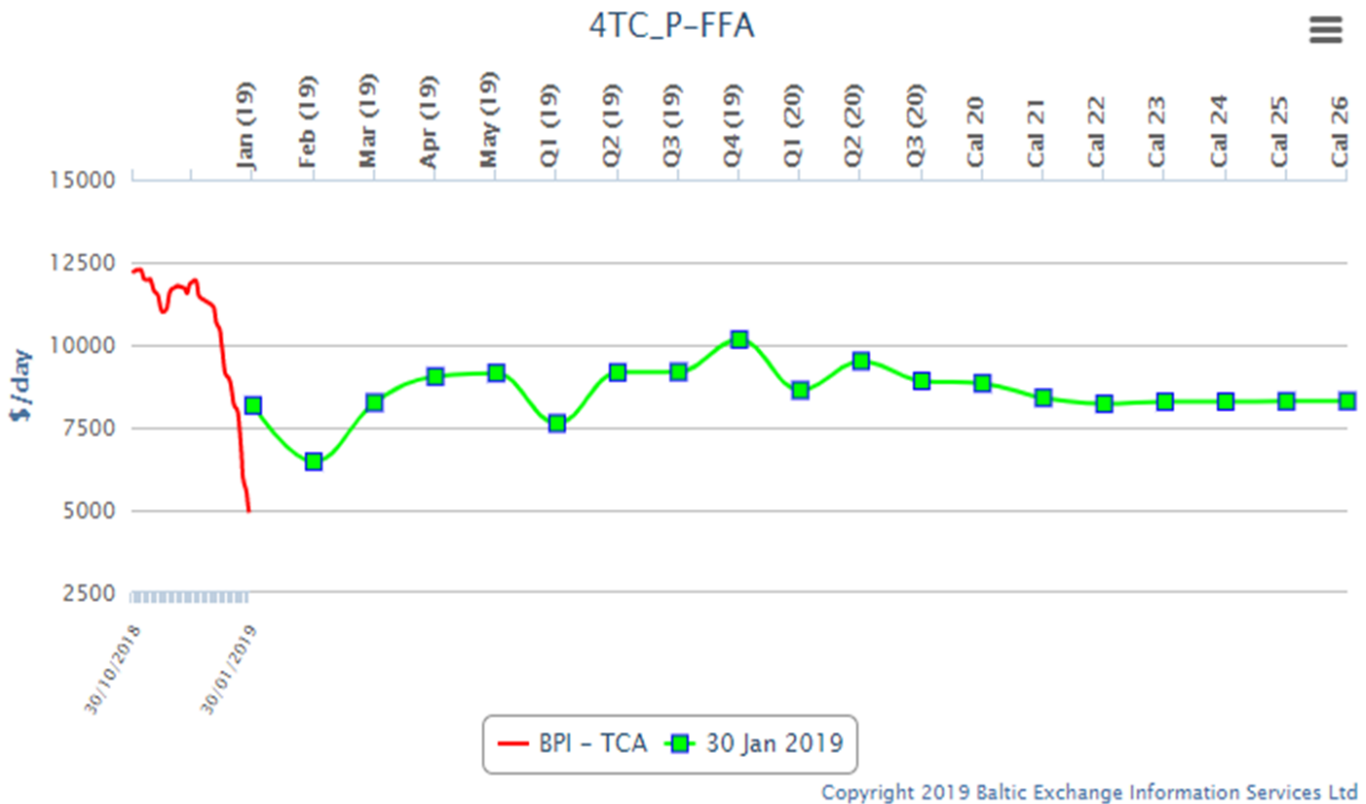
Baltic Dry Index.



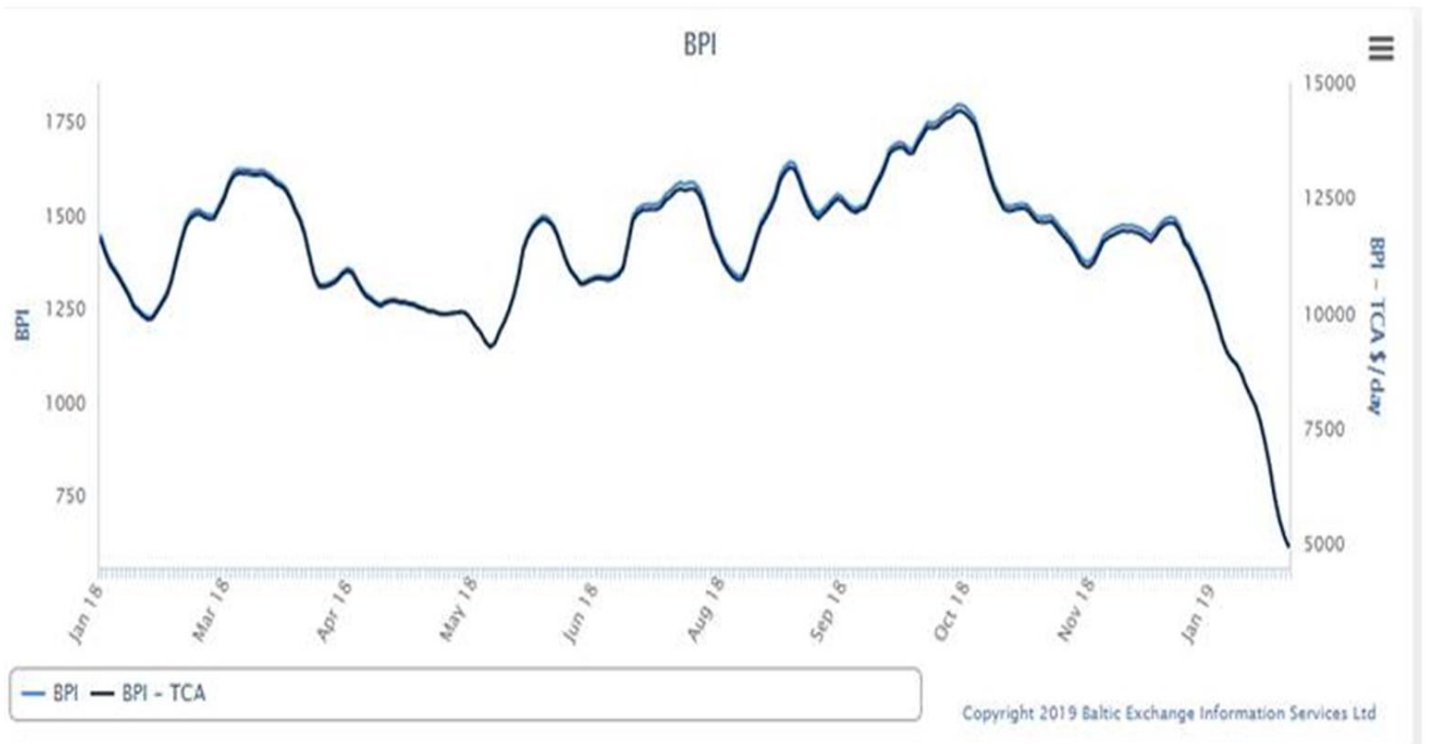
Baltic Capesize Index



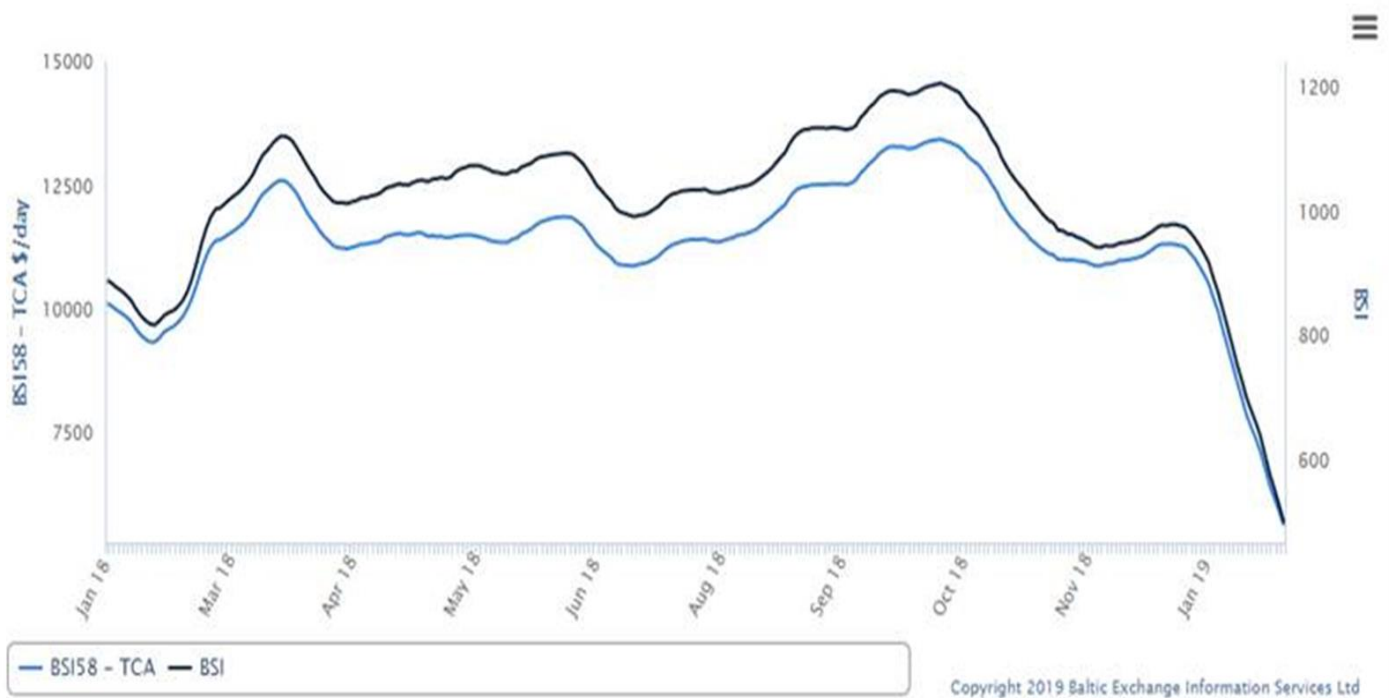
Forward Curve for Baltic BPI Panamax Vessel Freight



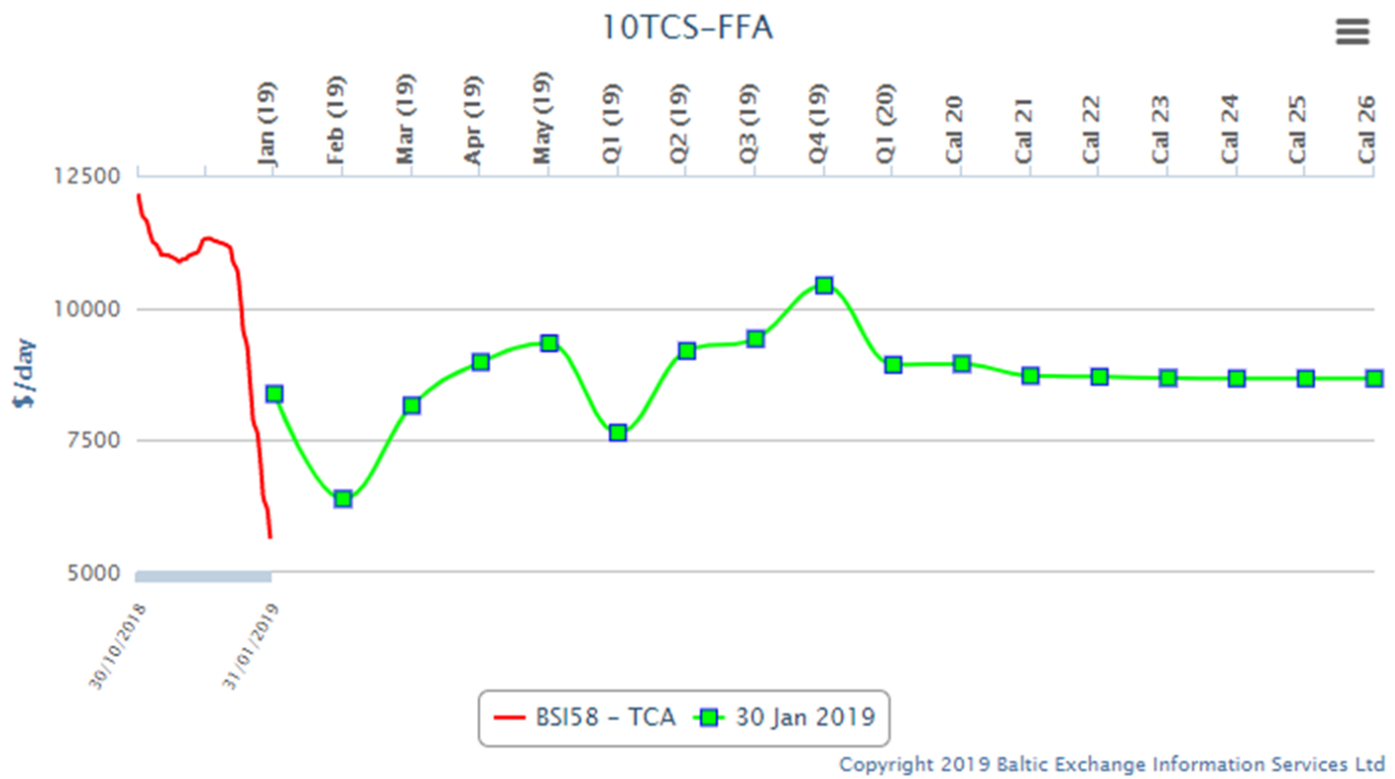
Baltic Panamax Index



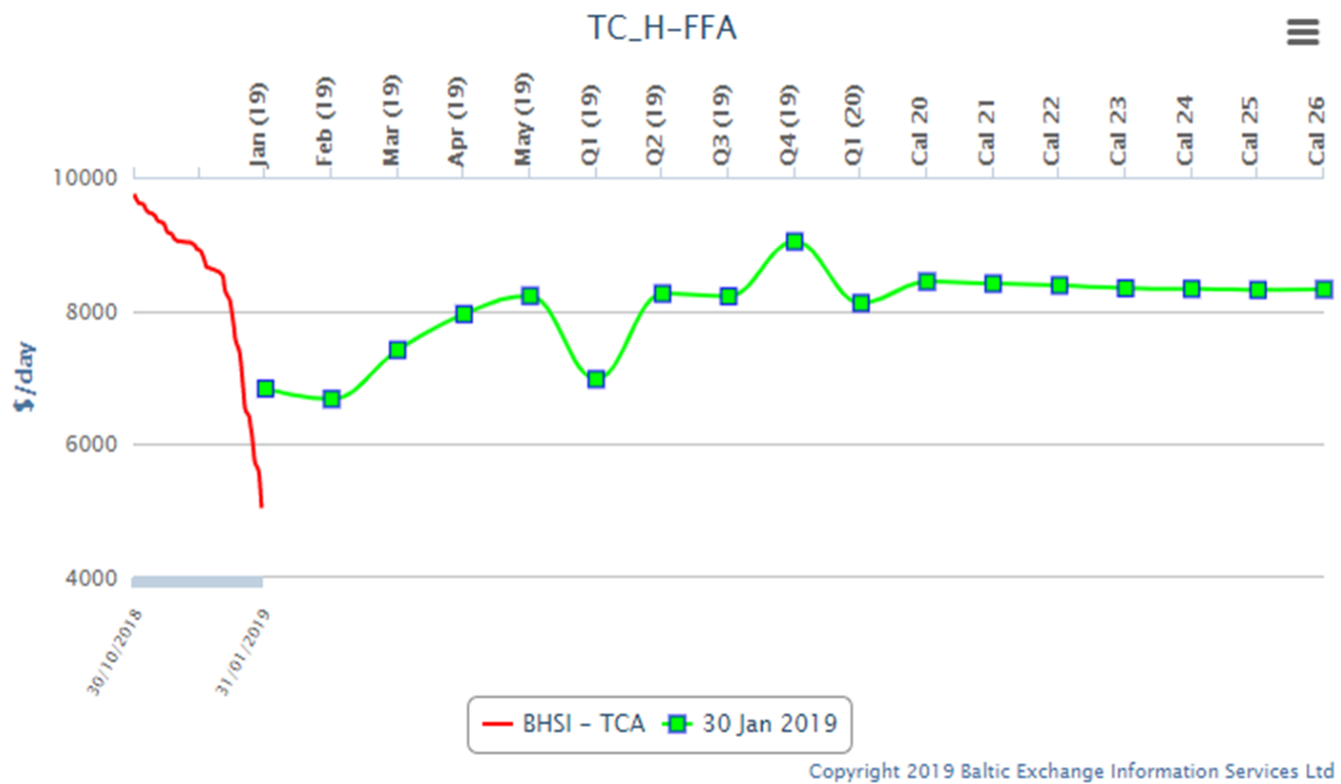
Baltic Supramax Vessel Index



Supramax Dry-Bulk Forward Curve



Baltic Handy Size

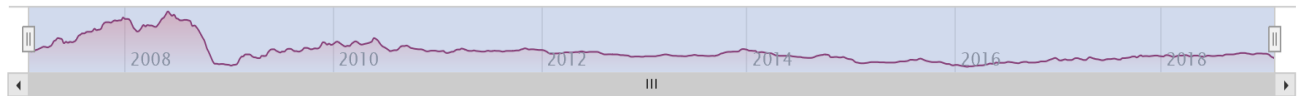
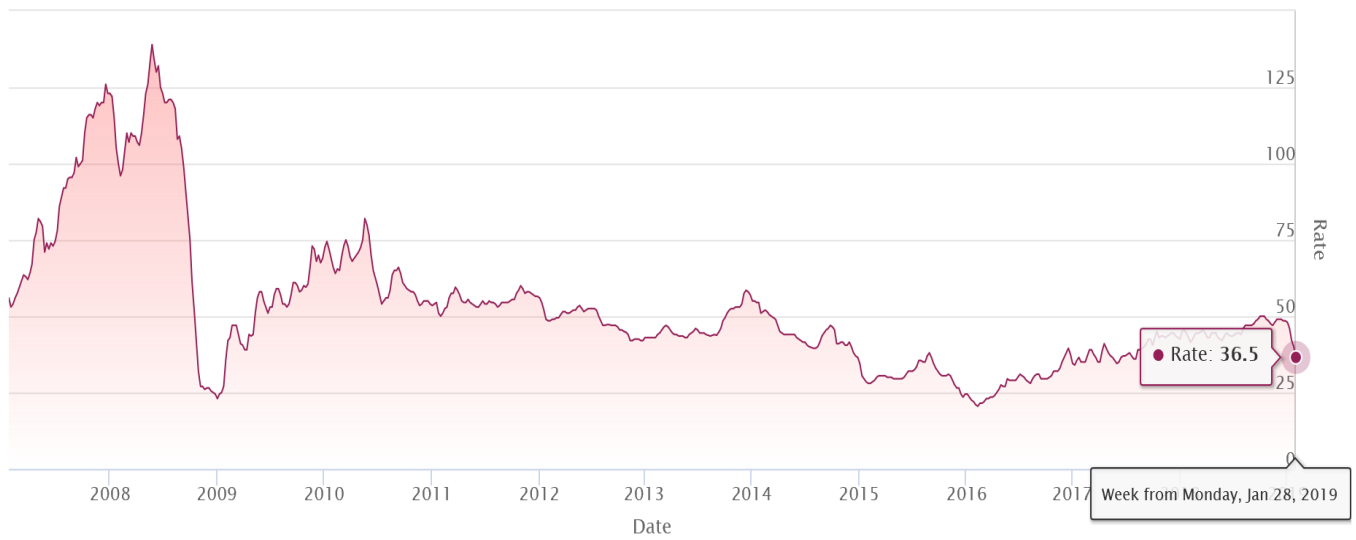


YAMAMIZU Index



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

From 2007-01-29 To 2019-01-30



China Import Dry Bulk Freight Index(CDFI)					
2019-01-30					
Route	Size MT	Cargo/Vessel Size	Unit	Rate	Change
Composite Index			Point	693.77	-36.53
Iron ore Freight Index			Point	658.56	-58.92
Soybean Freight Index			Point	822.58	-9.87
Santos(Brazil)—North China	60000/10%	Soybean	\$/ton	26.400	-0.350
Tacoma(West America)—North China	60000/10%	Soybean	\$/ton	21.223	-0.237
Mississippi(US Gulf)—North China	66000/10%	Soybean	\$/ton	38.251	-0.405
Mississippi(US Gulf)—North China	55000/10%	Soybean	\$/ton	40.967	-0.455

31 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
Mar.	0.64	\$173.42	1.00	\$187.59
Apr.	0.56	\$173.71	0.93	\$188.28
May	0.56	\$173.71	0.96	\$189.46
June	0.53	\$175.48	0.93	\$191.23
July	0.55	\$176.27	0.97	\$192.80
Aug.	0.55	\$177.35	0.95	\$193.10

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
Mar.	0.95	\$185.62	0.75	\$177.75
Apr.	0.90	\$187.10	0.75	\$181.19
May	0.90	\$187.10	0.75	\$181.19
June	0.90	\$190.05	0.73	\$183.36
July	0.90	\$190.05	0.75	\$184.14

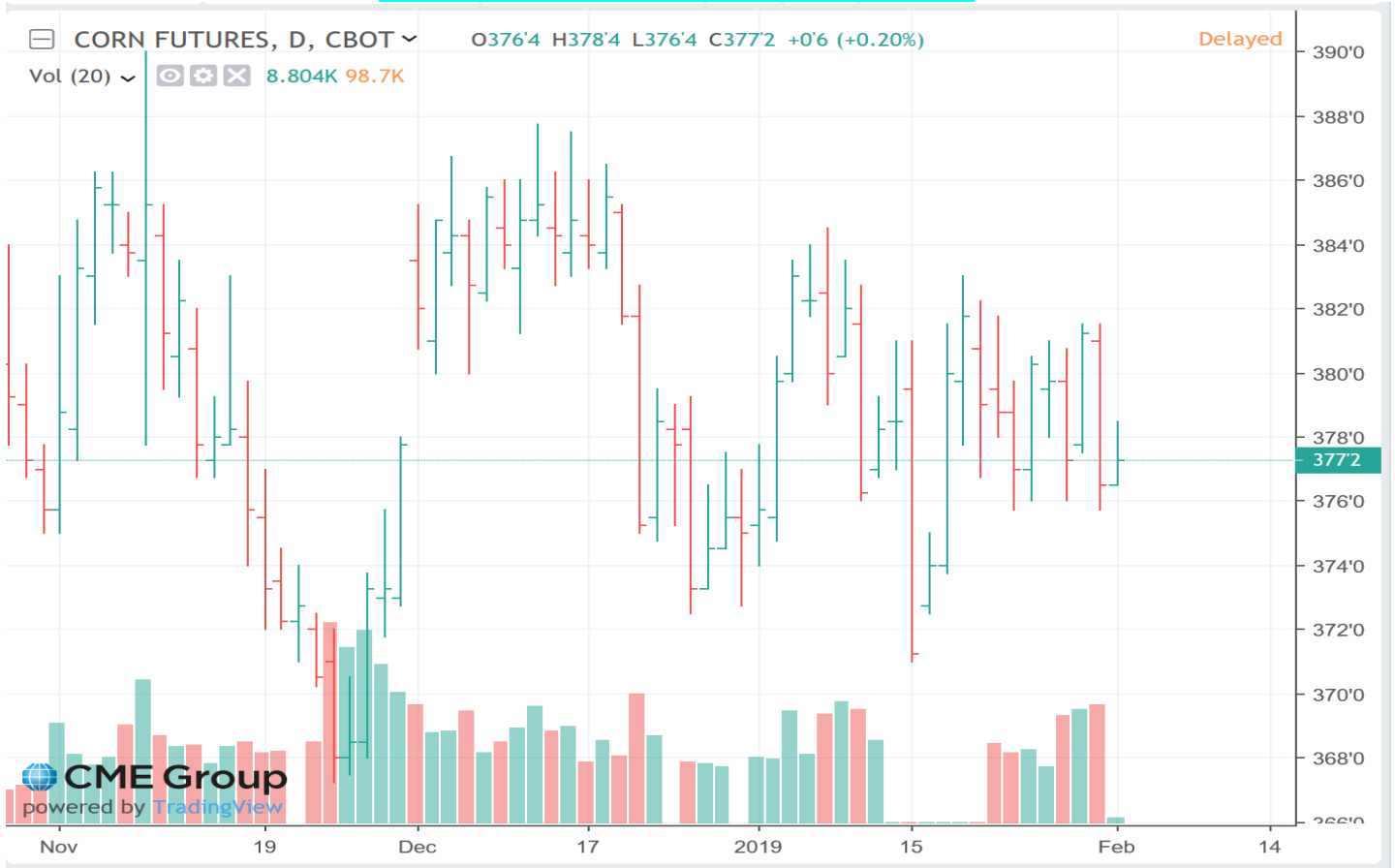
Fob vessel Texas Gulf #2 Sorghum is about 102 % the value of #2 Yellow Corn at NOLA.
In S.W. Kansas it is bid at 85 percent the value of corn.

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

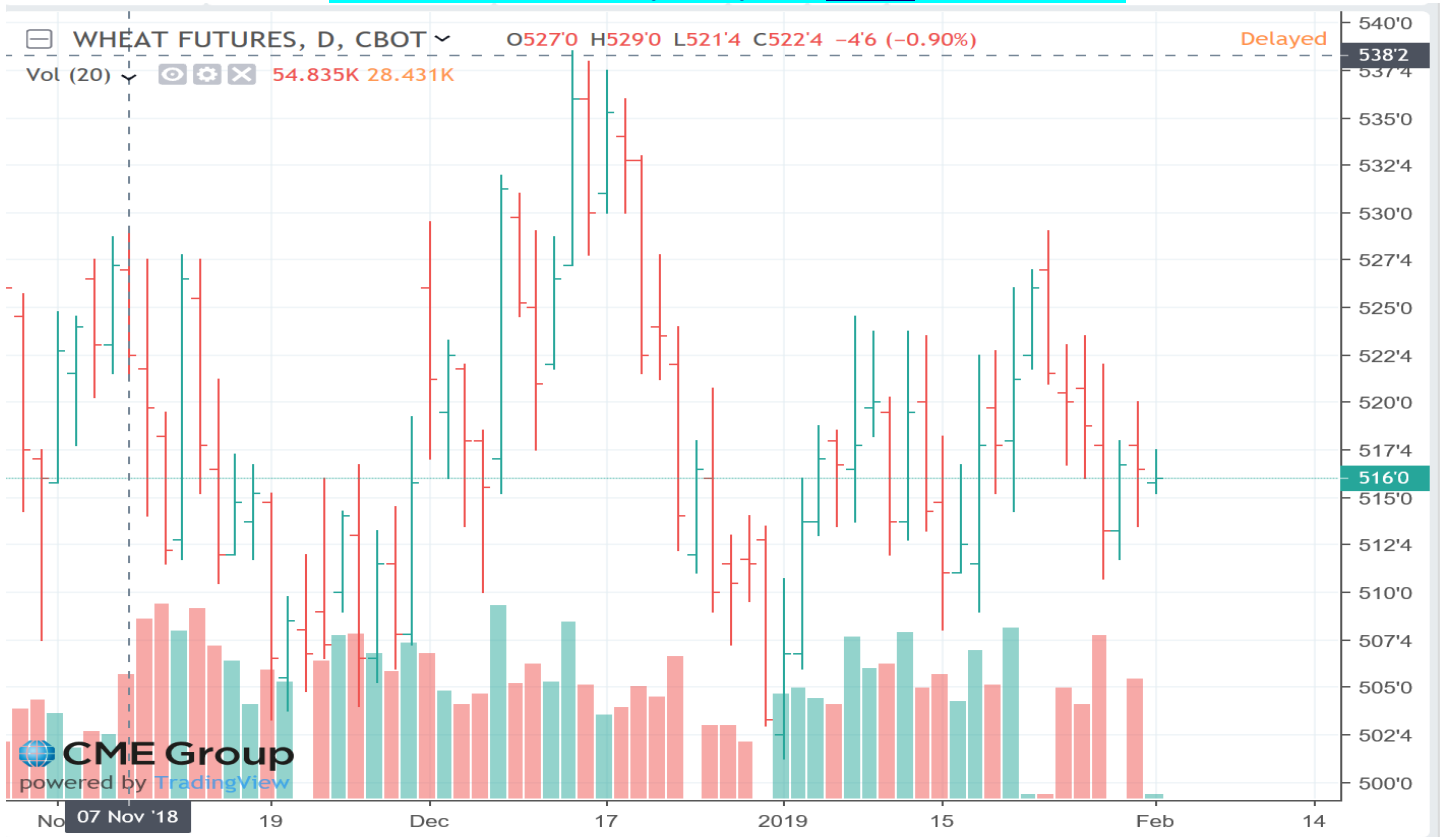
SRW Wheat	USD/MT	Fob Vessel	US Gulf	
	Mar.	Apr.	May	June
FOB U.S. GULF	\$228.36	\$228.45	\$228.45	\$230.38
Basis	1.05	1.00	1.00	1.00
WH	5.1650			
WK	5.2175			
WN	5.2700			

CME Futures Market Close						
CORN Month	Futures Symbol	Thursday Close Bushel	Thursday Close MT.	Last week Bushel	Last Week MT.	Difference Bushel
Mar.	CH	\$3.7650	\$148.22	\$ 3.7700	\$148.42	(\$0.0050)
May	CK	\$3.8525	\$151.66	\$ 3.8550	\$151.76	(\$0.0025)
July	CN	\$3.9275	\$154.62	\$ 3.9350	\$154.91	(\$0.0075)
Sept.	CU	\$3.9550	\$155.70	\$ 3.9650	\$156.09	(\$0.0100)
Dec.	CZ	\$4.0000	\$157.47	\$ 4.0075	\$157.77	(\$0.0075)

CBOT March 2019 (CH19) Corn Futures Chart –



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



U.S. Soybean and SBM Markets Fob Vessel:

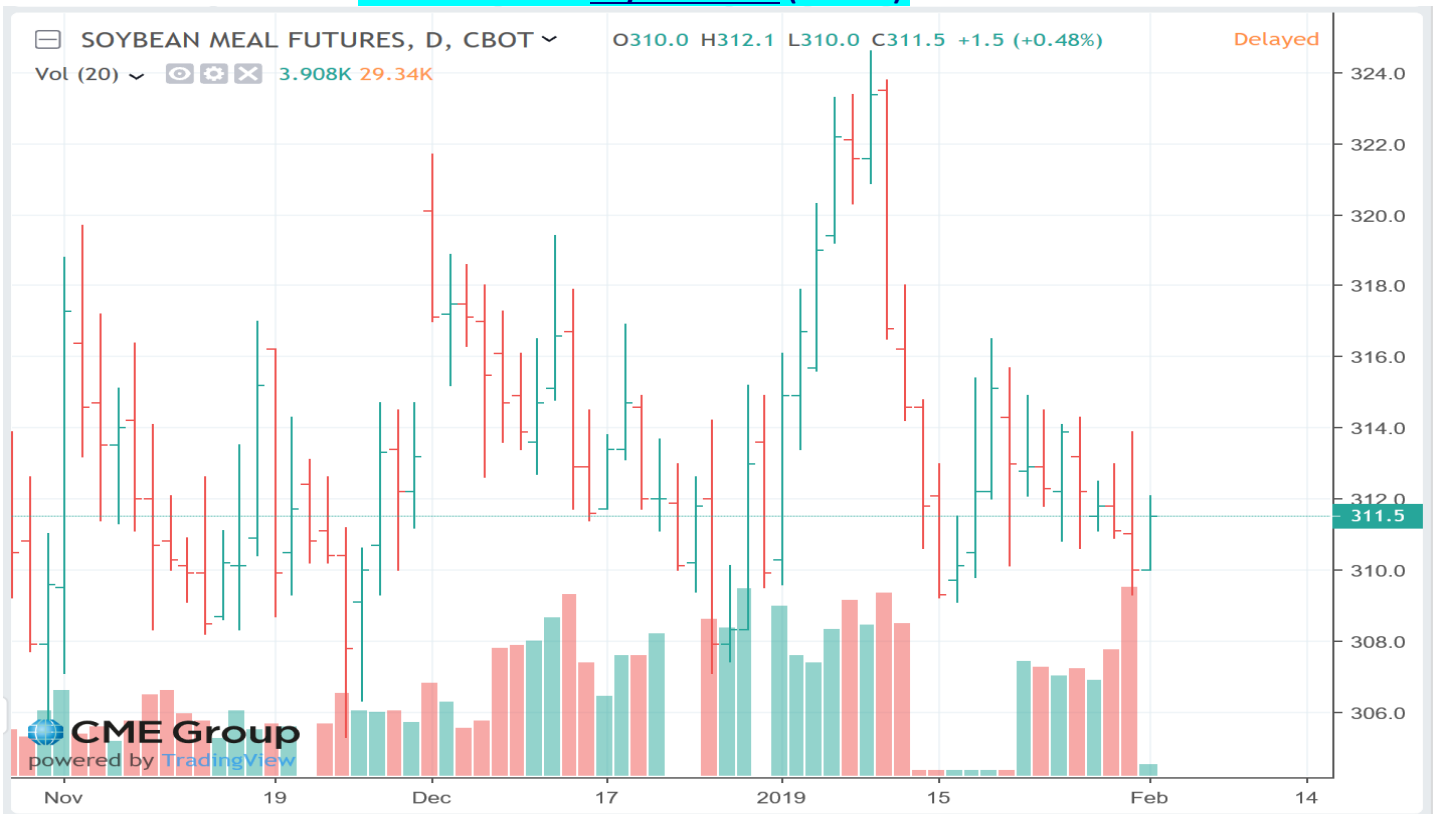
U.S. Yellow Soybeans (USD/MT) FOB Vessel				
# 2 YSB	U.S. Gulf #2 YSB		PNW #2 YSB	
14.0 % Moisture	Basis	Flat Price	Basis	Flat Price
Mar.	0.30	\$347.32	0.60	\$358.34
Apr.	0.25	\$350.62	0.58	\$362.75
May	0.30	\$352.46	0.65	\$365.32
June	0.23	\$354.57	0.58	\$367.43
July	0.25	\$355.31	0.63	\$369.27
Soybean Futures				
Mar.	\$ 9.1525			
May	\$ 9.2925			
July	\$ 9.4200			
Aug.	\$ 9.4725			
Sept.	\$ 9.4950			
Nov.	\$ 9.5550			

U.S. SBM (USD/MT) FOB Vessel		
Fob U.S. Gulf Port	47.5 Pro. SBM	
max 12.5 % moisture	Basis	Flat Price
Mar.	0.00	\$ 341.78
Apr.	0.00	\$ 346.19
May	2.00	\$ 348.39
June	0.00	\$ 350.37
July	0.00	\$ 350.37
SBM Futures		
SMH	310.00	
SMK	314.00	
SMN	317.80	
SMQ	319.20	
SMU	320.50	
SMV	321.30	

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 28 January 2019 for the Export week ending 24 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	893,001	1,127,279	21,489,433	13,797,157	156%
Sorghum	7,197	65,821	571,795	2,138,494	27%
Soybeans	929,417	1,132,163	20,459,989	33,407,868	61%
Wheat	362,153	524,942	14,376,513	16,214,549	89%
Barley	0	343	6,534	19,210	34%

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

U.S. EXPORT INSPECTIONS:

Monday's report 28 January 2019 for the Export week ending 24 January 2019

Last Week								
(Metric Tons)	YC	%	WC	%	Sorghum	%	Soybeans	%
Lakes	0	0%	0	0%	0	0%	0	0%
Atlantic	0	0%	0	0%	0	0%	10,581	1%
Gulf	501,934	58%	8,916	33%	3,748	52%	584,013	63%
PNW	262,244	30%	245	1%	0	0%	234,921	25%
Interior Export Rail	101,900	12%	17,762	66%	3,449	48%	99,902	11%
Metric Tons	866,078		26,923		7,197		929,417	

Sorghum Shipments:	metric tons	
	3,748	Madagascar
	3,449	Mexico
	7,197	Total

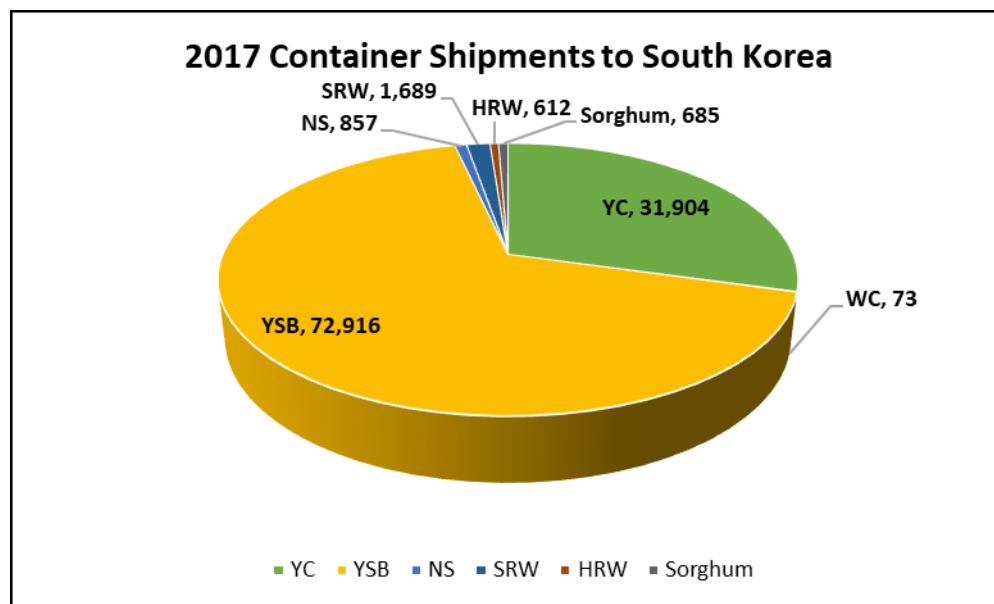
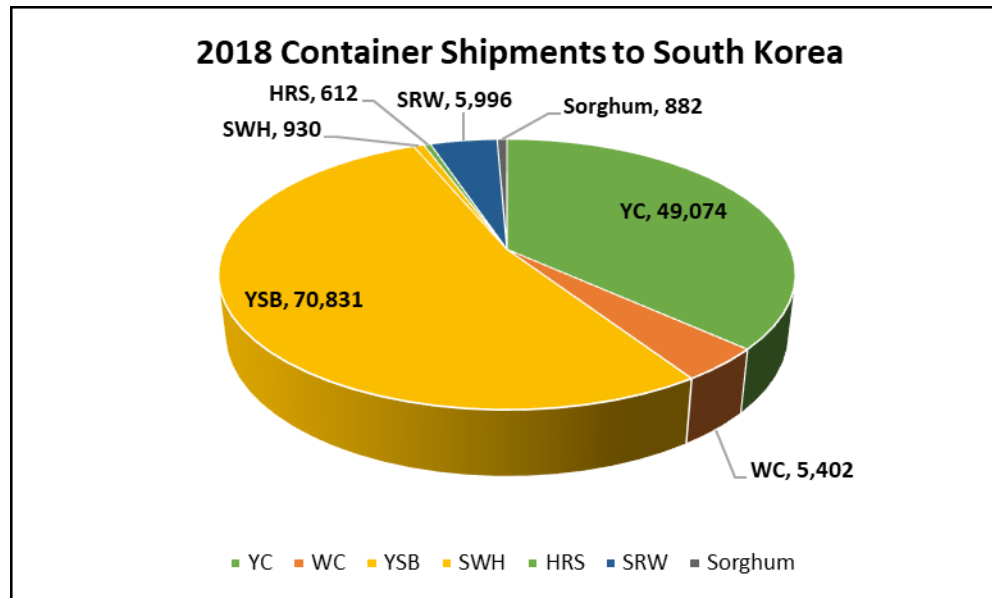
White Corn	metric tons	
Shipments:	7,223	Honduras
	1,693	Japan
	245	Korea Rep
	17,762	Mexico
	26,923	Total

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:		24-Jan-2019							
Last Week	metric tons								MT
	YC	WC	YSB	SRW	NS	SWH	HRW	Sorghum	TOTAL
China Main									0
China T	15,182		9,745						24,927
Hong Kong	685								685
Costa Rica									0
Indonesia	415		27,482						27,897
Nigeria			49						49
Japan			1,101						1,101
Korea Republic			1,714						1,714
Nepal			2,474						2,474
Malaysia	1,739		4,678						6,417
Burma			906				490		1,396
Philippines			1,175						1,175
Thailand			10,455						10,455
India			294						294
Bangladesh									0
Vietnam			7,025						7,025
Sub total	18,021	0	67,098	0	0	0	490	0	78,290
USDA Corrections/Additions to previous reports:									
China T									0
China Main									0
Hong Kong									0
Korea Rep.									0
Costa Rica									0
Japan									0
Philippines									0
Indonesia			2,742						2,742
Malaysia									0
Thailand									0
Vietnam			1,249						1,249
Burma									0
Bangladesh									0
Sub total	0	0	3,991	0	0	0	0	0	3,991
Mt. Grand Total	18,021	0	71,089	0	0	0	490	0	82,281
Number of containers	784	0	3,091	0	0	0	21	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

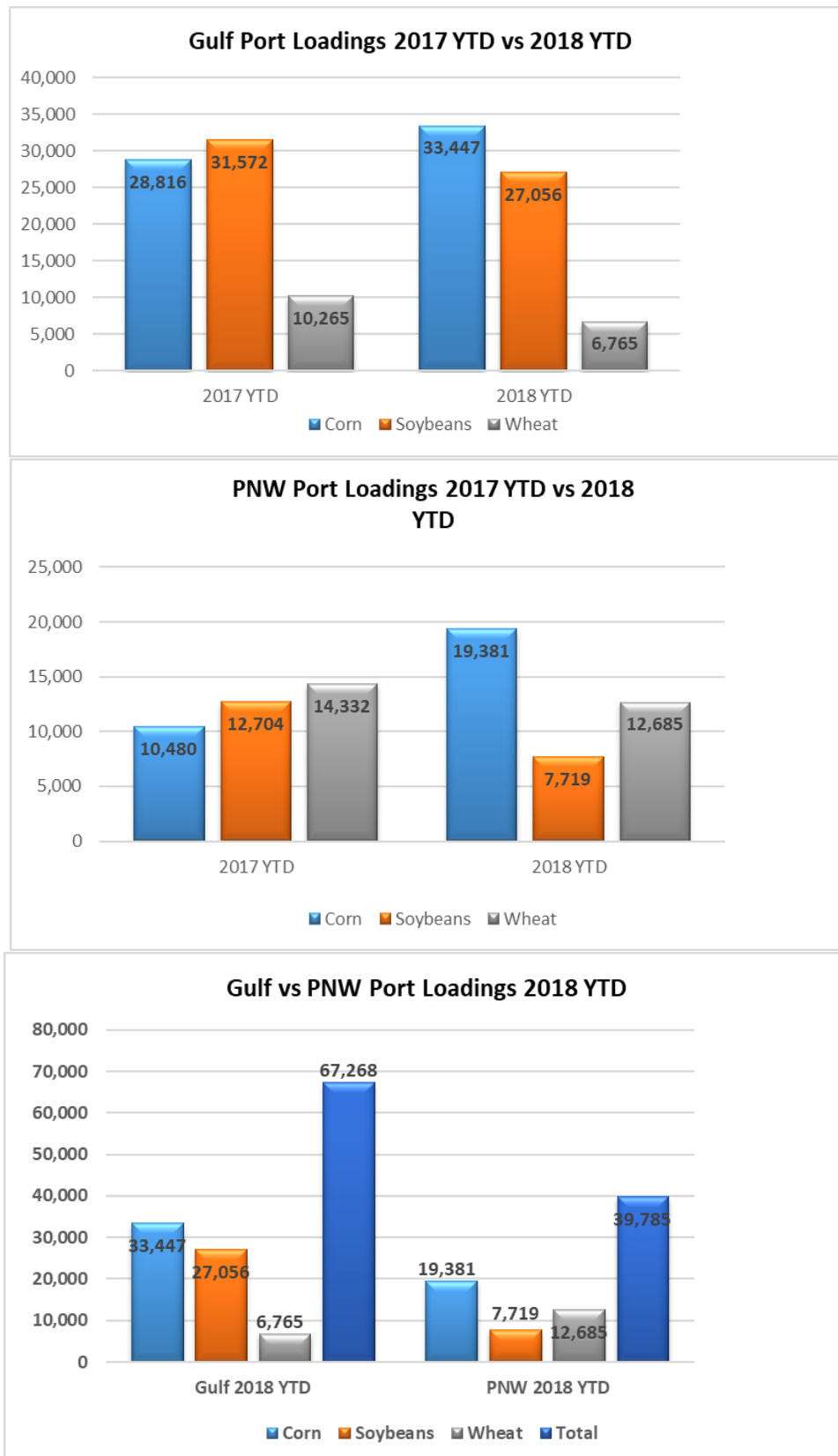
Report delayed due to Government shutdown

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%

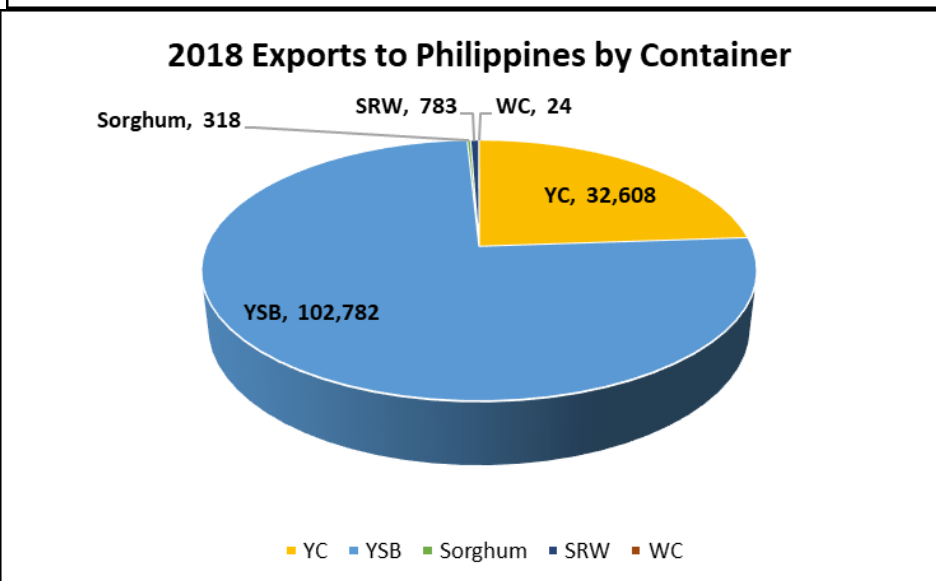
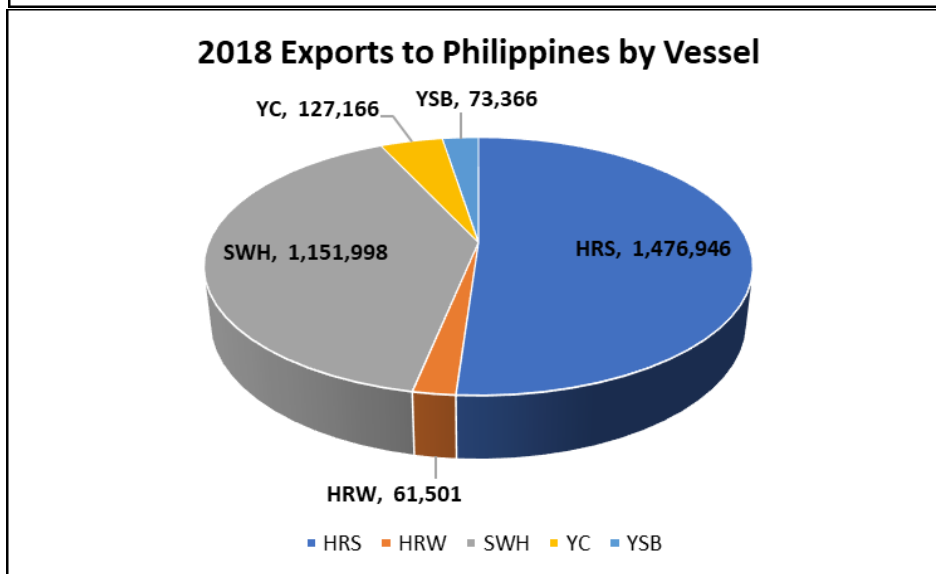
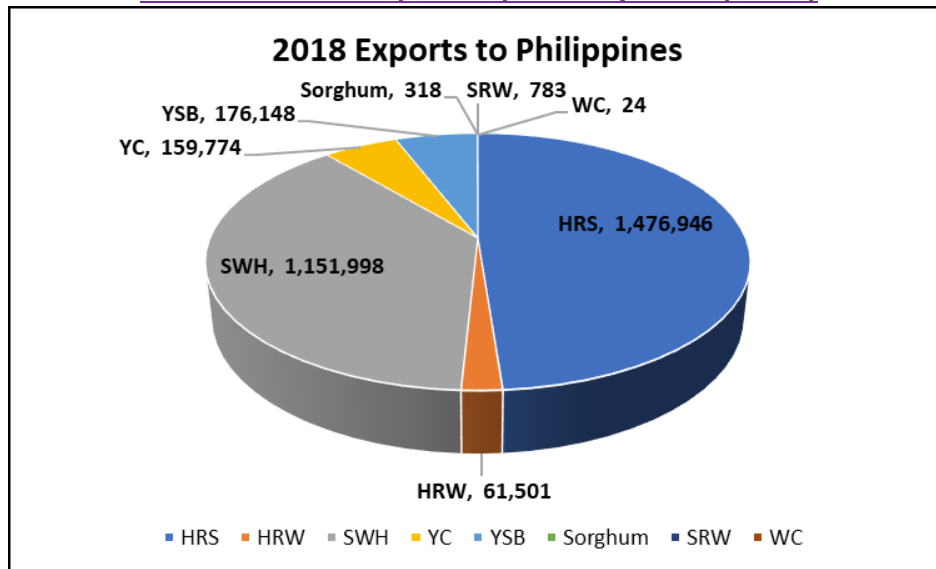
PORT LOADINGS GULF vs. PNW				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
2018 Gulf YTD	33,447	27,056	6,765	67,268
2018 PNW YTD	19,381	7,719	12,685	39,785
TOTAL	52,828	34,775	19,450	107,053
Gulf Percentage	63%	78%	35%	63%
PNW Percentage	37%	22%	65%	37%

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 Government shutdown



Source: USDA-data

2018 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

THE WORLD'S BUSIEST PORTS

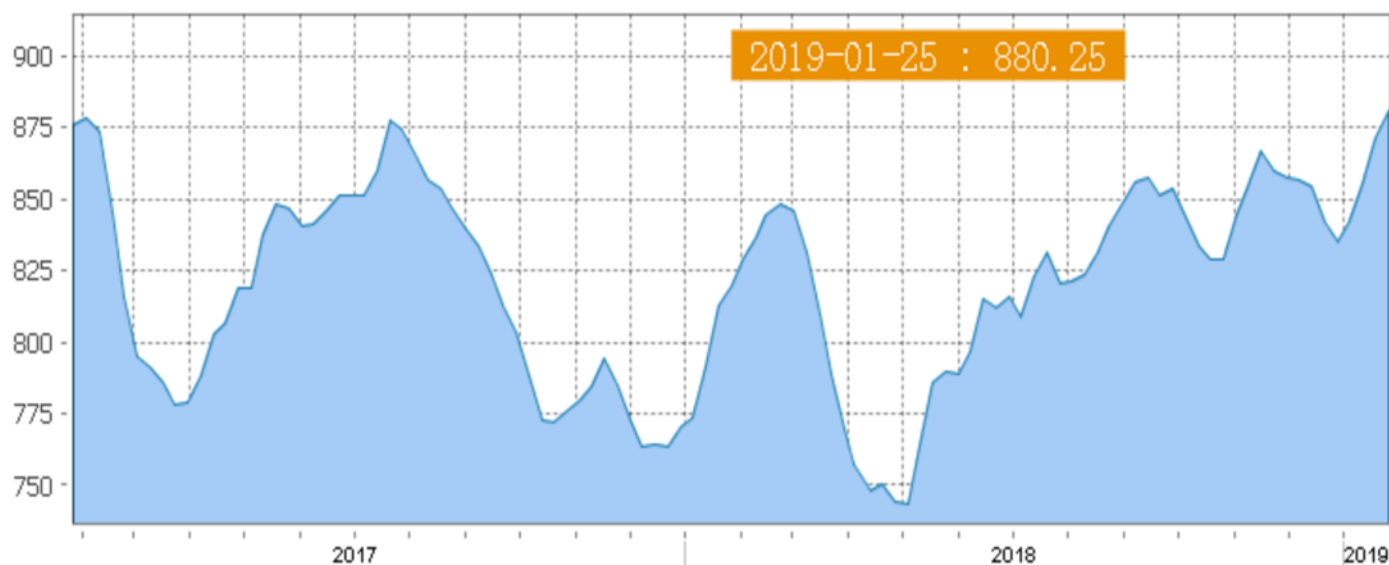
VOLUME BY MILLION TEU* (2016)

In 2006, only 3 of the top 10 ports were located in China.

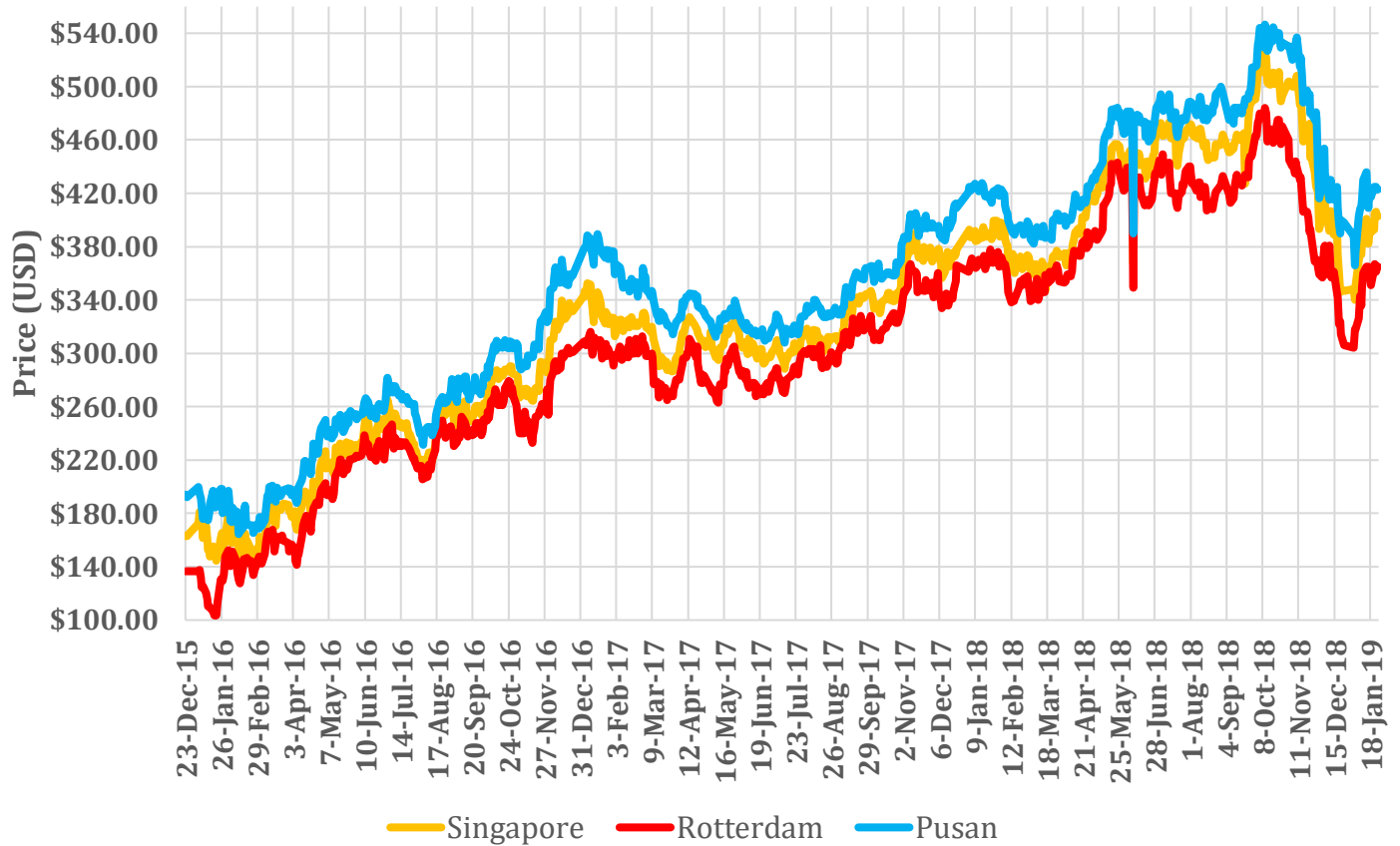


*20 foot equivalent unit or standard 6.1 meter shipping container

China Containerized Freight Index



Bunker Fuel Prices for Singapore vs. Rotterdam vs. Pusan



U.S. RIVER BARGE FREIGHT

Current Barge Freight for Placement First Half March 2019

Placement FH March 2019	% of		Corn	Soybeans-Wheat
	Tariff	MT	BU	BU
Upper Mississippi	Closed	\$ -	0.00	0.00
Illinois River (Pekin and South)	395	\$ 20.94	0.53	0.57
Mid-Mississippi	410	\$ 24.04	0.61	0.65
Lower Ohio	315	\$ 15.49	0.39	0.42
St. Louis	285	\$ 12.53	0.32	0.34

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

Secondary Rail Car Market Placement FH. March 2019	BID USD	ASK USD	BID BU.	ASK BU.	BID MT	ASK MT
BNSF Shuttle Trains	\$ 150.00	\$ 250.00	\$ 0.04	\$ 0.06	\$ 1.48	\$ 2.46
UPRR Shuttle Trains	\$ (200.00)	\$ (50.00)	\$ (0.05)	\$ (0.01)	\$ (1.97)	\$ (0.49)

Best Regards,

Jay

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*** 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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