

Transportation and Export Report for 9 January 2020

Ocean Freight Insights and Comments:

For vessel owners, there has been no joy to the start of the 2020 marketing season. The last six week have truly been brutal. Fuel costs have risen and the cost of installing scrubbers has increased operating costs, but freight markets have not provided needed compensation for any of this. The cost to retrofit scrubbers is estimated to be \$4-\$5 million for a very large ship. The installation cost for a New built vessel is less at around \$3 million. Alphaliner estimates that 95 container ships are currently inactive as they install scrubbers Container shippers have been partially successful in adding Environmental Fuel Fees (EFF) surcharges to their short-term contracts of less than three months and Bunker Adjustment Factors to their long-term contracts. But Dry-Bulk shippers have been depending on market forces for assistance, but such have been totally unsympathetic. The industrial slow down in China and the tariff wars have been primarily to blame for this.

BALTIC DRY-BULK PANAMAX INDEX CHANGES

Panamax Ocean Freight Indices				
9-Jan-20	This Week	Last Week	Difference	Percent Change
P2A : Gulf/Atlantic - Japan	13397	17818	-4,421	-24.8%
P3A - PNW/Pacific - Japan	2976	6396	-3,420	-53.5%
S1C -USGULF-China-So.Japan	19681	20679	-998	-4.8%
P7- Trial- Miss. River - Qingdao	43886	44786	-900	-2.0%
P8- Trial- Santos - Qingdao	32157	32557	-400	-1.2%

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

Four weeks ago:	\$8.65-\$8.80
Three weeks ago:	\$8.85-\$10.65
Two weeks ago:	\$9.35 -\$10.35
One week ago:	\$7.10-\$8.45
This week	\$6.60-\$7.25

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

Mississippi River:	(10 elevators)	2-7 days (2 facilities not currently operating)
Miss. River Mid-Stream loaders:	(6+ Rigs)	0-2 days
Texas Gulf	(5 elevators)	0-4 days (only 1 facility is over 1 day)
Pacific Northwest:	(9 elevators)	0-7 days (3 facilities at zero days)

Panamax Market Spreads to Asia -China					
9-Jan-20	PNW	GULF	Bushel Spread	MT Spread	Advantage
CORN	0.96	0.66	0.24	\$9.45	PNW
SOYBEANS	0.90	0.60	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 \$19.75/mt.

Soybean Brazil to Spain at about \$22.50/mt.

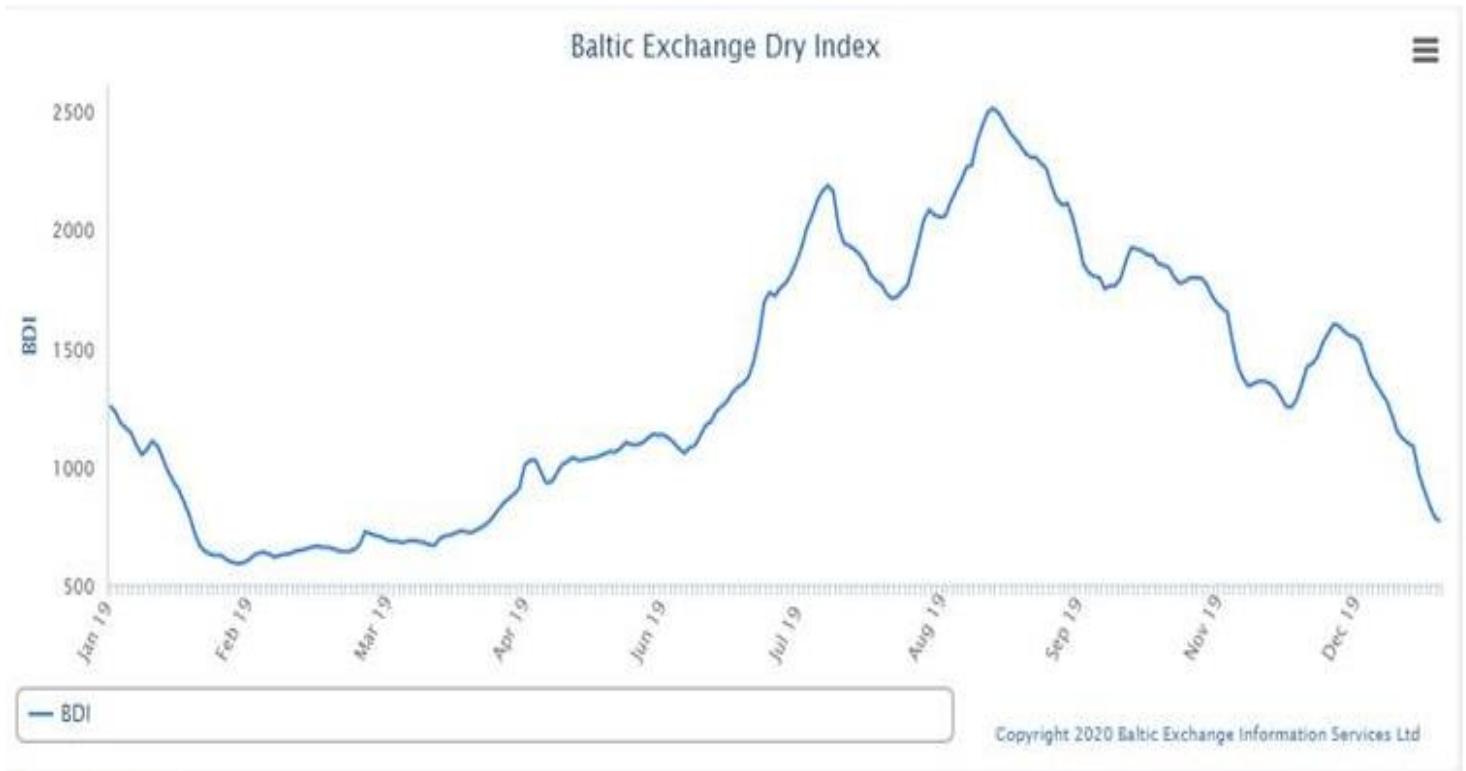
30,000 mt Corn Northern Brazil to Vera Cruz, Mexico \$18.50-\$19.00/mt .To U.S. E/C about \$21.00-21.75/mt

63,000 mt SBM Kalama, WA to China January 20-24 at \$23.00 fio 8000sshex/8000satpmshex -Raffles

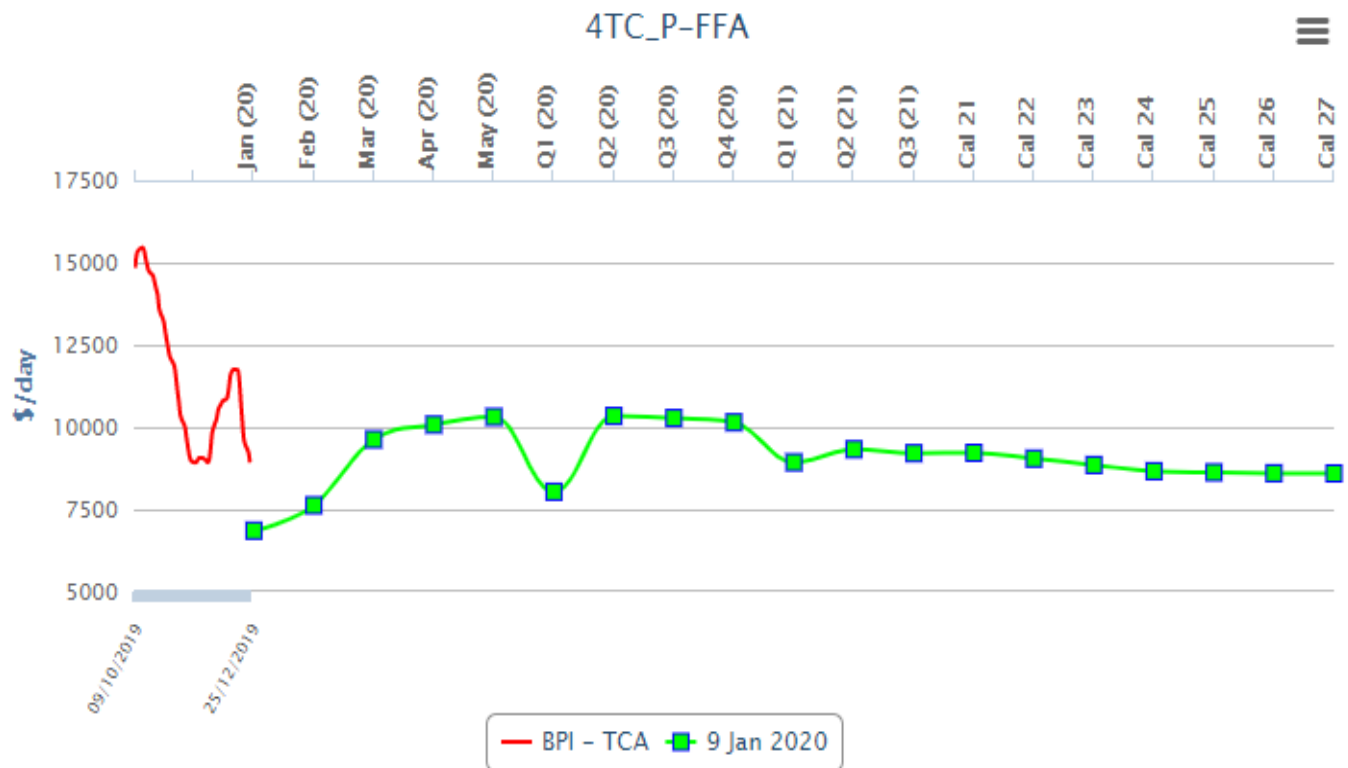
Route and Vessel Size	Current Week USD/MT	Change from previous week	Remarks
55,000 U.S. Gulf-Japan	\$45.00	Down \$0.75	Handymax \$46.00 mt
55,000 U.S. PNW- Japan	\$24.25	Down \$0.75	Handymax \$25.00 mt
66,000 U.S. Gulf – China PNW to China	\$43.50 \$23.50	Down \$0.75 Down \$1.00	North China
25,000 U.S. Gulf- Veracruz, México	\$16.75	Down \$0.50	3,000 MT daily discharge rate
30-36,000+ U.S. Gulf- Veracruz, México	\$14.00	Down \$0.50	Deep draft and 6,000 MT per day discharge rate.
30-38,000 U.S. Gulf- <u>East Coast Colombia</u> From Argentina	\$19.00 \$33.00	Down \$0.50	<u>West Coast Colombia at \$28.00</u> USG to E/C 50,000 mt at \$15.25
43-45,000 U.S. Gulf - Guatemala	\$27.50	Down \$0.75	Acajutla/Quetzal - 8,000 out
26-30,000 U.S. Gulf – Algeria	\$33.75 \$34.25	Down \$0.50	8,000 mt daily discharge 3,000 mt daily discharge
26-30,000 US Gulf-Morocco	\$34.25	Down \$0.50	5,000 discharge rate
55-60,000 U.S. Gulf –Egypt PNW to Egypt	\$26.75 \$27.00	Down \$0.75	60,000 -55,000 mt Romania- Russia- Ukraine \$13.00 -\$13.50 -\$12.00 (France \$17.00)
60-70,000 U.S. Gulf – Europe – Rotterdam	\$16.75	Down \$1.00	Handymax at +\$1.75 more
Brazil, Santos – China Brazil, Santos – China Northern Coast Brazil	\$33.25 \$32.50 \$35.00	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	\$35.75	Down \$0.50	Upriver with BB Top Off \$40.00

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

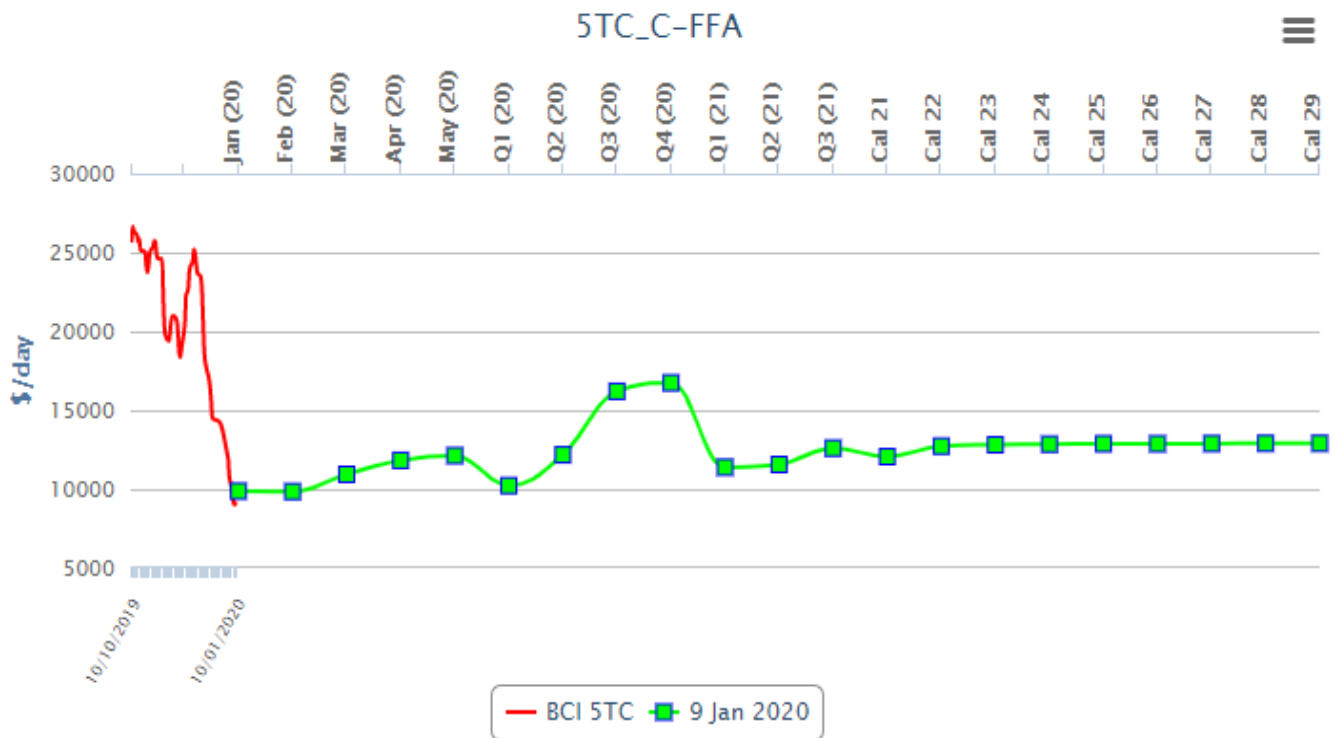
Baltic Dry Bulk Index.



Baltic Panamax Forward Curve Chart



Baltic Capesize Forward Curve Chart

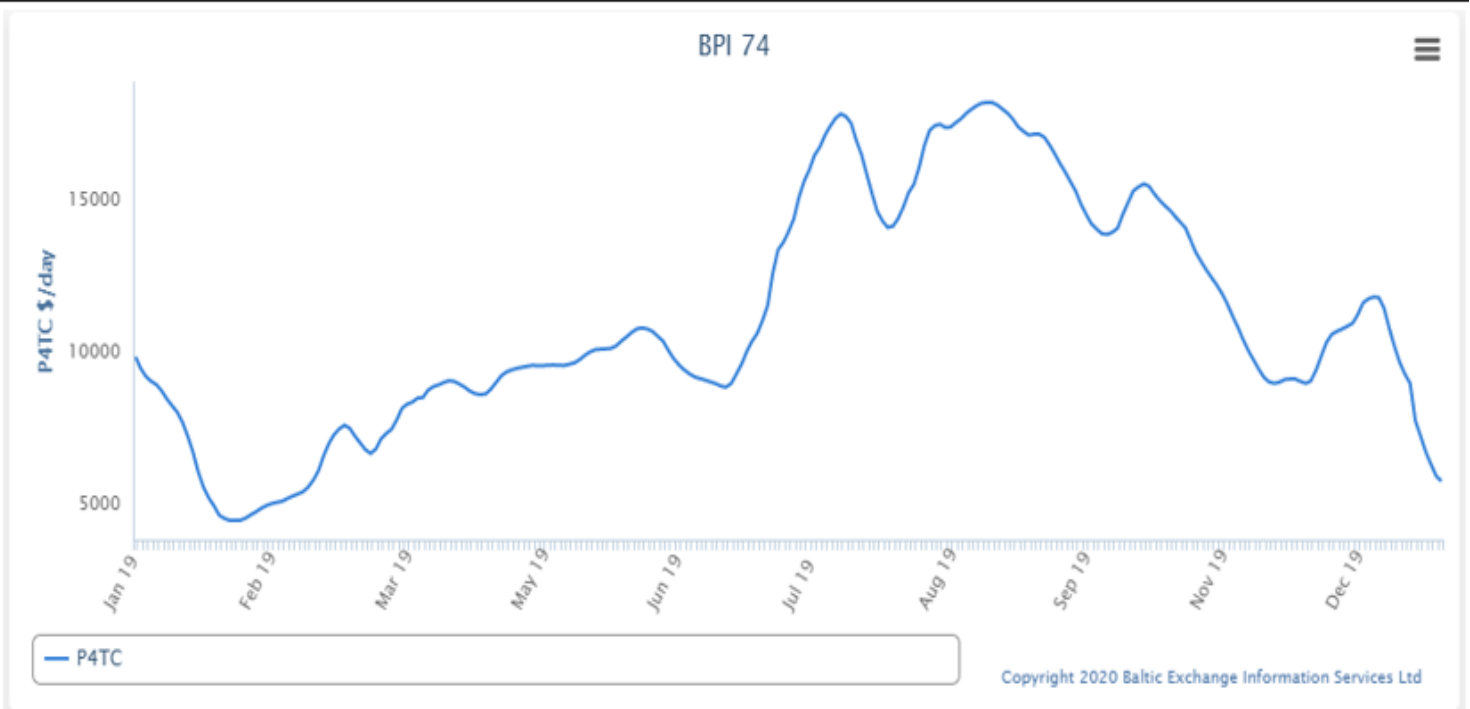


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Baltic Panamax Index

Panamax

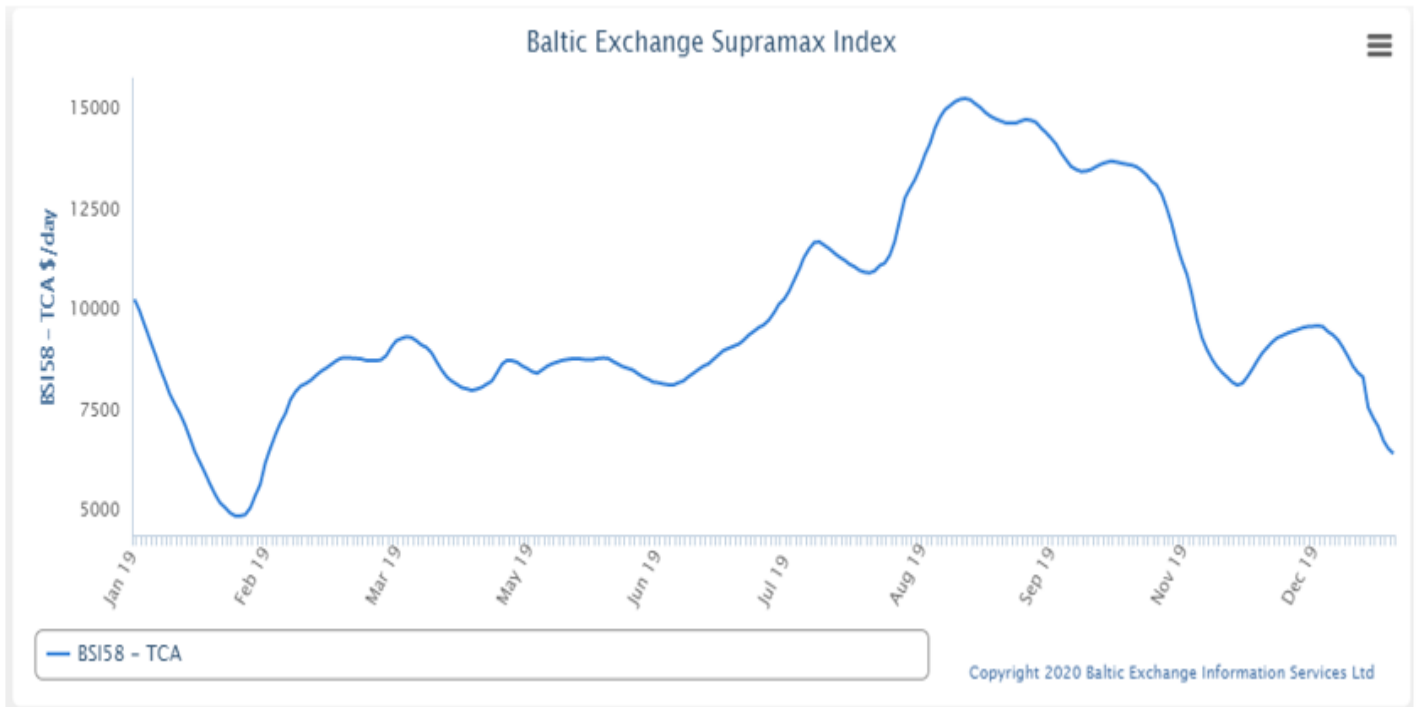
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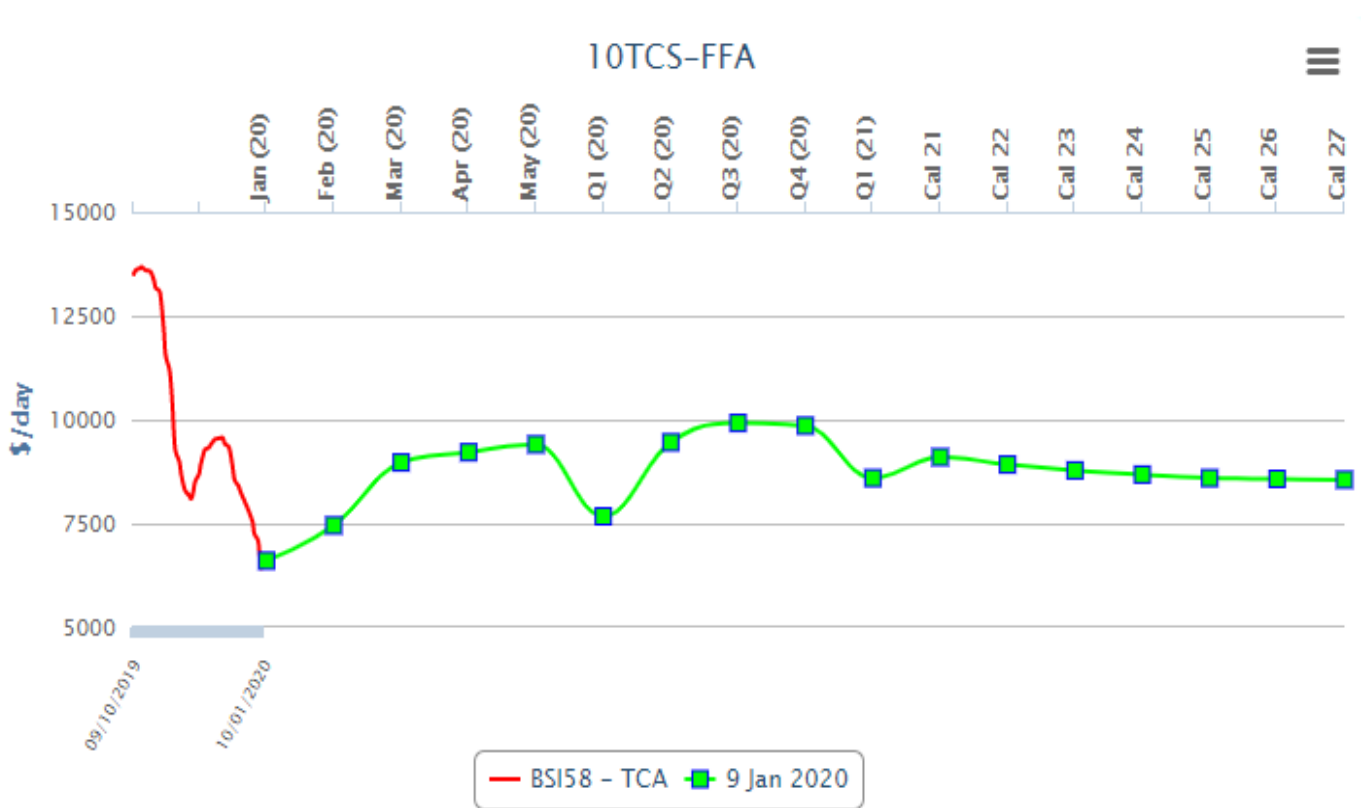
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Baltic Supramax Vessel Index

Supramax

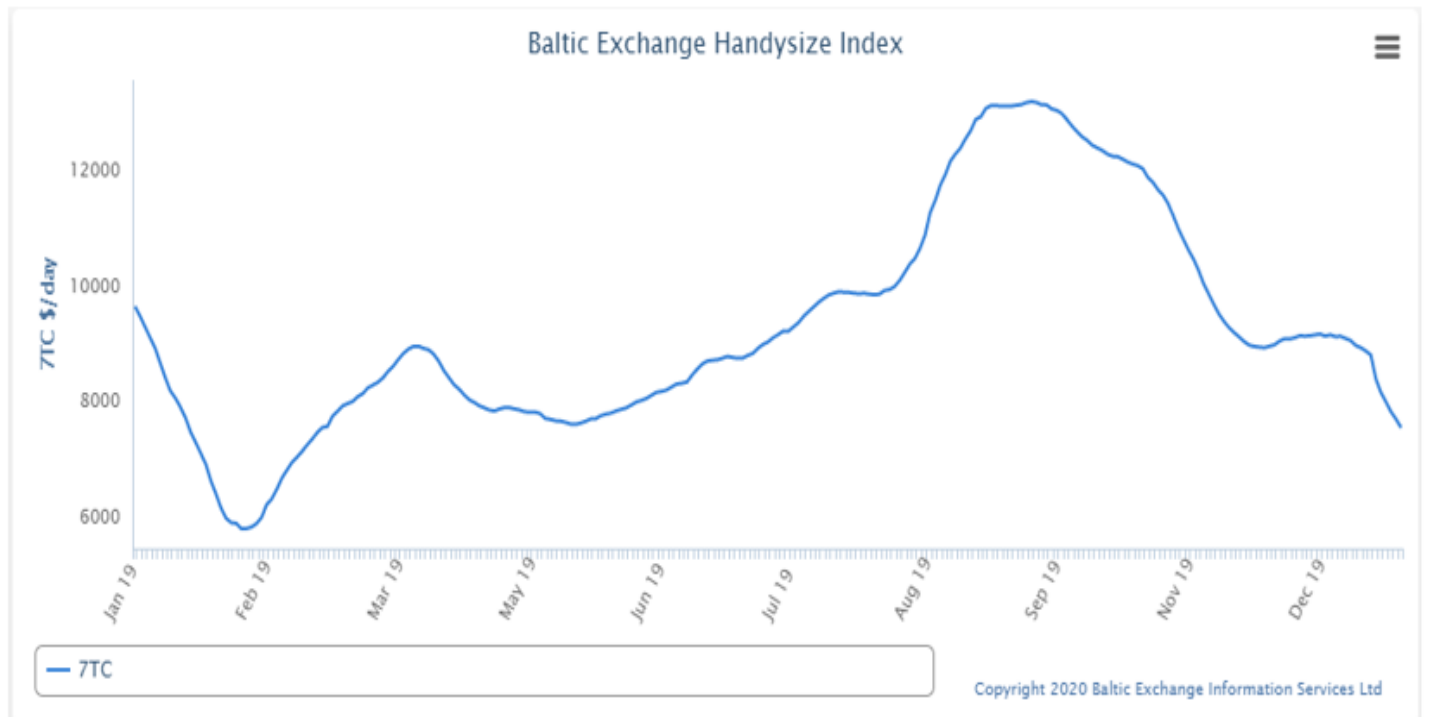


Supramax Dry-Bulk Forward Curve

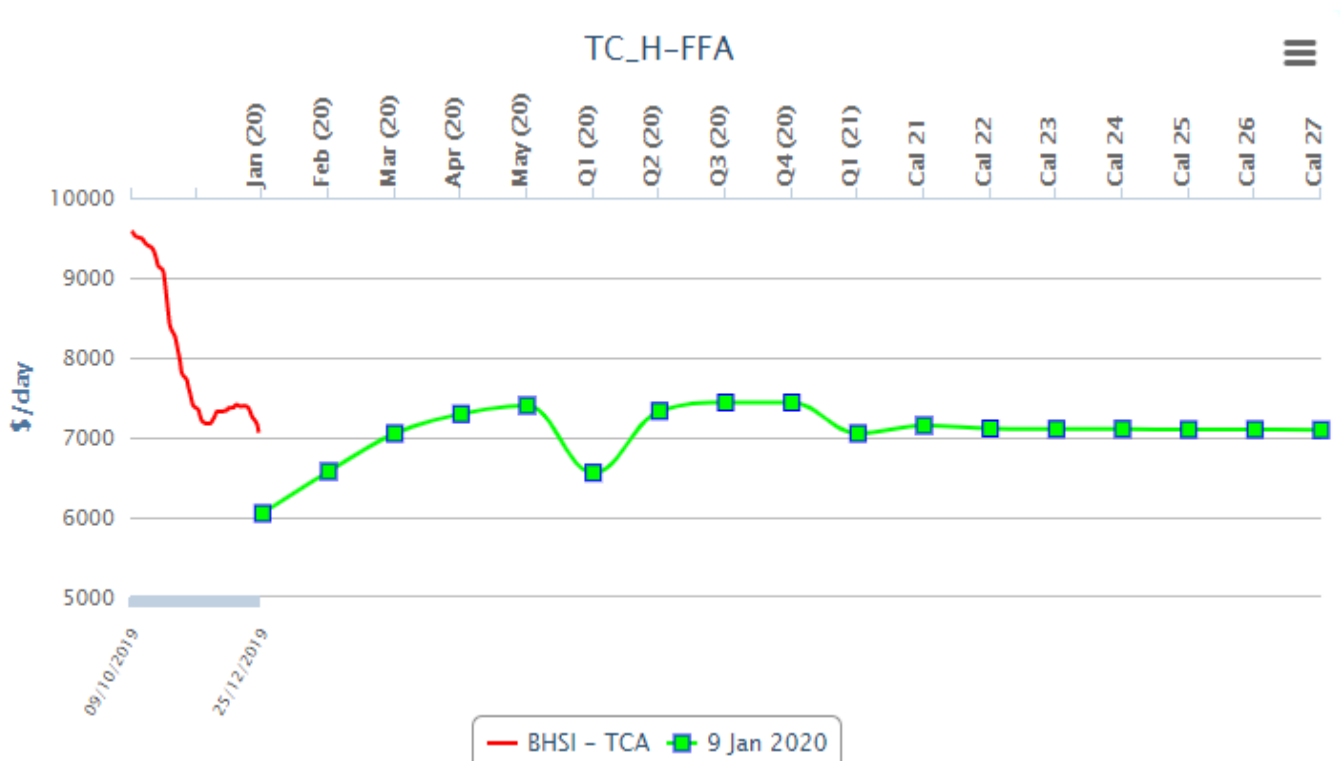


Baltic Handy Size Vessel Index

Handysize



Baltic Handy Size Forward Curve

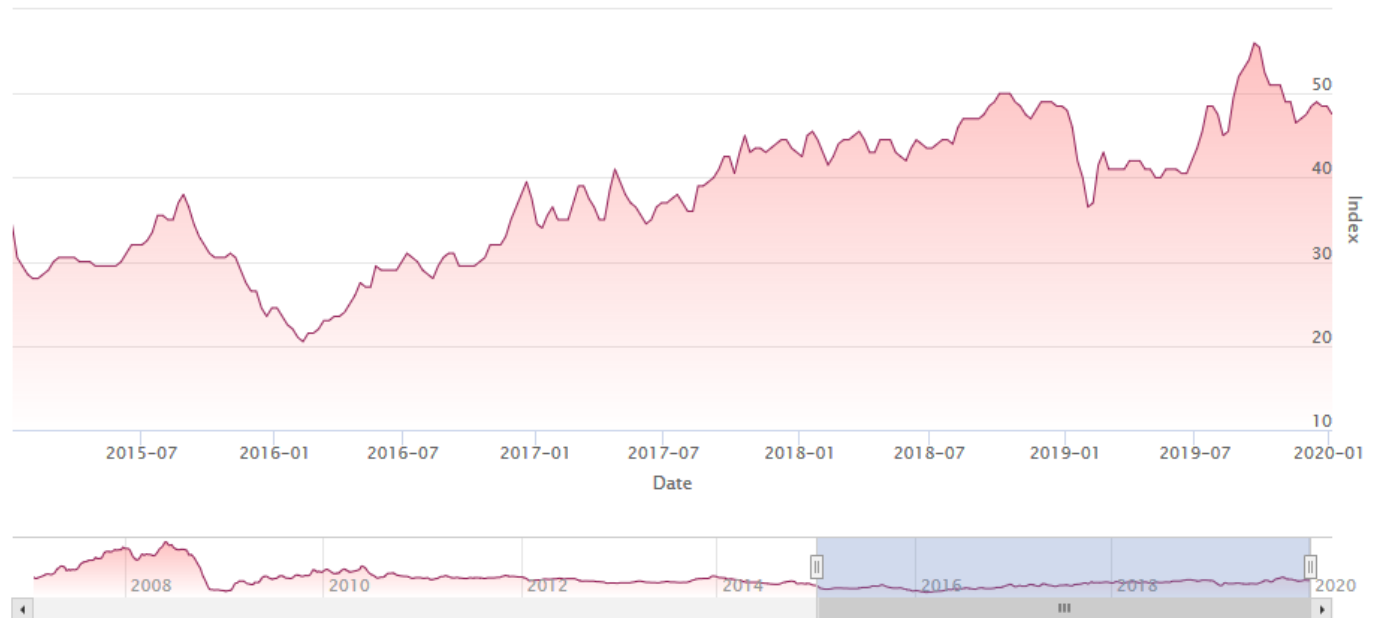


YAMAMIZU Index



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

From 2015-01-08 To 2020-01-08



China Import Dry Bulk Freight Index 2020-01-09

Description	Size MT	Cargo/Vessel Size	Unit	Rate	Change
Composite Index			Point	848.77	9.74
Iron ore Freight Index			Point	861.96	19.9
Dampier(West Australia)-Qingdao (China)	170000/10%	Iron ore	\$/ton	7.046	0.267
Soybean Freight Index			Point	977.78	1.03
Santos(Brazil)—North China	60000/10%	Soybean	\$/ton	32.719	0.138
Tacoma(West America)—North China	60000/10%	Soybean	\$/ton	24.019	-0.075
Mississippi(US Gulf)—North China	66000/10%	Soybean	\$/ton	44.3	-0.071
Mississippi(US Gulf)—North China	55000/10%	Soybean	\$/ton	46.15	-0.075

9 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.	0.66	\$176.86	0.96	\$188.67
March	0.68	\$177.65	0.96	\$188.67
April	0.64	\$178.73	0.92	\$189.75
May	0.65	\$179.12	0.95	\$190.93
June	0.60	\$179.81	0.94	\$193.20
July	0.62	\$180.60	0.98	\$194.77

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	\$188.28	0.80	\$182.37
Mar.	0.95	\$188.28	0.80	\$182.37
April	0.95	\$188.28	0.80	\$182.37
May	0.90	\$188.97	0.75	\$183.06
June	0.95	\$190.93	0.78	\$184.24

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	\$254.36	\$256.19	\$257.30	\$258.40
Basis	1.30	1.35	1.35	1.38
WH	5.6225			.
WK	5.6525			
WN	5.6725			

9-Jan-20	Close	This Week	Last Week.	Last Week.	Last Week	
CME Corn Futures	Bushel	MT.	Bushel	Bu. Diff.	MT	MT Diff.
Mar.	\$ 3.8325	\$ 150.88	\$ 3.9150	(0.0825)	\$ 154.13	\$ (3.25)
May	\$ 3.9000	\$ 153.53	\$ 3.9800	(0.0800)	\$ 156.68	\$ (3.15)
July	\$ 3.9675	\$ 156.19	\$ 4.0400	(0.0725)	\$ 159.05	\$ (2.85)
Sept.	\$ 3.9775	\$ 156.59	\$ 4.0300	(0.0525)	\$ 158.65	\$ (2.07)
Dec.	\$ 4.0000	\$ 157.47	\$ 4.0450	(0.0450)	\$ 159.24	\$ (1.77)
Mar..	\$ 4.0975	\$ 161.31	\$ 4.1350	(0.0375)	\$ 162.79	\$ (1.48)

CBOT March. 2020 (CH20) CORN Futures Chart –

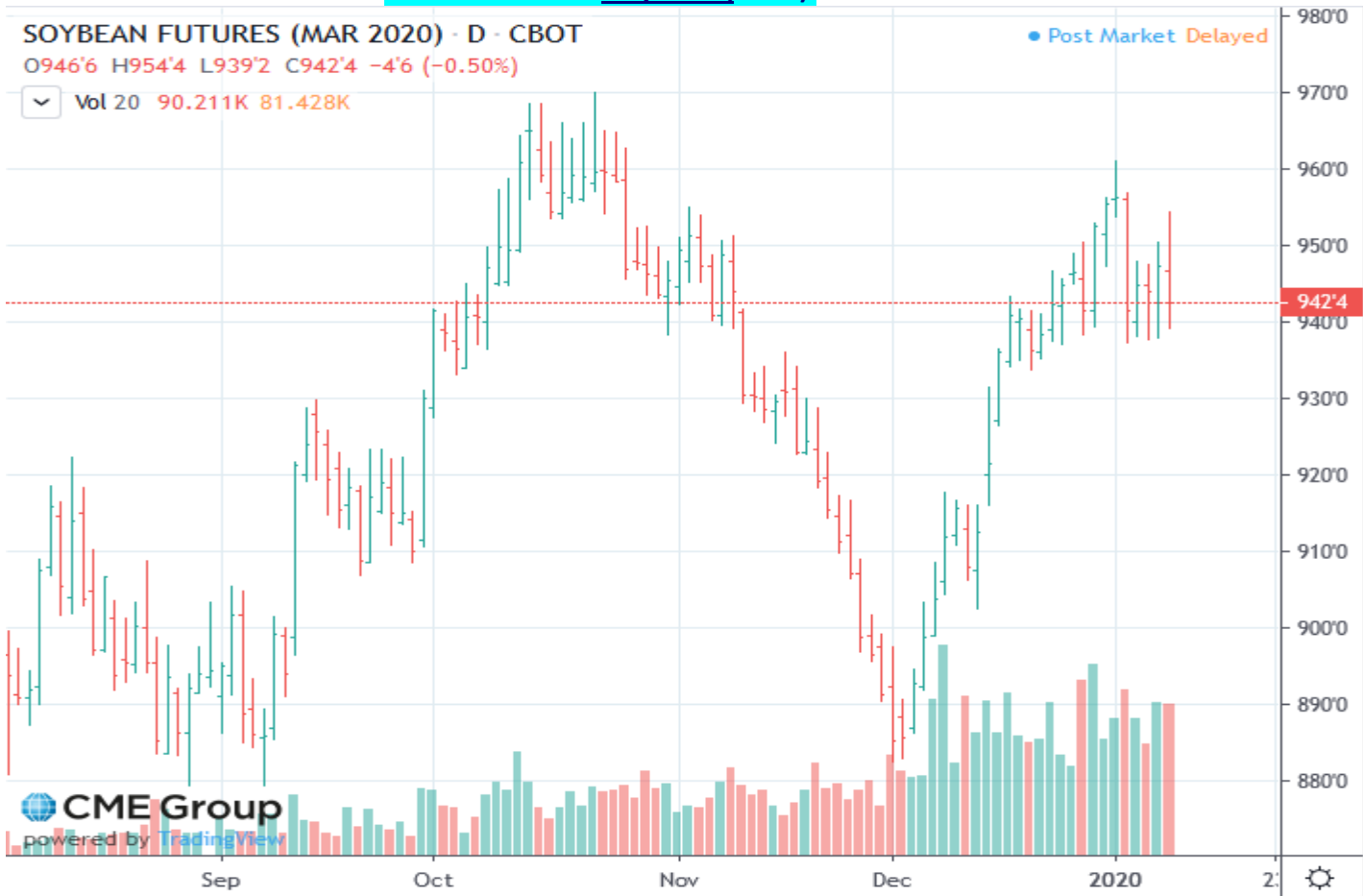


U.S. Soybean and SBM Markets Fob Vessel:

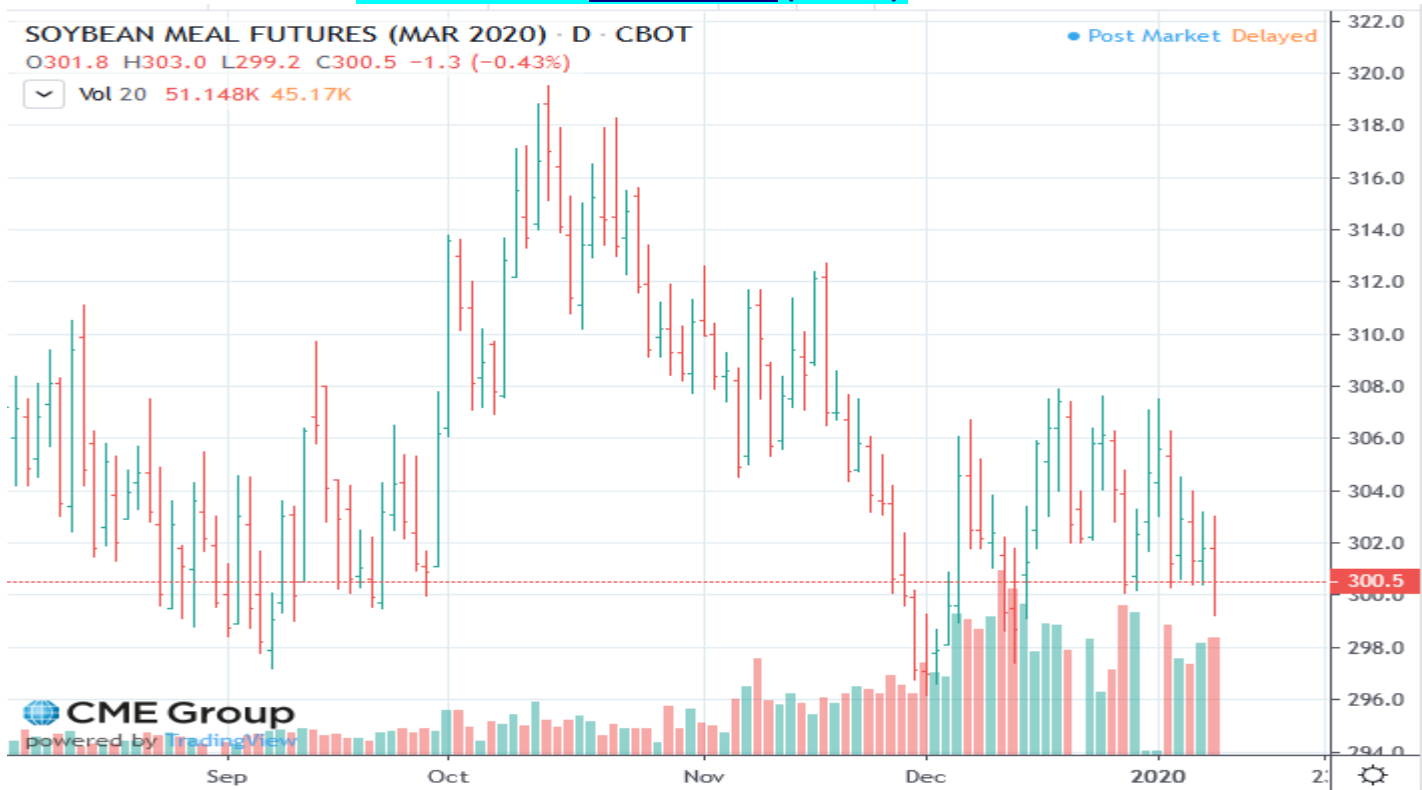
U.S. Yellow Soybeans (USD/MT) FOB Vessel				
# 2 YSB	U.S. Gulf #2 YSB		PNW #2 YSB	
14.0 % Moisture	Basis	Flat Price	Basis	Flat Price
Feb.	0.60	\$368.72	0.90	\$379.74
March	0.62	\$369.45	0.90	\$379.74
April	0.53	\$370.92	0.80	\$380.84
May	0.57	\$372.39	0.83	\$381.95
June	0.49	\$373.77	0.73	\$382.59
Soybean Futures				
Mar.	\$ 9.4350			
May	\$ 9.5650			
July	\$ 9.6825			
Aug.	\$ 9.7225			
Sept.	\$ 9.6950			
Nov.	\$ 9.7150			

U.S. SBM (USD/MT) FOB Vessel		
Fob U.S. Gulf Port	47.5 Pro. SBM	
max 12.5 % moisture	Basis	Flat Price
Feb.	10.00	\$ 347.62
March	9.00	\$ 351.59
April	11.00	\$ 353.79
May	11.00	\$ 355.45
June	12.00	\$ 356.55
SBM Futures		
SMH	300.80	
SMK	305.30	
SMN	309.90	
SMQ	311.40	
SMU	312.20	
SMV	312.20	

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 26 December 2019

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	537.4	18,354.6	46,990	39%	815.6
Sorghum	0.4	1,087.3	2,790	39%	0.0
Soybeans	349.3	29,491.6	48,310	61%	180.1
Wheat	323.4	18,854.5	26,540	71%	70.3
Barley	0.0	58.9	90	65%	0.0

U.S. EXPORT INSPECTIONS:

Monday's report 06 January 2020 for the Export week ending 02 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	550,930	408,946	8,601,828	18,474,243	47%
Sorghum	67,388	4,049	937,362	490,515	191%
Soybeans	963,830	991,801	21,744,427	17,309,583	126%
Wheat	345,109	312,090	14,846,048	12,940,992	115%
Barley	0	0	16,760	6,191	271%

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

U.S. EXPORT INSPECTIONS:

Monday's report 06 January 2020 for the Export week ending 02 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%	46,631 5%
Gulf	393,337	75%	25,302	100%	0	0%	636,547 66%
PNW	269	0%	0	0%	63,602	94%	203,964 21%
Interior Export Rail	132,022	25%	0	0%	3,786	6%	76,688 8%
Metric Tons	525,628		25,302		67,388		963,830

Sorghum Shipments:	metric tons	
	63,602	China Main
	3,737	Mexico
	49	Panama
	67,388	Total

White Corn	metric tons	
Shipments:	22,000	Colombia
	3,302	Guatemala
	25,302	Total

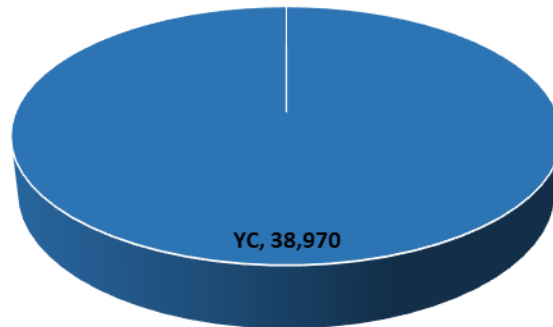
Export Inspection Highlights

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:		2-Jan-2020							
Last Week	metric tons								MT
	YC	WC	YSB	SRW	NS	SWH	HRW	Sorghum	TOTAL
China Main									0
China T	7,611		12,932	24			587		21,154
Hong Kong	734								734
Costa Rica									0
Indonesia			19,150						19,150
French Poly	245								245
Japan			660						660
Korea Republic			2,302						2,302
Nepal			1,592						1,592
Malaysia	147		2,399						2,546
Italy			24						24
Philippines			293						293
Thailand			6,266						6,266
Panama								49	49
Rep S Africa									0
Bangladesh									0
Burma			24						24
Vietnam			8,693						8,693
Sub total	8,737	0	54,335	24	0	0	587	49	54,966
USDA Corrections/Additions to previous reports:									
China T	24		(589)						-565
China Main									0
Hong Kong									0
Korea Rep.									0
Singapore									0
Japan			(678)						-678
Philippines									0
Indonesia									0
Malaysia									0
Thailand									0
Vietnam			(17,688)						-17,688
Canada									0
Bangladesh									0
Sub total	24	0	-18,955	0	0	0	0	0	-18,931
Mt. Grand Total	8,761	0	35,380	24	0	0	587	49	36,035
Number of containers	381	0	1,538	1	0	0	26	2	

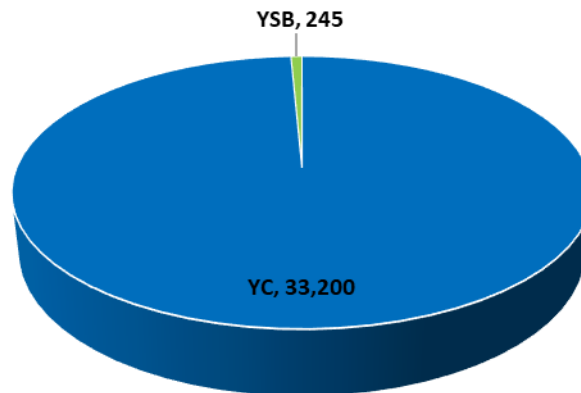
Jan - Dec 2018 Annual Totals versus 2019 Jan.-Dec. YTD Total Container Shipments (in MT)

2019 YTD Container Shipments to Hong Kong



■ YC

2018 Container Shipments to Hong Kong



■ YC ■ YSB

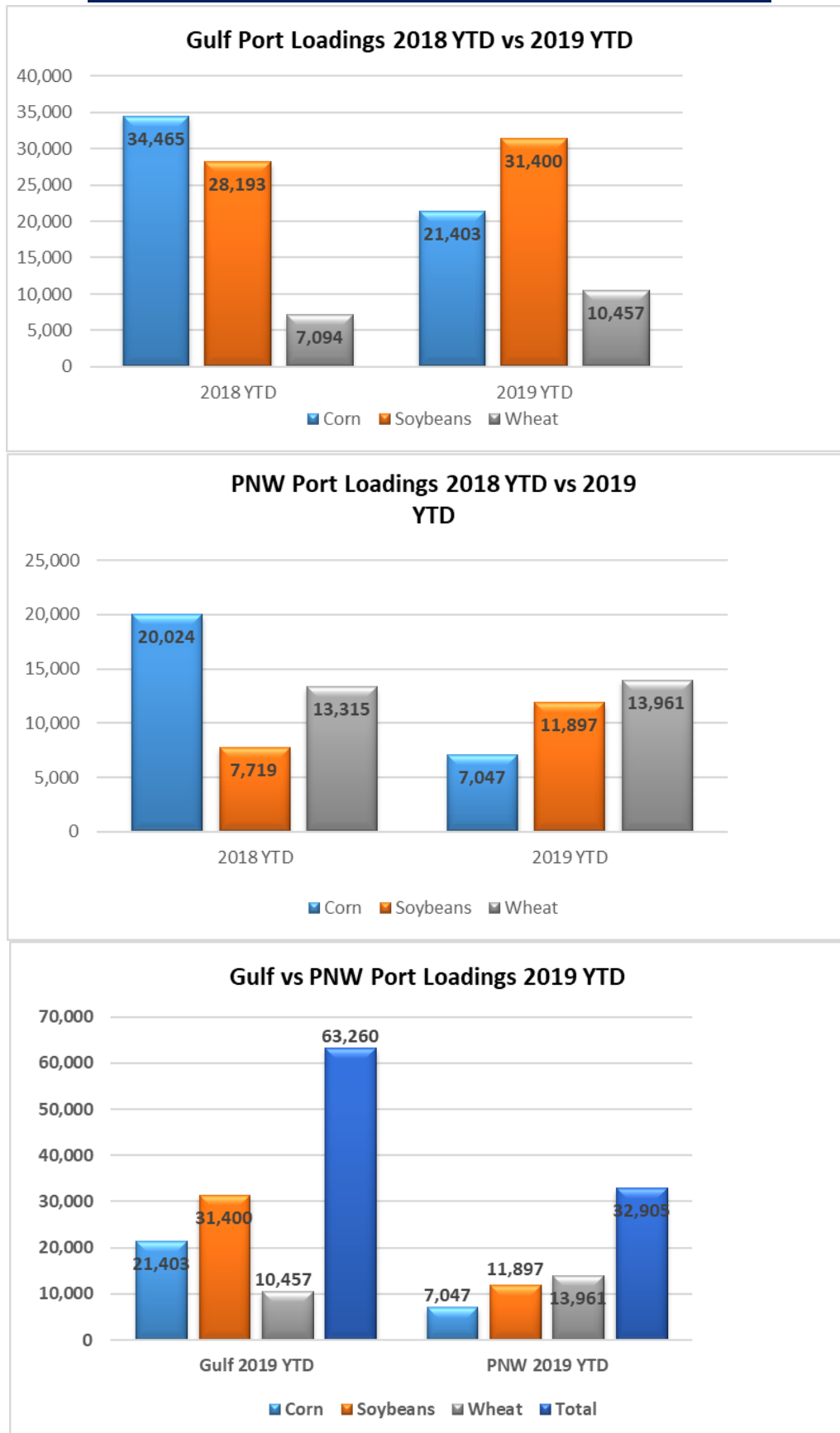
Grain Inspections for Export by U.S. Port Regions:
U.S. Gulf and Pacific Northwest 2018 YTD vs. 2019 YTD

PORT LOADINGS US Gulf				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
GULF				
2018 YTD	34,465	28,193	7,094	69,752
2019 YTD	21,403	31,400	10,457	63,260
2019 as % of 2018	62%	111%	147%	91%

PORT LOADINGS US PNW				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
PNW				
2018 YTD	20,024	7,719	13,315	41,058
2019 YTD	7,047	11,897	13,961	32,905
2019 as % of 2018	35%	154%	105%	80%

PORT LOADINGS GULF vs. PNW				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
2019 Gulf YTD	21,403	31,400	10,457	63,260
2019 PNW YTD	7,047	11,897	13,961	32,905
TOTAL	28,450	43,297	24,418	96,165
Gulf Percentage	75%	73%	43%	66%
PNW Percentage	25%	27%	57%	34%

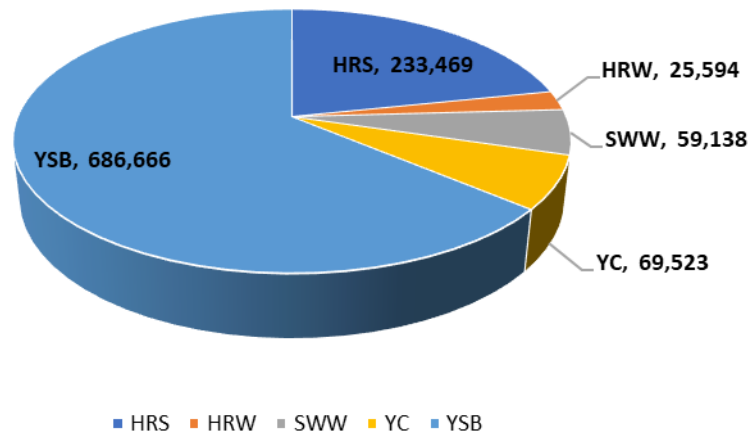
Grain Inspections for Export by U.S. Port Regions (1,000MT):
U.S. Gulf and Pacific Northwest 2018 YTD vs. 2019 YTD



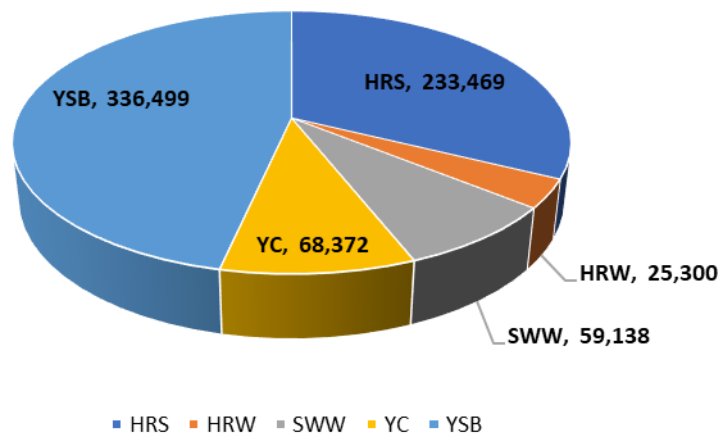
Source: USDA-data

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

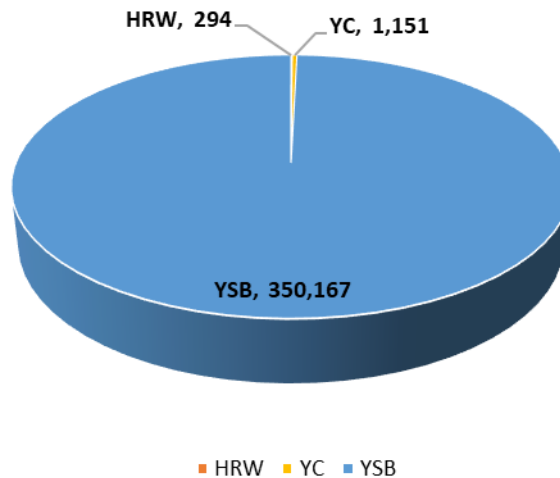
2019 Exports to Vietnam



2019 Exports to Vietnam by Vessel

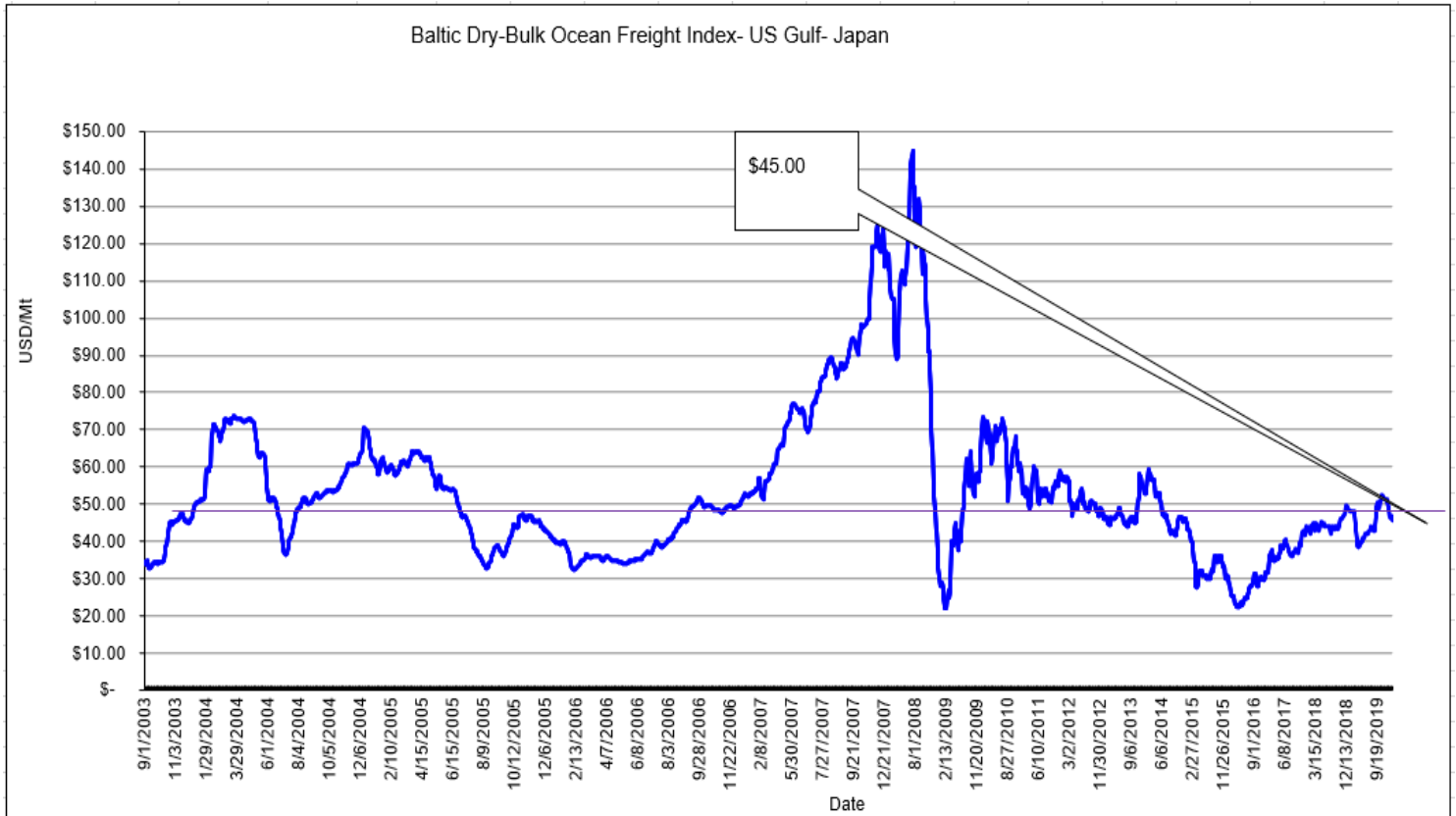


2019 Exports to Vietnam by Container



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

Shipping News



China Import Dry Bulk Freight Index



China Containerized Freight Index



U.S. RIVER BARGE FREIGHT

Current Barge Freight for Placement First Half February 2020

Placement FH February 2020	% of		Corn	Soybeans-Wheat
	Tariff	MT	BU	BU
Upper Mississippi	Closed	\$ -	0.00	0.00
Illinois River (Pekin and South)	335	\$17.76	0.45	0.48
Mid-Mississippi	Closed	\$ -	0.00	0.00
Lower Ohio	245	\$12.04	0.31	0.33
St. Louis	235	\$10.34	0.26	0.28

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

Secondary Rail Car Market Placement FH. February 2020	BID USD	ASK USD	BID BU.	ASK BU.	BID MT	ASK MT
BNSF Shuttle Trains	\$ (300.00)	\$ (200.00)	\$ (0.08)	\$ (0.05)	\$ (2.95)	\$ (1.97)
UPRR Shuttle Trains	\$ (200.00)	\$ (100.00)	\$ (0.05)	\$ (0.03)	\$ (1.97)	\$ (0.98)

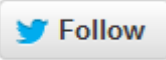
Best Regards,

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