

**Transportation and Export Report for 1 October 2020**

Dry-Bulk markets showed a bit of life leading into the China Golden Week holiday period on Wednesday. But, as we have seen in the past, things quieted down at weeks end. Capesize markets exhibited the most strength. All market support was limited to the spot and nearby periods. Q4 2020 and Q1-2021 markets remained relatively flat and range bound.

The October and Q4 Panamax index traded between \$11750-11950.

With China on holiday we must expect things to remain quite until that market opens back up for business at the end of next week.

BALTIC DRY-BULK PANAMAX INDEX CHANGES

Panamax Ocean Freight Indices					
1-Oct-2020		This Week	Last Week	Difference	Percent Change
P2A : Gulf/Atlantic - Japan	per day	21123	20991	132	0.6%
P3A - PNW/Pacific - Japan	per day	11755	12142	-387	-3.2%
S1C -USGULF-China-So.Japan	per day	24761	24181	580	2.4%
P7- Trial- Miss. River - Qingdao	per ton	41.629	41.443	0.2	0.4%
P8- Trial- Santos - Qingdao	per ton	30.300	30.7	-0.4	-1.3%

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

Four weeks ago:	\$7.50-\$8.20
Three weeks ago:	\$7.00-\$7.80
Two weeks ago:	\$7.10-\$7.45
One week ago:	\$7.95-\$8.65
This week	\$8.25 \$8.90

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

Mississippi River:	(10 elevators)	4-14 days (2 facilities not currently operating)
Miss. River Mid-Stream loaders:	(6+ Rigs)	0-2 days
Texas Gulf	(5 elevators)	0-12 days (2 of 5 facilities at zero days)
Pacific Northwest:	(9 elevators)	2-10 days

Panamax Market Spreads to Asia -China					
1-Oct-2020	PNW	GULF	Bushel Spread	MT Spread	Advantage
CORN	1.85	1.39	0.46	\$18.11	Both
SOYBEANS	1.80	1.45	0.35	\$13.78	PNW
OCEAN FREIGHT	\$23.00	\$42.25	.49 -.52	\$19.25	November

Recent Reported Vessel Fixtures:

**** Below rates are estimates for the nearby-30-day slots. 60-90 days forward rates will usually be higher.**

Soybean Panamax USG to Spain is running \$21.00-\$22.005/mt.

Soybean Brazil to Spain about \$24.00-25.00/mt.

30,000 mt Corn Northern Brazil to Vera Cruz, Mexico \$18.50-\$19.50/mt .To U.S. E/C about \$21.25-22.25/mt

Route and Vessel Size	Current Week USD/MT	Change from previous week	Remarks
55,000 U.S. Gulf-Japan	\$43.25	Unchanged	Handymax \$45.50 mt
55,000 U.S. PNW- Japan	\$23.75	Unchanged	Handymax \$25.00 mt
66,000 U.S. Gulf – China	\$42.25	Unchanged	North China
PNW to China	\$23.00	Unchanged	
25,000 U.S. Gulf- Veracruz, México	\$17.50	Unchanged	3,000 MT daily discharge rate
30-36,000+ U.S. Gulf- Veracruz, México	\$14.50	Unchanged	Deep draft and 6,000 MT per day discharge rate.
30-38,000 U.S. Gulf- Colombia	\$20.00	Unchanged	<u>West Coast Colombia at \$31.75</u>
<u>East Coast Colombia</u> From Argentina	<u>\$30.50</u> \$31.50		USG to E/C 50,000 mt at \$16.50
43-45,000 U.S. Gulf - Guatemala	\$29.00	Unchanged	Acajutla/Quetzal - 8,000 out
26-30,000 U.S. Gulf – Algeria	\$38.75 \$40.75	Unchanged	8,000 mt daily discharge 3,000 mt daily discharge
26-30,000 US Gulf-Morocco	\$40.00	Unchanged	5,000 discharge rate
55-60,000 U.S. Gulf –Egypt	\$28.25	Down \$0.25	60,000 -55,000 mt -Egypt
PNW to Egypt	\$29.00		Romania- Russia- Ukraine \$13.75-\$13.75 -\$14.00 France \$17.50
60-70,000 U.S. Gulf – Europe – Rotterdam	\$20.25	Up \$0.25	Handymax at +\$1.75 more
Brazil, Santos – China	\$32.75	Unchanged	54-59,000 Supramax-Panamax
Brazil, Santos – China	\$31.25		60-66,000 Post Panamax
Northern Coast Brazil	\$35.75		Upriver No. Brazil Plus -55,000 mt Plus \$7.50/mt
56-60,000 Argentina/Rosario- China Deep Draft	\$36.00	Unchanged	Upriver with BB Top Off Plus \$3.75 mt

The Baltic Freight Index

Joakim Hannisdahl received a reply

Joakim Hannisdahl @JHannisdahl · Sep 30

Baltic #Capesize index +8% to \$25,631 🚀

Brazil/China +8% to \$25,350 🚀

#DryBulk #Shipping

\$GOGL \$SBLK \$GNK \$DSX \$SB \$SALT \$EGLE \$GBLK



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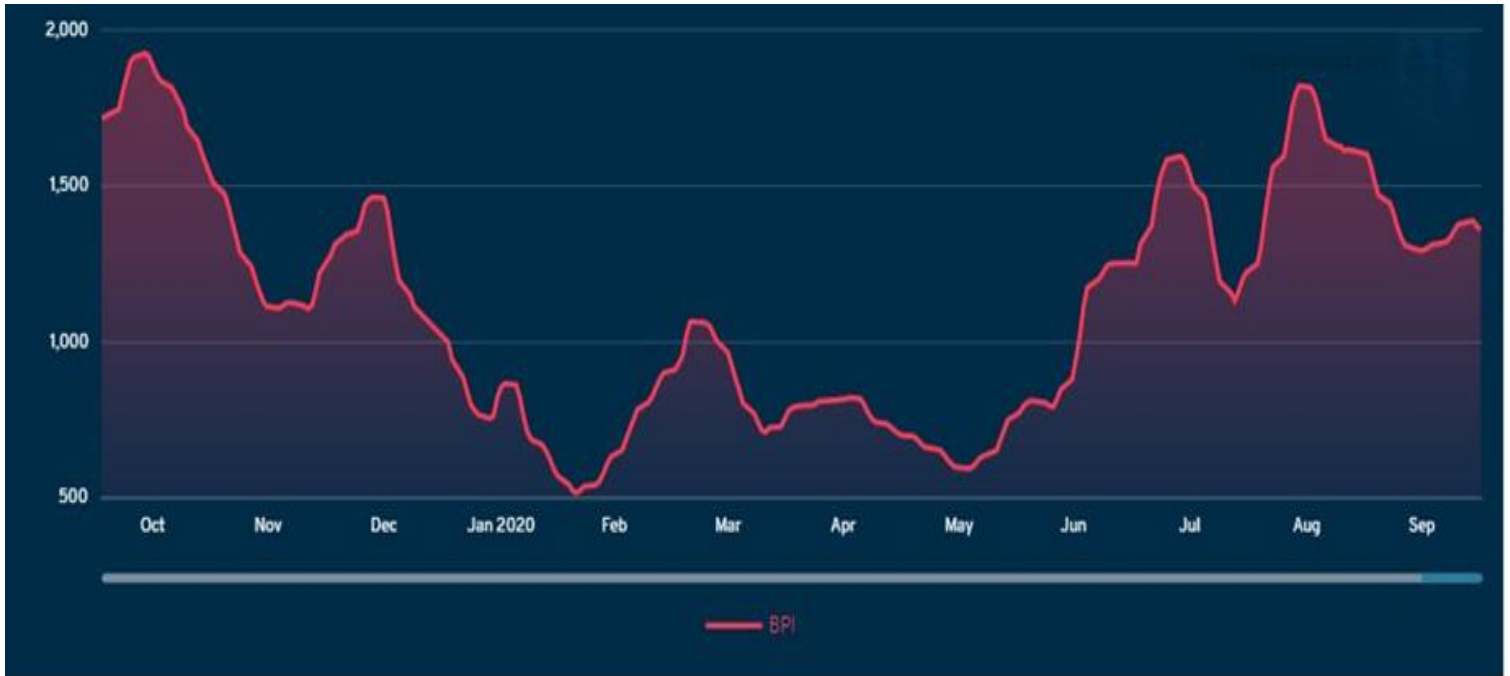
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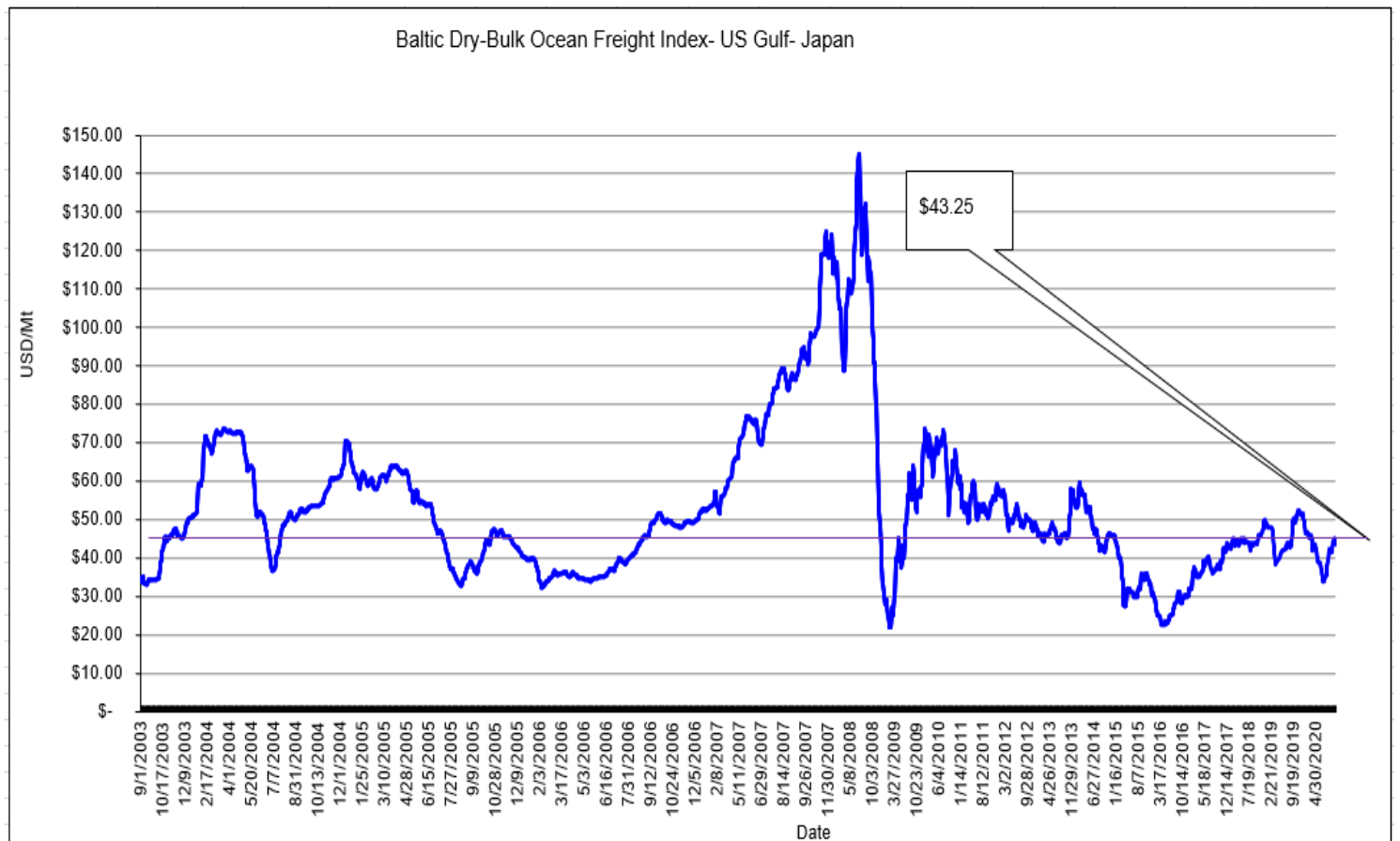
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Baltic Panamax Index



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



YAMAMIZU Index



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

From 2015-09-30 To 2020-09-30



China Import Dry Bulk Freight Index					
2020-09-30					
Description	Size MT	Cargo/Vessel Size	Unit	Rate	Change
Composite Index			Point	924.48	13.69
Iron ore Freight Index			Point	997.4	27.4
Dampier(West Australia)-Qingdao (China)	170000/10%	Iron ore	\$/ton	8.658	0.326
Soybean Freight Index			Point	934.25	-1.43
Santos(Brazil)—North China	60000/10%	Soybean	\$/ton	31.179	-0.093
Tacoma(West America)—North China	60000/10%	Soybean	\$/ton	23.05	-0.014
Mississippi(US Gulf)—North China	66000/10%	Soybean	\$/ton	42.217	0
Mississippi(US Gulf)—North China	55000/10%	Soybean	\$/ton	44.59	0

1 October 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
Nov.	1.39	\$205.40	1.85	\$223.51
Dec.	1.35	\$203.83	1.78	\$220.76
Jan.	1.25	\$203.53	1.62	\$218.10
Feb.	1.15	\$199.59	1.58	\$216.52
Mar.	1.10	\$197.63	1.56	\$215.74
Apr.	0.86	\$190.25	1.29	\$207.17

The Gulf spread between #2 & #3 YC is currently about .03 cents per bushel (1.18/mt) at USG but is out to .12/bushel in the PNW.

SORGHUM (USD/MT) FOB VESSEL				
#2 YGS Fob Vessel	NOLA		TEXAS	
Max. 14.0% moisture	BASIS	FLAT PRICE	BASIS	FLAT PRICE
Nov.	3.30	\$280.59	3.00	\$268.78
Dec.	3.30	\$280.59	3.00	\$268.90
Jan.	3.30	\$284.24	3.00	\$272.43
Feb.	3.30	\$284.24	3.00	\$272.43
Mar.	3.30	\$284.24	3.00	\$272.43

Fob vessel Texas Gulf #2 Sorghum is about 131% the value of #2 Yellow Corn at NOLA.

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

SRW Wheat	USD/MT	Fob Vessel	US Gulf	
	Oct.	Nov.	Dec.	Jan.
FOB U.S. GULF	\$264.64	\$264.64	\$262.81	\$261.43
Basis	1.50	1.50	1.45	1.35
WZ	5.7025			.
WH	5.7650			
WK	5.8025			

1-Oct-2020	Close	Close	Last Week.	Last Week.	Last Week	
CME Corn Futures	Bushel	MT.	Bushel	Bu. Diff.	MT	MT Diff.
Dec.	\$ 3.8275	\$ 150.68	\$ 3.6350	0.19250	\$ 143.10	\$ 7.58
Mar.	\$ 3.9200	\$ 154.32	\$ 3.7225	0.1975	\$ 146.55	\$ 7.78
May	\$ 3.9725	\$ 156.39	\$ 3.7775	0.1950	\$ 148.71	\$ 7.68
July	\$ 4.0100	\$ 157.87	\$ 3.8150	0.1950	\$ 150.19	\$ 7.68
Sept.	\$ 3.9025	\$ 153.63	\$ 3.7775	0.1250	\$ 148.71	\$ 4.92
Dec.	\$ 3.9325	\$ 154.81	\$ 3.8325	0.1000	\$ 150.88	\$ 3.94

CBOT December 2020 (CZ20) CORN Futures Chart –



CME/CBOT December 2020 (WZ20) 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
Nov.	1.45	\$429.35	1.80	\$442.21
Dec.	1.40	\$428.89	1.80	\$443.58
Jan.	1.33	\$426.31	1.80	\$443.58
Feb.	1.33	\$424.02	1.75	\$439.45
Mar.	1.35	\$424.75	1.75	\$439.45
Soybean Futures				
Nov.	\$ 10.2350			
Jan.	\$ 10.2725			
Mar.	\$ 10.2100			
May	\$ 10.1875			
July	\$ 10.2225			
Aug.	\$ 10.1575			

U.S. SBM (USD/MT) FOB Vessel		
Fob U.S. Gulf Port	47.5 Pro. SBM	
max 12.5 % moisture	Basis	Flat Price
Nov.	35.00	\$ 422.15
Dec.	35.00	\$ 422.15
Jan.	35.00	\$ 421.04
Feb.	35.00	\$ 417.19
Mar.	35.00	\$ 417.19
SBM Futures		
SMV	\$ 345.00	
SMZ	\$ 347.90	
SMF	\$ 346.90	
SMH	\$ 343.40	
SMK	\$ 339.20	
SMN	\$ 338.20	

CME November 2020 Soybean (SX20) Futures Chart:



CME December 2020 Soybean Meal (SMZ20) Futures Chart



U.S. EXPORT STATISTICS: Report Activity as of Week Ending 17 September 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 '21-22 (000 MT)
Corn	2,276.7	22,595.1	59,060	38%	206.0
Sorghum	194.4	2,763.9	6,600	42%	0.0
Soybeans	3,211.9	35,537.7	57,830	61%	60.0
Wheat	355.3	13,483.9	26,540	51%	17.2
Barley	2.8	42.0	110	38%	0.0

U.S. EXPORT INSPECTIONS:

Monday's report 28 September 2020 for the Export week ending 24 September 2020

	Export Inspections		Current Market Year YTD	Previous Year to Date	2020/21 YTD as Percent of 2019/20 YTD
	This Week	Previous Week			
Corn	806,639	765,589	2,783,261	1,552,263	179%
Sorghum	58,243	71,501	304,108	101,058	301%
Soybeans	1,211,733	1,379,971	4,848,745	3,154,539	154%
Wheat	563,427	503,034	9,220,833	8,521,565	108%
Barley	0	0	5,727	5,631	102%

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

U.S. EXPORT INSPECTIONS:

Monday's report 28 September 2020 for the Export week ending 24 September 2020

Last Week							
(Metric Tons)	YC	%	WC	%	Sorghum	%	Soybeans %
Lakes	0	0%	0	0%	0	0%	27,662 2%
Atlantic	0	0%	0	0%	0	0%	9,436 1%
Gulf	358,145	45%	7,236	82%	58,195	100%	707,208 58%
PNW	247,779	31%	0	0%	0	0%	330,552 27%
Interior Export Rail	191,862	24%	1,617	18%	48	0%	136,875 11%
Metric Tons	797,786		8,853		58,243		1,211,733

Sorghum Shipments: metric tons

58,195	China Main
48	Mexico
58,243	Total

White Corn metric tons

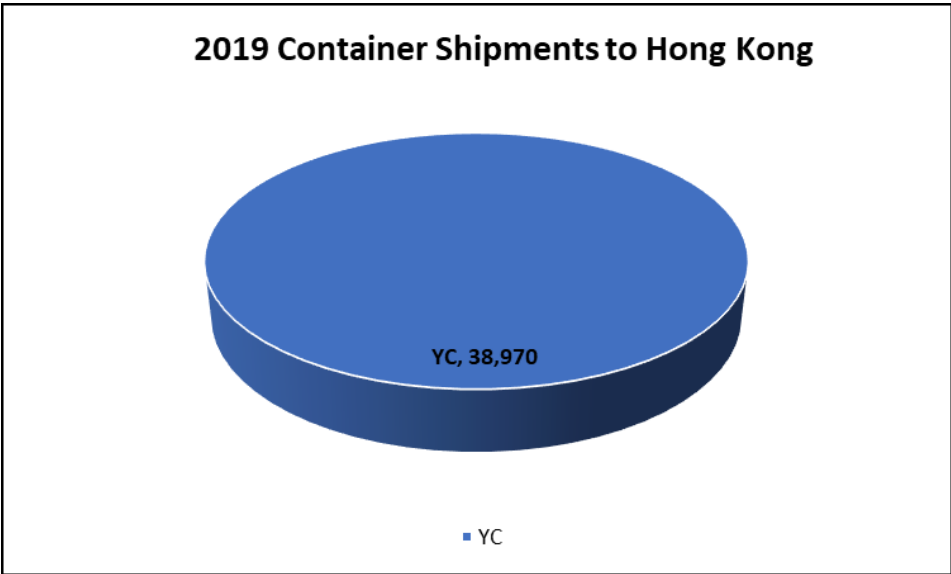
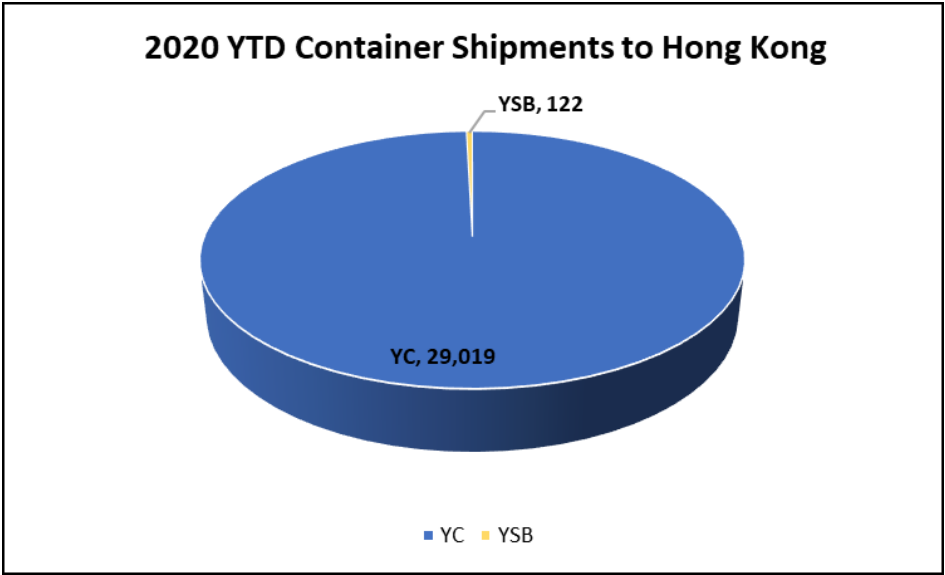
Shipments: 7,236	Colombia
1,593	Mexico
24	Switzerland
8,853	Total

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-Sep-2020							
Last Week	metric tons								MT
	YC	WC	YSB	SRW	NS	SWH	HRW	Sorghum	TOTAL
China Main	4,335		9,717						14,052
China T	8,297		20,253						28,550
Hong Kong	783								783
Costa Rica									0
Indonesia			22,635						22,635
French Poly	49								49
Japan			1,639						1,639
Korea Rep.	416		757						1,173
Nepal									0
Malaysia			6,120	882					7,002
Ireland									0
Philippines			1,419						1,419
Thailand	24		11,755						11,779
Switzerland	24	24							48
India			24						24
Bangladesh									0
Burma									0
Vietnam			8,473						8,473
Sub Total:	13,928	24	82,792	882	0	0	0	0	97,626
USDA Corrections/Additions to previous reports:									
China T			245						245
China Main									0
Hong Kong									0
Korea Rep.									0
Cambodia									0
Japan									0
Philippines									0
Indonesia			441						441
Malaysia			245						245
Thailand			490						490
Vietnam			588						588
Jordan									0
Nigeria									0
Sub Total:	0	0	2,009	0	0	0	0	0	2,009
Mt. Grand Total	13,928	24	84,801	882	0	0	0	0	99,635
Number of Containers	606	1	3,687	38	0	0	0	0	

Jan - Dec 2019 Annual Totals versus 2020 Jan.-Dec. YTD Total Container Shipments (in MT)



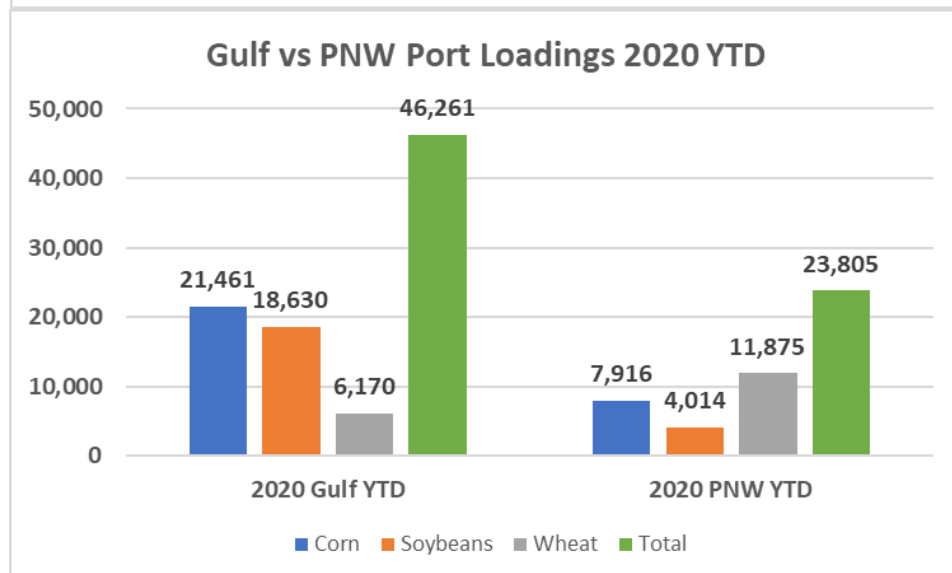
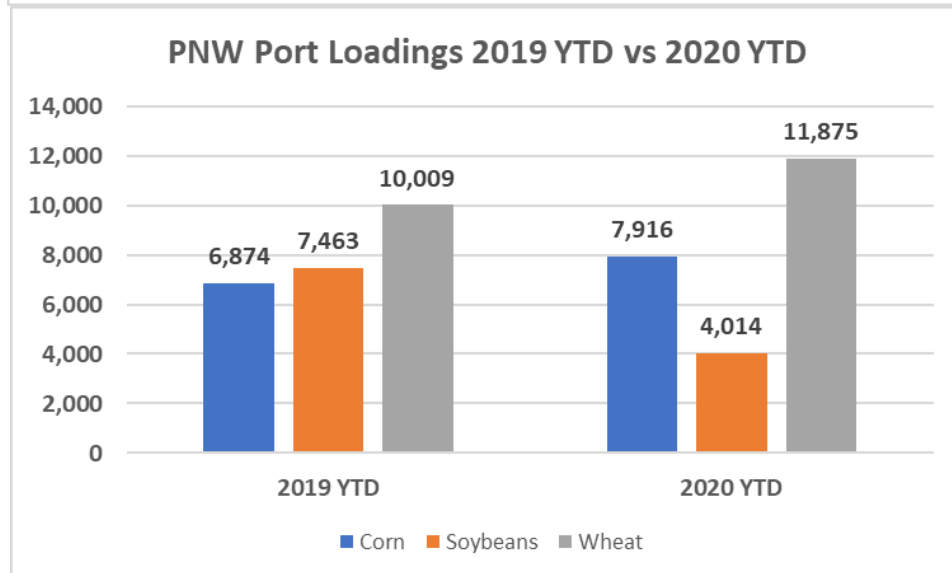
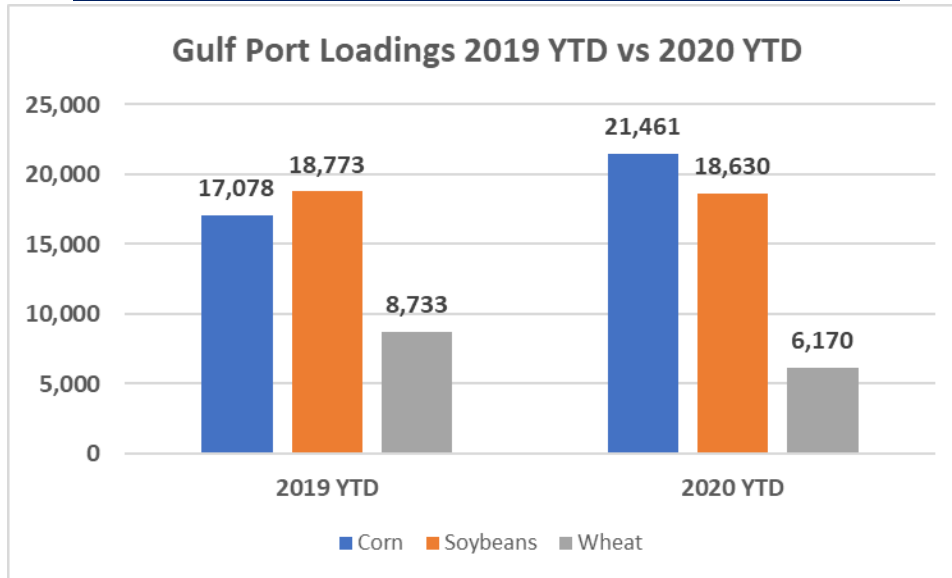
Grain Inspections for Export by U.S. Port Regions:
U.S. Gulf and Pacific Northwest 2019 YTD vs. 2020 YTD

PORT LOADINGS US Gulf				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
GULF				
2019 YTD	17,078	18,773	8,733	44,584
2020 YTD	21,461	18,630	6,170	46,261
2020 as % of 2019	126%	99%	71%	104%

PORT LOADINGS US PNW				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
PNW				
2019 YTD	6,874	7,463	10,009	24,346
2020 YTD	7,916	4,014	11,875	23,805
2020 as % of 2019	115%	54%	119%	98%

PORT LOADINGS GULF vs. PNW				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
2020 Gulf YTD	21,461	18,630	6,170	46,261
2020 PNW YTD	7,916	4,014	11,875	23,805
TOTAL	29,377	22,644	18,045	70,066
Gulf Percentage	73%	82%	34%	66%
PNW Percentage	27%	18%	66%	34%

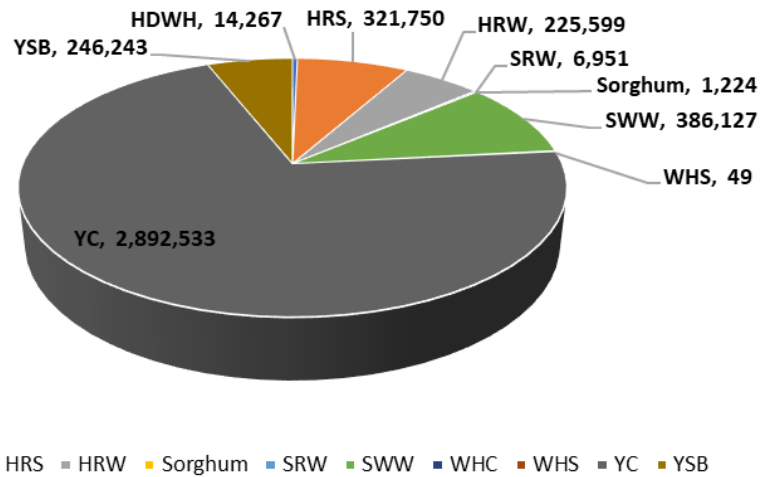
Grain Inspections for Export by U.S. Port Regions (1,000MT):
U.S. Gulf and Pacific Northwest 2019 YTD vs. 2020 YTD



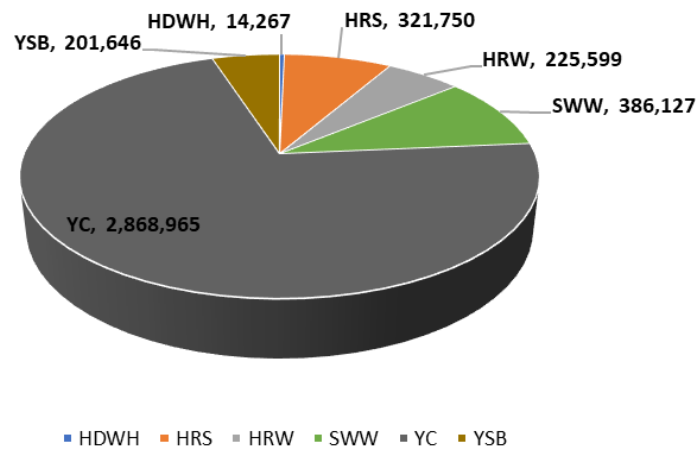
Source: USDA-data

2020 YTD Total Grain Exports reported by USDA (in MT)

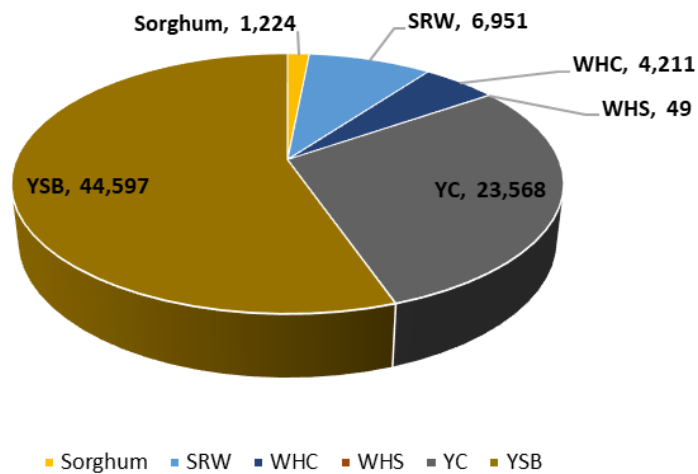
2020 YTD Exports to Korea Rep



YTD Vessel Shipments to Korea Rep



YTD Container Shipments to Korea Rep



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

Shipping News

We are hearing about proliferating backups especially at LA-LB. This @Maersk statement suggests things could get worse. "We encourage customers to add more buffer to supply chain schedules to allow for potential disruptions/delays." maersk.com/news/articles/...

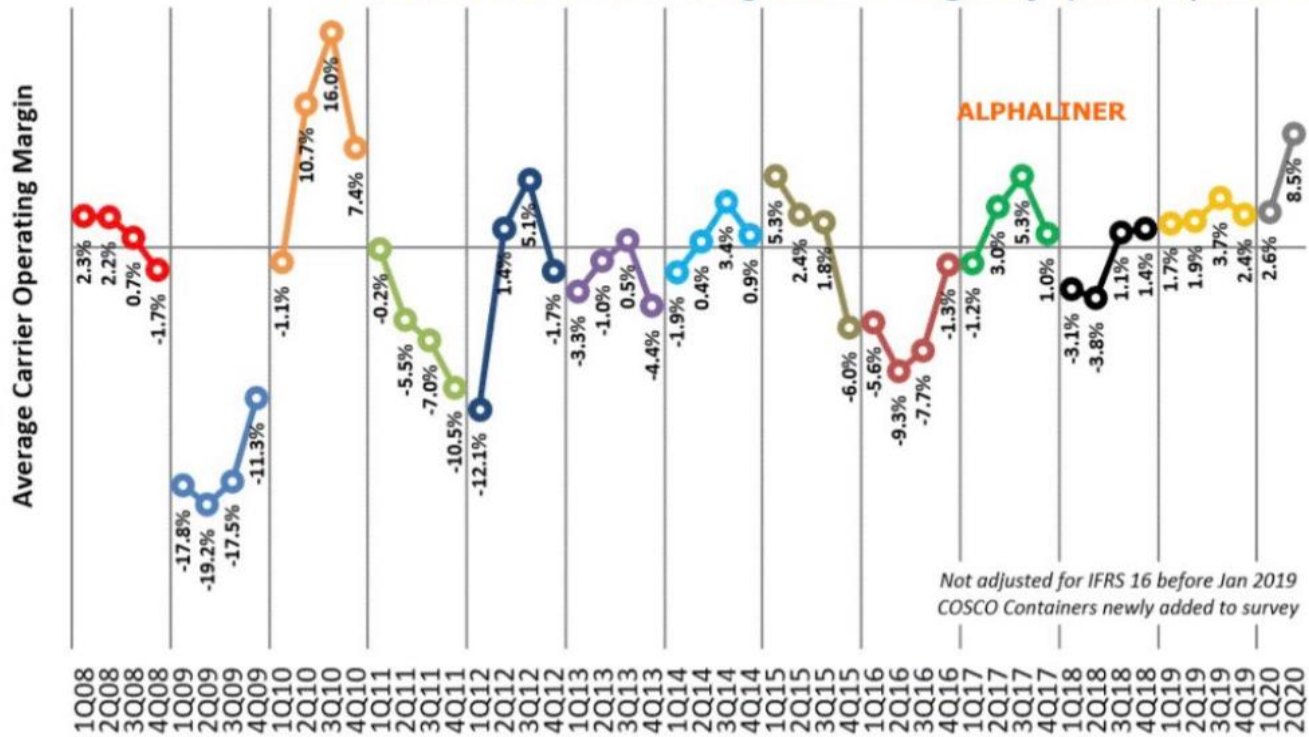
Greg Miller @GMJournalist · 5m

UPDATE: #China regulator meeting didn't reverse trans-Pacific #container spike: (1) Drewry just assessed HK-LA rates at \$4,081/FEU – UP again; (2) Maersk NOT reinstating Golden Week blank sailings & (3) MSC just announced two NEW Golden Week blank sailings



Red-hot ocean rates could spark government intervention - FreightWaves
China could decide enough is enough if trans-Pacific container spot rates rise too high. The risk of government intervention is rising.
freightwaves.com

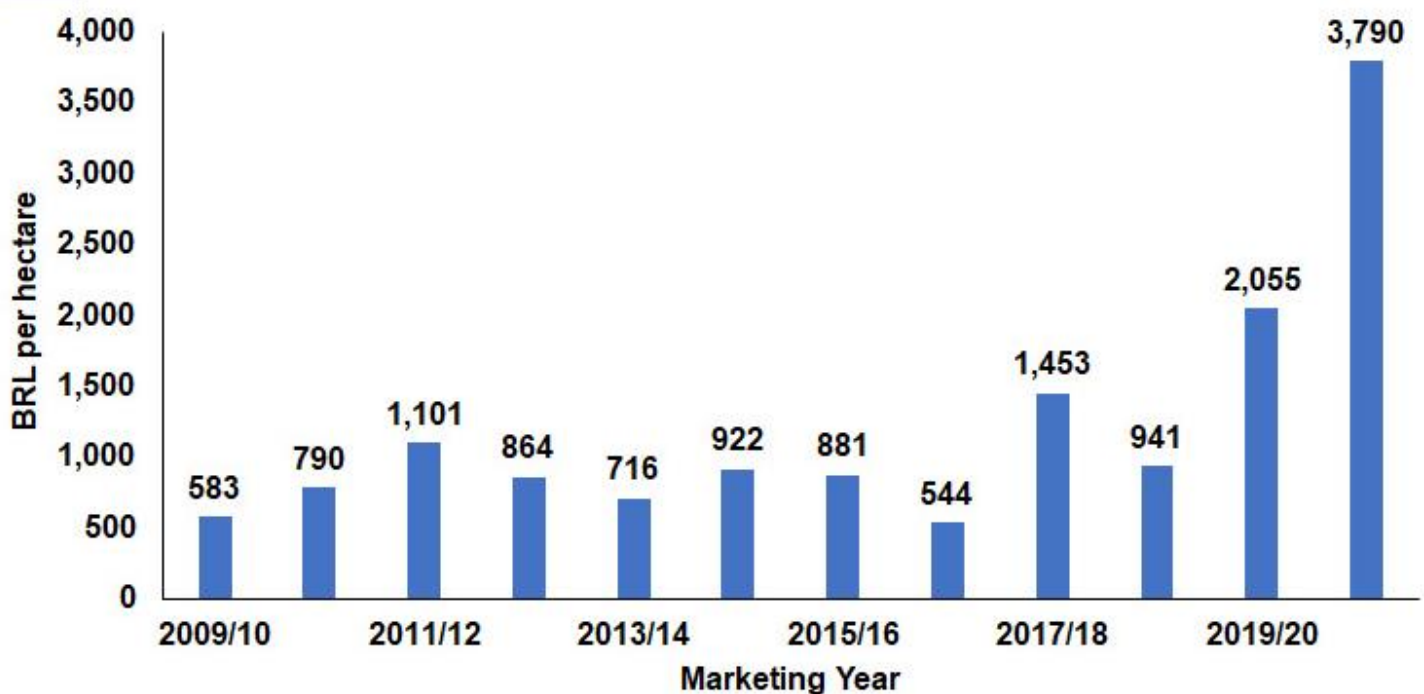
Ten main carriers: Average EBIT margin by quarter (2008-2020)



Average of CMA CGM (incl APL to 2Q 2016), COSCO Shg (since 1Q 2019), CSCL (to 1Q 2016), EMC, Hanjin (to 3Q 2016), Hapag-Lloyd (incl CSAV to 2014), HMM, Maersk, ONE (from 2Q 2018, formerly KL, MOL, NYK), WHL, YML, Zim

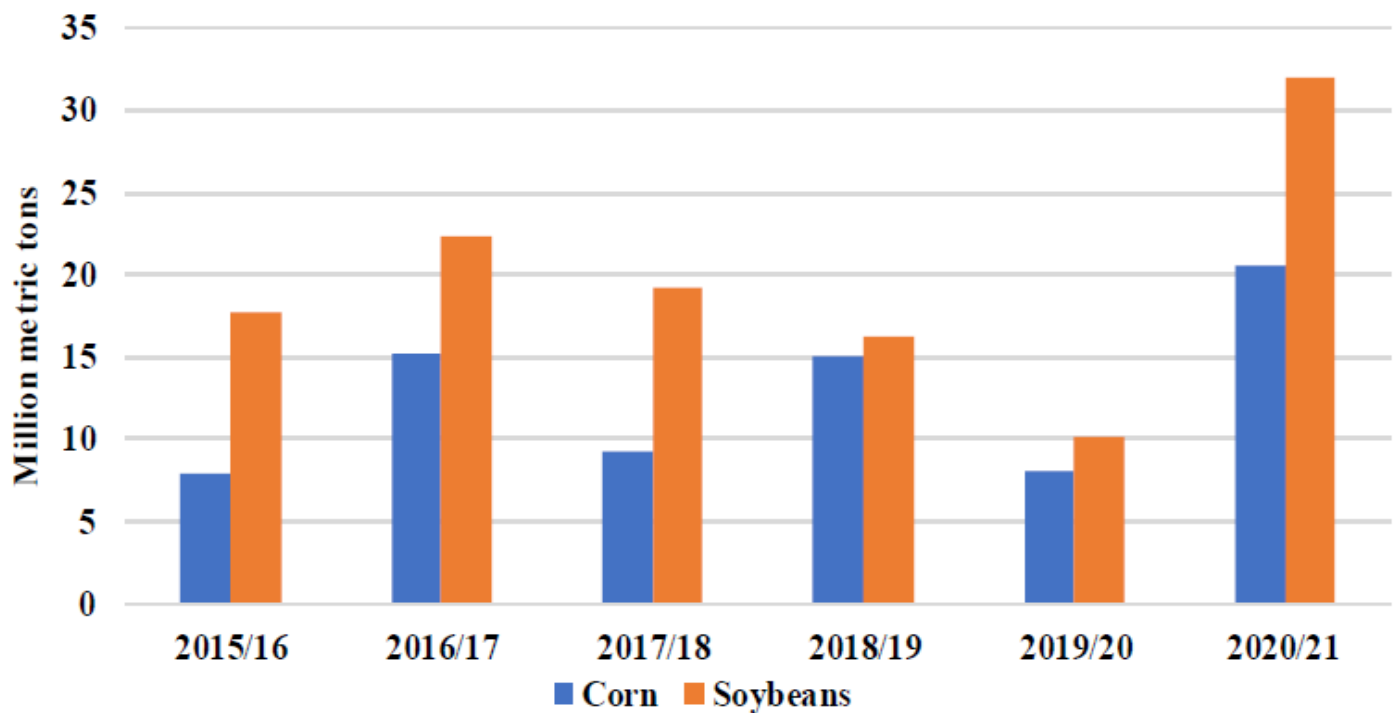
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Figure 2. Returns to Soybeans in Mato Grosso do Sul



Source: Embrapa Agropecuária Oeste and Agrinvest Commodities

Figure 1: Outstanding sales of U.S. corn and soybeans: 2015/16-2020/21 year to date



Source: USDA, Foreign Agricultural Service.



Subway Bread Cannot Legally Be Called 'Bread,' Irish Court Rules
The bread contains so much sugar that it cannot be legally defined as bread, Ireland's Supreme Court rules.

[bloomberg.com](https://www.bloomberg.com)



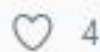
Jordan Fife @JordanFife1 · 19h

U.S. ARMY CORPS SAYS PEORIA LOCK AND DAM OPENED TO NAVIGATION



Daniel Grant @DGrant_FW · 1h

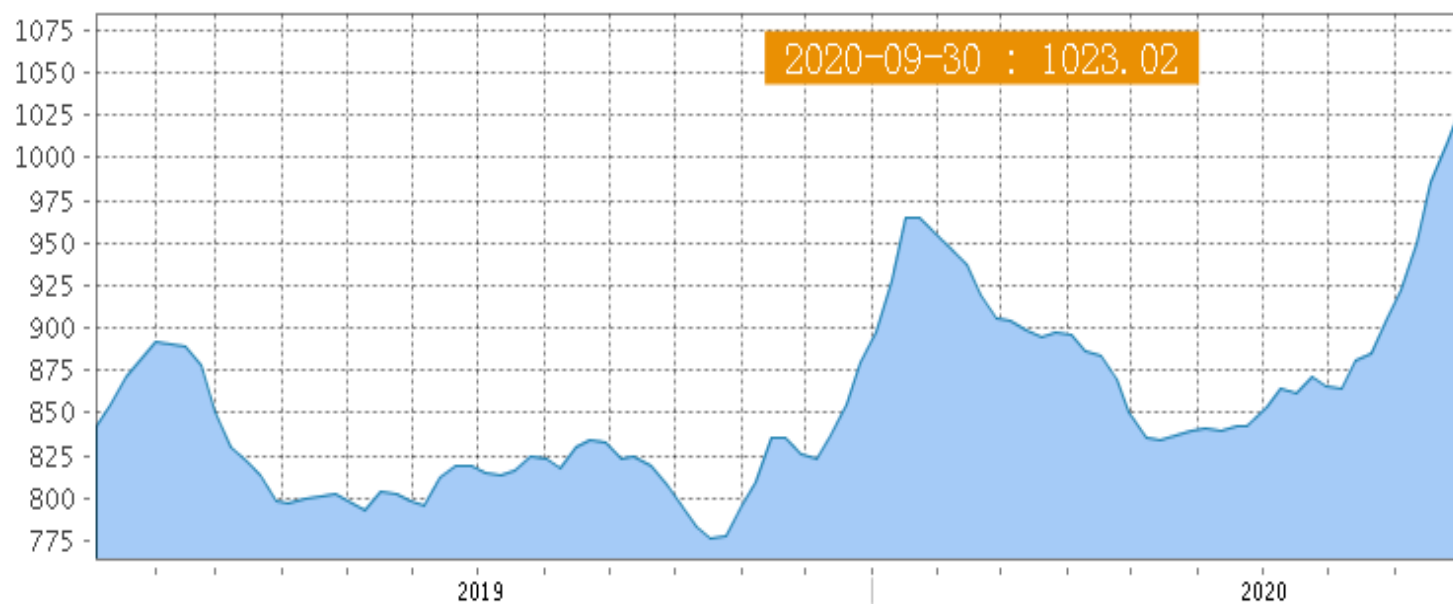
Major rehab work nears end at [#LaGrange](#) lock and dam on [#IllinoisRiver](#). Peoria site opened back up for business Sept. 30; Dresden Island work 10-14 days ahead of schedule; while Marseilles and [#StarvedRock](#) set to reopen by month's end. [#CorpsOfEngineers](#)



China Import Dry Bulk Freight Index



China Containerized Freight Index



U.S. RIVER BARGE FREIGHT
Current Barge Freight for Placement Last Half October 2020

Placement LH October 2020	% of		Corn	Soybeans-Wheat
	Tariff	MT	BU	BU
Upper Mississippi	515	\$35.14	0.89	0.96
Illinois River (Pekin and South)	485	\$33.09	0.84	0.90
Mid-Mississippi	485	\$28.44	0.72	0.77
Lower Ohio	440	\$21.63	0.55	0.59
St. Louis	365	\$16.05	0.41	0.44

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

Secondary Rail Car Market Placement LH. October 2020	BID USD	ASK USD	BID BU.	ASK BU.	BID MT	ASK MT
BNSF Shuttle Trains	\$ 800.00	\$ 1,000.00	\$ 0.20	\$ 0.25	\$ 7.87	\$ 9.84
UPRR Shuttle Trains	\$ 700.00	\$ 1,200.00	\$ 0.18	\$ 0.30	\$ 6.89	\$ 11.81

Best Regards,

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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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