

Transportation and Export Report for 11 October 2018

Ocean Freight Insights and Comments:

China markets reopened following last week's Golden Week Holiday and some fresh buying came into the market. Both paper and physical traders took this as reason to push things up for the week and some paper short covering ensued.

For the most part, Dry-Bulk freight markets ended the week with good gains relative to where they entered the holiday period. We will now have to see if this week's seller's optimism can be maintained and supported into next week. The Capesize vessel sector experienced the biggest weekly drop and the Handymax through Panamax shipping sectors showed the most weekly support.

October interest in Handy-Handymax vessels for the US Gulf to Argentina route now asking \$37.00 up to \$38-\$37.00/mt; up \$4-\$5.00/mt from three weeks ago.

BALTIC DRY-BULK PANAMAX INDEX CHANGES

Panamax Ocean Freight Indices				
11-Oct-18	This Week	Last Week	Difference	Percent Change
P2A : Gulf/Atlantic - Japan	22464	21759	705	3.2%
P3A - PNW/Pacific - Japan	13638	13350	288	2.2%
S1C -USGULF-China-So.Japan	25475	25597	-122	-0.5%

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

Four weeks ago:	\$ 7.50-\$7.60
Three weeks ago:	\$ 7.45-\$7.70
Two weeks ago:	\$ 7.20-\$7.25
One week ago:	\$ 7.95- 9.30
This week	\$7.95-\$8.60

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

Mississippi River:	(10 elevators)	2-9 days
Miss. River Mid-Stream loaders:	(6+ Rigs)	0-4 days
Texas Gulf	(6 elevators)	0-4 days
Pacific Northwest:	(9 elevators)	0-10 days

Panamax Market Spreads to Asia -China					
11-Oct-18	PNW	GULF	Bushel Spread	MT Spread	Advantage
CORN	0.87	0.58	0.29	\$11.42	PNW
SOYBEANS	0.40	0.28	0.12	\$4.41	PNW
OCEAN FREIGHT	\$27.00	\$48.50	.55 -.59	\$21.50	November

Recent Reported Vessel Fixtures:

Route and Vessel Size	Current Week USD/MT	Change from previous week	Remarks
55,000 U.S. Gulf-Japan	\$49.50	Up \$2.00	Handymax \$50.00 mt
55,000 U.S. PNW- Japan	\$27.75	Up \$1.00	Handymax \$28.25 mt
66,000 U.S. Gulf – China PNW to China	\$48.50 \$27.00	Up \$2.00 Up \$1.00	North China
25,000 U.S. Gulf- Veracruz, México	\$18.25	Up \$0.75	3,000 MT daily discharge rate
35-40,000 U.S. Gulf- Veracruz, México	\$16.00	Up \$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	\$22.50 \$36.75	Up \$1.00	<u>West Coast Colombia at \$30.75</u>
40-45,000 U.S. Gulf - Guatemala	\$31.25	Up \$1.00	Acajutla/Quetzal - 8,000 out
26-30,000 U.S. Gulf – Algeria	\$37.00 \$38.25	Up \$2.00	8,000 mt daily discharge 3,000 mt daily discharge
26-30,000 US Gulf-Morocco	\$39.50	Up \$2.00	5,000 discharge rate
55-60,000 U.S. Gulf –Egypt PNW to Egypt	\$33.75 \$33.00	Up \$2.00	55,000 -60,000 mt Russia Black Sea to Egypt \$18.00
60-70,000 U.S. Gulf – Europe – Rotterdam	\$21.00	Down \$0.50	Handymax at +\$1.75 more
Brazil, Santos – China Brazil, Santos – China Itacoatiara-Port Up River North Brazil	\$40.25 \$39.50 \$43.00	Up \$2.00	54-59,000 Supramax-Panamax 60-66,000 Post Panamax 60-66,000 mt
56-60,000 Argentina/Rosario- China Deep Draft	\$44.75	Up \$2.00	Up River with BB Top Off \$43.25

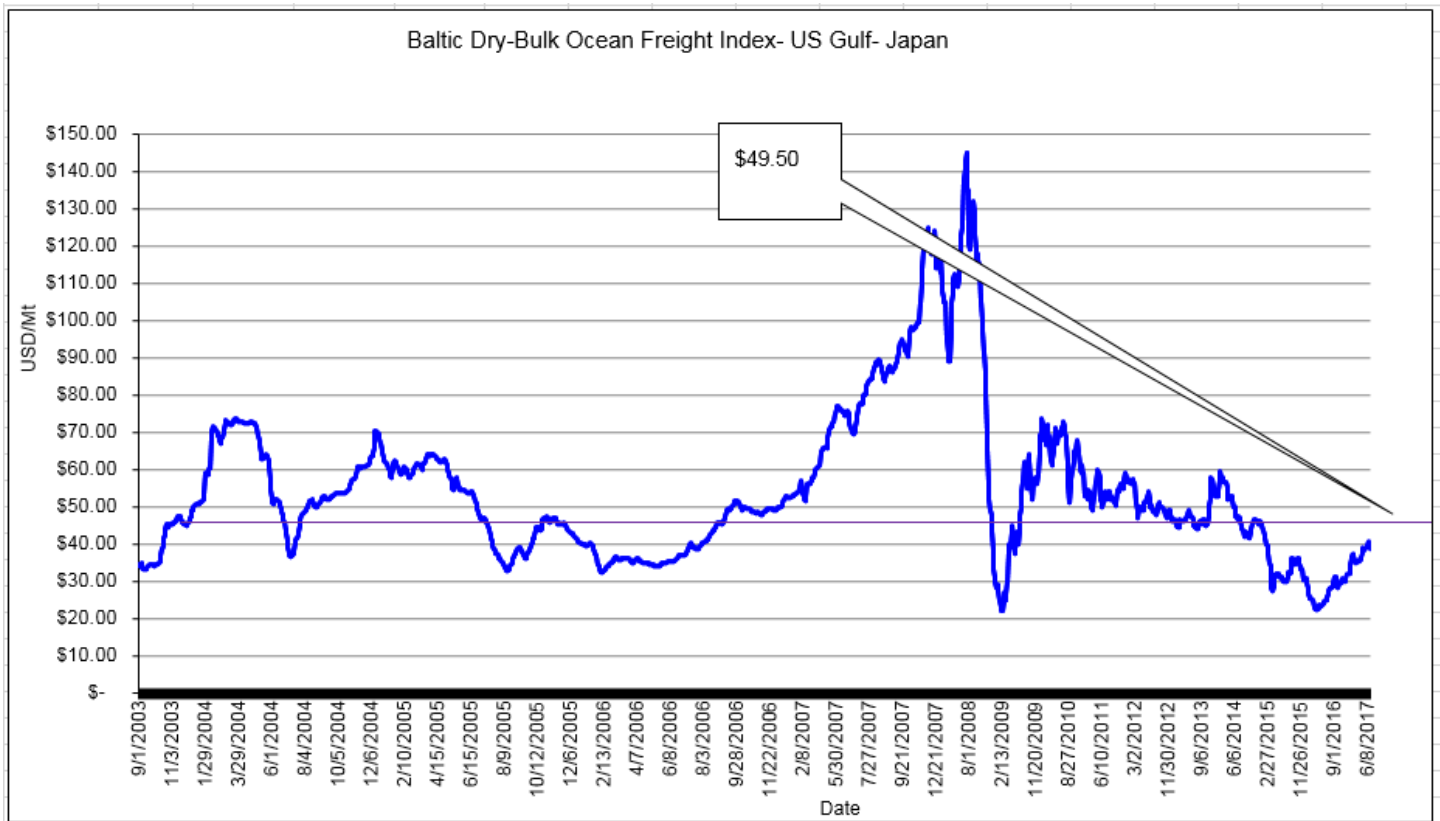
- The above rate estimates reflect the 30-45-day forward ocean freight markets.

Nautical Miles: To Xiamen China (South China)

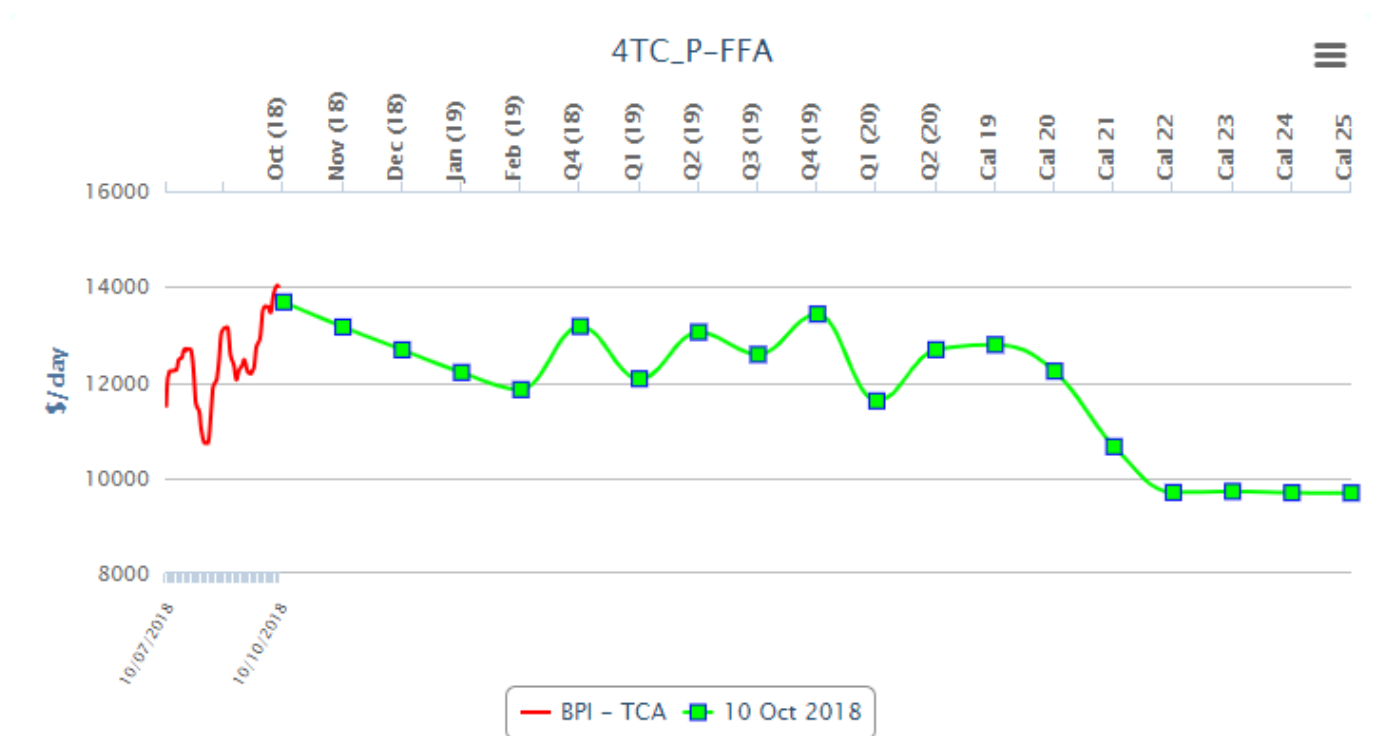
US Gulf (NOLA) (via Panamá Canal) – 10,232 nautical miles (32 days)

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

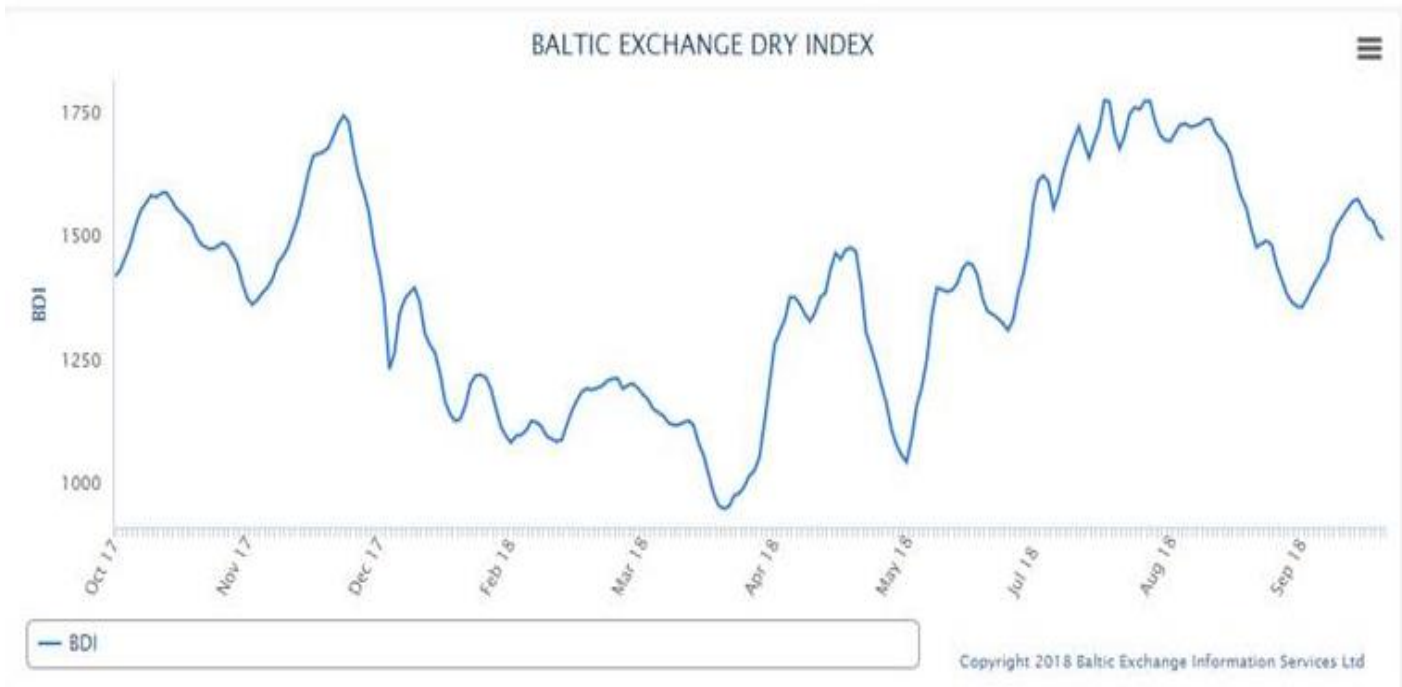
Rasario Argentina (via Cape Horn) - 10,751 nautical miles (34 days)



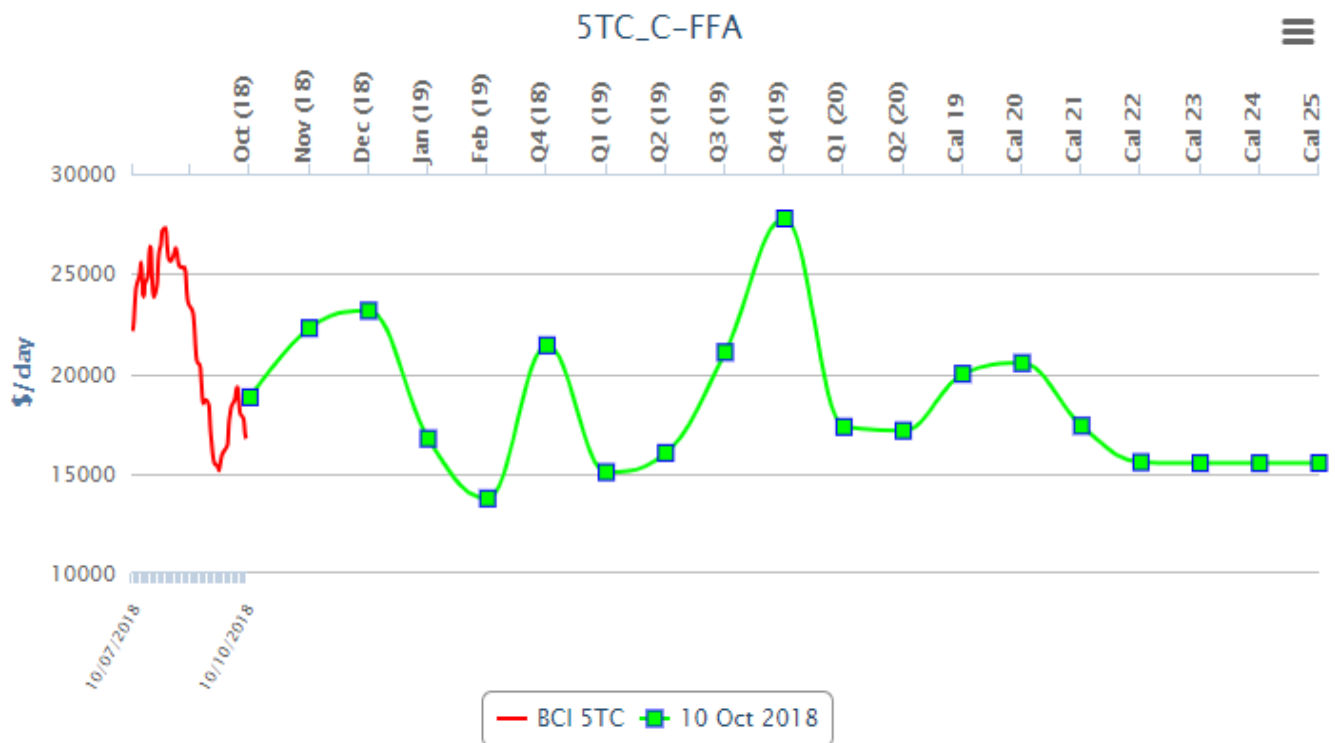
Forward Curve for Baltic BPI Panamax Vessel Freight



Baltic Dry Index.

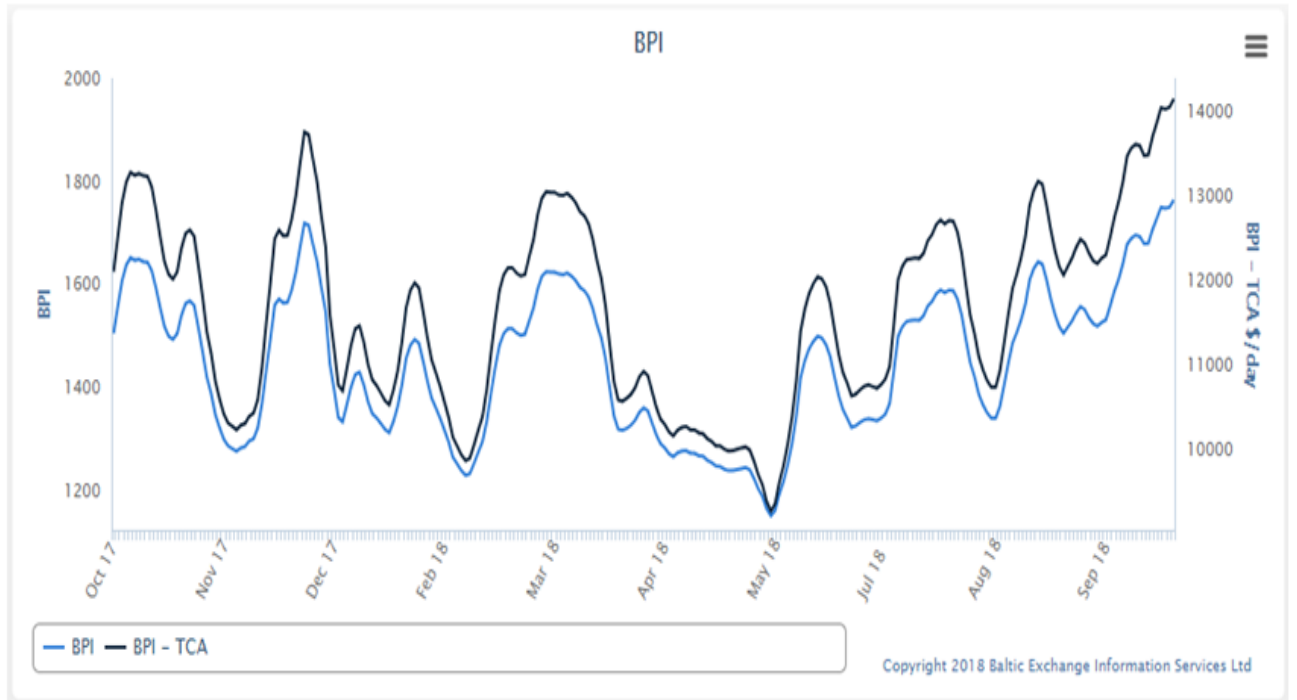


Baltic Capesize Index



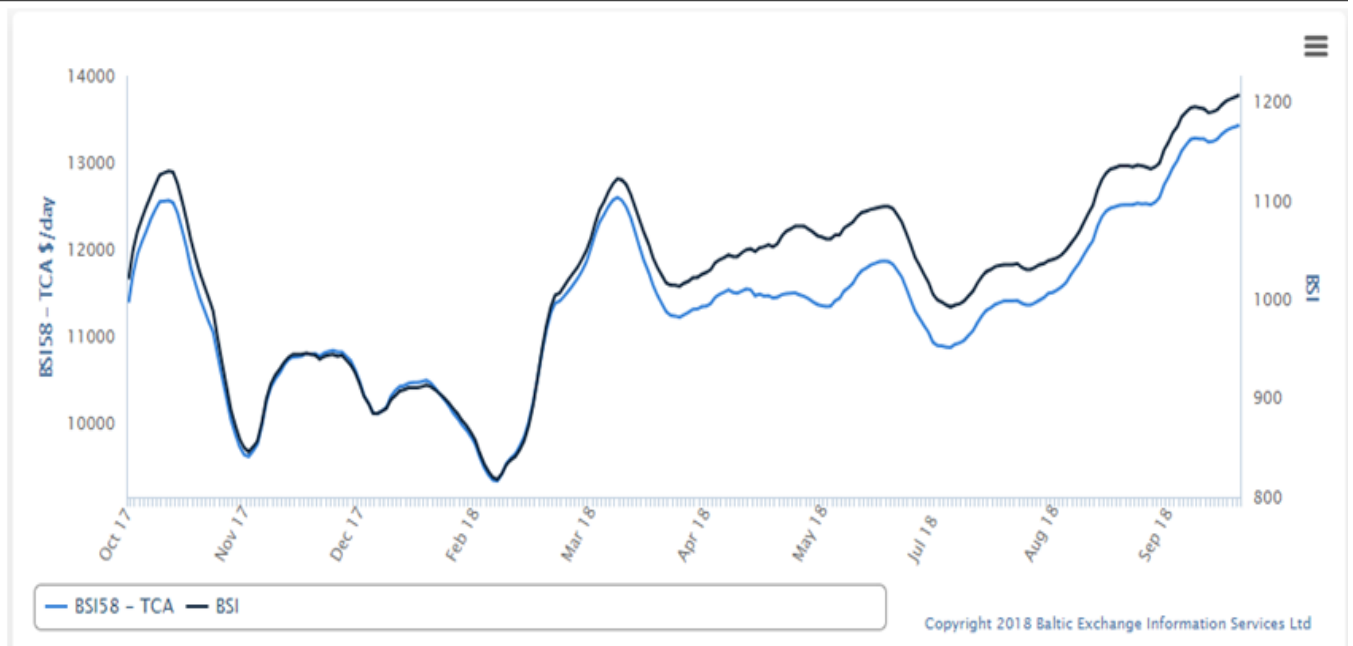
Baltic Panamax Index

Panamax

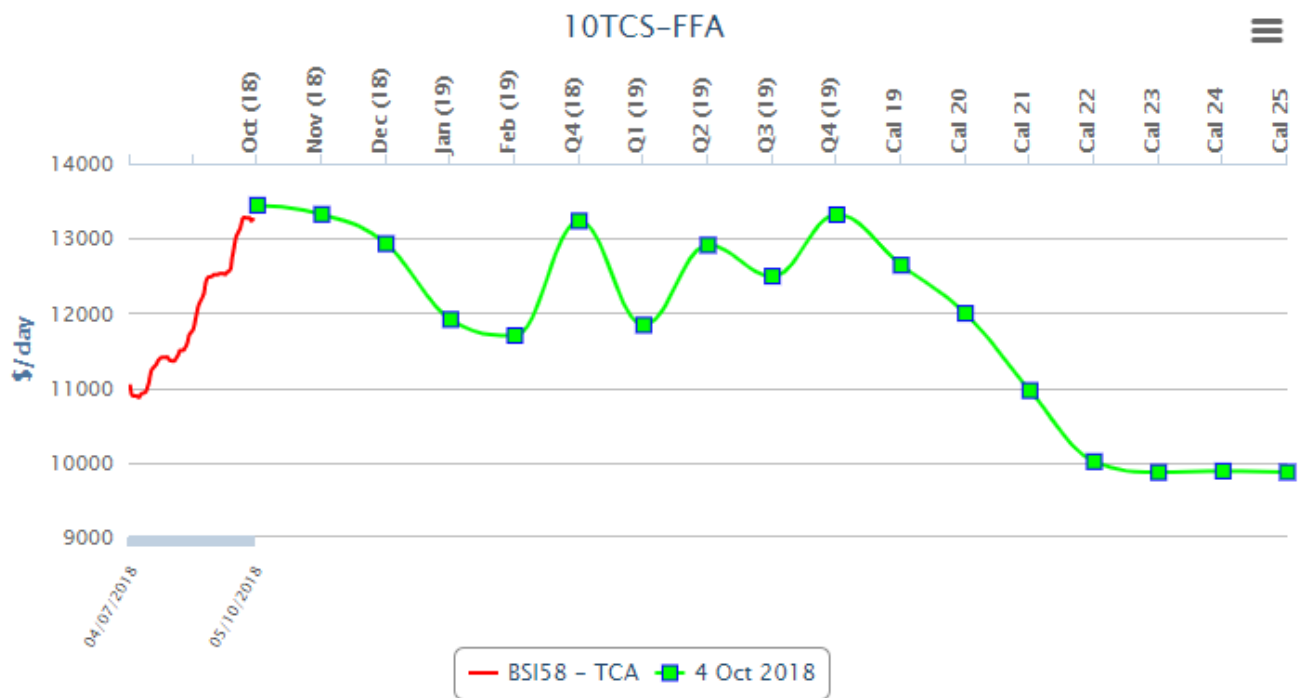


Baltic Supramax Vessel Index

Supramax



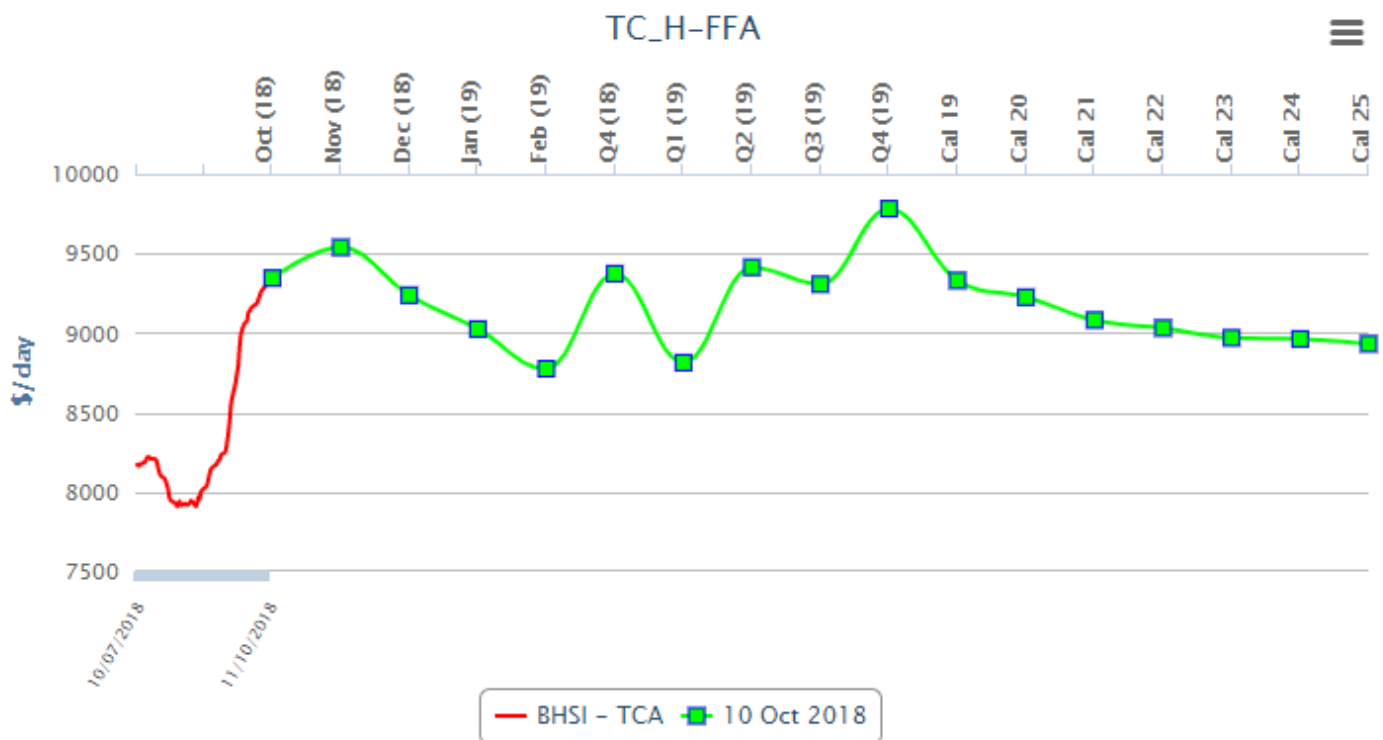
Supramax Dry-Bulk Forward Curve



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FFA SUPRAMAX 52- 52,000 DWT, Max 15 years of age.

Baltic Handy Size



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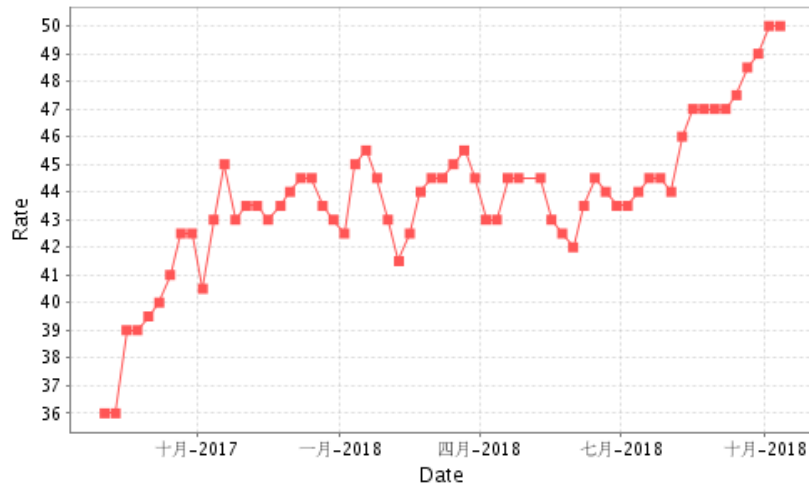
Yamamizu Shipping

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[Yamamizu Index](#)

USG/Japan Index Result

Date From: 2017-08-01

Date To: 2018-10-12



China Import Dry Bulk Freight Index(CDFI)

2018-10-11

Route	Size MT	Cargo/Vessel Size	Unit	Rate	Change
Composite Index			Point	1013.58	15.67
Iron ore Freight Index			Point	987.00	25.75
Soybean Freight Index			Point	1127.10	7.61
Santos(Brazil)—North China	60000/10%	Soybean	\$/ton	39.668	0.140
Tacoma(West America)—North China	60000/10%	Soybean	\$/ton	27.050	0.378
Mississippi(US Gulf)—North China	66000/10%	Soybean	\$/ton	48.420	0.447
Mississippi(US Gulf)—North China	55000/10%	Soybean	\$/ton	49.377	0.412

11 October 2018 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
Nov.	0.58	\$168.20	0.87	\$179.62
Dec.	0.63	\$170.56	0.93	\$181.98
Jan.	0.59	\$172.14	0.90	\$185.52
Feb.	0.58	\$172.92	0.95	\$187.49
Mar.	0.60	\$173.71	0.98	\$188.67
Apr.	0.56	\$174.99	0.93	\$189.56

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
Nov.	0.95	\$182.77	0.75	\$174.89
Dec.	0.95	\$182.77	0.75	\$174.89
Jan.	0.95	\$187.49	0.75	\$179.62
Feb.	0.95	\$187.49	0.75	\$179.62
Mar.	1.00	\$189.46	0.78	\$180.80

Fob vessel Texas Gulf #2 Sorghum is about 1.04 % 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

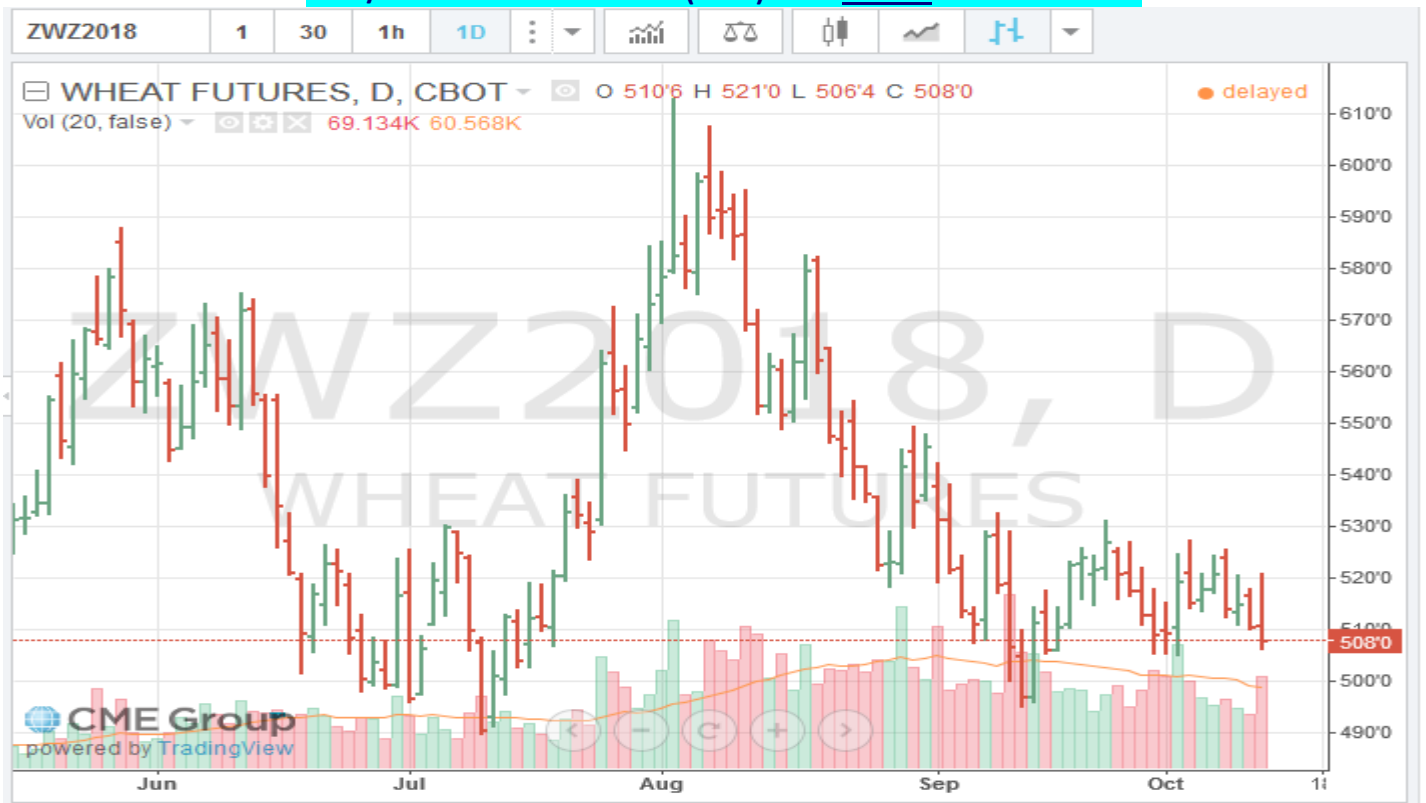
SRW Wheat	USD/MT	Fob Vessel	US Gulf	
	Nov.	Dec.	Jan.	Feb.
FOB U.S. GULF	\$216.05	\$217.89	\$220.18	\$222.02
Basis	0.80	0.85	0.70	0.75
WZ	5.0800			
WH	5.2925			
WK	5.4150			

CME Futures Market Close						
CORN	Futures	Thursday	Thursday	Last week	Last Week	Difference
Month	Symbol	Close	Close	Bushel	MT.	Bushel
Dec.	CZ	\$3.6925	\$145.37	\$ 3.6750	\$144.68	\$0.0175
Mar.	CH	\$3.8125	\$150.09	\$ 3.7925	\$149.30	\$0.0200
May.	CK	\$3.8850	\$152.94	\$ 3.8650	\$152.16	\$0.0200
July	CN	\$3.9400	\$155.11	\$ 3.9175	\$154.22	\$0.0225
Sept.	CU	\$3.9700	\$156.29	\$ 3.9500	\$155.50	\$0.0200

CBOT December 2018 (CZ8) Corn Futures Chart –



CME/CBOT December. 2018 (WZ8) SRW Wheat Futures Chart –



U.S. Soybean and SBM Markets Fob Vessel:

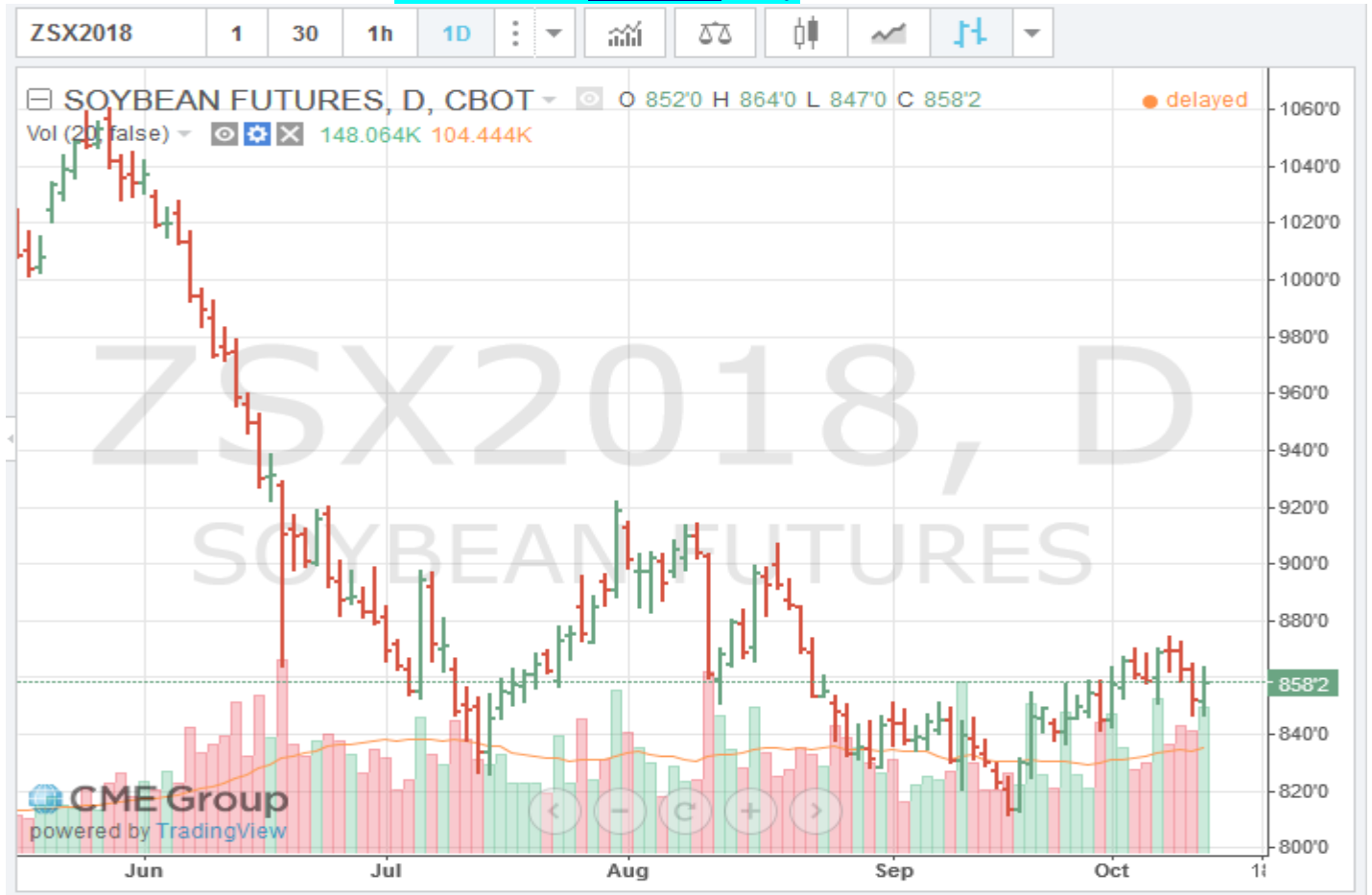
U.S. Yellow Soybeans (USD/MT) FOB Vessel				
# 2 YSB 14.0 % Moisture	U.S. Gulf #2 YSB		PNW #2 YSB	
	Basis	Flat Price	Basis	Flat Price
Nov.	0.28	\$325.64	0.40	\$330.05
Dec.	0.25	\$329.77	0.48	\$338.22
Jan.	0.30	\$331.61	0.60	\$342.63
Feb.	0.26	\$334.73	0.58	\$346.49
Mar.	0.32	\$336.94	0.65	\$349.06

Soybean Futures

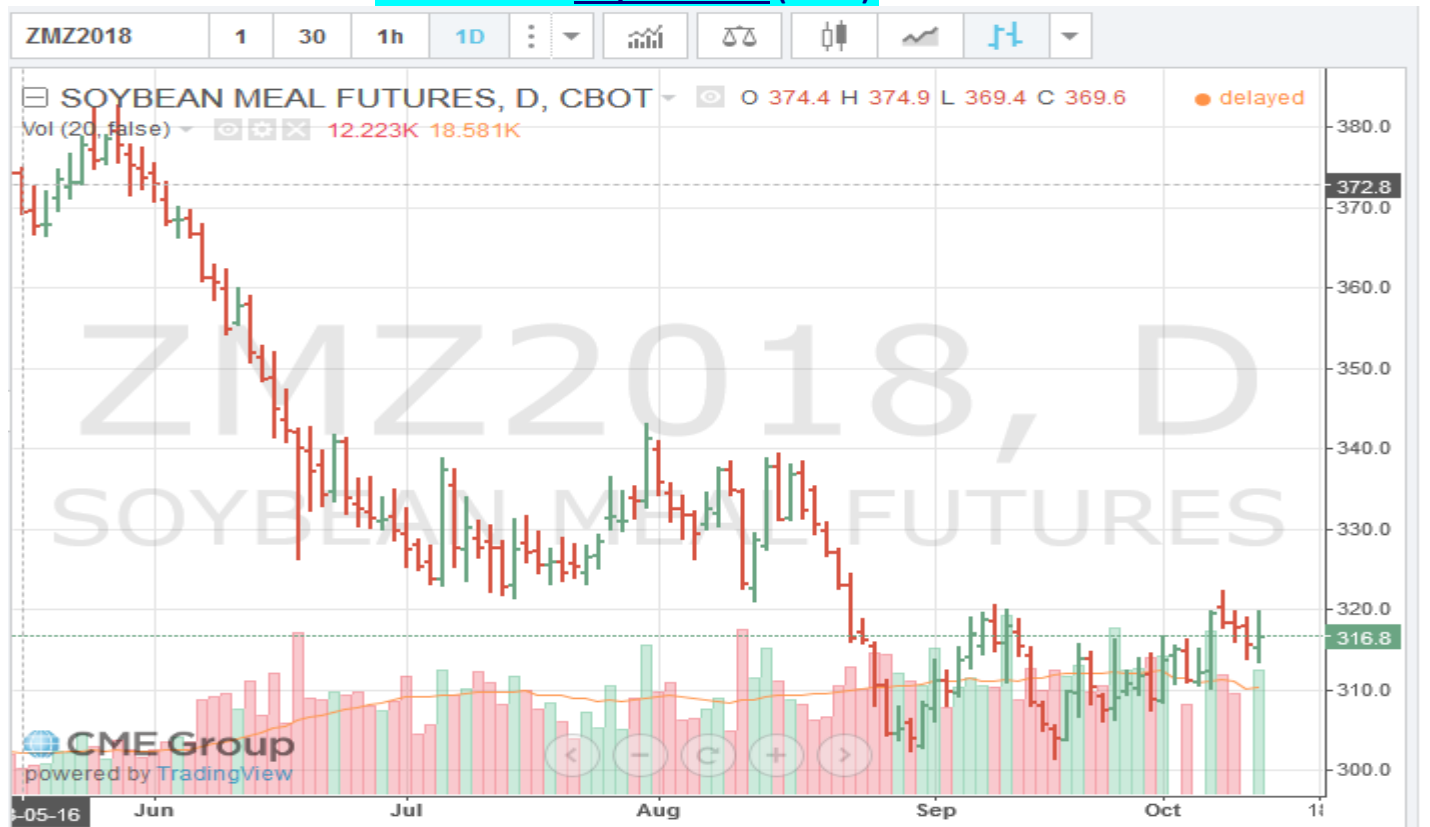
Nov.	\$ 8.5825
Jan.	\$ 8.7250
Mar.	\$ 8.8500
May	\$ 8.9850
July	\$ 9.1025
Aug.	\$ 9.1475

U.S. SBM (USD/MT) FOB Vessel		
Fob U.S. Gulf Port	47.5 Pro. SBM	
max 12.5 % moisture	Basis	Flat Price
Nov.	13.00	\$ 363.60
Dec.	13.00	\$ 363.60
Jan.	15.00	\$ 366.58
Feb.	17.00	\$ 367.68
Mar.	18.00	\$ 368.79
SBM Futures		
SMV	312.80	
SMZ	316.80	
SMF	317.50	
SMH	316.50	
SMK	314.20	
SMN	314.90	

CME Nov. 2018 Soybean (SX18) Futures Chart:



CME Dec. 2018 Soybean Meal (SMZ8) Futures Chart



U.S. EXPORT STATISTICS: Report Activity as of Week Ending 27 September 2018

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 '17- 18 (000 MT)
Corn	1514.2	19,699.0	60,960	32%	71.1
Sorghum	20.3	86.0	4,450	2%	0.0
Soybeans	1721.4	20,188.5	56,070	36%	85.5
Wheat	435.6	11,299.7	27,900	41%	0.0
Barley	0.2	55.7	110	51%	0.0

U.S. EXPORT INSPECTIONS:

Monday's report 09 October 2018 for the Export week ending 04 October 2018

	Export Inspections		Current Market Year YTD	Previous Year to Date	2018/19 YTD as Percent of 2017/18 YTD
	This Week	Previous Week			
Corn	1,351,177	1,377,263	5,806,250	3,581,854	162%
Sorghum	61,103	2,372	69,807	368,779	19%
Soybeans	569,776	630,249	3,540,940	5,464,549	65%
Wheat	423,270	371,991	7,340,908	10,324,837	71%
Barley	196	0	3,743	14,514	26%

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

U.S. EXPORT INSPECTIONS:

Monday's report 09 October 2018 for the Export week ending 04 October 2018

Last Week							
(Metric Tons)	YC	%	WC	%	Sorghum	%	Soybeans %
Lakes	0	0%	0	0%	0	0%	49,453 9%
Atlantic	7,160	1%	0	0%	0	0%	52,130 9%
Gulf	737,148	56%	20,140	72%	60,503	99%	383,454 67%
PNW	510,359	39%	0	0%	24	0%	10,873 2%
Interior Export Rail	68,387	5%	7,983	28%	576	1%	73,866 13%
Metric Tons	1,323,054		28,123		61,103		569,776

Sorghum Shipments:	metric tons	
	60,503	Spain
	24	Japan
	576	Mexico
	61,103	Total

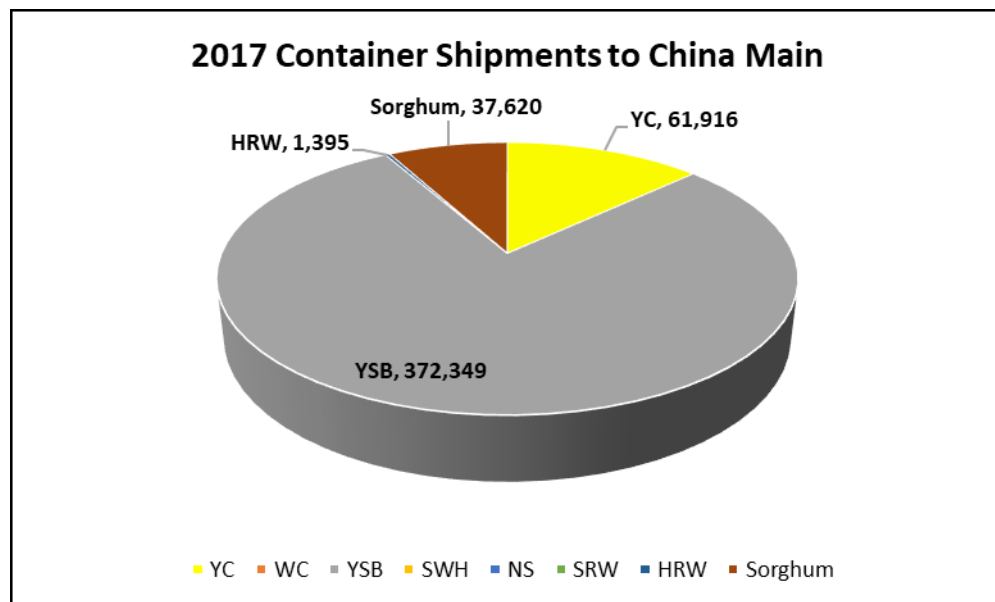
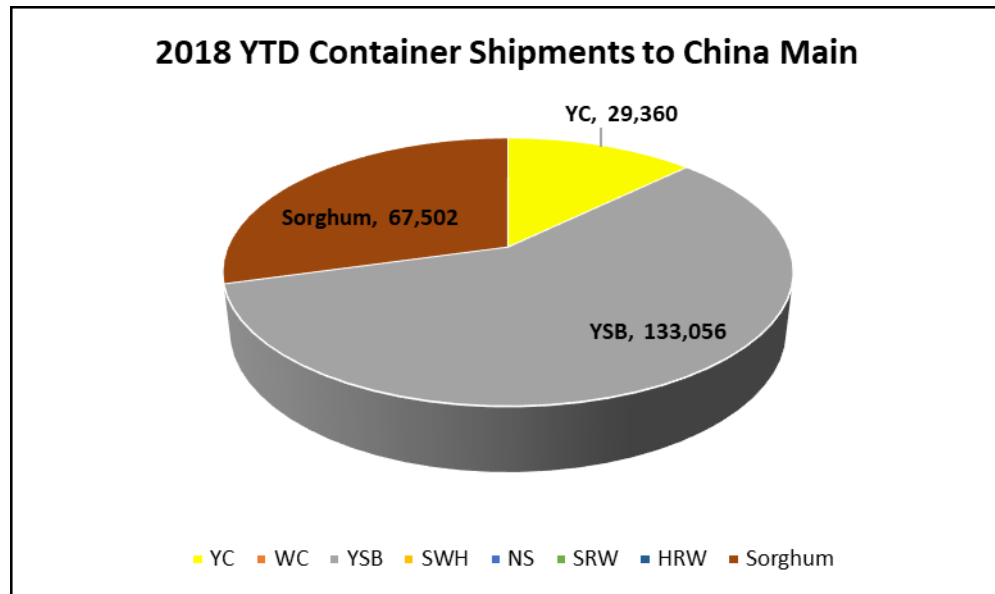
White Corn	metric tons	
Shipments:	14,014	Colombia
	6,126	Costa Rica
	7,983	Mexico
	28,123	Total

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:		4-Oct-2018							
Last Week	metric tons								MT
	YC	WC	YSB	SRW	NS	SWH	HRW	Sorghum	TOTAL
China Main									0
China T	11,827		8,278						20,105
Hong Kong	1,027								1,027
Costa Rica									0
Indonesia	784		19,026						19,810
India									0
Japan			563						563
Korea Republic	98		1,151	514					1,763
Un Arab Em									0
Malaysia	1,861		9,697						11,558
Burma									0
Philippines	980		1,836						2,816
Thailand			15,232						15,232
Guyana									0
Bangladesh			318						318
Vietnam			6,289						6,289
Sub total	16,577	0	62,390	514	0	0	0	0	72,874
USDA Corrections/Additions to previous reports:									
China T	5,901		1,860						7,761
China Main									0
Hong Kong	392								392
Korea Rep.									0
Costa Rica									0
Japan			122						122
Philippines			294						294
Indonesia	1,151		1,862						3,013
Malaysia	1,616								1,616
Thailand			1,053						1,053
Vietnam			1,200						1,200
Canada									0
Burma									0
Sub total	9,060	0	6,391	0	0	0	0	0	15,451
Mt. Grand Total	25,637	0	68,781	514	0	0	0	0	88,325
Number of containers	1,115	0	2,990	22	0	0	0	0	

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



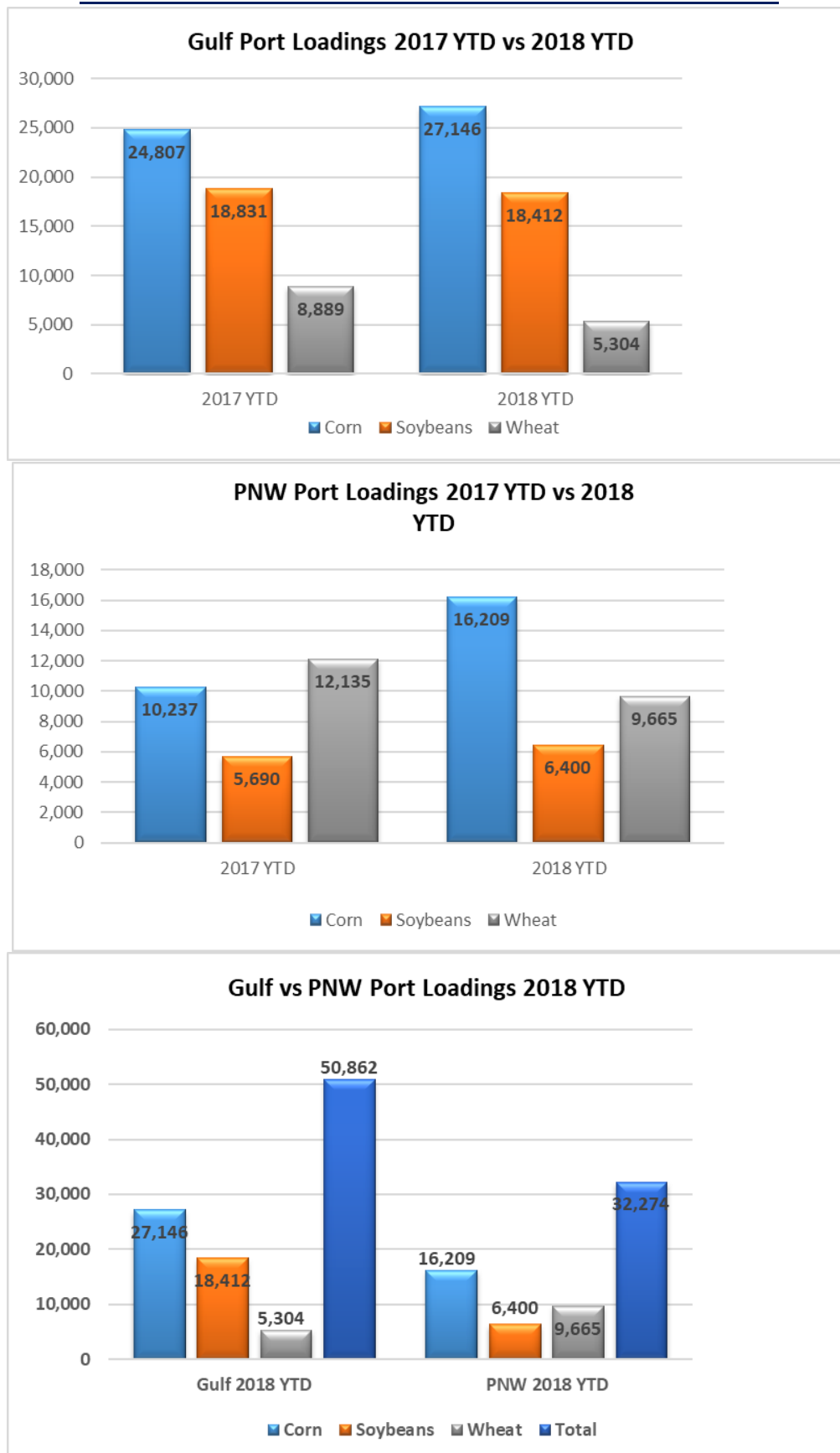
Grain Inspections for Export by U.S. Port Regions:
U.S. Gulf and Pacific Northwest 2017 YTD vs. 2018 YTD

PORT LOADINGS US Gulf				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
GULF				
2017 YTD	24,807	18,831	8,889	52,527
2018 YTD	27,146	18,412	5,304	50,862
2018 as % of 2017	109%	98%	60%	97%

PORT LOADINGS US PNW				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
PNW				
2017 YTD	10,237	5,690	12,135	28,062
2018 YTD	16,209	6,400	9,665	32,274
2018 as % of 2017	158%	112%	80%	115%

PORT LOADINGS GULF vs. PNW				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
2018 Gulf YTD	27,146	18,412	5,304	50,862
2018 PNW YTD	16,209	6,400	9,665	32,274
TOTAL	43,355	24,812	14,969	83,136
Gulf Percentage	63%	74%	35%	61%
PNW Percentage	37%	26%	65%	39%

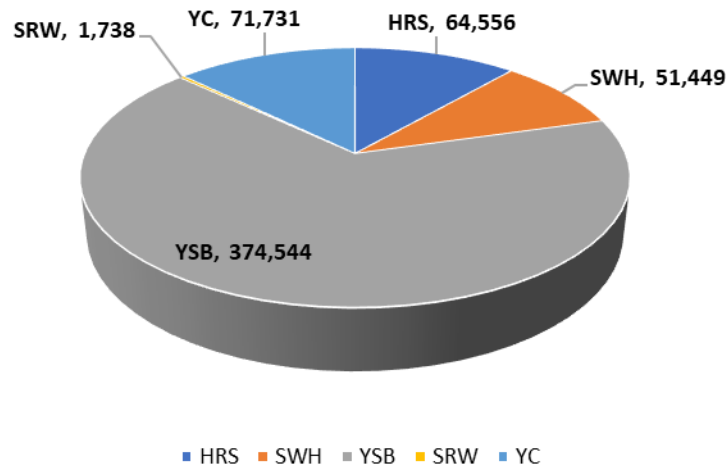
Grain Inspections for Export by U.S. Port Regions (1,000MT):
U.S. Gulf and Pacific Northwest 2017 YTD vs. 2018 YTD



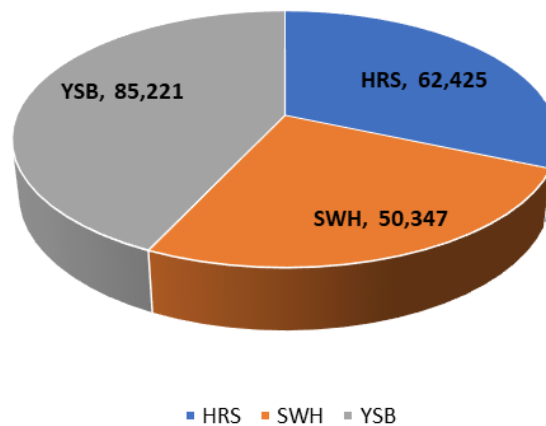
Source: USDA-data

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

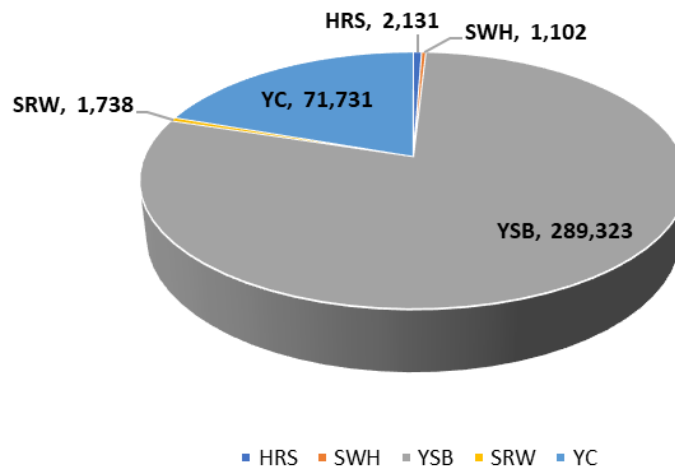
2018 YTD Exports to Malaysia



YTD Exports to Malaysia by Vessel



YTD Exports to Malaysia 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

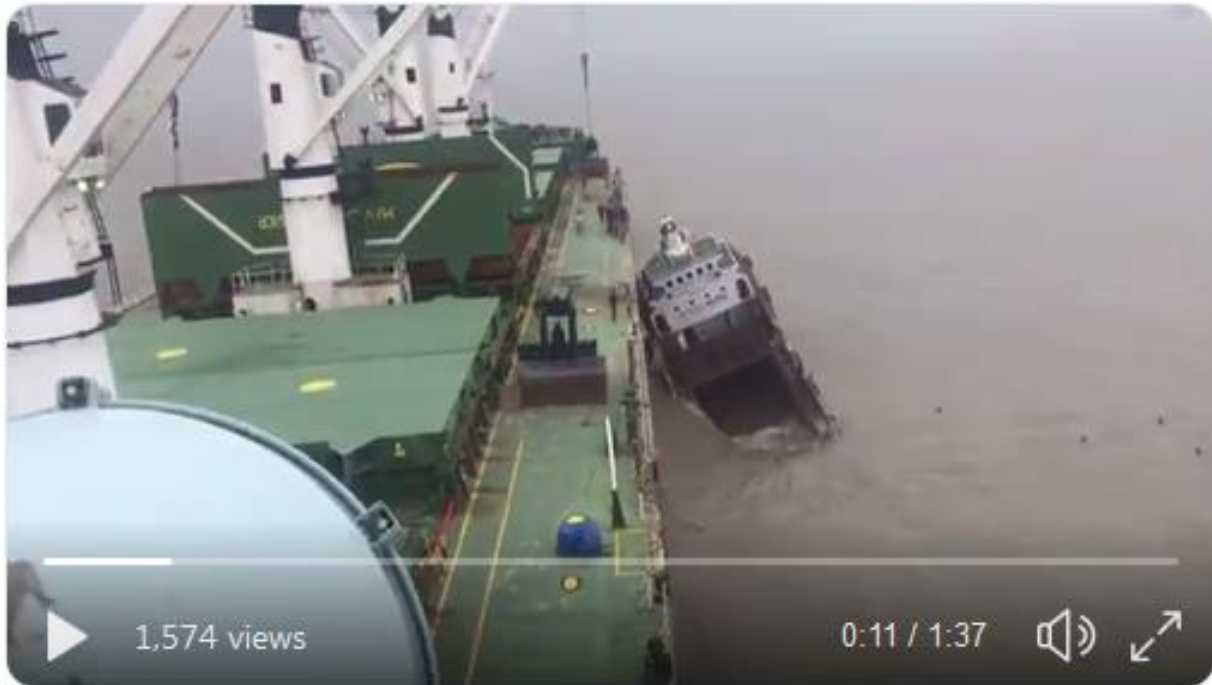
Shipping News

<https://twitter.com/i/status/1050374525127467008>

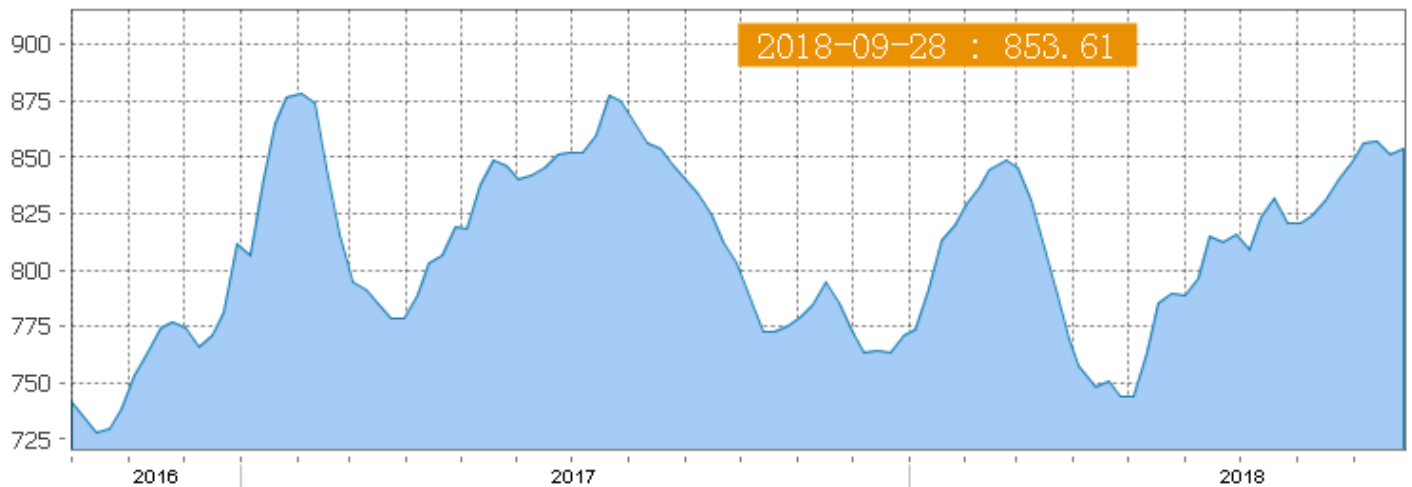
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Recent Incident of sinking of Barge near Bangladesh. Do you have more info about this accident? Please send it to info@marineinsight.com

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China Containerized Freight Index



U.S. RIVER BARGE FREIGHT

Current Barge Freight for Placement Last Half November 2018

Placement LH November 2018	% of Tariff	MT	Corn BU	Soybeans-Wheat BU
Upper Mississippi	465	\$31.73	0.81	0.86
Illinois River (Pekin and South)	430	\$22.80	0.58	0.62
Mid-Mississippi	440	\$25.80	0.66	0.70
Lower Ohio	385	\$18.93	0.48	0.52
St. Louis	340	\$14.95	0.38	0.41

Secondary Rail Car Market for car placement period: Last Half November 2018.

Secondary Rail Car Market Placement LH. November 2018	BID USD	ASK USD	BID BU.	ASK BU.	BID MT	ASK MT
BNSF Shuttle Trains	\$ -	\$ 150.00	\$ -	\$ 0.04	\$ -	\$ 1.48
UPRR Shuttle Trains	\$ (50.00)	\$ 100.00	\$ (0.01)	\$ 0.03	\$ (0.49)	\$ 0.98

www.grains.ksu.edu/igp

Best Regards,

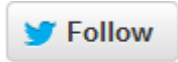
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