

## Transportation and Export Report for 13 October 2022

Physical Dry Bulk Traders got excited this week and took physical rates beyond what the Baltic index would suggest is appropriate for an otherwise dull freight week. It could have been a case of wanting to cover shorts or just post Golden week holiday exuberance? Either way things probably went a bit too far and we are seeing some push back at weeks end. I cannot find a fundamental justification for the current rate jump. We will have to see if next week brings cooler heads or more excitement.

The low water situation on the Mississippi River and resulting barge restrictions continues to be the major story in U.S. transportation markets. Difficult River logistics and high barge freight costs are pushing U.S. Corn and Soybean exports to West Coast ports. PNW ports however do not have the capacity to absorb all the U.S. Gulf demand and this will quickly cause a crisis situation at both port ranges.

The U.S. Railroad tentative labor contract has been voted on by union members, but full results will not be known until November 19 or beyond. I do not expect a U.S. rail strike to occur but am less confident about the situation with the ILWU union and West Coast Container ports.

### BALTIC DRY-BULK PANAMAX INDEX CHANGES

Panamax Ocean Freight Indices					
12-Oct-2022		This Week	Last Week	Difference	Percent Change
P2A: Gulf/Atlantic - Japan	Index	28060	30,282	-2,222	-7.3%
P3A: PNW/Pacific - Korea	Index	17808	17,396	412	2.4%
S1C: US GULF-China-So.Japan	Index	26157	24532	1,625	6.6%
P7: Trial- Miss. River - Qingdao	per ton	61.69	63.50	-1.81	-2.9%
P8: Trial- Santos - Qingdao	per ton	51.61	52.56	-0.95	-1.8%

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

Four weeks ago:	\$8.25-\$7.85
Three weeks ago:	\$8.40-\$9.82
Two weeks ago:	\$8.85-\$9.75
One week ago:	\$9.50-\$8.15
This week	\$8.50- \$9.45

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

Mississippi River:	(9 elevators)	3-12 days
Mid-Stream loaders:	(6+ Rigs)	1-2 days
Texas Gulf	(5 elevators)	0-6 days (4 facilities at zero days)
Pacific Northwest:	(9 elevators)	1-11 days

Panamax Market Spreads to Asia -China					
12-Oct-2022	GULF	PNW	Bushel Spread	Tonne Spread	Advantage
CORN	2.40	2.40	0.00	\$0.00	PNW
SOYBEANS	2.50	3.10	0.60	\$22.05	PNW
OCEAN FREIGHT	\$62.75	\$36.50	.67-.71	\$26.25	November

### Current Grain Vessel Market Indications:

**\*\* Rates are estimates for the nearby-30-day period. 60-90 days forward physical rates will usually be higher.**

Soybean Panamax USG to Spain is running \$46.00 -\$47.00/mt.

Soybean Brazil to Spain about \$51.50 -\$53.00/mt.

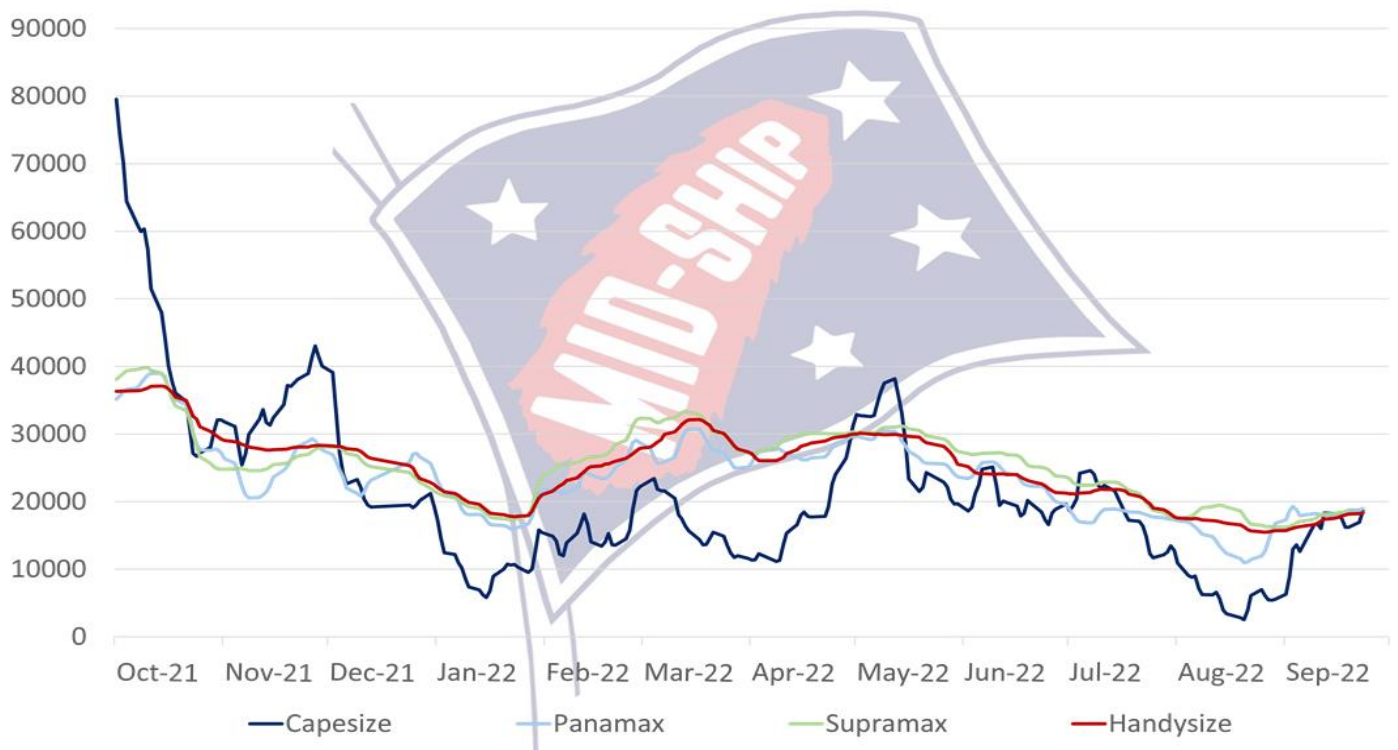
Route and Vessel Size	Current Week USD/MT	Change from previous week	Remarks
55,000 U.S. Gulf-Japan	\$63.75	Up \$2.50	Handymax \$63.50 mt
55,000 U.S. PNW- Japan	\$37.00	Up \$1.00	Handymax at \$37.00 mt
65,000 U.S. Gulf – China	\$62.75	Up \$2.50	North or South China
PNW to China	\$36.50	Up \$1.00	
25,000 U.S. Gulf- Veracruz, México	\$26.00	Up \$0.50	3,000 MT daily discharge rate
35-40,000 U.S. Gulf- Veracruz, México	\$22.50	Up \$0.50	Deep draft and 6,000 MT per day discharge rate.
30-38,000 U.S. Gulf- Colombia	\$36.25	Up \$1.00	<u>West Coast Colombia at \$40.75</u>
50,000 USG- E/C Colombia	\$33.50		
<u>East Coast Colombia</u> From Argentina	\$43.75		
40-45,000 U.S. Gulf - Guatemala	\$43.00	Up \$1.00	Acajutla/Quetzal - 8,000 out
30,000 US Gulf-Morocco	\$61.25	Up \$2.00	5,000 discharge rate
55-60,000 U.S. Gulf –Egypt	\$60.25	Up \$2.00	55,000-60,000 mt Egypt
PNW to Egypt	\$61.00		Romania - Russia- Ukraine \$27.50 -\$29.00 - \$.42.00 - France \$42.00, Bulgaria \$30.00
58-74,000 U.S. Gulf – Europe – Rotterdam	\$30.00	Up \$1.00	Handymax at +\$2.50 more
Brazil, Santos –China	\$54.50	Up \$3.00	54-59,000 Supramax-Panamax
Brazil, Santos –China	\$52.00		60-66,000 Post Panamax
Up-River Port North Brazil	\$58.50		55-60,000 mt
56-60,000 Argentina-China	\$58.00	Up \$3.00	Up-River with Top Off Plus \$3.85-\$4.75
Deep draft			

## The Baltic Dry Bulk Freight Index



## The Baltic Dry Bulk Freight Index- Cape-Panamax-Supra and Handy

### Baltic Average of the Time Charter routes per Segment

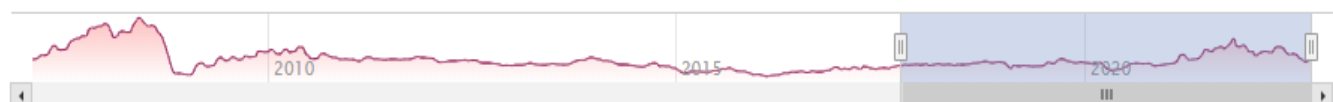


# YAMAMIZU Index



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

From 2017-10-05 To 2022-10-05



China Import Dry Bulk Freight Index					
2022-10-12					
Description	Volume	Cargo	Unit	Rate	Change
Composite Index			Point	1281.09	-6.73
Iron ore Freight Index			Point	1140.65	-6.83
Dampier(West Australia)-Qingdao (China)	170000/10%	Iron ore	\$/ton	9.444	0.056
Soybean Freight Index			Point	1483.4	-6.52
Santos(Brazil)— North China	66000/10%	Soybean	\$/ton	52.06	-0.12
Tacoma(West America)—North China	63000/10%	Soybean	\$/ton	36.78	-0.2
Mississippi(US Gulf)—North China	66000/10%	Soybean	\$/ton	62.72	-0.44

**Low water conditions on the Mississippi River & restricted barge movements have created a No offer situation in November CIF Corn, Soybean and SRW Wheat markets to the Gulf/NOLA. Grain values are therefore not clearly known and very much of a wild guess at this time.**

**12 October 2022 U.S. FOB Vessel Export Market Values:**

<b>U.S. Yellow Corn (USD/MT) FOB Vessel</b>					CORN	FUTURES
#2 YC	<b>GULF # 2 YC</b>		<b>PNW # 3 YC</b>		Z =	6.9300
Max. 14.5% moisture	BASIS	FLAT PRICE	BASIS	FLAT PRICE	H =	7.0000
<b>Nov.</b>	2.40	<b>\$367.30</b>	2.40	<b>\$367.30</b>	K=	7.0100
<b>Dec.</b>	2.00	<b>\$351.55</b>	2.00	<b>\$351.55</b>	N =	6.9425
<b>Jan.</b>	1.45	<b>\$332.66</b>	1.93	<b>\$351.55</b>	U=	6.4600
<b>Feb.</b>	1.30	<b>\$326.75</b>	1.90	<b>\$350.37</b>	Z =	6.3250
<b>Mar.</b>	1.25	<b>\$324.78</b>	1.90	<b>\$350.37</b>		
<b>Apr.</b>	1.23	<b>\$324.39</b>	1.90	<b>\$350.77</b>		

The Gulf spread between #2 YC & #3 YC is currently about .03 cents per bushel (1.09/mt) at USG but is out to .06/bushel in the PNW.

<b>SORGHUM (USD/MT) FOB VESSEL</b>		
#2 YGS Fob Vessel	<b>TEXAS Gulf</b>	
Max. 14.0% moisture	BASIS	FLAT PRICE
<b>Nov.</b>	2.65	<b>\$377.14</b>
<b>Dec.</b>	2.60	<b>\$375.18</b>
<b>Jan.</b>	2.50	<b>\$373.99</b>
<b>Feb.</b>	2.50	<b>\$373.99</b>
<b>Mar.</b>	2.50	<b>\$373.99</b>

Fob vessel Texas Gulf #2 Sorghum is about 103 % the value of #2 Yellow Corn at NOLA.

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

<b>SRW Wheat</b>	<b>USD/MT</b>	<b>Fob Vessel</b>	<b>US Gulf</b>	
	<b>Nov.</b>	<b>Dec.</b>	<b>Jan.</b>	<b>Feb.</b>
OB U.S. GULF	\$393.98	\$384.79	\$385.44	\$381.76
Basis	1.90	1.65	1.50	1.40
WZ	8.8225			.
WH	8.9900			
WK	9.0725			

**Low water conditions on the Mississippi River & restricted barge movements have created a No offer situation in November CIF Corn, Soybean and SRW Wheat markets to the Gulf/NOLA. Grain values are therefore not clearly known and very much of a wild guess at this time.**

<b>U.S. Yellow Soybeans (USD/MT) FOB Vessel</b>				
# 2 YSB	<b>U.S. Gulf #2 YSB</b>		<b>PNW #2 YSB</b>	
14.0 % Moisture	Basis	Flat Price	Basis	Flat Price
<b>Nov.</b>	2.50	<b>\$604.80</b>	3.10	<b>\$626.84</b>
<b>Dec.</b>	2.15	<b>\$595.24</b>	2.80	<b>\$619.13</b>
<b>Jan.</b>	1.70	<b>\$578.71</b>	2.45	<b>\$606.26</b>
<b>Feb.</b>	1.65	<b>\$579.53</b>	2.35	<b>\$605.25</b>
<b>Mar.</b>	1.65	<b>\$579.53</b>	2.35	<b>\$605.25</b>
<b>Soybean Futures</b>				
<b>Nov.</b>	\$ 13.9600			
<b>Jan.</b>	\$ 14.0500			
<b>Mar.</b>	\$ 14.1225			
<b>May</b>	\$ 14.1900			
<b>July</b>	\$ 14.2125			
<b>Aug.</b>	\$ 14.0575			

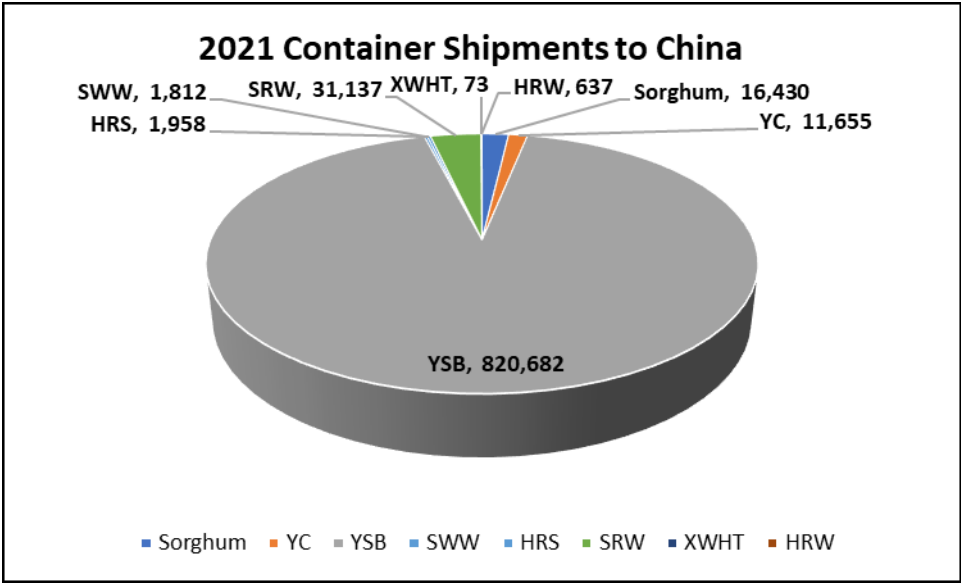
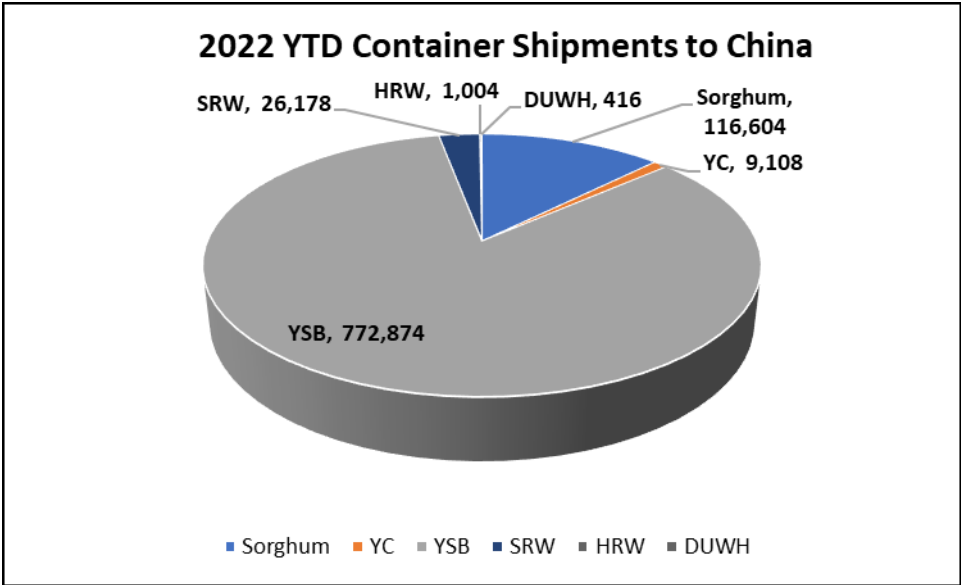
### **U.S. Soybean and SBM Markets Fob Vessel:**

<b>U.S. SBM (USD/MT) FOB Vessel</b>		
Fob U.S. Gulf Port	<b>47.5 Pro. SBM</b>	
max 12.5 % moisture	Basis	Flat Price
<b>Nov.</b>	50.00	<b>\$ 511.89</b>
<b>Dec.</b>	50.00	<b>\$ 507.26</b>
<b>Jan.</b>	50.00	<b>\$ 501.42</b>
<b>Feb.</b>	50.00	<b>\$ 501.42</b>
<b>Mar.</b>	50.00	<b>\$ 498.44</b>
<b>SBM Futures</b>		
<b>SMZ</b>	\$ 414.30	
<b>SMF</b>	\$ 410.10	
<b>SMH</b>	\$ 404.80	
<b>SMK</b>	\$ 402.10	
<b>SMN</b>	\$ 402.40	
<b>SMQ</b>	\$ 398.80	

**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:		6-Oct-2022							
Last Week	metric tons								MT
	YC	WC	YSB	SRW	NS	HRW	SWH	Sorghum	TOTAL
China	2,057		16,089						18,146
Taiwan	1,959		8,056						10,015
Hong Kong	98								98
Costa Rica									0
Indonesia			5,403						5,403
French Poly									0
Japan			243						243
Korea Rep.	73								73
Dominic Rep									0
Malaysia	171		1,298						1,469
Singapore									0
Philippines			49						49
Thailand			1,347						1,347
Ireland									0
Burma									0
Cambodia									0
Nepal									0
Vietnam			3,281		465		514		4,260
Sub Total:	4,358	0	35,766	0	465	0	514	0	41,103
USDA Corrections/Additions to previous reports:									
Taiwan			269						269
China			563						563
Hong Kong									0
Korea Rep.									0
Un Kingdom									0
Japan			24						24
Philippines									0
Indonesia			416						416
Malaysia			122						122
Thailand			808						808
Vietnam			1,224						1,224
Burma									0
Cambodia									0
Sub Total:	0	0	3,426	0	0	0	0	0	3,426
<b>Mt. Grand Total</b>	<b>4,358</b>	<b>0</b>	<b>39,192</b>	<b>0</b>	<b>465</b>	<b>0</b>	<b>514</b>	<b>0</b>	<b>44,529</b>
Number of Containers	189	0	1,704	0	20	0	22	0	

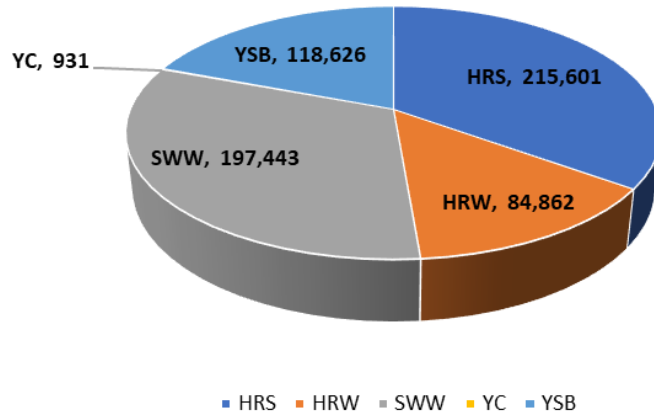
Jan - Dec 2021 Annual Totals versus 2022 YTD Container Shipments (in MT)



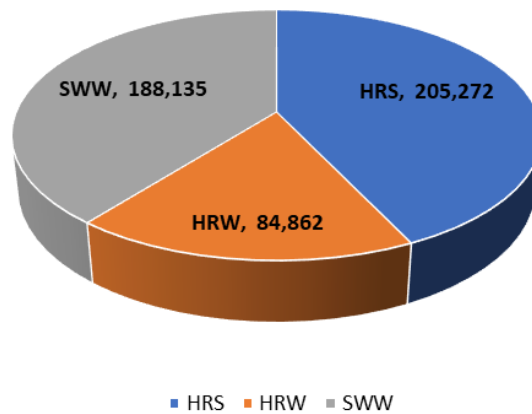


2022 YTD Total Grain Exports reported by USDA (in MT)

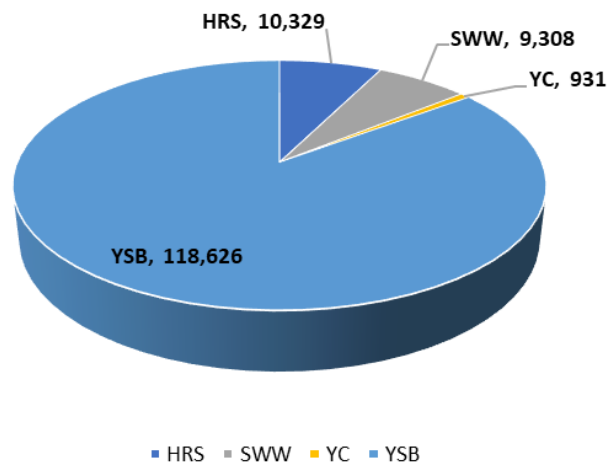
**2022 YTD Exports to Thailand**



**YTD Vessel Shipments to Thailand**



**YTD Container Shipments to Thailand**

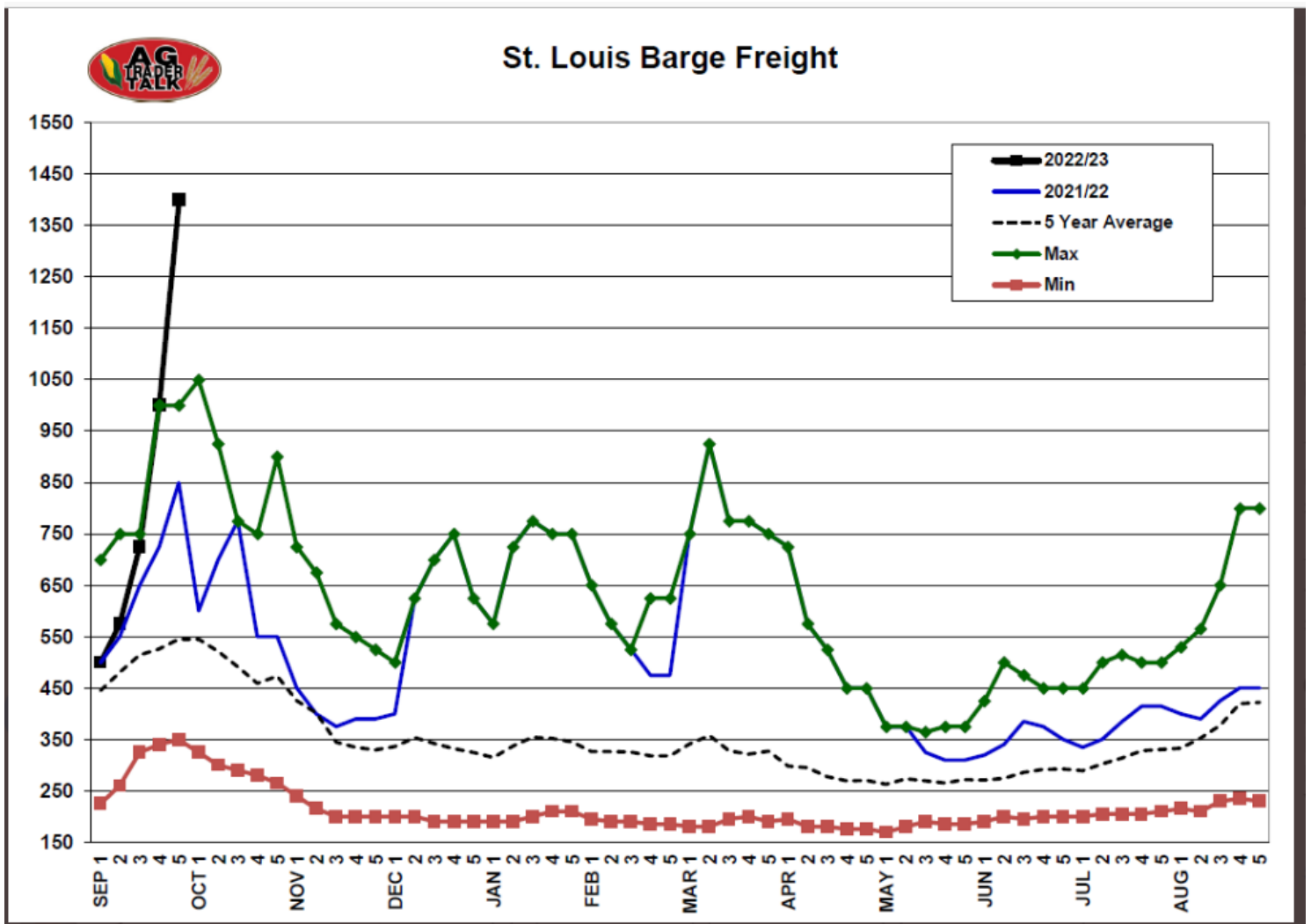


\*Please keep in mind that USDA does not report DDGS sales

Source: USDA-data

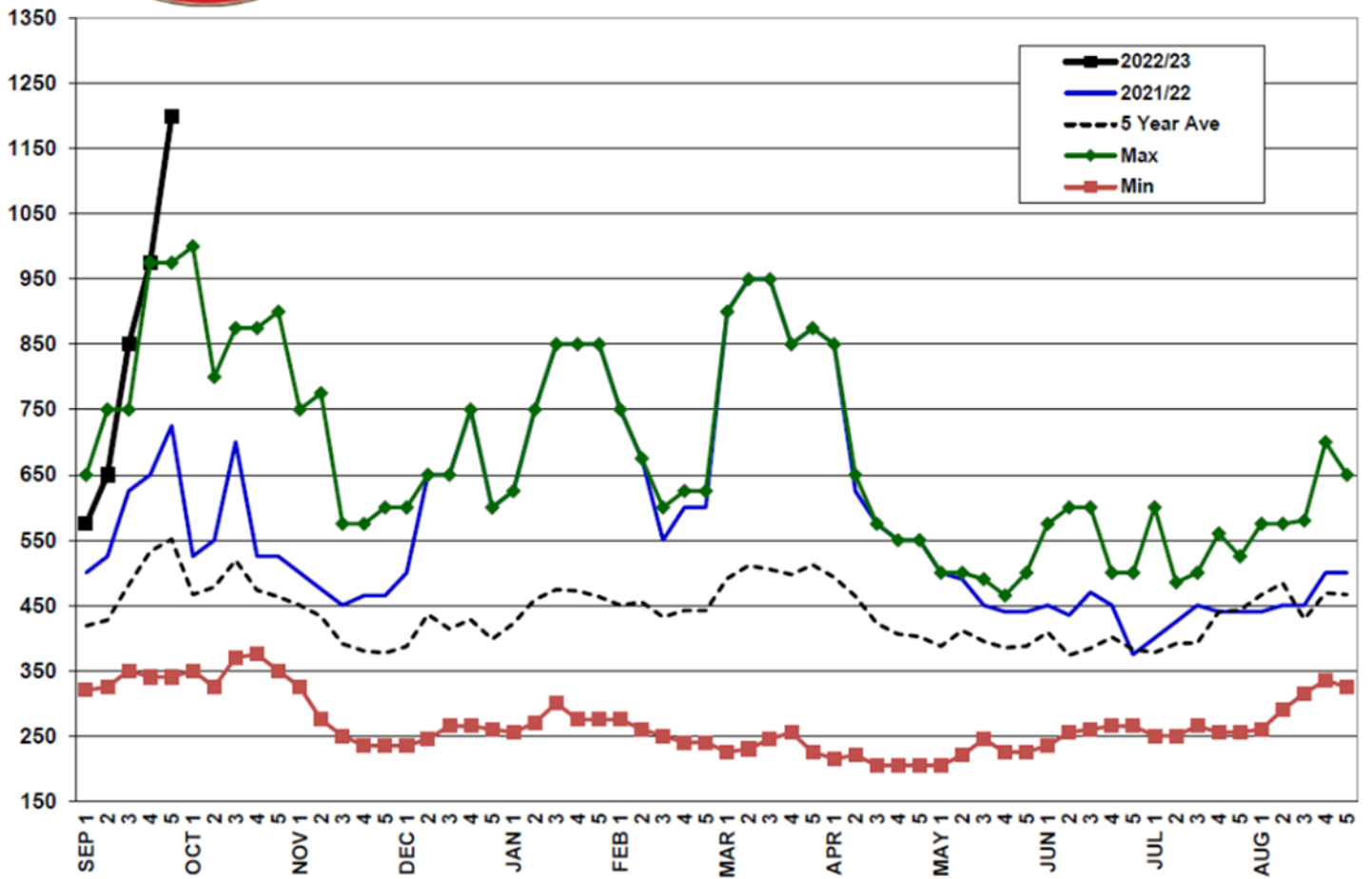
## Shipping News

### Illinois and St. Louis Spot Barge Freight Rates from 2004-2022





## Illinois River Barge Freight



**Barge freight** is traded in % of tariff, so its trading 3000% of the tariff rate.  
These are the benchmarks

BENCHMARK	RATE	PORTS INCLUDED.....
TWC TWIN CITIES	619	Minneapolis, St. Paul, Red Wing, Shakopee, Winona, MN
MM MID-MISS	532	Albany, Keithsburg, New Boston, Rock Island, IL Clinton, Davenport, Muscatine, IA
ST. LOUIS	399	Alton, Chester. E. St. Louis, Faults, IL, Cape Girardeau, St Louis, MO
ILLINOIS	464	Beardstown, Florence, Hardin, Havana, Meredosia, IL
CINC	469	Cincinnati
LOWER OHIO	446	Louisville, KY
CAIRO-MEM	314	Birds Point, Linda, New Madrid, MO, Hickman, KY, Cairo, IL

**Commodity Insights Shipping** @SPGCIShipping · 18h

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Gloomy macroeconomic indicators may stall **dry bulk #shipping** recovery, @shrirams87, Nicholas Zhang & Jonathan Heng write.

- ◆ Underlying demand remains subdued
- ◆ Concerns over weakness in #China's economy

[okt.to/E5UgQv](https://okt.to/E5UgQv)

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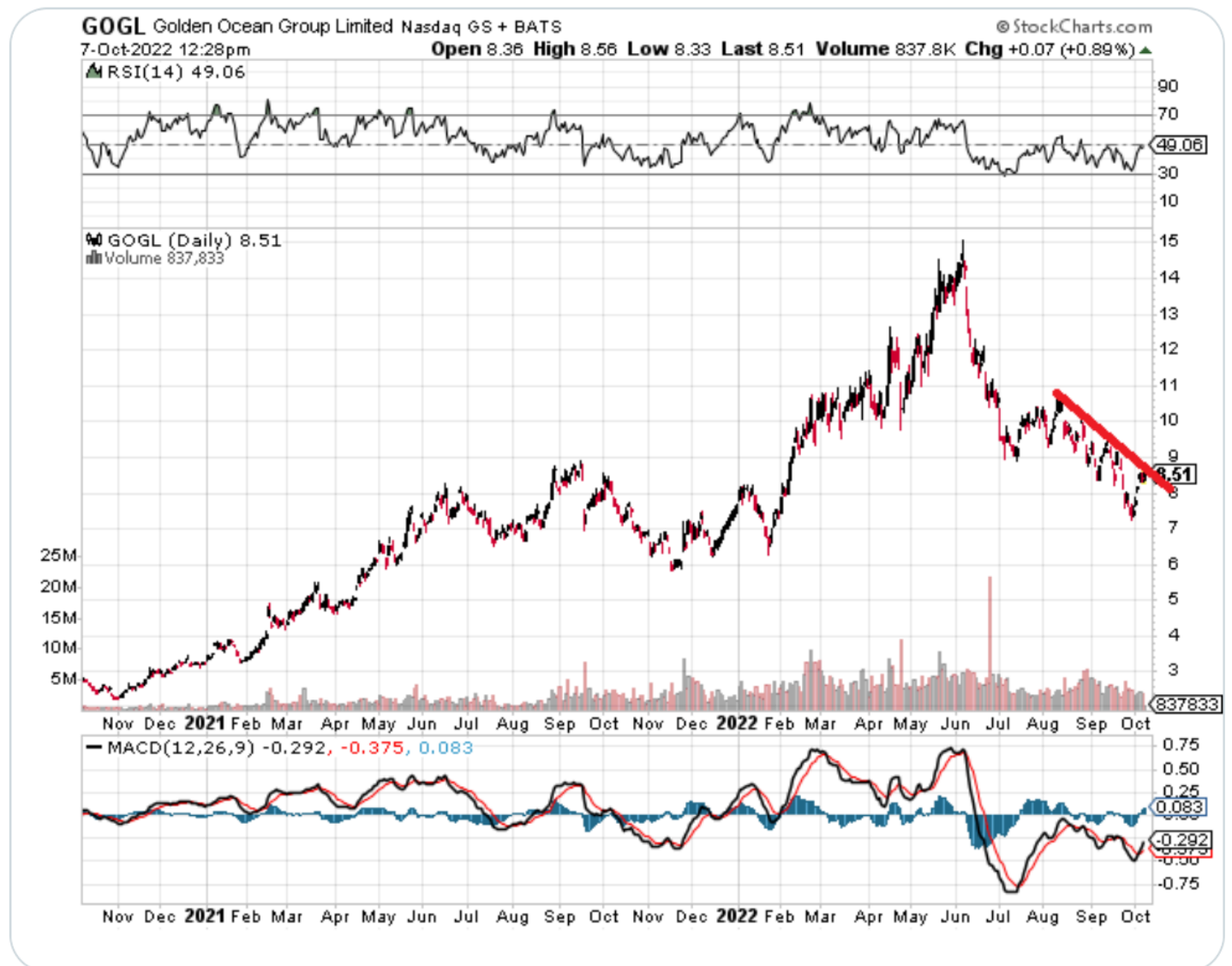
## EASING CONGESTION REIN IN DRY BULK FREIGHT RATES



Source: S&P Global Commodity Insights

Stockspy @Stockspy1 · Oct 7

**\$GOGL**, which is not **\$GOOG**, is a good short. They are an ocean **bulk** shipper. The stock went ballistic and now is returning to earth and global recession and **shipping** rates **dry** up.. \$6 , which is the Dec 2021 price is a reasonable target here



Keep reading for current FCL and LCL rates on major China-US lanes.

[See latest rates →](#)



40' CONTAINERS

**China Ports to Los Angeles**

**\$2,241+**



LCL: DOOR-TO-DOOR, 2 CBM, 520 KG

**China Cities to Los Angeles**

**\$1,245+**



40' CONTAINERS

**China Ports to New York**

**\$6,948+**



LCL: DOOR-TO-DOOR, 2 CBM, 520 KG

**China Cities to New York**

**\$1,696+**

**BreakWave** @DryBulkETF · 1h

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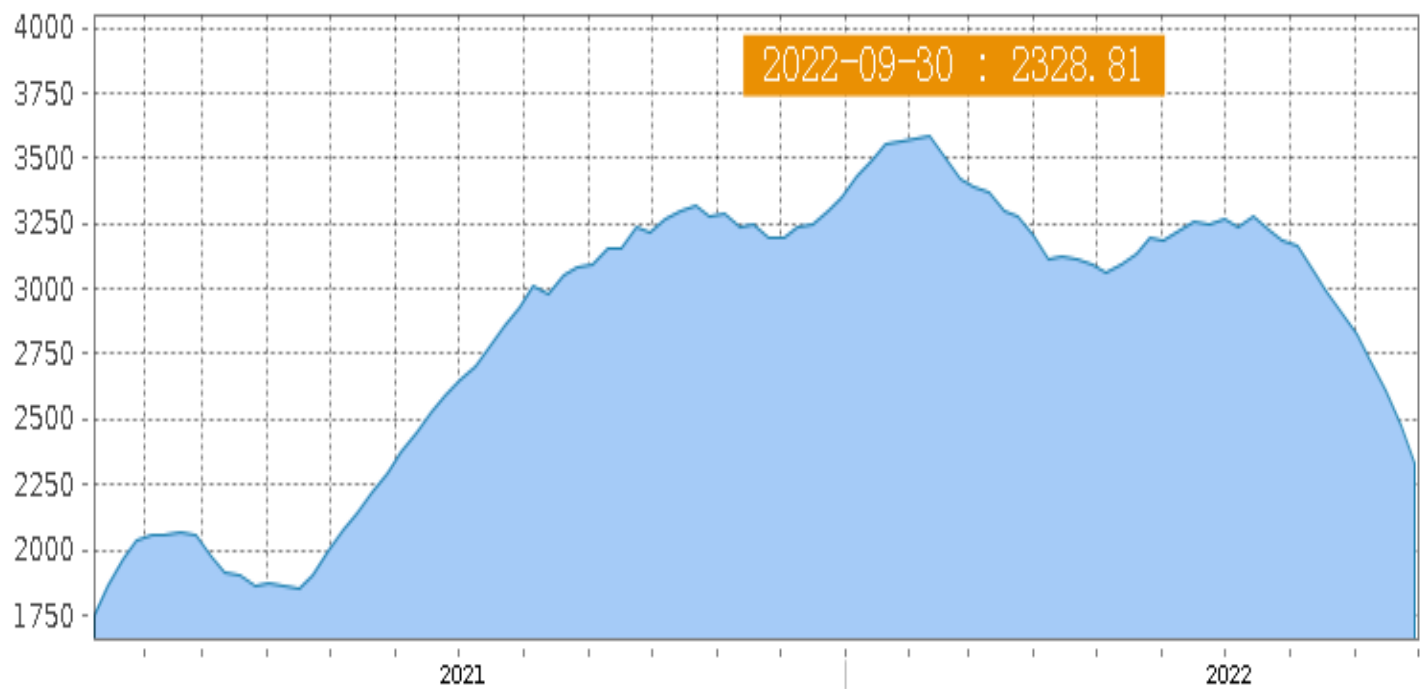
GFI on Capesize: "There is continuing concern with regards to the macro picture with analysts looking for triggers from the sleeping giant that is China which are not forthcoming and this weigh's heavy on sentiment."



4



## China Containerized Freight Index



## China Import Dry Bulk Freight Index





## Secondary Rail Car Market for Car placement period: Last Half October 2022

Secondary Rail Car Market Placement LH October 2022	BID USD	ASK USD	BID BU.	ASK BU.	BID MT	ASK MT
BNSF Shuttle Trains	\$ 2,000	\$ 2,600	\$ 0.50	\$ 0.65	\$ 19.68	\$ 25.59
UPRR Shuttle Trains	\$ 2,000	\$ 2,600	\$ 0.50	\$ 0.65	\$ 19.68	\$ 25.59

## U.S. RIVER BARGE FREIGHT

### **Barge Freight for Loading Placement Last Half October 2022**

Placement LH October 2022	% of Tariff	MT	Corn BU	Soybeans-Wheat BU
Upper Mississippi	1600	\$ 109.17	2.77	2.97
Illinois River (Pekin and South)	1850	\$ 126.23	3.21	3.44
Mid-Mississippi	1850	\$ 91.00	2.31	2.48
Lower Ohio	2200	\$ 108.16	2.75	2.94
St. Louis	2300	\$ 101.16	2.57	2.75

Best Regards,

Jay

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