

## Transportation and Export Report for 18 October 2018

### Ocean Freight Insights and Comments:

The Baltic indices were mixed this week as paper traders again tried to push things upward but could not gather enough support to hold the market gains and physical markets did not want to follow. All in all, the markets were largely dull and continue to be rangebound. Nothing new or exciting to report for now. We are likely looking at a 3 % growth in the total Dry-Bulk vessel fleet this year verses an estimated cargo growth of 2.5 %. Vessel scrapping activity has slowed to a trickle and this certainly does not support higher rates very well. The biggest vessel operating cost influence however will be the required switch to low sulfur fuels by 2020.

### BALTIC DRY-BULK PANAMAX INDEX CHANGES

Panamax Ocean Freight Indices				
18-Oct-18	This Week	Last Week	Difference	Percent Change
P2A : Gulf/Atlantic - Japan	22936	22464	472	2.1%
P3A - PNW/Pacific - Japan	13265	13638	-373	-2.7%
S1C -USGULF-China-So.Japan	25450	25475	-25	-0.1%

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

Four weeks ago:	\$ 7.45-\$7.70
Three weeks ago:	\$ 7.20-\$7.25
Two weeks ago:	\$ 7.95-\$9.30
One week ago:	\$ 7.95- 8.60
This week	\$8.70-\$9.00

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

Mississippi River:	(10 elevators)	4-10 days
Miss. River Mid-Stream loaders:	(6+ Rigs)	0-3 days
Texas Gulf	(6 elevators)	0-4 days
Pacific Northwest:	(9 elevators)	1-7 days

Panamax Market Spreads to Asia -China					
18-Oct-18	PNW	GULF	Bushel Spread	MT Spread	Advantage
CORN	0.89	0.55	0.34	\$13.39	PNW
SOYBEANS	0.40	0.27	0.13	\$4.78	PNW
OCEAN FREIGHT	\$27.00	\$48.75	.55 -.59	<b>\$21.75</b>	November

**Recent Reported Vessel Fixtures:**

<b>Route and Vessel Size</b>	<b>Current Week USD/MT</b>	<b>Change from previous week</b>	<b>Remarks</b>
55,000 U.S. Gulf-Japan	\$49.75	Up \$0.25	Handymax \$50.25 mt
55,000 U.S. PNW- Japan	\$27.75	Unchanged	Handymax \$28.25 mt
66,000 U.S. Gulf – China	\$48.75	Up \$0.25	North China
PNW to China	\$27.00	Unchanged	
25,000 U.S. Gulf- Veracruz, México	\$18.25	Unchanged	3,000 MT daily discharge rate
35-40,000 U.S. Gulf- Veracruz, México	\$16.00	Unchanged	Deep draft and 6,000 MT per day discharge rate.
25/35,000 U.S. Gulf- <u>East Coast Colombia</u> From Argentina	\$22.25 \$36.50	Down \$0.25	<u>West Coast Colombia at \$30.50</u>
40-45,000 U.S. Gulf - Guatemala	\$31.00	Down 0.25	Acajutla/Quetzal - 8,000 out
26-30,000 U.S. Gulf – Algeria	\$37.00 \$38.25	Unchanged	8,000 mt daily discharge 3,000 mt daily discharge
26-30,000 US Gulf-Morocco	\$39.50	Unchanged	5,000 discharge rate
55-60,000 U.S. Gulf –Egypt PNW to Egypt	\$33.75 \$33.00	Unchanged	55,000 -60,000 mt Russia Black Sea to Egypt \$18.00
60-70,000 U.S. Gulf – Europe – Rotterdam	\$21.50	Up \$0.50	Handymax at +\$1.75 more
Brazil, Santos – China Brazil, Santos – China Itacoatiara-Port Up River North Brazil	\$40.50 \$39.75 \$43.25	Up \$0.25	54-59,000 Supramax-Panamax 60-66,000 Post Panamax 60-66,000 mt
56-60,000 Argentina/Rosario- China Deep Draft	\$45.00	Up \$0.25	Up River with BB Top Off \$47.50

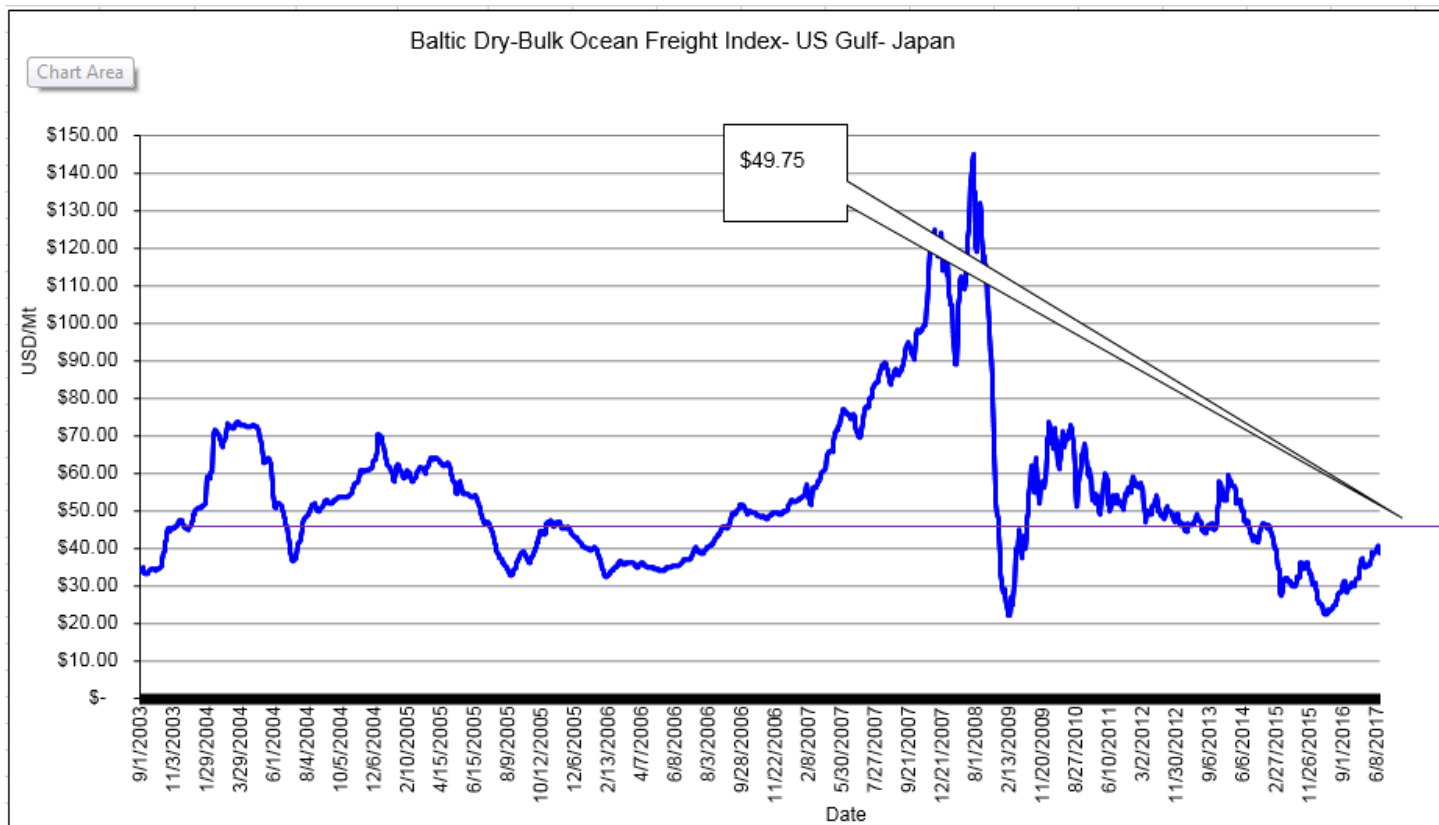
- **The above rate estimates reflect the 30-45-day forward ocean freight markets.**

**Nautical Miles: To Xiamen China (South China)**

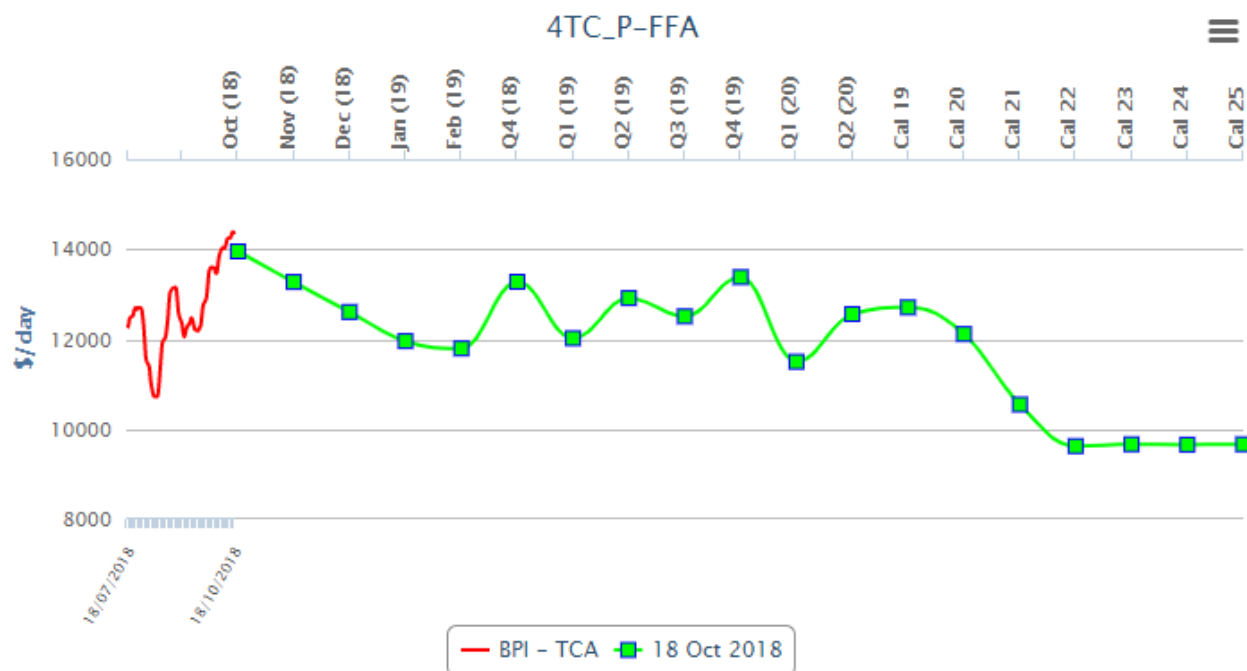
**US Gulf (NOLA) (via Panamá Canal) – 10,232 nautical miles (32 days)**

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

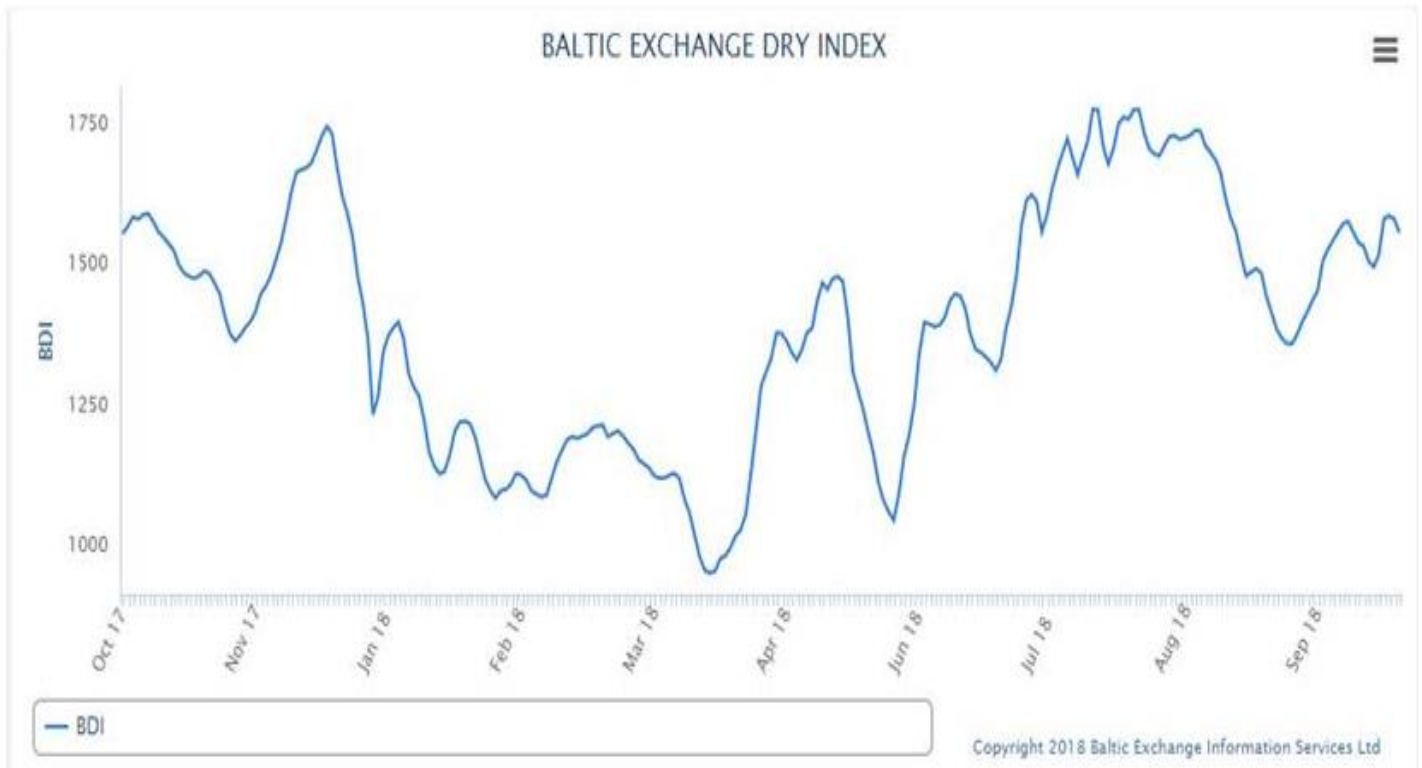
**Rasario Argentina (via Cape Horn) - 10,751 nautical miles (34 days)**



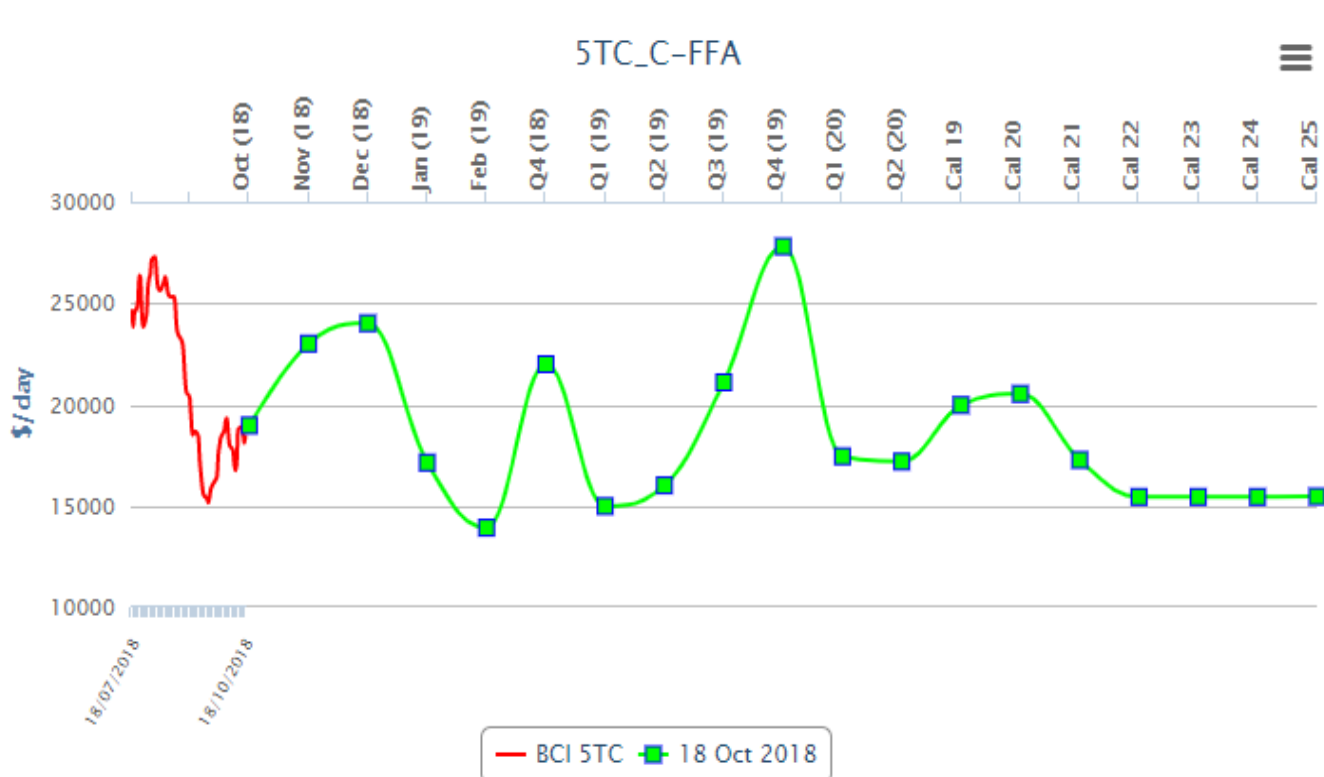
### Forward Curve for Baltic BPI Panamax Vessel Freight



## Baltic Dry Index.

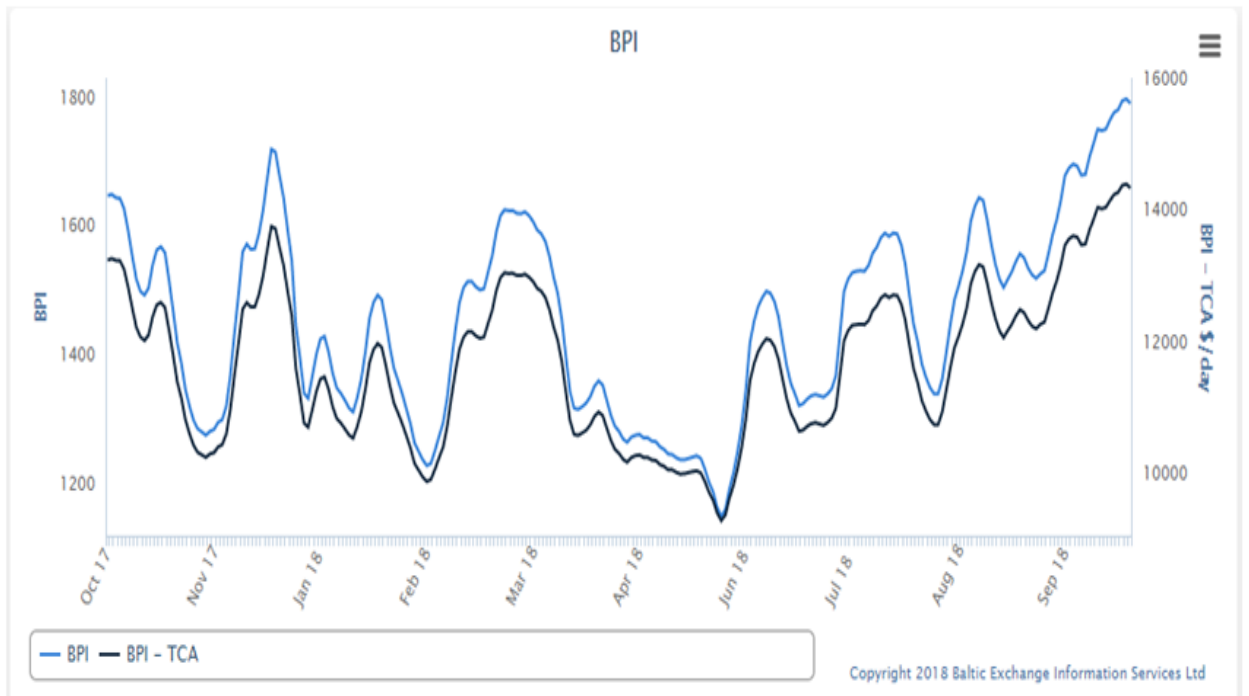


## Baltic Capesize Index



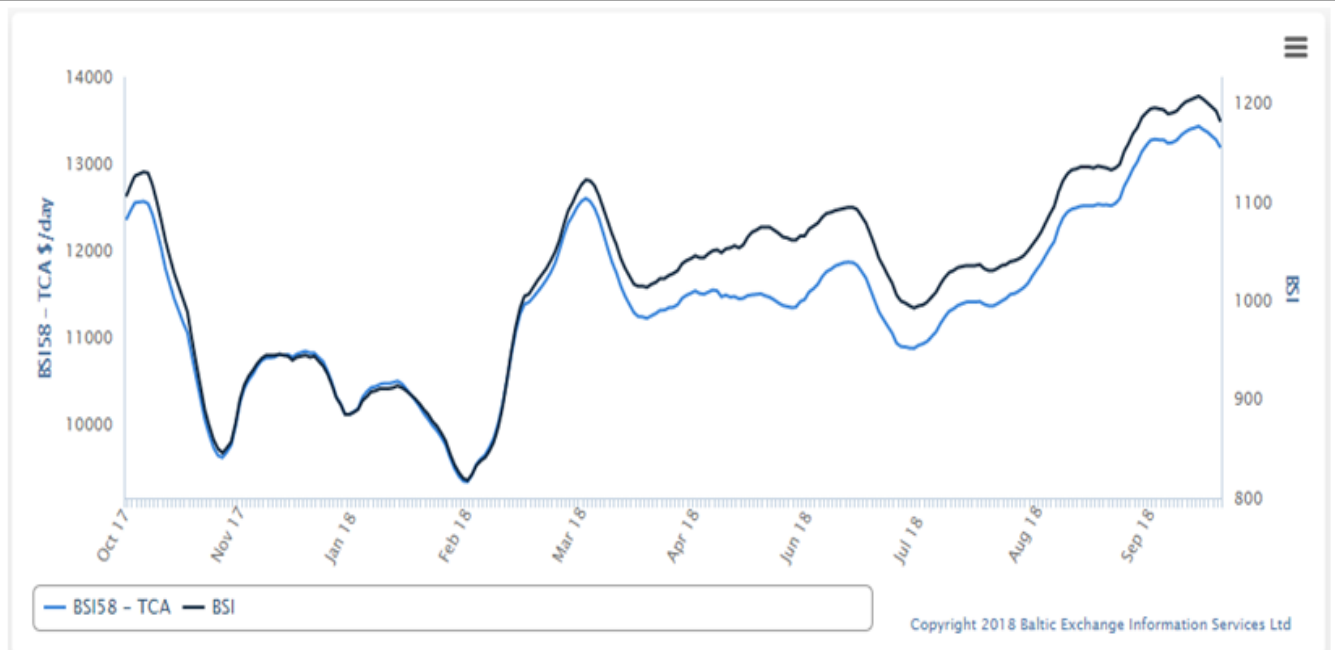
## Baltic Panamax Index

Panamax

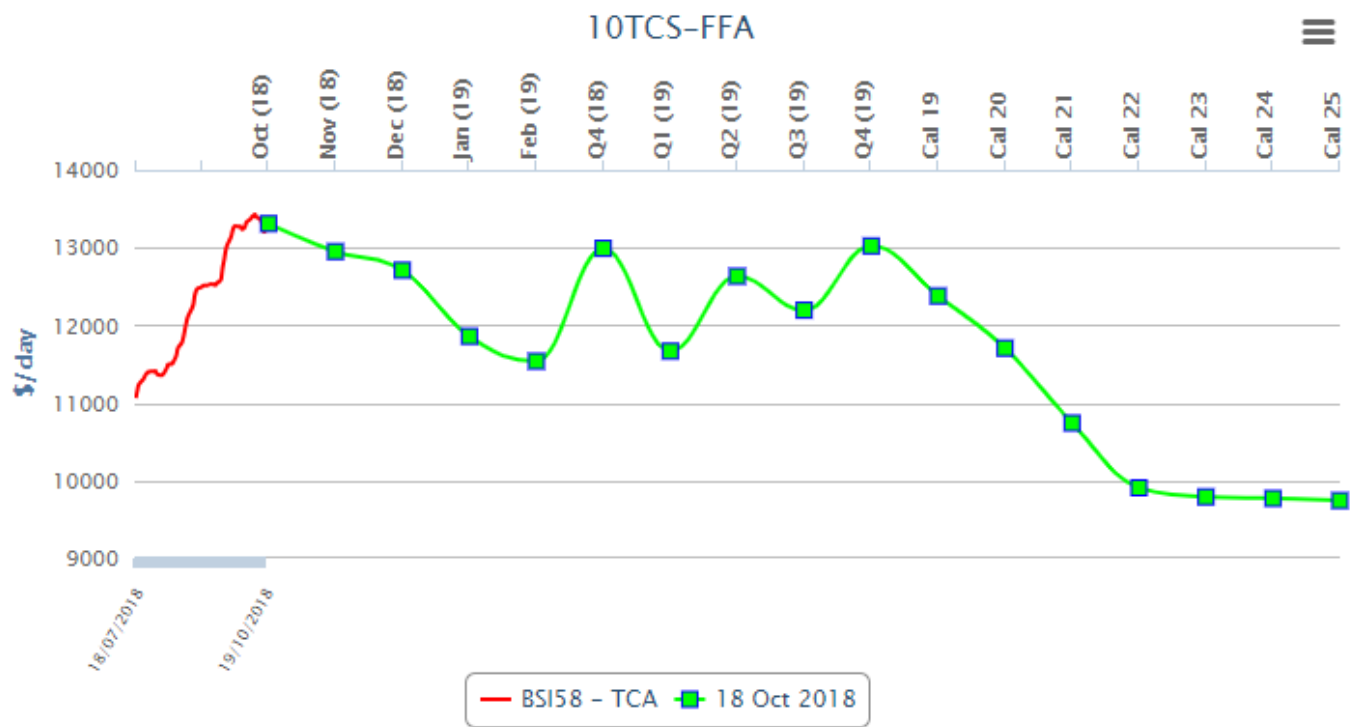


## Baltic Supramax Vessel Index

Supramax

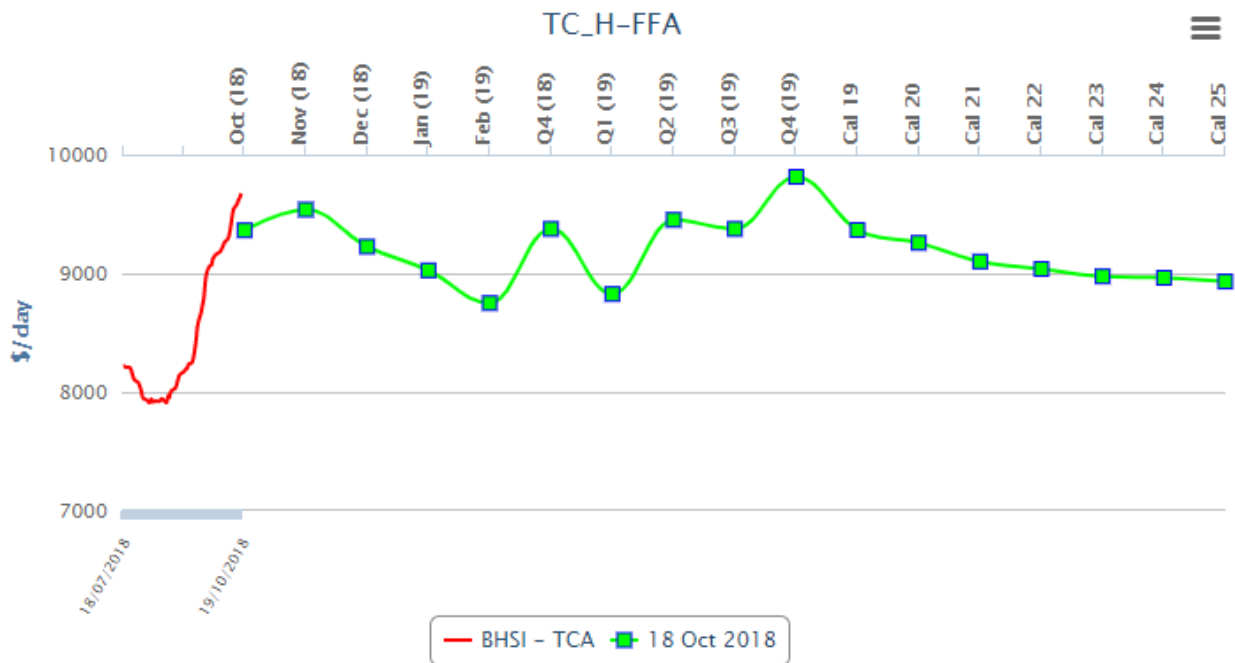


## Supramax Dry-Bulk Forward Curve



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## Baltic Handy Size



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# Yamamizu Shipping

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[Access Map](#)
[Yamamizu Index](#)

## USG/Japan Index Result

Date From: 2017-08-01

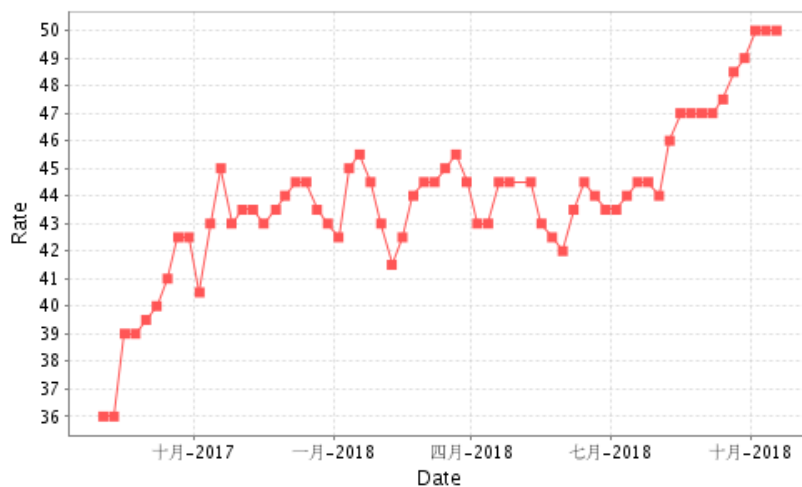
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Date To: 2018-10-19

V

Query

Reset



## China Import Dry Bulk Freight Index(CDFI)

2018-10-18

Route	Size MT	Cargo/Vessel Size	Unit	Rate	Change
Composite Index			Point	1024.88	0.26
Iron ore Freight Index			Point	1002.60	2.31
Soybean Freight Index			Point	1135.64	-0.25
Santos(Brazil)—North China	60000/10%	Soybean	\$/ton	39.855	-0.013
Tacoma(West America)—North China	60000/10%	Soybean	\$/ton	27.195	-0.032
Mississippi(US Gulf)—North China	66000/10%	Soybean	\$/ton	48.974	0.011
Mississippi(US Gulf)—North China	55000/10%	Soybean	\$/ton	50.083	0.017

**18 October 2018 U.S. FOB Vessel Export Market Values:**

<b>U.S. Yellow Corn (USD/MT) FOB Vessel</b>				
# 2 YC	U.S. Gulf #2 YC		PNW #3 YC	
15.0 % Moisture	Basis	Flat Price	Basis	Flat Price
<b>Nov.</b>	0.55	<b>\$167.61</b>	0.89	<b>\$181.00</b>
<b>Dec.</b>	0.63	<b>\$169.58</b>	0.94	<b>\$182.96</b>
<b>Jan.</b>	0.59	<b>\$172.43</b>	0.90	<b>\$186.21</b>
<b>Feb.</b>	0.58	<b>\$173.61</b>	0.96	<b>\$188.57</b>
<b>Mar.</b>	0.59	<b>\$174.01</b>	0.98	<b>\$189.36</b>
<b>Apr.</b>	0.56	<b>\$175.68</b>	0.93	<b>\$190.25</b>

The Gulf spread between #2 & #3 YC is currently about 02 cents per bushel (0.80/mt)

<b>SORGHUM (USD/MT) FOB VESSEL</b>				
#2 YGS Fob Vessel	NOLA		TEXAS	
Max. 14.0% moisture	BASIS	FLAT PRICE	BASIS	FLAT PRICE
<b>Nov.</b>	0.90	<b>\$181.39</b>	0.70	<b>\$173.52</b>
<b>Dec.</b>	0.90	<b>\$181.39</b>	0.70	<b>\$173.52</b>
<b>Jan.</b>	0.90	<b>\$186.21</b>	0.70	<b>\$178.34</b>
<b>Feb.</b>	0.90	<b>\$186.21</b>	0.70	<b>\$178.34</b>
<b>Mar.</b>	0.95	<b>\$188.18</b>	0.75	<b>\$180.30</b>

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	\$217.89	\$220.83	\$221.75	\$223.58
Basis	0.80	0.88	0.70	0.75
WZ	5.1300			
WH	5.3350			
WK	5.4575			

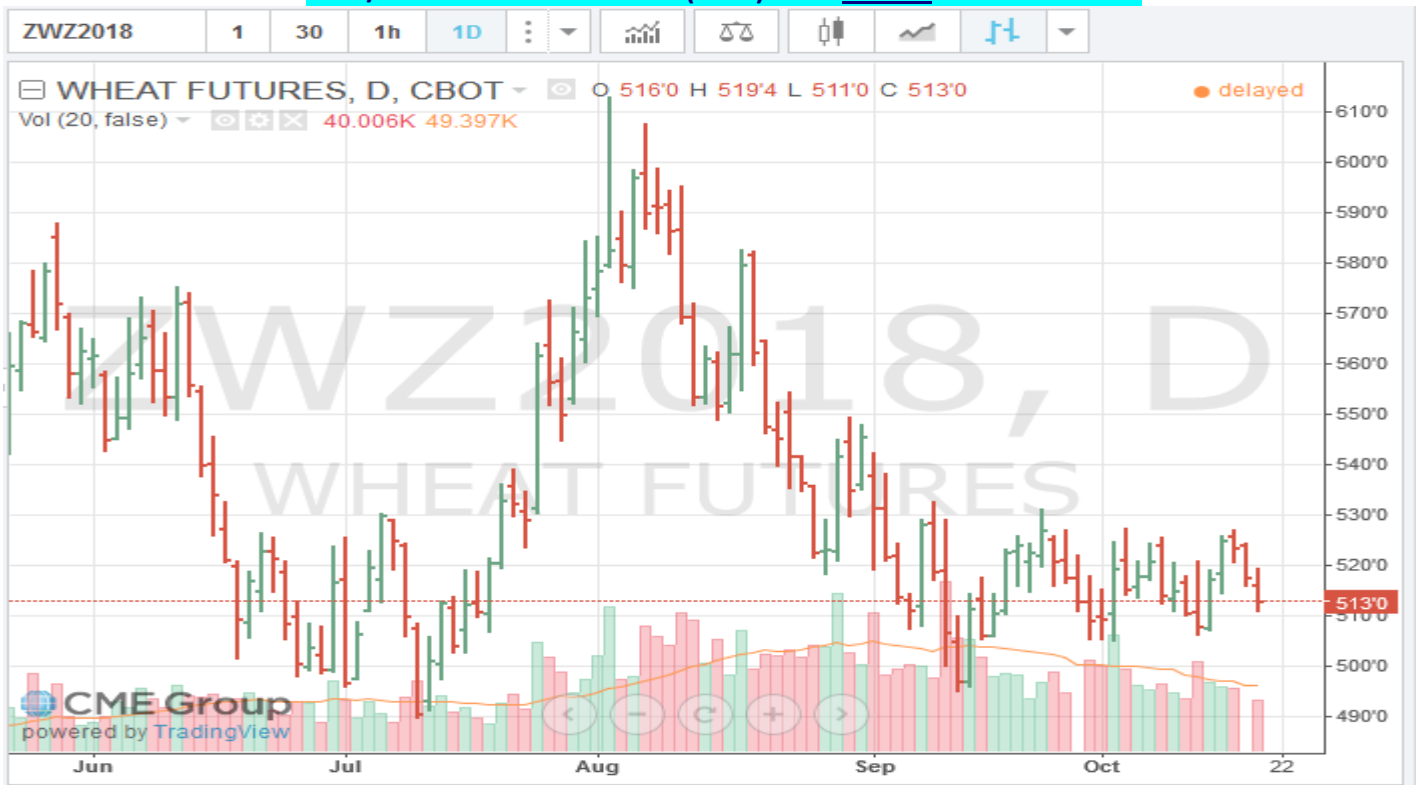
<b>CME Futures Market Close</b>						
CORN	Futures	Thursday	Thursday	Last week	Last Week	Difference
Month	Symbol	Close	Close	Bushel	MT.	Bushel
Dec.	CZ	\$3.7075	\$145.96	\$ 3.6750	\$144.68	\$0.0325
Mar.	CH	\$3.8300	\$150.78	\$ 3.7925	\$149.30	\$0.0375
May.	CK	\$3.9025	\$153.63	\$ 3.8650	\$152.16	\$0.0375
July	CN	\$3.9575	\$155.80	\$ 3.9175	\$154.22	\$0.0400
Sept.	CU	\$3.9675	\$156.19	\$ 3.9500	\$155.50	\$0.0175



# CBOT December 2018 (CZ8) Corn Futures Chart –



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



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

<b>U.S. Yellow Soybeans (USD/MT) FOB Vessel</b>				
# 2 YSB 14.0 % Moisture	U.S. Gulf #2 YSB		PNW #2 YSB	
	Basis	Flat Price	Basis	Flat Price
<b>Nov.</b>	0.27	<b>\$327.20</b>	0.40	<b>\$331.98</b>
<b>Dec.</b>	0.25	<b>\$331.70</b>	0.45	<b>\$339.05</b>
<b>Jan.</b>	0.32	<b>\$334.27</b>	0.60	<b>\$344.56</b>
<b>Feb.</b>	0.26	<b>\$336.75</b>	0.58	<b>\$348.51</b>
<b>Mar.</b>	0.32	<b>\$338.96</b>	0.65	<b>\$351.08</b>

### Soybean Futures

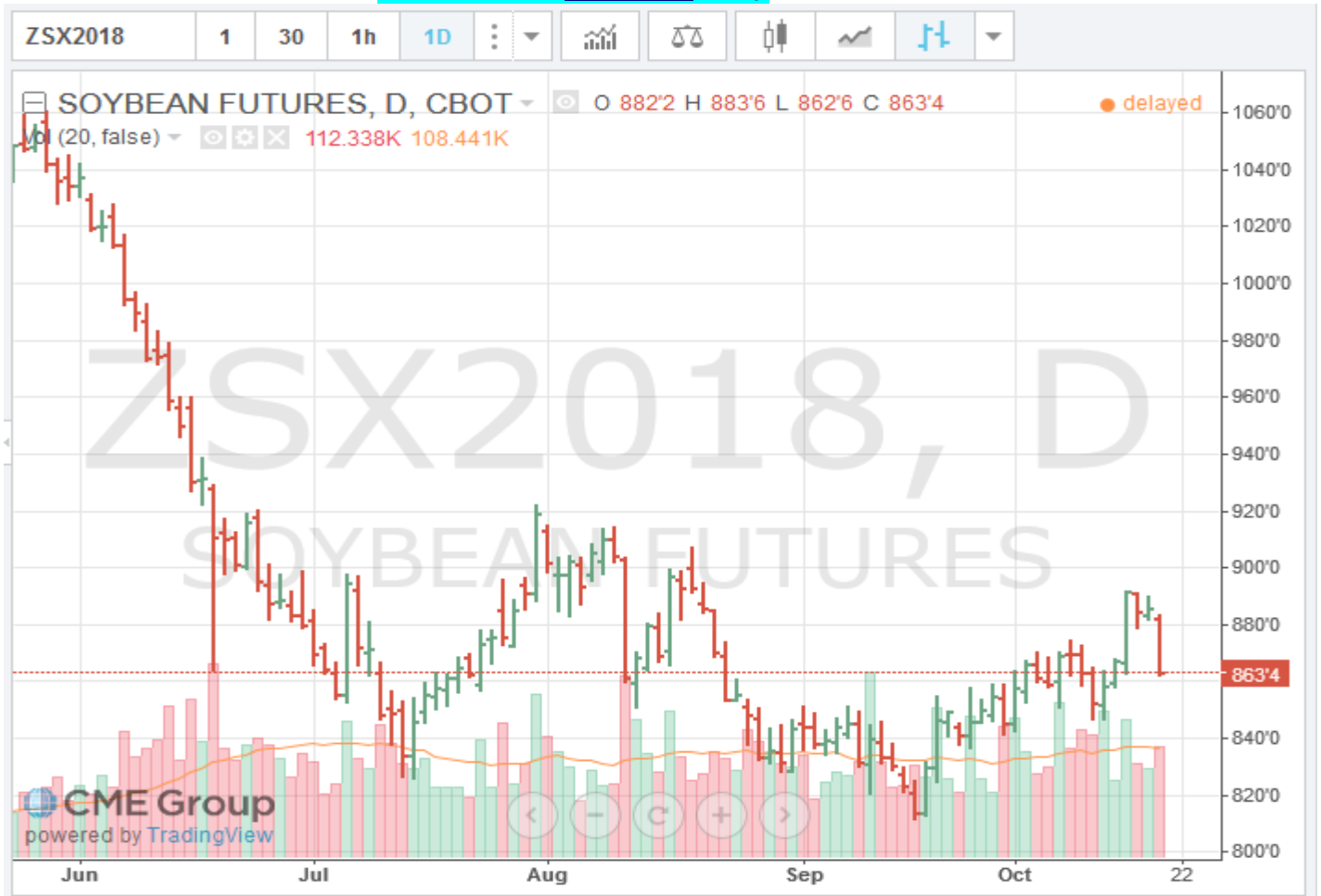
<b>Nov.</b>	\$ 8.6350
<b>Jan.</b>	\$ 8.7775
<b>Mar.</b>	\$ 8.9050
<b>May</b>	\$ 9.0375
<b>July</b>	\$ 9.1375
<b>Aug.</b>	\$ 9.1825

<b>U.S. SBM (USD/MT) FOB Vessel</b>		
Fob U.S. Gulf Port max 12.5 % moisture	47.5 Pro. SBM	
	Basis	Flat Price
<b>Nov.</b>	13.00	<b>\$ 363.05</b>
<b>Dec.</b>	13.00	<b>\$ 363.05</b>
<b>Jan.</b>	15.00	<b>\$ 367.35</b>
<b>Feb.</b>	17.00	<b>\$ 368.68</b>
<b>Mar.</b>	18.00	<b>\$ 369.78</b>

### SBM Futures

<b>SMZ</b>	316.30
<b>SMF</b>	318.20
<b>SMH</b>	317.40
<b>SMK</b>	315.60
<b>SMN</b>	316.00
<b>SMQ</b>	316.40

### 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 04 October 2018**

**Thursday-Weekly U.S. Export Sales**

<b>Commodity</b>	<b>New Sales (000 MT)</b>	<b>YTD Export Commitments **(000 MT)</b>	<b>Total Projected Export Program for Year (000 MT)</b>	<b>Percent of Export Projection</b>	<b>Total Sales for Next Marketing Year '17- 18 (000 MT)</b>
Corn	1381.8	20,705.6	62,870	33%	71.1
Sorghum	71.5	157.5	3,810	4%	0.0
Soybeans	746.3	20,548.7	56,070	37%	90.1
Wheat	423.6	11,638.7	27,900	42%	0.0
Barley	0.0	55.7	110	51%	0.0

**U.S. EXPORT INSPECTIONS:**

Monday's report 15 October 2018 for the Export week ending 11 October 2018

	<b>Export Inspections</b>		<b>Current Market Year YTD</b>	<b>Previous Year to Date</b>	<b>2018/19 YTD as Percent of 2017/18 YTD</b>
	<b>This Week</b>	<b>Previous Week</b>			
Corn	996,643	1,384,779	6,836,495	3,912,310	175%
Sorghum	50,378	62,780	121,862	370,313	33%
Soybeans	1,157,787	594,363	4,723,314	7,250,492	65%
Wheat	450,980	447,561	7,816,179	10,650,513	73%
Barley	294	196	4,037	14,514	28%

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

**U.S. EXPORT INSPECTIONS:**

Monday's report 15 October 2018 for the Export week ending 11 October 2018

<b>Last Week</b>							
(Metric Tons)	<b>YC</b>	<b>%</b>	<b>WC</b>	<b>%</b>	<b>Sorghum</b>	<b>%</b>	<b>Soybeans</b> %
Lakes	19,432	2%	0	0%	0	0%	63,254 5%
Atlantic	0	0%	0	0%	0	0%	1,764 0%
Gulf	656,449	71%	64,230	87%	47,499	94%	727,617 63%
PNW	133,922	15%	0	0%	0	0%	267,083 23%
Interior Export Rail	112,830	12%	9,780	13%	2,879	6%	98,069 8%
Metric Tons	922,633		74,010		50,378		1,157,787

Sorghum Shipments: metric tons

47,499 Sudan

2,879 Mexico

50,378 Total

White Corn metric tons

Shipments: 74,010 Mexico

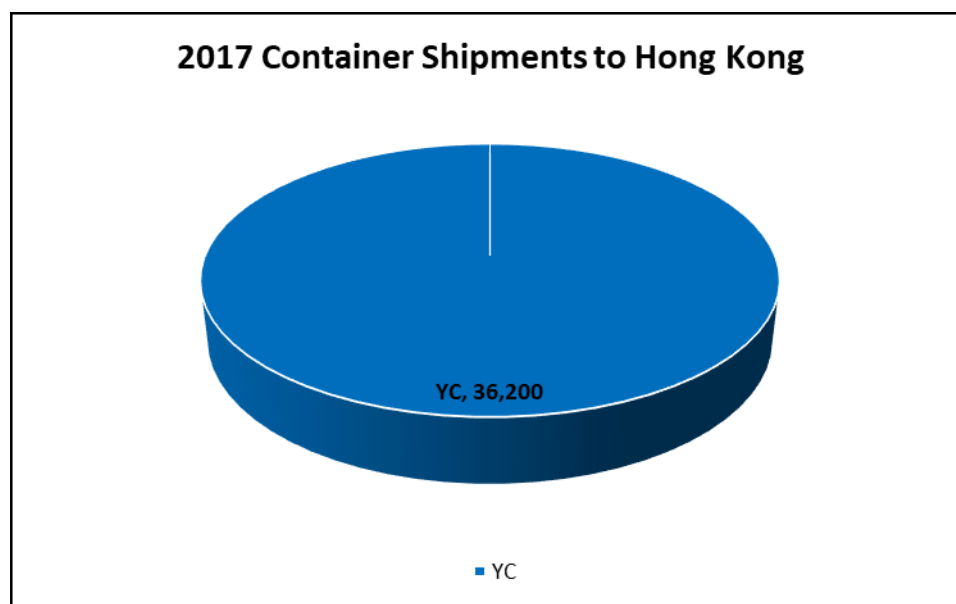
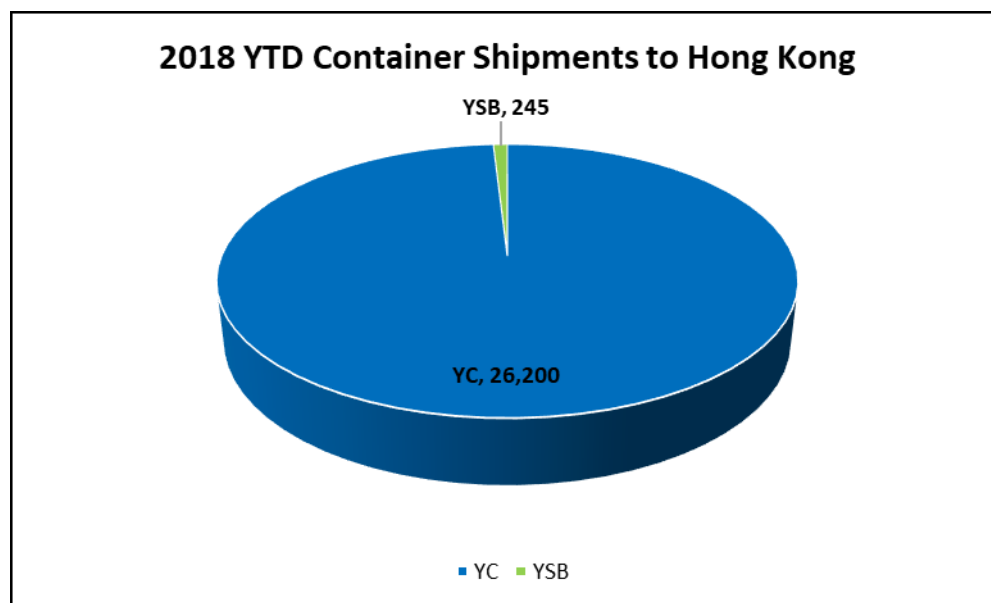
74,010 Total

## 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:		11-Oct-2018							
Last Week	metric tons								MT
	YC	WC	YSB	SRW	NS	SWH	HRW	Sorghum	TOTAL
China Main									0
China T	9,058		12,001						21,059
Hong Kong	441								441
Costa Rica									0
Indonesia	245		20,253						20,498
India									0
Japan			805						805
Korea Republic	490		2,278						2,768
Un Arab Em									0
Malaysia	220		9,357						9,577
Burma									0
Philippines	2,695		2,498						5,193
Thailand			9,207						9,207
Maldives			416						416
Bangladesh			735						735
Vietnam			10,283						10,283
Sub total	13,149	0	67,833	0	0	0	0	0	69,548
USDA Corrections/Additions to previous reports:									
China T									0
China Main									0
Hong Kong									0
Korea Rep.									0
Costa Rica									0
Japan			196						196
Philippines			245						245
Indonesia									0
Malaysia									0
Thailand									0
Vietnam									0
Canada									0
Burma									0
Sub total	0	0	441	0	0	0	0	0	441
<b>Mt. Grand Total</b>	<b>13,149</b>	<b>0</b>	<b>68,274</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>69,989</b>
Number of containers	572	0	2,968	0	0	0	0	0	

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



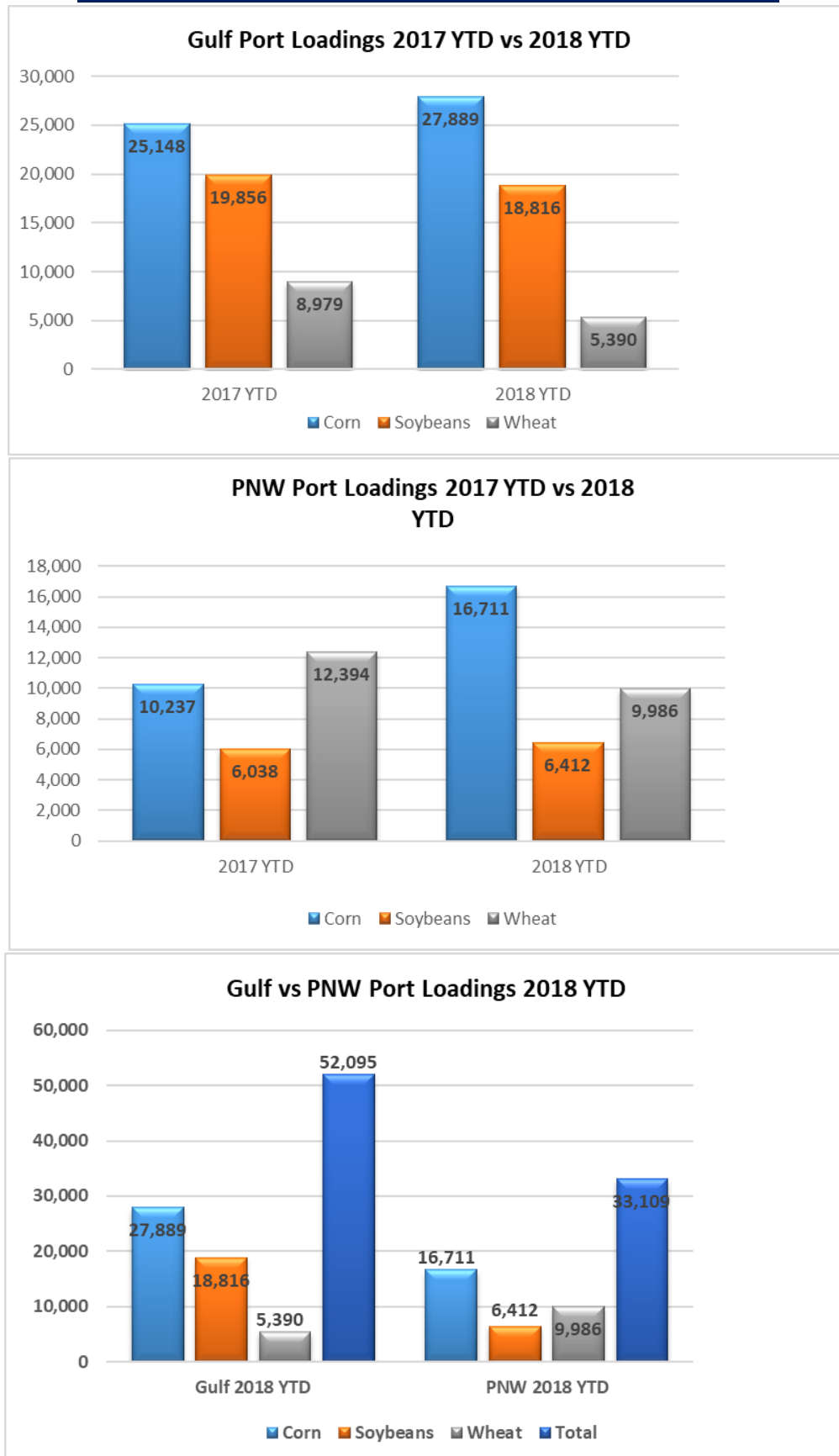
Grain Inspections for Export by U.S. Port Regions:  
U.S. Gulf and Pacific Northwest 2017 YTD vs. 2018 YTD

PORT LOADINGS US Gulf				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
<b>GULF</b>				
2017 YTD	25,148	19,856	8,979	53,983
2018 YTD	27,889	18,816	5,390	52,095
2018 as % of 2017	111%	95%	60%	97%

PORT LOADINGS US PNW				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
<b>PNW</b>				
2017 YTD	10,237	6,038	12,394	28,669
2018 YTD	16,711	6,412	9,986	33,109
2018 as % of 2017	163%	106%	81%	115%

PORT LOADINGS GULF vs. PNW				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
2018 Gulf YTD	27,889	18,816	5,390	52,095
2018 PNW YTD	16,711	6,412	9,986	33,109
TOTAL	44,600	25,228	15,376	85,204
Gulf Percentage	63%	75%	35%	61%
PNW Percentage	37%	25%	65%	39%

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

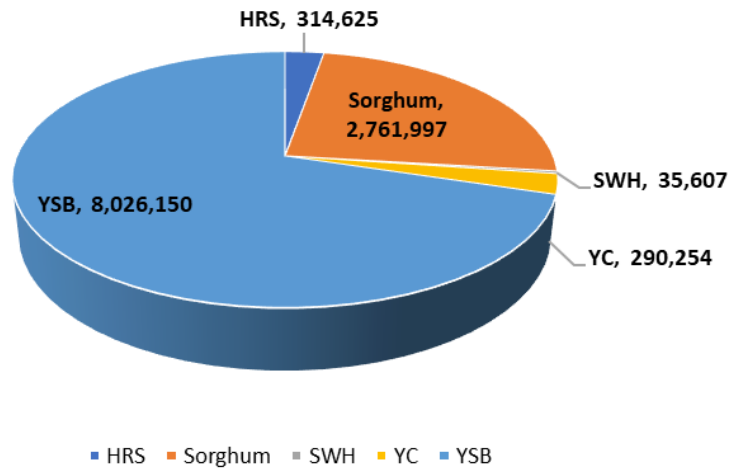


Source: USDA-data

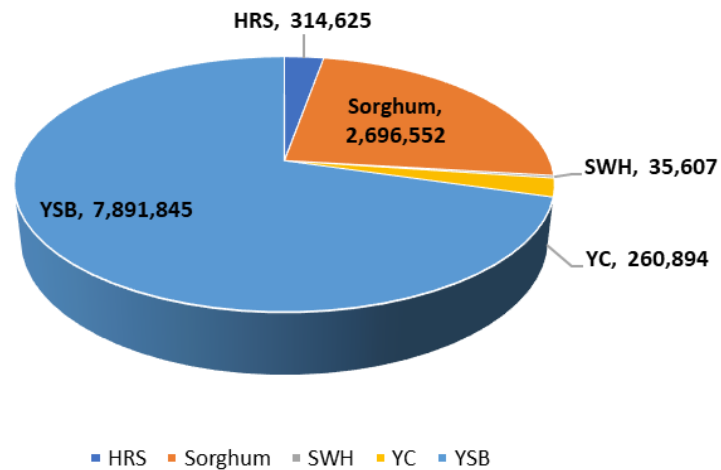


2018 YTD Total Grain Exports reported by USDA (in MT)

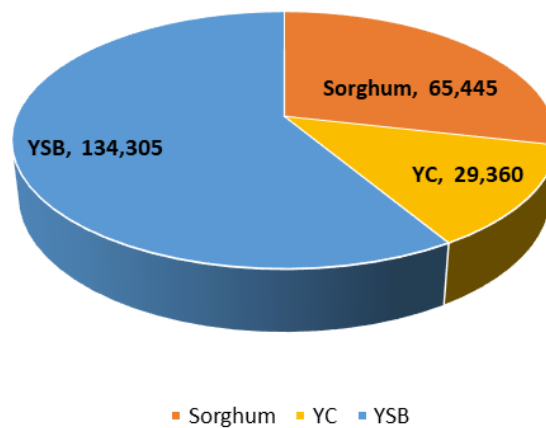
**2018 YTD Exports to China Main**



**YTD Exports to China Main by Vessel**

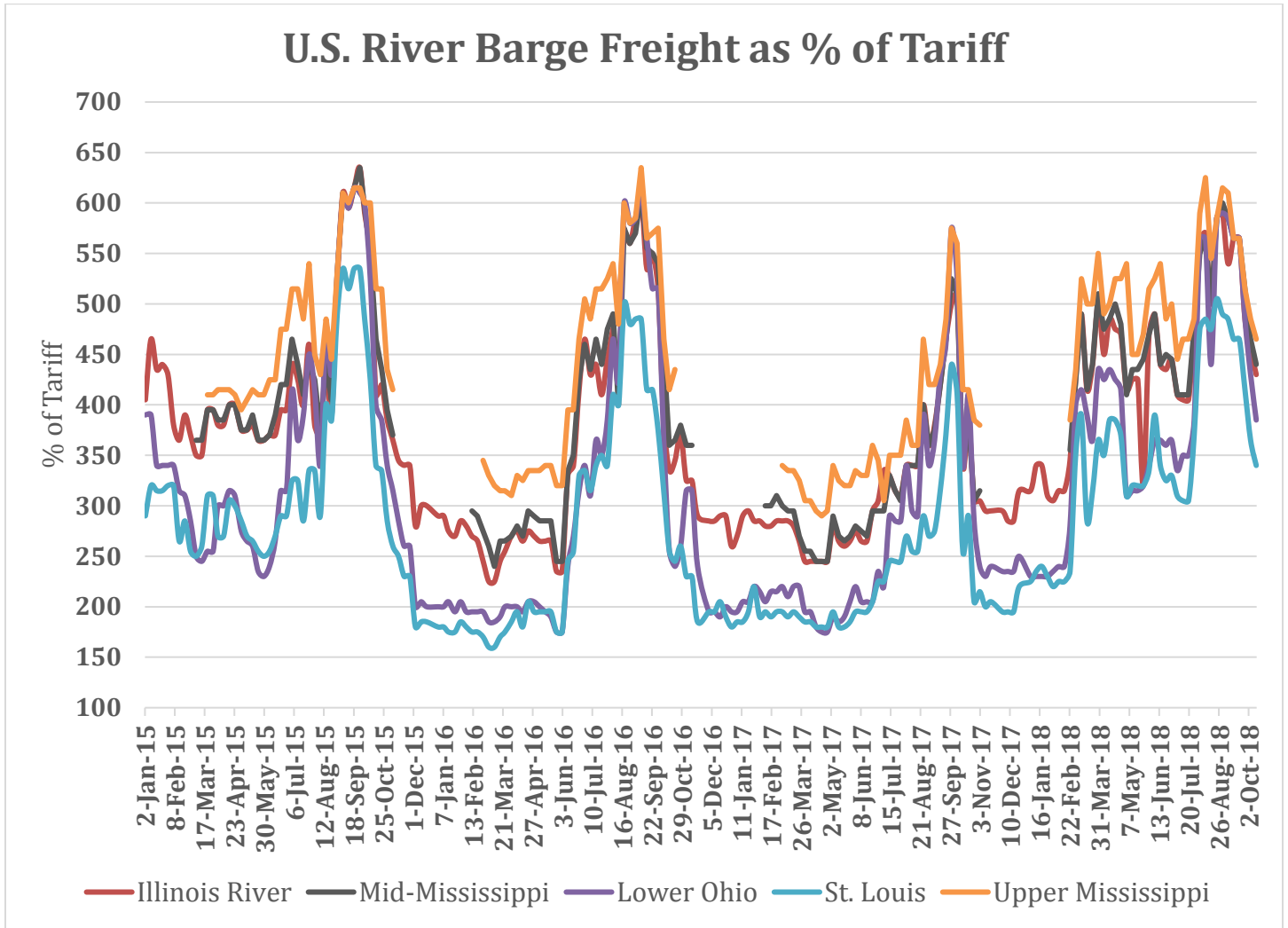


**YTD Exports to China Main by Container**



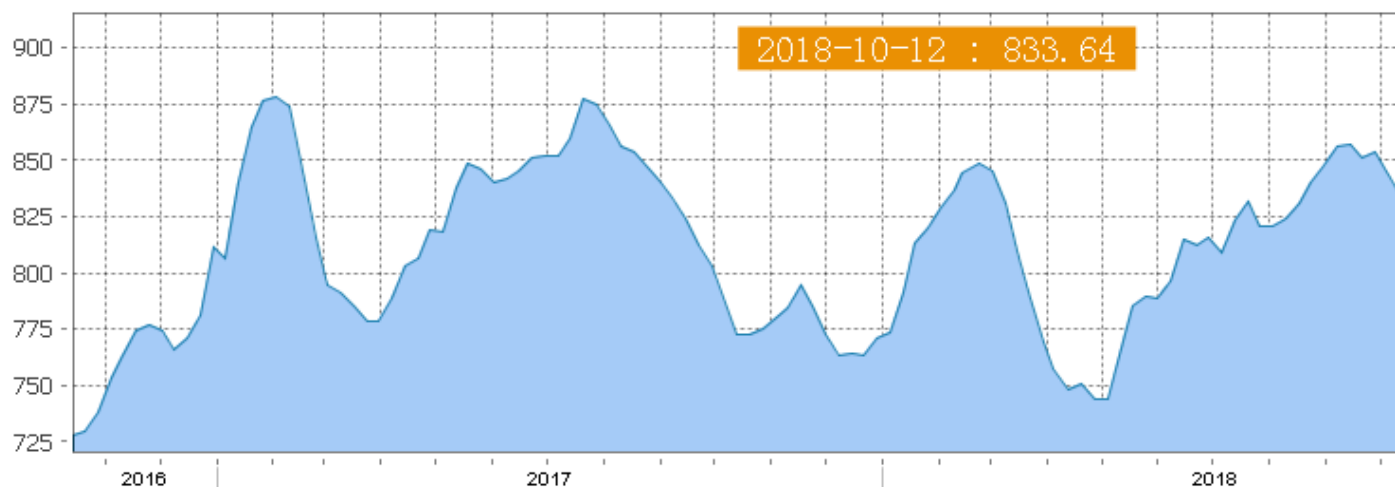
\*\*Please keep in mind that USDA does not report DDGS sales, or they would show as the largest exports by container.

Source: USDA



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

## 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	490	\$33.43	0.85	0.91
Illinois River (Pekin and South)	440	\$23.33	0.59	0.63
Mid-Mississippi	440	\$25.80	0.66	0.70
Lower Ohio	390	\$19.17	0.49	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	\$ 50.00	\$ 150.00	\$ 0.01	\$ 0.04	\$ 0.49	\$ 1.48
UPRR Shuttle Trains	\$ (50.00)	\$ 50.00	\$ (0.01)	\$ 0.01	\$ (0.49)	\$ 0.49

[www.grains.ksu.edu/igp](http://www.grains.ksu.edu/igp)

Best Regards,

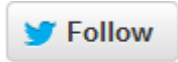
Jay

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