

Transportation and Export Report for 25 October 2018

Ocean Freight Insights and Comments:

Global Dry-Bulk markets seem to be a reoccurring story; each week the Baltic freight market paper traders try to push the indices up and, by week's end, they fail, and we remain in a range bound market. Rates are up a few dollars (\$3-\$4.00/mt) per tonne from the same point last year but seem to have plateaued and unable to break through to a new higher level. Vessel owners remain optimistic and bullish and certainly need values to increase to pay for the upcoming higher clean fuel costs.

BALTIC DRY-BULK PANAMAX INDEX CHANGES

Panamax Ocean Freight Indices				
25-Oct-18	This Week	Last Week	Difference	Percent Change
P2A : Gulf/Atlantic - Japan	21159	22936	-1,777	-7.7%
P3A - PNW/Pacific - Japan	11695	13265	-1,570	-11.8%
S1C -USGULF-China-So.Japan	25469	25450	19	0.1%

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

Four weeks ago:	\$ 7.20-\$7.25
Three weeks ago:	\$ 7.95-\$9.30
Two weeks ago:	\$ 7.95-\$8.60
One week ago:	\$ 8.70- 9.00
This week	\$8.50-\$8.90

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

Mississippi River:	(10 elevators)	4-11 days
Miss. River Mid-Stream loaders:	(6+ Rigs)	0-4 days
Texas Gulf	(6 elevators)	0-0 days
Pacific Northwest:	(9 elevators)	1-10 days (only 2 facilities over 4 days)

Panamax Market Spreads to Asia -China					
25-Oct-18	PNW	GULF	Bushel Spread	MT Spread	Advantage
CORN	0.84	0.51	0.33	\$12.99	PNW
SOYBEANS	0.35	0.28	0.07	\$2.57	PNW
OCEAN FREIGHT	\$26.75	\$48.50	.55 -.59	\$21.75	November

Recent Reported Vessel Fixtures:

66,000 Bacarena, Northern Brazil to South Korea Nov. 3-8 at \$43.00 fio 10000shex/7250shex -CHS

Route and Vessel Size	Current Week USD/MT	Change from previous week	Remarks
55,000 U.S. Gulf-Japan	\$49.25	Down \$0.50	Handymax \$50.00 mt
55,000 U.S. PNW- Japan	\$27.50	Down \$0.25	Handymax \$28.00 mt
66,000 U.S. Gulf – China PNW to China	\$48.00 \$26.75	Down \$0.75 Down \$0.25	North China
25,000 U.S. Gulf- Veracruz, México	\$18.00	Down \$0.25	3,000 MT daily discharge rate
35-40,000 U.S. Gulf- Veracruz, México	\$15.75	Down \$0.25	Deep draft and 6,000 MT per day discharge rate.
25/35,000 U.S. Gulf- <u>East Coast Colombia</u> From Argentina	\$21.25 \$35.00	Down \$1.00	<u>West Coast Colombia at \$29.50</u>
40-45,000 U.S. Gulf - Guatemala	\$30.00	Down 1.00	Acajutla/Quetzal - 8,000 out
26-30,000 U.S. Gulf – Algeria	\$36.50 \$37.75	Down \$0.50	8,000 mt daily discharge 3,000 mt daily discharge
26-30,000 US Gulf-Morocco	\$39.00	Down \$0.50	5,000 discharge rate
55-60,000 U.S. Gulf –Egypt PNW to Egypt	\$33.00 \$32.50	Down \$0.75	55,000 -60,000 mt Russia Black Sea to Egypt \$17.75
60-70,000 U.S. Gulf – Europe – Rotterdam	\$21.25	Down \$0.25	Handymax at +\$1.75 more
Brazil, Santos – China Brazil, Santos – China Itacoatiara-Port Up River North Brazil	\$39.75 \$39.00 \$42.50	Down \$0.75	54-59,000 Supramax-Panamax 60-66,000 Post Panamax 60-66,000 mt
56-60,000 Argentina/Rosario- China Deep Draft	\$44.25	Down \$0.75	Up River with BB Top Off \$46.00

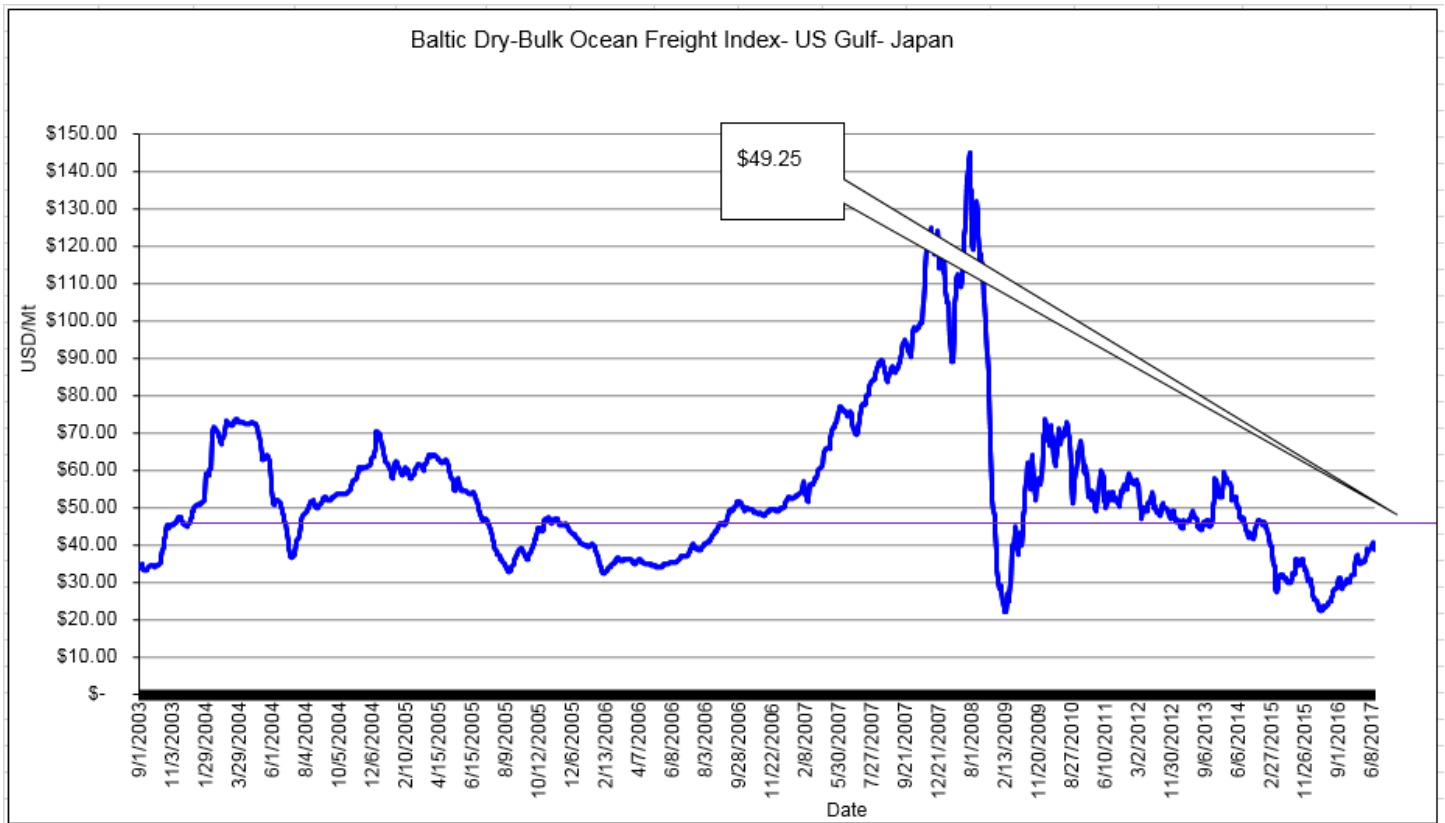
- The above rate estimates reflect the 30-45-day forward ocean freight markets.

Nautical Miles: To Xiamen China (South China)

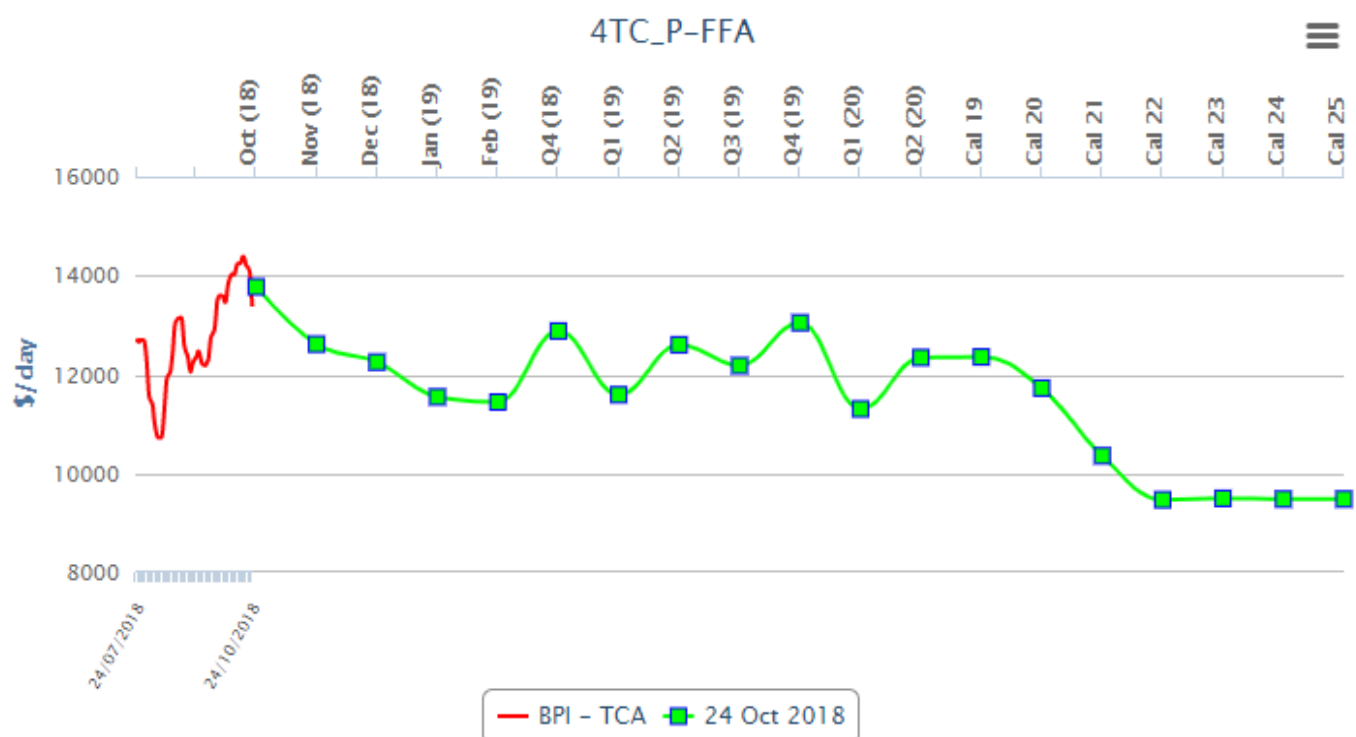
US Gulf (NOLA) (via Panamá Canal) – 10,232 nautical miles (32 days)

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

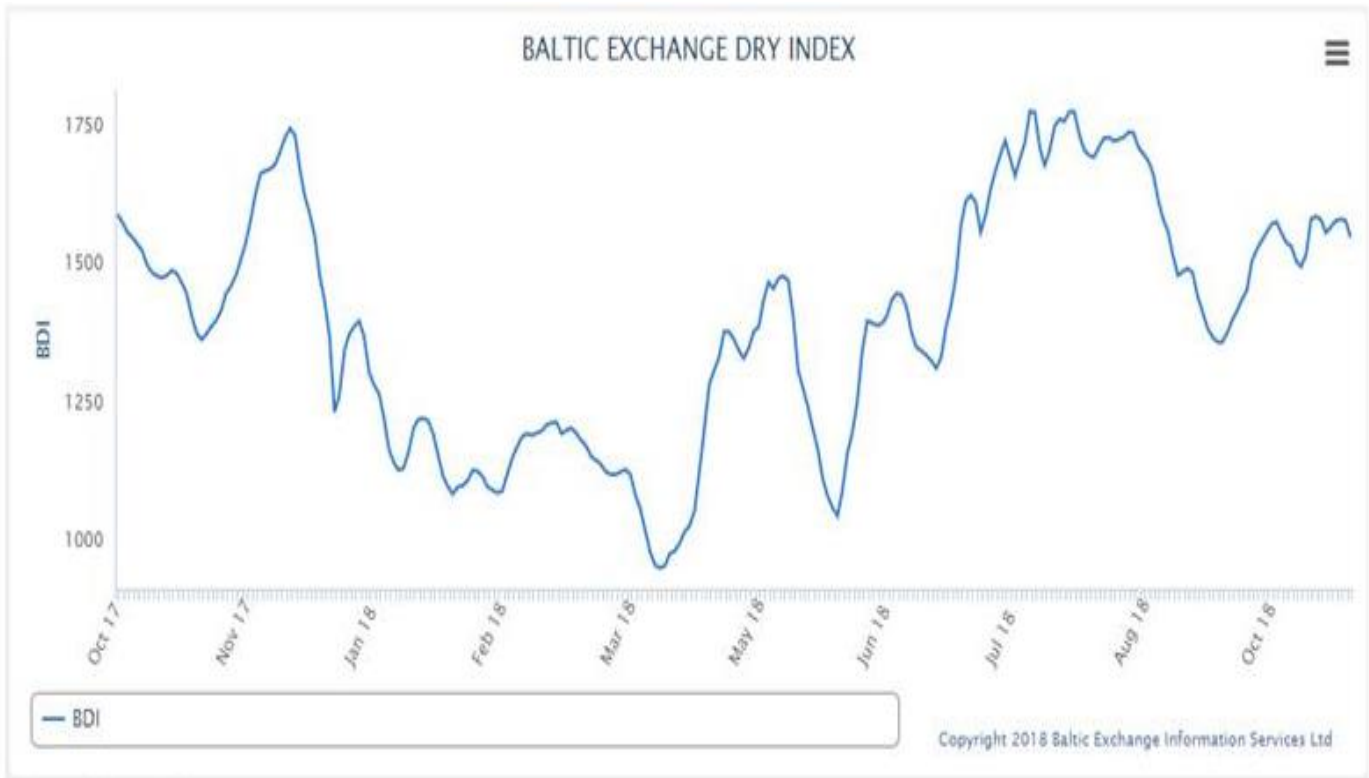
Rasario Argentina (via Cape Horn) - 10,751 nautical miles (34 days)



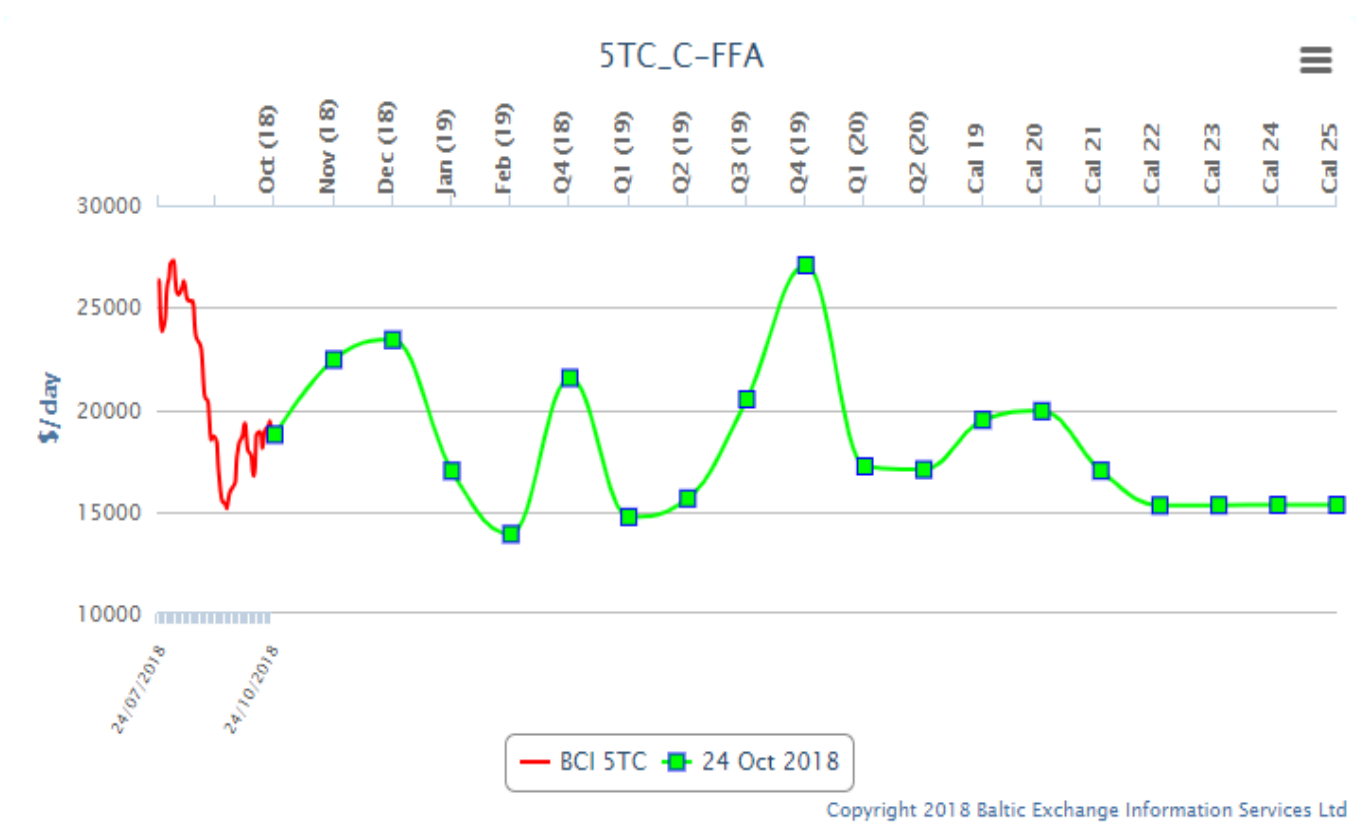
Forward Curve for Baltic BPI Panamax Vessel Freight



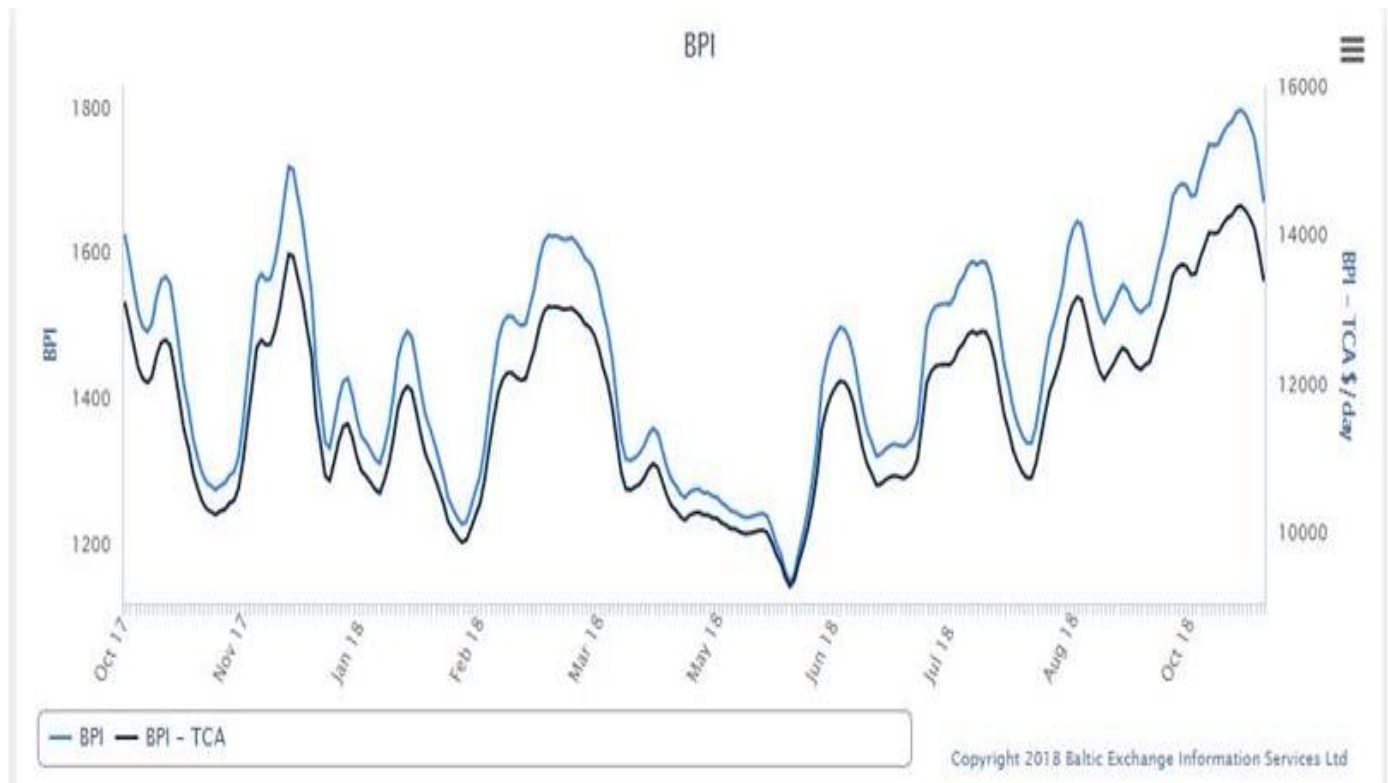
Baltic Dry Index.



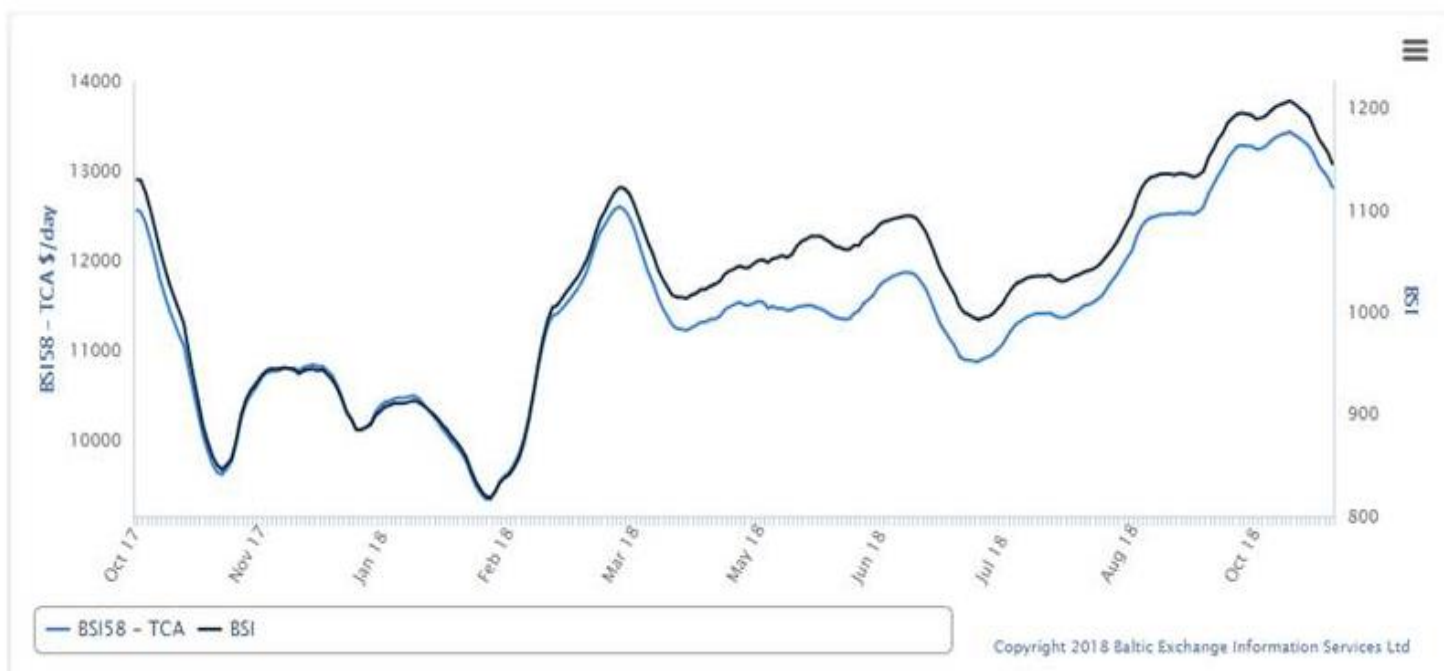
Baltic Capesize Index



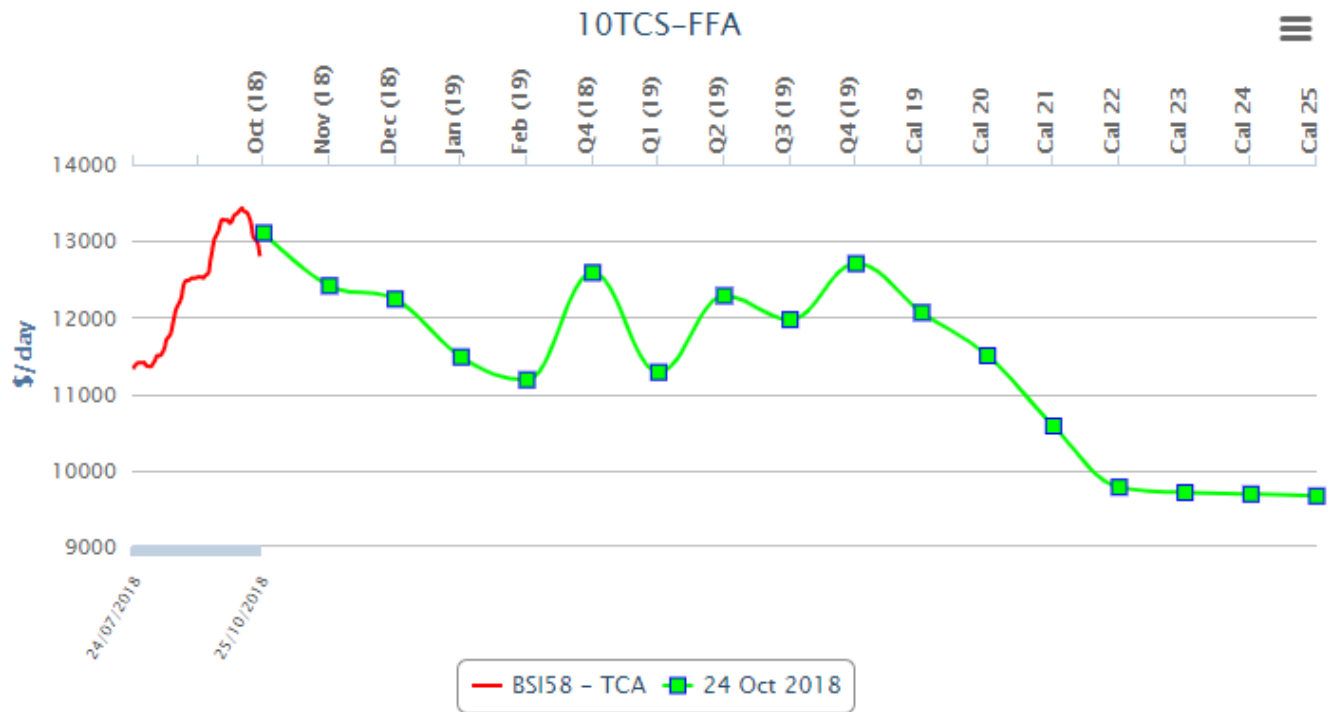
Baltic Panamax Index



Baltic Supramax Vessel Index

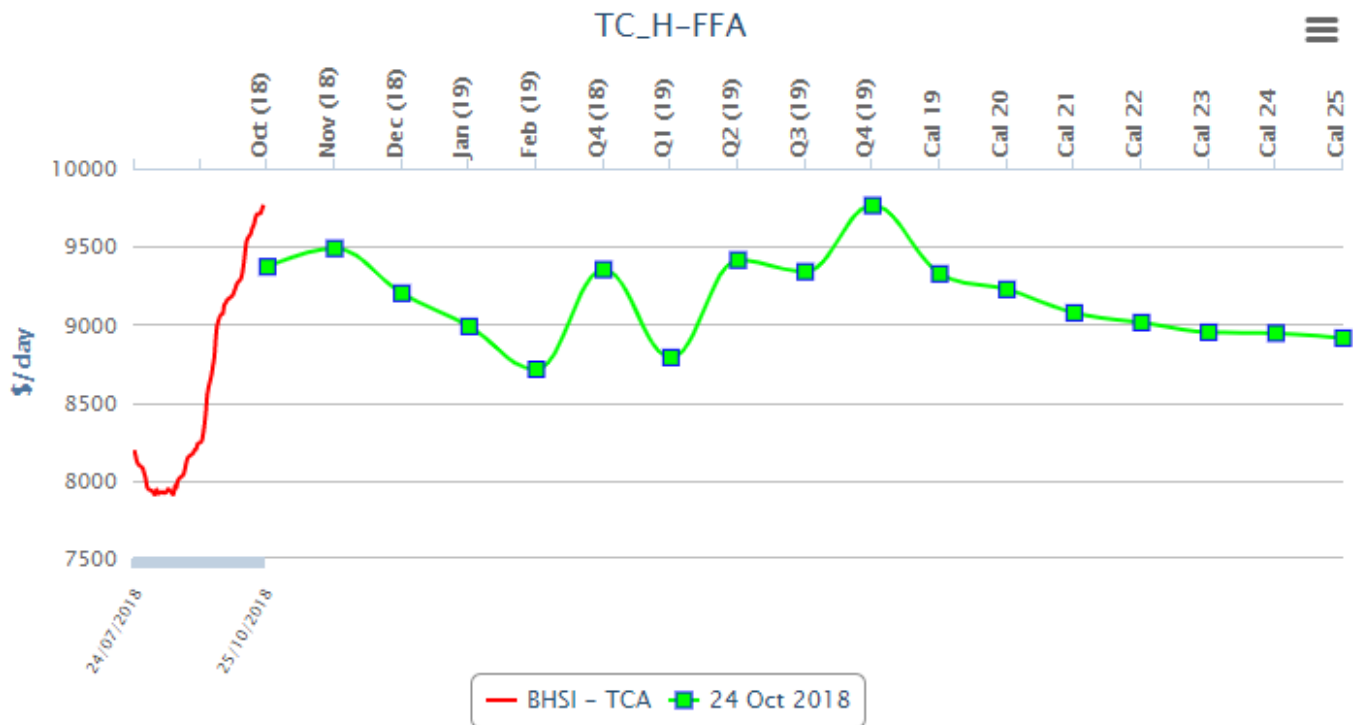


Supramax Dry-Bulk Forward Curve



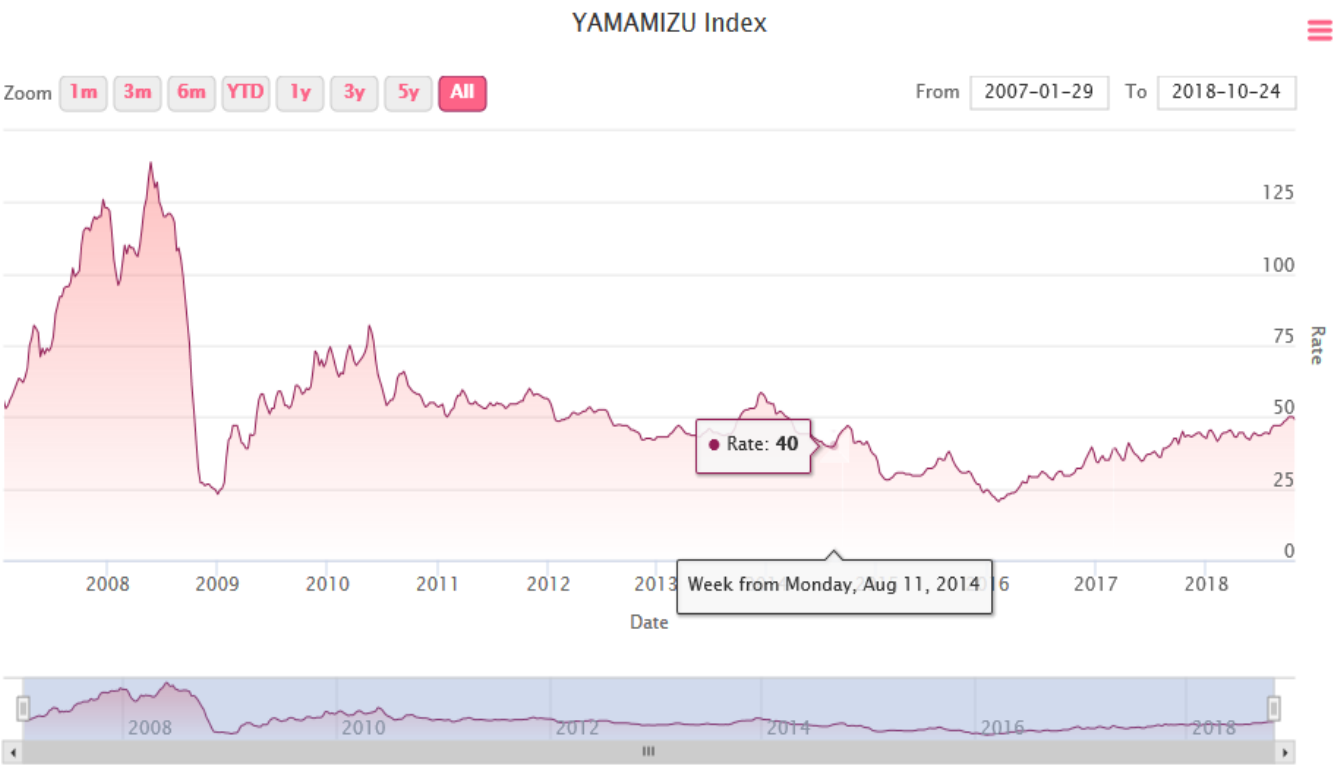
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Baltic Handy Size



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YAMAMIZU Index



China Import Dry Bulk Freight Index(CDFI)					
2018-10-25					
Route	Size MT	Cargo/Vessel Size	Unit	Rate	Change
Composite Index			Point	1020.45	-13.02
Iron ore Freight Index			Point	1014.12	-17.47
Soybean Freight Index			Point	1110.64	-7.10
Santos(Brazil)—North China	60000/10%	Soybean	\$/ton	38.523	-0.336
Tacoma(West America)—North China	60000/10%	Soybean	\$/ton	26.844	-0.092
Mississippi(US Gulf)—North China	66000/10%	Soybean	\$/ton	48.543	-0.185

25 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.	0.51	\$162.20	0.84	\$175.19
Dec.	0.63	\$164.16	0.87	\$176.37
Jan.	0.59	\$167.90	0.85	\$180.50
Feb.	0.56	\$169.08	0.88	\$181.68
Mar.	0.58	\$169.87	0.90	\$182.47
Apr.	0.55	\$171.84	0.90	\$185.62

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.	0.85	\$175.58	0.65	\$167.71
Dec.	0.85	\$175.58	0.65	\$167.71
Jan.	0.85	\$180.50	0.60	\$170.66
Feb.	0.85	\$180.50	0.63	\$171.84
Mar.	0.85	\$180.50	0.65	\$172.63

Fob vessel Texas Gulf #2 Sorghum is about 1.03 % 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	\$208.43	\$211.37	\$212.28	\$214.12
Basis	0.80	0.88	0.70	0.75
WZ	4.8725			
WH	5.0775			
WK	5.2100			

CME Futures Market Close						
CORN	Futures	Thursday	Thursday	Last week	Last Week	Difference
Month	Symbol	Close	Close	Bushel	MT.	Bushel
Dec.	CZ	\$3.6100	\$142.12	\$ 3.6750	\$144.68	(\$0.0650)
Mar.	CH	\$3.7350	\$147.04	\$ 3.7925	\$149.30	(\$0.0575)
May.	CK	\$3.8150	\$150.19	\$ 3.8650	\$152.16	(\$0.0500)
July	CN	\$3.8725	\$152.45	\$ 3.9175	\$154.22	(\$0.0450)
Sept.	CU	\$3.8975	\$153.44	\$ 3.9500	\$155.50	(\$0.0525)

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	\$319.58	0.35	\$322.15
Dec.	0.27	\$323.89	0.30	\$324.99
Jan.	0.33	\$326.10	0.40	\$328.67
Feb.	0.25	\$328.12	0.45	\$335.47
Mar.	0.32	\$330.69	0.58	\$340.24

Soybean Futures

Nov.	\$ 8.4175
Jan.	\$ 8.5450
Mar.	\$ 8.6800
May	\$ 8.8200
July	\$ 3.9375
Aug.	\$ 8.9825

U.S. SBM (USD/MT) FOB Vessel		
Fob U.S. Gulf Port max 12.5 % moisture	47.5 Pro. SBM	
	Basis	Flat Price
Nov.	11.00	\$ 347.62
Dec.	11.00	\$ 347.62
Jan.	13.00	\$ 352.25
Feb.	14.00	\$ 354.78
Mar.	14.00	\$ 354.78

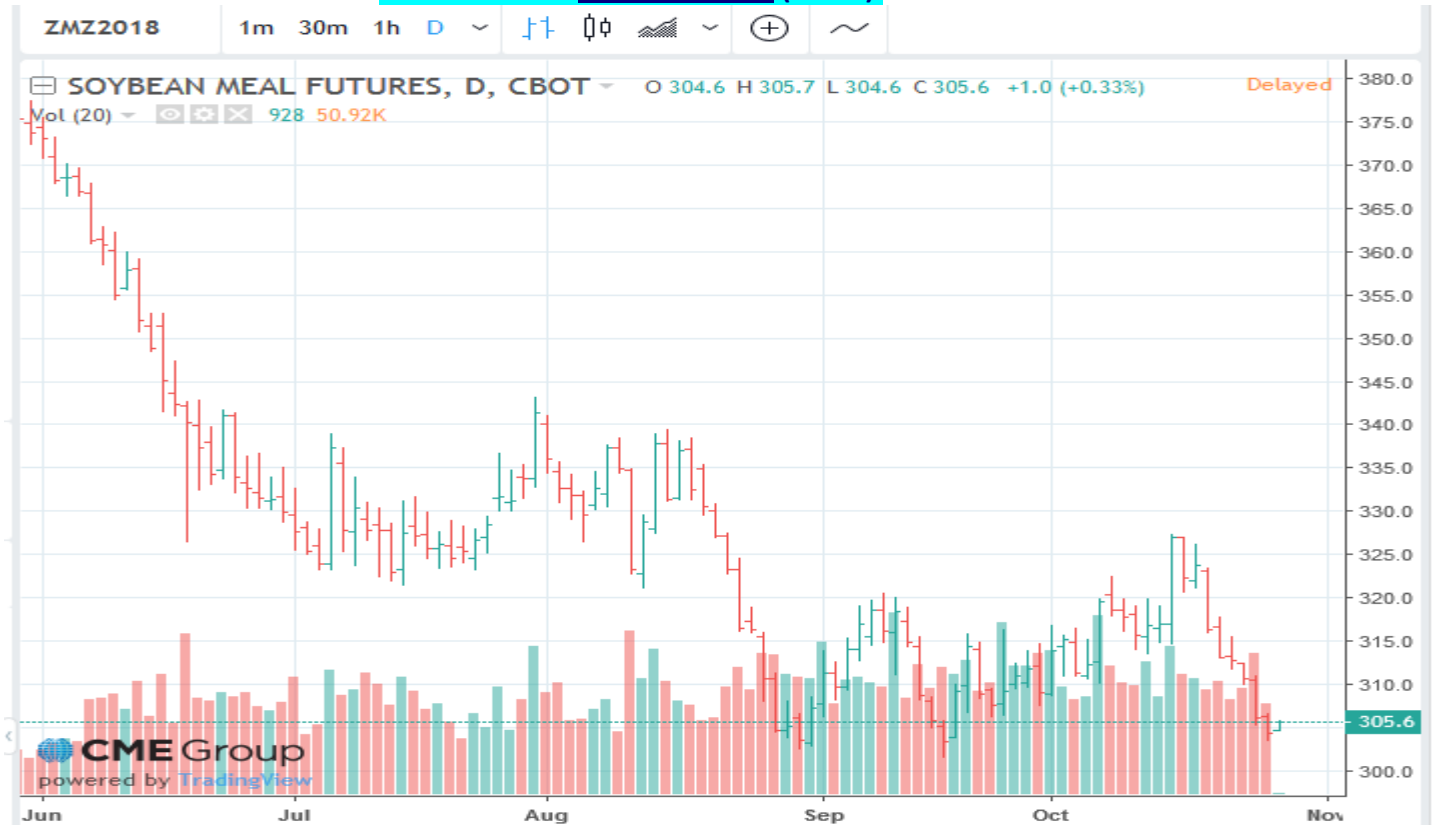
SBM Futures

SMZ	304.30
SMF	306.50
SMH	307.80
SMK	308.10
SMN	310.00
SMQ	311.10

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 11 October 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	658.9	21,088.2	62,870	34%	71.1
Sorghum	0.0	157.5	3,810	4%	0.0
Soybeans	395.5	20,842.2	56,070	37%	92.1
Wheat	493.9	12,114.7	27,900	43%	0.0
Barley	0.0	55.7	110	51%	0.0

U.S. EXPORT INSPECTIONS:

Monday's report 22 October 2018 for the Export week ending 18 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	949,168	1,011,355	7,823,167	4,548,339	172%
Sorghum	9,407	50,857	131,748	444,601	30%
Soybeans	1,148,566	1,209,870	5,936,483	9,843,872	60%
Wheat	385,047	458,470	8,208,838	10,823,128	76%
Barley	0	294	4,037	15,248	26%

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

U.S. EXPORT INSPECTIONS:

Monday's report 22 October 2018 for the Export week ending 18 October 2018

Last Week								
(Metric Tons)	YC	%	WC	%	Sorghum	%	Soybeans	%
Lakes	19,337	2%	0	0%	0	0%	113,929	10%
Atlantic	0	0%	0	0%	0	0%	38,648	3%
Gulf	650,953	72%	30,502	73%	7,060	75%	817,637	71%
PNW	131,129	14%	0	0%	0	0%	64,999	6%
Interior Export Rail	106,170	12%	11,077	27%	2,347	25%	113,353	10%
Metric Tons	907,589		41,579		9,407		1,148,566	

Sorghum Shipments:	metric tons	
	7,060	Kenya
	2,347	Mexico
	9,407	Total

White Corn	metric tons	
Shipments:	22,884	
	18,695	Mexico
	41,579	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:		18-Oct-2018							
Last Week	metric tons								MT
	YC	WC	YSB	SRW	NS	SWH	HRW	Sorghum	TOTAL
China Main									0
China T	11,312		18,905						30,217
Hong Kong	343								343
Costa Rica	49								49
Indonesia	783		24,757						25,540
India									0
Japan	612		586						1,198
Korea Republic			1,640						1,640
Un Arab Em									0
Malaysia	1,420		10,282						11,702
Burma			882						882
Philippines	343		1,910						2,253
Thailand			11,950						11,950
Maldives									0
Bangladesh			1,028						1,028
Vietnam			8,886						8,886
Sub total	14,862	0	80,826	0	0	0	0	0	85,774
USDA Corrections/Additions to previous reports:									
China T	2,645		96						2,741
China Main									0
Hong Kong	122								122
Korea Rep.									0
Costa Rica									0
Japan									0
Philippines	465		612						1,077
Indonesia			4,701						4,701
Malaysia			1,395						1,395
Thailand			710						710
Vietnam			389						389
Canada									0
Bangladesh			1,347						1,347
Sub total	3,232	0	9,250	0	0	0	0	0	12,482
Mt. Grand Total	18,094	0	90,076	0	0	0	0	0	98,256
Number of containers	787	0	3,916	0	0	0	0	0	

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



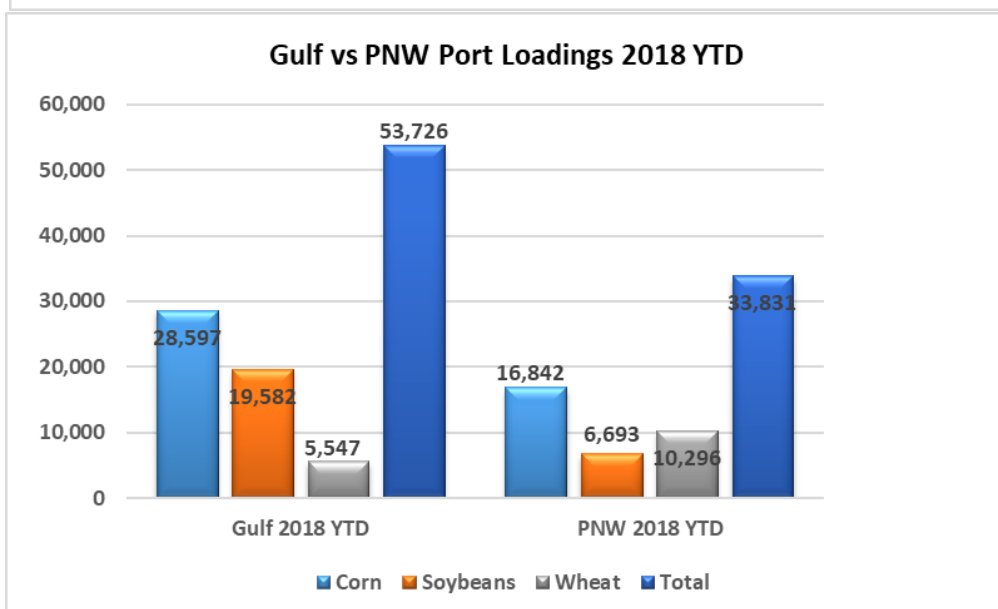
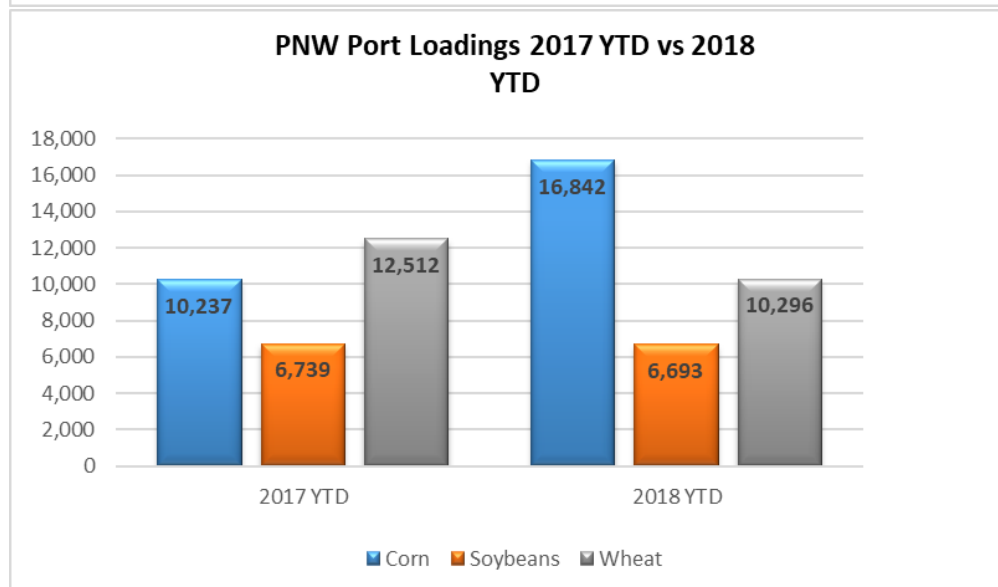
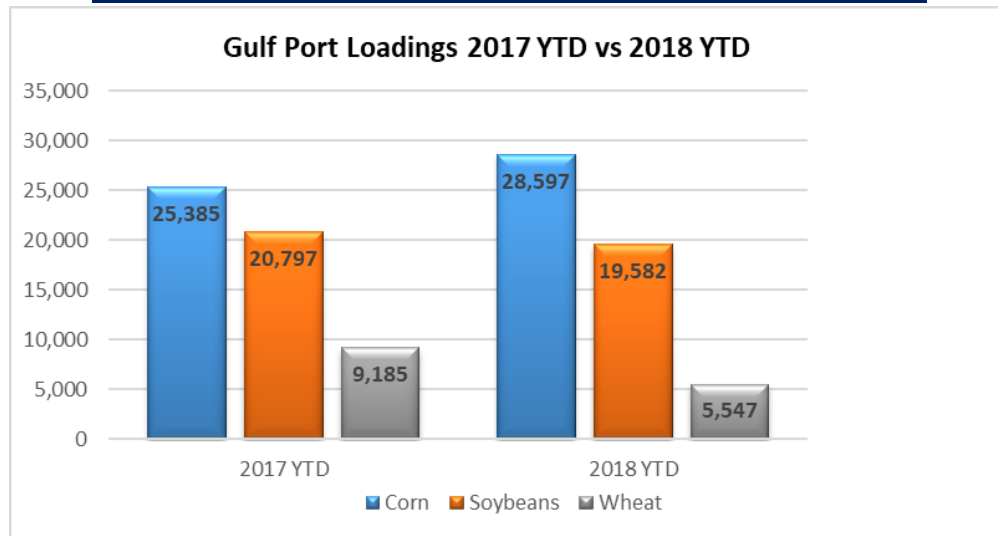
Grain Inspections for Export by U.S. Port Regions:
U.S. Gulf and Pacific Northwest 2017 YTD vs. 2018 YTD

PORT LOADINGS US Gulf				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
GULF				
2017 YTD	25,385	20,797	9,185	55,367
2018 YTD	28,597	19,582	5,547	53,726
2018 as % of 2017	113%	94%	60%	97%

PORT LOADINGS US PNW				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
PNW				
2017 YTD	10,237	6,739	12,512	29,488
2018 YTD	16,842	6,693	10,296	33,831
2018 as % of 2017	165%	99%	82%	115%

PORT LOADINGS GULF vs. PNW				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
2018 Gulf YTD	28,597	19,582	5,547	53,726
2018 PNW YTD	16,842	6,693	10,296	33,831
TOTAL	45,439	26,275	15,843	87,557
Gulf Percentage	63%	75%	35%	61%
PNW Percentage	37%	25%	65%	39%

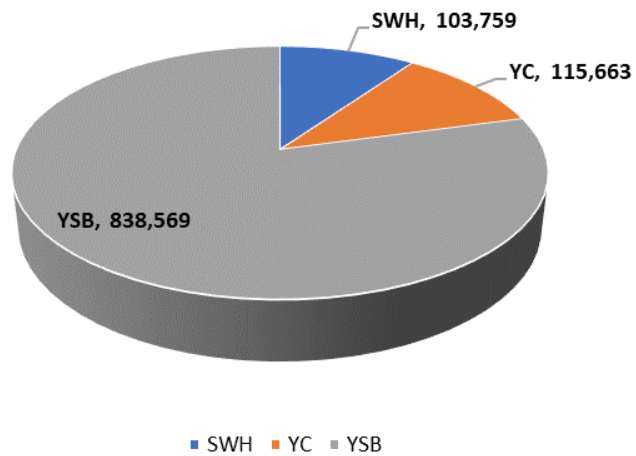
Grain Inspections for Export by U.S. Port Regions (1,000MT):
U.S. Gulf and Pacific Northwest 2017 YTD vs. 2018 YTD



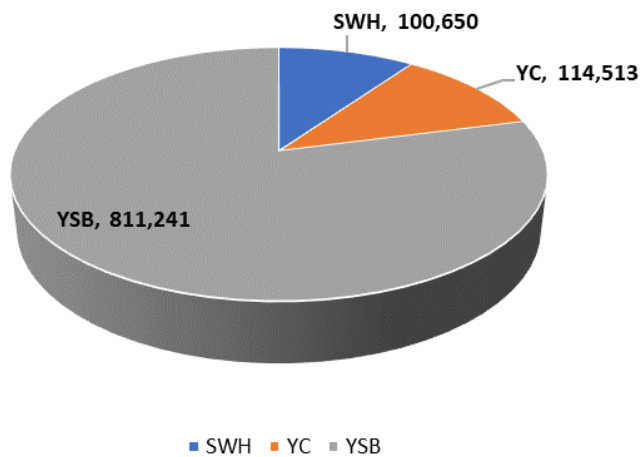
Source: USDA-data

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

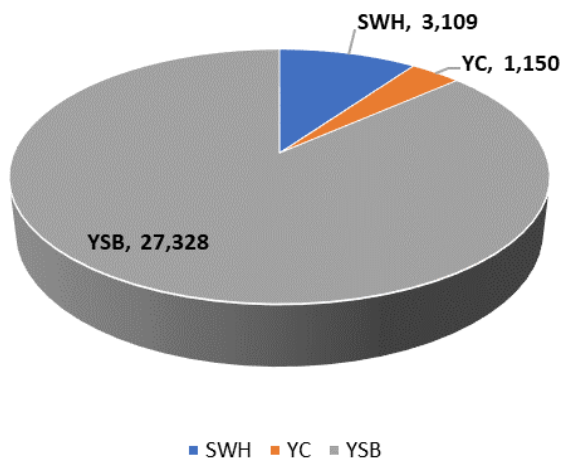
2018 YTD Exports to Bangladesh



YTD Exports to Bangladesh by Vessel



YTD Exports to Bangladesh 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



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CG Railway orders rail car carrier at Huangpu Wenchong

 OCTOBER 26TH, 2018

 JASON JIANG

 AMERICAS, GREATER CHINA, SHIPYARDS

 0 COMMENTS

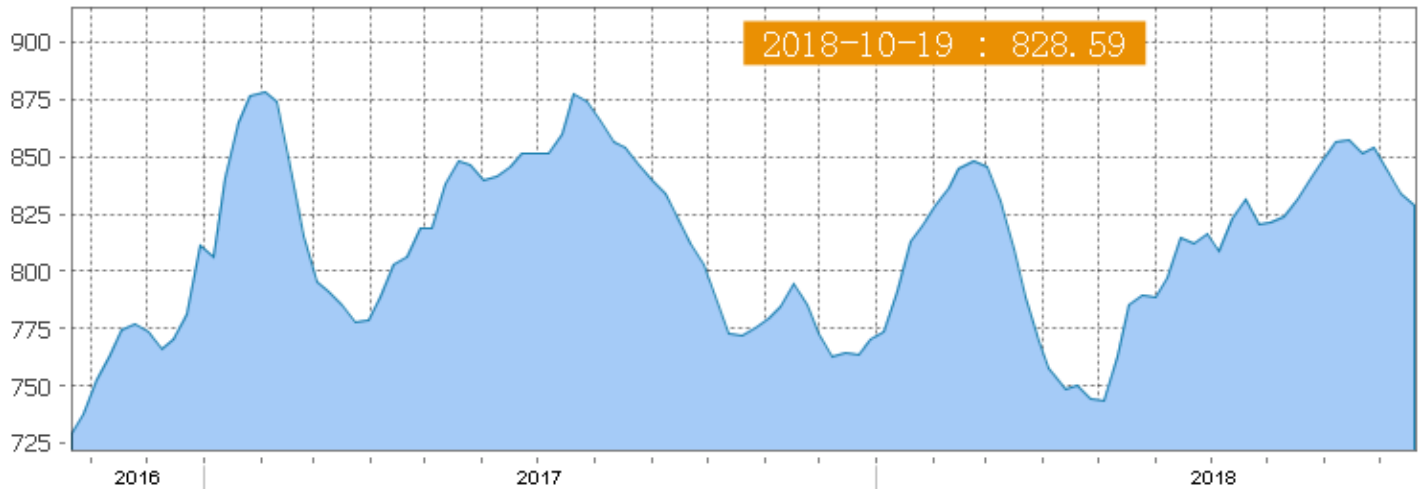
US-based intermodal transport service provider CG Railway has placed an order at CSSC-affiliated Huangpu Wenchong Shipbuilding for the construction of a rail car carrier.

It is the first order Huangpu Wenchong has received for such a ship type. The ship will be used for rail car transport between ports in the US and Mexico.

CG Railway is a joint venture between Seacor Holdings and railway operator Genesee & Wyoming, and mainly provides rail-ferry transport services between the US, Canada, and Southern Mexico.

The company currently operates two rail car carriers, *Bail Sea* and *Banda Sea*, both over 30 years old.

China Containerized Freight Index



U.S. RIVER BARGE FREIGHT

Current Barge Freight for Placement Last Half November 2018

Placement LH November 2018	% of		Corn	Soybeans-Wheat
	Tariff	MT	BU	BU
Upper Mississippi	485	\$33.09	0.84	0.90
Illinois River (Pekin and South)	425	\$22.53	0.57	0.61
Mid-Mississippi	440	\$25.80	0.66	0.70
Lower Ohio	385	\$18.93	0.48	0.52
St. Louis	330	\$14.51	0.37	0.40

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

Best Regards,

Jay

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