

Transportation and Export Report for 27 October 2022

Dry Bulk markets are not showing vessel owners much love. Overall markets remain weak, and considerable uncertainty remains regarding the global economic outlook for 2023. Panamax daily hire rates have dropped to \$14,000/day for November and \$11,300/day for Q1 2023. The Dry bulk new vessel order book is historically small but cargo demand growth is also slack. As stated previously, much depends on China. The low water situation on the Mississippi River has improved slightly and two-way barge traffic has opened. More rain is needed to ensure that this is not just a temporary situation. With container rates dropping, it is good to see U.S. containerized grain exports starting to pick back up.

U.S. Railroad labor contract negotiations continue without resolution and fears of a potential rail strike are increasing. Much the same is true for the ILWU union contract negotiations at West Coast Container ports. Should a rail or port strike occur, it is hoped that the government would step in with a demand for a 90-day cooling off period.

BALTIC DRY-BULK PANAMAX INDEX CHANGES

Panamax Ocean Freight Indices					
27-Oct-2022		This Week	Last Week	Difference	Percent Change
P2A: Gulf/Atlantic - Japan	Index	25591	28,186	-2,595	-9.2%
P3A: PNW/Pacific - Korea	Index	17156	19,027	-1,871	-9.8%
S1C: US GULF-China-So.Japan	Index	26179	26836	-657	-2.4%
P7: Trial- Miss. River - Qingdao	per ton	60.60	62.62	-2.02	-3.2%
P8: Trial- Santos - Qingdao	per ton	46.11	50.57	-4.46	-8.8%

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

Four weeks ago:	\$8.25-\$9.75
Three weeks ago:	\$8.50-\$8.15
Two weeks ago:	\$8.50-\$9.45
One week ago:	\$8.75-\$9.30
This week	\$9.10-\$8.80

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

Mississippi River:	(9 elevators)	4-12 days
Mid-Stream loaders:	(6+ Rigs)	1-2 days
Texas Gulf	(5 elevators)	0-4 days (2 facilities at zero days)
Pacific Northwest:	(9 elevators)	3-10 days

Panamax Market Spreads to Asia -China					
27-Oct-2022	GULF	PNW	Bushel Spread	Tonne Spread	Advantage
CORN	2.45	2.45	0.00	\$0.00	PNW
SOYBEANS	2.65	3.20	0.55	\$20.21	PNW
OCEAN FREIGHT	\$61.00	\$35.00	.66-.71	\$26.00	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 \$45.00 -\$46.00/mt.

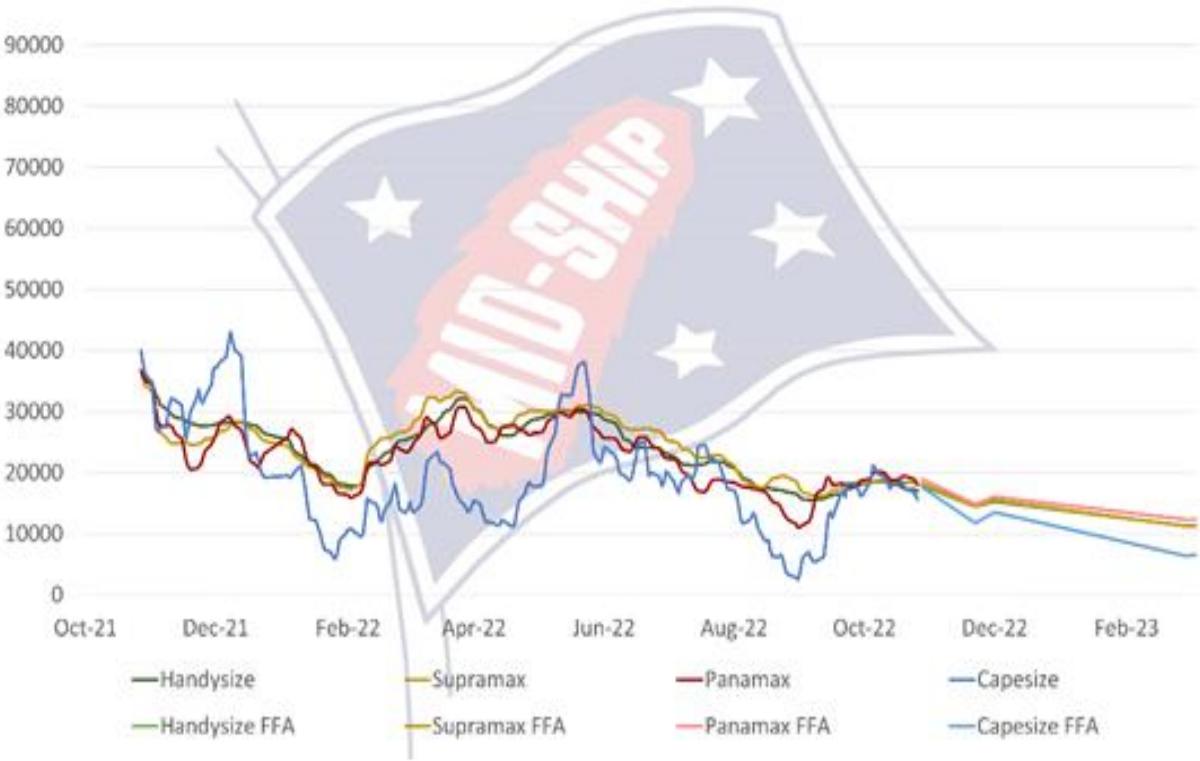
Soybean Brazil to Spain about \$50.00 -\$52.00/mt.

Route and Vessel Size	Current Week USD/MT	Change from previous week	Remarks
55,000 U.S. Gulf-Japan	\$62.00	Down \$1.25	Handymax \$62.00 mt
55,000 U.S. PNW- Japan	\$35.50	Down \$1.50	Handymax at \$35.50 mt
65,000 U.S. Gulf – China	\$61.00	Down \$1.25	North or South China
PNW to China	\$35.00	Down \$1.50	
25,000 U.S. Gulf- Veracruz, México	\$25.75	Down \$0.25	3,000 MT daily discharge rate
35-40,000 U.S. Gulf- Veracruz, México	\$22.00	Down \$.50	Deep draft and 6,000 MT per day discharge rate.
30-38,000 U.S. Gulf- Colombia	\$35.50	Down \$0.50	<u>West Coast Colombia at \$40.75</u>
50,000 USG- E/C Colombia	\$33.00		
<u>East Coast Colombia</u> From Argentina	\$43.00		
40-45,000 U.S. Gulf - Guatemala	\$42.50	Down \$0.50	Acajutla/Quetzal - 8,000 out
30,000 US Gulf-Morocco	\$60.00	Down \$1.00	5,000 discharge rate
55-60,000 U.S. Gulf –Egypt	\$59.00	Down \$1.00	55,000-60,000 mt Egypt
PNW to Egypt	\$59.50		Romania - Russia- Ukraine \$27.00 -\$28.00 - \$41.00 - France \$41.00, Bulgaria \$29.00
58-74,000 U.S. Gulf – Europe – Rotterdam	\$30.00	Unchanged	Handymax at +\$2.50 more
Brazil, Santos –China	\$51.00	Down \$2.50	54-59,000 Supramax-Panamax
Brazil, Santos –China	\$48.50		60-66,000 Post Panamax
Up-River Port North Brazil	\$55.00		55-60,000 mt
56-60,000 Argentina-China	\$54.50	Down \$2.50	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

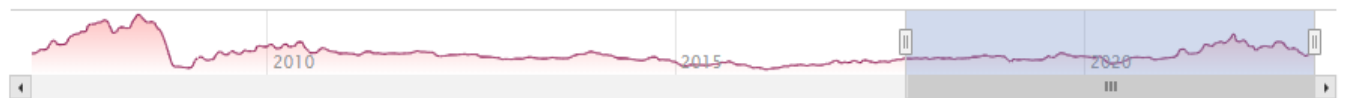
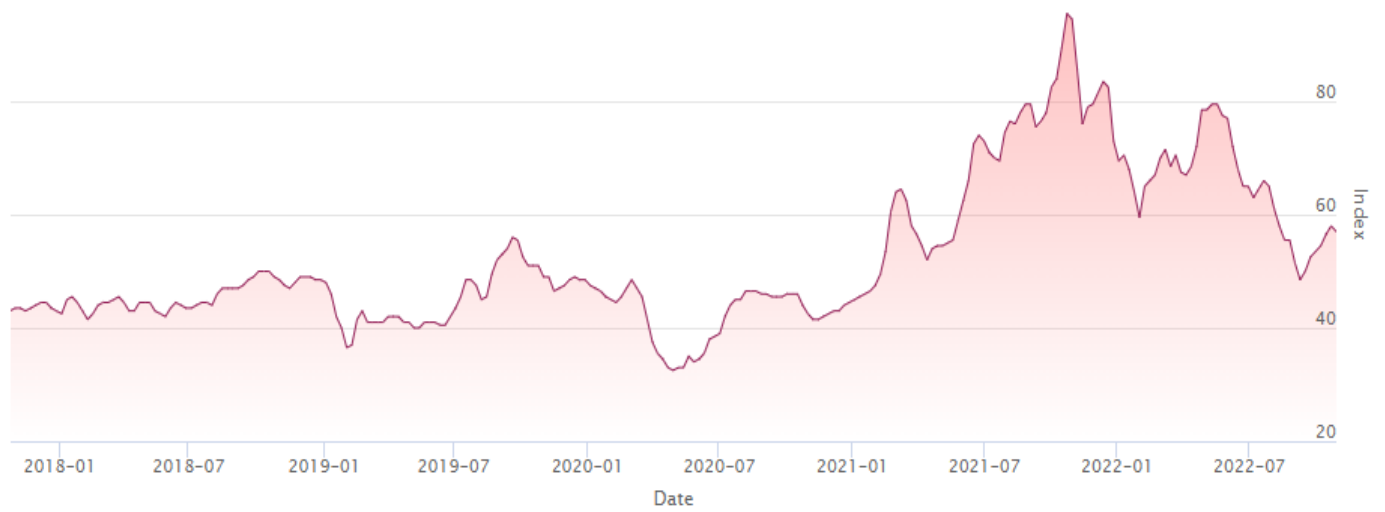


YAMAMIZU Index



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

From 2017-10-26 To 2022-10-26



China Import Dry Bulk Freight Index 2022-10-27

Description	Volume	Cargo	Unit	Rate	Change
Composite Index			Point	1185.24	-21.05
Iron ore Freight Index			Point	1037.24	-13.35
Dampier(West Australia)-Qingdao (China)	170000/10%	Iron ore	\$/ton	8.786	-0.101
Soybean Freight Index			Point	1405.94	-33.35
Santos(Brazil)— North China	66000/10%	Soybean	\$/ton	48.52	-1.38
Tacoma(West America)—North China	63000/10%	Soybean	\$/ton	35.16	-0.81
Mississippi(US Gulf)—North China	66000/10%	Soybean	\$/ton	60.68	-1.06

Low water conditions on the Mississippi River 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 guess at this time.

27 October 2022 U.S. FOB Vessel Export Market Values:

U.S. Yellow Corn (USD/MT) FOB Vessel					CORN	FUTURES
#2 YC	GULF # 2 YC		PNW # 3 YC		Z =	6.8225
Max. 14.5% moisture	BASIS	FLAT PRICE	BASIS	FLAT PRICE	H =	6.8775
Nov.	2.45	\$365.04	2.45	\$365.04	K =	6.8700
Dec.	2.05	\$349.29	2.05	\$349.29	N =	6.8100
Jan.	1.55	\$331.77	1.90	\$345.55	U =	6.3500
Feb.	1.40	\$325.87	1.90	\$345.55	Z =	6.2175
Mar.	1.30	\$321.93	1.90	\$345.55		
Apr.	1.25	\$319.67	1.90	\$345.26		

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.

SORGHUM (USD/MT) FOB VESSEL		
#2 YGS Fob Vessel	TEXAS Gulf	
Max. 14.0% moisture	BASIS	FLAT PRICE
Nov.	2.75	\$376.85
Dec.	2.70	\$374.88
Jan.	2.60	\$373.11
Feb.	2.60	\$373.11
Mar.	2.60	\$373.11

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

SRW Wheat	USD/MT	Fob Vessel	US Gulf	
	Nov.	Dec.	Jan.	Feb.
FOB U.S. GULF	\$379.74	\$374.23	\$374.05	\$370.37
Basis	1.95	1.80	1.60	1.50
WZ	8.3850			.
WH	8.5800			
WK	8.6850			

**Low water conditions on the Mississippi River 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 guess at this time.**

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.	2.65	\$605.25	3.20	\$625.46
Dec.	2.25	\$594.69	3.00	\$622.25
Jan.	1.75	\$576.32	2.80	\$614.90
Feb.	1.68	\$576.87	2.70	\$614.35
Mar.	1.65	\$575.77	2.45	\$605.16
Soybean Futures				
Nov.	\$ 13.8225			
Jan.	\$ 13.9350			
Mar.	\$ 14.0200			
May	\$ 14.0950			
July	\$ 14.1250			
Aug.	\$ 13.9750			

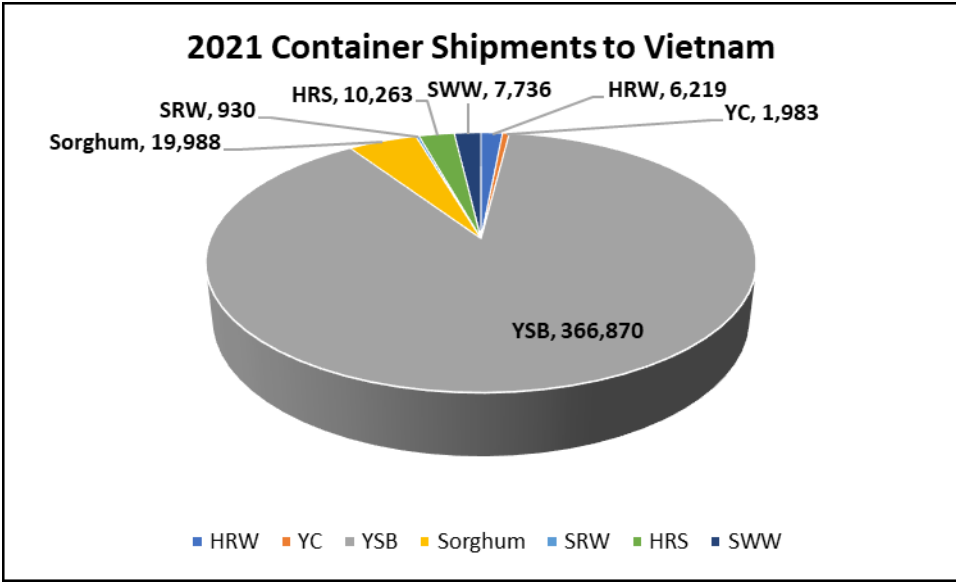
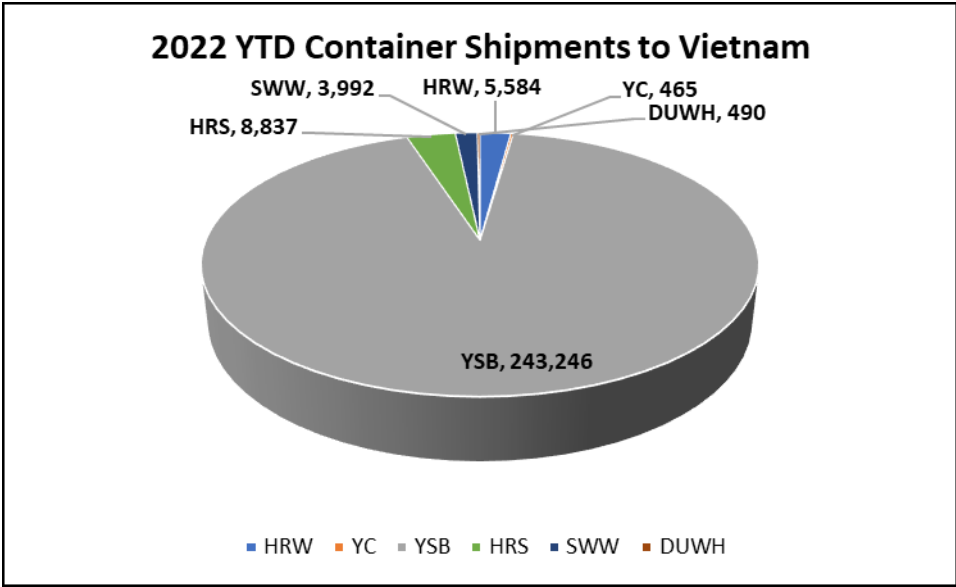
U.S. Soybean and SBM Markets Fob Vessel:

U.S. SBM (USD/MT) FOB Vessel		
Fob U.S. Gulf Port	47.5 Pro. SBM	
max 12.5 % moisture	Basis	Flat Price
Nov.	50.00	\$ 513.10
Dec.	50.00	\$ 504.83
Jan.	50.00	\$ 495.90
Feb.	45.00	\$ 490.39
Mar.	45.00	\$ 485.43
SBM Futures		
SMZ	\$ 415.40	
SMF	\$ 407.90	
SMH	\$ 399.80	
SMK	\$ 395.30	
SMN	\$ 394.40	
SMQ	\$ 390.50	

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).*

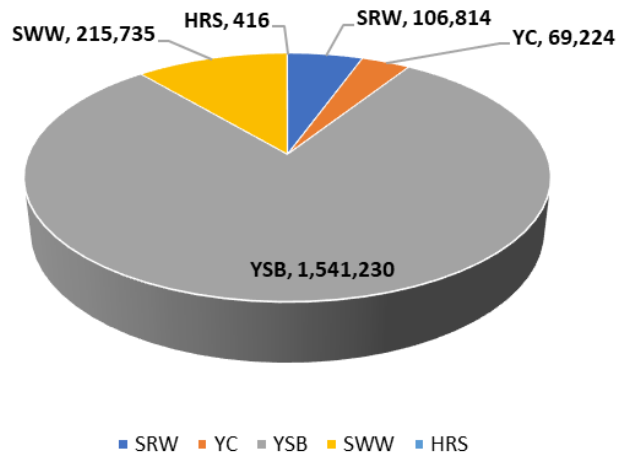
CONTAINER SHIPMENTS of GRAIN									
USDA Grain Inspections Report:		20-Oct-2022							
Last Week	metric tons								MT
	YC	WC	YSB	SRW	NS	DUWH	SWH	Sorghum	TOTAL
China	196		41,268						41,464
Taiwan	5,315		8,031						13,346
Hong Kong									0
Costa Rica									0
Indonesia	392		10,528						10,920
French Poly									0
Japan			808						808
Korea Rep.	686		147	245					1,078
Dominic Rep									0
Malaysia			4,188	465					4,653
Singapore									0
Philippines									0
Thailand			3,258						3,258
Ireland									0
Burma									0
Cambodia									0
Nepal									0
Vietnam			7,884						7,884
Sub Total:	6,589	0	76,112	710	0	0	0	0	83,411
USDA Corrections/Additions to previous reports:									
Taiwan	587		1,272						1,859
China			1,616						1,616
Hong Kong									0
Korea Rep.									0
Un Kingdom									0
Japan			98						98
Philippines									0
Indonesia			1,273						1,273
Malaysia			293						293
Thailand			735						735
Vietnam			1,249						1,249
Burma									0
Cambodia									0
Sub Total:	587	0	6,536	0	0	0	0	0	7,123
Mt. Grand Total	7,176	0	82,648	710	0	0	0	0	90,534
Number of Containers	312	0	3,593	31	0	0	0	0	

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

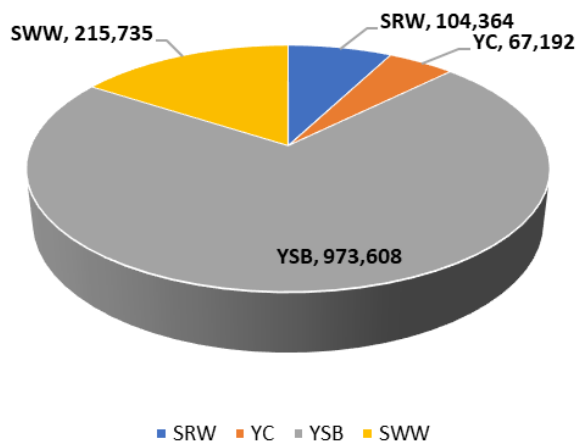


2022 YTD Total Grain Exports reported by USDA (in MT)

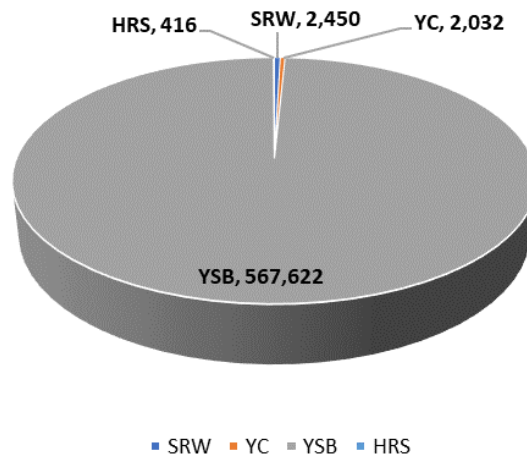
2022 YTD Exports to Indonesia



YTD Vessel Shipments to Indonesia



YTD Container Shipments to Indonesia

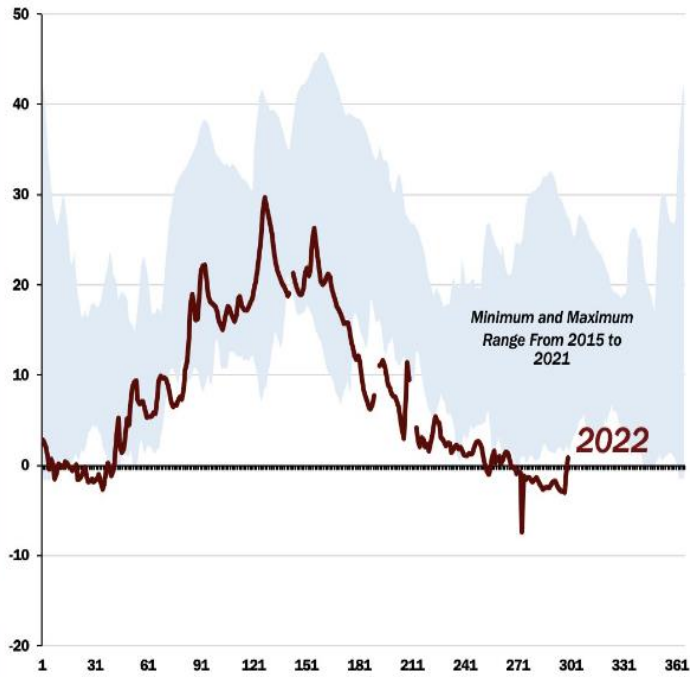


*Please keep in mind that USDA does not report DDGS sales

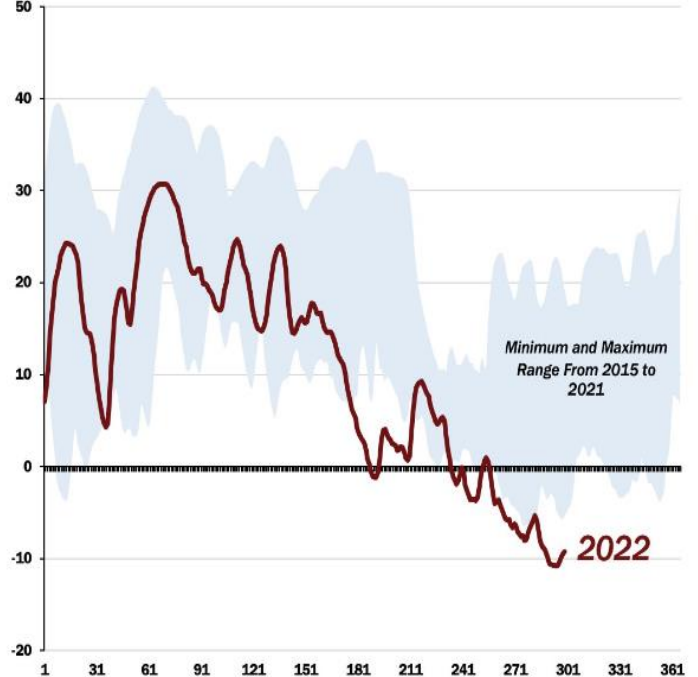
Source: USDA-data

Mississippi River Water Levels

St. Louis Gage Height, Feet



Memphis Gage Height, Feet



Day Of The Year



Senate Ag Committee Republicans

Senate Ag GOP Analysis, USGS

U.S. Rail Markets -

Ari Ashe @arijashe · 2h

RAIL STRIKE: The Brotherhood of Railroad Signalmen have rejected its tentative deal with the US railroads struck in September, joining the BMWED in citing the sick day issue as insufficient. No strike, however, until at least early December.

BRS AGREEMENT NOT RATIFIED; STATUS QUO MAINTAINED

Arlington, VA (October 26, 2022) – The National Carriers' Conference Committee (NCCC), which represents the nation's freight railroads in national collective bargaining, today issued the following statement:

We are disappointed that the Brotherhood of Railroad Signalmen (BRS) has failed to ratify the recent tentative agreement with the nation's freight railroads, delaying the benefits of the tentative agreement for BRS-represented employees and further extending resolution of the bargaining round with BRS.

Lori Ann LaRocco @loriannlarocco · 15h

TRADE ALERT- railroad union votes down deal needed to avert nationwide strike @CNBC #rails



cnbc.com

Second railroad union votes down deal needed to avert nationwide str...

A second rail union, Brotherhood of Railroad Signalmen, voted overwhelmingly to reject a deal with railroad companies needed to ave...

U.S. Container Freight Markets -

LA Port chief says "Labor Deal" still likely but months away



ajot.com

LA Port chief says "Labor Deal" still likely but months away

A labor deal between 22,000 dockworkers at US West Coast ports and their employers may take several months to reach, but service ...

Peter Tirschwell @PeterTirschwell · 45m

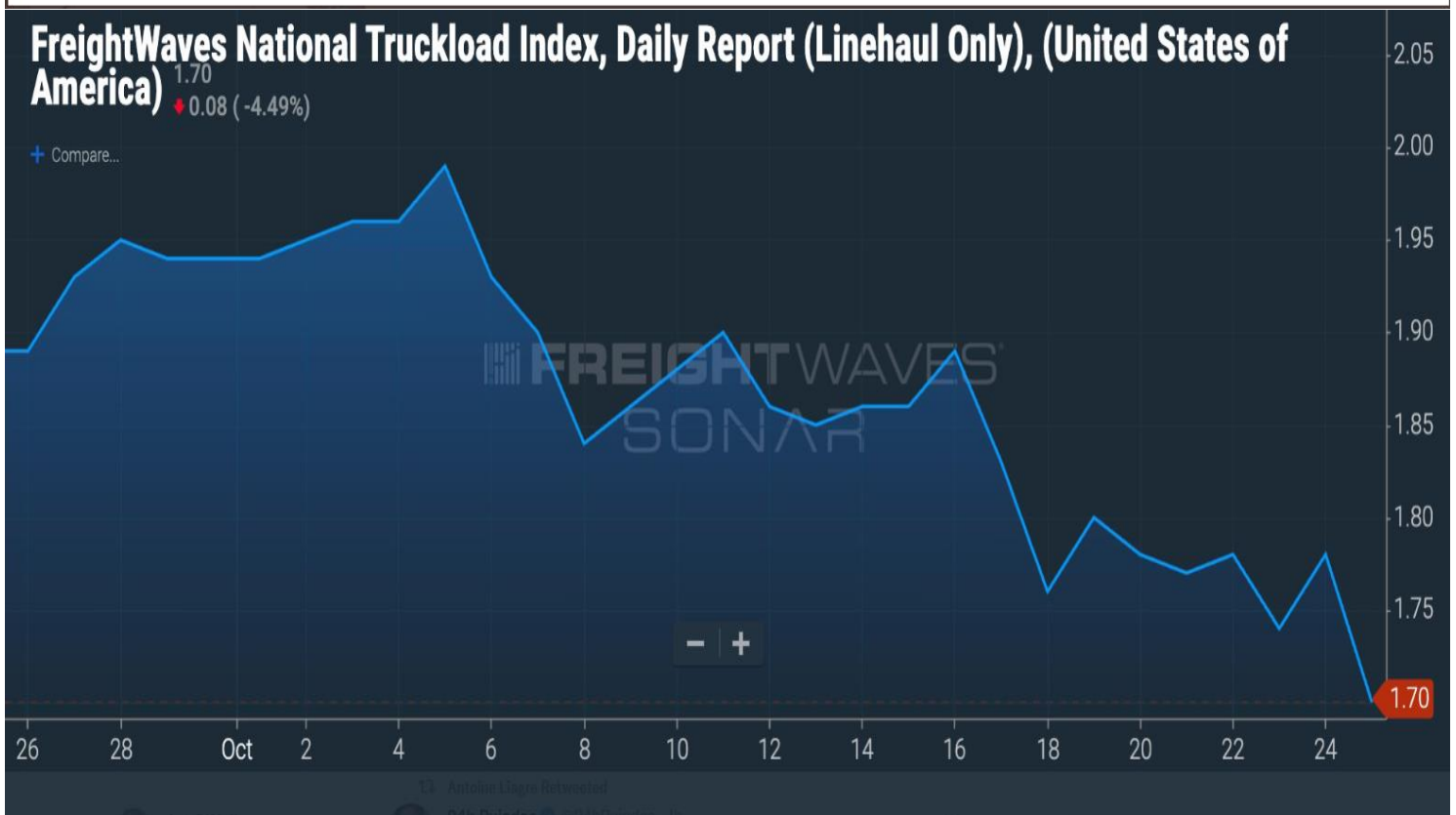
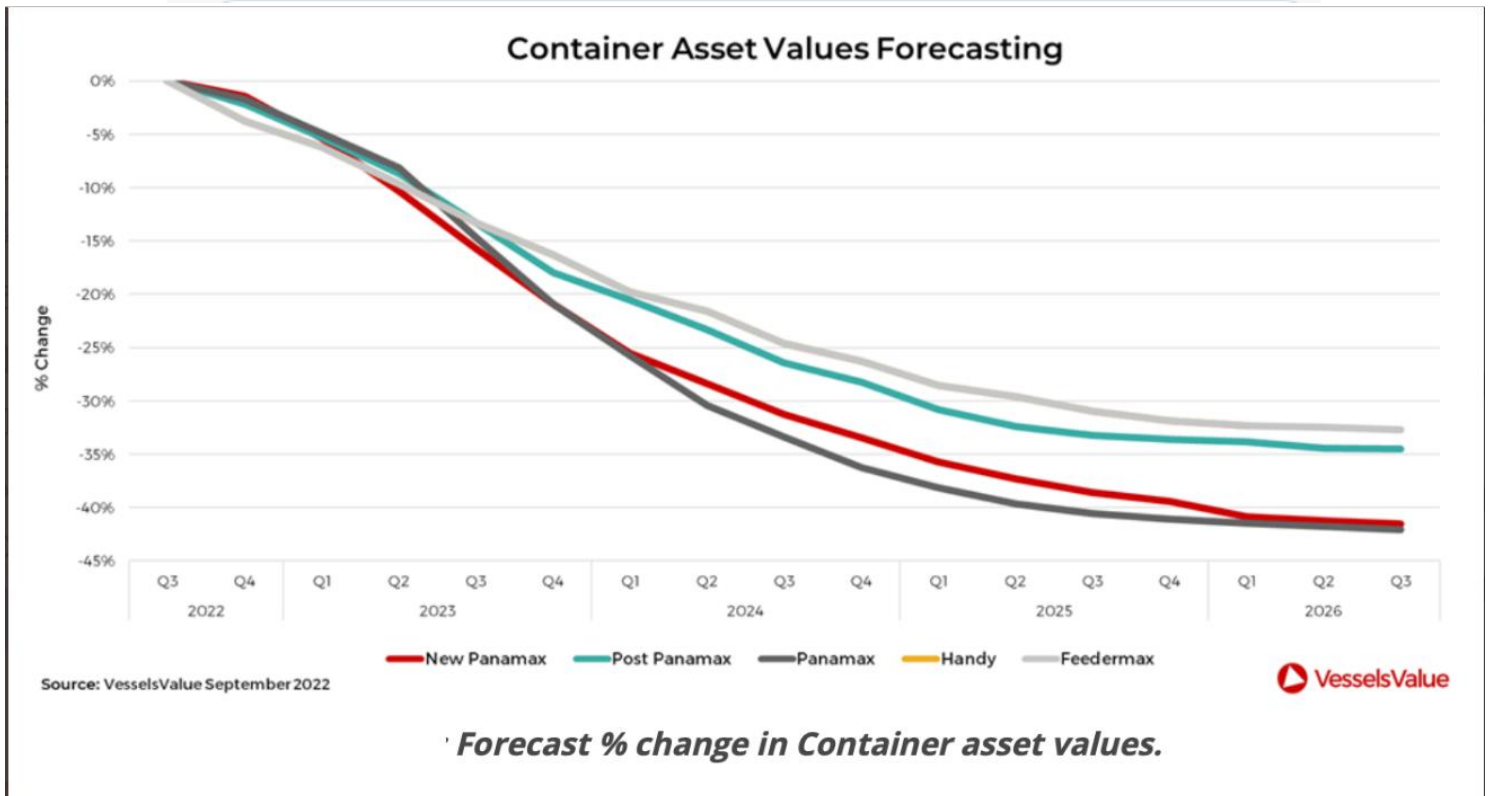
...

A clash of two parallel regimes for determining which union performs what work at West Coast ports is the root cause of months of inaction in contract negotiations and why the talks could extend into 2023, my JOC column: joc.com/port-news/us-p...



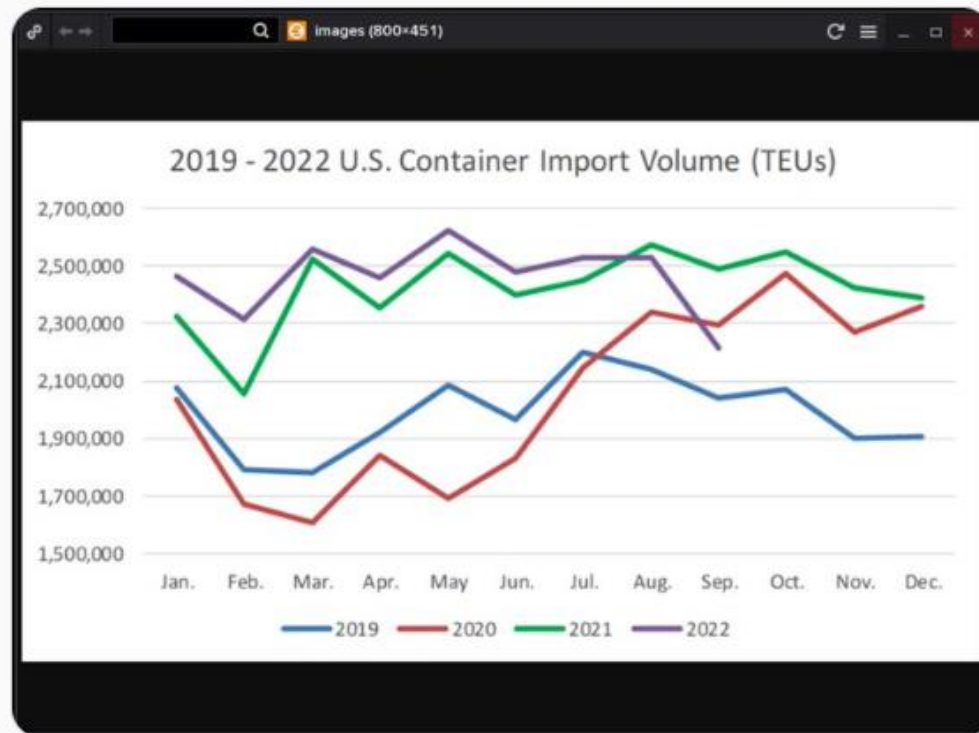
Sam Chambers @SamChambers · Oct 26

Some containerships could nearly halve in value in the coming years
splash247.com/carriers-under...



Marcelo Teixeira  @tx_marcelo · 6m

This graph prepared by [@Reuters](#) [@LisaBaertlein](#) might be bad news for the [#USA](#) [#economy](#), but it is certainly good news for the [#coffee](#), [#cotton](#) and [#cocoa](#) industries as more containers are available in the market and rates might fall further [#shipping](#) [#commodities](#)



BreakWave @DryBulkETF · 27m

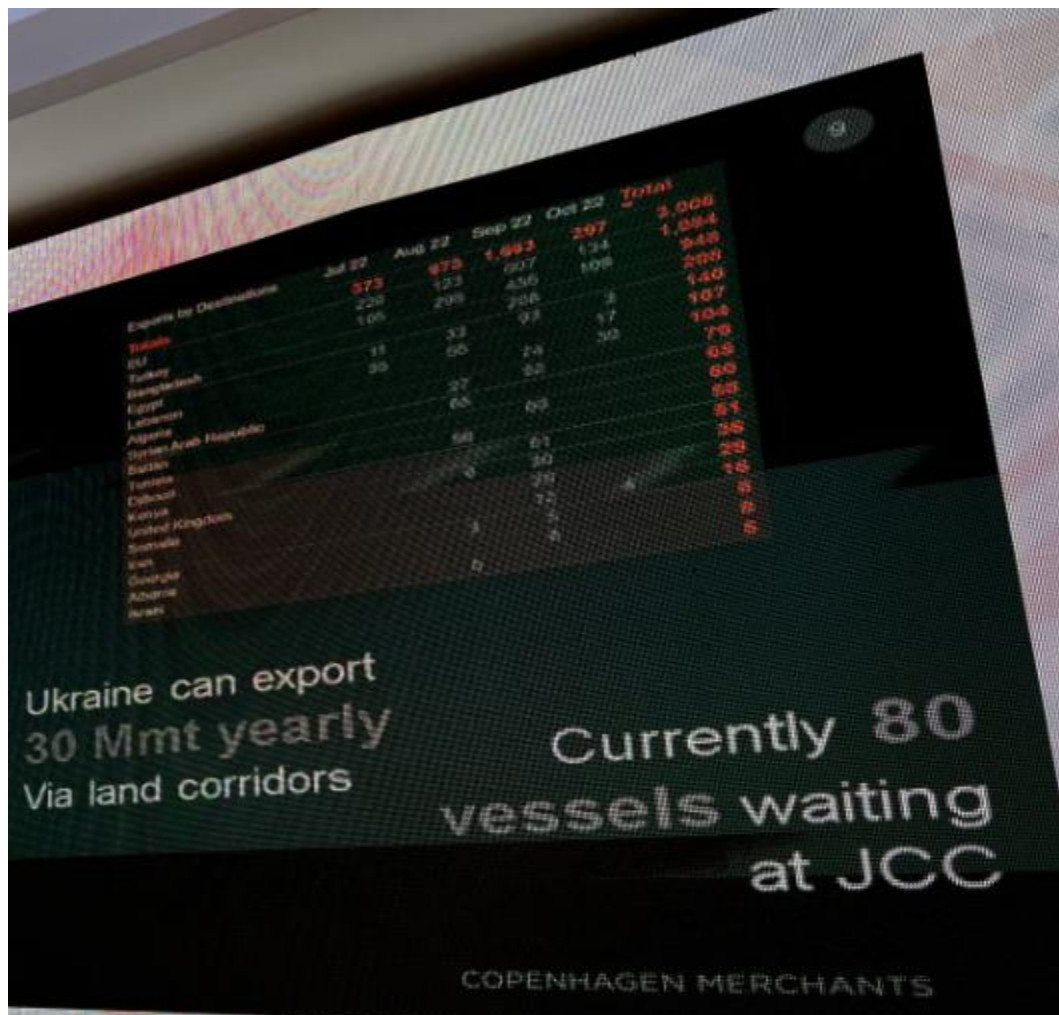
The 2023 Capesize futures contract dropped below 12,000 today. It was at 18,000 a year ago... while almost same levels are actually trading across Panamax and Supramax futures... size doesn't matter

 1



 10





Jim Smith, Ph.D. @JimSmith87 · 3h

Vomitoxin is rearing it's ugly head in the Eastern Cornbelt. I'm hearing levels that eclipse what we saw in 2009 and 2014, upwards of 50 ppm in corn.

For reference, pigs start to refuse feed and vomit at 1 to 2 ppm.



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DRY-Bulk Freight Markets -

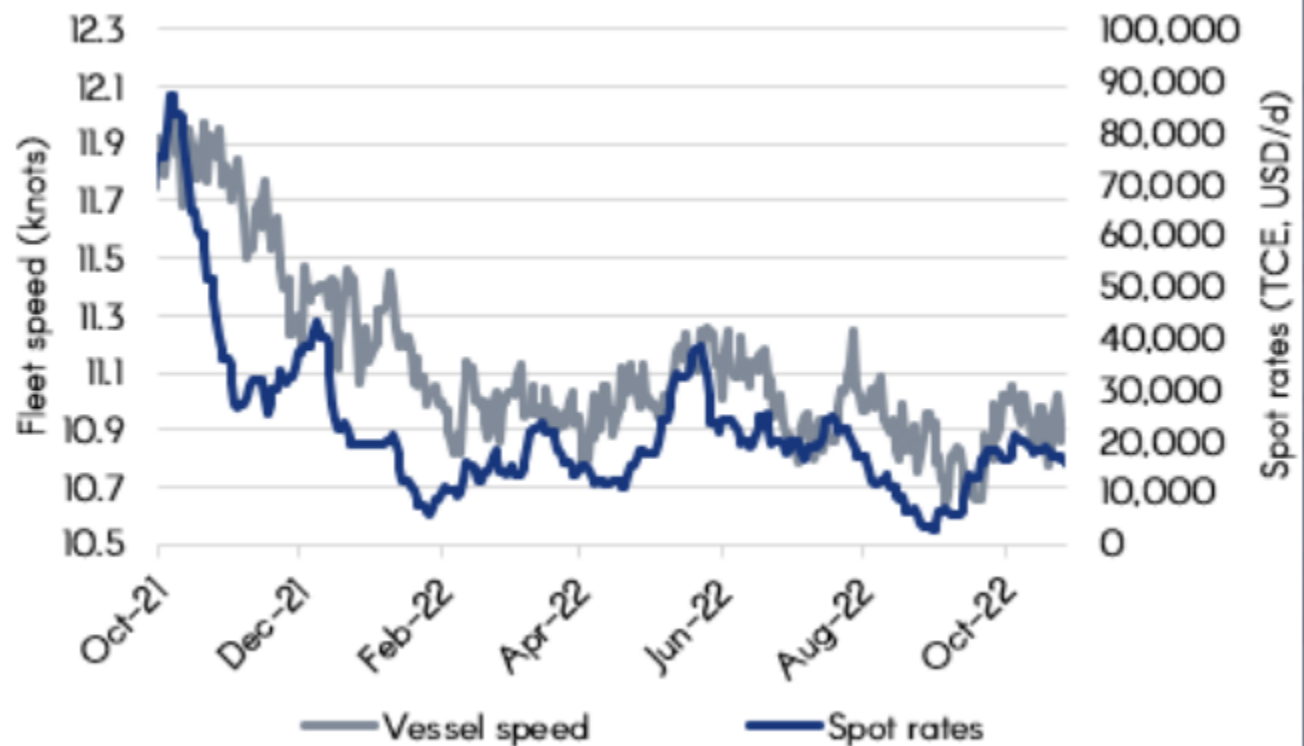
Joakim Hannisdahl @JHannisdahl · 44m

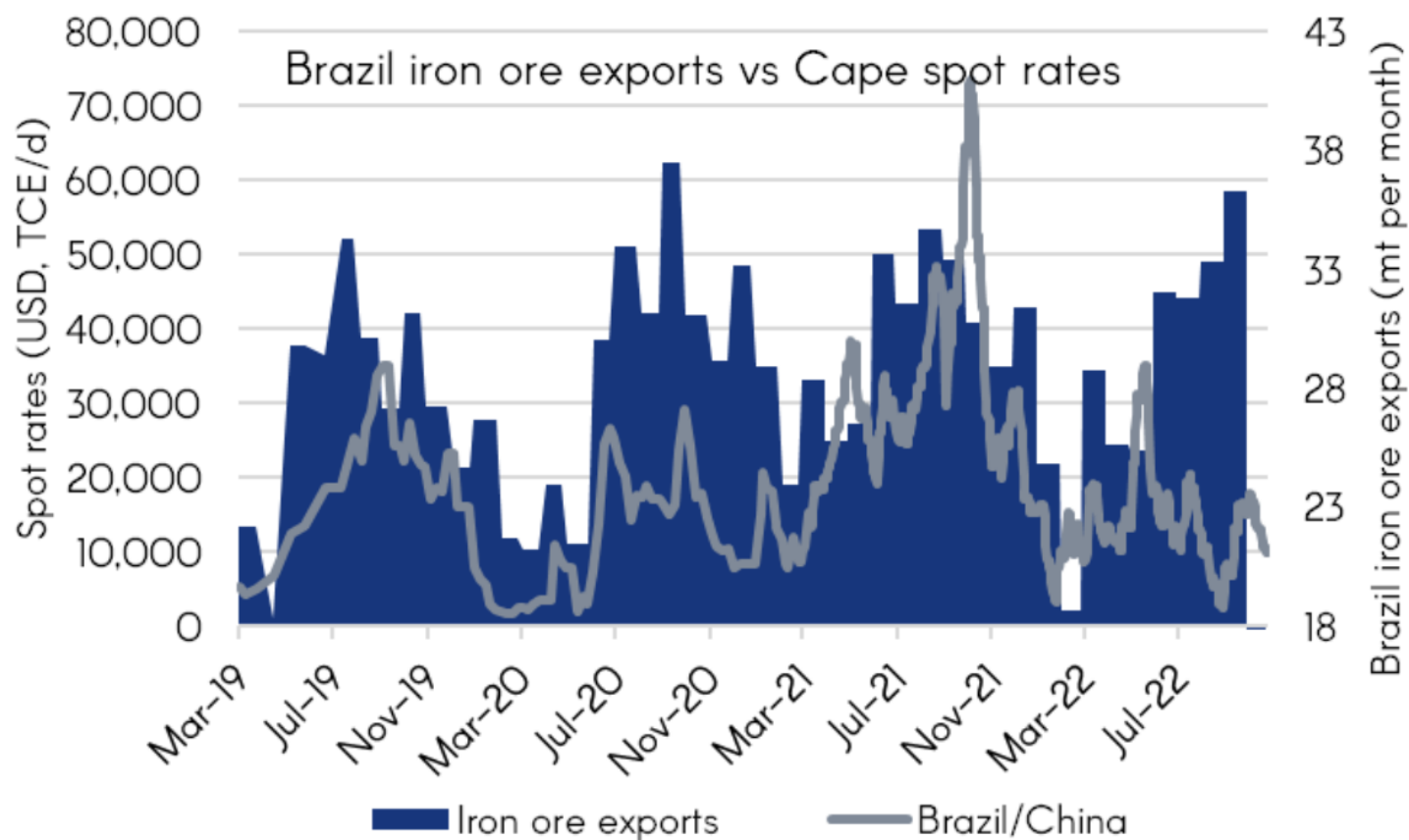
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Only 30% of the Capesize fleet is now stationary, similar to pre-pandemic levels and significantly below the peaks ~40% in 2021/22

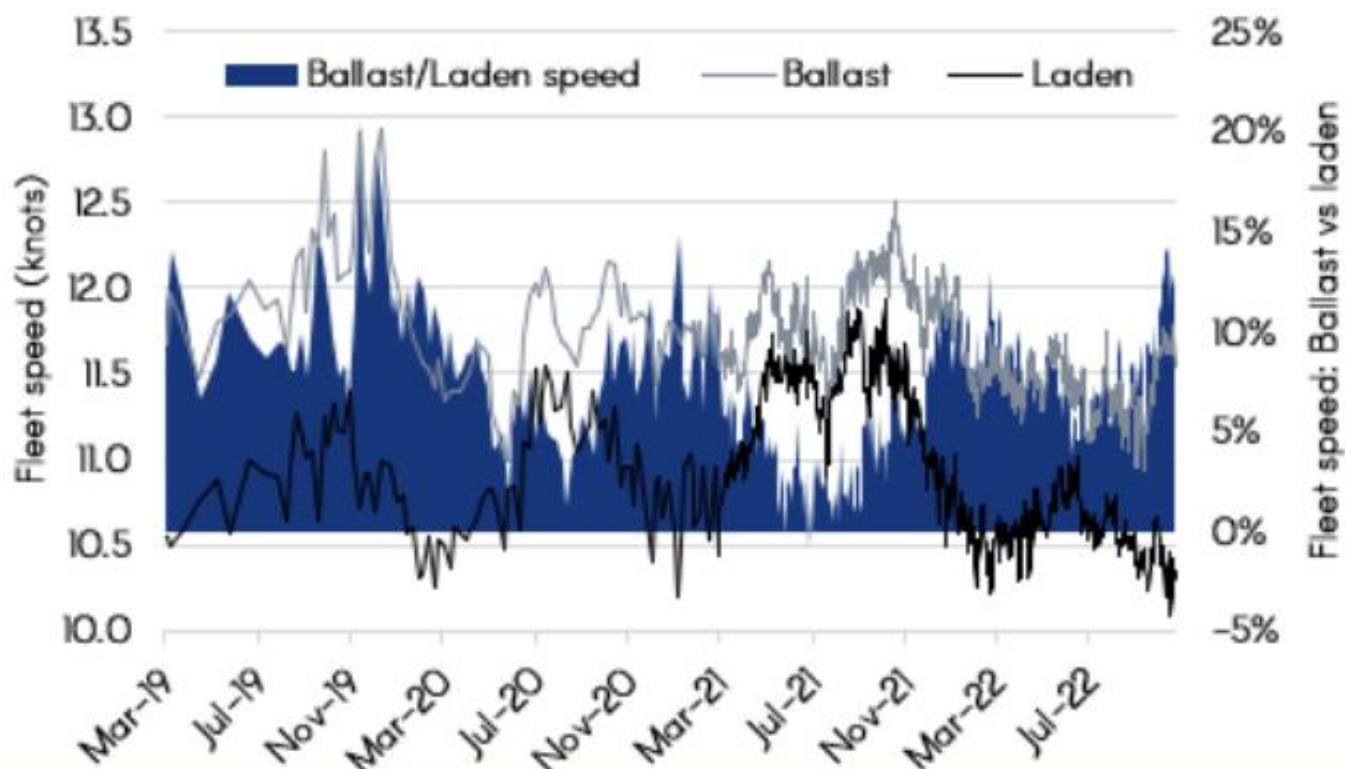
This helps explain why the strong Brazilian [#ironore](#) exports June to September failed to ignite a spot rate rally

Capesize average vessel speed vs spot rate



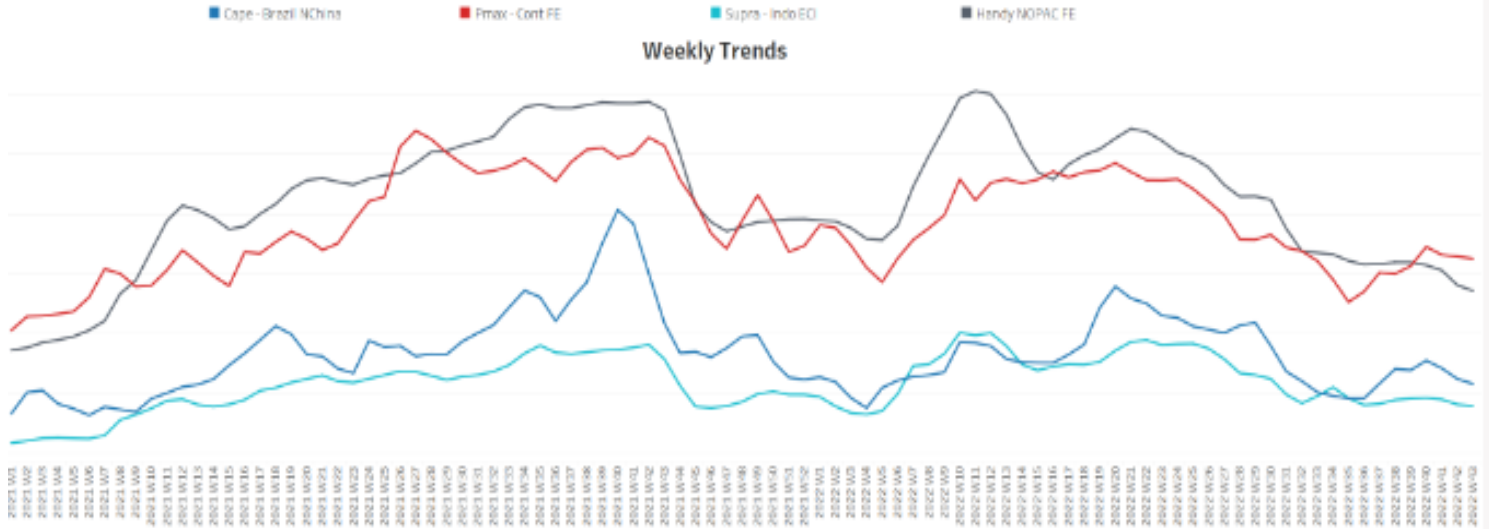


Capesize average vessel speed



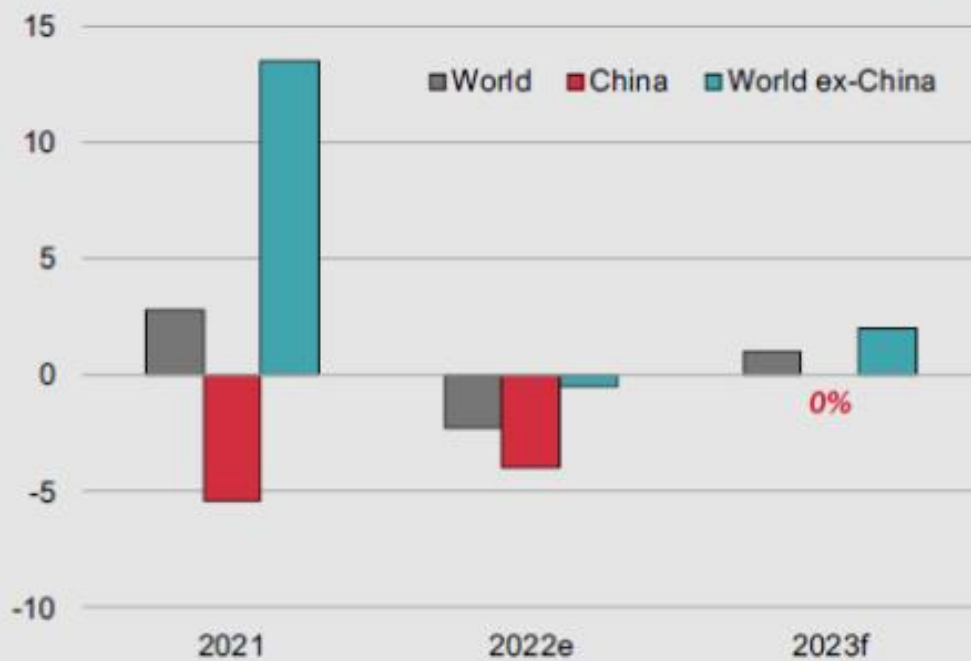
‘The Big Picture’ - Capesize and Panamax Bulkers and Smaller Ship Sizes

Summary of Indicative Market Rates, \$/ton



BreakWave @DryBulkETF · 3h

Worldsteel: Steel Demand Annual Change %



Capesize



Joakim Hannisdahl @JHannisdahl · 52m

#DryBulk #Shipping earnings are falling, as expected. Staying away for now, but looking to pick up some cheap shares in the not too distant future



JCIChina @JCIChina · 5h

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China 2021/22 Grain Imports Decreased Notably, Will It Drop Further in 2022/23? jcichina.com/article/a86479...

China Major Grains Imports in 2021/22

Commodity	Corn	Sorghum	Barley	Wheat	Total of Four
Sep-22	1,530,000	910,000	360,000	360,000	3,160,000
Change on month	-15.00%	35.82%	44.00%	-32.08%	-2.77%
Jan-Sep Change on Year	-25.94%	21.03%	-48.71%	-12.69%	-20.79%
2021/22 Marketing Year Total (Oct/Sept)	21,882,456	10,975,735	8,287,055	8,783,466	49,928,712
2020/21Marketing Year Total (Oct/Sept)	29,546,744	8,676,554	12,054,519	9,876,158	60,153,975
Change on year (tons)	-7,664,288	2,299,181	-3,767,464	-1,092,692	-10,225,263
Change on year %	-26%	26%	-31%	-11%	-17%

Tom Craig @LTDMangement · 2h

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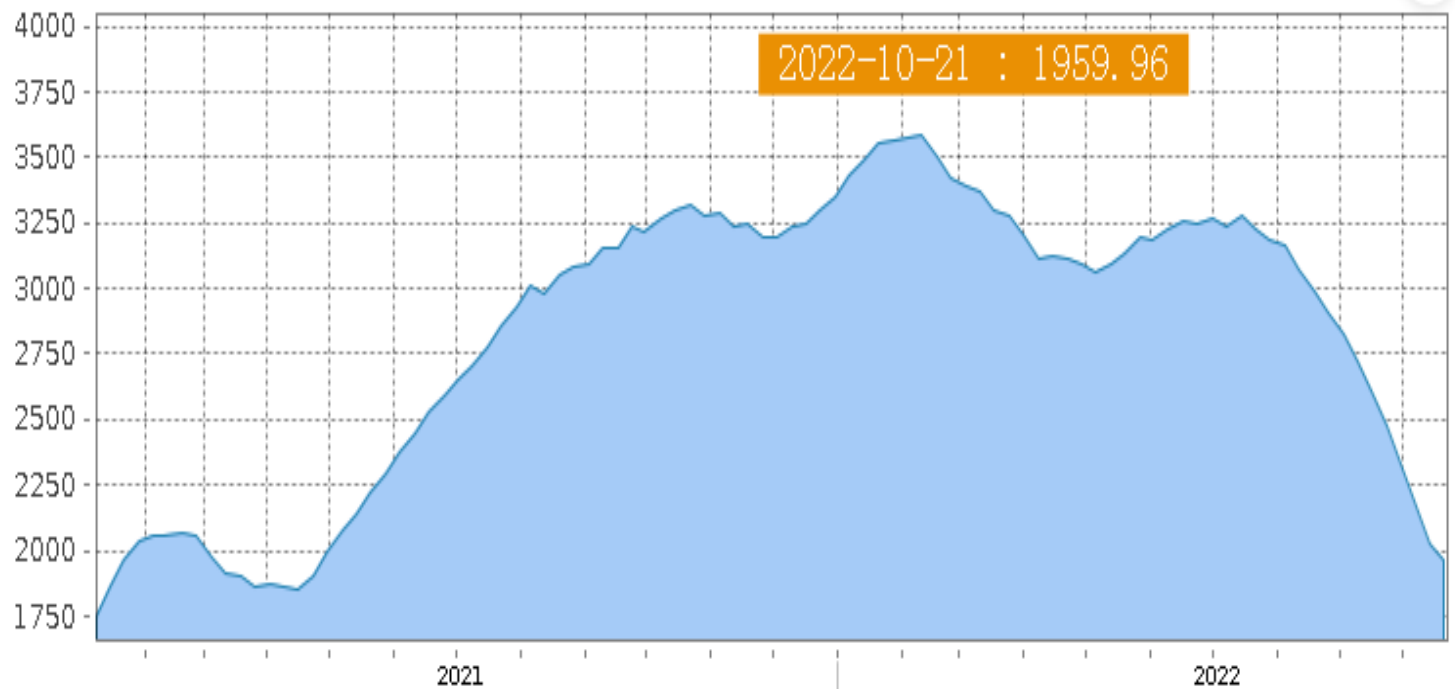
Another major shipping waterway with water problems. Call it [#ClimateChange](#) which little is being done to address. [#maritime](#) [#logistics](#) [#trade](#)



gcaptain.com

Canada's Shrinking St. Lawrence Seaway Latest Threat to Shipping R...
By Jen Skerritt (Bloomberg) A key Canadian shipping corridor is the latest waterway struggling with dwindling water levels. Parts of the St....

China Containerized Freight Index



China Import Dry Bulk Freight Index



Secondary Rail Car Market for Car placement period: First Half November 2022

Secondary Rail Car Market Placement FH November 2022	BID USD	ASK USD	BID BU.	ASK BU.	BID MT	ASK MT
BNSF Shuttle Trains	\$ 1,500	\$ 2,000	\$ 0.38	\$ 0.50	\$ 14.76	\$ 19.68
UPRR Shuttle Trains	\$ 1,700	\$ 2,500	\$ 0.43	\$ 0.63	\$ 16.73	\$ 24.60

U.S. RIVER BARGE FREIGHT

Barge Freight for Loading Placement First Half November 2022

Placement FH November 2022	% of Tariff		Corn BU	Soybeans-Wheat BU
Upper Mississippi	1300	\$ 88.70	2.25	2.41
Illinois River (Pekin and South)	1700	\$116.00	2.95	3.16
Mid-Mississippi	1700	\$ 78.66	2.00	2.14
Lower Ohio	1600	\$ 83.58	2.12	2.27
St. Louis	1700	\$ 74.77	1.90	2.03

Best Regards,

Jay

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Follow me on Twitter @ [igpjay](#)



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