

Transportation and Export Report for 29 October 2020

The Capesize sector continues to struggle, and with it the rest of the Dry-Bulk market. Baltic indices were mixed for the week. Capesize FFAs paper market traded weaker with December hire rates slipping into the 15,000's and Q1 2021 down to \$10,900/day. Panamax and Supermax markets continued to follow the Cape trend fell back at weeks end.

Panamax Nov-Dec. paper markets traded \$9,600-\$9,700/day with January and Q1 trading in a range of \$7,950-\$7,750/day. Inverses continue to be the norm with most of the action focused on the nearby periods. Physical markets were slower to respond and are watching the FFA markets for future direction. Markets however felt very soft and defensive at today's close. Freight markets simply lack bullish news to fuel things higher. And the prevailing second wave of COVID in the U.S. and the E.U is keeping everyone nervous.

BALTIC DRY-BULK PANAMAX INDEX CHANGES

Panamax Ocean Freight Indices					
29-Oct-2020		This Week	Last Week	Difference	Percent Change
P2A : Gulf/Atlantic - Japan	per day	21195	19323	1,872	9.7%
P3A - PNW/Pacific -Korea	per day	10973	11585	-612	-5.3%
S1C -USGULF-China-So.Japan	per day	21661	22742	-1,081	-4.8%
P7- Trial- Miss. River - Qingdao	per ton	40.943	40.300	0.6	1.6%
P8- Trial- Santos - Qingdao	per ton	29.321	29.379	-0.1	-0.2%

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

Four weeks ago:	\$8.25-\$8.90
Three weeks ago:	\$10.45-\$11.00
Two weeks ago:	\$8.00-\$9.20
One week ago:	\$7.20-\$7.65
This week	\$7.50-\$8.00

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

Mississippi River:	(10 elevators)	4-14 days (2 facilities not currently operating)
Miss. River Mid-Stream loaders:	(6+ Rigs)	0-3 days
Texas Gulf	(6 elevators)	0-7 days (3 facilities 0 days or less wait)
Pacific Northwest:	(9 elevators)	1-6 days

Panamax Market Spreads to Asia -China					
29-Oct-2020	PNW	GULF	Bushel Spread	MT Spread	Advantage
CORN	1.85	1.65	0.20	\$7.87	PNW
SOYBEANS	2.15	1.60	0.55	\$21.65	GULF
OCEAN FREIGHT	\$22.75	\$41.25	.46 - .50	\$18.50	December

Recent Reported Vessel Fixtures:

**** Below rates are estimates for the nearby-30-day slots. 60-90 days forward rates will usually be higher.**

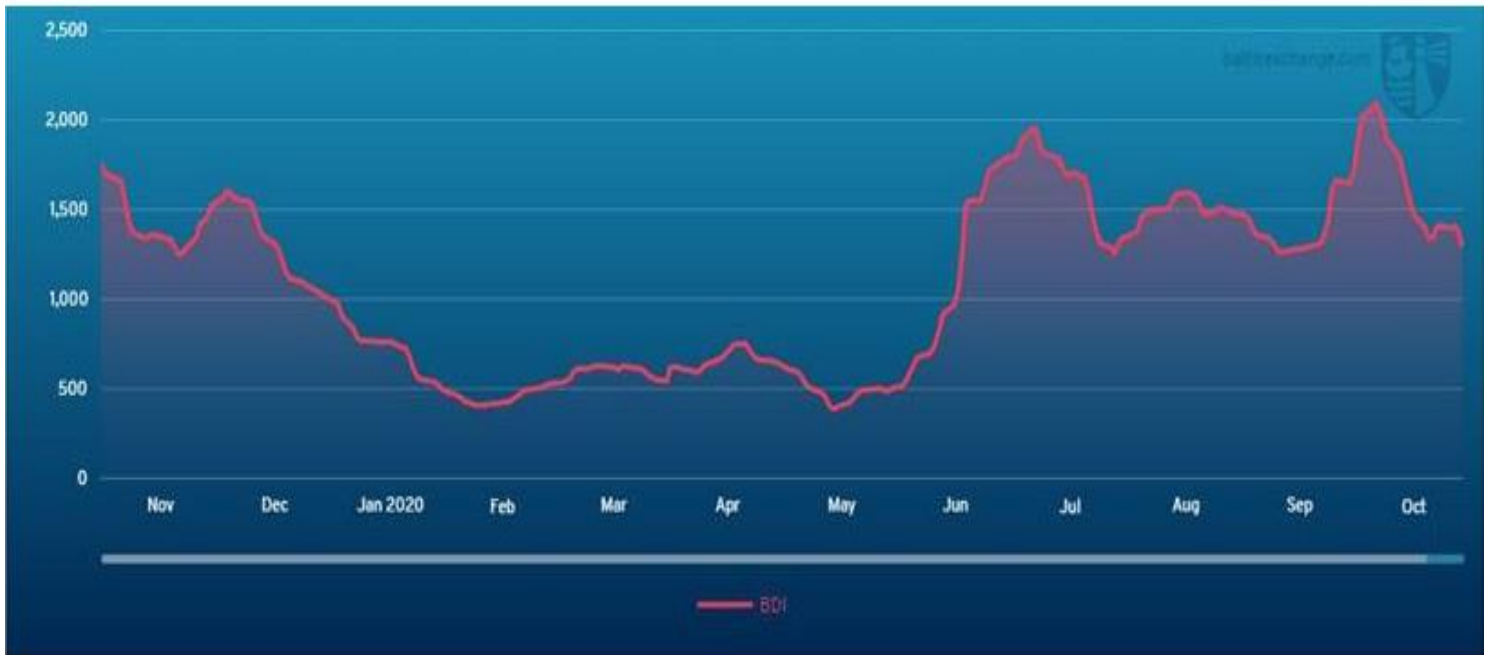
Soybean Panamax USG to Spain is running \$20.75-\$21.75/mt.

Soybean Brazil to Spain about \$23.75-24.75/mt.

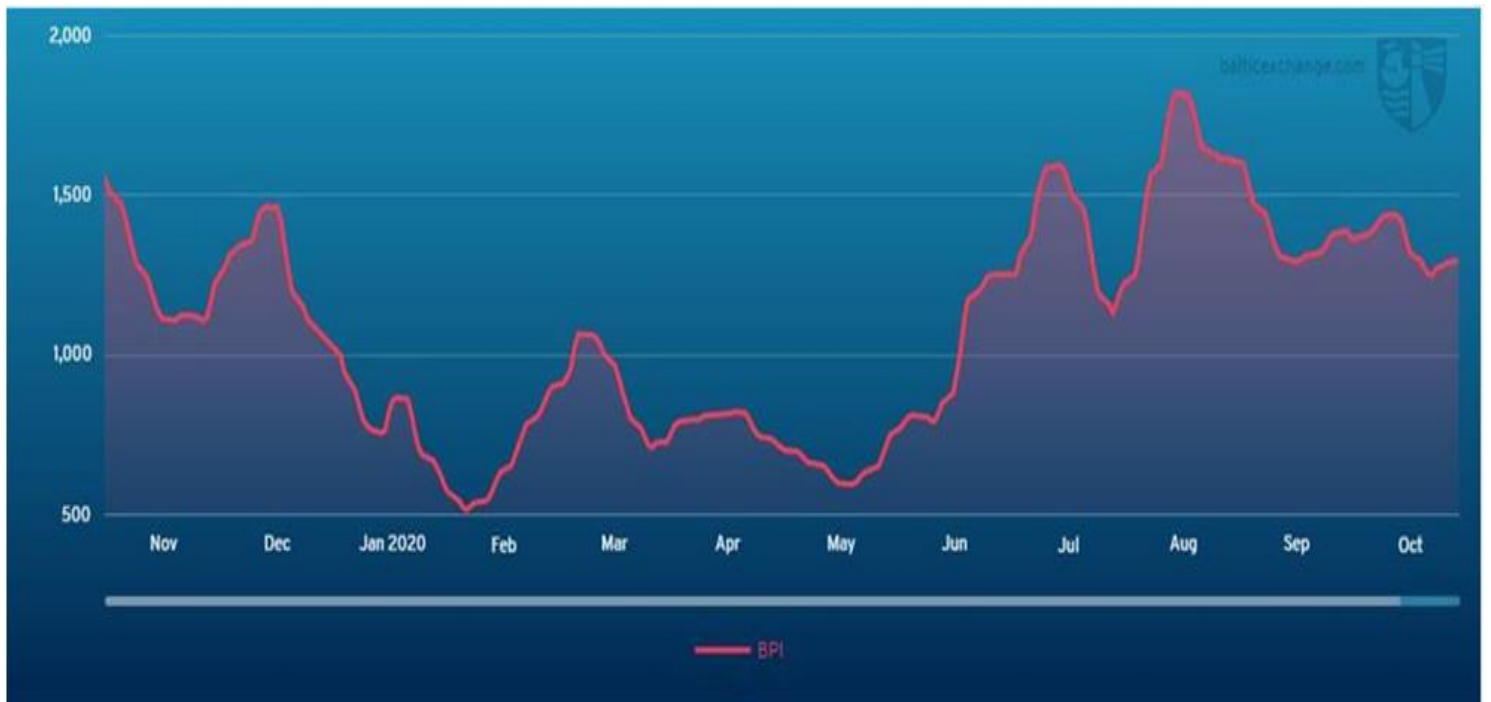
30,000 mt Corn Northern Brazil to Vera Cruz, Mexico \$18.25-\$19.25/mt .To U.S. E/C about \$21.00-22.00/mt

Route and Vessel Size	Current Week USD/MT	Change from previous week	Remarks
55,000 U.S. Gulf-Japan	\$42.50	Unchanged	Handymax \$44.75 mt
55,000 U.S. PNW- Japan	\$23.50	Down \$0.25	Handymax \$24.75 mt
66,000 U.S. Gulf – China	\$41.25	Unchanged	North China
PNW to China	\$22.75	Down \$0.25	
25,000 U.S. Gulf- Veracruz, México	\$17.25	Unchanged	3,000 MT daily discharge rate
30-36,000+ U.S. Gulf- Veracruz, México	\$14.25	Unchanged	Deep draft and 6,000 MT per day discharge rate.
30-38,000 U.S. Gulf- Colombia	\$20.00	Unchanged	<u>West Coast Colombia at \$31.50</u>
<u>East Coast Colombia</u> From Argentina	<u>\$30.25</u> \$31.25		USG to E/C 50,000 mt at \$16.25
43-45,000 U.S. Gulf - Guatemala	\$28.75	Unchanged	Acajutla/Quetzal - 8,000 out
26-30,000 U.S. Gulf – Algeria	\$38.50 \$40.50	Unchanged	8,000 mt daily discharge 3,000 mt daily discharge
26-30,000 US Gulf-Morocco	\$39.75	Unchanged	5,000 discharge rate
55-60,000 U.S. Gulf –Egypt	\$27.50	Unchanged	60,000 -55,000 mt -Egypt
PNW to Egypt	\$28.50		Romania- Russia- Ukraine \$13.50-\$13.50 -\$13.75 France \$17.25
60-70,000 U.S. Gulf – Europe – Rotterdam	\$19.00	Unchanged	Handymax at +\$1.75 more
Brazil, Santos – China	\$31.25	Unchanged	54-59,000 Supramax-Panamax
Brazil, Santos – China	\$28.00		60-66,000 Post Panamax
Northern Coast Brazil	\$34.25		Upriver No. Brazil Plus -55,000 mt Plus \$7.50/mt
56-60,000 Argentina/Rosario- China Deep Draft	\$34.50	Down \$0.25	Upriver with BB Top Off Plus \$3.75 mt

The Baltic Dry Freight Index



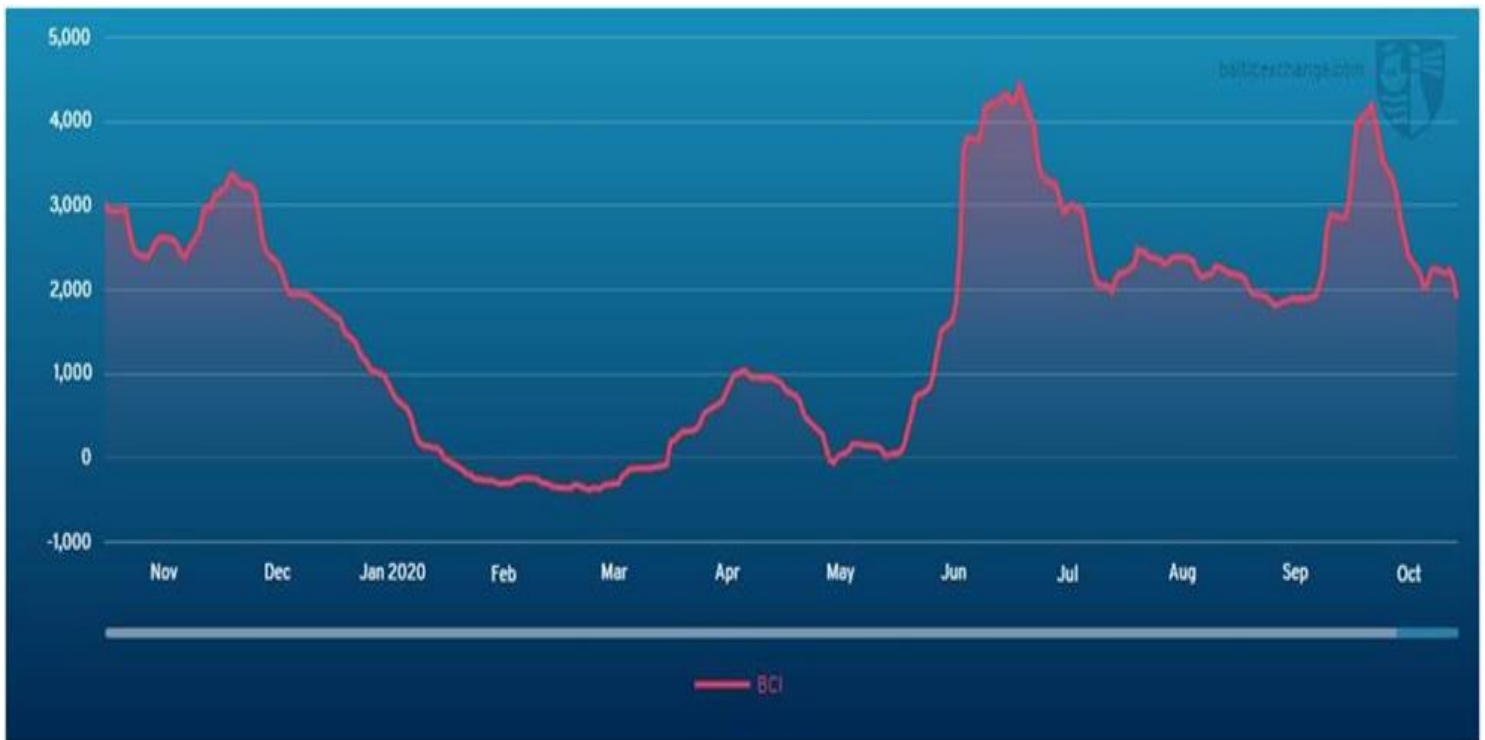
Baltic Panamax Index



Baltic Dry-Bulk Ocean Freight Index- US Gulf- Japan



Capesize Market Chart

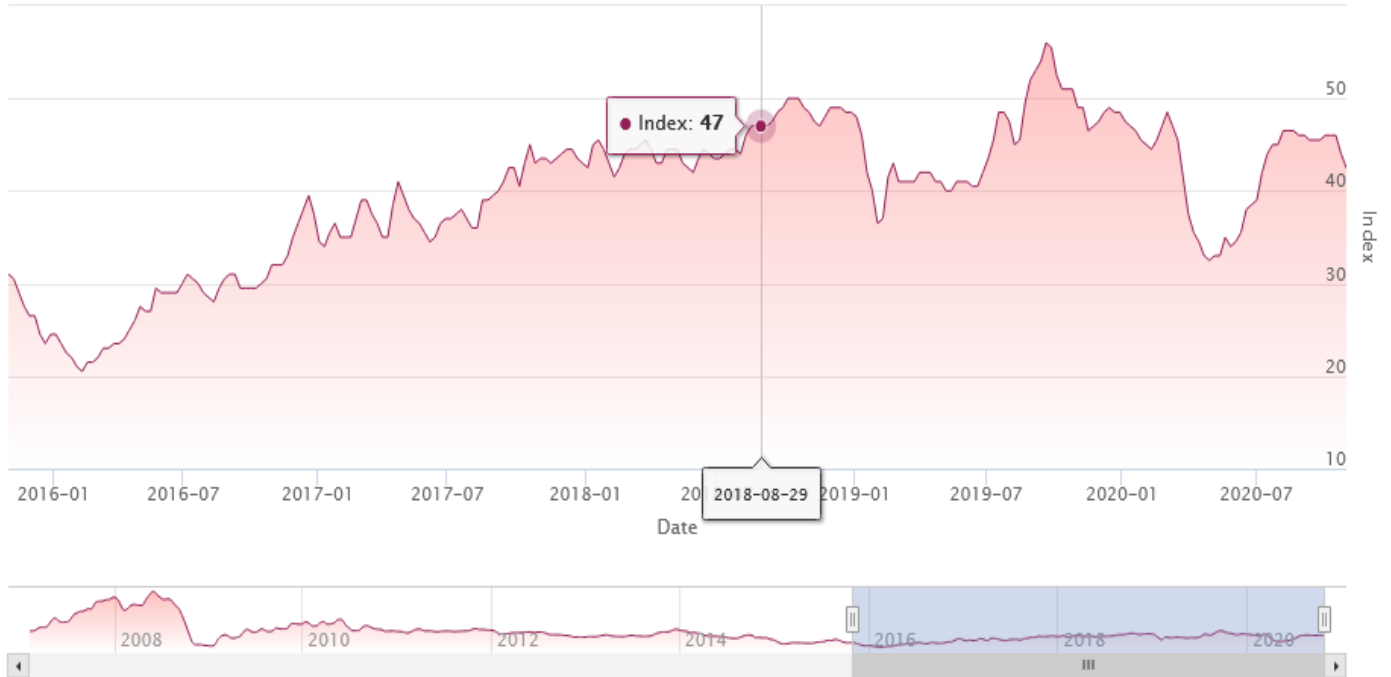


YAMAMIZU Index



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

From 2015-10-28 To 2020-10-28



China Import Dry Bulk Freight Index 2020-10-29

Description	Size MT	Cargo/Vessel Size	Unit	Rate	Change
Composite Index			Point	830.56	-24.96
Iron ore Freight Index			Point	829.96	-43.56
Dampier(West Australia)-Qingdao (China)	170000/10%	Iron ore	\$/ton	7.466	-0.428
Soybean Freight Index			Point	900.88	-6.5
Santos(Brazil)—North China	60000/10%	Soybean	\$/ton	29.67	-0.271
Tacoma(West America)—North China	60000/10%	Soybean	\$/ton	22.586	-0.164
Mississippi(US Gulf)—North China	66000/10%	Soybean	\$/ton	41.263	-0.17
Mississippi(US Gulf)—North China	55000/10%	Soybean	\$/ton	43.31	-0.27

29 October 2020 U.S. FOB Vessel Export Market Values:

U.S. Yellow Corn (USD/MT) FOB Vessel				
#2 YC	GULF # 2 YC		PNW # 3 YC	
Max. 14.5% moisture	BASIS	FLAT PRICE	BASIS	FLAT PRICE
Dec.	1.65	\$221.84	1.85	\$229.71
Jan.	1.55	\$219.08	1.82	\$229.71
Feb.	1.47	\$215.93	1.81	\$229.32
Mar.	1.30	\$209.24	1.80	\$228.92
Apr.	1.04	\$199.69	1.49	\$217.41
May	1.01	\$198.51	1.20	\$205.99

The Gulf spread between #2 & #3 YC is currently about .03 cents per bushel (1.18/mt) at USG but is out to .06/bushel in the PNW.

SORGHUM (USD/MT) FOB VESSEL				
#2 YGS Fob Vessel	NOLA		TEXAS	
Max. 14.0% moisture	BASIS	FLAT PRICE	BASIS	FLAT PRICE
Dec.	3.35	\$288.76	3.05	\$276.95
Jan.	3.30	\$287.98	3.00	\$276.17
Feb.	3.00	\$276.17	3.00	\$276.17
Mar.	3.30	\$287.98	3.00	\$276.17
Apr.	3.30	\$288.66	3.00	\$276.85

Fob vessel Texas Gulf #2 Sorghum is about 125% 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	
	Dec.	Jan.	Feb.	Mar.
FOB U.S. GULF	\$275.12	\$273.00	\$273.00	\$272.36
Basis	1.45	1.40	1.40	1.40
WZ	6.0375			.
WH	6.0300			
WK	6.0125			

29-Oct-2020	Close	Close	Last Week.	Last Week.	Last Week	
CME Corn Futures	Bushel	MT.	Bushel	Bu. Diff.	MT	MT Diff.
Dec.	\$ 3.9850	\$ 156.88	\$ 4.1625	(0.17750)	\$ 163.87	\$ (6.99)
Mar.	\$ 4.0150	\$ 158.06	\$ 4.1825	(0.1675)	\$ 164.66	\$ (6.59)
May	\$ 4.0325	\$ 158.75	\$ 4.1975	(0.1650)	\$ 165.25	\$ (6.50)
July	\$ 4.0425	\$ 159.14	\$ 4.1925	(0.1500)	\$ 165.05	\$ (5.91)
Sept.	\$ 3.8350	\$ 150.98	\$ 4.0025	(0.1675)	\$ 157.57	\$ (6.59)
Dec.	\$ 3.8375	\$ 151.07	\$ 3.9650	(0.1275)	\$ 156.09	\$ (5.02)

CBOT December 2020 (CZ20) CORN Futures Chart –



CME/CBOT December 2020 (WZ20) SRW Wheat Futures Chart –



U.S. Soybean and SBM Markets Fob Vessel:

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
Dec.	1.60	\$444.78	2.15	\$464.99
Jan.	1.60	\$444.78	2.15	\$464.99
Feb.	1.55	\$439.17	2.10	\$459.38
Mar.	1.50	\$437.34	2.10	\$459.38
Apr.	1.50	\$435.87	2.10	\$457.91
Soybean Futures				
Nov.	\$ 10.5175			
Jan.	\$ 10.5050			
Mar.	\$ 10.4025			
May	\$ 10.3625			
July	\$ 10.3475			
Aug.	\$ 10.2450			

U.S. SBM (USD/MT) FOB Vessel		
Fob U.S. Gulf Port	47.5 Pro. SBM	
max 12.5 % moisture	Basis	Flat Price
Dec.	40.00	\$ 459.63
Jan.	40.00	\$ 452.25
Feb.	38.00	\$ 437.69
Mar.	37.00	\$ 436.59
Apr.	39.00	\$ 428.98
SBM Futures		
SMZ	\$ 376.90	
SMF	\$ 370.20	
SMH	\$ 359.00	
SMK	\$ 350.10	
SMN	\$ 348.10	
SMQ	\$ 343.60	

CME January 2021 Soybean (SF21) Futures Chart:



CME December 2020 Soybean Meal (SMZ20) Futures Chart



U.S. EXPORT STATISTICS: Report Activity as of Week Ending 15 October 2020

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 '21-22 (000 MT)
Corn	1,908.2	28,334.6	59,060	48%	206.0
Sorghum	339.0	3,216.0	6,600	49%	136.0
Soybeans	2,268.8	45,349.5	59,880	76%	60.0
Wheat	370.9	15,416.7	26,540	58%	127.0
Barley	0.0	42.0	130	32%	0.0

U.S. EXPORT INSPECTIONS:

Monday's report 26 October 2020 for the Export week ending 22 October 2020

	Export Inspections		Current Market Year YTD	Previous Year to Date	2020/21 YTD as Percent of 2019/20 YTD
	This Week	Previous Week			
Corn	636,290	911,648	6,093,191	3,478,787	175%
Sorghum	65,007	74,655	533,835	308,482	173%
Soybeans	2,664,352	2,317,798	14,338,789	8,072,375	178%
Wheat	363,806	241,283	11,042,799	10,622,214	104%
Barley	798	0	9,867	8,674	114%

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

U.S. EXPORT INSPECTIONS:

Monday's report 26 October 2020 for the Export week ending 22 October 2020

Last Week							
(Metric Tons)	YC	%	WC	%	Sorghum	%	Soybeans %
Lakes	0	0%	0	0%	0	0%	41,113 2%
Atlantic	0	0%	0	0%	538	1%	57,374 2%
Gulf	468,095	74%	0	0%	64,421	99%	1,465,039 55%
PNW	588	0%	538	100%	0	0%	932,094 35%
Interior Export Rail	167,069	26%	0	0%	48	0%	168,732 6%
Metric Tons	635,752		538		65,007		2,664,352

Sorghum Shipments:	metric tons	
	8,580	Cameroon
	56,379	China Main
	48	Mexico
	65,007	Total

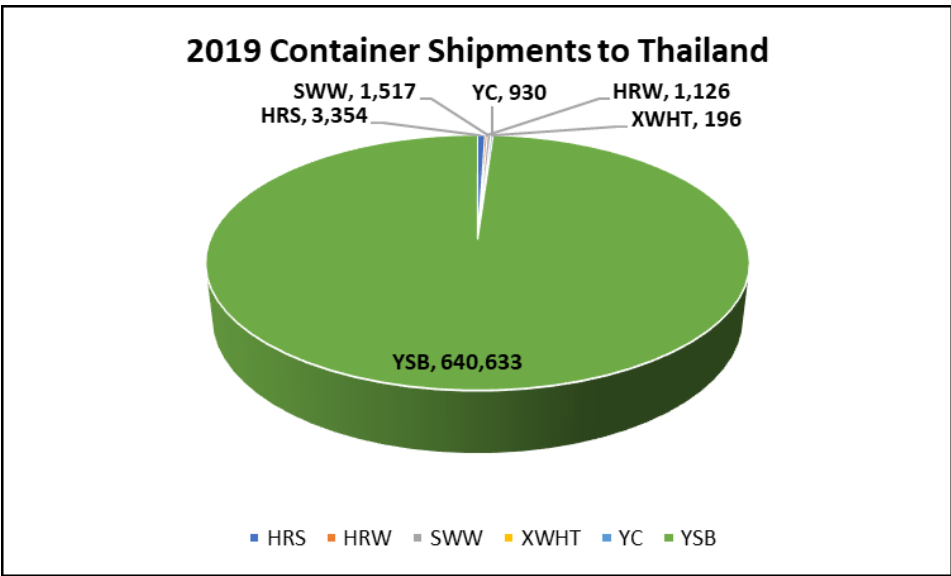
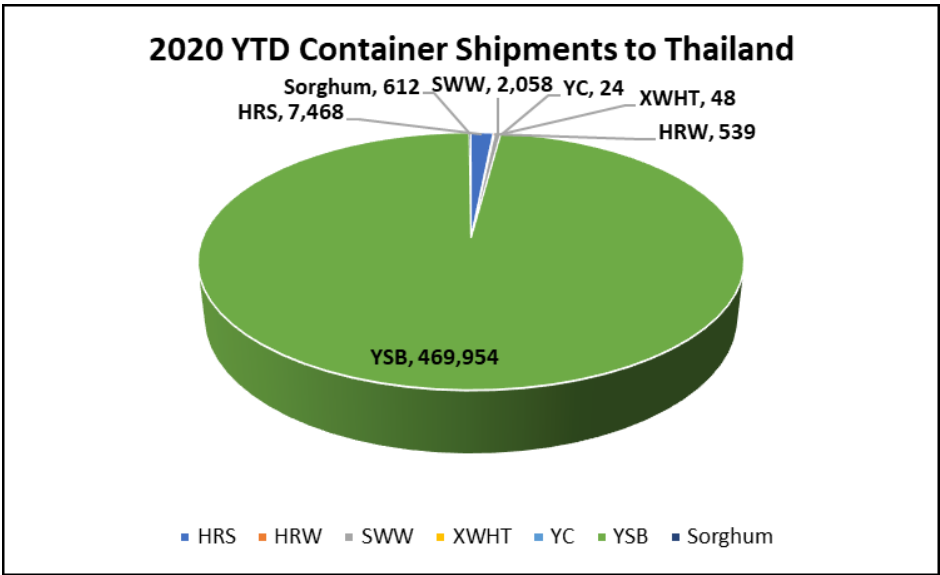
White Corn	metric tons	
Shipments:	514	Korea Rep
	24	Un Kingdom
	538	Total

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:		22-Oct-2020							
Last Week	metric tons								MT
	YC	WC	YSB	SRW	NS	SWH	HRW	Sorghum	TOTAL
China Main			16,968						16,968
China T	15,597		43,474						59,071
Hong Kong	1,395								1,395
Costa Rica									0
Indonesia	49		26,293						26,342
French Poly									0
Japan	269		1,222						1,491
Korea Rep.	734		367	392					1,493
Nepal			2,621						2,621
Malaysia			12,761						12,761
Ireland									0
Philippines			366						366
Thailand			12,488						12,488
Switzerland									0
India									0
Bangladesh									0
Burma			343						343
Vietnam			10,619						10,619
Sub Total:	18,044	0	127,522	392	0	0	0	0	145,958
USDA Corrections/Additions to previous reports:									
China T	245		5,657						5,902
China Main									0
Hong Kong	122								122
Korea Rep.									0
Cambodia									0
Japan			192						192
Philippines									0
Indonesia			2,252						2,252
Malaysia									0
Thailand									0
Vietnam									0
Jordan									0
Costa Rica									0
Sub Total:	367	0	8,101	0	0	0	0	0	8,468
Mt. Grand Total	18,411	0	135,623	392	0	0	0	0	154,426
Number of Containers	800	0	5,897	17	0	0	0	0	

Jan - Dec 2019 Annual Totals versus 2020 Jan.-Dec. YTD Total Container Shipments (in MT)



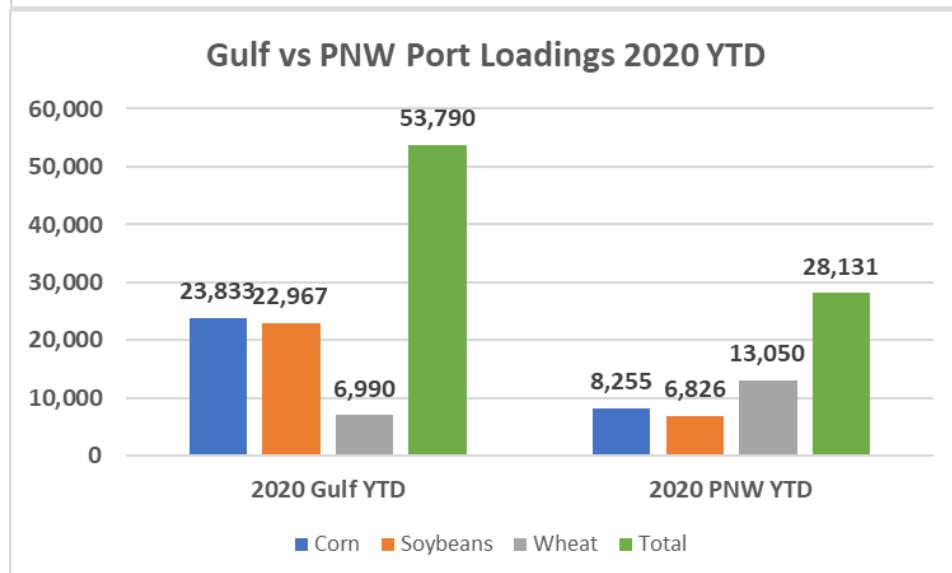
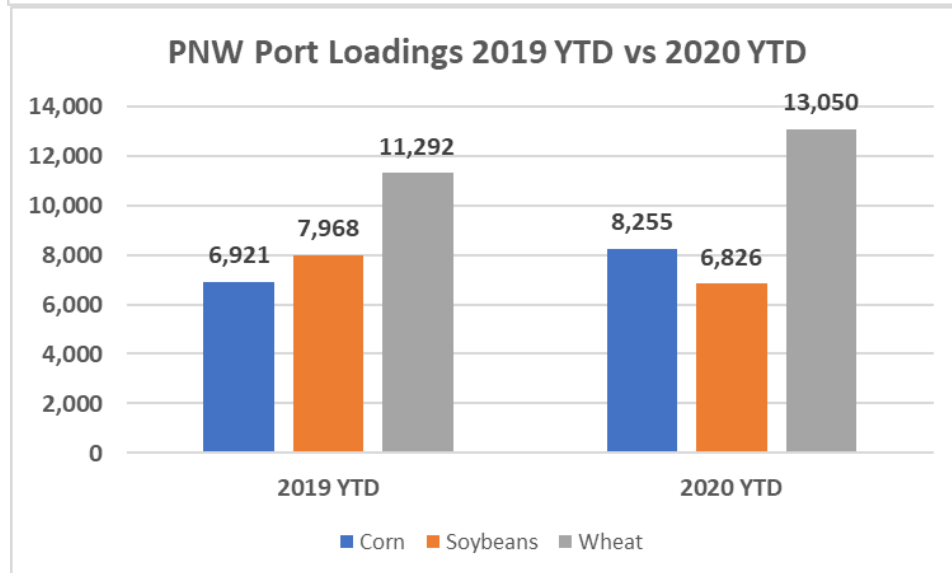
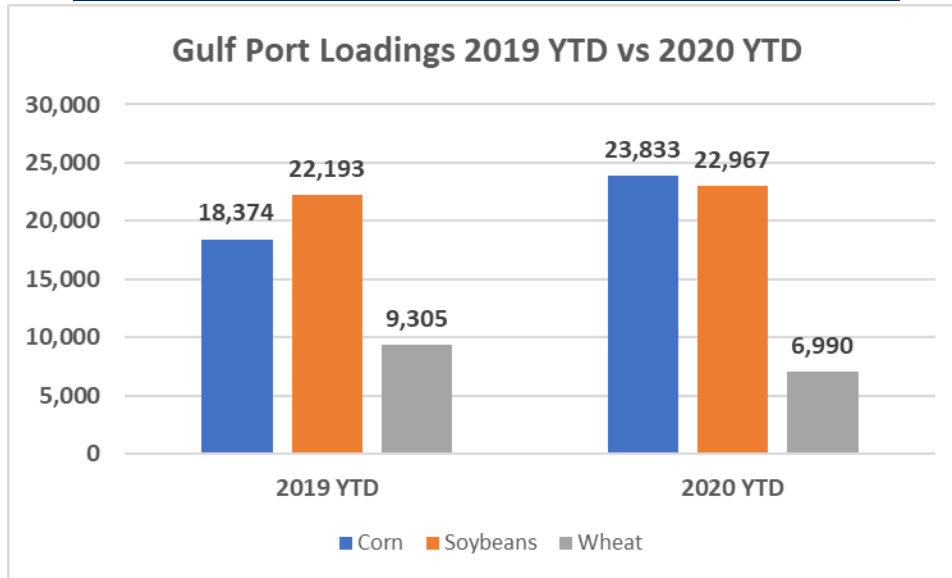
Grain Inspections for Export by U.S. Port Regions:
U.S. Gulf and Pacific Northwest 2019 YTD vs. 2020 YTD

PORT LOADINGS US Gulf				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
GULF				
2019 YTD	18,374	22,193	9,305	49,872
2020 YTD	23,833	22,967	6,990	53,790
2020 as % of 2019	130%	103%	75%	108%

PORT LOADINGS US PNW				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
PNW				
2019 YTD	6,921	7,968	11,292	26,181
2020 YTD	8,255	6,826	13,050	28,131
2020 as % of 2019	119%	86%	116%	107%

PORT LOADINGS GULF vs. PNW				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
2020 Gulf YTD	23,833	22,967	6,990	53,790
2020 PNW YTD	8,255	6,826	13,050	28,131
TOTAL	32,088	29,793	20,040	81,921
Gulf Percentage	74%	77%	35%	66%
PNW Percentage	26%	23%	65%	34%

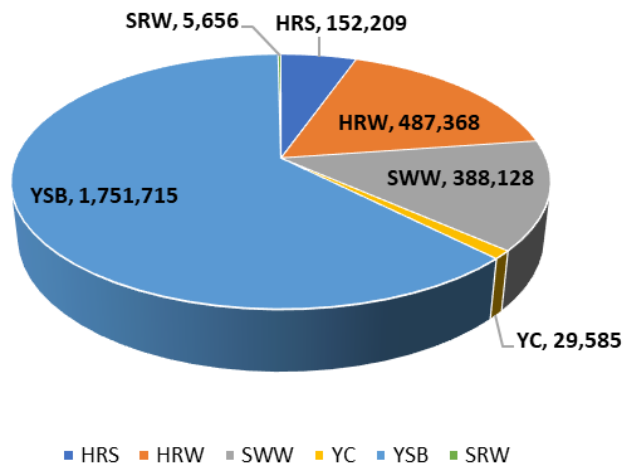
Grain Inspections for Export by U.S. Port Regions (1,000MT):
U.S. Gulf and Pacific Northwest 2019 YTD vs. 2020 YTD



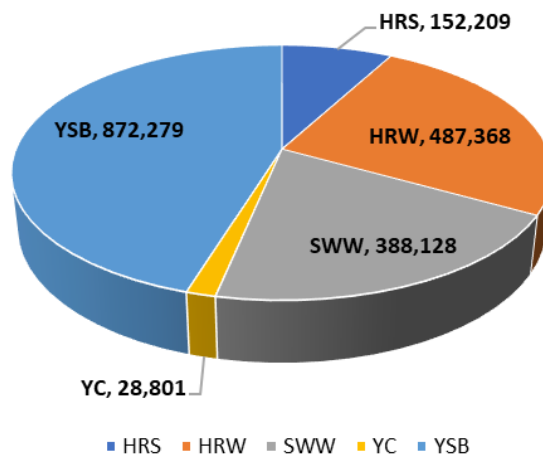
Source: USDA-data

2020 YTD Total Grain Exports reported by USDA (in MT)

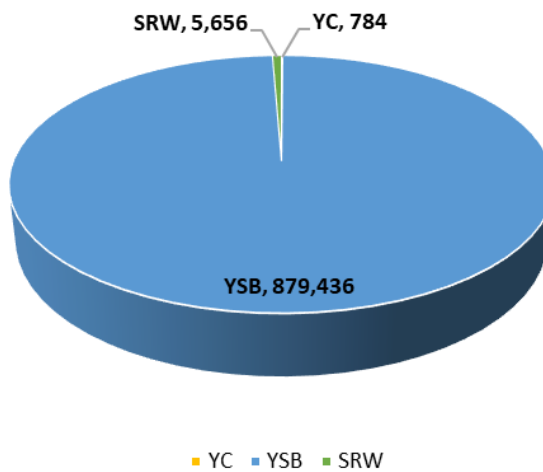
2020 YTD Exports to Indonesia



YTD Vessel Shipments to Indonesia



YTD Container Shipments to Indonesia



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

Shipping News

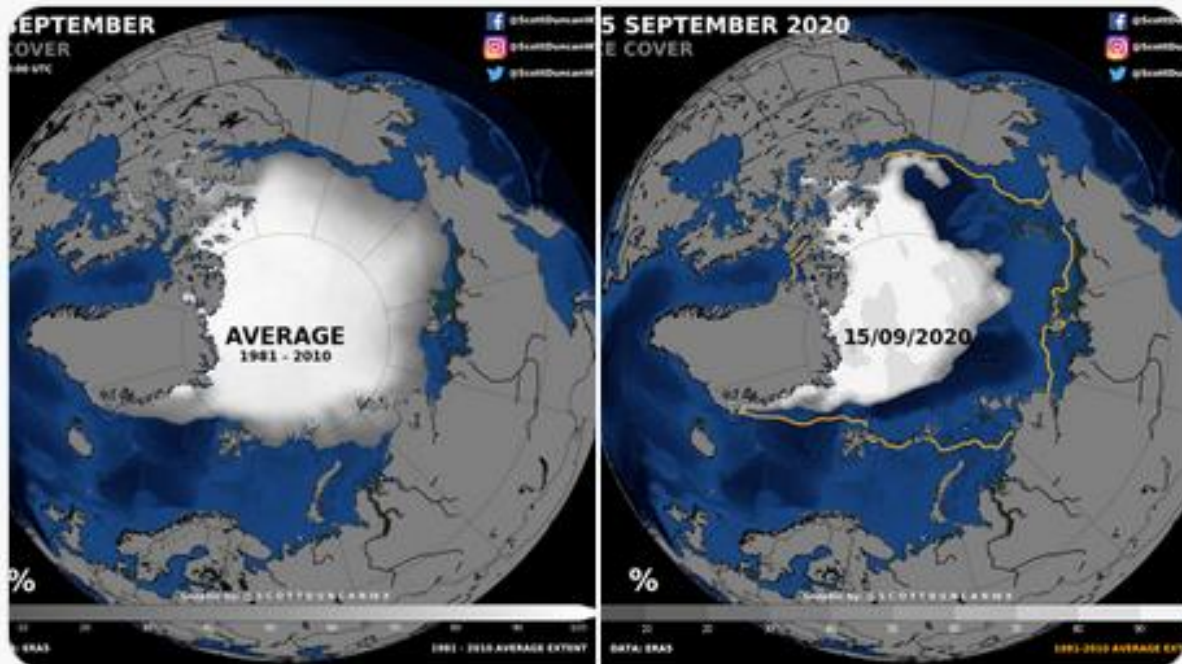


Northern Sea Route is definitely Open-

Scott From Scotland @ScottDuncanWX · 28m

Sometimes the message is hit home harder when we compare what the average minimum looks like compared to what we observed in 2020.

We are looking at around 2.6 MILLION square kilometres of extra open water.



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SSY Online @SSYOnline · 18m

Uncertainty about the future regulatory environment continues to cloud the outlook for the dry bulk carrier fleet, discouraging newbuilding contracting. Just 17.7 Mdwat had been contracted in the first nine months of 2020, the lowest for the period since 2016.

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Sal Mercogliano 🚢 ⚓ 📊 🐪 🚚 @mercoglianos · 12h

...

"Governments have been dishing out billions of dollars in shipping aid packages during the Covid-19 pandemic with very few strings attached, a situation that ought to change according to a new report from the Paris-based International Transport Forum (ITF)."

Splash @Splash_247 · 16h

France and South Korea top maritime state aid handouts during Covid-19
dlvr.it/RkLkFD



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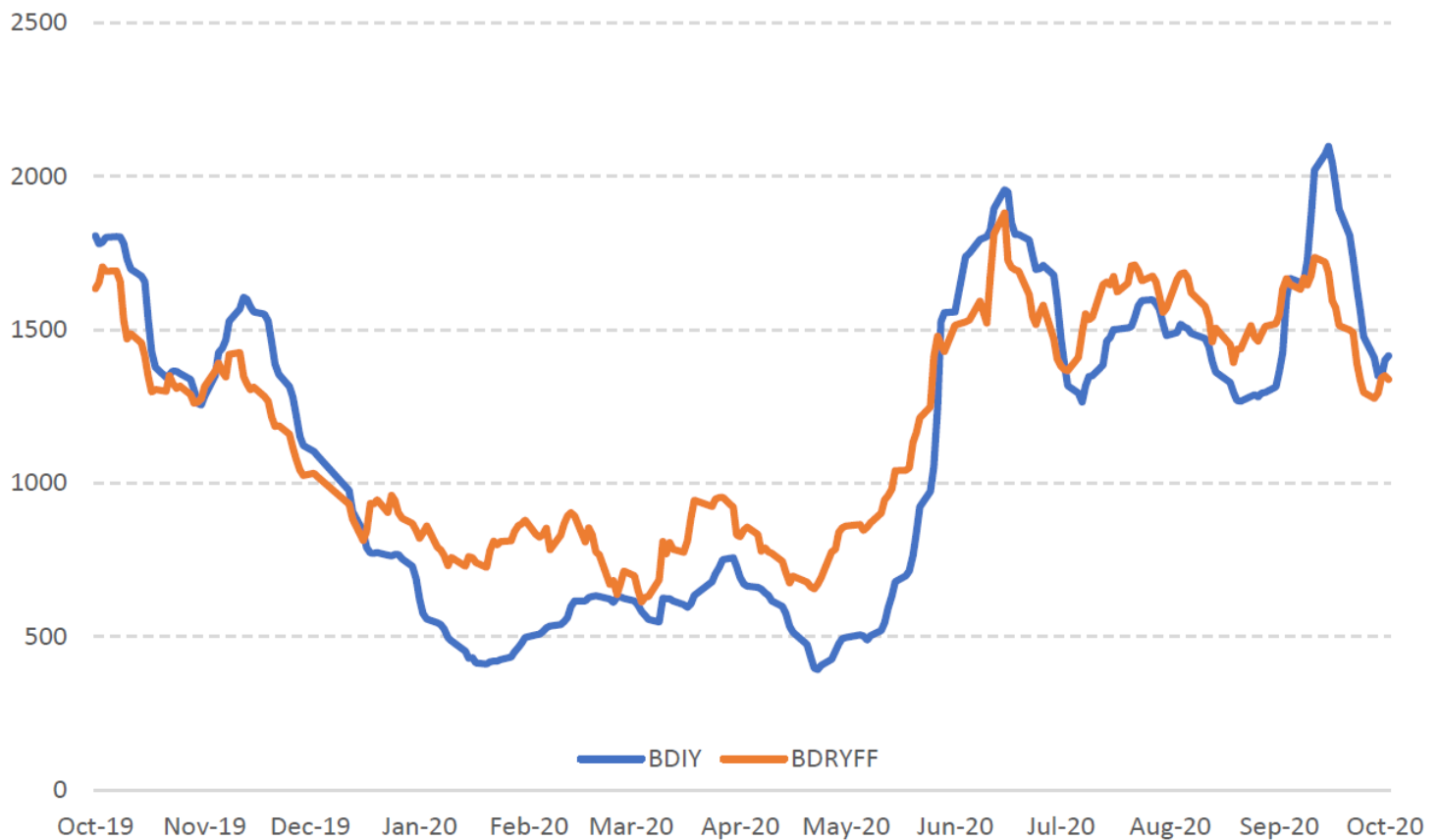
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BALTIC INDEX			EXCHANGE RATE		BUNKER PRICES			
BDI	1892	- 78	EURO/USD	1.17600	BUNKERS	ROTTERDAM	SPORE	FUJAIRAH
BCI	3555	- 244	YEN/USD	0.00943	VLSFO	316.00	343.50	343.50
BPI	1439	+ 11	BRENT		MGO	344.50	354.50	439.50
BSI	982	- 2	42.98		IFO 380	251.00	273.00	262.00

Source: Clarkson PLC

Baltic Dry Index vs Breakwave Dry Futures Index



Dry Bulk Fundamentals

Demand

	<u>YTD</u>	<u>YOY</u>
China Steel Production	782mt	4.5%
China Steel Inventories	7.1mt	58.3%
China Iron Ore Inventories	128mt	-4.7%
China Iron Ore Imports	868mt	10.8%
China Coal Imports	239mt	-4.5%
China Soybean Imports	75mt	15.5%
Brazil Iron Ore Exports	248mt	-5.4%
Australia Iron Ore Exports	575mt	4.7%

Supply

Dry Bulk Fleet	908dwt	3.3%
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Freight Rates

Baltic Dry Index, Average	1,034	-22.6%
Capesize Spot Rates, Average	12,977	-25.5%
Panamax Spot rates, Average	8,163	-27.4%

Note: All numbers as of latest available; Sources: Bloomberg and Breakwave Advisors

Brian Brettschneider @Climatologist49 · 23h

❄️ The -31°F temperature reported by the Lyman, WY, Coop observer this morning represents the earliest -30°F reading on record for any official climate station in the Lower 48 in any year. The previous earliest -30°F reading was Oct 29, 1917. @NWSSaltLakeCity



Daily Data for October 26, 2020 for Wyoming

Click column heading to sort ascending, click again to sort descending.

Name	Station Type	Min Temperature
LYMAN	COOP	-31
TENSLEEP 16SSE	COOP	-22
THERMOPOLIS 9NE	COOP	-22
DANIEL FISH HATCHERY	COOP	-22
OLD FAITHFUL	NWS LI	-22

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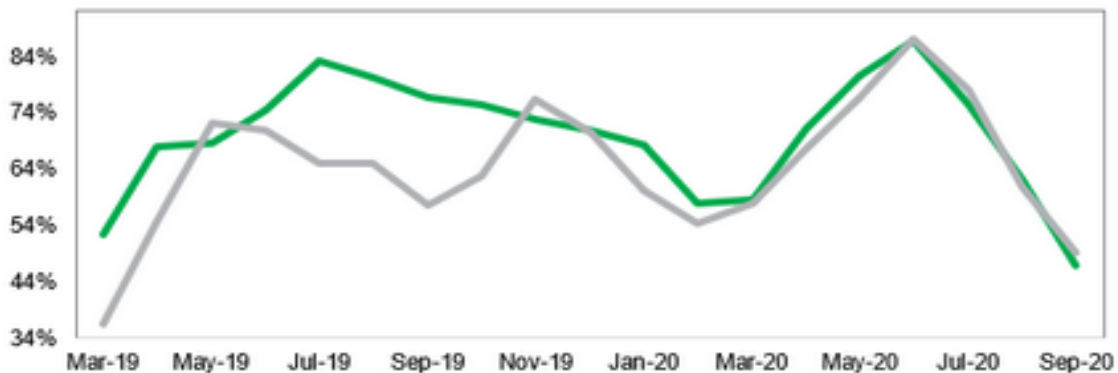
Peter Tirschwell Retweeted

Mark Szakonyi @MarkSzakonyi · 14h

Trans-Pacific reliability below 50 percent, or in other words, eastbound ships have a one-in-two shot of showing at least one calendar day later than scheduled. No wonder premium service guaranteeing transits are hot right now. bit.ly/3kzMpxo

On-time trans-Pacific schedule reliability plunges

Percentage of on-time arrivals of container ships. Ships are considered late if they arrive one calendar day or more after schedule



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Maersk @Maersk · 2h

...

This week Cai Mep International Terminal (CMIT) welcomed our Triple E vessel Margrethe Maersk - the largest vessel to ever call at a Vietnamese port. On the 2M alliance's TP6/Pearl service connecting Asia with US west coast.
[#Maersk](#) [#logistics](#) [#portrecord](#) [#apmterminals](#)



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Mr Prospector @Prospectorship · 2h

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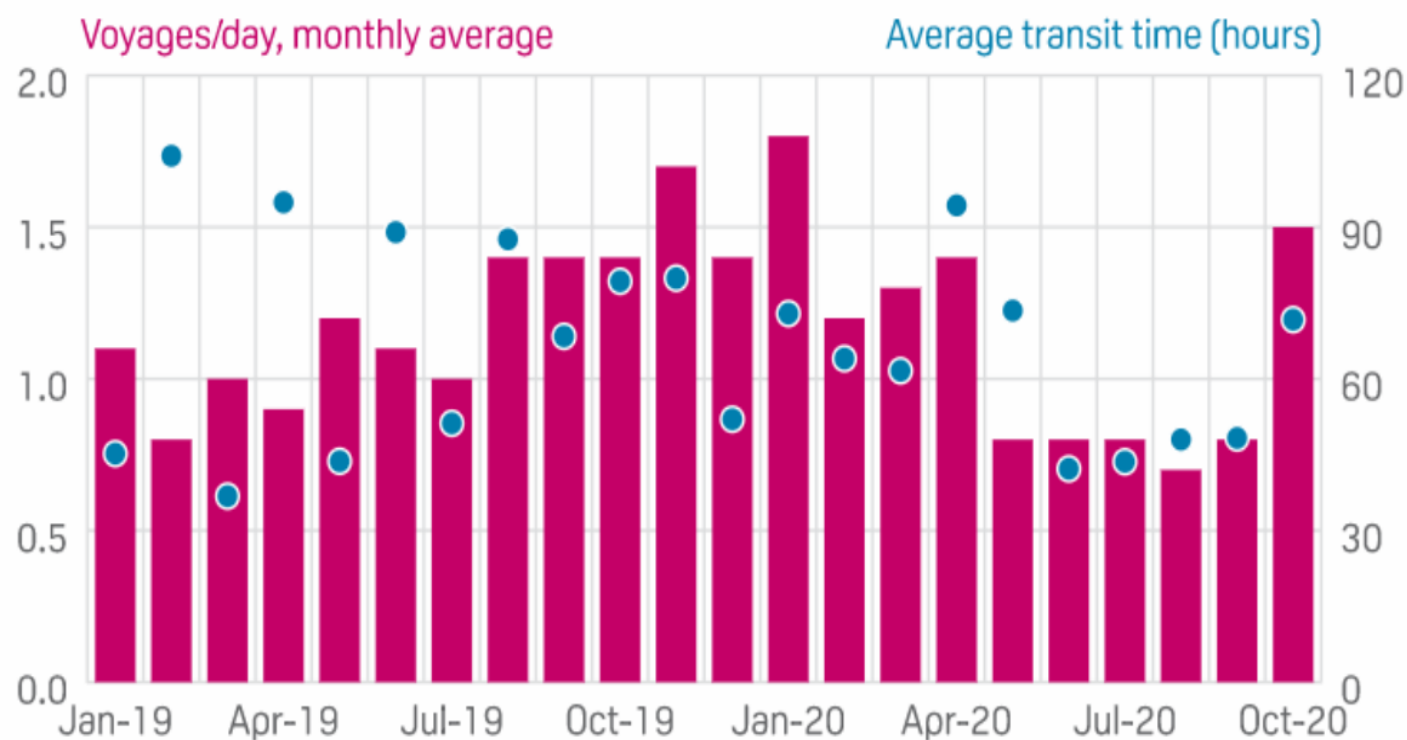
This is the sound of the Capesize FFA market today [#shipping](#) [#drybulk](#) [#oott](#)

Wonder of Science @wonderofscience · 3h

The strange sound a block of ice makes when it hits the bottom of a 90 meter borehole in an Antarctic glacier. 🗣️



PANAMA CANAL LNG TRANSITS



Source: S&P Global Platts Analytics

China Import Dry Bulk Freight Index



China Containerized Freight Index



U.S. RIVER BARGE FREIGHT

Current Barge Freight for Placement Last Half November 2020

Placement LH November 2020	% of		Corn	Soybeans-Wheat
	Tariff	MT	BU	BU
Upper Mississippi	Closed	\$ -	0.00	0.00
Illinois River (Pekin and South)	490	\$33.43	0.85	0.91
Mid-Mississippi	515	\$30.20	0.77	0.82
Lower Ohio	395	\$19.42	0.49	0.53
St. Louis	390	\$17.15	0.44	0.47

Secondary Rail Car Market for car placement period: Last Half November 2020.

Secondary Rail Car Market Placement LH. November 2020	BID USD	ASK USD	BID BU.	ASK BU.	BID MT	ASK MT
BNSF Shuttle Trains	\$ 450.00	\$ 650.00	\$ 0.11	\$ 0.16	\$ 4.43	\$ 6.40
UPRR Shuttle Trains	\$ 200.00	\$ 350.00	\$ 0.05	\$ 0.09	\$ 1.97	\$ 3.44

Best Regards,

Jay
Jay O'Neil
HJ O'Neil Commodity Consulting
785-410-2303 (cell)

joneil@ksu.edu

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