

Transportation and Export Report for 3 October 2019

Ocean Freight Insights and Comments:

There was nothing exciting in Dry-Bulk markets this week; just a continued slow slippage in rates and in technical support in the freight forward futures. Overall the story remains the same regarding slow cargo growth and global economic concerns. Vessel owners desperately need some bullish news but there does not seem to be anyone or anything coming to their rescue. Dull markets are not bullish markets. The best news for freight operators is that the speed of the market drop seems to be slowing. Less than 90 days remain until IMO2020 implementation.

BALTIC DRY-BULK PANAMAX INDEX CHANGES

Panamax Ocean Freight Indices				
3-Oct-19	This Week	Last Week	Difference	Percent Change
P2A : Gulf/Atlantic - Japan	24059	25573	-1,514	-5.9%
P3A - PNW/Pacific - Japan	11364	11941	-577	-4.8%
S1C -USGULF-China-So.Japan	27441	29961	-2,520	-8.4%
P7- Trial- Miss. River - Qingdao	49383	49738	-355	-0.7%
P8- Trial- Santos - Qingdao	38000	38890	-890	-2.3%

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

Four weeks ago:	\$10.50-\$11.25
Three weeks ago:	\$10.50-\$11.00
Two weeks ago:	\$10.50-\$11.00
One week ago:	\$8.50-\$9.00
This week	\$8.50-\$9.20

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

Mississippi River:	(10 elevators)	4-9 days (2 facilities not currently operating)
Miss. River Mid-Stream loaders:	(6+ Rigs)	0-2 days
Texas Gulf	(5 elevators)	0-4 days
Pacific Northwest:	(9 elevators)	0-8 days

Panamax Market Spreads to Asia -China					
3-Oct-19	PNW	GULF	Bushel Spread	MT Spread	Advantage
CORN	0.86	0.45	0.41	\$16.14	PNW
SOYBEANS	0.90	0.42	0.48	\$18.90	PNW
OCEAN FREIGHT	\$28.25	\$50.25	.56-.60	\$22.00	November

Recent Reported Vessel Fixtures:

Soybean Panamax USG to Spain is running \$24.25/mt.

Soybean Brazil to Spain at about \$26.75/mt.

30,000 mt Corn Northern Brazil to Vera Cruz, Mexico \$21.00-\$21.50/mt .To U.S. E/C about \$24.00-24.75/mt

Route and Vessel Size	Current Week USD/MT	Change from previous week	Remarks
55,000 U.S. Gulf-Japan	\$51.25	Down \$0.25	Handymax \$52.50 mt
55,000 U.S. PNW- Japan	\$28.50	Down \$0.25	Handymax \$29.25 mt
66,000 U.S. Gulf – China	\$50.25	Down \$0.25	North China
PNW to China	\$28.00	Down \$0.25	
25,000 U.S. Gulf- Veracruz, México	\$18.75	Unchanged	3,000 MT daily discharge rate
30-35,000+ U.S. Gulf- Veracruz, México	\$16.00	Unchanged	Deep draft and 6,000 MT per day discharge rate.
25/37,000 U.S. Gulf- <u>East Coast Colombia</u>	\$21.00	Unchanged	<u>West Coast Colombia at \$31.00</u>
From Argentina	\$37.00		
43-45,000 U.S. Gulf - Guatemala	\$29.25	Unchanged	Acajutla/Quetzal - 8,000 out
26-30,000 U.S. Gulf – Algeria	\$36.25 \$37.25	Down \$0.25	8,000 mt daily discharge 3,000 mt daily discharge
26-30,000 US Gulf-Morocco	\$37.75	Down \$0.25	5,000 discharge rate
55-60,000 U.S. Gulf –Egypt	\$31.50	Down \$0.25	60,000 -55,000 mt Romania- Russia- Ukraine \$18.75 -\$16.75 -\$17.00 (France \$21.25-\$21.50)
PNW to Egypt	\$31.75		
60-70,000 U.S. Gulf – Europe – Rotterdam	\$19.50	Down \$0.25	Handymax at +\$1.75 more
Brazil, Santos – China	\$39.00	Down \$0.50	54-59,000 Supramax-Panamax 60-66,000 Post Panamax 60-66,000 mt
Brazil, Santos – China	\$39.50		
Itacoatiara-Port Upriver North Brazil	\$40.75		
56-60,000 Argentina/Rosario- China Deep Draft	\$41.75	Down \$0.50	Upriver with BB Top Off \$44.75

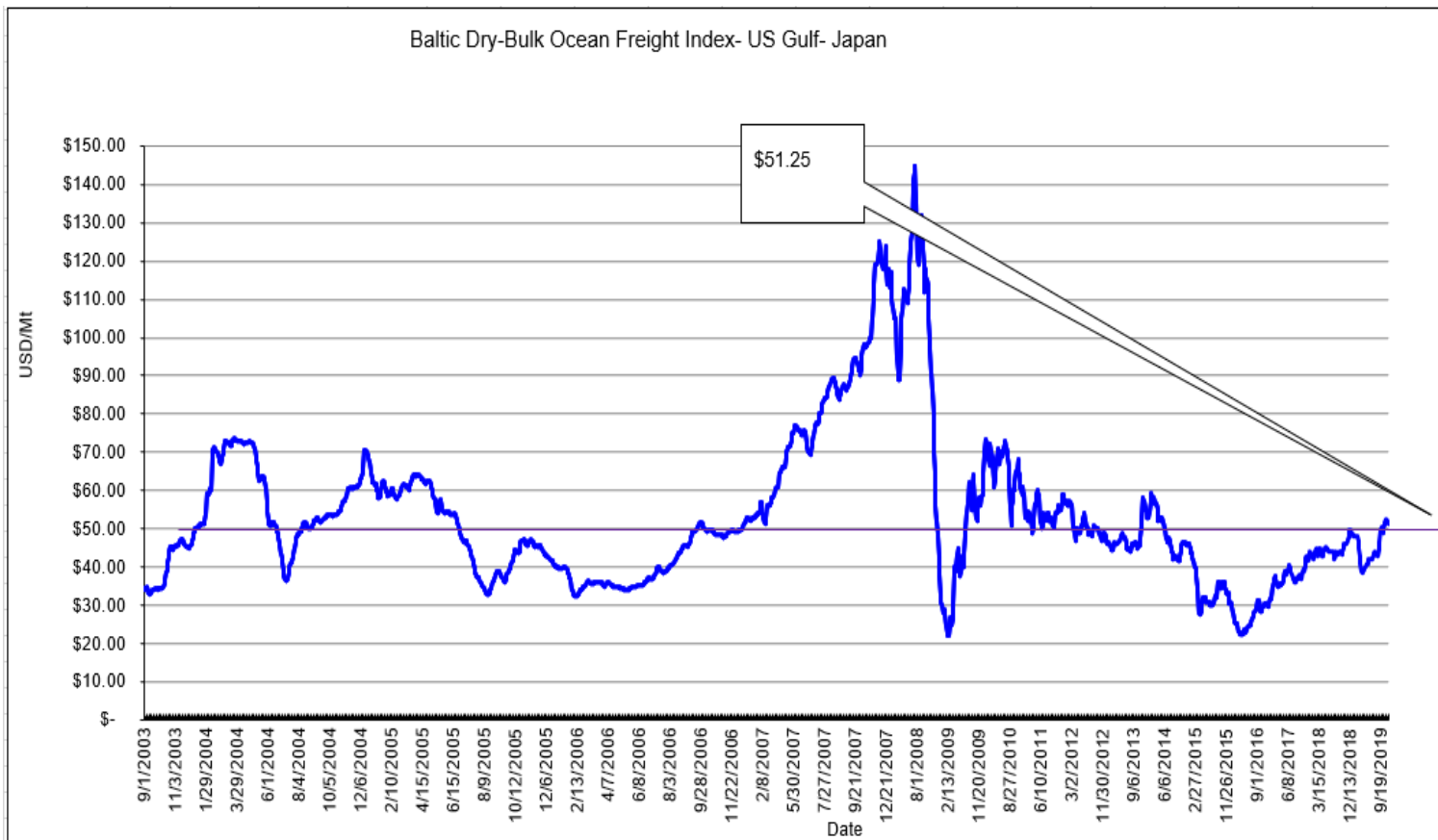
- The above rate estimates reflect the 30-45-day forward ocean freight markets.

Nautical Miles: To Xiamen China (South China)

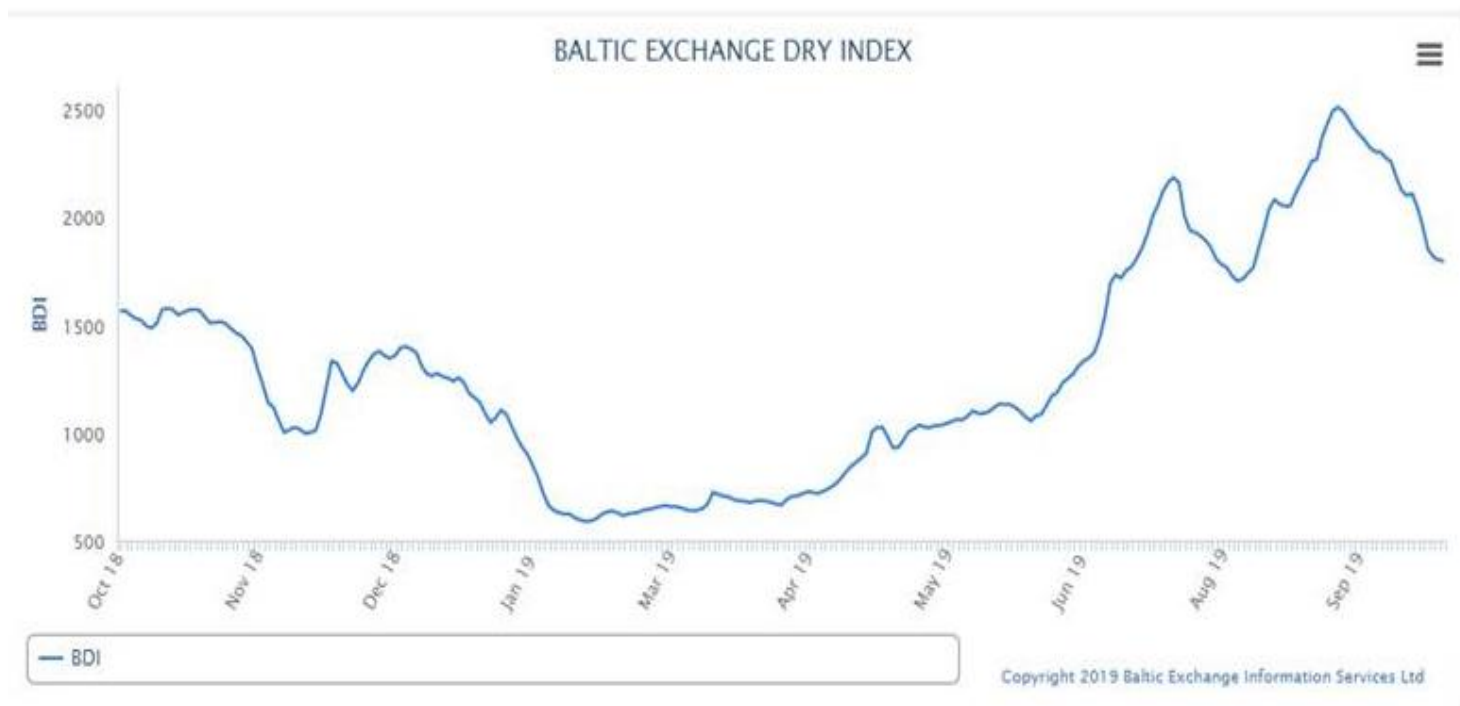
US Gulf (NOLA) (via Panamá Canal) – 10,232 nautical miles (32 days)

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

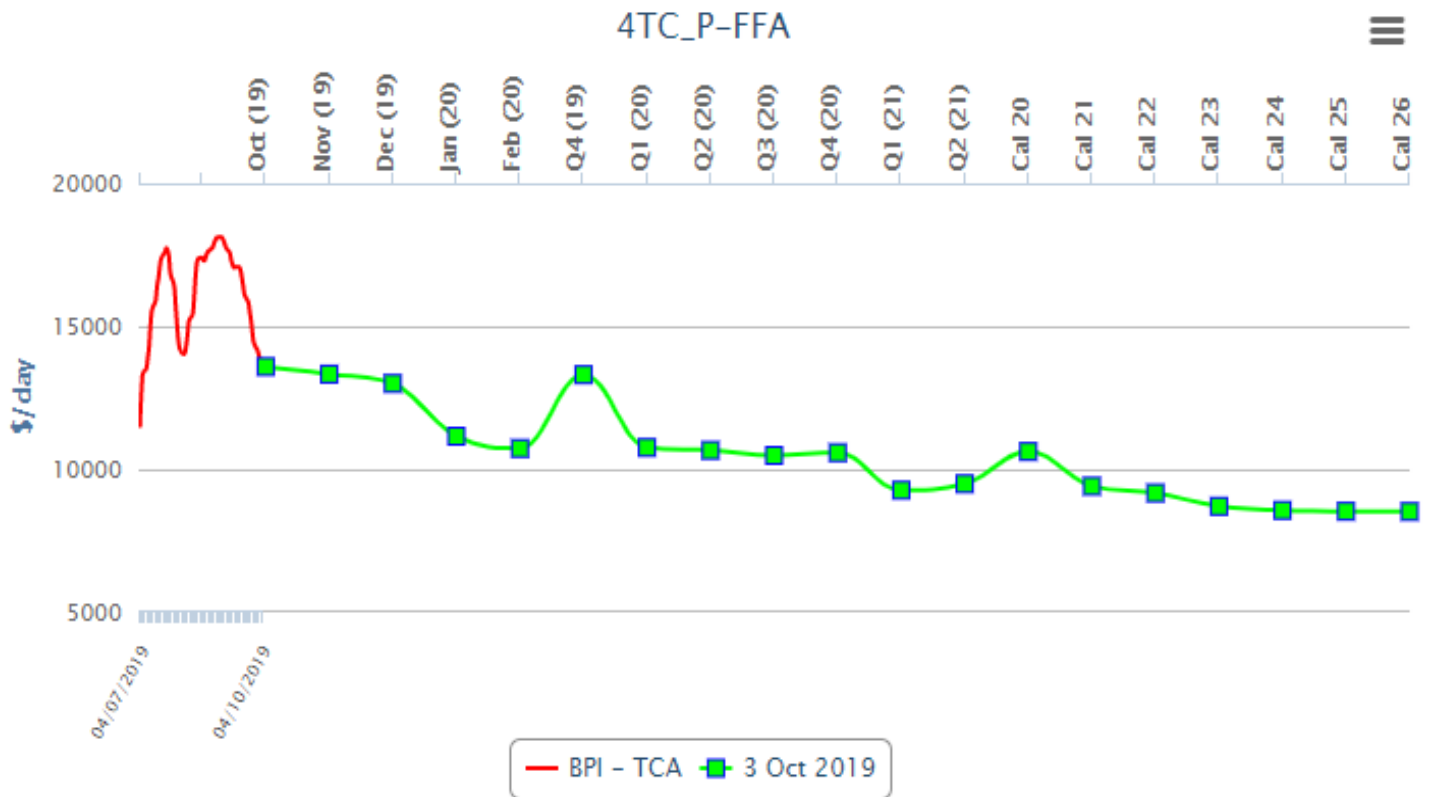
Rosario Argentina (via Cape Horn) - 10,751 nautical miles (34 days)



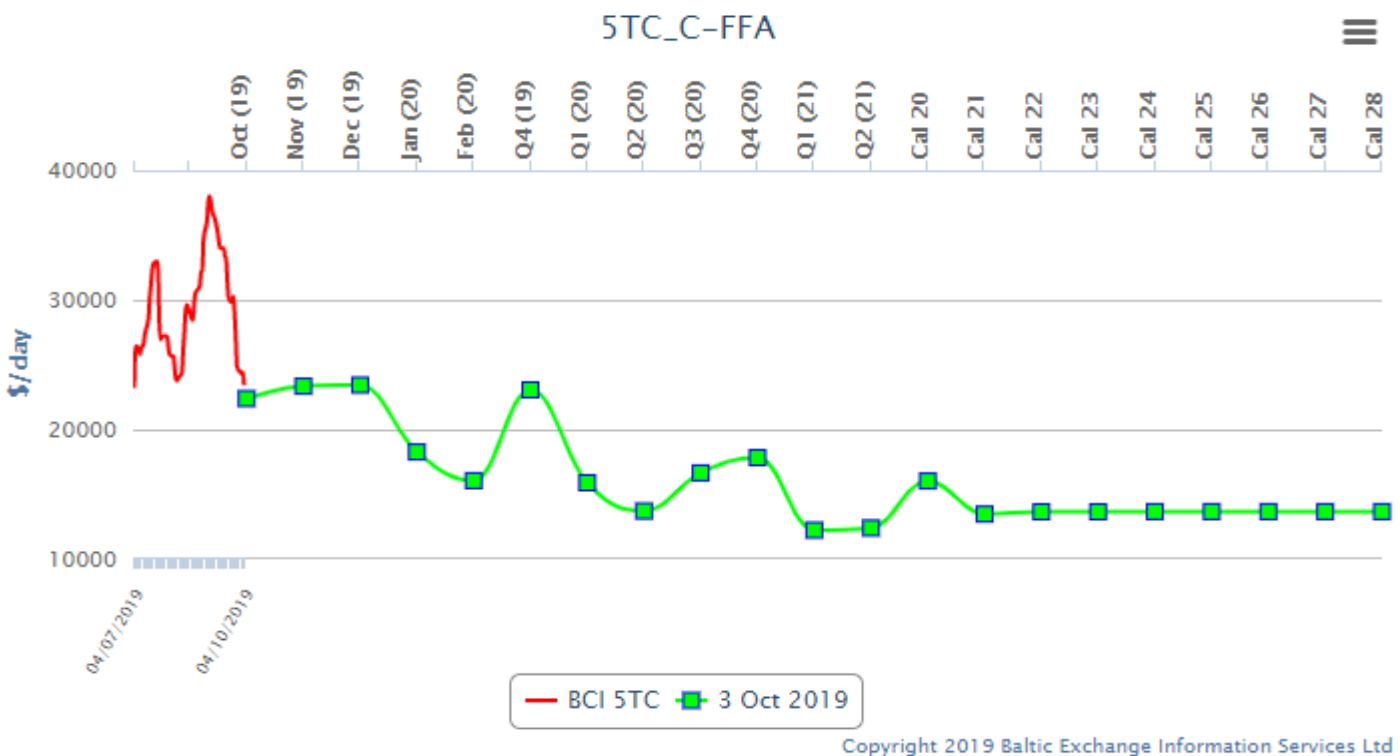
Baltic Dry Bulk Index.



Baltic Panamax Forward Curve Chart



Baltic Capesize Forward Curve Chart



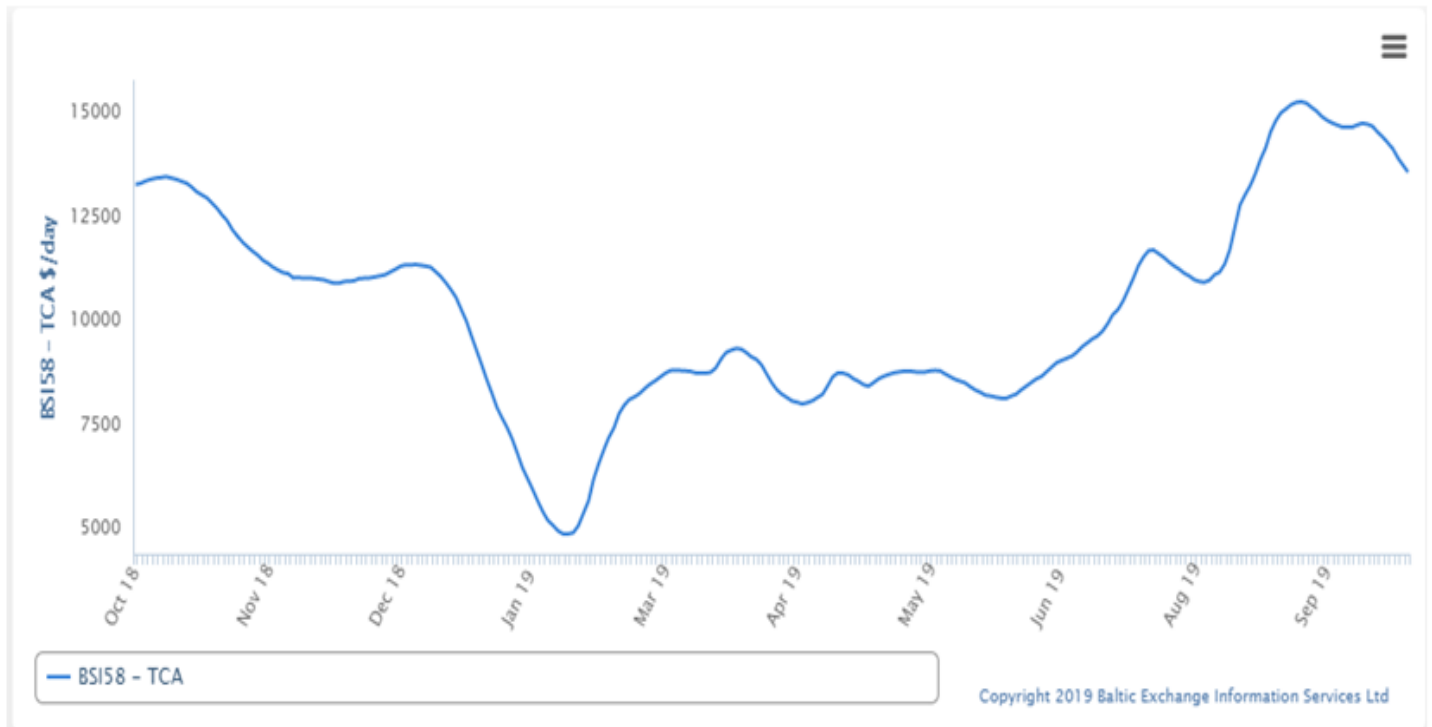
Baltic Panamax Index

Panamax

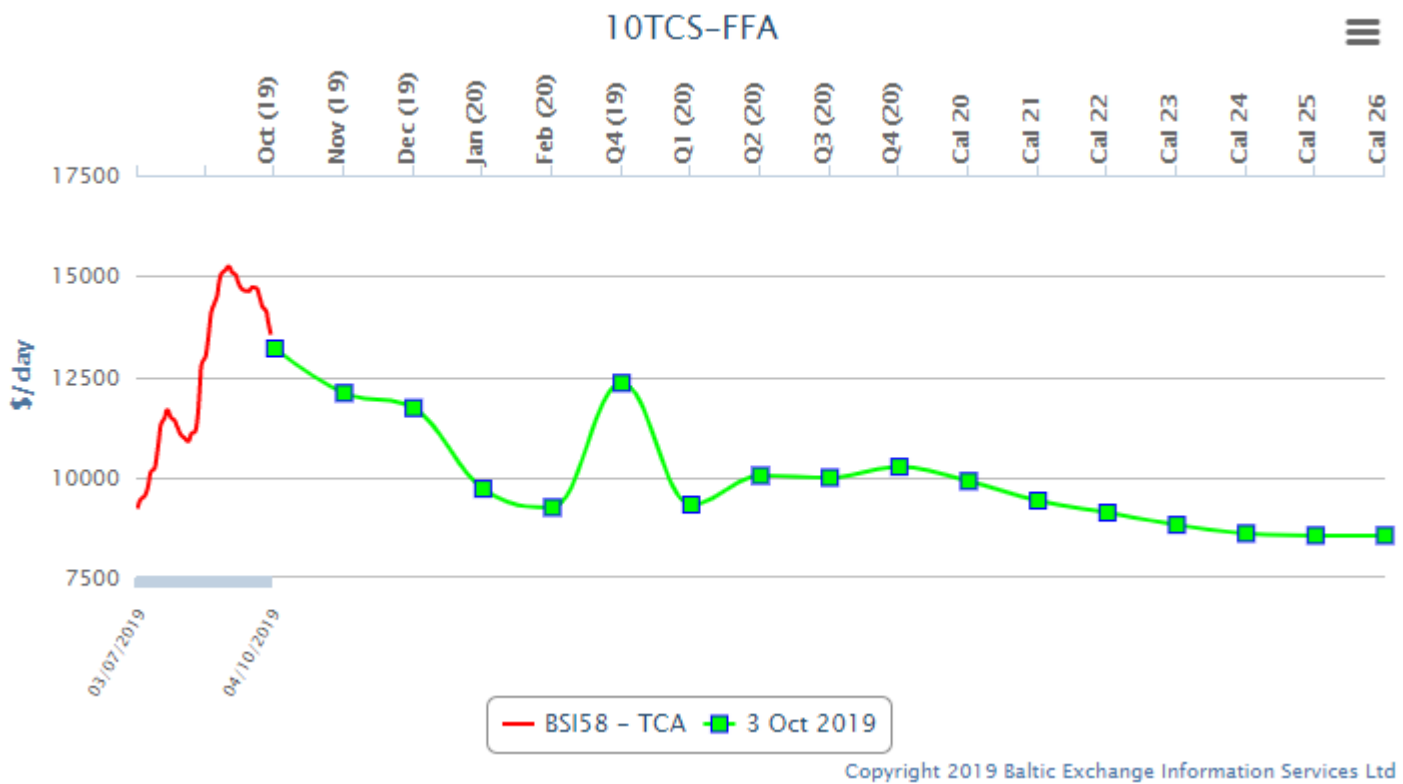


Baltic Supramax Vessel Index

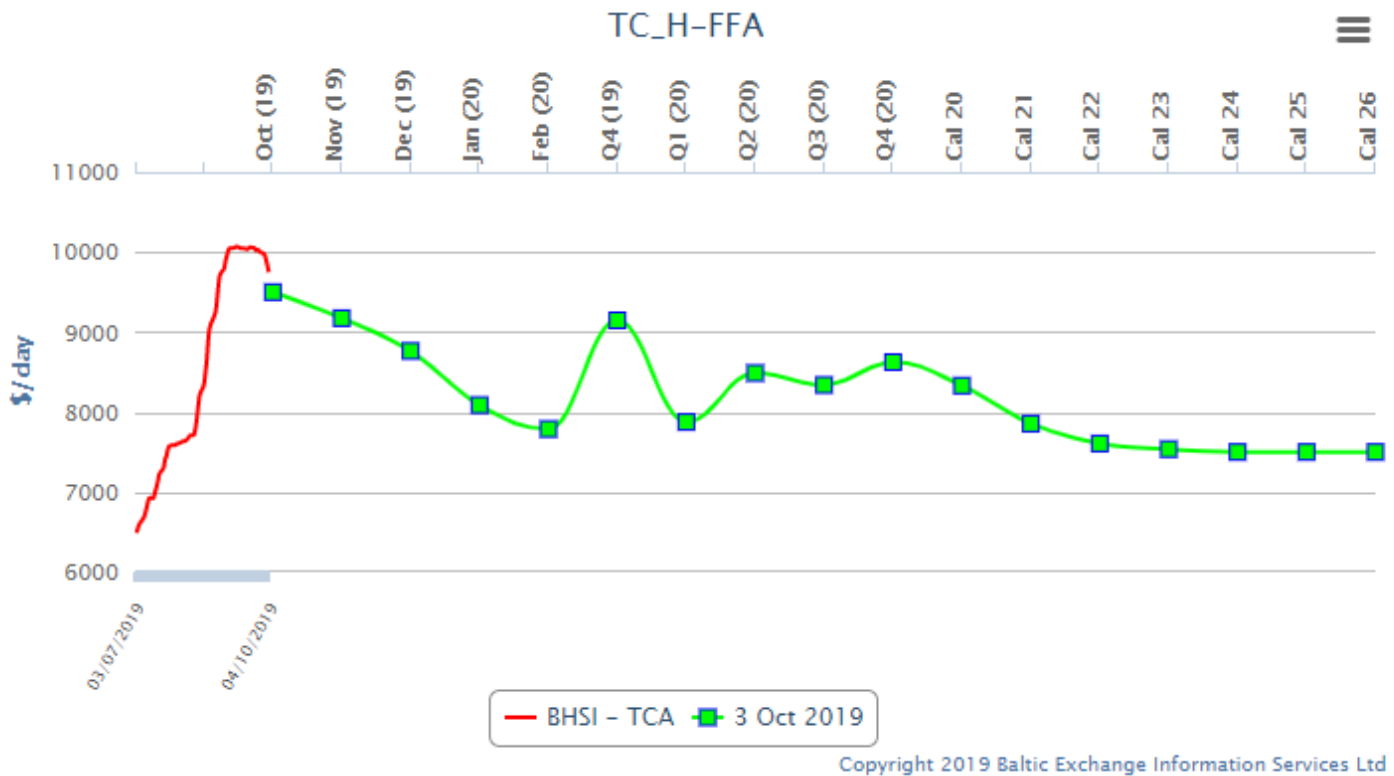
Supramax



Supramax Dry-Bulk Forward Curve



Baltic Handy Size Forward Curve

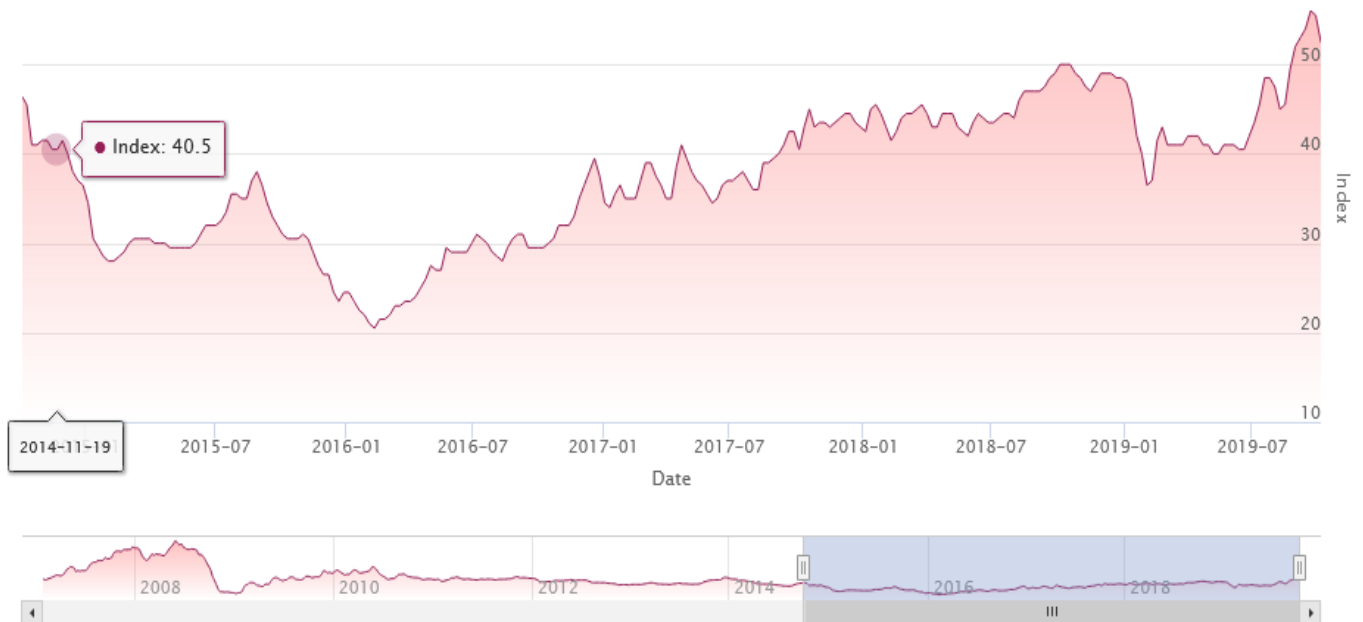


YAMAMIZU Index



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

From 2014-10-02 To 2019-10-02



China Import Dry Bulk Freight Index

2019-09-30

Description	Size MT	Cargo/Vessel Size	Unit	Rate	Change
Composite Index			Point	1057.09	-2.12
Iron ore Freight Index			Point	1051.01	-0.01
Dampier(West Australia)-Qingdao (China)	170000/10%	Iron ore	\$/ton	8.644	0.17
Soybean Freight Index			Point	1144.3	-4.31
Santos(Brazil)—North China	60000/10%	Soybean	\$/ton	39.289	-0.167
Tacoma(West America)—North China	60000/10%	Soybean	\$/ton	27.928	-0.117
Mississippi(US Gulf)—North China	66000/10%	Soybean	\$/ton	50.192	-0.142
Mississippi(US Gulf)—North China	55000/10%	Soybean	\$/ton	52.42	-0.172

3 October 2019 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
Nov.	0.45	\$170.76	0.86	\$186.90
Dec.	0.53	\$173.91	0.88	\$187.69
Jan.	0.48	\$176.66	0.86	\$191.62
Feb.	0.53	\$178.63	0.92	\$193.99
Mar.	0.56	\$179.81	0.94	\$194.77
April	0.54	\$181.09	0.92	\$196.05

The Gulf spread between #2 & #3 YC is currently about .03 cents per bushel (1.18/mt)

SORGHUM (USD/MT) FOB VESSEL				
#2 YGS Fob Vessel	NOLA		TEXAS	
Max. 14.0% moisture	BASIS	FLAT PRICE	BASIS	FLAT PRICE
Nov.	0.90	\$190.44	0.73	\$181.78
Dec.	0.95	\$190.44	0.70	\$180.60
Jan.	0.95	\$195.17	0.65	\$183.36
Feb.	0.90	\$193.20	0.65	\$183.36
Mar.	0.95	\$195.17	0.70	\$185.32

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	\$216.33	\$218.16	\$220.92	\$222.02
Basis	1.00	1.05	1.05	1.08
WZ	4.88750			.
WH	4.9625			
WK	5.0200			

3-Oct-19	Close	This Week	Last Week.	Last Week.	Last Week	
CME Corn Futures	Bushel	MT.	Bushel	Bu. Diff.	MT	MT Diff.
Dec.	\$ 3.8875	\$ 153.04	\$ 3.7250	0.1625	\$ 146.65	\$ 6.40
Mar.	\$ 4.0075	\$ 157.77	\$ 3.8475	0.1600	\$ 151.47	\$ 6.30
May	\$ 4.0600	\$ 159.83	\$ 3.9225	0.1375	\$ 154.42	\$ 5.41
July	\$ 4.0850	\$ 160.82	\$ 3.9750	0.1100	\$ 156.49	\$ 4.33
Sept.	\$ 4.0200	\$ 158.26	\$ 3.9950	0.0250	\$ 157.27	\$ 0.98
Dec.	\$ 4.0550	\$ 159.64	\$ 4.0425	0.0125	\$ 159.14	\$ 0.49

CBOT Dec. 2019 (CZ19) CORN Futures Chart –



CME/CBOT Dec. 2019 (WZ19) SRW Wheat Futures Chart –

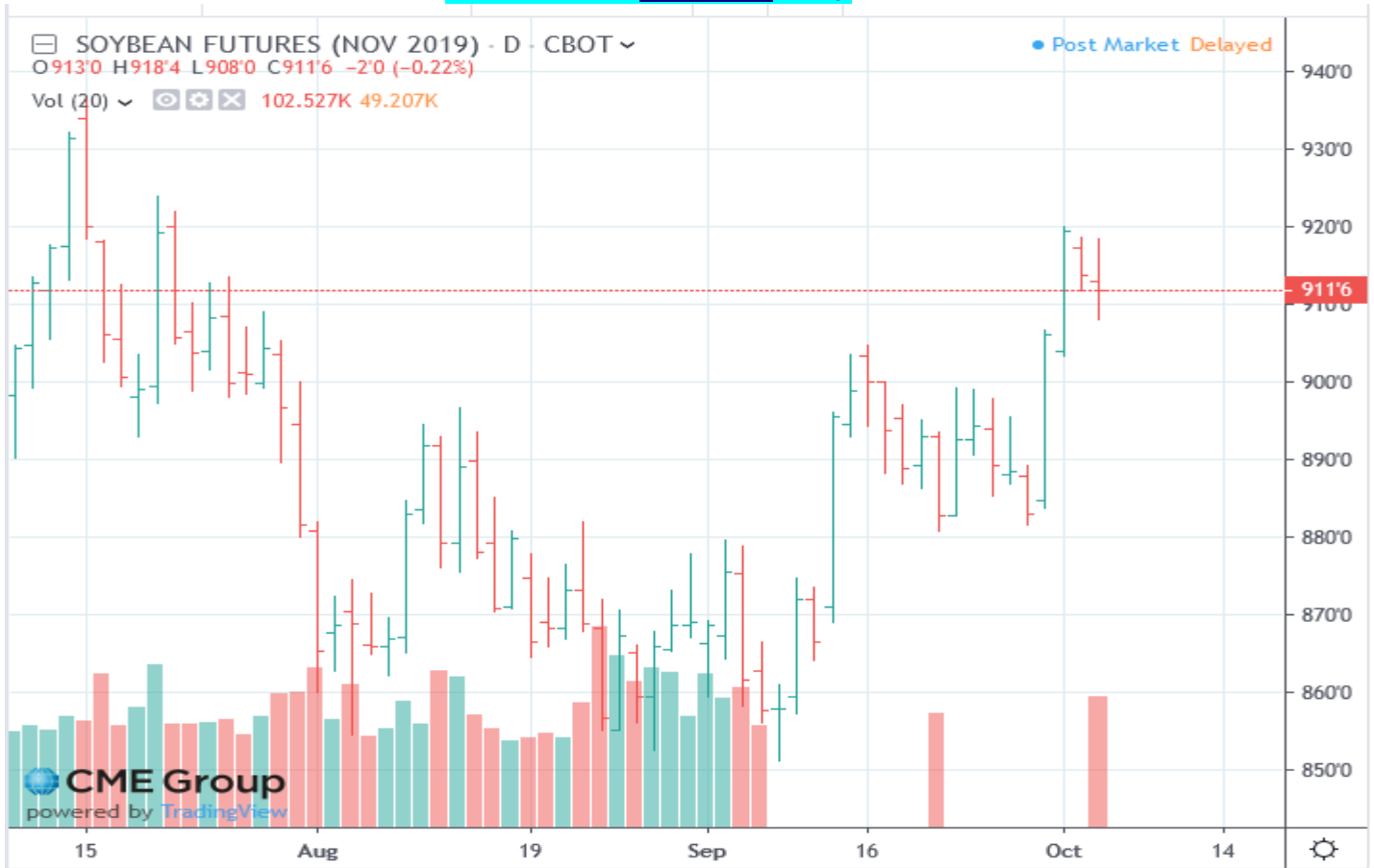


U.S. Soybean and SBM Markets Fob Vessel:

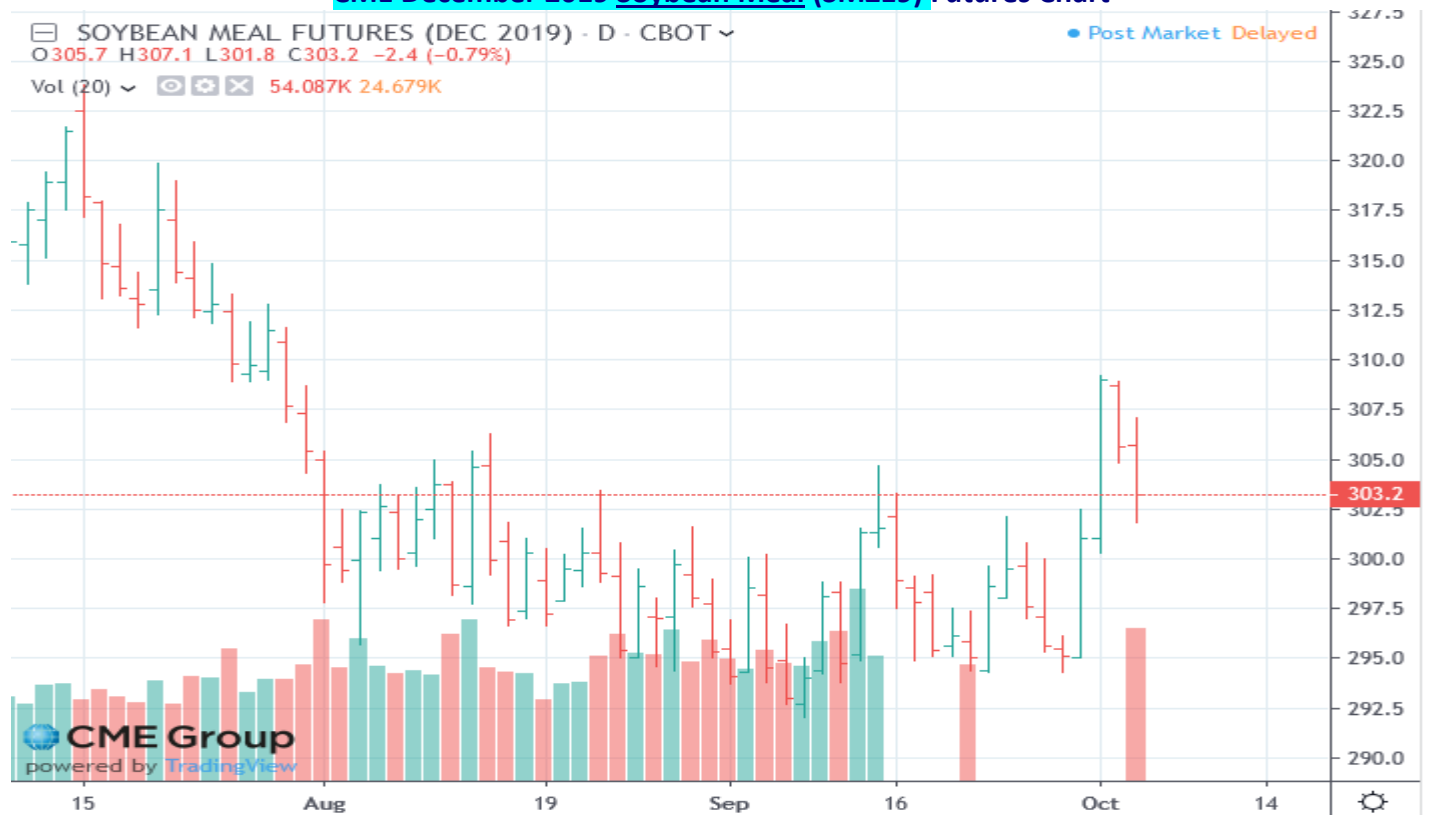
U.S. Yellow Soybeans (USD/MT) FOB Vessel				
# 2 YSB	U.S. Gulf #2 YSB		PNW #2 YSB	
14.0 % Moisture	Basis	Flat Price	Basis	Flat Price
Nov.	0.42	\$350.44	0.90	\$368.08
Dec.	0.40	\$354.94	0.82	\$370.37
Jan.	0.48	\$357.88	0.85	\$371.48
Feb.	0.40	\$358.80	0.76	\$372.03
Mar.	0.43	\$359.90	0.80	\$373.50
Soybean Futures				
Nov.	\$ 9.1175			
Jan.	\$ 9.2600			
Mar.	\$ 9.3650			
May	\$ 9.4625			
July	\$ 9.5475			
August	\$ 9.5850			

U.S. SBM (USD/MT) FOB Vessel		
Fob U.S. Gulf Port	47.5 Pro. SBM	
max 12.5 % moisture	Basis	Flat Price
Nov.	5.00	\$ 339.46
Dec.	5.00	\$ 341.55
Jan.	6.00	\$ 342.66
Feb.	5.00	\$ 345.19
Mar.	6.00	\$ 346.30
SBM Futures		
SMZ	302.90	
SMF	304.80	
SMH	308.10	
SMK	311.80	
SMN	315.90	
SMQ	317.60	

CME Nov. 2019 Soybean (SX19) Futures Chart:



CME December 2019 Soybean Meal (SMZ19) Futures Chart



U.S. EXPORT STATISTICS: Report Activity as of Week Ending 19 September 2019

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 '20- 21 (000 MT)
Corn	514.4	9,148.9	52,070	18%	124.9
Sorghum	66.1	135.6	2,540	5%	0.0
Soybeans	1047.7	12,218.8	48,310	25%	0.0
Wheat	374.0	12,576.1	26,540	47%	8.9
Barley	0.1	57.5	70	82%	0.0

U.S. EXPORT INSPECTIONS:

Monday's report 30 September 2019 for the Export week ending 26 September 2019

	Export Inspections		Current Market Year YTD	Previous Year to Date	2019/20 YTD as Percent of 2018/19 YTD
	This Week	Previous Week			
Corn	399,736	235,389	1,530,264	4,455,073	34%
Sorghum	5,604	6,276	91,279	8,704	1049%
Soybeans	982,288	926,247	3,150,498	2,971,164	106%
Wheat	466,506	488,647	8,485,080	6,917,638	123%
Barley	2,595	0	5,631	3,547	159%

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

U.S. EXPORT INSPECTIONS:

Monday's report 30 September 2019 for the Export week ending 26 September 2019

Last Week								
(Metric Tons)	YC	%	WC	%	Sorghum	%	Soybeans	%
Lakes	0	0%	0	0%	0	0%	7,650	1%
Atlantic	588	0%	0	0%	0	0%	1,127	0%
Gulf	213,062	54%	2,586	33%	0	0%	728,306	74%
PNW	45,090	12%	122	2%	0	0%	124,073	13%
Interior Export Rail	133,198	34%	5,090	65%	5,604	100%	121,132	12%
Metric Tons	391,938		7,798		5,604		982,288	

Sorghum Shipments:	metric tons	
	5,604	Mexico
	5,604	Total

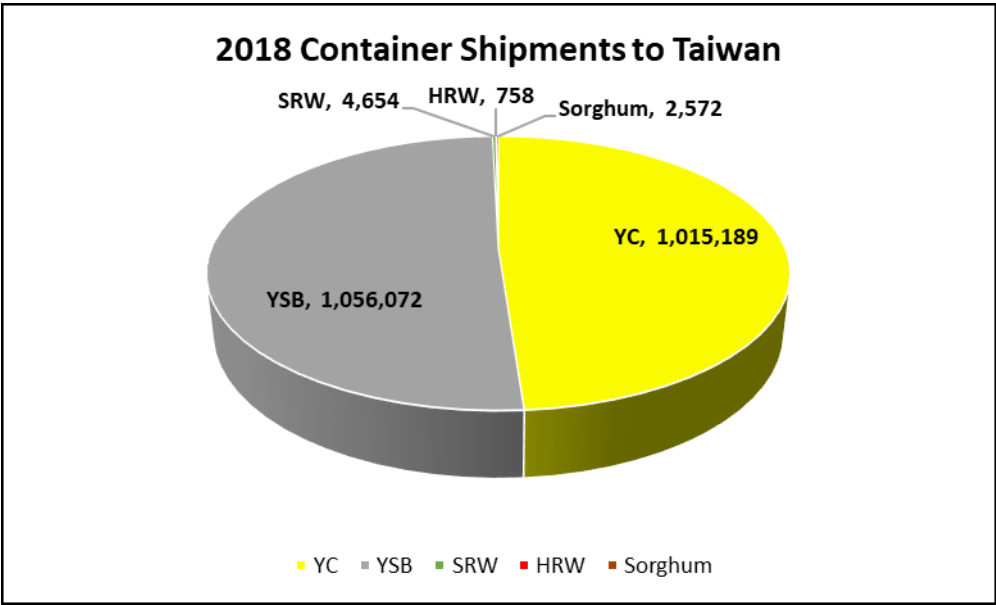
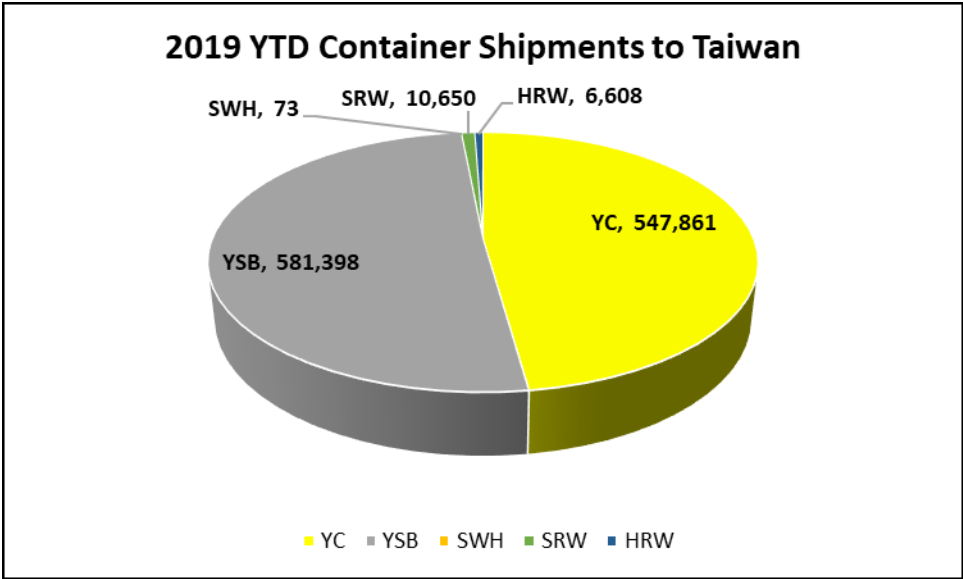
White Corn	metric tons	
Shipments:	2,586	Colombia
	122	Korea Rep
	5,090	Mexico
	7,798	Total

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:		26-Sep-2019							
Last Week	metric tons								MT
	YC	WC	YSB	SRW	NS	SWH	HRW	Sorghum	TOTAL
China Main									0
China T	11,725		18,024						29,749
Hong Kong	661								661
Costa Rica	196								196
Indonesia			24,288						24,288
French Poly									0
Japan			489						489
Korea Republic	856		1,347						2,203
Nepal			3,084						3,084
Malaysia	98		5,777						5,875
Ireland									0
Philippines			343						343
Thailand			2,717						2,717
Brazil				490					490
Lebanon									0
Bangladesh									0
Burma			930						930
Vietnam			3,648						3,648
Sub total	13,536	0	60,647	490	0	0	0	0	69,605
USDA Corrections/Additions to previous reports:									
China T				245					245
China Main									0
Hong Kong									0
Korea Rep.									0
Singapore			539						539
Japan									0
Philippines									0
Indonesia			1,860						1,860
Malaysia				294					294
Thailand			490						490
Vietnam									0
Canada						192			192
Bangladesh									0
Sub total	0	0	2,889	539	0	192	0	0	3,620
Mt. Grand Total	13,536	0	63,536	1,029	0	192	0	0	73,225
Number of containers	589	0	2,762	45	0	8	0	0	

Jan - Dec 2018 Annual Totals versus 2019 Jan.-Dec. YTD Total Container Shipments (in MT)



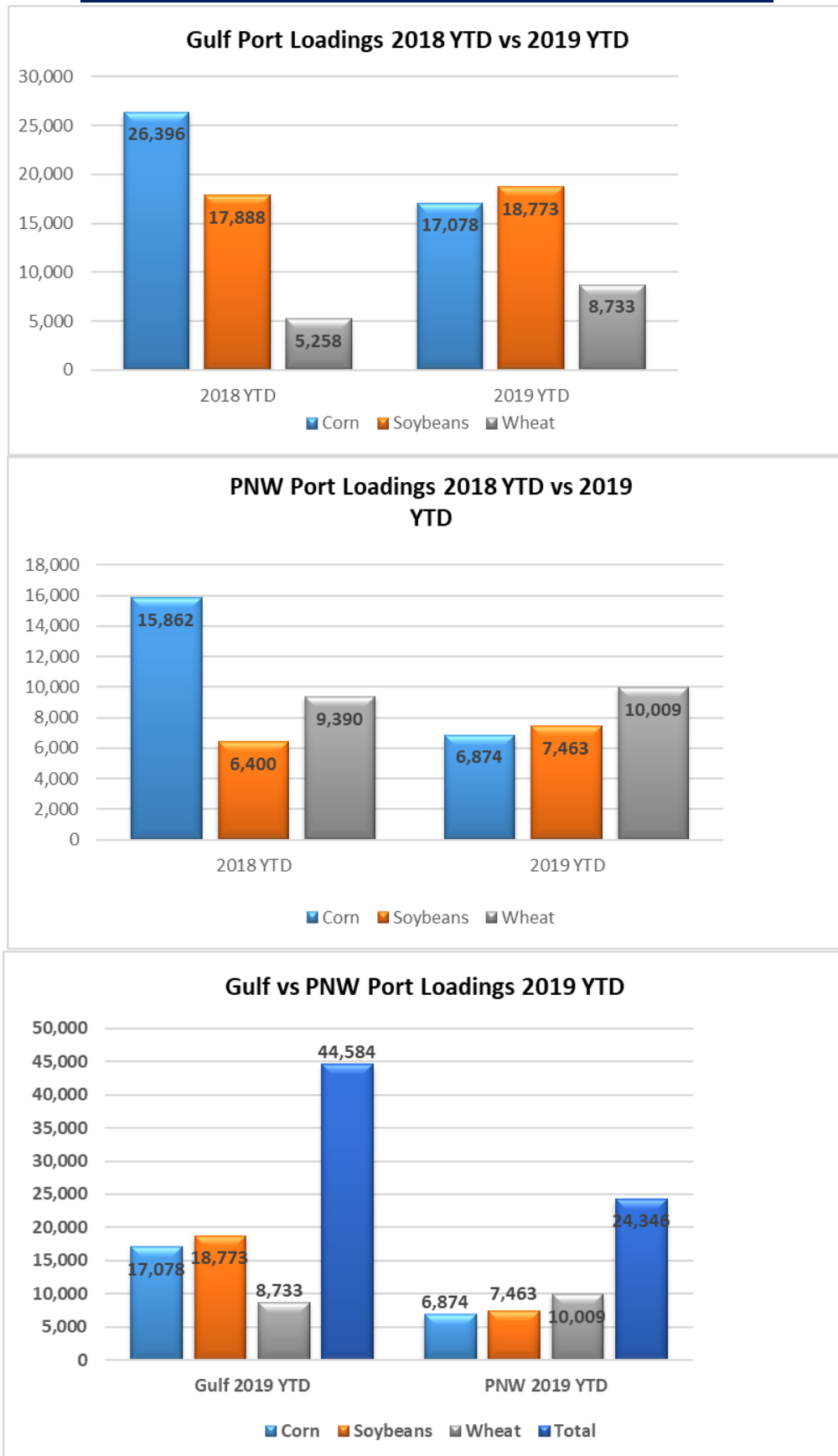
Grain Inspections for Export by U.S. Port Regions:
U.S. Gulf and Pacific Northwest 2018 YTD vs. 2019 YTD

PORT LOADINGS US Gulf				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
GULF				
2018 YTD	26,396	17,888	5,258	49,542
2019 YTD	17,078	18,773	8,733	44,584
2019 as % of 2018	65%	105%	166%	90%

PORT LOADINGS US PNW				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
PNW				
2018 YTD	15,862	6,400	9,390	31,652
2019 YTD	6,874	7,463	10,009	24,346
2019 as % of 2018	43%	117%	107%	77%

PORT LOADINGS GULF vs. PNW				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
2019 Gulf YTD	17,078	18,773	8,733	44,584
2019 PNW YTD	6,874	7,463	10,009	24,346
TOTAL	23,952	26,236	18,742	68,930
Gulf Percentage	71%	72%	47%	65%
PNW Percentage	29%	28%	53%	35%

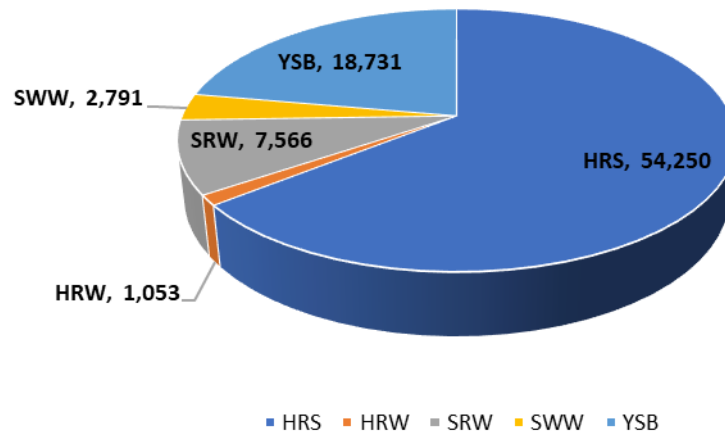
Grain Inspections for Export by U.S. Port Regions (1,000MT):
U.S. Gulf and Pacific Northwest 2018 YTD vs. 2019 YTD



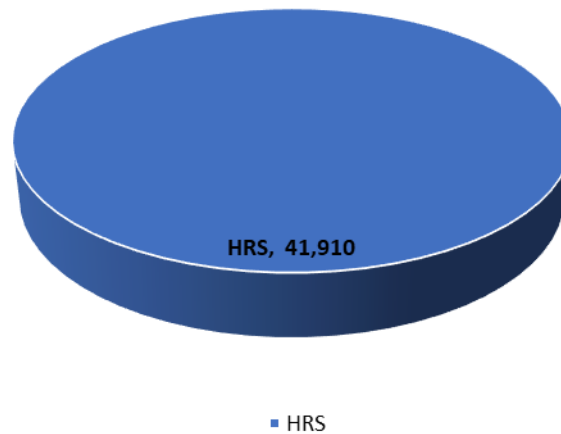
Source: USDA-data

2019 YTD Total Grain Exports reported by USDA (in MT)

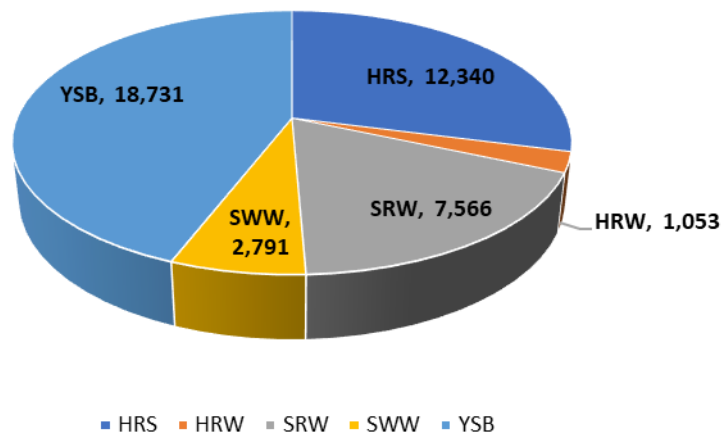
2019 YTD Exports to Burma



YTD Exports to Burma by Vessel



YTD Exports to Burma by Container



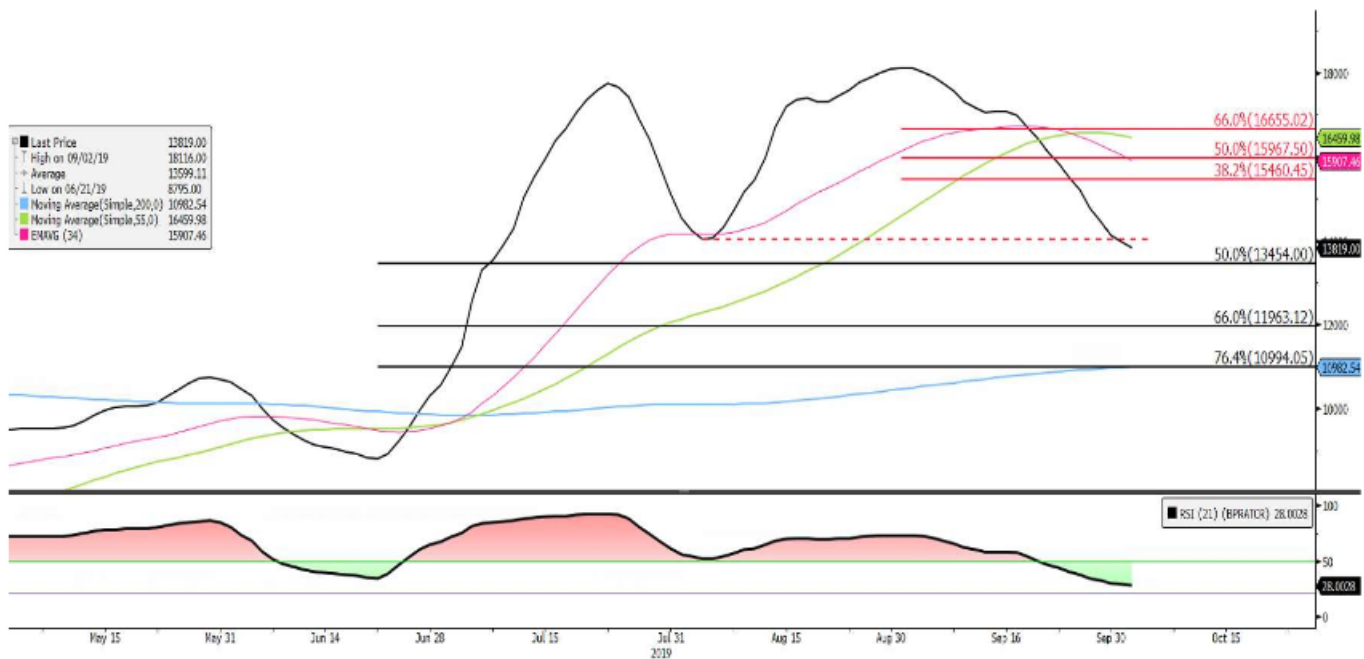
*Please keep in mind that USDA does not report DDGS sales

Shipping News

EXCLUSIVE-Ships with 1 mln tonnes of grain stuck outside Iran's ports in payment crisis

More than 20 ships carrying around one million tonnes of grain are stuck outside Iranian ports as U.S. sanctions create payment problems and hamper the country's efforts to import vital commodities, sources directly involved in the trade said. Trading companies such as Bunge and China's COFCO International have been hit by payment delays and additional costs of up to \$15,000 a day as the renewed U.S. restrictions stifle the processing of transactions, trade sources said.

Panamax Index Daily



Resistance –15,460, 15,967, 16,655

Source Bloomberg

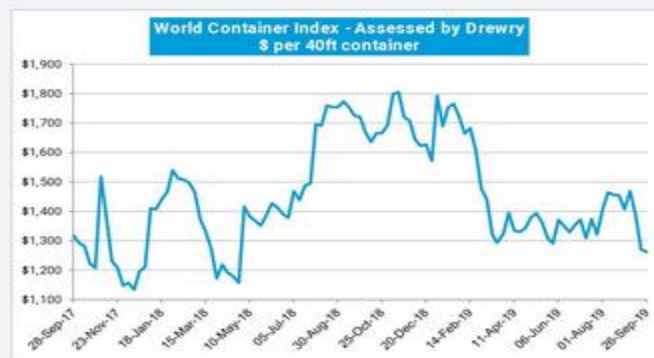
Support 13,454, 11,963, 10,994

The Index remains corrective and has now broken Fractal support

World Container Index - 26 Sep

The World Container Index assessed by Drewry, a composite of container freight rates on 8 major routes to/from the US, Europe and Asia is down by 0.6% to \$1,262.39 per 40ft container (updated Thursday, 26 September 2019).

Two-year spot freight rate trend for the World Container Index:



World Container Index Assessed by Drewry

Our detailed assessment for Thursday, 26 September 2019



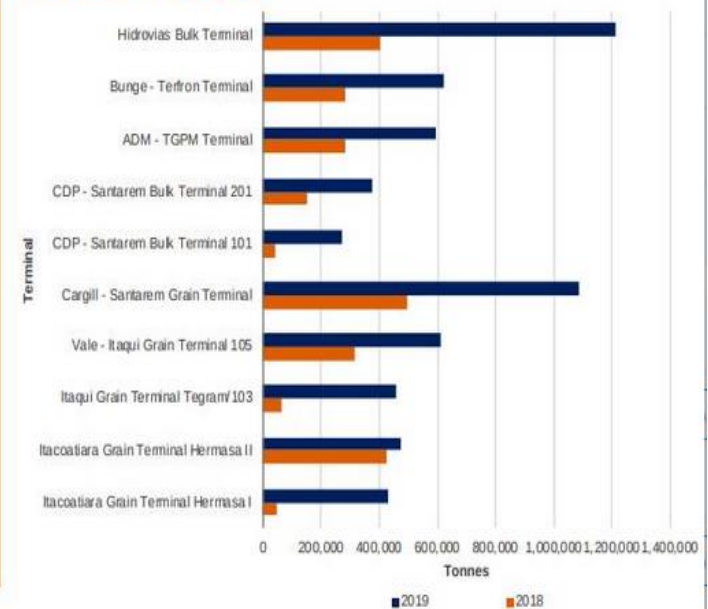
ClipperData @ClipperData · 6h

Our latest special report, "Grain & Oilseed Flows Detected in Real-Time Data," details issues impacting #grain and #oilseed flows.

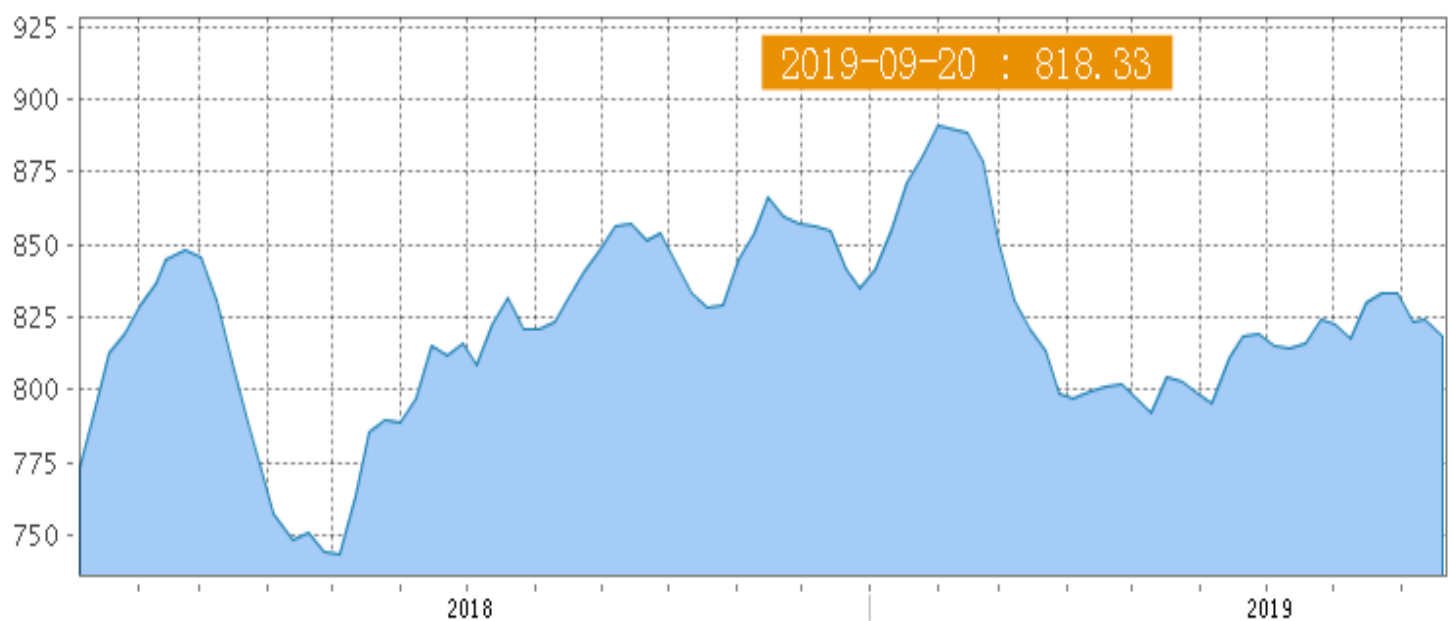
CARIBBEAN/LATIN AMERICAN MARKET SHARE



BRAZIL NORTHERN ARC TERMINAL LOADING JANUARY-AUGUST



China Containerized Freight Index



U.S. RIVER BARGE FREIGHT

Current Barge Freight for Placement First Half November 2019

Placement FH November 2019	% of		Corn	Soybeans-Wheat
	Tariff	MT	BU	BU
Upper Mississippi	390	\$26.61	0.68	0.72
Illinois River (Pekin and South)	385	\$20.41	0.52	0.56
Mid-Mississippi	400	\$23.46	0.60	0.64
Lower Ohio	365	\$17.94	0.46	0.49
St. Louis	300	\$13.19	0.34	0.36

Secondary Rail Car Market for car placement period: First Half November 2019.

Secondary Rail Car Market Placement FH. November 2019	BID USD	ASK USD	BID BU.	ASK BU.	BID MT	ASK MT
BNSF Shuttle Trains	\$ (125.00)	\$ (50.00)	\$ (0.03)	\$ (0.01)	\$ (1.23)	\$ (0.49)
UPRR Shuttle Trains	\$ (150.00)	\$ (50.00)	\$ (0.04)	\$ (0.01)	\$ (1.48)	\$ (0.49)

Best Regards,

Jay

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*** The information in this market report is derived from sources believed to be reliable and accurate but cannot be guaranteed. Forward looking projections are never completely accurate, and these markets move quickly.
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