

Transportation and Export Report for 31 October 2019

Ocean Freight Insights and Comments:

It has turned into a slippery slope for the Dry-Bulk shipping industry. Last week did not produce the bottoming out scenario that was expected. Both paper and Physical traders have been unwilling to bid up without first seeing signs of better support in what has become a thin and unbalanced market. With more offers than bids sellers have been unable to repeat the last value traded and have simply been chasing the market down. Panamax freight has largely been following the Capesize sector. On a day like today; it has been more trick than treat for vessel owners.

BALTIC DRY-BULK PANAMAX INDEX CHANGES

Panamax Ocean Freight Indices				
31-Oct-19	This Week	Last Week	Difference	Percent Change
P2A : Gulf/Atlantic - Japan	21905	23970	-2,065	-8.6%
P3A - PNW/Pacific - Japan	10908	12174	-1,266	-10.4%
S1C -USGULF-China-So.Japan	22728	24586	-1,858	-7.6%
P7- Trial- Miss. River - Qingdao	48363	49650	-1,287	-2.6%
P8- Trial- Santos - Qingdao	35722	37050	-1,328	-3.6%

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

Four weeks ago:	\$850-\$9.20
Three weeks ago:	\$9.20-\$9.50
Two weeks ago:	\$9.05 -\$9.50
One week ago:	\$8.80-\$9.05
This week	\$9.00-\$9.20

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

Mississippi River:	(10 elevators)	2-8 days (2 facilities not currently operating)
Miss. River Mid-Stream loaders:	(6+ Rigs)	2-6 days
Texas Gulf	(5 elevators)	0-4 days
Pacific Northwest:	(9 elevators)	1-7 days

Panamax Market Spreads to Asia -China					
31-Oct-19	PNW	GULF	Bushel Spread	MT Spread	Advantage
CORN	1.01	0.62	0.39	\$15.35	PNW
SOYBEANS	0.93	0.56	0.37	\$14.57	PNW
OCEAN FREIGHT	\$26.50	\$48.75	.57-.61	\$22.25	December

Recent Reported Vessel Fixtures:

66,000 mt US Gulf to China mid-November at \$49.00 fio 10000sshex/8000sshex - Zennoh

Soybean Panamax USG to Spain is running \$22.50/mt.

Soybean Brazil to Spain at about \$25.00/mt.

30,000 mt Corn Northern Brazil to Vera Cruz, Mexico \$20.00-\$20.50/mt .To U.S. E/C about \$23.00-23.75/mt

Route and Vessel Size	Current Week USD/MT	Change from previous week	Remarks
55,000 U.S. Gulf-Japan	\$49.50	Down \$1.00	Handymax \$50.00 mt
55,000 U.S. PNW- Japan	\$27.00	Down \$1.00	Handymax \$28.00 mt
66,000 U.S. Gulf – China PNW to China	\$48.75 \$26.50	Down \$0.75 Down \$0.75	North China
25,000 U.S. Gulf- Veracruz, México	\$18.25	Down \$0.25	3,000 MT daily discharge rate
30-35,000+ U.S. Gulf- Veracruz, México	\$15.50	Down \$0.25	Deep draft and 6,000 MT per day discharge rate.
30-38,000 U.S. Gulf- <u>East Coast Colombia</u> From Argentina	\$19.75 \$39.00	Down \$0.25	<u>West Coast Colombia at \$32.25</u> USG to E/C 50,000 mt at \$18.00
43-45,000 U.S. Gulf - Guatemala	\$29.25	Down \$0.25	Acajutla/Quetzal - 8,000 out
26-30,000 U.S. Gulf – Algeria	\$36.00 \$37.00	Down \$0.25	8,000 mt daily discharge 3,000 mt daily discharge
26-30,000 US Gulf-Morocco	\$37.00	Down \$0.50	5,000 discharge rate
55-60,000 U.S. Gulf –Egypt PNW to Egypt	\$30.50 \$30.75	Down \$0.50	60,000 -55,000 mt Romania- Russia- Ukraine \$15.00 -\$15.25 -\$16.75 (France \$20.50-\$21.50)
60-70,000 U.S. Gulf – Europe – Rotterdam	\$19.00	Down \$0.25	Handymax at +\$1.75 more
Brazil, Santos – China Brazil, Santos – China Itacoatiara-Port Upriver North Brazil	\$37.00 \$36.75 \$38.00	Down \$1.00	54-59,000 Supramax-Panamax 60-66,000 Post Panamax 60-66,000 mt
56-60,000 Argentina/Rosario- China Deep Draft	\$40.00	Down \$1.00	Upriver with BB Top Off \$42.50

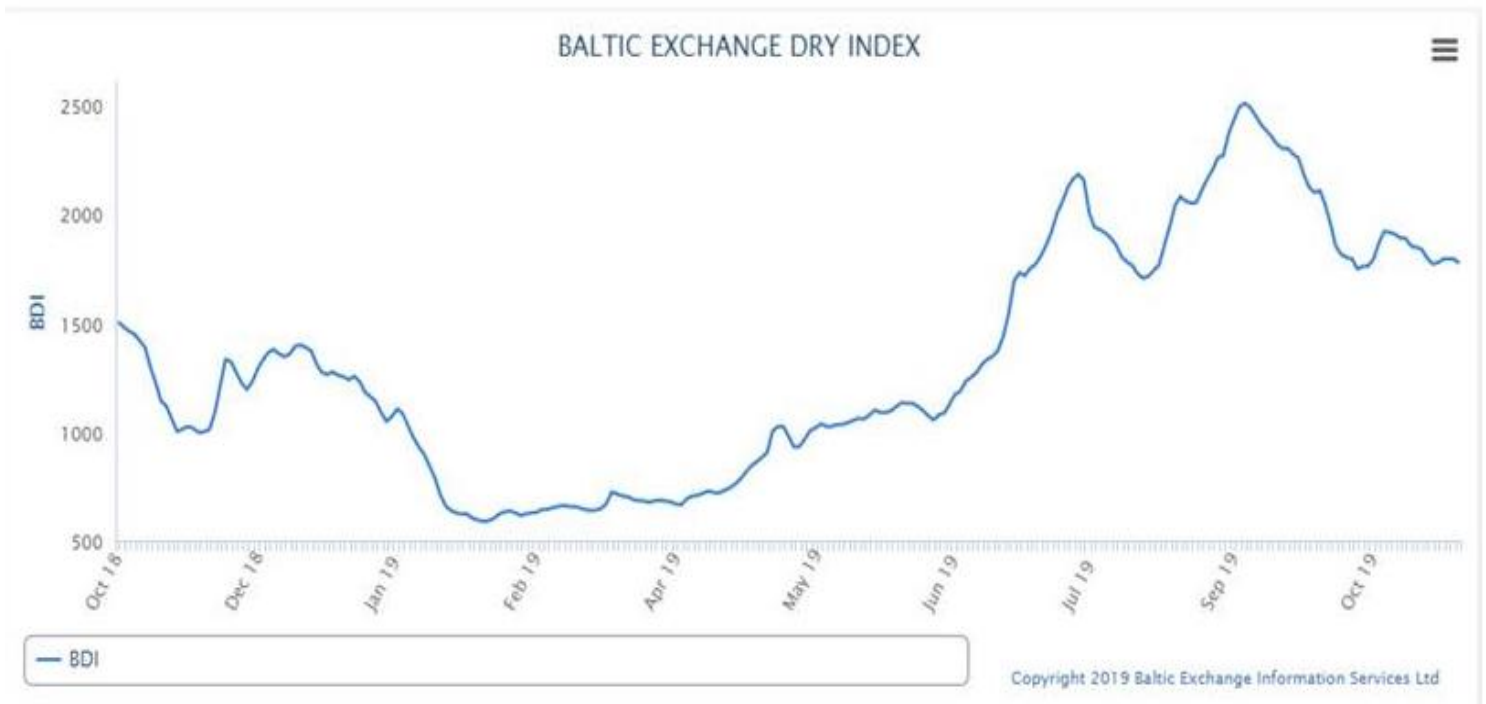
- The above rate estimates reflect the 30-45-day forward ocean freight markets.

Nautical Miles: To Xiamen China (South China)

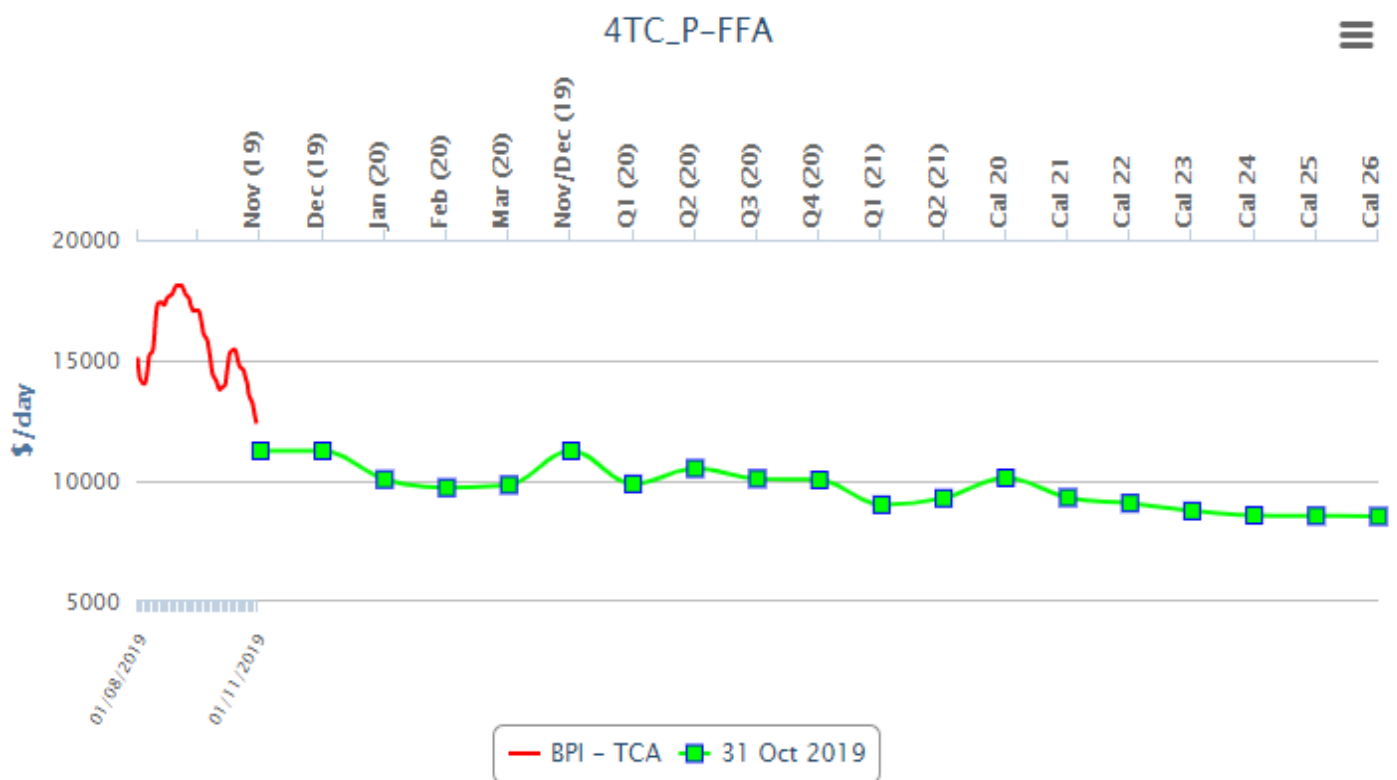
US Gulf (NOLA) (via Panamá Canal) – 10,232 nautical miles (32 days)

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

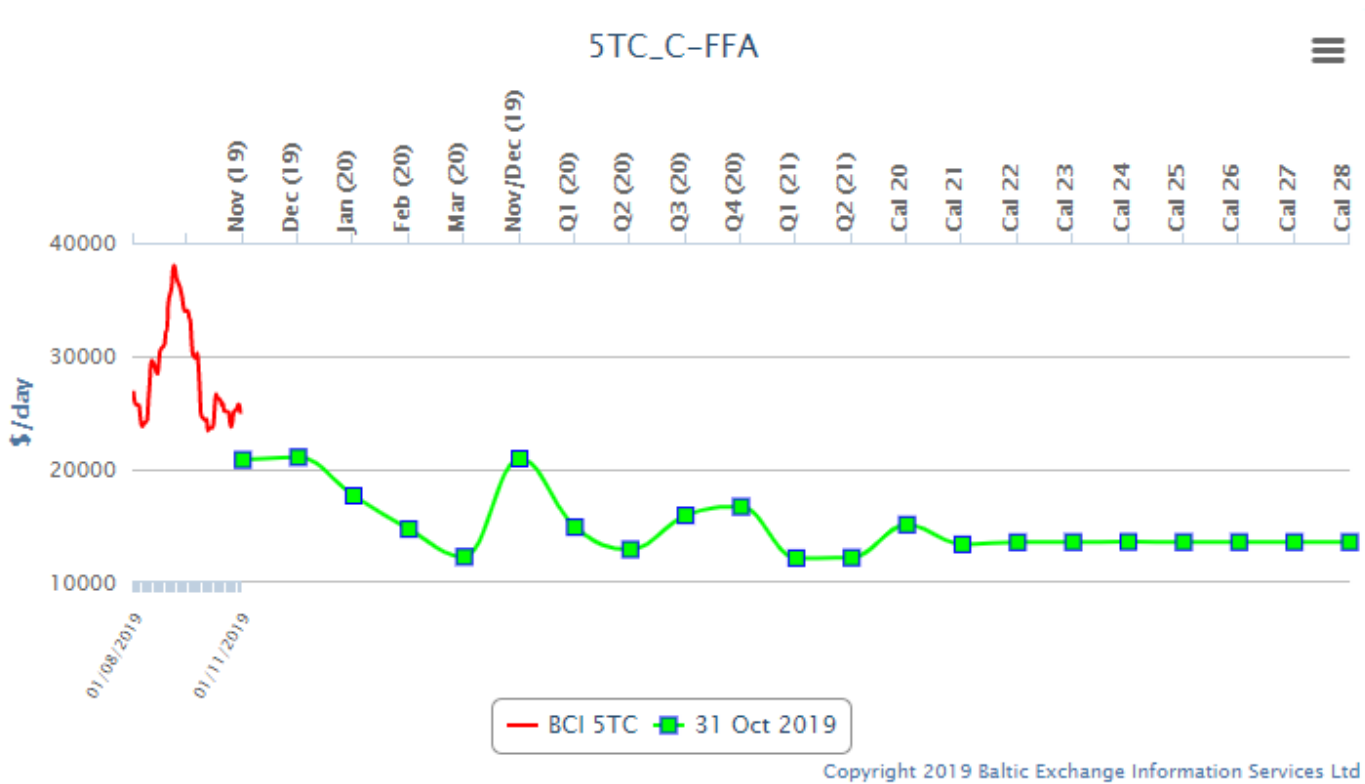
Baltic Dry Bulk Index.



Baltic Panamax Forward Curve Chart

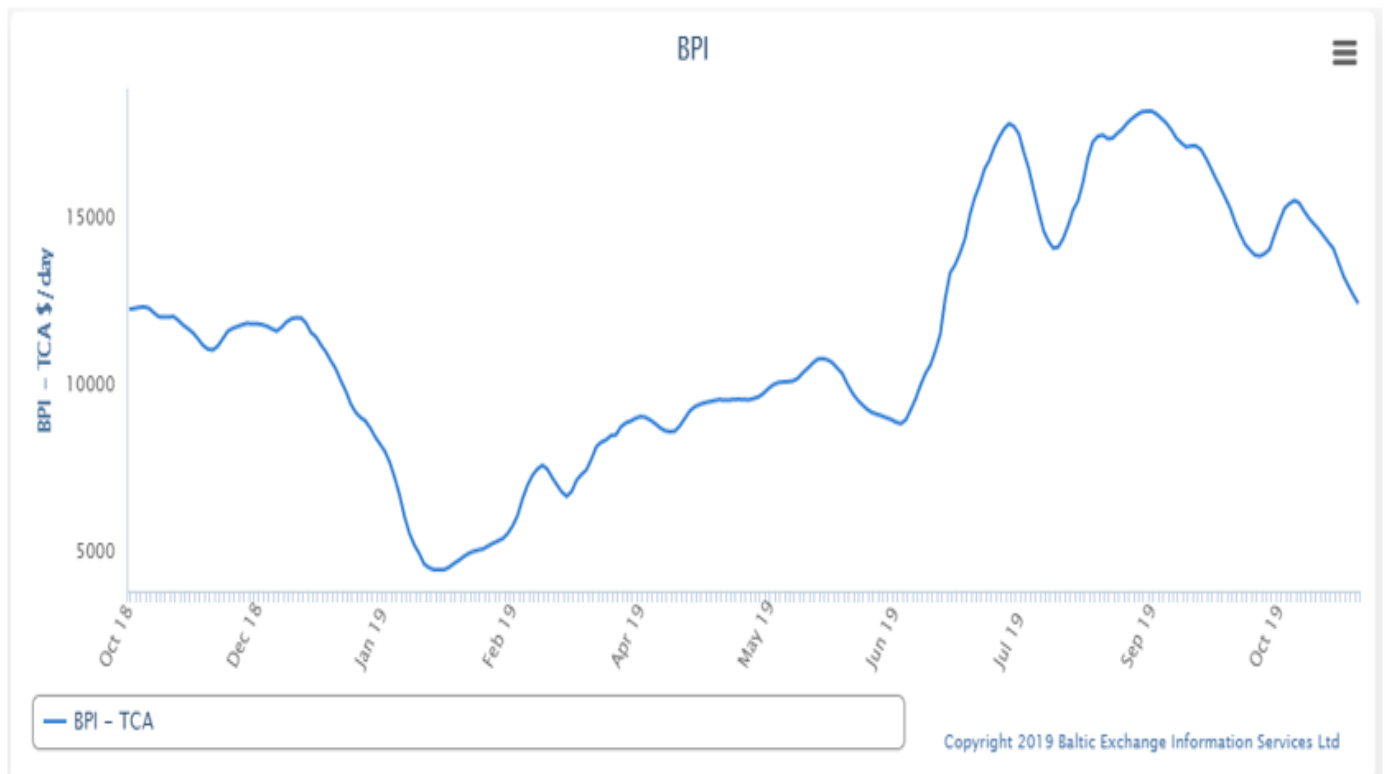


Baltic Capesize Forward Curve Chart



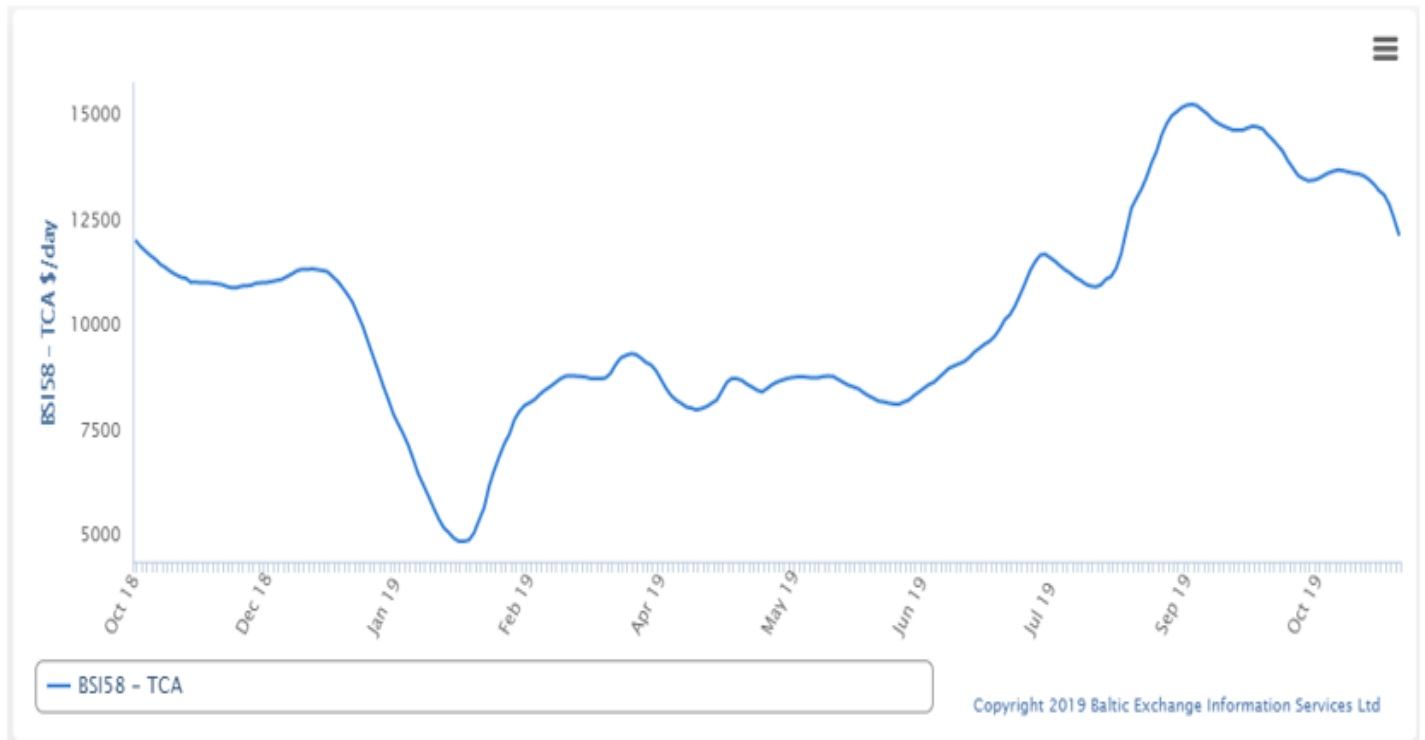
Baltic Panamax Index

Panamax

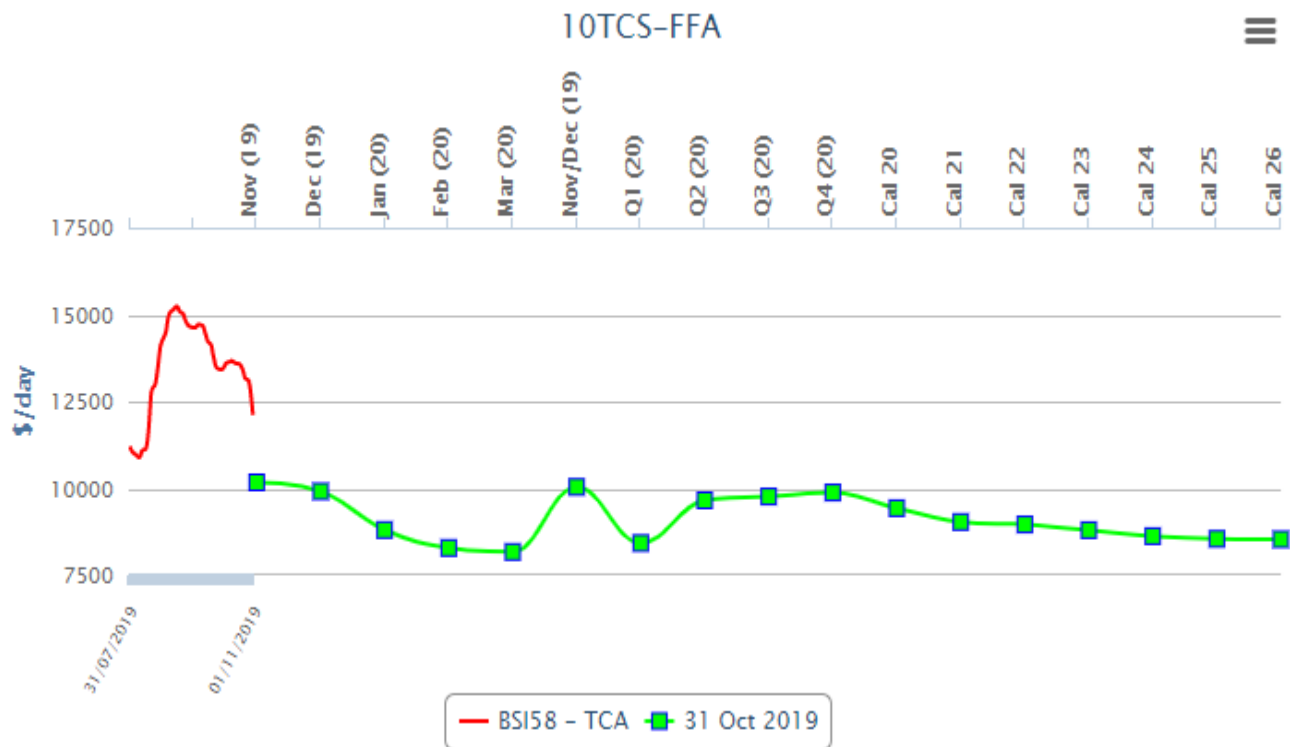


Baltic Supramax Vessel Index

Supramax

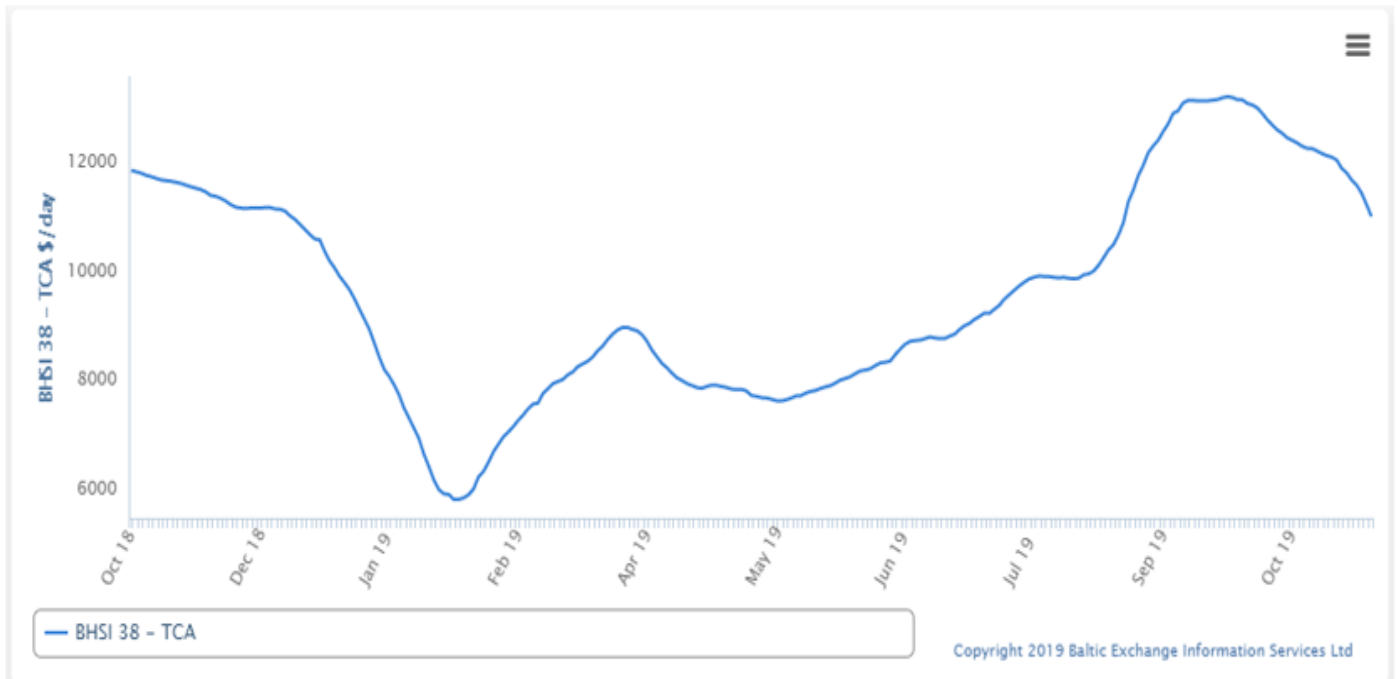


Supramax Dry-Bulk Forward Curve

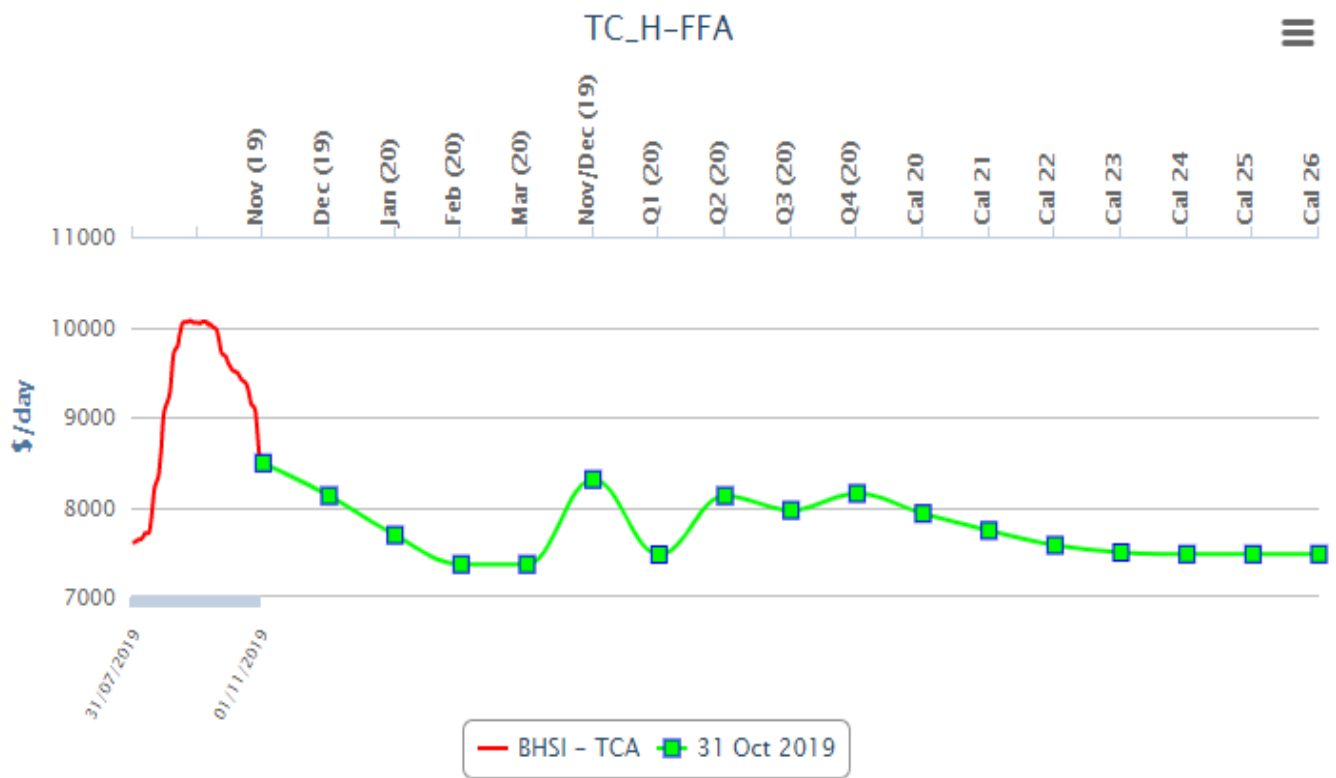


Baltic Handy Size Vessel Index

Handysize



Baltic Handy Size Forward Curve

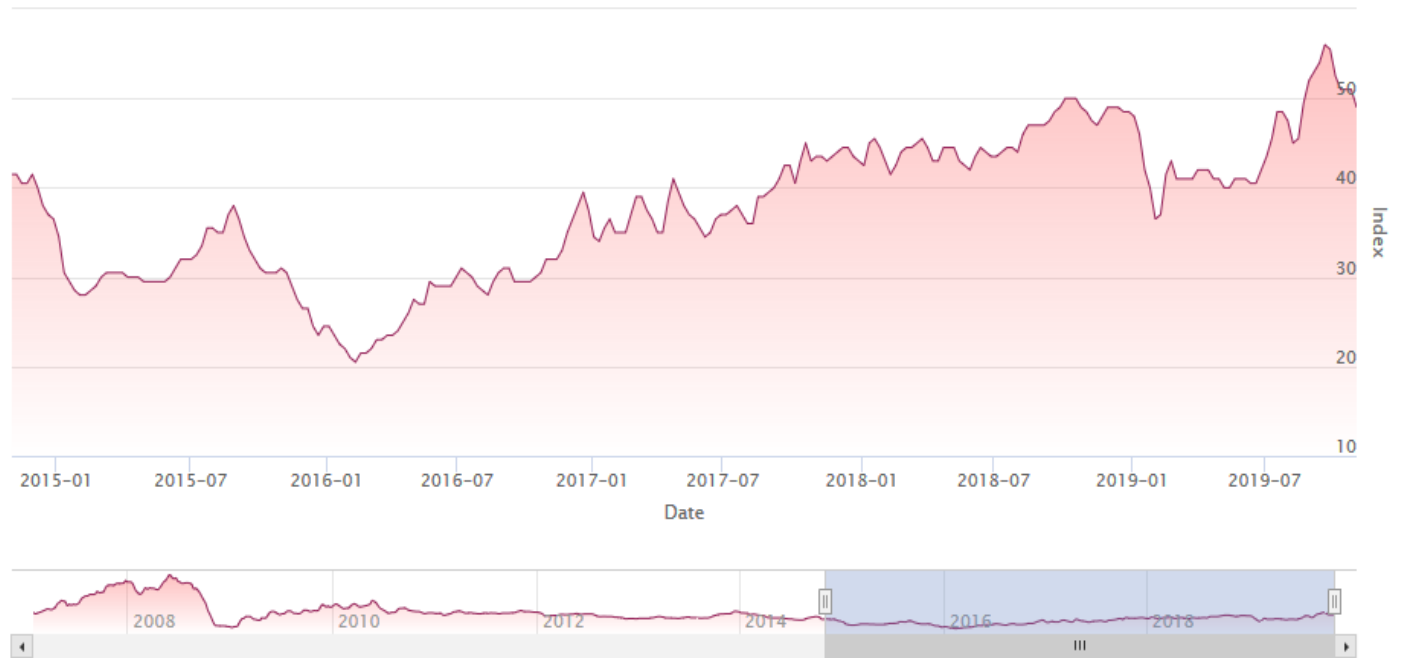


YAMAMIZU Index



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

From 2014-10-30 To 2019-10-30



China Import Dry Bulk Freight Index					
2019-10-31					
Description	Size MT	Cargo/Vessel Size	Unit	Rate	Change
Composite Index			Point	1012.81	-10.71
Iron ore Freight Index			Point	1019.64	-13.97
Dampier(West Australia)-Qingdao (China)	170000/10%	Iron ore	\$/ton	8.974	-0.146
Soybean Freight Index			Point	1083.25	-4.65
Santos(Brazil)—North China	60000/10%	Soybean	\$/ton	36.4	-0.167
Tacoma(West America)—North China	60000/10%	Soybean	\$/ton	26.506	-0.15
Mississippi(US Gulf)—North China	66000/10%	Soybean	\$/ton	48.791	-0.189
Mississippi(US Gulf)—North China	55000/10%	Soybean	\$/ton	51.098	-0.137

31 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
Dec.	0.62	\$177.94	1.01	\$193.30
Jan.	0.57	\$179.42	0.99	\$195.95
Feb.	0.60	\$180.60	1.02	\$197.13
Mar.	0.63	\$181.78	1.05	\$198.32
April	0.58	\$182.17	1.06	\$201.07
May	0.63	\$184.14	1.09	\$202.25

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
Dec.	0.95	\$190.93	0.80	\$185.03
Jan.	0.95	\$194.38	0.78	\$187.69
Feb.	0.95	\$194.38	0.80	\$188.47
Mar.	0.95	\$194.38	0.82	\$189.26
April	0.95	\$196.74	0.80	\$190.84

Fob vessel Texas Gulf #2 Sorghum is about 104 % 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	\$227.35	\$229.55	\$229.55	\$229.55
Basis	1.10	1.10	1.10	1.10
WZ	5.0875			.
WH	5.1475			
WK	5.1925			

31-Oct-19	Close	This Week	Last Week.	Last Week.	Last Week	
CME Corn Futures	Bushel	MT.	Bushel	Bu. Diff.	MT	MT Diff.
Dec.	\$ 3.9000	\$ 153.53	\$ 3.8675	0.0325	\$ 152.26	\$ 1.28
Mar.	\$ 3.9875	\$ 156.98	\$ 3.9800	0.0075	\$ 156.68	\$ 0.30
May	\$ 4.0475	\$ 159.34	\$ 4.0450	0.0025	\$ 159.24	\$ 0.10
July	\$ 4.1000	\$ 161.41	\$ 4.1025	(0.0025)	\$ 161.51	\$ (0.10)
Sept.	\$ 4.0200	\$ 158.26	\$ 4.0375	(0.0175)	\$ 158.95	\$ (0.69)
Dec.	\$ 4.0575	\$ 159.74	\$ 4.0825	(0.0250)	\$ 160.72	\$ (0.98)

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
Dec.	0.56	\$363.12	0.93	\$376.71
Jan.	0.63	\$365.69	0.99	\$378.92
Feb.	0.57	\$368.26	0.92	\$381.12
Mar.	0.60	\$369.36	0.95	\$382.22
April	0.58	\$372.94	0.90	\$384.70
Soybean Futures				
Nov.	\$ 9.1675			
Jan.	\$ 9.3225			
Mar.	\$ 9.4525			
May	\$ 9.5700			
July	\$ 9.6725			
August	\$ 9.7075			

U.S. SBM (USD/MT) FOB Vessel		
Fob U.S. Gulf Port	47.5 Pro. SBM	
max 12.5 % moisture	Basis	Flat Price
Dec.	2.00	\$ 337.81
Jan.	2.00	\$ 340.56
Feb.	1.00	\$ 343.43
Mar.	1.00	\$ 343.43
April	1.00	\$ 347.51
SBM Futures		
SMZ	304.40	
SMF	306.90	
SMH	310.50	
SMK	314.20	
SMN	318.10	
SMQ	319.30	

CME January 2019 Soybean (SF20) Futures Chart:



CME December 2019 Soybean Meal (SMZ19) Futures Chart



U.S. EXPORT STATISTICS: Report Activity as of Week Ending 17 October 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	507.4	10,856.0	48,260	22%	218.8
Sorghum	1.2	266.1	2,540	10%	0.0
Soybeans	615.5	18,463.6	48,310	38%	3.0
Wheat	266.0	14,084.1	25,860	54%	8.9
Barley	0.0	57.5	70	82%	0.0

U.S. EXPORT INSPECTIONS:

Monday's report 28 October 2019 for the Export week ending 24 October 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	380,660	579,957	3,466,936	8,695,986	40%
Sorghum	52,226	21,986	302,388	136,947	221%
Soybeans	1,568,399	1,330,909	8,061,680	7,375,243	109%
Wheat	523,262	580,680	10,602,234	8,614,623	123%
Barley	49	0	8,674	4,772	182%

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

U.S. EXPORT INSPECTIONS:

Monday's report 28 October 2019 for the Export week ending 24 October 2019

Last Week								
(Metric Tons)	YC	%	WC	%	Sorghum	%	Soybeans	%
Lakes	11,552	3%	0	0%	0	0%	0	0%
Atlantic	0	0%	0	0%	0	0%	47,201	3%
Gulf	251,804	70%	15,170	81%	46,240	89%	974,084	62%
PNW	73	0%	98	1%	0	0%	400,015	26%
Interior Export Rail	98,147	27%	3,517	19%	5,986	11%	147,099	9%
Metric Tons	361,576		18,785		52,226		1,568,399	

Sorghum Shipments:	metric tons	
	46,240	Sudan
	5,986	Mexico
	52,226	Total

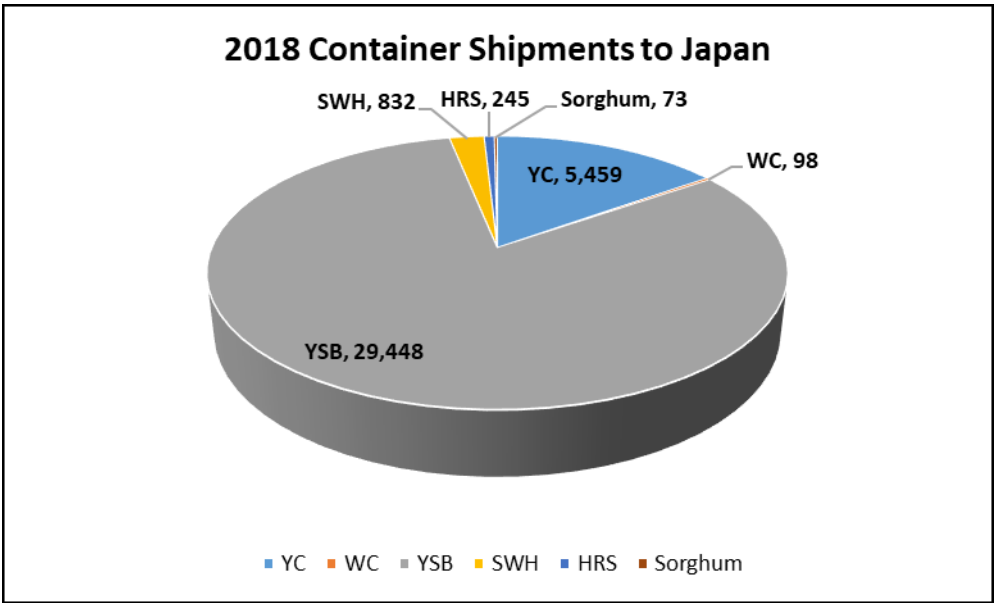
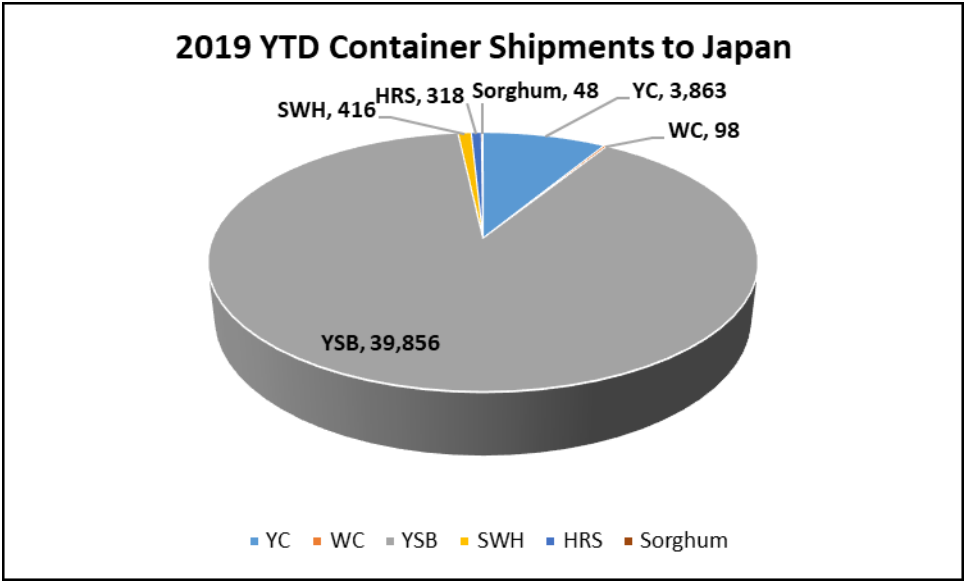
White Corn	metric tons	
Shipments:	7,752	Costa Rica
	7,418	Honduras
	98	Korea Rep
	24	Jordan
	3,493	Mexico
	18,785	Total

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:		24-Oct-2019							
Last Week	metric tons								MT
	YC	WC	YSB	SRW	NS	SWH	HRW	Sorghum	TOTAL
China Main									0
China T	9,549		24,247	490					34,286
Hong Kong	1,150								1,150
Costa Rica									0
Indonesia			16,502						16,502
French Poly	318								318
Japan			611						611
Korea Republic									0
Nepal			4,750						4,750
Malaysia			2,302						2,302
Jordan	24	24							48
Philippines			1,248						1,248
Thailand			7,004						7,004
Cambodia									0
Nicaragua									0
Bangladesh									0
Burma			980	514					1,494
Vietnam			3,476						3,476
Sub total	11,041	24	61,120	1,004	0	0	0	0	68,219
USDA Corrections/Additions to previous reports:									
China T			1,837	294					2,131
China Main									0
Hong Kong									0
Korea Rep.									0
Nepal									0
Japan									0
Philippines									0
Indonesia			2,192						2,192
Malaysia			245	490					735
Thailand			955						955
Vietnam			735						735
Canada									0
Bangladesh									0
Sub total	0	0	5,964	784	0	0	0	0	6,748
Mt. Grand Total	11,041	24	67,084	1,788	0	0	0	0	74,967
Number of containers	480	1	2,917	78	0	0	0	0	

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



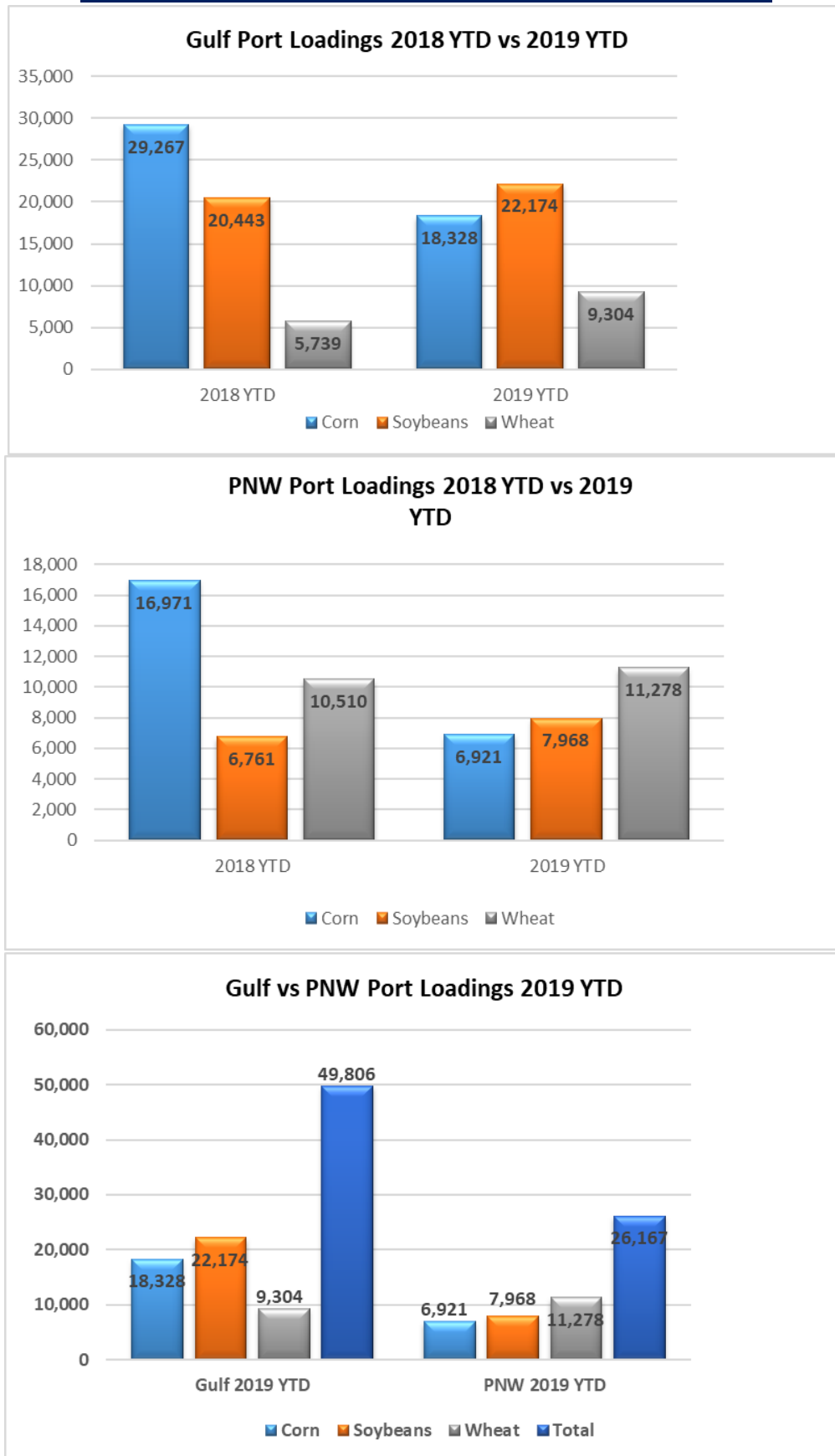
Grain Inspections for Export by U.S. Port Regions:
U.S. Gulf and Pacific Northwest 2018 YTD vs. 2019 YTD

PORT LOADINGS US Gulf				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
GULF				
2018 YTD	29,267	20,443	5,739	55,449
2019 YTD	18,328	22,174	9,304	49,806
2019 as % of 2018	63%	108%	162%	90%

PORT LOADINGS US PNW				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
PNW				
2018 YTD	16,971	6,761	10,510	34,242
2019 YTD	6,921	7,968	11,278	26,167
2019 as % of 2018	41%	118%	107%	76%

PORT LOADINGS GULF vs. PNW				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
2019 Gulf YTD	18,328	22,174	9,304	49,806
2019 PNW YTD	6,921	7,968	11,278	26,167
TOTAL	25,249	30,142	20,582	75,973
Gulf Percentage	73%	74%	45%	66%
PNW Percentage	27%	26%	55%	34%

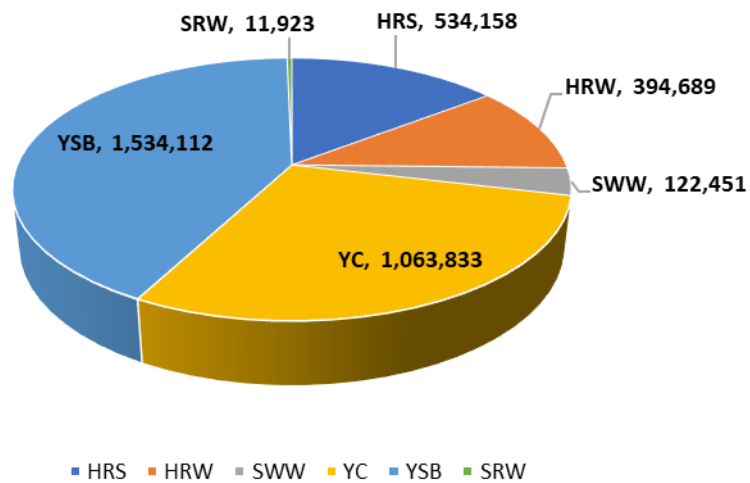
Grain Inspections for Export by U.S. Port Regions (1,000MT):
U.S. Gulf and Pacific Northwest 2018 YTD vs. 2019 YTD



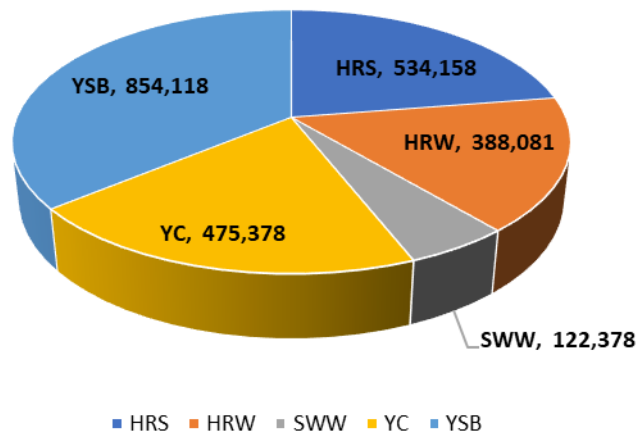
Source: USDA-data

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

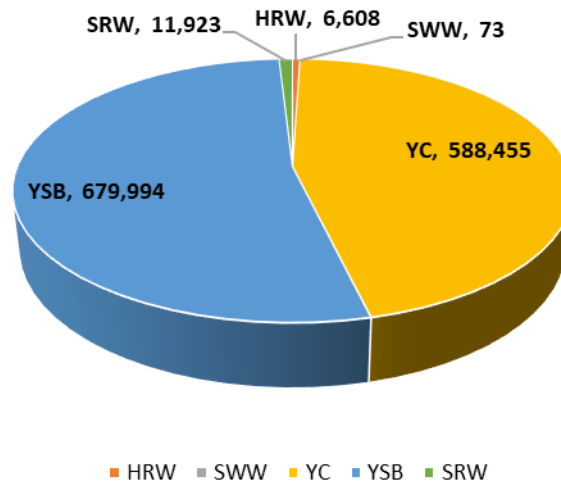
2019 YTD Exports to China T



YTD Exports to China T by Vessel



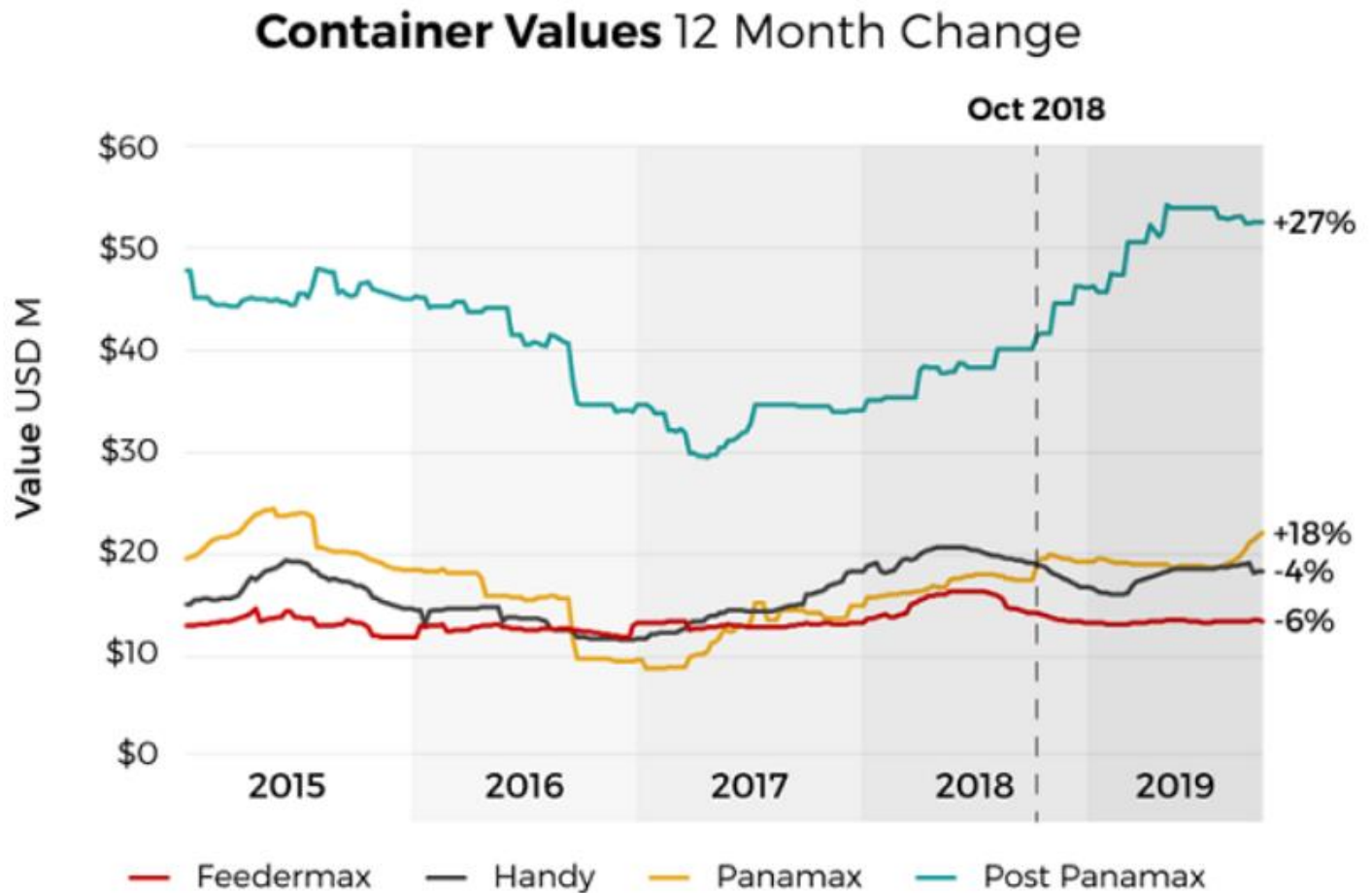
YTD Exports to China T by Container



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

Shipping News

Value of Container Vessels-



Source: VesselsValue October 2019



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



China Import Dry Bulk Freight Index



China Containerized Freight Index



U.S. RIVER BARGE FREIGHT

Current Barge Freight for Placement First Half December 2019

Placement FH December 2019	% of		Corn	Soybeans-Wheat
	Tariff	MT	BU	BU
Upper Mississippi	Closed	\$ -	0.00	0.00
Illinois River (Pekin and South)	350	\$18.56	0.47	0.51
Mid-Mississippi	Closed	\$ -	0.00	0.00
Lower Ohio	270	\$13.27	0.34	0.36
St. Louis	255	\$11.22	0.28	0.31

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

Secondary Rail Car Market	BID	ASK	BID	ASK	BID	ASK
Placement FH. December 2019	USD	USD	BU.	BU.	MT	MT
BNSF Shuttle Trains	\$ (25.00)	\$ 50.00	\$ (0.01)	\$ 0.01	\$ (0.25)	\$ 0.49
UPRR Shuttle Trains	\$ (200.00)	\$ (100.00)	\$ (0.05)	\$ (0.03)	\$ (1.97)	\$ (0.98)

Best Regards,

Jay

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