

Transportation and Export Report for 4 October 2018

Ocean Freight Insights and Comments:

China is on National Golden Week Holiday this week and that makes things fairly quiet in Dry-Bulk freight markets. Bulk freight markets did gather support from paper traders early in the week but were unable to hold on to the gains at weeks end. We have however seen a widening of the spread between Panamax size vessels and the rates for Handy-Handymax ships. The Capesize sector saw the biggest gains for the week. Most vessel markets are currently in an inverse situation looking out into 2019.

Soybean business from the US Gulf to Argentina continues with ship owners holing out for slightly higher rates than last done. We seem to have moved from \$33.00 up to \$36-\$37.00/mt for Handysize vessels on this route.

BALTIC DRY-BULK PANAMAX INDEX CHANGES

Panamax Ocean Freight Indices				
4-Oct-18	This Week	Last Week	Difference	Percent Change
P2A : Gulf/Atlantic - Japan	21759	21759	0	0.0%
P3A - PNW/Pacific - Japan	13350	13271	79	0.6%
S1C -USGULF-China-So.Japan	25597	25361	236	0.9%

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

Four weeks ago:	\$ 7.50-\$7.60
Three weeks ago:	\$ 7.50-\$7.60
Two weeks ago:	\$ 7.45-\$7.70
One week ago:	\$ 7.20- 7.25
This week	\$7.95-\$9.30

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

Mississippi River:	(10 elevators)	1-7 days
Miss. River Mid-Stream loaders:	(6+ Rigs)	0-5 days
Texas Gulf	(6 elevators)	0-6 days
Pacific Northwest:	(9 elevators)	2-14 days

Panamax Market Spreads to Asia -China					
4-Oct-18	PNW	GULF	Bushel Spread	MT Spread	Advantage
CORN	0.82	0.56	0.26	\$10.24	PNW
SOYBEANS	0.40	0.20	0.20	\$7.35	PNW
OCEAN FREIGHT	\$26.00	\$46.50	.52 -.55	\$20.50	November

Recent Reported Vessel Fixtures:

Route and Vessel Size	Current Week USD/MT	Change from previous week	Remarks
55,000 U.S. Gulf-Japan	\$47.50	Up \$0.25	Handymax \$48.50 mt
55,000 U.S. PNW- Japan	\$26.75	Up \$0.25	Handymax \$27.25 mt
66,000 U.S. Gulf – China	\$46.50	Up \$0.25	North China
PNW to China	\$26.00	Up \$0.25	
25,000 U.S. Gulf- Veracruz, México	\$17.50	Up \$0.25	3,000 MT daily discharge rate
35-40,000 U.S. Gulf- Veracruz, México	\$15.50	Up \$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	\$21.50 \$35.75	Up \$0.50	<u>West Coast Colombia at \$29.75</u>
40-45,000 U.S. Gulf - Guatemala	\$30.25	Up \$0.50	Acajutla/Quetzal - 8,000 out
26-30,000 U.S. Gulf – Algeria	\$35.00 \$36.25	Up \$0.25	8,000 mt daily discharge 3,000 mt daily discharge
26-30,000 US Gulf-Morocco	\$37.50	Up \$0.25	5,000 discharge rate
55-60,000 U.S. Gulf –Egypt PNW to Egypt	\$31.75 \$31.00	Up \$0.25	55,000 -60,000 mt Russia Black Sea to Egypt \$17.70
60-70,000 U.S. Gulf – Europe – Rotterdam	\$21.50	Up \$1.50	Handymax at +\$1.75 more
Brazil, Santos – China Brazil, Santos – China Itacoatiara-Port Up River North Brazil	\$38.25 \$37.50 \$41.00	Up \$0.25	54-59,000 Supramax-Panamax 60-66,000 Post Panamax 60-66,000 mt
56-60,000 Argentina/Rosario- China Deep Draft	\$42.75	Up \$0.25	Up River with BB Top Off \$43.25

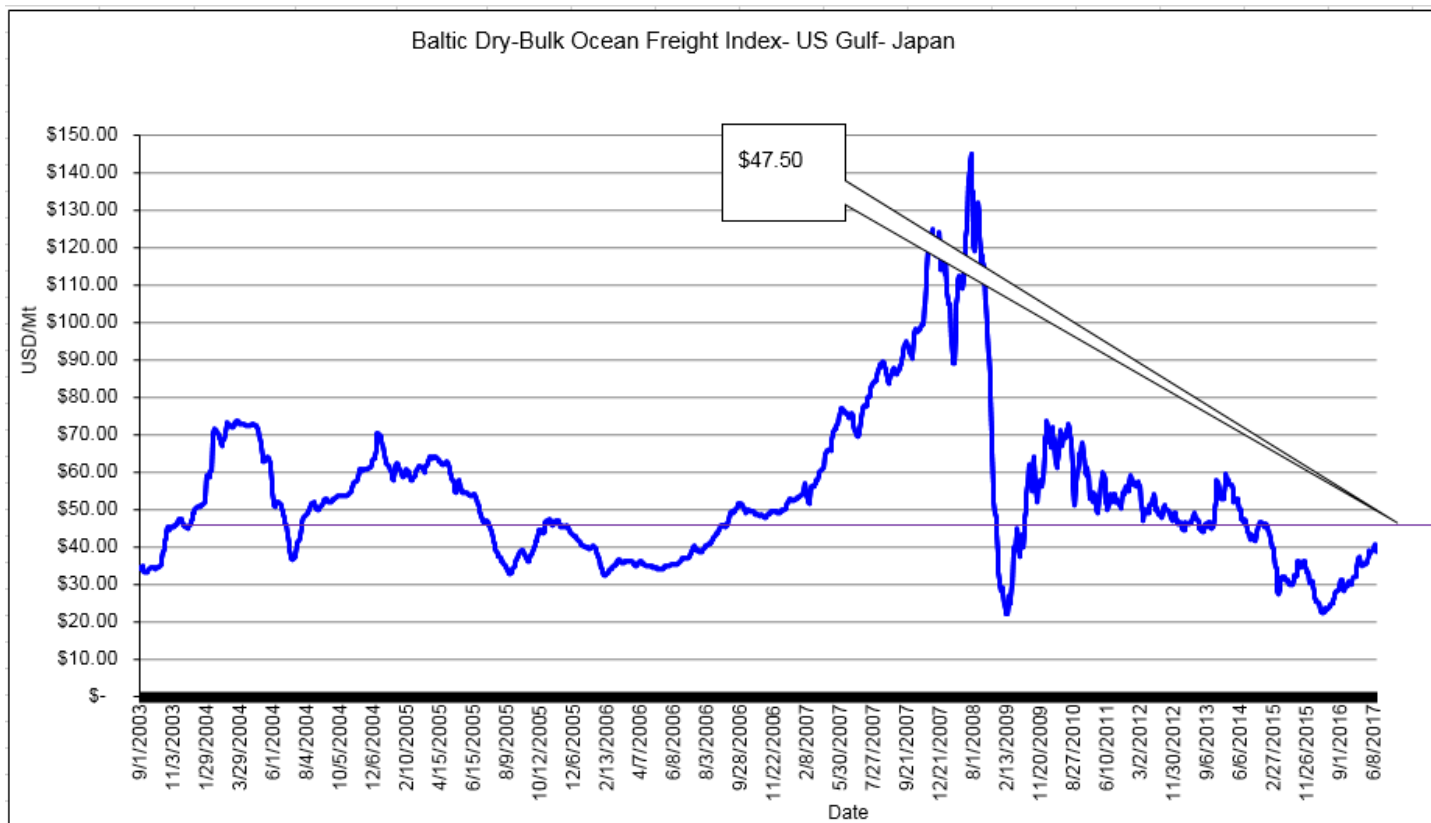
- **The above rate estimates reflect the 30-45-day forward ocean freight markets.**

Nautical Miles: To Xiamen China (South China)

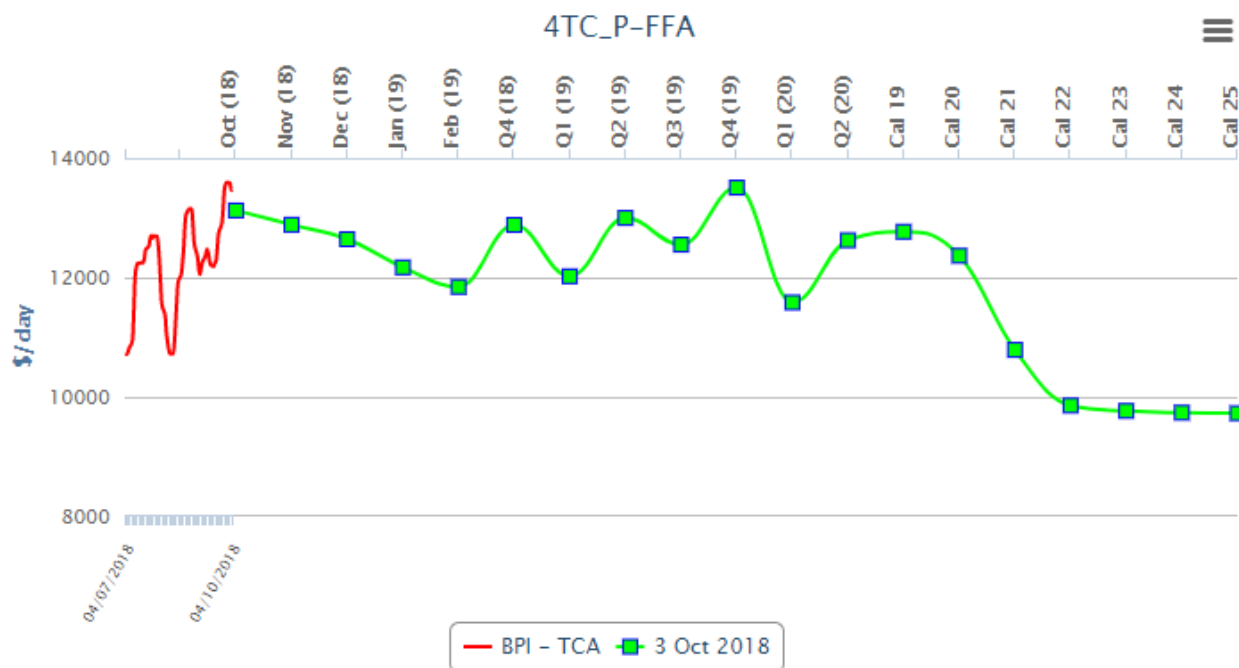
US Gulf (NOLA) (via Panamá Canal) – 10,232 nautical miles (32 days)

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

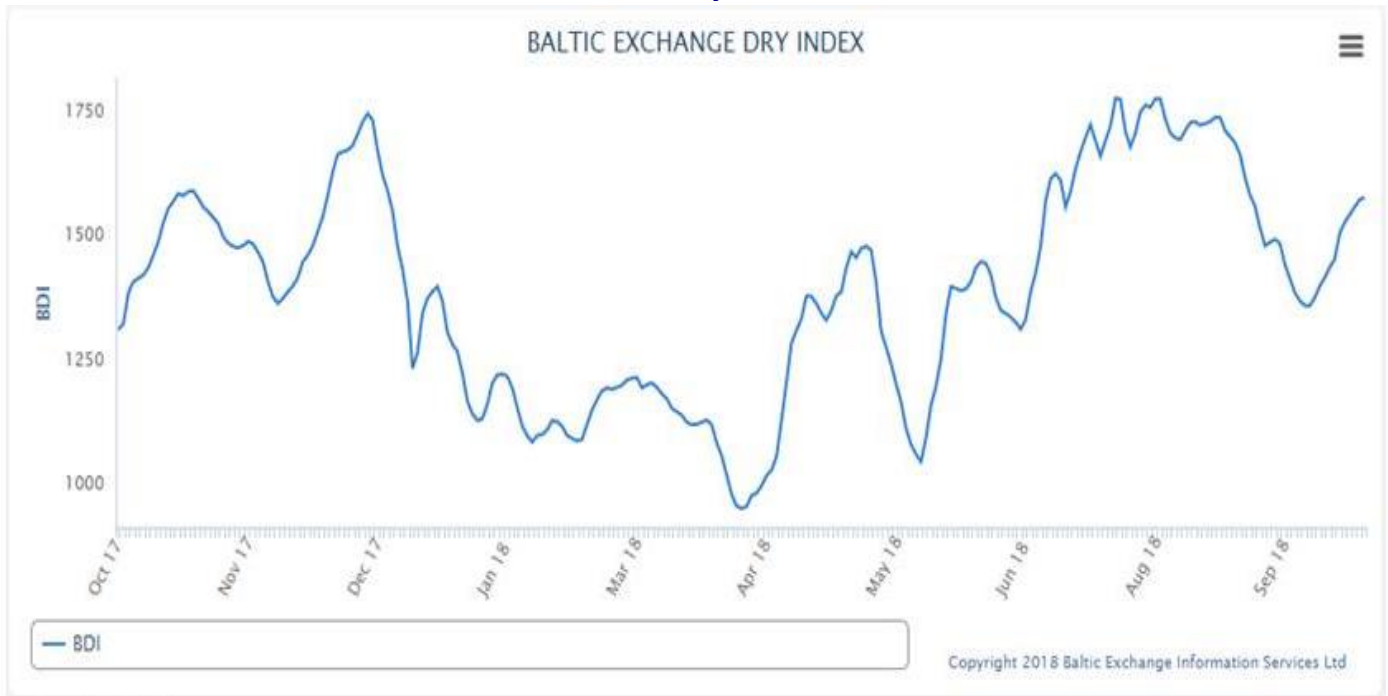
Rasario Argentina (via Cape Horn) - 10,751 nautical miles (34 days)



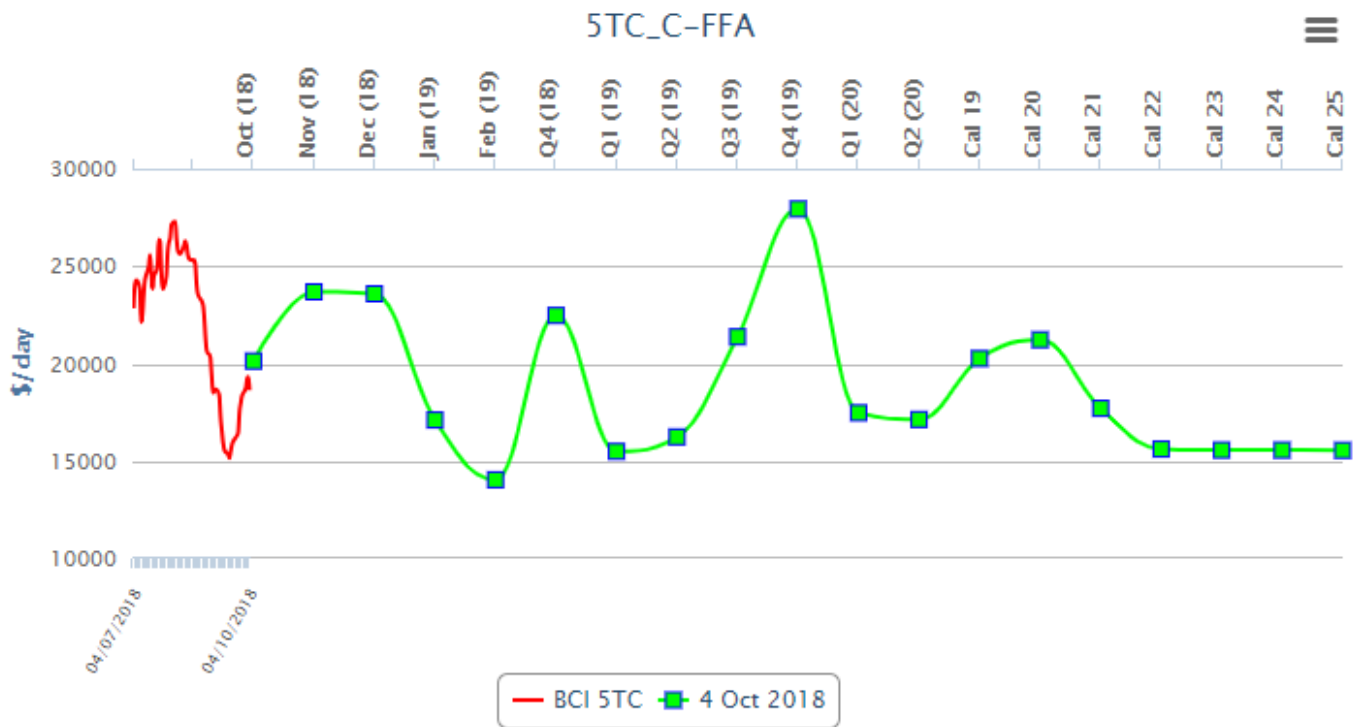
Forward Curve for Baltic BPI Panamax Vessel Freight



Baltic Dry Index.

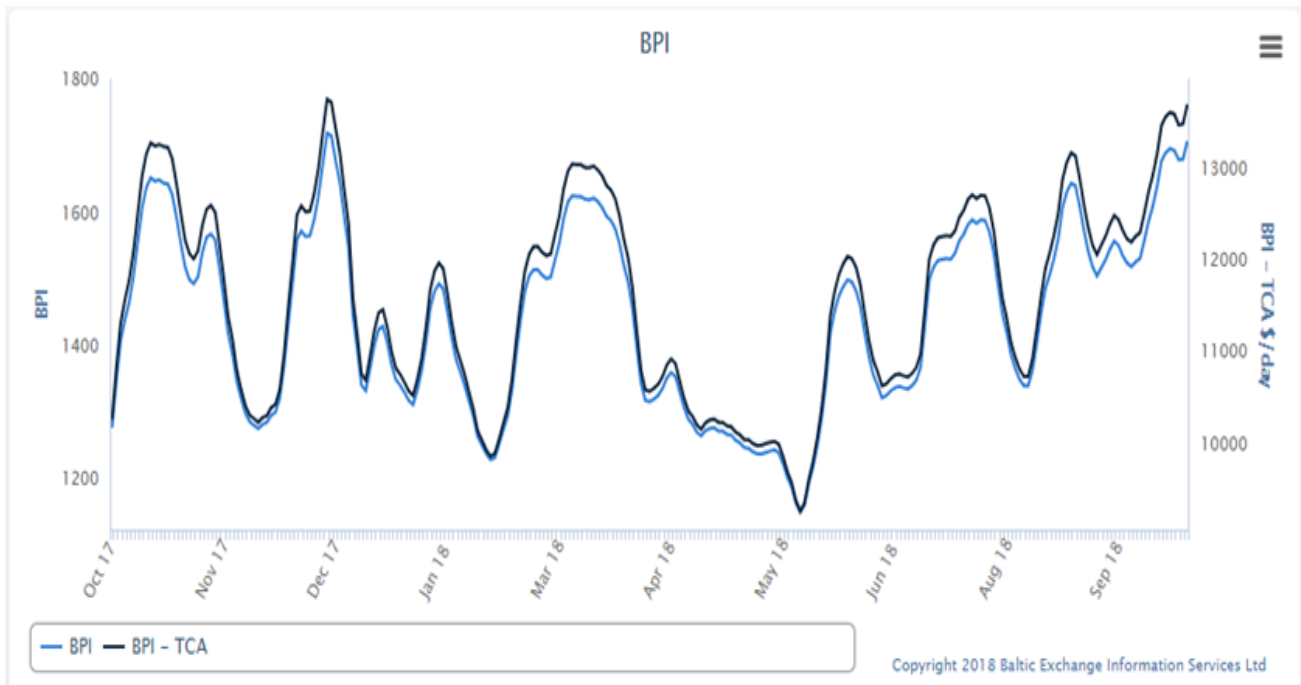


Baltic Capesize Index



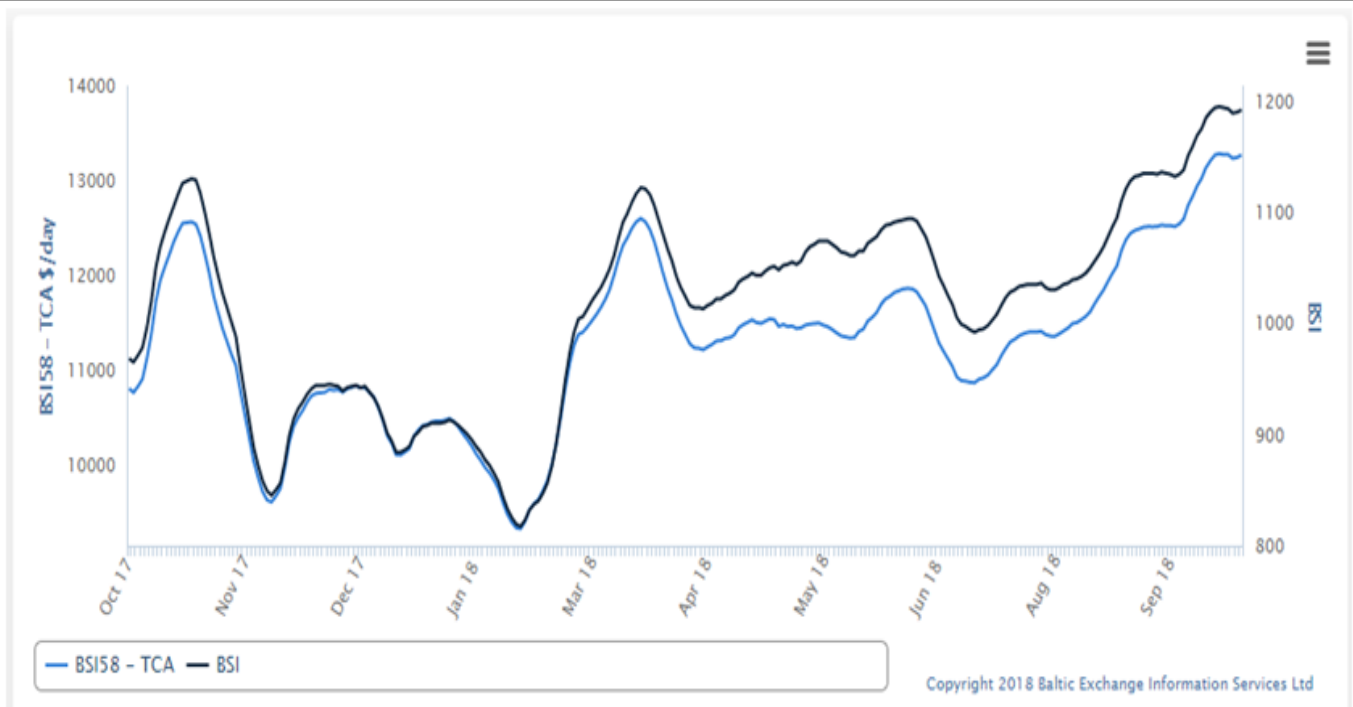
Baltic Panamax Index

Panamax

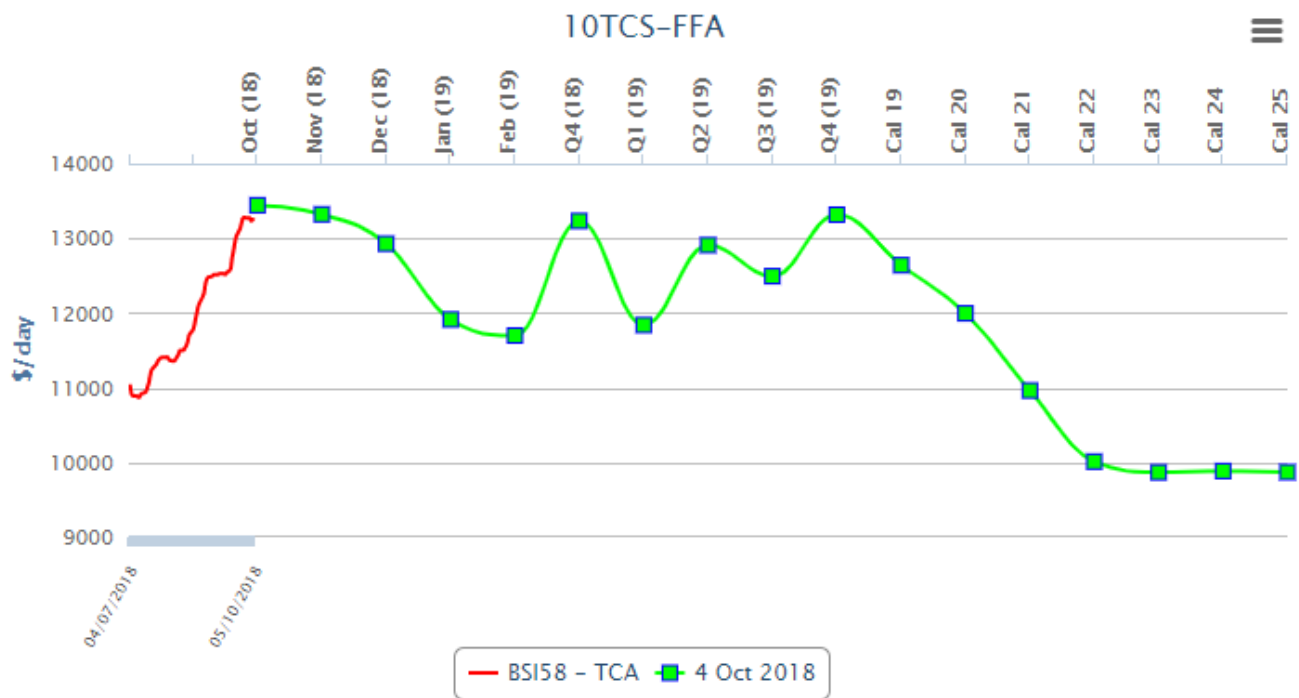


Baltic Supramax Vessel Index

Supramax



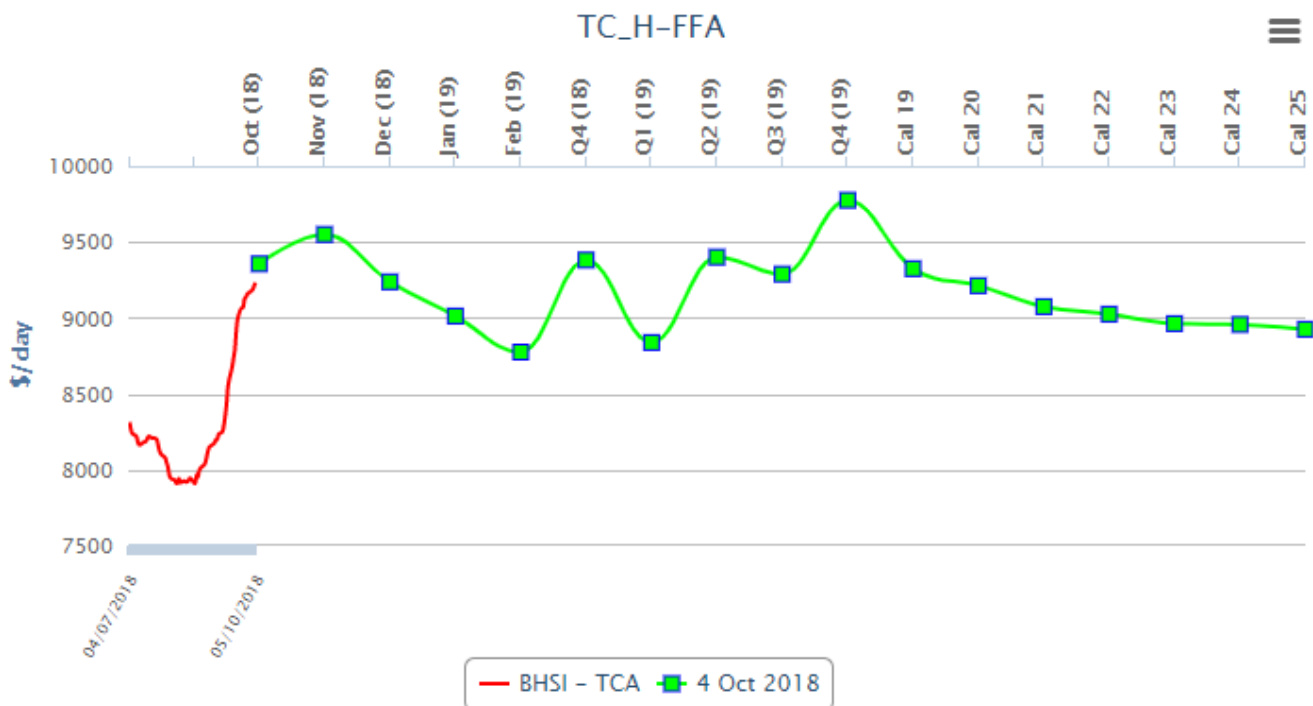
Supramax Dry-Bulk Forward Curve



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FFA SUPRAMAX 52- 52,000 DWT, Max 15 years of age.

Baltic Handy Size



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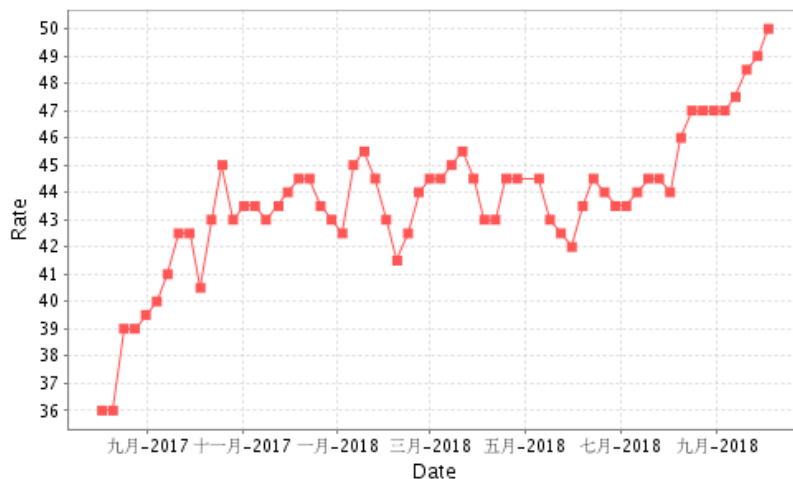
Yamamizu Shipping

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[Access Map](#)
[Yamamizu Index](#)

USG/Japan Index Result

Date From: 2017-08-01

Date To: 2018-10-05



China Import Dry Bulk Freight Index(CDFI)

2018-09-28

Route	Size MT	Cargo/Vessel Size	Unit	Rate	Change
Composite Index			Point	973.97	13.53
Iron ore Freight Index			Point	952.06	22.43
Soybean Freight Index			Point	1071.35	6.16
Santos(Brazil)—North China	60000/10%	Soybean	\$/ton	37.573	0.241
Tacoma(West America)—North China	60000/10%	Soybean	\$/ton	25.718	0.113
Mississippi(US Gulf)—North China	66000/10%	Soybean	\$/ton	46.347	0.283
Mississippi(US Gulf)—North China	55000/10%	Soybean	\$/ton	46.969	0.164

4 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.	0.56	\$166.72	0.81	\$176.56
Dec.	0.63	\$167.90	0.92	\$180.90
Jan.	0.59	\$171.35	0.91	\$185.13
Feb.	0.58	\$172.14	0.96	\$187.10
Mar.	0.60	\$172.92	0.98	\$187.88
Apr.	0.56	\$174.20	0.93	\$188.77

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.	1.00	\$184.04	0.80	\$176.17
Dec.	1.05	\$186.01	0.80	\$176.17
Jan.	1.05	\$190.64	0.80	\$180.80
Feb.	1.00	\$188.67	0.85	\$182.77
Mar.	1.05	\$190.64	0.90	\$184.73

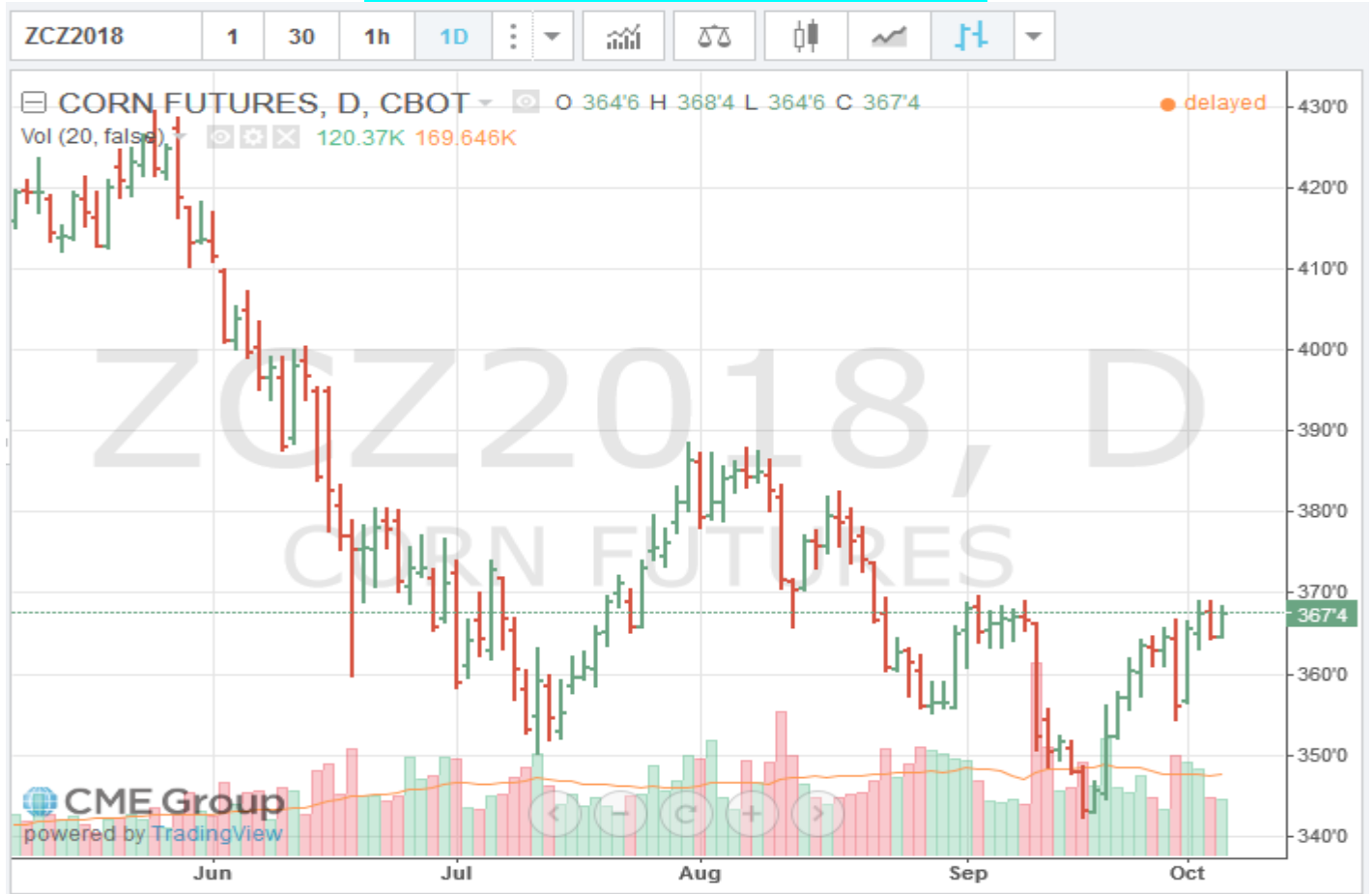
Fob vessel Texas Gulf #2 Sorghum is about 1.05 % the value of #2 Yellow Corn at NOLA.
In S.W. Kansas it is bid at 85 percent the value of corn.

U.S. SRW Wheat Fob Vessel at the Center U.S. Gulf

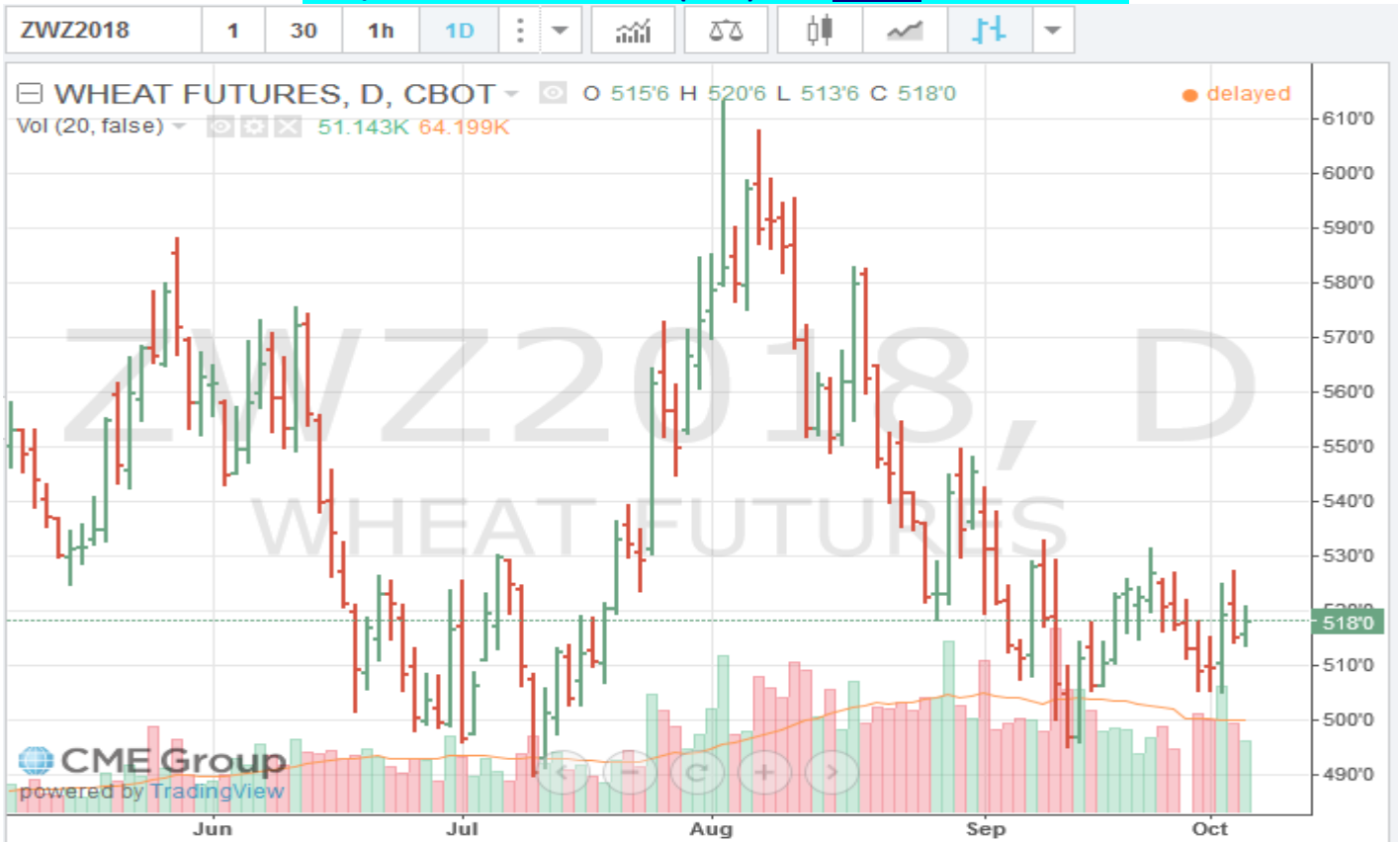
SRW Wheat	USD/MT	Fob Vessel	US Gulf	
	Nov.	Dec.	Jan.	Feb.
FOB U.S. GULF	\$219.73	\$221.56	\$226.61	\$228.45
Basis	0.80	0.85	0.80	0.85
WZ	5.1800			
WH	5.3675			
WK	5.4750			

CME Futures Market Close						
CORN	Futures	Thursday	Thursday	Last week	Last Week	Difference
Month	Symbol	Close	Close	Bushel	MT.	Bushel
Dec.	CZ	\$3.6750	\$144.68	\$ 3.6475	\$143.59	\$0.0275
Mar.	CH	\$3.7925	\$149.30	\$ 3.7650	\$148.22	\$0.0275
May.	CK	\$3.8650	\$152.16	\$ 3.8400	\$151.17	\$0.0250
July	CN	\$3.9175	\$154.22	\$ 3.8925	\$153.24	\$0.0250
Sept.	CU	\$3.9500	\$155.50	\$ 3.9275	\$154.62	\$0.0225

CBOT December 2018 (CZ8) Corn Futures Chart –



CME/CBOT December. 2018 (WZ8) SRW Wheat Futures Chart –

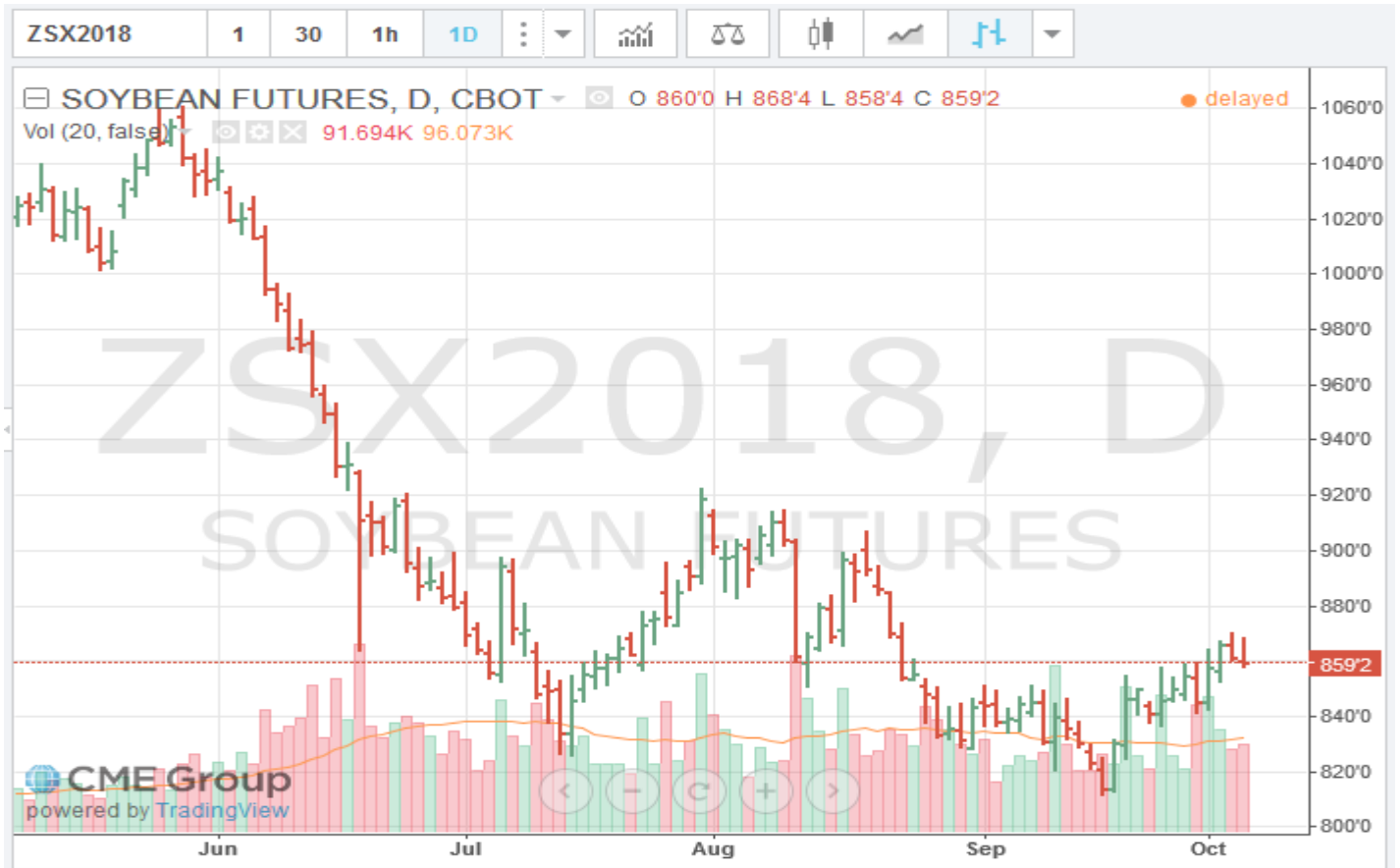


U.S. Soybean and SBM Markets Fob Vessel:

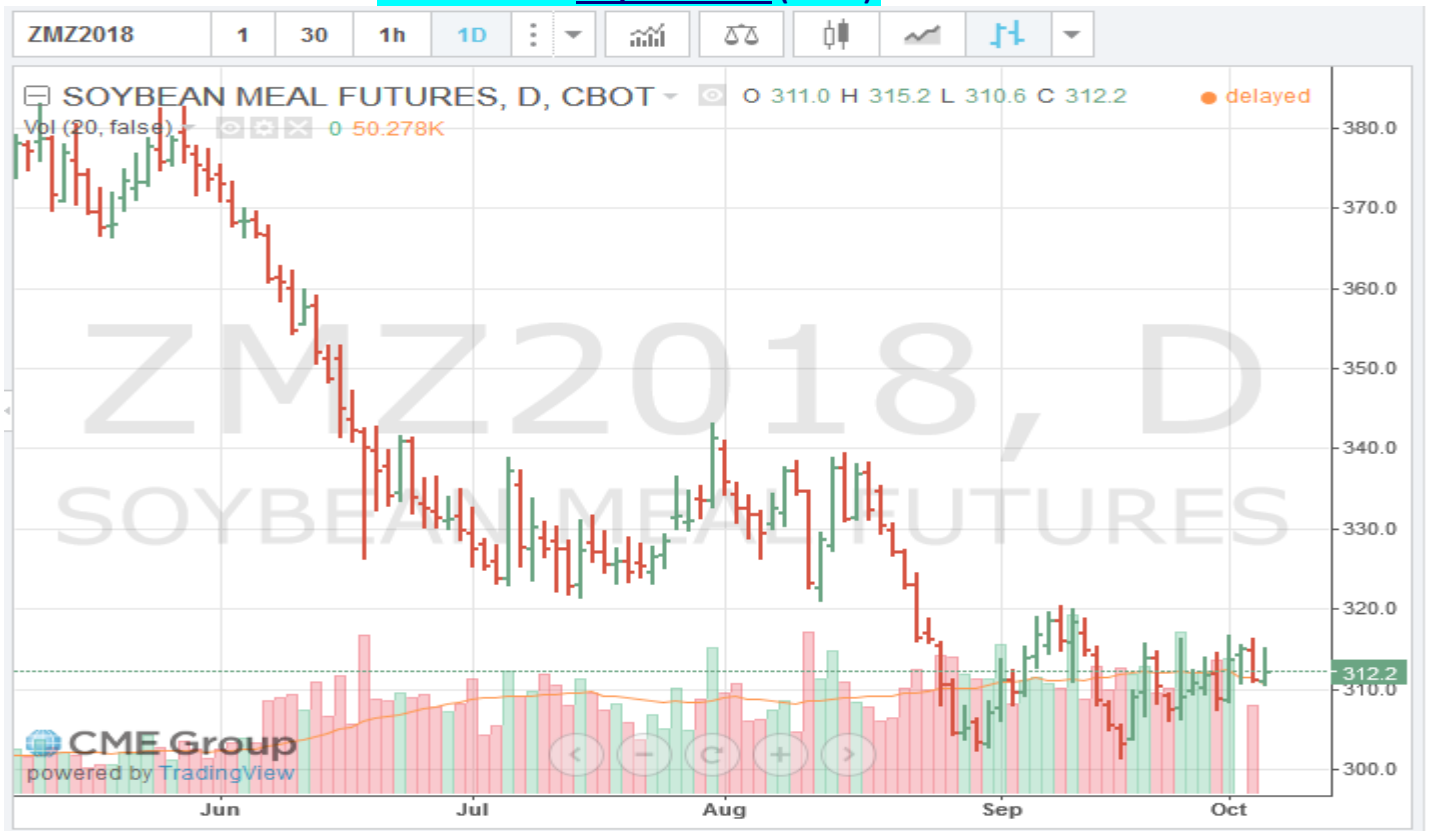
U.S. Yellow Soybeans (USD/MT) FOB Vessel				
# 2 YSB	U.S. Gulf #2 YSB		PNW #2 YSB	
14.0 % Moisture	Basis	Flat Price	Basis	Flat Price
Nov.	0.20	\$323.07	0.40	\$330.41
Dec.	0.21	\$328.49	0.50	\$339.14
Jan.	0.28	\$331.06	0.60	\$342.82
Feb.	0.28	\$335.83	0.60	\$347.59
Mar.	0.32	\$337.30	0.65	\$349.43
Soybean Futures				
Nov.	\$ 8.5925			
Jan.	\$ 8.7300			
Mar.	\$ 8.8600			
May	\$ 8.9950			
July	\$ 9.1100			
Aug.	\$ 9.1575			

U.S. SBM (USD/MT) FOB Vessel		
Fob U.S. Gulf Port	47.5 Pro. SBM	
max 12.5 % moisture	Basis	Flat Price
Nov.	13.00	\$ 358.53
Dec.	13.00	\$ 358.53
Jan.	15.00	\$ 361.51
Feb.	17.00	\$ 362.28
Mar.	18.00	\$ 363.38
SBM Futures		
SMV	308.40	
SMZ	312.20	
SMF	312.90	
SMH	311.60	
SMK	310.40	
SMN	312.00	

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 20 September 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	1865.1	18,268.0	60,960	30%	71.1
Sorghum	0.0	65.7	4,450	1%	0.0
Soybeans	1010.2	18,803.1	56,070	34%	81.5
Wheat	681.0	10,864.4	27,900	39%	0.0
Barley	2.1	55.5	110	50%	0.0

U.S. EXPORT INSPECTIONS:

Monday's report 01 October 2018 for the Export week ending 27 September 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	1,344,689	1,353,137	4,422,254	2,999,606	147%
Sorghum	1,845	3,496	8,177	250,834	3%
Soybeans	591,115	718,825	2,931,443	3,973,766	74%
Wheat	369,270	428,214	6,913,938	9,969,580	69%
Barley	0	0	3,547	14,122	25%

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

U.S. EXPORT INSPECTIONS:

Monday's report 01 October 2018 for the Export week ending 27 September 2018

Last Week								
(Metric Tons)	YC	%	WC	%	Sorghum	%	Soybeans	%
Lakes	3,199	0%	0	0%	0	0%	21,087	4%
Atlantic	0	0%	0	0%	0	0%	3,135	1%
Gulf	755,584	57%	7,492	86%	0	0%	498,255	84%
PNW	353,153	26%	0	0%	0	0%	0	0%
Interior Export Rail	224,018	17%	1,243	14%	1,845	100%	68,638	12%
Metric Tons	1,335,954		8,735		1,845		591,115	

Sorghum Shipments:	metric tons	
	49	Korea Rep
	1,796	Mexico
	1,845	Total

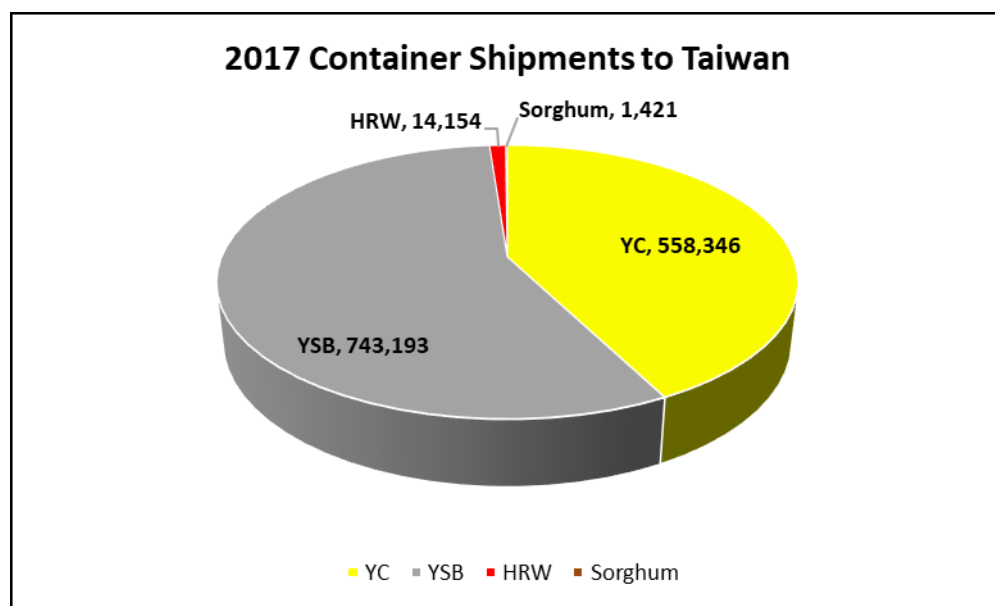
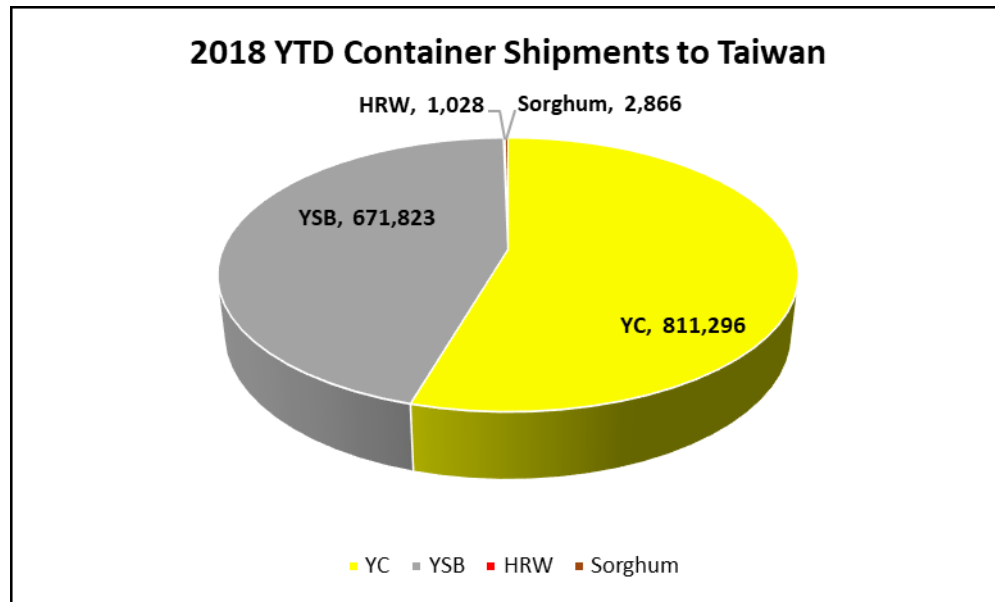
White Corn	metric tons	
Shipments:	7,492	El Salvador
	245	Korea Rep
	998	Mexico
	8,735	Total

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:		27-Sep-2018							
Last Week	metric tons								MT
	YC	WC	YSB	SRW	NS	SWH	HRW	Sorghum	TOTAL
China Main									0
China T	15,252		12,024						27,276
Hong Kong	758								758
Costa Rica	73								73
Indonesia	1,053		18,143						19,196
India									0
Japan			709						709
Korea Republic	1,689	245						49	1,983
Un Arab Em									0
Malaysia	2,106		7,493						9,599
Burma									0
Philippines			1,690						1,690
Thailand			9,891						9,891
Guyana									0
Bangladesh			490						490
Vietnam			7,587						7,587
Sub total	20,931	245	58,027	0	0	0	0	49	71,175
USDA Corrections/Additions to previous reports:									
China T			1,076						1,076
China Main									0
Hong Kong									0
Korea Rep.									0
Costa Rica									0
Japan									0
Philippines									0
Indonesia			1,322						1,322
Malaysia									0
Thailand			612						612
Vietnam			2,276						2,276
Canada									0
Burma									0
Sub total	0	0	5,286	0	0	0	0	0	5,286
Mt. Grand Total	20,931	245	63,313	0	0	0	0	49	76,461
Number of containers	910	11	2,753	0	0	0	0	2	

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



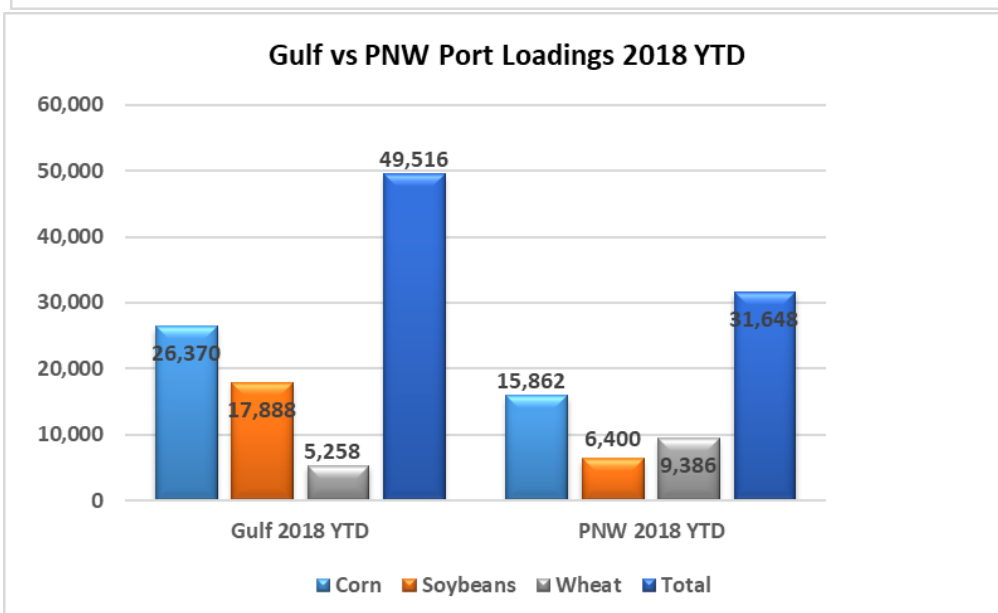
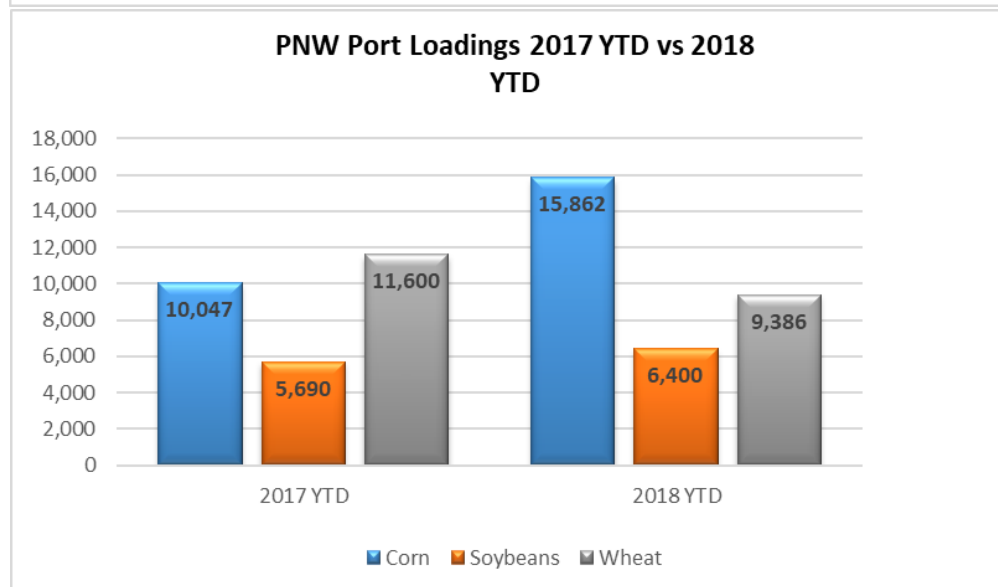
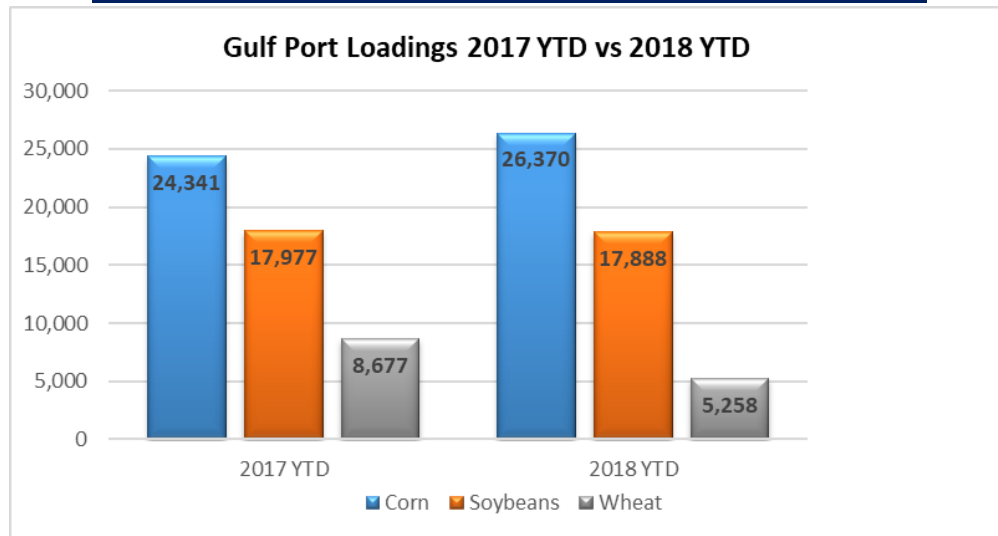
Grain Inspections for Export by U.S. Port Regions:
U.S. Gulf and Pacific Northwest 2017 YTD vs. 2018 YTD

PORT LOADINGS US Gulf				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
GULF				
2017 YTD	24,341	17,977	8,677	50,995
2018 YTD	26,370	17,888	5,258	49,516
2018 as % of 2017	108%	100%	61%	97%

PORT LOADINGS US PNW				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
PNW				
2017 YTD	10,047	5,690	11,600	27,337
2018 YTD	15,862	6,400	9,386	31,648
2018 as % of 2017	158%	112%	81%	116%

PORT LOADINGS GULF vs. PNW				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
2018 Gulf YTD	26,370	17,888	5,258	49,516
2018 PNW YTD	15,862	6,400	9,386	31,648
TOTAL	42,232	24,288	14,644	81,164
Gulf Percentage	62%	74%	36%	61%
PNW Percentage	38%	26%	64%	39%

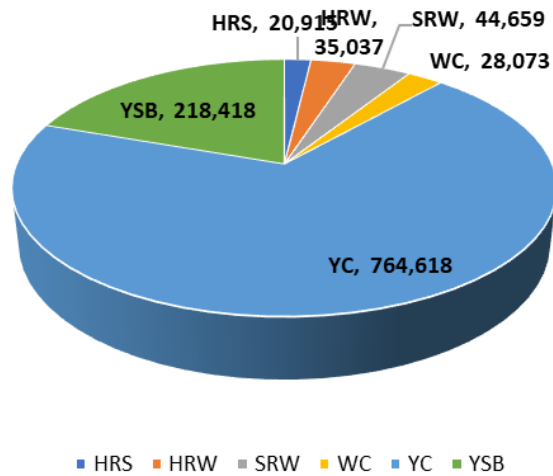
Grain Inspections for Export by U.S. Port Regions (1,000MT):
U.S. Gulf and Pacific Northwest 2017 YTD vs. 2018 YTD



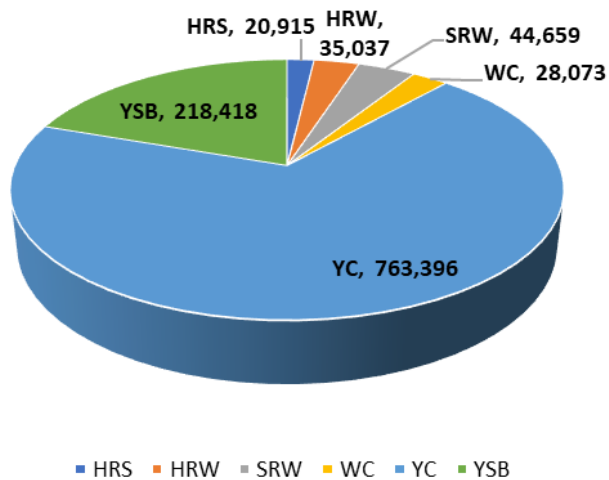
Source: USDA-data

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

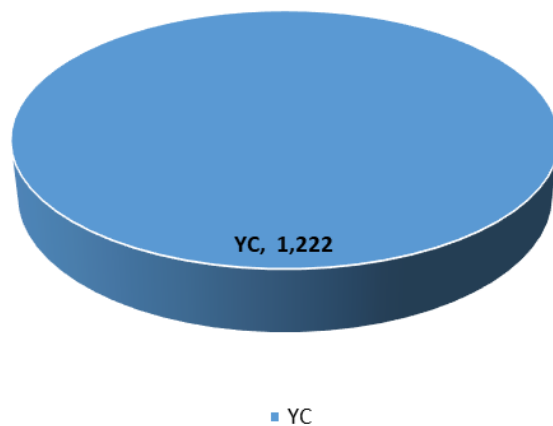
2018 YTD Exports to Costa Rica



YTD Exports to Costa Rica by Vessel



YTD Exports to Costa Rica 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

Video: Cargo Ship Sinks in Taiwan Strait

October 4, 2018 by gCaptain



Photo: The 70-meter cargo ship Ying Hai with a starboard list in the Taiwan Strait.

The 70-meter cargo ship Ying Hai sank in the Taiwan Strait on Wednesday after it developing a heavy list on a voyage from Kaohsiung city to Busan Korea.

The Taiwanese-flagged ship notified Taiwan search and rescue authorities on Tuesday that the ship had developed a list after some containers on deck had shifted in heavy weather.

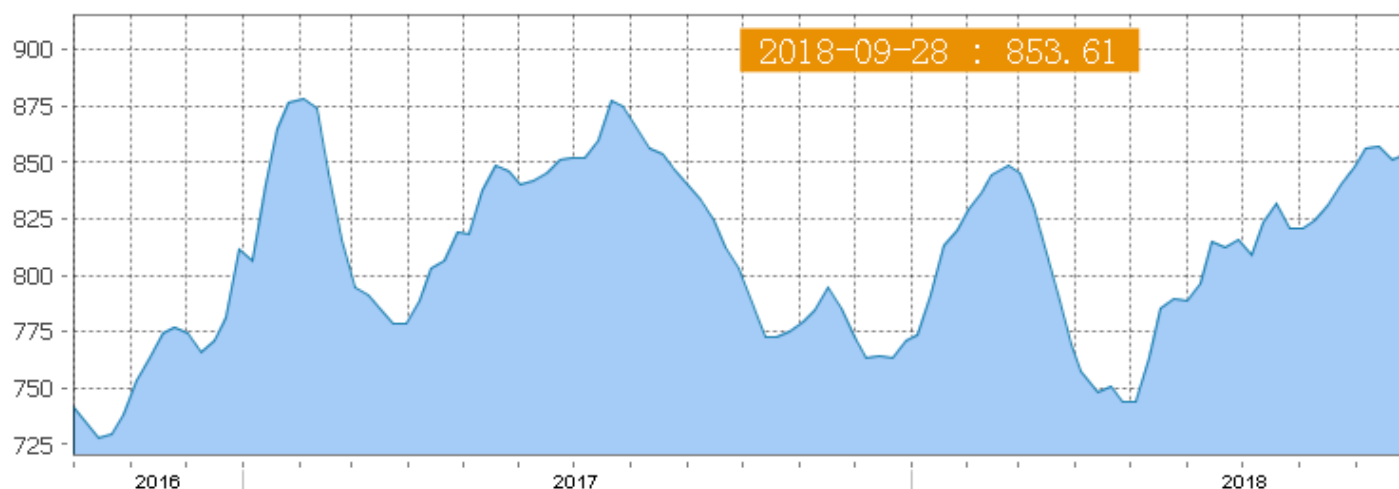
After attempts to tow the vessel failed, all 9 crew members eventually abandoned ship to SAR boats, leaving the vessel adrift.

Authorities tracking the ship said it sank Wednesday morning south of the Penghu archipelago.

Ships in the area are being warned to keep a lookout for possible floating containers in the water.

Some video from a local news report is below:

China Containerized Freight Index



U.S. RIVER BARGE FREIGHT

Current Barge Freight for Placement Last Half October 2018

Placement FH November 2018	% of Tariff	MT	Corn BU	Soybeans-Wheat BU
Upper Mississippi	758	\$33.09	0.84	0.90
Illinois River (Pekin and South)	455	\$24.12	0.61	0.66
Mid-Mississippi	465	\$27.27	0.69	0.74
Lower Ohio	430	\$21.14	0.54	0.58
St. Louis	365	\$16.05	0.41	0.44

Secondary Rail Car Market for car placement period: Last Half October 2018.

Secondary Rail Car Market Placement FH. November 2018	BID USD	ASK USD	BID BU.	ASK BU.	BID MT	ASK MT
BNSF Shuttle Trains	\$ -	\$ 200.00	\$ -	\$ 0.05	\$ -	\$ 1.97
UPRR Shuttle Trains	\$ -	\$ 250.00	\$ -	\$ 0.06	\$ -	\$ 2.46

www.grains.ksu.edu/igp

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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