

## Transportation and Export Report for 1 November 2018

### Ocean Freight Insights and Comments:

I hope everyone had a safe and enjoyable Halloween. This will be a short report because not too much is happening in Dry-Bulk freight this week. Markets remain quiet and dull and therefore slipped back a little this week. Traders and owners seem to be playing a waiting game to see what will come to impact rates and allow the market to breakout from its range bound situation. Global economic growth rates are being carefully scrutinized and questioned and, of course, the tariff wars continue.

I have adjusted my rate quotes for Egypt to bring them in line with the current premium risk for Egypt based on the last GASC wheat tender. The only other significant market change this week is the drop in the Sorghum Basis at the U.S. Texas Gulf. Unfortunately, this is not a good year for those who have export assets at U.S. ports. I'm told that, due to newly added facilities, excess FOB capacity in Brazil is also hurting export handling margins down there.

### BALTIC DRY-BULK PANAMAX INDEX CHANGES

Panamax Ocean Freight Indices				
1-Nov-18	This Week	Last Week	Difference	Percent Change
P2A : Gulf/Atlantic - Japan	20033	21159	-1,126	-5.3%
P3A - PNW/Pacific - Japan	11269	11695	-426	-3.6%
S1C -USGULF-China-So.Japan	24394	25469	-1,075	-4.2%

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

Four weeks ago:	\$ 7.95-\$9.30
Three weeks ago:	\$ 7.95-\$8.60
Two weeks ago:	\$ 8.70-\$9.00
One week ago:	\$ 8.50- 8.90
This week	\$8.50-\$8.85

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

Mississippi River:	(10 elevators)	3-11 days
Miss. River Mid-Stream loaders:	(6+ Rigs)	0-3 days
Texas Gulf	(6 elevators)	0-2 days
Pacific Northwest:	(9 elevators)	1-6 days (only 2 facilities over 2 days)

Panamax Market Spreads to Asia -China					
1-Nov-18	PNW	GULF	Bushel Spread	MT Spread	Advantage
CORN	0.86	0.56	0.30	\$11.81	PNW
SOYBEANS	0.30	0.25	0.05	\$1.84	PNW
OCEAN FREIGHT	\$26.50	\$48.25	.55 -.59	<b>\$21.75</b>	December

### Recent Reported Vessel Fixtures:

66,000 Bacarena, Northern Brazil to South Korea Nov. 3-8 at \$43.00 fio 10000shex/7250shex -CHS

Route and Vessel Size	Current Week USD/MT	Change from previous week	Remarks
55,000 U.S. Gulf-Japan	\$49.00	Down \$0.25	Handymax \$50.00 mt
55,000 U.S. PNW- Japan	\$27.25	Down \$0.25	Handymax \$28.00 mt
66,000 U.S. Gulf – China PNW to China	\$48.25 \$26.50	Down \$0.25 Down \$0.25	North China
25,000 U.S. Gulf- Veracruz, México	\$18.00	Unchanged	3,000 MT daily discharge rate
35-40,000 U.S. Gulf- Veracruz, México	\$15.75	Unchanged	Deep draft and 6,000 MT per day discharge rate.
25/35,000 U.S. Gulf- <u>East Coast Colombia</u> From Argentina	\$21.25 \$35.00	Unchanged	<u>West Coast Colombia at \$29.50</u>
40-45,000 U.S. Gulf - Guatemala	\$30.00	Unchanged	Acajutla/Quetzal - 8,000 out
26-30,000 U.S. Gulf – Algeria	\$37.00 \$37.75	Unchanged	8,000 mt daily discharge 3,000 mt daily discharge
26-30,000 US Gulf-Morocco	\$39.00	Unchanged	5,000 discharge rate
55-60,000 U.S. Gulf –Egypt PNW to Egypt	\$35.00 \$34.50	Up 2.00	55,000 -60,000 mt Russia Black Sea to Egypt \$18.00
60-70,000 U.S. Gulf – Europe – Rotterdam	\$21.25	Unchanged	Handymax at +\$1.75 more
Brazil, Santos – China Brazil, Santos – China Itacoatiara-Port Up River North Brazil	\$39.0075 \$38.00 \$42.00	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	\$43.25	Down \$1.00	Up River with BB Top Off \$45.00

- 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)

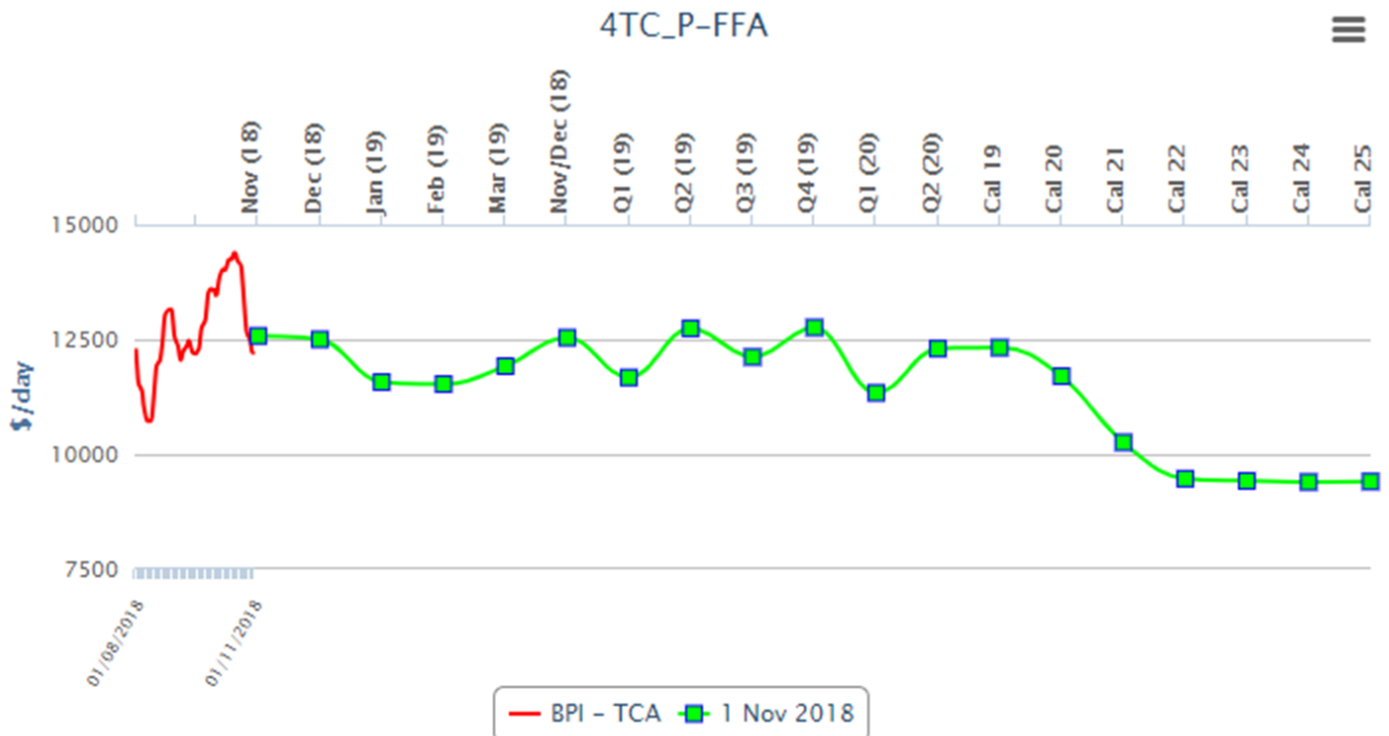
Santos Brazil (via Cape of Good Hope) - 10,441 nautical miles (33 days)

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

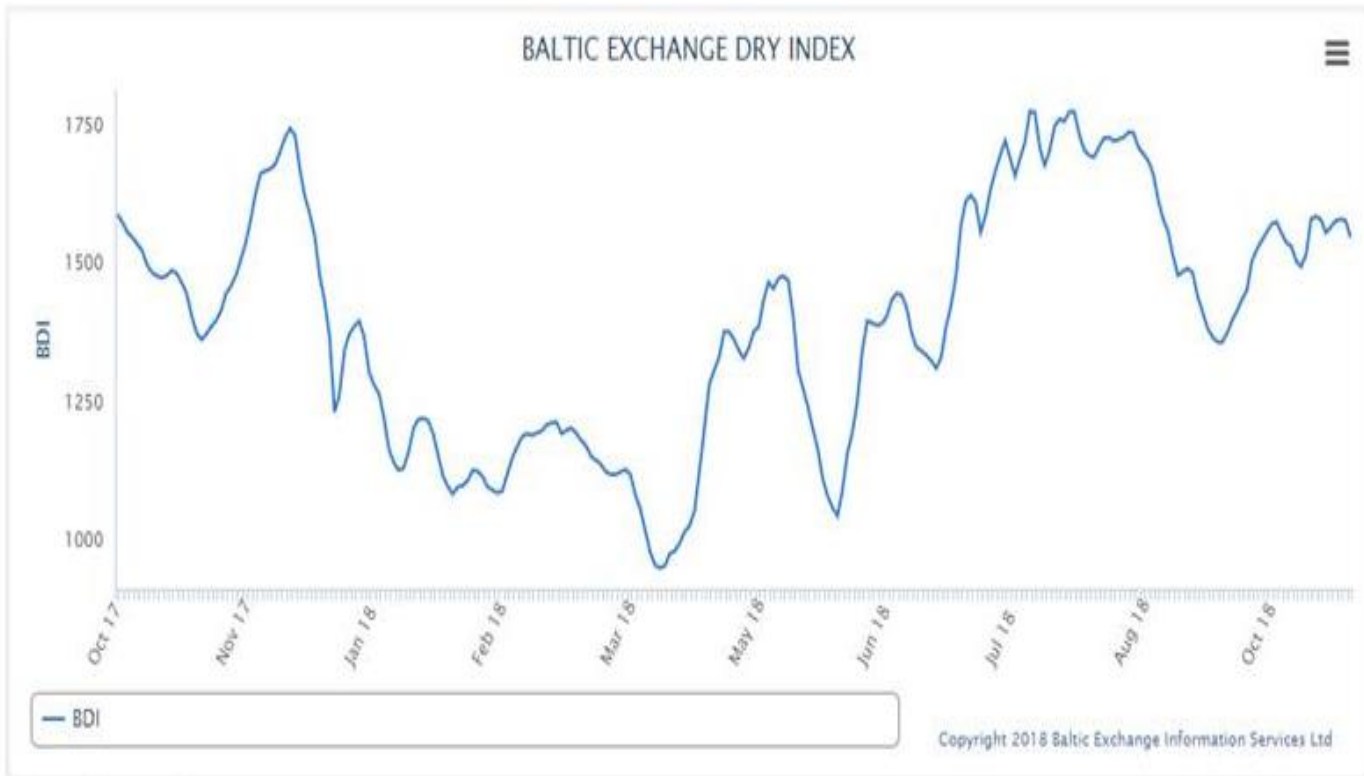
Baltic Dry-Bulk Ocean Freight Index- US Gulf- Japan



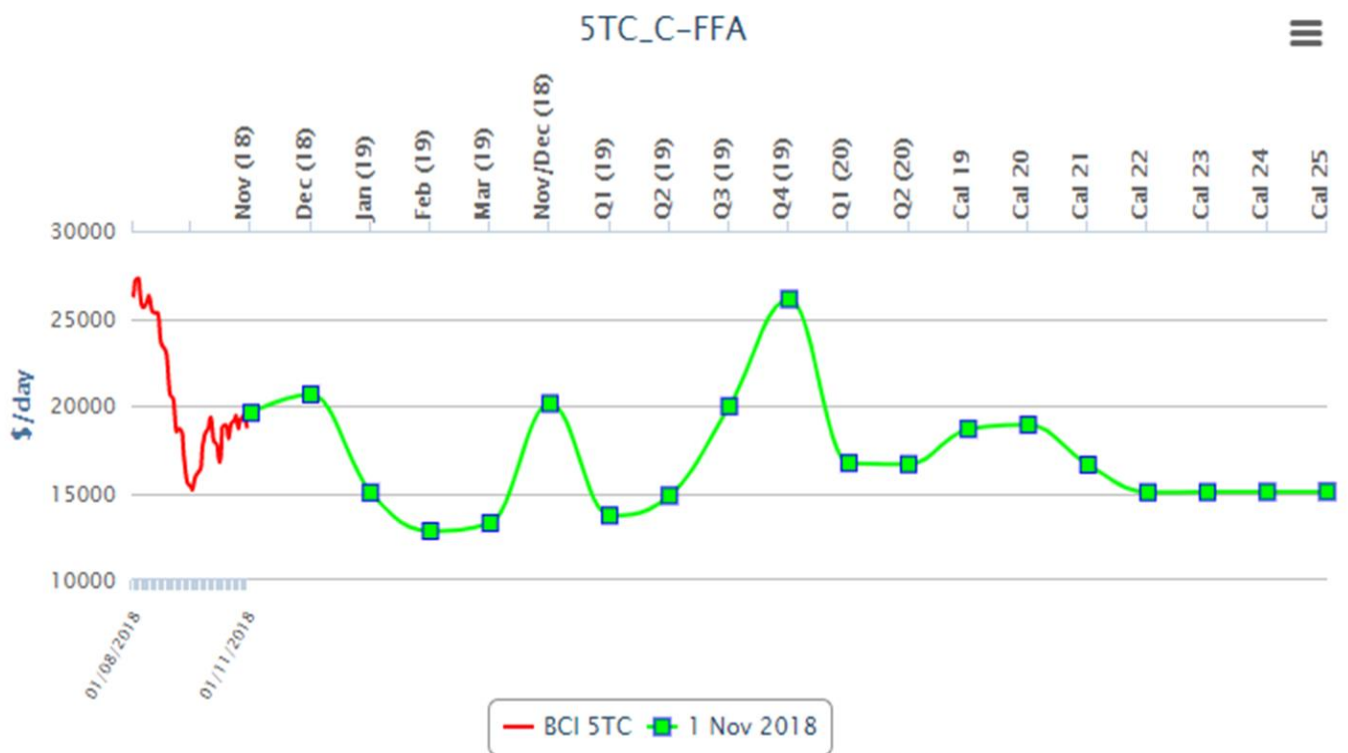
Forward Curve for Baltic BPI Panamax Vessel Freight



## Baltic Dry Index.



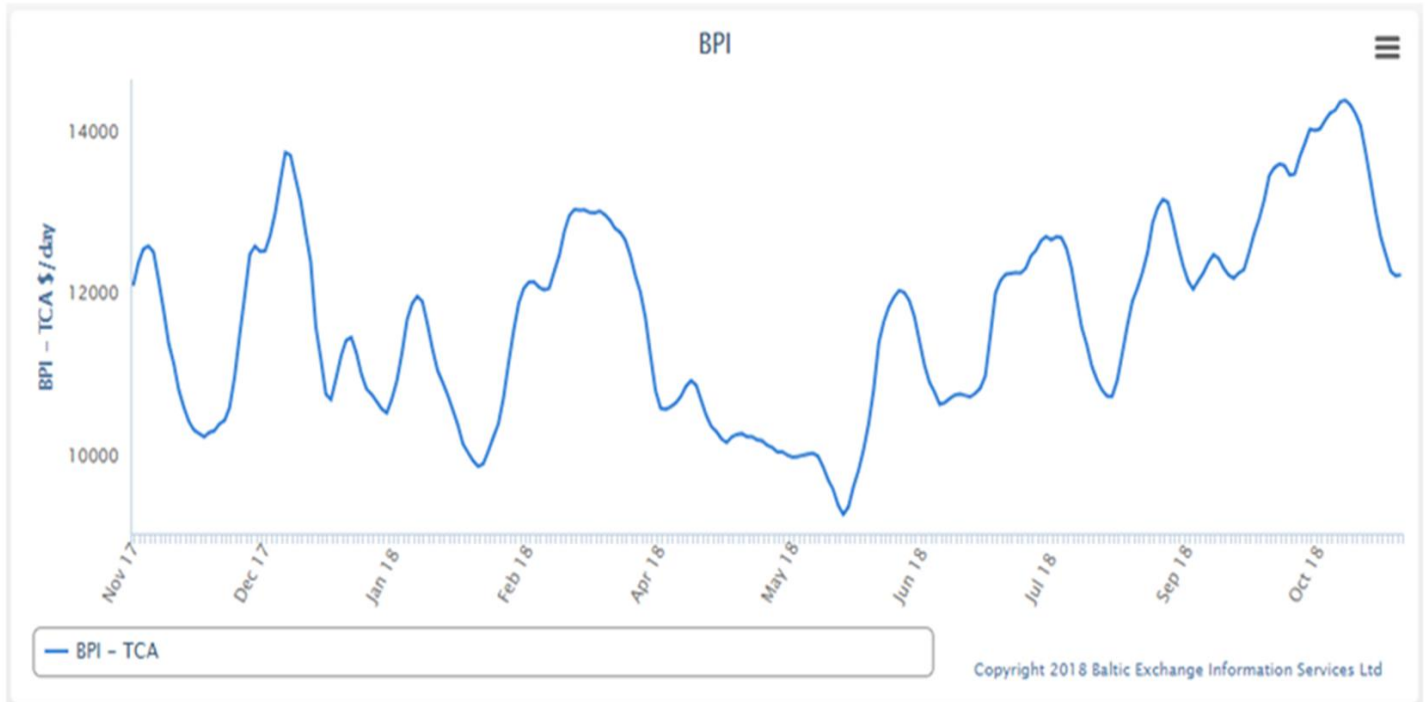
## Baltic Capesize Index



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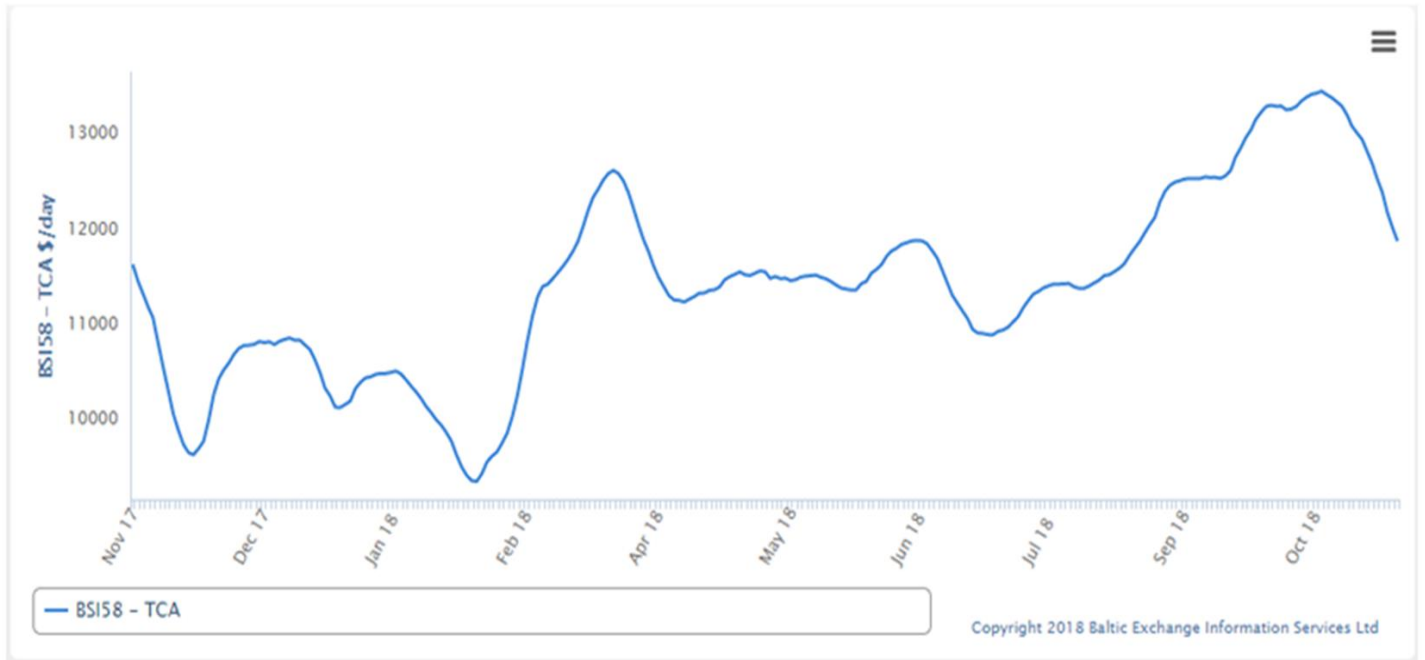
## Baltic Panamax Index

### Panamamax

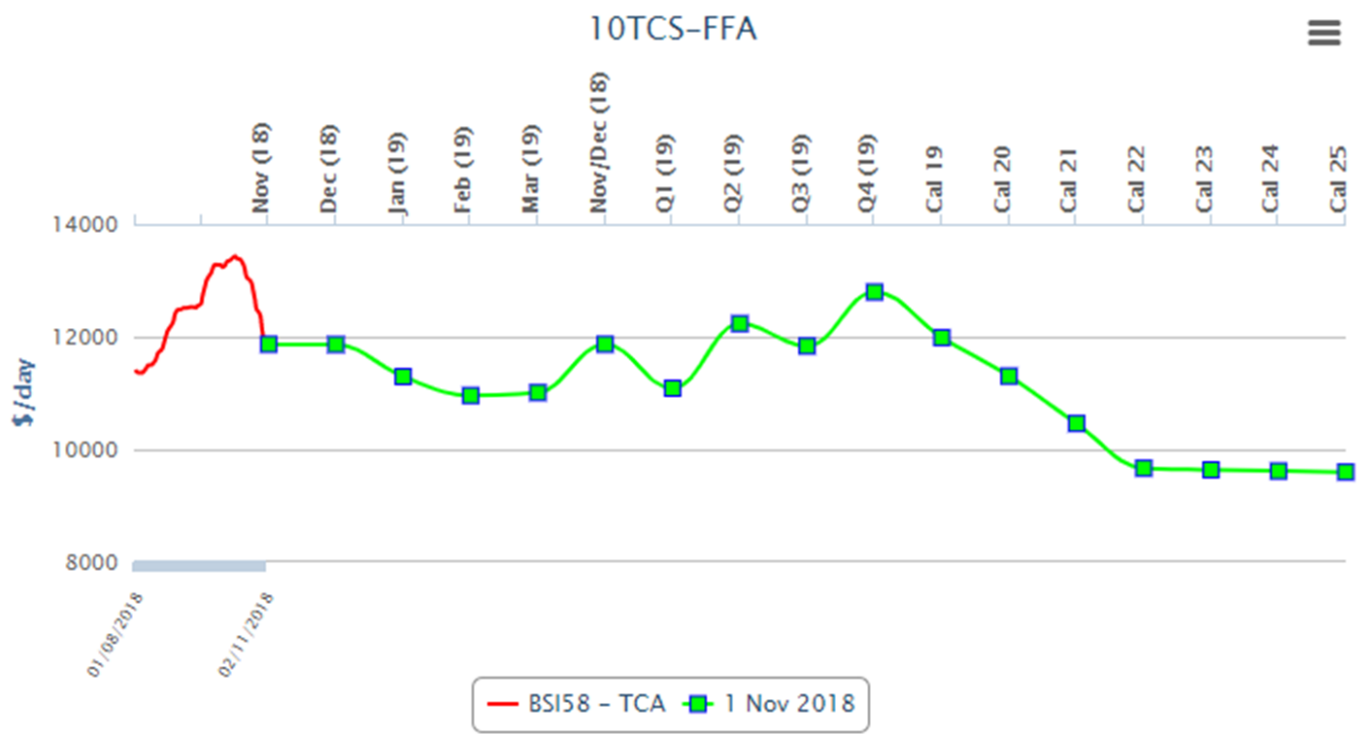


## Baltic Supramax Vessel Index

### Supramax

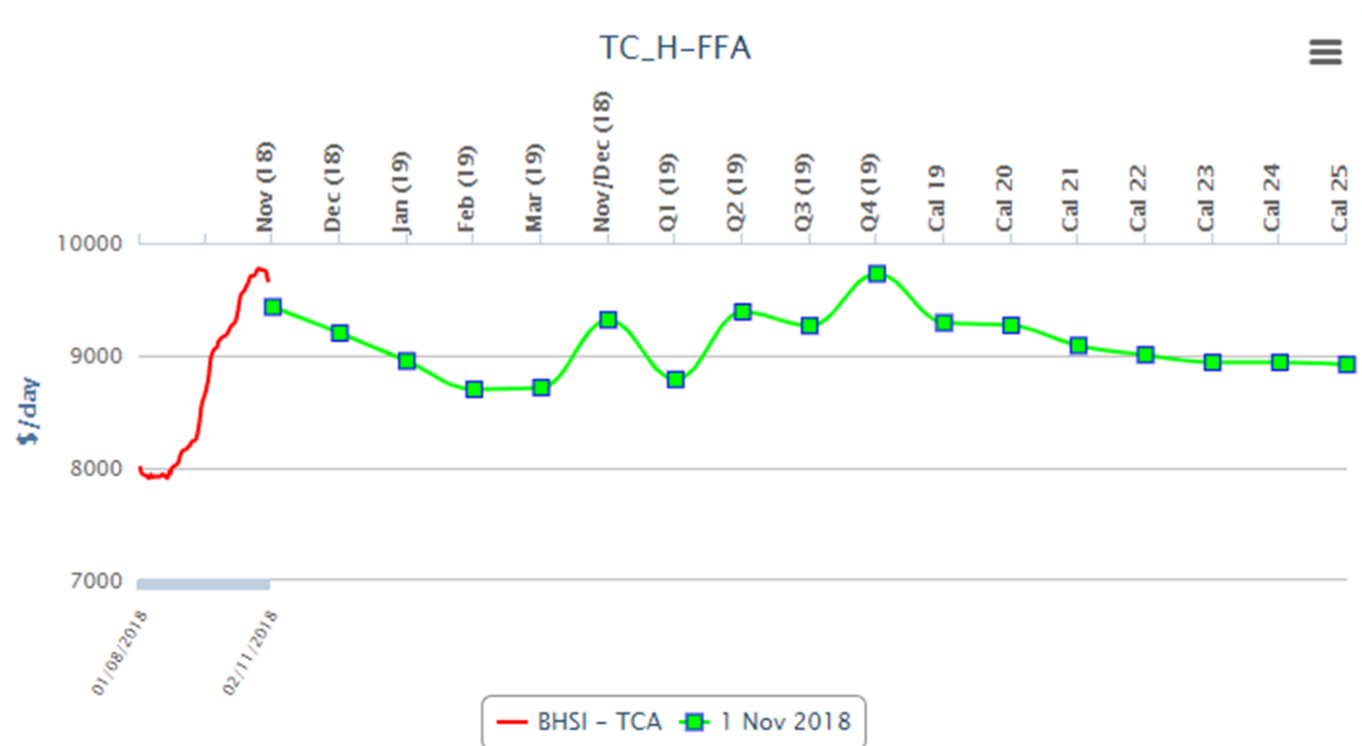


## Supramax Dry-Bulk Forward Curve



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## Baltic Handy Size



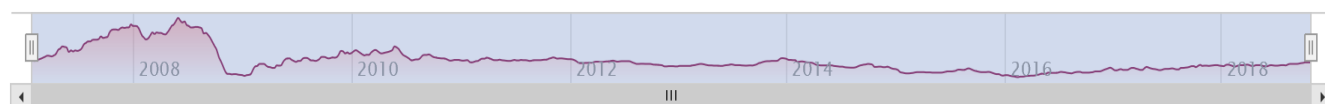
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# YAMAMIZU Index



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

From 2007-01-29 To 2018-10-24



## China Import Dry Bulk Freight Index(CDFI)

2018-10-31

Route	Size MT	Cargo/Vessel Size	Unit	Rate	Change
Composite Index			Point	1017.99	0.82
Iron ore Freight Index			Point	1036.57	5.25
Soybean Freight Index			Point	1089.09	-0.34
Santos(Brazil)—North China	60000/10%	Soybean	\$/ton	37.645	0.113
Tacoma(West America)—North China	60000/10%	Soybean	\$/ton	26.240	-0.292
Mississippi(US Gulf)—North China	66000/10%	Soybean	\$/ton	47.874	-0.061
Mississippi(US Gulf)—North China	55000/10%	Soybean	\$/ton	48.945	-0.073

**1 November 2018 U.S. FOB Vessel Export Market Values:**

<b>U.S. Yellow Corn (USD/MT) FOB Vessel</b>				
# 2 YC	U.S. Gulf #2 YC		PNW #3 YC	
15.0 % Moisture	Basis	Flat Price	Basis	Flat Price
<b>Dec.</b>	0.56	<b>\$166.43</b>	0.92	<b>\$180.60</b>
<b>Jan.</b>	0.63	<b>\$170.36</b>	0.87	<b>\$183.36</b>
<b>Feb.</b>	0.59	<b>\$171.55</b>	0.89	<b>\$184.14</b>
<b>Mar.</b>	0.58	<b>\$171.94</b>	0.91	<b>\$184.93</b>
<b>Apr.</b>	0.55	<b>\$173.91</b>	0.90	<b>\$187.69</b>
<b>May</b>	0.57	<b>\$174.69</b>	0.93	<b>\$188.87</b>

The Gulf spread between #2 & #3 YC is currently about 02 cents per bushel (0.80/mt)

<b>SORGHUM (USD/MT) FOB VESSEL</b>				
#2 YGS Fob Vessel	NOLA		TEXAS	
Max. 14.0% moisture	BASIS	FLAT PRICE	BASIS	FLAT PRICE
<b>Dec.</b>	0.75	<b>\$173.91</b>	0.60	<b>\$168.00</b>
<b>Jan.</b>	0.75	<b>\$178.63</b>	0.65	<b>\$174.69</b>
<b>Feb.</b>	0.75	<b>\$178.63</b>	0.65	<b>\$174.69</b>
<b>Mar.</b>	0.75	<b>\$178.63</b>	0.65	<b>\$174.69</b>
<b>Apr.</b>	0.80	<b>\$183.75</b>	0.65	<b>\$177.84</b>

Fob vessel Texas Gulf #2 Sorghum is about 0.99 % the value of #2 Yellow Corn at NOLA.  
In S.W. Kansas it is bid at 85 percent the value of corn.

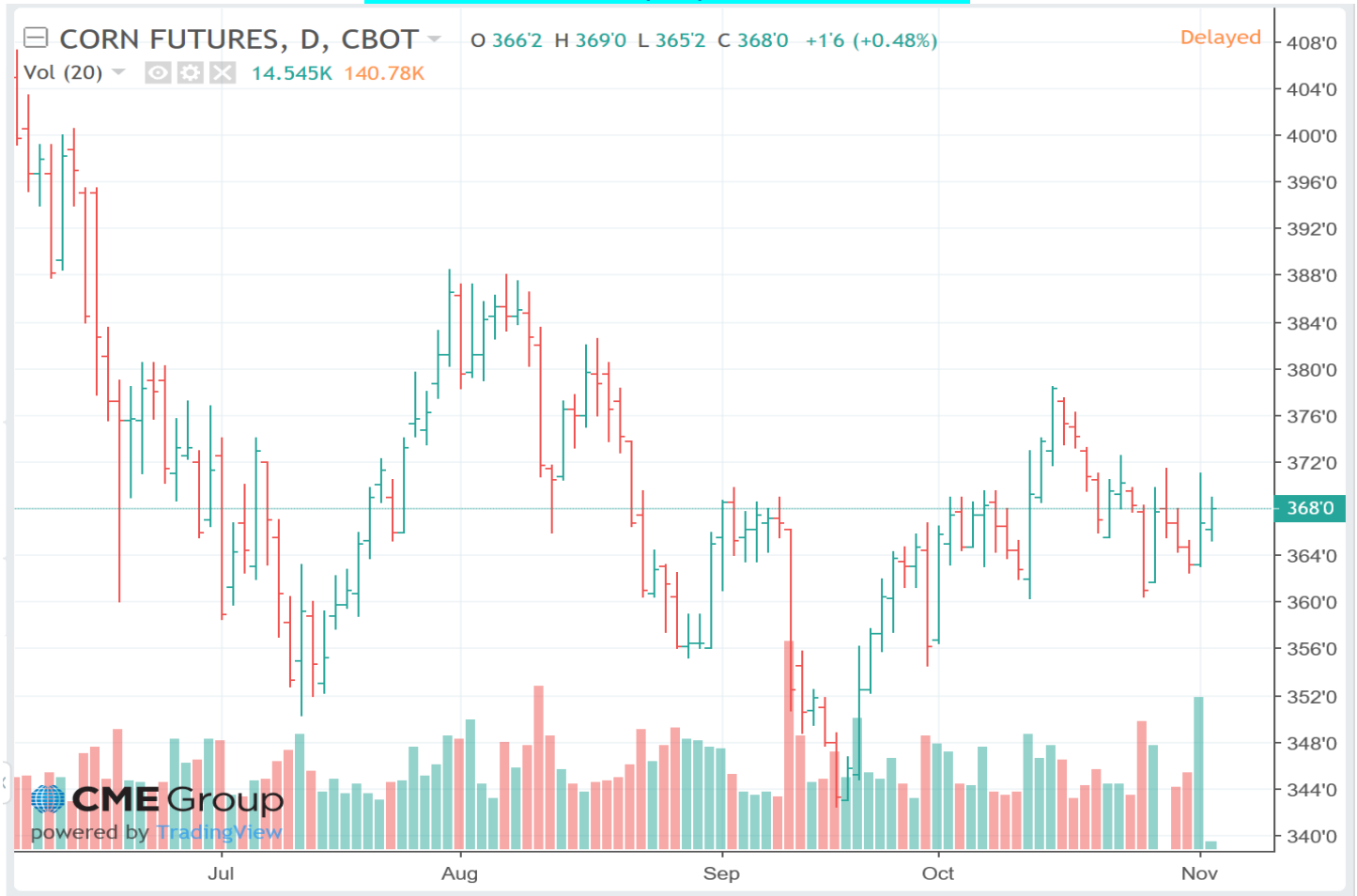
**U.S. SRW Wheat Fob Vessel at the Center U.S. Gulf**

SRW Wheat	USD/MT	Fob Vessel	US Gulf	
	<b>Dec.</b>	<b>Jan.</b>	<b>Feb.</b>	<b>Mar.</b>
FOB U.S. GULF	\$219.73	\$218.90	\$219.63	\$220.74
Basis	0.90	0.73	0.75	0.78
WZ	5.0800			
WH	5.2275			
WK	5.3425			

<b>CME Futures Market Close</b>						
CORN Month	Futures Symbol	Thursday Close Bushel	Thursday Close MT.	Last week Bushel	Last Week MT.	Difference Bushel
Dec.	CZ	\$3.6675	\$144.38	\$ 3.6100	\$142.12	\$0.0575
Mar.	CH	\$3.7875	\$149.11	\$ 3.7350	\$147.04	\$0.0525
May.	CK	\$3.8675	\$152.26	\$ 3.8150	\$150.19	\$0.0525
July	CN	\$3.9275	\$154.62	\$ 3.8725	\$152.45	\$0.0550
Sept.	CU	\$3.9400	\$155.11	\$ 3.8975	\$153.44	\$0.0425



## CBOT December 2018 (CZ8) Corn Futures Chart –



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



## U.S. Soybean and SBM Markets Fob Vessel:

<b>U.S. Yellow Soybeans (USD/MT) FOB Vessel</b>				
# 2 YSB 14.0 % Moisture	<b>U.S. Gulf #2 YSB</b>		<b>PNW #2 YSB</b>	
	Basis	Flat Price	Basis	Flat Price
<b>Dec.</b>	0.25	<b>\$333.26</b>	0.35	<b>\$336.94</b>
<b>Jan.</b>	0.34	<b>\$336.57</b>	0.40	<b>\$338.77</b>
<b>Feb.</b>	0.28	<b>\$338.87</b>	0.45	<b>\$345.11</b>
<b>Mar.</b>	0.32	<b>\$340.34</b>	0.55	<b>\$348.79</b>
<b>Apr.</b>	0.28	<b>\$343.83</b>	0.50	<b>\$351.91</b>

### Soybean Futures

<b>Nov.</b>	\$	8.6900
<b>Jan.</b>	\$	8.8200
<b>Mar.</b>	\$	8.9425
<b>May</b>	\$	9.0775
<b>July</b>	\$	9.2000
<b>Aug.</b>	\$	9.2450

<b>U.S. SBM (USD/MT) FOB Vessel</b>		
Fob U.S. Gulf Port max 12.5 % moisture	<b>47.5 Pro. SBM</b>	
	Basis	Flat Price
<b>Dec.</b>	8.00	<b>\$ 354.34</b>
<b>Jan.</b>	10.00	<b>\$ 358.31</b>
<b>Feb.</b>	10.00	<b>\$ 360.85</b>
<b>Mar.</b>	10.00	<b>\$ 360.85</b>
<b>Apr.</b>	10.00	<b>\$ 361.84</b>

### SBM Futures

<b>SMZ</b>	313.40
<b>SMF</b>	315.00
<b>SMH</b>	317.30
<b>SMK</b>	318.20
<b>SMN</b>	320.30
<b>SMQ</b>	321.30

## CME January 2018 Soybean (SF18) Futures Chart:



## CME Dec. 2018 Soybean Meal (SMZ8) Futures Chart



**U.S. EXPORT STATISTICS: Report Activity as of Week Ending 18 October 2018**

**Thursday-Weekly U.S. Export Sales**

<b>Commodity</b>	<b>New Sales (000 MT)</b>	<b>YTD Export Commitments **(000 MT)</b>	<b>Total Projected Export Program for Year (000 MT)</b>	<b>Percent of Export Projection</b>	<b>Total Sales for Next Marketing Year '17- 18 (000 MT)</b>
Corn	583.2	21,437.7	62,870	34%	99.1
Sorghum	55.0	212.5	3,810	6%	0.0
Soybeans	455.9	21,054.9	56,070	38%	93.1
Wheat	533.0	12,557.3	27,900	45%	6.0
Barley	0.3	55.9	110	51%	0.0

**U.S. EXPORT INSPECTIONS:**

Monday's report 29 October 2018 for the Export week ending 25 October 2018

	<b>Export Inspections</b>		<b>Current Market Year YTD</b>	<b>Previous Year to Date</b>	<b>2018/19 YTD as Percent of 2017/18 YTD</b>
	<b>This Week</b>	<b>Previous Week</b>			
Corn	652,995	1,023,953	8,593,857	5,095,756	169%
Sorghum	3,091	10,773	136,205	446,086	31%
Soybeans	1,304,907	1,211,199	7,317,816	12,375,449	59%
Wheat	393,255	386,961	8,605,060	11,142,167	77%
Barley	686	49	4,772	15,884	30%

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

**U.S. EXPORT INSPECTIONS:**

Monday's report 29 October 2018 for the Export week ending 25 October 2018

<b>Last Week</b>							
(Metric Tons)	<b>YC</b>	<b>%</b>	<b>WC</b>	<b>%</b>	<b>Sorghum</b>	<b>%</b>	<b>Soybeans</b> %
Lakes	20,843	3%	0	0%	0	0%	196 0%
Atlantic	7,180	1%	0	0%	0	0%	54,123 4%
Gulf	307,559	48%	11,098	99%	0	0%	752,663 58%
PNW	189,517	30%	122	1%	0	0%	325,323 25%
Interior Export Rail	116,676	18%	0	0%	3,091	100%	172,602 13%
Metric Tons	641,775		11,220		3,091		1,304,907

Sorghum Shipments:	<u>metric tons</u>	
	3,091	Mexico
	3,091	Total

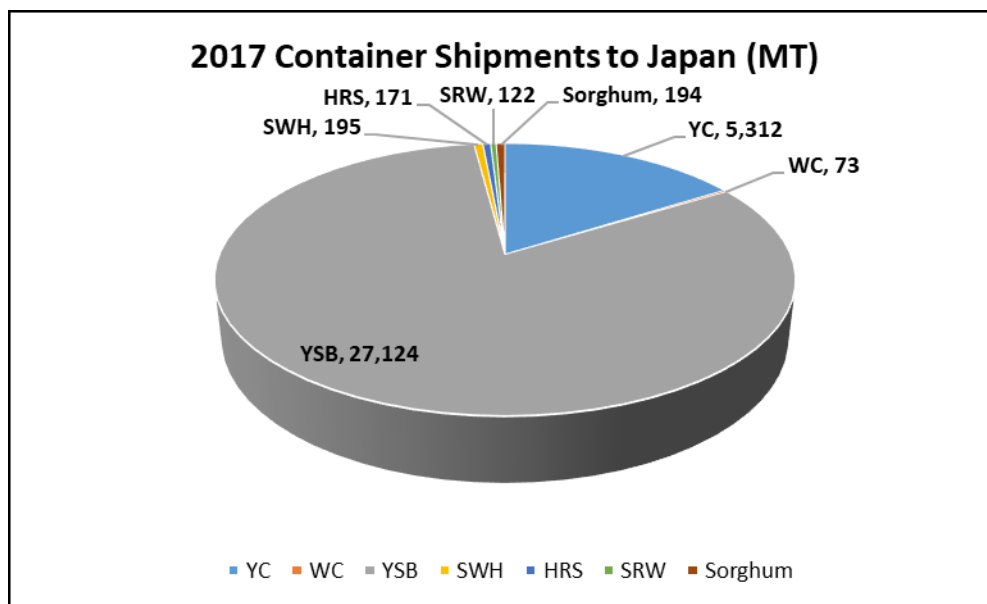
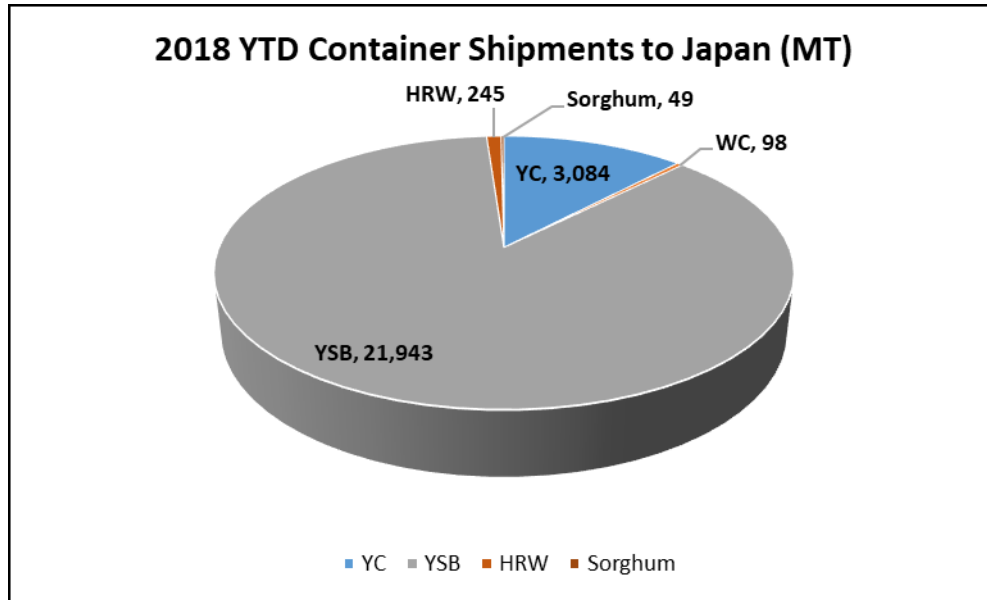
White Corn	<u>metric tons</u>	
Shipments:	7,699	Colombia
	3,399	Honduras
	122	Korea Rep
	11,220	Total

## 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:		25-Oct-2018							
Last Week	metric tons								MT
	YC	WC	YSB	SRW	NS	SWH	HRW	Sorghum	TOTAL
China Main									0
China T	10,479		9,744						20,223
Hong Kong	441								441
Costa Rica									0
Indonesia			18,368						18,368
French Poly	245								245
Japan			367						367
Korea Republic	857		2,743						3,600
Senegal			147						147
Malaysia	440		9,623						10,063
Burma			784						784
Philippines	1,885		1,788						3,673
Thailand			9,063						9,063
India			514						514
Bangladesh									0
Vietnam			5,508						5,508
Sub total	14,347	0	58,649	0	0	0	0	0	66,974
USDA Corrections/Additions to previous reports:									
China T			4,114						4,114
China Main									0
Hong Kong									0
Korea Rep.				514					514
Costa Rica									0
Japan									0
Philippines			245						245
Indonesia			5,189						5,189
Malaysia			1,396						1,396
Thailand			1,150						1,150
Vietnam			784						784
Canada									0
Bangladesh									0
Sub total	0	0	12,878	514	0	0	0	0	13,392
<b>Mt. Grand Total</b>	<b>14,347</b>	<b>0</b>	<b>71,527</b>	<b>514</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>80,366</b>
Number of containers	624	0	3,110	22	0	0	0	0	

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



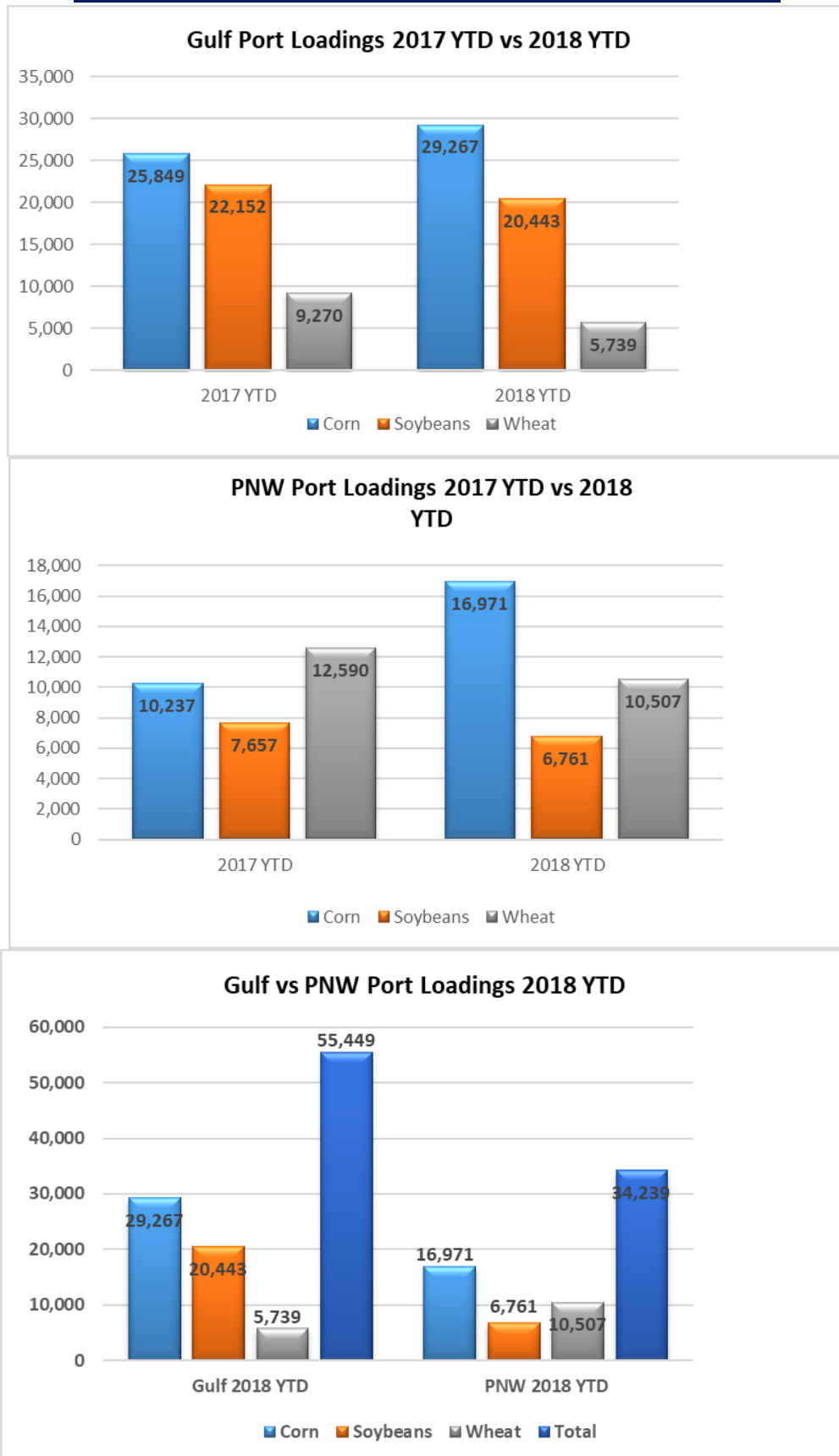
Grain Inspections for Export by U.S. Port Regions:  
U.S. Gulf and Pacific Northwest 2017 YTD vs. 2018 YTD

PORT LOADINGS US Gulf				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
<b>GULF</b>				
2017 YTD	25,849	22,152	9,270	57,271
2018 YTD	29,267	20,443	5,739	55,449
2018 as % of 2017	113%	92%	62%	97%

PORT LOADINGS US PNW				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
<b>PNW</b>				
2017 YTD	10,237	7,657	12,590	30,484
2018 YTD	16,971	6,761	10,507	34,239
2018 as % of 2017	166%	88%	83%	112%

PORT LOADINGS GULF vs. PNW				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
2018 Gulf YTD	29,267	20,443	5,739	55,449
2018 PNW YTD	16,971	6,761	10,507	34,239
TOTAL	46,238	27,204	16,246	89,688
Gulf Percentage	63%	75%	35%	62%
PNW Percentage	37%	25%	65%	38%

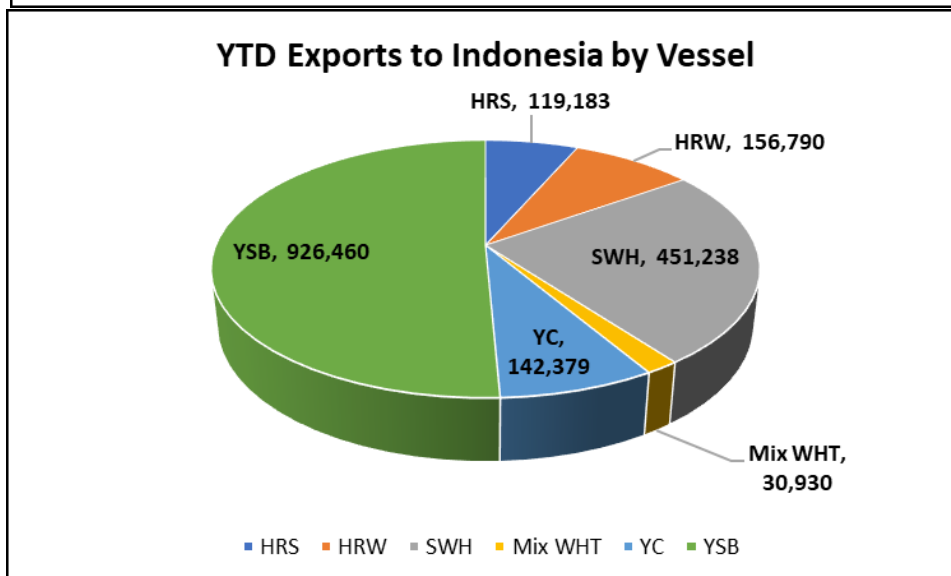
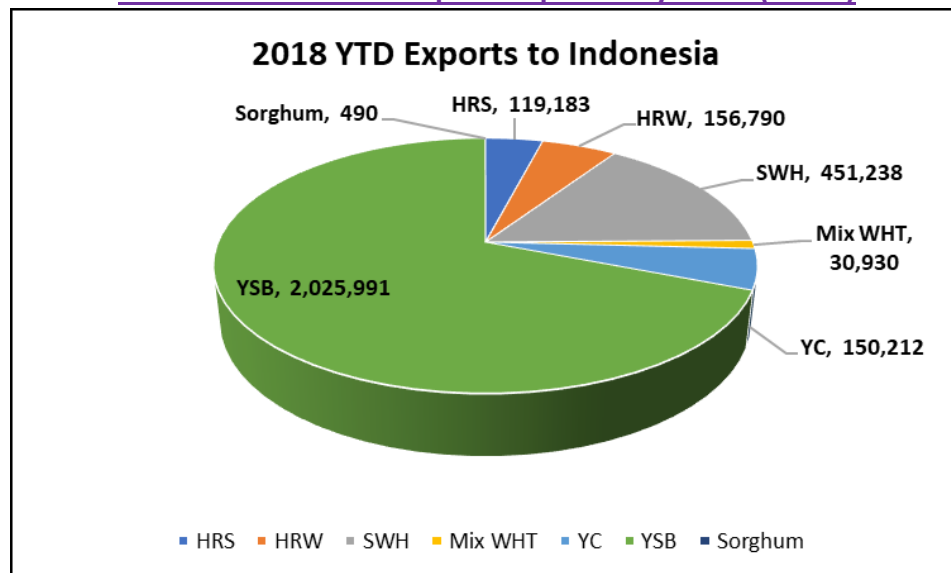
Grain Inspections for Export by U.S. Port Regions (1,000MT):  
U.S. Gulf and Pacific Northwest 2017 YTD vs. 2018 YTD



Source: USDA-data



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



\*\*Please keep in mind that USDA does not report DDGS sales, or they would show as the largest exports by container.

Source: USDA



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## CG Railway orders rail car carrier at Huangpu Wenchong

 OCTOBER 26TH, 2018

 JASON JIANG

 AMERICAS, GREATER CHINA, SHIPYARDS

 0 COMMENTS

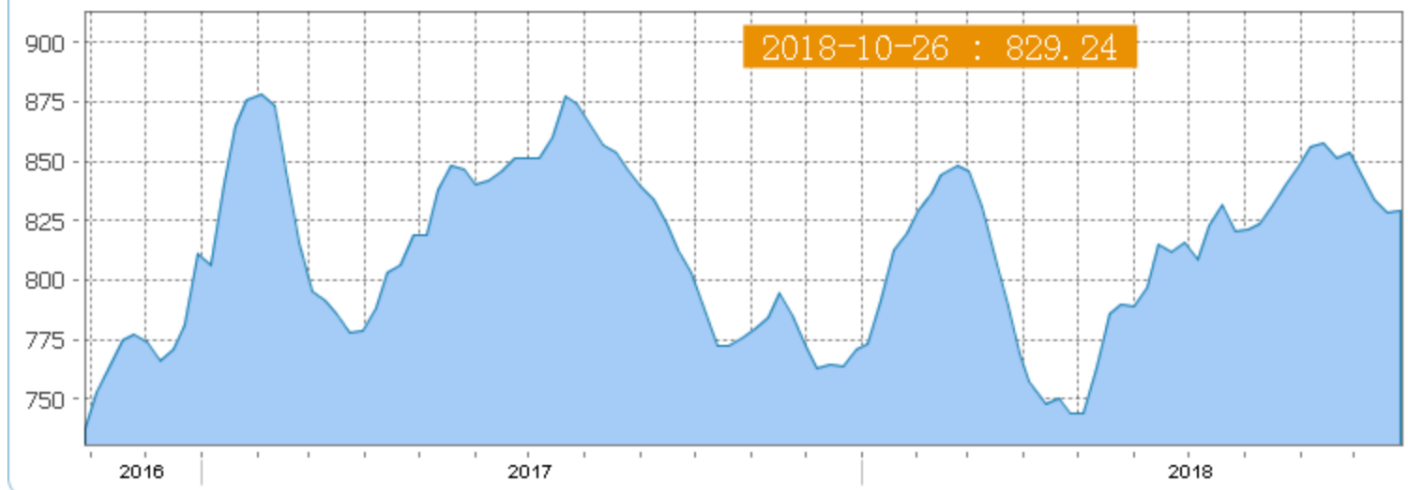
US-based intermodal transport service provider CG Railway has placed an order at CSSC-affiliated Huangpu Wenchong Shipbuilding for the construction of a rail car carrier.

It is the first order Huangpu Wenchong has received for such a ship type. The ship will be used for rail car transport between ports in the US and Mexico.

CG Railway is a joint venture between Seacor Holdings and railway operator Genesee & Wyoming, and mainly provides rail-ferry transport services between the US, Canada, and Southern Mexico.

The company currently operates two rail car carriers, *Bail Sea* and *Banda Sea*, both over 30 years old.

## China Containerized Freight Index



### U.S. RIVER BARGE FREIGHT

**Current Barge Freight for Placement First Half December 2018**

Placement FH December 2018	% of Tariff	MT	Corn BU	Soybeans-Wheat BU
Upper Mississippi	Closed	\$ -	0.00	0.00
Illinois River (Pekin and South)	375	\$ 19.88	0.51	0.54
Mid-Mississippi	Closed	\$ -	0.00	0.00
Lower Ohio	340	\$ 16.72	0.42	0.45
St. Louis	285	\$ 12.53	0.32	0.34

### Secondary Rail Car Market for car placement period: First Half December 2018.

Secondary Rail Car Market Placement FH. December 2018	BID USD	ASK USD	BID BU.	ASK BU.	BID MT	ASK MT
BNSF Shuttle Trains	\$ (200.00)	\$ (100.00)	\$ (0.05)	\$ (0.03)	\$ (1.97)	\$ (0.98)
UPRR Shuttle Trains	\$ (125.00)	\$ (50.00)	\$ (0.03)	\$ (0.01)	\$ (1.23)	\$ (0.49)

[www.grains.ksu.edu/igp](http://www.grains.ksu.edu/igp)

Best Regards,

Jay

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