

Transportation and Export Report for 12 November 2020

This week bullish Paper Traders made a valent but losing effort to hold Dry-Bulk index values up. Soft Capesize cargo demand however kept Sellers motivated and pushing and it was the sellers who prevailed as values continued to slide.

Paper traders and vessel owners are hoping that markets have , at least, formed a bottom and that the overall situation will soon improve. It should be noted however that Q4 of each year tends to be a soft and defensive period for ocean freight markets. The only sector bucking this trend is the Containerized market. Surprisingly, U.S. demand for consumer goods from China has been extraordinarily strong and we are even experiencing a shortage of containers for both East and West bound movements.

Average Q1 2021 daily earnings for Dry-bulk Panamax vessels dropped to \$8,000/day.

BALTIC DRY-BULK PANAMAX INDEX CHANGES

Panamax Ocean Freight Indices					
12-Nov-2020		This Week	Last Week	Difference	Percent Change
P2A : Gulf/Atlantic - Japan	per day	18616	19991	-1,375	-6.9%
P3A - PNW/Pacific -Korea	per day	10095	9716	379	3.9%
S1C -USGULF-China-So.Japan	per day	20894	21297	-403	-1.9%
P7- Trial- Miss. River - Qingdao	per ton	38.721	39.583	-0.9	-2.2%
P8- Trial- Santos - Qingdao	per ton	27.704	28.429	-0.7	-2.6%

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

Four weeks ago:	\$8.00-\$9.20
Three weeks ago:	\$7.20-\$7.65
Two weeks ago:	\$7.50-\$8.00
One week ago:	\$7.10-\$7.75
This week	\$6.50-\$6.90

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

Mississippi River:	(10 elevators)	4-17 days (2 facilities not currently operating)
Miss. River Mid-Stream loaders:	(6+ Rigs)	0-6 days
Texas Gulf	(6 elevators)	0-5 days (3 Facilities at Zero days)
Pacific Northwest:	(9 elevators)	1-8 days

Panamax Market Spreads to Asia -China					
12-Nov-2020	PNW	GULF	Bushel Spread	MT Spread	Advantage
CORN	1.87	1.47	0.40	\$15.75	PNW
SOYBEANS	1.75	1.35	0.40	\$15.75	PNW
OCEAN FREIGHT	\$22.00	\$40.00	.46-.49	\$18.00	December

Recent Reported Vessel Fixtures:

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

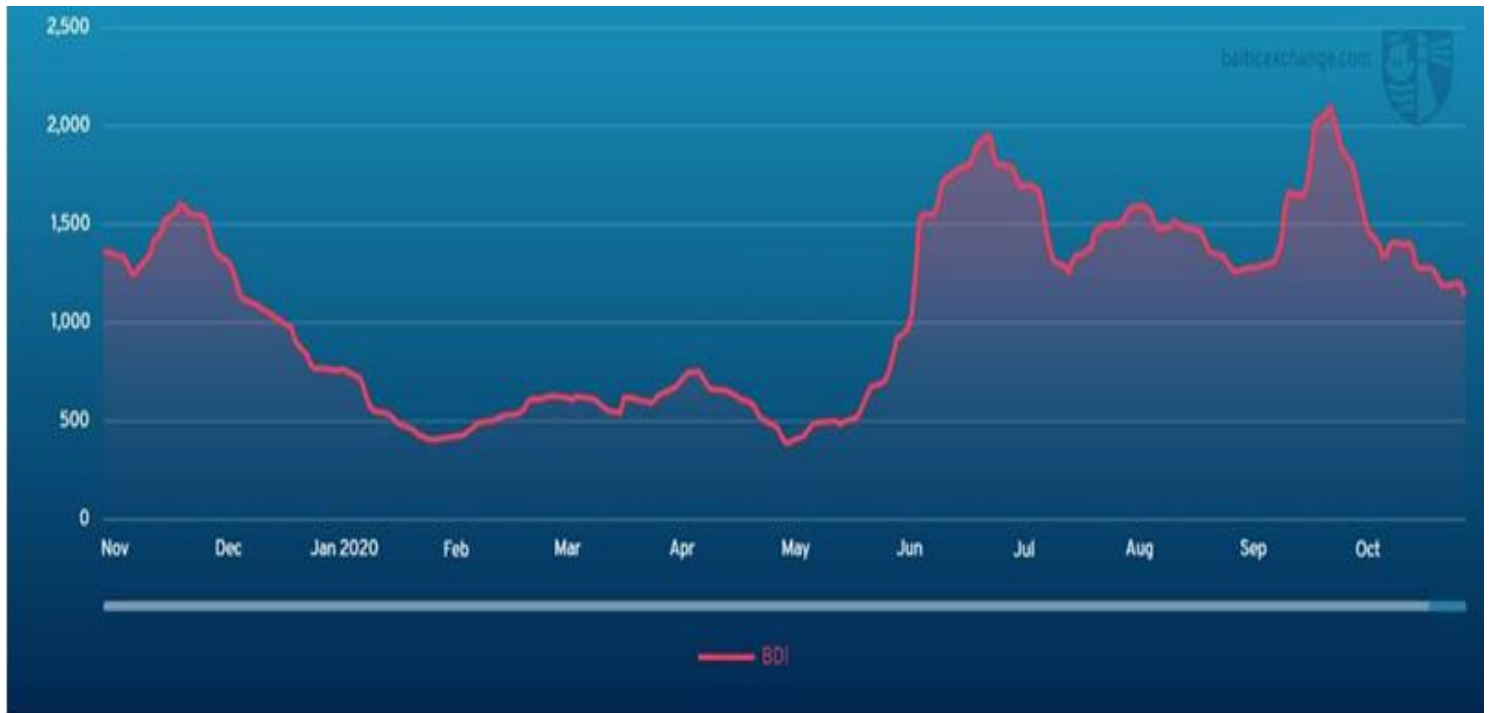
Soybean Panamax USG to Spain is running \$20.00-\$21.00/mt.

Soybean Brazil to Spain about \$23.25-24.50/mt.

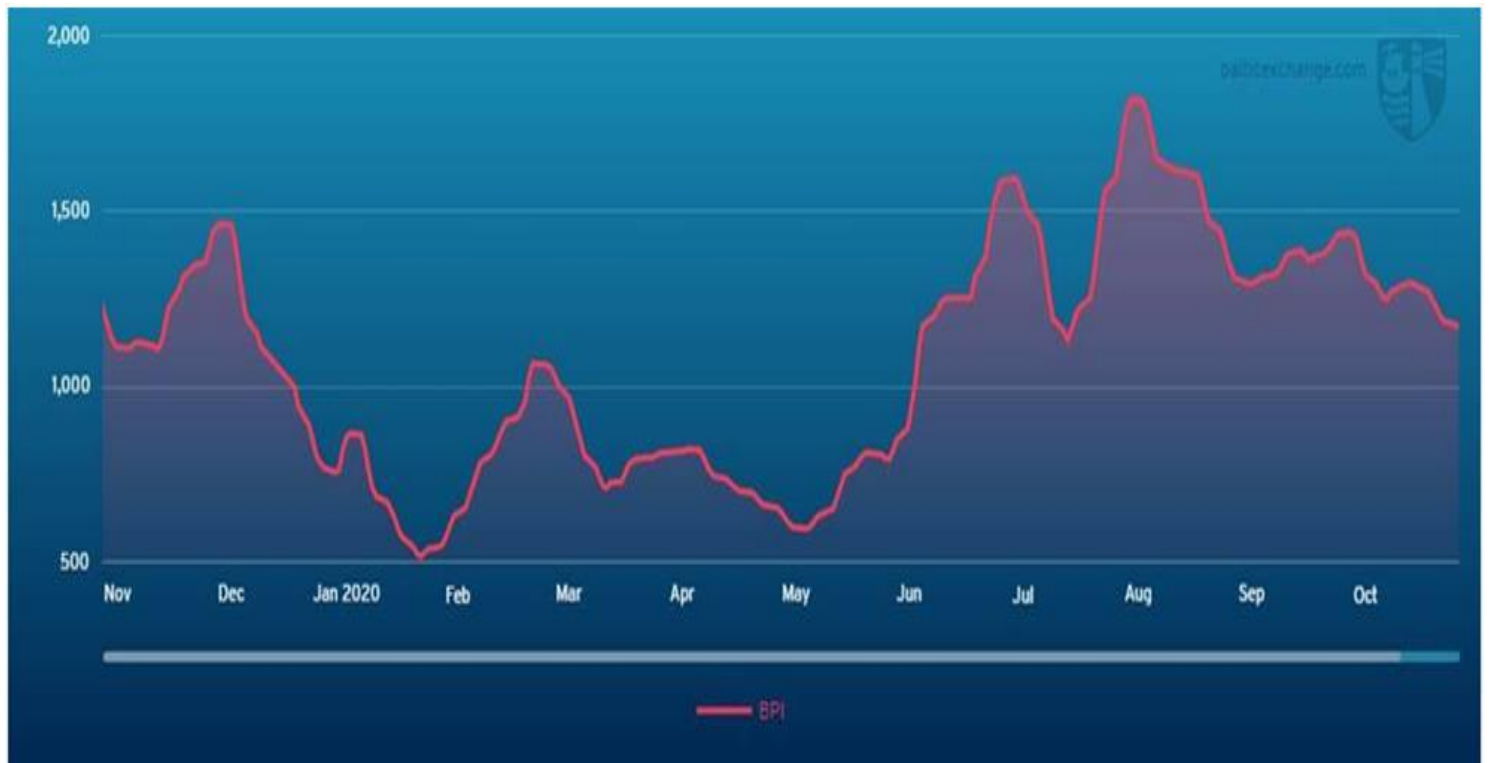
30,000 mt Corn Northern Brazil to Vera Cruz, Mexico \$18.00-\$19.00/mt .To U.S. E/C about \$20.75-21.75/mt

Route and Vessel Size	Current Week USD/MT	Change from previous week	Remarks
55,000 U.S. Gulf-Japan	\$41.25	Down \$1.00	Handymax \$42.50 mt
55,000 U.S. PNW- Japan	\$22.75	Down \$0.50	Handymax \$23.75 mt
66,000 U.S. Gulf – China	\$40.00	Down \$1.00	North China
PNW to China	\$22.00	Down \$0.50	
25,000 U.S. Gulf- Veracruz, México	\$17.00	Down \$0.25	3,000 MT daily discharge rate
30-36,000+ U.S. Gulf- Veracruz, México	\$14.00	Down \$0.25	Deep draft and 6,000 MT per day discharge rate.
30-38,000 U.S. Gulf- Colombia	\$19.75	Down \$0.25	<u>West Coast Colombia at \$31.25</u>
<u>East Coast Colombia</u> From Argentina	<u>\$30.00</u> \$31.00		USG to E/C 50,000 mt at \$15.75
43-45,000 U.S. Gulf - Guatemala	\$28.25	Down \$0.25	Acajutla/Quetzal - 8,000 out
26-30,000 U.S. Gulf – Algeria	\$38.50 \$40.25	Down \$0.25	8,000 mt daily discharge 3,000 mt daily discharge
26-30,000 US Gulf-Morocco	\$39.50	Down \$0.25	5,000 discharge rate
55-60,000 U.S. Gulf –Egypt	\$26.75	Down \$0.50	60,000 -55,000 mt -Egypt
PNW to Egypt	\$27.75		Romania- Russia- Ukraine \$13.50-\$13.75 -\$14.25 France \$17.25
60-70,000 U.S. Gulf – Europe – Rotterdam	\$18.50	Down \$0.50	Handymax at +\$1.75-\$2.00 more
Brazil, Santos – China	\$31.00	Unchanged to Down \$0.25	54-59,000 Supramax-Panamax
Brazil, Santos – China	\$28.00		60-66,000 Post Panamax
Northern Coast Brazil	\$34.00		Upriver No. Brazil Plus -55,000 mt Plus \$7.50/mt
56-60,000 Argentina/Rosario- China Deep Draft	\$34.25	Down \$0.25	Upriver with BB Top Off Plus \$3.75 mt

The Baltic Dry Freight Index



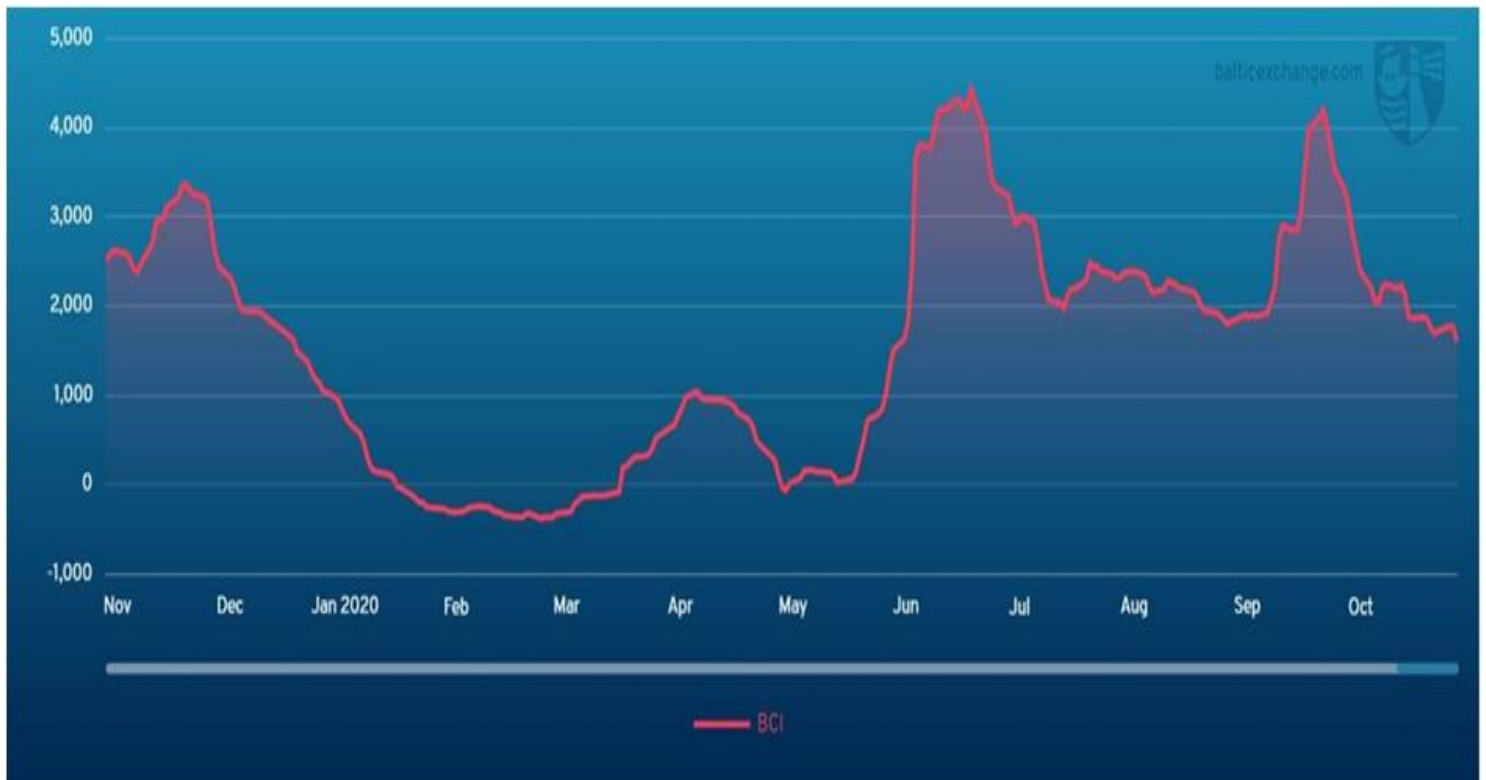
Baltic Panamax Index



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



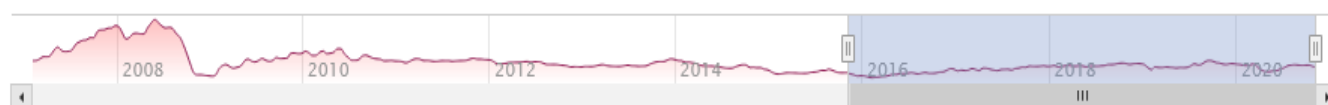
Capesize Market Chart



YAMAMIZU Index


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

From 2015-11-11 To 2020-11-11



China Import Dry Bulk Freight Index

2020-11-12

Description	Size MT	Cargo/Vessel Size	Unit	Rate	Change
Composite Index			Point	762.73	-13.38
Iron ore Freight Index			Point	722.33	-23.84
Dampier(West Australia)-Qingdao (China)	170000/10%	Iron ore	\$/ton	6.539	-0.204
Soybean Freight Index			Point	871.85	-3.58
Santos(Brazil)—North China	60000/10%	Soybean	\$/ton	28.536	-0.15
Tacoma(West America)—North China	60000/10%	Soybean	\$/ton	22	-0.043
Mississippi(US Gulf)—North China	66000/10%	Soybean	\$/ton	39.992	-0.133
Mississippi(US Gulf)—North China	55000/10%	Soybean	\$/ton	42.49	-0.15

12 November 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.	1.47	\$218.59	1.87	\$234.34
Jan.	1.38	\$218.98	1.76	\$233.94
Feb.	1.25	\$213.87	1.70	\$231.58
Mar.	1.10	\$207.96	1.50	\$223.71
Apr.	0.96	\$204.32	1.39	\$221.25
May	0.91	\$202.35	1.35	\$219.67

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	\$292.60	3.05	\$280.79
Jan.	3.30	\$294.57	3.00	\$282.76
Feb.	3.00	\$282.76	3.00	\$282.76
Mar.	3.30	\$294.57	3.00	\$282.76
Apr.	3.30	\$296.44	3.00	\$284.63

Fob vessel Texas Gulf #2 Sorghum is about 127% 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	\$269.33	\$270.43	\$268.59	\$267.68
Basis	1.35	1.30	1.25	1.20
WZ	5.9800			.
WH	6.0600			
WK	6.0850			

12-Nov-2020	Close	Close	Last Week.	Last Week.	Last Week	
CME Corn Futures	Bushel	MT.	Bushel	Bu. Diff.	MT	MT Diff.
Dec.	\$ 4.0825	\$ 160.72	\$ 4.0925	(0.01000)	\$ 161.11	\$ (0.39)
Mar.	\$ 4.1825	\$ 164.66	\$ 4.1475	0.0350	\$ 163.28	\$ 1.38
May	\$ 4.2300	\$ 166.53	\$ 4.1750	0.0550	\$ 164.36	\$ 2.17
July	\$ 4.2525	\$ 167.41	\$ 4.1875	0.0650	\$ 164.85	\$ 2.56
Sept.	\$ 4.0325	\$ 158.75	\$ 3.9575	0.0750	\$ 155.80	\$ 2.95
Dec.	\$ 4.0250	\$ 158.46	\$ 3.9575	0.0675	\$ 155.80	\$ 2.66

CBOT March 2021 (CH21) CORN Futures Chart –



CME/CBOT March 2021 (WH21) 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.	1.35	\$470.50	1.75	\$485.20
Jan.	1.30	\$468.66	1.65	\$481.52
Feb.	1.30	\$468.39	1.60	\$479.41
Mar.	1.28	\$467.65	1.60	\$479.41
Apr.	1.30	\$467.01	1.60	\$478.03
Soybean Futures				
Nov.	\$ 11.3700			
Jan.	\$ 11.4550			
Mar.	\$ 11.4475			
May	\$ 11.4100			
July	\$ 11.3600			
Aug.	\$ 11.1775			

U.S. SBM (USD/MT) FOB Vessel		
Fob U.S. Gulf Port	47.5 Pro. SBM	
max 12.5 % moisture	Basis	Flat Price
Dec.	45.00	\$ 477.49
Jan.	45.00	\$ 476.39
Feb.	45.00	\$ 471.76
Mar.	43.00	\$ 469.55
Apr.	47.00	\$ 469.00
SBM Futures		
SMZ	\$ 388.10	
SMF	\$ 387.10	
SMH	\$ 382.90	
SMK	\$ 378.40	
SMN	\$ 375.90	
SMQ	\$ 368.70	

CME January 2021 Soybean (SF21) Futures Chart:



CME January 2021 Soybean Meal (SMF21) Futures Chart



U.S. EXPORT STATISTICS: Report Activity as of Week Ending 29 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	2,649.6	33,189.2	59,060	56%	747.0
Sorghum	369.4	3,641.8	6,600	55%	259.0
Soybeans	1,681.4	48,500.7	59,880	81%	69.0
Wheat	638.4	16,757.0	26,540	63%	187.0
Barley	0.0	42.0	130	32%	0.0

U.S. EXPORT INSPECTIONS:

Monday's report 09 November 2020 for the Export week ending 05 November 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	690,079	740,612	7,576,894	4,344,347	174%
Sorghum	72,005	103,320	717,970	401,016	179%
Soybeans	2,496,308	2,389,742	19,457,451	10,904,221	178%
Wheat	304,239	313,331	11,703,183	11,456,105	102%
Barley	2,295	0	12,162	15,401	79%

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

U.S. EXPORT INSPECTIONS:

Monday's report 09 November 2020 for the Export week ending 05 November 2020

Last Week							
(Metric Tons)	YC	%	WC	%	Sorghum	%	Soybeans %
Lakes	0	0%	0	0%	0	0%	120,587 5%
Atlantic	0	0%	0	0%	441	1%	66,026 3%
Gulf	495,416	73%	13,755	100%	71,222	99%	1,180,404 47%
PNW	66,442	10%	24	0%	269	0%	940,402 38%
Interior Export Rail	114,442	17%	0	0%	73	0%	188,889 8%
Metric Tons	676,300		13,779		72,005		2,496,308

Sorghum Shipments: metric tons

245	Haiti
24	Korea Rep
71,736	China Main
72,005	Total

White Corn metric tons

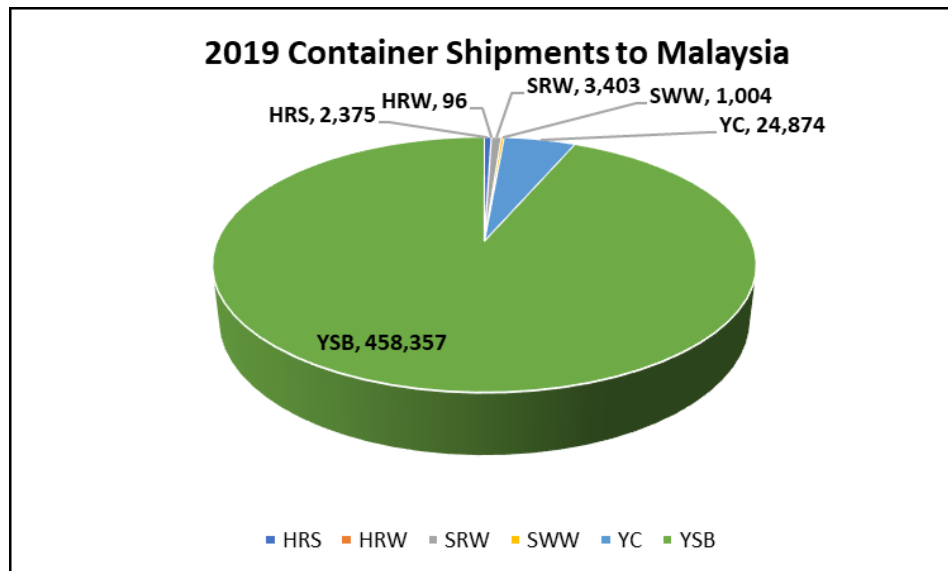
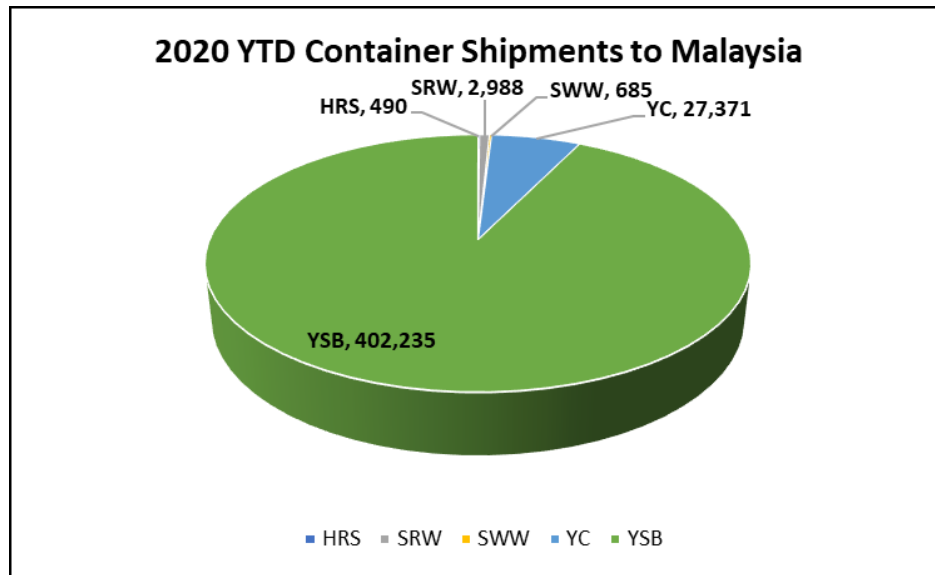
Shipments:	7,870	Colombia
	5,885	Honduras
	24	Korea Rep
	13,779	Total

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:		5-Nov-2020							
Last Week	metric tons								MT
	YC	WC	YSB	SRW	NS	SWH	HRW	Sorghum	TOTAL
China Main	318		6,782					73	7,173
China T	20,837		39,869						60,706
Hong Kong	196								196
Costa Rica									0
Indonesia			25,804						25,804
French Poly									0
Japan	1,763		489						2,252
Korea Rep.			1,470						1,470
Nepal			2,107						2,107
Malaysia	857		4,555						5,412
Ireland									0
Philippines			147						147
Thailand			4,306						4,306
Senegal			196						196
Tunisia			32,999						32,999
Bangladesh			49						49
Burma									0
Vietnam			5,750						5,750
Sub Total:	23,971	0	124,523	0	0	0	0	73	148,567
USDA Corrections/Additions to previous reports:									
China T	196		12,811						13,007
China Main									0
Hong Kong	73								73
Korea Rep.									0
Cambodia									0
Japan			61						61
Philippines									0
Indonesia			1,004						1,004
Malaysia			122						122
Thailand									0
Vietnam			220						220
Jordan									0
Costa Rica									0
Sub Total:	269	0	14,218	0	0	0	0	0	14,487
Mt. Grand Total	24,240	0	138,741	0	0	0	0	73	163,054
Number of Containers	1,054	0	6,032	0	0	0	0	3	

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



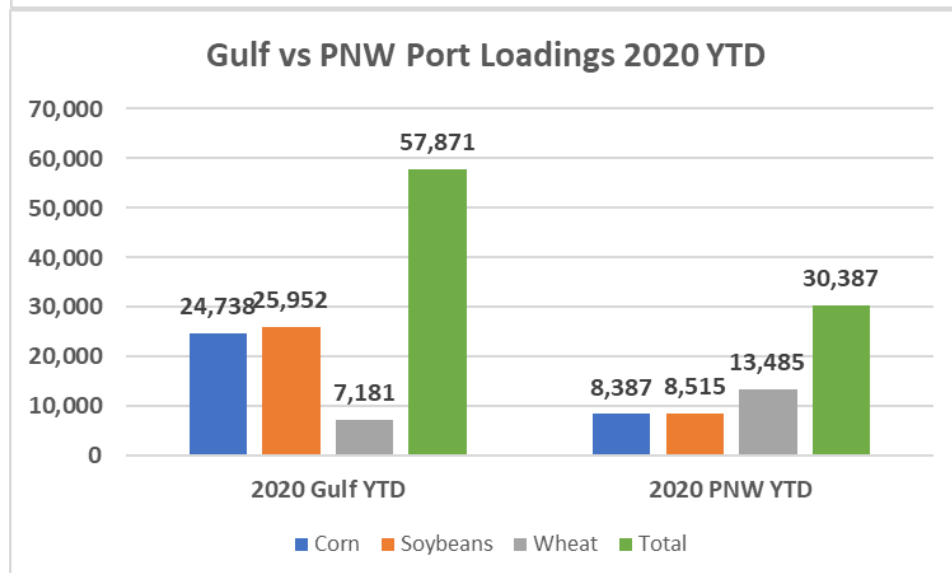
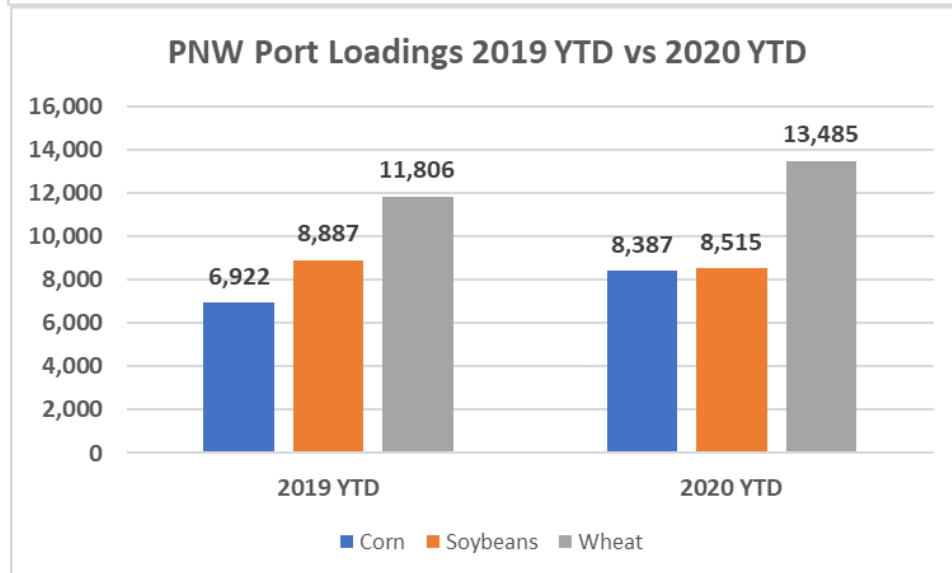
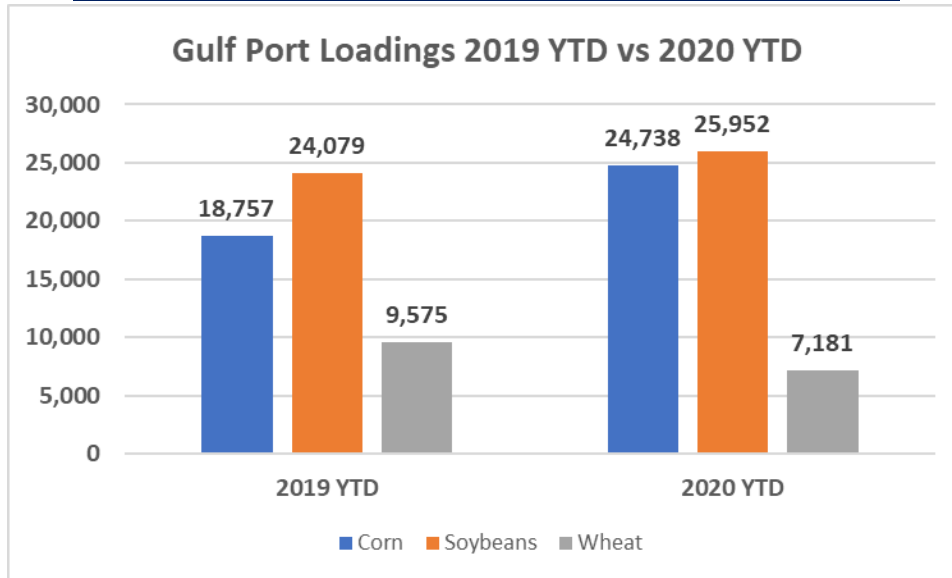
Grain Inspections for Export by U.S. Port Regions:
U.S. Gulf and Pacific Northwest 2019 YTD vs. 2020 YTD

PORT LOADINGS US Gulf				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
GULF				
2019 YTD	18,757	24,079	9,575	52,411
2020 YTD	24,738	25,952	7,181	57,871
2020 as % of 2019	132%	108%	75%	110%

PORT LOADINGS US PNW				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
PNW				
2019 YTD	6,922	8,887	11,806	27,615
2020 YTD	8,387	8,515	13,485	30,387
2020 as % of 2019	121%	96%	114%	110%

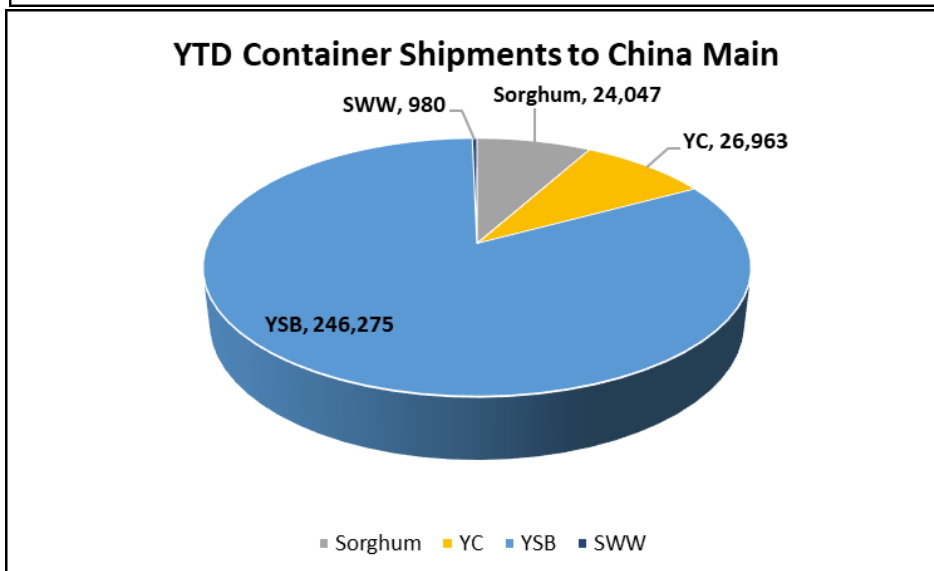
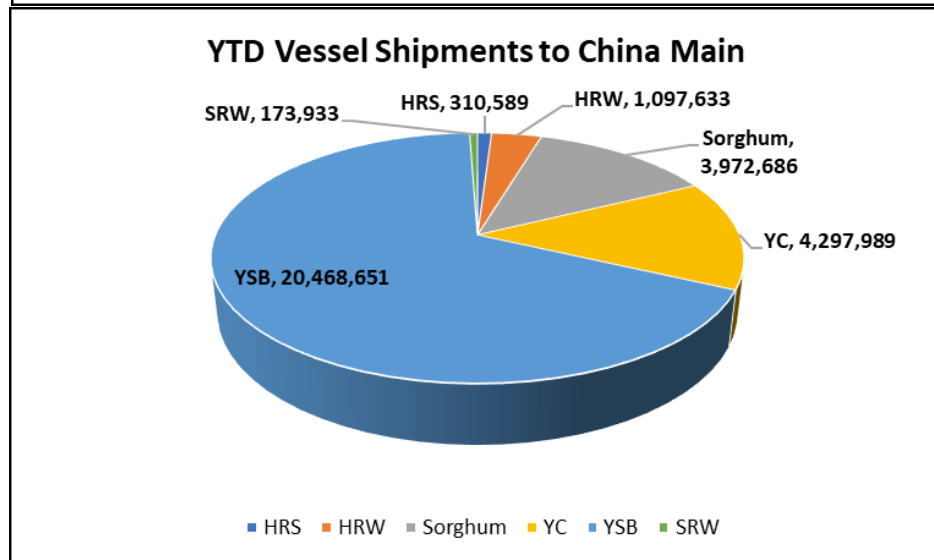
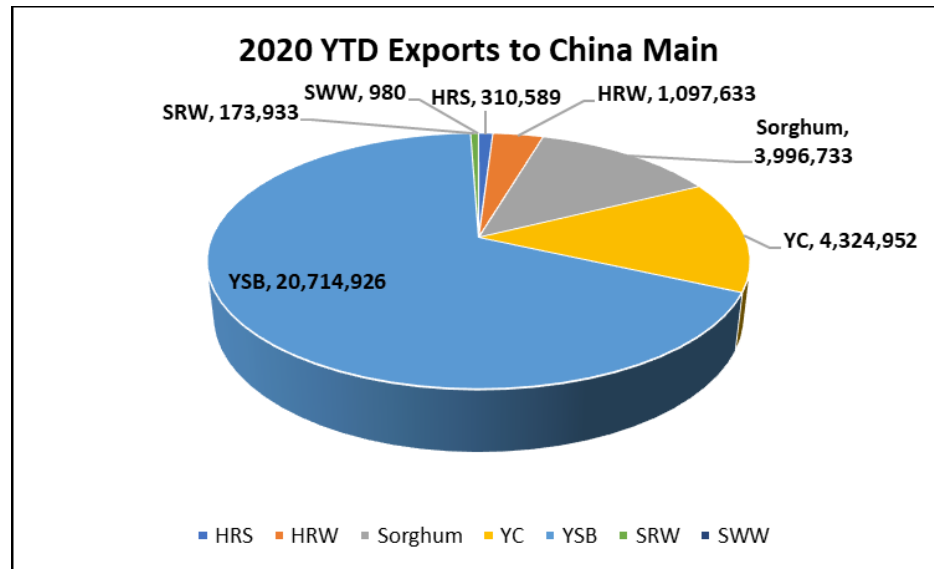
PORT LOADINGS GULF vs. PNW				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
2020 Gulf YTD	24,738	25,952	7,181	57,871
2020 PNW YTD	8,387	8,515	13,485	30,387
TOTAL	33,125	34,467	20,666	88,258
Gulf Percentage	75%	75%	35%	66%
PNW Percentage	25%	25%	65%	34%

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)



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

Acute container shortages roil global supply chains



Sam Chambers · November 11, 2020

0 1,914 2 minutes read

Limited access to available containers are also driving up rates for new boxes. Chinese manufacturers, which dominate the container market, are now charging about \$2,500 for a new container, up from \$1,600 a year ago. Likewise, leasing rates have rocketed, up by around 50% in the space of just six months.

Freight rates across most container tradelanes have leapt in recent months, some to record levels. The transpacific has led the way and shows no sign of slowing down.

Steve Ferreira, the CEO of New York-based consultancy Ocean Audit, noted via LinkedIn over the weekend that key American retailers such as Walmart, Home Depot, Lowes and Target are shipping 300% of their normal peak volume now.

splash247.com/acute-containe...



PRESIDENT-ELECT HUNTSMAN 🇺🇸 @man_integrated · Sep 18

One knock-on effect from this may be availability of **export** boxes.

In several inland points, carriers are already evacuating emptied import containers for backhaul to Asia, rather than waiting several days for exporters to load.

Also sets us up for trouble if a port shuts down.

Greg Miller @GMJournalist · 26m

...

US import pace is now vastly beyond all expectations. But how much will US demand outpace available [#containers](#) in [#China](#)? Situation being called [#BlackSwan](#) event and increasingly scarce containers being dubbed "the new gold." See details here: [#shipping](#)



Containers are 'the new gold' amid 'black swan' box squeeze
There are not enough containers in China to handle all the U.S.-bound cargo — and box factories are now sold out into Q2.
[freightwaves.com](#)

Platts Shipping @plattsshipping · 20m

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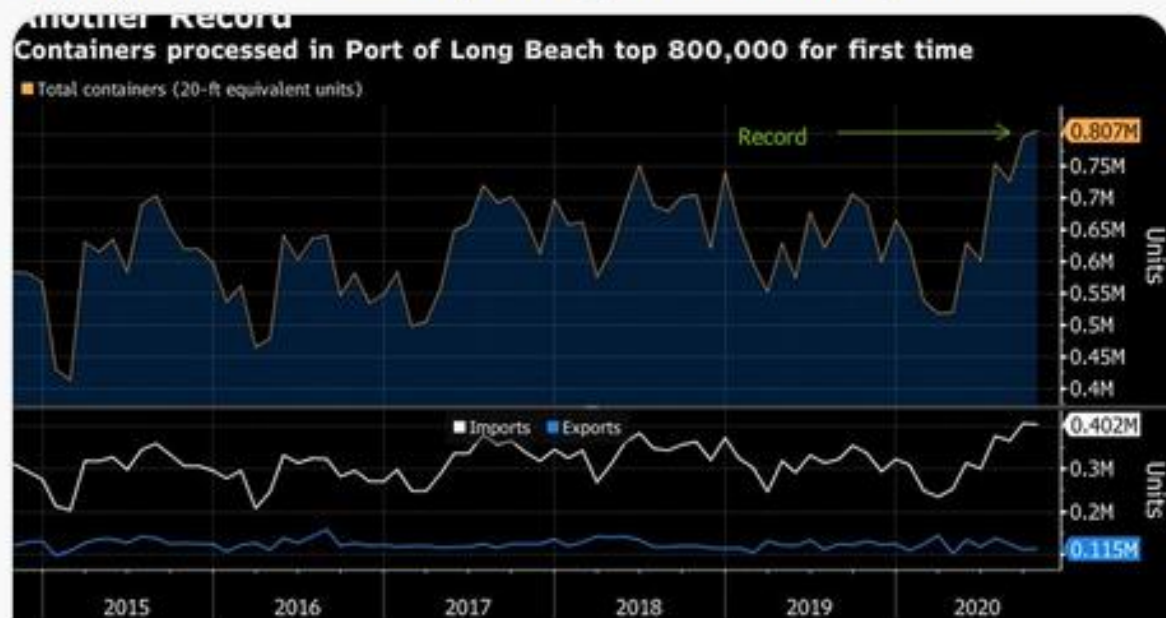
Port of Long Beach posts record monthly container throughput in October | [#containers](#) [#shipping](#)

Full story: plts.co/Kjol50Cjck8



Bloomberg @business · 9m

October was another record month for dockworkers at the West Coast port of Long Beach as a record 800,000 cargo containers were processed



Port of Long Beach Processes Another Record Number of Containers
October was another record month for dockworkers at the West Coast port of Long Beach as more than 800,000 cargo containers were ...

[bloomberg.com](https://www.bloomberg.com)

Cargo Vessels and Cruise Ships Line Up for Scrapping

The fallout from the Covid-19 pandemic is pushing shipping companies to sell vessels in growing numbers to bring in cash



A container ship, cruise liners and a bulk carrier are among the vessels being broken apart for scrap metal at a recycling yard in Izmir, Turkey, last month.

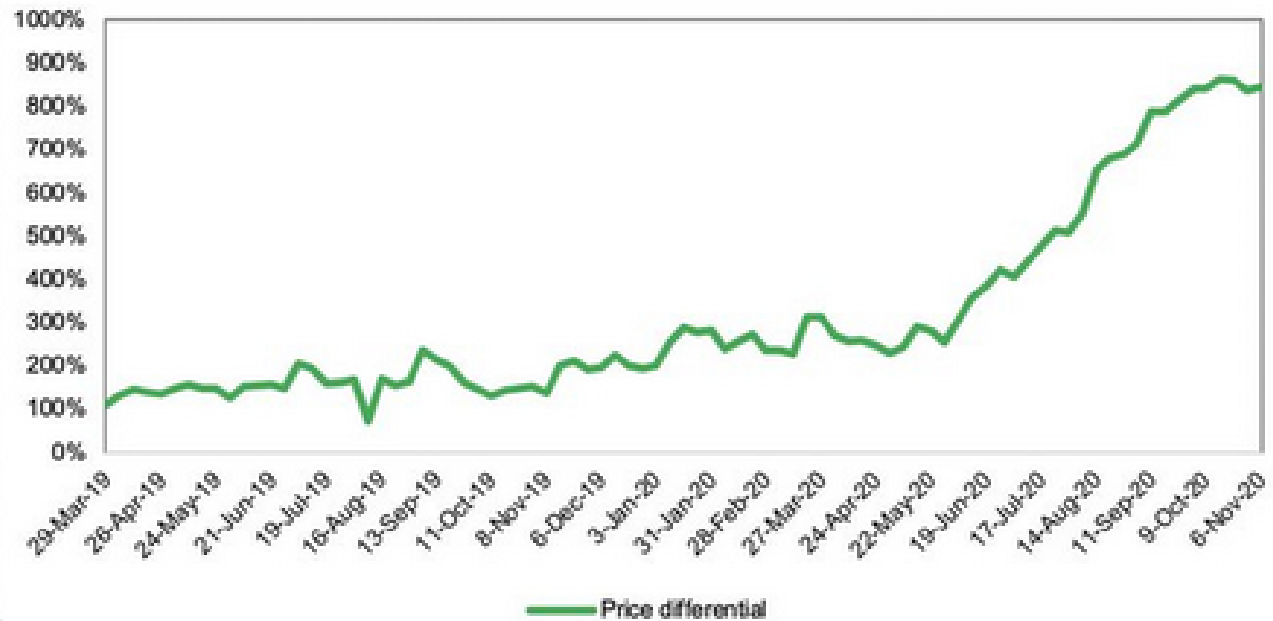
Mark Szakonyi @MarkSzakonyi · 48m

...

Those calling the global container equipment imbalance, causing Asian equipment shortages, a "black swan" ignore what forwarders and carriers have been warning for months in regards to the widening price spread of front-haul & back-haul rates. See trans-Pac.

Trans-Pacific rate spread surges as US import demand soars

Cost differential between average weekly eastbound and westbound trans-Pacific spot container rates per FEU



↻ 2

♡ 2



Olaf Merk @o_merk · 7h

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The shipping sector has an effective corporate income tax rate of 7% (including tonnage tax), two to three times lower than terminal operators (20%) and freight forwarders (27%).

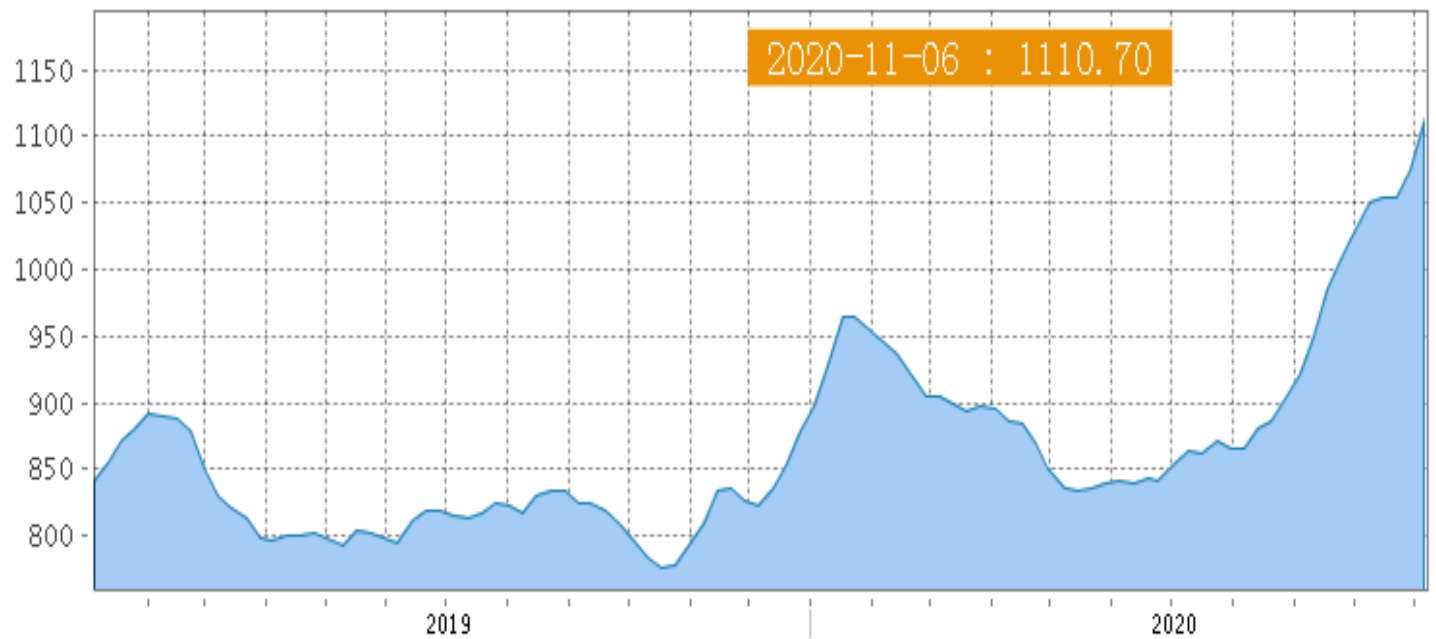
Cruise shipping has an effective tax rate of 0%; liquid bulk of 3%: rb.gy/bcubb8

	Effective tax rate (%)
Shipping	7
Port terminal operations	20
Freight forwarding and logistics	27
Shipping sectors	
Cruise shipping	0
Liquid bulk	3
Roll on/roll off	3
Dry bulk	6
Container shipping	19
Shipping firms, incorporated in:	
Oceania	0
North America	0
Latin America and Caribbean	1
Middle East	8
Europe	11
Asia	12

China Import Dry Bulk Freight Index



China Containerized Freight Index



Mary Kennedy @MaryCKenn · 1h

...

Empty barges trying to get north as fast as possible but once again the Miss at Memphis is closed for dredging and then opens to let traffic through and closes again has been the pattern.



U.S. RIVER BARGE FREIGHT

Current Barge Freight for Placement Last Half December 2020

Placement LH December 2020	% of		Corn	Soybeans-Wheat
	Tariff	MT	BU	BU
Upper Mississippi	Closed	\$ -	0.00	0.00
Illinois River (Pekin and South)	460	\$31.39	0.80	0.85
Mid-Mississippi	Closed	\$ -	0.00	0.00
Lower Ohio	390	\$19.17	0.49	0.52
St. Louis	390	\$17.15	0.44	0.47

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

Secondary Rail Car Market	BID	ASK	BID	ASK	BID	ASK
Placement LH. December 2020	USD	USD	BU.	BU.	MT	MT
BNSF Shuttle Trains	\$ 100.00	\$ 300.00	\$ 0.03	\$ 0.08	\$ 0.98	\$ 2.95
UPRR Shuttle Trains	\$ 100.00	\$ 300.00	\$ 0.03	\$ 0.08	\$ 0.98	\$ 2.95

Best Regards,

Jay
Jay O'Neil
HJ O'Neil Commodity Consulting
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Follow me on Twitter @ igpjay



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Please obtain market updates and reconfirm all values with your regular freight supplier before making any trading decisions based on this data. This message and any attachments may

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