

Transportation and Export Report for 14 November 2019

Ocean Freight Insights and Comments:

Not to sound like a broken record but, it was another ugly week for vessel owners as Dry-bulk markets continued their slide lower. October was more trick than a treat for vessel owners, and November is not yet providing any relief. If we go back one month to 17 October; we see that Panamax Dry-Bulk freight to China has dropped by 13-16 %. US Gulf to China had gone down \$6.50/mt from \$51.50 to \$45.00 today. US PNW to China freight has dropped \$4.50/mt, going from \$28.50/mt to \$24.00/mt.

And the technical charts for Capesize and Panamax Index markets still look quite bearish. Vessel owners are obviously hoping markets will hit bottom soon. Low sulfur IMO compliant fuel (VLSFO) is currently running at a 14-18 % premium over regular IFO380 bunker fuel; and as IMO 2020 rules are only 6 weeks away from implementation, vessel owners will need some financial help to offset the higher fuel cost.

BALTIC DRY-BULK PANAMAX INDEX CHANGES

Panamax Ocean Freight Indices				
14-Nov-19	This Week	Last Week	Difference	Percent Change
P2A : Gulf/Atlantic - Japan	17200	19568	-2,368	-12.1%
P3A - PNW/Pacific - Japan	7964	9582	-1,618	-16.9%
S1C -USGULF-China-So.Japan	20033	21011	-978	-4.7%
P7- Trial- Miss. River - Qingdao	43327	44930	-1,603	-3.6%
P8- Trial- Santos - Qingdao	31872	33887	-2,015	-5.9%

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

Four weeks ago:	\$9.05-\$9.50
Three weeks ago:	\$8.80-\$9.05
Two weeks ago:	\$9.00 -\$9.20
One week ago:	\$8.85-\$9.25
This week	\$8.35-\$8.85

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)	0-2 days
Texas Gulf	(5 elevators)	1-4 days
Pacific Northwest:	(9 elevators)	3-12 days

Panamax Market Spreads to Asia -China					
14-Nov-19	PNW	GULF	Bushel Spread	MT Spread	Advantage
CORN	1.08	0.67	0.41	\$16.14	PNW
SOYBEANS	0.97	0.65	0.32	\$12.60	PNW
OCEAN FREIGHT	\$24.00	\$45.00	.53-.57	\$21.00	December

Recent Reported Vessel Fixtures:

Soybean Panamax USG to Spain is running \$20.25/mt.

Soybean Brazil to Spain at about \$23.00/mt.

30,000 mt Corn Northern Brazil to Vera Cruz, Mexico \$18.50-\$19.00/mt .To U.S. E/C about \$21.50-22.00/mt

Route and Vessel Size	Current Week USD/MT	Change from previous week	Remarks
55,000 U.S. Gulf-Japan	\$46.50	Down \$2.00	Handymax \$47.00 mt
55,000 U.S. PNW- Japan	\$24.75	Down \$1.50	Handymax \$26.75 mt
66,000 U.S. Gulf – China PNW to China	\$45.00 \$24.00	Down \$2.25 Down \$1.75	North China
25,000 U.S. Gulf- Veracruz, México	\$17.50	Down \$0.50	3,000 MT daily discharge rate
30-36,000+ U.S. Gulf- Veracruz, México	\$14.75	Down \$0.50	Deep draft and 6,000 MT per day discharge rate.
30-38,000 U.S. Gulf- <u>East Coast Colombia</u> From Argentina	\$19.00 \$39.00	Down \$0.50	<u>West Coast Colombia at \$31.50</u> USG to E/C 50,000 mt at \$17.25
43-45,000 U.S. Gulf - Guatemala	\$28.75	Down \$0.25	Acajutla/Quetzal - 8,000 out
26-30,000 U.S. Gulf – Algeria	\$34.25 \$35.25	Down \$1.50	8,000 mt daily discharge 3,000 mt daily discharge
26-30,000 US Gulf-Morocco	\$35.25	Down \$1.50	5,000 discharge rate
55-60,000 U.S. Gulf –Egypt PNW to Egypt	\$28.00 \$28.50	Down \$1.50	60,000 -55,000 mt Romania- Russia- Ukraine \$15.00 -\$15.00 -\$15.50 (France \$17.50-\$18.00)
60-70,000 U.S. Gulf – Europe – Rotterdam	\$18.50	Down \$0.50	Handymax at +\$1.75 more
Brazil, Santos – China Brazil, Santos – China Itaqui-Port Northern Brazil	\$34.50 \$34.00 \$35.25	Down \$1.50	54-59,000 Supramax-Panamax 60-66,000 Post Panamax 60-66,000 mt
56-60,000 Argentina/Rosario- China Deep Draft	\$37.25	Down \$1.50	Upriver with BB Top Off \$41.00

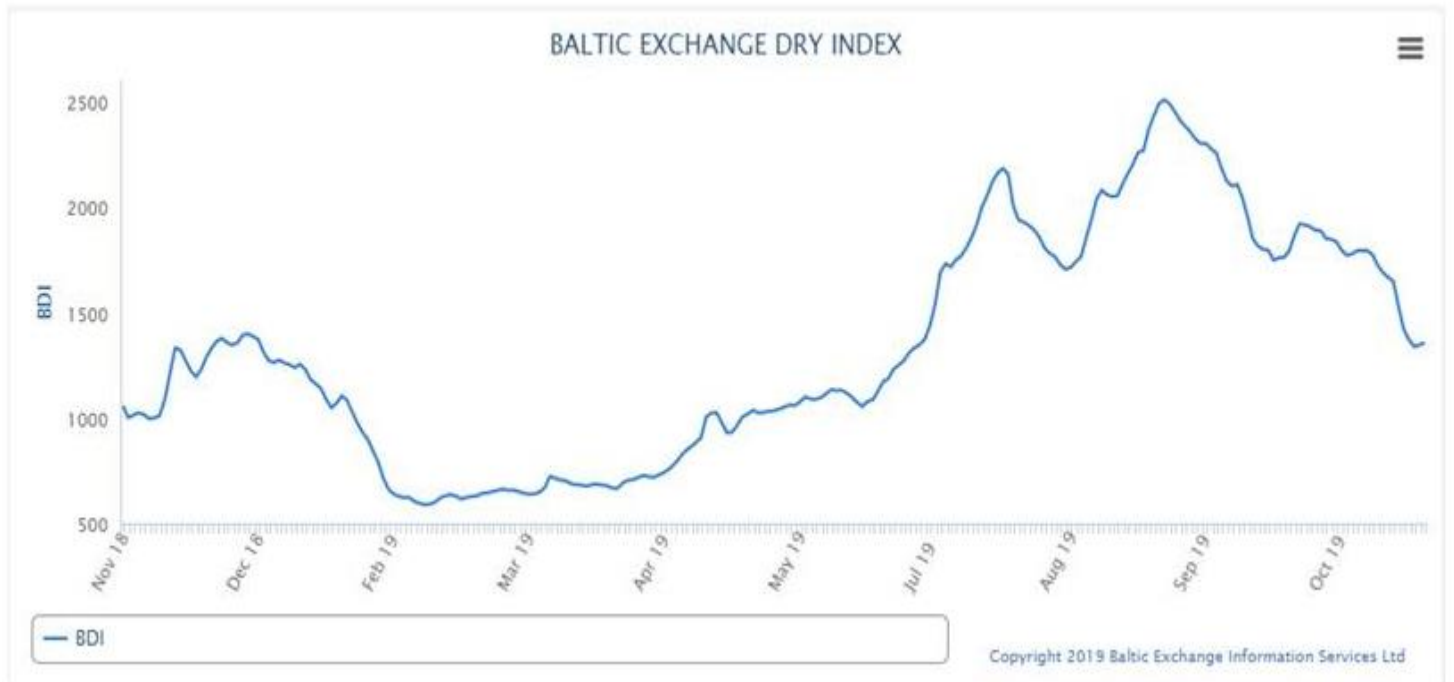
- The above rate estimates reflect the 30-45-day forward ocean freight markets.

Nautical Miles: To Xiamen China (South China)

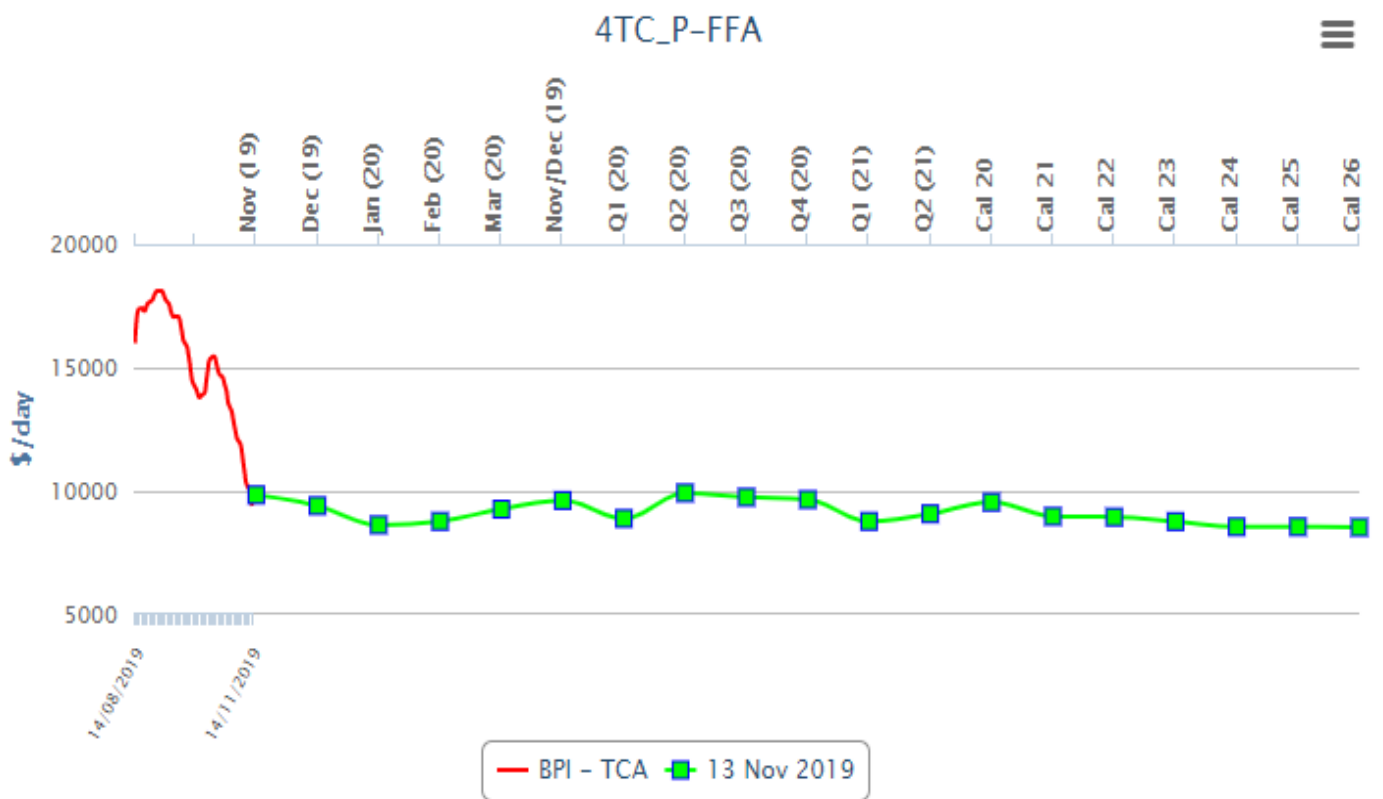
US Gulf (NOLA) (via Panamá Canal) – 10,232 nautical miles (32 days)

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

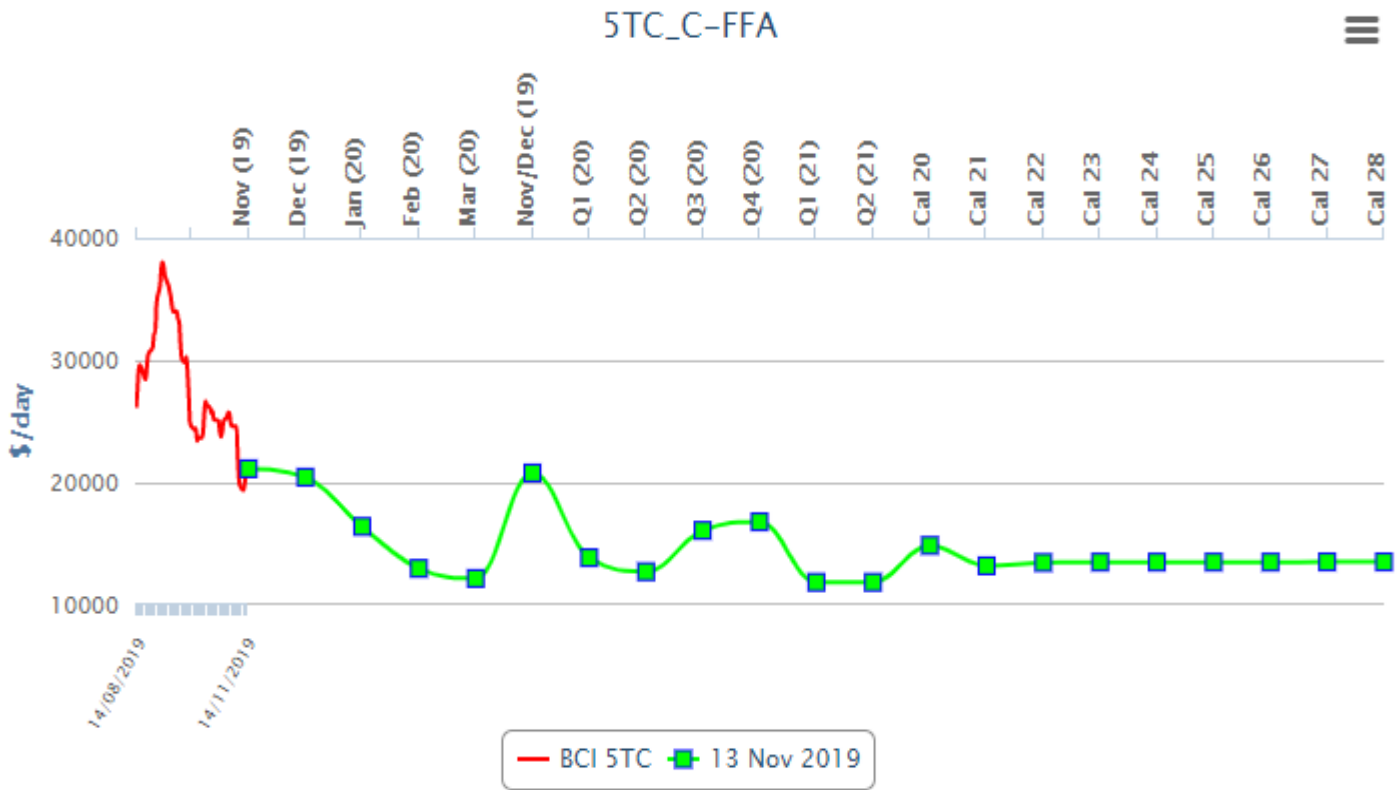
Baltic Dry Bulk Index.



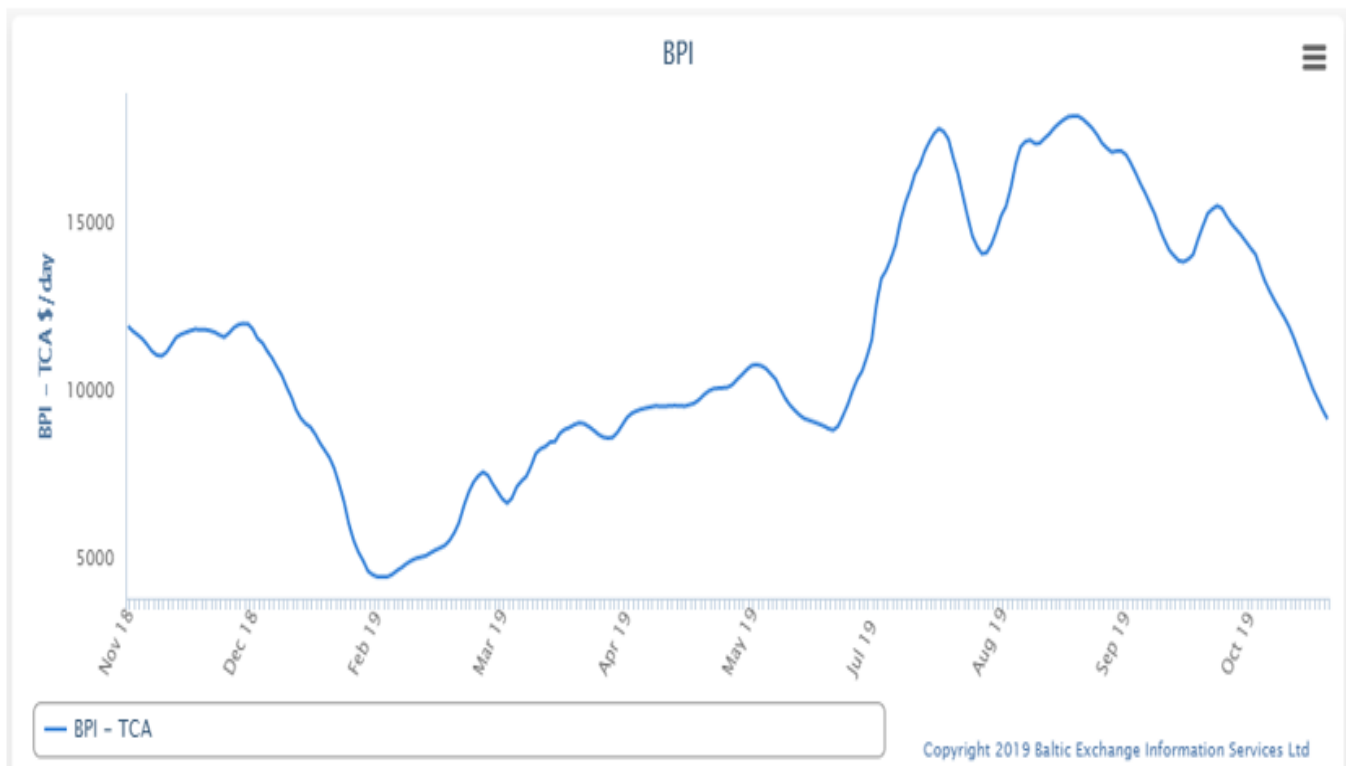
Baltic Panamax Forward Curve Chart



Baltic Capesize Forward Curve Chart

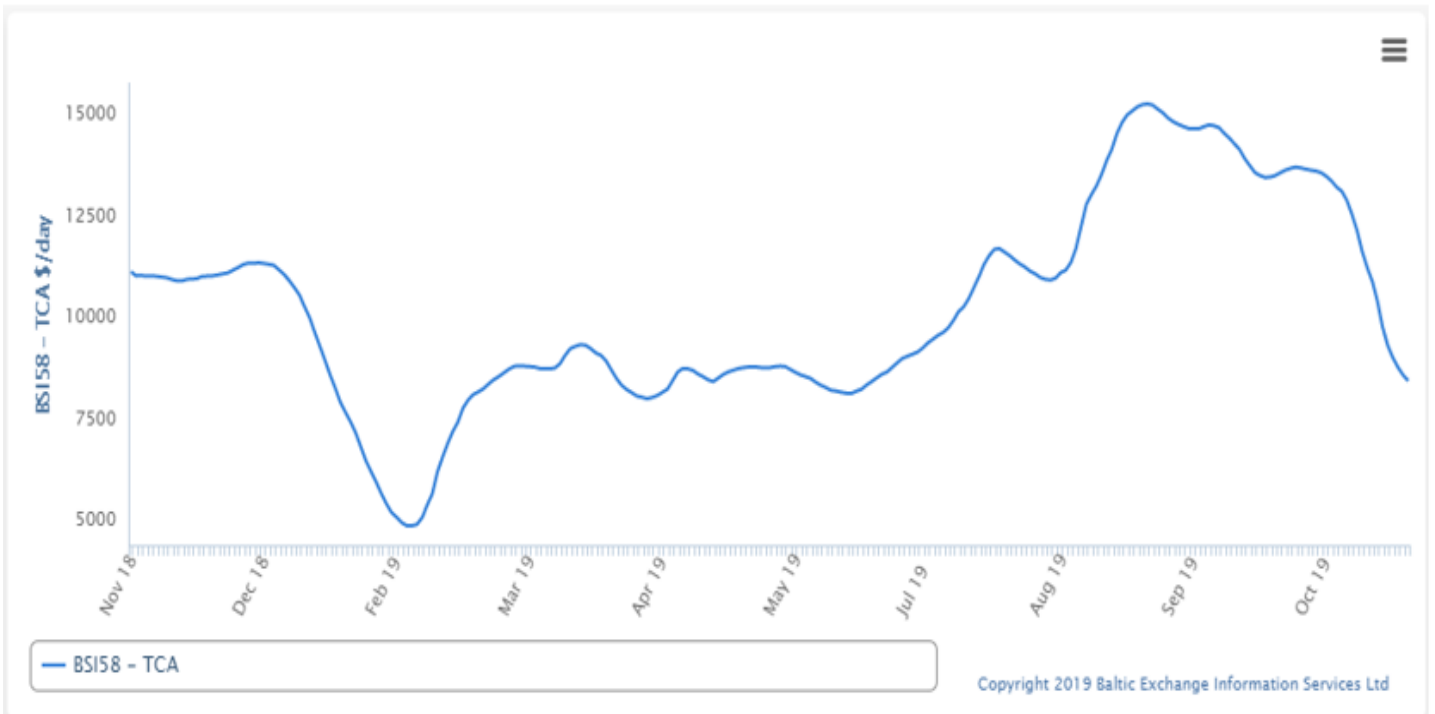


Baltic Panamax Index Panamax



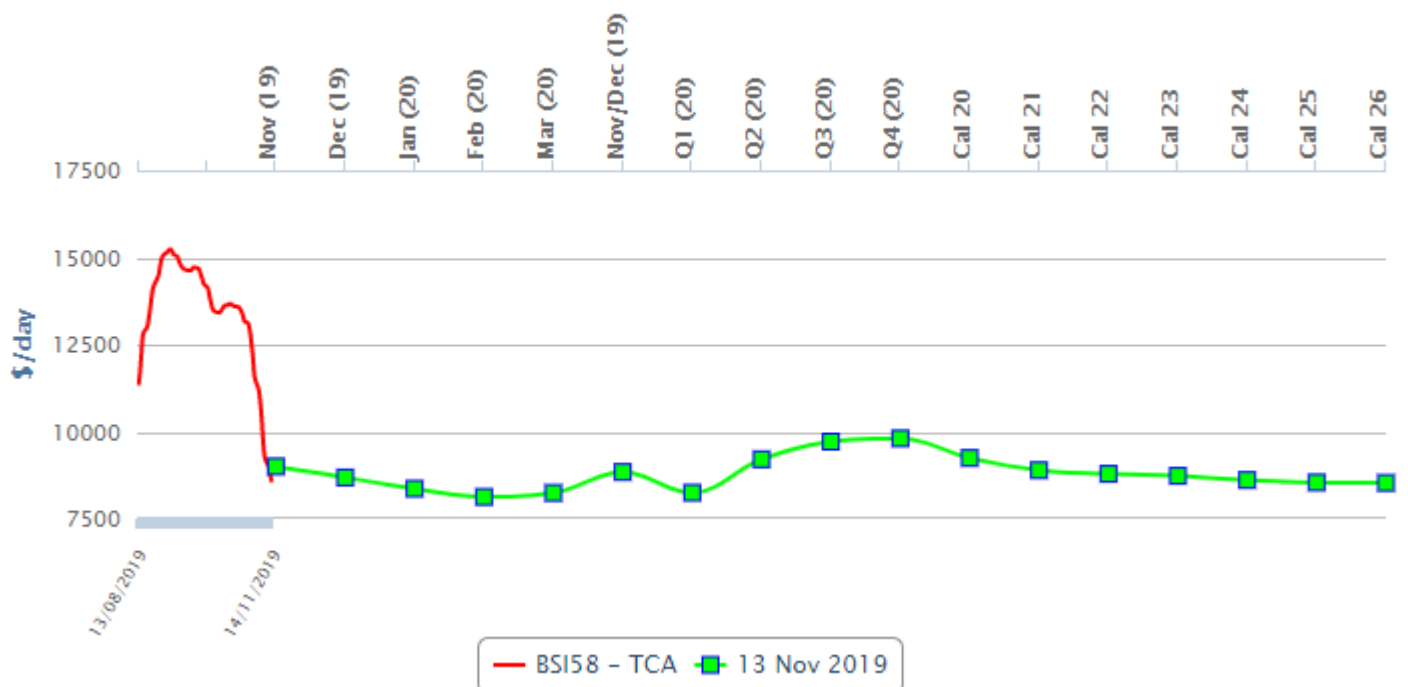
Baltic Supramax Vessel Index

Supramax



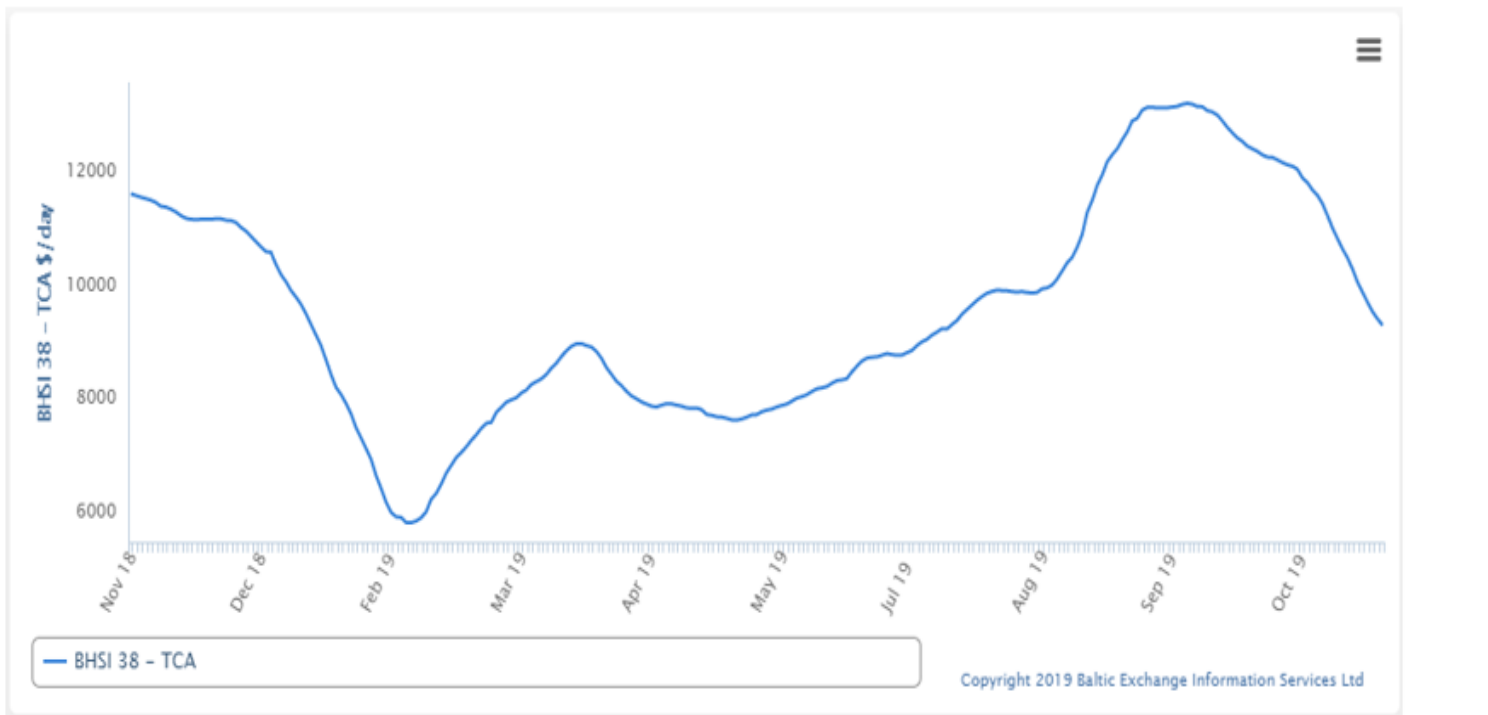
Supramax Dry-Bulk Forward Curve

10TCS-FFA



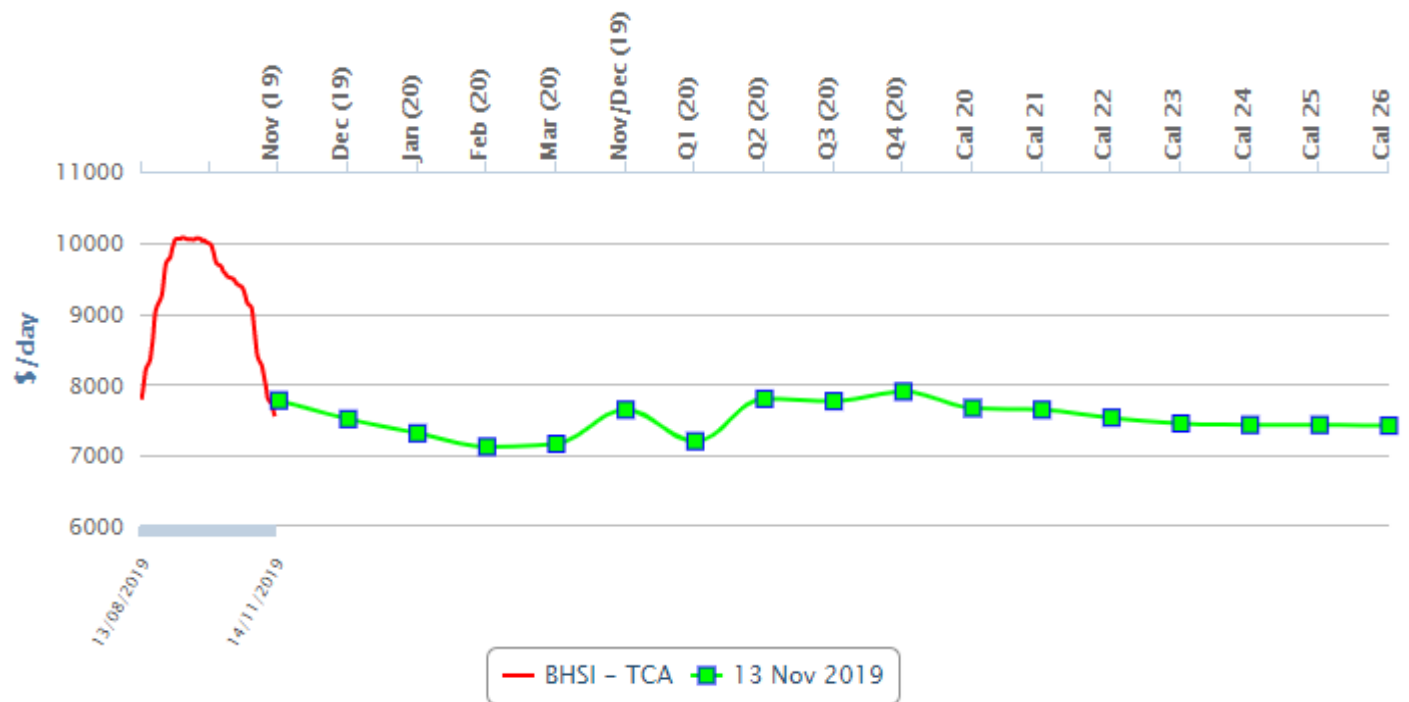
Baltic Handy Size Vessel Index

Handysize



Baltic Handy Size Forward Curve

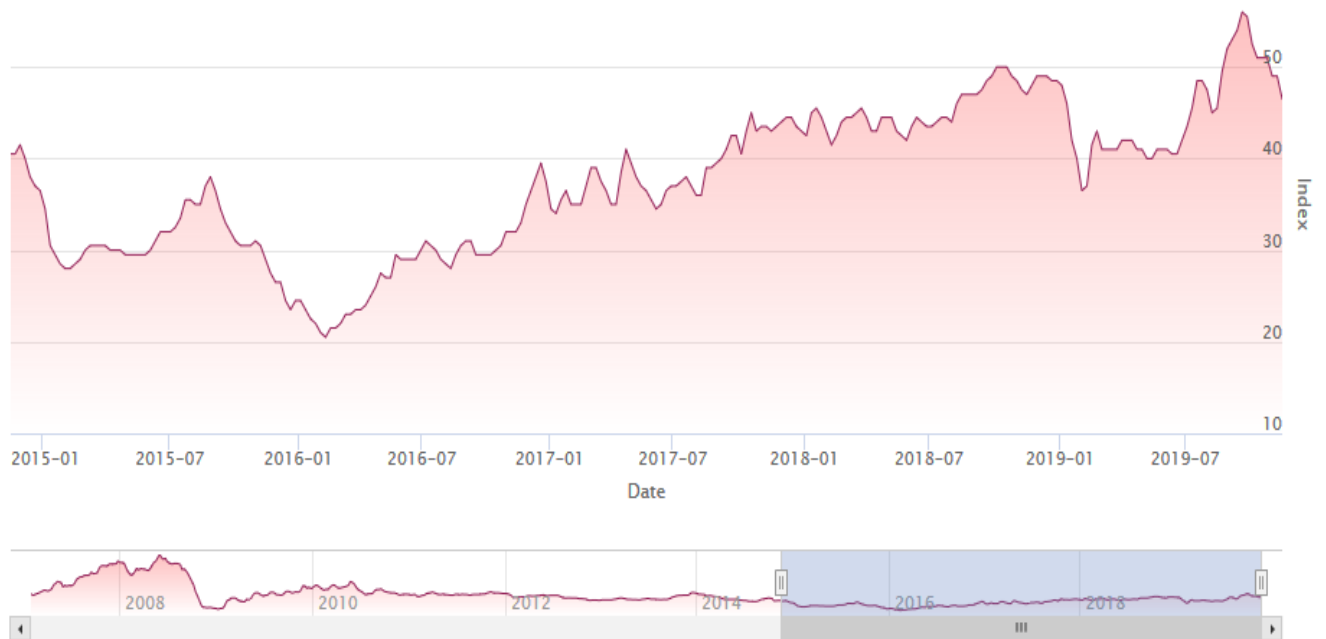
TC_H-FFA



YAMAMIZU Index


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

From 2014-11-13 To 2019-11-13



China Import Dry Bulk Freight Index 2019-11-14

Description	Size MT	Cargo/Vessel Size	Unit	Rate	Change
Composite Index			Point	924.49	0.13
Iron ore Freight Index			Point	958.76	8.37
Dampier(West Australia)-Qingdao (China)	170000/10%	Iron ore	\$/ton	8.856	0.097
Soybean Freight Index			Point	1002.19	-9.71
Santos(Brazil)—North China	60000/10%	Soybean	\$/ton	34.006	-0.306
Tacoma(West America)—North China	60000/10%	Soybean	\$/ton	24.069	-0.306
Mississippi(US Gulf)—North China	66000/10%	Soybean	\$/ton	44.771	-0.421
Mississippi(US Gulf)—North China	55000/10%	Soybean	\$/ton	47.1	-0.475

14 November 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.	0.67	\$174.30	1.08	\$190.44
Jan.	0.63	\$176.27	1.05	\$192.80
Feb.	0.65	\$177.06	1.06	\$193.20
Mar.	0.66	\$177.45	1.08	\$193.99
April	0.65	\$179.42	1.06	\$195.56
May	0.67	\$180.21	1.08	\$196.35

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.	0.98	\$185.32	0.80	\$179.42
Jan.	0.95	\$188.87	0.75	\$180.99
Feb.	0.95	\$188.87	0.75	\$180.99
Mar.	0.95	\$188.87	0.78	\$182.17
April	0.95	\$191.23	0.75	\$183.36

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	
	Dec.	Jan.	Feb.	Mar.
FOB U.S. GULF	\$226.98	\$228.18	\$230.01	\$231.85
Basis	1.10	1.10	1.15	1.20
WZ	5.0775			.
WH	5.1100			
WK	5.1600			

14-Nov-19	Close	This Week	Last Week.	Last Week.	Last Week	
CME Corn Futures	Bushel	MT.	Bushel	Bu. Diff.	MT	MT Diff.
Dec.	\$ 3.7575	\$ 147.92	\$ 3.7525	0.0050	\$ 147.73	\$ 0.20
Mar.	\$ 3.8475	\$ 151.47	\$ 3.8375	0.0100	\$ 151.07	\$ 0.39
May	\$ 3.9075	\$ 153.83	\$ 3.9100	(0.0025)	\$ 153.93	\$ (0.10)
July	\$ 3.9650	\$ 156.09	\$ 3.9775	(0.0125)	\$ 156.59	\$ (0.49)
Sept.	\$ 3.9400	\$ 155.11	\$ 3.9475	(0.0075)	\$ 155.40	\$ (0.30)
Dec.	\$ 3.9900	\$ 157.08	\$ 3.9950	(0.0050)	\$ 157.27	\$ (0.20)

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.	0.65	\$360.73	0.97	\$372.49
Jan.	0.65	\$360.73	1.01	\$373.96
Feb.	0.57	\$362.47	0.94	\$376.07
Mar.	0.60	\$363.58	0.97	\$377.17
April	0.55	\$366.06	0.89	\$378.55
Soybean Futures				
Nov.	\$ 9.0025			
Jan.	\$ 9.1675			
Mar.	\$ 9.2950			
May	\$ 9.4125			
July	\$ 9.5125			
August	\$ 9.5425			

U.S. SBM (USD/MT) FOB Vessel		
Fob U.S. Gulf Port	47.5 Pro. SBM	
max 12.5 % moisture	Basis	Flat Price
Dec.	5.00	#VALUE!
Jan.	6.00	\$ 345.96
Feb.	5.00	\$ 348.39
Mar.	6.00	\$ 349.49
April	5.00	\$ 352.14
SBM Futures		
SMZ		
SMF	307.80	
SMH	311.00	
SMK	314.40	
SMN	317.90	
SMQ	319.10	

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 31 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	563.0	11,893.1	48,260	25%	218.8
Sorghum	216.6	538.7	2,540	21%	0.0
Soybeans	1885.9	21,078.6	48,310	44%	3.0
Wheat	395.7	14,938.4	25,860	58%	8.9
Barley	1.0	58.5	70	84%	0.0

U.S. EXPORT INSPECTIONS:

Monday's report 11 November 2019 for the Export week ending 07 November 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	560,105	283,704	4,321,316	11,138,340	39%
Sorghum	25,486	67,048	401,016	171,685	234%
Soybeans	1,331,631	1,482,444	10,886,450	9,978,438	109%
Wheat	528,875	293,971	11,459,833	9,309,375	123%
Barley	2,595	3,134	14,403	5,506	262%

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

U.S. EXPORT INSPECTIONS:

Monday's report 11 November 2019 for the Export week ending 07 November 2019

Last Week								
(Metric Tons)	YC	%	WC	%	Sorghum	%	Soybeans	%
Lakes	0	0%	0	0%	0	0%	0	0%
Atlantic	0	0%	0	0%	0	0%	10,311	1%
Gulf	348,876	65%	19,056	93%	10,000	39%	769,753	58%
PNW	0	0%	0	0%	0	0%	406,922	31%
Interior Export Rail	190,676	35%	1,497	7%	15,486	61%	144,645	11%
Metric Tons	539,552		20,553		25,486		1,331,631	

Sorghum Shipments:	metric tons	
	49	Panama
	10,000	Rep S Africa
	15,437	Mexico
	25,486	Total

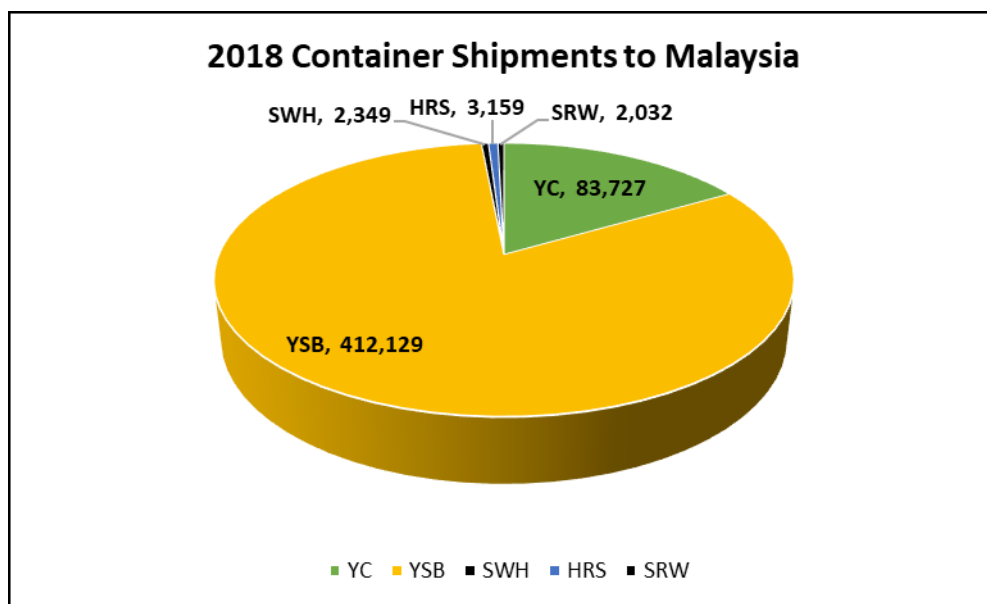
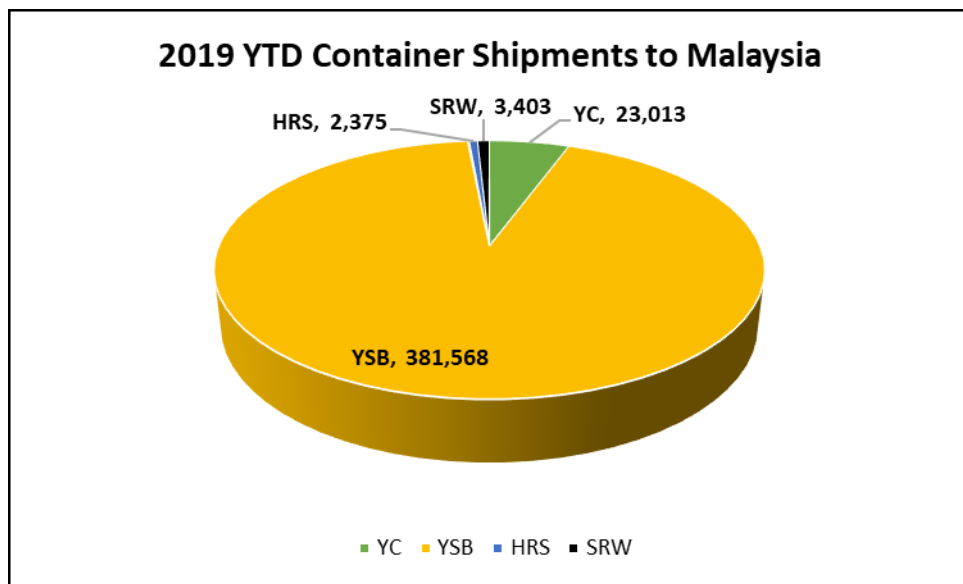
White Corn	metric tons	
Shipments:	4,756	Japan
	15,797	Mexico
	20,553	Total

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:		7-Nov-2019							
Last Week	metric tons								MT
	YC	WC	YSB	SRW	NS	SWH	HRW	Sorghum	TOTAL
China Main									0
China T	10,795		27,867						38,662
Hong Kong	856								856
Costa Rica									0
Indonesia			21,057						21,057
French Poly									0
Japan			954						954
Korea Republic	196		1,738						1,934
Nepal			5,045						5,045
Malaysia			7,149						7,149
Jordan									0
Philippines			2,570						2,570
Thailand			7,958						7,958
Panama								49	49
Nicaragua									0
Bangladesh									0
Burma			710						710
Vietnam			7,883						7,883
Sub total	11,847	0	82,931	0	0	0	0	49	86,185
USDA Corrections/Additions to previous reports:									
China T			1,053						1,053
China Main									0
Hong Kong									0
Korea Rep.									0
Nepal									0
Japan									0
Philippines									0
Indonesia									0
Malaysia									0
Thailand			245						245
Vietnam									0
Canada						48			48
Bangladesh									0
Sub total	0	0	1,298	0	0	48	0	0	1,346
Mt. Grand Total	11,847	0	84,229	0	0	48	0	49	87,531
Number of containers	515	0	3,662	0	0	2	0	2	

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



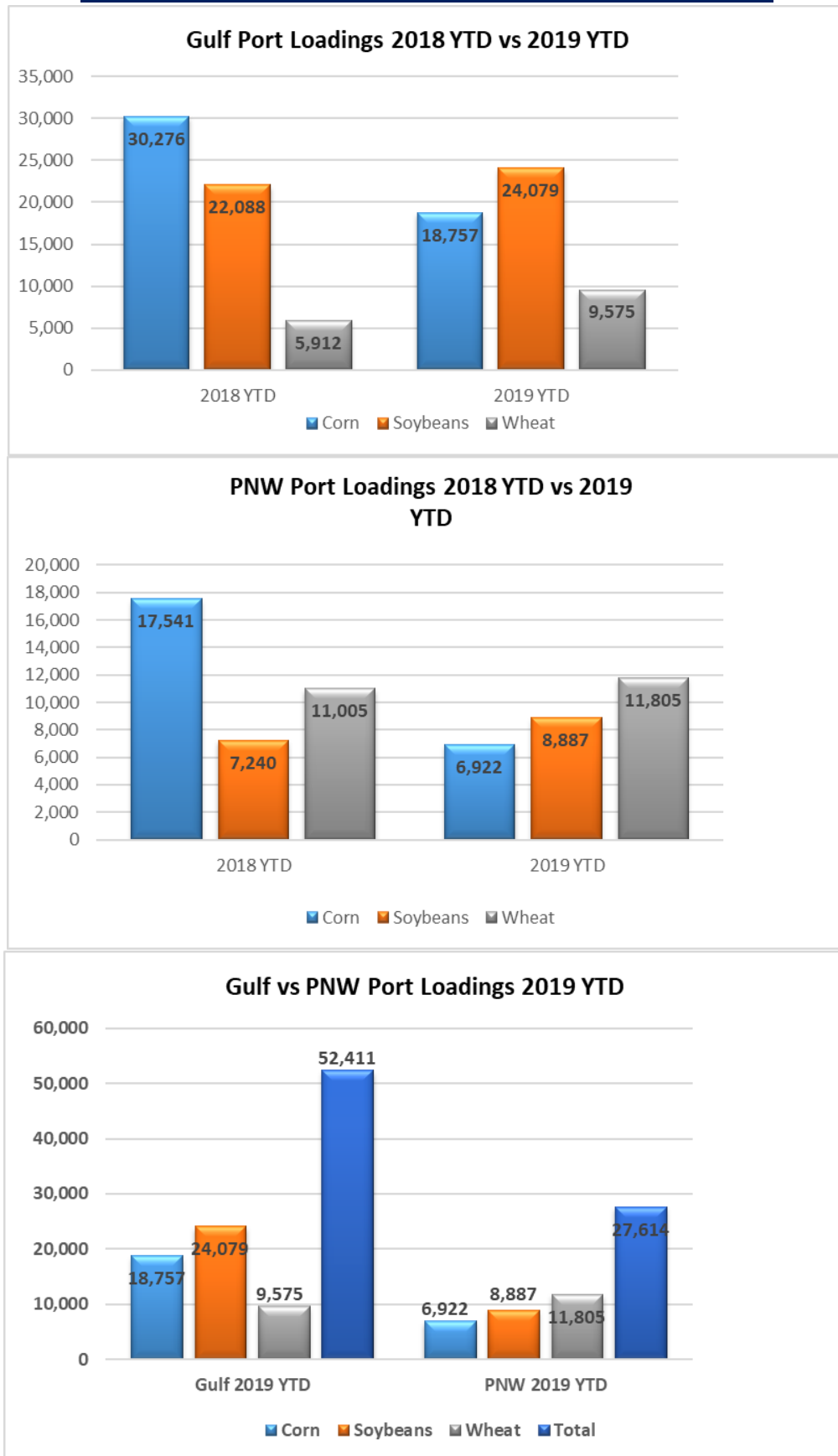
Grain Inspections for Export by U.S. Port Regions:
U.S. Gulf and Pacific Northwest 2018 YTD vs. 2019 YTD

PORT LOADINGS US Gulf				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
GULF				
2018 YTD	30,276	22,088	5,912	58,276
2019 YTD	18,757	24,079	9,575	52,411
2019 as % of 2018	62%	109%	162%	90%

PORT LOADINGS US PNW				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
PNW				
2018 YTD	17,541	7,240	11,005	35,786
2019 YTD	6,922	8,887	11,805	27,614
2019 as % of 2018	39%	123%	107%	77%

PORT LOADINGS GULF vs. PNW				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
2019 Gulf YTD	18,757	24,079	9,575	52,411
2019 PNW YTD	6,922	8,887	11,805	27,614
TOTAL	25,679	32,966	21,380	80,025
Gulf Percentage	73%	73%	45%	65%
PNW Percentage	27%	27%	55%	35%

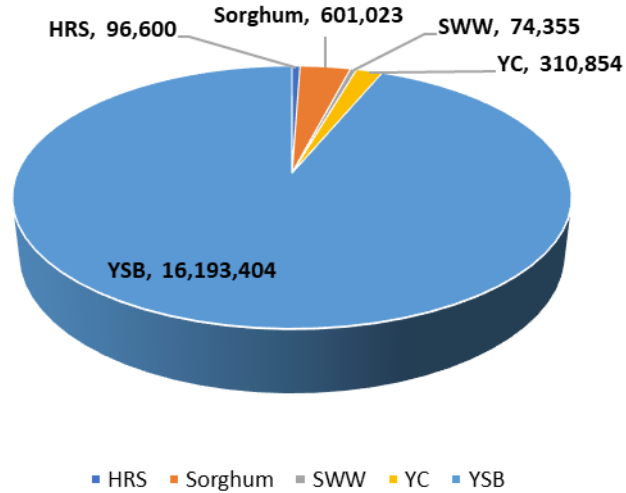
Grain Inspections for Export by U.S. Port Regions (1,000MT):
U.S. Gulf and Pacific Northwest 2018 YTD vs. 2019 YTD



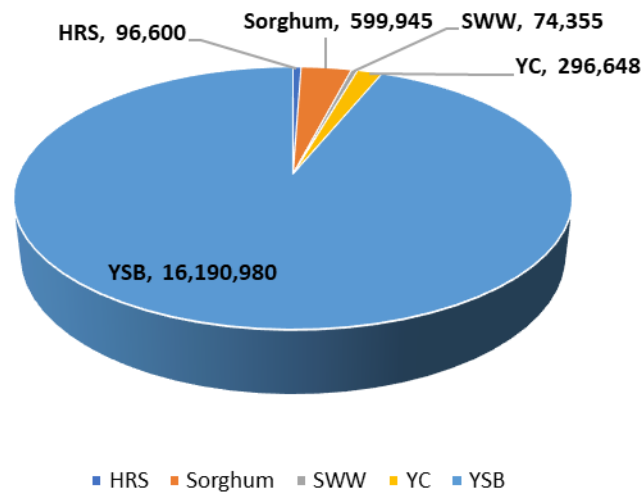
Source: USDA-data

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

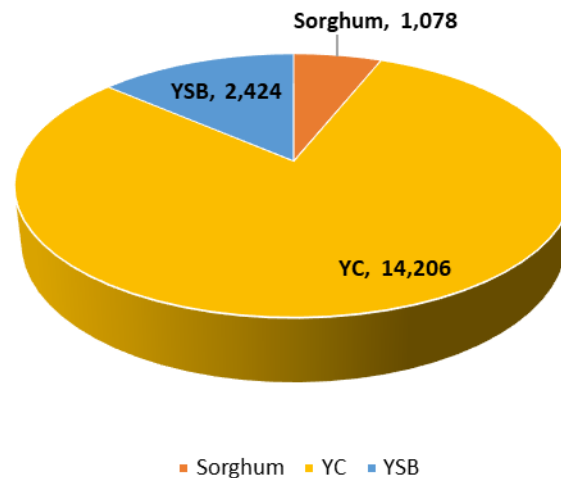
2019 YTD Exports to China Main



YTD Exports to China Main by Vessel

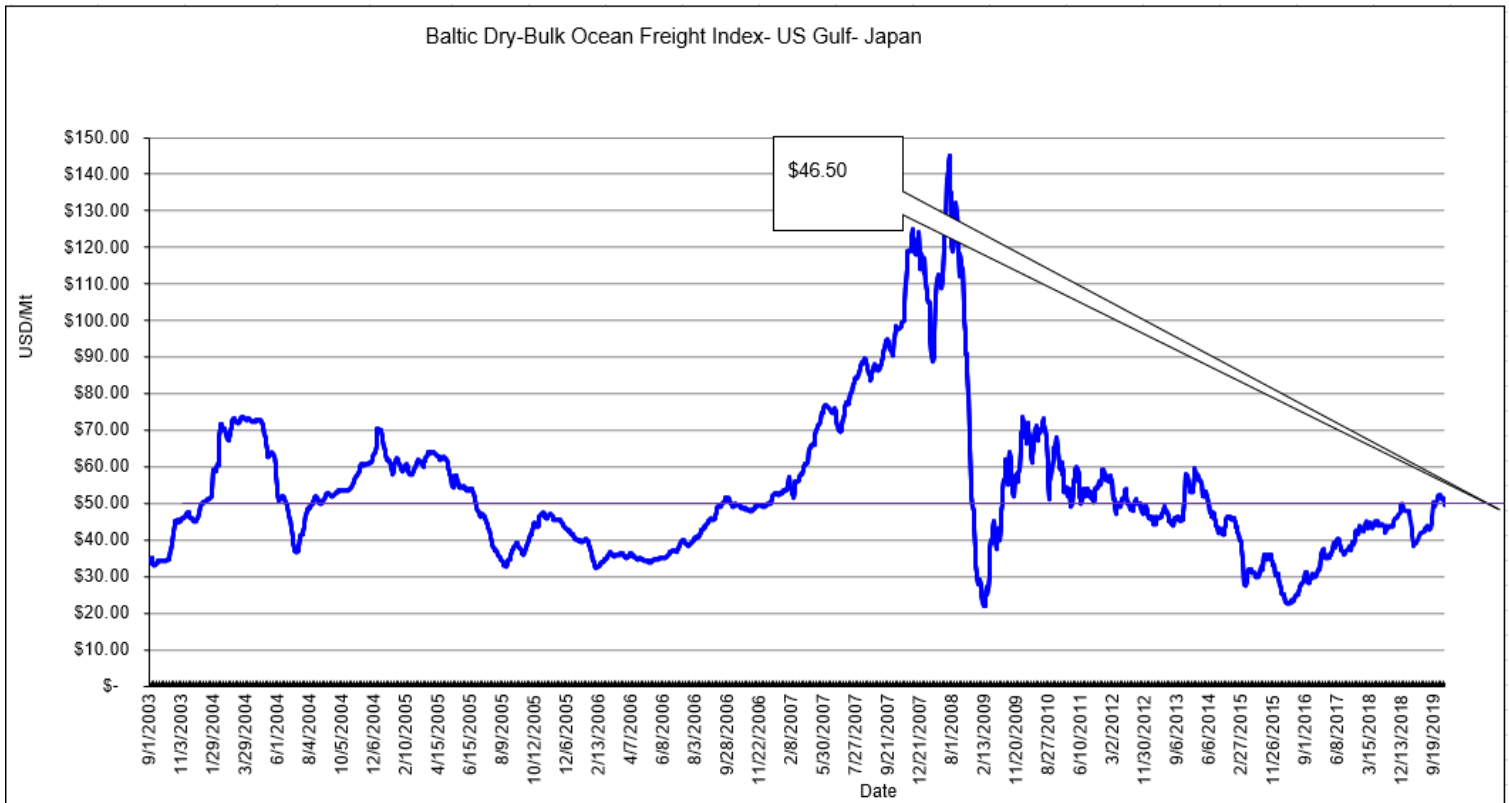


YTD Exports to China Main by Container

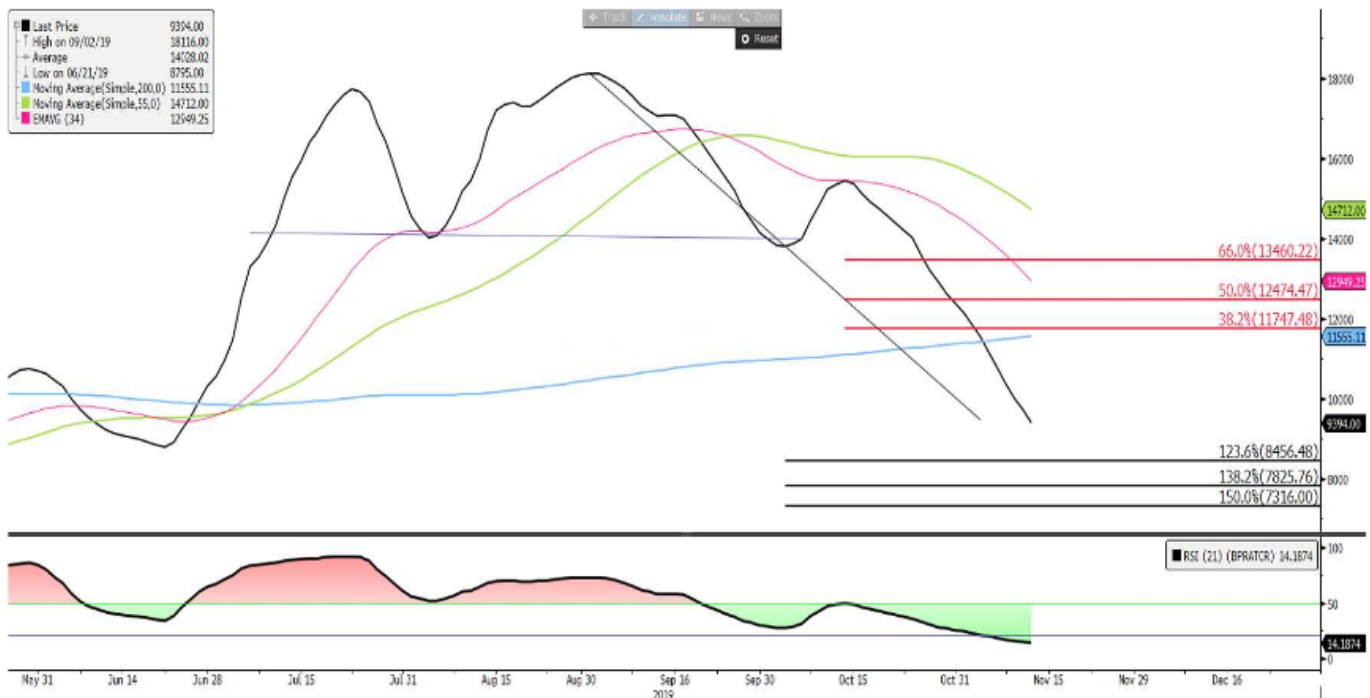


*Please keep in mind that USDA does not report DDGS sales

Shipping News



Panamax Index Daily



Resistance – 12,779, 13,290, 13,982

Source Bloomberg

Support 8,456, 7,825, 7,316

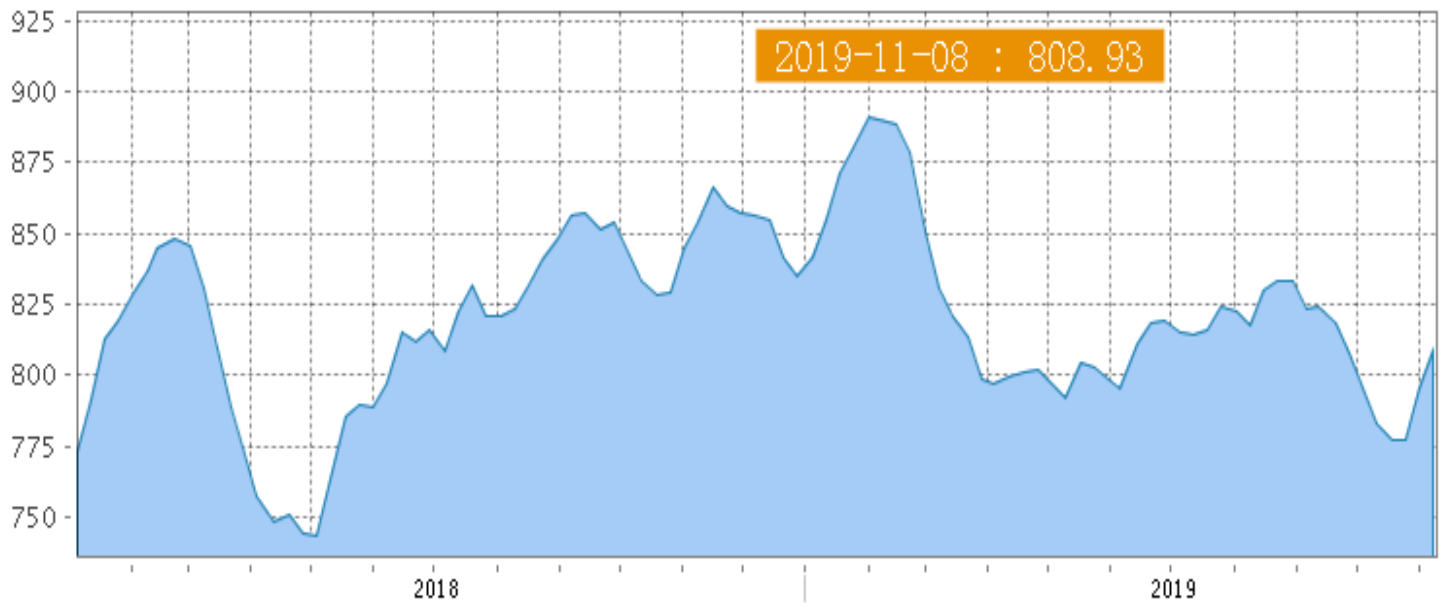
Baltic Dry-Bulk Ocean Freight Index- US Gulf- Japan



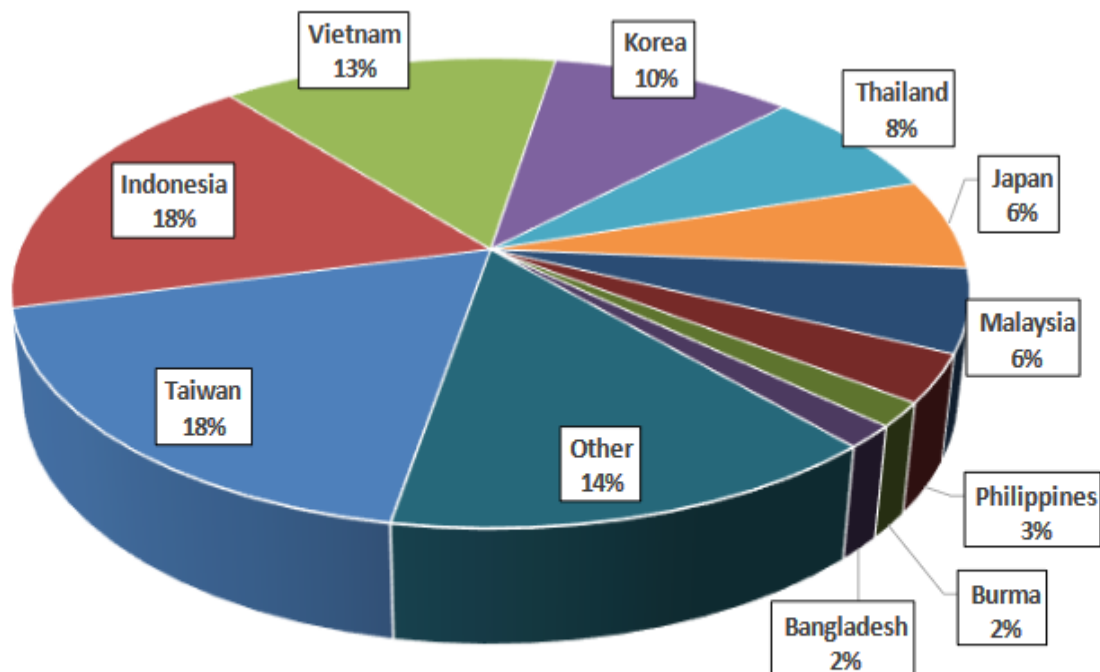
China Import Dry Bulk Freight Index



China Containerized Freight Index



Top 10 destination markets for U.S. containerized grain exports, Jan-Jul 2019



Note: The following Harmonized Tariff Codes are used to calculate containerized grains movements: 1001, 100190, 1002, 1003 100300, 1004, 100400, 1005, 100590, 1007, 100700, 1102, 110100, 230310, 110220, 110290, 1201, 120100, 230210, 230990, 230330, and 120810.

Source: USDA, Agricultural Marketing Service, Transportation Services Division analysis of PIERS data.

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)	385	\$20.41	0.52	0.56
Mid-Mississippi	Closed	\$ -	0.00	0.00
Lower Ohio	260	\$12.78	0.32	0.35
St. Louis	265	\$11.66	0.30	0.32

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

Secondary Rail Car Market Placement FH. December 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	\$ (200.00)	\$ (125.00)	\$ (0.05)	\$ (0.03)	\$ (1.97)	\$ (1.23)

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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