

Transportation and Export Report for 15 November 2018

Ocean Freight Insights and Comments:

The world is back at work, (at least temporarily, as next week is the Thanksgiving holiday in the U.S.). But Dry-Bulk ocean freight markets did not get a boost out of the Asian region return to work. Markets remain soft and in urgent need of support. There was an effort to push things higher mid-week, but the wheels fell off the wagon by weeks end. The Capsize market has suffered most, losing close to \$4.00/tonne (about 42 %) in just one month on the Western Australia to China Iron Ore trade route. Ship idling is even being discussed.

This obviously has weighed heavy on the Panamax and other markets. Grain cargo demand out of South America has slowed and even U.S. vessel lineups at grain ports has slacked off. Freight market talk now revolves around the question of; have things have hit bottom yet or is there is more pain to be dealt out. Dry-Bulk Shipping company stocks have collapsed over the past couple of weeks.

BALTIC DRY-BULK PANAMAX INDEX CHANGES

Panamax Ocean Freight Indices				
15-Nov-18	This Week	Last Week	Difference	Percent Change
P2A : Gulf/Atlantic - Japan	19814	20037	-223	-1.1%
P3A - PNW/Pacific - Japan	9459	10539	-1,080	-10.2%
S1C -USGULF-China-So.Japan	24011	23908	103	0.4%

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

Four weeks ago:	\$ 8.70-\$9.00
Three weeks ago:	\$ 8.50-\$8.90
Two weeks ago:	\$ 8.50-\$8.85
One week ago:	\$ 7.50-\$8.50
This week	\$5.30-\$6.25

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

Mississippi River:	(10 elevators)	3-9 days
Miss. River Mid-Stream loaders:	(6+ Rigs)	0-3 days
Texas Gulf	(6 elevators)	0-3 days
Pacific Northwest:	(9 elevators)	2-7 days

Panamax Market Spreads to Asia -China					
15-Nov-18	PNW	GULF	Bushel Spread	MT Spread	Advantage
CORN	0.96	0.53	0.43	\$16.93	PNW
SOYBEANS	0.45	0.30	0.15	\$5.51	PNW
OCEAN FREIGHT	\$26.00	\$47.50	.55 - .59	\$21.50	December

Recent Reported Vessel Fixtures:

Route and Vessel Size	Current Week USD/MT	Change from previous week	Remarks
55,000 U.S. Gulf-Japan	\$48.00	Down \$0.50	Handymax \$48.25 mt
55,000 U.S. PNW- Japan	\$26.75	Down \$0.25	Handymax \$27.00 mt
66,000 U.S. Gulf – China PNW to China	\$47.50 \$26.00	Down \$0.50 Down \$0.25	North China
25,000 U.S. Gulf- Veracruz, México	\$17.75	Down \$0.25	3,000 MT daily discharge rate
35-40,000 U.S. Gulf- Veracruz, México	\$15.50	Down \$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	\$21.00 \$34.50	Down \$0.25	<u>West Coast Colombia at \$29.25</u>
40-45,000 U.S. Gulf - Guatemala	\$30.00	Unchanged	Acajutla/Quetzal - 8,000 out
26-30,000 U.S. Gulf – Algeria	\$36.75 \$37.50	Down \$0.25	8,000 mt daily discharge 3,000 mt daily discharge
26-30,000 US Gulf-Morocco	\$38.75	Down \$0.25	5,000 discharge rate
55-60,000 U.S. Gulf –Egypt PNW to Egypt	\$34.75 \$34.25	Down \$0.25	55,000 -60,000 mt Russia Black Sea to Egypt \$17.75
60-70,000 U.S. Gulf – Europe – Rotterdam	\$19.50	Down \$1.00	Handymax at +\$1.75 more
Brazil, Santos – China Brazil, Santos – China Itacoatiara-Port Up River North Brazil	\$38.00 \$36.75 \$41.00	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	\$42.00	Down \$1.00	Up River with BB Top Off \$44.50

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

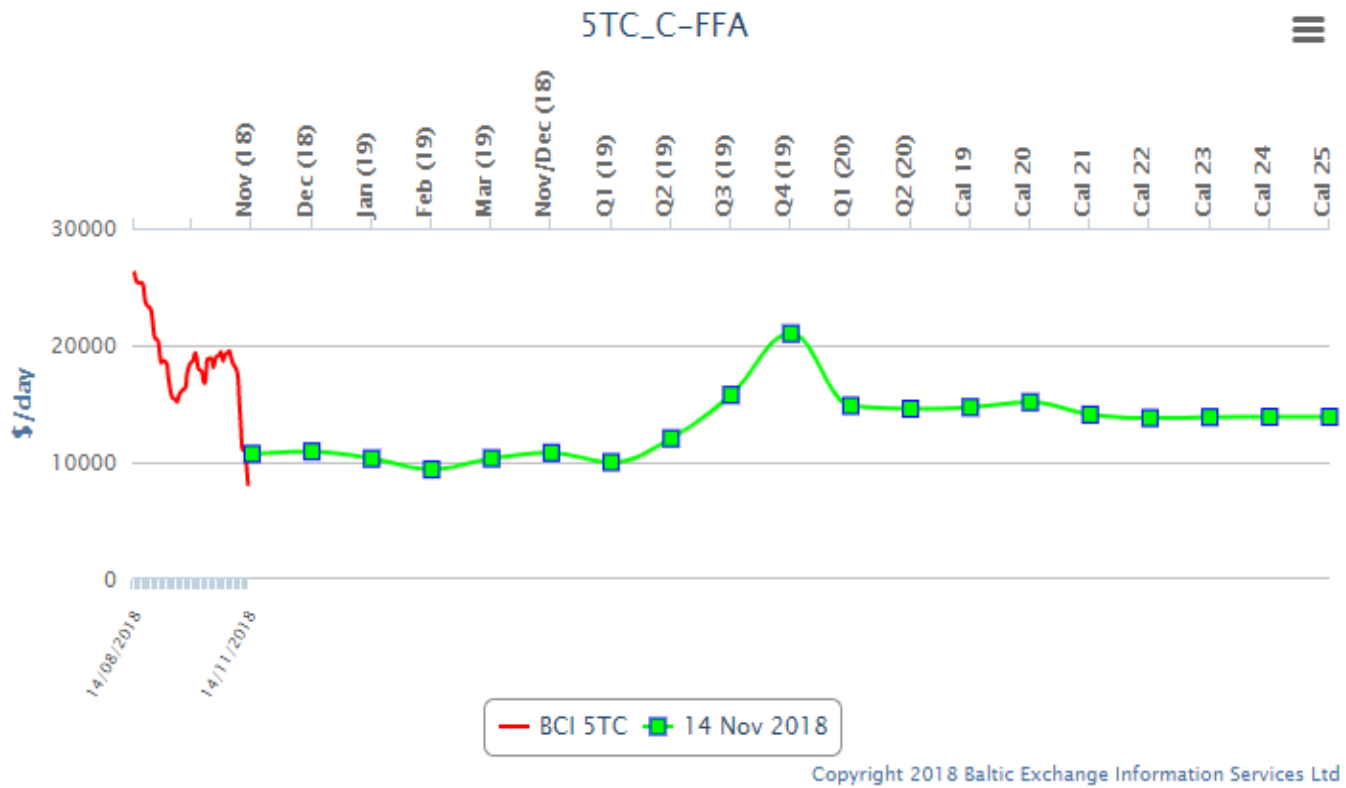
Nautical Miles: To Xiamen China (South China)

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

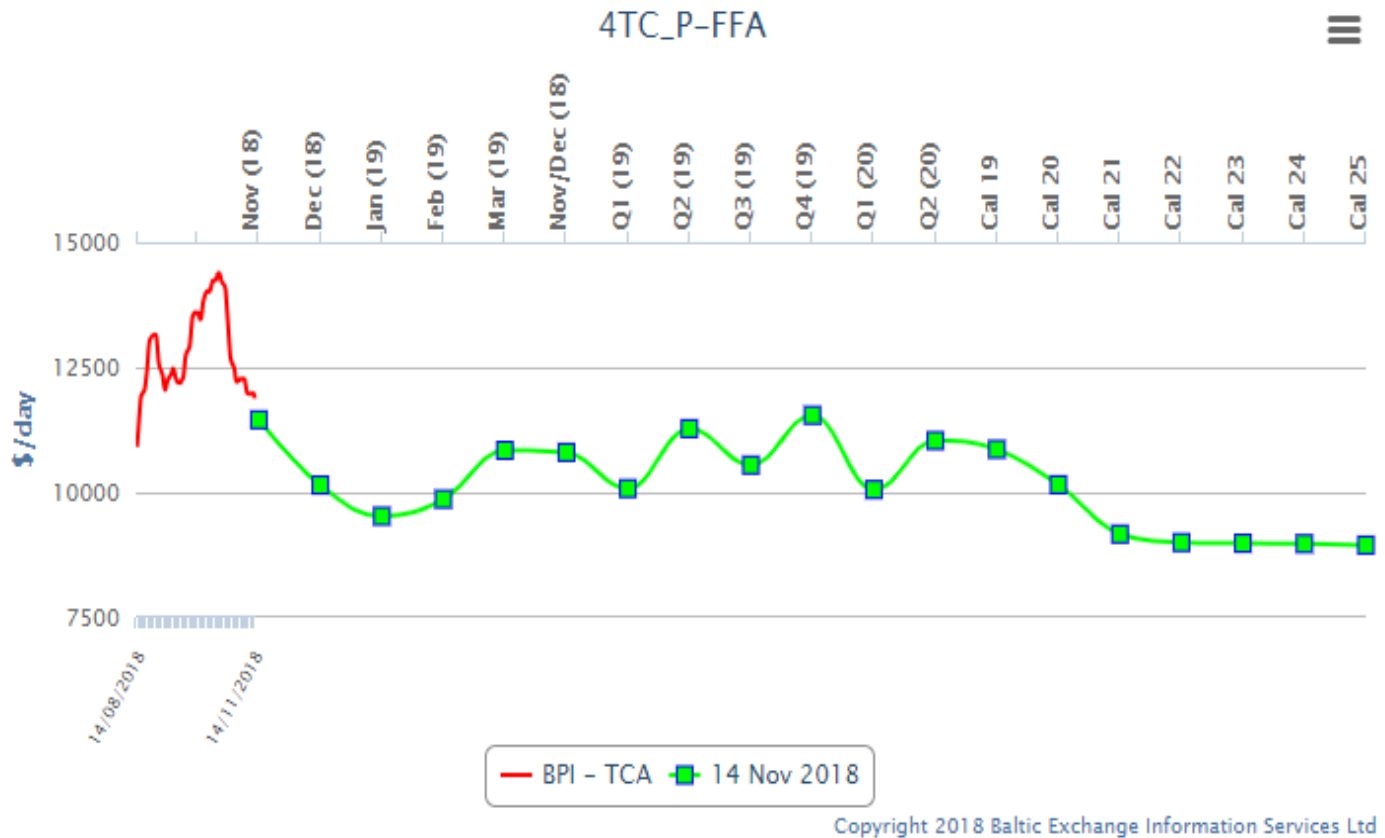
Santos Brazil (via Cape of Good Hope) - 10,441 nautical miles (33 days)

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

Baltic Capesize Index

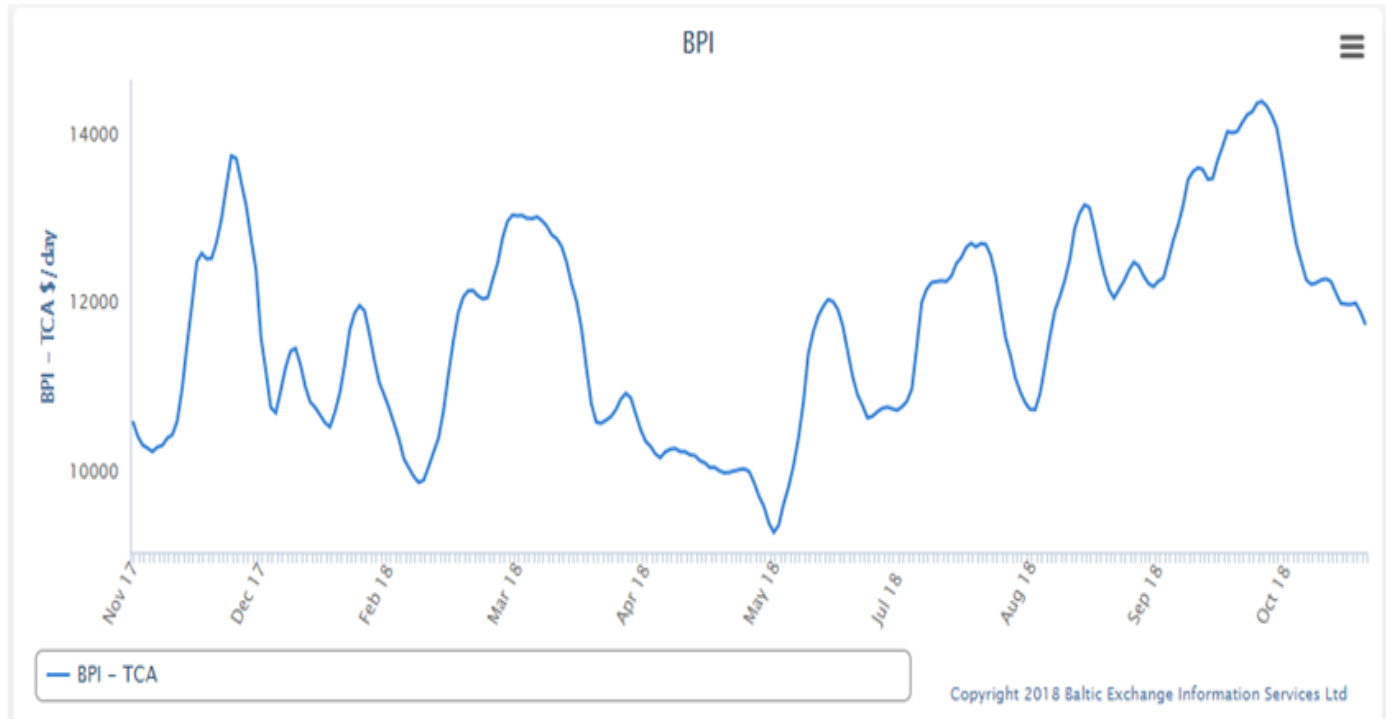


Forward Curve for Baltic BPI Panamax Vessel Freight



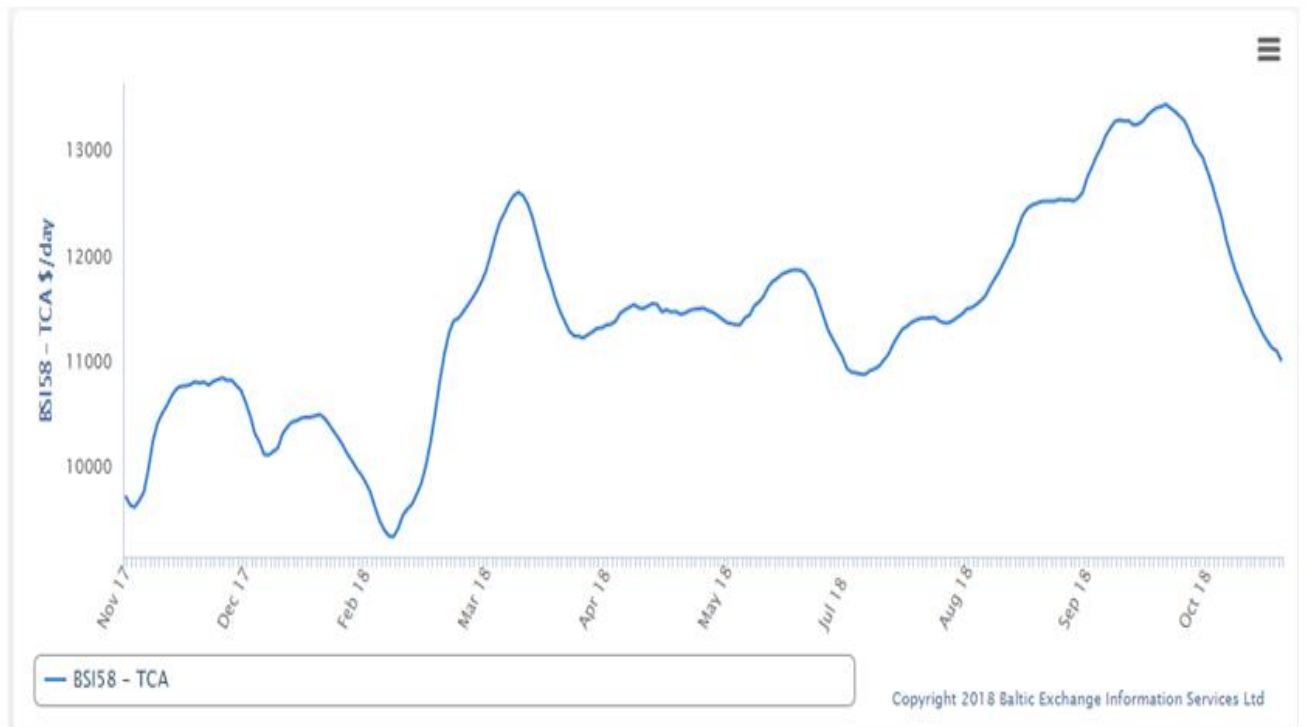
Baltic Panamax Index

Panamax

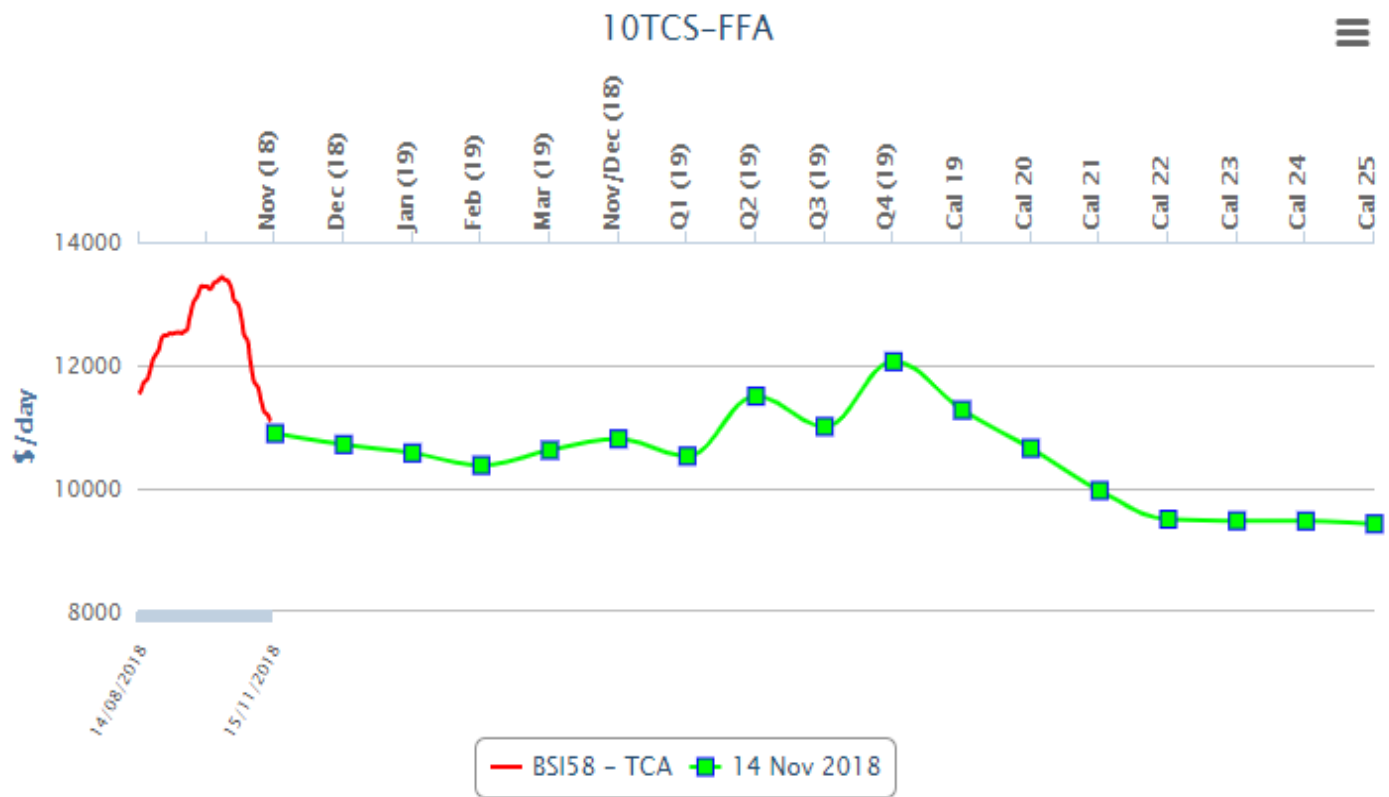


Baltic Supramax Vessel Index

Supramax

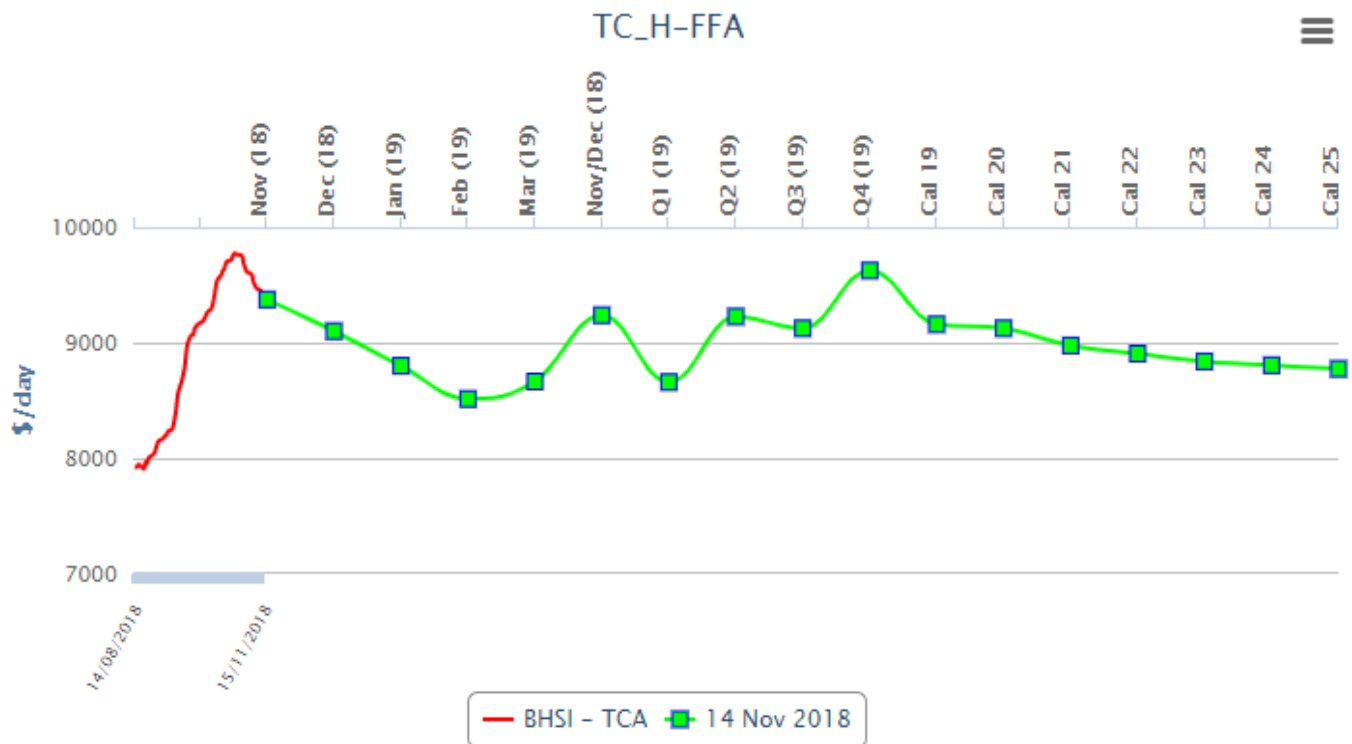


Supramax Dry-Bulk Forward Curve



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Baltic Handy Size



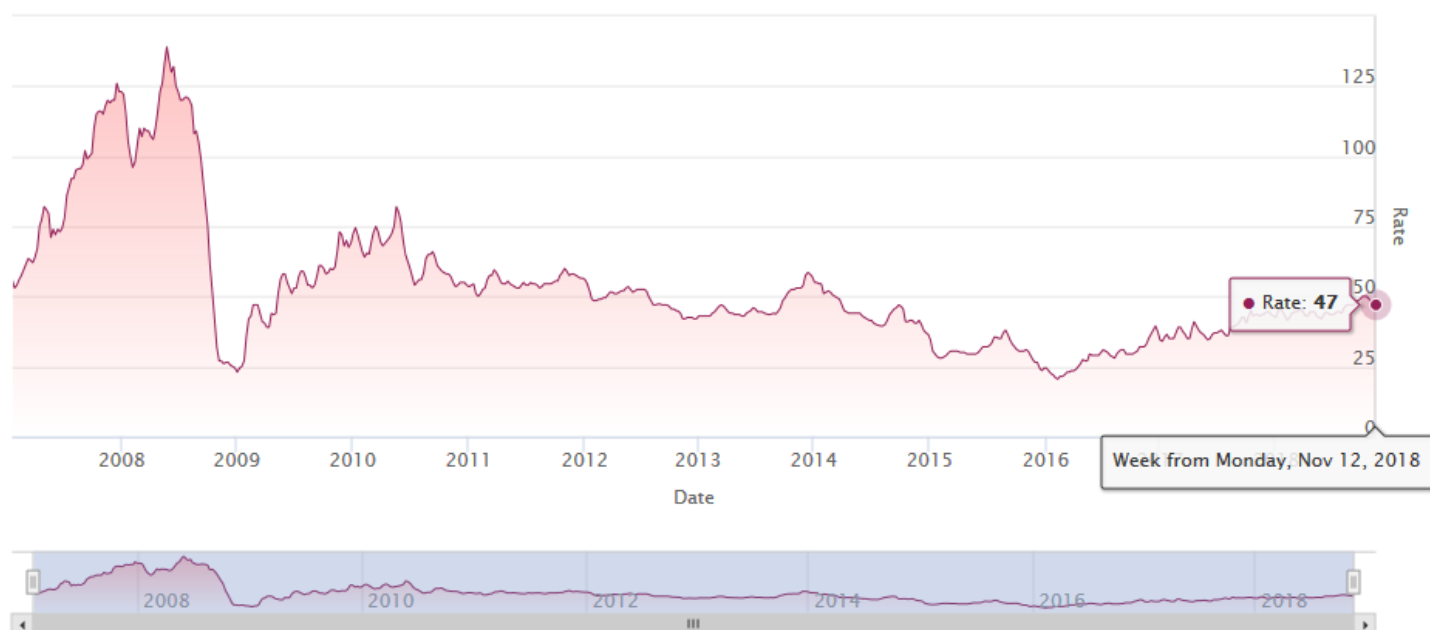
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YAMAMIZU Index



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

From 2007-01-29 To 2018-11-14



China Import Dry Bulk Freight Index(CDFI)					
2018-11-15					
Route	Size MT	Cargo/Vessel Size	Unit	Rate	Change
Composite Index			Point	811.42	-11.03
Iron ore Freight Index			Point	691.54	-11.40
Soybean Freight Index			Point	1054.72	-12.91
Santos(Brazil)—North China	60000/10%	Soybean	\$/ton	35.791	-0.723
Tacoma(West America)—North China	60000/10%	Soybean	\$/ton	25.691	-0.214
Mississippi(US Gulf)—North China	66000/10%	Soybean	\$/ton	47.350	-0.150
Mississippi(US Gulf)—North China	55000/10%	Soybean	\$/ton	48.413	-0.143

15 November 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
Dec.	0.53	\$165.54	0.96	\$182.47
Jan.	0.51	\$168.99	0.88	\$183.55
Feb.	0.56	\$170.95	0.91	\$184.73
Mar.	0.58	\$171.74	0.94	\$185.91
Apr.	0.54	\$173.12	0.90	\$187.29
May	0.57	\$174.30	0.93	\$188.47

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
Dec.	0.75	\$174.20	0.60	\$168.30
Jan.	0.75	\$178.43	0.55	\$170.56
Feb.	0.75	\$178.43	0.60	\$172.53
Mar.	0.75	\$178.43	0.60	\$172.53
Apr.	0.80	\$183.36	0.60	\$175.48

Fob vessel Texas Gulf #2 Sorghum is about 1.01 % 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	
	Dec.	Jan.	Feb.	Mar.
FOB U.S. GULF	\$220.64	\$219.27	\$220.37	\$222.21
Basis	0.95	0.82	0.85	0.90
WZ	5.0550			
WH	5.1475			
WK	5.2300			

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	\$ 3.7350	\$147.04	(\$0.0600)
Mar.	CH	\$3.7825	\$148.91	\$ 3.8525	\$151.66	(\$0.0700)
May.	CK	\$3.8575	\$151.86	\$ 3.9325	\$154.81	(\$0.0750)
July	CN	\$3.9250	\$154.52	\$ 3.9925	\$157.18	(\$0.0675)
Sept.	CU	\$3.9375	\$155.01	\$ 4.0100	\$157.87	(\$0.0725)

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 14.0 % Moisture	U.S. Gulf #2 YSB		PNW #2 YSB	
	Basis	Flat Price	Basis	Flat Price
Dec.	0.30	\$337.58	0.45	\$343.09
Jan.	0.33	\$338.68	0.48	\$344.19
Feb.	0.29	\$342.17	0.48	\$349.15
Mar.	0.33	\$343.64	0.50	\$349.89
Apr.	0.25	\$345.57	0.45	\$352.92

Soybean Futures

Jan.	\$ 8.8875
Mar.	\$ 9.0225
May	\$ 9.1550
July	\$ 9.2800
Aug.	\$ 9.3250
Sept.	\$ 9.3300

U.S. SBM (USD/MT) FOB Vessel		
Fob U.S. Gulf Port max 12.5 % moisture	47.5 Pro. SBM	
	Basis	Flat Price
Dec.	6.00	\$ 343.32
Jan.	10.00	\$ 350.15
Feb.	10.00	\$ 352.91
Mar.	10.00	\$ 352.91
Apr.	10.00	\$ 355.78

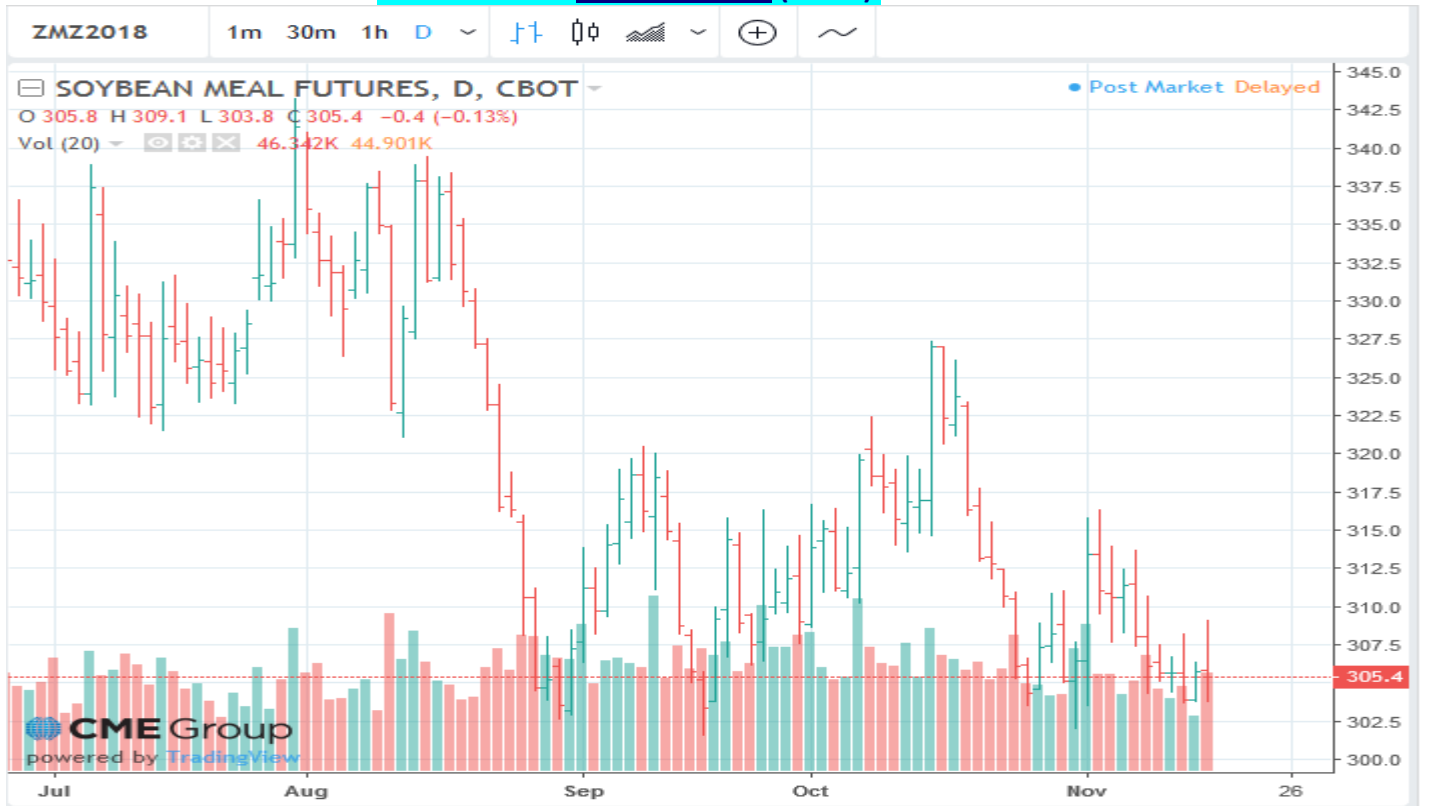
SBM Futures

SMZ	305.40
SMF	307.60
SMH	310.10
SMK	312.70
SMN	315.70
SMQ	317.30

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 01 November 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	895.1	22,533.6	62,870	36%	104.1
Sorghum	1.3	221.9	3,810	6%	0.0
Soybeans	530.9	21,839.2	56,070	39%	156.1
Wheat	690.3	13,764.9	27,900	49%	6.0
Barley	0.0	55.7	110	51%	0.0

U.S. EXPORT INSPECTIONS:

Monday's report 12 November 2018 for the Export week ending 08 November 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	1,136,708	1,284,353	11,106,645	5,959,207	186%
Sorghum	11,653	22,797	171,397	641,944	27%
Soybeans	1,301,775	1,244,197	9,908,846	17,054,290	58%
Wheat	342,157	340,564	9,297,344	11,756,621	79%
Barley	196	318	5,286	16,006	33%

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

U.S. EXPORT INSPECTIONS:

Monday's report 12 November 2018 for the Export week ending 08 November 2018

Last Week							
(Metric Tons)	YC	%	WC	%	Sorghum	%	Soybeans %
Lakes	0	0%	0	0%	0	0%	34,065 3%
Atlantic	0	0%	0	0%	0	0%	106,406 8%
Gulf	511,275	47%	49,441	86%	7,217	62%	919,981 71%
PNW	424,831	39%	195	0%	0	0%	143,918 11%
Interior Export Rail	143,282	13%	7,684	13%	4,436	38%	97,405 7%
Metric Tons	1,079,388		57,320		11,653		1,301,775

Sorghum Shipments:	<u>metric tons</u>	
	2,217	Japan
	5,000	Djibouti
	98	Korea Rep
	4,338	Mexico
	<u>11,653</u>	<u>Total</u>

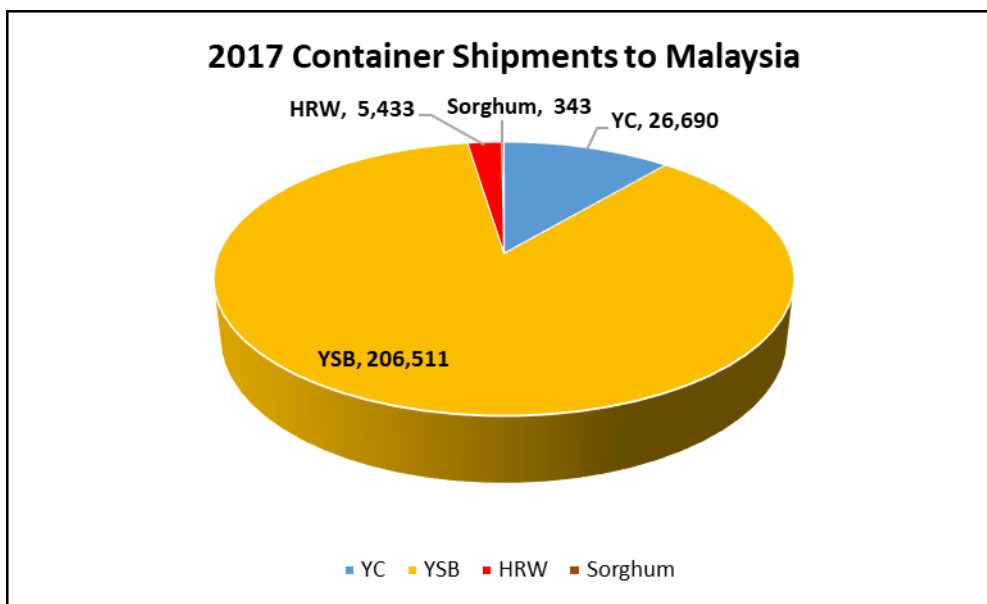
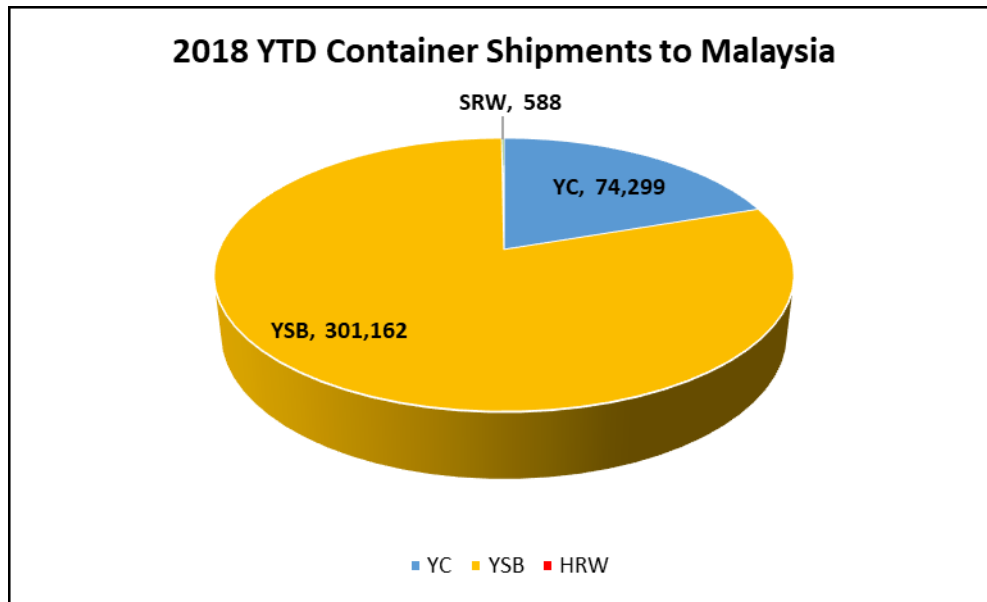
White Corn	<u>metric tons</u>	
Shipments:	15,797	Colombia
	3,278	Guatemala
	11,588	Honduras
	26,462	Mexico
	195	Korea Rep
	<u>57,320</u>	<u>Total</u>

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:		8-Nov-2018							
Last Week	metric tons								MT
	YC	WC	YSB	SRW	NS	SWH	HRW	Sorghum	TOTAL
China Main									0
China T	21,303		11,266						32,569
Hong Kong	857								857
Costa Rica									0
Indonesia			32,056						32,056
Nepal									0
Japan			831						831
Korea Republic	1,102		2,008					98	3,208
Haiti									0
Malaysia	685		4,187						4,872
Burma									0
Philippines			1,491						1,491
Thailand			6,904						6,904
Ireland									0
Bangladesh			440						440
Vietnam			6,241						6,241
Sub total	23,947	0	65,424	0	0	0	0	98	82,788
USDA Corrections/Additions to previous reports:									
China T	3,674		4,213						7,887
China Main									0
Hong Kong									0
Korea Rep.									0
Costa Rica									0
Japan									0
Philippines									0
Indonesia			2,620						2,620
Malaysia									0
Thailand			1,272						1,272
Vietnam			1,739						1,739
Canada									0
Bangladesh									0
Sub total	3,674	0	9,844	0	0	0	0	0	13,518
Mt. Grand Total	27,621	0	75,268	0	0	0	0	98	96,306
Number of containers	1,201	0	3,273	0	0	0	0	4	

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



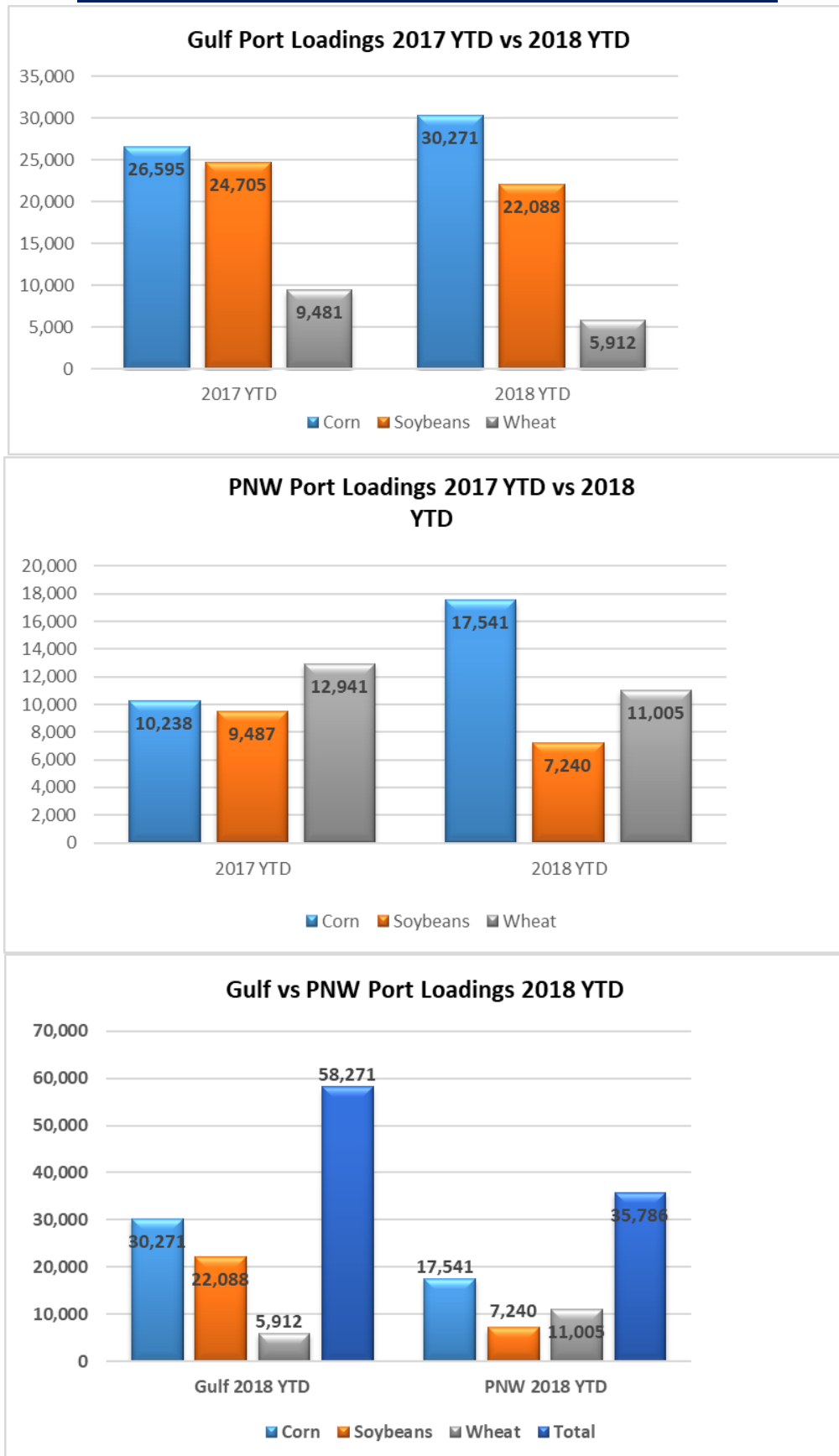
Grain Inspections for Export by U.S. Port Regions:
U.S. Gulf and Pacific Northwest 2017 YTD vs. 2018 YTD

PORT LOADINGS US Gulf				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
GULF				
2017 YTD	26,595	24,705	9,481	60,781
2018 YTD	30,271	22,088	5,912	58,271
2018 as % of 2017	114%	89%	62%	96%

PORT LOADINGS US PNW				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
PNW				
2017 YTD	10,238	9,487	12,941	32,666
2018 YTD	17,541	7,240	11,005	35,786
2018 as % of 2017	171%	76%	85%	110%

PORT LOADINGS GULF vs. PNW				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
2018 Gulf YTD	30,271	22,088	5,912	58,271
2018 PNW YTD	17,541	7,240	11,005	35,786
TOTAL	47,812	29,328	16,917	94,057
Gulf Percentage	63%	75%	35%	62%
PNW Percentage	37%	25%	65%	38%

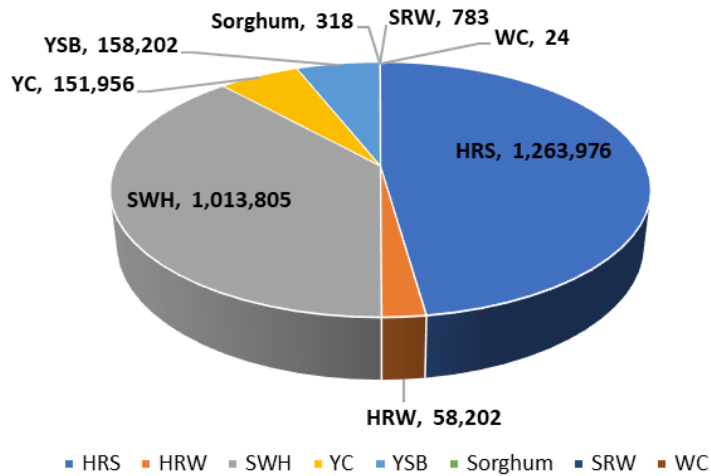
Grain Inspections for Export by U.S. Port Regions (1,000MT):
U.S. Gulf and Pacific Northwest 2017 YTD vs. 2018 YTD



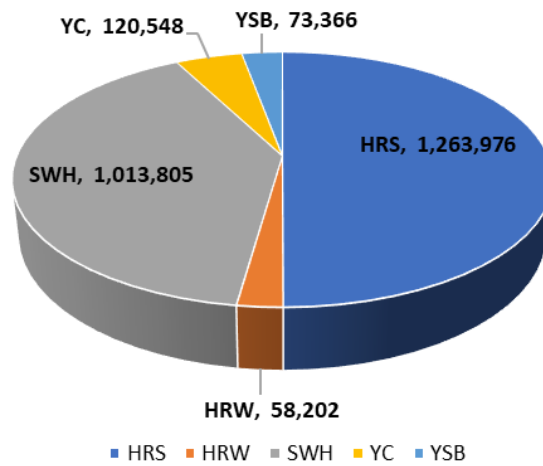
Source: USDA-data

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

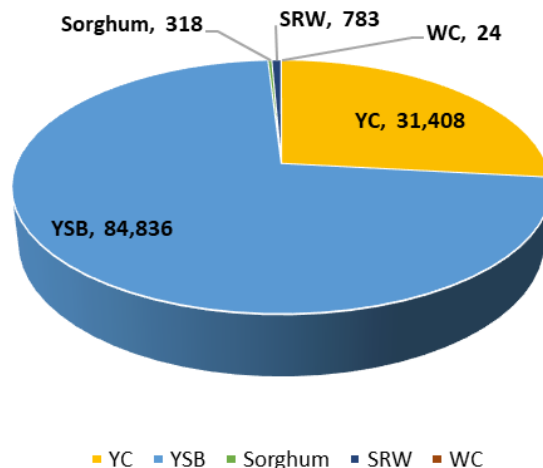
2018 YTD Exports to Philippines



YTD Exports to Philippines by Vessel



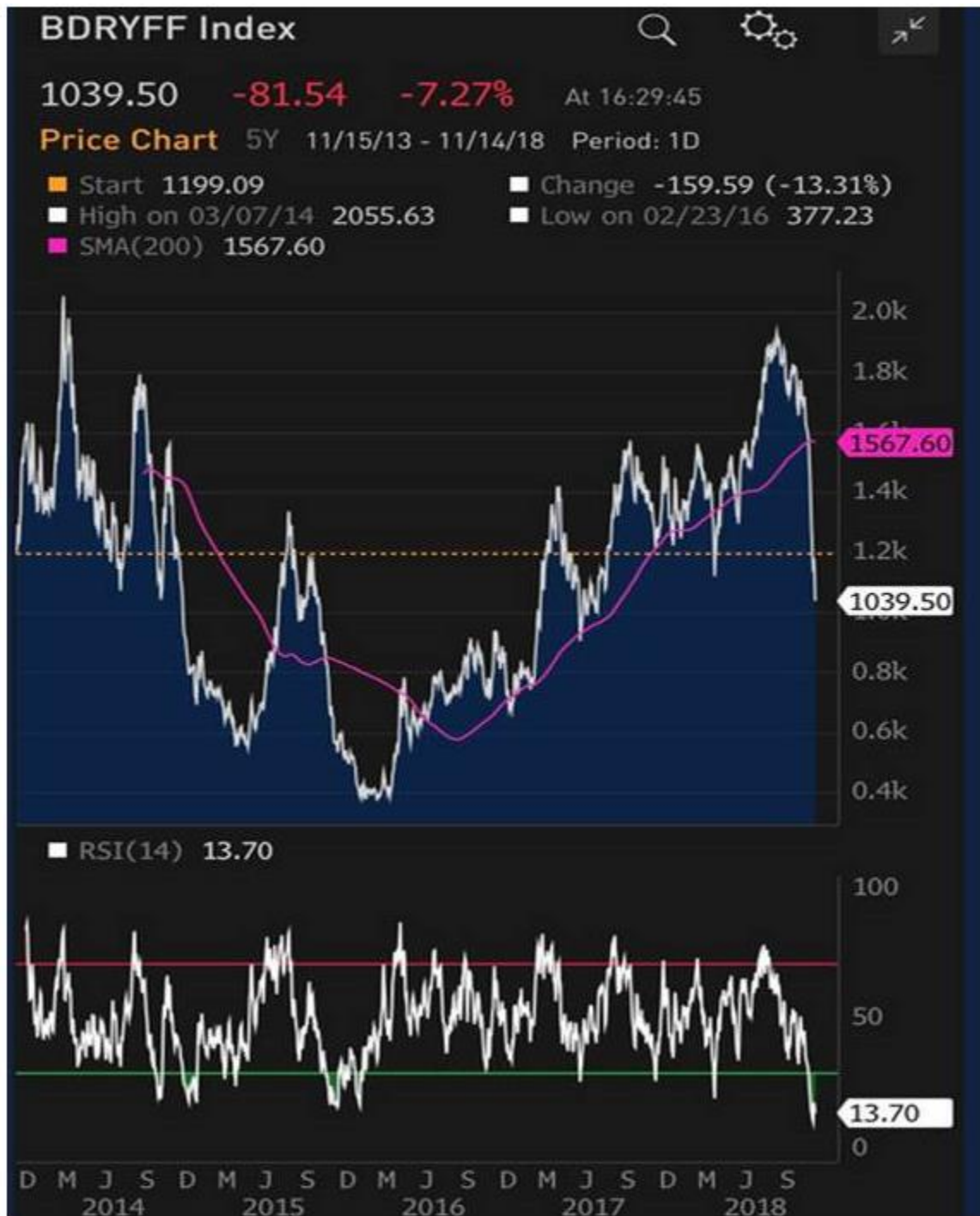
YTD Exports to Philippines by Container



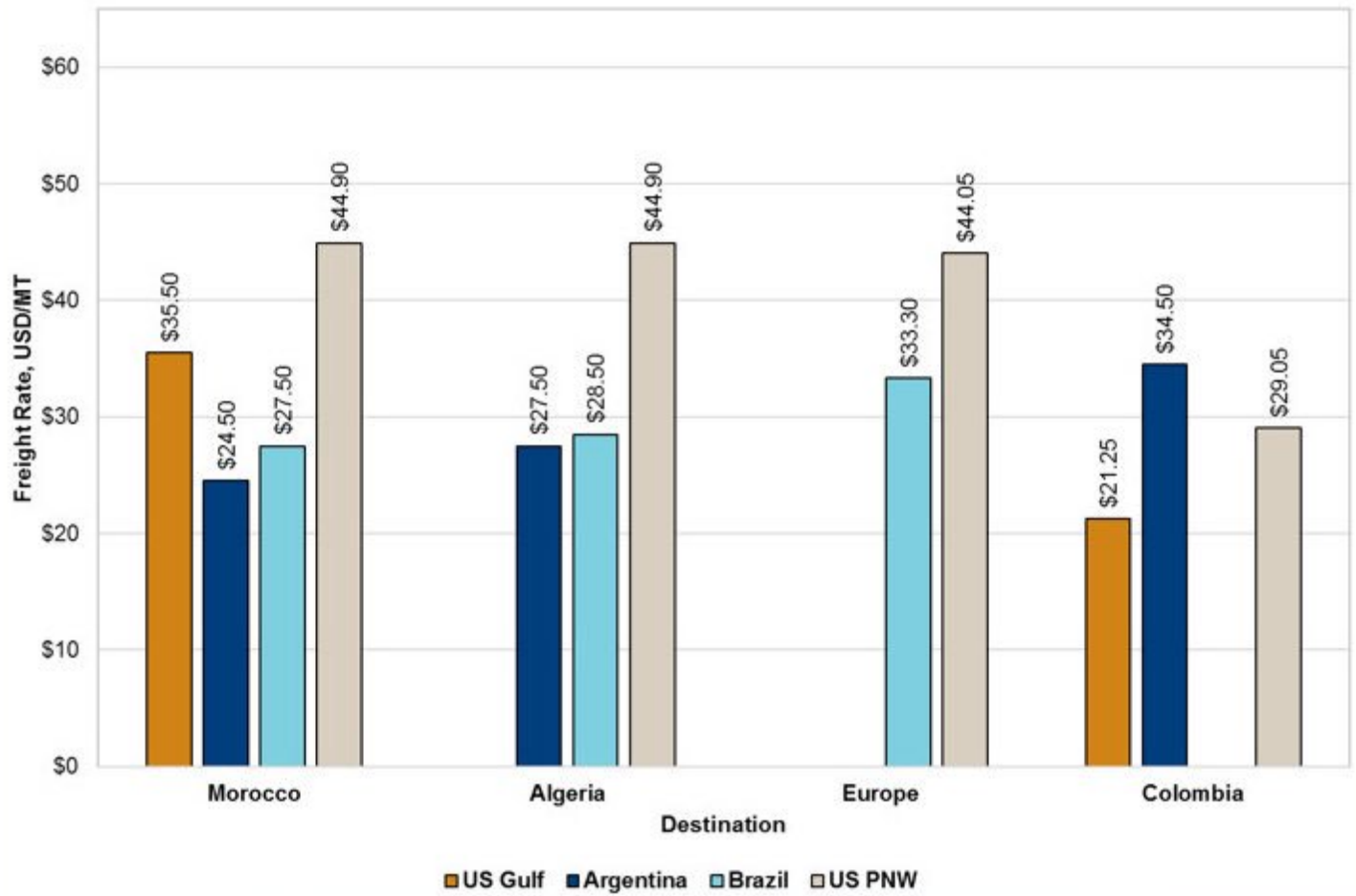
*Please keep in mind that USDA does not report DDGS sales, or they would show as the largest exports by container.

Source: USDA

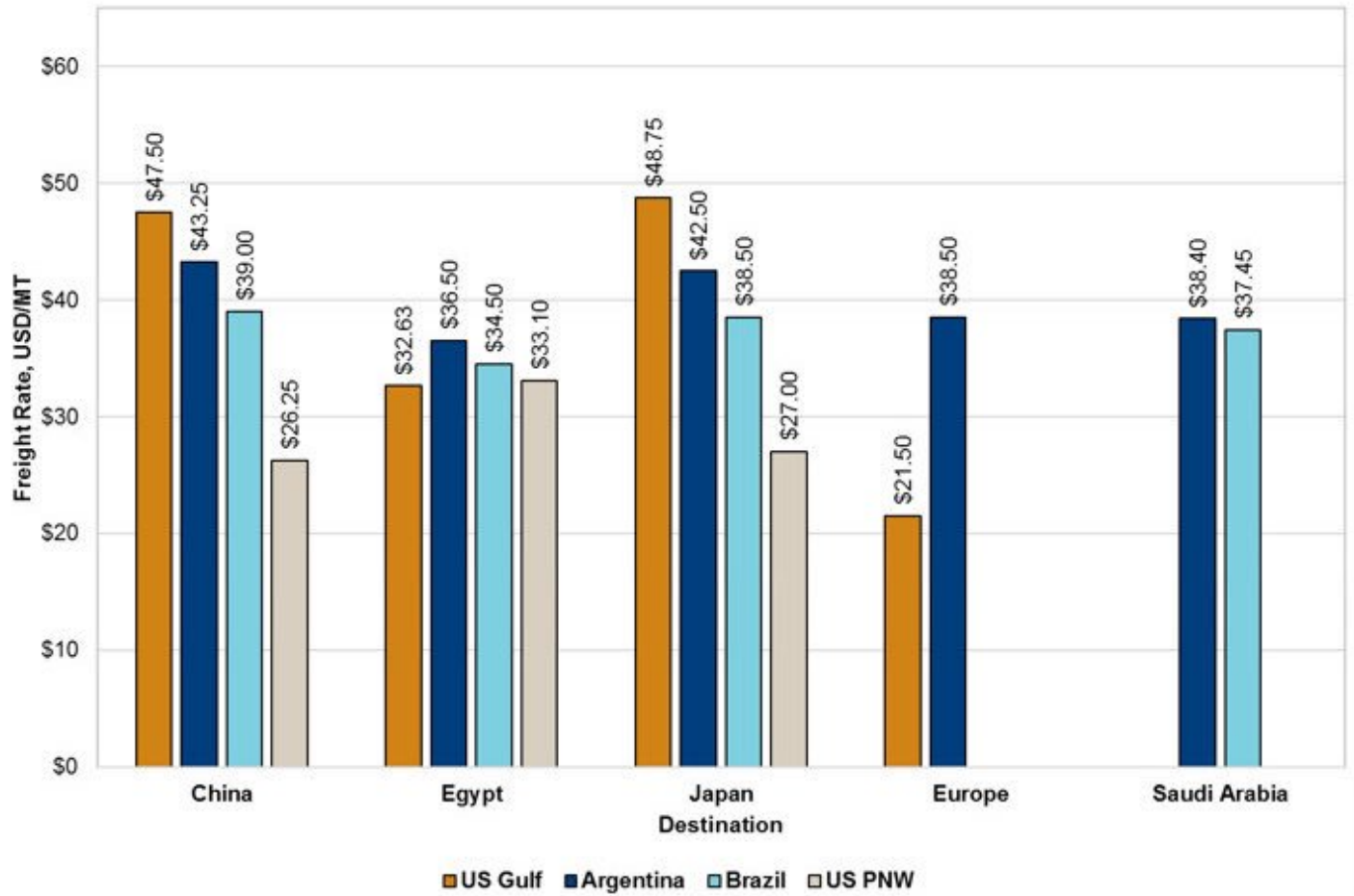
Shipping News



International Freight Rates by Origin, November 8, 2018,
Handysize Vessels, USD/MT

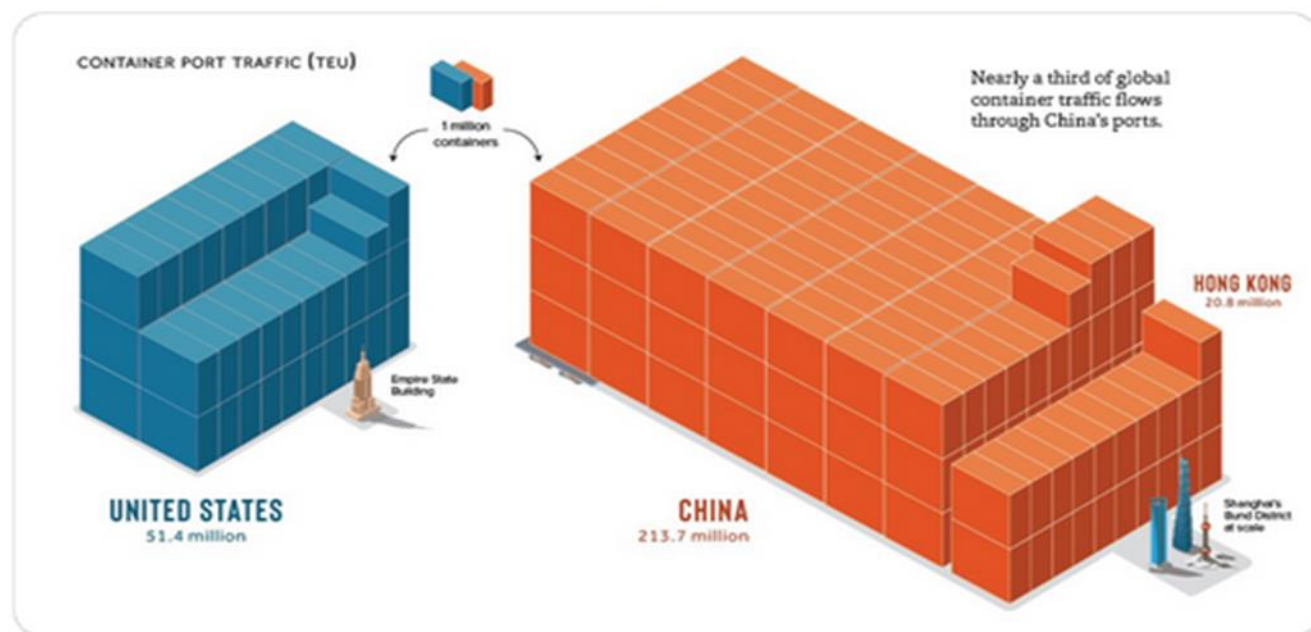


**International Freight Rates by Origin, November 8, 2018,
Supramax/Panamax Vessels, USD/MT**



Visualizing Global Shipping Container Traffic

(See full infographic: [visualcapitalist.com/global-shippin...](https://visualcapitalist.com/global-shipping-container-traffic/))



China Containerized Freight Index



U.S. RIVER BARGE FREIGHT

Current Barge Freight for Placement First Half December 2018

Placement FH December 2018	% of		Corn	Soybeans-Wheat
	Tariff	MT	BU	BU
Upper Mississippi	Closed	\$ -	0.00	0.00
Illinois River (Pekin and South)	345	\$18.29	0.46	0.50
Mid-Mississippi	Closed	\$ -	0.00	0.00
Lower Ohio	285	\$14.01	0.36	0.38
St. Louis	245	\$10.78	0.27	0.29

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	\$ (250.00)	\$ (175.00)	\$ (0.06)	\$ (0.04)	\$ (2.46)	\$ (1.72)
UPRR Shuttle Trains	\$ (350.00)	\$ (200.00)	\$ (0.09)	\$ (0.05)	\$ (3.44)	\$ (1.97)

www.grains.ksu.edu/igp

Best Regards,

Jay

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