O'NEIL COMMODITY CONSULTING

Transportation and Export Report for 2 November 2017

Ocean Freight Insights and Comments:

I know I should not be so amazed by how many hundreds of points the Balti Dry-bulk indices move per day and per week, but I am. This is not the Corn or Soybean market where weather and other ever changing factors affect things on a daily basis. The fundamentals in the ocean freight markets do not changes in short periods of time. So what the heck creates these significant daily moves? The obvious answer is the speculative paper trading that occurs. For some reason trader optimism springs eternal. I say; take your profits and run. But this is why physical markets do not move in lock step with the Baltic and why charterers of physical vessels must be wary of the Baltic market movements. In the end things will balance out; but it is the volatility that causes heart burn. What goes up, must come down. This week was a quiet week in freight markets and therefore a bit of a down market. East Coast South American demand was lacking. USG Grain cargo demand was not robust.
On the container market side –"Alphaliner's Hua Joo Tan: New TEU capacity up 9% vs 6-7% growth. No longer sees industry recovery in 2019 because of volume of vessel new capacity."

BALTIC DRY-BULK PANAMAX INDEX CHANGES

Panamax Ocean Freight Indices				
2-Nov-17	This Week	Last Week	Difference	Percent Change
P2A : Gulf/Atlantic - Japan	18975	19041	-66	-0.3%
P3A - PNW/Pacific - Japan	11860	13186	-1,326	-10.1%
S1C -USGULF-China-So.Japan	22772	23600	-828	-3.5%

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

Four weeks ago:	$ 7.30-$7.95
Three weeks ago:	$ 7.40-$8.25
Two weeks ago:	$ 8.50-$9.00
One week ago:	$ 8.15-$8.50
This week	$ 7.50-$8.25

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

Mississippi River:	(10 elevators)	5-13 days
Miss. River Mid-Stream loaders:	(6+ Rigs)	0-4 days
Texas Gulf	(6 elevators)	0-10 days (only1 elevator at more than 4 days)
Pacific Northwest:	(9 elevators)	2-5 days

Panamax Market Spreads to Asia -China					
2-Nov-17	PNW	GULF	Bushel Spread	MT Spread	Advantage
CORN	0.72	0.53	0.19	$7.48	PNW
SOYBEANS	0.62	0.49	0.13	$5.12	PNW
OCEAN FREIGHT	$24.25	$42.00	.45-.48	$17.75	DEC.

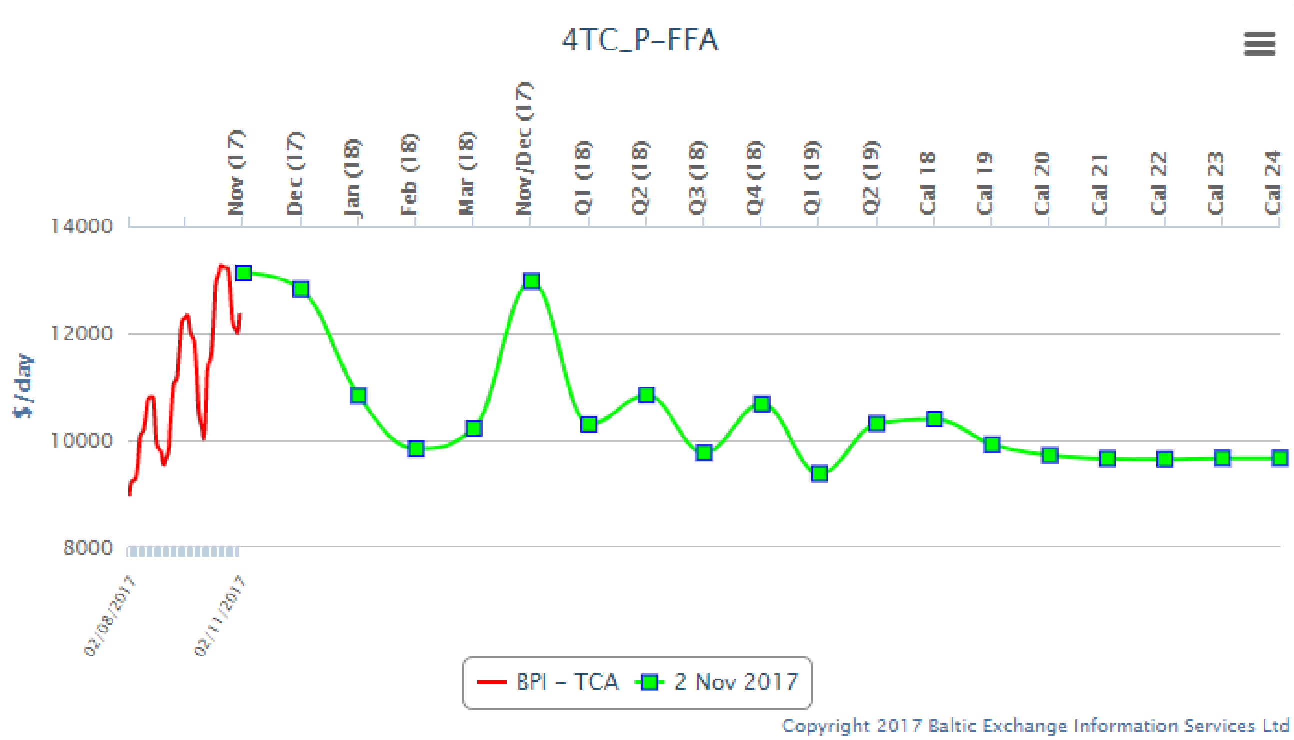
Recent Reported Vessel Fixtures:

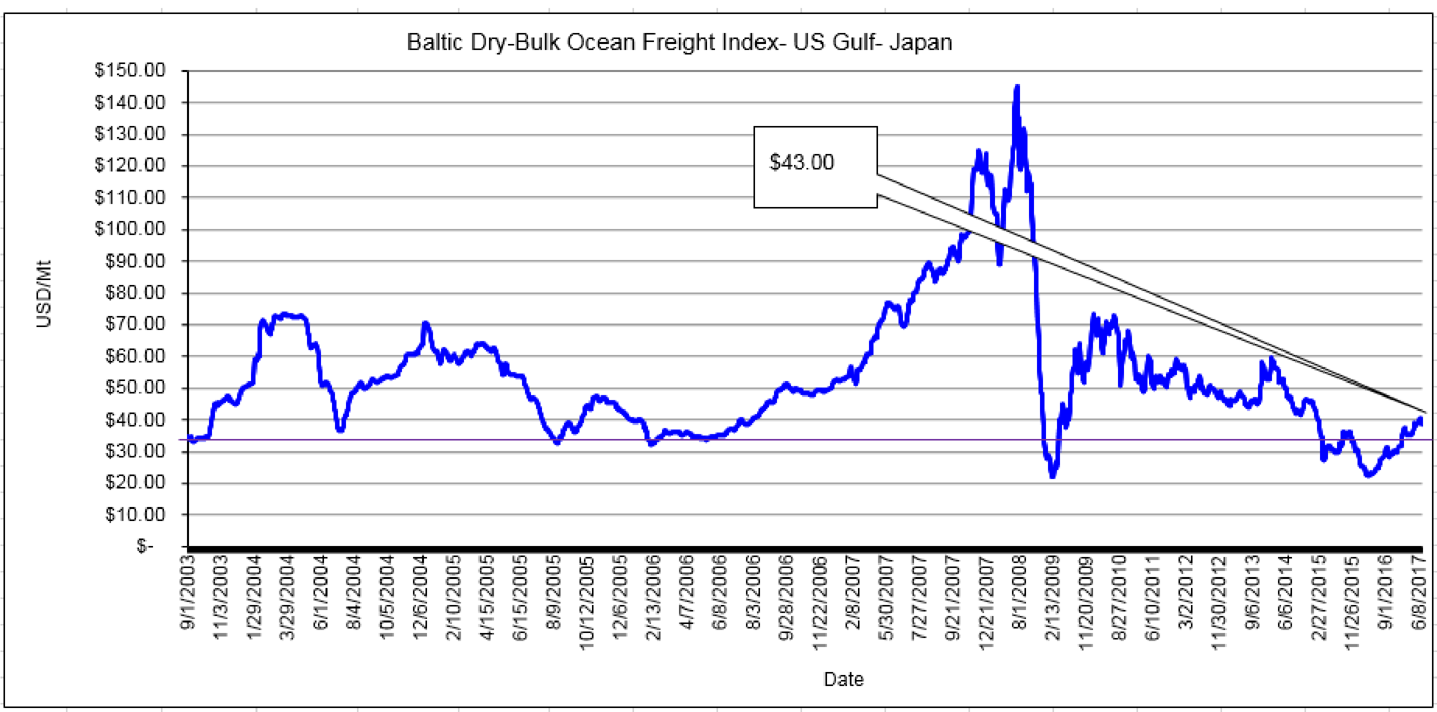
66,0000 mt US Gulf to China (13 meters) Nov.20-30 at $42.00 fio 10,000/8,000 sshex bends -Cargill
66,000 mt US Gulf to China (13.3m) Nov.10-15 at $40.25 fio 10,000/8,000 sshexbends – Cofco
63,000 mt Santos, Brazil to Inchon Korea Nov.22-29 at $33.25 fio 8,000/7,250 shex bends - Olam

Route and Vessel Size	Current Week USD/MT	Change from previous week	Remarks
55,000 U.S. Gulf-Japan	$43..00	Down $0.50	Handymax $43.50/mt
55,000 U.S. PNW- Japan	$24.50	Down $0.25	Handymax at $24.75/mt
65,000 U.S. Gulf – China PNW to China	$42.00 $24.25	Down $1.00 Down $0.25	North or South China
25,000 U.S. Gulf- Veracruz, México	$16.50	Down $0.50	3,000 MT daily discharge rate
35-40,000 U.S. Gulf-Veracruz, México	$14.00	Down $0.50	Deep draft and 6,000 MT per day discharge rate.
25/35,000 U.S. Gulf- East Coast Colombia From Argentina	$20.00 $32.00	Down $0.50	West Coast Colombia at $27.50
40-45,000 U.S. Gulf - Guatemala	$28.00	Down $0.50	Acajutla/Quetzal - 8,000 out
26-30,000 U.S. Gulf – Algeria	$30.50 $32.50	Unchanged	8,000 mt daily discharge 3,000 mt daily discharge
26-30,000 US Gulf-Morocco	$29.50	Down $0.50	5,000 discharge rate
55-60,000 U.S. Gulf –Egypt PNW to Egypt	$27.75 $26.75	Unchanged	55,000 -60,000 mt St. Lawrence to Egypt $27.75
60-70,000 U.S. Gulf – Europe – Rotterdam	$17.00	Down $0.50	Handymax at +$2.25 more
Brazil, Santos – China Brazil, Santos – China Itacoatiara-Port Up River North Brazil	$33.25 $32.25 $35.75	Down $0.25	54-59,000 Supramax-Panamax 60-66,000 Post Panamax 60-66,000 mt
56-60,000 Argentina-China Deep draft	$39.75	Down $0.25	Up River with Top Off $42.50

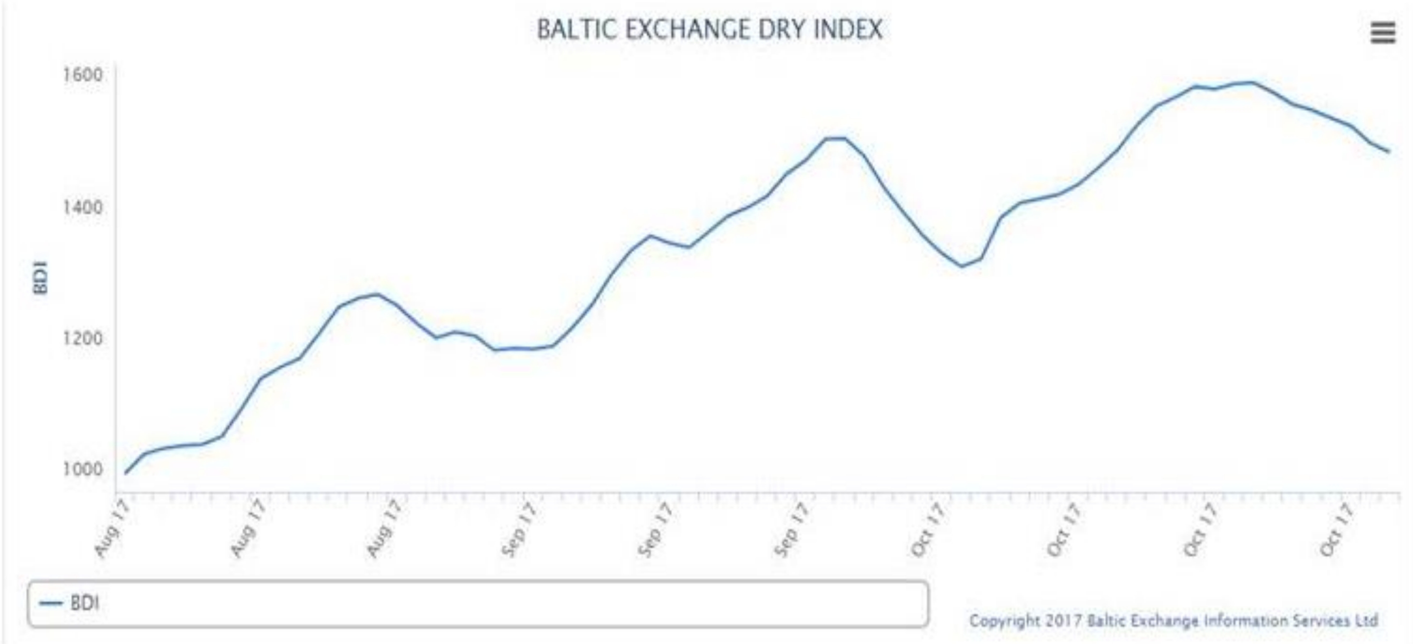
Nautical Miles: To Xiamen China (South China)
US Gulf (NOLA) (via Panamá Canal) – 10,232 nautical miles (32 days)
Santos Brazil (via Cape of Good Hope) - 10,441 nautical miles (33 days)
Rasario Argentina (via Cape Horn) - 10,751 nautical miles (34 days)

Forward Curve for Baltic BPI Panamax Vessel Freight

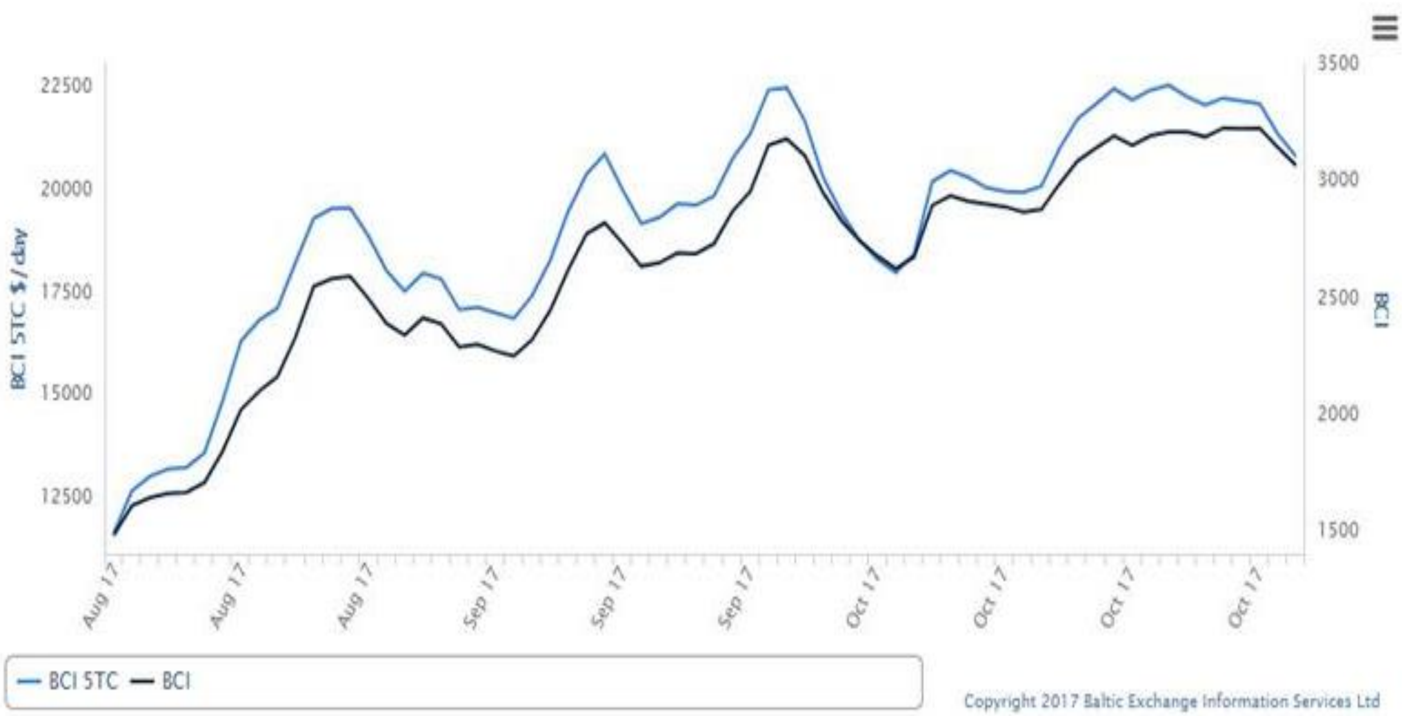




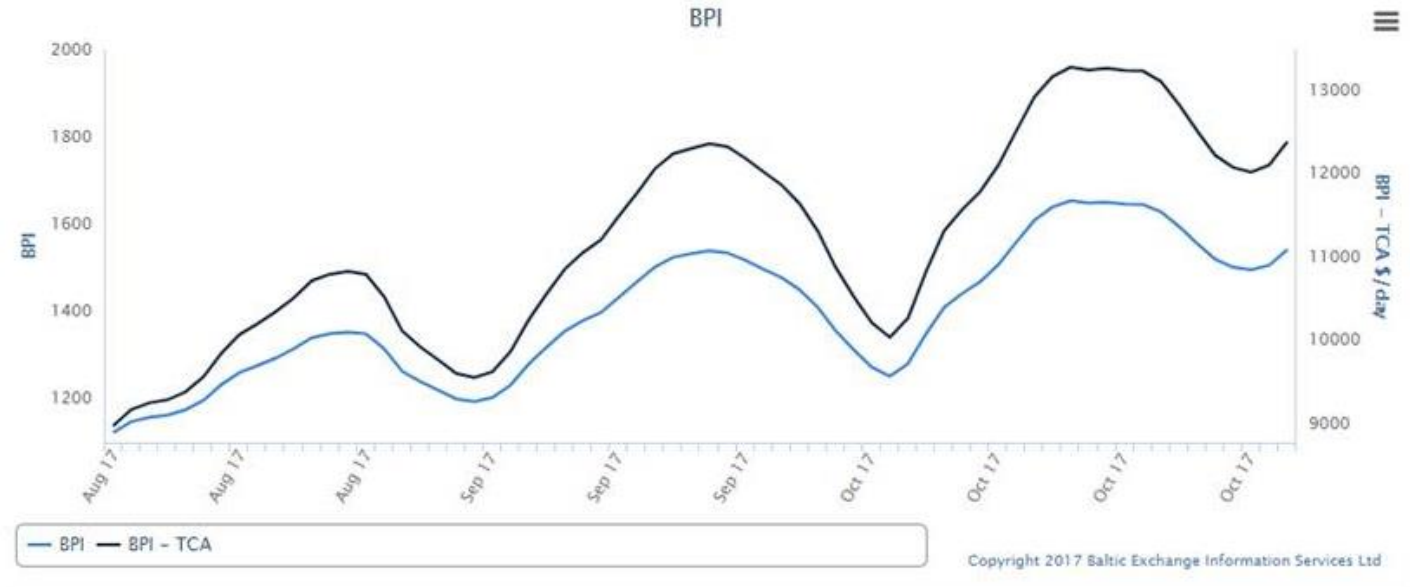
Baltic Exchange Dry Bulk Index



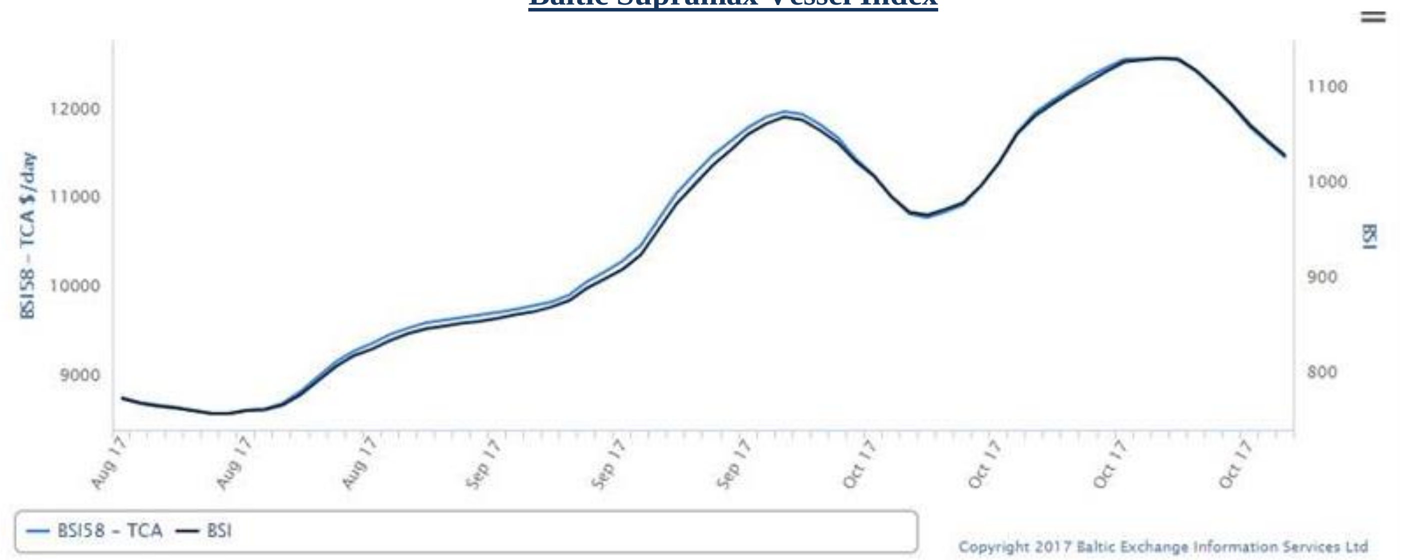
Baltic Capesize Index



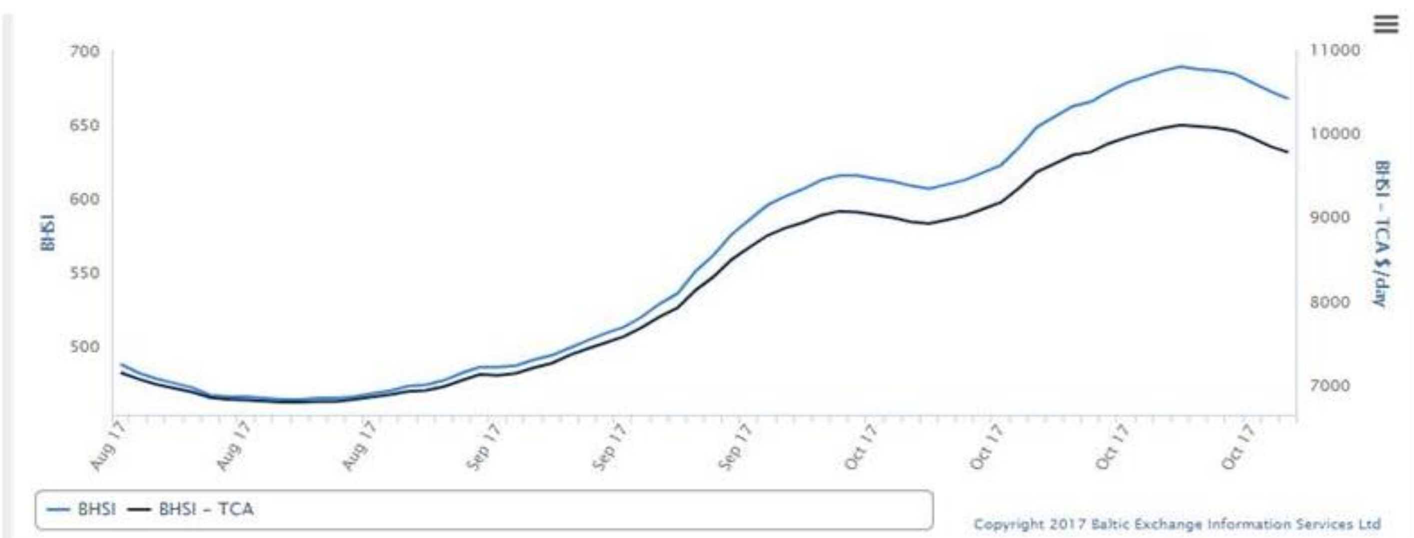
Baltic Panamax Index

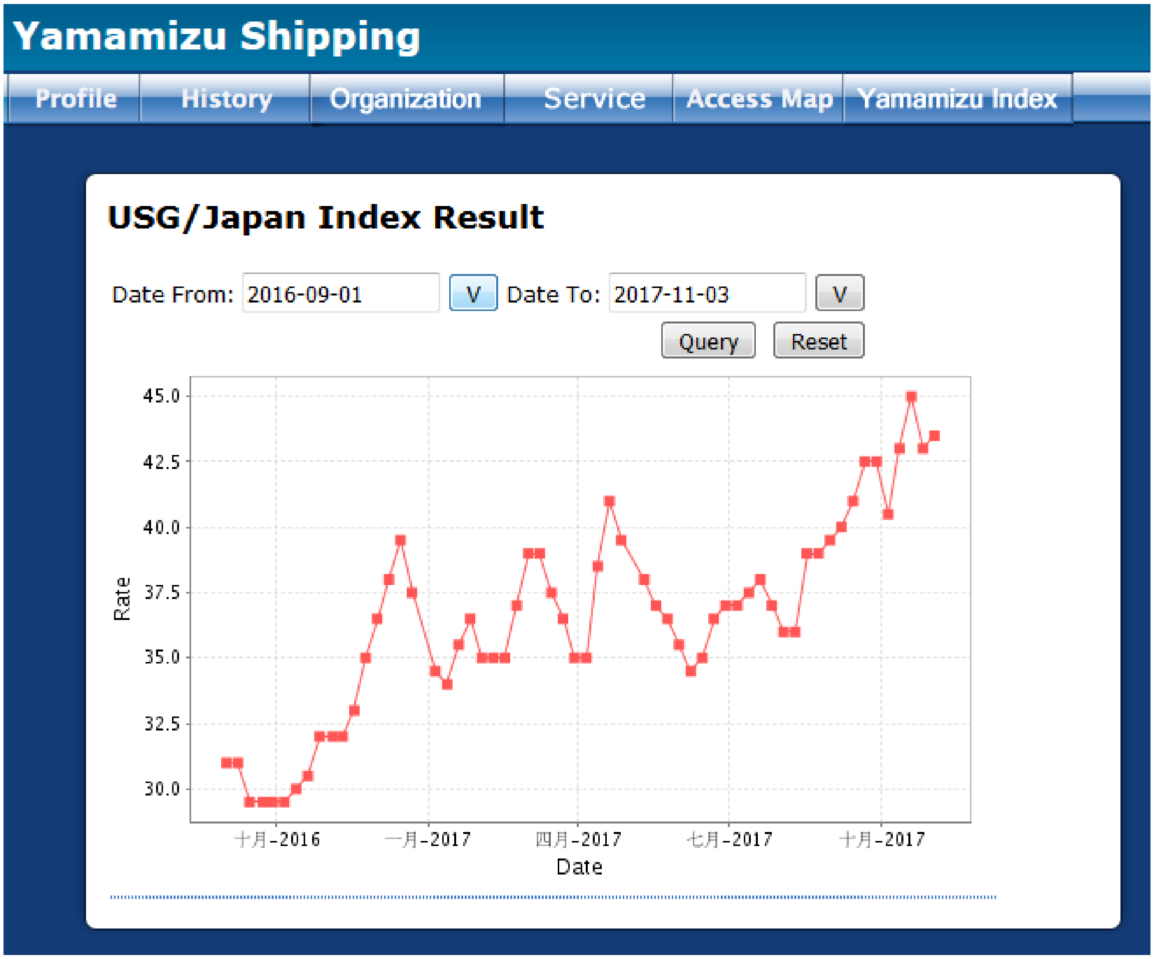


Baltic Supramax Vessel Index



Baltic Handy Size





China Import Dry Bulk Freight Index(CDFI) 2017-11-02						
Index/Routes	Charterparty type	Cargo/Vessel type	Dwt/Cargo Capacity	Unit	Index/Rate	Change
Composite Index				Point	1061.14	-29.66
VC Index				Point	883.66	-11.22
TCT Index				Point	1327.35	-57.31
Santos(Brazil)— North China	VC	Soybean	60000/10%	$/ton	32.065	0.01
Tacoma(West America)—North China	VC	Soybean	60000/10%	$/ton	24.325	-0.06
Mississippi(US Gulf) —North China	VC	Soybean	55000/10%	$/ton	42.965	-0.02

2 November 2017 FOB Vessel Export Market Values:

U.S. Yellow Corn (USD/MT) FOB Vessel				
# 2 YC	U.S. Gulf #2 YC		PNW #2 YC	
15.0 % Moisture	Basis	Flat Price	Basis	Flat Price
Dec.	0.53	**$158.85**	0.72	**$166.33**
Jan.	0.45	**$161.01**	0.60	**$166.92**
Feb.	0.46	**$161.41**	0.65	**$168.89**
Mar.	0.47	**$161.80**	0.68	**$170.07**
Apr.	0.42	**$163.18**	0.64	**$171.84**
May	0.44	**$163.97**	0.68	**$173.42**

The Gulf spread between #2 and #3 YC is currently about 02 cents per bushel (0.80 per MT)

SORGHUM (USD/MT) FOB VESSEL				
#2 YGS Fob Vessel	NOLA		TEXAS	
Max. 14.0%	BASIS	FLAT PRICE	BASIS	FLAT PRICE
Dec.	1.30	**$189.16**	1.15	**$183.26**
Jan.	1.20	**$190.54**	1.10	**$186.60**
Feb.	1.20	**$190.54**	1.15	**$188.57**
Mar.	1.20	**$190.54**	1.15	**$188.57**
Apr.	1.20	**$193.89**	1.10	**$189.95**

Fob vessel Texas Gulf #2 Sorghum is about 115 % the value of #2 Yellow Corn at NOLA
Sorghum has gotten to be a thin trade and interior and export handling margins have widened out to reflect the risk.

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	$184.08	$187.21	$189.04	$190.88
Basis	0.75	0.65	0.70	0.75
WZ	4.2600			
WH	4.4450			
WK	4.5775			

CME CORN FUTURES MARKET CLOSE- Thursday							
CBOT CORN Month	Futures Symbol	Friday Close Bushel	Friday Close MT.	Last week Bushel		Last Week MT.	Difference Bushel
Dec.	CZ	$3.5050	$137.98	$	3.5050	$137.98	$0.0000
Mar.	CH	$3.6400	$143.30	$	3.6450	$143.50	($0.0050)
May	CK	$3.7250	$146.65	$	3.7325	$146.94	($0.0075)
July	CN	$3.7975	$149.50	$	3.8050	$149.79	($0.0075)
Sept.	CU	$3.8650	$152.16	$	3.8725	$152.45	($0.0075)

CME/CBOT December 2017 (CZ7) Corn Futures Chart –

CME/CBOT Dec. 2017 (WZ7) SRW Wheat Futures Chart –

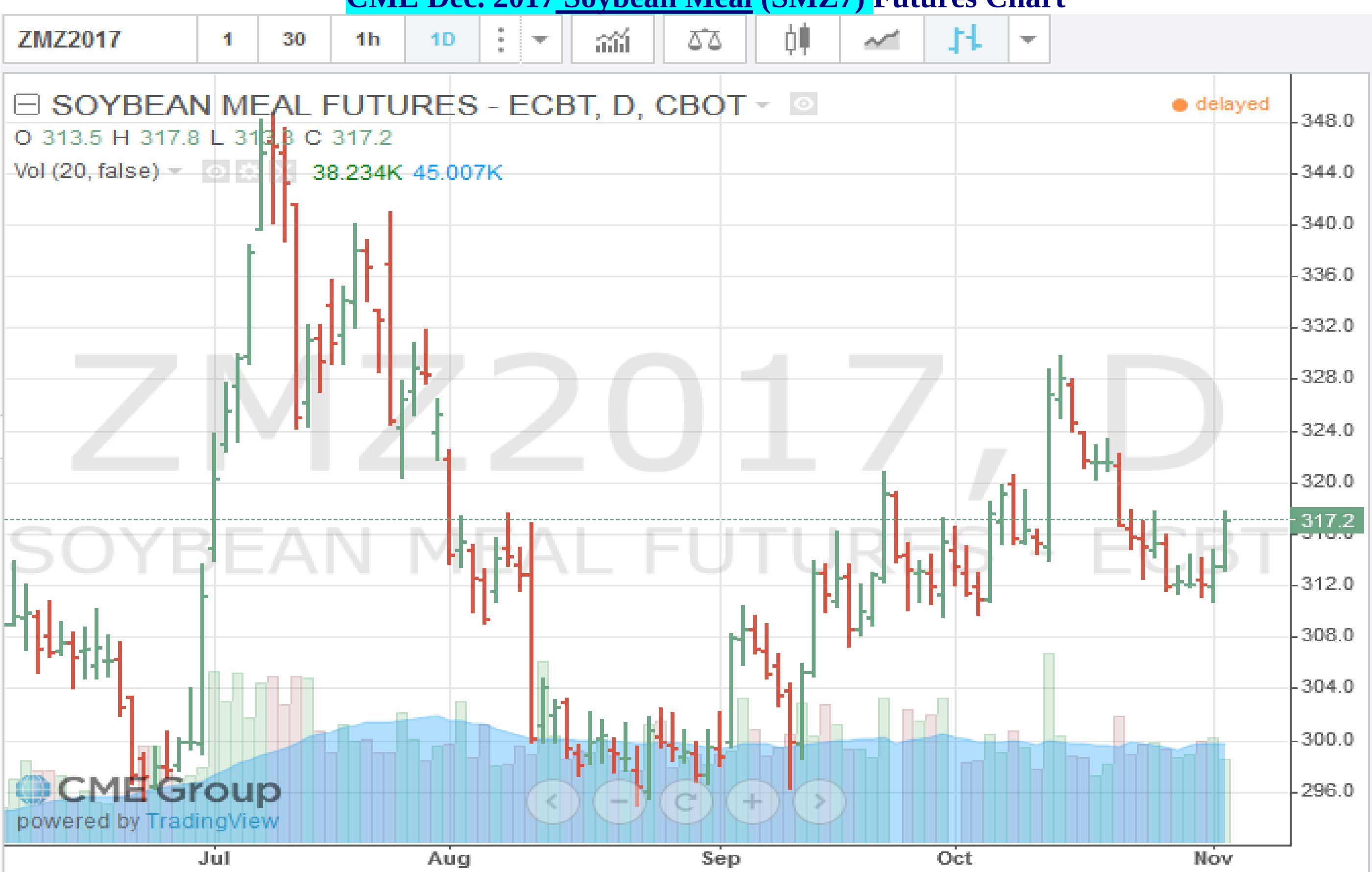
Soybean and SBM Markets Fob Vessel:

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.	0.49	**$381.40**	0.62	**$386.17**
Jan.	0.50	**$382.96**	0.63	**$387.73**
Feb.	0.43	**$386.72**	0.57	**$391.87**
Mar.	0.45	**$387.46**	0.62	**$393.70**
Apr.	0.40	**$388.93**	0.59	**$395.91**
Soybean Futures				
Nov.	$ 9.8900			
Jan.	$ 9.9225			
Mar.	$ 10.0950			
May.	$ 10.1850			
July	$ 10.2625			
Aug.	$ 10.2725			

U.S. SBM (USD/MT) FOB Vessel		
Fob U.S. Gulf Port	47.5 Pro. SBM	
max 12.5 % moisture	Basis	Flat Price
Dec.	-2.00	**$ 347.73**
Jan.	-2.00	**$ 350.04**
Feb.	-2.00	**$ 353.79**
Mar.	-1.00	**$ 354.89**
Apr.	-1.00	**$ 357.76**
SBM Futures		
SMZ	317.40	
SMF	319.50	
SMH	322.90	
SMK	325.50	
SMN	328.00	
SMQ	328.40	

CME Nov. 2017 Soybean (SX17) Futures Chart

CME Dec. 2017 Soybean Meal (SMZ7) Futures Chart



U.S. EXPORT STATISTICS: Report Activity as of Week Ending 26 October 2017
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	817.5	17,028.7	46,990	36%	424.8
Sorghum	284.0	1,772.1	5,330	33%	0.0
Soybeans	2278.8	30,382.9	61,240	50%	137.2
Wheat	351.9	15,509.5	26,540	58%	60.0
Barley	0.1	37.5	110	34%	7.1

U.S. EXPORT INSPECTIONS:
Monday's report 30 October 2017 for the Export week ending 26 October 2017

	Export Inspections		Current Market Year YTD	Previous Year to Date	2017 YTD as Percent of 2016 YTD
	This Week	Previous Week			
Corn	517,679	636,029	5,066,018	9,248,104	55%
Sorghum	1,485	74,288	446,086	610,335	73%
Soybeans	2,505,988	2,585,817	12,341,881	13,640,755	90%
Wheat	315,317	170,998	11,114,268	11,643,486	95%
Barley	0	734	15,248	24,993	61%

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

U.S. EXPORT INSPECTIONS:
Monday's report 30 October 2017 for the Export week ending 26 October 2017

Last Week								
(Metric Tons)	YC	%	WC	%	Sorghum	%	Soybeans	%
Lakes	0	0%	0	0%	0	0%	81,482	3%
Atlantic	0	0%	0	0%	0	0%	166,051	7%
Gulf	398,643	78%	5,138	98%	0	0%	1,108,260	44%
PNW	0	0%	122	2%	0	0%	988,387	39%
Interior Export Rail	113,776	22%	0	0%	1,485	100%	161,808	6%
Metric Tons	512,419		5,260		1,485		2,505,988	

Sorghum Shipments:

metric tons	
1,485	Mexico
1,485	Total

White Corn Shipments:

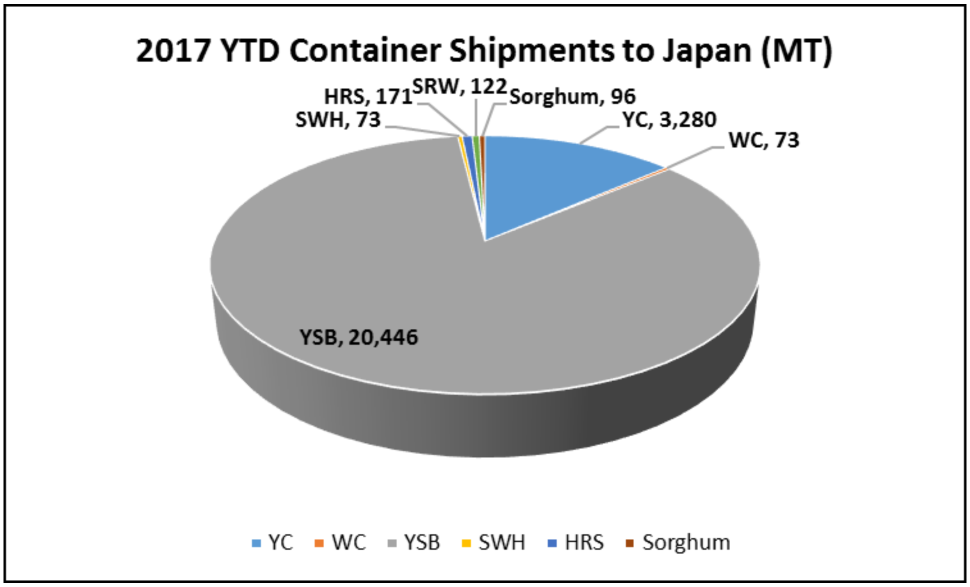
metric tons	
122	Korea Rep
5,138	Costa Rica
5,260	Total

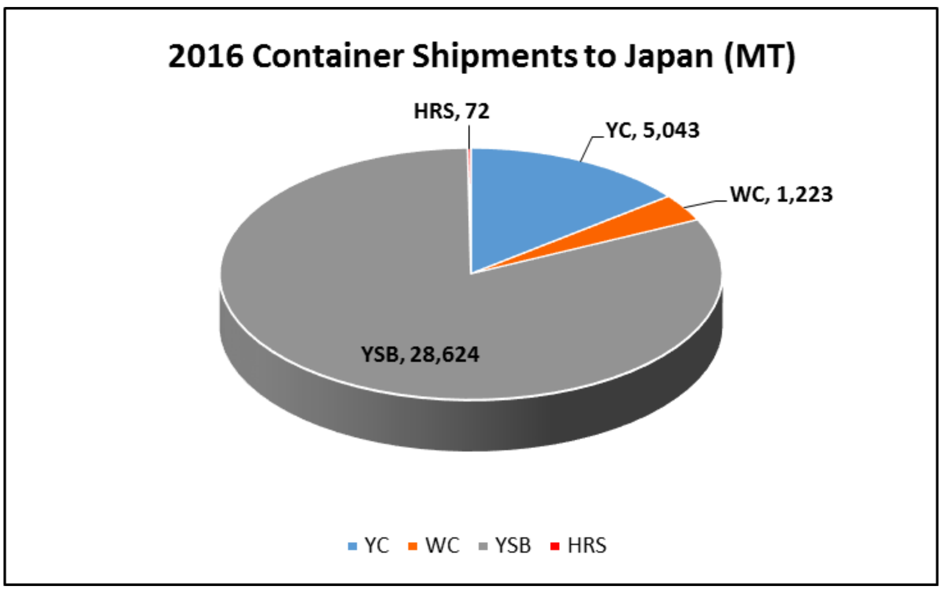
Export Inspection Highlights

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:			**26-Oct-2017**						
Last Week	metric tons								**MT**
	YC	**WC**	**YSB**	**SRW**	**NS**	**SWH**	**HRW**	**Sorghum**	**TOTAL**
China Main	2,768		19,058				490		22,316
China T	7,273		25,620				98		32,991
Hong Kong	1,028								1,028
Costa Rica									0
Indonesia			29,062						29,062
French Polynesia									0
Japan			611						611
Korea Republic			2,522						2,522
Panama									0
Malaysia	416		6,904						7,320
Ireland									0
Philippines			1,101						1,101
Thailand			10,693						10,693
Ukraine			48						48
Burma			930						930
Vietnam			5,066			1,224			6,290
Sub total	11,485	0	101,615	0	0	1,224	588	0	107,644
USDA Corrections/Additions to previous reports:									
China T			6,074				2,155		8,229
China Main			3,821						3,821
Hong Kong									0
Korea Rep.			367						367
Canada									0
Japan									0
Philippines									0
Indonesia			3,454						3,454
Malaysia			490						490
Thailand			1,543						1,543
Vietnam			637						637
Kenya									0
Panama									0
Sub total	0	0	16,386	0	0	0	2,155	0	18,541
Mt. Grand Total	**11,485**	**0**	**118,001**	**0**	**0**	**1,224**	**2,743**	**0**	126,185
Number of containers	499	0	5,130	0	0	53	119	0	

Jan - Dec 2016 Annual Totals versus 2017 Jan.-Dec. Year to Date Container Shipments (in MT)



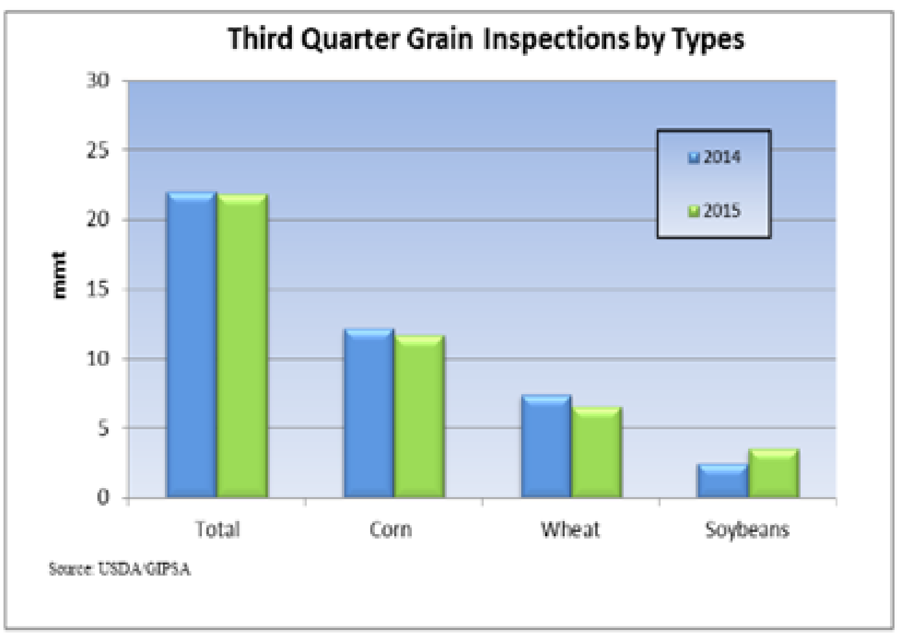


Grain Inspections for Export by U.S. Port Regions:
U.S. Gulf and Pacific Northwest 2016 YTD vs. 2017 YTD

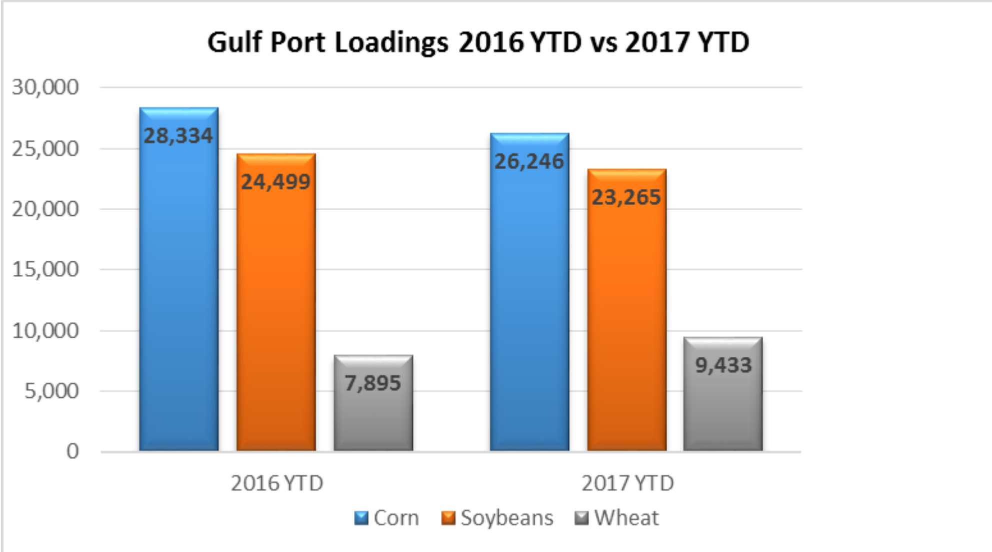
PORT LOADINGS US Gulf				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
GULF				
2016 YTD	28,334	24,499	7,895	60,728
2017 YTD	26,246	23,265	9,433	58,944
2017 as % of 2016	93%	95%	119%	97%

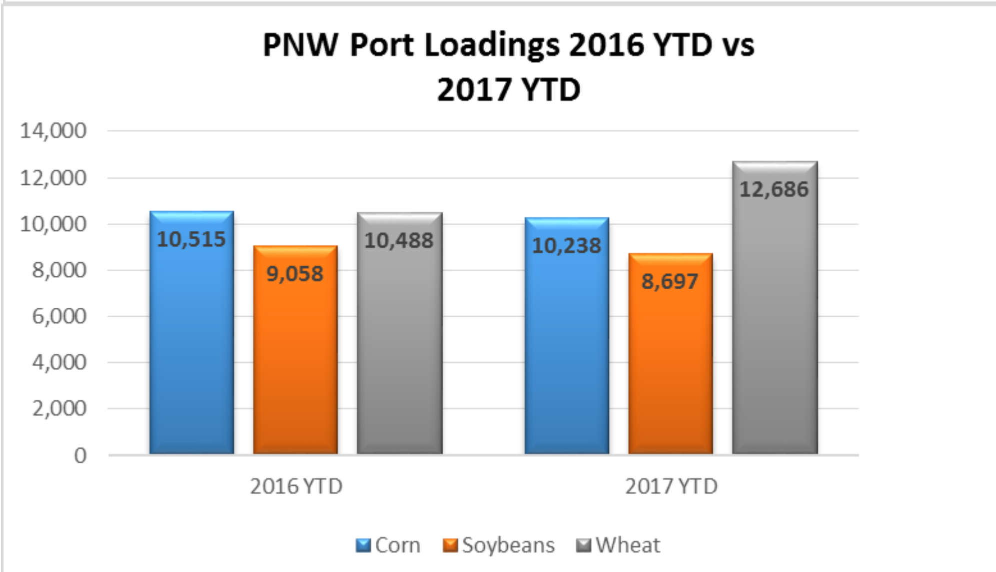
PORT LOADINGS US PNW				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
PNW				
2016 YTD	10,515	9,058	10,488	30,061
2017 YTD	10,238	8,697	12,686	31,621
2017 as % of 2016	97%	96%	121%	105%

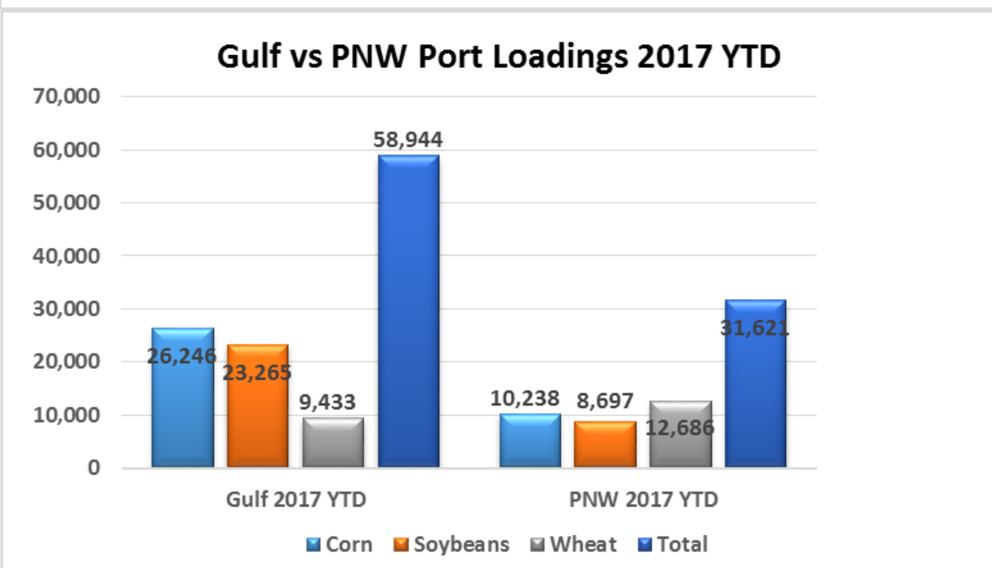
PORT LOADINGS GULF vs. PNW				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
2017 Gulf YTD	26,246	23,265	9,433	58,944
2017 PNW YTD	10,238	8,697	12,686	31,621
TOTAL	36,484	31,962	22,119	90,565
Gulf Percentage	72%	73%	43%	65%
PNW Percentage	28%	27%	57%	35%



Grain Inspections for Export by U.S. Port Regions:
U.S. Gulf and Pacific Northwest 2016 YTD vs. 2017 YTD

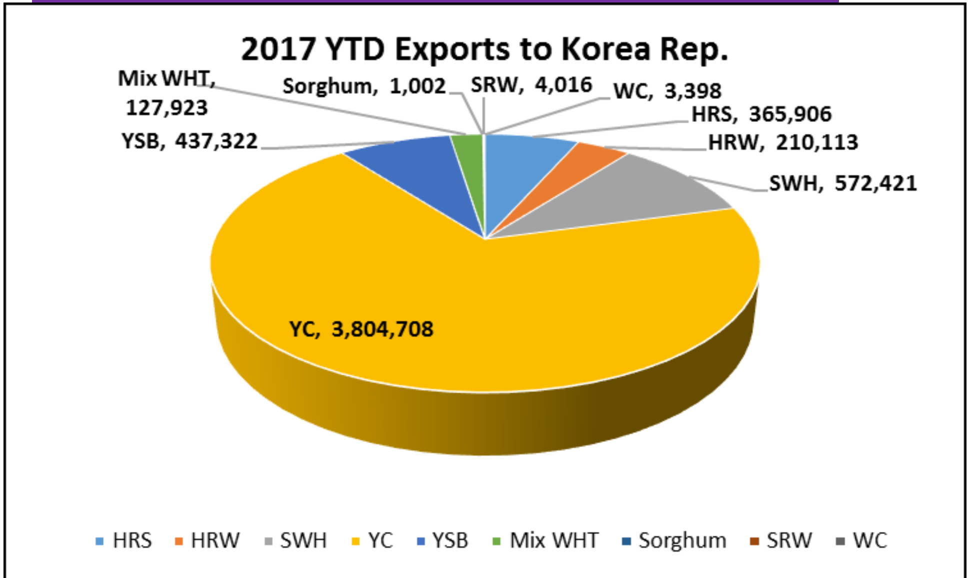


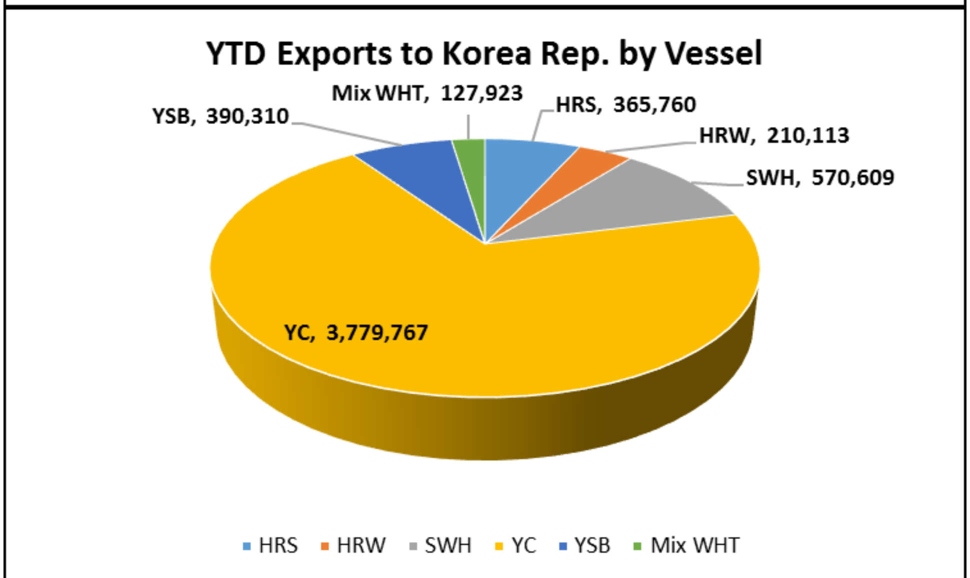


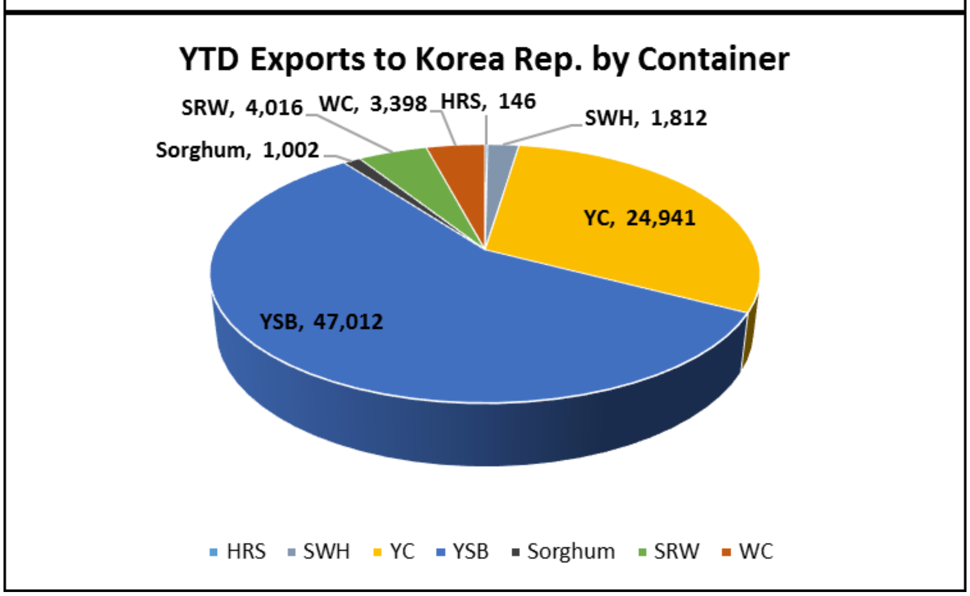


Source: USDA-data

2017 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

Shipping News:

Over 100 coal-laden ships lie idle off Chinese ports as import restrictions bite

Perth (Platts)--31 Oct 2017 450 am EDT/850 GMT

S&P Global Platts C-flow vessel tracking software showed 102 ships loaded with coal were stationary off the southern and eastern coasts of China Tuesday, up sharply from around 36 in mid-September.

The sharp rise follows the introduction in late August of restrictions on coal imports at several of China's major ports, including Guangzhou, Xiamen and Zhoushan, according to market sources.

The stationary coal ships include 10 that are lying idle in the Zhoushan anchorage, three in the Shanghai regional shipping queue, and two waiting in the Lianyungang offshore queue, according to C-flow data.

Market sources have reported extensive delays and longer queues for ships arriving to discharge seaborne-traded thermal coal at several ports in China.

Port authorities, including at Guangzhou, have, however, rejected claims that restrictions have been imposed on the discharge of imported coal at various ports.

S&P Global Platts' C-flow software can detect and track the location of individual cargo ships, their current status in terms of whether they are stationary or moving, the type of cargo, intended destination and estimated arrival time, and other key operational information.

SPLASH24/7

50% of ships due for 2017 delivery have yet to hit the water

NOVEMBER 1ST, 2017 SAM CHAMBERS CONTAINERS, DRY CARGO, SHIPYARDS, TANKERS

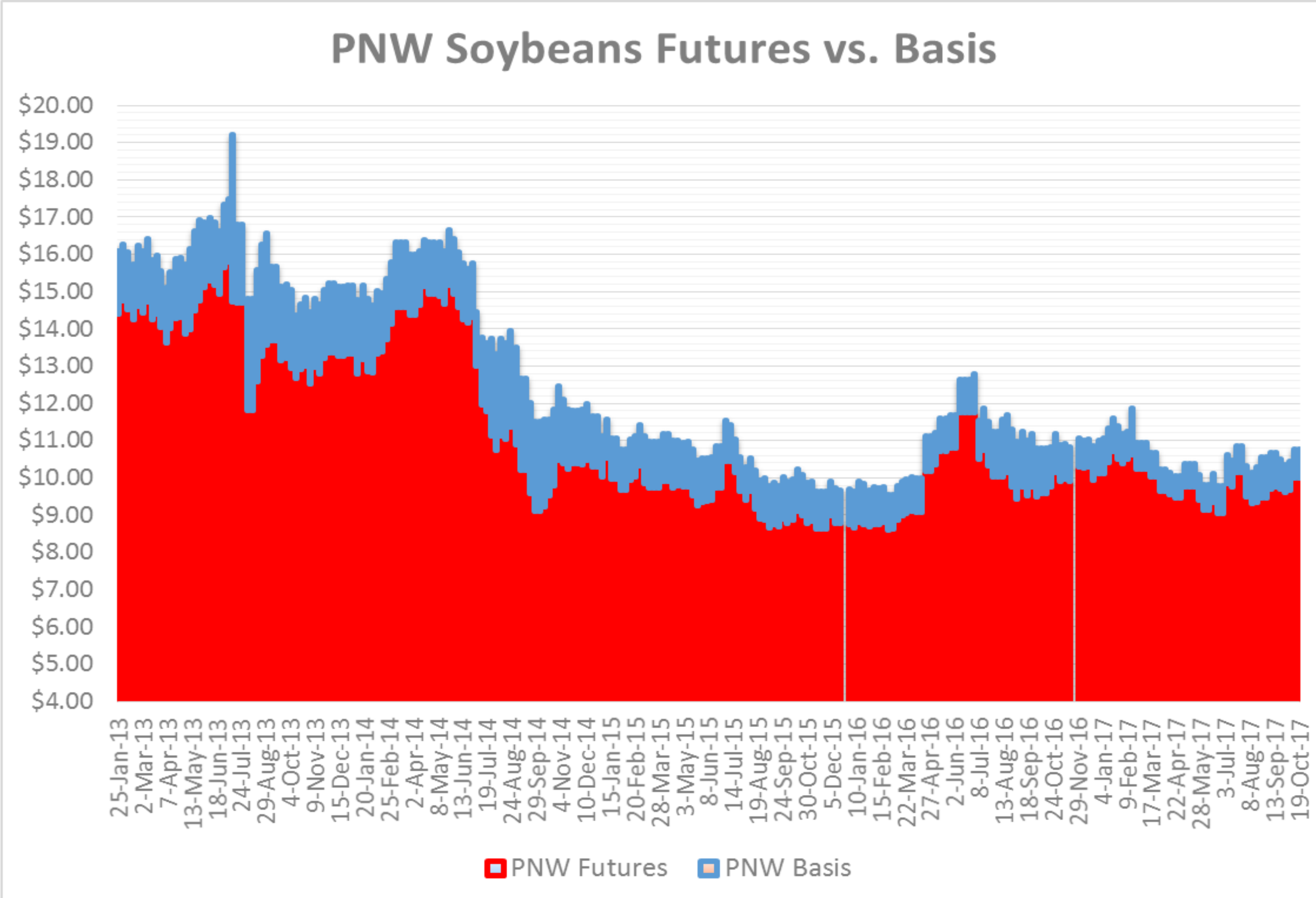
0 COMMENTS

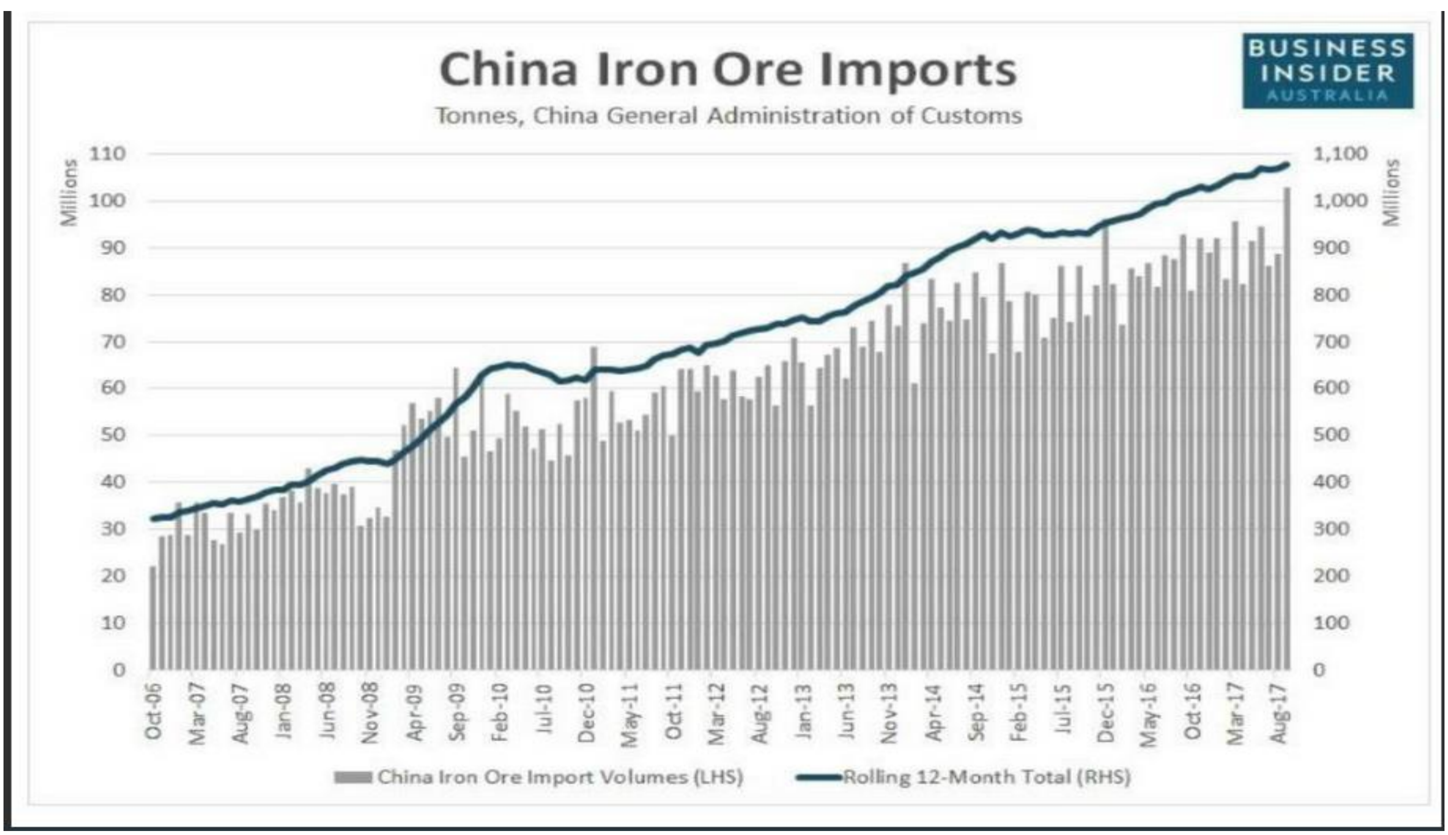
With just two months of 2017 left the slippage in deliveries of the global orderbook looks set to be massive.

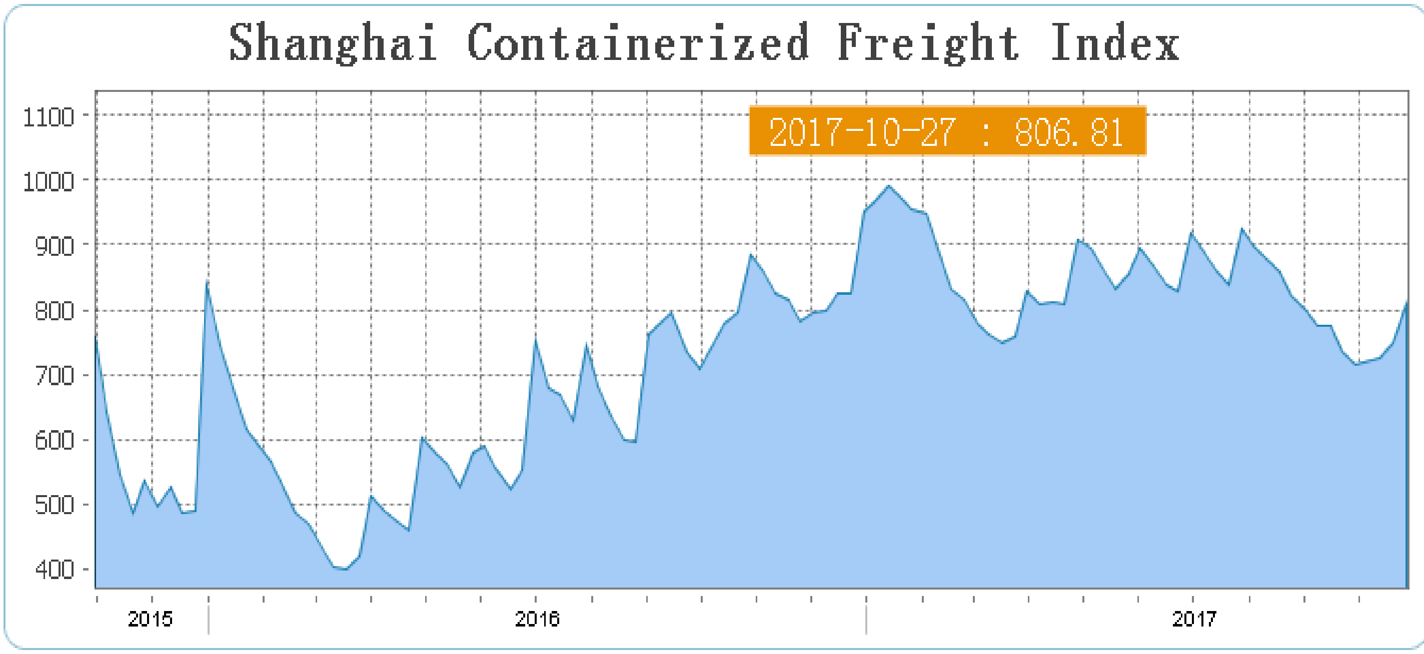
Online pricing portal *VesselsValue* has crunched the numbers and found half of the ships due for 2017 delivery are still to be handed over with less than nine weeks of the year to go. Of the 2,440 vessels meant to be delivered this year, only 1,220 have hit the water, according to *VesselsValue*.

"Vessel deliveries typically slow down towards the end of the year. If the owners wait a few weeks, allowing the delivery to slip into the new year, the vessel is considered a whole year younger. Many sectors can expect a high proportion of the orderbook to hit the water in future years," *VesselsValue* observed in a release.

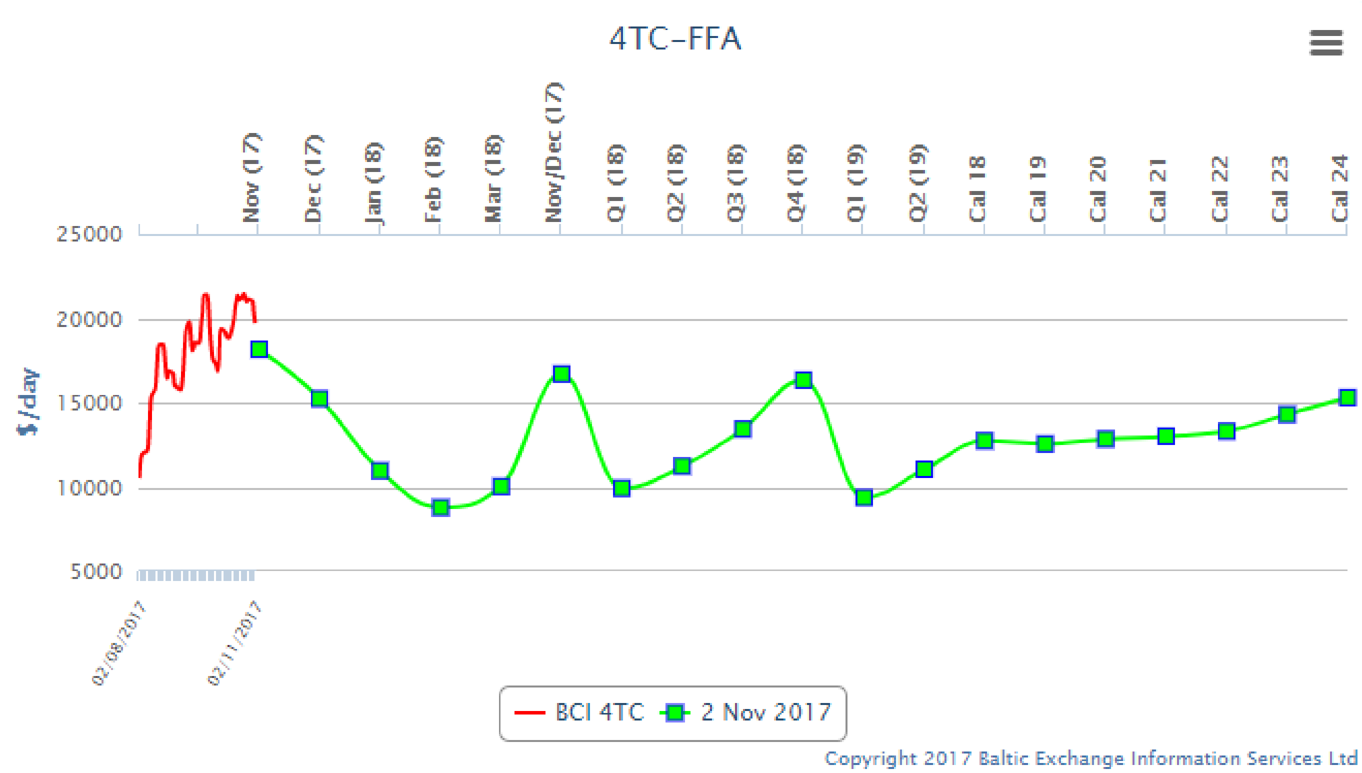
Offshore-related vessels are listed as the sector with the greatest slippage in delivery times, while LPG has seen the highest percentage of ships delivered on time.


PNW Soybeans Futures vs. Basis
PNW Futures
PNW Basis

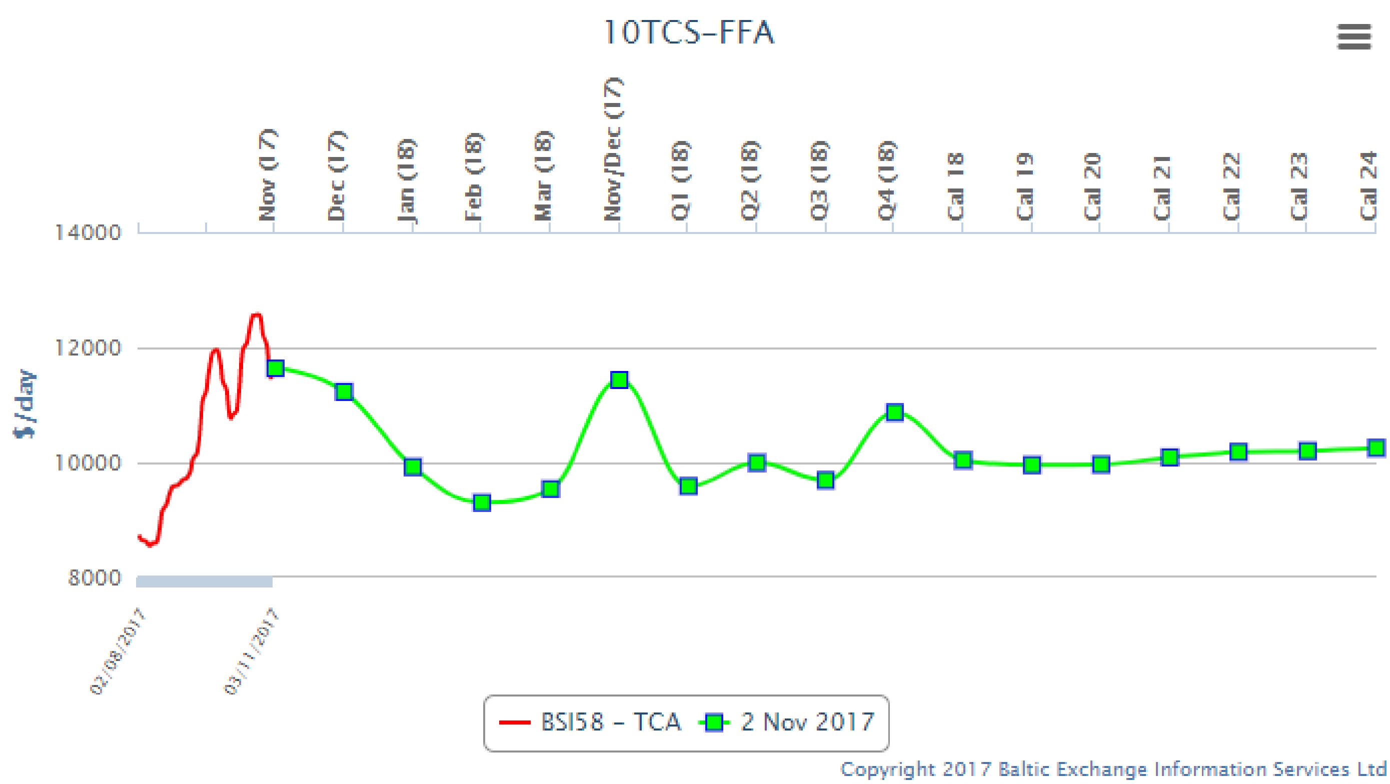

China Iron Ore Imports
Tonnes, China General Administration of Customs
BUSINESS INSIDER AUSTRALIA
Millions
China Iron Ore Import Volumes (LHS)
Rolling 12-Month Total (RHS)

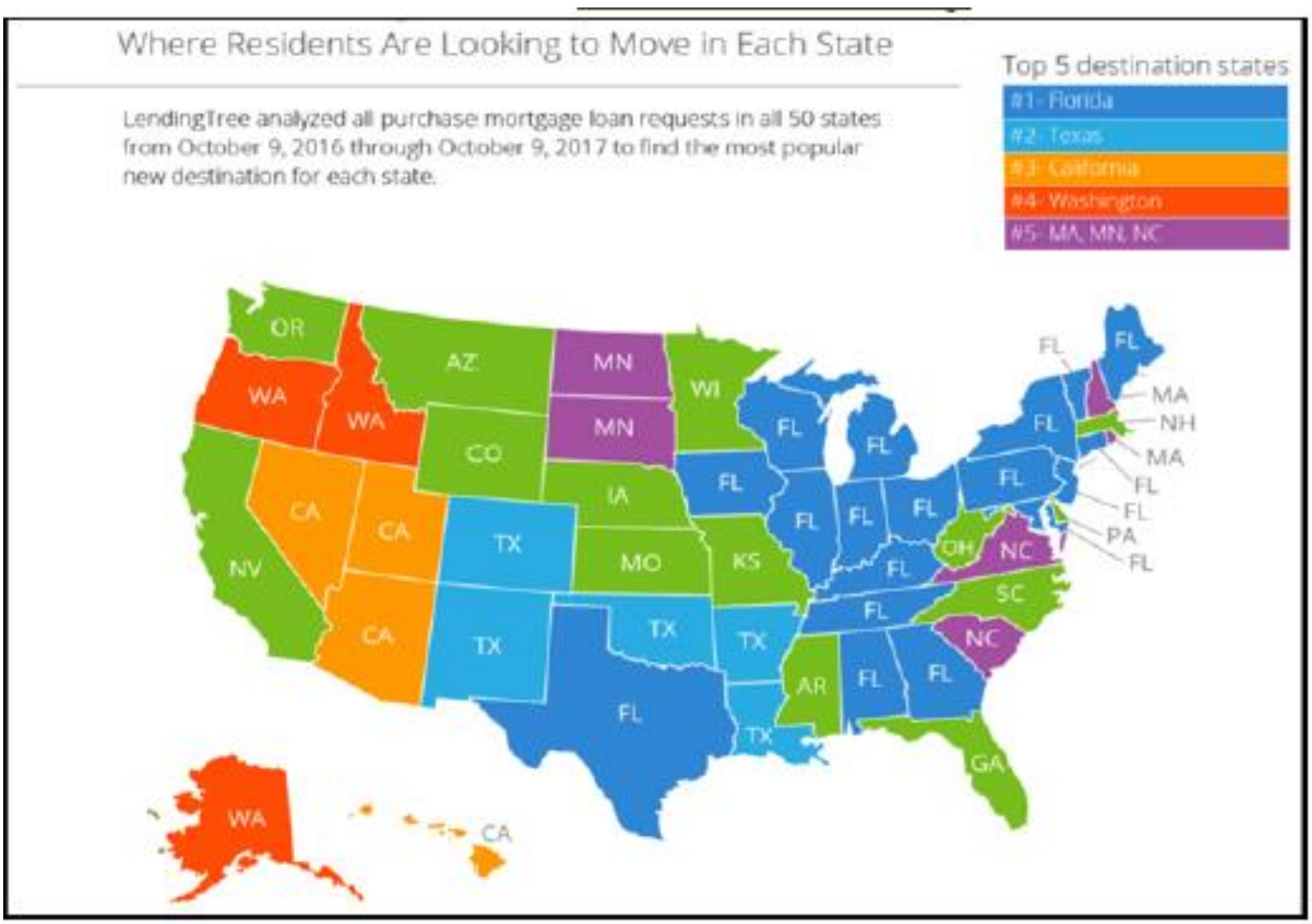


FFA Capesize for the 4 time charter routes



FFA SUPRAMAX 58 for the 5 time charter routes





U.S. RIVER BARGE FREIGHT

Current Barge Freight for Placement Last Half November 2017

Placemen LH November 2017	% of Tariff	MT	Corn BU	Soybeans-Wheat BU
Upper Mississippi	380	$25.93	0.66	0.71
Illinois River (Pekin and South)	305	$16.17	0.41	0.44
Mid-Mississippi	315	$18.47	0.47	0.50
Lower Ohio	240	$11.80	0.30	0.32
St. Louis	215	$ 9.46	0.24	0.26

Secondary Rail Car Market for car placement period: Last Half November 2017.

Secondary Rail Car Market Placement LH November 2017	BID USD	ASK USD	BID BU.	ASK BU.	BID MT	ASK MT
BNSF Shutle Trains	$ (300.00)	$ (150.00)	$ (0.08)	$ (0.04)	$ (2.95)	$ (1.48)
UPRR Shuttle Trains	$ (275.00)	$ (150.00)	$ (0.07)	$ (0.04)	$ (2.71)	$ (1.48)

Best Regards,

Jay

Jay O'Neil
Senior Agricultural Economist
IGP at Kansas State University
and
O'Neil Commodity Consulting
785-410-2303 (cell)
785-532-2868 (office)
joneil@ksu.edu

Follow me on Twitter @ igpjay