

Transportation and Export Report for 21 November 2019

Ocean Freight Insights and Comments:

I have been using the term “Sliding lower” recently to describe Dry-Bulk markets. Some Freight publications have stated that the markets are “tumbling down”. However you want to describe it; markets have certainly gone in the opposite direction from what is desired and needed by vessel owners and operators. Every time the market tries to rally, it is met with selling pressure. As the old saying goes “something’s got to give”. The freight charts do look over sold and the downward slide is slowing; maybe to a stop ? IMO2020 is quickly approaching and operating cost vis a vis fuel cost will jump 15-30% depending on whose analysis you follow. Dry-Bulk Panamax daily hire rates have dropped to \$9,500-\$9,800/day for Q1 2020. On the container freight side of things Shipping companies are imposing Fuel adjustment charges. Malaysia has banned the use of Open Loop scrubbers in the country’s waters and the dumping of scrubber wastewater. China, Singapore, Fujairah, Panama, California, Connecticut and Hawaii have also placed a ban on the same. DNV data shows that open-loop scrubbers account for about 80% of all the scrubber installations to date.

BALTIC DRY-BULK PANAMAX INDEX CHANGES

Panamax Ocean Freight Indices				
21-Nov-19	This Week	Last Week	Difference	Percent Change
P2A : Gulf/Atlantic - Japan	16518	17200	-682	-4.0%
P3A - PNW/Pacific - Japan	8146	7964	182	2.3%
S1C -USGULF-China-So.Japan	20886	20033	853	4.3%
P7- Trial- Miss. River - Qingdao	42950	43327	-377	-0.9%
P8- Trial- Santos - Qingdao	31096	31872	-776	-2.4%

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

Four weeks ago:	\$8.80-\$9.05
Three weeks ago:	\$9.00-\$9.20
Two weeks ago:	\$8.85 -\$9.25
One week ago:	\$8.35-\$8.85
This week	\$8.65-\$8.80

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

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

Panamax Market Spreads to Asia -China					
21-Nov-19	PNW	GULF	Bushel Spread	MT Spread	Advantage
CORN	1.12	0.63	0.49	\$19.29	PNW
SOYBEANS	1.00	0.65	0.35	\$13.78	PNW
OCEAN FREIGHT	\$24.00	\$44.50	.52-.56	\$20.50	December

Recent Reported Vessel Fixtures:

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

Soybean Brazil to Spain at about \$22.75/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	\$46.25	Down \$0.25	Handymax \$47.00 mt
55,000 U.S. PNW- Japan	\$24.75	Unchanged	Handymax \$26.75 mt
66,000 U.S. Gulf – China PNW to China	\$44.50 \$24.00	Down \$0.50 Unchanged	North China
25,000 U.S. Gulf- Veracruz, México	\$17.50	Unchanged	3,000 MT daily discharge rate
30-36,000+ U.S. Gulf- Veracruz, México	\$14.75	Unchanged	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	Unchanged	<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	Unchanged	Acajutla/Quetzal - 8,000 out
26-30,000 U.S. Gulf – Algeria	\$34.00 \$35.00	Down \$0.25	8,000 mt daily discharge 3,000 mt daily discharge
26-30,000 US Gulf-Morocco	\$35.00	Down \$0.25	5,000 discharge rate
55-60,000 U.S. Gulf –Egypt PNW to Egypt	\$27.75 \$28.25	Down \$0.25	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	Unchanged	Handymax at +\$1.75 more
Brazil, Santos – China Brazil, Santos – China Itaqui-Port Northern Brazil	\$34.00 \$33.50 \$34.75	Down \$0.50	54-59,000 Supramax-Panamax 60-66,000 Post Panamax 60-66,000 mt
56-60,000 Argentina/Rosario- China Deep Draft	\$36.75	Down \$0.50	Upriver with BB Top Off \$40.50

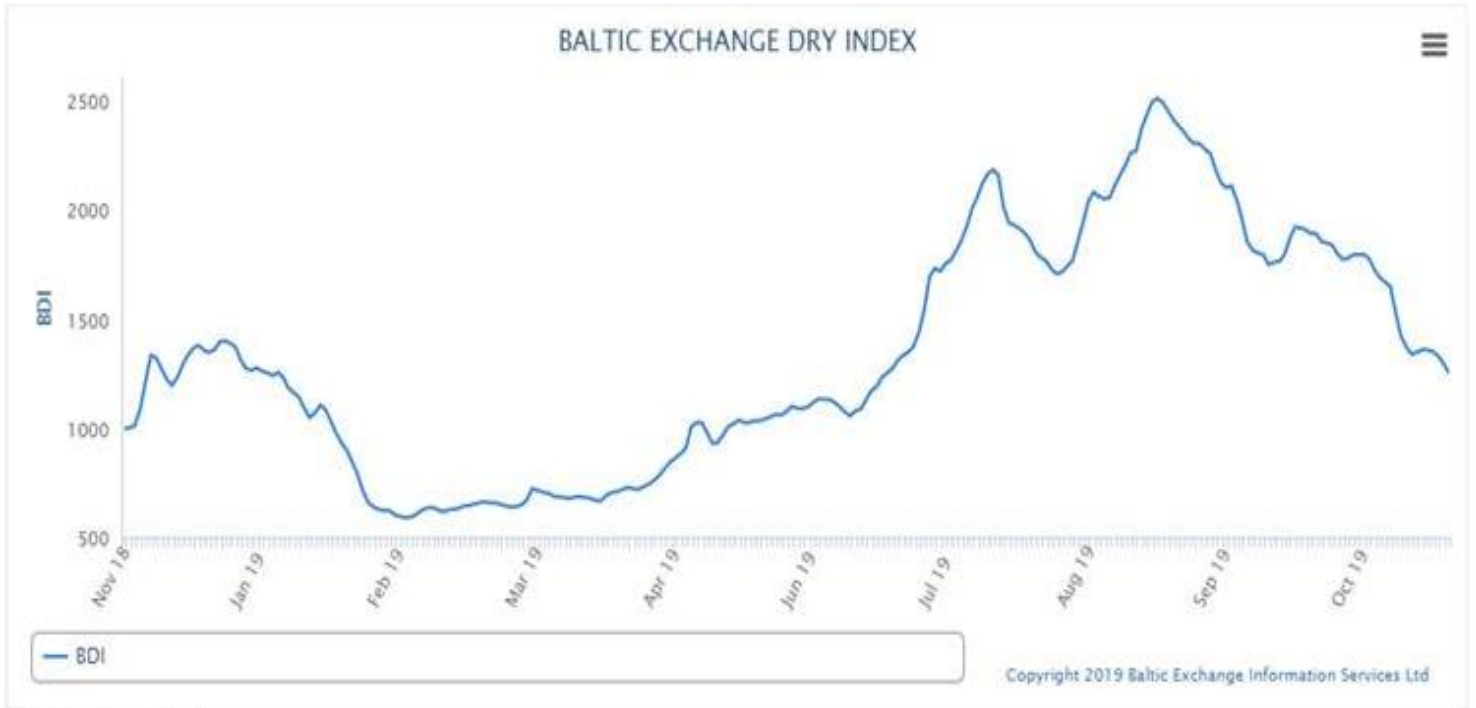
- The above rate estimates reflect the 30-45-day forward ocean freight markets.

Nautical Miles: To Xiamen China (South China)

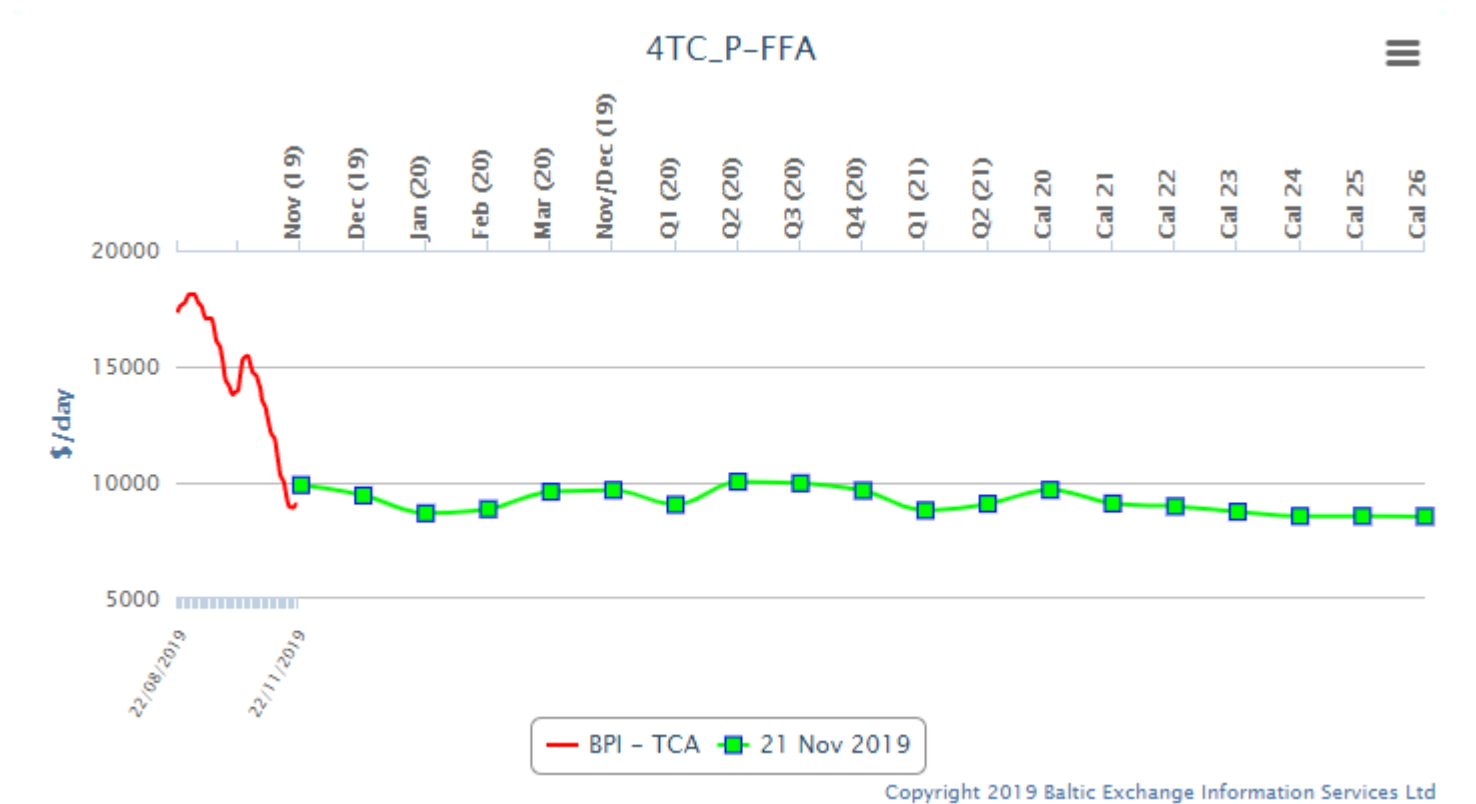
US Gulf (NOLA) (via Panamá Canal) – 10,232 nautical miles (32 days)

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

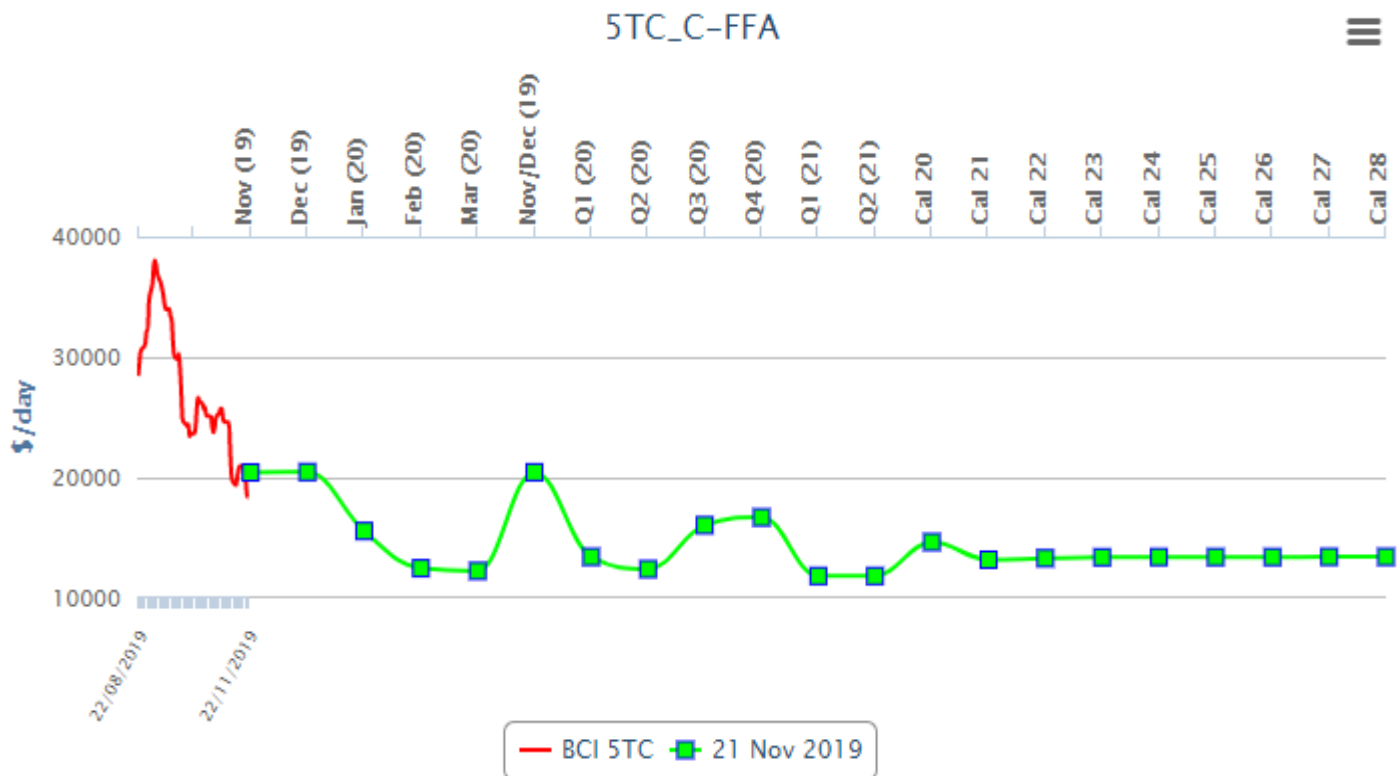
Baltic Dry Bulk Index.



Baltic Panamax Forward Curve Chart

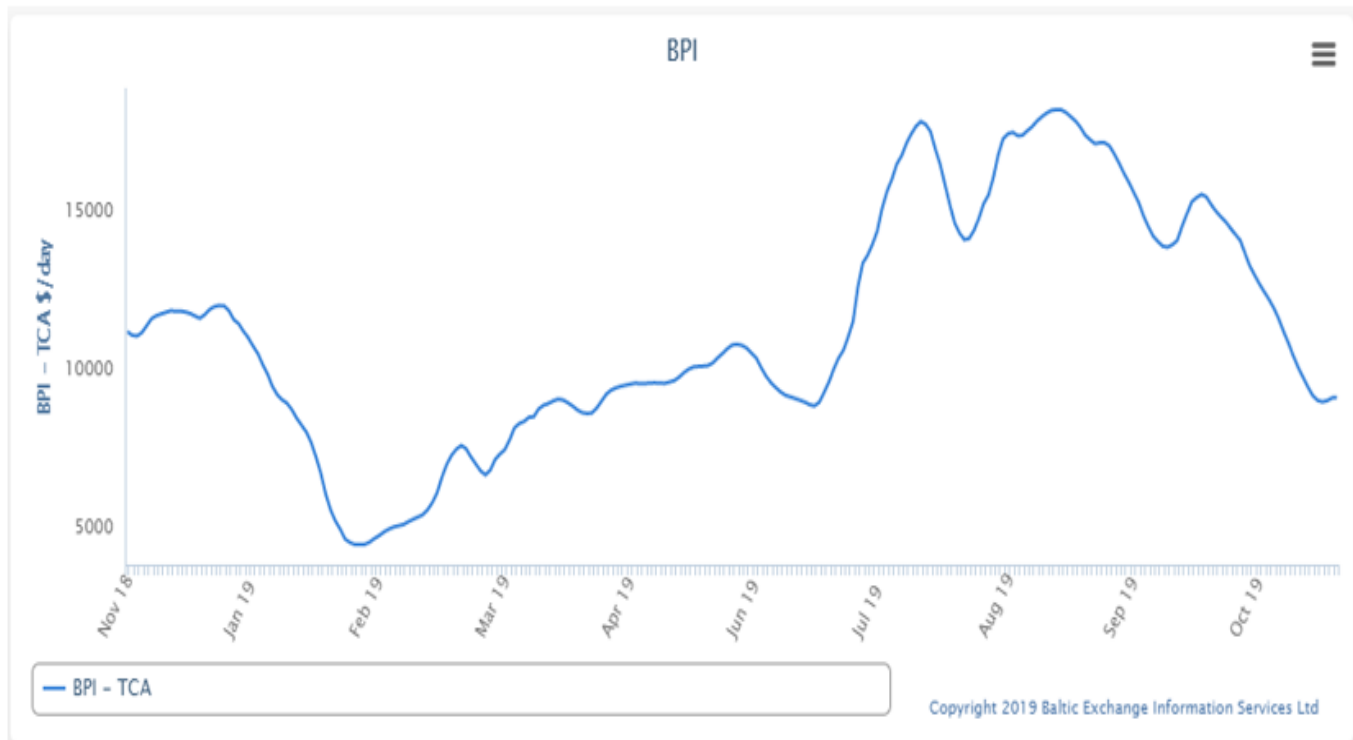


Baltic Capesize Forward Curve Chart



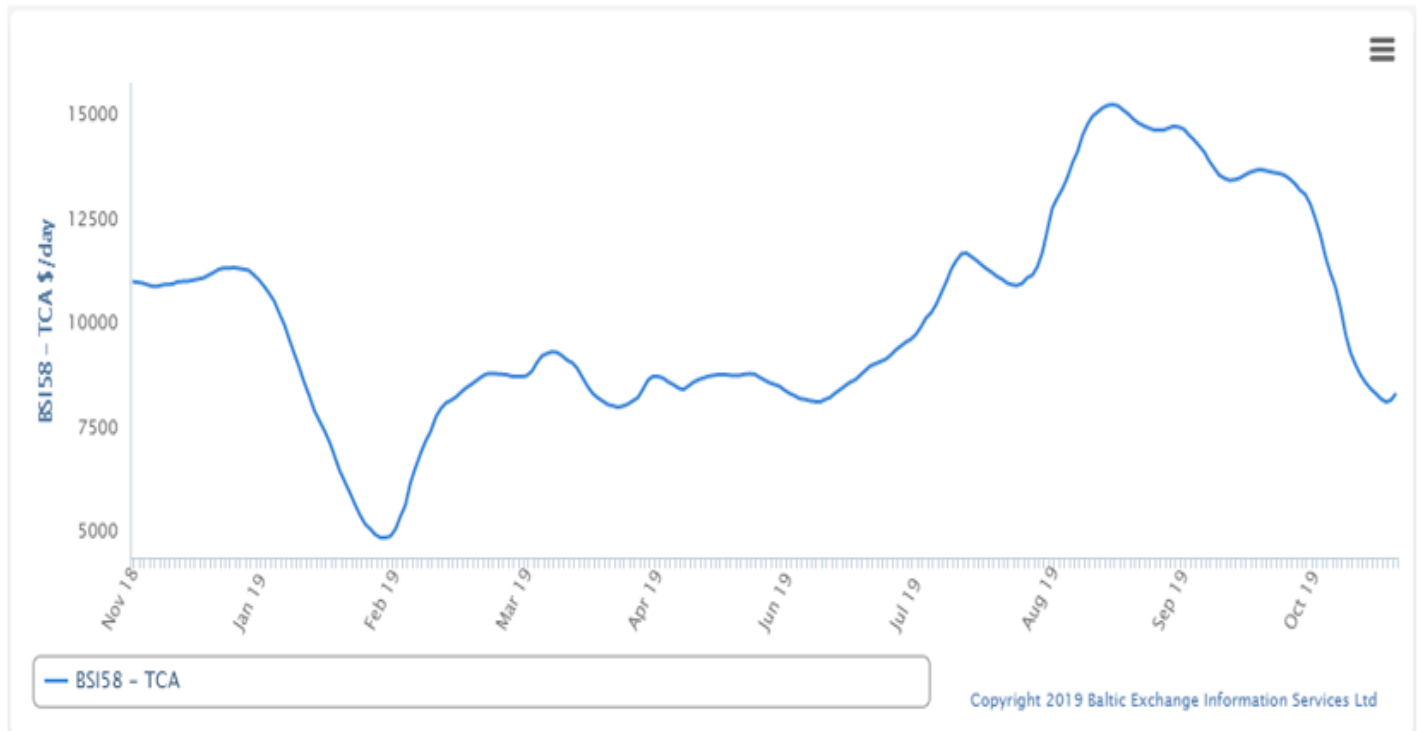
Baltic Panamax Index

Panamax

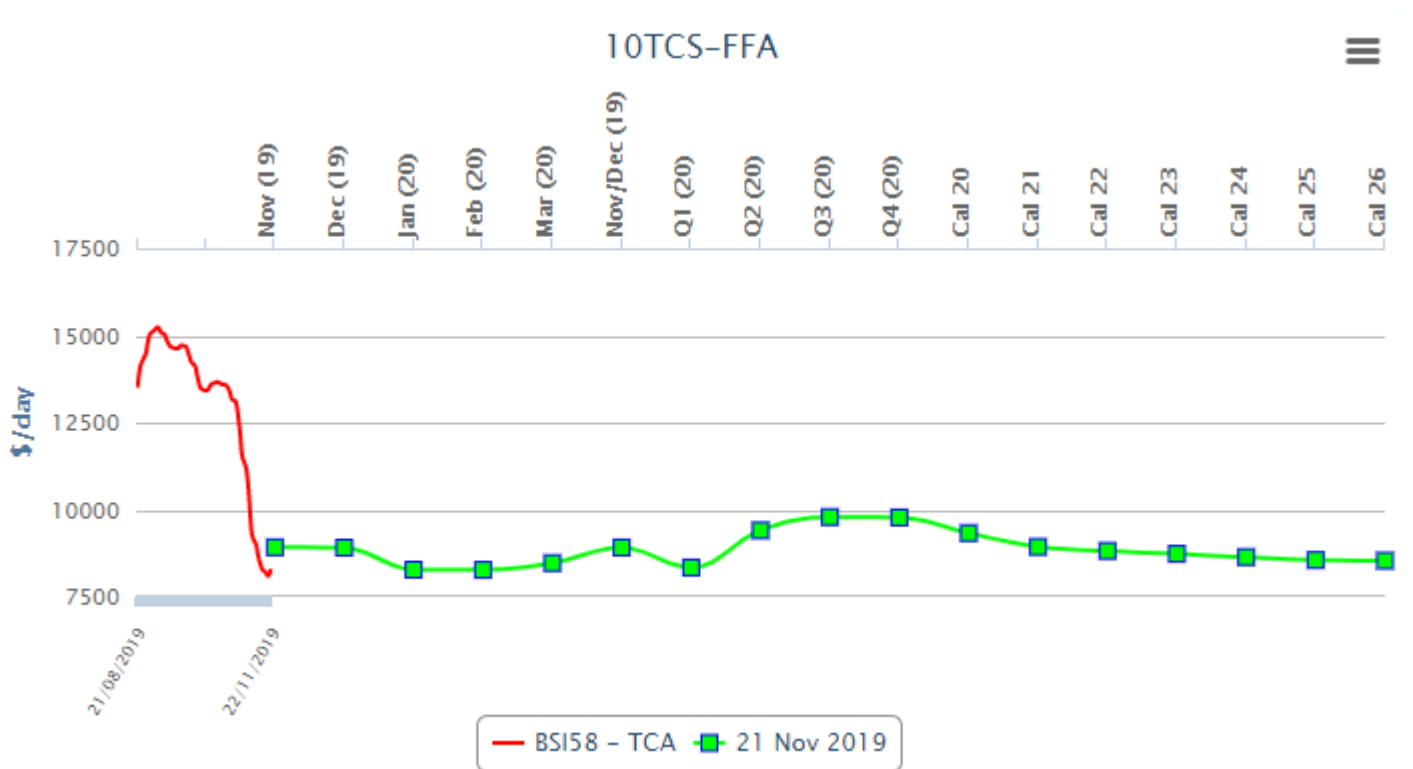


Baltic Supramax Vessel Index

Supramax

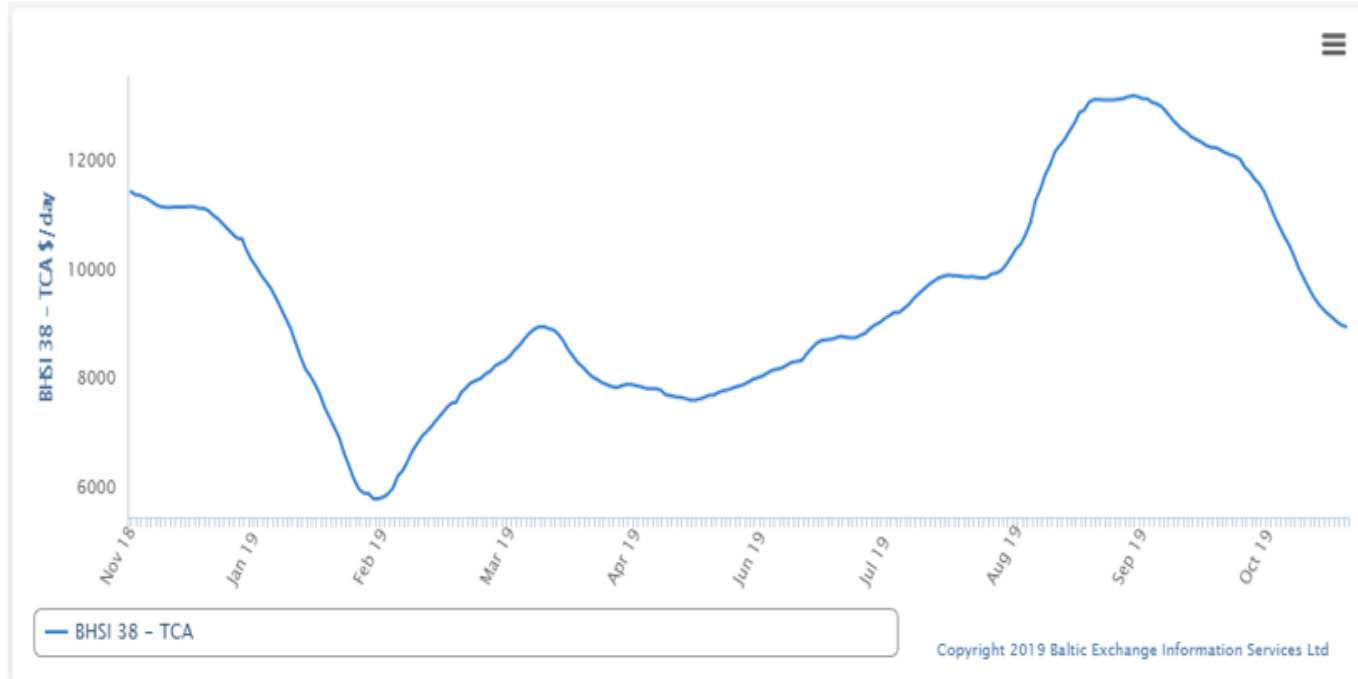


Supramax Dry-Bulk Forward Curve



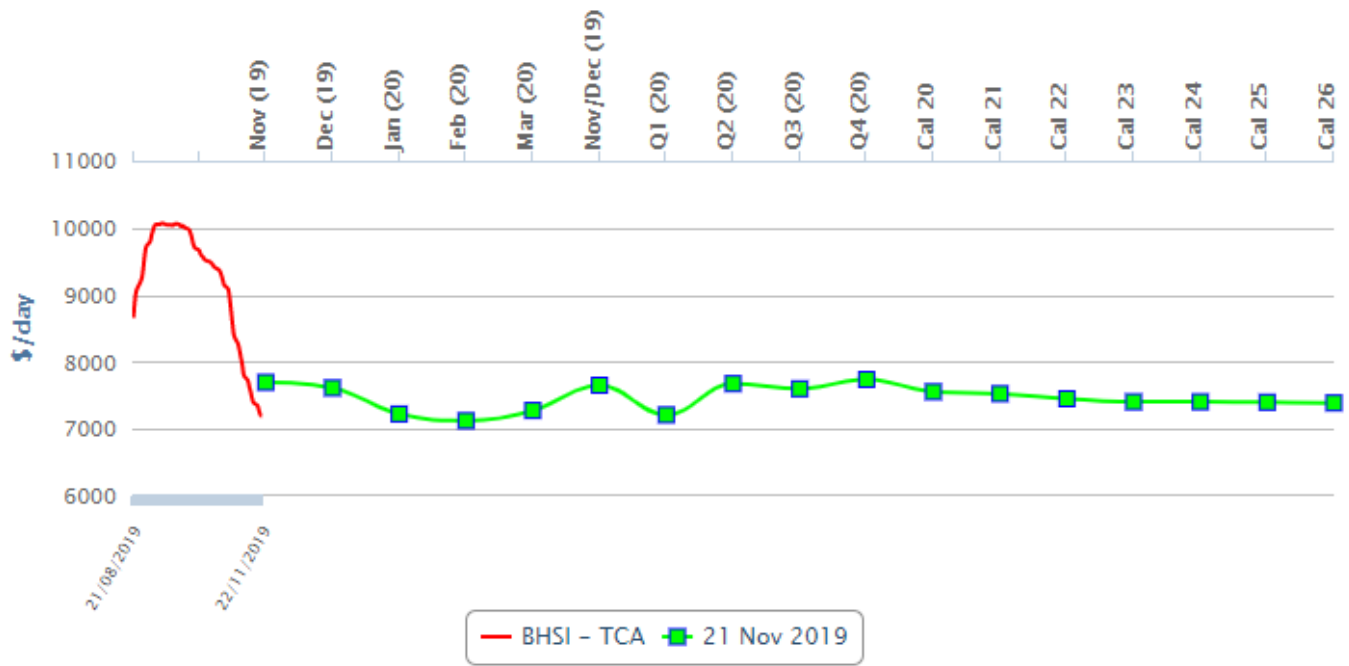
Baltic Handy Size Vessel Index

Handysize



Baltic Handy Size Forward Curve

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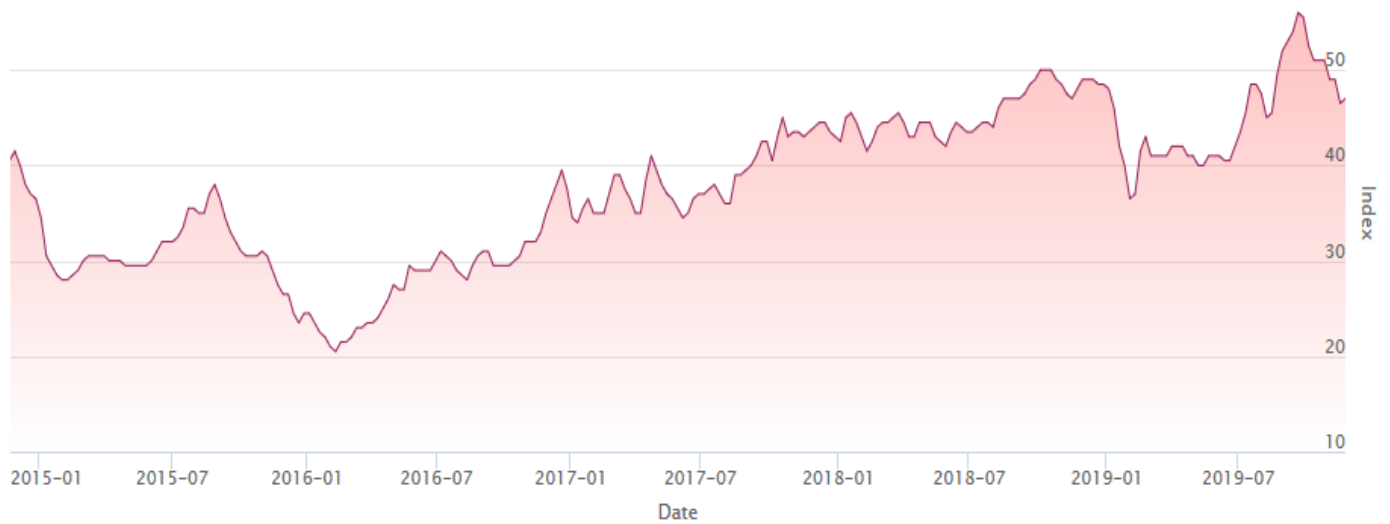


YAMAMIZU Index



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

From 2014-11-20 To 2019-11-20



China Import Dry Bulk Freight Index 2019-11-21

Description	Size MT	Cargo/Vessel Size	Unit	Rate	Change
Composite Index			Point	911.98	3.2
Iron ore Freight Index			Point	946.44	4.95
Dampier(West Australia)-Qingdao (China)	170000/10%	Iron ore	\$/ton	8.714	0.038
Soybean Freight Index			Point	986.64	-1.6
Santos(Brazil)—North China	60000/10%	Soybean	\$/ton	33.271	-0.135
Tacoma(West America)—North China	60000/10%	Soybean	\$/ton	23.921	0.015
Mississippi(US Gulf)—North China	66000/10%	Soybean	\$/ton	44.292	0.02
Mississippi(US Gulf)—North China	55000/10%	Soybean	\$/ton	46.62	0.07

21 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.	0.63	\$169.87	1.12	\$189.16
Jan.	0.61	\$173.22	1.08	\$191.72
Feb.	0.65	\$174.79	1.11	\$192.90
Mar.	0.67	\$175.58	1.13	\$193.69
April	0.64	\$176.56	1.10	\$194.67
May	0.66	\$177.35	1.12	\$195.46

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	\$182.47	0.80	\$176.56
Jan.	0.95	\$186.60	0.75	\$178.73
Feb.	0.95	\$186.60	0.75	\$178.73
Mar.	0.95	\$186.60	0.78	\$179.91
April	0.95	\$188.77	0.75	\$180.90

Fob vessel Texas Gulf #2 Sorghum is about 104 % 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	\$229.28	\$230.38	\$232.22	\$234.06
Basis	1.15	1.15	1.20	1.25
WZ	5.0900			.
WH	5.1200			
WK	5.1575			

21-Nov-19	Close	This Week	Last Week.	Last Week.	Last Week	
CME Corn Futures	Bushel	MT.	Bushel	Bu. Diff.	MT	MT Diff.
Dec.	\$ 3.6850	\$ 145.07	\$ 3.7525	(0.0675)	\$ 147.73	\$ (2.66)
Mar.	\$ 3.7900	\$ 149.20	\$ 3.8375	(0.0475)	\$ 151.07	\$ (1.87)
May	\$ 3.8450	\$ 151.37	\$ 3.9100	(0.0650)	\$ 153.93	\$ (2.56)
July	\$ 3.9000	\$ 153.53	\$ 3.9775	(0.0775)	\$ 156.59	\$ (3.05)
Sept.	\$ 3.8975	\$ 153.44	\$ 3.9475	(0.0500)	\$ 155.40	\$ (1.97)
Dec.	\$ 3.9400	\$ 155.11	\$ 3.9950	(0.0550)	\$ 157.27	\$ (2.17)

CBOT Dec. 2019 (CZ19) CORN Futures Chart –



CME/CBOT March 2019 (WH20) 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	\$360.18	1.00	\$373.04
Jan.	0.65	\$360.18	1.00	\$373.04
Feb.	0.56	\$361.74	0.93	\$375.33
Mar.	0.60	\$363.21	0.96	\$376.44
April	0.53	\$364.95	0.88	\$377.81
Soybean Futures				
Jan..	\$ 9.0100			
Mar.	\$ 9.1525			
May	\$ 9.2850			
July	\$ 9.4025			
Aug.	\$ 9.4400			
Sept.	\$ 9.4225			

U.S. SBM (USD/MT) FOB Vessel		
Fob U.S. Gulf Port	47.5 Pro. SBM	
max 12.5 % moisture	Basis	Flat Price
Dec.	9.00	\$ 347.84
Jan.	11.00	\$ 346.41
Feb.	10.00	\$ 348.17
Mar.	10.00	\$ 348.17
April	9.00	\$ 350.48
SBM Futures		
SMZ	306.50	
SMF	303.20	
SMH	305.80	
SMK	308.90	
SMN	312.10	
SMQ	313.10	

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 07 November 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	599.8	12,474.6	46,990	27%	218.8
Sorghum	282.7	819.0	2,790	29%	0.0
Soybeans	1395.2	22,274.7	48,310	46%	6.0
Wheat	259.3	15,177.0	25,860	59%	8.9
Barley	0.1	58.6	70	84%	0.0

U.S. EXPORT INSPECTIONS:

Monday's report 18 November 2019 for the Export week ending 14 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	637,397	581,856	4,980,464	11,984,297	42%
Sorghum	44,647	25,486	445,663	228,573	195%
Soybeans	1,532,991	1,347,115	12,435,954	11,089,344	112%
Wheat	449,304	539,724	11,919,986	9,819,275	121%
Barley	0	3,593	15,401	5,751	268%

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

U.S. EXPORT INSPECTIONS:

Monday's report 18 November 2019 for the Export week ending 14 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%	12,538	1%
Gulf	376,349	62%	23,080	78%	25,780	58%	864,969	56%
PNW	27,983	5%	0	0%	0	0%	526,397	34%
Interior Export Rail	203,598	33%	6,387	22%	18,867	42%	129,087	8%
Metric Tons	607,930		29,467		44,647		1,532,991	

Sorghum Shipments:	metric tons	
	25,780	Japan
	18,867	Mexico
	44,647	Total

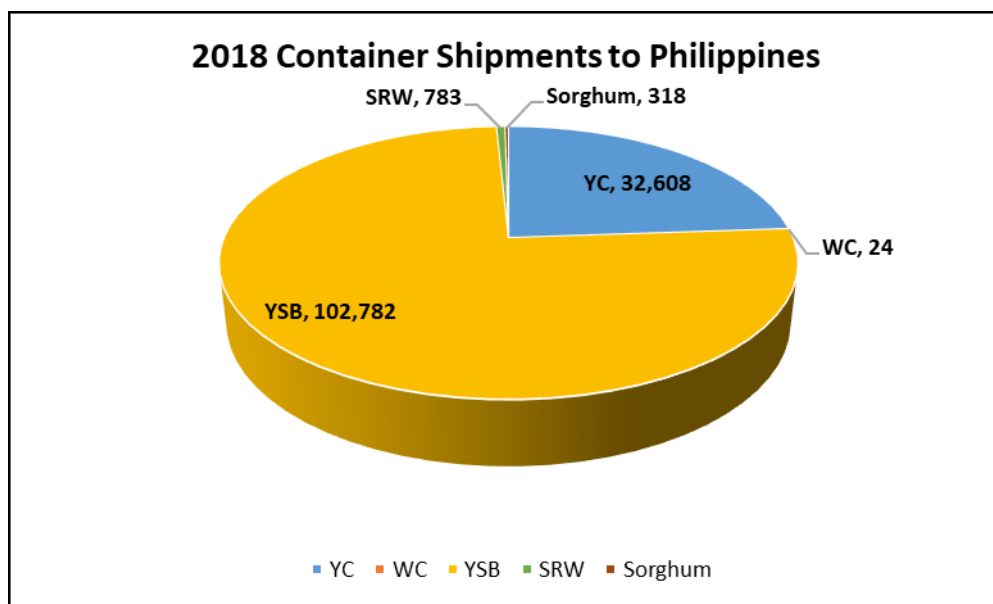
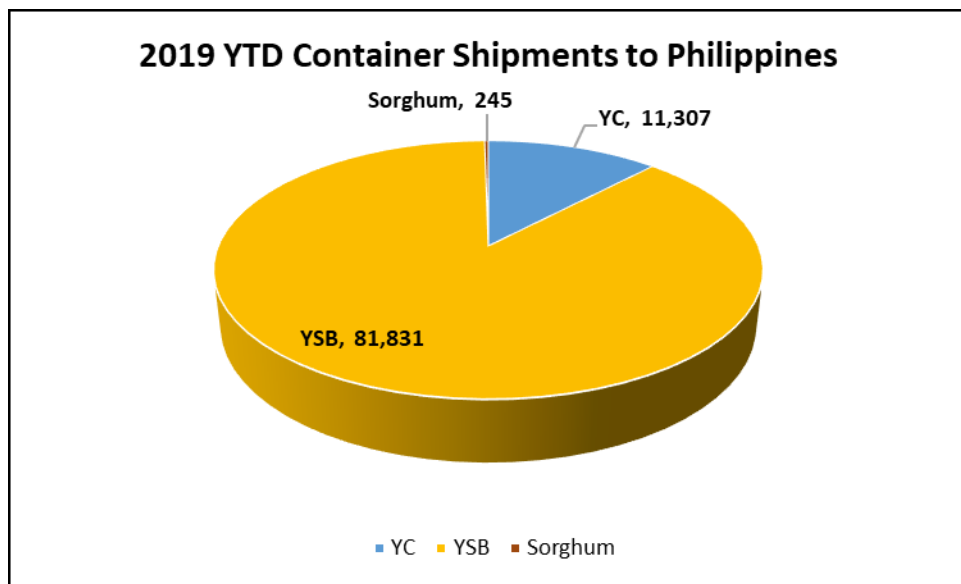
White Corn	metric tons	
Shipments:	16,716	Colombia
	6,364	Guatemala
	6,387	Mexico
	29,467	Total

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:		14-Nov-2019							
Last Week	metric tons								MT
	YC	WC	YSB	SRW	NS	SWH	HRW	Sorghum	TOTAL
China Main									0
China T	8,789		24,822						33,611
Hong Kong	1,419								1,419
Costa Rica									0
Indonesia			19,077						19,077
French Poly									0
Japan			1,100						1,100
Korea Republic	1,102		1,591						2,693
Nepal			2,964						2,964
Malaysia			6,612						6,612
Jordan									0
Philippines			1,224						1,224
Thailand			10,557						10,557
Panama									0
Nicaragua									0
Bangladesh									0
Burma									0
Vietnam			5,924						5,924
Sub total	11,310	0	73,871	0	0	0	0	0	79,257
USDA Corrections/Additions to previous reports:									
China T	96		2,915						3,011
China Main									0
Hong Kong									0
Korea Rep.									0
Singapore			49						49
Japan									0
Philippines									0
Indonesia									0
Malaysia			343						343
Thailand			784						784
Vietnam			392						392
Canada						72			72
Bangladesh									0
Sub total	96	0	4,483	0	0	72	0	0	4,651
Mt. Grand Total	11,406	0	78,354	0	0	72	0	0	83,908
Number of containers	496	0	3,407	0	0	3	0	0	

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	30,827	23,060	6,068	59,955
2019 YTD	19,119	24,889	9,749	53,757
2019 as % of 2018	62%	108%	161%	90%

PORT LOADINGS US PNW				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
PNW				
2018 YTD	17,959	7,391	11,206	36,556
2019 YTD	6,922	9,315	12,134	28,371
2019 as % of 2018	39%	126%	108%	78%

PORT LOADINGS GULF vs. PNW				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
2019 Gulf YTD	19,119	24,889	9,749	53,757
2019 PNW YTD	6,922	9,315	12,134	28,371
TOTAL	26,041	34,204	21,883	82,128
Gulf Percentage	73%	73%	45%	65%
PNW Percentage	27%	27%	55%	35%

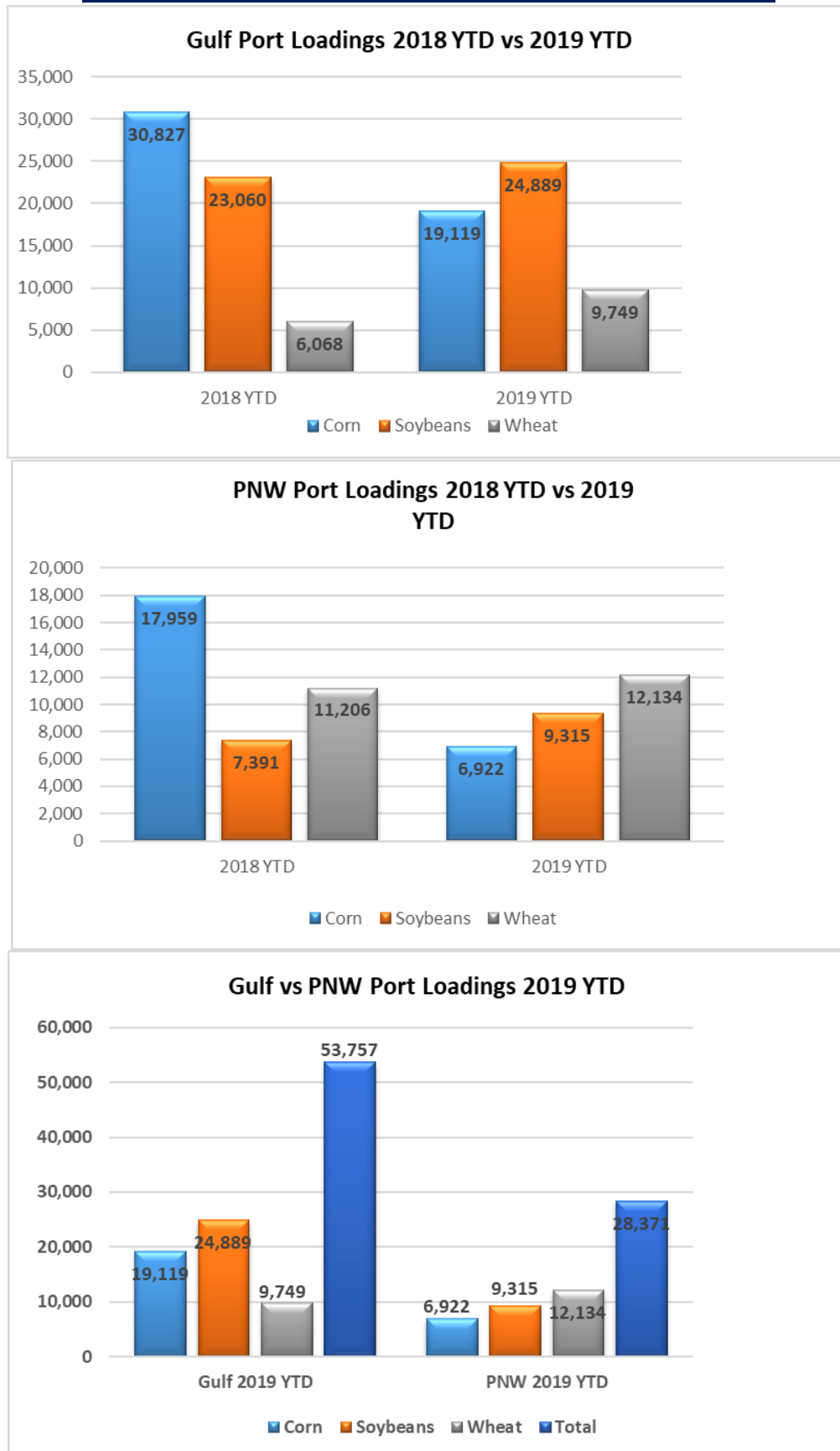


Condorito @Arquitect3 · 11h

#Shipping New orders of vessels plunge 40% in 2019 - This is not a one-time event. New regulation such as "ESG" means that no-one knows which vessels will be obsolete in a decade, why ordering now? Fundamentals are extremely strong. #STNG

splash247.com/newbuild-order...

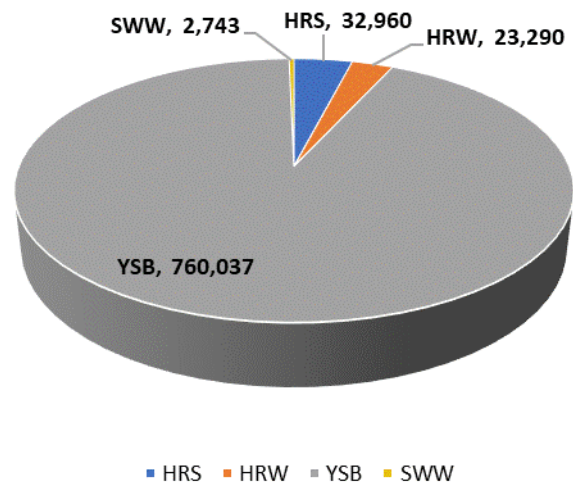
Grain Inspections for Export by U.S. Port Regions (1,000MT):
U.S. Gulf and Pacific Northwest 2018 YTD vs. 2019 YTD



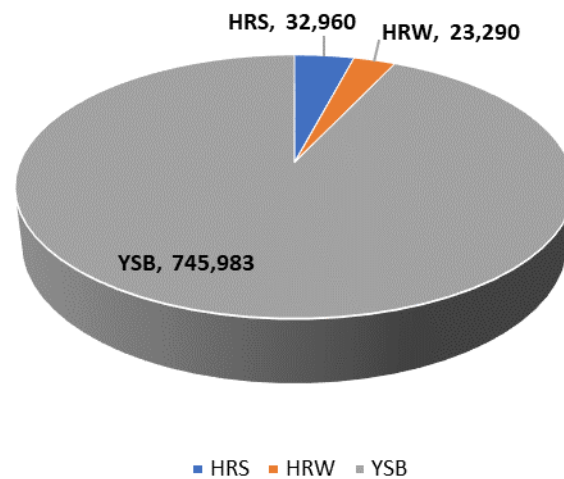
Source: USDA-data

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

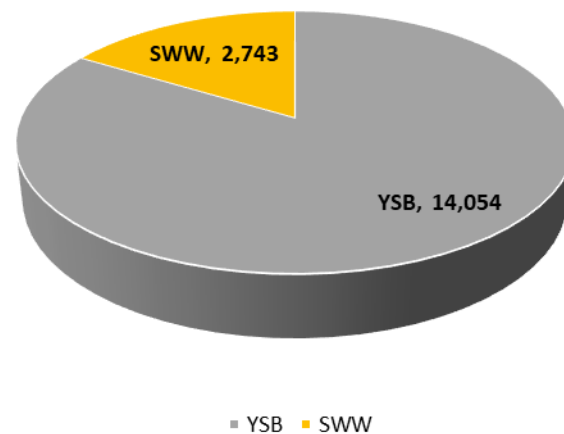
2019 YTD Exports to Bangladesh



YTD Exports to Bangladesh by Vessel

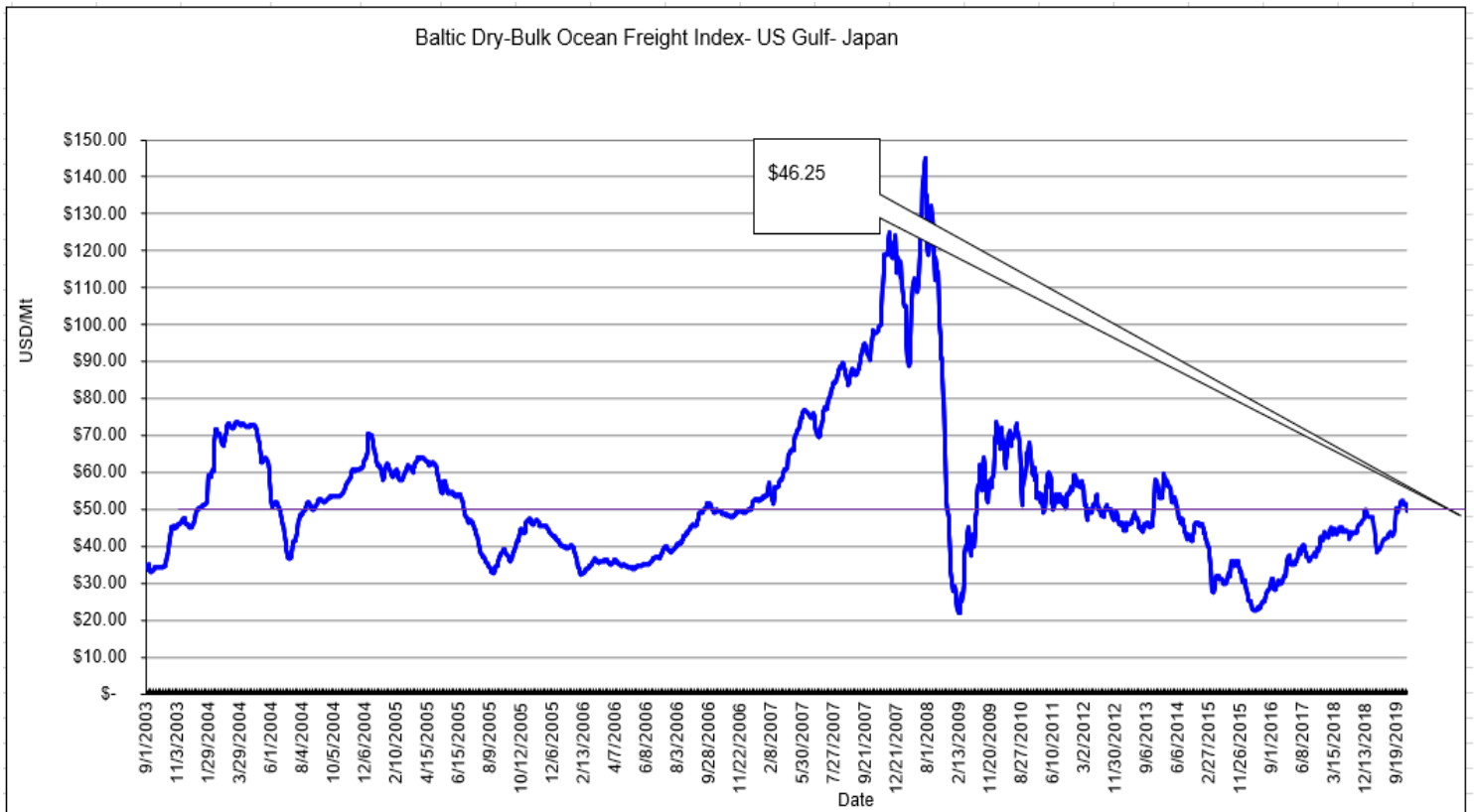


YTD Exports to Bangladesh by Container



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

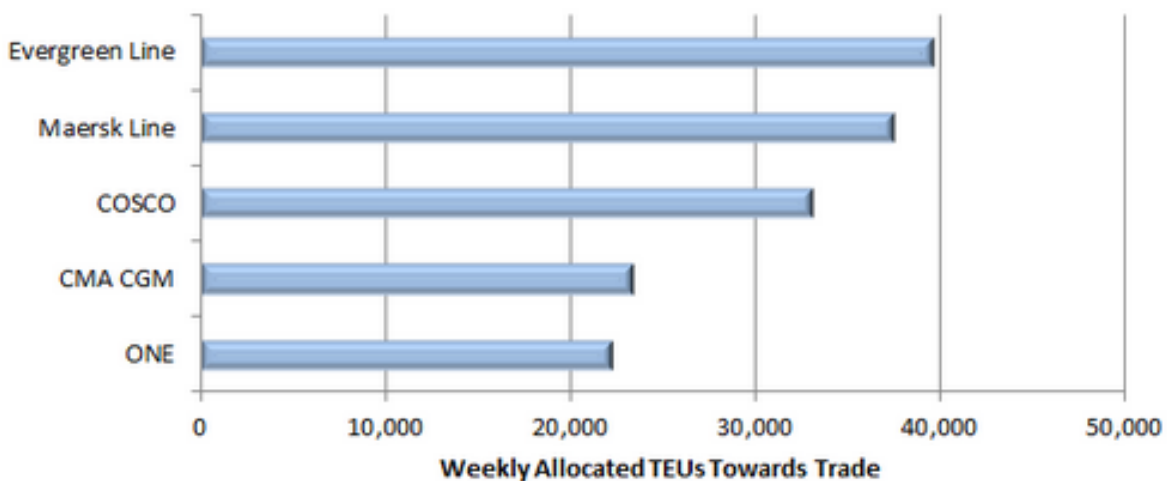
Shipping News



BlueWater Reporting @BWReporting · 3h

Of the 16 container carriers allocating TEU capacity on the [#China](#) to [#US](#) trade, Evergreen Line takes the lead, BlueWater's Carrier Trade Route Deployment app shows.

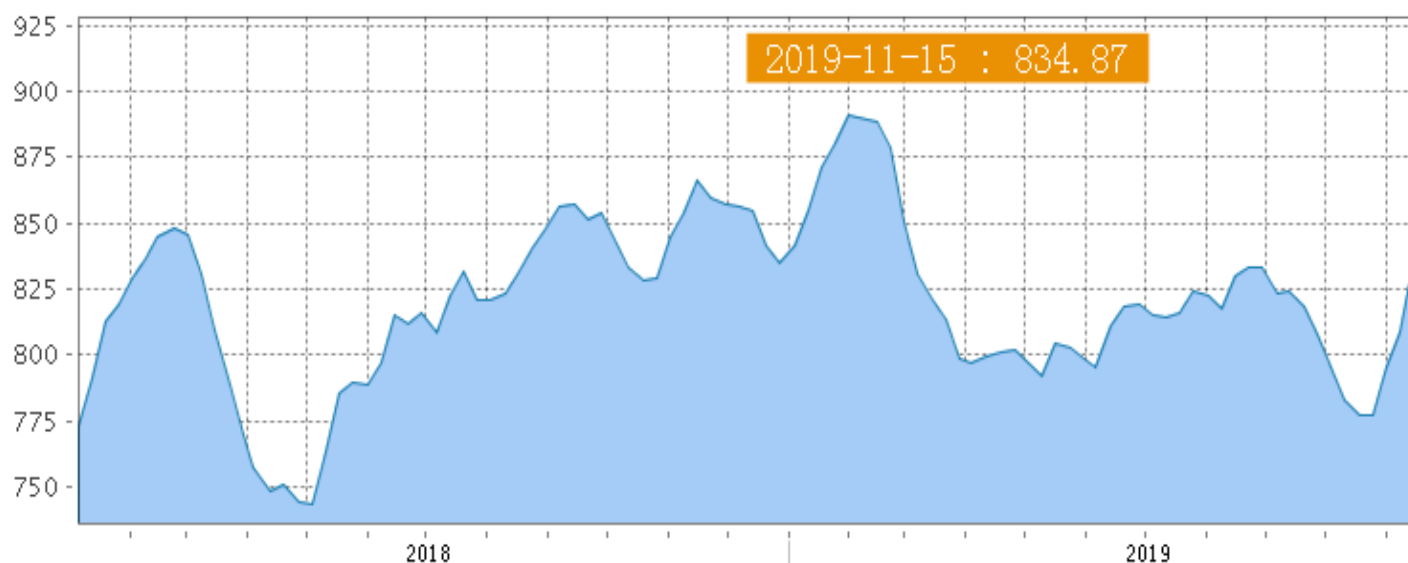
China to United States Trade: Top Five Carriers Allocating the Most TEU Capacity Towards Trade



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



China Containerized Freight Index



U.S. RIVER BARGE FREIGHT

Current Barge Freight for Placement Last Half December 2019

Placement LH December 2019	% of		Corn	Soybeans-Wheat
	Tariff	MT	BU	BU
Upper Mississippi	Closed	\$ -	0.00	0.00
Illinois River (Pekin and South)	380	\$20.15	0.51	0.55
Mid-Mississippi	Closed	\$ -	0.00	0.00
Lower Ohio	265	\$13.03	0.33	0.35
St. Louis	265	\$11.66	0.30	0.32

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

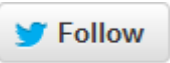
Secondary Rail Car Market	BID	ASK	BID	ASK	BID	ASK
Placement LH. December 2019	USD	USD	BU.	BU.	MT	MT
BNSF Shuttle Trains	\$ (150.00)	\$ (100.00)	\$ (0.04)	\$ (0.03)	\$ (1.48)	\$ (0.98)
UPRR Shuttle Trains	\$ (300.00)	\$ (200.00)	\$ (0.08)	\$ (0.05)	\$ (2.95)	\$ (1.97)

Best Regards,

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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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