

## Transportation and Export Report for 29 November 2018

### Ocean Freight Insights and Comments:

Dry-Bulk markets started the week on a continued soft note but then rallied slightly in an attempt to recover some of last week's losses. The Capes were again the market leader and helped to pull the Panamax sector up from its lows; but unlike the Capes, the Panamax and smaller Dry-Bulk vessel markets were not able to fully recover.

The biggest excitement of the week was the Russian/Ukrainian naval dispute/blockade at the Kerch Strait in the Black Sea. The strait handles about 40% of Russian grain exports but only 2-3 % of Ukrainian grain exports. Therefore if the Russians wish to block Ukrainian ships transiting the strait it should not have a big impact on export volumes from the Black Sea. But it is a significant political development. Vessel owners tried to increase shipping rates through that area but have not found buyers willing to pay up.

### BALTIC DRY-BULK PANAMAX INDEX CHANGES

Panamax Ocean Freight Indices				
29-Nov-18	This Week	Last Week	Difference	Percent Change
P2A : Gulf/Atlantic - Japan	19943	19841	102	0.5%
P3A - PNW/Pacific - Japan	9152	9459	-307	-3.2%
S1C -USGULF-China-So.Japan	26017	24001	2,016	8.4%

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

Four weeks ago:	\$ 8.50-\$8.90
Three weeks ago:	\$ 8.50-\$8.85
Two weeks ago:	\$ 7.50-\$8.50
One week ago:	\$ 5.30-\$6.25
This week	\$ 6.15-\$8.50

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

Mississippi River:	(10 elevators)	2-6 days
Miss. River Mid-Stream loaders:	(6+ Rigs)	0-3 days
Texas Gulf	(6 elevators)	0-1 days (only 1 facility has a vessel in the lineup)
Pacific Northwest:	(9 elevators)	1-10 days

Panamax Market Spreads to Asia -China					
29-Nov-18	PNW	GULF	Bushel Spread	MT Spread	Advantage
CORN	0.85	0.55	0.30	\$11.81	PNW
SOYBEANS	0.50	0.25	0.25	\$9.19	PNW
OCEAN FREIGHT	\$25.50	\$47.00	.55 -.59	<b>\$21.50</b>	December

**Recent Reported Vessel Fixtures:**

<b>Route and Vessel Size</b>	<b>Current Week USD/MT</b>	<b>Change from previous week</b>	<b>Remarks</b>
55,000 U.S. Gulf-Japan	\$48.00	Unchanged	Handymax \$48.00mt
55,000 U.S. PNW- Japan	\$26.25	Down \$0.50	Handymax \$26.75 mt
66,000 U.S. Gulf – China	\$47.00	Down \$0.50	North China
PNW to China	\$25.50	Down \$0.50	
25,000 U.S. Gulf- Veracruz, México	\$17.50	Down \$0.25	3,000 MT daily discharge rate
35-40,000 U.S. Gulf- Veracruz, México	\$15.25	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	\$20.75 \$34.00	Down \$0.25	<u>West Coast Colombia at \$29.00</u>
40-45,000 U.S. Gulf - Guatemala	\$29.75	Down \$0.25	Acajutla/Quetzal - 8,000 out
26-30,000 U.S. Gulf – Algeria	\$36.25 \$37.00	Down \$0.50	8,000 mt daily discharge 3,000 mt daily discharge
26-30,000 US Gulf-Morocco	\$38.25	Down \$0.50	5,000 discharge rate
55-60,000 U.S. Gulf –Egypt PNW to Egypt	\$33.50 \$33.50	Down \$1.00	55,000 -60,000 mt Russia Black Sea to Egypt \$17.00
60-70,000 U.S. Gulf – Europe – Rotterdam	\$20.50	Up \$1.00	Handymax at +\$1.75 more
Brazil, Santos – China Brazil, Santos – China Itacoatiara-Port Up River North Brazil	\$37.00 \$35.75 \$40.00	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	\$41.00	Down \$1.00	Up River with BB Top Off \$43.50

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

**Nautical Miles: To Xiamen China (South China)**

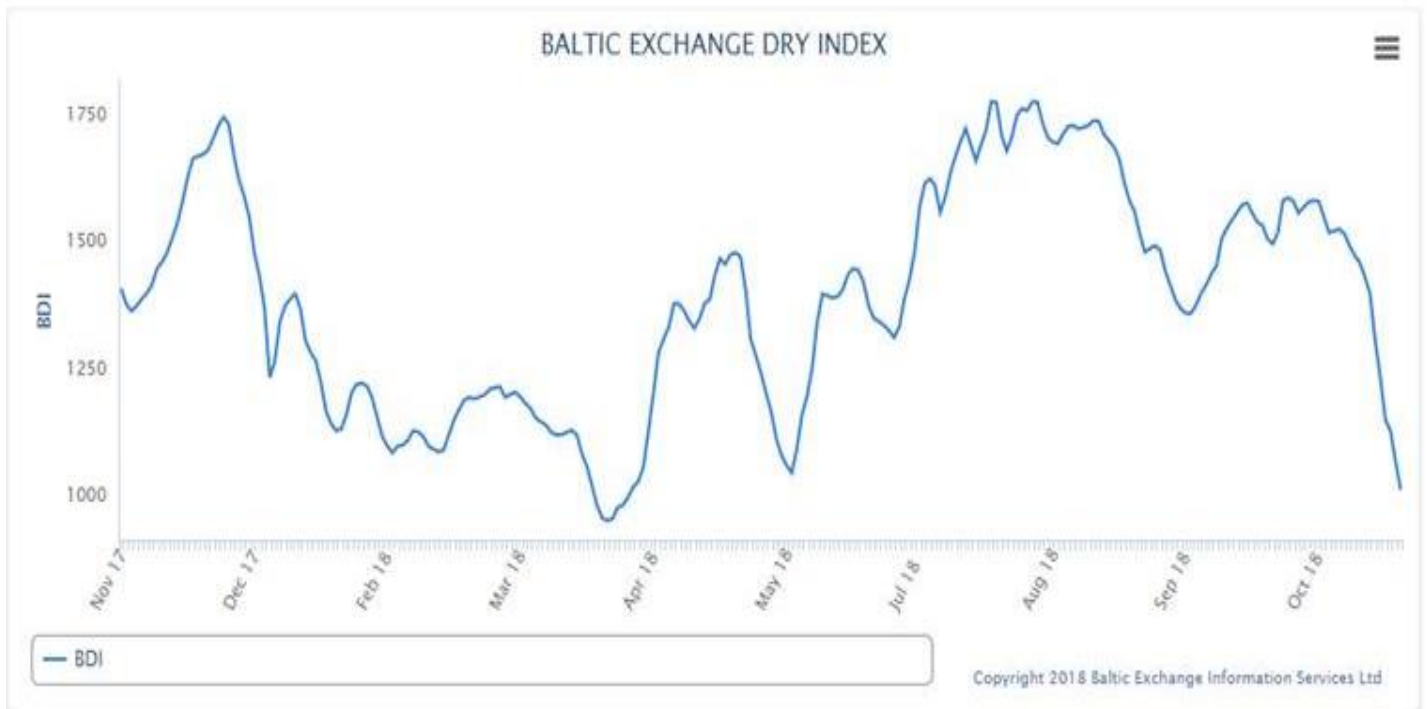
**US Gulf (NOLA) (via Panamá Canal) – 10,232 nautical miles (32 days)**

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

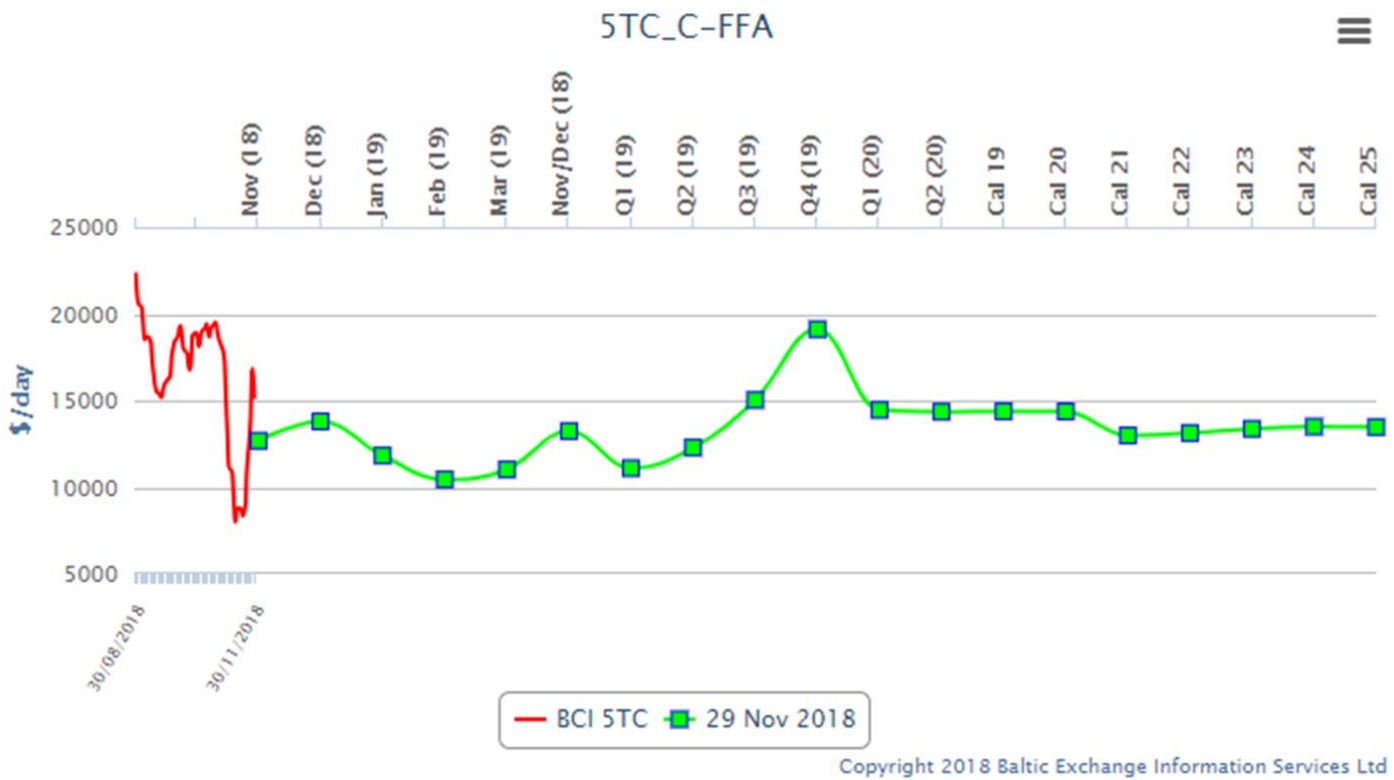
**Rasario Argentina (via Cape Horn) - 10,751 nautical miles (34 days)**



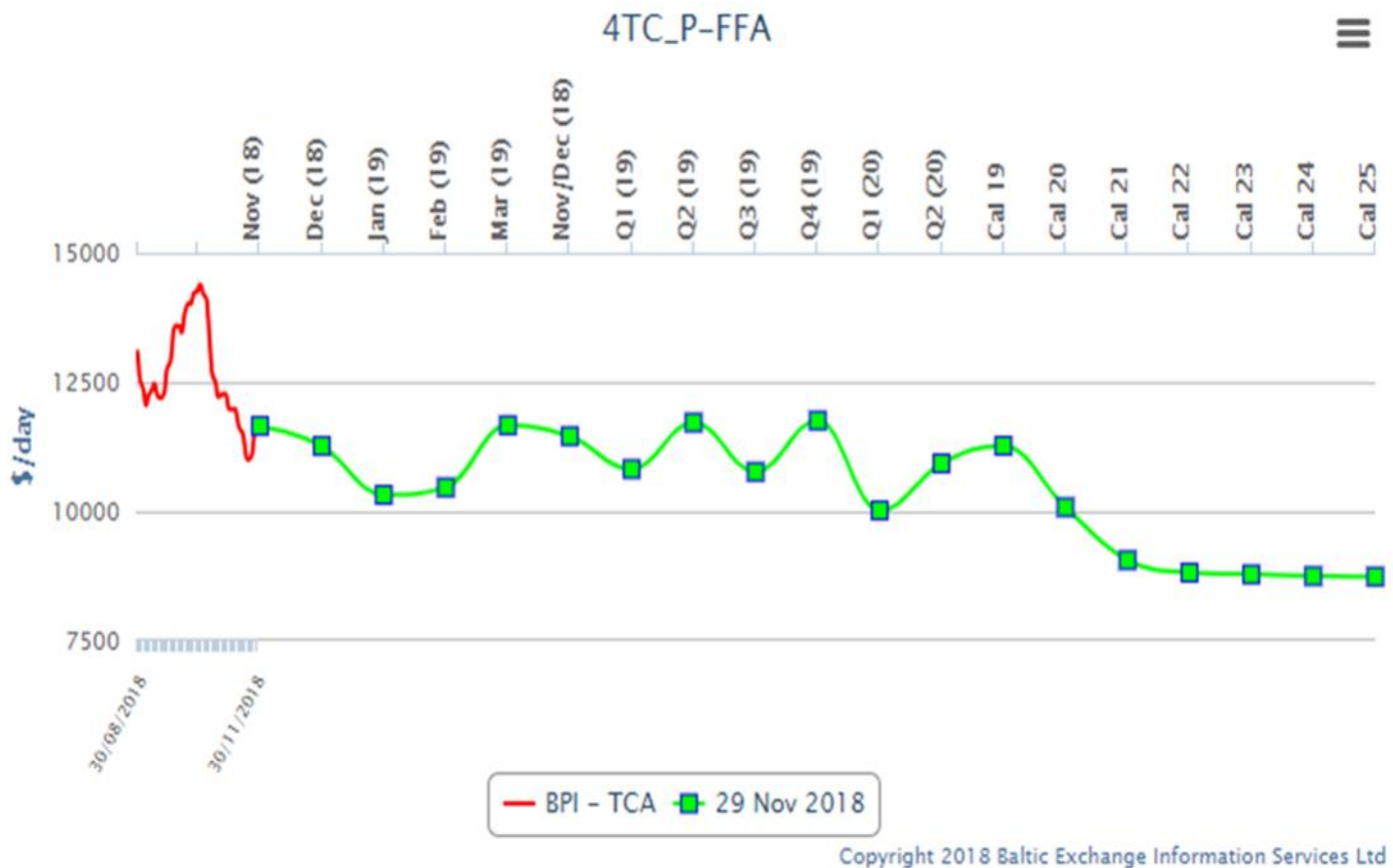
### Baltic Dry Index.



## Baltic Capesize Index

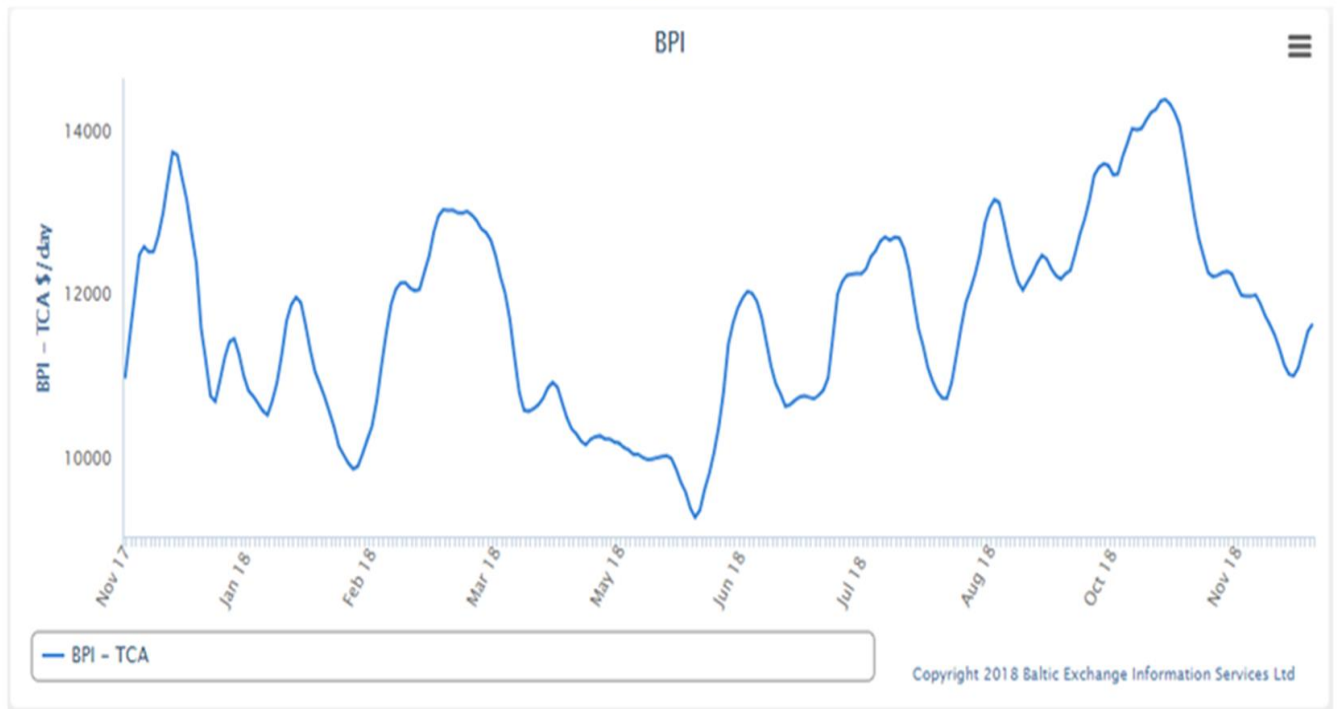


## Forward Curve for Baltic BPI Panamax Vessel Freight



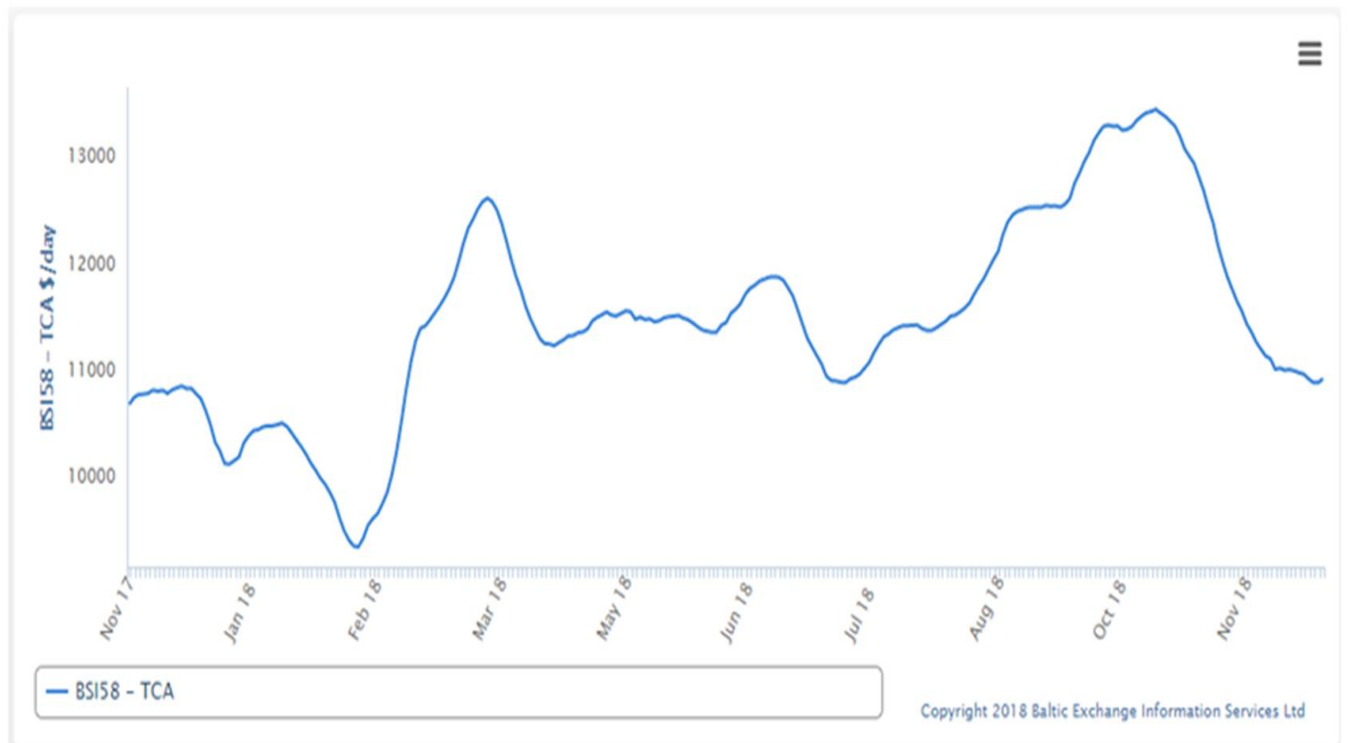
## Baltic Panamax Index

### Panamax

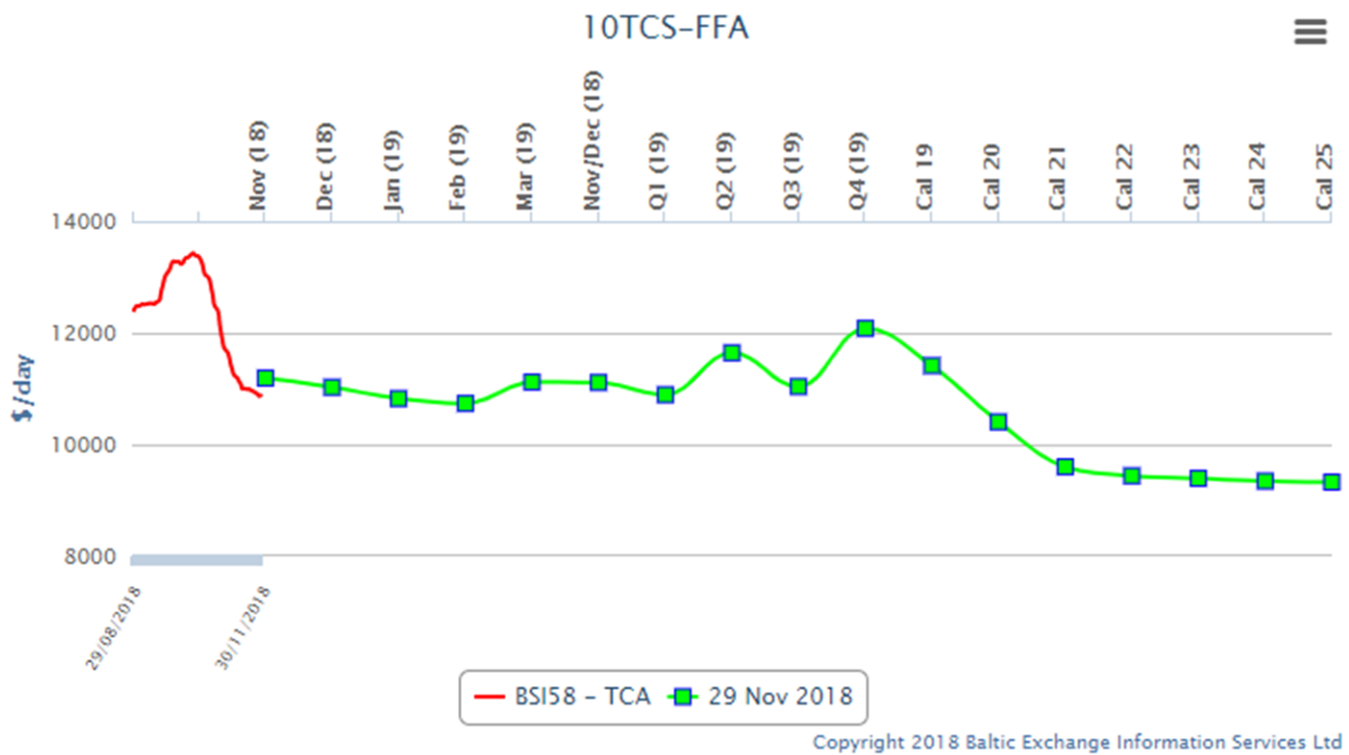


## Baltic Supramax Vessel Index

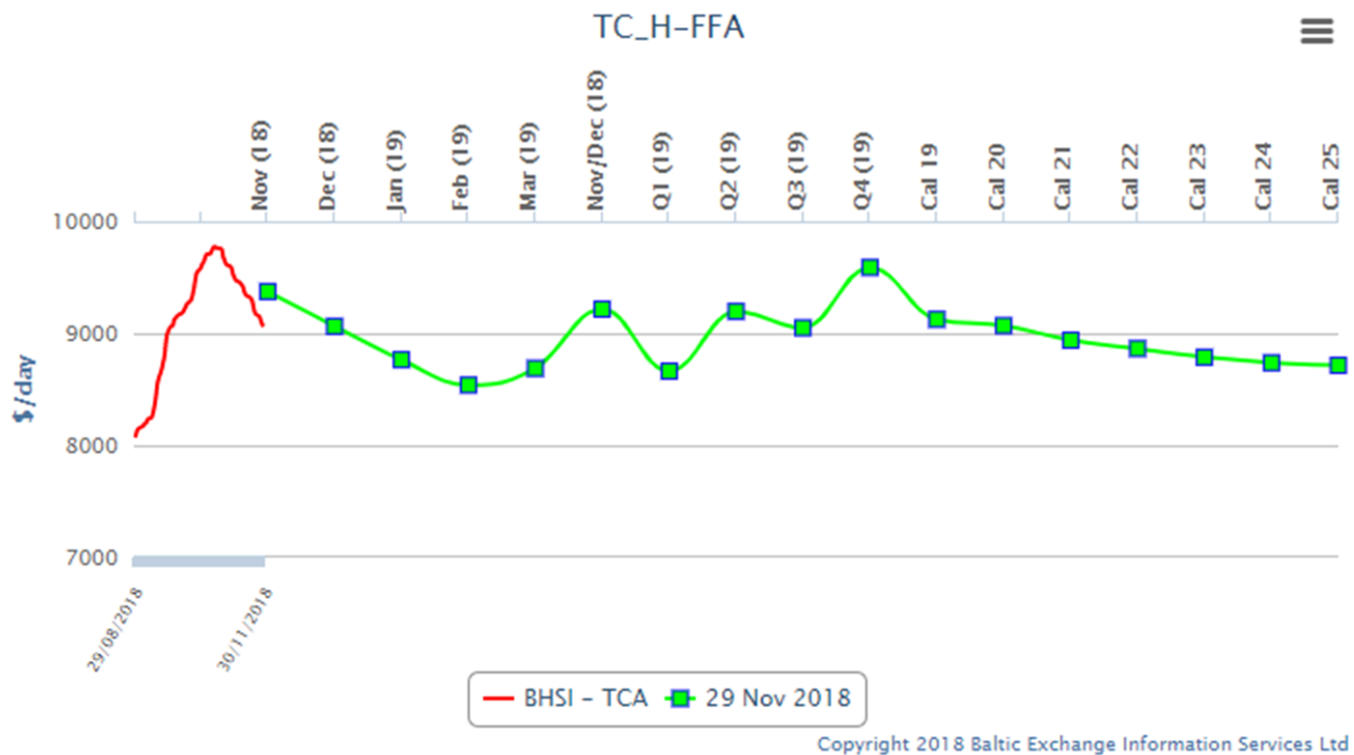
### Supramax



## Supramax Dry-Bulk Forward Curve

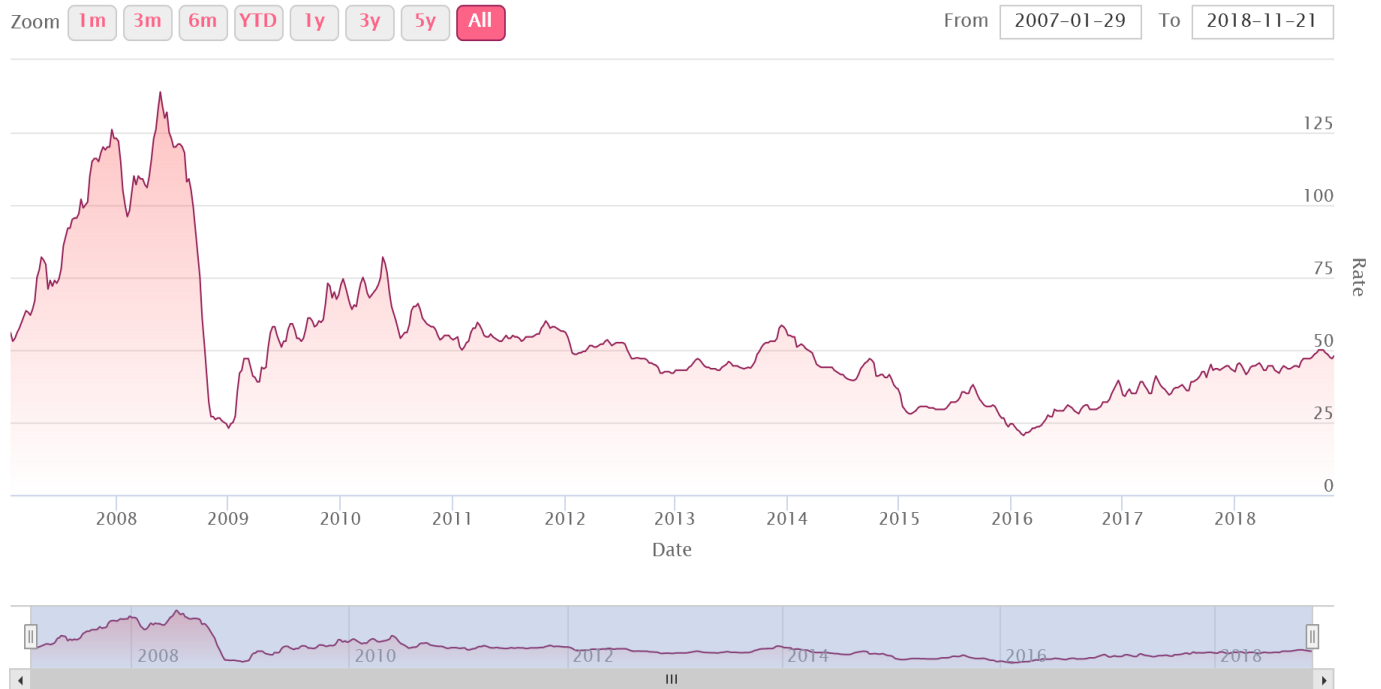


## Baltic Handy Size



# YAMAMIZU Index

## YAMAMIZU Index



China Import Dry Bulk Freight Index(CDFI)					
2018-11-28					
Route	Size MT	Cargo/Vessel Size	Unit	Rate	Change
Composite Index			Point	925.15	18.55
Iron ore Freight Index			Point	934.62	34.98
Soybean Freight Index			Point	1011.17	-0.58
Santos(Brazil)—North China	60000/10%	Soybean	\$/ton	33.550	-0.009
Tacoma(West America)—North China	60000/10%	Soybean	\$/ton	24.809	0.032
Mississippi(US Gulf)—North China	66000/10%	Soybean	\$/ton	46.616	-0.139
Mississippi(US Gulf)—North China	55000/10%	Soybean	\$/ton	47.647	0.069

**29 November 2018 U.S. FOB Vessel Export Market Values:**

<b>U.S. Yellow Corn (USD/MT) FOB Vessel</b>				
# 2 YC	U.S. Gulf #2 YC		PNW #3 YC	
15.0 % Moisture	Basis	Flat Price	Basis	Flat Price
<b>Dec.</b>	0.55	<b>\$163.47</b>	0.85	<b>\$175.29</b>
<b>Jan.</b>	0.51	<b>\$167.02</b>	0.85	<b>\$180.40</b>
<b>Feb.</b>	0.55	<b>\$168.59</b>	0.87	<b>\$181.19</b>
<b>Mar.</b>	0.57	<b>\$169.38</b>	0.92	<b>\$183.16</b>
<b>Apr.</b>	0.54	<b>\$171.05</b>	0.90	<b>\$185.23</b>
<b>May</b>	0.57	<b>\$172.23</b>	0.93	<b>\$186.41</b>

The Gulf spread between #2 & #3 YC is currently about 02 cents per bushel (0.80/mt)

<b>SORGHUM (USD/MT) FOB VESSEL</b>				
#2 YGS Fob Vessel	NOLA		TEXAS	
Max. 14.0% moisture	BASIS	FLAT PRICE	BASIS	FLAT PRICE
<b>Dec.</b>	0.75	<b>\$171.35</b>	0.58	<b>\$164.66</b>
<b>Jan.</b>	0.75	<b>\$176.47</b>	0.55	<b>\$168.59</b>
<b>Feb.</b>	0.75	<b>\$176.47</b>	0.55	<b>\$168.59</b>
<b>Mar.</b>	0.75	<b>\$176.47</b>	0.55	<b>\$168.59</b>
<b>Apr.</b>	0.80	<b>\$181.29</b>	0.58	<b>\$172.63</b>

Fob vessel Texas Gulf #2 Sorghum is about 100.5 % the value of #2 Yellow Corn at NOLA.  
In S.W. Kansas it is bid at 85 percent the value of corn.

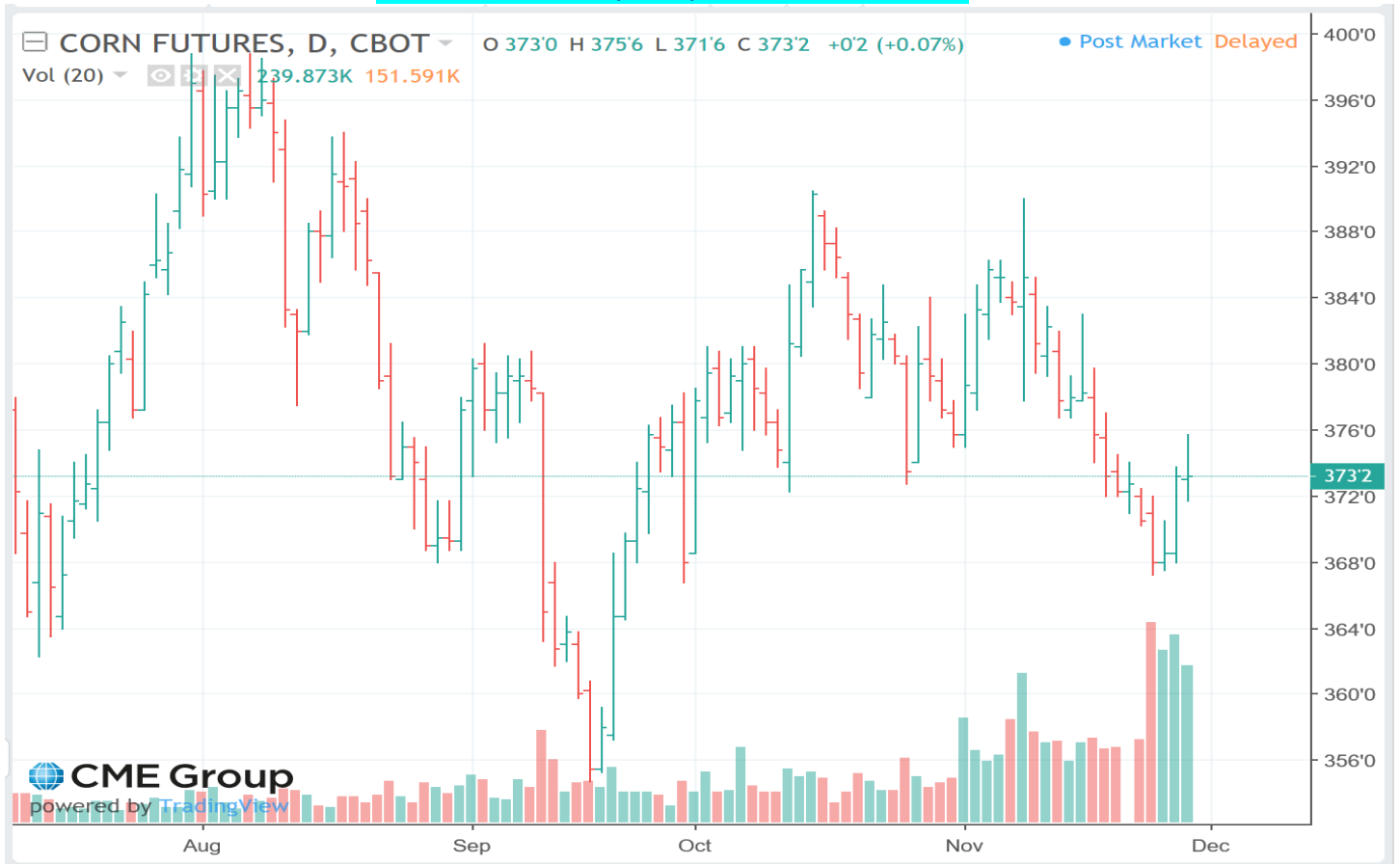
**U.S. SRW Wheat Fob Vessel at the Center U.S. Gulf**

SRW Wheat	USD/MT	Fob Vessel	US Gulf	
	<b>Dec.</b>	<b>Jan.</b>	<b>Feb.</b>	<b>Mar.</b>
FOB U.S. GULF	\$214.76	\$215.96	\$216.69	\$217.80
Basis	0.88	0.80	0.82	0.85
WZ	4.9650			
WH	5.0775			
WK	5.1450			

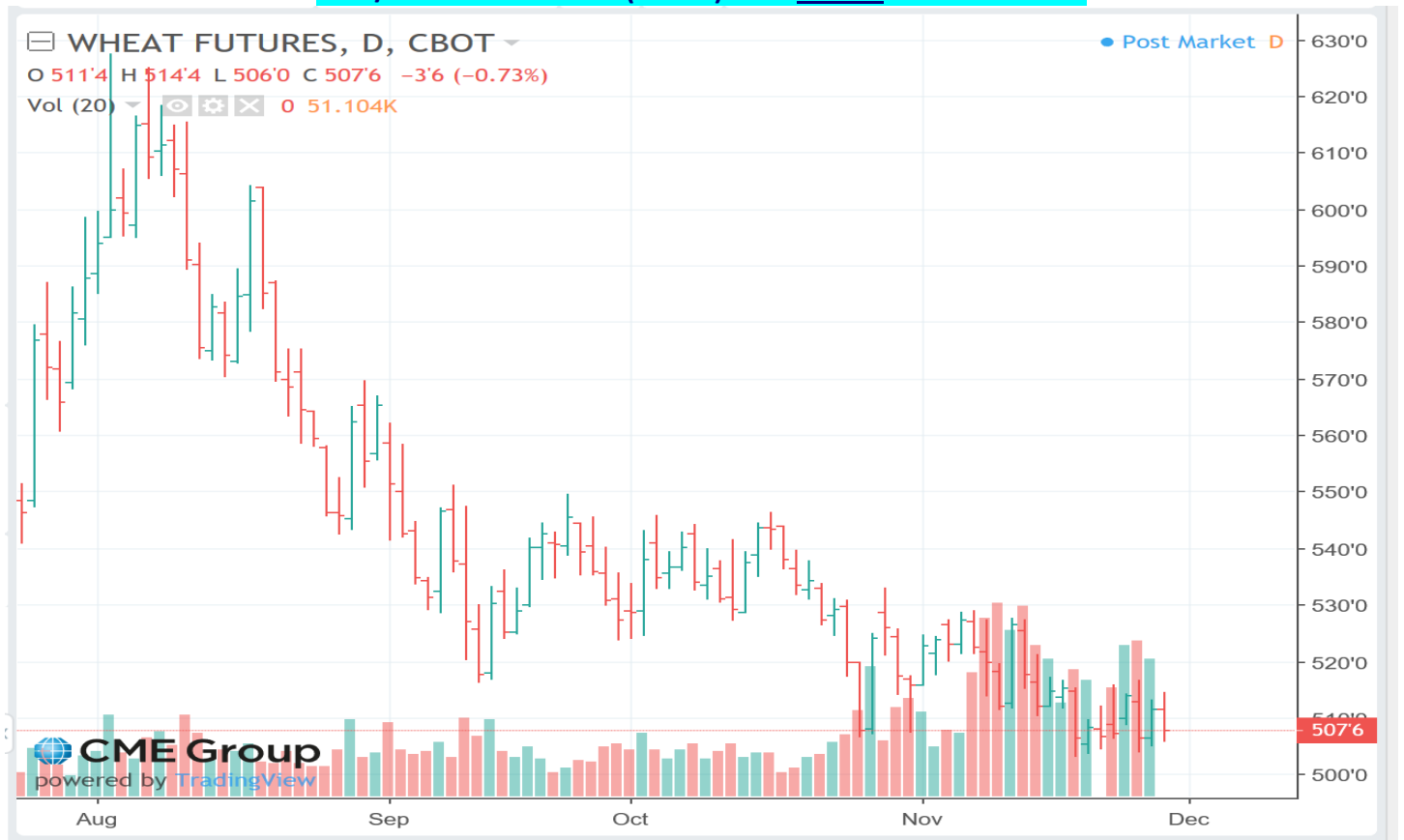
<b>CME Futures Market Close</b>						
CORN Month	Futures Symbol	Thursday Close Bushel	Thursday Close MT.	Last week Bushel	Last Week MT.	Difference Bushel
Dec.	CZ	\$3.6025	\$141.82	\$ 3.6750	\$144.68	(\$0.0725)
Mar.	CH	\$3.7325	\$146.94	\$ 3.7825	\$148.91	(\$0.0500)
May.	CK	\$3.8050	\$149.79	\$ 3.8575	\$151.86	(\$0.0525)
July	CN	\$3.8700	\$152.35	\$ 3.9250	\$154.52	(\$0.0550)
Sept.	CU	\$3.9000	\$153.53	\$ 3.9375	\$155.01	(\$0.0375)



## CBOT March 2019 (CH19) Corn Futures Chart –



## CME/CBOT March 2019 (WH19) SRW Wheat Futures Chart –



## U.S. Soybean and SBM Markets Fob Vessel:

<b>U.S. Yellow Soybeans (USD/MT) FOB Vessel</b>				
# 2 YSB 14.0 % Moisture	<b>U.S. Gulf #2 YSB</b>		<b>PNW #2 YSB</b>	
	Basis	Flat Price	Basis	Flat Price
<b>Dec.</b>	0.25	<b>\$335.19</b>	0.50	<b>\$344.38</b>
<b>Jan.</b>	0.29	<b>\$336.66</b>	0.56	<b>\$346.58</b>
<b>Feb.</b>	0.25	<b>\$340.15</b>	0.50	<b>\$349.34</b>
<b>Mar.</b>	0.33	<b>\$343.09</b>	0.52	<b>\$350.07</b>
<b>Apr.</b>	0.25	<b>\$344.93</b>	0.45	<b>\$352.28</b>

### Soybean Futures

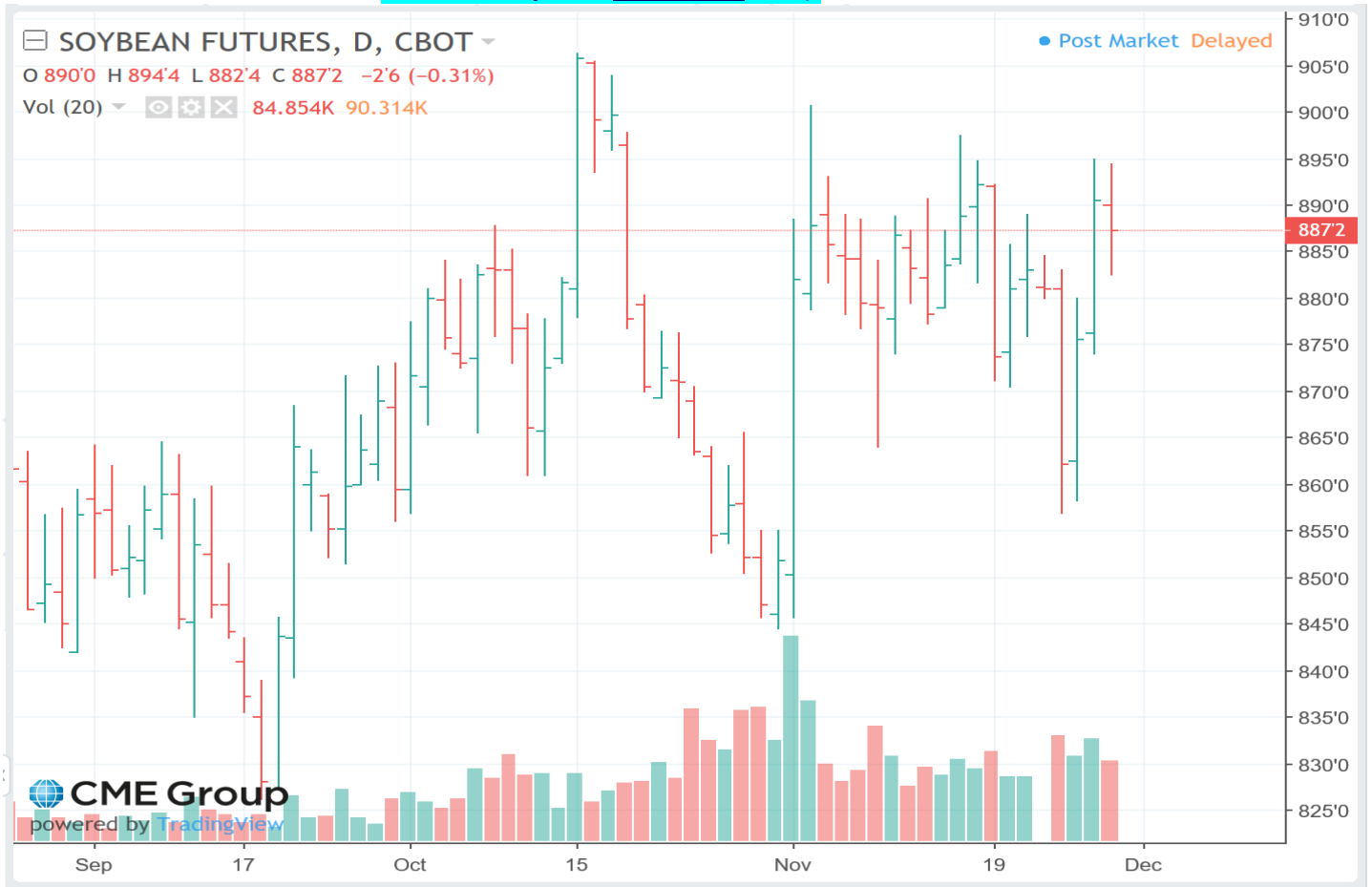
<b>Jan.</b>	\$	8.8725
<b>Mar.</b>	\$	9.0075
<b>May</b>	\$	9.1375
<b>July</b>	\$	9.2625
<b>Aug.</b>	\$	9.3075
<b>Sept.</b>	\$	9.3025

<b>U.S. SBM (USD/MT) FOB Vessel</b>		
Fob U.S. Gulf Port max 12.5 % moisture	<b>47.5 Pro. SBM</b>	
	Basis	Flat Price
<b>Dec.</b>	5.00	<b>\$ 343.87</b>
<b>Jan.</b>	5.00	<b>\$ 346.74</b>
<b>Feb.</b>	5.00	<b>\$ 349.71</b>
<b>Mar.</b>	6.00	<b>\$ 350.82</b>
<b>Apr.</b>	5.00	<b>\$ 352.58</b>

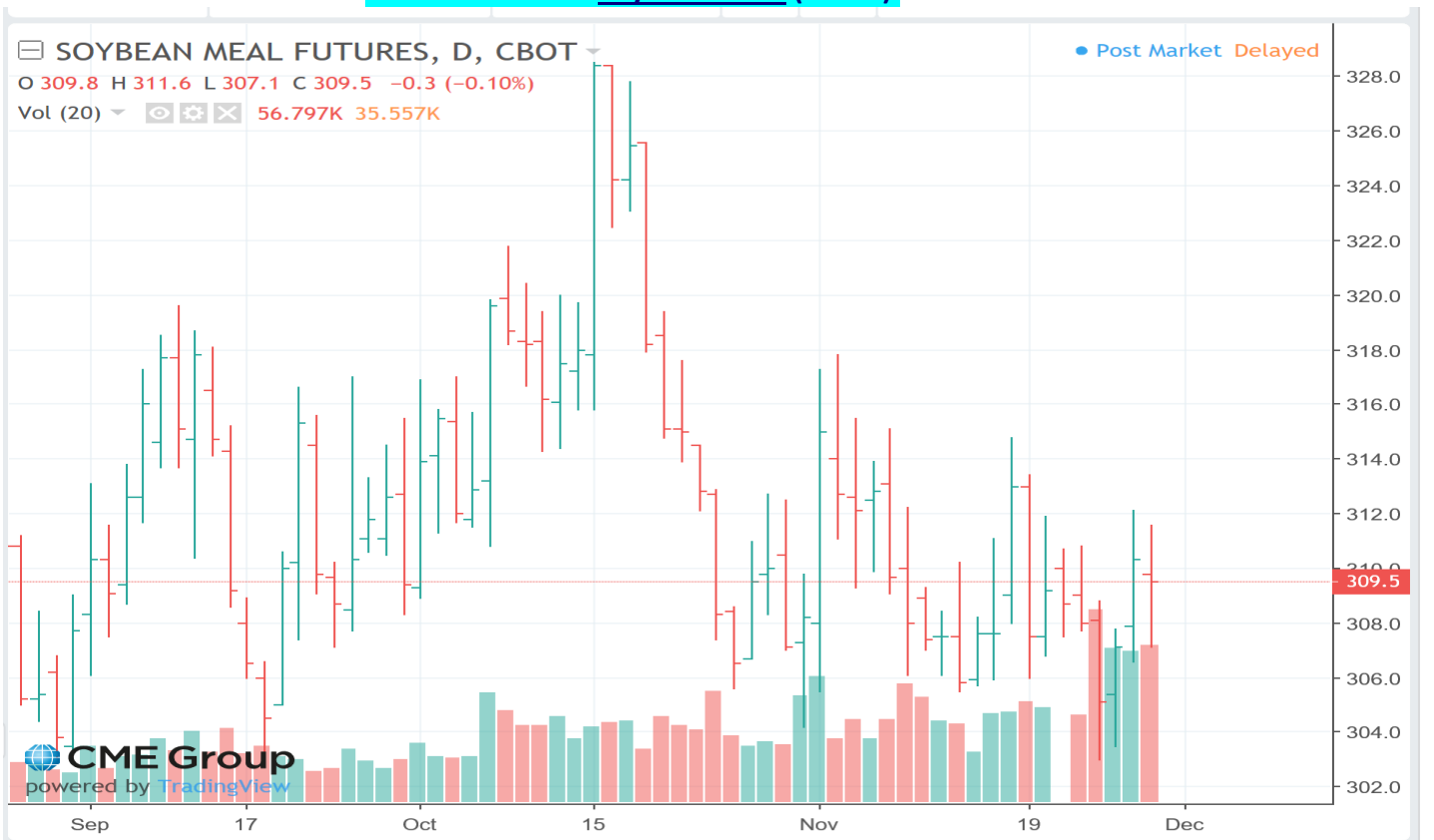
### SBM Futures

<b>SMZ</b>	306.90
<b>SMF</b>	309.50
<b>SMH</b>	312.20
<b>SMK</b>	314.80
<b>SMN</b>	317.80
<b>SMQ</b>	319.30

## CME January 2019 Soybean (SF19) Futures Chart:



## CME March 2019 Soybean Meal (SMH8) Futures Chart



**U.S. EXPORT STATISTICS: Report Activity as of Week Ending 15 November 2018**

**Thursday-Weekly U.S. Export Sales**

<b>Commodity</b>	<b>New Sales (000 MT)</b>	<b>YTD Export Commitments **(000 MT)</b>	<b>Total Projected Export Program for Year (000 MT)</b>	<b>Percent of Export Projection</b>	<b>Total Sales for Next Marketing Year '17- 18 (000 MT)</b>
Corn	1332.5	24,303.6	62,230	39%	110.5
Sorghum	42.4	293.8	2,540	12%	0.0
Soybeans	877.2	22,628.7	51,710	44%	160.4
Wheat	339.0	14,514.2	27,900	52%	6.0
Barley	0.3	56.0	110	51%	0.0

**U.S. EXPORT INSPECTIONS:**

Monday's report 26 November 2018 for the Export week ending 22 November 2018

	<b>Export Inspections</b>		<b>Current Market Year YTD</b>	<b>Previous Year to Date</b>	<b>2018/19 YTD as Percent of 2017/18 YTD</b>
	<b>This Week</b>	<b>Previous Week</b>			
Corn	1,117,580	845,957	13,101,805	7,281,129	180%
Sorghum	10,576	54,830	236,803	816,017	29%
Soybeans	1,105,229	1,070,125	12,152,788	21,054,389	58%
Wheat	252,489	509,265	10,071,129	12,365,489	81%
Barley	0	245	5,751	16,690	34%

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

**U.S. EXPORT INSPECTIONS:**

Monday's report 26 November 2018 for the Export week ending 22 November 2018

<b>Last Week</b>							
<b>(Metric Tons)</b>	<b>YC</b>	<b>%</b>	<b>WC</b>	<b>%</b>	<b>Sorghum</b>	<b>%</b>	<b>Soybeans</b> %
Lakes	0	0%	0	0%	0	0%	73,435 7%
Atlantic	0	0%	0	0%	0	0%	113,596 10%
Gulf	546,840	50%	11,936	56%	0	0%	846,421 77%
PNW	357,545	33%	0	0%	0	0%	0 0%
Interior Export Rail	191,879	18%	9,380	44%	10,576	100%	71,777 6%
<b>Metric Tons</b>	<b>1,096,264</b>		<b>21,316</b>		<b>10,576</b>		<b>1,105,229</b>

Sorghum Shipments:	<u>metric tons</u>	
	49	Panama
	10,527	Mexico
	<u>10,576</u>	<u>Total</u>

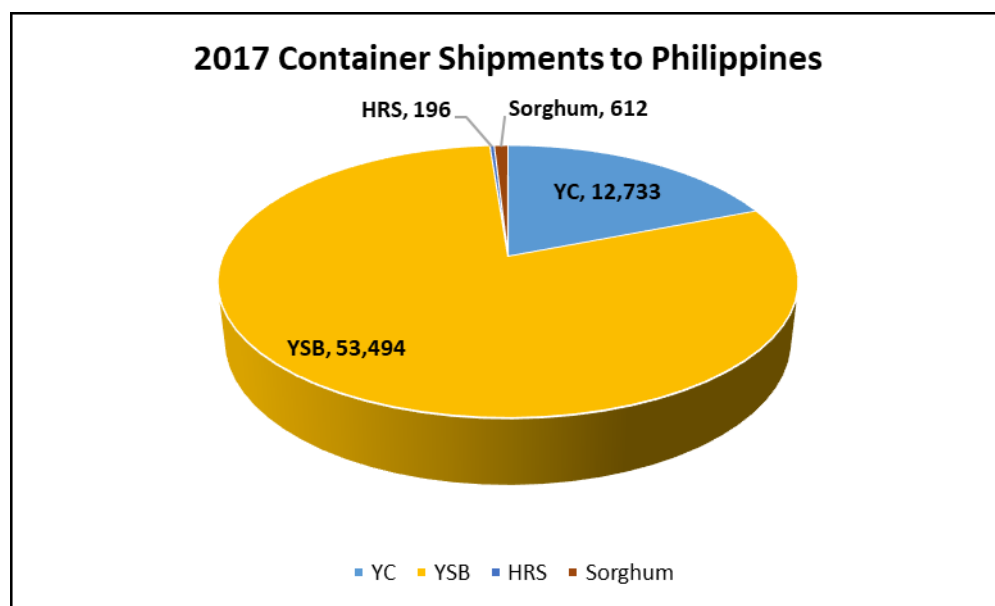
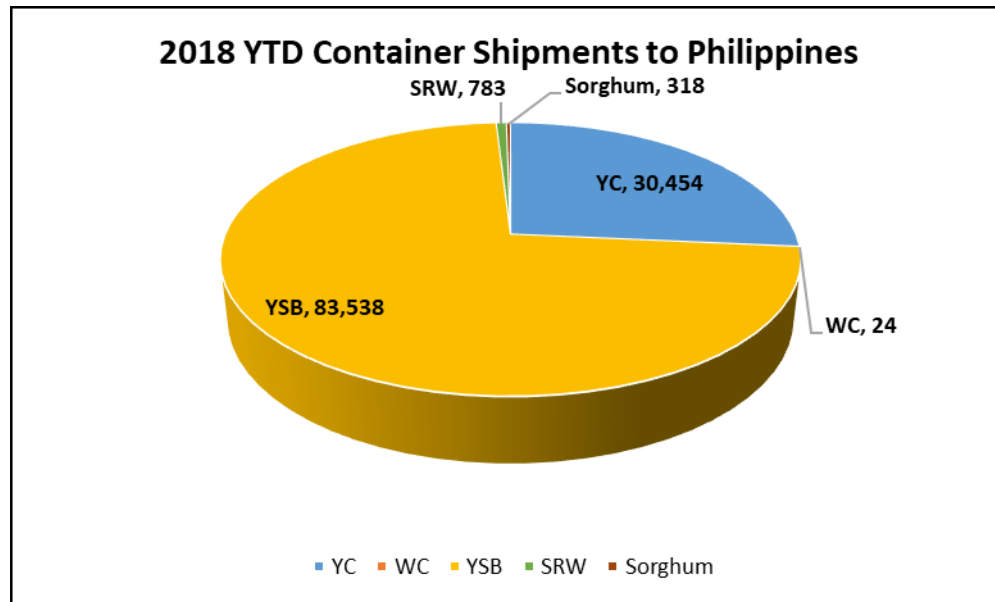
White Corn	<u>metric tons</u>	
Shipments:	11,936	Colombia
	9,380	Mexico
	<u>21,316</u>	<u>Total</u>

## 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:		22-Nov-2018							
Last Week	metric tons								MT
	YC	WC	YSB	SRW	NS	SWH	HRW	Sorghum	TOTAL
China Main									0
China T	20,567		7,666						28,233
Hong Kong	1,224								1,224
Costa Rica									0
Indonesia			22,231						22,231
India			881						881
Japan	661		220						881
Korea Republic	1,077		1,837						2,914
Rep S Africa							24		24
Malaysia	245		3,231						3,476
Burma			636						636
Philippines									0
Thailand			11,922						11,922
Panama								49	49
Bangladesh			832						832
Vietnam			6,805						6,805
Sub total	23,774	0	56,261	0	0	0	24	49	72,422
USDA Corrections/Additions to previous reports:									
China T	465								465
China Main									0
Hong Kong									0
Korea Rep.									0
Costa Rica									0
Japan									0
Philippines									0
Indonesia			1,494						1,494
Malaysia			24						24
Thailand			1,028						1,028
Vietnam			1,249						1,249
Canada									0
Bangladesh			490						490
Sub total	465	0	4,285	0	0	0	0	0	4,750
<b>Mt. Grand Total</b>	<b>24,239</b>	<b>0</b>	<b>60,546</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>24</b>	<b>49</b>	<b>77,172</b>
Number of containers	1,054	0	2,632	0	0	0	1	2	

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



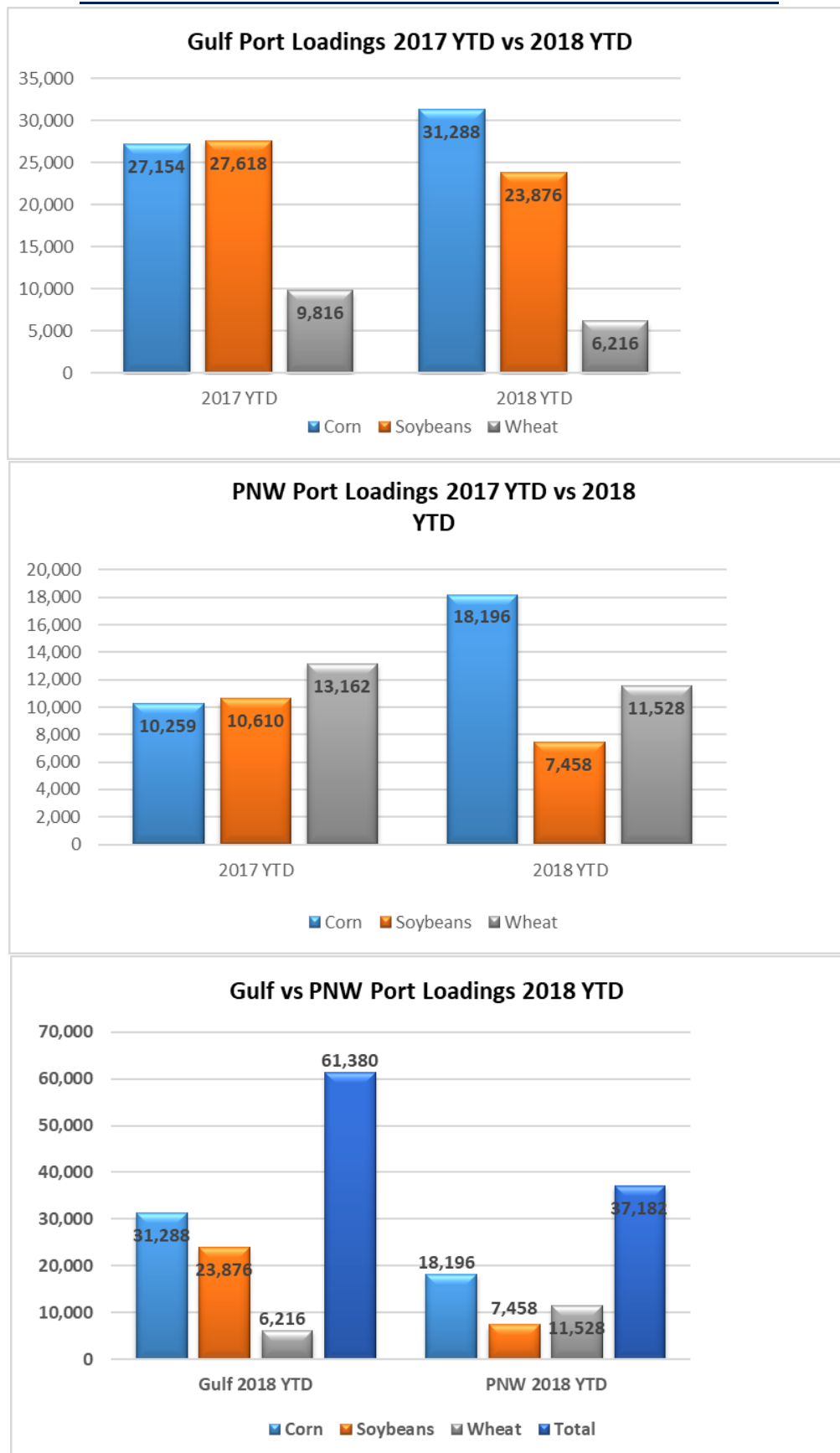
Grain Inspections for Export by U.S. Port Regions:  
U.S. Gulf and Pacific Northwest 2017 YTD vs. 2018 YTD

PORT LOADINGS US Gulf				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
<b>GULF</b>				
2017 YTD	27,154	27,618	9,816	64,588
2018 YTD	31,288	23,876	6,216	61,380
2018 as % of 2017	115%	86%	63%	95%

PORT LOADINGS US PNW				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
<b>PNW</b>				
2017 YTD	10,259	10,610	13,162	34,031
2018 YTD	18,196	7,458	11,528	37,182
2018 as % of 2017	177%	70%	88%	109%

PORT LOADINGS GULF vs. PNW				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
2018 Gulf YTD	31,288	23,876	6,216	61,380
2018 PNW YTD	18,196	7,458	11,528	37,182
TOTAL	49,484	31,334	17,744	98,562
Gulf Percentage	63%	76%	35%	62%
PNW Percentage	37%	24%	65%	38%

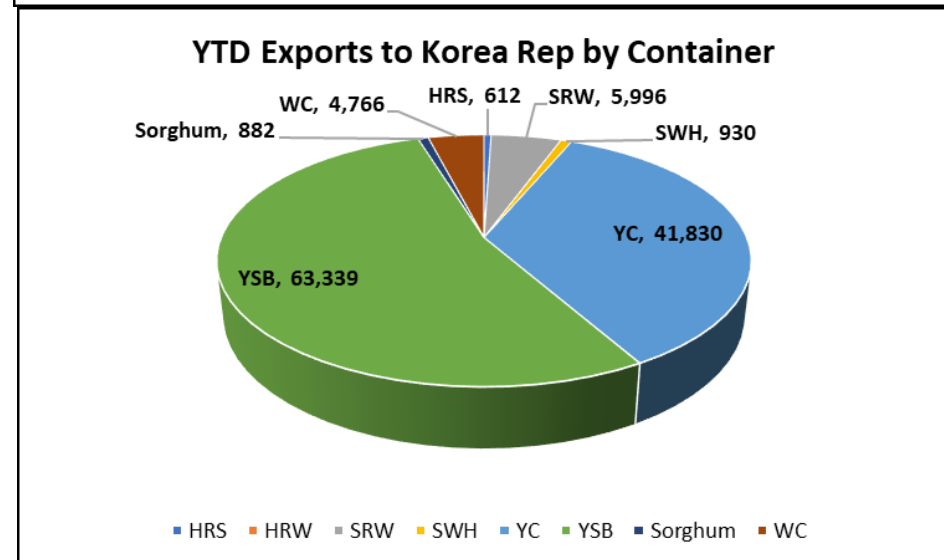
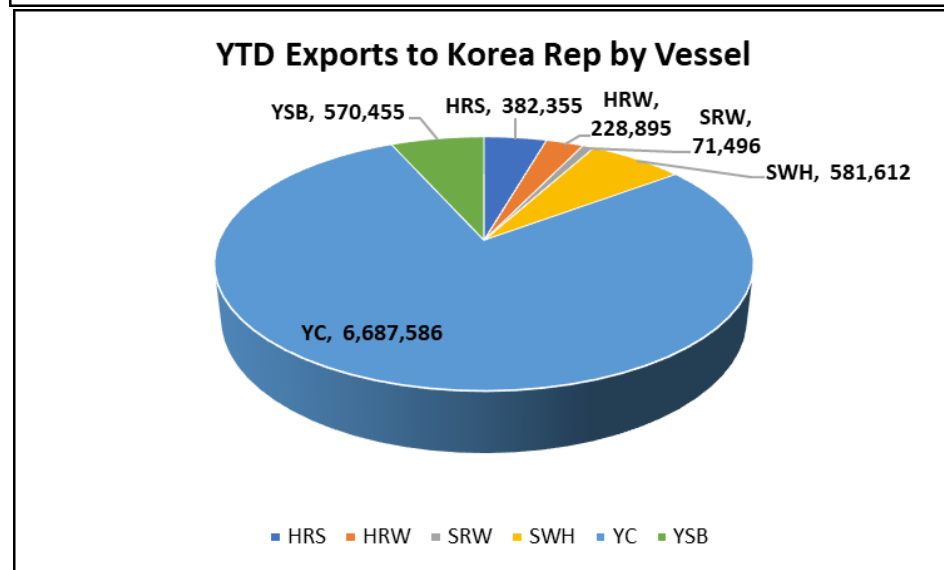
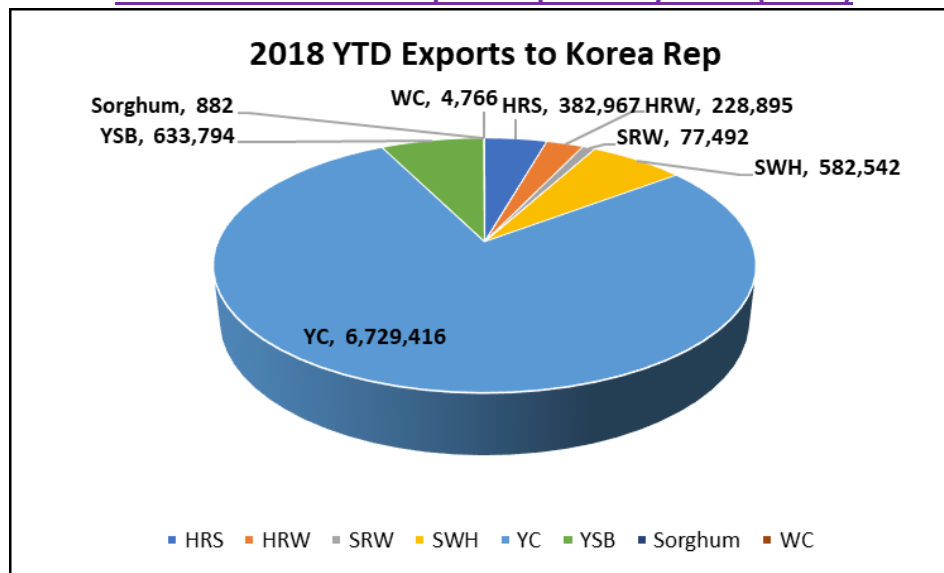
Grain Inspections for Export by U.S. Port Regions (1,000MT):  
U.S. Gulf and Pacific Northwest 2017 YTD vs. 2018 YTD



Source: USDA-data



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



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

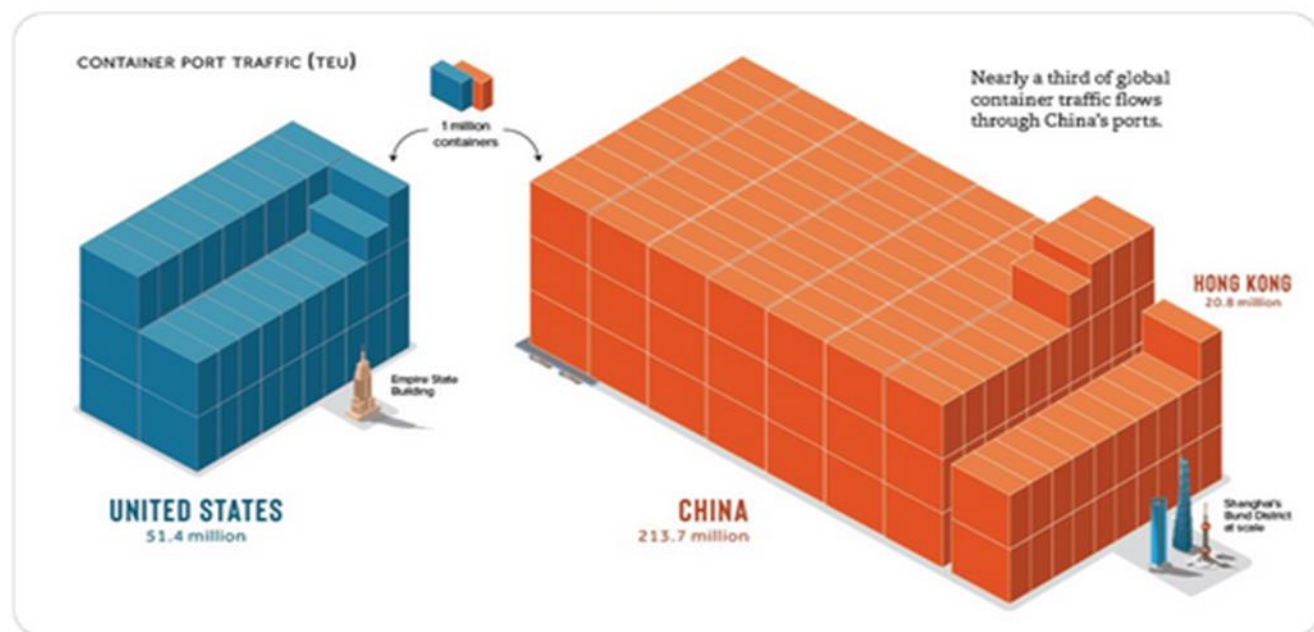
Source: USDA

## Shipping News



## 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 Last Half December 2018**

Placement LH December 2018	% of		Corn	Soybeans-Wheat
	Tariff	MT	BU	BU
Upper Mississippi	Closed	\$ -	0.00	0.00
Illinois River (Pekin and South)	330	\$ 17.50	0.44	0.48
Mid-Mississippi	Closed	\$ -	0.00	0.00
Lower Ohio	270	\$ 13.27	0.34	0.36
St. Louis	240	\$ 10.56	0.27	0.29

**Secondary Rail Car Market for car placement period: Last Half December 2018.**

Secondary Rail Car Market	BID	ASK	BID	ASK	BID	ASK
Placement FH. December 2018	USD	USD	BU.	BU.	MT	MT
BNSF Shuttle Trains	\$ (100.00)	\$ (50.00)	\$ (0.03)	\$ (0.01)	\$ (0.98)	\$ (0.49)
UPRR Shuttle Trains	\$ (450.00)	\$ (300.00)	\$ (0.11)	\$ (0.08)	\$ (4.43)	\$ (2.95)

[www.grains.ksu.edu/igp](http://www.grains.ksu.edu/igp)

Best Regards,

Jay

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