

Transportation and Export Report for 7 November 2019

Ocean Freight Insights and Comments:

It was another bad week for vessel owners as Dry-bulk markets slipped even lower. The technical charts for Capesize and Panamax Index markets look quite bearish and this has motivated paper traders to push hard on the sell side. But it is starting to look like these markets may be oversold and fear of a correction is growing. Other than the looming 1 January deadline for IMO2020, I cannot say there is much bullish news in the physical markets, but I believe it will be difficult to push rates much lower. Many Container shipping lines have instigated IMO fuel sur-charges to their quoted rates and the market is watching to see if they can maintain solidarity and make these stick.

BALTIC DRY-BULK PANAMAX INDEX CHANGES

Panamax Ocean Freight Indices				
7-Nov-19	This Week	Last Week	Difference	Percent Change
P2A : Gulf/Atlantic - Japan	19568	21905	-2,337	-10.7%
P3A - PNW/Pacific - Japan	9582	10908	-1,326	-12.2%
S1C -USGULF-China-So.Japan	21011	22728	-1,717	-7.6%
P7- Trial- Miss. River - Qingdao	44930	48363	-3,433	-7.1%
P8- Trial- Santos - Qingdao	33887	35722	-1,835	-5.1%

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

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

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					
7-Nov-19	PNW	GULF	Bushel Spread	MT Spread	Advantage
CORN	1.06	0.64	0.42	\$16.53	PNW
SOYBEANS	0.95	0.56	0.39	\$15.35	PNW
OCEAN FREIGHT	\$25.75	\$47.25	.55-.59	\$21.50	December

Recent Reported Vessel Fixtures:

Soybean Panamax USG to Spain is running \$22.00/mt.

Soybean Brazil to Spain at about \$24.00/mt.

30,000 mt Corn Northern Brazil to Vera Cruz, Mexico \$19.50-\$20.00/mt .To U.S. E/C about \$22.50-23.25/mt

Route and Vessel Size	Current Week USD/MT	Change from previous week	Remarks
55,000 U.S. Gulf-Japan	\$48.50	Down \$1.00	Handymax \$49.00 mt
55,000 U.S. PNW- Japan	\$26.25	Down \$0.75	Handymax \$26.75 mt
66,000 U.S. Gulf – China PNW to China	\$47.25 \$25.75	Down \$1.50 Down \$0.75	North China
25,000 U.S. Gulf- Veracruz, México	\$18.00	Down \$0.25	3,000 MT daily discharge rate
30-35,000+ U.S. Gulf- Veracruz, México	\$15.25	Down \$0.25	Deep draft and 6,000 MT per day discharge rate.
30-38,000 U.S. Gulf- <u>East Coast Colombia</u> From Argentina	\$19.50 \$39.00	Down \$0.25	<u>West Coast Colombia at \$32.00</u> USG to E/C 50,000 mt at \$17.75
43-45,000 U.S. Gulf - Guatemala	\$29.00	Down \$0.25	Acajutla/Quetzal - 8,000 out
26-30,000 U.S. Gulf – Algeria	\$35.75 \$36.75	Down \$0.25	8,000 mt daily discharge 3,000 mt daily discharge
26-30,000 US Gulf-Morocco	\$36.75	Down \$0.50	5,000 discharge rate
55-60,000 U.S. Gulf –Egypt PNW to Egypt	\$29.50 \$30.00	Down \$1.00	60,000 -55,000 mt Romania- Russia- Ukraine \$15.00 -\$15.50 -\$17.00 (France \$18.50-\$19.00)
60-70,000 U.S. Gulf – Europe – Rotterdam	\$19.00	Unchanged	Handymax at +\$1.75 more
Brazil, Santos – China Brazil, Santos – China Itacoatiara-Port Upriver North Brazil	\$35.75 \$35.50 \$36.75	Down \$1.25	54-59,000 Supramax-Panamax 60-66,000 Post Panamax 60-66,000 mt
56-60,000 Argentina/Rosario- China Deep Draft	\$38.75	Down \$1.00	Upriver with BB Top Off \$42.50

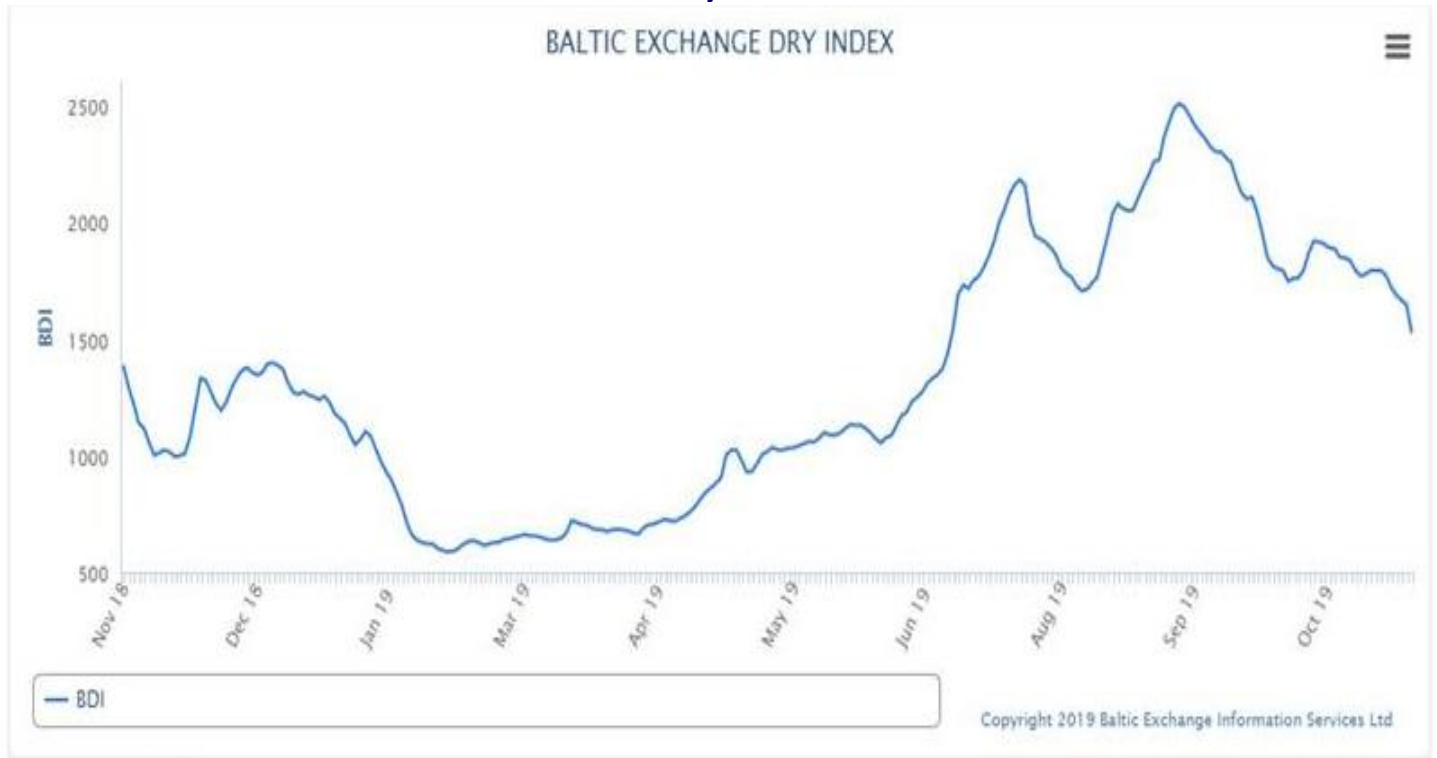
- The above rate estimates reflect the 30-45-day forward ocean freight markets.

Nautical Miles: To Xiamen China (South China)

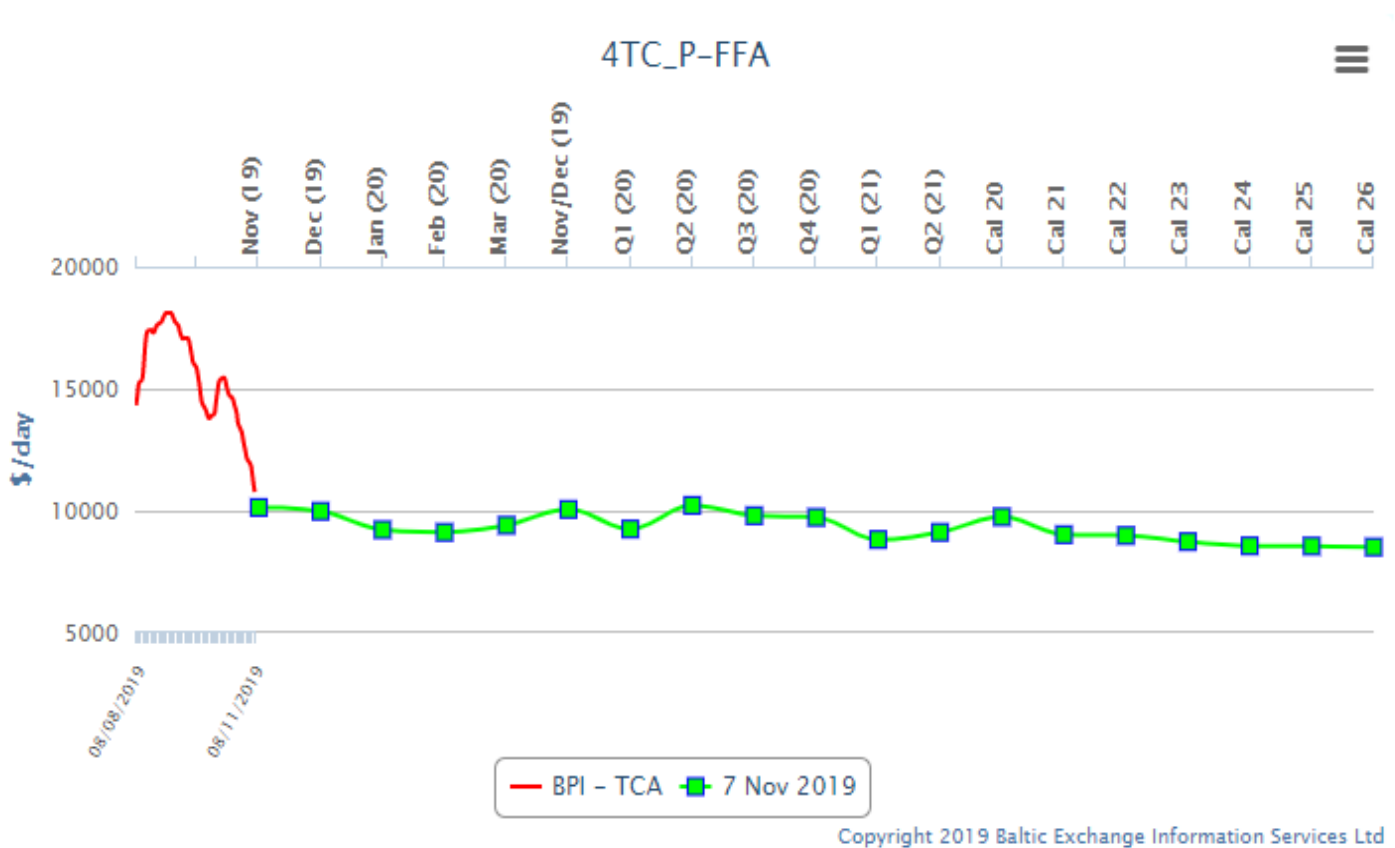
US Gulf (NOLA) (via Panamá Canal) – 10,232 nautical miles (32 days)

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

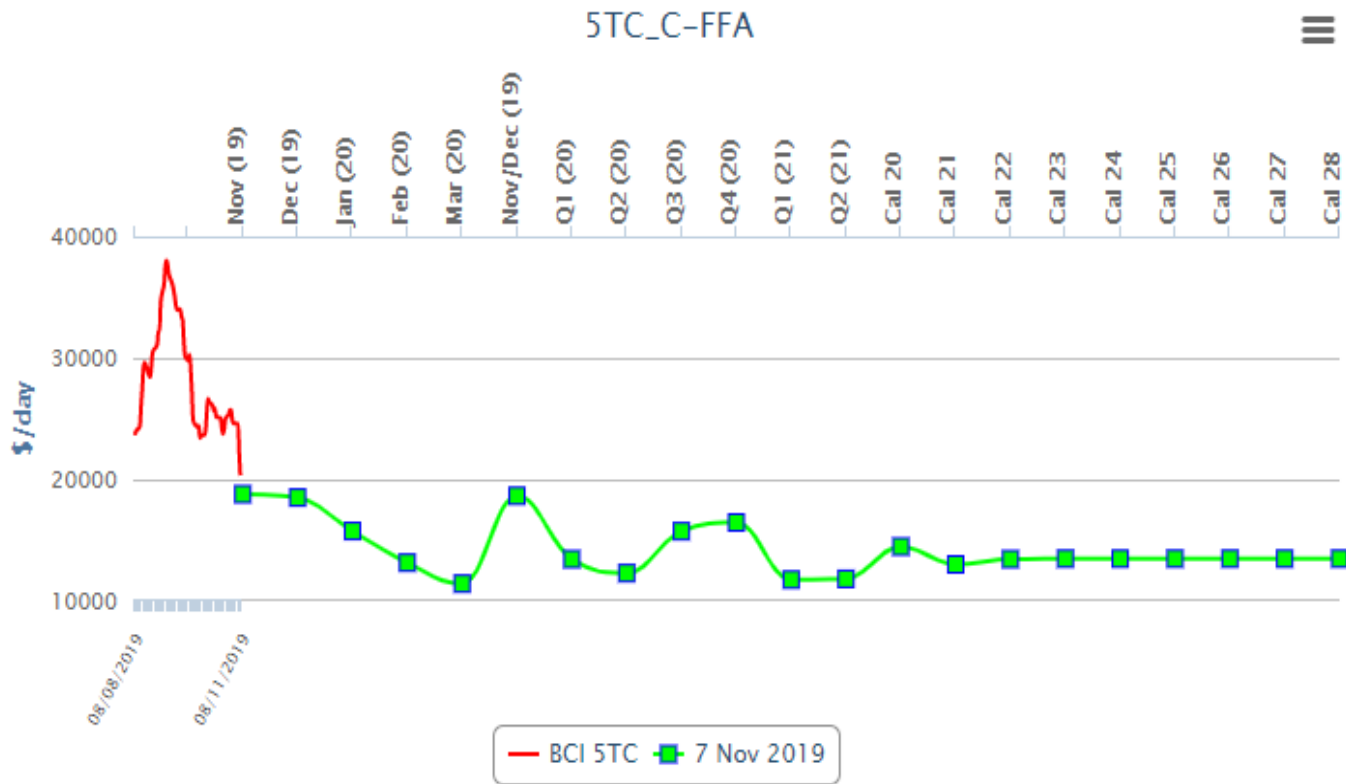
Baltic Dry Bulk Index.



Baltic Panamax Forward Curve Chart



Baltic Capesize Forward Curve Chart



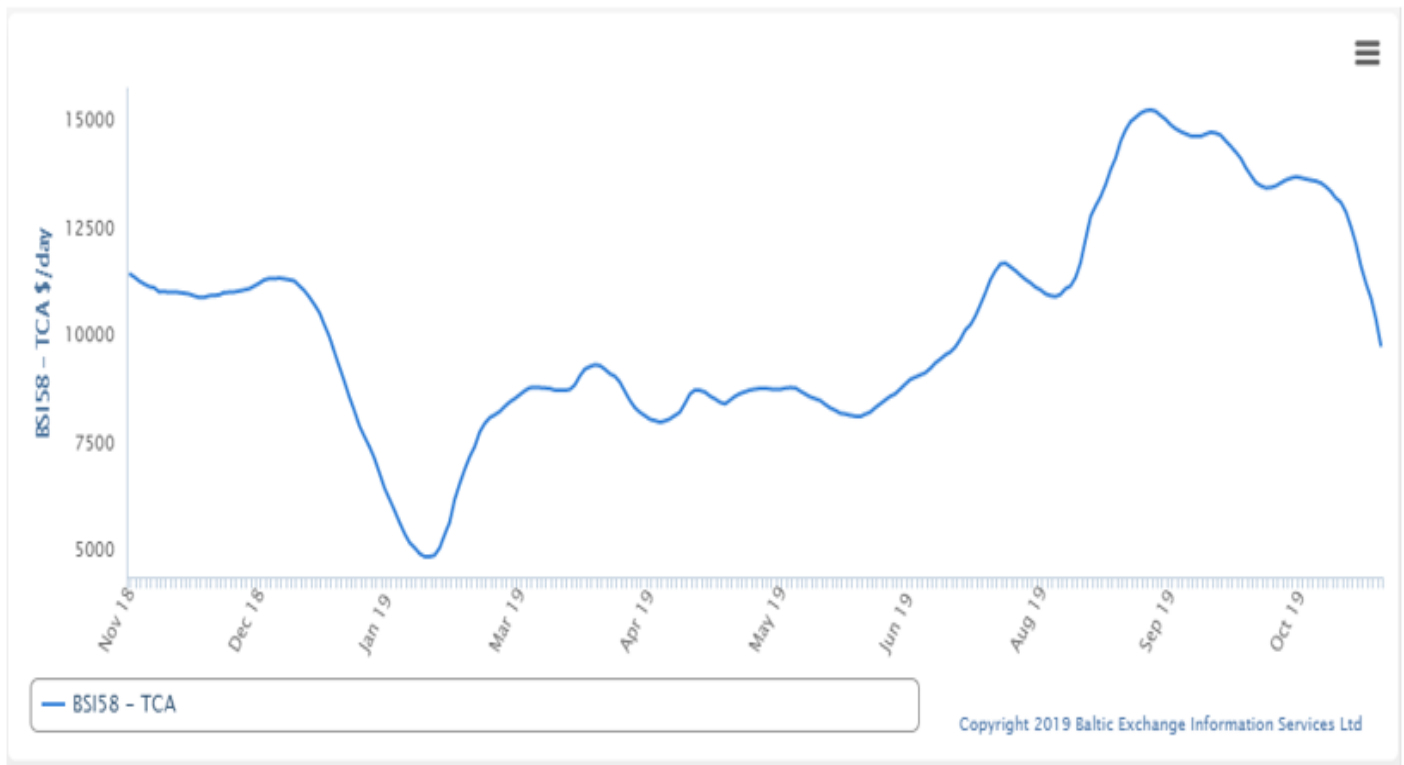
Baltic Panamax Index

Panamax



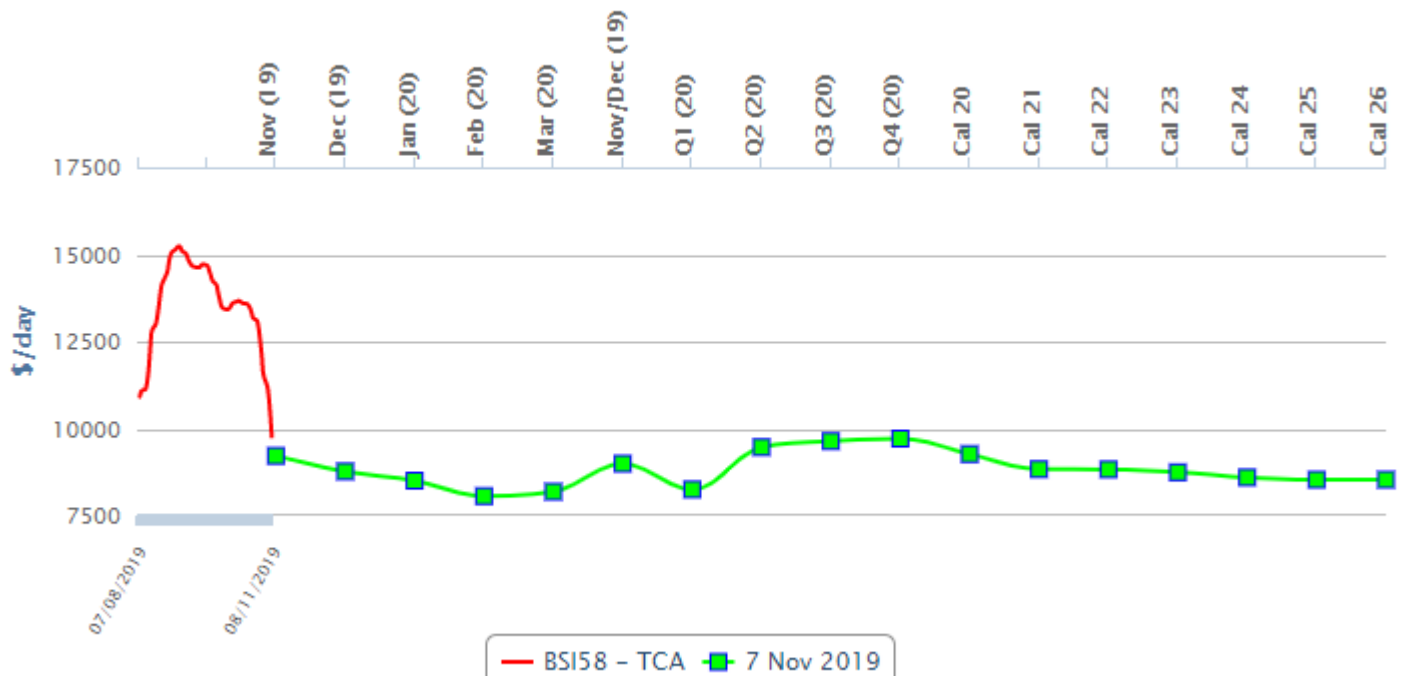
Baltic Supramax Vessel Index

Supramax



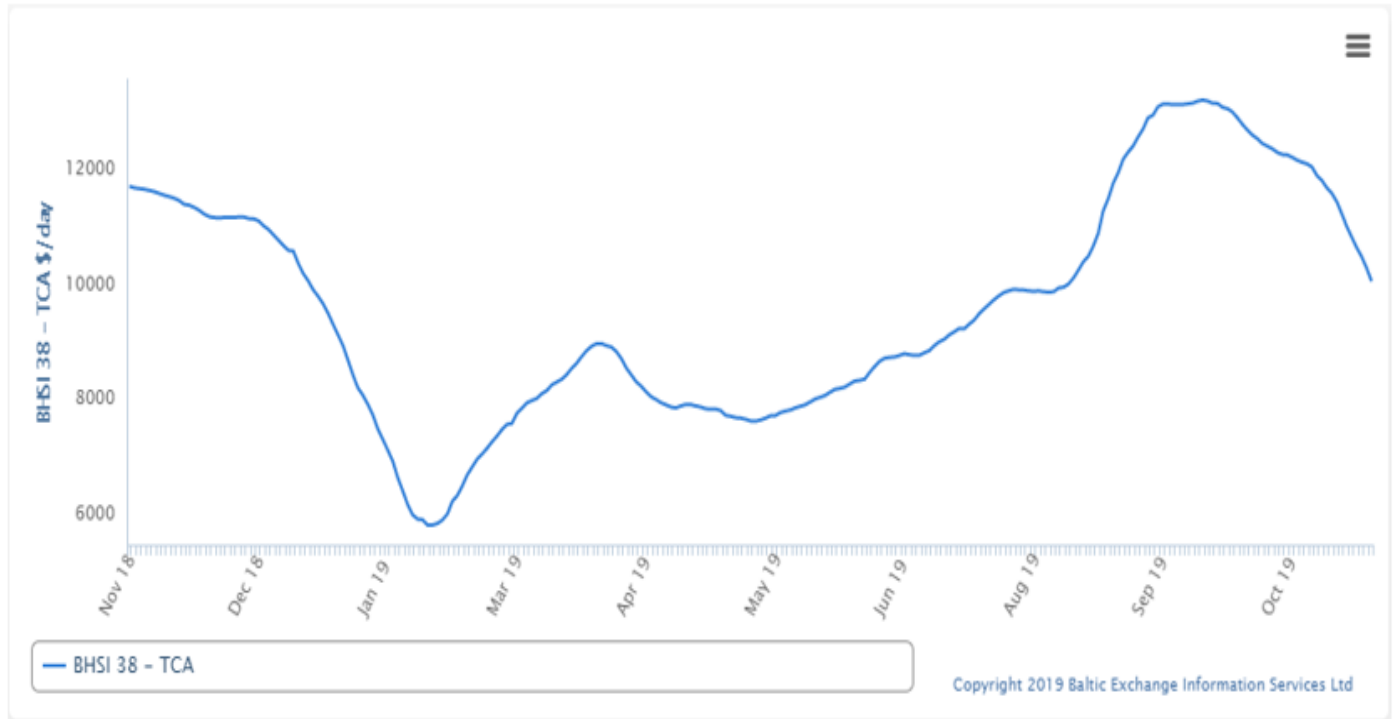
Supramax Dry-Bulk Forward Curve

10TCS-FFA



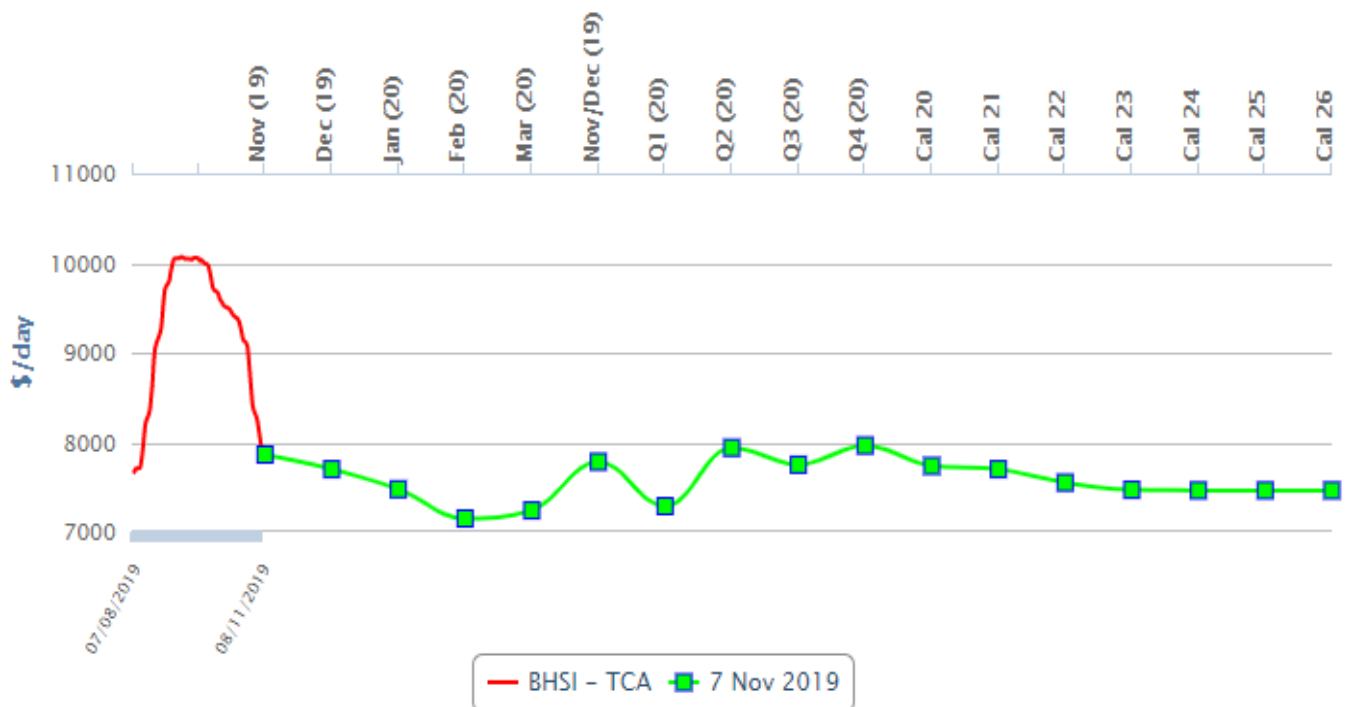
Baltic Handy Size Vessel Index

Handysize



Baltic Handy Size Forward Curve

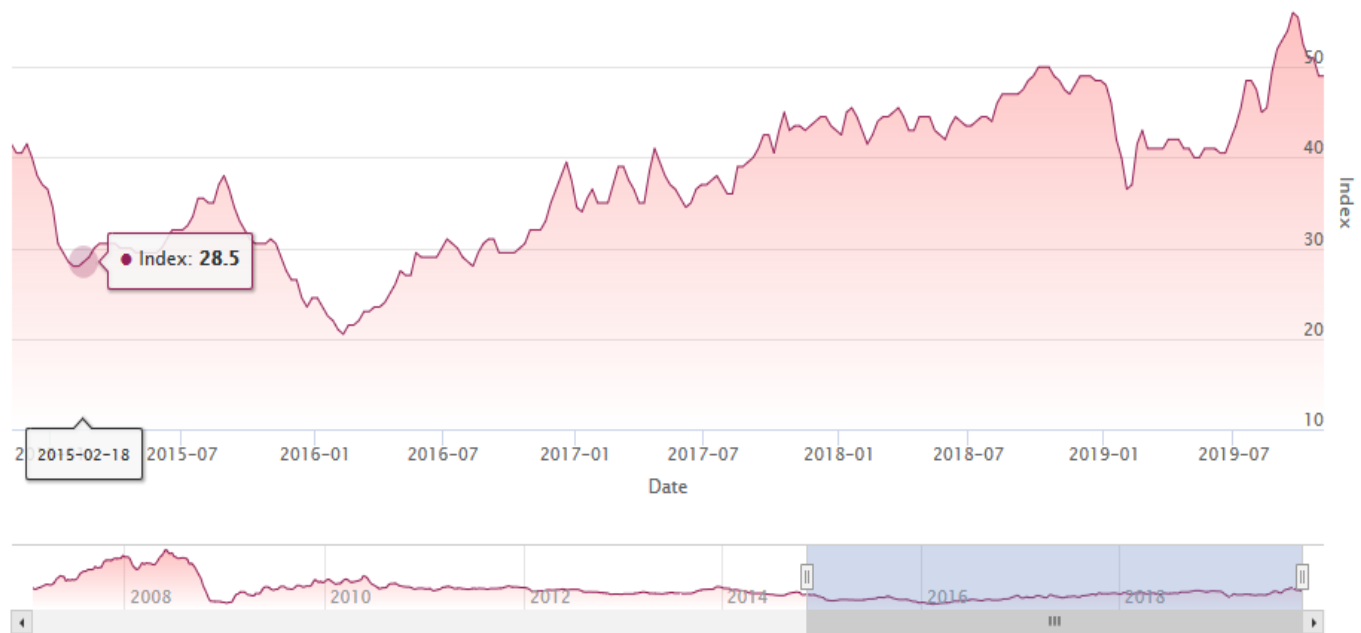
TC_H-FFA



YAMAMIZU Index

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

From 2014-11-06 To 2019-11-06



China Import Dry Bulk Freight Index 2019-11-07

Description	Size MT	Cargo/Vessel Size	Unit	Rate	Change
Composite Index			Point	935.56	-31.91
Iron ore Freight Index			Point	933.27	-38.29
Soybean Freight Index			Point	1053.65	-8.92
Santos(Brazil)—North China	60000/10%	Soybean	\$/ton	35.672	-0.2
Tacoma(West America)—North China	60000/10%	Soybean	\$/ton	25.65	-0.328
Mississippi(US Gulf)—North China	66000/10%	Soybean	\$/ton	47.023	-0.509
Mississippi(US Gulf)—North China	55000/10%	Soybean	\$/ton	49.413	-0.531

7 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.	0.64	\$172.92	1.06	\$189.46
Jan.	0.60	\$174.69	1.03	\$191.62
Feb.	0.63	\$175.88	1.04	\$192.02
Mar.	0.65	\$176.66	1.06	\$192.80
April	0.63	\$178.73	1.04	\$194.87
May	0.65	\$179.52	1.06	\$195.66

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	\$185.13	0.80	\$179.22
Jan.	0.95	\$188.47	0.75	\$180.60
Feb.	0.95	\$188.47	0.75	\$180.60
Mar.	0.95	\$188.47	0.78	\$181.78
April	0.95	\$191.33	0.75	\$183.45

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	\$228.73	\$230.47	\$232.31	\$234.15
Basis	1.10	1.10	1.15	1.20
WZ	5.1250			.
WH	5.1725			
WK	5.2225			

7-Nov-19	Close	This Week	Last Week.	Last Week.	Last Week	
CME Corn Futures	Bushel	MT.	Bushel	Bu. Diff.	MT	MT Diff.
Dec.	\$ 3.7525	\$ 147.73	\$ 3.8675	(0.1150)	\$ 152.26	\$ (4.53)
Mar.	\$ 3.8375	\$ 151.07	\$ 3.9800	(0.1425)	\$ 156.68	\$ (5.61)
May	\$ 3.9100	\$ 153.93	\$ 4.0450	(0.1350)	\$ 159.24	\$ (5.31)
July	\$ 3.9775	\$ 156.59	\$ 4.1025	(0.1250)	\$ 161.51	\$ (4.92)
Sept.	\$ 3.9475	\$ 155.40	\$ 4.0375	(0.0900)	\$ 158.95	\$ (3.54)
Dec.	\$ 3.9950	\$ 157.27	\$ 4.0825	(0.0875)	\$ 160.72	\$ (3.44)

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.	0.56	\$364.68	0.95	\$379.01
Jan.	0.63	\$367.25	1.00	\$380.84
Feb.	0.57	\$369.55	0.93	\$382.77
Mar.	0.60	\$370.65	0.95	\$383.51
April	0.57	\$373.77	0.89	\$385.53
Soybean Futures				
Nov.	\$ 9.2500			
Jan.	\$ 9.3650			
Mar.	\$ 9.4875			
May	\$ 9.6025			
July	\$ 9.7075			
August	\$ 9.7400			

U.S. SBM (USD/MT) FOB Vessel		
Fob U.S. Gulf Port	47.5 Pro. SBM	
max 12.5 % moisture	Basis	Flat Price
Dec.	3.00	\$ 340.23
Jan.	4.00	\$ 343.76
Feb.	4.00	\$ 347.29
Mar.	5.00	\$ 348.39
April	3.00	\$ 349.93
SBM Futures		
SMZ	305.60	
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 24 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	607.7	11,405.1	48,310	24%	218.8
Sorghum	56.0	322.1	2,540	13%	0.0
Soybeans	964.5	19,271.3	48,310	40%	3.0
Wheat	562.7	14,577.8	25,860	56%	8.9
Barley	0.0	57.5	70	82%	0.0

U.S. EXPORT INSPECTIONS:

Monday's report 04 November 2019 for the Export week ending 31 October 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	275,575	391,231	3,753,082	9,980,411	38%
Sorghum	67,000	58,320	375,482	159,744	235%
Soybeans	1,480,632	1,578,604	9,552,517	8,621,105	111%
Wheat	293,360	558,015	10,930,347	8,955,187	122%
Barley	3,134	49	11,808	5,090	232%

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

U.S. EXPORT INSPECTIONS:

Monday's report 04 November 2019 for the Export week ending 31 October 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%	45,246 3%
Gulf	118,389	43%	3,127	100%	38,195	57%	818,054 55%
PNW	24	0%	0	0%	0	0%	472,896 32%
Interior Export Rail	154,035	57%	0	0%	28,805	43%	144,436 10%
Metric Tons	272,448		3,127		67,000		1,480,632

Sorghum Shipments: metric tons

35,550	Kenya
2,645	Rep S Africa
28,805	Mexico
67,000	Total

White Corn metric tons

Shipments:	3,127	Costa Rica
	3,127	Total

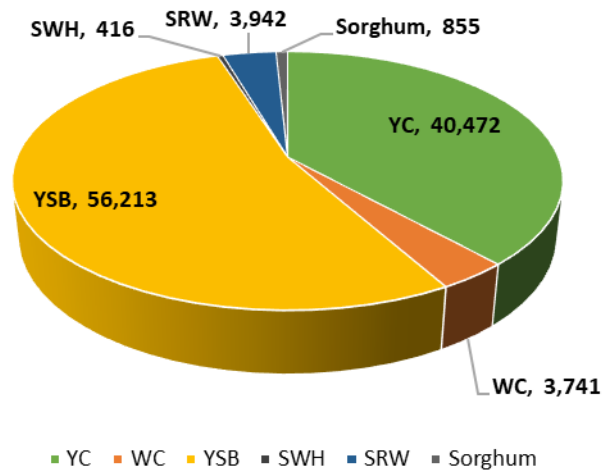
Export Inspection Highlights

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).*

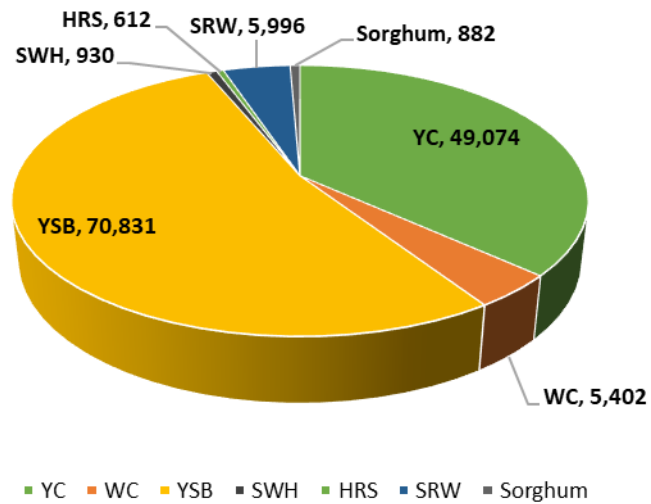
CONTAINER SHIPMENTS of GRAIN									
USDA Grain Inspections Report:		31-Oct-2019							
Last Week	metric tons								MT
	YC	WC	YSB	SRW	NS	SWH	HRW	Sorghum	TOTAL
China Main									0
China T	11,140		27,055						38,195
Hong Kong	97								97
Costa Rica									0
Indonesia			24,238						24,238
French Poly									0
Japan			367						367
Korea Republic			1,543						1,543
Nepal			3,601						3,601
Malaysia	122		3,110						3,232
Jordan									0
Philippines	1,126		539						1,665
Thailand			9,470						9,470
Cambodia									0
Nicaragua									0
Bangladesh									0
Burma				465					465
Vietnam			6,072						6,072
Sub total	12,485	0	75,995	465	0	0	0	0	82,408
USDA Corrections/Additions to previous reports:									
China T			8,424						8,424
China Main									0
Hong Kong									0
Korea Rep.									0
Nepal									0
Japan			857						857
Philippines									0
Indonesia			4,066						4,066
Malaysia	587		2,350						2,937
Thailand			2,595						2,595
Vietnam			1,567						1,567
Canada									0
Bangladesh									0
Sub total	587	0	19,859	0	0	0	0	0	20,446
Mt. Grand Total	13,072	0	95,854	465	0	0	0	0	102,854
Number of containers	568	0	4,168	20	0	0	0	0	

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

2019 YTD Container Shipments to South Korea



2018 Container Shipments to South Korea



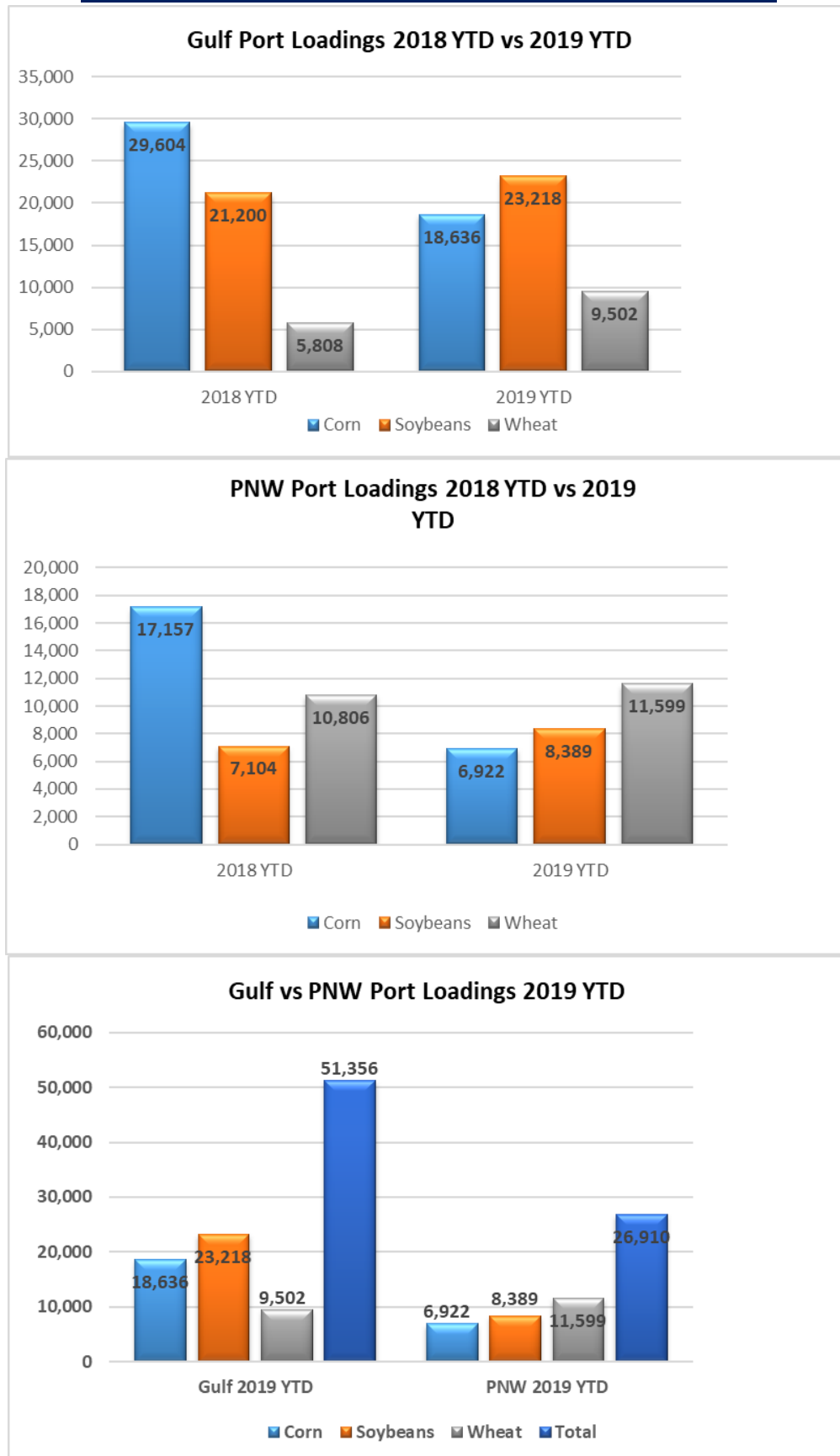
Grain Inspections for Export by U.S. Port Regions:
U.S. Gulf and Pacific Northwest 2018 YTD vs. 2019 YTD

PORT LOADINGS US Gulf				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
GULF				
2018 YTD	29,604	21,200	5,808	56,612
2019 YTD	18,636	23,218	9,502	51,356
2019 as % of 2018	63%	110%	164%	91%

PORT LOADINGS US PNW				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
PNW				
2018 YTD	17,157	7,104	10,806	35,067
2019 YTD	6,922	8,389	11,599	26,910
2019 as % of 2018	40%	118%	107%	77%

PORT LOADINGS GULF vs. PNW				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
2019 Gulf YTD	18,636	23,218	9,502	51,356
2019 PNW YTD	6,922	8,389	11,599	26,910
TOTAL	25,558	31,607	21,101	78,266
Gulf Percentage	73%	73%	45%	66%
PNW Percentage	27%	27%	55%	34%

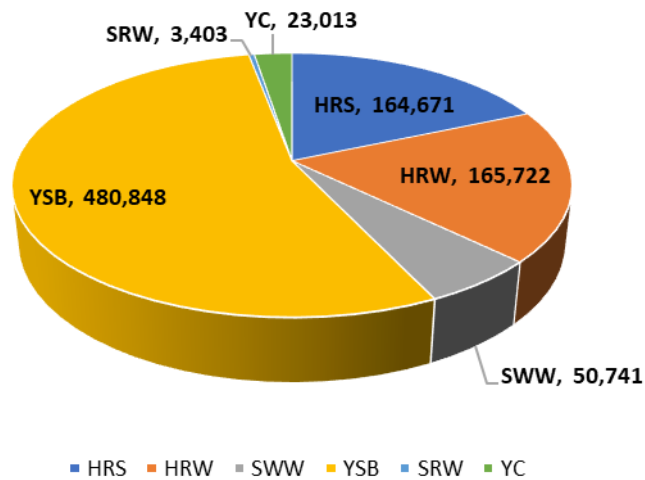
Grain Inspections for Export by U.S. Port Regions (1,000MT):
U.S. Gulf and Pacific Northwest 2018 YTD vs. 2019 YTD



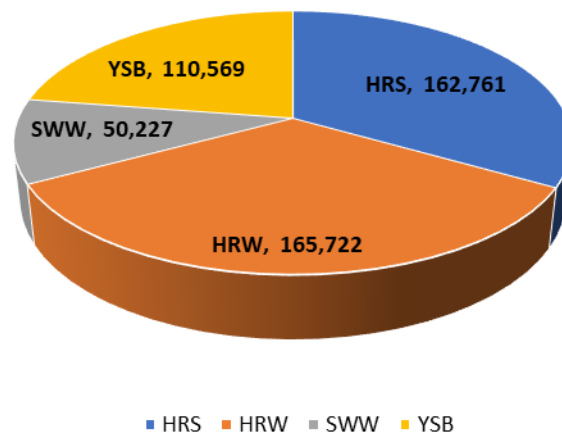
Source: USDA-data

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

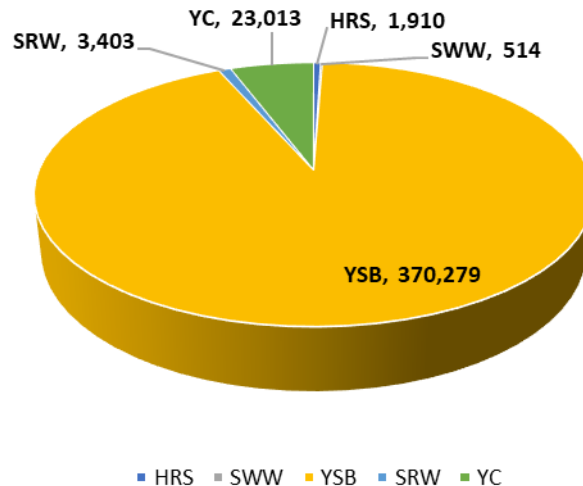
2019 YTD Exports to Malaysia



YTD Exports to Malaysia by Vessel

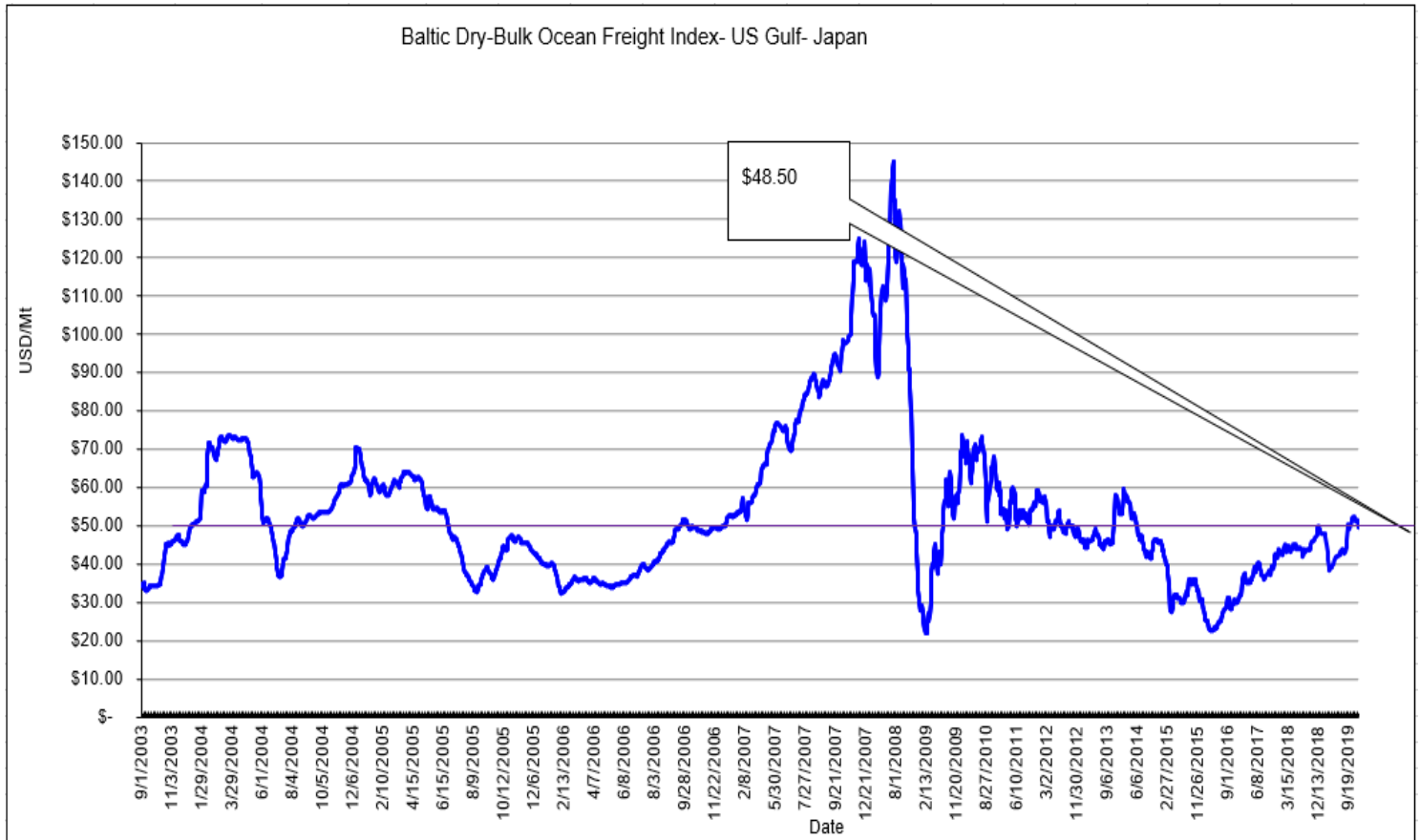


YTD Exports to Malaysia by Container

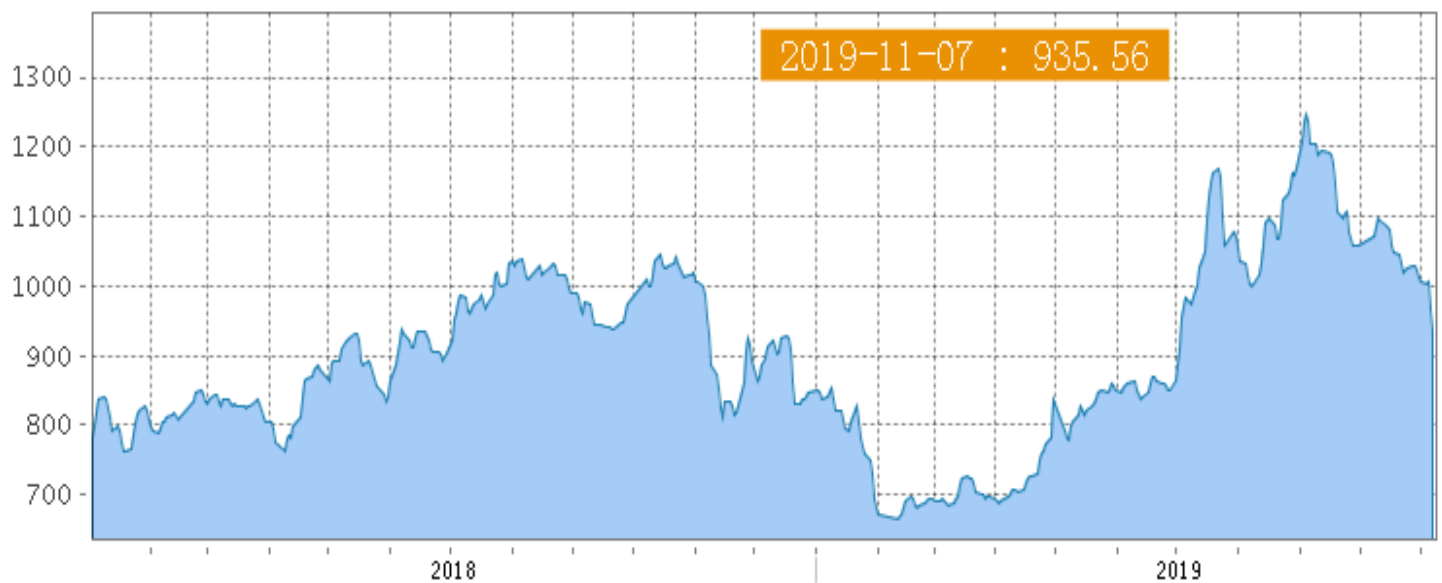


*Please keep in mind that USDA does not report DDGS sales

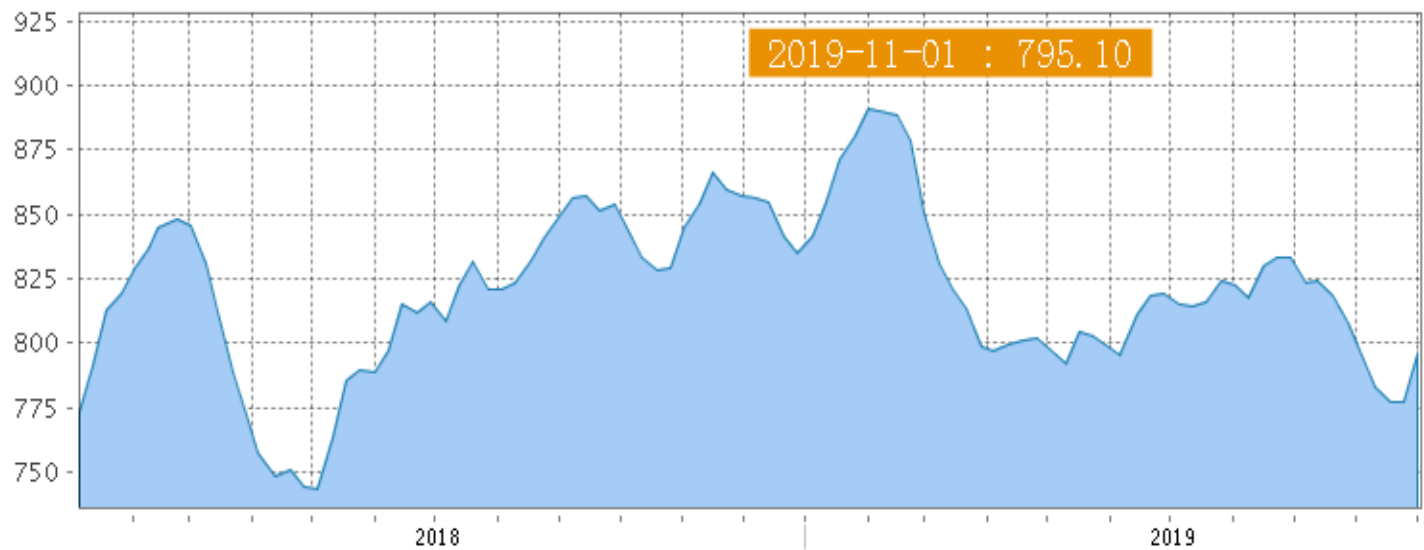
Shipping News



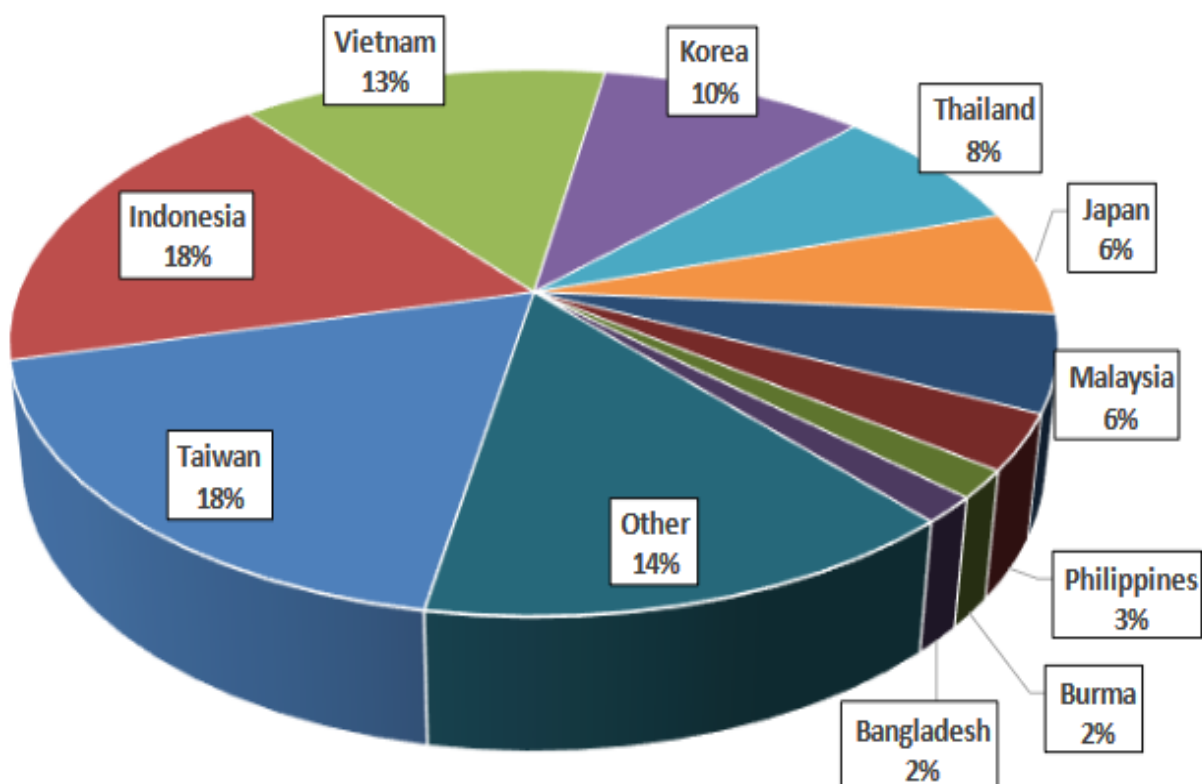
China Import Dry Bulk Freight Index



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 PERS 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)	355	\$18.82	0.48	0.51
Mid-Mississippi	Closed	\$ -	0.00	0.00
Lower Ohio	255	\$12.54	0.32	0.34
St. Louis	255	\$11.22	0.28	0.31

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	\$ 50.00	\$ 200.00	\$ 0.01	\$ 0.05	\$ 0.49	\$ 1.97
UPRR Shuttle Trains	\$ (150.00)	\$ (100.00)	\$ (0.04)	\$ (0.03)	\$ (1.48)	\$ (0.98)

Best Regards,

Jay

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