

## Transportation and Export Report for 8 November 2018

### Ocean Freight Insights and Comments:

Singapore, India, Malaysia and some other countries are celebrating Deepavali/Diwali this week and that took some of the players out of the market for the week. The Capesize index was the first to give way and helped drag everything else down with it as the week progressed. Dry-Bulk Ocean freight is still not an exciting market; but that is a good thing for charters and grain buyers as it means that rates are not moving up. The anticipated big 2018 market rally has been delayed as vessel owners continue to make the same tragic mistake of increasing vessel orders and slowing vessel scrapings. Everyone wants to get in on the next big move with added cargo capacity, but it simply cannot happen until we obtain a better balance between vessel capacity and cargo demand. Greed always spoils the fun.

### BALTIC DRY-BULK PANAMAX INDEX CHANGES

Panamax Ocean Freight Indices				
8-Nov-18	This Week	Last Week	Difference	Percent Change
P2A : Gulf/Atlantic - Japan	20037	20033	4	0.0%
P3A - PNW/Pacific - Japan	10539	11269	-730	-6.5%
S1C -USGULF-China-So.Japan	23908	24294	-386	-1.6%

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

Four weeks ago:	\$ 7.95-\$8.60
Three weeks ago:	\$ 8.70-\$9.00
Two weeks ago:	\$ 8.50-\$8.90
One week ago:	\$ 8.50-\$8.85
This week	\$7.50-\$8.50

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

Mississippi River:	(10 elevators)	3-11 days
Miss. River Mid-Stream loaders:	(6+ Rigs)	0-0 days
Texas Gulf	(6 elevators)	0-3 days
Pacific Northwest:	(9 elevators)	1-9 days

Panamax Market Spreads to Asia -China					
8-Nov-18	PNW	GULF	Bushel Spread	MT Spread	Advantage
CORN	0.96	0.55	0.41	\$16.14	PNW
SOYBEANS	0.40	0.30	0.10	\$3.67	PNW
OCEAN FREIGHT	\$26.25	\$48.00	.55 -.59	<b>\$21.75</b>	December

### Recent Reported Vessel Fixtures:

60,000 mt HSS Santos Brazil opt Paraguay and Itacoatiara to China Nov.20-30 at \$38.00 fio  
8,000shex/8,000shex - Olam

Route and Vessel Size	Current Week USD/MT	Change from previous week	Remarks
55,000 U.S. Gulf-Japan	\$48.50	Down \$0.50	Handymax \$49.25 mt
55,000 U.S. PNW- Japan	\$27.00	Down \$0.25	Handymax \$27.50 mt
66,000 U.S. Gulf – China PNW to China	\$47.75 \$26.25	Down \$0.50 Down \$0.25	North China
25,000 U.S. Gulf- Veracruz, México	\$18.00	Unchanged	3,000 MT daily discharge rate
35-40,000 U.S. Gulf- Veracruz, México	\$15.75	Unchanged	Deep draft and 6,000 MT per day discharge rate.
25/35,000 U.S. Gulf- <u>East Coast Colombia</u> From Argentina	\$21.25 \$34.50	Unchanged	<u>West Coast Colombia at \$29.50</u>
40-45,000 U.S. Gulf - Guatemala	\$30.00	Unchanged	Acajutla/Quetzal - 8,000 out
26-30,000 U.S. Gulf – Algeria	\$37.00 \$37.75	Unchanged	8,000 mt daily discharge 3,000 mt daily discharge
26-30,000 US Gulf-Morocco	\$39.00	Unchanged	5,000 discharge rate
55-60,000 U.S. Gulf –Egypt PNW to Egypt	\$35.00 \$34.50	Unchanged	55,000 -60,000 mt Russia Black Sea to Egypt \$18.00
60-70,000 U.S. Gulf – Europe – Rotterdam	\$20.50	Down \$0.75	Handymax at +\$1.75 more
Brazil, Santos – China Brazil, Santos – China Itacoatiara-Port Up River North Brazil	\$38.75 \$37.75 \$41.75	Down \$0.25	54-59,000 Supramax-Panamax 60-66,000 Post Panamax 60-66,000 mt
56-60,000 Argentina/Rosario- China Deep Draft	\$43.00	Down \$0.25	Up River with BB Top Off \$45.00

- 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)**

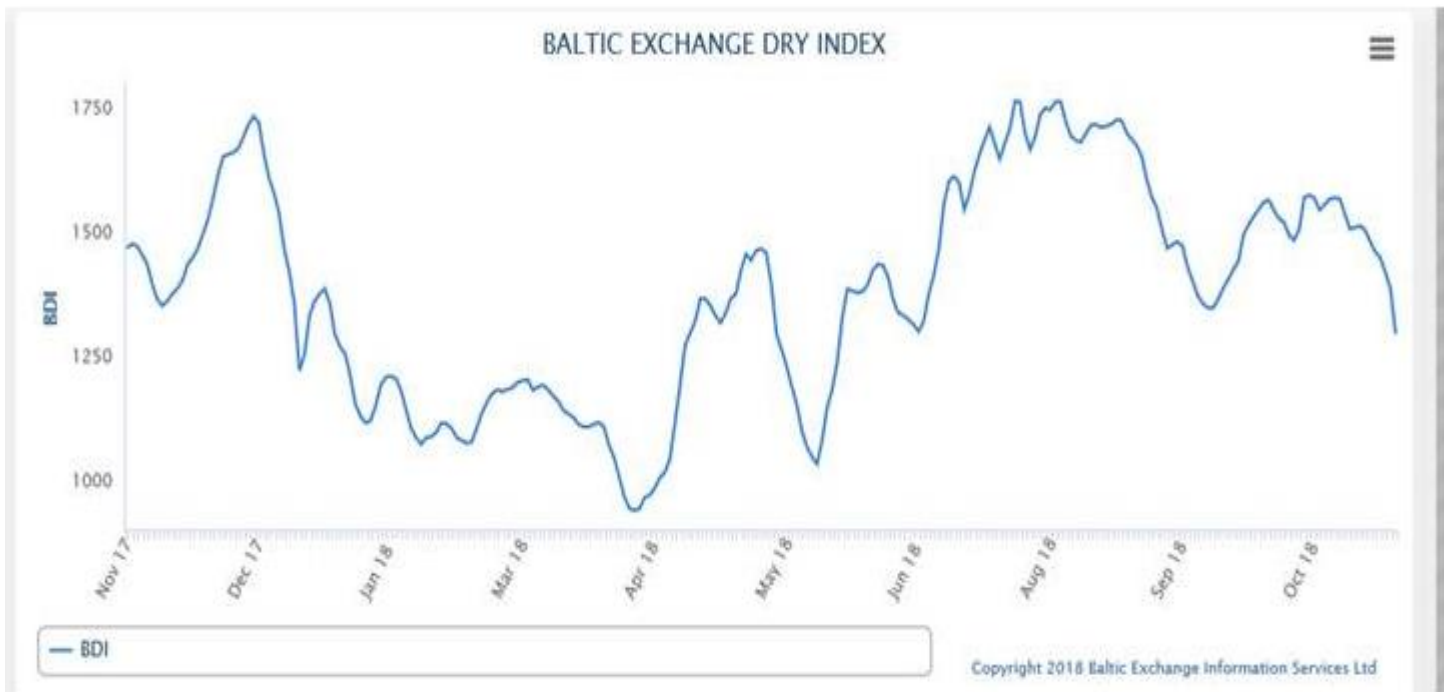
**Santos Brazil (via Cape of Good Hope) - 10,441 nautical miles (33 days)**

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

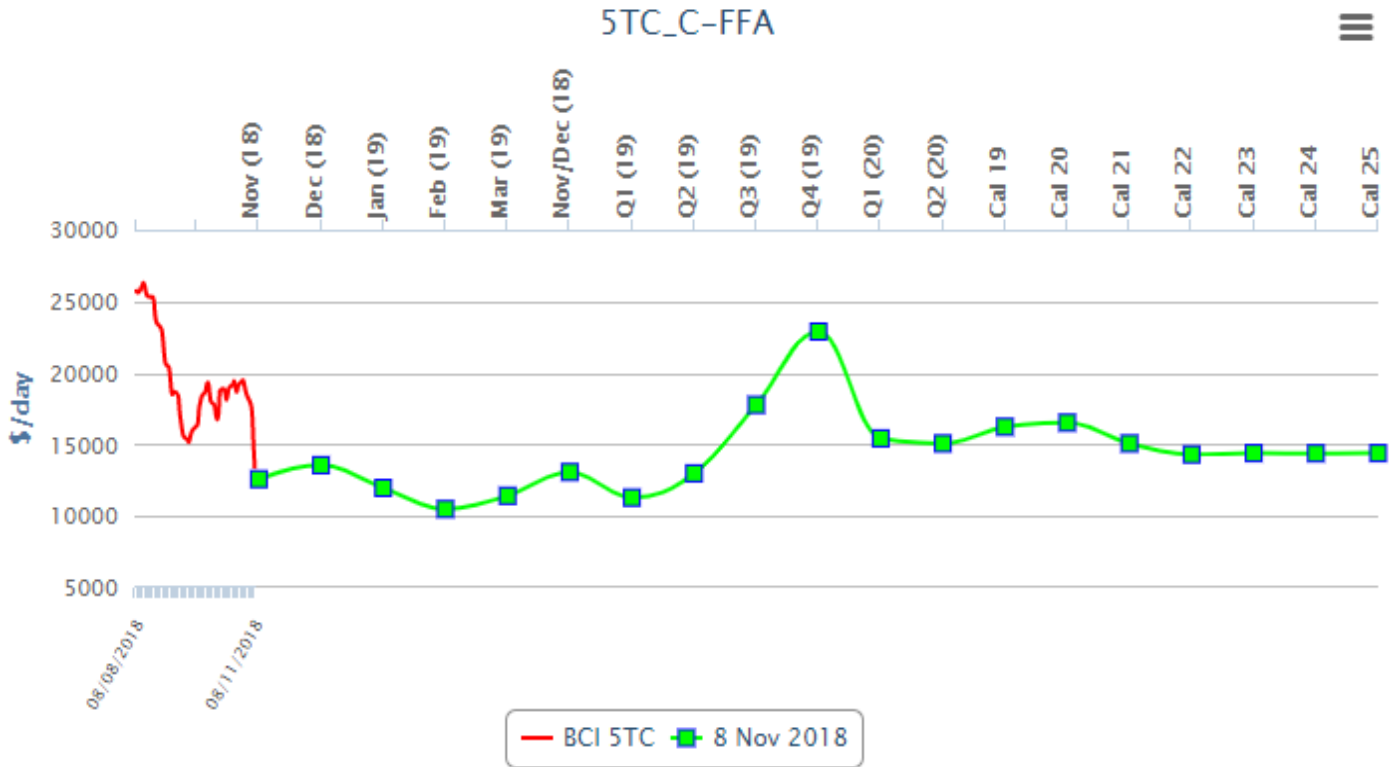
Baltic Dry-Bulk Ocean Freight Index- US Gulf- Japan



Baltic Dry Index.

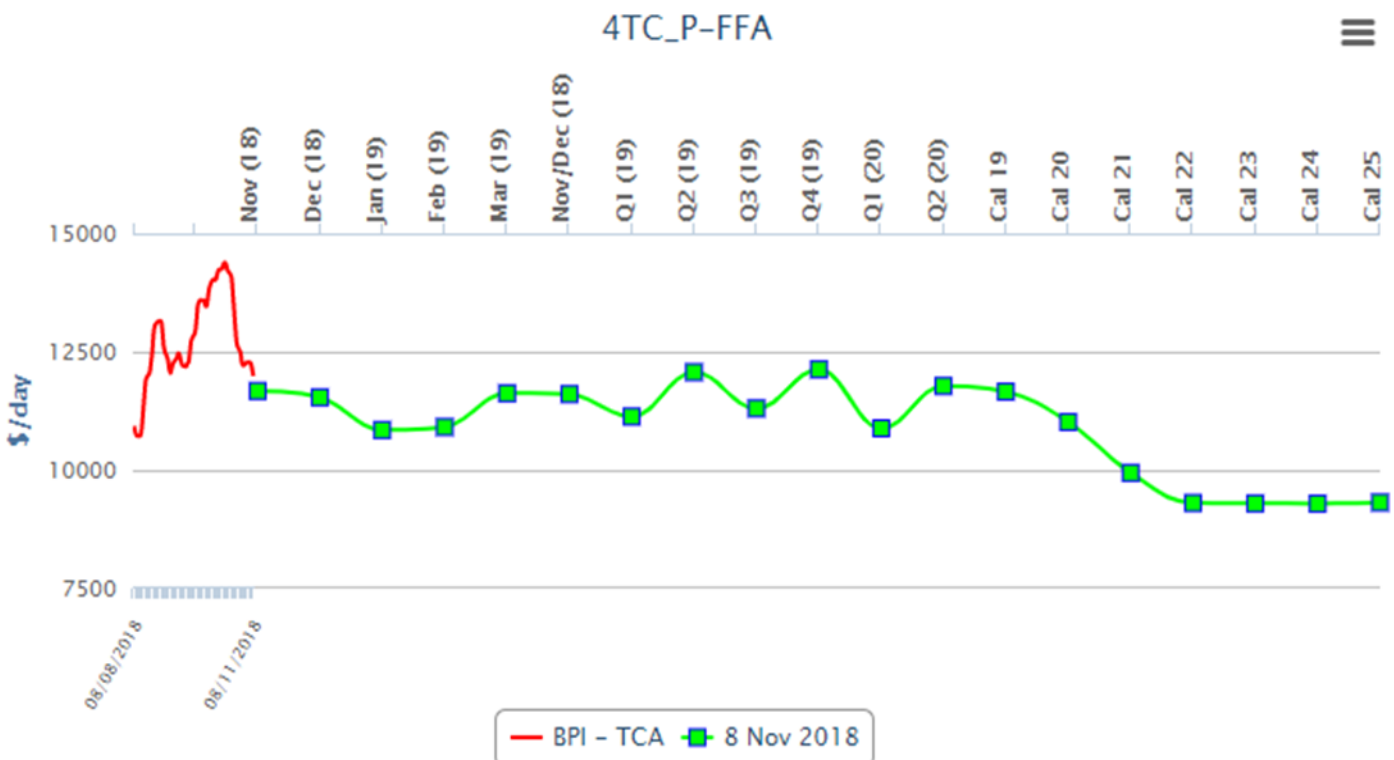


## Baltic Capesize Index



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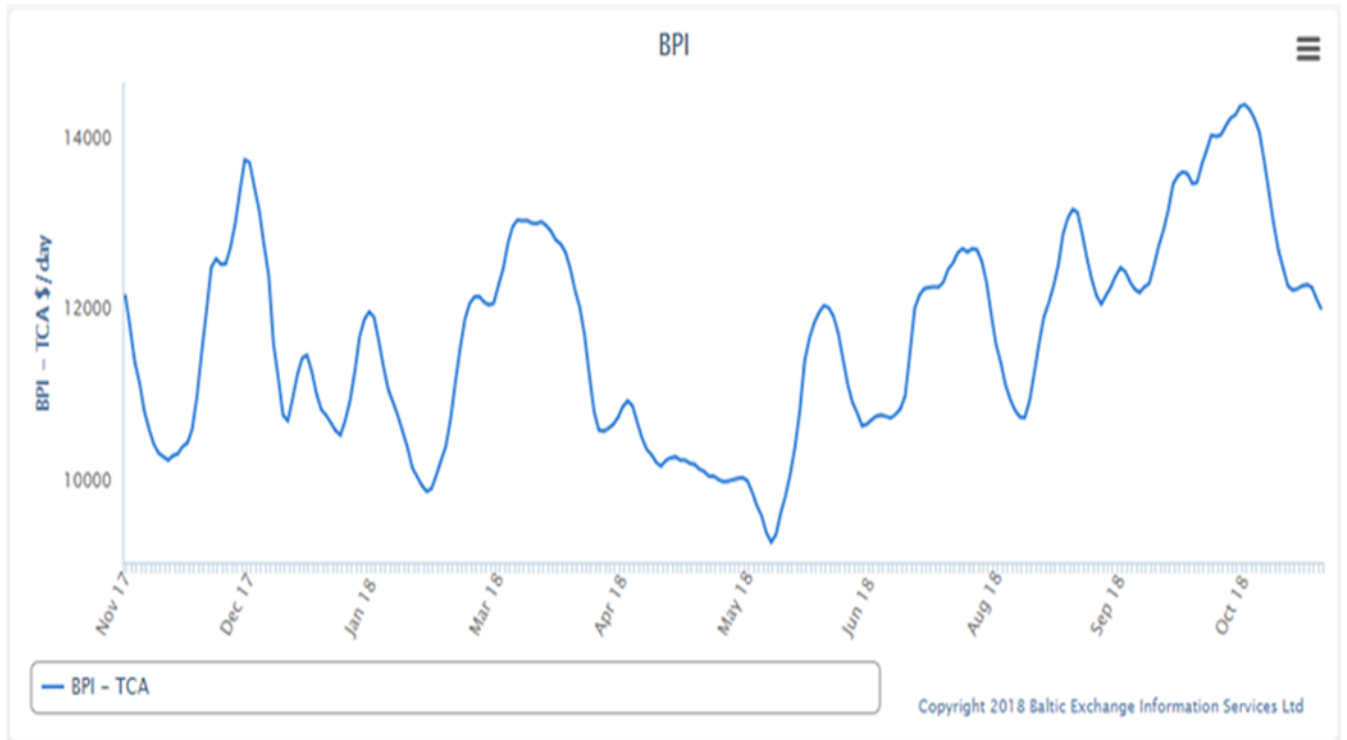
## Forward Curve for Baltic BPI Panamax Vessel Freight



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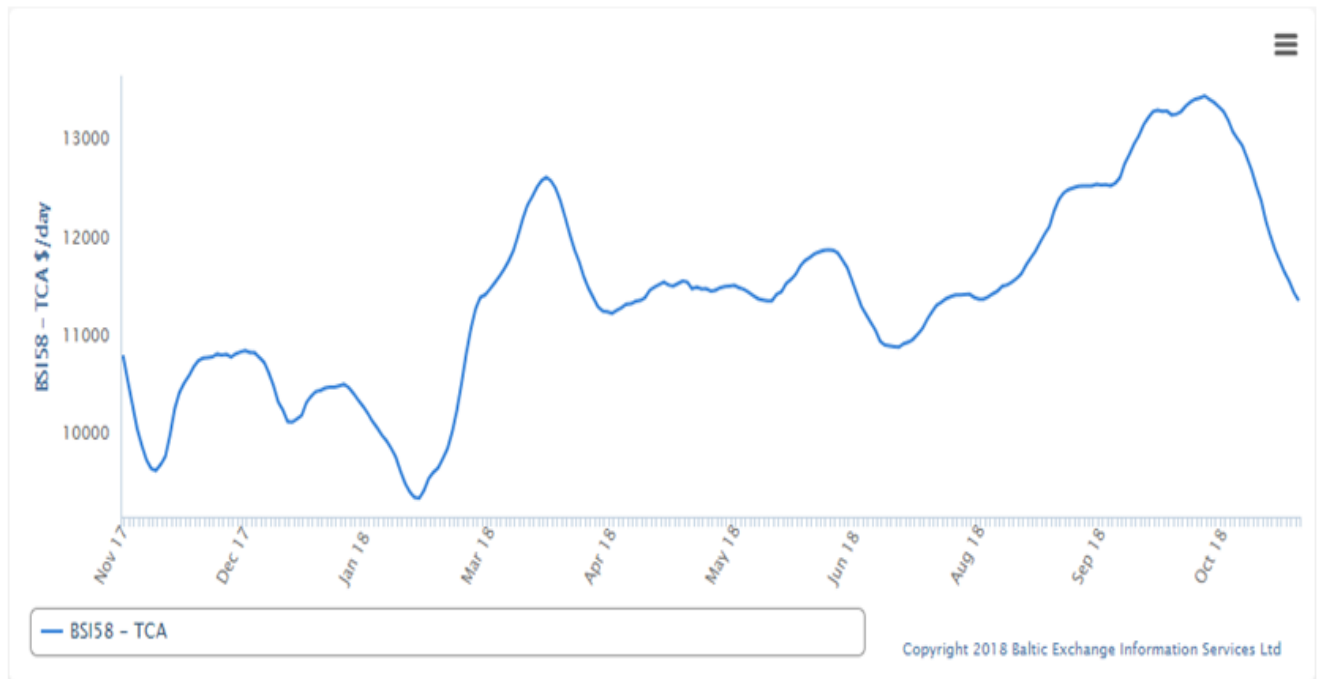
## Baltic Panamax Index

### Panamax

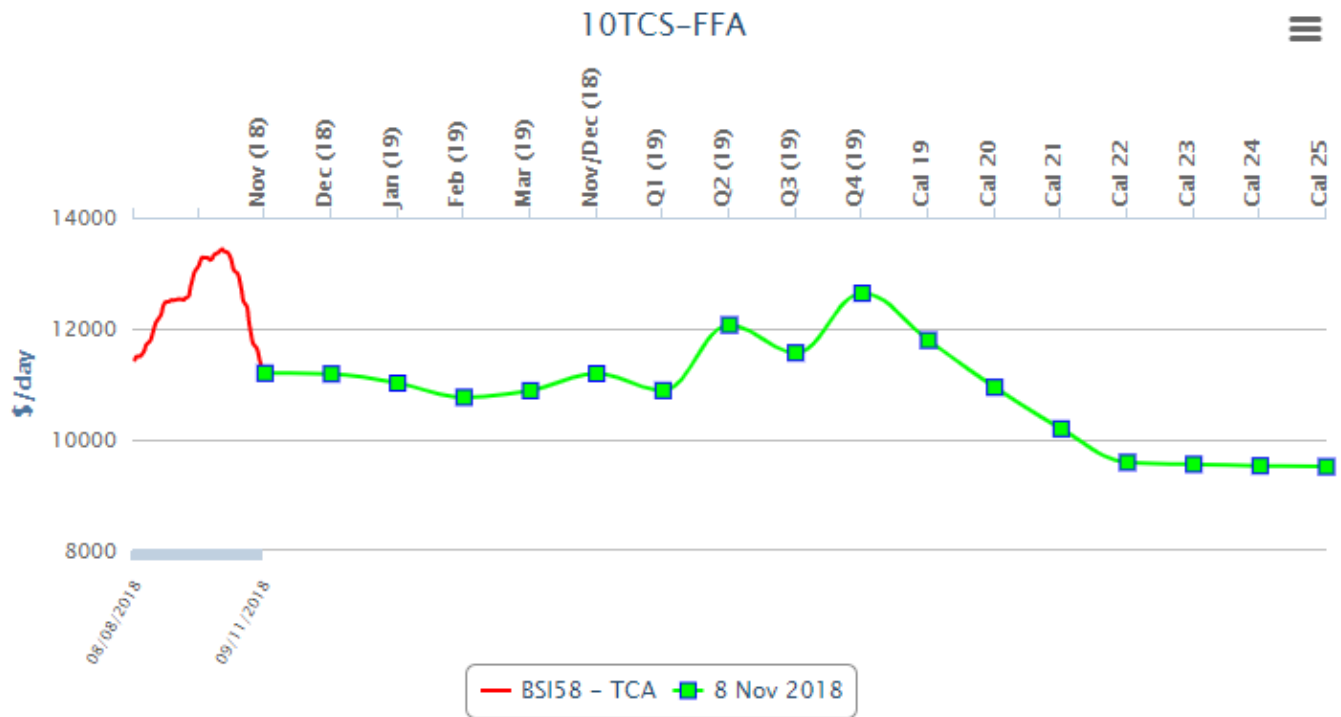


## Baltic Supramax Vessel Index

### Supramax

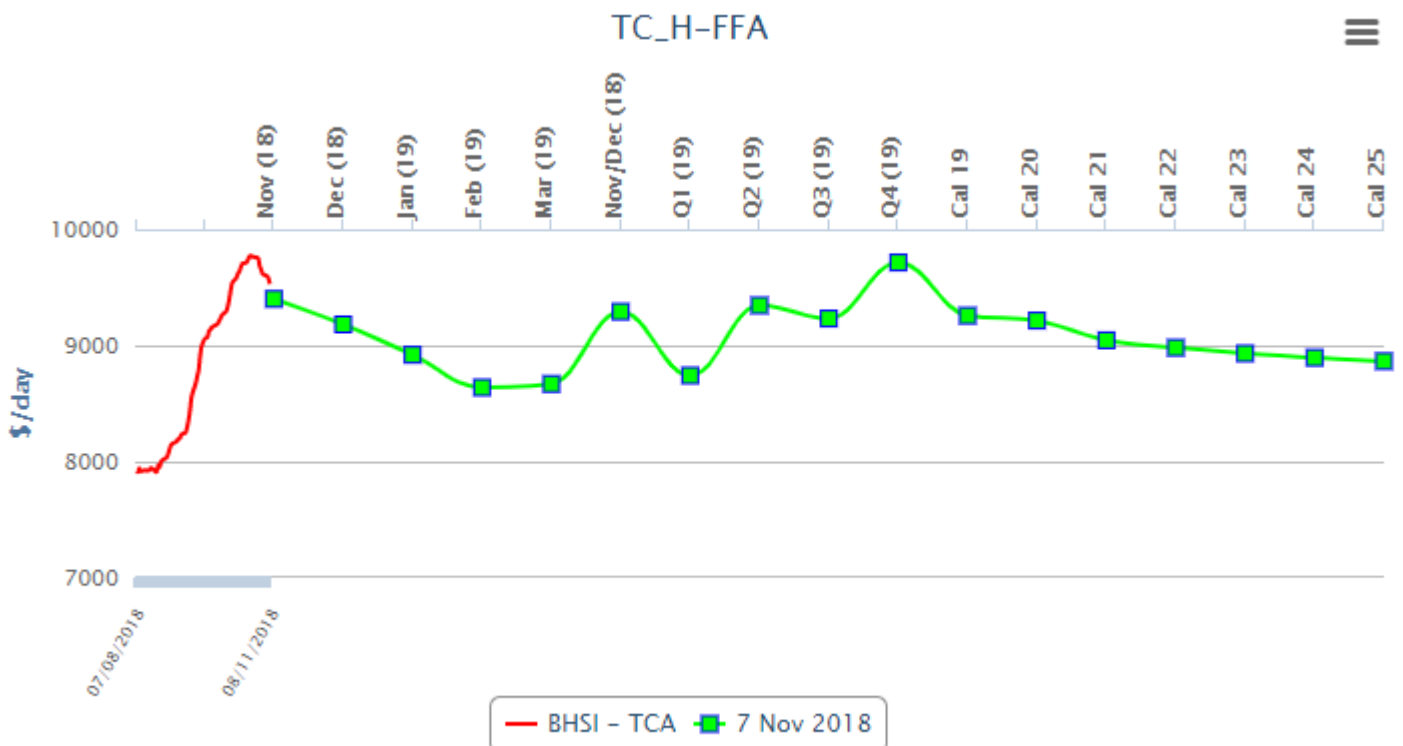


## Supramax Dry-Bulk Forward Curve



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## Baltic Handy Size



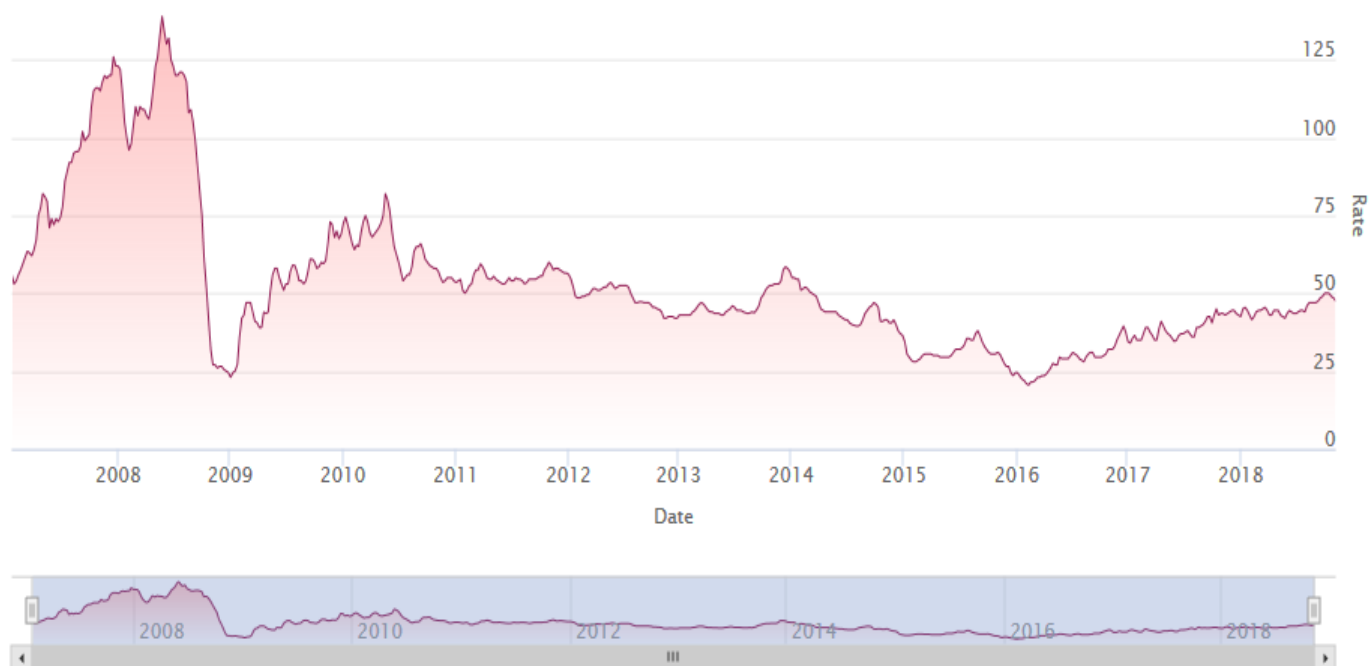
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# YAMAMIZU Index



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

From 2007-01-29 To 2018-11-07



China Import Dry Bulk Freight Index(CDFI)					
2018-11-08					
Route	Size MT	Cargo/Vessel Size	Unit	Rate	Change
Composite Index			Point	932.60	-21.10
Iron ore Freight Index			Point	893.01	-31.97
Soybean Freight Index			Point	1081.74	-7.84
Santos(Brazil)—North China	60000/10%	Soybean	\$/ton	37.245	-0.369
Tacoma(West America)—North China	60000/10%	Soybean	\$/ton	26.164	-0.193
Mississippi(US Gulf)—North China	66000/10%	Soybean	\$/ton	47.761	-0.160
Mississippi(US Gulf)—North China	55000/10%	Soybean	\$/ton	48.773	-0.208

**8 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>\$168.69</b>	0.96	<b>\$184.83</b>
<b>Jan.</b>	0.63	<b>\$172.53</b>	0.91	<b>\$187.49</b>
<b>Feb.</b>	0.59	<b>\$173.71</b>	0.93	<b>\$188.28</b>
<b>Mar.</b>	0.57	<b>\$174.10</b>	0.95	<b>\$189.06</b>
<b>Apr.</b>	0.54	<b>\$176.07</b>	0.90	<b>\$190.25</b>
<b>May</b>	0.57	<b>\$177.25</b>	0.93	<b>\$191.43</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>\$176.56</b>	0.60	<b>\$170.66</b>
<b>Jan.</b>	0.75	<b>\$181.19</b>	0.60	<b>\$175.29</b>
<b>Feb.</b>	0.75	<b>\$181.19</b>	0.65	<b>\$177.25</b>
<b>Mar.</b>	0.75	<b>\$181.19</b>	0.65	<b>\$177.25</b>
<b>Apr.</b>	0.80	<b>\$186.31</b>	0.65	<b>\$180.40</b>

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	\$221.47	\$222.21	\$223.31	\$224.04
Basis	0.95	0.85	0.88	0.90
WZ	5.0775			
WH	5.1975			
WK	5.3025			

<b>CME Futures Market Close</b>						
CORN	Futures	Thursday	Thursday	Last week	Last Week	Difference
Month	Symbol	Close	Close	Bushel	MT.	Bushel
Dec.	CZ	\$3.7350	\$147.04	\$ 3.6675	\$144.38	\$0.0675
Mar.	CH	\$3.8525	\$151.66	\$ 3.7875	\$149.11	\$0.0650
May.	CK	\$3.9325	\$154.81	\$ 3.8675	\$152.26	\$0.0650
July	CN	\$3.9925	\$157.18	\$ 3.9275	\$154.62	\$0.0650
Sept.	CU	\$4.0100	\$157.87	\$ 3.9400	\$155.11	\$0.0700



## CBOT December 2018 (CZ8) Corn Futures Chart –



## CME/CBOT December. 2018 (WZ8) 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>	0.30	<b>\$334.00</b>	0.40	<b>\$337.67</b>
<b>Jan.</b>	0.33	<b>\$335.10</b>	0.45	<b>\$339.51</b>
<b>Feb.</b>	0.28	<b>\$338.04</b>	0.45	<b>\$344.29</b>
<b>Mar.</b>	0.30	<b>\$338.77</b>	0.50	<b>\$346.12</b>
<b>Apr.</b>	0.25	<b>\$341.80</b>	0.50	<b>\$350.99</b>

### Soybean Futures

<b>Nov.</b>	\$ 8.6750
<b>Jan.</b>	\$ 8.7900
<b>Mar.</b>	\$ 8.9200
<b>May</b>	\$ 9.0525
<b>July</b>	\$ 9.1825
<b>Aug.</b>	\$ 9.2325

<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>	7.00	<b>\$ 345.19</b>
<b>Jan.</b>	10.00	<b>\$ 350.60</b>
<b>Feb.</b>	10.00	<b>\$ 353.57</b>
<b>Mar.</b>	10.00	<b>\$ 353.57</b>
<b>Apr.</b>	10.00	<b>\$ 356.55</b>

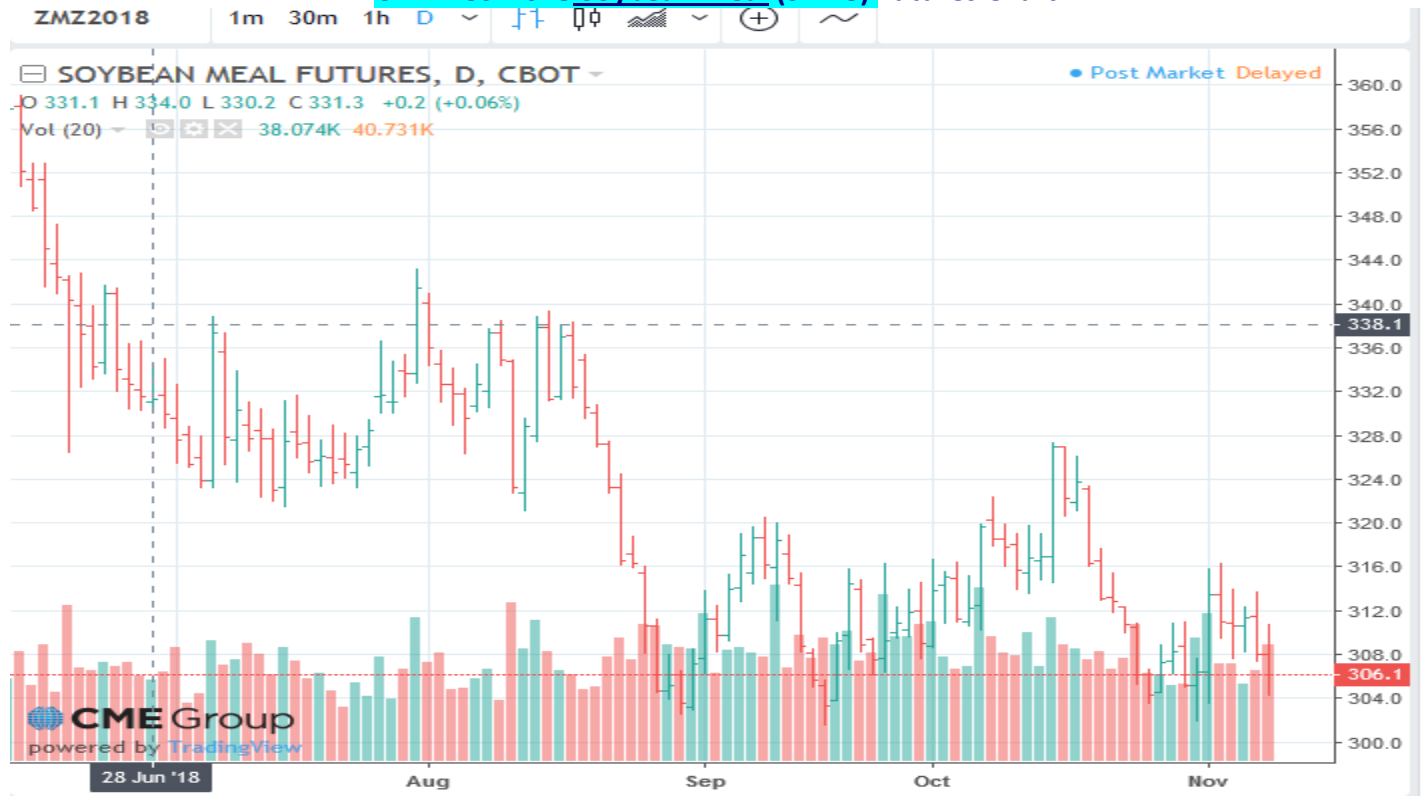
### SBM Futures

<b>SMZ</b>	306.10
<b>SMF</b>	308.00
<b>SMH</b>	310.70
<b>SMK</b>	313.40
<b>SMN</b>	316.00
<b>SMQ</b>	317.20

### 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 25 October 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	612.5	21,832.1	62,870	35%	104.1
Sorghum	12.1	224.6	3,810	6%	0.0
Soybeans	477.0	21,450.7	56,070	38%	153.1
Wheat	592.0	13,103.6	27,900	47%	6.0
Barley	0.0	55.8	110	51%	0.0

**U.S. EXPORT INSPECTIONS:**

Monday's report 05 November 2018 for the Export week ending 01 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	1,254,057	698,619	9,898,827	5,552,575	178%
Sorghum	22,797	3,833	159,744	499,898	32%
Soybeans	1,229,042	1,329,705	8,578,243	14,869,106	58%
Wheat	327,192	393,939	8,941,815	11,447,963	78%
Barley	220	686	4,992	16,006	31%

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

**U.S. EXPORT INSPECTIONS:**

Monday's report 05 November 2018 for the Export week ending 01 November 2018

<b>Last Week</b>							
(Metric Tons)	<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%	77,112 6%
Atlantic	7,140	1%	0	0%	0	0%	4,260 0%
Gulf	666,451	54%	12,894	100%	17,424	76%	871,926 71%
PNW	390,092	31%	0	0%	0	0%	129,060 11%
Interior Export Rail	177,456	14%	24	0%	5,373	24%	146,684 12%
Metric Tons	1,241,139		12,918		22,797		1,229,042

Sorghum Shipments:	metric tons	
	17,424	Japan
	245	Haiti
	49	Korea Rep
	5,079	Mexico
	22,797	Total

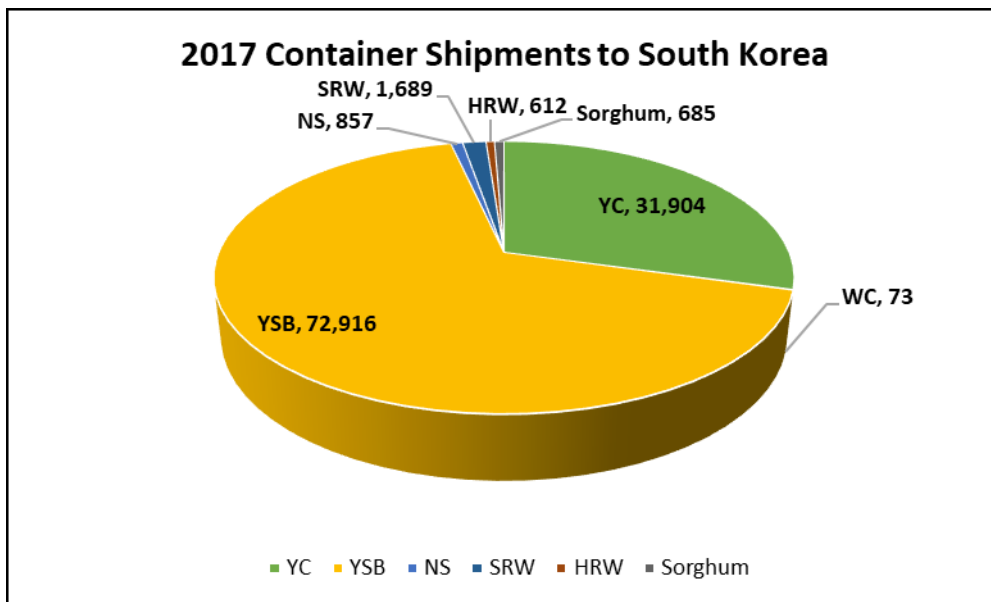
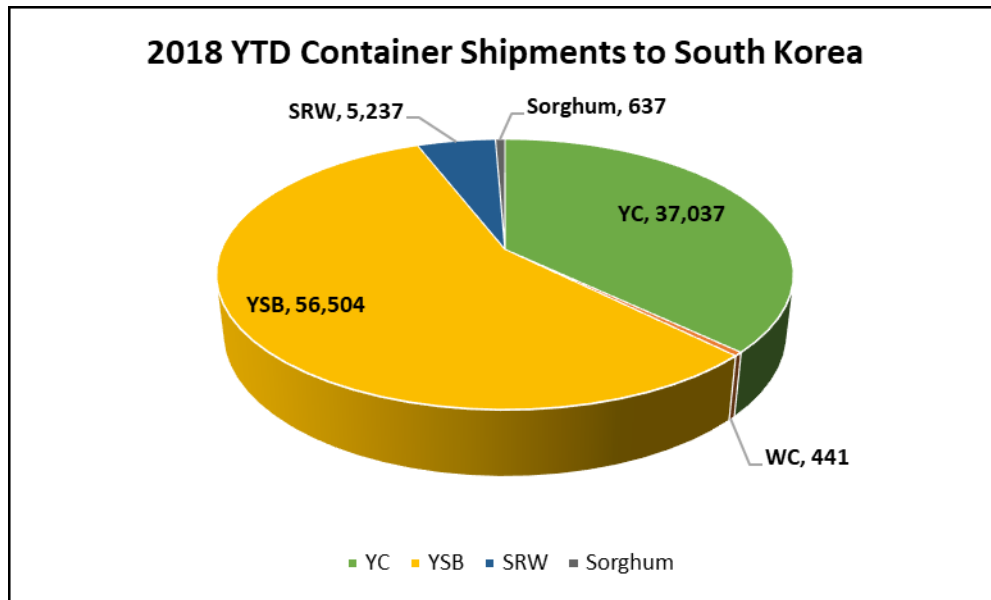
White Corn	metric tons	
Shipments:	6,850	Colombia
	6,044	Costa Rica
	24	Ireland
	12,918	Total

## 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:		1-Nov-2018							
Last Week	metric tons								MT
	YC	WC	YSB	SRW	NS	SWH	HRW	Sorghum	TOTAL
China Main									0
China T	17,702		14,130						31,832
Hong Kong	245								245
Costa Rica									0
Indonesia			26,346						26,346
Nepal			1,028						1,028
Japan			539						539
Korea Republic	857		3,525					49	4,431
Haiti								245	245
Malaysia	905		10,452						11,357
Burma									0
Philippines			1,787						1,787
Thailand			11,167						11,167
Ireland		24							24
Bangladesh			122						122
Vietnam			9,031						9,031
Sub total	19,709	24	78,127	0	0	0	0	294	88,977
USDA Corrections/Additions to previous reports:									
China T			4,260						4,260
China Main									0
Hong Kong									0
Korea Rep.									0
Costa Rica									0
Japan									0
Philippines									0
Indonesia			4,654						4,654
Malaysia			343						343
Thailand			3,233						3,233
Vietnam			245						245
Canada									0
Bangladesh									0
Sub total	0	0	12,735	0	0	0	0	0	12,735
<b>Mt. Grand Total</b>	<b>19,709</b>	<b>24</b>	<b>90,862</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>294</b>	<b>101,712</b>
Number of containers	857	1	3,951	0	0	0	0	13	

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



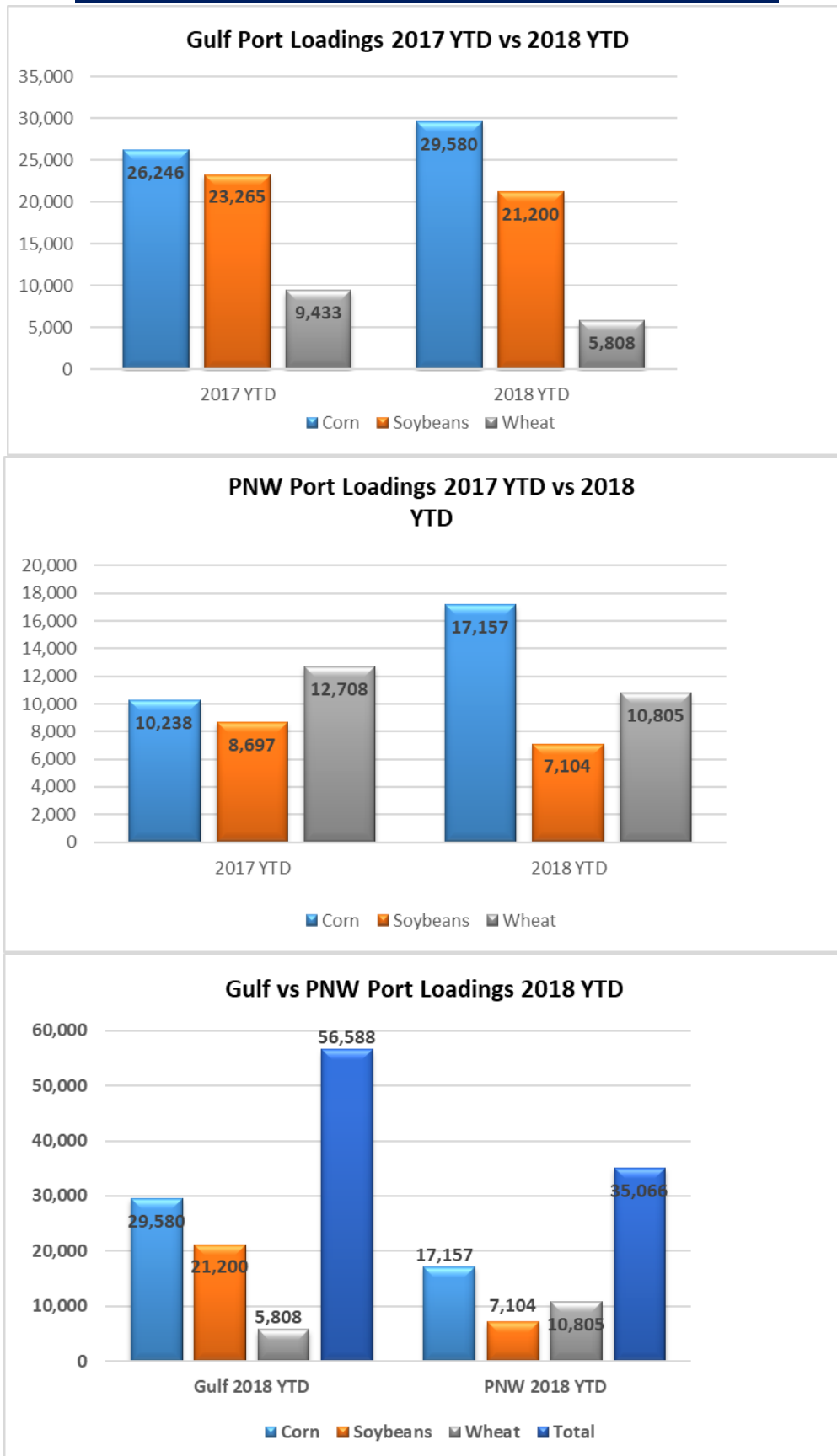
Grain Inspections for Export by U.S. Port Regions:  
U.S. Gulf and Pacific Northwest 2017 YTD vs. 2018 YTD

PORT LOADINGS US Gulf				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
<b>GULF</b>				
2017 YTD	26,246	23,265	9,433	58,944
2018 YTD	29,580	21,200	5,808	56,588
2018 as % of 2017	113%	91%	62%	96%

PORT LOADINGS US PNW				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
<b>PNW</b>				
2017 YTD	10,238	8,697	12,708	31,643
2018 YTD	17,157	7,104	10,805	35,066
2018 as % of 2017	168%	82%	85%	111%

PORT LOADINGS GULF vs. PNW				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
2018 Gulf YTD	29,580	21,200	5,808	56,588
2018 PNW YTD	17,157	7,104	10,805	35,066
TOTAL	46,737	28,304	16,613	91,654
Gulf Percentage	63%	75%	35%	62%
PNW Percentage	37%	25%	65%	38%

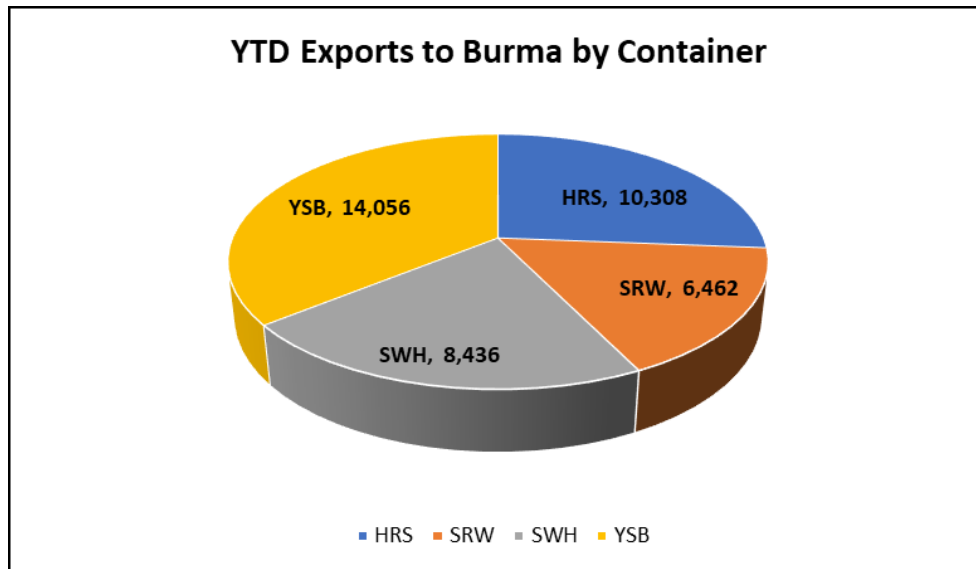
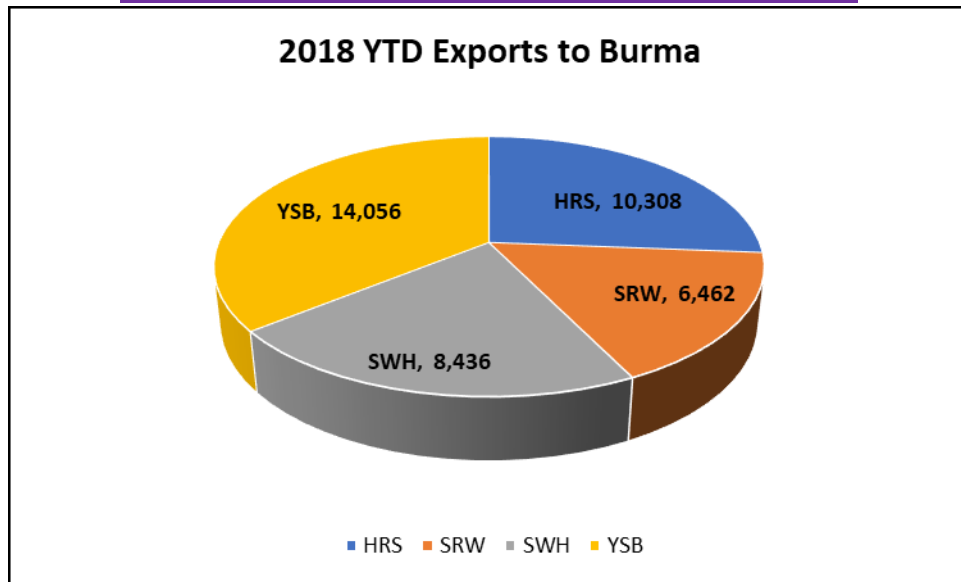
Grain Inspections for Export by U.S. Port Regions (1,000MT):  
U.S. Gulf and Pacific Northwest 2017 YTD vs. 2018 YTD



Source: USDA-data



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



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

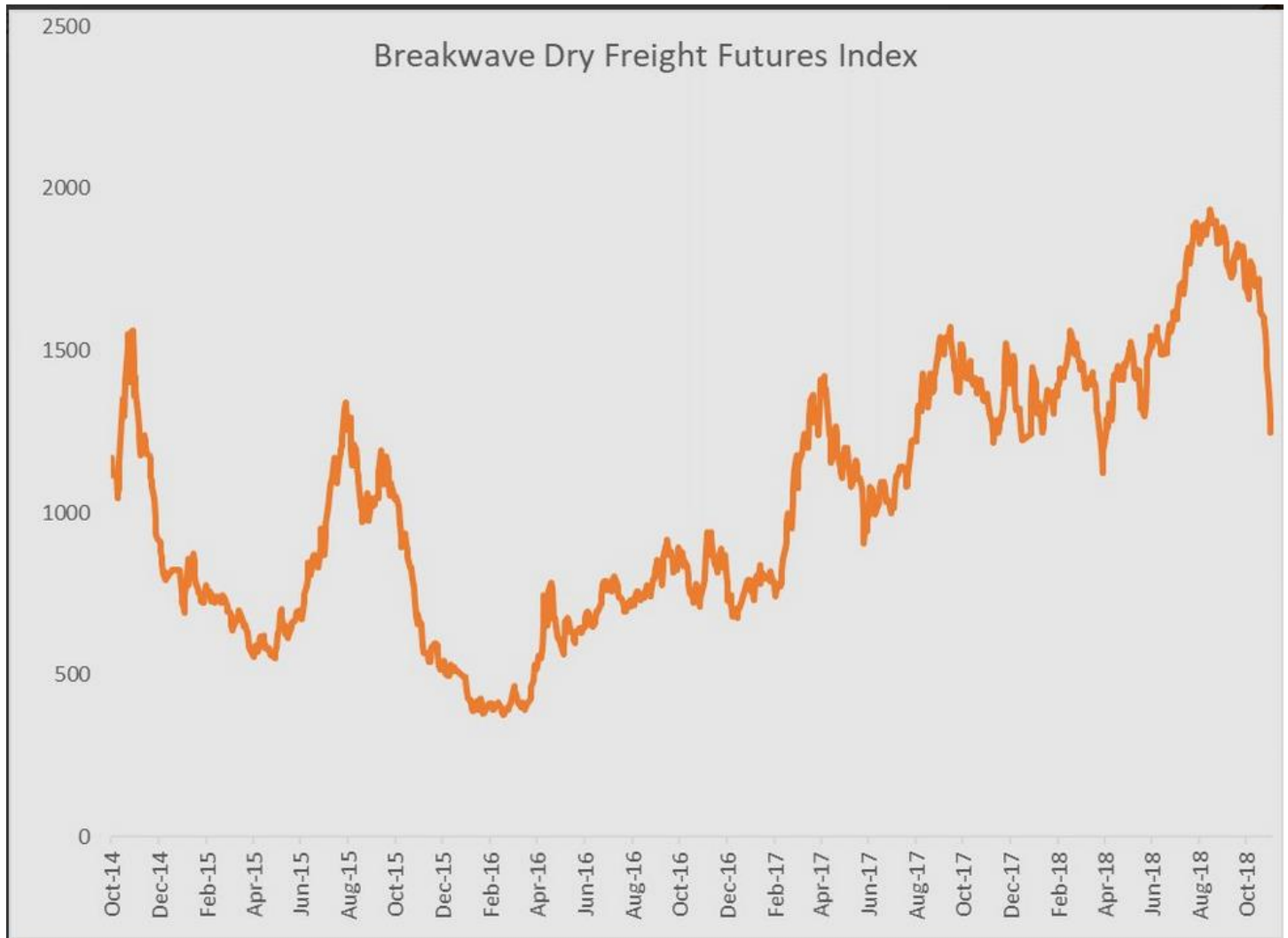
Source: USDA

## Shipping News

From Thompson-Reuters-

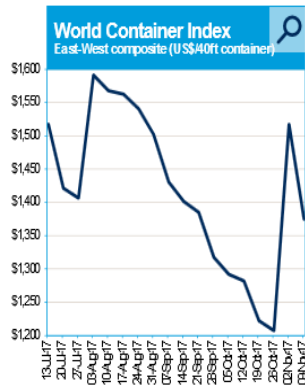
### **China's iron ore imports hit 4-month low in Oct ahead of winter curbs**

China's imports of steelmaking ingredient iron ore fell to a four-month low in October, customs data showed on Thursday, reflecting slower shipments from major suppliers even as Chinese demand remained strong ahead of winter production curbs. China brought in 88.4 million tonnes of iron ore last month, data from the General Administration of Customs showed, the lowest since June and 5.4 percent below September's 93.47 million tonnes.



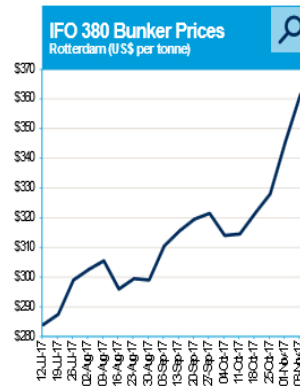
### World Container Index

East-West composite (US\$/fev)



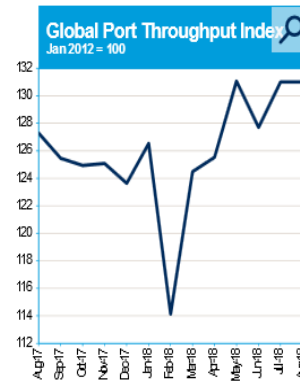
### IFO 380 Bunker Prices

Rotterdam (USD\$ per tonne)



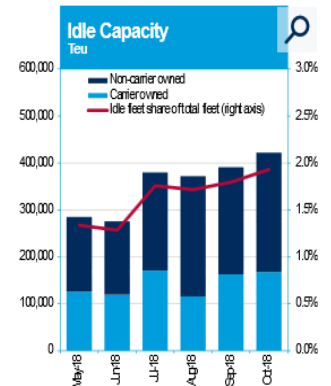
### Global Port Throughput

Jan 2008 = 100

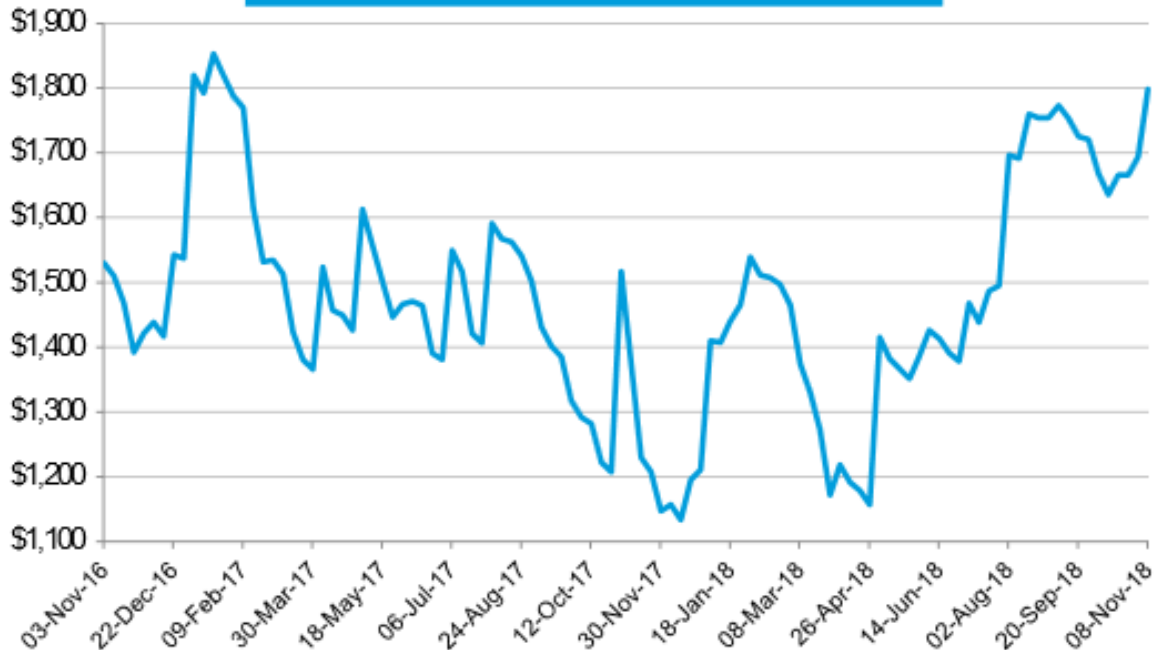


### Idle Capacity

(teu)



### World Container Index - Assessed by Drewry \$/40ft container



World Container Index assessed by Drewry

## 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)	365	\$19.35	0.49	0.53
Mid-Mississippi	Closed	\$ -	0.00	0.00
Lower Ohio	290	\$14.26	0.36	0.39
St. Louis	270	\$11.88	0.30	0.32

### 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	\$ (300.00)	\$ (175.00)	\$ (0.08)	\$ (0.04)	\$ (2.95)	\$ (1.72)
UPRR Shuttle Trains	\$ (300.00)	\$ (175.00)	\$ (0.08)	\$ (0.04)	\$ (2.95)	\$ (1.72)

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

Best Regards,

Jay

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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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