

Transportation and Export Report for 1 December 2022

Dry bulk markets remain volatile, but, for all the same reasons, the overall direction continues to be down. And vessel owners are still asking when we will hit bottom. We are currently moving through the seasonal holiday doldrums, and it will not be long before the Lunar New Year celebrations arrive on January 22. I expect to see some charterers covering position before they depart for the holidays. Panamax daily hire rates for December are down to \$12,800/day with Q1 2023 trading at \$11,400/day. The low water situation on the Mississippi River improved last week but is now a continuing concern as water levels are expected to drop going into the next two weeks. It appears that a U.S. railroad strike has been averted. The House of Representatives passed a bill to force both sides to accept an agreement. Later today the Senate is scheduled to vote on the legislation. The ILWU union container report contract negotiations are continuing without resolution and talks are expected to go into early 2023.

BALTIC DRY-BULK PANAMAX INDEX CHANGES

Panamax Ocean Freight Indices					
1-Dec-2022		This Week	Last Week	Difference	Percent Change
P2A: Gulf/Atlantic - HK-Korea	Index	23232	22,436	796	3.5%
P3A: PNW/Pacific - RV Korea-Taiwan	Index	11348	13,417	-2,069	-15.4%
S1C: US GULF-China-So.Japan	Index	23671	26200	-2,529	-9.7%
P7: Trial- Miss. River - Qingdao	per ton	55.61	55.97	-0.36	-0.6%
P8: Trial- Santos - Qingdao	per ton	43.13	44.71	-1.58	-3.5%

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

Four weeks ago: \$9.10-\$8.80
 Three weeks ago: \$8.40-\$8.80
 Two weeks ago: \$8.50-\$9.10
 One week ago: \$8.50-\$8.30
 This week: \$9.10- \$8.50

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

Mississippi River: (9 elevators) 2-8 days
 Mid-Stream loaders: (6+ Rigs) 1-2 days
 Texas Gulf (6 elevators) 0-11 days (4. facilities at zero days)
 Pacific Northwest: (9 elevators) 2-9 days

Panamax Market Spreads to Asia -China					
1-Dec-2022	GULF	PNW	Bushel Spread	Tonne Spread	Advantage
CORN	1.38	1.90	0.52	\$20.47	PNW
SOYBEANS	1.55	2.30	0.75	\$27.56	GULF
OCEAN FREIGHT	\$56.00	\$32.00	.61-.65	\$24.00	January

Current Grain Vessel Market Indications:

**** Rates are estimates for the nearby-30-day period. 60-90 days forward physical rates will usually be higher.**

Soybean Panamax USG to Spain is running \$40.00 - \$41.00/mt.

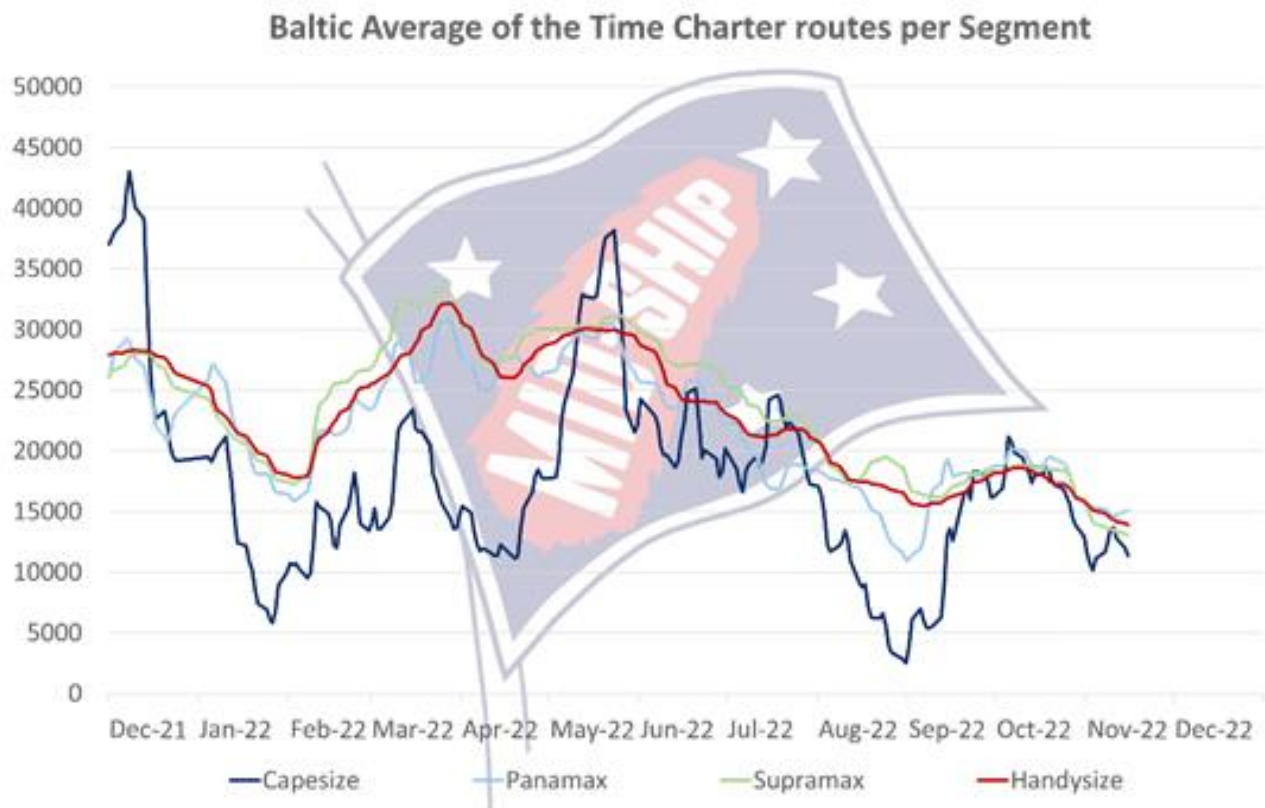
Soybean Brazil to Spain about \$43.00 - \$44.00/mt.

Route and Vessel Size	Current Week USD/MT	Change from previous week	Remarks
55,000 U.S. Gulf-Japan	\$57.00	Down \$1.00	Handymax \$57.50 mt
55,000 U.S. PNW- Japan	\$32.25	Down \$1.00	Handymax at \$32.50 mt
65,000 U.S. Gulf – China	\$56.00	Down \$1.00	North or South China
PNW to China	\$32.00	Down \$1.00	
25,000 U.S. Gulf- Veracruz, México	\$23.50	Down \$0.25	3,000 MT daily discharge rate
35-40,000 U.S. Gulf- Veracruz, México	\$19.75	Down \$0.25	Deep draft and 6,000 MT per day discharge rate.
30-38,000 U.S. Gulf- Colombia	\$32.00	Down \$0.25	<u>West Coast Colombia at \$36.50</u>
50,000 USG- E/C Colombia	\$29.75		
<u>East Coast Colombia</u> From Argentina	\$39.00		
40-45,000 U.S. Gulf - Guatemala	\$39.00	Down \$0.50	Acajutla/Quetzal - 8,000 out
30,000 US Gulf-Morocco	\$50.00	Down \$1.50	5,000 discharge rate
55-60,000 U.S. Gulf –Egypt	\$48.00	Down \$1.50	55,000-60,000 mt Egypt
PNW to Egypt	\$49.00		Romania - Russia- Ukraine \$18.50 - \$27.00 - \$37.00 - France \$29.00, Bulgaria \$19.00
58-74,000 U.S. Gulf – Europe – Rotterdam	\$28.50	Up \$0.50	Handymax at +\$2.50 more
Brazil, Santos –China	\$45.75	Down \$3.25	54-59,000 Supramax-Panamax
Brazil, Santos –China	\$43.50		60-66,000 Post Panamax
Up-River Port North Brazil	\$49.25		55-60,000 mt
56-60,000 Argentina-China	\$48.50	Down \$3.25	Up-River with Top Off Plus \$3.85-\$4.75
Deep draft			

The Baltic Dry Bulk Freight Index



The Baltic Dry Bulk Freight Index- Cape-Panamax-Supra and Handy

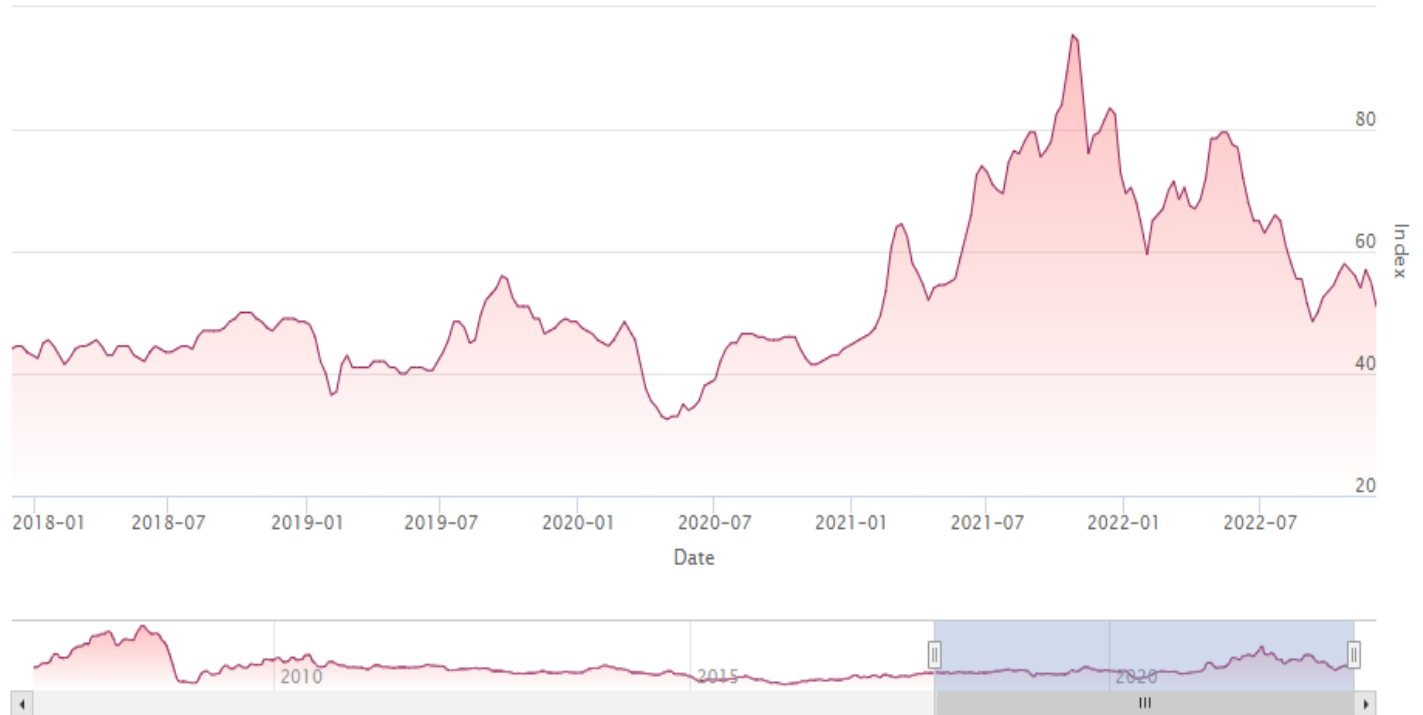


YAMAMIZU Index



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

From 2017-11-30 To 2022-11-30



China Import Dry Bulk Freight Index					
2022-12-01					
Description	Volume	Cargo	Unit	Rate	Change
Composite Index			Point	1063.37	3.62
Iron ore Freight Index			Point	975.58	3.9
Dampier(West Australia)-Qingdao (China)	170000/10%	Iron ore	\$/ton	8.482	-0.051
Soybean Freight Index			Point	1273.86	3.49
Santos(Brazil)— North China	66000/10%	Soybean	\$/ton	43.25	0.1
Tacoma(West America)—North China	63000/10%	Soybean	\$/ton	31.86	0.08
Mississippi(US Gulf)—North China	66000/10%	Soybean	\$/ton	56.2	0.19

1 December 2022 U.S. FOB Vessel Export Market Values:

U.S. Yellow Corn (USD/MT) FOB Vessel					CORN	FUTURES
#2 YC	GULF # 2 YC		PNW # 3 YC		H =	6.6050
Max. 14.5% moisture	BASIS	FLAT PRICE	BASIS	FLAT PRICE	K =	6.5925
Jan.	1.38	\$314.35	1.90	\$334.82	N=	6.5400
Feb.	1.28	\$310.42	1.88	\$333.54	U =	6.1500
Mar.	1.23	\$308.45	1.85	\$332.36	Z=	6.0125
Apr.	1.15	\$304.81	1.80	\$330.39	H =	6.0850
May	1.05	\$298.80	1.70	\$324.39		
June	1.05	\$298.80	1.70	\$324.39		

The Gulf spread between #2 YC & #3 YC is currently about .03 cents per bushel (1.10/mt) at USG but is out to .06/bushel in the PNW.

SORGHUM (USD/MT) FOB VESSEL		
#2 YGS Fob Vessel	TEXAS Gulf	
Max. 14.0% moisture	BASIS	FLAT PRICE
Jan.	2.65	\$364.35
Feb.	2.65	\$364.35
Mar.	2.65	\$364.35
Apr.	2.60	\$361.89
May	2.60	\$361.89

Fob vessel Texas Gulf #2 Sorghum is about 110 % 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	
	Jan.	Feb.	Mar.	Apr.
FOB U.S. GULF	\$348.33	\$344.65	\$339.14	\$341.80
Basis	1.65	1.55	1.40	1.35
WH	7.8300			.
WK	7.9525			
WN	8.0050			

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
Jan.	1.55	\$582.29	2.30	\$609.85
Feb.	1.40	\$579.35	2.23	\$609.85
Mar.	1.35	\$577.51	2.20	\$608.75
Apr.	1.40	\$582.20	2.18	\$610.86
May	1.45	\$584.04	2.20	\$611.59
Soybean Futures				
Jan.	\$ 14.2975			
Mar.	\$ 14.3675			
May	\$ 14.4450			
July	\$ 14.4850			
Aug.	\$ 14.3050			
Sept.	\$ 13.9025			

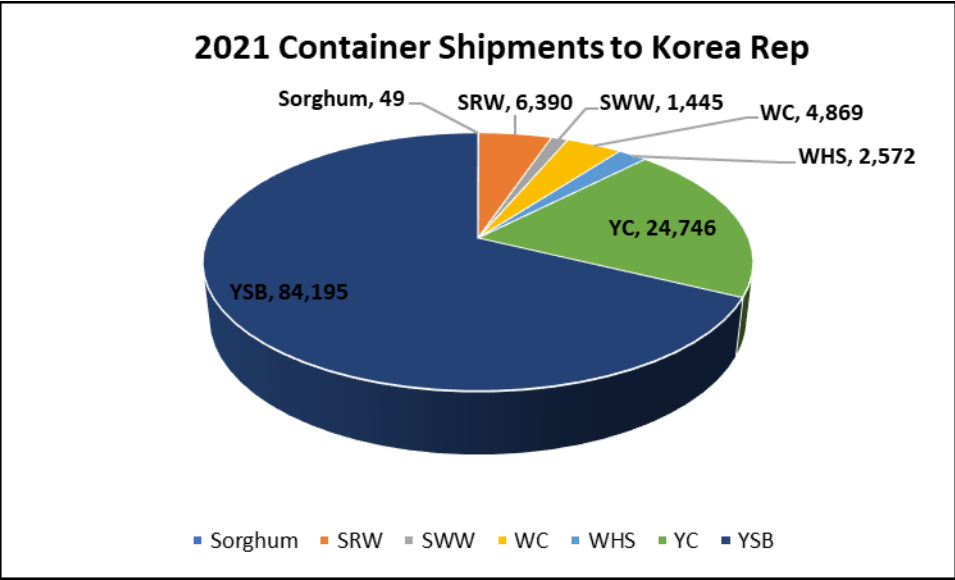
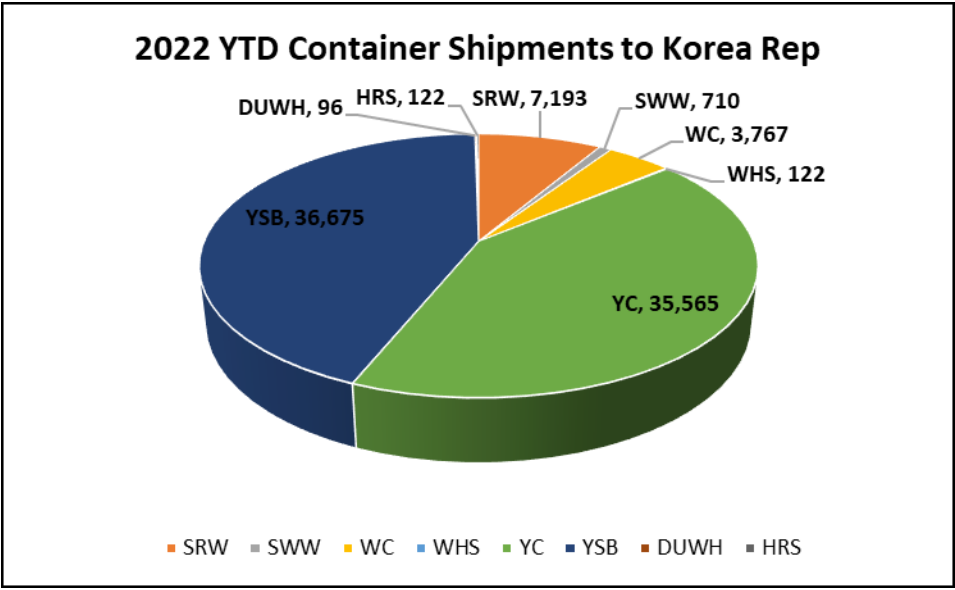
U.S. Soybean and SBM Markets Fob Vessel:

U.S. SBM (USD/MT) FOB Vessel		
Fob U.S. Gulf Port	47.5 Pro. SBM	
max 12.5 % moisture	Basis	Flat Price
Jan.	40.00	\$ 508.91
Feb.	40.00	\$ 506.82
Mar.	40.00	\$ 506.82
Apr.	40.00	\$ 504.39
May	40.00	\$ 504.39
SBM Futures		
SMF	\$ 421.60	
SMH	\$ 419.70	
SMK	\$ 417.50	
SMN	\$ 416.30	
SMQ	\$ 411.90	
SMU	\$ 405.20	

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).*

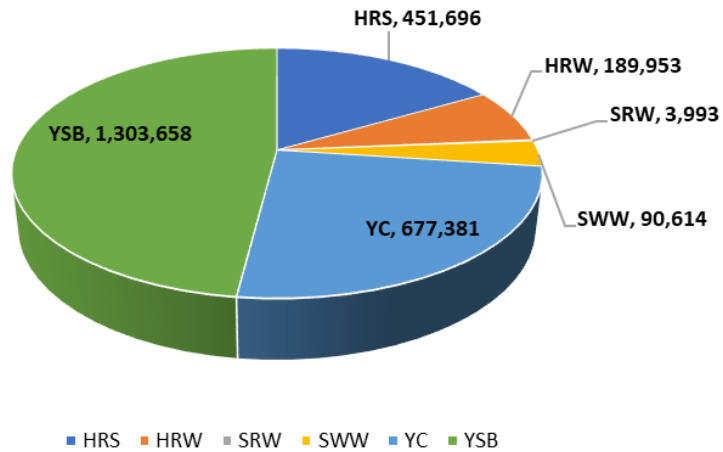
CONTAINER SHIPMENTS of GRAIN									
USDA Grain Inspections Report:		24-Nov-2022							
Last Week		metric tons							MT
	YC	WC	YSB	SRW	NS	DUWH	SWH	Sorghum	TOTAL
China	637		23,237						23,874
Taiwan	2,865		14,522						17,387
Hong Kong									0
Costa Rica									0
Indonesia			10,035						10,035
French Poly									0
Japan			318						318
Korea Rep.			735	245					980
Dominic Rep									0
Malaysia			4,994						4,994
Singapore									0
Philippines			318						318
Thailand			1,590						1,590
Nepal			1,960						1,960
Burma			392						392
Cambodia			392						392
Chile			490						490
Vietnam			3,965		906				4,871
Sub Total:	3,502	0	62,948	245	906	0	0	0	67,601
USDA Corrections/Additions to previous reports:									
Taiwan	1,004		759						1,763
China			1,616						1,616
Hong Kong									0
Korea Rep.	367								367
Un Kingdom									0
Japan			1,053						1,053
Philippines									0
Indonesia			1,003						1,003
Malaysia			833						833
Thailand			857						857
Vietnam			832		465				1,297
Burma									0
Cambodia									0
Sub Total:	1,371	0	6,953	0	465	0	0	0	8,789
Mt. Grand Total	4,873	0	69,901	245	1,371	0	0	0	76,390
Number of Containers	212	0	3,039	11	60	0	0	0	

Jan - Dec 2021 Annual Totals versus 2022 YTD Container Shipments (in MT)

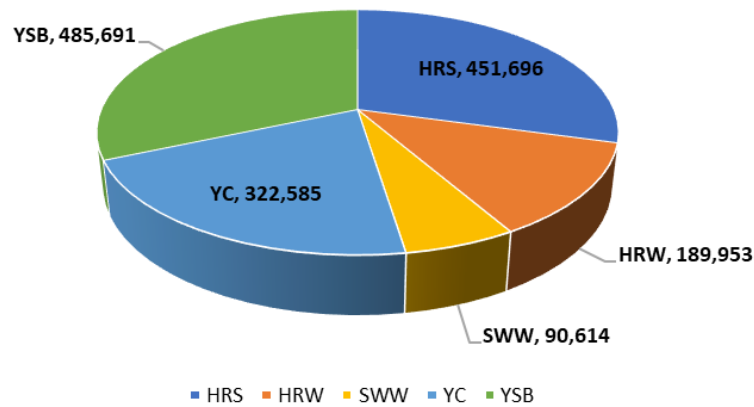


2022 YTD Total Grain Exports reported by USDA (in MT)

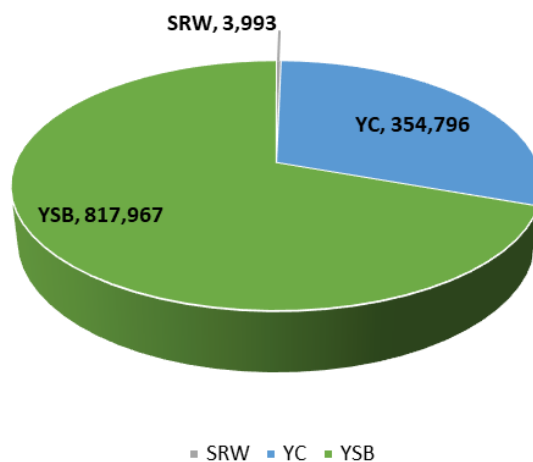
2022 YTD Exports to Taiwan



YTD Vessel Shipments to Taiwan



YTD Container Shipments to Taiwan



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

Source: USDA-data

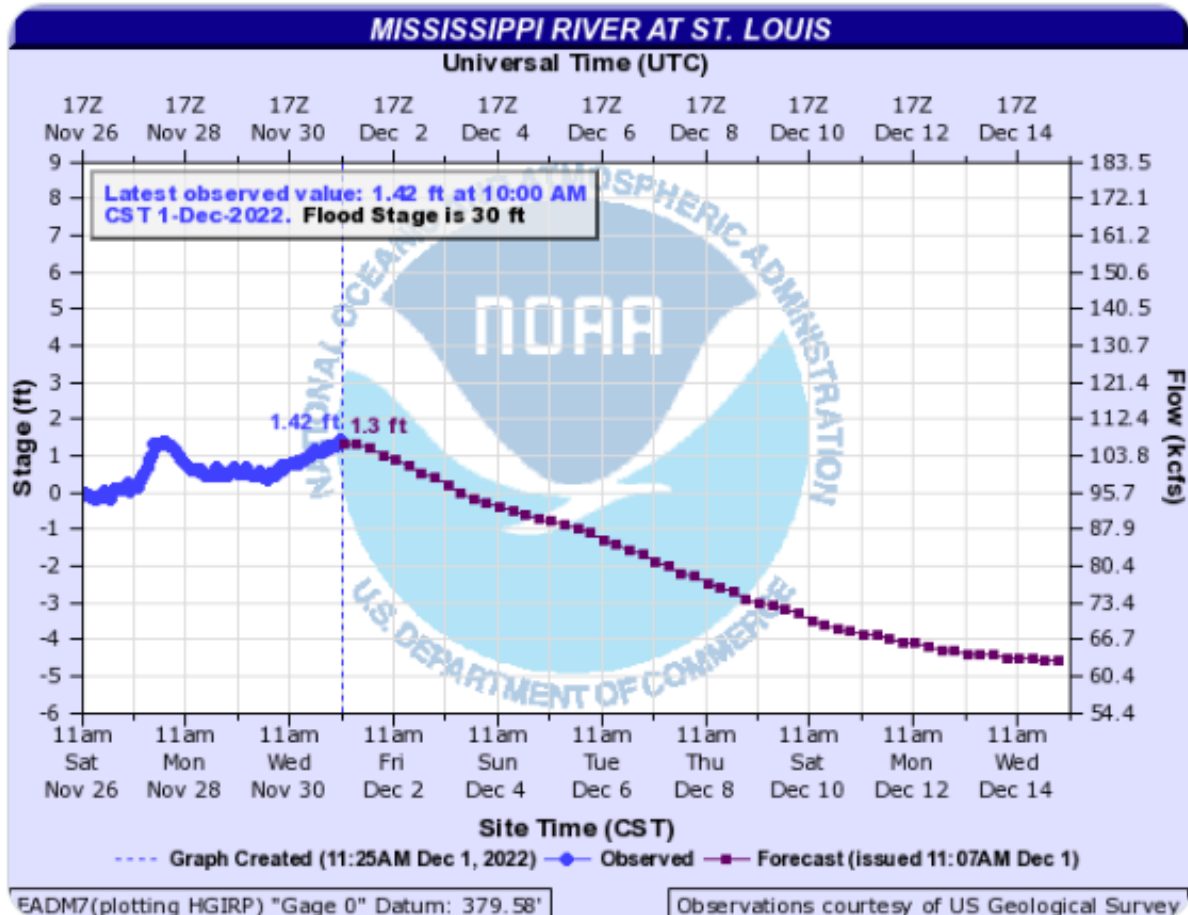
Shipping News

U.S. River Markets -

Mary Kennedy @MaryCKenn · 27m

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River Update: ACBL implemented an 8'6" draft restriction for loadings in the Gulf to St. Louis, as well as origins above St. Louis due south. We are expediting barges loaded to 9' to ensure we deliver to or above St. Louis before getting to -5 on the St. Louis gauge.



U.S. Rail Markets -

Mary Kennedy @MaryCKenn · 8m

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Senate votes to avert rail strike; sends the legislation to Biden for his signature [nbcnews.com/politics/congr...](https://www.nbcnews.com/politics/congr...) via [@nbcnews](https://twitter.com/nbcnews)



[nbcnews.com](https://www.nbcnews.com)

Senate reaches deal to vote quickly on averting a rail strike

The Senate won unanimous consent to hold three votes in succession, addressing demands from Republicans and Democrats.

U.S. Senate votes down House amendment to add 7 paid sick leave days to negotiated rail contract.

 **Craig Caplan**  @CraigCaplan · 18m

52-43: House rejects House-passed legislation to add 7 days of paid sick leave for rail workers to the rail industry-union agreement. 60 votes were needed.

6 Republicans voted Yes: Braun, Cruz, Graham, Hawley, Kennedy and Rubio

Manchin was the only Democrat to vote No.
[twitter.com/CraigCaplan/st...](https://twitter.com/CraigCaplan/status/1234567890)



U.S. Container Freight Markets -

Port of Los Angeles Imports Slump to Early Pandemic Levels

Cargo movement at the US West Coast's busiest port drops for third month

Imports



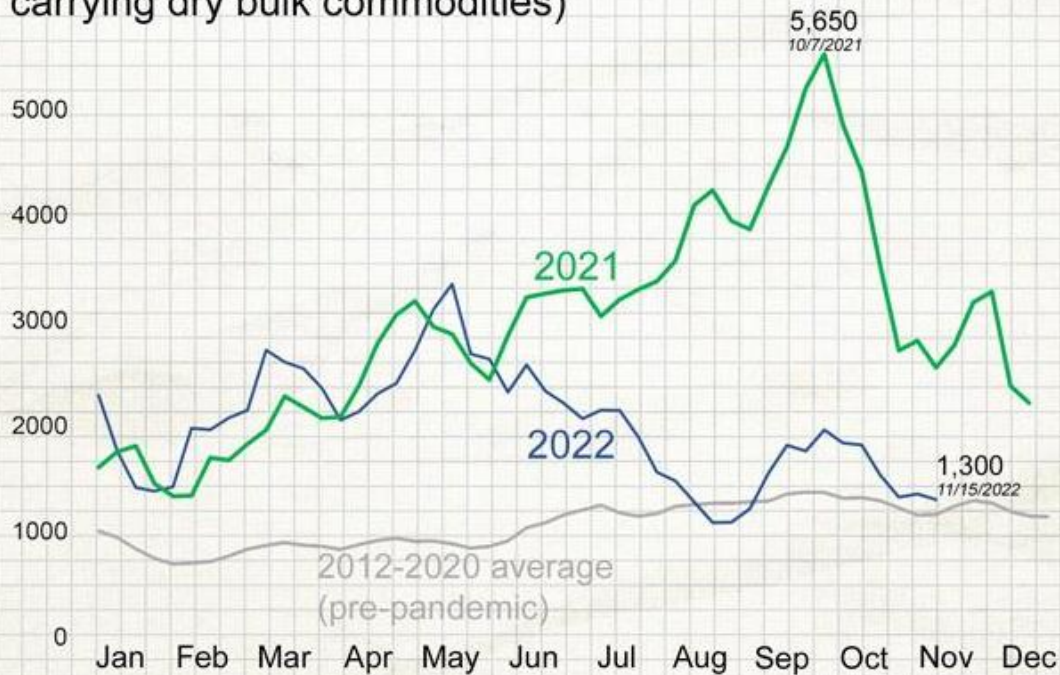
Source: Port of Los Angeles

Note: TEU = 20-foot equivalent unit

DRY-Bulk Freight Markets -DTN

Baltic Dry Index

(measure of ocean freight rates for vessels carrying dry bulk commodities)



Source: Elaine Kub analysis of DTN ProphetX data

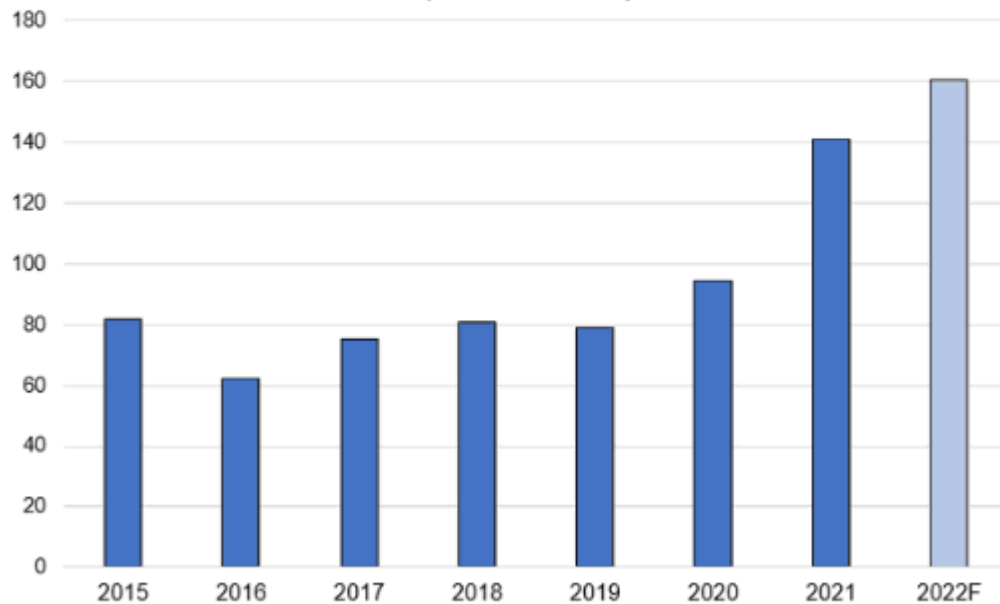
Karen Braun  @kannbwx · 24m

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USDA forecasts 2022 net U.S. farm income at \$160.5B, up 14% from last year and the highest since 1973, inflation-adjusted. Net cash farm income (\$187.9B) is inflation-adjusted the highest on record. Cash receipts for [#corn](#), [#wheat](#) & [#soybeans](#) are set to rise \$37B YOY, combined.

U.S. Net Farm Income By Year

(billions of dollars)



'F' represents the forecast as of Dec 2022.

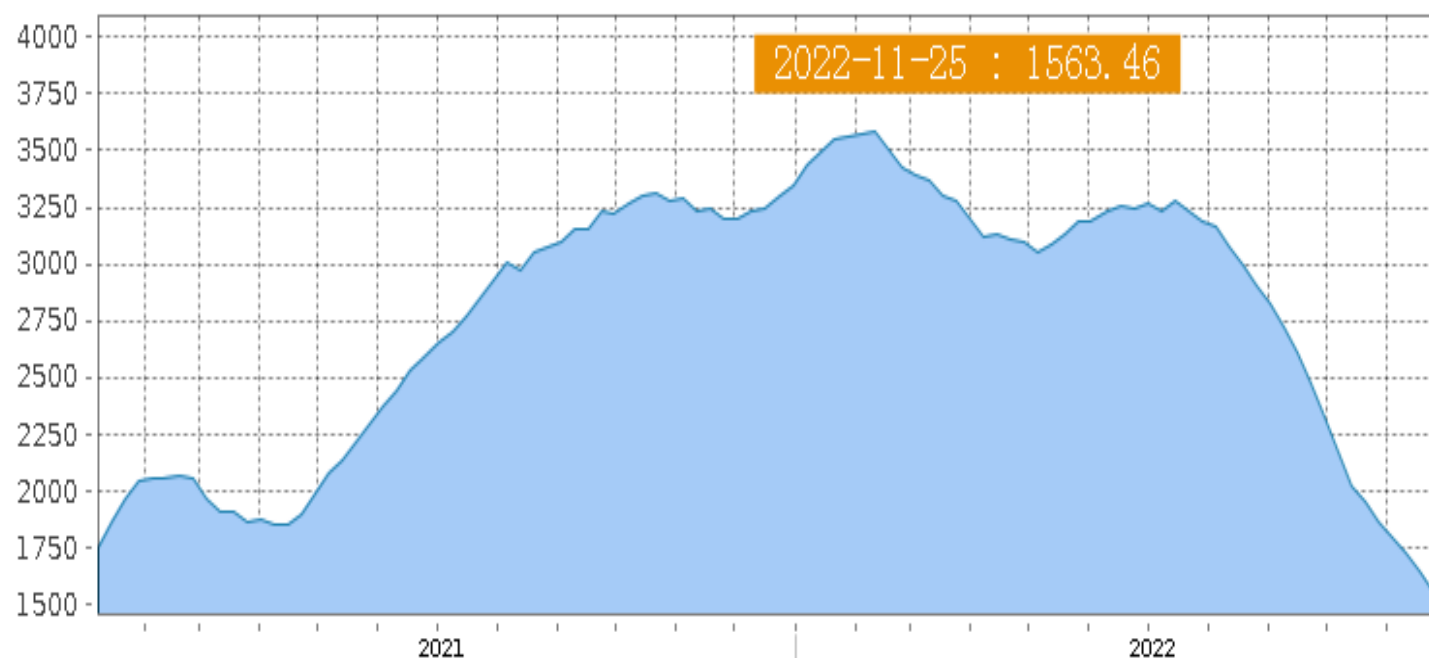
Data source: USDA/Economic Research Service

@kannbwx

China Import Dry Bulk Freight Index



China Containerized Freight Index



Secondary Rail Car Market for Car placement period: Last Half December 2022

Secondary Rail Car Market Placement LH December 2022	BID USD	ASK USD	BID BU.	ASK BU.	BID MT	ASK MT
BNSF Shuttle Trains	\$ 100	\$ 400	\$ 0.03	\$ 0.10	\$ 0.98	\$ 3.94
UPRR Shuttle Trains	\$ 600	\$ 900	\$ 0.15	\$ 0.23	\$ 5.91	\$ 8.86

U.S. RIVER BARGE FREIGHT

Barge Freight for Loading Placement Last Half December 2022

Placement LH December 2022	% of		Corn	Soybeans-Wheat
	Tariff	MT	BU	BU
Upper Mississippi	Closed	\$ -	0.00	0.00
Illinois River (Pekin and South)	900	\$ 61.41	1.56	1.67
Mid-Mississippi	Closed	\$ -	0.00	0.00
Lower Ohio	850	\$ 41.79	1.06	1.14
St. Louis	825	\$ 36.28	0.92	0.99

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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