

Transportation and Export Report for 13 December 2018

Ocean Freight Insights and Comments:

Yes; Dry-bulk freight markets are behaving like a duck swimming in circles. Freight markets just cannot find their bearings nor decide which direction to take. We have been watching a standoff between vessel owners fighting the market urge to soften and charterers who have not had a reason to pay up. Maybe the owner's persistence will pay off now that there is news of China returning to the U.S. Soybean markets. But the true test will be the size of the volume of commitments/purchases. And we all know that soybeans alone cannot hold Dry-Bulk freight markets up; it will take improvement in overall commodity demand to do that. China Coal and Iron Ore imports have been slowing lately. We will have to see what happens before we get too far into the holidays.

BALTIC DRY-BULK PANAMAX INDEX CHANGES

Panamax Ocean Freight Indices				
13-Dec-18	This Week	Last Week	Difference	Percent Change
P2A : Gulf/Atlantic - Japan	19797	20171	-374	-1.9%
P3A - PNW/Pacific - Japan	9668	9381	287	3.1%
S1C -USGULF-China-So.Japan	26822	26322	500	1.9%

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

Four weeks ago:	\$ 7.50-\$8.50
Three weeks ago:	\$ 5.30-\$6.25
Two weeks ago:	\$ 6.15-\$8.50
One week ago:	\$ 7.95-\$8.25
This week	\$8.40-\$8.90

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

Mississippi River:	(10 elevators)	2-5 days
Miss. River Mid-Stream loaders:	(6+ Rigs)	0-6 days
Texas Gulf	(6 elevators)	0-8 days
Pacific Northwest:	(9 elevators)	3-10 days

Panamax Market Spreads to Asia -China					
13-Dec-18	PNW	GULF	Bushel Spread	MT Spread	Advantage
CORN	0.97	0.58	0.39	\$15.35	PNW
SOYBEANS	0.62	0.35	0.27	\$9.92	PNW
OCEAN FREIGHT	\$25.25	\$47.00	.55 -.59	\$21.75	January

Recent Reported Vessel Fixtures:

Route and Vessel Size	Current Week USD/MT	Change from previous week	Remarks
55,000 U.S. Gulf-Japan	\$48.00	Unchanged	Handymax \$48.50 mt
55,000 U.S. PNW- Japan	\$25.75	Down \$0.25	Handymax \$26.50 mt
66,000 U.S. Gulf – China PNW to China	\$47.00 \$25.00	Unchanged Down \$0.25	North China
25,000 U.S. Gulf- Veracruz, México	\$18.00	Up \$0.25	3,000 MT daily discharge rate
35-40,000 U.S. Gulf- Veracruz, México	\$15.50	Up \$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	\$21.00 \$35.00	Up \$0.25	<u>West Coast Colombia at \$30.50</u>
40-45,000 U.S. Gulf - Guatemala	\$31.25	Up \$0.50	Acajutla/Quetzal - 8,000 out
26-30,000 U.S. Gulf – Algeria	\$36.50 \$37.50	Up \$0.25	8,000 mt daily discharge 3,000 mt daily discharge
26-30,000 US Gulf-Morocco	\$38.50	Up \$0.25	5,000 discharge rate
55-60,000 U.S. Gulf –Egypt PNW to Egypt	\$33.50 \$33.50	Unchanged	55,000 -60,000 mt Russia Black Sea to Egypt \$16.00
60-70,000 U.S. Gulf – Europe – Rotterdam	\$21.00	Up \$0.50	Handymax at +\$1.75 more
Brazil, Santos – China Brazil, Santos – China Itacoatiara-Port Up River North Brazil	\$36.25 \$35.00 \$39.25	Down \$0.75	54-59,000 Supramax-Panamax 60-66,000 Post Panamax 60-66,000 mt
56-60,000 Argentina/Rosario- China Deep Draft	\$40.00	Down \$1.00	Up River 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)

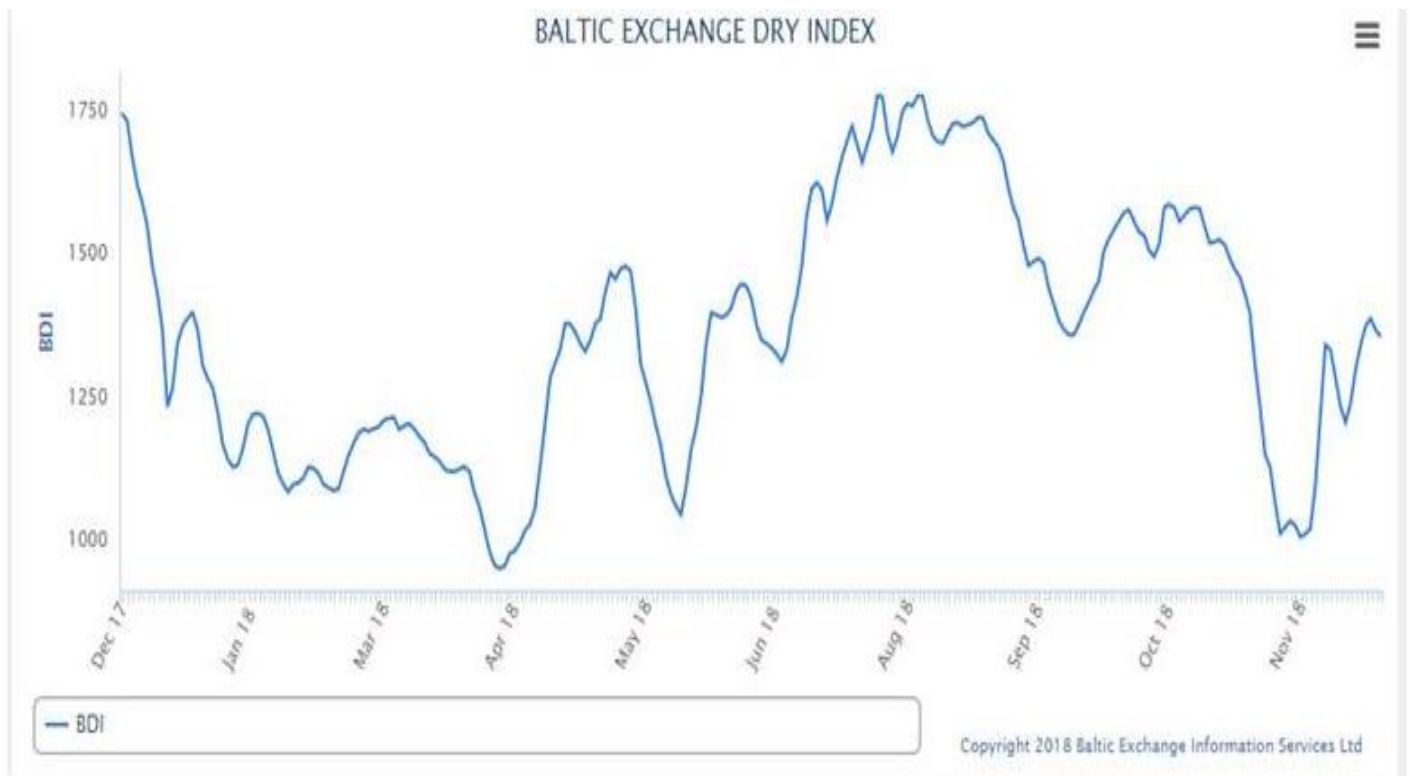
US Gulf (NOLA) (via Panamá Canal) – 10,232 nautical miles (32 days)

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

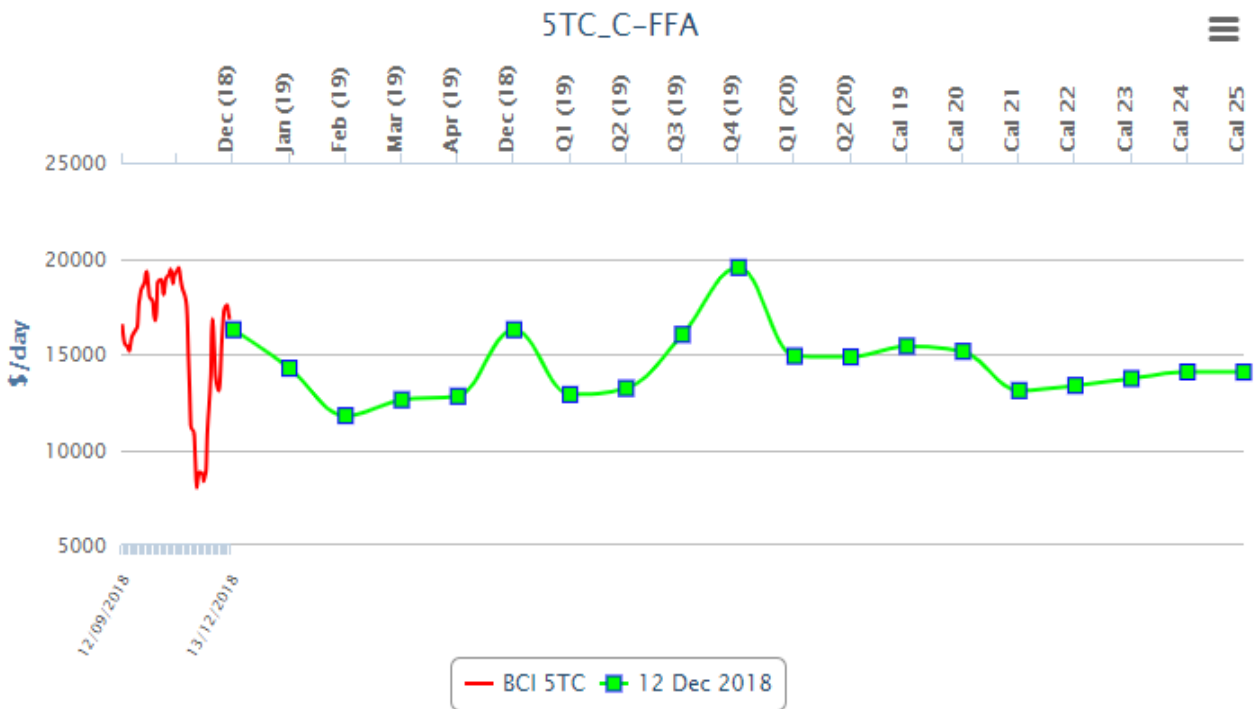
Rasario Argentina (via Cape Horn) - 10,751 nautical miles (34 days)



Baltic Dry Index.

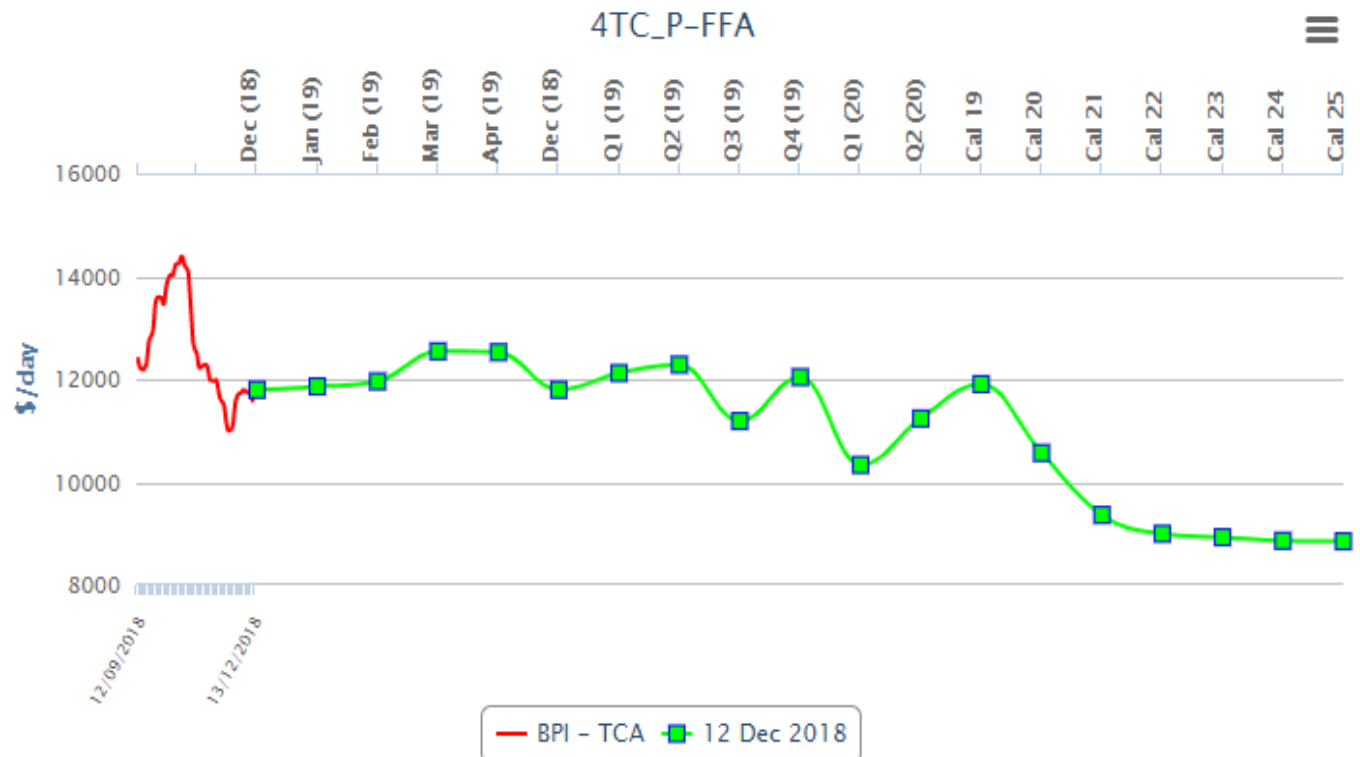


Baltic Capesize Index



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Forward Curve for Baltic BPI Panamax Vessel Freight



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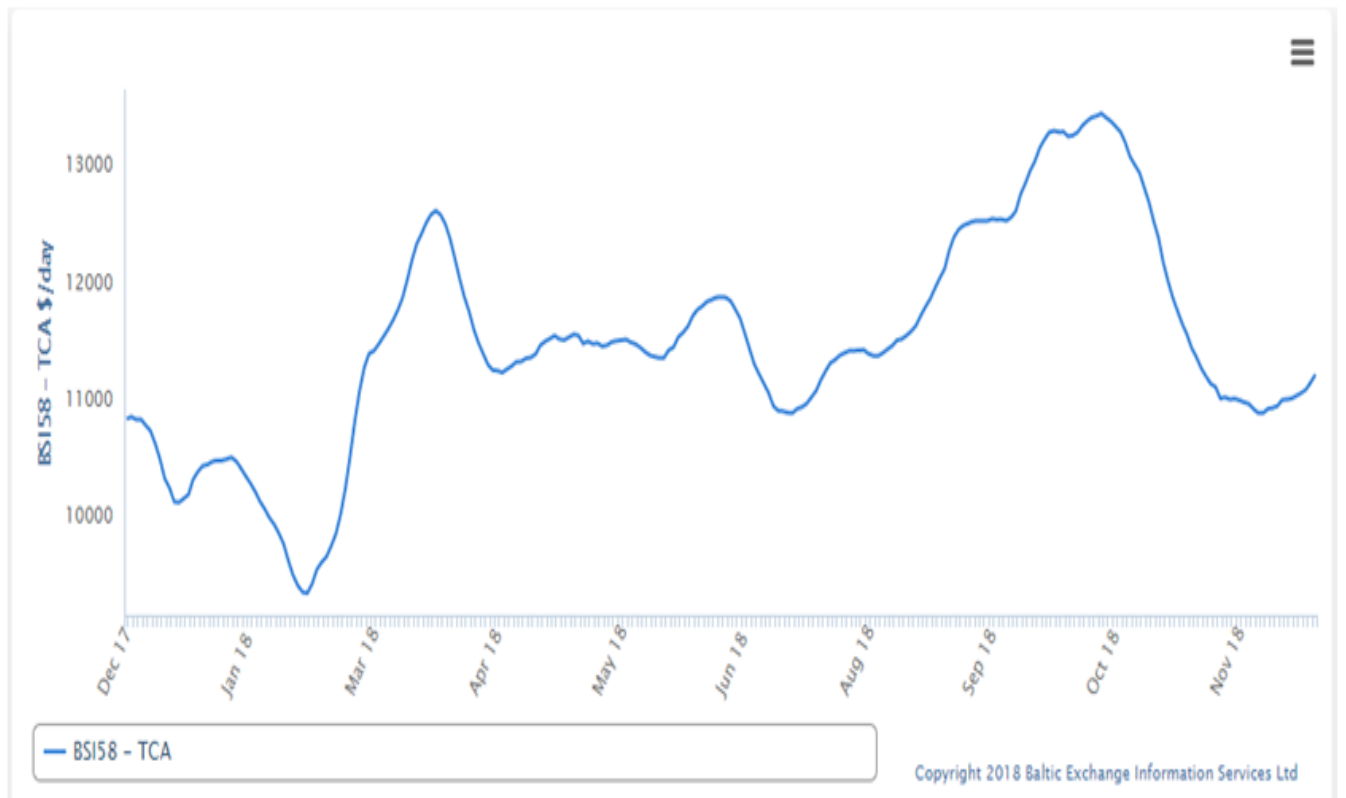
Baltic Panamax Index

Panamax

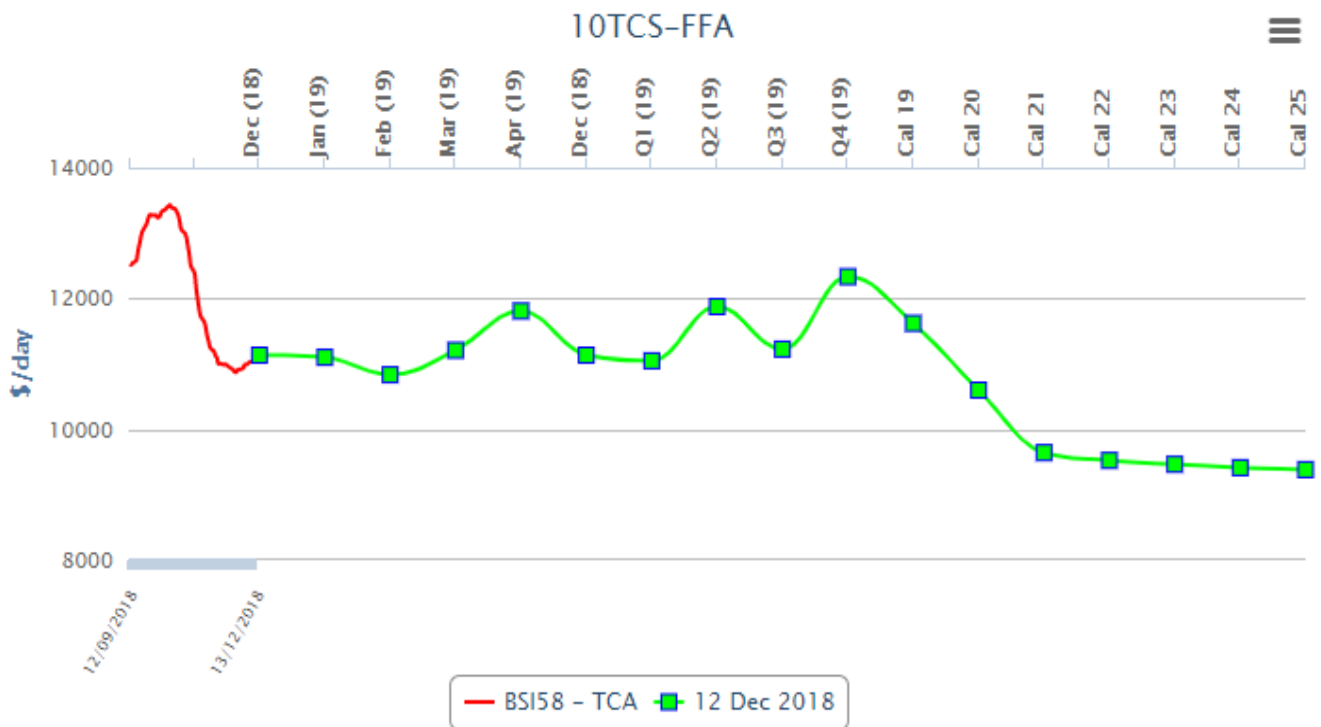


Baltic Supramax Vessel Index

Supramax

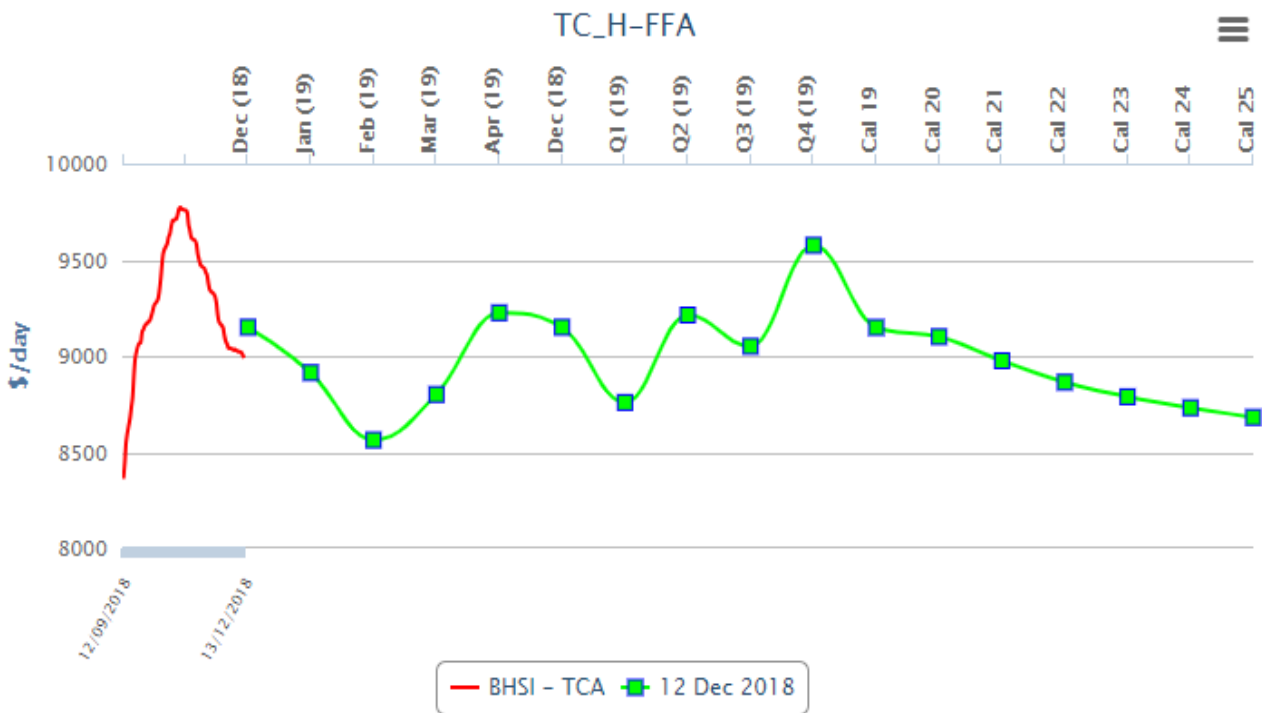


Supramax Dry-Bulk Forward Curve



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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 2018-12-12



China Import Dry Bulk Freight Index(CDFI)					
2018-12-13					
Route	Size MT	Cargo/Vessel Size	Unit	Rate	Change
Composite Index			Point	904.07	2.02
Iron ore Freight Index			Point	880.00	-0.03
Soybean Freight Index			Point	1011.06	0.82
Santos(Brazil)—North China	60000/10%	Soybean	\$/ton	33.591	0.101
Tacoma(West America)—North China	60000/10%	Soybean	\$/ton	24.771	0.036
Mississippi(US Gulf)—North China	66000/10%	Soybean	\$/ton	46.569	-0.168
Mississippi(US Gulf)—North China	55000/10%	Soybean	\$/ton	47.552	0.038

13 December 2018 U.S. FOB Vessel Export Market Values:

U.S. Yellow Corn (USD/MT) FOB Vessel				
# 2 YC	U.S. Gulf #2 YC		PNW #3 YC	
15.0 % Moisture	Basis	Flat Price	Basis	Flat Price
Jan.	0.58	\$174.10	0.97	\$189.46
Feb.	0.60	\$174.89	0.98	\$189.85
Mar.	0.63	\$176.07	1.02	\$191.43
Apr.	0.56	\$176.27	0.95	\$191.62
May	0.57	\$176.66	0.97	\$192.41
June	0.55	\$178.43	0.95	\$194.18

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

SORGHUM (USD/MT) FOB VESSEL				
#2 YGS Fob Vessel	NOLA		TEXAS	
Max. 14.0% moisture	BASIS	FLAT PRICE	BASIS	FLAT PRICE
Jan.	0.85	\$184.73	0.75	\$180.80
Feb.	0.85	\$184.73	0.75	\$180.80
Mar.	0.85	\$184.73	0.75	\$180.80
Apr.	0.85	\$187.69	0.73	\$182.96
May	0.90	\$189.65	0.78	\$184.93

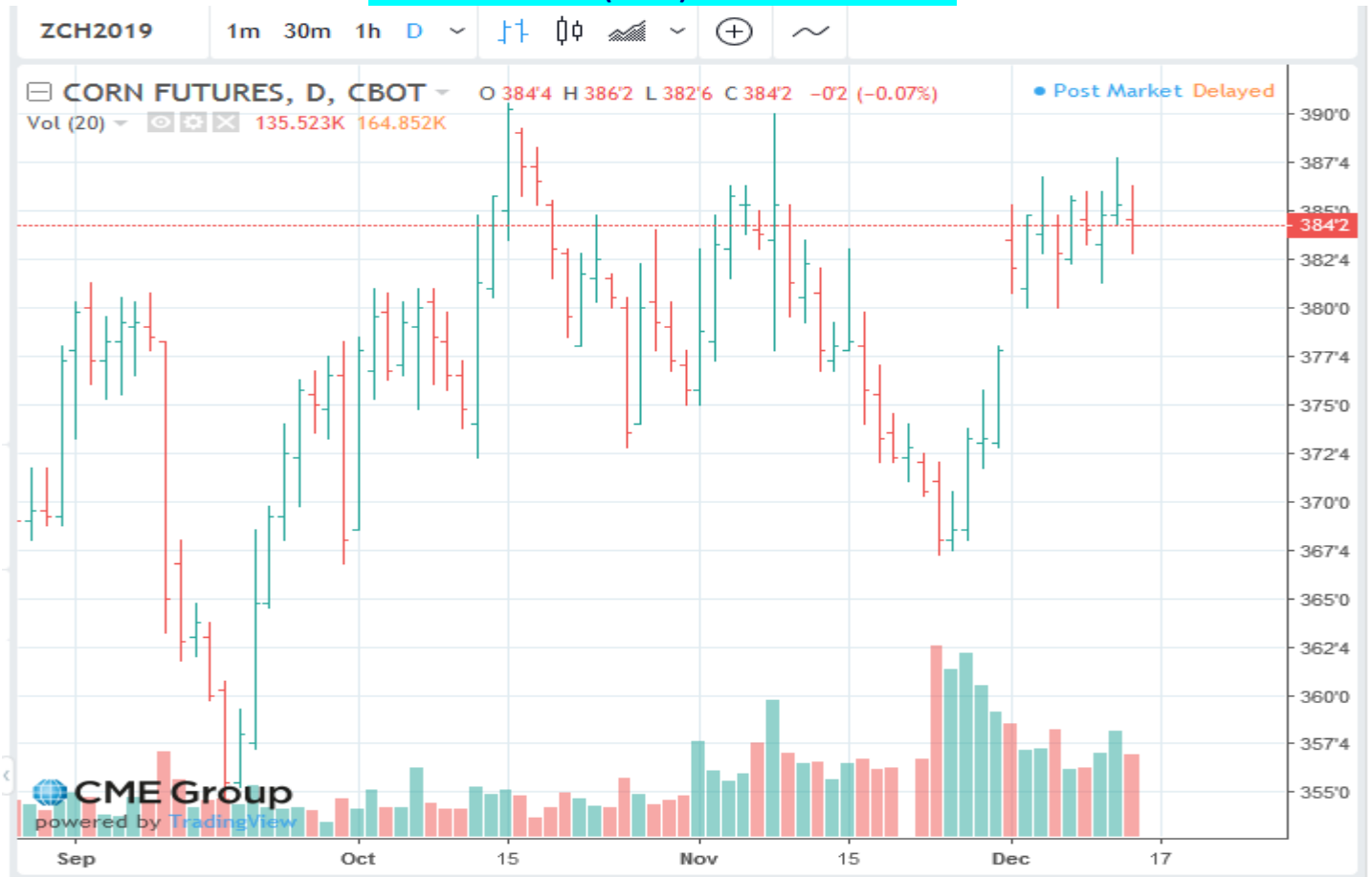
Fob vessel Texas Gulf #2 Sorghum is about 104 % the value of #2 Yellow Corn at NOLA.
In S.W. Kansas it is bid at 85 percent the value of corn.

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

SRW Wheat	USD/MT	Fob Vessel	US Gulf	
	Jan.	Feb.	Mar.	Apr.
FOB U.S. GULF	\$228.18	\$228.91	\$230.01	\$230.29
Basis	0.85	0.87	0.90	0.85
WZ	5.2775			
WH	5.3600			
WK	5.4175			

CME Futures Market Close						
CORN	Futures	Thursday	Thursday	Last week	Last Week	Difference
Month	Symbol	Close	Close	Bushel	MT.	Bushel
Dec.	CZ	\$3.7550	\$147.83	\$ 3.7200	\$146.45	\$0.0350
Mar.	CH	\$3.8425	\$151.27	\$ 3.8275	\$150.68	\$0.0150
May.	CK	\$3.9175	\$154.22	\$ 3.9075	\$153.83	\$0.0100
July	CN	\$3.9825	\$156.78	\$ 3.9625	\$156.00	\$0.0200
Sept.	CU	\$3.9975	\$157.37	\$ 3.9675	\$156.19	\$0.0300

CBOT March 2019 (CH19) Corn Futures Chart –



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



U.S. Soybean and SBM Markets Fob Vessel:

U.S. Yellow Soybeans (USD/MT) FOB Vessel				
# 2 YSB 14.0 % Moisture	U.S. Gulf #2 YSB		PNW #2 YSB	
	Basis	Flat Price	Basis	Flat Price
Jan.	0.35	\$346.12	0.62	\$356.04
Feb.	0.28	\$348.51	0.56	\$358.80
Mar.	0.30	\$349.25	0.61	\$360.64
Apr.	0.25	\$352.09	0.53	\$362.38
May	0.30	\$353.93	0.55	\$363.12

Soybean Futures

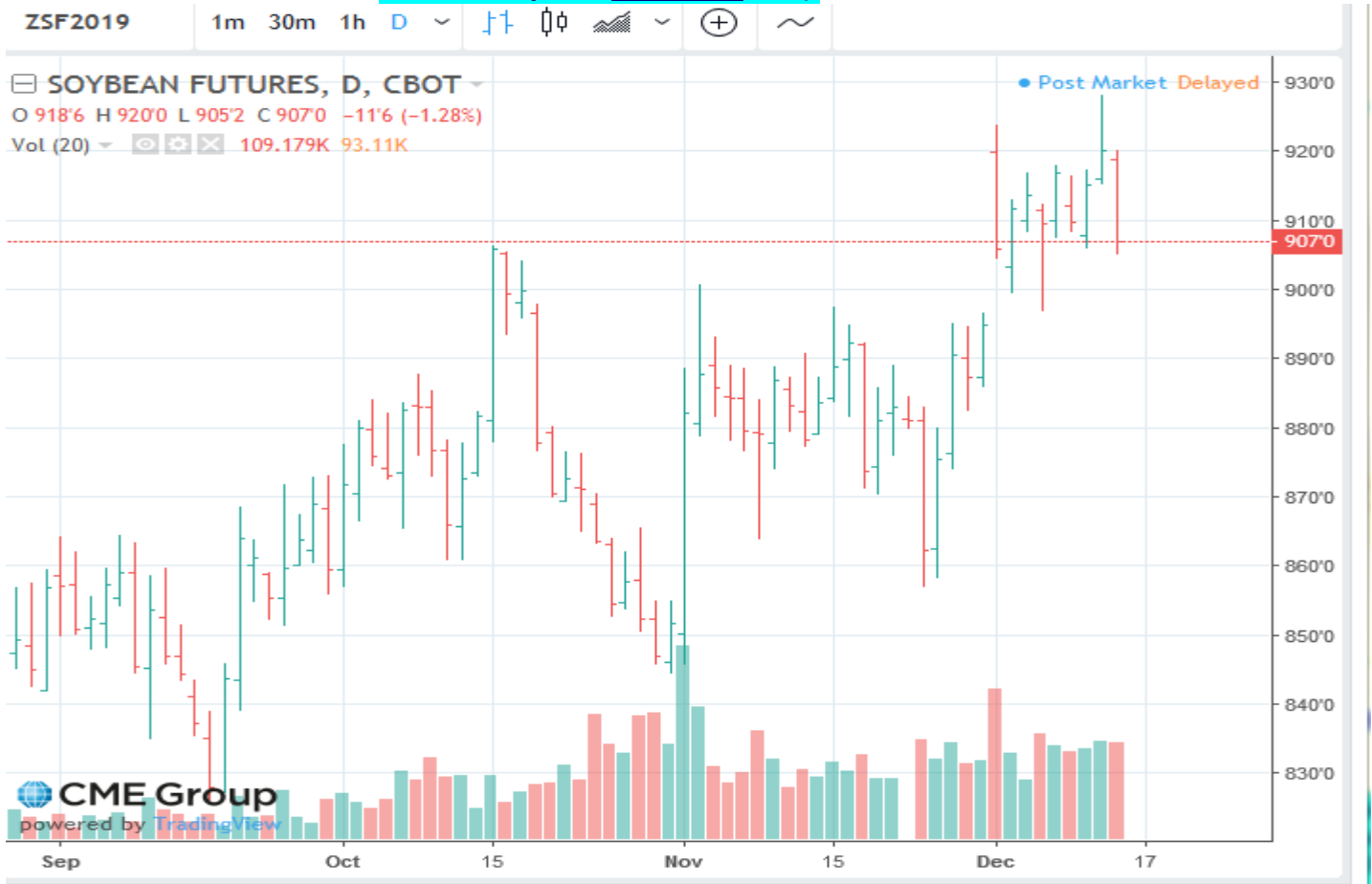
Jan.	\$ 9.0700
Mar.	\$ 9.2050
May	\$ 9.3325
July	\$ 9.4500
Aug.	\$ 9.4925
Sept.	\$ 9.5050

U.S. SBM (USD/MT) FOB Vessel		
Fob U.S. Gulf Port max 12.5 % moisture	47.5 Pro. SBM	
	Basis	Flat Price
Jan.	6.00	\$ 346.74
Feb.	5.00	\$ 350.48
Mar.	5.00	\$ 350.48
Apr.	5.00	\$ 354.78
May	6.00	\$ 355.89

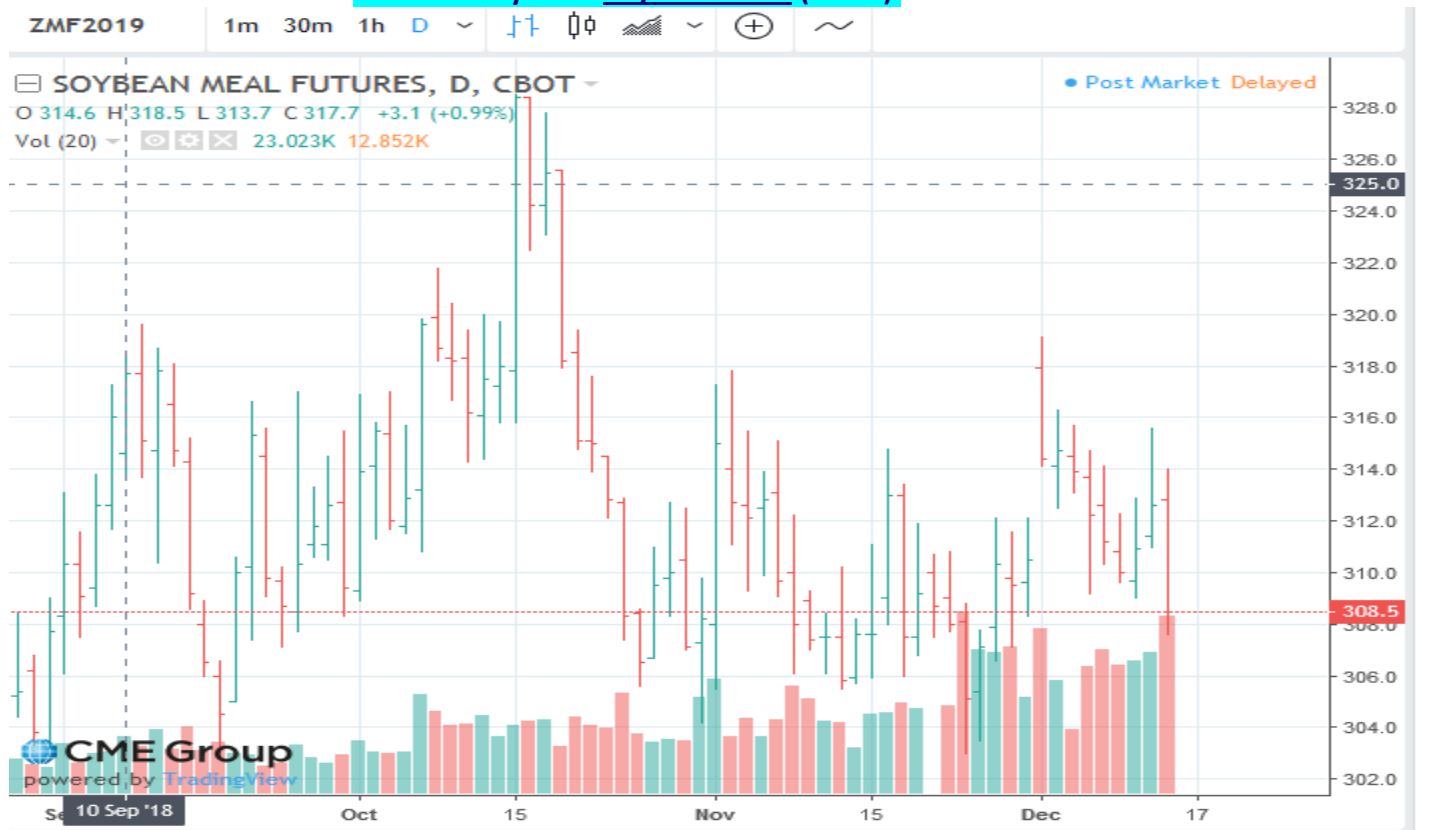
SBM Futures

SMZ	309.40
SMF	308.50
SMH	312.90
SMK	316.80
SMN	320.60
SMQ	322.30

CME January 2019 Soybean (SF19) Futures Chart:



CME January 2019 Soybean Meal (SMF8) Futures Chart



U.S. EXPORT STATISTICS: Report Activity as of Week Ending 29 November 2018

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 '17- 18 (000 MT)
Corn	1243.3	26,747.5	62,230	43%	110.5
Sorghum	65.0	433.5	2,540	17%	0.0
Soybeans	1022.7	24,148.4	51,710	47%	164.5
Wheat	749.6	15,603.1	27,900	56%	6.0
Barley	0.0	57.0	110	52%	0.0

U.S. EXPORT INSPECTIONS:

Monday's report 10 December 2018 for the Export week ending 06 December 2018

	Export Inspections		Current Market Year YTD	Previous Year to Date	2018/19 YTD as Percent of 2017/18 YTD
	This Week	Previous Week			
Corn	876,305	1,063,695	15,106,258	8,604,177	176%
Sorghum	16,915	107,961	369,230	1,235,893	30%
Soybeans	922,094	1,045,831	14,180,414	24,100,673	59%
Wheat	418,460	474,480	10,999,794	13,131,090	84%
Barley	0	0	5,824	17,130	34%

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

U.S. EXPORT INSPECTIONS:

Monday's report 10 December 2018 for the Export week ending 06 December 2018

Last Week							
(Metric Tons)	YC	%	WC	%	Sorghum	%	Soybeans %
Lakes	0	0%	0	0%	0	0%	18,874 2%
Atlantic	0	0%	0	0%	0	0%	46,808 5%
Gulf	524,822	64%	54,688	88%	2,757	16%	630,856 68%
PNW	182,283	22%	0	0%	9,431	56%	128,191 14%
Interior Export Rail	106,828	13%	7,684	12%	4,727	28%	97,365 11%
Metric Tons	813,933		62,372		16,915		922,094

Sorghum Shipments:	<u>metric tons</u>	
	12,188	Japan
	269	Haiti
	4,458	Mexico
	<u>16,915</u>	<u>Total</u>

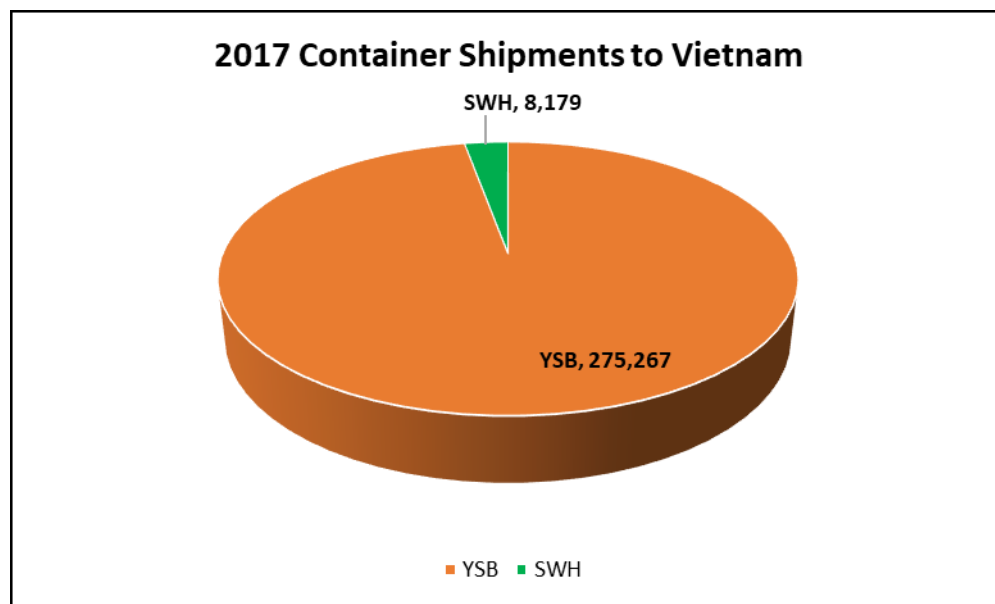
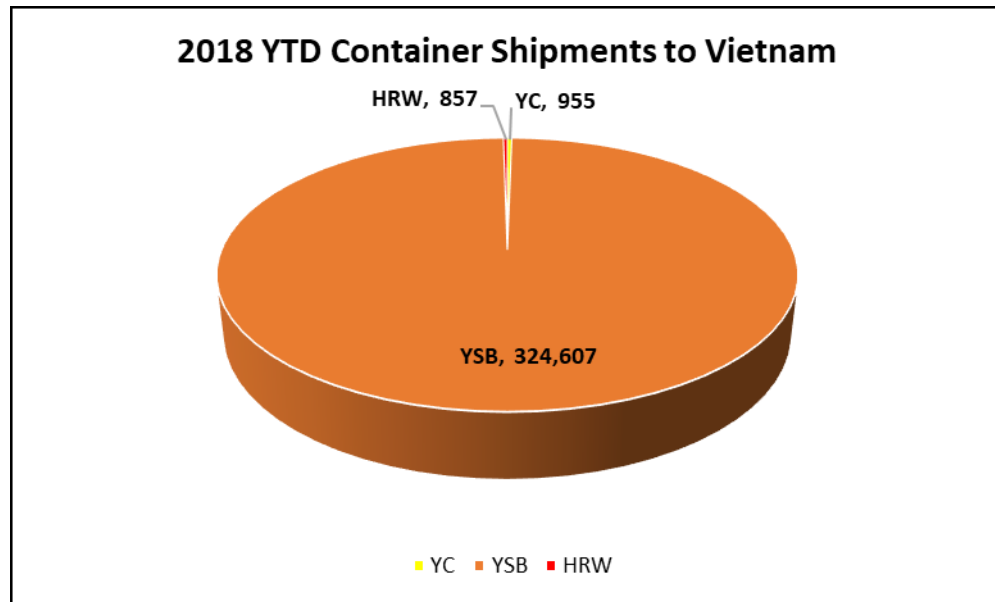
White Corn	<u>metric tons</u>	
Shipments:	5,373	Colombia
	6,413	El Salvador
	2,651	Japan
	<u>47,935</u>	<u>El Salvador</u>
	<u>62,372</u>	<u>Total</u>

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:		6-Dec-2018							
Last Week	metric tons								MT
	YC	WC	YSB	SRW	NS	SWH	HRW	Sorghum	TOTAL
China Main			857						857
China T	23,625		9,695						33,320
Hong Kong	416								416
Nepal			1,689						1,689
Indonesia			22,084						22,084
Italy			49						49
Japan	588		366						954
Korea Republic	1,469		2,521						3,990
India			245						245
Malaysia	1,126		6,809						7,935
Burma			196						196
Philippines			3,625						3,625
Thailand			7,099						7,099
Haiti								269	269
Bangladesh			416						416
Vietnam			8,886						8,886
Sub total	27,224	0	64,537	0	0	0	0	269	82,459
USDA Corrections/Additions to previous reports:									
China T			1,225				318		1,543
China Main									0
Hong Kong									0
Korea Rep.									0
Costa Rica									0
Japan									0
Philippines									0
Indonesia			1,298						1,298
Malaysia									0
Thailand									0
Vietnam			1,029						1,029
Canada									0
Bangladesh									0
Sub total	0	0	3,552	0	0	0	318	0	3,870
Mt. Grand Total	27,224	0	68,089	0	0	0	318	269	86,329
Number of containers	1,184	0	2,960	0	0	0	14	12	

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



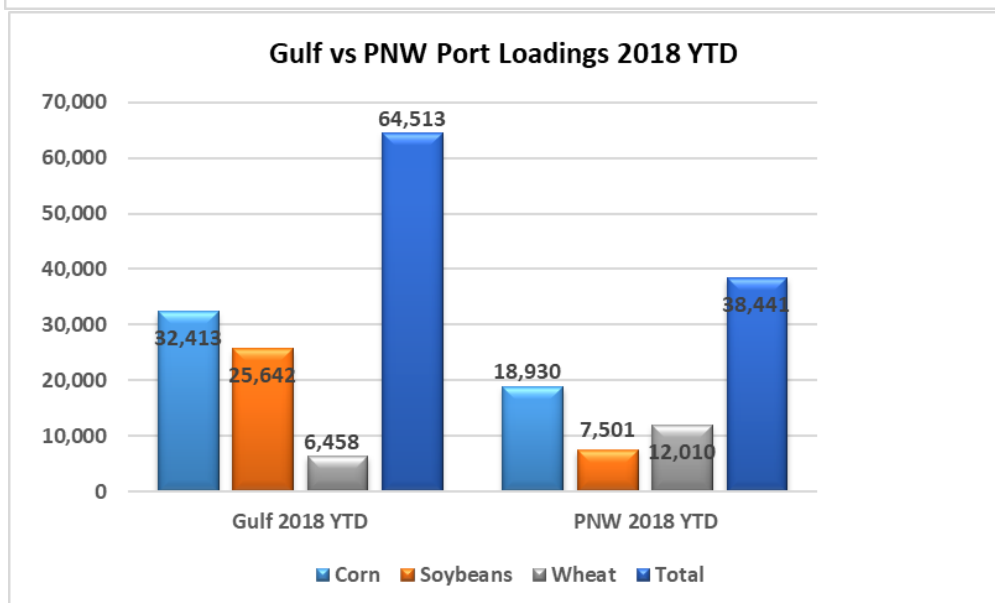
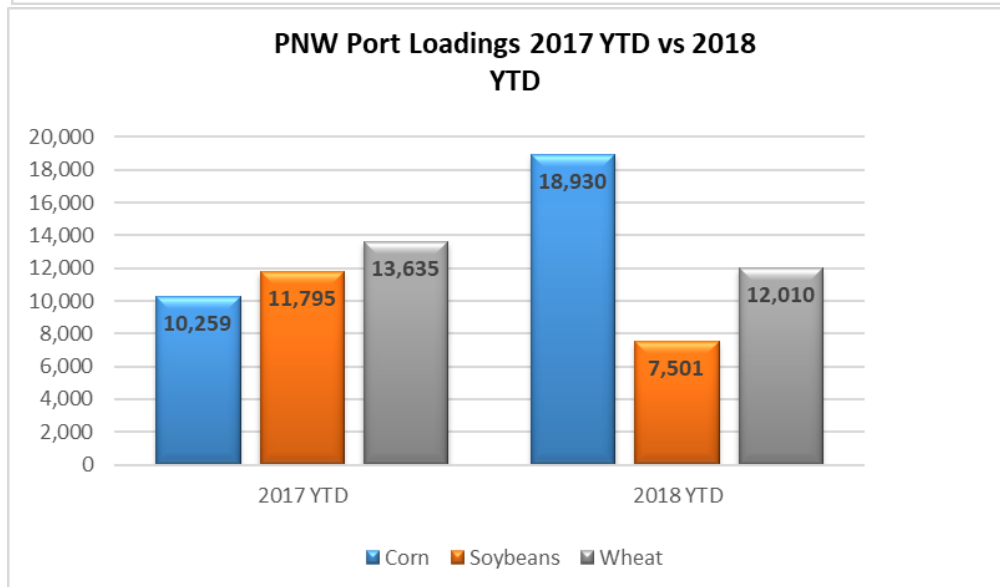
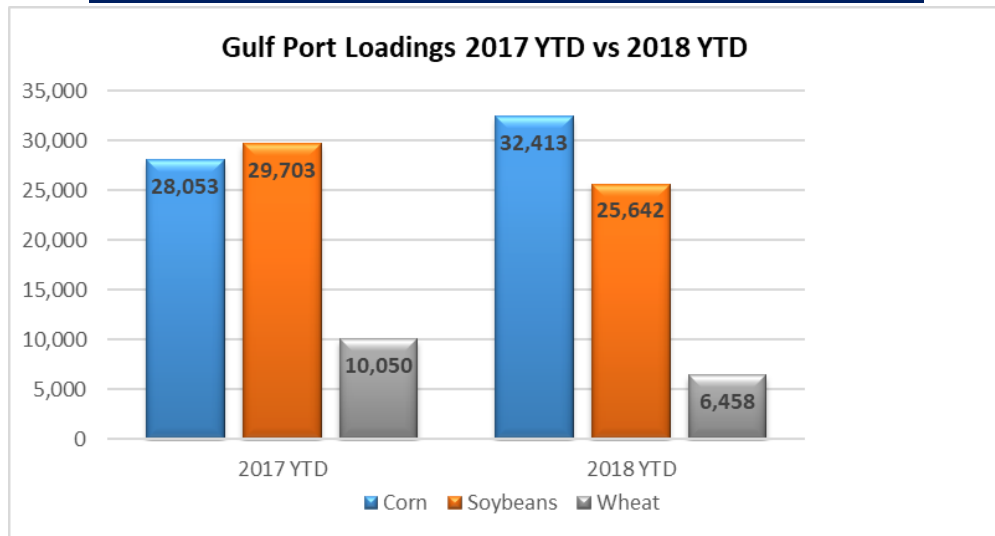
Grain Inspections for Export by U.S. Port Regions:
U.S. Gulf and Pacific Northwest 2017 YTD vs. 2018 YTD

PORT LOADINGS US Gulf				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
GULF				
2017 YTD	28,053	29,703	10,050	67,806
2018 YTD	32,413	25,642	6,458	64,513
2018 as % of 2017	116%	86%	64%	95%

PORT LOADINGS US PNW				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
PNW				
2017 YTD	10,259	11,795	13,635	35,689
2018 YTD	18,930	7,501	12,010	38,441
2018 as % of 2017	185%	64%	88%	108%

PORT LOADINGS GULF vs. PNW				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
2018 Gulf YTD	32,413	25,642	6,458	64,513
2018 PNW YTD	18,930	7,501	12,010	38,441
TOTAL	51,343	33,143	18,468	102,954
Gulf Percentage	63%	77%	35%	63%
PNW Percentage	37%	23%	65%	37%

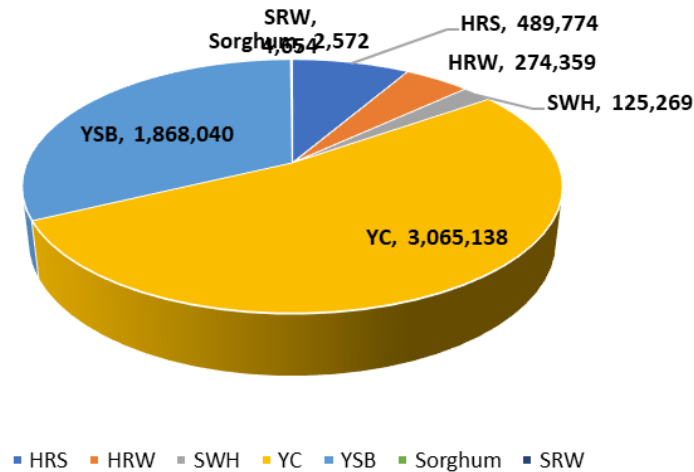
Grain Inspections for Export by U.S. Port Regions (1,000MT):
U.S. Gulf and Pacific Northwest 2017 YTD vs. 2018 YTD



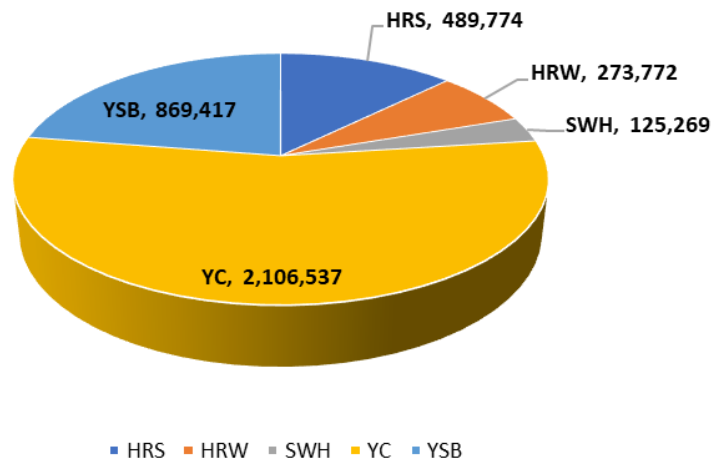
Source: USDA-data

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

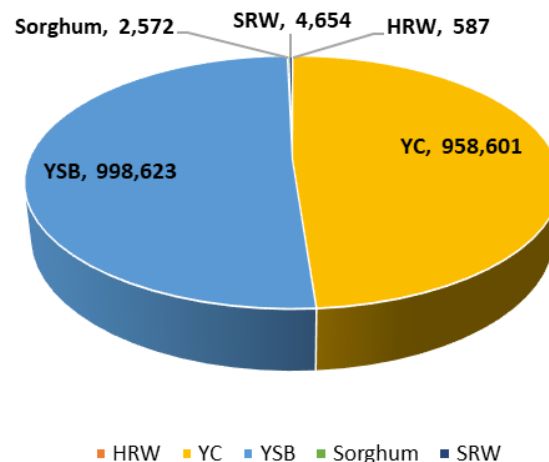
2018 YTD Exports to China T



YTD Exports to China T by Vessel



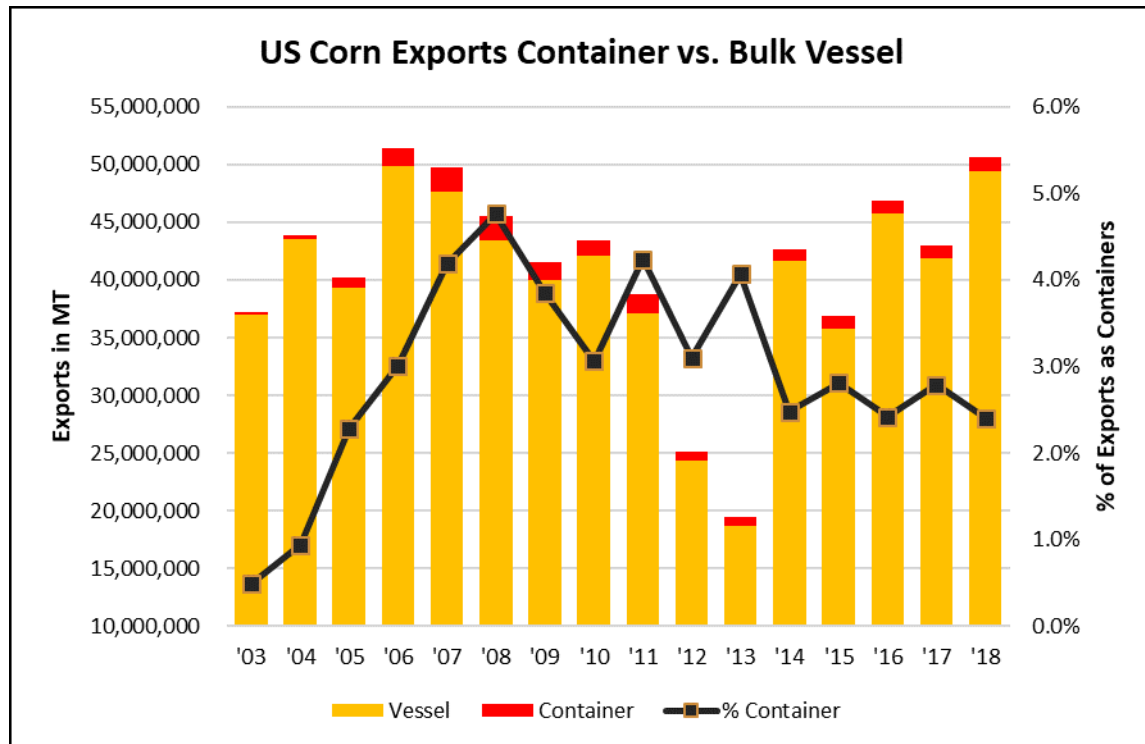
YTD Exports to China T by Container



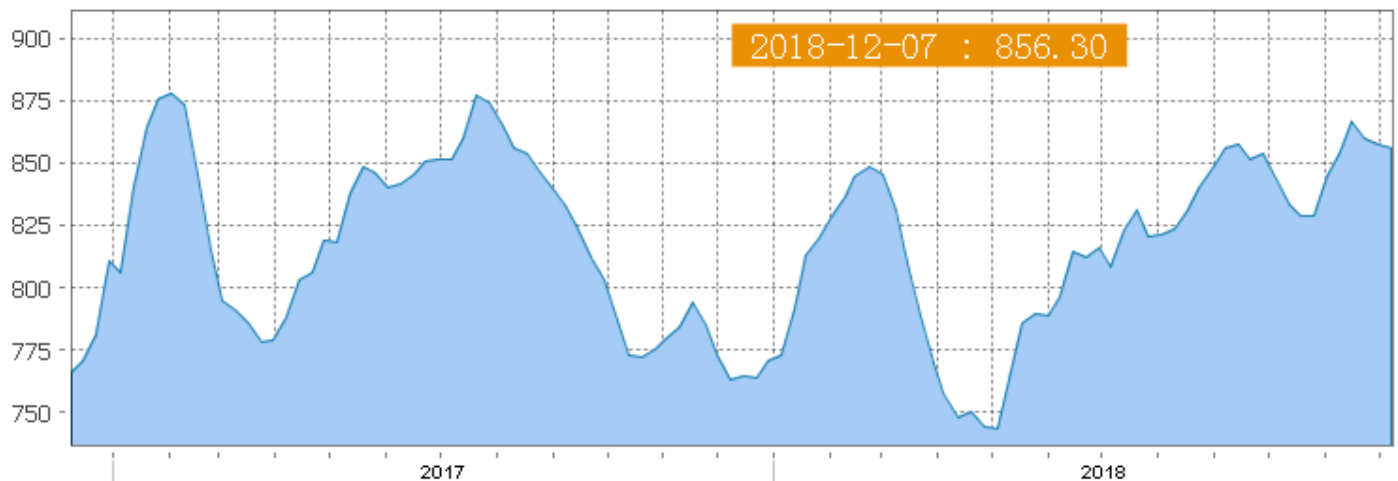
*Please keep in mind that USDA does not report DDGS sales, or they would show as the largest exports by container.

Source: USDA

Shipping News



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)	415	\$22.00	0.56	0.60
Mid-Mississippi	Closed	\$ -	0.00	0.00
Lower Ohio	315	\$15.49	0.39	0.42
St. Louis	290	\$12.75	0.32	0.35

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

Secondary Rail Car Market Placement LH. December 2018	BID USD	ASK USD	BID BU.	ASK BU.	BID MT	ASK MT
BNSF Shuttle Trains	\$ (250.00)	\$ (150.00)	\$ (0.06)	\$ (0.04)	\$ (2.46)	\$ (1.48)
UPRR Shuttle Trains	\$ (550.00)	\$ (425.00)	\$ (0.14)	\$ (0.11)	\$ (5.41)	\$ (4.18)

Best Regards,

Jay

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