

Transportation and Export Report for 19 December 2019

Ocean Freight Insights and Comments:

I have yet to start my Christmas shopping and the same must be true for Dry-Bulk ocean freight markets. Charterers have been staying home and there was no gift giving to vessel owners this week as the market was weaker amid thin trading. The announcement of a phase 1 China -USA trade agreement has created optimism among ship owners but, for the moment, there is an over balance of ships looking for work verses cargo. This is good news for those needing to book vessels but not at all good news for those who own them. From a business perspective, this will not be a jolly holiday season for vessel owners.

BALTIC DRY-BULK PANAMAX INDEX CHANGES

Panamax Ocean Freight Indices				
19-Dec-19	This Week	Last Week	Difference	Percent Change
P2A : Gulf/Atlantic - Japan	17827	18809	-982	-5.2%
P3A - PNW/Pacific - Japan	8149	10382	-2,233	-21.5%
S1C -USGULF-China-So.Japan	22617	23072	-455	-2.0%
P7- Trial- Miss. River - Qingdao	46230	46329	-99	-0.2%
P8- Trial- Santos - Qingdao	33257	33279	-22	-0.1%

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

Four weeks ago:	\$8.35-\$8.85
Three weeks ago:	\$8.65-\$8.80
Two weeks ago:	\$8.85 -\$10.65
One week ago:	\$9.35-\$10.35
This week	\$7.10-\$8.45

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

Mississippi River:	(10 elevators)	2-6 days (2 facilities not currently operating)
Miss. River Mid-Stream loaders:	(6+ Rigs)	0-1 days
Texas Gulf	(5 elevators)	0-5 days (only 1 facility over 2 days)
Pacific Northwest:	(9 elevators)	0-7 days

Panamax Market Spreads to Asia -China					
19-Dec-19	PNW	GULF	Bushel Spread	MT Spread	Advantage
CORN	1.00	0.63	0.27	\$10.63	PNW
SOYBEANS	0.90	0.73	0.17	\$6.69	PNW
OCEAN FREIGHT	\$25.00	\$45.50	.52-.56	\$20.50	January

Recent Reported Vessel Fixtures:

Soybean Panamax USG to Spain is running \$20.25/mt.

Soybean Brazil to Spain at about \$23.00/mt.

30,000 mt Corn Northern Brazil to Vera Cruz, Mexico \$18.75-\$19.25/mt .To U.S. E/C about \$21.50-22.25/mt

Route and Vessel Size	Current Week USD/MT	Change from previous week	Remarks
55,000 U.S. Gulf-Japan	\$46.50	Down 0.75	Handymax \$47.25 mt
55,000 U.S. PNW- Japan	\$25.50	Down \$0.25	Handymax \$26.25 mt
66,000 U.S. Gulf – China PNW to China	\$45.50 \$25.00	Down \$1.00 Down \$0.25	North China
25,000 U.S. Gulf- Veracruz, México	\$17.50	Down \$0.25	3,000 MT daily discharge rate
30-36,000+ U.S. Gulf- Veracruz, México	\$14.75	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	\$20.00 \$35.00	Unchanged	<u>West Coast Colombia at \$31.50</u> USG to E/C 50,000 mt at \$16.50
43-45,000 U.S. Gulf - Guatemala	\$29.25	Down \$0.50	Acajutla/Quetzal - 8,000 out
26-30,000 U.S. Gulf – Algeria	\$34.25 \$35.25	Down \$0.50	8,000 mt daily discharge 3,000 mt daily discharge
26-30,000 US Gulf-Morocco	\$35.25	Down \$0.50	5,000 discharge rate
55-60,000 U.S. Gulf –Egypt PNW to Egypt	\$28.00 \$28.50	Down \$0.50	60,000 -55,000 mt Romania- Russia- Ukraine \$14.00 -\$15.00 -\$145.00 (France \$18.00)
60-70,000 U.S. Gulf – Europe – Rotterdam	\$18.25	Down \$1.00	Handymax at +\$1.75 more
Brazil, Santos – China Brazil, Santos – China Northern Coast Brazil	\$34.00 \$33.50 \$35.50	Down \$0.25	54-59,000 Supramax-Panamax 60-66,000 Post Panamax Upriver No. Brazil Plus -55,000 mt Plus \$7.50/mt
56-60,000 Argentina/Rosario- China Deep Draft	\$36.75	Down \$0.25	Upriver with BB Top Off \$40.75

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

Nautical Miles: To Xiamen China (South China)

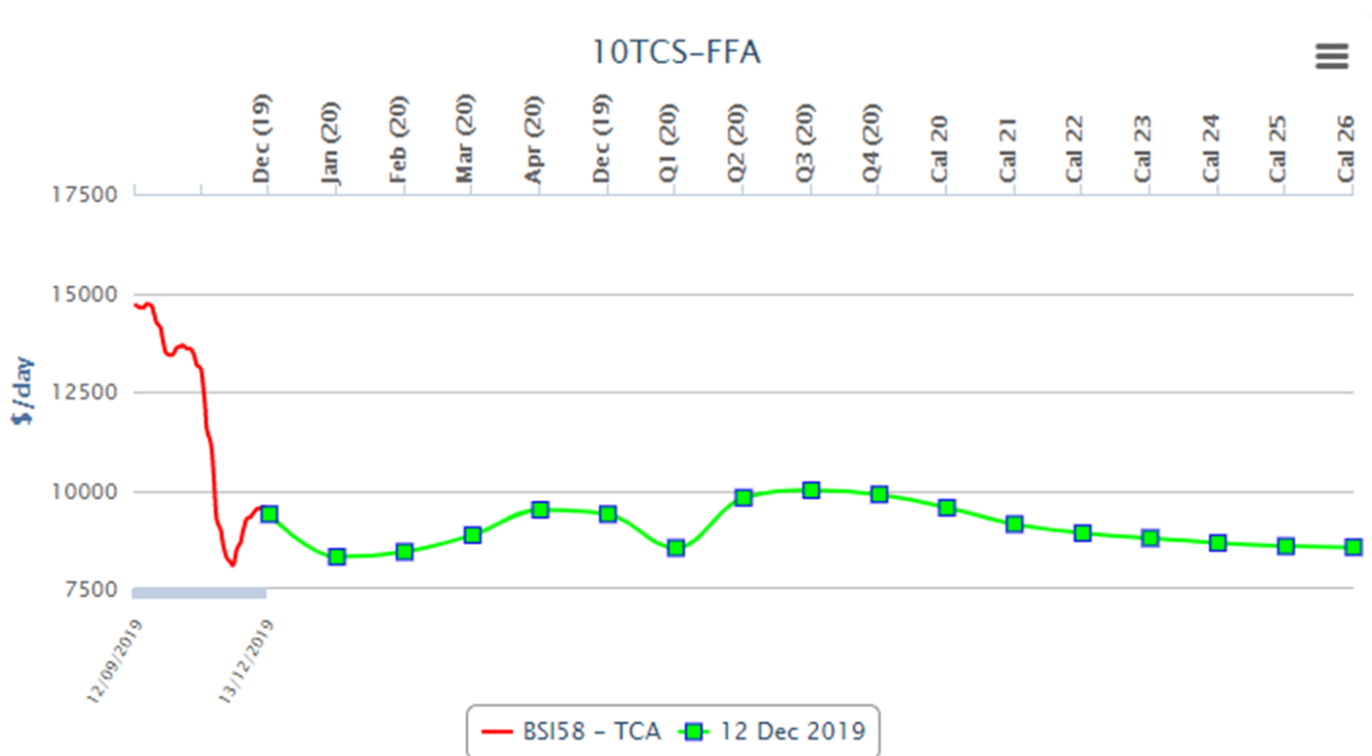
US Gulf (NOLA) (via Panamá Canal) – 10,232 nautical miles (32 days)

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

Baltic Dry Bulk Index.

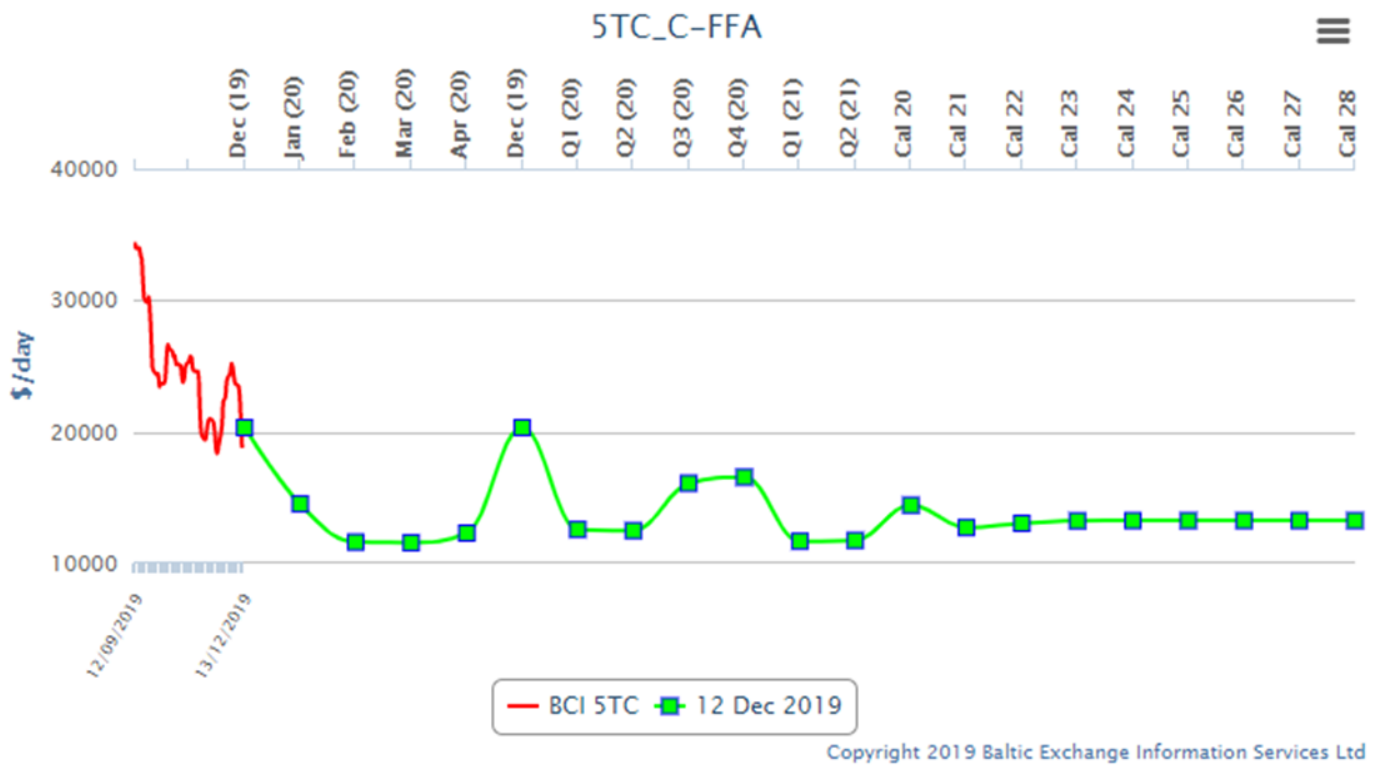


Baltic Panamax Forward Curve Chart



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Baltic Capesize Forward Curve Chart



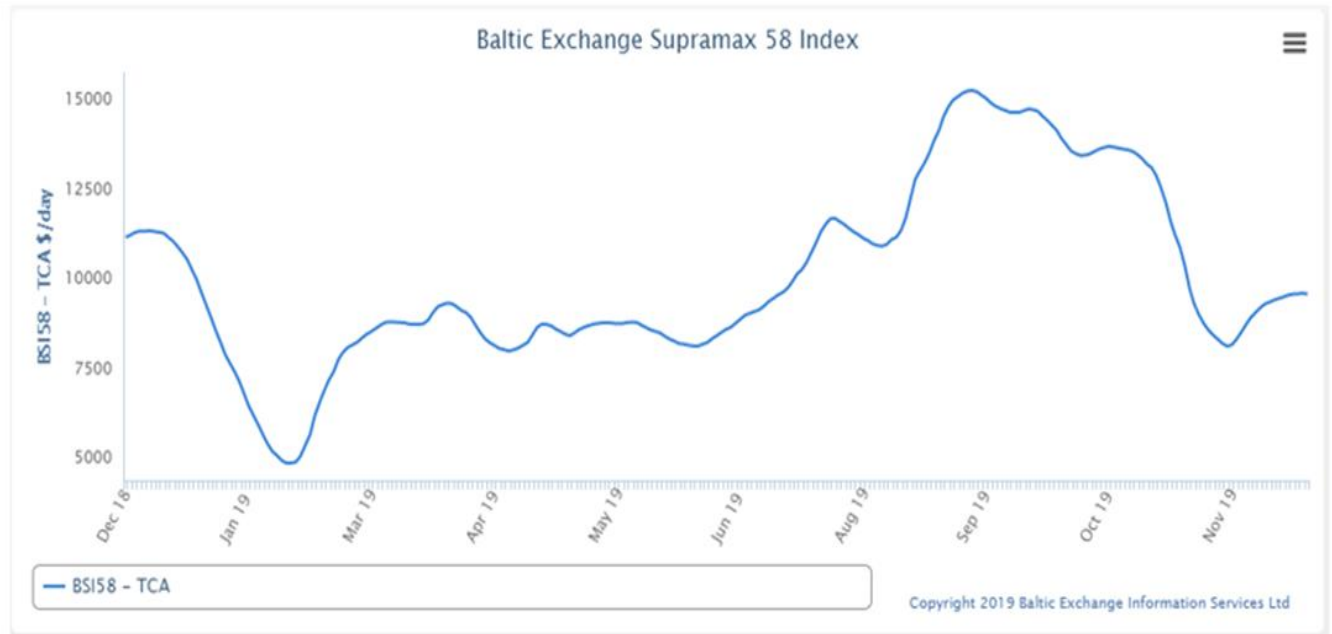
Baltic Panamax Index

Panamax

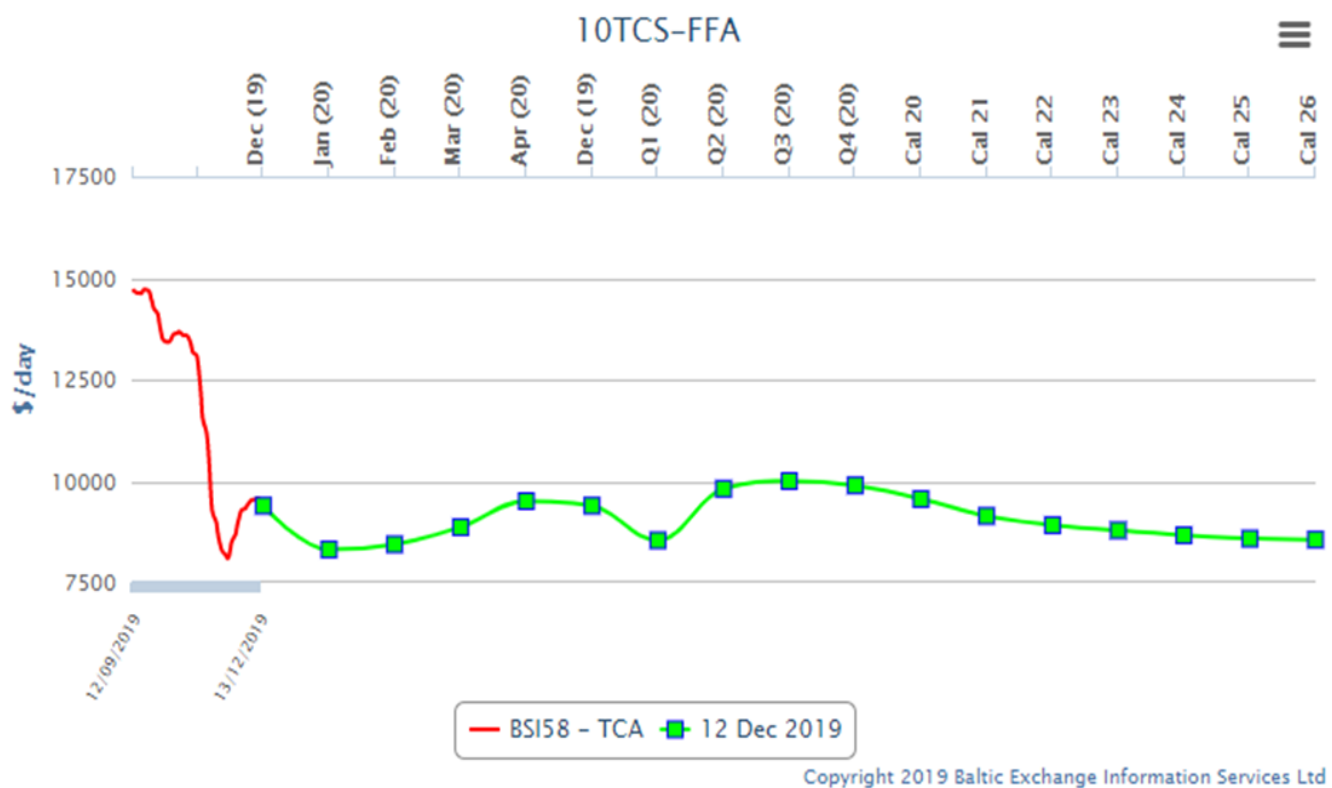


Baltic Supramax Vessel Index

Supramax

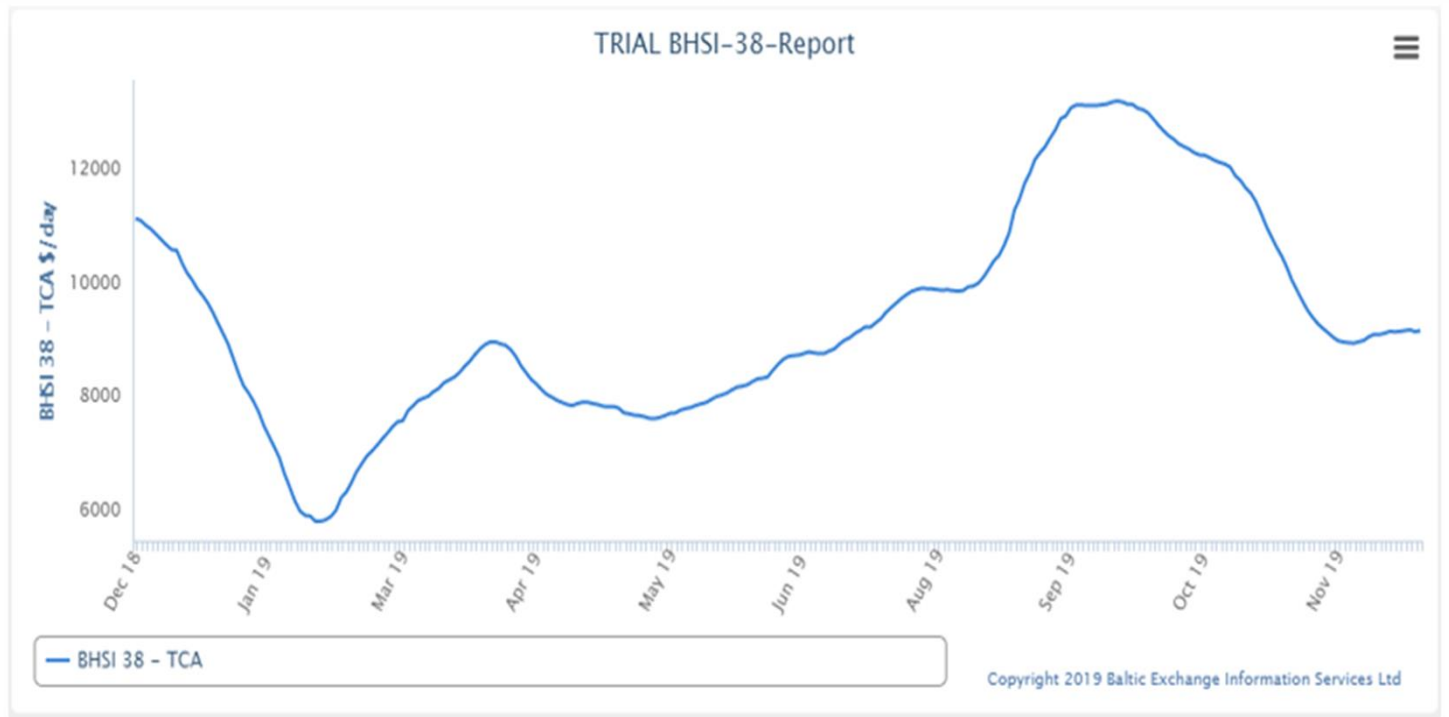


Supramax Dry-Bulk Forward Curve

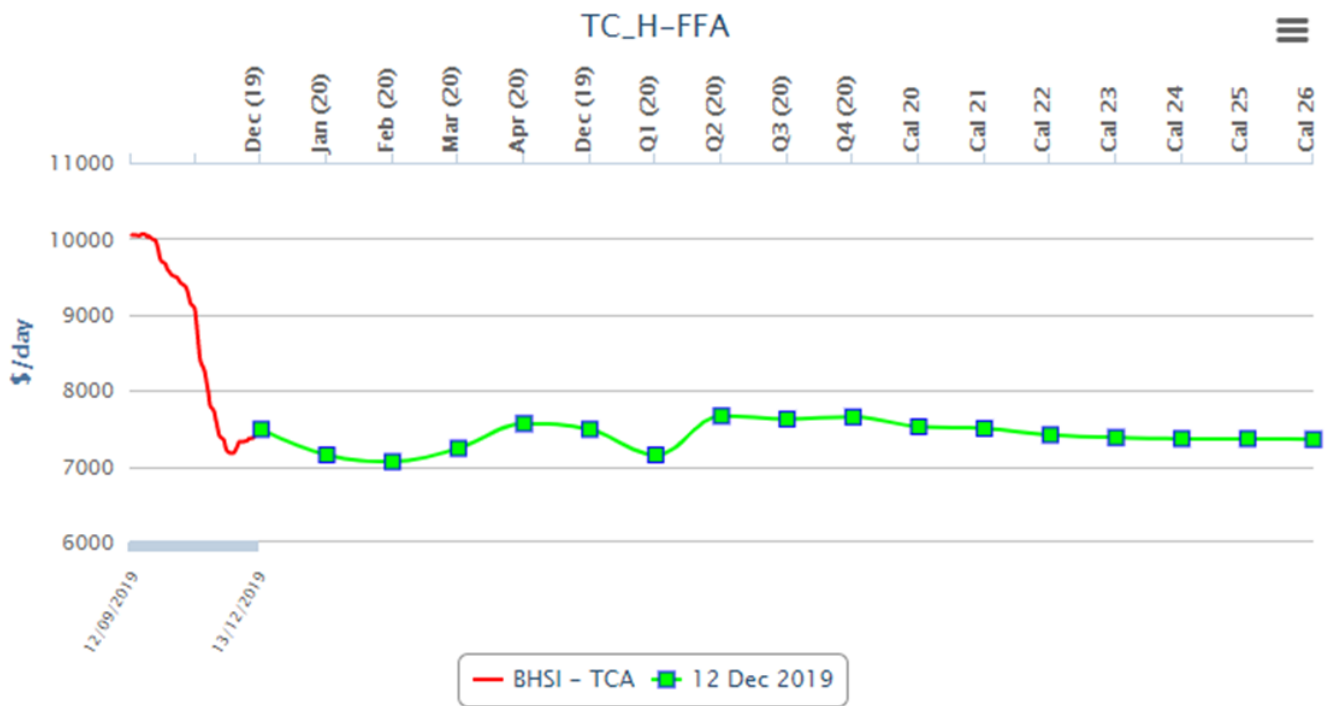


Baltic Handy Size Vessel Index

Handysize



Baltic Handy Size Forward Curve

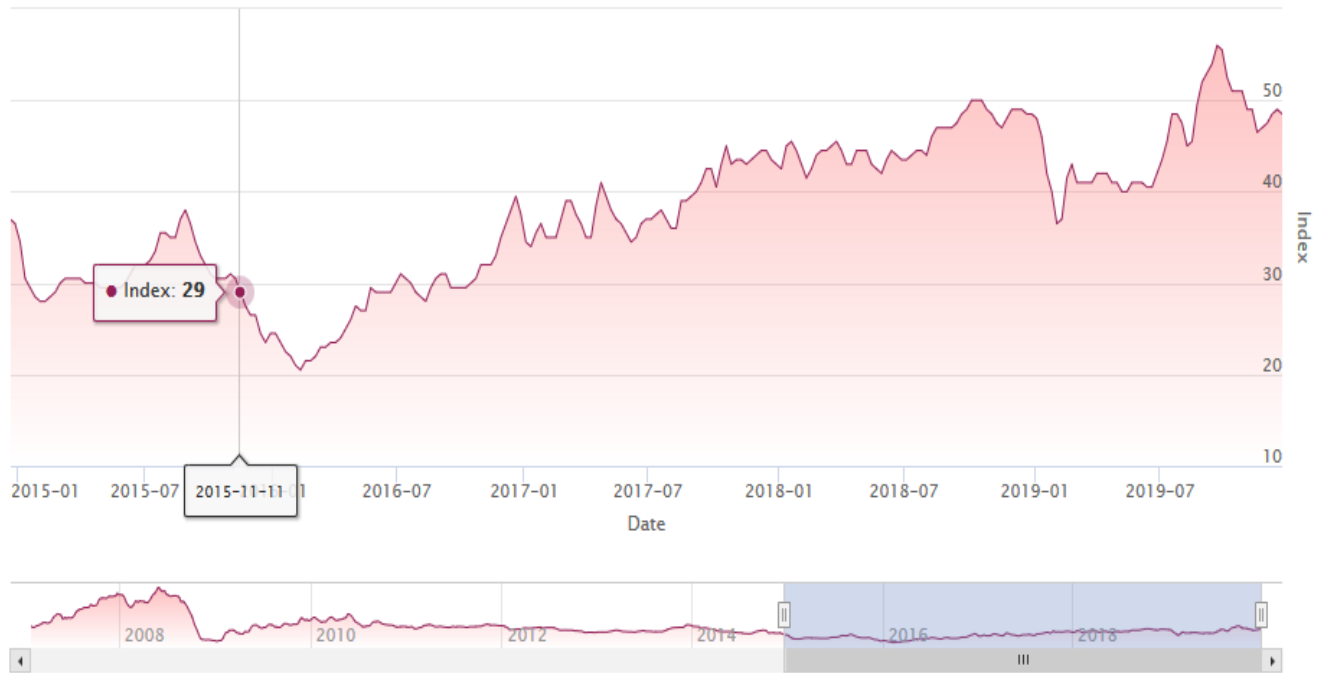


YAMAMIZU Index



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

From 2014-12-18 To 2019-12-18



China Import Dry Bulk Freight Index					
2019-12-19					
Description	Size MT	Cargo/Vessel Size	Unit	Rate	Change
Composite Index			Point	889.72	-16.8
Iron ore Freight Index			Point	874.97	-21.32
Dampier(West Australia)-Qingdao (China)	170000/10%	Iron ore	\$/ton	7.307	-0.326
Soybean Freight Index			Point	1003	-5.25
Santos(Brazil)—North China	60000/10%	Soybean	\$/ton	33.463	-0.125
Tacoma(West America)—North China	60000/10%	Soybean	\$/ton	24.9	-0.212
Mississippi(US Gulf)—North China	66000/10%	Soybean	\$/ton	45.514	-0.286
Mississippi(US Gulf)—North China	55000/10%	Soybean	\$/ton	47.25	-0.267

19 December 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
Jan.	0.63	\$176.96	1.00	\$191.52
Feb.	0.65	\$177.75	1.00	\$191.52
Mar.	0.67	\$178.53	1.02	\$192.31
April	0.64	\$179.91	1.00	\$194.08
May	0.65	\$180.30	1.04	\$195.66
June	0.60	\$180.60	1.02	\$197.13

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
Jan.	0.95	\$189.56	0.80	\$183.65
Feb.	0.95	\$189.56	0.80	\$183.65
Mar.	0.95	\$189.56	0.80	\$183.65
April	0.90	\$190.15	0.75	\$184.24
May	0.95	\$192.12	0.80	\$186.21

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	
	Jan.	Feb.	Mar.	April
FOB U.S. GULF	\$244.44	\$246.27	\$248.11	\$249.40
Basis	1.20	1.25	1.30	1.30
WH	5.4525			.
WK	5.4875			
WN	5.5075			

19-Dec-19	Close	This Week	Last Week.	Last Week.	Last Week	
CME Corn Futures	Bushel	MT.	Bushel	Bu. Diff.	MT	MT Diff.
Mar.	\$ 3.8650	\$ 152.16	\$ 3.8425	0.0225	\$ 151.27	\$ 0.89
May	\$ 3.9300	\$ 154.72	\$ 3.9000	0.0300	\$ 153.53	\$ 1.18
July	\$ 3.9875	\$ 156.98	\$ 3.9025	0.0850	\$ 153.63	\$ 3.35
Sept.	\$ 3.9850	\$ 156.88	\$ 3.9025	0.0825	\$ 153.63	\$ 3.25
Dec.	\$ 4.0050	\$ 157.67	\$ 3.9225	0.0825	\$ 154.42	\$ 3.25
Mar..	\$ 4.0925	\$ 161.11	\$ 4.0125	0.0800	\$ 157.96	\$ 3.15

CBOT March. 2019 (CH20) CORN Futures Chart –



CME/CBOT March 2019 (WH20) 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
Jan.	0.73	\$366.51	0.90	\$372.76
Feb.	0.60	\$366.06	0.80	\$373.40
Mar.	0.62	\$366.79	0.83	\$374.51
April	0.50	\$367.43	0.73	\$375.88
May	0.53	\$368.54	0.78	\$377.72
Soybean Futures				
Jan..	\$ 9.2450			
Mar.	\$ 9.3625			
May	\$ 9.5000			
July	\$ 9.6200			
Aug.	\$ 9.6600			
Sept.	\$ 9.6375			

U.S. SBM (USD/MT) FOB Vessel		
Fob U.S. Gulf Port	47.5 Pro. SBM	
max 12.5 % moisture	Basis	Flat Price
Jan.	18.00	\$ 353.57
Feb.	15.00	\$ 354.12
Mar.	14.00	\$ 353.02
April	11.00	\$ 353.46
May	12.00	\$ 354.56
SBM Futures		
SMF	298.40	
SMH	302.70	
SMK	306.20	
SMN	309.60	
SMQ	310.70	
SMU	311.40	

CME January 2019 Soybean (SF20) Futures Chart:



CME January 2020 Soybean Meal (SMF20) Futures Chart



U.S. EXPORT STATISTICS: Report Activity as of Week Ending 05 December 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	1382.9	15,489.0	46,990	33%	269.5
Sorghum	34.6	959.6	2,790	34%	0.0
Soybeans	1062.1	26,994.4	48,310	56%	131.0
Wheat	640.3	16,958.1	26,540	64%	8.9
Barley	0.0	58.7	70	84%	0.0

U.S. EXPORT INSPECTIONS:

Monday's report 16 December 2019 for the Export week ending 12 December 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	686,686	489,612	7,227,047	16,004,866	45%
Sorghum	77,564	45,149	708,524	395,014	179%
Soybeans	1,259,374	1,401,525	18,633,317	15,171,283	123%
Wheat	506,291	366,014	13,575,985	11,717,859	116%
Barley	846	0	16,760	6,191	271%

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

U.S. EXPORT INSPECTIONS:

Monday's report 16 December 2019 for the Export week ending 12 December 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%	18,832 1%
Gulf	462,092	68%	10,807	100%	72,603	94%	703,401 56%
PNW	40,932	6%	0	0%	0	0%	401,991 32%
Interior Export Rail	172,855	26%	0	0%	4,961	6%	135,150 11%
Metric Tons	675,879		10,807		77,564		1,259,374

Sorghum Shipments: metric tons
 72,603 China Main
 4,961 Mexico
 77,564 Total

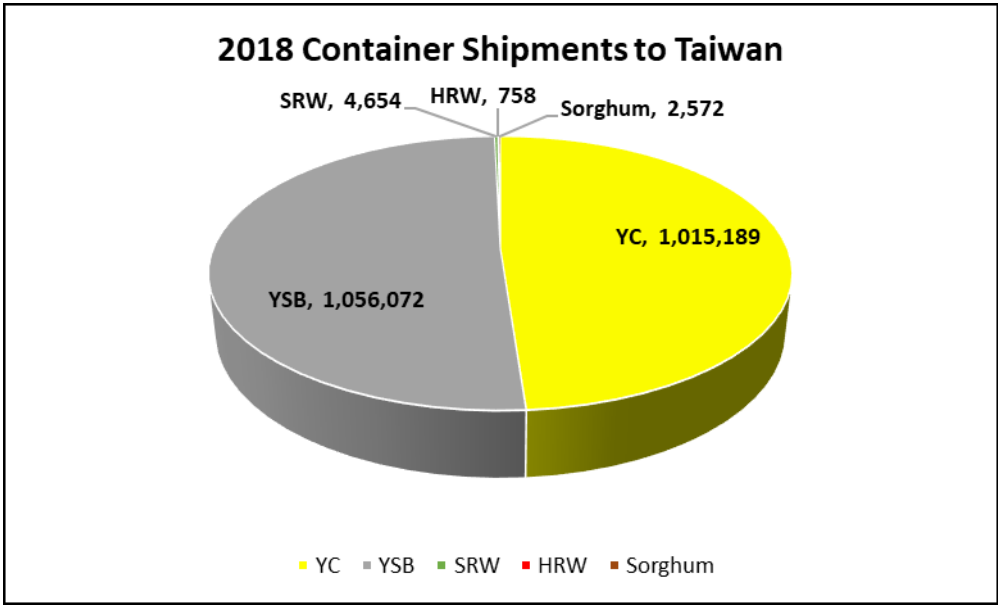
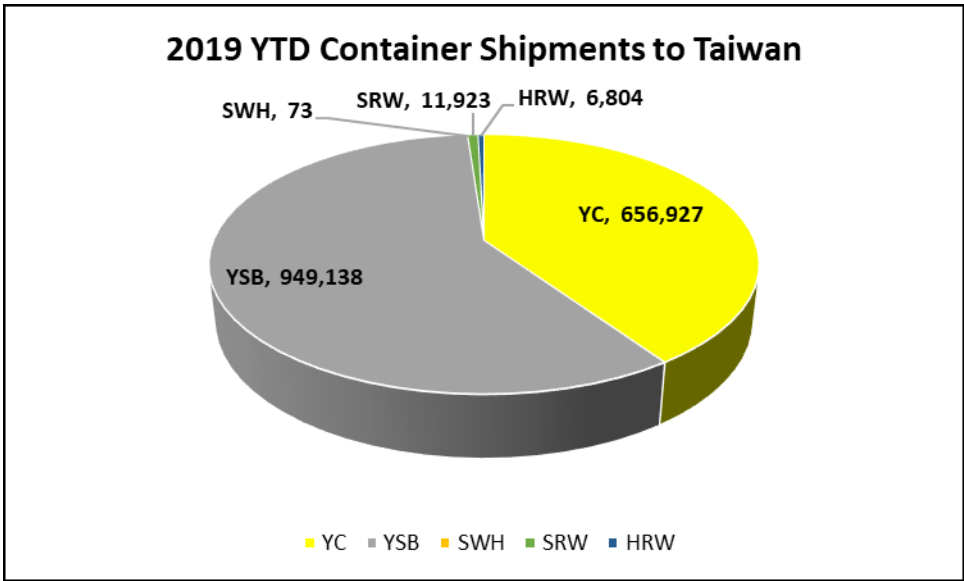
White Corn metric tons
 Shipments: 7,700 Colombia
 3,107 Honduras
 10,807 Total

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:		12-Dec-2019							
Last Week	metric tons								MT
	YC	WC	YSB	SRW	NS	SWH	HRW	Sorghum	TOTAL
China Main									0
China T	14,493		32,626						47,119
Hong Kong	1,028								1,028
Costa Rica									0
Indonesia			19,029						19,029
French Poly									0
Japan			1,393						1,393
Korea Republic	219		539						758
Nepal			4,847						4,847
Malaysia	832		6,783						7,615
France			1						1
Philippines			882						882
Thailand			12,735						12,735
Panama									0
Rep S Africa									0
Bangladesh									0
Burma			24						24
Vietnam			23,515						23,515
Sub total	16,572	0	102,374	0	0	0	0	0	95,407
USDA Corrections/Additions to previous reports:									
China T	931		2,497				196		3,624
China Main									0
Hong Kong									0
Korea Rep.									0
Singapore									0
Japan									0
Philippines									0
Indonesia			1,934						1,934
Malaysia			245						245
Thailand			245						245
Vietnam			539						539
Canada									0
Bangladesh									0
Sub total	931	0	5,460	0	0	0	196	0	6,587
Mt. Grand Total	17,503	0	107,834	0	0	0	196	0	101,994
Number of containers	761	0	4,688	0	0	0	9	0	

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



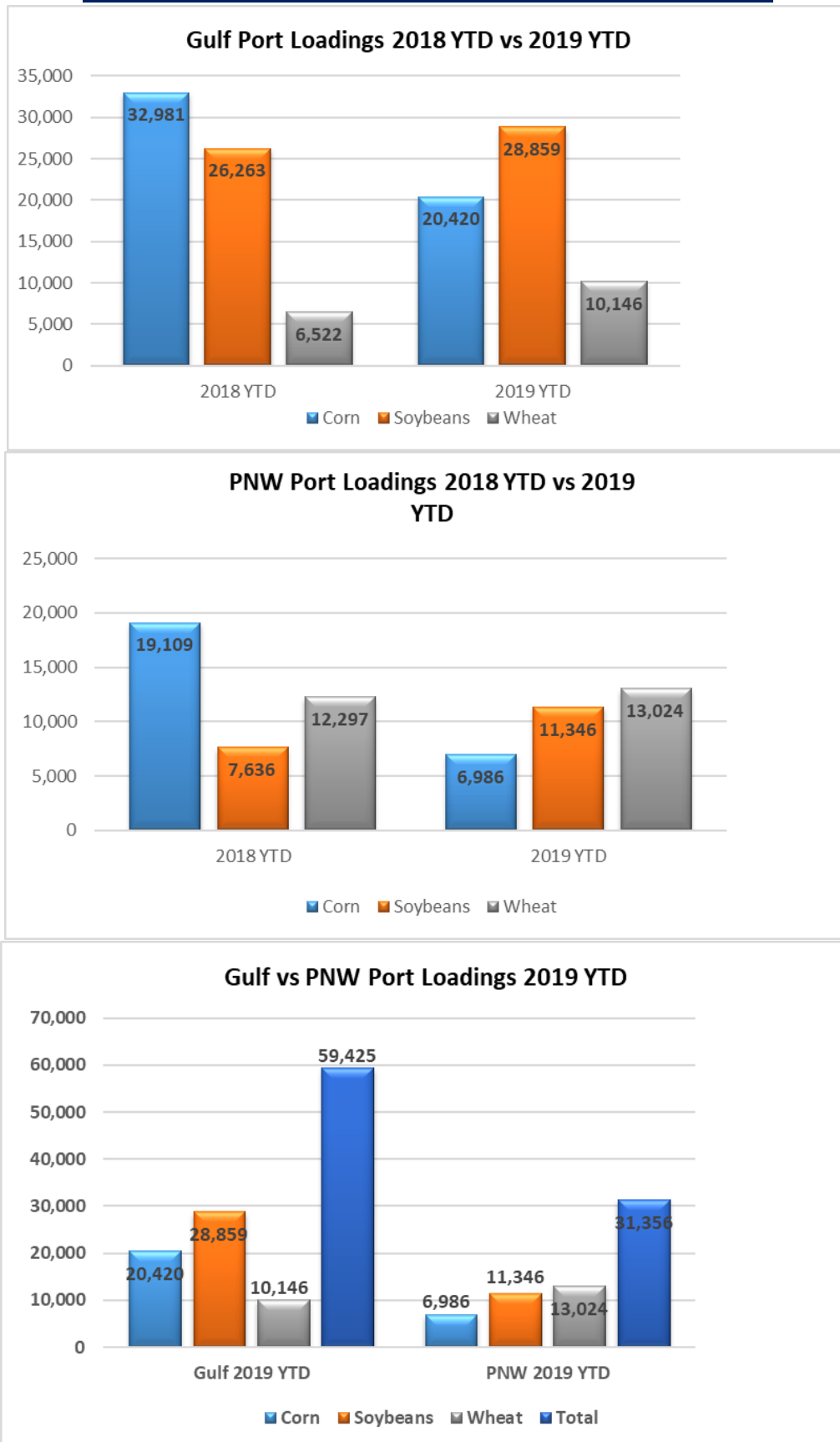
Grain Inspections for Export by U.S. Port Regions:
U.S. Gulf and Pacific Northwest 2018 YTD vs. 2019 YTD

PORT LOADINGS US Gulf				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
GULF				
2018 YTD	32,981	26,263	6,522	65,766
2019 YTD	20,420	28,859	10,146	59,425
2019 as % of 2018	62%	110%	156%	90%

PORT LOADINGS US PNW				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
PNW				
2018 YTD	19,109	7,636	12,297	39,042
2019 YTD	6,986	11,346	13,024	31,356
2019 as % of 2018	37%	149%	106%	80%

PORT LOADINGS GULF vs. PNW				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
2019 Gulf YTD	20,420	28,859	10,146	59,425
2019 PNW YTD	6,986	11,346	13,024	31,356
TOTAL	27,406	40,205	23,170	90,781
Gulf Percentage	75%	72%	44%	65%
PNW Percentage	25%	28%	56%	35%

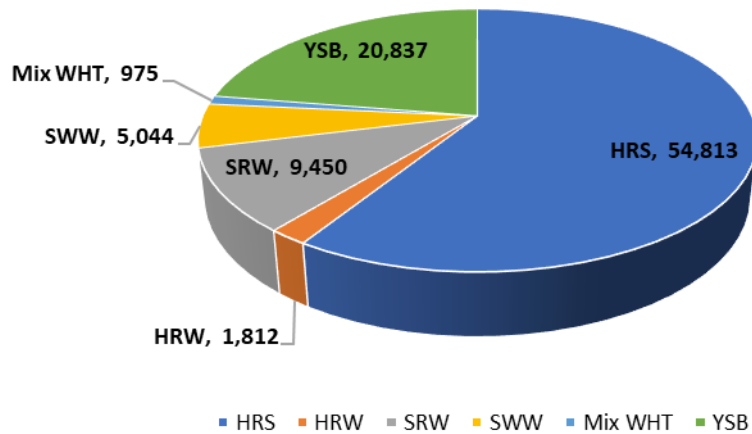
Grain Inspections for Export by U.S. Port Regions (1,000MT):
U.S. Gulf and Pacific Northwest 2018 YTD vs. 2019 YTD



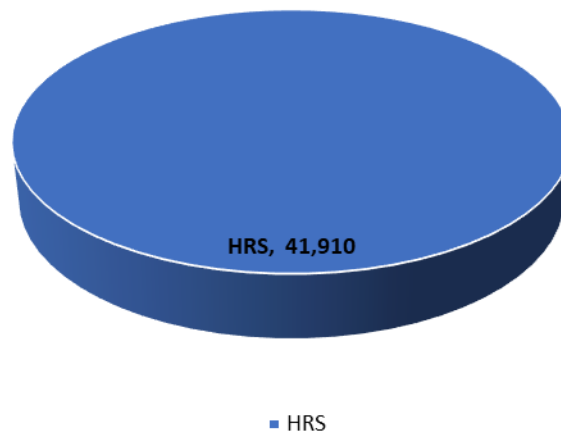
Source: USDA-data

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

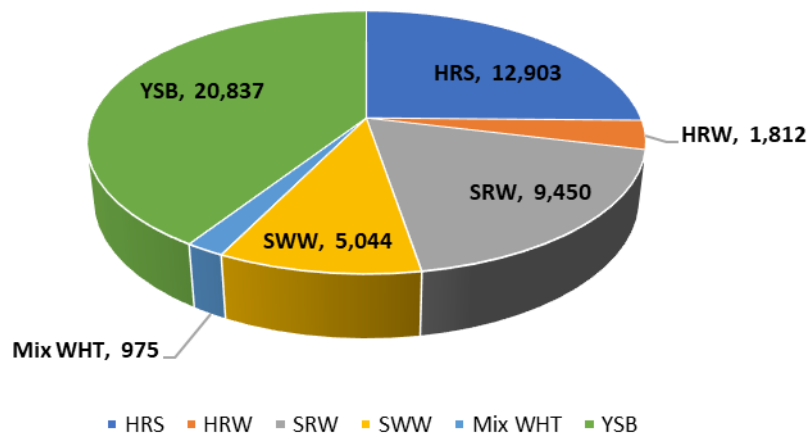
2019 YTD Exports to Burma



YTD Exports to Burma by Vessel

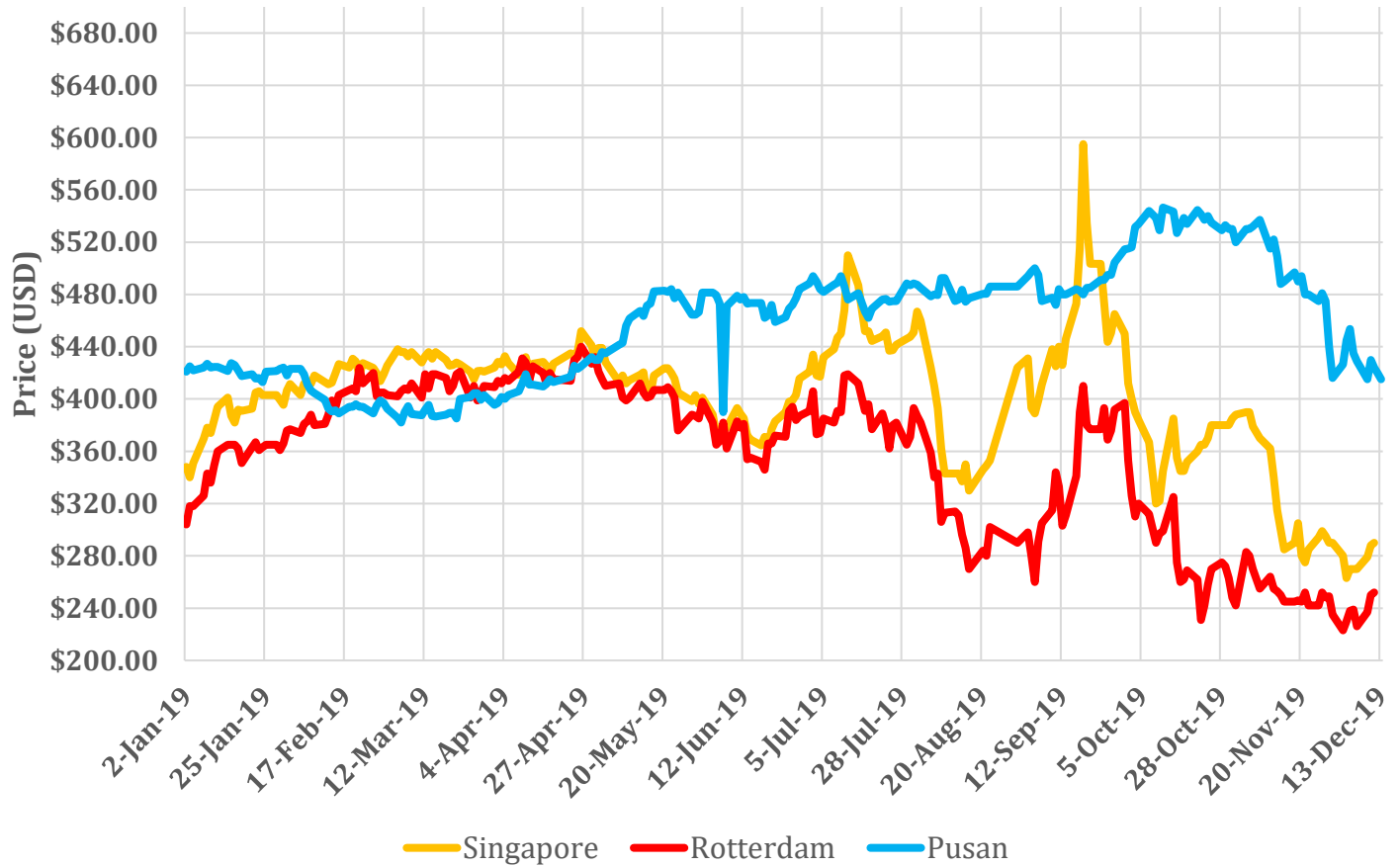


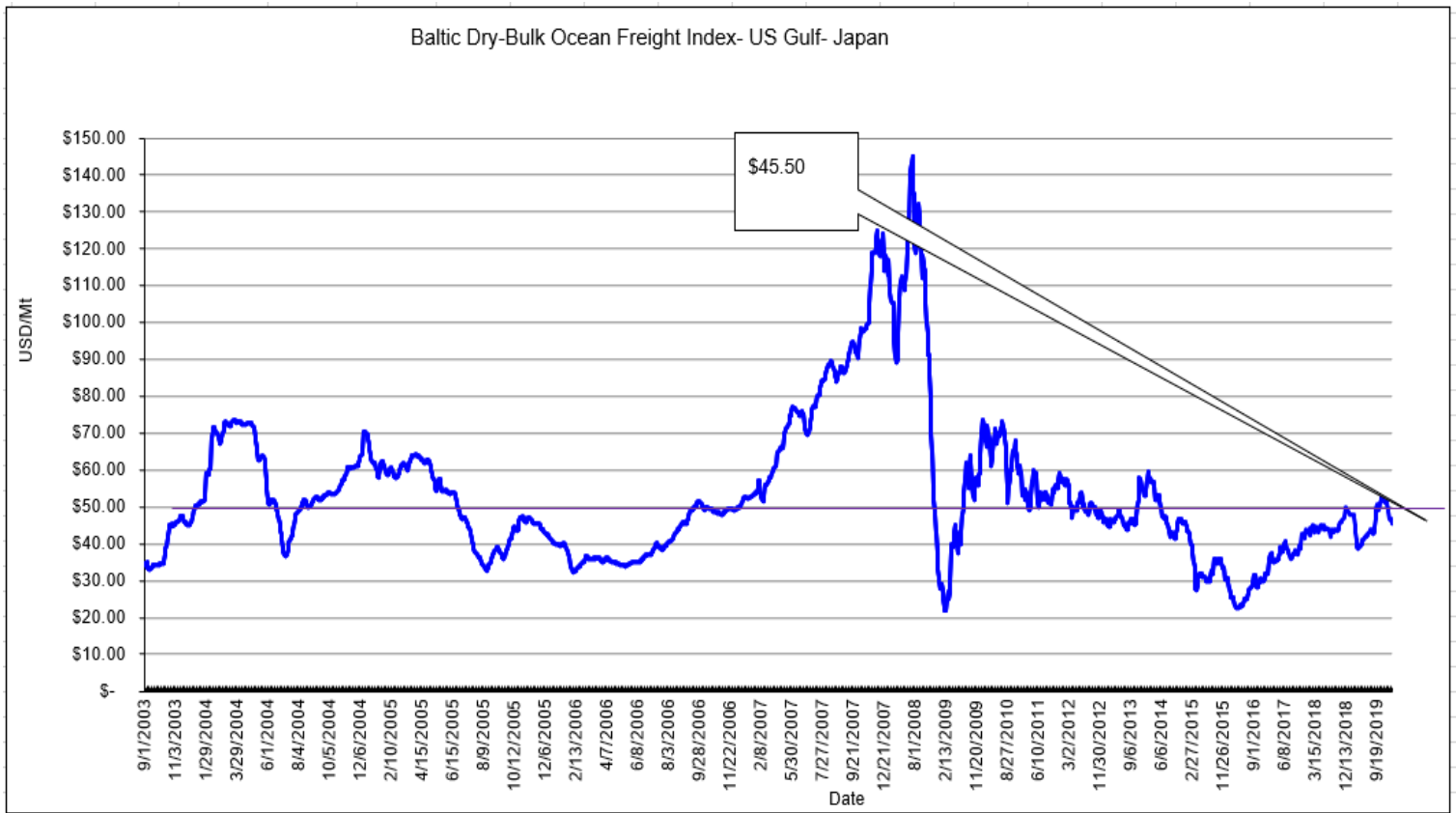
YTD Exports to Burma by Container



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

Bunker Fuel Prices for Singapore vs. Rotterdam vs. Pusan

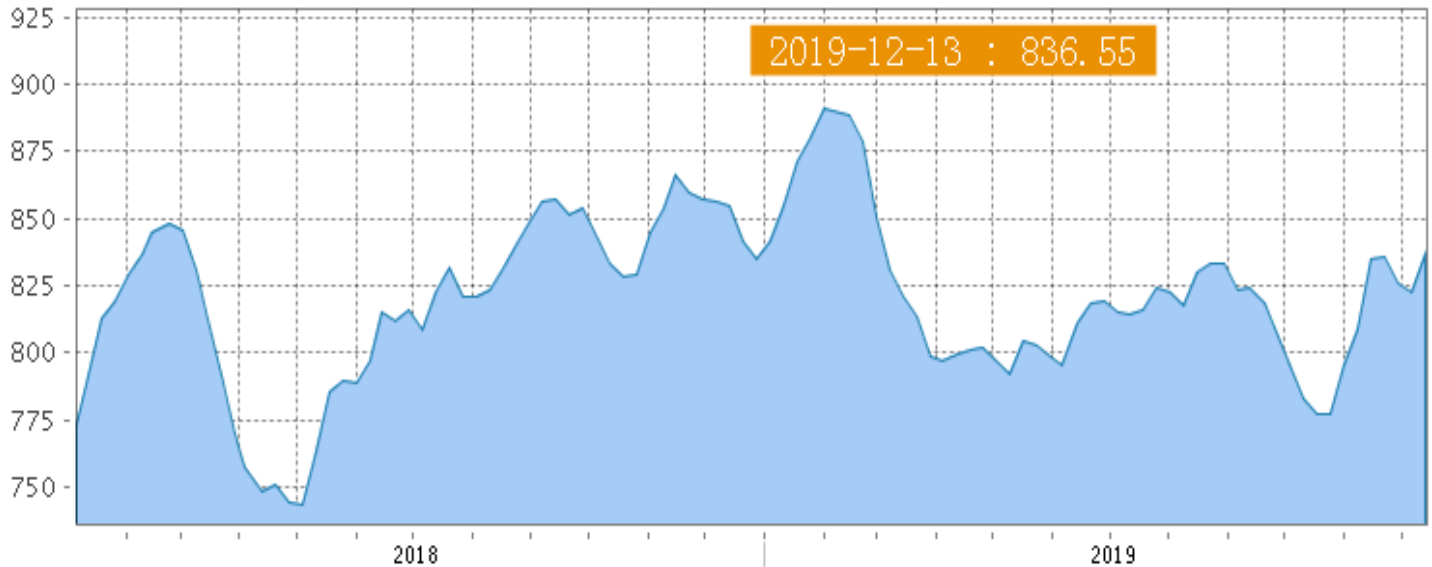




China Import Dry Bulk Freight Index



China Containerized Freight Index



U.S. RIVER BARGE FREIGHT

Current Barge Freight for Placement Last Half January 2020

Placement LH January 2020	% 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	245	\$10.78	0.27	0.29

Secondary Rail Car Market for car placement period: Last Half January 2020.

Secondary Rail Car Market Placement LH. January 2020	BID USD	ASK USD	BID BU.	ASK BU.	BID MT	ASK MT
BNSF Shuttle Trains	\$ (450.00)	\$ (300.00)	\$ (0.11)	\$ (0.08)	\$ (4.43)	\$ (2.95)
UPRR Shuttle Trains	\$ (350.00)	\$ (200.00)	\$ (0.09)	\$ (0.05)	\$ (3.44)	\$ (1.97)

Best Regards,

Jay

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