

Transportation and Export Report for 20 December 2018

Ocean Freight Insights and Comments:

The only thing that is challenging in this market is devising different ways to say that things are dull and steady. The word quiet has been used frequently to describe the market action.

If we look back at freight rates over the past three months we find that Dry-Bulk rates from the US Gulf to Asia have mostly traded in a one dollar per tonne range. This week the markets have not found reason to break out of this pattern. Even the recently announced U.S. Soybean sales to China for Jan-Feb. have not created enough excitement to move the needle much. Dry-Bulk markets are looking for bigger volumes and more sustained demand that equates to net cargo gains and not just a shift in shipping routes.

BALTIC DRY-BULK PANAMAX INDEX CHANGES

Panamax Ocean Freight Indices				
20-Dec-18	This Week	Last Week	Difference	Percent Change
P2A : Gulf/Atlantic - Japan	19961	19797	164	0.8%
P3A - PNW/Pacific - Japan	10428	9668	760	7.9%
S1C -USGULF-China-So.Japan	27022	26822	200	0.7%

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

Four weeks ago:	\$ 5.30-\$6.25
Three weeks ago:	\$ 6.15-\$8.50
Two weeks ago:	\$ 7.95-\$8.25
One week ago:	\$ 8.40-\$8.90
This week	\$7.50-\$8.75

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

Mississippi River:	(10 elevators)	3-7 days
Miss. River Mid-Stream loaders:	(6+ Rigs)	0-6 days
Texas Gulf	(6 elevators)	0-4 days
Pacific Northwest:	(9 elevators)	0-7 days

Panamax Market Spreads to Asia -China					
20-Dec-18	PNW	GULF	Bushel Spread	MT Spread	Advantage
CORN	1.05	0.58	0.47	\$18.50	PNW
SOYBEANS	0.90	0.40	0.50	\$18.37	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	Unchanged	Handymax \$26.25 mt
66,000 U.S. Gulf – China PNW to China	\$47.00 \$25.25	Unchanged Up \$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	\$15.50	Unchanged	Deep draft and 6,000 MT per day discharge rate.
25/35,000 U.S. Gulf- <u>East Coast Colombia</u> From Argentina	\$21.00 \$35.25	Unchanged	<u>West Coast Colombia at \$30.75</u>
40-45,000 U.S. Gulf - Guatemala	\$31.50	Unchanged	Acajutla/Quetzal - 8,000 out
26-30,000 U.S. Gulf – Algeria	\$36.50 \$37.50	Unchanged	8,000 mt daily discharge 3,000 mt daily discharge
26-30,000 US Gulf-Morocco	\$38.50	Unchanged	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	\$20.75	Down \$0.25	Handymax at +\$1.75 more
Brazil, Santos – China Brazil, Santos – China Itacoatiara-Port Up River North Brazil	\$35.75 \$34.50 \$38.75	Down \$0.50	54-59,000 Supramax-Panamax 60-66,000 Post Panamax 60-66,000 mt
56-60,000 Argentina/Rosario- China Deep Draft	\$39.50	Down \$0.50	Up River with BB Top Off \$42.00

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

Nautical Miles: To Xiamen China (South China)

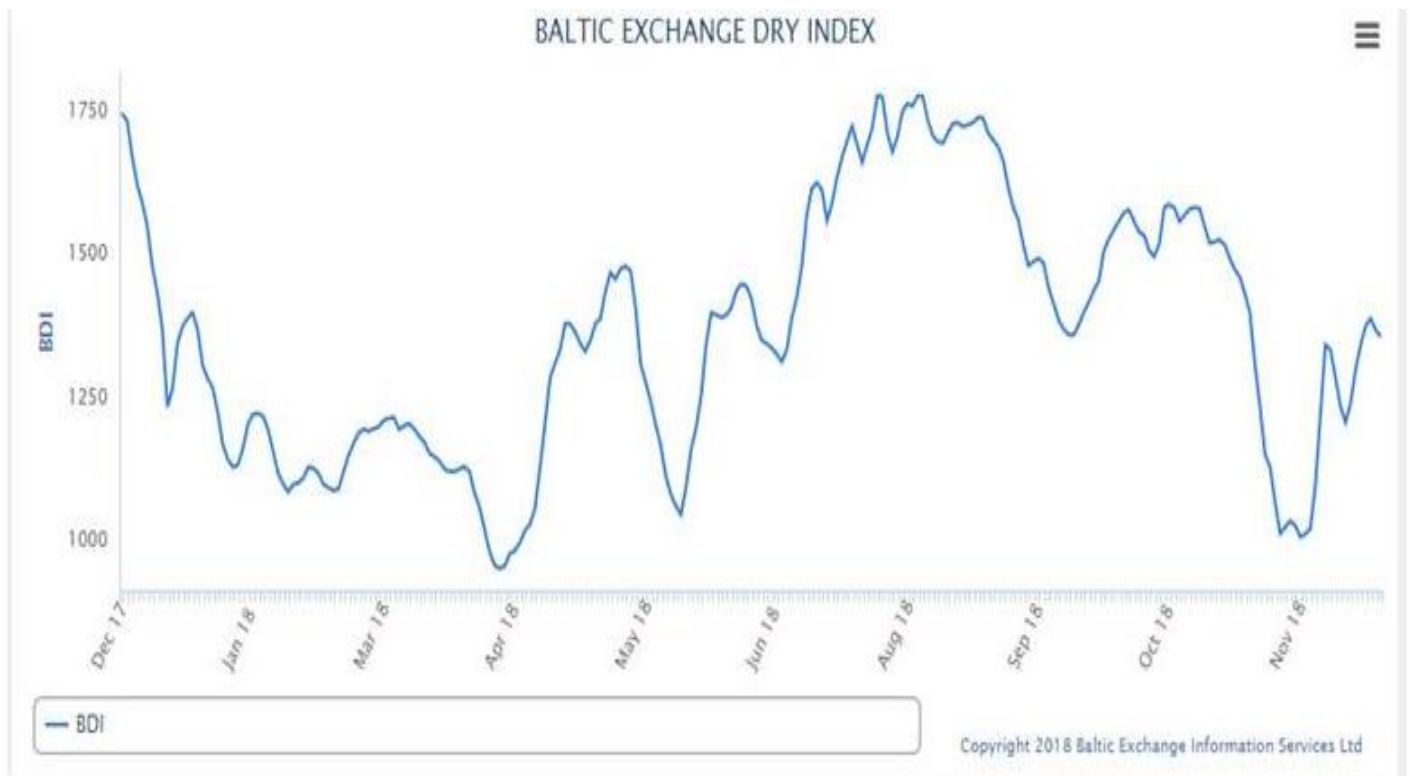
US Gulf (NOLA) (via Panamá Canal) – 10,232 nautical miles (32 days)

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

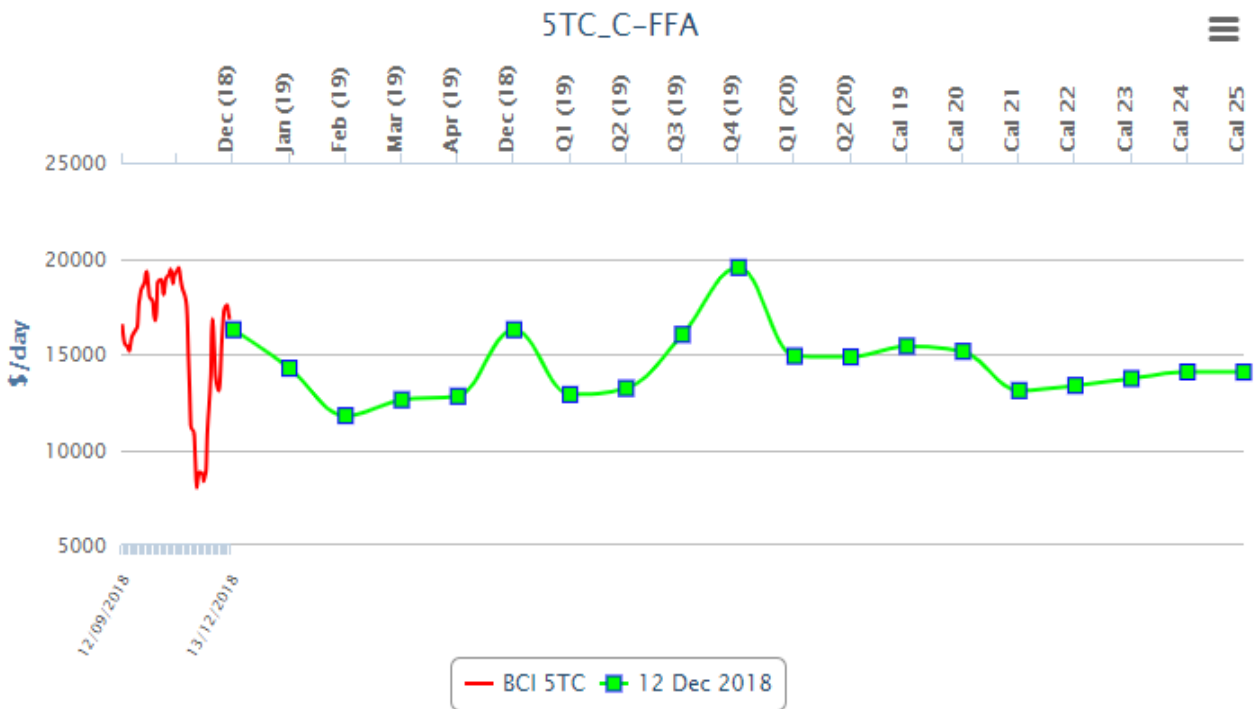
Rasario Argentina (via Cape Horn) - 10,751 nautical miles (34 days)



Baltic Dry Index.

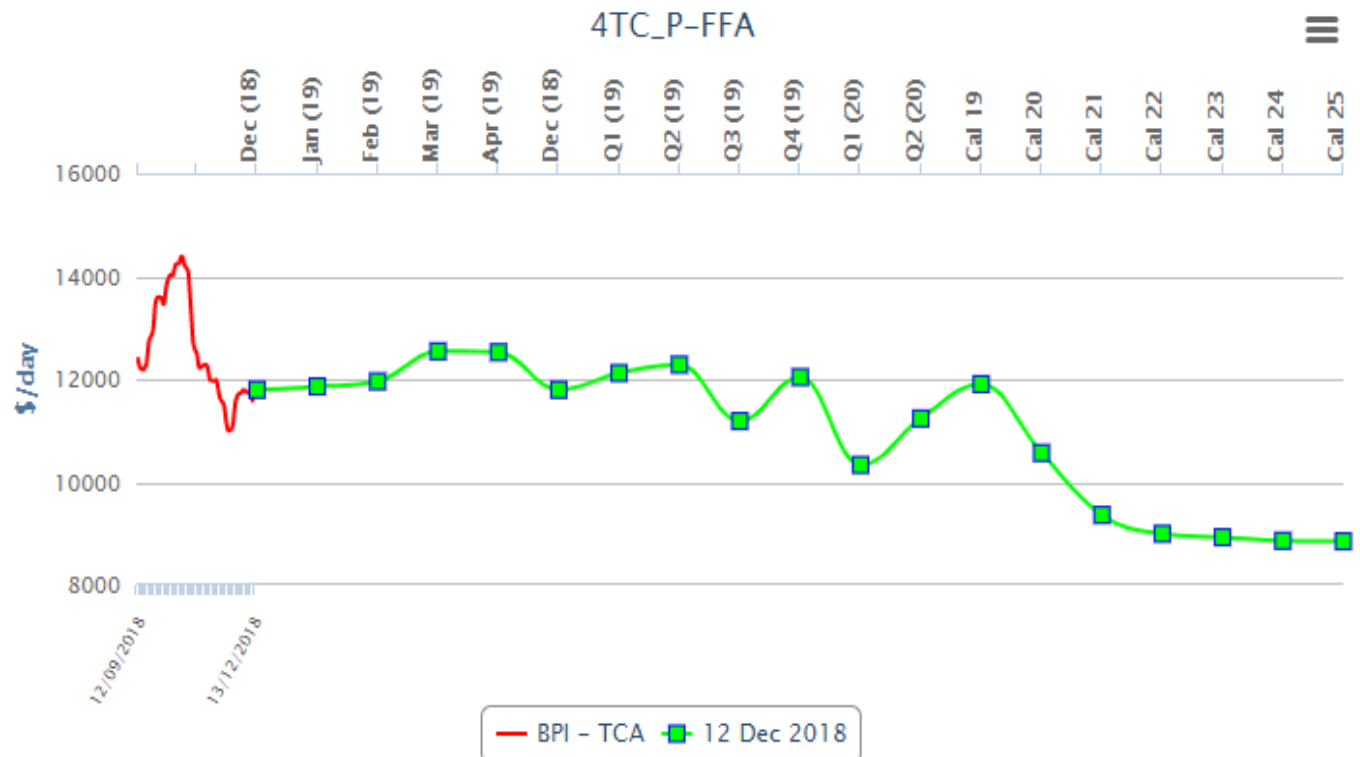


Baltic Capesize Index



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Forward Curve for Baltic BPI Panamax Vessel Freight



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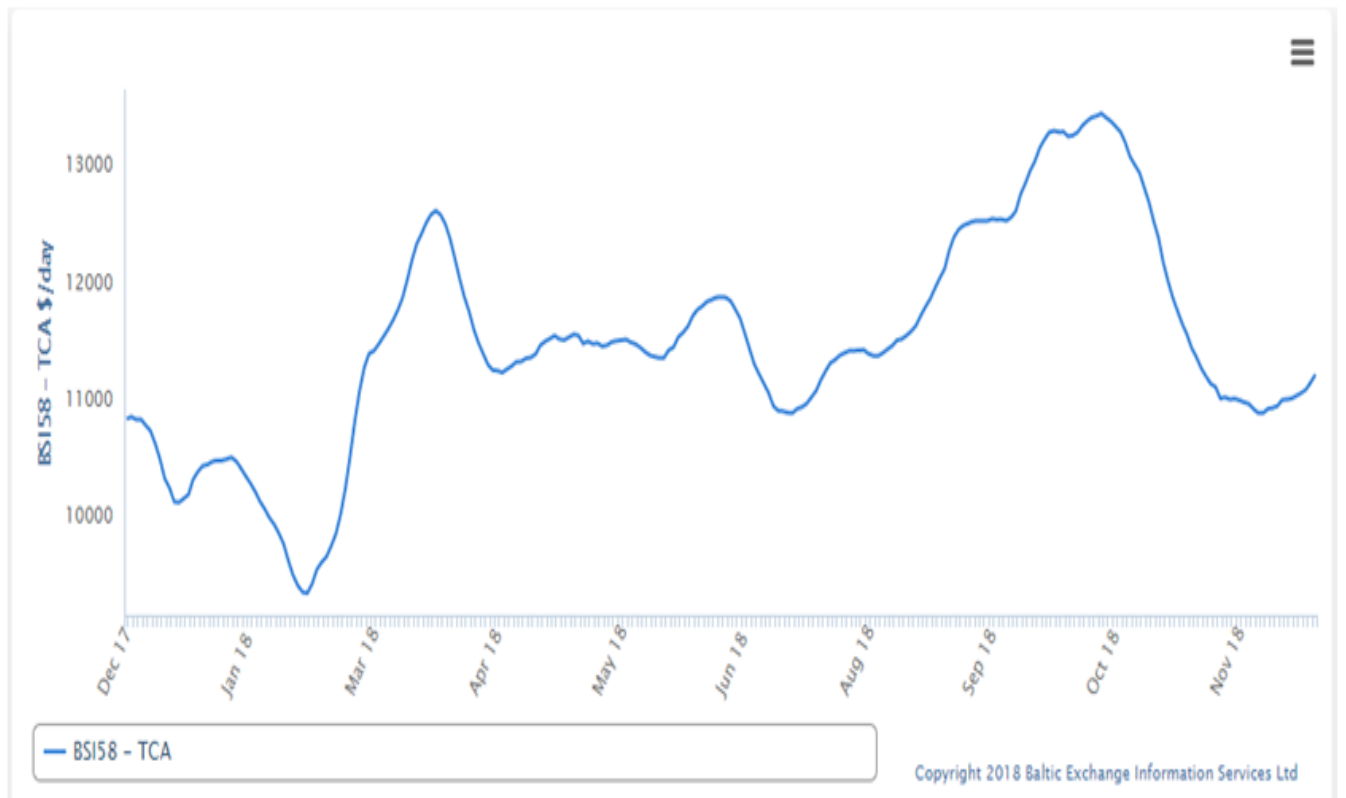
Baltic Panamax Index

Panamax

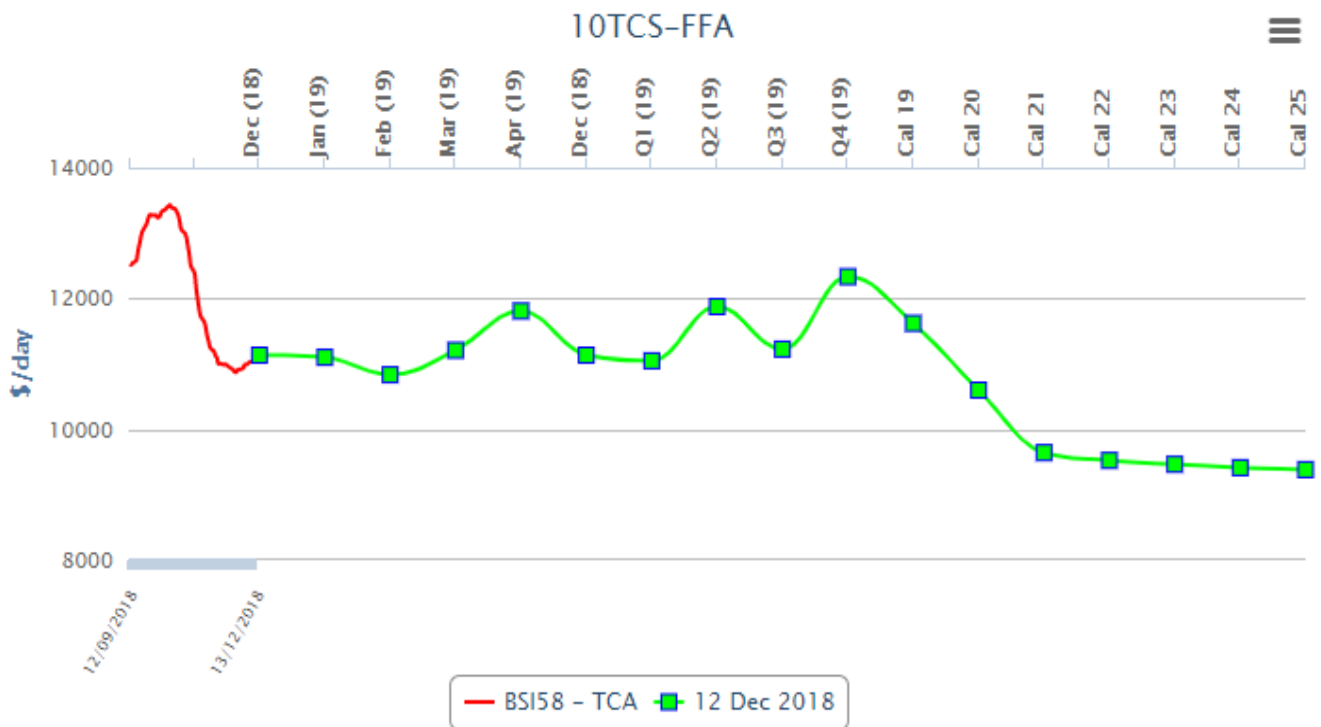


Baltic Supramax Vessel Index

Supramax

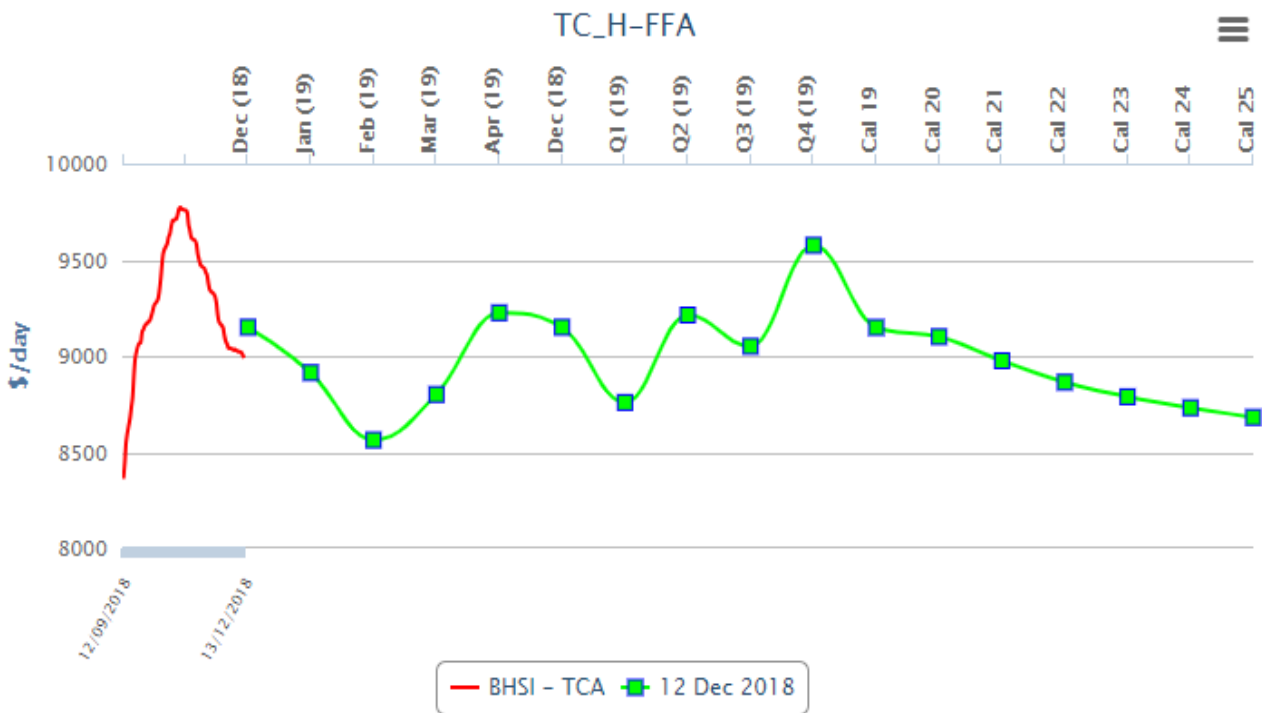


Supramax Dry-Bulk Forward Curve



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Baltic Handy Size



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YAMAMIZU Index



China Import Dry Bulk Freight Index(CDFI)					
2018-12-20					
Route	Size MT	Cargo/Vessel Size	Unit	Rate	Change
Composite Index			Point	863.51	-43.60
Iron ore Freight Index			Point	801.11	-79.16
Soybean Freight Index			Point	1012.36	0.16
Santos(Brazil)—North China	60000/10%	Soybean	\$/ton	33.345	-0.070
Tacoma(West America)—North China	60000/10%	Soybean	\$/ton	25.190	0.030
Mississippi(US Gulf)—North China	66000/10%	Soybean	\$/ton	46.976	0.171
Mississippi(US Gulf)—North China	55000/10%	Soybean	\$/ton	47.739	0.026

20 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	\$170.56	1.05	\$189.06
Feb.	0.59	\$170.95	1.08	\$190.25
Mar.	0.62	\$172.14	1.11	\$191.43
Apr.	0.56	\$172.82	1.04	\$191.72
May	0.57	\$173.22	1.07	\$192.90
June	0.54	\$174.89	1.03	\$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	\$181.19	0.80	\$179.22
Feb.	0.85	\$181.19	0.80	\$179.22
Mar.	0.85	\$181.19	0.80	\$179.22
Apr.	0.85	\$184.24	0.75	\$180.30
May	0.90	\$186.21	0.80	\$182.27

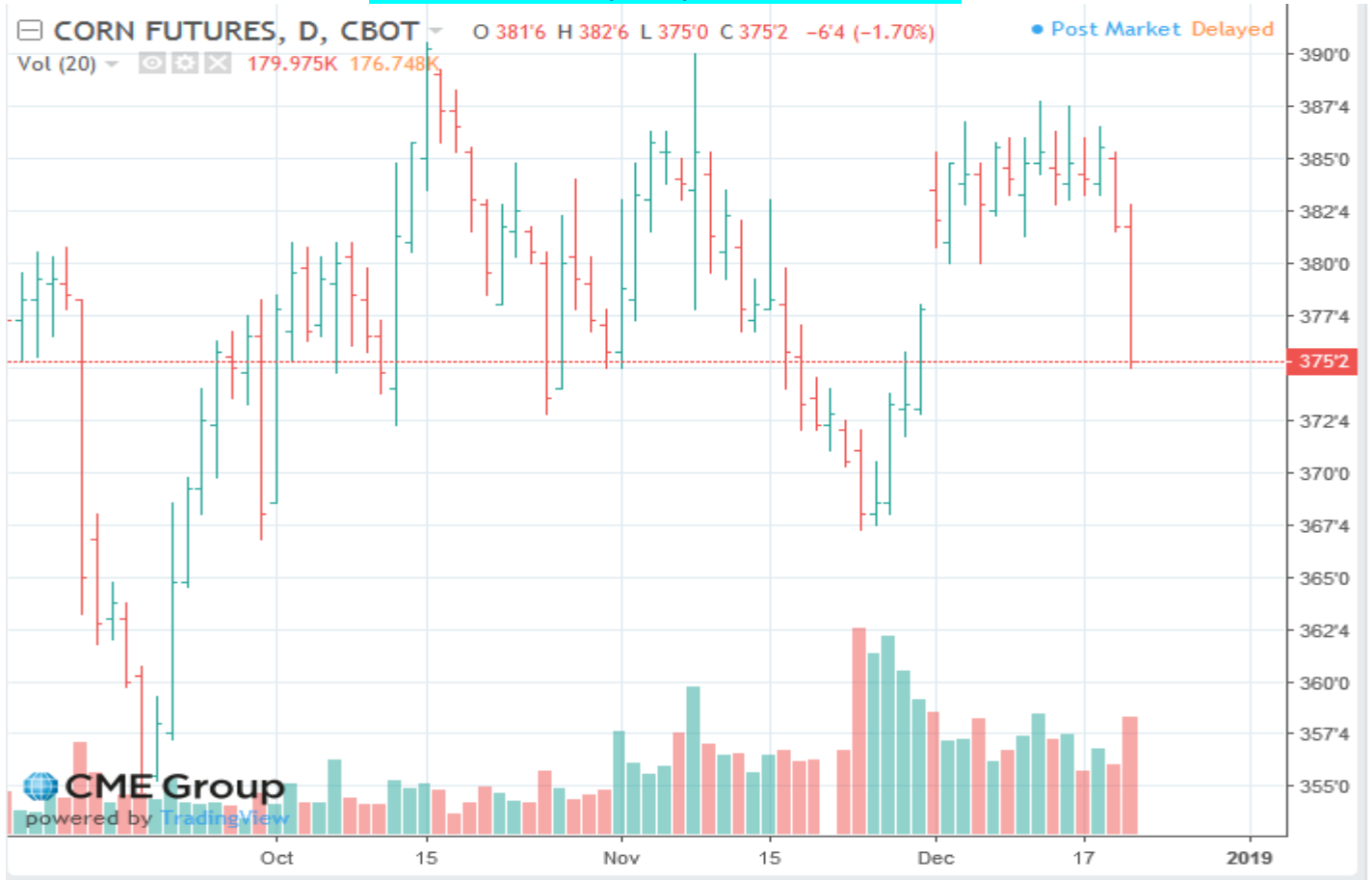
Fob vessel Texas Gulf #2 Sorghum is about 105 % the value of #2 Yellow Corn at NOLA.
In S.W. Kansas it is bid at 85 percent the value of corn.

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

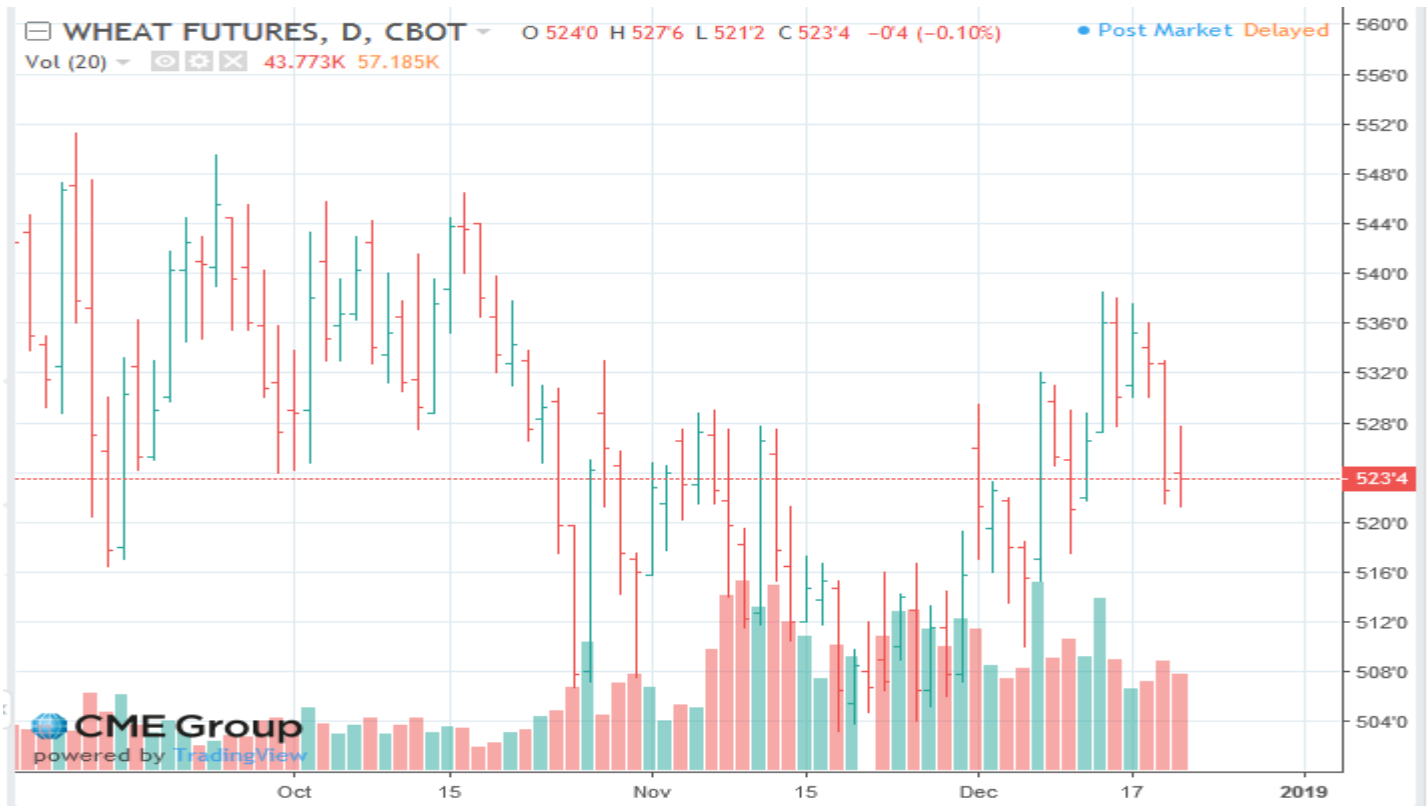
SRW Wheat	USD/MT	Fob Vessel	US Gulf	
	Jan.	Feb.	Mar.	Apr.
FOB U.S. GULF	\$227.26	\$229.09	\$230.93	\$231.85
Basis	0.95	1.00	1.05	1.00
WH	5.2350			
WK	5.3100			
WN	5.3825			

CME Futures Market Close						
CORN	Futures	Thursday	Thursday	Last week	Last Week	Difference
Month	Symbol	Close	Close	Bushel	MT.	Bushel
Mar.	CH	\$3.7525	\$147.73	\$ 3.8425	\$151.27	(\$0.0900)
May	CK	\$3.8300	\$150.78	\$ 3.9175	\$154.22	(\$0.0875)
July	CN	\$3.9025	\$153.63	\$ 3.9825	\$156.78	(\$0.0800)
Sept.	CU	\$3.9225	\$154.42	\$ 3.9975	\$157.37	(\$0.0750)
Dec.	CZ	\$3.9675	\$156.19	\$ 4.0375	\$158.95	(\$0.0700)

CBOT March 2019 (CH19) Corn Futures Chart –



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

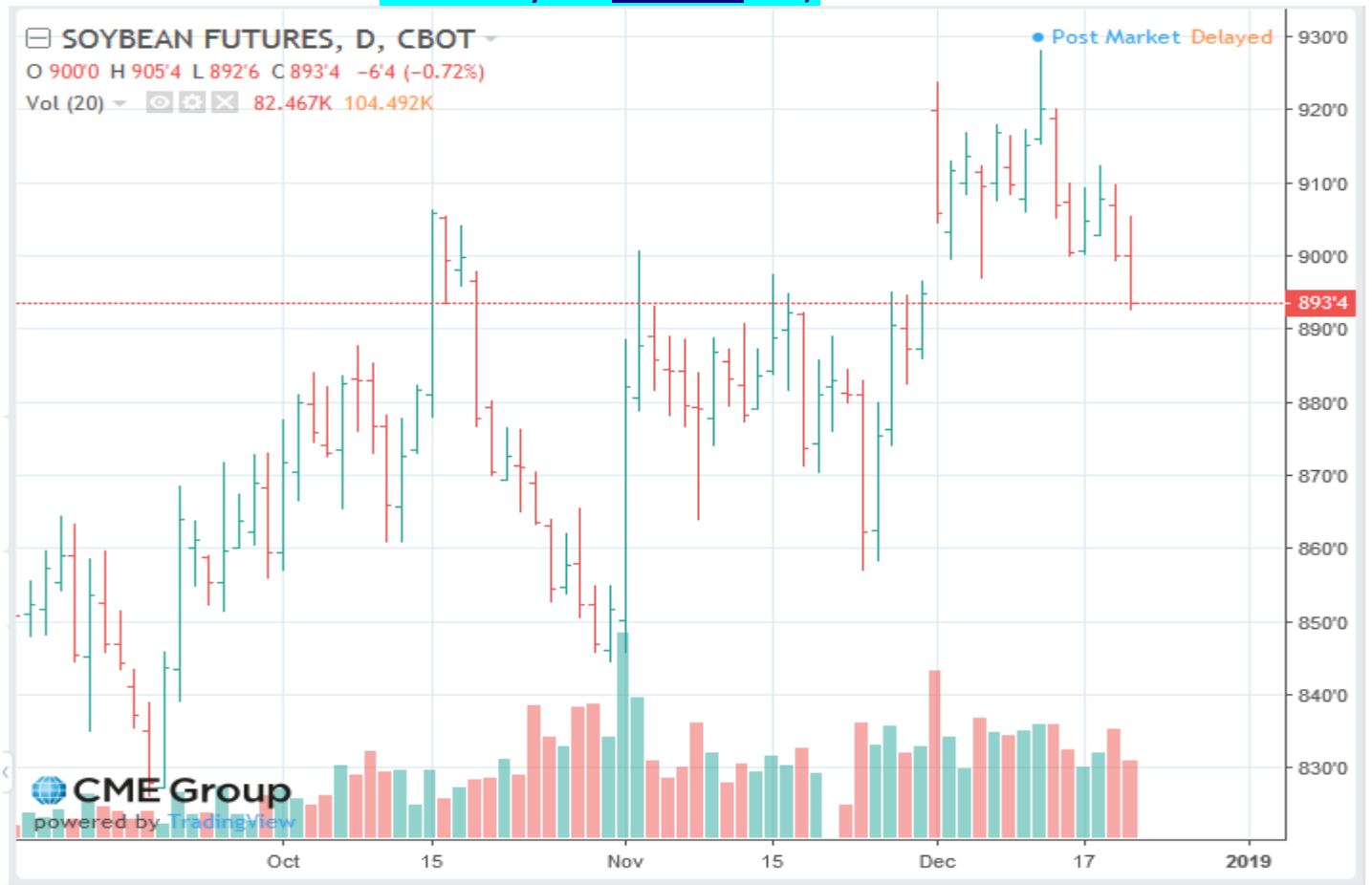


U.S. Soybean and SBM Markets Fob Vessel:

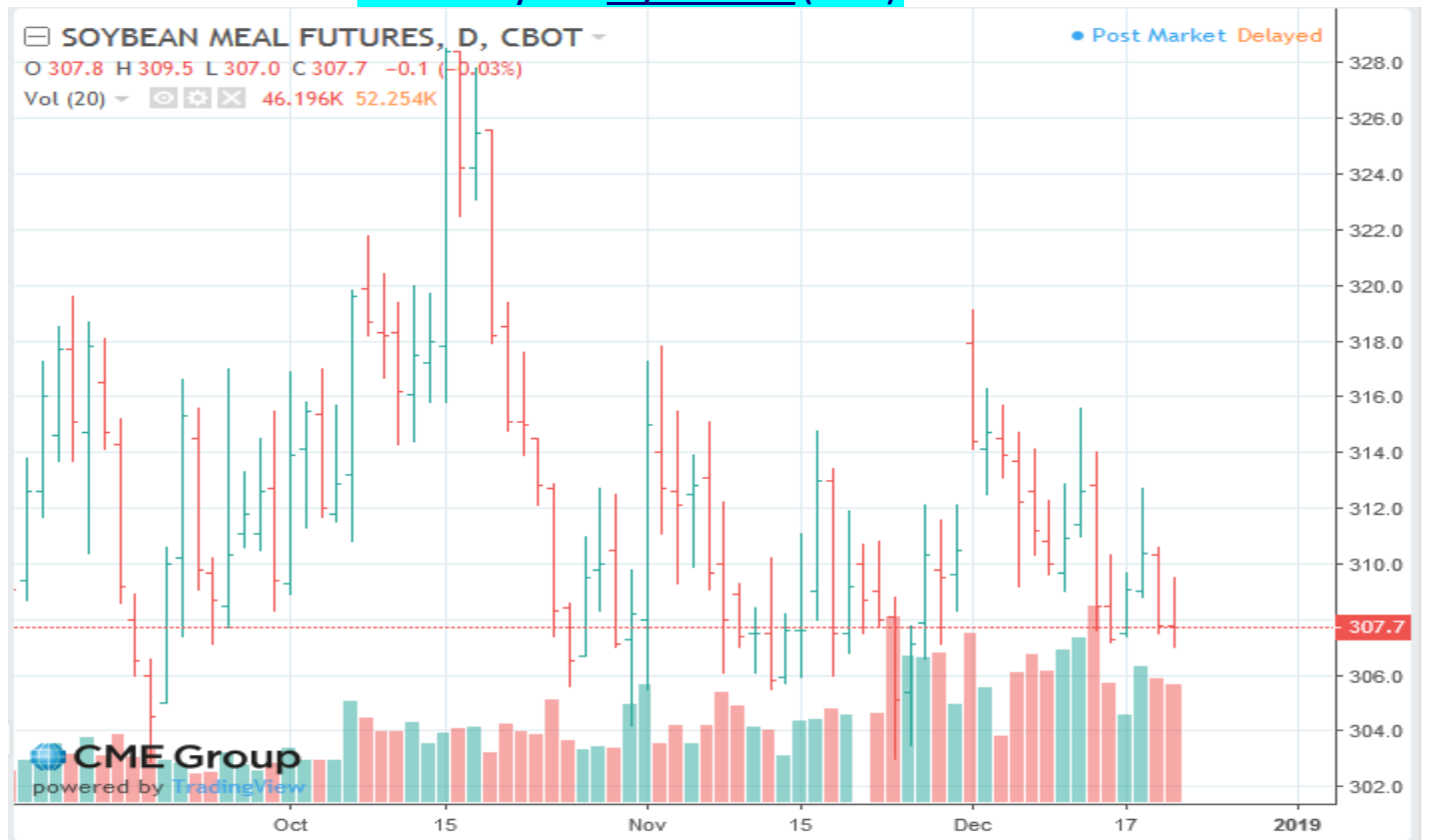
U.S. Yellow Soybeans (USD/MT) FOB Vessel				
# 2 YSB	U.S. Gulf #2 YSB		PNW #2 YSB	
14.0 % Moisture	Basis	Flat Price	Basis	Flat Price
Jan.	0.40	\$343.00	0.90	\$361.37
Feb.	0.32	\$344.74	0.80	\$362.38
Mar.	0.38	\$346.95	0.85	\$364.22
Apr.	0.28	\$348.05	0.75	\$365.32
May	0.32	\$349.52	0.75	\$365.32
Soybean Futures				
Jan.	\$ 8.9350			
Mar.	\$ 9.0625			
May	\$ 9.1925			
July	\$ 9.3125			
Aug.	\$ 9.3575			
Sept.	\$ 9.3750			

U.S. SBM (USD/MT) FOB Vessel		
Fob U.S. Gulf Port	47.5 Pro. SBM	
max 12.5 % moisture	Basis	Flat Price
Jan.	5.00	\$ 344.75
Feb.	6.00	\$ 350.60
Mar.	6.00	\$ 350.60
Apr.	5.00	\$ 353.02
May	6.00	\$ 354.12
SBM Futures		
SMF	307.70	
SMH	312.00	
SMK	315.20	
SMN	318.80	
SMQ	320.40	
SMU	321.70	

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 06 December 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	1011.5	27,650.7	62,230	44%	272.0
Sorghum	2.8	435.6	2,540	17%	0.0
Soybeans	870.3	24,940.7	51,710	48%	167.5
Wheat	790.4	16,357.1	27,220	60%	6.0
Barley	0.0	57.0	110	52%	0.0

U.S. EXPORT INSPECTIONS:

Monday's report 17 December 2018 for the Export week ending 13 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	885,060	876,305	15,991,318	9,241,028	173%
Sorghum	24,048	16,915	393,768	1,435,184	27%
Soybeans	974,876	926,600	15,159,894	25,896,642	59%
Wheat	682,162	449,002	11,712,571	13,756,228	85%
Barley	0	0	5,824	17,913	33%

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

U.S. EXPORT INSPECTIONS:

Monday's report 17 December 2018 for the Export week ending 13 December 2018

Last Week								
(Metric Tons)	YC	%	WC	%	Sorghum	%	Soybeans	%
Lakes	0	0%	0	0%	0	0%	0	0%
Atlantic	0	0%	0	0%	0	0%	52,321	5%
Gulf	469,159	54%	5,355	43%	10,867	45%	753,962	77%
PNW	276,841	32%	0	0%	0	0%	78,549	8%
Interior Export Rail	126,472	14%	7,233	57%	13,181	55%	90,044	9%
Metric Tons	872,472		12,588		24,048		974,876	

Sorghum Shipments: metric tons

	Rep S
1,862	Africa
9,005	Somalia
13,181	Mexico
24,048	Total

White Corn metric tons

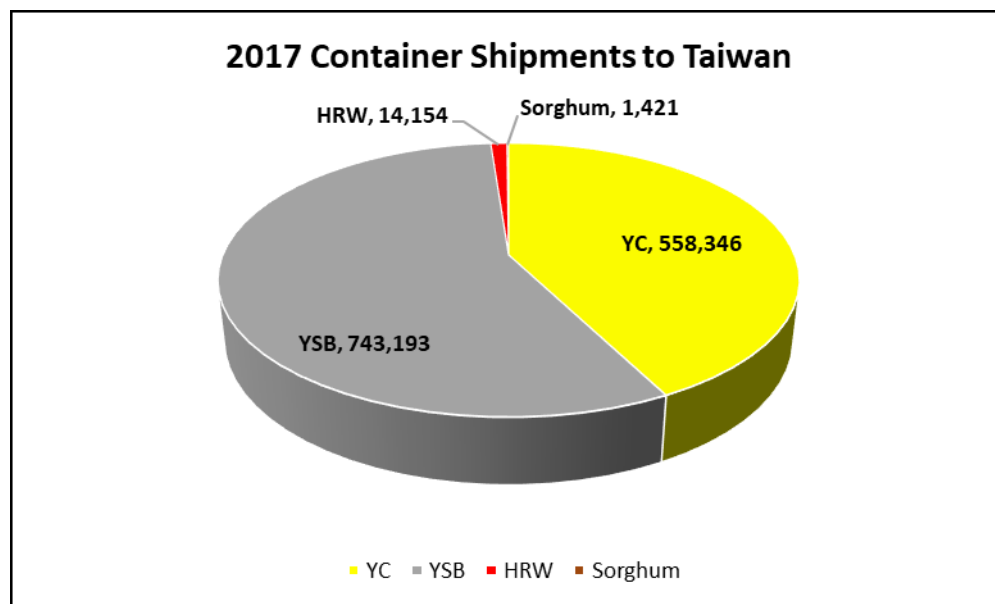
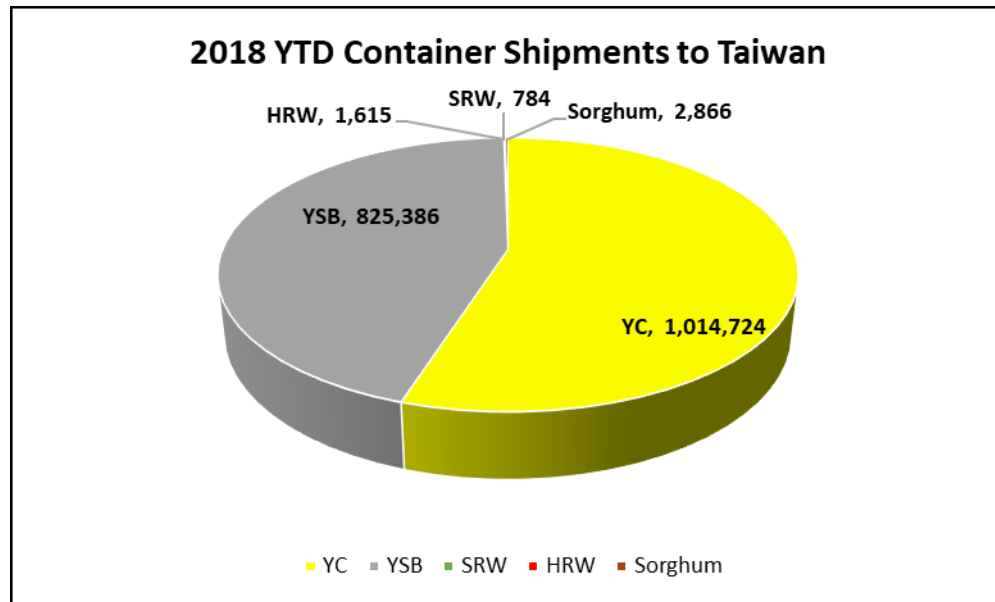
Shipments:	5,355	Colombia
	48	Jordan
	7,185	Mexico
	12,588	Total

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:		13-Dec-2018							
Last Week	metric tons								MT
	YC	WC	YSB	SRW	NS	SWH	HRW	Sorghum	TOTAL
China Main									0
China T	26,399		13,419						39,818
Hong Kong	1,101								1,101
Nepal									0
Indonesia			27,495						27,495
Italy									0
Japan			904						904
Korea Republic	2,791		1,102						3,893
Jordan	48	48							96
Malaysia	2,033		8,128						10,161
Burma			24						24
Philippines			2,937						2,937
Thailand			9,158						9,158
Haiti									0
Bangladesh			588						588
Vietnam			5,336						5,336
Sub total	32,372	48	69,091	0	0	0	0	0	95,587
USDA Corrections/Additions to previous reports:									
China T			343						343
China Main									0
Hong Kong									0
Korea Rep.									0
Costa Rica									0
Japan									0
Philippines			637						637
Indonesia			98						98
Malaysia									0
Thailand			441						441
Vietnam			441						441
Canada						72			72
Bangladesh									0
Sub total	0	0	1,960	0	0	72	0	0	2,032
Mt. Grand Total	32,372	48	71,051	0	0	72	0	0	97,619
Number of containers	1,407	2	3,089	0	0	3	0	0	

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



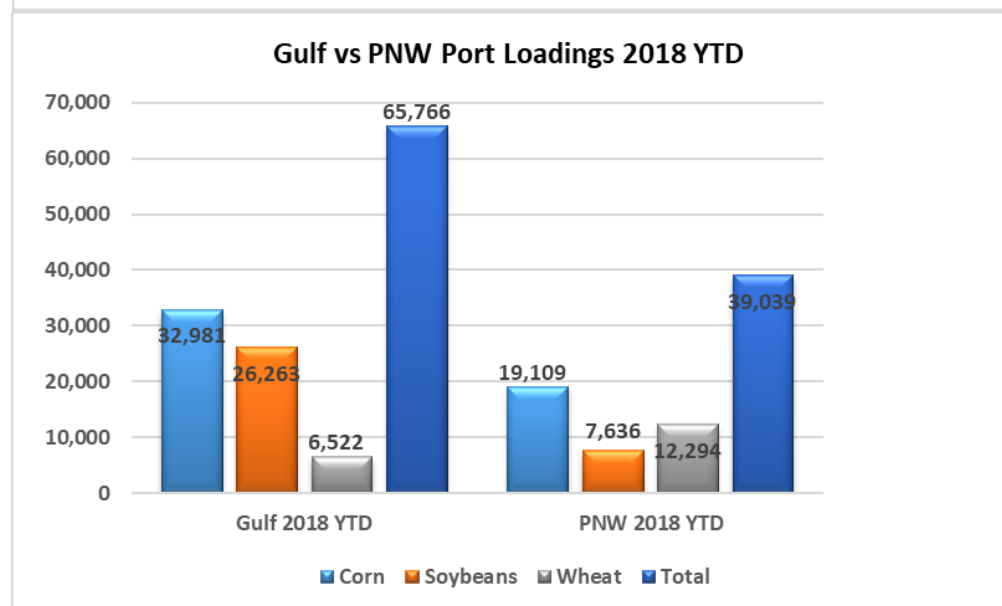
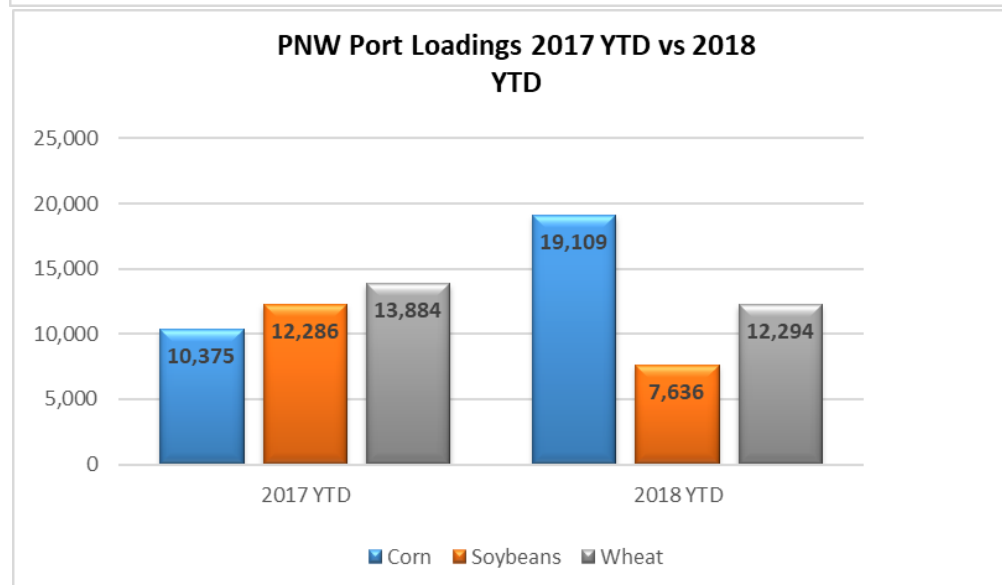
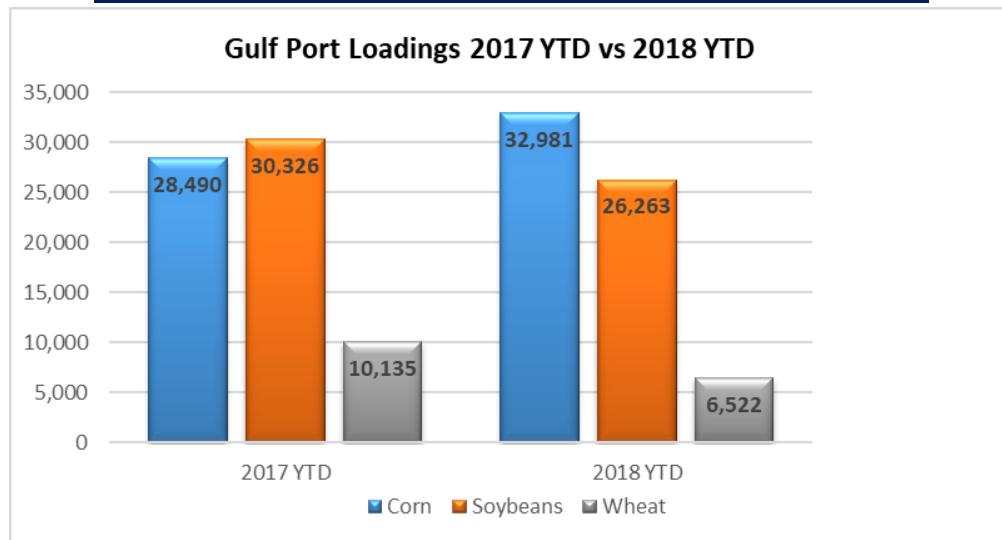
Grain Inspections for Export by U.S. Port Regions:
U.S. Gulf and Pacific Northwest 2017 YTD vs. 2018 YTD

PORT LOADINGS US Gulf				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
GULF				
2017 YTD	28,490	30,326	10,135	68,951
2018 YTD	32,981	26,263	6,522	65,766
2018 as % of 2017	116%	87%	64%	95%

PORT LOADINGS US PNW				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
PNW				
2017 YTD	10,375	12,286	13,884	36,545
2018 YTD	19,109	7,636	12,294	39,039
2018 as % of 2017	184%	62%	89%	107%

PORT LOADINGS GULF vs. PNW				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
2018 Gulf YTD	32,981	26,263	6,522	65,766
2018 PNW YTD	19,109	7,636	12,294	39,039
TOTAL	52,090	33,899	18,816	104,805
Gulf Percentage	63%	77%	35%	63%
PNW Percentage	37%	23%	65%	37%

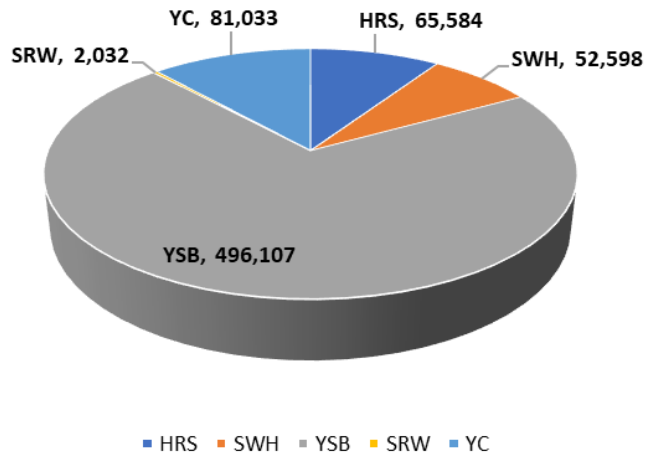
Grain Inspections for Export by U.S. Port Regions (1,000MT):
U.S. Gulf and Pacific Northwest 2017 YTD vs. 2018 YTD



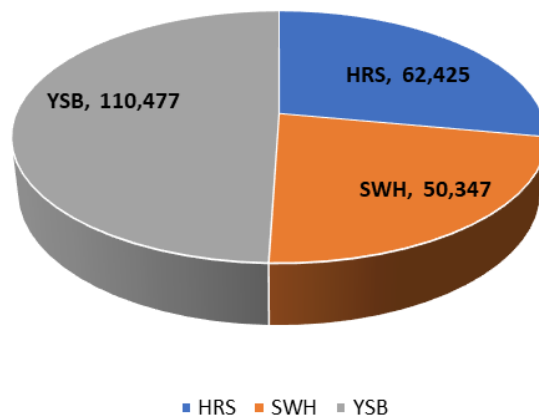
Source: USDA-data

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

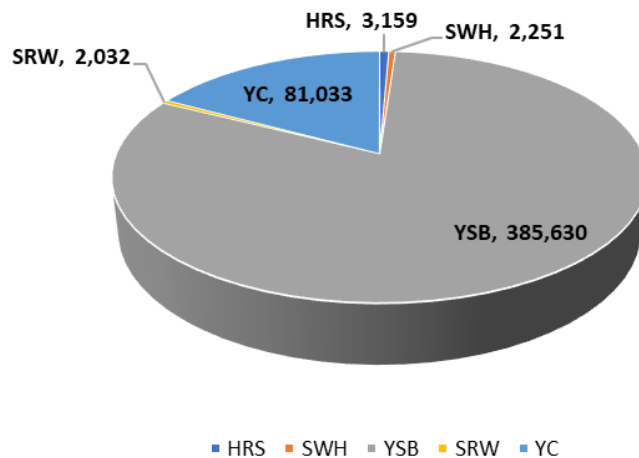
2018 YTD Exports to Malaysia



YTD Exports to Malaysia by Vessel



YTD Exports to Malaysia by Container

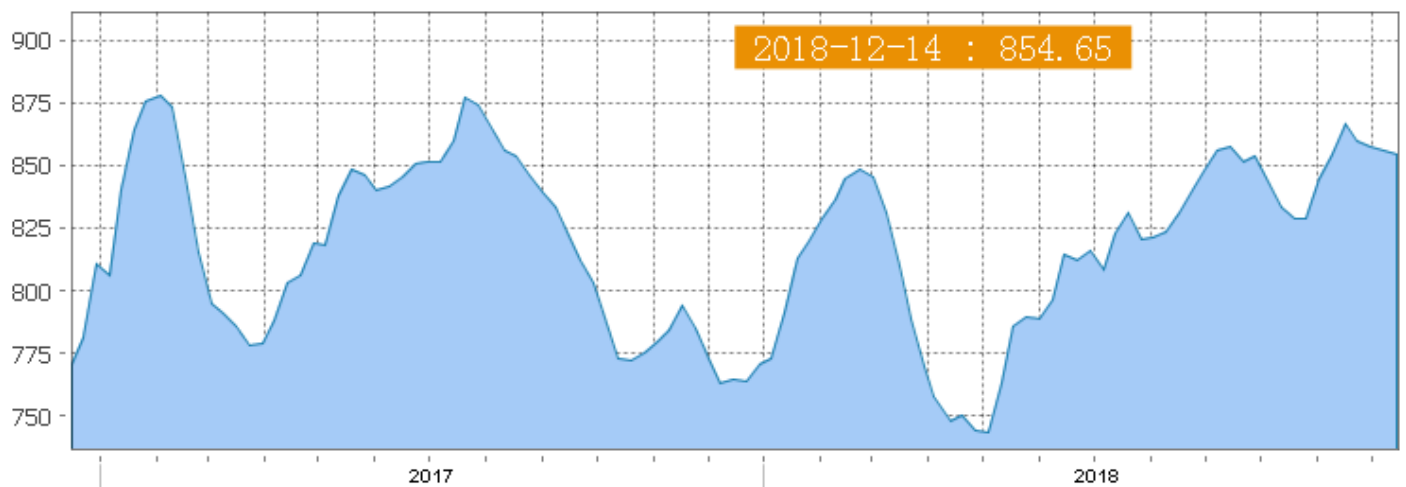


*Please keep in mind that USDA does not report DDGS sales, or they would show as the largest exports by container.

BUNKERWORLD



China Containerized Freight Index



U.S. RIVER BARGE FREIGHT

Current Barge Freight for Placement First Half January 2019

Placement FH January 2019	% of		Corn	Soybeans-Wheat
	Tariff	MT	BU	BU
Upper Mississippi	Closed	\$ -	0.00	0.00
Illinois River (Pekin and South)	390	\$20.68	0.53	0.56
Mid-Mississippi	Closed	\$ -	0.00	0.00
Lower Ohio	315	\$15.49	0.39	0.42
St. Louis	270	\$11.88	0.30	0.32

Secondary Rail Car Market for car placement period: First Half January 2019.

Secondary Rail Car Market Placement FH. January 2019	BID USD	ASK USD	BID BU.	ASK BU.	BID MT	ASK MT
BNSF Shuttle Trains	\$ 50.00	\$ 150.00	\$ 0.01	\$ 0.04	\$ 0.49	\$ 1.48
UPRR Shuttle Trains	\$ (400.00)	\$ (175.00)	\$ (0.10)	\$ (0.04)	\$ (3.94)	\$ (1.72)

Best Regards,

Jay

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