

Transportation and Export Report for 8 December 2022

For some months now Dry bulk markets have been an up and down affair with the overall direction moving lower. For most freight traders, these have been dull markets and the outlook for the next few weeks is not promising much change. As mentioned, many times, much depends on China. Vessel owners are pinning their hopes on a relaxation of Chinese COVID domestic restrictions and a reopening of their economy. If this happens, it will be the big story of 2023. But first we must get past the Lunar New Year celebrations that arrive on January 22. The drop in dry bulk freight rates and the high cost of fuel is causing some owners to shy away from blasting to South American unless they have firm cargo business. This should provide better vessel availability in the U.S. PNW and Gulf.

The low water situation on the Mississippi River improved this week and barges are now loading to 9.0-9.6 ft. drafts. Mother Nature will determine how much more rain we get to improve this situation .

The ILWU union container port contract negotiations are continuing without resolution and talks are expected to go into early 2023. The Rail strike threat has been resolved but slow service situation has not.

BALTIC DRY-BULK PANAMAX INDEX CHANGES

Panamax Ocean Freight Indices					
8-Dec-2022		This Week	Last Week	Difference	Percent Change
P2A: Gulf/Atlantic - HK-Korea	Index	23682	23,232	450	1.9%
P3A: PNW/Pacific - RV Korea-Taiwan	Index	11588	11,348	240	2.1%
S1C: US GULF-China-So.Japan	Index	25229	23671	1,558	6.6%
P7: Trial- Miss. River - Qingdao	per ton	55.75	55.61	0.14	0.3%
P8: Trial- Santos - Qingdao	per ton	43.38	43.13	0.25	0.6%

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

Four weeks ago:	\$8.40-\$8.80
Three weeks ago:	\$8.50-\$9.10
Two weeks ago:	\$8.50-\$8.30
One week ago:	\$9.10-\$8.50
This week	\$9.00- \$8.75

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

Mississippi River:	(9 elevators)	2-12 days
Mid-Stream loaders:	(6+ Rigs)	1-2 days
Texas Gulf	(6 elevators)	0-5 days (4. facilities at zero days)
Pacific Northwest:	(9 elevators)	2-10 days

Panamax Market Spreads to Asia -China					
8-Dec-2022	GULF	PNW	Bushel Spread	Tonne Spread	Advantage
CORN	1.38	1.90	0.52	\$20.47	PNW
SOYBEANS	1.60	2.30	0.70	\$25.72	BOTH
OCEAN FREIGHT	\$56.50	\$31.75	.63-.67	\$24.75	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.

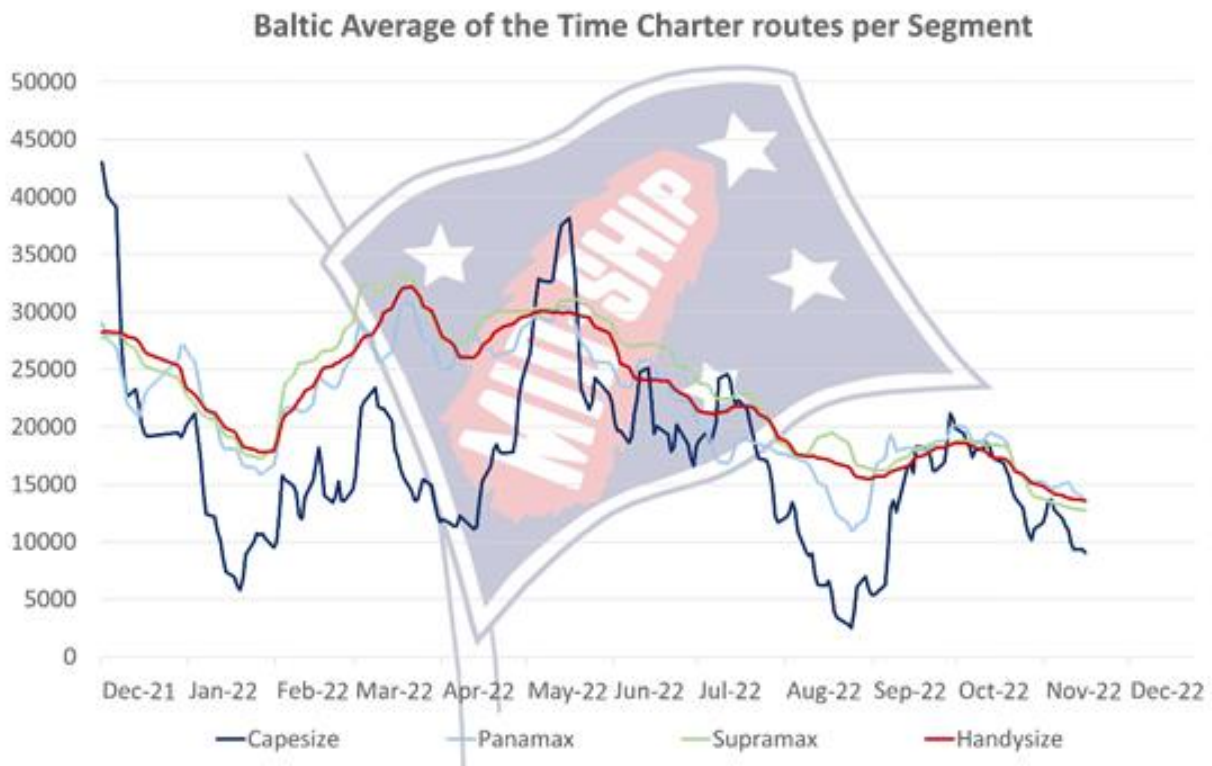
Soybean Brazil to Spain about \$43.00 - \$44.00/mt.

Route and Vessel Size	Current Week USD/MT	Change from previous week	Remarks
55,000 U.S. Gulf-Japan	\$57.25	Up \$0.25	Handymax \$57.50 mt
55,000 U.S. PNW- Japan	\$32.00	Down \$0.25	Handymax at \$32.00 mt
65,000 U.S. Gulf – China	\$56.50	Up \$0.50	North or South China
PNW to China	\$31.75	Down \$0.25	
25,000 U.S. Gulf- Veracruz, México	\$23.50	Unchanged	3,000 MT daily discharge rate
35-40,000 U.S. Gulf- Veracruz, México	\$19.75	Unchanged	Deep draft and 6,000 MT per day discharge rate.
30-38,000 U.S. Gulf- Colombia	\$32.00	Unchanged	<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	Unchanged	Acajutla/Quetzal - 8,000 out
30,000 US Gulf-Morocco	\$49.50	Down \$0.50	5,000 discharge rate
55-60,000 U.S. Gulf –Egypt	\$47.50	Down \$0.50	55,000-60,000 mt Egypt
PNW to Egypt	\$48.00		Romania - Russia- Ukraine \$18.50 - \$27.00 - \$37.00 - France \$29.00, Bulgaria \$19.00
58-74,000 U.S. Gulf – Europe – Rotterdam	\$29.00	Up \$0.50	Handymax at +\$2.50 more
Brazil, Santos –China	\$46.25	Up \$0.50	54-59,000 Supramax-Panamax
Brazil, Santos –China	\$44.00		60-66,000 Post Panamax
Up-River Port North Brazil	\$49.75		55-60,000 mt
56-60,000 Argentina-China	\$49.00	Up \$0.50	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

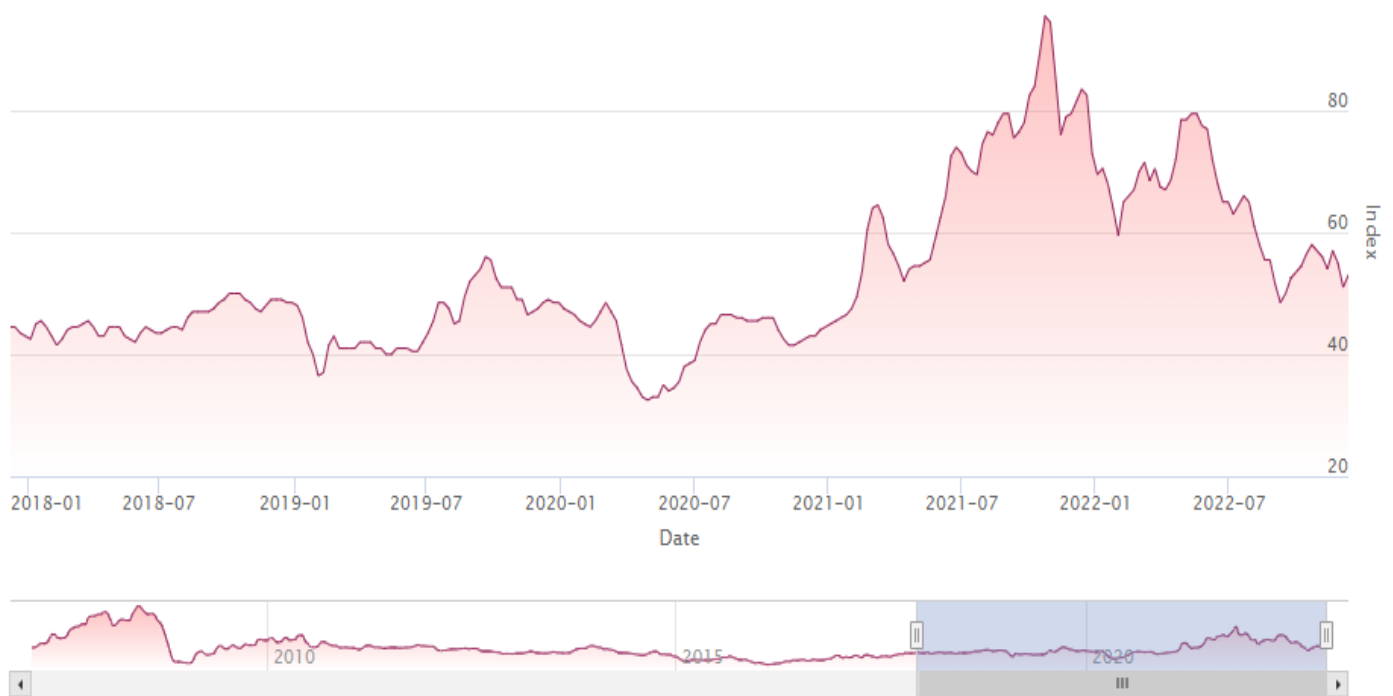


YAMAMIZU Index



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

From 2017-12-07 To 2022-12-07



China Import Dry Bulk Freight Index					
2022-12-08					
Description	Volume	Cargo	Unit	Rate	Change
Composite Index			Point	1075.64	8.34
Iron ore Freight Index			Point	987.39	13.5
Dampier(West Australia)-Qingdao (China)	170000/10%	Iron ore	\$/ton	8.724	0.256
Soybean Freight Index			Point	1290.12	1.75
Santos(Brazil)— North China	66000/10%	Soybean	\$/ton	44.03	0.05
Tacoma(West America)—North China	63000/10%	Soybean	\$/ton	32.14	0.1
Mississippi(US Gulf)—North China	66000/10%	Soybean	\$/ton	56.6	0.06

8 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 =	6.4250
Max. 14.5% moisture	BASIS	FLAT PRICE	BASIS	FLAT PRICE	K =	6.4425
Jan.	1.38	\$307.27	1.90	\$327.74	N=	6.4075
Feb.	1.35	\$306.09	1.85	\$326.46	U =	6.0675
Mar.	1.29	\$303.72	1.85	\$326.46	Z=	5.9450
Apr.	1.17	\$299.69	1.75	\$322.52	H =	6.0225
May	1.09	\$295.16	1.70	\$319.17		
June	1.06	\$293.98	1.65	\$317.21		

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.	2.60	\$355.29
Feb.	2.60	\$355.29
Mar.	2.60	\$355.29
Apr.	2.60	\$355.98
May	2.60	\$355.98

Fob vessel Texas Gulf #2 Sorghum is about 115 % 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	\$332.99	\$327.47	\$325.64	\$325.64
Basis	1.60	1.45	1.40	1.30
WH	7.4625			.
WK	7.5625			
WN	7.6000			

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.	1.60	\$604.89	2.30	\$630.61
Feb.	1.45	\$600.85	2.23	\$629.51
Mar.	1.40	\$599.01	2.15	\$626.57
Apr.	1.35	\$599.19	2.10	\$626.75
May	1.40	\$601.03	2.10	\$626.75
Soybean Futures				
Jan.	\$ 14.8625			
Mar.	\$ 14.9025			
May	\$ 14.9575			
July	\$ 14.9875			
Aug.	\$ 14.7675			
Sept.	\$ 14.2625			

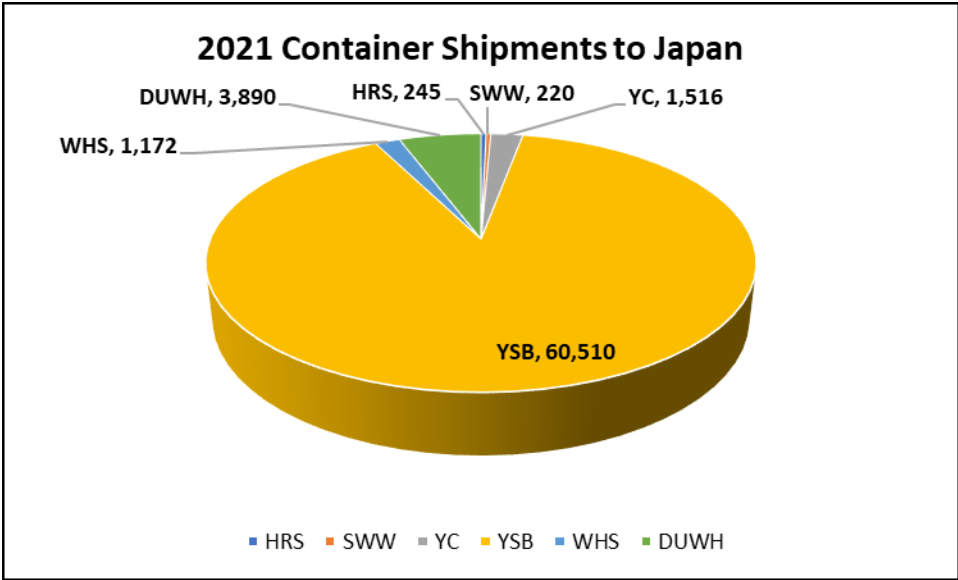
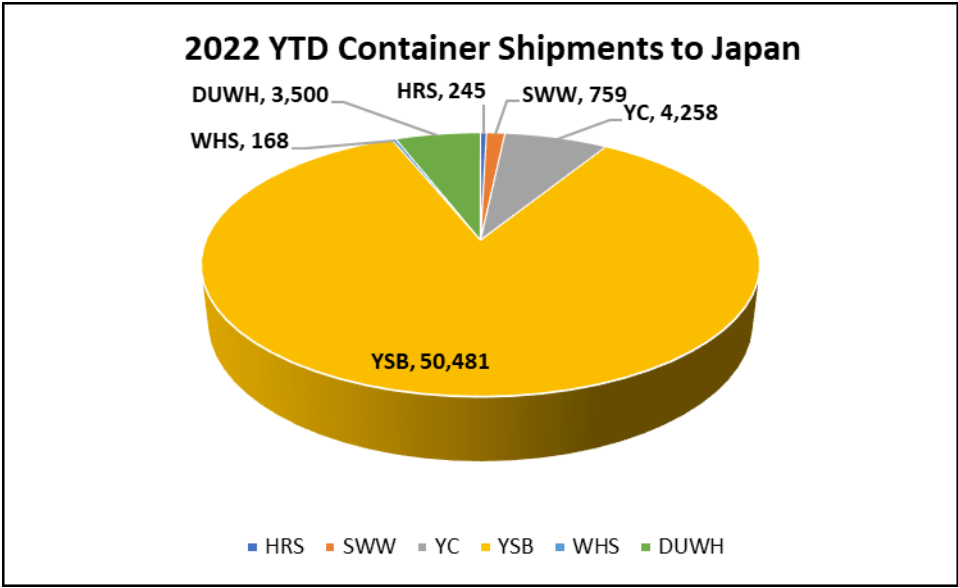
U.S. Soybean and SBM Markets Fob Vessel:

U.S. SBM (USD/MT) FOB Vessel		
Fob U.S. Gulf Port	47.5 Pro. SBM	
max 12.5 % moisture	Basis	Flat Price
Jan.	35.00	\$ 552.79
Feb.	35.00	\$ 548.38
Mar.	35.00	\$ 548.38
Apr.	35.00	\$ 543.09
May	35.00	\$ 543.09
SBM Futures		
SMF	\$ 466.40	
SMH	\$ 462.40	
SMK	\$ 457.60	
SMN	\$ 454.90	
SMQ	\$ 448.20	
SMU	\$ 438.00	

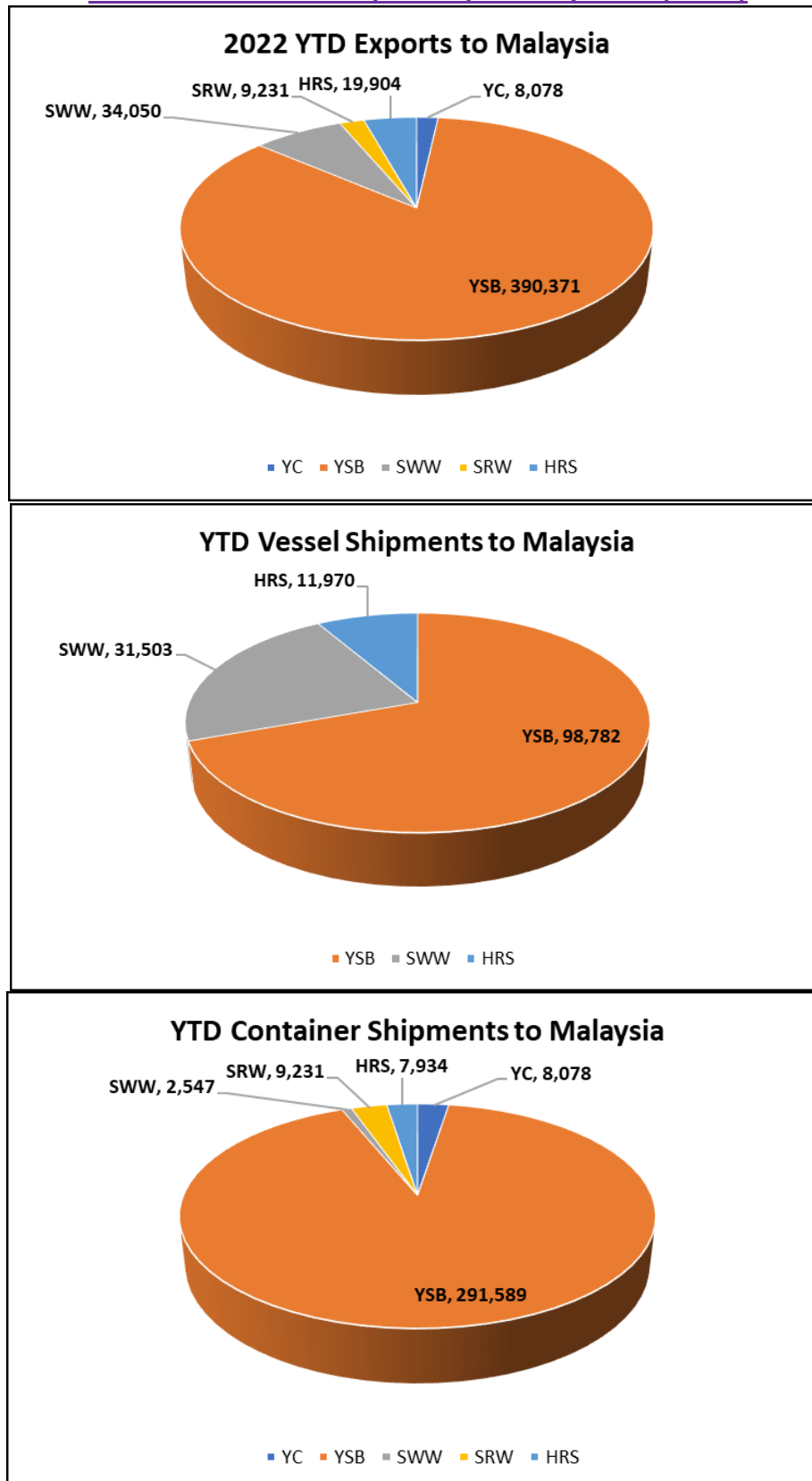
Data sheet below: *USDA weekly export inspections report with corrections to the last three weeks' grain export inspections reports. (This usually covers a 2-5-week prior time frame).*

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	1,298		20,785						22,083
Taiwan	6,117		16,334						22,451
Hong Kong	416		196						612
Costa Rica									0
Indonesia			8,907						8,907
French Poly									0
Japan			1,296						1,296
Korea Rep.	98		2,498						2,596
Dominic Rep									0
Malaysia			6,367						6,367
Senegal			98						98
Philippines			735						735
Thailand			4,604						4,604
Nepal			3,943						3,943
Burma					980				980
Cambodia									0
Chile									0
Vietnam			7,782						7,782
Sub Total:	7,929	0	73,545	0	980	0	0	0	82,454
USDA Corrections/Additions to previous reports:									
Taiwan	1,249		1,493						2,742
China	220		1,004						1,224
Hong Kong									0
Korea Rep.			73						73
Un Kingdom									0
Japan			318						318
Philippines									0
Indonesia			1,763						1,763
Malaysia			612						612
Thailand			245						245
Vietnam			1,787						1,787
Burma									0
Cambodia									0
Sub Total:	1,469	0	7,295	0	0	0	0	0	8,764
Mt. Grand Total	9,398	0	80,840	0	980	0	0	0	91,218
Number of Containers	409	0	3,515	0	43	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)

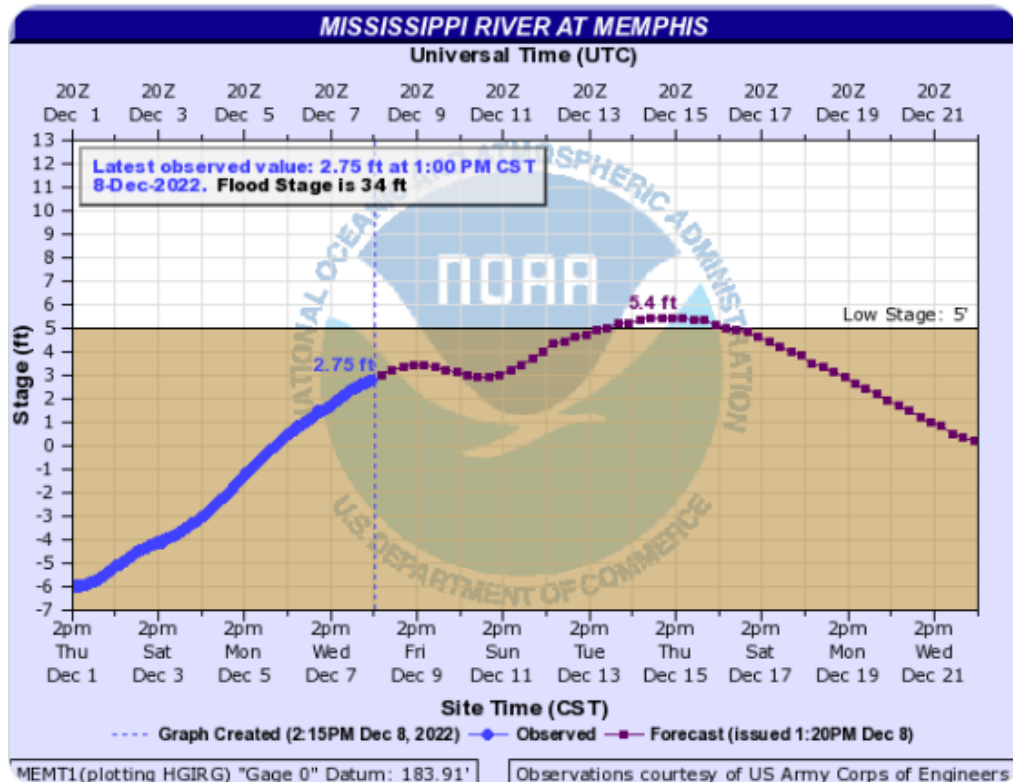
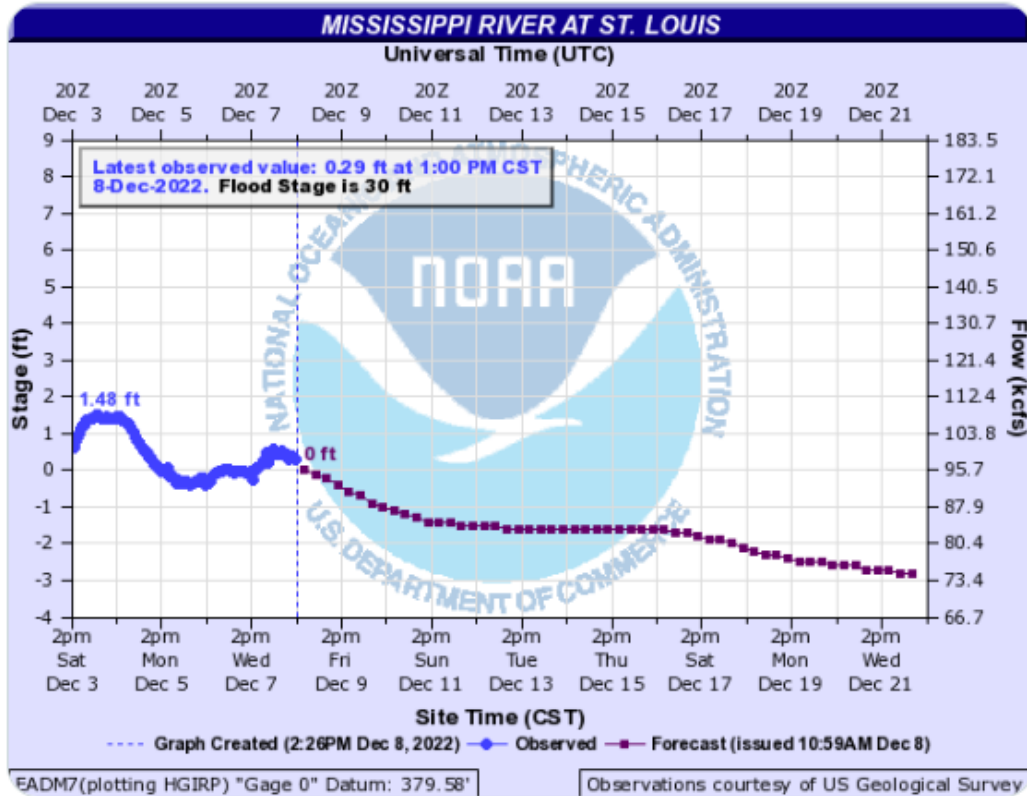


*Please keep in mind that USDA does not report DDGS sales

Source: USDA-data

Shipping News

U.S. River Markets -



U.S. Rail Freight Markets -

Rachel Premack  @rrpre · 10m ...

America's freight railroads got rich by becoming ultra-efficient. They also lost employees and potential customers

Now, they want to rethink their playbook to streamline everything... if Wall Street doesn't punish them



freightwaves.com

Railroad barons are reconsidering the playbook that made them rich
America's freight railroads descended into chaos this year. Their best way out might be reconsidering their operational style — but Wall Stre...

U.S. Container Freight Markets -



Lori Ann LaRocco
@LORIANNLAROCO

CNBC

With the sustained pullback in orders, statistics released by BIMCO show global container volumes have fallen 9.3% year over year, leading to [an overcapacity situation](#).

According to Freightos, despite the [increase in canceled sailings](#) which has cut vessel capacity, the hemorrhaging of ocean freight prices continues:

- **Asia-U.S. West Coast** prices ([FBX01 Weekly](#)) fell 26% to \$1,426/FEU. This rate is 90% lower than the same time last year.
- **Asia-U.S. East Coast** prices ([FBX03 Weekly](#)) decreased 19% to \$3,723/FEU, and are 78% lower than rates for this week last year.
- **Asia-N. Europe** prices ([FBX11 Weekly](#)) fell 2% to \$3,974/FEU, and are 73% lower than rates for this week last year.

Sam Chambers @SamChambers · 8h

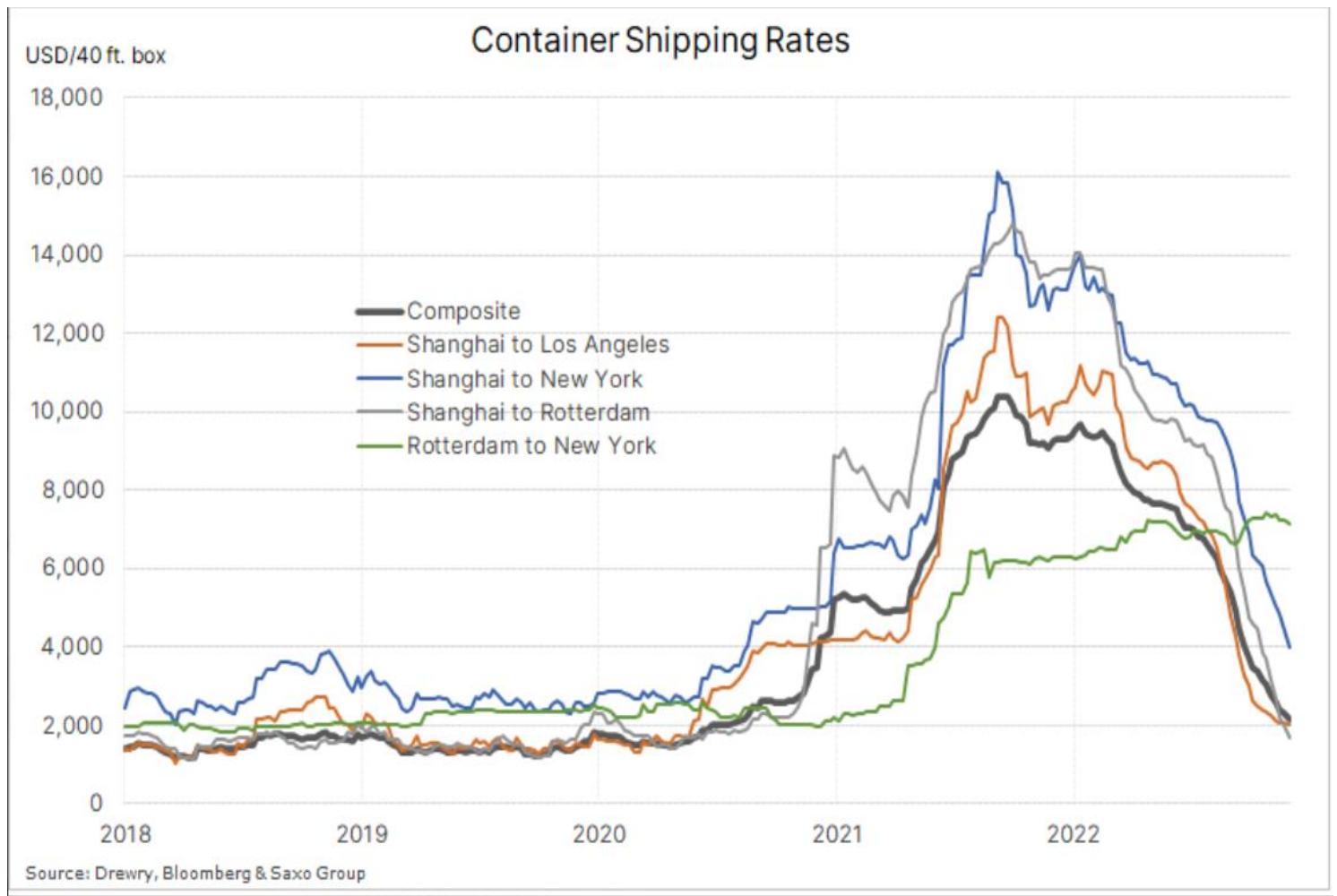
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The record boxship orderbook is about to reach 1,000 vessels, with the container market clearly passed its peak, and yet discussions are ongoing for another raft of newbuilds



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Evergreen, Yang Ming and CMA CGM ready further boxship orders - S...
The record boxship orderbook is about to reach 1,000 vessels, with the container market clearly passed its peak, and yet discussions are ...

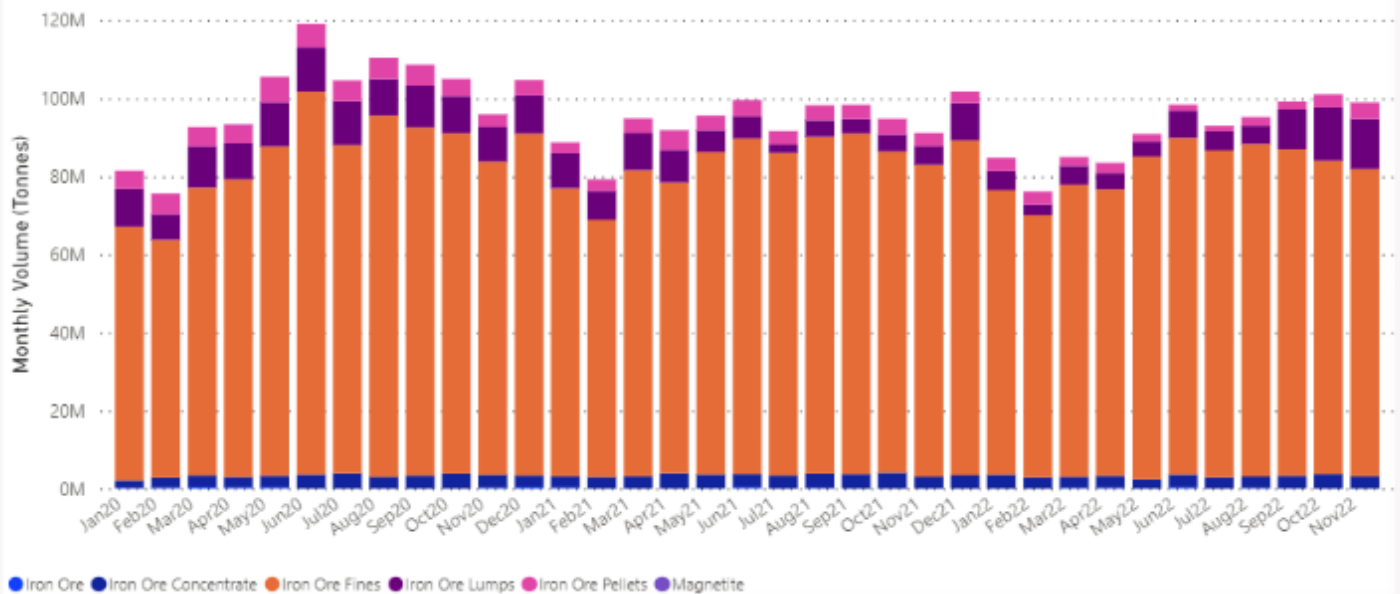


DRY-Bulk Freight Markets -DTN

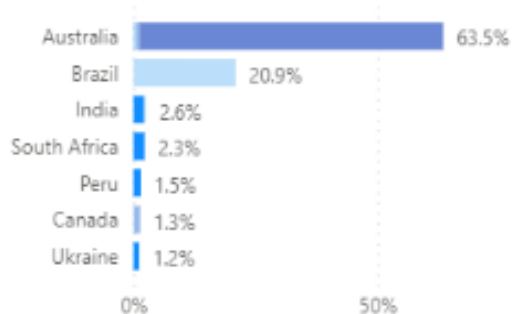
Breakwave

Chart of the Week Dry Bulk: Iron Ore Flows to China

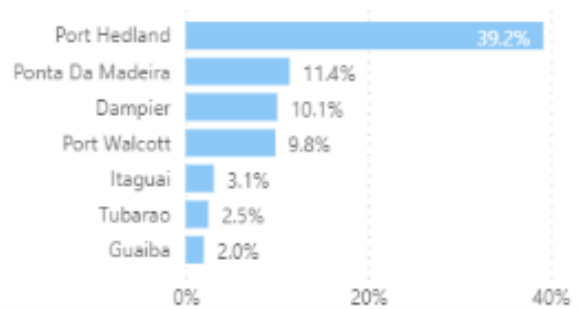
Steady strength of Chinese iron ore imports, 64% comes from Australia

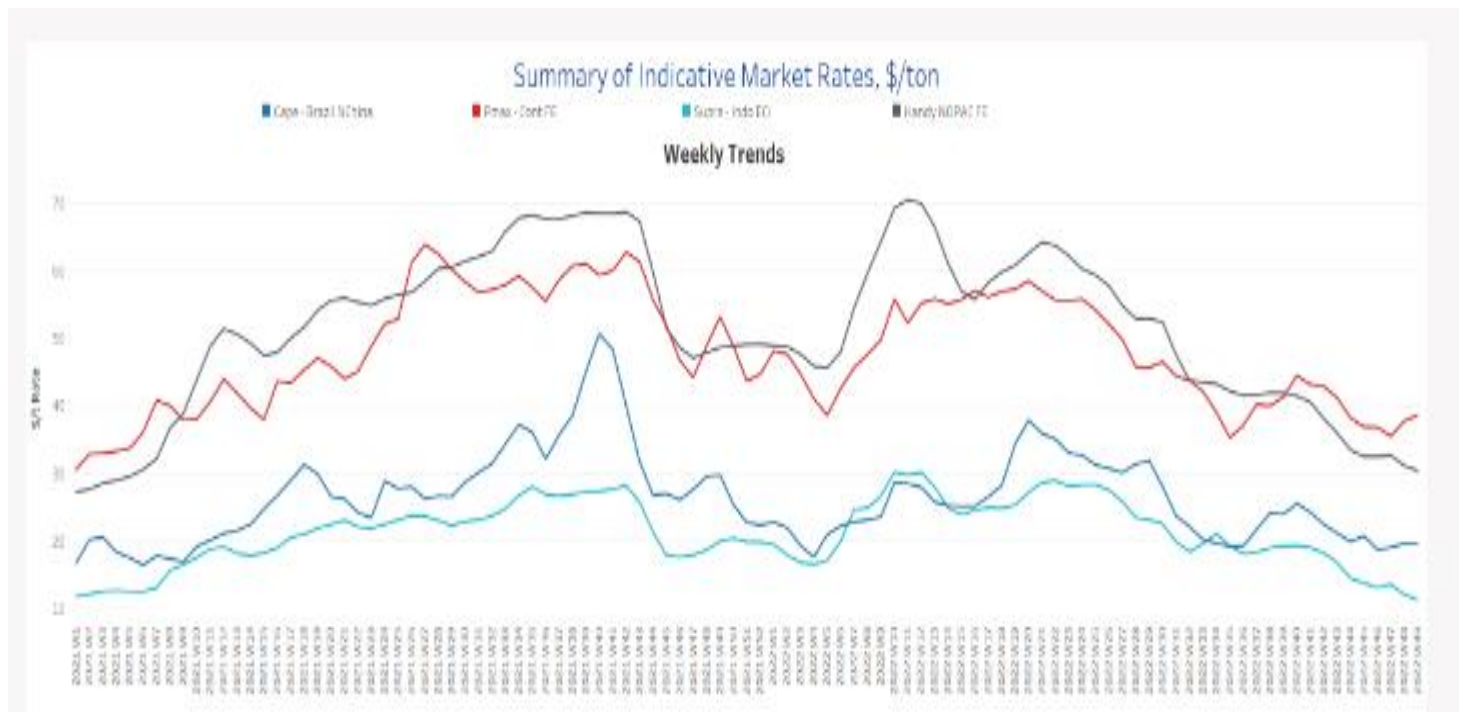


Origin Countries

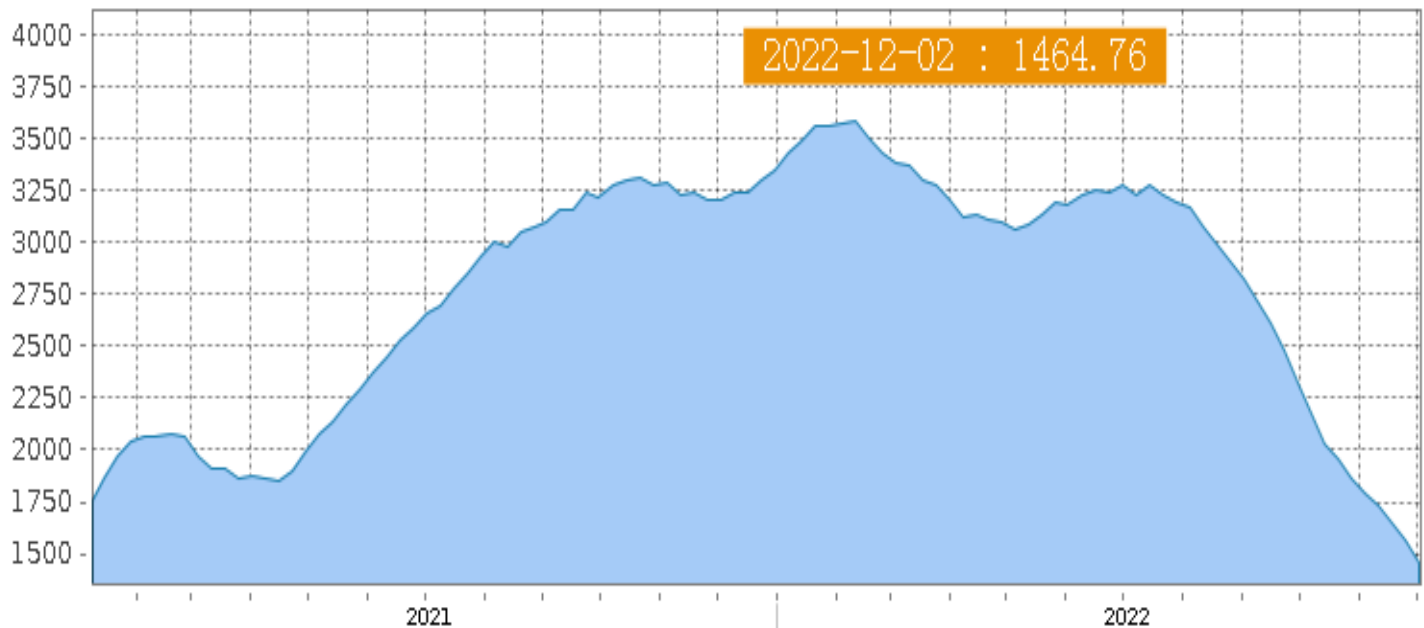


Origin Ports





China Containerized Freight Index



Secondary Rail Car Market for Car placement period: First Half January 2022

Secondary Rail Car Market Placement FH January 2022	BID USD	ASK USD	BID BU.	ASK BU.	BID MT	ASK MT
BNSF Shuttle Trains	\$ 400	\$ 700	\$ 0.10	\$ 0.18	\$ 3.94	\$ 6.89
UPRR Shuttle Trains	\$ 400	\$ 700	\$ 0.10	\$ 0.18	\$ 3.94	\$ 6.89

U.S. RIVER BARGE FREIGHT

Barge Freight for Loading Placement First Half January 2022

Placement FH January 2022	% of Tariff	MT	Corn BU	Soybeans-Wheat 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	775	\$ 38.10	0.97	1.04
St. Louis	775	\$ 34.09	0.87	0.93

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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