

Transportation and Export Report for 10 February 2022

We are finally past the Lunar New Year holiday, and everyone is back at their desk trading. Market action this week suggests that traders believe the past 13-week market drop went far enough and that it is time to bounce back a bit. Both paper and physical freight markets rallied this week, primarily in the Q1 and Q2 2022 periods. From a percentage point of view, this week's rally was impressive. The key to these markets will be the degree of follow through action as we navigate the balance of Q1 2022. Freight rates and movements from the Black Sea are uncertain as the Russian navy is conducting war drills and blocking Ukrainian ports.

Most of the chatter in container freight markets revolves around Shipping lines engaging in high priced 2-3-year contracts with charterers. and, of course, the upcoming labor talks on the U.S. West Coast. Most in the industry do not expect to see significant improvement in container and supply chain logistics prior to the end of 2022.

BALTIC DRY-BULK PANAMAX INDEX CHANGES

Panamax Ocean Freight Indices					
10-Feb-2022		This Week	Last Week	Difference	Percent Change
P2A: Gulf/Atlantic - Japan	Index	30273	22295	7,978	35.8%
P3A: PNW/Pacific - Korea	Index	21216	17417	3,799	21.8%
S1C: US GULF-China-So.Japan	Index	30500	27339	3,161	11.6%
P7: Trial- Miss. River - Qingdao	per ton	64.63	58.77	5.9	10.0%
P8: Trial- Santos - Qingdao	per ton	54.10	47.79	6.3	13.2%

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

Four weeks ago:	\$7.85-\$9.65
Three weeks ago:	\$7.50-\$7.80
Two weeks ago:	\$6.10-\$7.40
One week ago:	\$6.00-\$7.30
This week	\$7.00-\$8.45

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

Mississippi River:	(10 elevators)	3-12 days (9 facilities operating.)
Mid-Stream loaders:	(6+ Rigs)	3-4 days
Texas Gulf	(5 elevators)	1-15 days (2 facility over 3 days)
Pacific Northwest:	(9 elevators)	3 - 13 days

AGP Grays Harbor/PNW is loading soymeal via a temporary mobile conveyor system. Expects to be back up with full repairs by June.

Panamax Market Spreads to Asia -China					
10-Feb-2022	GULF	PNW	Bushel Spread	Tonne Spread	Advantage
CORN	1.06	1.60	0.54	\$21.26	PNW
SOYBEANS	1.30	2.10	0.80	\$29.39	BOTH
OCEAN FREIGHT	\$63.50	\$35.00	.72 -.78	\$28.50	March

Current Grain Vessel Market Indications:

**** Below 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 - \$41.50/mt.

Soybean Brazil to Spain about \$51.00 - \$52.50/mt.

Route and Vessel Size	Current Week USD/MT	Change from previous week	Remarks
55,000 U.S. Gulf-Japan	\$65.00	Up \$4.00	Handymax \$65.50 mt
55,000 U.S. PNW- Japan	\$36.00	Up \$2.00	Handymax at \$36.50 mt
65,000 U.S. Gulf – China	\$63.50	Up \$3.50	North or South China
PNW to China	\$35.00	Up \$2.00	
25,000 U.S. Gulf- Veracruz, México	\$24.50	Up \$1.00	3,000 MT daily discharge rate
35-40,000 U.S. Gulf- Veracruz, México	\$21.25	Up \$1.00	Deep draft and 6,000 MT per day discharge rate.
30-38,000 U.S. Gulf- Colombia	\$35.50	Up \$2.50	<u>West Coast Colombia at \$41.00</u>
50,000 USG- E/C Colombia	\$34.00		
<u>East Coast Colombia</u> From Argentina	\$47.50		
40-45,000 U.S. Gulf - Guatemala	\$43.50	Up \$2.50	Acajutla/Quetzal - 8,000 out
30,000 US Gulf-Morocco	\$54.00	Up \$3.50	5,000 discharge rate
55-60,000 U.S. Gulf –Egypt	\$54.00	Up \$3.50	55,000-60,000 mt Egypt
PNW to Egypt	\$54.00		Romania - Russia- Ukraine \$22.50-\$24.00-\$24.00 France \$32.50
58-74,000 U.S. Gulf – Europe – Rotterdam	\$24.00	Up \$1.00	Handymax at +\$2.50 more
Brazil, Santos –China	\$55.00	Up \$4.50	54-59,000 Supramax-Panamax
Brazil, Santos –China	\$52.50		60-66,000 Post Panamax
Up-River Port North Brazil	\$61.00		55-60,000 mt
56-60,000 Argentina-China Deep draft	\$60.00	Up \$4.50	Up-River with Top Off Plus \$3.75-\$4.00

The Baltic Dry Bulk Freight Index



Baltic Capesize Index

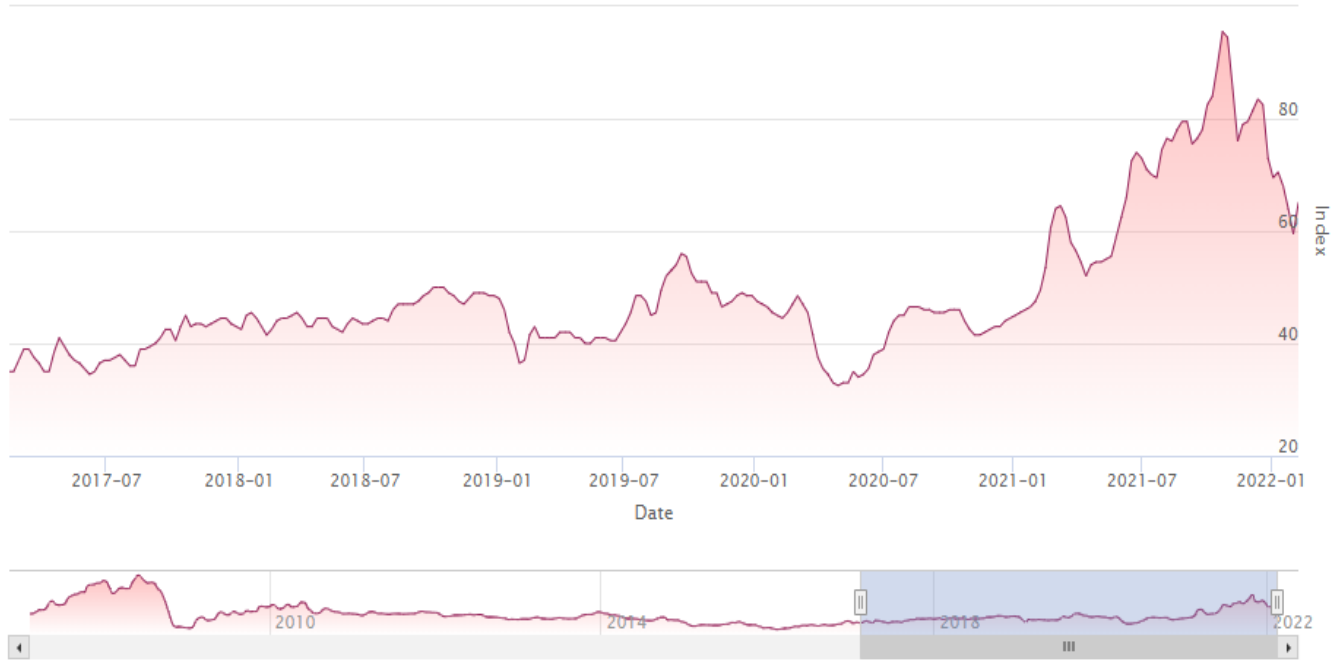


YAMAMIZU Index



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

From 2017-02-09 To 2022-02-09



China Import Dry Bulk Freight Index					
2022-02-10					
Description	Volume	Cargo/Vessel Size	Unit	Rate	Change
Composite Index			Point	1233.43	77.23
Iron ore Freight Index			Point	1062.62	102.59
Dampier(West Australia)-Qingdao (China)	170000/10%	Iron ore	\$/ton	8.414	1.111
Soybean Freight Index			Point	1478.86	38.72
Santos(Brazil)— North China	66000/10%	Soybean	\$/ton	52.2	1.58
Santos(Brazil)—North China	60000/10%	Soybean	\$/ton	53.36	1.68
Tacoma(West America)—North China	63000/10%	Soybean	\$/ton	34.86	0.46
Mississippi(US Gulf)—North China	66000/10%	Soybean	\$/ton	63.07	1.55

10 February 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=	6.4175
Max. 14.5% moisture	BASIS	FLAT PRICE	BASIS	FLAT PRICE	K =	6.4050
Mar.	1.06	\$294.37	1.60	\$315.63	N =	6.3500
Apr.	1.00	\$291.52	1.60	\$315.14	U =	5.9700
May	0.90	\$287.58	1.60	\$315.14	Z=	5.8475
June	0.88	\$284.63	1.60	\$312.97	H =	5.9175
July	0.84	\$283.05	1.60	\$312.97		
Aug.	1.10	\$278.33	1.85	\$307.86		

The Gulf spread between #2 & #3 YC is currently about .04 cents per bushel (1.60/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
March	2.25	\$341.22
Apr.	2.25	\$340.73
May	2.25	\$340.73
June	2.25	\$338.56
July	2.20	\$336.60

Fob vessel Texas Gulf #2 Sorghum is about 116 % 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	
	Apr.	May	Jun.	July
FOB U.S. GULF	\$337.58	\$337.58	\$336.20	\$336.20
Basis	1.40	1.40	1.40	1.40
WH	7.7150			.
WK	7.7875			
WN	7.7500			

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
Mar.	1.30	\$626.20	2.10	\$655.59
Apr.	1.10	\$619.68	1.90	\$649.07
May	1.10	\$619.68	1.90	\$649.07
June	1.10	\$617.75	1.90	\$647.14
July	1.07	\$616.64	1.85	\$645.30
Soybean Futures				
Mar.	\$ 15.7425			
May	\$ 15.7650			
July	\$ 15.7125			
Aug.	\$ 15.4025			
Sept.	\$ 14.7075			
Nov.	\$ 14.3200			

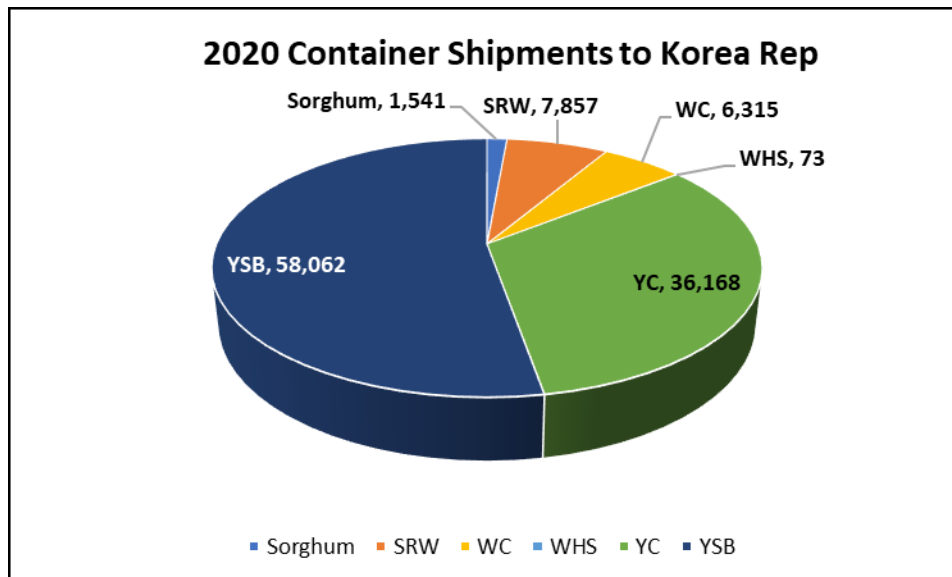
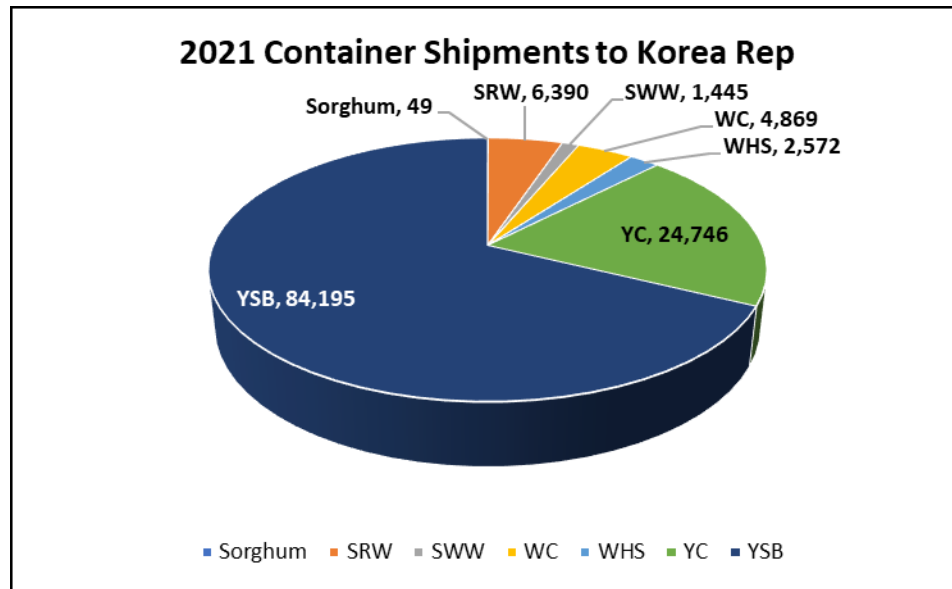
U.S. Soybean and SBM Markets Fob Vessel:

U.S. SBM (USD/MT) FOB Vessel		
Fob U.S. Gulf Port	47.5 Pro. SBM	
max 12.5 % moisture	Basis	Flat Price
Mar.	45.00	\$ 550.15
Apr.	45.00	\$ 547.72
May	45.00	\$ 547.72
June	45.00	\$ 546.40
July	42.00	\$ 543.09
SBM Futures		
SMH	\$ 454.00	
SMK	\$ 451.80	
SMN	\$ 450.60	
SMQ	\$ 440.80	
SMU	\$ 427.40	
SMV	\$ 416.20	

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).*

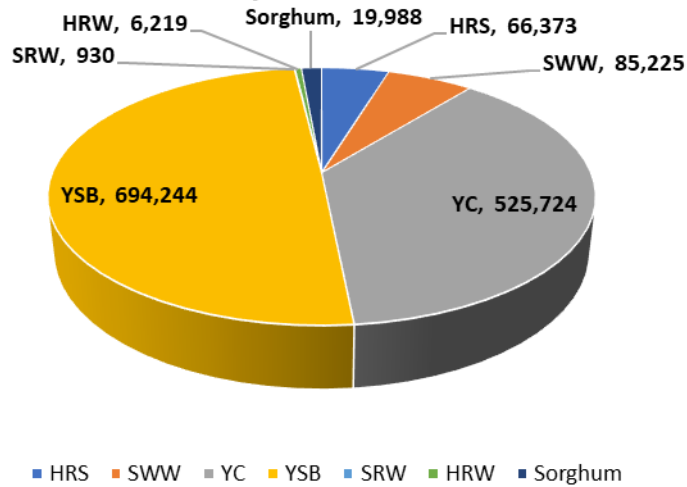
CONTAINER SHIPMENTS of GRAIN									
USDA Grain Inspections Report:		3-Feb-2022							
Last Week	metric tons								MT
	YC	WC	YSB	SRW	NS	SWH	HRW	Sorghum	TOTAL
China			29,454					2,621	32,075
Taiwan	10,160		14,299	588					25,047
Hong Kong	563								563
Costa Rica									0
Indonesia			11,063						11,063
French Poly									0
Japan			1,221						1,221
Korea Rep.			489						489
Saudi Arabia									0
Malaysia			3,869						3,869
Colombia									0
Philippines			1,297						1,297
Thailand			2,521						2,521
Cambodia			441						441
Burma									0
Bahrain	514								514
Nepal			1,077						1,077
Vietnam			3,473						3,473
Sub Total:	11,237	0	69,204	588	0	0	0	2,621	83,650
USDA Corrections/Additions to previous reports:									
Taiwan									0
China								122	122
Hong Kong	49								49
Korea Rep.									0
French Poly									0
Japan									0
Philippines									0
Indonesia			1,151						1,151
Malaysia									0
Thailand									0
Vietnam			563						563
Bangladesh									0
Un Arab Em									0
Sub Total:	49	0	1,714	0	0	0	0	122	1,885
Mt. Grand Total	11,286	0	70,918	588	0	0	0	2,743	85,535
Number of Containers	491	0	3,083	26	0	0	0	119	

Jan - Dec 2020 Annual Totals versus 2021 Annual Total Container Shipments (in MT)

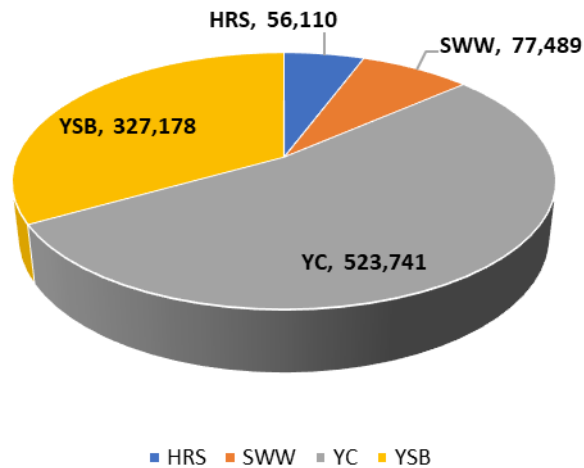


2021 Total Grain Exports reported by USDA (in MT)

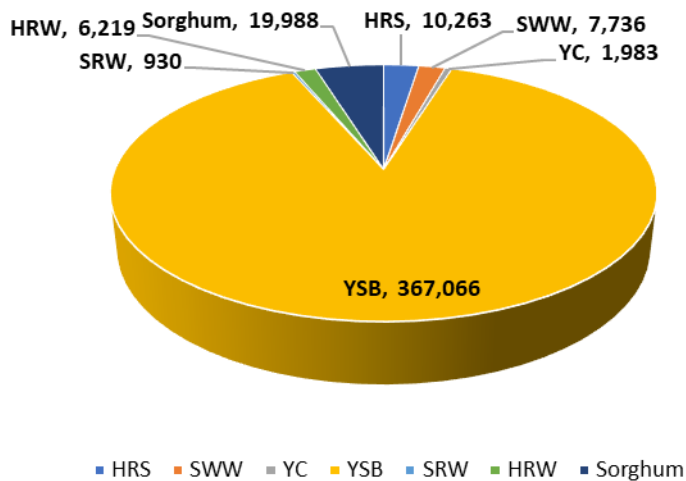
2021 Exports to Vietnam



2021 Vessel Shipments to Vietnam



2021 Container Shipments to Vietnam



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

Source: USDA-data

Shipping News

Daniel Szeligowski @dszeligowski · Feb 9

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What did Putin promise Macron? Not to escalate? Something must have been lost in translation as Russia just announced it will close unprecedentedly large areas of Black & Azov seas for fire exercises. In fact, Moscow will fully close Azov Sea and thus block Ukrainian port in Mariupol



20

276

461



Peter Tirschwell @PeterTirschwell · 5h

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Expectations are that the ILWU will seek to change the terms of how automation on the West Coast is approved, such as obtaining veto power over new automation projects which management will strongly resist. Our [@JOC_Updates](#) analysis ahead of [#TPM22](#) joc.com/port-news/long...

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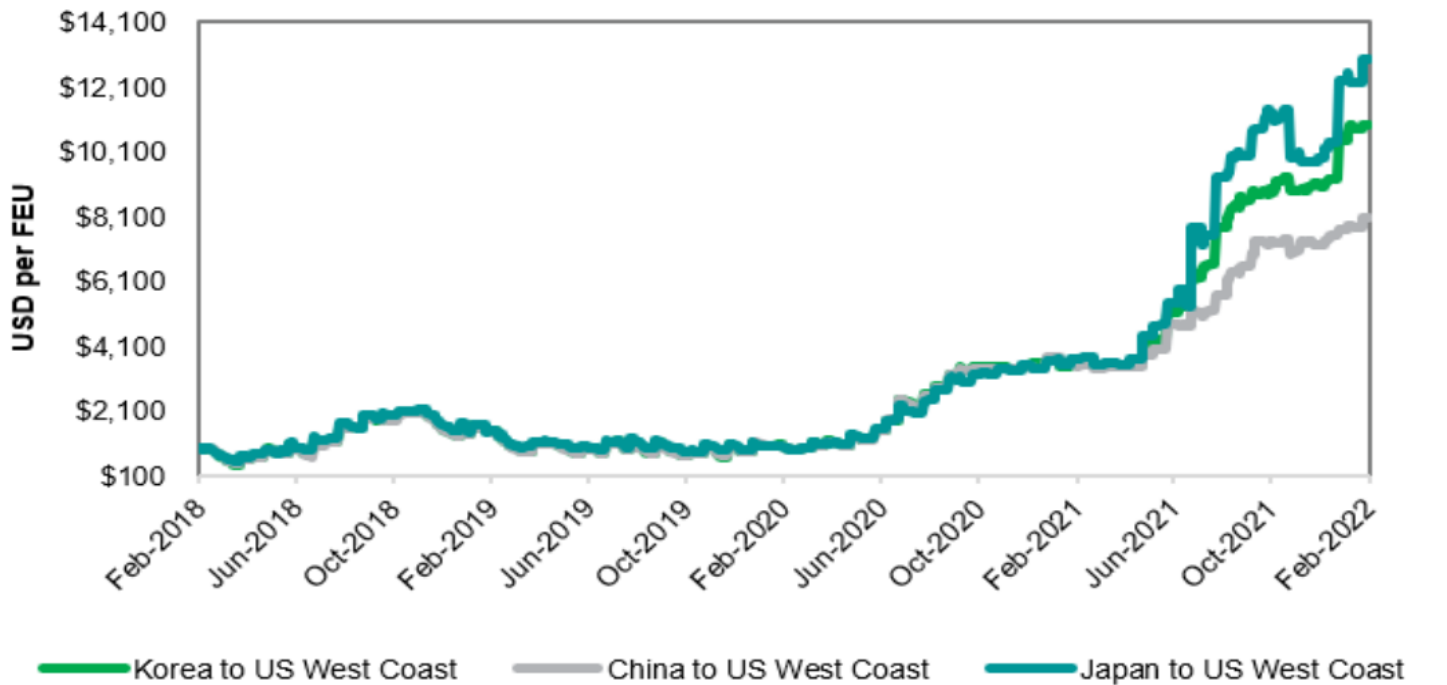
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Trans-Pac rates jump for North Asia shippers

Average Asia–US container freight rates on short-term contracts of 32 days or less, in USD per FEU

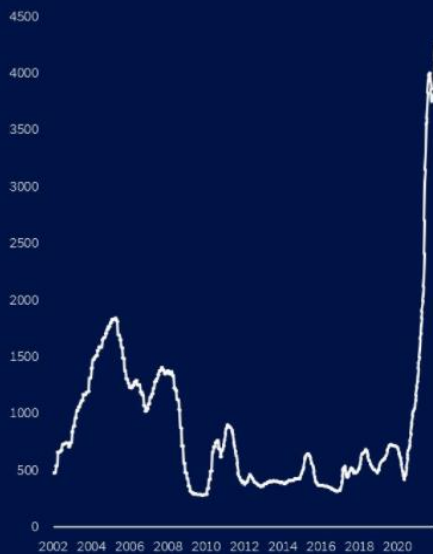


Source: Xeneta

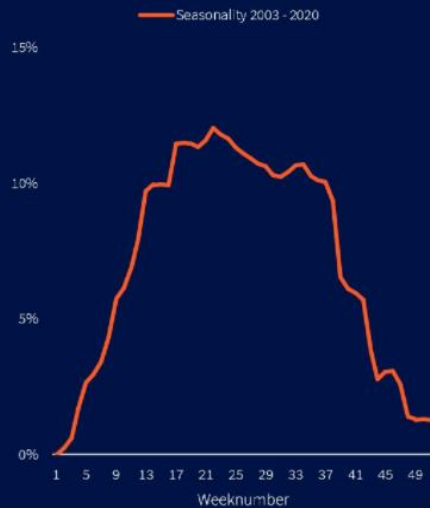
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Container Charter Rates Surges Higher

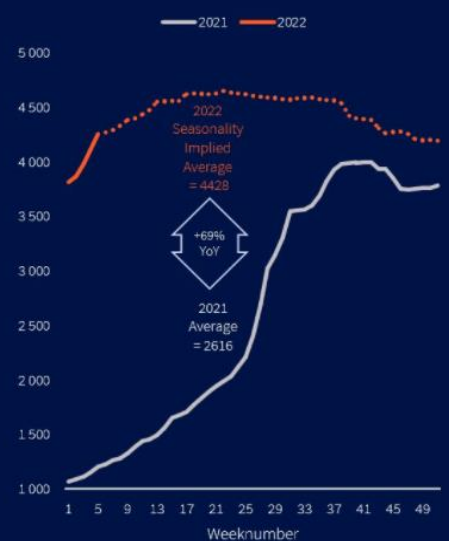
Harper Container Charter Rate Index



Container Charter Rate Seasonality
% Change from start of the year



Harper Container Charter Rate Index



Baltic Dry-Bulk Ocean Freight Index- US Gulf- Japan



RUSGRAIN
UNION

TOP-10 Russian Grain Exporters by Quota Allocation

	wheat	barley, corn, rye		wheat	barley, corn, rye
RIF	1 604.4	674.7	LDC <small>Louis Dreyfus Company</small>	375.4	140.0
Demetra TRADING	950.8	399.8	Cargill <small>Helping the world thrive</small>	267.8	112.6
ASTON <small>foods and food ingredients</small>	768.4	311.7	ZT	251.4	105.7
VITERRA	658.1	276.8	AST <small>GROUP OF COMPANIES</small>	244.3	102.8
OZK	578.6	-	Apmuc	154.1	64.8



f @rusgrainunion

t @rusgrain

Greg Miller @GMJournalist · 1h

Today's Maersk call bullish for container [#shipping](#). Spot rates stabilized at very high level + contract rates up significantly y/y + more cargo shippers signing multiyear contracts for durations of 3-10 years. See story for details: [#containers](#) [\\$ZIM](#) [\\$MATX](#)



freightwaves.com

Shipping giant Maersk could rake in \$50 billion over just two years
COVID container boom continues: Maersk may earn even more this year than in record-trouncing 2021.

Karen Braun [@kannbwx](#) · 9m

Traffic of [#soybeans](#) out of [#Brazil](#) is heating up. The earliest harvested crop was relatively strong and on time, so this activity is expected. Don't forget, an export volume of even 80 mmt (2.94 bln bu) - well below initial ideas - is a LOT of beans.

2021 comparison below 📌



Ari Ashe @arijashe · 3h

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The @SCPorts tells @joc_updates that while progress has been made on the nearly 20 vessels anchored outside Charleston, it will probably be six more weeks until the congestion is cleared. More here on the role shippers must play in this process. shar.es/aW9xQM



Peter Tirschwell @PeterTirschwell · 5m

...

Sadly this is the reality currently: "Right now the situation does not appear to be getting significantly better," @SorenSkou told CNN. "I wish I could say that things are getting better, but right now there's nothing in the numbers to suggest so."



cnn.com

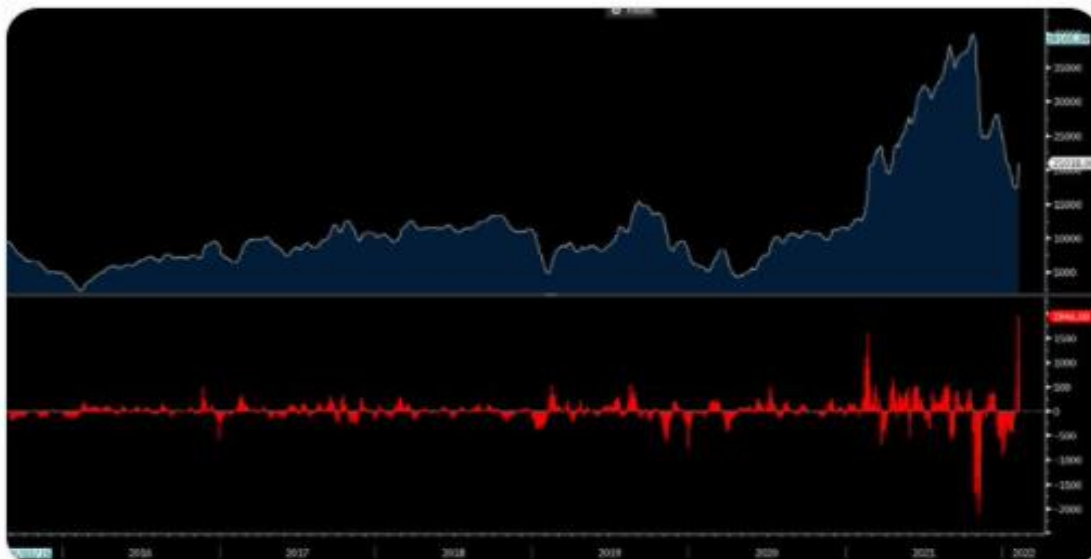
Maersk CEO sees more supply chain trouble ahead

Maersk has a front-row seat to global supply chains. It says more trouble is ahead.

BreakWave @DryBulkETF · 21h

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Supramax average spot rates increased by the most on record today.

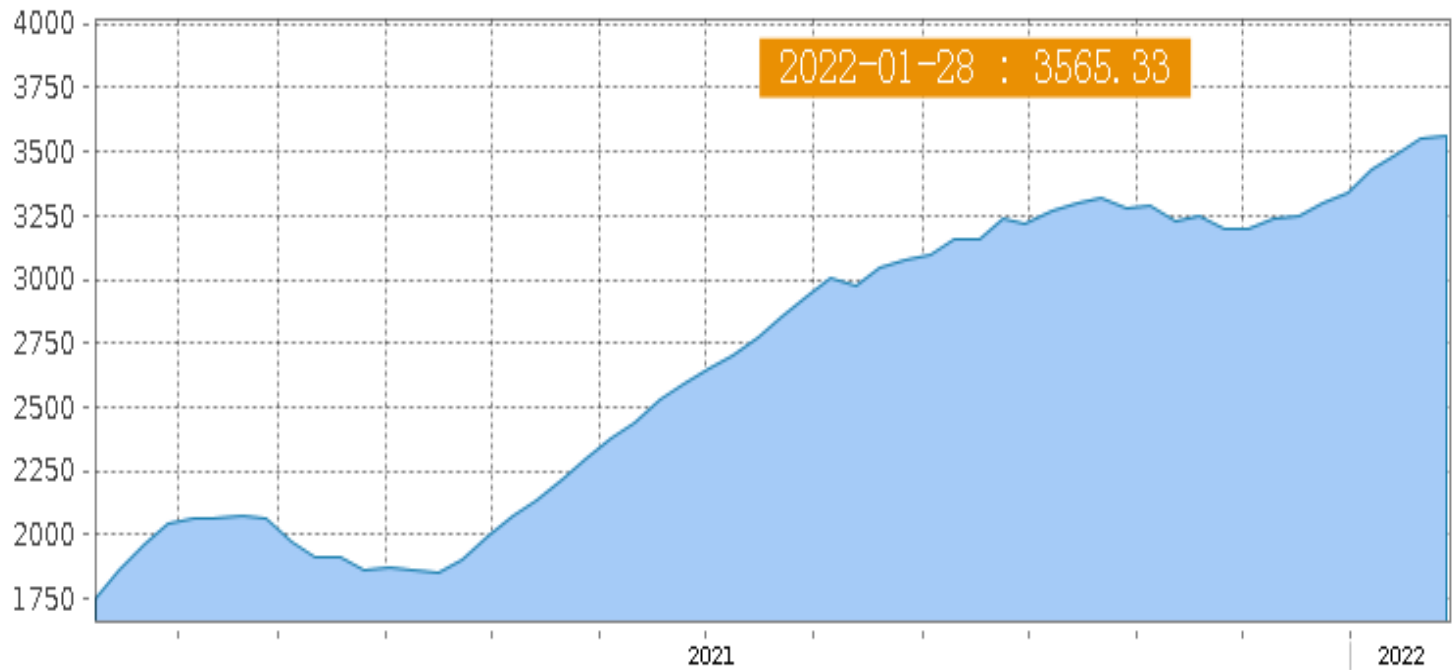


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China Containerized Freight Index



China Import Dry Bulk Freight Index



U.S. RIVER BARGE FREIGHT

Current Barge Freight for Loading Placement First Half March 2022

Secondary Rail Car Market Placement FH. March 2022	BID USD	ASK USD	BID BU.	ASK BU.	BID MT	ASK MT
BNSF Shuttle Trains	\$ (50.00)	\$ 50.00	\$ (0.01)	\$ 0.01	\$ (0.49)	\$ 0.49
UPRR Shuttle Trains	\$ -	\$ 200.00	\$ -	\$ 0.05	\$ -	\$ 1.97

Secondary Rail Car Market for Car placement period: First Half March 2022.

Placement FH. March 2022	% of		Corn	Soybeans-Wheat
	Tariff	MT	BU	BU
Upper Mississippi	Closed			
Illinois River (Pekin and South)	575	\$39.23	1.00	1.07
Mid-Mississippi	Closed			
Lower Ohio	525	\$25.81	0.66	0.70
St. Louis	475	\$20.89	0.53	0.57

Best Regards,

Jay
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Follow me on Twitter @ igpjay



*** 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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