

Transportation and Export Report for 13 February 2020

Ocean Freight Insights and Comments:

Dry-bulk and Container freight markets are slowly waking up from the Lunar New Year Holiday period. But many are not sure what they see as they rub their eyes in disbelief at the dramatic drop over the past three weeks. Freight markets are trying to stabilize but remain unsure of the full impact of the Coronavirus (COVID19) situation. Today markets are a little better/higher as they bounced off the lows of the last few days. Rates however are still painfully low and lacking firm direction. Please remember that Dry-Bulk spot rates are very depressed, and a large carry exists between the spot and 30-day rates versus June-July values. The St. Lawrence Seaway is expected to open around 31 March.

BALTIC DRY-BULK PANAMAX INDEX CHANGES

Panamax Ocean Freight Indices				
13-Feb-2020	This Week	Last Week	Difference	Percent Change
P2A : Gulf/Atlantic - Japan	11372	10629	743	7.0%
P3A - PNW/Pacific - Japan	3268	2090	1,178	56.4%
S1C -USGULF-China-So.Japan	18383	18647	-264	-1.4%
P7- Trial- Miss. River - Qingdao	38471	39100	-629	-1.6%
P8- Trial- Santos - Qingdao	27643	27700	-57	-0.2%

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

Four weeks ago:	\$7.10-\$8.45
Three weeks ago:	\$7.20-\$7.40
Two weeks ago:	\$7.10 -\$7.30
One week ago:	\$6.00-\$6.15
This week	\$5.75-\$6.00

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

Mississippi River:	(10 elevators)	3-9 days (2 facilities not currently operating)
Miss. River Mid-Stream loaders:	(6+ Rigs)	0-8 days
Texas Gulf	(5 elevators)	0-2 days (only 2 facilities have lineups)
Pacific Northwest:	(9 elevators)	0-10 days

Panamax Market Spreads to Asia -China					
13-Feb-2020	PNW	GULF	Bushel Spread	MT Spread	Advantage
CORN	1.06	0.70	0.36	\$14.17	PNW
SOYBEANS	0.99	0.68	0.31	\$12.20	PNW
OCEAN FREIGHT	\$21.25	\$41.25	.51-.54	\$20.00	March

Recent Reported Vessel Fixtures:

**** Below rates are estimates for the nearby slots. 60-90 days forward rates will be higher.**

Soybean Panamax USG to Spain is running \$17.70/mt.

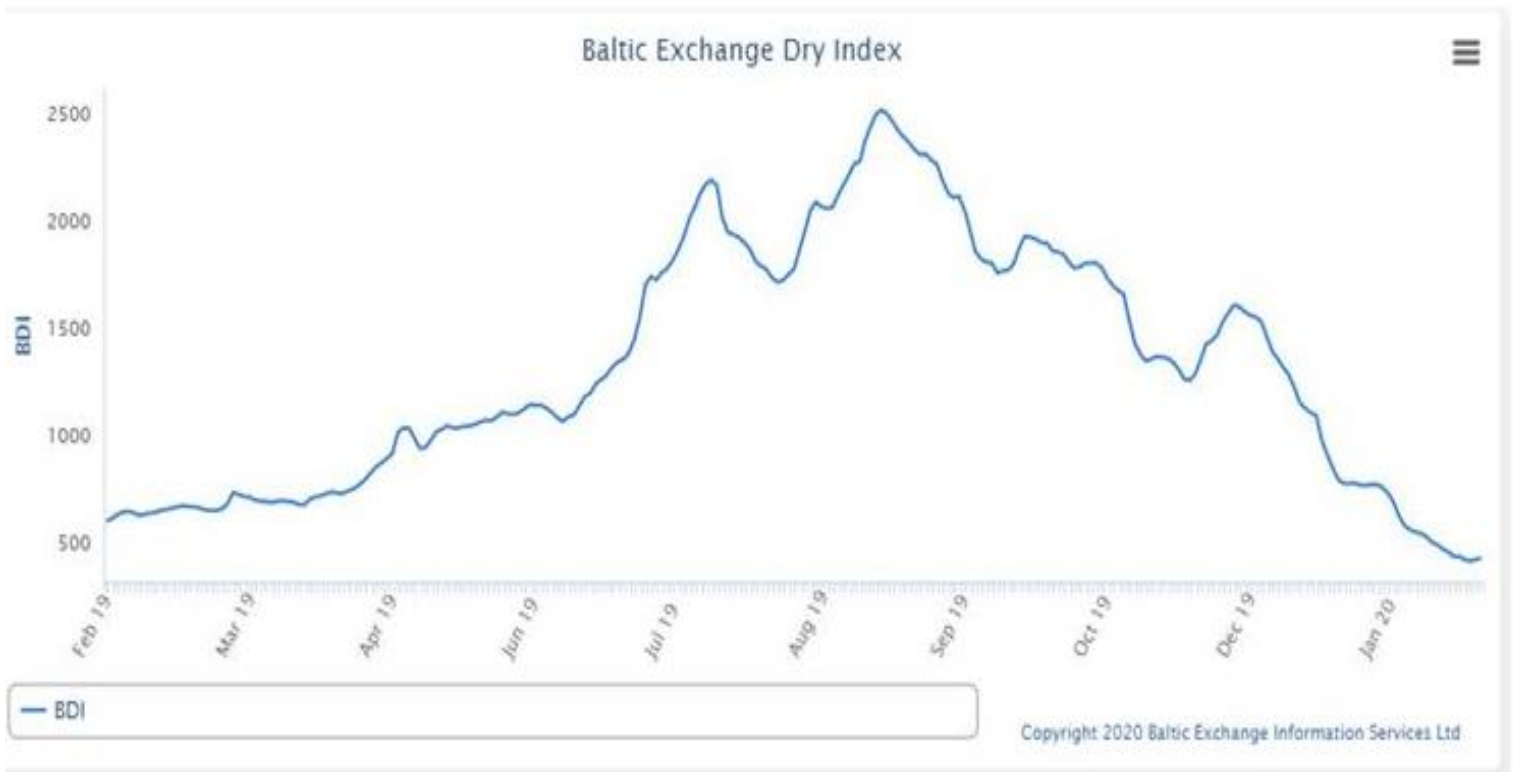
Soybean Brazil to Spain at about \$20.75/mt.

30,000 mt Corn Northern Brazil to Vera Cruz, Mexico \$17.50-\$18.00/mt .To U.S. E/C about \$19.50-20.50/mt

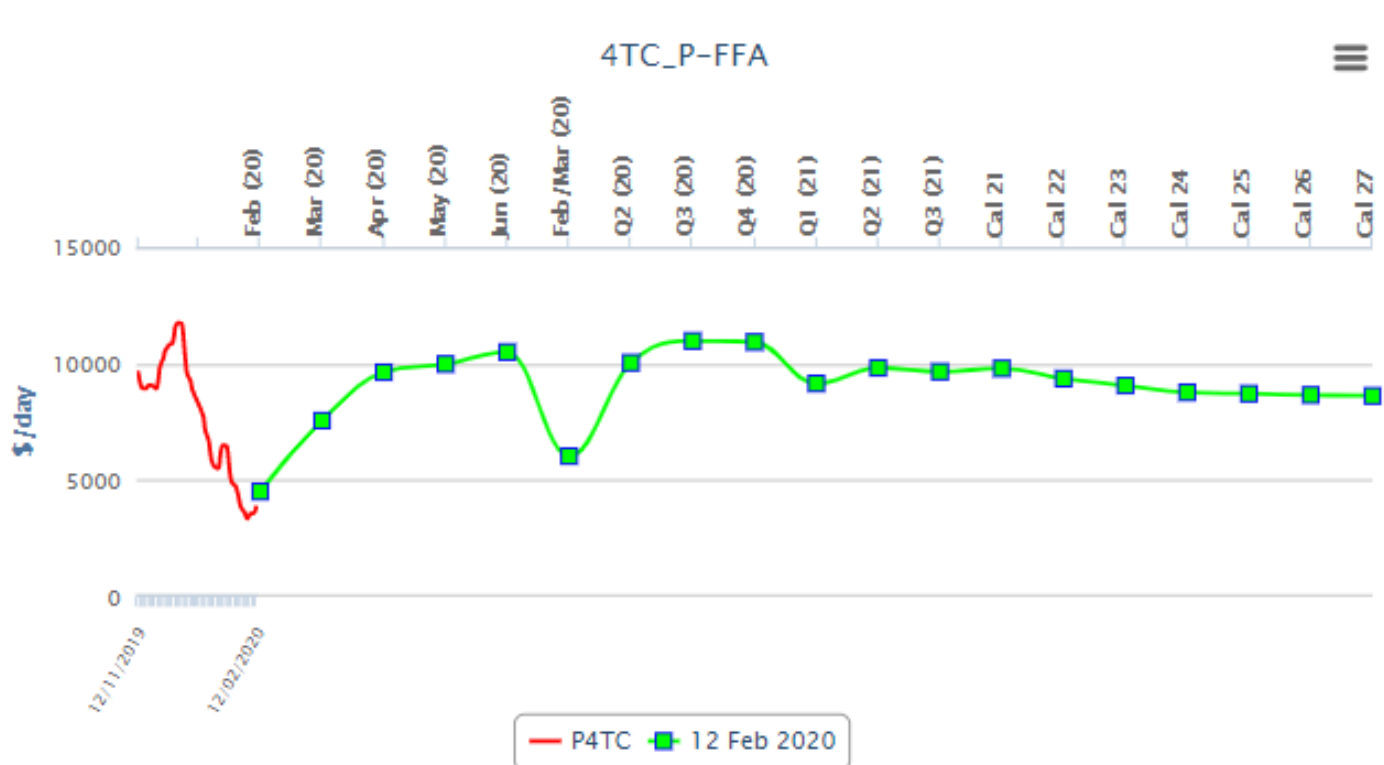
Route and Vessel Size	Current Week USD/MT	Change from previous week	Remarks
55,000 U.S. Gulf-Japan	\$42.75	Up \$0.75	Handymax \$43.75 mt
55,000 U.S. PNW- Japan	\$22.25	Up \$0.25	Handymax \$23.50 mt
66,000 U.S. Gulf – China PNW to China	\$41.25 \$21.25	Up \$0.75 Up \$0.25	North China
25,000 U.S. Gulf- Veracruz, México	\$16.50	Up 0.50	3,000 MT daily discharge rate
30-36,000+ U.S. Gulf- Veracruz, México	\$13.75	Up \$0.50	Deep draft and 6,000 MT per day discharge rate.
30-38,000 U.S. Gulf- <u>East Coast Colombia</u> From Argentina	\$19.00 \$32.50	Up \$0.50	<u>West Coast Colombia at \$25.75</u> USG to E/C 50,000 mt at \$15.50
43-45,000 U.S. Gulf - Guatemala	\$28.00	Up \$0.50	Acajutla/Quetzal - 8,000 out
26-30,000 U.S. Gulf – Algeria	\$32.75 \$33.25	Up \$0.75	8,000 mt daily discharge 3,000 mt daily discharge
26-30,000 US Gulf-Morocco	\$33.25	Up \$0.75	5,000 discharge rate
55-60,000 U.S. Gulf –Egypt PNW to Egypt	\$24.50 \$24.50	Up \$0.75	60,000 -55,000 mt Romania- Russia- Ukraine \$11.60 -\$11.75 -\$11.75 France \$15.75
60-70,000 U.S. Gulf – Europe – Rotterdam	\$14.50	Unchanged	Handymax at +\$1.75 more
Brazil, Santos – China Brazil, Santos – China Northern Coast Brazil	\$30.75 \$29.25 \$33.25	Up \$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	\$33.25	Up \$0.25	Upriver with BB Top Off \$37.75

- **The above rate estimates reflect the 20-30 day forward ocean freight markets.**

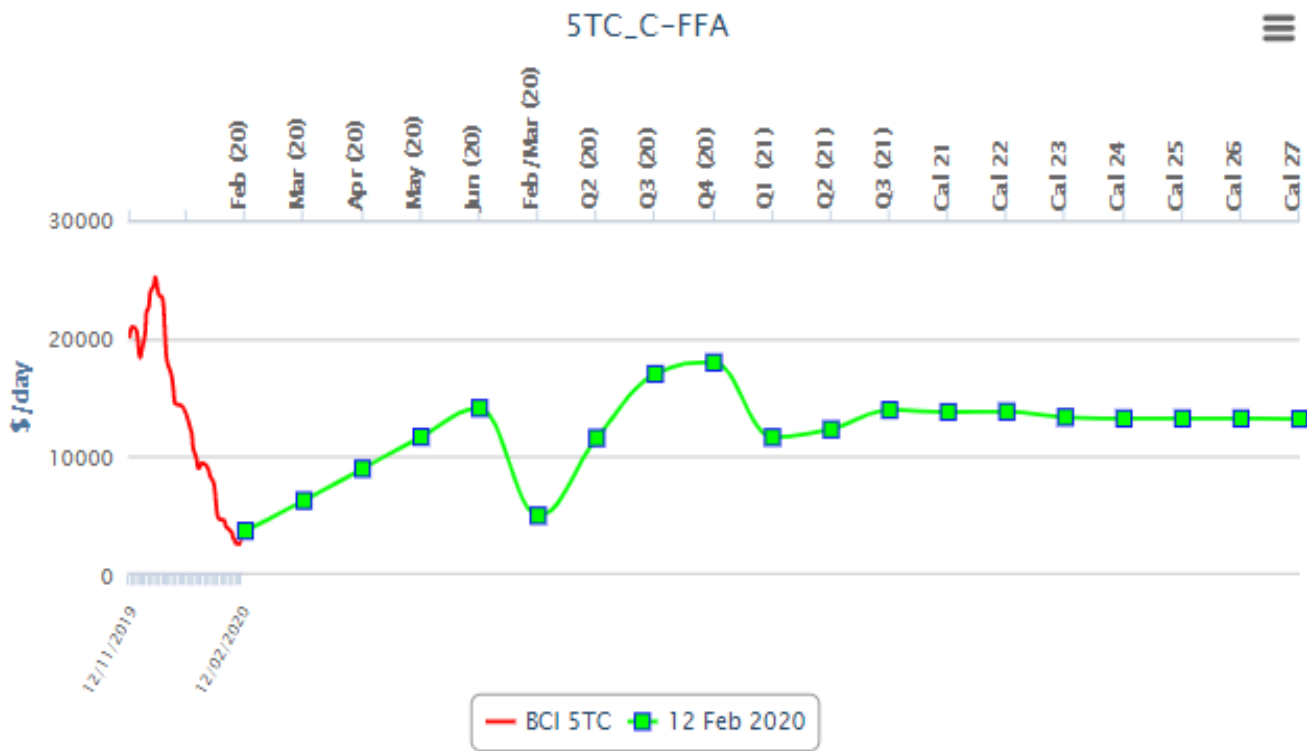
Baltic Dry Bulk Index.



Baltic Panamax Forward Curve Chart

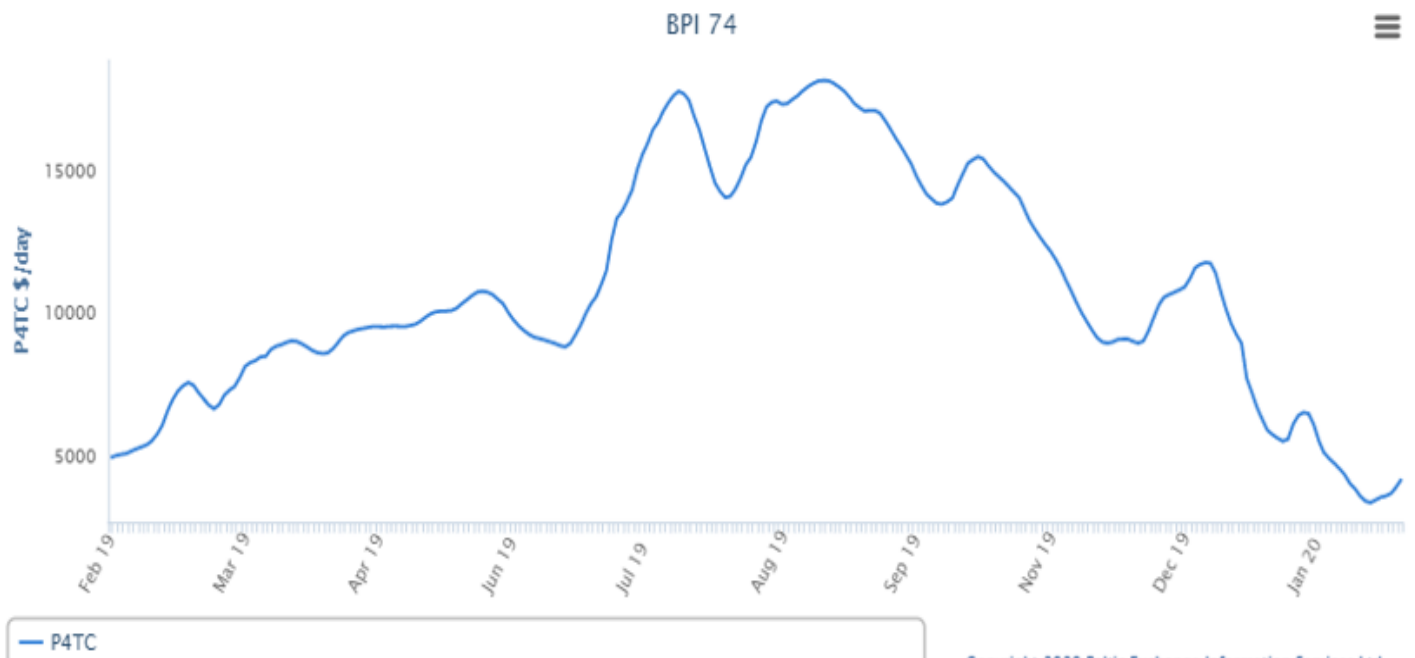


Baltic Capesize Forward Curve Chart



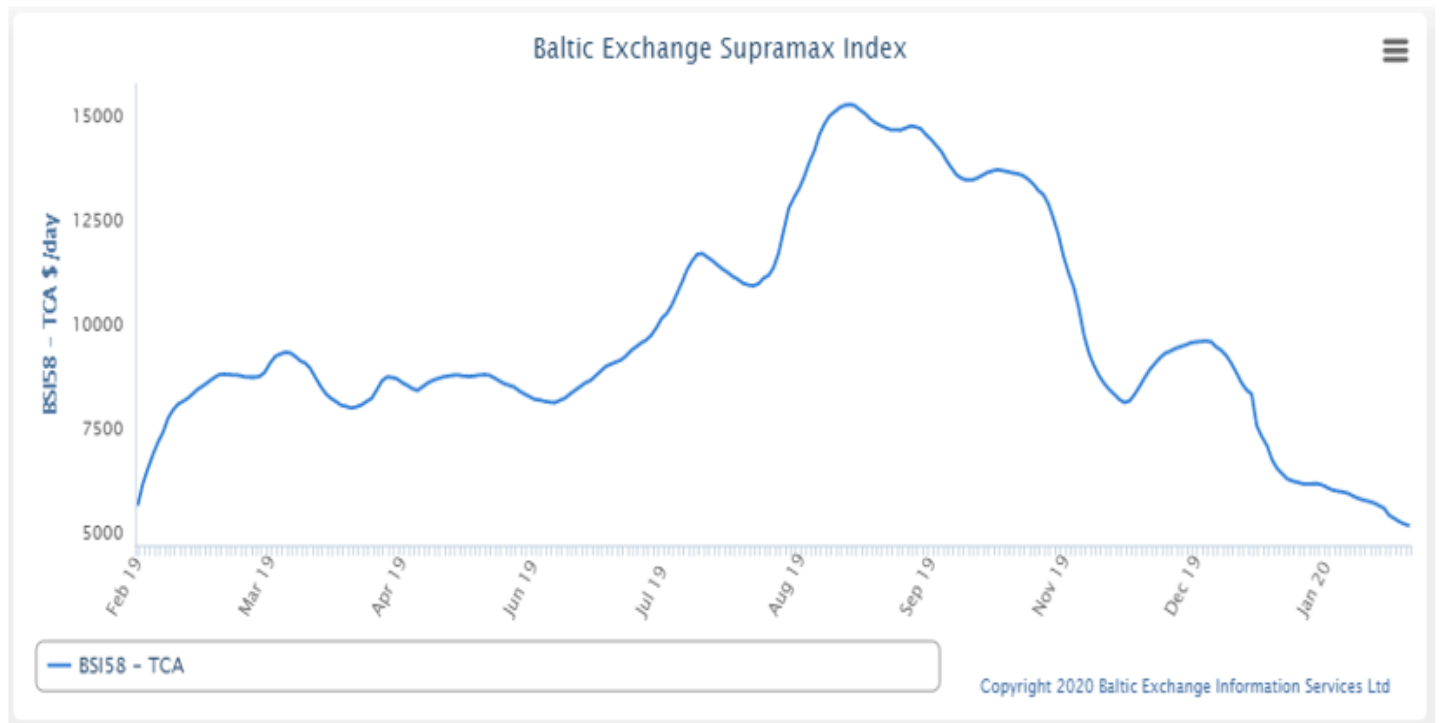
Baltic Panamax Index

Panamax

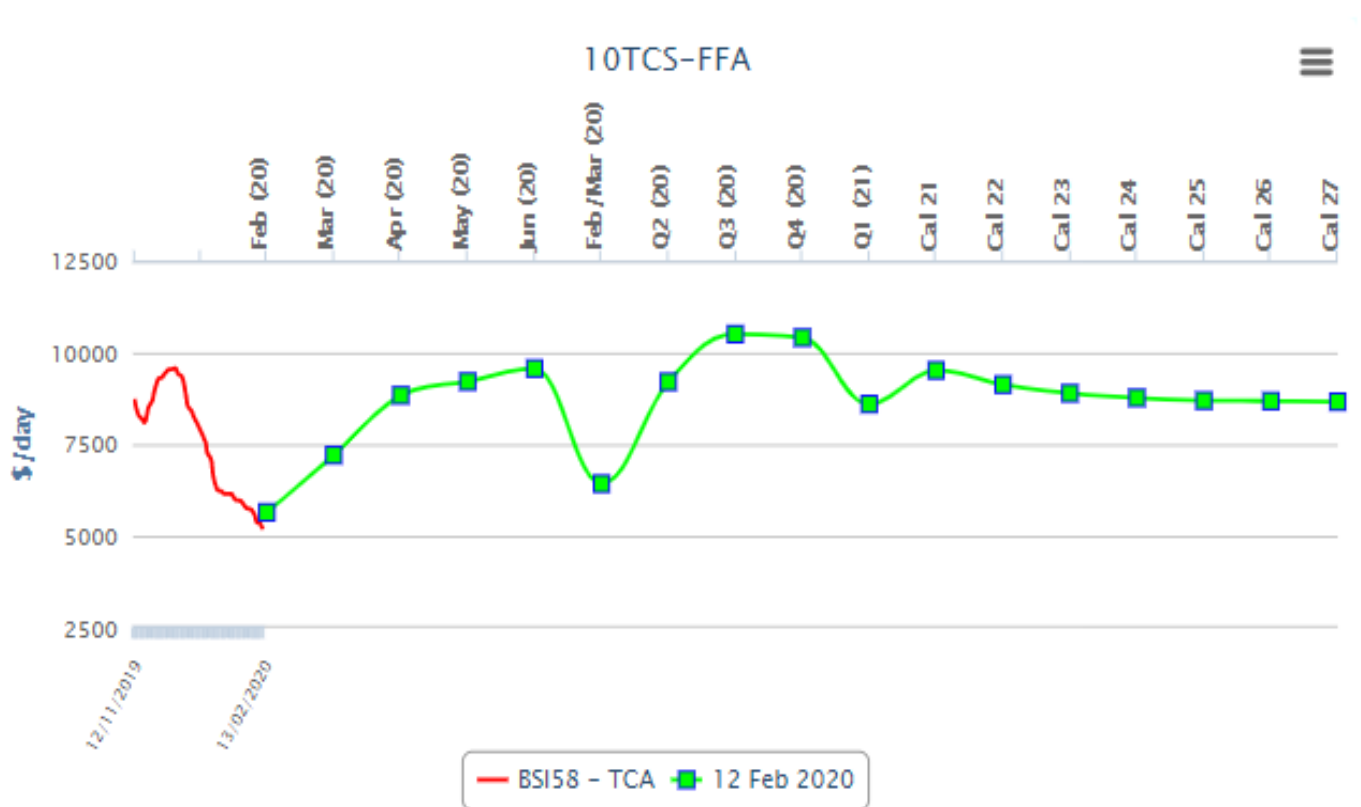


Baltic Supramax Vessel Index

Supramax

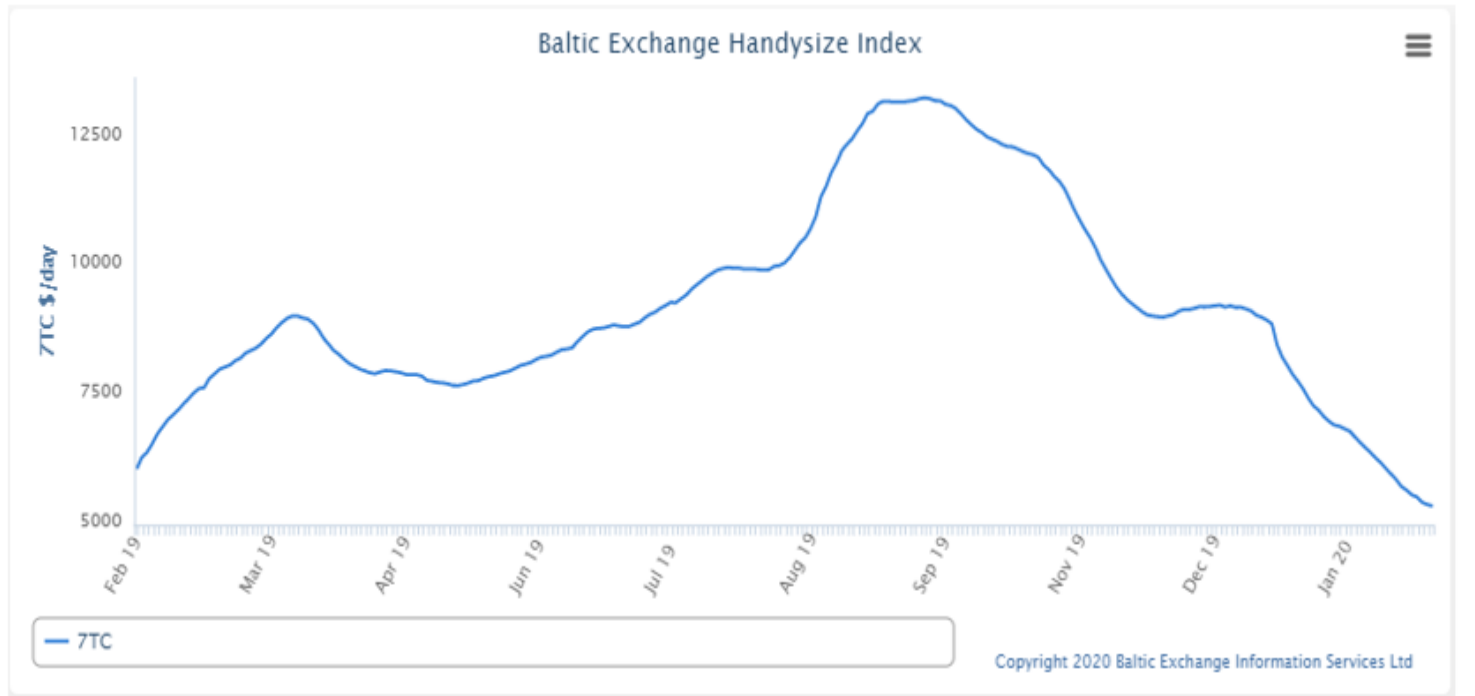


Supramax Dry-Bulk Forward Curve

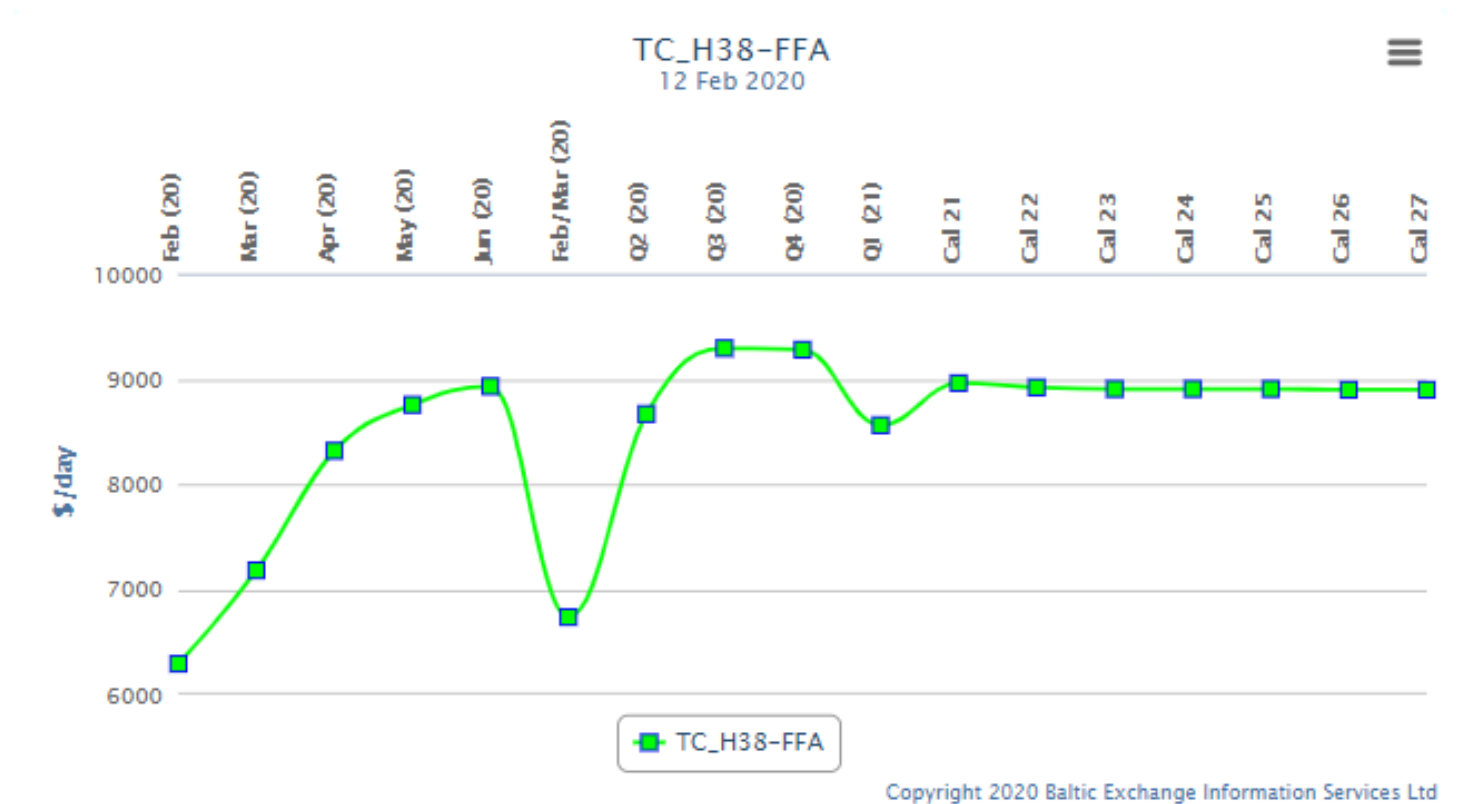


Baltic Handy Size Vessel Index

Handysize



Baltic Handy Size Forward Curve

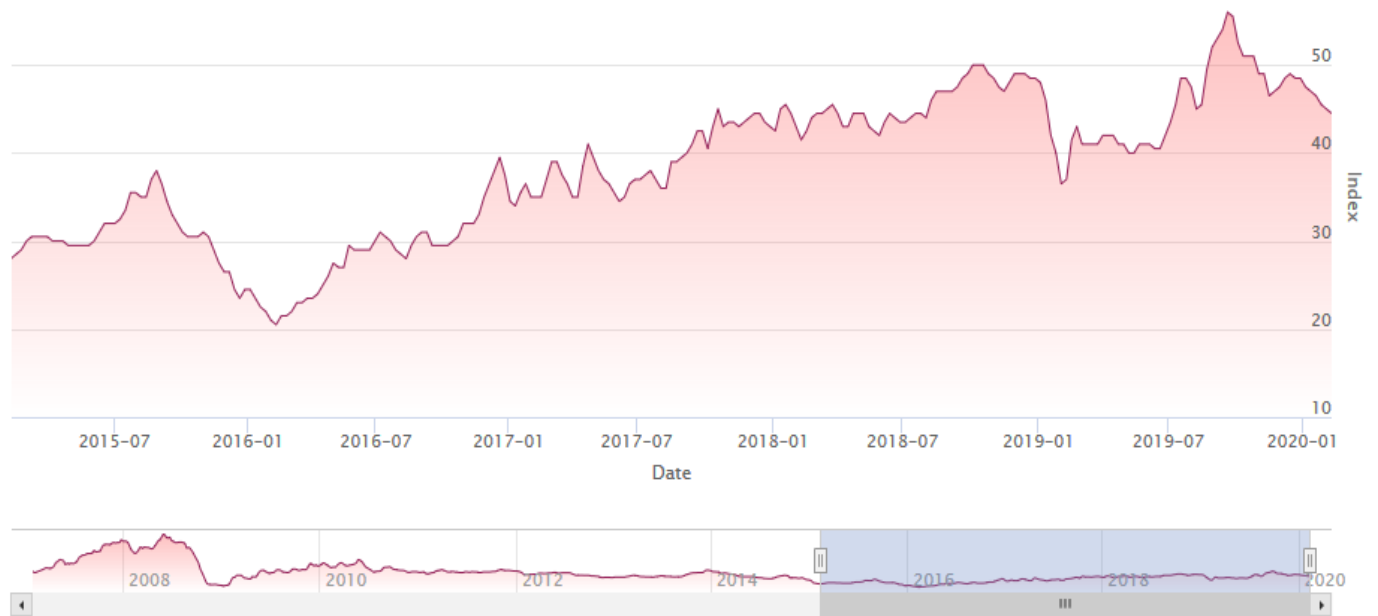


YAMAMIZU Index



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

From 2015-02-12 To 2020-02-12



China Import Dry Bulk Freight Index 2020-02-13

Description	Size MT	Cargo/Vessel Size	Unit	Rate	Change
Composite Index			Point	706.5	-8.09
Iron ore Freight Index			Point	651.47	-15.12
Dampier(West Australia)-Qingdao (China)	170000/10%	Iron ore	\$/ton	5.573	-0.142
Soybean Freight Index			Point	886.8	1.61
Santos(Brazil)—North China	60000/10%	Soybean	\$/ton	28.941	0.06
Tacoma(West America)—North China	60000/10%	Soybean	\$/ton	22.115	0.021
Mississippi(US Gulf)—North China	66000/10%	Soybean	\$/ton	41.153	0.081
Mississippi(US Gulf)—North China	55000/10%	Soybean	\$/ton	43.16	0.06

13 February 2020 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
March	0.70	\$176.96	1.06	\$191.13
April	0.64	\$176.66	1.01	\$191.23
May	0.65	\$177.06	1.04	\$192.41
June	0.61	\$177.06	1.02	\$193.20
July	0.61	\$177.06	1.05	\$194.38
Aug.	0.65	\$178.14	1.10	\$195.86

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
March	0.95	\$186.80	0.78	\$180.11
April	0.95	\$188.87	0.75	\$180.99
May	0.95	\$188.87	0.78	\$182.17
June	0.95	\$190.44	0.80	\$184.54
July	0.95	\$190.44	0.83	\$185.72

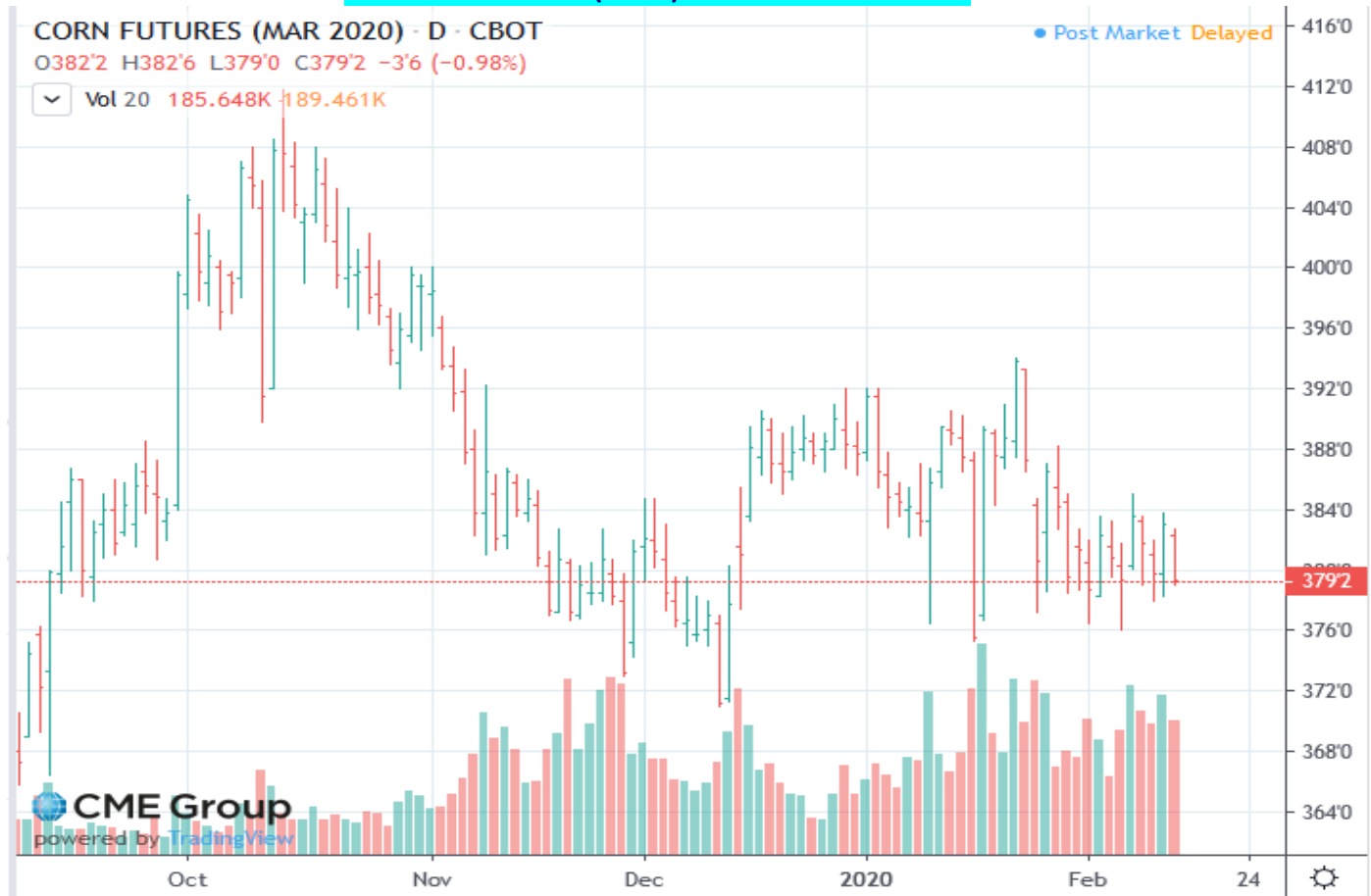
Fob vessel Texas Gulf #2 Sorghum is about 102% the value of #2 Yellow Corn at NOLA. But trading at a 85% - 89% of corn to farmers in Western Kansas.

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

SRW Wheat	USD/MT	Fob Vessel	US Gulf	
	Mar.	Apr.	May	June
FOB U.S. GULF	\$247.01	\$246.09	\$246.09	\$246.00
Basis	1.28	1.25	1.25	1.25
WH	5.4425			.
WK	5.4475			
WN	5.4450			

2/13/020	Close	This Week	Last Week.	Last Week.	Last Week	
CME Corn Futures	Bushel	MT.	Bushel	Bu. Diff.	MT	MT Diff.
Mar.	\$ 3.7950	\$ 149.40	\$ 3.7925	0.0025	\$ 149.30	\$ 0.10
May	\$ 3.8475	\$ 151.47	\$ 3.8450	0.0025	\$ 151.37	\$ 0.10
July	\$ 3.8875	\$ 153.04	\$ 3.8800	0.0075	\$ 152.75	\$ 0.30
Sept.	\$ 3.8750	\$ 152.55	\$ 3.8550	0.0200	\$ 151.76	\$ 0.79
Dec.	\$ 3.9200	\$ 154.32	\$ 3.8975	0.0225	\$ 153.44	\$ 0.89
Mar..	\$ 4.0100	\$ 157.87	\$ 3.9900	0.0200	\$ 157.08	\$ 0.79

CBOT March. 2020 (CH20) CORN Futures Chart –



CME/CBOT March 2020 (WH20) SRW Wheat Futures Chart –

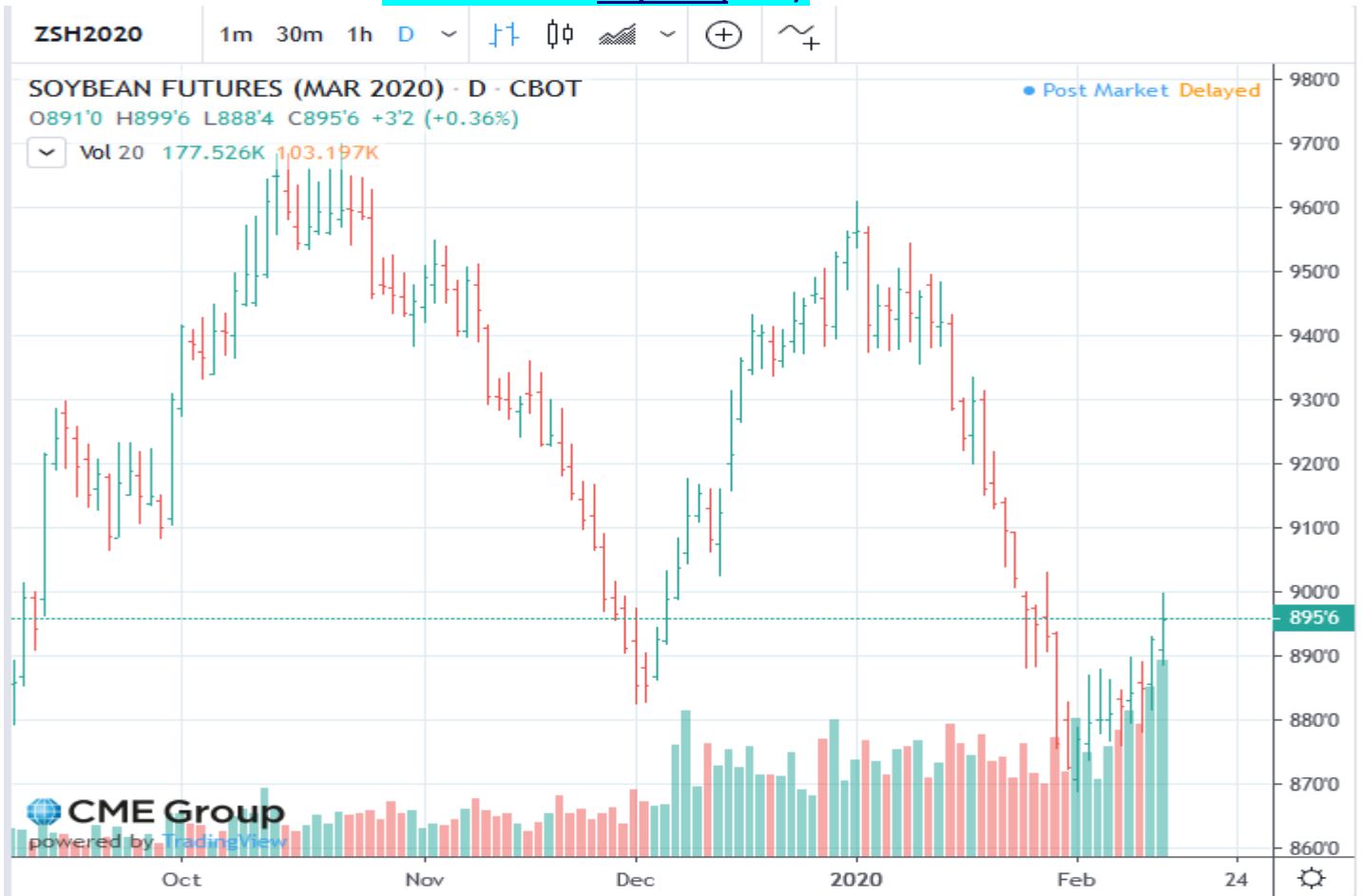


U.S. Soybean and SBM Markets Fob Vessel:

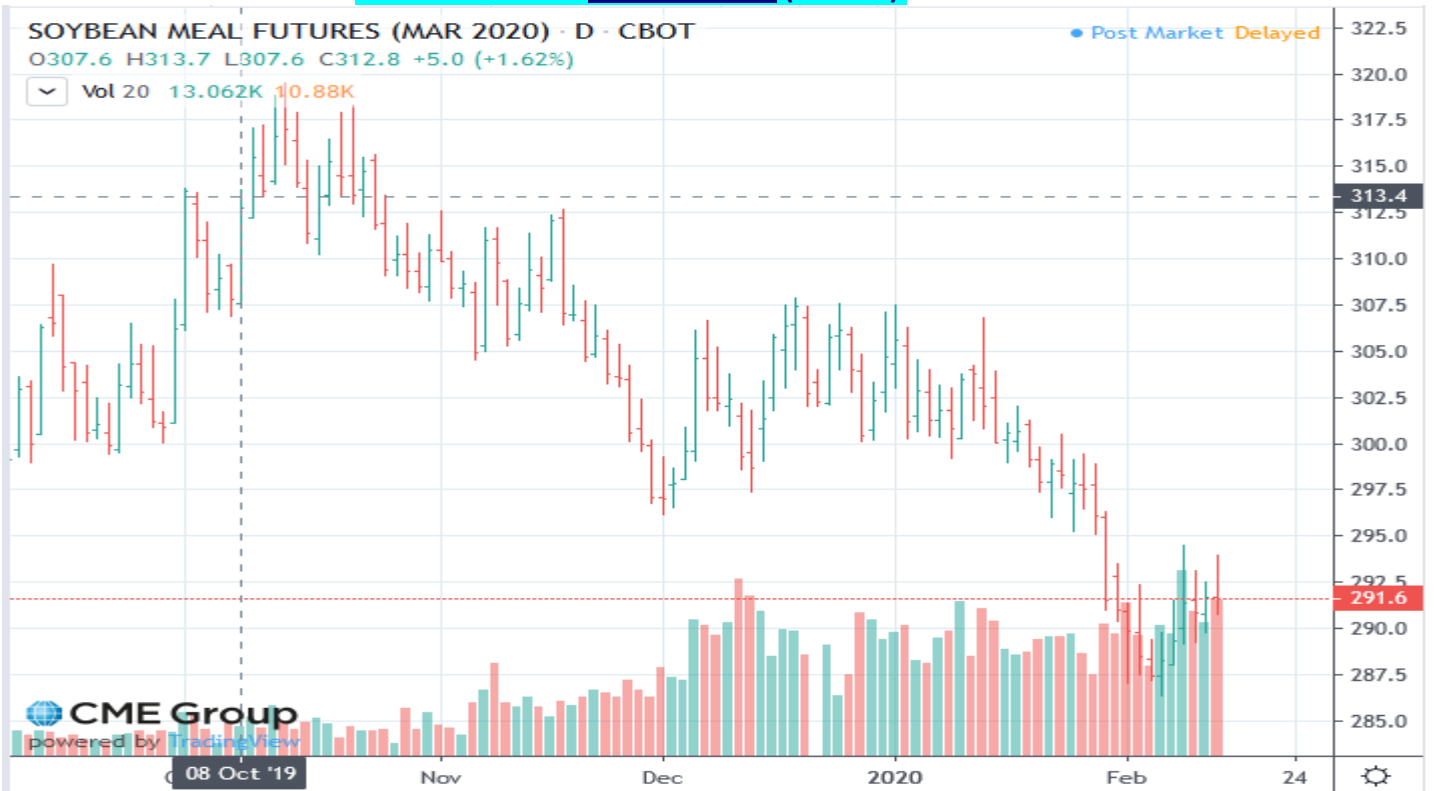
U.S. Yellow Soybeans (USD/MT) FOB Vessel				
# 2 YSB	U.S. Gulf #2 YSB		PNW #2 YSB	
14.0 % Moisture	Basis	Flat Price	Basis	Flat Price
March	0.68	\$354.30	0.99	\$365.69
April	0.59	\$354.57	0.92	\$366.70
May	0.62	\$355.68	0.93	\$367.07
June	0.53	\$356.78	0.81	\$367.07
July	0.53	\$356.78	0.81	\$367.07
Soybean Futures				
Mar.	\$ 8.9625			
May	\$ 9.0600			
July	\$ 9.1800			
Aug.	\$ 9.2175			
Sept.	\$ 9.2100			
Nov.	\$ 9.2375			

U.S. SBM (USD/MT) FOB Vessel		
Fob U.S. Gulf Port	47.5 Pro. SBM	
max 12.5 % moisture	Basis	Flat Price
March	15.00	\$ 338.36
April	10.00	\$ 339.13
May	11.00	\$ 340.23
June	9.00	\$ 344.31
July	9.00	\$ 346.19
SBM Futures		
SMH	291.90	
SMK	297.60	
SMN	303.30	
SMQ	305.00	
SMU	306.10	
SMV	306.70	

CME March 2020 Soybean (SH20) Futures Chart:



CME March 2020 Soybean Meal (SMH20) Futures Chart



U.S. EXPORT STATISTICS: Report Activity as of Week Ending 30 January 2020

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	1265.1	22,790.6	45,090	51%	1,258.9
Sorghum	15.3	1,155.5	3,050	38%	0.0
Soybeans	729.4	32,307.8	48,310	67%	310.3
Wheat	413.0	21,265.8	26,540	80%	226.9
Barley	0.0	48.7	90	54%	30.5

U.S. EXPORT INSPECTIONS:

Monday's report 10 February 2020 for the Export week ending 06 February 2020

	Export Inspections		Current Market Year YTD	Previous Year to Date	2019/20 YTD as Percent of 2018/19 YTD
	This Week	Previous Week			
Corn	769,390	562,380	11,494,229	23,249,026	49%
Sorghum	77,553	18,092	1,226,620	680,762	180%
Soybeans	603,852	1,373,502	27,217,697	22,728,608	120%
Wheat	523,713	435,720	17,185,178	15,390,307	112%
Barley	5,337	1,796	24,795	6,852	362%

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

U.S. EXPORT INSPECTIONS:

Monday's report 10 February 2020 for the Export week ending 06 February 2020

Last Week								
(Metric Tons)	YC	%	WC	%	Sorghum	%	Soybeans	%
Lakes	0	0%	0	0%	0	0%	0	0%
Atlantic	0	0%	0	0%	0	0%	18,758	3%
Gulf	589,094	78%	10,999	71%	72,595	94%	260,605	43%
PNW	685	0%	245	2%	0	0%	166,286	28%
Interior Export Rail	164,151	22%	4,216	27%	4,958	6%	158,203	26%
Metric Tons	753,930		15,460		77,553		603,852	

Sorghum Shipments:	metric tons	
	72,595	China Main
	49	Panama
	4,909	Mexico
	77,553	Total

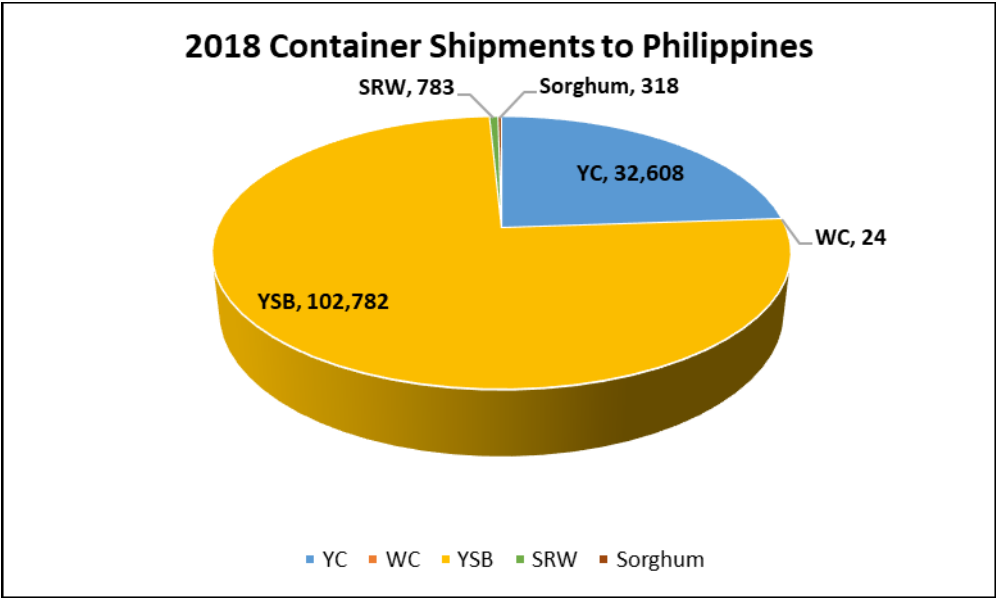
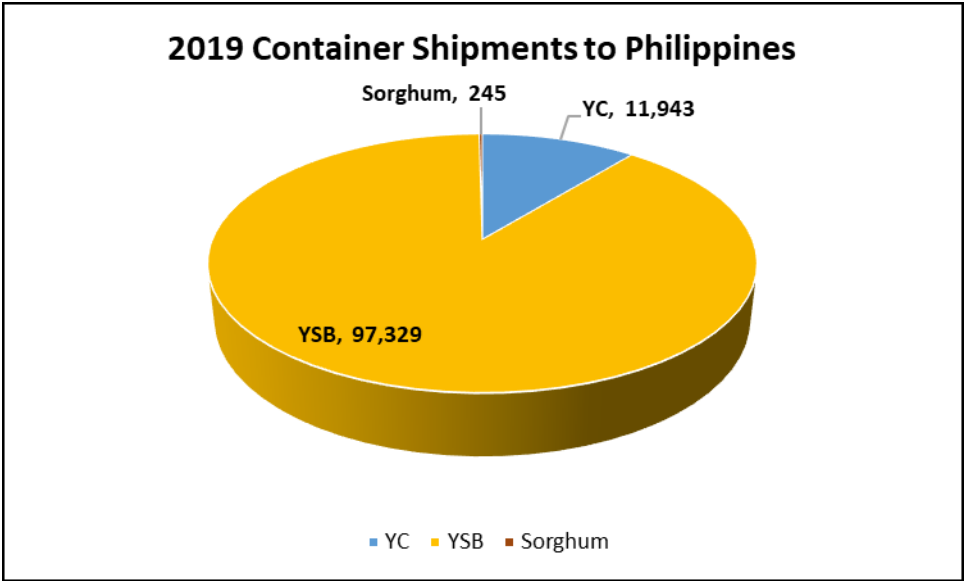
White Corn	metric tons	
Shipments:	7,945	El Salvador
	3,054	Japan
	24	Jordan
	245	Korea Rep
	4,192	Mexico
	15,460	Total

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:		6-Feb-2020							
Last Week	metric tons								MT
	YC	WC	YSB	SRW	NS	SWH	HRW	Sorghum	TOTAL
China Main									0
China T	8,177		20,818						28,995
Hong Kong	1,076								1,076
Costa Rica									0
Indonesia			28,554						28,554
French Poly	220								220
Japan			1,394						1,394
Korea Republic			3,405	514					3,919
Nepal			4,042						4,042
Malaysia	539		6,759						7,298
Italy									0
Philippines			1,543						1,543
Thailand			15,650						15,650
Panama								49	49
Jordan	72	24							96
Bangladesh			122						122
Burma									0
Vietnam	465		41,891						42,356
Sub total	10,549	24	124,178	514	0	0	0	49	92,691
USDA Corrections/Additions to previous reports:									
China T	465		2,082						2,547
China Main									0
Hong Kong									0
Korea Rep.									0
Singapore									0
Japan									0
Philippines									0
Indonesia			1,396						1,396
Malaysia			1,715						1,715
Thailand			1,959						1,959
Vietnam			930						930
Canada									0
Bangladesh									0
Sub total	465	0	8,082	0	0	0	0	0	8,547
Mt. Grand Total	11,014	24	132,260	514	0	0	0	49	101,238
Number of containers	479	1	5,750	22	0	0	0	2	

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 2019 YTD vs. 2020 YTD

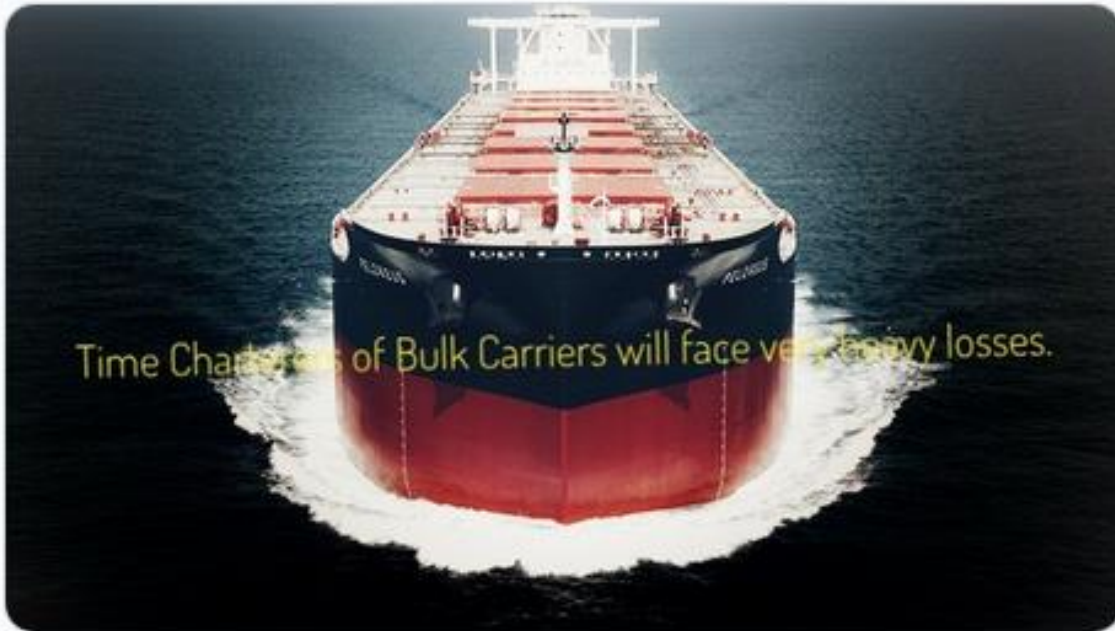
PORT LOADINGS US Gulf				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
GULF				
2019 YTD	2,379	2,976	875	6,230
2020 YTD	1,978	4,059	673	6,710
2020 as % of 2019	83%	136%	77%	108%

PORT LOADINGS US PNW				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
PNW				
2019 YTD	1,139	1,014	951	3,104
2020 YTD	66	1,221	1,344	2,631
2020 as % of 2019	6%	120%	141%	85%

PORT LOADINGS GULF vs. PNW				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
2020 Gulf YTD	1,978	4,059	673	6,710
2020 PNW YTD	66	1,221	1,344	2,631
TOTAL	2,044	5,280	2,017	9,341
Gulf Percentage	97%	77%	33%	72%
PNW Percentage	3%	23%	67%	28%

Capt Rabinder Singh 77K @captsingh · Jan 31

Due to coronavirus, China has allowed traders to declare force majeure. Time Charterers of large bulk carriers will face heavy losses. #Shipping



Time Charterers of Bulk Carriers will face very heavy losses.

Helen Robertson and 4 others

No Cargo

Global trade on track for worst year in a decade

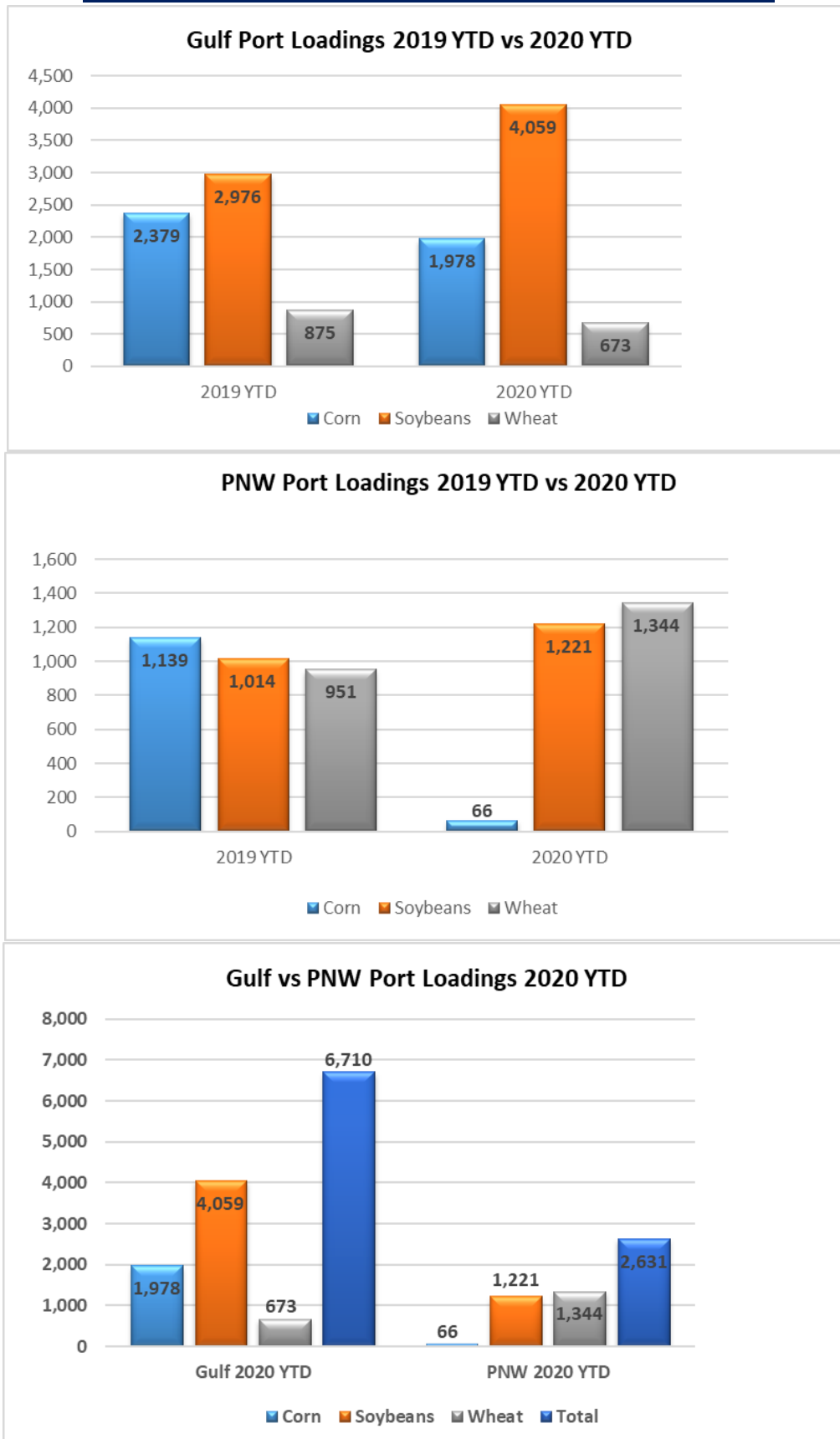
Change in world trade volume (YoY) 3m vs 3m year earlier



Source: CPB Netherlands Bureau for Economic Policy Analysis

Bloomberg

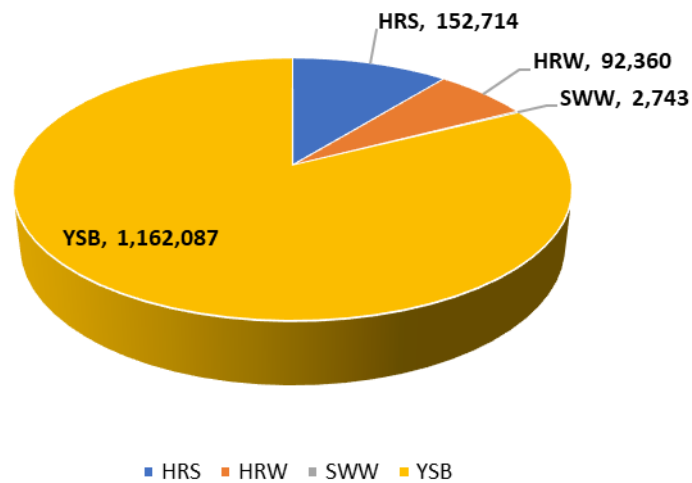
Grain Inspections for Export by U.S. Port Regions (1,000MT):
U.S. Gulf and Pacific Northwest 2019 YTD vs. 2020 YTD



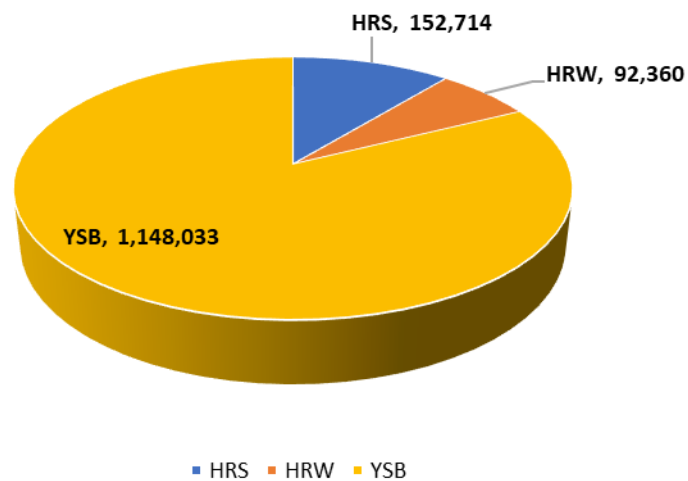
Source: USDA-data

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

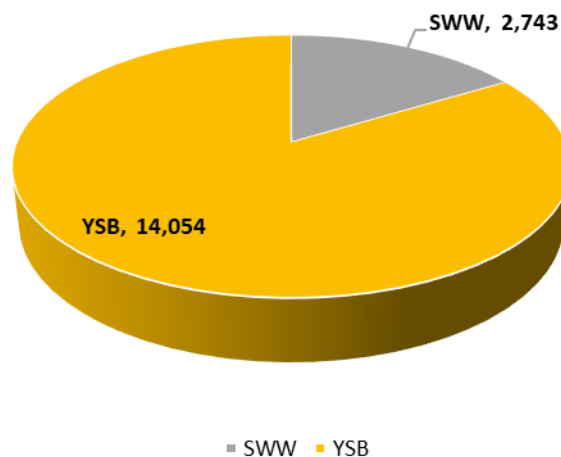
2019 Exports to Bangladesh



2019 Exports to Bangladesh by Vessel

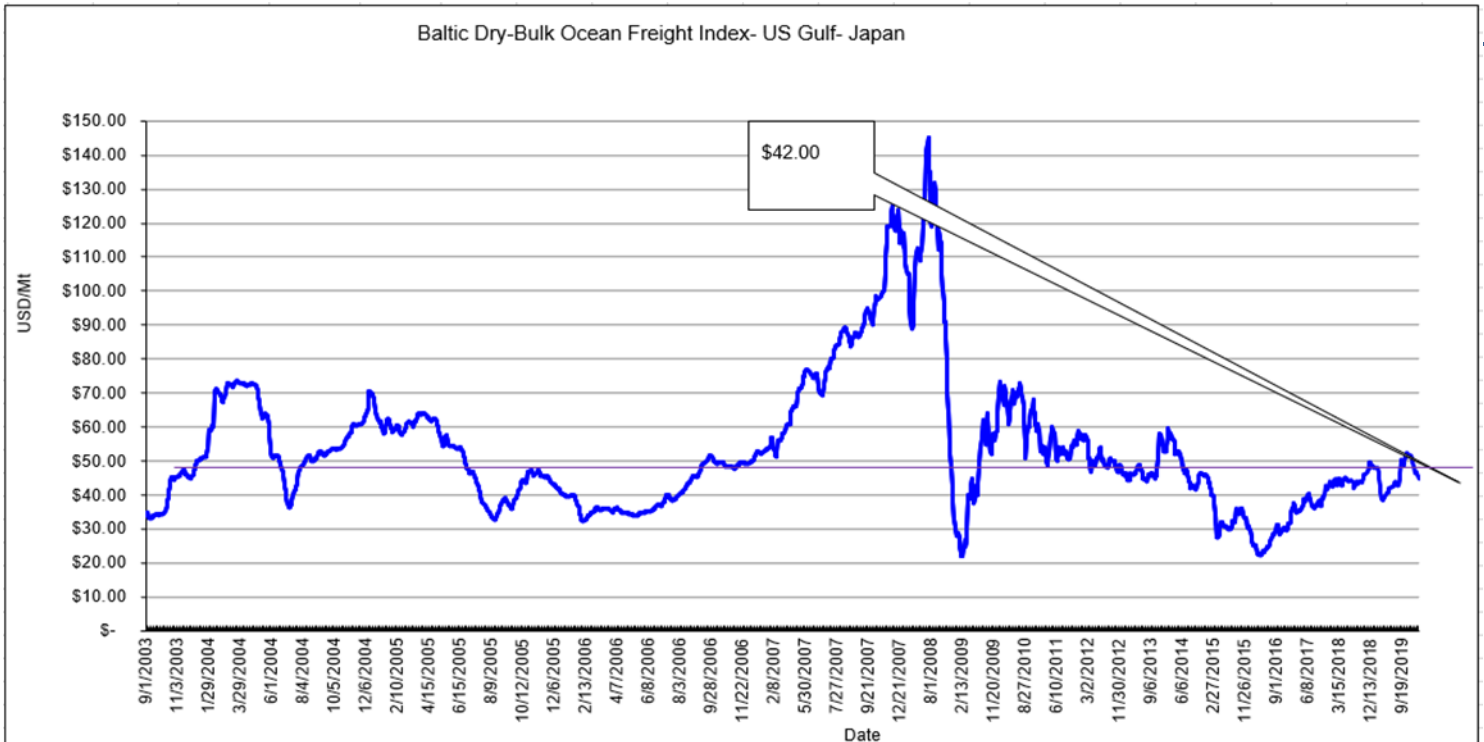


2019 Exports to Bangladesh by Container



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

Shipping News

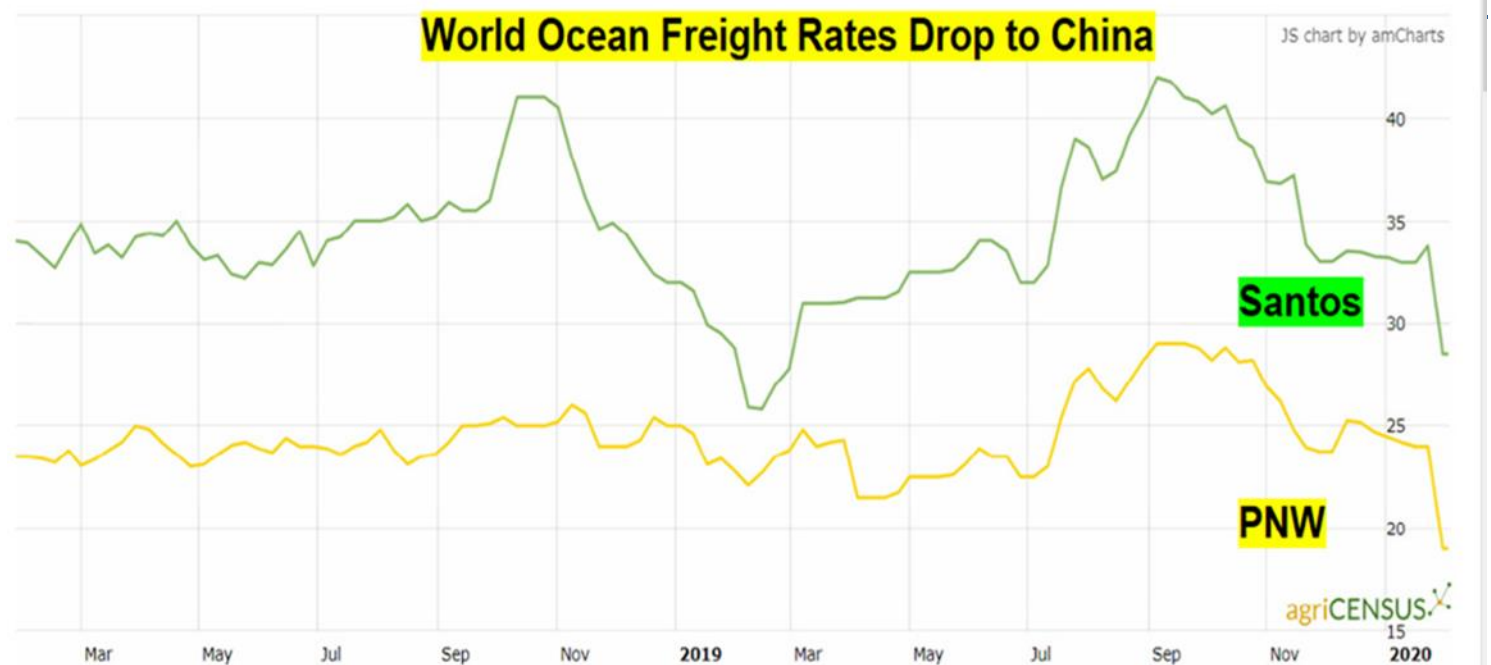
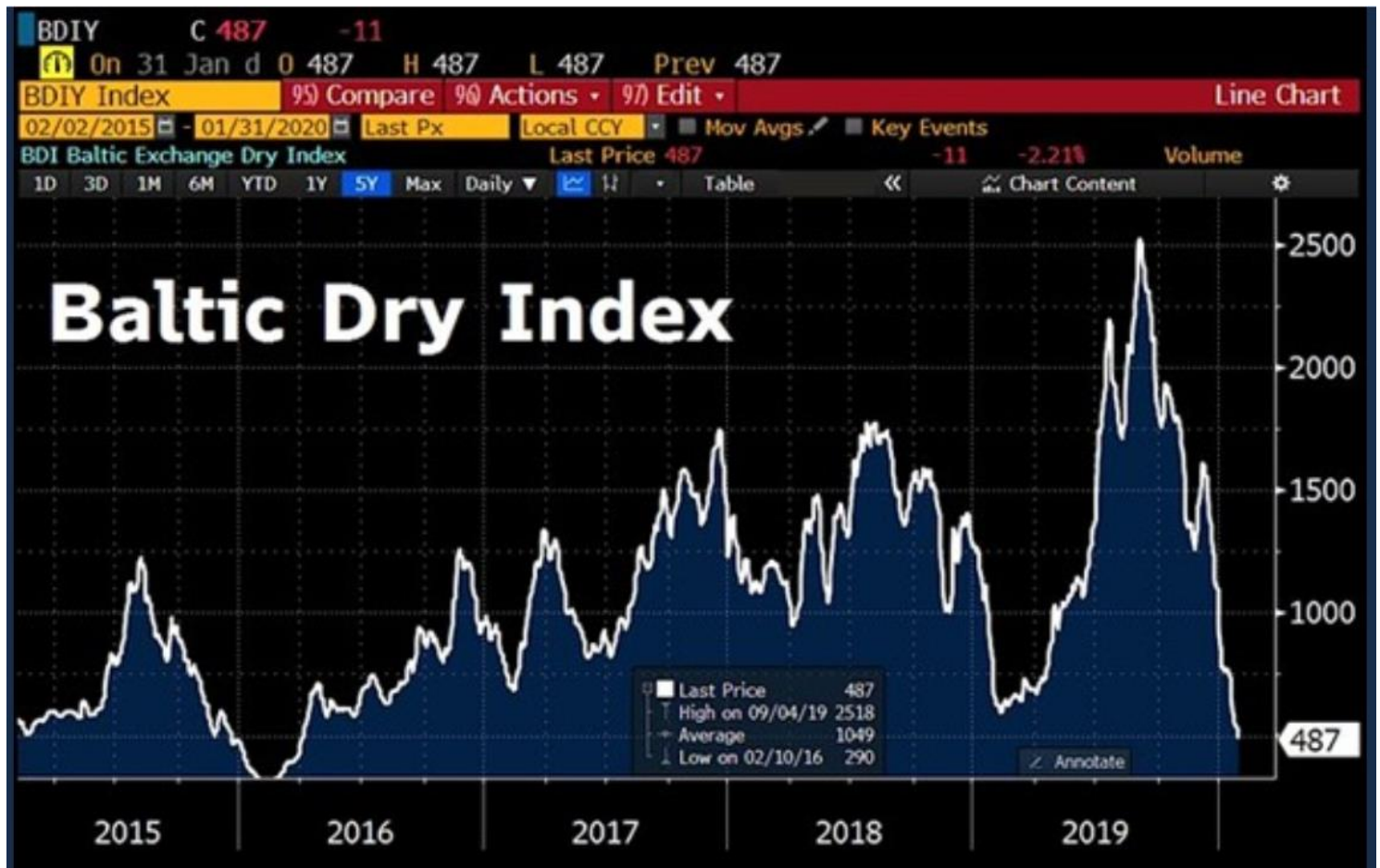


JOC-

North American intermodal volumes down in every category in 2019



The Intermodal Association of North America's latest market report shows year-over-year volume fell 7.4 percent in the fourth quarter of 2019 and 4.1 percent for the full year.



Drewry World Container Index 13 Feb 2020.

Route	30-Jan-20	06-Feb-20	13-Feb-20	Weekly change (%)	Annual change (%)
Composite Index	\$1,733	\$1,744	\$1,673	-4% ▼	-1% ▼
Shanghai - Rotterdam	\$2,081	\$2,142	\$2,033	-5% ▼	10% ▲
Rotterdam - Shanghai	\$670	\$626	\$626	0%	9% ▲
Shanghai - Genoa	\$2,687	\$2,710	\$2,487	-8% ▼	32% ▲
Shanghai - Los Angeles	\$1,582	\$1,590	\$1,540	-3% ▼	-25% ▼
Los Angeles - Shanghai	\$450	\$450	\$450	0%	-10% ▼
Shanghai - New York	\$2,864	\$2,871	\$2,850	-1% ▼	-8% ▼
New York - Rotterdam	\$531	\$523	\$514	-2% ▼	-17% ▼
Rotterdam - New York	\$2,344	\$2,188	\$2,214	1% ▲	11% ▲



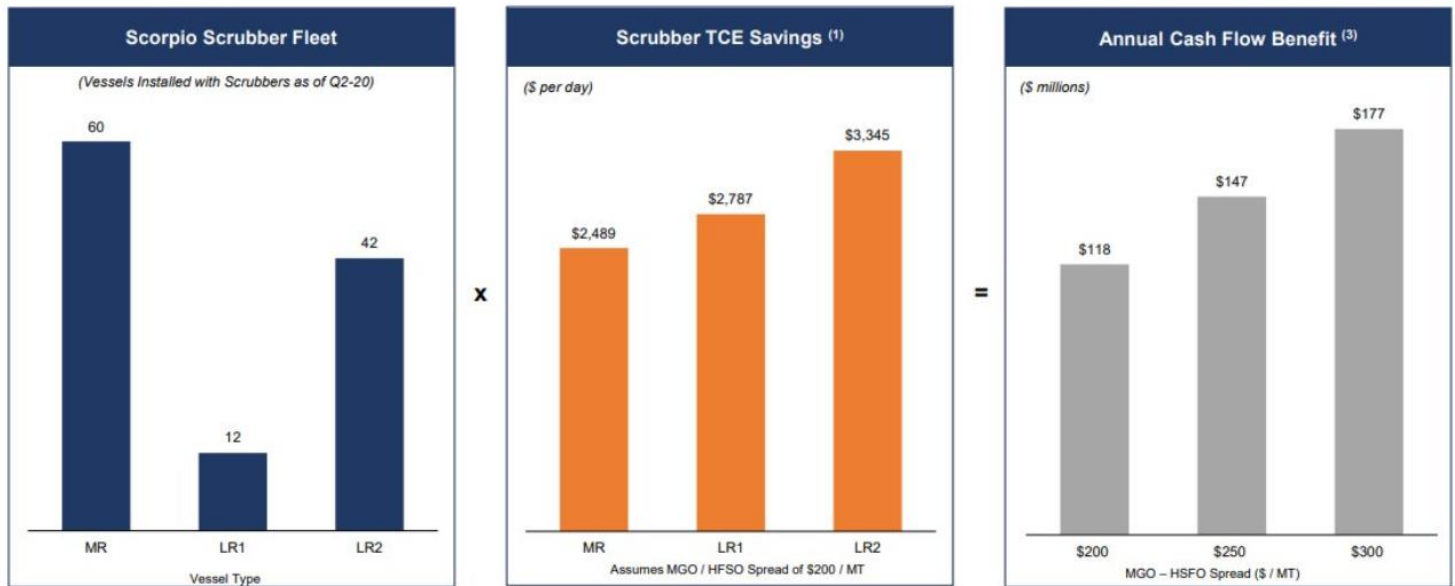
10XOCEANSOLUTIONS 🇬🇧 🇪🇺 🇺🇸

@10xocean1

Adept as ocean carriers are at making up [#surcharges](#)....
I can almost smell the next one coming
[#coronavirussurcharge](#) \$500 a teu in and out of China....
[@PeterTirschwell](#)

8:52 AM · Feb 4, 2020 · [Twitter for Android](#)

Scrubber Fuel Savings



Annual Fuel Consumption based on actual vessel consumption in 2019. (MT/year): MR (4,542 MT) / LR1 (5,087 MT) / LR2 (6,105 MT). See appendix for additional details.
 (1) Scrubber TCE savings calculated as illustrative annual fuel savings / 365 days. Based on an MGO-HSFO spread of \$200/MT.
 (2) Annual Cash Flow Scrubber Savings = # of Vessels with scrubbers x fuel consumption (MT/year) x MGO-HSFO Spread (\$/MT).

TradeWinds

The Global Shipping News Source



Yang Ming president Vincent Lin (left) has resigned Photo: Yang Ming

Yang Ming in major reshuffle after \$46m sale-and-leaseback loss

Taiwanese state-linked container line sees the departure of its president, chief financial officer and chief strategy officer over corporate governance issues

Coronavirus wreaks havoc at Chinese ports with "crane operators, customs officials and truck drivers staying home, as the country is gradually shutting down."

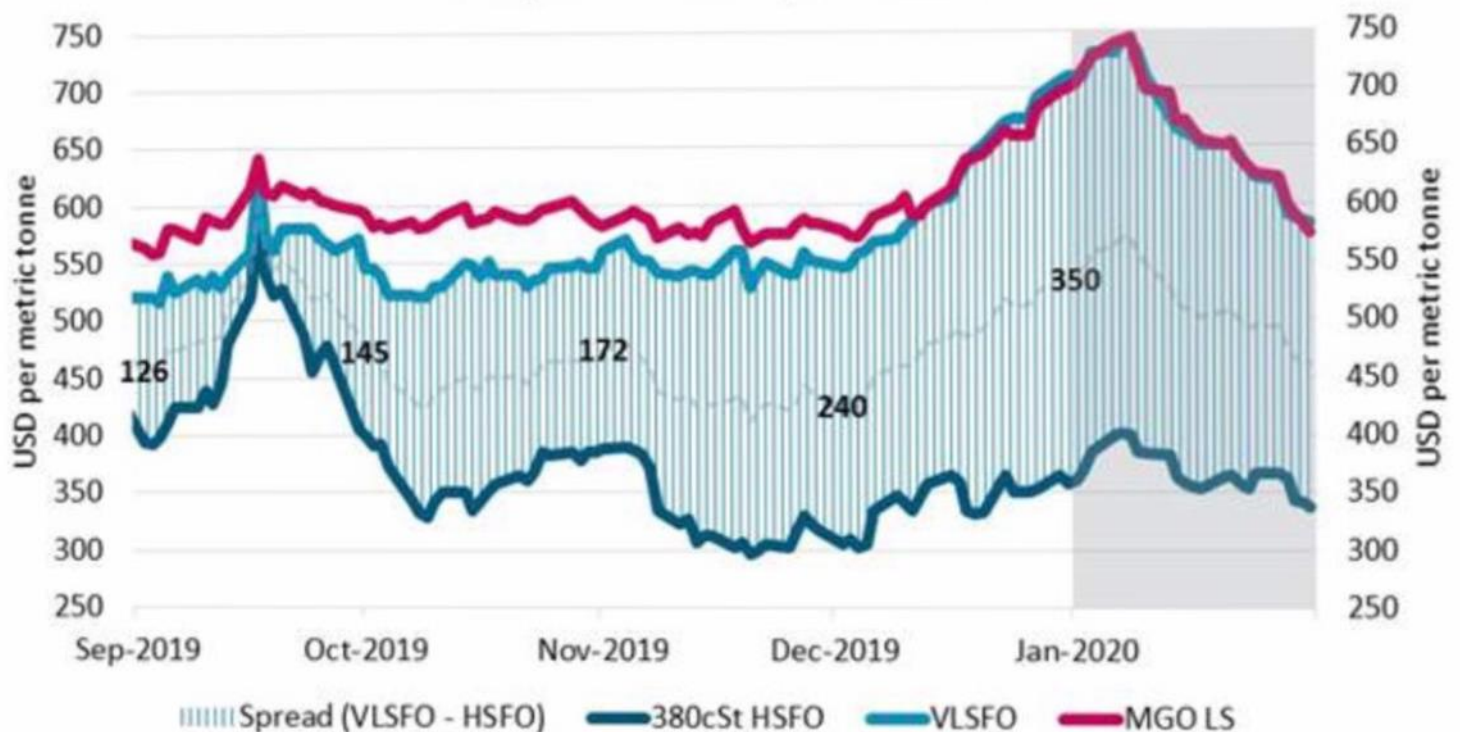


Coronavirus Hits Shipping as China Port Traffic Slides

Ship calls at or through major Chinese ports have fallen 20% since Jan. 20, maritime data provider Alphaliner said, as measures to control the ...

[wsj.com](https://www.wsj.com)

Singapore bunker prices USD per metric tonne, 2019-2020



Source: BIMCO, Marine Bunker Exchange (MABUX)

China Import Dry Bulk Freight Index



China Containerized Freight Index



U.S. RIVER BARGE FREIGHT

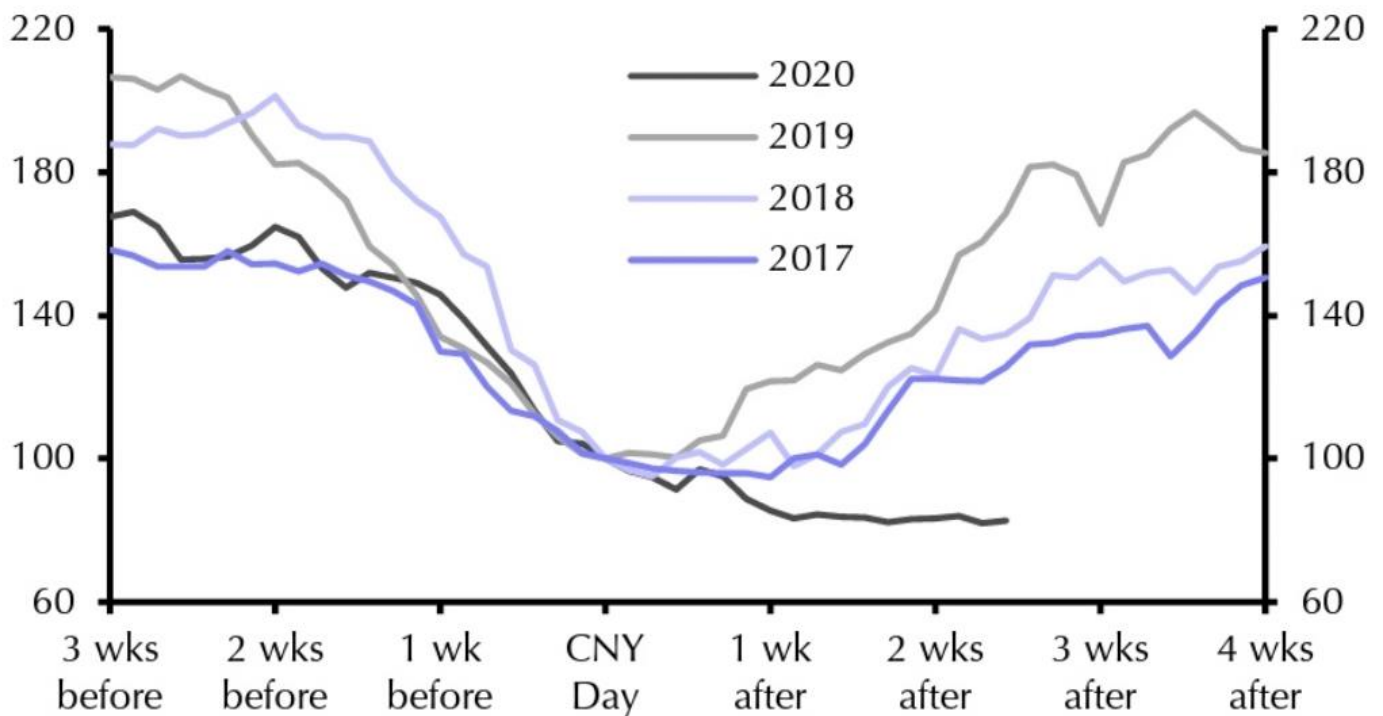
Current Barge Freight for Placement First Half March 2020

Placement FH March 2020	% of		Corn	Soybeans-Wheat
	Tariff	MT	BU	BU
Upper Mississippi	Closed	\$ -	0.00	0.00
Illinois River (Pekin and South)	305	\$16.17	0.41	0.44
Mid-Mississippi	Closed	\$ -	0.00	0.00
Lower Ohio	225	\$11.06	0.28	0.30
St. Louis	210	\$ 9.24	0.23	0.25

Secondary Rail Car Market for car placement period: First Half March 2020.

Secondary Rail Car Market Placement LH. February 2020	BID USD	ASK USD	BID BU.	ASK BU.	BID MT	ASK MT
BNSF Shuttle Trains	\$ (250.00)	\$ (100.00)	\$ (0.06)	\$ (0.03)	\$ (2.46)	\$ (0.98)
UPRR Shuttle Trains	\$ (250.00)	\$ (100.00)	\$ (0.06)	\$ (0.03)	\$ (2.46)	\$ (0.98)

Chart 1: Coal Consumption at Power Plants (CNY = 100)



Sources: WIND, Capital Economics

Best Regards,

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