☘ O'NEIL COMMODITY CONSULTING

Transportation and Export Report for 14 February 2019

Ocean Freight Insights and Comments:

It appears the Dry-bulk market has bottomed out, at least for the moment. Is it a "Dead Cat Bounce" or is the worst now behind us? Please keep in mind that the freight market is at a substantial carry going forward. Vessel owners are hopeful that things will improve once the Lunar holiday week is over. But, in truth, the market has more serious issues than just a brief holiday period lull. Rates have been going down for the past three months. There remain structural issues regarding vessel supply and cargo demand in a global economy that is not expanding to the degree anticipated. We still need to curtail new vessel orders and economically encourage more vessel scrapings. And this can only be accomplished through pain.

If you think about the consequences of this situation, you will come to the realization that this is not a good scenario for the ship building industry and the governments that depend on such for employment and foreign exchange. And they will not go down without a fight. So, we truly have two strong forces with conflicting needs. We must expect further consolidation within the Dry-bulk sector, but this will not solve the problem of a global fleet that is beiger than global cargo demand. China where are you?

BALTIC DRY-BULK PANAMAX INDEX CHANGES

Panamax Ocean Freight Indices				
14-Feb-19	This Week	Last Week	Difference	Percent Change
P2A : Gulf/Atlantic - Japan	10584	10367	217	2.1%
P3A - PNW/Pacific - Japan	5740	4614	1,126	24.4%
S1C -USGULF-China-So.Japan	16614	11713	4,901	41.8%

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

Four weeks ago:	$5.22-$6.40
Three weeks ago:	$5.95-$6.90
Two weeks ago:	$5.10-$6.00
One week ago:	$4.75-$5.20
This week	$4.85- $5.20

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

Mississippi River:	(10 elevators)	4-11 days
Miss. River Mid-Stream loaders:	(6+ Rigs)	0-2 days
Texas Gulf	(6 elevators)	0-4 days
Pacific Northwest:	(9 elevators)	4-11 days

Panamax Market Spreads to Asia -China					
14-Feb-19	PNW	GULF	Bushel Spread	MT Spread	Advantage
CORN	0.98	0.63	0.35	$13.78	PNW
SOYBEANS	0.67	0.34	0.33	$12.13	PNW
OCEAN FREIGHT	$21.50	$37.75	.41 -.44	$16.25	April

Recent Reported Vessel Fixtures:

66, 000 mt Tubarao, Brazil to China Feb.26- March 4 at $24.75 fio 8000sshex/8000sshex - CHS –
60,000 mt Paranagua, Brazil to China February 15-28 at $26.75 fio 8000shex/8000shex - LDC
Soybean Panamax USG to Spain is running $17.00-17.50/mt.
Soybean Brazil to Spain can be done at $19.00/mt.

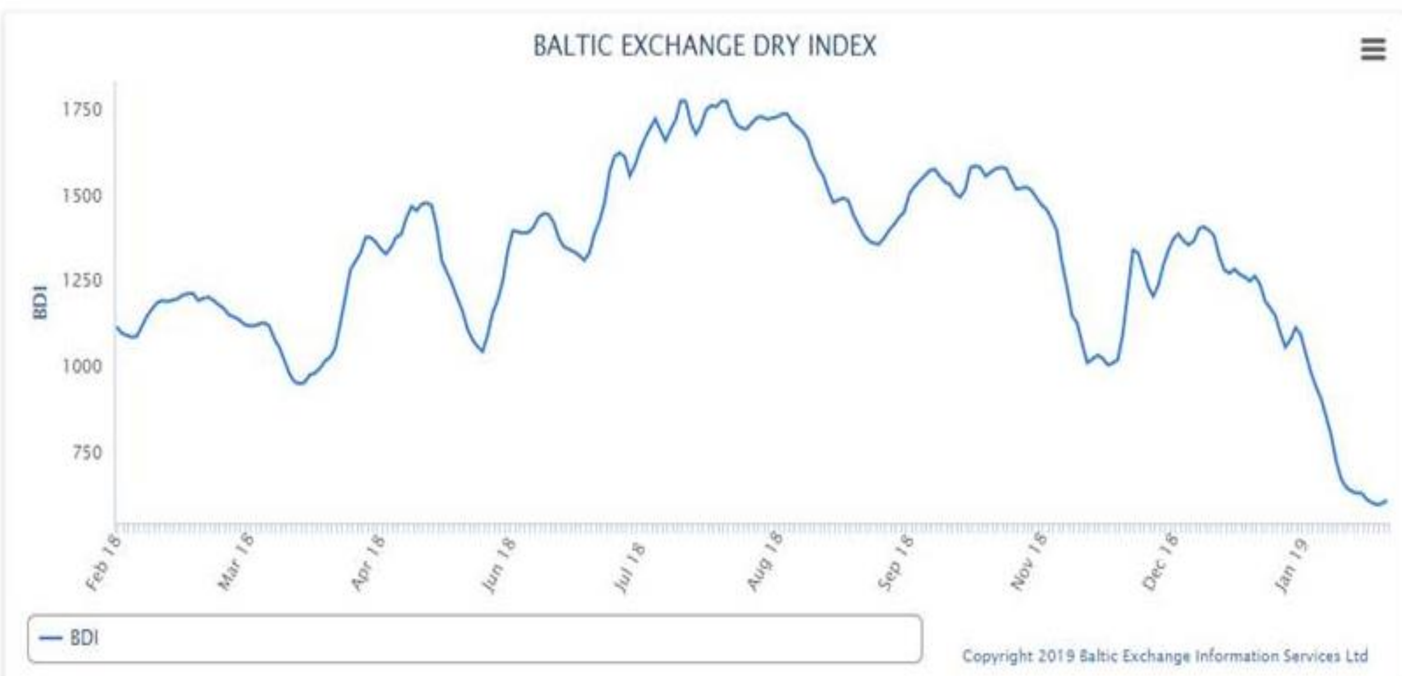
Route and Vessel Size	Current Week USD/MT	Change from previous week	Remarks
55,000 U.S. Gulf-Japan	$39.00	Up $1.00	Handymax $39.50 mt
55,000 U.S. PNW- Japan	$22.00	Up $0.50	Handymax $21.75 mt
66,000 U.S. Gulf – China PNW to China	$37.75 $21.50	Up $0.50 Up $0.50	North China
25,000 U.S. Gulf- Veracruz, México	$16.00	Up $0.25	3,000 MT daily discharge rate
30-35,000+ U.S. Gulf- Veracruz, México	$13.50	Up $0.25	Deep draft and 6,000 MT per day discharge rate.
25/35,000 U.S. Gulf- East Coast Colombia From Argentina	$19.50 $34.00	Up $0.50	West Coast Colombia at $29.25
43-45,000 U.S. Gulf - Guatemala	$29.50	Up $0.50	Acajutla/Quetzal - 8,000 out
26-30,000 U.S. Gulf – Algeria	$32.00 $33.00	Up $0.50	8,000 mt daily discharge 3,000 mt daily discharge
26-30,000 US Gulf-Morocco	$34.00	Up $0.50	5,000 discharge rate
55-60,000 U.S. Gulf –Egypt PNW to Egypt	$26.50 $27.25	Up $0.50	60,000 -55,000 mt Russia Black Sea Romania - Egypt $11.25-$11.75 (France $15.75)
60-70,000 U.S. Gulf – Europe – Rotterdam	$16.00	Unchanged	Handymax at +$1.75 more
Brazil, Santos – China Brazil, Santos – China Itacoatiara-Port Up River North Brazil	$27.25 $26.50 $30.25	Up $0.75	54-59,000 Supramax-Panamax 60-66,000 Post Panamax 60-66,000 mt
56-60,000 Argentina/Rosario-China Deep Draft	$31.00	Up $0.75	Up River with BB Top Off $33.50

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

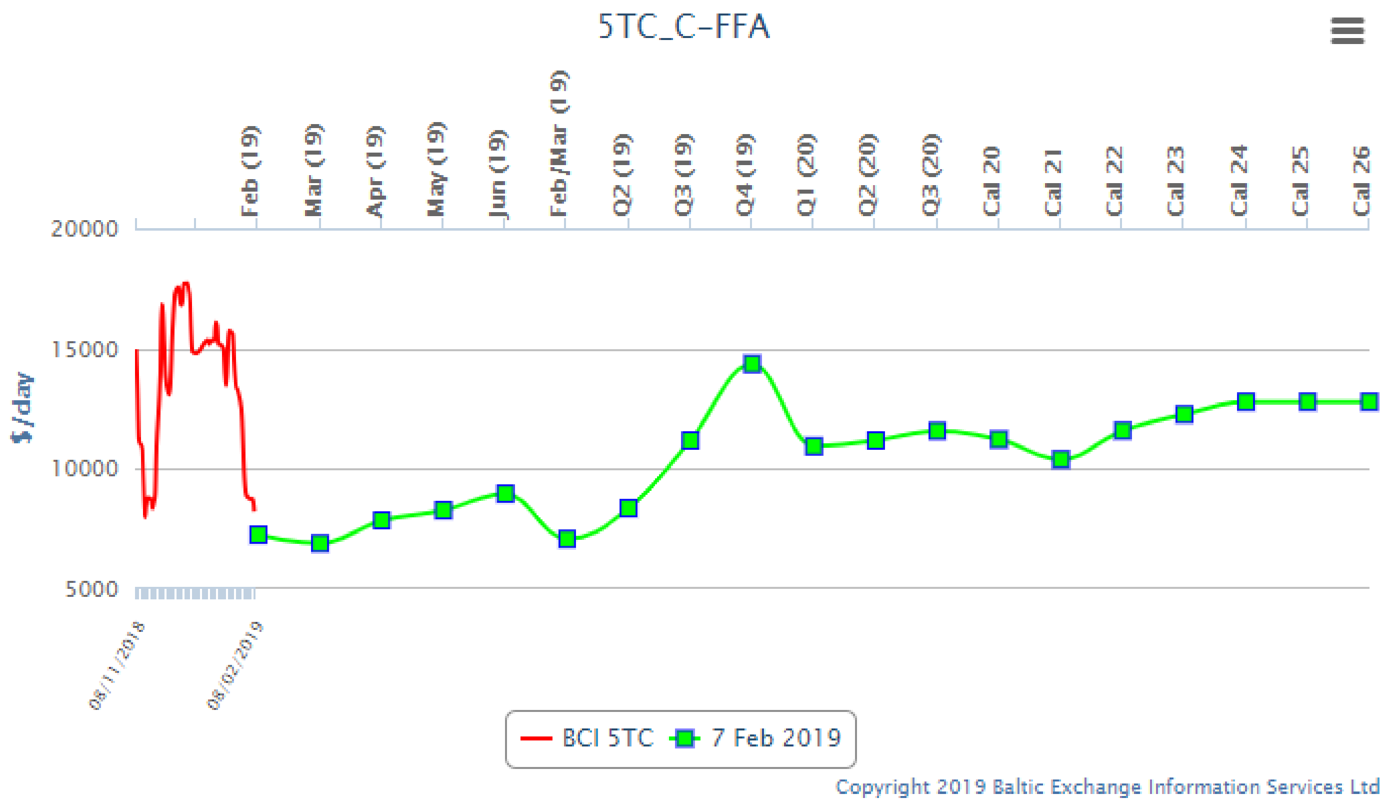
Nautical Miles: To Xiamen China (South China)

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

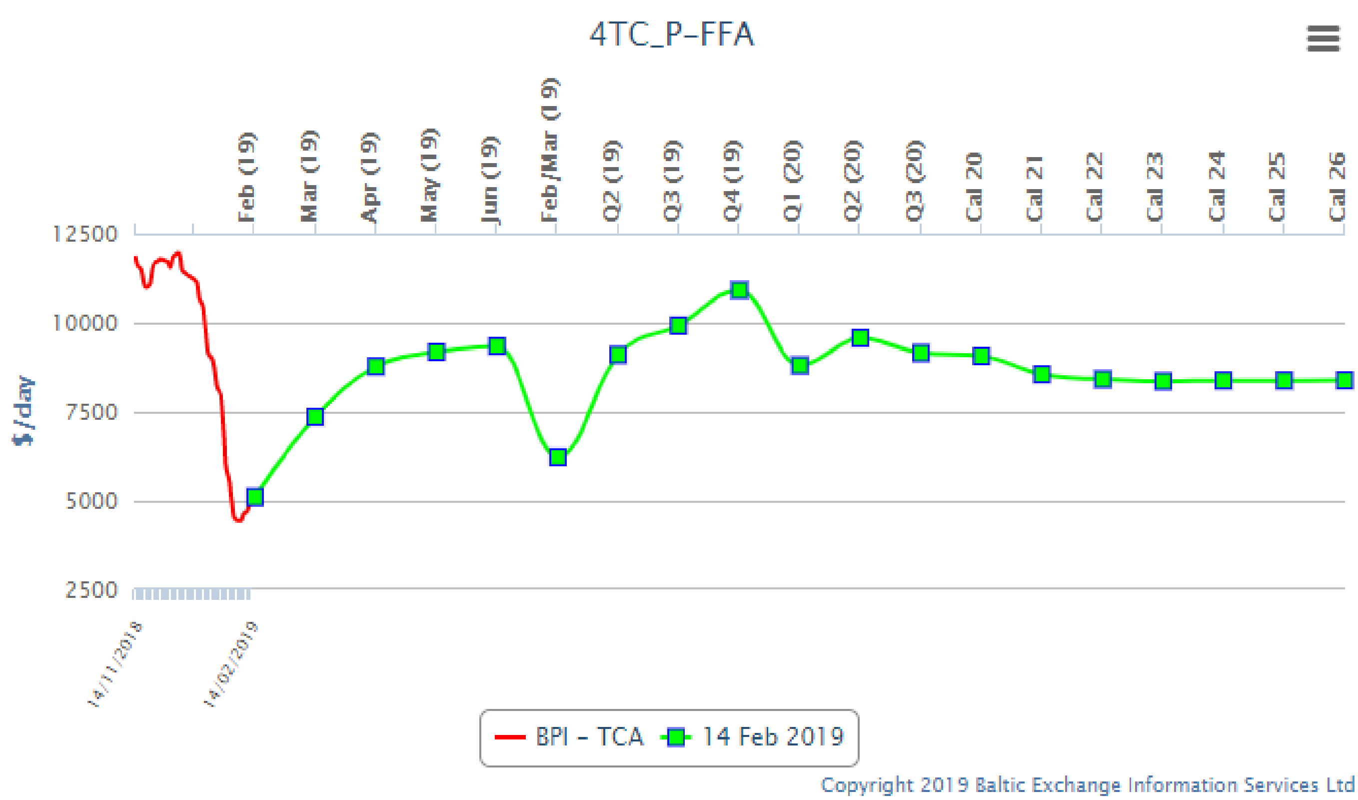
Baltic Dry Index.



Baltic Capesize Index



Forward Curve for Baltic BPI Panamax Vessel Freight

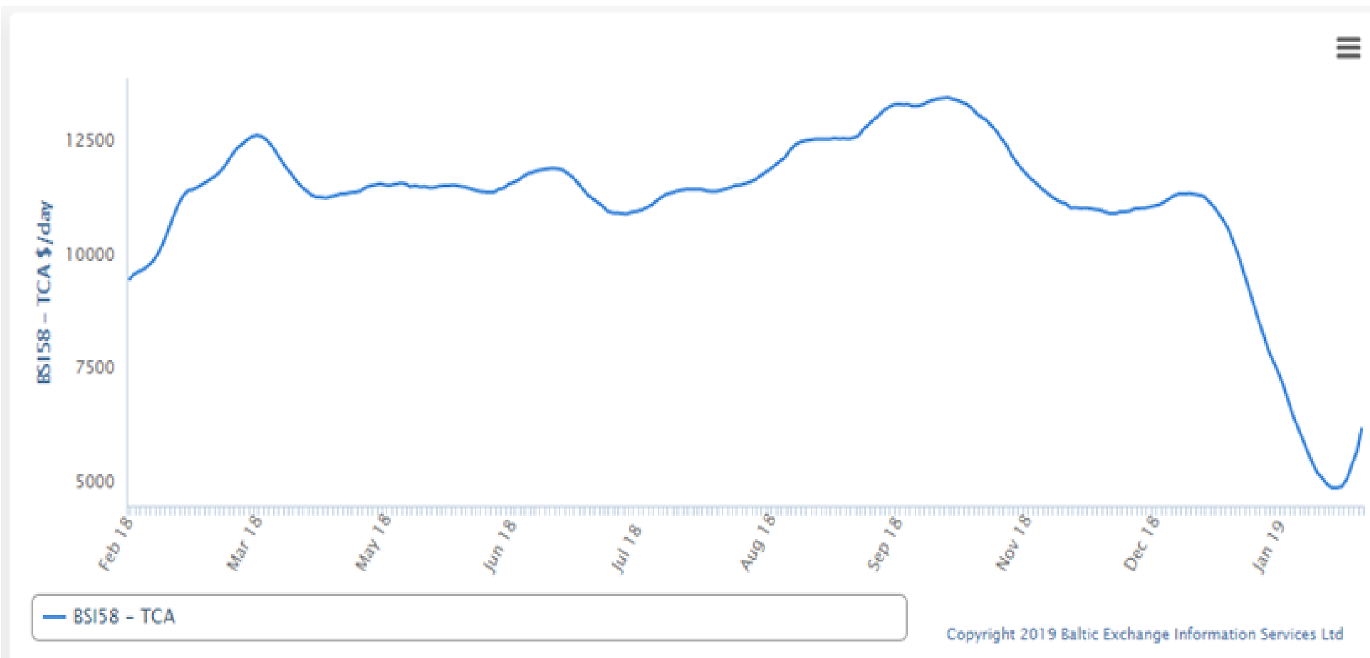


Baltic Panamax Index

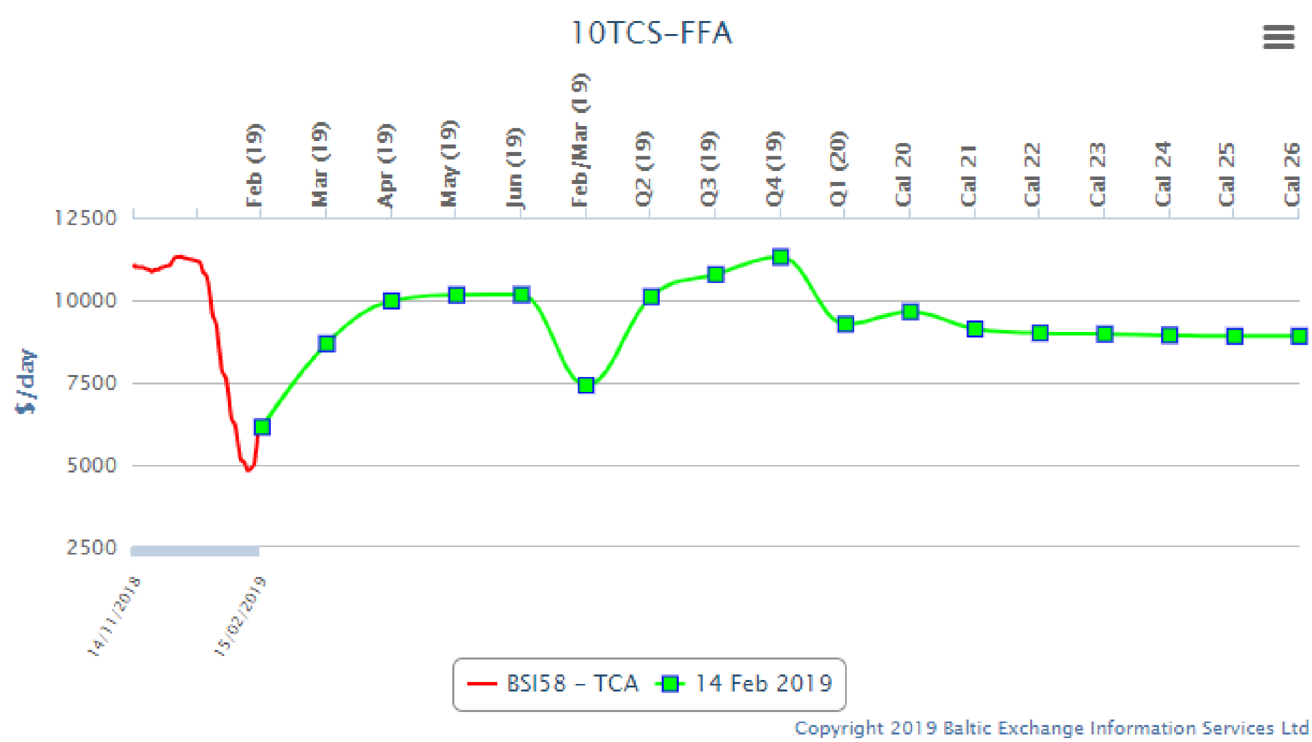
Panamax

Baltic Supramax Vessel Index

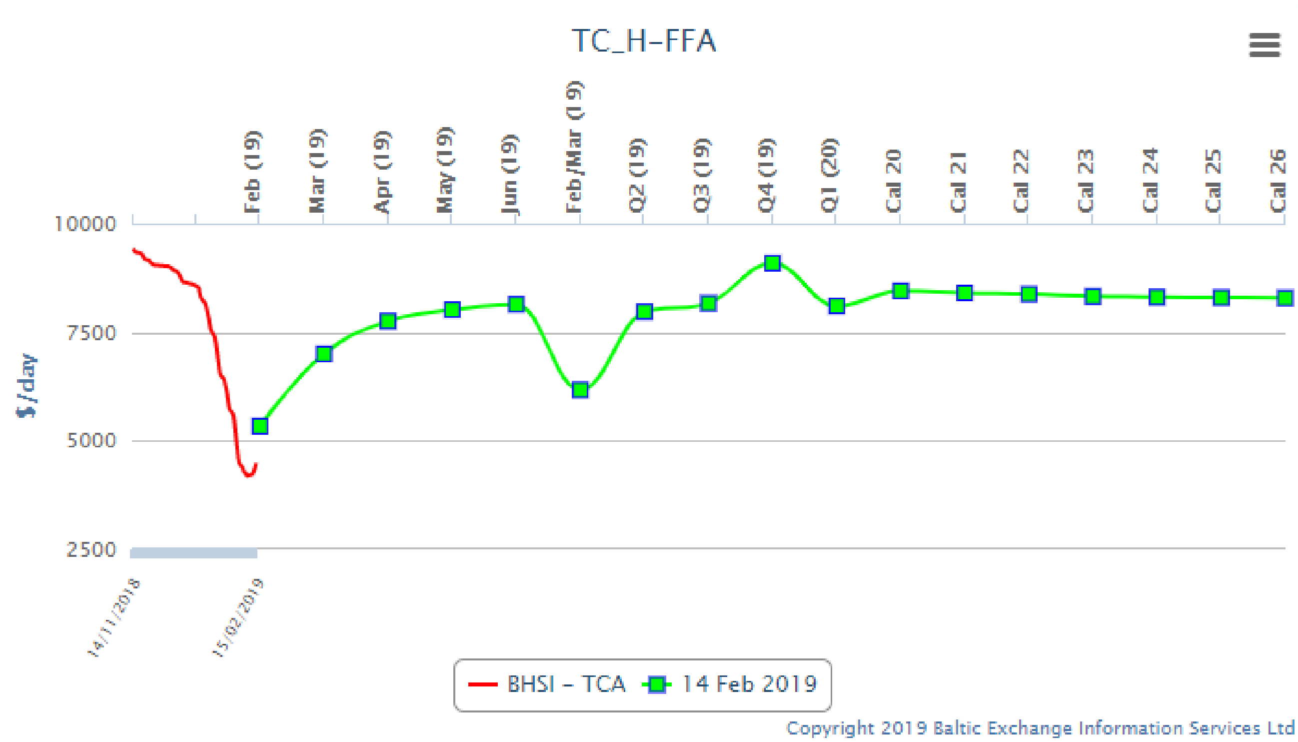
Supramax

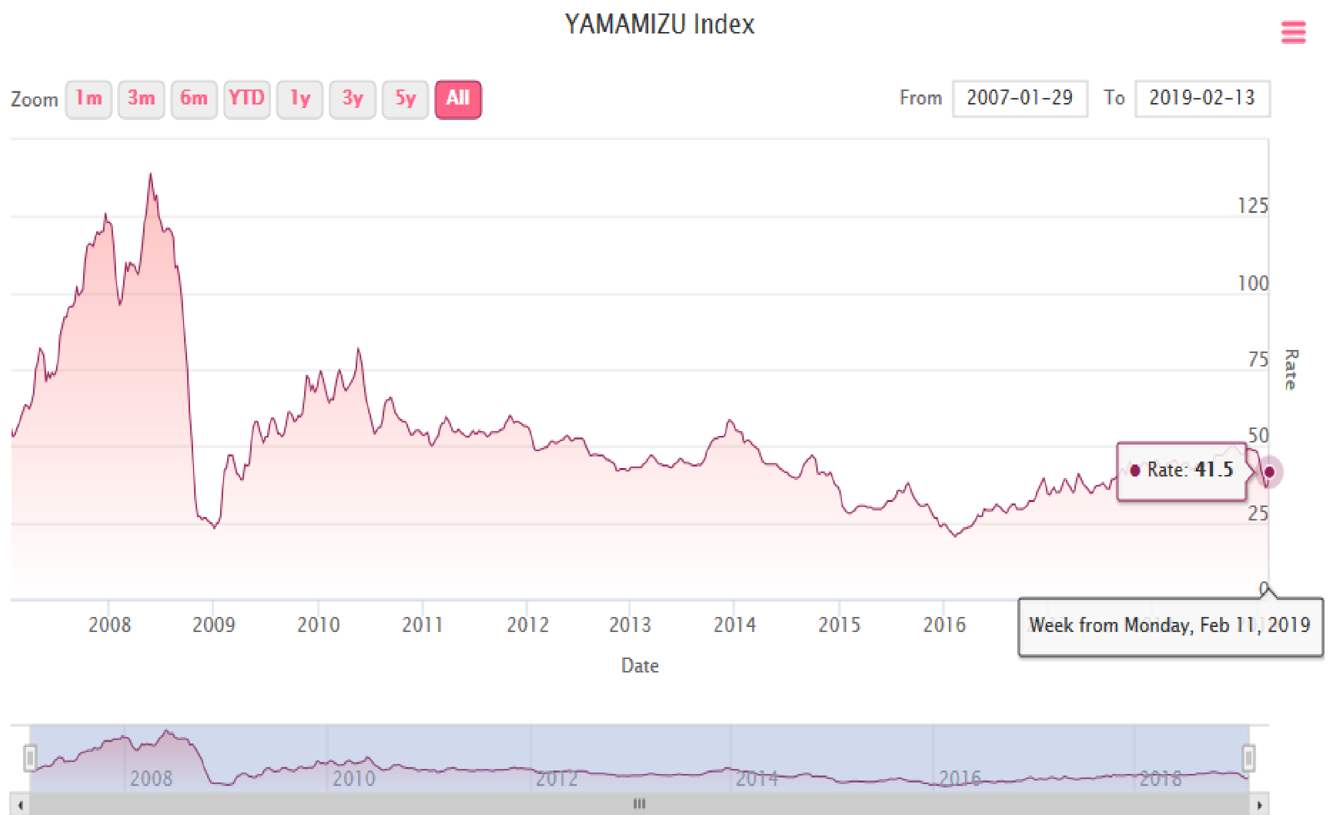


Supramax Dry-Bulk Forward Curve



Baltic Handy Size





China Import Dry Bulk Freight Index(CDFI) 2019-02-14					
Route	Size MT	Cargo/Vessel Size	Unit	Rate	Change
Composite Index			Point	680.41	8.69
Iron ore Freight Index			Point	627.14	10.65
Soybean Freight Index			Point	819.54	2.21
Santos(Brazil)—North China	60000/10%	Soybean	$/ton	26.477	0.068
Tacoma(West America)—North China	60000/10%	Soybean	$/ton	21.364	0.073
Mississippi(US Gulf)—North China	66000/10%	Soybean	$/ton	37.695	0.148
Mississippi(US Gulf)—North China	55000/10%	Soybean	$/ton	40.337	0.002

14 February 2019 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
April	0.63	**$175.58**	0.98	**$189.36**
May	0.62	**$175.19**	1.03	**$191.33**
June	0.57	**$176.27**	0.97	**$192.02**
July	0.58	**$176.66**	0.99	**$192.80**
Aug.	0.57	**$177.55**	0.98	**$193.69**
Sept.	0.59	**$178.34**	1.00	**$194.48**

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
April	0.95	**$184.93**	0.85	**$180.99**
May	0.95	**$188.18**	0.82	**$183.06**
June	0.95	**$188.18**	0.85	**$184.24**
July	0.90	**$189.26**	0.80	**$185.32**
Aug.	0.95	**$191.23**	0.80	**$185.32**

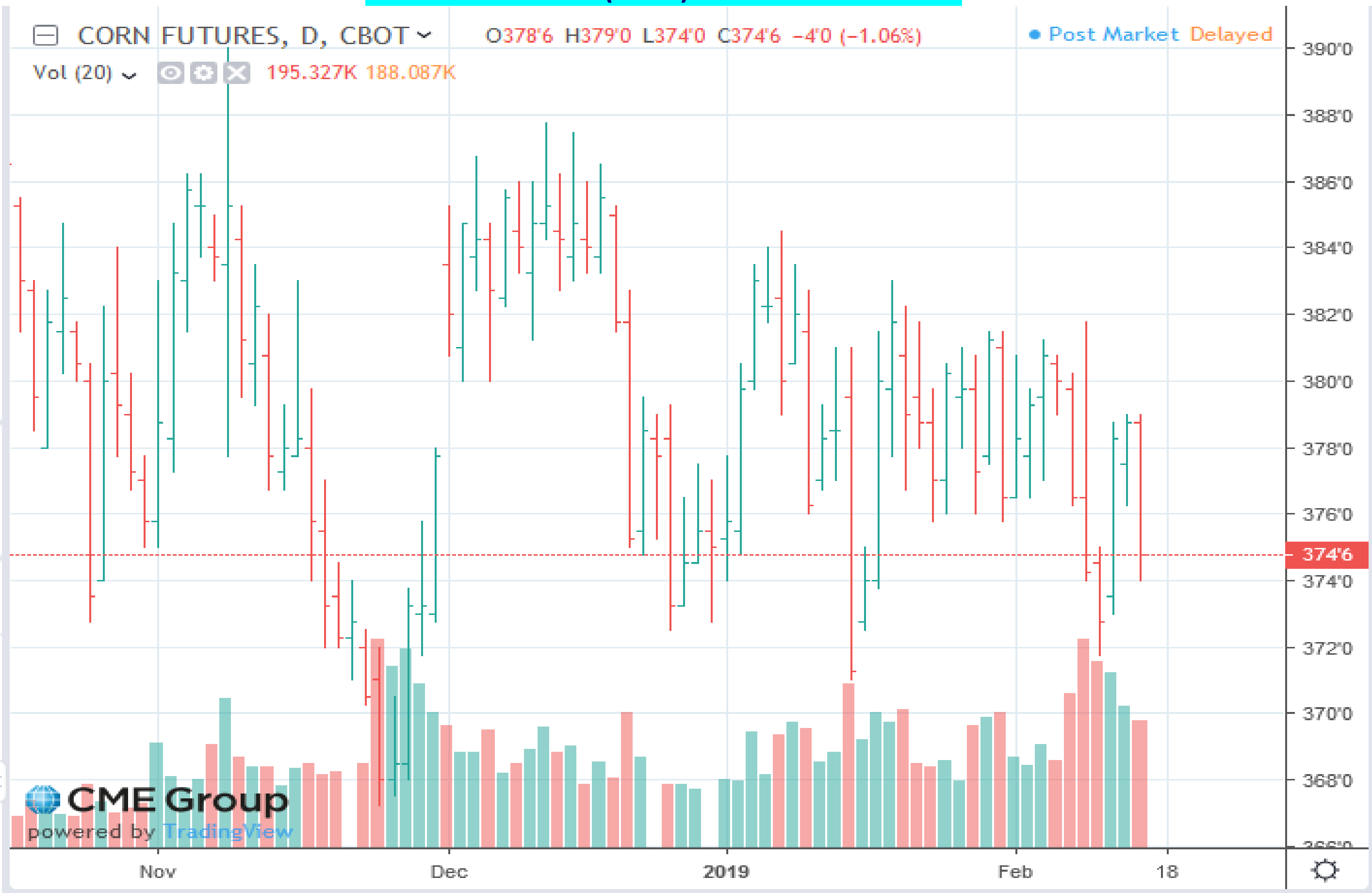
Fob vessel Texas Gulf #2 Sorghum is about 103 % the value of #2 Yellow Corn at NOLA.
In S.W. Kansas it is bid at 85 percent the value of corn.

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

SRW Wheat	USD/MT	Fob Vessel	US Gulf	
	April	**May**	**June**	**July**
FOB U.S. GULF	$224.32	$224.32	$221.65	$217.98
Basis	1.00	1.00	0.90	0.80
WH	5.0700			.
WK	5.1050			
WN	5.1325			

CME Futures Market Close						
CORN Month	Futures Symbol	Thursday Close Bushel	Thursday Close MT.	Last week Bushel	Last Week MT.	Difference Bushel
Mar.	CH	$3.7475	$147.53	$ 3.7650	$148.22	($0.0175)
May	CK	$3.8300	$150.78	$ 3.8525	$151.66	($0.0225)
July	CN	$3.9075	$153.83	$ 3.9275	$154.62	($0.0200)
Sept.	CU	$3.9400	$155.11	$ 3.9550	$155.70	($0.0150)
Dec.	CZ	$3.9925	$157.18	$ 4.0000	$157.47	($0.0075)

CBOT March 2019 (CH19) Corn Futures Chart –



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

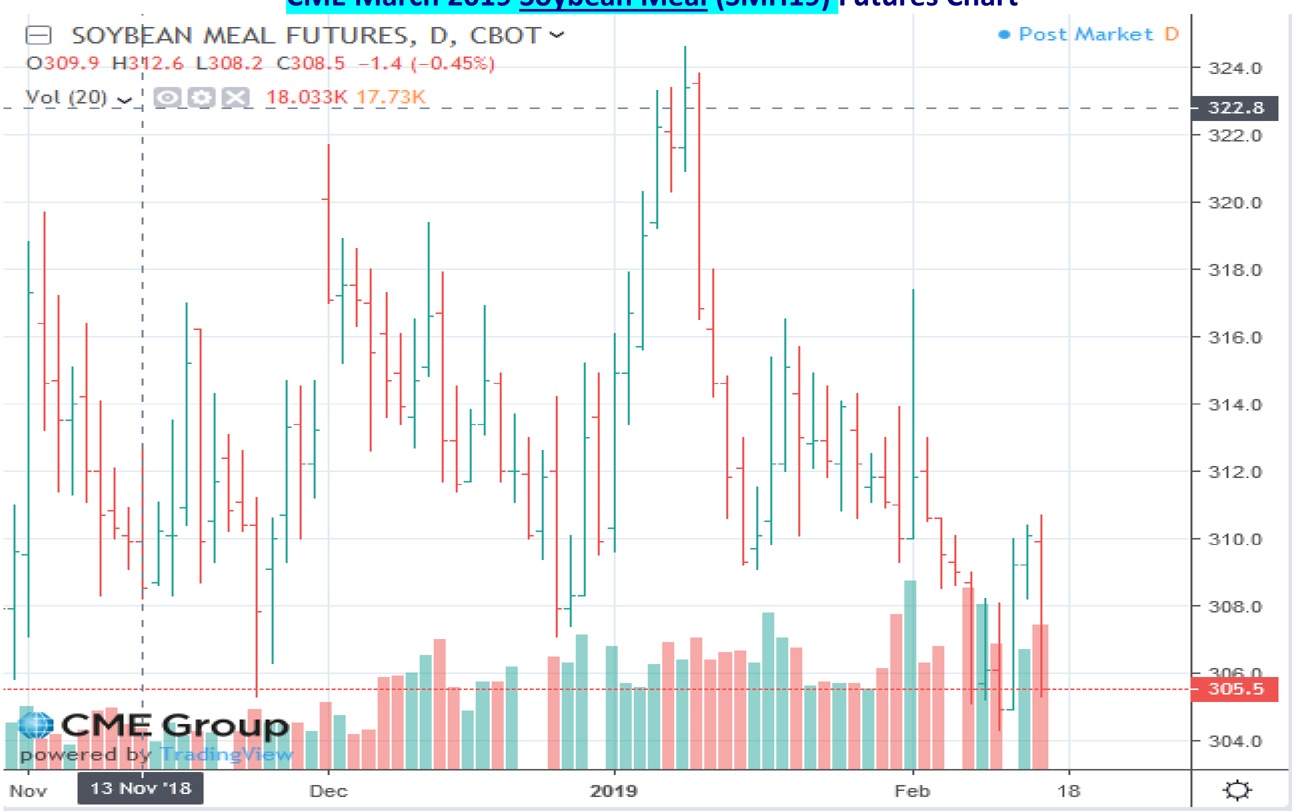
U.S. Soybean and SBM Markets Fob Vessel:

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
April	0.34	**$349.70**	0.67	**$361.83**
May	0.35	**$350.07**	0.68	**$362.20**
June	0.32	**$353.93**	0.62	**$364.95**
July	0.34	**$354.66**	0.65	**$366.06**
Aug.	0.35	**$357.05**	0.68	**$369.18**
Soybean Futures				
Mar.	$ 9.0350			
May	$ 9.1775			
July	$ 9.3125			
Aug.	$ 9.3675			
Sept.	$ 9.4000			
Nov.	$ 9.4800			

U.S. SBM (USD/MT) FOB Vessel		
Fob U.S. Gulf Port	47.5 Pro. SBM	
max 12.5 % moisture	Basis	Flat Price
April	-1.00	**$ 340.23**
May	-1.00	**$ 340.23**
June	-2.00	**$ 343.65**
July	0.00	**$ 345.85**
Aug.	0.00	**$ 347.84**
SBM Futures		
SMH	305.50	
SMK	309.60	
SMN	313.70	
SMQ	315.50	
SMU	317.20	
SMV	318.00	

CME March 2019 Soybean (SH19) Futures Chart:

CME March 2019 Soybean Meal (SMH19) Futures Chart



U.S. EXPORT STATISTICS: Report Activity as of Week Ending 27 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	610.6	31,827.6	62,230	51%	867.9
Sorghum	8.9	464.7	2,540	18%	0.0
Soybeans	1062.2	30,981.2	51,710	60%	314.5
Wheat	608.2	17,777.7	27,220	65%	82.1
Barley	0.7	58.3	110	53%	0.0

U.S. EXPORT INSPECTIONS:

Monday's report 11 February 2019 for the Export week ending 07 February 2019

	Export Inspections		Current Market Year YTD	Previous Year to Date	2018/19 YTD as Percent of 2017/18 YTD
	This Week	Previous Week			
Corn	743,536	901,214	23,209,767	15,736,922	147%
Sorghum	84,378	24,157	680,762	2,368,266	29%
Soybeans	1,063,973	1,091,642	22,628,512	36,051,983	63%
Wheat	562,307	442,775	15,389,342	17,143,976	90%
Barley	0	98	6,632	20,386	33%

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

U.S. EXPORT INSPECTIONS:

Monday's report 11 February 2019 for the Export week ending 07 February 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%	9,576	1%
Gulf	488,225	70%	30,555	66%	70,898	84%	710,133	67%
PNW	121,803	17%	73	0%	10,580	13%	215,747	20%
Interior Export Rail	86,892	12%	15,988	34%	2,900	3%	128,517	12%
Metric Tons	696,920		46,616		84,378		1,063,973	

Sorghum Shipments:	metric tons	
	15,475	Japan
	66,003	Spain
	2,900	Mexico
	84,378	Total

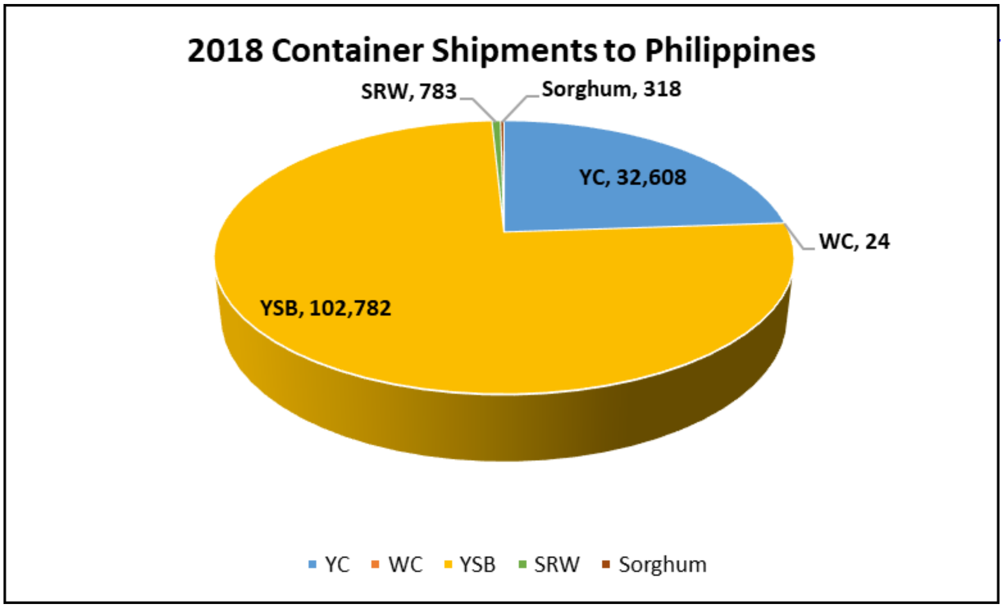
White Corn Shipments:	metric tons	
	73	Korea Rep
	46,543	Mexico
	46,616	Total

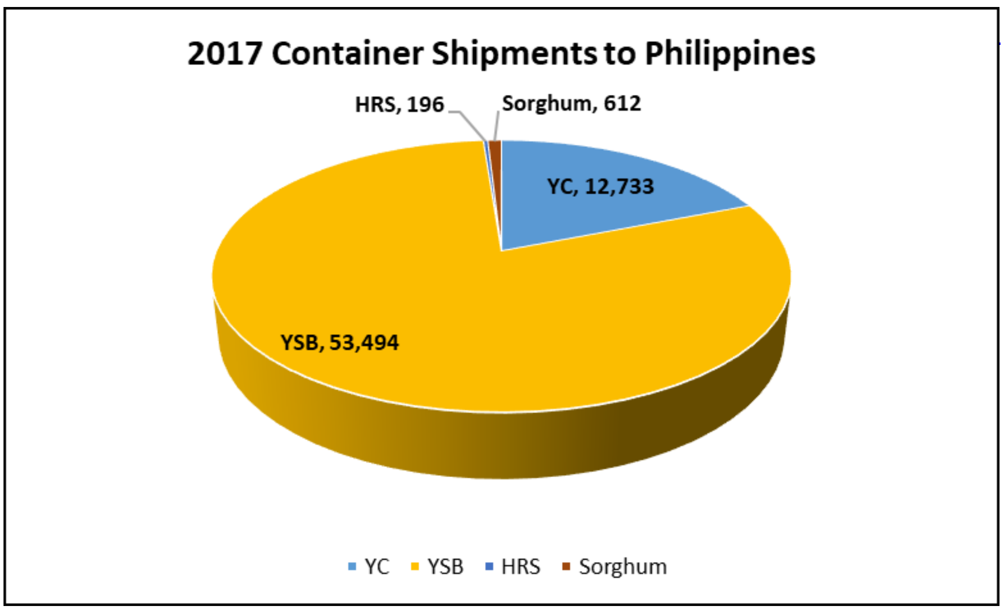
Export Inspection Highlights

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:			7-Feb-2019						
Last Week	metric tons								MT
	YC	WC	YSB	SRW	NS	SWH	HRW	Sorghum	TOTAL
China Main									0
China T	10,133		15,498						25,631
Hong Kong	953								953
Costa Rica	147								147
Indonesia			13,197						13,197
French Poly									0
Japan	122		1,172						1,294
Korea Republic			1,004						1,004
Nepal			3,941						3,941
Malaysia	636		6,442						7,078
Burma			1,322						1,322
Philippines			1,860						1,860
Thailand			14,913						14,913
El Salvador									0
Bangladesh			3,012						3,012
Vietnam			3,646						3,646
Sub total	11,991	0	66,007	0	0	0	0	0	71,340
USDA Corrections/Additions to previous reports:									
China T									0
China Main									0
Hong Kong									0
Korea Rep.									0
Costa Rica									0
Japan									0
Philippines									0
Indonesia			1,273						1,273
Malaysia									0
Thailand			24						24
Vietnam			245						245
Nigeria									0
Bangladesh									0
Sub total	0	0	1,542	0	0	0	0	0	1,542
Mt. Grand Total	**11,991**	**0**	**67,549**	**0**	**0**	**0**	**0**	**0**	72,882
Number of containers	521	0	2,937	0	0	0	0	0	

Jan - Dec 2017 Annual Totals versus 2018 Jan.-Dec. Annual Total Container Shipments (in MT)





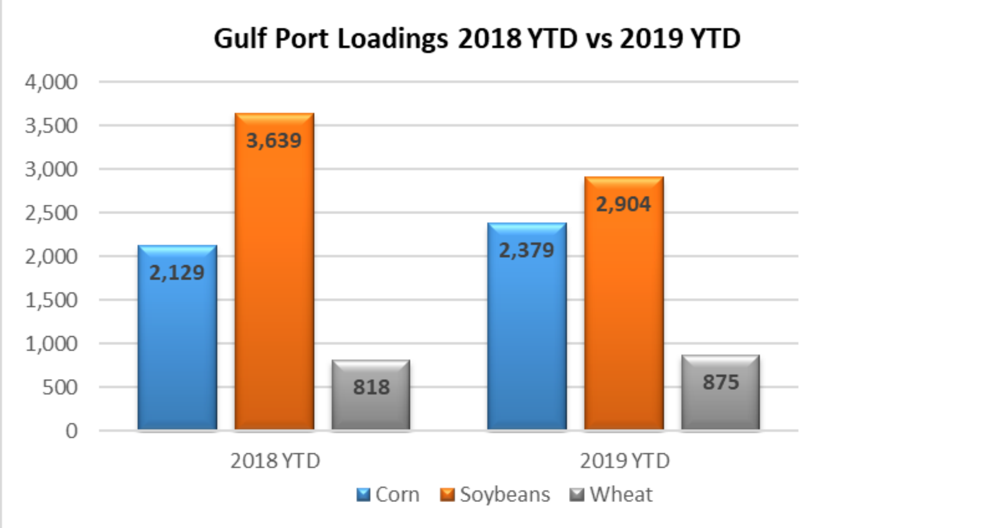
Grain Inspections for Export by U.S. Port Regions:
U.S. Gulf and Pacific Northwest 2018 YTD vs. 2019 YTD

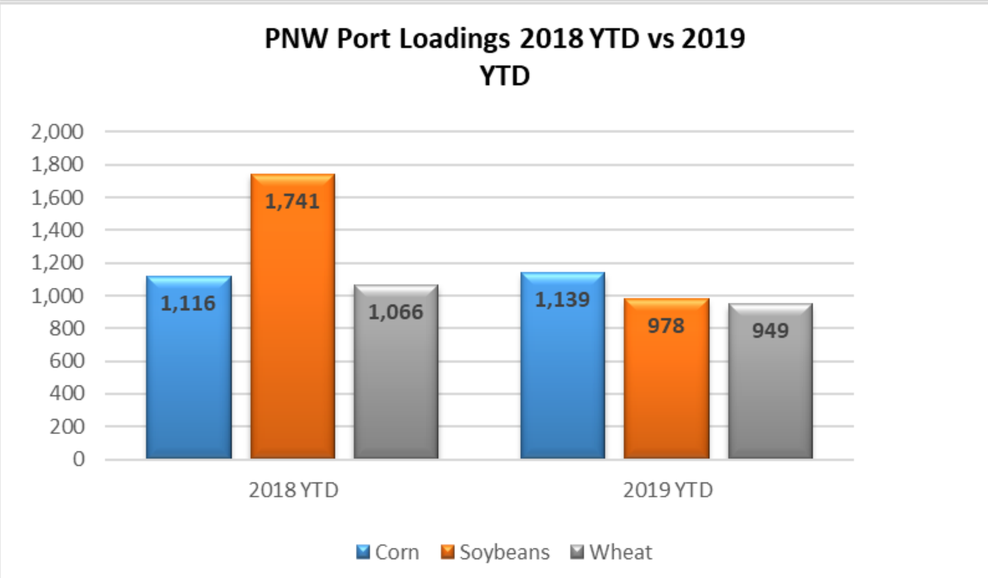
PORT LOADINGS US Gulf				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
GULF				
2018 YTD	2,129	3,639	818	6,586
2019 YTD	2,379	2,904	875	6,158
2019 as % of 2018	112%	80%	107%	94%

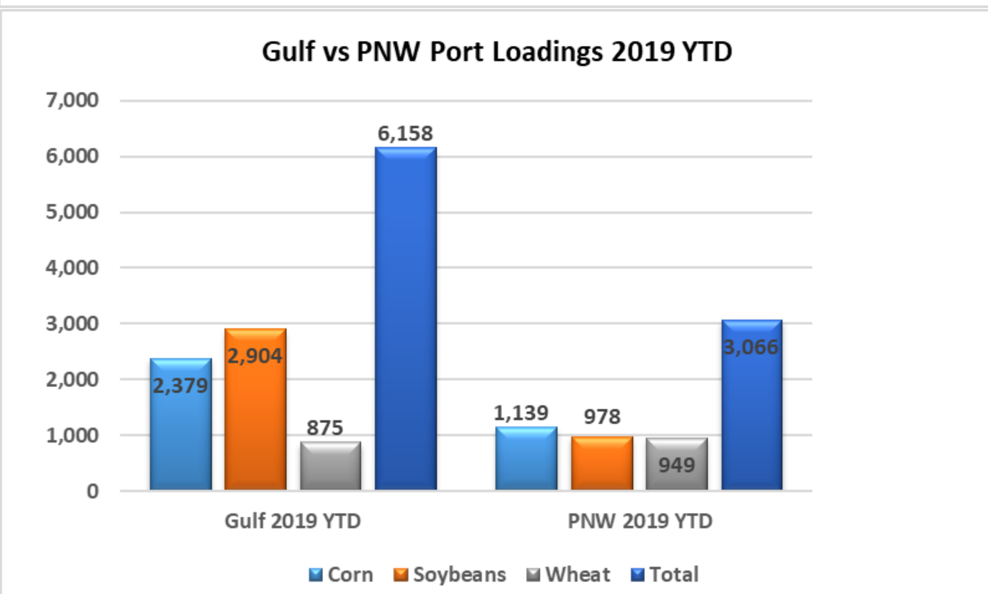
PORT LOADINGS US PNW				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
PNW				
2018 YTD	1,116	1,741	1,066	3,923
2019 YTD	1,139	978	949	3,066
2019 as % of 2018	102%	56%	89%	78%

PORT LOADINGS GULF vs. PNW				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
2019 Gulf YTD	2,379	2,904	875	6,158
2019 PNW YTD	1,139	978	949	3,066
TOTAL	3,518	3,882	1,824	9,224
Gulf Percentage	68%	75%	48%	67%
PNW Percentage	32%	25%	52%	33%

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

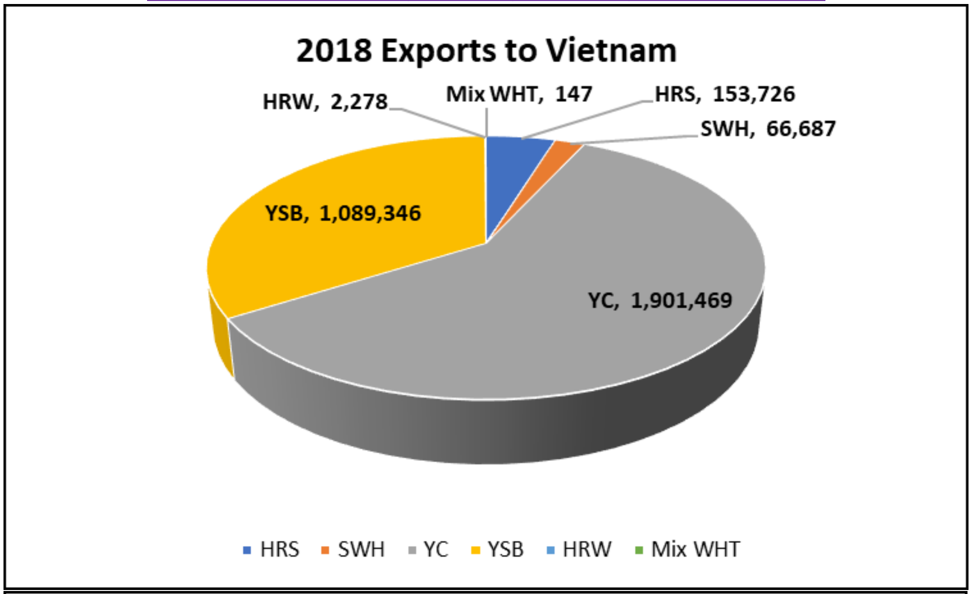


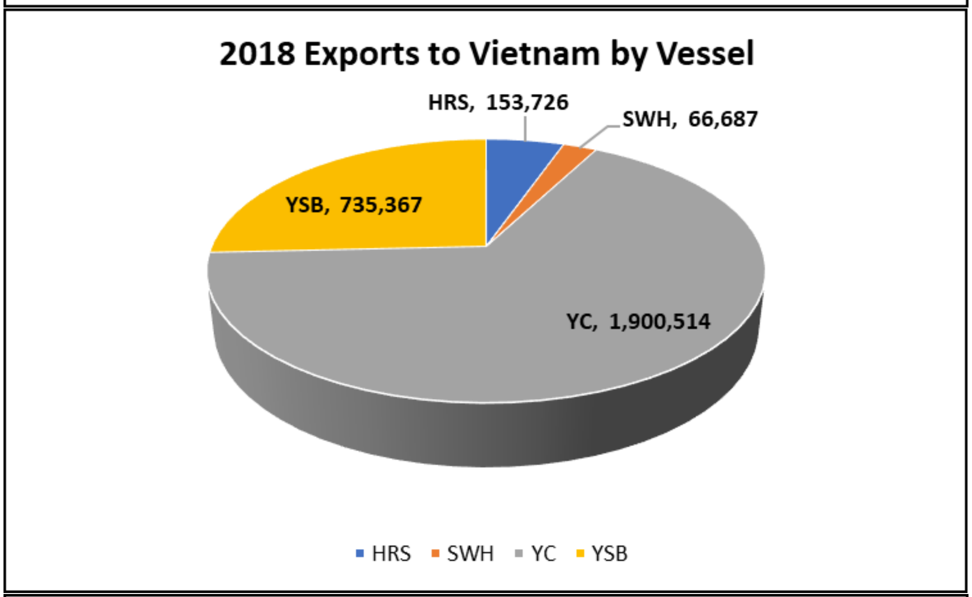


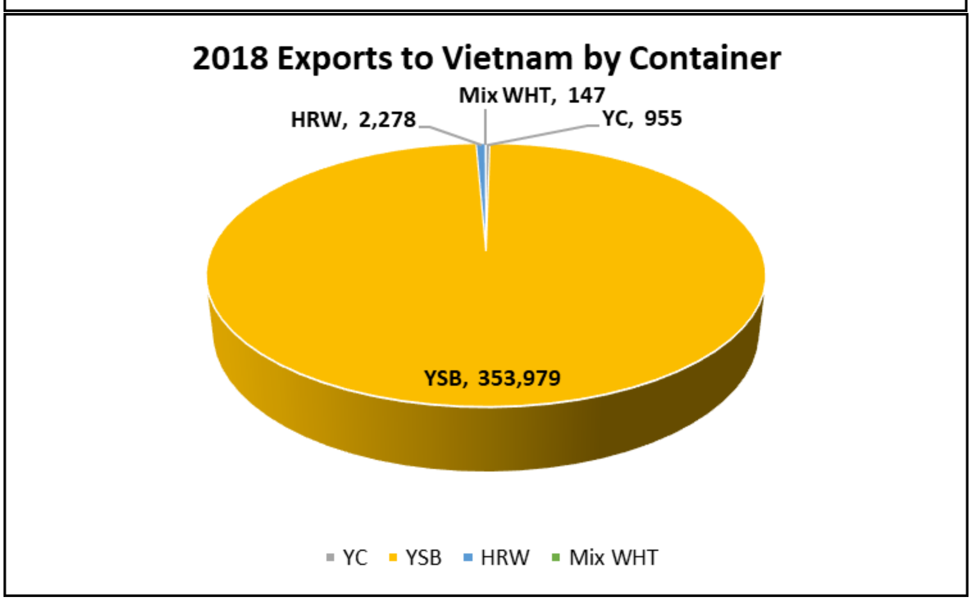


Source: USDA-data

2018 Total Grain Exports reported by USDA (in MT)





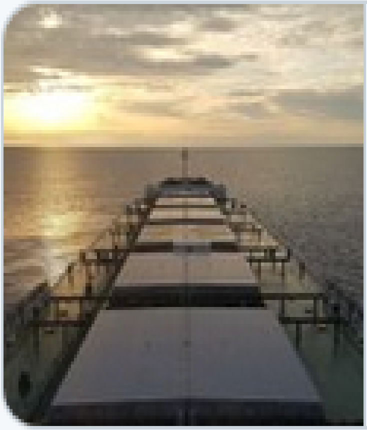


*Please keep in mind that USDA does not report DDGS sales, or they would show as the largest exports by container.

Source: USDA

Shipping News

Baltic weighs up the future of 74k index

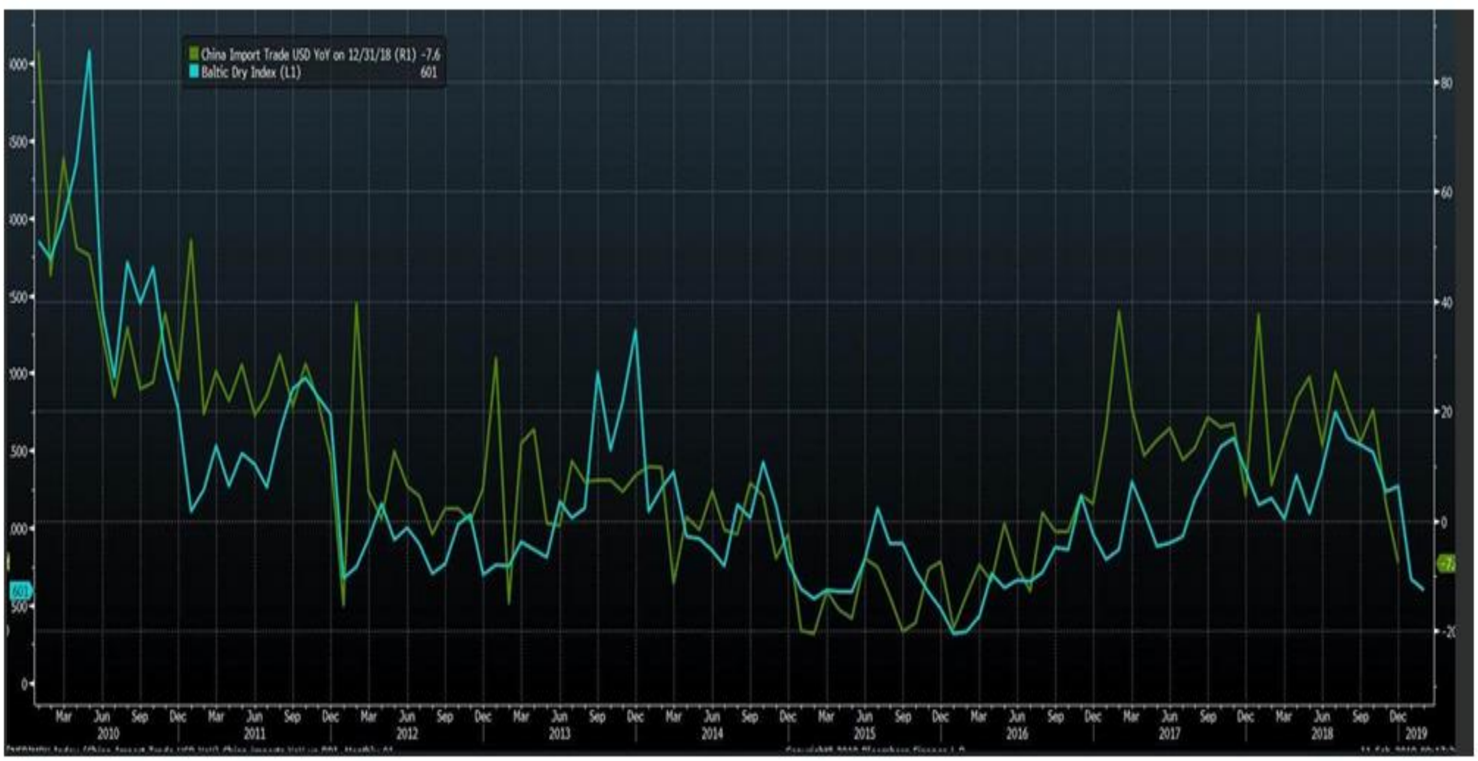


Baltic weighs up the future of 74k index -

The Baltic Exchange will debate retiring the old 74,000 dwt panamax index following the introduction of the new 82,000 dwt price at the start of this year, according to...

splash247.com

China Import Trade vs Baltic Dry Index



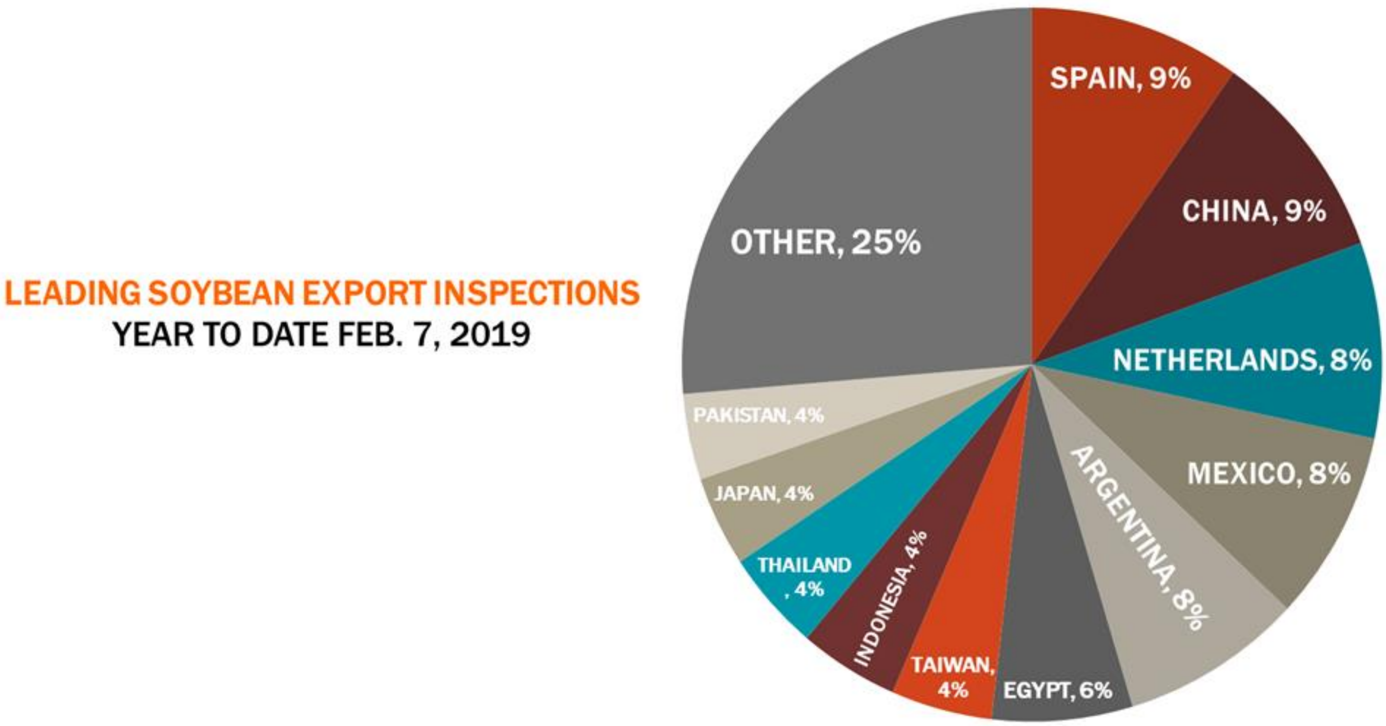
HMM racks up $720m annual loss

FEBRUARY 13TH, 2019 GRANT ROWLES ASIA, CONTAINERS

0 COMMENTS

South Korean flagship carrier HMM has revealed a net loss of KRW808bn ($720m) for the full financial year, marking it out as one of the biggest losers among the world's top 10 liners. Analysts at box watchers Alphaliner described HMM's results as "dismal" in their latest weekly report.

Farm Futures-

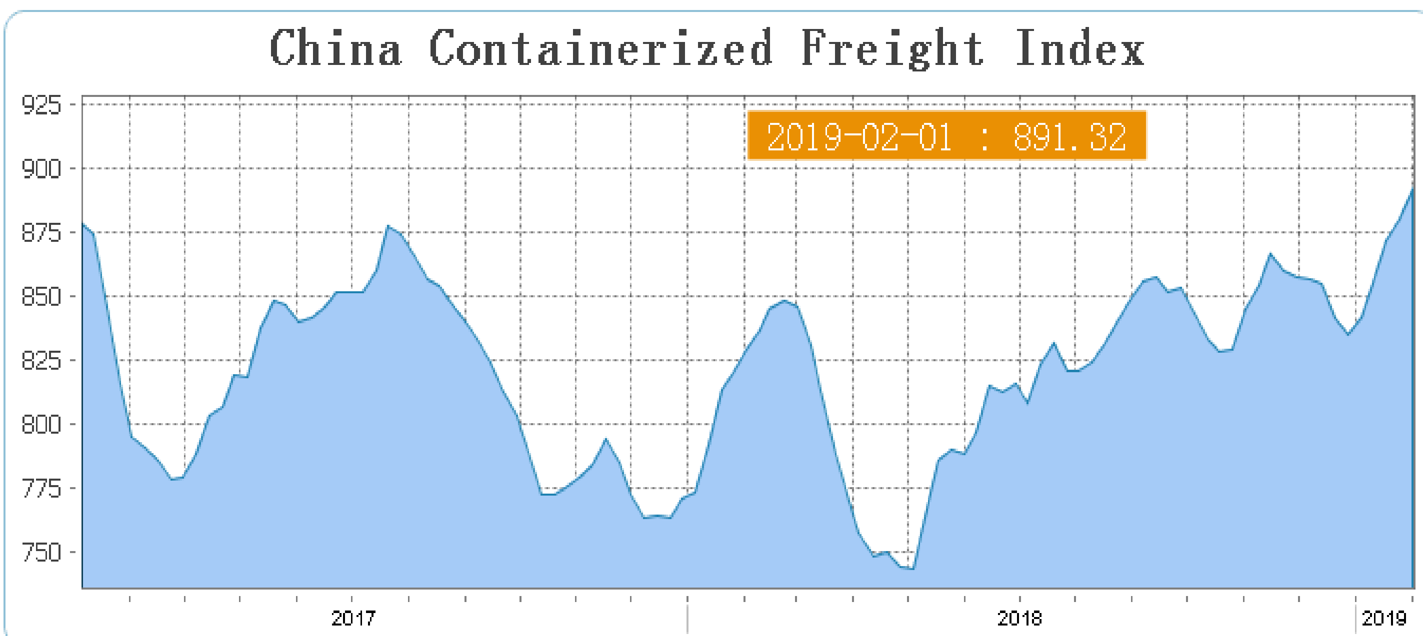


Tweeting from the Shipinsight conference for the next two days

1 2

Jay O'Neil @IGPJay · 18m

I see 1 man and 5 empty chairs to the right of the speaker. Is that what consolidation in the Shipping Ind. is going to look like ?



U.S. RIVER BARGE FREIGHT

Current Barge Freight for Placement Last Half March 2019

Placement LH March 2019	% of Tariff	MT	Corn BU	Soybeans-Wheat BU
Upper Mississippi	Closed	$ -	0.00	0.00
Illinois River (Pekin and South)	490	$25.98	0.66	0.71
Mid-Mississippi	490	$28.73	0.73	0.78
Lower Ohio	460	$22.61	0.57	0.62
St. Louis	385	$16.93	0.43	0.46

Secondary Rail Car Market for car placement period: Last Half March 2019.

Secondary Rail Car Market Placement LH. March 2019	BID USD	ASK USD	BID BU.	ASK BU.	BID MT	ASK MT
BNSF Shutle Trains	$ 300.00	$ 750.00	$ 0.08	$ 0.19	$ 2.95	$ 7.38
UPRR Shuttle Trains	$ 100.00	$ 250.00	$ 0.03	$ 0.06	$ 0.98	$ 2.46

Best Regards,

Jay

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