

**Transportation and Export Report for 15 February 2018****Ocean Freight Insights and Comments:**

The Freight trade is getting pretty thin this week. As normal, the only people looking to push anything going into the Lunar Holiday week are those who must close something before everyone goes on holiday. The first part of the week saw a continued downward price trend but we have now seen some Dry-Bulk freight buyers trying to book something quick in the spot markets and this has caused a slight market turn around. Net however we are now basically back to rates levels that traded last week and I therefore must call things unchanged for the most part.

BALTIC DRY-BULK PANAMAX INDEX CHANGES

Panamax Ocean Freight Indices				
15-Feb-18	This Week	Last Week	Difference	Percent Change
P2A : Gulf/Atlantic - Japan	16795	17003	-208	-1.2%
P3A - PNW/Pacific - Japan	9245	9019	226	2.5%
S1C -USGULF-China-So.Japan	21939	20425	1,514	7.4%

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

Four weeks ago:	\$ 5.80-\$6.90
Three weeks ago:	\$ 4.90-\$6.85
Two weeks ago:	\$ 6.60-\$7.10
One week ago:	\$ 6.20-\$6.70
This week	\$ 6.40-\$6.85

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

Mississippi River:	(10 elevators)	3-13 days
Miss. River Mid-Stream loaders:	(6+ Rigs)	0-0 days
Texas Gulf	(6 elevators)	2-23 days (only 1 facility over 6 days wait)
Pacific Northwest:	(9 elevators)	3-10 days

Panamax Market Spreads to Asia -China					
15-Feb-18	PNW	GULF	Bushel Spread	MT Spread	Advantage
CORN	0.94	0.68	0.26	\$10.24	PNW
SOYBEANS	0.85	0.46	0.39	\$15.35	PNW
OCEAN FREIGHT	\$22.50	\$42.25	.50-.54	\$19.75	March

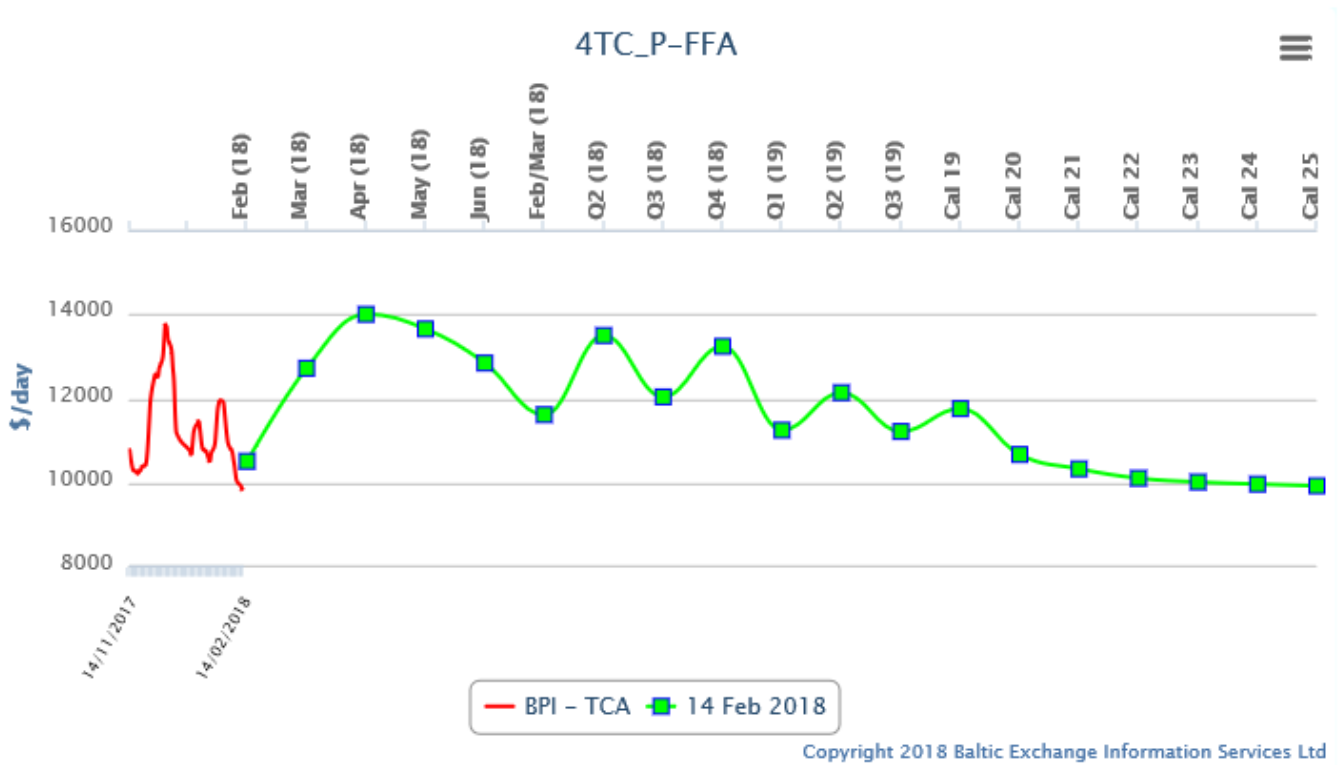
Recent Reported Vessel Fixtures:

Route and Vessel Size	Current Week USD/MT	Change from previous week	Remarks
55,000 U.S. Gulf-Japan	\$43.00	Unchanged	Handymax \$43.25/mt
55,000 U.S. PNW- Japan	\$23.25	Unchanged	Handymax at \$24.00/mt
65,000 U.S. Gulf – China	\$42.25	Unchanged	North or South China
PNW to China	\$22.50	Unchanged	
25,000 U.S. Gulf- Veracruz, México	\$15.50	Unchanged	3,000 MT daily discharge rate
35-40,000 U.S. Gulf- Veracruz, México	\$13.50	Unchanged	Deep draft and 6,000 MT per day discharge rate.
25/35,000 U.S. Gulf- <u>East Coast Colombia</u>	\$19.00	Unchanged	<u>West Coast Colombia at \$27.00</u>
From Argentina	\$32.00		
40-45,000 U.S. Gulf - Guatemala	\$27.25	Unchanged	Acajutla/Quetzal - 8,000 out
26-30,000 U.S. Gulf – Algeria	\$30.25 \$32.00	Unchanged	8,000 mt daily discharge 3,000 mt daily discharge
26-30,000 US Gulf-Morocco	\$29.50	Unchanged	5,000 discharge rate
55-60,000 U.S. Gulf –Egypt	\$27.25	Unchanged	55,000 -60,000 mt
PNW to Egypt	\$26.00		Russia Black Sea to Egypt \$13.50
60-70,000 U.S. Gulf – Europe – Rotterdam	\$16.00	Unchanged	Handymax at +\$2.00 more
Brazil, Santos – China	\$32.50	Down \$0.25	54-59,000 Supramax-Panamax
Brazil, Santos – China	\$31.50		60-66,000 Post Panamax
Itacoatiara-Port Up River North Brazil	\$36.00		60-66,000 mt
56-60,000 Argentina-China Deep draft	\$38.00	Down \$0.25	Up River with Top Off \$40.50

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)

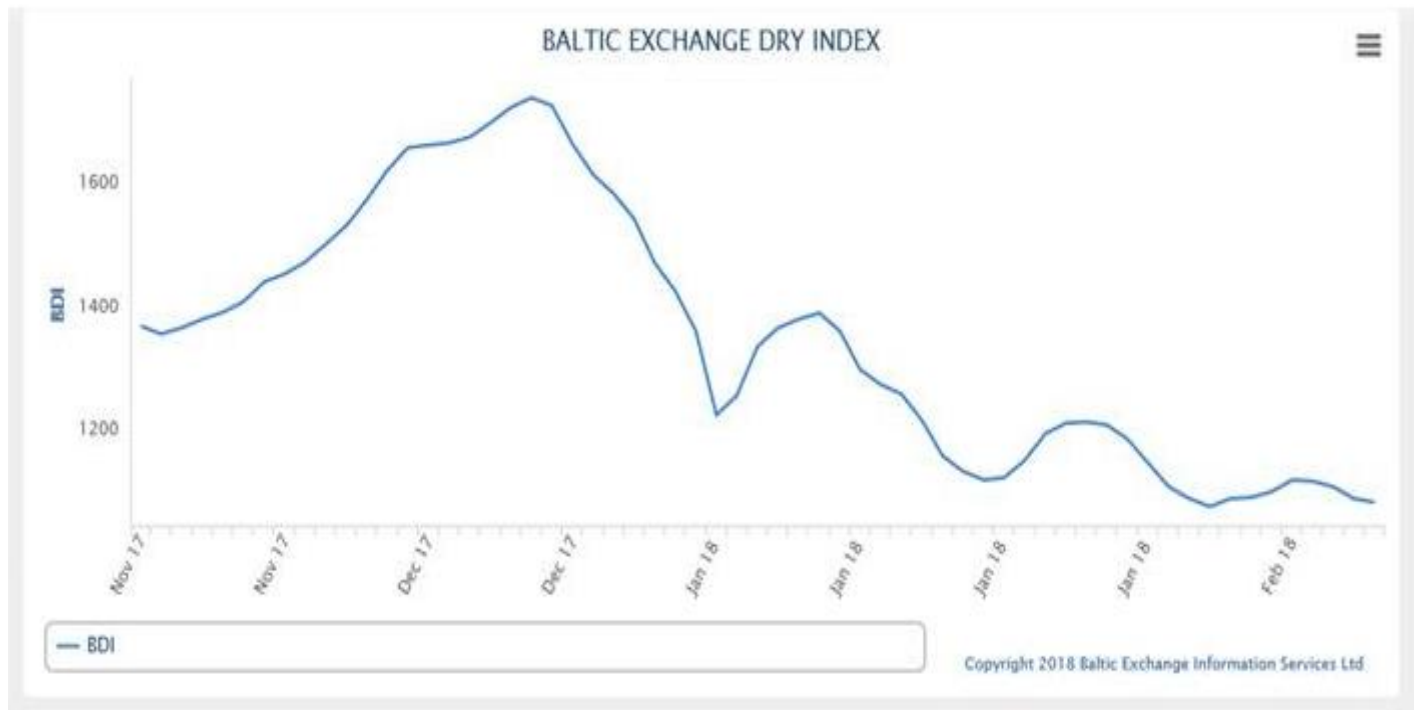
Forward Curve for Baltic BPI Panamax Vessel Freight



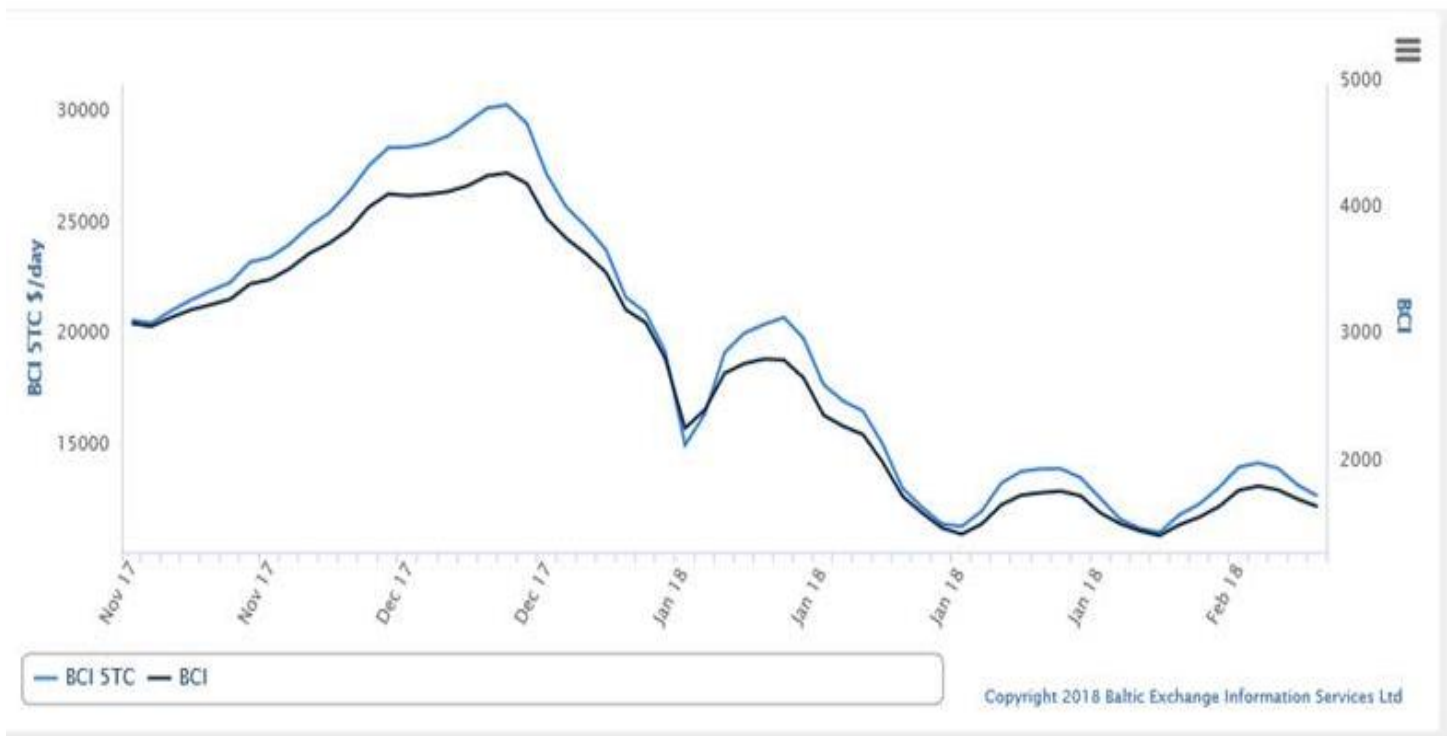
Baltic Dry-Bulk Ocean Freight Index- US Gulf- Japan



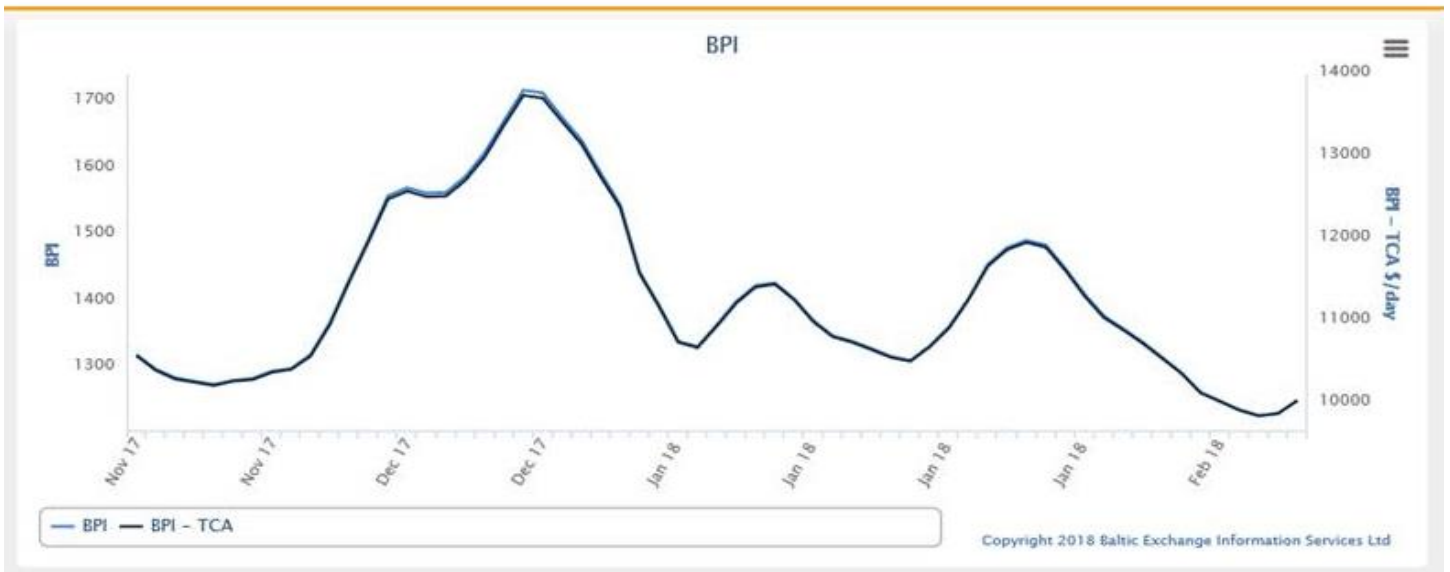
Baltic DRY-BULK Index



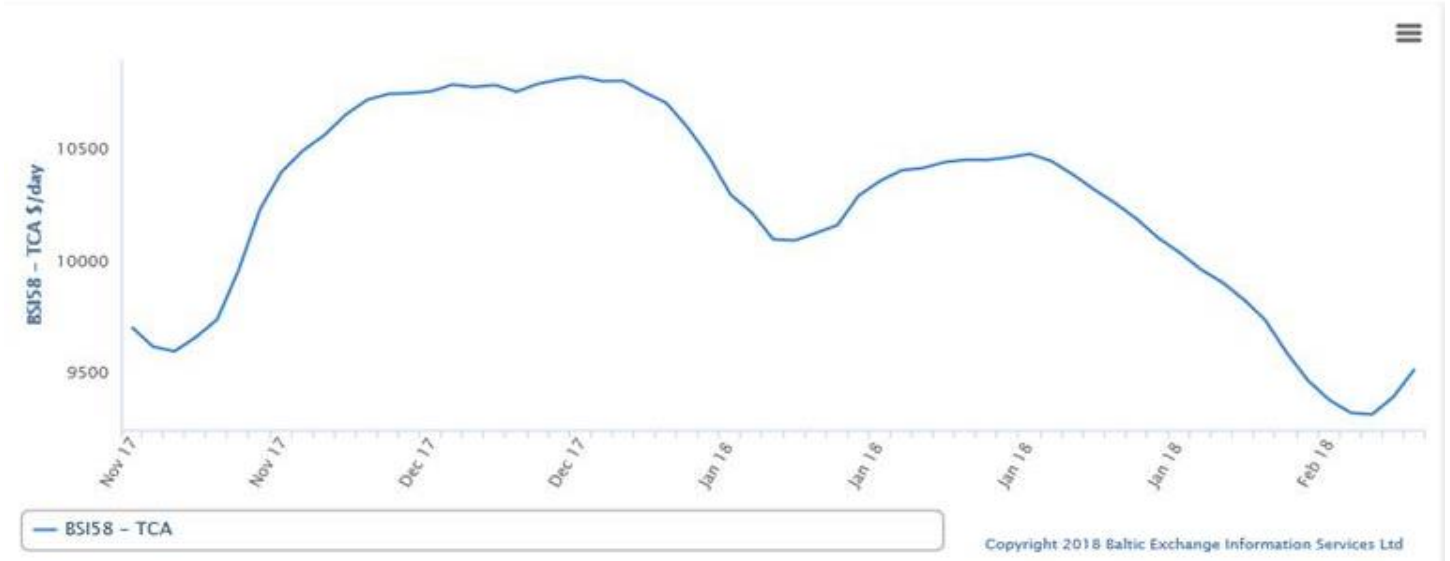
Baltic Capesize Index



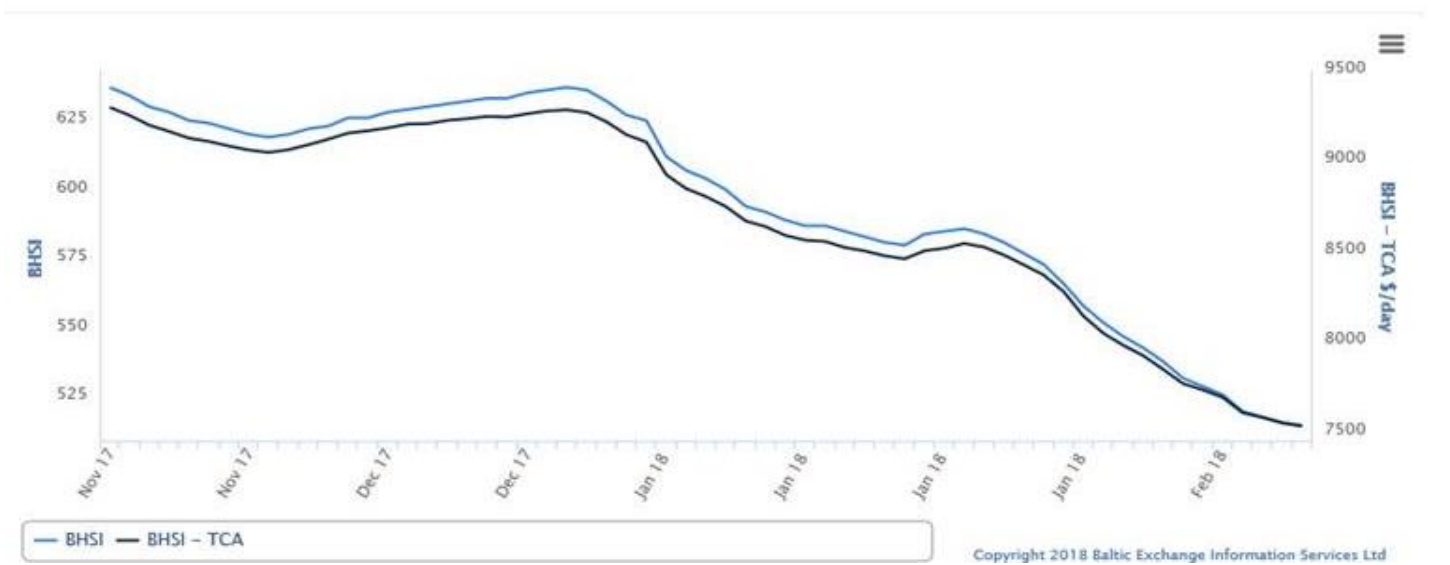
Baltic Panamax Index



Baltic Supramax Vessel Index



Baltic Handy Size



Yamamizu Shipping

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USG/Japan Index Result

Date From: 2016-12-01

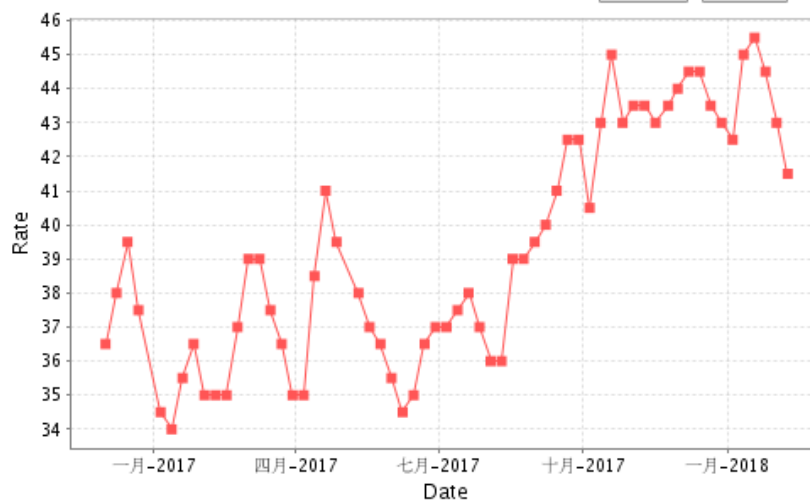
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Date To: 2018-02-15

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China Import Dry Bulk Freight Index(CDFI)

2018-02-14

Route	Size MT	Cargo/Vessel Size	Unit	Rate	Change
Composite Index			Point	807.37	-9.94
Iron ore Freight Index			Point	784.83	-18.85
Soybean Freight Index			Point	924.79	-0.28
Santos(Brazil)—North China	60000/10%	Soybean	\$/ton	30.860	-0.025
Tacoma(West America)—North China	60000/10%	Soybean	\$/ton	22.410	0
Mississippi(US Gulf)—North China	66000/10%	Soybean	\$/ton	42.256	0.021
Mississippi(US Gulf)—North China	55000/10%	Soybean	\$/ton	43.928	-0.011

15 February 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
Mar.	0.68	\$171.35	0.93	\$181.19
Apr.	0.58	\$170.36	0.84	\$180.60
May	0.57	\$169.97	0.86	\$181.39
June	0.47	\$169.08	0.81	\$182.47
July	0.47	\$169.08	0.82	\$182.86
Aug.	0.45	\$170.76	0.75	\$182.57

The Gulf spread between #2 and #3 YC is currently about 02 cents per bushel (0.80 per MT)

SORGHUM (USD/MT) FOB VESSEL				
#2 YGS Fob Vessel	NOLA		TEXAS	
Max. 14.0% moisture	BASIS	FLAT PRICE	BASIS	FLAT PRICE
Mar.	1.45	\$201.66	1.20	\$191.82
Apr.	1.45	\$204.61	1.10	\$190.84
May	1.45	\$204.61	1.10	\$190.84
Jun.	1.30	\$201.76	1.00	\$189.95
July	0.85	\$184.04	0.80	\$182.08

Fob vessel Texas Gulf #2 Sorghum is about 113 % the value of #2 Yellow Corn at NOLA
Sorghum has gotten to be a thin trade and interior and export handling margins have widened out to reflect the risk.

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	\$199.06	\$200.34	\$200.34	\$202.09
Basis	0.80	0.70	0.70	0.60
WH	4.6175			
WK	4.7525			
WN	4.9000			

CME Futures Market Close						
CORN	Futures	Friday	Friday	Last week	Last Week	Difference
Month	Symbol	Close	Close	Bushel	MT.	Bushel
Mar.	CH	\$3.6725	\$144.58	\$ 3.6575	\$143.99	\$0.0150
May	CK	\$3.7475	\$147.53	\$ 3.7325	\$146.94	\$0.0150
July	CN	\$3.8250	\$150.58	\$ 3.8100	\$149.99	\$0.0150
Sept.	CU	\$3.8875	\$153.04	\$ 3.8725	\$152.45	\$0.0150
Dec.	CZ	\$3.9650	\$156.09	\$ 3.9500	\$155.50	\$0.0150

CME/CBOT March 2018 (CH8) Corn Futures Chart –



CME/CBOT March 2018 (WH8) SRW Wheat Futures Chart –

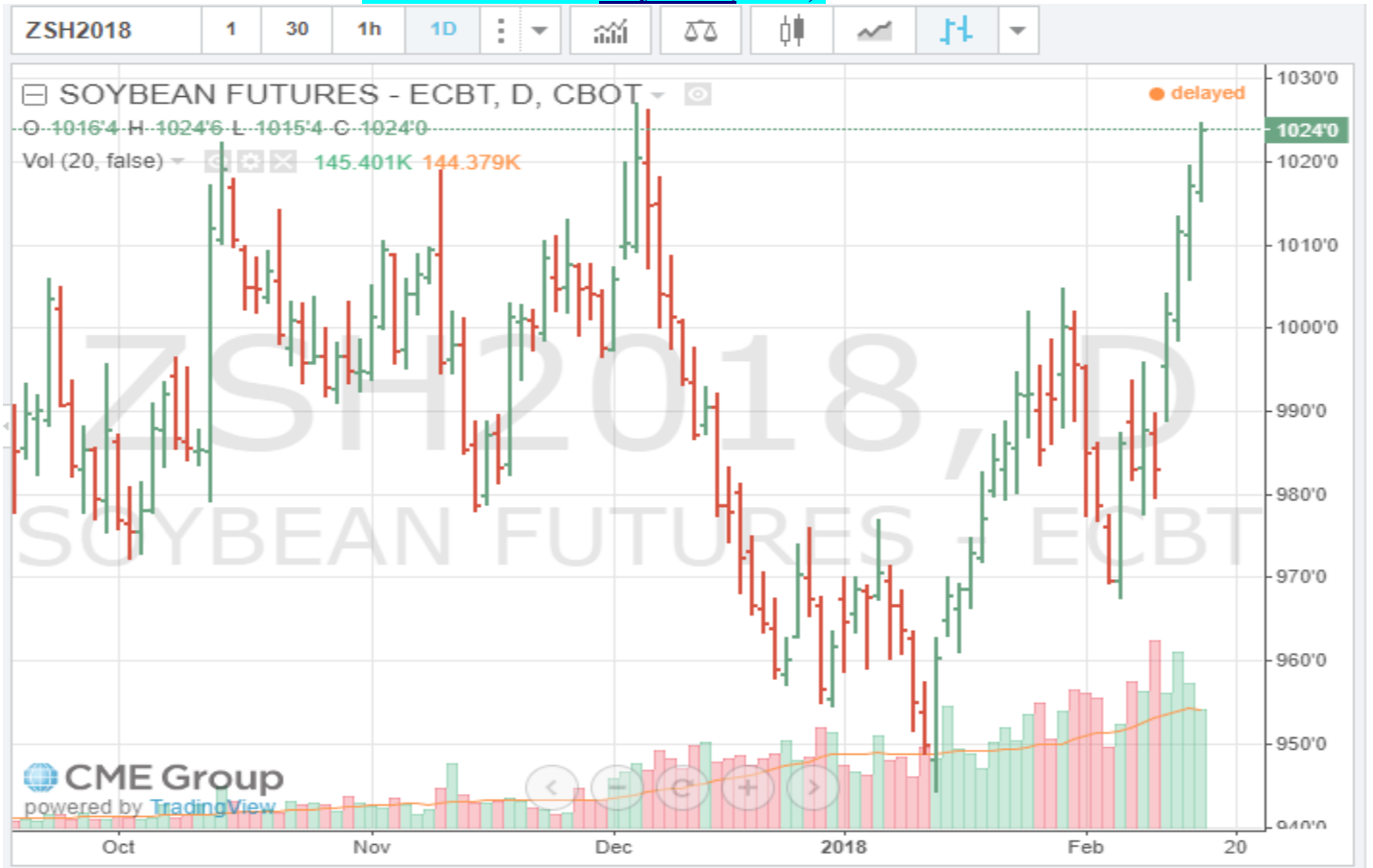


U.S. Soybean and SBM Markets Fob Vessel:

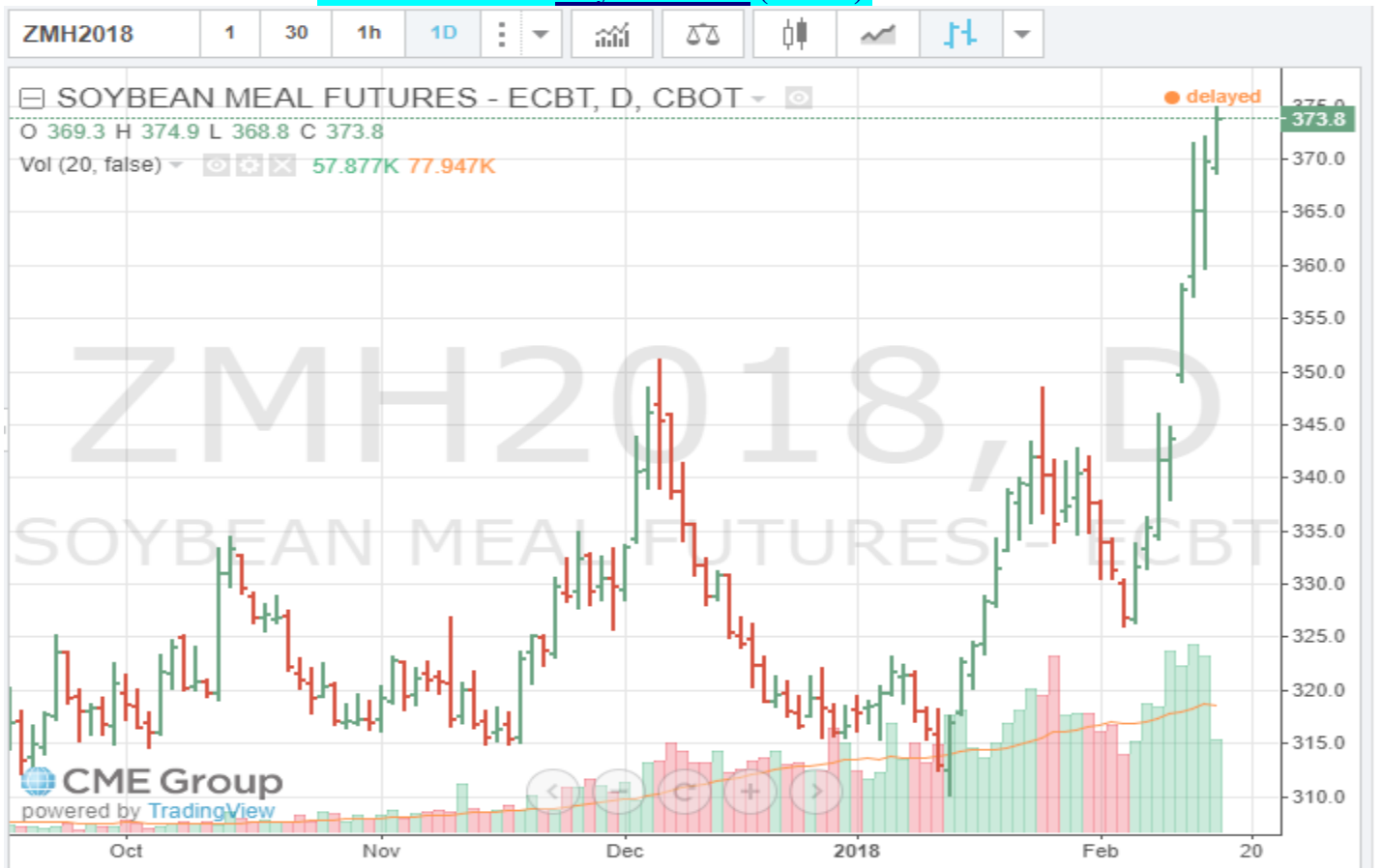
U.S. Yellow Soybeans (USD/MT) FOB Vessel				
# 2 YSB	U.S. Gulf #2 YSB		PNW #2 YSB	
14.0 % Moisture	Basis	Flat Price	Basis	Flat Price
Mar.	0.46	\$393.25	0.85	\$407.58
Apr.	0.40	\$394.99	0.85	\$411.53
May	0.42	\$395.73	0.86	\$411.89
June	0.38	\$397.84	0.80	\$413.27
July	0.41	\$398.94	0.81	\$413.64
Soybean Futures				
Mar.	\$ 10.2425			
May	\$ 10.3500			
July	\$ 10.4475			
Aug.	\$ 10.4575			
Sept.	\$ 10.3300			
Nov.	\$ 10.2375			

U.S. SBM (USD/MT) FOB Vessel		
Fob U.S. Gulf Port	47.5 Pro. SBM	
max 12.5 % moisture	Basis	Flat Price
Mar.	20.00	\$ 434.05
Apr.	10.00	\$ 425.01
May	6.00	\$ 420.60
June	7.00	\$ 418.07
July	7.00	\$ 418.07
SBM Futures		
SMH	373.70	
SMK	375.50	
SMN	372.20	
SMQ	366.40	
SMU	362.90	
SMV	359.10	

CME March 2018 Soybean (SH18) Futures Chart



CME March 2018 Soybean Meal (SMH8) Futures Chart



U.S. EXPORT STATISTICS: Report Activity as of Week Ending 01 February 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	1855.8	34,021.5	48,900	70%	1,253.1
Sorghum	139.6	5,252.2	6,600	80%	0.0
Soybeans	876.3	44,261.5	58,790	75%	1,034.7
Wheat	469.4	20,804.1	26,540	78%	289.8
Barley	0.0	37.8	110	34%	35.1

U.S. EXPORT INSPECTIONS:

Monday's report 12 February 2018 for the Export week ending 08 February 2018

	Export Inspections		Current Market Year YTD	Previous Year to Date	2017 YTD as Percent of 2016 YTD
	This Week	Previous Week			
Corn	835,131	1,093,241	15,695,529	23,267,923	67%
Sorghum	14,570	196,455	2,300,584	2,864,817	80%
Soybeans	1,319,038	1,303,968	36,029,184	41,629,366	87%
Wheat	487,902	429,602	17,111,987	17,817,705	96%
Barley	539	637	20,386	30,831	66%

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

U.S. EXPORT INSPECTIONS:

Monday's report 12 February 2018 for the Export week ending 08 February 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%	99,961 8%
Gulf	445,705	57%	45,782	93%	0	0%	788,888 60%
PNW	224,923	29%	196	0%	7,700	53%	321,445 24%
Interior Export Rail	115,531	15%	2,994	6%	6,870	47%	108,744 8%
Metric Tons	786,159		48,972		14,570		1,319,038

Sorghum Shipments:	metric tons	
	6,319	China Main
	7,700	Japan
	551	Mexico
	14,570	Total

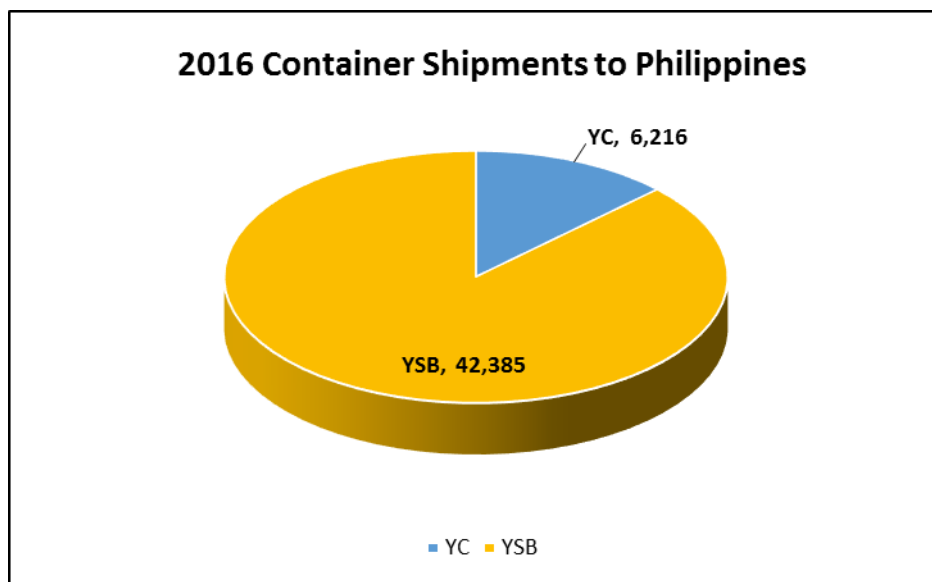
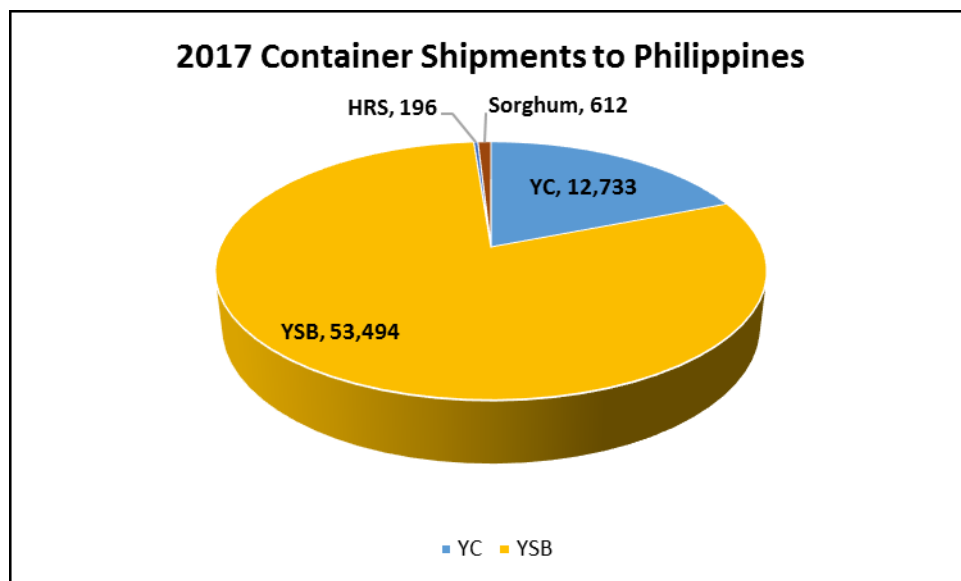
White Corn	metric tons	
Shipments:	3,098	Japan
	3,013	Costa Rica
	7,536	Honduras
	196	Korea Rep
	35,129	Mexico
	48,972	Total

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:		8-Feb-2018							
Last Week	metric tons								MT
	YC	WC	YSB	SRW	NS	SWH	HRW	Sorghum	TOTAL
China Main	857		4,433					6,319	11,609
China T	17,311		14,425						31,736
Hong Kong	562								562
Costa Rica									0
Indonesia	465		19,416						19,881
French Polynesia									0
Japan			268						268
Korea Republic	1,224		1,591	490					3,305
Panama									0
Malaysia	661		2,975						3,636
Ireland									0
Philippines	416		636						1,052
Thailand			6,634						6,634
Bangladesh			465						465
Burma							1,004		1,004
Vietnam			5,213						5,213
Sub total	21,496	0	56,056	490	0	0	1,004	6,319	78,683
USDA Corrections/Additions to previous reports:									
China T									0
China Main								1,396	1,396
Hong Kong									0
Korea Rep.									0
Costa Rica									0
Japan									0
Philippines									0
Indonesia									0
Malaysia									0
Thailand									0
Vietnam			245						245
Mexico									0
Panama									0
Sub total	0	0	245	0	0	0	0	1,396	1,641
Mt. Grand Total	21,496	0	56,301	490	0	0	1,004	7,715	80,324
Number of containers	935	0	2,448	21	0	0	44	335	

Jan - Dec 2016 Annual Totals versus 2017 Jan.-Dec. Annual Container Shipments (in MT)

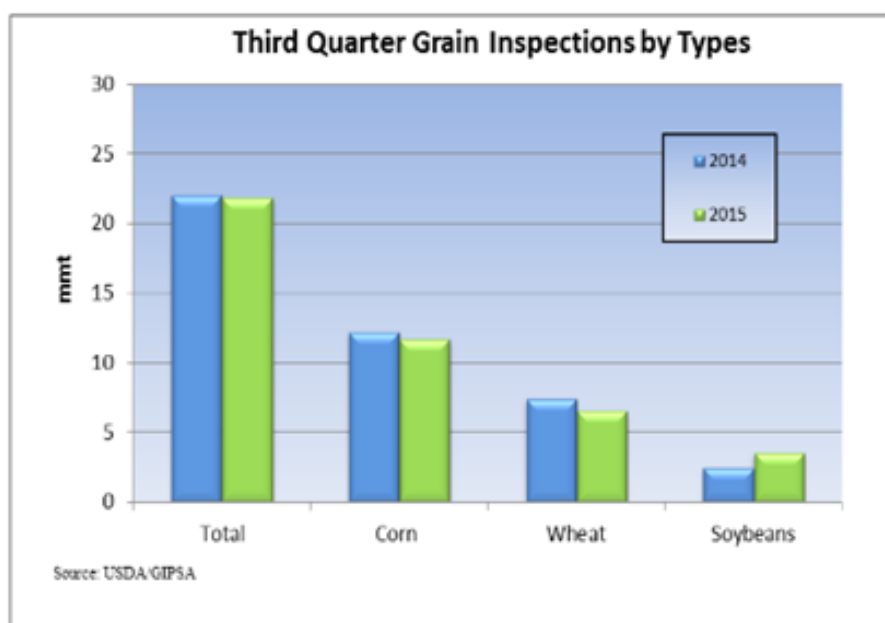


Grain Inspections for Export by U.S. Port Regions:
U.S. Gulf and Pacific Northwest 2017 YTD vs. 2018 YTD

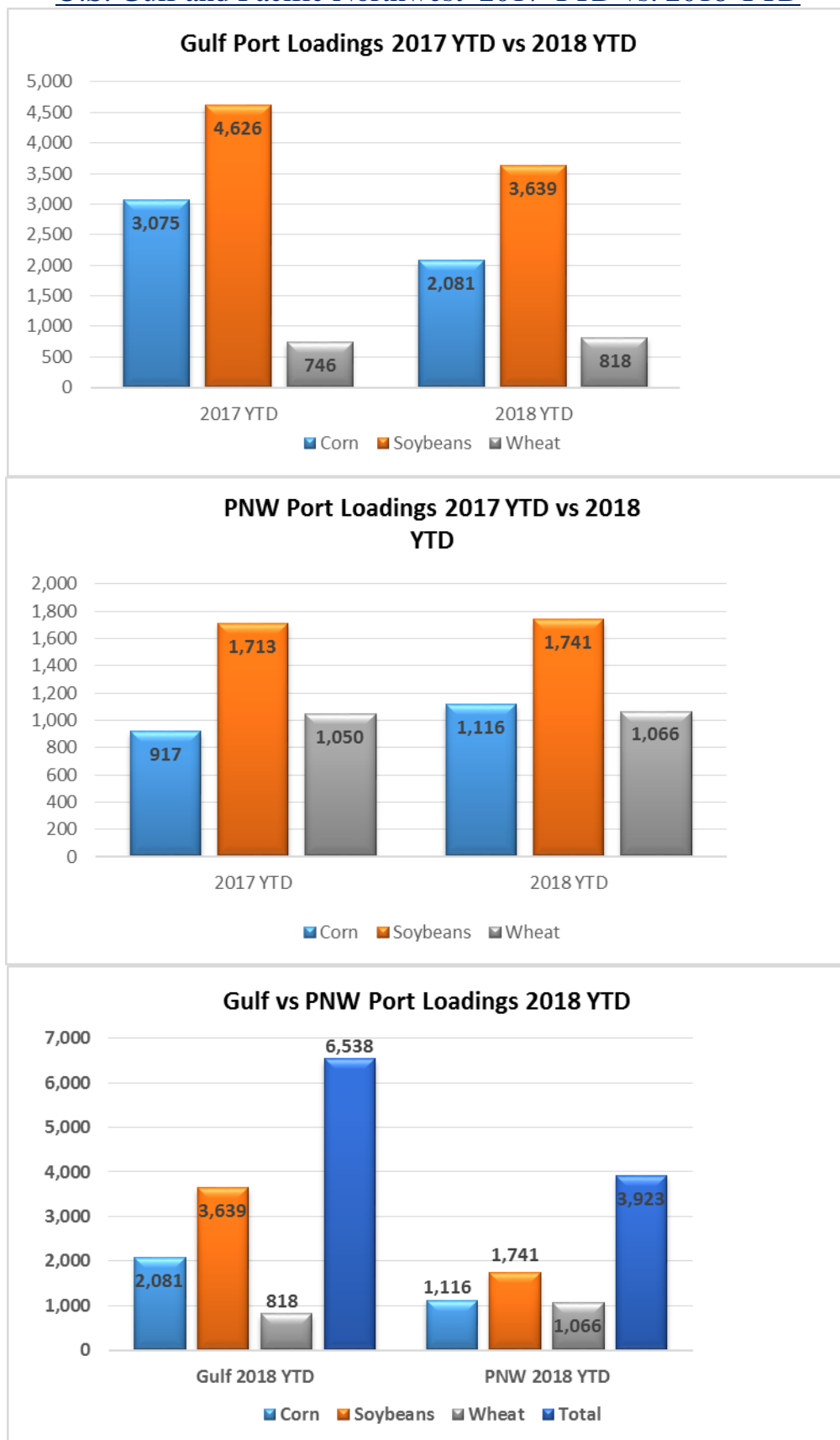
PORT LOADINGS US Gulf				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
GULF				
2017 YTD	3,075	4,626	746	8,447
2018 YTD	2,081	3,639	818	6,538
2018 as % of 2017	68%	79%	110%	77%

PORT LOADINGS US PNW				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
PNW				
2017 YTD	917	1,713	1,050	3,680
2018 YTD	1,116	1,741	1,066	3,923
2018 as % of 2017	122%	102%	102%	107%

PORT LOADINGS GULF vs. PNW				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
2018 Gulf YTD	2,081	3,639	818	6,538
2018 PNW YTD	1,116	1,741	1,066	3,923
TOTAL	3,197	5,380	1,884	10,461
Gulf Percentage	65%	68%	43%	62%
PNW Percentage	35%	32%	57%	38%



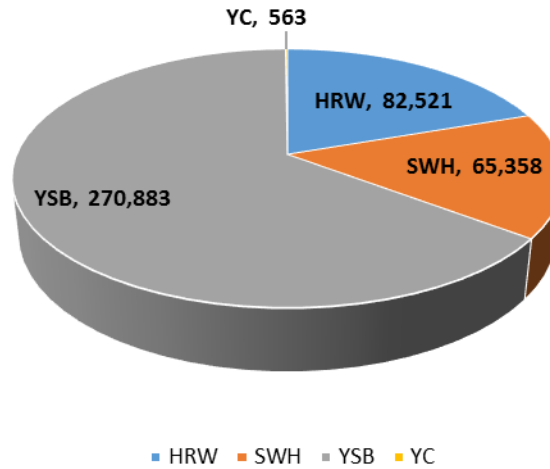
Grain Inspections for Export by U.S. Port Regions (1,000MT):
U.S. Gulf and Pacific Northwest 2017 YTD vs. 2018 YTD



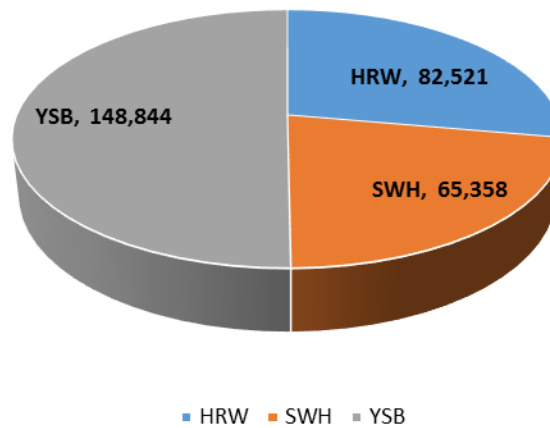
Source: USDA-data

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

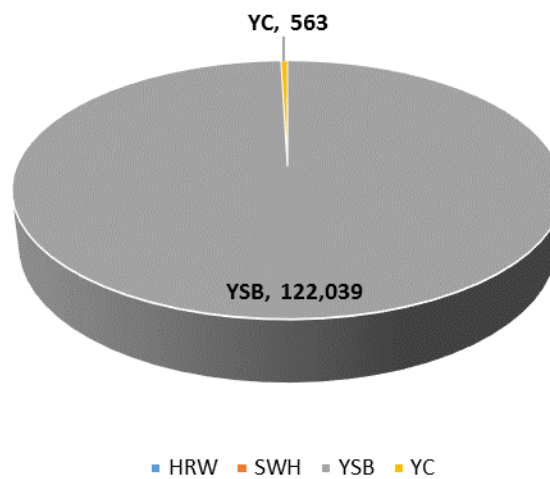
2018 YTD Exports to Indonesia



YTD Exports to Indonesia by Vessel



YTD Exports to Indonesia by Container



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

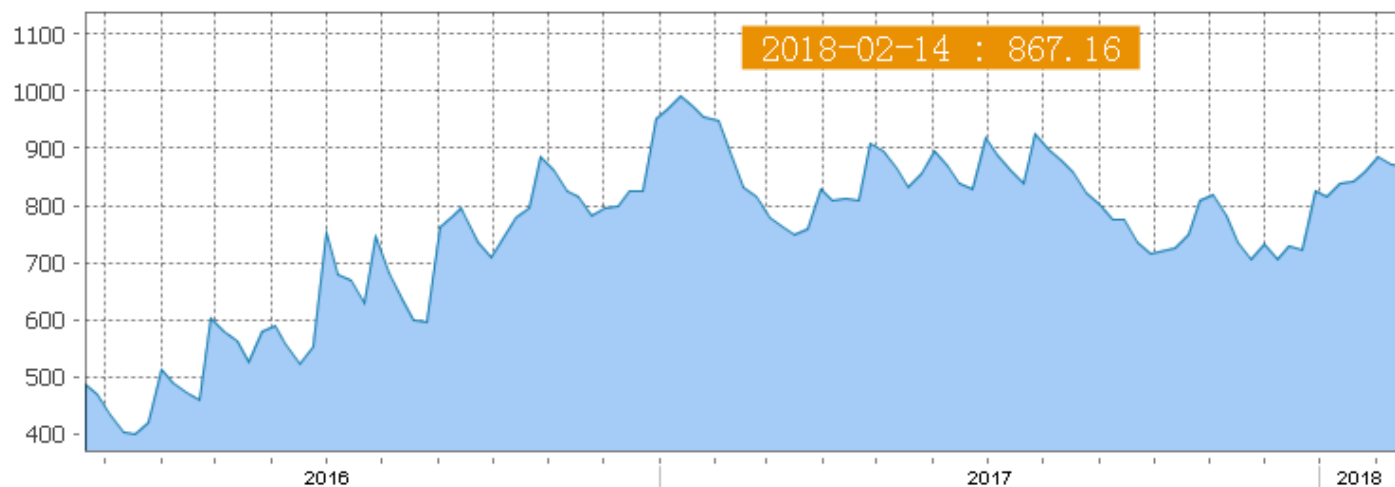
Shipping News:

2017 Total Exports by % Container vs % Vessel

Wheat			
Vessel	Container	Rail	
24,818,573	137,965	1,635,149	
% By Vessel	% By Container	Total Wheat Exports	
93.27%	0.52%	26,610,219	
YC			
Vessel	Container	Rail	Truck
41,654,733	759,731	7,878,224	289,714
% By Vessel	% By Container	Total YC Exports	
82.35%	1.50%	50,582,407	
YSB			
Vessel	Container	Rail	Truck
47,534,021	3,882,948	1,858,903	12,746
% By Vessel	% By Container	Total YSB Exports	
89.17%	7.28%	53,306,862	

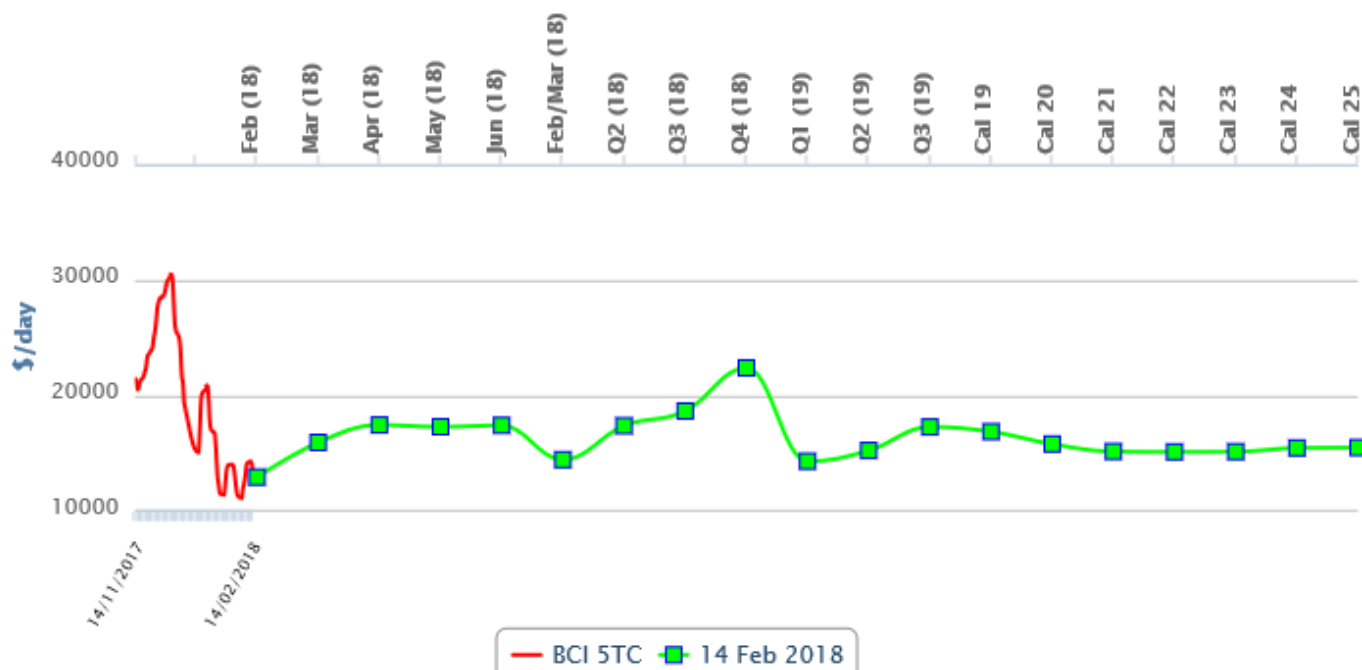
USDA-

Shanghai Containerized Freight Index



FFA Capesize for the 4 time charter routes

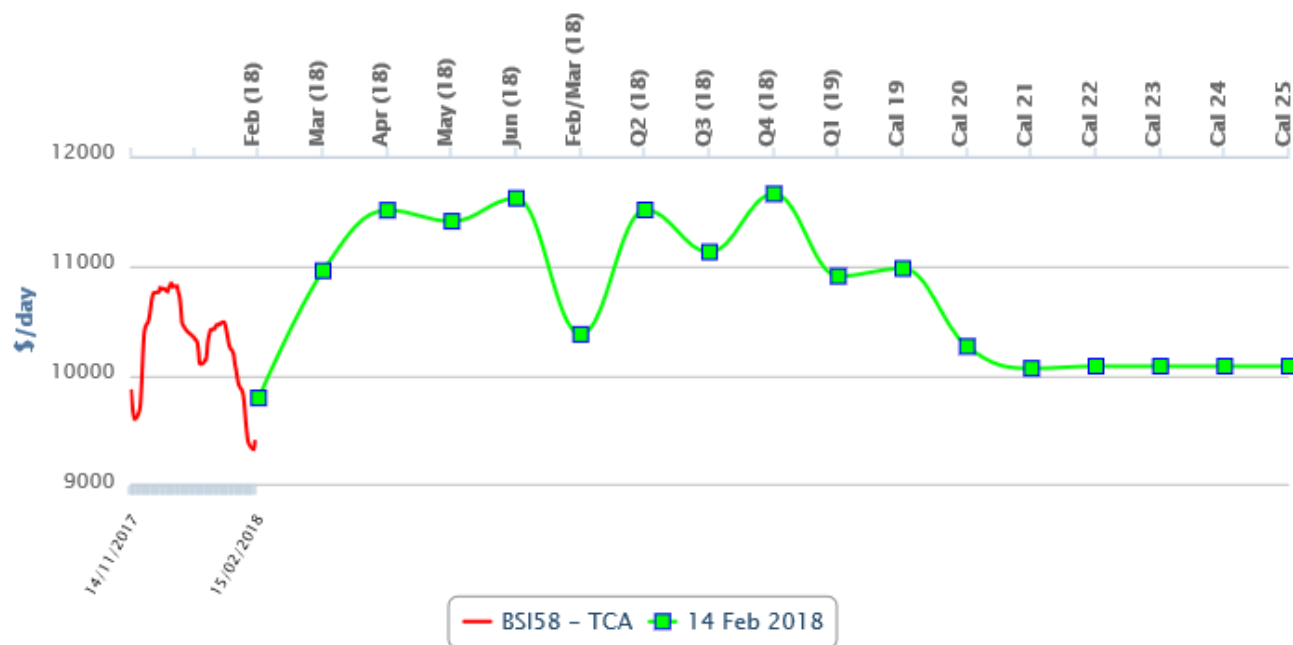
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FFA SUPRAMAX 58 for the 5 time charter routes

10TCS-FFA



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U.S. RIVER BARGE FREIGHT

Current Barge Freight for Placement First Half March 2018

Placement FH March 2018	% of		Corn	Soybeans-Wheat
	Tariff	MT	BU	BU
Upper Mississippi	Closed		0.00	0.00
Illinois River (Pekin and South)	315	\$16.70	0.42	0.45
Mid-Mississippi	Closed		0.00	0.00
Lower Ohio	240	\$11.80	0.30	0.32
St. Louis	225	\$ 9.90	0.25	0.27

Secondary Rail Car Market for car placement period: First Half March 2018.

Secondary Rail Car Market Placement FH March 2018	BID USD	ASK USD	BID BU.	ASK BU.	BID MT	ASK MT
BNSF Shuttle Trains	\$ 200.00	\$ 400.00	\$ 0.05	\$ 0.10	\$ 1.97	\$ 3.94
UPRR Shuttle Trains	\$ (100.00)	\$ -	\$ (0.03)	\$ -	\$ (0.98)	\$ -

Best Regards,

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