

Transportation and Export Report for 16 February 2023

Dry bulk vessel owners have found themselves involved in the once popular 1960's game of Limbo lower now. How low can the market bar go and still find participants? No one is laying up ships yet, but they are taking every measure to reduce costs and to resist the ever lower prevailing bids. The steady downturn of rates of the past 6 months appears to be stabilizing and may have finally found a bottom. There are some signs that enough damage has been done and that increasing operational costs will stem further reductions. But general cargo growth remains soft. Grain vessel lineups at U.S. ports are also dropping off.

March Panamax daily hire rates are down another \$1,500/day this past week to just \$9,000/day, with Q2 2023 at \$12,500/day.

All hopes remain dependent on improved demand for all Dry Bulk cargo to China.

BALTIC DRY-BULK PANAMAX INDEX CHANGES

Panamax Ocean Freight Indices					
16-Feb-2023		This Week	Last Week	Difference	Percent Change
P2A: Gulf/Atlantic - HK-Korea	Index	14418	14,955	-537	-3.6%
P3A: PNW/Pacific - RV Korea-Taiwan	Index	7657	8,157	-500	-6.1%
S1C: US GULF-China-So.Japan	Index	13307	11557	1,750	15.1%
P7: Trial- Miss. River - Qingdao	per ton	44.71	46.06	-1.35	-2.9%
P8: Trial- Santos - Qingdao	per ton	32.51	33.21	-0.70	-2.1%

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

Four weeks ago:	\$7.00-\$6.80
Three weeks ago:	\$6.80-\$6.70
Two weeks ago:	\$6.70-\$6.35
One week ago:	\$6.30-\$6.15
This week	\$6.15- \$6.10

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

Mississippi River:	(9 elevators)	2-7 days
Mid-Stream loaders:	(6+ Rigs)	0-1 days
Texas Gulf	(6 elevators)	0-5 days (2 Facilities at 0 days)
Pacific Northwest:	(9 elevators)	1-6 days

Panamax Market Spreads to Asia -China					
16-Feb-2023	GULF	PNW	Bushel Spread	Tonne Spread	Advantage
CORN	0.85	1.55	0.70	\$27.56	GULF
SOYBEANS	0.99	2.10	1.11	\$40.79	GULF
OCEAN FREIGHT	\$47.00	\$25.50	.55-.59	\$21.50	March

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 \$28.00 - \$29.00/mt.

Soybean Brazil to Spain about \$35.00 - \$37.00/mt.

Route and Vessel Size	Current Week USD/MT	Change from previous week	Remarks
55,000 U.S. Gulf-Japan	\$47.75	Down \$0.25	Handymax \$47.50 mt
55,000 U.S. PNW- Japan	\$26.00	Down \$1.50	Handymax at \$27.00 mt
65,000 U.S. Gulf – China	\$47.00	Unchanged	North or South China
PNW to China	\$25.50	Down \$1.50	
25,000 U.S. Gulf- Veracruz, México	\$21.50	Down \$0.25	3,000 MT daily discharge rate
35-40,000 U.S. Gulf- Veracruz, México	\$18.00	Unchanged	Deep draft and 6,000 MT per day discharge rate.
30-38,000 U.S. Gulf- Colombia	\$27.00	Down \$0.50	<u>West Coast Colombia at \$30.00</u>
50,000 USG- E/C Colombia	\$25.00		
<u>East Coast Colombia</u> From Argentina	\$35.00		
40-45,000 U.S. Gulf - Guatemala	\$34.50	Down \$0.50	Acajutla/Quetzal - 8,000 out
30,000 US Gulf-Morocco	\$31.50	Unchanged	5,000 discharge rate
55-60,000 U.S. Gulf –Egypt	\$29.00	Down \$0.50	55,000-60,000 mt Egypt
PNW to Egypt	\$29.50		Romania - Russia- Ukraine \$14.50 - \$22.00 - \$34.00 - France \$23.00, Bulgaria \$15.50
58-74,000 U.S. Gulf – Europe – Rotterdam	\$24.00	Unchanged	Handymax at +\$2.50 more
Brazil, Santos –China	\$37.25	Unchanged	54-59,000 Supramax-Panamax
Brazil, Santos –China	\$35.00		60-66,000 Post Panamax
Up-River Port North Brazil	\$41.00		55-60,000 mt
56-60,000 Argentina-China	\$40.00	Unchanged	Up-River with Top Off Plus \$3.85-\$4.75
Deep draft			

Baltic Dry Bulk Freight Index



The Baltic Dry Bulk Freight Index- Cape-Panamax-Supra and Handy

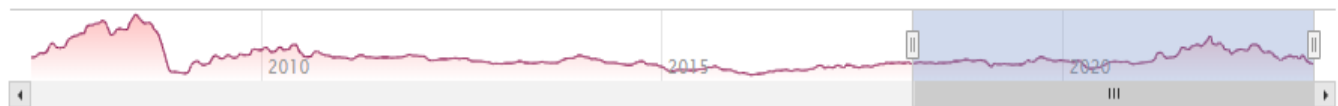
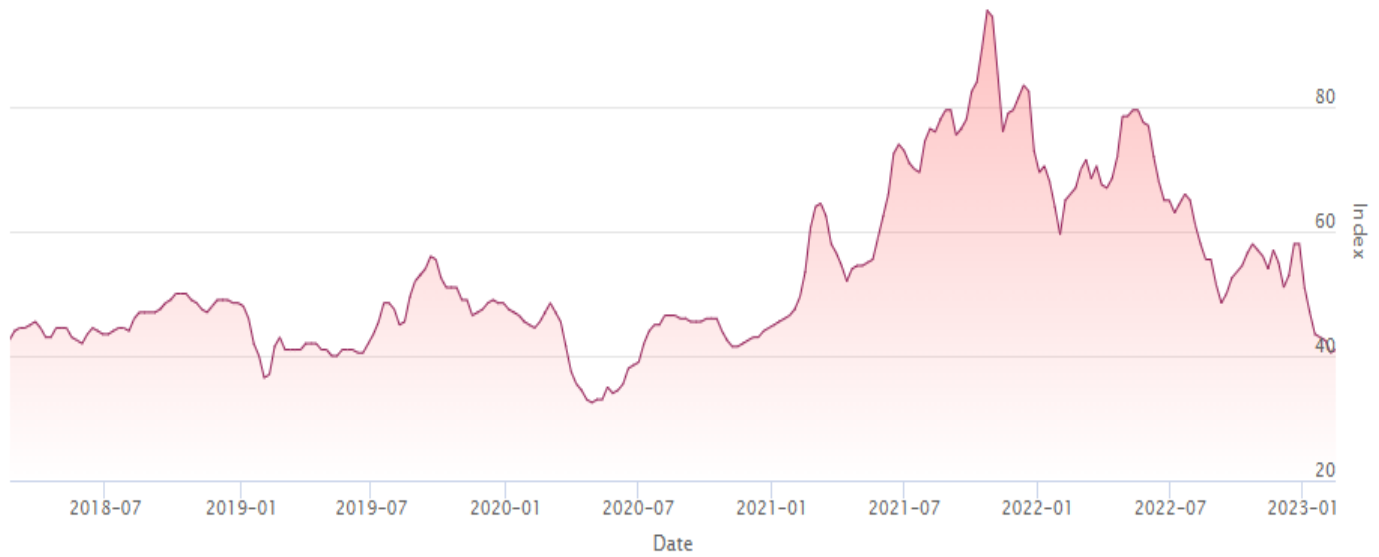
Baltic Average of the Time Charter routes per Segment



YAMAMIZU Index


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

From 2018-02-15 To 2023-02-15



China Import Dry Bulk Freight Index

2023-02-16

Description	Volume	Cargo	Unit	Rate	Change
Composite Index			Point	864.85	-8.17
Iron ore Freight Index			Point	770.3	-13.95
Dampier(West Australia)-Qingdao (China)	170000/10%	Iron ore	\$/ton	6.144	-0.159
Soybean Freight Index			Point	1048.83	-7.29
Santos(Brazil)— North China	66000/10%	Soybean	\$/ton	34.74	-0.2
Tacoma(West America)—North China	63000/10%	Soybean	\$/ton	25.95	-0.24
Mississippi(US Gulf)—North China	66000/10%	Soybean	\$/ton	47.93	-0.37

16 February 2023 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 =	6.7600
Max. 14.5% moisture	BASIS	FLAT PRICE	BASIS	FLAT PRICE	K =	6.7500
Mar.	0.85	\$299.59	1.55	\$327.15	N=	6.6400
Apr.	0.89	\$300.77	1.59	\$328.33	U =	6.0875
May	0.87	\$299.98	1.58	\$327.93	Z=	5.9350
June	0.98	\$299.98	1.65	\$326.36	H =	6.0075
July	0.92	\$297.62	1.60	\$324.39		
August	1.23	\$288.07	1.90	\$314.45		

With no firm rail Corn bids to the PNW for March-April, it is impossible to accurately pinpoint Fob vessel markets out west. Are there no bids because of the lack of available corn or because there is little to no export business; probably a combination of both. PNW Fob vessel values are therefore a best guess.

The Gulf spread between #2 YC & #3 YC is currently about .03 cents per bushel (1.10/mt) at USG but is out to .04/bushel in the PNW.

SORGHUM (USD/MT) FOB VESSEL		
#2 YGS Fob Vessel	TEXAS Gulf	
Max. 14.0% moisture	BASIS	FLAT PRICE
Mar.	2.50	\$364.55
Apr.	2.50	\$364.15
May	2.50	\$364.15
Jun.	2.50	\$359.82
July	2.45	\$357.85

Fob vessel Texas Gulf #2 Sorghum is about 121 % 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	
	Mar.	Apr.	May	June
FOB U.S. GULF	\$325.18	\$325.64	\$325.64	\$323.62
Basis	1.20	1.10	1.10	1.00
WH	7.6500			.
WK	7.7625			
WN	7.8075			

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.	0.99	\$597.26	2.10	\$638.05
Apr.	1.03	\$596.80	2.05	\$634.28
May	0.99	\$595.33	1.95	\$630.61
June	1.04	\$594.14	1.95	\$627.58
July	0.93	\$590.10	1.85	\$623.90
Soybean Futures				
Mar.	\$ 15.2650			
May	\$ 15.2125			
July	\$ 15.1300			
Aug.	\$ 14.8000			
Sept.	\$ 14.1350			
Nov.	\$ 13.8375			

Soybean cargo demand at PNW ports is declining and rail delivery markets there are thin and difficult to accurately pinpoint. The above Fob vessel values in the PNW are therefore based on best guesses.

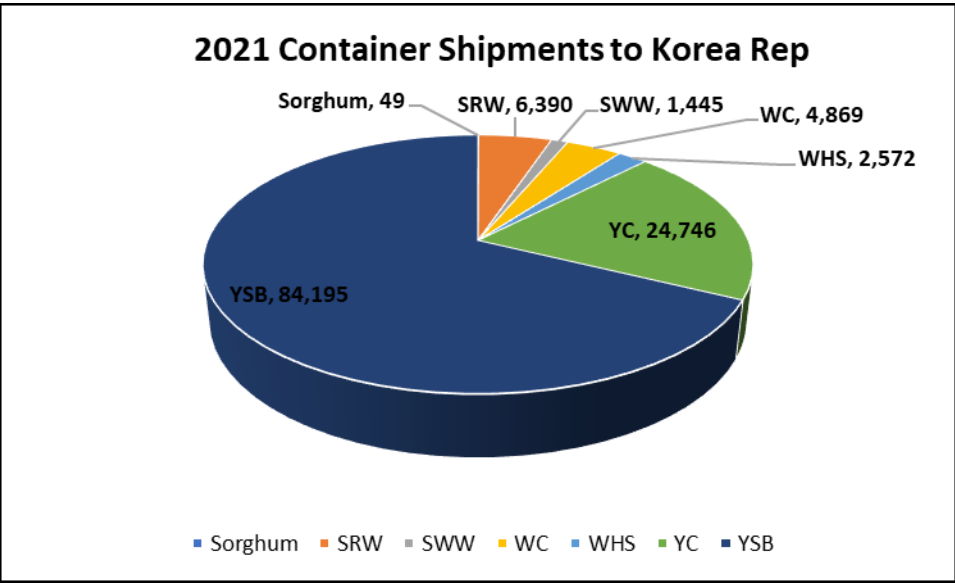
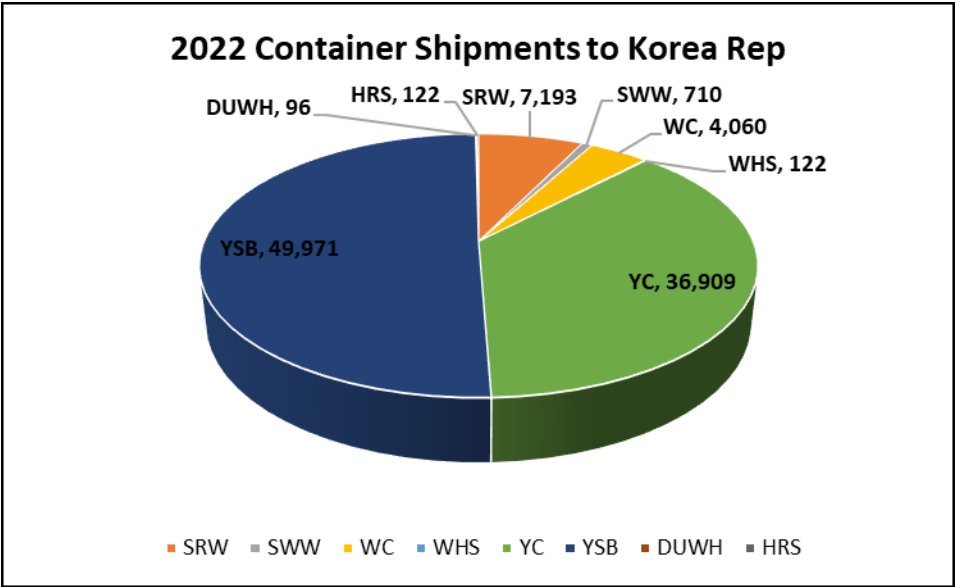
U.S. Soybean and SBM Markets Fob Vessel:

U.S. SBM (USD/MT) FOB Vessel		
Fob U.S. Gulf Port	47.5 Pro. SBM	
max 12.5 % moisture	Basis	Flat Price
Mar.	65.00	\$ 613.43
Apr.	50.00	\$ 579.03
May	43.00	\$ 571.32
June	40.00	\$ 555.33
July	40.00	\$ 555.33
SBM Futures		
SMH	\$ 491.40	
SMK	\$ 475.20	
SMN	\$ 463.70	
SMQ	\$ 449.60	
SMU	\$ 432.70	
SMV	\$ 419.50	

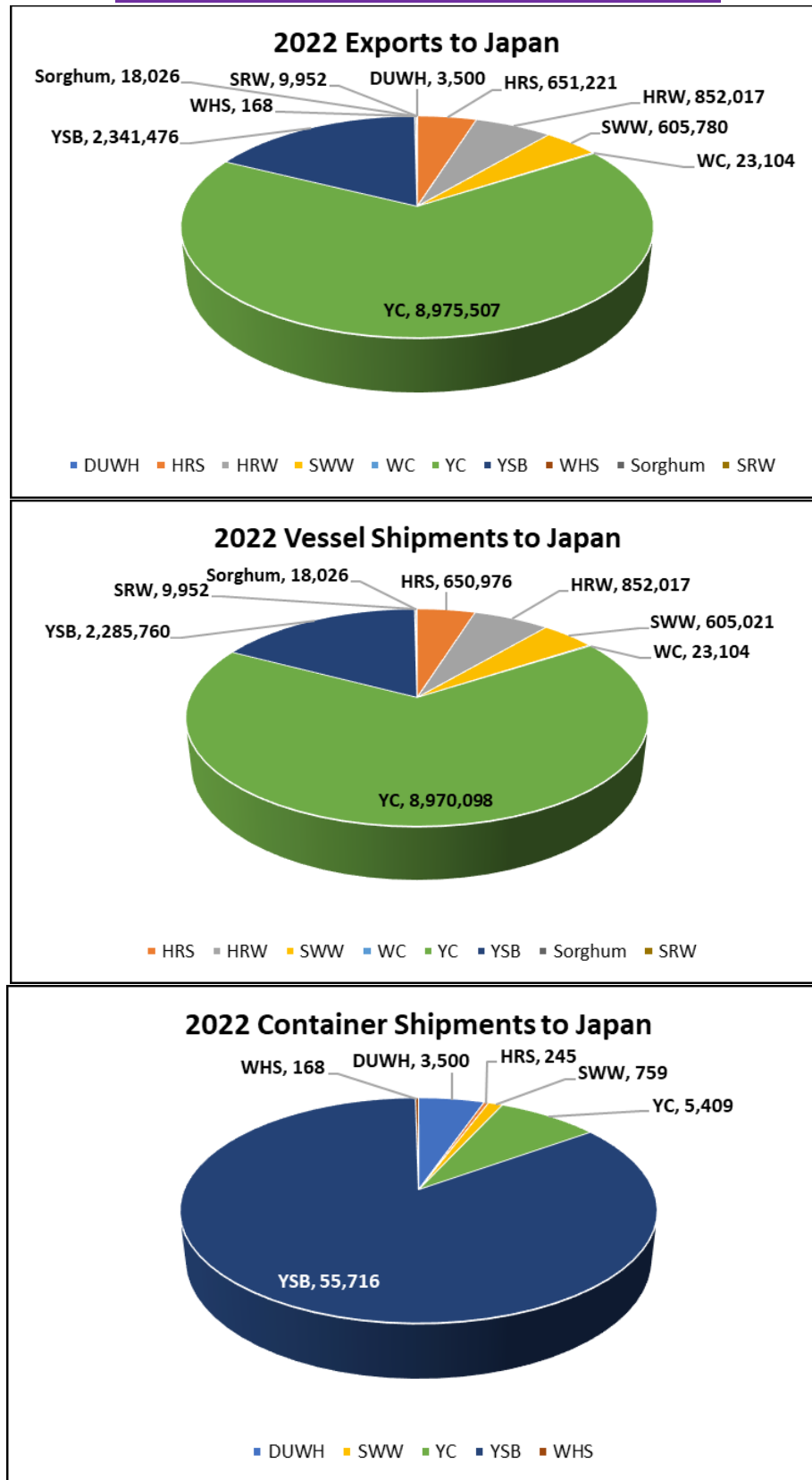
Data sheet below: *USDA weekly export inspections report with corrections to the last three weeks' grain export inspections reports. (This usually covers a 2-5-week prior time frame).*

CONTAINER SHIPMENTS of GRAIN									
USDA Grain Inspections Report:		9-Feb-2023							
Last Week	metric tons								MT
	YC	WC	YSB	SRW	NS	DUWH	SWH	Sorghum	TOTAL
China			39,203						39,203
Taiwan	4,821		6,415	269					11,505
Hong Kong	293		416						709
Costa Rica									0
Indonesia			21,573						21,573
French Poly									0
Japan			2,396						2,396
Korea Rep.	881		1,372	245					2,498
Dominic Rep									0
Malaysia			7,739	882					8,621
Netherlands	1,173								1,173
Philippines	24		1,322						1,346
Thailand			4,971						4,971
Nepal									0
Burma									0
Cambodia									0
India									0
Vietnam			10,626		1,666				12,292
Sub Total:	7,192	0	96,033	1,396	1,666	0	0	0	106,287
USDA Corrections/Additions to previous reports:									
Taiwan	98		122						220
China			489						489
Hong Kong									0
Korea Rep.			490						490
Un Kingdom									0
Japan									0
Philippines									0
Indonesia			833						833
Malaysia									0
Thailand			857						857
Vietnam			489						489
Burma									0
Cambodia			441						441
Sub Total:	98	0	3,721	0	0	0	0	0	3,819
Mt. Grand Total	7,290	0	99,754	1,396	1,666	0	0	0	110,106
Number of Containers	317	0	4,337	61	72	0	0	0	

2021 Annual Totals versus 2022 Annual Totals Container Shipments (in MT)



2022 Total Grain Exports reported by USDA (in MT)



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

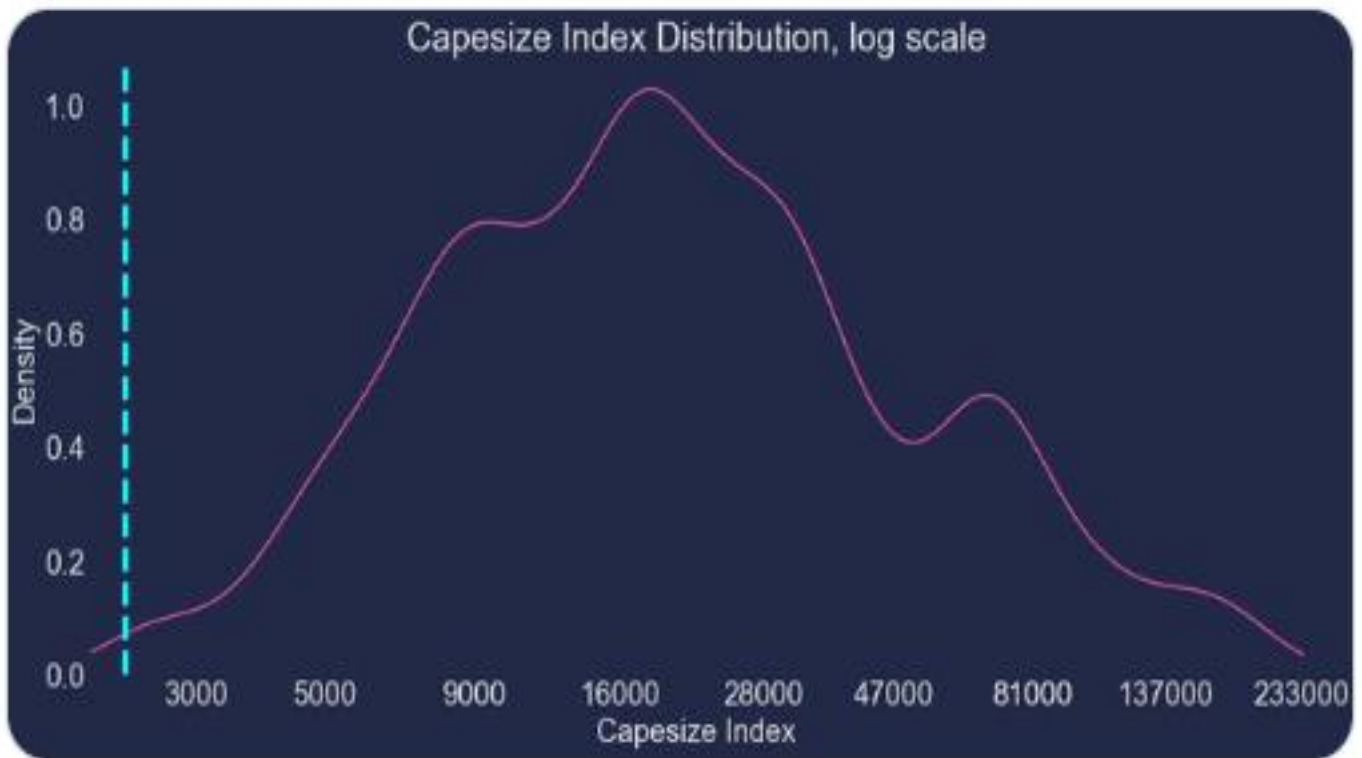
Source: USDA-data

Shipping News

Harry Grimes @HBGrimes · 5h

...

There have been 5,989 Capesize index days since inception. Today was the 24th worst, the 0.4th percentile 🙄



2

2

14

1,662

↑

Sal Mercogliano (WGOW Shipping) 🚢 ⚓ 🏠 ... @mercoglia... · 8h ...
China's shipbuilding market share exceeds Japan and South Korea combined

splash247.com/?p=181813 via @splash_247



splash247.com

China's shipbuilding market share exceeds Japan and South Korea c...
In 2022, Chinese shipbuilders reached a market share of 47% and for the first time exceeded the combined market share of Japanese and ...

U.S. Container Freight Markets

Tom Craig @LTDManagement · Feb 15

...

[#Retailers](#) are heading into negotiations they hope can lower what they pay for ocean shipments. For decades, [#transportation](#) cost got no recognition in C-suites or articles. No credit for low costs. Now...
[#supplychain](#) [#logistics](#)

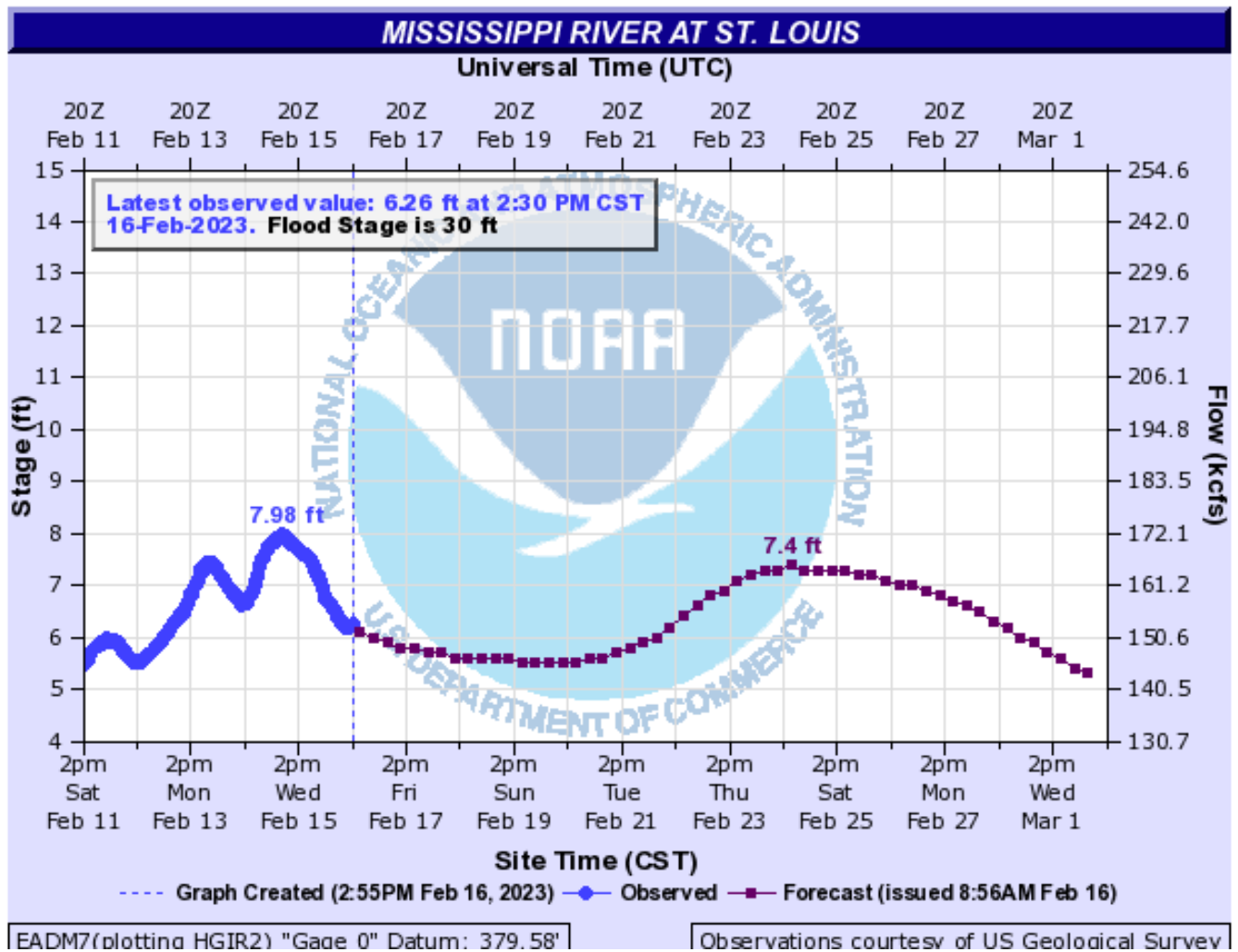


wsj.com

Retailers Hope to Bargain for Lower Ocean-Freight Rates

Retailers in the U.S. hope to slash shipping costs and save millions of dollars when they sit down later this month to negotiate long-term ...

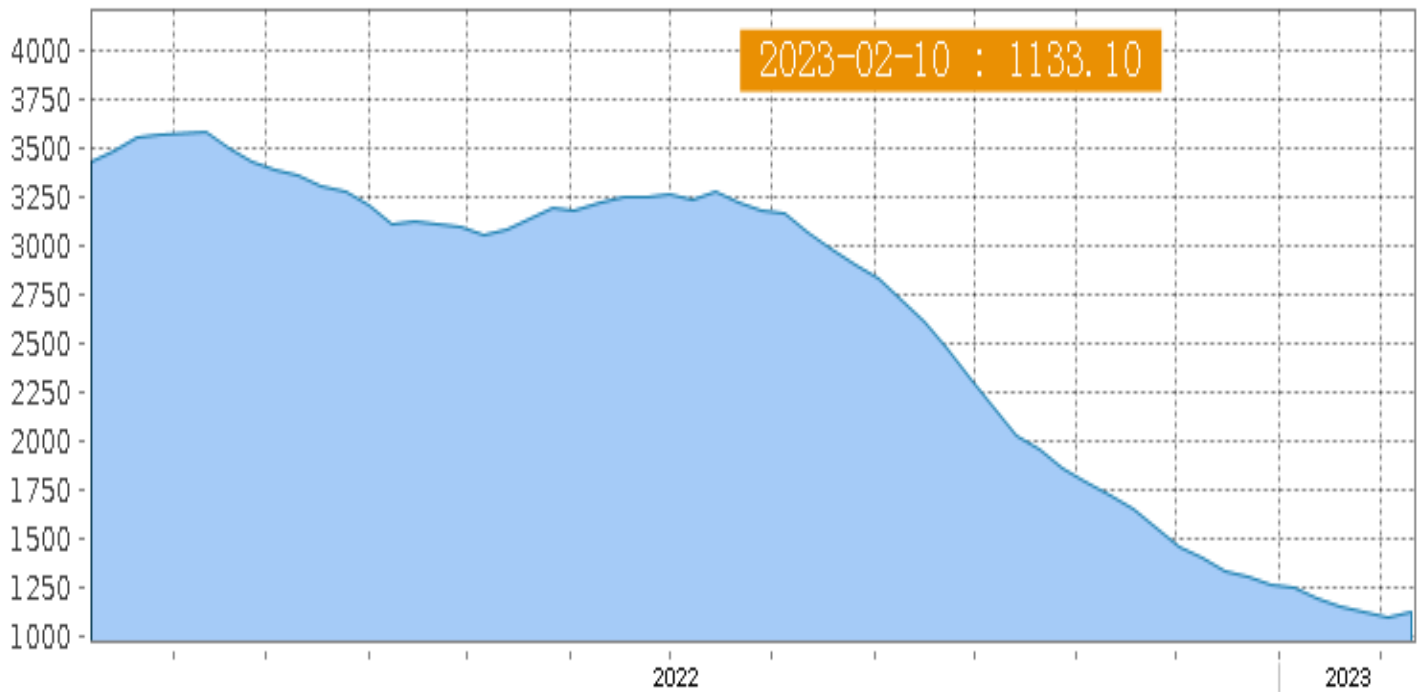
U.S. River Markets -



China Import Dry Bulk Freight Index



China Containerized Freight Index



Secondary Rail Car Market for Car placement period: First Half March 2023

Secondary Rail Car Market Placement FH March 2023	BID USD	ASK USD	BID BU.	ASK BU.	BID MT	ASK MT
BNSF Shuttle Trains	\$ (250)	\$ (150)	\$ (0.06)	\$ (0.04)	\$ (2.46)	\$ (1.48)
UPRR Shuttle Trains	\$ (250)	\$ (100)	\$ (0.06)	\$ (0.03)	\$ (2.46)	\$ (0.98)

U.S. RIVER BARGE FREIGHT

Barge Freight for Loading Placement First Half March 2023

Placement FH March 2023	% of Tariff	MT	Corn BU	Soybeans-Wheat BU
Upper Mississippi	Closed	\$ -	0.00	0.00
Illinois River (Pekin and South)	520	\$ 35.48	0.90	0.97
Mid-Mississippi	Closed	\$ -	0.00	0.00
Lower Ohio	465	\$ 22.86	0.58	0.62
St. Louis	385	\$ 16.93	0.43	0.46

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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