HJ O'NEIL COMMODITY CONSULTING

Transportation and Export Report for 17 February 2022

Dry Bulk markets continued to bounce back from their holiday lows. Business improved slightly in the Atlantic and this helped to support physical and paper markets. Capesize markets however continue to struggle, and this is giving some pause to the market bulls. Volatility will certainly continue, but freight markets do not appear to have any defined direction yet.

No big news or meaningful changes in container freight markets this week.

BALTIC DRY-BULK PANAMAX INDEX CHANGES

Panamax Ocean Freight Indices					
17-Feb-2022		This Week	Last Week	Difference	Percent Change
P2A: Gulf/Atlantic - Japan	Index	30273	29450	823	2.8%
P3A: PNW/Pacific - Korea	Index	23150	21216	1,934	9.1%
S1C: US GULF-China-So.Japan	Index	33271	30500	2,771	9.1%
P7: Trial- Miss. River - Qingdao	per ton	64.35	64.63	-0.3	-0.4%
P8: Trial- Santos - Qingdao	per ton	53.07	54.10	-1.0	-1.9%

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

Four weeks ago: $750-$7.80
Three weeks ago: $6.10-$7.40
Two weeks ago: $6.00-$7.30
One week ago: $7.00-$8.45
This week $7.00-$8.00

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) 0-8 days
Pacific Northwest: (9 elevators) 2 - 12 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					
17-Feb-2022	GULF	PNW	Bushel Spread	Tonne Spread	Advantage
CORN	1.03	1.60	0.57	$22.44	PNW
SOYBEANS	1.30	2.05	0.75	$27.56	BOTH
OCEAN FREIGHT	$64.50	$35.50	.74 -.79	$29.00	March

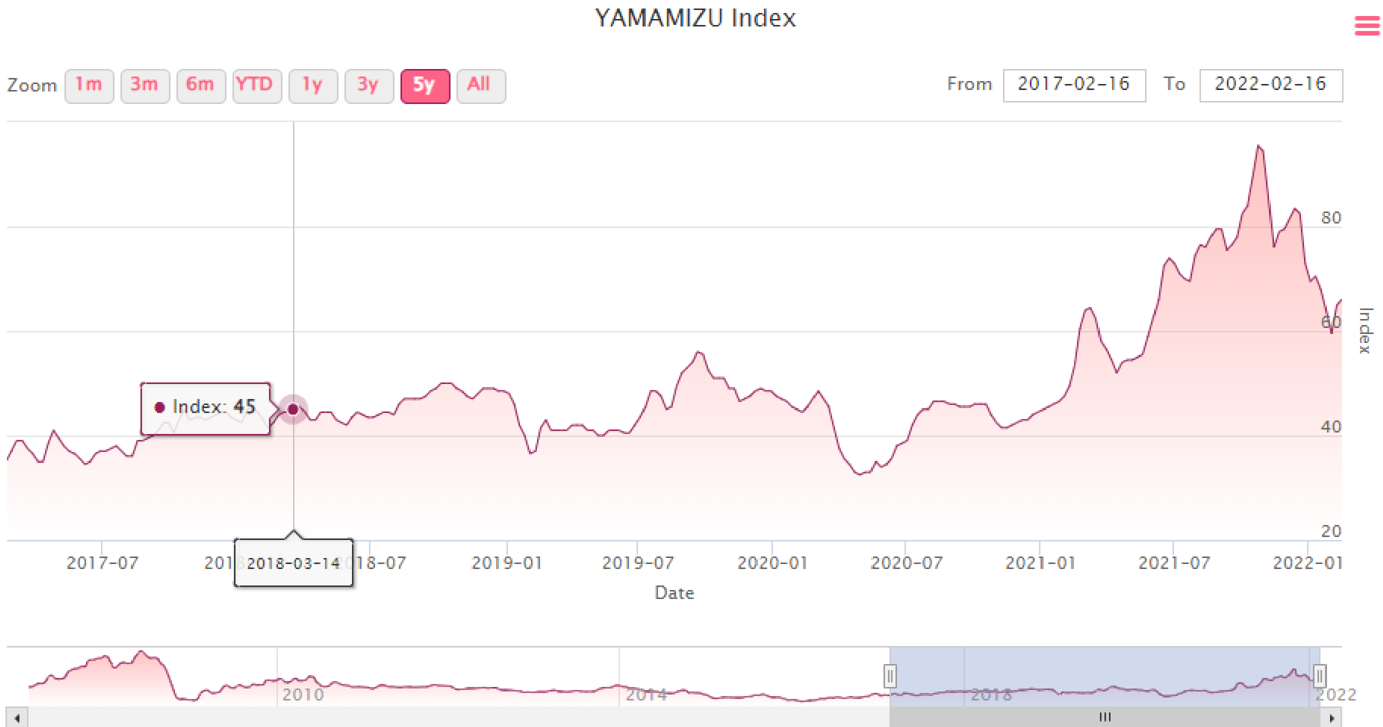
Current Grain Vessel Market Indications:

** 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 $41.00 -$42.50/mt.
Soybean Brazil to Spain about $52.00 -53.50/mt.

Route and Vessel Size	Current Week USD/MT	Change from previous week	Remarks
55,000 U.S. Gulf-Japan	$66.00	Up $1.00	Handymax $66.50 mt
55,000 U.S. PNW- Japan	$36.25	Up $0.25	Handymax at $37.00 mt
65,000 U.S. Gulf – China PNW to China	$64.50 $35.50	Up $1.00 Up $0.50	North or South China
25,000 U.S. Gulf- Veracruz, México	$24.75	Up $0.75	3,000 MT daily discharge rate
35-40,000 U.S. Gulf-Veracruz, México	$21.50	Up $0.25	Deep draft and 6,000 MT per day discharge rate.
30-38,000 U.S. Gulf-Colombia 50,000 USG- E/C Colombia East Coast Colombia From Argentina	$35.50 $34.75 $48.50	Up $0.75	West Coast Colombia at $41.75
40-45,000 U.S. Gulf - Guatemala	$44.00	Up $0.50	Acajutla/Quetzal - 8,000 out
30,000 US Gulf-Morocco	$55.50	Up $1.50	5,000 discharge rate
55-60,000 U.S. Gulf –Egypt PNW to Egypt	$55.00 $55.00	Up $1.00	55,000-60,000 mt Egypt Romania - Russia- Ukraine $21.00-$21.00-$22.00 France $32.00
58-74,000 U.S. Gulf – Europe – Rotterdam	$24.00	Unchanged	Handymax at +$2.50 more
Brazil, Santos –China Brazil, Santos –China Up-River Port North Brazil	$56.50 $54.00 $62.50	Up $1.50	54-59,000 Supramax-Panamax 60-66,000 Post Panamax 55-60,000 mt
56-60,000 Argentina-China Deep draft	$61.50	Up $1.50	Up-River with Top Off Plus $3.75-$4.00

The Baltic Dry Bulk Freight Index

Baltic Capesize Index



China Import Dry Bulk Freight Index 2022-02-17					
Description	Volume	Cargo/Vessel Size	Unit	Rate	Change
Composite Index			Point	1227.44	-32.74
Iron ore Freight Index			Point	987.02	-52.06
Dampier(West Australia)-Qingdao (China)	170000/10%	Iron ore	$/ton	7.6	-0.379
Soybean Freight Index			Point	1518.17	-13.98
Santos(Brazil)— North China	66000/10%	Soybean	$/ton	53.74	-0.66
Santos(Brazil)—North China	60000/10%	Soybean	$/ton	54.99	-0.68
Tacoma(West America)—North China	63000/10%	Soybean	$/ton	35.59	-0.45
Mississippi(US Gulf)—North China	66000/10%	Soybean	$/ton	64.6	-0.24

17 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=	6.5000
Max. 14.5% moisture	BASIS	FLAT PRICE	BASIS	FLAT PRICE	K =	6.4975
Mar.	1.03	**$296.44**	1.60	**$318.88**	N =	6.4500
Apr.	0.96	**$293.59**	1.55	**$316.81**	U =	6.0775
May	0.92	**$292.01**	1.55	**$316.81**	Z=	5.9650
June	0.90	**$289.35**	1.55	**$314.94**	H =	6.0350
July	0.85	**$287.39**	1.55	**$314.94**		
Aug.	1.15	**$284.53**	1.85	**$312.09**		

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	**$344.47**
Apr.	2.25	**$344.37**
May	2.25	**$344.37**
June	2.25	**$342.50**
July	2.20	**$340.53**

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	$350.81	$348.97	$347.32	$347.32
Basis	1.50	1.45	1.45	1.45
WH	7.9800			.
WK	8.0475			
WN	8.0025			

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	**$632.72**	2.05	**$660.28**
Apr.	1.10	**$626.84**	1.85	**$654.40**
May	1.08	**$626.11**	1.85	**$654.40**
June	1.06	**$624.45**	1.85	**$653.48**
July	1.07	**$624.82**	1.85	**$653.48**
Soybean Futures				
Mar.	$ 15.9200			
May	$ 15.9600			
July	$ 15.9350			
Aug.	$ 15.5925			
Sept.	$ 14.9600			
Nov.	$ 14.6075			

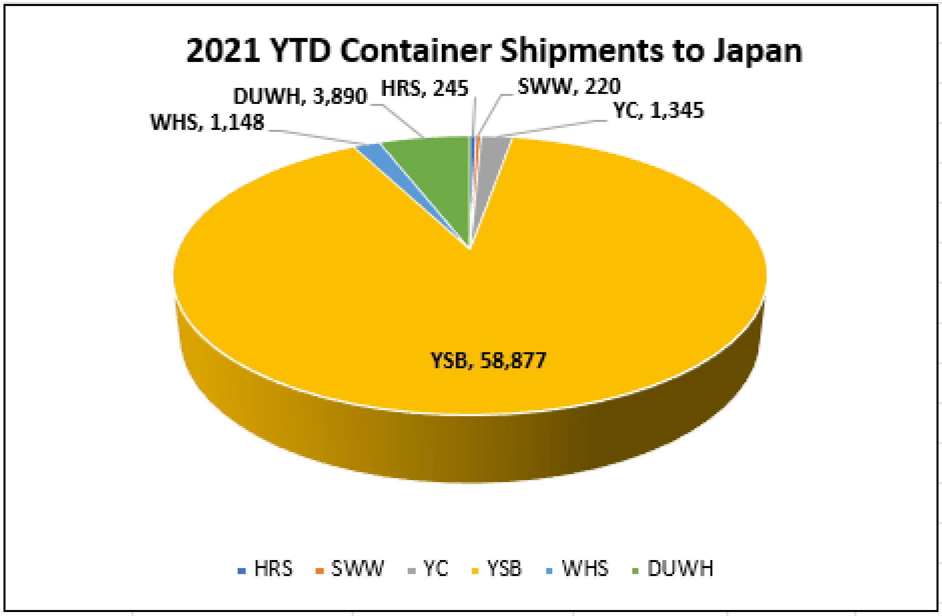
U.S. Soybean and SBM Markets Fob Vessel:

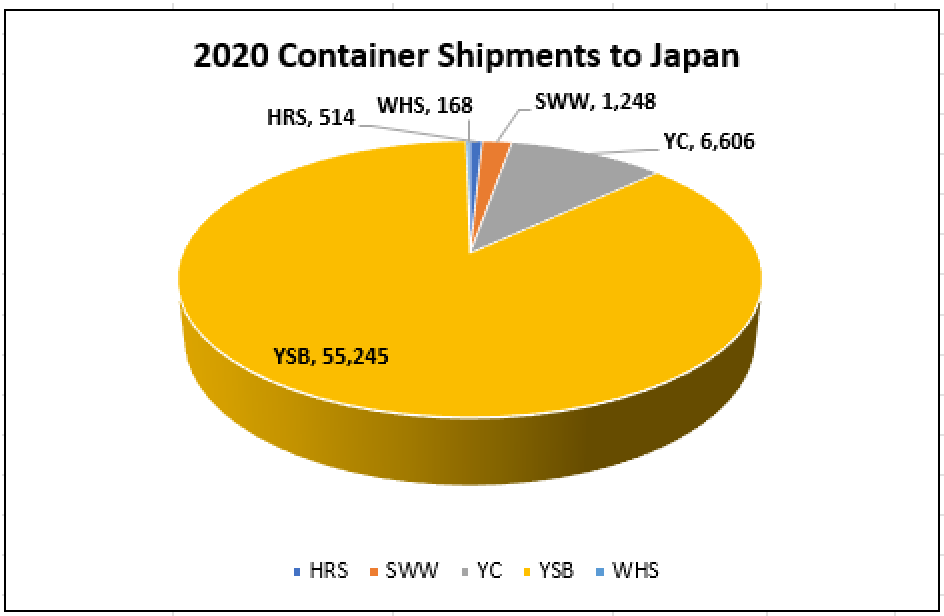
U.S. SBM (USD/MT) FOB Vessel		
Fob U.S. Gulf Port	**47.5 Pro. SBM**	
max 12.5 % moisture	Basis	Flat Price
Mar.	45.00	**$ 544.86**
Apr.	45.00	**$ 542.98**
May	45.00	**$ 542.98**
June	45.00	**$ 542.54**
July	43.00	**$ 540.34**
SBM Futures		
SMH	$ 449.20	
SMK	$ 447.50	
SMN	$ 447.10	
SMQ	$ 439.40	
SMU	$ 429.90	
SMV	$ 421.40	

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).*

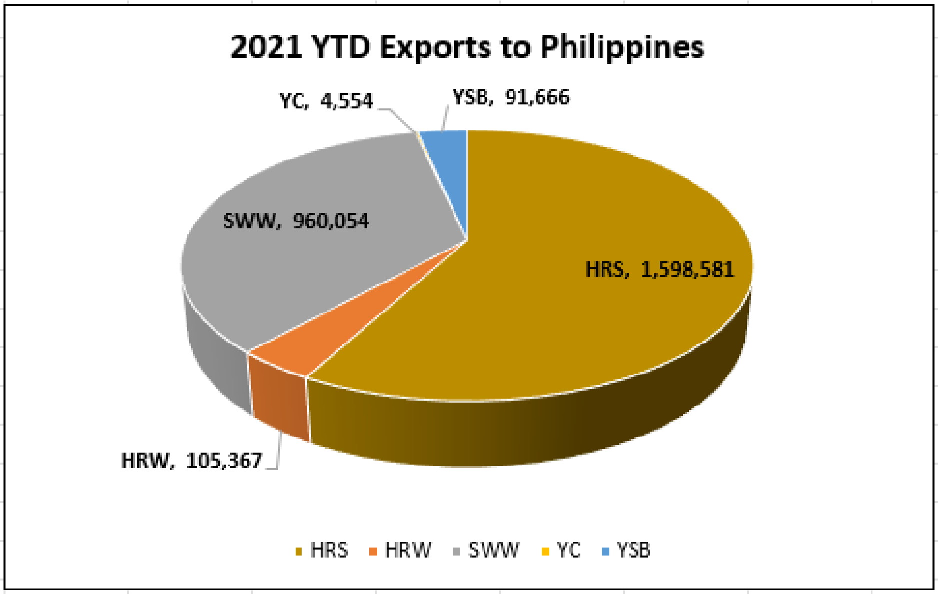
CONTAINER SHIPMENTS of GRAIN									
USDA Grain Inspections Report:			10-Feb-2022						
Last Week	metric tons								MT
	YC	WC	YSB	SRW	NS	SWH	HRW	Sorghum	TOTAL
China			23,942					4,728	28,670
Taiwan	9,374		10,972						20,346
Hong Kong	758								758
Costa Rica									0
Indonesia			16,480						16,480
French Poly									0
Japan			1,029						1,029
Korea Rep.	48		1,029			734			1,811
Saudi Arabia									0
Malaysia	147		6,682						6,829
Colombia									0
Philippines			316						316
Thailand			2,915						2,915
Cambodia			73						73
Burma									0
Senegal									0
Nepal			3,134						3,134
Vietnam			8,569						8,569
Sub Total:	**10,327**	**0**	**75,141**	**0**	**0**	**734**	**0**	**4,728**	**90,930**
USDA Corrections/Additions to previous reports:									
Taiwan									0
China			906						906
Hong Kong									0
Korea Rep.									0
French Poly									0
Japan									0
Philippines									0
Indonesia									0
Malaysia									0
Thailand									0
Vietnam			857						857
Bangladesh									0
Un Arab Em									0
Sub Total:	0	0	1,763	0	0	0	0	0	1,763
Mt. Grand Total	**10,327**	**0**	**76,904**	**0**	**0**	**734**	**0**	**4,728**	**92,693**
Number of Containers	449	0	3,344	0	0	32	0	206	

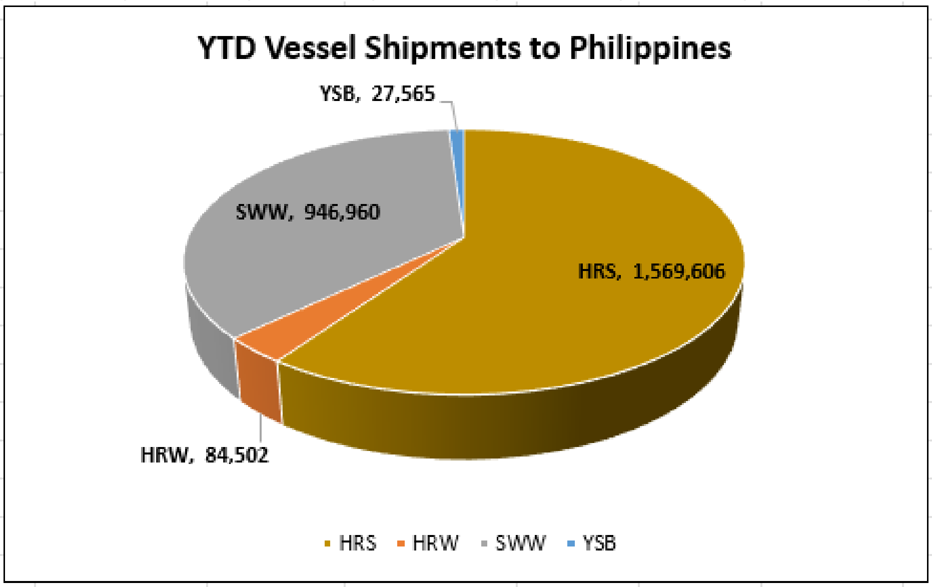
Jan - Dec 2020 Annual Totals versus 2021 Annual Total Container Shipments (in MT)

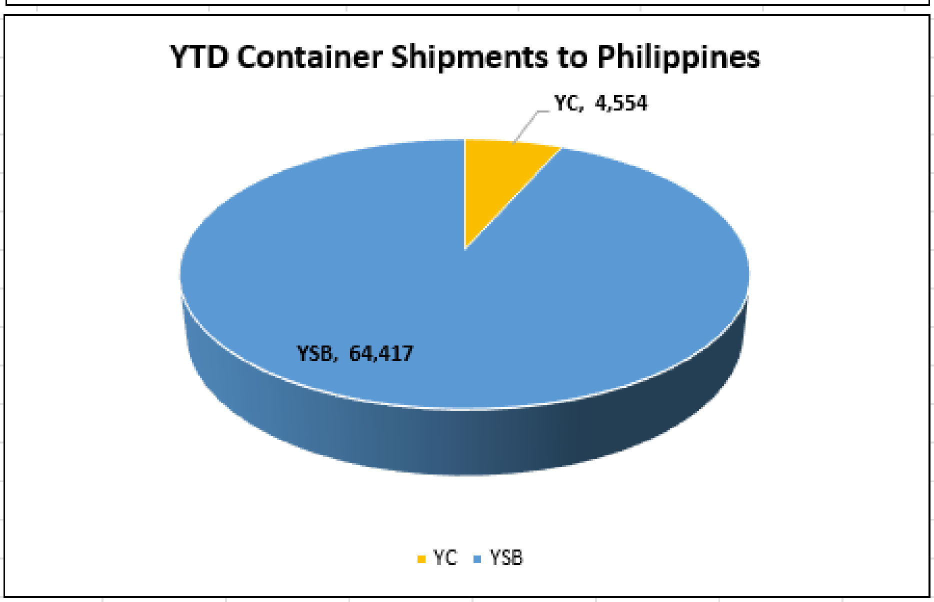




2021 Total Grain Exports reported by USDA (in MT)







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

Source: USDA-data

Shipping News

Peter Tirschwell @PeterTirschwell · 5h

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...

1 8 11

Marine Exchange @MXSOCAL · 1h

Ship Report 2/16: 87 total ships inport LA/LB including 29 at anchor or loitering & 58 at berths. Of the 87, 32 are container ships including 5 at anchor or loitering & 27 at berths. 2 vessels loitering; 1 container, 1 bulk.

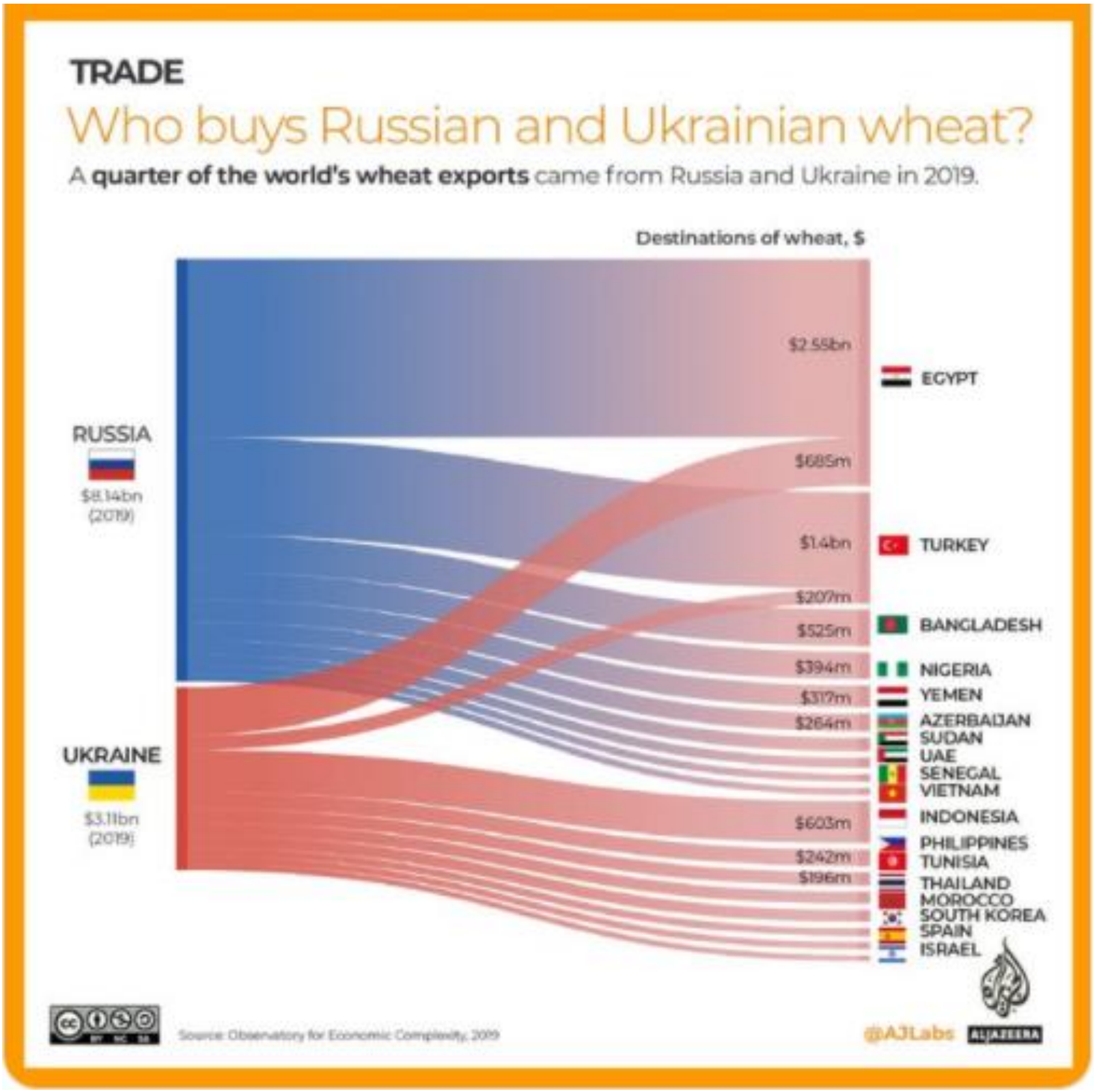
Splash OFFSHORE

[California leases six properties to store up to 20,000 containers off port]

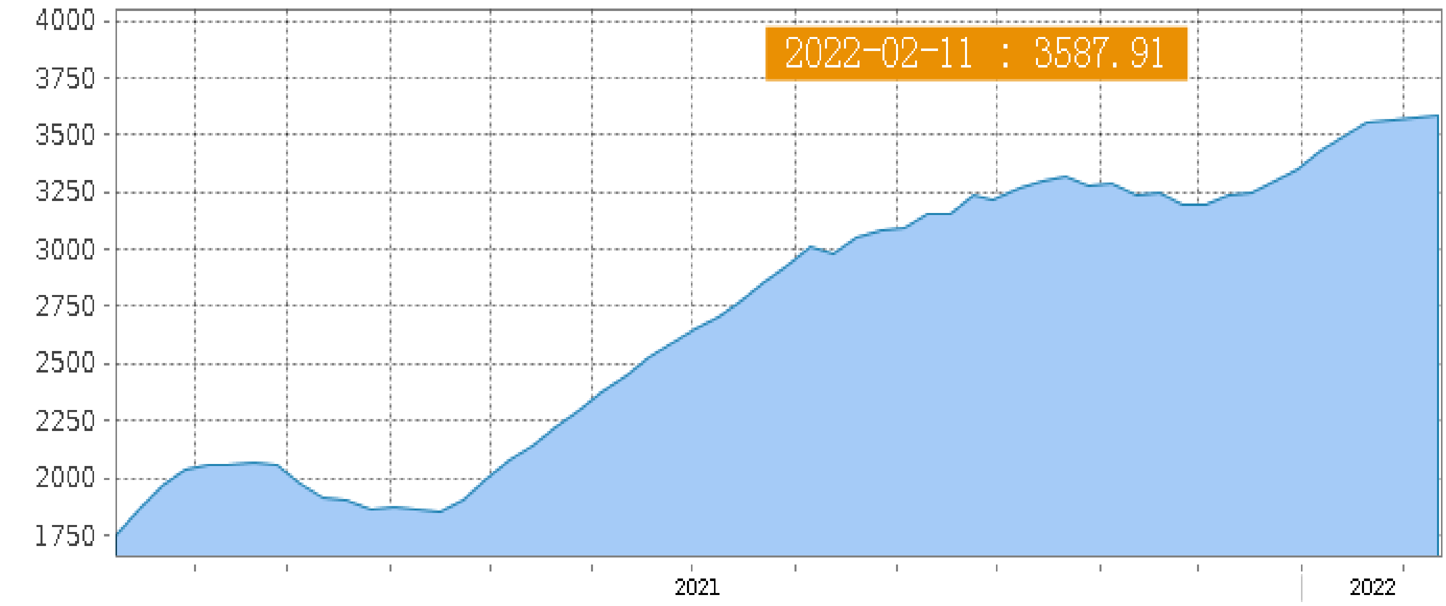
Feb 17, 2022 11:00 am | Kim Biggar

The Government of California has leased six sites for the storage of shipping containers to help alleviate congestion at the state's ports. National warehouse marketplace Chunker leased the sites from the California Department of General Services for one year, with an option for a second year. The properties include three armories, a former prison and …

National warehouse marketplace Chunker leased the sites from the California Department of General Services for one year, with an option for a second year. The properties include three armories, a former prison and two fairgrounds.


TRADE
Who buys Russian and Ukrainian wheat?
A **quarter of the world's wheat exports** came from Russia and Ukraine in 2019.
Destinations of wheat, $
RUSSIA
$8.14bn (2019)
UKRAINE
$3.11bn (2019)
$2.55bn
EGYPT
$685m
$1.4bn
TURKEY
$207m
$525m
BANGLADESH
$394m
NIGERIA
$317m
YEMEN
$264m
AZERBAIJAN
SUDAN
UAE
SENEGAL
VIETNAM
$603m
INDONESIA
PHILIPPINES
$242m
TUNISIA
$196m
THAILAND
MOROCCO
SOUTH KOREA
SPAIN
ISRAEL
Source: Observatory for Economic Complexity, 2019
@AJLabs
ALJAZEERA

China Containerized Freight Index



China Import Dry Bulk Freight Index

Secondary Rail Car Market for Car placement period: Last Half March 2022

Secondary Rail Car Market Placement FH. March 2022	BID USD	ASK USD	BID BU.	ASK BU.	BID MT	ASK MT
BNSF Shutle Trains	$ (200.00)	$ (100.00)	$ (0.05)	$ (0.03)	$ (1.97)	$ (0.98)
UPRR Shuttle Trains	$ -	$ 100.00	$ -	$ 0.03	$ -	$ 0.98

U.S. RIVER BARGE FREIGHT

Barge Freight for Loading Placement Last Half March 2022

Placement FH. March 2022	% of		Corn	Soybeans-Wheat
	Tariff	MT	BU	BU
Upper Mississippi	Closed			
Illinois River (Pekin and South)	485	$33.09	0.84	0.90
Mid-Mississippi	Closed			
Lower Ohio	450	$22.12	0.56	0.60
St. Louis	415	$18.25	0.46	0.50

Best Regards,

Jay
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