HJ O'NEIL COMMODITY CONSULTING

Transportation and Export Report for 18 February 2021

"Damn the torpedoes, full speed ahead". It was a week of exceptional volatility in Dry-Bulk markets. The excitement started in the Capesize sector and flowed over into Panamax and Supramax markets. Market action was fundamentally unexplainable other than buyer euphoria, or drunkenness, overtook things and carried the day. It was as though Reddit and Robinhood traders got hold of freight markets. Conventional wisdom, if valid anymore, would lead one to believe we will see profit taking and a market adjustment in the coming days. There has not been a big influx of physical cargo demand that would justify such a market jump. Please approach this week's rate action with extreme caution. Personally, I would not want to lock in a rate this week if avoidable. Best to fasten seat belts and hold on.

BALTIC DRY-BULK PANAMAX INDEX CHANGES

Panamax Ocean Freight Indices					
18-Feb-2021		This Week	Last Week	Difference	Percent Change
P2A : Gulf/Atlantic - Japan	per day	31636	26732	4,904	18.3%
P3A - PNW/Pacific -Korea	per day	21296	13850	7,446	53.8%
S1C -USGULF-China-So.Japan	per day	31333	27775	3,558	12.8%
P7- Trial- Miss. River - Qingdao	per ton	56.693	51.983	4.7	9.1%
P8- Trial- Santos - Qingdao	per ton	48.314	40.208	8.1	20.2%

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

Four weeks ago:	\$7.75-\$8.20
Three weeks ago:	\$6.35-\$7.20
Two weeks ago:	\$5.90-\$6.05
One week ago:	\$5.75-\$6.05
This week	\$6.10-\$8.50

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

Mississippi River:	(10 elevators)	2-5 days (1 facility not currently operating)
Miss. River Mid-Stream loaders:	(6+ Rigs)	0-4 days
Texas Gulf	(6 elevators)	1-10 days (only 2 facilities over 2 days)
Pacific Northwest:	(9 elevators)	2-10 days

Panamax Market Spreads to Asia -China					
18-Feb-2021	PNW	GULF	Bushel Spread	MT Spread	Advantage
CORN	1.45	0.87	0.58	\$22.83	BOTH
SOYBEANS	1.50	0.80	0.70	\$27.56	GULF
OCEAN FREIGHT	\$31.50	\$53.00	.55-.59	\$21.50	March

Recent Reported Vessel Fixtures:

** Below rates are estimates for the nearby-30-day slots. 60-90 days forward rates will usually be higher.

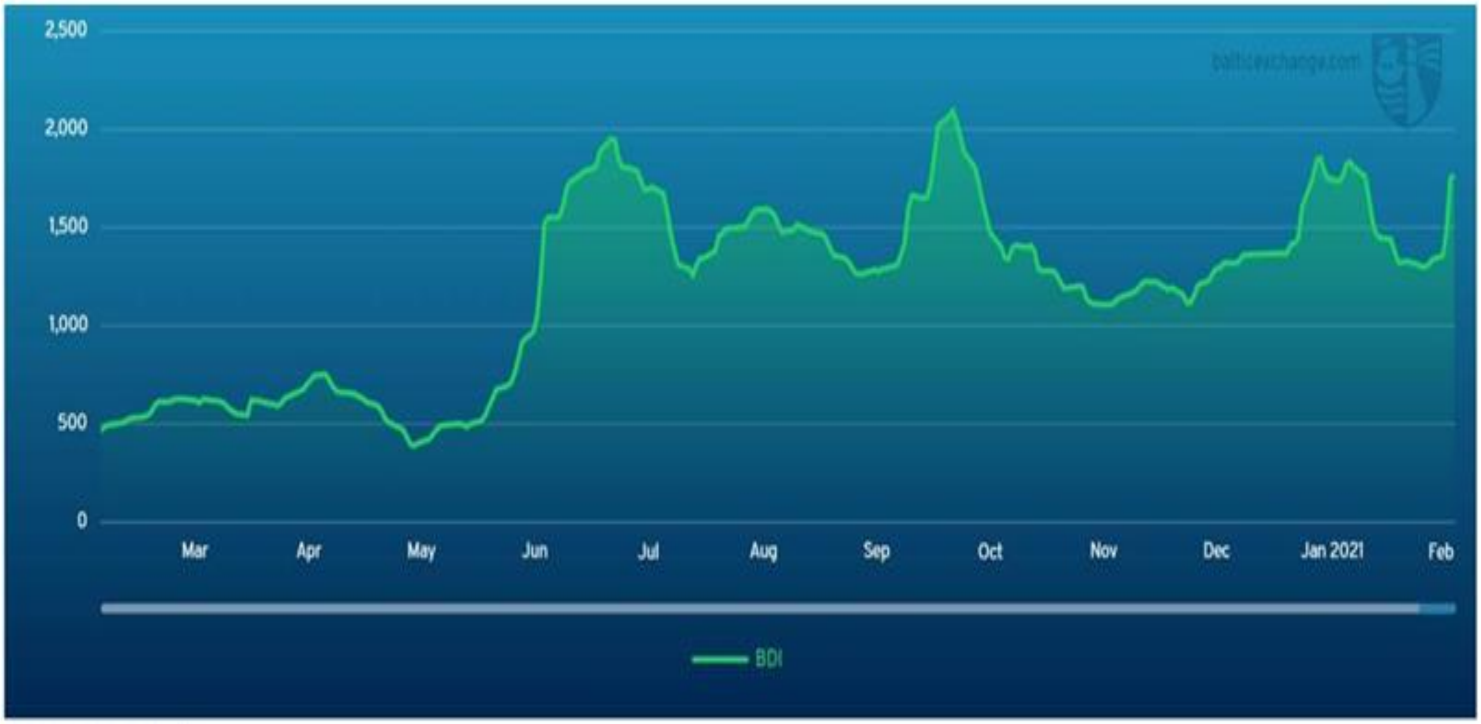
Soybean Panamax USG to Spain is running $30.75-$32.50/mt.

Soybean Brazil to Spain about $38.25 -40.50/mt.

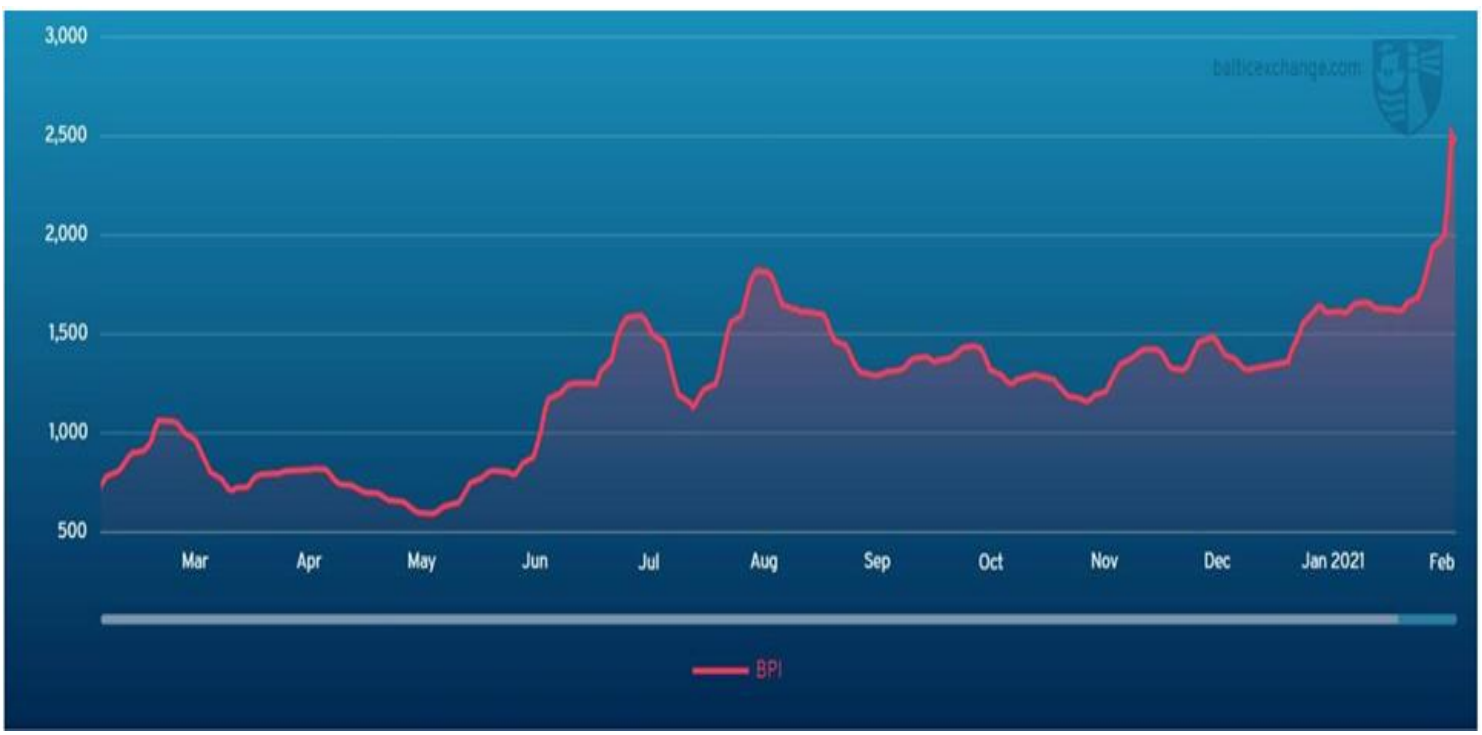
30,000 mt Corn Northern Brazil to Vera Cruz, Mexico $27.75-$30.50 mt .To U.S. E/C about $31.50-$32.50/mt

Route and Vessel Size	Current Week USD/MT	Change from previous week	Remarks
55,000 U.S. Gulf-Japan	$54.00	Up $5.00	Handymax $505 mt
55,000 U.S. PNW- Japan	$32.25	Up $5.25	Handymax $27.00 mt
66,000 U.S. Gulf – China PNW to China	$53.00 $31.00	Up $5.00 Up $5.25	North China
25,000 U.S. Gulf- Veracruz, México	$24.00	Up $3.00	3,000 MT daily discharge rate
30-36,000+ U.S. Gulf- Veracruz, México	$20.50	Up $2.75	Deep draft and 6,000 MT per day discharge rate.
30-38,000 U.S. Gulf- Colombia	$30.00	Up $4.00	West Coast Colombia at $39.00
East Coast from USG Colombia E/C from Argentina	$39.00 $40.50		USG to E/C 50,000 mt at $24.50
43-45,000 U.S. Gulf - Guatemala	$36.00	Up $4.00	Acajutla/Quetzal - 8,000 out
26-30,000 U.S. Gulf – Algeria	$38.25 $40.75	Up $5.00	8,000 mt daily discharge 3,000 mt daily discharge
26-30,000 US Gulf-Morocco	$40.50	Up $5.00	5,000 discharge rate
55-60,000 U.S. Gulf –Egypt PNW to Egypt	$40.50 $41.00	Up $5.00	60,000 -55,000 mt -Egypt Romania- Russia- Ukraine $15.00-$15.50 -$16.00 France $20.50
60-70,000 U.S. Gulf – Europe – Rotterdam	$20.00	Up $2.50	Handymax at +$1.75-$2.00 more
Brazil, Santos – China Brazil, Santos – China Northern Coast Brazil	$47.50 $47.00 $48.00	Up $9.00	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	$53.25	Up $9.00	Upriver with BB Top Off Plus $3.75 mt

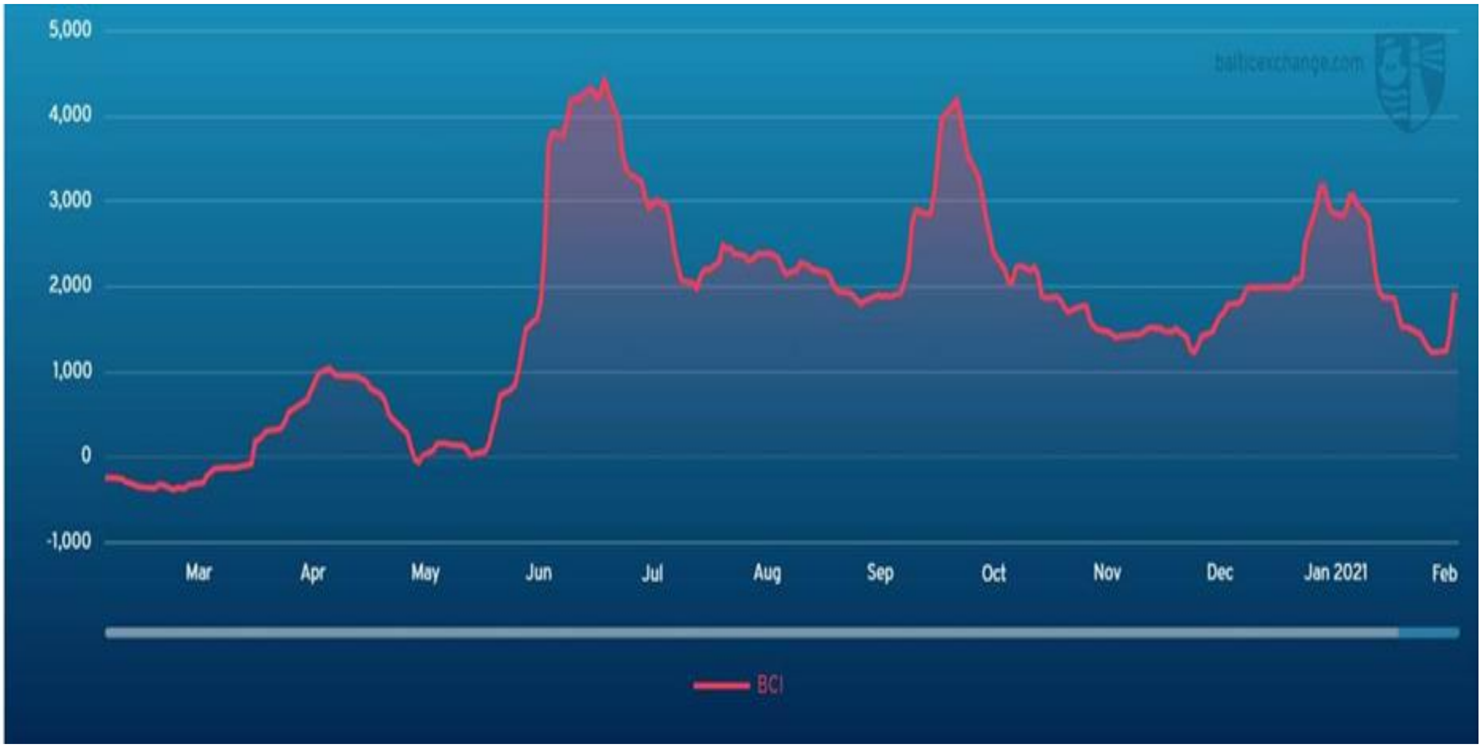
The Baltic Dry Freight Index

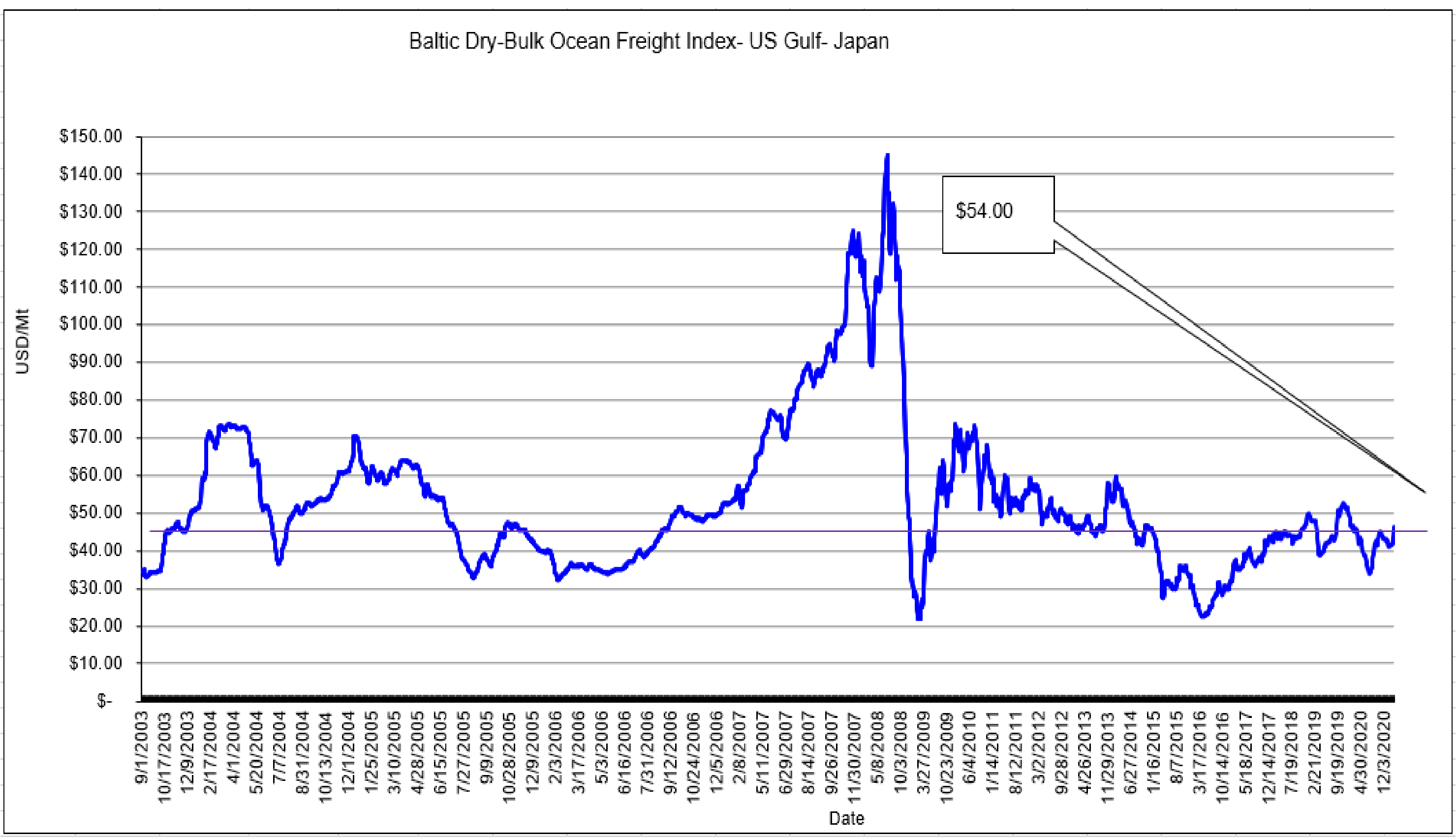


<u>Baltic Panamax Index</u>



Capesize Market Chart





China Import Dry Bulk Freight Index 2021-02-18					
Description	Size MT	Cargo/Vessel Size	Unit	Rate	Change
Composite Index			Point	1066.3	223.7
Iron ore Freight Index			Point	947.19	218.46
Dampier(West Australia)-Qingdao (China)	170000/10%	Iron ore	$/ton	8.277	2.485
Soybean Freight Index			Point	1340.44	264.55
Santos(Brazil)— North China	66000/10%	Soybean	$/ton	47.25	10.575
Santos(Brazil)—North China	60000/10%	Soybean	$/ton	48.25	10.883
Tacoma(West America)—North China	63000/10%	Soybean	$/ton	31.5	5.867
Mississippi(US Gulf)—North China	66000/10%	Soybean	$/ton	57.333	9.375

18 February 2021 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
Mar.	0.87	**$250.87**	1.45	**$273.70**
Apr.	0.90	**$251.56**	1.43	**$272.43**
May	0.91	**$251.95**	1.45	**$273.21**
Jun.	1.03	**$252.74**	1.55	**$273.21**
July	1.02	**$252.35**	1.55	**$273.21**
Aug.	1.55	**$251.36**	2.08	**$272.23**

The Gulf spread between #2 & #3 YC is currently about .03 cents per bushel (1.18/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
Mar.	3.20	**$342.60**
Apr.	3.20	**$342.11**
May	3.15	**$340.14**
June	3.20	**$338.17**
July	3.15	**$336.20**

Fob vessel Texas Gulf #2 Sorghum is about 137% the value of #2 Yellow Corn at NOLA. And is over the price of Fob SRW Wheat at the U.S. Gulf.

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	$296.70	$292.20	$284.85	$275.48
Basis	1.45	1.30	1.10	1.00
WH	6.6250			.
WK	6.6525			
WN	6.4975			

2/181/2021 CME Corn Futures	Close Bushel	Close MT.	Last Week. Bushel	Last Week. Bu. Diff.	Last Week MT	MT Diff.
Mar.	$ 5.5025	$ 216.62	$ 5.5000	0.0025	$ 216.52	$ 0.10
May	$ 5.4900	$ 216.13	$ 5.4750	0.0150	$ 215.54	$ 0.59
July	$ 5.3900	$ 212.19	$ 5.3675	0.0225	$ 211.31	$ 0.89
Sept.	$ 4.8350	$ 190.34	$ 4.7775	0.0575	$ 188.08	$ 2.26
Dec.	$ 4.5925	$ 180.80	$ 4.5175	0.0750	$ 177.84	$ 2.95
Mar.	$ 4.6675	$ 183.75	$ 4.5800	0.0875	$ 180.30	$ 3.44

CBOT March 2021 (CH21) CORN Futures Chart –

CME/CBOT March 2021 (WH21) 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.	0.80	**$534.62**	1.50	**$560.34**
Apr.	0.88	**$538.11**	1.50	**$560.89**
May	0.90	**$538.84**	1.48	**$560.15**
June	1.07	**$540.77**	1.60	**$560.24**
July	1.07	**$540.77**	1.59	**$559.88**
Soybean Futures				
Mar.	$ 13.7500			
May	$ 13.7650			
July	$ 13.6475			
Aug.	$ 13.2175			
Sept.	$ 12.3275			
Nov.	$ 11.8650			

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	**$ 519.17**
Apr.	42.00	**$ 514.87**
May	40.00	**$ 512.66**
June	42.00	**$ 511.45**
July	41.00	**$ 510.35**
SBM Futures		
SMH	$ 425.90	
SMK	$ 425.00	
SMN	$ 421.90	
SMQ	$ 408.70	
SMU	$ 392.40	
SMV	$ 376.80	

CME March 2021 Soybean (SH21) Futures Chart:

CME March 2021 Soybean Meal (SMH21) Futures Chart

U.S. EXPORT STATISTICS: Report Activity as of Week Ending 04 February 2021

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 '21-22 (000 MT)
Corn	**1,759.6**	**57,555.2**	**66,040**	**87%**	**899.4**
Sorghum	**111.0**	**5,931.0**	**7,490**	**79%**	**594.0**
Soybeans	**861.2**	**59,462.2**	**61,240**	**97%**	**4,424.9**
Wheat	**638.4**	**23,004.7**	**26,810**	**86%**	**601.9**
Barley	**0.0**	**30.6**	**200**	**15%**	**14.5**

U.S. EXPORT INSPECTIONS:

Monday's report 15 February 2021 for the Export week ending 11 February 2021

	Export Inspections		Current Market Year YTD	Previous Year to Date	2020/21 YTD as Percent of 2019/20 YTD
	This Week	Previous Week			
Corn	**1,322,412**	**1,585,145**	**22,781,818**	**12,386,309**	**184%**
Sorghum	**70,153**	**201,560**	**3,336,950**	**1,311,809**	**254%**
Soybeans	**809,574**	**1,904,499**	**50,080,957**	**28,258,884**	**177%**
Wheat	**392,555**	**452,967**	**17,407,905**	**17,720,296**	**98%**
Barley	**1,597**	**0**	**26,233**	**28,432**	**92%**

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

U.S. EXPORT INSPECTIONS:

Monday's report 15 February 2021 for the Export week ending 11 February 2021

Last Week								
(Metric Tons)	**YC**	**%**	**WC**	**%**	**Sorghum**	**%**	**Soybeans**	**%**
Lakes	0	0%	0	0%	0	0%	0	0%
Atlantic	0	0%	0	0%	0	0%	83,603	10%
Gulf	862,487	67%	41,498	95%	70,153	100%	348,399	43%
PNW	235,778	18%	73	0%	0	0%	274,546	34%
Interior Export Rail	180,480	14%	1,996	5%	0	0%	103,026	13%
Metric Tons	1,278,745		43,567		70,153		809,574	

Sorghum Shipments:

metric tons	
70,153	China
70,153	Total

White Corn Shipments:

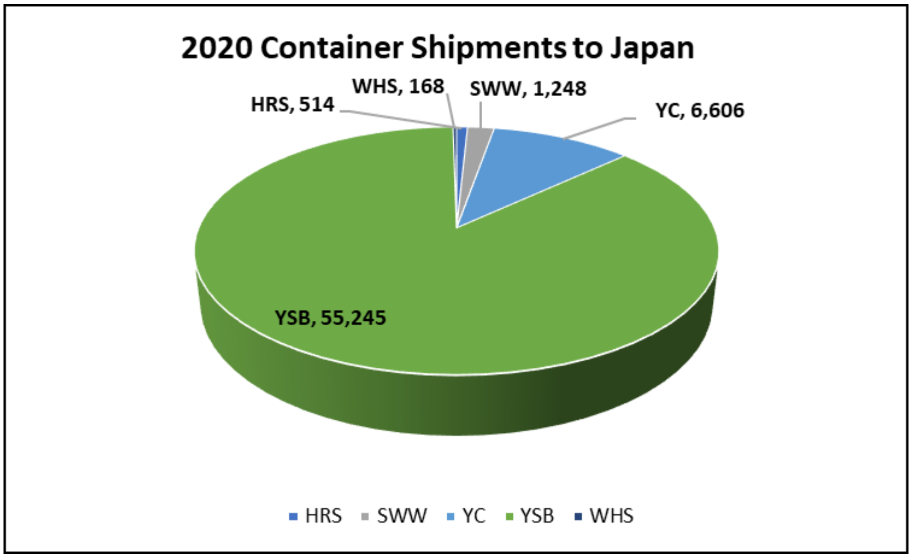
metric tons	
10,955	Colombia
9,975	El Salvador
15,068	Honduras
5,500	Venezuela
73	Korea Rep
1,996	Mexico
43,567	Total

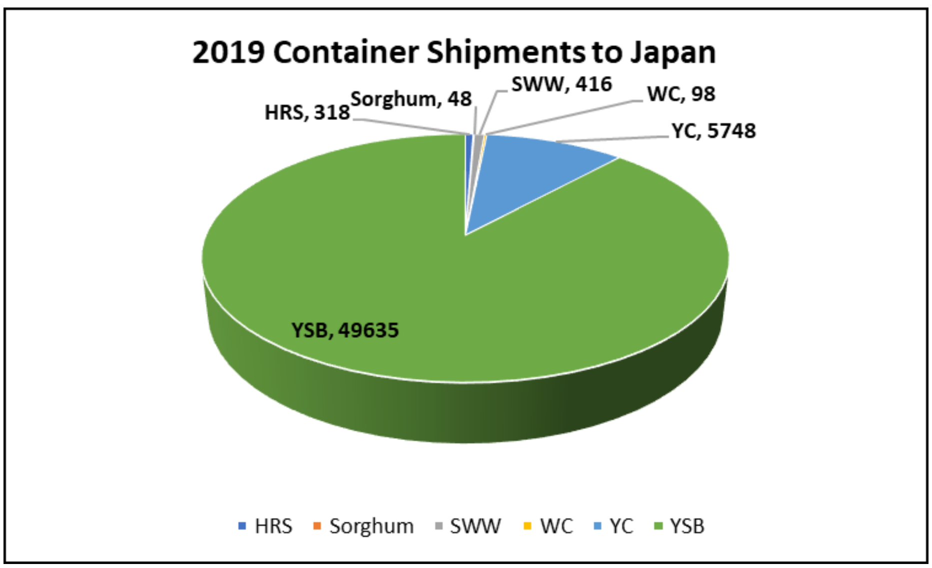
Export Inspection Highlights

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:			**11-Feb-2021**						
Last Week	metric tons								**MT**
	YC	**WC**	**YSB**	**SRW**	**NS**	**SWH**	**HRW**	**Sorghum**	**TOTAL**
China			5,020		171				5,191
Taiwan	15,349		23,626						38,975
Hong Kong	49								49
Costa Rica									0
Indonesia	490		22,206		931				23,627
French Poly									0
Japan			829						829
Korea Rep.			318						318
Nepal			147						147
Malaysia	171		3,134						3,305
India			416						416
Philippines			857						857
Thailand			3,941						3,941
Bahrain	245								245
Cambodia			416						416
Bangladesh									0
Burma									0
Vietnam			4,307		1,078				5,385
Sub Total:	**16,304**	**0**	**65,217**	**0**	**2,180**	**0**	**0**	**0**	**83,701**
USDA Corrections/Additions to previous reports:									
Taiwan			73						73
China			857						857
Hong Kong									0
Korea Rep.									0
Cambodia									0
Japan									0
Philippines			392						392
Indonesia			1,764						1,764
Malaysia									0
Thailand									0
Vietnam			612		1,470				2,082
Bangladesh									0
Costa Rica									0
Sub Total:	0	0	3,698	0	1,470	0	0	0	5,168
Mt. Grand Total	**16,304**	**0**	**68,915**	**0**	**3,650**	**0**	**0**	**0**	**88,869**
Number of Containers	709	0	2,996	0	159	0	0	0	

Jan - Dec 2019 Annual Totals versus 2020 Annual Total Container Shipments (in MT)





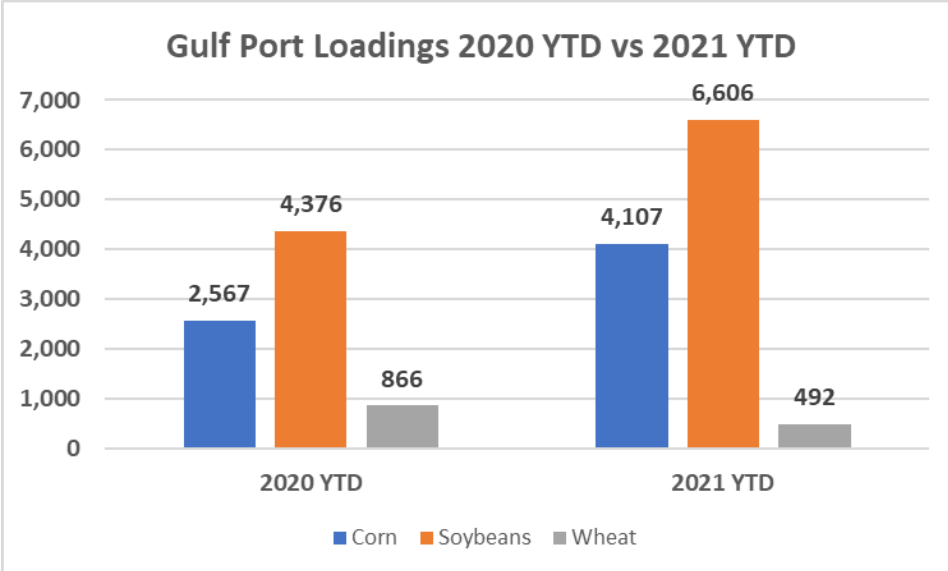
Grain Inspections for Export by U.S. Port Regions:
U.S. Gulf and Pacific Northwest 2020 YTD vs. 2021 YTD

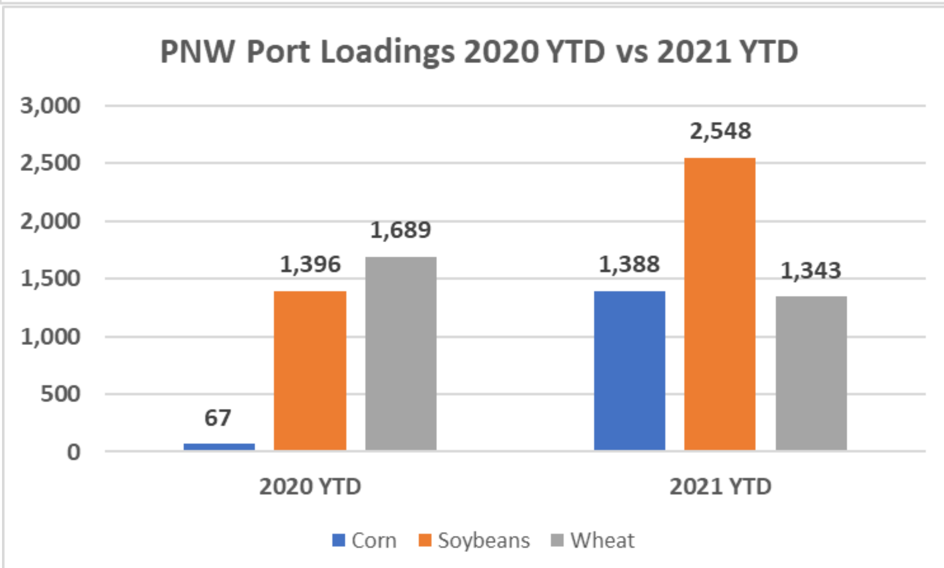
PORT LOADINGS US Gulf				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
GULF				
2020 YTD	2,567	4,376	866	7,809
2021 YTD	4,107	6,606	492	11,205
2021 as % of 2020	160%	151%	57%	143%

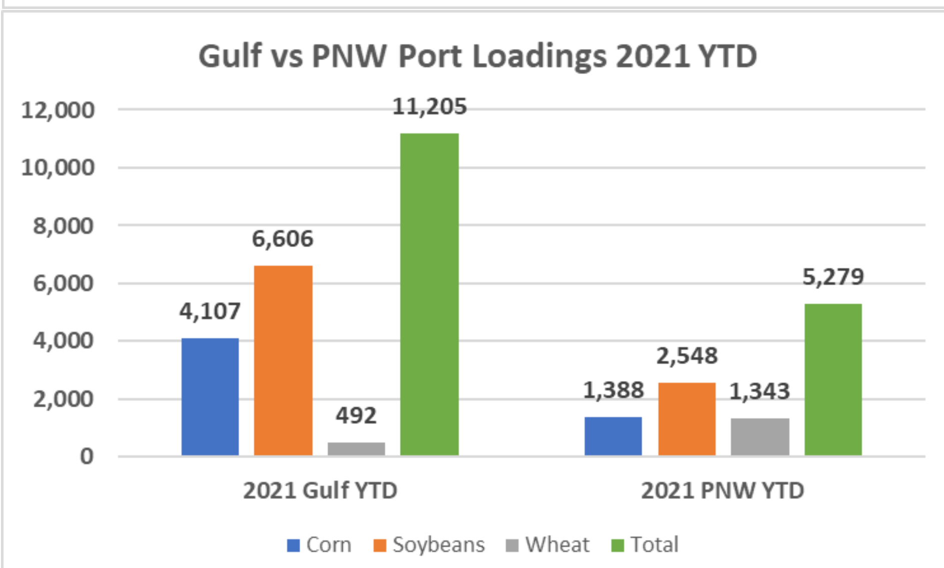
PORT LOADINGS US PNW				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
PNW				
2020 YTD	67	1,396	1,689	3,152
2021 YTD	1,388	2,548	1,343	5,279
2021 as % of 2020	2072%	183%	80%	167%

PORT LOADINGS GULF vs. PNW				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
2021 Gulf YTD	4,107	6,606	492	11,205
2021 PNW YTD	1,388	2,548	1,343	5,279
TOTAL	5,495	9,154	1,835	16,484
Gulf Percentage	75%	72%	27%	68%
PNW Percentage	25%	28%	73%	32%

Grain Inspections for Export by U.S. Port Regions (1,000MT): U.S. Gulf and Pacific Northwest 2020 YTD vs. 2021 YTD

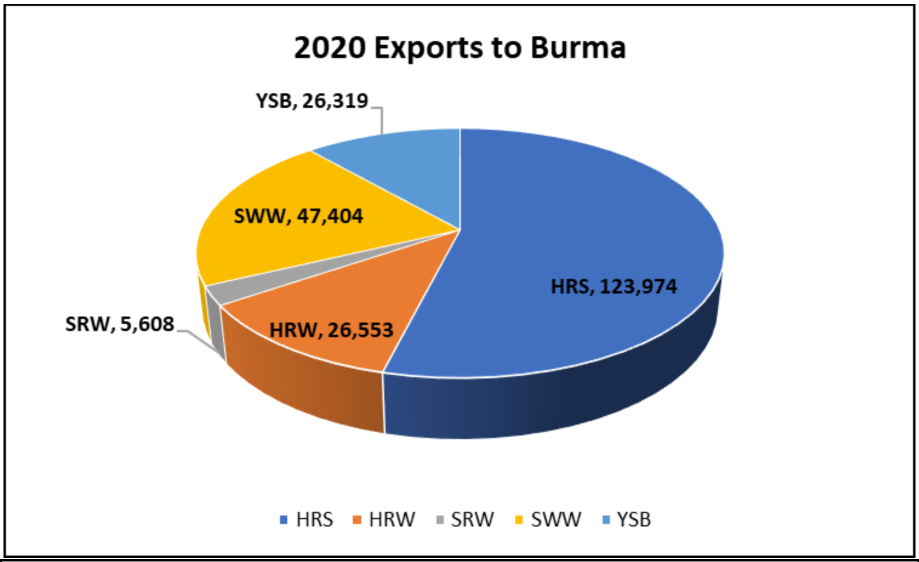


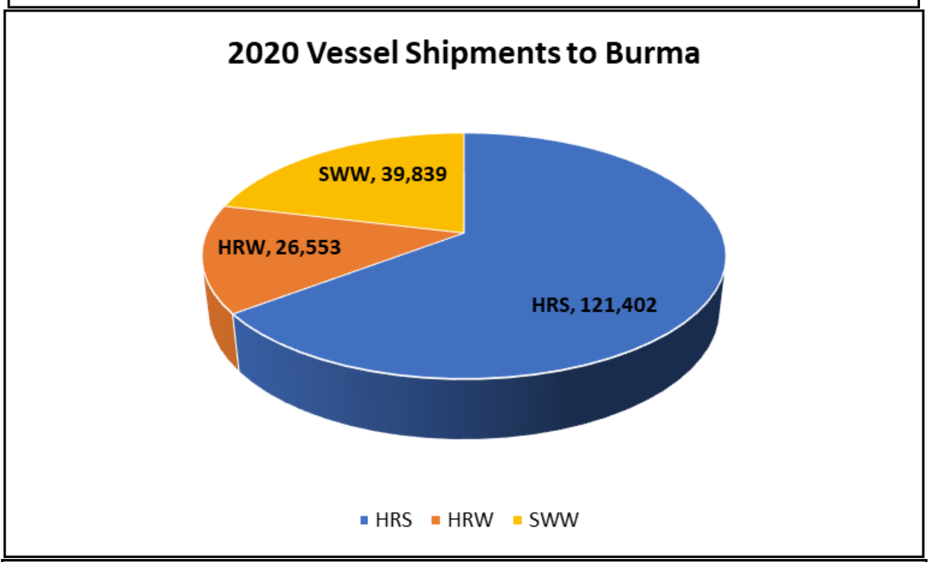


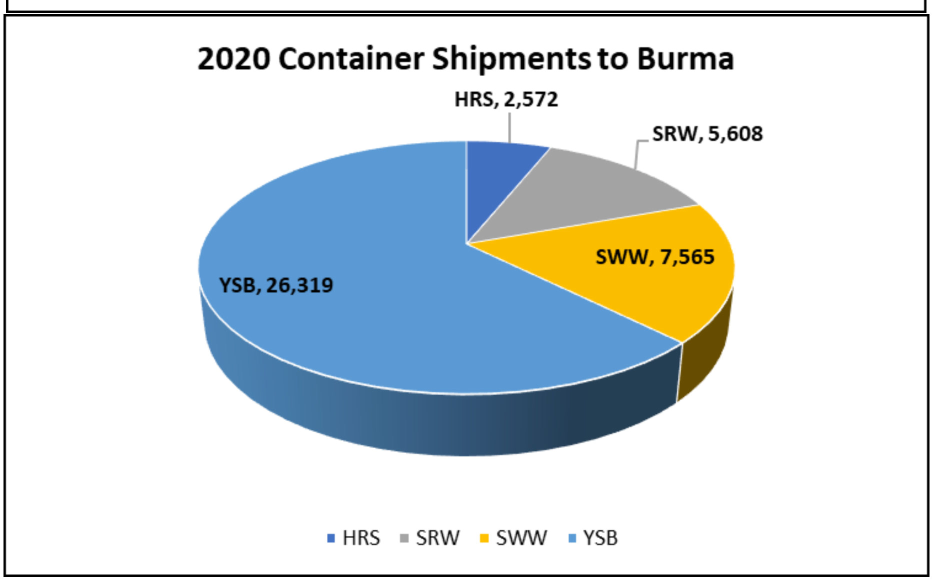


Source: USDA-data

2020 Total Grain Exports reported by USDA (in MT)







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

Shipping News

Yep, Ships are not supposed to do that-

Ship Breaking up.

JO Howard O'Neil
To Howard O'Neil

January 17--M/V Arvin. May-Day, May-Day. Yeah, Ships are not supposed to do that – That is the problem with 46 year old vessels that should have been scrapped years ago.

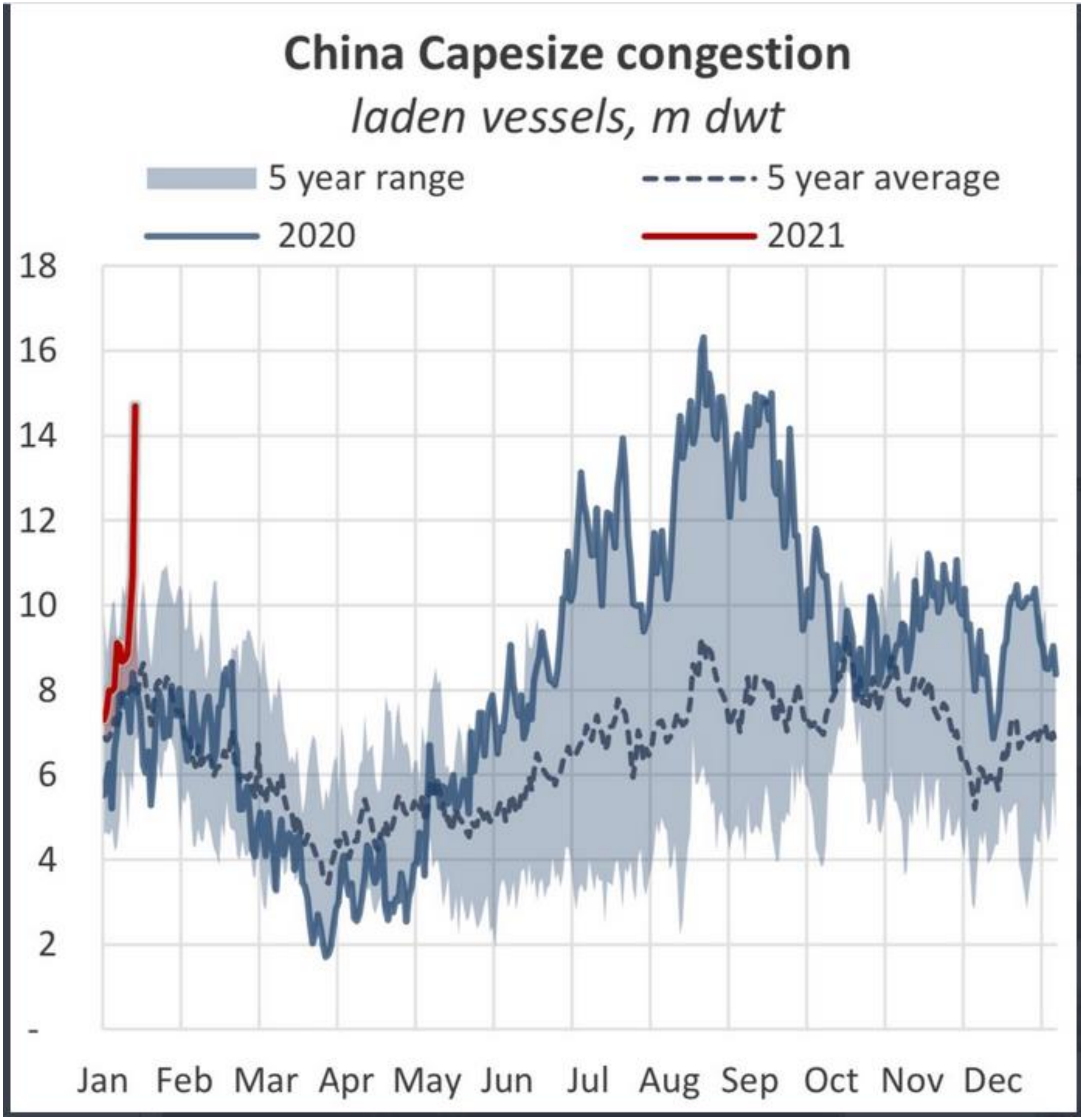
Dry Bulk ETF @DryBulkETF · 17h

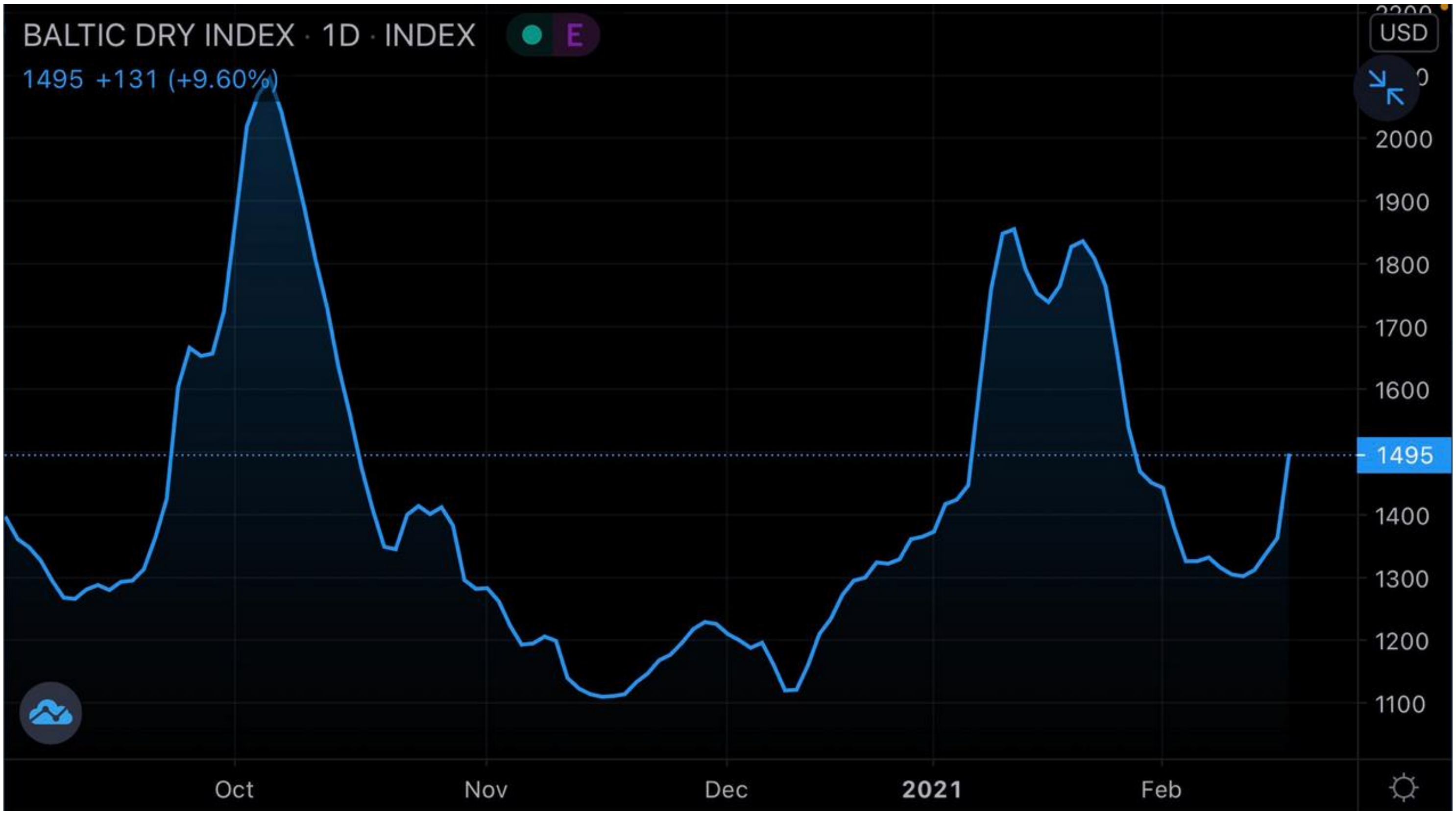
Terrifying video of cargo ship breaking in two under heavy seas in the Black Sea:
youtu.be/YxCWHY2P5wc

3 5

Peter Sand @BIMCO_PS · 8h

BIMCO's SNOW: 2.5m tonnes of US soya beans exported in containers in four months shar.es/aowpiJ
Surely you have already heard of several knock-on effects on container shipping - here is more to that story. @loriannlarocco @CostasParis @Splash_247


China Capesize congestion
laden vessels, m dwt
5 year range
5 year average
2020
2021
18
16
14
12
10
8
6
4
2
-
Jan Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec



C Transport Maritime @ctmmc · 19m

#Panamax #earnings have reached decade highs of $22,659 per day, increasing by over $3,000 today, a rise not seen since 2008. Cold weather in the northern hemisphere and strong grain activity can partly explain the jump. #shipping #drybulk #drycargo #news #balticindex #bpi

Bloomberg @business · 23m

The Port of Los Angeles plans to divert cargo ships to other destinations because of pandemic-fueled congestion

Port of L.A. Will Divert Cargo Ships to Battle Import Congestion

The Port of Los Angeles plans to divert cargo ships to other destinations because of pandemic-fueled congestion, according to the port's executiv...

bloomberg.com

Tom Craig @LTDManagement · 47m

Another Maersk ship loses hundreds of boxes overboard in the Pacific. The problem continues. From ONE to Maersk again. Is it because of lashing for large ships or lashing and CoViD? Or?

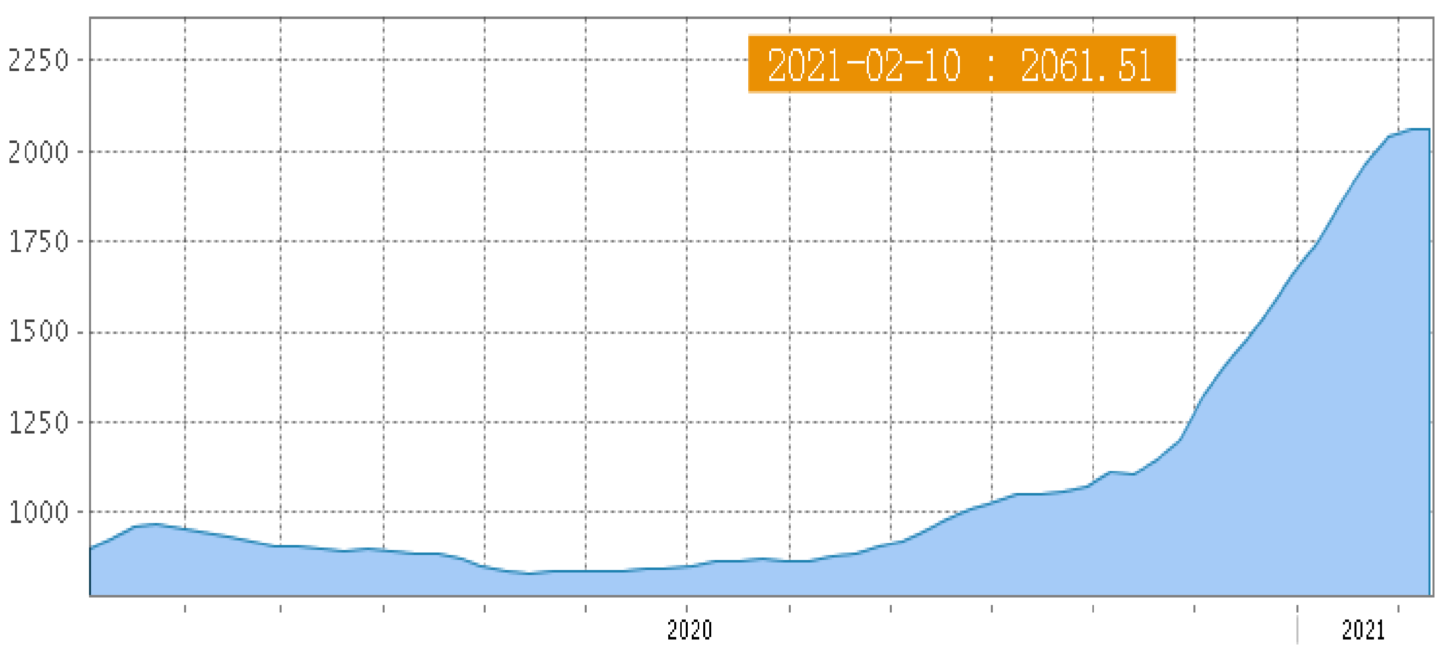
Another Maersk ship loses hundreds of boxes overbo...

The 13,100 teu Maersk Eindhoven became the latest boxship casualty on the Pacific yesterday, suffering a ...

splash247.com

China Import Dry Bulk Freight Index

China Containerized Freight Index



U.S. RIVER BARGE FREIGHT

Current Barge Freight for Placement Last Half March 2021

Placement LH March 2021	% of Tariff	MT	Corn BU	Soybeans-Wheat BU
Upper Mississippi	Closed	$ -	0.00	0.00
Illinois River (Pekin and South)	390	$26.61	0.68	0.72
Mid-Mississippi	Closed	$ -	0.00	0.00
Lower Ohio	305	$14.99	0.38	0.41
St. Louis	270	$11.88	0.30	0.32

Secondary Rail Car Market for car placement period: Last Half March 2021.

Secondary Rail Car Market Placement LH. March 2021	BID USD	ASK USD	BID BU.	ASK BU.	BID MT	ASK MT
BNSF Shutle Trains	$ 50.00	$ 200.00	$ 0.01	$ 0.05	$ 0.49	$ 1.97
UPRR Shuttle Trains	$ 50.00	$ 225.00	$ 0.01	$ 0.06	$ 0.49	$ 2.21

Best Regards,

Jay
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