

Transportation and Export Report for 2 February 2023

The Lunar New Year holiday has ended, and vessels owner are awaiting, what they hope, is good news about a resurgence in cargo demand. According to vessel owners, and most Freight publications, the Dry Bulk market for 2023 looks positive and rates most certainly must go up, if for no other reason than their belief that they cannot go any lower. The last half of 2022 and the first month of 2023 have been brutal for both Dry Bulk and Container vessel owners. The only happy owners are those with tankers, as they are benefiting from increased tonne miles due to shipments of Russian oil shipments to India and Asia. March Panamax daily hire rates are trading at \$11,500/day with Q2 2023 at \$13,300/day. All hopes for an uptick in rates remain dependent on a robust reopening in China.

BALTIC DRY-BULK PANAMAX INDEX CHANGES

Panamax Ocean Freight Indices					
2-Feb-2023		This Week	Last Week	Difference	Percent Change
P2A: Gulf/Atlantic - HK-Korea	Index	17136	18,068	-932	-5.2%
P3A: PNW/Pacific - RV Korea-Taiwan	Index	8775	7,600	1,175	15.5%
S1C: US GULF-China-So.Japan	Index	12732	13800	-1,068	-7.7%
P7: Trial- Miss. River - Qingdao	per ton	48.69	50.25	-1.56	-3.1%
P8: Trial- Santos - Qingdao	per ton	35.59	37.10	-1.51	-4.1%

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

Four weeks ago:	\$8.00-\$7.30
Three weeks ago:	\$7.30-\$7.00
Two weeks ago:	\$7.00-\$6.80
One week ago:	\$6.80-\$6.70
This week	\$6.70- \$6.35

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

Mississippi River:	(9 elevators)	3-9 days
Mid-Stream loaders:	(6+ Rigs)	0-2 days
Texas Gulf	(6 elevators)	0-8 days 93 Facilities at 0 days)
Pacific Northwest:	(9 elevators)	1-9 days

Panamax Market Spreads to Asia -China					
2-Feb-2023	GULF	PNW	Bushel Spread	Tonne Spread	Advantage
CORN	0.99	1.60	0.61	\$24.01	GULF
SOYBEANS	1.15	2.18	1.03	\$37.85	GULF
OCEAN FREIGHT	\$49.00	\$28.50	.52-.56	\$20.50	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 \$30.00 - \$31.00/mt.

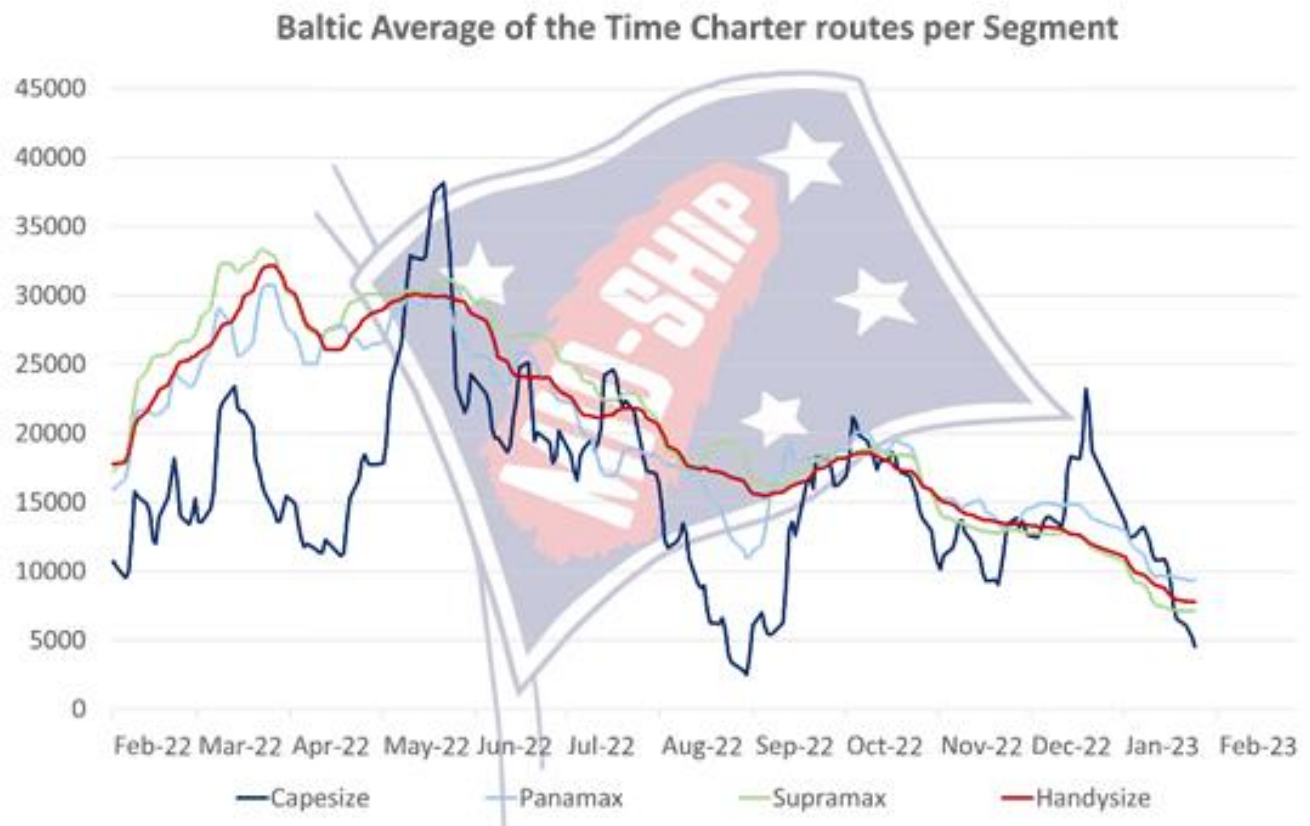
Soybean Brazil to Spain about \$37.00 - \$38.00/mt.

Route and Vessel Size	Current Week USD/MT	Change from previous week	Remarks
55,000 U.S. Gulf-Japan	\$50.00	Down \$2.00	Handymax \$49.00 mt
55,000 U.S. PNW- Japan	\$28.50	Unchanged	Handymax at \$28.00 mt
65,000 U.S. Gulf – China	\$49.00	Down \$2.00	North or South China
PNW to China	\$28.50	Unchanged	
25,000 U.S. Gulf- Veracruz, México	\$22.25	Down \$0.25	3,000 MT daily discharge rate
35-40,000 U.S. Gulf- Veracruz, México	\$18.50	Down \$0.25	Deep draft and 6,000 MT per day discharge rate.
30-38,000 U.S. Gulf- Colombia	\$28.50	Down \$0.50	<u>West Coast Colombia at \$32.00</u>
50,000 USG- E/C Colombia	\$26.50		
<u>East Coast Colombia</u> From Argentina	\$36.00		
40-45,000 U.S. Gulf - Guatemala	\$36.00	Down \$0.50	Acajutla/Quetzal - 8,000 out
30,000 US Gulf-Morocco	\$32.00	Down \$1.00	5,000 discharge rate
55-60,000 U.S. Gulf –Egypt	\$30.00	Down \$1.00	55,000-60,000 mt Egypt
PNW to Egypt	\$31.50		Romania - Russia- Ukraine \$15.00 - \$22.00 - \$35.00 - France \$23.00, Bulgaria \$16.00
58-74,000 U.S. Gulf – Europe – Rotterdam	\$25.50	Down \$1.00	Handymax at +\$2.50 more
Brazil, Santos –China	\$39.25	Down \$0.50	54-59,000 Supramax-Panamax
Brazil, Santos –China	\$37.00		60-66,000 Post Panamax
Up-River Port North Brazil	\$43.00		55-60,000 mt
56-60,000 Argentina-China	\$42.00	Down \$0.50	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

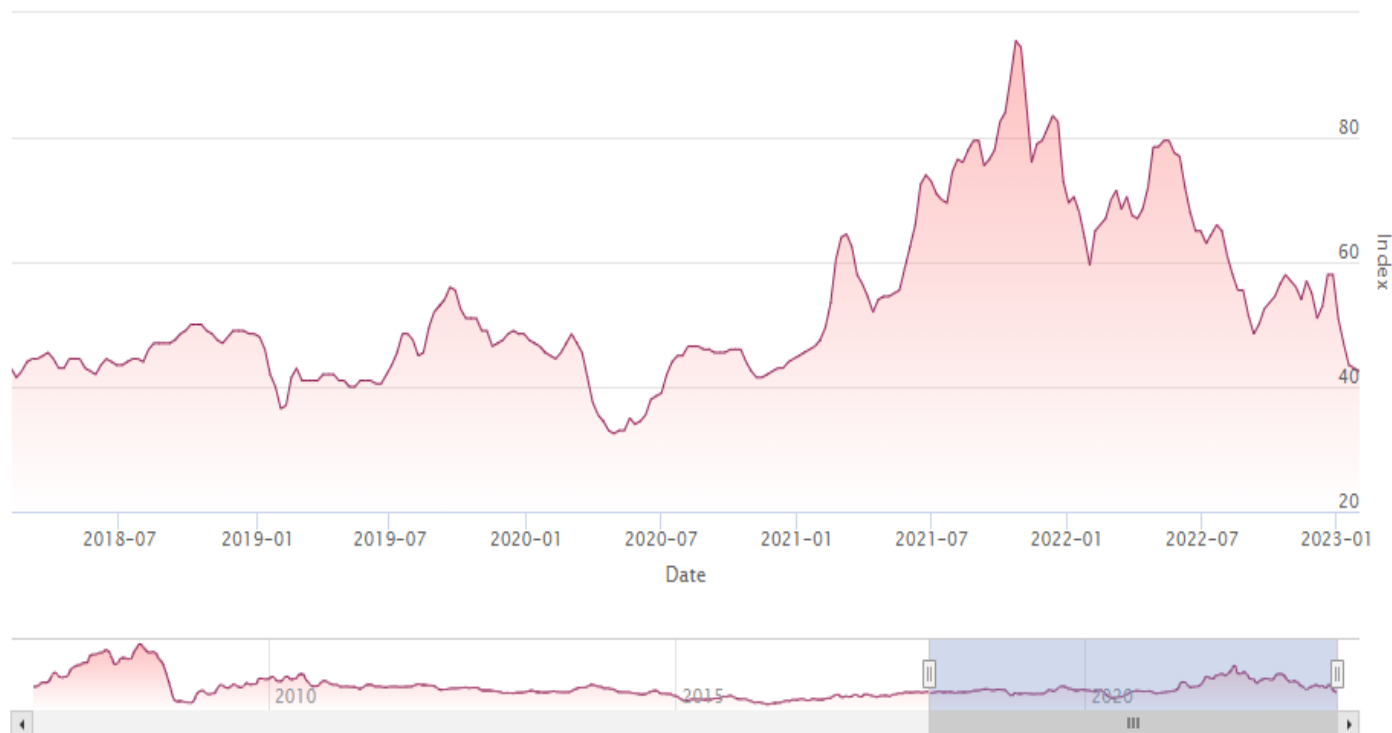


YAMAMIZU Index



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

From 2018-02-01 To 2023-02-01



China Import Dry Bulk Freight Index					
2023-02-02					
Description	Volume	Cargo	Unit	Rate	Change
Composite Index			Point	889.59	-3.34
Iron ore Freight Index			Point	787.85	-3.89
Dampier(West Australia)-Qingdao (China)	170000/10%	Iron ore	\$/ton	6.343	-0.014
Soybean Freight Index			Point	1115.59	-8.38
Santos(Brazil)— North China	66000/10%	Soybean	\$/ton	36.95	-0.3
Tacoma(West America)—North China	63000/10%	Soybean	\$/ton	28.12	-0.18
Mississippi(US Gulf)—North China	66000/10%	Soybean	\$/ton	50.68	-0.36

2 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 =	6.7525
Max. 14.5% moisture	BASIS	FLAT PRICE	BASIS	FLAT PRICE	K =	6.7375
Mar.	0.99	\$304.81	1.60	\$328.82	N=	6.6300
Apr.	1.00	\$304.61	1.60	\$328.23	U =	6.0900
May	0.95	\$302.64	1.58	\$327.44	Z=	5.9500
June	1.00	\$300.38	1.61	\$324.39	H =	6.0200
July	0.94	\$298.01	1.58	\$323.21		
August	1.30	\$290.93	1.95	\$316.52		

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	\$364.25
Apr.	2.50	\$363.66
May	2.50	\$363.66
Jun.	2.50	\$359.43
July	2.45	\$357.46

Fob vessel Texas Gulf #2 Sorghum is about 119 % 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	\$323.71	\$325.91	\$325.55	\$321.69
Basis	1.20	1.15	1.14	1.00
WH	7.6100			.
WK	7.7200			
WN	7.7550			

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.	1.15	\$605.99	2.18	\$643.83
Apr.	1.10	\$601.76	2.08	\$637.77
May	1.02	\$598.82	2.00	\$634.83
June	1.00	\$594.69	1.95	\$629.60
July	0.95	\$592.85	1.93	\$628.86
Soybean Futures				
Mar.	\$ 15.3425			
May	\$ 15.2775			
July	\$ 15.1850			
Aug.	\$ 14.7925			
Sept.	\$ 14.0525			
Nov.	\$ 13.7050			

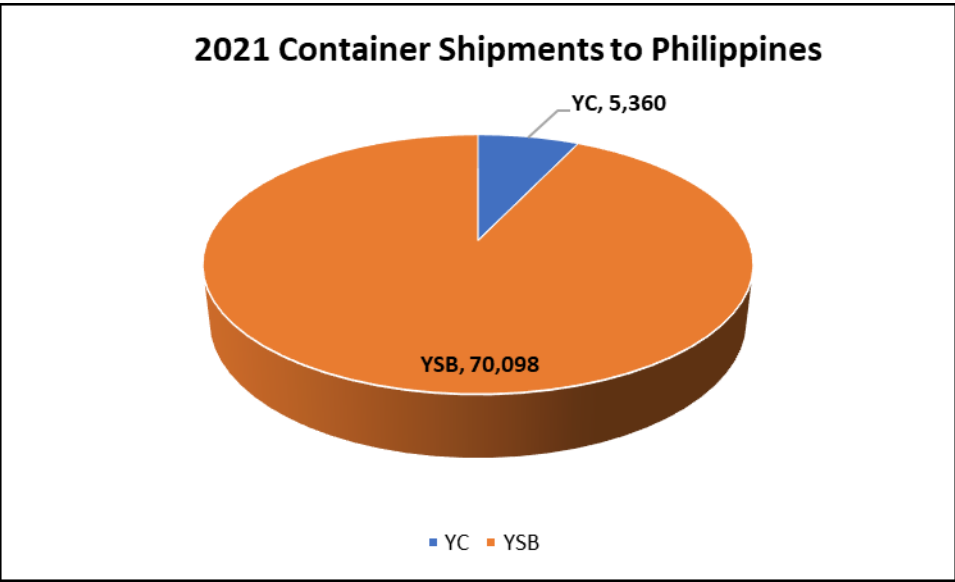
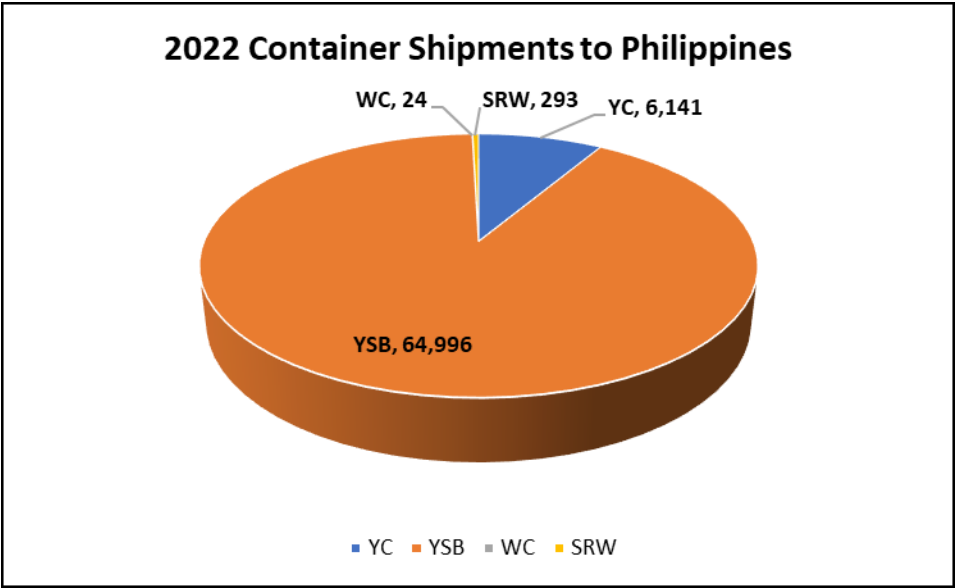
U.S. Soybean and SBM Markets Fob Vessel:

U.S. SBM (USD/MT) FOB Vessel		
Fob U.S. Gulf Port	47.5 Pro. SBM	
max 12.5 % moisture	Basis	Flat Price
Mar.	55.00	\$ 602.85
Apr.	50.00	\$ 579.69
May	43.00	\$ 571.98
June	43.00	\$ 559.30
July	35.00	\$ 550.48
SBM Futures		
SMH	\$ 491.80	
SMK	\$ 475.80	
SMN	\$ 464.30	
SMQ	\$ 446.10	
SMU	\$ 427.70	
SMV	\$ 407.70	

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).*

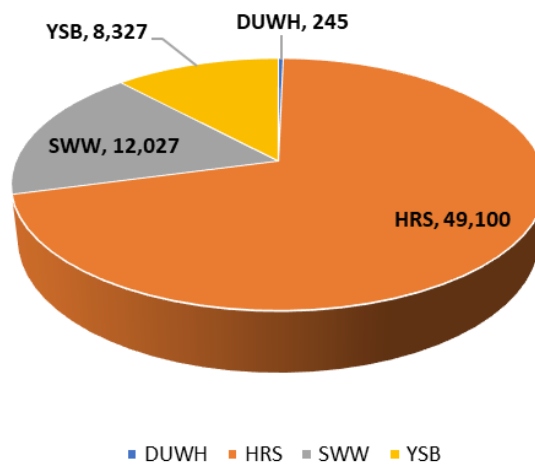
CONTAINER SHIPMENTS of GRAIN									
USDA Grain Inspections Report:		26-Jan-2023							
Last Week	metric tons								MT
	YC	WC	YSB	SRW	NS	DUWH	SWH	Sorghum	TOTAL
China			39,871						39,871
Taiwan	6,901		9,866						16,767
Hong Kong	490								490
Costa Rica									0
Indonesia			17,138						17,138
French Poly									0
Japan			1,420						1,420
Korea Rep.			2,742						2,742
Dominic Rep									0
Malaysia	490		7,398						7,888
Austria									0
Philippines	73		1,345						1,418
Thailand			2,008						2,008
Nepal									0
Burma									0
Cambodia			1,175						1,175
Un Arab Em									0
Vietnam			11,652		735				12,387
Sub Total:	7,954	0	94,615	0	735	0	0	0	103,304
USDA Corrections/Additions to previous reports:									
Taiwan			1,567						1,567
China			734						734
Hong Kong									0
Korea Rep.									0
Un Kingdom									0
Japan									0
Philippines									0
Indonesia			1,617						1,617
Malaysia			49						49
Thailand			196						196
Vietnam			710						710
Burma									0
Cambodia									0
Sub Total:	0	0	4,873	0	0	0	0	0	4,873
Mt. Grand Total	7,954	0	99,488	0	735	0	0	0	108,177
Number of Containers	346	0	4,326	0	32	0	0	0	

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

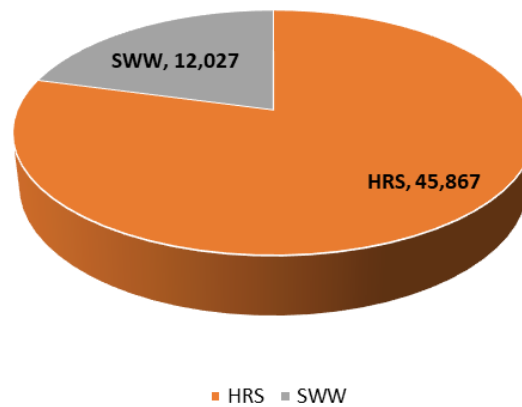


2022 Total Grain Exports reported by USDA (in MT)

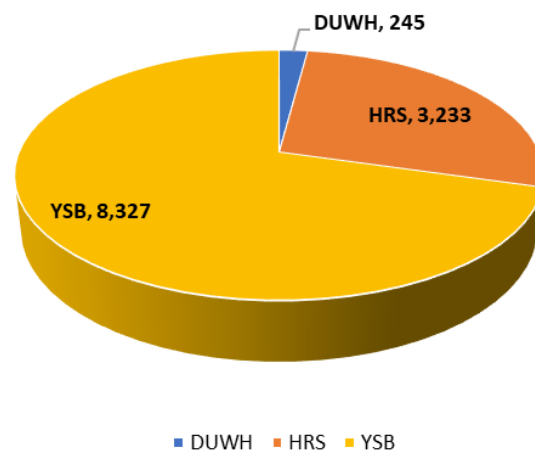
2022 Exports to Burma



Vessel Shipments to Burma



Container Shipments to Burma



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

Source: USDA-data

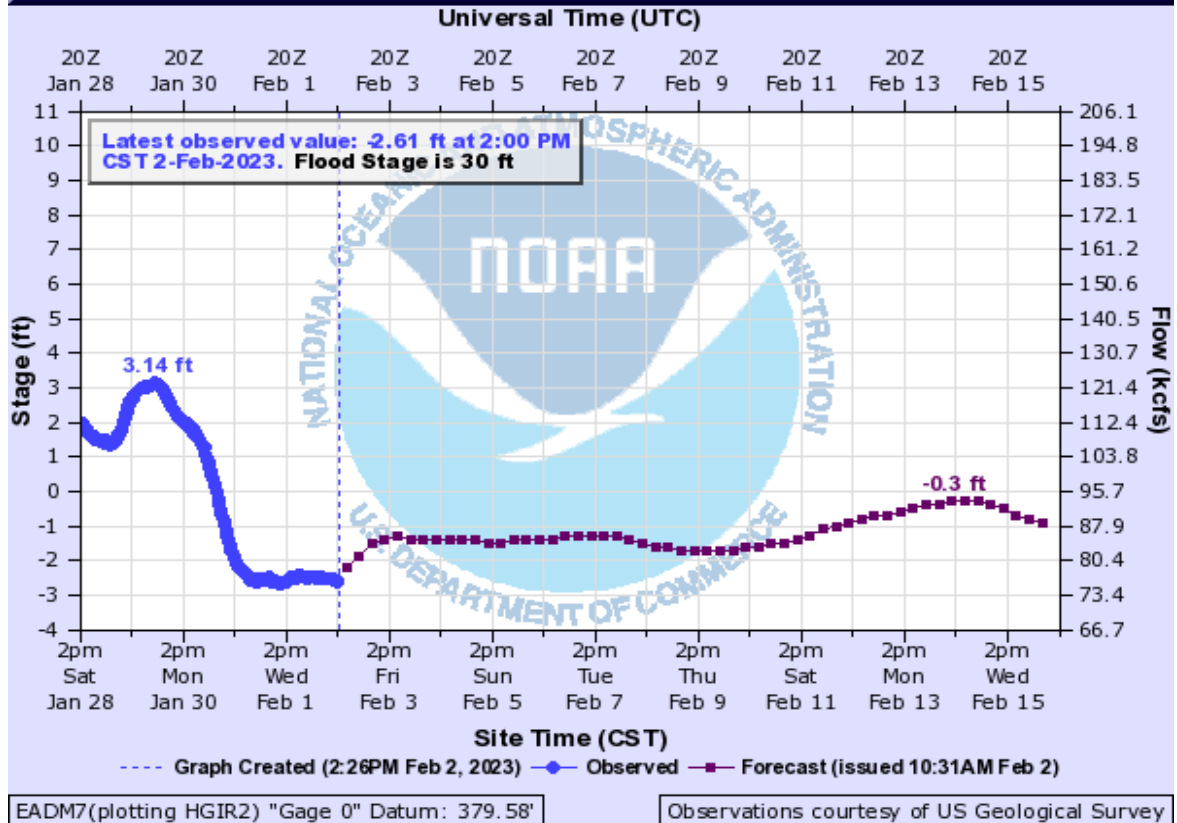
Shipping News

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



U.S. River Markets -

MISSISSIPPI RIVER AT ST. LOUIS



U.S. Rail Freight Markets -

Peter Tirschwell @PeterTirschwell · 4h

...

Wolfe Research on CP-KCS merger: "we expect the STB to approve the merger by early March, and expect CP to assume full control of KCS 30 days later. We remain highly confident that the STB will approve the merger, and we don't expect any draconian concessions."

Tom Craig @LTDManagement · 1h

...

Mexico. [#Trade](#) shift. Is this a return to the days of maquiladoras? [#manufacturing](#) [#supplychains](#) [#USMCA](#) [#logistics](#) [#CrossBorder](#)



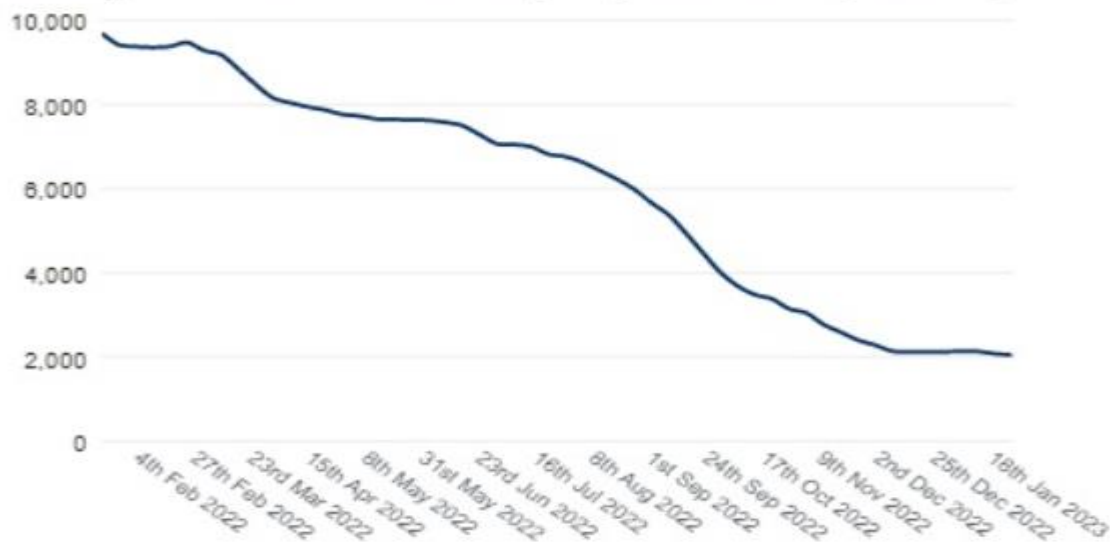
wsj.com

Mexico's Industrial Hubs Grow as Part of Trade Shift Toward Nearsh...
Companies from around the world are moving production and
equipment to Mexico as they seek a manufacturing hub closer to th...

World Container Index - 26 Jan

Drewry's composite World Container Index decreased by 2% to \$2,046.51 per 40ft container this week.

Drewry World Container Index (WCI) - 26 Jan 23 (US\$/40ft)



Tom Craig @LTDMManagement · 5h

...

Container lines now in the red on a mark-to-market basis based on asset value in a capital intensive industry. While many obsess on rates.

[#maritime](#) [#logistics](#)



splash247.com

Liners now in the red on a mark-to-market basis - Splash247

On a mark-to-market basis, most liners are operating in the red, according to analysis from investment bank Jefferies. Mark-to-mark...

DRY-Bulk Freight Markets

Oil Tanker Ghost Fleet

O B @OriginalBraila · 1h

...

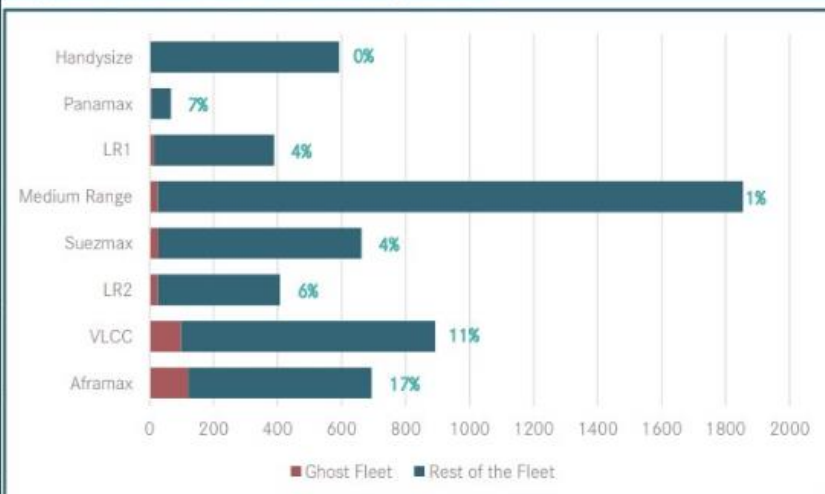
Replying to [@OriginalBraila](#)

If you can transport Russian clean products to Asia... and Asian clean products to EU... You get paid twice and can claim price cap keeps down Russia profits AND that you are CO2 optimal...

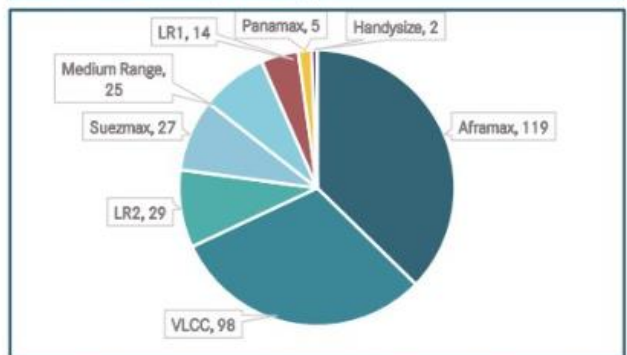
WHEN RUSSIA STOPS, NEW EASTERN REFINERIES ARE POISED TO COVER THE SHORTFALL

THE "GHOST" FLEET CONUNDRUM

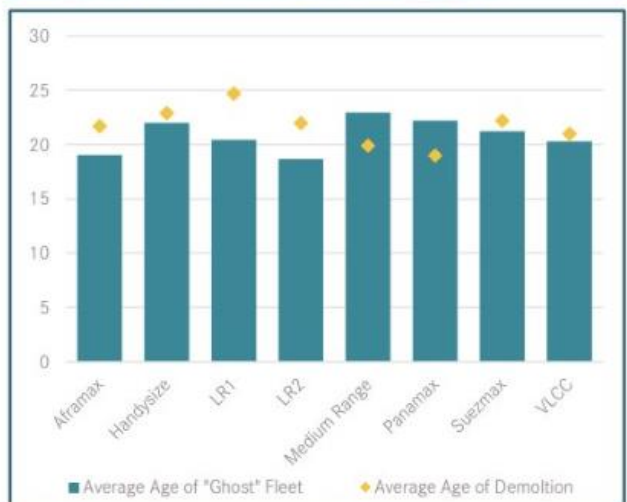
Proportion of "Ghost" Fleet of Total Fleets by Sizeband



Tanker "Ghost" Fleet by Vessel Type



Average of the Tanker "Ghost" Fleet & Average Age of Demolition



According to our estimates, the "ghost" fleet is predominantly made up of VLCCs and Aframaxes/LR2s.

"Ghost" vessels comprise 11 per cent and 17 per cent respectively of the VLCC and Aframax fleets.

Many of these vessels are at or above the average age of demolitions in recent years; the average age of the "ghost" fleet is 20 years old.

The average age of VLCCs in the "ghost" fleet is 20.3 years old; last year, the average age of a demolished VLCC was 21 years old.

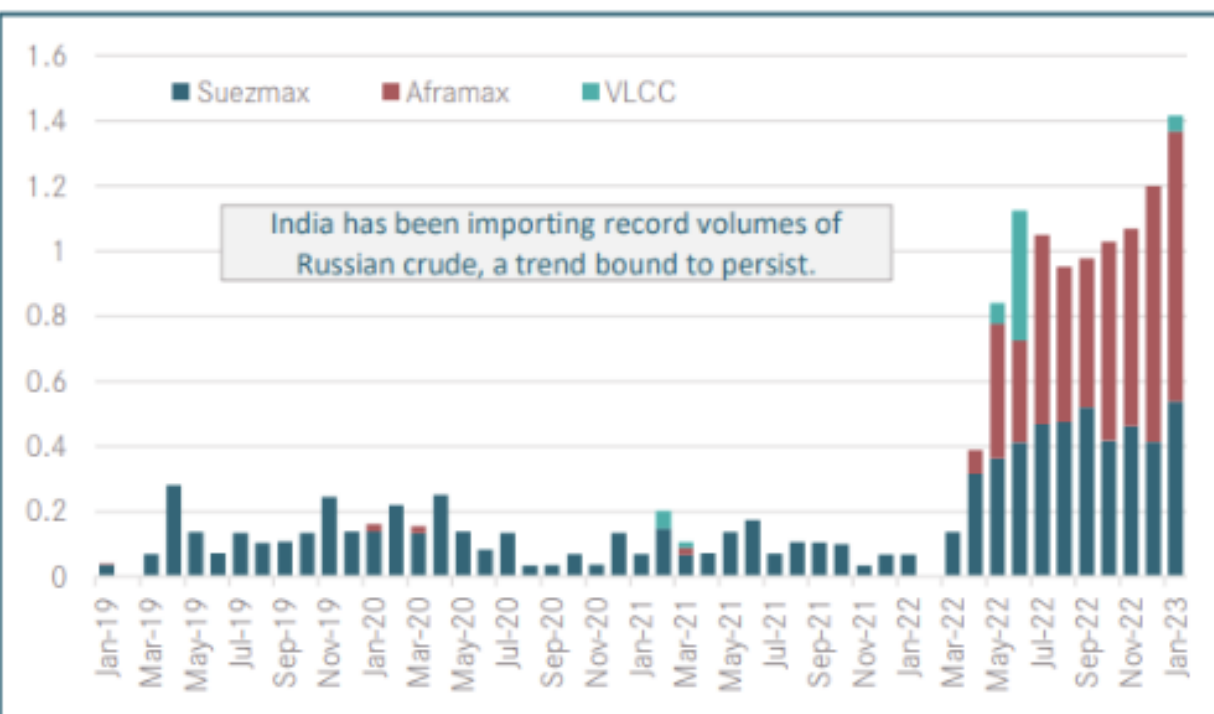
Meanwhile, the average age of Aframaxes in the "ghost" fleet is 19.1 years old; last year, the average age at which Aframaxes were demolished was 21.7 years old.

Estimated Change in the "Ghost" Fleet



The world and the West accepts India as the new buyer of Russian crude. Then we buy the products from India of that crude. The Russian barrels are needed, but the profits should go to India & tanker owners rather than supporting war crimes of the Russian leadership.

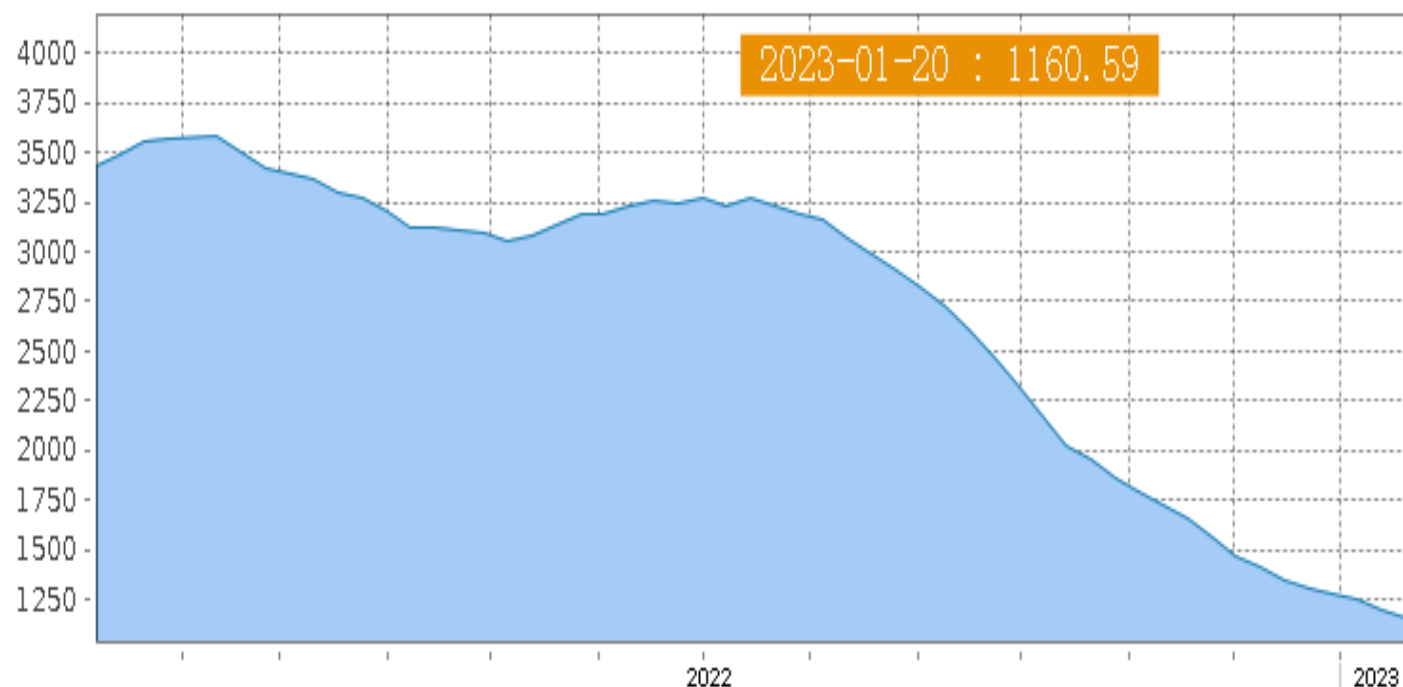
Monthly Russian Seaborne Export Volumes to India (Mn bpd)



China Import Dry Bulk Freight Index



China Containerized Freight Index



Secondary Rail Car Market for Car placement period: Last Half February 2023

Secondary Rail Car Market Placement LH February 2023	BID USD	ASK USD	BID BU.	ASK BU.	BID MT	ASK MT
BNSF Shuttle Trains	\$ (300)	\$ (150)	\$ (0.08)	\$ (0.04)	\$ (2.95)	\$ (1.48)
UPRR Shuttle Trains	\$ (300)	\$ (100)	\$ (0.08)	\$ (0.03)	\$ (2.95)	\$ (0.98)

U.S. RIVER BARGE FREIGHT

Barge Freight for Loading Placement Last Half February 2023

Placement LH February 2023	% of		Corn	Soybeans-Wheat
	Tariff	MT	BU	BU
Upper Mississippi	Closed	\$ -	0.00	0.00
Illinois River (Pekin and South)	600	\$ 40.94	1.04	1.11
Mid-Mississippi	Closed	\$ -	0.00	0.00
Lower Ohio	500	\$ 24.58	0.62	0.67
St. Louis	450	\$ 19.79	0.50	0.54

Best Regards,

Jay

Jay O'Neil
HJ O'Neil Commodity Consulting
785-410-2303 (cell)

joneil@ksu.edu

Follow me on Twitter @ igpjay



*** 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.

All market data is subject to change with market conditions and Trader's opinions. Please obtain market updates and reconfirm all values with your regular freight supplier before making any trading decisions based on this data. This message and any attachments may contain confidential or privileged information and are only for the use of the intended recipient of this message. If you are not the intended recipient, please notify the sender by return email, and delete or destroy this and all copies of this message and all attachments. Any unauthorized disclosure, use, distribution, or reproduction of this message or any attachments is prohibited and may be unlawful.

This E-mail is covered by the Electronic Communications Privacy Act, 18 U.S.C. §§2510-2521, and is confidential.