

## Transportation and Export Report for 20 February 2020

### Ocean Freight Insights and Comments:

Spot and nearby Dry-Bulk freight markets are still very depressed but did edge up slightly this week. The open question for vessel owners is, should we capture the carry in the market by booking/selling the Q3 and Q4 values or continue to wait and hope that things will turn around and get better in the next 3-4 months? Grain Traders would caution that it is always best to lock in the carry in such markets as the better deferred market values generally tend to collapse as time moves forward. Dry-bulk markets have witnessed brief periods of support(measured in hours) , only to run into selling pressure on every up tick. The 30-day market is the one to watch for directional signals and , for the moment those values are depressed and desperately looking for bids.

### BALTIC DRY-BULK PANAMAX INDEX CHANGES

Panamax Ocean Freight Indices				
20-Feb-2020	This Week	Last Week	Difference	Percent Change
P2A : Gulf/Atlantic - Japan	14023	11372	2,651	23.3%
P3A - PNW/Pacific - Japan	6081	3268	2,813	86.1%
S1C -USGULF-China-So.Japan	18772	18383	389	2.1%
P7- Trial- Miss. River - Qingdao	40193	38471	1,722	4.5%
P8- Trial- Santos - Qingdao	29186	27643	1,543	5.6%

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

Four weeks ago:	\$7.20-\$7.40
Three weeks ago:	\$7.10-\$7.30
Two weeks ago:	\$6.00-\$6.15
One week ago:	\$5.75-\$6.00
This week	\$5.80-\$5.90

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

Mississippi River:	(10 elevators)	2-7 days (2 facilities not currently operating)
Miss. River Mid-Stream loaders:	(6+ Rigs)	0-4 days
Texas Gulf	(5 elevators)	0-5 days
Pacific Northwest:	(9 elevators)	3-12 days

Panamax Market Spreads to Asia -China					
20-Feb-2020	PNW	GULF	Bushel Spread	MT Spread	Advantage
CORN	1.40	0.71	0.69	\$27.16	PNW
SOYBEANS	1.00	0.70	0.30	\$11.81	PNW
OCEAN FREIGHT	\$21.75	\$41.75	.51-.54	<b>\$20.00</b>	March

**Recent Reported Vessel Fixtures:**

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

Soybean Panamax USG to Spain is running \$18.25/mt.

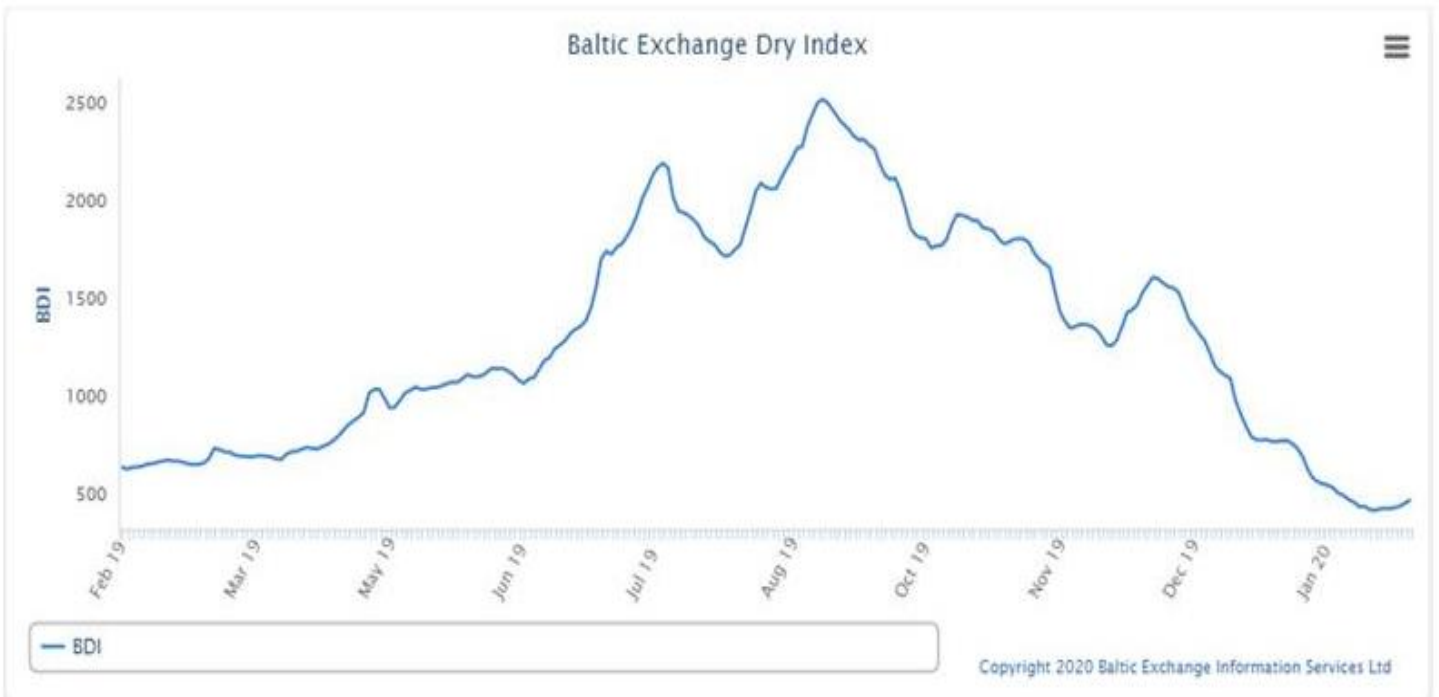
Soybean Brazil to Spain at about \$21.25/mt.

30,000 mt Corn Northern Brazil to Vera Cruz, Mexico \$18.00-\$18.50/mt .To U.S. E/C about \$20.00-20.75/mt

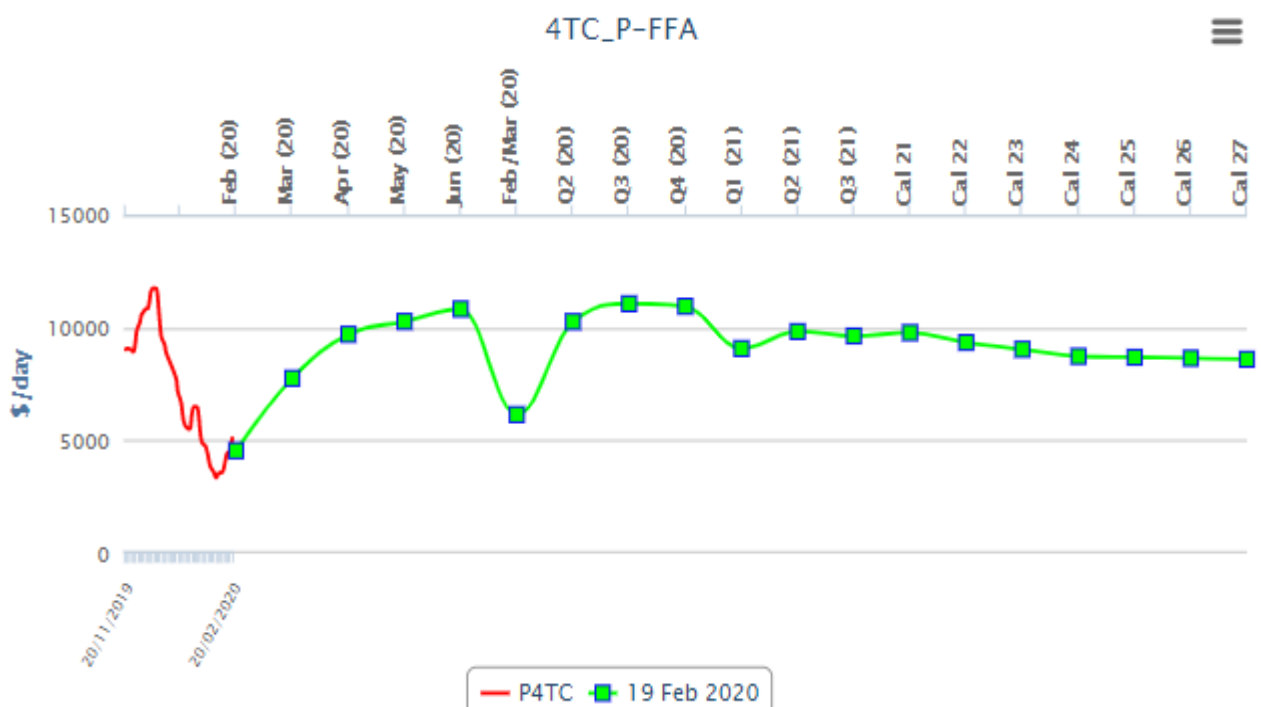
Route and Vessel Size	Current Week USD/MT	Change from previous week	Remarks
55,000 U.S. Gulf-Japan	\$43.25	Up \$0.50	Handymax \$44.25 mt
55,000 U.S. PNW- Japan	\$22.75	Up \$0.50	Handymax \$24.00 mt
66,000 U.S. Gulf – China PNW to China	\$41.75 \$21.75	Up \$0.50 Up \$0.50	North China
25,000 U.S. Gulf- Veracruz, México	\$16.50	Unchanged	3,000 MT daily discharge rate
30-36,000+ U.S. Gulf- Veracruz, México	\$13.75	Unchanged	Deep draft and 6,000 MT per day discharge rate.
30-38,000 U.S. Gulf- <u>East Coast Colombia</u> From Argentina	\$19.25 \$33.00	Up \$0.25	<u>West Coast Colombia at \$26.50</u> USG to E/C 50,000 mt at \$15.75
43-45,000 U.S. Gulf - Guatemala	\$28.25	Up \$0.25	Acajutla/Quetzal - 8,000 out
26-30,000 U.S. Gulf – Algeria	\$33.25 \$33.75	Up \$0.50	8,000 mt daily discharge 3,000 mt daily discharge
26-30,000 US Gulf-Morocco	\$33.75	Up \$0.50	5,000 discharge rate
55-60,000 U.S. Gulf –Egypt  PNW to Egypt	\$25.00 \$25.00	Up \$0.50	60,000 -55,000 mt Romania- Russia- Ukraine \$12.00 -\$112.25 -\$12.00 France \$16.00
60-70,000 U.S. Gulf – Europe – Rotterdam	\$14.50	Unchanged	Handymax at +\$1.75 more
Brazil, Santos – China Brazil, Santos – China  Northern Coast Brazil	\$31.25 \$29.75 \$33.75	Up \$0.50	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	\$33.75	Up \$0.50	Upriver with BB Top Off \$38.25

- **The above rate estimates reflect the 20-30 day forward ocean freight markets.**

## Baltic Dry Bulk Index.

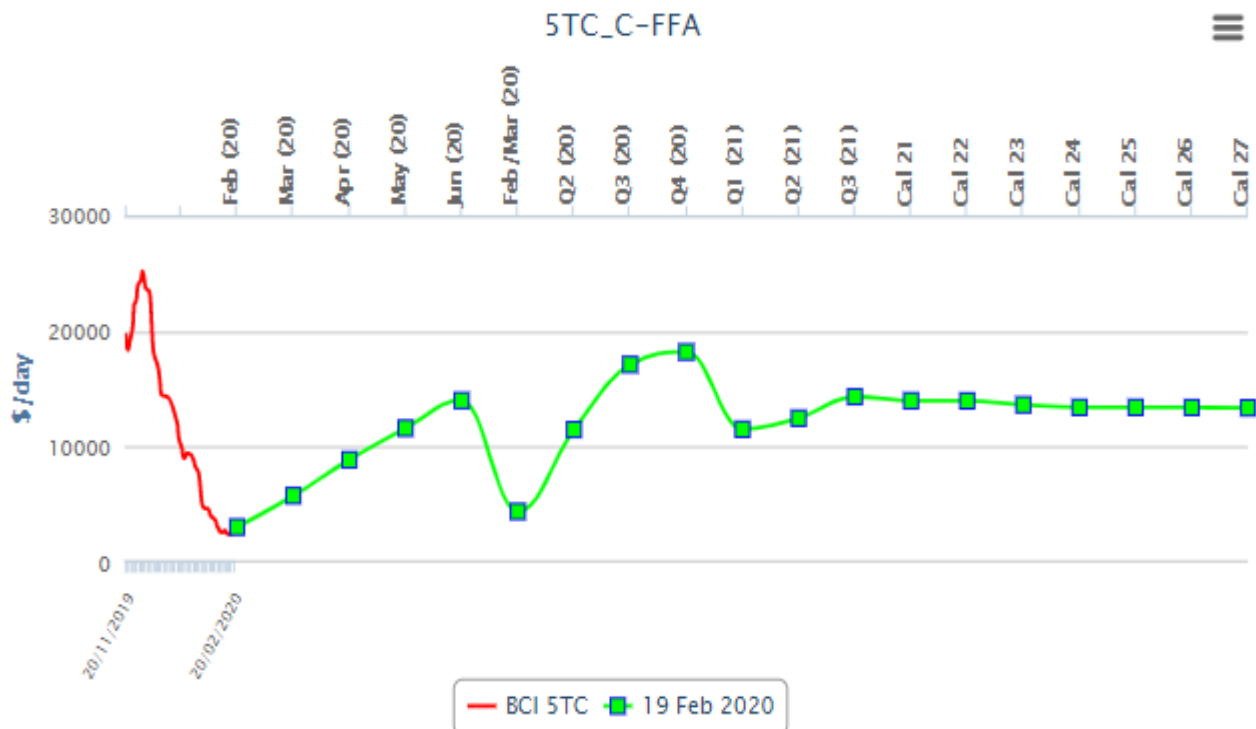


## Baltic Panamax Forward Curve Chart

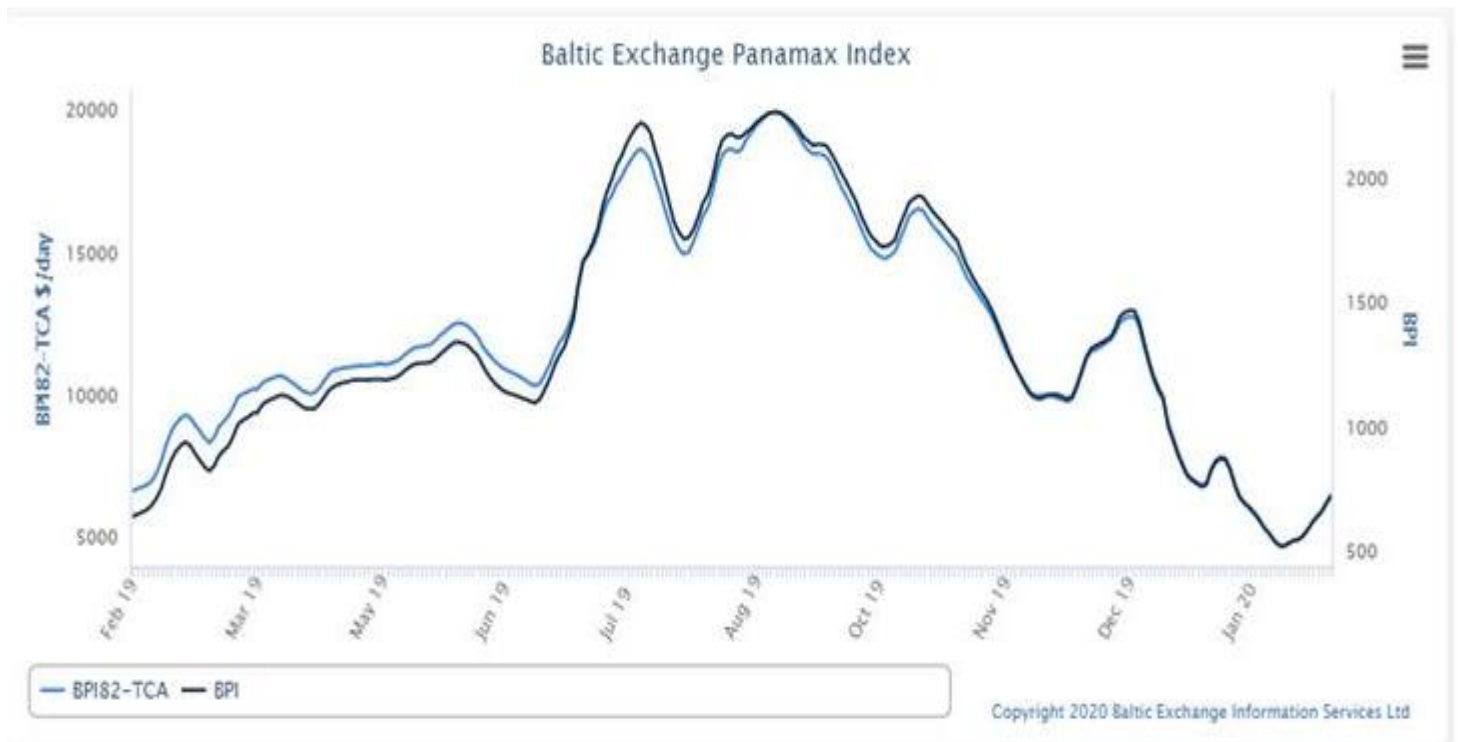


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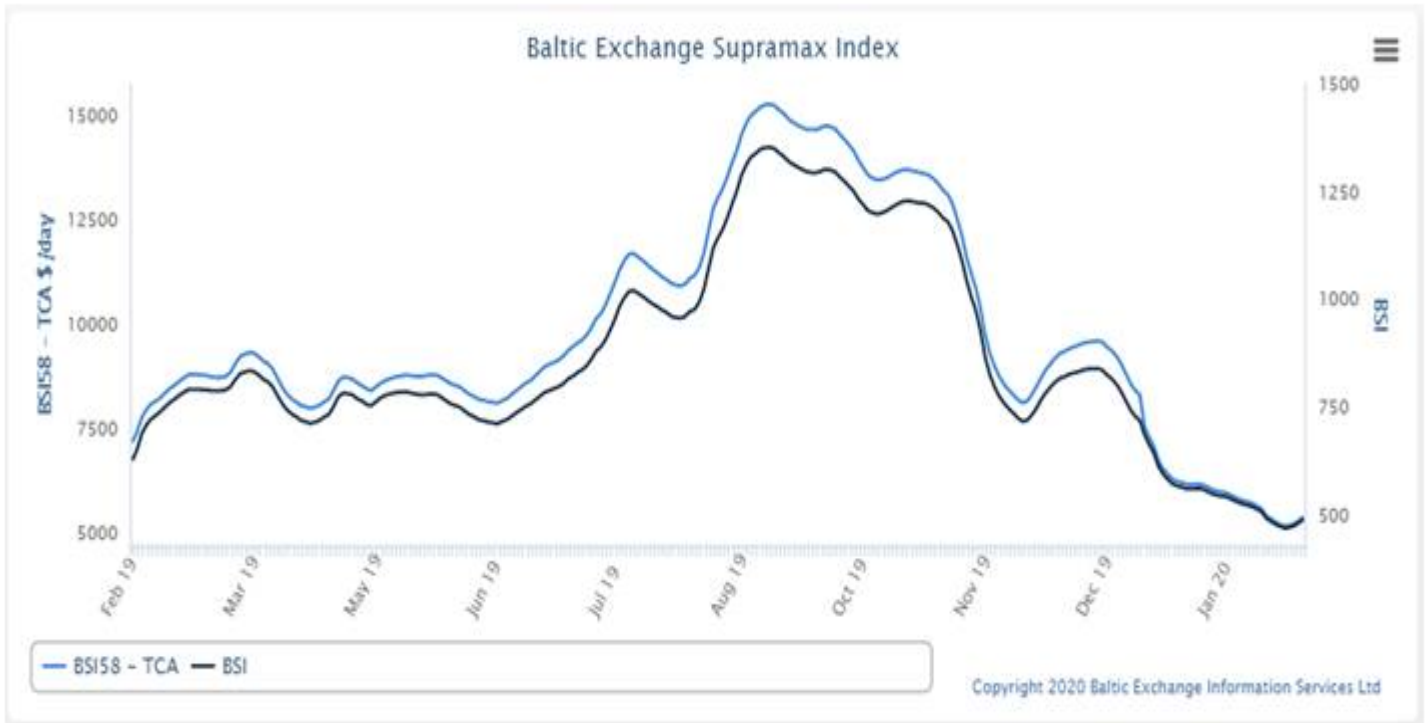
## Baltic Capesize Forward Curve Chart



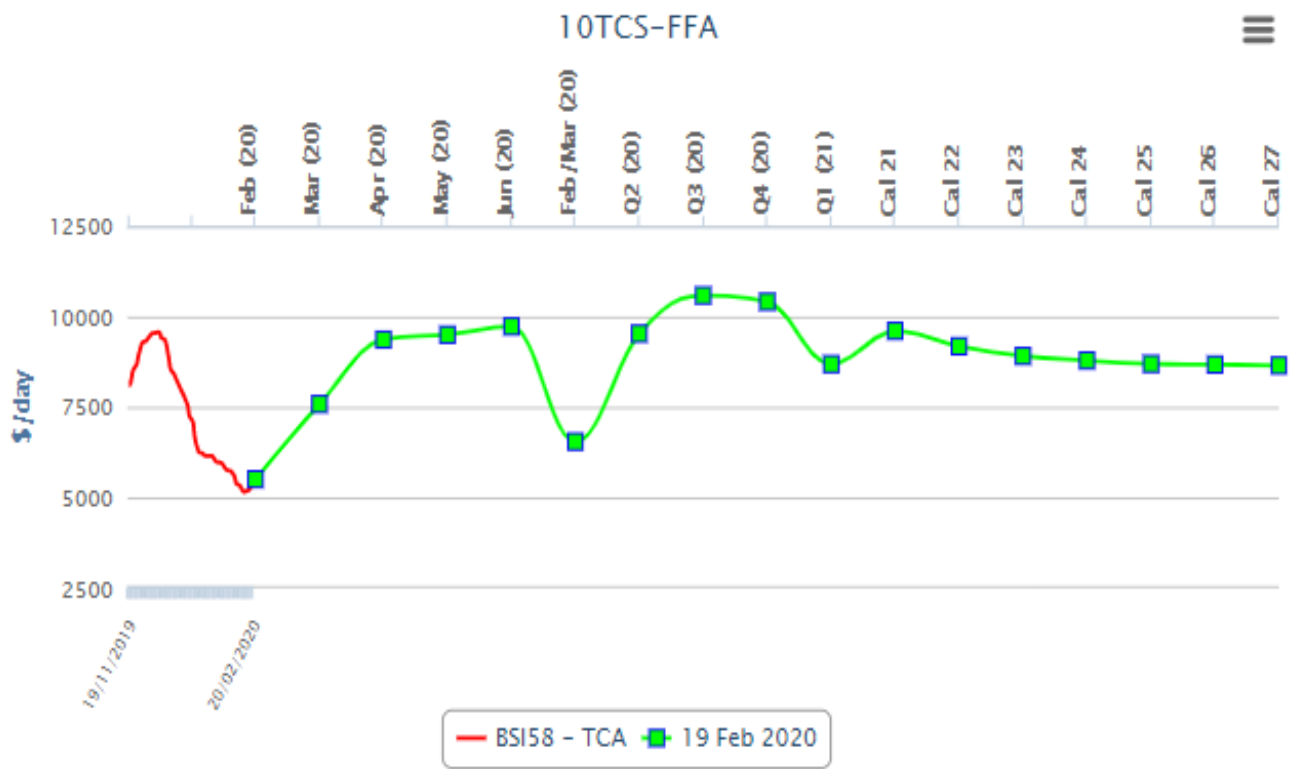
## Baltic Panamax Index



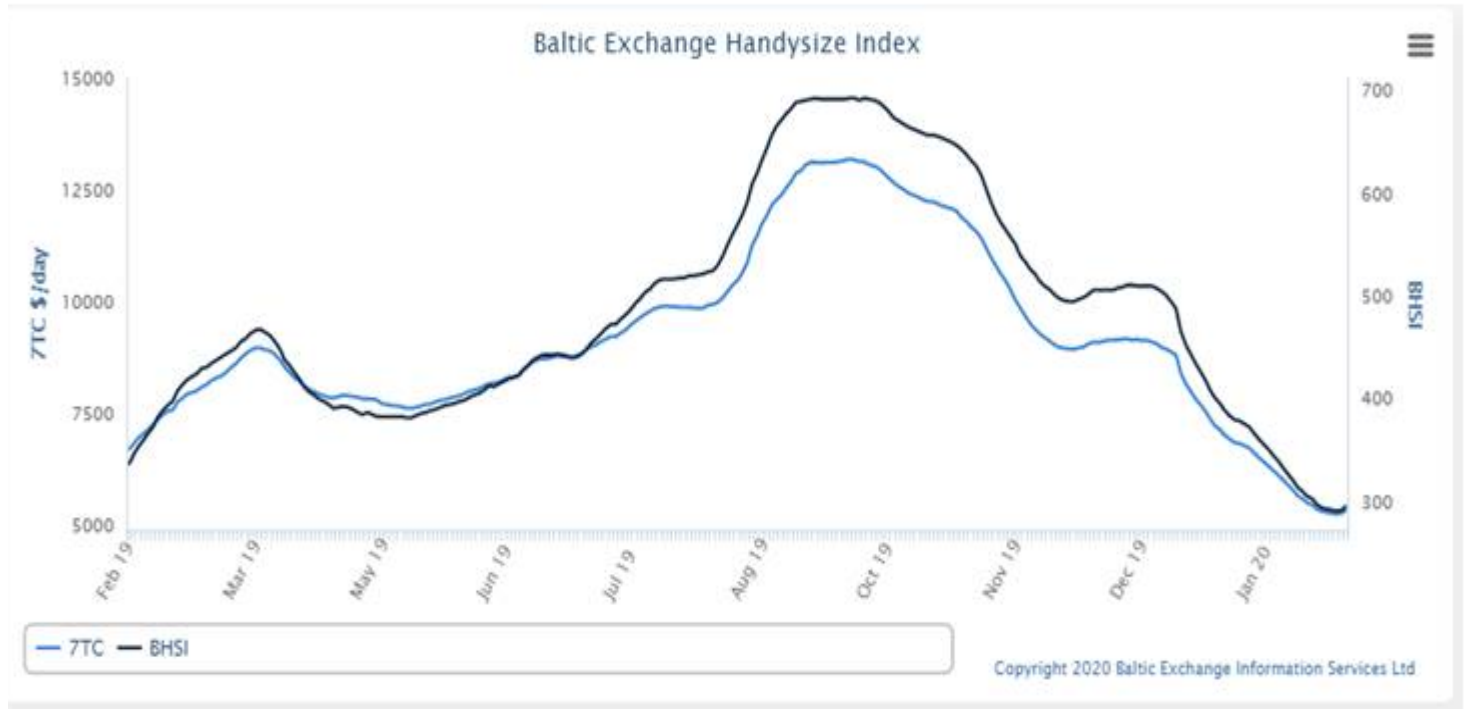
## Baltic Supramax Vessel Index



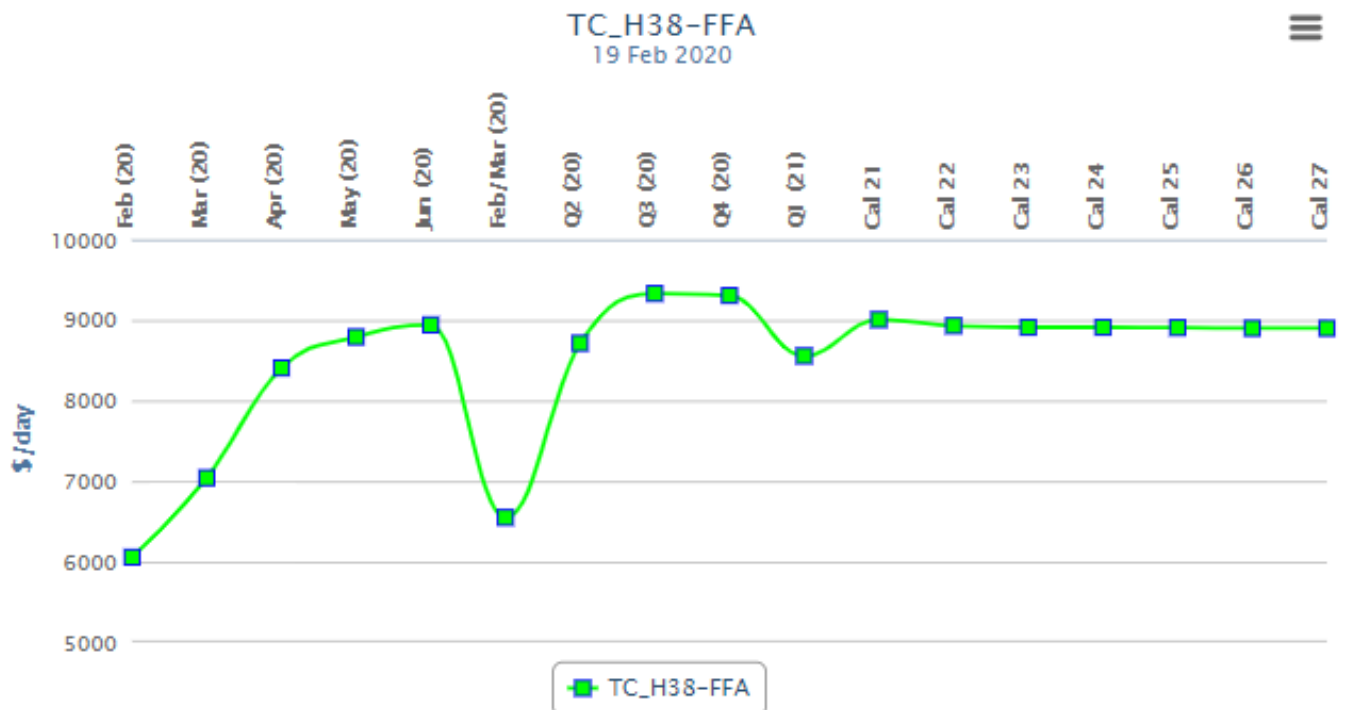
## Supramax Dry-Bulk Forward Curve



## Baltic Handy Size Vessel Index



## Baltic Handy Size Forward Curve

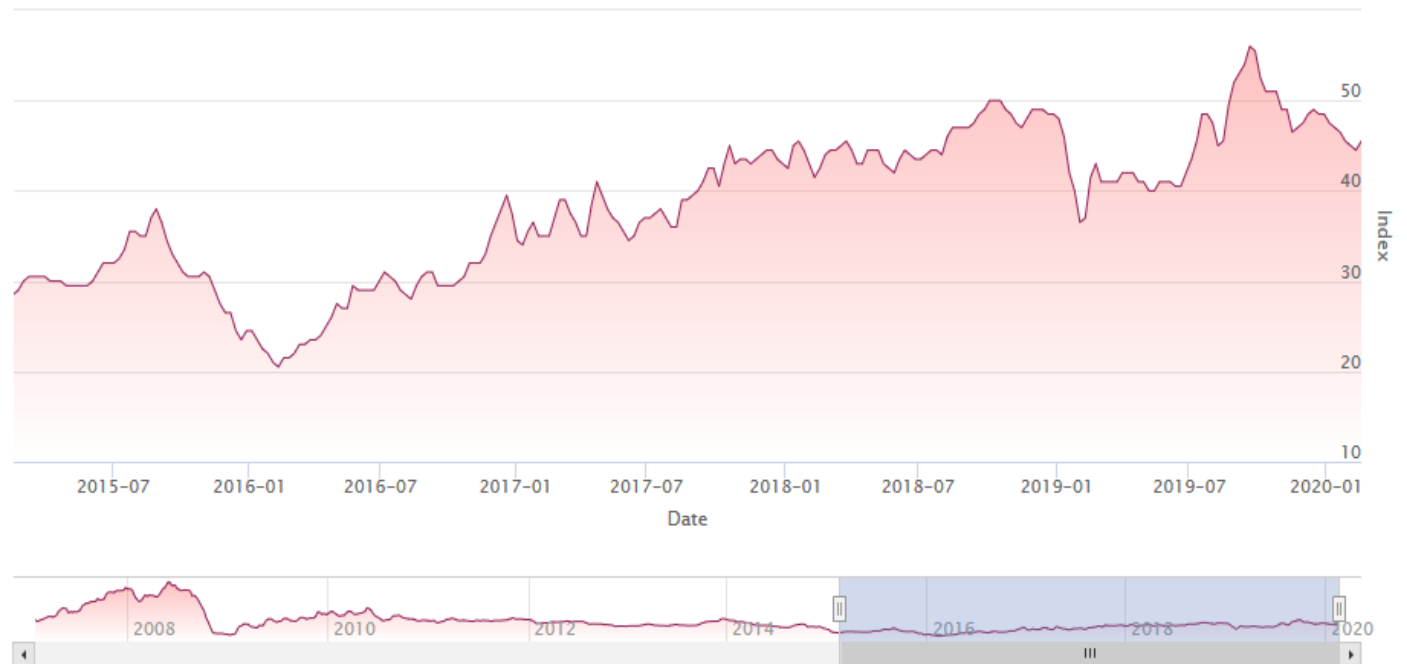


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## YAMAMIZU Index


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

From 2015-02-19 To 2020-02-19



### China Import Dry Bulk Freight Index 2020-02-20

Description	Size MT	Cargo/Vessel Size	Unit	Rate	Change
Composite Index			Point	723.88	2.99
Iron ore Freight Index			Point	670.08	3.07
Dampier(West Australia)-Qingdao (China)	170000/10%	Iron ore	\$/ton	5.931	0.094
Tubarao(Brazil)-Qingdao(China)	170000/10%	Iron ore	\$/ton	12.933	-0.086
Soybean Freight Index			Point	907.09	4.03
Santos(Brazil)—North China	60000/10%	Soybean	\$/ton	29.8	0.213
Tacoma(West America)—North China	60000/10%	Soybean	\$/ton	22.728	0.081
Mississippi(US Gulf)—North China	66000/10%	Soybean	\$/ton	41.729	0.064
Mississippi(US Gulf)—North China	55000/10%	Soybean	\$/ton	43.658	0.05

**20 February 2020 U.S. FOB Vessel Export Market Values:**

<b>U.S. Yellow Corn (USD/MT) FOB Vessel</b>				
#2 YC	GULF # 2 YC		PNW # 3 YC	
Max. 14.5% moisture	BASIS	FLAT PRICE	BASIS	FLAT PRICE
<b>March</b>	0.71	<b>\$176.96</b>	1.04	<b>\$189.95</b>
<b>April</b>	0.66	<b>\$176.66</b>	0.99	<b>\$189.65</b>
<b>May</b>	0.66	<b>\$176.66</b>	1.00	<b>\$190.05</b>
<b>June</b>	0.61	<b>\$175.78</b>	1.00	<b>\$191.13</b>
<b>July</b>	0.61	<b>\$175.78</b>	1.03	<b>\$192.31</b>
<b>Aug.</b>	0.63	<b>\$175.97</b>	1.07	<b>\$193.30</b>

The Gulf spread between #2 & #3 YC is currently about .03 cents per bushel (1.18/mt)

<b>SORGHUM (USD/MT) FOB VESSEL</b>				
#2 YGS Fob Vessel	NOLA		TEXAS	
Max. 14.0% moisture	BASIS	FLAT PRICE	BASIS	FLAT PRICE
<b>March</b>	1.00	<b>\$187.59</b>	0.82	<b>\$181.29</b>
<b>April</b>	0.98	<b>\$189.26</b>	0.82	<b>\$182.96</b>
<b>May</b>	0.98	<b>\$189.26</b>	0.83	<b>\$183.36</b>
<b>June</b>	1.00	<b>\$191.13</b>	0.85	<b>\$185.23</b>
<b>July</b>	1.00	<b>\$191.13</b>	0.87	<b>\$186.01</b>

Fob vessel Texas Gulf #2 Sorghum is about 102% the value of #2 Yellow Corn at NOLA. But trading at a 85% - 89% of corn to farmers in Western Kansas.

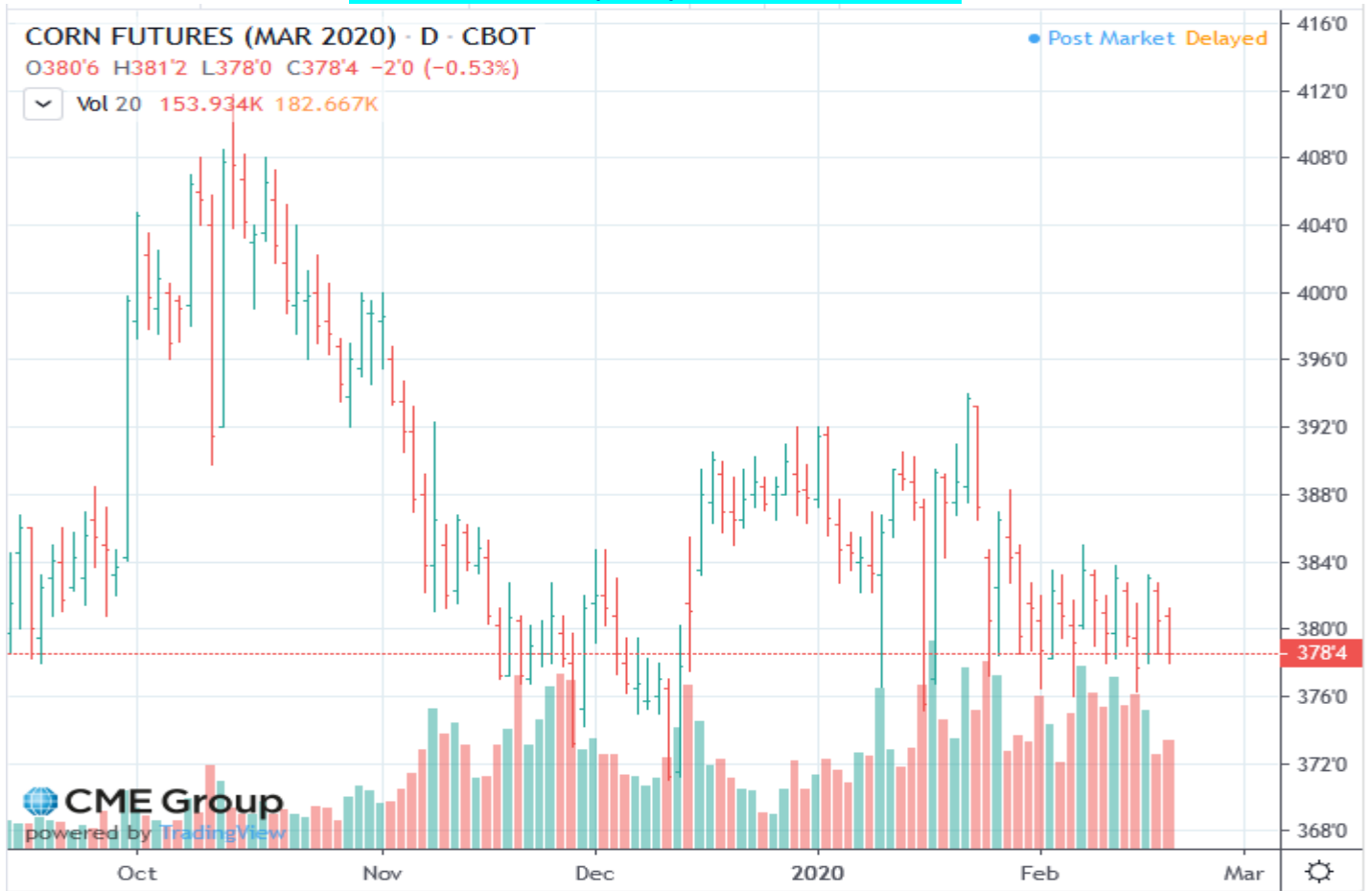
**U.S. SRW Wheat Fob Vessel at the Center U.S. Gulf**

<b>SRW Wheat</b>	<b>USD/MT</b>	<b>Fob Vessel</b>	<b>US Gulf</b>	
	<b>Mar.</b>	<b>Apr.</b>	<b>May</b>	<b>June</b>
FOB U.S. GULF	\$252.79	\$251.42	\$251.42	\$251.23
Basis	1.28	1.25	1.25	1.25
WH	5.6000			.
WK	5.5925			
WN	5.5875			

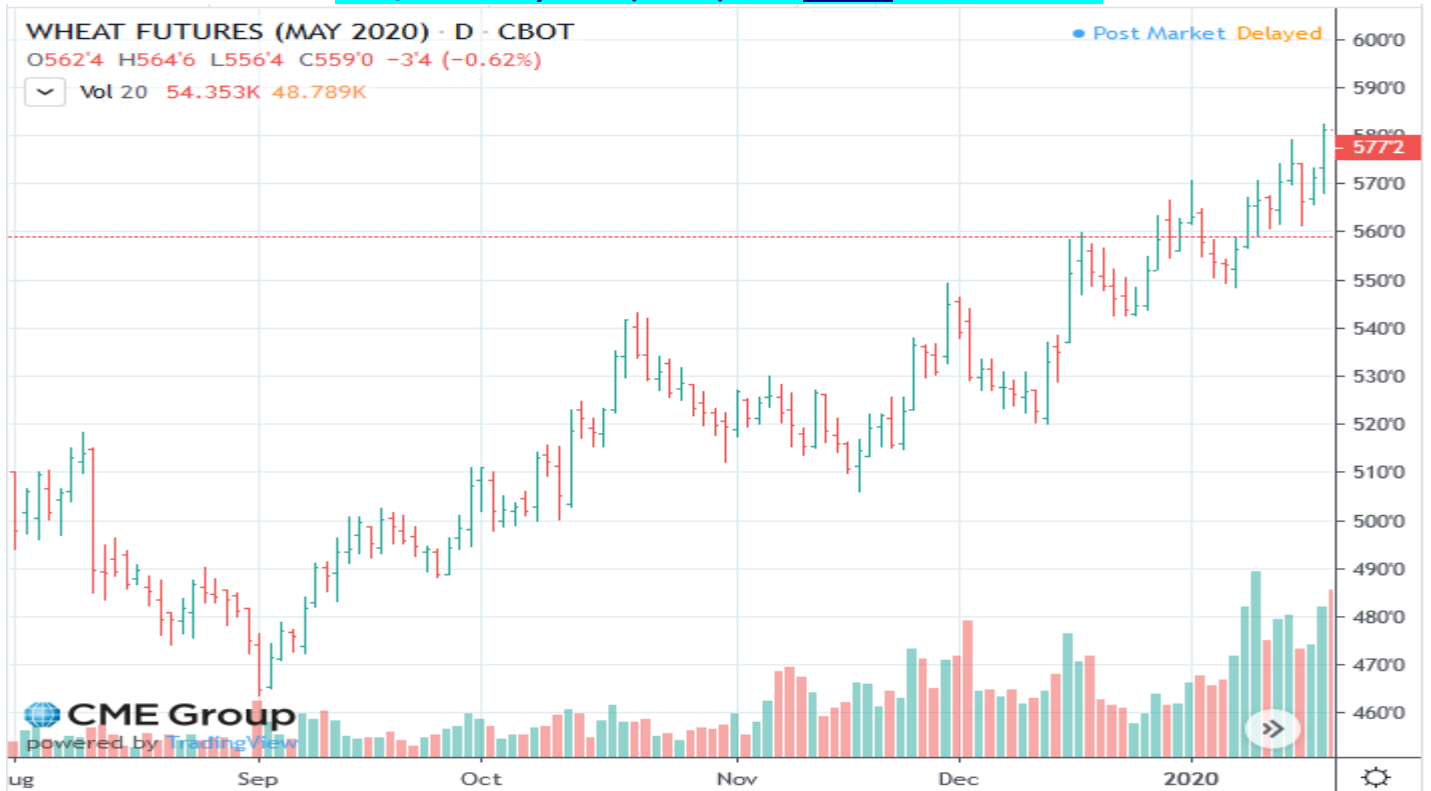
20-Feb-2020	Close	This Week	Last Week.	Last Week.	Last Week	
CME Corn Futures	Bushel	MT.	Bushel	Bu. Diff.	MT	MT Diff.
Mar.	\$ 3.7850	\$ 149.01	\$ 3.7925	(0.0075)	\$ 149.30	\$ (0.30)
May	\$ 3.8275	\$ 150.68	\$ 3.8450	(0.0175)	\$ 151.37	\$ (0.69)
July	\$ 3.8550	\$ 151.76	\$ 3.8800	(0.0250)	\$ 152.75	\$ (0.98)
Sept.	\$ 3.8400	\$ 151.17	\$ 3.8550	(0.0150)	\$ 151.76	\$ (0.59)
Dec.	\$ 3.8850	\$ 152.94	\$ 3.8975	(0.0125)	\$ 153.44	\$ (0.49)
Mar..	\$ 3.9800	\$ 156.68	\$ 3.9900	(0.0100)	\$ 157.08	\$ (0.39)



## CBOT March. 2020 (CH20) CORN Futures Chart –



## CME/CBOT May 2020 (WK20) SRW Wheat Futures Chart –

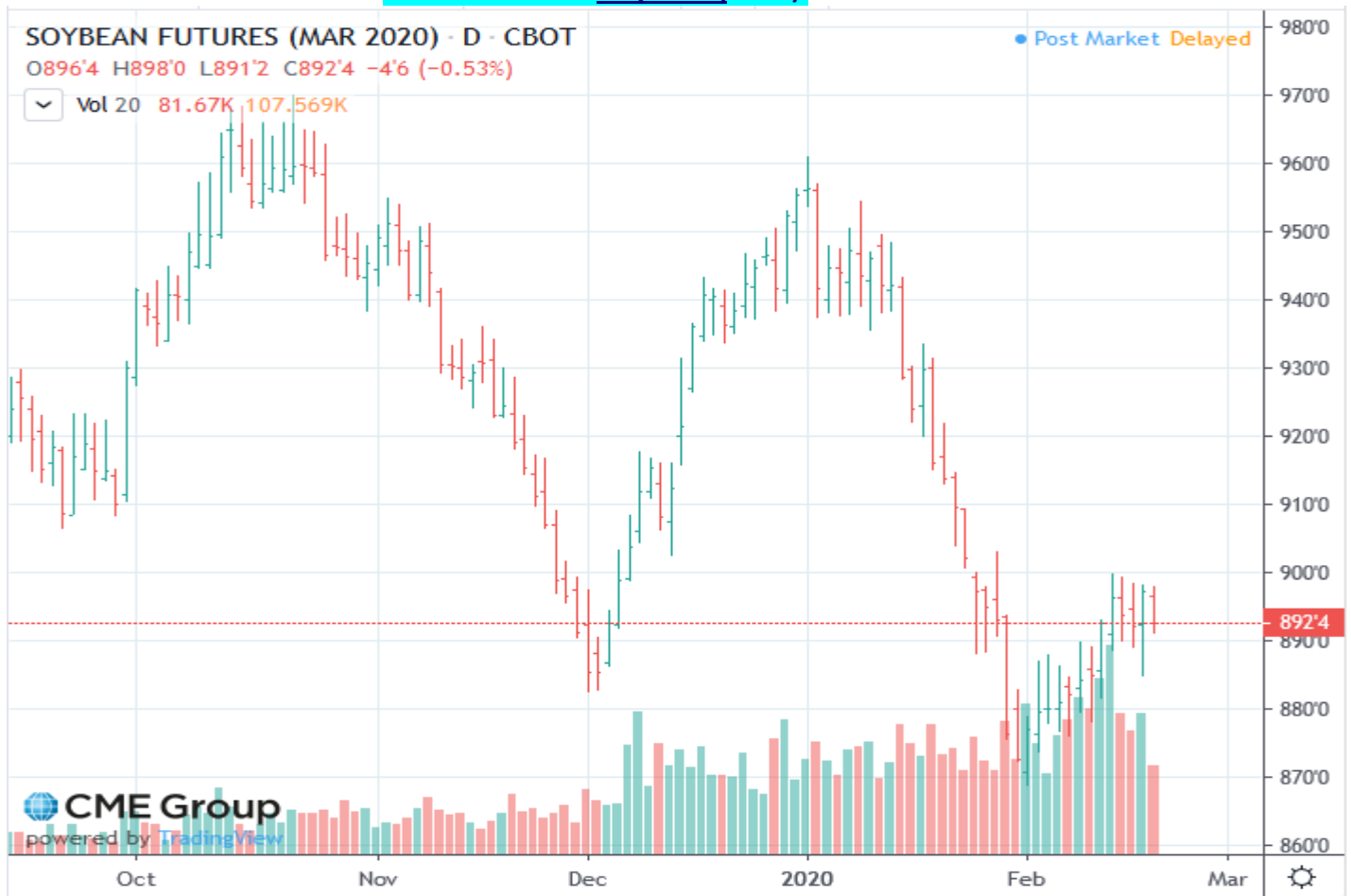


### U.S. Soybean and SBM Markets Fob Vessel:

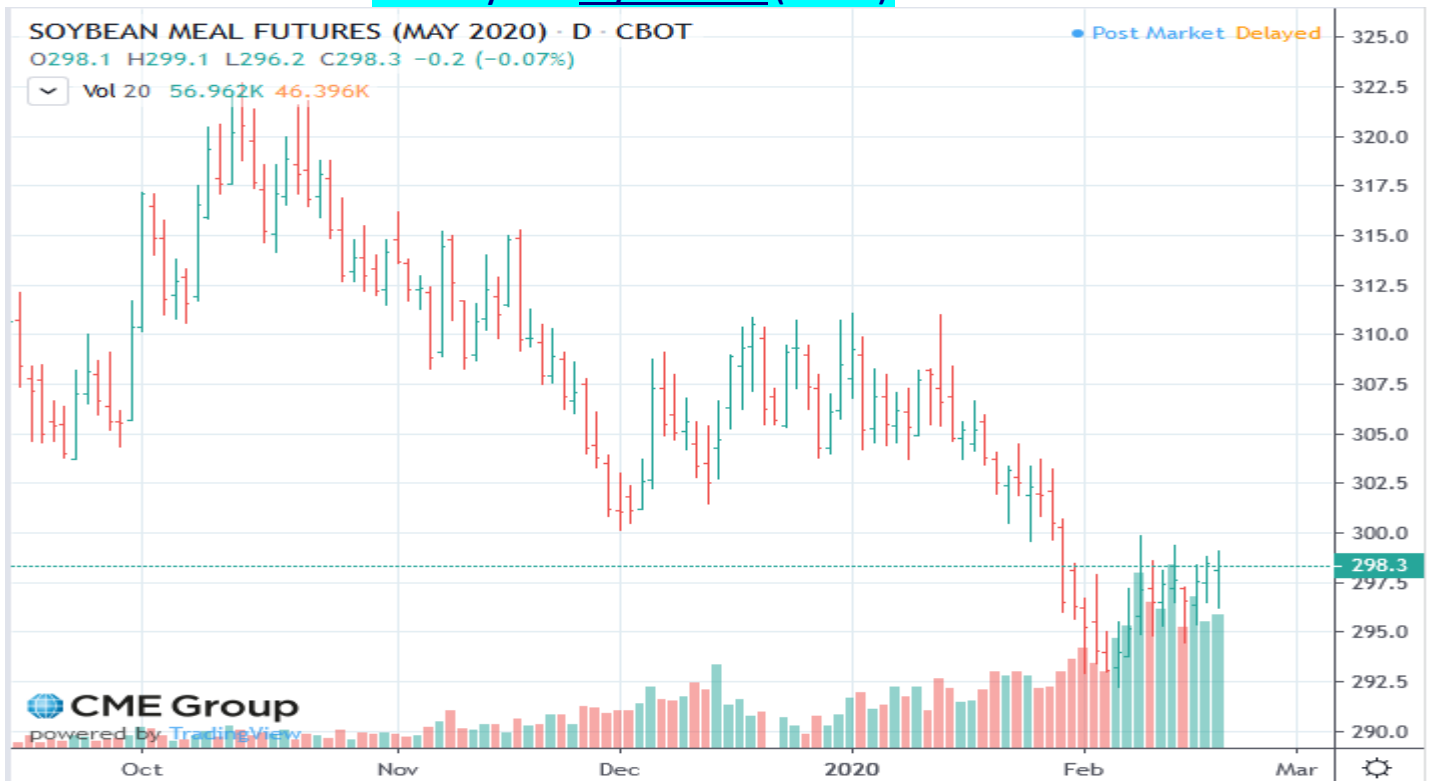
U.S. Yellow Soybeans (USD/MT) FOB Vessel				
# 2 YSB	U.S. Gulf #2 YSB		PNW #2 YSB	
14.0 % Moisture	Basis	Flat Price	Basis	Flat Price
<b>March</b>	0.70	<b>\$353.75</b>	1.00	<b>\$364.77</b>
<b>April</b>	0.64	<b>\$354.57</b>	0.96	<b>\$366.33</b>
<b>May</b>	0.66	<b>\$355.31</b>	0.97	<b>\$366.70</b>
<b>June</b>	0.56	<b>\$355.31</b>	0.87	<b>\$366.70</b>
<b>July</b>	0.58	<b>\$356.04</b>	0.90	<b>\$367.80</b>
<b>Soybean Futures</b>				
<b>Mar.</b>	\$ 8.9275			
<b>May</b>	\$ 9.0100			
<b>July</b>	\$ 9.1100			
<b>Aug.</b>	\$ 9.1375			
<b>Sept.</b>	\$ 9.1350			
<b>Nov.</b>	\$ 9.1750			

U.S. SBM (USD/MT) FOB Vessel		
Fob U.S. Gulf Port	47.5 Pro. SBM	
max 12.5 % moisture	Basis	Flat Price
<b>March</b>	15.00	<b>\$ 339.46</b>
<b>April</b>	10.00	<b>\$ 339.90</b>
<b>May</b>	11.00	<b>\$ 341.00</b>
<b>June</b>	9.00	<b>\$ 344.09</b>
<b>July</b>	9.00	<b>\$ 345.30</b>
<b>SBM Futures</b>		
<b>SMH</b>	292.90	
<b>SMK</b>	298.30	
<b>SMN</b>	303.10	
<b>SMQ</b>	304.20	
<b>SMU</b>	304.80	
<b>SMV</b>	305.10	

### CME March 2020 Soybean (SH20) Futures Chart:



### CME May 2020 Soybean Meal (SMK20) Futures Chart



**U.S. EXPORT STATISTICS: Report Activity as of Week Ending 06 February 2020**

**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 '20- 21 (000 MT)
Corn	1007.9	23,759.4	43,820	54%	1,258.9
Sorghum	17.6	1,173.1	3,050	38%	0.0
Soybeans	652.1	32,952.7	49,670	66%	316.6
Wheat	655.0	21,908.8	27,220	80%	270.9
Barley	0.0	48.7	110	44%	30.5

**U.S. EXPORT INSPECTIONS:**

Monday's report 17 February 2020 for the Export week ending 13 February 2020

	Export Inspections		Current Market Year YTD	Previous Year to Date	2019/20 YTD as Percent of 2018/19 YTD
	This Week	Previous Week			
Corn	795,228	788,549	12,308,616	24,190,837	51%
Sorghum	74,141	77,577	1,300,785	799,017	163%
Soybeans	992,294	640,620	28,277,053	23,812,175	119%
Wheat	501,990	567,349	17,730,804	15,753,830	113%
Barley	144	8,830	28,432	6,852	415%

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

**U.S. EXPORT INSPECTIONS:**

Monday's report 17 February 2020 for the Export week ending 13 February 2020

Last Week							
(Metric Tons)	YC	%	WC	%	Sorghum	%	Soybeans %
Lakes	0	0%	0	0%	0	0%	0 0%
Atlantic	0	0%	0	0%	0	0%	17,546 2%
Gulf	465,866	59%	0	0%	59,328	80%	640,147 65%
PNW	205,564	26%	0	0%	9,088	12%	203,165 20%
Interior Export Rail	123,774	16%	24	100%	5,725	8%	131,436 13%
Metric Tons	795,204		24		74,141		992,294

Sorghum Shipments:	metric tons	
	47,986	China Main
	20,430	Japan
	5,725	Mexico
	74,141	Total

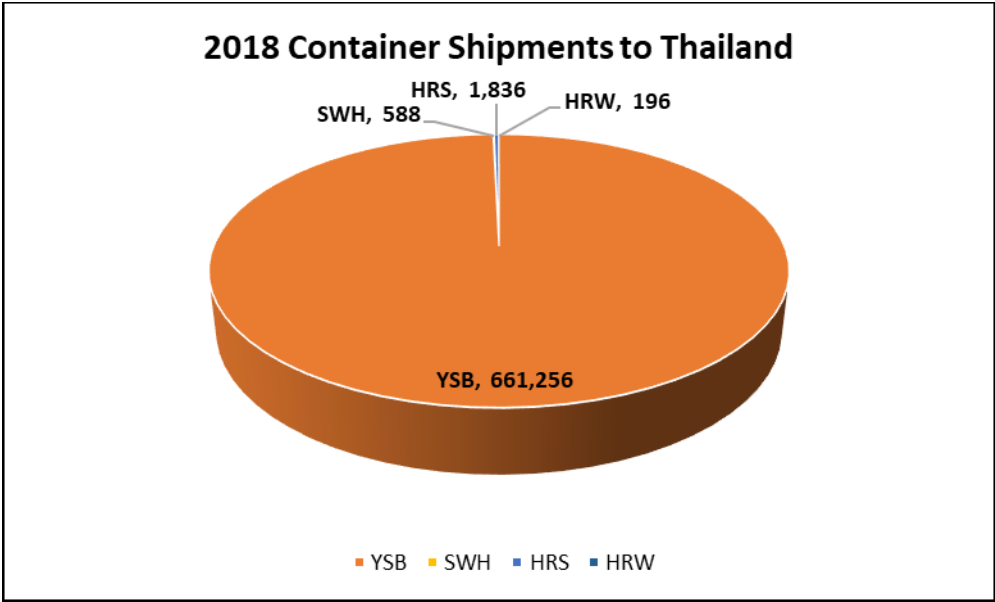
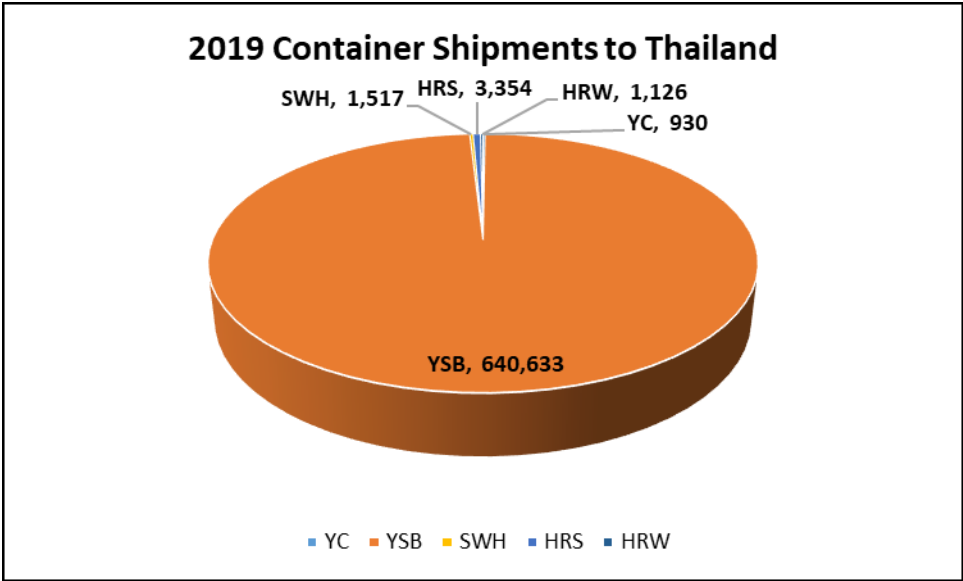
White Corn	metric tons	
Shipments:	24	Ireland
	24	Total

## 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:		13-Feb-2020							
Last Week	metric tons								MT
	YC	WC	YSB	SRW	NS	SWH	HRW	Sorghum	TOTAL
China Main									0
China T	13,002		21,405						34,407
Hong Kong	318								318
Costa Rica			24						24
Indonesia			22,064						22,064
French Poly									0
Japan	636		1,026						1,662
Korea Republic			1,003						1,003
Nepal			2,842						2,842
Malaysia	930		11,998						12,928
Ireland		24							24
Philippines			441						441
Thailand			13,151						13,151
Panama									0
Jordan									0
Bangladesh									0
Burma			490	980					1,470
Vietnam			8,103						8,103
Sub total	14,886	24	82,547	980	0	0	0	0	88,864
USDA Corrections/Additions to previous reports:									
China T									0
China Main									0
Hong Kong									0
Korea Rep.									0
Singapore									0
Japan									0
Philippines									0
Indonesia									0
Malaysia			343						343
Thailand									0
Vietnam			1,764						1,764
Saudi Arabia			49						49
Bangladesh									0
Sub total	0	0	2,156	0	0	0	0	0	2,156
<b>Mt. Grand Total</b>	<b>14,886</b>	<b>24</b>	<b>84,703</b>	<b>980</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>91,020</b>
Number of containers	647	1	3,683	43	0	0	0	0	

Jan - Dec 2018 Annual Totals versus 2019 Jan.-Dec. YTD Total Container Shipments (in MT)



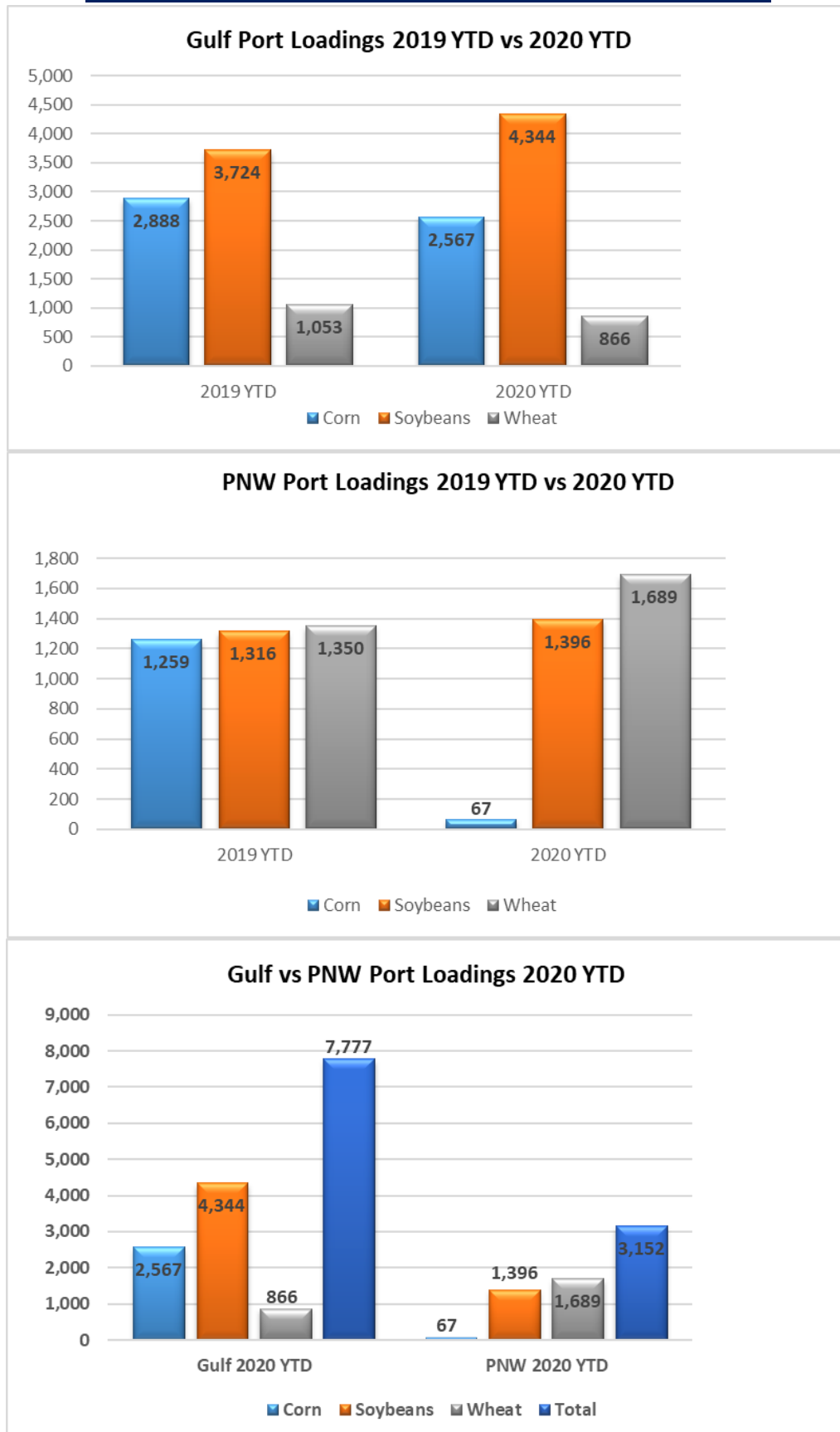
Grain Inspections for Export by U.S. Port Regions:  
U.S. Gulf and Pacific Northwest 2019 YTD vs. 2020 YTD

PORT LOADINGS US Gulf				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
<b>GULF</b>				
2019 YTD	2,888	3,724	1,053	7,665
2020 YTD	2,567	4,344	866	7,777
2020 as % of 2019	89%	117%	82%	101%

PORT LOADINGS US PNW				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
<b>PNW</b>				
2019 YTD	1,259	1,316	1,350	3,925
2020 YTD	67	1,396	1,689	3,152
2020 as % of 2019	5%	106%	125%	80%

PORT LOADINGS GULF vs. PNW				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
2020 Gulf YTD	2,567	4,344	866	7,777
2020 PNW YTD	67	1,396	1,689	3,152
TOTAL	2,634	5,740	2,555	10,929
Gulf Percentage	97%	76%	34%	71%
PNW Percentage	3%	24%	66%	29%

Grain Inspections for Export by U.S. Port Regions (1,000MT):  
U.S. Gulf and Pacific Northwest 2019 YTD vs. 2020 YTD

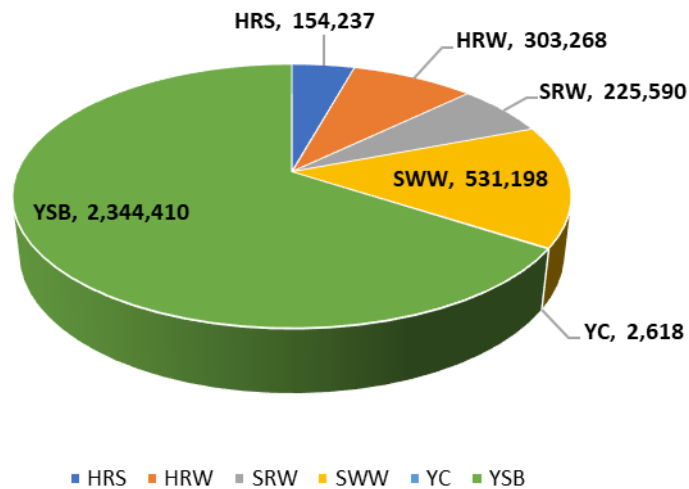


Source: USDA-data

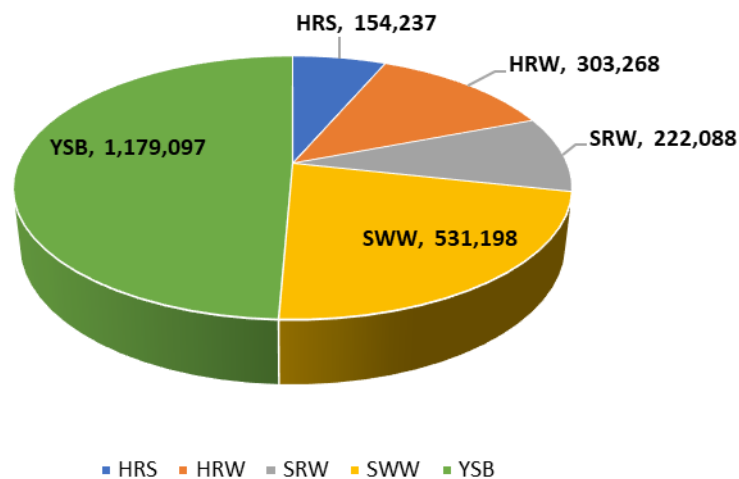


2019 YTD Total Grain Exports reported by USDA (in MT)

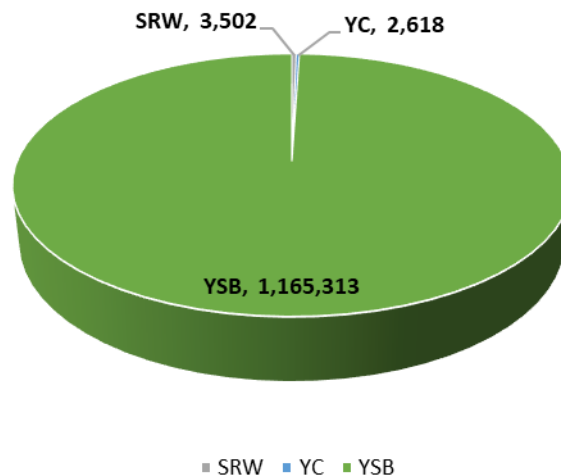
**2019 Exports to Indonesia**



**2019 Exports to Indonesia by Vessel**



**2019 Exports to Indonesia by Container**



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

## Shipping News



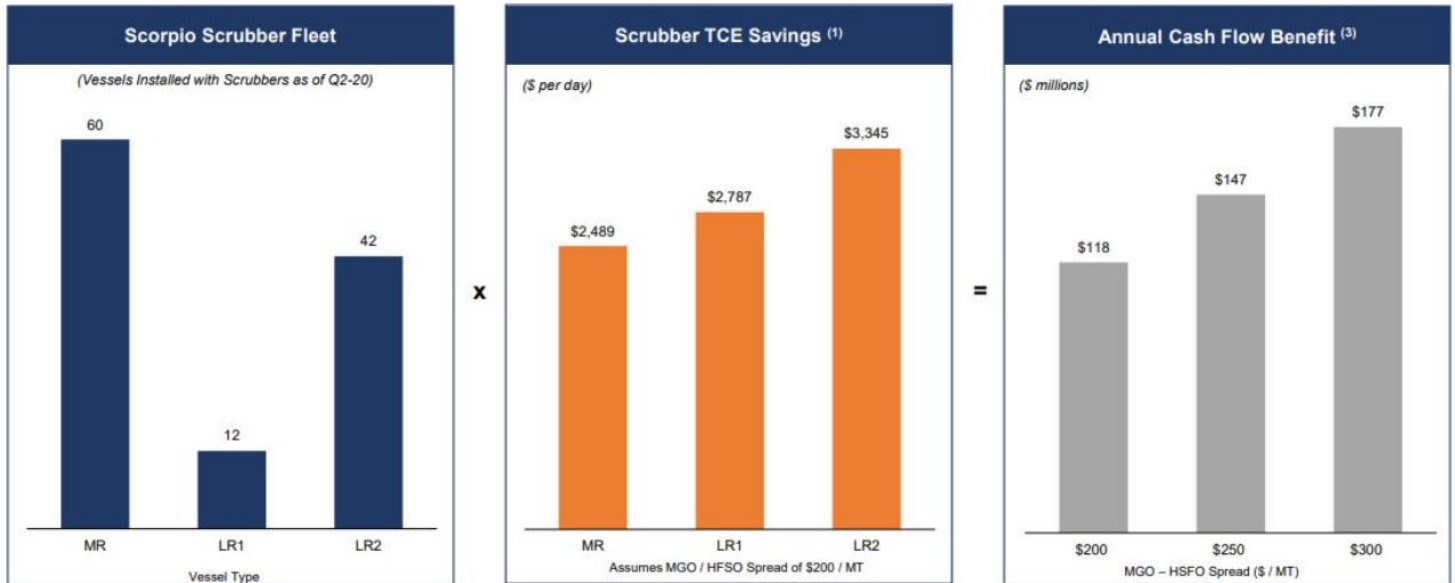
## JOC-

### **North American intermodal volumes down in every category in 2019**



The Intermodal Association of North America's latest market report shows year-over-year volume fell 7.4 percent in the fourth quarter of 2019 and 4.1 percent for the full year.

## Scrubber Fuel Savings



**Annual Cash Flow Benefit of ~\$120 Million at a \$200 MGO-HSFO Spread Driven By Modern Scrubber-Fitted Fleet**



Annual Fuel Consumption based on actual vessel consumption in 2018. (MT/Year): MR (4,542 MT) / LR1 (5,087 MT) / LR2 (6,105 MT). See appendix for additional details.  
<sup>(1)</sup> Scrubber TCE savings calculated as illustrative annual fuel savings / 365 days. Based on an MGO-HSFO spread of \$200/MT.  
<sup>(2)</sup> Annual Cash Flow Scrubber Savings = # of Vessels with scrubbers x fuel consumption (MT/year) x MGO-HSFO Spread (\$/MT).

Coronavirus wreaks havoc at Chinese ports with "crane operators, customs officials and truck drivers staying home, as the country is gradually shutting down."



### Coronavirus Hits Shipping as China Port Traffic Slides

Ship calls at or through major Chinese ports have fallen 20% since Jan. 20, maritime data provider Alphaliner said, as measures to control the ...

[wsj.com](https://www.wsj.com)

## China Import Dry Bulk Freight Index



## China Containerized Freight Index



February 17, 2020 | [News, Safety And Security, Shipping](#)

# Coronavirus: ONE puts \$1,000 a box surcharge on Shanghai and Xingang reefer shipments

Written by [Nick Blenkey](#)



Ocean Network Express (ONE) issued a notice to customers on February 14 noting that “due to the slow inbound container pick-up activity caused by the outbreak of Novel Coronavirus and the extension of the Lunar New Year holidays, some Chinese terminals, especially Xingang (Tianjin) and Shanghai are already facing a serious shortage of available reefer plugs.”

ONE said that as a result it may need to adjust the original transportation plan for reefer shipments to these Chinese terminals.

“In such cases,” said the notice, “this may result in the discharge of reefer containers at an alternative port without prior notice. Where operationally viable, and in an effort to minimize loss and inconvenience, ONE shall endeavor to arrange onward transportation from the alternative discharge port to the originally intended destination subject to reefer plug availability. In an effort not to compound the operational constraints and to maintain the safest operation possible under these circumstances, ONE will encourage customers to consider a change of destination to other alternative ports, especially for time-sensitive cargoes such as fresh, chilled commodities.

“At the same time, ONE has decided to apply a congestion surcharge (CGD) of USD 1,000 per container to cover additional costs related to the unexpected but necessary arrangement of shipments and associated plug-in charges, monitoring fees etc.

“This measure is effective immediately for all Reefer cargo arriving into Shanghai and Xingang from 15th February 2020 onwards, and for regulated trades the effective date will be 14th March 2020 until further notice.”

Categories: [News](#), [Safety and Security](#), [Shipping](#) Tags: [coronavirus](#), [Ocean Network Express](#), [ONE](#), [reefer](#)

### U.S. RIVER BARGE FREIGHT

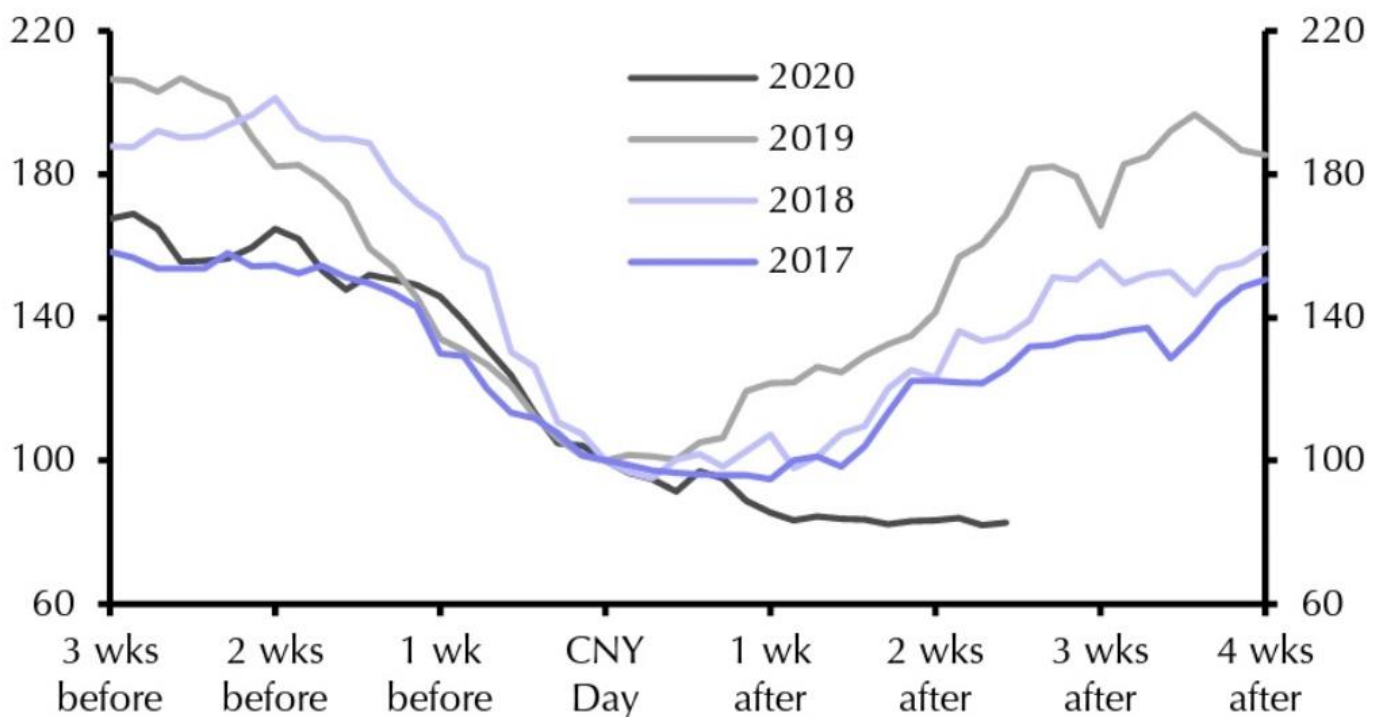
Current Barge Freight for Placement First Half March 2020

Placement FH March 2020	% of		Corn	Soybeans-Wheat
	Tariff	MT	BU	BU
Upper Mississippi	Closed	\$ -	0.00	0.00
Illinois River (Pekin and South)	300	\$15.91	0.40	0.43
Mid-Mississippi	Closed	\$ -	0.00	0.00
Lower Ohio	215	\$10.57	0.27	0.29
St. Louis	200	\$ 8.80	0.22	0.24

### Secondary Rail Car Market for car placement period: First Half March 2020.

Secondary Rail Car Market Placement FH. March 2020	BID USD	ASK USD	BID BU.	ASK BU.	BID MT	ASK MT
BNSF Shuttle Trains	\$ (175.00)	\$ (100.00)	\$ (0.04)	\$ (0.03)	\$ (1.72)	\$ (0.98)
UPRR Shuttle Trains	\$ (150.00)	\$ (100.00)	\$ (0.04)	\$ (0.03)	\$ (1.48)	\$ (0.98)

## Chart 1: Coal Consumption at Power Plants (CNY = 100)



Sources: WIND, Capital Economics



Best Regards,

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