

Transportation and Export Report for 21 February 2019

Ocean Freight Insights and Comments:

Since the end of the Lunar New Year Holiday we have seen a small bump up in the Baltic Indices and physical Dry-Bulk rates, but the markets have now turned flat and sluggish while they seek new direction. This makes traders wonder about the potential for much more upside movement. Panamax daily hire rates for March are near \$7,000/day with the Capesize market at just \$8,300/day. We still have a substantial carry in Dry-Bulk daily hire rates which simply means that vessel owners are begrudgingly selling at values the current market will give but are holding out hope for a better future. Much still depends on the outcome of the U.S -China trade war and the health of global economics. And, of course, the market needs to encourage vessel owners from building more vessels. This should not lead to big jumps in freight rates.

BALTIC DRY-BULK PANAMAX INDEX CHANGES

Panamax Ocean Freight Indices				
21-Feb-19	This Week	Last Week	Difference	Percent Change
P2A : Gulf/Atlantic - Japan	10814	10584	230	2.2%
P3A - PNW/Pacific - Japan	6377	5740	637	11.1%
S1C -USGULF-China-So.Japan	17494	16614	880	5.3%

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

Four weeks ago:	\$5.95-\$6.90
Three weeks ago:	\$5.10-\$6.00
Two weeks ago:	\$4.75-\$5.20
One week ago:	\$4.85-\$5.20
This week	\$5.15-\$5.50

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

Mississippi River:	(10 elevators)	5-13 days
Miss. River Mid-Stream loaders:	(6+ Rigs)	0-2 days
Texas Gulf	(6 elevators)	0-4 days
Pacific Northwest:	(9 elevators)	3-14 days

Panamax Market Spreads to Asia -China					
21-Feb-19	PNW	GULF	Bushel Spread	MT Spread	Advantage
CORN	0.99	0.59	0.40	\$15.75	Both
SOYBEANS	0.67	0.38	0.29	\$10.66	PNW
OCEAN FREIGHT	\$21.75	\$38.00	.41 -.44	\$16.25	April

Recent Reported Vessel Fixtures:

63,000 mt hss US Gulf to China April 15- May 15 at \$40.00 fio 10000sshex/8000sshex - CHS
 60,000 mt Paranagua Brazil to China March 4-20 at \$27.50 fio 80000shex bends - Louis Dreyfus
 Soybean Panamax USG to Spain is running \$17.50/mt.
 Soybean Brazil to Spain can be done at \$19.00/mt.

Route and Vessel Size	Current Week USD/MT	Change from previous week	Remarks
55,000 U.S. Gulf-Japan	\$39.25	Up \$0.25	Handymax \$40.00 mt
55,000 U.S. PNW- Japan	\$22.25	Up \$0.25	Handymax \$21.75 mt
66,000 U.S. Gulf – China PNW to China	\$38.00 \$21.75	Up \$0.25 Up \$0.25	North China
25,000 U.S. Gulf- Veracruz, México	\$16.00	Unchanged	3,000 MT daily discharge rate
30-35,000+ U.S. Gulf- Veracruz, México	\$13.50	Unchanged	Deep draft and 6,000 MT per day discharge rate.
25/35,000 U.S. Gulf- <u>East Coast Colombia</u> From Argentina	\$19.50 \$33.00	Unchanged	<u>West Coast Colombia at \$29.00</u>
43-45,000 U.S. Gulf - Guatemala	\$29.00	Down \$0.50	Acajutla/Quetzal - 8,000 out
26-30,000 U.S. Gulf – Algeria	\$32.00 \$33.00	Unchanged	8,000 mt daily discharge 3,000 mt daily discharge
26-30,000 US Gulf-Morocco	\$34.00	Unchanged	5,000 discharge rate
55-60,000 U.S. Gulf –Egypt PNW to Egypt	\$26.50 \$27.25	Up \$0.50	60,000 -55,000 mt Russia Black Sea Romania - Egypt \$12.50-\$13.00 (France \$16.50-\$17.00)
60-70,000 U.S. Gulf – Europe – Rotterdam	\$16.25	Up \$0.25	Handymax at +\$1.75 more
Brazil, Santos – China Brazil, Santos – China Itacoatiara-Port Up River North Brazil	\$27.75 \$27.00 \$30.75	Up \$0.50	54-59,000 Supramax-Panamax 60-66,000 Post Panamax 60-66,000 mt
56-60,000 Argentina/Rosario- China Deep Draft	\$31.50	Up \$0.50	Up River with BB Top Off \$34.00

● The above rate estimates reflect the 30-45-day forward ocean freight markets.

Nautical Miles: To Xiamen China (South China)

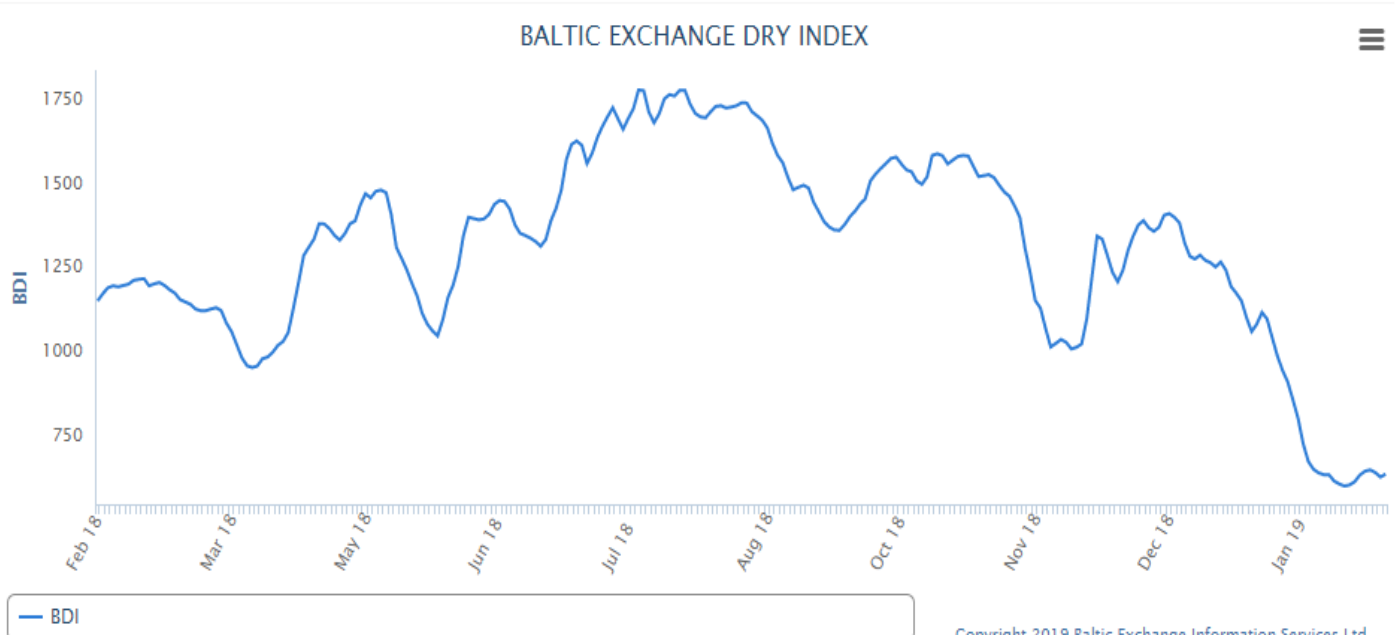
US Gulf (NOLA) (via Panamá Canal) – 10,232 nautical miles (32 days)

Santos Brazil (via Cape of Good Hope) - 10,441 nautical miles (33 days)

Rosario Argentina (via Cape Horn) - 10,751 nautical miles (34 days)

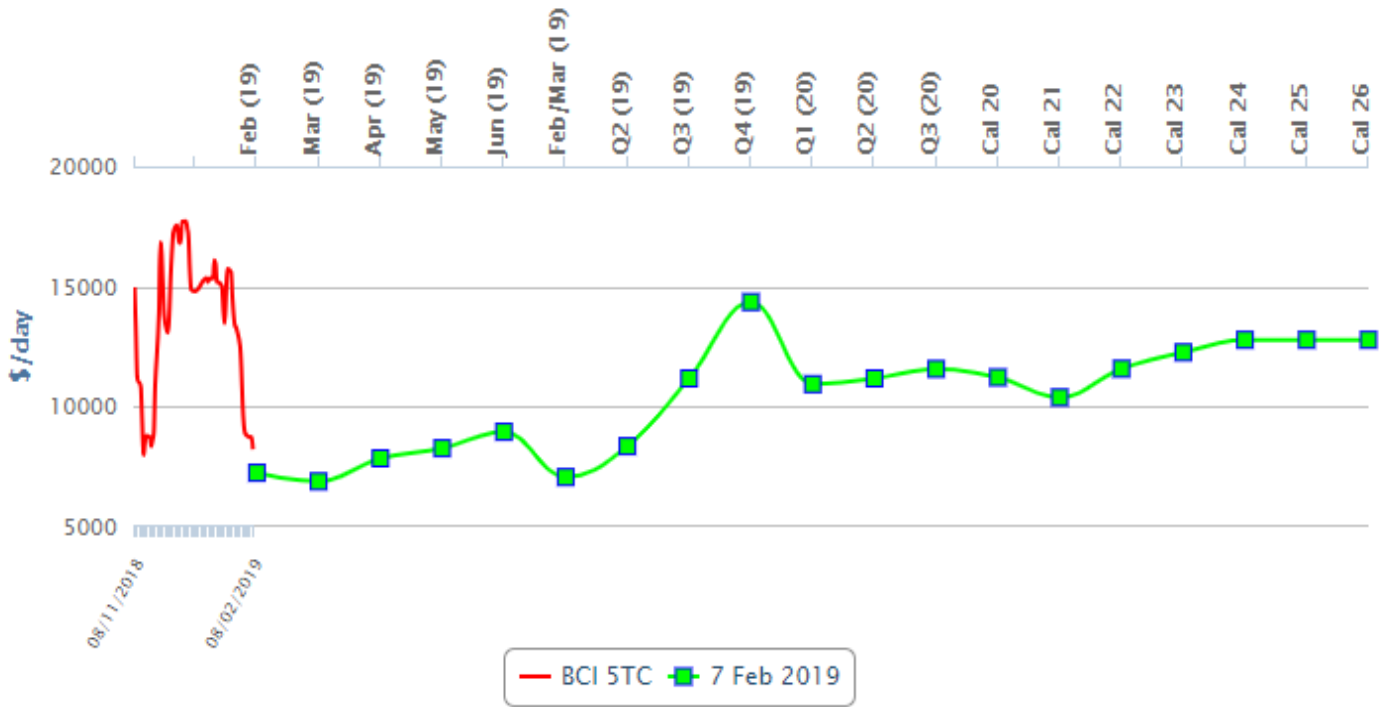


Baltic Dry Index.



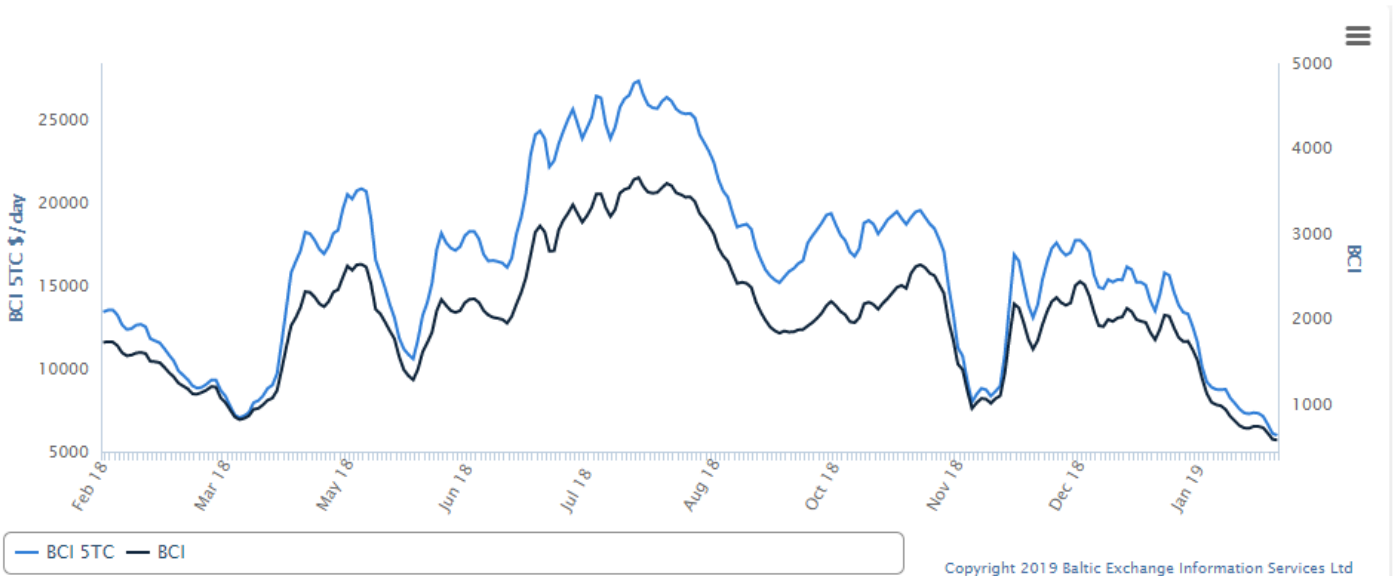
Baltic Capesize Index

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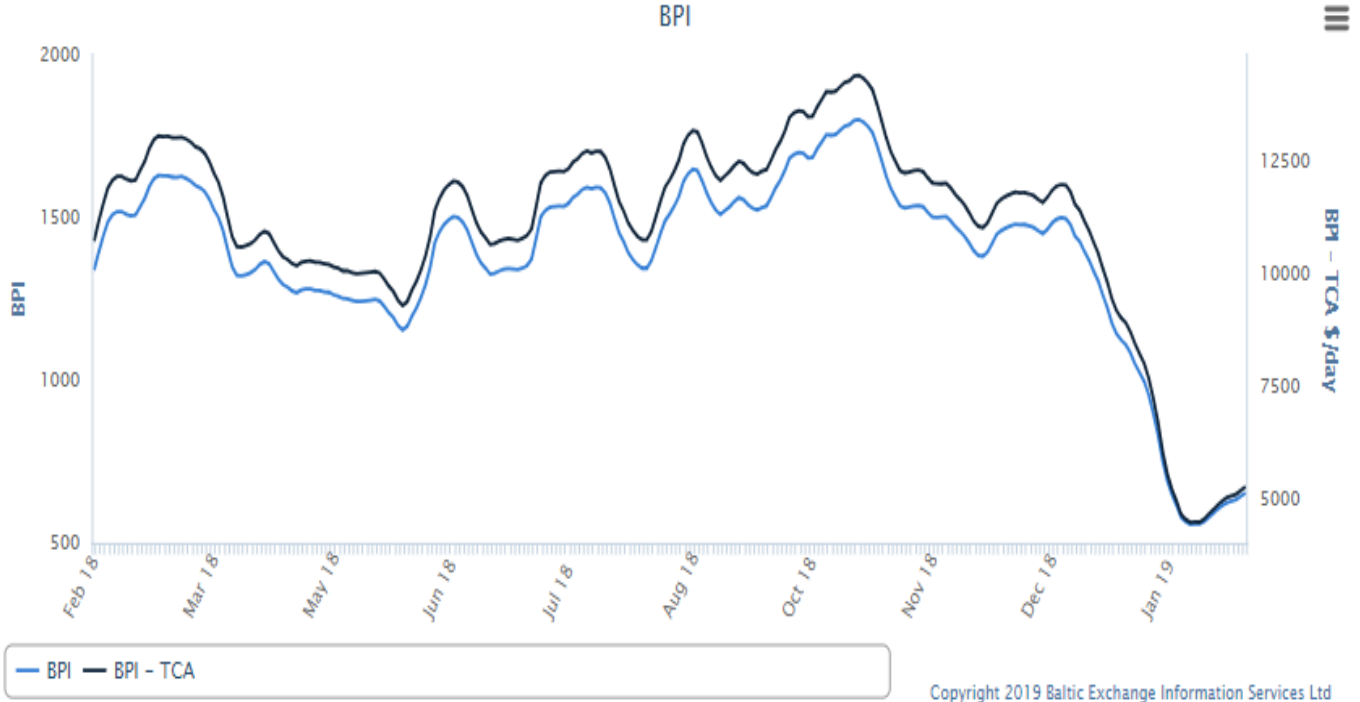
Baltic Capesize Index



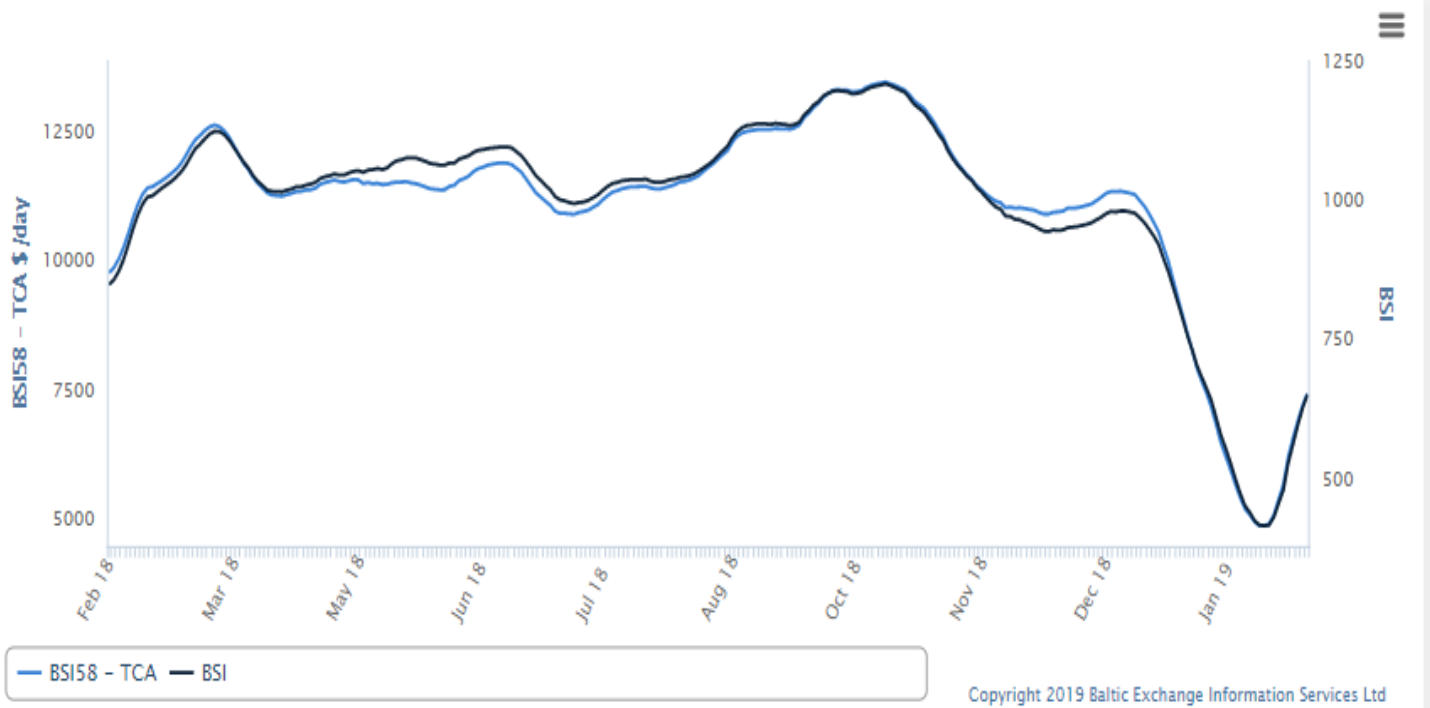
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Forward Curve for Baltic BPI Panamax Vessel Freight

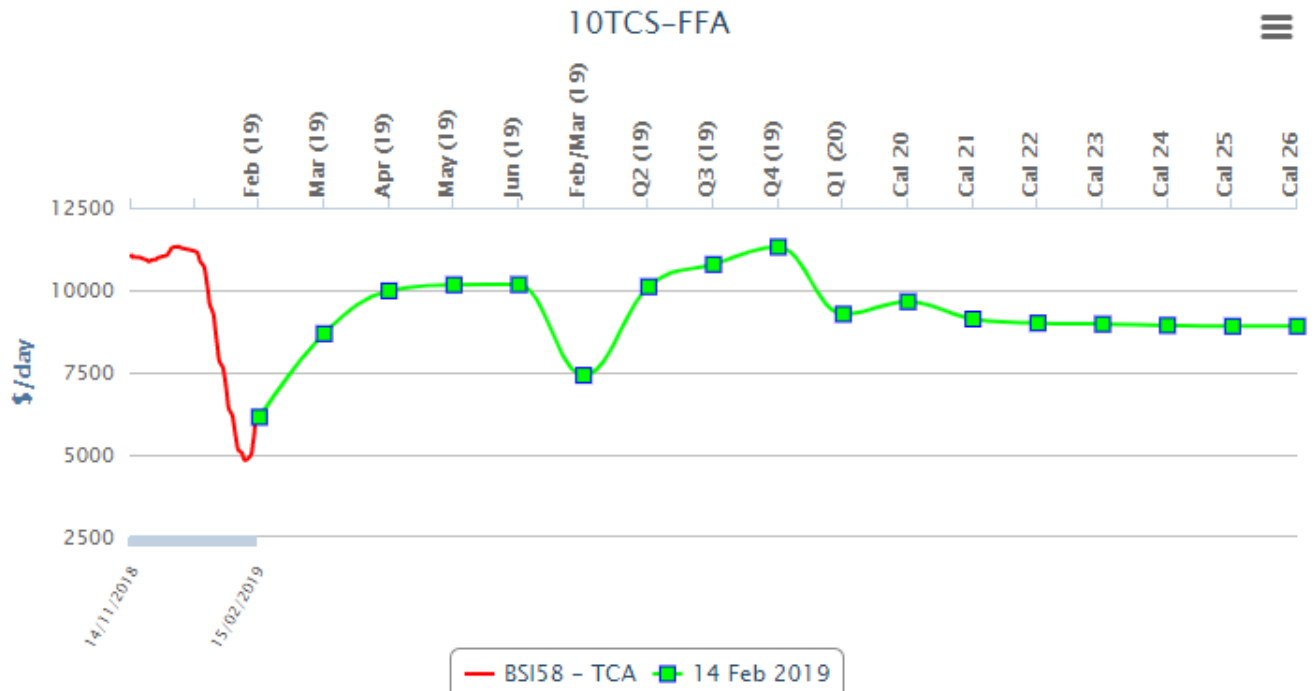
Baltic Panamax Index



Baltic Supramax Vessel Index

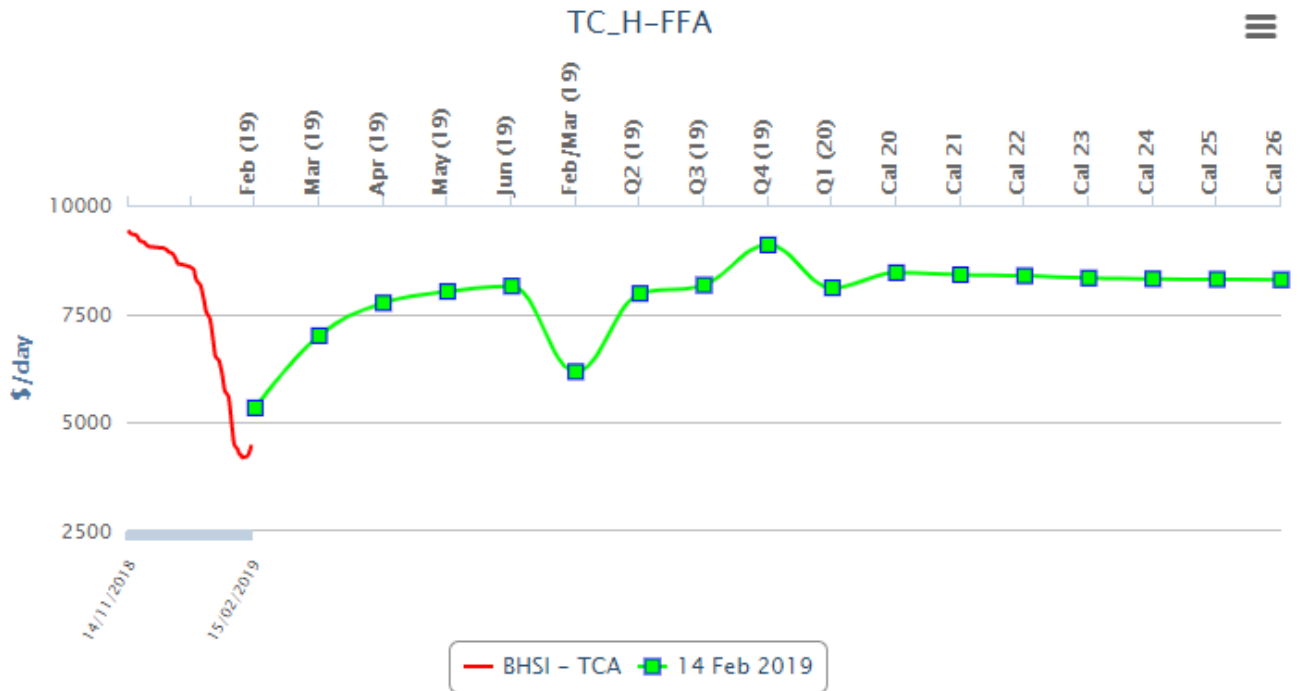


Supramax Dry-Bulk Forward Curve



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Baltic Handy Size



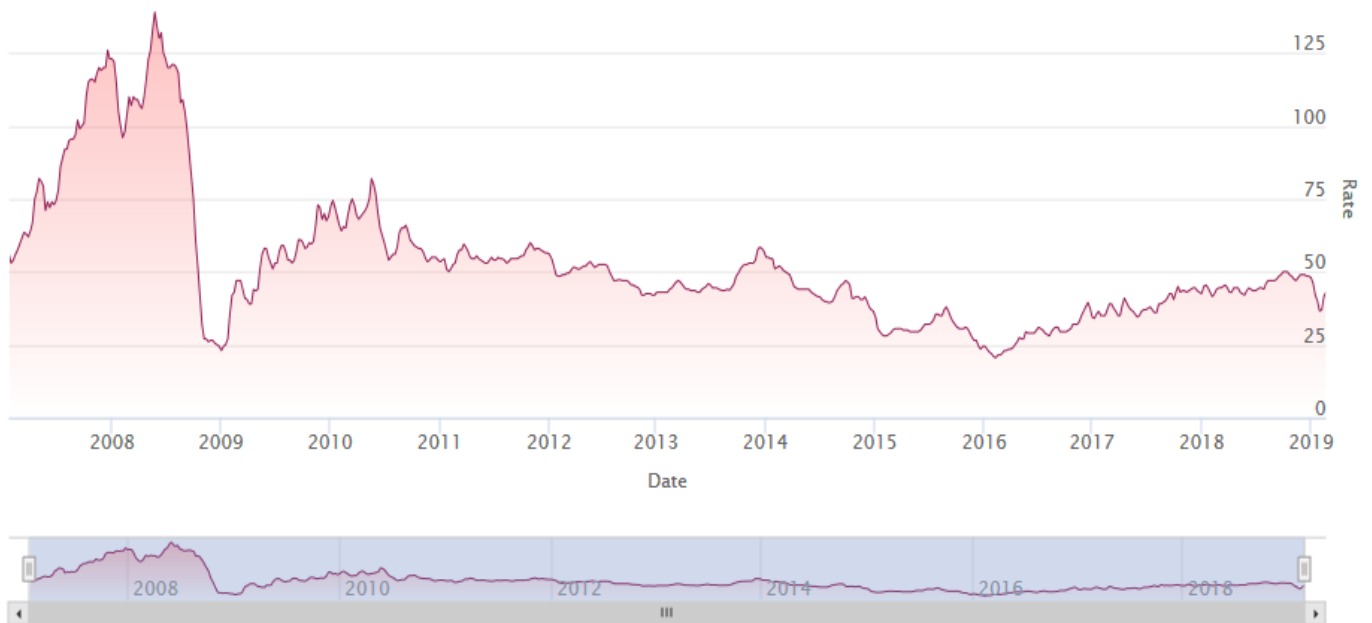
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YAMAMIZU Index



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

From 2007-01-29 To 2019-02-20



China Import Dry Bulk Freight Index(CDFI)					
2019-02-21					
Route	Size MT	Cargo/Vessel Size	Unit	Rate	Change
Composite Index			Point	681.84	-0.96
Iron ore Freight Index			Point	609.95	-6.98
Soybean Freight Index			Point	815.47	-0.38
Santos(Brazil)—North China	60000/10%	Soybean	\$/ton	26.432	0.046
Tacoma(West America)—North China	60000/10%	Soybean	\$/ton	21.614	-0.035
Mississippi(US Gulf)—North China	66000/10%	Soybean	\$/ton	37.247	-0.068
Mississippi(US Gulf)—North China	55000/10%	Soybean	\$/ton	39.568	-0.176

21 February 2019 U.S. FOB Vessel Export Market Values:

U.S. Yellow Corn (USD/MT) FOB Vessel				
# 2 YC	U.S. Gulf #2 YC		PNW #3 YC	
15.0 % Moisture	Basis	Flat Price	Basis	Flat Price
April	0.59	\$174.50	0.99	\$190.25
May	0.58	\$174.10	1.03	\$191.82
June	0.56	\$176.47	0.96	\$192.21
July	0.56	\$176.47	0.97	\$192.61
Aug.	0.58	\$178.83	0.98	\$194.58
Sept.	0.63	\$180.80	1.00	\$195.36

The Gulf spread between #2 & #3 YC is currently about 02 cents per bushel (0.80/mt)

SORGHUM (USD/MT) FOB VESSEL				
#2 YGS Fob Vessel	NOLA		TEXAS	
Max. 14.0% moisture	BASIS	FLAT PRICE	BASIS	FLAT PRICE
April	0.95	\$188.67	0.80	\$182.77
May	0.95	\$188.67	0.80	\$182.77
June	0.95	\$191.82	0.80	\$185.91
July	0.90	\$189.85	0.80	\$185.91
Aug.	0.95	\$193.39	0.80	\$187.49

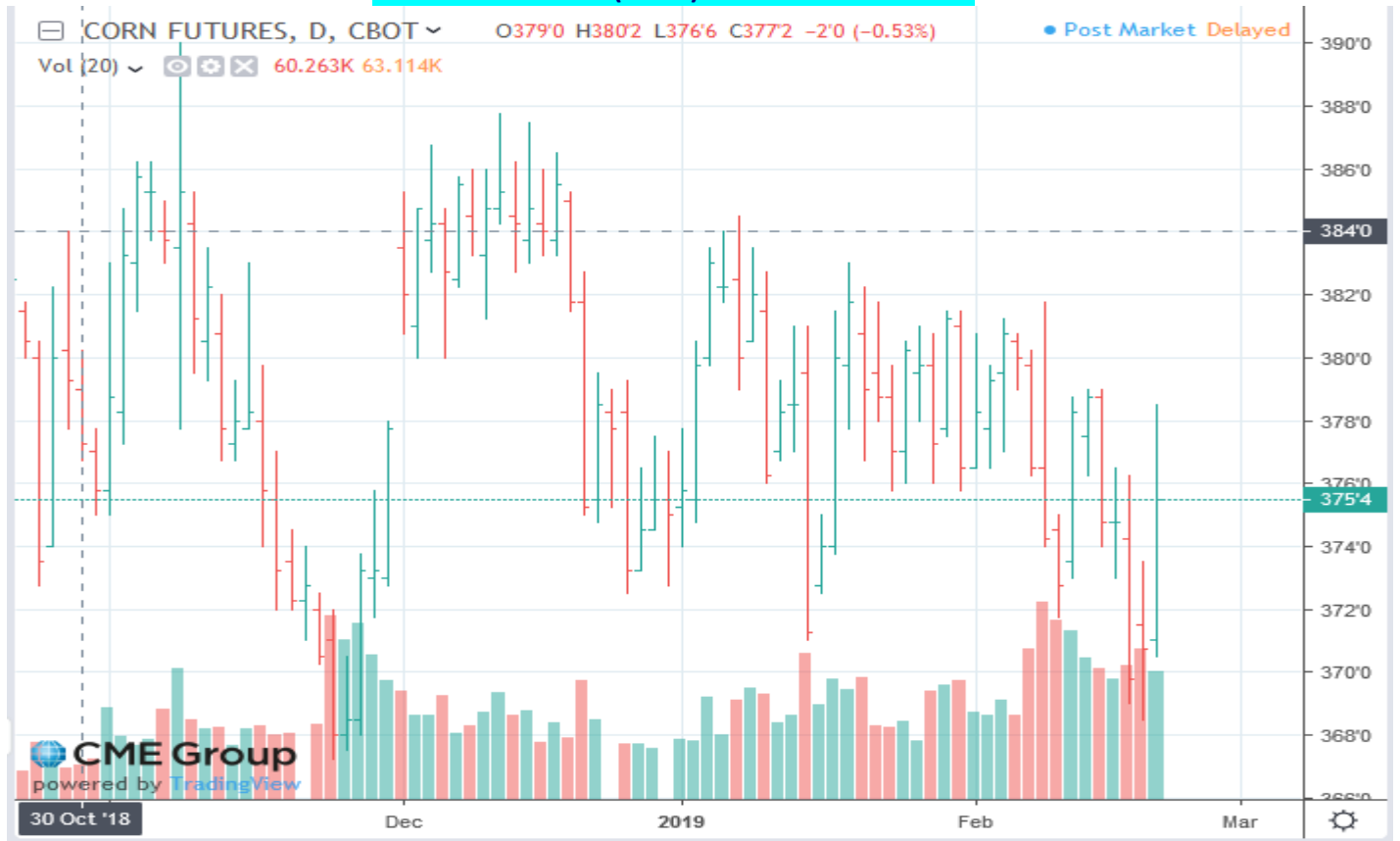
Fob vessel Texas Gulf #2 Sorghum is about 103 % the value of #2 Yellow Corn at NOLA.
In S.W. Kansas it is bid at 85 percent the value of corn.

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

SRW Wheat	USD/MT	Fob Vessel	US Gulf	
	April	May	June	July
FOB U.S. GULF	\$226.34	\$226.34	\$223.58	\$223.58
Basis	1.25	1.25	1.15	1.15
WK	4.9100			
WN	4.9350			
WU	5.0350			

CME Futures Market Close						
CORN	Futures	Thursday	Thursday	Last week	Last Week	Difference
Month	Symbol	Close	Close	Bushel	MT.	Bushel
May	CK	\$3.8425	\$151.27	\$ 3.8300	\$150.78	\$0.0125
July	CN	\$3.9225	\$154.42	\$ 3.9075	\$153.83	\$0.0150
Sept.	CU	\$3.9625	\$156.00	\$ 3.9400	\$155.11	\$0.0225
Dec.	CZ	\$4.0175	\$158.16	\$ 3.9925	\$157.18	\$0.0250
March	CH	\$4.1175	\$162.10	\$ 4.0850	\$160.82	\$0.0325

CBOT March 2019 (CH19) Corn Futures Chart –



CME/CBOT May 2019 (WK19) 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
April	0.38	\$353.56	0.67	\$364.22
May	0.40	\$354.30	0.69	\$364.95
June	0.36	\$357.70	0.64	\$367.98
July	0.36	\$357.70	0.65	\$368.35
Aug.	0.33	\$358.61	0.61	\$368.90
Soybean Futures				
May	\$ 9.2425			
July	\$ 9.3750			
Ayg.	\$ 9.4300			
Sept.	\$ 9.4600			
Nov.	\$ 9.5425			
Jan.	\$ 9.4800			

U.S. SBM (USD/MT) FOB Vessel		
Fob U.S. Gulf Port	47.5 Pro. SBM	
max 12.5 % moisture	Basis	Flat Price
April	-5.00	\$ 336.04
May	-5.00	\$ 336.04
June	-6.00	\$ 339.35
July	-5.00	\$ 340.45
Aug.	-5.00	\$ 342.44
SBM Futures		
SMK	309.80	
SMN	313.80	
SMQ	315.60	
SMU	317.40	
SMV	318.30	
SMZ	320.20	

CME March 2019 Soybean (SH19) Futures Chart:



CME May 2019 Soybean Meal (SMK19) Futures Chart



U.S. EXPORT STATISTICS: Report Activity as of Week Ending 03 January 2019

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 '17-18 (000 MT)
Corn	528.0	32,287.4	62,230	52%	867.9
Sorghum	12.2	476.6	2,540	19%	0.0
Soybeans	427.0	30,369.1	51,710	59%	315.6
Wheat	155.7	17,908.8	27,220	66%	112.3
Barley	0.0	58.3	110	53%	0.0

U.S. EXPORT INSPECTIONS:

Monday's report 19 February 2019 for the Export week ending 14 February 2019

	Export Inspections		Current Market Year YTD	Previous Year to Date	2018/19 YTD as Percent of 2017/18 YTD
	This Week	Previous Week			
Corn	941,811	751,419	24,170,438	16,680,509	145%
Sorghum	118,255	84,378	799,017	2,688,556	30%
Soybeans	1,031,294	1,067,180	23,664,973	37,014,033	64%
Wheat	357,131	562,706	15,747,362	17,568,207	90%
Barley	0	122	6,852	20,606	33%

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

U.S. EXPORT INSPECTIONS:

Monday's report 19 February 2019 for the Export week ending 14 February 2019

Last Week												
(Metric Tons)	YC		%		WC		%		Sorghum	%	Soybeans	%
Lakes	0	0	0%	0	0%	0	0%	0	0%	0	0%	
Atlantic	0	0	0%	0	0%	0	0%	0	0%	5,974	1%	
Gulf	539,381	539,381	58%	4,371	93%	108,093	91%	108,093	91%	684,092	66%	
PNW	246,018	246,018	26%	0	0%	0	0%	0	0%	200,730	19%	
Interior Export Rail	151,730	151,730	16%	311	7%	10,162	9%	10,162	9%	140,498	14%	
Metric Tons	937,129	937,129		4,682		118,255		118,255		1,031,294		

Sorghum Shipments:

metric tons	
31,500	Eritrea
36,593	Italy
5,000	Rep S Africa
49	UN Kingdom
35,000	Spain
10,113	Mexico
118,255	Total

White Corn Shipments:

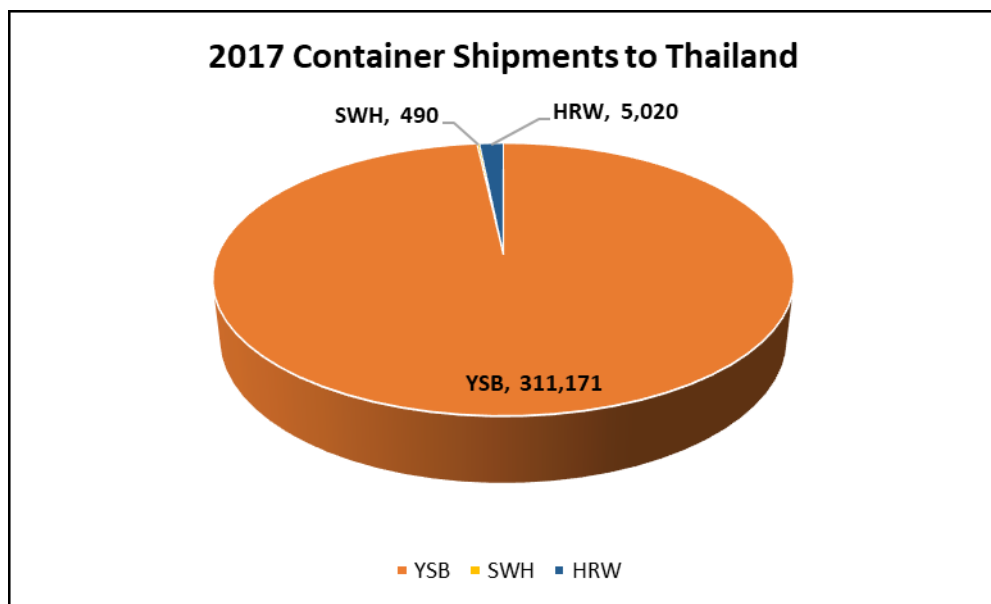
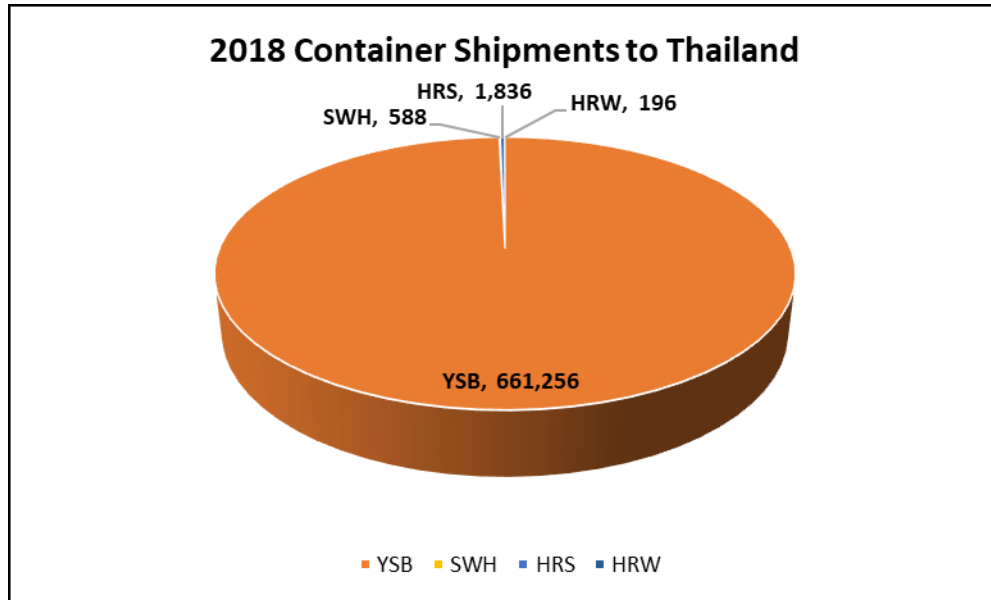
metric tons	
4,371	Japan
24	Ireland
287	Mexico
4,682	Total

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:		14-Feb-2019								
Last Week	metric tons								MT	
	YC	WC	YSB	SRW	NS	SWH	HRW	Sorghum	TOTAL	
China Main			49						49	
China T	8,076		5,803						13,879	
Hong Kong	293								293	
Costa Rica									0	
Indonesia			20,981						20,981	
French Poly									0	
Japan			588						588	
Korea Republic	1,762		2,841	122					4,725	
Nepal			2,939						2,939	
Malaysia	808		6,562						7,370	
Burma			269						269	
Philippines			2,106						2,106	
Thailand			8,717						8,717	
Ireland		24							24	
UN Kingdom								49	49	
Vietnam			4,920						4,920	
Sub total	10,939	24	55,775	122	0	0	0	49	61,916	
USDA Corrections/Additions to previous reports:										
China T			685						685	
China Main									0	
Hong Kong									0	
Korea Rep.			980						980	
Costa Rica									0	
Japan									0	
Philippines									0	
Indonesia			416						416	
Malaysia			563						563	
Thailand			1,617						1,617	
Vietnam									0	
Nigeria									0	
Bangladesh									0	
Sub total	0	0	4,261	0	0	0	0	0	4,261	
Mt. Grand Total	10,939	24	60,036	122	0	0	0	49	66,177	
Number of containers	476	1	2,610	5	0	0	0	2		

Jan - Dec 2017 Annual Totals versus 2018 Jan.-Dec. Annual Total Container Shipments (in MT)



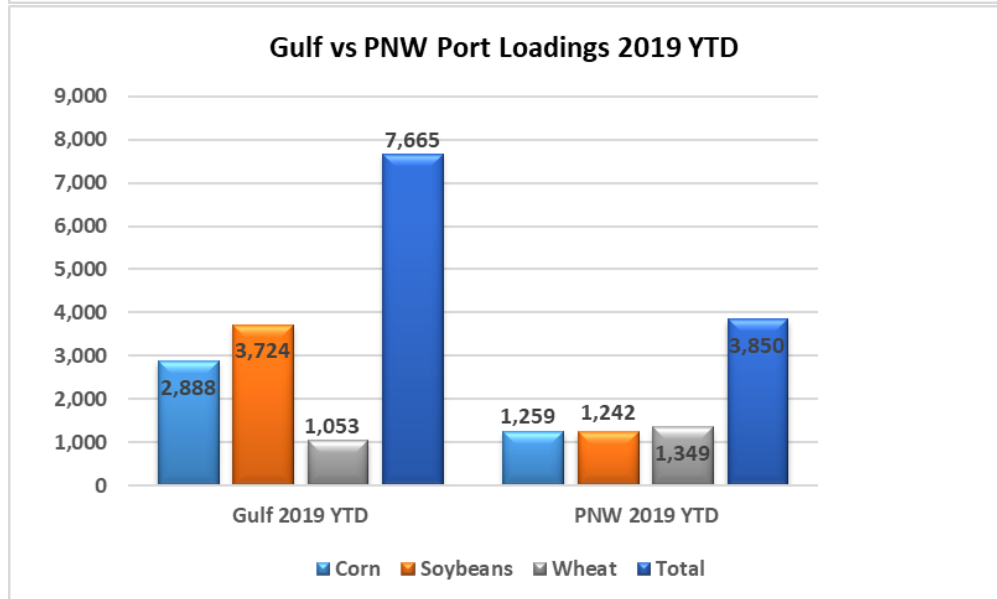
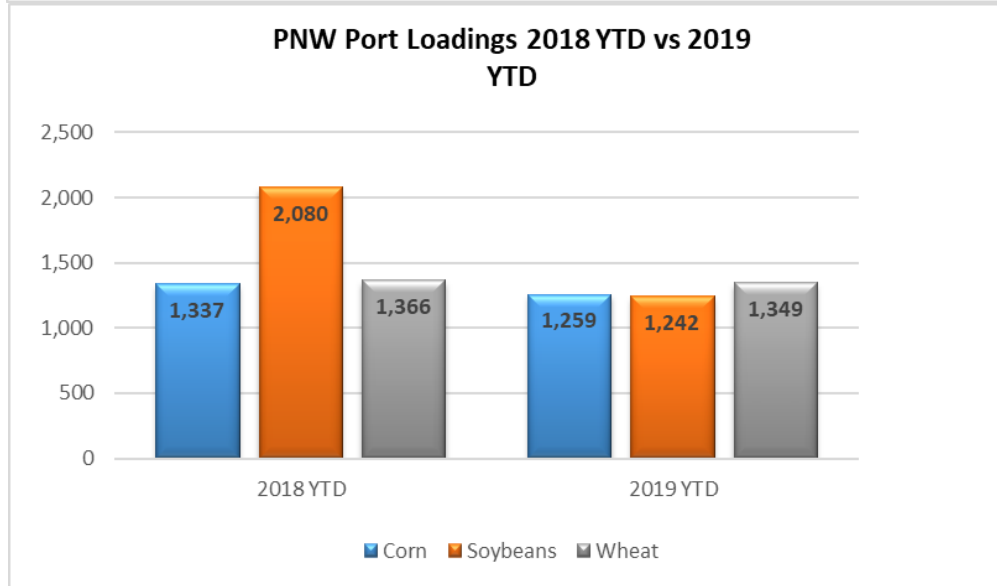
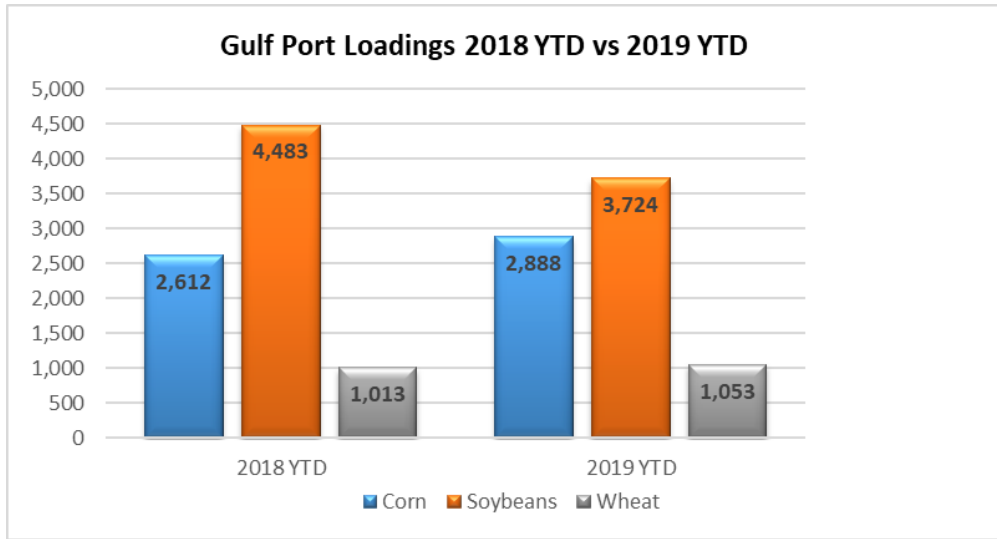
Grain Inspections for Export by U.S. Port Regions:
U.S. Gulf and Pacific Northwest 2018 YTD vs. 2019 YTD

PORT LOADINGS US Gulf				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
GULF				
2018 YTD	2,612	4,483	1,013	8,108
2019 YTD	2,888	3,724	1,053	7,665
2019 as % of 2018	111%	83%	104%	95%

PORT LOADINGS US PNW				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
PNW				
2018 YTD	1,337	2,080	1,366	4,783
2019 YTD	1,259	1,242	1,349	3,850
2019 as % of 2018	94%	60%	99%	80%

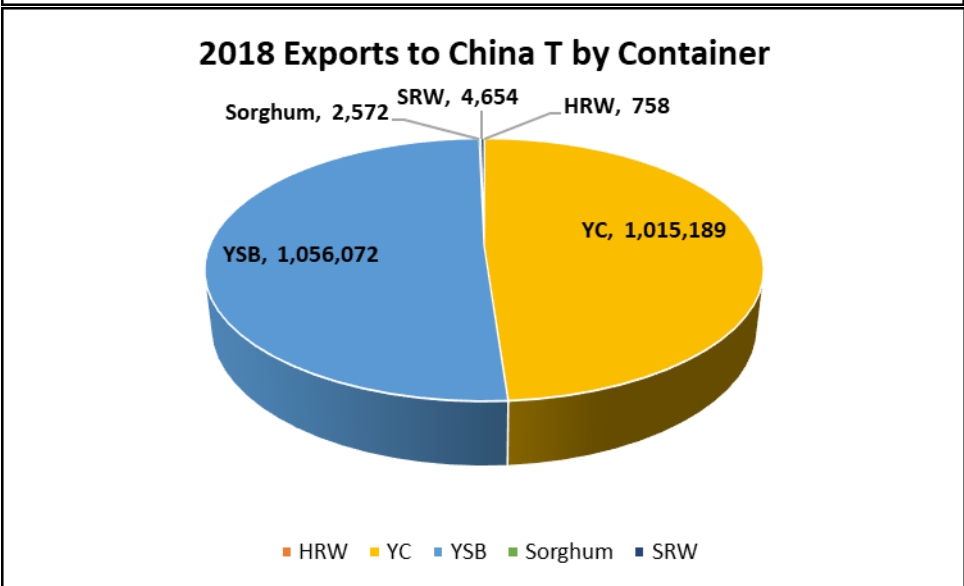
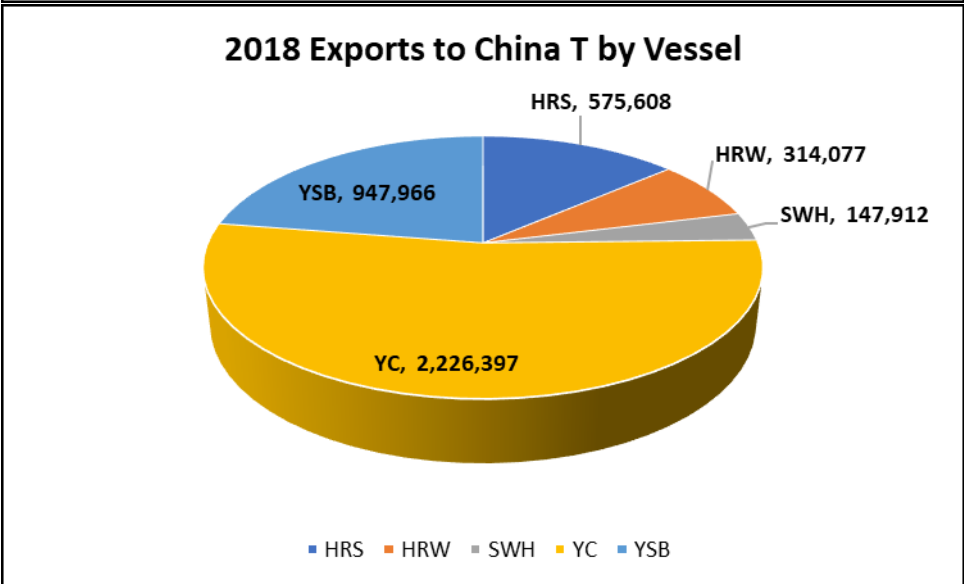
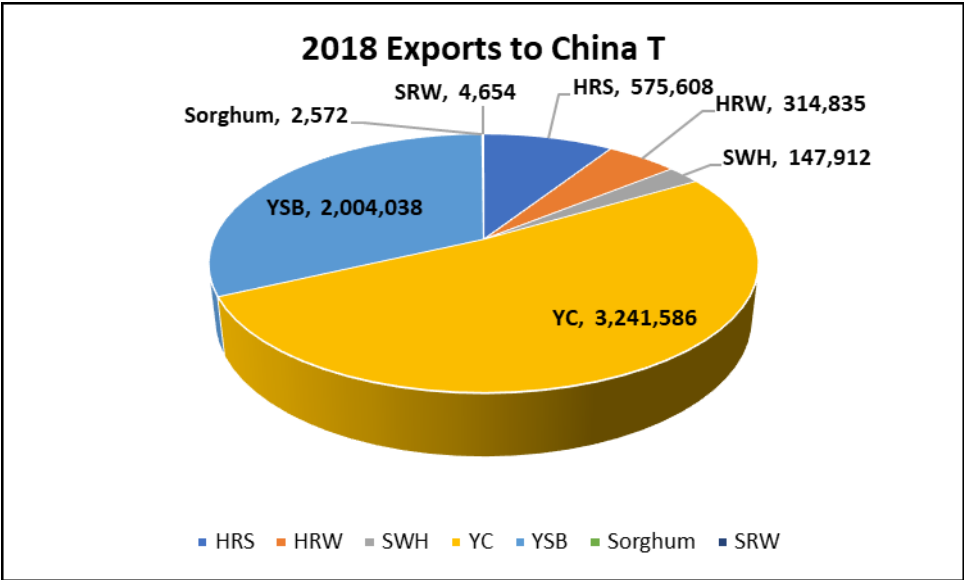
PORT LOADINGS GULF vs. PNW				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
2019 Gulf YTD	2,888	3,724	1,053	7,665
2019 PNW YTD	1,259	1,242	1,349	3,850
TOTAL	4,147	4,966	2,402	11,515
Gulf Percentage	70%	75%	44%	67%
PNW Percentage	30%	25%	56%	33%

Grain Inspections for Export by U.S. Port Regions (1,000MT):
U.S. Gulf and Pacific Northwest 2018 YTD vs. 2019 YTD



Source: USDA-data

2018 Total Grain Exports reported by USDA (in MT)



*Please keep in mind that USDA does not report DDGS sales, or they would show as the largest exports by container.

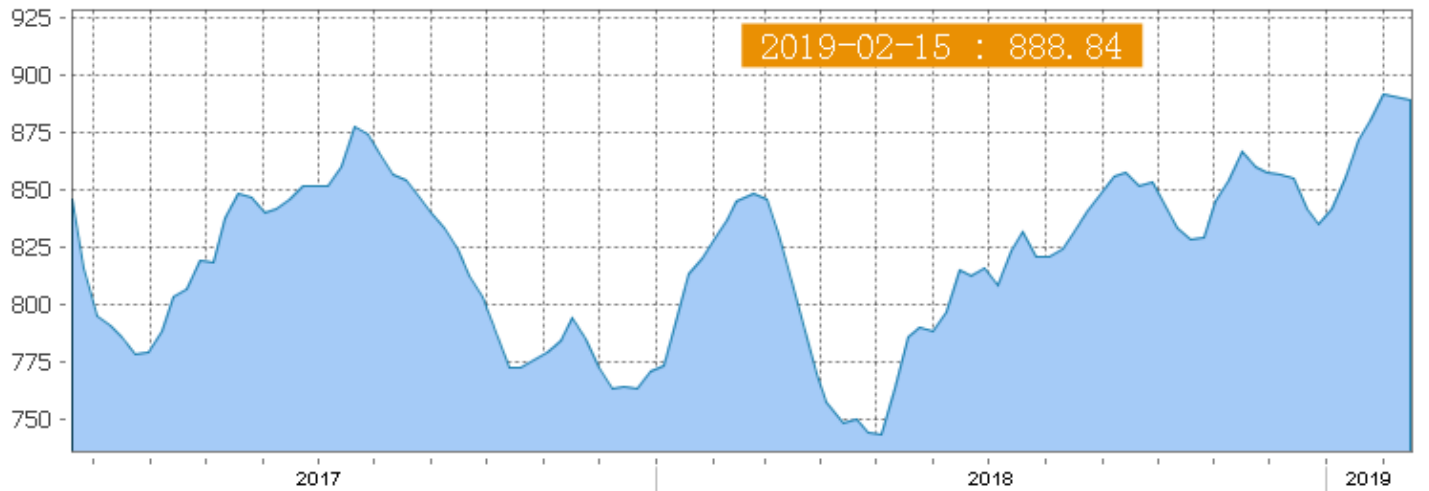
Source: USDA

Shipping News

China Import Trade vs Baltic Dry Index



China Containerized Freight Index



U.S. RIVER BARGE FREIGHT

Current Barge Freight for Placement Last Half March 2019

Placement LH March 2019	% of		Corn	Soybeans-Wheat
	Tariff	MT	BU	BU
Upper Mississippi	Closed	\$ -	0.00	0.00
Illinois River (Pekin and South)	465	\$24.65	0.63	0.67
Mid-Mississippi	490	\$28.73	0.73	0.78
Lower Ohio	465	\$22.86	0.58	0.62
St. Louis	365	\$16.05	0.41	0.44

Secondary Rail Car Market for car placement period: Last Half March 2019.

Secondary Rail Car Market Placement LH. March 2019	BID USD	ASK USD	BID BU.	ASK BU.	BID MT	ASK MT
BNSF Shuttle Trains	\$ 800.00	\$ 1,400.00	\$ 0.20	\$ 0.35	\$ 7.87	\$ 13.78
UPRR Shuttle Trains	\$ 450.00	\$ 700.00	\$ 0.11	\$ 0.18	\$ 4.43	\$ 6.89

Best Regards,

Jay

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