

## Transportation and Export Report for 28 February 2019

### Ocean Freight Insights and Comments:

It was a mixed week in Dry-Bulk freight markets; some regions were up a little and others remained weak and defensive. The market is still struggling to find adequate cargo support and firm direction. Aside from the freight rate picture we have been having a difficult winter which has been causing logistical problems domestically with high water levels on the Mississippi River system, heavy snow and flooding on rail lines and high water and fog in the New Orleans port district. The South West Pass to and from the Mississippi River has also been fighting draft restrictions due to weather related issues. The current operating draft is 44 feet equal to 13.415 Meters; three feet below normal. Buyers of both Dry-Bulk and Container shipments have experienced, and should expect, some shipment delays. Hopefully we will soon transition out of winter and move to a more stable logistical situation. You will notice that we have seen an uptick in U.S. PNW vessel line ups; and that speaks well for our export grain picture.

### BALTIC DRY-BULK PANAMAX INDEX CHANGES

Panamax Ocean Freight Indices				
28-Feb-19	This Week	Last Week	Difference	Percent Change
P2A : Gulf/Atlantic - Japan	12226	10814	1,412	13.1%
P3A - PNW/Pacific - Japan	7922	6377	1,545	24.2%
S1C -USGULF-China-So.Japan	16381	17494	-1,113	-6.4%

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

Four weeks ago:	\$5.10-\$6.00
Three weeks ago:	\$4.75-\$5.20
Two weeks ago:	\$4.85-\$5.20
One week ago:	\$5.15-\$5.50
This week	\$4.95-\$5.30

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

Mississippi River:	(10 elevators)	3-10 days
Miss. River Mid-Stream loaders:	(6+ Rigs)	0-3 days
Texas Gulf	(6 elevators)	0-7 days
Pacific Northwest:	(9 elevators)	5-16 days

Panamax Market Spreads to Asia -China					
28-Feb-19	PNW	GULF	Bushel Spread	MT Spread	Advantage
CORN	1.07	0.67	0.40	\$15.75	Both
SOYBEANS	0.89	0.60	0.29	\$10.66	PNW
OCEAN FREIGHT	\$22.25	\$38.50	.41 -.44	<b>\$16.25</b>	April

### Recent Reported Vessel Fixtures:

Soybean Panamax USG to Spain is running \$18.00/mt.

Soybean Brazil to Spain can be done at \$19.75/mt.

Route and Vessel Size	Current Week USD/MT	Change from previous week	Remarks
55,000 U.S. Gulf-Japan	\$39.50	Up \$0.25	Handymax \$40.25 mt
55,000 U.S. PNW- Japan	\$22.75	Up \$0.50	Handymax \$22.25 mt
66,000 U.S. Gulf – China PNW to China	\$38.50 \$22.25	Up \$0.50 Up \$0.50	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 \$12.75-\$13.00 (France \$16.75-\$17.25)
60-70,000 U.S. Gulf – Europe – Rotterdam	\$16.00	Down \$0.25	Handymax at +\$1.75 more
Brazil, Santos – China Brazil, Santos – China Itacoatiara-Port Up River North Brazil	\$28.75 \$28.00 \$31.75	Up \$1.00	54-59,000 Supramax-Panamax 60-66,000 Post Panamax 60-66,000 mt
56-60,000 Argentina/Rosario- China Deep Draft	\$32.50	Up \$1.00	Up River with BB Top Off \$35.00

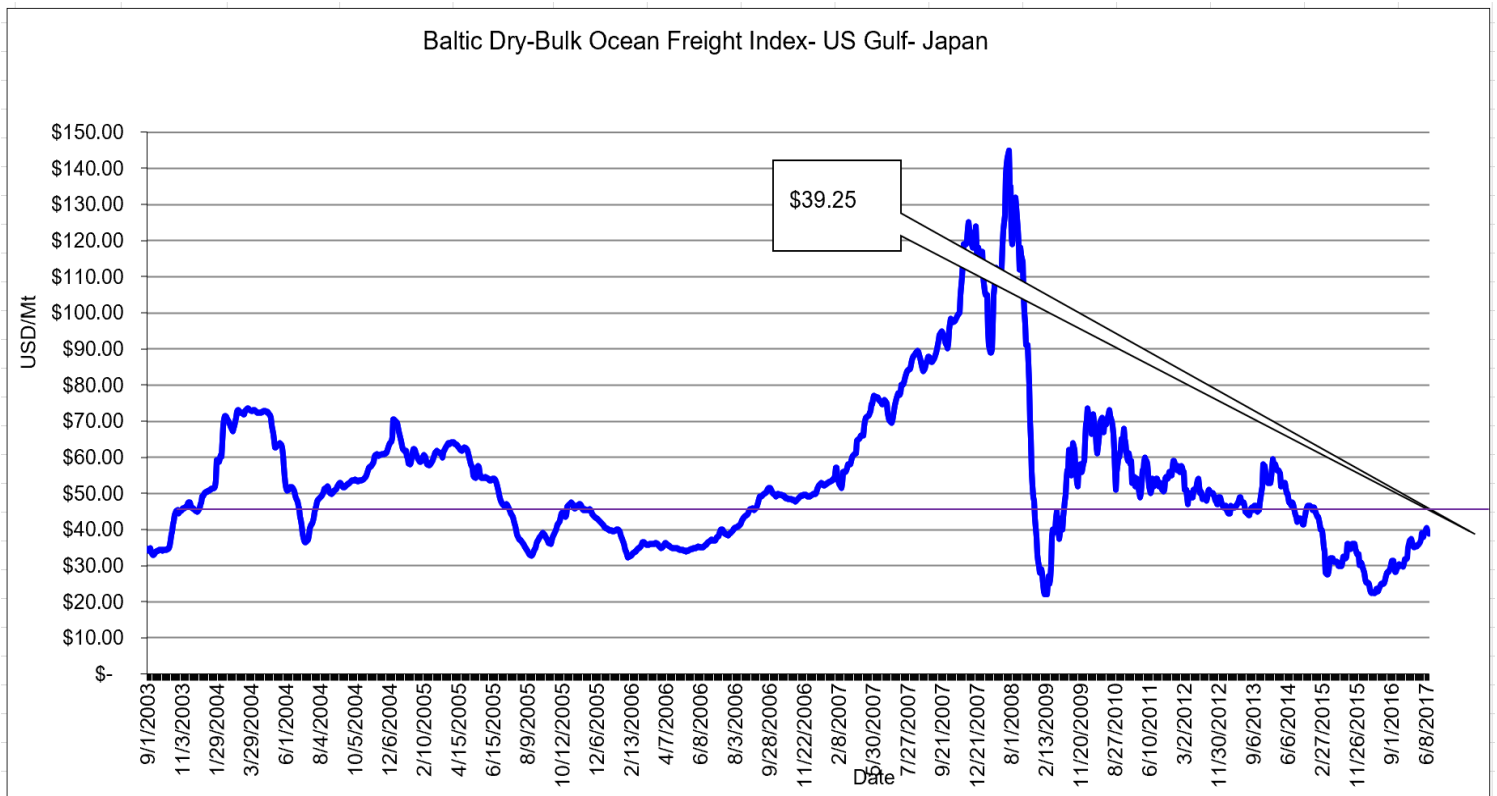
- The above rate estimates reflect the 30-45-day forward ocean freight markets.

**Nautical Miles: To Xiamen China (South China)**

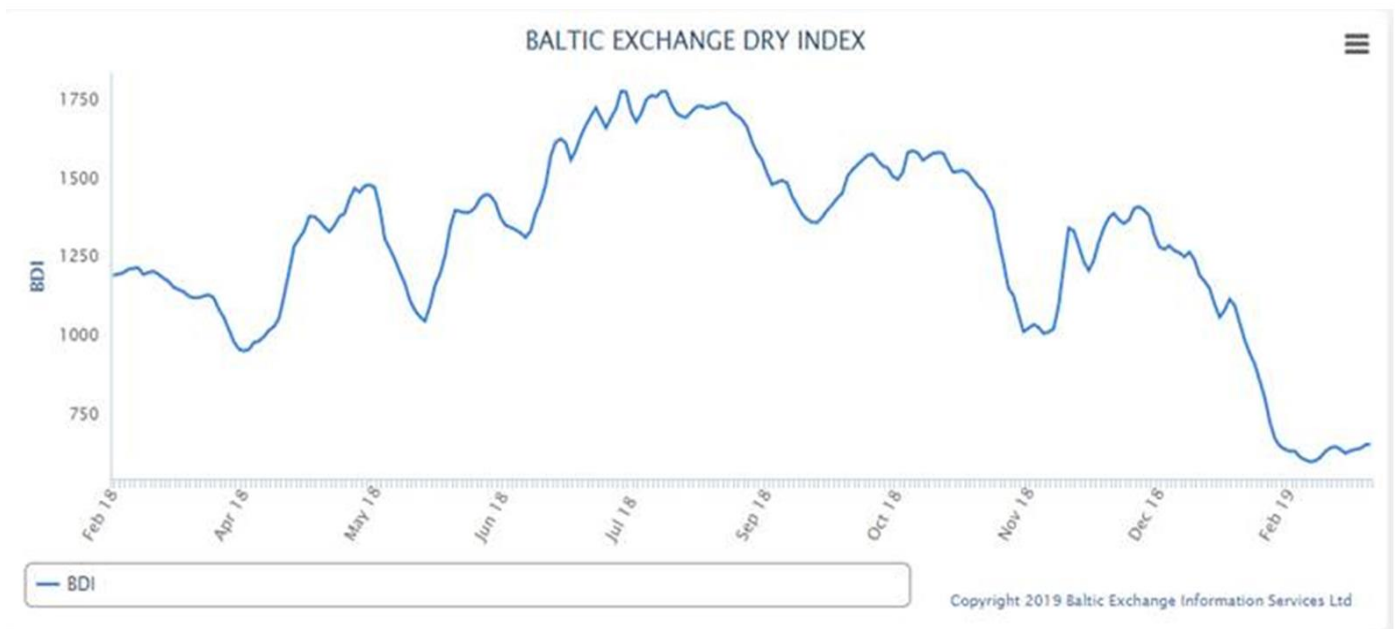
**US Gulf (NOLA) (via Panamá Canal) – 10,232 nautical miles (32 days)**

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

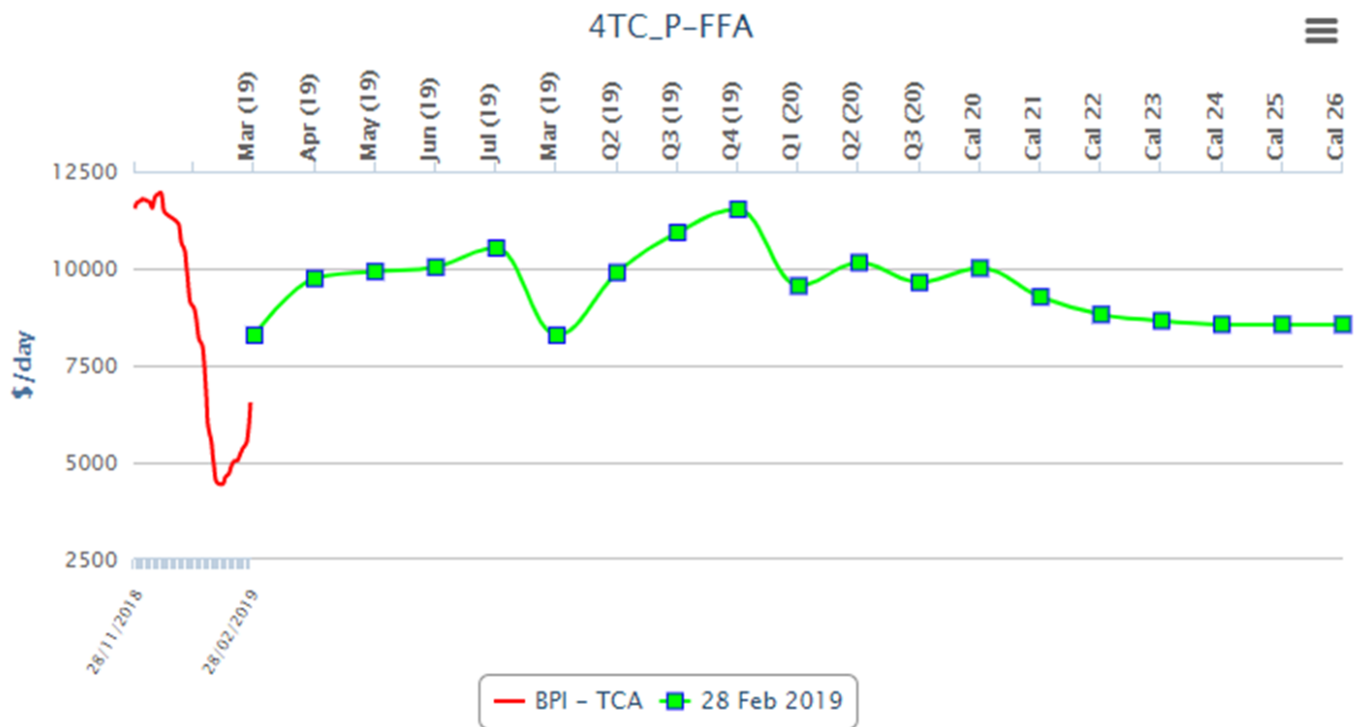
**Rosario Argentina (via Cape Horn) - 10,751 nautical miles (34 days)**



## Baltic Dry Index.

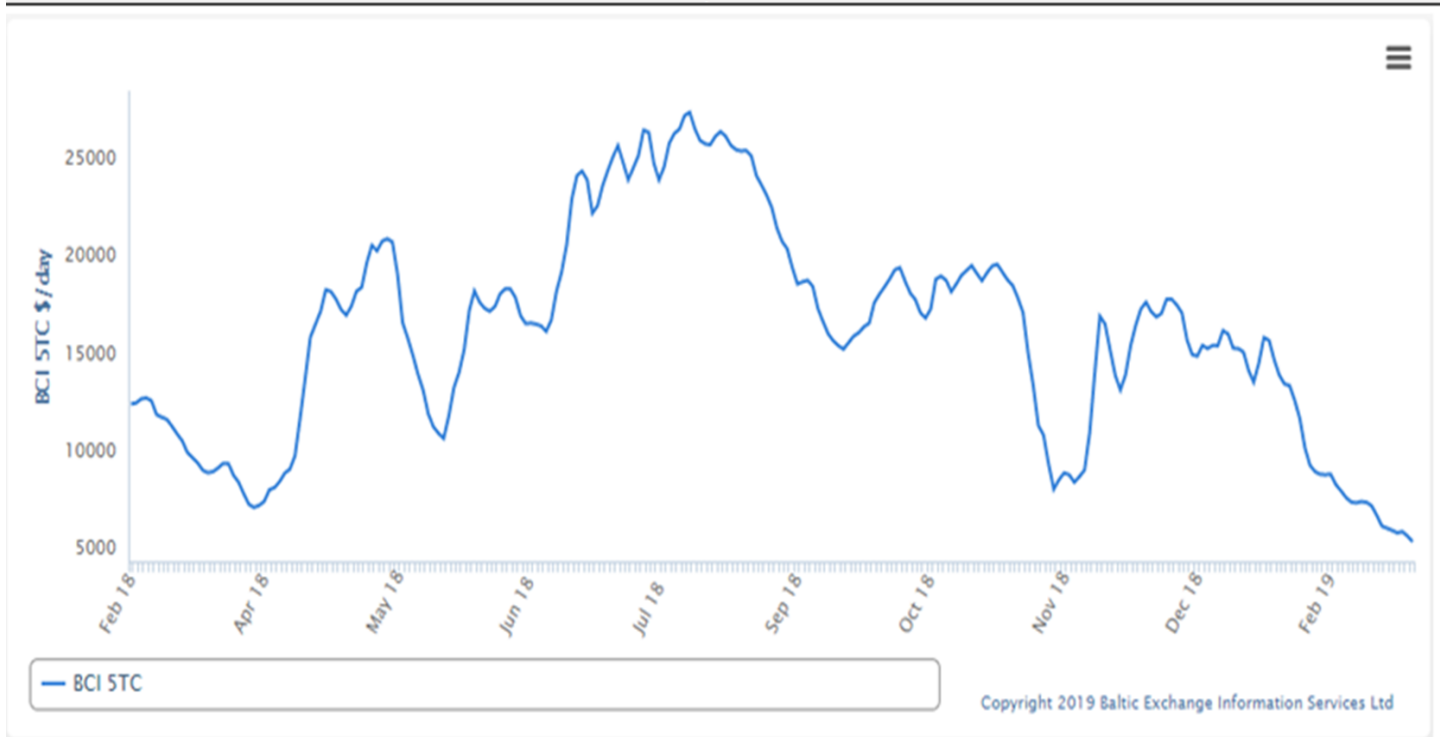


## Baltic Panamax Forward Curve Chart



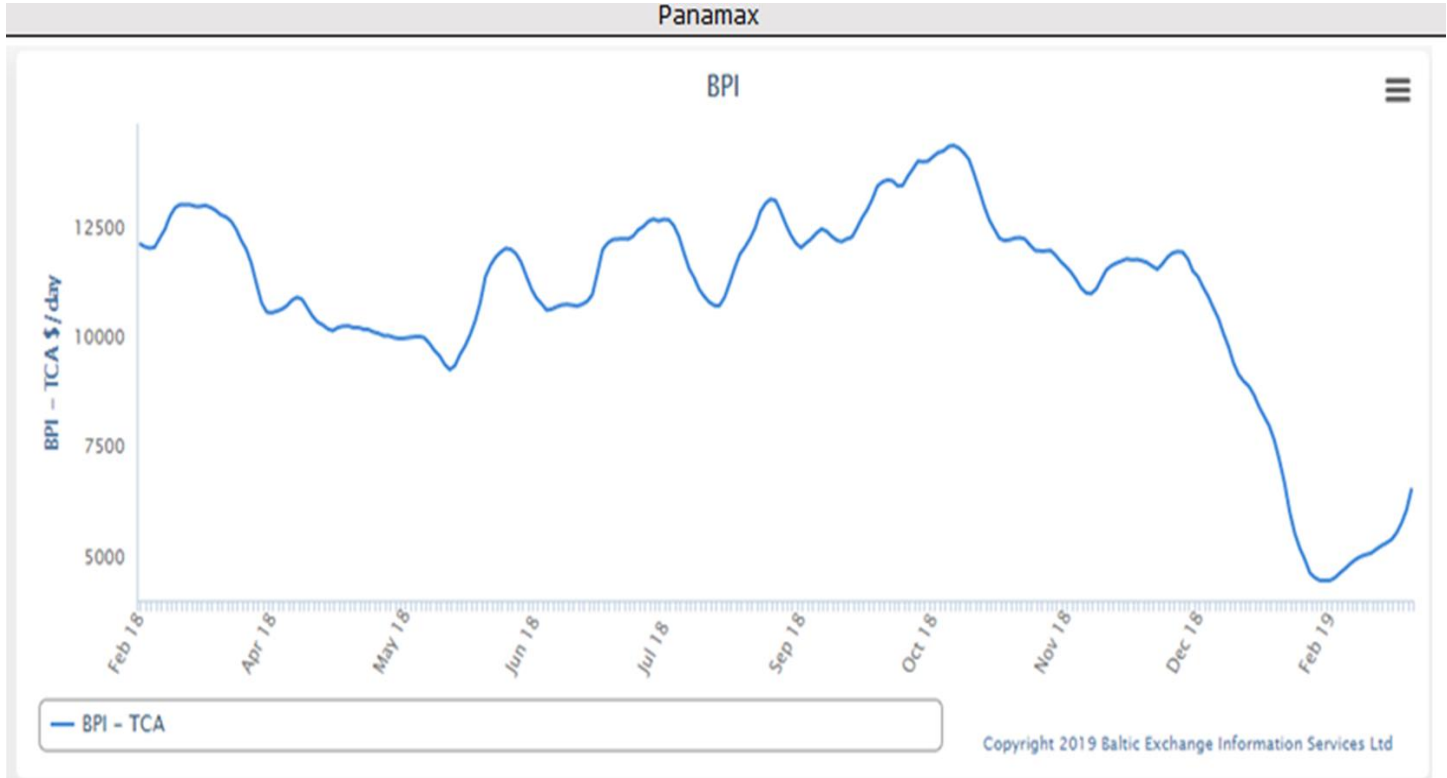
## Baltic Capesize Index

Cape

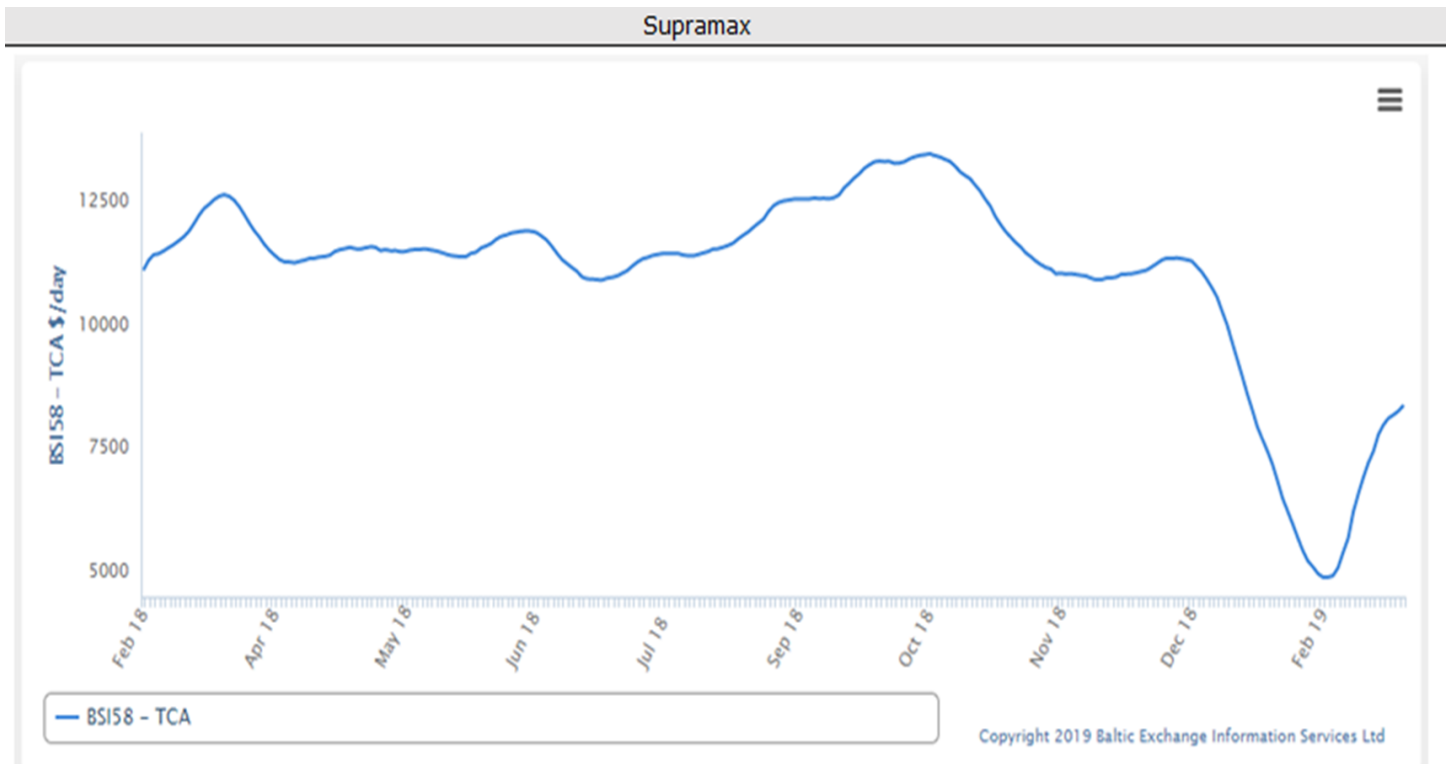


## Forward Curve for Baltic BPI Panamax Vessel Freight

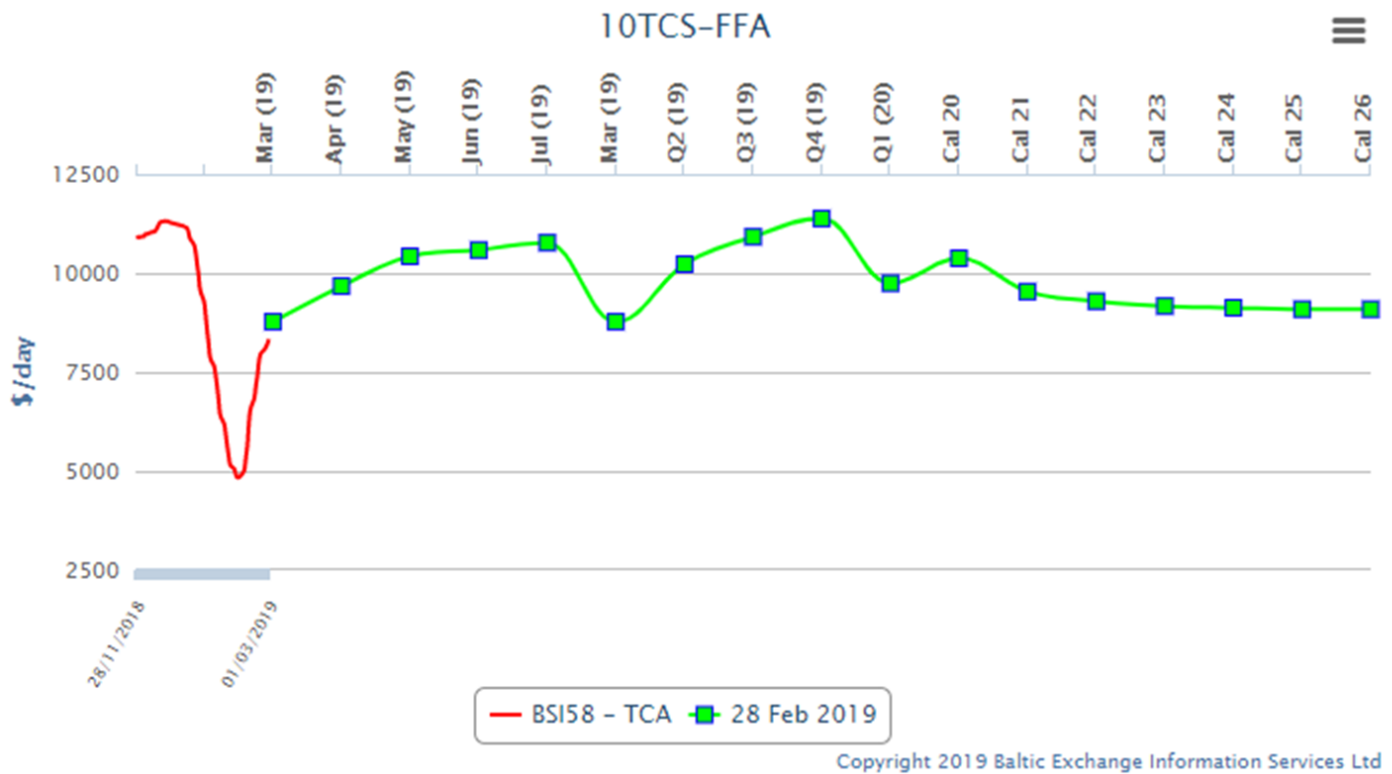
### Baltic Panamax Index



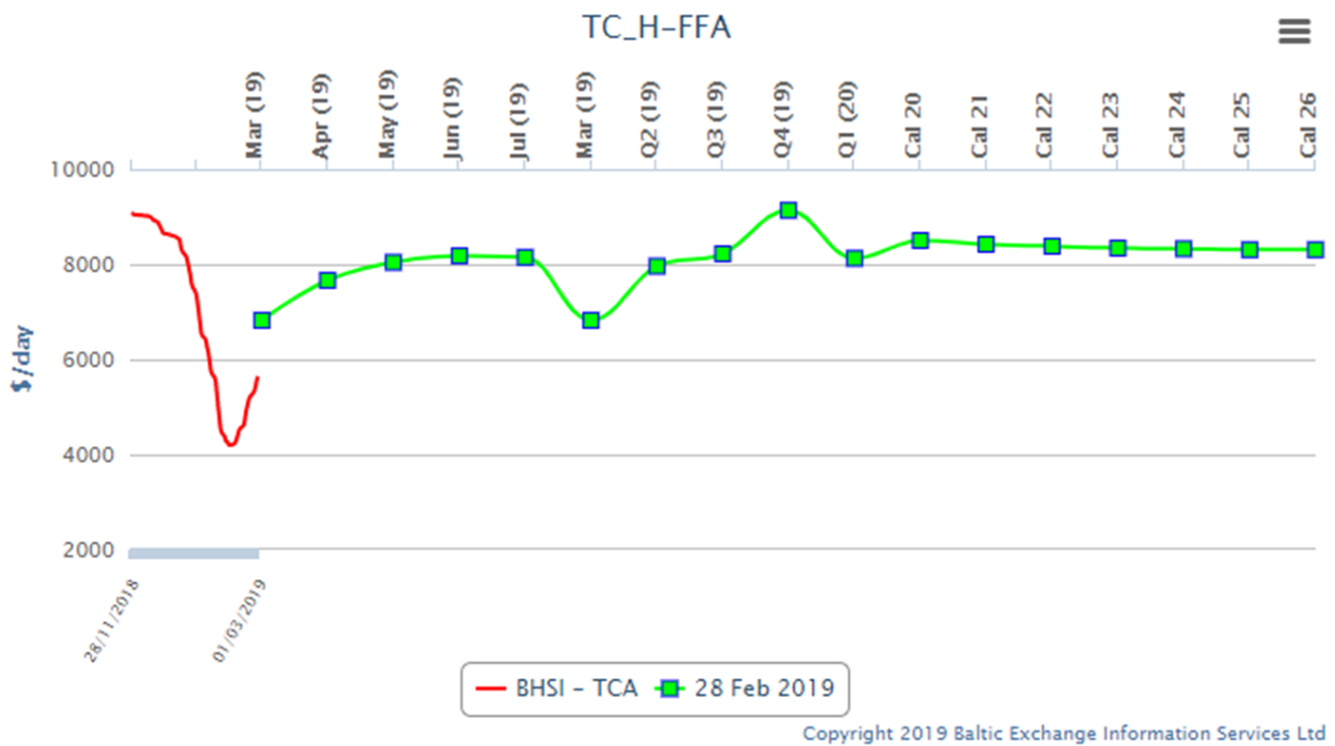
### Baltic Supramax Vessel Index



## Supramax Dry-Bulk Forward Curve



## Baltic Handy Size

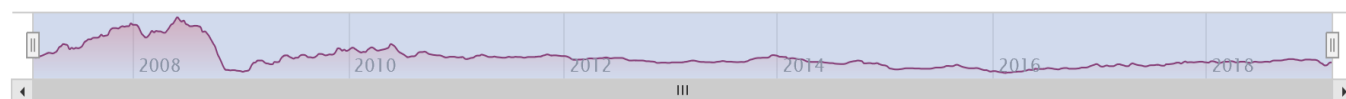
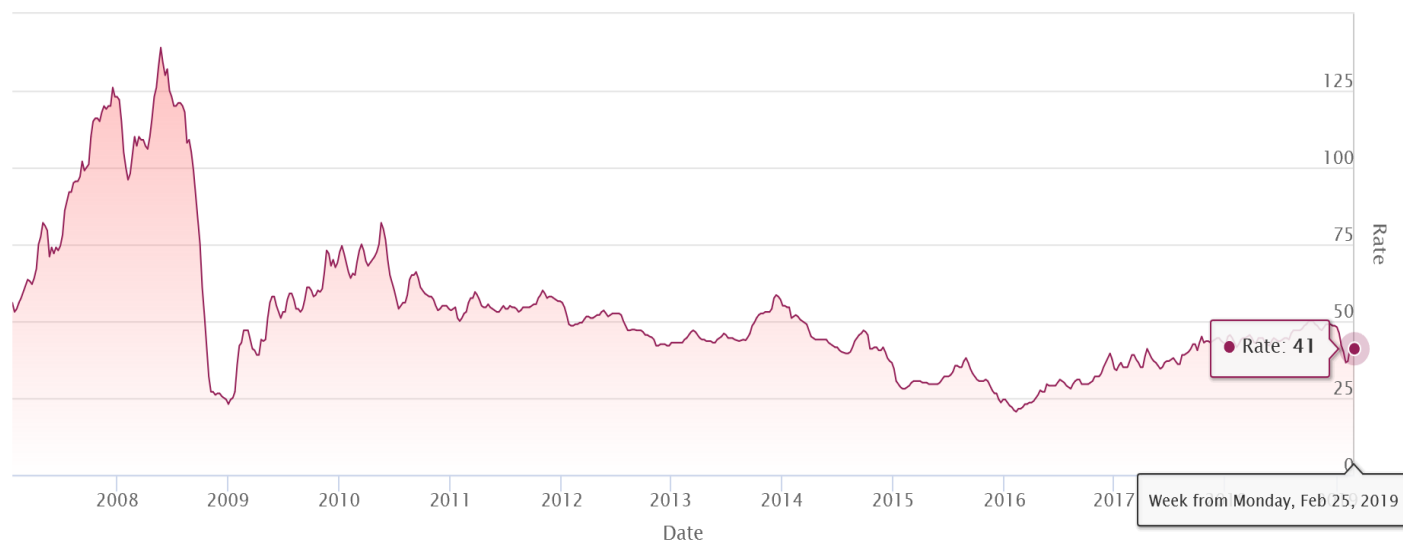


# YAMAMIZU Index



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

From 2007-01-29 To 2019-02-27



## China Import Dry Bulk Freight Index(CDFI)

2019-02-28

Route	Size MT	Cargo/Vessel Size	Unit	Rate	Change
Composite Index			Point	693.26	-1.17
Iron ore Freight Index			Point	604.90	-11.30
Soybean Freight Index			Point	839.83	10.39
Santos(Brazil)—North China	60000/10%	Soybean	\$/ton	27.700	0.480
Tacoma(West America)—North China	60000/10%	Soybean	\$/ton	22.145	0.255
Mississippi(US Gulf)—North China	66000/10%	Soybean	\$/ton	37.600	0.249
Mississippi(US Gulf)—North China	55000/10%	Soybean	\$/ton	39.966	0.240

**28 February 2019 U.S. FOB Vessel Export Market Values:**

<b>U.S. Yellow Corn (USD/MT) FOB Vessel</b>				
# 2 YC	U.S. Gulf #2 YC		PNW #3 YC	
15.0 % Moisture	Basis	Flat Price	Basis	Flat Price
<b>April</b>	0.67	<b>\$172.33</b>	1.07	<b>\$188.08</b>
<b>May</b>	0.65	<b>\$171.55</b>	1.08	<b>\$188.47</b>
<b>June</b>	0.57	<b>\$171.84</b>	1.00	<b>\$188.77</b>
<b>July</b>	0.58	<b>\$172.23</b>	1.01	<b>\$189.16</b>
<b>Aug.</b>	0.58	<b>\$174.50</b>	0.98	<b>\$190.25</b>
<b>Sept.</b>	0.63	<b>\$176.47</b>	1.03	<b>\$192.21</b>

The Gulf spread between #2 & #3 YC is currently about 02 cents per bushel (0.80/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>April</b>	0.95	<b>\$183.36</b>	0.80	<b>\$177.45</b>
<b>May</b>	0.95	<b>\$183.36</b>	0.80	<b>\$177.45</b>
<b>June</b>	0.95	<b>\$186.80</b>	0.80	<b>\$180.90</b>
<b>July</b>	0.90	<b>\$184.83</b>	0.80	<b>\$180.90</b>
<b>Aug.</b>	0.95	<b>\$189.06</b>	0.80	<b>\$183.16</b>

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.

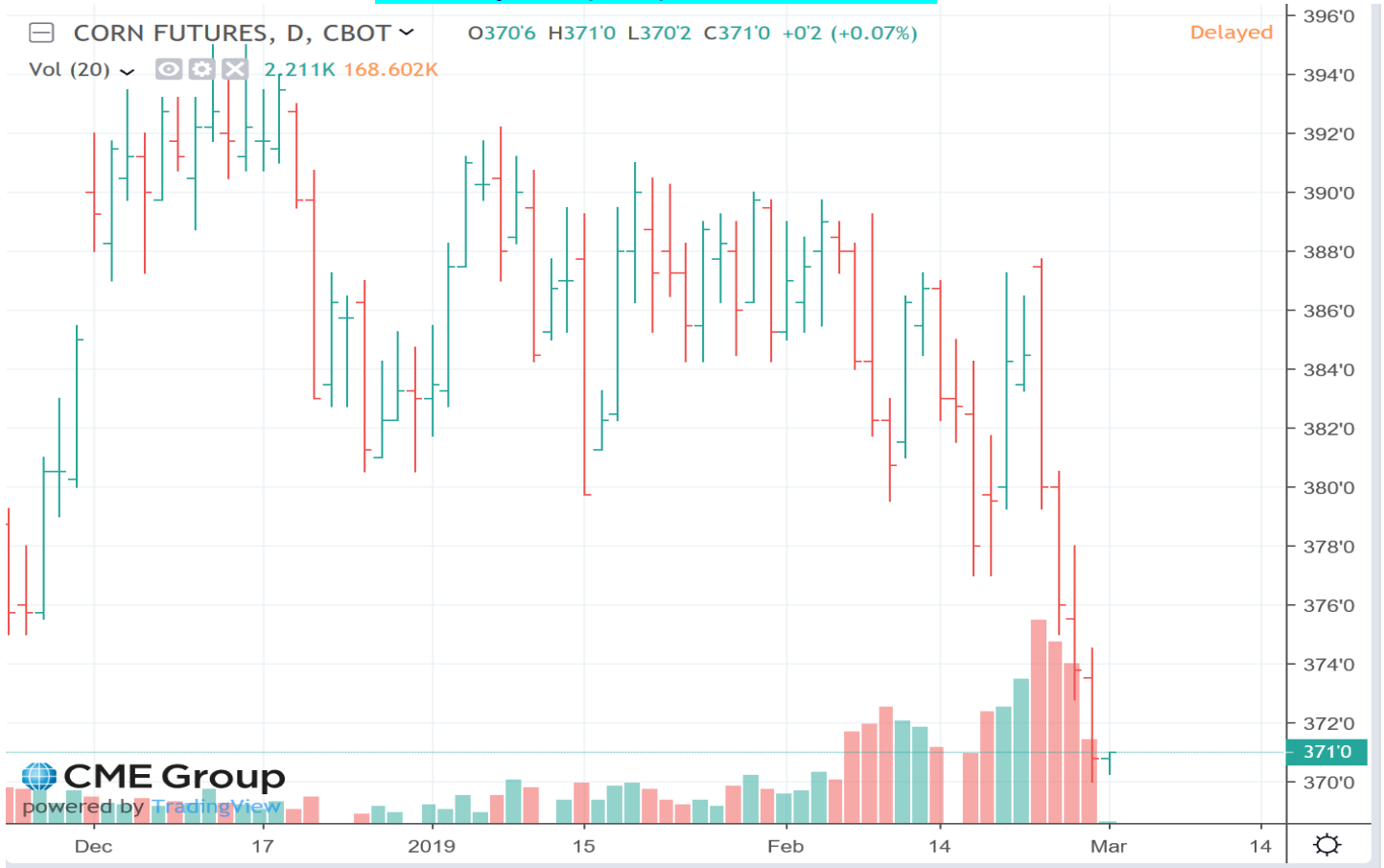
**U.S. SRW Wheat Fob Vessel at the Center U.S. Gulf**

SRW Wheat	USD/MT	Fob Vessel	US Gulf	
	<b>April</b>	<b>May</b>	<b>June</b>	<b>July</b>
FOB U.S. GULF	\$225.79	\$225.79	\$222.85	\$222.85
Basis	1.55	1.55	1.40	1.40
WK	4.5950			
WN	4.6650			
WU	4.7675			

<b>CME Futures Market Close</b>						
CORN Month	Futures Symbol	Thursday Close Bushel	Thursday Close MT.	Last week Bushel	Last Week MT.	Difference Bushel
May	CK	\$3.7075	\$145.96	\$ 3.8425	\$151.27	(\$0.1350)
July	CN	\$3.7950	\$149.40	\$ 3.9225	\$154.42	(\$0.1275)
Sept.	CU	\$3.8525	\$151.66	\$ 3.9625	\$156.00	(\$0.1100)
Dec.	CZ	\$3.9200	\$154.32	\$ 4.0175	\$158.16	(\$0.0975)
March	CH	\$4.0275	\$158.55	\$ 4.1175	\$162.10	(\$0.0900)



## CBOT May 2019 (CK19) Corn Futures Chart –



## CME/CBOT May 2019 (WK19) SRW Wheat Futures Chart –

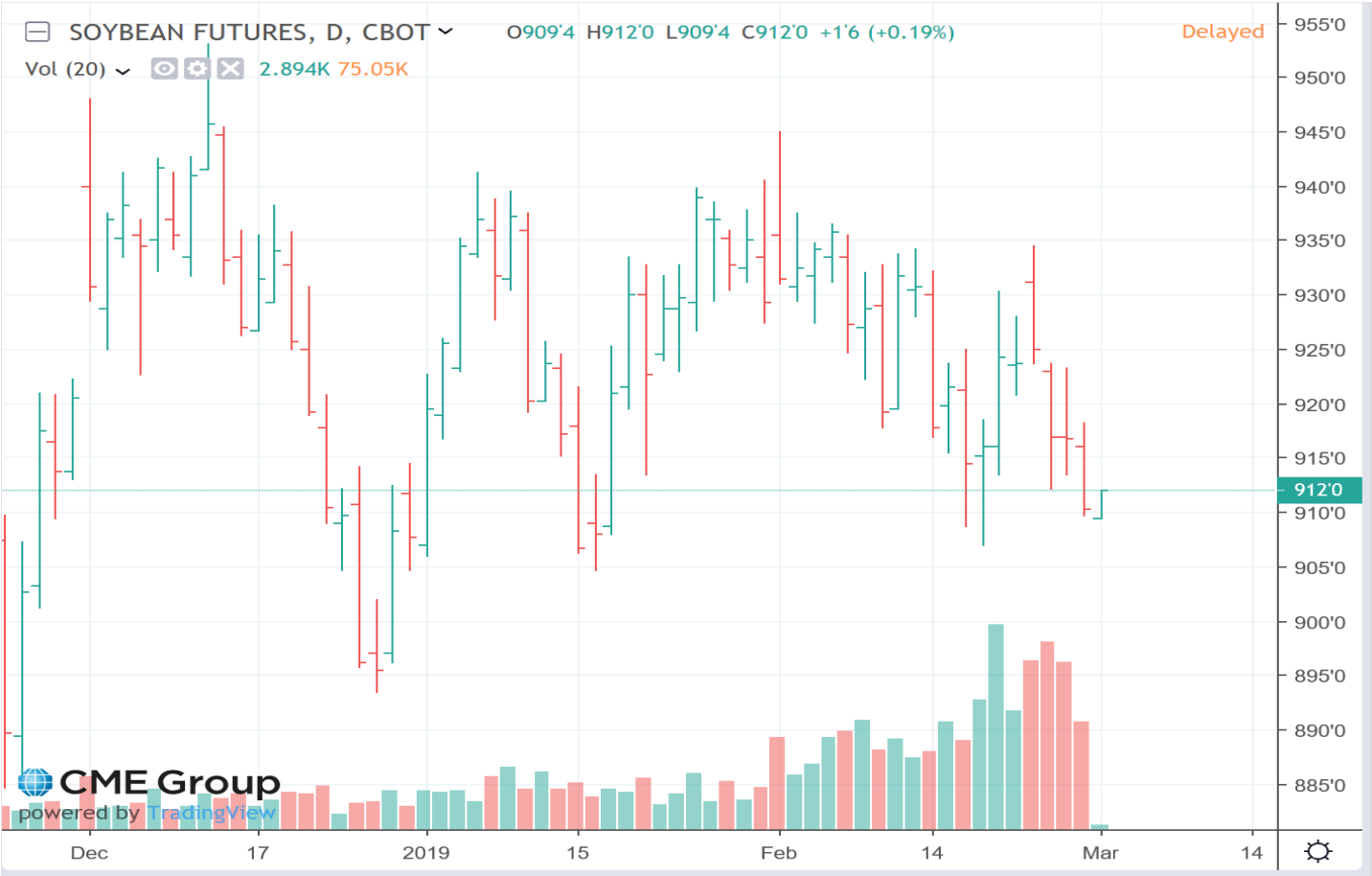


## **U.S. Soybean and SBM Markets Fob Vessel:**

<b>U.S. Yellow Soybeans (USD/MT) FOB Vessel</b>				
# 2 YSB	U.S. Gulf #2 YSB		PNW #2 YSB	
14.0 % Moisture	Basis	Flat Price	Basis	Flat Price
<b>April</b>	0.60	<b>\$356.50</b>	0.87	<b>\$366.42</b>
<b>May</b>	0.60	<b>\$356.50</b>	0.88	<b>\$366.79</b>
<b>June</b>	0.50	<b>\$357.88</b>	0.80	<b>\$368.90</b>
<b>July</b>	0.50	<b>\$357.88</b>	0.85	<b>\$370.74</b>
<b>Aug.</b>	0.45	<b>\$358.25</b>	0.80	<b>\$371.11</b>
<b>Soybean Futures</b>				
<b>May</b>	\$ 9.1025			
<b>July</b>	\$ 9.2400			
<b>Ayg.</b>	\$ 9.3000			
<b>Sept.</b>	\$ 9.3425			
<b>Nov.</b>	\$ 9.4375			
<b>Jan.</b>	\$ 9.5325			

<b>U.S. SBM (USD/MT) FOB Vessel</b>		
Fob U.S. Gulf Port	<b>47.5 Pro. SBM</b>	
max 12.5 % moisture	Basis	Flat Price
<b>April</b>	-3.00	<b>\$ 334.06</b>
<b>May</b>	-3.00	<b>\$ 334.06</b>
<b>June</b>	-5.00	<b>\$ 336.04</b>
<b>July</b>	-5.00	<b>\$ 336.04</b>
<b>Aug.</b>	-5.00	<b>\$ 337.92</b>
<b>SBM Futures</b>		
<b>SMK</b>	306.00	
<b>SMN</b>	309.80	
<b>SMQ</b>	311.50	
<b>SMU</b>	313.30	
<b>SMV</b>	314.40	
<b>SMZ</b>	316.20	

CME May 2019 Soybean (SK19) Futures Chart:



CME May 2019 Soybean Meal (SMK19) Futures Chart



**U.S. EXPORT STATISTICS: Report Activity as of Week Ending 14 February 2019**  
**Thursday-Weekly U.S. Export Sales (below report covers sales from Jan10-Feb14)**

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	6330.8	38,344.0	62,230	62%	897.1
Sorghum	252.0	728.6	2,540	29%	0.0
Soybeans	6897.4	36,900.8	51,030	72%	694.2
Wheat	3762.1	21,483.6	27,220	79%	356.4
Barley	1.5	58.2	110	53%	25.0

**U.S. EXPORT INSPECTIONS:**

Monday's report 25 February 2019 for the Export week ending 21 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	751,278	941,811	24,921,716	17,996,877	138%
Sorghum	27,271	118,255	826,288	2,749,022	30%
Soybeans	1,307,350	1,083,200	25,036,623	37,781,725	66%
Wheat	693,964	363,523	16,447,718	17,882,069	92%
Barley	0	0	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 25 February 2019 for the Export week ending 21 February 2019

Last Week								
(Metric Tons)	YC	%	WC	%	Sorghum	%	Soybeans	%
Lakes	0	0%	0	0%	0	0%	0	0%
Atlantic	0	0%	0	0%	0	0%	12,141	1%
Gulf	510,494	70%	6,964	37%	1,905	7%	731,985	56%
PNW	98,648	13%	0	0%	21,341	78%	470,959	36%
Interior Export Rail	123,197	17%	11,975	63%	4,025	15%	92,265	7%
Metric Tons	732,339		18,939		27,271		1,307,350	

Sorghum Shipments:	metric tons	
	23,246	Japan
	4,025	Mexico
	27,271	Total

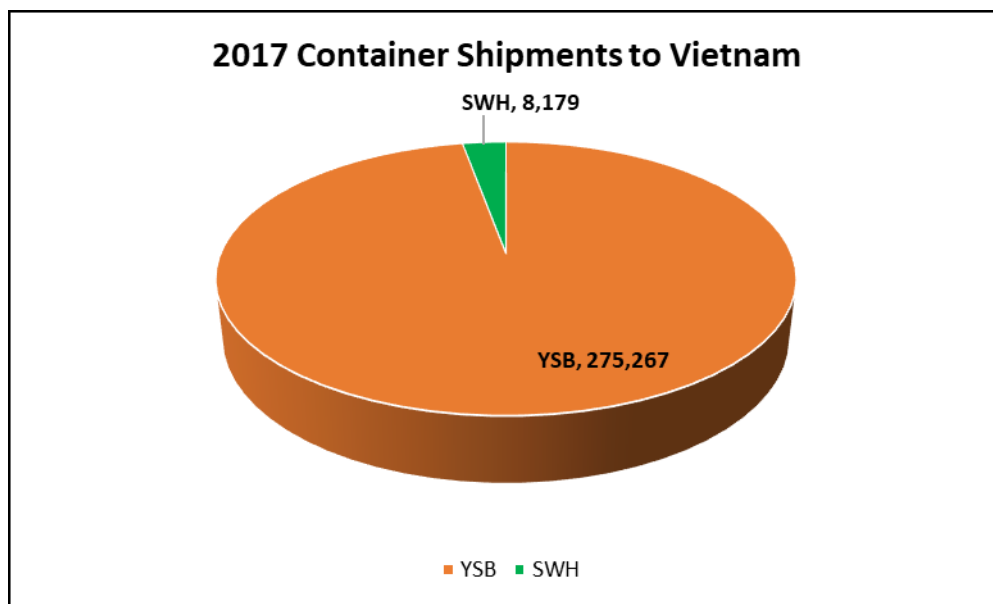
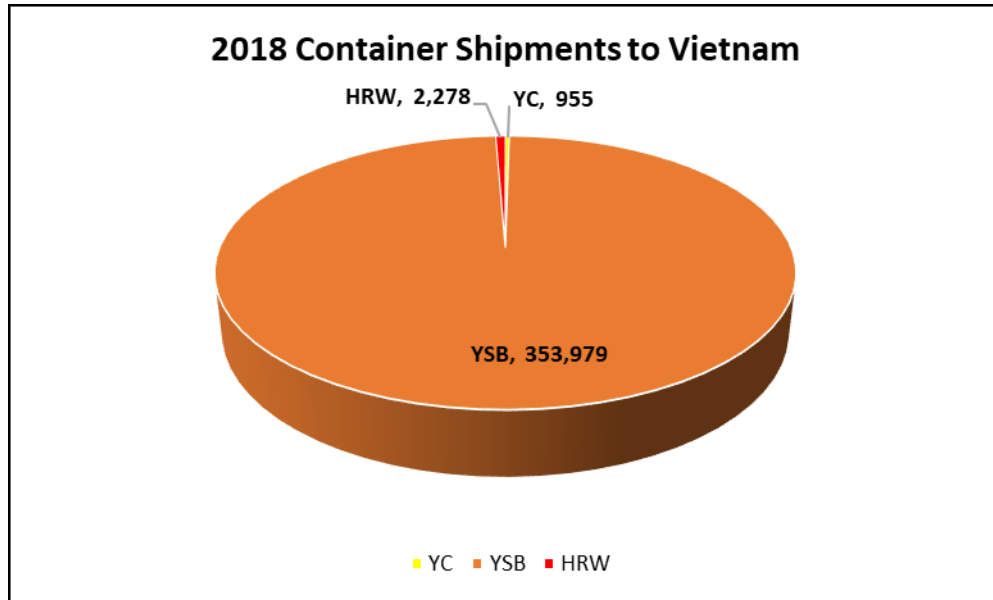
White Corn	metric tons	
Shipments:	6,964	El Salvador
	11,975	Mexico
	18,939	Total

## 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:		21-Feb-2019							
Last Week	metric tons								MT
	YC	WC	YSB	SRW	NS	SWH	HRW	Sorghum	TOTAL
China Main									0
China T	13,581		12,171				588		26,340
Hong Kong	245								245
Costa Rica									0
Indonesia			26,099						26,099
French Poly									0
Japan			1,859						1,859
Korea Republic	2,056		2,350	49					4,455
Nepal			4,259						4,259
Malaysia	1,174		4,628						5,802
Burma									0
Philippines	269		3,111						3,380
Thailand			2,473						2,473
Ireland									0
UN Kingdom									0
Vietnam			2,938						2,938
Sub total	17,325	0	59,888	49	0	0	588	0	74,912
USDA Corrections/Additions to previous reports:									
China T									0
China Main									0
Hong Kong									0
Korea Rep.									0
Costa Rica									0
Japan			49						49
Philippines									0
Indonesia			1,200						1,200
Malaysia			1,421						1,421
Thailand									0
Vietnam									0
Nigeria									0
Bangladesh									0
Sub total	0	0	2,670	0	0	0	0	0	2,670
<b>Mt. Grand Total</b>	<b>17,325</b>	<b>0</b>	<b>62,558</b>	<b>49</b>	<b>0</b>	<b>0</b>	<b>588</b>	<b>0</b>	<b>77,582</b>
Number of containers	753	0	2,720	2	0	0	26	0	

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



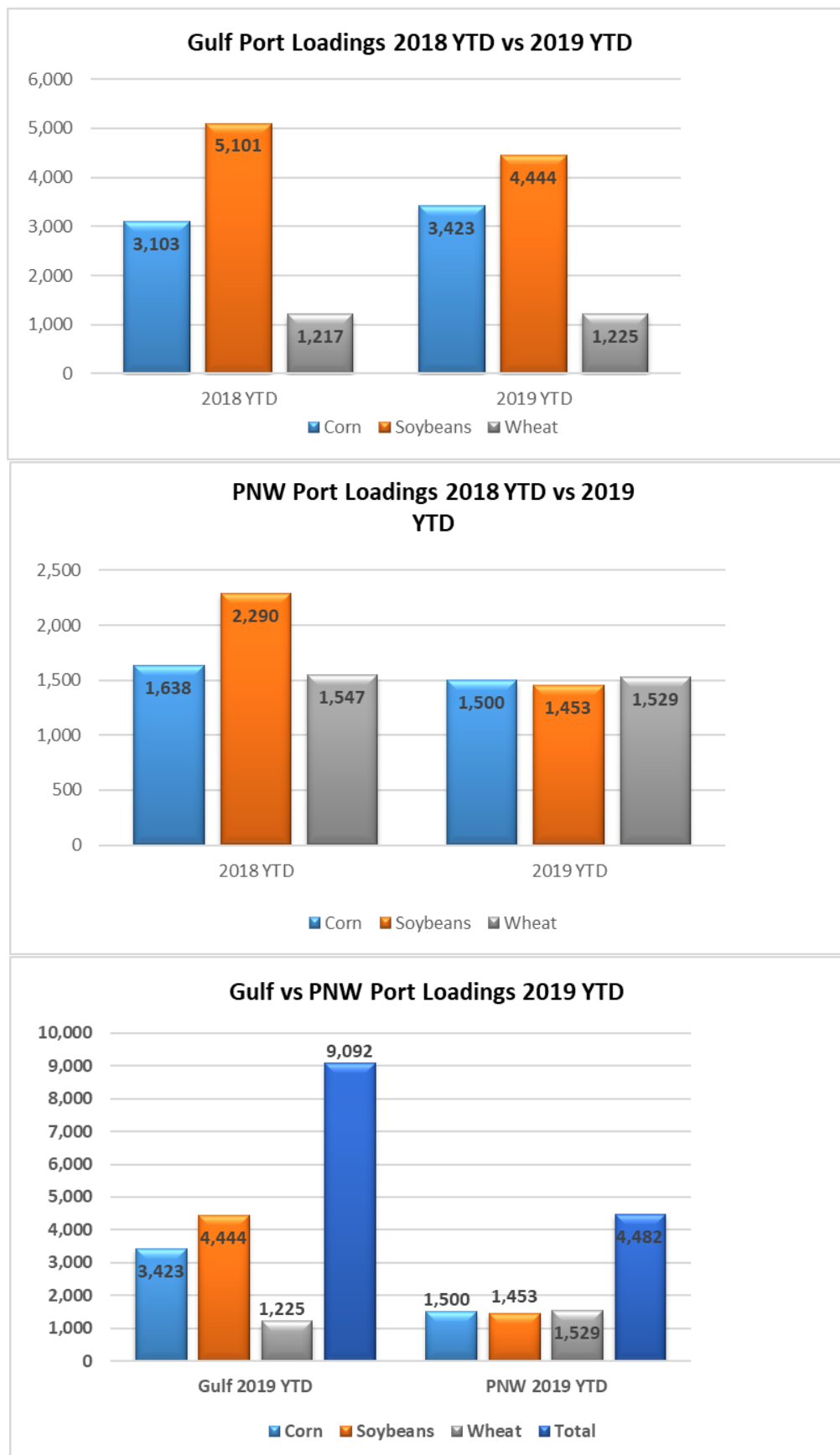
Grain Inspections for Export by U.S. Port Regions:  
U.S. Gulf and Pacific Northwest 2018 YTD vs. 2019 YTD

PORT LOADINGS US Gulf				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
<b>GULF</b>				
2018 YTD	3,103	5,101	1,217	9,421
2019 YTD	3,423	4,444	1,225	9,092
2019 as % of 2018	110%	87%	101%	97%

PORT LOADINGS US PNW				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
<b>PNW</b>				
2018 YTD	1,638	2,290	1,547	5,475
2019 YTD	1,500	1,453	1,529	4,482
2019 as % of 2018	92%	63%	99%	82%

PORT LOADINGS GULF vs. PNW				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
2019 Gulf YTD	3,423	4,444	1,225	9,092
2019 PNW YTD	1,500	1,453	1,529	4,482
TOTAL	4,923	5,897	2,754	13,574
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

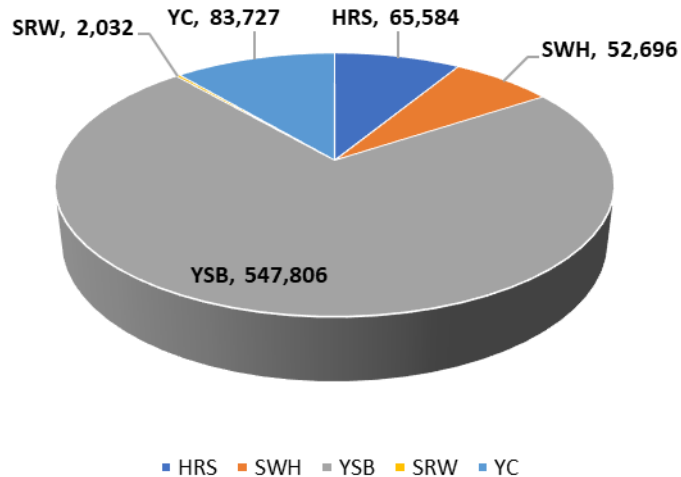


Source: USDA-data

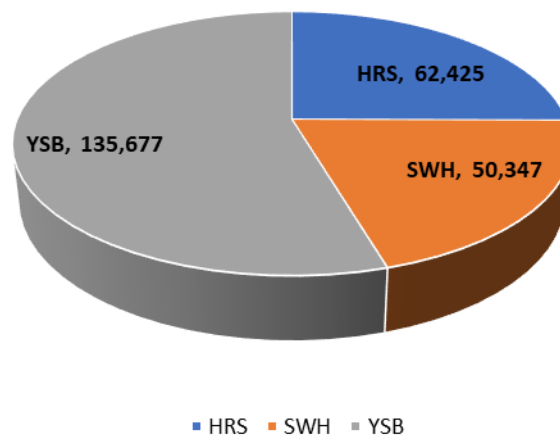


2018 Total Grain Exports reported by USDA (in MT)

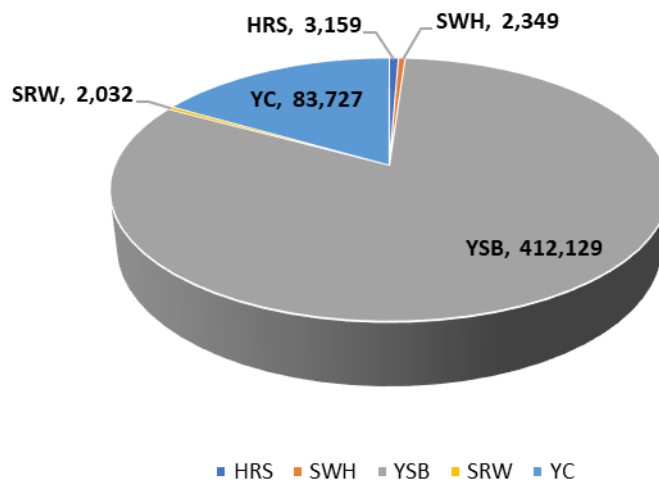
**2018 Exports to Malaysia**



**2018 Exports to Malaysia by Vessel**



**2018 Exports to Malaysia by Container**



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

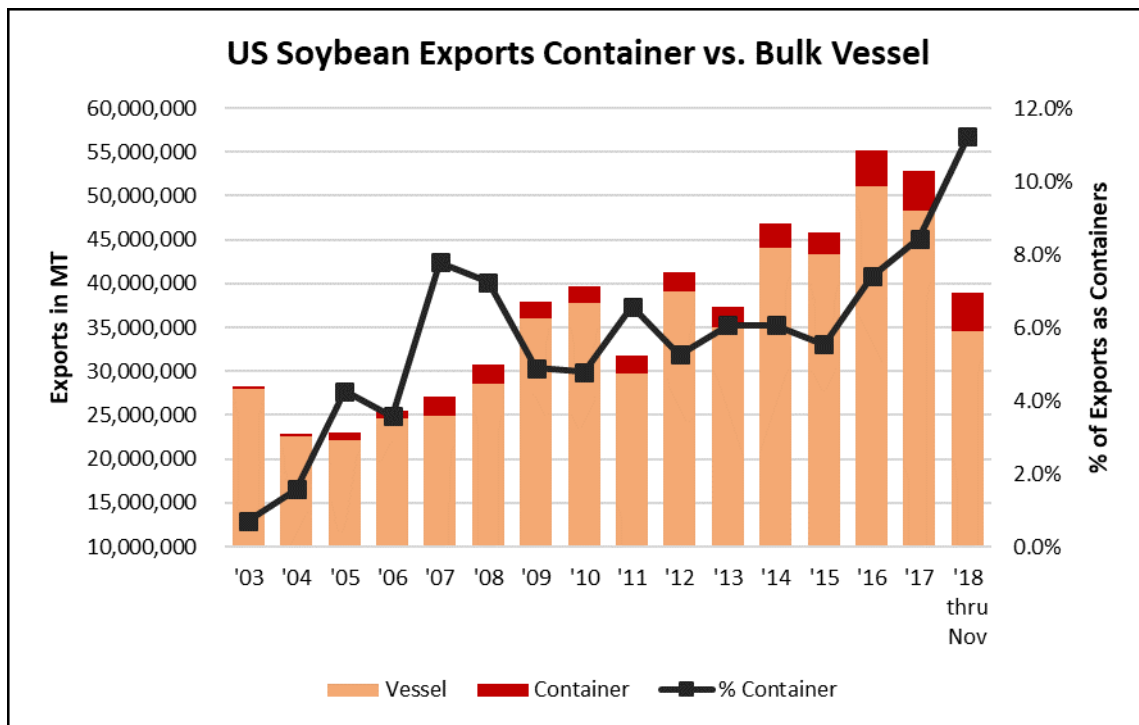
Source: USDA

## Shipping News

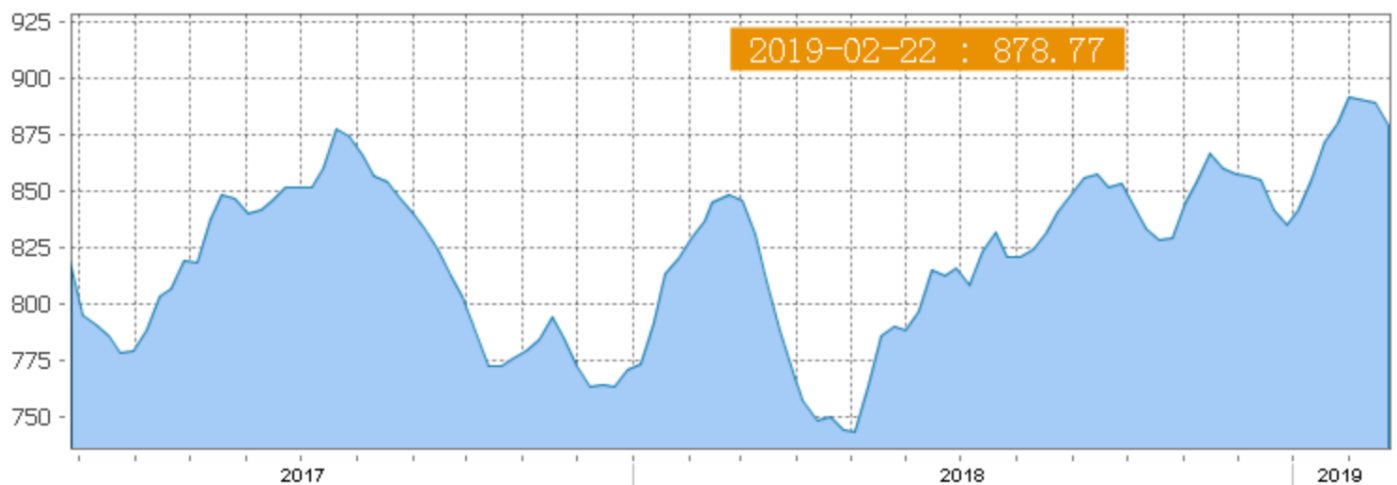
### Hedge Funds-

#### **Hedge funds hunt for shipping debt in new market push**

A growing number of hedge funds are moving into shipping debt, an asset class few have invested in before, looking to buy up loans and bonds as banks cut their exposure to the troubled sector. World economy worries and cost pressures are dampening prospects for a proper recovery in many segments of the shipping



### **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)	540	\$ 28.63	0.73	0.78
Mid-Mississippi	565	\$ 33.13	0.84	0.90
Lower Ohio	485	\$ 23.84	0.61	0.65
St. Louis	460	\$ 20.23	0.51	0.55

**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	\$ 2,000.00	\$ 2,800.00	\$ 0.50	\$ 0.70	\$ 19.68	\$ 27.56
UPRR Shuttle Trains	\$ 600.00	\$ 1,000.00	\$ 0.15	\$ 0.25	\$ 5.91	\$ 9.84

Best Regards,

Jay

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\*\*\* 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.

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