

**Transportation and Export Report for 8 February 2018****Ocean Freight Insights and Comments:**

We are certainly in the doldrums of a Lunar New Year Holiday period and the freight markets are feeling it. Vessel chartering activity is slow and quiet. As anticipated, first quarter 2018 cargo demand is down from the last half of 2017 and rates are slipping.

Freight markets will likely go sideways until Charterers return from the holiday and then the big question will be; will sufficient demand build to support the surplus in vessel capacity? I believe we still have to expect that rates will be higher in the last half of the year but is may be a slow and bumpy climb.

With the China import news, it is “interesting” to see the Fob vessel Sorghum Basis at the Texas Gulf drop by .40 per bushel (\$16.00/mt) and the interior Kansas elevator bids drop by .90 per bushel (\$35.00/mt) ?

**BALTIC DRY-BULK PANAMAX INDEX CHANGES**

Panamax Ocean Freight Indices				
2/82018	This Week	Last Week	Difference	Percent Change
P2A : Gulf/Atlantic - Japan	17003	18080	-1,077	-6.0%
P3A - PNW/Pacific - Japan	9019	9883	-864	-8.7%
S1C -USGULF-China-So.Japan	20425	22139	-1,714	-7.7%

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

Four weeks ago:	\$ 6.20-\$6.75
Three weeks ago:	\$ 5.80-\$6.90
Two weeks ago:	\$ 4.90-\$6.85
One week ago:	\$ 6.60-\$7.10
This week	\$ 6.20-\$6.70

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

Mississippi River:	(10 elevators)	3-13 days
Miss. River Mid-Stream loaders:	(6+ Rigs)	0-0 days
Texas Gulf	(6 elevators)	2-23 days (only 1 facility over 6 days wait)
Pacific Northwest:	(9 elevators)	3-10 days

Panamax Market Spreads to Asia -China					
8-Feb-18	PNW	GULF	Bushel Spread	MT Spread	Advantage
CORN	0.88	0.63	0.25	\$9.84	PNW
SOYBEANS	0.85	0.44	0.41	\$16.14	PNW
OCEAN FREIGHT	\$22.50	\$42.25	.50-.54	<b>\$19.75</b>	March

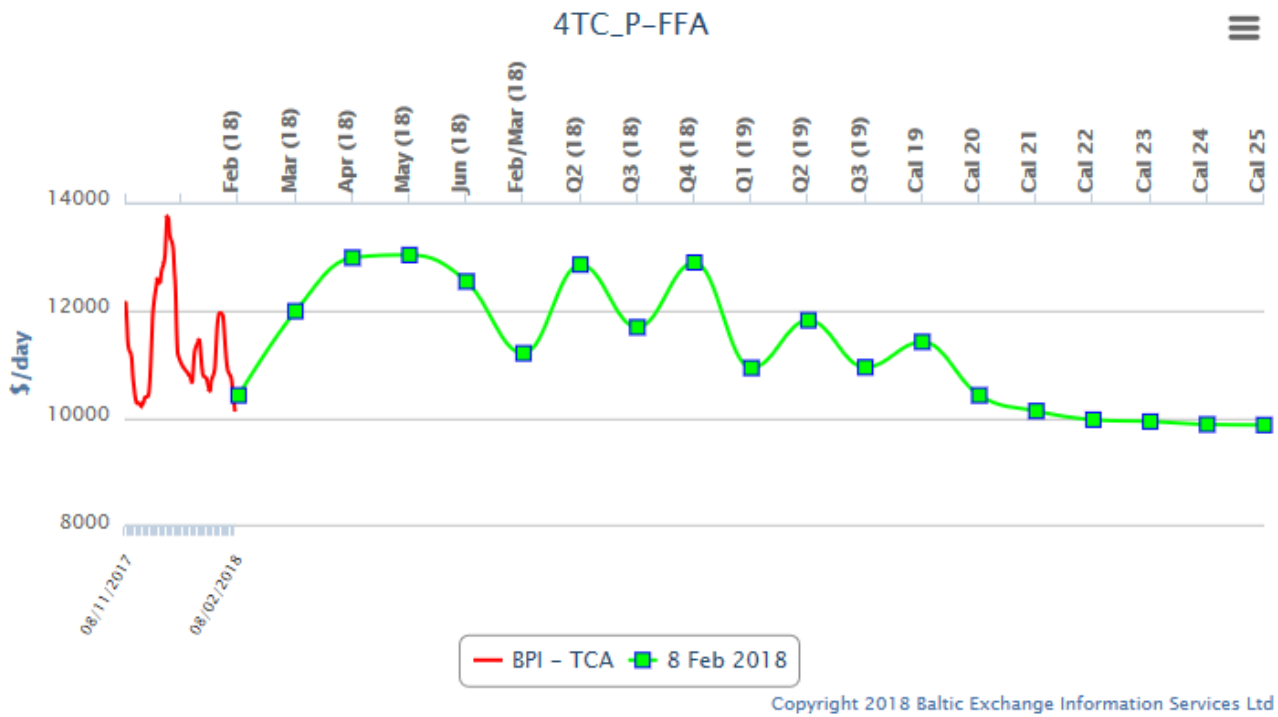
**Recent Reported Vessel Fixtures:**

<b>Route and Vessel Size</b>	<b>Current Week USD/MT</b>	<b>Change from previous week</b>	<b>Remarks</b>
55,000 U.S. Gulf-Japan	\$43.00	Down \$1.25	Handymax \$43.25/mt
55,000 U.S. PNW- Japan	\$23.25	Down \$1.25	Handymax at \$24.00/mt
65,000 U.S. Gulf – China	\$42.25	Down \$1.00	North or South China
PNW to China	\$22.50	Down \$1.00	
25,000 U.S. Gulf- Veracruz, México	\$15.50	Down \$0.50	3,000 MT daily discharge rate
35-40,000 U.S. Gulf- Veracruz, México	\$13.50	Down \$0.50	Deep draft and 6,000 MT per day discharge rate.
25/35,000 U.S. Gulf- <u>East Coast Colombia</u>	\$19.00	Down \$0.75	<u>West Coast Colombia at \$27.00</u>
From Argentina	\$32.00		
40-45,000 U.S. Gulf - Guatemala	\$27.25	Down \$0.75	Acajutla/Quetzal - 8,000 out
26-30,000 U.S. Gulf – Algeria	\$30.25	Down \$0.75	8,000 mt daily discharge
	\$32.00		3,000 mt daily discharge
26-30,000 US Gulf-Morocco	\$29.50	Down \$0.75	5,000 discharge rate
55-60,000 U.S. Gulf –Egypt	\$27.25	Down \$1.00	55,000 -60,000 mt
PNW to Egypt	\$26.00		Russia Black Sea to Egypt \$13.50
60-70,000 U.S. Gulf – Europe – Rotterdam	\$16.00	Down \$0.75	Handymax at +\$2.00 more
Brazil, Santos – China	\$32.75	Down \$1.00	54-59,000 Supramax-Panamax
Brazil, Santos – China	\$31.75		60-66,000 Post Panamax
Itacoatiara-Port Up River North Brazil	\$36.25		60-66,000 mt
56-60,000 Argentina-China Deep draft	\$38.25	Down \$1.00	Up River with Top Off \$40.50

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

## Forward Curve for Baltic BPI Panamax Vessel Freight

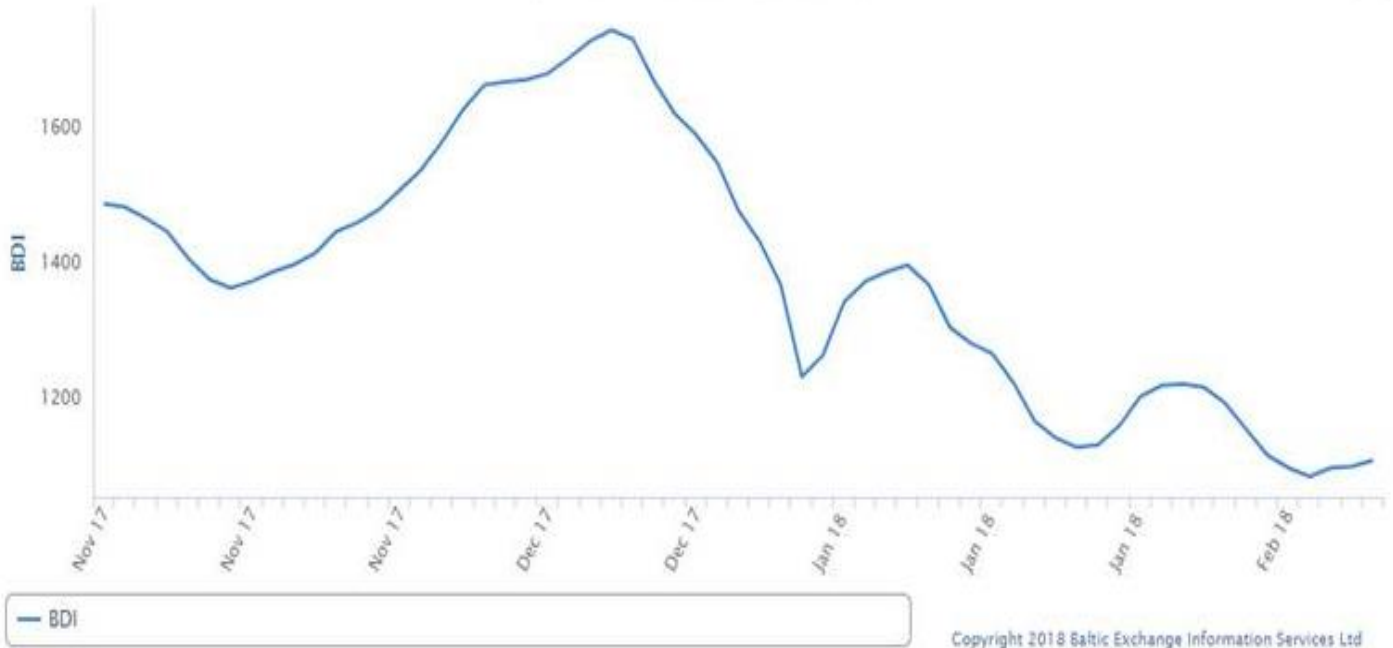


## Baltic Dry-Bulk Ocean Freight Index- US Gulf- Japan

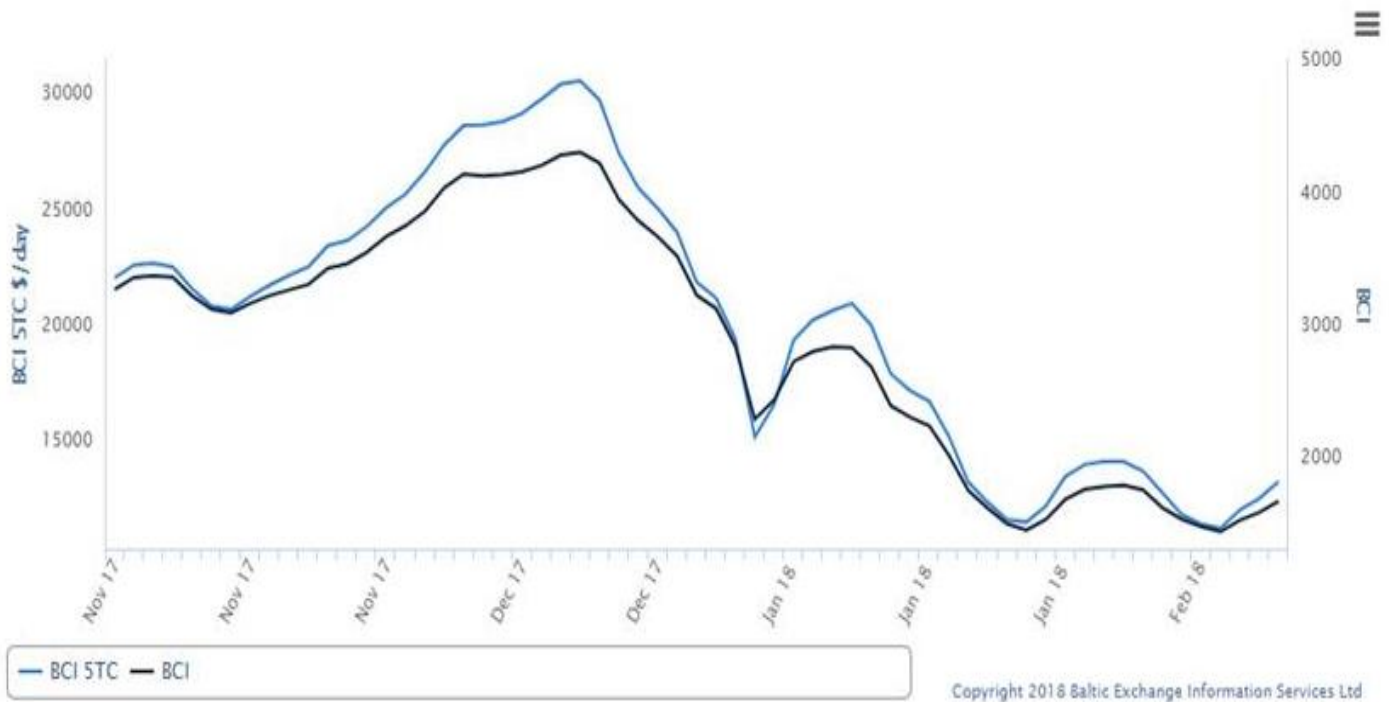


## Baltic Exchange Dry Bulk Index

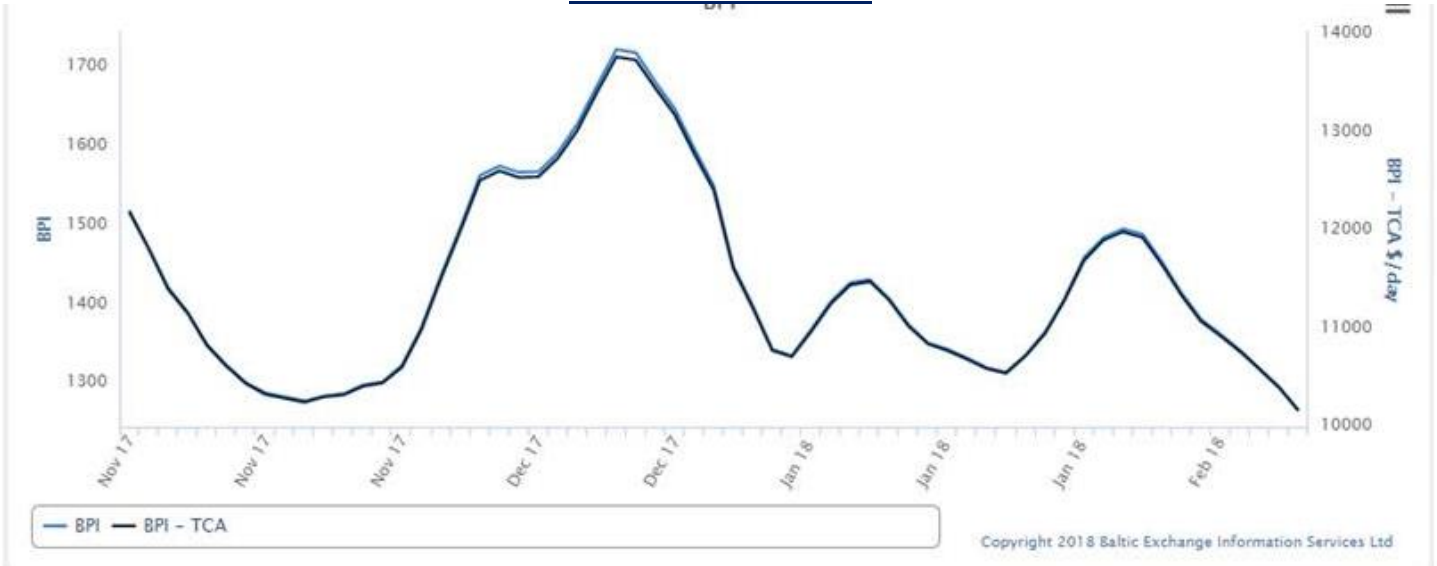
BALTIC EXCHANGE DRY INDEX



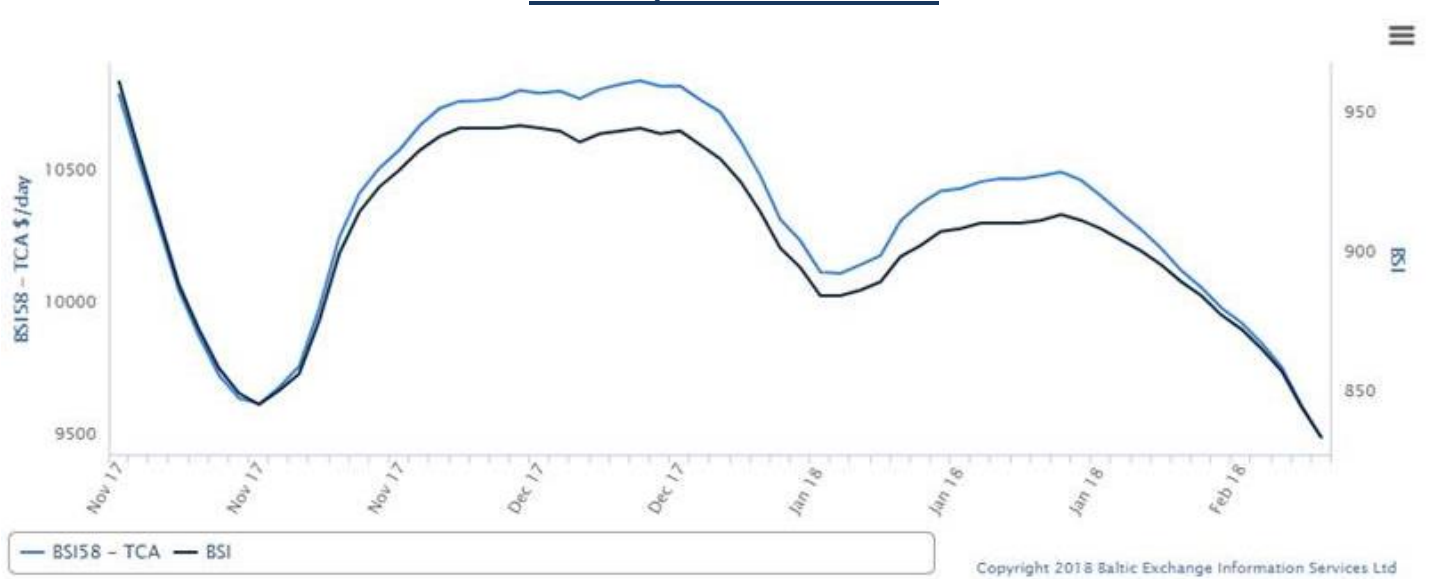
## Baltic Capesize Index



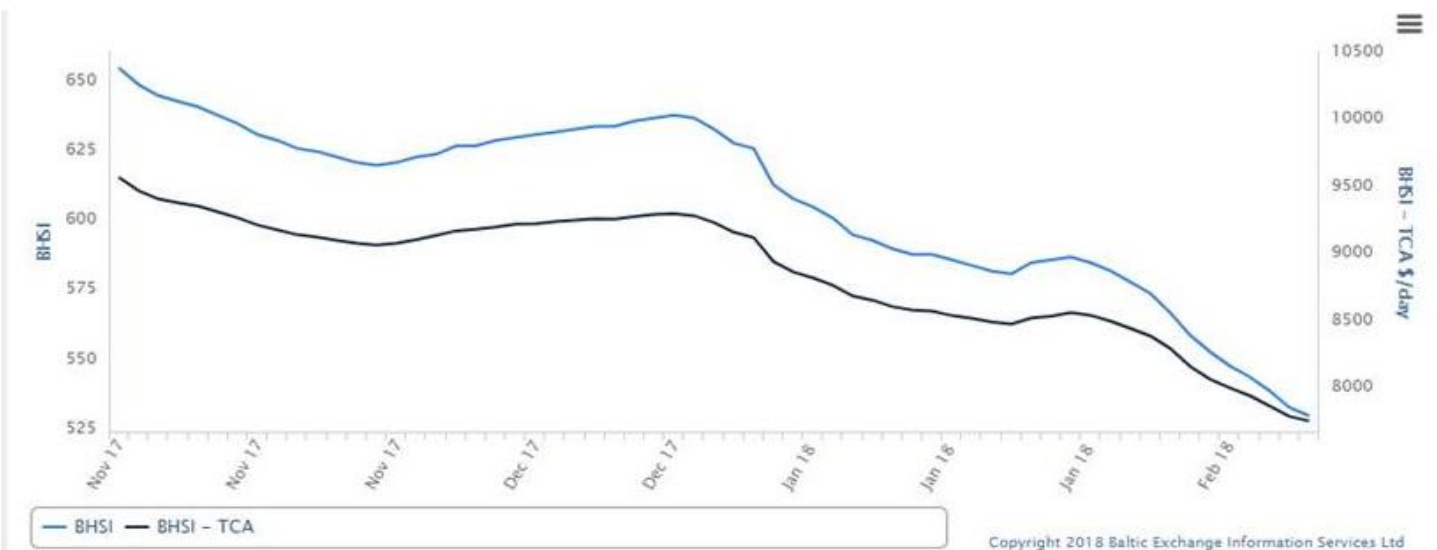
### Baltic Panamax Index



### Baltic Supramax Vessel Index



### Baltic Handy Size



# Yamamizu Shipping

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## USG/Japan Index Result

Date From: 2016-12-01

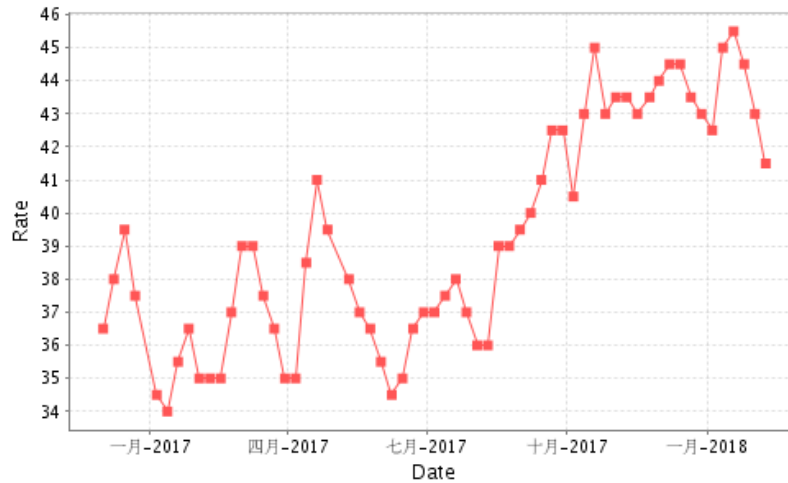
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Date To: 2018-02-08

V

Query

Reset



## China Import Dry Bulk Freight Index(CDFI) 2018-02-08

Route	Size MT	Cargo/Vessel Size	Unit	Rate	Change
Composite Index			Point	804.20	-1.12
Iron ore Freight Index			Point	769.04	2.51
Soybean Freight Index			Point	941.23	-8.10
Santos(Brazil)—North China	60000/10%	Soybean	\$/ton	31.680	-0.400
Tacoma(West America)—North China	60000/10%	Soybean	\$/ton	22.770	-0.090
Mississippi(US Gulf)—North China	66000/10%	Soybean	\$/ton	42.555	-0.204
Mississippi(US Gulf)—North China	55000/10%	Soybean	\$/ton	44.261	-0.228

**8 February 2018 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 #2 YC	
15.0 % Moisture	Basis	Flat Price	Basis	Flat Price
<b>Mar.</b>	0.63	<b>\$168.79</b>	0.88	<b>\$178.63</b>
<b>Apr.</b>	0.55	<b>\$168.59</b>	0.78	<b>\$177.65</b>
<b>May</b>	0.55	<b>\$168.59</b>	0.82	<b>\$179.22</b>
<b>June</b>	0.47	<b>\$168.49</b>	0.75	<b>\$179.52</b>
<b>July</b>	0.47	<b>\$168.49</b>	0.76	<b>\$179.91</b>
<b>Aug.</b>	0.40	<b>\$168.20</b>	0.71	<b>\$180.40</b>

The Gulf spread between #2 and #3 YC is currently about 02 cents per bushel (0.80 per 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>Mar.</b>	1.45	<b>\$201.07</b>	1.30	<b>\$195.17</b>
<b>Apr.</b>	1.45	<b>\$204.02</b>	1.22	<b>\$194.97</b>
<b>May</b>	1.45	<b>\$204.02</b>	1.20	<b>\$194.18</b>
<b>Jun.</b>	1.30	<b>\$201.17</b>	1.10	<b>\$193.30</b>
<b>July</b>	0.85	<b>\$183.45</b>	0.70	<b>\$177.55</b>

Fob vessel Texas Gulf #2 Sorghum is about 116 % the value of #2 Yellow Corn at NOLA  
Sorghum has gotten to be a thin trade and interior and export handling margins have widened out to reflect the risk.

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

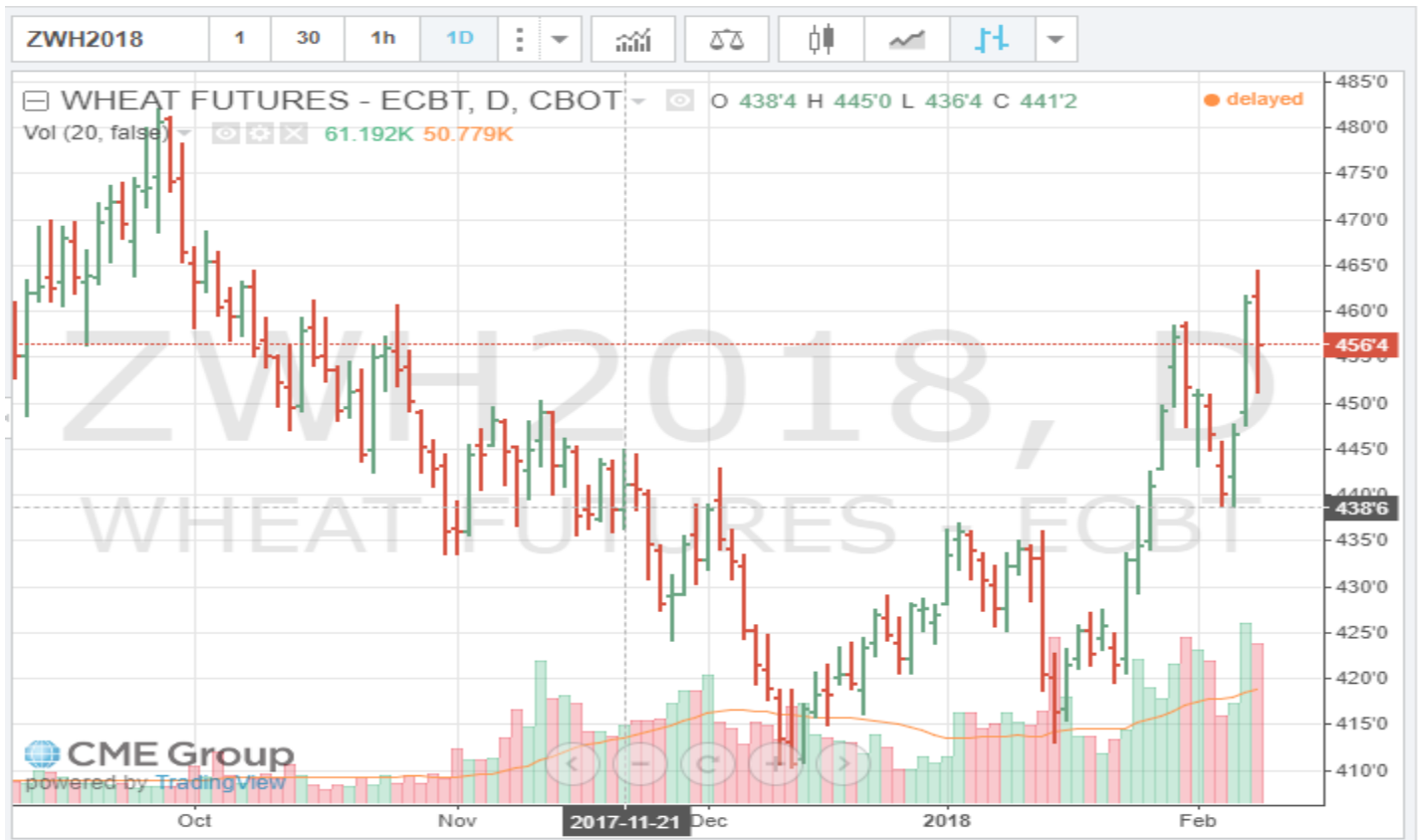
<b>SRW Wheat</b>	<b>USD/MT</b>	<b>Fob Vessel</b>	<b>US Gulf</b>	
	<b>Mar.</b>	<b>Apr.</b>	<b>May</b>	<b>June</b>
FOB U.S. GULF	\$204.38	\$207.32	\$209.16	\$211.37
Basis	1.00	0.95	1.00	0.93
WH	4.5625			
WK	4.6925			
WN	4.8225			

<b>CME Futures Market Close</b>						
CORN	Futures	Friday	Friday	Last week	Last Week	Difference
Month	Symbol	Close	Close	Bushel	MT.	Bushel
Mar.	CH	\$3.6575	\$143.99	\$ 3.6100	\$142.12	\$0.0475
May	CK	\$3.7325	\$146.94	\$ 3.6950	\$145.46	\$0.0375
July	CN	\$3.8100	\$149.99	\$ 3.7725	\$148.52	\$0.0375
Sept.	CU	\$3.8725	\$152.45	\$ 3.8450	\$151.37	\$0.0275
Dec.	CZ	\$3.9500	\$155.50	\$ 3.9250	\$154.52	\$0.0250

### CME/CBOT March 2018 (CH8) Corn Futures Chart –



### CME/CBOT March 2018 (WH8) SRW Wheat Futures Chart –



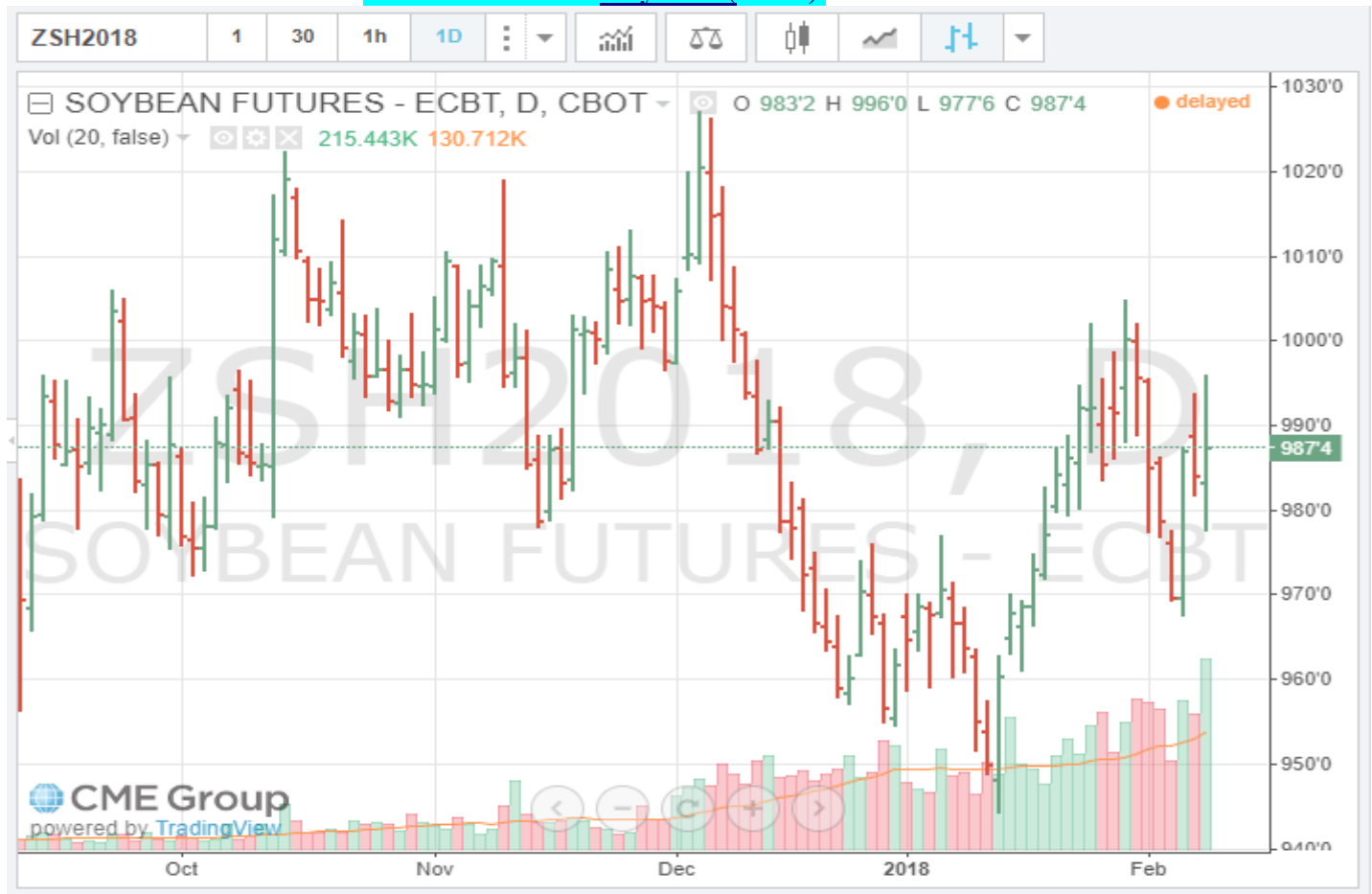


## **U.S. Soybean and SBM Markets Fob Vessel:**

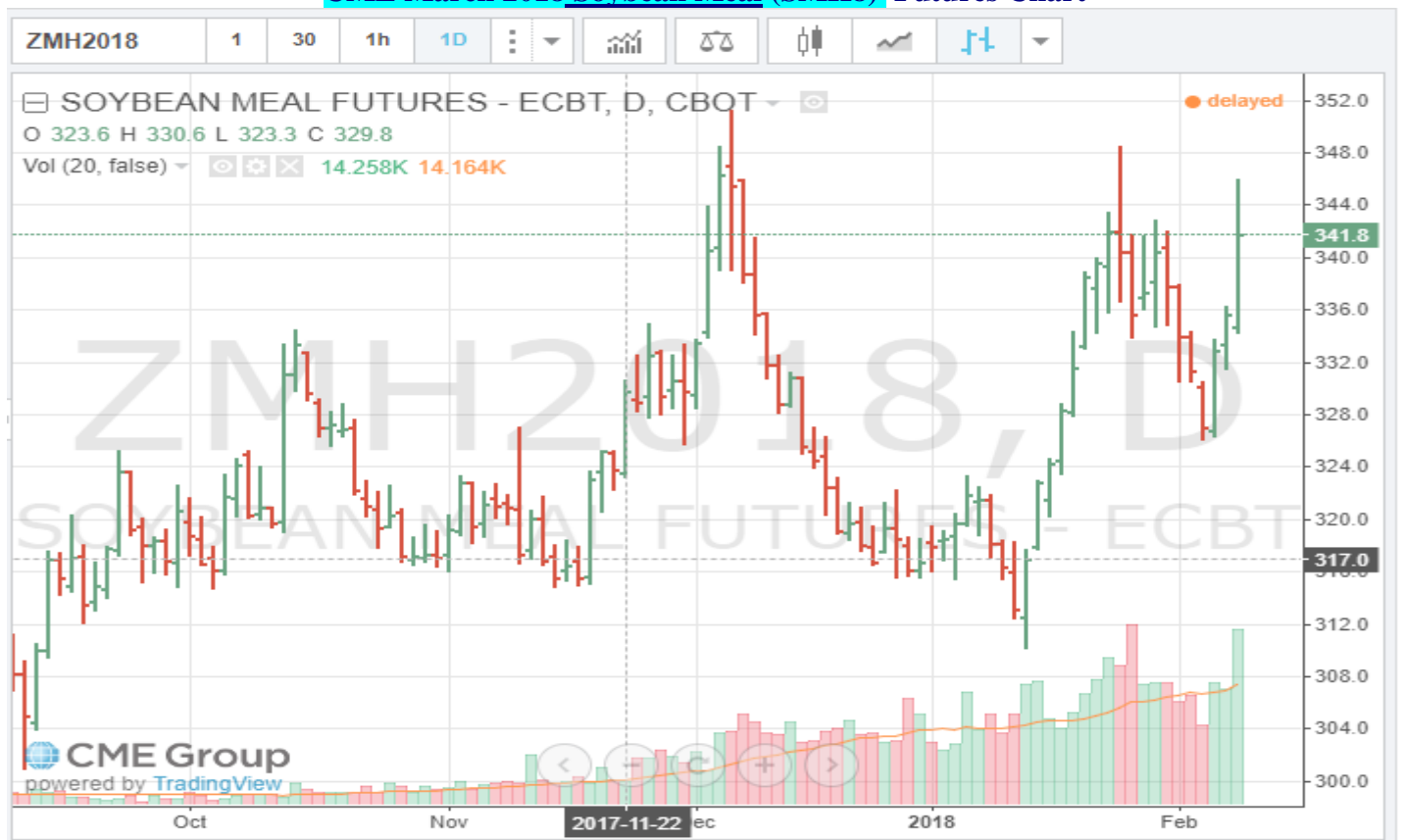
<b>U.S. Yellow Soybeans (USD/MT) FOB Vessel</b>				
# 2 YSB	<b>U.S. Gulf #2 YSB</b>		<b>PNW #2 YSB</b>	
14.0 % Moisture	Basis	Flat Price	Basis	Flat Price
<b>Mar.</b>	0.44	<b>\$379.10</b>	0.85	<b>\$394.16</b>
<b>Apr.</b>	0.37	<b>\$380.57</b>	0.85	<b>\$398.21</b>
<b>May</b>	0.39	<b>\$381.30</b>	0.85	<b>\$398.21</b>
<b>June</b>	0.35	<b>\$383.32</b>	0.80	<b>\$399.86</b>
<b>July</b>	0.39	<b>\$384.79</b>	0.81	<b>\$400.23</b>
<b>Soybean Futures</b>				
<b>Mar.</b>	\$ 9.8775			
<b>May</b>	\$ 9.9875			
<b>July</b>	\$ 10.0825			
<b>Aug.</b>	\$ 10.0975			
<b>Sept.</b>	\$ 10.0500			
<b>Nov.</b>	\$ 10.0450			

<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>Mar.</b>	5.00	<b>\$ 382.24</b>
<b>Apr.</b>	3.00	<b>\$ 383.78</b>
<b>May</b>	4.00	<b>\$ 384.88</b>
<b>June</b>	2.00	<b>\$ 384.11</b>
<b>July</b>	2.00	<b>\$ 384.11</b>
<b>SBM Futures</b>		
<b>SMH</b>	341.70	
<b>SMK</b>	345.10	
<b>SMN</b>	346.40	
<b>SMQ</b>	345.00	
<b>SMU</b>	343.70	
<b>SMV</b>	341.00	

## CME March 2018 Soybean (SH18) Futures Chart



## CME March 2018 Soybean Meal (SMH8) Futures Chart



**U.S. EXPORT STATISTICS: Report Activity as of Week Ending 25 January 2017**  
**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	1916.3	32,251.9	48,900	66%	1,253.1
Sorghum	250.8	5,178.6	6,600	78%	0.0
Soybeans	825.5	43,594.7	58,790	74%	1,026.3
Wheat	374.3	20,410.7	26,540	77%	267.8
Barley	0.0	37.8	110	34%	35.1

**U.S. EXPORT INSPECTIONS:**

Monday's report 05 February 2018 for the Export week ending 01 February 2018

	Export Inspections		Current Market Year YTD	Previous Year to Date	2017 YTD as Percent of 2016 YTD
	This Week	Previous Week			
Corn	1,073,868	1,011,214	14,841,025	22,012,030	67%
Sorghum	195,059	152,388	2,284,618	2,659,457	86%
Soybeans	1,303,723	1,130,422	34,709,901	40,480,504	86%
Wheat	428,557	581,626	16,623,040	17,492,911	95%
Barley	637	122	19,847	30,783	64%

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

**U.S. EXPORT INSPECTIONS:**

Monday's report 05 February 2018 for the Export week ending 01 February 2018

Last Week								
(Metric Tons)	YC	%	WC	%	Sorghum	%	Soybeans	%
Lakes	0	0%	0	0%	0	0%	0	0%
Atlantic	0	0%	0	0%	0	0%	16,897	1%
Gulf	518,437	49%	2,919	42%	124,153	64%	730,819	56%
PNW	396,226	37%	0	0%	66,000	34%	470,806	36%
Interior Export Rail	152,294	14%	3,992	58%	4,906	3%	85,201	7%
Metric Tons	1,066,957		6,911		195,059		1,303,723	

Sorghum

Shipments:

metric tons	
191,139	China Main
3,200	Japan
720	Mexico
195,059	Total

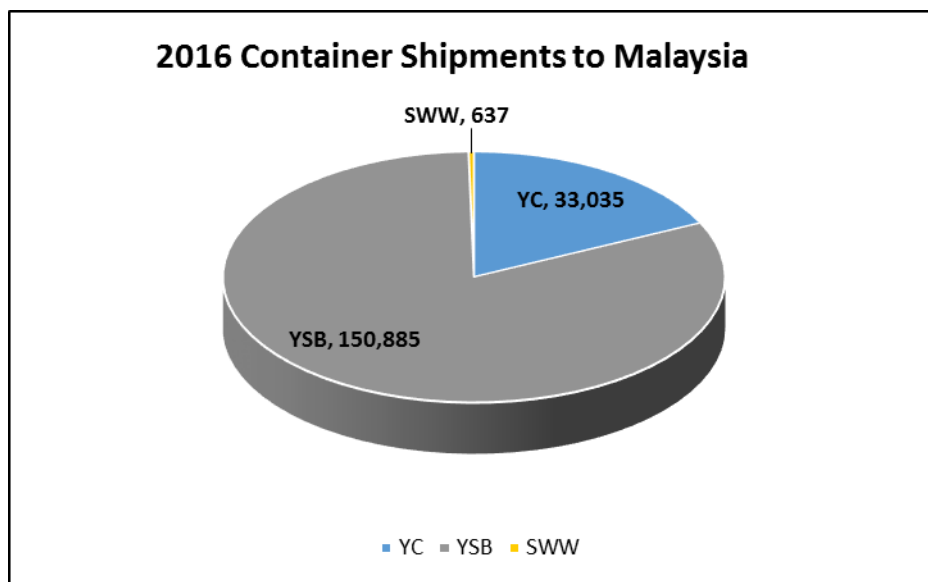
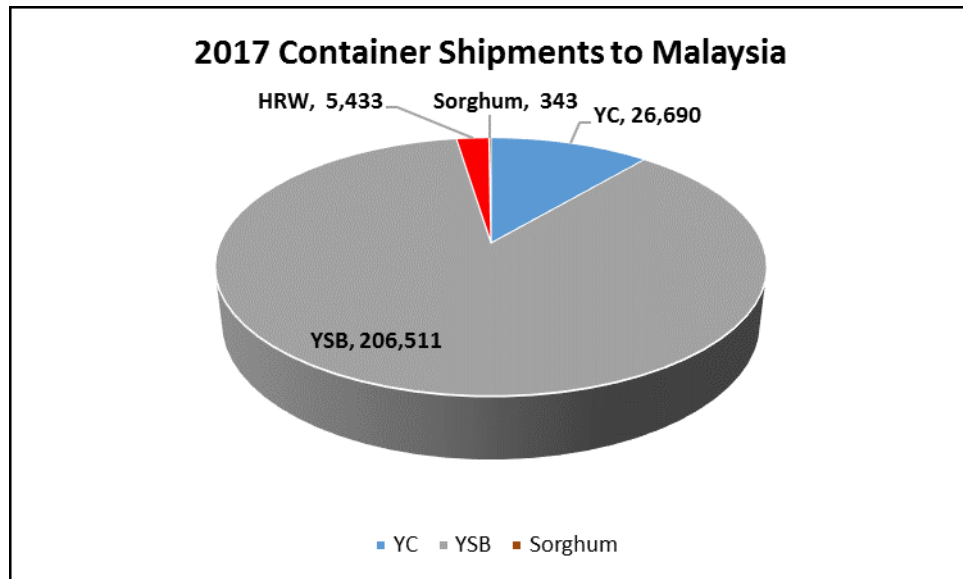
metric tons	
2,919	Japan
3,992	Mexico
6,911	Total

## 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:		1-Feb-2018							
Last Week	metric tons								MT
	YC	WC	YSB	SRW	NS	SWH	HRW	Sorghum	TOTAL
China Main	3,111		6,050					4,186	13,347
China T	20,519		20,967				318		41,804
Hong Kong	833								833
Costa Rica									0
Indonesia	98		21,329						21,427
French Polynesia									0
Japan	245		636						881
Korea Republic	1,053		2,596						3,649
Panama									0
Malaysia	685		5,215						5,900
Ireland									0
Philippines	245		1,077						1,322
Thailand			8,815						8,815
Bangladesh									0
Burma			784				171		955
Vietnam			6,855						6,855
Sub total	26,789	0	74,324	0	0	0	489	4,186	97,978
USDA Corrections/Additions to previous reports:									
China T	490		833						1,323
China Main								1,372	1,372
Hong Kong									0
Korea Rep.	490								490
Costa Rica									0
Japan									0
Philippines									0
Indonesia									0
Malaysia									0
Thailand									0
Vietnam			220						220
Mexico									0
Panama									0
Sub total	980	0	1,053	0	0	0	0	1,372	3,405
<b>Mt. Grand Total</b>	<b>27,769</b>	<b>0</b>	<b>75,377</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>489</b>	<b>5,558</b>	<b>101,383</b>
Number of containers	1,207	0	3,277	0	0	0	21	242	

Jan - Dec 2016 Annual Totals versus 2017 Jan.-Dec. Annual Container Shipments (in MT)

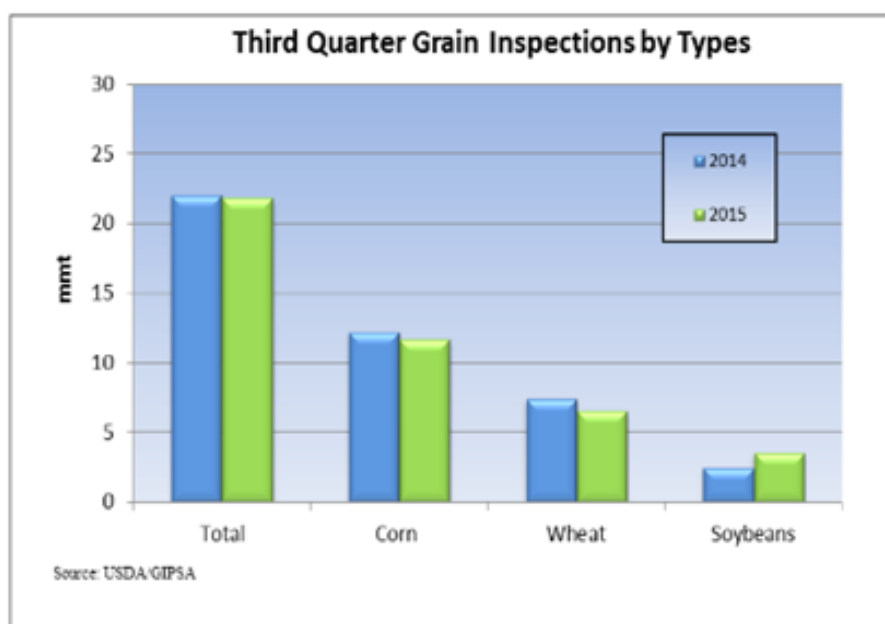


Grain Inspections for Export by U.S. Port Regions:  
U.S. Gulf and Pacific Northwest 2017 YTD vs. 2018 YTD

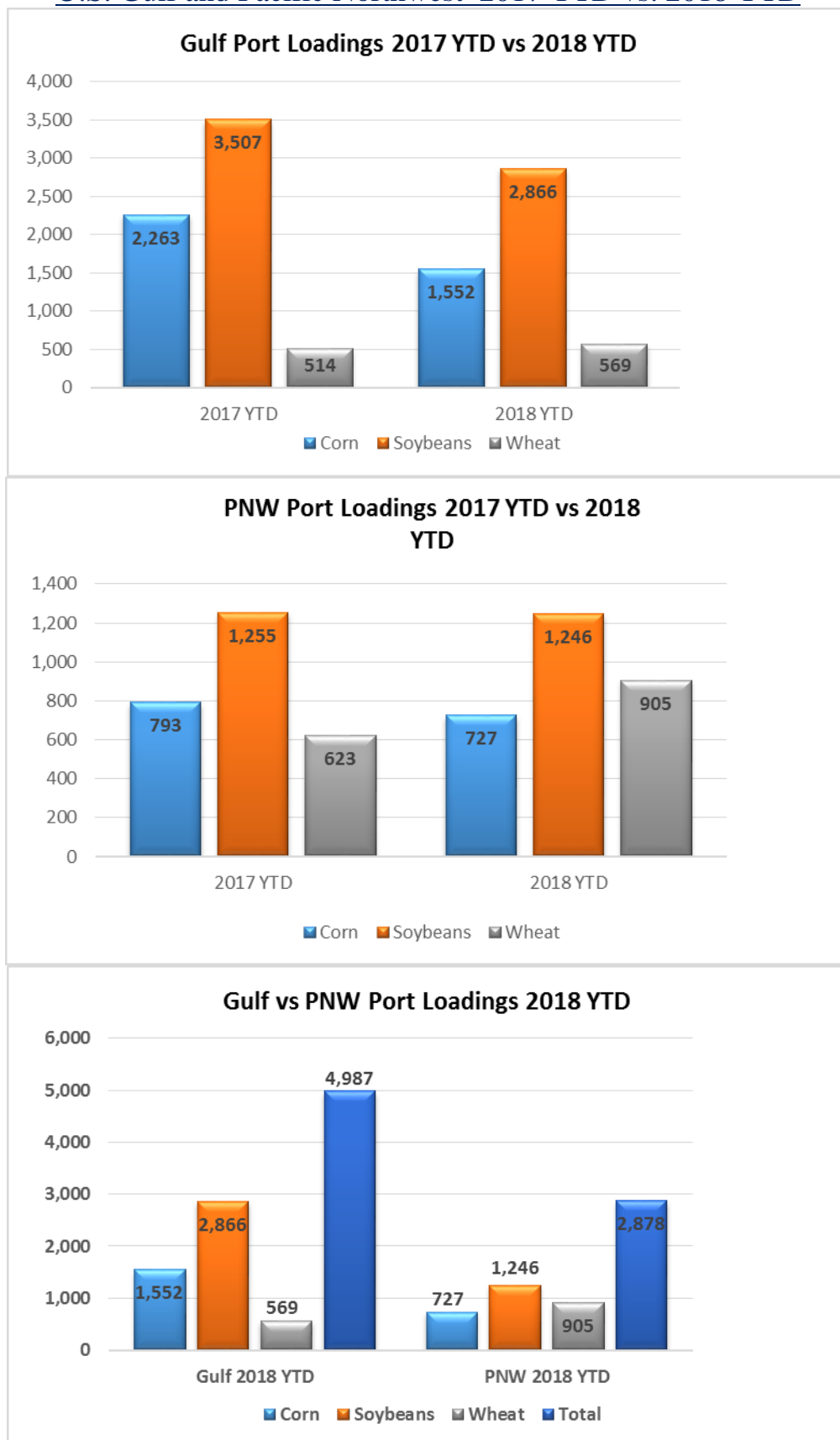
PORT LOADINGS US Gulf				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
<b>GULF</b>				
2017 YTD	2,263	3,507	514	6,284
2018 YTD	1,552	2,866	569	4,987
2018 as % of 2017	69%	82%	111%	79%

PORT LOADINGS US PNW				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
<b>PNW</b>				
2017 YTD	793	1,255	623	2,671
2018 YTD	727	1,246	905	2,878
2018 as % of 2017	92%	99%	145%	108%

PORT LOADINGS GULF vs. PNW				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
2018 Gulf YTD	1,552	2,866	569	4,987
2018 PNW YTD	727	1,246	905	2,878
TOTAL	2,279	4,112	1,474	7,865
Gulf Percentage	68%	70%	39%	63%
PNW Percentage	32%	30%	61%	37%



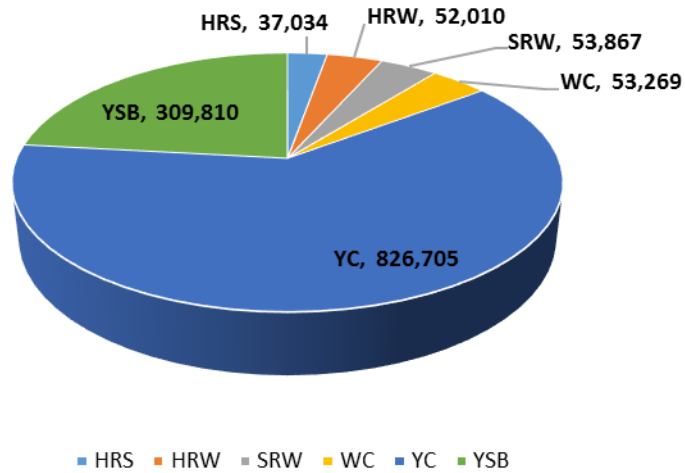
Grain Inspections for Export by U.S. Port Regions (1,000MT):  
U.S. Gulf and Pacific Northwest 2017 YTD vs. 2018 YTD



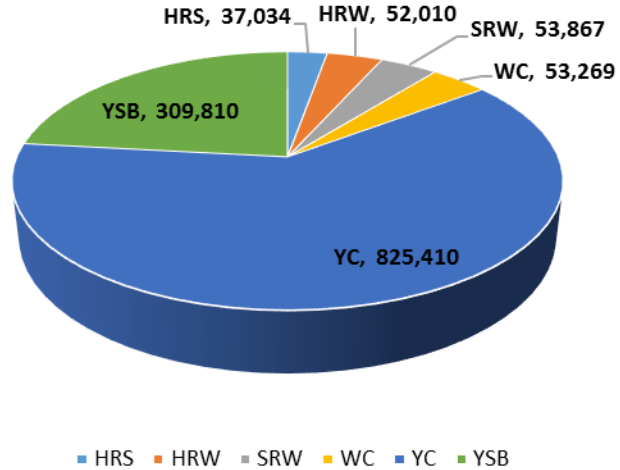
Source: USDA-data

**2017 Total Grain Exports reported by USDA (in MT)**

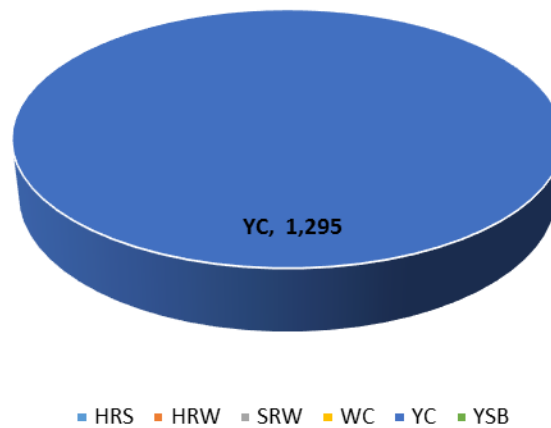
**2017 Exports to Costa Rica**



**2017 Exports to Costa Rica by Vessel**



**2017 Exports to Costa Rica by Container**

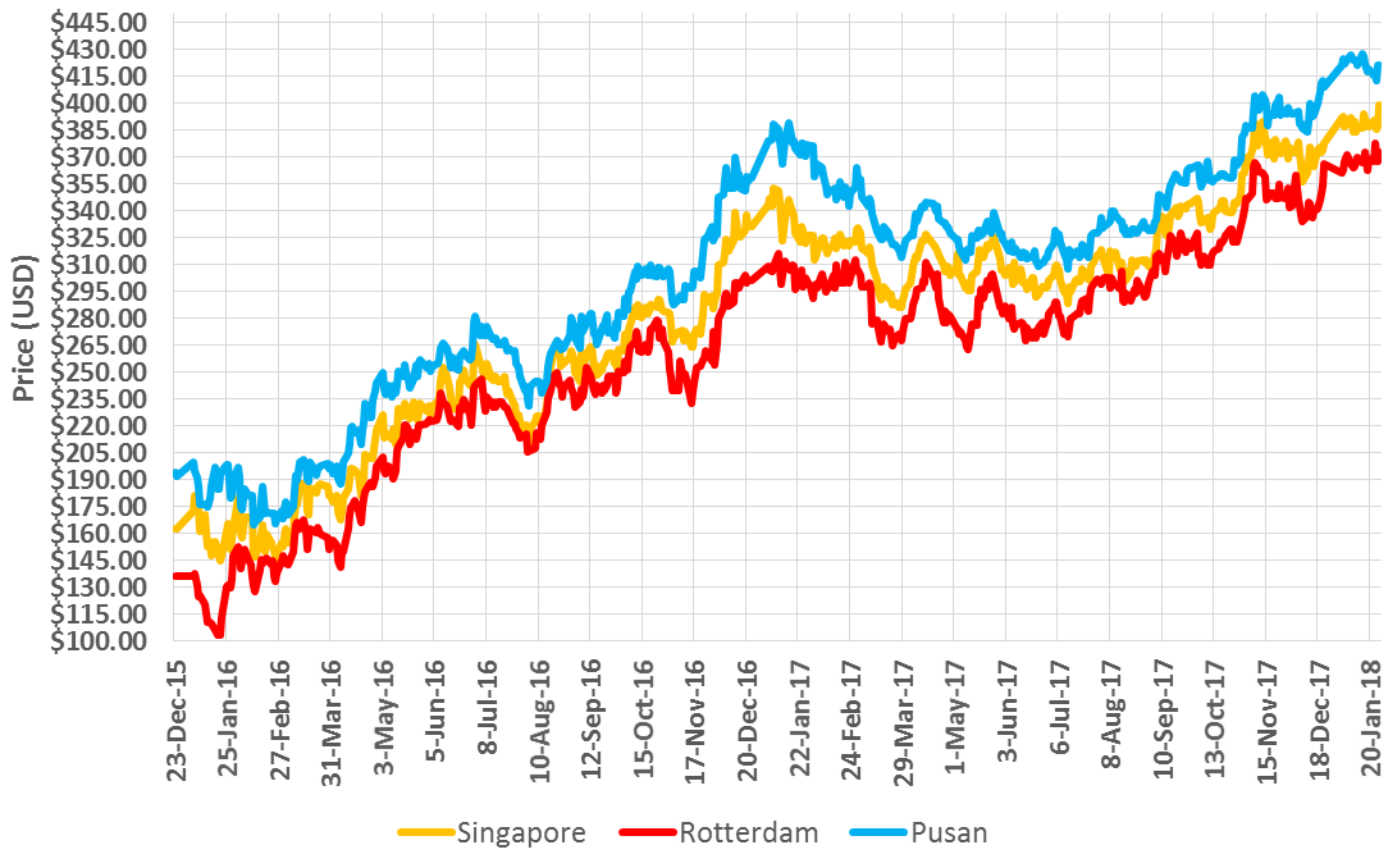


\*\*Please keep in mind that USDA does not report DDGS sales, or they would show as the largest exports by container



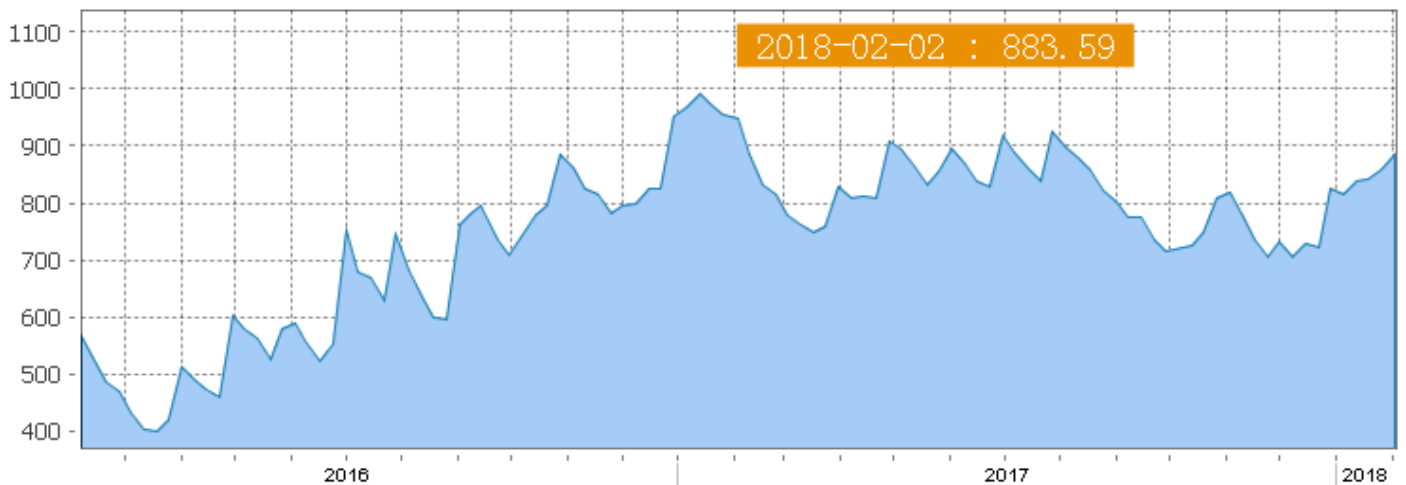
Shipping News:

## Bunker Fuel Prices for Singapore vs. Rotterdam vs. Pusan



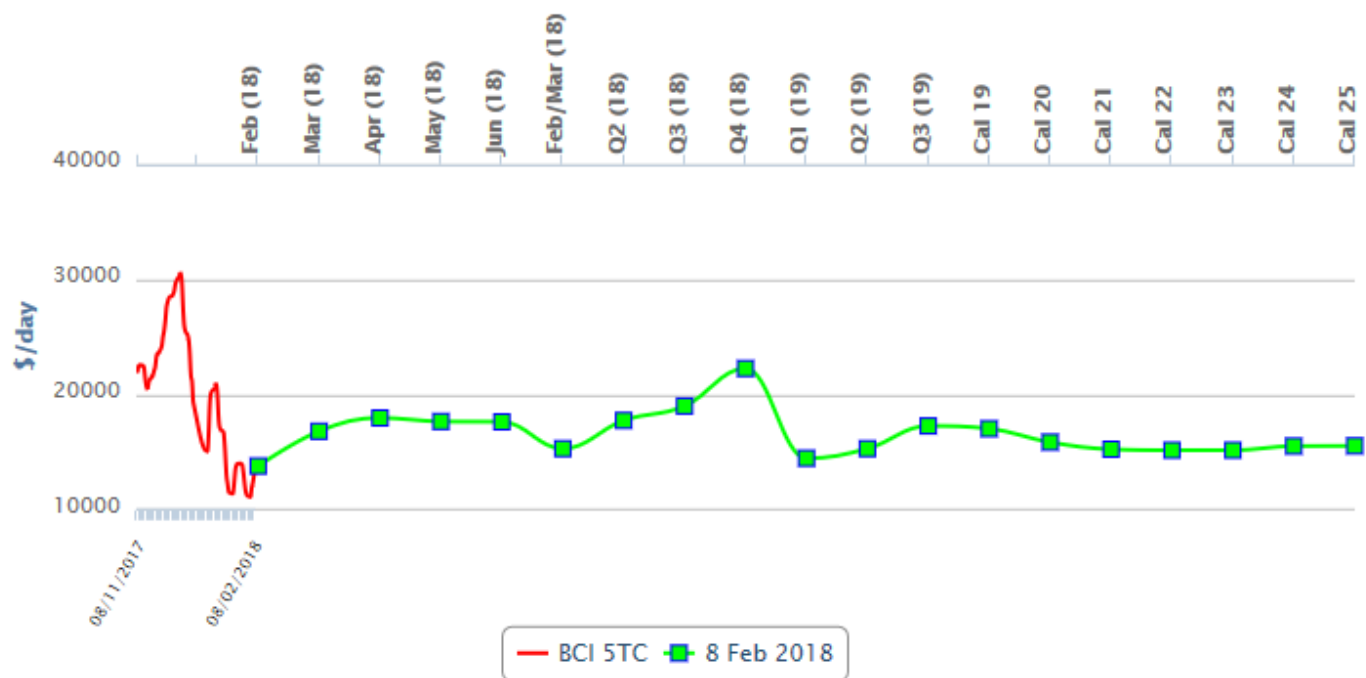
USDA-

## Shanghai Containerized Freight Index



## FFA Capesize for the 4 time charter routes

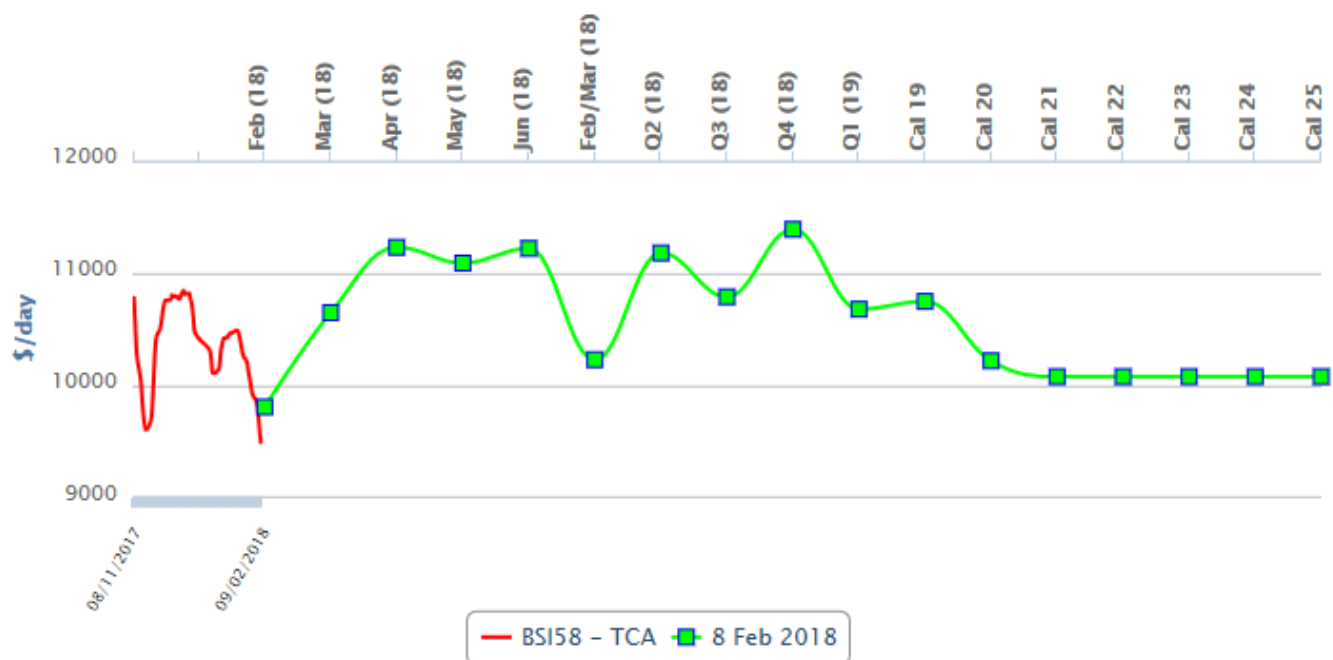
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## FFA SUPRAMAX 58 for the 5 time charter routes

10TCS-FFA



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## U.S. RIVER BARGE FREIGHT

### Current Barge Freight for Placement First Half March 2018

Placement FH March 2018	% of		Corn	Soybeans-Wheat
	Tariff	MT	BU	BU
Upper Mississippi	Closed		0.00	0.00
Illinois River (Pekin and South)	315	\$16.70	0.42	0.45
Mid-Mississippi	Closed		0.00	0.00
Lower Ohio	240	\$11.80	0.30	0.32
St. Louis	225	\$ 9.90	0.25	0.27

### Secondary Rail Car Market for car placement period: First Half March 2018.

Secondary Rail Car Market Placement FH March 2018	BID USD	ASK USD	BID BU.	ASK BU.	BID MT	ASK MT
BNSF Shuttle Trains	\$ 200.00	\$ 400.00	\$ 0.05	\$ 0.10	\$ 1.97	\$ 3.94
UPRR Shuttle Trains	\$ (100.00)	\$ -	\$ (0.03)	\$ -	\$ (0.98)	\$ -

Best Regards,

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\*\*\* The information in this market report is derived from sources believed to be reliable and accurate but can not be guaranteed. Forward looking projections are never completely accurate, and these markets move quickly.

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