

## Transportation and Export Report for 9 February 2023

They said rates were too low and could not go down any farther, and yet, here we are. And vessel owners continue to ask, are we there yet, have we finally hit bottom? Dry Bulk markets have not yet found support despite some positive demand news. The drop in freight markets over the last 5 months speaks volumes about the health of the Chinese economy and the outlook for improved cargo demand. Vessel owners are now complaining that rates getting below operating costs. The technical FFA freight charts look bearish, but physical markets are saying the downturn must stop. And vessel speeds are slowing to conserve fuel. March Panamax daily hire rates are trading at \$10,800/day with Q2 2023 at \$13,200/day. US Gulf to the Far East traded at \$12,000/day.

All hopes for an uptick in rates remain dependent on improved demand for all Dry Bulk cargo to China. Other markets cannot pick up the slack.

### BALTIC DRY-BULK PANAMAX INDEX CHANGES

Panamax Ocean Freight Indices					
9-Feb-2023		This Week	Last Week	Difference	Percent Change
P2A: Gulf/Atlantic - HK-Korea	Index	14955	17,136	-2,181	-12.7%
P3A: PNW/Pacific - RV Korea-Taiwan	Index	8157	8,775	-618	-7.0%
S1C: US GULF-China-So.Japan	Index	11557	12732	-1,175	-9.2%
P7: Trial- Miss. River - Qingdao	per ton	46.06	48.69	-2.63	-5.4%
P8: Trial- Santos - Qingdao	per ton	33.21	35.59	-2.38	-6.7%

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

Four weeks ago:	\$7.30-\$7.00
Three weeks ago:	\$7.00-\$6.80
Two weeks ago:	\$6.80-\$6.70
One week ago:	\$6.70-\$6.35
This week	\$6.30- \$6.15

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

Mississippi River:	(9 elevators)	2-15 days
Mid-Stream loaders:	(6+ Rigs)	0-1 days
Texas Gulf	(6 elevators)	0-4 days (3 Facilities at 0 days)
Pacific Northwest:	(9 elevators)	1-9 days

Panamax Market Spreads to Asia -China					
9-Feb-2023	GULF	PNW	Bushel Spread	Tonne Spread	Advantage
CORN	0.92	1.60	0.68	\$26.77	GULF
SOYBEANS	1.10	2.15	1.05	\$38.58	GULF
OCEAN FREIGHT	\$47.00	\$27.00	.51-.54	\$20.00	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 \$28.00 - \$29.00/mt.

Soybean Brazil to Spain about \$35.00 - \$37.00/mt.

Route and Vessel Size	Current Week USD/MT	Change from previous week	Remarks
55,000 U.S. Gulf-Japan	\$48.00	Down \$2.00	Handymax \$48.00 mt
55,000 U.S. PNW- Japan	\$27.50	Down \$1.50	Handymax at \$27.00 mt
65,000 U.S. Gulf – China	\$47.00	Down \$2.00	North or South China
PNW to China	\$27.00	Down \$1.50	
25,000 U.S. Gulf- Veracruz, México	\$21.75	Down \$0.50	3,000 MT daily discharge rate
35-40,000 U.S. Gulf- Veracruz, México	\$18.00	Down \$0.50	Deep draft and 6,000 MT per day discharge rate.
30-38,000 U.S. Gulf- Colombia	\$27.50	Down \$1.00	<u>West Coast Colombia at \$31.00</u>
50,000 USG- E/C Colombia	\$25.50		
<u>East Coast Colombia</u> From Argentina	\$35.00		
40-45,000 U.S. Gulf - Guatemala	\$35.00	Down \$1.00	Acajutla/Quetzal - 8,000 out
30,000 US Gulf-Morocco	\$31.50	Down \$0.50	5,000 discharge rate
55-60,000 U.S. Gulf –Egypt	\$29.50	Down \$0.50	55,000-60,000 mt Egypt
PNW to Egypt	\$30.50		Romania - Russia- Ukraine \$14.50 - \$22.00 - \$34.00 - France \$23.00, Bulgaria \$15.50
58-74,000 U.S. Gulf – Europe – Rotterdam	\$24.00	Down \$1.50	Handymax at +\$2.50 more
Brazil, Santos –China	\$37.25	Down \$2.00	54-59,000 Supramax-Panamax
Brazil, Santos –China	\$35.00		60-66,000 Post Panamax
Up-River Port North Brazil	\$41.00		55-60,000 mt
56-60,000 Argentina-China	\$40.00	Down \$2.00	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

### Baltic Average of the Time Charter routes per Segment

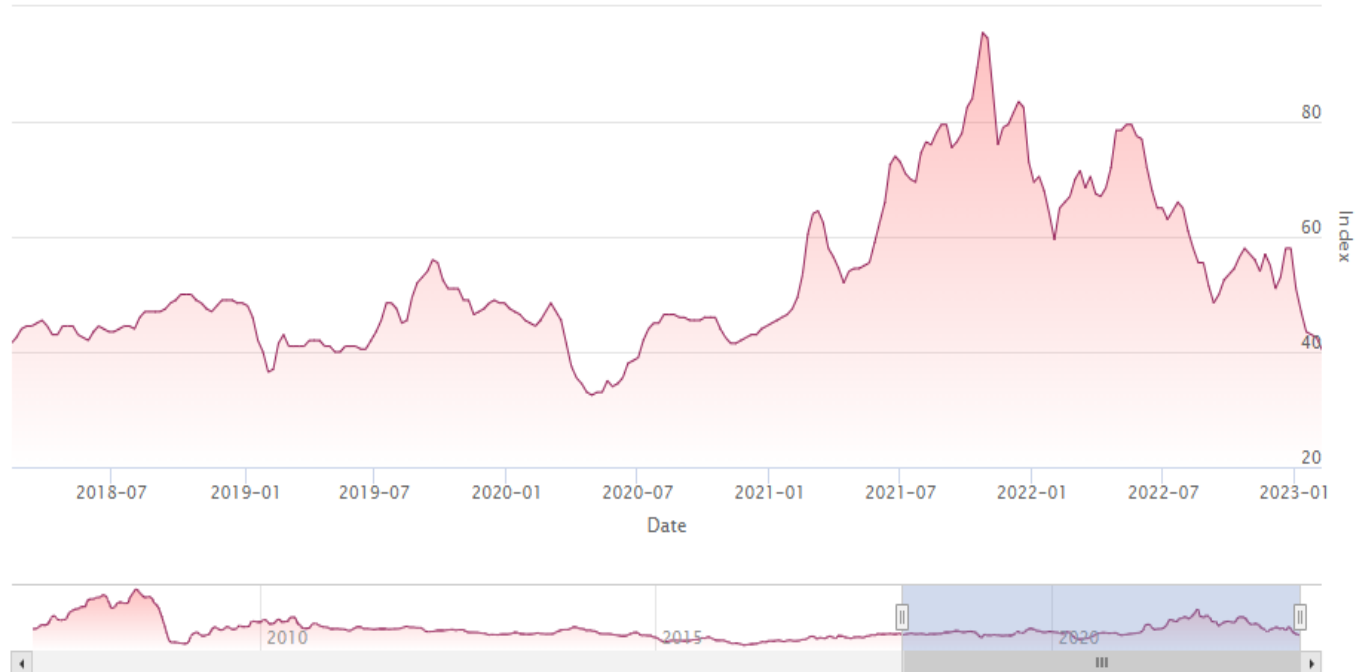


# YAMAMIZU Index



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

From 2018-02-08 To 2023-02-08



## China Import Dry Bulk Freight Index 2023-02-09

Description	Volume	Cargo	Unit	Rate	Change
Composite Index			Point	870.55	-4.31
Iron ore Freight Index			Point	776.17	-5.53
Dampier(West Australia)-Qingdao (China)	170000/10%	Iron ore	\$/ton	6.16	-0.127
Soybean Freight Index			Point	1069.09	-7.41
Santos(Brazil)— North China	66000/10%	Soybean	\$/ton	35.28	-0.23
Tacoma(West America)—North China	63000/10%	Soybean	\$/ton	26.64	-0.33
Mississippi(US Gulf)—North China	66000/10%	Soybean	\$/ton	48.97	-0.28

**9 February 2023 U.S. FOB Vessel Export Market Values:**

<b>U.S. Yellow Corn (USD/MT) FOB Vessel</b>					CORN	FUTURES
#2 YC	GULF # 2 YC		PNW # 3 YC		H =	6.7075
Max. 14.5% moisture	BASIS	FLAT PRICE	BASIS	FLAT PRICE	K =	6.6900
<b>Mar.</b>	0.92	<b>\$300.28</b>	1.60	<b>\$327.05</b>	N=	6.5875
<b>Apr.</b>	0.93	<b>\$299.98</b>	1.61	<b>\$326.75</b>	U =	6.0425
<b>May</b>	0.93	<b>\$299.98</b>	1.61	<b>\$326.75</b>	Z=	5.9050
<b>June</b>	1.00	<b>\$298.70</b>	1.65	<b>\$324.29</b>	H =	5.9775
<b>July</b>	0.94	<b>\$296.34</b>	1.63	<b>\$323.51</b>		
<b>August</b>	1.23	<b>\$286.30</b>	1.95	<b>\$314.65</b>		

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.

<b>SORGHUM (USD/MT) FOB VESSEL</b>		
#2 YGS Fob Vessel	TEXAS Gulf	
Max. 14.0% moisture	BASIS	FLAT PRICE
<b>Mar.</b>	2.50	<b>\$362.48</b>
<b>Apr.</b>	2.50	<b>\$361.79</b>
<b>May</b>	2.50	<b>\$361.79</b>
<b>Jun.</b>	2.50	<b>\$357.76</b>
<b>July</b>	2.45	<b>\$355.79</b>

Fob vessel Texas Gulf #2 Sorghum is about 120 % 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	
	<b>Mar.</b>	<b>Apr.</b>	<b>May</b>	<b>June</b>
FOB U.S. GULF	\$322.33	\$323.71	\$323.71	\$321.23
Basis	1.20	1.13	1.13	1.01
WH	7.5725			
WK	7.6800			
WN	7.7325			

<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>	1.10	<b>\$598.64</b>	2.15	<b>\$637.22</b>
<b>Apr.</b>	1.10	<b>\$595.88</b>	2.08	<b>\$631.89</b>
<b>May</b>	1.00	<b>\$592.21</b>	1.98	<b>\$628.22</b>
<b>June</b>	1.07	<b>\$591.48</b>	1.99	<b>\$625.28</b>
<b>July</b>	0.95	<b>\$587.07</b>	1.90	<b>\$621.97</b>
<b>Soybean Futures</b>				
<b>Mar.</b>	\$ 15.1925			
<b>May</b>	\$ 15.1175			
<b>July</b>	\$ 15.0275			
<b>Aug.</b>	\$ 14.6325			
<b>Sept.</b>	\$ 13.9575			
<b>Nov.</b>	\$ 13.6525			

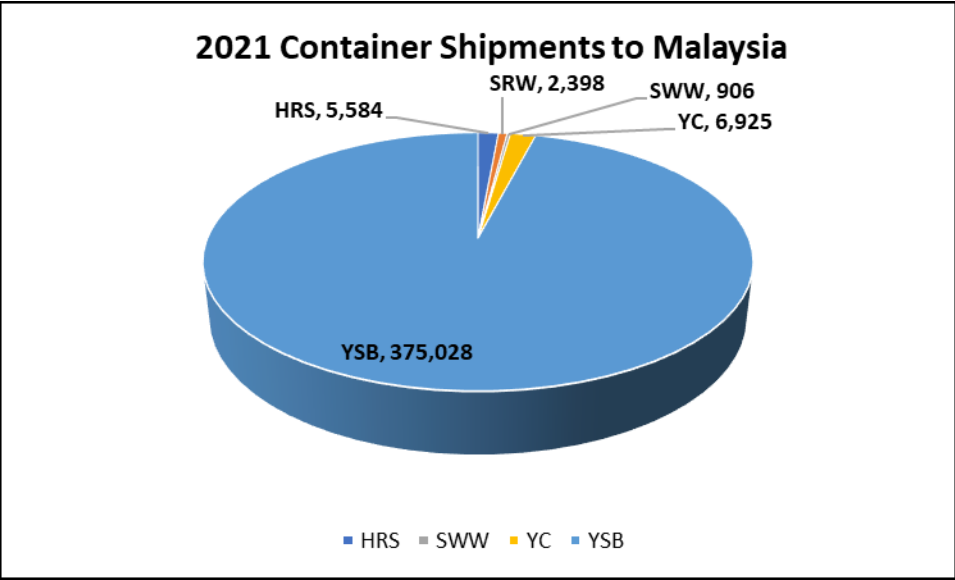
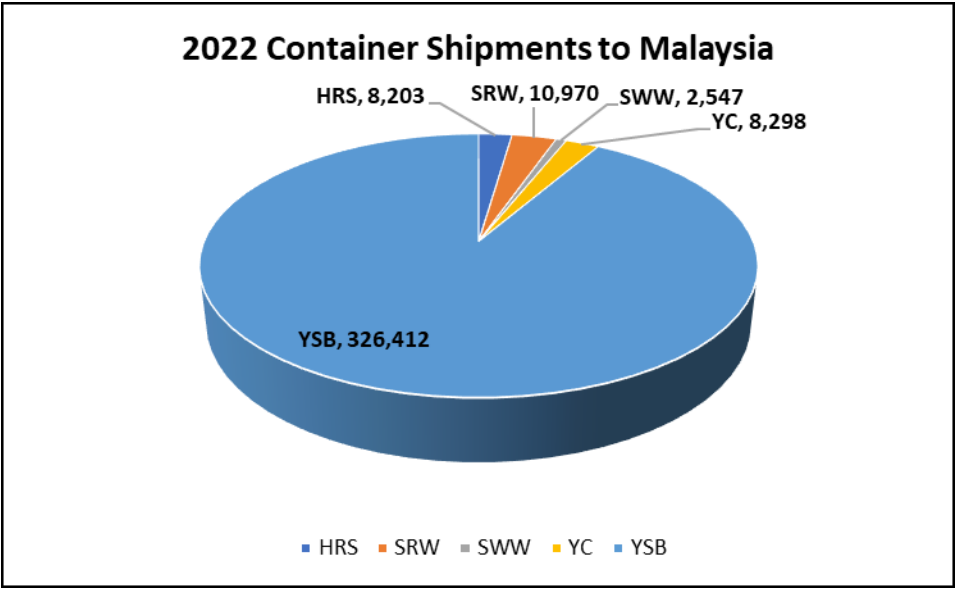
### **U.S. Soybean and SBM Markets Fob Vessel:**

<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>	65.00	<b>\$ 617.95</b>
<b>Apr.</b>	50.00	<b>\$ 582.12</b>
<b>May</b>	43.00	<b>\$ 574.40</b>
<b>June</b>	43.00	<b>\$ 563.60</b>
<b>July</b>	38.00	<b>\$ 558.09</b>
<b>SBM Futures</b>		
<b>SMH</b>	\$ 495.50	
<b>SMK</b>	\$ 478.00	
<b>SMN</b>	\$ 468.20	
<b>SMQ</b>	\$ 452.20	
<b>SMU</b>	\$ 432.90	
<b>SMV</b>	\$ 417.30	

**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).*

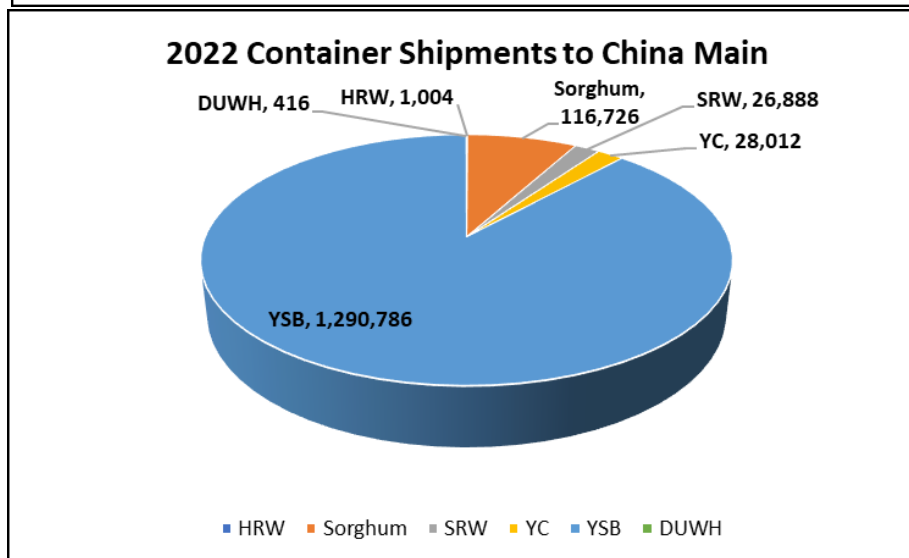
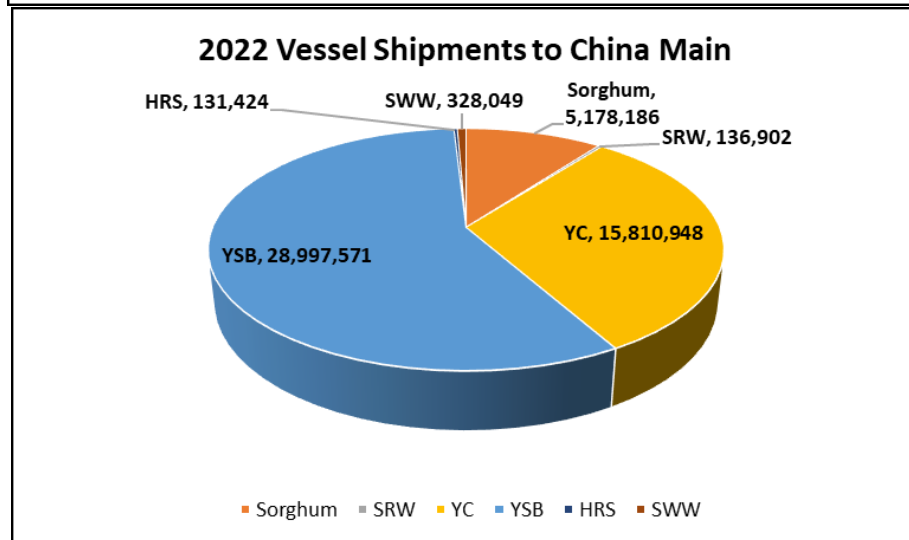
CONTAINER SHIPMENTS of GRAIN									
USDA Grain Inspections Report:		2-Feb-2023							
Last Week	metric tons								MT
	YC	WC	YSB	SRW	NS	DUWH	SWH	Sorghum	TOTAL
China			27,798						27,798
Taiwan	9,449		8,149						17,598
Hong Kong	441								441
Costa Rica	122								122
Indonesia			16,113						16,113
French Poly									0
Japan			1,469						1,469
Korea Rep.			2,792	514					3,306
Dominic Rep									0
Malaysia			3,649						3,649
Netherlands	1,248								1,248
Philippines	49		1,836						1,885
Thailand			2,522						2,522
Nepal									0
Burma									0
Cambodia			514						514
India			490						490
Vietnam			8,225						8,225
Sub Total:	11,309	0	73,557	514	0	0	0	0	85,380
USDA Corrections/Additions to previous reports:									
Taiwan	196		1,592						1,788
China			1,249						1,249
Hong Kong									0
Korea Rep.				98					98
Un Kingdom									0
Japan									0
Philippines									0
Indonesia			3,133						3,133
Malaysia			955						955
Thailand			1,077						1,077
Vietnam			2,985						2,985
Burma									0
Cambodia									0
Sub Total:	196	0	10,991	98	0	0	0	0	11,285
<b>Mt. Grand Total</b>	<b>11,505</b>	<b>0</b>	<b>84,548</b>	<b>612</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>96,665</b>
Number of Containers	500	0	3,676	27	0	0	0	0	

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





2022 Total Grain Exports reported by USDA (in MT)

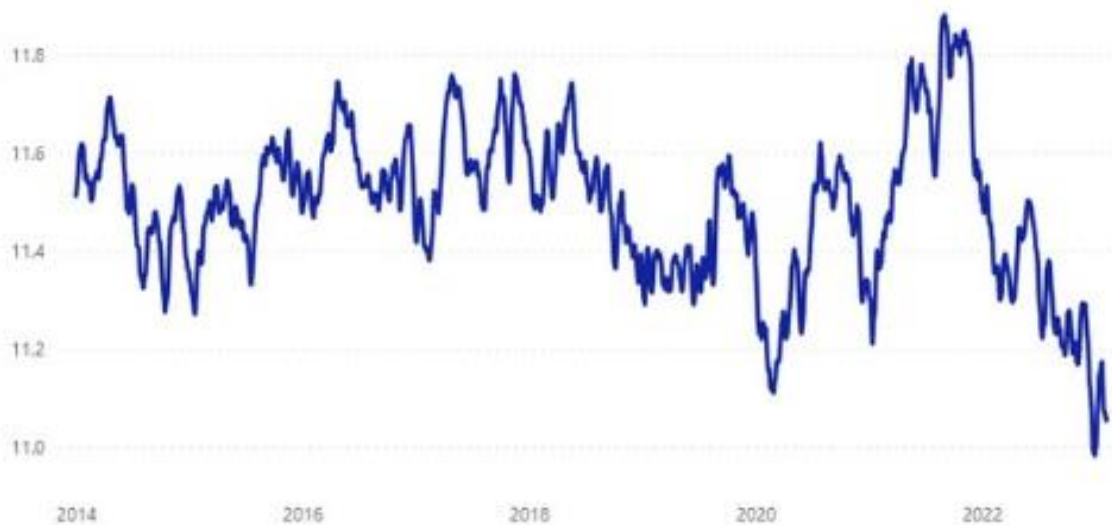


\*Please keep in mind that USDA does not report DDGS sales

Source: USDA-data

## Dry Bulk Fleet Average Speed

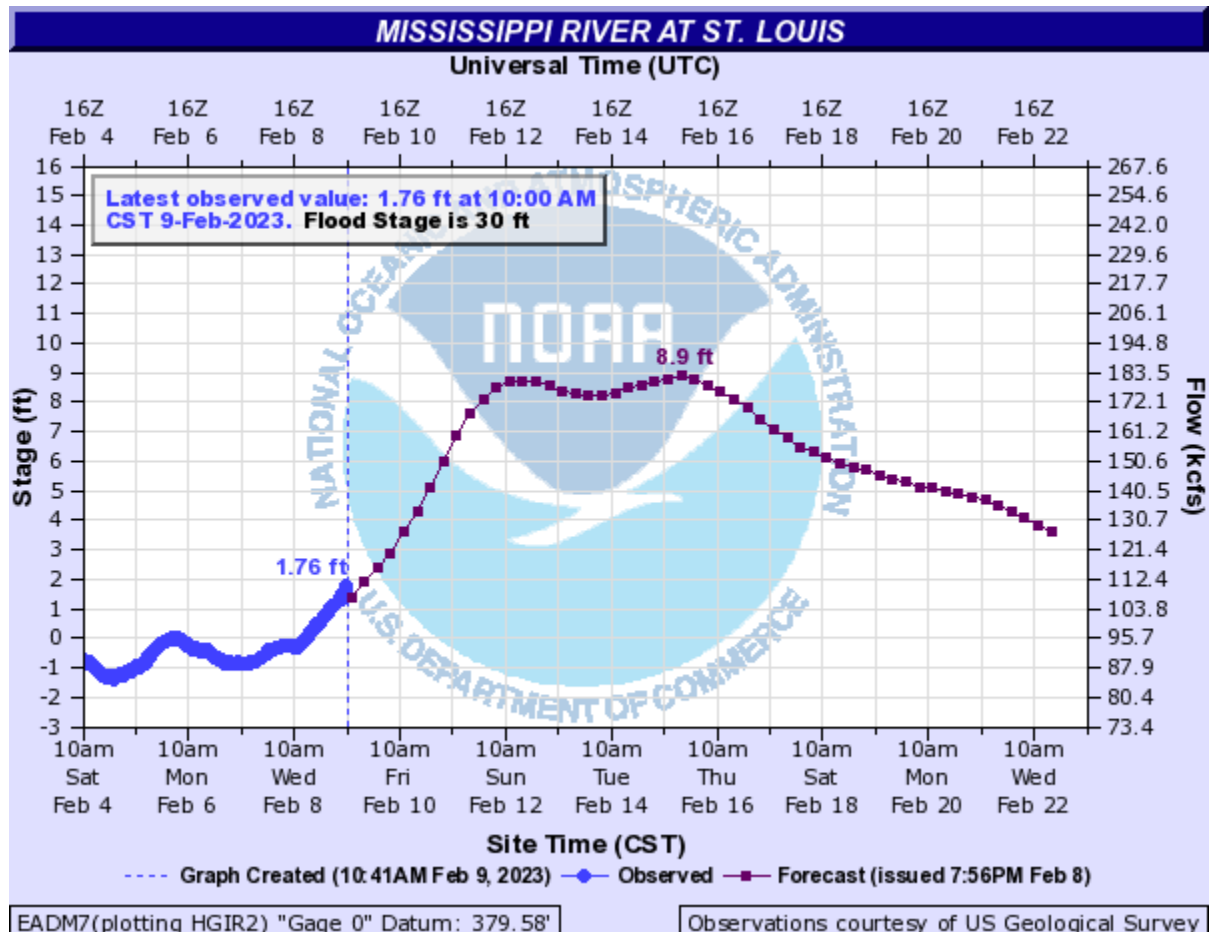
*knots*



The average speed of the dry bulk fleet continues to slide lower. Weakening rates and firm bunker prices are the driving factors.



## U.S. River Markets -



## 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."

## U.S. Container Freight Markets -



**American Shipper** @AmericanShipper · 19h

In January, U.S. containerized imports logged their highest month-on-month gain since last May, according to data from Descartes. Inbound volumes rose 7.2% versus December to 2,068,493 twenty-foot equivalent units, Descartes reported Wednesday.  
[freightwaves.com/news/january-i...](https://freightwaves.com/news/january-i...)



1



14



1,543



**Charlie Bilello**  @charliebilello · Feb 4

...

Global container freight rates moved down to their lowest levels since September 2020 this week, 81% below peak 2021 prices.

### Freightos Baltic Index (FBX): Global Container Freight Index

3M

1Y

2Y

3Y

All

From 18/07/2016

To 02/03/2023

03-Feb-23



**Tom Craig** @LTDMangement · Feb 8

...

Maersk warns global box volumes could slide 2.5% this year. As Maersk shifts to [#logistics](#). Rate war potential! Could lead to carrier consolidation & the market power. [#Oligopoly](#) ahead? [#freightforwarder](#) [#BCO](#) [#supplychain](#)

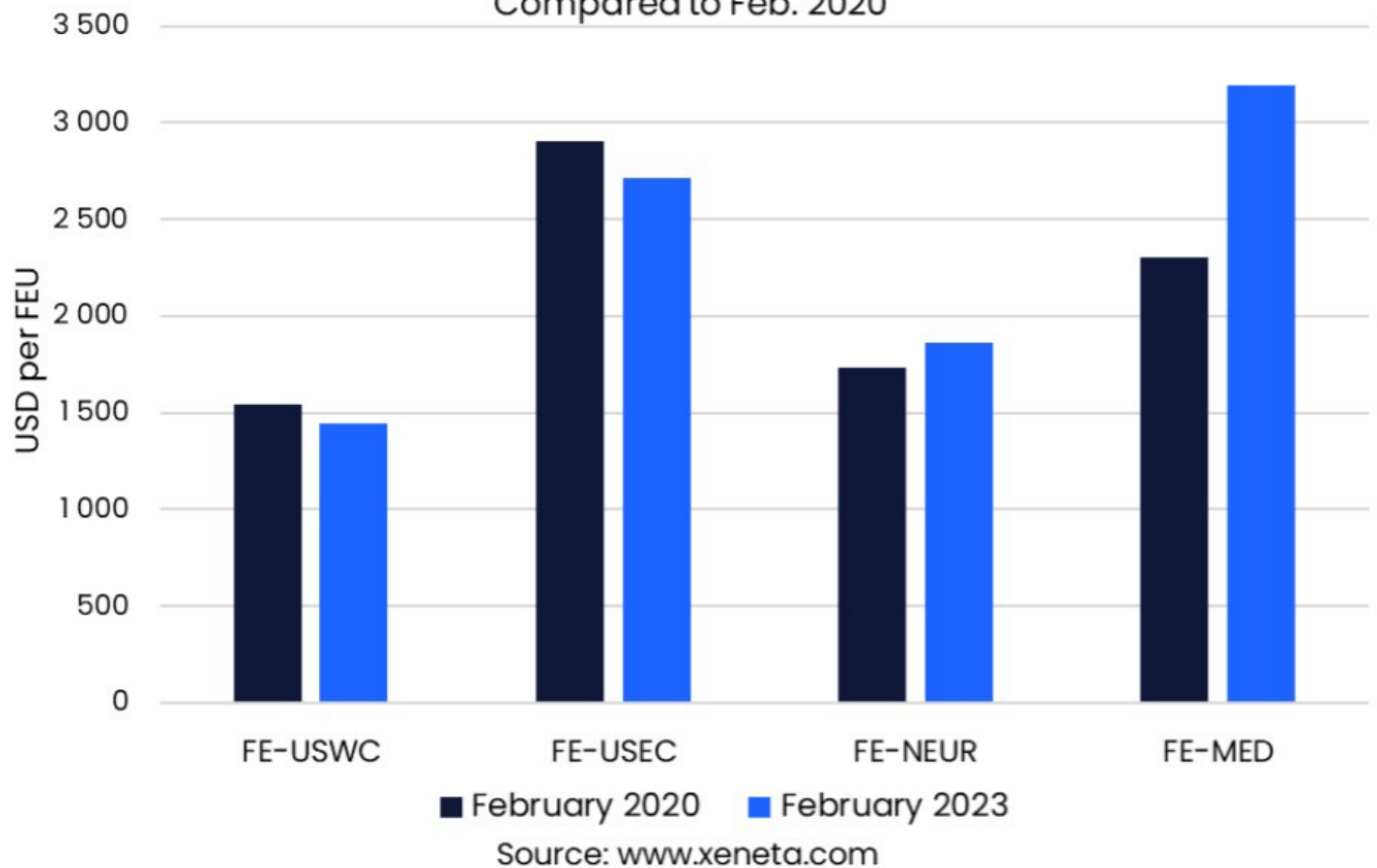


splash247.com

Maersk warns global box volumes could slide 2.5% this year - Splash...  
From \$30.9bn to somewhere between \$2bn to \$5bn. That is how  
Maersk, widely seen as bellwether for the container shipping industr...

## Spot rates out of the Far East

Compared to Feb. 2020



### DRY-Bulk Freight Markets

**Gerardo Moscatelli** @gemoscatelli · 6h

...

The Joint Coordination Centre inspection time in the Black Sea is already 50 days. The grain export corridor is over. Forget about it. [#wheat](#)



3



333

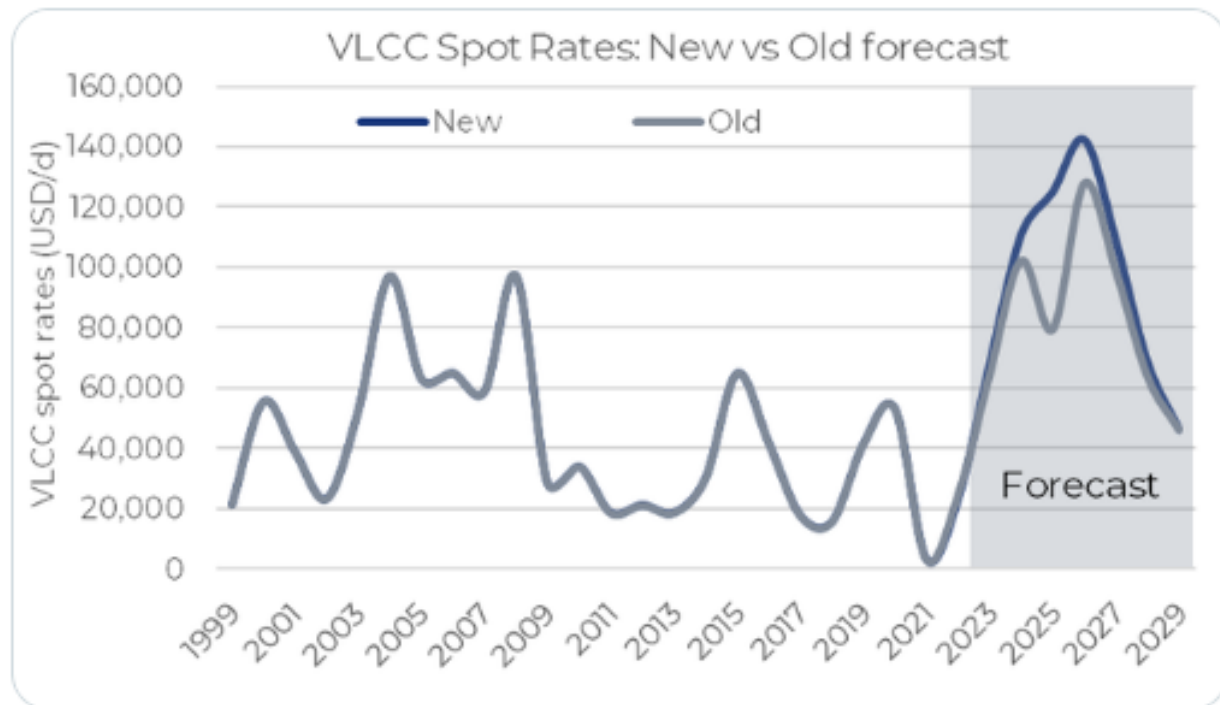


## Oil Tanker Ghost Fleet

**O B** @OriginalBraila · 1h

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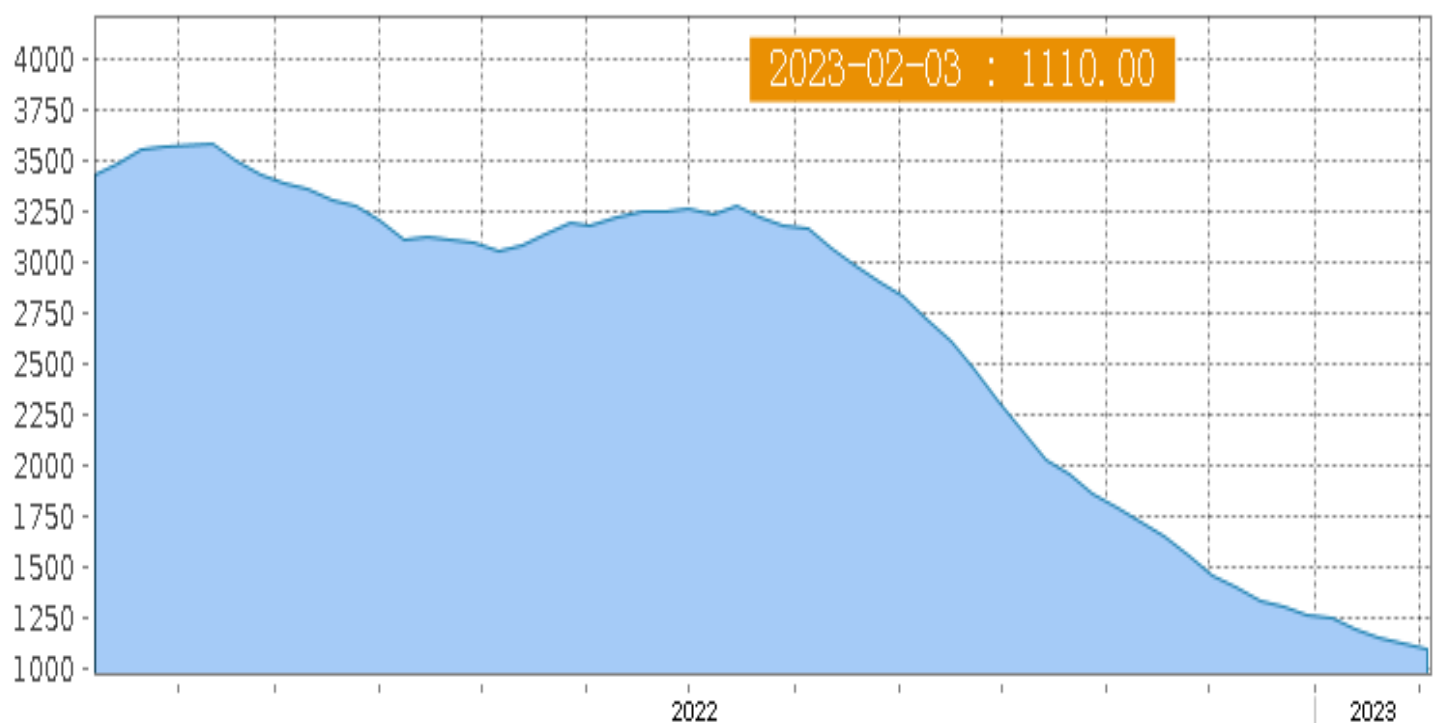
I really agree with Hannisdahl that we are at the very beginning of a huge bull market simply due to lack of ships, old fleet, new rules and full yards. I don't think many understand what kind of dividends [\\$OET](#) would print if the below comes true. Buy & Hold for years more imo.



## China Import Dry Bulk Freight Index



## China Containerized Freight Index





**Secondary Rail Car Market for Car placement period: First Half March 2023**

Secondary Rail Car Market Placement FH March 2023	BID USD	ASK USD	BID BU.	ASK BU.	BID MT	ASK MT
BNSF Shuttle Trains	\$ (350)	\$ (250)	\$ (0.09)	\$ (0.06)	\$ (3.44)	\$ (2.46)
UPRR Shuttle Trains	\$ (400)	\$ (250)	\$ (0.10)	\$ (0.06)	\$ (3.94)	\$ (2.46)

**U.S. RIVER BARGE FREIGHT**

**Barge Freight for Loading Placement First t Half March 2023**

Placement FH March 2023	% of Tariff	MT	Corn BU	Soybeans-Wheat BU
Upper Mississippi	Closed	\$ -	0.00	0.00
Illinois River (Pekin and South)	535	\$ 36.50	0.93	0.99
Mid-Mississippi	Closed	\$ -	0.00	0.00
Lower Ohio	460	\$ 22.61	0.57	0.62
St. Louis	425	\$ 18.69	0.47	0.51

Best Regards,

Jay

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Follow me on Twitter @ igpjay



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