

**Transportation and Export Report for 1 March 2018****Ocean Freight Insights and Comments:**

Everyone is now back from the Lunar New Year Holidays and business is ramping up a bit. Vessel owners remain bullish towards the markets and are trying their hardest to ratchet prices up. Physical markets however are showing signs of resistance. Profitability is a wonderful thing, and a new situation for vessel owners after suffering in the red for the past 8 years.. But this is probably not the time to get greedy. Panamax vessels are netting \$12,800/day in Q1 of this year and can lock in \$13,600 for Q2. After that the market is inverted and drops to just under \$12,000 for Q3-4. Physical rates are up slightly for the week but are showing signs of resistance in both the Capesize and Panamax sectors.

**BALTIC DRY-BULK PANAMAX INDEX CHANGES**

Panamax Ocean Freight Indices				
1-Mar-18	This Week	Last Week	Difference	Percent Change
P2A : Gulf/Atlantic - Japan	18848	18257	591	3.2%
P3A - PNW/Pacific - Japan	11536	10703	833	7.8%
S1C -USGULF-China-So.Japan	23572	22867	705	3.1%

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

Four weeks ago:	\$ 6.60-\$7.10
Three weeks ago:	\$ 6.20-\$6.70
Two weeks ago:	\$ 6.40-\$6.85
One week ago:	\$ 5.85-\$7.15
This week	\$ 6.75-\$7.15

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

Mississippi River:	(10 elevators)	4-17 days
Miss. River Mid-Stream loaders:	(6+ Rigs)	0-2 days
Texas Gulf	(6 elevators)	0-22 days (only 1 facility over 5 days wait)
Pacific Northwest:	(9 elevators)	5-13 days

Panamax Market Spreads to Asia -China					
1-Mar-18	PNW	GULF	Bushel Spread	MT Spread	Advantage
CORN	0.98	0.83	0.15	\$5.91	PNW
SOYBEANS	0.85	0.60	0.25	\$9.84	PNW
OCEAN FREIGHT	\$23.50	\$44.50	.50-.54	\$21.00	April

### Recent Reported Vessel Fixtures:

66,000 mt hss Santos-Tubaro Brazil to N.China for March 12-21 at \$32.00 fio 8,000 sshex bends by ADMI  
 60,000 mt hss Brazil to China March 20-31 at \$33.50 fio 8,000 sshex bends

Route and Vessel Size	Current Week USD/MT	Change from previous week	Remarks
55,000 U.S. Gulf-Japan	\$44.50	Up \$0.50	Handymax \$45.00/mt
55,000 U.S. PNW- Japan	\$24.00	Up \$0.25	Handymax at \$24.25 /mt
65,000 U.S. Gulf – China	\$43.50	Up \$0.50	North or South China
PNW to China	\$23.50	Up \$0.50	
25,000 U.S. Gulf- Veracruz, México	\$16.25	Up \$0.25	3,000 MT daily discharge rate
35-40,000 U.S. Gulf- Veracruz, México	\$14.00	Up \$0.25	Deep draft and 6,000 MT per day discharge rate.
25/35,000 U.S. Gulf- <u>East Coast Colombia</u>	\$19.50	Unchanged	<u>West Coast Colombia at \$28.00</u>
From Argentina	\$33.50		
40-45,000 U.S. Gulf - Guatemala	\$28.00	Unchanged	Acajutla/Quetzal - 8,000 out
26-30,000 U.S. Gulf – Algeria	\$31.25	Up \$0.25	8,000 mt daily discharge
	\$33.00		3,000 mt daily discharge
26-30,000 US Gulf-Morocco	\$30.50	Up \$0.25	5,000 discharge rate
55-60,000 U.S. Gulf –Egypt	\$28.25	Up \$0.25	55,000 -60,000 mt
PNW to Egypt	\$27.00		Russia Black Sea to Egypt \$14.25
60-70,000 U.S. Gulf – Europe – Rotterdam	\$17.00	Up \$0.50	Handymax at +\$1.75 more
Brazil, Santos – China	\$34.00	Up \$1.25	54-59,000 Supramax-Panamax
Brazil, Santos – China	\$33.25		60-66,000 Post Panamax
Itacoatiara-Port Up River North Brazil	\$37.50		60-66,000 mt
56-60,000 Argentina-China Deep draft	\$39.50	Up \$1.00	Up River with Top Off \$42.00

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

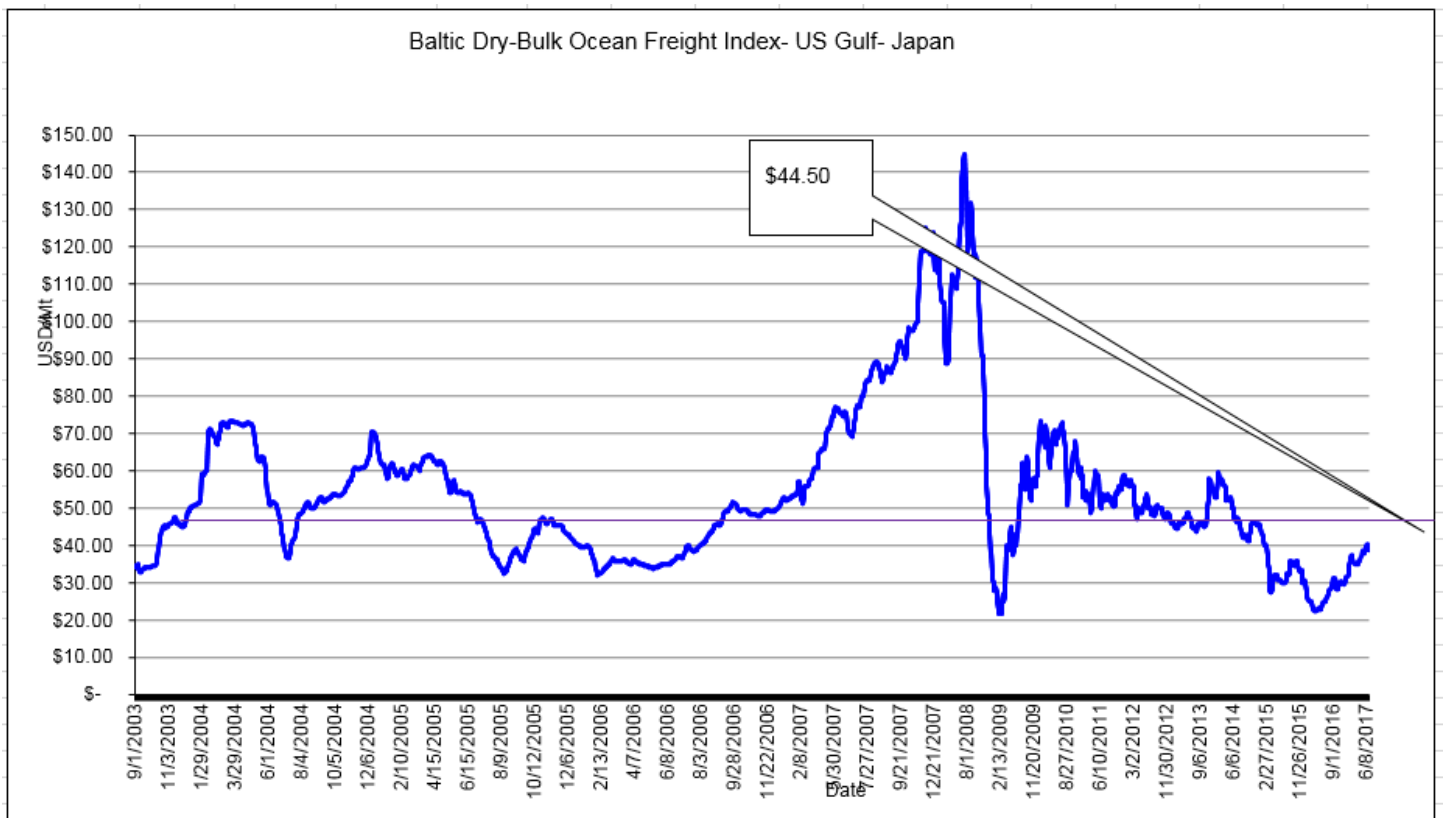
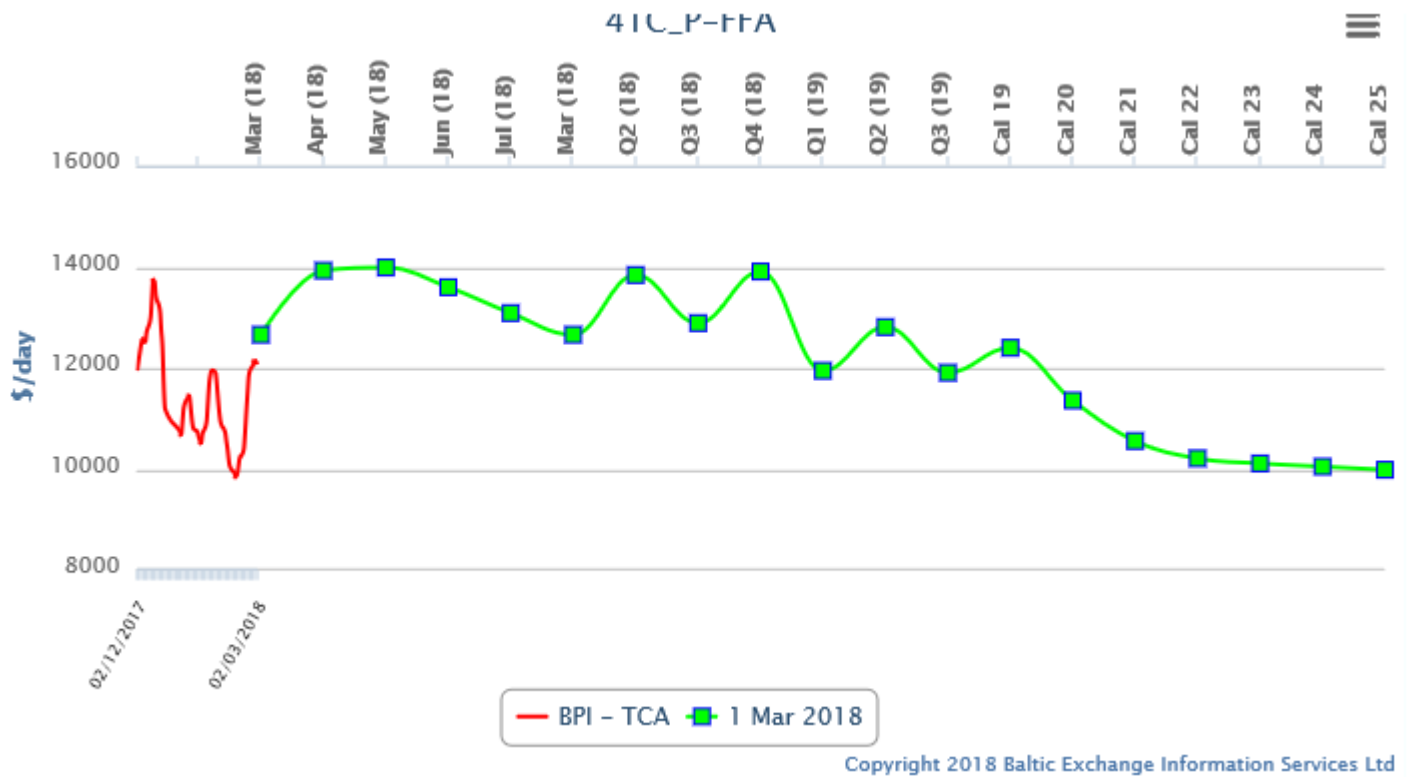
### Nautical Miles: To Xiamen China (South China)

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

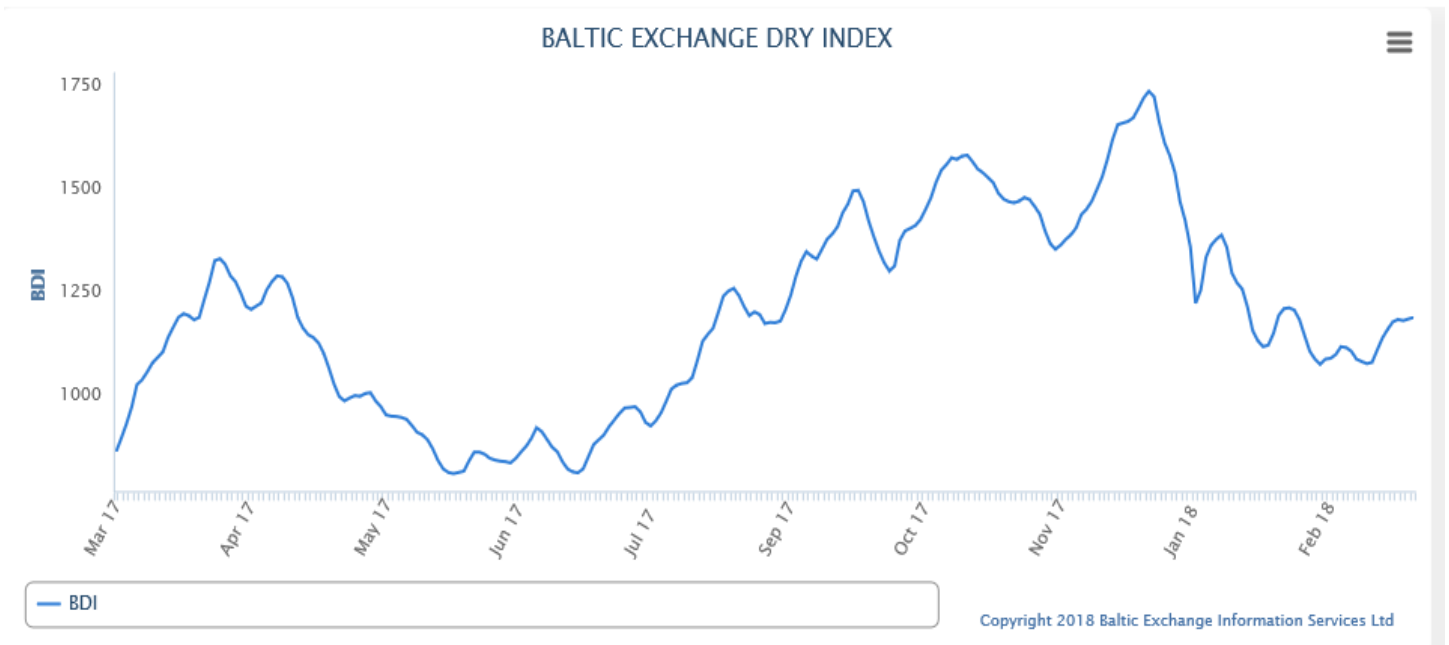
Santos Brazil (via Cape of Good Hope) - 10,441 nautical miles (33 days)

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

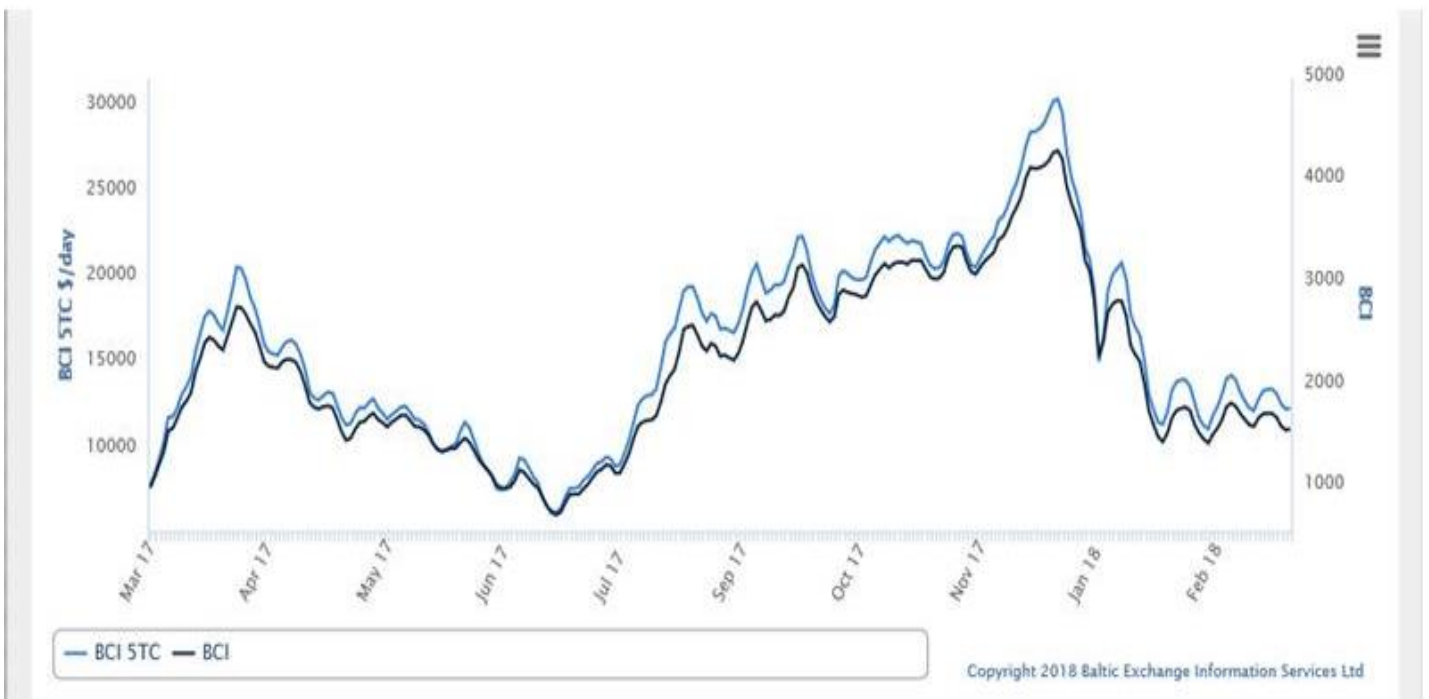
## Forward Curve for Baltic BPI Panamax Vessel Freight



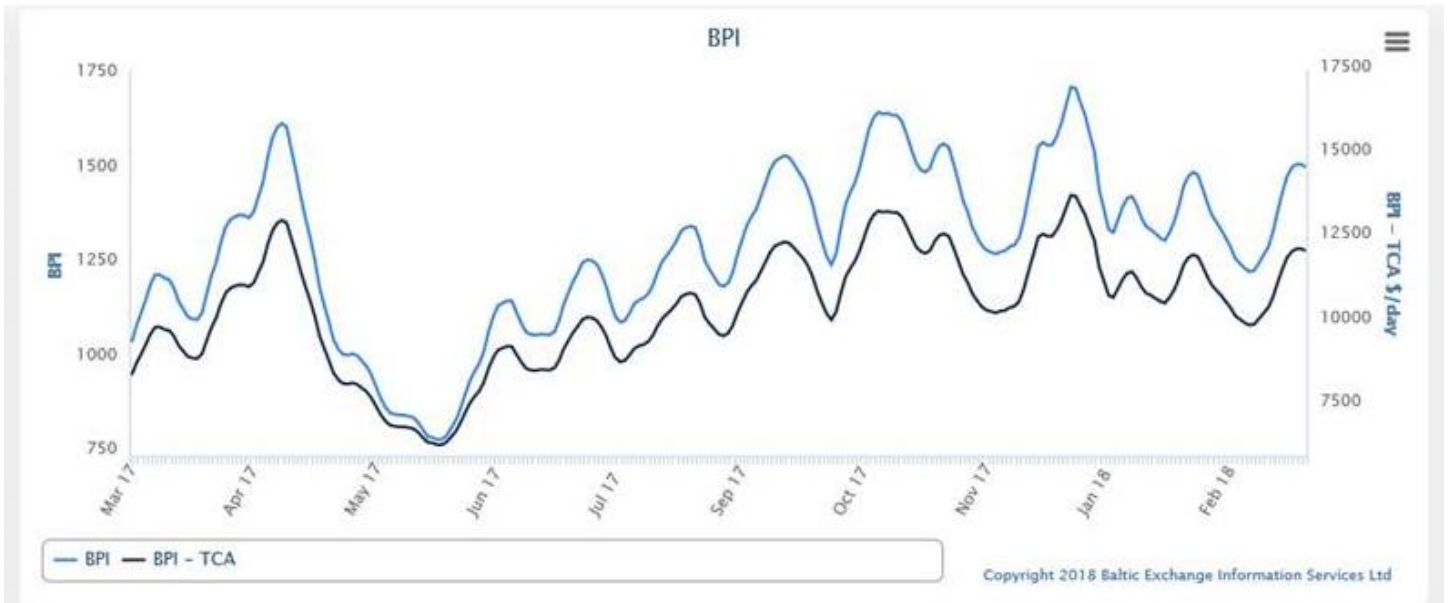
## Baltic Dry-Bulk Index



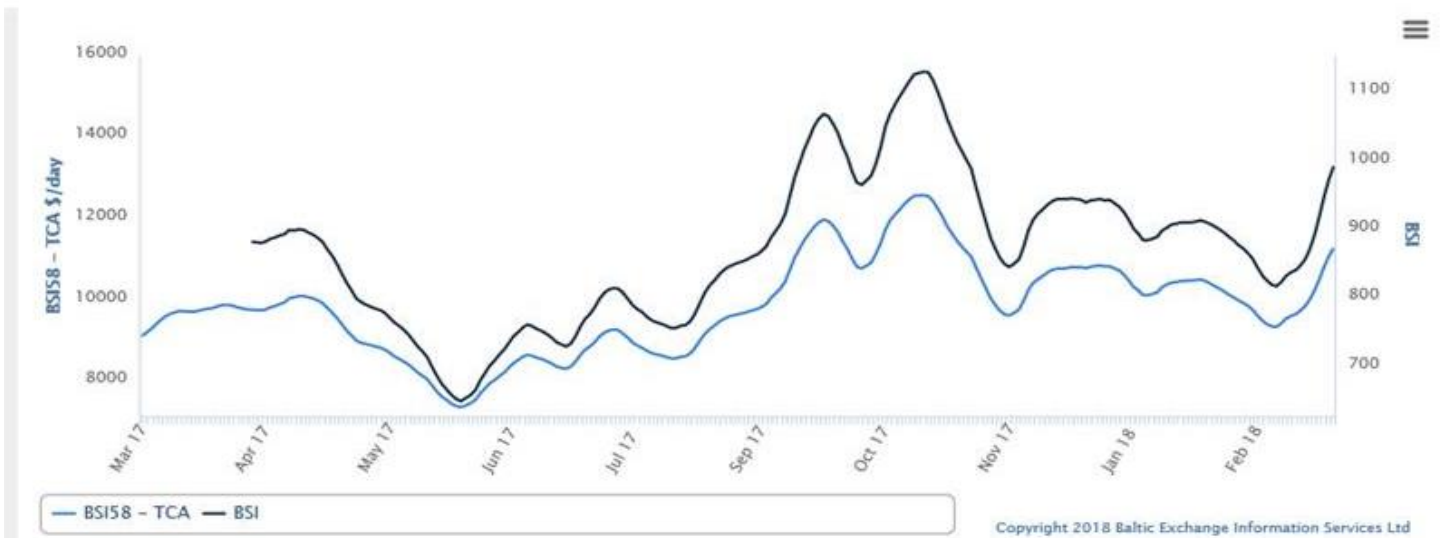
## Baltic Capesize Index



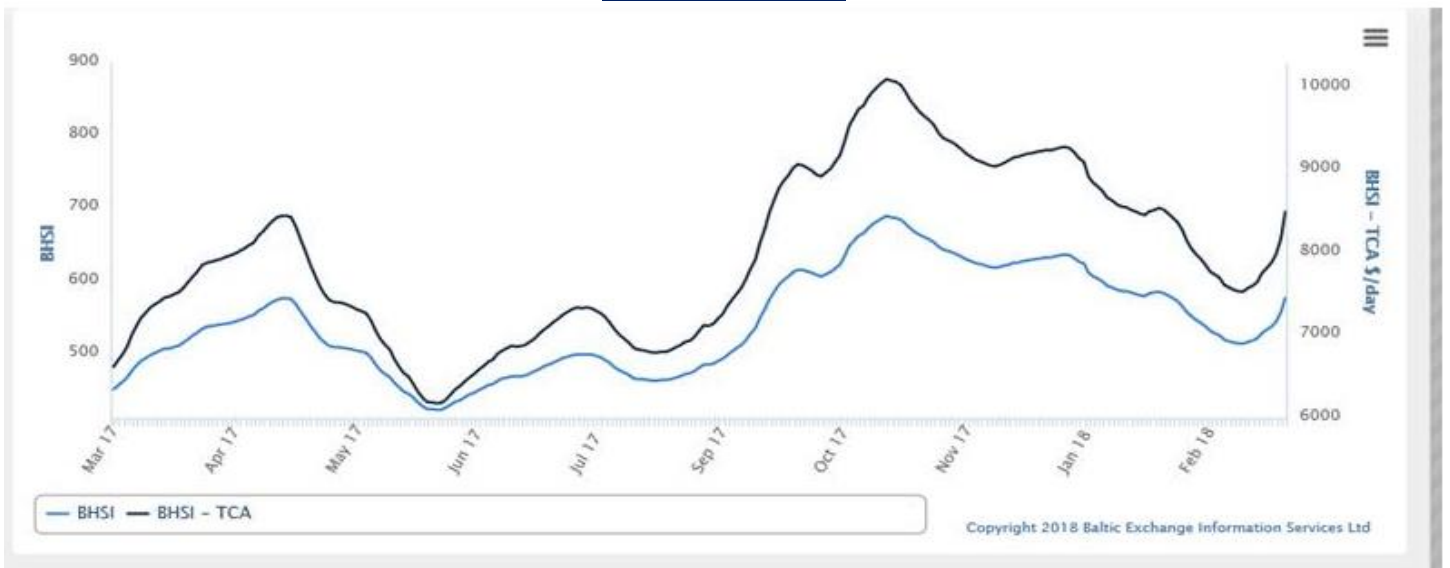
## Baltic Panamax Index



### Baltic Supramax Vessel Index



### Baltic Handy Size



# Yamamizu Shipping

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[Yamamizu Index](#)

## USG/Japan Index Result

Date From: 2017-01-02

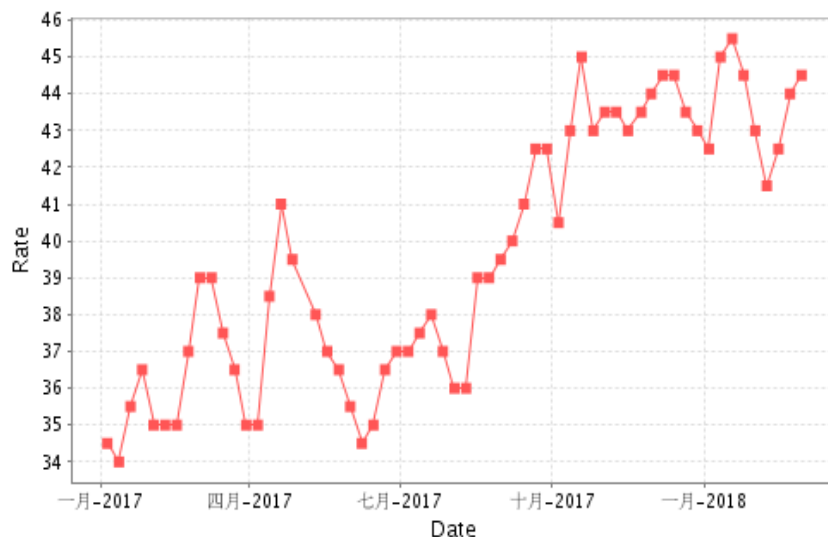
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Date To: 2018-03-02

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Query

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## China Import Dry Bulk Freight Index(CDFI)

2018-03-01

Route	Size MT	Cargo/Vessel Size	Unit	Rate	Change
Composite Index			Point	829.75	-2.43
Iron ore Freight Index			Point	763.54	-9.53
Soybean Freight Index			Point	972.55	0.26
Santos(Brazil)—North China	60000/10%	Soybean	\$/ton	33.025	0.005
Tacoma(West America)—North China	60000/10%	Soybean	\$/ton	23.495	0.040
Mississippi(US Gulf)—North China	66000/10%	Soybean	\$/ton	43.525	0.011
Mississippi(US Gulf)—North China	55000/10%	Soybean	\$/ton	45.161	-0.028

**1 March 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 #3 YC	
15.0 % Moisture	Basis	Flat Price	Basis	Flat Price
<b>April</b>	0.83	<b>\$184.73</b>	0.98	<b>\$190.64</b>
<b>May</b>	0.81	<b>\$183.95</b>	0.95	<b>\$189.46</b>
<b>June</b>	0.70	<b>\$182.47</b>	0.87	<b>\$189.16</b>
<b>July</b>	0.69	<b>\$182.08</b>	0.89	<b>\$189.95</b>
<b>Aug.</b>	0.65	<b>\$182.57</b>	0.84	<b>\$190.05</b>
<b>Sept.</b>	0.68	<b>\$183.75</b>	0.86	<b>\$190.84</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%	BASIS	FLAT PRICE	BASIS	FLAT PRICE
<b>April</b>	1.30	<b>\$203.24</b>	1.05	<b>\$193.39</b>
<b>May</b>	1.25	<b>\$201.27</b>	0.95	<b>\$189.46</b>
<b>June</b>	1.20	<b>\$202.15</b>	0.95	<b>\$192.31</b>
<b>July</b>	1.10	<b>\$198.22</b>	0.95	<b>\$192.31</b>
<b>Aug.</b>	1.10	<b>\$200.28</b>	0.85	<b>\$190.44</b>

Fob vessel Texas Gulf #2 Sorghum is about 105% the value of #2 Yellow Corn at NOLA

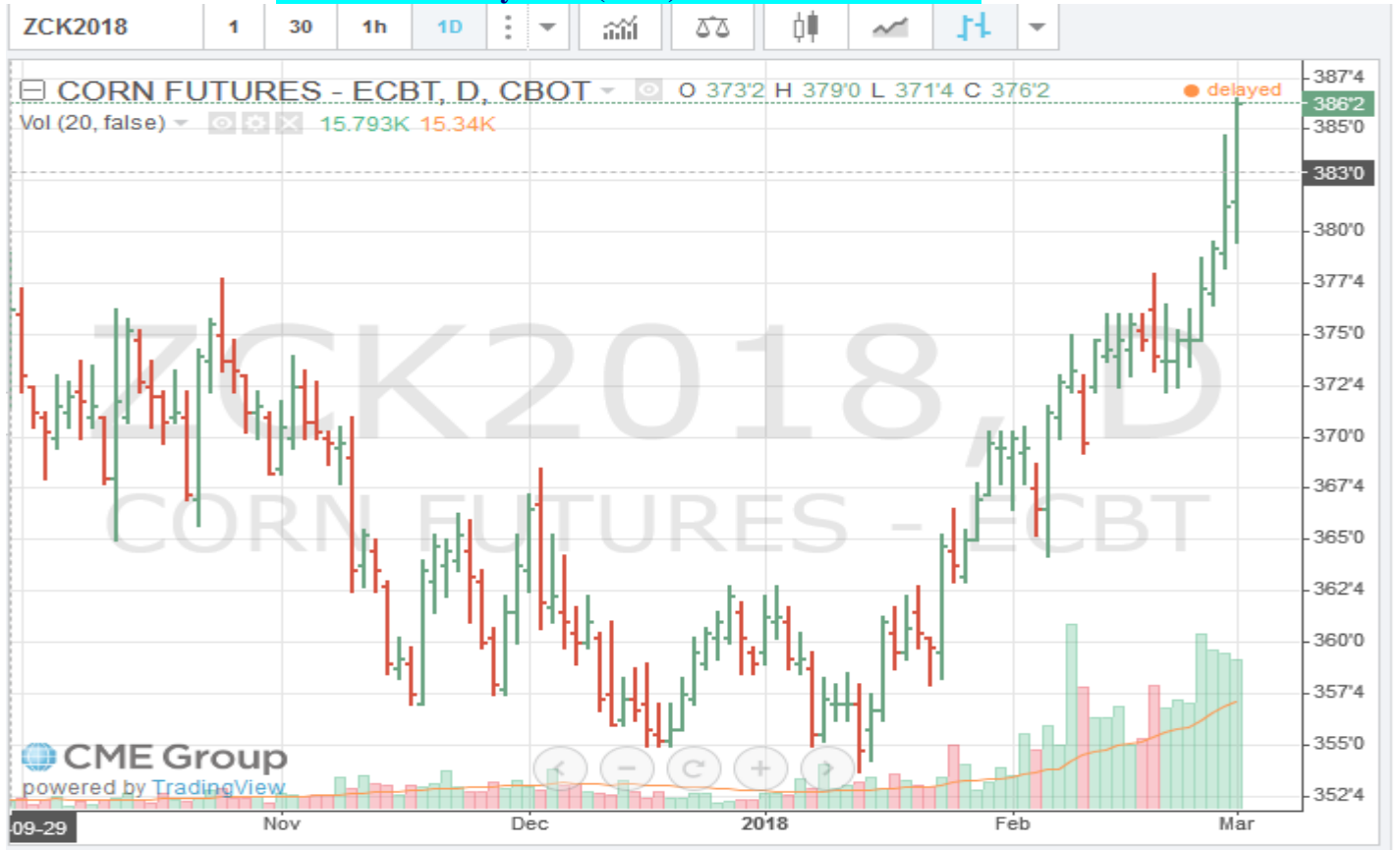
**U.S. SRW Wheat Fob Vessel at the Center U.S. Gulf**

SRW Wheat	USD/MT	Fob Vessel	US Gulf	
	<b>April</b>	<b>May</b>	<b>June</b>	<b>July</b>
FOB U.S. GULF	\$215.13	\$216.97	\$219.91	\$221.75
Basis	0.70	0.75	0.70	0.75
WH	5.0550			
WK	5.1550			
WN	5.2850			

<b>CME Futures Market Close</b>						
CORN	Futures	Friday	Friday	Last week	Last Week	Difference
Month	Symbol	Close	Close	Bushel	MT.	Bushel
Mar.	CH	\$3.7875	\$149.11	\$ 3.6675	\$144.38	\$0.1200
May	CK	\$3.8625	\$152.06	\$ 3.7475	\$147.53	\$0.1150
July	CN	\$3.9350	\$154.91	\$ 3.8250	\$150.58	\$0.1100
Sept.	CU	\$3.9875	\$156.98	\$ 3.8950	\$153.34	\$0.0925
Dec.	CZ	\$4.0475	\$159.34	\$ 3.9725	\$156.39	\$0.0750



### CME/CBOT May 2018 (CK8) Corn Futures Chart -



### CME/CBOT May 2018 (WK8) SRW Wheat Futures Chart -



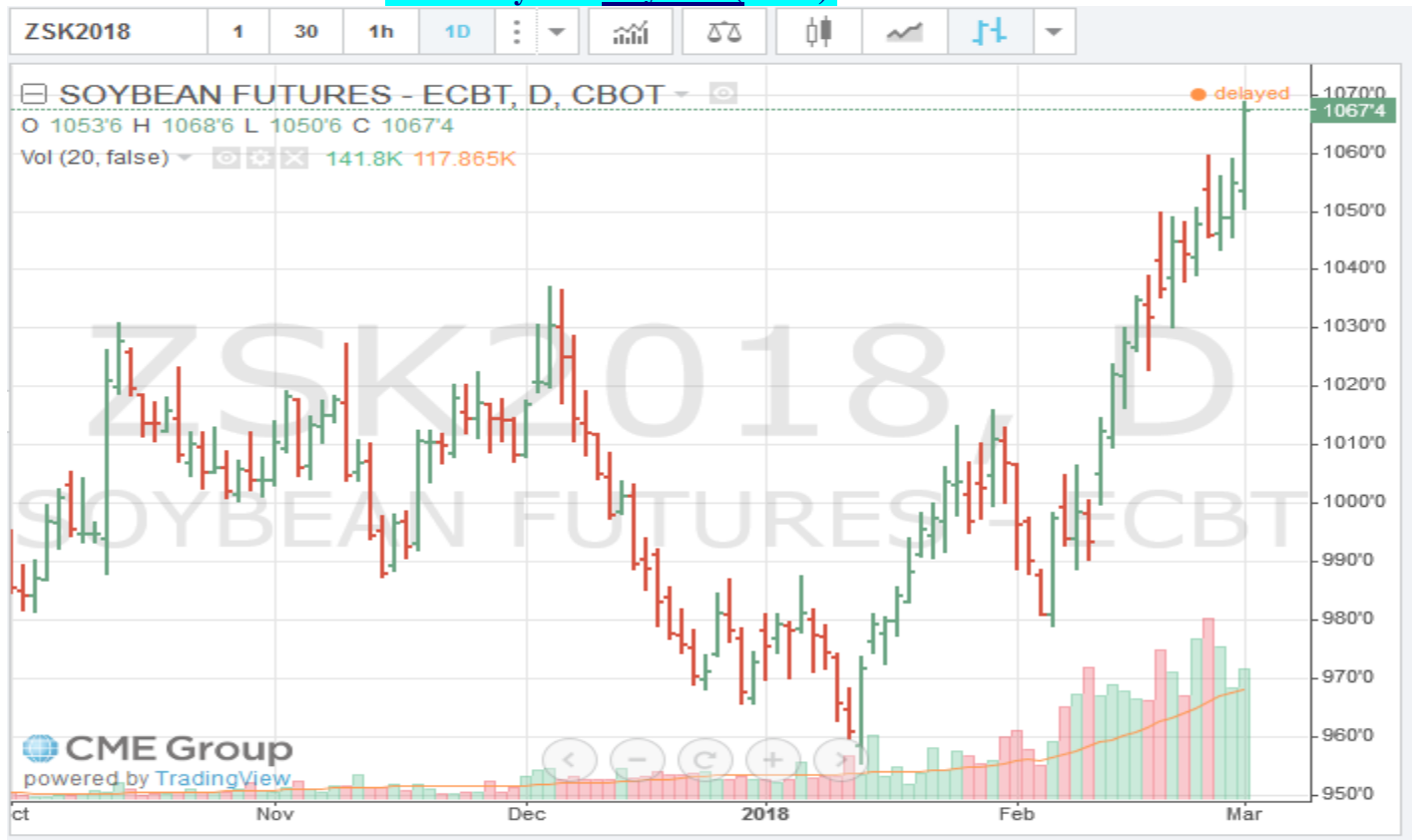


## U.S. Soybean and SBM Markets Fob Vessel:

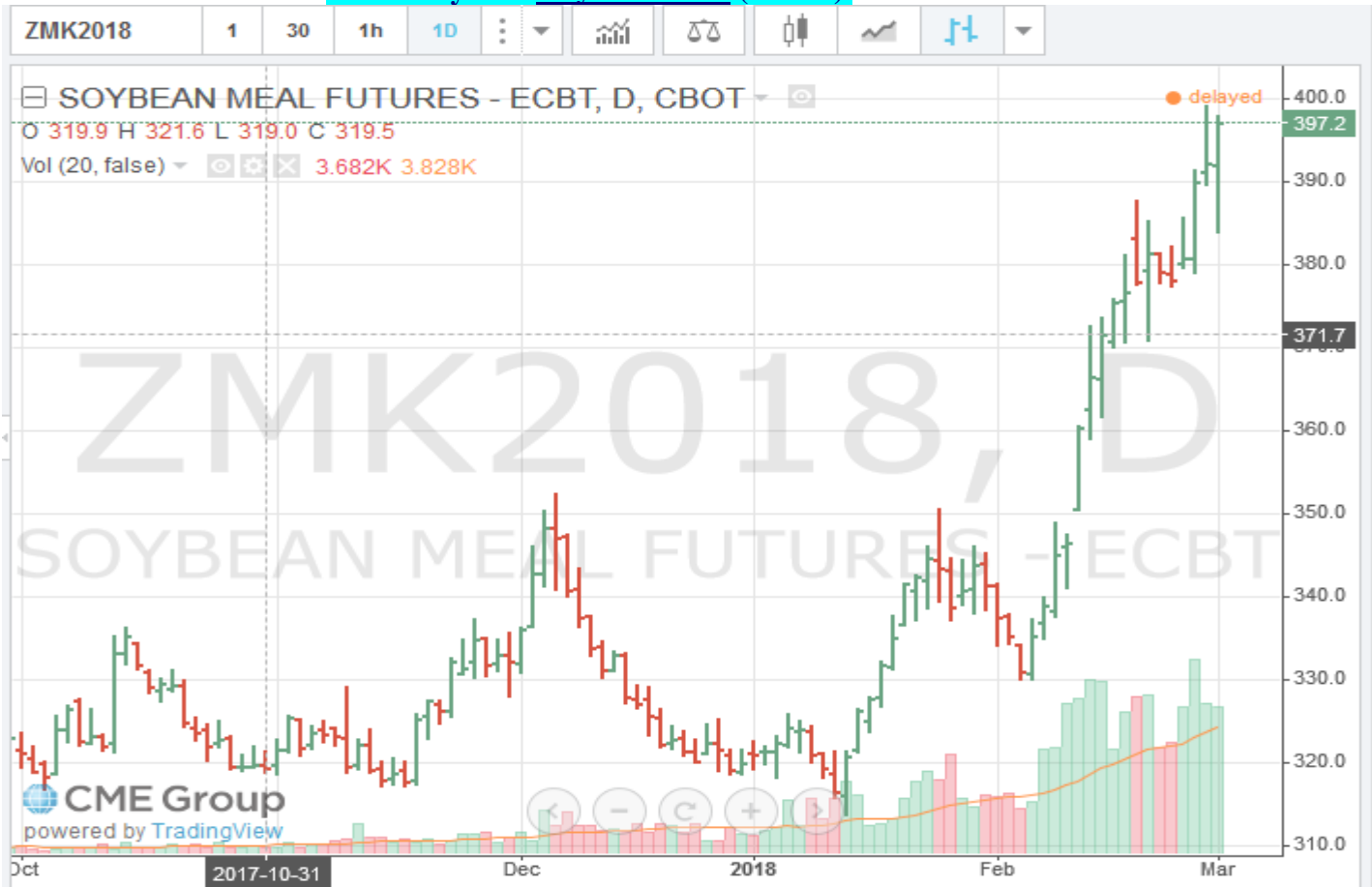
<b>U.S. Yellow Soybeans (USD/MT) FOB Vessel</b>				
# 2 YSB	U.S. Gulf #2 YSB		PNW #2 YSB	
14.0 % Moisture	Basis	Flat Price	Basis	Flat Price
<b>April</b>	0.59	<b>\$414.10</b>	0.85	<b>\$423.65</b>
<b>May</b>	0.62	<b>\$415.20</b>	0.83	<b>\$422.92</b>
<b>June</b>	0.53	<b>\$415.02</b>	0.80	<b>\$424.94</b>
<b>July</b>	0.56	<b>\$416.12</b>	0.81	<b>\$425.30</b>
<b>Aug.</b>	0.58	<b>\$415.84</b>	0.83	<b>\$425.03</b>
<b>Soybean Futures</b>				
<b>Mar.</b>	\$ 10.5750			
<b>May</b>	\$ 10.6800			
<b>July</b>	\$ 10.7650			
<b>Aug.</b>	\$ 10.7375			
<b>Sept.</b>	\$ 10.5275			
<b>Nov.</b>	\$ 10.3800			

<b>U.S. SBM (USD/MT) FOB Vessel</b>		
Fob U.S. Gulf Port	47.5 Pro. SBM	
max 12.5 % moisture	Basis	Flat Price
<b>April</b>	18.00	<b>\$ 457.76</b>
<b>May</b>	15.00	<b>\$ 454.45</b>
<b>June</b>	10.00	<b>\$ 445.52</b>
<b>July</b>	10.00	<b>\$ 445.52</b>
<b>Aug.</b>	14.00	<b>\$ 443.65</b>
<b>SBM Futures</b>		
<b>SMH</b>	394.00	
<b>SMK</b>	397.20	
<b>SMN</b>	394.10	
<b>SMQ</b>	388.40	
<b>SMU</b>	382.30	
<b>SMV</b>	374.60	

## CME May 2018 Soybean (SK18) Futures Chart



## CME May 2018 Soybean Meal (SMK8) Futures Chart



**U.S. EXPORT STATISTICS: Report Activity as of Week Ending 22 February 2018**  
**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	1787.5	39,304.4	52,070	75%	1,416.2
Sorghum	2.0	5,320.5	6,600	81%	0.0
Soybeans	889.9	45,571.3	57,150	80%	1,576.1
Wheat	234.8	21,635.2	25,860	84%	499.4
Barley	0.0	37.8	110	34%	39.4

**U.S. EXPORT INSPECTIONS:**

Monday's report 26 February 2018 for the Export week ending 22 February 2018

	Export Inspections		Current Market Year YTD	Previous Year to Date	2017 YTD as Percent of 2016 YTD
	This Week	Previous Week			
Corn	1,305,853	938,099	17,950,458	25,909,691	69%
Sorghum	59,193	268,414	2,646,938	3,178,953	83%
Soybeans	761,961	962,050	37,775,260	43,430,044	87%
Wheat	280,243	424,231	17,828,384	18,931,984	94%
Barley	0	220	20,606	30,999	66%

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

**U.S. EXPORT INSPECTIONS:**

Monday's report 26 February 2018 for the Export week ending 22 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%	18,743	2%
Gulf	719,300	55%	4,950	100%	50,899	86%	455,928	60%
PNW	451,484	35%	0	0%	0	0%	198,369	26%
Interior Export Rail	130,095	10%	24	0%	8,294	14%	88,921	12%
Metric Tons	1,300,879		4,974		59,193		761,961	

Sorghum Shipments:	metric tons	
	57,489	China Main
	1,004	China T
	269	Philippines
	431	Mexico
	59,193	Total

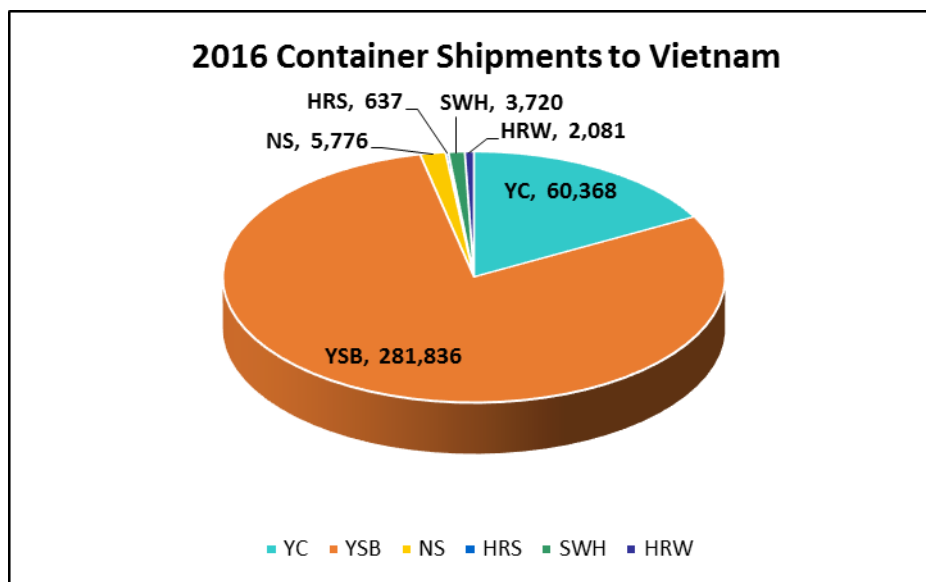
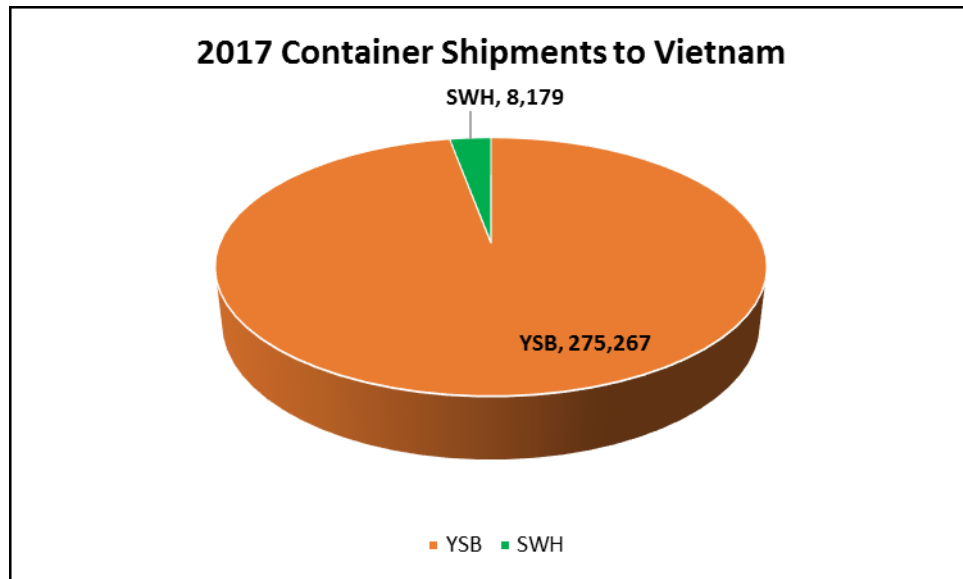
White Corn Shipments:	metric tons	
	4,950	Colombia
	24	Ireland
	4,974	Total

## 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:		22-Feb-2018							
Last Week	metric tons								MT
	YC	WC	YSB	SRW	NS	SWH	HRW	Sorghum	TOTAL
China Main			7,472					6,590	14,062
China T	12,461		22,249					1,004	35,714
Hong Kong	293								293
Costa Rica									0
Indonesia	514		21,180						21,694
French Polynesia									0
Japan			171						171
Korea Republic	1,909		2,767						4,676
Panama									0
Malaysia	1,420		6,586						8,006
Spain	24								24
Philippines	930		1,146					269	2,345
Thailand			6,147						6,147
Sri Lanka					931				931
Ireland		24							24
Vietnam	441		2,742						3,183
Sub total	17,992	24	70,460	0	931	0	0	7,863	93,132
USDA Corrections/Additions to previous reports:									
China T								1,225	1,225
China Main								784	784
Hong Kong									0
Korea Rep.									0
Costa Rica									0
Japan									0
Philippines									0
Indonesia									0
Malaysia									0
Thailand									0
Vietnam									0
Mexico									0
Burma									0
Sub total	0	0	0	0	0	0	0	2,009	2,009
<b>Mt. Grand Total</b>	<b>17,992</b>	<b>24</b>	<b>70,460</b>	<b>0</b>	<b>931</b>	<b>0</b>	<b>0</b>	<b>9,872</b>	<b>95,141</b>
Number of containers	782	1	3,063	0	40	0	0	429	

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

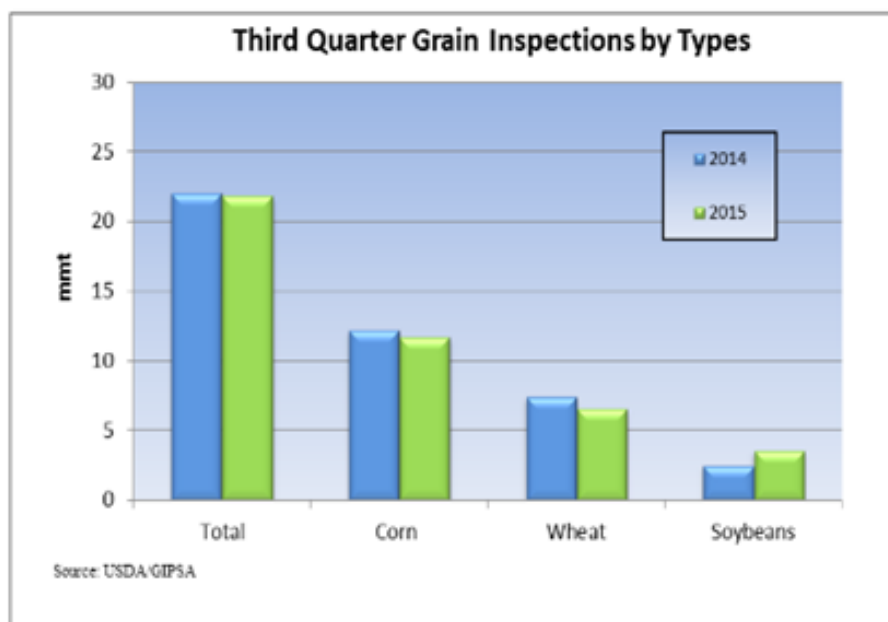


Grain Inspections for Export by U.S. Port Regions:  
U.S. Gulf and Pacific Northwest 2017 YTD vs. 2018 YTD

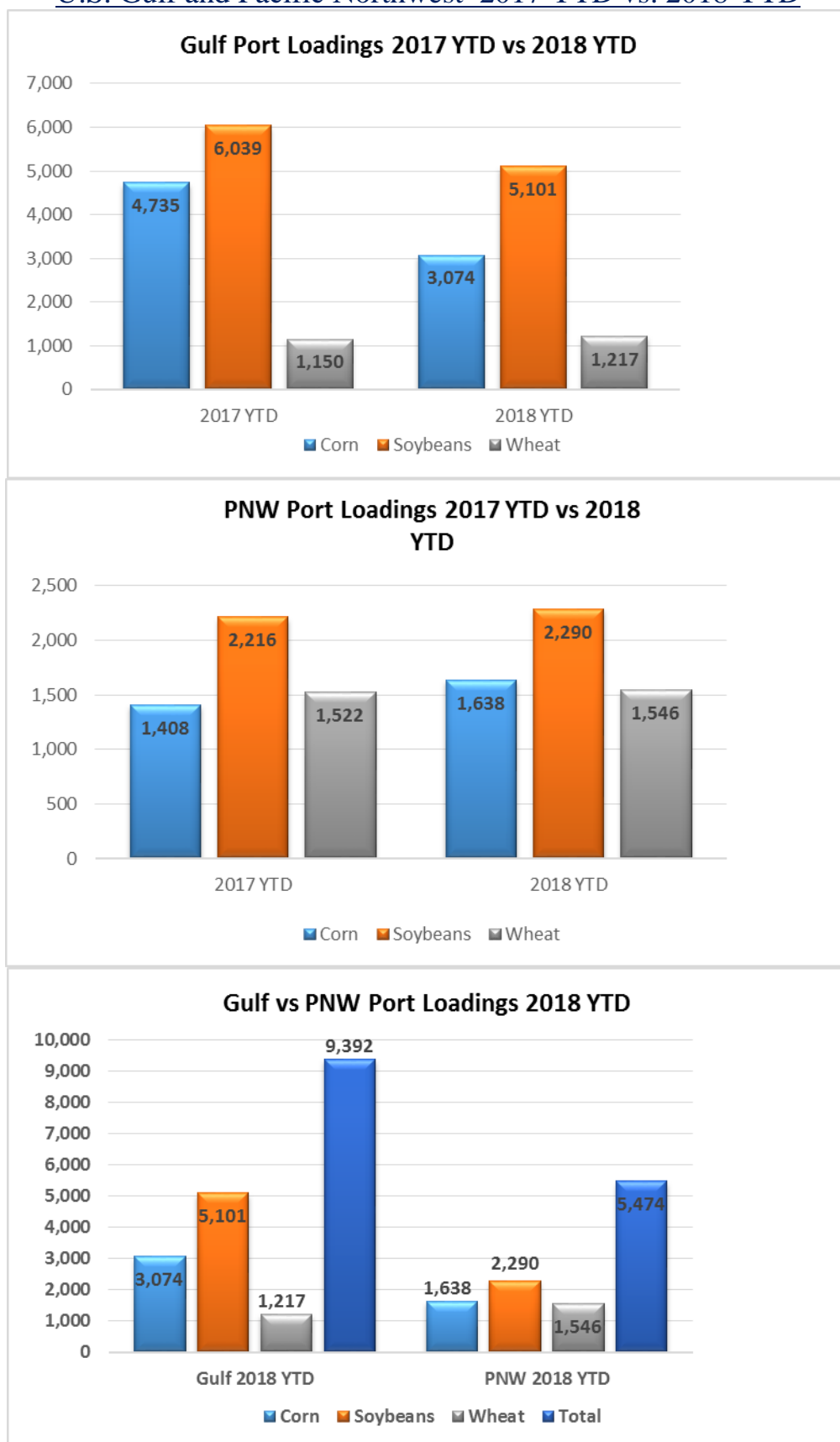
PORT LOADINGS US Gulf				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
<b>GULF</b>				
2017 YTD	4,735	6,039	1,150	11,924
2018 YTD	3,074	5,101	1,217	9,392
2018 as % of 2017	65%	84%	106%	79%

PORT LOADINGS US PNW				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
<b>PNW</b>				
2017 YTD	1,408	2,216	1,522	5,146
2018 YTD	1,638	2,290	1,546	5,474
2018 as % of 2017	116%	103%	102%	106%

PORT LOADINGS GULF vs. PNW				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
2018 Gulf YTD	3,074	5,101	1,217	9,392
2018 PNW YTD	1,638	2,290	1,546	5,474
TOTAL	4,712	7,391	2,763	14,866
Gulf Percentage	65%	69%	44%	63%
PNW Percentage	35%	31%	56%	37%



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

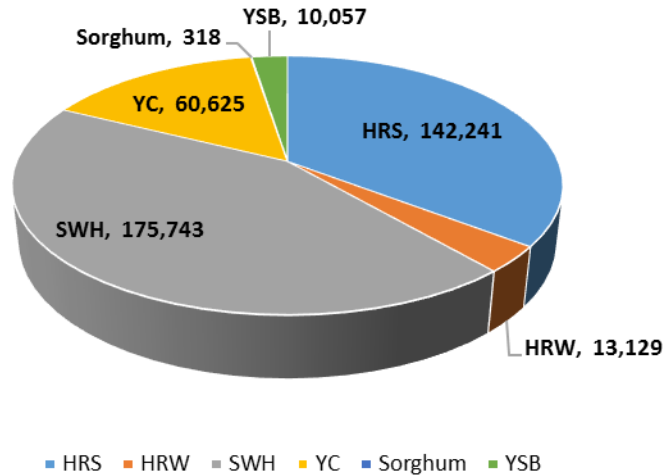


Source: USDA-data

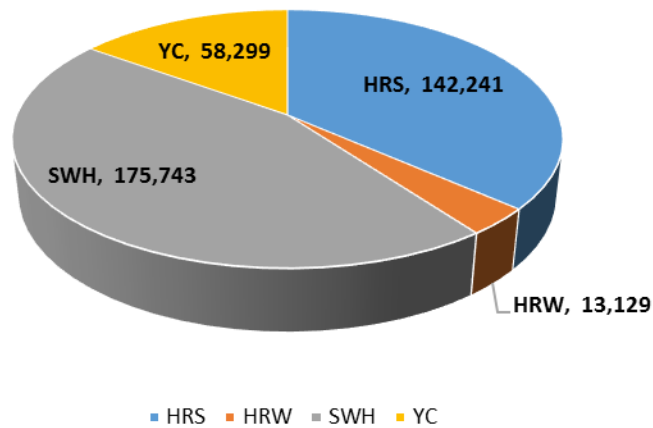


2018 YTD Total Grain Exports reported by USDA (in MT)

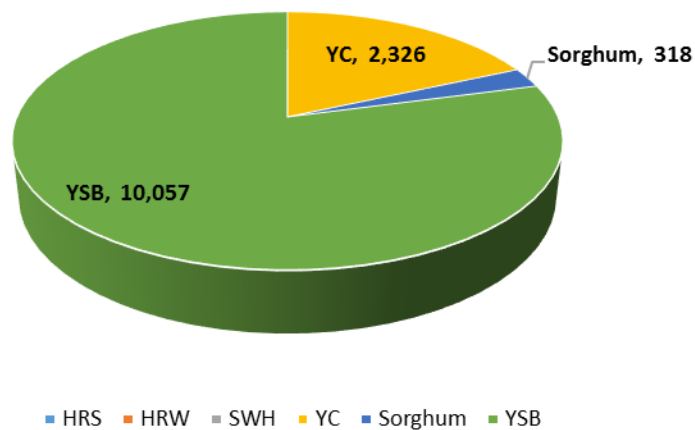
**2018 YTD Exports to Philippines**



**YTD Exports to Philippines by Vessel**



**YTD Exports to Philippines 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

# New Suez Canal tolls reduction for dry bulk vessels operating between Americas and Asia

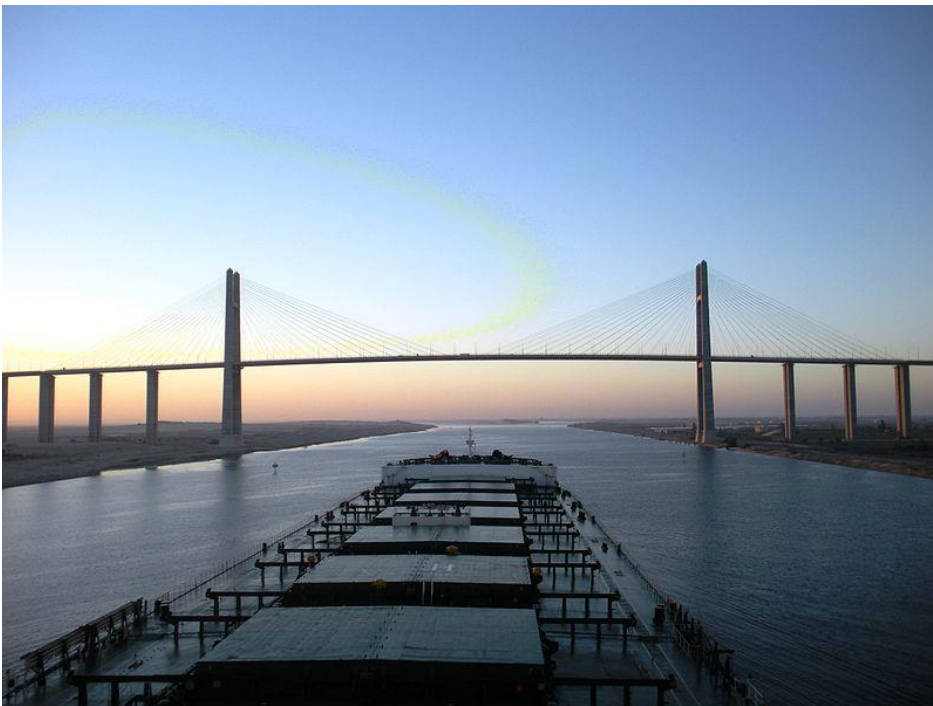
in International Shipping News 27/02/2018

In line with the Suez Canal Authority flexible policy and in continuation of its role in servicing the international trade as well as encouraging mutual trade between Americas and Asian ports.

Suez Canal Authority announces a new initiative for supporting the economics of the dry Bulk Vessels Working among the aforementioned areas as following:-

1) Laden or Ballast Dry Bulk Vessels coming from (or heading to) the East Coast of North America (ports located at the North of Savannah port) and heading to (or coming from) the following areas:

a) Ports West of Indian subcontinent starting from Karachi up to Cochin port; shall be granted a reduction of 20% of Suez Canal normal tolls.



b) Cochin port and its Eastern ports (including Far East area) shall be granted reduction of 60% of Suez Canal normal tolls

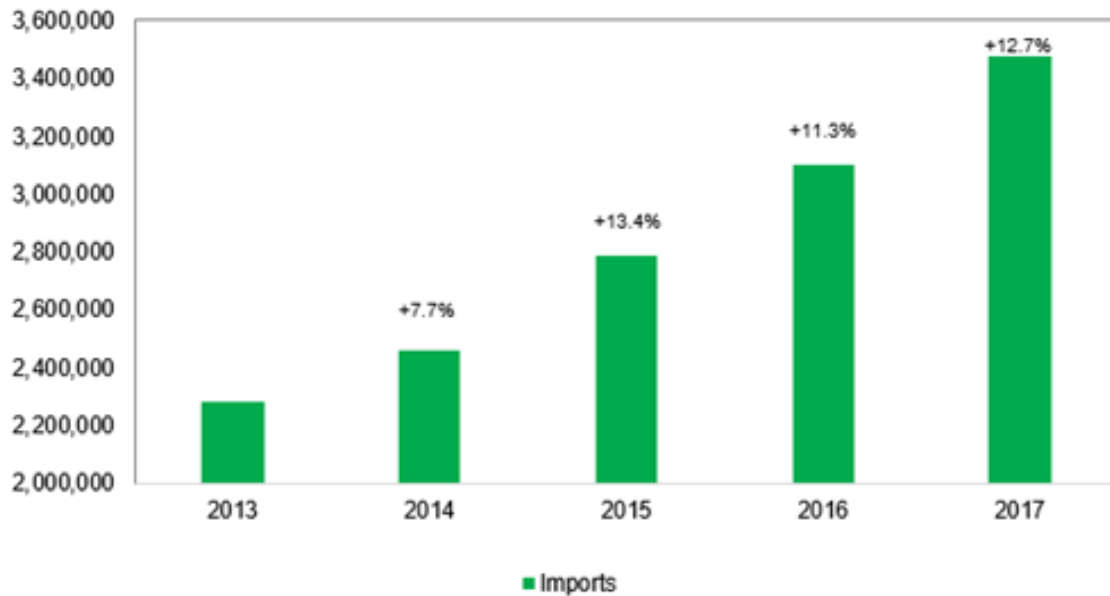
2) Laden or Ballast Dry Bulk Vessels coming from (or heading to) Savannah port ( Latitude 32° 6' 39" N) and its Southern Ports (including Ports of US Gulf, Mississippi River, Caribbean sea and Latin America) and heading to (or coming from) the following areas:

a) Ports West of Indian subcontinent starting from Karachi up to Cochin port; shall be granted a reduction of 45% of the Suez Canal normal tolls.

b) Cochin port and its Eastern ports (including Far East area); shall be granted a reduction of 75% of Suez Canal normal tolls.

Source: Suez Canal Authority

Laden import TEU volume at Canadian ports

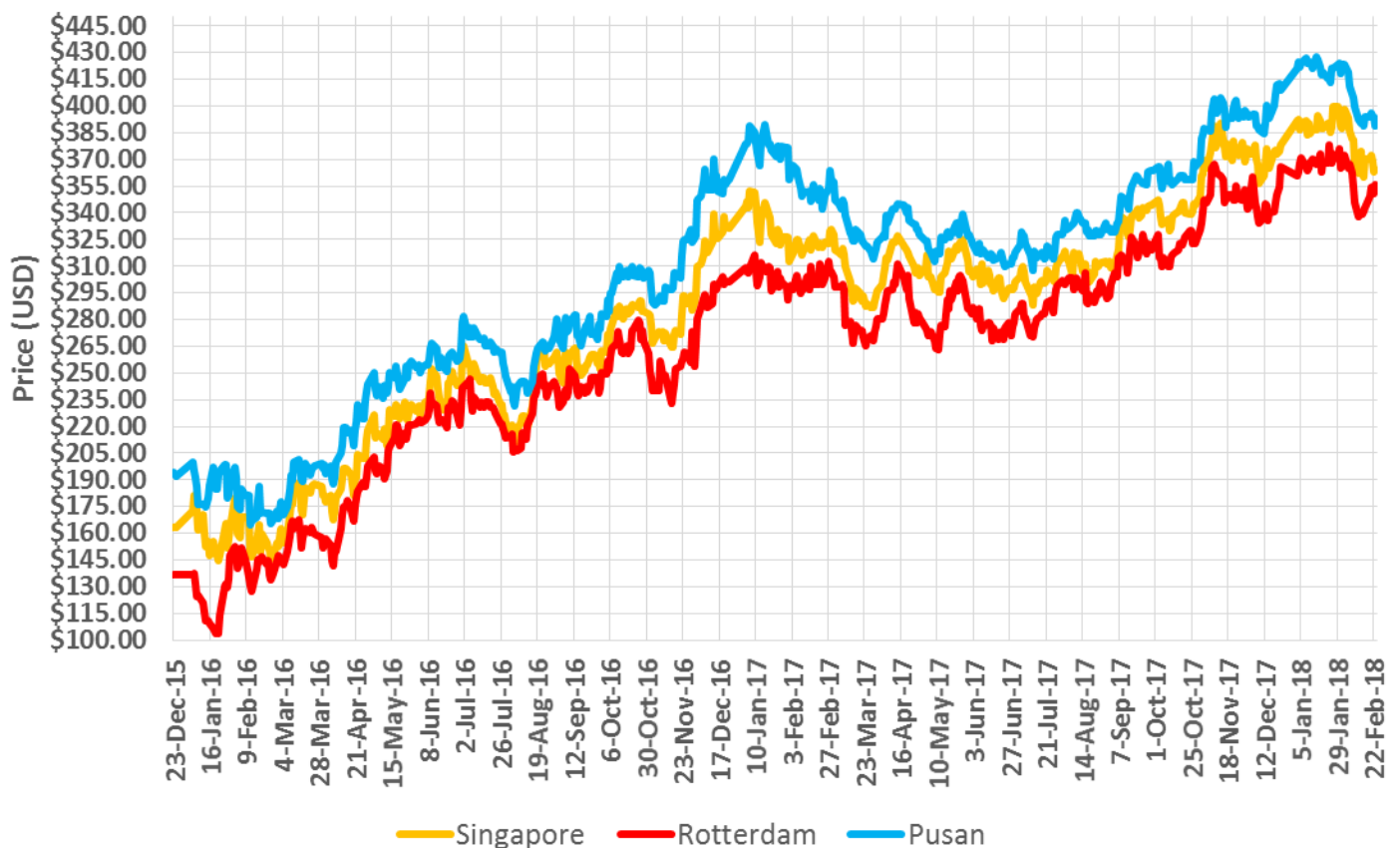


Source: Container Trade Statistics

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



Jerome Sorrel- "Ship owner/operator Pacific Basin 2017 net profit is US\$2.6 Million (loss last year was US \$87 million), 241 operated ships throughout the year, this means, only \$10,800 profit / ship in 2017... about \$30 profit/day/ship. This remains quite lot of work for \$30/day !"

## Noble posts largest annual loss recorded on the Singapore Exchange

MARCH 1ST, 2018



SAM CHAMBERS



ASIA, DRY CARGO, GREATER CHINA



0 COMMENTS

Noble Group chalked up an unfortunate record yesterday, posting the largest annual net loss of any Singapore-listed company ever.

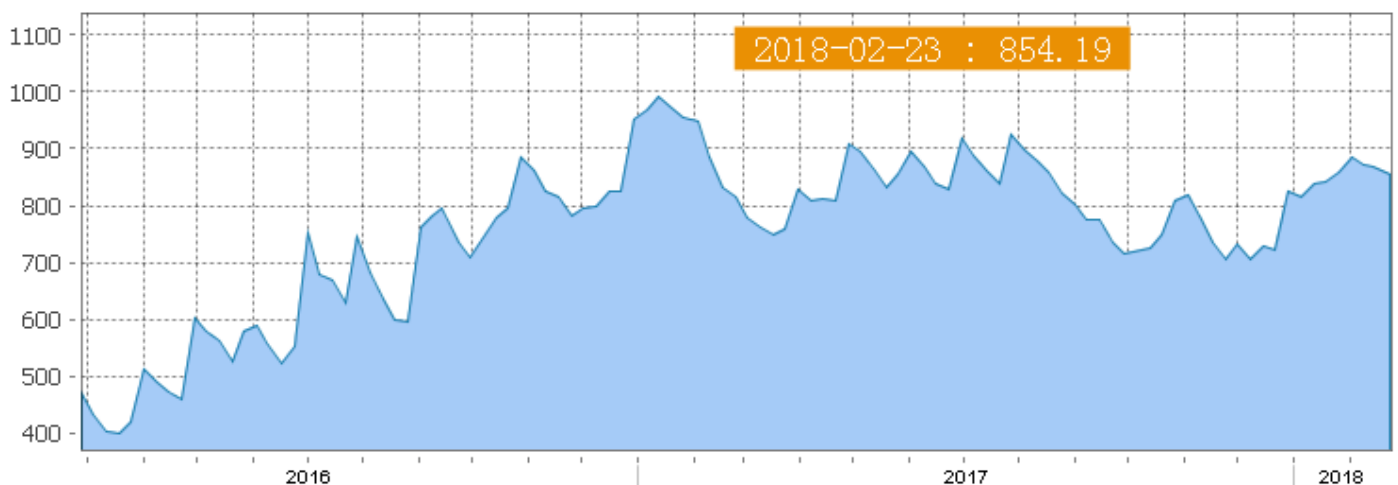
Once Asia's largest commodities group, Noble has been brought to its knees in the last couple of years. Its \$4.94bn net loss for 2017 announced on Wednesday saw the Hong Kong-based group admit that it might struggle to carry on as a going concern.

Noble Group warned that whether it's able to continue as a going concern depends upon obtaining the necessary approvals for the restructuring plan, complying with the terms of new senior debt instruments, and improving its gross margins while reducing expenses.

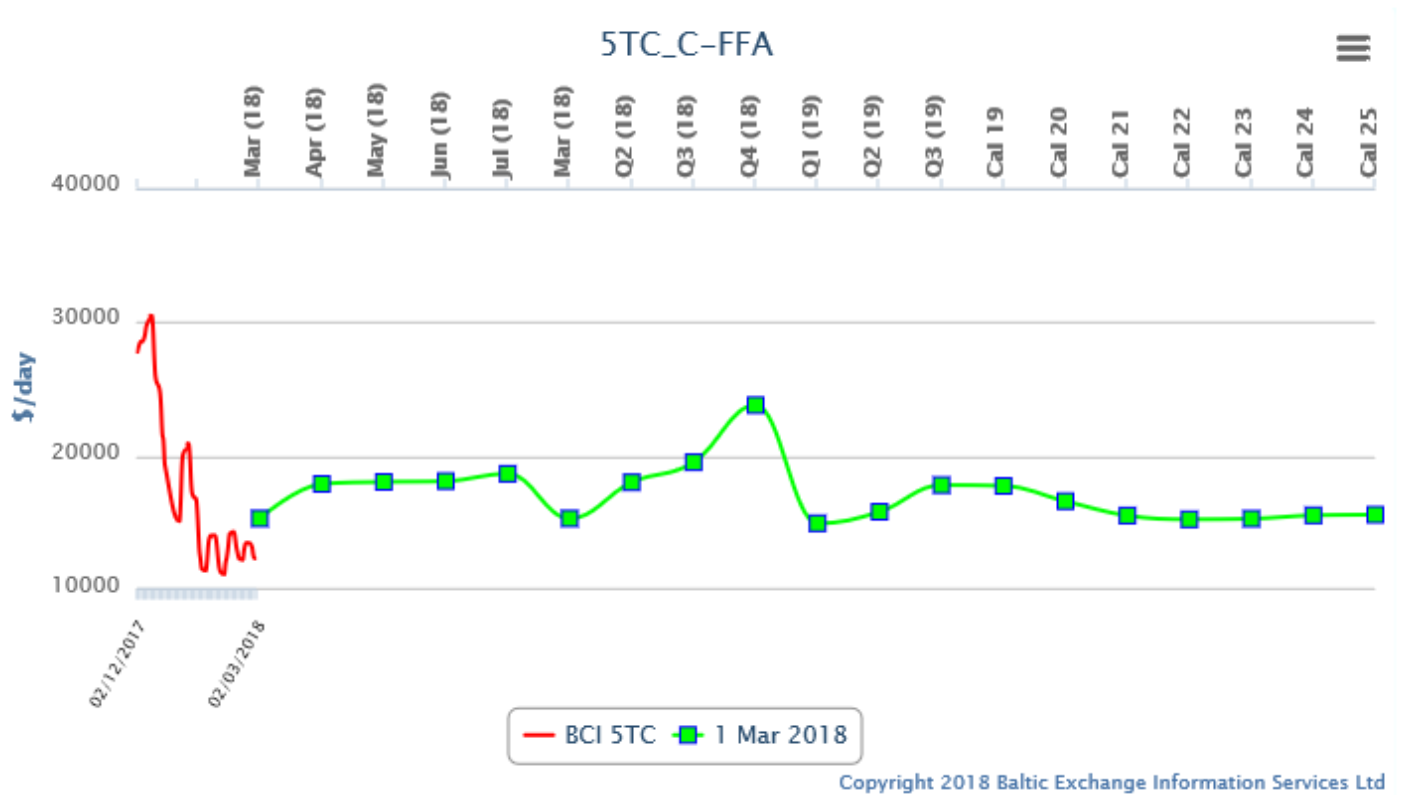
Chairman Paul Brough said he had "no magic pill" for investors facing hefty losses under a planned restructuring that would halve Noble's \$3.5bn debt. The alternative he told *Bloomberg* was a court-driven insolvency process that would be "very damaging indeed".

"What we're focused on is trying to get all of the parties over the line," Brough told *Bloomberg*. "I do accept that it requires an allocation of some pain and discomfort, but I'm afraid that there's no magic pill to solve it."

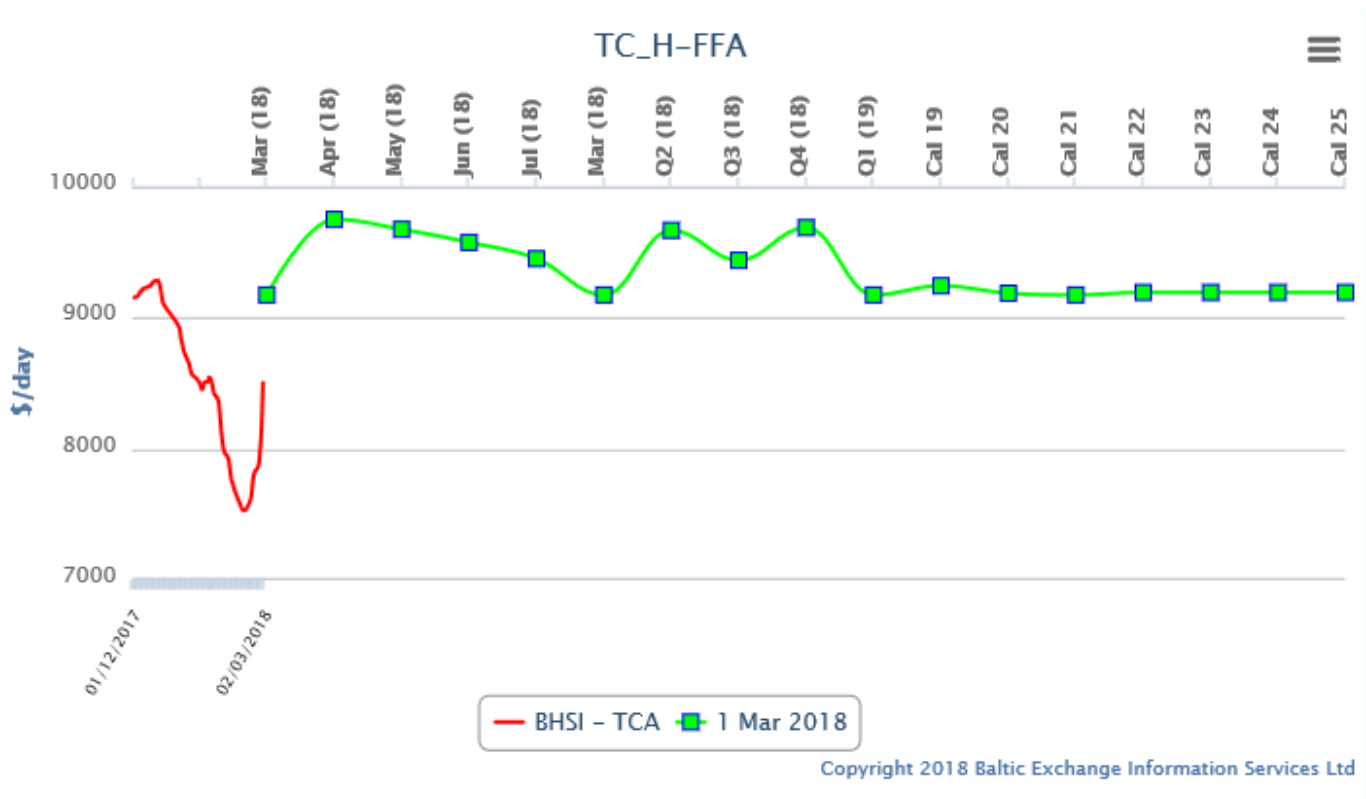
### Shanghai Containerized Freight Index



## FFA Capesize for the 4 time charter routes



## FFA SUPRAMAX 58 for the 5 time charter routes



## U.S. RIVER BARGE FREIGHT

Current Barge Freight for Placement Last Half March 2018

Placement LH March 2018	% of		Corn	Soybeans-Wheat
	Tariff	MT	BU	BU
Upper Mississippi	435	\$29.68	0.75	0.81
Illinois River (Pekin and South)	425	\$22.53	0.57	0.61
Mid-Mississippi	425	\$24.92	0.63	0.68
Lower Ohio	400	\$19.67	0.50	0.54
St. Louis	350	\$15.39	0.39	0.42

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

Secondary Rail Car Market Placement LH March 2018	BID USD	ASK USD	BID BU.	ASK BU.	BID MT	ASK MT
BNSF Shuttle Trains	\$ 500.00	\$ 1,000.00	\$ 0.13	\$ 0.25	\$ 4.92	\$ 9.84
UPRR Shuttle Trains	\$ 125.00	\$ 550.00	\$ 0.03	\$ 0.14	\$ 1.23	\$ 5.41



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# IGP-KSU Grain Purchasing

April 9-20, 2018



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Best Regards,

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*All market data is subject to change with market conditions and Traders opinions.*

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