

Transportation and Export Report for 14 March 2019

Ocean Freight Insights and Comments:

Dry-Bulk markets remain lethargic. Not too much new to say about these markets. Vessel Owners are disappointed with the lack of technical follow through and cargo support. Additional cargo demand is needed to sustain a market rally, and everyone is still waiting for global economic development to improve. Unfortunately, the economic news of late has been trending in the opposite direction.

In other news we continue to experience very high water flows on the Mississippi River and through the Port of New Orleans. Due to the resulting silting in the Southwest Pass exiting the River to the Gulf; vessel drafts have been restricted to 41 feet (a reduction of 6 feet in draft). Export vessel loading capacity has also been reduced. I'm told the 28-day river forecast is showing the Mississippi River hovering at 16.8FT above sea level until about April 5th and then dropping a bit to 16.1FT above sea level by April 10th. It is therefore hard to imagine that River and port loading conditions will improve soon. And planting season is supposed to be starting!

BALTIC DRY-BULK PANAMAX INDEX CHANGES

Panamax Ocean Freight Indices				
14-Mar-19	This Week	Last Week	Difference	Percent Change
P2A : Gulf/Atlantic - Japan	12427	13189	-762	-5.8%
P3A - PNW/Pacific - Japan	7762	8698	-936	-10.8%
S1C -USGULF-China-So.Japan	16694	16700	-6	0.0%

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

Four weeks ago:	\$4.75-\$5.20
Three weeks ago:	\$4.85-\$5.20
Two weeks ago:	\$5.15-\$5.50
One week ago:	\$4.95-\$5.30
This week	\$4.80-\$5.45

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

Mississippi River:	(10 elevators)	4-12 days
Miss. River Mid-Stream loaders:	(6+ Rigs)	0-5 days
Texas Gulf	(6 elevators)	0-5 days
Pacific Northwest:	(9 elevators)	8-15 days

Panamax Market Spreads to Asia -China					
14-Mar-19	PNW	GULF	Bushel Spread	MT Spread	Advantage
CORN	1.07	0.68	0.39	\$15.35	Gulf
SOYBEANS	0.87	0.58	0.29	\$10.66	PNW
OCEAN FREIGHT	\$22.50	\$38.25	.40 - .43	\$15.75	April

Recent Reported Vessel Fixtures:

Soybean Panamax USG to Spain is running \$18.25/mt.

Soybean Brazil to Spain can be done at \$20.25/mt.

Route and Vessel Size	Current Week USD/MT	Change from previous week	Remarks
55,000 U.S. Gulf-Japan	\$40.00	Unchanged	Handymax \$40.75 mt
55,000 U.S. PNW- Japan	\$23.00	Unchanged	Handymax \$22.50 mt
66,000 U.S. Gulf – China	\$38.25	Down \$0.50	North China
PNW to China	\$22.50	Unchanged	
25,000 U.S. Gulf- Veracruz, México	\$16.25	Unchanged	3,000 MT daily discharge rate
30-35,000+ U.S. Gulf- Veracruz, México	\$13.75	Unchanged	Deep draft and 6,000 MT per day discharge rate.
25/35,000 U.S. Gulf- <u>East Coast Colombia</u>	\$.20.00	Up \$0.50	<u>West Coast Colombia at \$29.50</u>
From Argentina	\$33.50		
43-45,000 U.S. Gulf - Guatemala	\$29.25	Up \$0.50	Acajutla/Quetzal - 8,000 out
26-30,000 U.S. Gulf – Algeria	\$32.25	Unchanged	8,000 mt daily discharge
	\$33.25		3,000 mt daily discharge
26-30,000 US Gulf-Morocco	\$34.25	Unchanged	5,000 discharge rate
55-60,000 U.S. Gulf –Egypt	\$26.75	Unchanged	60,000 -55,000 mt
PNW to Egypt	\$27.50		Russia Black Sea Romania - Egypt \$14.00-\$14.50 (France \$17.50-\$18.00)
60-70,000 U.S. Gulf – Europe – Rotterdam	\$15.75	Unchanged	Handymax at +\$1.75 more
Brazil, Santos – China	\$29.50	Unchanged	54-59,000 Supramax-Panamax
Brazil, Santos – China	\$28.75		60-66,000 Post Panamax
Itacoatiara-Port Up River North Brazil	\$32.50		60-66,000 mt
56-60,000 Argentina/Rosario- China Deep Draft	\$33.25	Unchanged	Up River with BB Top Off \$36.50

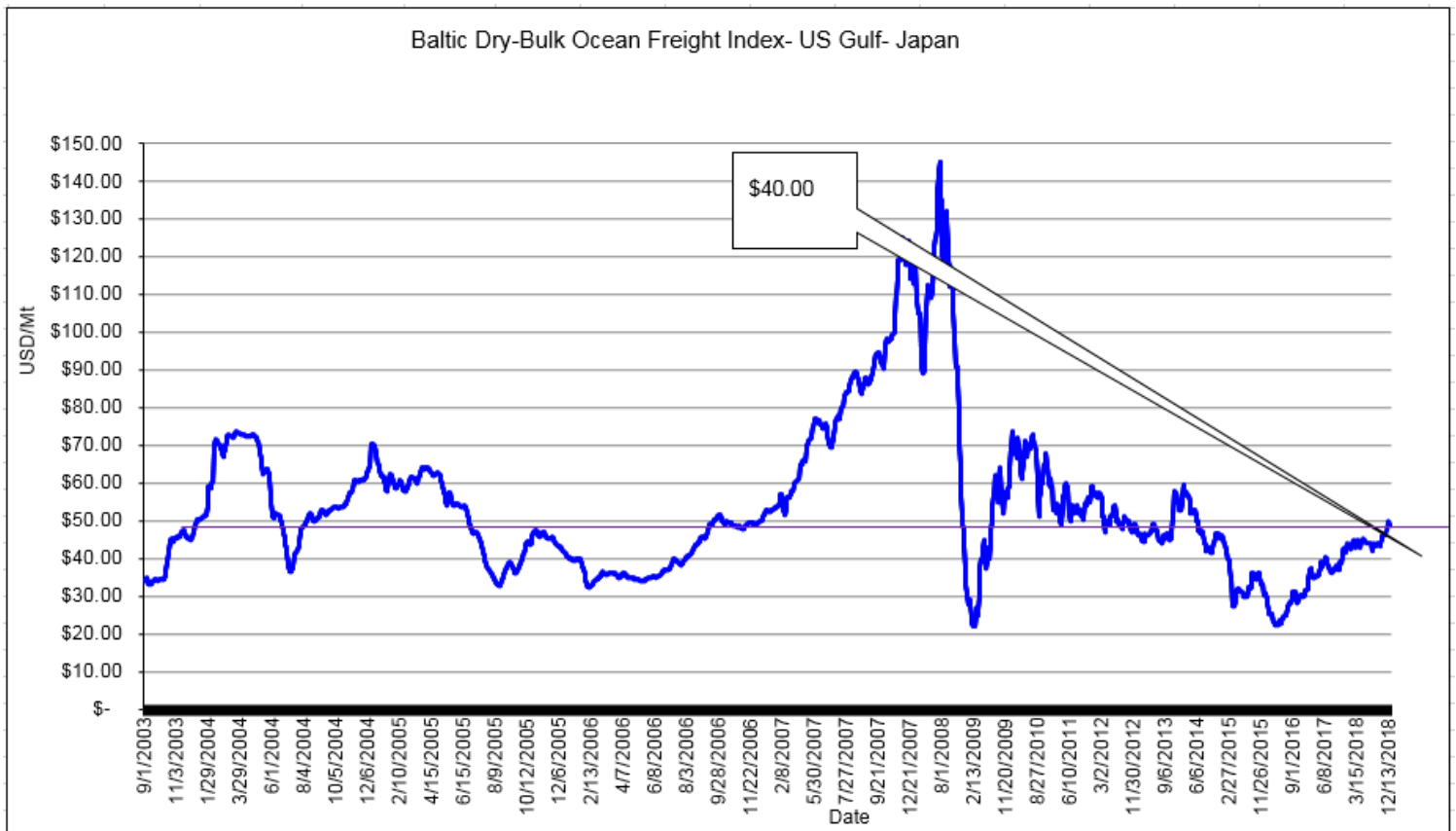
- The above rate estimates reflect the 30-45-day forward ocean freight markets.

Nautical Miles: To Xiamen China (South China)

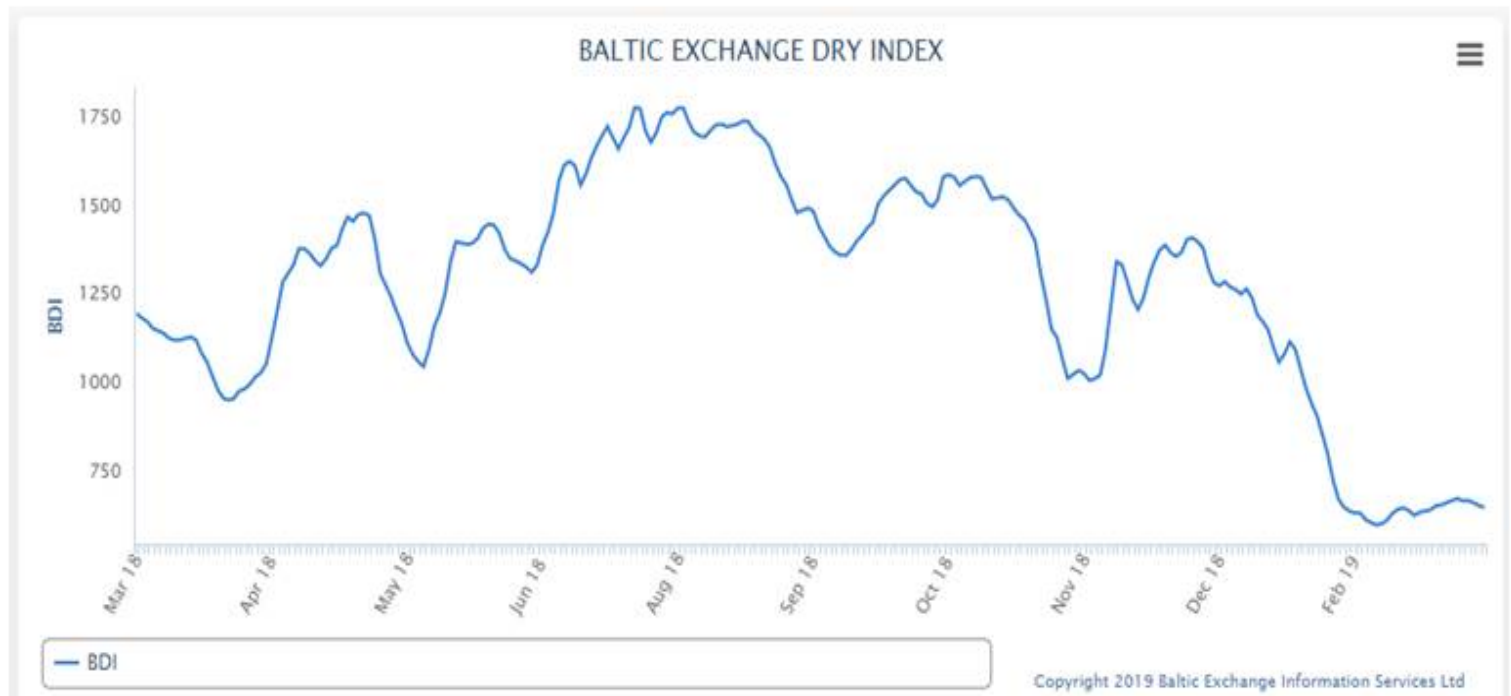
US Gulf (NOLA) (via Panamá Canal) – 10,232 nautical miles (32 days)

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

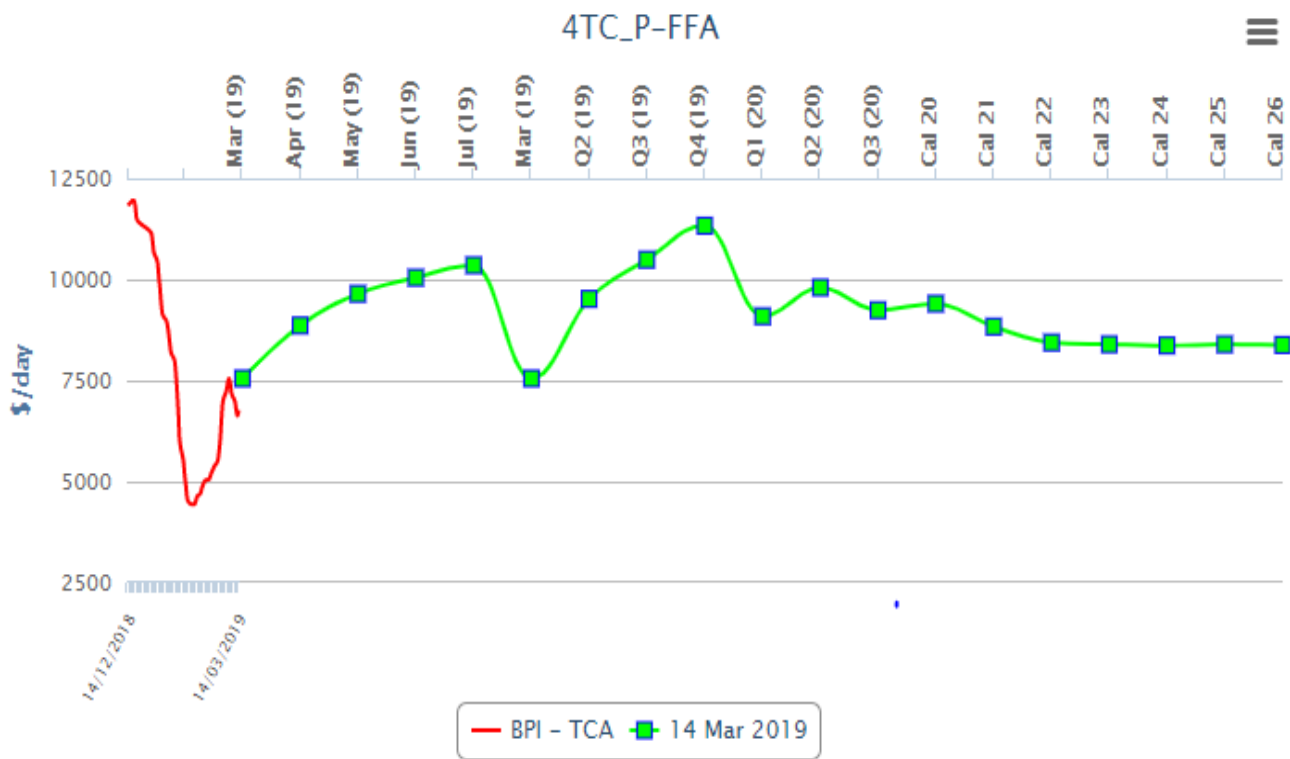
Rosario Argentina (via Cape Horn) - 10,751 nautical miles (34 days)



Baltic Dry Index.

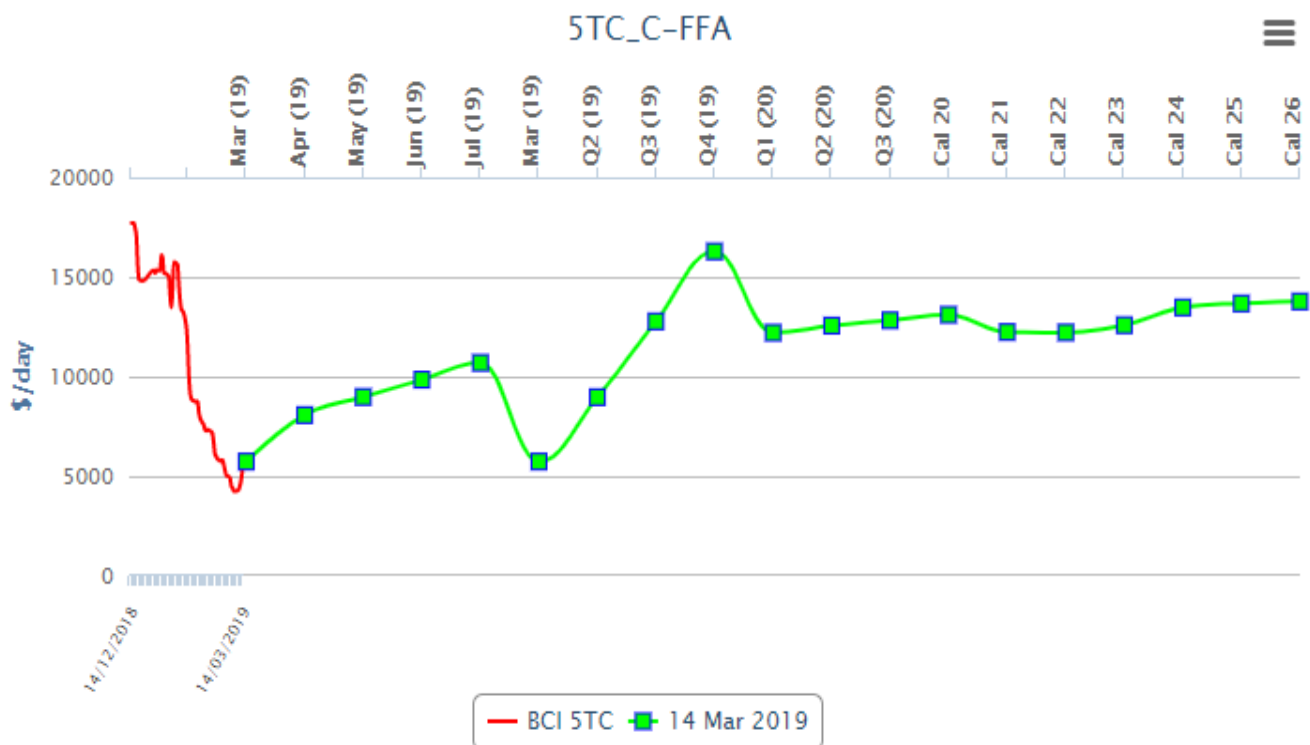


Baltic Panamax Forward Curve Chart



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Baltic Capesize Index



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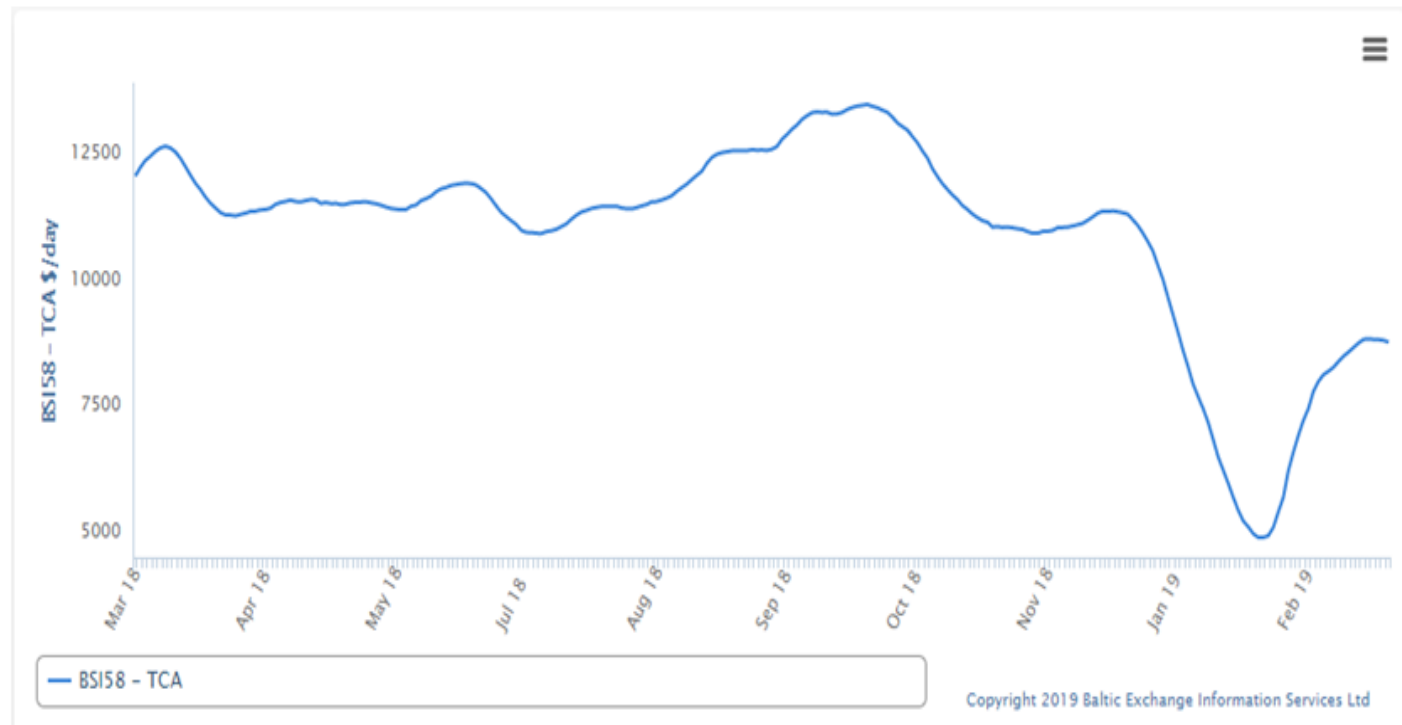
Baltic Panamax Index

Panamax

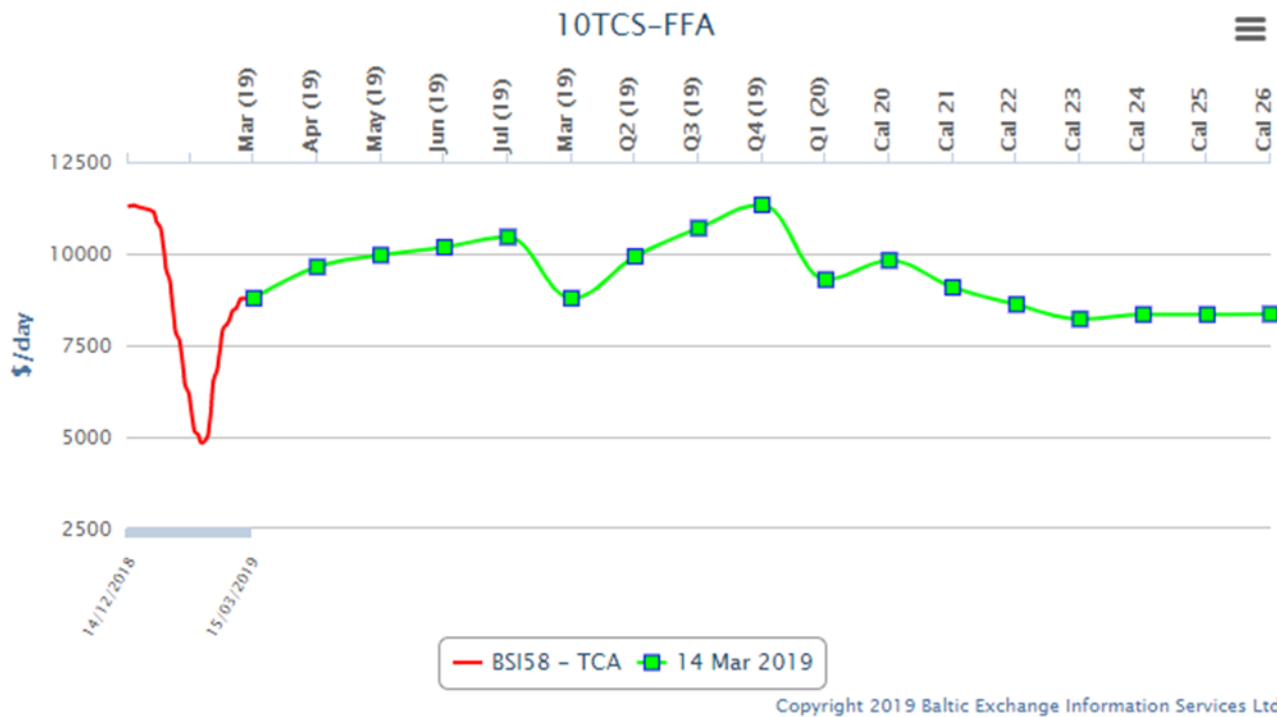


Baltic Supramax Vessel Index

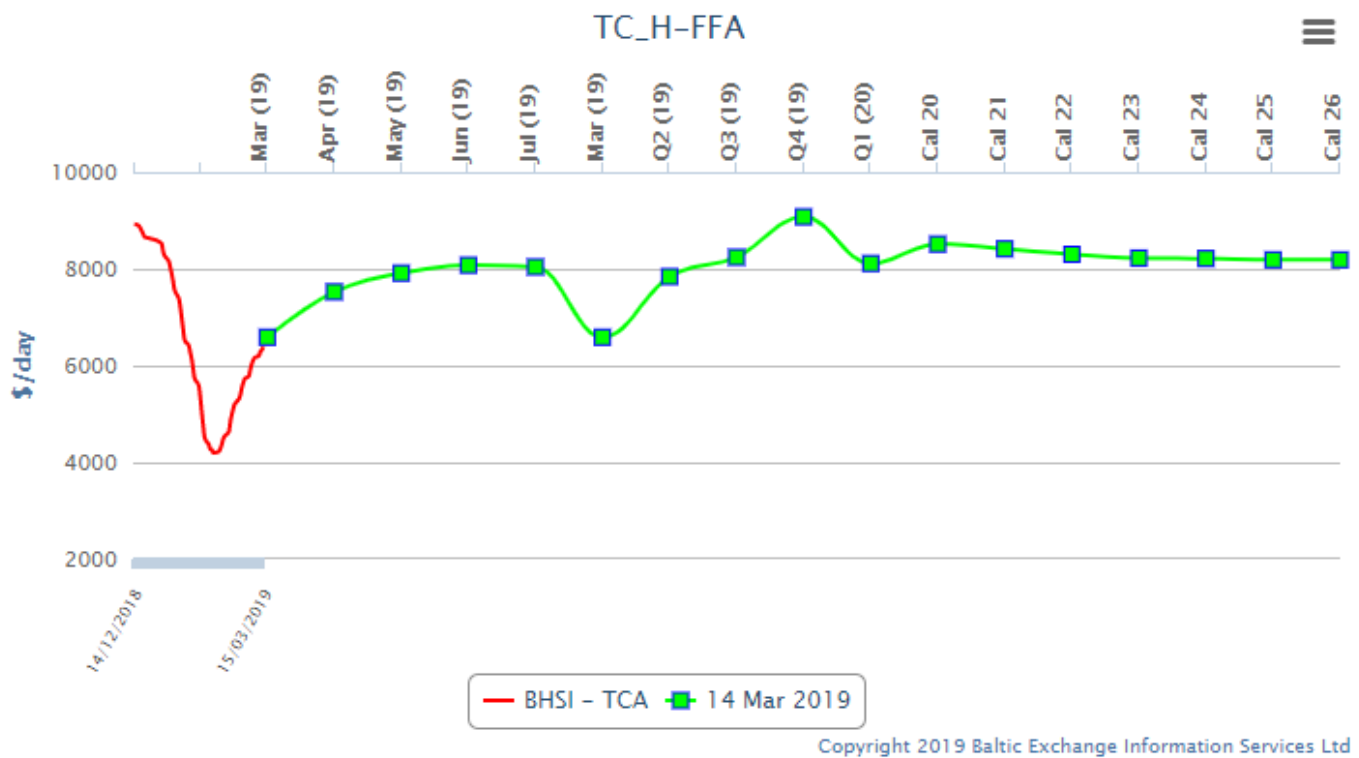
Supramax



Supramax Dry-Bulk Forward Curve



Baltic Handy Size



YAMAMIZU Index



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

From 2007-01-29 To 2019-03-13



China Import Dry Bulk Freight Index(CDFI)					
2019-03-14					
Route	Size MT	Cargo/Vessel Size	Unit	Rate	Change
Composite Index			Point	712.24	13.66
Iron ore Freight Index			Point	628.61	26.10
Soybean Freight Index			Point	863.44	-1.55
Santos(Brazil)—North China	60000/10%	Soybean	\$/ton	28.959	-0.027
Tacoma(West America)—North China	60000/10%	Soybean	\$/ton	22.468	-0.082
Mississippi(US Gulf)—North China	66000/10%	Soybean	\$/ton	38.067	-0.101
Mississippi(US Gulf)—North China	55000/10%	Soybean	\$/ton	40.287	-0.059

14 March 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	0.68	\$172.53	1.07	\$187.88
May	0.67	\$172.14	1.04	\$186.70
June	0.58	\$172.23	0.98	\$187.98
July	0.59	\$172.63	0.99	\$188.38
Aug.	0.58	\$174.89	0.97	\$190.25
Sept.	0.63	\$176.86	1.01	\$191.82

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	1.00	\$185.13	0.90	\$181.19
May	1.05	\$187.10	0.95	\$183.16
June	1.00	\$188.77	0.90	\$184.83
July	1.00	\$188.77	0.90	\$184.83
Aug.	0.95	\$189.46	0.85	\$185.52

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	
	April	May	June	July
FOB U.S. GULF	\$203.10	\$203.10	\$200.16	\$198.32
Basis	1.00	1.00	0.85	0.80
WK	4.5275			
WN	4.5975			
WU	4.6850			

CME Futures Market Close						
CORN	Futures	Thursday	Thursday	Last week	Last Week	Difference
Month	Symbol	Close	Close	Bushel	MT.	Bushel
May	CK	\$3.7025	\$145.76	\$ 3.6525	\$143.79	\$0.0500
July	CN	\$3.7950	\$149.40	\$ 3.7425	\$147.33	\$0.0525
Sept.	CU	\$3.8625	\$152.06	\$ 3.8100	\$149.99	\$0.0525
Dec.	CZ	\$3.9400	\$155.11	\$ 3.8900	\$153.14	\$0.0500
March	CH	\$4.0500	\$159.44	\$ 4.0025	\$157.57	\$0.0475

CBOT May 2019 (CK19) 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	0.58	\$351.45	0.87	\$362.11
May	0.60	\$352.18	0.90	\$363.21
June	0.54	\$355.03	0.85	\$366.42
July	0.57	\$356.13	0.86	\$366.79
Aug.	0.52	\$356.50	0.80	\$366.79
Soybean Futures				
May	\$ 8.9850			
July	\$ 9.1225			
Ayg.	\$ 9.1825			
Sept.	\$ 9.2325			
Nov.	\$ 9.3275			
Jan.	\$ 9.4200			

U.S. SBM (USD/MT) FOB Vessel		
Fob U.S. Gulf Port	47.5 Pro. SBM	
max 12.5 % moisture	Basis	Flat Price
April	-2.00	\$ 335.05
May	-2.00	\$ 335.05
June	-3.00	\$ 338.14
July	-3.00	\$ 338.14
Aug.	-4.00	\$ 338.80
SBM Futures		
SMK	305.90	
SMN	309.70	
SMQ	311.30	
SMU	313.00	
SMV	314.10	
SMZ	316.10	

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 28 February 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	1110.3	40,525.6	62,230	65%	1,298.5
Sorghum	130.0	872.8	2,540	34%	0.0
Soybeans	443.6	39,270.3	51,030	77%	766.5
Wheat	647.3	22,581.7	27,220	83%	622.4
Barley	0.9	59.1	110	54%	30.1

U.S. EXPORT INSPECTIONS:

Monday's report 11 March 2019 for the Export week ending 07 March 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	765,618	865,617	26,563,990	20,354,166	131%
Sorghum	63,583	58,736	948,607	3,281,795	29%
Soybeans	874,363	848,357	26,832,281	39,730,303	68%
Wheat	592,001	488,829	17,602,154	18,711,821	94%
Barley	0	122	6,974	20,826	33%

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

U.S. EXPORT INSPECTIONS:

Monday's report 11 March 2019 for the Export week ending 07 March 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%	20,364	2%
Gulf	451,311	63%	50,299	100%	51,671	81%	508,606	58%
PNW	160,618	22%	0	0%	9,540	15%	210,220	24%
Interior Export Rail	103,390	14%	0	0%	2,372	4%	135,173	15%
Metric Tons	715,319		50,299		63,583		874,363	

Sorghum Shipments: metric tons

9,540	Japan
51,671	Spain
2,372	Mexico
63,583	Total

White Corn metric tons

Shipments:	18,799	Colombia
	31,500	Mexico
	50,299	Total

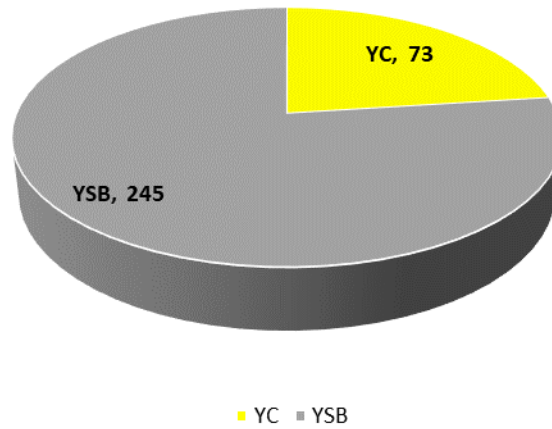
Export Inspection Highlights

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).*

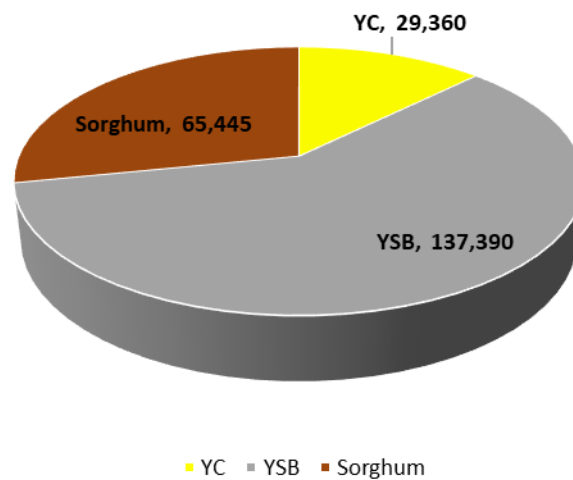
CONTAINER SHIPMENTS of GRAIN									
USDA Grain Inspections Report:		7-Mar-2019							
Last Week	metric tons								MT
	YC	WC	YSB	SRW	NS	SWH	HRW	Sorghum	TOTAL
China Main									0
China T	22,193		17,289	612					40,094
Hong Kong	709								709
Costa Rica									0
Indonesia			30,847						30,847
French Poly	318								318
Japan			830						830
Korea Republic	514		3,257						3,771
Nepal			4,381						4,381
Malaysia	1,029		6,539						7,568
Burma									0
Philippines	24		1,396						1,420
Thailand			10,921						10,921
Morocco									0
Algeria									0
Vietnam			3,231						3,231
Sub total	24,787	0	78,691	612	0	0	0	0	100,859
USDA Corrections/Additions to previous reports:									
China T	245								245
China Main									0
Hong Kong									0
Korea Rep.									0
Costa Rica									0
Japan									0
Philippines									0
Indonesia			2,155						2,155
Malaysia			294						294
Thailand									0
Vietnam			269						269
Nepal									0
Bangladesh									0
Sub total	245	0	2,718	0	0	0	0	0	2,963
Mt. Grand Total	25,032	0	81,409	612	0	0	0	0	103,822
Number of containers	1,088	0	3,540	27	0	0	0	0	

Jan - Dec 2018 Annual Totals versus 2019 Jan.-Dec. YTD Total Container Shipments (in MT)

2019 YTD Container Shipments to China Main



2018 Container Shipments to China Main



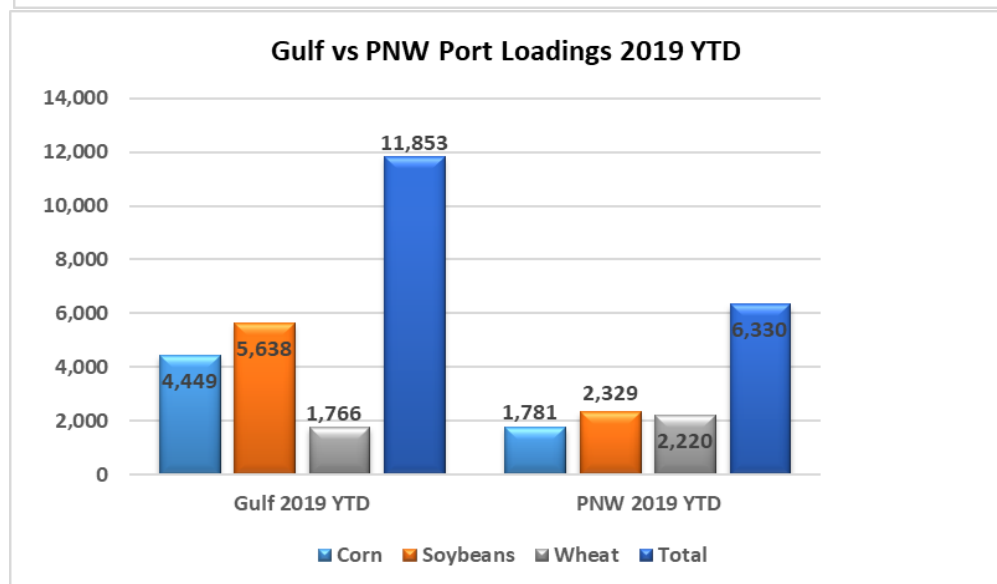
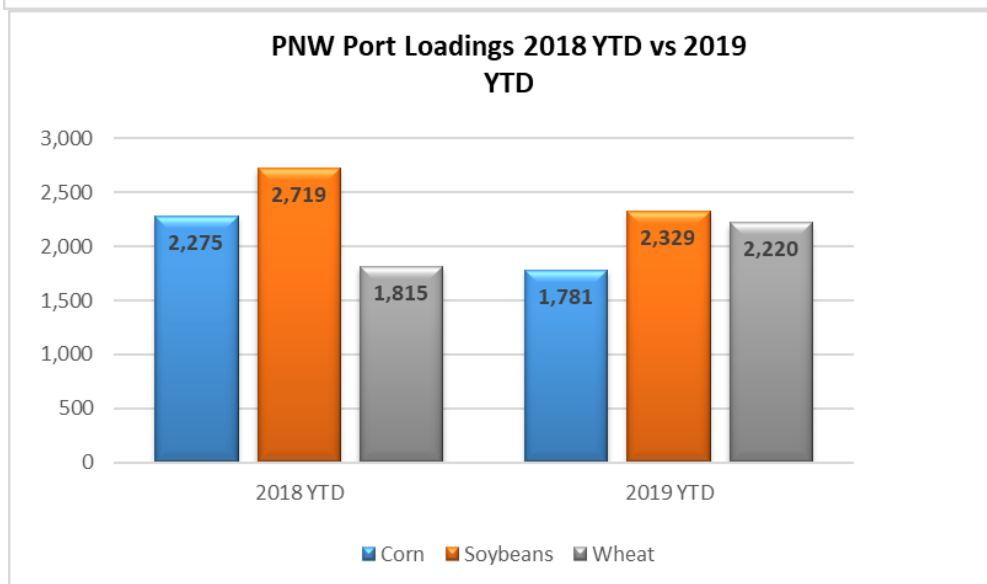
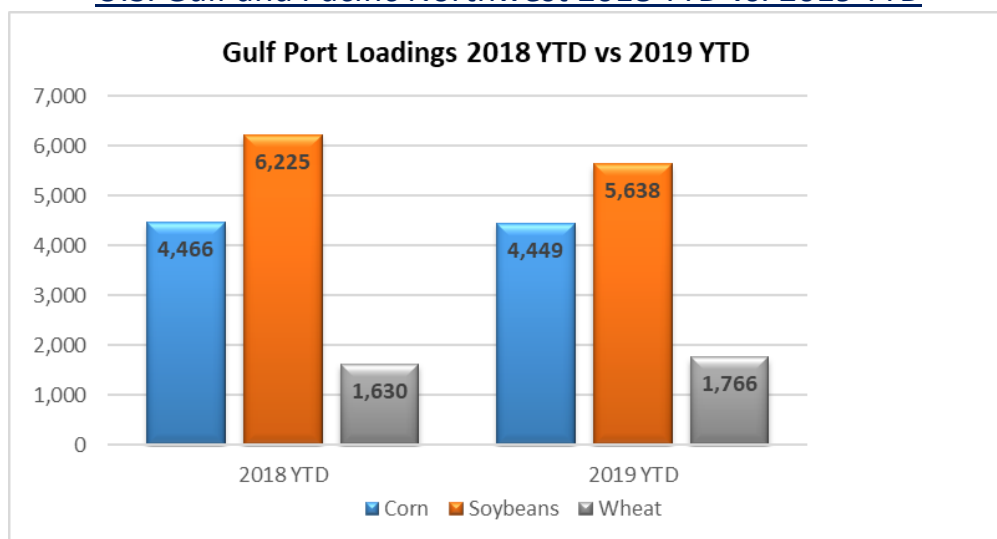
Grain Inspections for Export by U.S. Port Regions:
U.S. Gulf and Pacific Northwest 2018 YTD vs. 2019 YTD

PORT LOADINGS US Gulf				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
GULF				
2018 YTD	4,466	6,225	1,630	12,321
2019 YTD	4,449	5,638	1,766	11,853
2019 as % of 2018	100%	91%	108%	96%

PORT LOADINGS US PNW				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
PNW				
2018 YTD	2,275	2,719	1,815	6,809
2019 YTD	1,781	2,329	2,220	6,330
2019 as % of 2018	78%	86%	122%	93%

PORT LOADINGS GULF vs. PNW				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
2019 Gulf YTD	4,449	5,638	1,766	11,853
2019 PNW YTD	1,781	2,329	2,220	6,330
TOTAL	6,230	7,967	3,986	18,183
Gulf Percentage	71%	71%	44%	65%
PNW Percentage	29%	29%	56%	35%

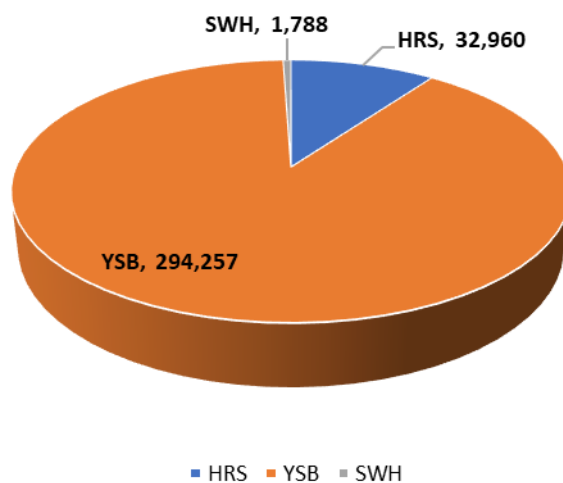
Grain Inspections for Export by U.S. Port Regions (1,000MT):
U.S. Gulf and Pacific Northwest 2018 YTD vs. 2019 YTD



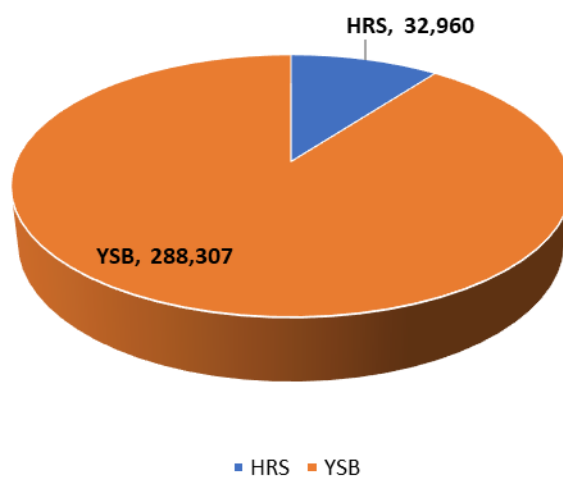
Source: USDA-data

2019 YTD Total Grain Exports reported by USDA (in MT)

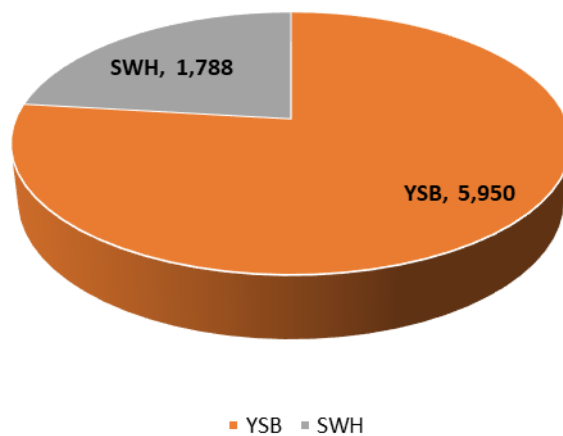
2019 YTD Exports to Bangladesh



YTD Exports to Bangladesh by Vessel



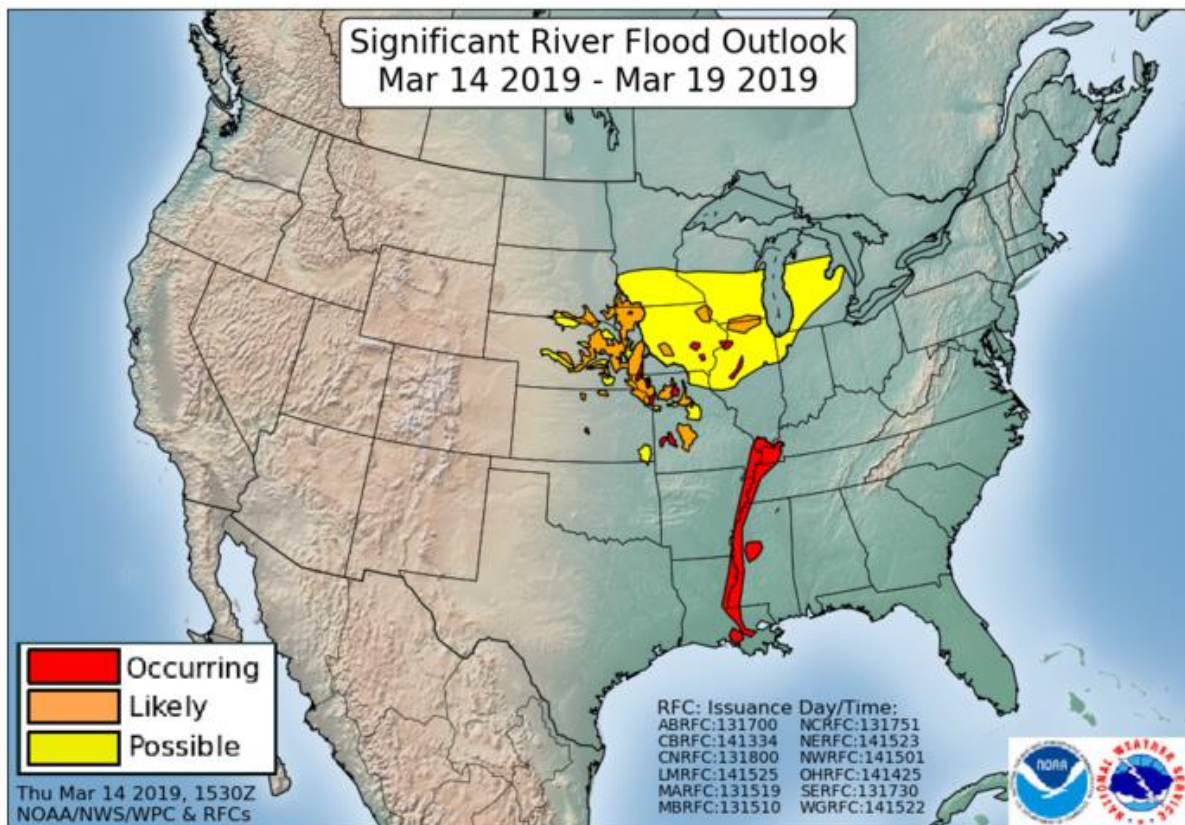
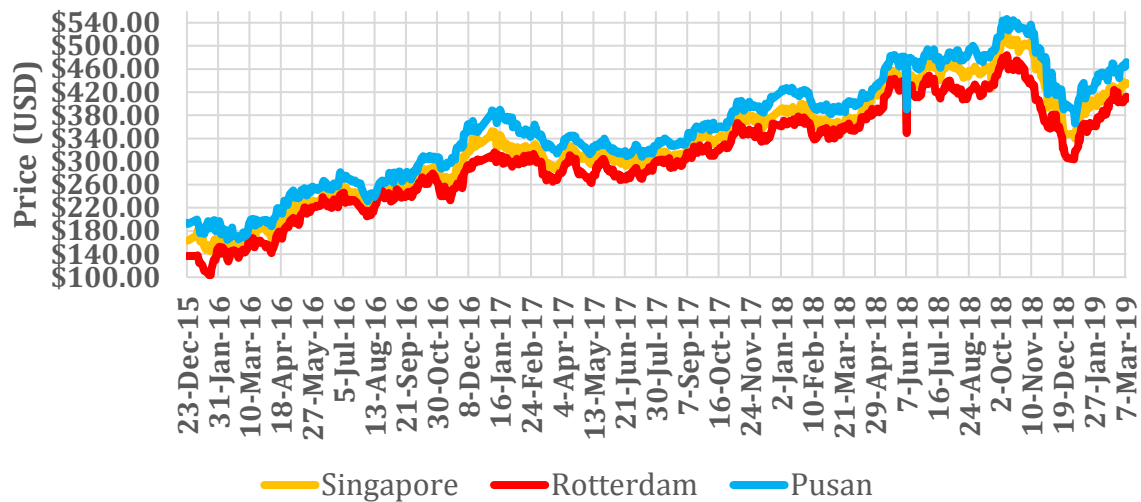
YTD Exports to Bangladesh by Container



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

Shipping News

Bunker Fuel Prices for Singapore vs. Rotterdam vs. Pusan



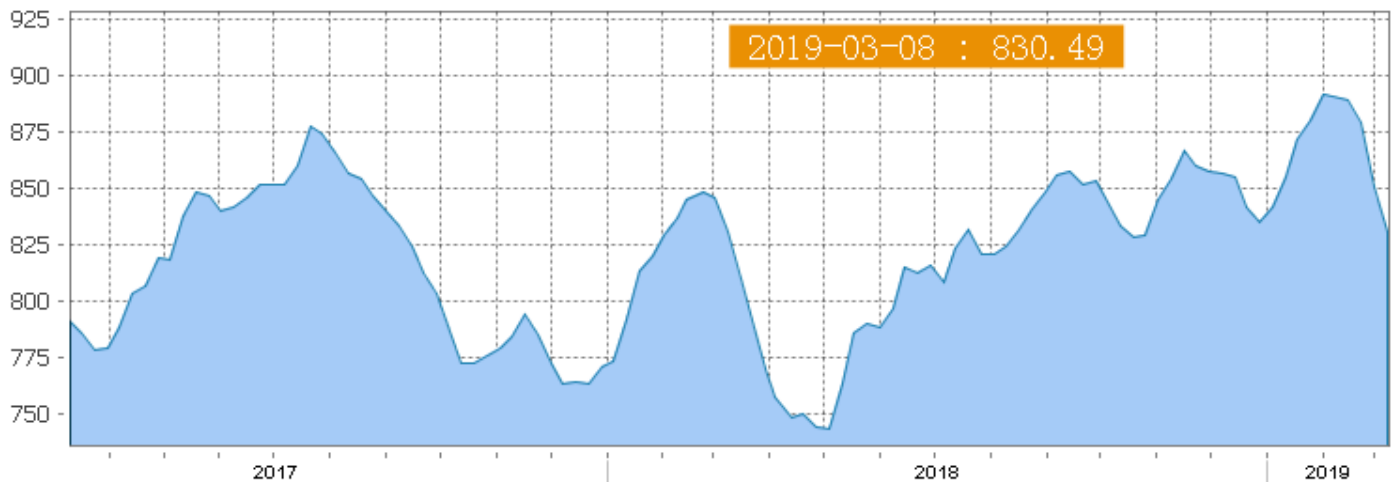
Map of real-time streamflow compared to historical streamflow for the day of the year (United States)

#Arctic ports along the Northern Sea Route have experienced a surge in #cargo — In total, 9.95 million tons were transported to and from ports in the region compared to just 5.5 million tons last year. #trade #energy



Route	28-Feb-19	07-Mar-19	14-Mar-19	Weekly change (%)	Annual change (%)
Composite Index	\$1,478	\$1,440	\$1,323	-8% ▼	-1% ▼
Shanghai - Rotterdam	\$1,652	\$1,632	\$1,495	-8% ▼	2% ▲
Rotterdam - Shanghai	\$566	\$542	\$542	0%	-36% ▼
Shanghai - Genoa	\$1,745	\$1,729	\$1,550	-10% ▼	7% ▲
Shanghai - Los Angeles	\$1,590	\$1,519	\$1,365	-10% ▼	0%
Los Angeles - Shanghai	\$506	\$497	\$497	0%	1% ▲
Shanghai - New York	\$2,790	\$2,669	\$2,442	-9% ▼	3% ▲
New York - Rotterdam	\$574	\$603	\$566	-6% ▼	11% ▲
Rotterdam - New York	\$1,999	\$2,013	\$1,979	-2% ▼	-4% ▼

China Containerized Freight Index



U.S. RIVER BARGE FREIGHT

Current Barge Freight for Placement First Half April 2019

Placement FH April 2019	% of Tariff	MT	Corn BU	Soybeans-Wheat BU
Upper Mississippi	540	\$36.85	0.94	1.00
Illinois River (Pekin and South)	460	\$24.39	0.62	0.66
Mid-Mississippi	500	\$29.32	0.74	0.80
Lower Ohio	465	\$22.86	0.58	0.62
St. Louis	350	\$15.39	0.39	0.42

Secondary Rail Car Market for car placement period: First Half April 2019.

Secondary Rail Car Market Placement FH. April 2019	BID USD	ASK USD	BID BU.	ASK BU.	BID MT	ASK MT
BNSF Shuttle Trains	\$ 1,500.00	\$ 2,100.00	\$ 0.38	\$ 0.53	\$ 14.76	\$ 20.67
UPRR Shuttle Trains	\$ 200.00	\$ 500.00	\$ 0.05	\$ 0.13	\$ 1.97	\$ 4.92

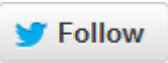
Best Regards,

Jay

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