HJ O'NEIL COMMODITY CONSULTING

Transportation and Export Report for 17 March 2022

The market is trading headlines; and the headlines change every other day. The conflict in Ukraine is still the dominate issue and it is impacting fuel, commodity, and freight values. Market volatility is historically high as values swing violently up and down with the latest news. One moment it seems like the end of the world, and the next, everything is going to be fine again. It is impossible to know what tomorrow will bring. All I know is that markets hate surprises. Freight markets are lower this week but ending the week slightly better than the mid-week lows. Market traders must be ready for further surprises.
Container markets are showing some improvement, meaning slightly lower rates and slight improvement in some logistics. But this could be temporary ? Hold on tight to your hat.

BALTIC DRY-BULK PANAMAX INDEX CHANGES

Panamax Ocean Freight Indices					
17-Mar-2022		This Week	Last Week	Difference	Percent Change
P2A: Gulf/Atlantic - Japan	Index	31436	35627	-4,191	-11.8%
P3A: PNW/Pacific - Korea	Index	27413	33275	-5,862	-17.6%
S1C: US GULF-China-So.Japan	Index	29314	28429	885	3.1%
P7: Trial- Miss. River - Qingdao	per ton	74.07	79.40	-5.3	-6.7%
P8: Trial- Santos - Qingdao	per ton	63.86	69.42	-5.6	-8.0%

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

Four weeks ago:	$7.00-$8.00
Three weeks ago:	$8.50-$10.49
Two weeks ago:	$10.30-$10.40
One week ago:	$10.50-$12.00
This week	$12.00-$12.50

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

Mississippi River:	(10 elevators)	2-7 days (9 facilities operating.)
Mid-Stream loaders:	(6+ Rigs)	1-2 days
Texas Gulf	(5 elevators)	0-5 days (4 Facilities at Zero days)
Pacific Northwest:	(9 elevators)	1 - 11 days (4 facilities at 4 or less days)

AGP Grays Harbor/PNW is loading soymeal via a temporary mobile conveyor system. Expects to be back up with full repairs and improved system by June.

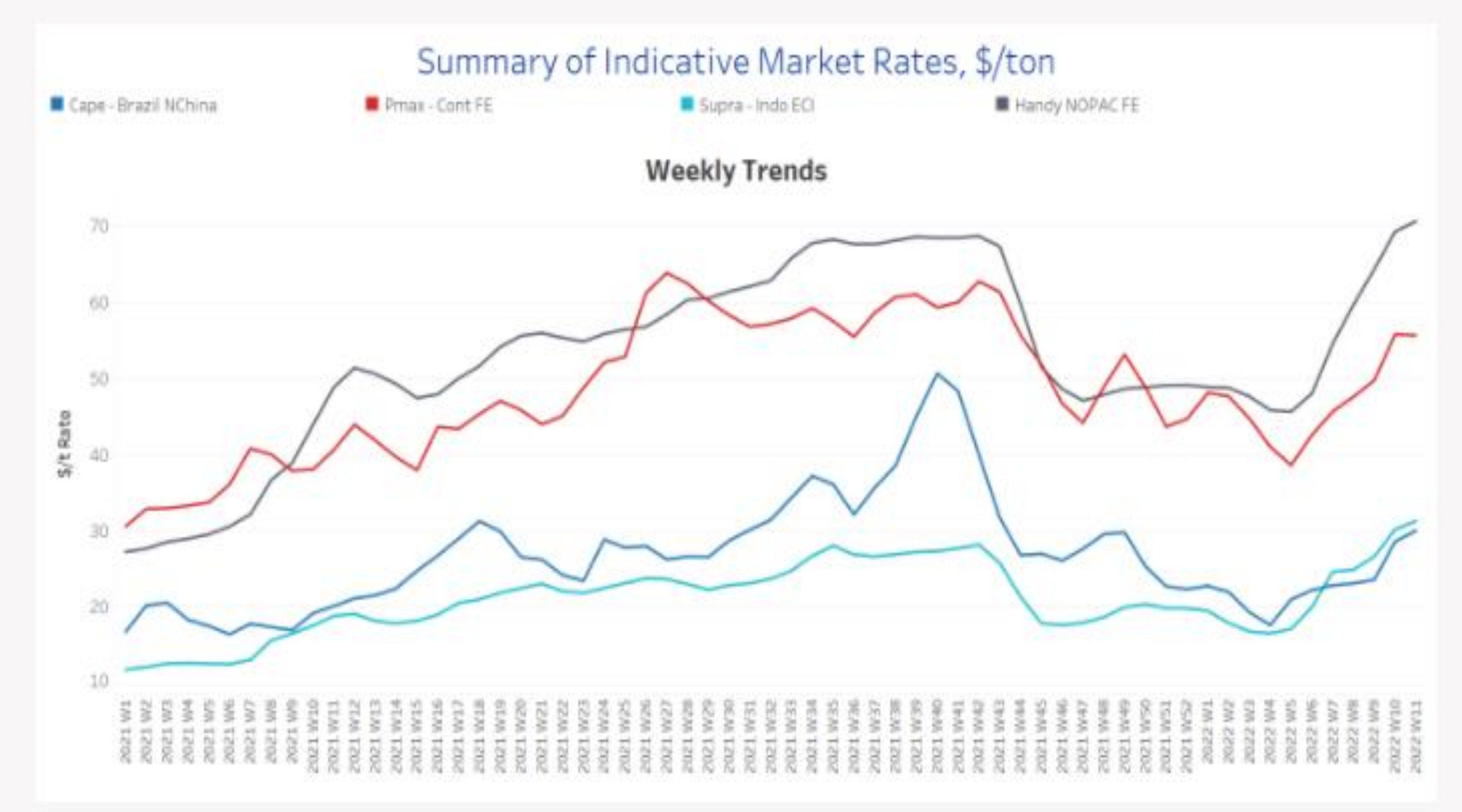
Panamax Market Spreads to Asia -China					
17-Mar-2022	GULF	PNW	Bushel Spread	Tonne Spread	Advantage
CORN	2.00	2.45	0.45	$17.72	PNW
SOYBEANS	1.85	2.45	0.60	$22.05	PNW
OCEAN FREIGHT	$74.00	$42.00	.88 -.94	$32.00	APRIL

Current Grain Vessel Market Indications:

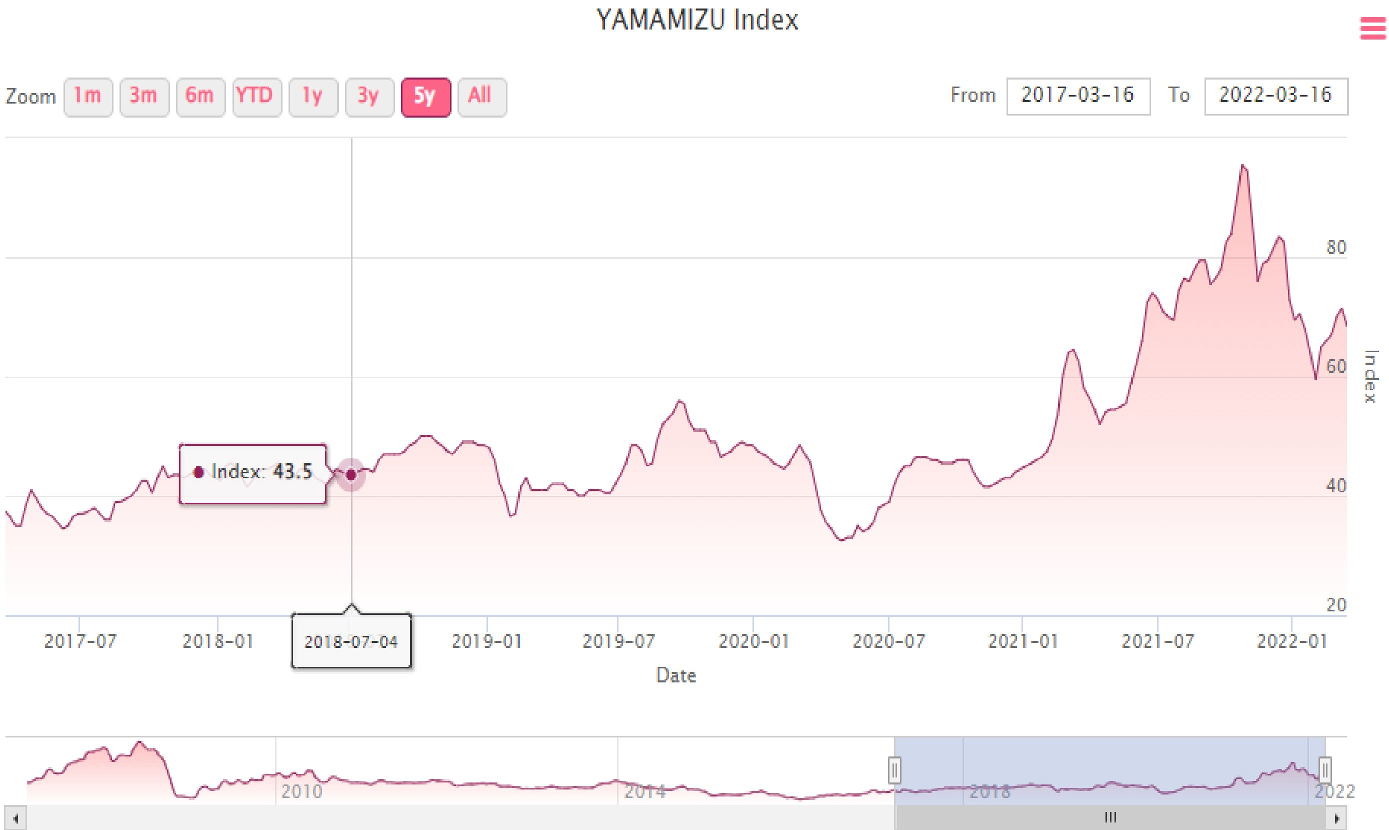
** Below rates are estimates for the nearby-30-day period. 60-90 days forward physical rates will usually be higher.
Soybean Panamax USG to Spain is running $52.00 -$53.50/mt.
Soybean Brazil to Spain about $62.00 -64.50/mt.

Route and Vessel Size	Current Week USD/MT	Change from previous week	Remarks
55,000 U.S. Gulf-Japan	$74.50	Down $4.50	Handymax $74.00 mt
55,000 U.S. PNW- Japan	$44.25	Down $1.50	Handymax at $44.00 mt
65,000 U.S. Gulf – China PNW to China	$74.00 $42.50	Down $4.00 Down $1.50	North or South China
25,000 U.S. Gulf- Veracruz, México	$27.50	Down $1.00	3,000 MT daily discharge rate
35-40,000 U.S. Gulf- Veracruz, México	$24.50	Down $0.50	Deep draft and 6,000 MT per day discharge rate.
30-38,000 U.S. Gulf- Colombia 50,000 USG- E/C Colombia East Coast Colombia From Argentina	$41.75 $41.00 $53.50	Down $1.00	West Coast Colombia at $50.00
40-45,000 U.S. Gulf - Guatemala	$50.00	Down $1.00	Acajutla/Quetzal - 8,000 out
30,000 US Gulf-Morocco	$67.00	Down $1.50	5,000 discharge rate
55-60,000 U.S. Gulf –Egypt PNW to Egypt	$66.50 $66.50	Down $1.50	55,000-60,000 mt Egypt Romania - Russia- Ukraine $29.00-$31.000- ? France $38.50
58-74,000 U.S. Gulf – Europe – Rotterdam	$29.50	Unchanged	Handymax at +$2.50 more
Brazil, Santos –China Brazil, Santos –China Up-River Port North Brazil	$65.50 $63.00 $71.50	Down $4.00	54-59,000 Supramax-Panamax 60-66,000 Post Panamax 55-60,000 mt
56-60,000 Argentina-China Deep draft	$70.50	Down $4.00	Up-River with Top Off Plus $3.75-$4.00

The Baltic Dry Bulk Freight Index (Breakwave)



Baltic Capesize Index



China Import Dry Bulk Freight Index
2022-03-17

Description	Volume	Cargo	Unit	Rate	Change
Composite Index			Point	1639.32	-37.92
Iron ore Freight Index			Point	1391.93	-61.22
Dampier(West Australia)-Qingdao (China)	170000/10%	Iron ore	$/ton	12.063	-0.422
Soybean Freight Index			Point	1749.75	-10.53
Santos(Brazil)— North China	66000/10%	Soybean	$/ton	62.1	-0.32
Tacoma(West America)—North China	63000/10%	Soybean	$/ton	41.49	-0.21
Mississippi(US Gulf)—North China	66000/10%	Soybean	$/ton	73.9	-0.56

17 March 2022 U.S. FOB Vessel Export Market Values:

U.S. Yellow Corn (USD/MT) FOB Vessel					CORN	FUTURES
#2 YC	GULF # 2 YC		PNW # 3 YC		K =	7.5450
Max. 14.5% moisture	BASIS	FLAT PRICE	BASIS	FLAT PRICE	N =	7.1875
April	2.00	**$375.77**	2.45	**$393.48**	U =	6.6750
May	1.75	**$365.92**	2.17	**$382.46**	Z =	6.4500
June	1.70	**$349.88**	2.35	**$375.47**	H=	6.4525
July	1.70	**$349.88**	2.35	**$375.47**	K =	6.4550
Aug.	1.85	**$335.61**	2.25	**$351.36**		
Sept.	1.80	**$333.64**	2.25	**$351.36**		

The Gulf spread between #2 & #3 YC is currently about .04 cents per bushel (1.60/mt) at USG but is out to .06/bushel in the PNW.

SORGHUM (USD/MT) FOB VESSEL		
#2 YGS Fob Vessel	TEXAS Gulf	
Max. 14.0% moisture	BASIS	FLAT PRICE
April	3.25	**$424.98**
May	3.25	**$424.98**
June	3.25	**$410.90**
July	3.25	**$410.90**
Aug.	3.25	**$390.73**

Fob vessel Texas Gulf #2 Sorghum is about 113 % 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	
	Apr.	**May**	**Jun.**	**July**
FOB U.S. GULF	$462.23	$460.39	$452.31	$452.31
Basis	1.60	1.55	1.55	1.55
WK	10.9800			.
WN	10.7600			
WU	10.3075			

PNW Fob Vessel Soybean Basis levels remain a bit of a guess this week.

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	1.85	**$681.04**	2.45	**$703.08**
May	1.78	**$678.47**	2.40	**$701.25**
June	1.75	**$669.56**	2.40	**$693.44**
July	1.75	**$669.56**	2.40	**$693.44**
Aug.	1.85	**$657.43**	2.50	**$681.31**
Soybean Futures				
May	$ 16.6850			
July	$ 16.4725			
Aug.	$ 16.0425			
Sept.	$ 15.2275			
Nov.	$ 14.6925			
Jan.	$ 14.5725			

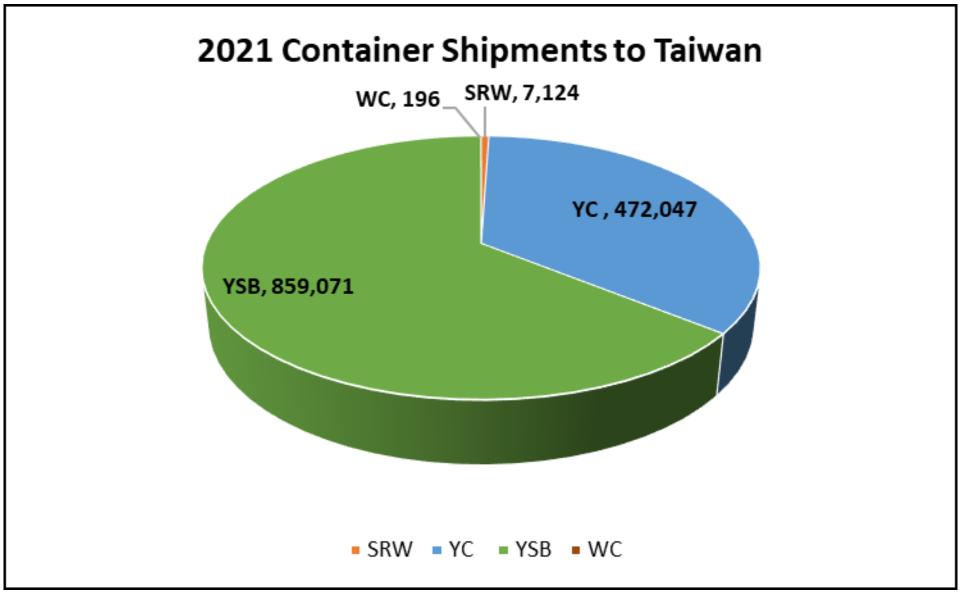
U.S. Soybean and SBM Markets Fob Vessel:

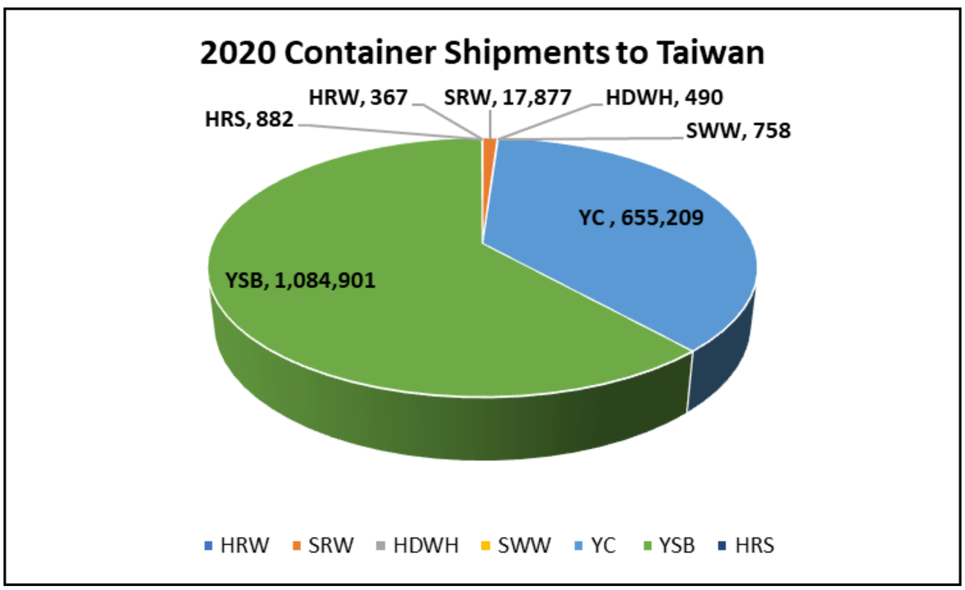
U.S. SBM (USD/MT) FOB Vessel		
Fob U.S. Gulf Port	47.5 Pro. SBM	
max 12.5 % moisture	Basis	Flat Price
April	45.00	**$ 561.72**
May	45.00	**$ 561.72**
June	50.00	**$ 552.90**
July	50.00	**$ 552.90**
Aug.	55.00	**$ 542.87**
SBM Futures		
SMK	$ 474.10	
SMN	$ 464.50	
SMQ	$ 451.50	
SMU	$ 437.40	
SMV	$ 424.40	
SMZ	$ 422.10	

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).*

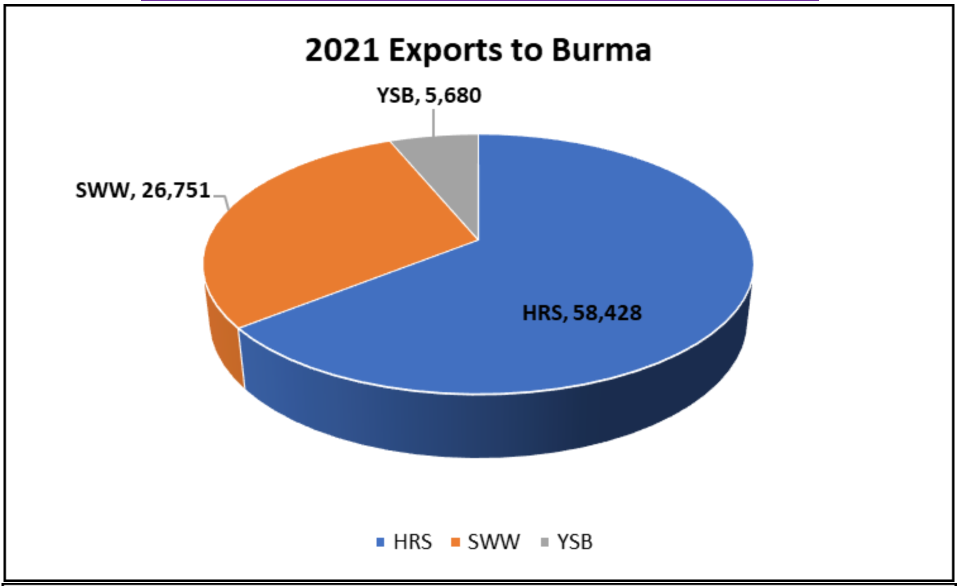
CONTAINER SHIPMENTS of GRAIN									
USDA Grain Inspections Report:			10-Mar-2022						
Last Week	metric tons								MT
	YC	WC	YSB	SRW	NS	SWH	HRW	Sorghum	TOTAL
China			27,430					685	28,115
Taiwan	8,006		15,671						23,677
Hong Kong	24								24
Costa Rica									0
Indonesia			15,232						15,232
French Poly									0
Japan			1,420						1,420
Korea Rep.	1,518		416						1,934
Ireland		48							48
Malaysia			7,542						7,542
Colombia									0
Philippines			392						392
Thailand			1,469			245			1,714
Switzerland	24	24							48
Burma									0
Reunion			24						24
Nepal			1,591						1,591
Vietnam			3,722						3,722
Sub Total:	**9,572**	**72**	**74,909**	**0**	**0**	**245**	**0**	**685**	**85,483**
USDA Corrections/Additions to previous reports:									
Taiwan			759						759
China									0
Hong Kong									0
Korea Rep.				98					98
French Poly									0
Japan									0
Philippines									0
Indonesia			24						24
Malaysia									0
Thailand									0
Vietnam									0
Bangladesh									0
Nepal			489						489
Sub Total:	0	0	1,272	98	0	0	0	0	1,370
Mt. Grand Total	**9,572**	**72**	**76,181**	**98**	**0**	**245**	**0**	**685**	**86,853**
Number of Containers	416	3	3,312	4	0	11	0	30	

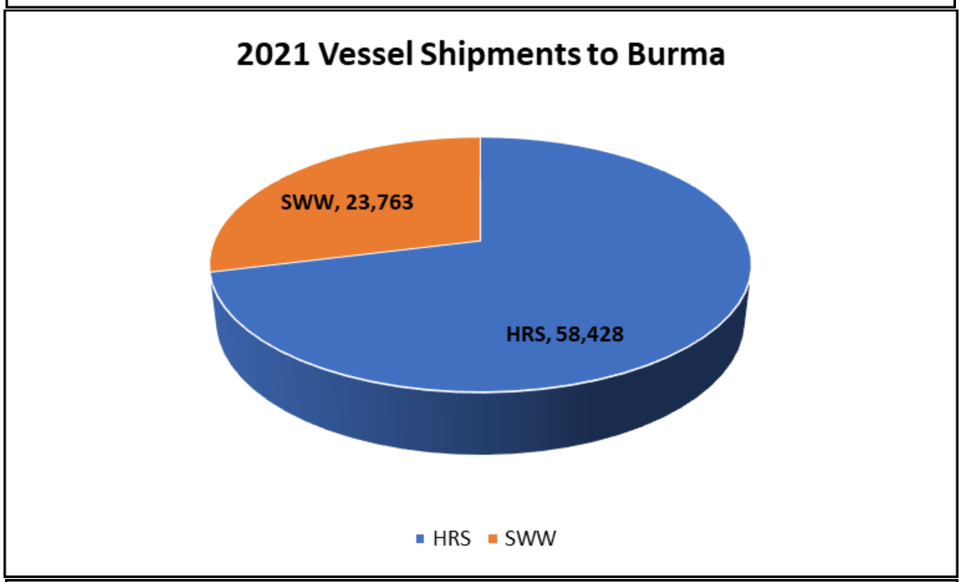
Jan - Dec 2020 Annual Totals versus 2021 Annual Total Container Shipments (in MT)

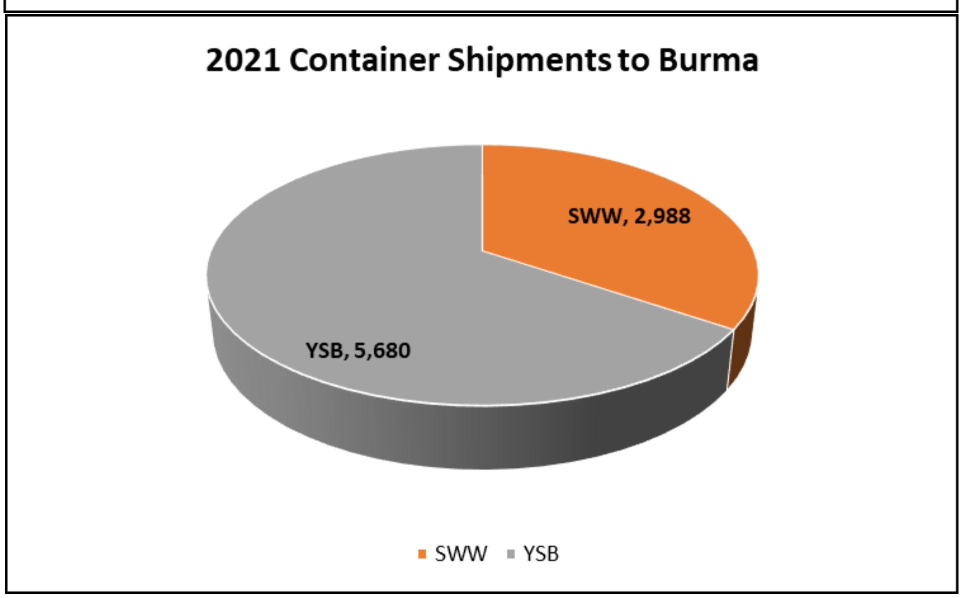




2021 Total Grain Exports reported by USDA (in MT)







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

Source: USDA-data

Shipping News

Lori Ann LaRocco @loriannlarocco · 2h

BREAKING NEWS- @PortofLA overall:
- 857k TEUs, best Feb in Port history, increase of 7.3% YOY
- 420k TEUs imports
- Empties- "record levels"
- More 330k empties
- 18% increase than '21

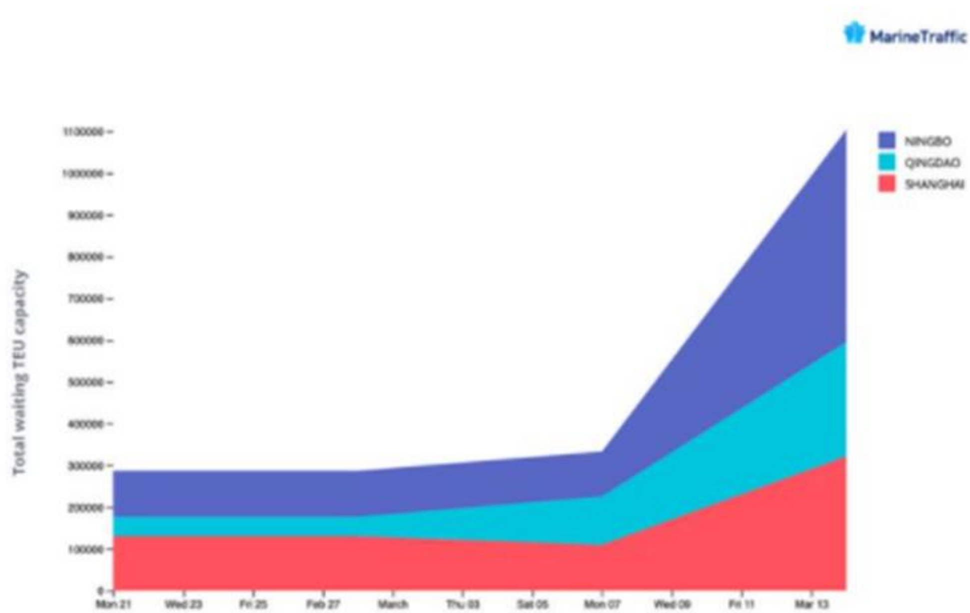
Seroka, "Exports continue to suffer. Drop 36 out of the last 40 months out of the port"

1 4

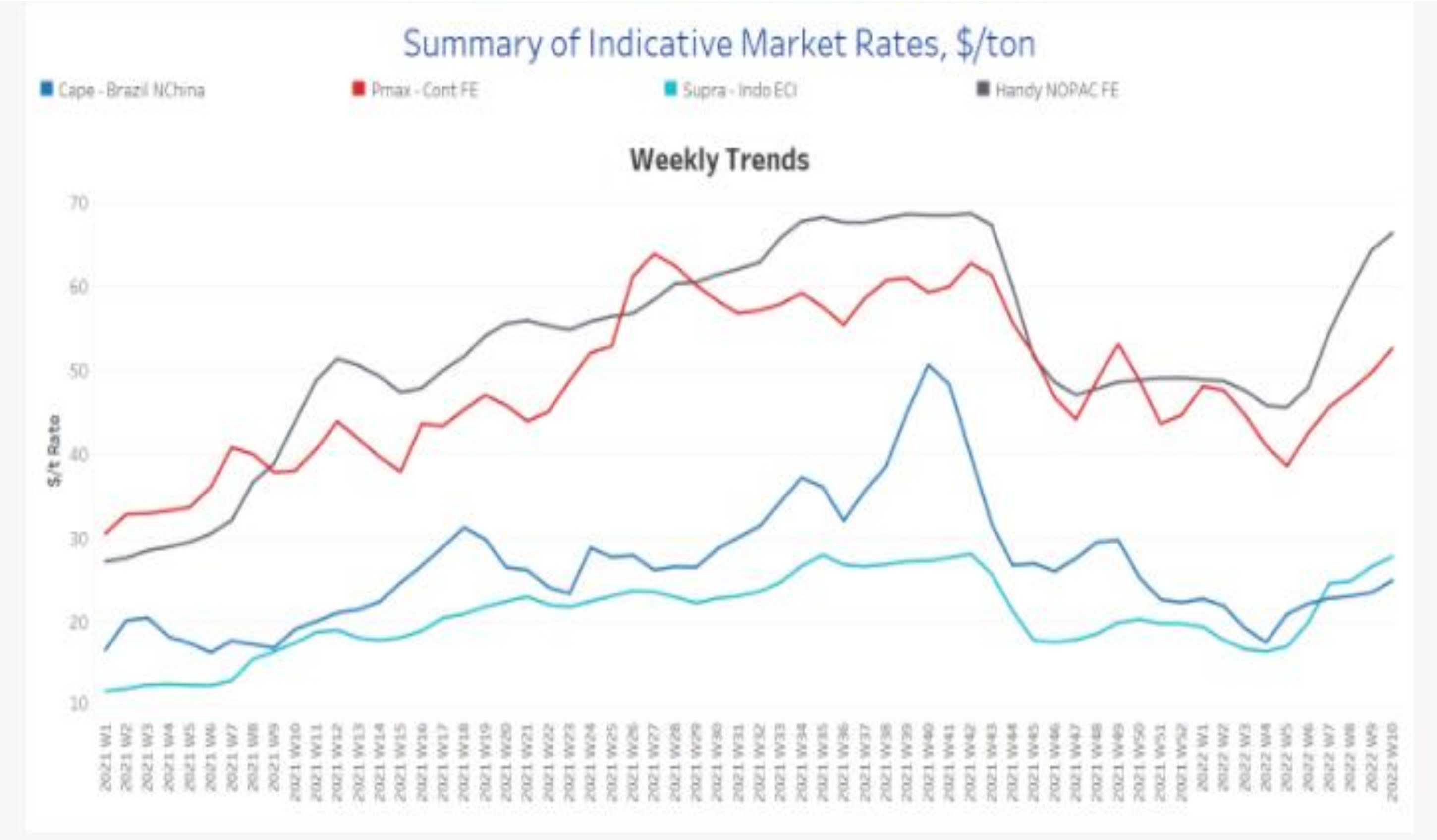
MarineTraffic @MarineTraffic · 7h

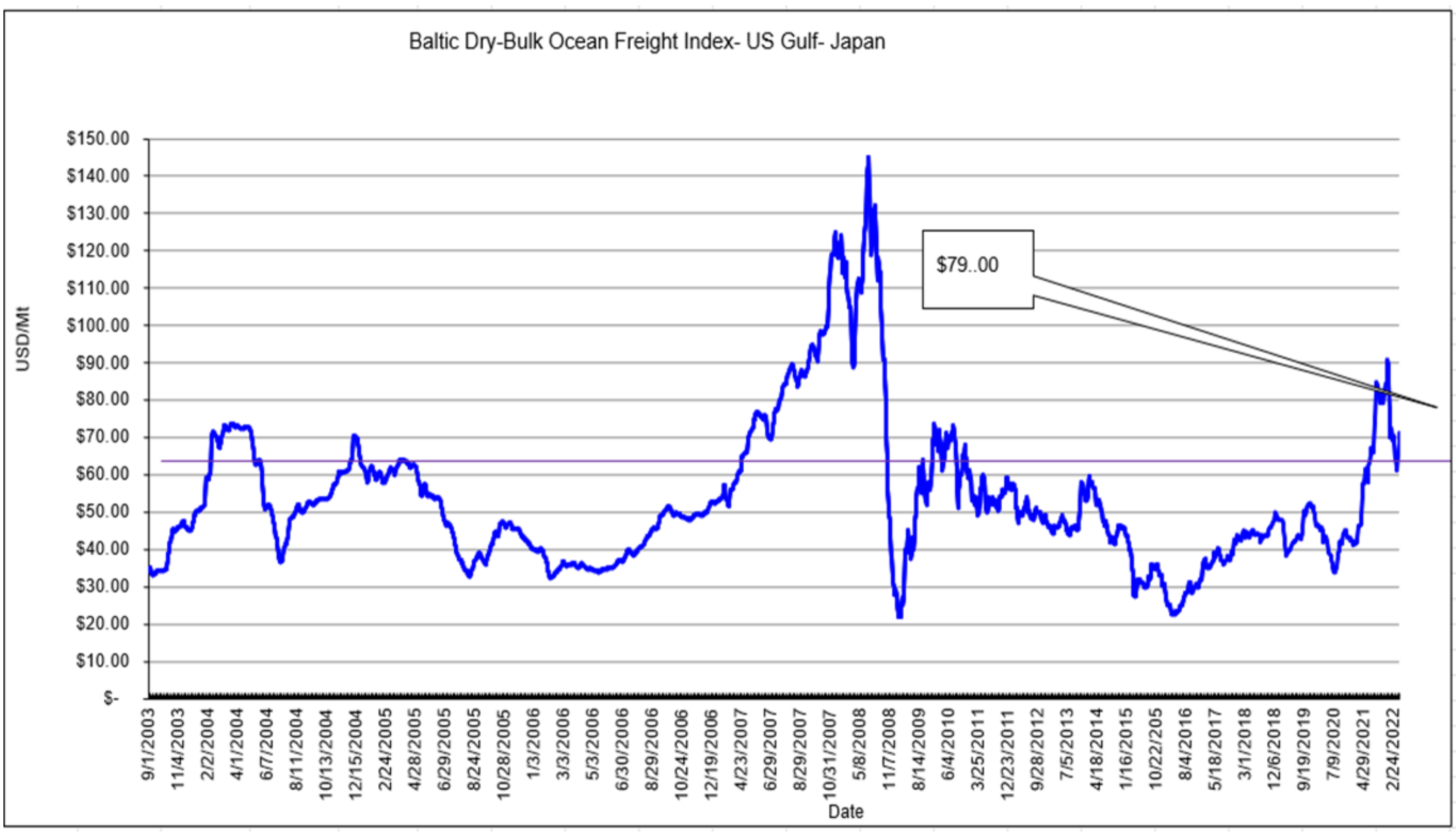
Huge spike in TEU's waiting outside China's key ports

More than 721K TEU's are waiting to be loaded to #China's key ports of Ningbo, Shanghai & Qingdao, 151% up vs 2w ago, AIS data shows.
A growing number of boxships (and TEU's) are now waiting to berth at the Chinese ports 👇



BreakWave-


Summary of Indicative Market Rates, $/ton
Cape - Brazil NChina
Pmax - Cont FE
Supra - Indo ECI
Handy NOPAC FE
Weekly Trends
$/t Rate


Baltic Dry-Bulk Ocean Freight Index- US Gulf- Japan
$79..00
USD/Mt
Date

NGFA declares opening of
Mid-Mississippi River
Pursuant to the NGFA Trade Rules, NGFA has declared that the Mid-Mississippi River opened for navigation as of 7 a.m. on Tuesday, March 15, 2022.

NGFA Barge Freight Trading Rule 18(J) provides as follows: “The Dubuque and South (Mid-Mississippi) opening commences the first 07:00 hours of the first business day after the first empty dry cargo covered barge suitable for loading, originating at or below Winfield, Mo., reaches Dubuque, Iowa. The Mid-Miss opening shall be determined by a majority vote of a three-person committee appointed by the NGFA Chairman and shall be announced by publishing the committee’s confirmation of the opening on the NGFA website.”

Russia-Ukraine News

Pro Farmer @profarmer · 13h

Russia is gradually resuming wheat exports from its Black Sea ports while navigation in the Azov Sea remains restricted, export sources reported. SovEcon said Russia's Black Sea terminals loaded 400,000 MT of wheat last week & that vessels were going in & out of the ports there.

Io's Shipbrokers @losshipbrokers · 26s

#BlackSea being intervened in middle of hot district, remarkable chances observed of grasping about %40-%45 more on rates for loading from some ports in the basin +

Greg Knowler @greg_knowler · 2h

More than 90% of the 1.5 million TEU on China-Europe rail travels via the northern corridor through Russia, but a massive drop in volume is being seen as shippers/forwarders exit the route despite few alternatives joc.com/rail-intermoda...
via @JOC_Updates

1 5 1

Novorossiysk Sees Bulker Traffic: Report

by Ship & Bunker News Team

Wednesday March 9, 2022

Share Share Tweet Follow 11.2K followers

Six bulk carriers are transiting the Black Sea heading to the port of **Novorossiysk**, according to maritime news provider Lloyd's List.

Black Sea port of Novorossiysk. File Image / Pixabay.

Although the company operating the port is on the **European Union** sanctions' list, it is financial transactions that are being targetted not the use of port facilities.

There were **11** bulk carriers at the port as of March 7, according to Lloyd's List Intelligence data cited by the report.

Most ships are in the handysize category, the report added.

While shipping traffic continues to head to Novorossiysk, ships are avoiding Ukrainian destinations.

Only two bulkers have called at **Odessa** since military conflict between Russia and Ukraine began, the report said.

Ship & Bunker News Team

To contact the editor responsible for this story email us at editor@shipandbunker.com

Bloomberg @business · 4m

AgFlow estimates about 73 vessels carrying agricultural staples like wheat departed Russia in the first two weeks of March, versus 220 during the same period last year

bloomberg.com

Russian Grain Keeps Flowing Even as Invasion Slows Shipments

Grain exports from Russia are slowing but continue to flow, with ships calling at the nation's ports even as the war in Ukraine rages on and ...

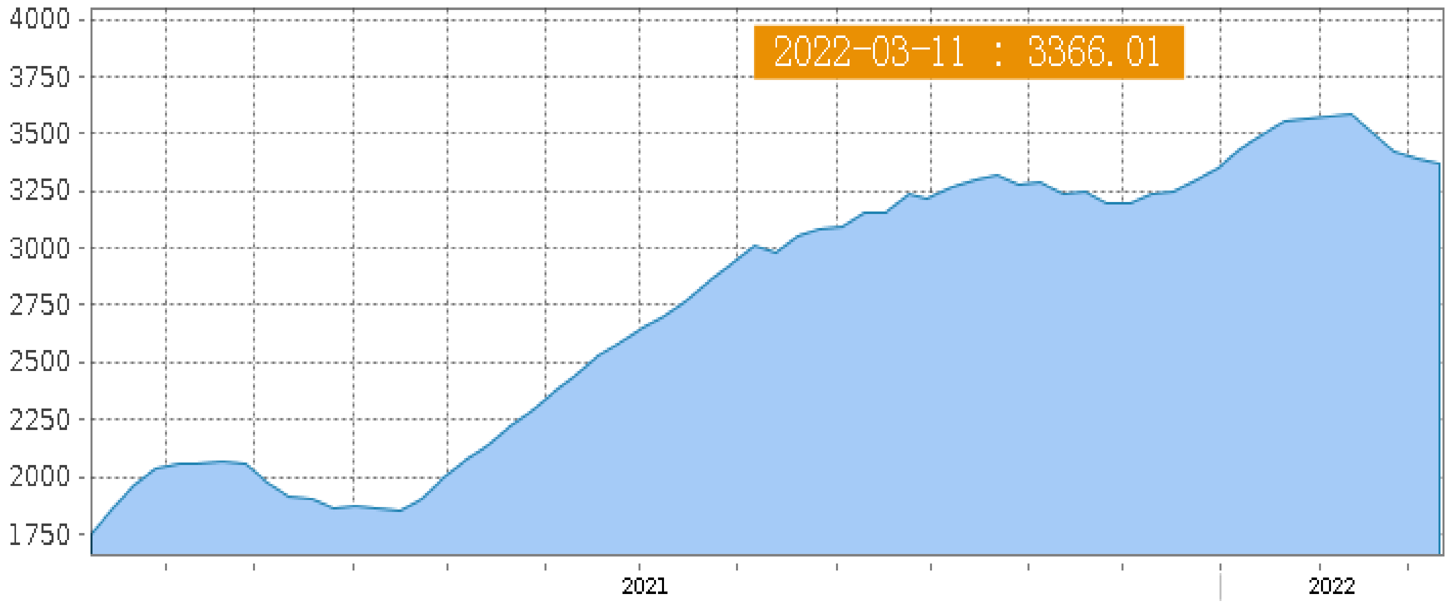
@MedWave Shipping Services - Libya 🇱🇾 @MedWave1 · 14h

#Covid_19 🦠

#Shipping #Maritime #Logistics

Adding to the #UkraineCrisis catastrophe, there are now around 40m Chinese in new lockdown incl. almost every citizen in #Shenzhen, the 🌍's 4th largest container port with daily risks of new port congestion

China Containerized Freight Index



China Import Dry Bulk Freight Index

Secondary Rail Car Market for Car placement period: First Half April 2022

Secondary Rail Car Market Placement FH. April 2022	BID USD	ASK USD	BID BU.	ASK BU.	BID MT	ASK MT
BNSF Shutle Trains	$ 2,800.00	$ 4,000.00	$ 0.70	$ 1.00	$ 27.56	$ 39.37
UPRR Shuttle Trains	$ 3,000.00	$ 4,000.00	$ 0.75	$ 1.00	$ 29.53	$ 39.37

U.S. RIVER BARGE FREIGHT

Barge Freight for Loading Placement First Half April 2022

Placement FH. April 2022	% of		Corn	Soybeans-Wheat
	Tariff	MT	BU	BU
Upper Mississippi	925	$63.11	1.60	1.72
Illinois River (Pekin and South)	875	$58.00	1.47	1.58
Mid-Mississippi	900	$44.25	1.12	1.20
Lower Ohio	925	$45.48	1.16	1.24
St. Louis	825	$36.28	0.92	0.99

Best Regards,

Jay

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