Transportation and Export Report for 19 March 2020

Ocean Freight Insights and Comments:

Not only are we living in interesting times; these are very unusual and chaotic times. Other than those who are over 90 years old, Few of us have experienced such an environment. Financial and oil markets have taken a big dip, and this is impacting global economies and, in turn, ocean freight markets. Ocean carriers have been trying to keep their heads above water by resisting sales at lower levels, but those efforts have been met with substantial pushback.

The primary Dry-Bulk market impact from COVID19 has been the slack cargo demand. We have not yet seen many physical restrictions to the movement of vessel in or out of world ports. The port of Houston Texas has temporarily closed the Bayport and Barbours container terminals due to employees testing positive for COVID19. The port of Fuzhou China is starting to quarantine incoming ships from countries including the U.S. for 14 days. There have been some loading delays in Argentina due to unclear, and ever-changing regulations, but that tends to be the norm for Argentina. Many ports have placed restrictions on the movement of foreign crew members and the ability to exchange vessel crews while in some countries and cities. But the overall ability to move cargo remains very fluid. Now we just need more business.

BALTIC DRY-BULK PANAMAX INDEX CHANGES

Panamax Ocean Freight Indices				
19-Mar-2020	This Week	Last Week	Difference	Percent Change
P2A : Gulf/Atlantic - Japan	16745	16797	-52	-0.3%
P3A - PNW/Pacific - Japan	6081	6154	-73	-1.2%
S1C -USGULF-China-So.Japan	20872	21150	-278	-1.3%
P7- Trial- Miss. River - Qingdao	39201	41264	-2,063	-5.0%
P8- Trial- Santos - Qingdao	29290	24995	4,295	17.2%

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

Four weeks ago:	$5.80.-$5.90
Three weeks ago:	$5.50-$5.70
Two weeks ago:	$5.25-$5.45
One week ago:	$4.50-$4.75
This week	$4.25-$4.55

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

Mississippi River:	(10 elevators)	2-9 days (2 facilities not currently operating)
Miss. River Mid-Stream loaders:	(6+ Rigs)	0-2 days
Texas Gulf	(5 elevators)	2-7 days (2 facilities at zero days)
Pacific Northwest:	(9 elevators)	1-7 days

Panamax Market Spreads to Asia -China					
19-Mar-2020	PNW	GULF	Bushel Spread	MT Spread	Advantage
CORN	0.97	0.75	0.22	$8.66	PNW
SOYBEANS	1.12	0.74	0.38	$14.96	PNW
OCEAN FREIGHT	$20.50	$40.00	.50-.53	$19.50	April

Recent Reported Vessel Fixtures:

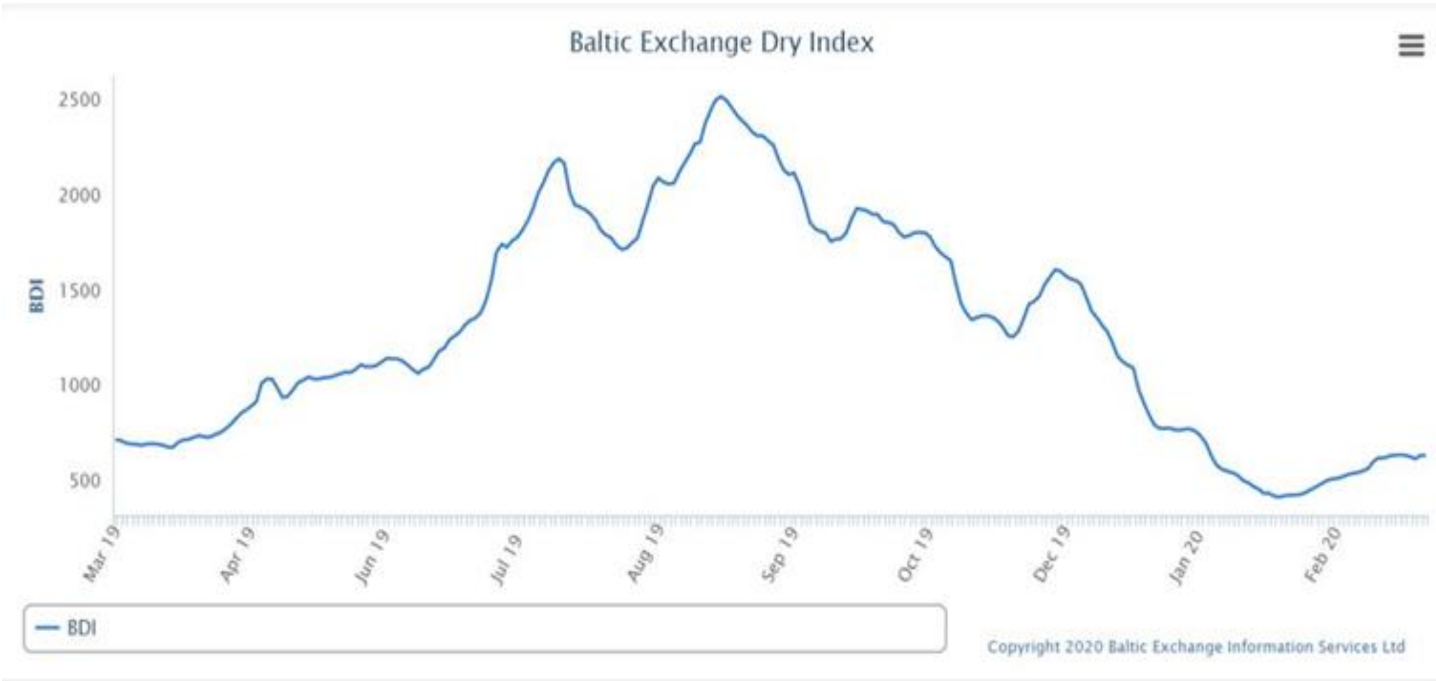
** Below rates are estimates for the nearby slots. 60-90 days forward rates will be higher.

Soybean Panamax USG to Spain is running $17.00/mt.
Soybean Brazil to Spain at about $19.75/mt.
30,000 mt Corn Northern Brazil to Vera Cruz, Mexico $16.50-$17.00/mt .To U.S. E/C about $18.50-19.00/mt

Route and Vessel Size	Current Week USD/MT	Change from previous week	Remarks
55,000 U.S. Gulf-Japan	$41.25	Down $0.50	Handymax $43.0 mt
55,000 U.S. PNW- Japan	$21.25	Down $2.00	Handymax $24.50 mt
66,000 U.S. Gulf – China PNW to China	$40.00 $20.50	Down $2.00 Down $2.00	North China
25,000 U.S. Gulf- Veracruz, México	$15.25	Down $0.75	3,000 MT daily discharge rate
30-36,000+ U.S. Gulf-Veracruz, México	$12.50	Down $0.75	Deep draft and 6,000 MT per day discharge rate.
30-38,000 U.S. Gulf- East Coast Colombia From Argentina	$18.00 $31.50	Down $0.25	West Coast Colombia at $26.50 USG to E/C 50,000 mt at $14.50
43-45,000 U.S. Gulf - Guatemala	$27.25	Down $0.25	Acajutla/Quetzal - 8,000 out
26-30,000 U.S. Gulf – Algeria	$31.75 $32.25	Down $1.75	8,000 mt daily discharge 3,000 mt daily discharge
26-30,000 US Gulf-Morocco	$32.00	Down $1.75	5,000 discharge rate
55-60,000 U.S. Gulf –Egypt PNW to Egypt	$23.50 $23.50	Down $2.00	60,000 -55,000 mt Romania- Russia- Ukraine $11.00 -$10.50 -$11.00 France $15.00
60-70,000 U.S. Gulf – Europe – Rotterdam	$13.00	Down $0.75	Handymax at +$1.75 more
Brazil, Santos – China Brazil, Santos – China Northern Coast Brazil	$28.50 $27.00 $31.00	Down $3.00	54-59,000 Supramax-Panamax 60-66,000 Post Panamax Upriver No. Brazil Plus -55,000 mt Plus $7.50/mt
56-60,000 Argentina/Rosario-China Deep Draft	$31.50	Down $2.50	Upriver with BB Top Off $36.00

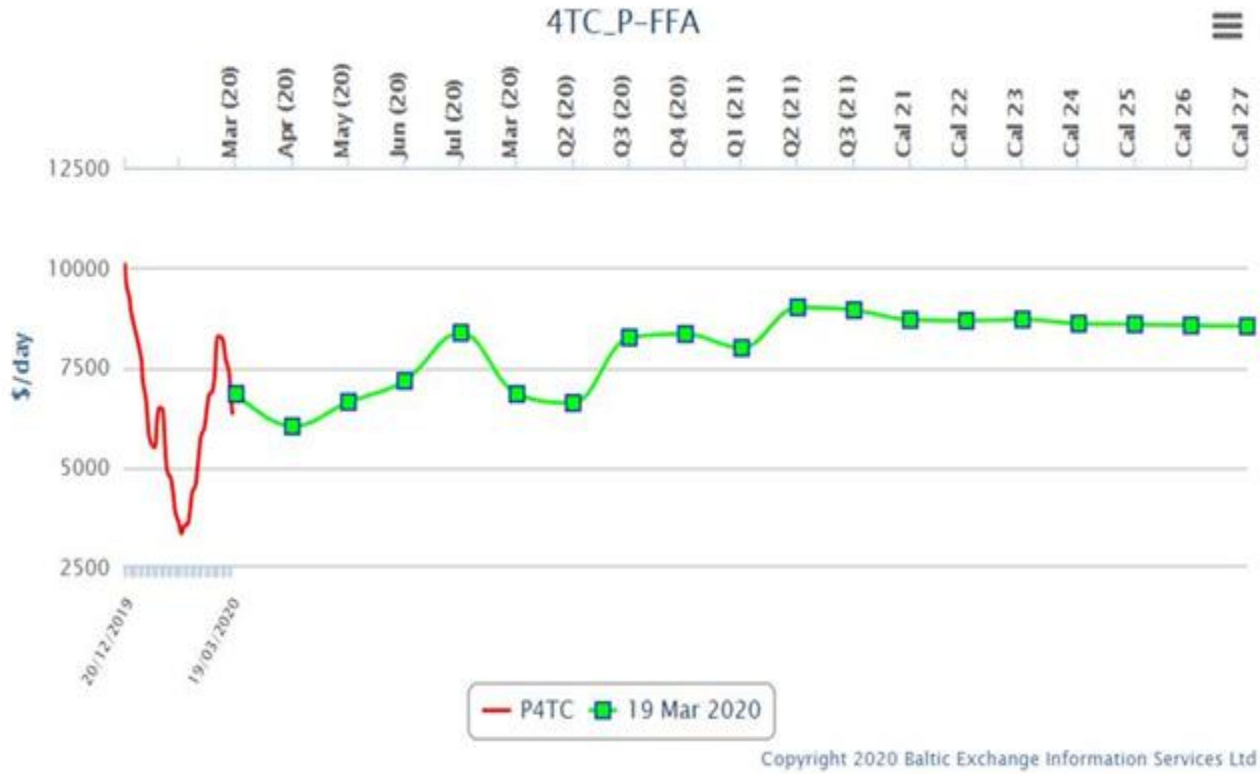
- **The above rate estimates reflect the 20-30-day forward ocean freight markets.**

Baltic Dry Bulk Index.

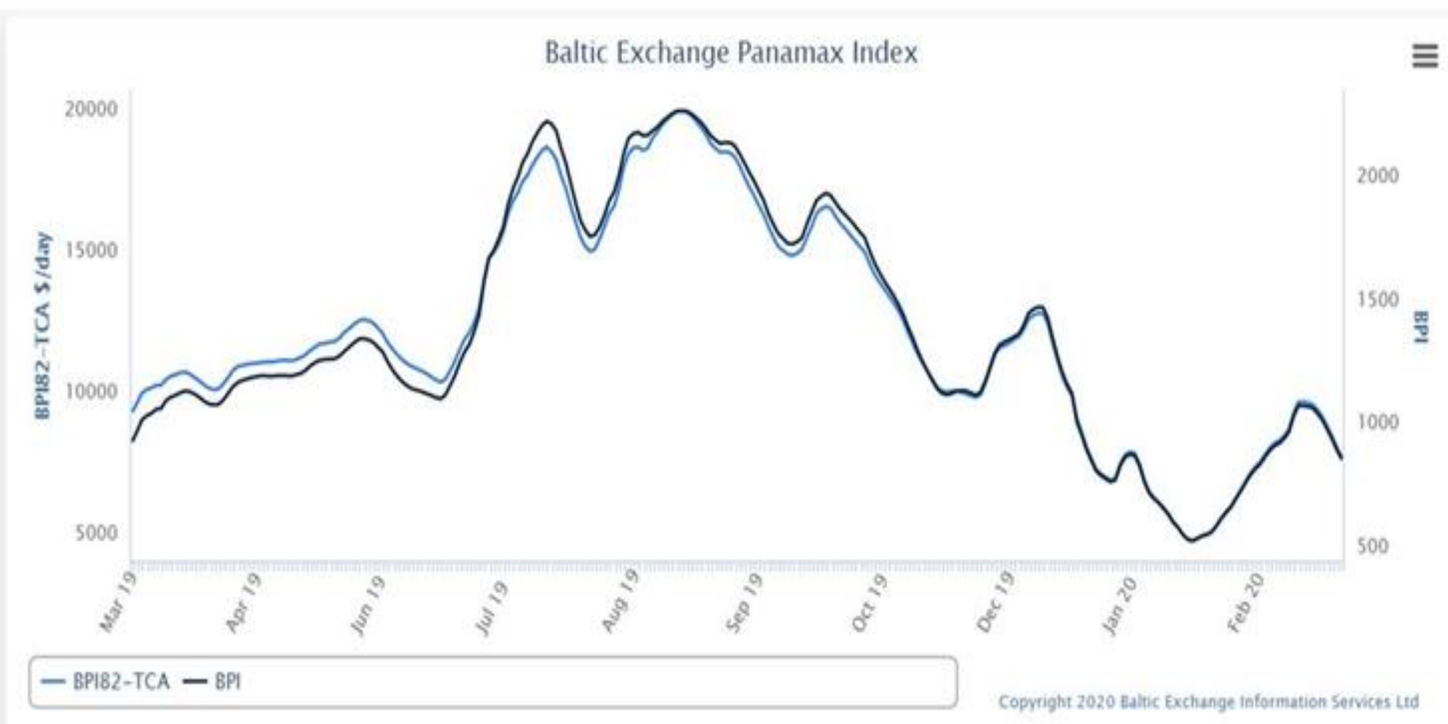


Capesize Forward Curve

Baltic Panamax Forward Curve Chart

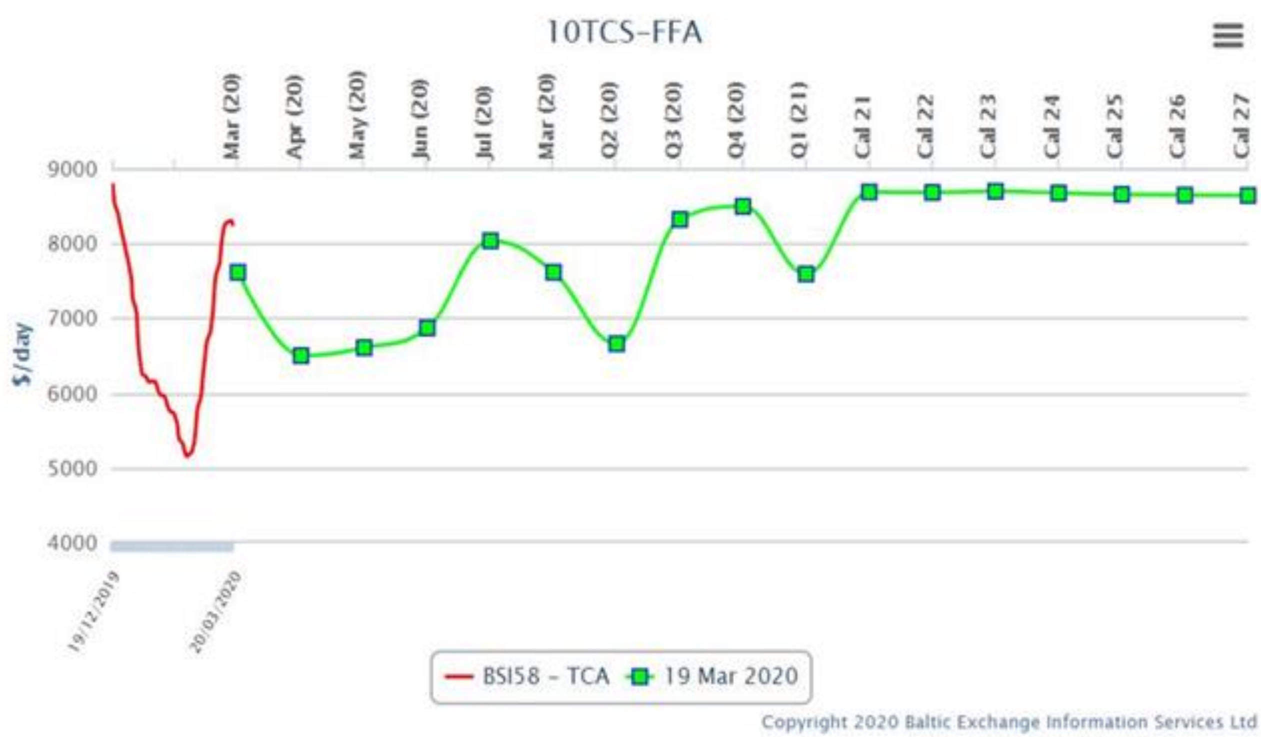


Baltic Panamax Index

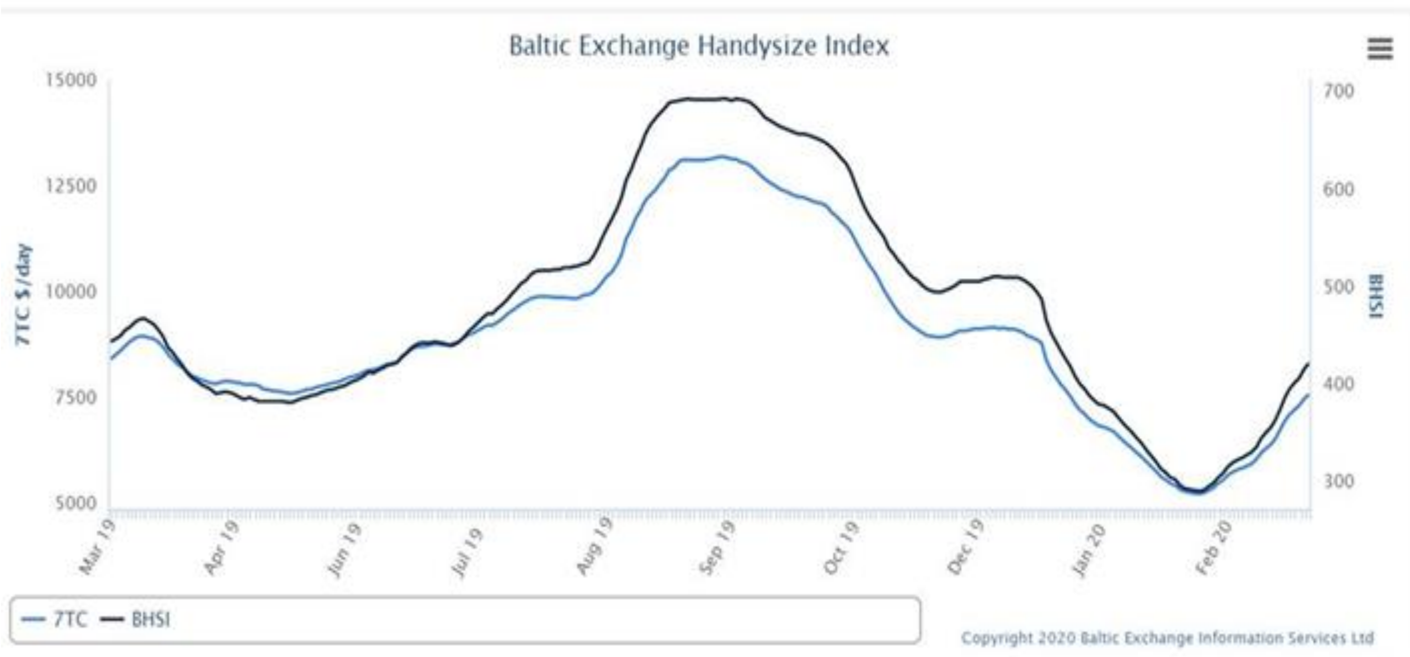


Baltic Supramax Vessel Index

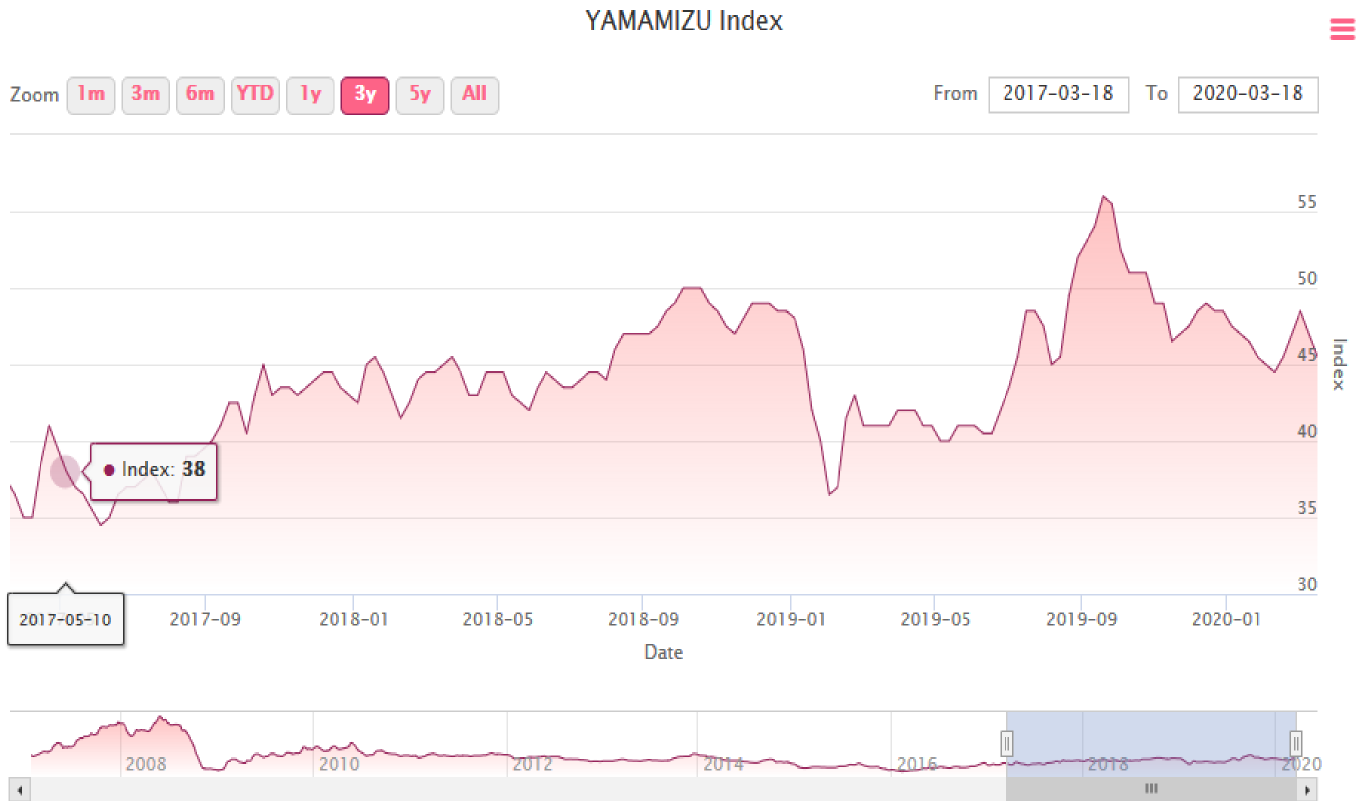
Supramax Dry-Bulk Forward Curve



Baltic Handy Size Vessel Index



Baltic Handy Size Forward Curve



China Import Dry Bulk Freight Index
2020-03-19

Description	Size MT	Cargo/Vessel Size	Unit	Rate	Change
Composite Index			Point	622.58	-12.31
Iron ore Freight Index			Point	515.77	-13.73
Dampier(West Australia)-Qingdao (China)	170000/10%	Iron ore	$/ton	4.253	-0.188
Tubarao(Brazil)-Qingdao(China)	170000/10%	Iron ore	$/ton	10.271	-0.136
Soybean Freight Index			Point	836.94	-16.6
Santos(Brazil)—North China	60000/10%	Soybean	$/ton	26.869	-0.606
Tacoma(West America)—North China	60000/10%	Soybean	$/ton	20.438	-0.519
Mississippi(US Gulf)—North China	66000/10%	Soybean	$/ton	39.821	-0.607
Mississippi(US Gulf)—North China	55000/10%	Soybean	$/ton	41.875	-0.608

19 March 2020 U.S. FOB Vessel Export Market Values:

U.S. Yellow Corn (USD/MT) FOB Vessel				
#2 YC	GULF # 2 YC		PNW # 3 YC	
Max. 14.5% moisture	BASIS	FLAT PRICE	BASIS	FLAT PRICE
April	0.75	**$165.54**	0.97	**$174.20**
May	0.75	**$165.54**	0.97	**$174.20**
June	0.70	**$165.74**	0.95	**$175.58**
July	0.70	**$165.74**	0.96	**$175.97**
Aug.	0.69	**$167.21**	0.96	**$177.84**
Sept.	0.70	**$167.61**	1.00	**$179.42**

The Gulf spread between #2 & #3 YC is currently about .03 cents per bushel (1.18/mt)

SORGHUM (USD/MT) FOB VESSEL				
#2 YGS Fob Vessel	NOLA		TEXAS	
Max. 14.0% moisture	BASIS	FLAT PRICE	BASIS	FLAT PRICE
April	1.45	**$193.10**	1.35	**$189.16**
May	1.45	**$193.10**	1.35	**$189.16**
June	1.45	**$195.26**	1.30	**$189.36**
July	1.40	**$193.30**	1.25	**$187.39**
Aug.	1.40	**$195.17**	1.25	**$189.26**

Fob vessel Texas Gulf #2 Sorghum is about 114% the value of #2 Yellow Corn at NOLA. But trading at a 85% - 89% of corn to farmers in Western Kansas.

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	$236.99	$235.16	$267.31	$265.47
Basis	1.10	1.05	0.95	0.90
WK	5.3500			.
WN	6.3250			
WU	3.3550			

19-Mar-2020 CME Corn Futures	Close Bushel	This Week MT.	Last Week. Bushel	Last Week. Bu. Diff.	Last Week MT	MT Diff.
May	$ 3.4550	$ 136.02	$ 3.8175	(0.3625)	$ 150.29	$ (14.27)
July	$ 3.5100	$ 138.18	$ 3.8275	(0.3175)	$ 150.68	$ (12.50)
Sept.	$ 3.5575	$ 140.05	$ 3.8000	(0.2425)	$ 149.60	$ (9.55)
Dec.	$ 3.6325	$ 143.00	$ 3.8375	(0.2050)	$ 151.07	$ (8.07)
Mar..	$ 3.7350	$ 147.04	$ 3.9350	(0.2000)	$ 154.91	$ (7.87)
May	$ 3.8650	$ 152.16	$ 3.9850	(0.1200)	$ 156.88	$ (4.72)

CBOT May. 2020 (CK20) CORN Futures Chart –

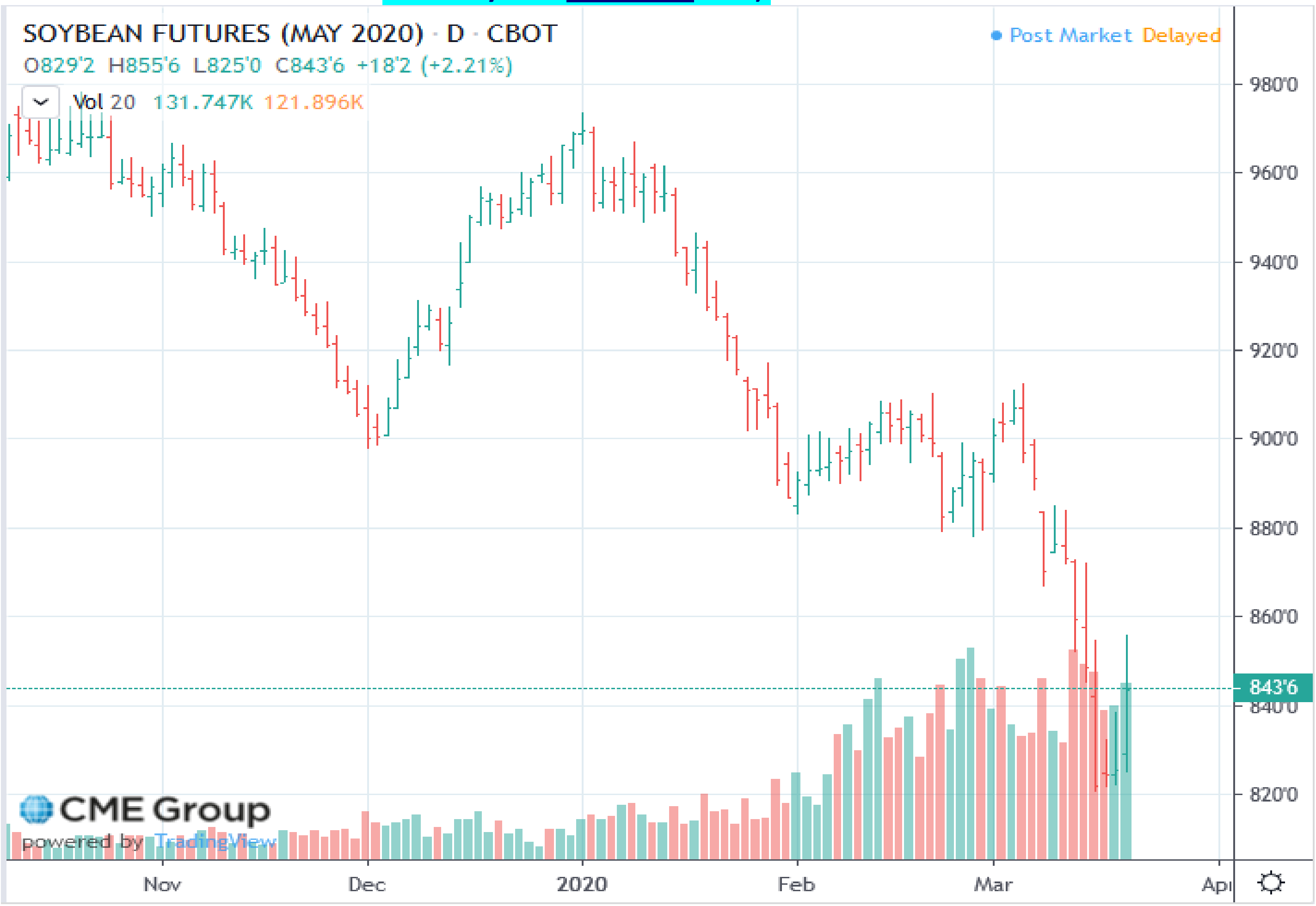
CME/CBOT May 2020 (WK20) SRW Wheat Futures Chart –

U.S. Soybean and SBM Markets Fob Vessel:

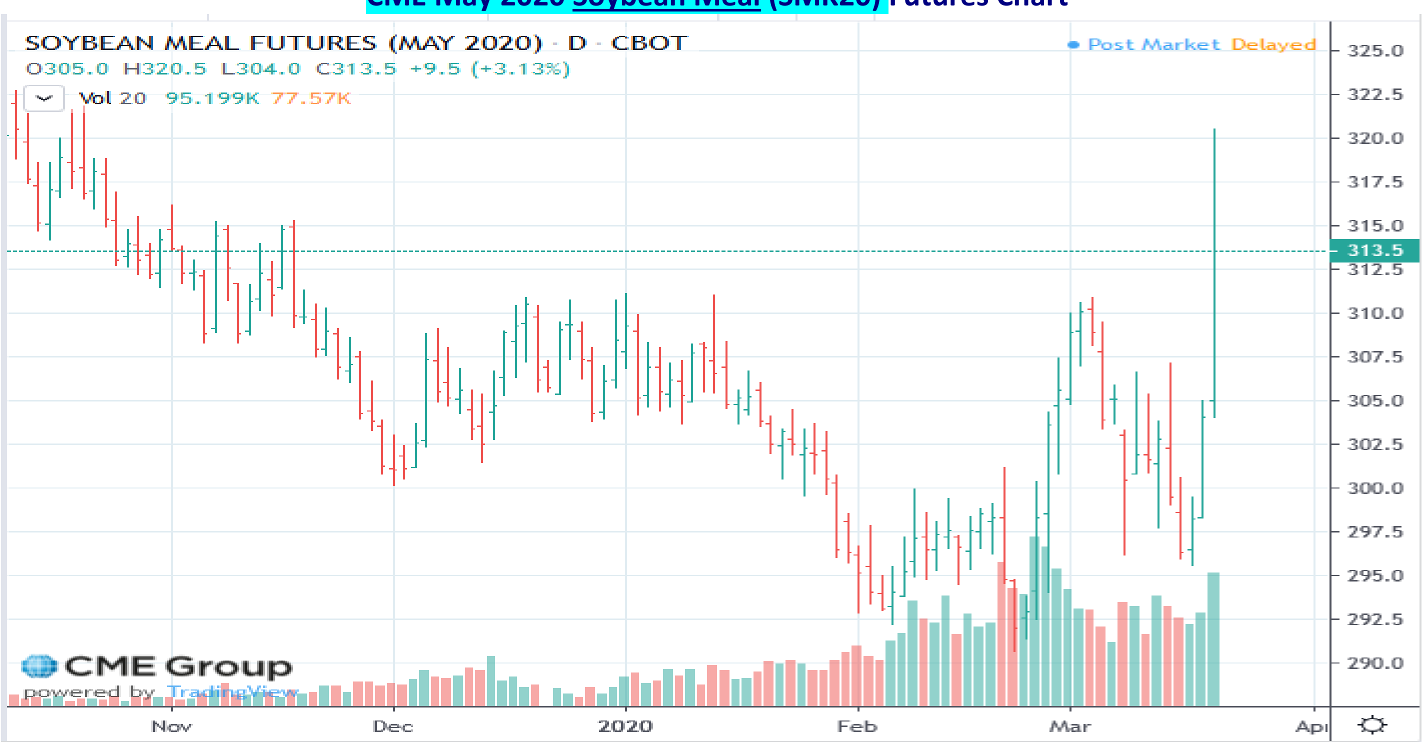
U.S. Yellow Soybeans (USD/MT) FOB Vessel				
# 2 YSB	**U.S. Gulf #2 YSB**		**PNW #2 YSB**	
14.0 % Moisture	Basis	Flat Price	Basis	Flat Price
April	0.74	**$337.03**	1.12	**$350.99**
May	0.76	**$337.76**	1.12	**$350.99**
June	0.74	**$338.77**	1.12	**$352.74**
July	0.72	**$338.04**	1.12	**$352.74**
Aug.	0.70	**$337.76**	1.12	**$353.20**
Soybean Futures				
May	$ 8.4325			
July	$ 8.4800			
Aug.	$ 8.4925			
Sept.	$ 8.4725			
Nov.	$ 8.4850			
Jan.	$ 8.4800			

U.S. SBM (USD/MT) FOB Vessel		
Fob U.S. Gulf Port	**47.5 Pro. SBM**	
max 12.5 % moisture	Basis	Flat Price
April	13.00	**$ 361.40**
May	13.00	**$ 361.40**
June	10.00	**$ 348.39**
July	10.00	**$ 348.39**
Aug.	12.00	**$ 344.97**
SBM Futures		
SMK	314.80	
SMN	306.00	
SMQ	300.90	
SMU	299.20	
SMV	298.60	
SMZ	299.70	

CME May 2020 Soybean (SK20) Futures Chart:



CME May 2020 Soybean Meal (SMK20) Futures Chart



U.S. EXPORT STATISTICS: Report Activity as of Week Ending 05 March 2020
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 '20-21 (000 MT)
Corn	1599.1	28,113.2	43,820	64%	1,601.7
Sorghum	320.2	1,999.0	3,430	58%	33.0
Soybeans	410.2	34,368.1	49,670	69%	344.8
Wheat	462.3	23,631.5	27,220	87%	455.6
Barley	0.0	49.1	110	45%	31.0

U.S. EXPORT INSPECTIONS:
Monday's report 16 March 2020 for the Export week ending 12 March 2020

	Export Inspections		Current Market Year YTD	Previous Year to Date	2019/20 YTD as Percent of 2018/19 YTD
	This Week	Previous Week			
Corn	977,879	829,865	15,925,674	27,424,573	58%
Sorghum	76,528	58,711	1,536,916	974,701	158%
Soybeans	436,358	579,102	30,573,717	27,707,970	110%
Wheat	449,653	459,400	19,722,391	18,011,087	110%
Barley	1,197	0	30,328	7,810	388%

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

U.S. EXPORT INSPECTIONS:
Monday's report 16 March 2020 for the Export week ending 12 March 2020

Last Week								
(Metric Tons)	YC	%	WC	%	Sorghum	%	Soybeans	%
Lakes	0	0%	0	0%	0	0%	0	0%
Atlantic	0	0%	0	0%	0	0%	17,755	4%
Gulf	620,073	66%	42,325	98%	74,513	97%	296,785	68%
PNW	121,792	13%	0	0%	0	0%	10,732	2%
Interior Export Rail	192,691	21%	998	2%	2,015	3%	111,086	25%
Metric Tons	934,556		43,323		76,528		436,358	

Sorghum Shipments:	metric tons	
	71,310	China Main
	3,203	Japan
	2,015	Mexico
	76,528	Total

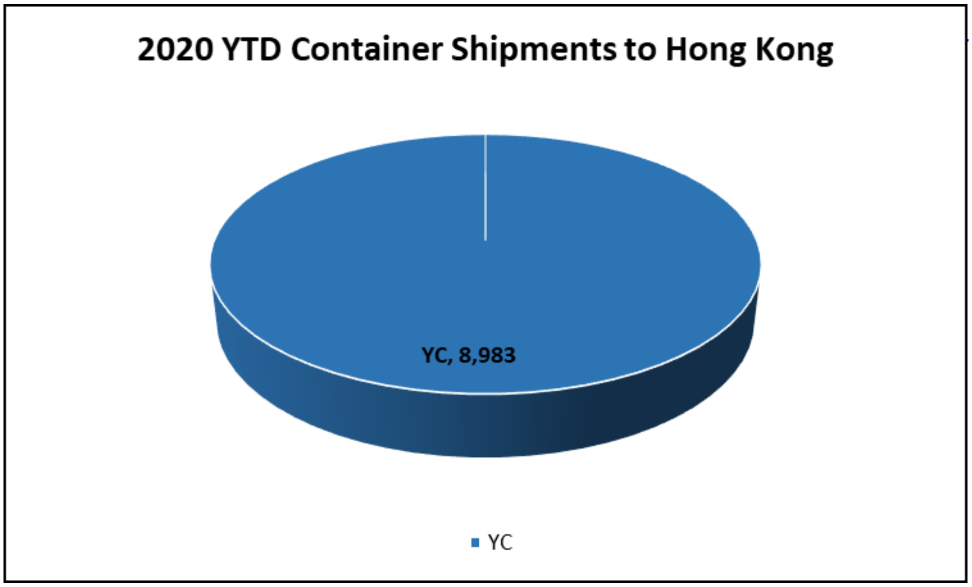
White Corn Shipments:	metric tons	
	18,845	Colombia
	3,680	El Salvador
	19,800	Honduras
	998	Mexico
	43,323	Total

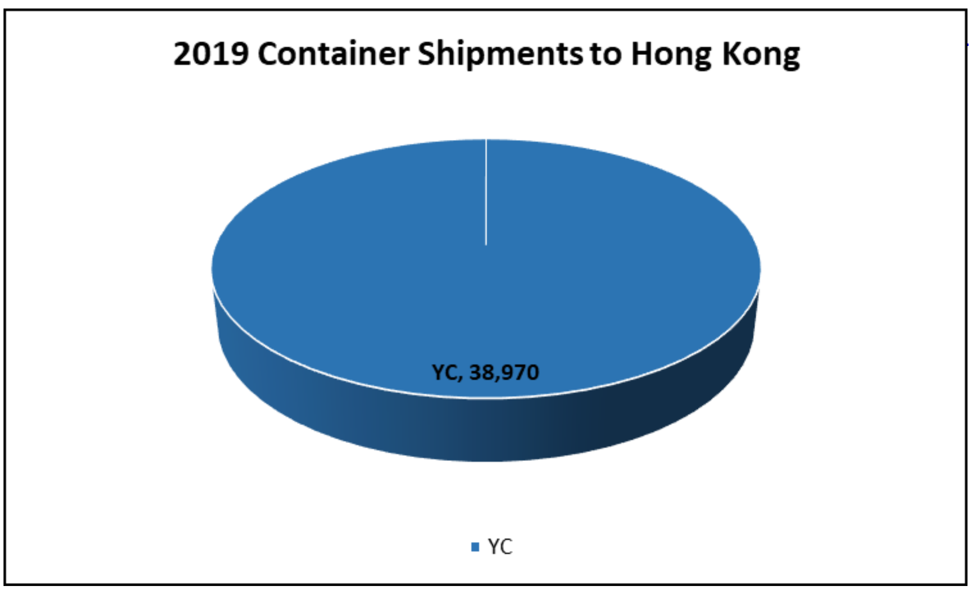
Export Inspection Highlights

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:			12-Mar-2020						
Last Week	metric tons								MT
	YC	WC	YSB	SRW	NS	SWH	HRW	Sorghum	TOTAL
China Main									0
China T	11,701		8,057						19,758
Hong Kong	563								563
Costa Rica									0
Indonesia			13,415						13,415
French Poly	244								244
Japan			1,466						1,466
Korea Republic	2,645		1,983						4,628
Nepal			4,237						4,237
Malaysia			6,021						6,021
Cambodia			343						343
Philippines			1,101						1,101
Thailand			17,904						17,904
Panama									0
Jordan	73								73
Bangladesh									0
Burma				881					881
Vietnam	490		11,358						11,848
Sub total	15,716	0	65,885	881	0	0	0	0	69,680
USDA Corrections/Additions to previous reports:									
China T			490						490
China Main									0
Hong Kong									0
Korea Rep.									0
Singapore									0
Japan									0
Philippines									0
Indonesia			1,494						1,494
Malaysia			685						685
Thailand			3,968						3,968
Vietnam			49						49
Saudi Arabia									0
Nigeria									0
Sub total	0	0	6,686	0	0	0	0	0	6,686
Mt. Grand Total	**15,716**	**0**	**72,571**	**881**	**0**	**0**	**0**	**0**	76,366
Number of containers	683	0	3,155	38	0	0	0	0	

Jan - Dec 2019 Annual Totals versus 2020 Jan.-Dec. YTD Total Container Shipments (in MT)





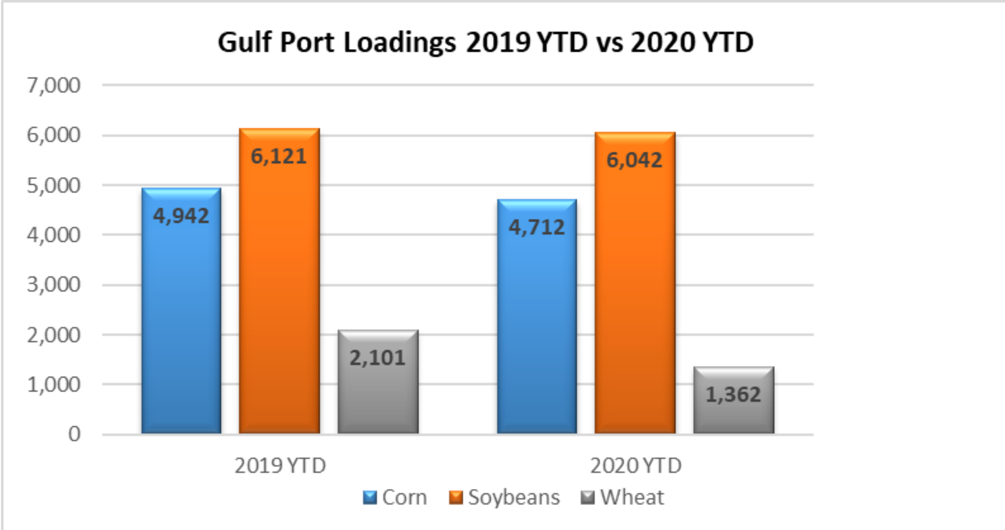
Grain Inspections for Export by U.S. Port Regions: U.S. Gulf and Pacific Northwest 2019 YTD vs. 2020 YTD

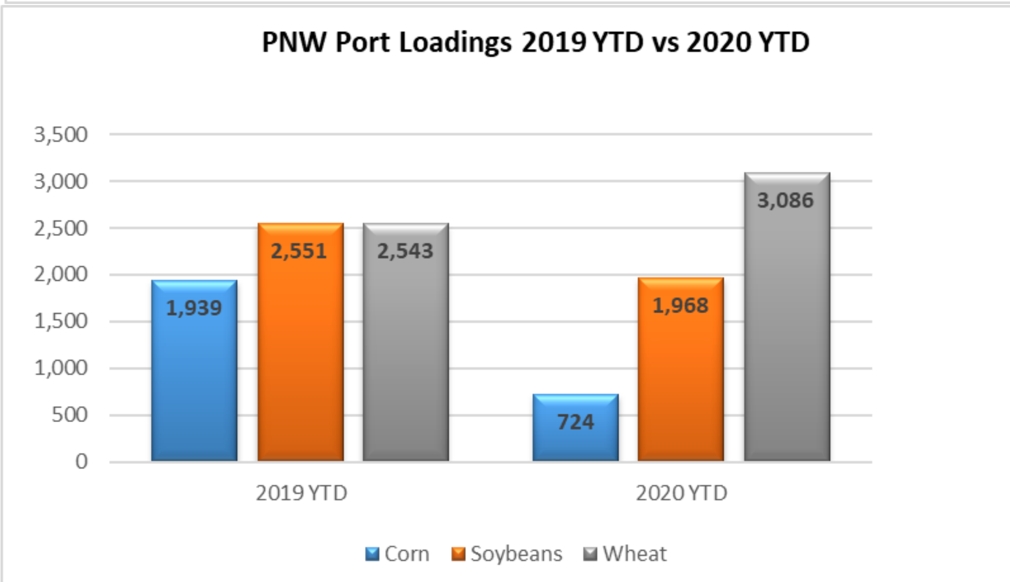
PORT LOADINGS US Gulf				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
GULF				
2019 YTD	4,942	6,121	2,101	13,164
2020 YTD	4,712	6,042	1,362	12,116
2020 as % of 2019	95%	99%	65%	92%

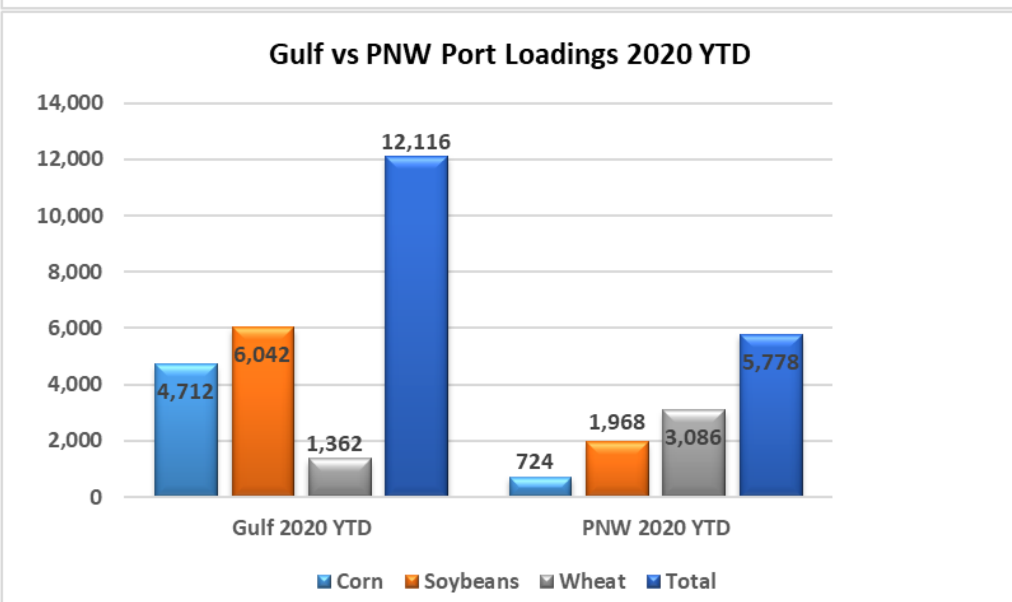
PORT LOADINGS US PNW				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
PNW				
2019 YTD	1,939	2,551	2,543	7,033
2020 YTD	724	1,968	3,086	5,778
2020 as % of 2019	37%	77%	121%	82%

PORT LOADINGS GULF vs. PNW				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
2020 Gulf YTD	4,712	6,042	1,362	12,116
2020 PNW YTD	724	1,968	3,086	5,778
TOTAL	5,436	8,010	4,448	17,894
Gulf Percentage	87%	75%	31%	68%
PNW Percentage	13%	25%	69%	32%

Grain Inspections for Export by U.S. Port Regions (1,000MT): U.S. Gulf and Pacific Northwest 2019 YTD vs. 2020 YTD

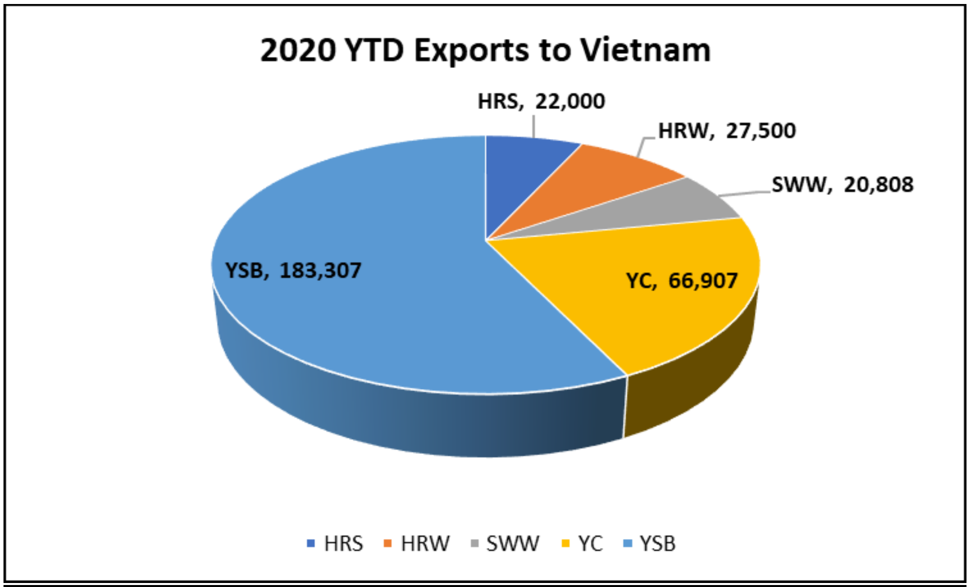


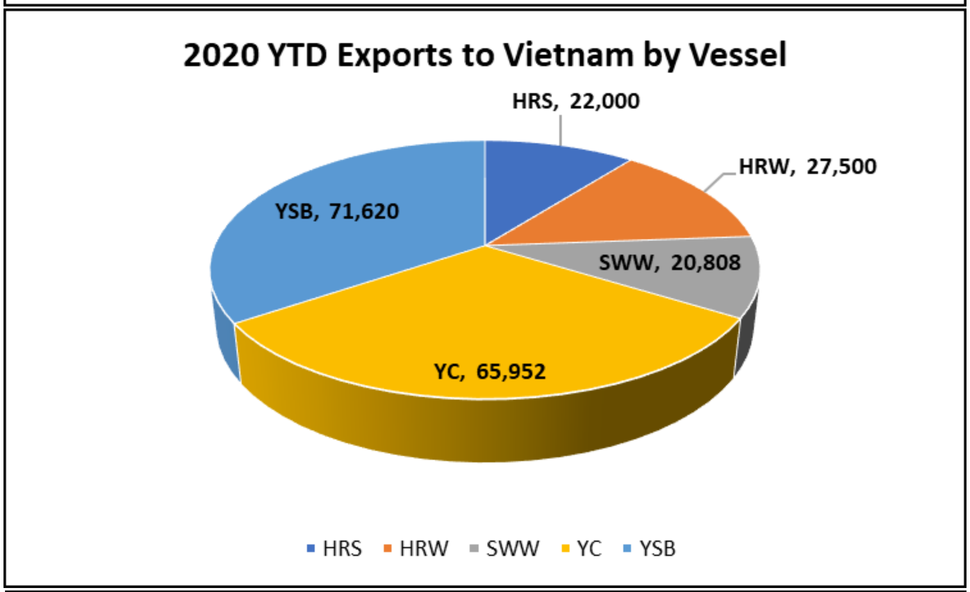


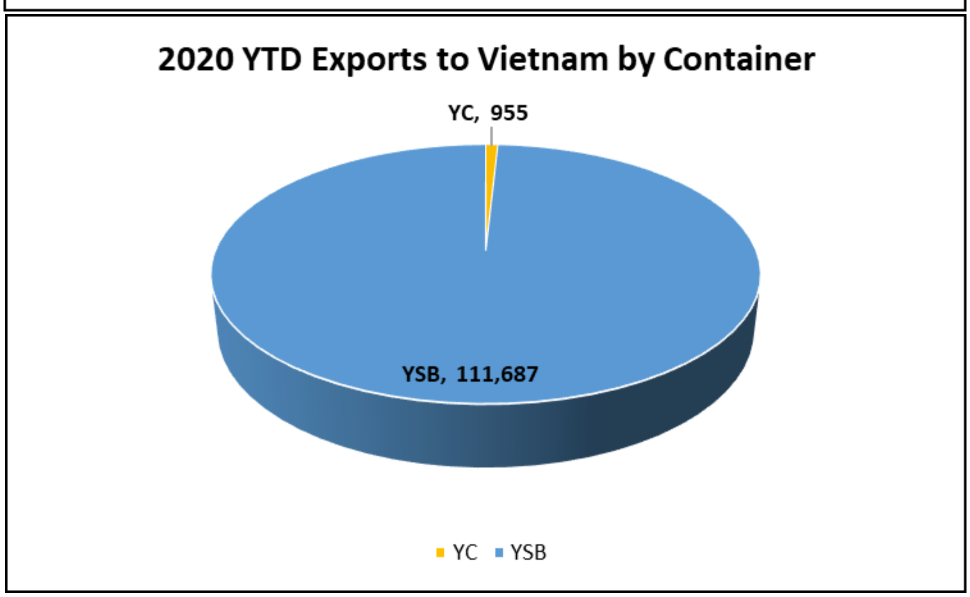


Source: USDA-data

2020 YTD Total Grain Exports reported by USDA (in MT)

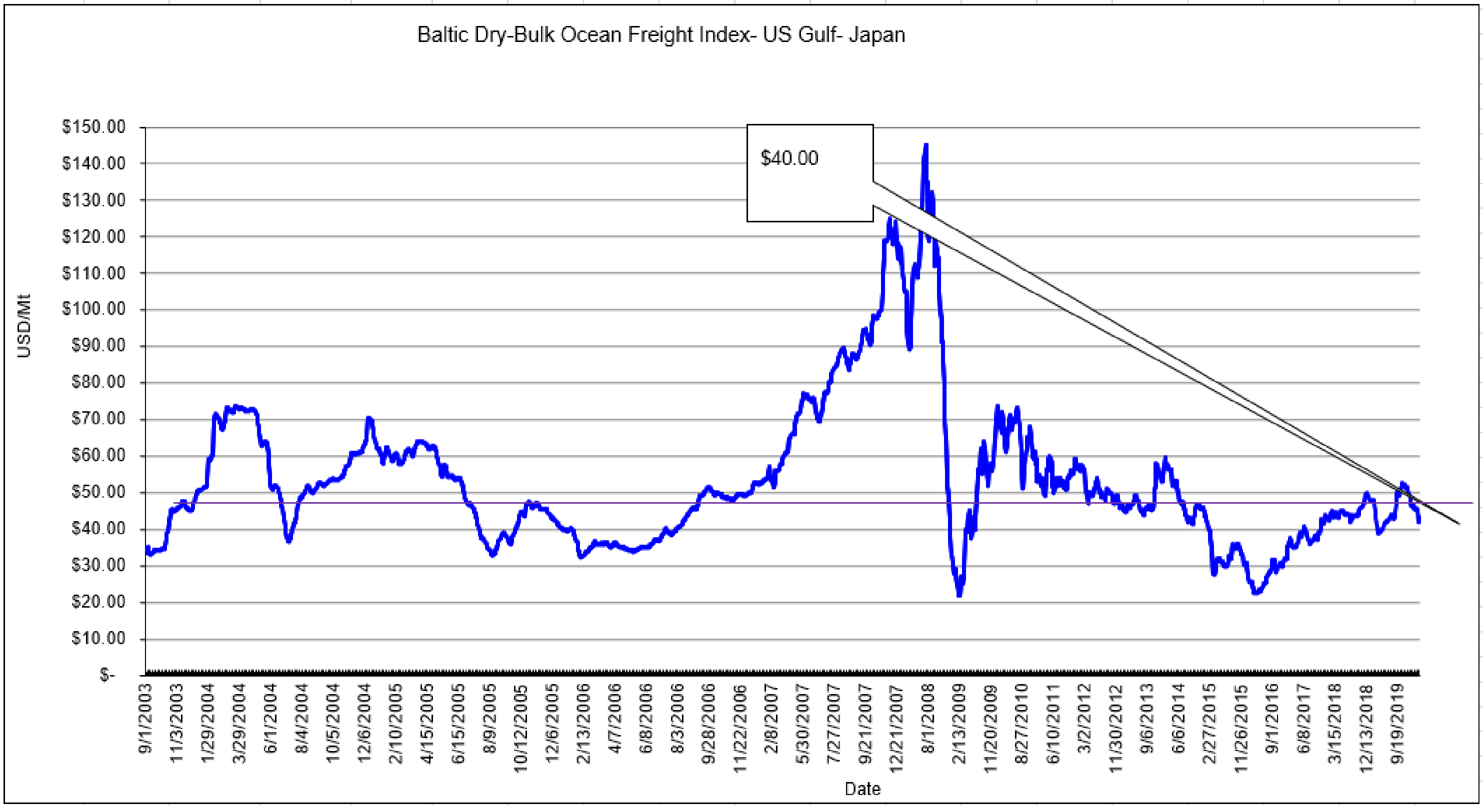






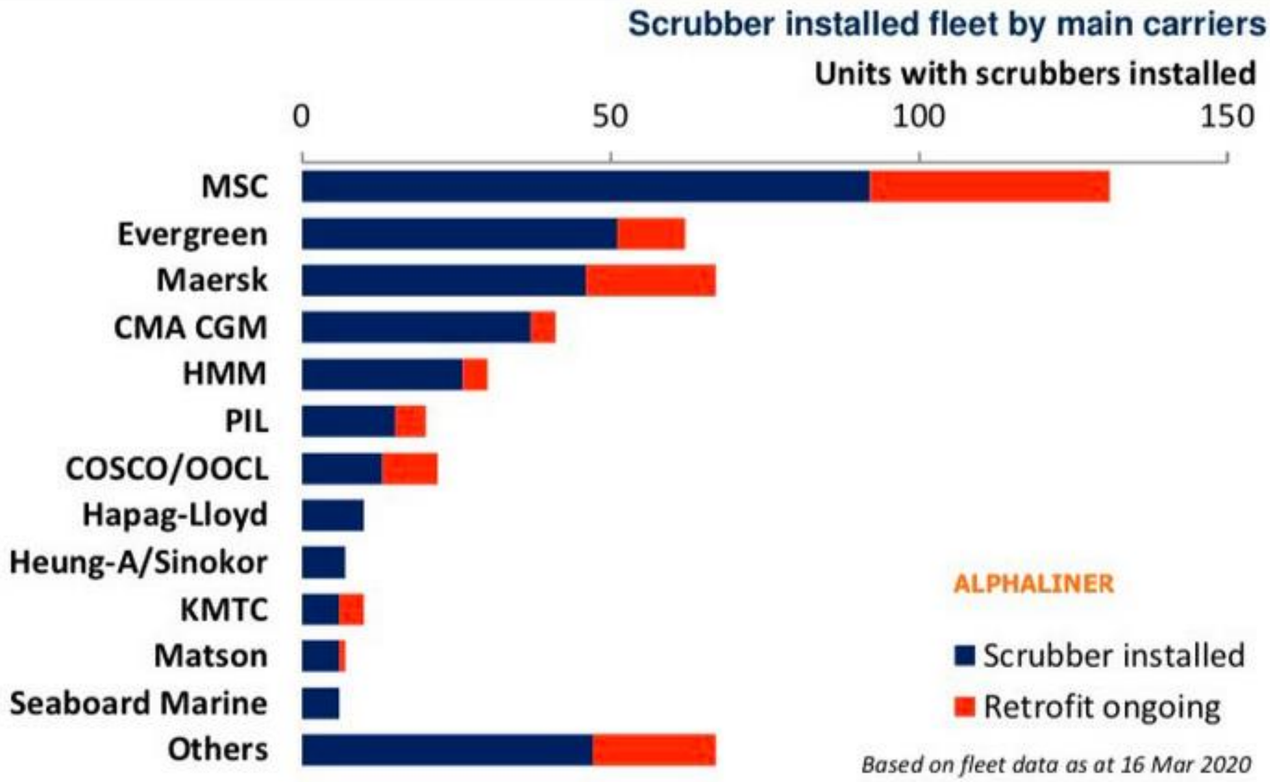
*Please keep in mind that USDA does not report DDGS sales

Shipping News



DRY-Bulk Index

Olaf Merk @o_merk · 7h
Carriers are using the crisis to get their scrubbers installed



Early scrubber adopters hit by yard delays as LSFO price premium drops to new low

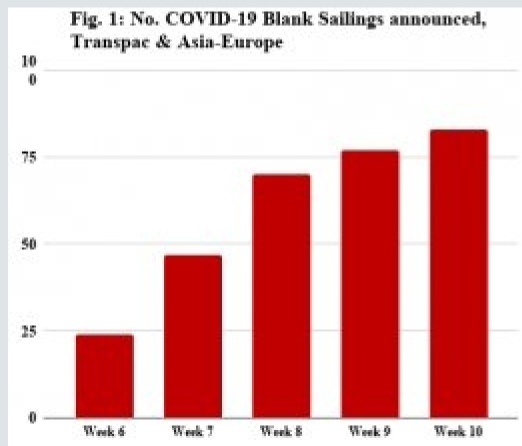
The number of containerships currently undergoing scrubber retrofits remains at a record high of 117 units for 1.116 Mteu as at 17 March, with at least 17 units clocking up extended yard stays of more than three months. On top of this, several vessels are stranded at anchorages, waiting to enter the retrofit yards. A number of ships have since abandoned their yard slots to seek alternative deployment opportunities, as owners try to mitigate losses from the extended vessel downtime and off-hire days.

COVID-19 Impact on Container Freight 'Subsiding Rapidly'

by Ship & Bunker News Team

Tuesday March 10, 2020

The container freight market may already be past the worst of the impact of the COVID-19 virus outbreak on demand for boxships, according to marine analysis firm **Sea-Intelligence**.



The growth in blank sailings because of the virus outbreak is slowing significantly. Image Credit: Sea-Intelligence

"The weekly measurement of carriers' blank sailings out of China show that the coronavirus impact is now subsiding rapidly," the company said in an emailed research note Tuesday.

"The bulk of the blank sailings were announced during weeks 7 and 8.

"Weeks 9 and 10 have seen a clear tapering off in terms of new blank sailings, and the level of new announcements of blank sailings is back to the normal level.

"This means that carriers are seeing demand ramping back up to normal levels over the next few weeks."

Week 10 of 2020 was the week that ended on March 8.

On Monday the **International Energy Agency** said it expected oil demand to return to "close to normal" in the second half of this year.

Ship & Bunker News Team

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

China Import Dry Bulk Freight Index

China Containerized Freight Index

U.S. RIVER BARGE FREIGHT
Current Barge Freight for Placement Last Half April 2020

Placement LH April 2020	% of		Corn	Soybeans-Wheat
	Tariff	MT	BU	BU
Upper Mississippi	350	$23.88	0.61	0.65
Illinois River (Pekin and South)	285	$15.11	0.38	0.41
Mid-Mississippi	310	$18.18	0.46	0.49
Lower Ohio	205	$10.08	0.26	0.27
St. Louis	195	$ 8.58	0.22	0.23

Secondary Rail Car Market for car placement period: Last Half April 2020.

Secondary Rail Car Market Placement LH. April 2020	BID USD	ASK USD	BID BU.	ASK BU.	BID MT	ASK MT
BNSF Shutle Trains	$ (150.00)	$ (100.00)	$ (0.04)	$ (0.03)	$ (1.48)	$ (0.98)
UPRR Shuttle Trains	$ (50.00)	$ 100.00	$ (0.01)	$ 0.03	$ (0.49)	$ 0.98

Best Regards,

Jay
Jay O'Neil
HJ O'Neil Commodity Consulting
785-410-2303 (cell)

joneil@ksu.edu
Follow me on Twitter @ igpjay

**** The information in this market report is derived from sources believed to be reliable and accurate but cannot be guaranteed. Forward looking projections are never completely accurate, and these markets move quickly.*
All market data is subject to change with market conditions and Traders opinions.
Please obtain market updates and reconfirm all values with your regular freight supplier before making any trading decisions based on this data.