Transportation and Export Report for 23 March 2023

It was another mixed week for Dry Bulk freight markets, one industry writer described the market volatility as "mood swings". I cannot disagree with that description. Vessel owners and FFA paper Traders remain optimistic and bullish but physical markets still need to see a sustained uptick in cargo demand; and that is not yet evident. Markets are now better balanced between players than they were just one month ago, and we will therefore continue to see up and down swings until cargo demand provides better motivation for a clear direction. China demand will continue to be the key focus.
Panamax FFA paper for Q2 dipped to $15,100/day, with Q3 trading at $15,900/day.

The BALTIC DRY-BULK PANAMAX INDEX CHANGES

Panamax Ocean Freight Indices					
23-Mar-2023		This Week	Last Week	Difference	Percent Change
P2A: Gulf/Atlantic - HK-Korea	Index	22109	23423	-1,314	-5.6%
P3A: PNW/Pacific - RV Korea-Taiwan	Index	14382	16553	-2,171	-13.1%
S1C: US GULF-China-So.Japan	Index	20536	18975	1,561	8.2%
P7: Trial- Miss. River - Qingdao	per ton	51.10	52.81	-1.71	-3.2%
P8: Trial- Santos - Qingdao	per ton	41.06	43.08	-2.02	-4.7%

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

Four weeks ago:	$6.10-$6.30
Three weeks ago:	$6.50-$7.50
Two weeks ago:	$7.80-$8.15
One week ago:	$8.25-$8.90
This week	$8.85-$8.65

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

Mississippi River:	(9 elevators)	2-11 days
Mid-Stream loaders:	(6+ Rigs)	0-1 days
Texas Gulf	(5 elevators)	0-6 days (3 Facilities at zero days)
Pacific Northwest:	(9 elevators)	0-5 days

Panamax Market Spreads to Asia -China					
23-Mar-2023	GULF	PNW	Bushel Spread	Tonne Spread	Advantage
CORN	1.02	1.65	0.63	$24.80	GULF
SOYBEANS	1.11	2.18	1.07	$39.32	GULF
OCEAN FREIGHT	$51.50	$28.50	.58-.63	$23.00	APRIL

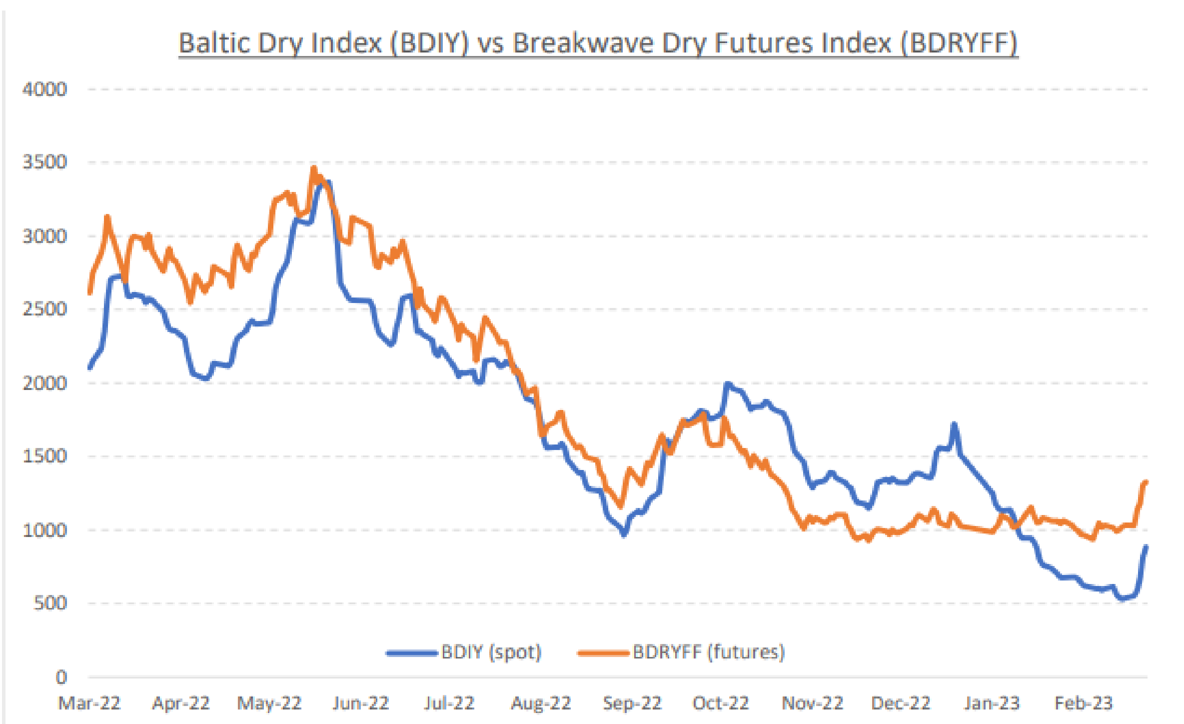
Current Grain Vessel Market Indications:

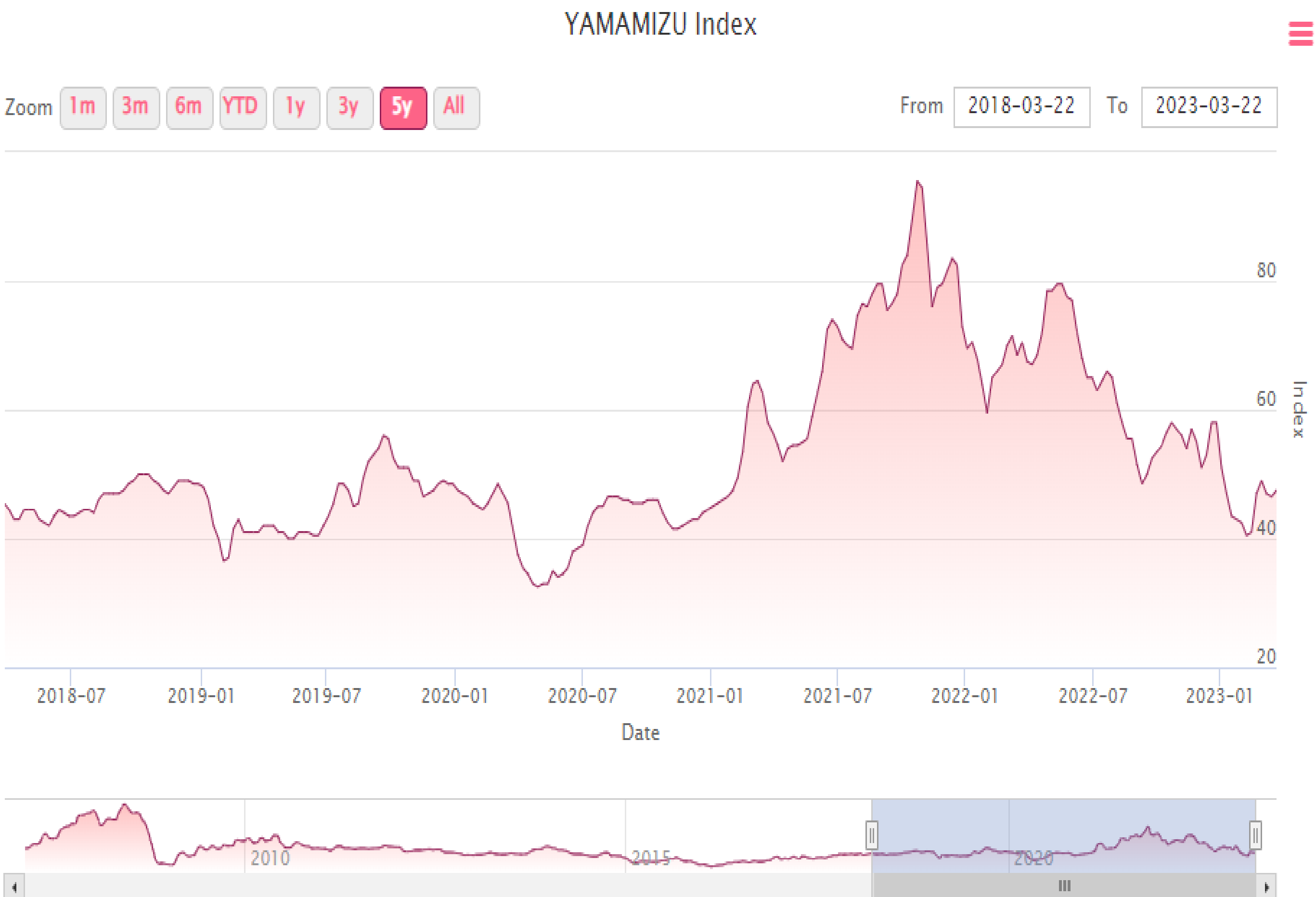
** Rates are estimates for the nearby-30-day period. 60-90 days forward physical rates will usually be higher.
Soybean Panamax USG to Spain is running $30.50 -$32.00/mt.
Soybean Brazil to Spain about $38.50 -$39.50/mt.

Route and Vessel Size	Current Week USD/MT	Change from previous week	Remarks
55,000 U.S. Gulf-Japan	$52.00	Down $1.50	Handymax $52.50 mt
55,000 U.S. PNW- Japan	$29.00	Down $1.50	Handymax at $29.50 mt
65,000 U.S. Gulf – China PNW to China	$51.50 $28.50	Down $1.50 Down $1.50	North or South China
25,000 U.S. Gulf- Veracruz, México	$22.50	Down $0.25	3,000 MT daily discharge rate
35-40,000 U.S. Gulf- Veracruz, México	$19.00	Down $0.25	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	$30.00 $28.00 $38.00	Down $0.50	West Coast Colombia at $33.00
40-45,000 U.S. Gulf - Guatemala	$38.00	Down $0.50	Acajutla/Quetzal - 8,000 out
30,000 US Gulf-Morocco	$35.00	Down $1.50	5,000 discharge rate
55-60,000 U.S. Gulf –Egypt PNW to Egypt	$31.50 $32.50	Down $1.00	55,000-60,000 mt Egypt Romania - Russia- Ukraine $14.50 -$17.00 - $32.00 - France $23.00, Bulgaria $15.50
58-74,000 U.S. Gulf – Europe – Rotterdam	$27.00	Unchanged	Handymax at +$2.50 more
Brazil, Santos –China Brazil, Santos –China Up-River Port North Brazil	$44.00 $42.00 $48.00	Down $1.00	54-59,000 Supramax-Panamax 60-66,000 Post Panamax 55-60,000 mt
56-60,000 Argentina-China Deep draft	$47.00	Down $1.00	Up-River with Top Off Plus $3.85-$4.75

Baltic Dry Bulk Freight Index

The Baltic Dry Bulk Freight Index- Cape-Panamax-Supra and Handy





China Import Dry Bulk Freight Index 2023-03-23					
Description	**Volume**	**Cargo**	**Unit**	**Rate**	**Change**
Composite Index			Point	1083.29	-7.78
Iron ore Freight Index			Point	1001.53	-8.32
Dampier(West Australia)-Qingdao (China)	170000/10%	Iron ore	$/ton	8.662	-0.024
Soybean Freight Index			Point	1184.27	-8.89
Santos(Brazil)— North China	66000/10%	Soybean	$/ton	40.71	-0.38
Tacoma(West America)—North China	63000/10%	Soybean	$/ton	29.27	-0.15
Mississippi(US Gulf)—North China	66000/10%	Soybean	$/ton	51.59	-0.3

23 March 2023 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 =	6.3175
Max. 14.5% moisture	BASIS	FLAT PRICE	BASIS	FLAT PRICE	N =	6.1075
Apr.	1.02	**$288.86**	1.65	**$313.66**	U =	5.6000
May	0.99	**$287.68**	1.63	**$312.88**	Z =	5.5225
June	1.10	**$283.74**	1.73	**$308.55**	H =	5.6100
July	1.00	**$279.81**	1.65	**$305.40**	K =	5.6675
Aug.	1.40	**$275.57**	2.05	**$301.16**		
Sept.	1.30	**$271.64**	1.97	**$298.01**		

PNW rail markets for March-April are extreamly thin, and rail road incentives to Exporters to promot movement west are making values difficult to pin point. PNW Fob vessel values are therefore a bit of a guessing game.

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.

SORGHUM (USD/MT) FOB VESSEL		
#2 YGS Fob Vessel	TEXAS Gulf	
Max. 14.0% moisture	BASIS	FLAT PRICE
Apr.	2.35	**$341.22**
May	2.30	**$339.25**
June	2.30	**$330.99**
July	2.25	**$329.02**
Aug.	2.35	**$312.97**

Fob vessel Texas Gulf #2 Sorghum is about 118 % 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**	**June**	**July**
FOB U.S. GULF	$284.39	$279.25	$277.04	$268.96
Basis	1.12	0.98	0.80	0.58
WK	6.6200			.
WN	6.7400			
WU	6.8575			

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
Apr.	1.11	**$562.36**	2.18	**$601.67**
May	1.06	**$560.52**	2.12	**$599.47**
June	1.19	**$557.58**	2.12	**$591.75**
July	1.10	**$554.27**	2.05	**$589.18**
Aug.	1.02	**$534.80**	1.98	**$570.07**
Soybean Futures				
May	$ 14.1950			
July	$ 13.9850			
Aug.	$ 13.5350			
Sept.	$ 12.8675			
Nov.	$ 12.5800			
Jan.	$ 12.6475			

Soybean cargo demand at PNW ports is thin and rail delivery markets there are very difficult to accurately pinpoint. The above Fob vessel values in the PNW are therefore based on best guesses.

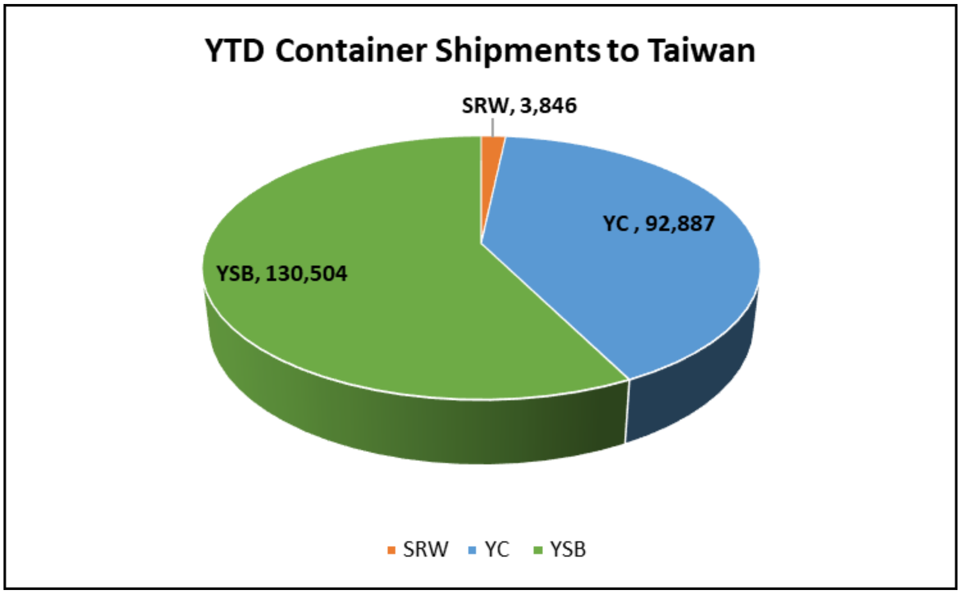
U.S. Soybean and SBM Markets Fob Vessel:

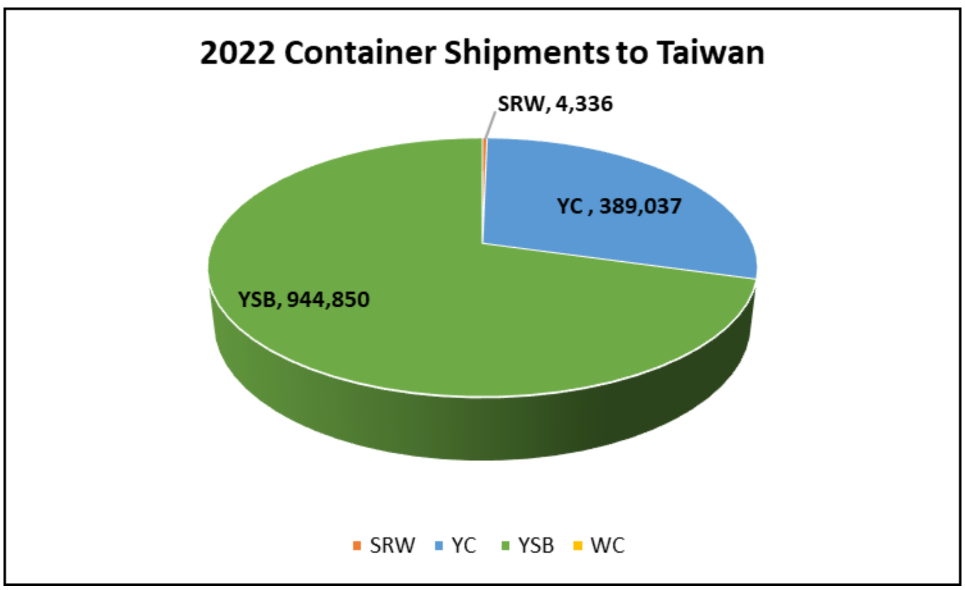
U.S. SBM (USD/MT) FOB Vessel		
Fob U.S. Gulf Port	47.5 Pro. SBM	
max 12.5 % moisture	Basis	Flat Price
Apr.	36.00	**$ 518.73**
May	36.00	**$ 518.73**
June	39.00	**$ 511.89**
July	36.00	**$ 508.58**
Aug.	42.00	**$ 501.09**
SBM Futures		
SMK	$ 438.30	
SMN	$ 434.50	
SMQ	$ 425.30	
SMU	$ 412.50	
SMV	$ 402.10	
SMZ	$ 399.10	

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).*

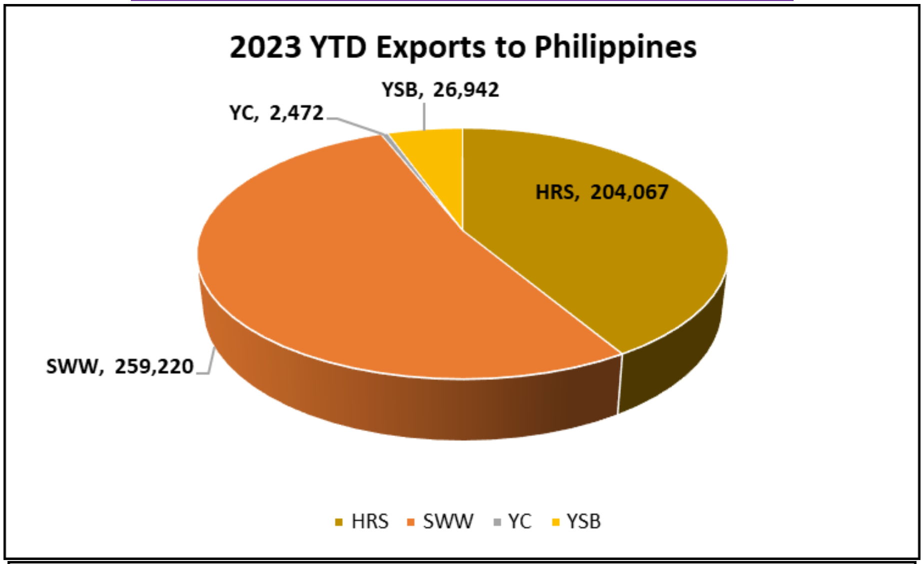
CONTAINER SHIPMENTS of GRAIN									
USDA Grain Inspections Report:			**16-Mar-2023**						
Last Week	metric tons								**MT**
	YC	**WC**	**YSB**	**SRW**	**NS**	**DUWH**	**SWH**	**Sorghum**	**TOTAL**
China			17,852						17,852
Taiwan	6,708		3,966	490					11,164
Hong Kong	220								220
Costa Rica									0
Indonesia			21,327						21,327
French Poly									0
Japan			1,834						1,834
Korea Rep.			4,555						4,555
Chile			465						465
Malaysia	196		2,007	367					2,570
Netherlands	4,112								4,112
Philippines			636						636
Thailand			3,992						3,992
Nepal									0
Burma									0
India									0
Cambodia									0
Vietnam			6,021						6,021
Sub Total:	**11,236**	**0**	**62,655**	**857**	**0**	**0**	**0**	**0**	**74,748**
USDA Corrections/Additions to previous reports:									
Taiwan	661		490						1,151
China			856						856
Hong Kong									0
Korea Rep.									0
Un Kingdom									0
Japan			735						735
Philippines									0
Indonesia			1,248						1,248
Malaysia									0
Thailand			490						490
Vietnam			1,395						1,395
Burma									0
Cambodia									0
Sub Total:	661	0	5,214	0	0	0	0	0	5,875
Mt. Grand Total	**11,897**	**0**	**67,869**	**857**	**0**	**0**	**0**	**0**	**80,623**
Number of Containers	517	0	2,951	37	0	0	0	0	

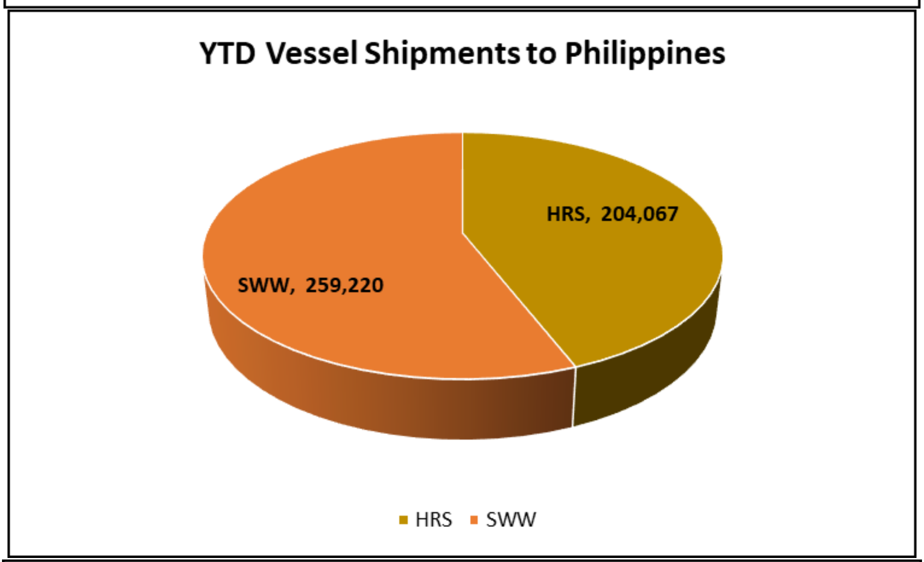
2023 YTD Totals versus 2022 Annual Totals Container Shipments (in MT)

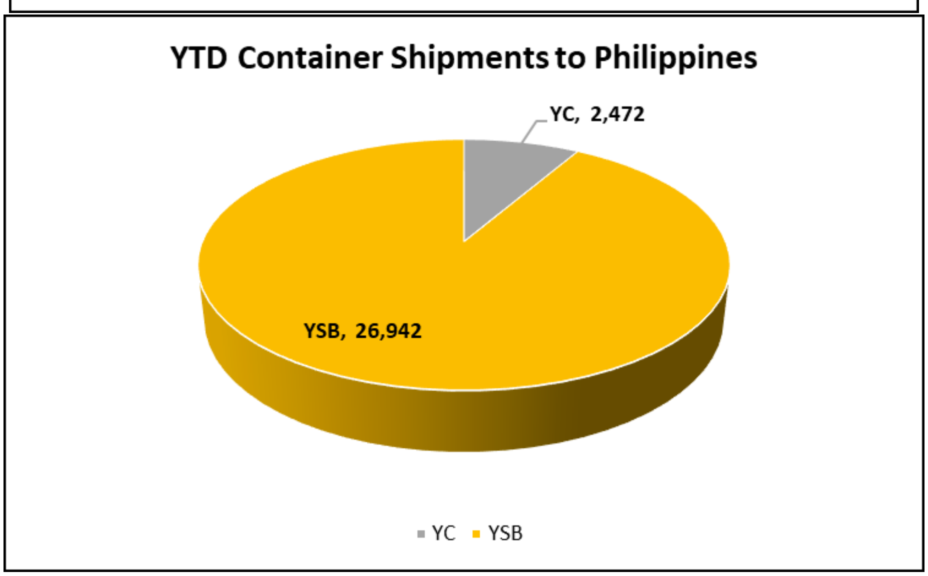




2023 YTD Grain Exports reported by USDA (in MT)







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

Source: USDA-data

Shipping News

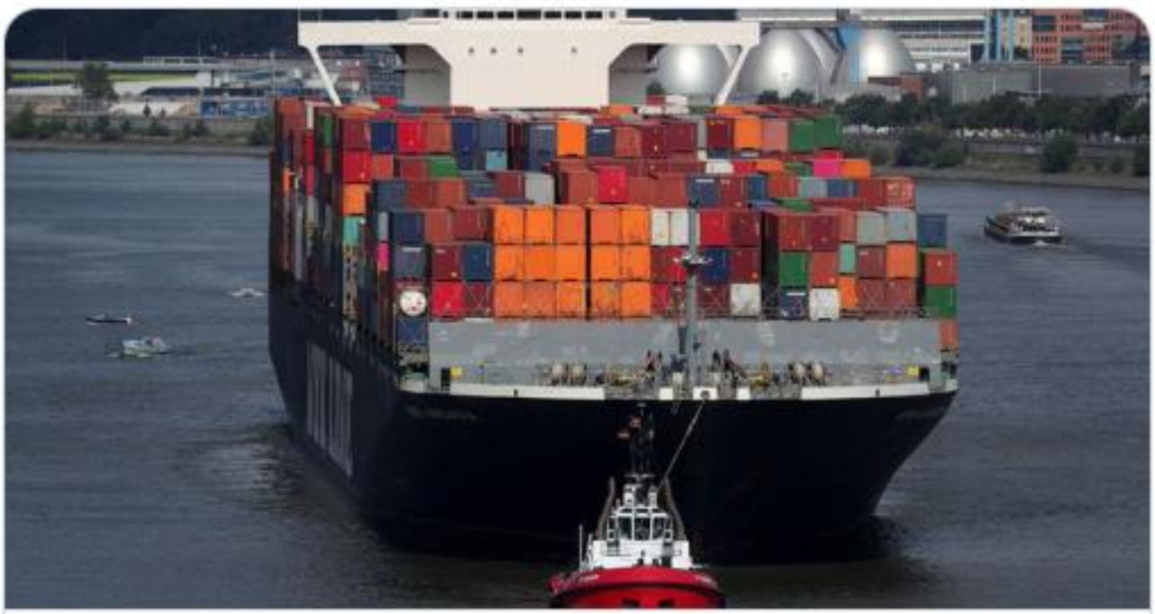
Jinghe_ Zhao @Jinghe17215567 · 5h

Rumor has it that at least one shipment of BR's soy has been exported to the US East Coast.
If this is true, does this news have any expected change in the March 31 quarterly stocks of old crop soy?

Also, is Conab really going to raise BR's soy crop estimate rather than cut it?

Tom Craig @LTDManagement · 18h

Japan Shipping Company Seeks Government Support for Russia Insurance Risk. War risk. Hull coverage. NYK.



bloomberg.com

Japan Shipper Seeks Government Support for Russia Insurance Risk

Major Japanese shipping company Nippon Yusen KK is seeking a government guarantee to insure vessels at risk from Russia's war in ...

WSJ- Article-

LOGISTICS REPORT

Labor Tensions Rise in Stalled West Coast Port Contract Talks

Employers blame dockworkers for cargo delays at the Los Angeles and Long Beach ports as coastwide negotiations move into their 10th month

Tensions in long-running contract talks at West Coast ports are worsening, with employers accusing unionized dockworkers of slowing cargo handling at the ports of Los Angeles and Long Beach, the nation's busiest gateway for imported consumer goods.

The sharp rhetoric marks a shift from a longstanding agreement to maintain public silence on issues around the negotiations, which began last spring. The two sides appear to be no closer to bridging the gap on their disagreements, pointing to the possibility of deeper disruptions to U.S. trade flows.

The Pacific Maritime Association, which represents ocean carriers and port employers, said Monday that dockworkers at the ports of Los Angeles and Long Beach had stopped staggering work shifts during mealtimes starting last Wednesday. The PMA said that has forced terminals to shut down every day for an hour in the afternoon and another hour at night, interruptions that have triggered "significant delays" in cargo operations and long backups of trucks at terminal gates.

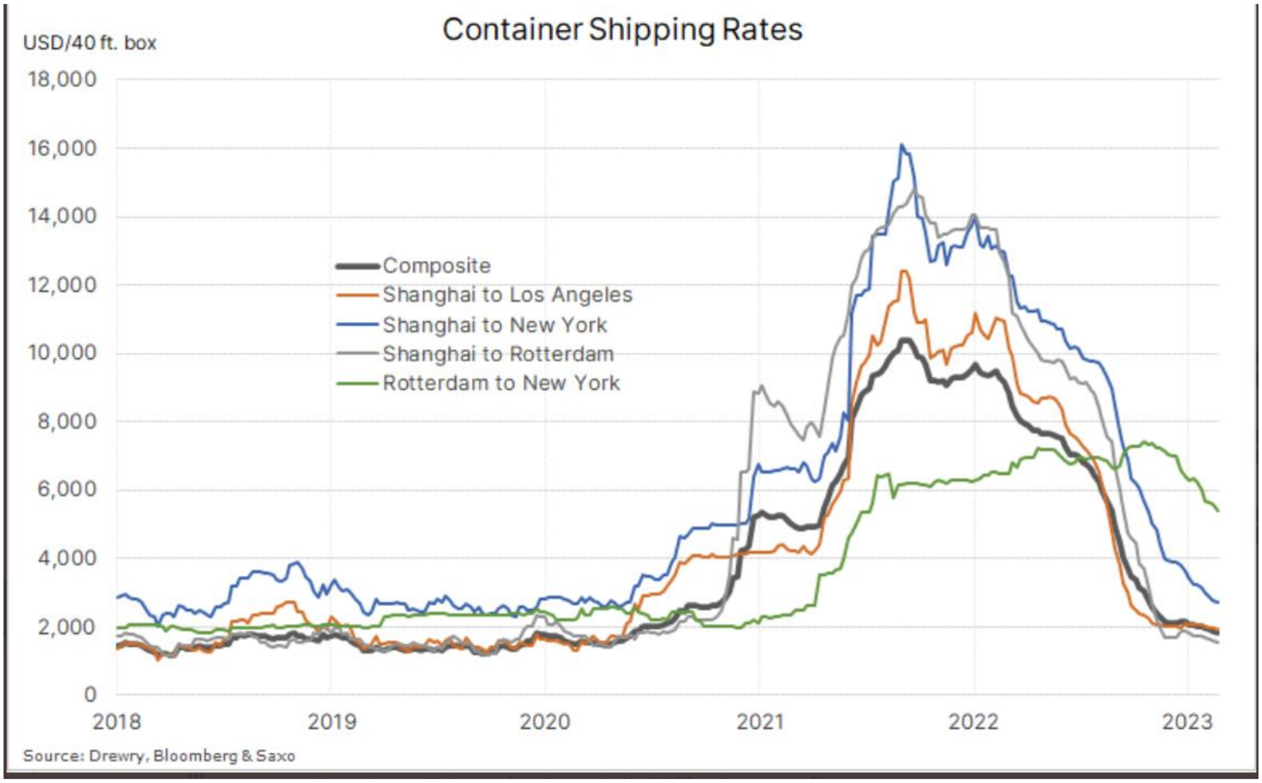
Willie Adams, the president of the International Longshore and Warehouse Union representing dockworkers, said his members are allowed "to take a lunch break just like everyone else."

The PMA said the previous contract gave employers the right to assign staggered shifts during mealtimes. The employer group said that because the contract expired, there is no mechanism to arbitrate the dispute and to require dockworkers to maintain uninterrupted operations.

Peter Tirschwell @PeterTirschwell · 21h

Rare convergence of multiple longshore labor talks under way across North America currently, and none of them are going well.

joc.com/article/north-...



US Rail News:

Rachel Premack @rrpre · 15m

In 1980, there were 33 Class I (major) rail companies

Next month, just six Class I rail carriers will service the U.S.

I break down the historic merger at @FreightWaves

freightwaves.com

$31B merger will make rail industry even more consolidated

Rail is dominated by just a few large players. A new merger is going to make the industry even more consolidated. Some farmers are ...

FREIGHTWAVES
The Nerve Center of the Global Supply Chain

UP joins other railroads in providing paid sick days for some workers

Union Pacific employees get 4 new days and can divert 3 paid personal days to sick days

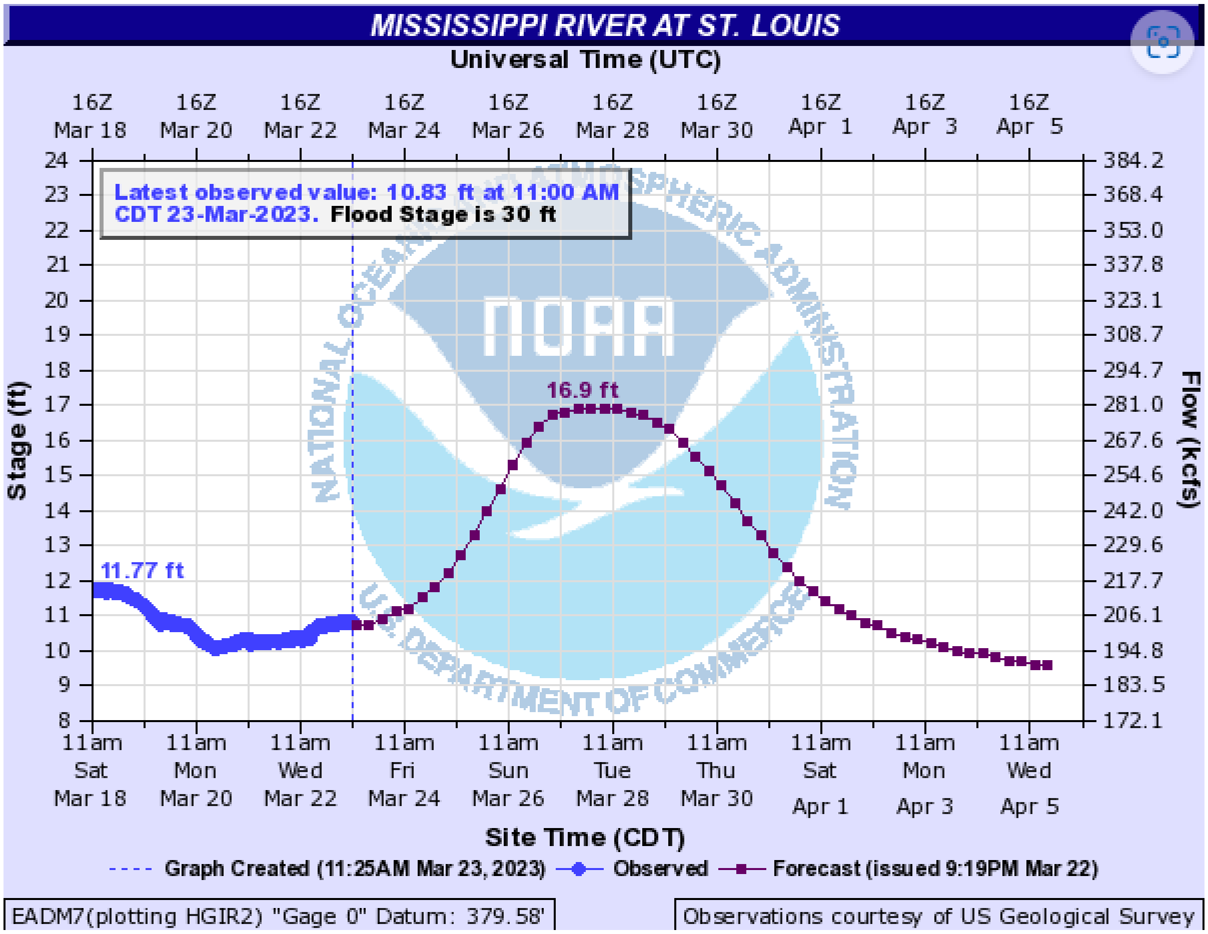
John Kingston · Wednesday, March 22, 2023

On the heels of deals at other Class I railroads, Union Pacific has reached agreements with eight unions to provide workers up to seven paid sick days. The agreement goes into effect April 1.

According to a prepared statement from UP (NYSE: UNP), the employees in the unions that agreed to the deal will receive four sick days, prorated for this year. Additionally, they will be able to convert three of their currently allotted personal days to sick days.

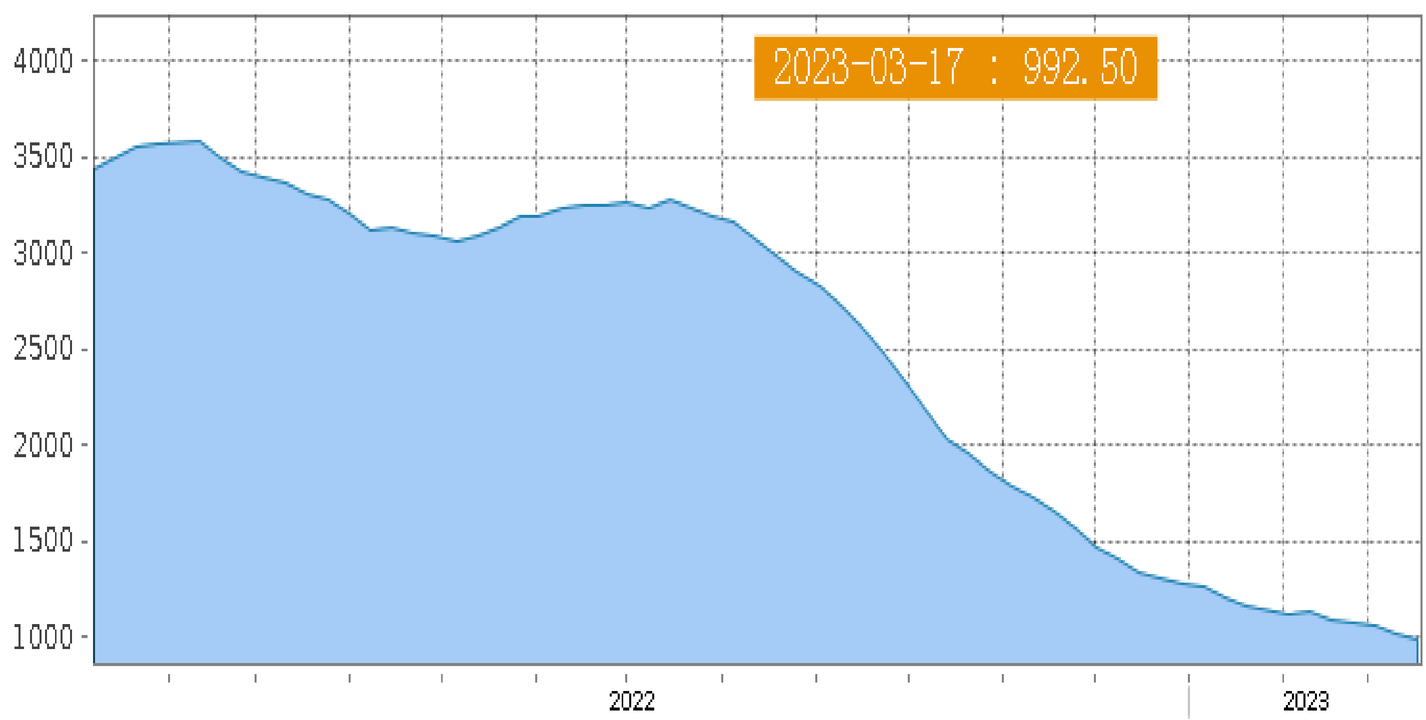
That structure — four days outright plus the ability to convert three — is the same as the deal that granted additional sick days to workers at Norfolk Southern (NYSE: NSC).

U.S. River Markets



China Import Dry Bulk Freight Index

China Containerized Freight Index



Secondary Rail Car Market for Car placement period: First Half April 2023

Secondary Rail Car Market Placement FH April 2023	BID USD	ASK USD	BID BU.	ASK BU.	BID MT	ASK MT
BNSF Shutle Trains	$ (150)	$ (50)	$ (0.04)	$ (0.01)	$ (1.48)	$ (0.49)
UPRR Shuttle Trains	$ (250)	$ (150)	$ (0.06)	$ (0.04)	$ (2.46)	$ (1.48)

U.S. RIVER BARGE FREIGHT

Barge Freight for Loading Placement First Half April 2023

Placement FH April 2023	% of Tariff	MT	Corn BU	Soybeans-Wheat BU
Upper Mississippi	565	$ 38.55	0.98	1.05
Illinois River (Pekin and South)	500	$ 34.12	0.87	0.93
Mid-Mississippi	515	$ 25.32	0.64	0.69
Lower Ohio	410	$ 20.16	0.51	0.55
St. Louis	420	$ 18.47	0.47	0.50

Best Regards,

Jay

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