

Transportation and Export Report for 26 March 2020

The question being asked now is, have we hit bottom yet ? Dry-bulk markets are starting to look worse than my IRA retirement account. I must question how aggressive the paper traders are going to be selling the Baltic indices lower from current levels. The freight charts look depressed out through April and then take a sharp turn upward in the hope that things will eventually improve. Capesize vessel rates are close to historic lows. This is going to have dramatic implications for Dry-bulk and container vessel owners. The only market doing well is the crude oil sector due to the high demand for storage space.

On the port side of things, there are reports of disruptions and delays at some Argentine ports and Russia is rumored to be holding back on the issuance of phytosanitary certificates for some exports. And there is talk of some Black Sea countries wanting to hold back/hoard wheat for fear of shortages. These are crazy times.

BALTIC DRY-BULK PANAMAX INDEX CHANGES

Panamax Ocean Freight Indices				
26-Mar-2020	This Week	Last Week	Difference	Percent Change
P2A : Gulf/Atlantic - Japan	14218	16745	-2,527	-15.1%
P3A - PNW/Pacific - Japan	5075	6081	-1,006	-16.5%
S1C -USGULF-China-So.Japan	19694	20872	-1,178	-5.6%
P7- Trial- Miss. River - Qingdao	36450	39201	-2,751	-7.0%
P8- Trial- Santos - Qingdao	23140	29290	-6,150	-21.0%

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

Four weeks ago:	\$5.50-\$5.70
Three weeks ago:	\$5.25-\$5.25
Two weeks ago:	\$4.50-\$5.45
One week ago:	\$4.50-\$4.75
This week	\$4.00-\$4.45

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

Mississippi River:	(10 elevators)	1-10 days (2 facilities not currently operating)
Miss. River Mid-Stream loaders:	(6+ Rigs)	0-2 days
Texas Gulf	(5 elevators)	2-4 days (2 facilities at zero days)
Pacific Northwest:	(9 elevators)	0-10 days (2 facilities at zero days)

Panamax Market Spreads to Asia -China					
26-Mar-2020	PNW	GULF	Bushel Spread	MT Spread	Advantage
CORN	0.97	0.75	0.22	\$8.66	PNW
SOYBEANS	1.18	0.75	0.43	\$16.93	PNW
OCEAN FREIGHT	\$19.00	\$37.50	.47-.50	\$18.50	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 \$15.00/mt.

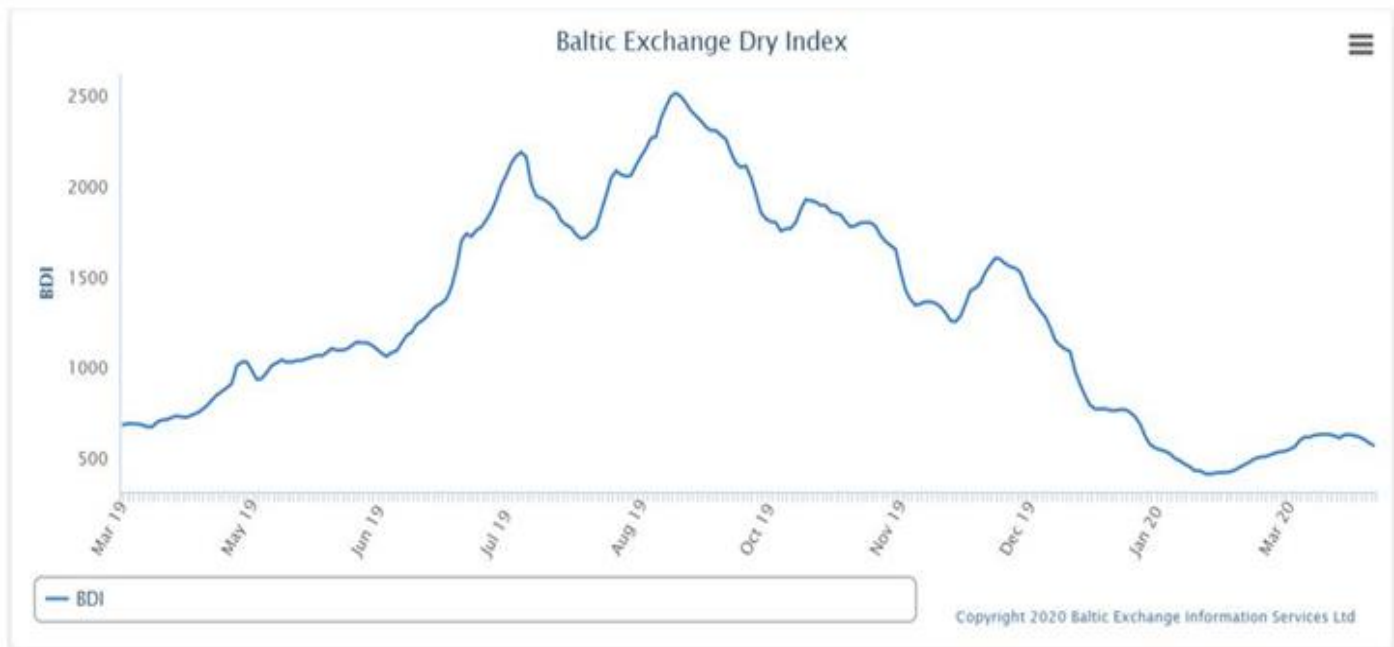
Soybean Brazil to Spain at about \$17.75/mt.

30,000 mt Corn Northern Brazil to Vera Cruz, Mexico \$15.50-\$16.00/mt .To U.S. E/C about \$17.50-18.00/mt

Route and Vessel Size	Current Week USD/MT	Change from previous week	Remarks
55,000 U.S. Gulf-Japan	\$39.00	Down \$2.25	Handymax \$40.25 mt
55,000 U.S. PNW- Japan	\$20.00	Down \$1.25	Handymax \$24.50 mt
66,000 U.S. Gulf – China	\$37.50	Down \$2.50	North China
PNW to China	\$19.00	Down \$1.50	
25,000 U.S. Gulf- Veracruz, México	\$15.00	Down \$0.25	3,000 MT daily discharge rate
30-36,000+ U.S. Gulf- Veracruz, México	\$12.00	Down \$0.50	Deep draft and 6,000 MT per day discharge rate.
30-38,000 U.S. Gulf- <u>East Coast Colombia</u> From Argentina	\$17.25 \$30.75	Down \$0.75	<u>West Coast Colombia at \$25.75</u> USG to E/C 50,000 mt at \$13.75
43-45,000 U.S. Gulf - Guatemala	\$26.50	Down \$0.75	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	\$21.50 \$21.50	Down \$2.00	60,000 -55,000 mt Romania- Russia- Ukraine \$10.00 -\$9.75 -\$10.00 France \$14.00
60-70,000 U.S. Gulf – Europe – Rotterdam	\$12.00	Down \$1.00	Handymax at +\$1.75 more
Brazil, Santos – China Brazil, Santos – China Northern Coast Brazil	\$25.50 \$24.00 \$28.00	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	\$28.50	Down \$3.00	Upriver with BB Top Off \$32.75

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

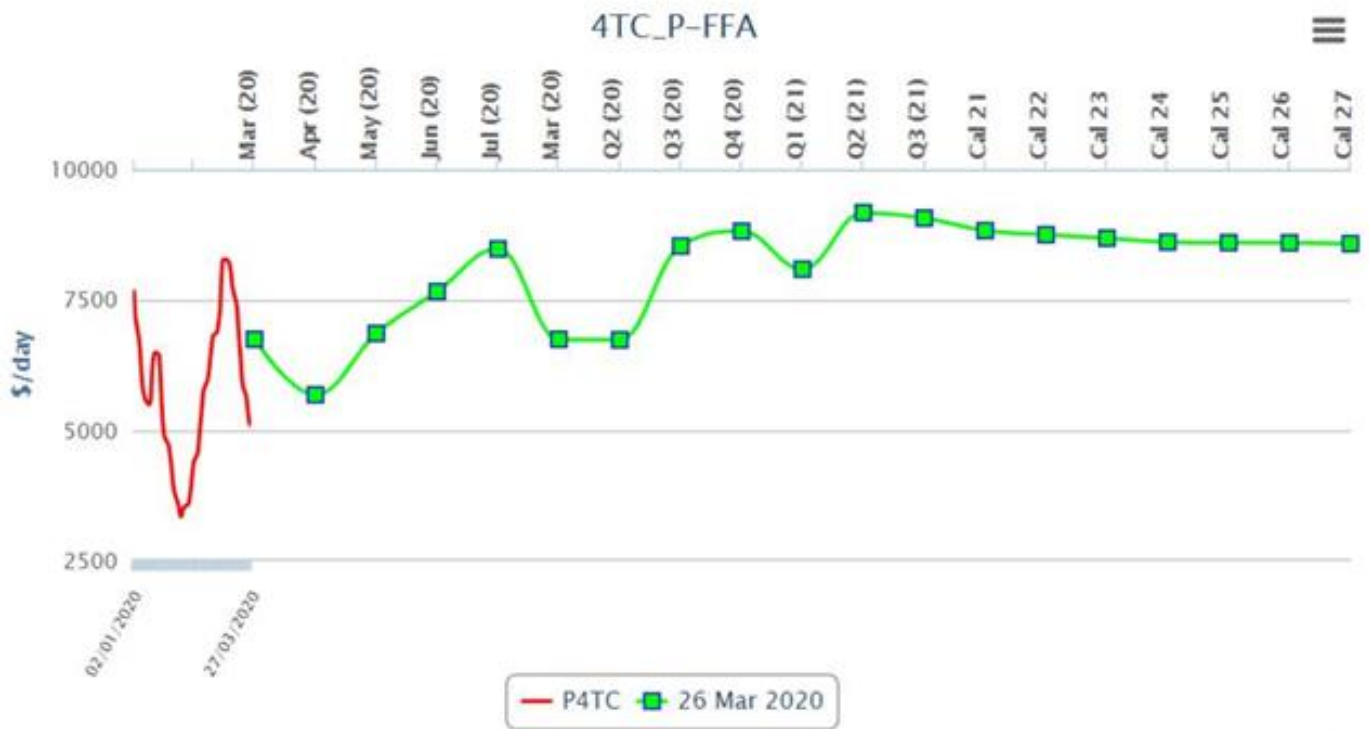
Baltic Dry Bulk Index.



Capesize Forward Curve

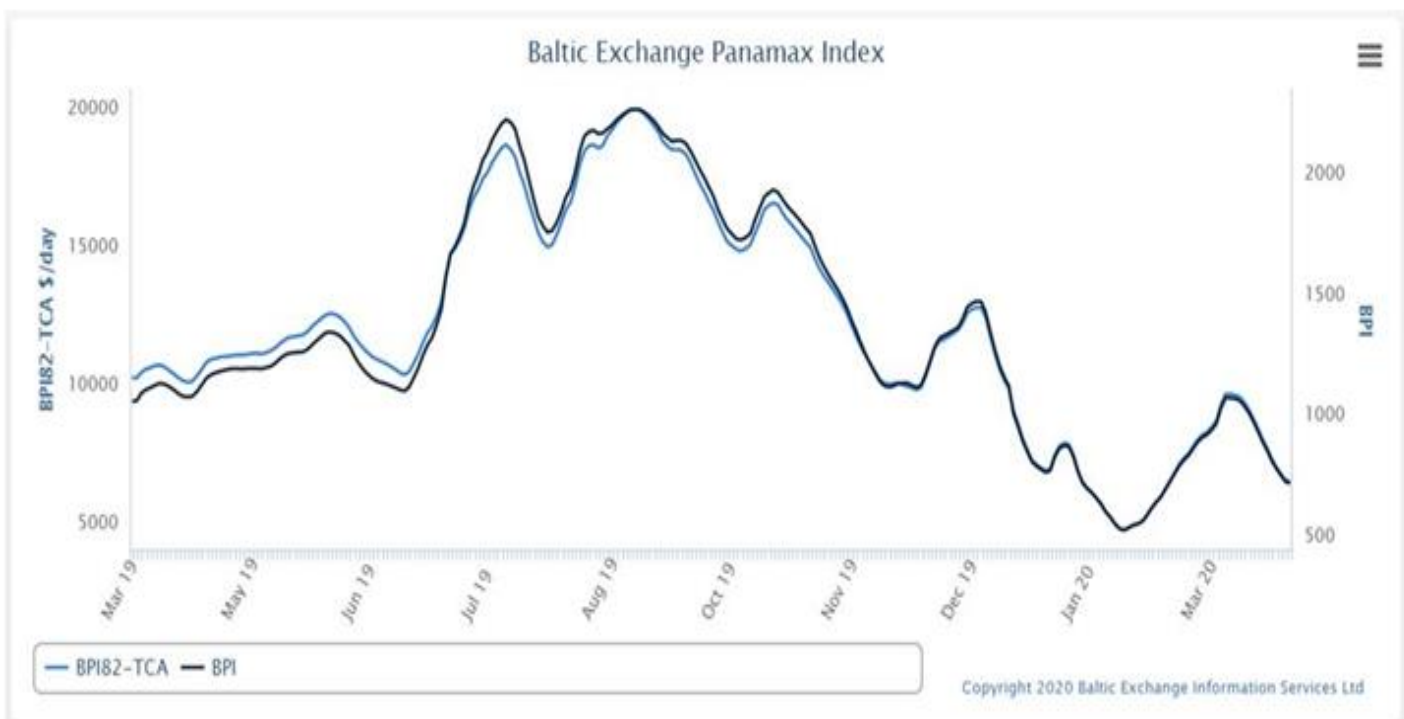


Baltic Panamax Forward Curve Chart



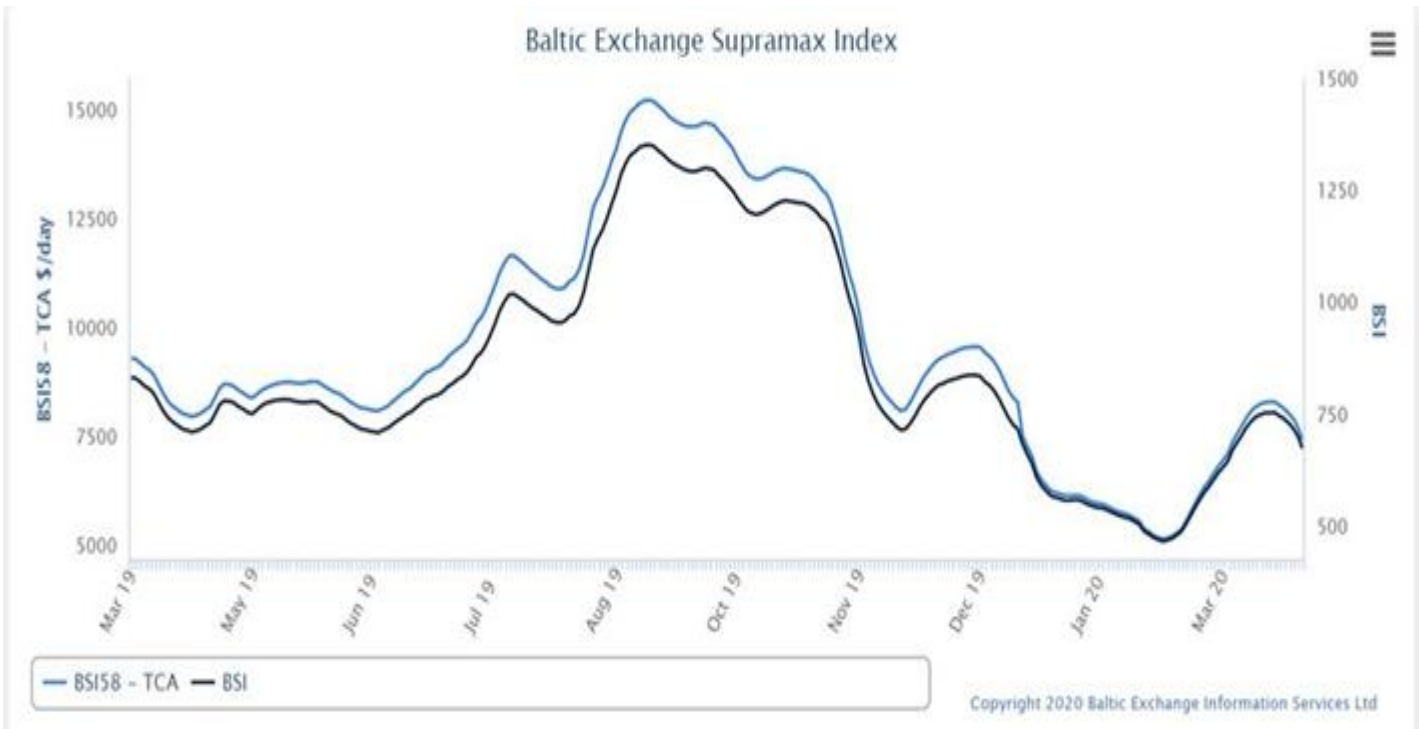
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Baltic Panamax Index

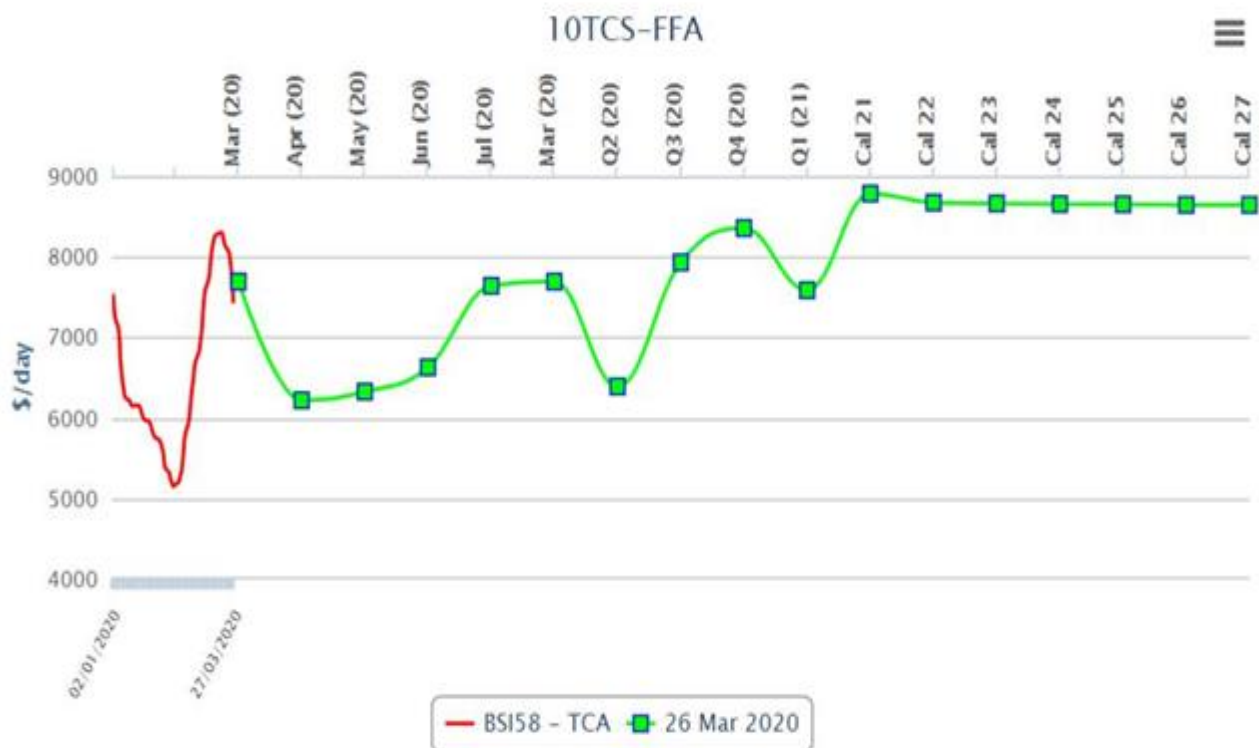


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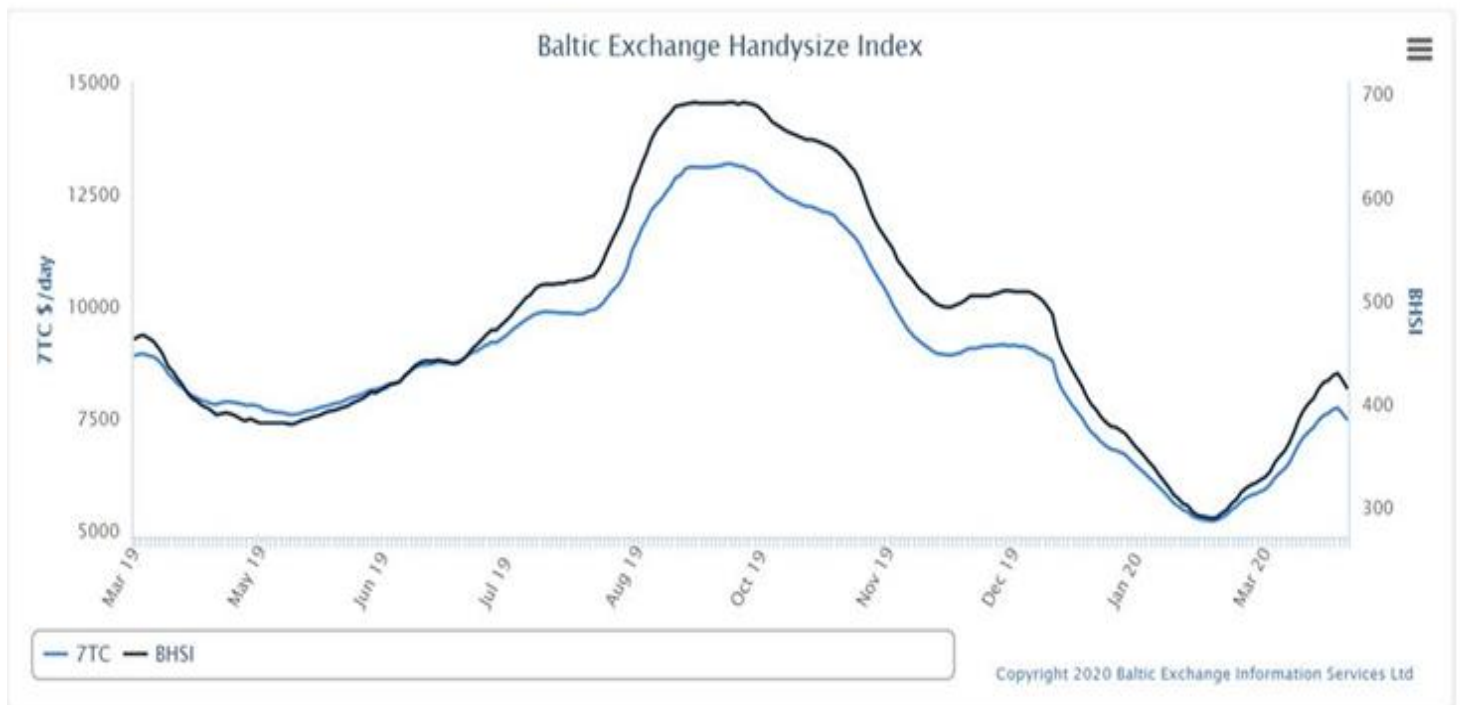
Baltic Supramax Vessel Index



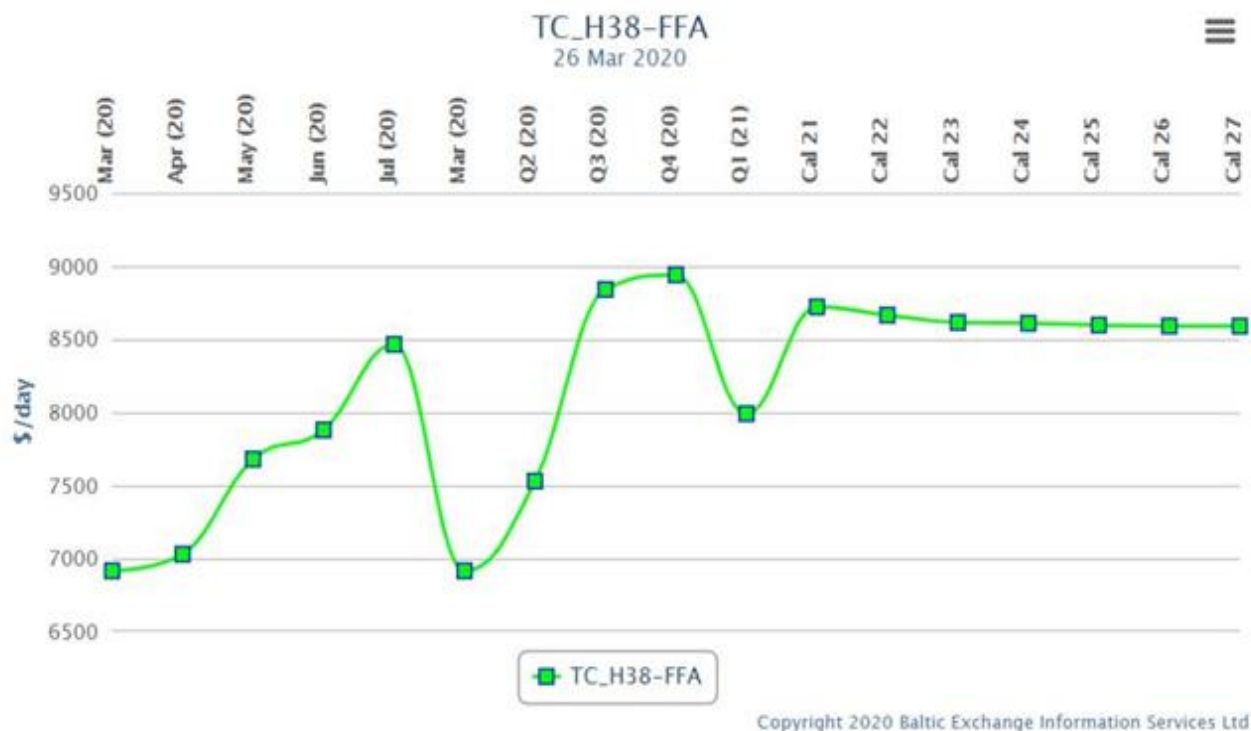
Supramax Dry-Bulk Forward Curve



Baltic Handy Size Vessel Index



Baltic Handy Size Forward Curve

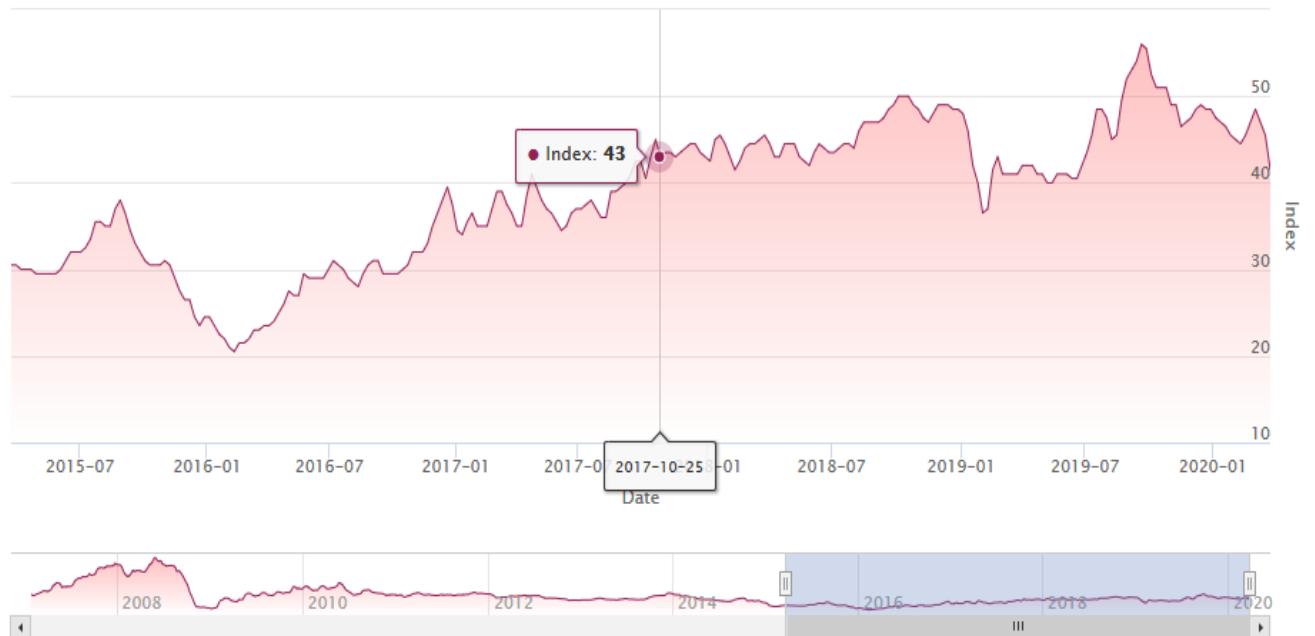


YAMAMIZU Index



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

From 2015-03-25 To 2020-03-25



China Import Dry Bulk Freight Index 2020-03-26

Description	Size MT	Cargo/Vessel Size	Unit	Rate	Change
Composite Index			Point	579.66	-7.46
Iron ore Freight Index			Point	483.51	-5.42
Dampier(West Australia)-Qingdao (China)	170000/10%	Iron ore	\$/ton	3.94	-0.043
Soybean Freight Index			Point	765.28	-7.58
Santos(Brazil)—North China	60000/10%	Soybean	\$/ton	23.914	-0.234
Tacoma(West America)—North China	60000/10%	Soybean	\$/ton	18.9	-0.221
Mississippi(US Gulf)—North China	66000/10%	Soybean	\$/ton	37.373	-0.365
Mississippi(US Gulf)—North China	55000/10%	Soybean	\$/ton	39.417	-0.353

26 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	\$166.82	0.97	\$175.48
May	0.75	\$166.82	0.98	\$175.88
June	0.71	\$167.41	0.95	\$176.86
July	0.71	\$167.41	0.97	\$177.65
Aug.	0.70	\$168.89	0.97	\$179.52
Sept.	0.71	\$169.28	1.01	\$181.09

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	1.80	\$208.16	1.60	\$200.28
May	1.80	\$208.16	1.60	\$200.28
June	1.80	\$210.32	1.55	\$200.48
July	1.75	\$208.35	1.50	\$198.51
Aug.	1.75	\$210.22	1.45	\$198.41

Fob vessel Texas Gulf #2 Sorghum is about 120% 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	\$249.49	\$247.65	\$239.29	\$237.45
Basis	1.10	1.05	0.95	0.90
WK	5.6900			.
WN	5.5625			
WU	5.5500			

26-Mar-2020	Close	This Week	Last Week.	Last Week.	Last Week	
CME Corn Futures	Bushel	MT.	Bushel	Bu. Diff.	MT	MT Diff.
May	\$ 3.4875	\$ 137.30	\$ 3.4550	0.0325	\$ 136.02	\$ 1.28
July	\$ 3.5425	\$ 139.46	\$ 3.5100	0.0325	\$ 138.18	\$ 1.28
Sept.	\$ 3.5900	\$ 141.33	\$ 3.5575	0.0325	\$ 140.05	\$ 1.28
Dec.	\$ 3.6725	\$ 144.58	\$ 3.6325	0.0400	\$ 143.00	\$ 1.57
Mar..	\$ 3.7750	\$ 148.61	\$ 3.7350	0.0400	\$ 147.04	\$ 1.57
May	\$ 3.8200	\$ 150.39	\$ 3.8650	(0.0450)	\$ 152.16	\$ (1.77)

CBOT May. 2020 (CK20) CORN Futures Chart –



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

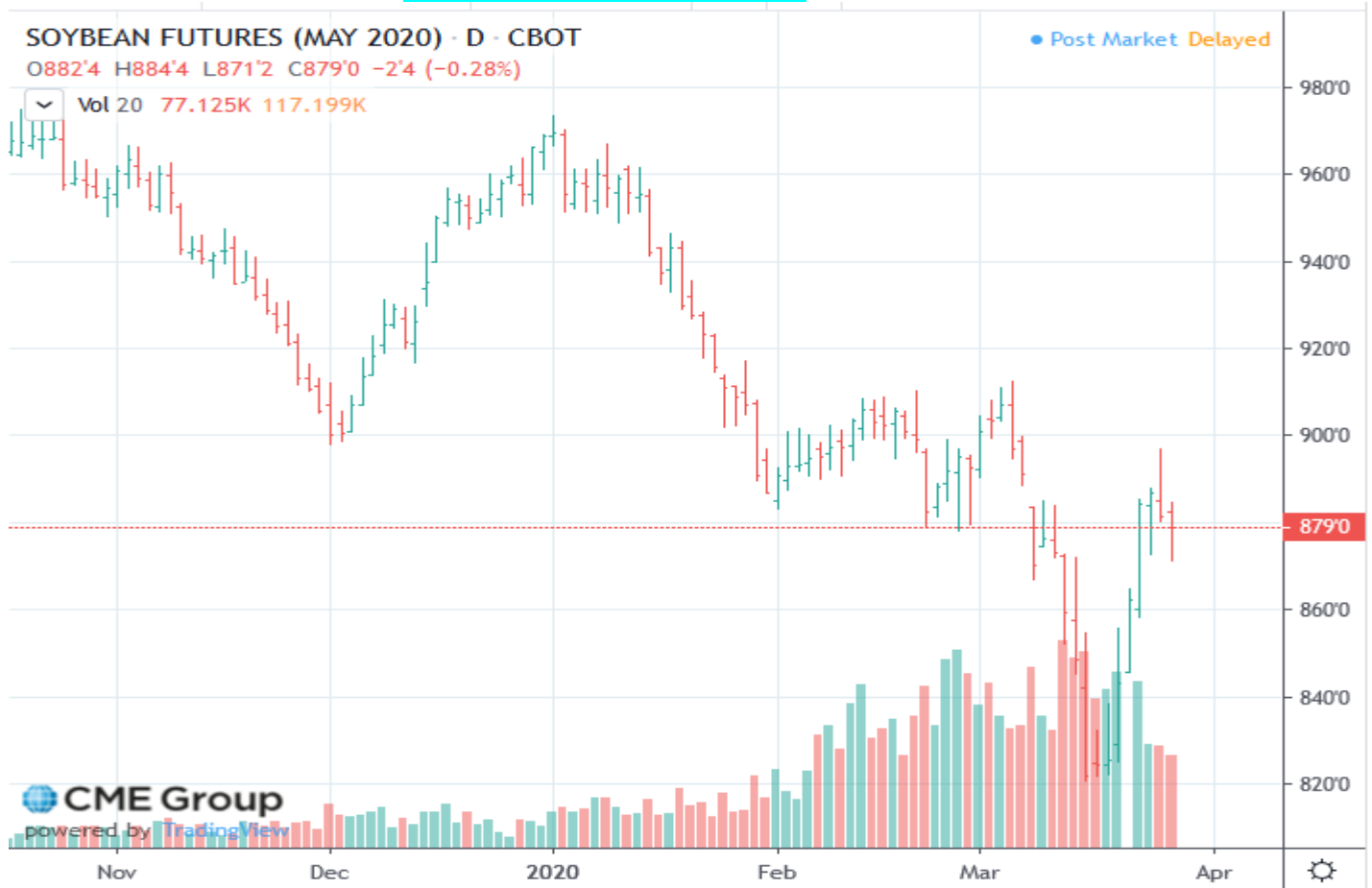


U.S. Soybean and SBM Markets Fob Vessel:

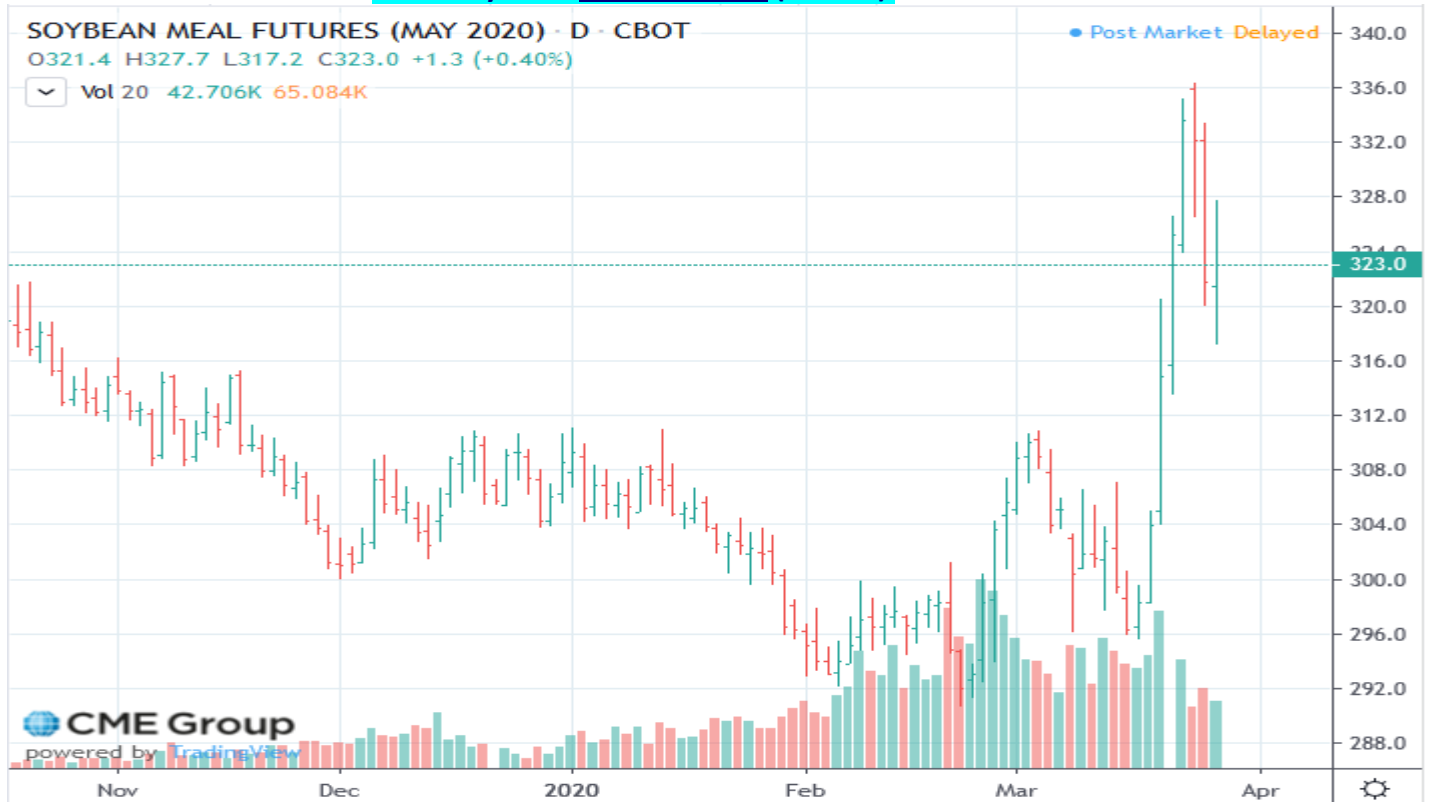
U.S. Yellow Soybeans (USD/MT) FOB Vessel				
# 2 YSB	U.S. Gulf #2 YSB		PNW #2 YSB	
14.0 % Moisture	Basis	Flat Price	Basis	Flat Price
April	0.75	\$350.99	1.18	\$366.79
May	0.78	\$352.09	1.19	\$367.16
June	0.78	\$353.75	1.17	\$368.08
July	0.78	\$353.75	1.18	\$368.44
Aug.	0.78	\$354.11	1.17	\$368.44
Soybean Futures				
May	\$ 8.8025			
July	\$ 8.8475			
Aug.	\$ 8.8575			
Sept.	\$ 8.8050			
Nov.	\$ 8.7900			
Jan.	\$ 8.7850			

U.S. SBM (USD/MT) FOB Vessel		
Fob U.S. Gulf Port	47.5 Pro. SBM	
max 12.5 % moisture	Basis	Flat Price
April	20.00	\$ 378.05
May	15.00	\$ 372.53
June	15.00	\$ 369.67
July	15.00	\$ 369.67
Aug.	15.00	\$ 364.60
SBM Futures		
SMK	322.90	
SMN	320.30	
SMQ	315.70	
SMU	313.40	
SMV	312.00	
SMZ	312.60	

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 12 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	956.5	29,017.7	43,820	66%	1,657.8
Sorghum	377.4	2,365.0	3,430	69%	33.0
Soybeans	645.0	34,999.7	49,670	70%	414.4
Wheat	367.0	23,969.9	27,220	88%	599.5
Barley	0.0	49.1	110	45%	31.0

U.S. EXPORT INSPECTIONS:

Monday's report 23 March 2020 for the Export week ending 19 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	816,634	985,206	16,749,635	28,420,738	59%
Sorghum	101,053	77,271	1,638,712	977,936	168%
Soybeans	570,642	494,612	31,202,613	28,567,923	109%
Wheat	349,369	468,588	20,091,160	18,396,030	109%
Barley	0	1,197	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 23 March 2020 for the Export week ending 19 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%	10,236 2%
Gulf	546,813	68%	16,960	100%	71,488	71%	338,179 59%
PNW	182,861	23%	0	0%	27,284	27%	145,622 26%
Interior Export Rail	70,000	9%	0	0%	2,281	2%	76,605 13%
Metric Tons	799,674		16,960		101,053		570,642

Sorghum Shipments:	<u>metric tons</u>	
	71,488	China Main
	27,284	Japan
	245	Korea Rep
	2,036	Mexico
	<u>101,053</u>	<u>Total</u>

White Corn	<u>metric tons</u>	
Shipments:	8,107	Colombia
	8,853	Venezuela
	<u>16,960</u>	<u>Total</u>

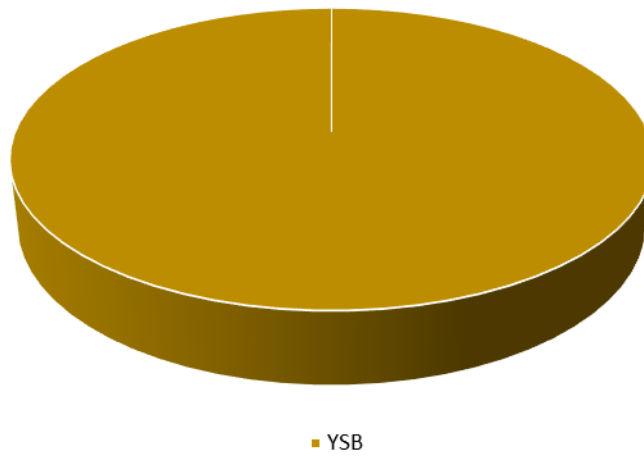
Export Inspection Highlights

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).*

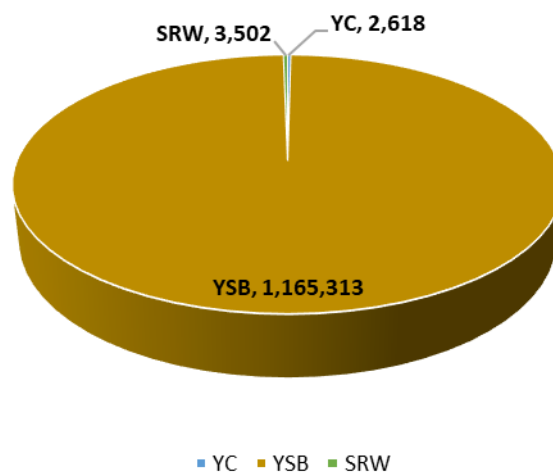
CONTAINER SHIPMENTS of GRAIN									
USDA Grain Inspections Report:		19-Mar-2020							
Last Week	metric tons								MT
	YC	WC	YSB	SRW	NS	SWH	HRW	Sorghum	TOTAL
China Main			6,221						6,221
China T	12,436		7,936						20,372
Hong Kong	784								784
Costa Rica	98								98
Indonesia			14,616						14,616
French Poly									0
Japan			1,297						1,297
Korea Republic	1,934		367					245	2,546
Nepal			1,224						1,224
Malaysia	1,224		4,947						6,171
Cambodia									0
Philippines			882						882
Thailand			7,319						7,319
Panama									0
Jordan									0
Bangladesh									0
Burma				980					980
Vietnam			9,694	882					10,576
Sub total	16,476	0	54,503	1,862	0	0	0	245	61,530
USDA Corrections/Additions to previous reports:									
China T									0
China Main									0
Hong Kong									0
Korea Rep.									0
Singapore									0
Japan									0
Philippines									0
Indonesia			906						906
Malaysia									0
Thailand									0
Vietnam									0
Saudi Arabia									0
Nigeria									0
Sub total	0	0	906	0	0	0	0	0	906
Mt. Grand Total	16,476	0	55,409	1,862	0	0	0	245	62,436
Number of containers	716	0	2,409	81	0	0	0	11	

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

2020 YTD Container Shipments to Indonesia



2019 Container Shipments to Indonesia



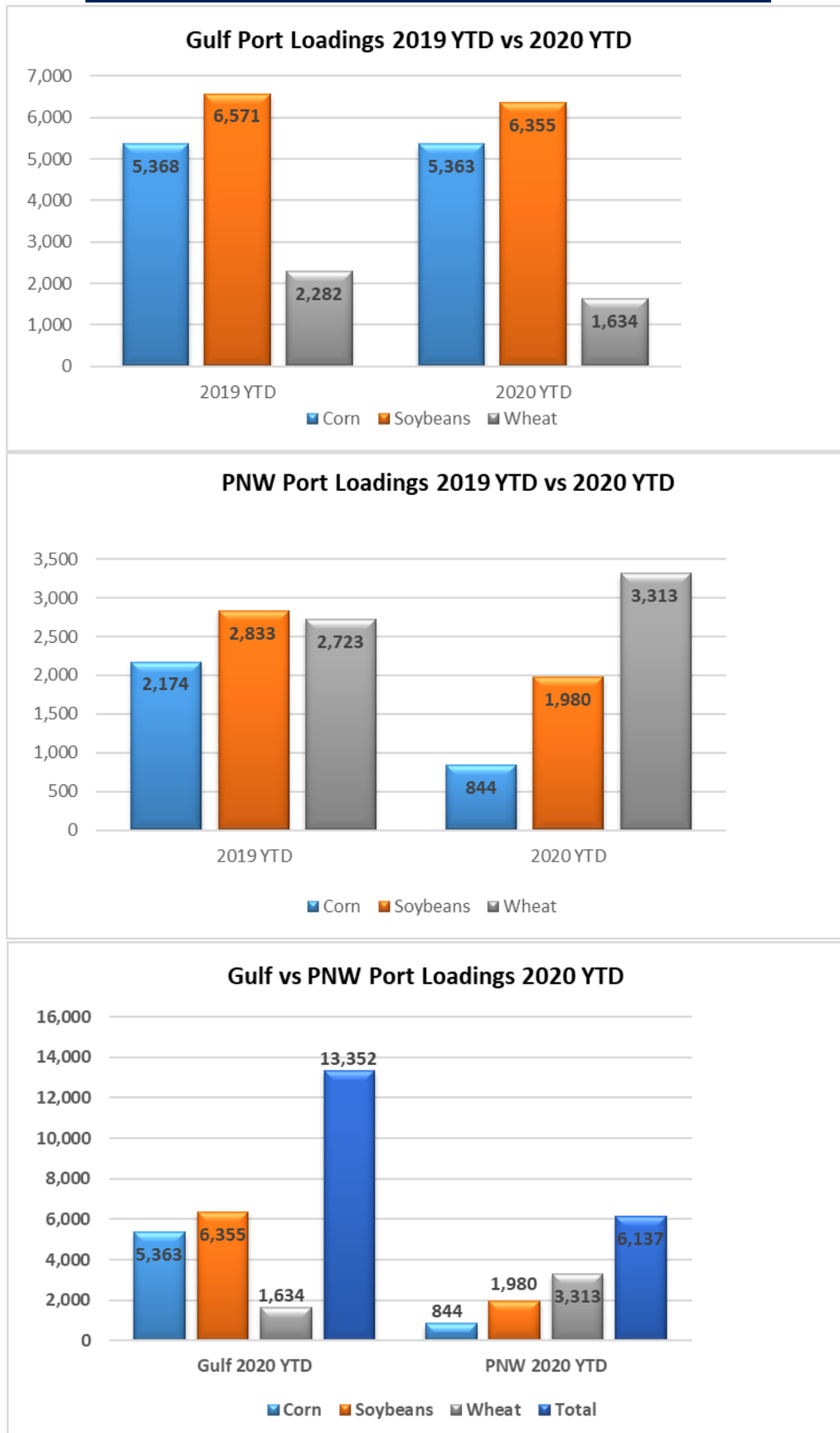
Grain Inspections for Export by U.S. Port Regions:
U.S. Gulf and Pacific Northwest 2019 YTD vs. 2020 YTD

PORT LOADINGS US Gulf				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
GULF				
2019 YTD	5,368	6,571	2,282	14,221
2020 YTD	5,363	6,355	1,634	13,352
2020 as % of 2019	100%	97%	72%	94%

PORT LOADINGS US PNW				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
PNW				
2019 YTD	2,174	2,833	2,723	7,730
2020 YTD	844	1,980	3,313	6,137
2020 as % of 2019	39%	70%	122%	79%

PORT LOADINGS GULF vs. PNW				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
2020 Gulf YTD	5,363	6,355	1,634	13,352
2020 PNW YTD	844	1,980	3,313	6,137
TOTAL	6,207	8,335	4,947	19,489
Gulf Percentage	86%	76%	33%	69%
PNW Percentage	14%	24%	67%	31%

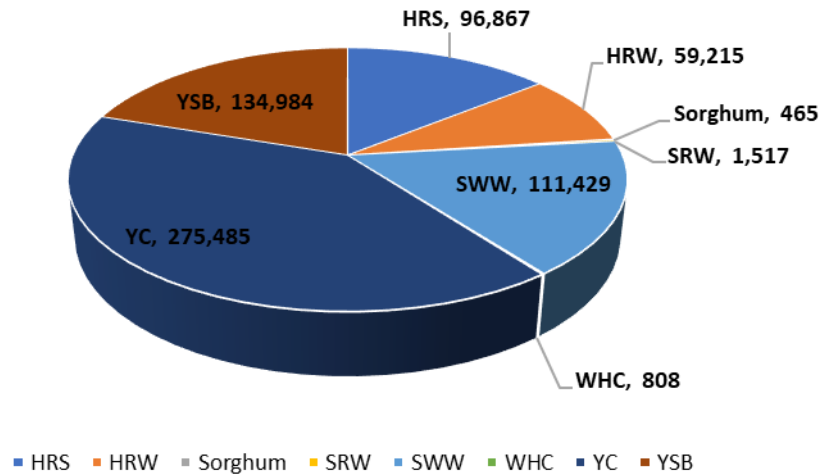
Grain Inspections for Export by U.S. Port Regions (1,000MT):
U.S. Gulf and Pacific Northwest 2019 YTD vs. 2020 YTD



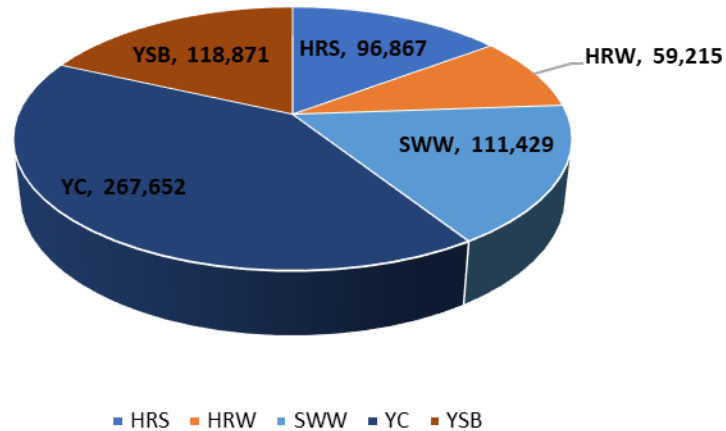
Source: USDA-data

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

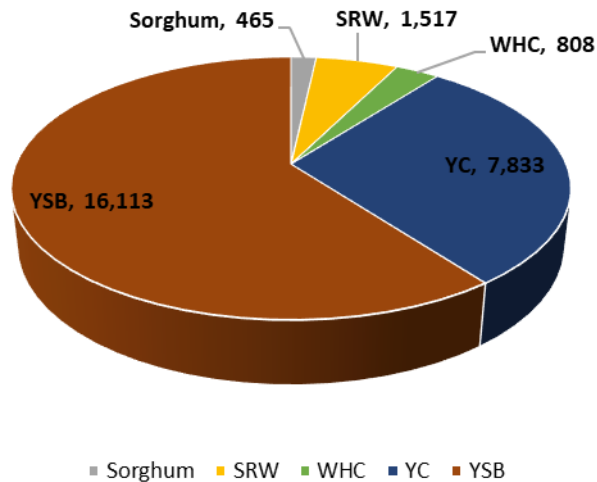
2020 YTD Exports to Korea Rep



2020 YTD Exports to Vietnam by Vessel



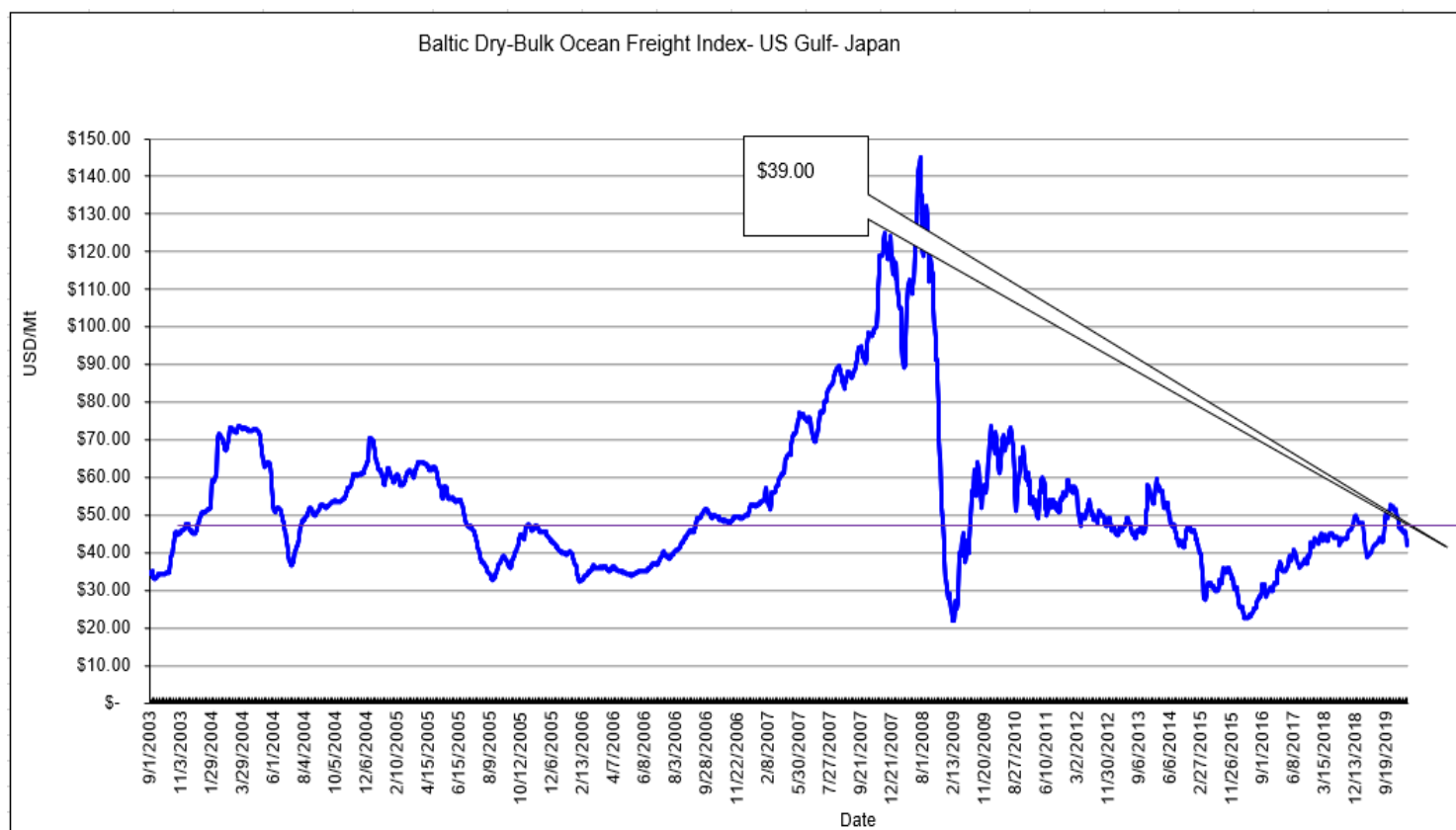
2020 YTD Exports to Vietnam by Container



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

Shipping News

% of US Container Exports by Port in 2019					
Ports	Wheat	Corn	Sorghum	Soybeans	DDGS
LA Long Beach	3.1%	53.2%	1.5%	49.7%	48.6%
Portland	72.1%	0.0%	0.0%	0.0%	0.1%
Savannah	0.4%	1.0%	0.0%	0.1%	13.7%
Norfolk	5.9%	4.5%	0.1%	25.0%	15.2%
Houston-Galveston	5.0%	0.1%	97.6%	0.0%	0.0%
New Orleans	0.0%	11.7%	0.0%	2.1%	0.3%
Seattle	6.4%	25.0%	0.1%	7.2%	12.1%
Total %	92.9%	95.5%	99.4%	84.1%	90.0%



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	360	\$24.56	0.62	0.67
Illinois River (Pekin and South)	335	\$17.76	0.45	0.48
Mid-Mississippi	40	\$19.94	0.51	0.54
Lower Ohio	220	\$10.82	0.27	0.29
St. Louis	225	\$ 9.90	0.25	0.27

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 Shuttle Trains	\$ -	\$ 150.00	\$ -	\$ 0.04	\$ -	\$ 1.48
UPRR Shuttle Trains	\$ -	\$ 150.00	\$ -	\$ 0.04	\$ -	\$ 1.48

Best Regards,

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