O'NEIL COMMODITY CONSULTING

Transportation and Export Report for 28 March 2019

Ocean Freight Insights and Comments:

It is a bit difficult to fully assess the action in the Dry-Bulk sector this week as it was full of emotion and confusion. The Capesize sector suffered through a miserable week with the bid side of the market getting hit hard and subsequently sinking. Paper traders however saw fit to boost the Baltic index values for Panamax size vessels but then became confused over the impact of the Baltic announcement that they had decided to add new index descriptions for each shipment size following the IMO 2020 Sulphur cap discussions. This rally may not have much follow-through? We will have to see how that goes next week and how it effects traders decisions. I am not at all convinced that vessel owners will be able to fully recover the added fuel costs that IMO2020 regulations will create.

BALTIC DRY-BULK PANAMAX INDEX CHANGES

Panamax Ocean Freight Indices				
28-Mar-19	This Week	Last Week	Difference	Percent Change
P2A : Gulf/Atlantic - Japan	16859	14501	2,358	16.3%
P3A - PNW/Pacific - Japan	8960	8216	744	9.1%
S1C -USGULF-China-So.Japan	18106	17231	875	5.1%

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

Four weeks ago:	$5.15-$5.50
Three weeks ago:	$4.95-$5.30
Two weeks ago:	$4.80-$5.45
One week ago:	$5.80-$6.20
This week	$4.65-$4.95

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

Mississippi River:	(10 elevators)	3-8 days
Miss. River Mid-Stream loaders:	(6+ Rigs)	0-7 days
Texas Gulf	(6 elevators)	0-5 days
Pacific Northwest:	(9 elevators)	6-25 days (only 1 facility over 16 days)

Panamax Market Spreads to Asia -China					
28-Mar-19	PNW	GULF	Bushel Spread	MT Spread	Advantage
CORN	1.15	0.73	0.42	$16.53	BOTH
SOYBEANS	0.93	0.45	0.48	$17.64	GULF
OCEAN FREIGHT	$23.25	$40.00	.43 -.46	$16.75	April

Recent Reported Vessel Fixtures:

Soybean Panamax USG to Spain is running $18.75/mt.
Soybean Brazil to Spain can be done at $21.00/mt.
63,000 mt Brazil to China April 15-30 at $32.50 fio 8000shex/8000shex - DHL
64-66000Up River + Bahia Blanca Argentina to China April 21-30 at $37.85 fio 8000/8000 sshex bends - CHS -

Route and Vessel Size	Current Week USD/MT	Change from previous week	Remarks
55,000 U.S. Gulf-Japan	$41.50	Up $0.50	Handymax $42.00 mt
55,000 U.S. PNW- Japan	$23.75	Up $0.25	Handymax $23.00 mt
66,000 U.S. Gulf – China PNW to China	$40.00 $23.25	Up $1.00 Up $0.25	North China
25,000 U.S. Gulf- Veracruz, México	$16.50	Unchanged	3,000 MT daily discharge rate
30-35,000+ U.S. Gulf- Veracruz, México	$14.00	Unchanged	Deep draft and 6,000 MT per day discharge rate.
25/35,000 U.S. Gulf- East Coast Colombia From Argentina	$20.00 $33.00	Unchanged	West Coast Colombia at $29.50
43-45,000 U.S. Gulf - Guatemala	$29.25	Unchanged	Acajutla/Quetzal - 8,000 out
26-30,000 U.S. Gulf – Algeria	$33.00 $34.00	Unchanged	8,000 mt daily discharge 3,000 mt daily discharge
26-30,000 US Gulf-Morocco	$34.75	Down $0.25	5,000 discharge rate
55-60,000 U.S. Gulf –Egypt PNW to Egypt	$27.50 $28.25	Down $0.25	60,000 -55,000 mt Russia Black Sea Romania - Egypt $11.80--$13.60 (France $17.25-$18.00)
60-70,000 U.S. Gulf – Europe – Rotterdam	$15.50	Down $1.00	Handymax at +$1.75 more
Brazil, Santos – China Brazil, Santos – China Itacoatiara-Port Up River North Brazil	$32.00 $32.25 $36.00	Up $2.00	54-59,000 Supramax-Panamax 60-66,000 Post Panamax 60-66,000 mt
56-60,000 Argentina/Rosario-China Deep Draft	$35.25	UP $0.50	Up River with BB Top Off $38.00

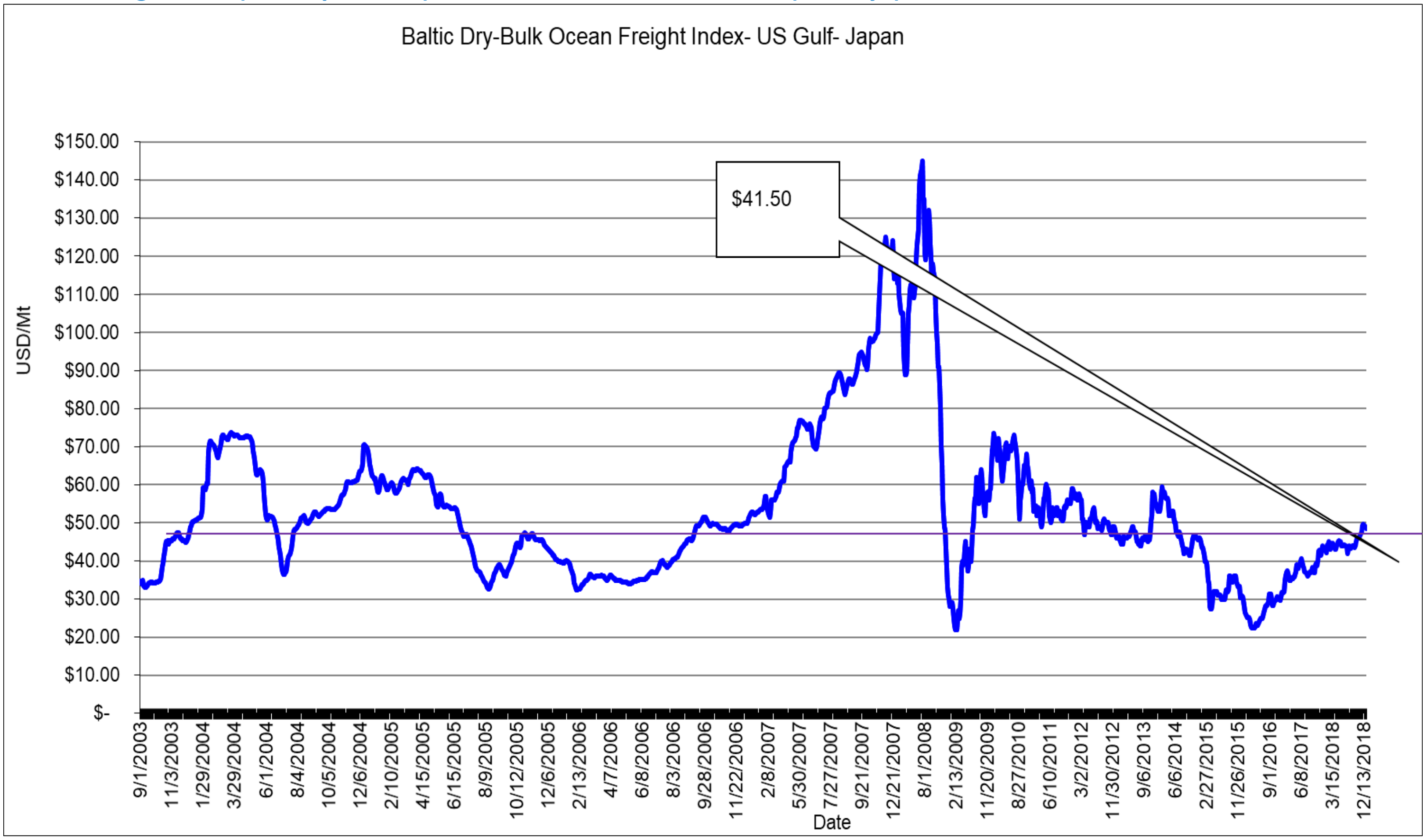
- **The above rate estimates reflect the 30-45-day forward ocean freight markets.**

Nautical Miles: To Xiamen China (South China)

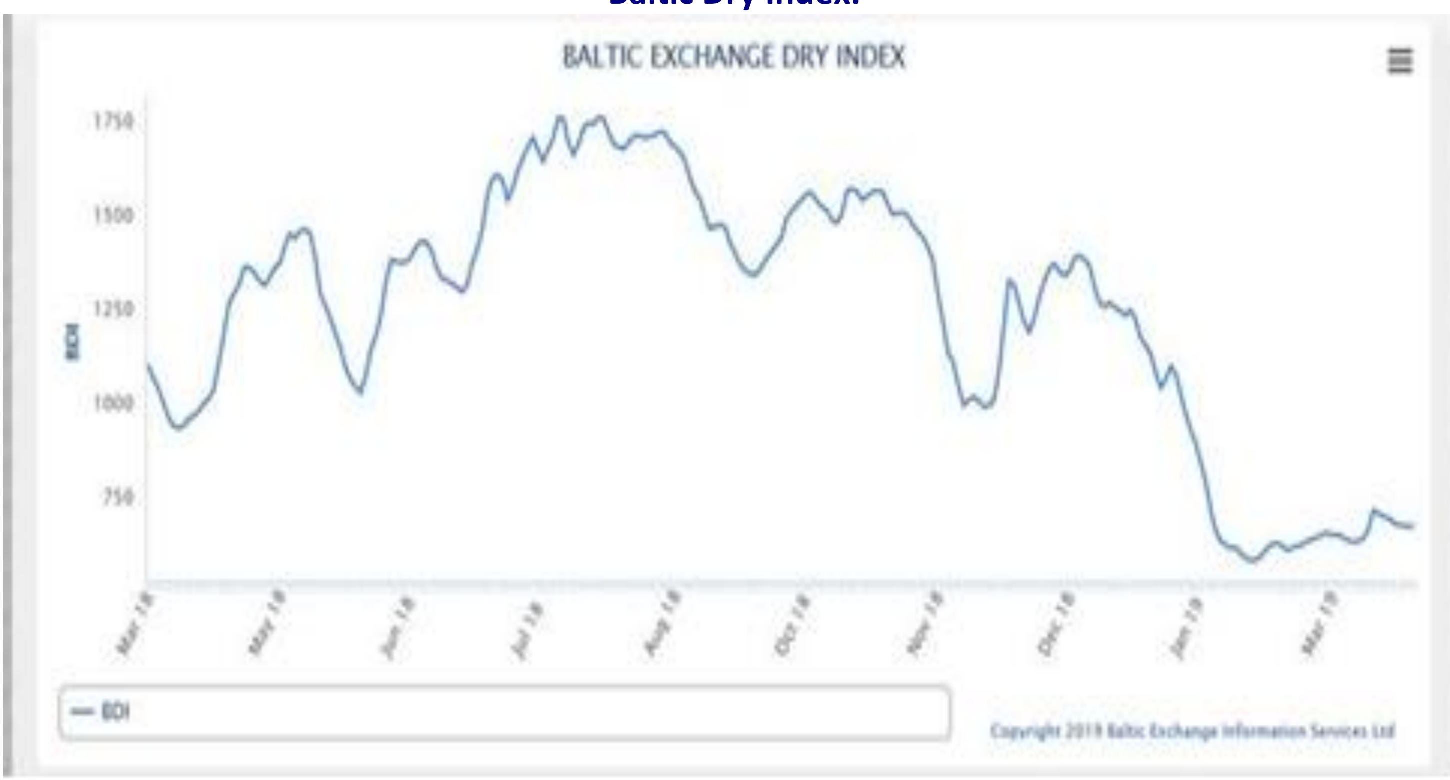
US Gulf (NOLA) (via Panamá Canal) – 10,232 nautical miles (32 days)

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.



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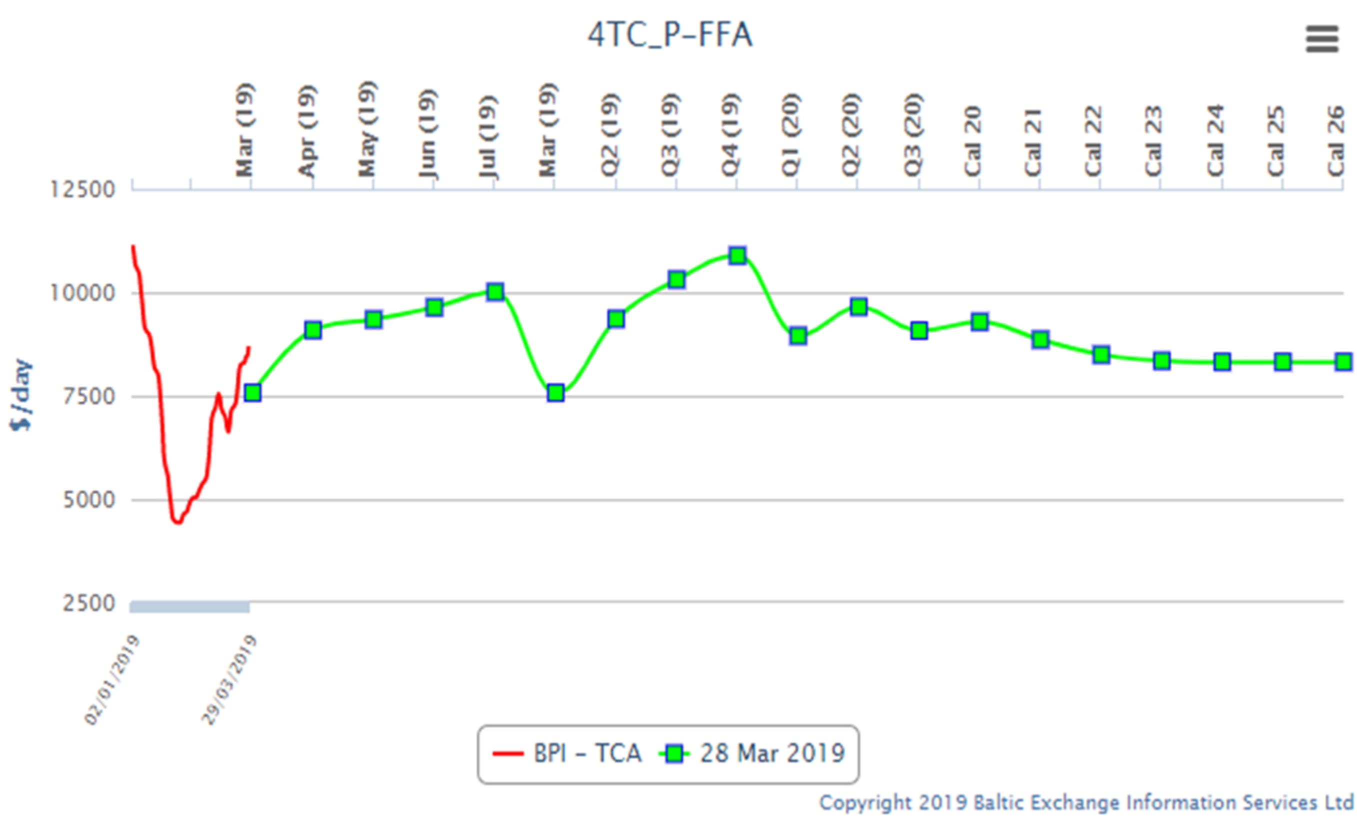
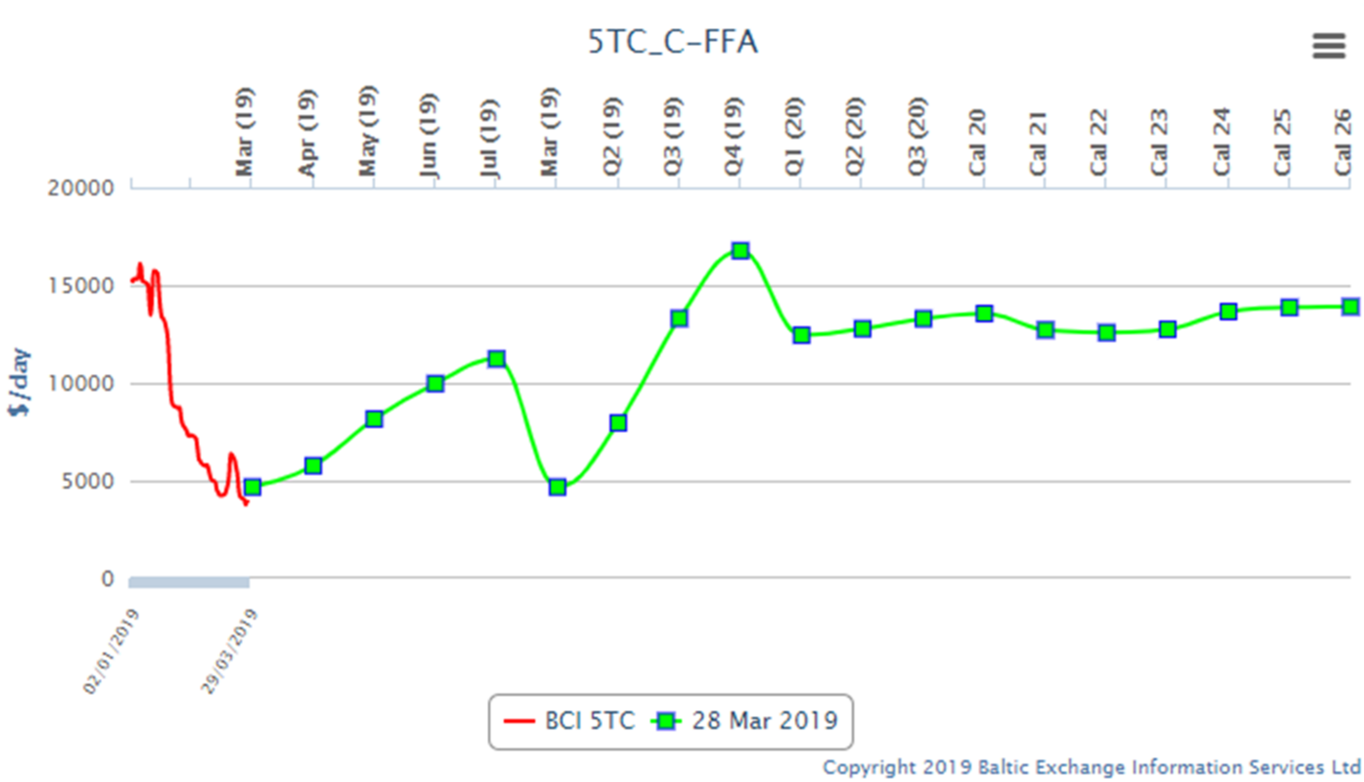
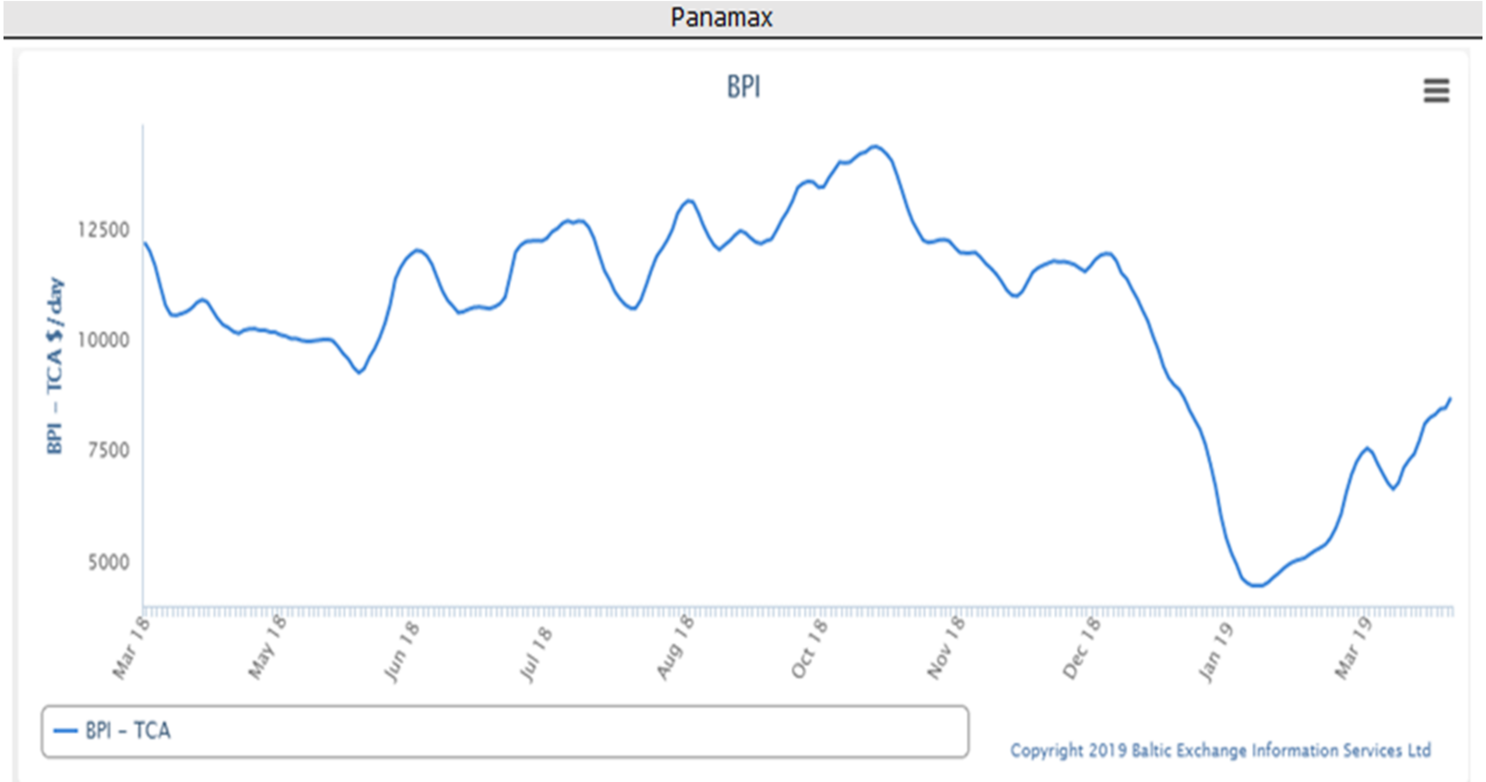
Baltic Panamax Forward Curve Chart



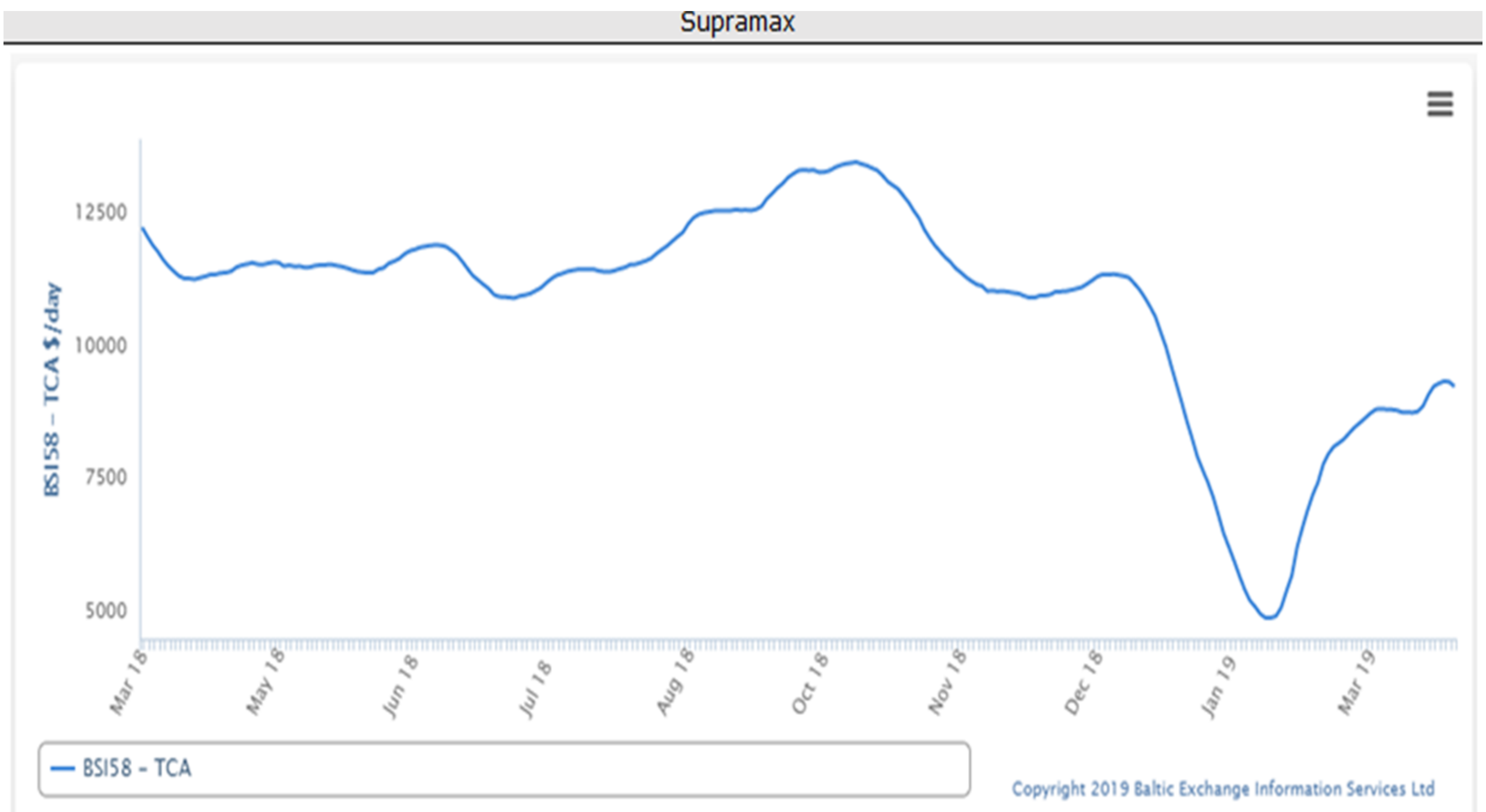
Baltic Capesize Index



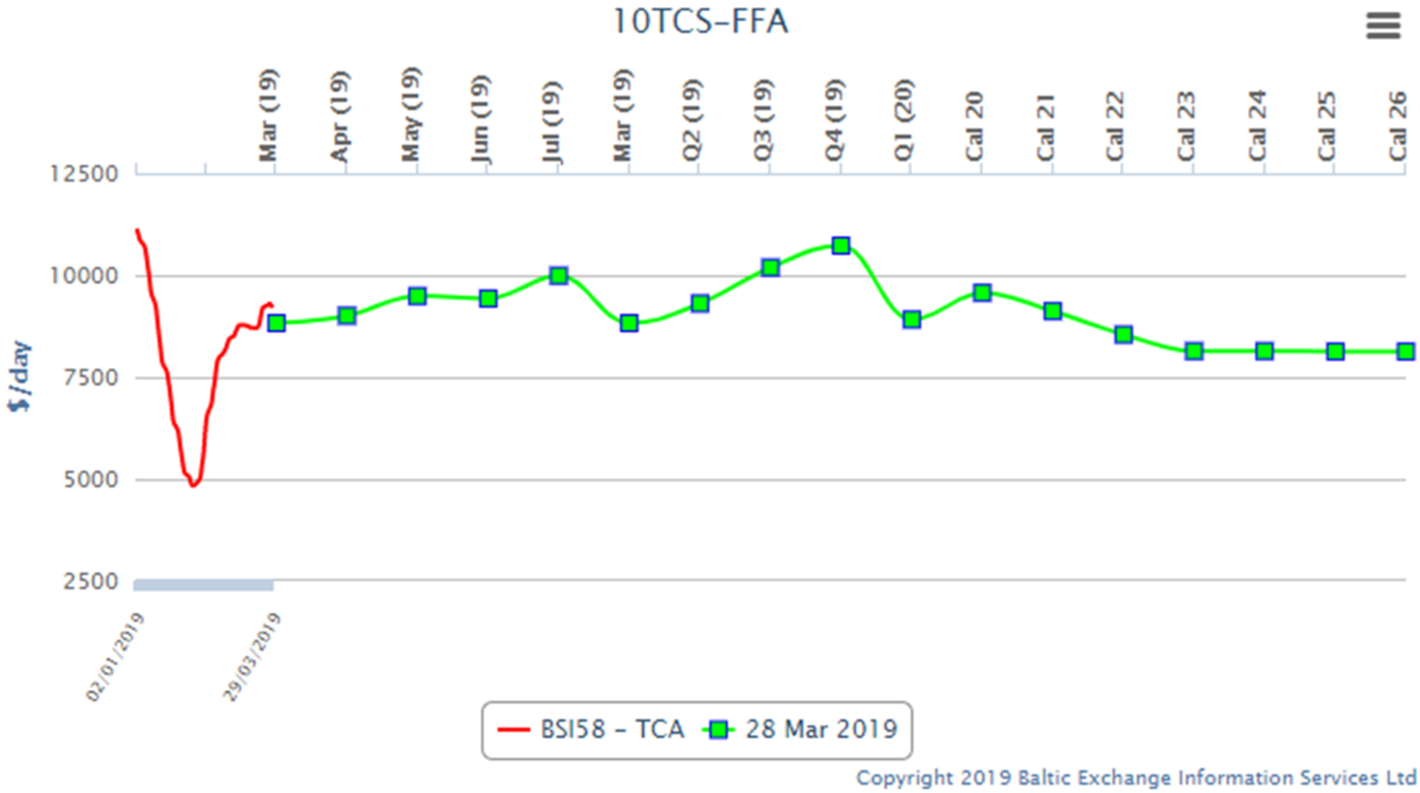
Baltic Panamax Index



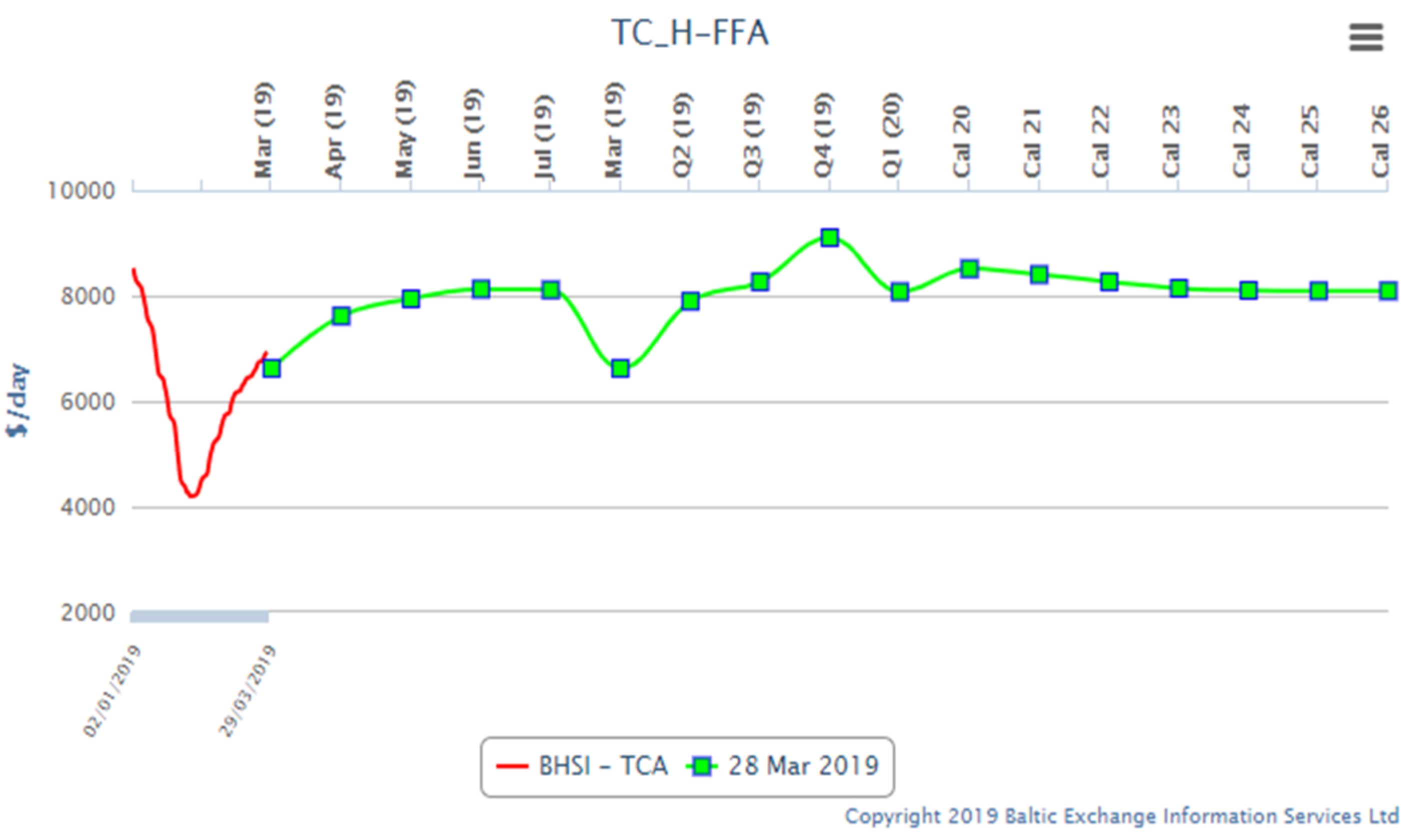
Baltic Supramax Vessel Index



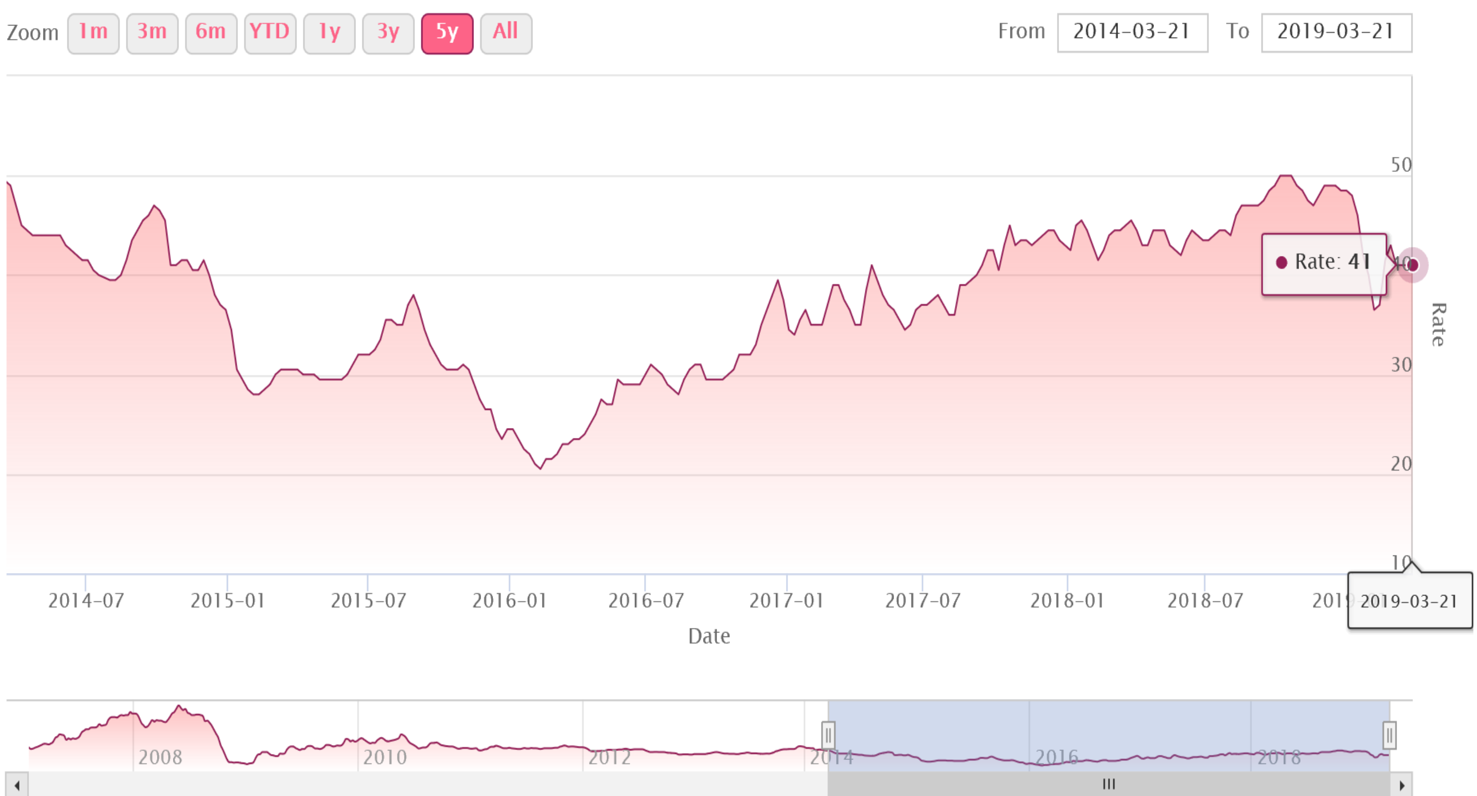
Supramax Dry-Bulk Forward Curv



Baltic Handy Size



YAMAMIZU Index



China Import Dry Bulk Freight Index(CDFI)
2019-03-27

Route	Size MT	Cargo/Vessel Size	Unit	Rate	Change
Composite Index			Point	695.48	-3.65
Iron ore Freight Index			Point	570.92	-4.92
Soybean Freight Index			Point	923.55	0.45
Santos(Brazil)—North China	60000/10%	Soybean	$/ton	31.933	-0.042
Tacoma(West America)—North China	60000/10%	Soybean	$/ton	22.956	-0.119
Mississippi(US Gulf)—North China	66000/10%	Soybean	$/ton	39.923	0.211
Mississippi(US Gulf)—North China	55000/10%	Soybean	$/ton	41.566	0.169

28 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	0.73	**$175.97**	1.15	**$192.51**
May	0.73	**$175.97**	1.05	**$188.57**
June	0.60	**$174.69**	0.98	**$189.65**
July	0.60	**$174.69**	0.98	**$189.65**
Aug.	0.60	**$177.55**	0.98	**$192.51**
Sept.	0.63	**$178.73**	0.99	**$192.90**

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	**$186.60**	0.87	**$181.49**
May	1.05	**$188.57**	0.85	**$180.70**
June	1.00	**$190.44**	0.85	**$184.54**
July	1.00	**$190.44**	0.85	**$184.54**
Aug.	0.95	**$191.33**	0.75	**$183.45**

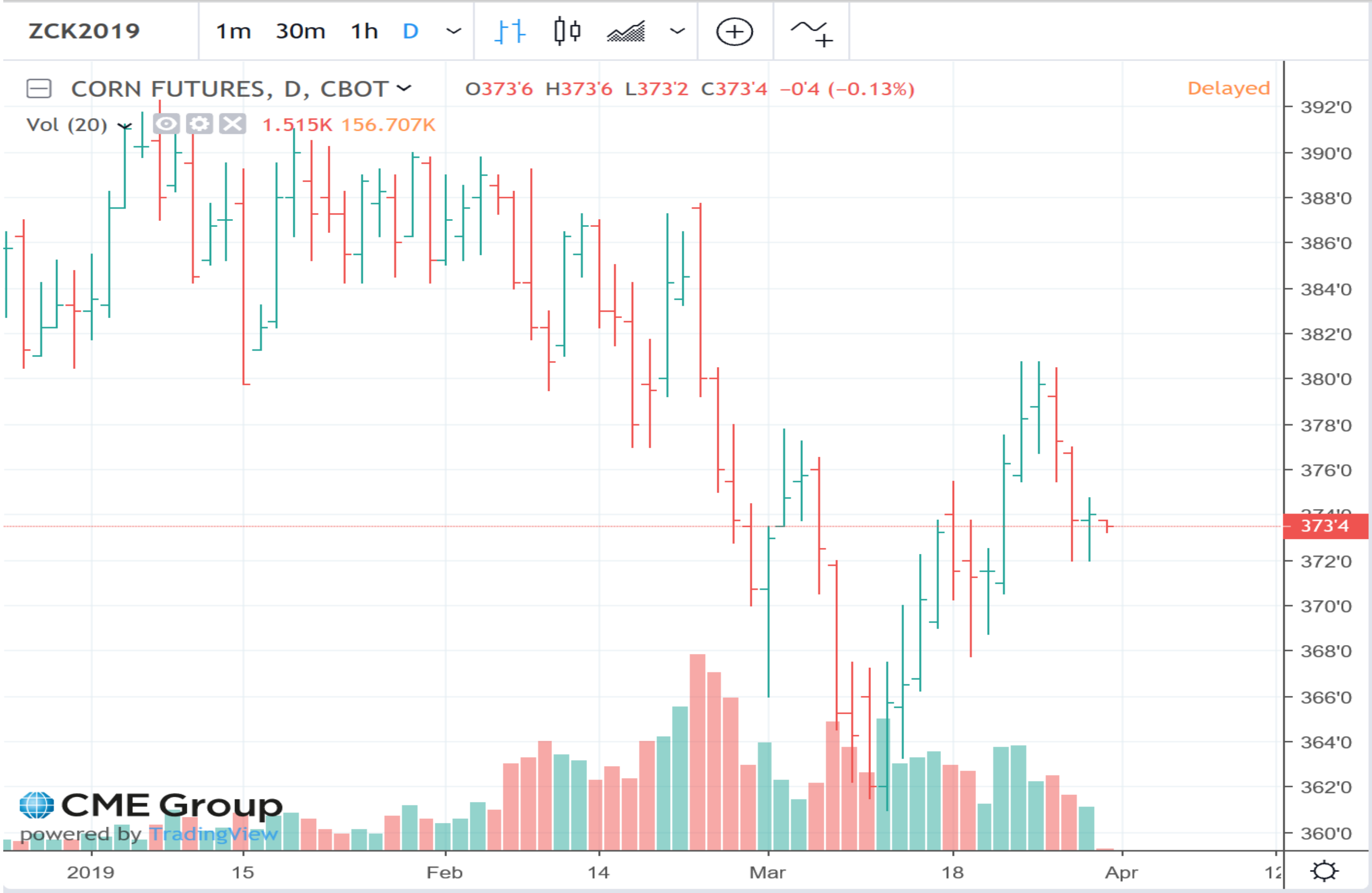
Fob vessel Texas Gulf #2 Sorghum is about 103 % the value of #2 Yellow Corn at NOLA.

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	$209.25	$209.25	$207.78	$205.95
Basis	1.05	1.05	0.95	0.90
WK	4.6450			.
WN	4.7050			
WU	4.7875			

CME Futures Market Close						
CORN Month	Futures Symbol	Thursday Close Bushel	Thursday Close MT.	Last week Bushel	Last Week MT.	Difference Bushel
May	CK	$3.7400	$147.24	$ 3.7625	$148.12	($0.0225)
July	CN	$3.8375	$151.07	$ 3.8550	$151.76	($0.0175)
Sept.	CU	$3.9100	$153.93	$ 3.9175	$154.22	($0.0075)
Dec.	CZ	$3.9825	$156.78	$ 3.9875	$156.98	($0.0050)
March	CH	$4.0850	$160.82	$ 4.0900	$161.01	($0.0050)

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	0.45	**$343.37**	0.93	**$361.00**
May	0.48	**$344.47**	0.93	**$361.00**
June	0.40	**$346.49**	0.85	**$363.02**
July	0.45	**$348.33**	0.90	**$364.86**
Aug.	0.43	**$349.80**	0.85	**$365.23**
Soybean Futures				
May	$ 8.8950			
July	$ 9.0300			
Ayg.	$ 9.0900			
Sept.	$ 9.1450			
Nov.	$ 9.2375			
Jan.	$ 9.3250			

U.S. SBM (USD/MT) FOB Vessel		
Fob U.S. Gulf Port	**47.5 Pro. SBM**	
max 12.5 % moisture	Basis	Flat Price
April	10.00	**$ 348.94**
May	8.00	**$ 346.74**
June	2.00	**$ 344.20**
July	2.00	**$ 344.20**
Aug.	2.00	**$ 345.85**
SBM Futures		
SMK	306.50	
SMN	310.20	
SMQ	311.70	
SMU	313.30	
SMV	314.30	
SMZ	316.90	

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 14 March 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	874.3	41,753.6	60,330	69%	1,833.0
Sorghum	65.0	947.3	2,160	44%	0.0
Soybeans	508.4	41,505.9	51,030	81%	705.0
Wheat	365.9	23,143.2	26,260	88%	844.2
Barley	0.1	59.4	110	54%	31.1

U.S. EXPORT INSPECTIONS:

Monday's report 25 March 2019 for the Export week ending 21 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	995,997	803,213	28,400,933	23,123,763	123%
Sorghum	2,349	25,519	977,050	3,796,568	26%
Soybeans	857,970	849,700	28,554,596	40,940,759	70%
Wheat	340,398	385,119	18,349,246	19,500,399	94%
Barley	0	836	7,810	21,071	37%

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

U.S. EXPORT INSPECTIONS:

Monday's report 25 March 2019 for the Export week ending 21 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%	12,660	1%
Gulf	567,861	61%	67,735	100%	0	0%	407,429	47%
PNW	243,482	26%	0	0%	0	0%	335,241	39%
Interior Export Rail	116,919	13%	0	0%	2,349	100%	102,640	12%
Metric Tons	928,262		67,735		2,349		857,970	

Sorghum Shipments:	metric tons	
	2,349	Mexico
	2,349	Total

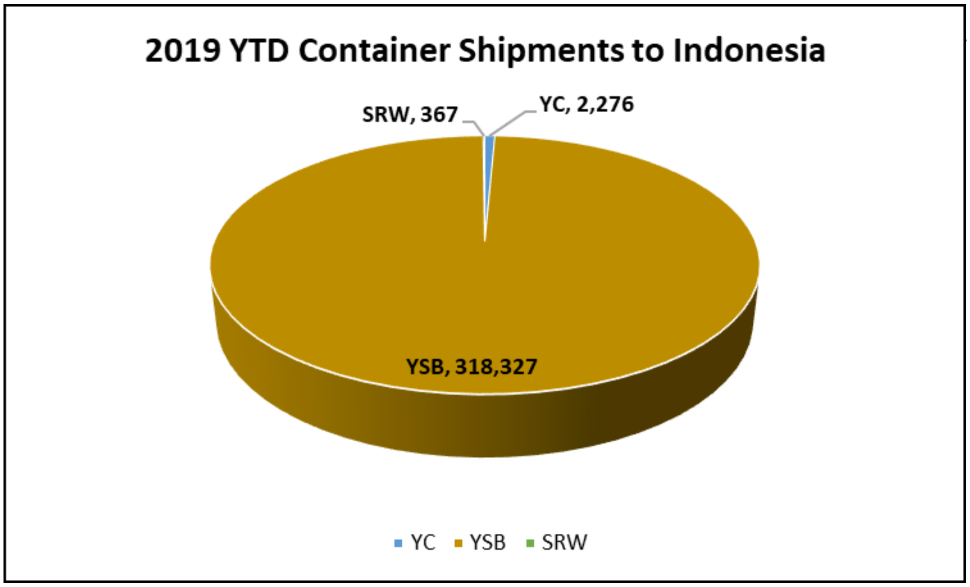
White Corn Shipments:	metric tons	
	18,493	Colombia
	7,259	Costa Rica
	11,040	El Salvador
	30,943	Mexico
	67,735	Total

Export Inspection Highlights

<u>Data sheet below:</u> *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:			**21-Mar-2019**						
Last Week	metric tons								**MT**
	YC	**WC**	**YSB**	**SRW**	**NS**	**SWH**	**HRW**	**Sorghum**	**TOTAL**
China Main									0
China T	15,516		14,839	857					31,212
Hong Kong	1,003								1,003
Costa Rica	147								147
Indonesia			23,308						23,308
French Poly									0
Japan			98						98
Korea Republic	2,643		1,273						3,916
Nepal			3,625						3,625
Malaysia	490		6,442						6,932
Burma				49					49
Philippines	587		1,323						1,910
Thailand			12,022						12,022
Qatar	490								490
Maldives			147						147
Vietnam			6,659						6,659
Sub total	20,876	0	69,736	906	0	0	0	0	84,222
USDA Corrections/Additions to previous reports:									
China T			2,817						2,817
China Main									0
Hong Kong									0
Korea Rep.			220						220
Nepal			955						955
Japan									0
Philippines			392						392
Indonesia			3,649						3,649
Malaysia									0
Thailand									0
Vietnam			196						196
Canada						24			24
Bangladesh									0
Sub total	0	0	8,229	0	0	24	0	0	8,253
Mt. Grand Total	**20,876**	**0**	**77,965**	**906**	**0**	**24**	**0**	**0**	92,475
Number of containers	908	0	3,390	39	0	1	0	0	

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



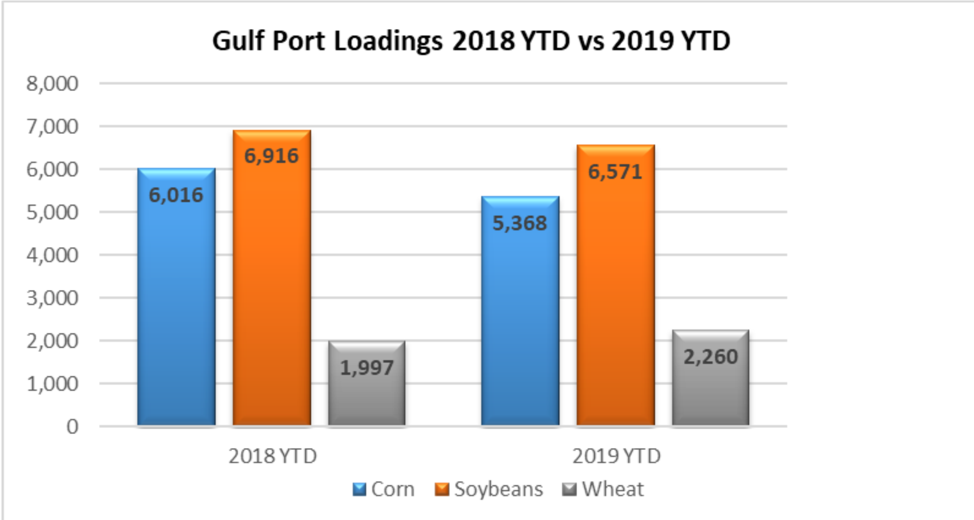
Grain Inspections for Export by U.S. Port Regions: U.S. Gulf and Pacific Northwest 2018 YTD vs. 2019 YTD

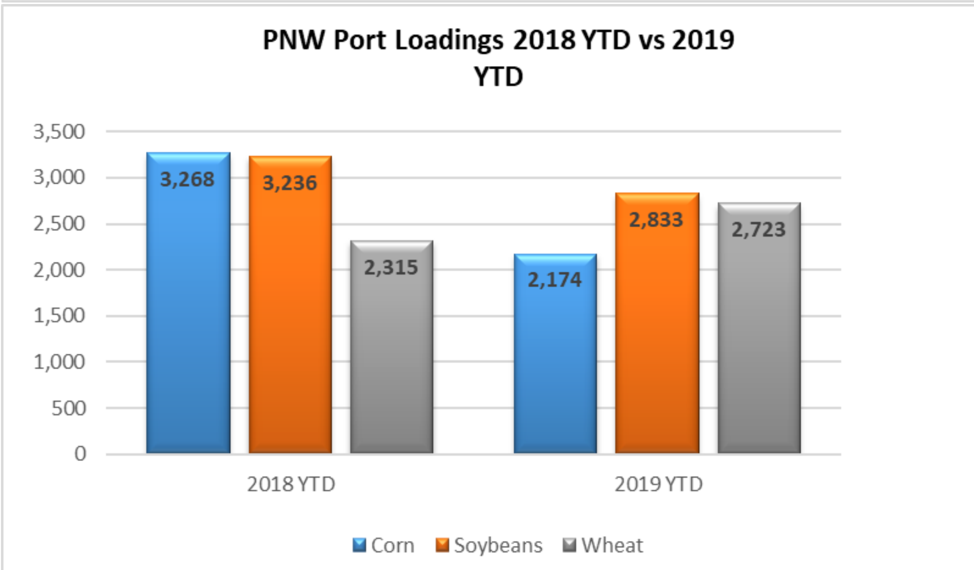
PORT LOADINGS US Gulf				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
GULF				
2018 YTD	6,016	6,916	1,997	14,929
2019 YTD	5,368	6,571	2,260	14,199
2019 as % of 2018	89%	95%	113%	95%

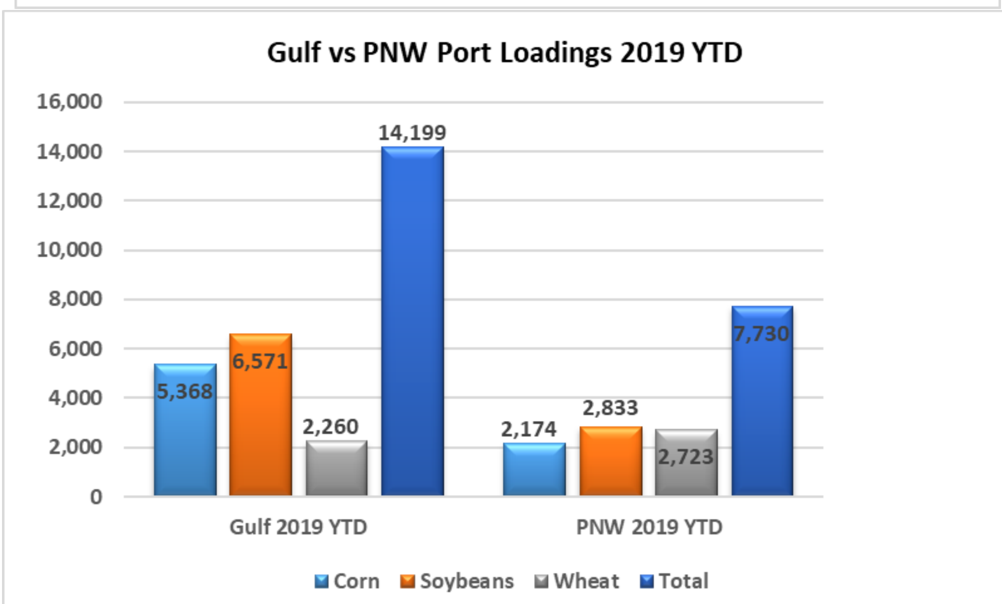
PORT LOADINGS US PNW				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
PNW				
2018 YTD	3,268	3,236	2,315	8,819
2019 YTD	2,174	2,833	2,723	7,730
2019 as % of 2018	67%	88%	118%	88%

PORT LOADINGS GULF vs. PNW				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
2019 Gulf YTD	5,368	6,571	2,260	14,199
2019 PNW YTD	2,174	2,833	2,723	7,730
TOTAL	7,542	9,404	4,983	21,929
Gulf Percentage	71%	70%	45%	65%
PNW Percentage	29%	30%	55%	35%

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

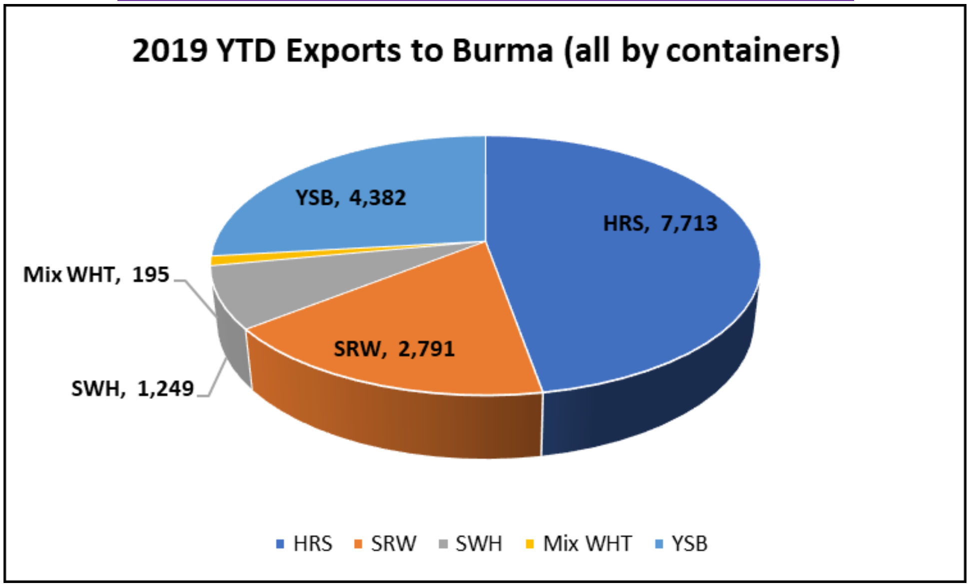






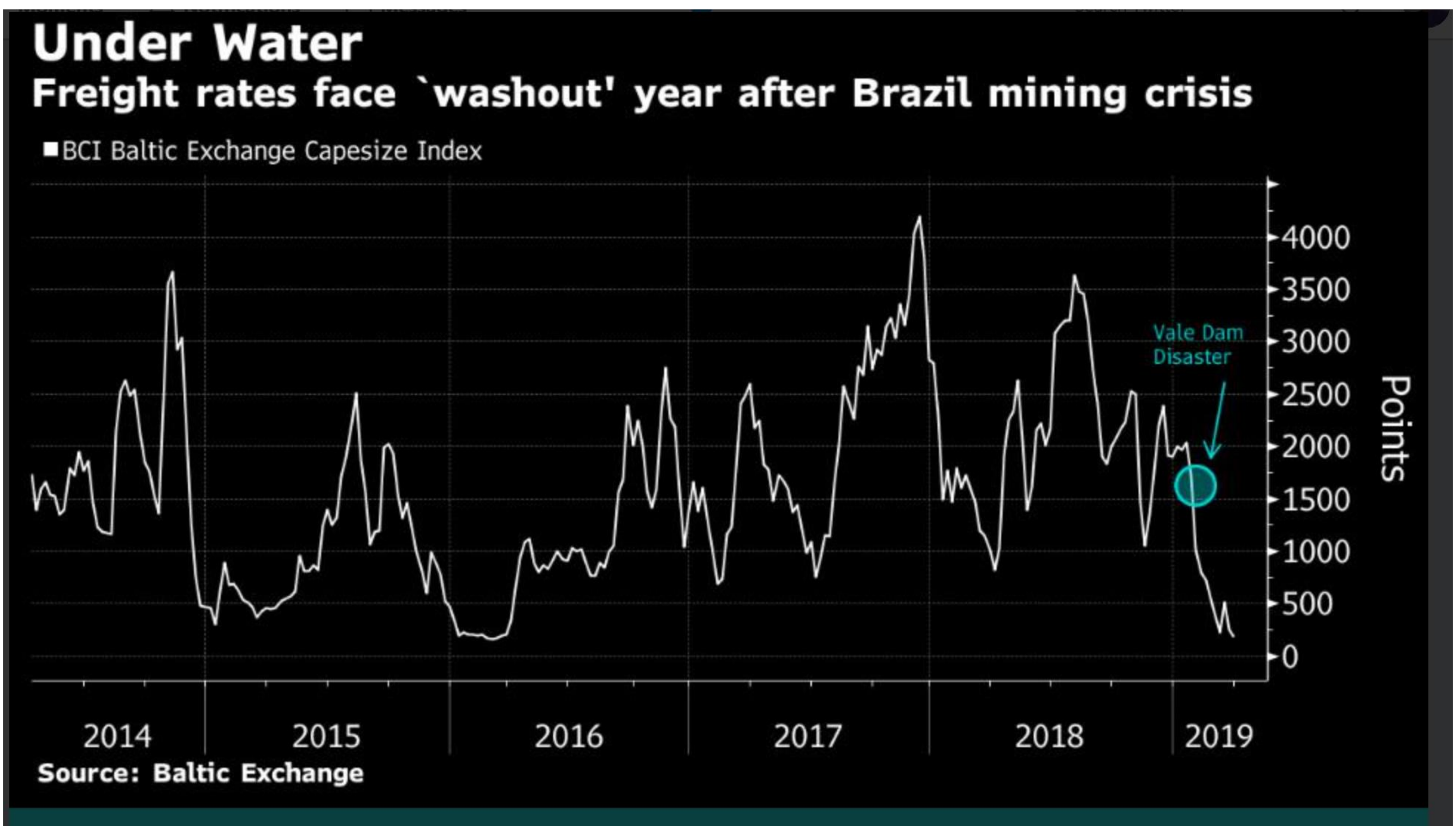
Source: USDA-data

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



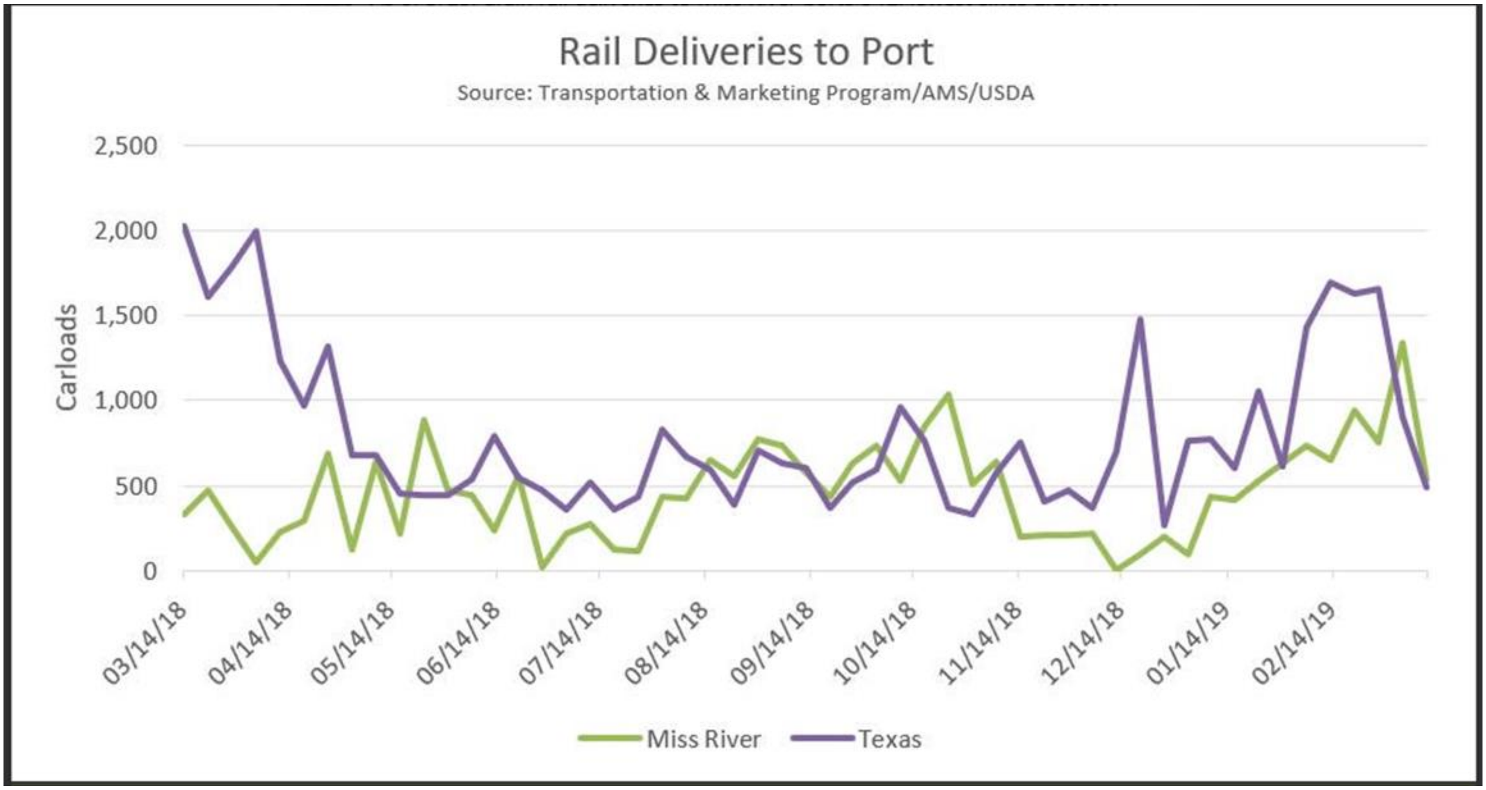
*Please keep in mind that USDA does not report DDGS sales

Shipping News

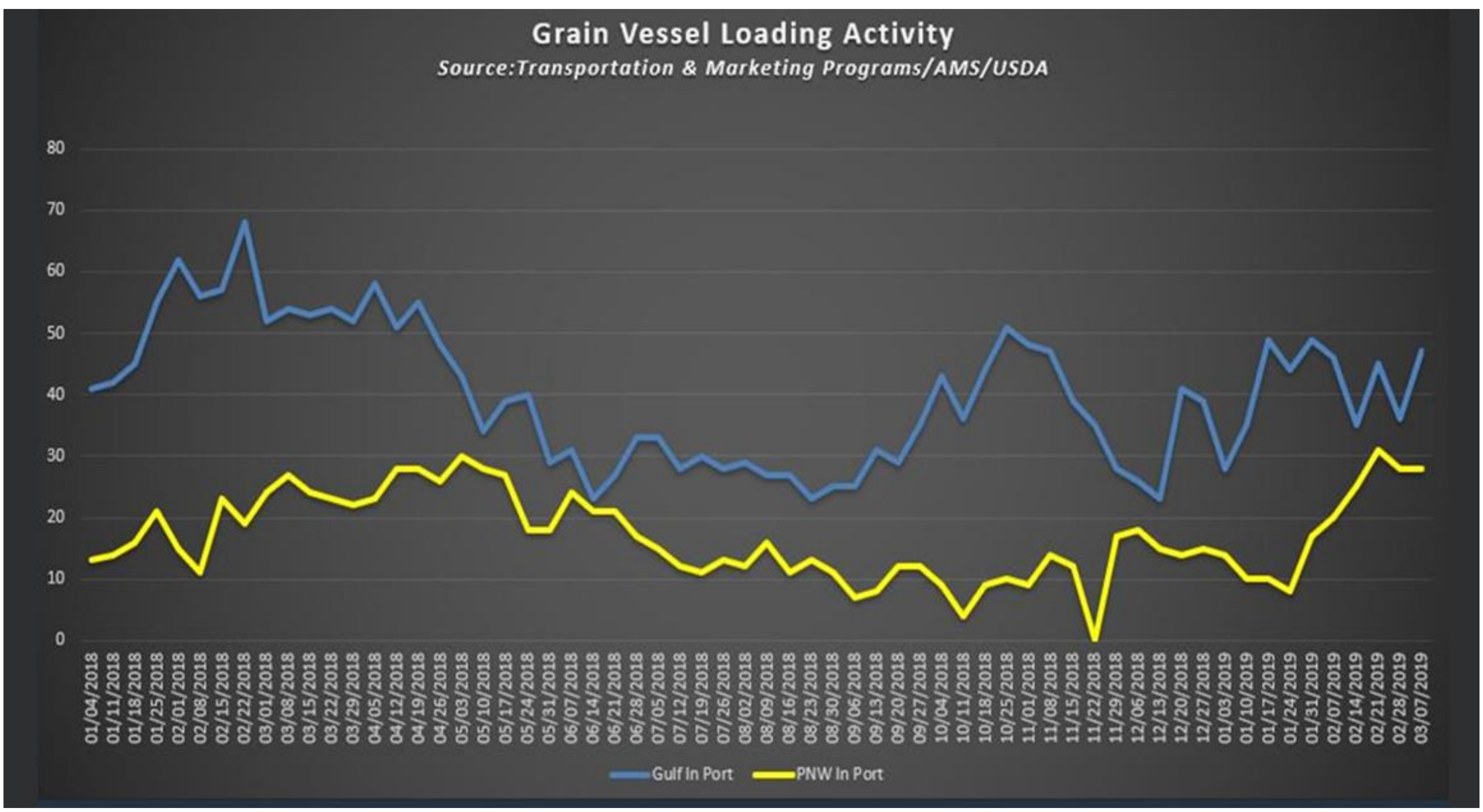


Splash Extra @SplashExtra · 10h

Peak Maritime Week splash247.com/splash-extra-l... #maritime #shipping

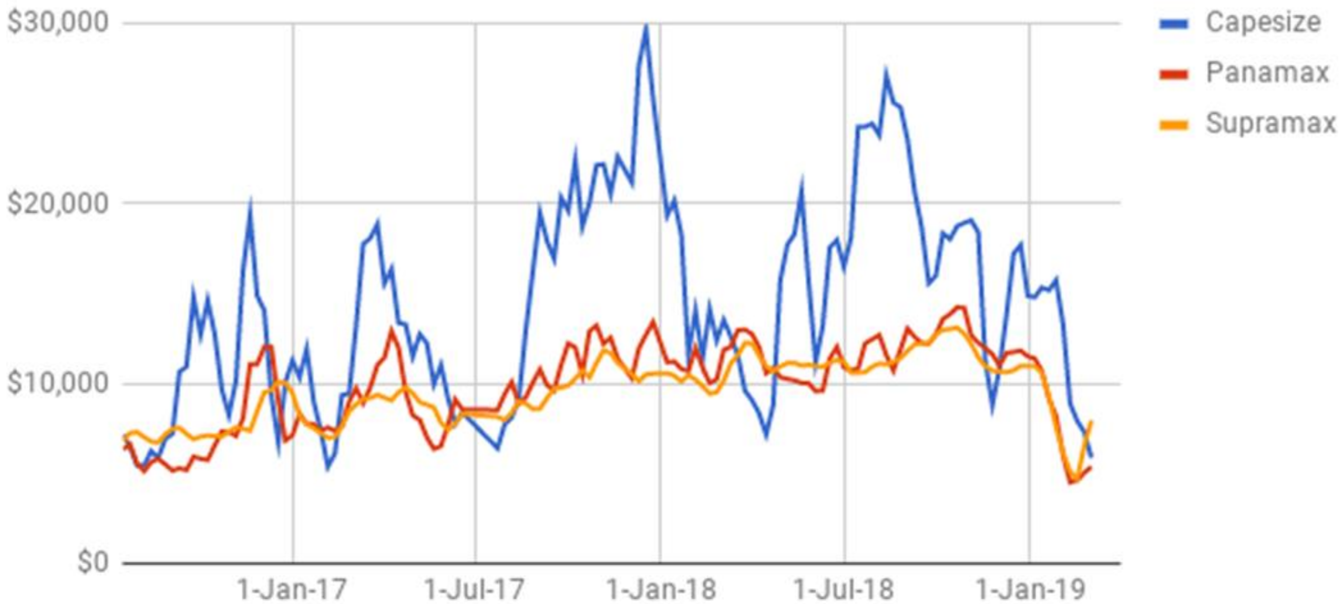


Rail Deliveries to Port
Source: Transportation & Marketing Program/AMS/USDA
Carloads
2,500
2,000
1,500
1,000
500
0
03/14/18
04/14/18
05/14/18
06/14/18
07/14/18
08/14/18
09/14/18
10/14/18
11/14/18
12/14/18
01/14/19
02/14/19
Miss River
Texas

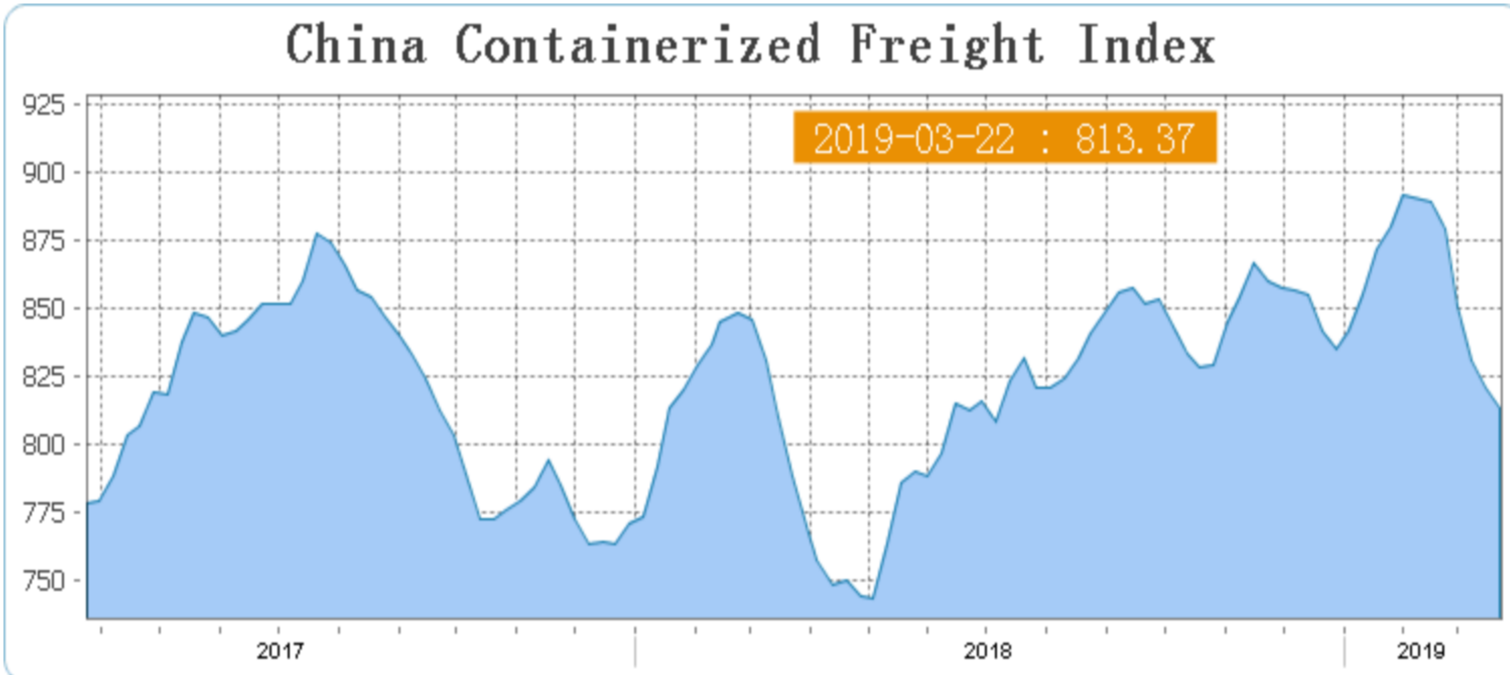


Grain Vessel Loading Activity
Source:Transportation & Marketing Programs/AMS/USDA
80
70
60
50
40
30
20
10
0
Gulf In Port
PNW In Port

Dry Bulk Market Rates



#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



U.S. RIVER BARGE FREIGHT

Current Barge Freight for Placement Last Half April 2019

Placement LH April 2019	% of Tariff	MT	Corn BU	Soybeans-Wheat BU
Upper Mississippi	550	$ 37.53	0.95	1.02
Illinois River (Pekin and South)	515	$ 27.31	0.69	0.74
Mid-Mississippi	465	$ 27.27	0.69	0.74
Lower Ohio	465	$ 22.86	0.58	0.62
St. Louis	390	$ 17.15	0.44	0.47

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

Secondary Rail Car Market Placement LH. April 2019	BID USD	ASK USD	BID BU.	ASK BU.	BID MT	ASK MT
BNSF Shutle Trains	$ 1,000.00	$ 1,800.00	$ 0.25	$ 0.45	$ 9.84	$ 17.72
UPRR Shuttle Trains	$ 200.00	$ 600.00	$ 0.05	$ 0.15	$ 1.97	$ 5.91

Best Regards,

Jay

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