

**Transportation and Export Report for 29 March 2018****Ocean Freight Insights and Comments:**

Looks like another case of “What goes up must come down”; at least for now.

The first quarter of 2018 has still not brought forth the cargo demand increases necessary to keep freight rates supported and moving up.

Vessel owners are hoping that the second quarter of the year will bring improvements to markets.

So for now we are mostly going in circles until something changes in the supply and demand equation.

This week it was the Baltic indices that reacted faster than the physical freight markets.

The general consensus on container rates for grains is that we will see a gradual rise in freight cost over the next six months. This is mostly due to consolidation in the shipping industry via Alliances and the increasing difficulties and higher cost of obtaining trucks and chassis.

BALTIC DRY-BULK PANAMAX INDEX CHANGES

Panamax Ocean Freight Indices				
29-Mar-18	This Week	Last Week	Difference	Percent Change
P2A : Gulf/Atlantic - Japan	18728	19515	-787	-4.0%
P3A - PNW/Pacific - Japan	12380	13671	-1,291	-9.4%
S1C -USGULF-China-So.Japan	22694	25150	-2,456	-9.8%

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

Four weeks ago:	\$ 6.75-\$7.15
Three weeks ago:	\$ 6.20-\$6.65
Two weeks ago:	\$ 6.05-\$6.55
One week ago:	\$ 5.90-\$6.20
This week	\$ 5.35-\$6.40

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

Mississippi River:	(10 elevators)	3-10 days
Miss. River Mid-Stream loaders:	(6+ Rigs)	0-3 days
Texas Gulf	(6 elevators)	2-13 days (only 1 facility over 7 days wait)
Pacific Northwest:	(9 elevators)	6-12 days

Panamax Market Spreads to Asia -China					
29-Mar-18	PNW	GULF	Bushel Spread	MT Spread	Advantage
CORN	1.09	0.76	0.33	\$12.99	PNW
SOYBEANS	0.98	0.60	0.38	\$13.96	PNW
OCEAN FREIGHT	\$24.00	\$44.25	.51.55	\$20.25	MAY

Recent Reported Vessel Fixtures:

65,000 mt hss US Gulf to Rotterdam April 15-30 at \$21.00 fio 12,000/13,000 sshex.bends- Cofco
 66,000 mt hss Itaqui North Brazil to China April 1-10 at \$36.25 fio 8,000 sshex.bends Marubeni
 66,000 mt hss US PNW to China April 15-25 at \$25.00 fio 10,000 sshex.bends Marubeni

Route and Vessel Size	Current Week USD/MT	Change from previous week	Remarks
55,000 U.S. Gulf-Japan	\$45.00	Down \$0.25	Handymax \$45.25 mt
55,000 U.S. PNW- Japan	\$24.50	Unchanged	Handymax \$24.50 mt
65,000 U.S. Gulf – China	\$44.25	Unchanged	North or South China
PNW to China	\$24.00	Unchanged	
25,000 U.S. Gulf- Veracruz, México	\$16.50	Unchanged	3,000 MT daily discharge rate
35-40,000 U.S. Gulf- Veracruz, México	\$14.25	Unchanged	Deep draft and 6,000 MT per day discharge rate.
25/35,000 U.S. Gulf- <u>East Coast Colombia</u> From Argentina	\$20.00 \$34.00	Unchanged	<u>West Coast Colombia at \$28.00</u>
40-45,000 U.S. Gulf - Guatemala	\$28.00	Down \$0.25	Acajutla/Quetzal - 8,000 out
26-30,000 U.S. Gulf – Algeria	\$32.00 \$33.75	Unchanged	8,000 mt daily discharge 3,000 mt daily discharge
26-30,000 US Gulf-Morocco	\$31.25	Unchanged	5,000 discharge rate
55-60,000 U.S. Gulf –Egypt PNW to Egypt	\$29.00 \$27.75	Unchanged	55,000 -60,000 mt Russia Black Sea to Egypt \$14.75
60-70,000 U.S. Gulf – Europe – Rotterdam	\$20.00	Up \$3.00 Adjustment	Handymax at +\$1.75 more
Brazil, Santos – China Brazil, Santos – China Itacoatiara-Port Up River North Brazil	\$35.00 \$34.25 \$38.50	Unchanged	54-59,000 Supramax-Panamax 60-66,000 Post Panamax 60-66,000 mt
56-60,000 Argentina/Rosario- China Deep Draft	\$40.25	Unchanged	Up River with BB Top Off \$42.75

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

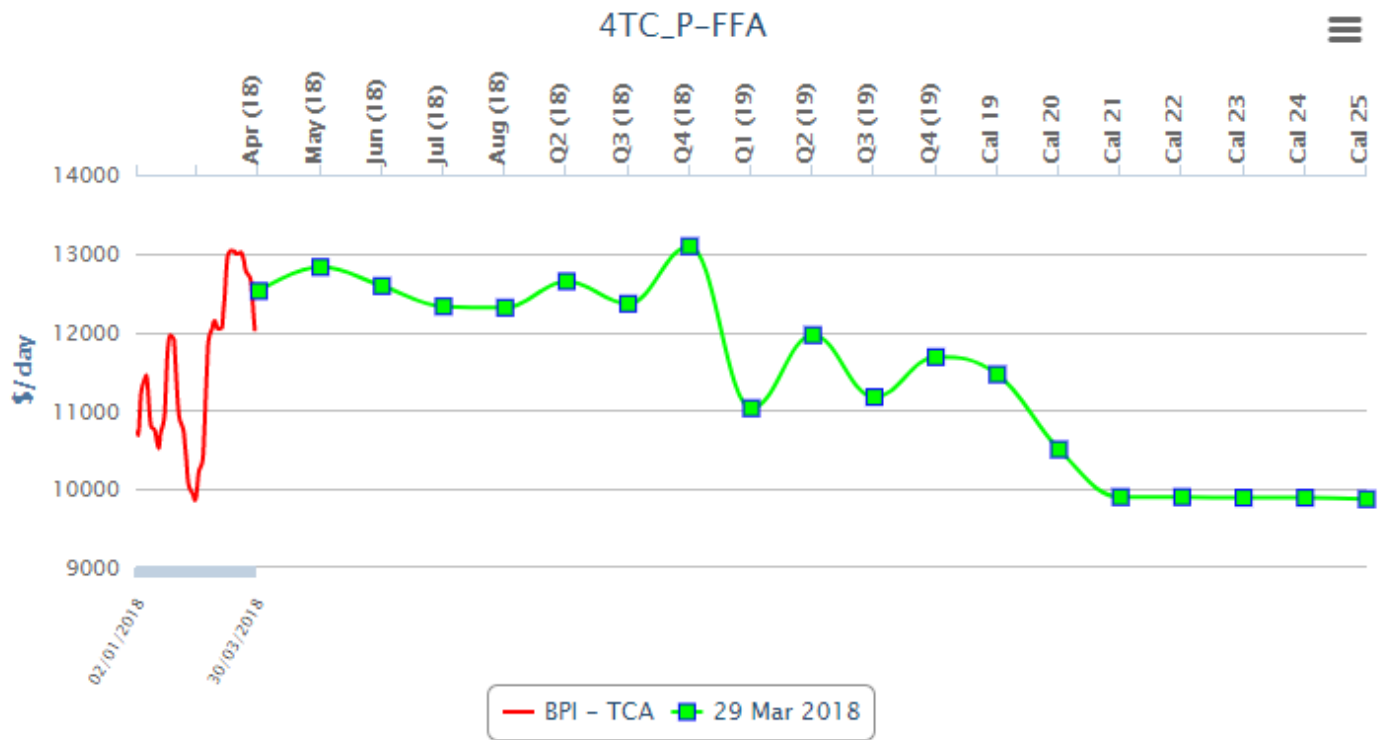
Nautical Miles: To Xiamen China (South China)

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

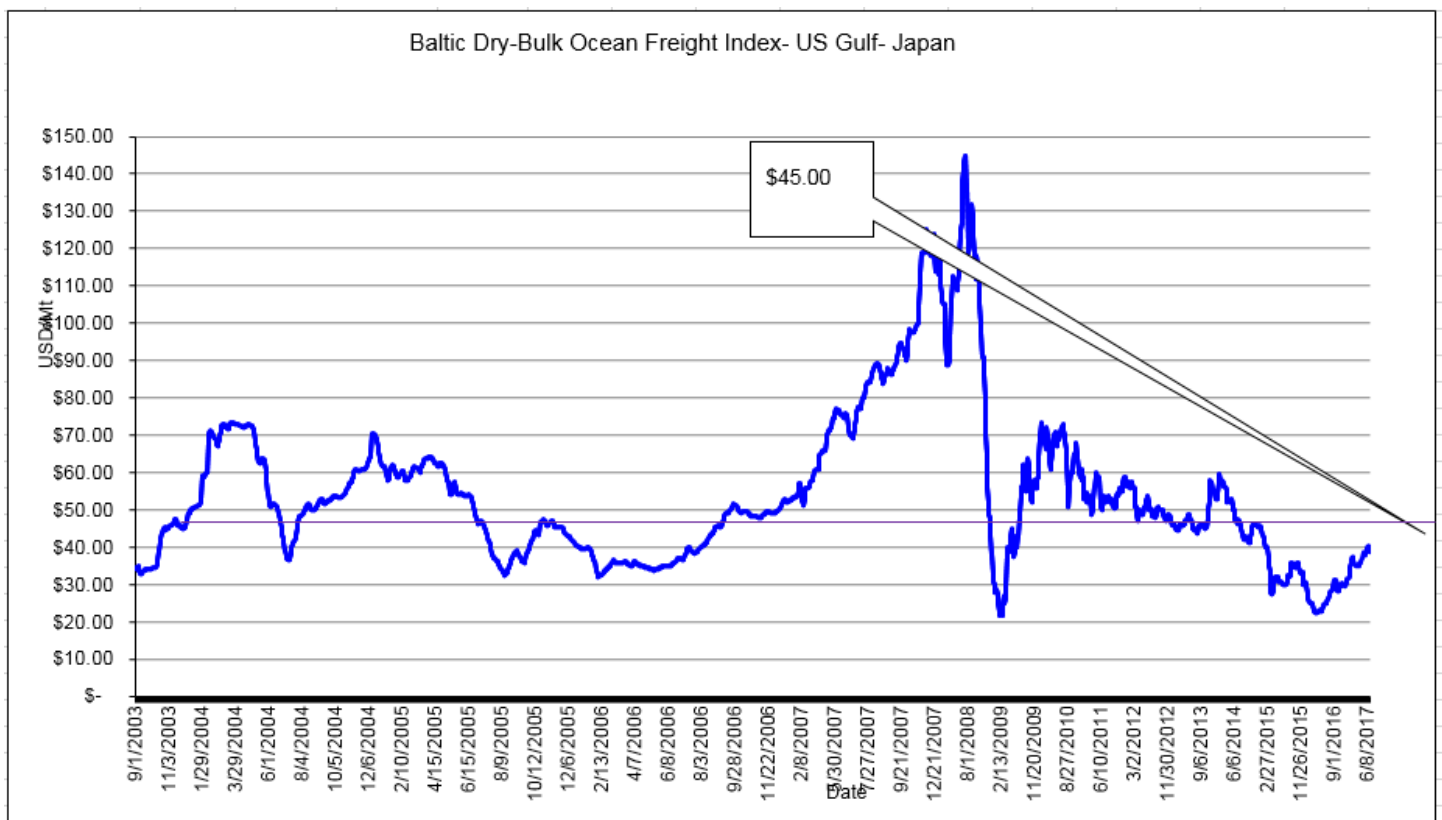
Santos Brazil (via Cape of Good Hope) - 10,441 nautical miles (33 days)

Rasario Argentina (via Cape Horn) - 10,751 nautical miles (34 days)

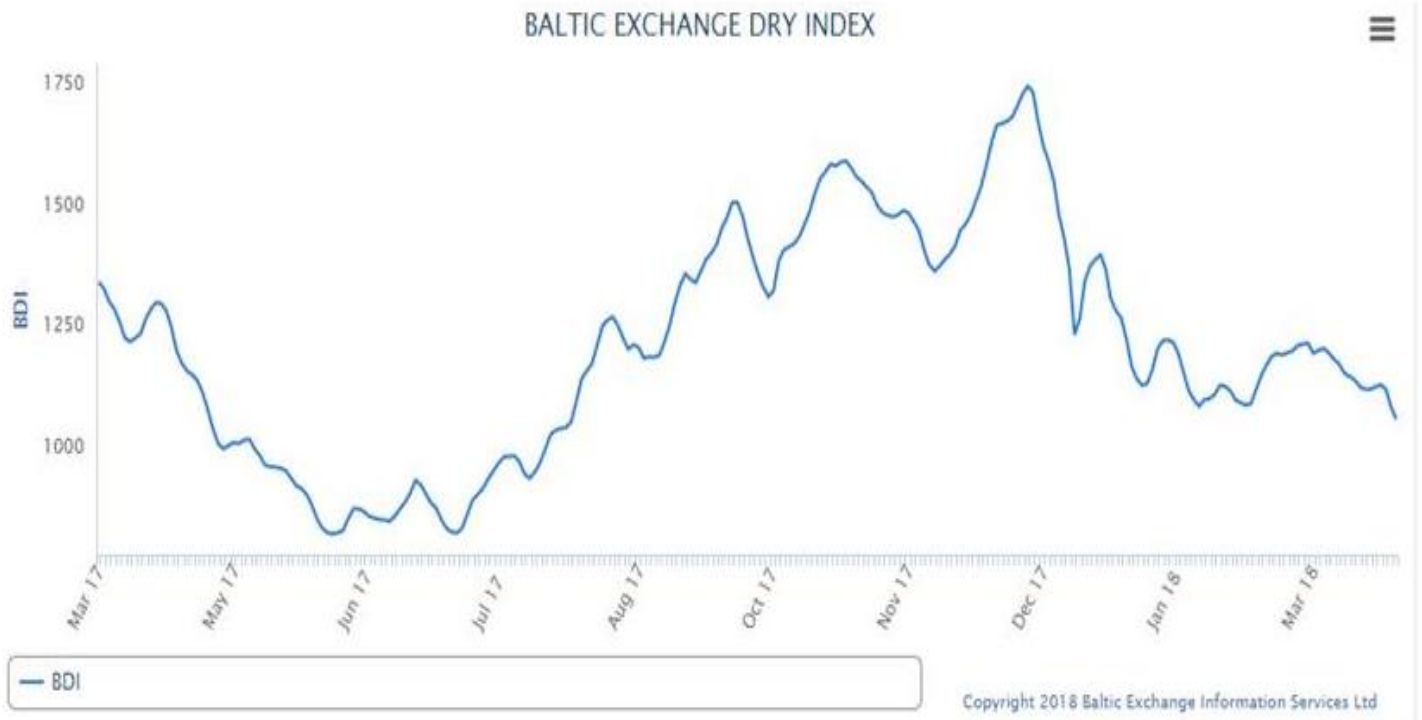
Forward Curve for Baltic BPI Panamax Vessel Freight



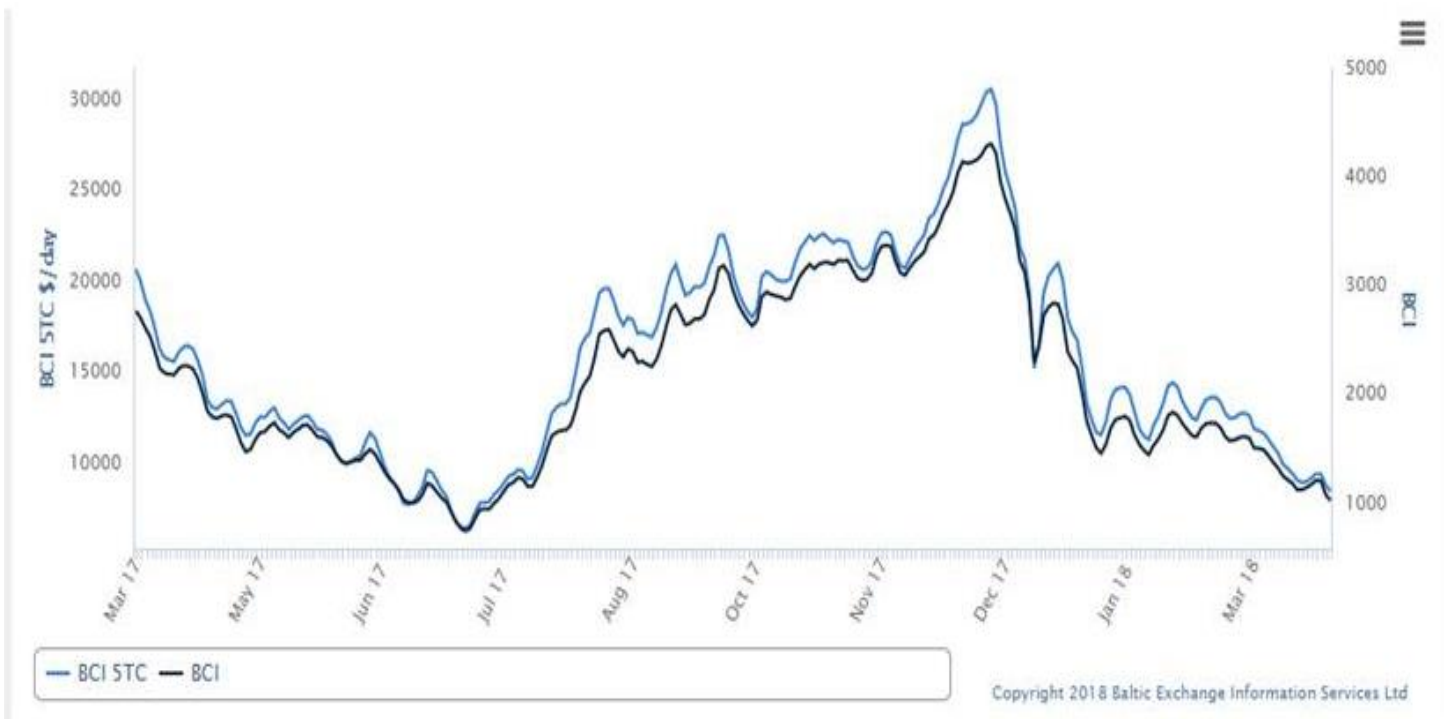
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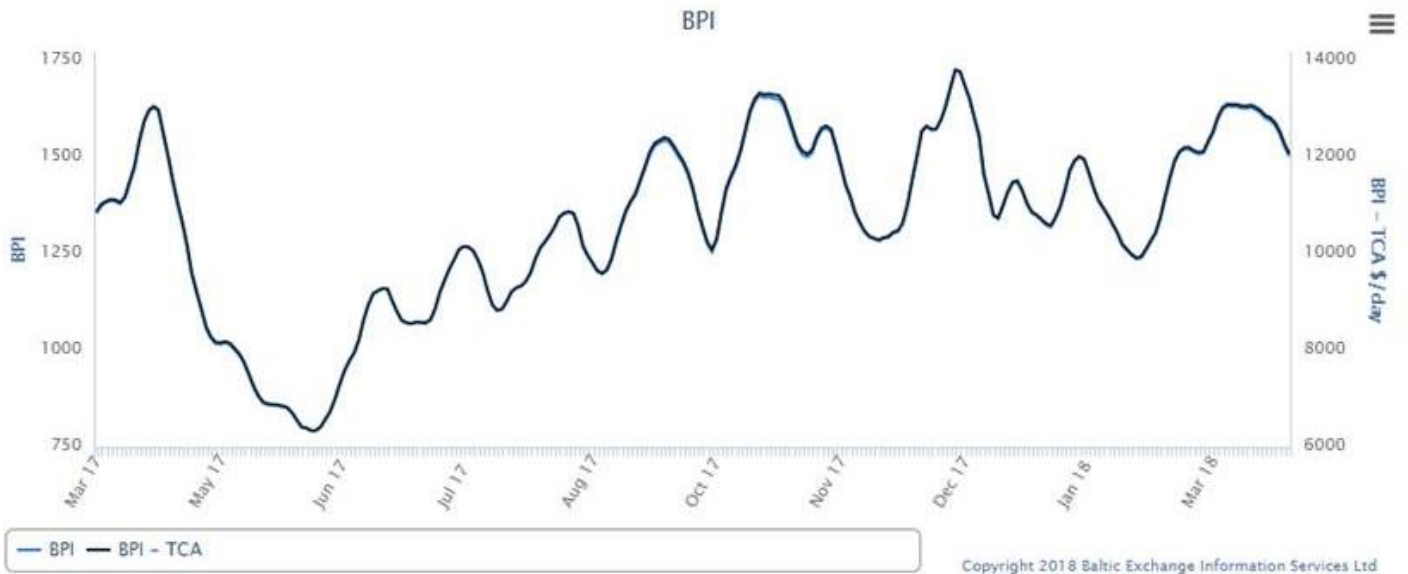
Baltic Dry-Bulk Index



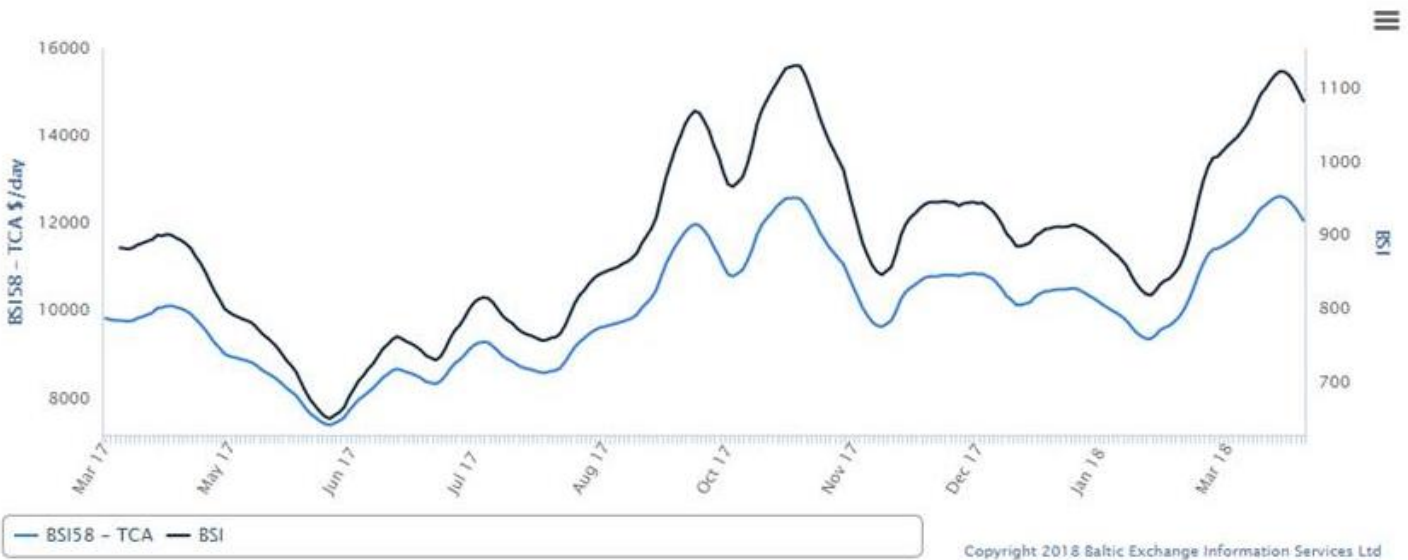
Baltic Capesize Index



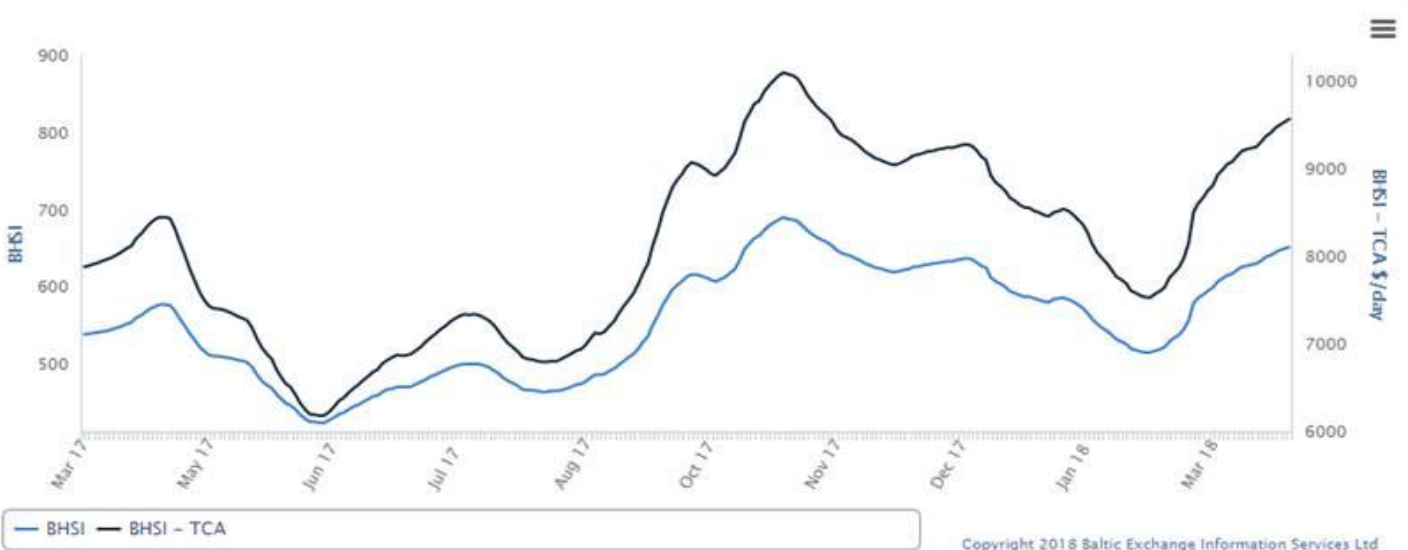
Baltic Panamax Index



Baltic Supramax Vessel Index



Baltic Handy Size



Yamamizu Shipping

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USG/Japan Index Result

Date From: 2017-01-02

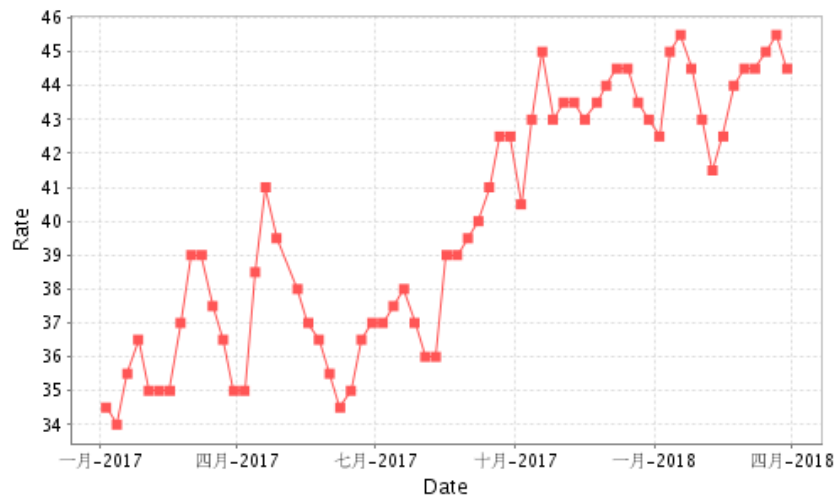
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Date To: 2018-03-29

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China Import Dry Bulk Freight Index(CDFI)

2018-03-29

Route	Size MT	Cargo/Vessel Size	Unit	Rate	Change
Composite Index			Point	810.11	-10.10
Iron ore Freight Index			Point	693.26	-13.71
Soybean Freight Index			Point	1000.65	-2.31
Santos(Brazil)—North China	60000/10%	Soybean	\$/ton	34.190	-0.095
Tacoma(West America)—North China	60000/10%	Soybean	\$/ton	24.365	-0.065
Mississippi(US Gulf)—North China	66000/10%	Soybean	\$/ton	44.363	-0.077
Mississippi(US Gulf)—North China	55000/10%	Soybean	\$/ton	45.857	-0.055

29 March 2018 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
May	0.85	\$186.11	1.22	\$200.68
June	0.76	\$185.91	1.09	\$198.91
July	0.77	\$186.31	1.08	\$198.51
Aug.	0.74	\$187.88	1.05	\$200.09
Sept.	0.79	\$189.85	1.10	\$202.06
Oct.	0.75	\$191.52	1.05	\$203.33

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
May	1.20	\$199.89	0.95	\$190.05
June	1.10	\$199.30	0.85	\$189.46
July	1.05	\$197.33	0.85	\$189.46
Aug.	1.00	\$198.12	0.80	\$190.25
Sept.	1.00	\$198.12	0.83	\$191.43

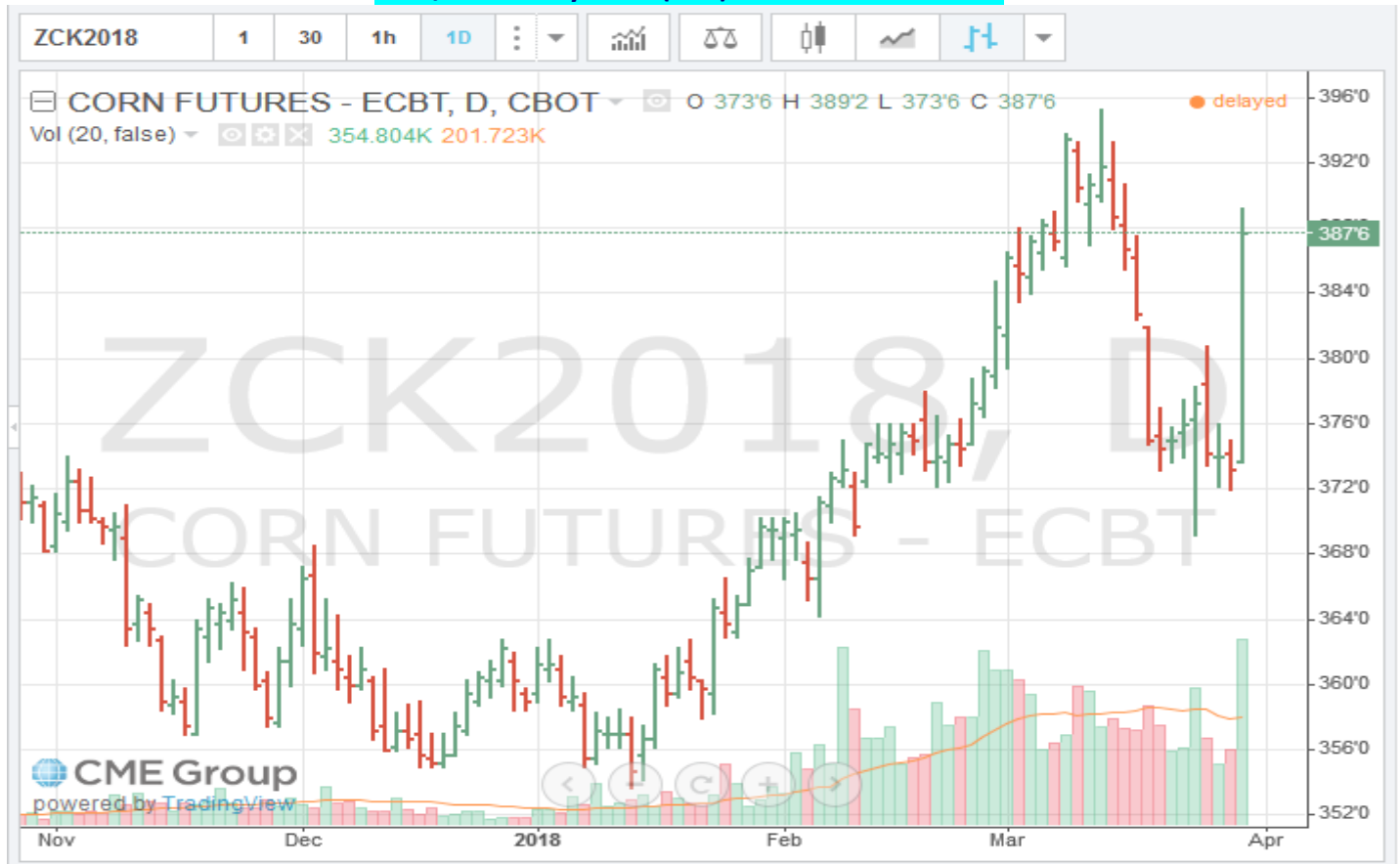
Fob vessel Texas Gulf #2 Sorghum is about 102% the value of #2 Yellow Corn at NOLA

U.S. SRW Wheat Fob Vessel at the Center U.S. Gulf

SRW Wheat	USD/MT	Fob Vessel	US Gulf	
	May	June	July	Aug.
FOB U.S. GULF	\$200.62	\$203.37	\$201.54	\$204.02
Basis	0.95	0.85	0.80	0.70
WK	4.5100			
WN	4.6850			
WU	4.8525			

CME Futures Market Close						
CORN Month	Futures Symbol	Friday Close Bushel	Friday Close MT.	Last week Bushel	Last Week MT.	Difference Bushel
May	CK	\$3.8775	\$152.65	\$ 3.8675	\$152.26	\$0.0100
July	CN	\$3.9625	\$156.00	\$ 3.9450	\$155.31	\$0.0175
Sept.	CU	\$4.0325	\$158.75	\$ 4.0000	\$157.47	\$0.0325
Dec.	CZ	\$4.1150	\$162.00	\$ 4.0625	\$159.93	\$0.0525
Mar.	CH	\$4.1825	\$164.66	\$ 4.1300	\$162.59	\$0.0525

CME/CBOT May 2018 (CK8) Corn Futures Chart -



CME/CBOT May 2018 (WK8) SRW Wheat Futures Chart -



U.S. Soybean and SBM Markets Fob Vessel:

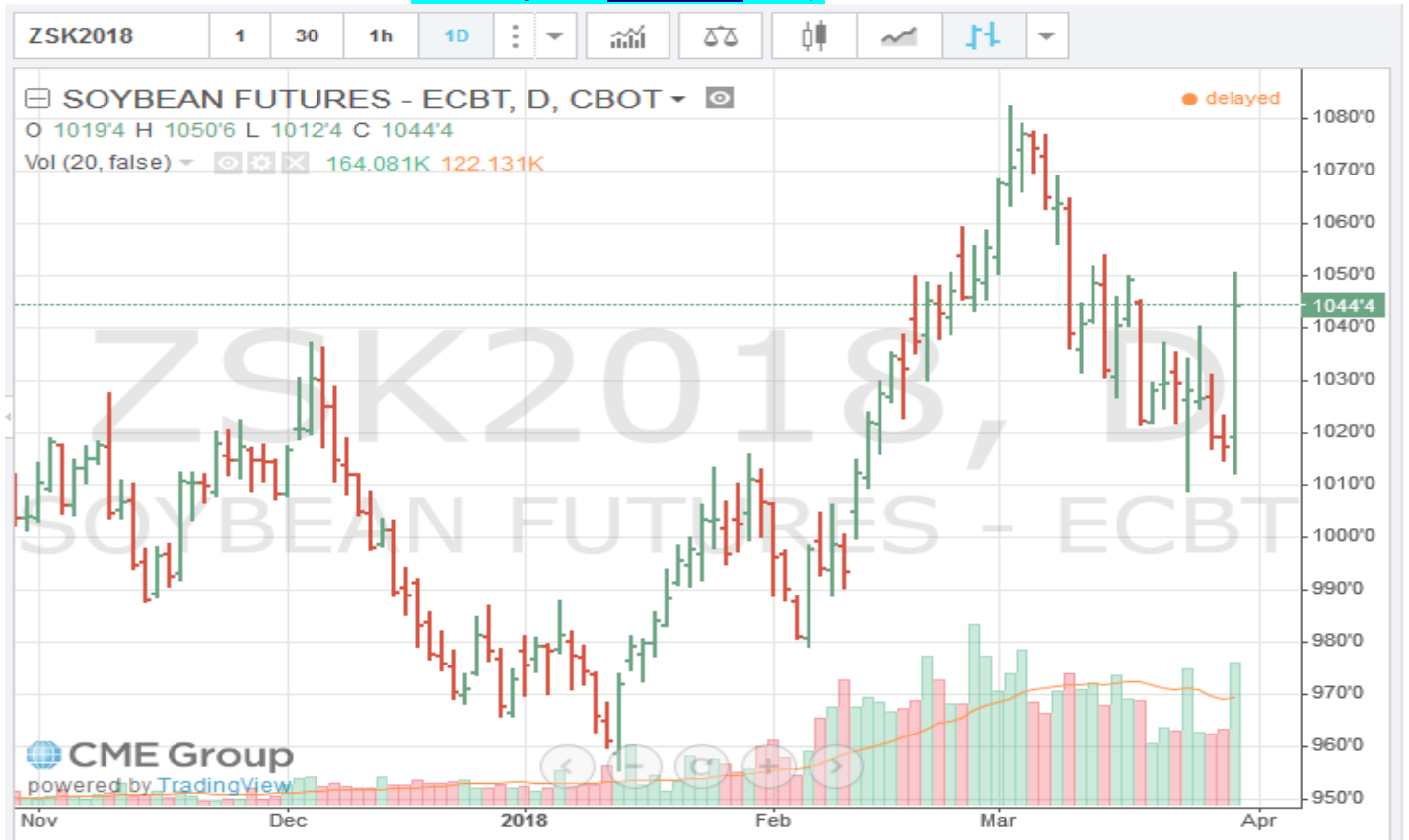
U.S. Yellow Soybeans (USD/MT) FOB Vessel				
# 2 YSB	U.S. Gulf #2 YSB		PNW #2 YSB	
14.0 % Moisture	Basis	Flat Price	Basis	Flat Price
April	0.69	\$402.89	1.01	\$414.65
May	0.69	\$402.89	1.07	\$416.85
June	0.64	\$404.91	1.02	\$418.87
July	0.68	\$406.38	1.05	\$419.98
Aug.	0.68	\$406.90	1.04	\$420.12
Soybean Futures				
May	\$ 10.2750			
July	\$ 10.3800			
Aug.	\$ 10.3940			
Sept.	\$ 10.2900			
Nov.	\$ 10.2300			
Jan.	\$ 10.2675			

U.S. SBM (USD/MT) FOB Vessel		
Fob U.S. Gulf Port max 12.5 % moisture	47.5 Pro. SBM	
	Basis	Flat Price
April	20.00	\$ 427.44
May	19.00	\$ 426.34
June	16.00	\$ 425.90
July	16.00	\$ 425.90
Aug.	20.00	\$ 427.77

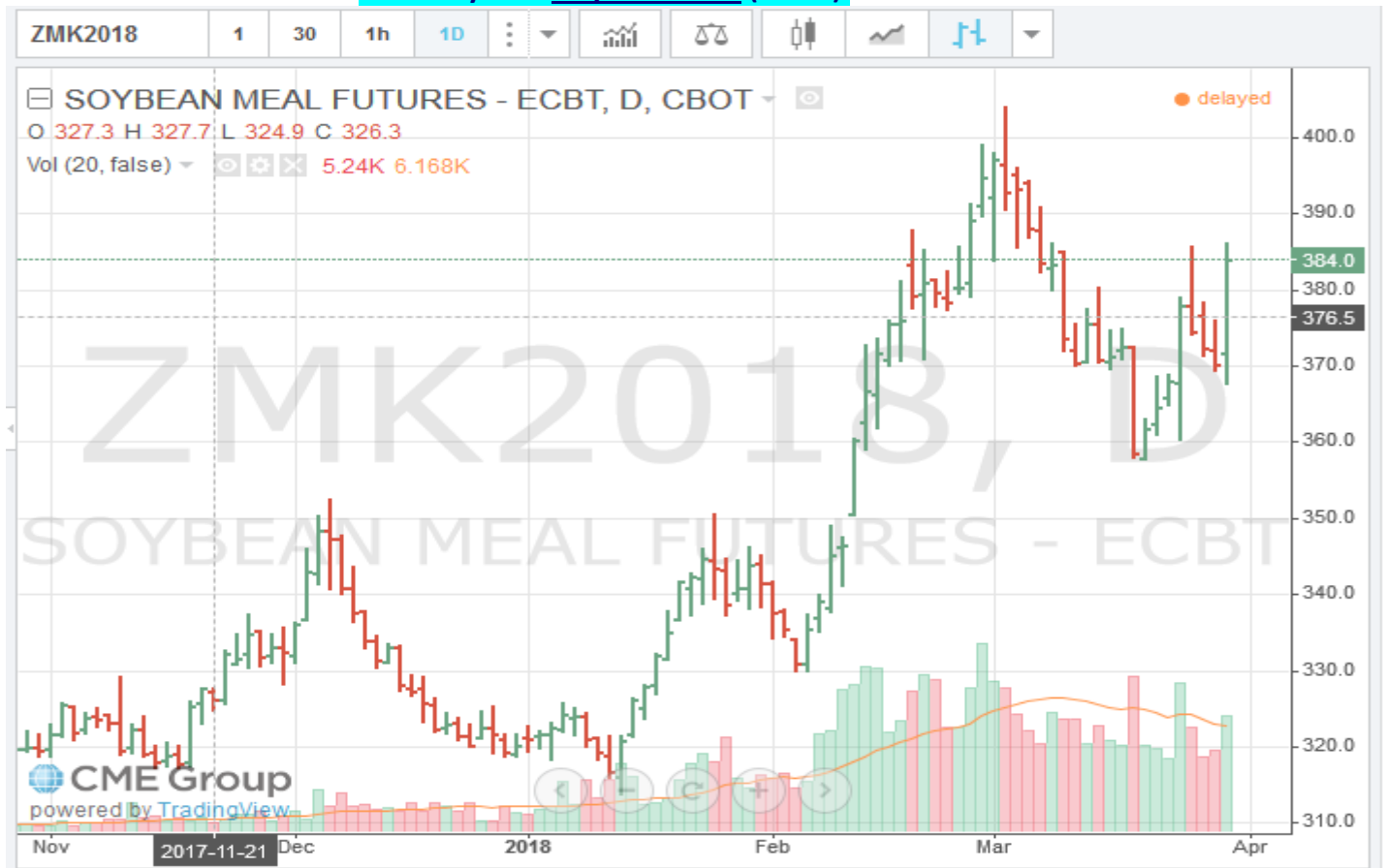
SBM Futures

SMK	367.70
SMN	370.30
SMQ	368.00
SMU	365.70
SMV	362.80
SMZ	361.80

CME May 2018 Soybean (SK18) Futures Chart



CME May 2018 Soybean Meal (SMK8) Futures Chart



U.S. EXPORT STATISTICS: Report Activity as of Week Ending 22 March 2018

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	1572.3	46,454.9	56,520	82%	1,859.0
Sorghum	48.2	5,205.6	6,220	84%	0.0
Soybeans	329.2	50,351.1	56,200	90%	2,007.1
Wheat	437.8	22,808.5	25,180	91%	878.3
Barley	1.2	39.5	130	30%	39.4

U.S. EXPORT INSPECTIONS:

Monday's report 26 March 2018 for the Export week ending 22 March 2018

	Export Inspections		Current Market Year YTD	Previous Year to Date	2017 YTD as Percent of 2016 YTD
	This Week	Previous Week			
Corn	1,153,963	1,439,155	22,916,794	31,852,593	72%
Sorghum	254,684	252,328	3,688,118	3,604,722	102%
Soybeans	584,612	499,987	40,814,437	46,356,222	88%
Wheat	278,815	476,467	19,447,037	21,261,082	91%
Barley	0	245	21,071	31,850	66%

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

U.S. EXPORT INSPECTIONS:

Monday's report 26 March 2018 for the Export week ending 22 March 2018

Last Week								
(Metric Tons)	YC	%	WC	%	Sorghum	%	Soybeans	%
Lakes	0	0%	0	0%	0	0%	0	0%
Atlantic	0	0%	0	0%	0	0%	8,666	1%
Gulf	423,391	37%	13,057	69%	243,251	96%	352,562	60%
PNW	550,714	49%	0	0%	10,619	4%	136,474	23%
Interior Export Rail	160,813	14%	5,988	31%	814	0%	86,910	15%
Metric Tons	1,134,918		19,045		254,684		584,612	

Sorghum

Shipments:

metric tons

243,251 China
10,619 Main
814 Japan
254,684 Mexico
Total

White Corn metric tons

Shipments: 5,167 Colombia
7,890 El Salvador
5,988 Mexico
19,045 Total

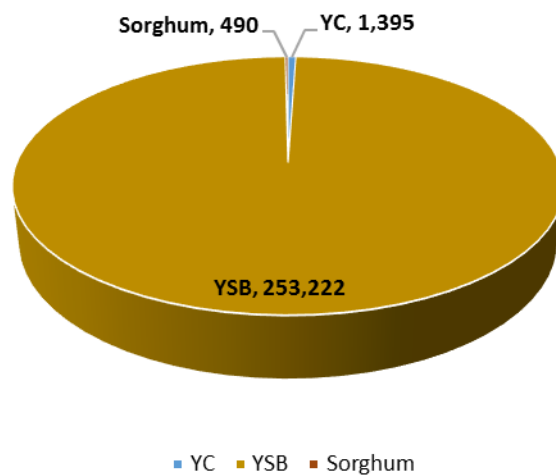
Export Inspection Highlights

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).*

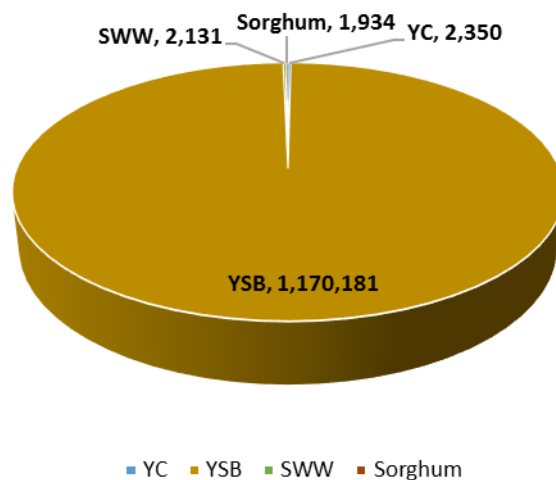
CONTAINER SHIPMENTS of GRAIN									
USDA Grain Inspections Report:		22-Mar-2018							
Last Week	metric tons								MT
	YC	WC	YSB	SRW	NS	SWH	HRW	Sorghum	TOTAL
China Main	2,668		2,840						5,508
China T	3,647		2,547	98					6,292
Hong Kong	147								147
Costa Rica	49								49
Indonesia			14,179						14,179
French Polynesia									0
Japan									0
Korea Republic			122						122
Guyana									0
Malaysia	220		3,234						3,454
India									0
Philippines	318		98						416
Thailand			6,436						6,436
Burma			955						955
Bangladesh									0
Vietnam			2,915						2,915
Sub total	7,049	0	33,326	98	0	0	0	0	36,603
USDA Corrections/Additions to previous reports:									
China T	4,430		3,821						8,251
China Main								2,130	2,130
Hong Kong	147								147
Korea Rep.									0
Costa Rica									0
Japan			196						196
Philippines									0
Indonesia			2,619						2,619
Malaysia	3,011		367						3,378
Thailand			2,351						2,351
Vietnam			465						465
Mexico									0
Un Arab Em									0
Sub total	7,588	0	9,819	0	0	0	0	2,130	19,537
Mt. Grand Total	14,637	0	43,145	98	0	0	0	2,130	56,140
Number of containers	636	0	1,876	4	0	0	0	93	

Jan - Dec 2017 Annual Totals versus 2018 Jan.-Dec. Year to Date Container Shipments (in MT)

2018 YTD Container Shipments to Indonesia



2017 Container Shipments to Indonesia

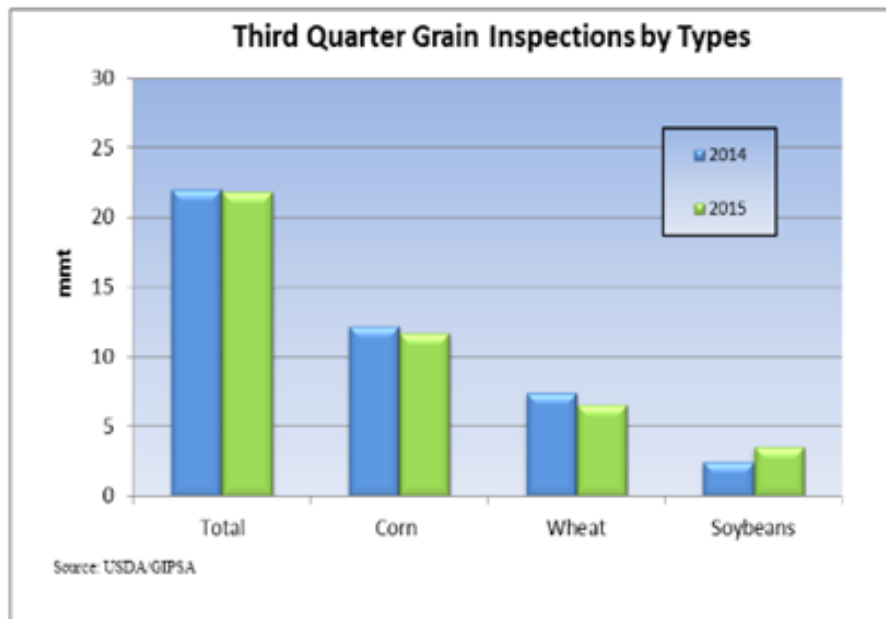


Grain Inspections for Export by U.S. Port Regions:
U.S. Gulf and Pacific Northwest 2017 YTD vs. 2018 YTD

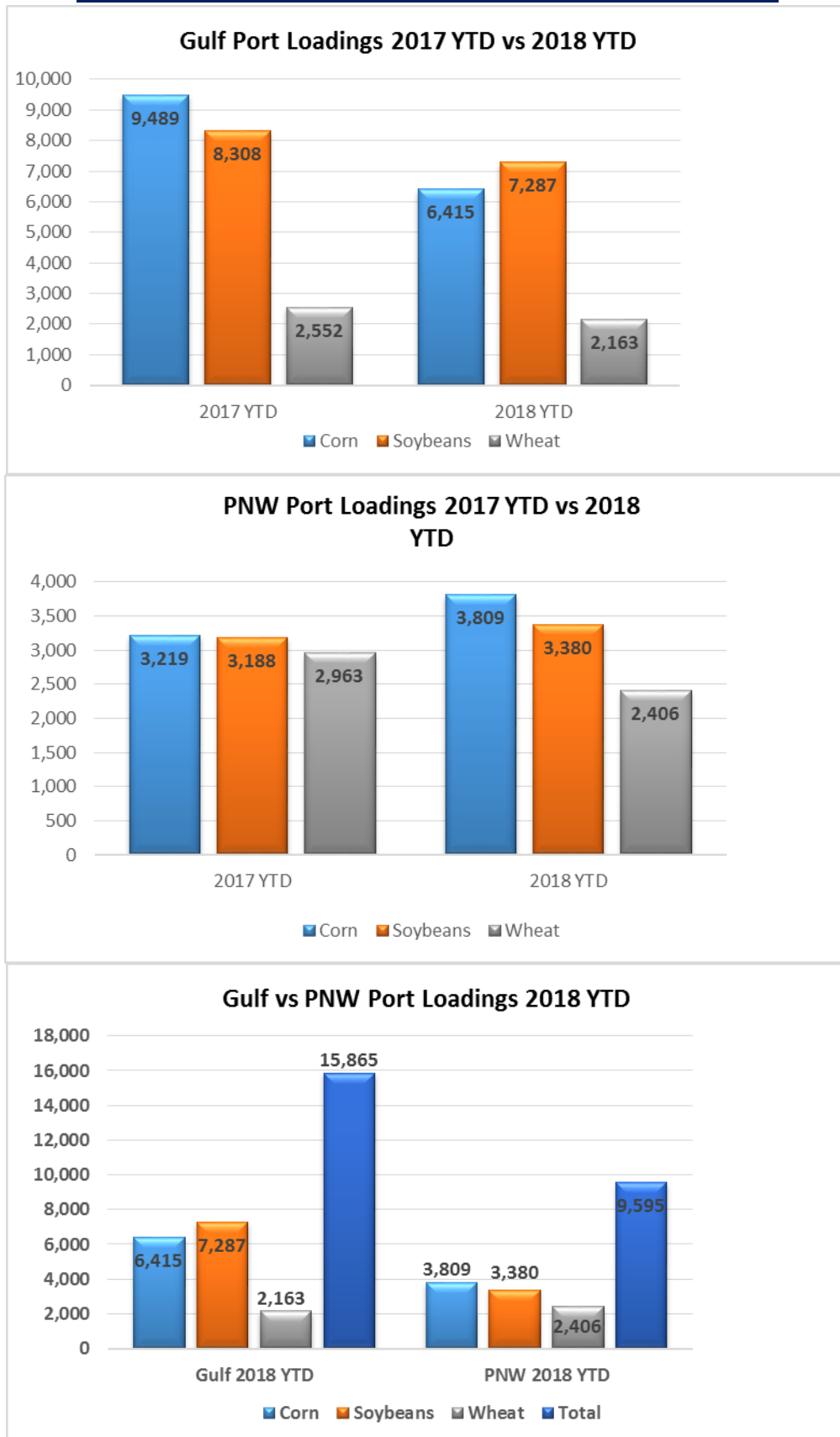
PORT LOADINGS US Gulf				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
GULF				
2017 YTD	9,489	8,308	2,552	20,349
2018 YTD	6,415	7,287	2,163	15,865
2018 as % of 2017	68%	88%	85%	78%

PORT LOADINGS US PNW				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
PNW				
2017 YTD	3,219	3,188	2,963	9,370
2018 YTD	3,809	3,380	2,406	9,595
2018 as % of 2017	118%	106%	81%	102%

PORT LOADINGS GULF vs. PNW				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
2018 Gulf YTD	6,415	7,287	2,163	15,865
2018 PNW YTD	3,809	3,380	2,406	9,595
TOTAL	10,224	10,667	4,569	25,460
Gulf Percentage	63%	68%	47%	62%
PNW Percentage	37%	32%	53%	38%



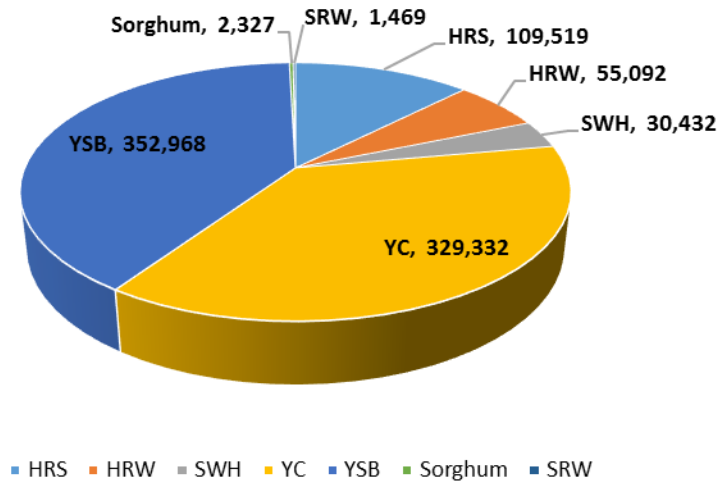
Grain Inspections for Export by U.S. Port Regions (1,000MT):
U.S. Gulf and Pacific Northwest 2017 YTD vs. 2018 YTD



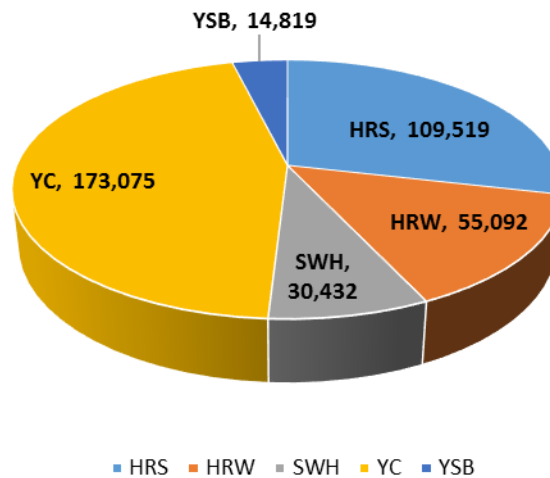
Source: USDA-data

2018 YTD Total Grain Exports reported by USDA (in MT)

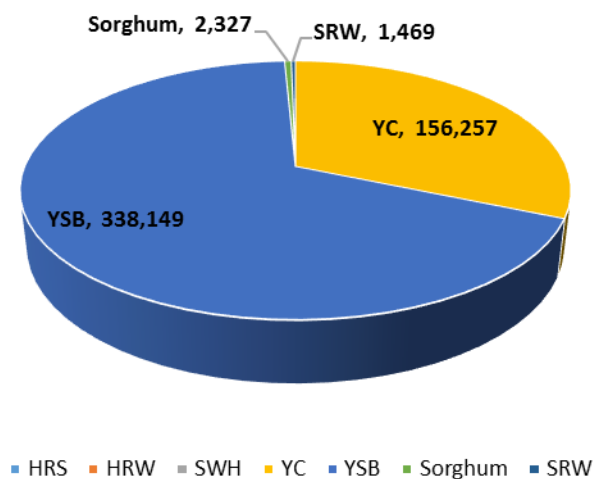
2018 YTD Exports to China T



YTD Exports to China T by Vessel



YTD Exports to China T by Container



**Please keep in mind that USDA does not report DDGS sales, or they would show as the largest exports by container

Source: USDA



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Sinokor and Heung-A agree to merge container operations

 MARCH 28TH, 2018

 SAM CHAMBERS

 ASIA, CONTAINERS

 0 COMMENTS

Days ahead Japan's big three lines merging their container shipping operations, there's news breaking from neighbouring South Korea where two well known intra-Asia operators are joining forces.

Sinokor Merchant Marine and Heung-A Shipping have agreed to merge their container shipping services by next year to rationalise operations ahead of joining up with compatriot Hyundai Merchant Marine (HMM). Sinokor and Heung-A will officially sign the merger deal next Tuesday, according to the Ministry of Oceans and Fisheries and the Korea Shipowners' Association.

HMM, Heung-A Shipping and Sinokor signed a memorandum of understanding last year to form the HMM + K2 consortium on the intra-Asia trades.

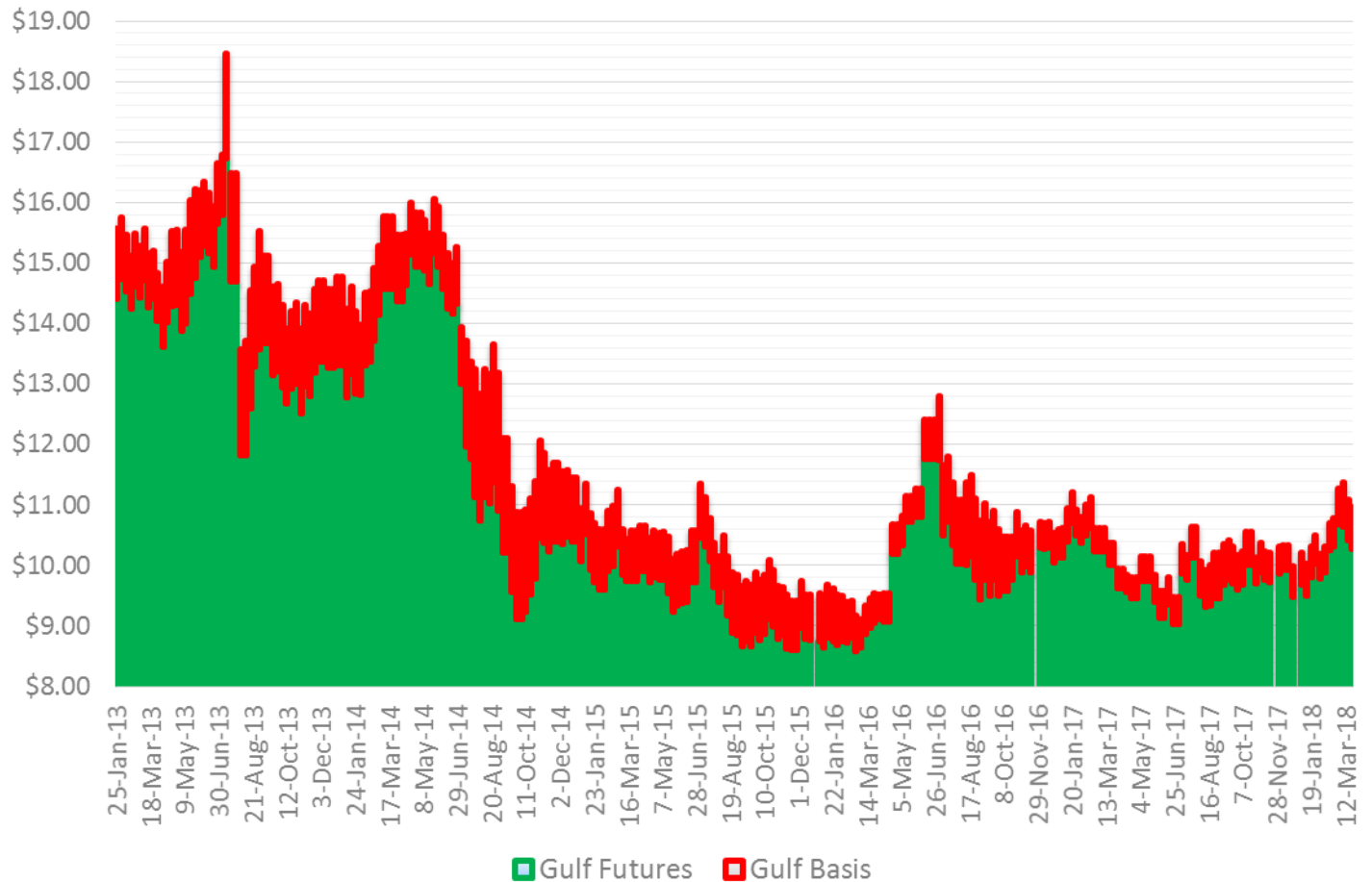
The Korean government has been trying to consolidate the local shipping scene in the wake of the high profile bankruptcy of Hanjin Shipping.

Sinokor and Heung-A will create a joint office next month to work on integrating their services with a view to completing the task by late next year.

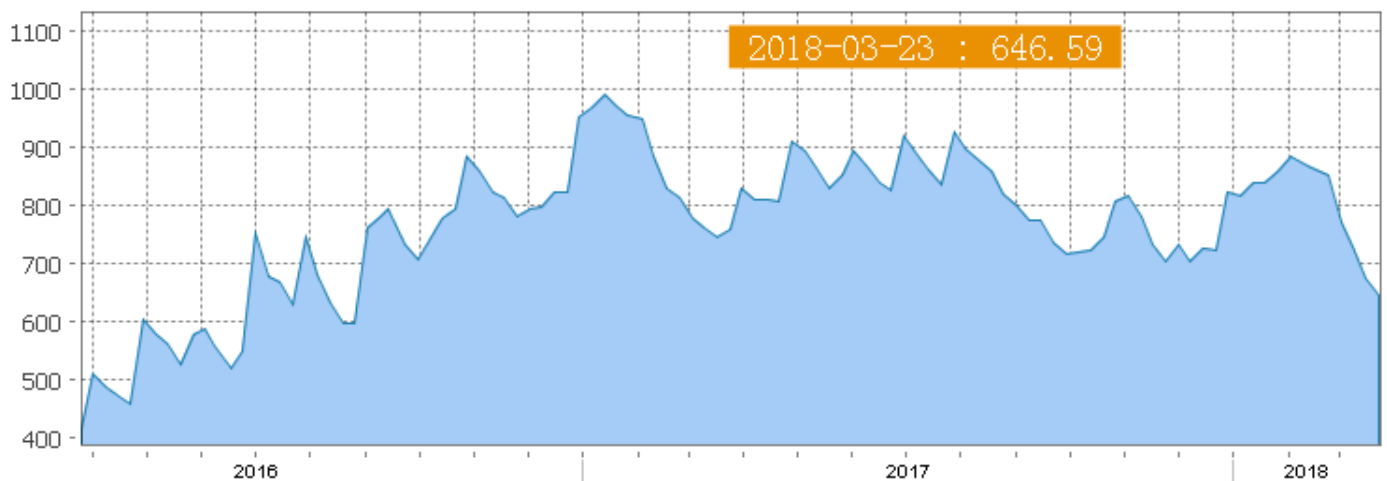
Both shipping lines have non-box related businesses such as tankers which will remain separate from this container merger.

The two companies control around 100,000 teu in capacity with Sinokor ranked as the world's 25th largest liner with 54,000 slots and Heung-A ranked 29th with 46,000 slots, according to *Alphaliner*. Combined they'd lie just outside the top 20 league.

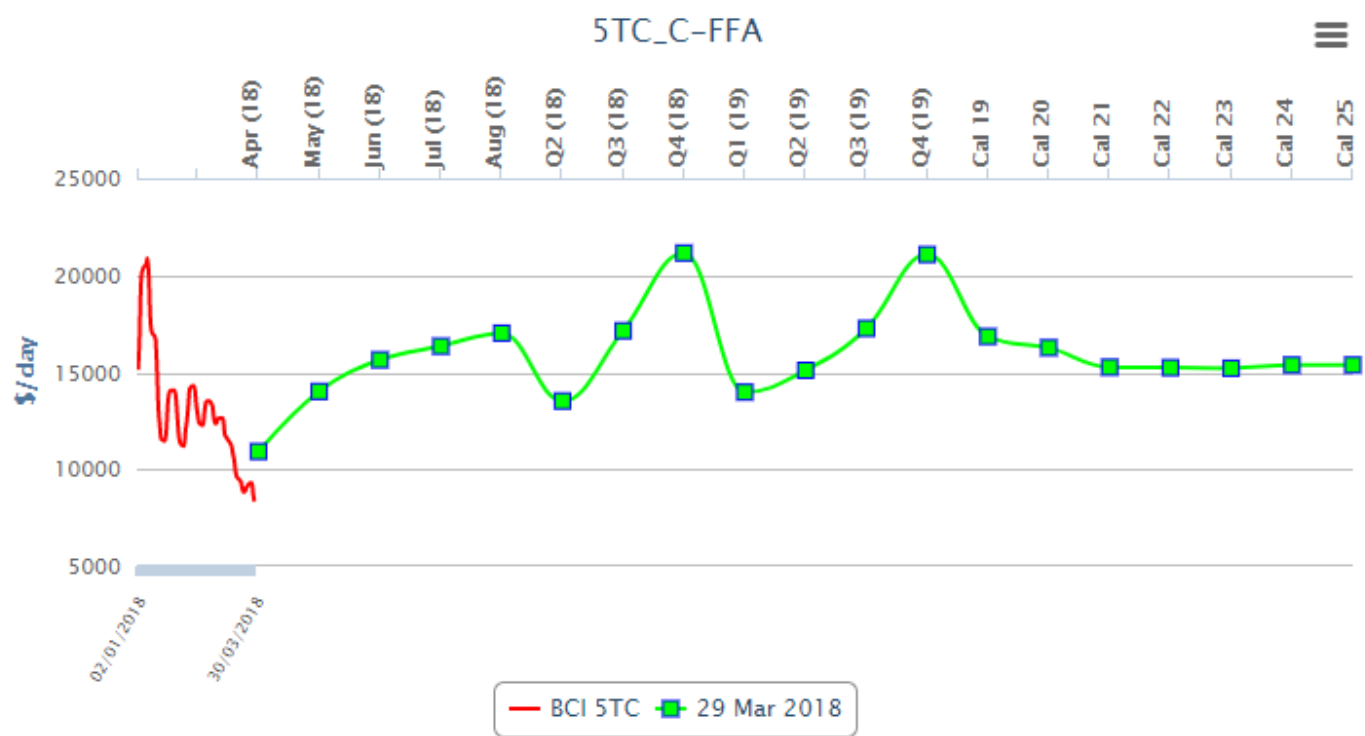
Gulf Soybeans Futures vs. Basis



Shanghai Containerized Freight Index

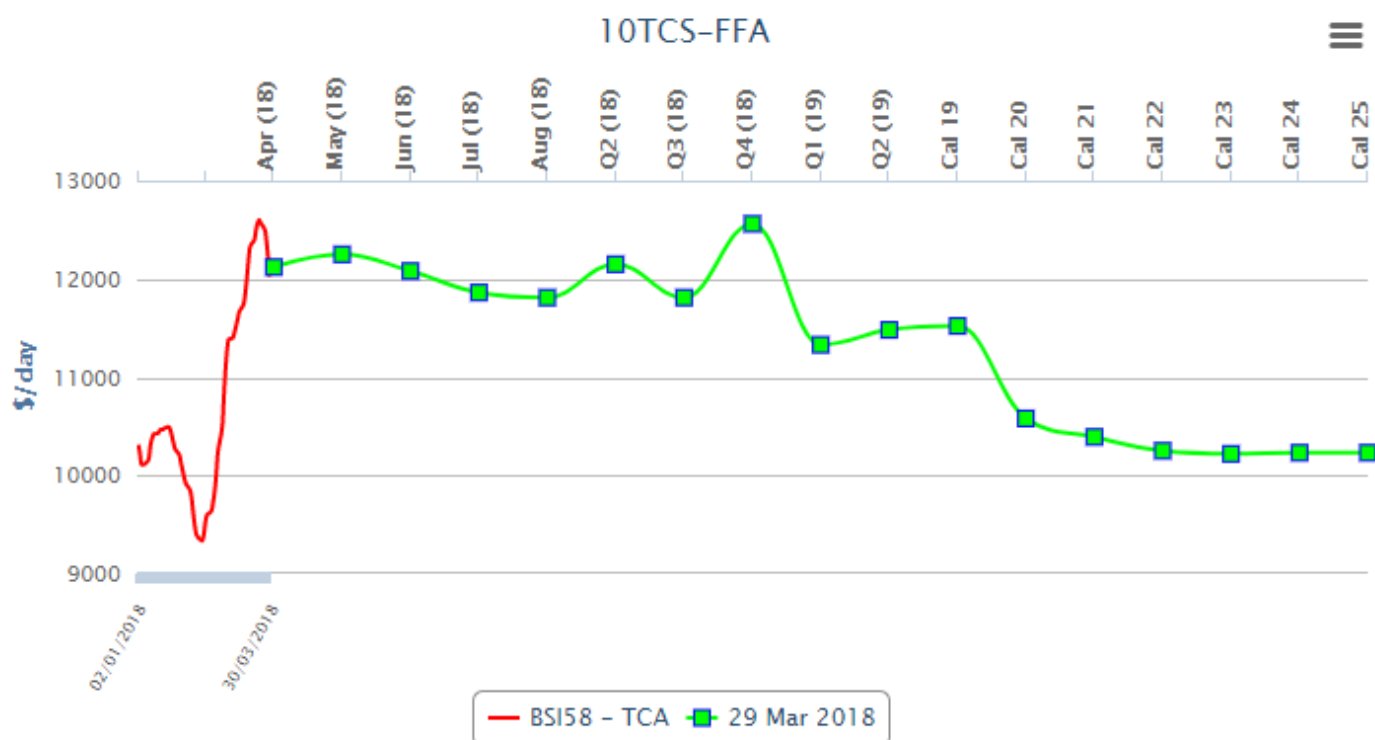


FFA Capesize for the 4 time charter routes



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FFA SUPRAMAX 58 for the 5 time charter routes



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25 Barge tow moving through Santarem Brazil to an Atlantic port.

U.S. RIVER BARGE FREIGHT

Current Barge Freight for Placement Last Half April 2018

Placement LH April 2018	% of Tariff	MT	Corn BU	Soybeans-Wheat BU
Upper Mississippi	550	\$37.53	0.95	1.02
Illinois River (Pekin and South)	500	\$26.51	0.67	0.72
Mid-Mississippi	510	\$29.91	0.76	0.81
Lower Ohio	435	\$21.39	0.54	0.58
St. Louis	365	\$16.05	0.41	0.44

Secondary Rail Car Market for car placement period: Last Half April 2018.

Secondary Rail Car Market Placement LH April 2018	BID USD	ASK USD	BID BU.	ASK BU.	BID MT	ASK MT
BNSF Shuttle Trains	\$ 450.00	\$ 800.00	\$ 0.11	\$ 0.20	\$ 4.43	\$ 7.87
UPRR Shuttle Trains	\$ 150.00	\$ 500.00	\$ 0.04	\$ 0.13	\$ 1.48	\$ 4.92



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There are only a few more weeks left to register for the IGP-KSU Grain Purchasing course in April! Reserve your spot today by enrolling here ---> bit.ly/2mEc5fB



www.grains.ksu.edu/igp

Best Regards,

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