

**Transportation and Export Report for 8 March 2018****Ocean Freight Insights and Comments:**

From a Lunar New Year perspective, it is another week into the New Year. And we still have a firm tone to the markets. Vessel owners and markets in general are still hoping for an up year with continued growth in vessel profitability. But, much as expected, things are not taking off like a rocket and the market still has some growing pains to work through. Q1 of the year remains challenging from a cargo growth perspective and we are witnessing some troublesome increase in the number of new vessel orders. The only way for this market to remain on solid ground is for vessel owners to keep their hands in their pockets and not get greedy with ideas of fleet expansion. China has projected annual GDP growth of 6.5 percent and this will be enough to support freight markets if the Dry-Bulk fleet does not expand by more than 2.0% this year.

BALTIC DRY-BULK PANAMAX INDEX CHANGES

Panamax Ocean Freight Indices				
8-Mar-18	This Week	Last Week	Difference	Percent Change
P2A : Gulf/Atlantic - Japan	18980	18848	132	0.7%
P3A - PNW/Pacific - Japan	12604	11536	1,068	9.3%
S1C -USGULF-China-So.Japan	23536	23572	-36	-0.2%

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

Four weeks ago:	\$ 6.40-\$5.85
Three weeks ago:	\$ 5.85-\$7.15
Two weeks ago:	\$ 6.75-\$7.15
One week ago:	\$ 6.75-\$7.15
This week	\$ 6.20-\$6.65

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

Mississippi River:	(10 elevators)	3-12 days
Miss. River Mid-Stream loaders:	(6+ Rigs)	0-2 days
Texas Gulf	(6 elevators)	0-16 days (only 1 facility over 3 days wait)
Pacific Northwest:	(9 elevators)	6-14 days

Panamax Market Spreads to Asia -China					
8-Mar-18	PNW	GULF	Bushel Spread	MT Spread	Advantage
CORN	1.15	0.95	0.20	\$7.87	PNW
SOYBEANS	0.86	0.67	0.19	\$7.48	PNW
OCEAN FREIGHT	\$23.50	\$44.00	.52.55	\$20.50	April

Recent Reported Vessel Fixtures:

60,000 hss Brazil to China April 10-15 at \$35.00 fio 8,000 shex bends by CNR

60,000 hss Brazil to China April 1-30 at \$35.00 fio 8,000 shex bends by Cargill

Route and Vessel Size	Current Week USD/MT	Change from previous week	Remarks
55,000 U.S. Gulf-Japan	\$45.00	Up \$0.50	Handymax \$45.00/mt
55,000 U.S. PNW- Japan	\$24.00	Unchanged	Handymax at \$24.25 /mt
65,000 U.S. Gulf – China	\$44.00	Up \$0.50	North or South China
PNW to China	\$23.50	Unchanged	
25,000 U.S. Gulf- Veracruz, México	\$16.25	Unchanged	3,000 MT daily discharge rate
35-40,000 U.S. Gulf- Veracruz, México	\$14.00	Unchanged	Deep draft and 6,000 MT per day discharge rate.
25/35,000 U.S. Gulf- <u>East Coast Colombia</u>	\$19.50	Unchanged	<u>West Coast Colombia at \$28.25</u>
From Argentina	\$33.50		
40-45,000 U.S. Gulf - Guatemala	\$28.00	Unchanged	Acajutla/Quetzal - 8,000 out
26-30,000 U.S. Gulf – Algeria	\$31.50	Up \$0.25	8,000 mt daily discharge
	\$33.25		3,000 mt daily discharge
26-30,000 US Gulf-Morocco	\$30.75	Up \$0.25	5,000 discharge rate
55-60,000 U.S. Gulf –Egypt	\$28.50	Up \$0.25	55,000 -60,000 mt
PNW to Egypt	\$27.25		Russia Black Sea to Egypt \$14.50
60-70,000 U.S. Gulf – Europe – Rotterdam	\$16.75	Down \$0.25	Handymax at +\$1.75 more
Brazil, Santos – China	\$35.00	Up \$1.00	54-59,000 Supramax-Panamax
Brazil, Santos – China	\$34.25		60-66,000 Post Panamax
Itacoatiara-Port Up River North Brazil	\$38.50		60-66,000 mt
56-60,000 Argentina-China Deep draft	\$40.25	Up \$0.75	Up River with Top Off \$42.75

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

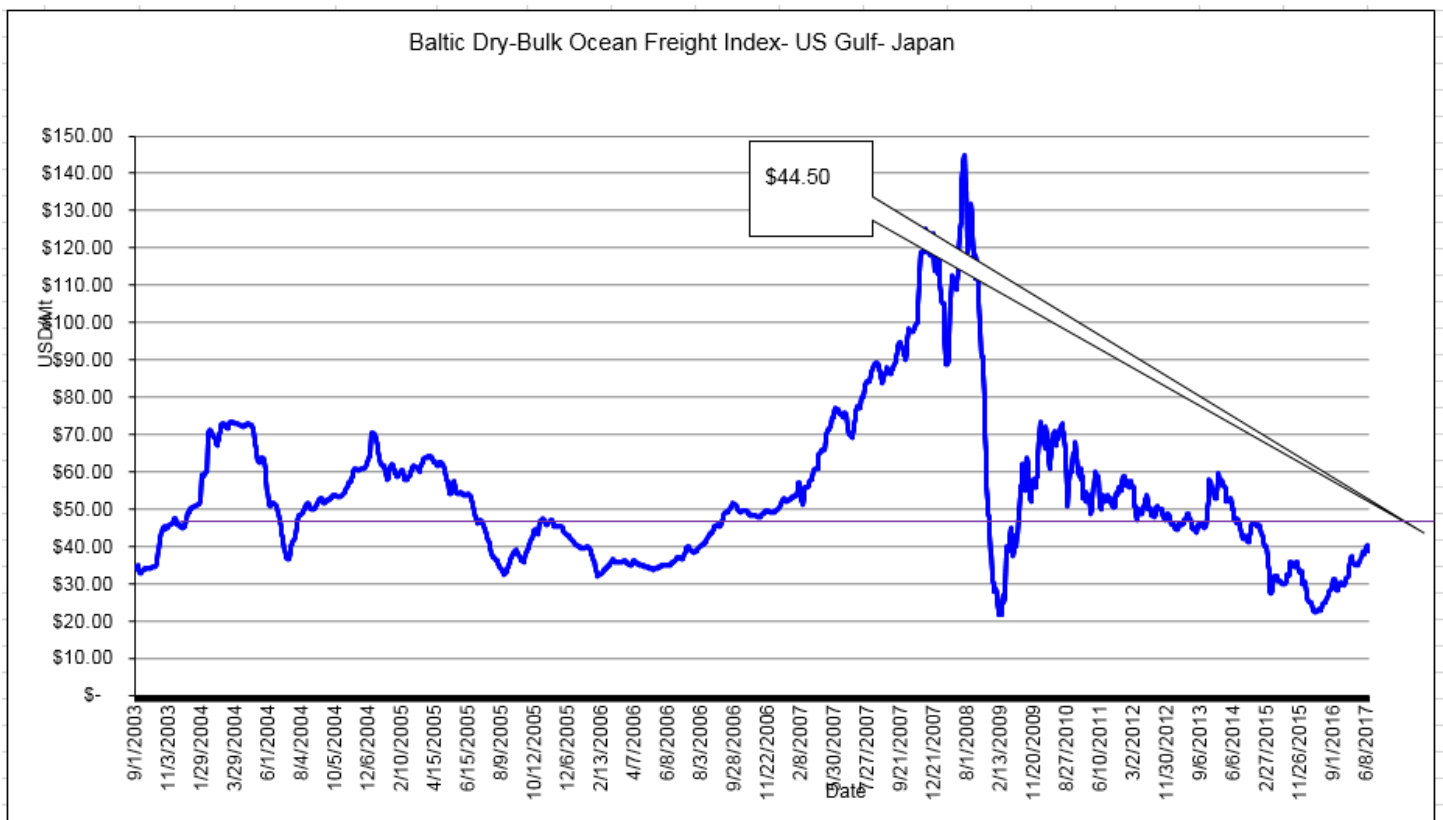
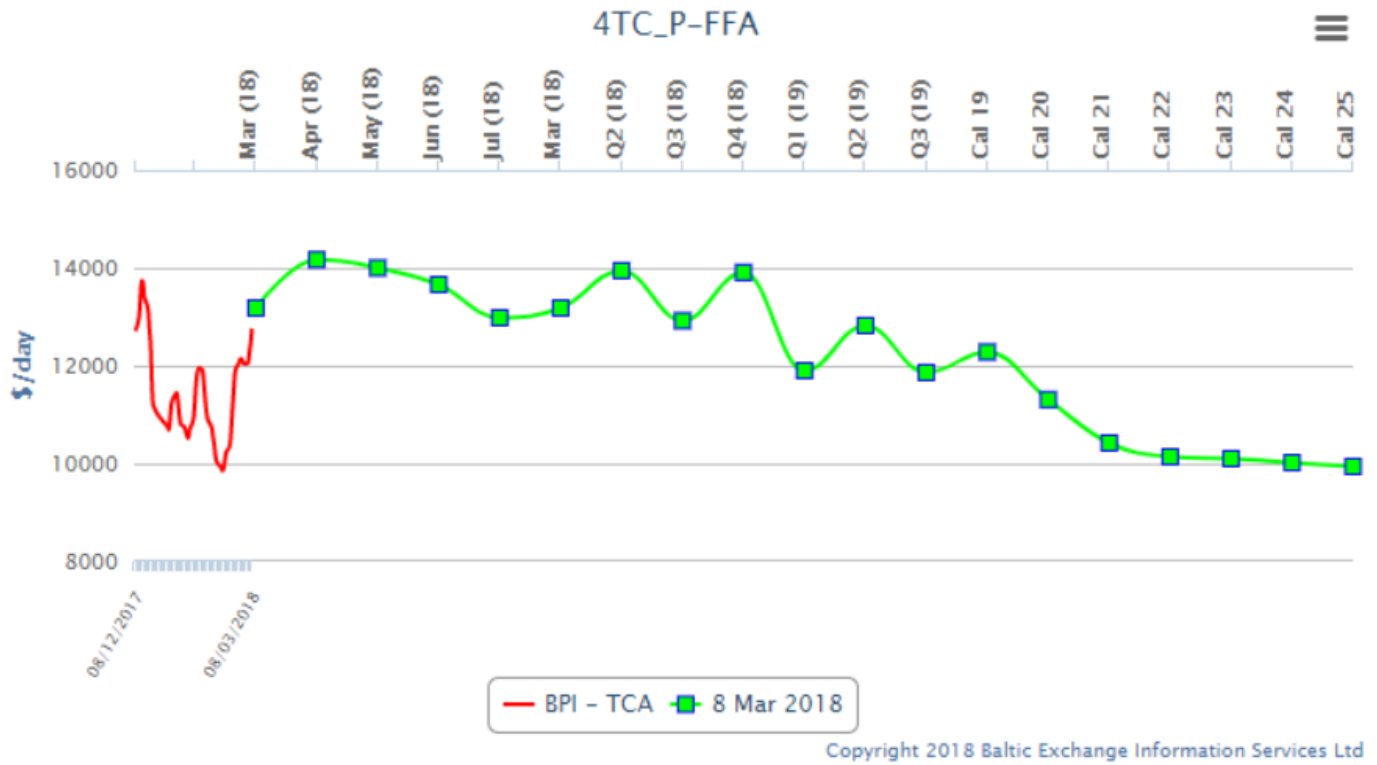
Nautical Miles: To Xiamen China (South China)

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

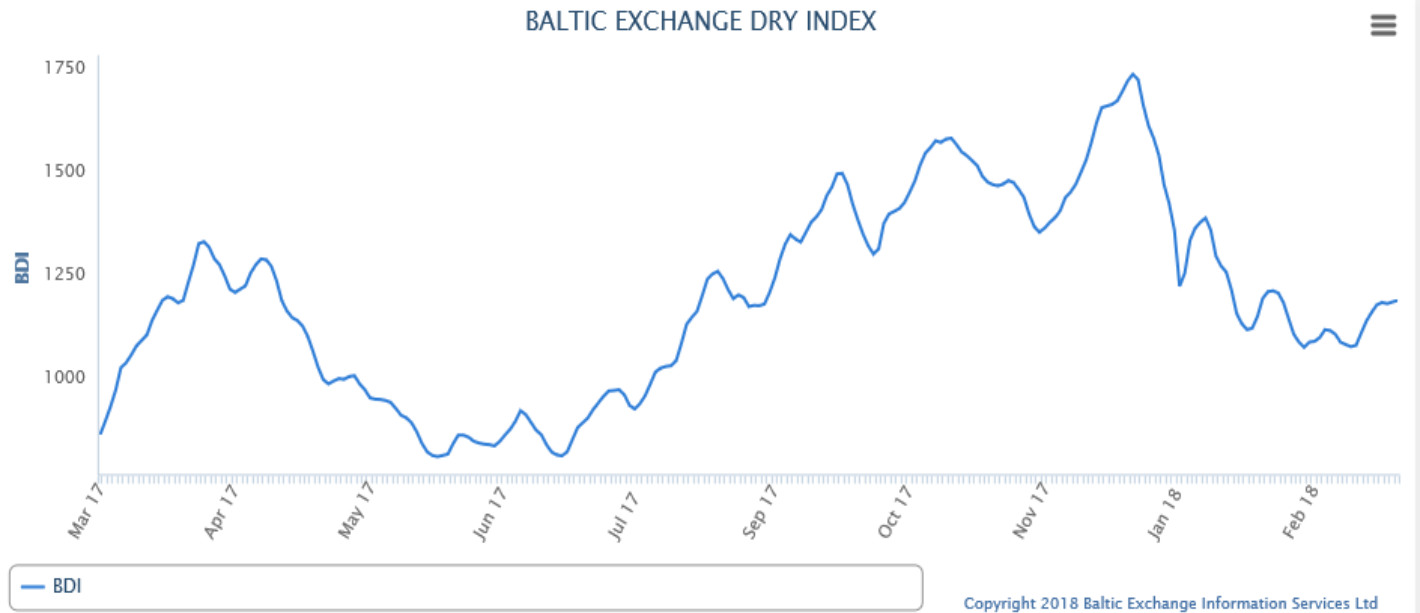
Santos Brazil (via Cape of Good Hope) - 10,441 nautical miles (33 days)

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

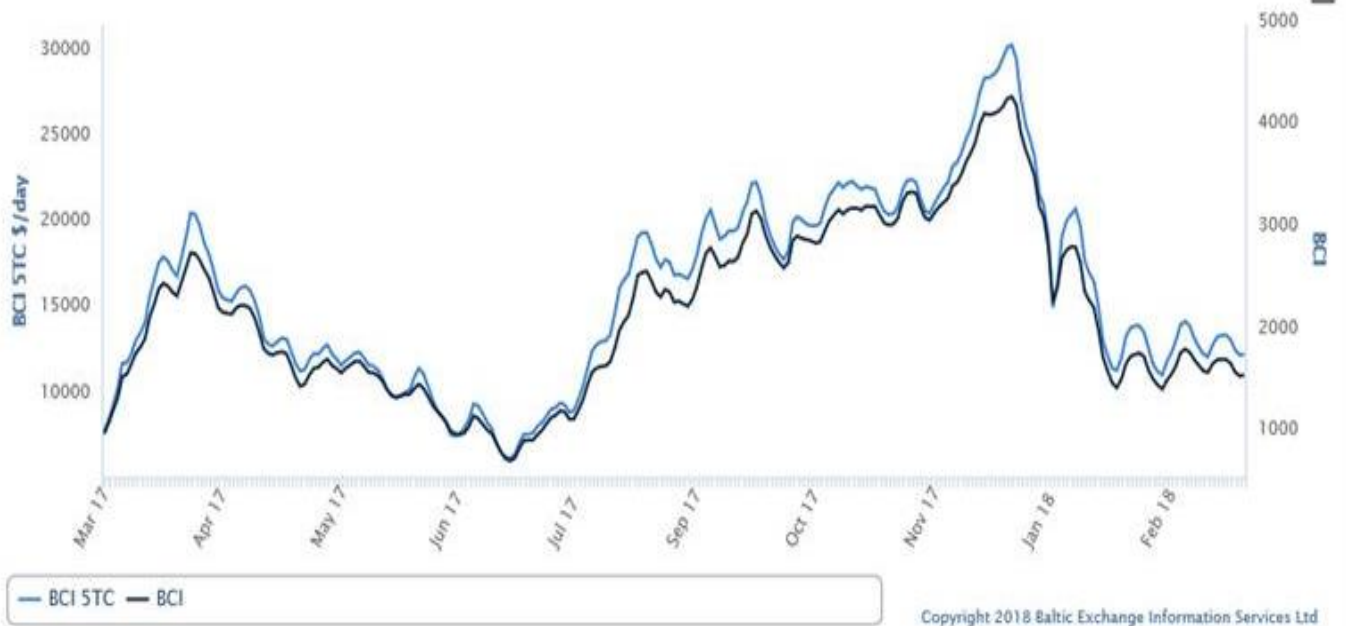
Forward Curve for Baltic BPI Panamax Vessel Freight



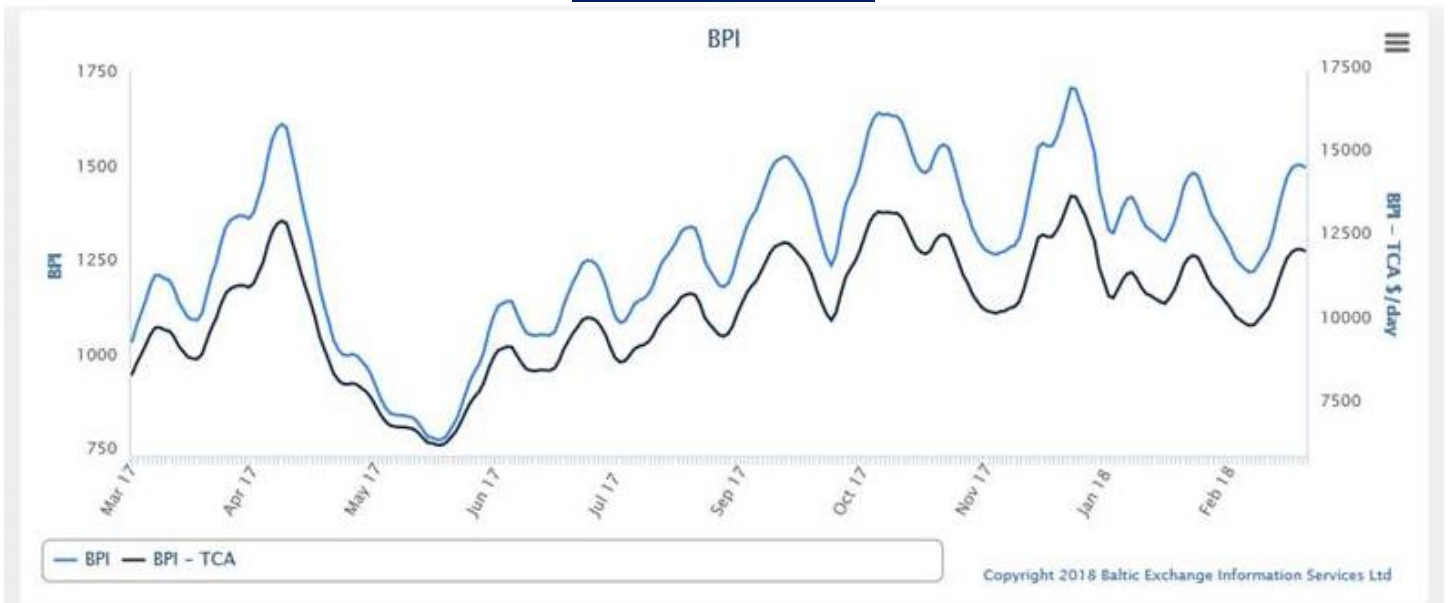
Baltic Dry-Bulk Index



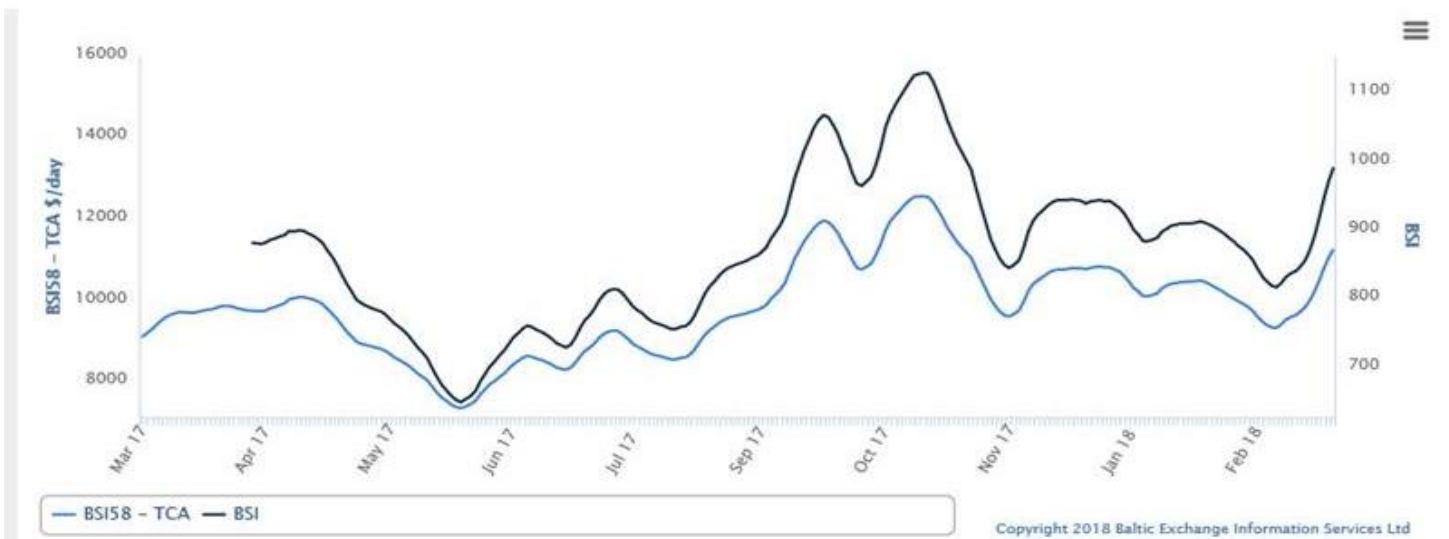
Baltic Capesize Index



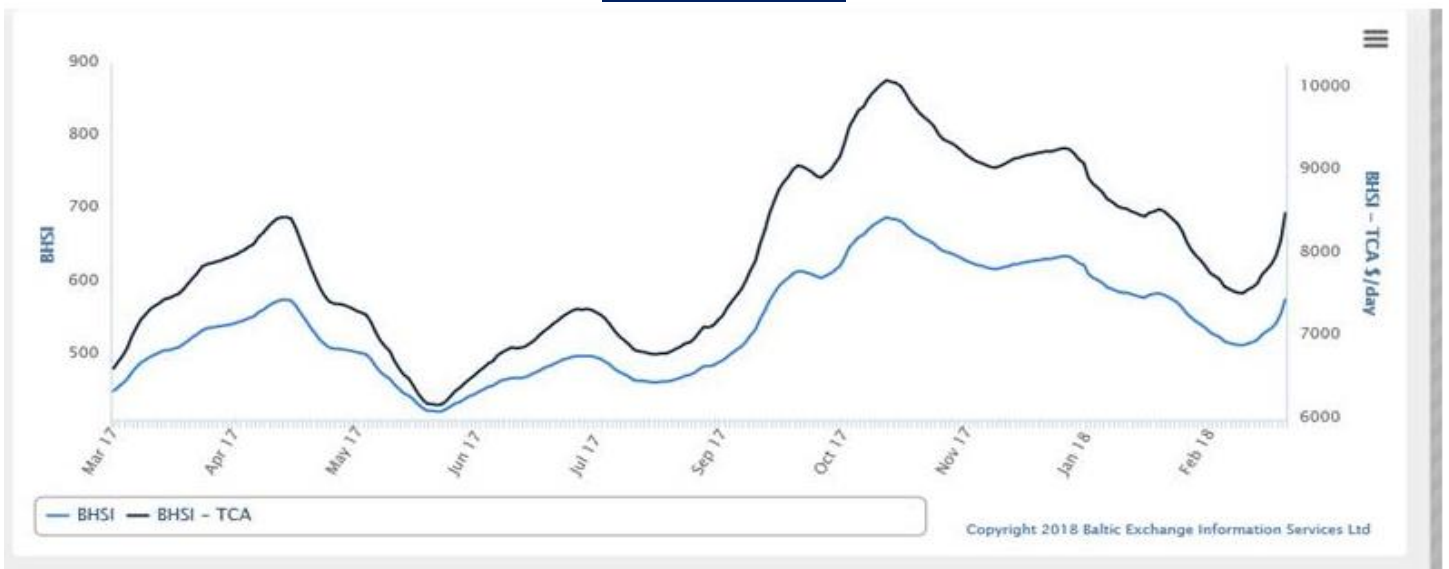
Baltic Panamax Index



Baltic Supramax Vessel Index



Baltic Handy Size



Yamamizu Shipping

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USG/Japan Index Result

Date From: 2017-02-01

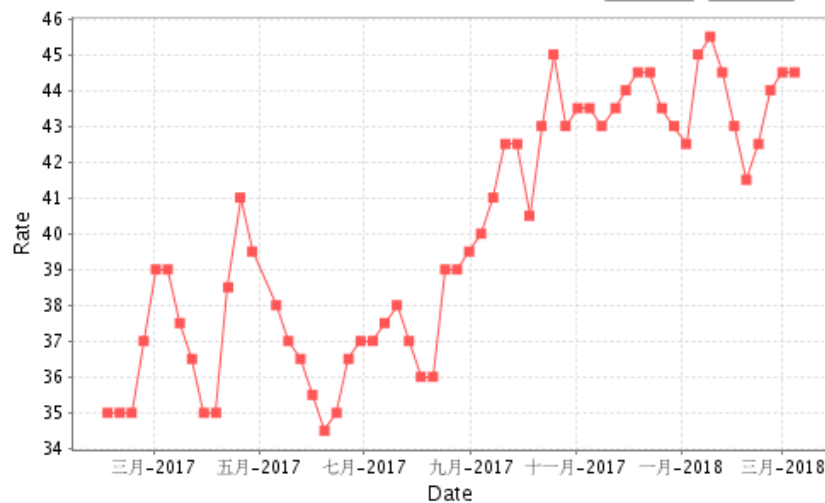
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Date To: 2018-03-08

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China Import Dry Bulk Freight Index(CDFI)

2018-03-07

Route	Size MT	Cargo/Vessel Size	Unit	Rate	Change
Composite Index			Point	834.62	-10.15
Iron ore Freight Index			Point	760.22	-23.71
Soybean Freight Index			Point	977.48	4.16
Santos(Brazil)—North China	60000/10%	Soybean	\$/ton	33.240	0.195
Tacoma(West America)—North China	60000/10%	Soybean	\$/ton	23.605	0.050
Mississippi(US Gulf)—North China	66000/10%	Soybean	\$/ton	43.707	0.128
Mississippi(US Gulf)—North China	55000/10%	Soybean	\$/ton	45.229	0.116

8 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
April	0.95	\$192.31	1.15	\$200.19
May	0.95	\$192.31	1.10	\$198.22
June	0.81	\$189.56	1.05	\$199.00
July	0.80	\$189.16	1.10	\$200.97
Aug.	0.77	\$189.75	1.05	\$200.78
Sept.	0.80	\$190.93	1.05	\$200.78

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	1.30	\$206.09	1.05	\$196.25
May	1.25	\$204.12	0.98	\$193.49
June	1.20	\$204.91	0.95	\$195.07
July	1.10	\$200.97	0.90	\$193.10
Aug.	1.10	\$202.74	0.85	\$192.90

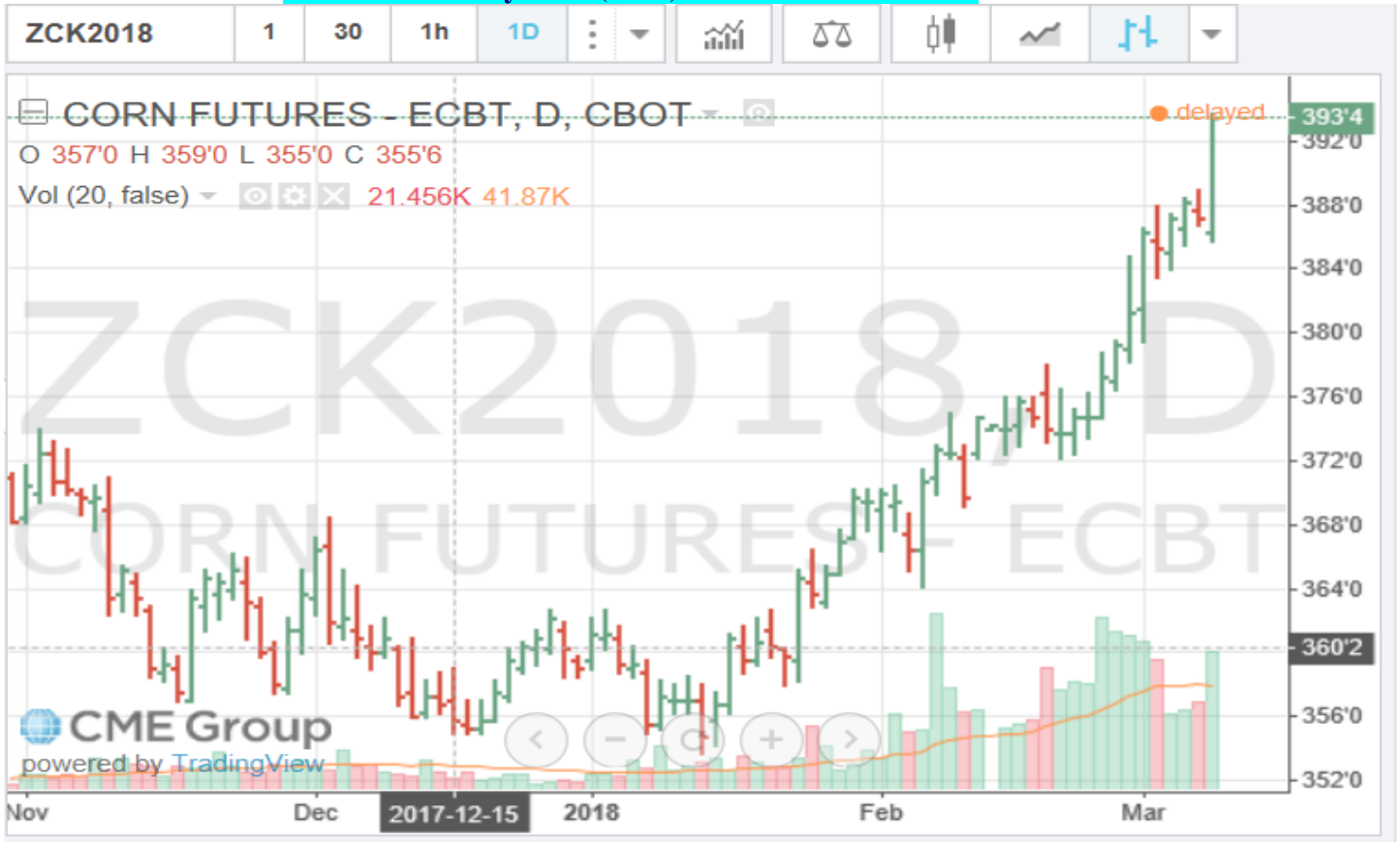
Fob vessel Texas Gulf #2 Sorghum is about 102% the value of #2 Yellow Corn at NOLA

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

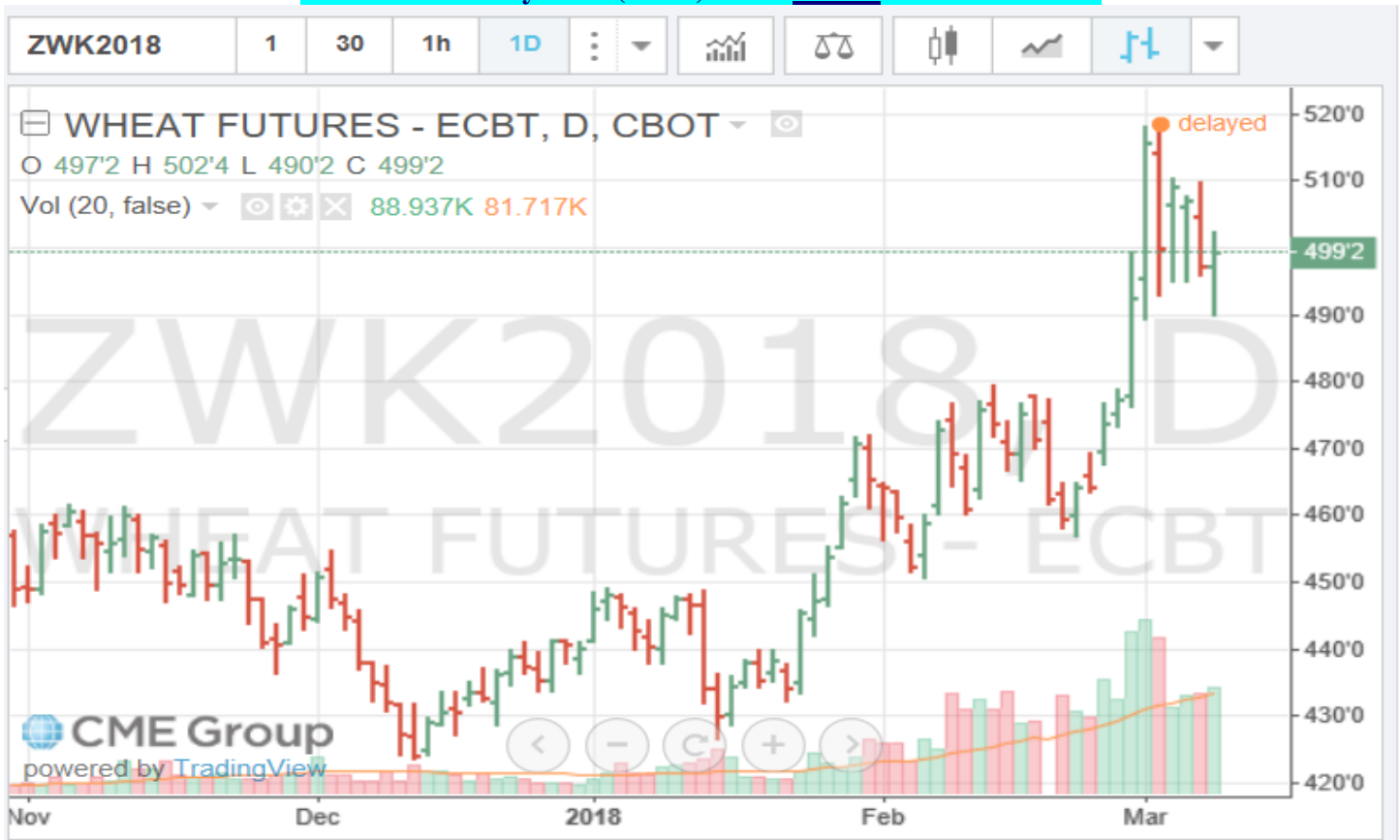
SRW Wheat	USD/MT	Fob Vessel	US Gulf	
	April	May	June	July
FOB U.S. GULF	\$209.16	\$211.00	\$215.04	\$216.88
Basis	0.70	0.75	0.70	0.75
WH	4.9475			
WK	4.9925			
WN	5.1525			

CME Futures Market Close						
CORN	Futures	Friday	Friday	Last week	Last Week	Difference
Month	Symbol	Close	Close	Bushel	MT.	Bushel
Mar.	CH	\$3.8575	\$151.86	\$ 3.7875	\$149.11	\$0.0700
May	CK	\$3.9350	\$154.91	\$ 3.8625	\$152.06	\$0.0725
July	CN	\$4.0050	\$157.67	\$ 3.9350	\$154.91	\$0.0700
Sept.	CU	\$4.0500	\$159.44	\$ 3.9875	\$156.98	\$0.0625
Dec.	CZ	\$4.1025	\$161.51	\$ 4.0475	\$159.34	\$0.0550

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



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

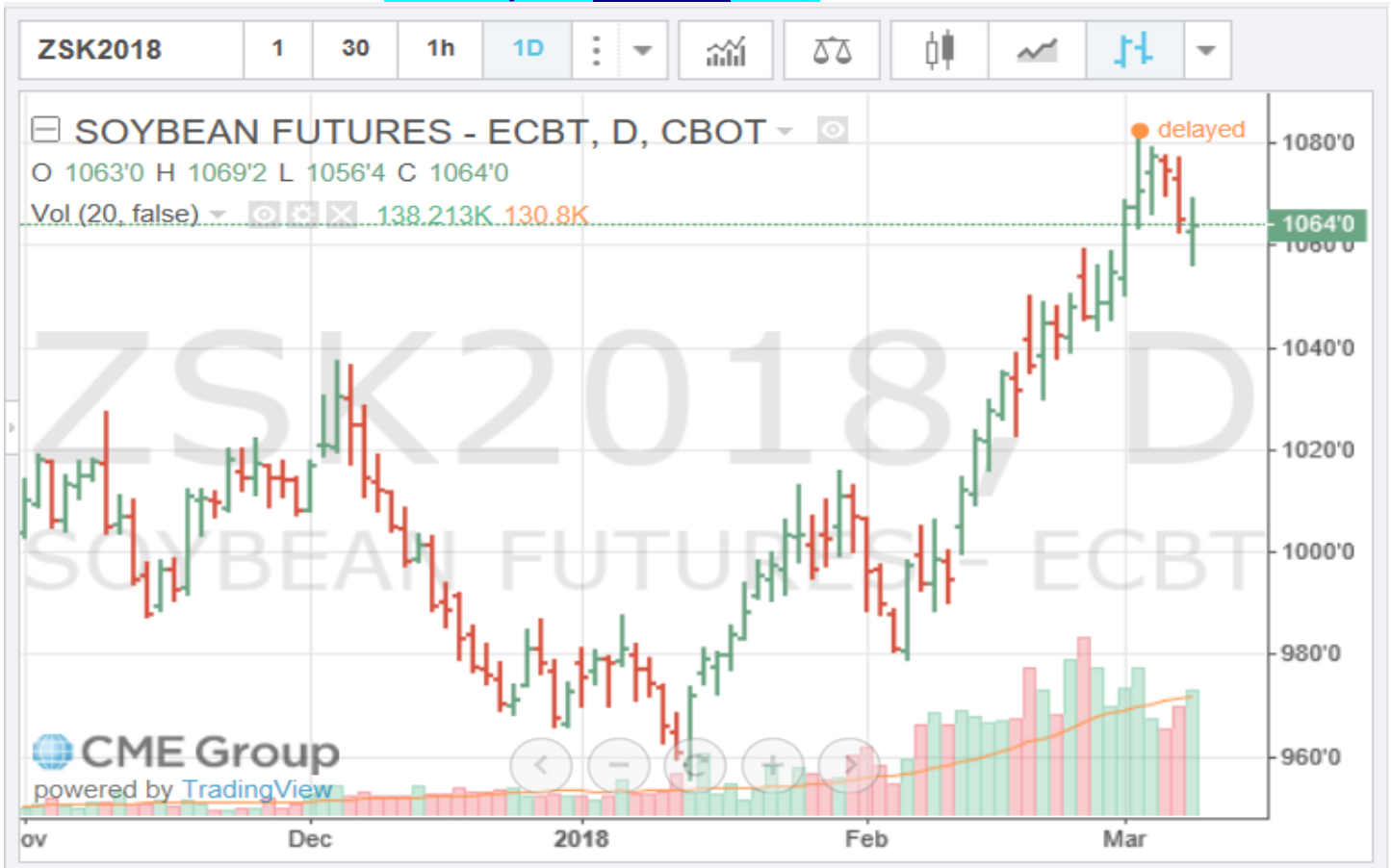


U.S. Soybean and SBM Markets Fob Vessel:

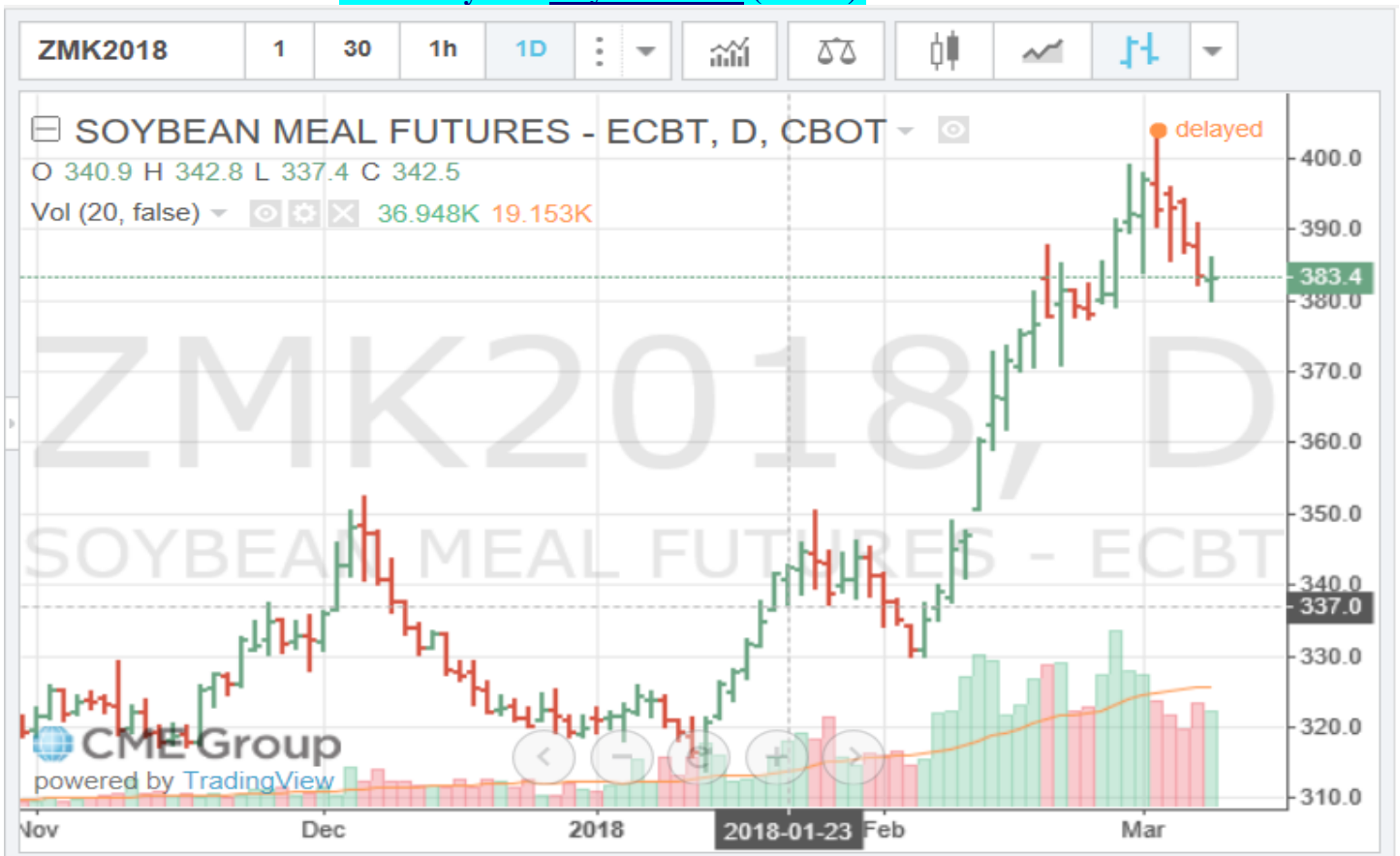
U.S. Yellow Soybeans (USD/MT) FOB Vessel				
# 2 YSB	U.S. Gulf #2 YSB		PNW #2 YSB	
14.0 % Moisture	Basis	Flat Price	Basis	Flat Price
April	0.74	\$418.14	0.86	\$422.55
May	0.67	\$415.57	0.86	\$422.55
June	0.60	\$416.30	0.83	\$424.75
July	0.64	\$417.77	0.86	\$425.86
Aug.	0.68	\$419.43	0.90	\$427.51
Soybean Futures				
Mar.	\$ 10.5375			
May	\$ 10.6400			
July	\$ 10.7300			
Aug.	\$ 10.7350			
Sept.	\$ 10.5775			
Nov.	\$ 10.4500			

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	\$ 444.86
May	17.00	\$ 441.55
June	15.00	\$ 440.45
July	15.00	\$ 440.45
Aug.	20.00	\$ 441.99
SBM Futures		
SMH	380.75	
SMK	383.50	
SMN	384.50	
SMQ	380.90	
SMU	377.10	
SMV	373.00	

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 February 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	1787.5	39,304.4	52,070	75%	1,416.2
Sorghum	2.0	5,320.5	6,600	81%	0.0
Soybeans	889.9	45,571.3	57,150	80%	1,576.1
Wheat	234.8	21,635.2	25,860	84%	499.4
Barley	0.0	37.8	110	34%	39.4

U.S. EXPORT INSPECTIONS:

Monday's report 05 March 2018 for the Export week ending 01 March 2018

	Export Inspections		Current Market Year YTD	Previous Year to Date	2017 YTD as Percent of 2016 YTD
	This Week	Previous Week			
Corn	947,642	1,316,368	18,914,103	27,359,694	69%
Sorghum	336,838	60,466	2,985,171	3,234,594	92%
Soybeans	990,113	766,271	38,770,417	44,377,757	87%
Wheat	400,937	280,243	18,229,321	19,515,518	93%
Barley	220	0	20,826	31,119	67%

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

U.S. EXPORT INSPECTIONS:

Monday's report 05 March 2018 for the Export week ending 01 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%	72,889 7%
Gulf	590,690	68%	72,914	99%	264,606	79%	611,900 62%
PNW	195,850	22%	391	1%	69,099	21%	198,897 20%
Interior Export Rail	87,797	10%	0	0%	3,133	1%	106,427 11%
Metric Tons	874,337		73,305		336,838		990,113

Sorghum Shipments:	metric tons	
	312,712	China Main
	24,030	Sudan
	96	Mexico
	336,838	Total

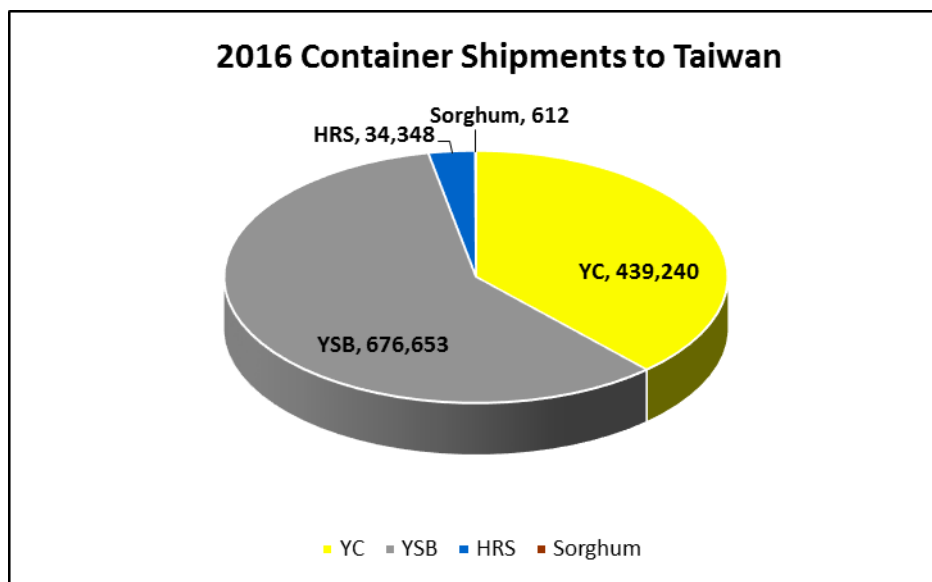
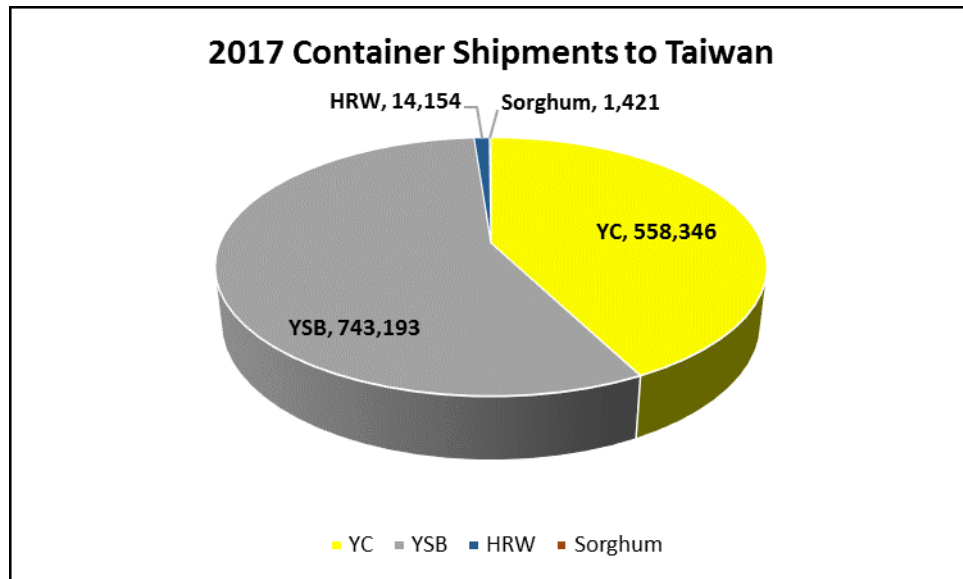
White Corn	metric tons	
Shipments:	5,090	Costa Rica
	67,824	Mexico
	391	Korea Rep.
	73,305	Total

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:		1-Mar-2018							
Last Week	metric tons								MT
	YC	WC	YSB	SRW	NS	SWH	HRW	Sorghum	TOTAL
China Main	857		7,471					3,037	11,365
China T	9,571		19,907						29,478
Hong Kong	636								636
Costa Rica									0
Indonesia			19,223						19,223
French Polynesia									0
Japan	245		244						489
Korea Republic	1,396		1,347				514		3,257
Panama									0
Malaysia	2,056		6,390						8,446
Spain									0
Philippines	2,448		1,492						3,940
Thailand			5,632						5,632
Sri Lanka									0
Un Arab Em							1,029		1,029
Vietnam			4,406						4,406
Sub total	17,209	0	66,112	0	0	0	1,543	3,037	82,466
USDA Corrections/Additions to previous reports:									
China T			1,787						1,787
China Main								1,395	1,395
Hong Kong									0
Korea Rep.									0
Costa Rica									0
Japan									0
Philippines									0
Indonesia									0
Malaysia			612						612
Thailand									0
Vietnam			1,102						1,102
Mexico									0
Burma									0
Sub total	0	0	3,501	0	0	0	0	1,395	4,896
Mt. Grand Total	17,209	0	69,613	0	0	0	1,543	4,432	87,362
Number of containers	748	0	3,027	0	0	0	67	193	

Jan - Dec 2016 Annual Totals versus 2017 Jan.-Dec. Annual Container Shipments (in MT)

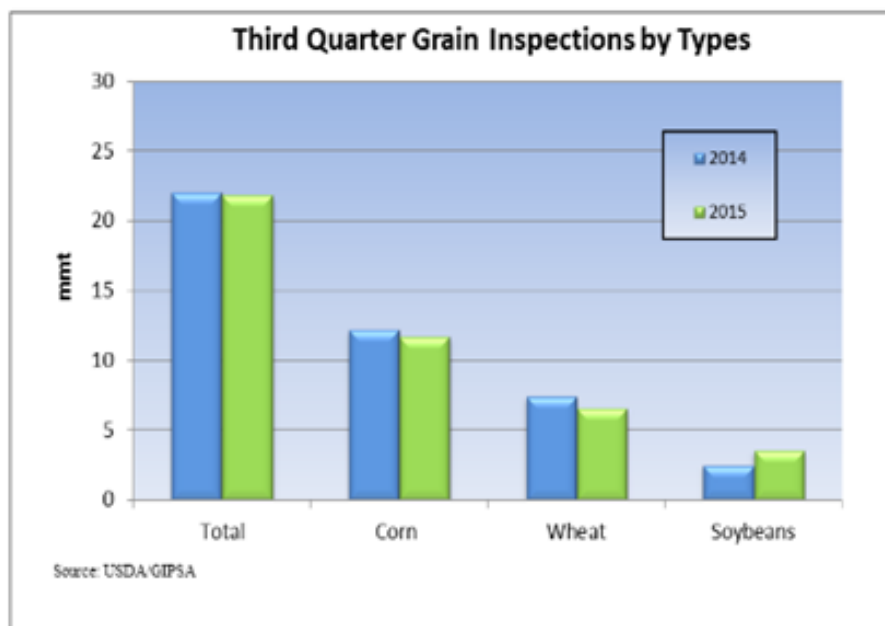


Grain Inspections for Export by U.S. Port Regions:
U.S. Gulf and Pacific Northwest 2017 YTD vs. 2018 YTD

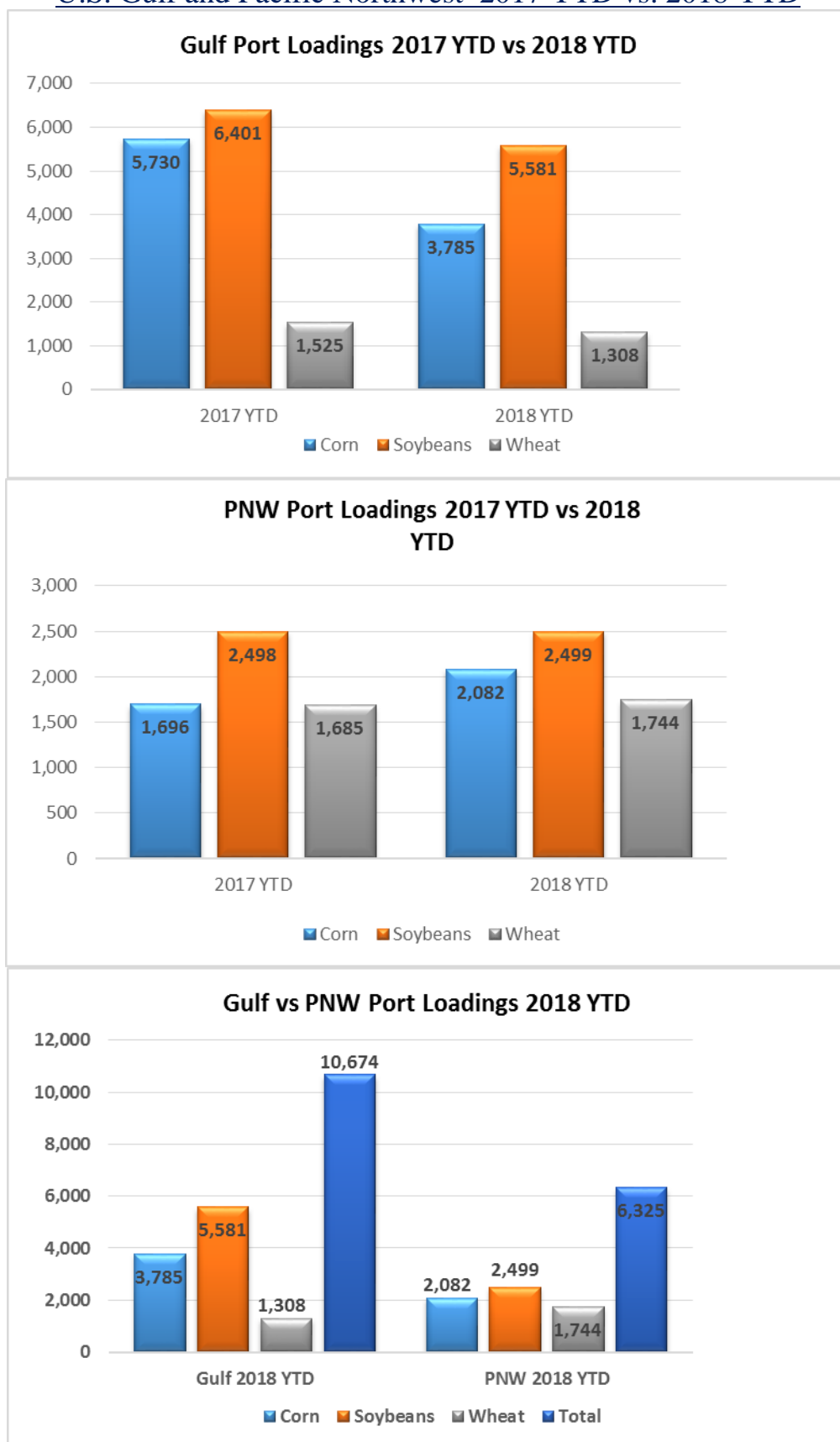
PORT LOADINGS US Gulf				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
GULF				
2017 YTD	5,730	6,401	1,525	13,656
2018 YTD	3,785	5,581	1,308	10,674
2018 as % of 2017	66%	87%	86%	78%

PORT LOADINGS US PNW				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
PNW				
2017 YTD	1,696	2,498	1,685	5,879
2018 YTD	2,082	2,499	1,744	6,325
2018 as % of 2017	123%	100%	104%	108%

PORT LOADINGS GULF vs. PNW				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
2018 Gulf YTD	3,785	5,581	1,308	10,674
2018 PNW YTD	2,082	2,499	1,744	6,325
TOTAL	5,867	8,080	3,052	16,999
Gulf Percentage	65%	69%	43%	63%
PNW Percentage	35%	31%	57%	37%



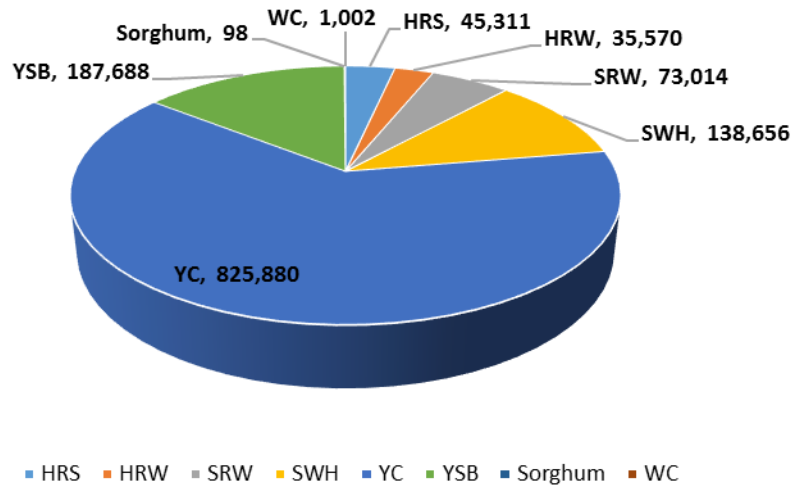
Grain Inspections for Export by U.S. Port Regions (1,000MT):
U.S. Gulf and Pacific Northwest 2017 YTD vs. 2018 YTD



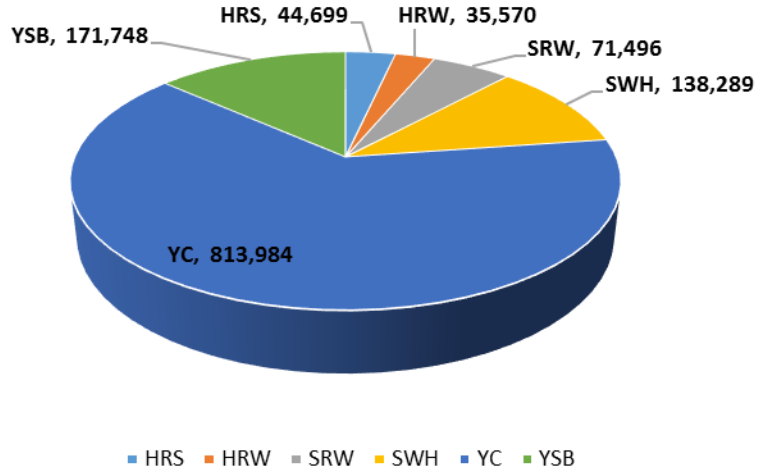
Source: USDA-data

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

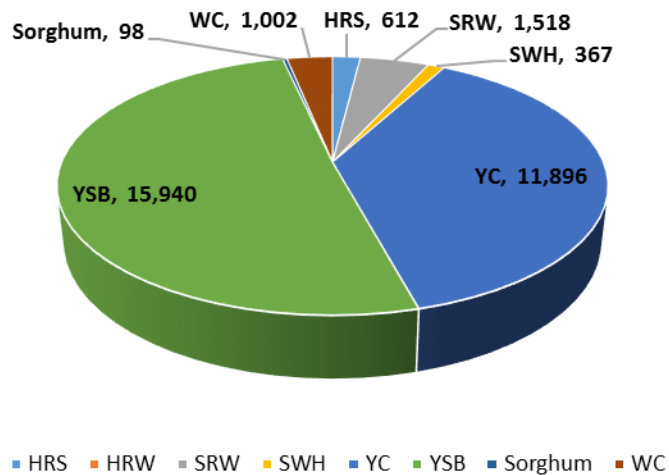
2018 YTD Exports to Korea Rep.



YTD Exports to Korea Rep. by Vessel



YTD Exports to Korea Rep. 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

New Suez Canal tolls reduction for dry bulk vessels operating between Americas and Asia

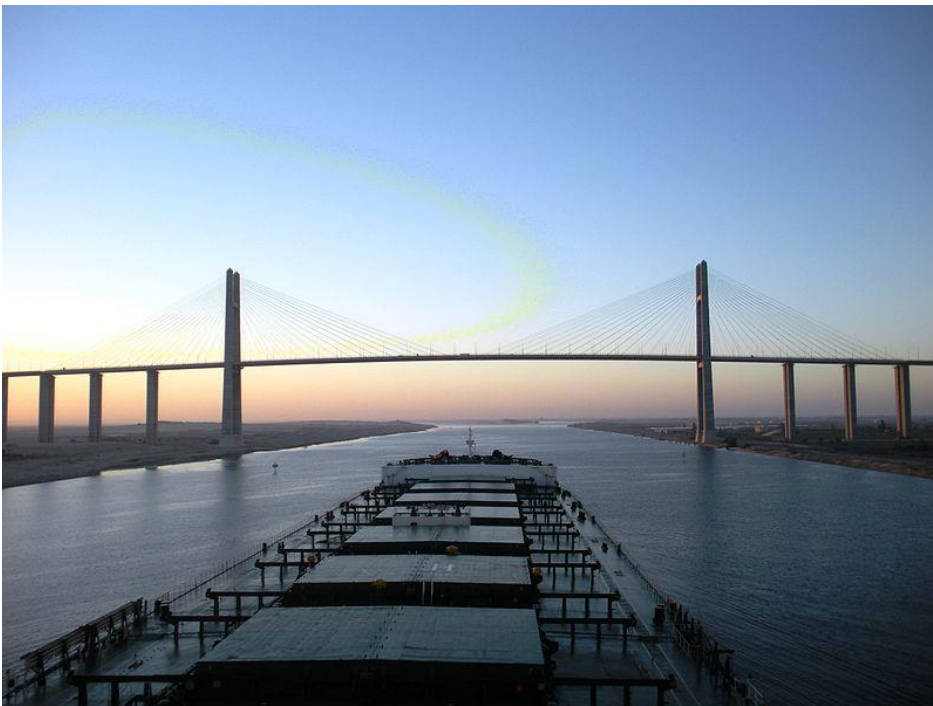
in International Shipping News 27/02/2018

In line with the Suez Canal Authority flexible policy and in continuation of its role in servicing the international trade as well as encouraging mutual trade between Americas and Asian ports.

Suez Canal Authority announces a new initiative for supporting the economics of the dry Bulk Vessels Working among the aforementioned areas as following:-

1) Laden or Ballast Dry Bulk Vessels coming from (or heading to) the East Coast of North America (ports located at the North of Savannah port) and heading to (or coming from) the following areas:

a) Ports West of Indian subcontinent starting from Karachi up to Cochin port; shall be granted a reduction of 20% of Suez Canal normal tolls.



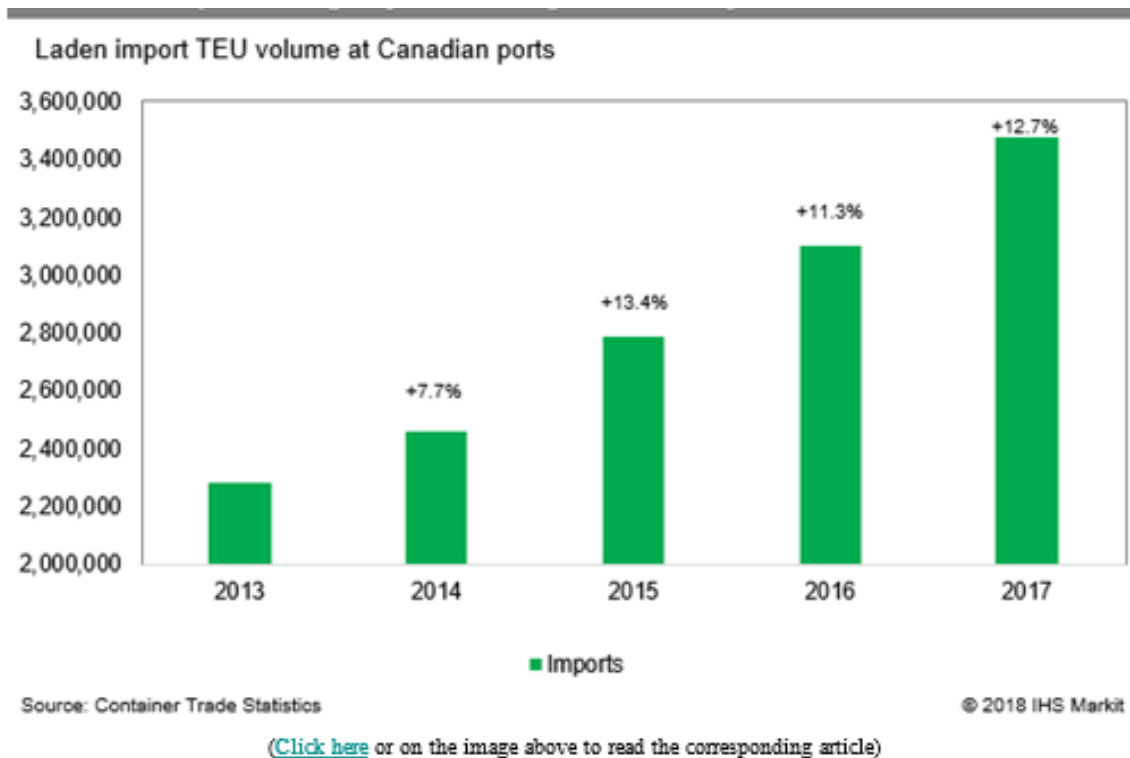
b) Cochin port and its Eastern ports (including Far East area) shall be granted reduction of 60% of Suez Canal normal tolls

2) Laden or Ballast Dry Bulk Vessels coming from (or heading to) Savannah port (Latitude 32° 6' 39" N) and its Southern Ports (including Ports of US Gulf, Mississippi River, Caribbean sea and Latin America) and heading to (or coming from) the following areas:

a) Ports West of Indian subcontinent starting from Karachi up to Cochin port; shall be granted a reduction of 45% of the Suez Canal normal tolls.

b) Cochin port and its Eastern ports (including Far East area); shall be granted a reduction of 75% of Suez Canal normal tolls.

Source: Suez Canal Authority



Jerome Sorrel- "Ship owner/operator Pacific Basin 2017 net profit is US\$2.6 Million (loss last year was US \$87 million), 241 operated ships throughout the year, this means, only \$10,800 profit / ship in 2017... about \$30 profit/day/ship. This remains quite lot of work for \$30/day !"

Noble posts largest annual loss recorded on the Singapore Exchange

MARCH 1ST, 2018

SAM CHAMBERS

ASIA, DRY CARGO, GREATER CHINA

0 COMMENTS

Noble Group chalked up an unfortunate record yesterday, posting the largest annual net loss of any Singapore-listed company ever.

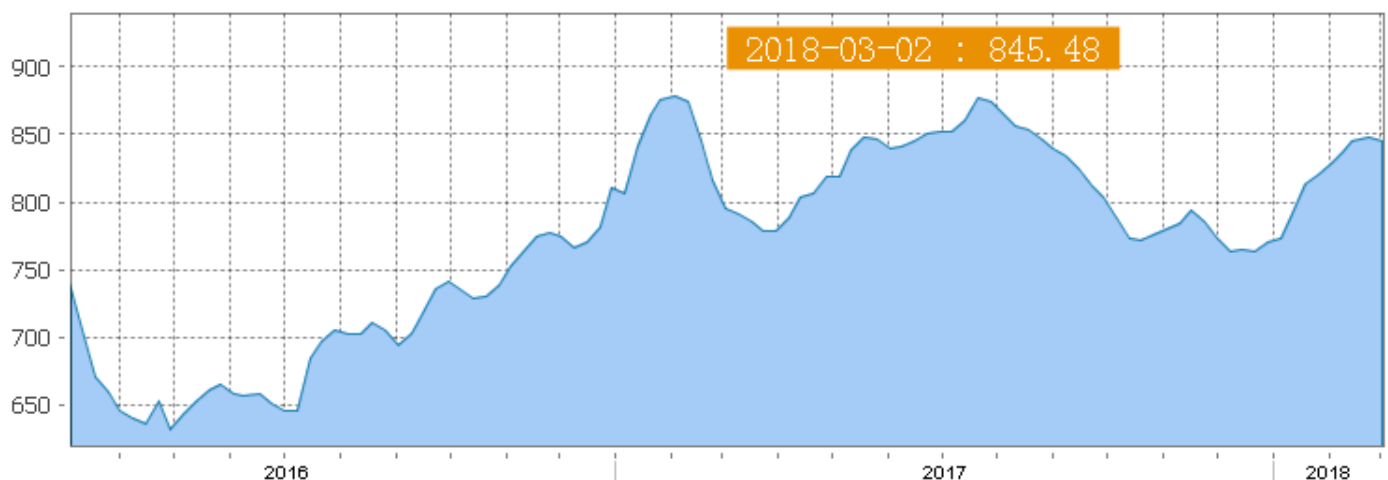
Once Asia's largest commodities group, Noble has been brought to its knees in the last couple of years. Its \$4.94bn net loss for 2017 announced on Wednesday saw the Hong Kong-based group admit that it might struggle to carry on as a going concern.

Noble Group warned that whether it's able to continue as a going concern depends upon obtaining the necessary approvals for the restructuring plan, complying with the terms of new senior debt instruments, and improving its gross margins while reducing expenses.

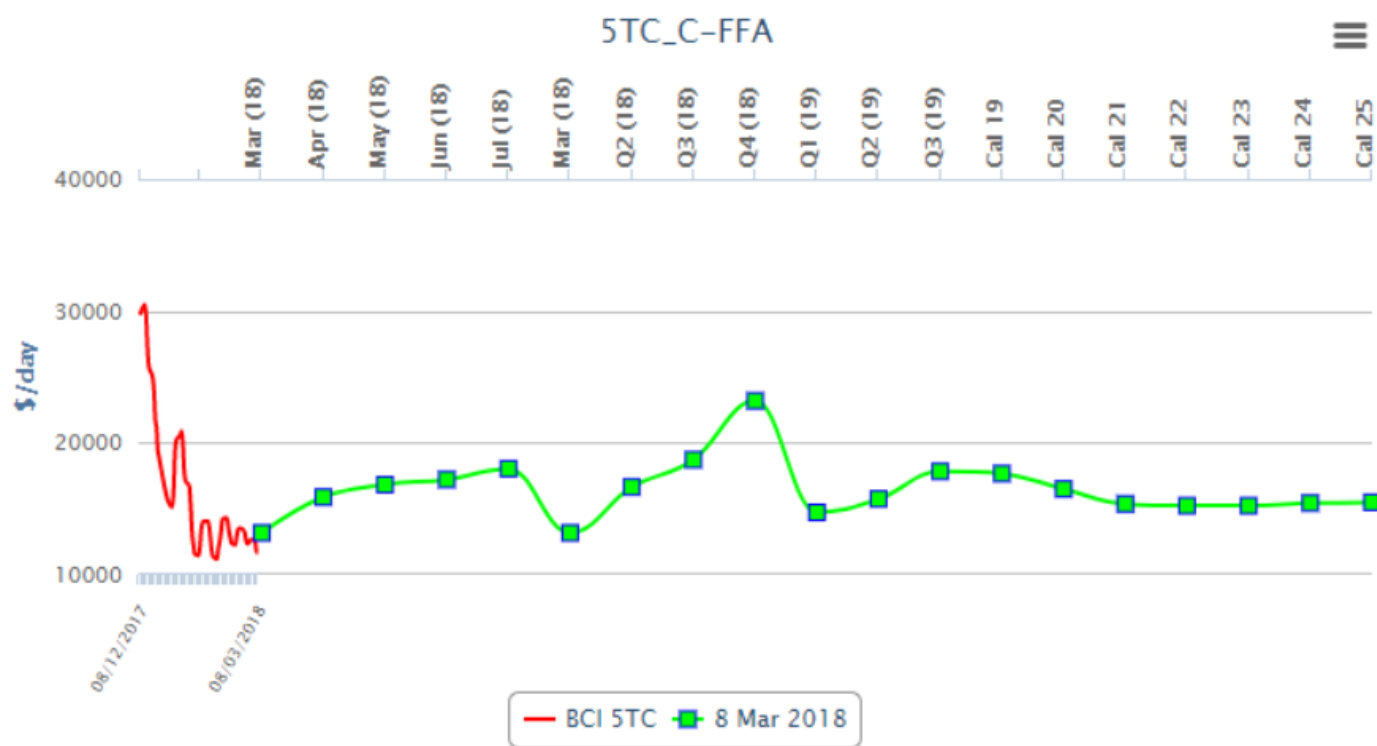
Chairman Paul Brough said he had "no magic pill" for investors facing hefty losses under a planned restructuring that would halve Noble's \$3.5bn debt. The alternative he told *Bloomberg* was a court-driven insolvency process that would be "very damaging indeed".

"What we're focused on is trying to get all of the parties over the line," Brough told *Bloomberg*. "I do accept that it requires an allocation of some pain and discomfort, but I'm afraid that there's no magic pill to solve it."

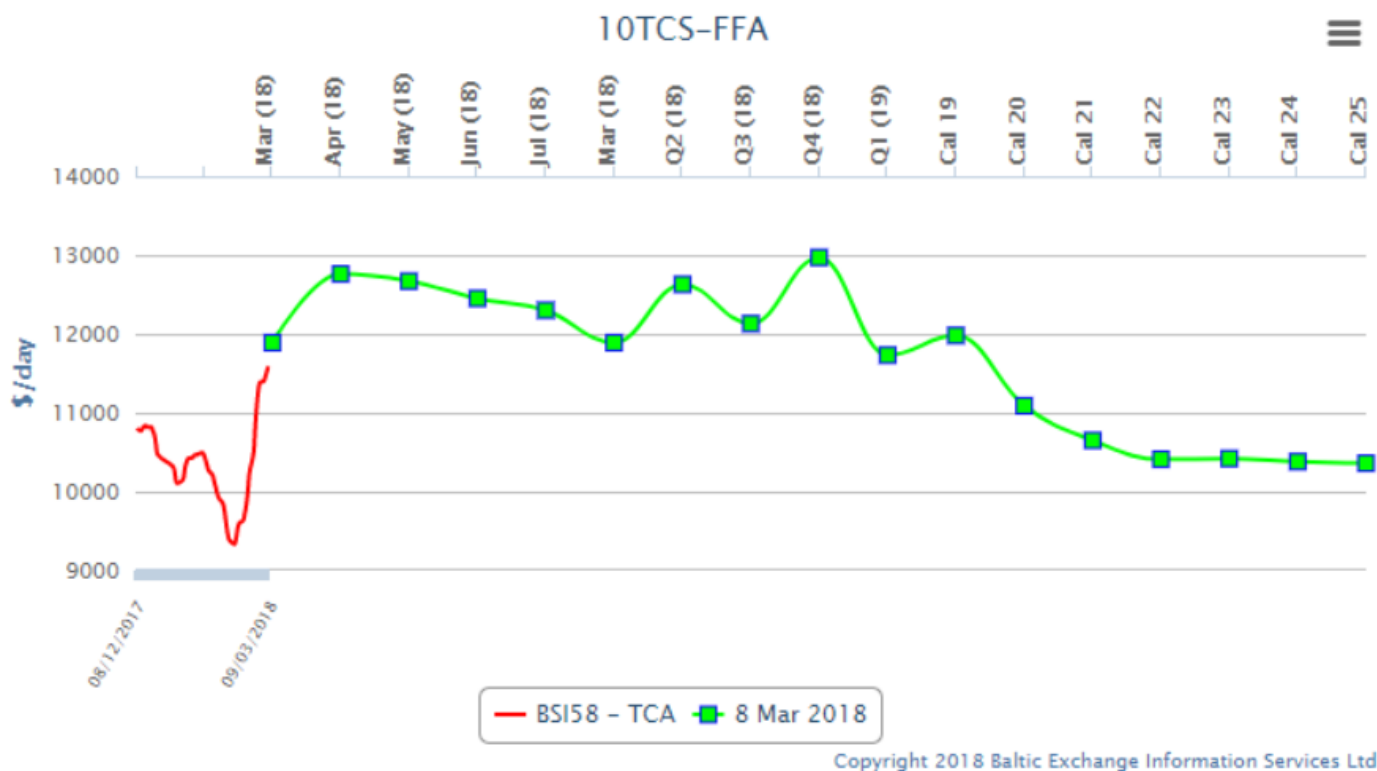
China Containerized Freight Index



FFA Capesize for the 4 time charter routes



FFA SUPRAMAX 58 for the 5 time charter routes



U.S. RIVER BARGE FREIGHT

Current Barge Freight for Placement First Half April 2018

Placement FH April 2018	% of		Corn	Soybeans-Wheat
	Tariff	MT	BU	BU
Upper Mississippi	525	\$35.82	0.91	0.97
Illinois River (Pekin and South)	490	\$25.98	0.66	0.71
Mid-Mississippi	490	\$28.73	0.73	0.78
Lower Ohio	415	\$20.40	0.52	0.56
St. Louis	390	\$17.15	0.44	0.47

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

Secondary Rail Car Market Placement FH April 2018	BID USD	ASK USD	BID BU.	ASK BU.	BID MT	ASK MT
BNSF Shuttle Trains	\$ 700.00	\$ 1,000.00	\$ 0.18	\$ 0.25	\$ 6.89	\$ 9.84
UPRR Shuttle Trains	\$ (100.00)	\$ 50.00	\$ (0.03)	\$ 0.01	\$ (0.98)	\$ 0.49

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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



IGP-KSU
Grain
Purchasing

April 9-20, 2018

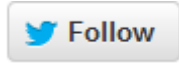

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Best Regards,

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