

Transportation and Export Report for 2 April 2020

Dry-Bulk markets may have hit bottom, at least for the time being. Monday Capesize rates dropped to the worst levels since 2016. Tuesday showed improvement with Capesize daily hire rates bouncing off a low of \$2,500- \$5,000/day based on the route calculated. Panamax rose to over \$7,000/day for Q2. The overall outlook for ship owners however remains uncertain and worrisome. There is growing chatter as to who will, and will not, survive this market. Dry-Bulk and container line consolidation is inevitable. Piers data showing that March imports from China dropped by 40% YOY.

Blame it on COVID19 or on very low fuel rates, or the soft global economy; or more appropriately on all three. Though world ports are increasing concerned about COVID19 safety protocols, most are operating efficiently we have not seen any meaningful impediments to international trade. Argentina, of course, has its own confusing situation which needs to be watched carefully; but exports there are currently moving.

BALTIC DRY-BULK PANAMAX INDEX CHANGES

Panamax Ocean Freight Indices				
2-Apr-2020	This Week	Last Week	Difference	Percent Change
P2A : Gulf/Atlantic - Japan	14695	14218	477	3.4%
P3A - PNW/Pacific - Japan	6108	5075	1,033	20.4%
S1C -USGULF-China-So.Japan	15269	19694	-4,425	-22.5%
P7- Trial- Miss. River - Qingdao	36157	36450	-293	-0.8%
P8- Trial- Santos - Qingdao	23907	23140	767	3.3%

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

Four weeks ago:	\$5.25-\$5.25
Three weeks ago:	\$4.50-\$5.45
Two weeks ago:	\$4.50-\$5.75
One week ago:	\$4.00-\$4.45
This week	\$4.30-\$5.50

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

Mississippi River:	(10 elevators)	1-8 days (2 facilities not currently operating)
Miss. River Mid-Stream loaders:	(6+ Rigs)	0-7 days
Texas Gulf	(5 elevators)	0-6 days (3 facilities at zero days)
Pacific Northwest:	(9 elevators)	0-12 days (only 1 facility over 6 days)

Panamax Market Spreads to Asia -China					
2-Apr-2020	PNW	GULF	Bushel Spread	MT Spread	Advantage
CORN	0.98	0.83	0.15	\$5.91	PNW
SOYBEANS	1.20	0.80	0.40	\$15.75	PNW
OCEAN FREIGHT	\$18.75	\$37.25	.47-.50	\$18.50	MAY

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.

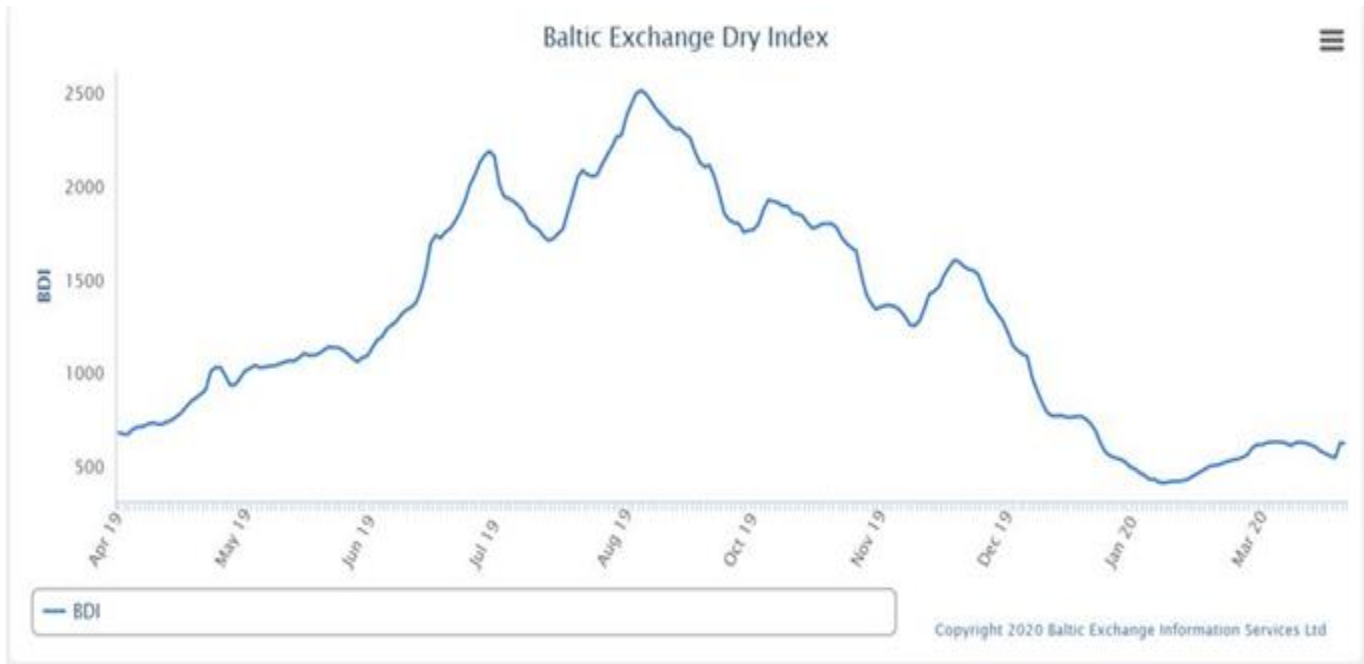
Soybean Brazil to Spain at about \$17.75/mt.

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	\$38.75	Down \$0.25	Handymax \$40.00 mt
55,000 U.S. PNW- Japan	\$19.75	Down \$0.25	Handymax \$20.75 mt
66,000 U.S. Gulf – China	\$37.25	Down \$0.25	North China
PNW to China	\$18.75	Down \$0.25	
25,000 U.S. Gulf- Veracruz, México	\$15.00	Unchanged	3,000 MT daily discharge rate
30-36,000+ U.S. Gulf- Veracruz, México	\$12.00	Unchanged	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	Unchanged	<u>West Coast Colombia at \$26.00</u> USG to E/C 50,000 mt at \$13.75
43-45,000 U.S. Gulf - Guatemala	\$26.50	Unchanged	Acajutla/Quetzal - 8,000 out
26-30,000 U.S. Gulf – Algeria	\$31.75 \$32.25	Unchanged	8,000 mt daily discharge 3,000 mt daily discharge
26-30,000 US Gulf-Morocco	\$32.00	Unchanged	5,000 discharge rate
55-60,000 U.S. Gulf –Egypt PNW to Egypt	\$21.25 \$2125	Down \$0.25	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	\$12.25	Up \$0.25	Handymax at +\$1.75 more
Brazil, Santos – China Brazil, Santos – China Northern Coast Brazil	\$25.50 \$24.00 \$28.00	Unchanged	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	Unchanged	Upriver with BB Top Off \$32.75

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

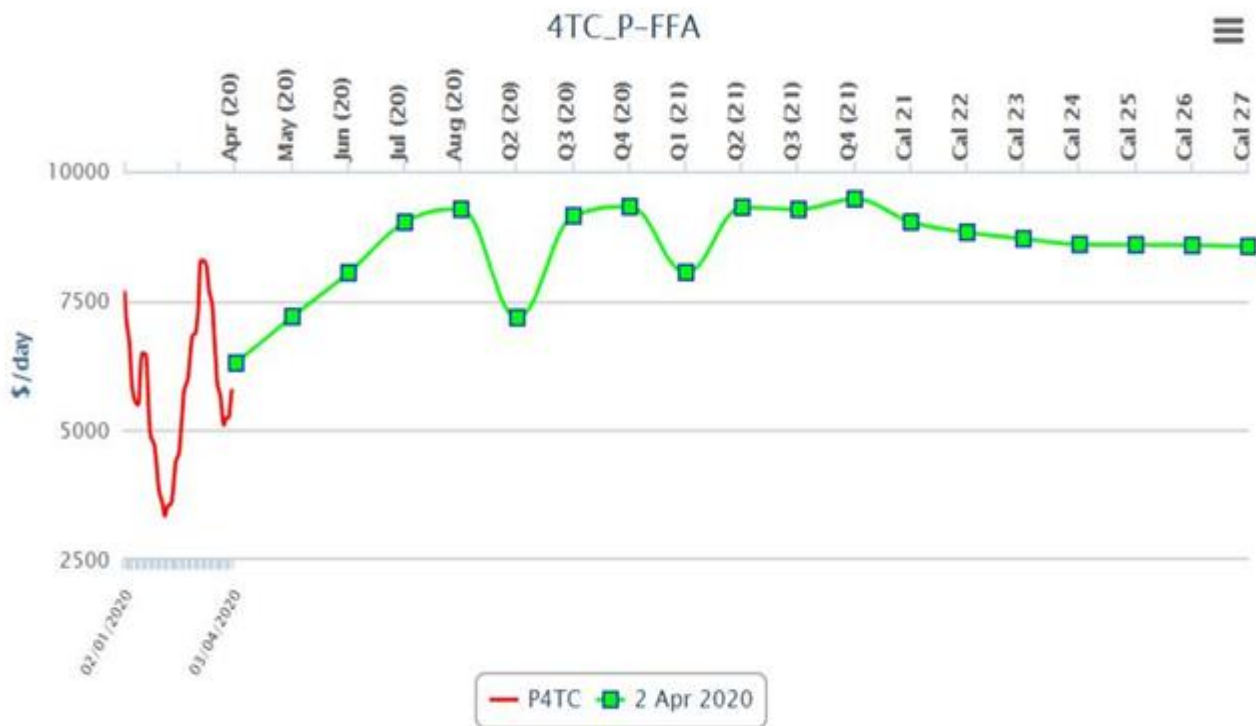
Baltic Dry Bulk Index.



Capesize Forward Curve

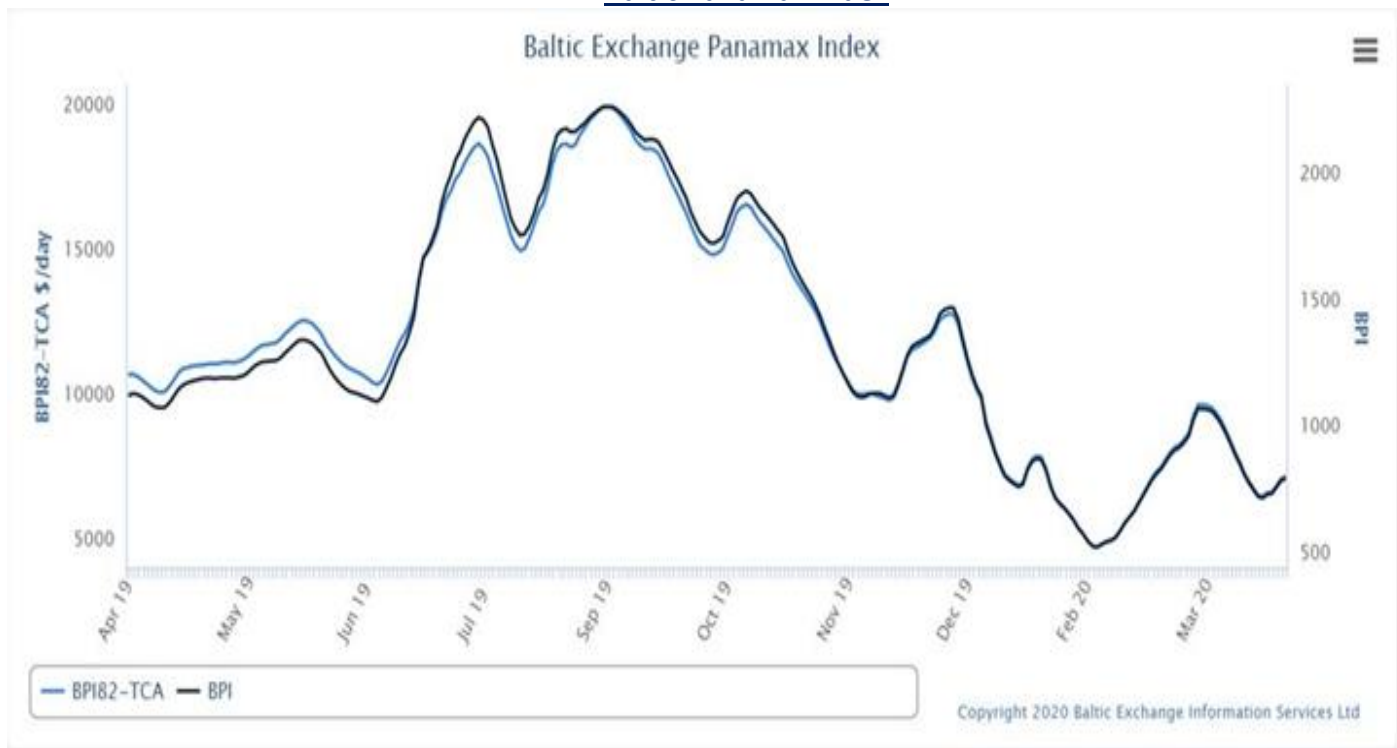


Baltic Panamax Forward Curve Chart



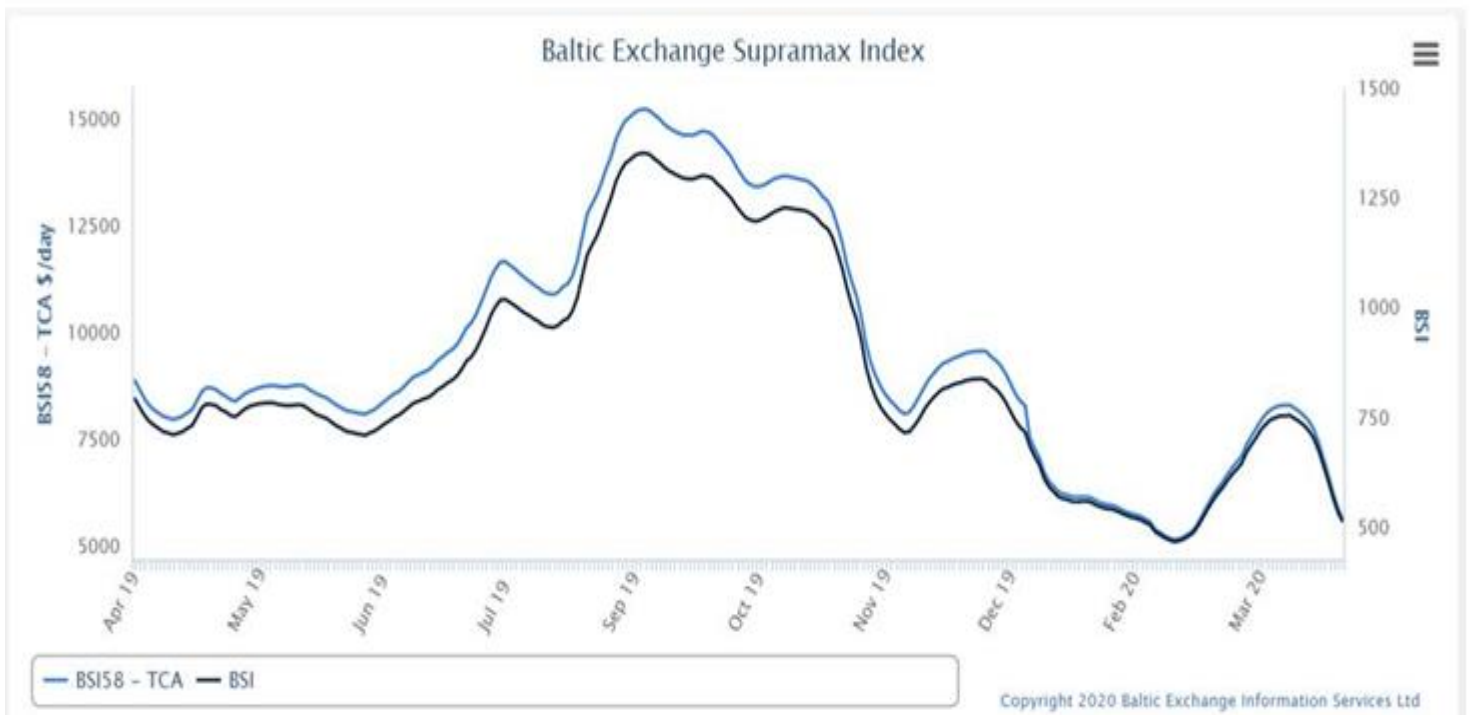
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Baltic Panamax Index

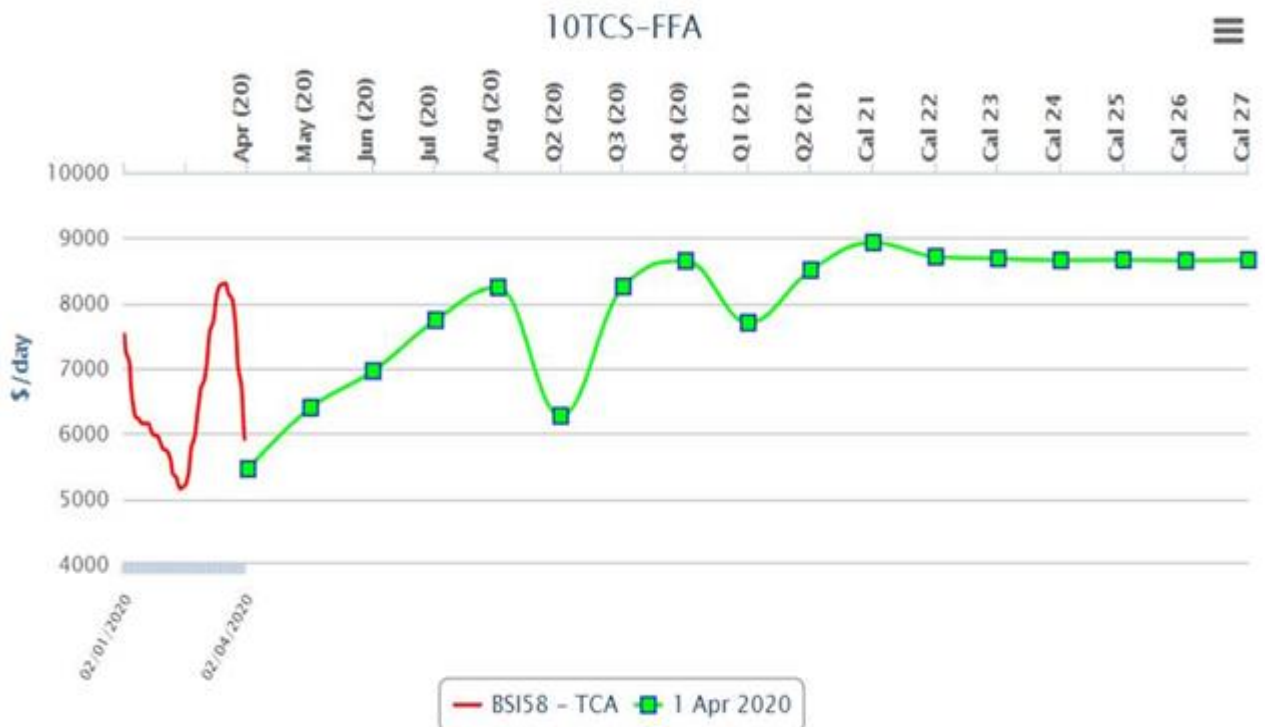


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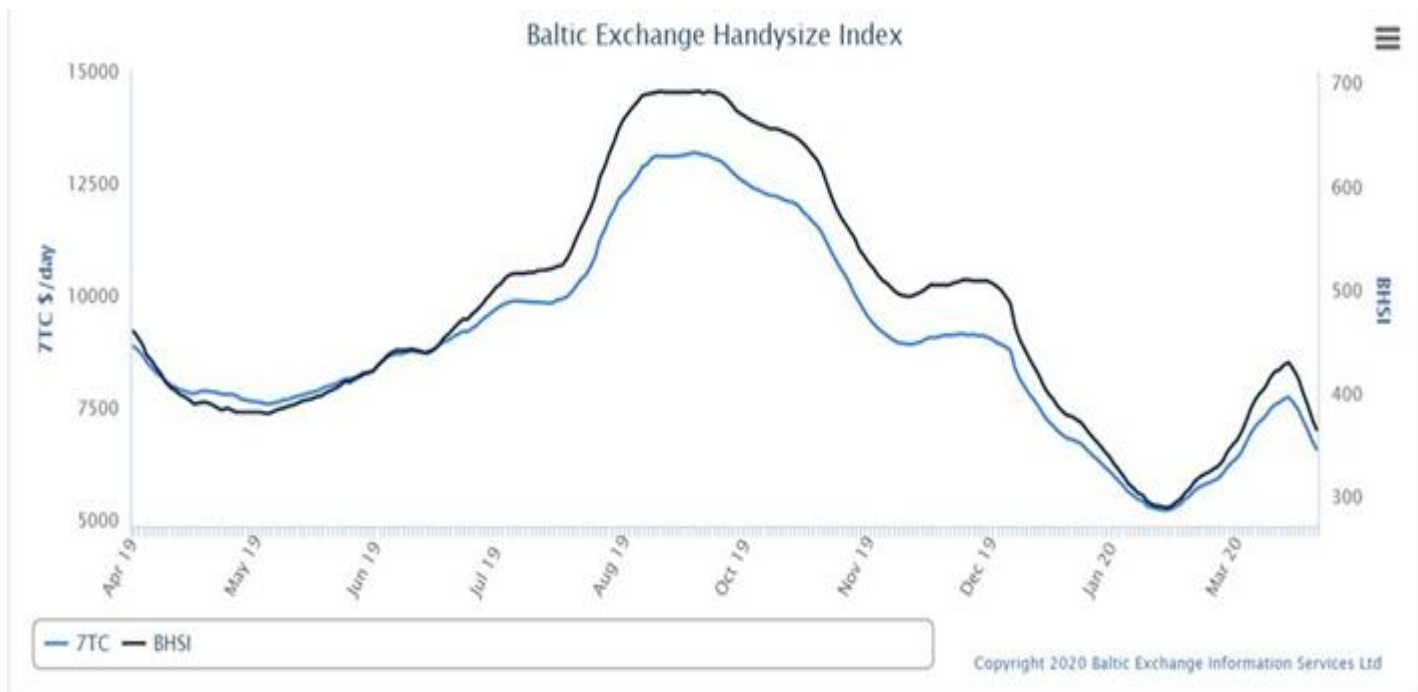
Baltic Supramax Vessel Index



Supramax Dry-Bulk Forward Curve



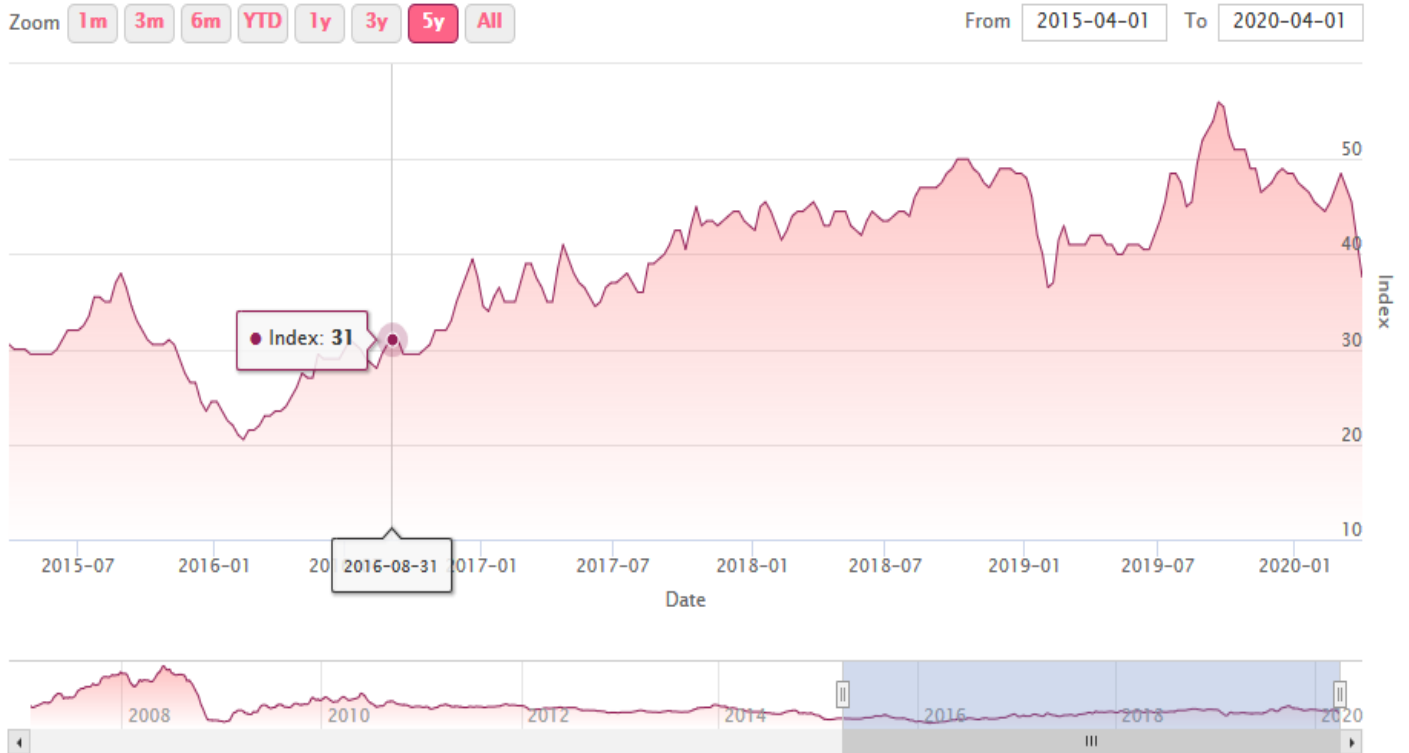
Baltic Handy Size Vessel Index



Baltic Handy Size Forward Curve



YAMAMIZU Index



China Import Dry Bulk Freight Index 2020-04-02

Description	Size MT	Cargo/Vessel Size	Unit	Rate	Change
Composite Index			Point	613.46	-1.47
Iron ore Freight Index			Point	567.57	2.35
Dampier(West Australia)-Qingdao (China)	170000/10%	Iron ore	\$/ton	5.147	0.017
Tubarao(Brazil)-Qingdao(China)	170000/10%	Iron ore	\$/ton	10.579	0.081
Soybean Freight Index			Point	762.74	1.6
Santos(Brazil)—North China	60000/10%	Soybean	\$/ton	24.003	0.053
Tacoma(West America)—North China	60000/10%	Soybean	\$/ton	18.633	0.095
Mississippi(US Gulf)—North China	66000/10%	Soybean	\$/ton	37.107	0.043
Mississippi(US Gulf)—North China	55000/10%	Soybean	\$/ton	39.05	0.042

2 April 2020 U.S. FOB Vessel Export Market Values:

U.S. Yellow Corn (USD/MT) FOB Vessel					
#2 YC	GULF # 2 YC		PNW # 3 YC		K =
Max. 14.5% moisture	BASIS	FLAT PRICE	BASIS	FLAT PRICE	N =
May	0.83	\$165.94	0.98	\$171.84	U=
June	0.76	\$163.18	0.95	\$170.66	Z =
July	0.76	\$163.18	0.96	\$171.05	H=
Aug.	0.74	\$163.77	0.96	\$172.43	K =
Sept.	0.75	\$164.16	0.99	\$173.61	
Oct.	0.71	\$165.64	0.97	\$175.88	

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
May	1.80	\$204.12	1.70	\$200.19
June	1.80	\$204.12	1.70	\$200.19
July	1.80	\$204.12	1.60	\$196.25
Aug.	1.75	\$203.53	1.45	\$191.72
Sept.	1.70	\$204.61	1.40	\$192.80

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

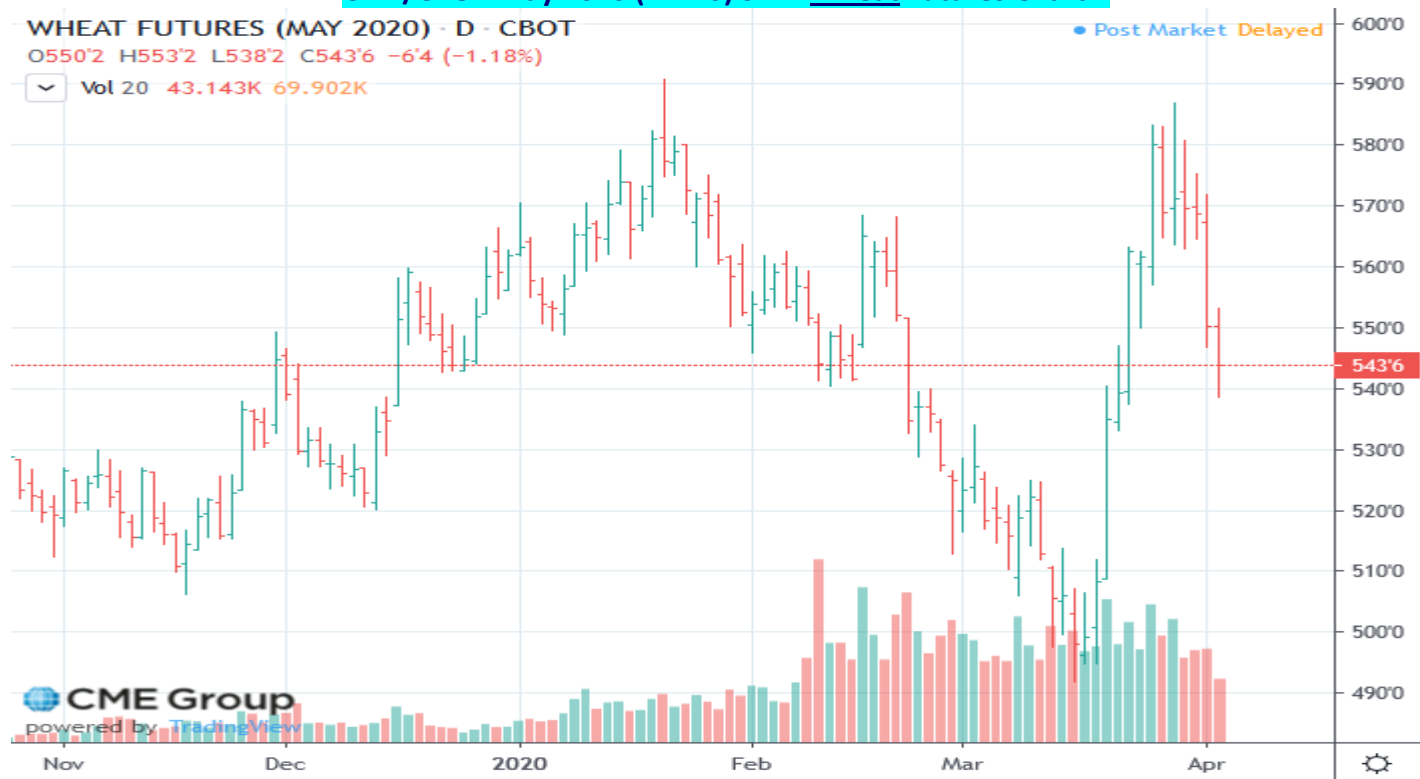
SRW Wheat	USD/MT	Fob Vessel	US Gulf	
	May	June	July	Aug.
FOB U.S. GULF	\$234.70	\$232.86	\$232.13	\$232.31
Basis	1.00	0.95	0.93	0.90
WK	5.4175			.
WN	5.3875			
WU	5.4225			

2-Apr-2020	Close	This Week	Last Week.	Last Week.	Last Week	
CME Corn Futures	Bushel	MT.	Bushel	Bu. Diff.	MT	MT Diff.
May	\$ 3.3350	\$ 131.29	\$ 3.4875	(0.1525)	\$ 137.30	\$ (6.00)
July	\$ 3.3850	\$ 133.26	\$ 3.5425	(0.1575)	\$ 139.46	\$ (6.20)
Sept.	\$ 3.4200	\$ 134.64	\$ 3.5900	(0.1700)	\$ 141.33	\$ (6.69)
Dec.	\$ 3.4975	\$ 137.69	\$ 3.6725	(0.1750)	\$ 144.58	\$ (6.89)
Mar..	\$ 3.6125	\$ 142.22	\$ 3.7750	(0.1625)	\$ 148.61	\$ (6.40)
May	\$ 3.6775	\$ 144.78	\$ 3.8200	(0.1425)	\$ 150.39	\$ (5.61)

CBOT May. 2020 (CK20) CORN Futures Chart —



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

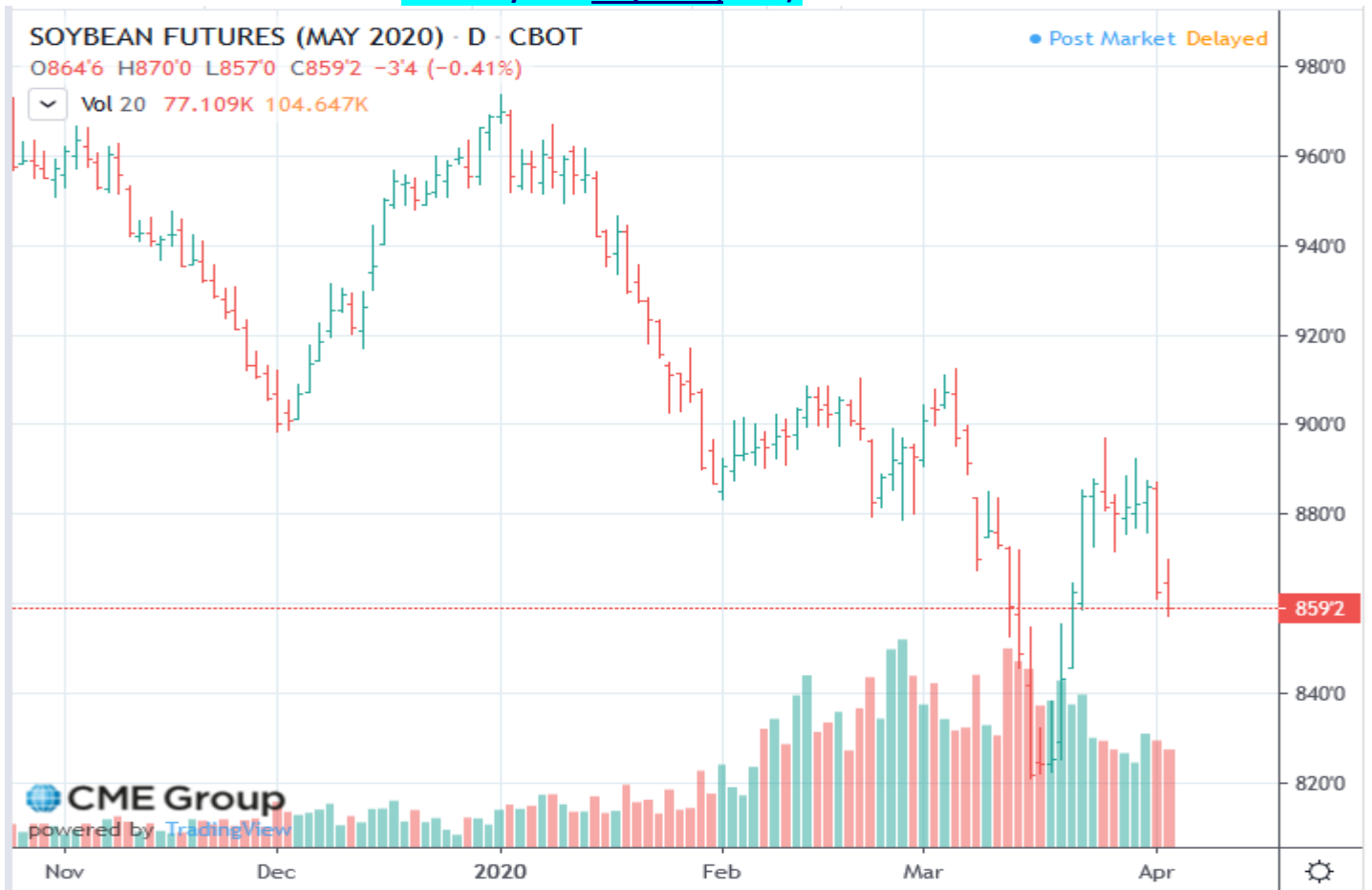


U.S. Soybean and SBM Markets Fob Vessel:

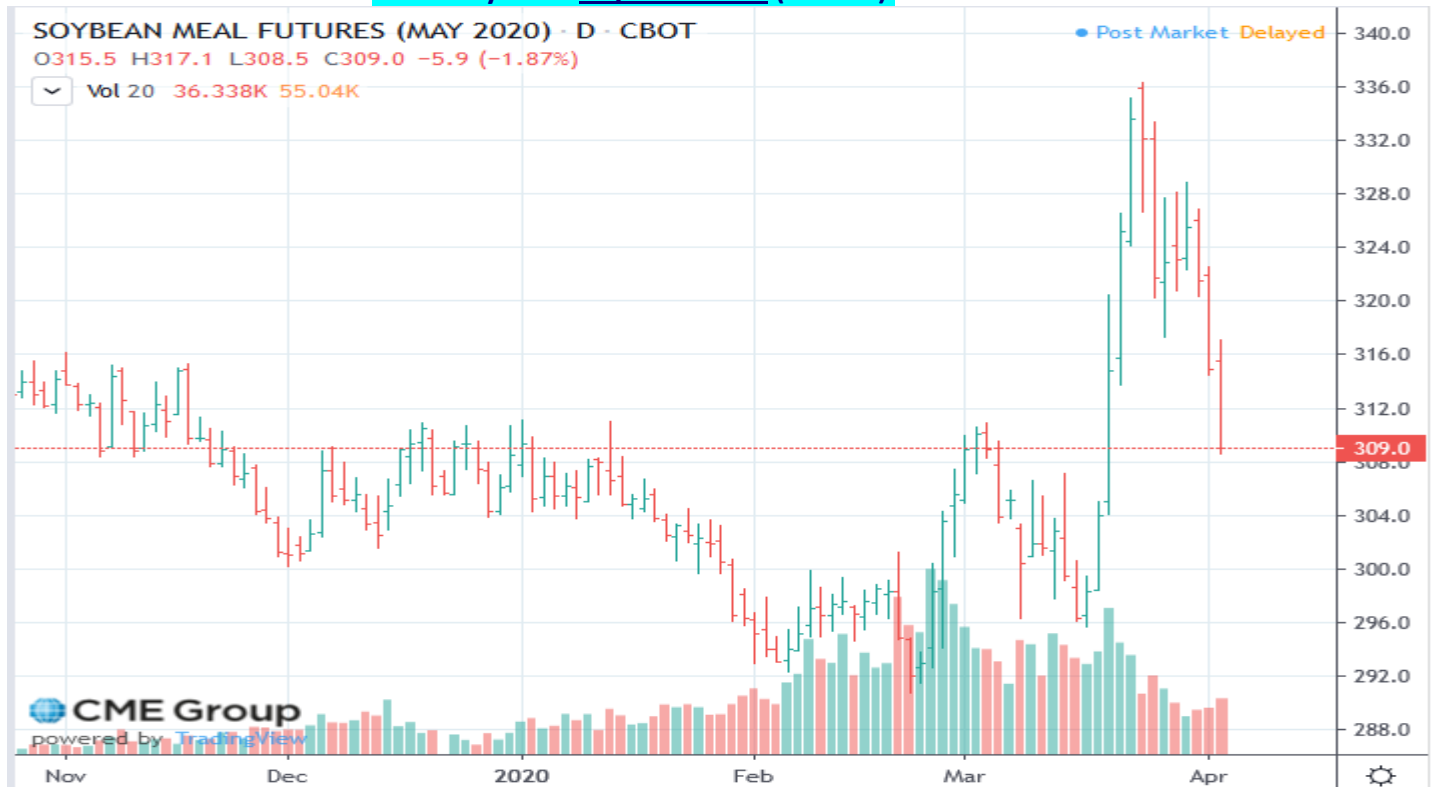
U.S. Yellow Soybeans (USD/MT) FOB Vessel				
# 2 YSB	U.S. Gulf #2 YSB		PNW #2 YSB	
14.0 % Moisture	Basis	Flat Price	Basis	Flat Price
May	0.80	\$346.86	1.20	\$361.55
June	0.75	\$345.02	1.20	\$361.55
July	0.76	\$345.39	1.19	\$361.19
Aug.	0.78	\$346.67	1.18	\$361.37
Sept.	0.78	\$346.67	1.16	\$360.64
Soybean Futures				
May	\$ 8.5875			
July	\$ 8.6400			
Aug.	\$ 8.6550			
Sept.	\$ 8.6250			
Nov.	\$ 8.6300			
Jan.	\$ 8.6375			

U.S. SBM (USD/MT) FOB Vessel		
Fob U.S. Gulf Port	47.5 Pro. SBM	
max 12.5 % moisture	Basis	Flat Price
May	30.00	\$ 372.42
June	25.00	\$ 366.91
July	20.00	\$ 361.40
Aug.	15.00	\$ 353.46
Sept.	15.00	\$ 353.46
SBM Futures		
SMK	309.10	
SMN	307.80	
SMQ	305.60	
SMU	305.10	
SMV	304.40	
SMZ	305.80	

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 19 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	1848.3	30,832.0	43,820	70%	1,740.7
Sorghum	107.9	2,472.6	3,430	72%	33.0
Soybeans	931.1	35,904.1	49,670	72%	414.9
Wheat	820.3	24,709.9	27,220	91%	965.8
Barley	0.0	49.1	110	45%	31.0

U.S. EXPORT INSPECTIONS:

Monday's report 30 March 2020 for the Export week ending 26 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	1,269,074	857,987	18,061,643	29,680,005	61%
Sorghum	139,000	101,077	1,777,736	1,043,300	170%
Soybeans	413,957	587,398	31,584,713	29,279,951	108%
Wheat	363,881	354,466	20,461,195	18,850,904	109%
Barley	122	49	30,499	9,010	339%

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

U.S. EXPORT INSPECTIONS:

Monday's report 30 March 2020 for the Export week ending 26 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%	15,866 4%
Gulf	627,508	49%	0	0%	59,004	42%	299,098 72%
PNW	444,940	35%	245	100%	78,149	56%	24 0%
Interior Export Rail	196,381	15%	0	0%	1,847	1%	98,969 24%
Metric Tons	1,268,829		245		139,000		413,957

Sorghum Shipments: metric tons

127,257	China Main
9,896	Japan
1,847	Mexico
139,000	Total

White Corn metric tons

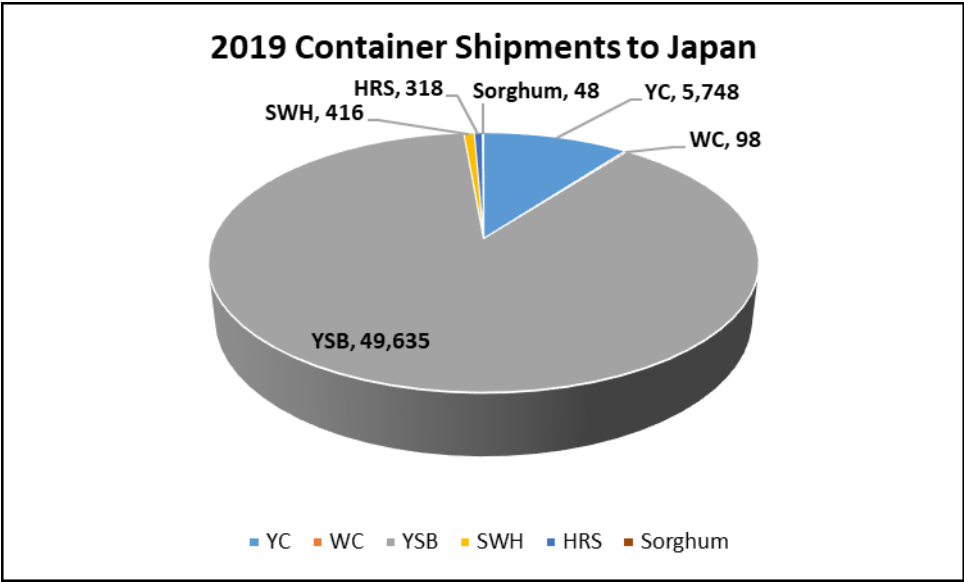
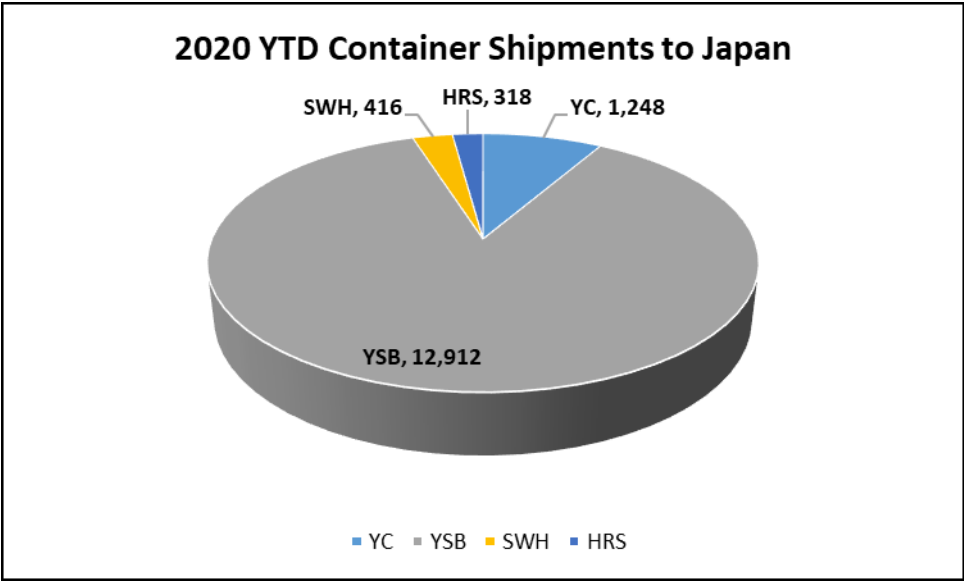
Shipments:	245	Korea Rep
	245	Total

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:		26-Mar-2020							
Last Week	metric tons								MT
	YC	WC	YSB	SRW	NS	SWH	HRW	Sorghum	TOTAL
China Main			2,057						2,057
China T	9,082		2,742						11,824
Hong Kong	784								784
Costa Rica	98								98
Indonesia			8,547						8,547
French Poly									0
Japan			954						954
Korea Republic	808		954						1,762
Nepal									0
Malaysia	906		4,506						5,412
Cambodia									0
Philippines			2,179						2,179
Thailand			5,925						5,925
Panama									0
Jordan									0
Bangladesh									0
Burma									0
Vietnam			8,541	588					9,129
Sub total	11,678	0	36,405	588	0	0	0	0	39,542
USDA Corrections/Additions to previous reports:									
China T									0
China Main									0
Hong Kong									0
Korea Rep.			735						735
Singapore									0
Japan			122						122
Philippines									0
Indonesia			2,350						2,350
Malaysia									0
Thailand			980						980
Vietnam			1,886						1,886
Canada					302	226			528
Nigeria									0
Sub total	0	0	6,073	0	302	226	0	0	6,601
Mt. Grand Total	11,678	0	42,478	588	302	226	0	0	46,143
Number of containers	508	0	1,847	26	13	10	0	0	

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



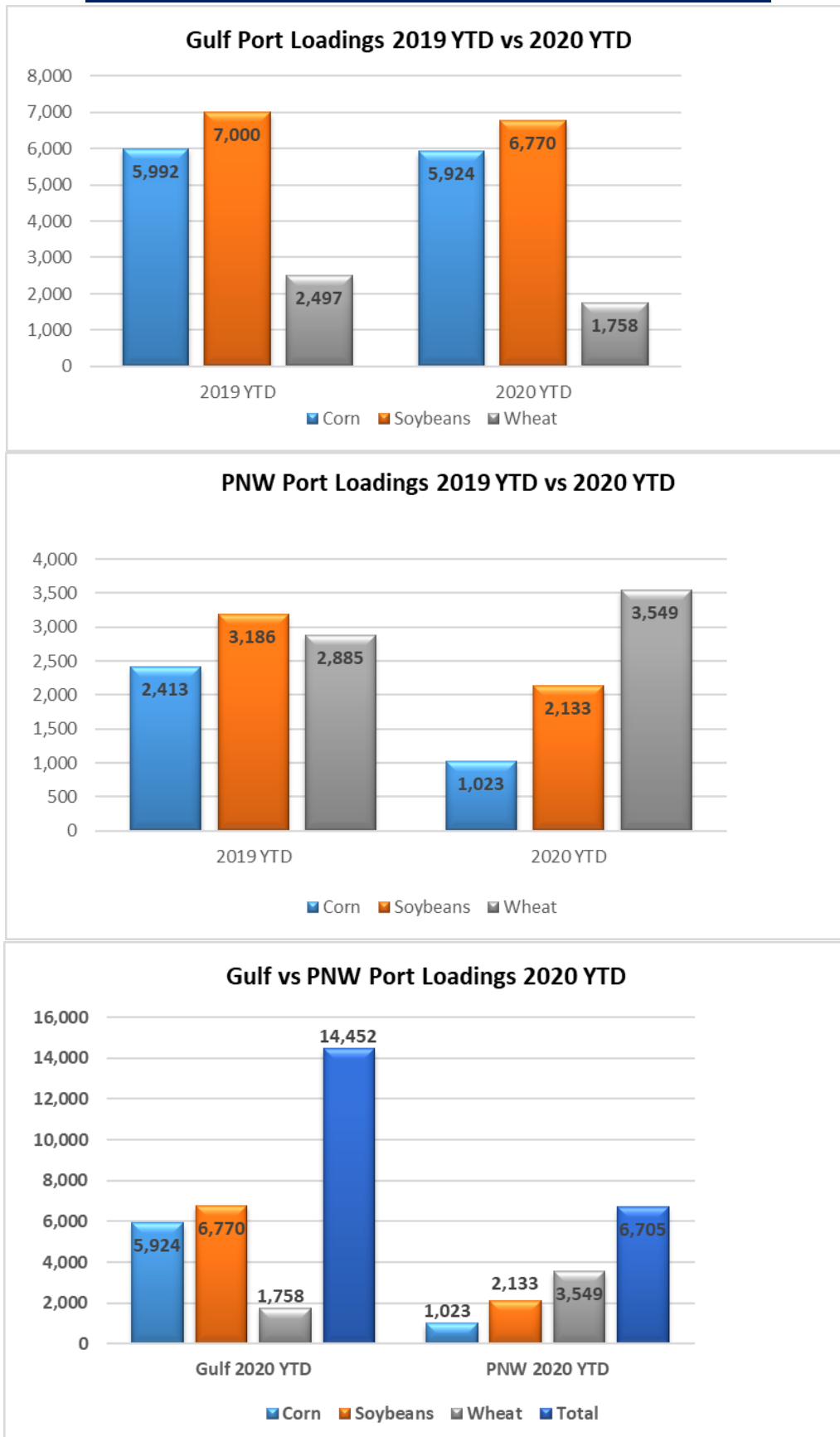
Grain Inspections for Export by U.S. Port Regions:
U.S. Gulf and Pacific Northwest 2019 YTD vs. 2020 YTD

PORT LOADINGS US Gulf				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
GULF				
2019 YTD	5,992	7,000	2,497	15,489
2020 YTD	5,924	6,770	1,758	14,452
2020 as % of 2019	99%	97%	70%	93%

PORT LOADINGS US PNW				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
PNW				
2019 YTD	2,413	3,186	2,885	8,484
2020 YTD	1,023	2,133	3,549	6,705
2020 as % of 2019	42%	67%	123%	79%

PORT LOADINGS GULF vs. PNW				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
2020 Gulf YTD	5,924	6,770	1,758	14,452
2020 PNW YTD	1,023	2,133	3,549	6,705
TOTAL	6,947	8,903	5,307	21,157
Gulf Percentage	85%	76%	33%	68%
PNW Percentage	15%	24%	67%	32%

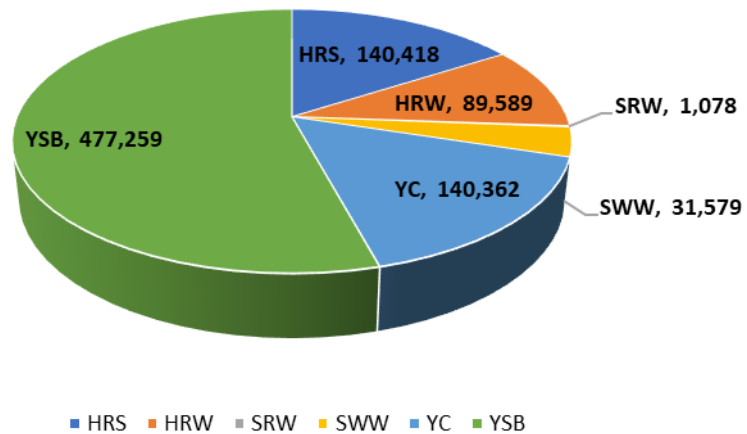
Grain Inspections for Export by U.S. Port Regions (1,000MT):
U.S. Gulf and Pacific Northwest 2019 YTD vs. 2020 YTD



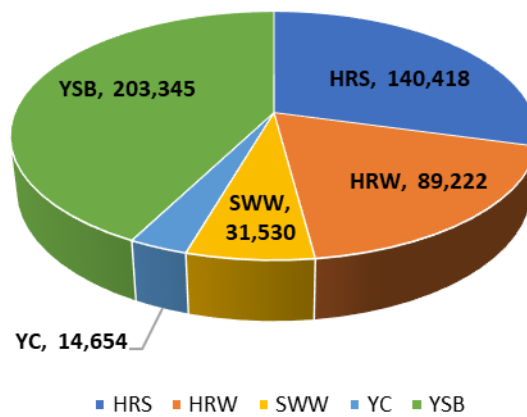
Source: USDA-data

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

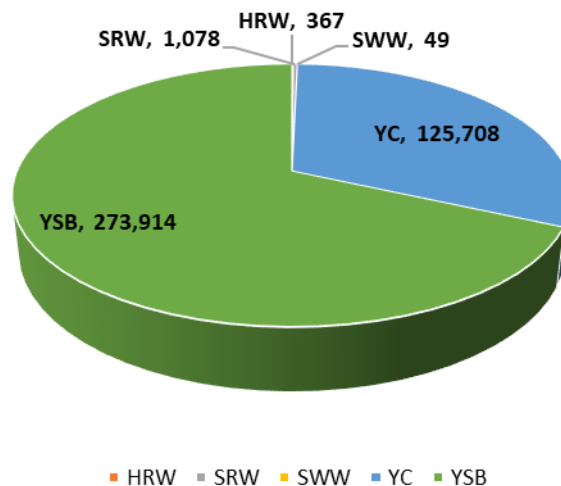
2020 YTD Exports to China T



YTD Exports to China T by Vessel

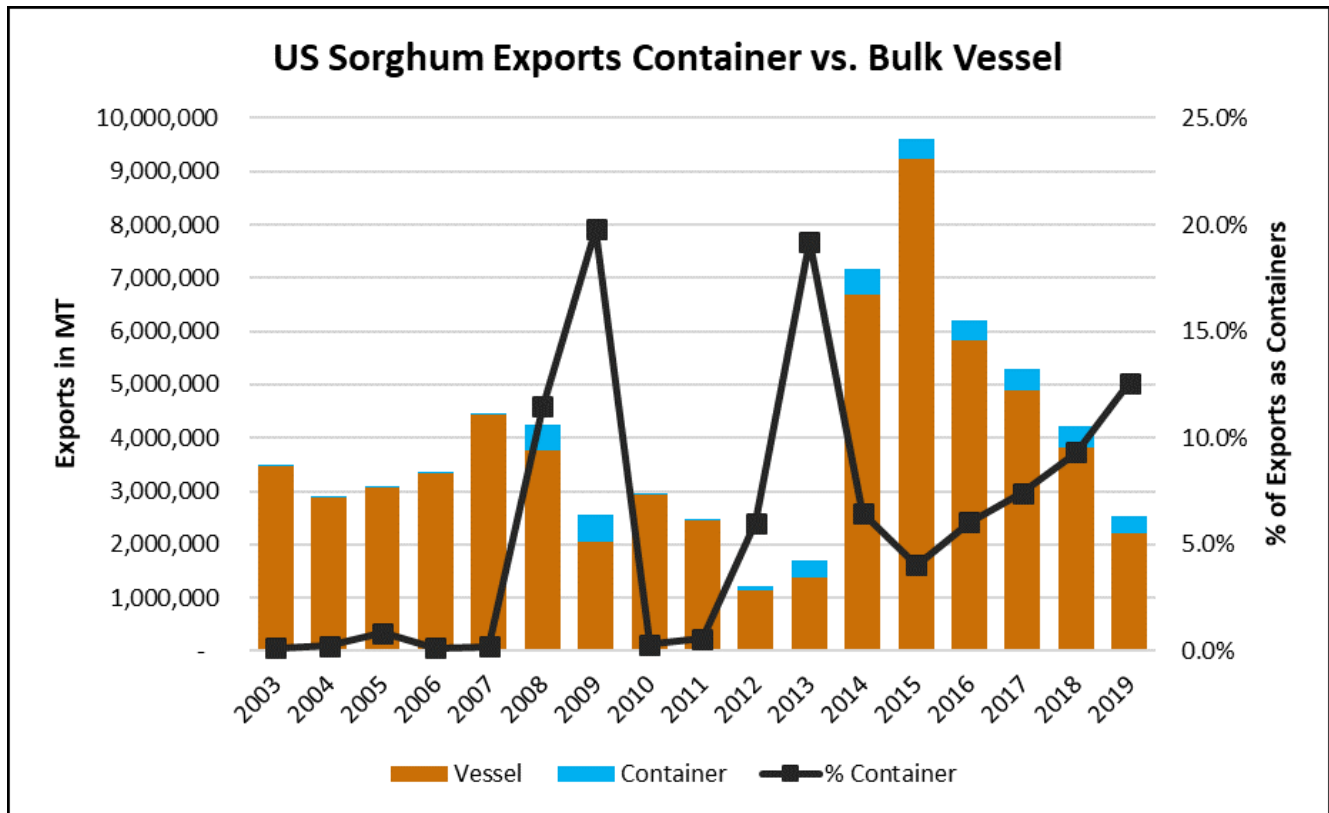


YTD Exports to China T by Container



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

Shipping News

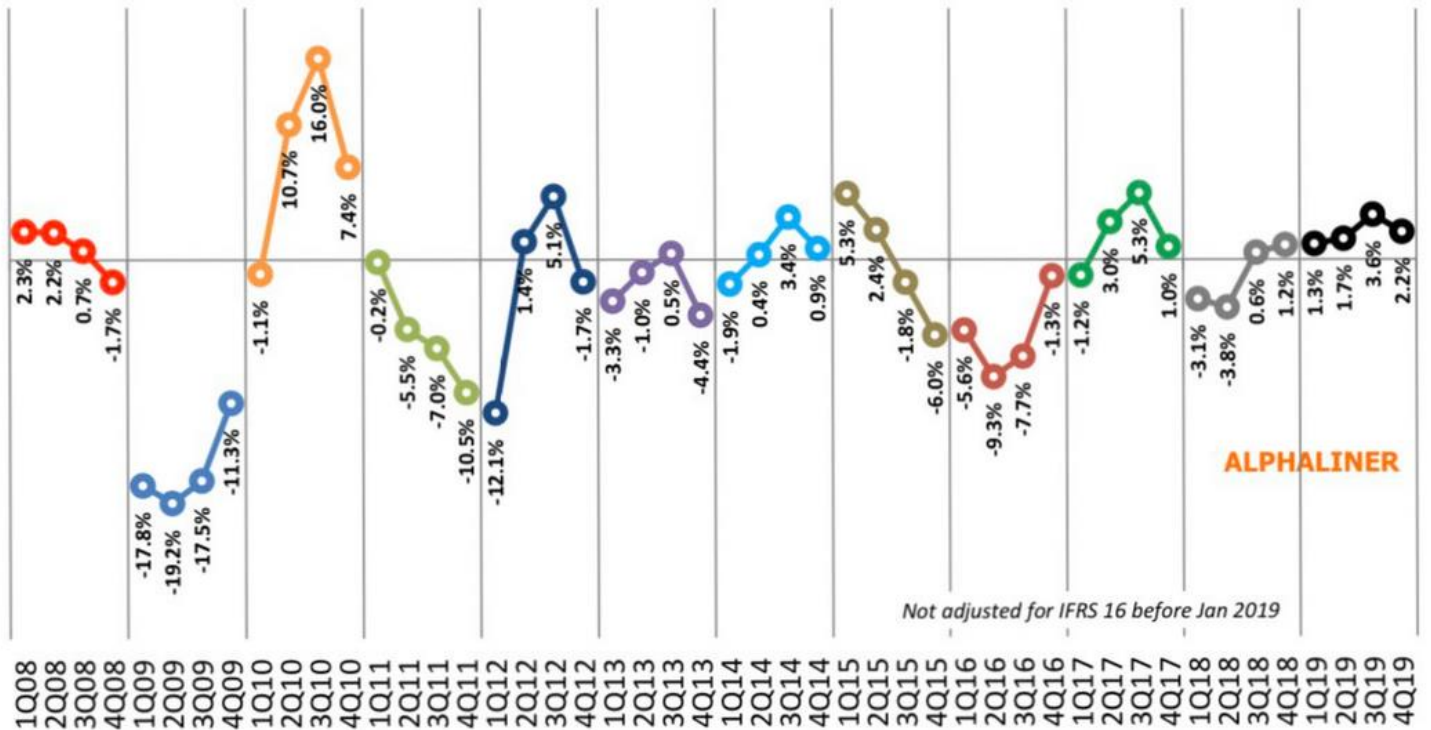


BUNKER PRICES			
BUNKERS	ROTTERDAM	SPORE	FUJAIRAH
VLSFO	239.00	267.50	281.00
IFO 380	178.50	193.50	195.00
IFO 180	320.00	345.00	350.00
MGO	302.50	294.00	450.50

Greg Knowler @greg_knowler · 1h

Containers delayed by China's factory closures in Feb are about to arrive in Europe and the US, and there are growing calls for restraint from carriers and terminals on demurrage charges as the boxes land in locked-down regions JOC_Updates [shar.es/aHc0xa](https://www.shar.es/aHc0xa) via @JOC_Updates

Main Carriers' Average Operating Margin by Quarter : 2008-2019



Average of CMA CGM (incl APL to 2Q 2016), CSCL (to 1Q2016), EMC, Hanjin (to 3Q 2016), Hapag-Lloyd (incl CSAV to 2014), HMM, Maersk, ONE (from 2Q 2018, formerly KL, MOL, NYK), WHL, YML, Zim

Splash Retweeted

Veconinter @Veconinter · 2h

#Swedish tanker owner Stena Bulk has commenced a test to run one of its MR #tankers on 100% #biofuel. The fuel being used for the test is the MR1-100 bio-fuel oil, produced from used cooking oil by #GoodFuels.

Source @Splash_247



Stena Bulk MR tanker takes on biofuel -

Swedish tanker owner Stena Bulk has commenced a test to run one of its MR tankers on 100% biofuel. Th...

🔗 splash247.com

Shippers shocked by scale and speed of blanked sailing announcements

March 30th, 2020  [Sam Chambers](#) [Containers](#) [0 comments](#)

Carriers are rushing through blanked sailing announcements on a scale and speed never seen before, giving shippers very little chance to make alternative plans.

Last week, the carriers had blanked two sailings due to the pandemic spread. As of Sunday, this had increased to 45 blank sailings, according to data carried in the latest report from Copenhagen-based Sea-Intelligence Consulting.

2M partners MSC and Maersk are leading the way, cancelling 21% of Asia-Europe capacity in Q2.

“We would expect THE Alliance and Ocean Alliance to follow suit with substantial blank sailings in the coming period,” analysts at Sea-Intelligence predicted in their Sunday Spotlight report.

It is not just the scale of the blanked sailings, but the speed with which they are being announced that is expected to create supply chain troubles for many clients.

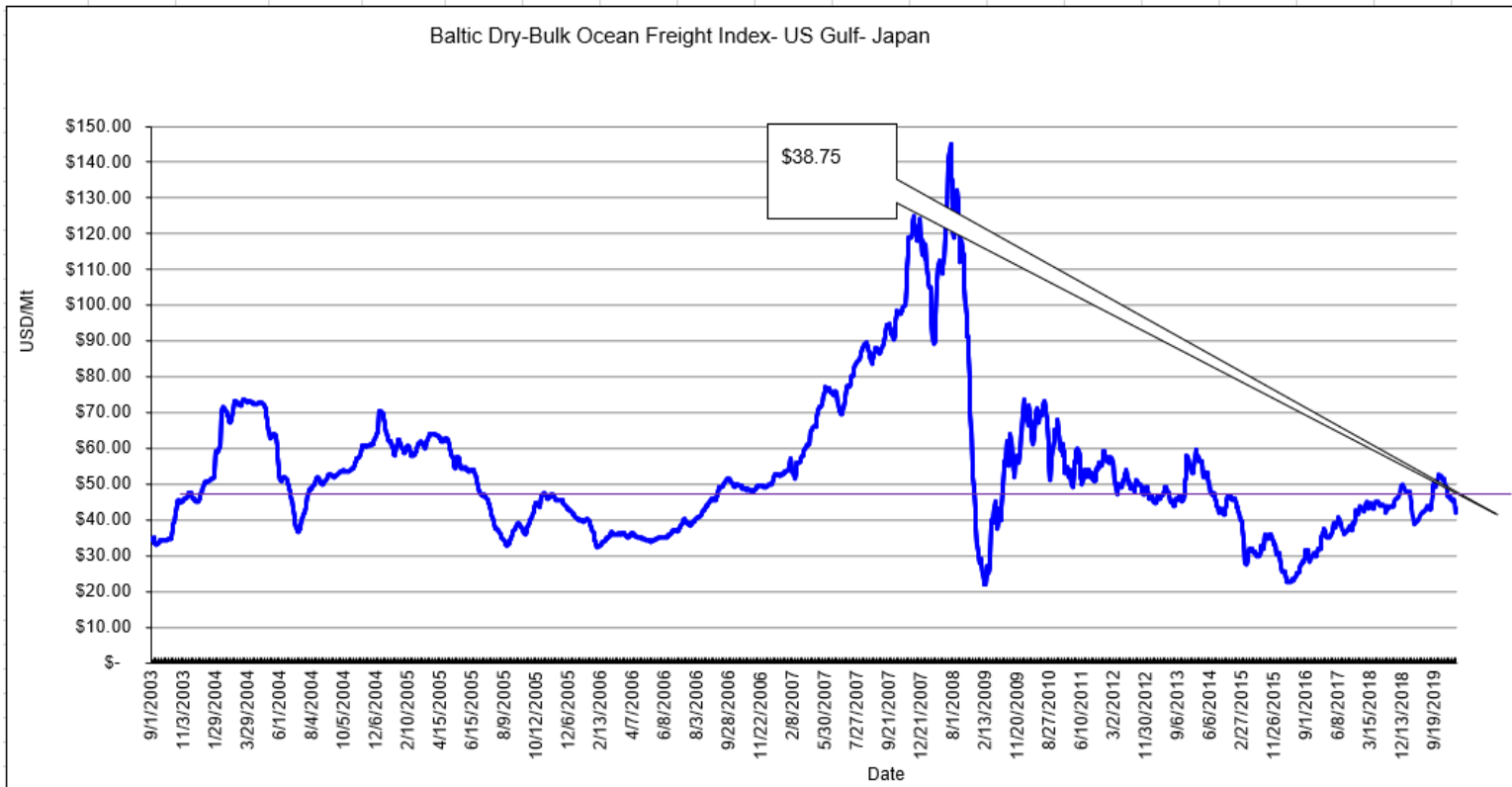
“Typically, shippers’ supply chains are fairly resilient if a 3-4 week notice is given... That carriers now cancel multiple service with very short notice should therefore be seen as a clear indication of just how quickly demand is dropping, due to the pandemic shutdown of major parts of the global economy,” Sea-Intelligence noted.

UK-based Maritime Strategies International (MSI) has given its own take on the plunging box volumes in a report issued last Thursday.

“There seems little doubt that containerized trade will shrink in 2020, with near-term rates of decline potentially approximating — or even exceeding — those seen during the financial crisis,” MSI said.

MSI is predicting that box volumes from March to May will fall 17.8% year-on-year on the Asia-Europe route, 15% on the transpacific (US west coast) route and 13% on the transpacific (US east coast) route.

The falls in volumes will also be felt on regional tradelanes from March through to May, MSI warned with the Asia-Middle East-India route predicted to drop 12%, Asia-Latin America down 10%, intra-Europe down 8% and intra-Asia falling 5%.



Vessel River Pilot in Argentina (On Twitter)
(But the fool is not wearing gloves ?)



China Containerized Freight Index



China Import Dry Bulk 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	365	\$24.90	0.63	0.68
Illinois River (Pekin and South)	325	\$17.23	0.44	0.47
Mid-Mississippi	335	\$19.65	0.50	0.53
Lower Ohio	215	\$10.57	0.27	0.29
St. Louis	215	\$ 9.46	0.24	0.26

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	\$ (75.00)	\$ 50.00	\$ (0.02)	\$ 0.01	\$ (0.74)	\$ 0.49
UPRR Shuttle Trains	\$ (150.00)	\$ (50.00)	\$ (0.04)	\$ (0.01)	\$ (1.48)	\$ (0.49)

Best Regards,

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*** The information in this market report is derived from sources believed to be reliable and accurate but cannot be guaranteed. Forward looking projections are never completely accurate, and these markets move quickly.

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