O'NEIL COMMODITY CONSULTING

Transportation and Export Report for 26 April 2018

Ocean Freight Insights and Comments:

There is not too much new to report this week regarding global Dry-bulk freight markets.
It was another week of mixed markets.
Both the Baltic indices and physical markets ended the week with some up and some down, but none moved substantially. It still appears markets are trying to find direction without any major influences to provide motivation; some are calling the market "range bound."
The U.S. China Sorghums saga continues with afloat vessels resold and diverted to Saudi Arabia and the Canary Islands. More to come.

BALTIC DRY-BULK PANAMAX INDEX CHANGES

Panamax Ocean Freight Indices				
26-Apr-18	This Week	Last Week	Difference	Percent Change
P2A : Gulf/Atlantic - Japan	16810	17565	-755	-4.3%
P3A - PNW/Pacific - Japan	9954	9675	279	2.9%
S1C -USGULF-China-So.Japan	21883	21583	300	1.4%

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

Four weeks ago:	$ 5.35-$6.20
Three weeks ago:	$ 5.10-$5.70
Two weeks ago:	$ 5.10-$5.25
One week ago:	$ 5.85-$6.85
This week	$ 7.00-$7.55

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

Mississippi River:	(10 elevators)	4-13 days
Miss. River Mid-Stream loaders:	(6+ Rigs)	0-2 days
Texas Gulf	(6 elevators)	1-14 days (depending on waiting Sorghum vessels)
Pacific Northwest:	(9 elevators)	5-15 days

Panamax Market Spreads to Asia -China					
26-Apr-18	PNW	GULF	Bushel Spread	MT Spread	Advantage
CORN	1.23	0.93	0.30	$11.81	PNW
SOYBEANS	0.90	0.75	0.15	$5.51	PNW
OCEAN FREIGHT	$23.50	$43.25	.50.54	$19.75	JUNE

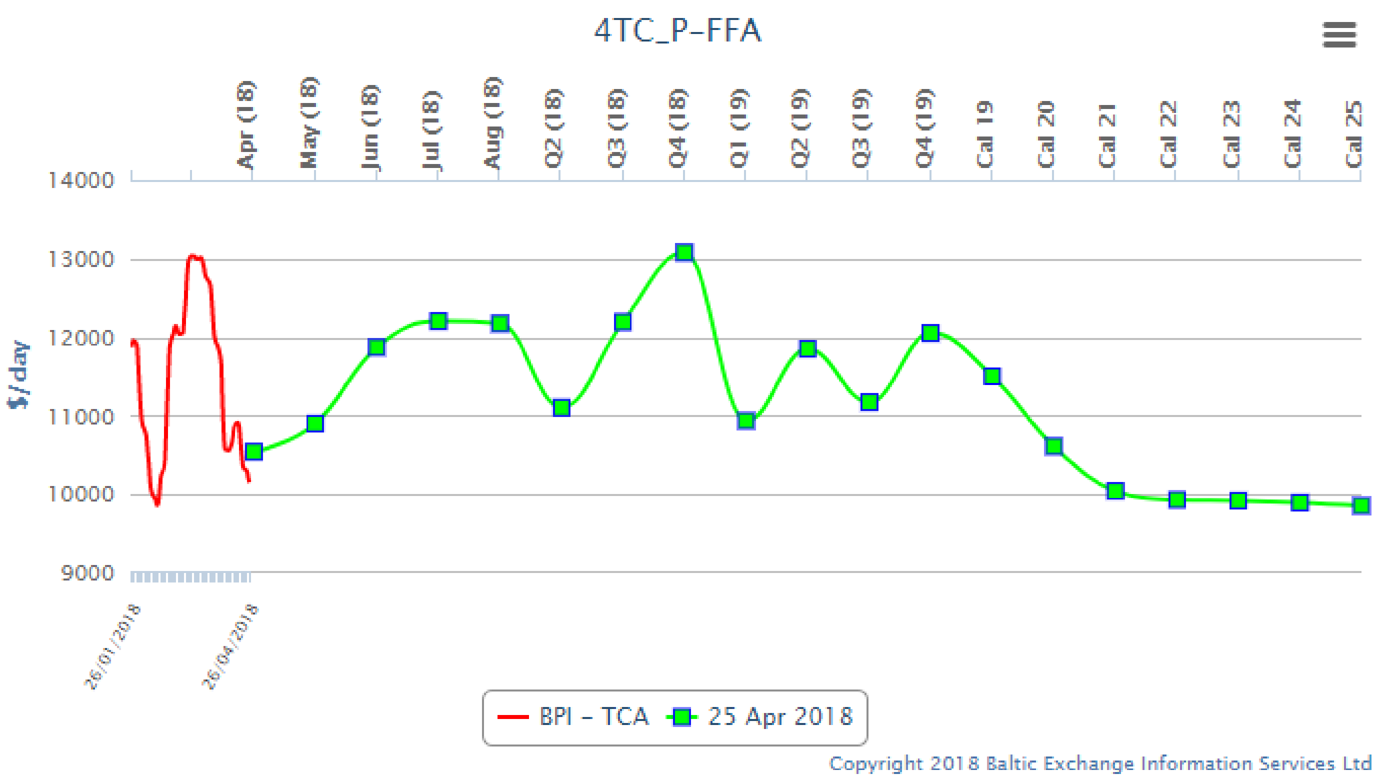
Recent Reported Vessel Fixtures:

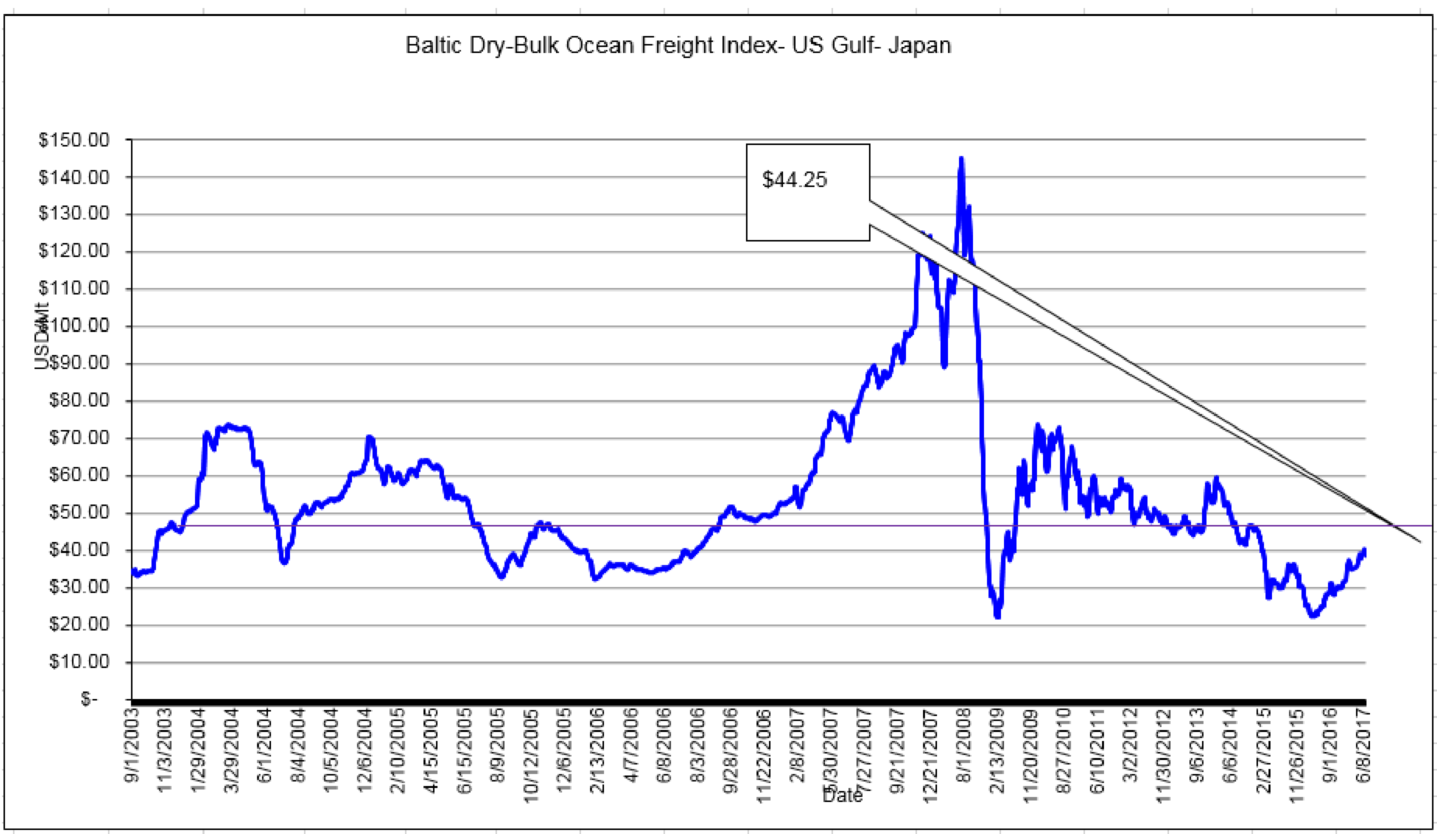
Route and Vessel Size	Current Week USD/MT	Change from previous week	Remarks
55,000 U.S. Gulf-Japan	$44.25	Up $0.25	Handymax $44.50 mt
55,000 U.S. PNW- Japan	$24.00	Down $0.25	Handymax $24.50 mt
65,000 U.S. Gulf – China PNW to China	$43.25 $23.50	Unchanged Down $0.25	North or South China
25,000 U.S. Gulf- 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- East Coast Colombia From Argentina	$19.75 $33.50	Up $0.25	West Coast Colombia at $28.00
40-45,000 U.S. Gulf - Guatemala	$27.75	Up $0.25	Acajutla/Quetzal - 8,000 out
26-30,000 U.S. Gulf – Algeria	$31.75 $33.00	Up $0.25	8,000 mt daily discharge 3,000 mt daily discharge
26-30,000 US Gulf-Morocco	$34.00	Up $0.25	5,000 discharge rate
55-60,000 U.S. Gulf –Egypt PNW to Egypt	$28.75 $28.00	Up $0.25	55,000 -60,000 mt Russia Black Sea to Egypt $15.00
60-70,000 U.S. Gulf – Europe – Rotterdam	$20.75	Up $0.50	Handymax at +$1.75 more
Brazil, Santos – China Brazil, Santos – China Itacoatiara-Port Up River North Brazil	$34.50 $33.50 $37.00	Down $0.50	54-59,000 Supramax-Panamax 60-66,000 Post Panamax 60-66,000 mt
56-60,000 Argentina/Rosario-China Deep Draft	$39.00	Down $0.50	Up River with BB Top Off $41.500

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

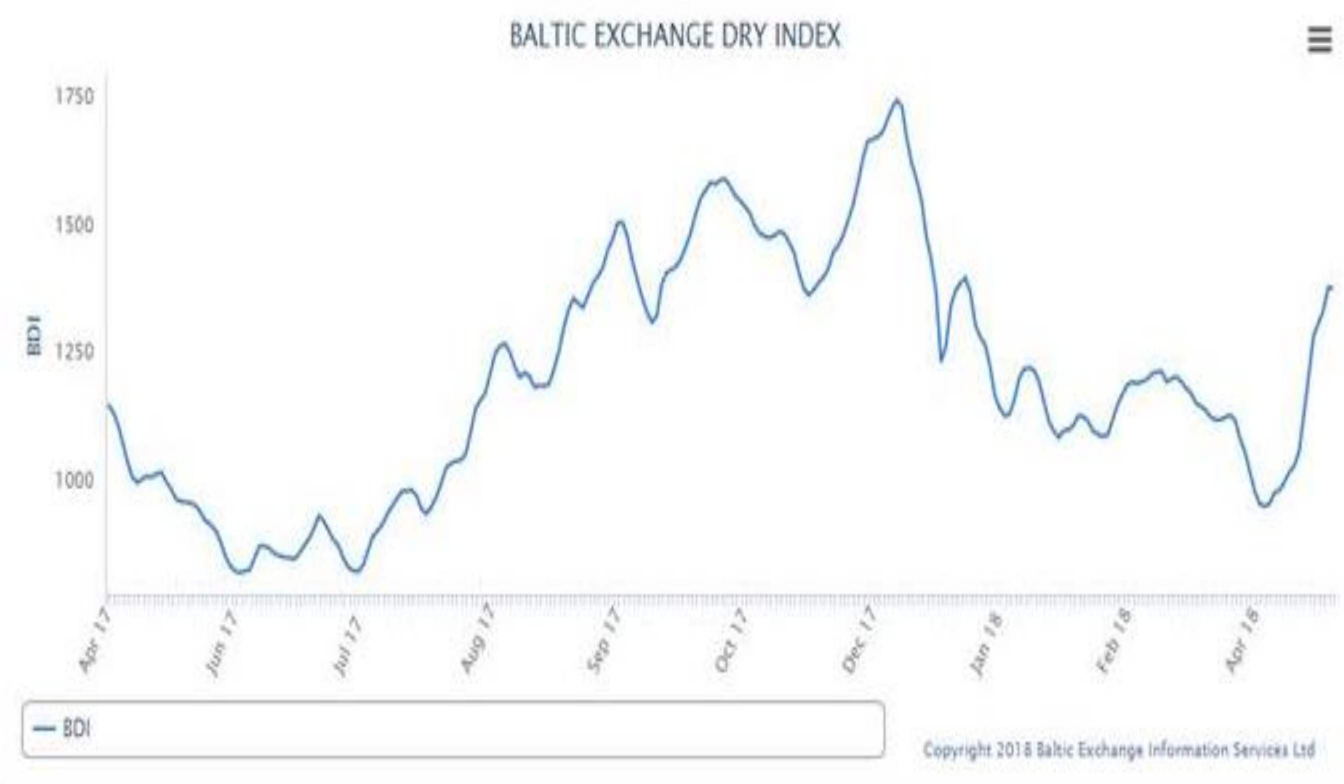
Nautical Miles: To Xiamen China (South China)
US Gulf (NOLA) (via Panamá Canal) – 10,232 nautical miles (32 days)
Santos Brazil (via Cape of Good Hope) - 10,441 nautical miles (33 days)
Rasario Argentina (via Cape Horn) - 10,751 nautical miles (34 days)

Forward Curve for Baltic BPI Panamax Vessel Freight

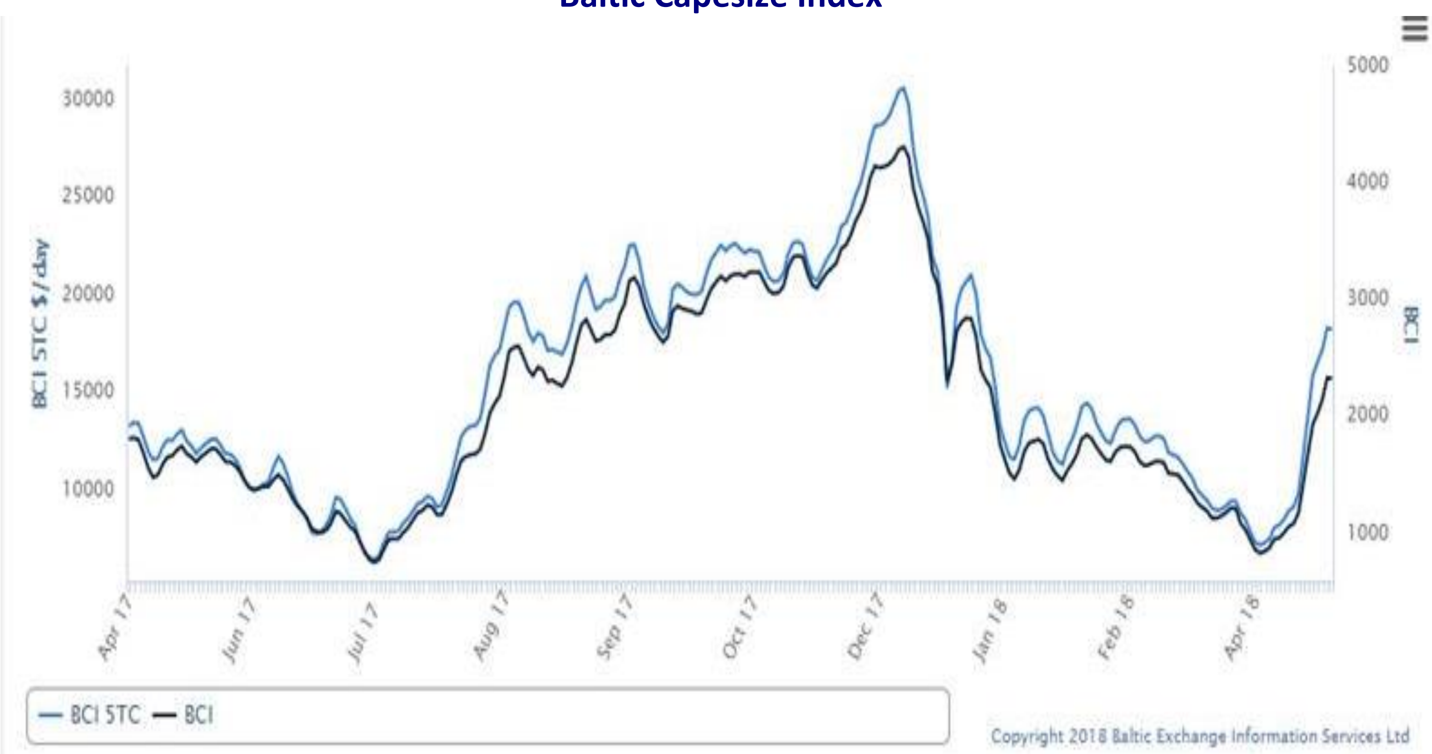




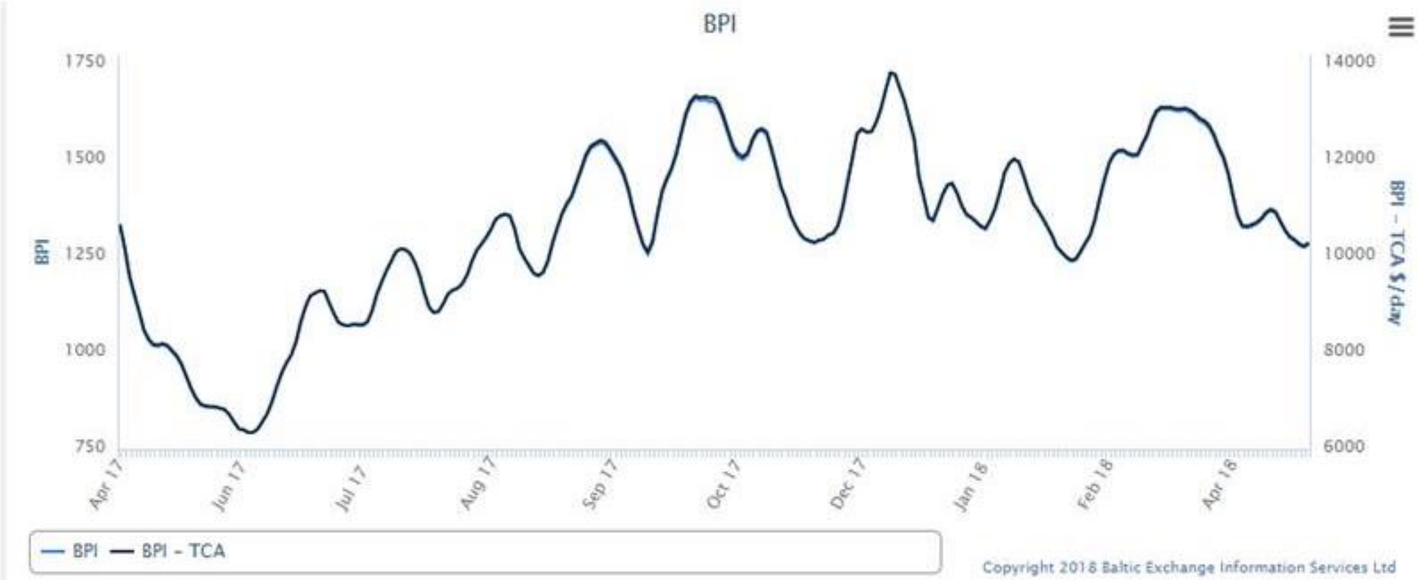
Baltic Dry-Bulk Index



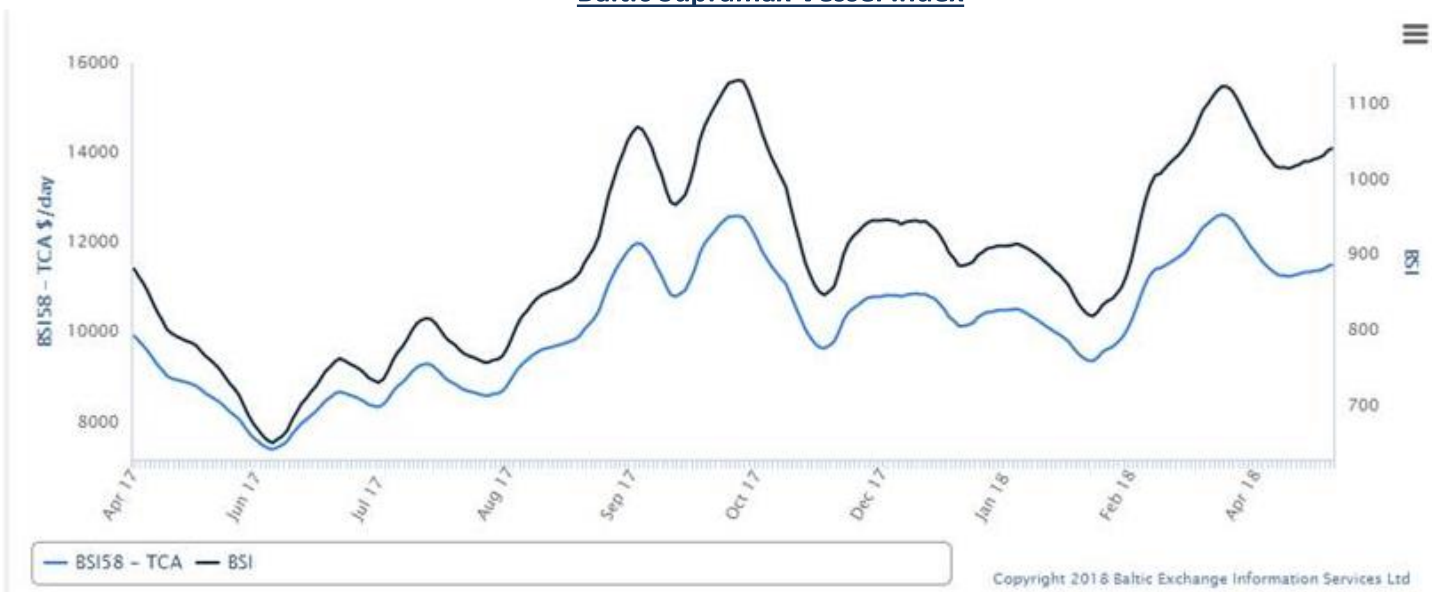
Baltic Capesize Index



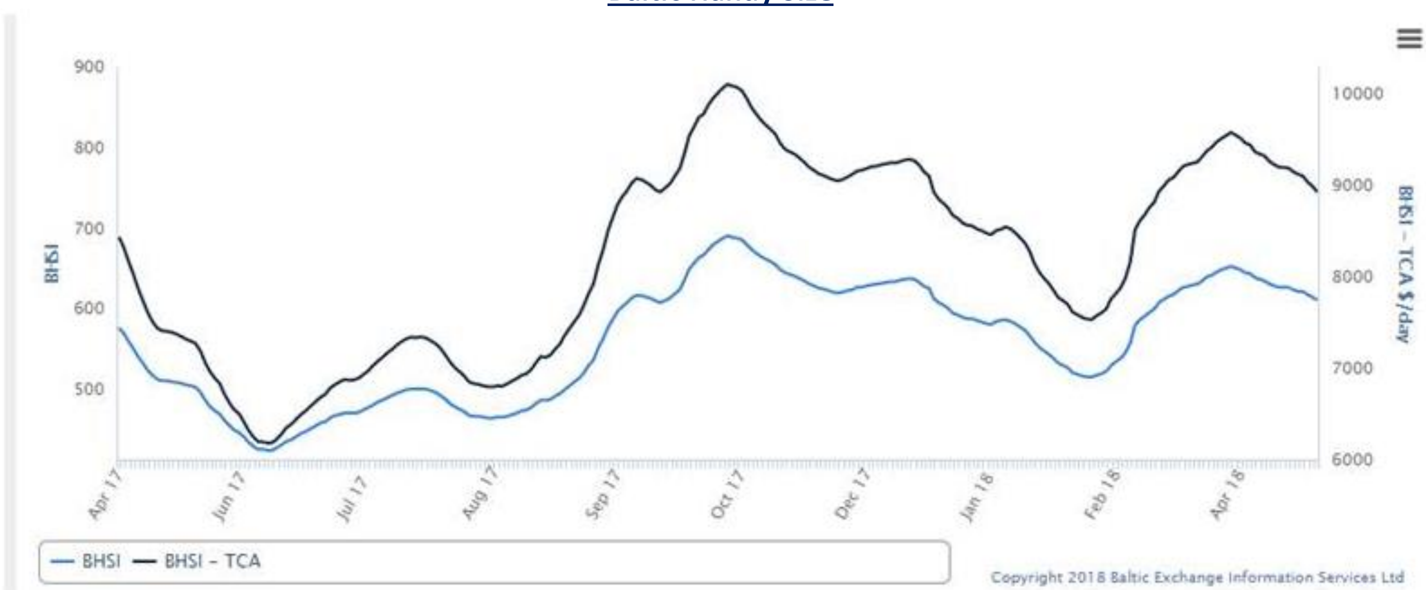
Baltic Panamax Index



Baltic Supramax Vessel Index



Baltic Handy Size



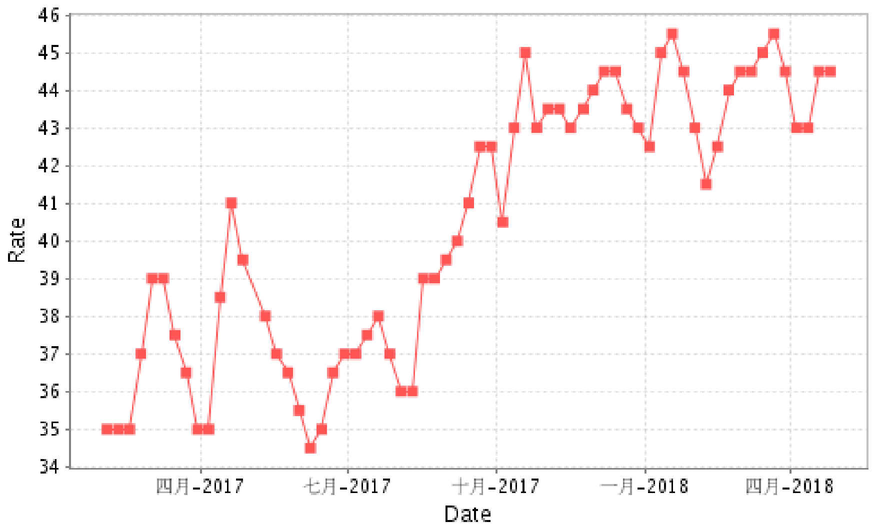
Yamamizu Shipping

Profile | History | Organization | Service | Access Map | Yamamizu Index

USG/Japan Index Result

Date From: 2017-02-01 V Date To: 2018-04-26 V

Query Reset



China Import Dry Bulk Freight Index(CDFI) 2018-04-26					
Route	Size MT	Cargo/Vessel Size	Unit	Rate	Change
Composite Index			Point	884.42	0.37
Iron ore Freight Index			Point	876.65	-0.58
Soybean Freight Index			Point	967.96	-1.42
Santos(Brazil)—North China	60000/10%	Soybean	$/ton	33.140	-0.130
Tacoma(West America)—North China	60000/10%	Soybean	$/ton	23.330	0.045
Mississippi(US Gulf)—North China	66000/10%	Soybean	$/ton	42.836	0.062
Mississippi(US Gulf)—North China	55000/10%	Soybean	$/ton	44.598	-0.032

26 April 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
June	0.93	**$192.21**	1.23	**$204.02**
July	0.89	**$190.64**	1.15	**$200.87**
Aug.	0.83	**$191.03**	1.05	**$199.69**
Sept.	0.90	**$193.79**	1.11	**$202.06**
Oct.	0.82	**$194.18**	1.06	**$203.63**
Nov.	0.84	**$194.97**	1.09	**$204.81**

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
June	0.80	**$187.10**	0.65	**$181.19**
July	0.80	**$187.10**	0.65	**$181.19**
Aug.	0.80	**$189.85**	0.60	**$181.98**
Sept.	0.80	**$189.85**	0.60	**$181.98**
Oct.	0.80	**$193.39**	0.60	**$185.52**

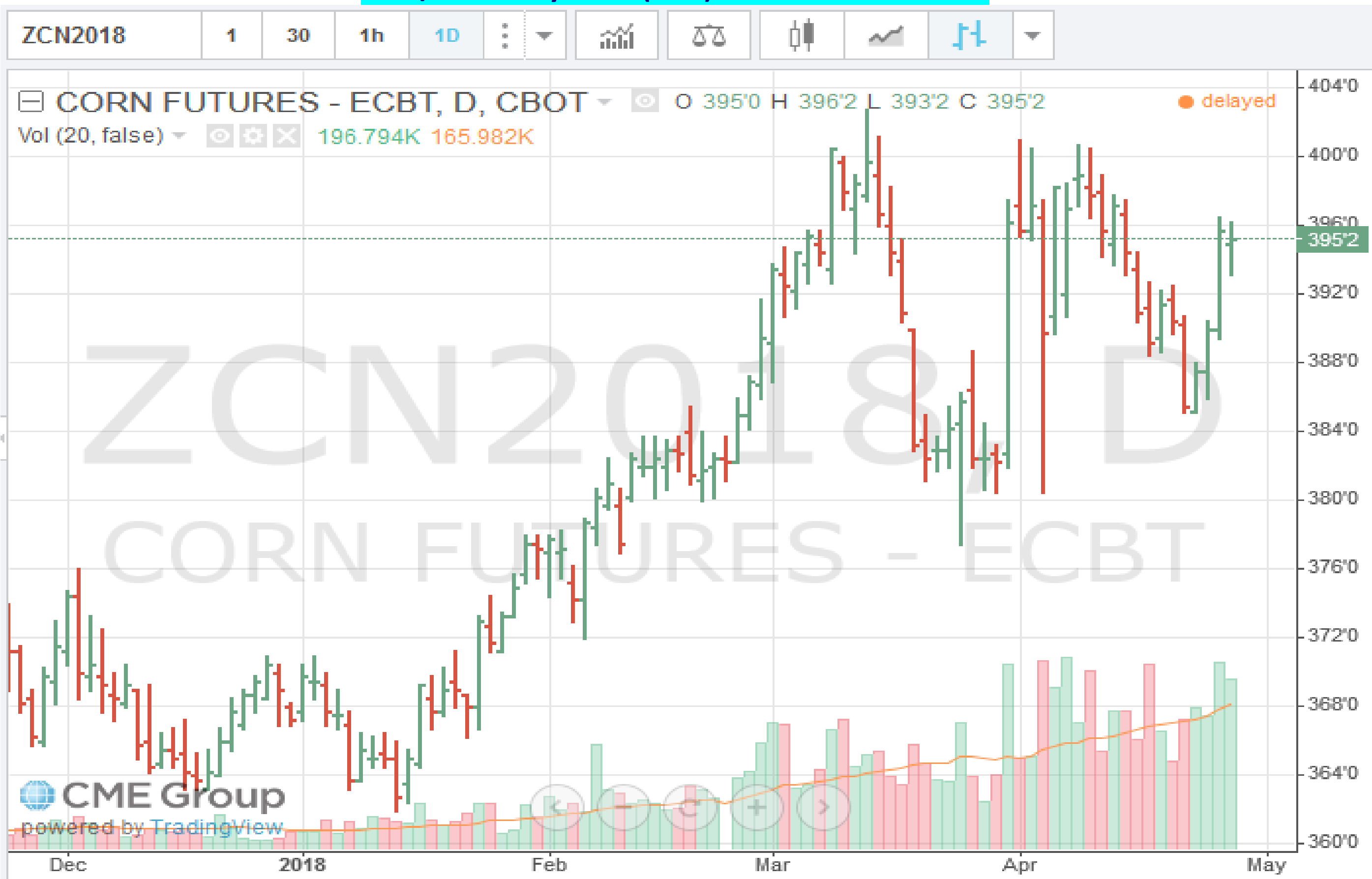
Fob vessel Texas Gulf #2 Sorghum is about 94% the value of #2 Yellow Corn at NOLA

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

SRW Wheat	USD/MT	Fob Vessel	US Gulf	
	June	**July**	**Aug.**	**Sept.**
FOB U.S. GULF	$212.93	$212.93	$215.59	$217.43
Basis	0.90	0.90	0.80	0.85
WN	4.8950			
WU	5.0675			
WZ	5.2950			

CME Futures Market Close						
CORN Month	Futures Symbol	Friday Close Bushel	Friday Close MT.	Last week Bushel	Last Week MT.	Difference Bushel
July	CN	$3.9525	$155.60	$ 3.9100	$153.93	$0.0425
Sept.	CU	$4.0225	$158.36	$ 3.9850	$156.88	$0.0375
Dec.	CZ	$4.1125	$161.90	$ 4.0800	$160.62	$0.0325
Mar.	CH	$4.1925	$165.05	$ 4.1550	$163.57	$0.0375
May.	CK	$4.2325	$166.62	$ 4.1975	$165.25	$0.0350

CME/CBOT July 2018 (CN8) Corn Futures Chart –



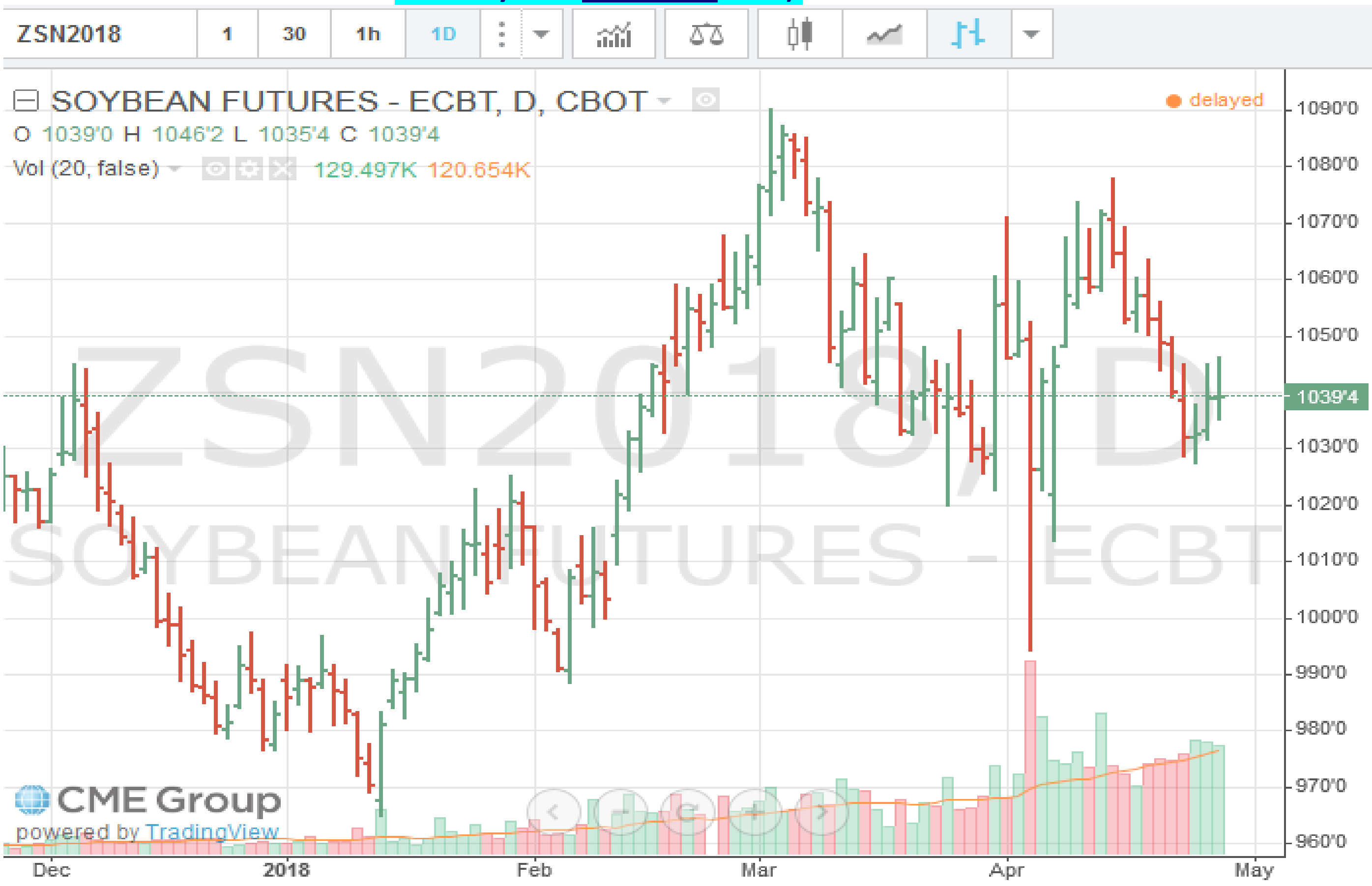
CME/CBOT July 2018 (WN8) SRW Wheat Futures Chart –

U.S. Soybean and SBM Markets Fob Vessel:

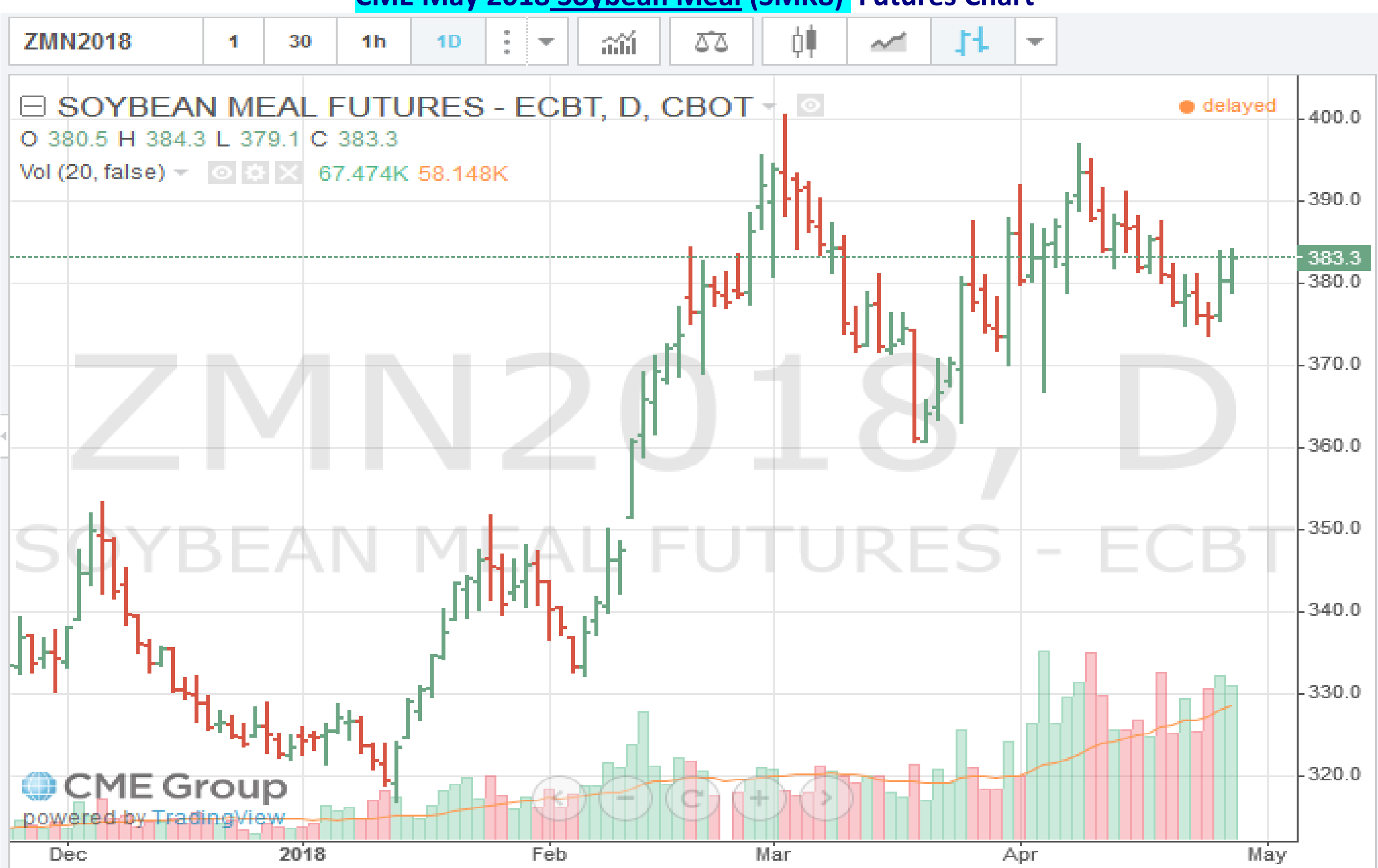
U.S. Yellow Soybeans (USD/MT) FOB Vessel				
# 2 YSB	U.S. Gulf #2 YSB		PNW #2 YSB	
14.0 % Moisture	Basis	Flat Price	Basis	Flat Price
June	0.75	**$409.50**	0.90	**$415.02**
July	0.78	**$410.61**	0.90	**$415.02**
Aug.	0.75	**$410.24**	0.93	**$416.85**
Sept.	0.80	**$410.06**	1.00	**$417.40**
Oct.	0.84	**$410.15**	1.10	**$419.70**
Soybean Futures				
July	$ 10.3950			
Aug.	$ 10.4150			
Sept.	$ 10.3600			
Nov.	$ 10.3225			
Jan.	$ 10.3625			
Mar.	$ 10.2125			

U.S. SBM (USD/MT) FOB Vessel		
Fob U.S. Gulf Port	47.5 Pro. SBM	
max 12.5 % moisture	Basis	Flat Price
June	30.00	**$ 455.66**
July	30.00	**$ 455.66**
Aug.	30.00	**$ 454.01**
Sept.	32.00	**$ 454.56**
Oct.	32.00	**$ 451.58**
SBM Futures		
SMN	383.30	
SMQ	381.80	
SMU	380.30	
SMV	377.60	
SMZ	375.20	
SMF	371.60	

CME July 2018 Soybean (SN18) Futures Chart:



CME May 2018 Soybean Meal (SMK8) Futures Chart



U.S. EXPORT STATISTICS: Report Activity as of Week Ending 19 April 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	**1149.2**	**49,981.8**	**56,520**	**88%**	**1,961.6**
Sorghum	**40.9**	**5,249.5**	**6,220**	**84%**	**0.0**
Soybeans	**404.8**	**54,406.7**	**56,200**	**97%**	**4,576.5**
Wheat	**314.6**	**23,268.5**	**25,180**	**92%**	**1,667.5**
Barley	**0.0**	**40.0**	**130**	**31%**	**39.4**

U.S. EXPORT INSPECTIONS:

Monday's report 23 April 2018 for the Export week ending 19 April 2018

	Export Inspections		Current Market Year YTD	Previous Year to Date	2017 YTD as Percent of 2016 YTD
	This Week	Previous Week			
Corn	**1,719,025**	**1,576,193**	**29,774,261**	**37,358,734**	**80%**
Sorghum	**123,362**	**116,587**	**4,309,048**	**4,093,477**	**105%**
Soybeans	**470,817**	**446,431**	**42,822,784**	**48,944,679**	**87%**
Wheat	**619,251**	**504,956**	**21,494,298**	**23,810,760**	**90%**
Barley	**73**	**0**	**21,144**	**32,434**	**65%**

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

U.S. EXPORT INSPECTIONS:

Monday's report 23 April 2018 for the Export week ending 19 April 2018

Last Week								
(Metric Tons)	**YC**	**%**	**WC**	**%**	**Sorghum**	**%**	**Soybeans**	**%**
Lakes	23,282	1%	0	0%	0	0%	0	0%
Atlantic	31,400	2%	0	0%	0	0%	16,296	3%
Gulf	834,100	50%	31,750	86%	122,979	100%	263,606	56%
PNW	609,660	36%	220	1%	0	0%	68,171	14%
Interior Export Rail	183,623	11%	4,990	14%	383	0%	122,744	26%
Metric Tons	1,682,065		36,960		123,362		470,817	

Sorghum Shipments:	metric tons	
	122,979	China Main
	383	Mexico
	123,362	Total

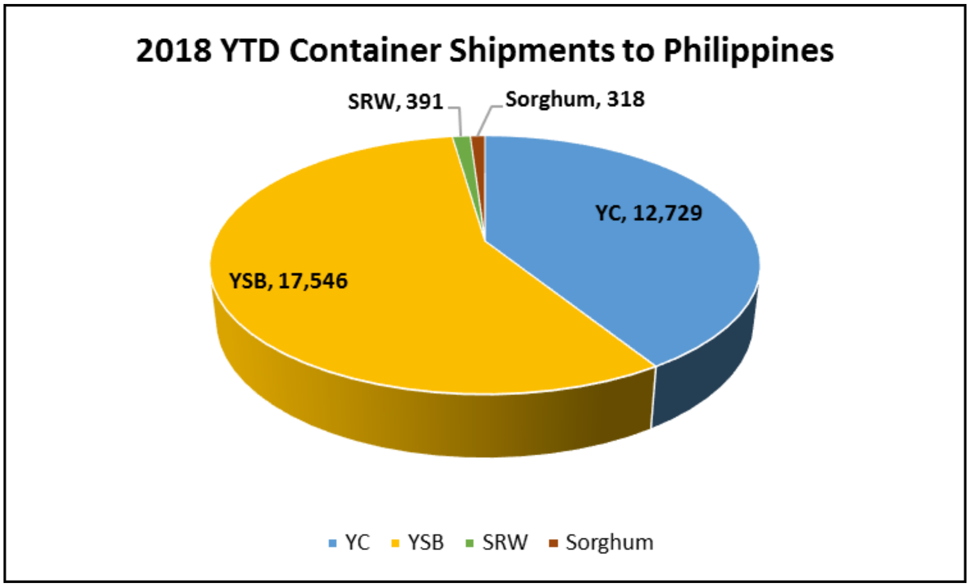
White Corn Shipments:	metric tons	
	220	Korea Rep
	36,740	Mexico
	36,960	Total

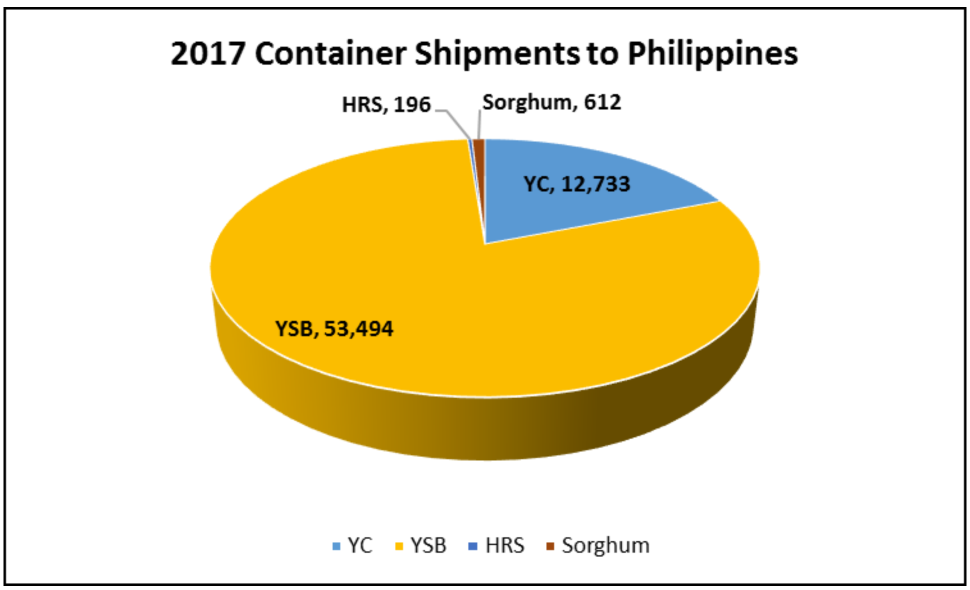
Export Inspection Highlights

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:			**19-Apr-2018**						
Last Week	metric tons								**MT**
	YC	**WC**	**YSB**	**SRW**	**NS**	**SWH**	**HRW**	**Sorghum**	**TOTAL**
China Main	1,567		8,254						9,821
China T	27,665		16,039						43,704
Hong Kong	391								391
Costa Rica									0
Indonesia			15,820						15,820
French Polynesia									0
Japan			318						318
Korea Republic	979		5,018						5,997
Dominican Rep	49								49
Malaysia	2,424		3,869						6,293
Burma			465				416		881
Philippines	1,616		881						2,497
Thailand			11,534						11,534
Cambodia			465						465
Bangladesh	318		490						808
Vietnam			4,406						4,406
Sub total	35,009	0	67,559	0	0	0	416	0	97,305
USDA Corrections/Additions to previous reports:									
China T									0
China Main								735	735
Hong Kong									0
Korea Rep.									0
Costa Rica									0
Japan									0
Philippines									0
Indonesia									0
Malaysia									0
Thailand			1,346						1,346
Vietnam			49						49
Canada									0
Burma									0
Sub total	0	0	1,395	0	0	0	0	735	2,130
Mt. Grand Total	**35,009**	**0**	**68,954**	**0**	**0**	**0**	**416**	**735**	99,435
Number of containers	1,522	0	2,998	0	0	0	18	32	

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



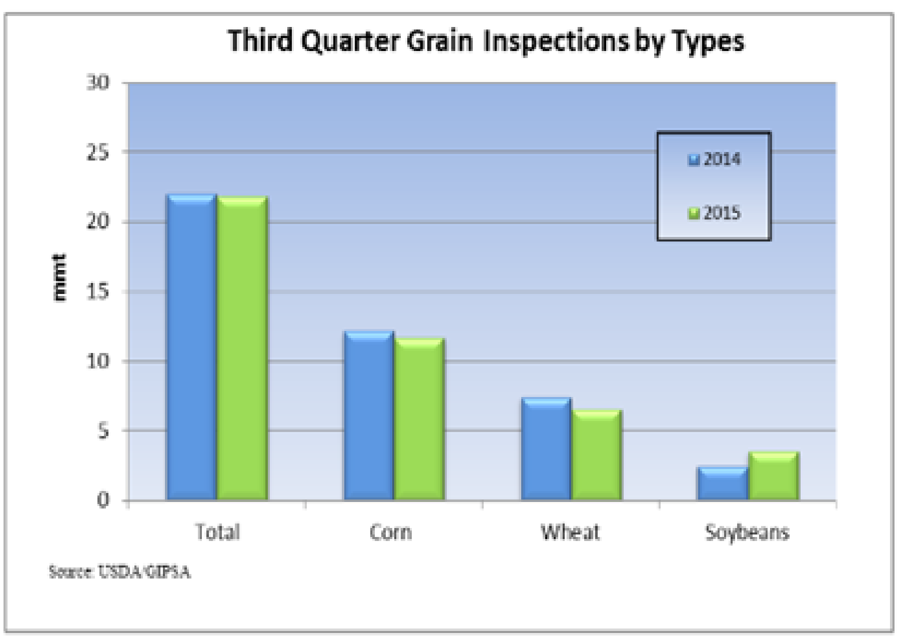


Grain Inspections for Export by U.S. Port Regions:
U.S. Gulf and Pacific Northwest 2017 YTD vs. 2018 YTD

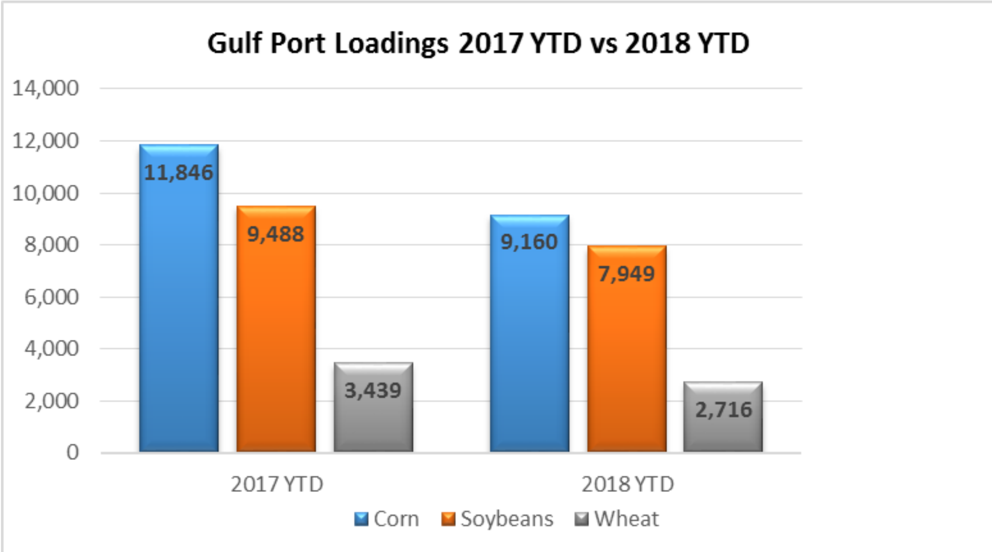
PORT LOADINGS US Gulf				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
GULF				
2017 YTD	11,846	9,488	3,439	24,773
2018 YTD	9,160	7,949	2,716	19,825
2018 as % of 2017	77%	84%	79%	80%

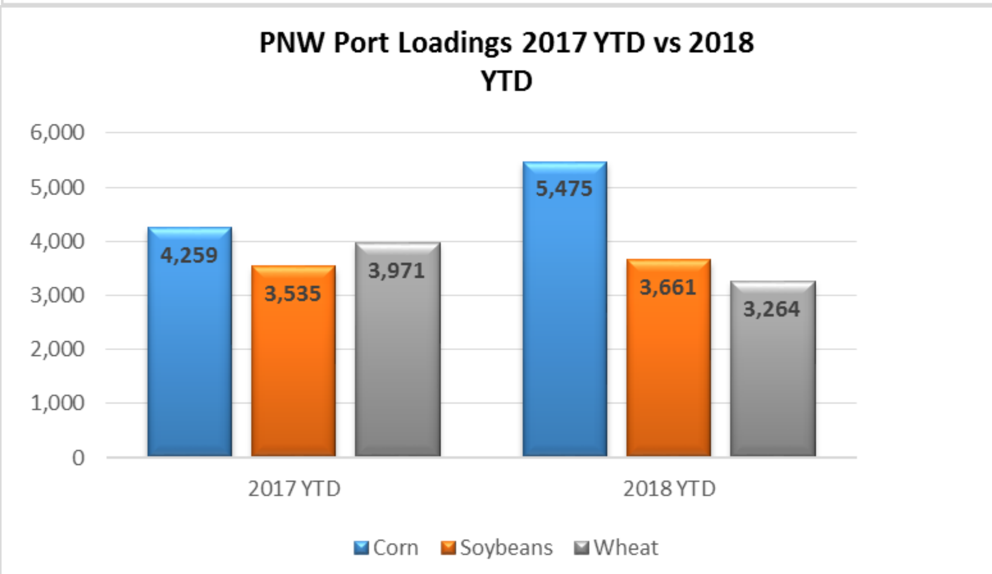
PORT LOADINGS US PNW				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
PNW				
2017 YTD	4,259	3,535	3,971	11,765
2018 YTD	5,475	3,661	3,264	12,400
2018 as % of 2017	129%	104%	82%	105%

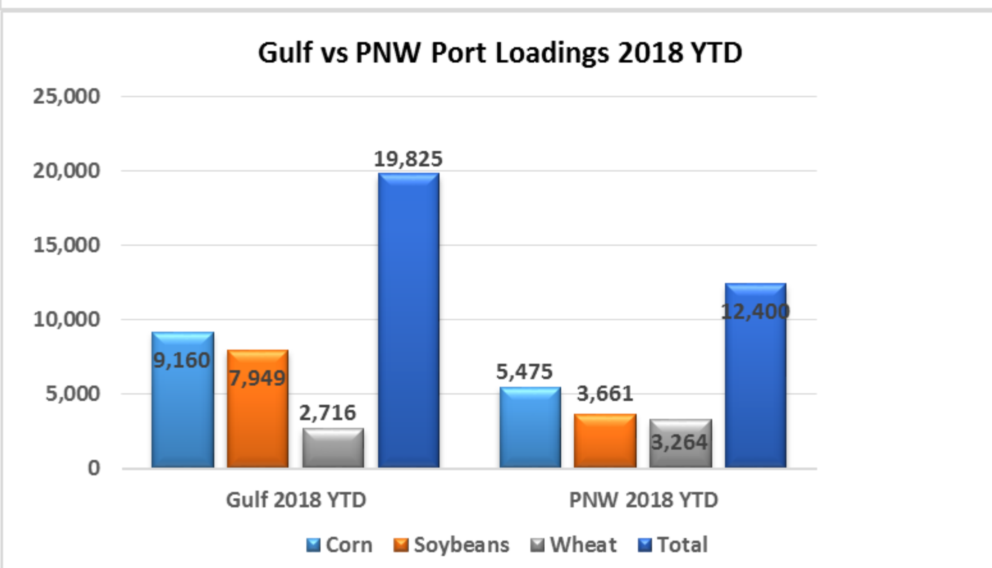
PORT LOADINGS GULF vs. PNW				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
2018 Gulf YTD	9,160	7,949	2,716	19,825
2018 PNW YTD	5,475	3,661	3,264	12,400
TOTAL	14,635	11,610	5,980	32,225
Gulf Percentage	63%	68%	45%	62%
PNW Percentage	37%	32%	55%	38%



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

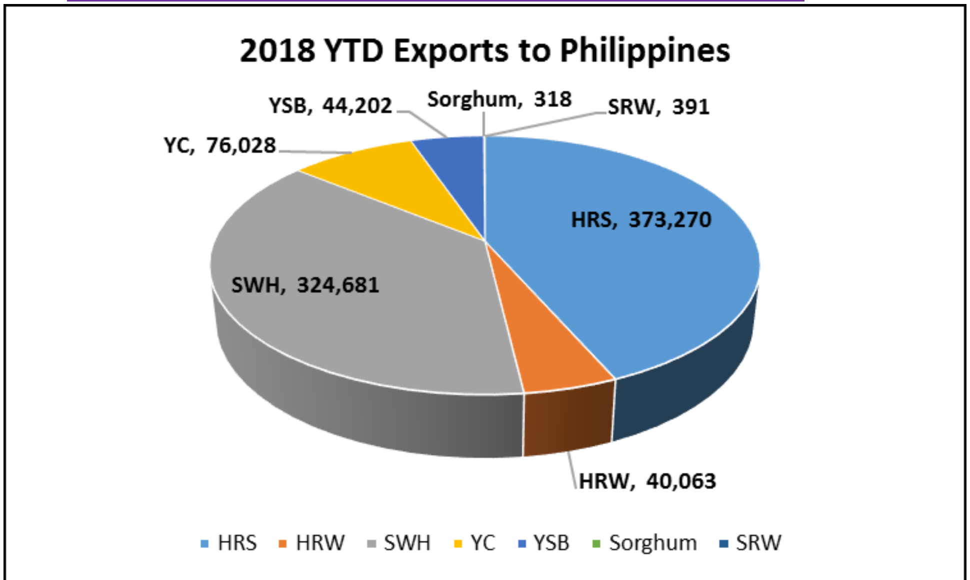


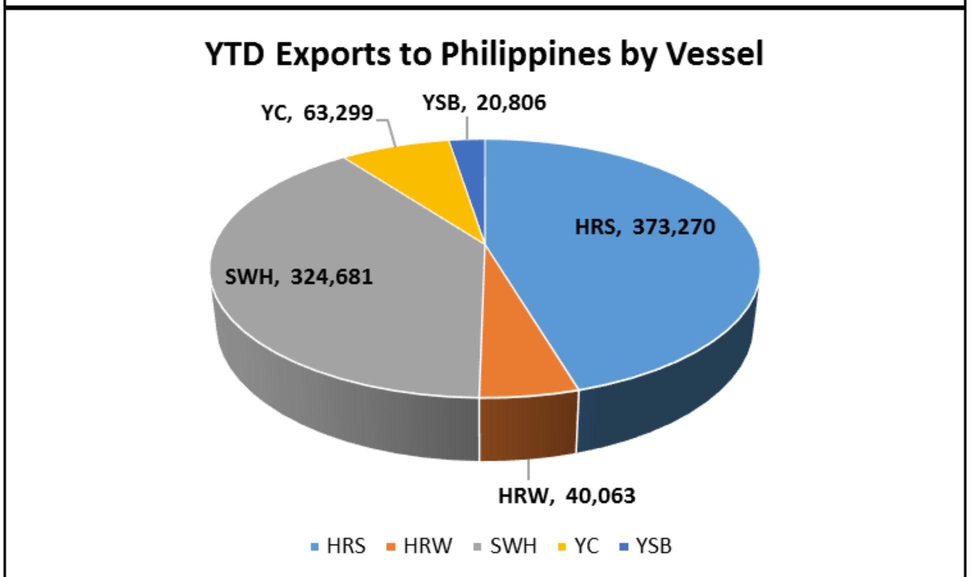


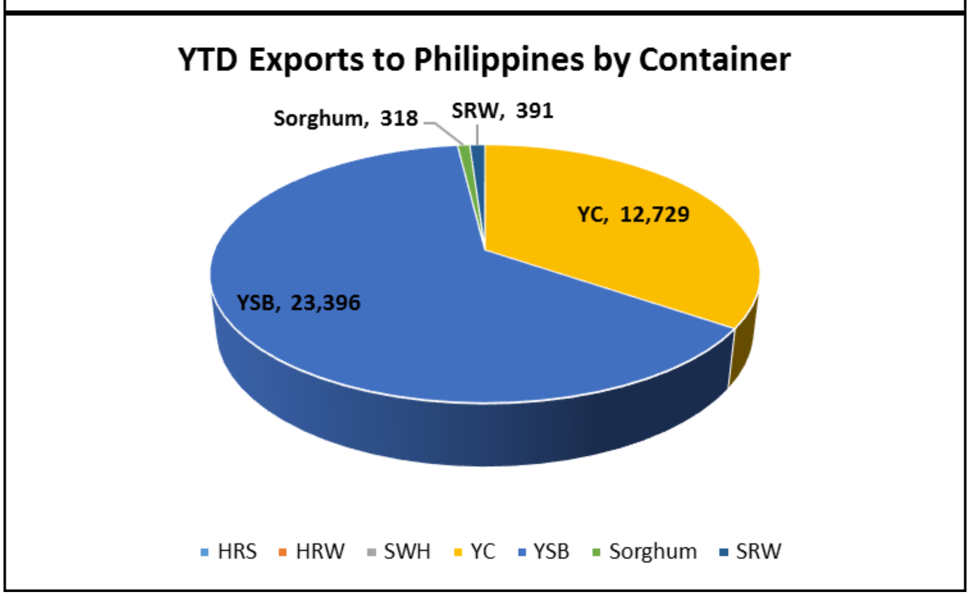


Source: USDA-data

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



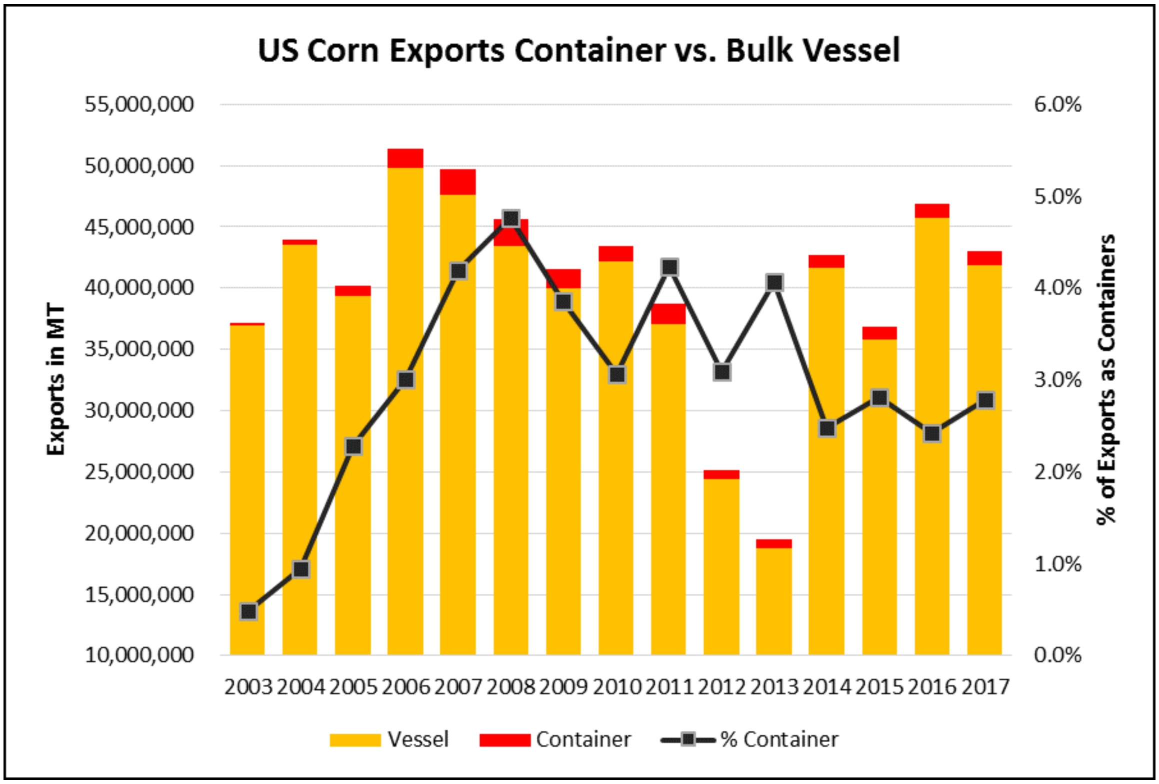


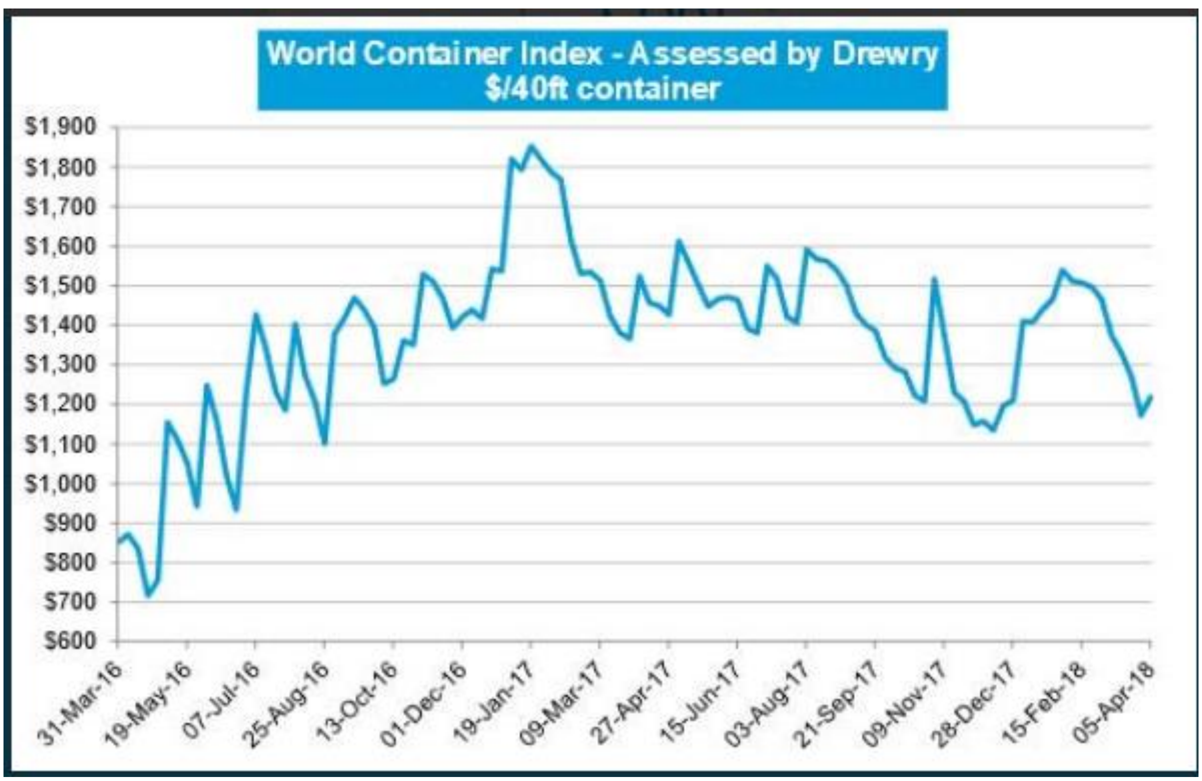


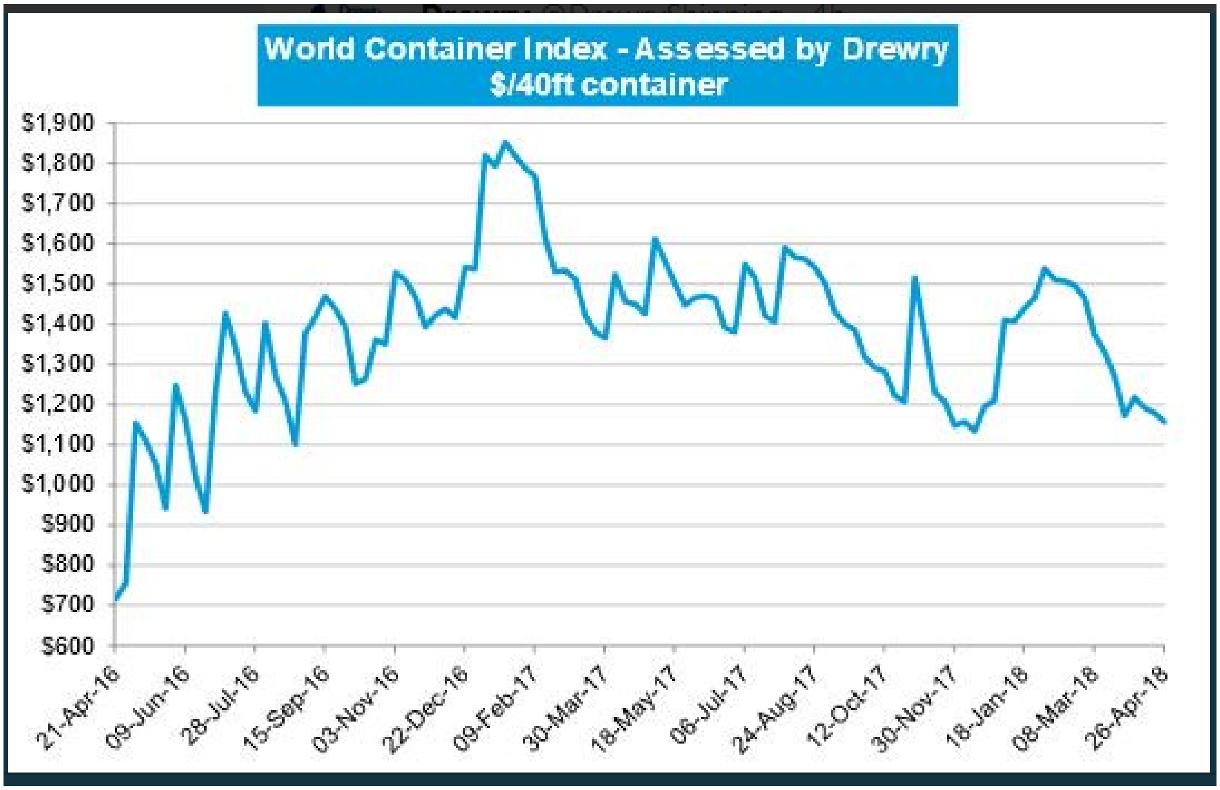
**Please keep in mind that USDA does not report DDGS sales, or they would show as the largest exports by container

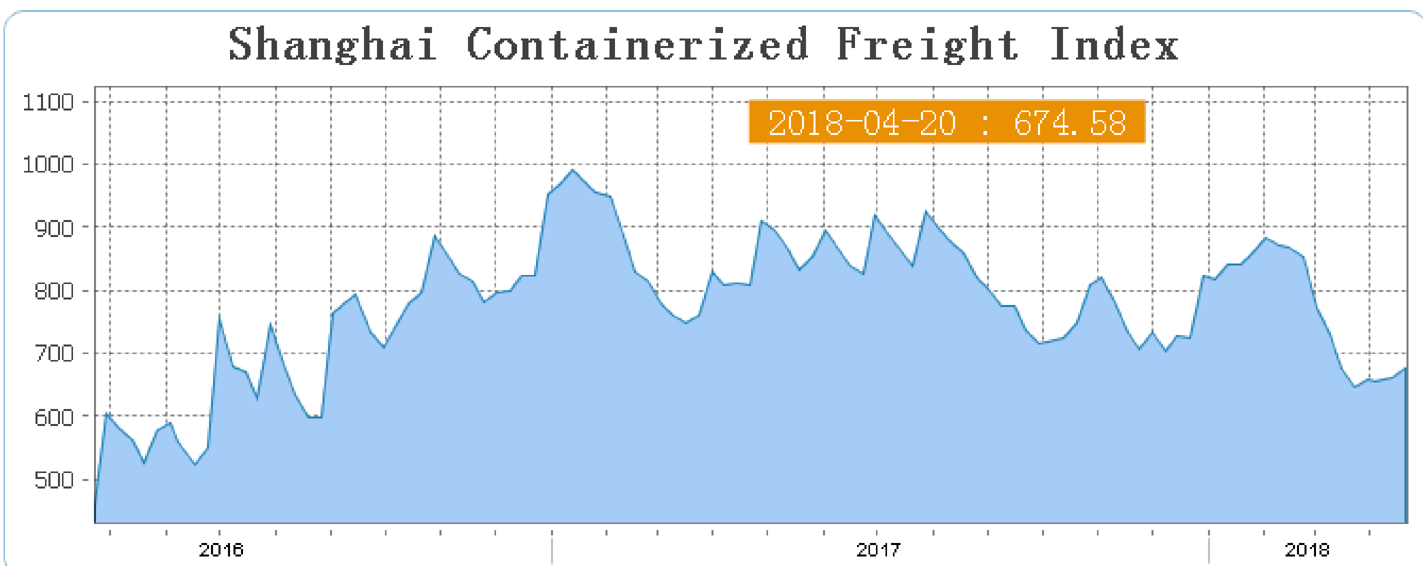
Source: USDA

Shipping News

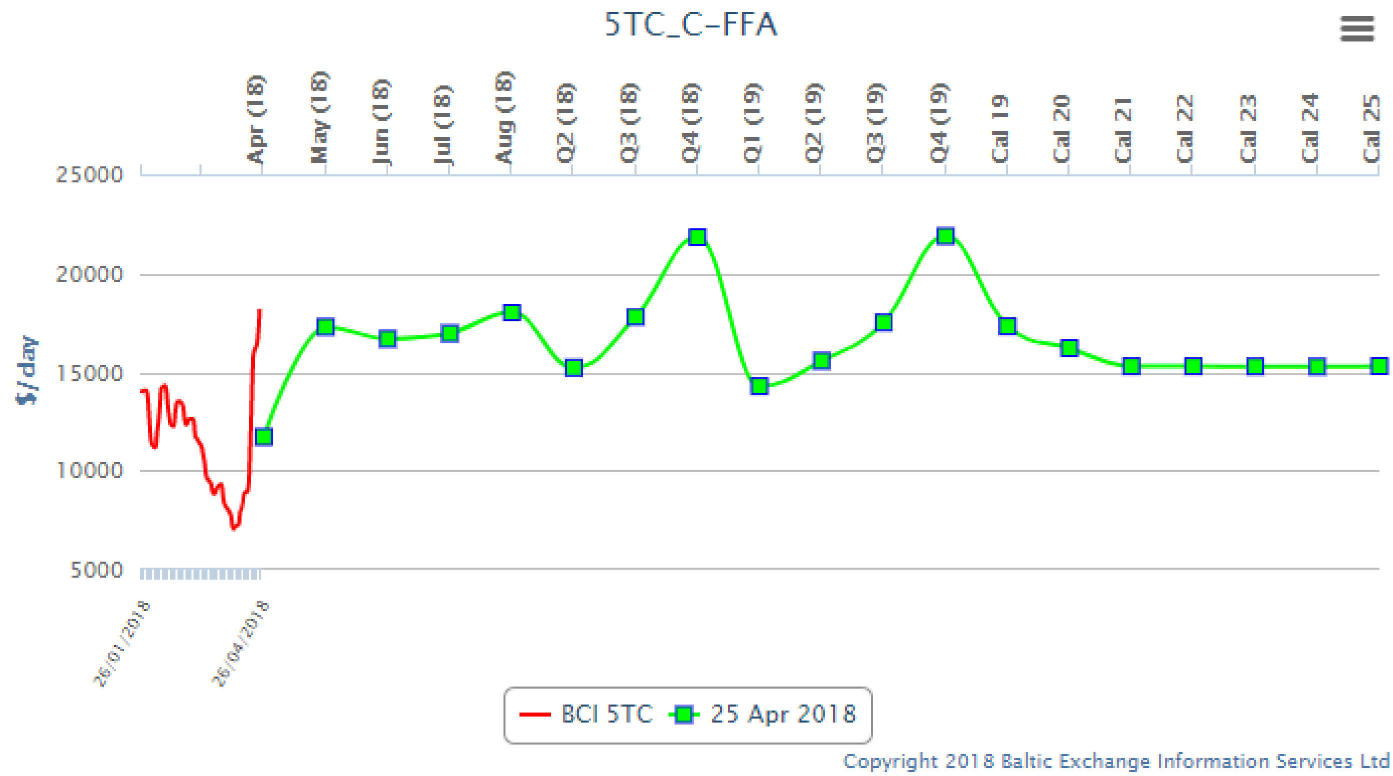




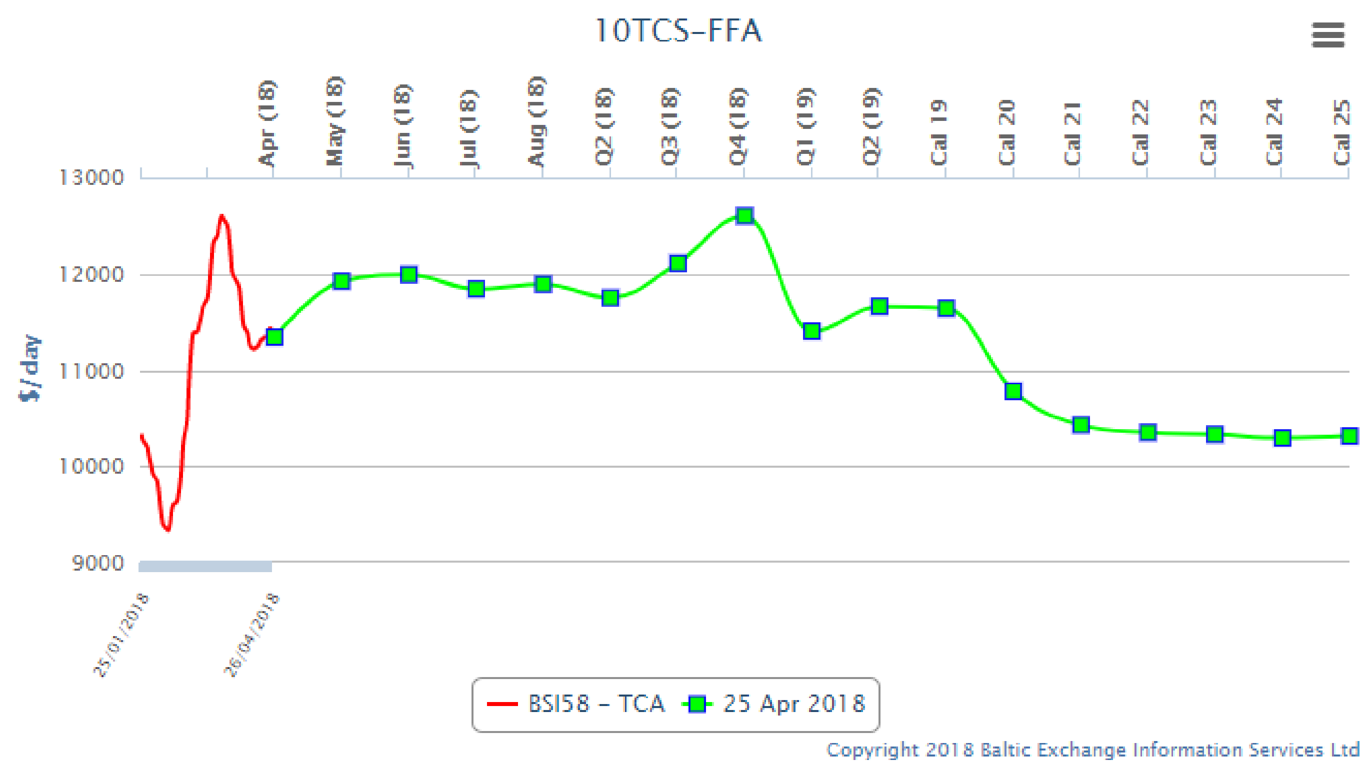

World Container Index - Assessed by Drewry
$/40ft container
$1,900
$1,800
$1,700
$1,600
$1,500
$1,400
$1,300
$1,200
$1,100
$1,000
$900
$800
$700
$600
21-Apr-16
09-Jun-16
28-Jul-16
15-Sep-16
03-Nov-16
22-Dec-16
09-Feb-17
30-Mar-17
18-May-17
06-Jul-17
24-Aug-17
12-Oct-17
30-Nov-17
18-Jan-18
08-Mar-18
26-Apr-18


Shanghai Containerized Freight Index
2018-04-20 : 674.58
1100
1000
900
800
700
600
500
2016
2017
2018

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 Last half May 2018

Placement LH May 2018	% of Tariff	MT	Corn BU	Soybeans-Wheat BU
Upper Mississippi	525	$35.82	0.91	0.97
Illinois River (Pekin and South)	470	$24.92	0.63	0.68
Mid-Mississippi	480	$28.15	0.72	0.77
Lower Ohio	415	$20.40	0.52	0.56
St. Louis	370	$16.27	0.41	0.44

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

Secondary Rail Car Market Placement LH May 2018	BID USD	ASK USD	BID BU.	ASK BU.	BID MT	ASK MT
BNSF Shutle Trains	$ 300.00	$ 800.00	$ 0.08	$ 0.20	$ 2.95	$ 7.87
UPRR Shuttle Trains	$ -	$ 300.00	$ -	$ 0.08	$ -	$ 2.95

www.grains.ksu.edu/igp

Best Regards,

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