HJ O'NEIL COMMODITY CONSULTING

Transportation and Export Report for 28 April 2022

It was just another up and down week for Dry Bulk freight markets. FFA paper traders tried to rally freight markets early in the week but again ran into resistance at weeks end. Overall freight markets are not much changed from last week as they are having concerns with international financial markets and chatter about potential recessions. The only sector to move up this week was the Capesize.
Those who remain bullish still believe Chinese ports congestion and added tonne miles from switching out of Black Sea markets will eventually drive things higher. But freight demand has not yet increased, and major cargo switching has not yet taken place; so, the Bulls will have to wait.
Container markets are, of course, still dealing with Chinese port congestion due to the COVID lockdowns and difficult logistics.

BALTIC DRY-BULK PANAMAX INDEX CHANGES

Panamax Ocean Freight Indices					
28-Apr-2022		This Week	Last Week	Difference	Percent Change
P2A: Gulf/Atlantic - Japan	Index	37150	37268	-118	-0.3%
P3A: PNW/Pacific - Korea	Index	23033	24533	-1,500	-6.1%
S1C: US GULF-China-So.Japan	Index	41529	36682	4,847	13.2%
P7: Trial- Miss. River - Qingdao	per ton	77.81	78.71	-0.9	-1.1%
P8: Trial- Santos - Qingdao	per ton	66.79	68.84	-2.1	-3.0%

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

Four weeks ago:	$10.90-$11.50
Three weeks ago:	$8.80-$10.40
Two weeks ago:	$8.80-$9.50
One week ago:	$8.75-$9.50
This week	$9.75-$12.25

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

Mississippi River:	(10 elevators)	2-10 days (1 facility over 4 days)
Mid-Stream loaders:	(6+ Rigs)	1-2 days
Texas Gulf	(5 elevators)	0-9 days (1 Facility over 4 days)
Pacific Northwest:	(9 elevators)	0 - 11 days (3 facilities over 5 days)

AGP Grays Harbor/PNW is loading soymeal via a temporary mobile conveyor system. Expects to be back up with full repairs and improved system by June.

Panamax Market Spreads to Asia -China					
28-Apr-2022	GULF	PNW	Bushel Spread	Tonne Spread	Advantage
CORN	1.01	1.80	0.79	$31.10	PNW
SOYBEANS	1.44	2.20	0.76	$27.92	PNW
OCEAN FREIGHT	$78.00	$43.50	.88 -.94	$34.50	JUNE

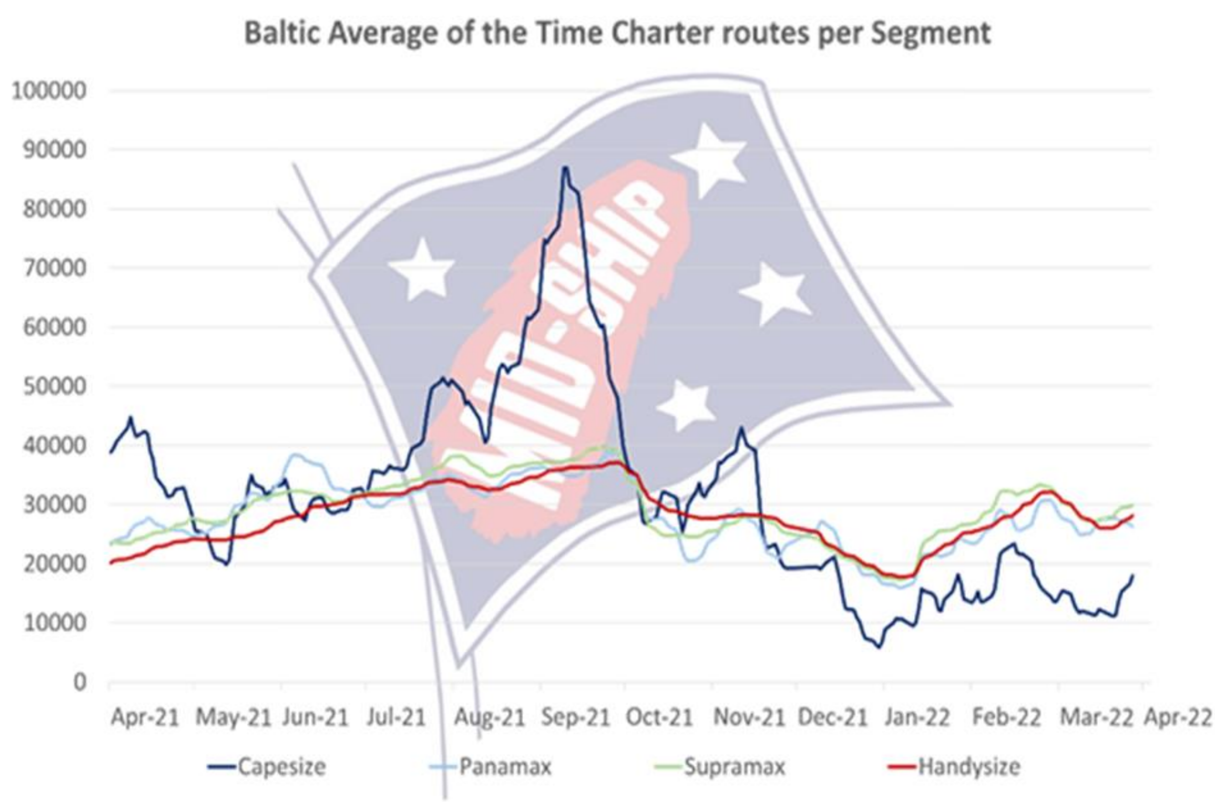
Current Grain Vessel Market Indications:

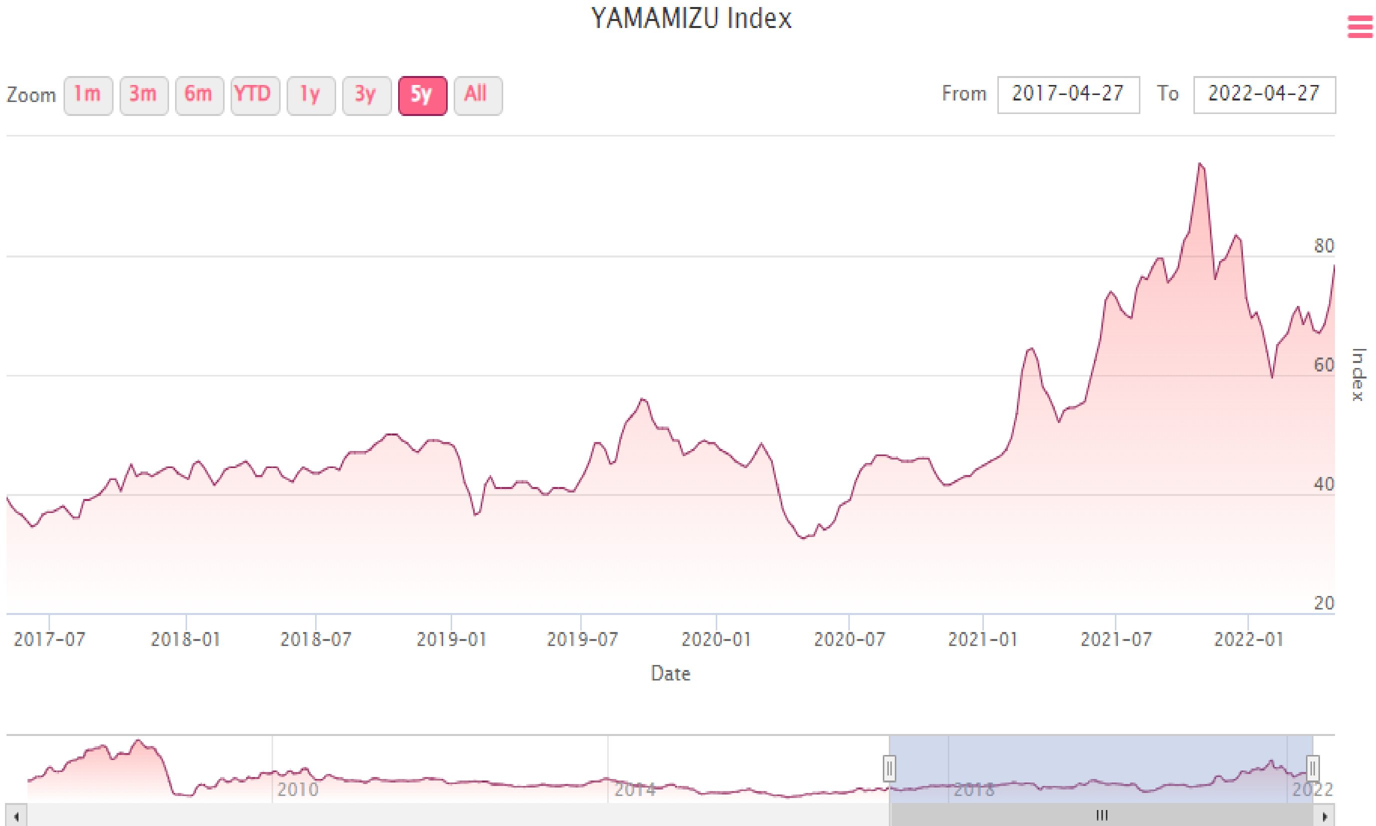
** Below rates are estimates for the nearby-30-day period. 60-90 days forward physical rates will usually be higher.
Soybean Panamax USG to Spain is running $56.00 -$57.00/mt.
Soybean Brazil to Spain about $66.50 -68.00/mt.

Route and Vessel Size	Current Week USD/MT	Change from previous week	Remarks
55,000 U.S. Gulf-Japan	$79.00	Unchanged	Handymax $79.50 mt
55,000 U.S. PNW- Japan	$44.25	Down $0.50	Handymax at $45.50 mt
65,000 U.S. Gulf – China PNW to China	$78.00 $43.50	Unchanged Down $0.50	North or South China
25,000 U.S. Gulf- Veracruz, México	$29.25	Unchanged	3,000 MT daily discharge rate
35-40,000 U.S. Gulf- Veracruz, México	$25.50	Unchanged	Deep draft and 6,000 MT per day discharge rate.
30-38,000 U.S. Gulf- Colombia 50,000 USG- E/C Colombia East Coast Colombia From Argentina	$43.50 $43.00 $55.00	Down $0.25	West Coast Colombia at $52.00
40-45,000 U.S. Gulf - Guatemala	$52.50	Down $0.25	Acajutla/Quetzal - 8,000 out
30,000 US Gulf-Morocco	$72.00	Unchanged	5,000 discharge rate
55-60,000 U.S. Gulf –Egypt PNW to Egypt	$71.25 $71.75	Unchanged	55,000-60,000 mt Egypt Romania - Russia- Ukraine $31.00 -?? - ? France $43.00
58-74,000 U.S. Gulf – Europe – Rotterdam	$32.00	Up $2.00	Handymax at +$2.50 more
Brazil, Santos –China Brazil, Santos –China Up-River Port North Brazil	$70.00 $67.50 $76.00	Down $1.00	54-59,000 Supramax-Panamax 60-66,000 Post Panamax 55-60,000 mt
56-60,000 Argentina-China Deep draft	$75.00	Down $1.00	Up-River with Top Off Plus $3.75-$4.00

The Baltic Dry Bulk Freight Index

Baltic Panamax Index





China Import Dry Bulk Freight Index
2022-04-28

Description	Volume	Cargo	Unit	Rate	Change
Composite Index			Point	1585.67	-2.8
Iron ore Freight Index			Point	1368.57	5.77
Dampier(West Australia)-Qingdao (China)	170000/10%	Iron ore	$/ton	12.206	0.251
Soybean Freight Index			Point	1852.09	-7.41
Santos(Brazil)— North China	66000/10%	Soybean	$/ton	66.58	-0.3
Tacoma(West America)—North China	63000/10%	Soybean	$/ton	43.55	-0.14
Mississippi(US Gulf)—North China	66000/10%	Soybean	$/ton	76.98	-0.27

28 April 2022 U.S. FOB Vessel Export Market Values:

U.S. Yellow Corn (USD/MT) FOB Vessel					CORN	FUTURES
#2 YC	GULF # 2 YC		PNW # 3 YC		K =	8.1600
Max. 14.5% moisture	BASIS	FLAT PRICE	BASIS	FLAT PRICE	N =	8.1350
May	1.00	**$360.61**	1.85	**$394.07**	U =	7.6975
June	1.01	**$360.02**	1.80	**$391.12**	Z =	7.5175
July	0.94	**$357.26**	1.70	**$387.18**	H=	7.5450
Aug.	1.35	**$356.18**	2.08	**$384.92**	K =	7.5550
Sept.	1.30	**$354.21**	2.08	**$384.92**		
Oct.	1.55	**$356.97**	2.25	**$384.53**		

The Gulf spread between #2 & #3 YC is currently about .04 cents per bushel (1.60/mt) at USG but is out to .06/bushel in the PNW.

SORGHUM (USD/MT) FOB VESSEL		
#2 YGS Fob Vessel	TEXAS Gulf	
Max. 14.0% moisture	BASIS	FLAT PRICE
May	2.00	**$399.98**
June	2.00	**$398.99**
July	2.00	**$398.99**
Aug. (Z)	2.30	**$386.49**
Sept. (Z)	2.20	**$382.56**

Fob vessel Texas Gulf #2 Sorghum is about 108 % 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	$444.87	$433.85	$426.50	$426.13
Basis	1.25	0.95	0.75	0.75
WK	10.7400			.
WN	10.8575			
WU	10.8475			

PNW Fob Vessel Soybean Basis levels continue to require a bit of a guess work.

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	1.44	**$671.94**	2.20	**$699.87**
July	1.39	**$670.11**	2.15	**$698.03**
Aug.	1.80	**$666.25**	2.60	**$695.64**
Oct.	1.75	**$623.17**	3.05	**$670.93**
Nov.	1.72	**$622.06**	3.00	**$669.10**
Soybean Futures				
May	$ 17.0650			
July	$ 16.8475			
Aug.	$ 16.3325			
Sept.	$ 15.5950			
Nov.	$ 15.2100			
Jan.	$ 15.2150			

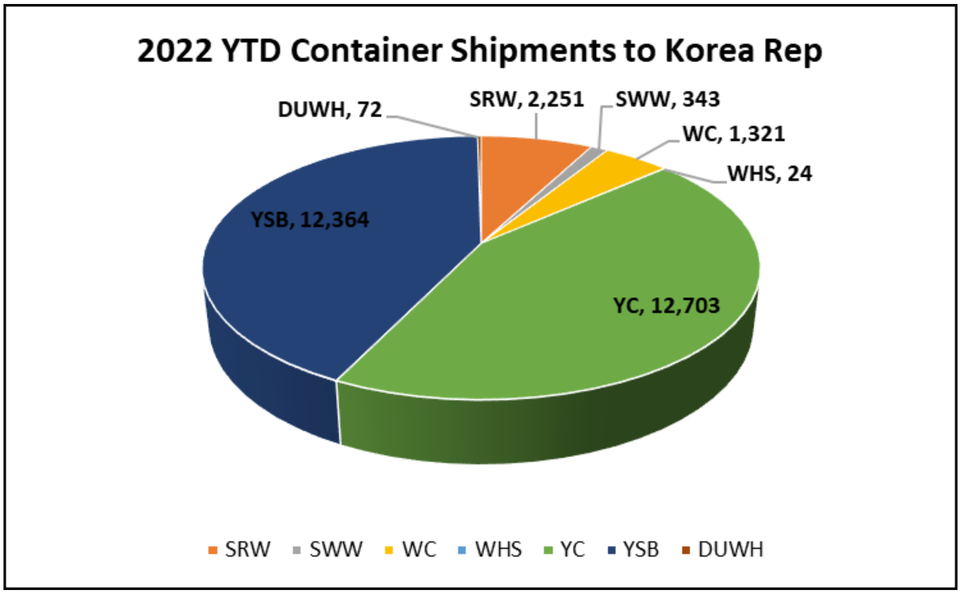
U.S. Soybean and SBM Markets Fob Vessel:

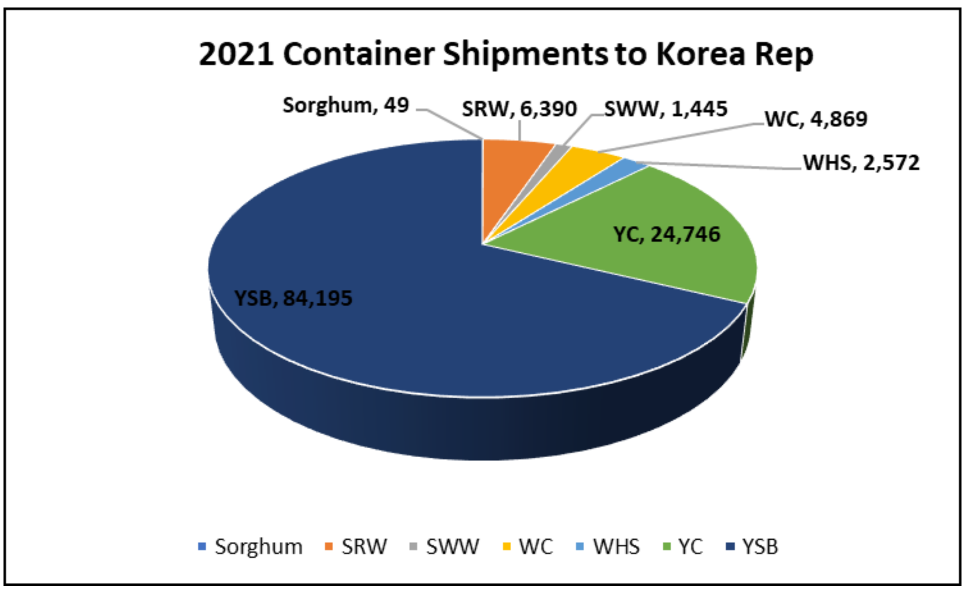
U.S. SBM (USD/MT) FOB Vessel		
Fob U.S. Gulf Port	47.5 Pro. SBM	
max 12.5 % moisture	Basis	Flat Price
June	50.00	**$ 529.31**
July	50.00	**$ 529.31**
Aug.	50.00	**$ 521.04**
Oct.	60.00	**$ 512.66**
Nov.	60.00	**$ 512.44**
SBM Futures		
SMK	$ 440.20	
SMN	$ 430.10	
SMQ	$ 422.60	
SMU	$ 413.60	
SMV	$ 405.00	
SMZ	$ 404.80	

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).*

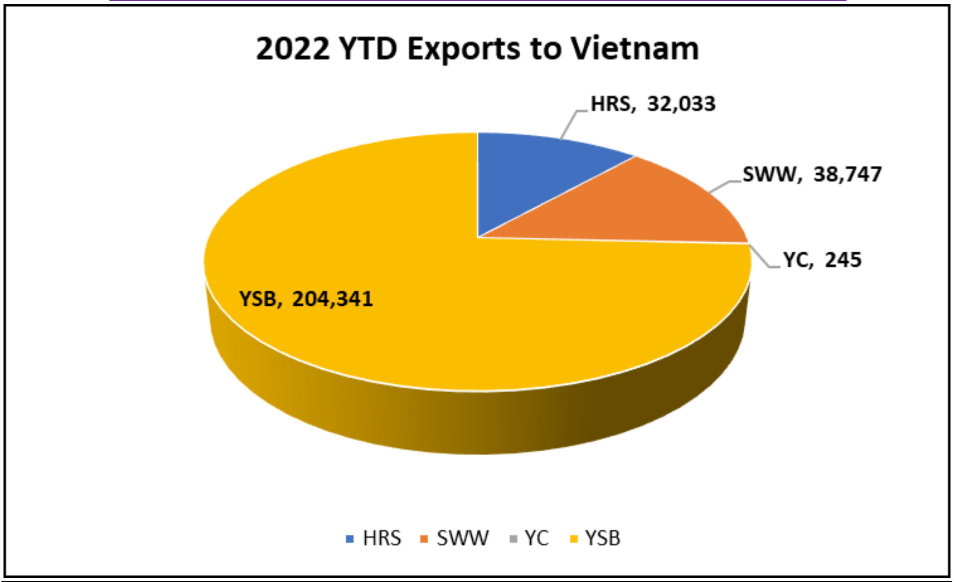
CONTAINER SHIPMENTS of GRAIN									
USDA Grain Inspections Report:			21-Apr-2022						
Last Week	metric tons								MT
	YC	WC	YSB	SRW	NS	SWH	DUWH	Sorghum	TOTAL
China			22,036					1,347	23,383
Taiwan	8,271		11,552						19,823
Hong Kong	343								343
Costa Rica									0
Indonesia	245		8,596						8,841
French Poly									0
Japan			636						636
Korea Rep.	2,154		171	171					2,496
Ireland									0
Malaysia	147		1,396						1,543
Colombia									0
Philippines			1,247						1,247
Thailand			1,837						1,837
Switzerland									0
Burma			245						245
Reunion									0
Nepal			539						539
Vietnam			5,972						5,972
Sub Total:	**11,160**	**0**	**54,227**	**171**	**0**	**0**	**0**	**1,347**	**66,905**
USDA Corrections/Additions to previous reports:									
Taiwan	3,257		1,494						4,751
China			8,179						8,179
Hong Kong	97								97
Korea Rep.							72		72
French Poly									0
Japan			586						586
Philippines			122						122
Indonesia			7,421						7,421
Malaysia	759		612						1,371
Thailand	490		122						612
Vietnam			2,399						2,399
Burma									0
Ireland									0
Sub Total:	4,603	0	20,935	0	0	0	72	0	25,610
Mt. Grand Total	**15,763**	**0**	**75,162**	**171**	**0**	**0**	**72**	**1,347**	**92,515**
Number of Containers	685	0	3,268	7	0	0	3	59	

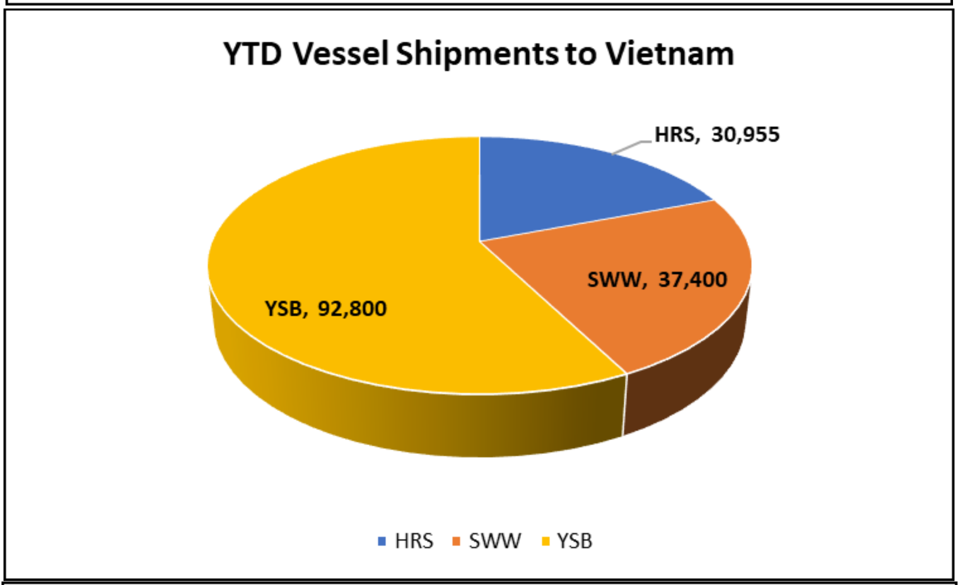
[Jan - Dec 2021 Annual Totals versus 2022 YTD Container Shipments (in MT)]

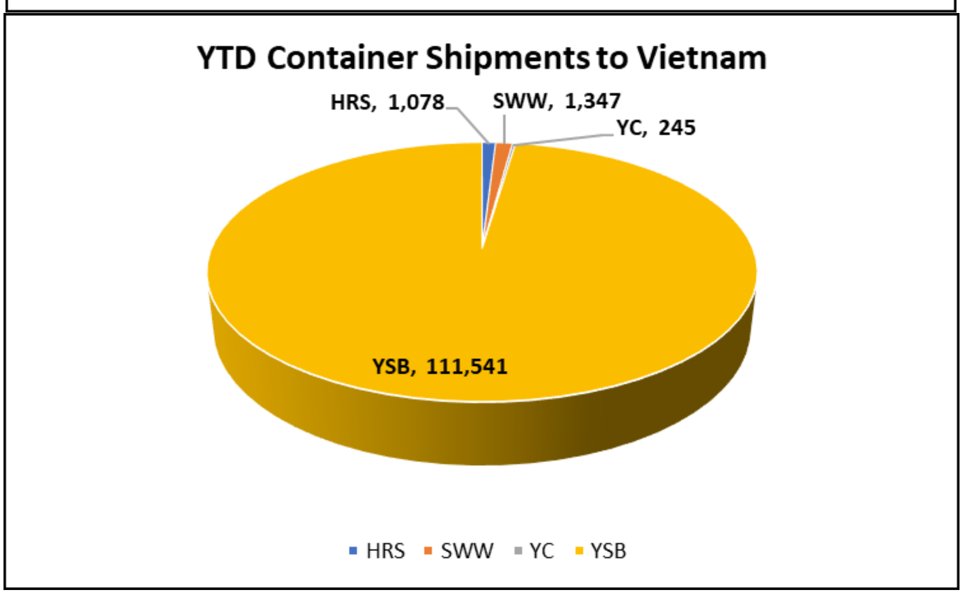




2022 YTD Total Grain Exports reported by USDA (in MT)





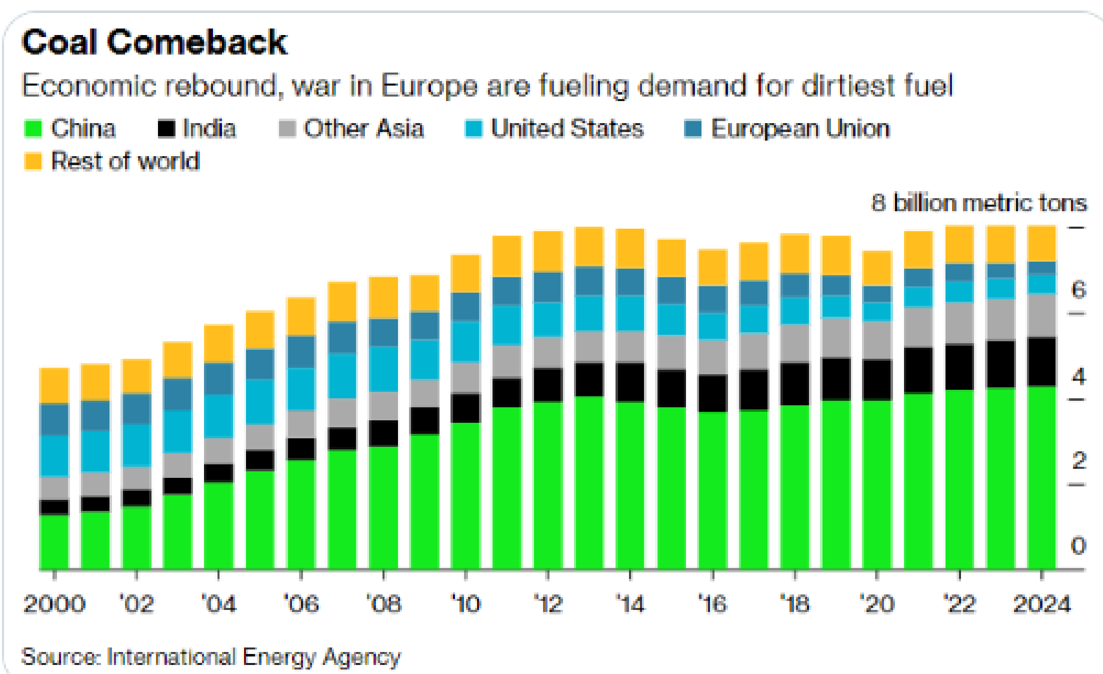


*Please keep in mind that USDA does not report DDGS sales

Source: USDA-data

Shipping News

Is ther a “good” corrolation between Crude Oil prices and Dry bulk Freight Rates ?



Marine Exchange @MXSOCAL · 3h ···

Ship Report 4/26: 85 total ships inport LA/LB including 23 at anchor or loitering & 62 at berths. Of the 85, 30 are container ships including 4 at anchor or loitering & 26 at berths. 2 vessels loitering; 1 container ship, 1 tanker.

More: facebook.com/mxsocal


Dustin Braden @dbrades89 · 16m
Container analyst @DrewryShipping expects #supplychain delays to persist through the first half of 2023 bit.ly/36Wm4ll @JOC_Updates
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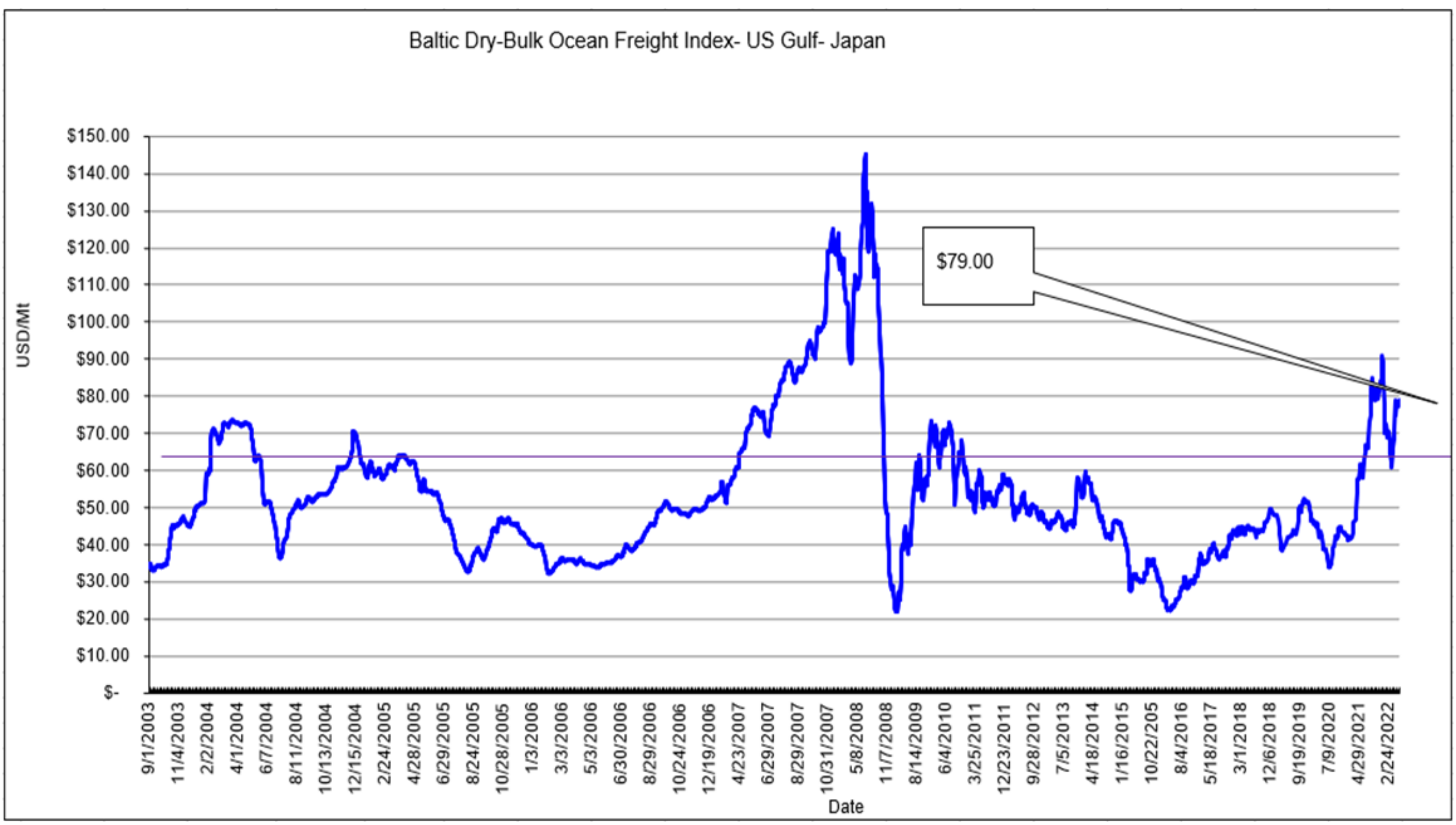
Baltic Dry-Bulk Ocean Freight Index- US Gulf- Japan
USD/Mt
$150.00
$140.00
$130.00
$120.00
$110.00
$100.00
$90.00
$80.00
$70.00
$60.00
$50.00
$40.00
$30.00
$20.00
$10.00
$-
$79.00
9/1/2003
11/4/2003
2/2/2004
4/1/2004
6/7/2004
8/11/2004
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12/15/2004
2/24/2005
4/28/2005
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3/25/2011
12/23/2011
9/28/2012
7/5/2013
4/18/2014
1/16/2015
10/22/2015
8/4/2016
5/18/2017
3/1/2018
12/6/2018
9/19/2019
7/9/2020
4/29/2021
2/24/2022
Date

Lori Ann LaRocco @loriannlarocco · 8m

SHANGHAI TRADE MOVING AT SLOTH'S PACE:
- Lack of drivers the reason behind the 80% decrease in container pick up.
-Truck permits only valid for 24 hours.
-Cities around #Shanghai seeing an increase in cases & implementing restrictions.
-Gov't can commandeer booked trucks

Asia Pacific
Port Situation Update – 28th April

PORT	STATUS	UPDATE
SHANGHAI	🔴	Heavy berth congestion especially in WGQ 2 and 5 with delays of more than 5 days. Port closed almost 1 day on the 24th due to dense fog.
NINGBO	🔴	Berthing waiting time worsening to 3 days. Ports closed for some time over the weekend due to dense fog.
SHEKOU	🟡	Berth waiting time around 1 to 1.5 day. Yard utilization around 85%. Shekou terminal accepts laden gate-in from vessel ETB-5 since 13/April
QINGDAO	🟡	Waiting time around 2 days, due to port closure over weekend due to dense fog.
XINGANG	🟢	Situation normal
NANSHA	🟡	Moderate berthing delay within 1 day. Yard utilization healthy.
YANTIAN	🟢	Berthing wait less than 1 days, yard density 80-90%
XIAMEN	🟢	Situation normal
HONG KONG	🟢	Situation normal. Wait for berthing within 0.5 day.
SINGAPORE	🟢	Berth waiting time less than 1 day.
CAT LAI	🟡	Port operations are normal. Slight congestion with waiting time for berth at around 2 -3 days due to congestion as previous port such as Shanghai
CAI MEP	🟡	Port operations are normal. Slight congestion with waiting time for berth at around 1 - 2 days.
HAI PHONG	🟢	Port operations are normal. No congestion
DA NANG	🟢	Port operations are normal. No congestion

🟢 Normal
🟡 Some Congestion
🔴 Heavy Congestion

MAERSK

Trading update for Q1 2022 and 2022 full year guidance adjustment

April 26, 2022

ANNOUNCEMENT

A.P. Møller - Mærsk A/S – Trading update for Q1 2022 and 2022 full year guidance adjustment

A.P. Møller - Mærsk A/S (APMM) has realized a financial performance for the first quarter of 2022 ahead of previous expectations with a revenue of USD 19.3bn, an underlying EBITDA of USD 9.2bn and an underlying EBIT of USD 7.9bn. The strong result is driven by the continuation of the exceptional market situation within Ocean, which has led to a 7% decline in volumes and an average 71% increase in freight rates compared to Q1 2021.

As a consequence of the strong Q1 results, the expectation that the current market situation will continue in Q2 combined with higher contracted rates, APMM now expects the full year 2022 to be stronger than previously anticipated. Consequently, the full year guidance for 2022 has been revised upwards. Underlying EBITDA is now expected to be around USD 30bn (previously around USD 24bn), underlying EBIT is expected around USD 24bn (previously around USD 19bn) and a free cash flow above USD 19bn (previously above USD 15bn).

The current earnings guidance is still based on an assumption of normalization in Ocean early in the second half of 2022. Based on volume developments in the first quarter, APMM has revised downwards its outlook for the growth of global container demand from 2-4% to -1/+1%.

APMM will publish its Q1 interim result on May 4th 2022.

Copenhagen, 26 April 2022

Russia-Ukraine News

Olesya Kalynchuk @OKalynchuk · 20h

First panamax of Ukrainian corn after the war started. 71.200 mt in total. Expected to complete tonight

10 24 82

CHS Hedging @hedgeit · 23m

KYIV, April 28 (Reuters) - Ukraine and Bulgaria have reached an agreement on transporting Ukrainian grain via the Bulgarian port of Varna, Ukrainian President Volodymyr Zelenskiy said after talks on Thursday with Bulgarian Prime Minister Kiril Petkov.

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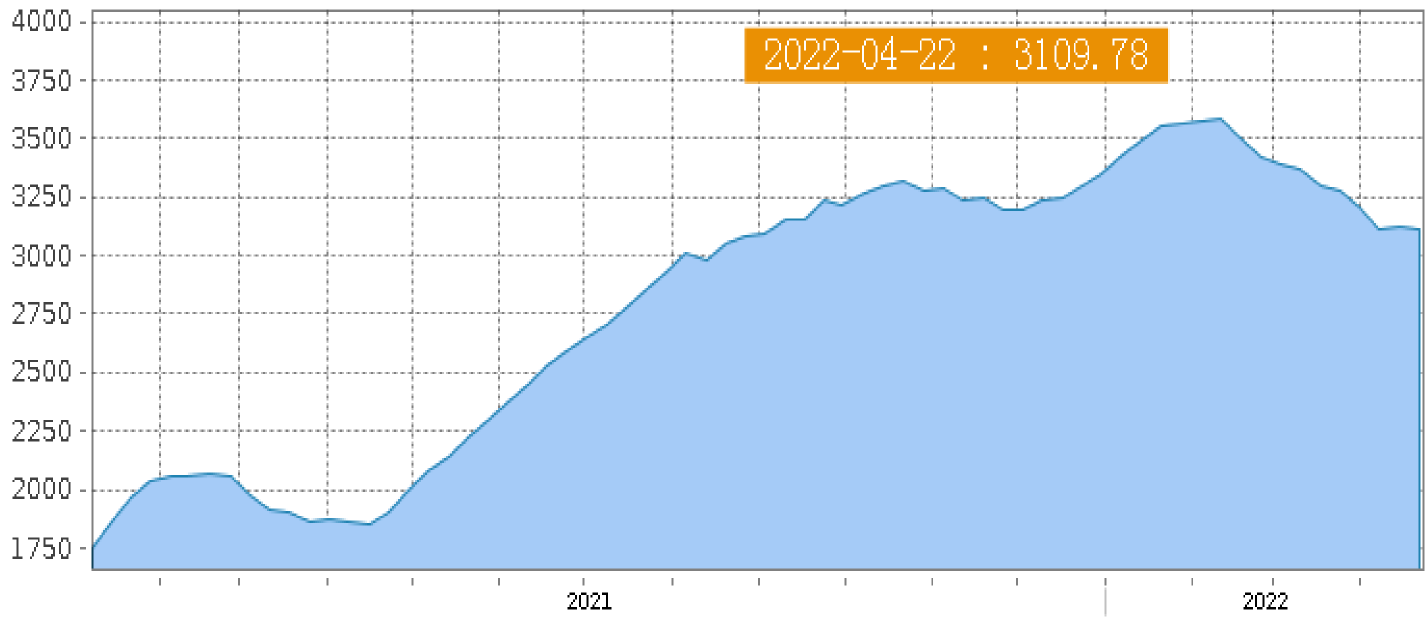
China Containerized Freight Index



China Import Dry Bulk Freight Index

Secondary Rail Car Market for Car placement period: Last Half May 2022

Secondary Rail Car Market Placement LH.May 2022	BID USD	ASK USD	BID BU.	ASK BU.	BID MT	ASK MT
BNSF Shutle Trains	$ 500.00	$ 1,000.00	$ 0.13	$ 0.25	$ 4.92	$ 9.84
UPRR Shuttle Trains	$ 2,700.00	$ 3,700.00	$ 0.68	$ 0.93	$ 26.57	$ 36.42

U.S. RIVER BARGE FREIGHT

Barge Freight for Loading Placement Last Half May 2022

Placement LH May 2022	% of Tariff	MT	Corn BU	Soybeans-Wheat BU
Upper Mississippi	565	$38.55	0.98	1.05
Illinois River (Pekin and South)	515	$35.14	0.89	0.96
Mid-Mississippi	540	$26.55	0.67	0.72
Lower Ohio	485	$23.84	0.61	0.65
St. Louis	425	$18.69	0.47	0.51

Best Regards,

Jay

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