☘ **HJ O'NEIL COMMODITY CONSULTING**

Transportation and Export Report for 12 May 2022

Even with Chinese bulk imports down by 9 % year to date, this week's uptick in Chinese iron ore demand caused excitement in global Capesize markets as they rallied higher; and other vessel markets decided to go along for the ride. Overall, global cargo demand for Dry bulk commodities does not look robust going forward. But poor logistics, and therefore slow turn times, due to Chinese port congestion, has provided Traders with reason for hope that rates can climb higher in 2022. The small 2022-2023 New vessel order book for Dry Bulk ships provides additional support for such thinking.
Container markets are, of course, dealing with the same Chinese port congestion issues and difficult logistics. When Chinese ports fully reopen from lock down requirements, a big wave of imports will hit U.S and E.U. container ports.

BALTIC DRY-BULK PANAMAX INDEX CHANGES

Panamax Ocean Freight Indices					
12-May-2022		This Week	Last Week	Difference	Percent Change
P2A: Gulf/Atlantic - Japan	Index	40550	38659	1,891	4.9%
P3A: PNW/Pacific - Korea	Index	27288	23610	3,678	15.6%
S1C: US GULF-China-So.Japan	Index	42050	41457	593	1.4%
P7: Trial- Miss. River - Qingdao	per ton	81.87	79.31	2.6	3.2%
P8: Trial- Santos - Qingdao	per ton	70.17	69.04	1.1	1.6%

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

Four weeks ago:	$8.80-$9.50
Three weeks ago:	$8.75-$9.50
Two weeks ago:	$9.75-$12.25
One week ago:	$12.00-$12.25
This week	$12.25-$15.00

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

Mississippi River:	(9 elevators)	2-6 days
Mid-Stream loaders:	(6+ Rigs)	0-1 days
Texas Gulf	(5 elevators)	0-9 days (1 Facility over 3 days)
Pacific Northwest:	(9 elevators)	0 - 8 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 mid-June.

Panamax Market Spreads to Asia -China					
12-May-2022	GULF	PNW	Bushel Spread	Tonne Spread	Advantage
CORN	1.14	1.85	0.71	$27.95	PNW
SOYBEANS	1.38	2.20	0.82	$30.13	PNW
OCEAN FREIGHT	$81.00	$46.00	.88 -.94	$35.00	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.

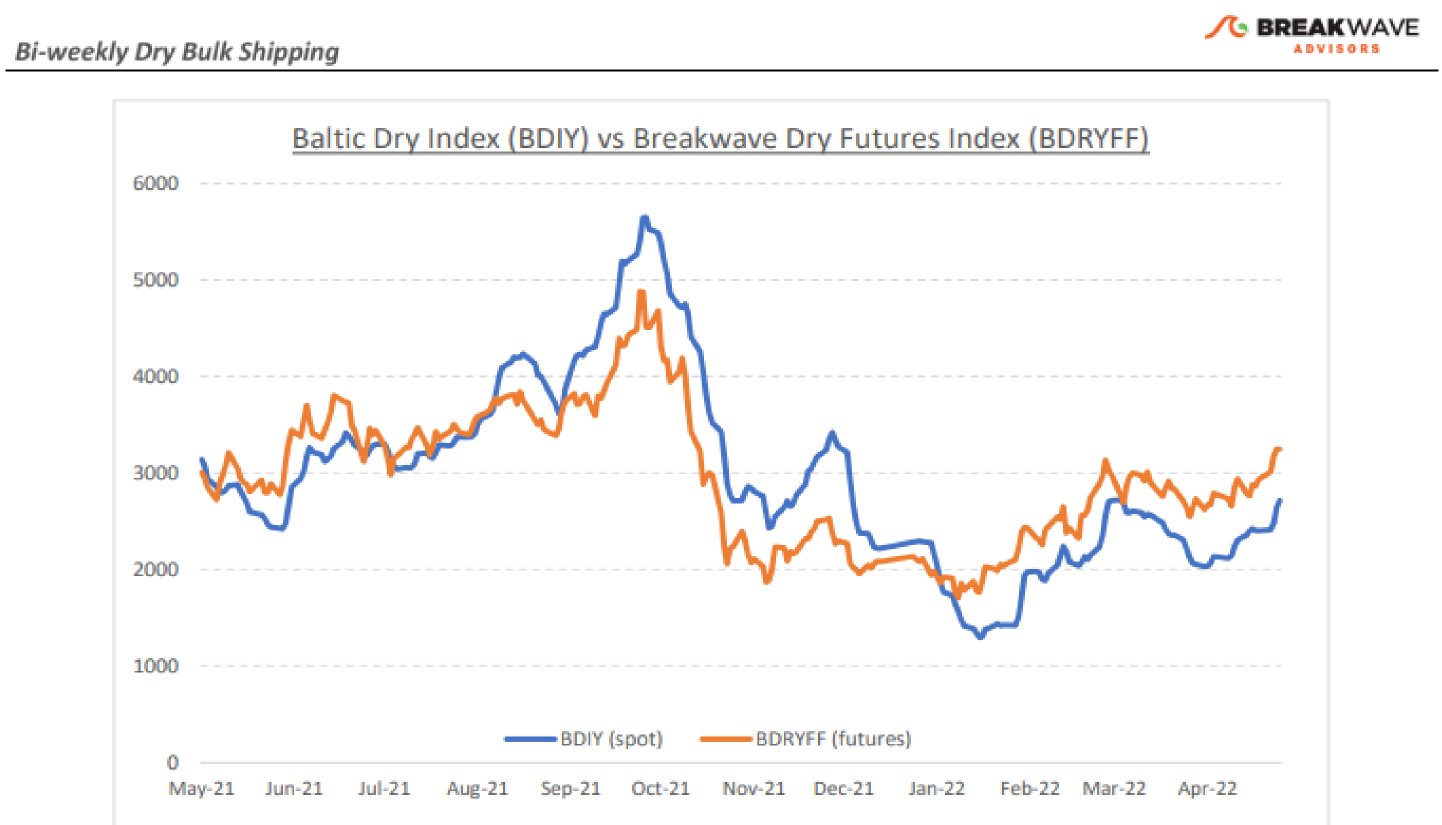
Soybean Panamax USG to Spain is running $58.50 -$59.50/mt.

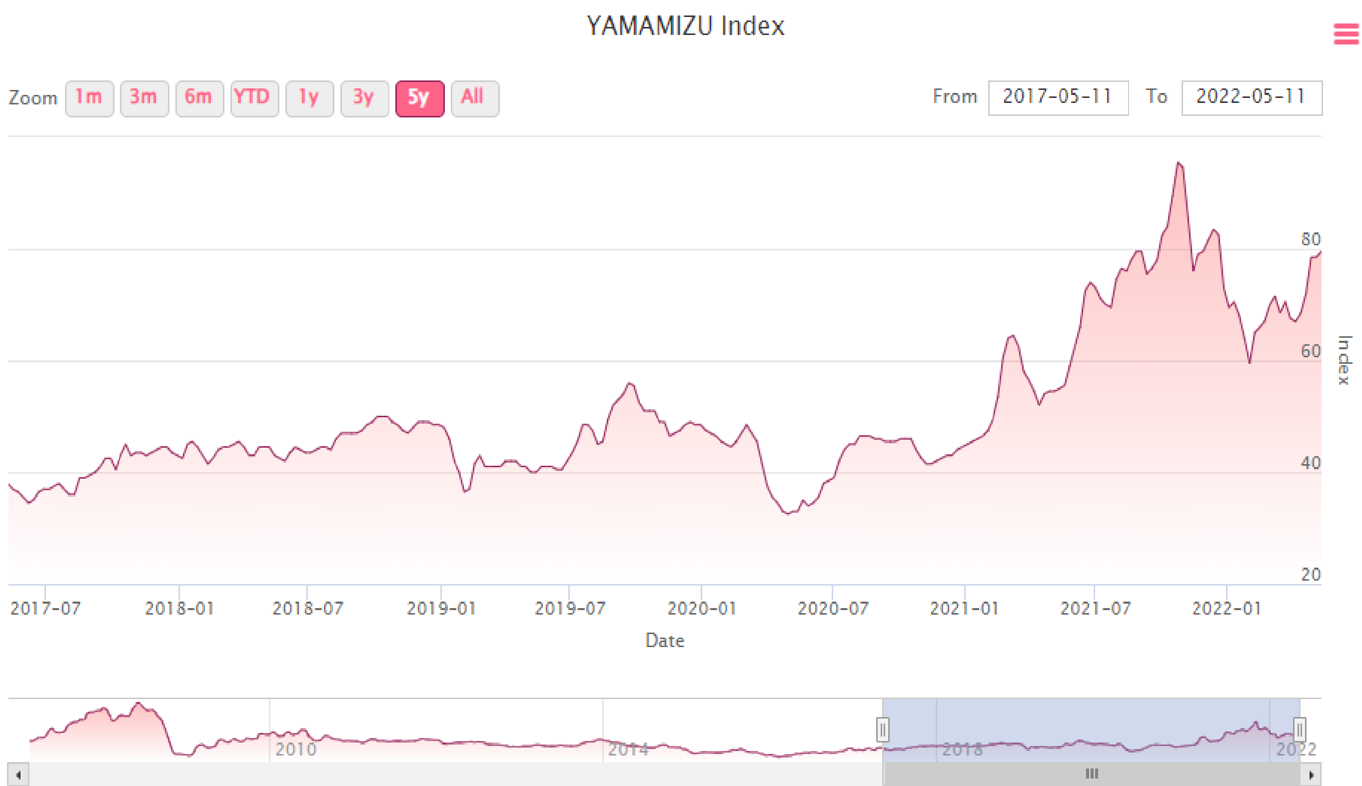
Soybean Brazil to Spain about $69.00 -70.50/mt.

Route and Vessel Size	Current Week USD/MT	Change from previous week	Remarks
55,000 U.S. Gulf-Japan	$82.00	Up $2.50	Handymax $82.00 mt
55,000 U.S. PNW- Japan	$46.50	Up $2.00	Handymax at $45.00 mt
65,000 U.S. Gulf – China PNW to China	$81.00 $46.00	Up $2.50 Up $2.00	North or South China
25,000 U.S. Gulf- Veracruz, México	$30. 75	Up $1.50	3,000 MT daily discharge rate
35-40,000 U.S. Gulf- Veracruz, México	$27.00	Up $1.50	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	$45.50 $45.00 $57.00	Up $2.00	West Coast Colombia at $54.00
40-45,000 U.S. Gulf - Guatemala	$54.00	Up $1.50	Acajutla/Quetzal - 8,000 out
30,000 US Gulf-Morocco	$74.00	Up $2.00	5,000 discharge rate
55-60,000 U.S. Gulf –Egypt PNW to Egypt	$73.50 $74.00	Up $2.25	55,000-60,000 mt Egypt Romania - Russia- Ukraine $33.00 -?? - ? France $45.00
58-74,000 U.S. Gulf – Europe – Rotterdam	$35.50	Up $3.00	Handymax at +$2.50 more
Brazil, Santos –China Brazil, Santos –China Up-River Port North Brazil	$72.50 $70.00 $78.50	Up $2.00	54-59,000 Supramax-Panamax 60-66,000 Post Panamax 55-60,000 mt
56-60,000 Argentina-China Deep draft	$77.50	Up $0.50	Up-River with Top Off Plus $3.85-$4.75

The Baltic Dry Bulk Freight Index

Baltic Panamax Index





China Import Dry Bulk Freight Index 2022-05-12					
Description	Volume	Cargo	Unit	Rate	Change
Composite Index			Point	1805.81	34.83
Iron ore Freight Index			Point	1717.61	53.42
Dampier(West Australia)-Qingdao (China)	170000/10%	Iron ore	$/ton	14.953	0.703
Soybean Freight Index			Point	1947.26	4.95
Santos(Brazil)— North China	66000/10%	Soybean	$/ton	70.07	0.18
Tacoma(West America)—North China	63000/10%	Soybean	$/ton	46.04	0.12
Mississippi(US Gulf)—North China	66000/10%	Soybean	$/ton	80.67	0.2

12 May 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 =	8.1350
Max. 14.5% moisture	BASIS	FLAT PRICE	BASIS	FLAT PRICE	N =	7.9150
June	1.14	**$356.48**	1.85	**$384.43**	U =	7.6375
July	1.11	**$355.29**	1.85	**$384.43**	Z =	7.5300
Aug.	1.40	**$355.79**	2.20	**$387.28**	H=	7.5625
Sept. (Z)	1.42	**$352.34**	2.26	**$385.41**	K =	7.5525
Oct.	1.56	**$357.85**	2.25	**$385.02**		
Nov.	1.52	**$356.28**	2.25	**$385.02**		

The Gulf spread between #2 YC & #3 YC is currently about .03 cents per bushel (1.09/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
June	2.00	**$398.99**
July	2.00	**$390.33**
Aug. (Z)	2.35	**$388.95**
Oct.	2.20	**$383.05**
Nov.	2.20	**$383.05**

Fob vessel Texas Gulf #2 Sorghum is about 112 % 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	$469.86	$460.67	$461.04	$463.61
Basis	1.00	0.75	0.73	0.80
WK	11.7450			.
WN	11.7875			
WU	11.8175			

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	1.38	**$643.65**	2.20	**$673.78**
July	1.35	**$642.55**	2.15	**$671.94**
Aug.	1.78	**$642.00**	2.55	**$670.29**
Oct.	1.90	**$613.80**	2.95	**$652.38**
Nov.	1.73	**$607.55**	2.82	**$647.60**
Soybean Futures				
May	$ 16.6025			
July	$ 16.1375			
Aug.	$ 15.6925			
Sept.	$ 15.1025			
Nov.	$ 14.8050			
Jan.	$ 14.8275			

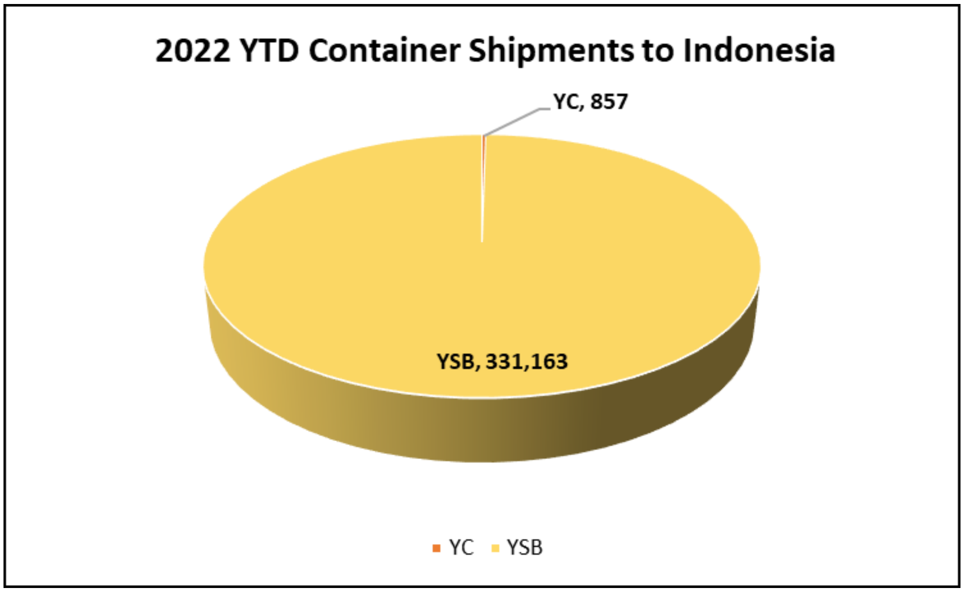
U.S. Soybean and SBM Markets Fob Vessel:

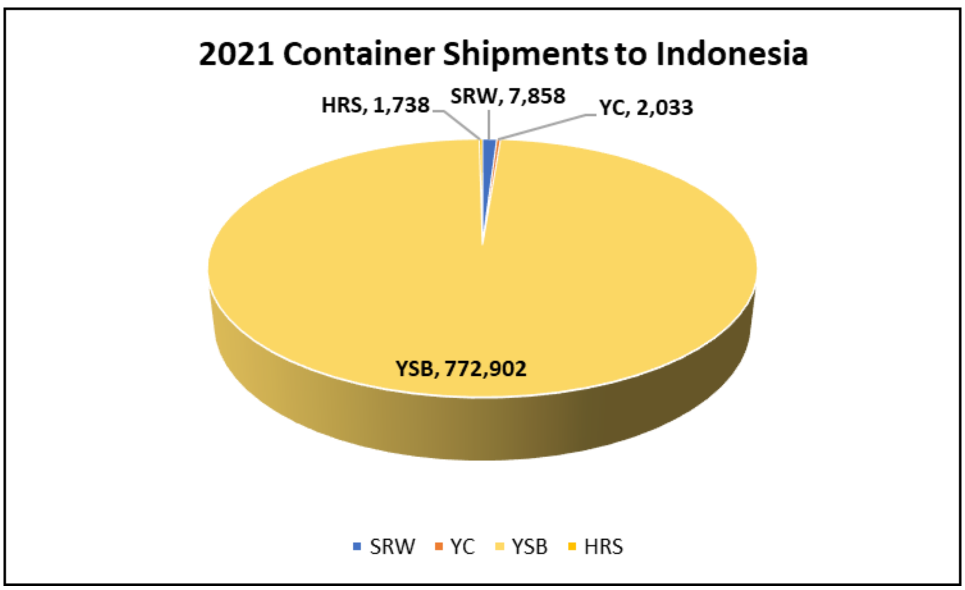
U.S. SBM (USD/MT) FOB Vessel		
Fob U.S. Gulf Port	47.5 Pro. SBM	
max 12.5 % moisture	Basis	Flat Price
June	40.00	**$ 480.69**
July	40.00	**$ 480.69**
Aug.	45.00	**$ 482.56**
Oct.	55.00	**$ 486.75**
Nov.	55.00	**$ 488.85**
SBM Futures		
SMK	$ 399.40	
SMN	$ 396.00	
SMQ	$ 392.70	
SMU	$ 390.00	
SMV	$ 386.50	
SMZ	$ 388.40	

<u>Data sheet below:</u> *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).*

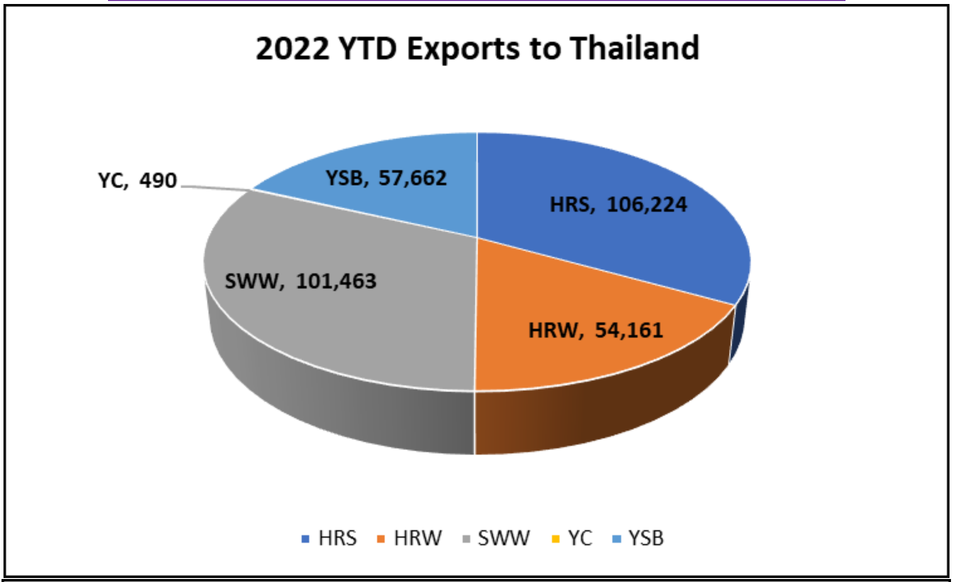
CONTAINER SHIPMENTS of GRAIN									
USDA Grain Inspections Report:			**5-May-2022**						
Last Week	metric tons								**MT**
	YC	**WC**	**YSB**	**SRW**	**NS**	**SWH**	**DUWH**	**Sorghum**	**TOTAL**
China			22,036					6,443	28,479
Taiwan	11,969		9,694						21,663
Hong Kong	391								391
Costa Rica	294								294
Indonesia			15,082						15,082
French Poly	171								171
Japan			980						980
Korea Rep.	1,249			514					1,763
Ireland									0
Malaysia			4,040						4,040
Singapore			367						367
Philippines	98		1,123						1,221
Thailand			905						905
Switzerland									0
Burma			1,616						1,616
Senegal			196						196
Nepal									0
Vietnam			2,718			49			2,767
Sub Total:	**14,172**	**0**	**58,757**	**514**	**0**	**49**	**0**	**6,443**	**79,935**
USDA Corrections/Additions to previous reports:									
Taiwan	514								514
China			980						980
Hong Kong	98								98
Korea Rep.									0
Ghana									0
Japan									0
Philippines									0
Indonesia			2,449						2,449
Malaysia									0
Thailand									0
Vietnam									0
Burma									0
Ireland									0
Sub Total:	612	0	3,429	0	0	0	0	0	4,041
Mt. Grand Total	**14,784**	**0**	**62,186**	**514**	**0**	**49**	**0**	**6,443**	**83,976**
Number of Containers	643	0	2,704	22	0	2	0	280	

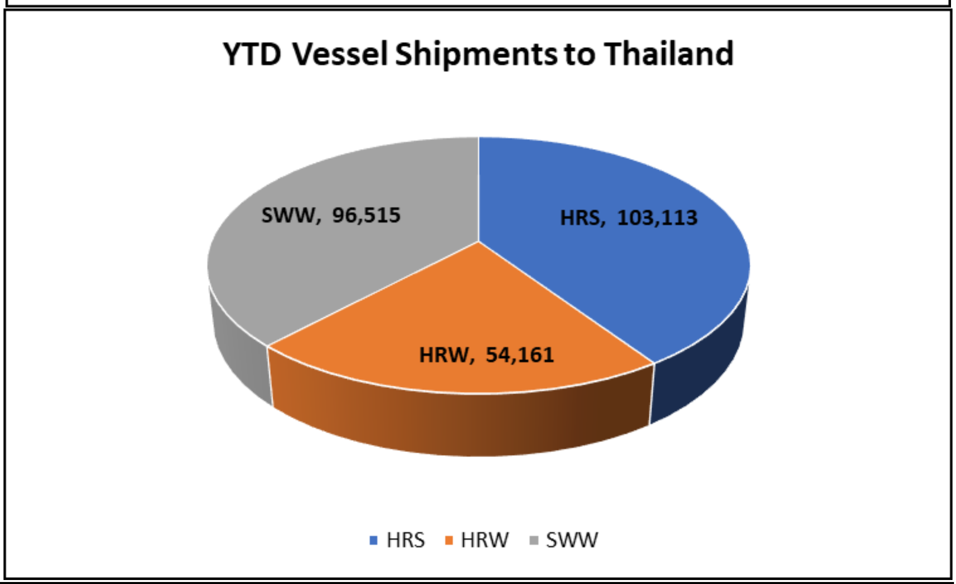
Jan - Dec 2021 Annual Totals versus 2022 YTD Container Shipments (in MT)

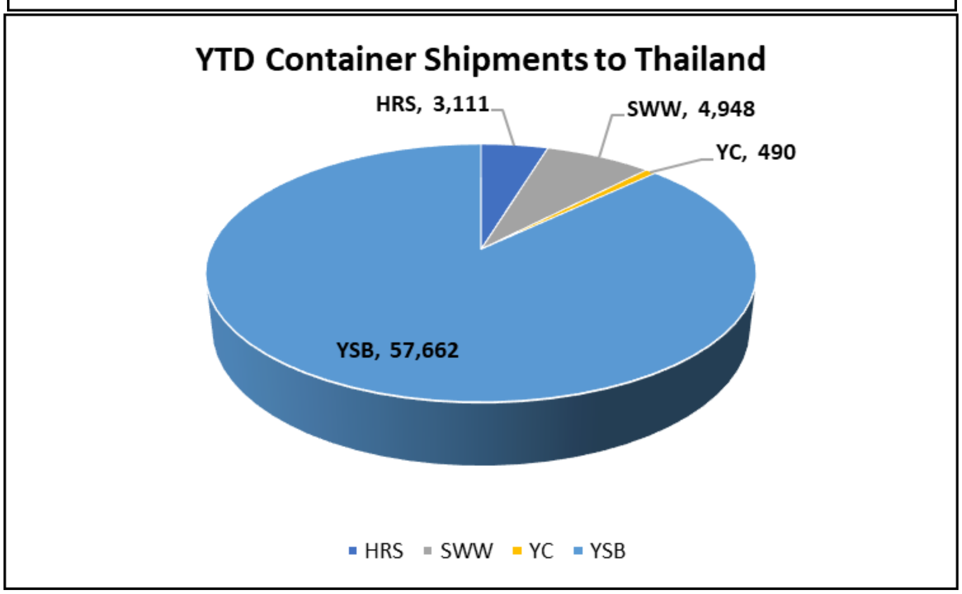




2022 YTD Total Grain Exports reported by USDA (in MT)

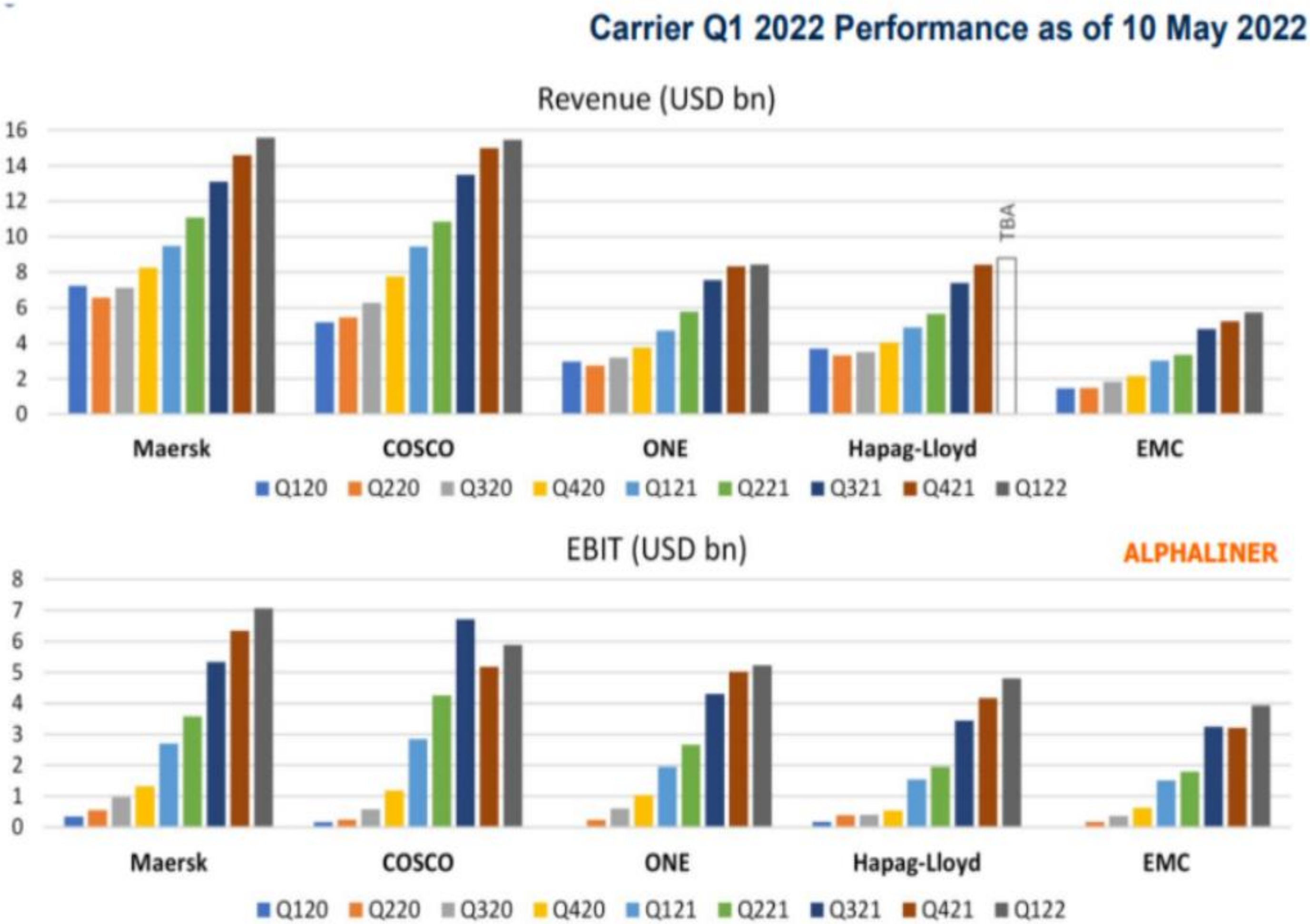






*Please keep in mind that USDA does not report DDGS sales

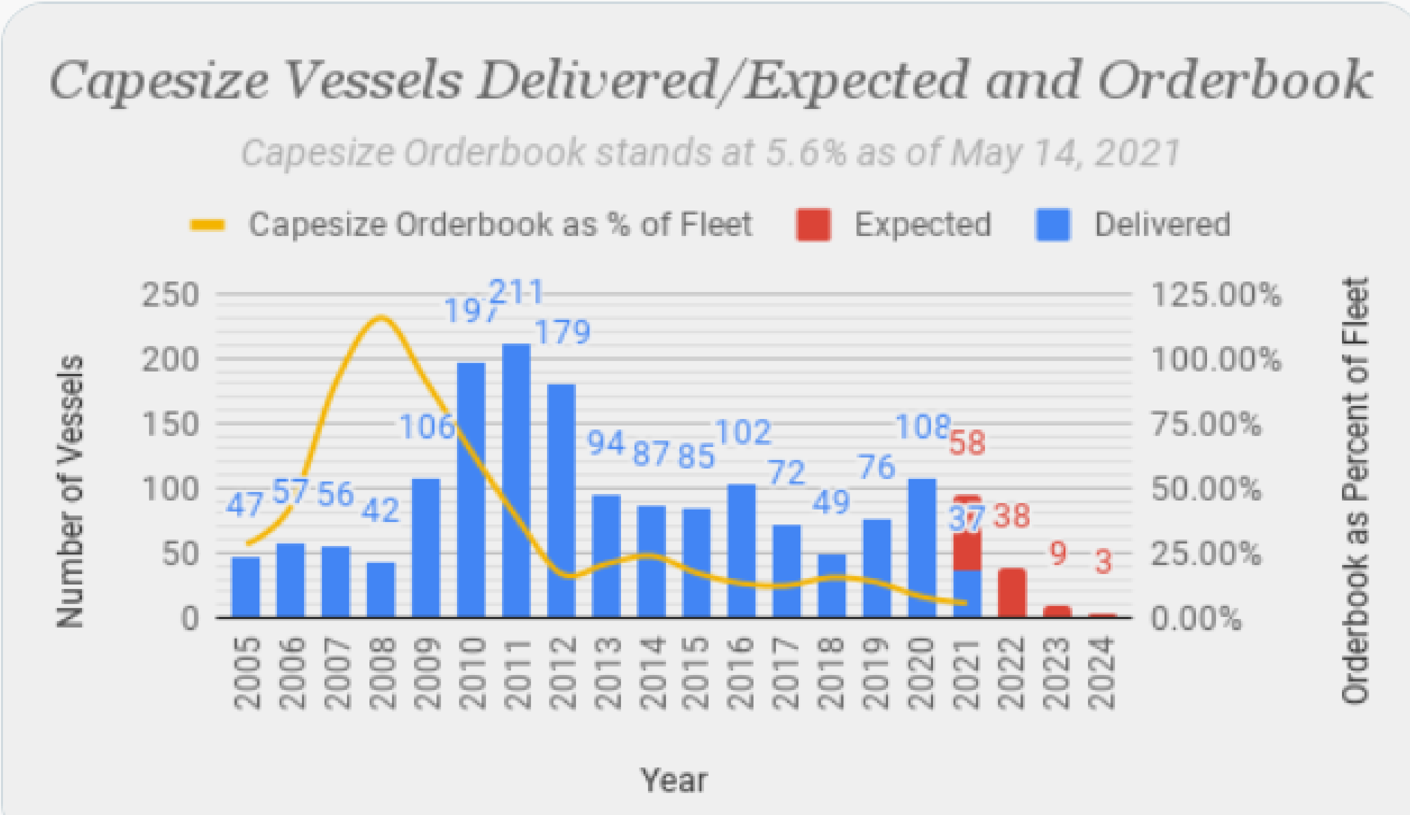
Source: USDA-data


Carrier Q1 2022 Performance as of 10 May 2022
Revenue (USD bn)
16
14
12
10
8
6
4
2
0
TBA
Maersk
COSCO
ONE
Hapag-Lloyd
EMC
Q120 Q220 Q320 Q420 Q121 Q221 Q321 Q421 Q122
EBIT (USD bn)
ALPHALINER
8
7
6
5
4
3
2
1
0
Maersk
COSCO
ONE
Hapag-Lloyd
EMC
Q120 Q220 Q320 Q420 Q121 Q221 Q321 Q421 Q122

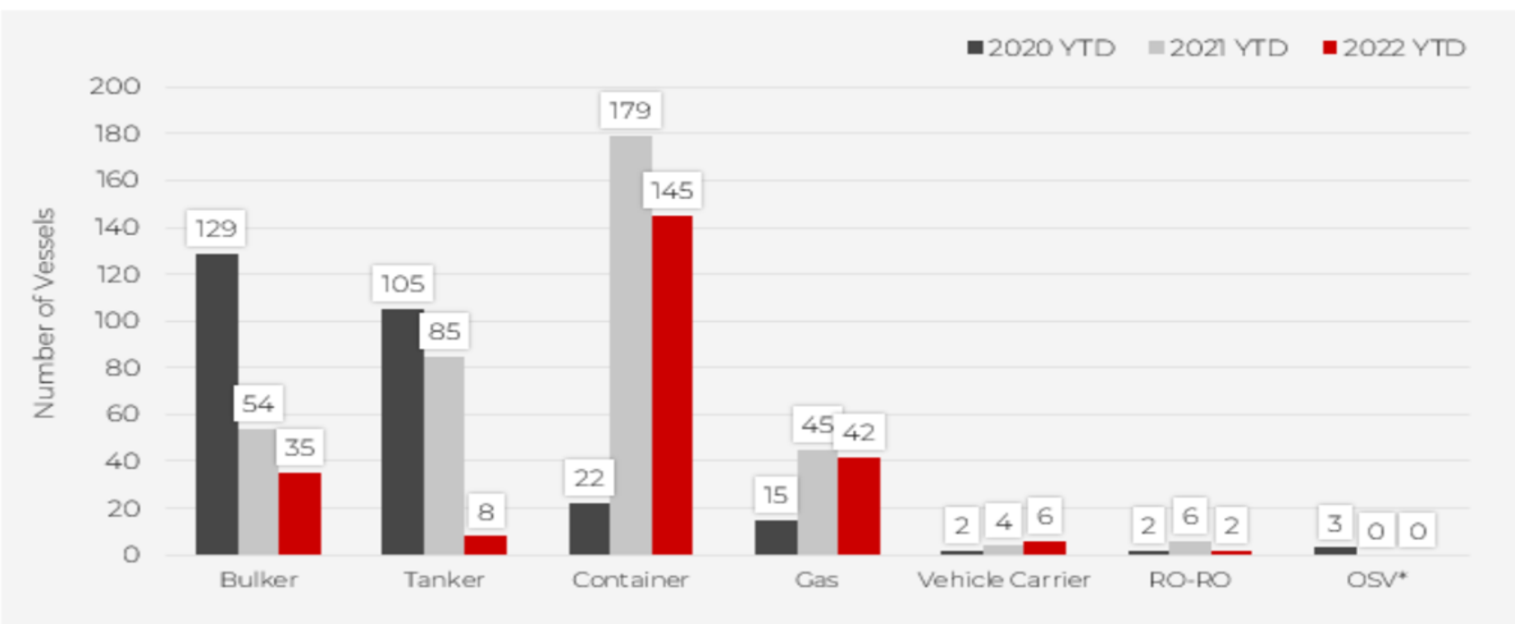
E. Finley-Richardson @ed_fin · 9h

#drybulk 🔥

h/t @JamesCatlin76



Newbuilding Orders YTD by Number of Vessels

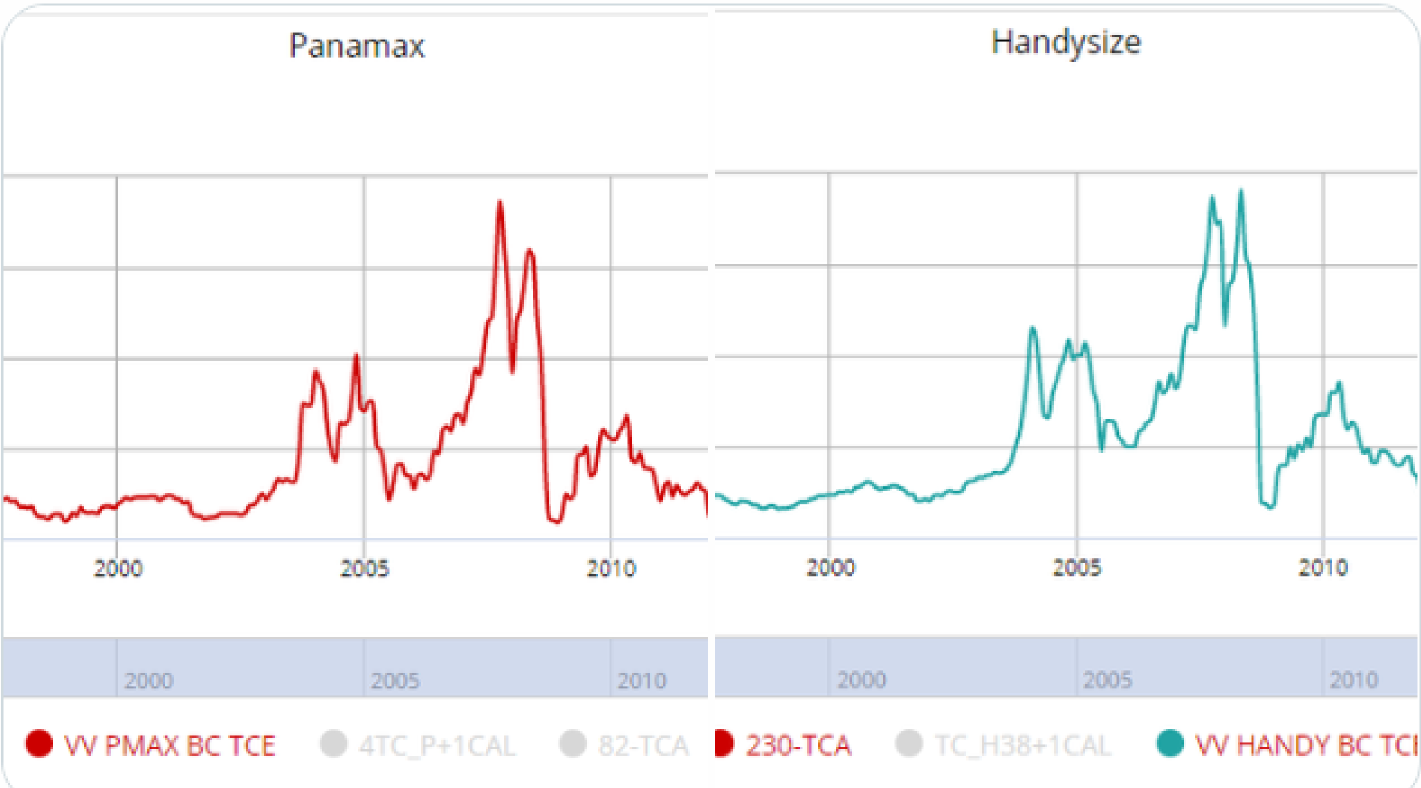


Source: VesselsValue

* Does not include FSVs and PSVs 300 DWT or under

James Catlin @JamesCatlin76 · 9h

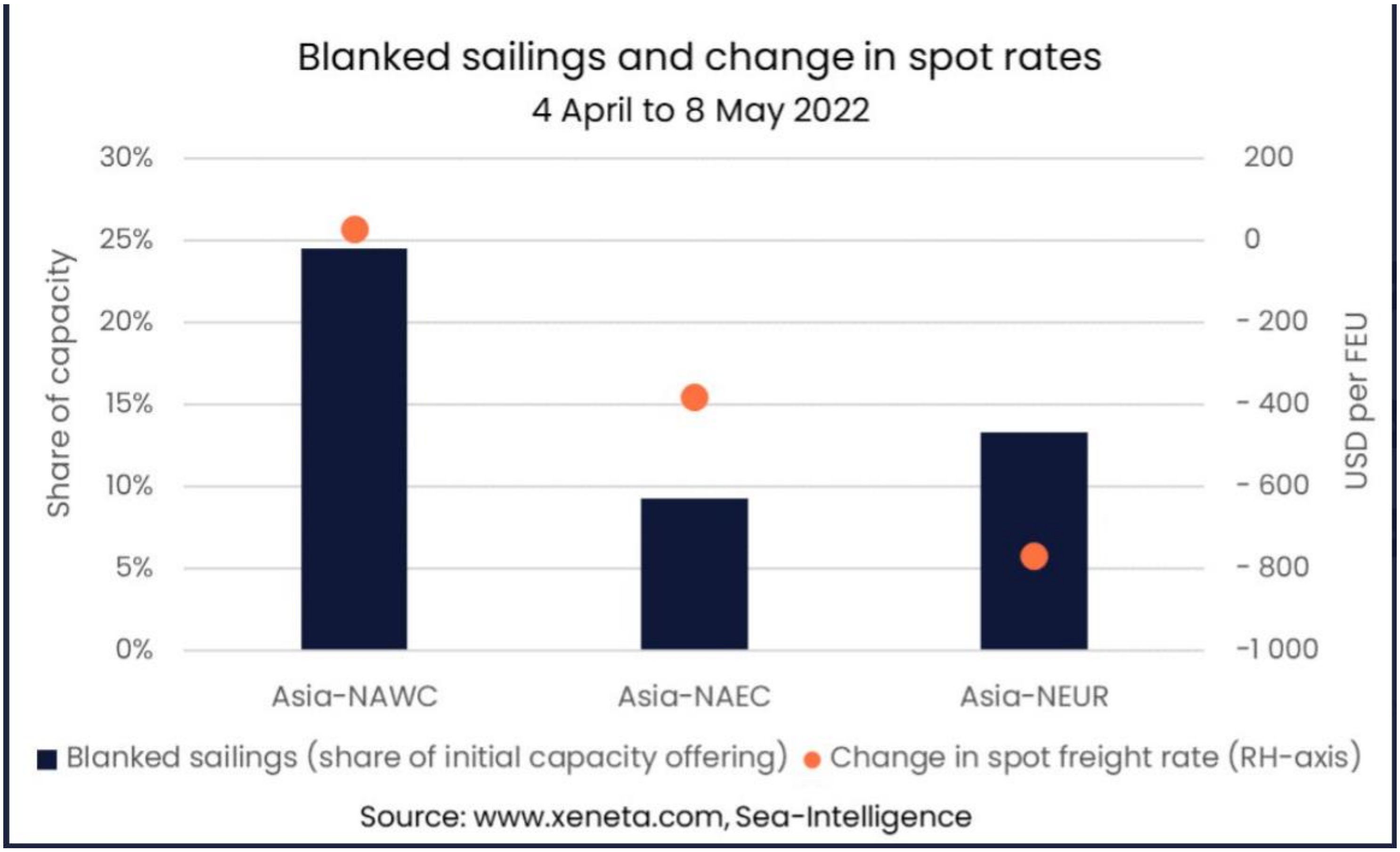
Remember #drybulk's glory years from 2002-2008? Those rates were a once in a lifetime thing, right? Or were they? 30-year charts for small and medium sized bulk carriers pictured below. This comes as the bulk orderbook is at a multi-decade low. Charts courtesy of @VesselsValue



Xeneta @joinxeneta · 7h

#Xeneta #WeeklyRateUpdate Week 19, 2022

#Carriers continue to blank sailings due to lower demand on the three largest #tradelanes out of the Far East bound for North Europe, North American East Coast and North American West Coast. Read more - hubs.ly/Q01b0HxR0

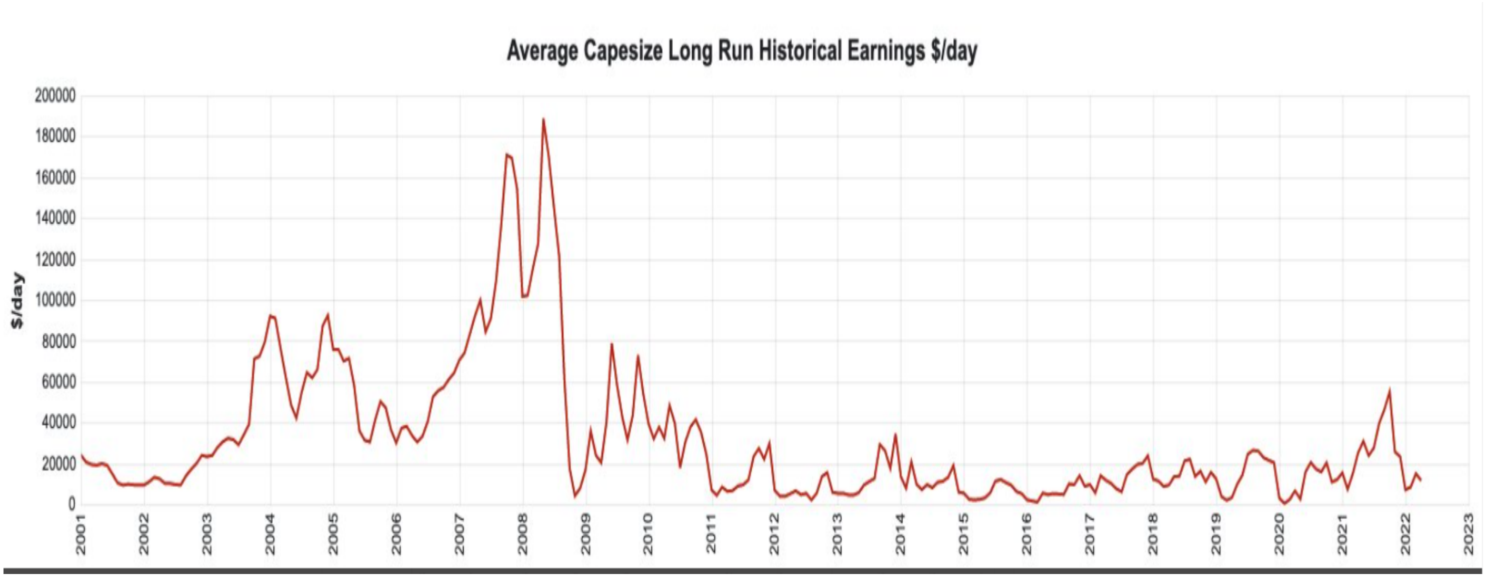


Tom Craig @LTDManagement · 1m

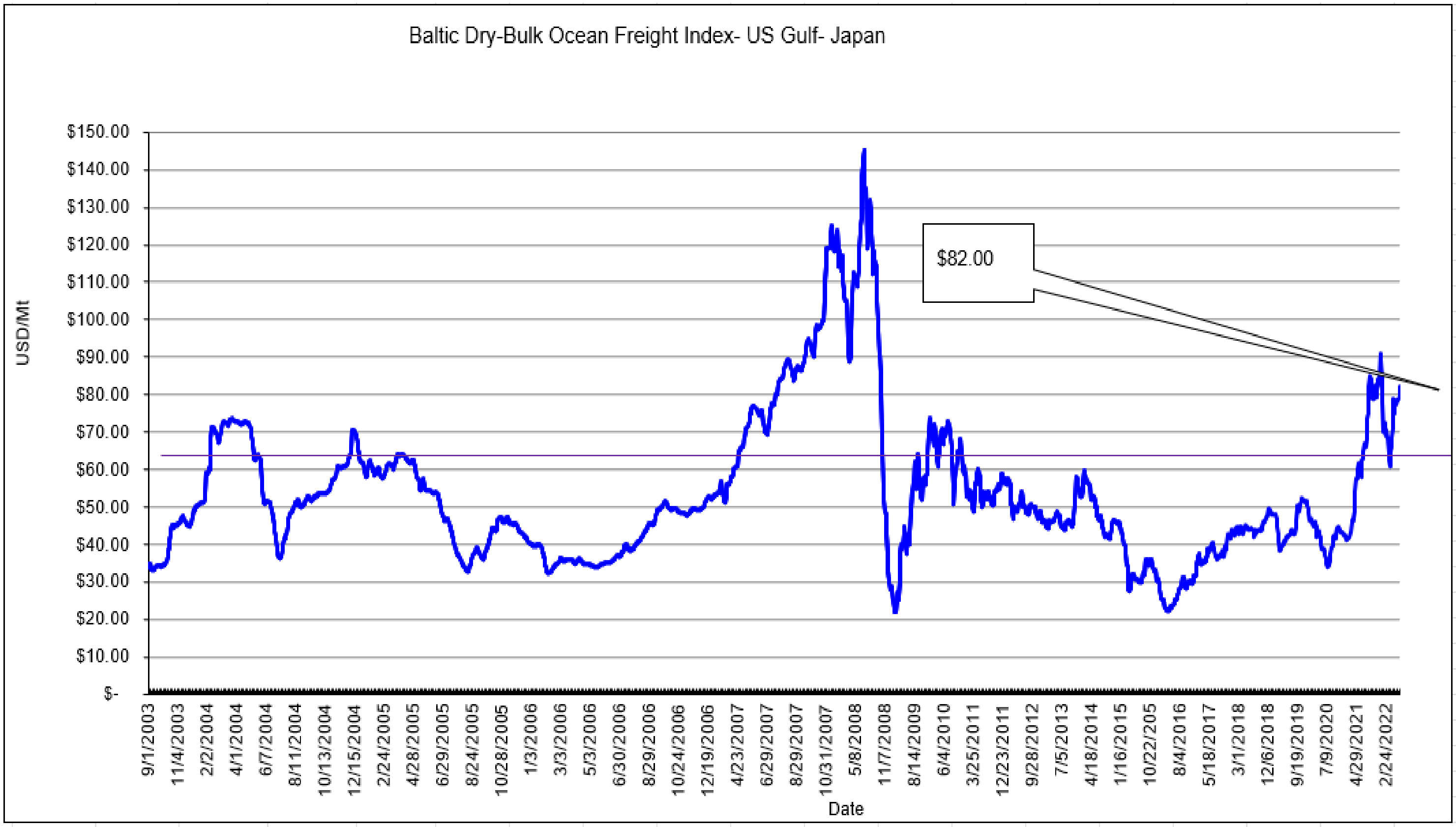
From Wall Street #Logistics

63

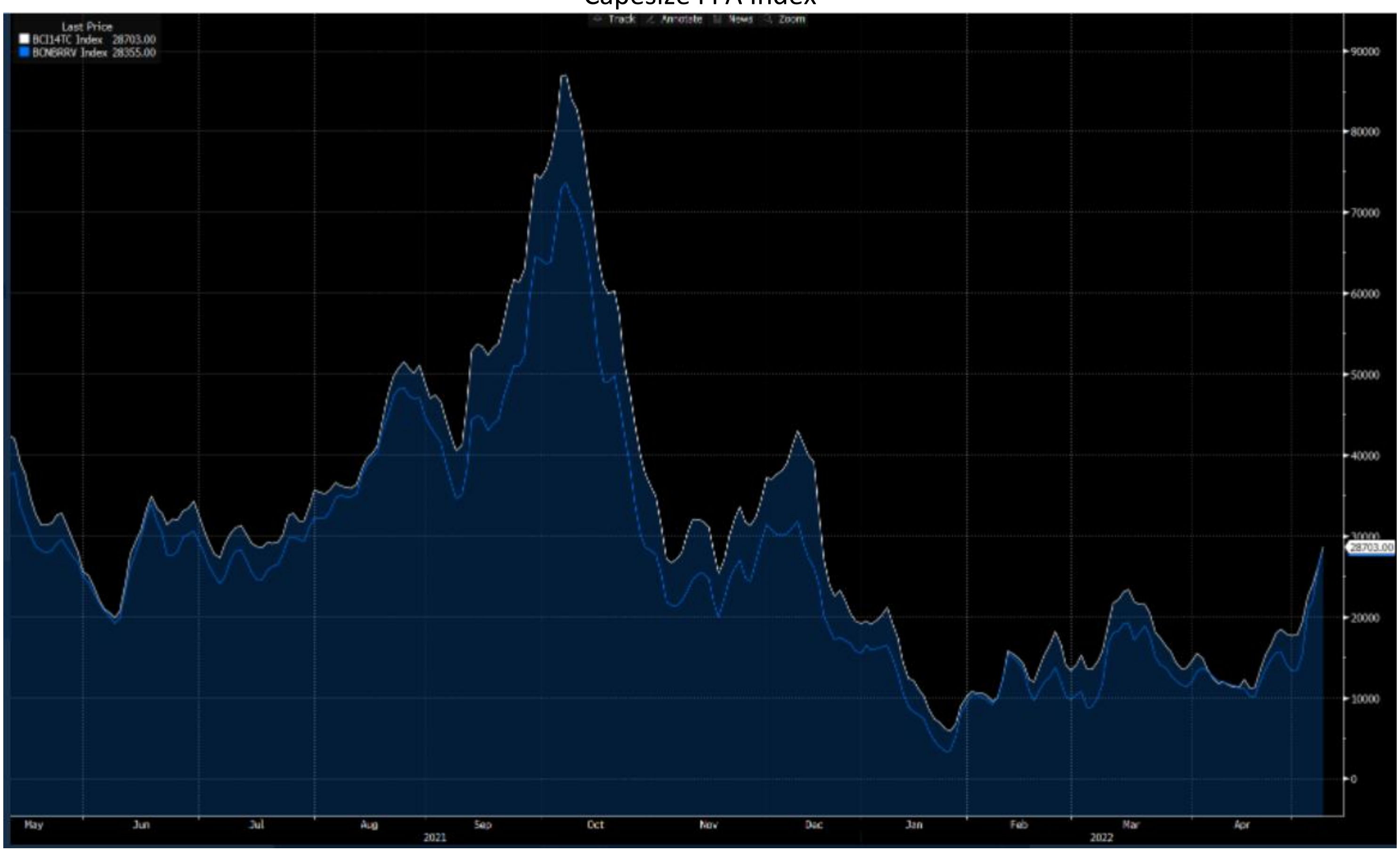
Number of sailings between Asia and the U.S. West Coast that #containerlines canceled between April 4 and May 8, removing the equivalent of about 25% of capacity from the market, according to Xeneta. Does it reflect China #ports & stabilize rates?



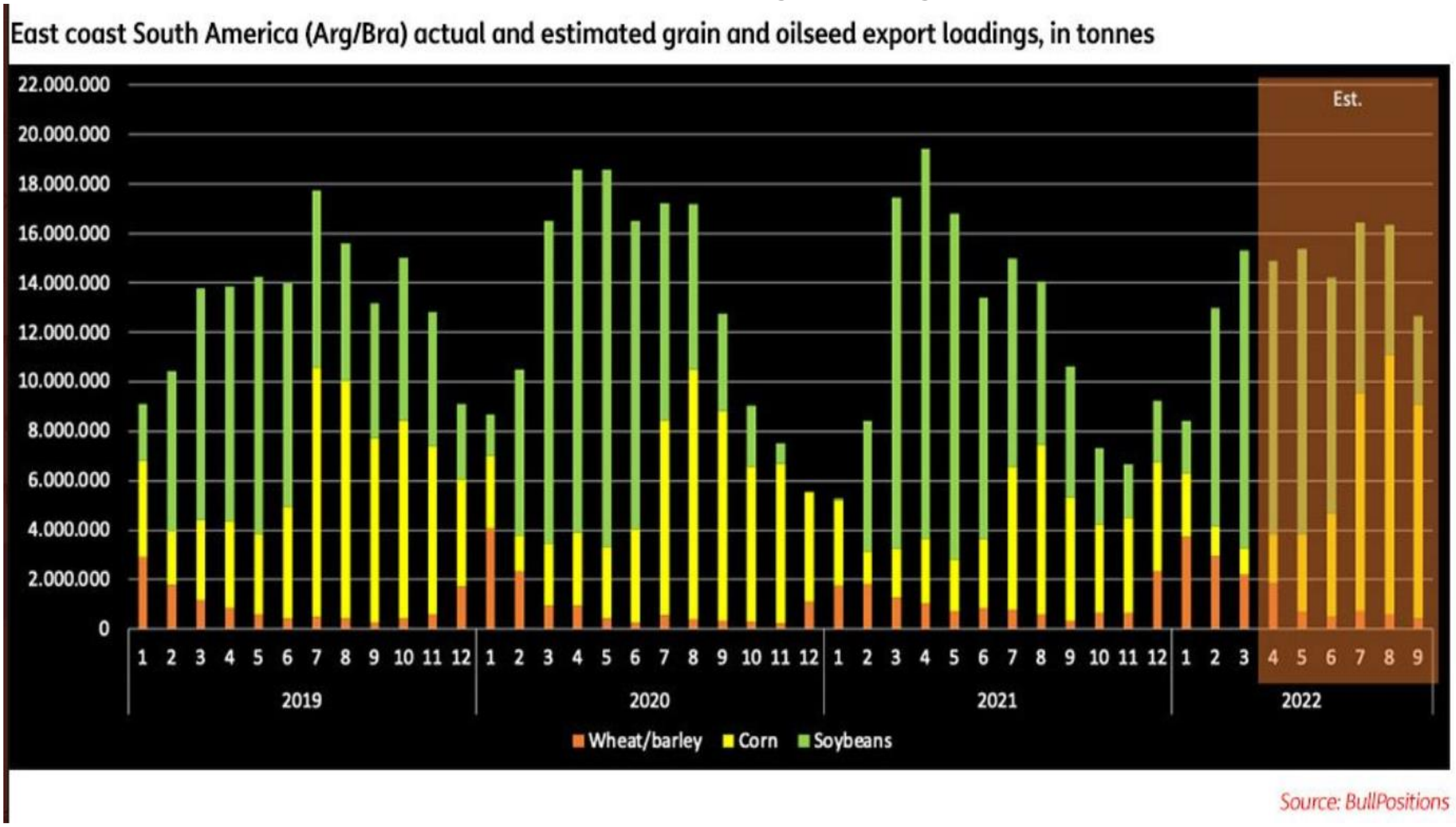
Vacation in Kansas ???



Capesize FFA Index



East Coast South America Cargo Loading estimates



ALIBRA Shipping Limited

Updated Wednesday 11 May 2022

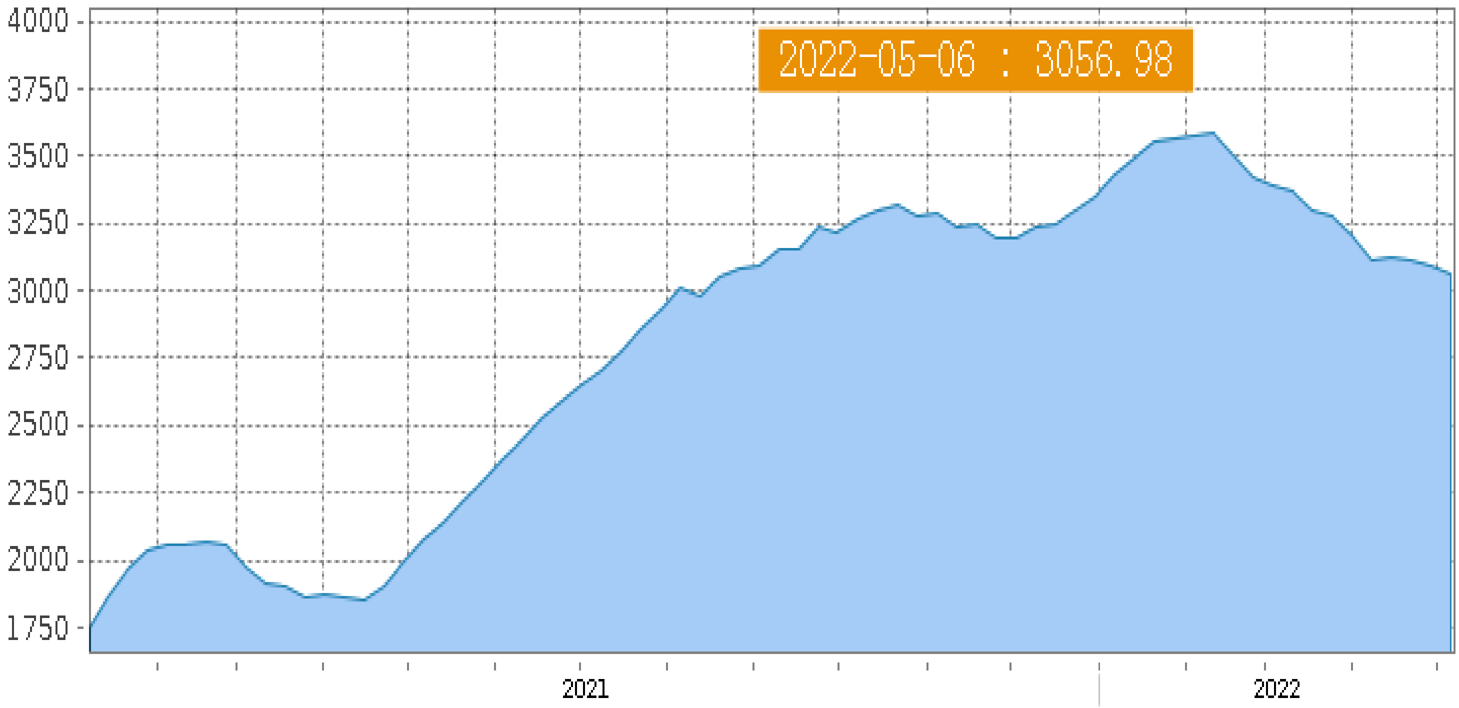
*Contact us for rates/charts on scrubber & eco tonnage.

DRY TIME CHARTER ESTIMATES ($/pdpr)

PERIOD	4/6 MOS		1 YR		2 YR	
SIZE	ATL	PAC	ATL	PAC	ATL	PAC
HANDY (38K dwt)	▼ 27,000	▲ 33,000	▼ 27,000	▲ 28,750	▲ 25,000	▲ 27,000
SMAX/ULTRA	▲ 29,000	▲ 34,000	▼ 27,500	▲ 27,750	▲ 26,000	▲ 25,000
PANA/KMAX	▬ 29,500	▼ 29,000	▼ 26,000	▼ 27,000	▬ 24,000	▼ 23,500
CAPESIZE	▲ 30,000	▼ 31,000	▲ 29,000	▲ 29,000	▲ 25,500	▲ 25,500

Russia-Ukraine News

China Containerized Freight Index



China Import Dry Bulk Freight Index

Secondary Rail Car Market for Car placement period: First Half June 2022

Secondary Rail Car Market Placement FH June 2022	BID USD	ASK USD	BID BU.	ASK BU.	BID MT	ASK MT
BNSF Shutle Trains	$ 100.00	$ 300.00	$ 0.03	$ 0.08	$ 0.98	$ 2.95
UPRR Shuttle Trains	$ 600.00	$ 1,000.00	$ 0.15	$ 0.25	$ 5.91	$ 9.84

U.S. RIVER BARGE FREIGHT

Barge Freight for Loading Placement First Half June 2022

Placement FH June 2022	% of Tariff	MT	Corn BU	Soybeans-Wheat BU
Upper Mississippi	575	$39.23	1.00	1.07
Illinois River (Pekin and South)	490	$33.43	0.85	0.91
Mid-Mississippi	515	$25.32	0.64	0.69
Lower Ohio	465	$22.86	0.58	0.62
St. Louis	385	$16.93	0.43	0.46

Best Regards,

Jay

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