

Transportation and Export Report for 14 May 2020

Dry Bulk markets continued their slow downward drift. The Capesize sector suffered the most, especially in the Atlantic. But all Dry bulk sectors are in the doldrums. Freight Traders have been starting out each with optimism but giving up to lack luster buying interest and throwing in the towel by weeks end. This is the cycle we are in and one that vessel owners and bankers are hoping will break before shipping companies do. Spot Capesize rates are at all time lows and Panamax daily hire rates are below \$5,500/day. So, the big question remains; are we there yet, have we hit bottom ?

BALTIC DRY-BULK PANAMAX INDEX CHANGES

Panamax Ocean Freight Indices				
14-May-2020	This Week	Last Week	Difference	Percent Change
P2A : Gulf/Atlantic - Japan	11232	12191	-959	-7.9%
P3A - PNW/Pacific - Japan	5987	5951	36	0.6%
S1C -USGULF-China-So.Japan	11411	11472	-61	-0.5%
P7- Trial- Miss. River - Qingdao	30543	32964	-2,421	-7.3%
P8- Trial- Santos - Qingdao	20021	20557	-536	-2.6%

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

Four weeks ago:	\$4.50-\$4.60
Three weeks ago:	\$4.30-\$4.90
Two weeks ago:	\$4.25-\$4.50
One week ago:	\$3.95-\$4.25
This week	\$3.60-\$3.75

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

Mississippi River:	(10 elevators)	2-7 days (2 facilities not currently operating)
Miss. River Mid-Stream loaders:	(6+ Rigs)	0-6 days
Texas Gulf	(5 elevators)	0-8 days (1 facility over 4 days)
Pacific Northwest:	(9 elevators)	1-11 days (only 1 facility over 4 days)

Panamax Market Spreads to Asia -China					
14-May-2020	PNW	GULF	Bushel Spread	MT Spread	Advantage
CORN	0.85	0.68	0.17	\$6.69	PNW
SOYBEANS	1.20	0.64	0.56	\$22.05	GULF
OCEAN FREIGHT	\$17.00	\$33.50	.42-.45	\$16.50	JUNE

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 \$13.50/mt.

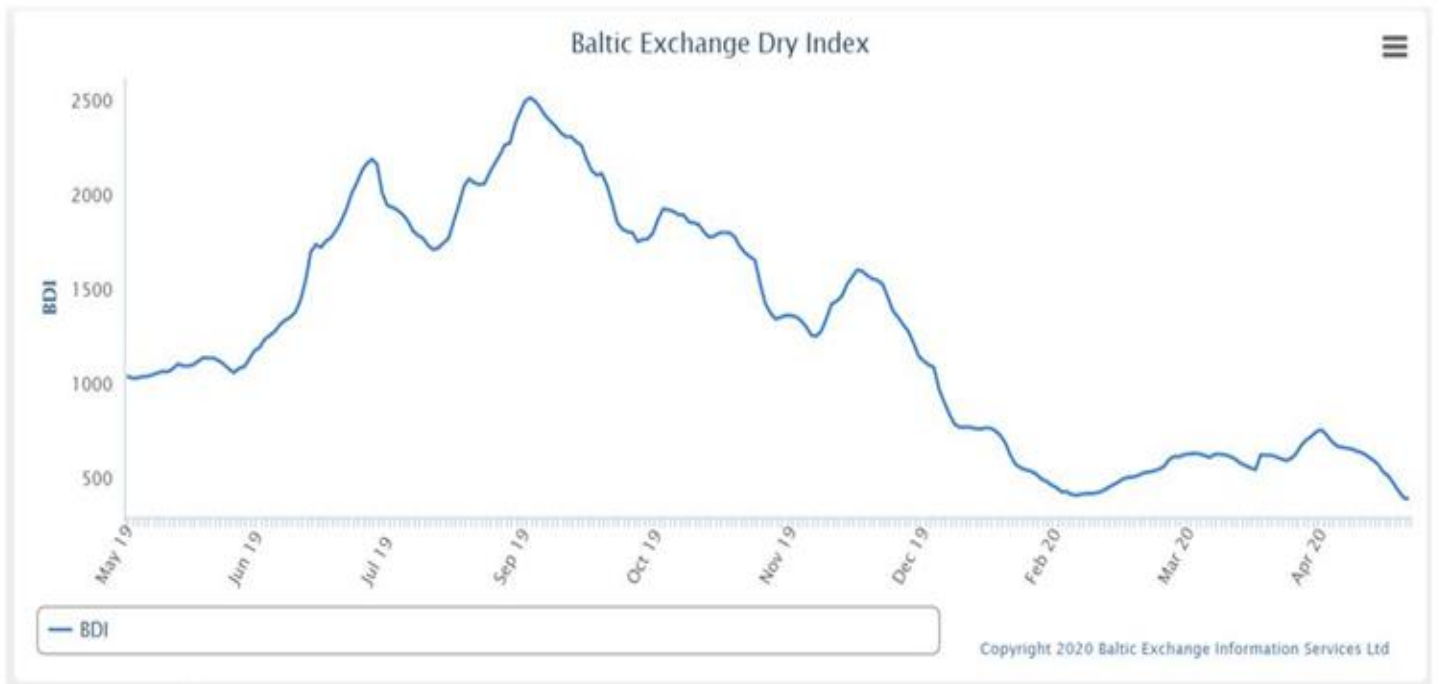
Soybean Brazil to Spain at about \$15.75-16.00/mt.

30,000 mt Corn Northern Brazil to Vera Cruz, Mexico \$14.75-\$15.25/mt .To U.S. E/C about \$16.25-17.00/mt

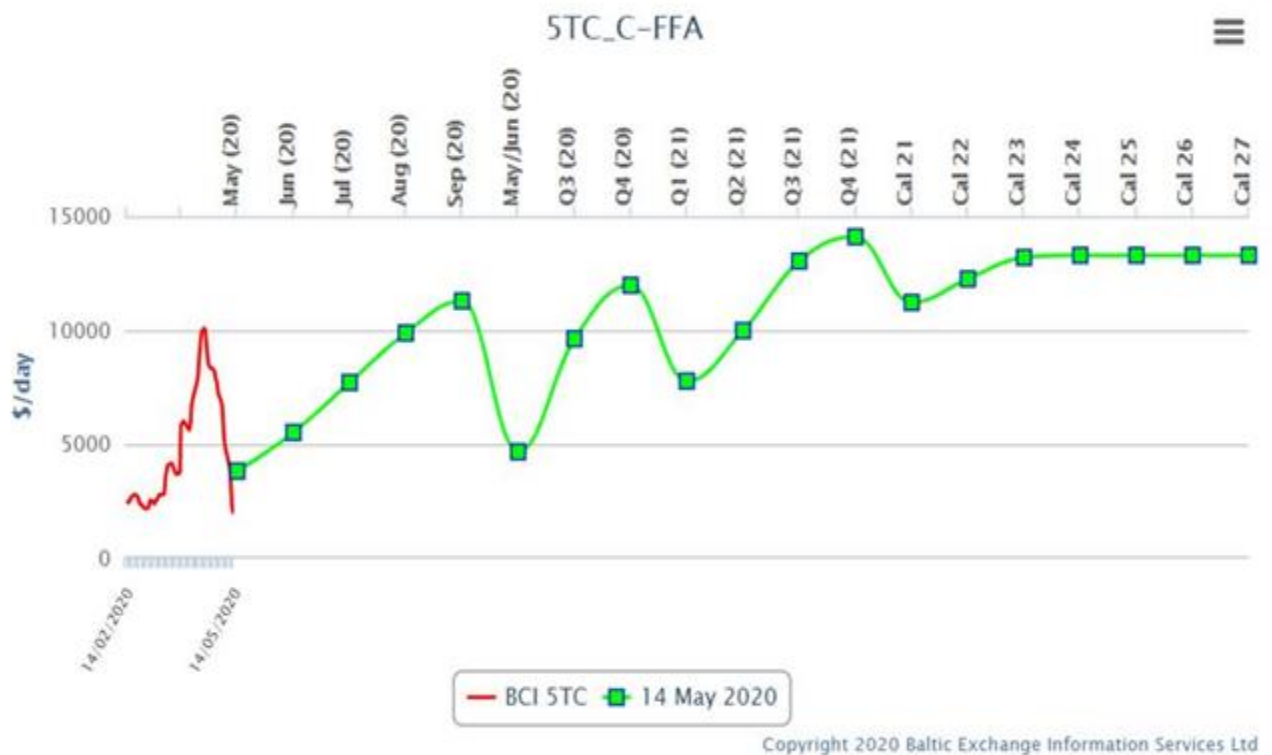
Route and Vessel Size	Current Week USD/MT	Change from previous week	Remarks
55,000 U.S. Gulf-Japan	\$34.00	Down \$1.00	Handymax \$34.50 mt
55,000 U.S. PNW- Japan	\$17.75	Down \$0.50	Handymax \$18.25 mt
66,000 U.S. Gulf – China	\$33.50	Down \$1.00	North China
PNW to China	\$17.00	Down \$0.50	
25,000 U.S. Gulf- Veracruz, México	\$14.75	Down \$0.25	3,000 MT daily discharge rate
30-36,000+ U.S. Gulf- Veracruz, México	\$11.75	Down \$0.25	Deep draft and 6,000 MT per day discharge rate.
30-38,000 U.S. Gulf- <u>East Coast Colombia</u> From Argentina	\$17.00 \$31.75	Down \$0.25	<u>West Coast Colombia at \$27.00</u> USG to E/C 50,000 mt at \$13.75
43-45,000 U.S. Gulf - Guatemala	\$26.50	Down \$0.50	Acajutla/Quetzal - 8,000 out
26-30,000 U.S. Gulf – Algeria	\$31.25 \$32.00	Down \$0.50	8,000 mt daily discharge 3,000 mt daily discharge
26-30,000 US Gulf-Morocco	\$31.50	Down \$0.50	5,000 discharge rate
55-60,000 U.S. Gulf –Egypt PNW to Egypt	\$22.50 \$20.50	Down \$1.00	60,000 -55,000 mt Romania- Russia- Ukraine \$8.25-\$8.25 -\$8.50 France \$10.75
60-70,000 U.S. Gulf – Europe – Rotterdam	\$11.50	Down \$0.50	Handymax at +\$1.75 more
Brazil, Santos – China Brazil, Santos – China Northern Coast Brazil	\$22.00 \$21.00 \$25.00	Down \$0.75	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	\$25.50	Down \$0.75	Upriver with BB Top Off \$29.75

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

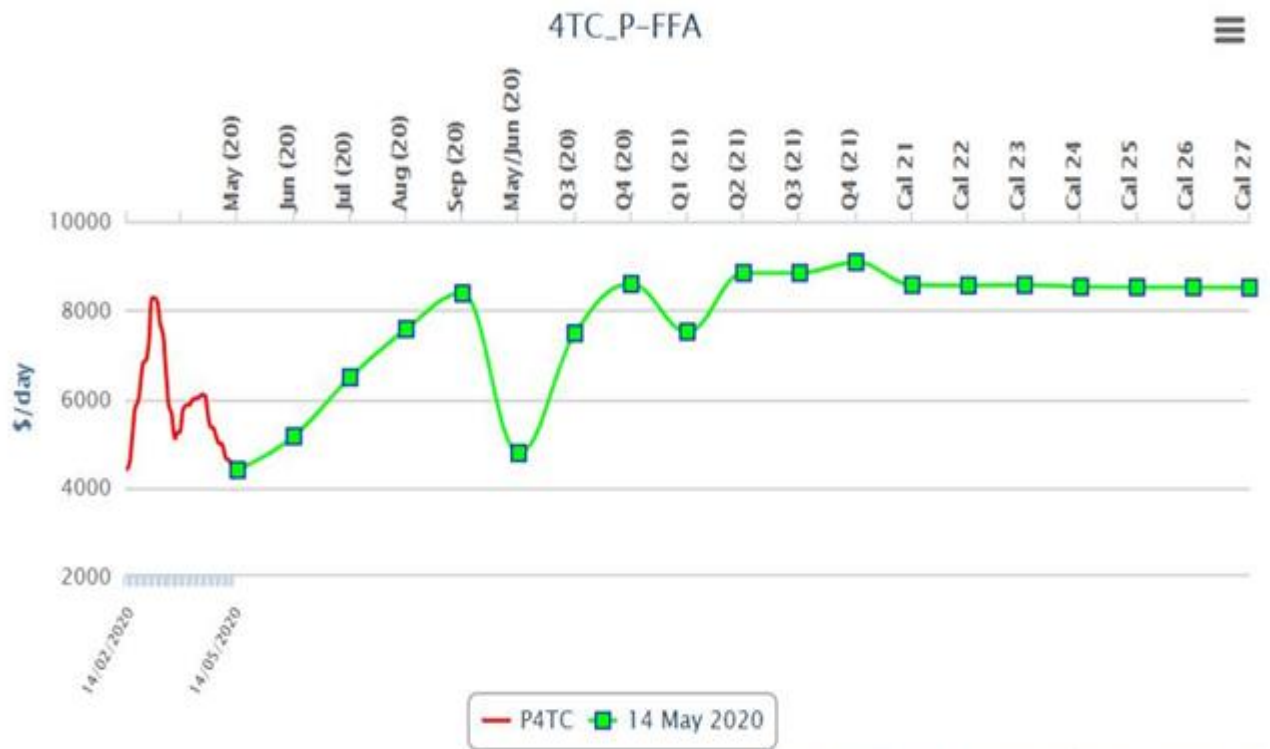
Baltic Dry Bulk Index.



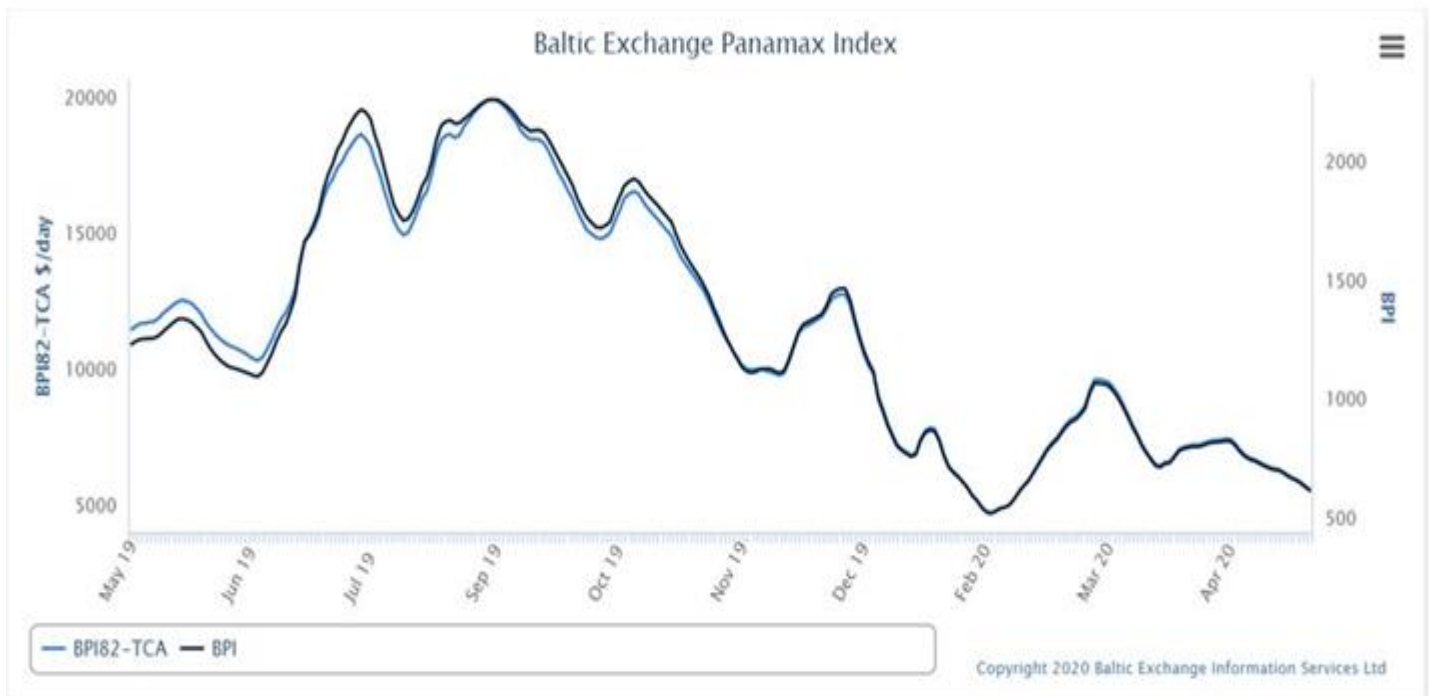
Capesize Forward Curve



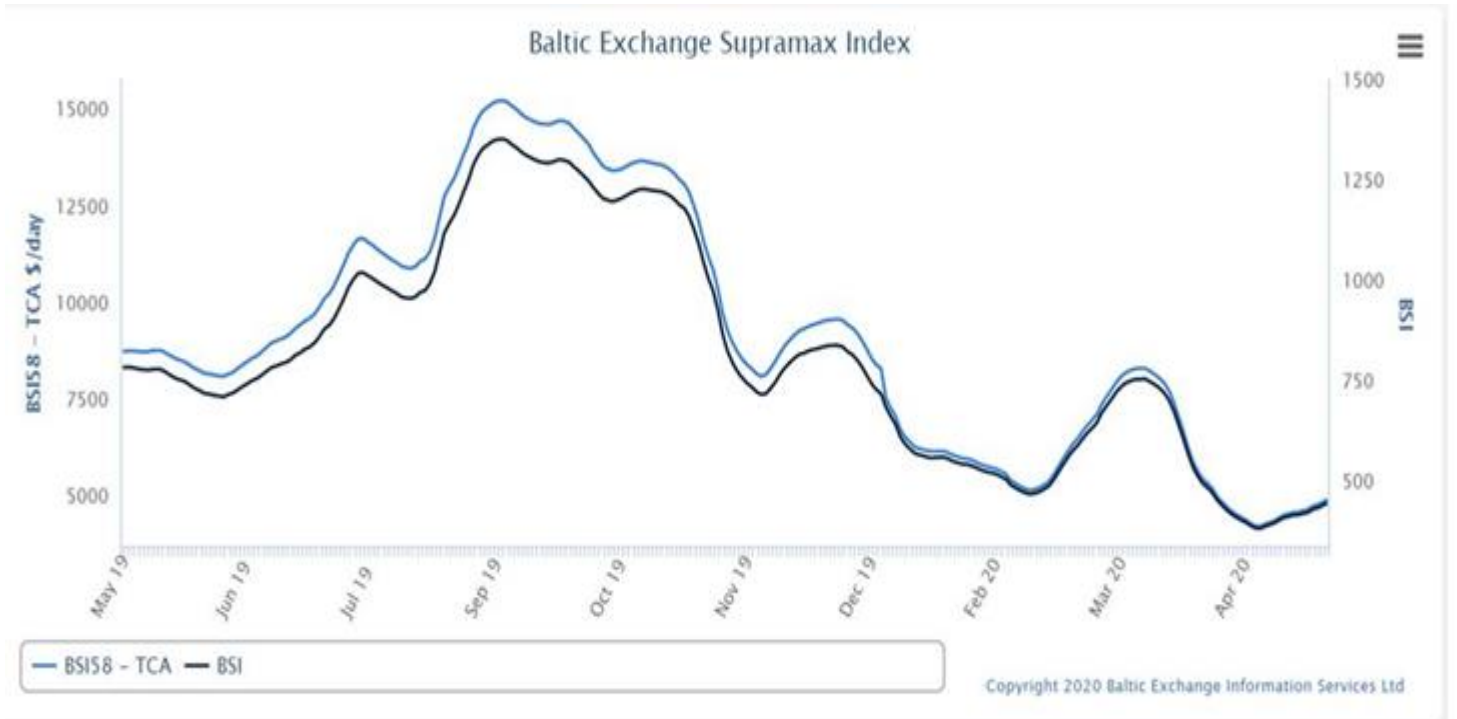
Baltic Panamax Forward Curve Chart



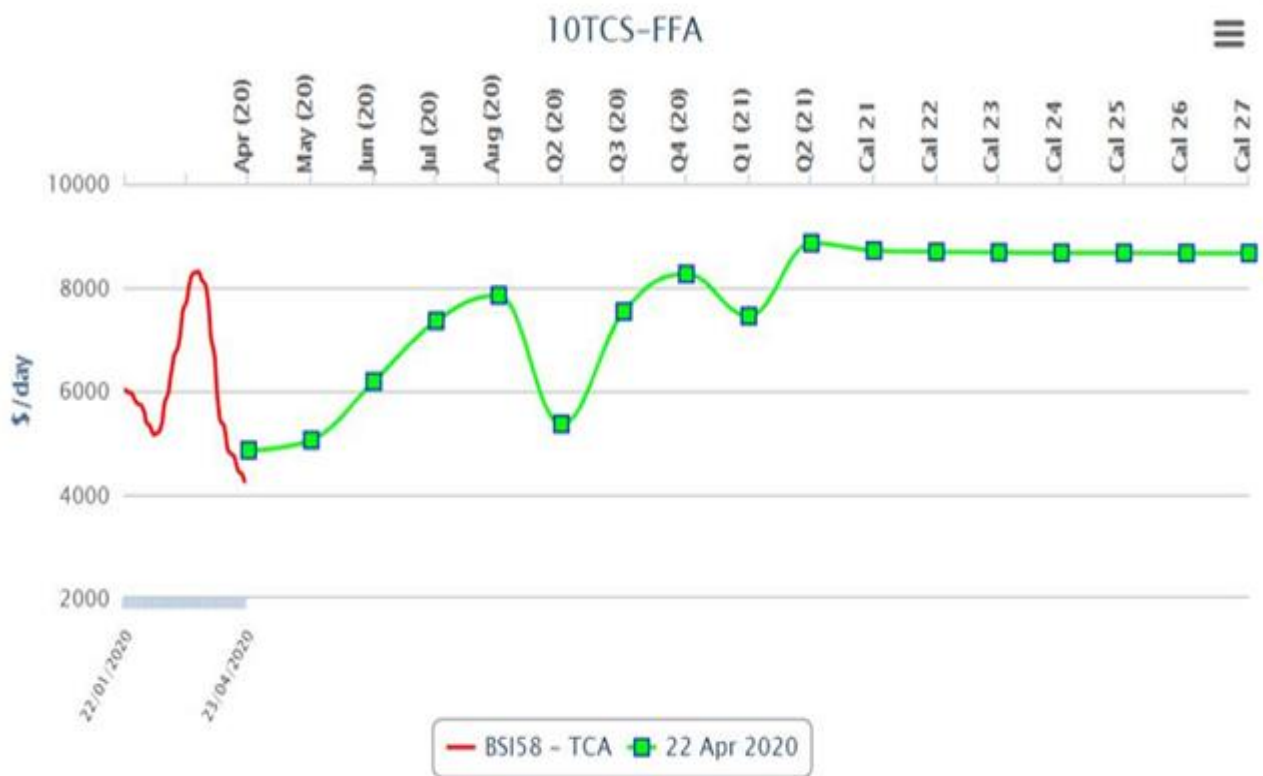
Baltic Panamax Index



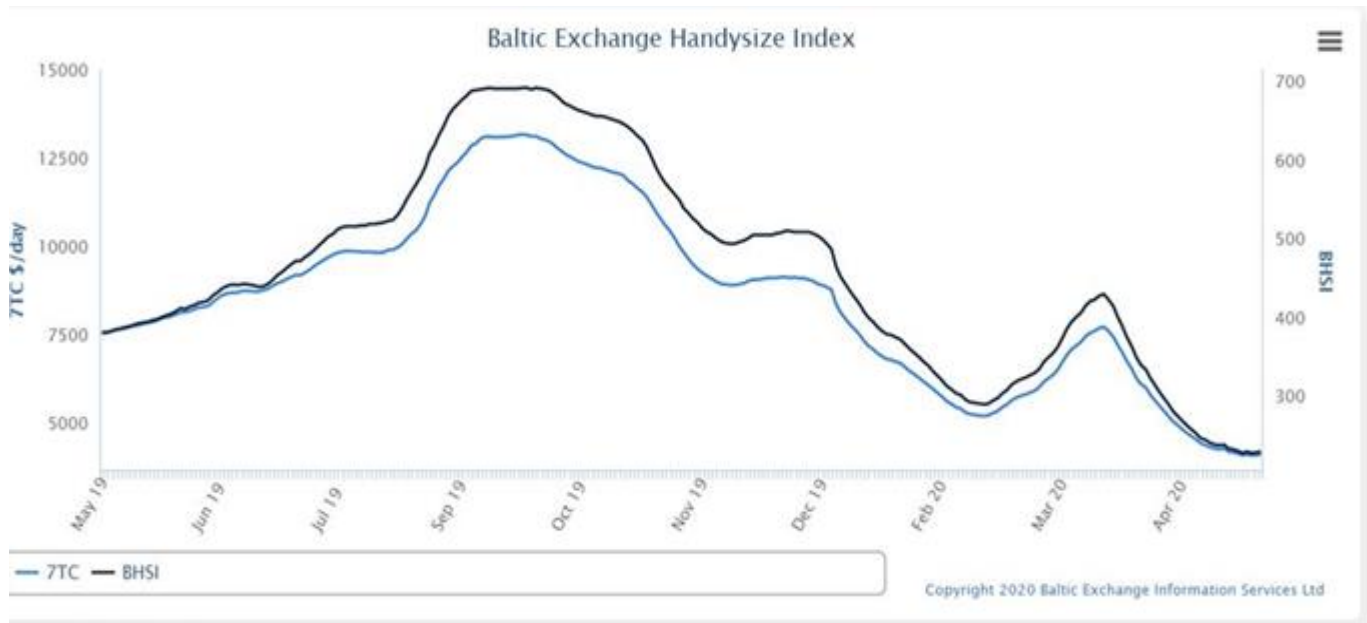
Baltic Supramax Vessel Index



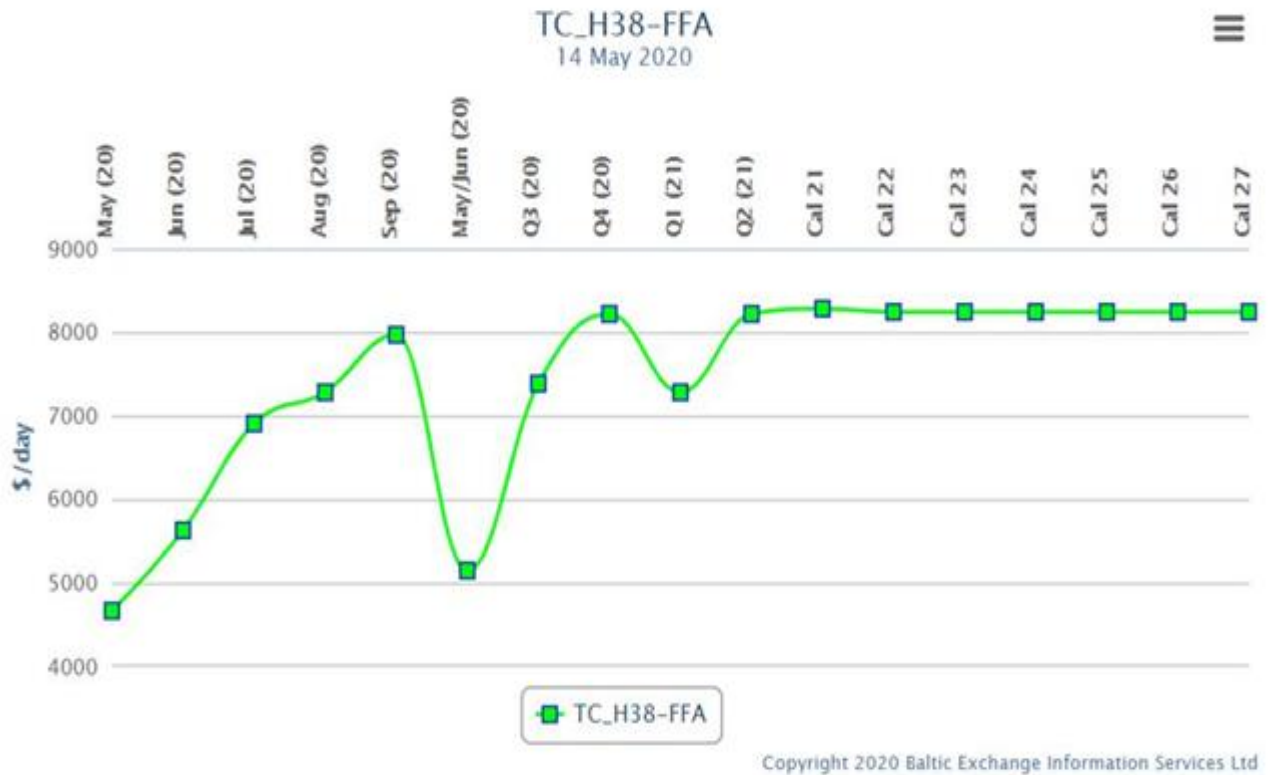
Supramax Dry-Bulk Forward Curve



Baltic Handy Size Vessel Index



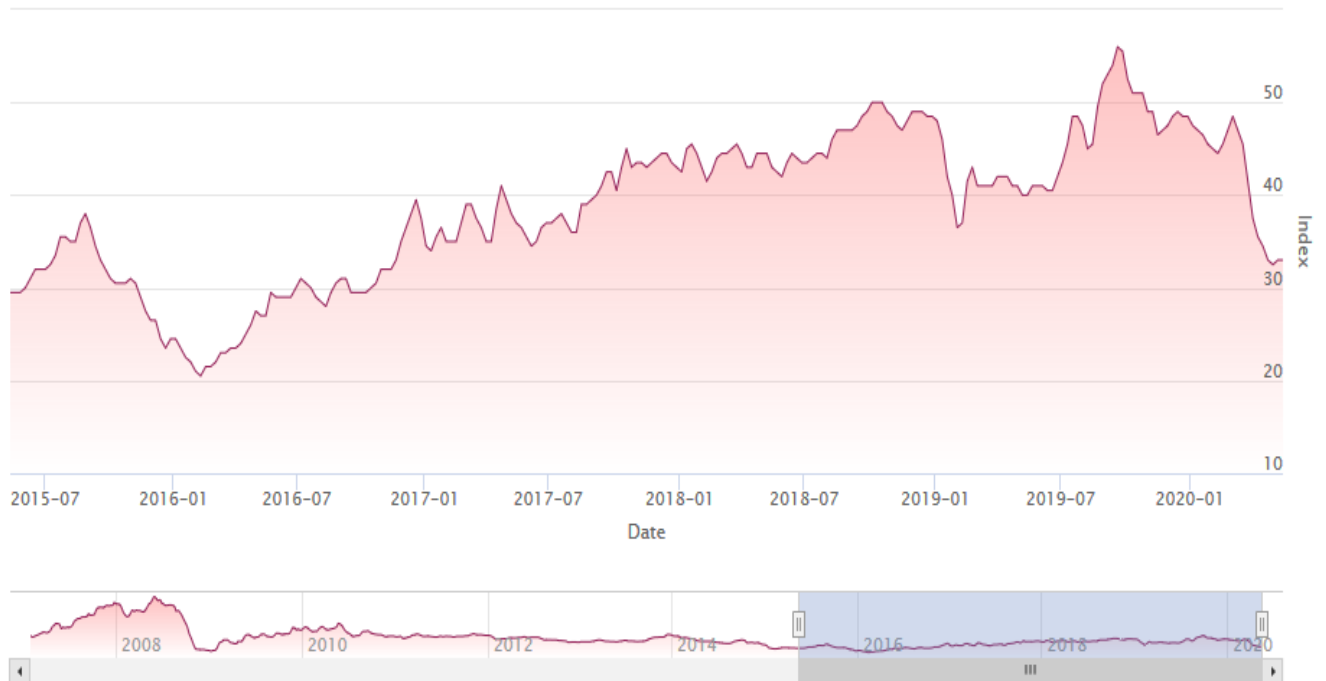
Baltic Handy Size Forward Curve



YAMAMIZU Index


Zoom **1m** 3m 6m YTD 1y 3y **5y** All

From 2015-05-13 To 2020-05-13



China Import Dry Bulk Freight Index

2020-05-14

Description	Size MT	Cargo/Vessel Size	Unit	Rate	Change
Composite Index			Point	492.98	-5.38
Iron ore Freight Index			Point	399.39	-8.55
Dampier(West Australia)-Qingdao (China)	170000/10%	Iron ore	\$/ton	3.594	0.027
Soybean Freight Index			Point	672.35	-5.92
Santos(Brazil)—North China	60000/10%	Soybean	\$/ton	20.719	-0.156
Tacoma(West America)—North China	60000/10%	Soybean	\$/ton	16.938	-0.131
Mississippi(US Gulf)—North China	66000/10%	Soybean	\$/ton	33.1	-0.371
Mississippi(US Gulf)—North China	55000/10%	Soybean	\$/ton	35.033	-0.317

14 May 2020 U.S. FOB Vessel Export Market Values:

U.S. Yellow Corn (USD/MT) FOB Vessel				
#2 YC	GULF # 2 YC		PNW # 3 YC	
Max. 14.5% moisture	BASIS	FLAT PRICE	BASIS	FLAT PRICE
June	0.68	\$151.76	0.85	\$158.46
July	0.68	\$151.76	0.84	\$158.06
Aug.	0.58	\$149.60	0.80	\$158.26
Sept.	0.66	\$152.75	0.83	\$159.44
Oct.	0.66	\$156.59	0.80	\$162.10
Nov.	0.71	\$158.55	0.82	\$162.88

The Gulf spread between #2 & #3 YC is currently about .03 cents per bushel (1.18/mt) at USG but out to .15/bushel in the PNW

SORGHUM (USD/MT) FOB VESSEL				
#2 YGS Fob Vessel	NOLA		TEXAS	
Max. 14.0% moisture	BASIS	FLAT PRICE	BASIS	FLAT PRICE
June	2.40	\$219.48	2.25	\$213.57
July	2.30	\$215.54	2.15	\$209.63
Aug.	2.30	\$221.15	2.15	\$215.24
Sept.	2.35	\$223.12	2.20	\$217.21
Oct.	2.35	\$223.12	2.20	\$217.21

Fob vessel Texas Gulf #2 Sorghum is about 141% 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	\$215.04	\$212.10	\$215.04	\$216.88
Basis	0.83	0.75	0.80	0.85
WN	5.0225			.
WU	5.0525			
WZ	5.1525			

14-May-2020	Close	This Week	Last Week.	Last Week.	Last Week	
CME Corn Futures	Bushel	MT.	Bushel	Bu. Diff.	MT	MT Diff.
July	\$ 3.1750	\$ 124.99	\$ 3.1600	0.0150	\$ 124.40	\$ 0.59
Sept.	\$ 3.2200	\$ 126.76	\$ 3.1800	0.0400	\$ 125.19	\$ 1.57
Dec.	\$ 3.3175	\$ 130.60	\$ 3.2325	0.0850	\$ 127.26	\$ 3.35
Mar..	\$ 3.4475	\$ 135.72	\$ 3.3400	0.1075	\$ 131.49	\$ 4.23
May	\$ 3.5225	\$ 138.67	\$ 3.4700	0.0525	\$ 136.61	\$ 2.07
July	\$ 3.5775	\$ 140.84	\$ 3.5250	0.0525	\$ 138.77	\$ 2.07

CBOT July. 2020 (CN20) CORN Futures Chart –



CME/CBOT July 2020 (WN20) 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	0.64	\$331.06	1.20	\$351.63
July	0.70	\$333.26	1.19	\$351.27
Aug.	0.76	\$336.20	1.20	\$352.37
Sept.	0.81	\$338.22	1.20	\$352.55
Oct.	0.83	\$340.52	1.20	\$354.11
Soybean Futures				
July	\$ 8.3700			
Aug.	\$ 8.3900			
Sept.	\$ 8.3950			
Nov.	\$ 8.4375			
Jan.	\$ 8.4575			
Mar.	\$ 8.3550			

U.S. SBM (USD/MT) FOB Vessel		
Fob U.S. Gulf Port	47.5 Pro. SBM	
max 12.5 % moisture	Basis	Flat Price
June	16.00	\$ 335.38
July	16.00	\$ 335.38
Aug.	15.00	\$ 335.38
Sept.	15.00	\$ 336.48
Oct.	15.00	\$ 337.14
SBM Futures		
SMN	288.20	
SMQ	289.20	
SMU	290.20	
SMV	290.80	
SMZ	293.40	
SMF	294.30	

CME July 2020 Soybean (SN20) Futures Chart:



CME July 2020 Soybean Meal (SMN20) Futures Chart



U.S. EXPORT STATISTICS: Report Activity as of Week Ending 30 April 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	914.7	37,521.0	43,820	86%	2,813.4
Sorghum	64.3	3,604.7	4,700	77%	98.0
Soybeans	666.9	39,706.0	48,310	82%	1,225.4
Wheat	301.0	26,176.5	26,810	98%	2,134.1
Barley	0.0	49.8	130	38%	31.0

U.S. EXPORT INSPECTIONS:

Monday's report 11 May 2020 for the Export week ending 07 May 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	1,334,686	1,348,690	25,012,035	36,633,297	68%
Sorghum	76,545	198,359	2,724,083	1,302,922	209%
Soybeans	496,498	380,981	34,361,731	32,689,164	105%
Wheat	340,310	588,193	23,436,677	22,830,132	103%
Barley	0	0	30,548	9,866	310%

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

U.S. EXPORT INSPECTIONS:

Monday's report 11 May 2020 for the Export week ending 07 May 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%	6,563	1%
Gulf	729,356	55%	9,900	52%	71,499	93%	279,653	56%
PNW	371,859	28%	0	0%	3,300	4%	91,649	18%
Interior Export Rail	214,589	16%	8,982	48%	1,746	2%	118,633	24%
Metric Tons	1,315,804		18,882		76,545		496,498	

Sorghum Shipments:	metric tons	
	72,502	China Main
	3,300	Japan
	743	Mexico
	76,545	Total

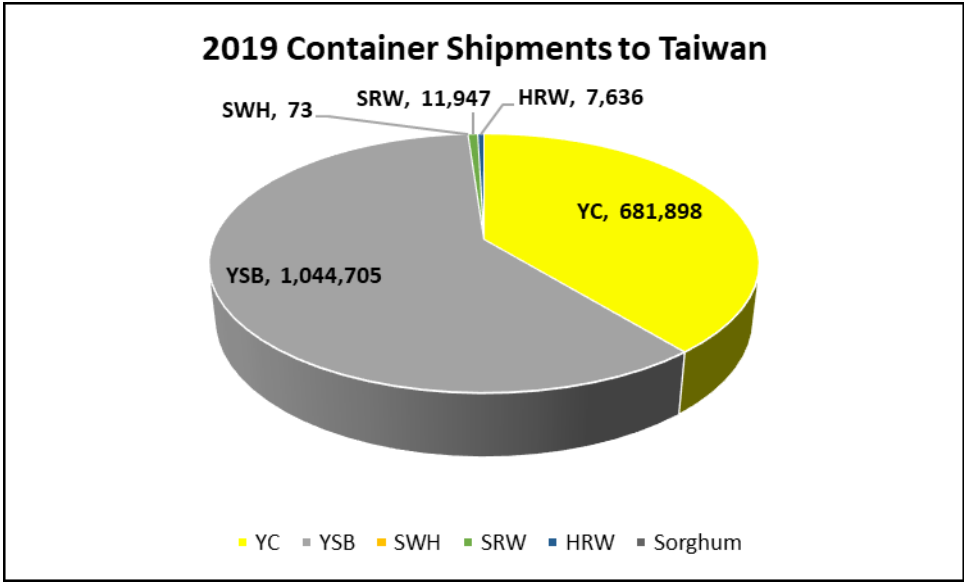
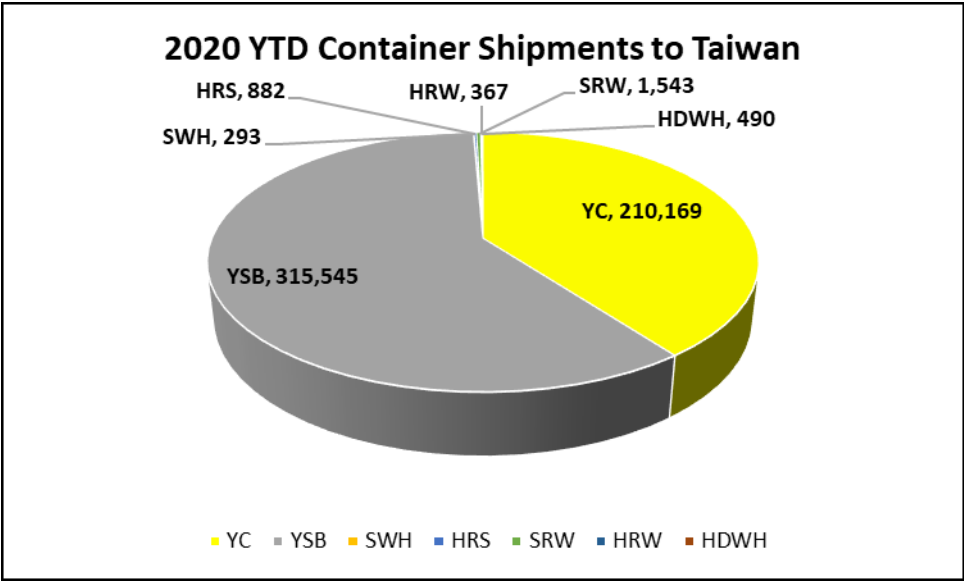
White Corn	metric tons	
Shipments:	9,900	Costa Rica
	8,982	Mexico
	18,882	Total

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:		7-May-2020							
Last Week	metric tons								MT
	YC	WC	YSB	SRW	NS	SWH	HRW	Sorghum	TOTAL
China Main			7,246					1,003	8,249
China T	12,316		2,889	465					15,670
Hong Kong	245								245
Costa Rica									0
Indonesia			23,062						23,062
French Poly									0
Japan	98		1,126						1,224
Korea Republic	661		2,326						2,987
Nepal									0
Malaysia	832		6,098						6,930
Cambodia			1,616						1,616
Philippines			3,429						3,429
Thailand			6,464						6,464
Morocco				49					49
India			294						294
Bangladesh									0
Burma			857	980					1,837
Vietnam			8,740						8,740
Sub total	14,152	0	64,147	1,494	0	0	0	1,003	69,876
USDA Corrections/Additions to previous reports:									
China T	96		1,543						1,639
China Main									0
Hong Kong									0
Korea Rep.			759						759
Cambodia									0
Japan			635						635
Philippines									0
Indonesia			5,607						5,607
Malaysia	465		1,542						2,007
Thailand			490						490
Vietnam			465						465
Canada									0
Nigeria									0
Sub total	561	0	11,041	0	0	0	0	0	11,602
Mt. Grand Total	14,713	0	75,188	1,494	0	0	0	1,003	81,478
Number of containers	640	0	3,269	65	0	0	0	44	

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



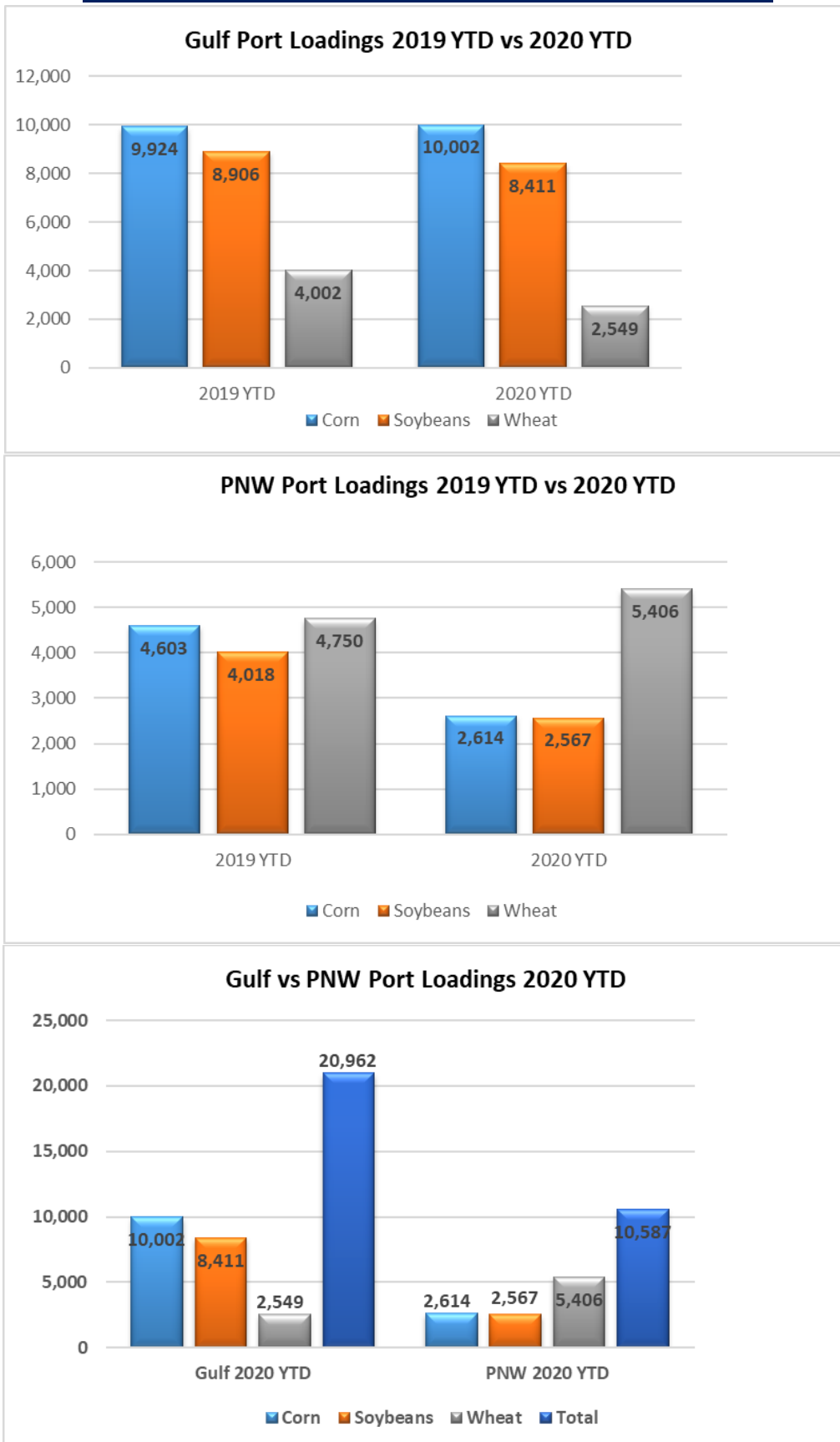
Grain Inspections for Export by U.S. Port Regions:
U.S. Gulf and Pacific Northwest 2019 YTD vs. 2020 YTD

PORT LOADINGS US Gulf				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
GULF				
2019 YTD	9,924	8,906	4,002	22,832
2020 YTD	10,002	8,411	2,549	20,962
2020 as % of 2019	101%	94%	64%	92%

PORT LOADINGS US PNW				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
PNW				
2019 YTD	4,603	4,018	4,750	13,371
2020 YTD	2,614	2,567	5,406	10,587
2020 as % of 2019	57%	64%	114%	79%

PORT LOADINGS GULF vs. PNW				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
2020 Gulf YTD	10,002	8,411	2,549	20,962
2020 PNW YTD	2,614	2,567	5,406	10,587
TOTAL	12,616	10,978	7,955	31,549
Gulf Percentage	79%	77%	32%	66%
PNW Percentage	21%	23%	68%	34%

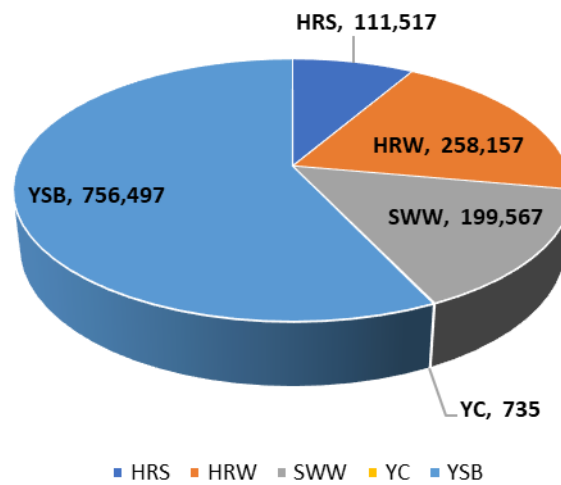
Grain Inspections for Export by U.S. Port Regions (1,000MT):
U.S. Gulf and Pacific Northwest 2019 YTD vs. 2020 YTD



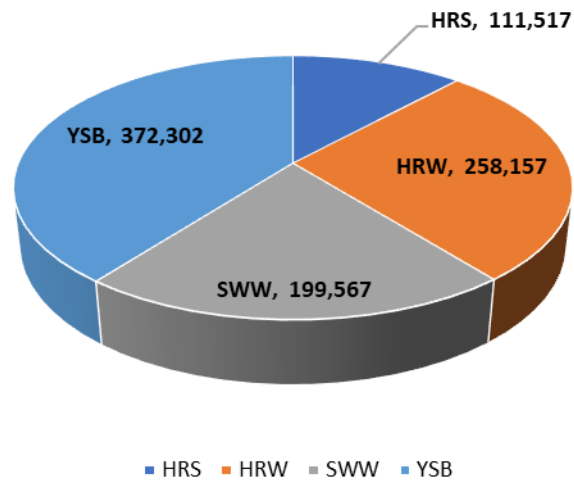
Source: USDA-data

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

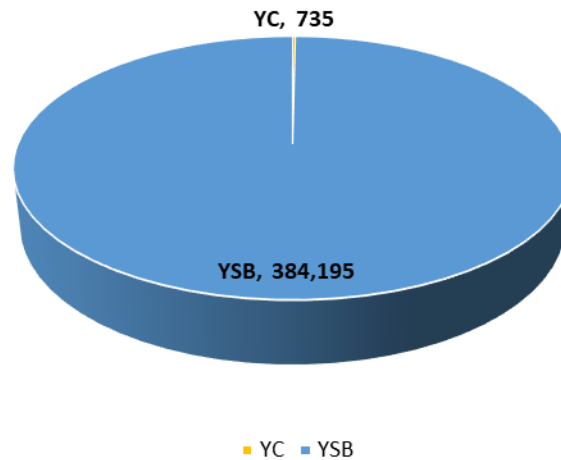
2020 YTD Exports to Indonesia



YTD Vessel Shipments to Indonesia



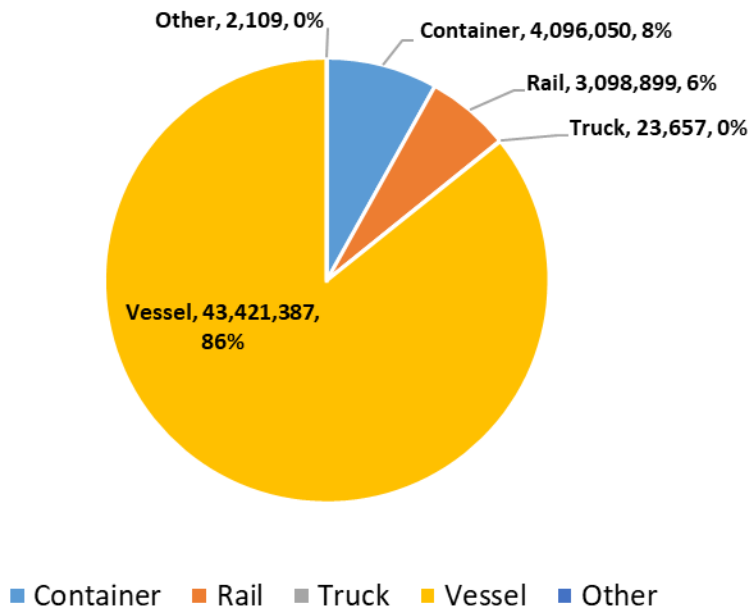
YTD Container Shipments to Indonesia



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

Shipping News

2019 US Soybeans Exports by Type Carrier (MT)





Dry Bulk ETF @DryBulkETF · 4h

The Baltic Dry Index (BDI) stands now at 398, breaking the 400 mark for the first time since 2016. Historically, the BDI has spent less than 50 trading days, or 0.5% of the time, below that level.

Maersk results 1st Qtr 2020

Guidance for 2020

The suspension on full year guidance for 2020, announced on 20 March, remains, as the COVID-19 pandemic continues to lead to material uncertainty in the coming quarters.

"Looking into Q2 2020, visibility remains low as a result of the COVID-19 pandemic. We continue to support our customers in keeping their supply chains running, however as global demand continues to be significantly affected, we expect volumes in Q2 to decrease across all businesses, possibly by as much as 20-25%. 2020 is a challenging year, but as we proactively respond to lower demands and show progress in our transformation and financial performance, we are strongly positioned to weather the storm," says Søren Skou.

In the first quarter of the year, **Maersk** again delivered profitable growth. Operating earnings increased by 23% year-on-year, and cash return on invested capital increased (CROIC) by 3.5 percentage points to 10.5%. The strong results were made during a quarter with sharp fuel cost increases derived from the industry's switch to low-sulphur fuel and on the backdrop of a contraction in global trade due to impact of declining demand. Unit cost at fixed bunker decreased by 2.3%, mainly due to optimisation in capacity, which offset the lower volumes.

In the landside businesses, Logistics & Services excluding the freight forwarding business, improved EBITDA to USD 69m from USD 49m. Infrastructure, which covers Terminals & Towage, and Logistics

Greg Miller @GMJournalist · 35m

Granted, not many **#Maersk** stock investors out there, but as world's largest **#container** line, Maersk has birds-eye view of global economy/trade – and they see 2Q demand down 20-25% & have no view on 3Q they're willing to share. See story for CEO's comments:



Maersk: Container volumes could fall 25% - FreightWaves

World's largest box carrier expects capacity cuts to mitigate volume downside.

freightwaves.com

Marcelo Teixeira @tx_marcelo · 2h

REUTERS: BRAZIL-PARAGUAY JOINT VENTURE DAM ITAIPU SAYS WILL RELEASE WATER TO RAISE LOW WATER LEVELS IN PARANA RIVER AND ASSIST ARGENTINA AND PARAGUAY -- From next Monday, a statement said. This will likely help flow of #grains from #Paraguay and #Argentina #DROUGHT #SHIPPING

Brazil-Paraguay dam to release water to aid Argentine grain shipments

By Rodrigo Viga Gaier

RIO DE JANEIRO, May 13 (Reuters) - The Itaipu hydroelectric dam, a joint venture between Brazil and Paraguay, said on Wednesday it will release water through its spillway to raise low water levels in the Parana river, a key waterway for Argentine and Paraguayan grain shipments.

The governments of Argentina, Brazil and Paraguay have been negotiating for more than a month about Itaipu providing potential relief for the drought and the low water levels.

The hydroelectric plant had already been gradually increasing its electricity generation, which releases more water, despite falling demand for the energy amid the new coronavirus pandemic. The spillway allows additional water to be released without generating electricity.

Itaipu said in a statement that it would initially open its spillway for 12 days starting from May 18, responding to requests from Argentina to raise the water level, in a decision endorsed by the Brazilian and Paraguayan foreign ministries.

The Parana river carries 80% of Argentina's farm exports and is at historic lows. It fell to 0.55 centimeters at one port hub in April, compared to a historic average for the month of 4 meters.



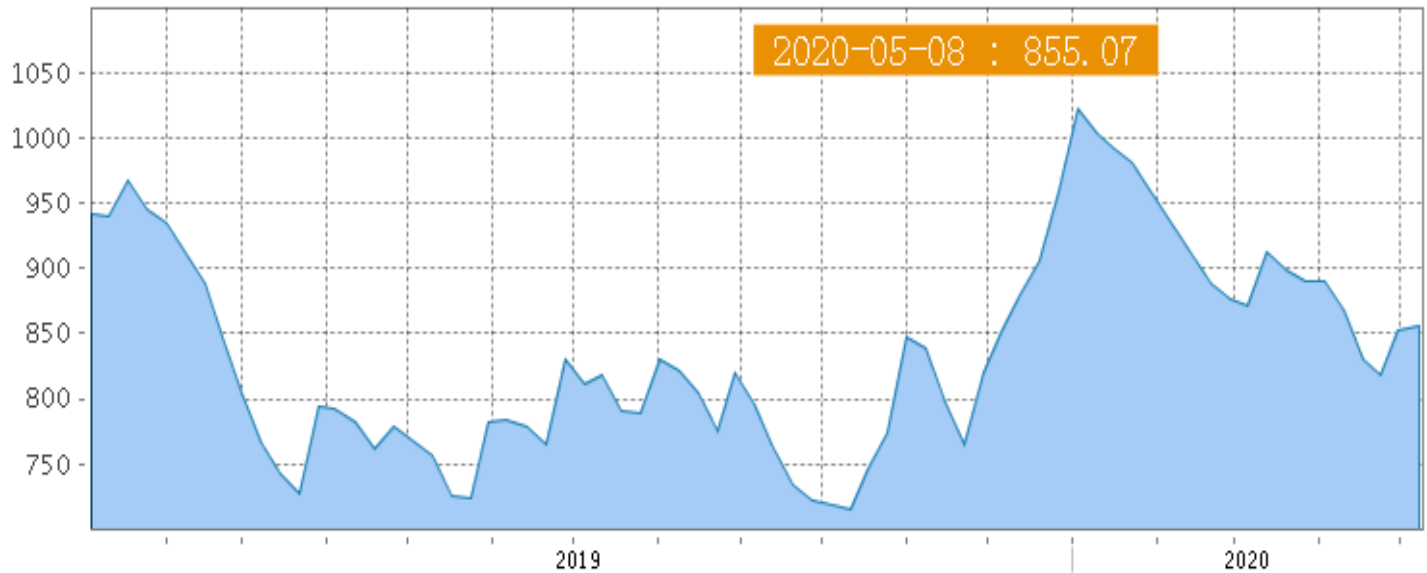
Drewry Container Rate Index Update.

Route	30-Apr-20	7-May-20	14-May-20	Weekly change (%)	Annual change (%)
Composite Index	\$1,446	\$1,486	\$1,542	4% ▲	11% ▲
Shanghai - Rotterdam	\$1,472	\$1,404	\$1,561	11% ▲	5% ▲
Rotterdam - Shanghai	\$967	\$929	\$942	1% ▲	71% ▲
Shanghai - Genoa	\$1,617	\$1,567	\$1,745	11% ▲	15% ▲
Shanghai - Los Angeles	\$1,538	\$1,745	\$1,752	0%	23% ▲
Los Angeles - Shanghai	\$507	\$507	\$479	-6% ▼	-4% ▼
Shanghai - New York	\$2,589	\$2,784	\$2,700	-3% ▼	0%
New York - Rotterdam	\$511	\$504	\$515	2% ▲	0%
Rotterdam - New York	\$2,551	\$2,592	\$2,592	0%	11% ▲

China Import Dry Bulk Freight Index



Shanghai Containerized Freight Index



U.S. RIVER BARGE FREIGHT

Current Barge Freight for Placement First Half June 2020

Placement FH June 2020	% of		Corn	Soybeans-Wheat
	Tariff	MT	BU	BU
Upper Mississippi	325	\$22.18	0.56	0.60
Illinois River (Pekin and South)	270	\$14.32	0.36	0.39
Mid-Mississippi	275	\$16.13	0.41	0.44
Lower Ohio	195	\$ 9.59	0.24	0.26
St. Louis	185	\$ 8.14	0.21	0.22

Secondary Rail Car Market for car placement period: First Half June 2020.

Secondary Rail Car Market Placement FH. June 2020	BID USD	ASK USD	BID BU.	ASK BU.	BID MT	ASK MT
BNSF Shuttle Trains	\$ (200.00)	\$ (125.00)	\$ (0.05)	\$ (0.03)	\$ (1.97)	\$ (1.23)
UPRR Shuttle Trains	\$ (150.00)	\$ (100.00)	\$ (0.04)	\$ (0.03)	\$ (1.48)	\$ (0.98)

Best Regards,

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