



Transportation and Export Report for 16 May 2019

Ocean Freight Insights and Comments:

Dry-Bulk markets seem to be following a familiar pattern of starting each week with optimism and slightly higher values only to lose ground and soften by weeks end. I guess each week does bring hope for better returns but getting this market to sustain a rally has been very difficult. And so, the market simply plays the game of; up a little one week and back down a little the next. But we really are not making much headway in getting revenue up for vessel owners, and IMO2020 regulations are getting closer by the week. And scrubber installation, is used, will cost Vessel owners more than 1.5 million per ship. As the old saying goes; "something has to give". Will it be the markets and higher rates, or vessel ownership? We should expect to see vessels rotating out of service in the coming months to adapt their engines to burn alternative fuel.

BALTIC DRY-BULK PANAMAX INDEX CHANGES

Panamax Ocean Freight Indices				
16-May-19	This Week	Last Week	Difference	Percent Change
P2A : Gulf/Atlantic - Japan	17829	17161	668	3.9%
P3A - PNW/Pacific - Japan	8730	8226	504	6.1%
S1C -USGULF-China-So.Japan	17497	16361	1,136	6.9%
P7- Trial- Miss. River - Qingdao	44065	43165	900	2.1%
P8- Trial- Santos - Qingdao	33130	32190	940	2.9%

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

Four weeks ago:	\$5.00-\$5.40
Three weeks ago:	\$5.45-\$6.00
Two weeks ago:	\$5.50-\$7.25
One week ago:	\$6.00-\$6.35
This week	\$6.25-\$6.65

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

Mississippi River:	(10 elevators)	3-9 days
Miss. River Mid-Stream loaders:	(6+ Rigs)	0-6 days
Texas Gulf	(6 elevators)	2-15 days (only 1 facility over 4 days)
Pacific Northwest:	(9 elevators)	3-10 days

Panamax Market Spreads to Asia -China					
16-May-19	PNW	GULF	Bushel Spread	MT Spread	Advantage
CORN	0.94	0.54	0.40	\$15.75	PNW
SOYBEANS	0.72	0.50	0.22	\$8.66	PNW
OCEAN FREIGHT	\$22.75	\$42.75	.51 -.54	\$20.00	JUNE

Recent Reported Vessel Fixtures:

Soybean Panamax USG to Spain is running \$20.00/mt.

Soybean Brazil to Spain can be done at \$22.50/mt.

30,000 mt Corn Northern Brazil to Vera Cruz, Mexico \$18.50-\$19.00/mt

Route and Vessel Size	Current Week USD/MT	Change from previous week	Remarks
55,000 U.S. Gulf-Japan	\$43.00	Up \$0.50	Handymax \$43.50 mt
55,000 U.S. PNW- Japan	\$23.50	Up \$0.50	Handymax \$23.50 mt
66,000 U.S. Gulf – China	\$42.75	Up \$0.50	North China
PNW to China	\$22.75	Up \$0.25	
25,000 U.S. Gulf- Veracruz, México	\$16.75	Up \$0.25	3,000 MT daily discharge rate
30-35,000+ U.S. Gulf- Veracruz, México	\$14.00	Unchanged	Deep draft and 6,000 MT per day discharge rate.
25/35,000 U.S. Gulf- <u>East Coast Colombia</u>	\$20.25	Up \$0.25	<u>West Coast Colombia at \$29.50</u>
From Argentina	\$33.25		
43-45,000 U.S. Gulf - Guatemala	\$29.50	Up 0.25	Acajutla/Quetzal - 8,000 out
26-30,000 U.S. Gulf – Algeria	\$34.00 \$35.00	Up \$0.50	8,000 mt daily discharge 3,000 mt daily discharge
26-30,000 US Gulf-Morocco	\$35.75	Up \$0.50	5,000 discharge rate
55-60,000 U.S. Gulf –Egypt	\$278.25	Up \$0.50	60,000 -55,000 mt
PNW to Egypt	\$28.25		Russia Black Sea Romania - Egypt \$10.75--\$13.00 (France \$17.25-\$17.75)
60-70,000 U.S. Gulf – Europe – Rotterdam	\$17.00	Up \$0.25	Handymax at +\$1.75 more
Brazil, Santos – China	\$32.75	Up \$0.75	54-59,000 Supramax-Panamax
Brazil, Santos – China	\$33.00		60-66,000 Post Panamax
Itacoatiara-Port Up River North Brazil	\$36.25		60-66,000 mt
56-60,000 Argentina/Rosario- China Deep Draft	\$36.00	Up \$0.75	Upriver with BB Top Off \$38.00

- 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)

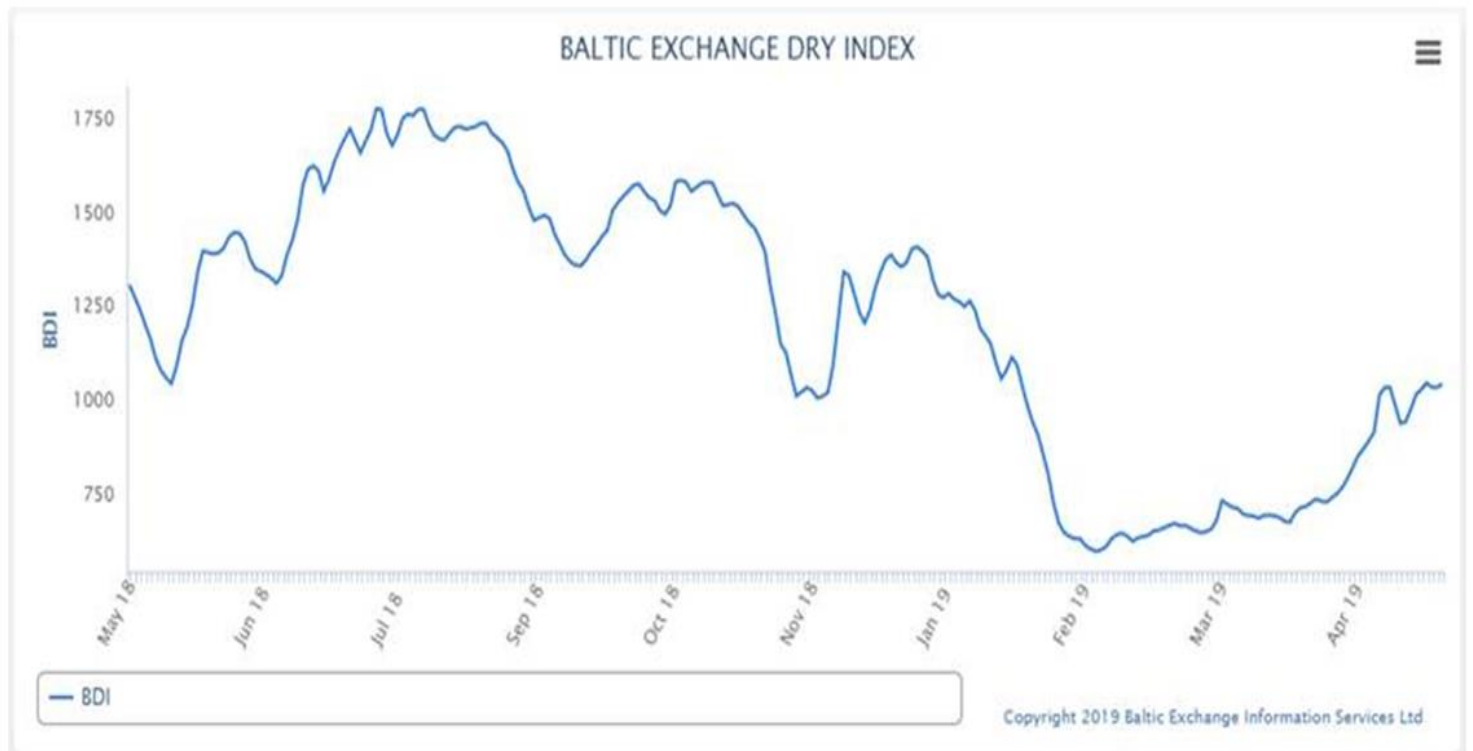
Santos Brazil (via Cape of Good Hope) - 10,441 nautical miles (33 days)

Rosario Argentina (via Cape Horn) - 10,751 nautical miles (34 days)

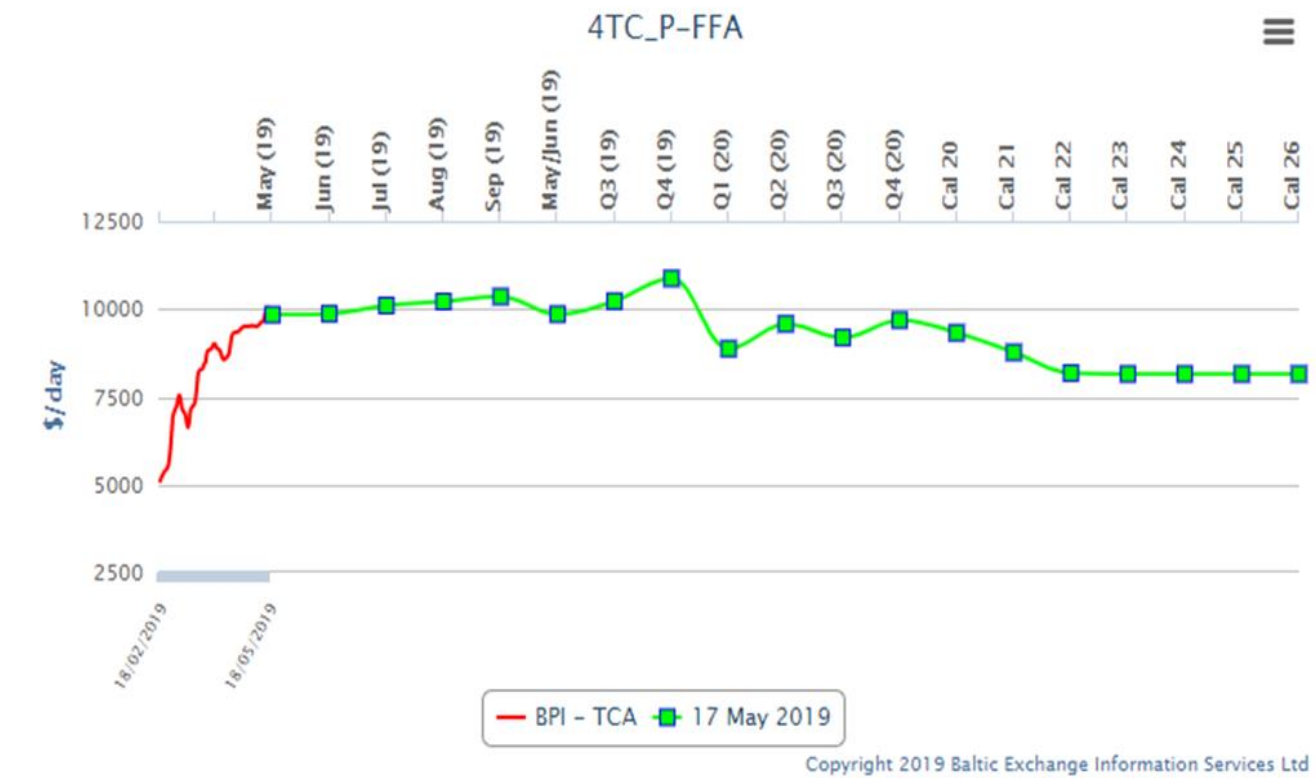
Baltic Dry-Bulk Ocean Freight Index- US Gulf- Japan



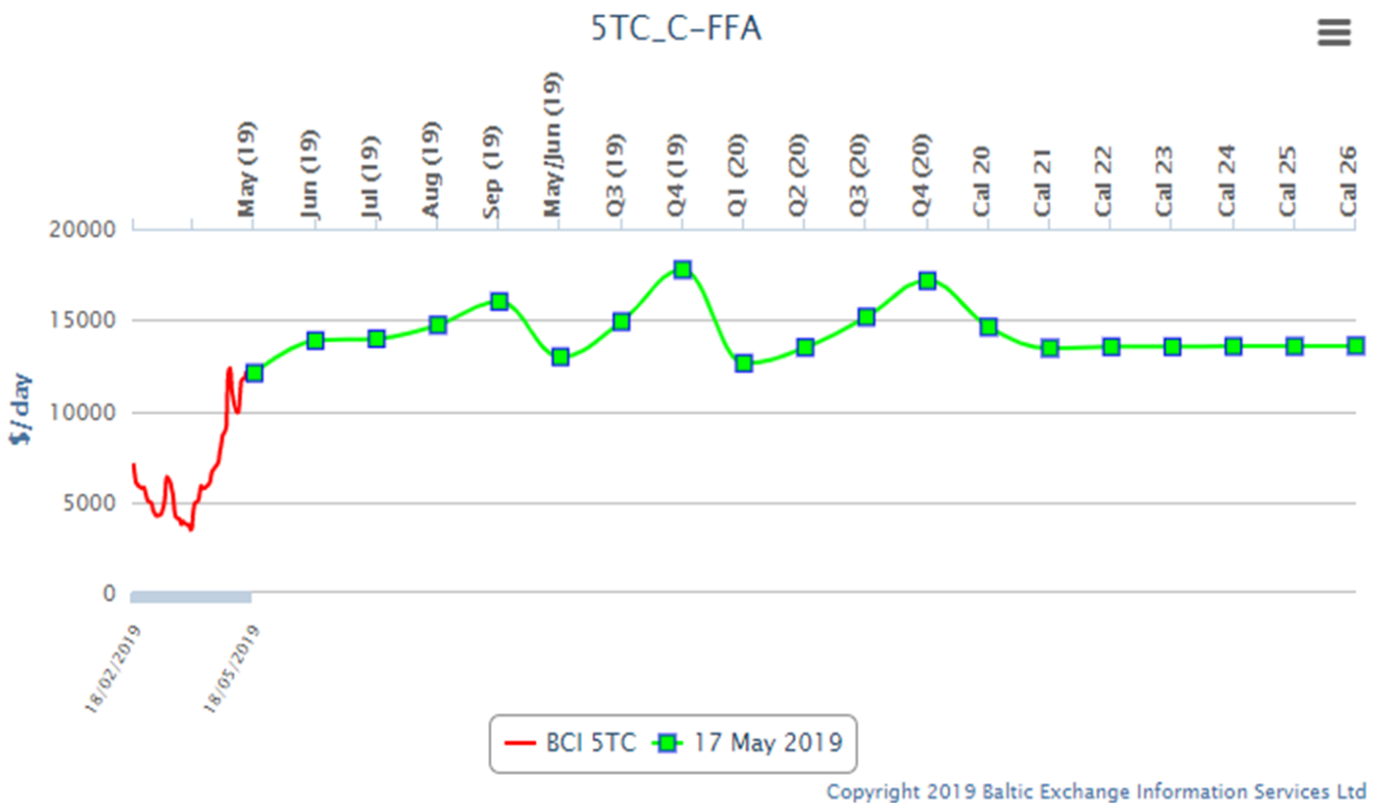
Baltic Dry Index.



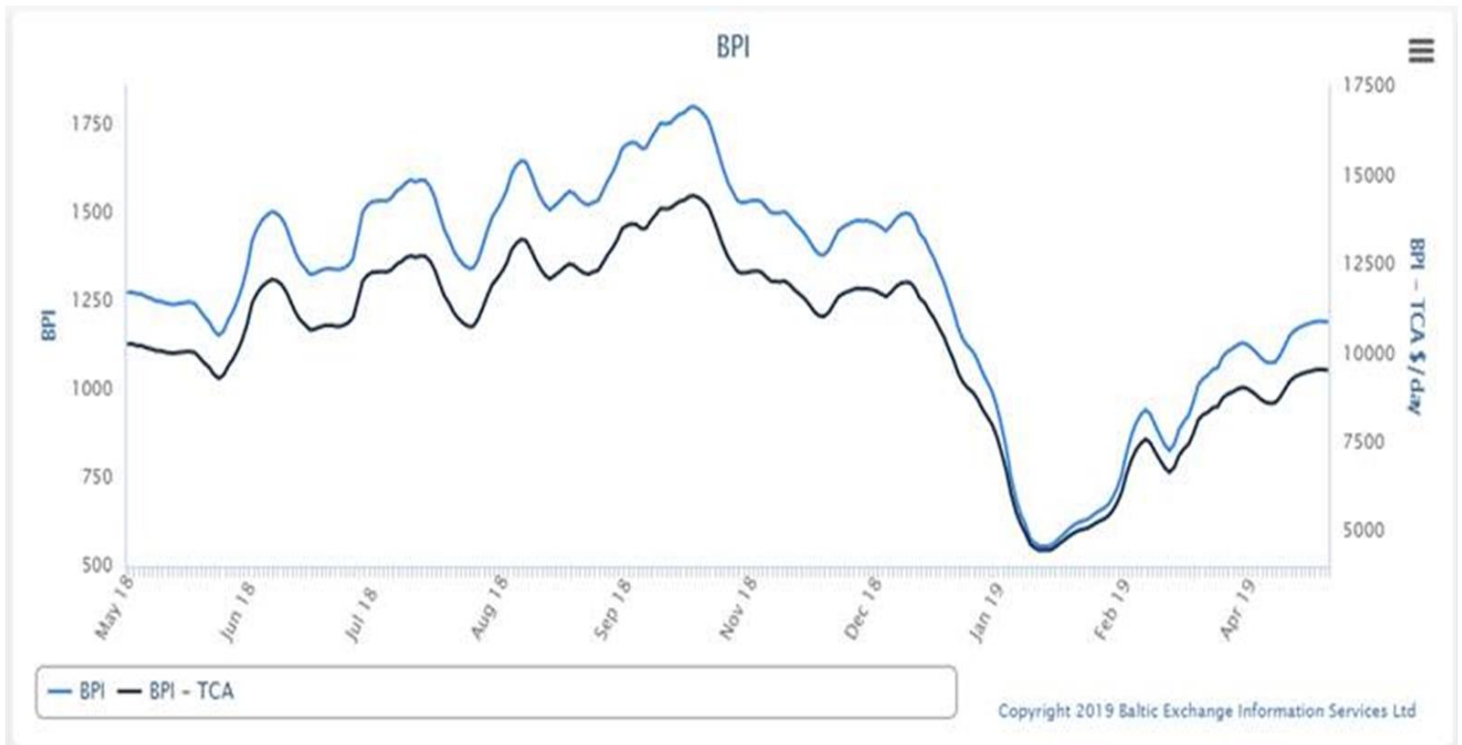
Baltic Panamax Forward Curve Chart



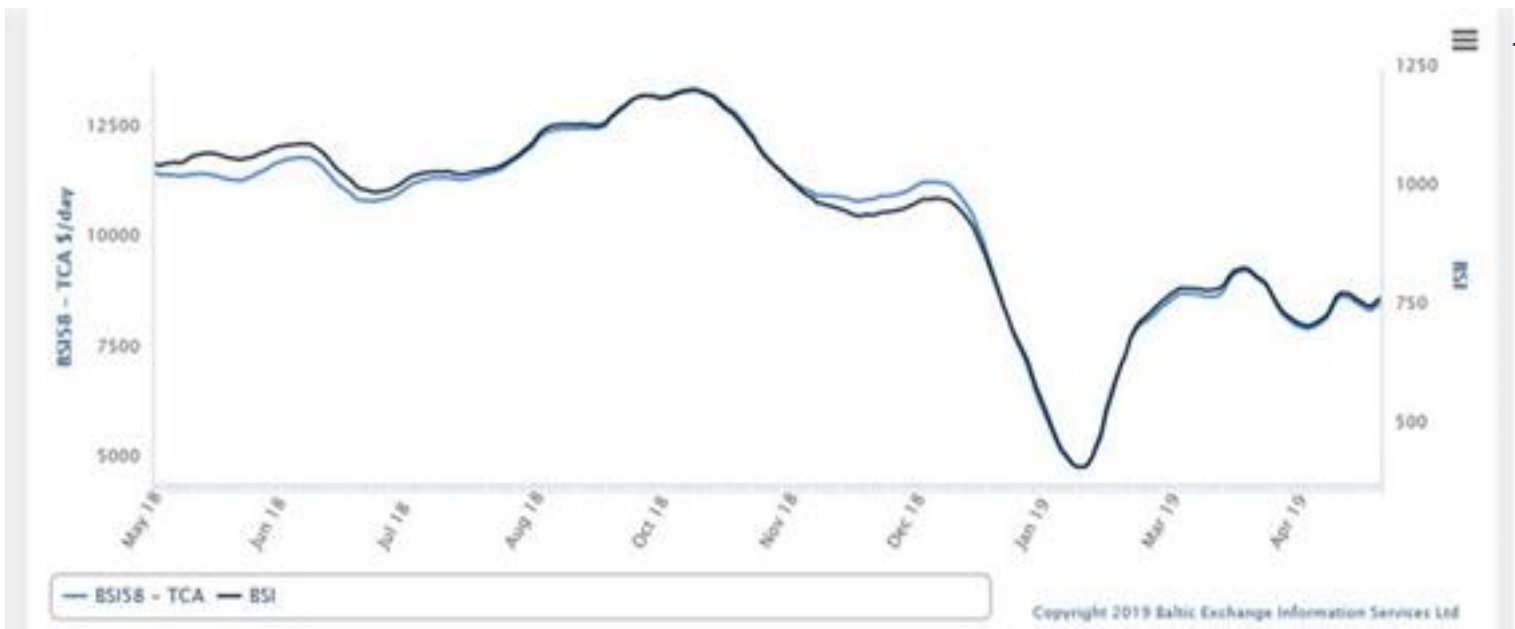
Baltic Capesize Index



Baltic Panamax Index

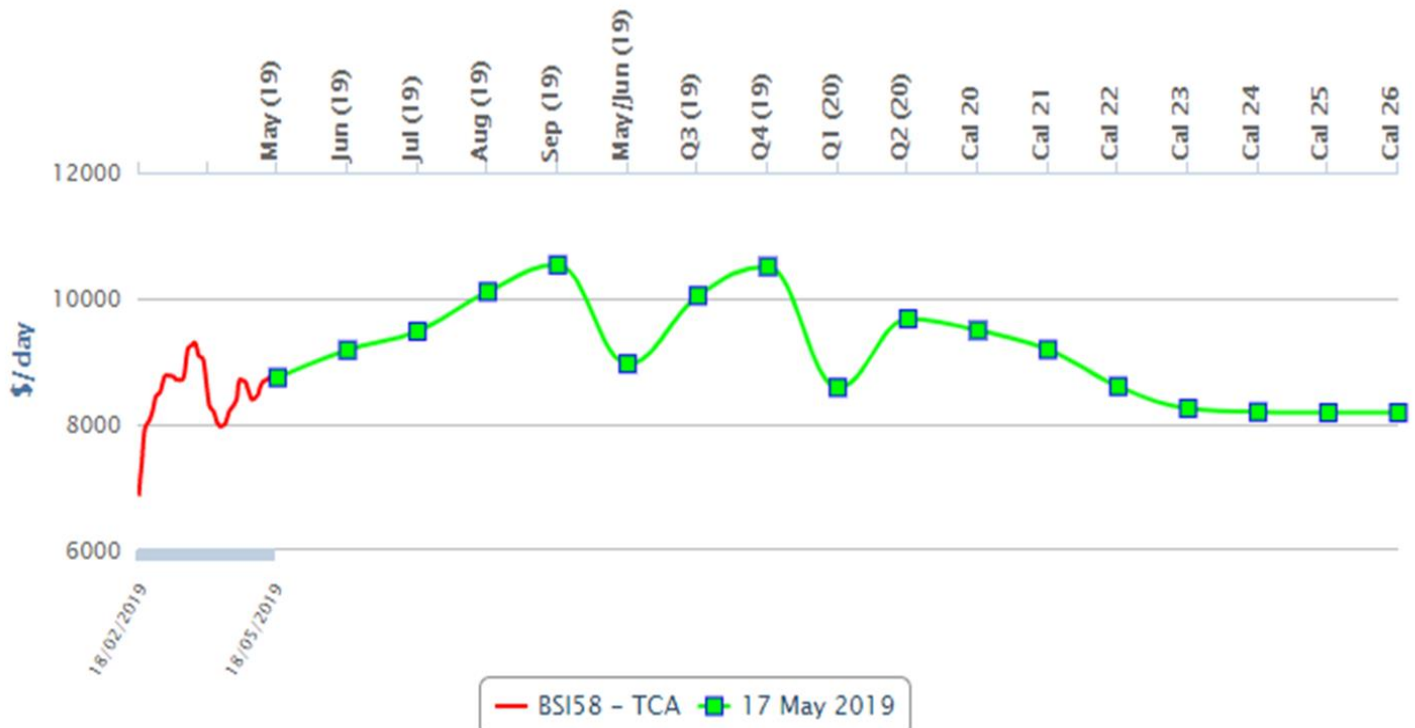


Baltic Supramax Vessel Index



Supramax Dry-Bulk Forward Curv

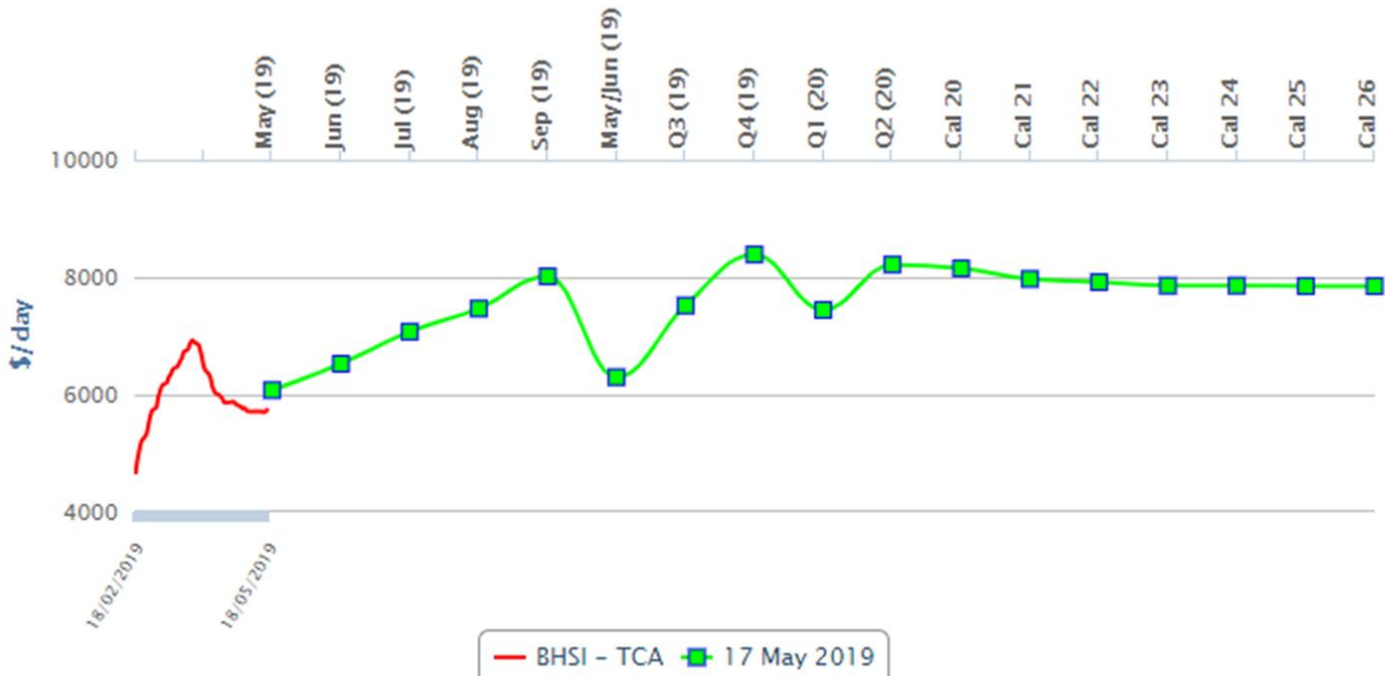
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Baltic Handy Size

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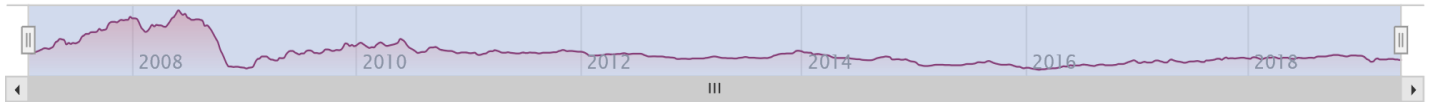
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YAMAMIZU Index



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

From 2007-01-29 To 2019-05-15



China Import Dry Bulk Freight Index

2019-05-15

Description	Size MT	Cargo/Vessel Size	Unit	Rate	Change
Composite Index			Point	819.955	-7.906
Iron ore Freight Index			Point	771.197	-18.767
Dampier(West Australia)-Qingdao (China)	170000/10%	Iron ore	\$/ton	6.306	-0.354
Soybean Freight Index			Point	966.386	5.027
Santos(Brazil)—North China	60000/10%	Soybean	\$/ton	33.044	0.25
Tacoma(West America)—North China	60000/10%	Soybean	\$/ton	22.961	0.056
Mississippi(US Gulf)—North China	66000/10%	Soybean	\$/ton	43.031	0.102
Mississippi(US Gulf)—North China	55000/10%	Soybean	\$/ton	44.803	0.184

16 May 2019 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	0.54	\$170.46	0.94	\$186.21
July	0.55	\$170.86	0.95	\$186.60
Aug.	0.50	\$172.04	0.90	\$187.78
Sept.	0.57	\$174.79	0.96	\$190.15
Oct.	0.53	\$176.96	0.91	\$191.92
Nov.	0.59	\$179.32	0.94	\$193.10

The Gulf spread between #2 & #3 YC is currently about .025 cents per bushel (0.98/mt)

SORGHUM (USD/MT) FOB VESSEL				
#2 YGS Fob Vessel	NOLA		TEXAS	
Max. 14.0% moisture	BASIS	FLAT PRICE	BASIS	FLAT PRICE
June	1.00	\$188.57	0.90	\$184.64
July	1.00	\$188.57	0.90	\$184.64
Aug.	0.95	\$189.75	0.78	\$183.06
Sept.	1.00	\$191.72	0.78	\$183.06
Oct.	0.95	\$193.49	0.70	\$183.65

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

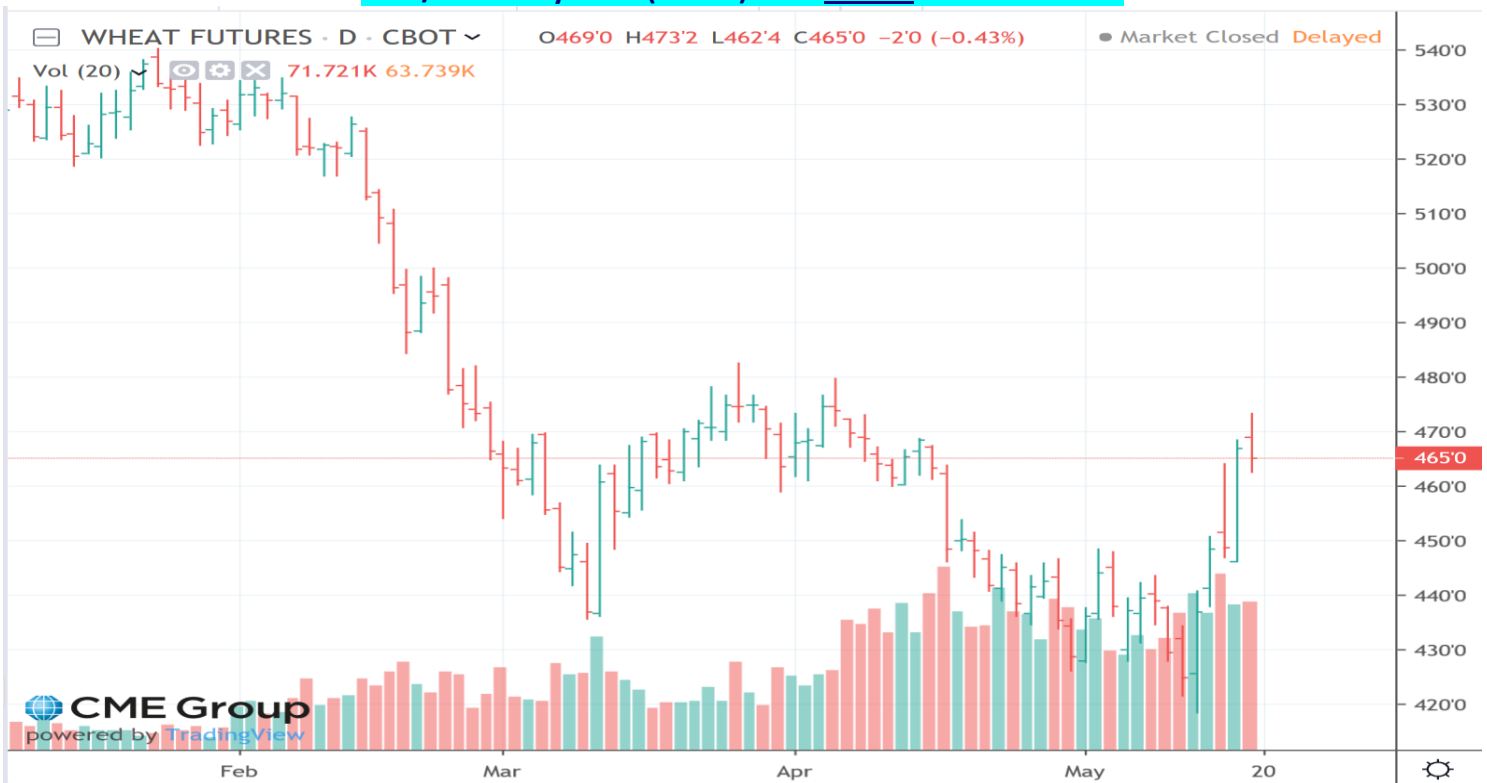
SRW Wheat	USD/MT	Fob Vessel	US Gulf	
	June	July	Aug.	Sept.
FOB U.S. GULF	\$204.66	\$206.50	\$207.05	\$207.05
Basis	0.90	0.95	0.90	0.90
WN	4.6700			.
WU	4.7350			
WZ	4.8625			

CME Futures Market Close						
CORN Month	Futures Symbol	Thursday Close Bushel	Thursday Close MT.	Last week Bushel	Last Week MT.	Difference Bushel
July	CN	\$3.7900	\$149.20	\$ 3.5325	\$139.07	\$0.2575
Sept.	CU	\$3.8700	\$152.35	\$ 3.6200	\$142.51	\$0.2500
Dec.	CZ	\$3.9650	\$156.09	\$ 3.7275	\$146.74	\$0.2375
Mar.	CH	\$4.0650	\$160.03	\$ 3.8675	\$152.26	\$0.1975
May	CK	\$4.1225	\$162.29	\$ 3.9550	\$155.70	\$0.1675

CBOT July 2019 (CN19) Corn Futures Chart –



CME/CBOT July 2019 (WN19) SRW Wheat Futures Chart –



U.S. Soybean and SBM Markets Fob Vessel:

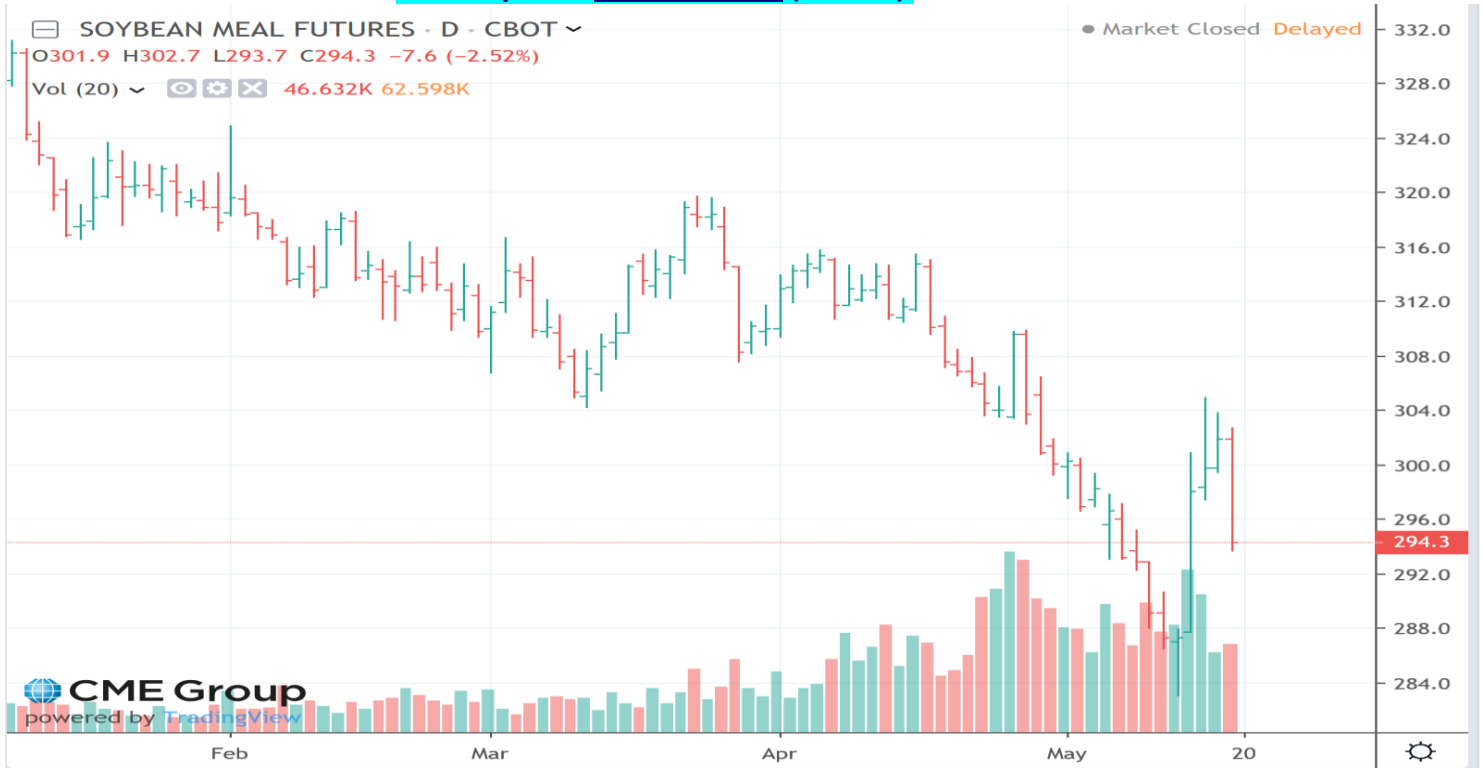
U.S. Yellow Soybeans (USD/MT) FOB Vessel				
# 2 YSB	U.S. Gulf #2 YSB		PNW #2 YSB	
14.0 % Moisture	Basis	Flat Price	Basis	Flat Price
June	0.50	\$329.40	0.72	\$337.49
July	0.47	\$328.30	0.72	\$337.49
Aug.	0.44	\$329.40	0.75	\$340.79
Sept.	0.38	\$331.70	0.75	\$345.30
Oct.	0.38	\$336.29	0.80	\$351.73
Soybean Futures				
July	\$ 8.3975			
Aug.	\$ 8.4650			
Sept.	\$ 8.5250			
Nov.	\$ 8.6475			
Jan.	\$ 8.7725			
Mar.	\$ 8.8575			

U.S. SBM (USD/MT) FOB Vessel		
Fob U.S. Gulf Port	47.5 Pro. SBM	
max 12.5 % moisture	Basis	Flat Price
June	8.00	\$ 343.32
July	7.00	\$ 342.22
Aug.	6.00	\$ 342.99
Sept.	5.00	\$ 343.32
Oct.	5.00	\$ 346.63
SBM Futures		
SMN	301.90	
SMQ	303.40	
SMU	305.10	
SMV	306.40	
SMZ	309.40	
SMF	310.60	

CME July 2019 Soybean (SN19) Futures Chart:



CME July 2019 Soybean Meal (SMN19) Futures Chart



U.S. EXPORT STATISTICS: Report Activity as of Week Ending 02 May 2019

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 '19- 20 (000 MT)
Corn	460.0	46,344.8	58,420	79%	2,249.2
Sorghum	54.9	1,565.4	2,160	72%	0.0
Soybeans	116.2	44,988.2	51,030	88%	1,115.4
Wheat	211.4	25,552.3	25,720	99%	2,557.5
Barley	0.0	61.2	110	56%	31.6

U.S. EXPORT INSPECTIONS:

Monday's report 13 May 2019 for the Export week ending 09 May 2019

	Export Inspections		Current Market Year YTD	Previous Year to Date	2018/19 YTD as Percent of 2017/18 YTD
	This Week	Previous Week			
Corn	1,000,762	976,842	36,633,225	34,781,862	105%
Sorghum	94,465	24,571	1,302,443	4,683,191	28%
Soybeans	513,375	603,012	32,655,233	44,751,638	73%
Wheat	842,418	537,490	22,785,709	22,703,097	100%
Barley	73	0	9,254	21,340	43%

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

U.S. EXPORT INSPECTIONS:

Monday's report 13 May 2019 for the Export week ending 09 May 2019

Last Week								
(Metric Tons)	YC	%	WC	%	Sorghum	%	Soybeans	%
Lakes	0	0%	0	0%	0	0%	0	0%
Atlantic	7,163	1%	0	0%	0	0%	5,070	1%
Gulf	430,721	44%	8,100	50%	69,351	73%	391,711	76%
PNW	411,097	42%	122	1%	9,996	11%	0	0%
Interior Export Rail	135,529	14%	7,883	49%	15,118	16%	116,594	23%
Metric Tons	984,510		16,105		94,465		513,375	

Sorghum Shipments:	metric tons	
	59,351	China Main
	10,000	Djibouti
	9,996	Japan
	15,118	Mexico
	94,465	Total

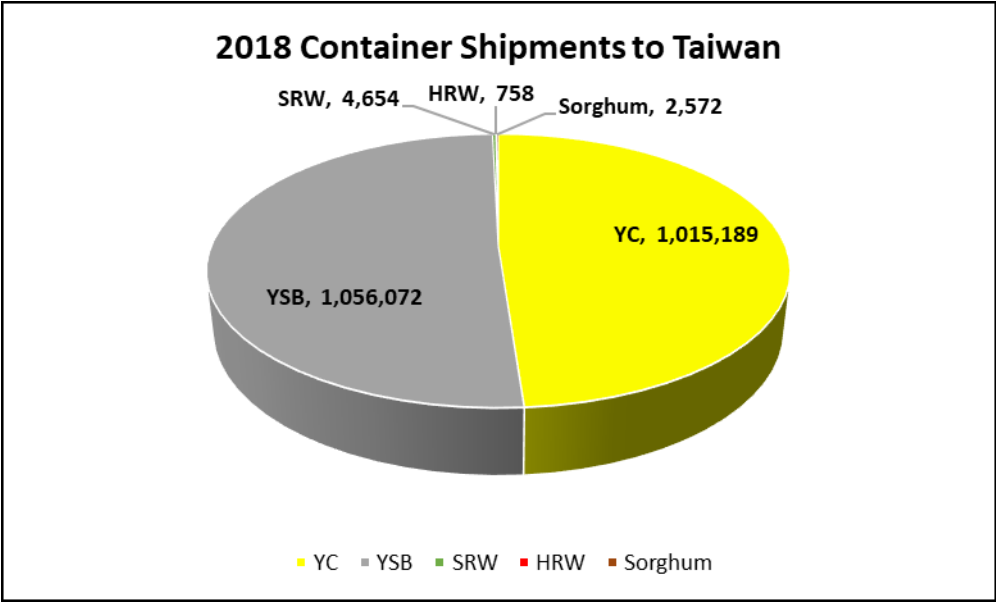
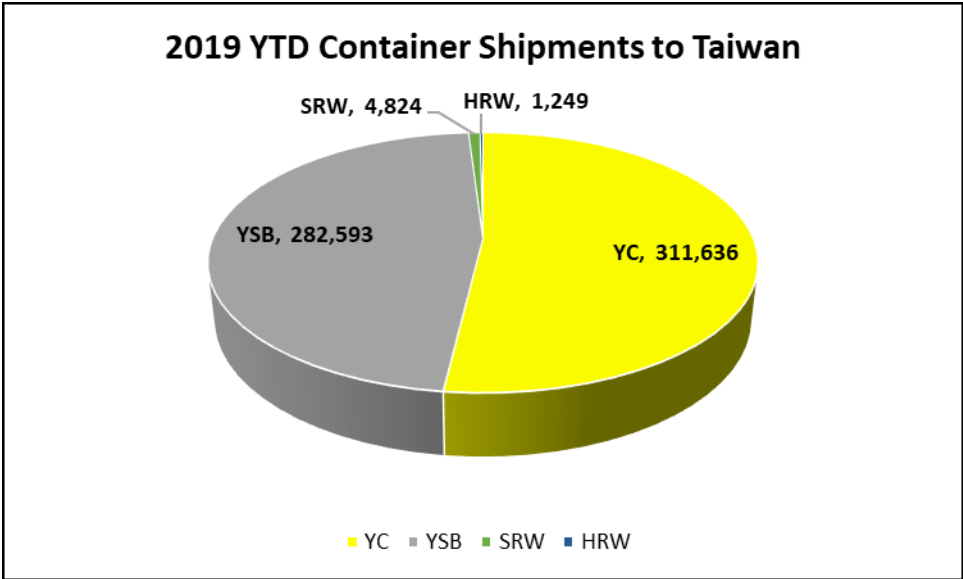
White Corn	metric tons	
Shipments:	122	Korea Rep
	8,100	El Salvador
	7,883	Mexico
	16,105	Total

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:		9-May-2019							
Last Week	metric tons								MT
	YC	WC	YSB	SRW	NS	SWH	HRW	Sorghum	TOTAL
China Main	881								881
China T	17,897		11,409						29,306
Hong Kong	1,467								1,467
Costa Rica	73								73
Indonesia			22,675						22,675
Ireland									0
Japan			660						660
Korea Republic	1,224		2,228	245					3,697
Nepal			2,472						2,472
Malaysia	122		3,598						3,720
Burma									0
Philippines	147		1,690						1,837
Thailand			9,282						9,282
Qatar	465								465
Bangladesh									0
Vietnam			6,807						6,807
Sub total	22,276	0	60,821	245	0	0	0	0	76,070
USDA Corrections/Additions to previous reports:									
China T			1,610						1,610
China Main									0
Hong Kong									0
Korea Rep.									0
Haiti									0
Japan									0
Philippines									0
Indonesia			1,469						1,469
Malaysia									0
Thailand									0
Vietnam									0
Burma									0
Bangladesh									0
Sub total	0	0	3,079	0	0	0	0	0	3,079
Mt. Grand Total	22,276	0	63,900	245	0	0	0	0	79,149
Number of containers	969	0	2,778	11	0	0	0	0	

Jan - Dec 2018 Annual Totals versus 2019 Jan.-Dec. YTD Total Container Shipments (in MT)



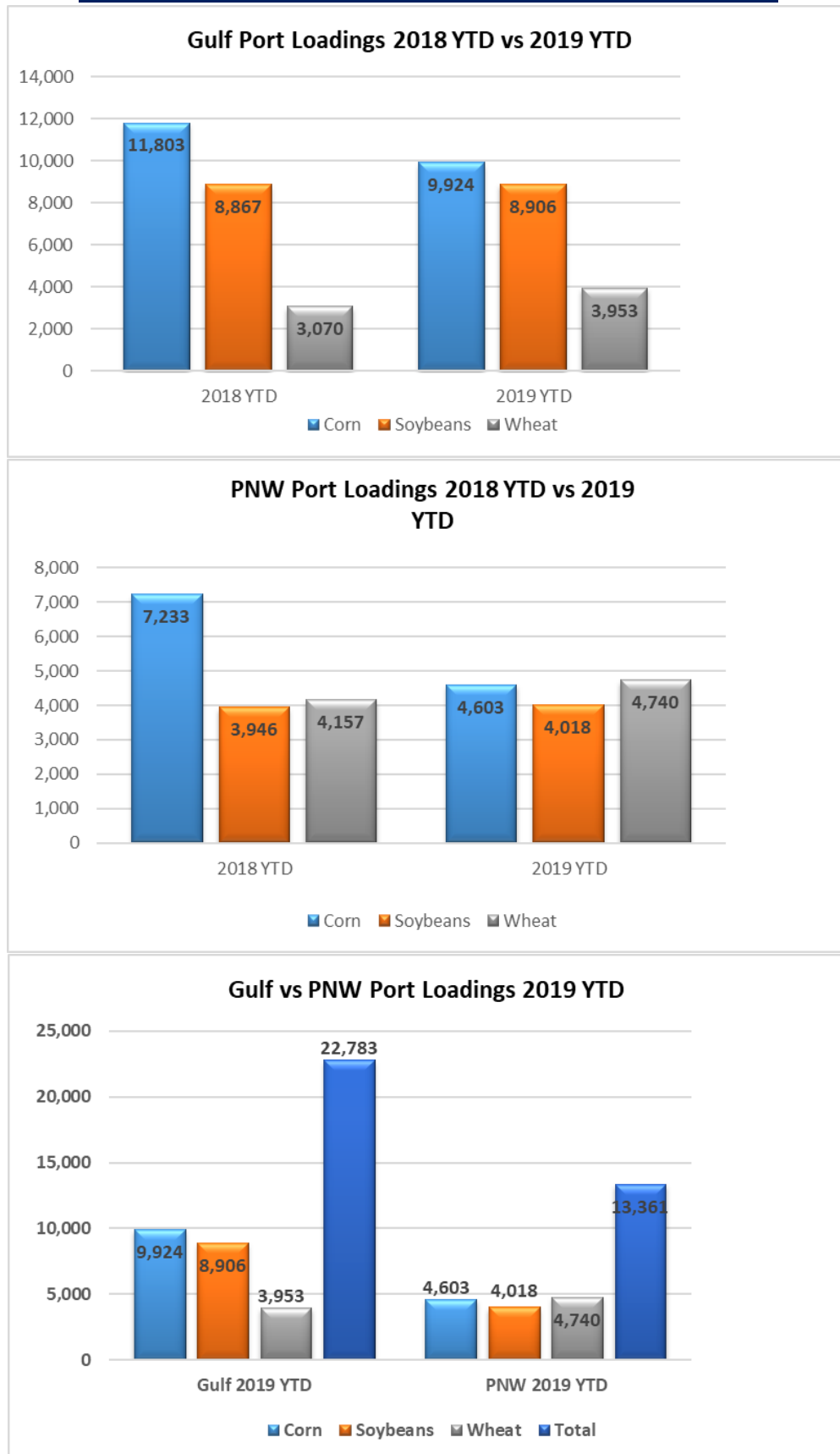
Grain Inspections for Export by U.S. Port Regions:
U.S. Gulf and Pacific Northwest 2018 YTD vs. 2019 YTD

PORT LOADINGS US Gulf				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
GULF				
2018 YTD	11,803	8,867	3,070	23,740
2019 YTD	9,924	8,906	3,953	22,783
2019 as % of 2018	84%	100%	129%	96%

PORT LOADINGS US PNW				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
PNW				
2018 YTD	7,233	3,946	4,157	15,336
2019 YTD	4,603	4,018	4,740	13,361
2019 as % of 2018	64%	102%	114%	87%

PORT LOADINGS GULF vs. PNW				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
2019 Gulf YTD	9,924	8,906	3,953	22,783
2019 PNW YTD	4,603	4,018	4,740	13,361
TOTAL	14,527	12,924	8,693	36,144
Gulf Percentage	68%	69%	45%	63%
PNW Percentage	32%	31%	55%	37%

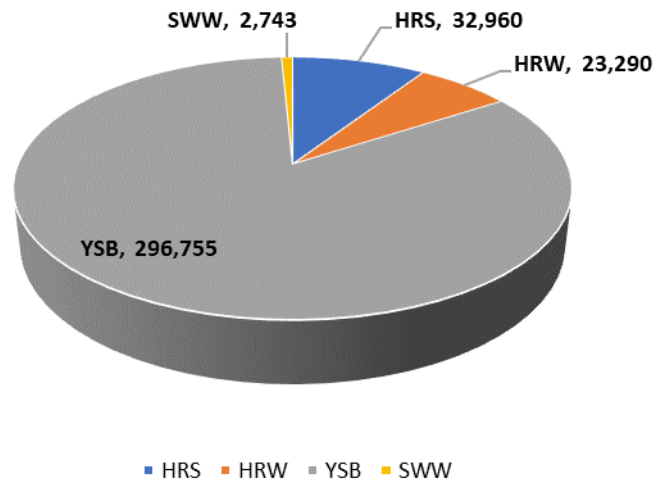
Grain Inspections for Export by U.S. Port Regions (1,000MT):
U.S. Gulf and Pacific Northwest 2018 YTD vs. 2019 YTD



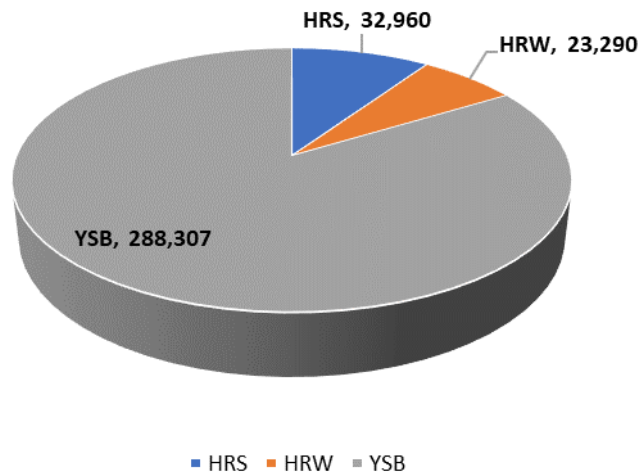
Source: USDA-data

2019 YTD Total Grain Exports reported by USDA (in MT)

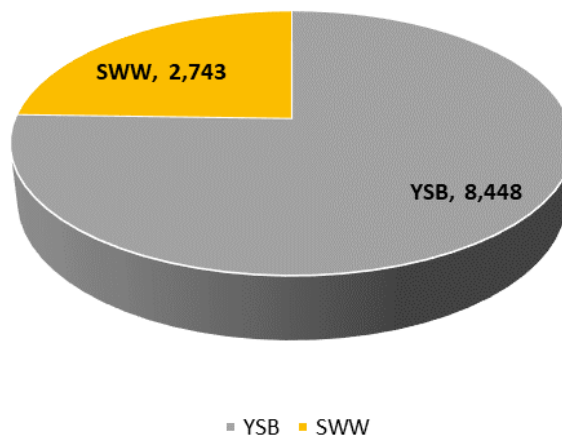
2019 YTD Exports to Bangladesh



YTD Exports to Bangladesh by Vessel



YTD Exports to Bangladesh by Container



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

Shipping News

China Containerized Freight Index



U.S. RIVER BARGE FREIGHT

Current Barge Freight for Placement First Half June 2019

Placement FH June 2019	% of Tariff	MT	Corn BU	Soybeans-Wheat BU
Upper Mississippi	415	\$ 28.32	0.72	0.77
Illinois River (Pekin and South)	390	\$ 20.68	0.53	0.56
Mid-Mississippi	390	\$ 22.87	0.58	0.62
Lower Ohio	310	\$ 15.24	0.39	0.41
St. Louis	290	\$ 12.75	0.32	0.35

Secondary Rail Car Market for car placement period: First Half June 2019.

Secondary Rail Car Market Placement FH. June 2019	BID USD	ASK USD	BID BU.	ASK BU.	BID MT	ASK MT
BNSF Shuttle Trains	\$ (150.00)	\$ (100.00)	\$ (0.04)	\$ (0.03)	\$ (1.48)	\$ (0.98)
UPRR Shuttle Trains	\$ (250.00)	\$ (150.00)	\$ (0.06)	\$ (0.04)	\$ (2.46)	\$ (1.48)

Best Regards,

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