



Transportation and Export Report for 17 May 2018

Ocean Freight Insights and Comments:

It was another mixed week for Dry-Bulk freight markets. The Capesize sector did manage to ratchet up a bit and close higher for the week; but it did run into some resistance at weeks end. Speculative buying aided the rally. Panamax vessel markets were up and down in a choppy trade. By weeks end they could not hold the rally and closed slightly below where they started. We will have to see if the relative strength in the Capesize market can keep the Panamax side from sliding further. But markets feel soft at weeks end.

China just lifted the previously announced import tariffs on U.S. Sorghum. Now we will have to see if Chinese buyers want to return to Sorghum buying and if (after reselling and diverting 30 Sorghum vessels over past two weeks) any U.S. exporter ever wants to trade Sorghum to China again in their life time? ("Fool me once.....Fool me twice....")

BALTIC DRY-BULK PANAMAX INDEX CHANGES

Panamax Ocean Freight Indices				
17-May-18	This Week	Last Week	Difference	Percent Change
P2A : Gulf/Atlantic - Japan	15642	15847	-205	-1.3%
P3A - PNW/Pacific - Japan	11669	11238	431	3.8%
S1C -USGULF-China-So.Japan	18733	20081	-1,348	-6.7%

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

Four weeks ago:	\$ 5.85-\$6.85
Three weeks ago:	\$ 7.00-\$7.55
Two weeks ago:	\$ 7.00-\$7.30
One week ago:	\$ 7.60-\$7.65
This week	\$ 8.30-\$8.60

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

Mississippi River:	(10 elevators)	4-9 days
Miss. River Mid-Stream loaders:	(6+ Rigs)	0-2 days
Texas Gulf	(6 elevators)	0-2 days
Pacific Northwest:	(9 elevators)	1-18 days

Panamax Market Spreads to Asia -China					
17-May-18	PNW	GULF	Bushel Spread	MT Spread	Advantage
CORN	0.83	0.78	0.05	\$1.97	PNW
SOYBEANS	0.97	0.69	0.28	\$10.29	PNW
OCEAN FREIGHT	\$23.75	\$42.50	.48 -.51	\$18.75	JUNE

Recent Reported Vessel Fixtures:

Route and Vessel Size	Current Week USD/MT	Change from previous week	Remarks
55,000 U.S. Gulf-Japan	\$44.00	Unchanged	Handymax \$44.50 mt
55,000 U.S. PNW- Japan	\$24.50	Unchanged	Handymax \$25.00 mt
66,000 U.S. Gulf – China PNW to China	\$42.50 \$23.75	Unchanged Unchanged	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- <u>East Coast Colombia</u> From Argentina	\$19.75 \$33.50	Unchanged	<u>West Coast Colombia at \$28.00</u>
40-45,000 U.S. Gulf - Guatemala	\$27.75	Unchanged	Acajutla/Quetzal - 8,000 out
26-30,000 U.S. Gulf – Algeria	\$31.25 \$32.50	Unchanged	8,000 mt daily discharge 3,000 mt daily discharge
26-30,000 US Gulf-Morocco	\$33.50	Unchanged	5,000 discharge rate
55-60,000 U.S. Gulf –Egypt PNW to Egypt	\$28.25 \$27.50	Unchanged	55,000 -60,000 mt Russia Black Sea to Egypt \$15.00
60-70,000 U.S. Gulf – Europe – Rotterdam	\$21.50	Unchanged	Handymax at +\$1.75 more
Brazil, Santos – China Brazil, Santos – China Itacoatiara-Port Up River North Brazil	\$33.50 \$32.25 \$36.25	Up \$.25	54-59,000 Supramax-Panamax 60-66,000 Post Panamax 60-66,000 mt
56-60,000 Argentina/Rosario- China Deep Draft	\$38.00	Up \$0.25	Up River with BB Top Off \$40.50

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

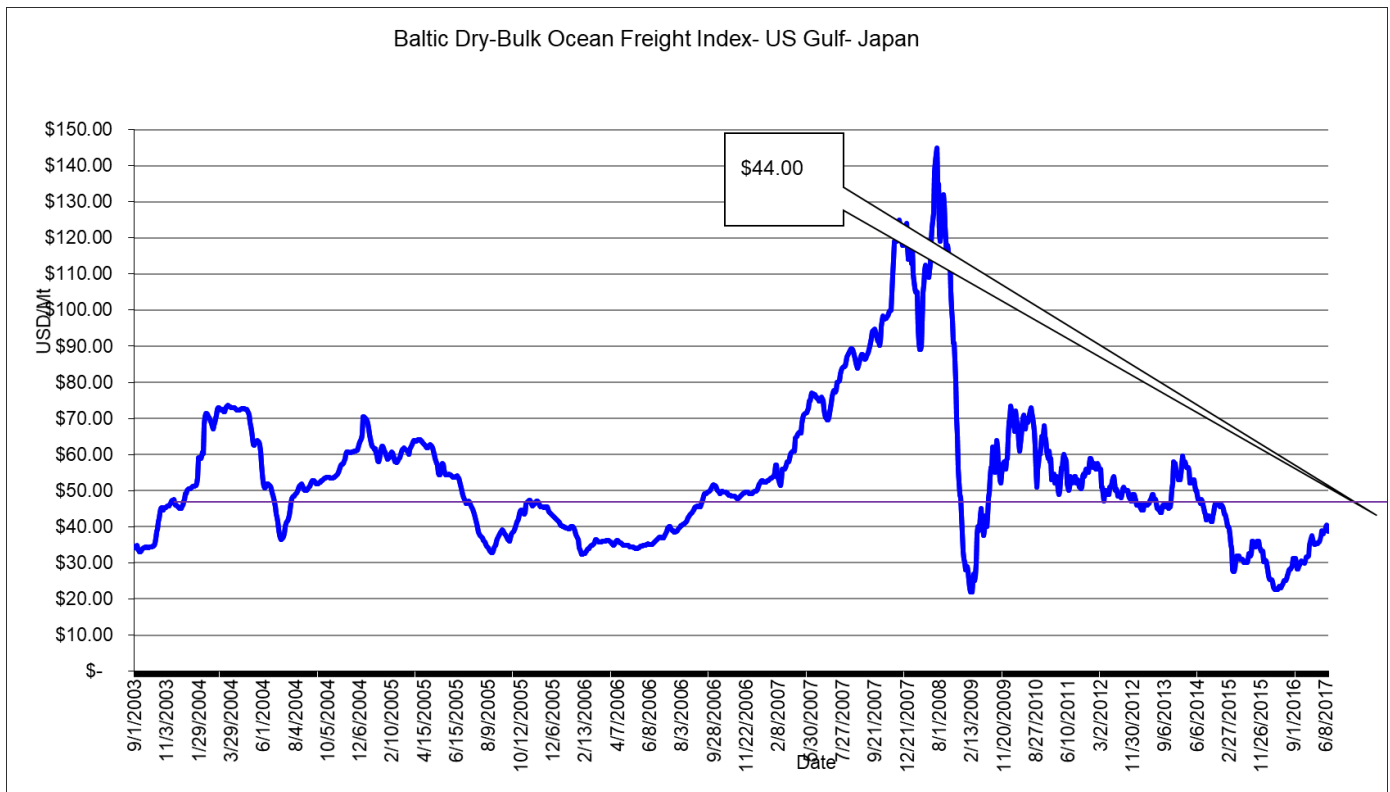
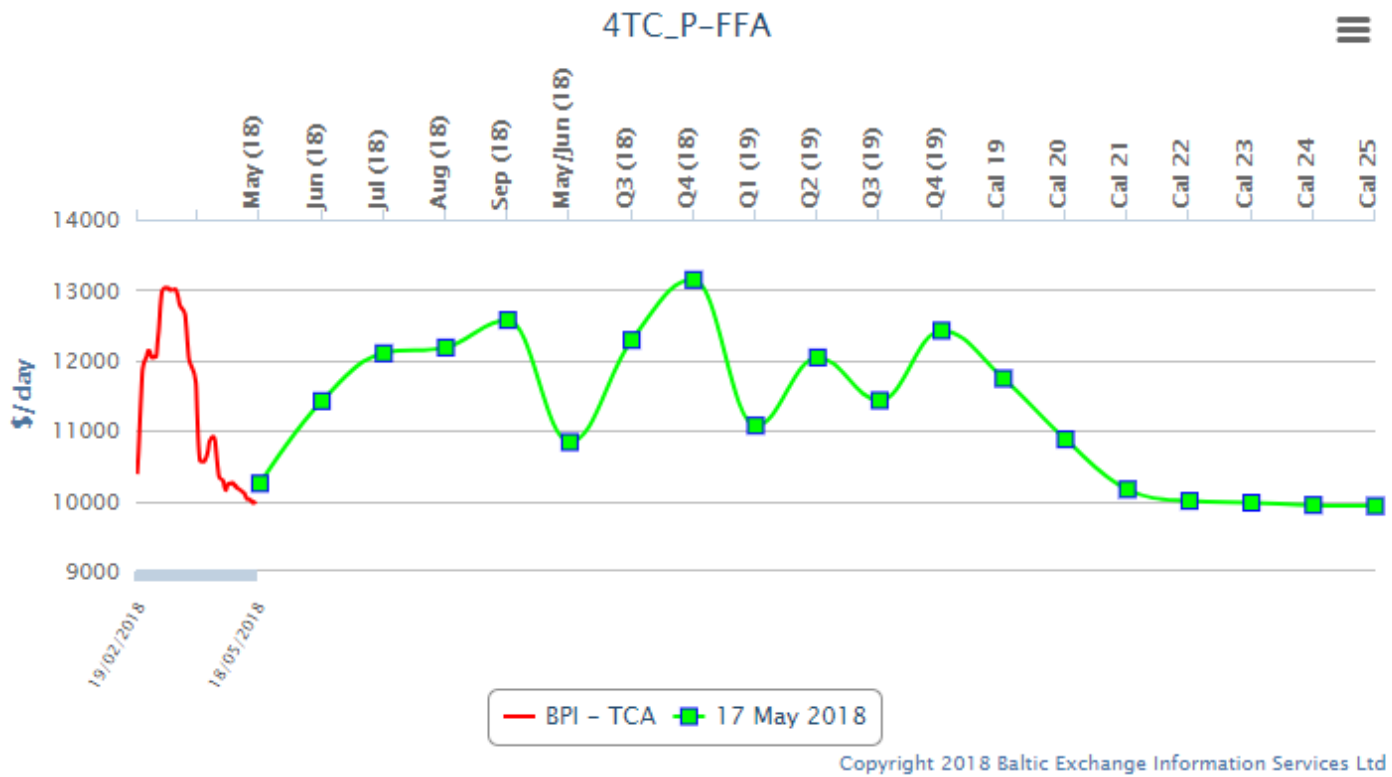
Nautical Miles: To Xiamen China (South China)

US Gulf (NOLA) (via Panamá Canal) – 10,232 nautical miles (32 days)

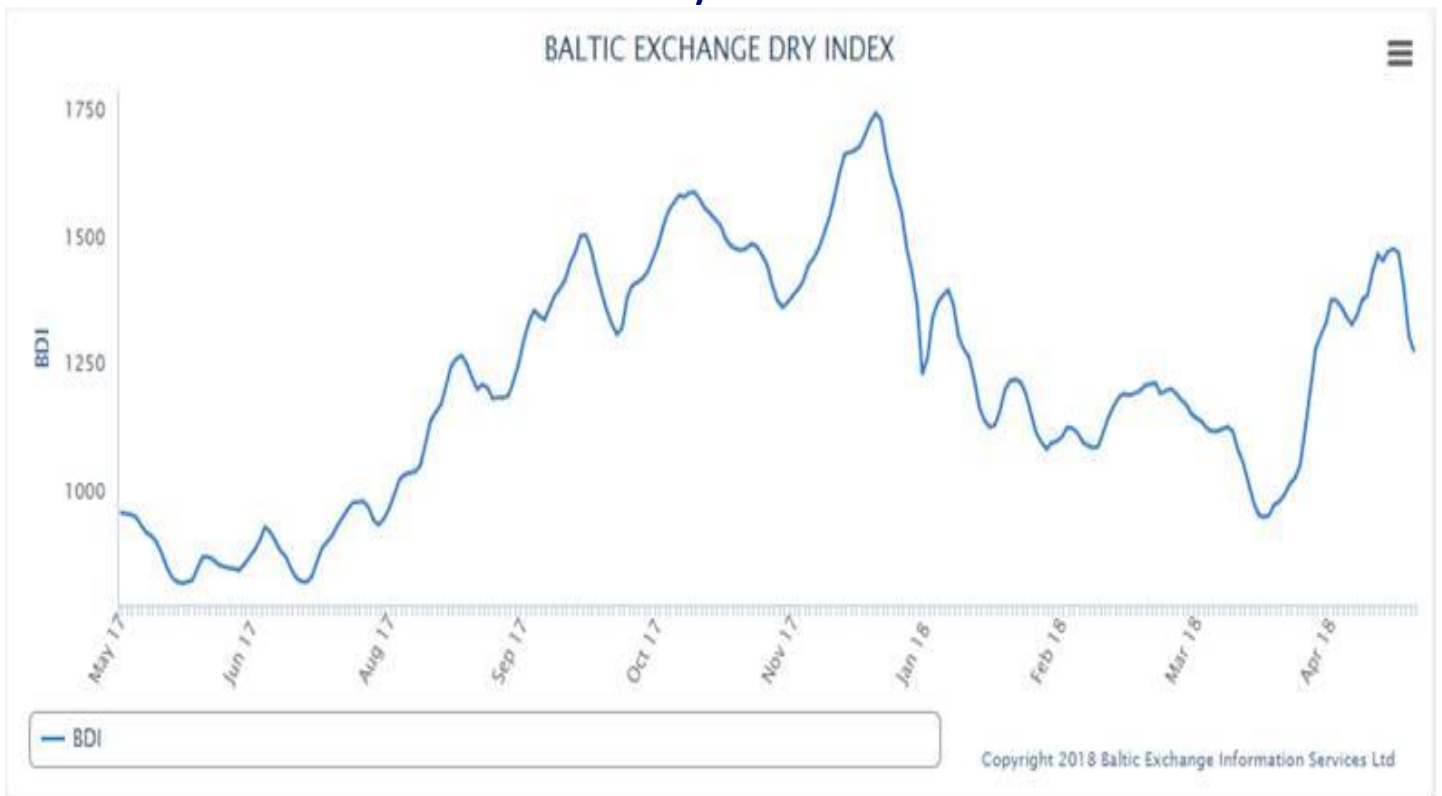
Santos Brazil (via Cape of Good Hope) - 10,441 nautical miles (33 days)

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

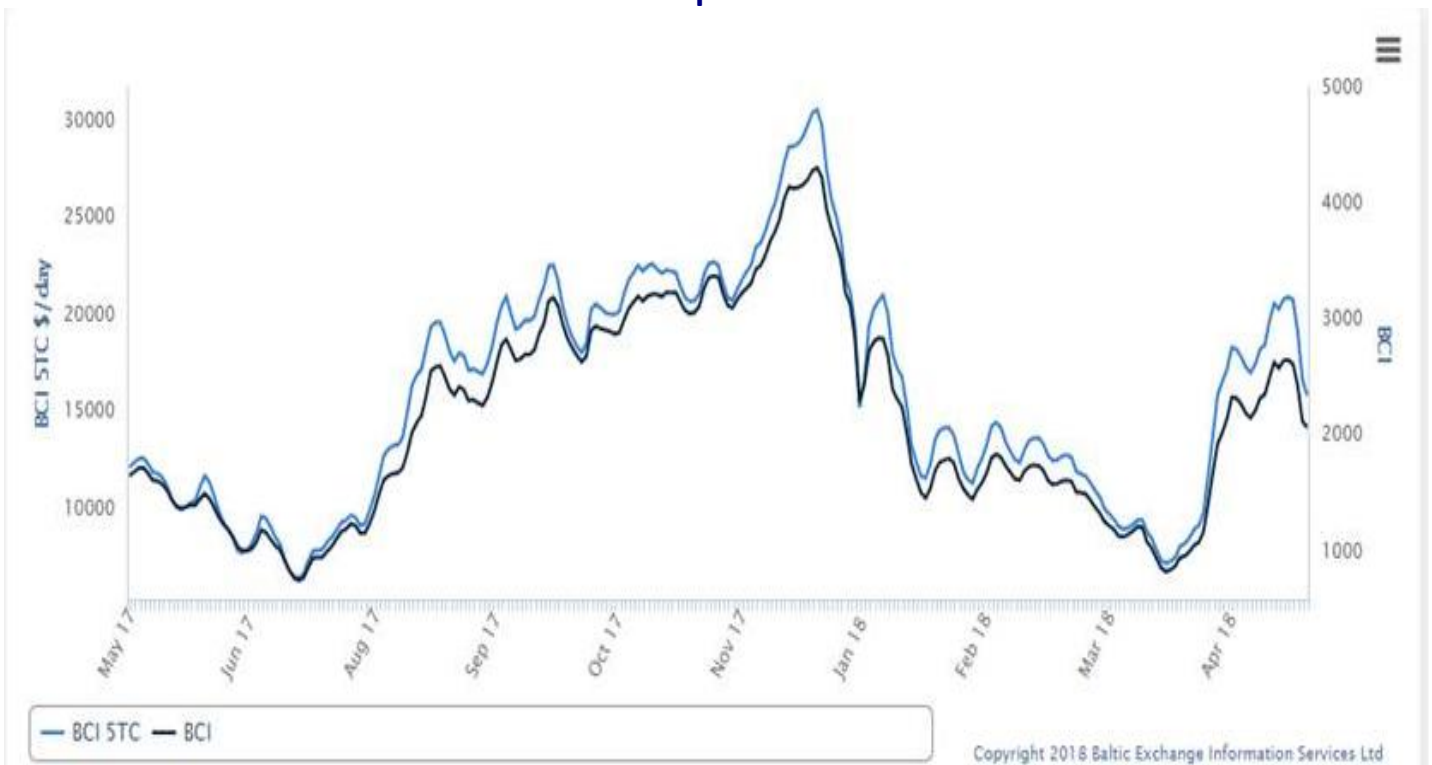
Forward Curve for Baltic BPI Panamax Vessel Freight



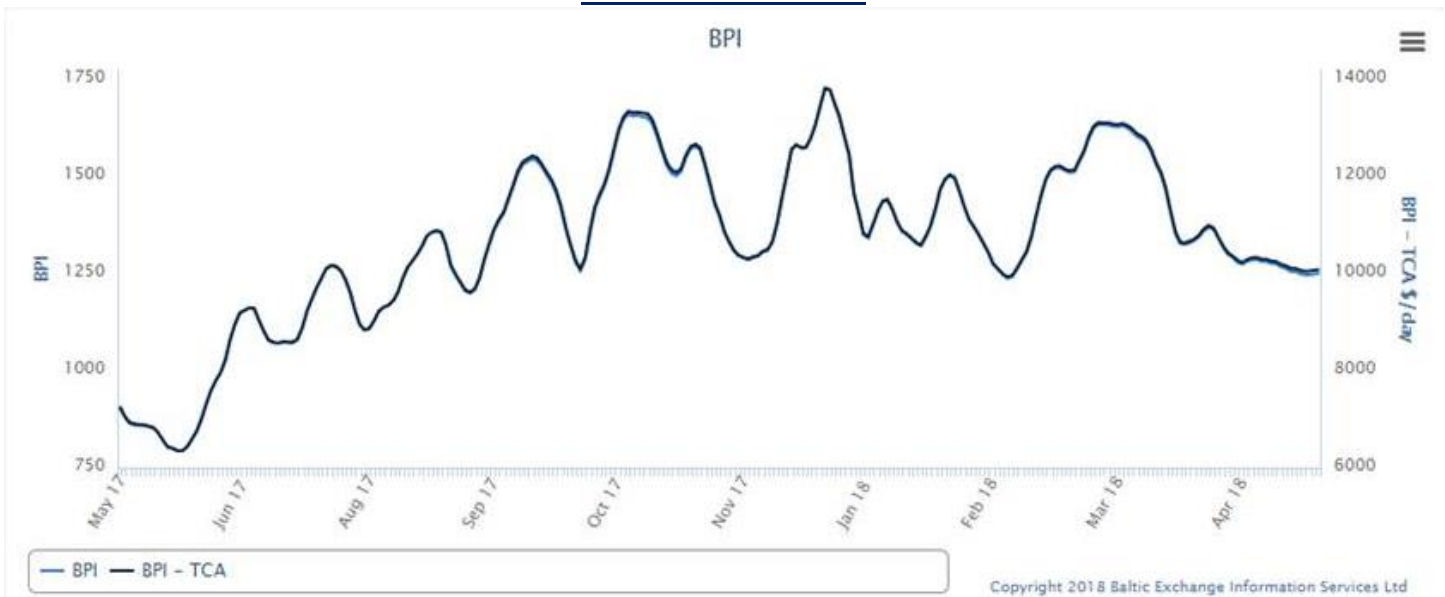
Baltic Dry-Bulk Index



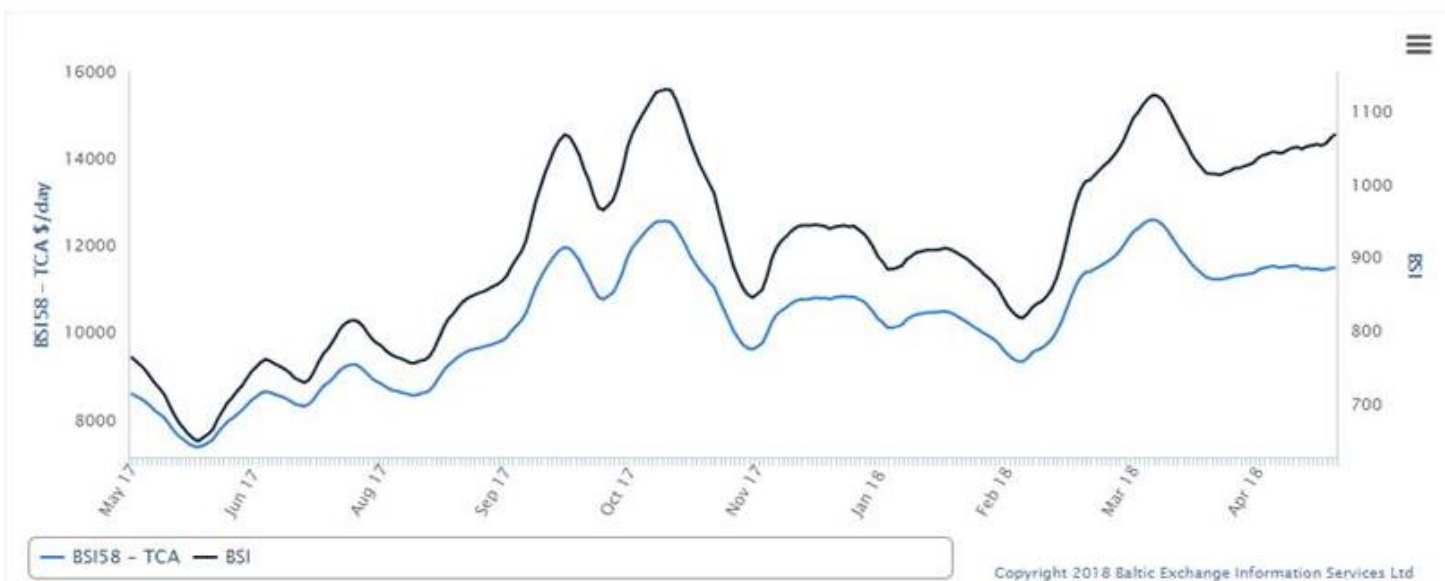
Baltic Capesize Index



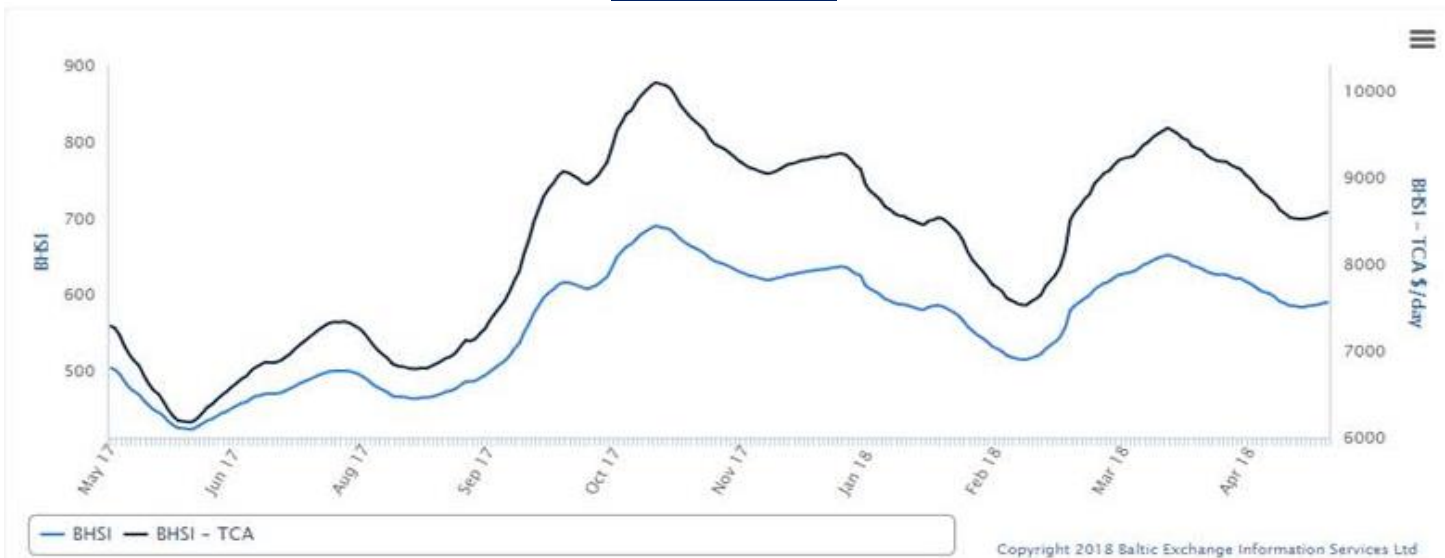
Baltic Panamax Index



Baltic Supramax Vessel Index



Baltic Handy Size



Yamamizu Shipping

[Profile](#)
[History](#)
[Organization](#)
[Service](#)
[Access Map](#)
[Yamamizu Index](#)

USG/Japan Index Result

Date From: 2017-03-01

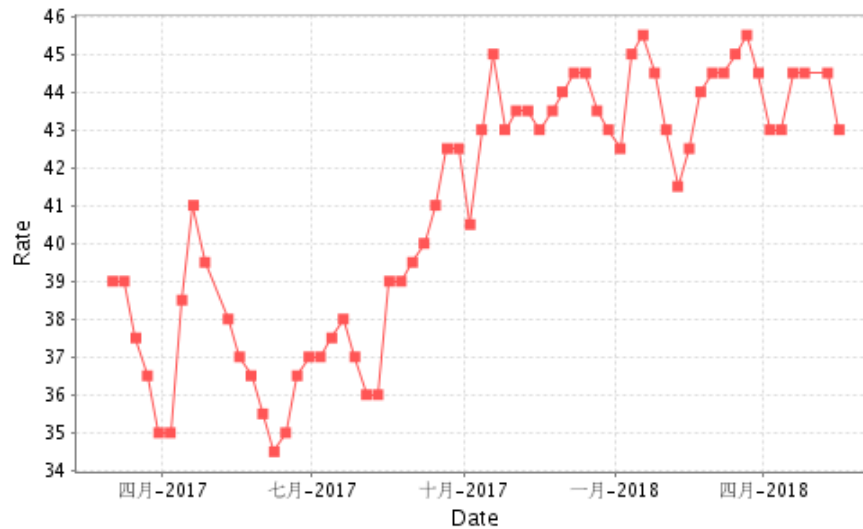
V

Date To: 2018-05-19

V

Query

Reset



China Import Dry Bulk Freight Index(CDFI)

2018-05-16

Route	Size MT	Cargo/Vessel Size	Unit	Rate	Change
Composite Index			Point	920.78	-10.65
Iron ore Freight Index			Point	922.59	-21.90
Soybean Freight Index			Point	956.25	0.02
Santos(Brazil)—North China	60000/10%	Soybean	\$/ton	32.442	-0.037
Tacoma(West America)—North China	60000/10%	Soybean	\$/ton	23.783	0.066
Mississippi(US Gulf)—North China	66000/10%	Soybean	\$/ton	42.299	0.015
Mississippi(US Gulf)—North China	55000/10%	Soybean	\$/ton	44.349	0.055

17 May 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	0.78	\$186.31	0.82	\$187.88
July	0.76	\$185.52	0.81	\$187.49
Aug.	0.72	\$187.19	0.75	\$188.38
Sept.	0.78	\$189.56	0.78	\$189.56
Oct.	0.77	\$192.90	0.81	\$194.48
Nov.	0.82	\$194.87	0.86	\$196.45

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	0.70	\$183.16	0.50	\$175.29
July	0.70	\$183.16	0.50	\$175.29
Aug.	0.70	\$186.41	0.50	\$178.53
Sept.	0.70	\$186.41	0.50	\$178.53
Oct.	0.70	\$190.15	0.53	\$183.45

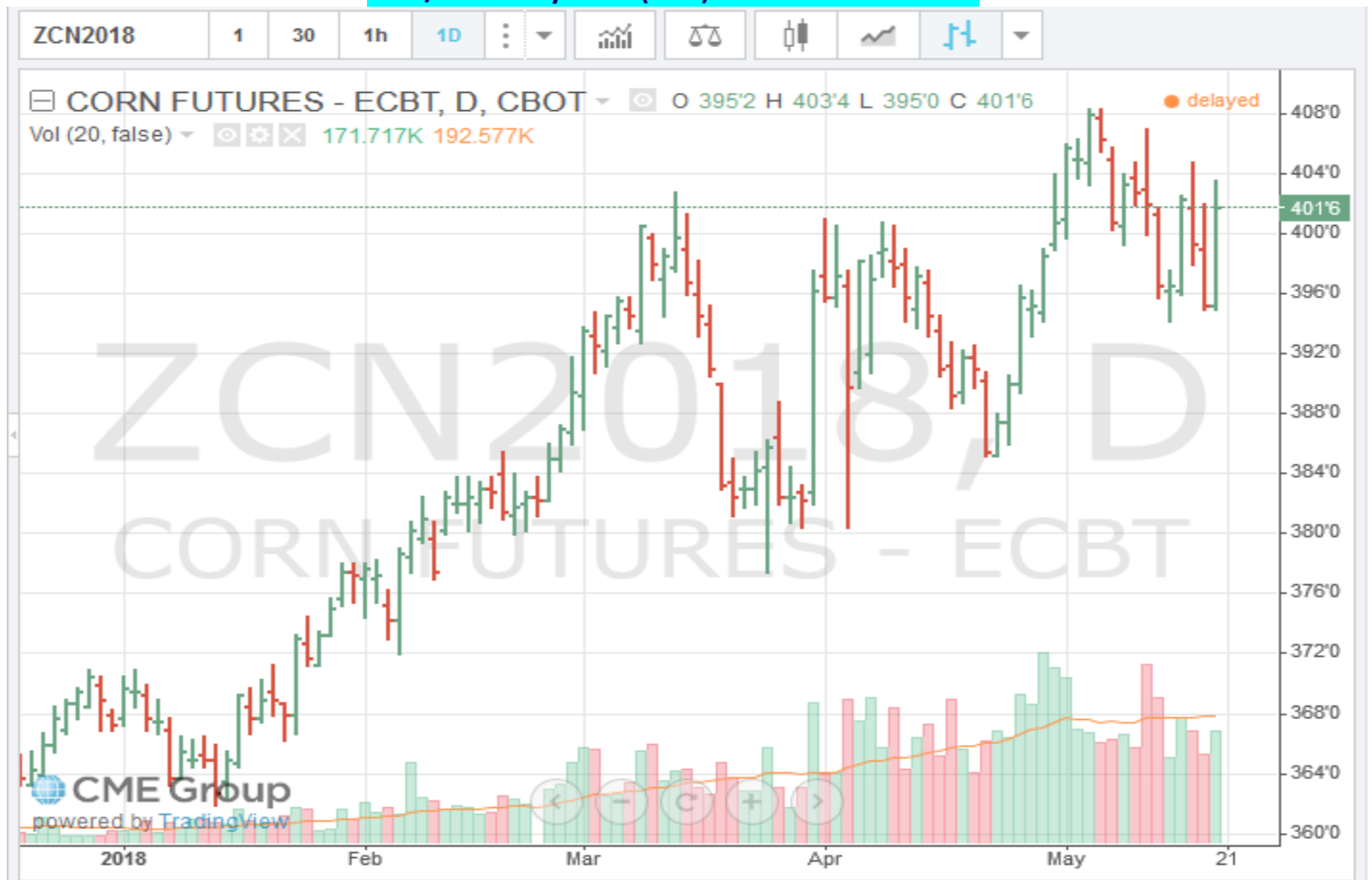
Fob vessel Texas Gulf #2 Sorghum is about 93% the value of #2 Yellow Corn at NOLA

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	\$215.87	\$215.87	\$217.34	\$218.81
Basis	0.90	0.90	0.78	0.82
WN	4.9750			
WU	5.1350			
WZ	5.3475			

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	\$ 4.0200	\$158.26	(\$0.0675)
Sept.	CU	\$4.0350	\$158.85	\$ 4.1025	\$161.51	(\$0.0675)
Dec.	CZ	\$4.1300	\$162.59	\$ 4.1950	\$165.15	(\$0.0650)
Mar.	CH	\$4.2175	\$166.03	\$ 4.2800	\$168.49	(\$0.0625)
May.	CK	\$4.2675	\$168.00	\$ 4.3275	\$170.36	(\$0.0600)

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



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

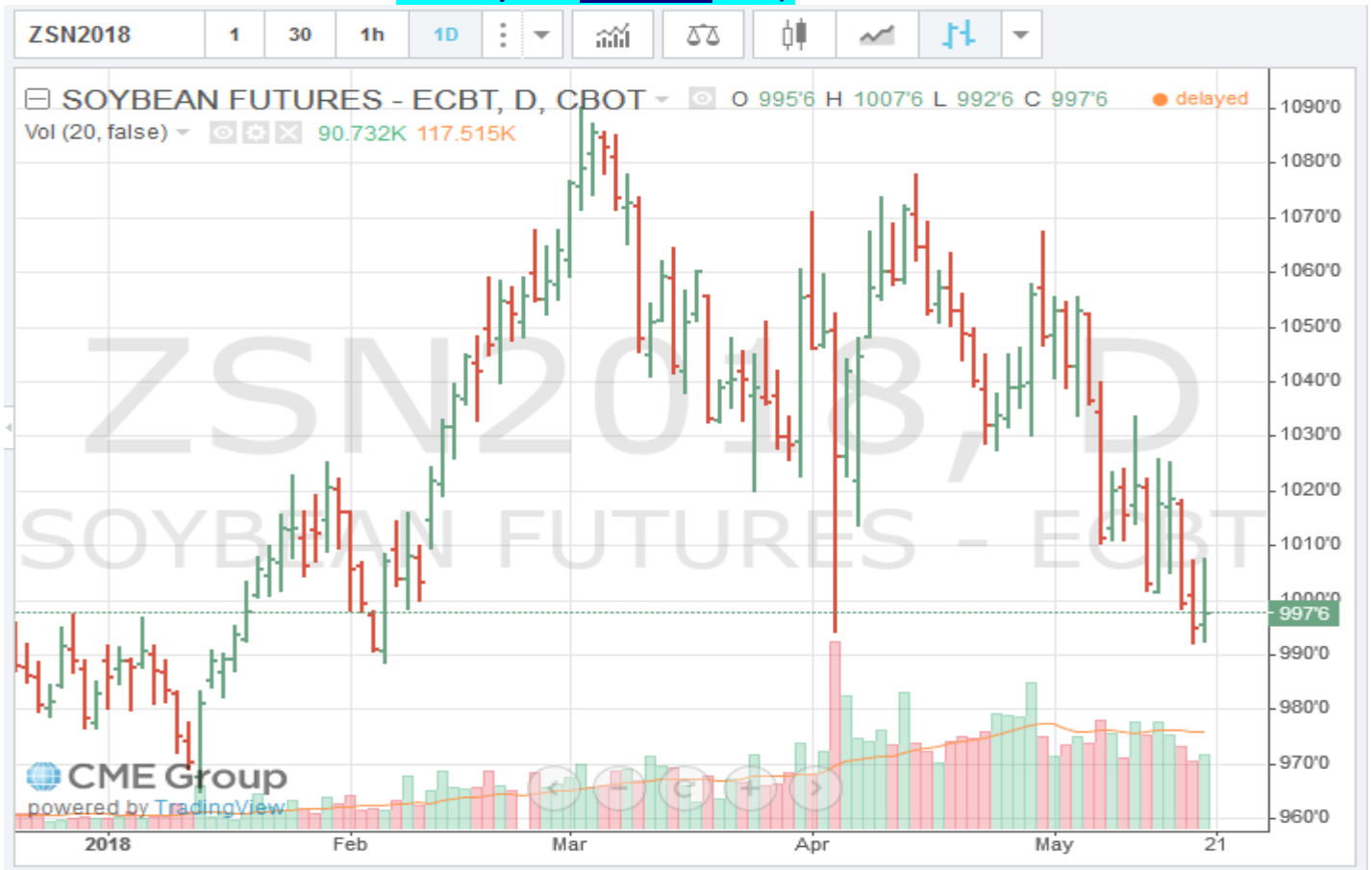


U.S. Soybean and SBM Markets Fob Vessel:

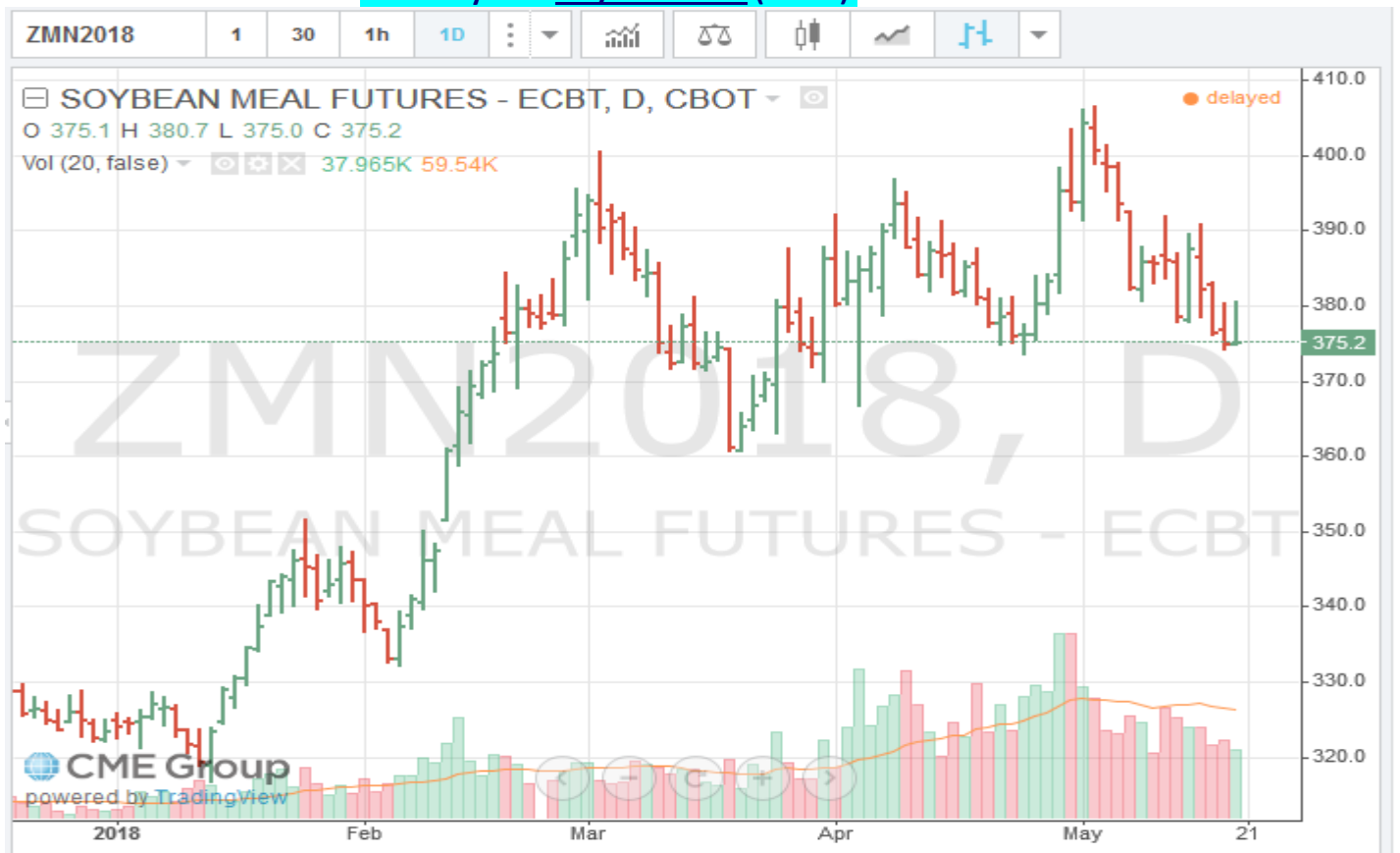
U.S. Yellow Soybeans (USD/MT) FOB Vessel				
# 2 YSB	U.S. Gulf #2 YSB		PNW #2 YSB	
14.0 % Moisture	Basis	Flat Price	Basis	Flat Price
June	0.69	\$390.95	0.97	\$401.24
July	0.70	\$391.32	0.97	\$401.24
Aug.	0.70	\$392.69	1.00	\$403.72
Sept.	0.76	\$395.73	1.10	\$408.22
Oct.	0.80	\$398.39	1.10	\$409.41
Soybean Futures				
July	\$ 9.9500			
Aug.	\$ 9.9875			
Sept.	\$ 10.0100			
Nov.	\$ 10.0425			
Jan.	\$ 10.0850			
Mar.	\$ 9.9750			

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	\$ 446.62
July	32.00	\$ 448.83
Aug.	35.00	\$ 450.37
Sept.	38.00	\$ 451.58
Oct.	36.00	\$ 446.73
SBM Futures		
SMN	375.10	
SMQ	373.50	
SMU	371.60	
SMV	369.20	
SMZ	367.70	
SMF	364.30	

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 10 May 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	1093.0	52,617.3	56,520	93%	2,230.2
Sorghum	118.5	5,359.3	6,220	86%	38.0
Soybeans	299.2	55,406.5	56,200	99%	5,549.4
Wheat	132.8	23,601.5	24,770	95%	2,057.8
Barley	0.1	33.1	130	25%	46.5

U.S. EXPORT INSPECTIONS:

Monday's report 14 May 2018 for the Export week ending 10 May 2018

	Export Inspections		Current Market Year YTD	Previous Year to Date	2017 YTD as Percent of 2016 YTD
	This Week	Previous Week			
Corn	1,554,495	1,916,461	34,746,261	40,772,389	85%
Sorghum	7,668	70,728	4,581,229	4,485,234	102%
Soybeans	688,195	535,210	44,741,238	50,155,283	89%
Wheat	404,180	332,086	22,653,253	25,753,789	88%
Barley	0	0	21,340	35,357	60%

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

U.S. EXPORT INSPECTIONS:

Monday's report 14 May 2018 for the Export week ending 10 May 2018

Last Week							
(Metric Tons)	YC	%	WC	%	Sorghum	%	Soybeans %
Lakes	0	0%	0	0%	0	0%	0 0%
Atlantic	0	0%	0	0%	0	0%	62,078 9%
Gulf	834,881	54%	7,214	100%	6,994	91%	350,412 51%
PNW	495,761	32%	0	0%	0	0%	135,860 20%
Interior Export Rail	216,615	14%	24	0%	674	9%	139,845 20%
Metric Tons	1,547,257		7,238		7,668		688,195

Sorghum Shipments:	metric tons	
	6,994	Japan
	147	Korea Rep
	527	Mexico
	7,668	Total

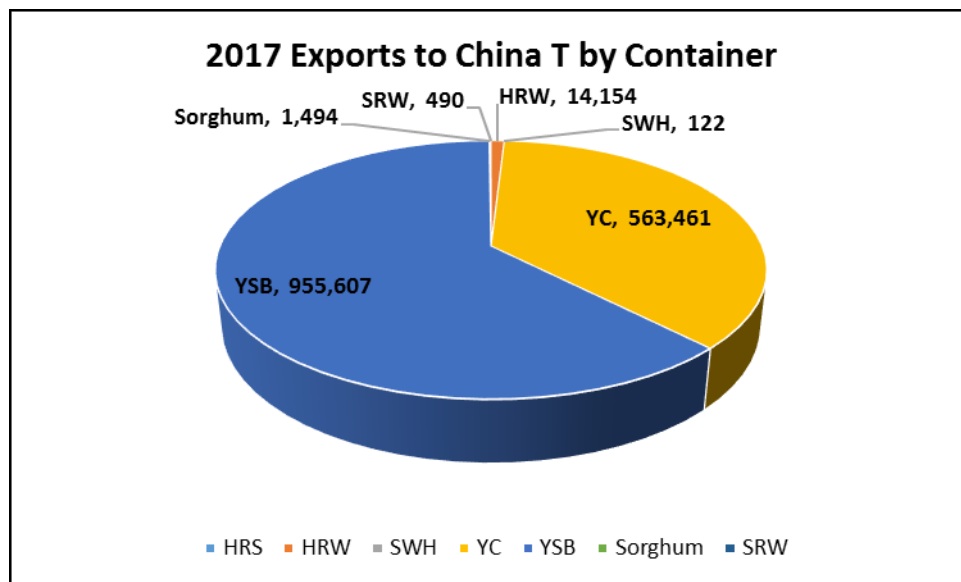
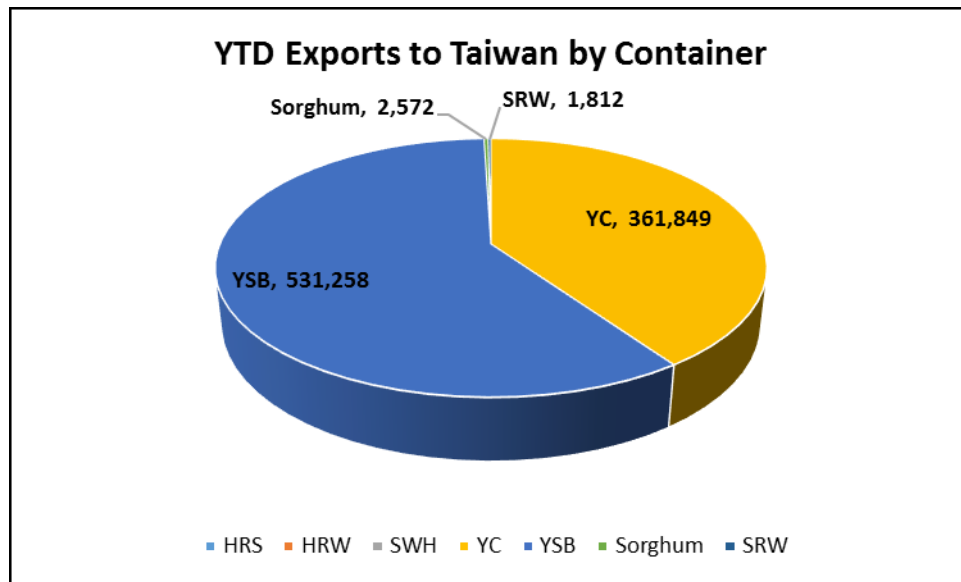
White Corn	metric tons	
Shipments:	7,214	Mexico
	24	Ireland
	7,238	Total

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:		10-May-2018							
Last Week	metric tons								MT
	YC	WC	YSB	SRW	NS	SWH	HRW	Sorghum	TOTAL
China Main			2,718						2,718
China T	31,556		34,929						66,485
Hong Kong	1,518								1,518
Burma							955		955
Indonesia			20,885						20,885
Mali			490						490
Japan			708						708
Korea Republic	269		1,886					147	2,302
Dominican Rep	122								122
Malaysia	2,301		5,436						7,737
Ireland		24							24
Philippines	1,272		293				98		1,663
Thailand			10,749						10,749
El Salvador			24						24
Bangladesh			661						661
Vietnam			5,459						5,459
Sub total	37,038	24	84,238	0	0	0	1,053	147	116,356
USDA Corrections/Additions to previous reports:									
China T									0
China Main									0
Hong Kong									0
Korea Rep.									0
Costa Rica									0
Japan									0
Philippines									0
Indonesia			2,401						2,401
Malaysia									0
Thailand									0
Vietnam									0
Canada									0
Burma									0
Sub total	0	0	2,401	0	0	0	0	0	2,401
Mt. Grand Total	37,038	24	86,639	0	0	0	1,053	147	118,757
Number of containers	1,610	1	3,767	0	0	0	46	6	

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

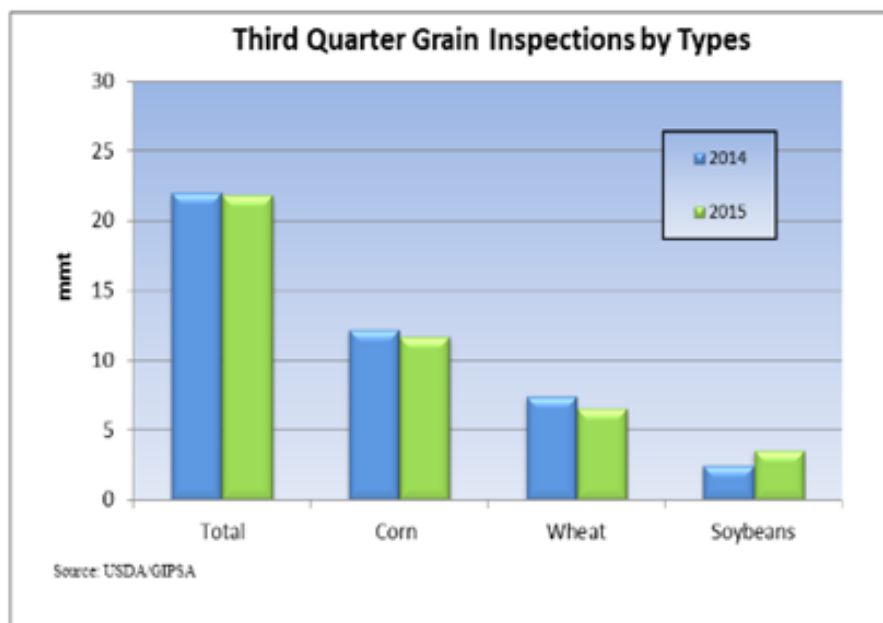


Grain Inspections for Export by U.S. Port Regions:
U.S. Gulf and Pacific Northwest 2017 YTD vs. 2018 YTD

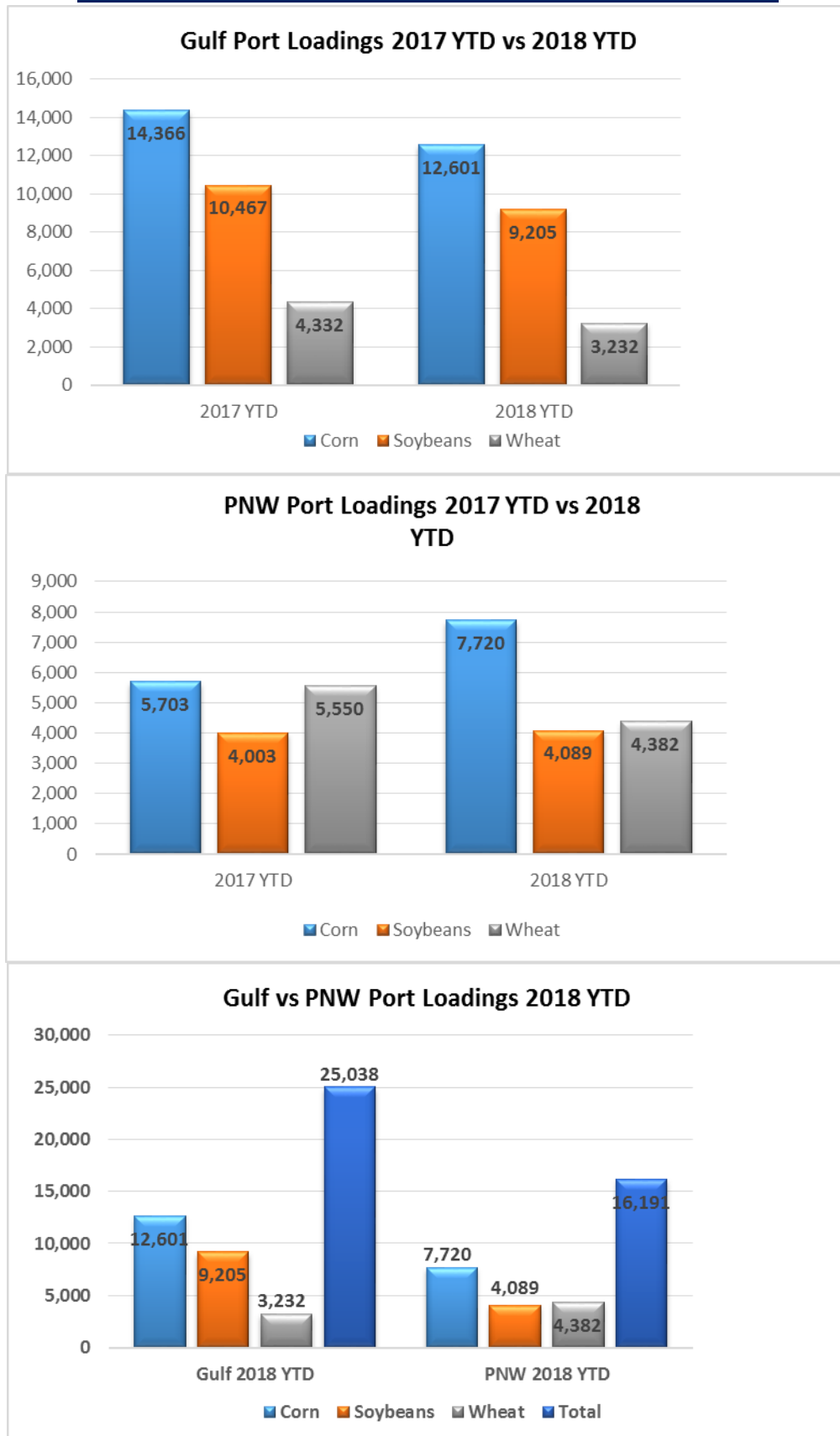
PORT LOADINGS US Gulf				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
GULF				
2017 YTD	14,366	10,467	4,332	29,165
2018 YTD	12,601	9,205	3,232	25,038
2018 as % of 2017	88%	88%	75%	86%

PORT LOADINGS US PNW				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
PNW				
2017 YTD	5,703	4,003	5,550	15,256
2018 YTD	7,720	4,089	4,382	16,191
2018 as % of 2017	135%	102%	79%	106%

PORT LOADINGS GULF vs. PNW				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
2018 Gulf YTD	12,601	9,205	3,232	25,038
2018 PNW YTD	7,720	4,089	4,382	16,191
TOTAL	20,321	13,294	7,614	41,229
Gulf Percentage	62%	69%	42%	61%
PNW Percentage	38%	31%	58%	39%

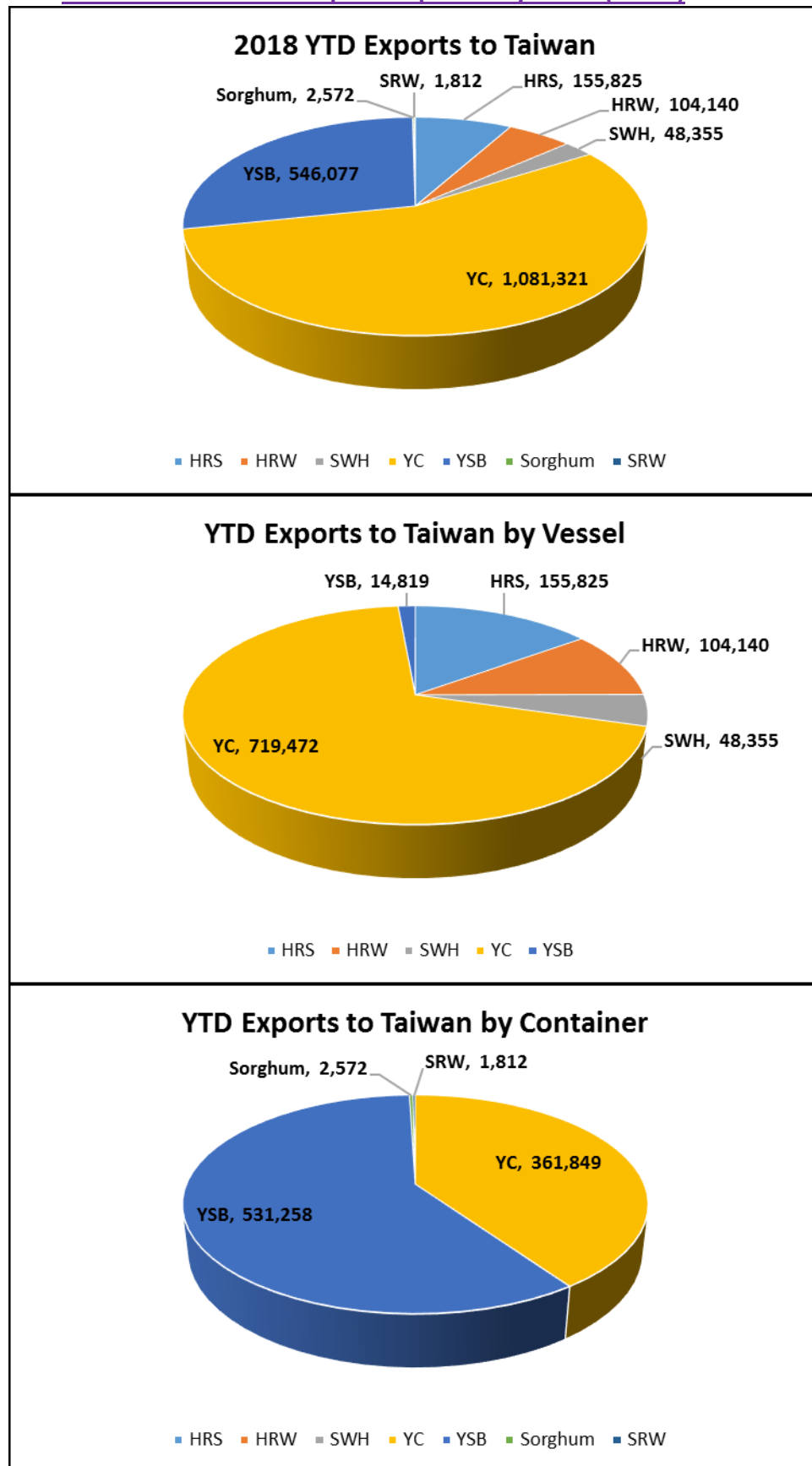


Grain Inspections for Export by U.S. Port Regions (1,000MT):
U.S. Gulf and Pacific Northwest 2017 YTD vs. 2018 YTD



Source: USDA-data

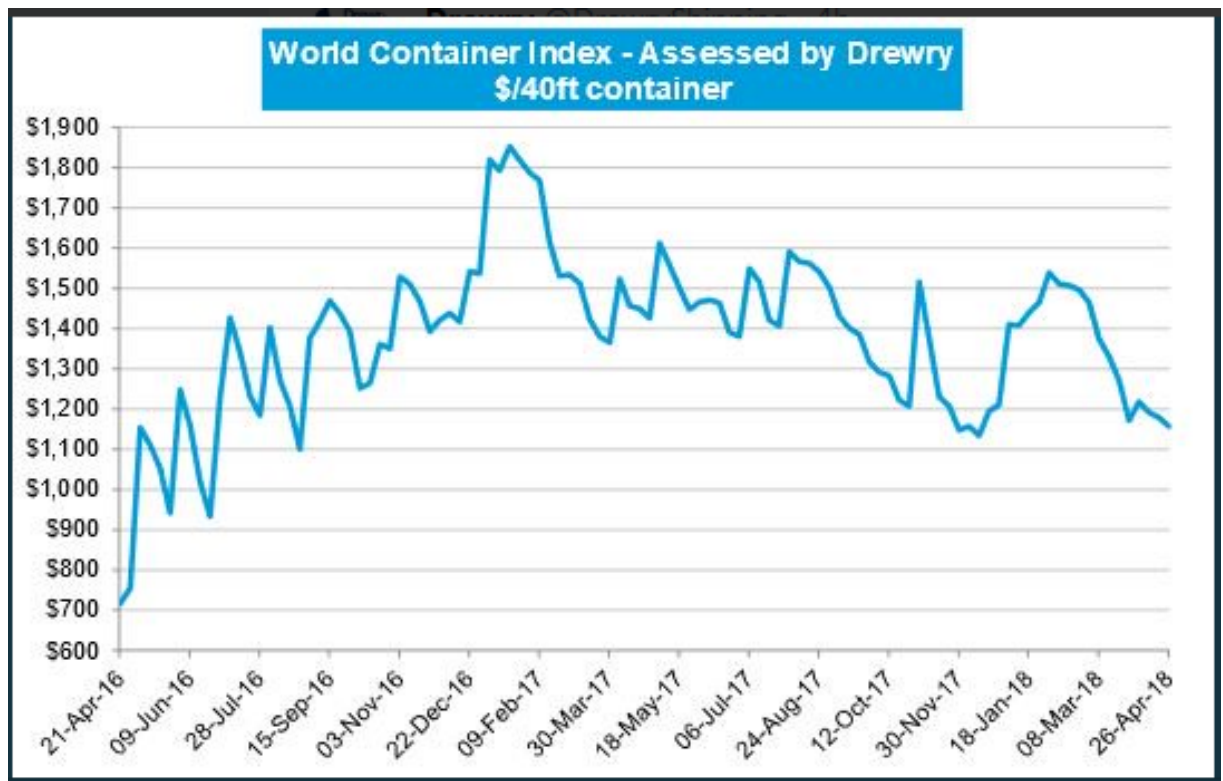
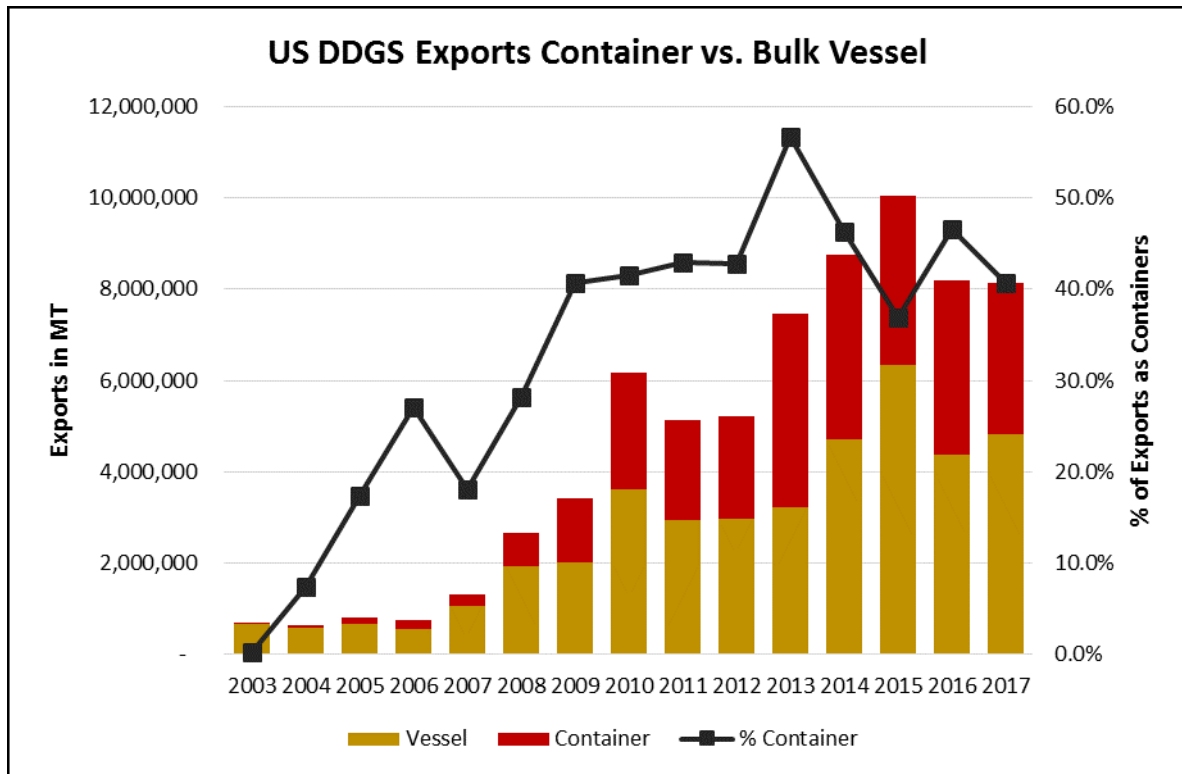
2018 YTD Total Grain Exports reported by USDA (in MT)



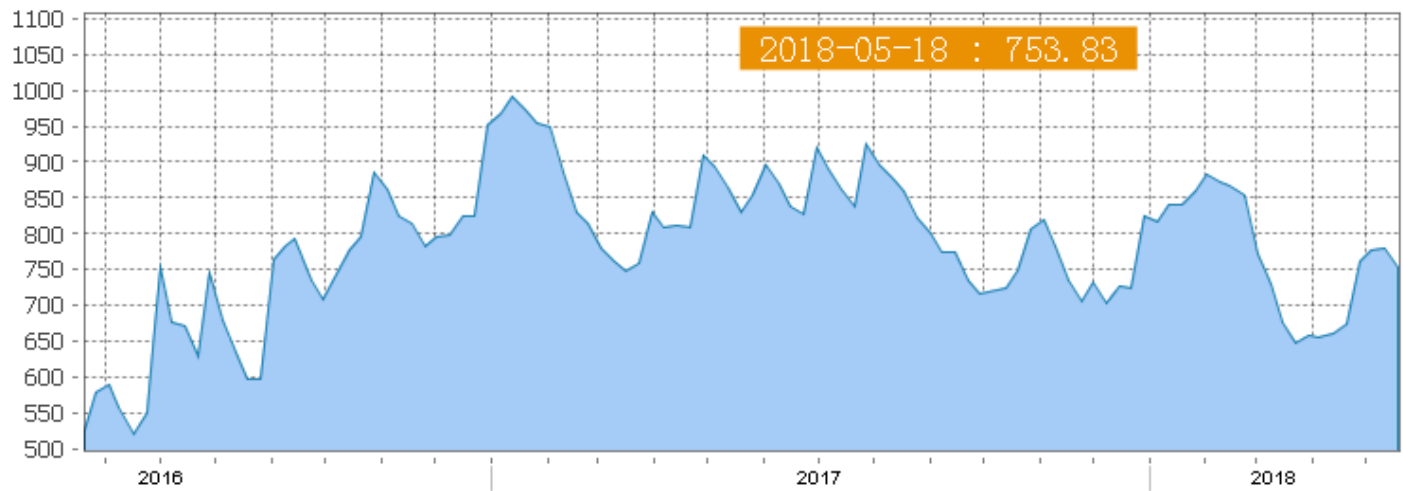
**Please keep in mind that USDA does not report DDGS sales, or they would show as the largest exports by container

Source: USDA

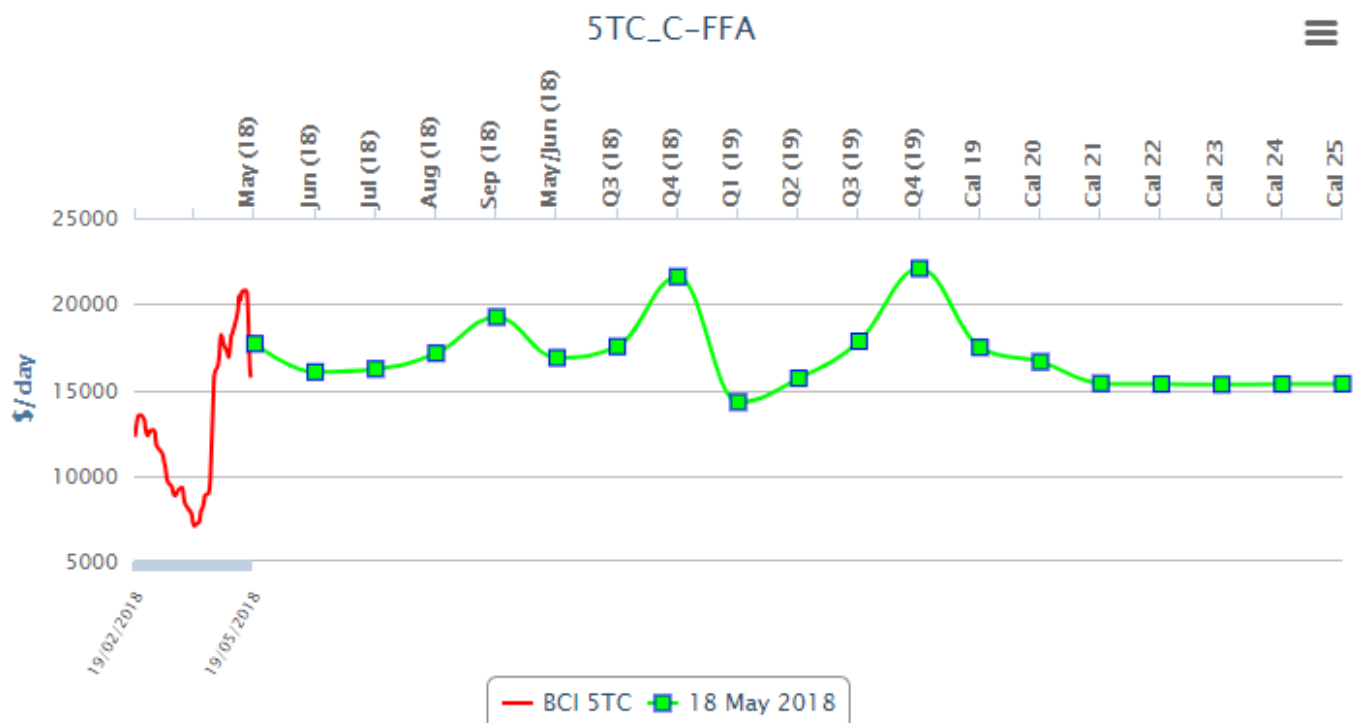
Shipping News



Shanghai Containerized Freight Index

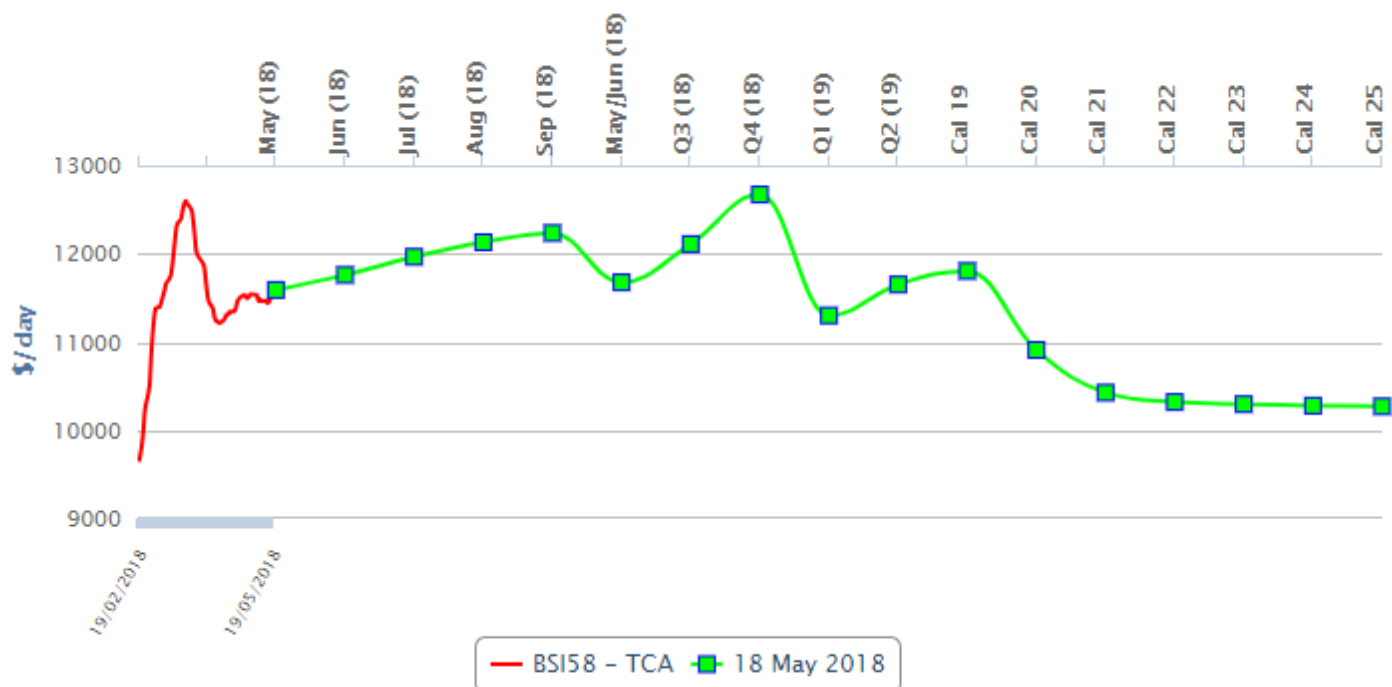


FFA Capesize for the 4 time charter routes



FFA SUPRAMAX 58 for the 5 time charter routes

10TCS-FFA



Copyright 2018 Baltic Exchange Information Services Ltd

U.S. RIVER BARGE FREIGHT

Current Barge Freight for Placement First half June 2018

Placement FH June 2018	% of Tariff	MT	Corn BU	Soybeans-Wheat BU
Upper Mississippi	450	\$30.70	0.78	0.84
Illinois River (Pekin and South)	425	\$22.53	0.57	0.61
Mid-Mississippi	435	\$25.51	0.65	0.69
Lower Ohio	315	\$15.49	0.39	0.42
St. Louis	320	\$14.07	0.36	0.38

Secondary Rail Car Market for car placement period: First Half June 2018.

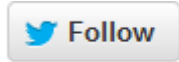
Secondary Rail Car Market Placement FH June 2018	BID USD	ASK USD	BID BU.	ASK BU.	BID MT	ASK MT
BNSF Shuttle Trains	\$ 500.00	\$ 1,000.00	\$ 0.13	\$ 0.25	\$ 4.92	\$ 9.84
UPRR Shuttle Trains	\$ (150.00)	\$ -	\$ (0.04)	\$ -	\$ (1.48)	\$ -

www.grains.ksu.edu/igp

Best Regards,

Jay
Jay O'Neil
Senior Agricultural Economist
IGP at Kansas State University
and
O'Neil Commodity Consulting
785-410-2303 (cell)
785-532-2868 (office)
joneil@ksu.edu

Follow me on Twitter @ **igpjay**



*** The information in this market report is derived from sources believed to be reliable and accurate but can not be guaranteed. Forward looking projections are never completely accurate, and these markets move quickly.
All market data is subject to change with market conditions and Traders opinions.
Please obtain market updates and reconfirm all values with your regular freight supplier before making any trading decisions based on this data. This message and any attachments may contain confidential or privileged information and are only for the use of the intended recipient of this message. If you are not the intended recipient, please notify the sender by return email, and delete or destroy this and all copies of this message and all attachments. Any unauthorized disclosure, use, distribution, or reproduction of this message or any attachments is prohibited and may be unlawful.
This E-mail is covered by the Electronic Communications Privacy Act, 18 U.S.C. §§2510-2521, and is confidential.