

**Transportation and Export Report for 19 May 2022**

I did not see a significant uptick in cargo demand this week, but Dry Bulk paper Traders in the FFA market tried to keep last week's rally going and managed to close out the week with small gains. Physical markets have followed the FFA trends but are feeling a bit topy at these higher levels.

General support in freight markets is still fueled by concerns over the small 2022-2023 New vessel order book for Dry Bulk ships and poor logistics due to Asian port congestion.

Container markets continue to deal with difficult port logistics in Asia and North America and are having growing concerns over the U.S. West Coast labor contract negotiations.

BALTIC DRY-BULK PANAMAX INDEX CHANGES

Panamax Ocean Freight Indices					
19-May-2022		This Week	Last Week	Difference	Percent Change
P2A: Gulf/Atlantic - Japan	Index	40773	40550	223	0.5%
P3A: PNW/Pacific - Korea	Index	29406	27288	2,118	7.8%
S1C: US GULF-China-So.Japan	Index	39689	42050	-2,361	-5.6%
P7: Trial- Miss. River - Qingdao	per ton	82.51	81.87	0.6	0.8%
P8: Trial- Santos - Qingdao	per ton	70.65	70.17	0.5	0.7%

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

Four weeks ago:	\$8.75-\$9.50
Three weeks ago:	\$9.75-\$12.25
Two weeks ago:	\$12.00-\$12.25
One week ago:	\$12.25-\$15.00
This week	\$15.20-\$15.90

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

Mississippi River: (9 elevators) 3-9 days

Mid-Stream loaders: (6+ Rigs) 0-1 days

Texas Gulf (5 elevators) 0-4 days

Pacific Northwest: (9 elevators) 2- 12 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					
19-May-2022	GULF	PNW	Bushel Spread	Tonne Spread	Advantage
CORN	1.03	1.85	0.82	\$32.28	Both
SOYBEANS	1.38	2.20	0.82	\$30.13	PNW
OCEAN FREIGHT	\$81.50	\$46.50	.89 -.95	\$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 - \$59.75/mt.

Soybean Brazil to Spain about \$69.00 - 71.00/mt.

Route and Vessel Size	Current Week USD/MT	Change from previous week	Remarks
55,000 U.S. Gulf-Japan	\$82.50	Up \$0.50	Handymax \$82.50 mt
55,000 U.S. PNW- Japan	\$47.00	Up \$0.50	Handymax at \$47.00 mt
65,000 U.S. Gulf – China	\$81.50	Up \$0.50	North or South China
PNW to China	\$46.50	Up \$0.50	
25,000 U.S. Gulf- Veracruz, México	\$31.00	Up \$0.25	3,000 MT daily discharge rate
35-40,000 U.S. Gulf- Veracruz, México	\$27.25	Up \$0.25	Deep draft and 6,000 MT per day discharge rate.
30-38,000 U.S. Gulf- Colombia	\$45.75	Up \$0.25	<u>West Coast Colombia at \$54.00</u>
50,000 USG- E/C Colombia	\$45.25		
<u>East Coast Colombia</u> From Argentina	\$57.25		
40-45,000 U.S. Gulf - Guatemala	\$54.25	Up \$0.25	Acajutla/Quetzal - 8,000 out
30,000 US Gulf-Morocco	\$74.50	Up \$0.50	5,000 discharge rate
55-60,000 U.S. Gulf –Egypt	\$74.00	Up \$0.50	55,000-60,000 mt Egypt
PNW to Egypt	\$74.50		Romania - Russia- Ukraine \$33.00 -?? - ? France \$45.00
58-74,000 U.S. Gulf – Europe – Rotterdam	\$36.50	Up \$1.00	Handymax at +\$2.50 more
Brazil, Santos –China	\$73.00	Up \$0.50	54-59,000 Supramax-Panamax
Brazil, Santos –China	\$70.50		60-66,000 Post Panamax
Up-River Port North Brazil	\$79.00		55-60,000 mt
56-60,000 Argentina-China Deep draft	\$78.00	Up \$0.50	Up-River with Top Off Plus \$3.85-\$4.75

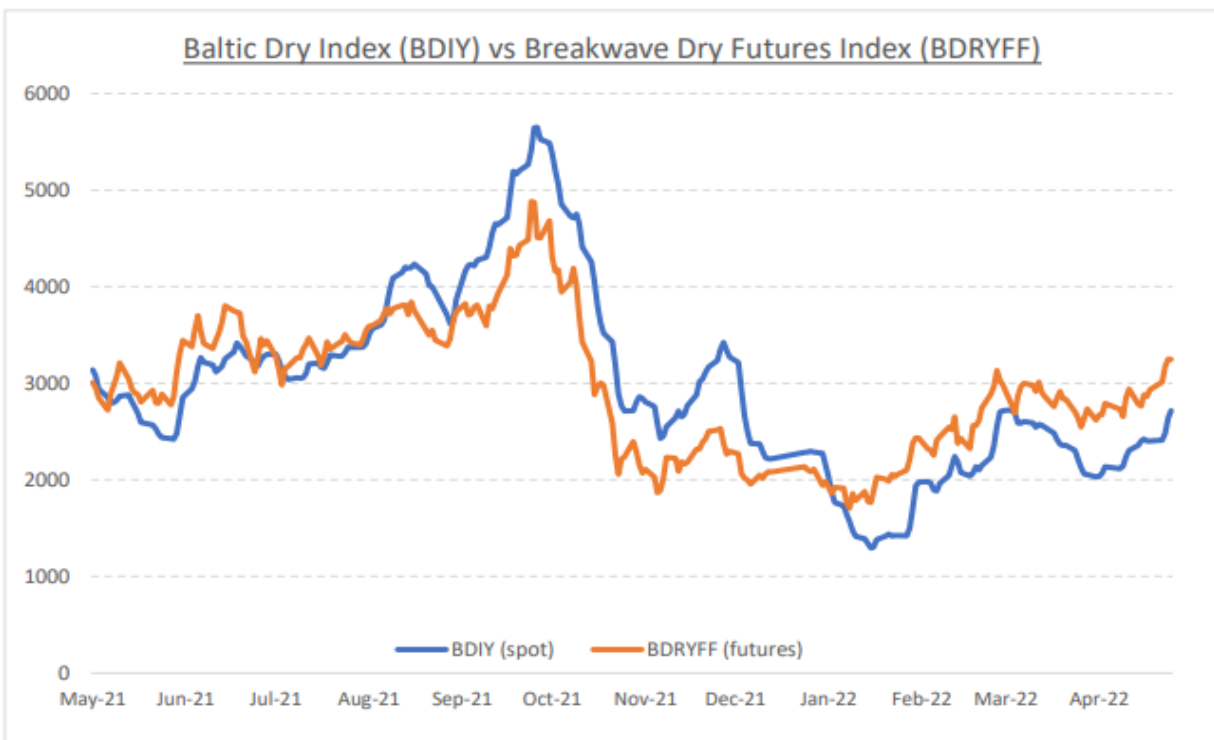
The Baltic Dry Bulk Freight Index



Baltic Panamax Index

Bi-weekly Dry Bulk Shipping

BREAKWAVE
ADVISORS

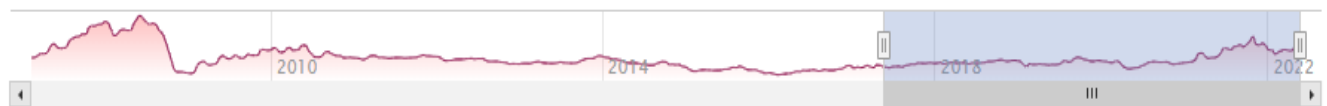


YAMAMIZU Index



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

From 2017-05-18 To 2022-05-18



China Import Dry Bulk Freight Index 2022-05-19

Description	Volume	Cargo	Unit	Rate	Change
Composite Index			Point	1881.03	41.76
Iron ore Freight Index			Point	1822.01	67.2
Dampier(West Australia)-Qingdao (China)	170000/10%	Iron ore	\$/ton	15.873	0.462
Soybean Freight Index			Point	1956.24	10.84
Santos(Brazil)— North China	66000/10%	Soybean	\$/ton	70.17	0.34
Tacoma(West America)—North China	63000/10%	Soybean	\$/ton	46.45	0.34
Mississippi(US Gulf)—North China	66000/10%	Soybean	\$/ton	81.31	0.486

19 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		N =	7.8325
Max. 14.5% moisture	BASIS	FLAT PRICE	BASIS	FLAT PRICE	U =	7.5050
June	1.03	\$348.90	1.85	\$381.18	Z =	7.3600
July	0.97	\$346.54	1.85	\$381.18	H =	7.3950
Aug.	1.25	\$344.67	2.15	\$380.10	K =	7.3925
Sept. (Z)	1.40	\$344.86	2.26	\$378.72	N =	7.3325
Oct.	1.58	\$351.95	2.20	\$376.36		
Nov.	1.55	\$350.77	2.20	\$376.36		

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	\$387.08
July	2.00	\$387.08
Aug. (Z)	2.35	\$382.26
Oct.	2.20	\$376.36
Nov.	2.20	\$376.36

Fob vessel Texas Gulf #2 Sorghum is about 111 % 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	\$470.50	\$466.09	\$470.68	\$472.52
Basis	0.80	0.68	0.75	0.80
WN	12.0050			
WU	12.0600			
WZ	12.1000			

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	\$671.85	2.20	\$701.98
July	1.35	\$670.75	2.15	\$700.14
Aug.	1.85	\$667.08	2.55	\$692.80
Oct.	1.95	\$628.13	3.00	\$666.71
Nov.	1.75	\$620.78	2.85	\$661.20
Soybean Futures				
July	\$ 16.9050			
Aug.	\$ 16.3050			
Sept.	\$ 15.5875			
Nov.	\$ 15.1450			
Jan.	\$ 15.1750			
Mar.	\$ 15.0575			

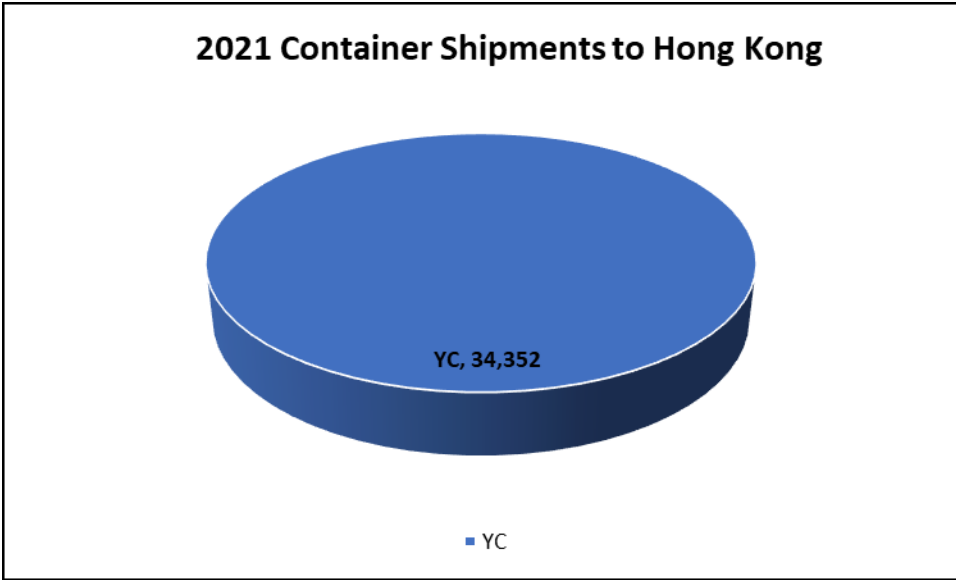
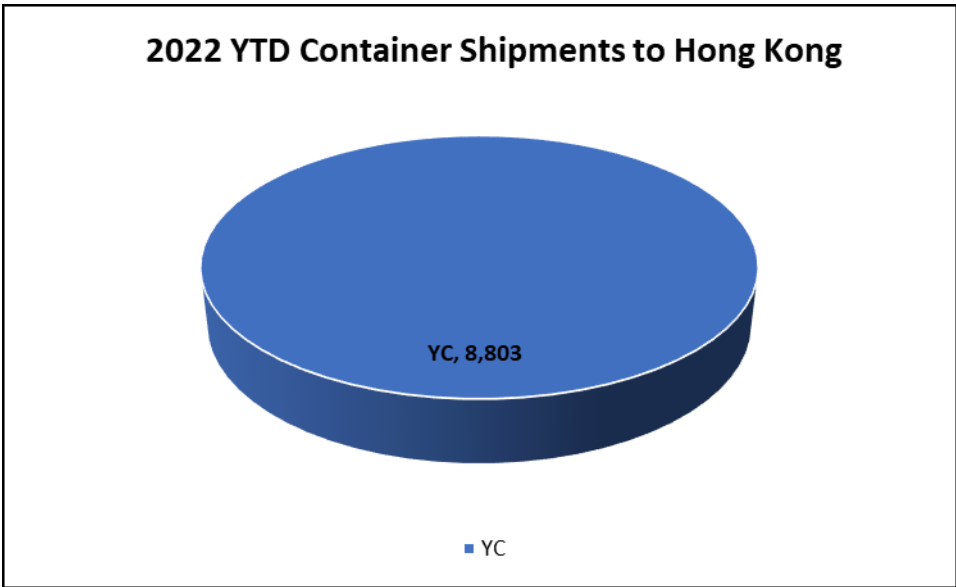
U.S. Soybean and SBM Markets Fob Vessel:

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	\$ 512.99
July	40.00	\$ 512.99
Aug.	45.00	\$ 513.32
Oct.	55.00	\$ 511.01
Nov.	55.00	\$ 511.56
SBM Futures		
SMN	\$ 425.30	
SMQ	\$ 420.60	
SMU	\$ 415.00	
SMV	\$ 408.50	
SMZ	\$ 409.00	
SMF	\$ 407.30	

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).*

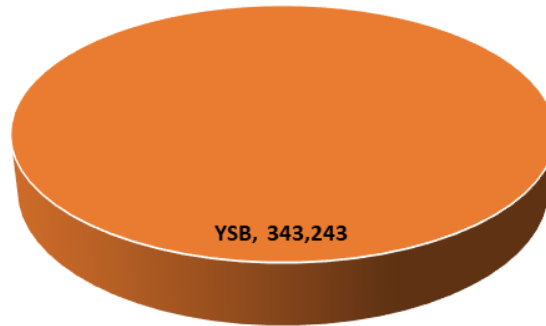
CONTAINER SHIPMENTS of GRAIN									
USDA Grain Inspections Report:		12-May-2022							
Last Week	metric tons								MT
	YC	WC	YSB	SRW	NS	SWH	DUWH	Sorghum	TOTAL
China			22,182					4,482	26,664
Taiwan	9,206		8,099						17,305
Hong Kong	122								122
Costa Rica									0
Indonesia			21,370						21,370
French Poly									0
Japan	490		588						1,078
Korea Rep.	1,200		686						1,886
Ireland									0
Malaysia	24		2,302						2,326
Singapore									0
Philippines			343						343
Thailand			1,126						1,126
Switzerland									0
Burma			294						294
Senegal									0
Nepal			1,641						1,641
Vietnam			1,396			490			1,886
Sub Total:	11,042	0	60,027	0	0	490	0	4,482	76,041
USDA Corrections/Additions to previous reports:									
Taiwan			489						489
China			318						318
Hong Kong									0
Korea Rep.									0
Ghana									0
Japan									0
Philippines									0
Indonesia			244						244
Malaysia									0
Thailand									0
Vietnam									0
Burma									0
Ireland									0
Sub Total:	0	0	1,051	0	0	0	0	0	1,051
Mt. Grand Total	11,042	0	61,078	0	0	490	0	4,482	77,092
Number of Containers	480	0	2,656	0	0	21	0	195	

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



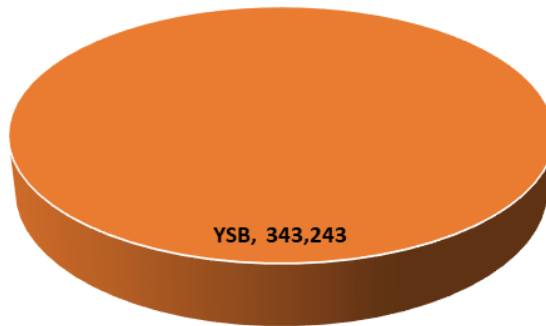
2022 YTD Total Grain Exports reported by USDA (in MT)

2022 YTD Exports to Bangladesh



■ YSB

YTD Vessel Shipments to Bangladesh



■ YSB

YTD Container Shipments to Bangladesh

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

Source: USDA-data

Shipping News

Rachel Premack  @rrpre · 4h ...

Someone had to say it....

The Big Boat Era is ruining everything!

I spoke with experts this week to learn about why ocean carriers' obsession with megaships have caused much of our supply chain headaches.

Read this week's MODES at [@freightwaves](#):



freightwaves.com

Big boats are ruining everything

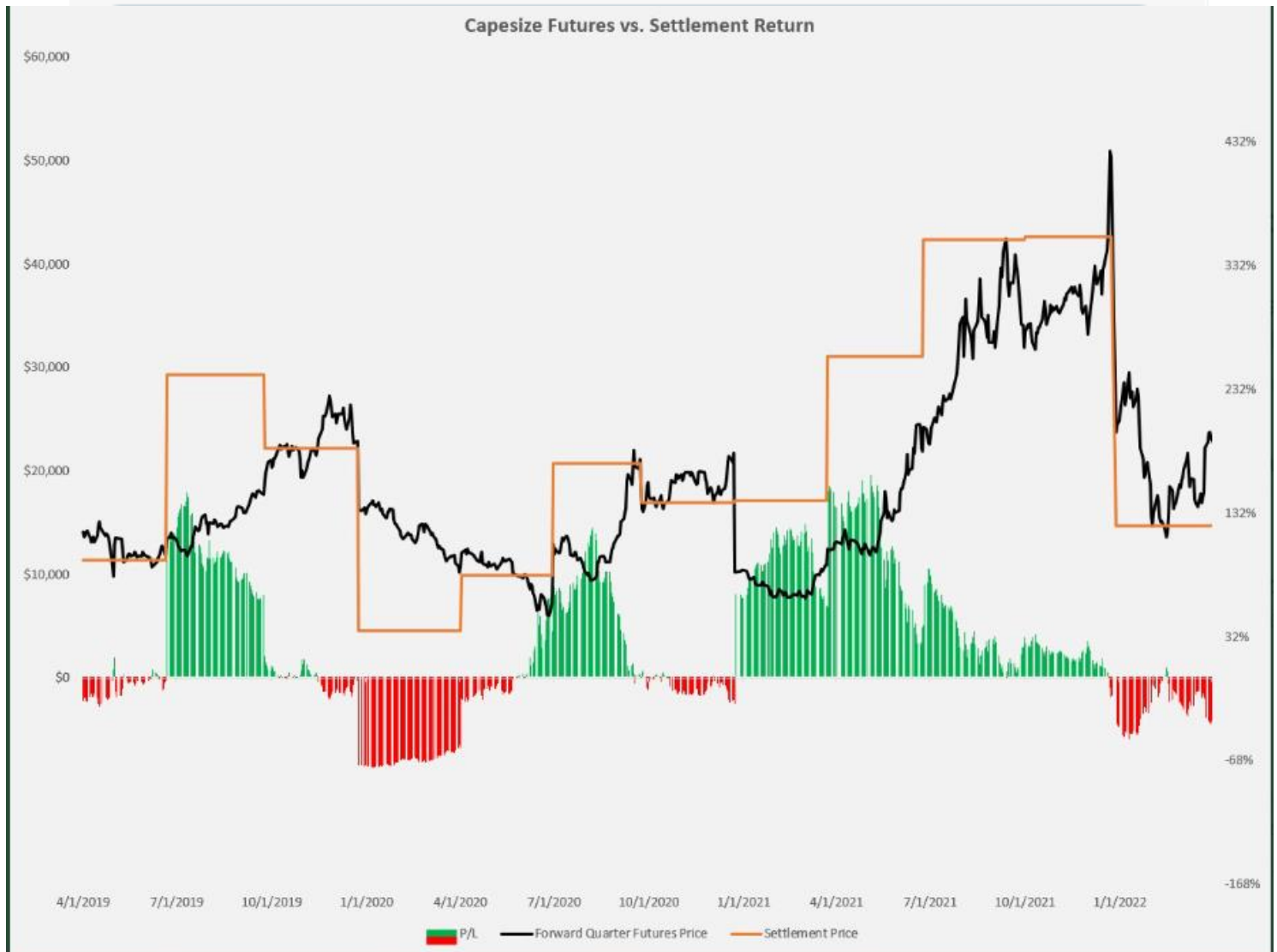
Megaships are helping cause our current supply chain chaos. Big container boats have hampered competition and clogged up ports.

BreakWave @DryBulkETF · May 17

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The predictable power of the freight futures market has always been weak.

However, after last year's impressive run, outsized gains are harder to earn. The chart shows the net PnL of buying the next quarterly futures contract and holding to expiration (i.e. avg index for the Q).



World Container Index - 19 May 2022

Assessed by Drewry \$ per 40ft container

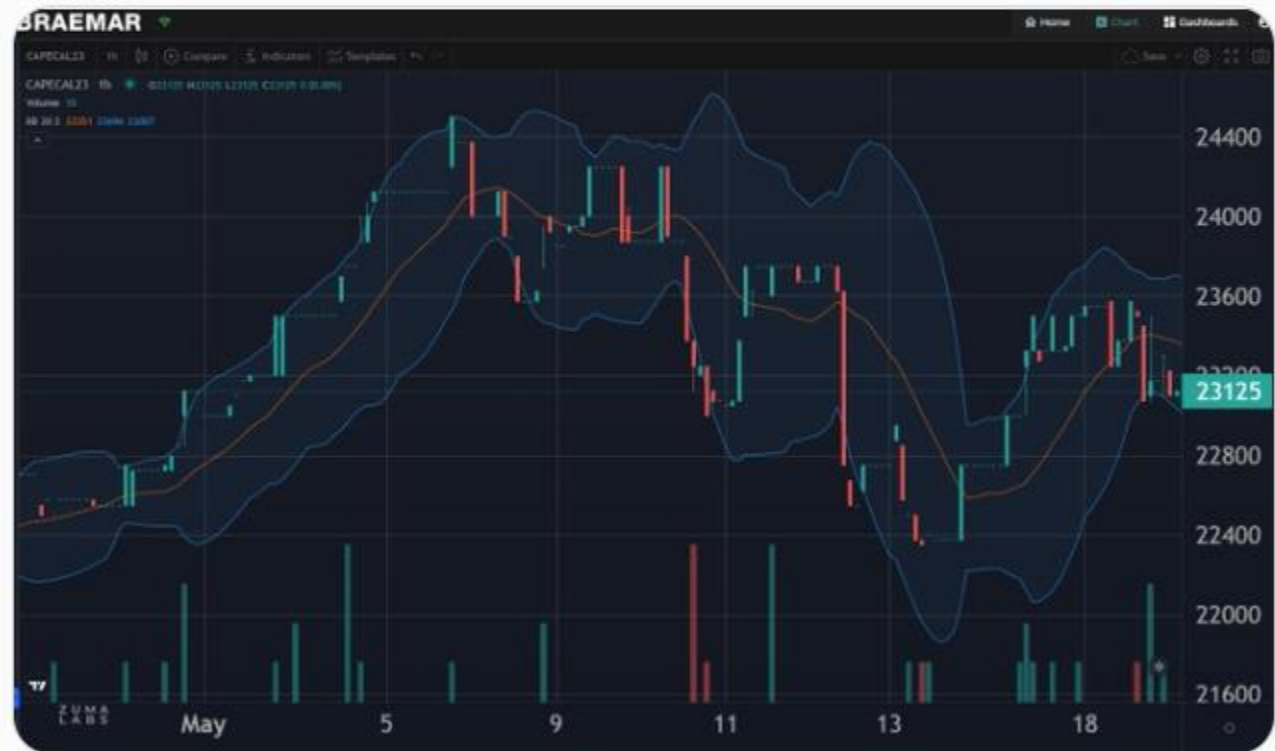


Capesize FFA Index

braemarscreen.com @braemarscreen · 7h

Increased volatility in Cape deferred as we head through the second quarter of 2022. Despite C23 trading to a high of 24500 at the start of the month, last done is now 23100 as we head through the second half of May.

[#Braemarscreen](#) [#BraemarACM](#) [#FFA](#) [#trading](#) [#shipping](#) [#drybulk](#)



China Container Ports

The Yangshan and Weigaoqiao ports that serve Shanghai are back up running at 90 per cent capacity, Zhang said. Daily container throughput rose to 119,000 twenty-foot equivalent units (TEUs), just 10 per cent shy of the normal handling volume before the Covid-19 outbreak, Zhang said.

Colin Grabow @cpgrabow · 1h

...

"Such megaships were expensive. Emma Maersk, for example, cost an estimated \$145 million."

The last Jones Act containership delivered cost \$209 million and has less than 1/4 the cargo capacity of the Maersk ship.

janzako @janzako · 1h

...

"MSC has acquired more than 150 ships since early 2021, according to VesselsValue, taking the size of its overall fleet to about 700." [#Shipping](#)
[#vessels](#)



bloomberg.com

Ex-Banker Builds \$19 Billion Fortune From Global Shipping Boom
Gianluigi Aponte left a job in finance to focus on shipping. Now, decades later, he has one of the world's biggest maritime fortunes.

Russia-Ukraine News

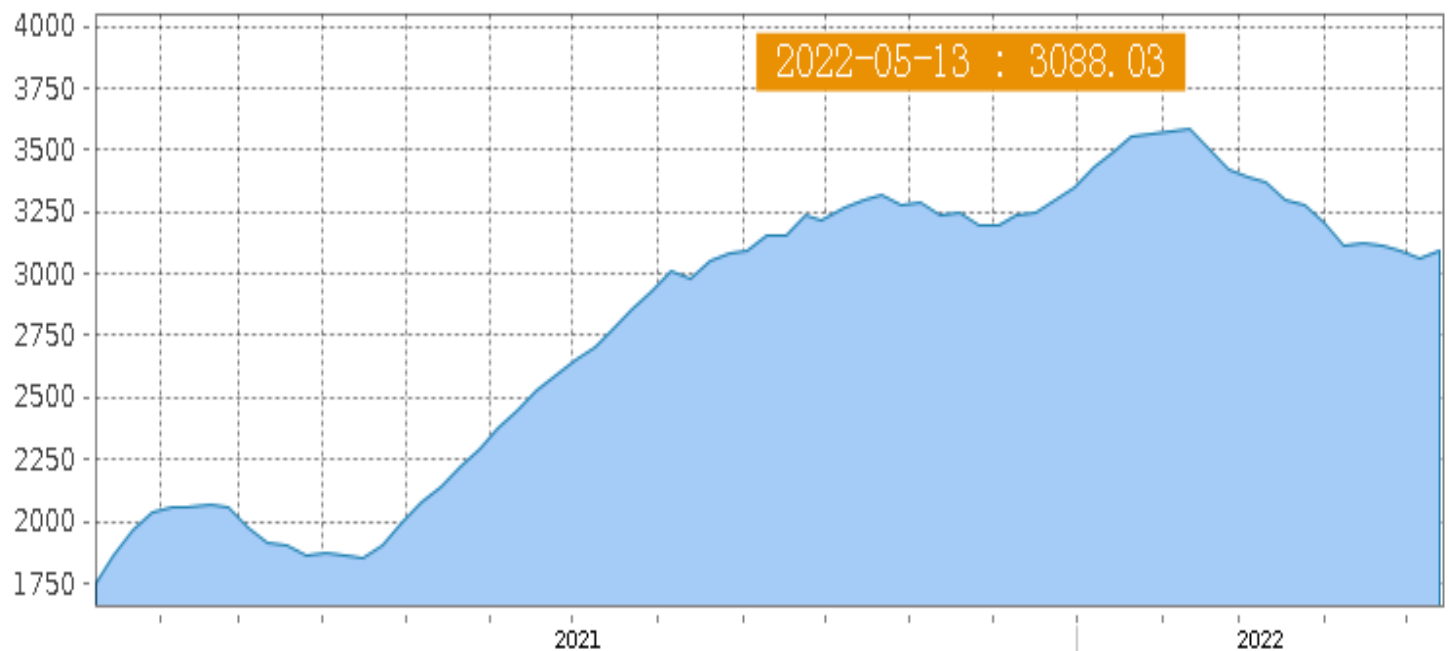
Lana Synkovska @LSynkovska · 52m

...

Ukrainian railway company "Ukrzaliznitsya" plans to increase agri exports via railways to 1,5 mln t per month (vs current 0,6 mln t)



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 Shuttle Trains	\$ -	\$ 300.00	\$ -	\$ 0.08	\$ -	\$ 2.95
UPRR Shuttle Trains	\$ 800.00	\$ 2,000.00	\$ 0.20	\$ 0.50	\$ 7.87	\$ 19.68

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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