



## Transportation and Export Report for 2 May 2019

### Ocean Freight Insights and Comments:

It was another mixed week in Dry-Bulk vessel markets. Vessel owner optimism remains high, but it continues to be a difficult job to move rates up and keep them there. This week ended quietly with the Russians, Europeans and some others on holiday and no one pushing bids upward. IMO2020 low sulfur fuel requirements are still the elephant in the room. Higher fuel costs are coming onboard and as such operating cost are starting to increase. We are already seeing additional "Slow Steaming" to economize on fuel. Container shipping executives are talking about the need to raise rates \$300-\$400/TEU to compensate for the added fuel costs. The clock is ticking, and freight buyers need to be prepared for what is to come. I foresee trouble ahead for all concerned. Barge traffic on the Mississippi River is a total mess with high water and lock closures.

### BALTIC DRY-BULK PANAMAX INDEX CHANGES

Panamax Ocean Freight Indices				
2-May-19	This Week	Last Week	Difference	Percent Change
P2A : Gulf/Atlantic - Japan	17050	17059	-9	-0.1%
P3A - PNW/Pacific - Japan	8125	7896	229	2.9%
S1C -USGULF-China-So.Japan	16607	16975	-368	-2.2%
P7- Trial-Miss. Rive - Qingdao	42890	42420	470	1.1%
P8- Trial-Santos - Qingdao	31900	31782	118	0.4%

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

Four weeks ago:	\$4.80-\$6.20
Three weeks ago:	\$4.65-\$4.95
Two weeks ago:	\$5.00-\$5.40
One week ago:	\$5.45-\$6.00
This week	\$5.50-\$7.35

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

Mississippi River:	(10 elevators)	2-7 days
Miss. River Mid-Stream loaders:	(6+ Rigs)	0-4 days
Texas Gulf	(6 elevators)	0-10 days (only 1 facility over 4 days)
Pacific Northwest:	(9 elevators)	1-13 days

Panamax Market Spreads to Asia -China					
2-May-19	PNW	GULF	Bushel Spread	MT Spread	Advantage
CORN	0.94	0.53	0.41	\$16.14	PNW
SOYBEANS	0.82	0.37	0.45	\$17.72	PNW
OCEAN FREIGHT	\$22.50	\$42.25	.50 -.54	<b>\$19.75</b>	JUNE

**Recent Reported Vessel Fixtures:**

Soybean Panamax USG to Spain is running \$19.50/mt.

Soybean Brazil to Spain can be done at \$21.75/mt.

Route and Vessel Size	Current Week USD/MT	Change from previous week	Remarks
55,000 U.S. Gulf-Japan	\$42.50	Up \$0.25	Handymax \$42.75 mt
55,000 U.S. PNW- Japan	\$23.00	Unchanged	Handymax \$23.50 mt
66,000 U.S. Gulf – China PNW to China	\$42.25 \$22.50	Up \$0.50 Unchanged	North China
25,000 U.S. Gulf- Veracruz, México	\$16.50	Unchanged	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> From Argentina	\$20.00 \$33.00	Unchanged	<u>West Coast Colombia at \$29.50</u>
43-45,000 U.S. Gulf - Guatemala	\$29.25	Unchanged	Acajutla/Quetzal - 8,000 out
26-30,000 U.S. Gulf – Algeria	\$33.50 \$34.50	Up \$0.25	8,000 mt daily discharge 3,000 mt daily discharge
26-30,000 US Gulf-Morocco	\$35.25	Up \$0.25	5,000 discharge rate
55-60,000 U.S. Gulf –Egypt  PNW to Egypt	\$27.75 \$28.25	Up \$0.25	60,000 -55,000 mt Russia Black Sea Romania - Egypt \$10.50--\$12.60 (France \$17.00-\$17.50)
60-70,000 U.S. Gulf – Europe – Rotterdam	\$16.75	Up \$1.00	Handymax at +\$1.75 more
Brazil, Santos – China Brazil, Santos – China Itacoatiara-Port Up River North Brazil	\$32.50 \$32.75 \$36.25	Unchanged	54-59,000 Supramax-Panamax 60-66,000 Post Panamax 60-66,000 mt
56-60,000 Argentina/Rosario- China Deep Draft	\$35.75	Unchanged	Up River 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)**

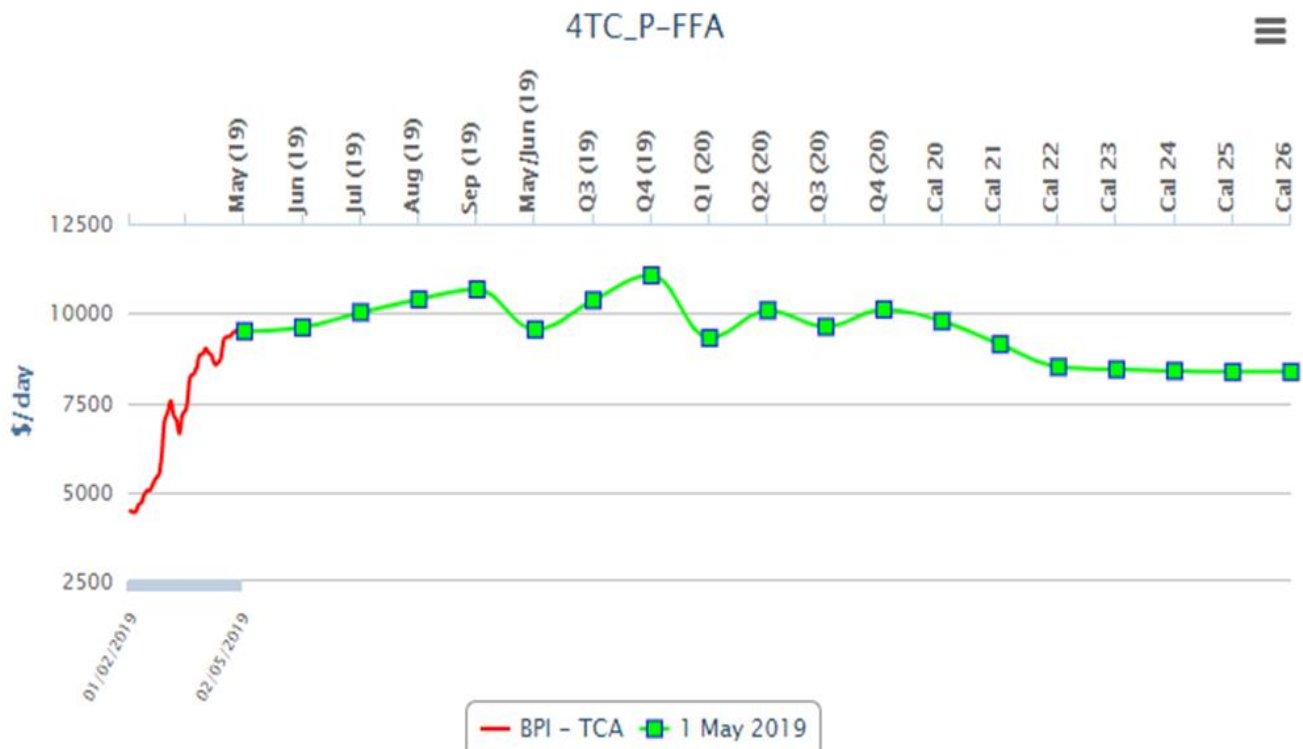
Baltic Dry-Bulk Ocean Freight Index- US Gulf- Japan



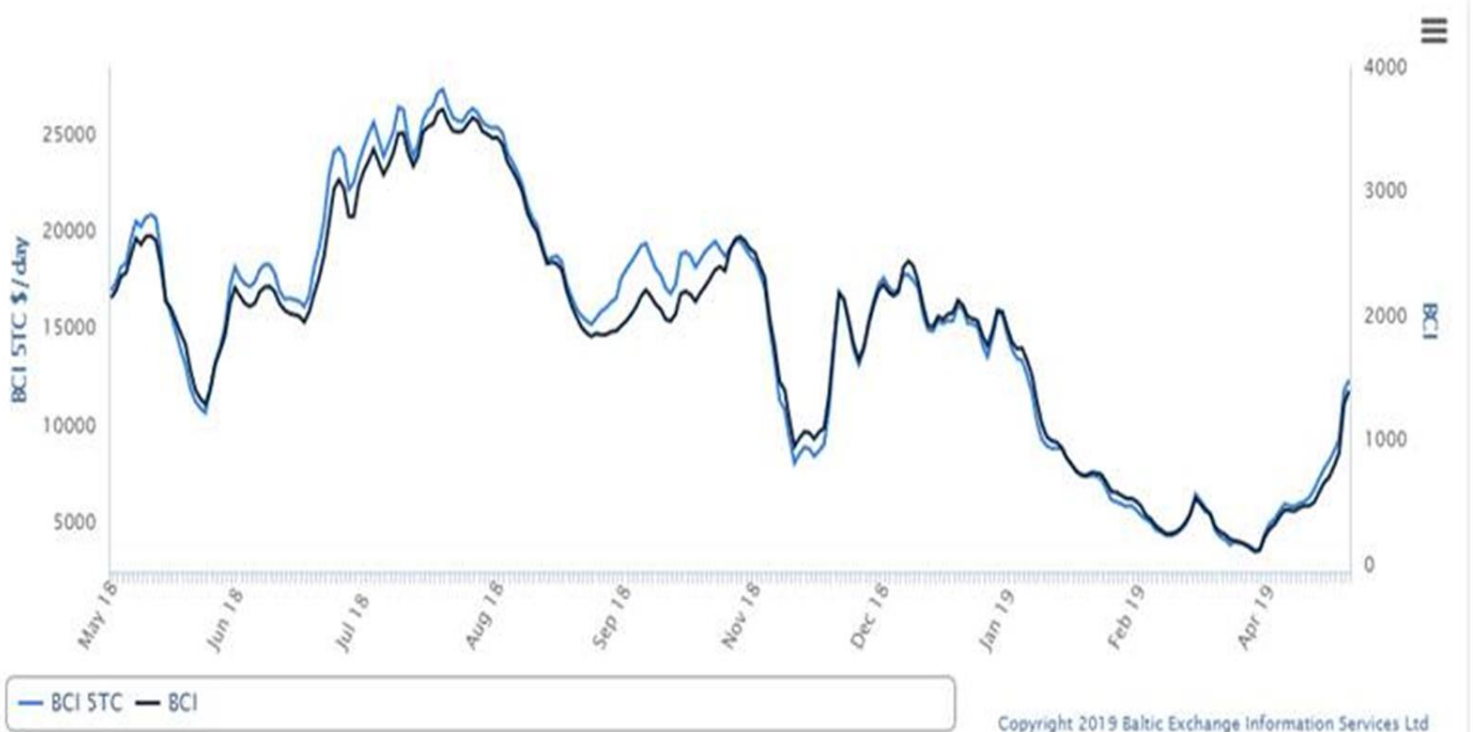
Baltic Dry Index.-



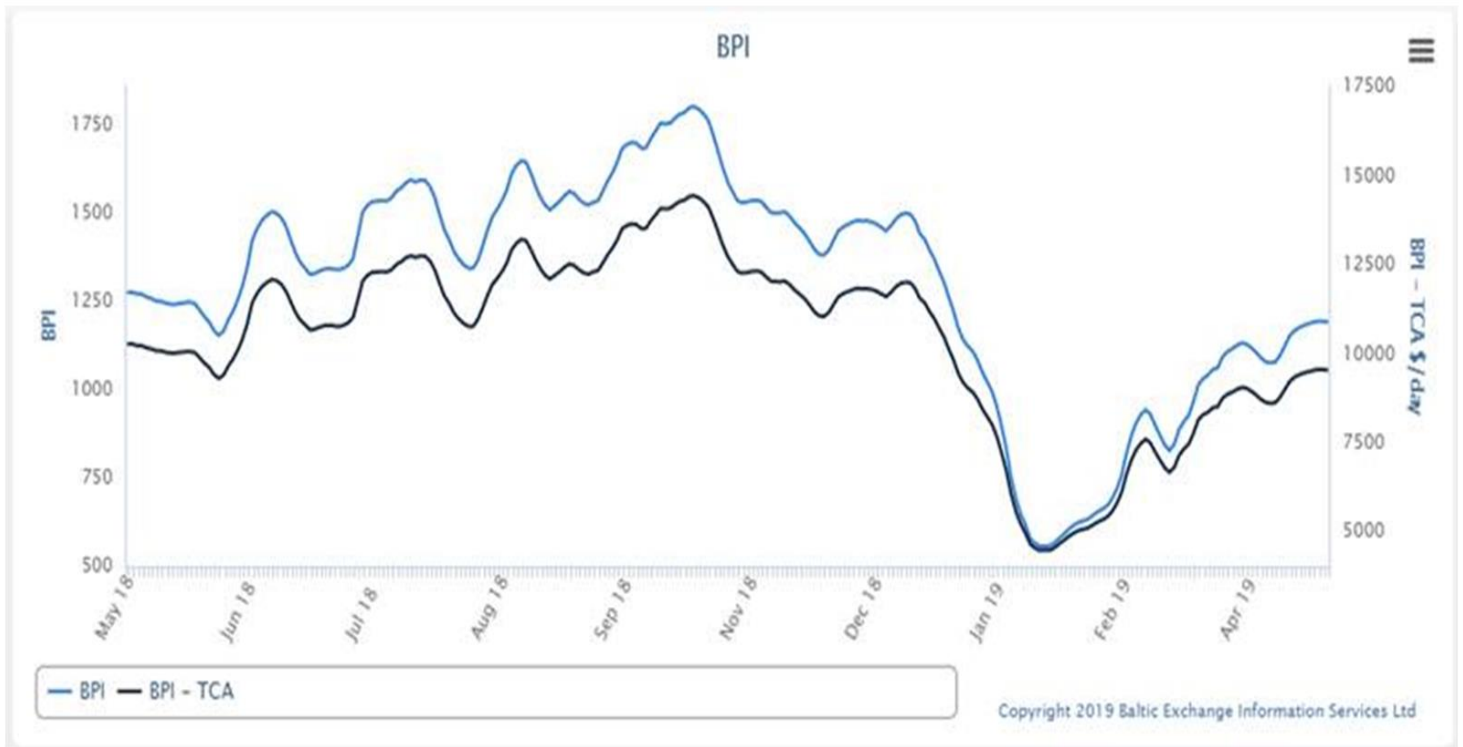
## Baltic Panamax Forward Curve Chart



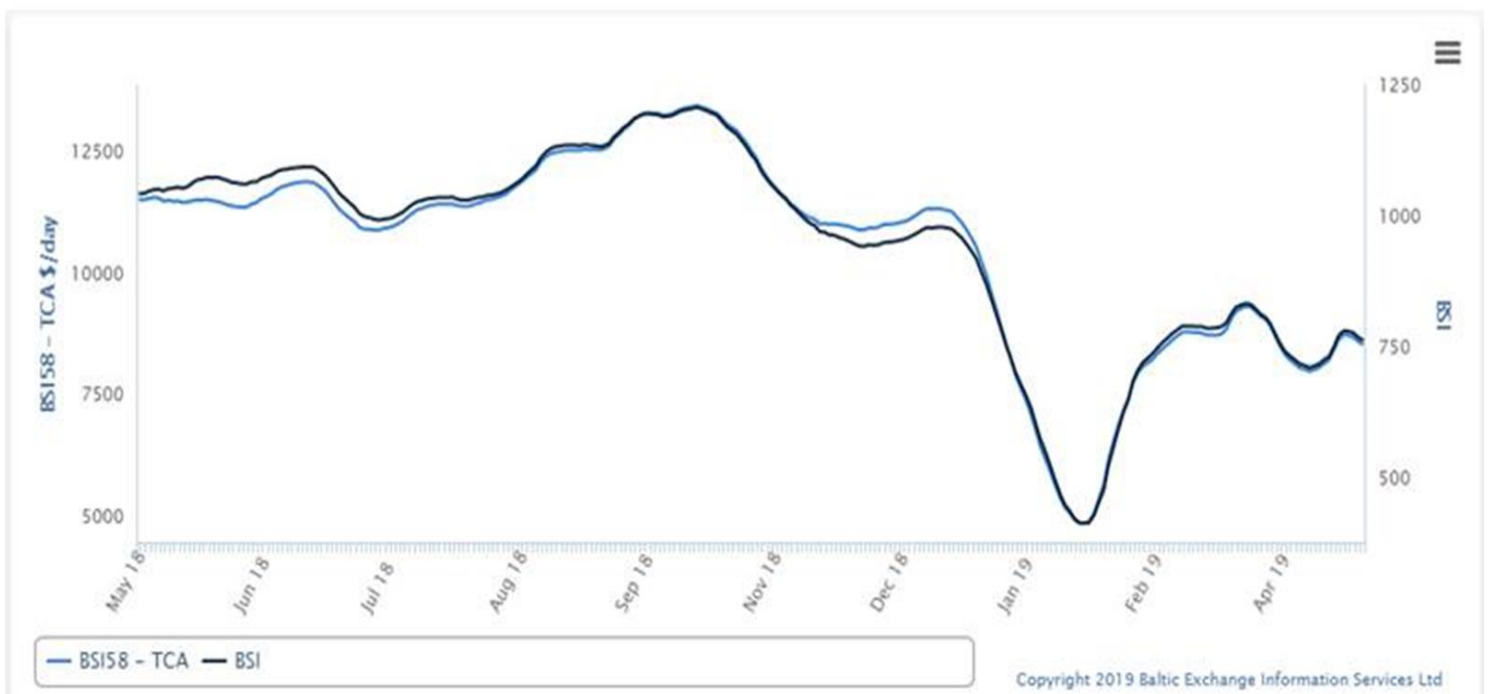
## Baltic Capesize Index



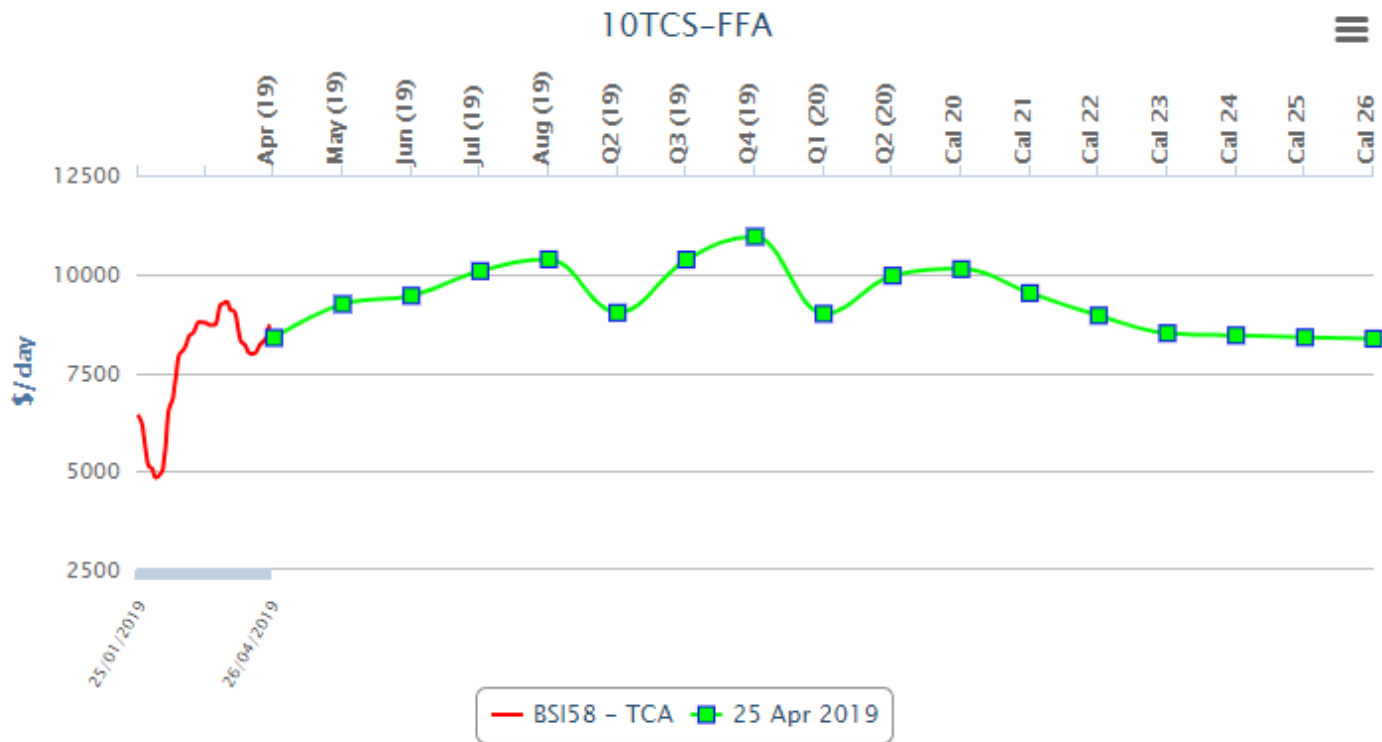
### Baltic Panamax Index



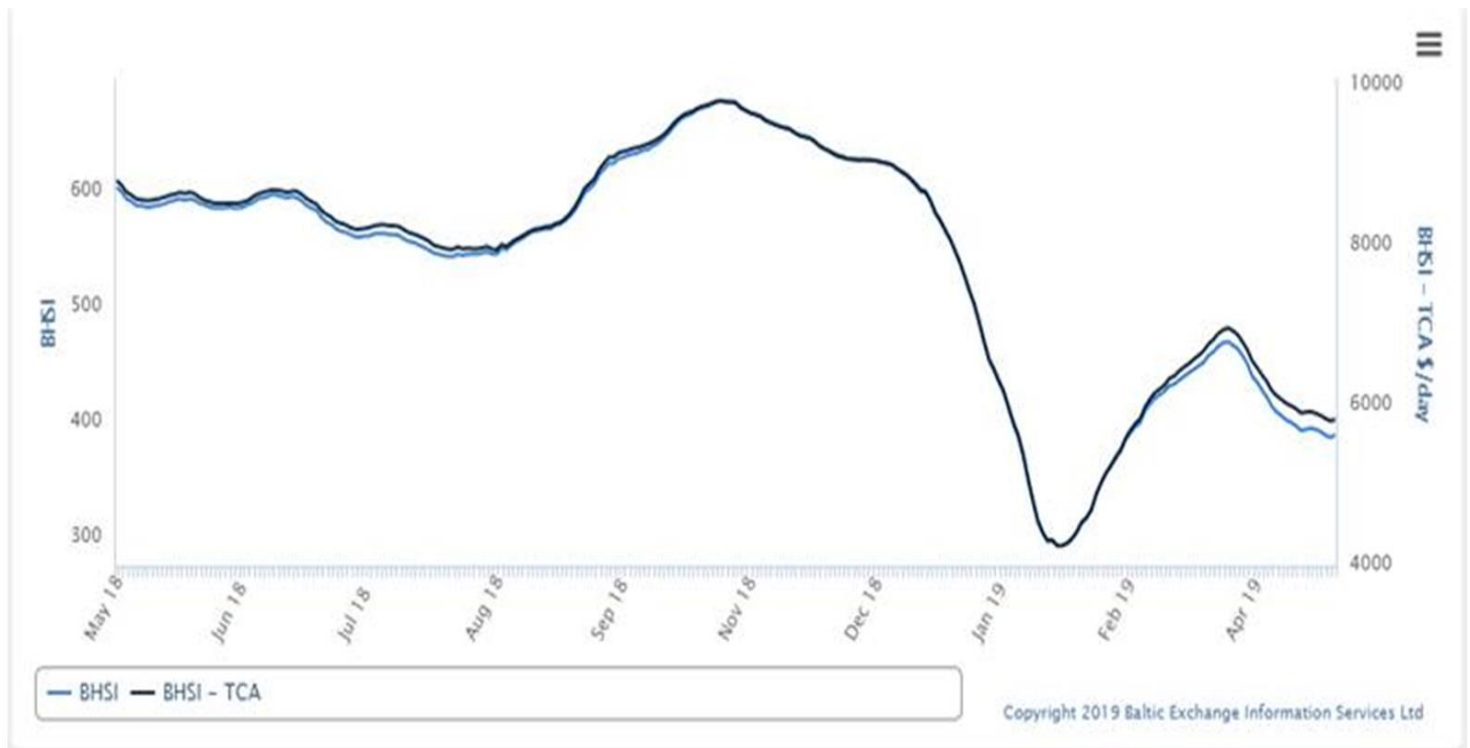
### Baltic Supramax Vessel Index



## Supramax Dry-Bulk Forward Curv



## Baltic Handy Size



# YAMAMIZU Index



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

From 2007-01-29 To 2019-04-24



China Import Dry Bulk Freight Index(CDFI)					
2019-04-30					
Route	Size MT	Cargo/Vessel Size	Unit	Rate	Change
Composite Index			Point	838.46	55.42
Iron ore Freight Index			Point	823.34	105.54
Soybean Freight Index			Point	941.16	0.17
Santos(Brazil)—North China	60000/10%	Soybean	\$/ton	31.839	-0.011
Tacoma(West America)—North China	60000/10%	Soybean	\$/ton	22.611	0.011
Mississippi(US Gulf)—North China	66000/10%	Soybean	\$/ton	42.418	0.028
Mississippi(US Gulf)—North China	55000/10%	Soybean	\$/ton	43.959	0.046



**2 May 2019 U.S. FOB Vessel Export Market Values:**

<b>U.S. Yellow Corn (USD/MT) FOB Vessel</b>				
#2 YC	GULF # 2 YC		PNW # 3 YC	
Max. 14.5% moisture	BASIS	FLAT PRICE	BASIS	FLAT PRICE
<b>June</b>	0.54	<b>\$167.12</b>	0.94	<b>\$182.86</b>
<b>July</b>	0.58	<b>\$168.69</b>	0.97	<b>\$184.04</b>
<b>Aug.</b>	0.52	<b>\$169.18</b>	0.91	<b>\$184.54</b>
<b>Sept.</b>	0.60	<b>\$172.33</b>	0.95	<b>\$186.11</b>
<b>Oct.</b>	0.53	<b>\$173.22</b>	0.90	<b>\$187.78</b>
<b>Nov.</b>	0.55	<b>\$174.01</b>	0.92	<b>\$188.57</b>

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

<b>SORGHUM (USD/MT) FOB VESSEL</b>				
#2 YGS Fob Vessel	NOLA		TEXAS	
Max. 14.0% moisture	BASIS	FLAT PRICE	BASIS	FLAT PRICE
<b>June</b>	1.00	<b>\$185.23</b>	0.90	<b>\$181.29</b>
<b>July</b>	1.00	<b>\$185.23</b>	0.85	<b>\$179.32</b>
<b>Aug.</b>	0.95	<b>\$186.11</b>	0.78	<b>\$179.42</b>
<b>Sept.</b>	1.00	<b>\$188.08</b>	0.78	<b>\$179.42</b>
<b>Oct.</b>	0.95	<b>\$189.75</b>	0.70	<b>\$179.91</b>

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**

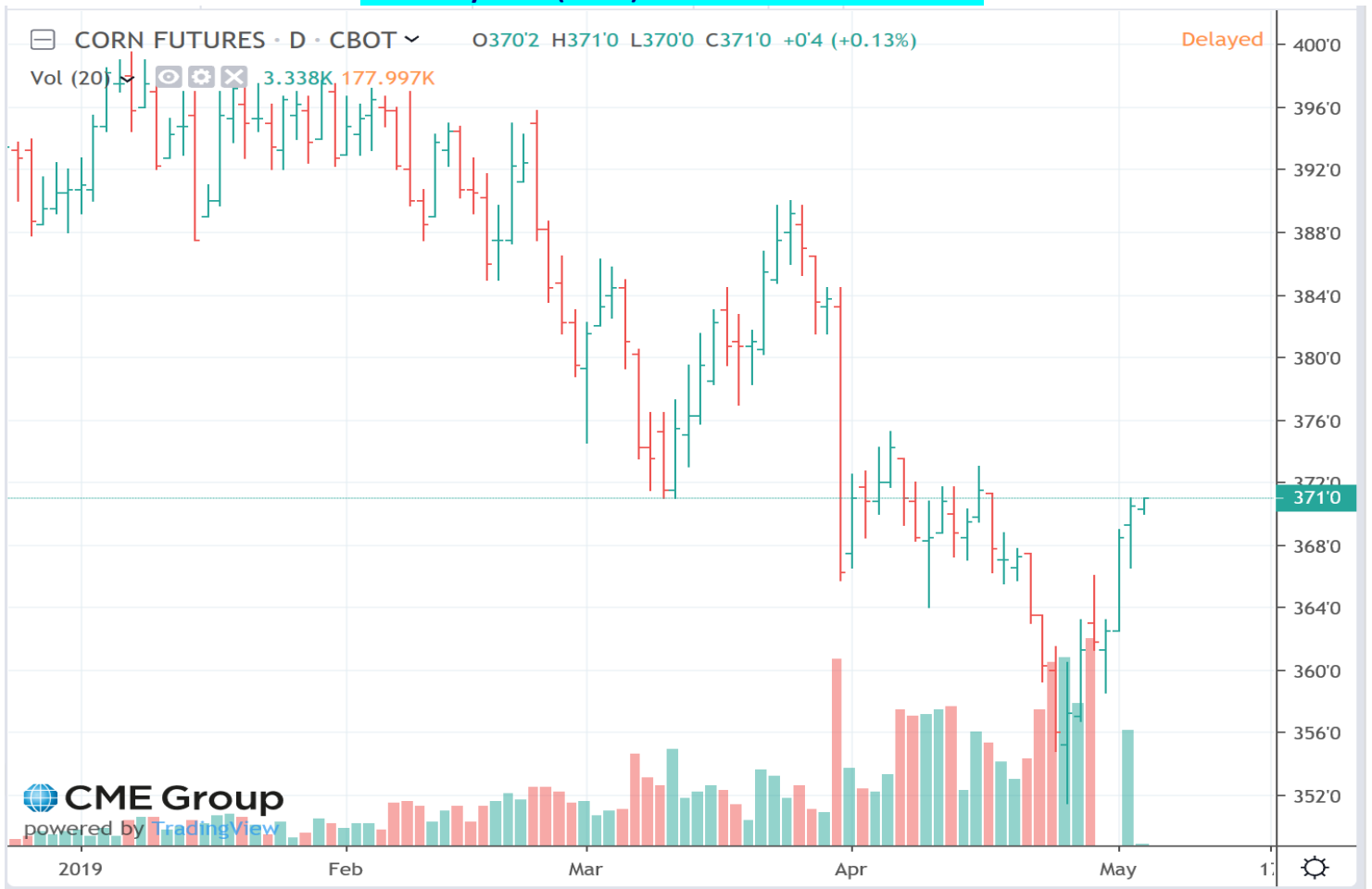
SRW Wheat	USD/MT	Fob Vessel	US Gulf	
	<b>June</b>	<b>July</b>	<b>Aug.</b>	<b>Sept.</b>
FOB U.S. GULF	\$195.11	\$195.47	\$197.22	\$197.95
Basis	0.87	0.88	0.85	0.87
WK	4.3325			
WN	4.4400			
WU	4.5175			

**CME Futures Market Close**

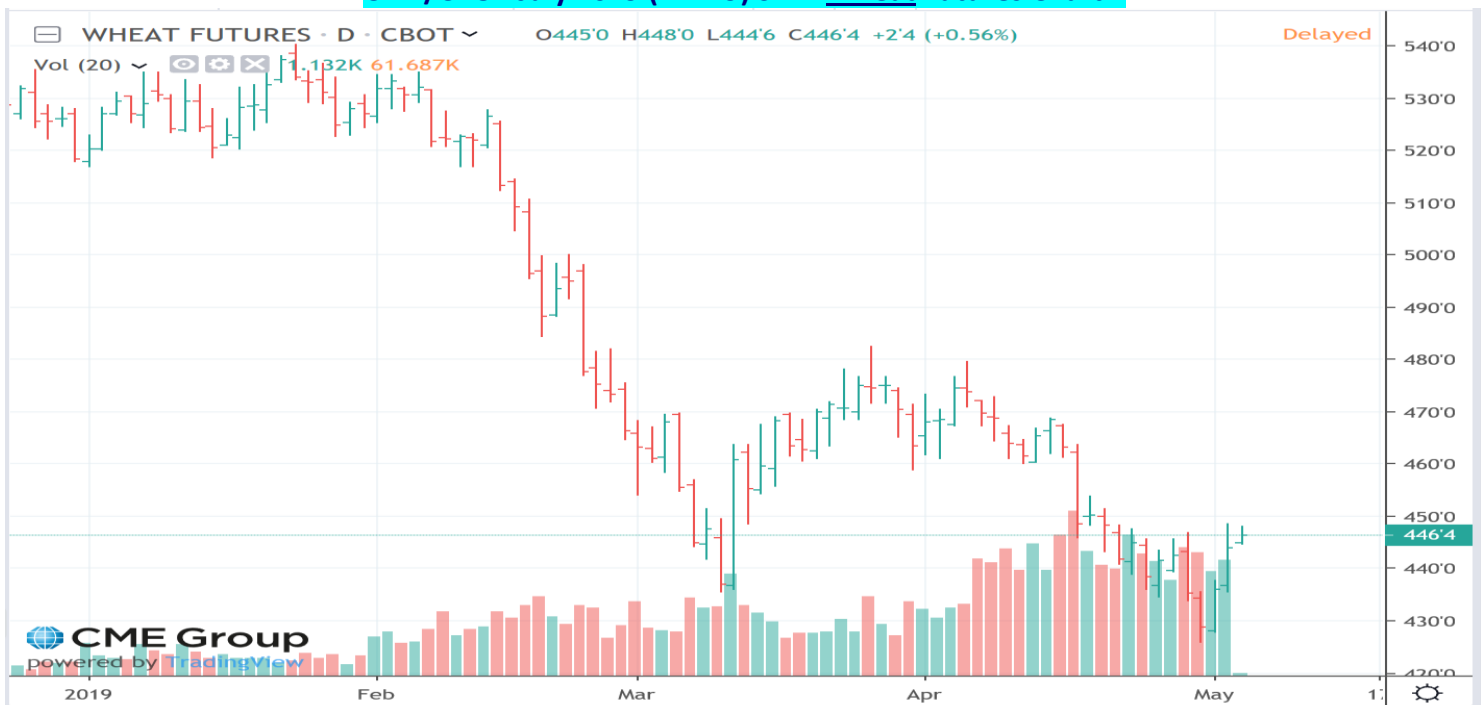
CORN Month	Futures Symbol	Thursday Close Bushel	Thursday Close MT.	Last week Bushel	Last Week MT.	Difference Bushel
May	CK	\$3.6200	\$142.51	\$ 3.4750	\$136.80	\$0.1450
July	CN	\$3.7050	\$145.86	\$ 3.5725	\$140.64	\$0.1325
Sept.	CU	\$3.7775	\$148.71	\$ 3.6550	\$143.89	\$0.1225
Dec.	CZ	\$3.8700	\$152.35	\$ 3.7725	\$148.52	\$0.0975
March	CH	\$3.9925	\$157.18	\$ 3.9250	\$154.52	\$0.0675



### CBOT July 2019 (CN19) Corn Futures Chart –



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



## **U.S. Soybean and SBM Markets Fob Vessel:**

<b>U.S. Yellow Soybeans (USD/MT) FOB Vessel</b>				
# 2 YSB	<b>U.S. Gulf #2 YSB</b>		<b>PNW #2 YSB</b>	
14.0 % Moisture	Basis	Flat Price	Basis	Flat Price
<b>June</b>	0.37	<b>\$323.43</b>	0.82	<b>\$339.97</b>
<b>July</b>	0.40	<b>\$324.54</b>	0.85	<b>\$341.07</b>
<b>Aug.</b>	0.42	<b>\$327.57</b>	0.85	<b>\$343.37</b>
<b>Sept.</b>	0.40	<b>\$328.76</b>	0.88	<b>\$346.40</b>
<b>Oct.</b>	0.42	<b>\$333.26</b>	0.89	<b>\$350.53</b>
<b>Soybean Futures</b>				
<b>May</b>	\$ 8.3050			
<b>July</b>	\$ 8.4325			
<b>Aug.</b>	\$ 8.4950			
<b>Sept.</b>	\$ 8.5475			
<b>Nov.</b>	\$ 8.6500			
<b>Jan.</b>	\$ 8.7525			

<b>U.S. SBM (USD/MT) FOB Vessel</b>		
Fob U.S. Gulf Port	<b>47.5 Pro. SBM</b>	
max 12.5 % moisture	Basis	Flat Price
<b>June</b>	0.00	<b>\$ 327.33</b>
<b>July</b>	0.00	<b>\$ 327.33</b>
<b>Aug.</b>	1.00	<b>\$ 329.98</b>
<b>Sept.</b>	1.00	<b>\$ 331.63</b>
<b>Oct.</b>	1.00	<b>\$ 332.96</b>
<b>SBM Futures</b>		
<b>SMK</b>	292.40	
<b>SMN</b>	296.90	
<b>SMQ</b>	298.30	
<b>SMU</b>	299.80	
<b>SMV</b>	301.00	
<b>SMZ</b>	303.70	

### 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 18 April 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 '17- 18 (000 MT)
Corn	810.0	45,470.8	58,420	78%	2,032.9
Sorghum	170.5	1,325.4	2,160	61%	0.0
Soybeans	614.4	44,887.3	51,030	88%	796.4
Wheat	494.1	25,339.6	25,720	99%	1,847.8
Barley	0.2	59.5	110	54%	31.6

**U.S. EXPORT INSPECTIONS:**

Monday's report 29 April 2019 for the Export week ending 25 April 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	1,366,230	1,355,316	34,647,491	31,305,305	111%
Sorghum	17,415	94,208	1,183,047	4,603,522	26%
Soybeans	491,600	386,068	31,542,177	43,517,833	72%
Wheat	630,402	819,179	21,385,379	21,904,051	98%
Barley	0	0	9,108	21,340	43%

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

**U.S. EXPORT INSPECTIONS:**

Monday's report 29 April 2019 for the Export week ending 25 April 2019

Last Week								
(Metric Tons)	YC	%	WC	%	Sorghum	%	Soybeans	%
Lakes	0	0%	0	0%	0	0%	0	0%
Atlantic	0	0%	0	0%	0	0%	4,188	1%
Gulf	633,761	49%	71,140	90%	0	0%	396,530	81%
PNW	498,264	39%	0	0%	10,457	60%	0	0%
Interior Export Rail	155,182	12%	7,883	10%	6,958	40%	90,882	18%
Metric Tons	1,287,207		79,023		17,415		491,600	

Sorghum Shipments:	metric tons	
	10,457	Japan
	6,958	Mexico
	17,415	Total

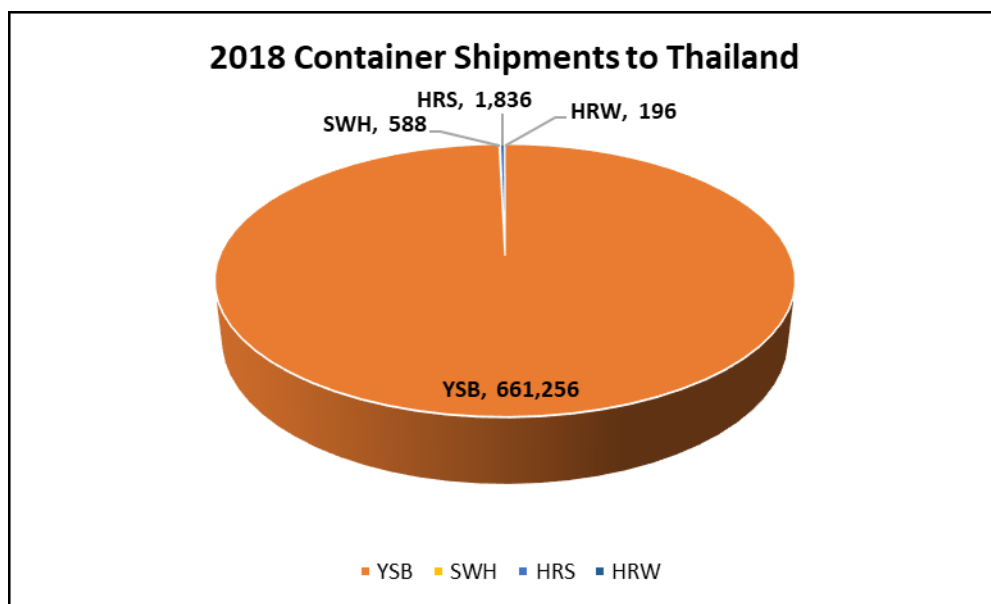
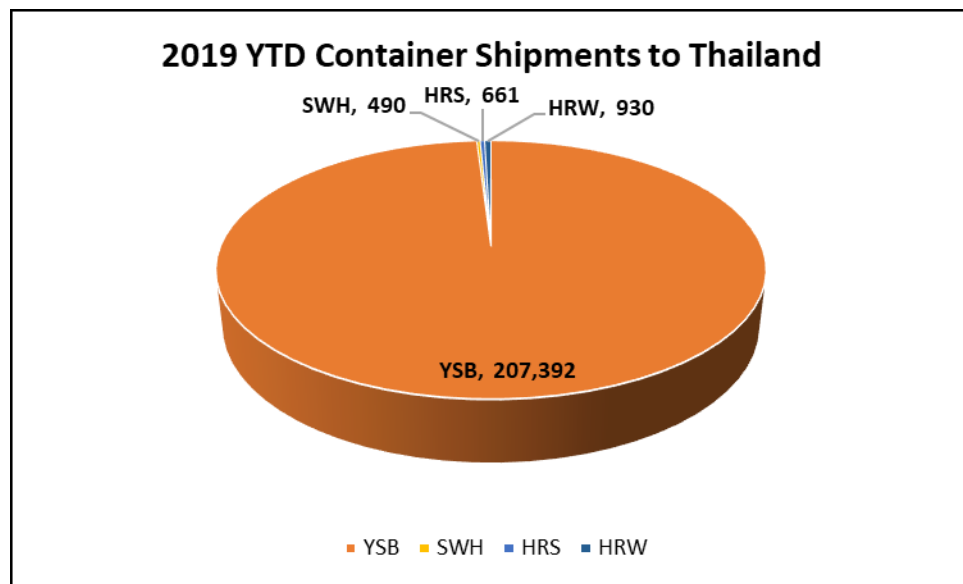
White Corn	metric tons	
Shipments:	6,464	Colombia
	33,946	Honduras
	38,613	Mexico
	79,023	Total

## 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:		25-Apr-2019							
Last Week	metric tons								MT
	YC	WC	YSB	SRW	NS	SWH	HRW	Sorghum	TOTAL
China Main									0
China T	22,821		12,951						35,772
Hong Kong	465								465
Costa Rica	122								122
Indonesia			17,579	147					17,726
Guyana				98					98
Japan			391						391
Korea Republic	856		2,350	245					3,451
Nepal			2,913						2,913
Malaysia			6,705	367					7,072
Burma				294					294
Philippines	269		1,248						1,517
Thailand			5,314						5,314
Qatar	1,102								1,102
Bangladesh			980						980
Vietnam			6,342						6,342
Sub total	25,635	0	56,773	1,151	0	0	0	0	75,135
USDA Corrections/Additions to previous reports:									
China T	2,226								2,226
China Main									0
Hong Kong									0
Korea Rep.									0
Nepal									0
Japan									0
Philippines									0
Indonesia			906						906
Malaysia			318						318
Thailand			1,665				220		1,885
Vietnam			881						881
Burma									0
Bangladesh									0
Sub total	2,226	0	3,770	0	0	0	220	0	6,216
<b>Mt. Grand Total</b>	<b>27,861</b>	<b>0</b>	<b>60,543</b>	<b>1,151</b>	<b>0</b>	<b>0</b>	<b>220</b>	<b>0</b>	<b>81,351</b>
Number of containers	1,211	0	2,632	50	0	0	10	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
<b>GULF</b>				
2018 YTD	10,040	8,227	2,914	21,181
2019 YTD	8,751	8,038	3,506	20,295
2019 as % of 2018	87%	98%	120%	96%

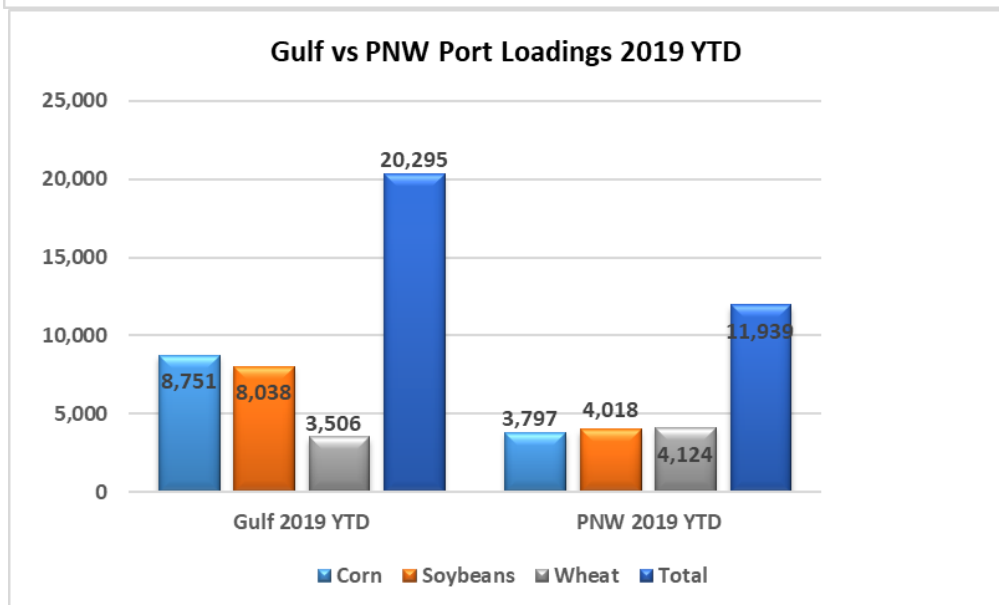
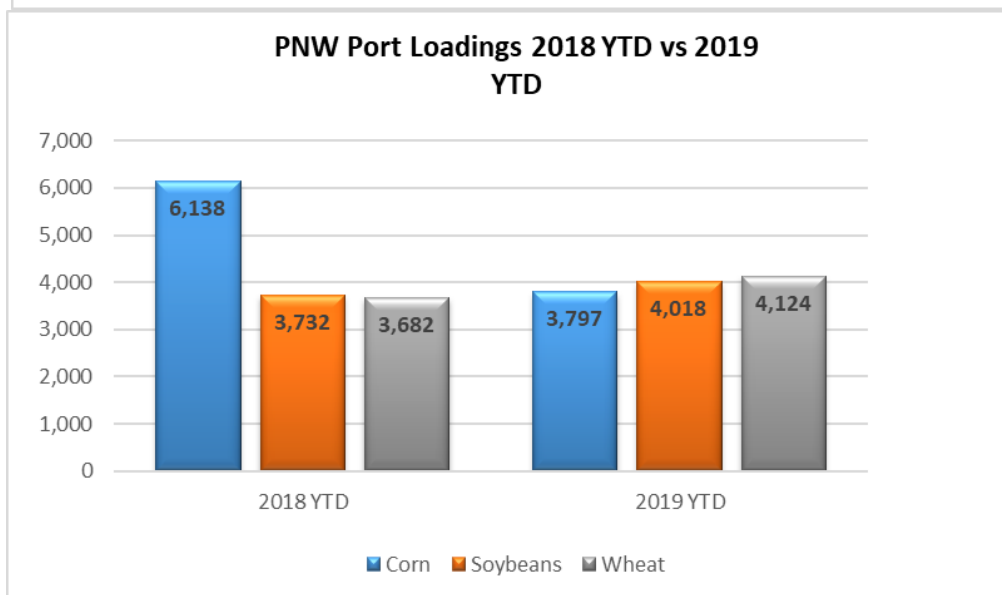
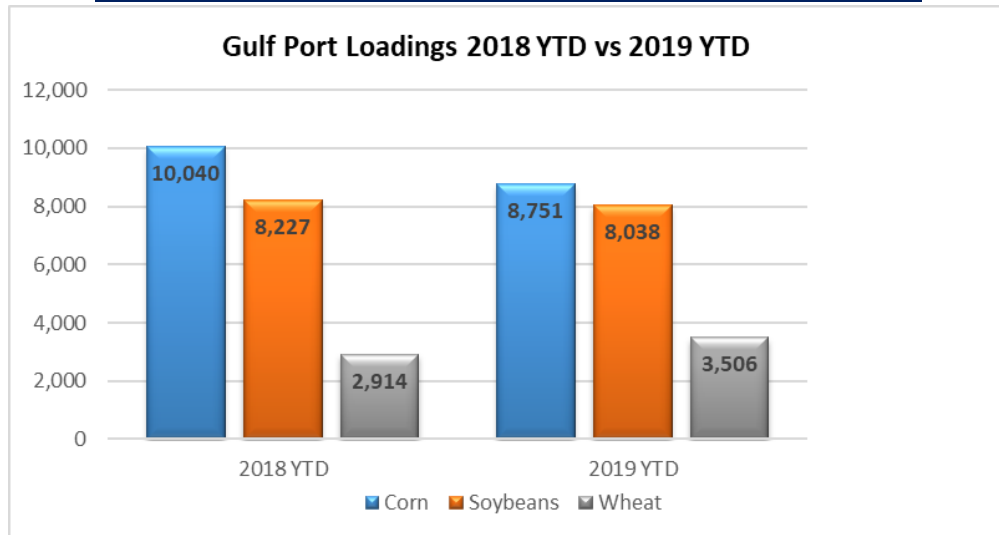
PORT LOADINGS US PNW				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
<b>PNW</b>				
2018 YTD	6,138	3,732	3,682	13,552
2019 YTD	3,797	4,018	4,124	11,939
2019 as % of 2018	62%	108%	112%	88%

PORT LOADINGS GULF vs. PNW				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
2019 Gulf YTD	8,751	8,038	3,506	20,295
2019 PNW YTD	3,797	4,018	4,124	11,939
TOTAL	12,548	12,056	7,630	32,234
Gulf Percentage	70%	67%	46%	63%
PNW Percentage	30%	33%	54%	37%

Grain Inspections for Export by U.S. Port Regions (1,000MT):



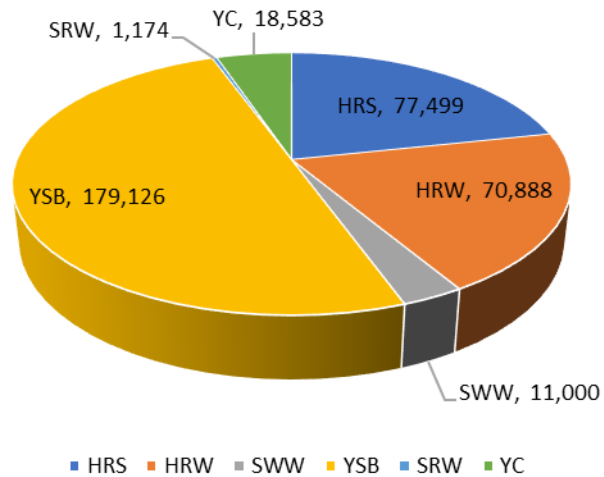
## U.S. Gulf and Pacific Northwest 2018 YTD vs. 2019 YTD



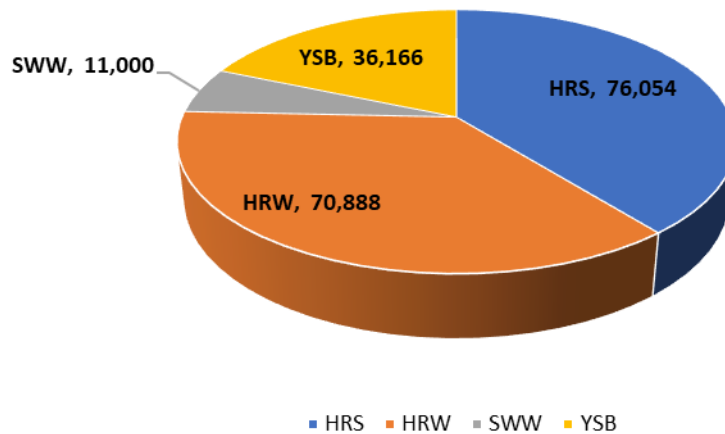
Source: USDA-data

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

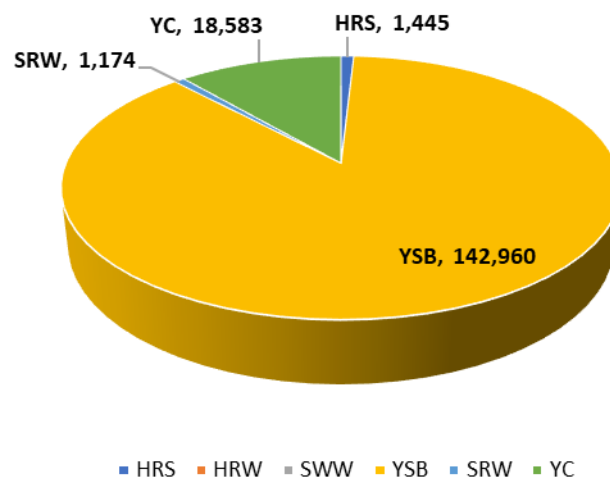
### 2019 YTD Exports to Malaysia



### YTD Exports to Malaysia by Vessel



### 2019 YTD Exports to Malaysia by Container



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

## 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	410	\$ 27.98	0.71	0.76
Illinois River (Pekin and South)	390	\$ 20.68	0.53	0.56
Mid-Mississippi	390	\$ 22.87	0.58	0.62
Lower Ohio	290	\$ 14.26	0.36	0.39
St. Louis	280	\$ 12.31	0.31	0.34

High water has caused locks on the Upper Mississippi, Mid-Mississippi River and just above St. Louis to be closed for the first half of May. Barge traffic is therefore halted.

#### 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)	\$ (50.00)	\$ (0.04)	\$ (0.01)	\$ (1.48)	\$ (0.49)
UPRR Shuttle Trains	\$ (200.00)	\$ (100.00)	\$ (0.05)	\$ (0.03)	\$ (1.97)	\$ (0.98)

Best Regards,

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