



Transportation and Export Report for 23 May 2019

Ocean Freight Insights and Comments:

Dry-Bulk markets ended the week on a slightly higher tone. This was quite a feat as it was the first time in many months that Dry-Bulk markets were able to put together two back to back weeks of support without falling back. I'm sure vessel owners will view this as a sign of a market turn-around. In truth, markets are still struggling, and the recent rally has been a slow and gradual one. But we probably have seen the lows for the year and, if the U.S.-China trade war allows, we should expect to see a continued gradual rise in rates as we move into Q4. The fly in the ointment however remains the tariff war and how it is, or is not, resolved. Either way, the market fully expects to see a move towards diversification of sea supply routes as both sides adjust their marketing patterns and reduce their dependence on one another.

BALTIC DRY-BULK PANAMAX INDEX CHANGES

Panamax Ocean Freight Indices				
23-May-19	This Week	Last Week	Difference	Percent Change
P2A : Gulf/Atlantic - Japan	18130	17829	301	1.7%
P3A - PNW/Pacific - Japan	9356	8730	626	7.2%
S1C -USGULF-China-So.Japan	18183	17497	686	3.9%
P7- Trial- Miss. River - Qingdao	43992	44065	-73	-0.2%
P8- Trial- Santos - Qingdao	33413	33130	283	0.9%

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

Four weeks ago:	\$5.45-\$6.00
Three weeks ago:	\$5.50-\$7.25
Two weeks ago:	\$6.00-\$6.35
One week ago:	\$6.25-\$6.65
This week	\$6.50-\$6.60

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

Mississippi River:	(10 elevators)	3-8 days
Miss. River Mid-Stream loaders:	(6+ Rigs)	0-6 days
Texas Gulf	(6 elevators)	2-10 days (only 1 facility over 4 days)
Pacific Northwest:	(9 elevators)	0-11 days

Panamax Market Spreads to Asia -China					
23-May-19	PNW	GULF	Bushel Spread	MT Spread	Advantage
CORN	0.87	0.54	0.33	\$12.99	PNW
SOYBEANS	0.75	0.49	0.26	\$10.24	PNW
OCEAN FREIGHT	\$23.25	\$43.25	.51 -.54	\$20.00	JULY

Recent Reported Vessel Fixtures:

Soybean Panamax USG to Spain is running \$20.50/mt.

Soybean Brazil to Spain can be done at \$23.50/mt.

30,000 mt Corn Northern Brazil to Vera Cruz, Mexico \$19.000-\$19.50/mt

Route and Vessel Size	Current Week USD/MT	Change from previous week	Remarks
55,000 U.S. Gulf-Japan	\$43.50	Up \$0.50	Handymax \$43.75 mt
55,000 U.S. PNW- Japan	\$24.00	Up \$0.50	Handymax \$24.25 mt
66,000 U.S. Gulf – China	\$43.25	Up \$0.50	North China
PNW to China	\$23.25	Up \$0.50	
25,000 U.S. Gulf- Veracruz, México	\$17.00	Up \$0.25	3,000 MT daily discharge rate
30-35,000+ U.S. Gulf- Veracruz, México	\$14.25	Up \$0.25	Deep draft and 6,000 MT per day discharge rate.
25/35,000 U.S. Gulf- <u>East Coast Colombia</u>	\$20.75	Up \$0.50	<u>West Coast Colombia at \$30.00</u>
From Argentina	\$33.75		
43-45,000 U.S. Gulf - Guatemala	\$30.00	Up 0.50	Acajutla/Quetzal - 8,000 out
26-30,000 U.S. Gulf – Algeria	\$34.50 \$35.50	Up \$0.50	8,000 mt daily discharge 3,000 mt daily discharge
26-30,000 US Gulf-Morocco	\$36.25	Up \$0.50	5,000 discharge rate
55-60,000 U.S. Gulf –Egypt	\$27.75	Up \$0.50	60,000 -55,000 mt
PNW to Egypt	\$29.25		Russia Black Sea Romania - Egypt \$11.25--\$13.50 (France \$17.50-\$18.25)
60-70,000 U.S. Gulf – Europe – Rotterdam	\$17.25	Up \$0.25	Handymax at +\$1.75 more
Brazil, Santos – China	\$33.75	Up \$1.00	54-59,000 Supramax-Panamax
Brazil, Santos – China	\$34.00		60-66,000 Post Panamax
Itacoatiara-Port Up River North Brazil	\$37.25		60-66,000 mt
56-60,000 Argentina/Rosario- China Deep Draft	\$37.00	Up \$1.00	Upriver with BB Top Off \$39.50

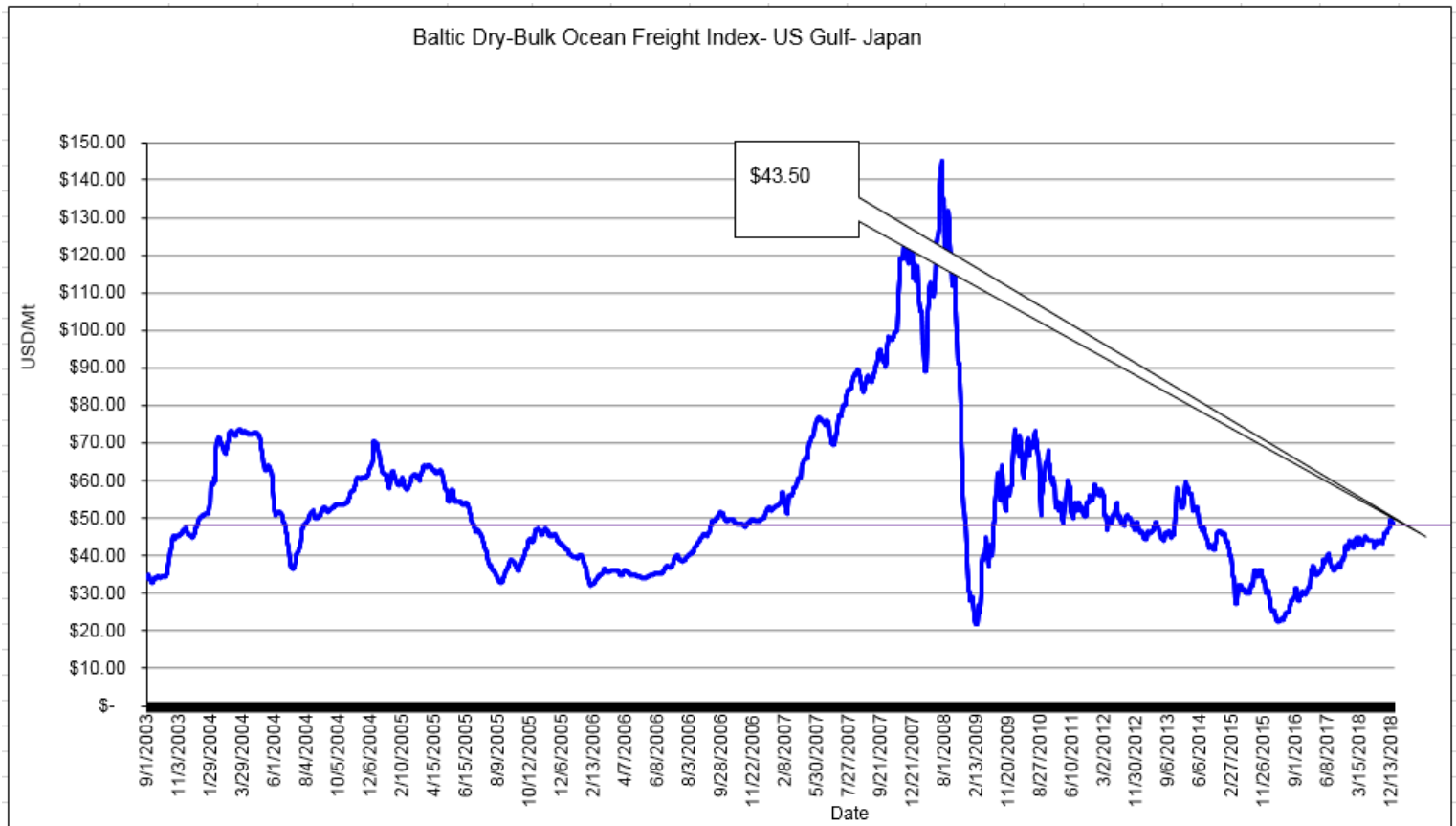
- The above rate estimates reflect the 30-45-day forward ocean freight markets.

Nautical Miles: To Xiamen China (South China)

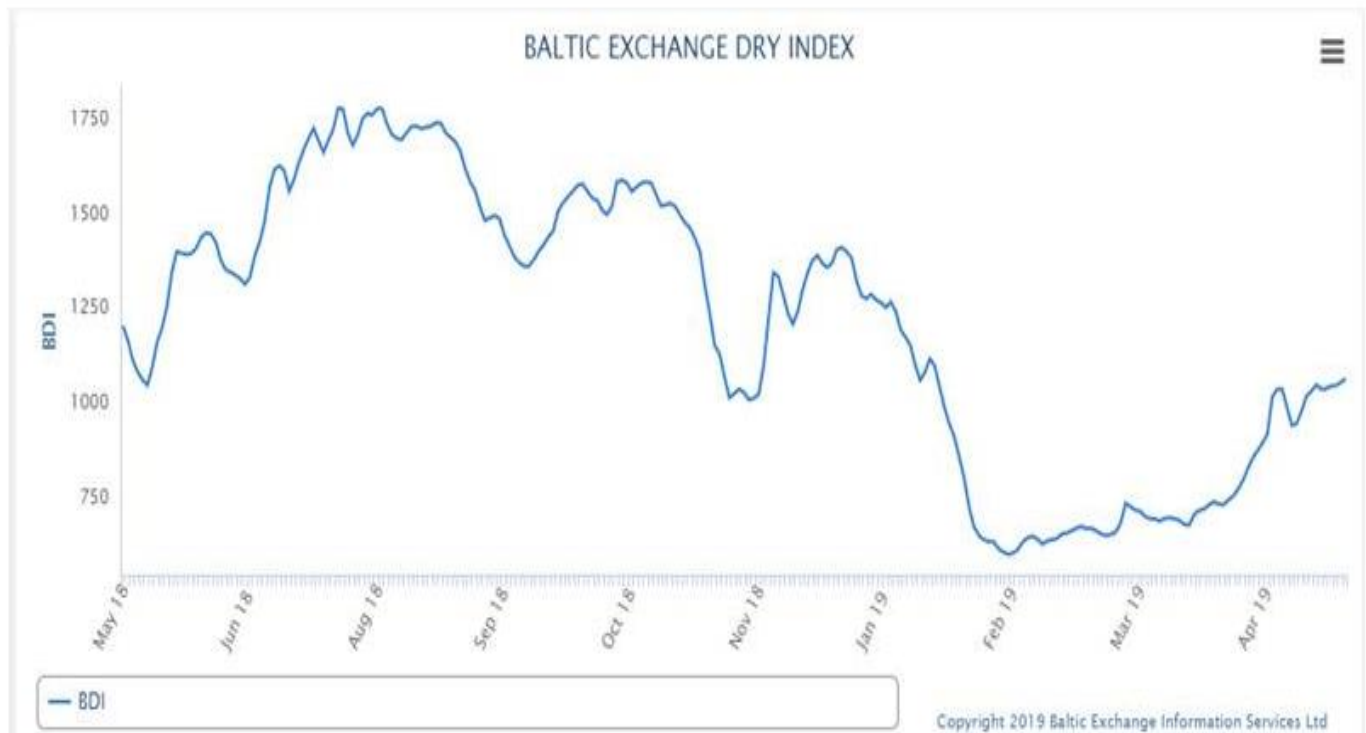
US Gulf (NOLA) (via Panamá Canal) – 10,232 nautical miles (32 days)

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

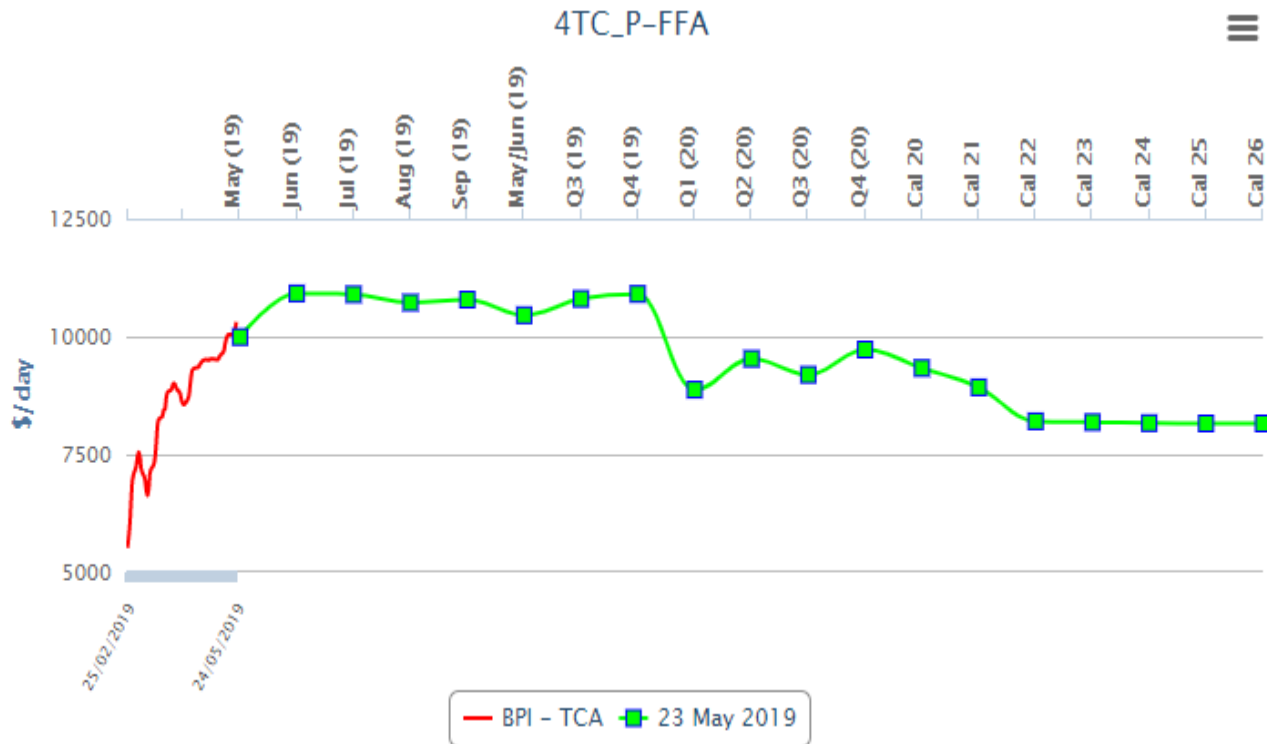
Rosario Argentina (via Cape Horn) - 10,751 nautical miles (34 days)



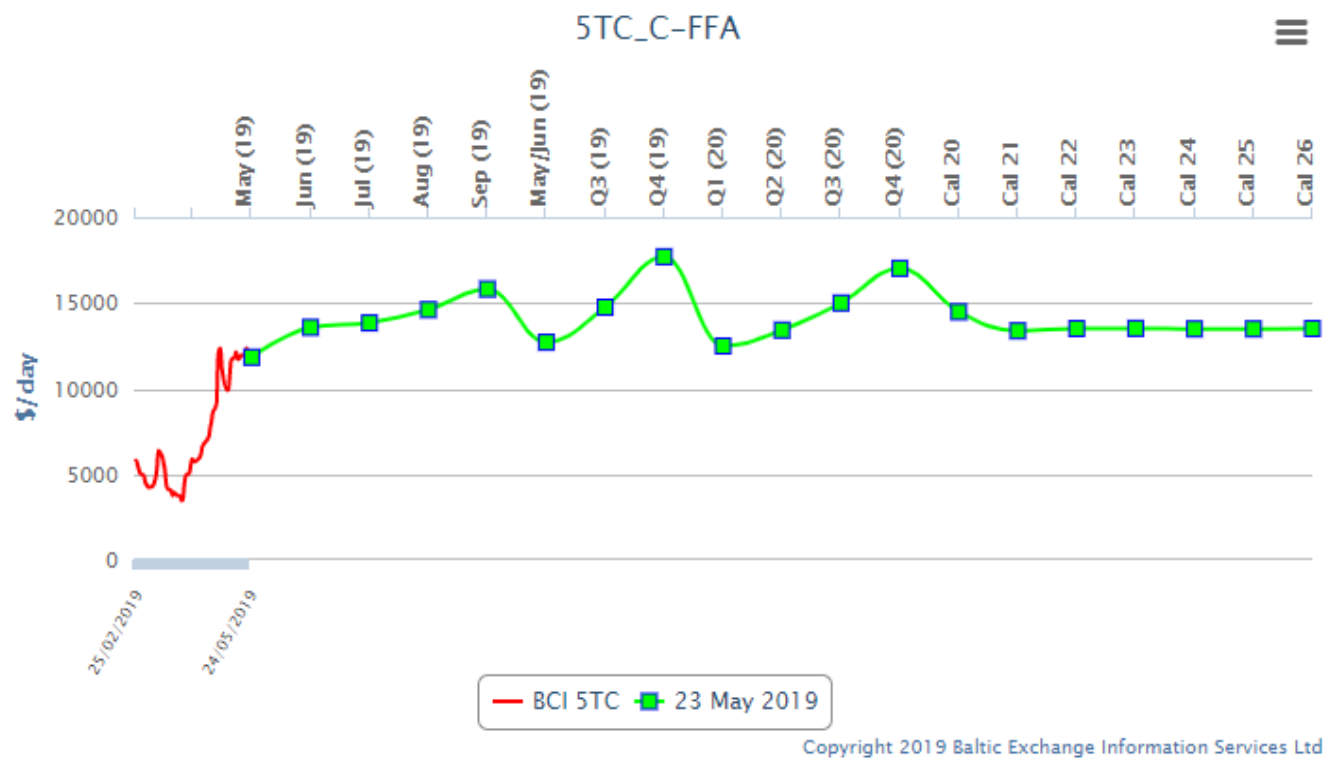
Baltic Dry Index.



Baltic Panamax Forward Curve Chart



Baltic Capesize Index



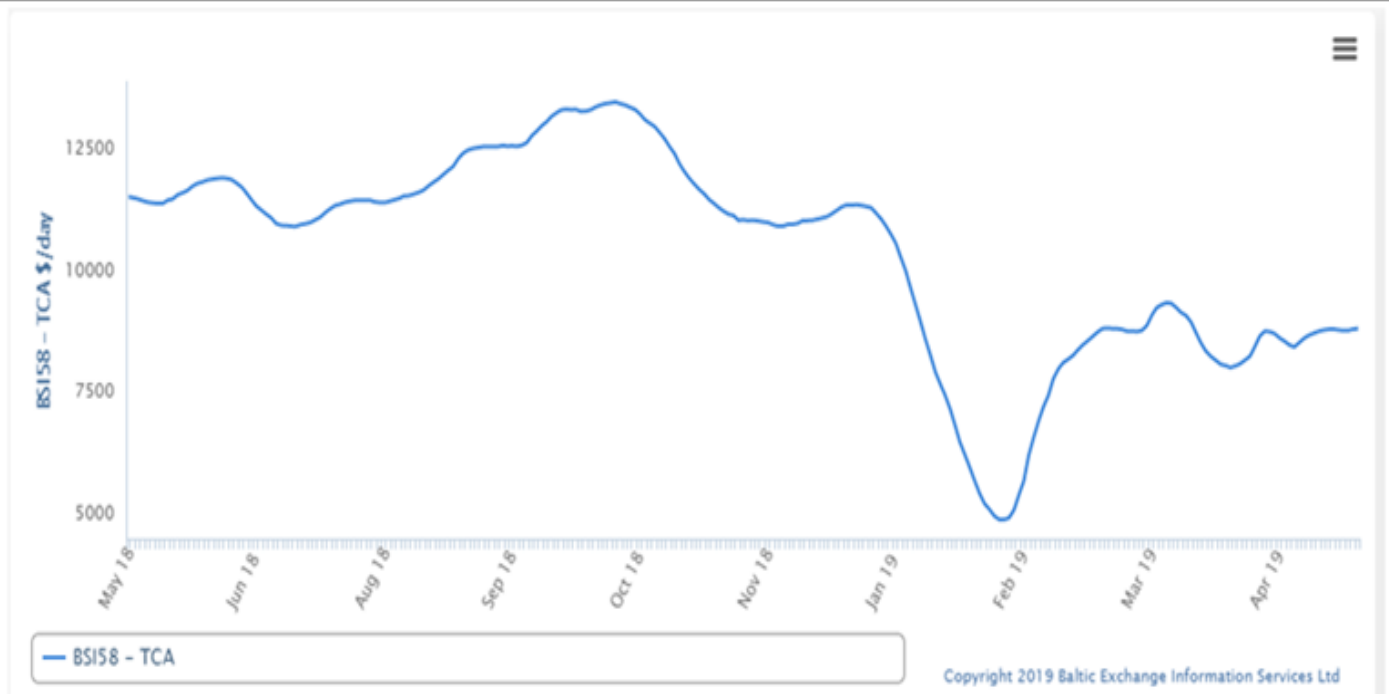
Baltic Panamax Index

Panamax

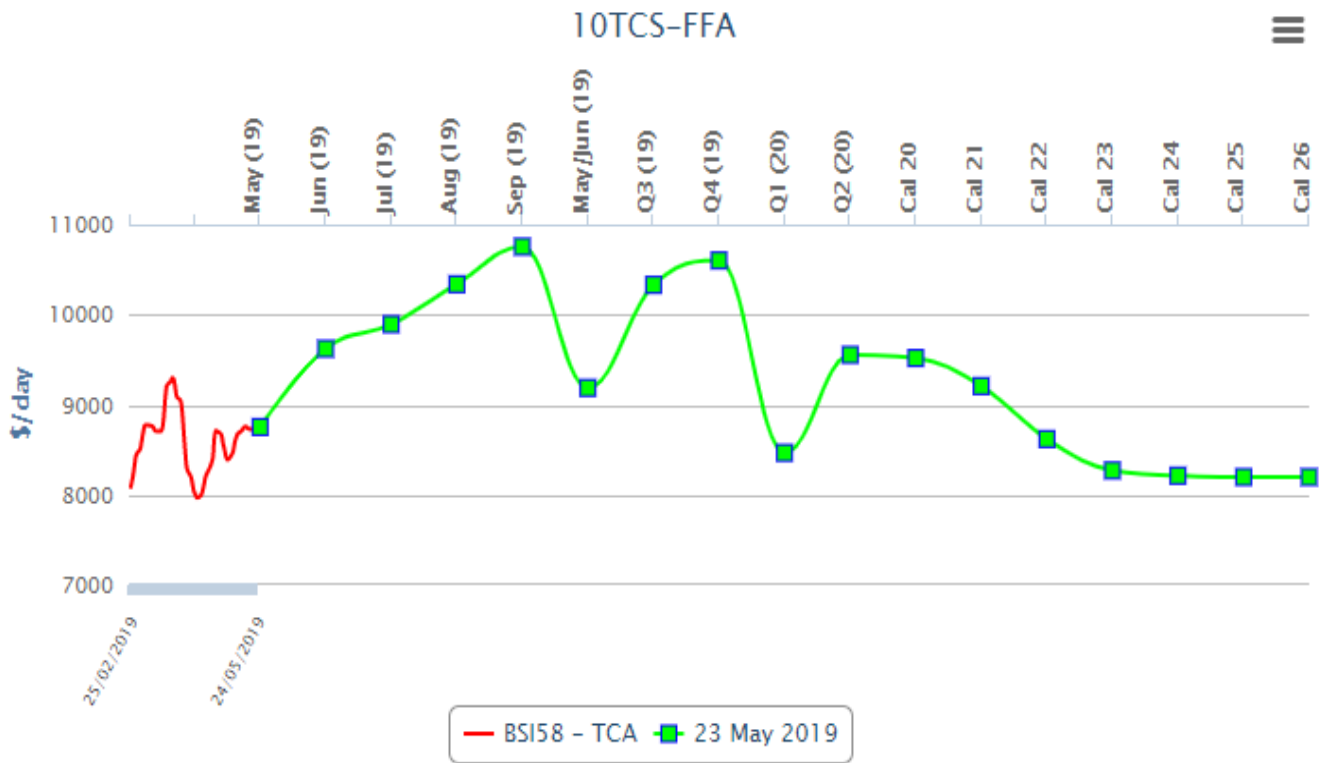


Baltic Supramax Vessel Index

Supramax

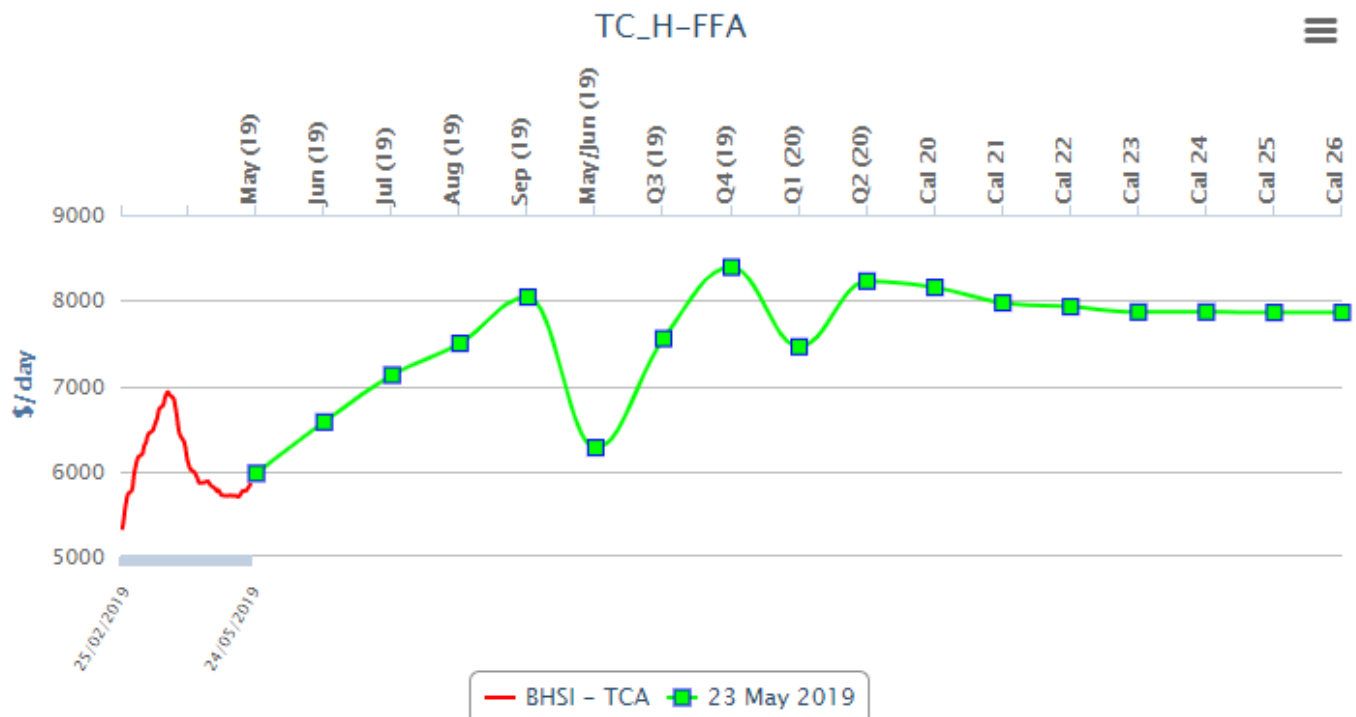


Supramax Dry-Bulk Forward Curve



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Baltic Handy Size



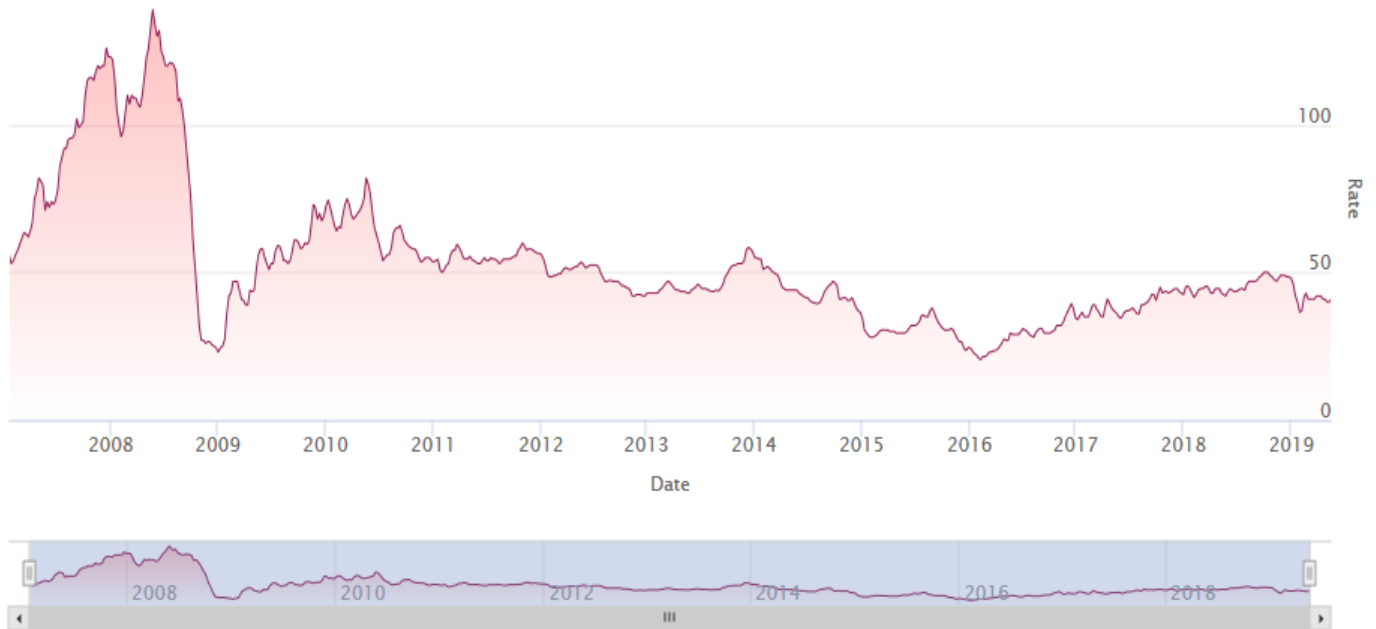
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YAMAMIZU Index



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

From 2007-01-29 To 2019-05-22



China Import Dry Bulk Freight Index 2019-05-23

Description	Size MT	Cargo/Vessel Size	Unit	Rate	Change
Composite Index			Point	847.73	9.49
Iron ore Freight Index			Point	814.32	15.87
Soybean Freight Index			Point	983.84	2.48
Santos(Brazil)—North China	60000/10%	Soybean	\$/ton	33.806	0.111
Tacoma(West America)—North China	60000/10%	Soybean	\$/ton	23.206	0.1
Mississippi(US Gulf)—North China	66000/10%	Soybean	\$/ton	43.594	0.039
Mississippi(US Gulf)—North China	55000/10%	Soybean	\$/ton	45.484	0.046

23 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
July	0.54	\$174.69	0.87	\$187.69
Aug.	0.51	\$176.96	0.83	\$189.56
Sept.	0.58	\$179.71	0.90	\$192.31
Oct.	0.55	\$182.27	0.86	\$194.48
Nov.	0.60	\$184.24	0.92	\$196.84
Dec.	0.64	\$185.82	0.94	\$197.63

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
July	1.00	\$192.80	0.85	\$186.90
Aug.	1.00	\$196.25	0.78	\$187.59
Sept.	0.95	\$198.02	0.75	\$190.15
Oct.	1.00	\$199.99	0.78	\$191.33
Nov.	1.05	\$201.96	0.80	\$192.12

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	
	July	Aug.	Sept.	Oct.
FOB U.S. GULF	\$207.69	\$208.79	\$208.79	\$214.03
Basis	0.95	0.90	0.90	0.90
WN	4.7025			
WU	4.7825			
WZ	4.9250			

CME Futures Market Close						
CORN	Futures	Thursday	Thursday	Last week	Last Week	Difference
Month	Symbol	Close	Close	Bushel	MT.	Bushel
July	CN	\$3.8975	\$153.44	\$ 3.7900	\$149.20	\$0.1075
Sept.	CU	\$3.9850	\$156.88	\$ 3.8700	\$152.35	\$0.1150
Dec.	CZ	\$4.0800	\$160.62	\$ 3.9650	\$156.09	\$0.1150
Mar.	CH	\$4.1925	\$165.05	\$ 4.0650	\$160.03	\$0.1275
May	CK	\$4.2350	\$166.72	\$ 4.1225	\$162.29	\$0.1125

CBOT July 2019 (CN19) Corn Futures Chart –



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

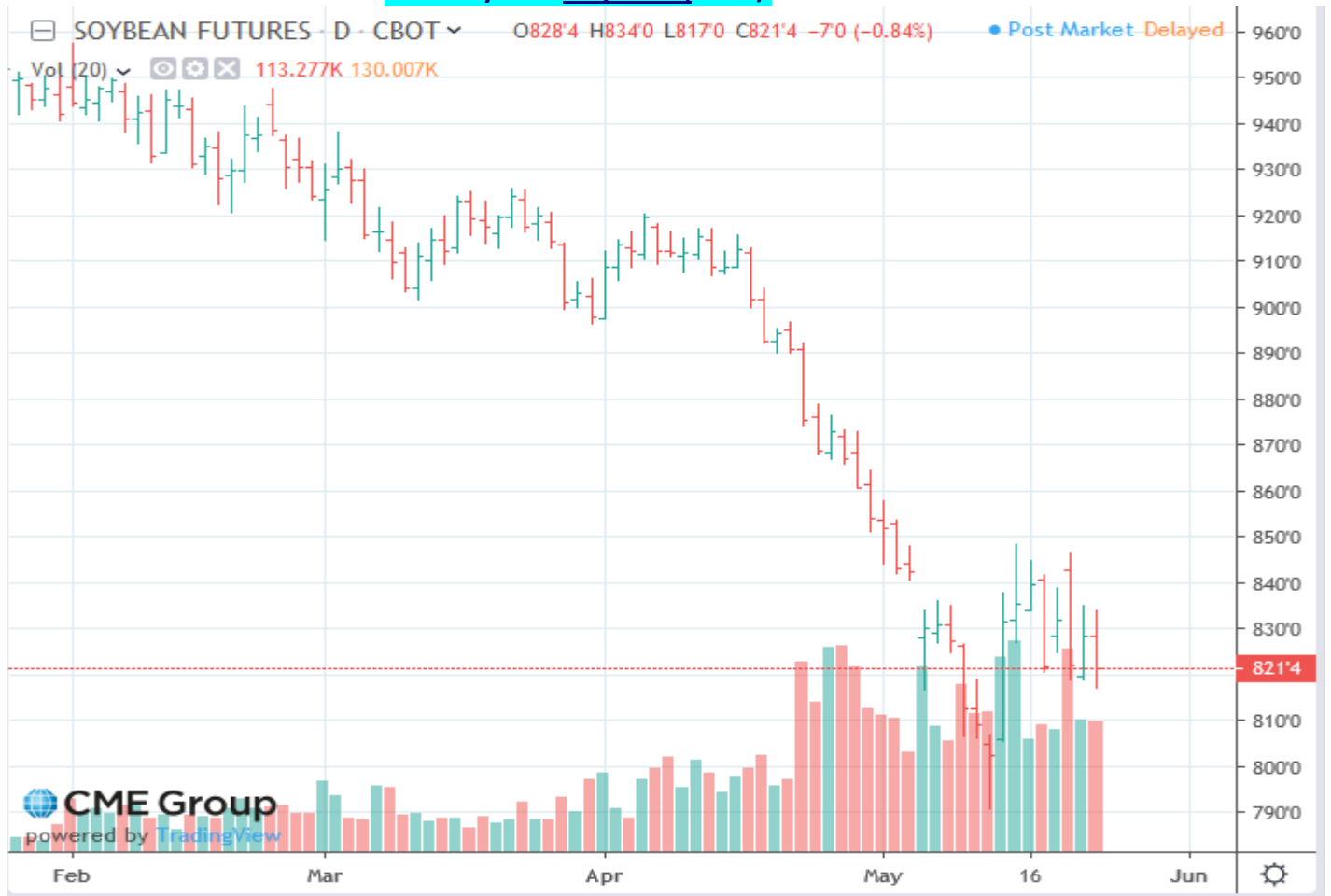


U.S. Soybean and SBM Markets Fob Vessel:

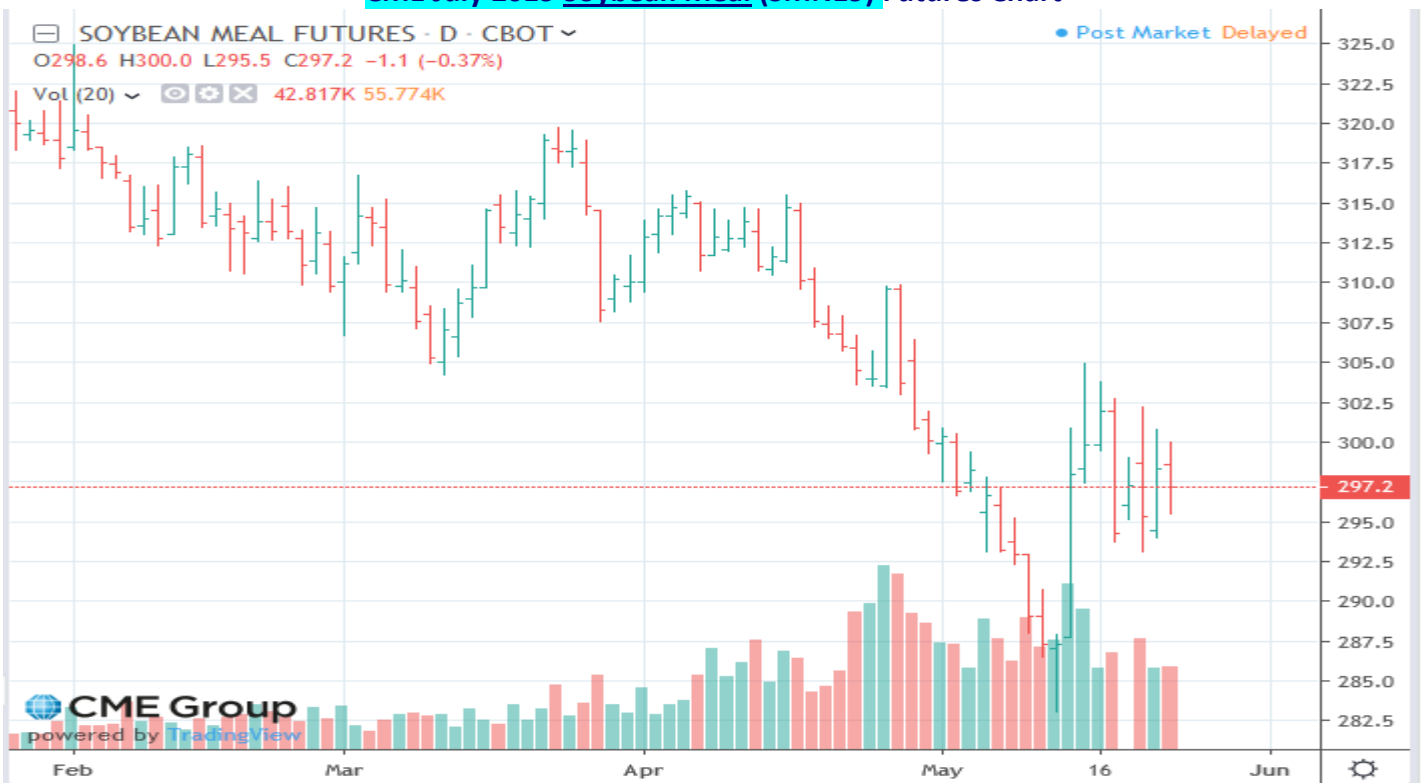
U.S. Yellow Soybeans (USD/MT) FOB Vessel				
# 2 YSB	U.S. Gulf #2 YSB		PNW #2 YSB	
14.0 % Moisture	Basis	Flat Price	Basis	Flat Price
July	0.49	\$319.85	0.75	\$329.40
Aug.	0.45	\$320.86	0.75	\$331.88
Sept.	0.42	\$322.33	0.80	\$336.29
Oct.	0.37	\$325.27	0.76	\$339.60
Nov.	0.40	\$326.37	0.85	\$342.91
Soybean Futures				
July	\$ 8.2150			
Aug.	\$ 8.2825			
Sept.	\$ 8.3525			
Nov.	\$ 8.4825			
Jan.	\$ 8.6025			
Mar.	\$ 8.6950			

U.S. SBM (USD/MT) FOB Vessel		
Fob U.S. Gulf Port	47.5 Pro. SBM	
max 12.5 % moisture	Basis	Flat Price
July	8.00	\$ 336.48
Aug.	6.00	\$ 336.15
Sept.	5.00	\$ 337.03
Oct.	5.00	\$ 339.02
Nov.	5.00	\$ 342.44
SBM Futures		
SMN	297.20	
SMQ	298.90	
SMU	300.70	
SMV	302.50	
SMZ	305.60	
SMF	307.10	

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 09 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	638.7	46,898.2	58,420	80%	2,330.1
Sorghum	54.4	1,614.1	2,160	75%	0.0
Soybeans	440.6	45,237.1	48,310	94%	1,418.8
Wheat	301.4	25,666.7	25,180	102%	2,976.9
Barley	0.0	61.2	110	56%	31.6

U.S. EXPORT INSPECTIONS:

Monday's report 20 May 2019 for the Export week ending 16 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	820,916	1,000,834	37,454,213	36,329,423	103%
Sorghum	17,657	94,944	1,320,579	4,694,119	28%
Soybeans	497,070	513,986	33,153,354	45,658,840	73%
Wheat	757,704	878,299	23,579,593	23,052,839	102%
Barley	122	685	9,988	21,340	47%

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

U.S. EXPORT INSPECTIONS:

Monday's report 20 May 2019 for the Export week ending 16 May 2019

Last Week								
(Metric Tons)	YC	%	WC	%	Sorghum	%	Soybeans	%
Lakes	0	0%	0	0%	0	0%	10,158	2%
Atlantic	0	0%	0	0%	0	0%	3,549	1%
Gulf	356,530	48%	73,443	98%	0	0%	390,746	79%
PNW	216,655	29%	122	0%	10,806	61%	49	0%
Interior Export Rail	172,669	23%	1,497	2%	6,851	39%	92,568	19%
Metric Tons	745,854		75,062		17,657		497,070	

Sorghum Shipments:	metric tons	
	10,684	Japan
	122	Korea Rep
	6,851	Mexico
	17,657	Total

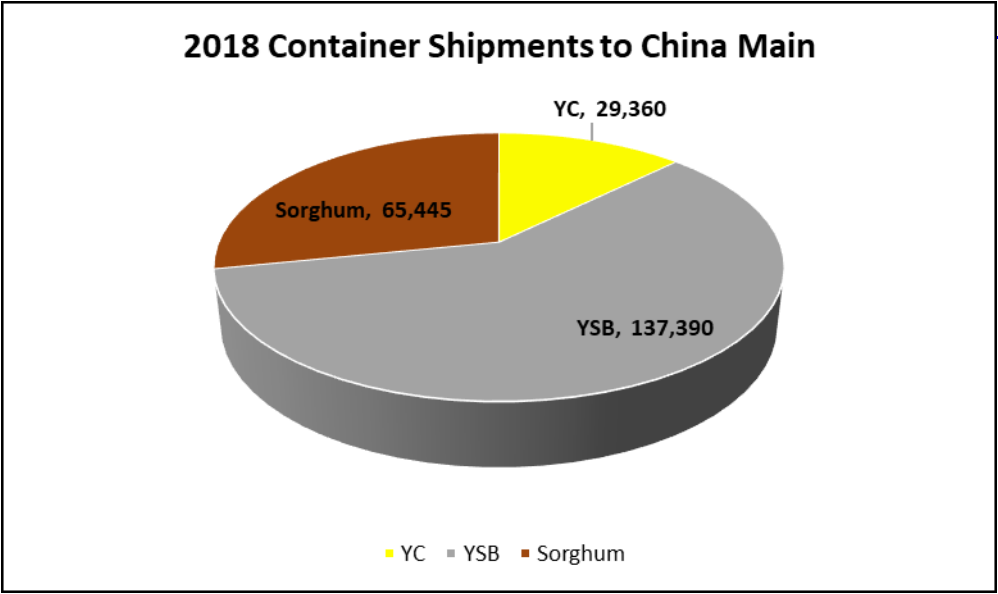
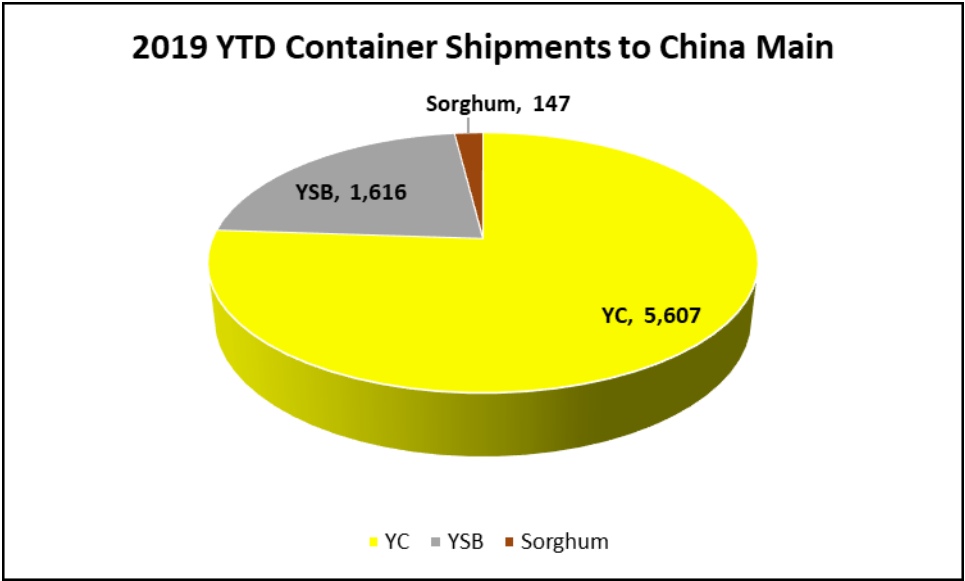
White Corn	metric tons	
Shipments:	122	Korea Rep
	13,199	Colombia
	61,741	Mexico
	75,062	Total

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:		16-May-2019							
Last Week	metric tons								MT
	YC	WC	YSB	SRW	NS	SWH	HRW	Sorghum	TOTAL
China Main	4,653								4,653
China T	16,748		9,573	269					26,590
Hong Kong	1,149								1,149
Costa Rica									0
Indonesia			28,330	392					28,722
French Poly	196								196
Japan			881						881
Korea Republic	2,032		685	98					2,815
Nepal			5,680						5,680
Malaysia	343		3,721	392					4,456
Burma			1,003	539					1,542
Philippines	220		1,004						1,224
Thailand			10,627						10,627
Qatar	49								49
Bangladesh			514						514
Vietnam	490		7,712						8,202
Sub total	25,880	0	69,730	1,690	0	0	0	0	88,535
USDA Corrections/Additions to previous reports:									
China T			930				490		1,420
China Main									0
Hong Kong									0
Korea Rep.									0
Haiti									0
Japan									0
Philippines									0
Indonesia			73						73
Malaysia									0
Thailand									0
Vietnam									0
Burma									0
Bangladesh									0
Sub total	0	0	1,003	0	0	0	490	0	1,493
Mt. Grand Total	25,880	0	70,733	1,690	0	0	490	0	90,028
Number of containers	1,125	0	3,075	73	0	0	21	0	

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



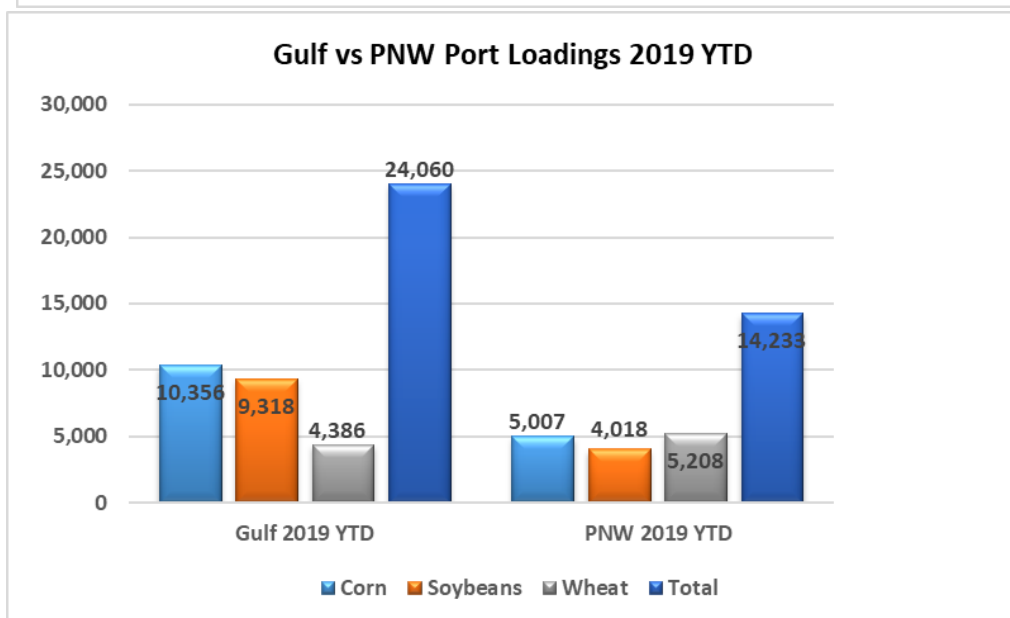
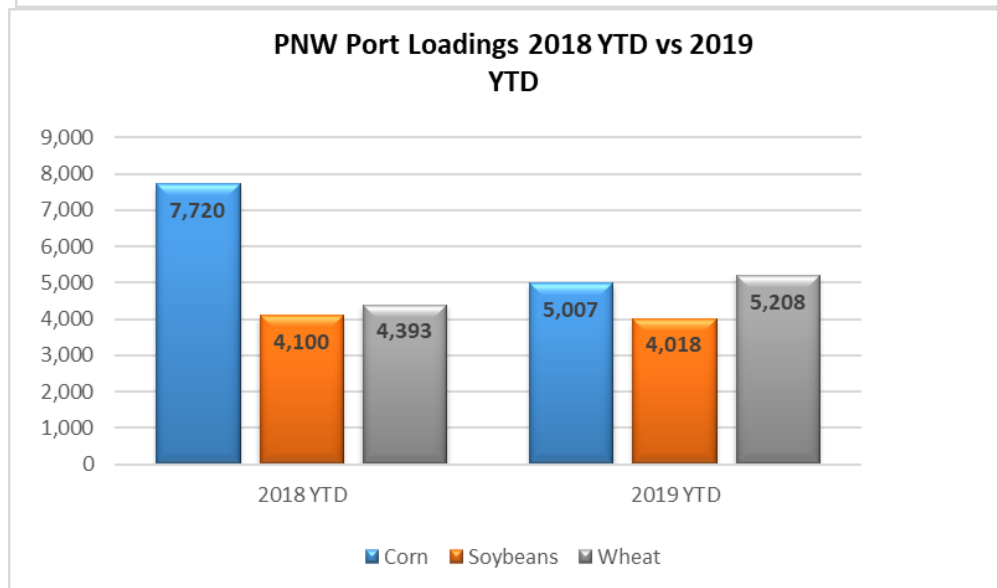
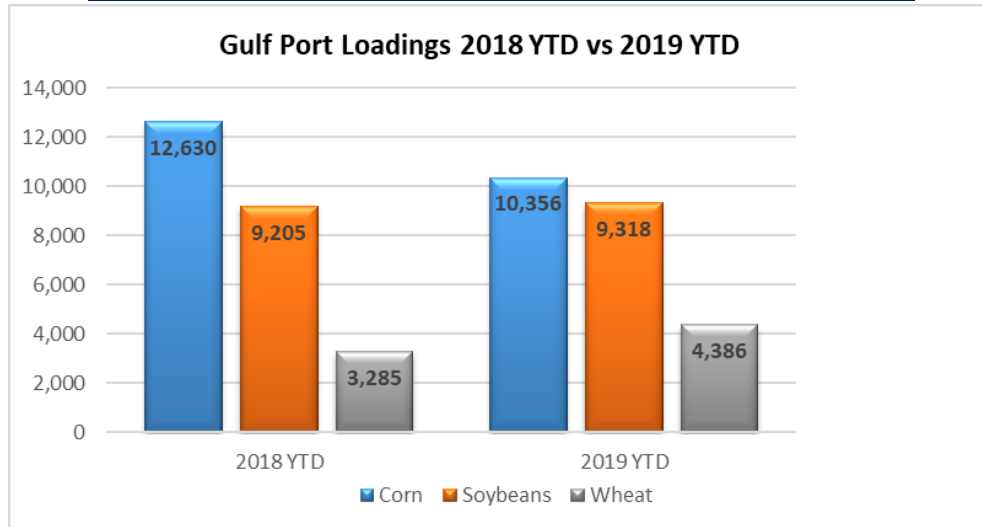
Grain Inspections for Export by U.S. Port Regions:
U.S. Gulf and Pacific Northwest 2018 YTD vs. 2019 YTD

PORT LOADINGS US Gulf				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
GULF				
2018 YTD	12,630	9,205	3,285	25,120
2019 YTD	10,356	9,318	4,386	24,060
2019 as % of 2018	82%	101%	134%	96%

PORT LOADINGS US PNW				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
PNW				
2018 YTD	7,720	4,100	4,393	16,213
2019 YTD	5,007	4,018	5,208	14,233
2019 as % of 2018	65%	98%	119%	88%

PORT LOADINGS GULF vs. PNW				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
2019 Gulf YTD	10,356	9,318	4,386	24,060
2019 PNW YTD	5,007	4,018	5,208	14,233
TOTAL	15,363	13,336	9,594	38,293
Gulf Percentage	67%	70%	46%	63%
PNW Percentage	33%	30%	54%	37%

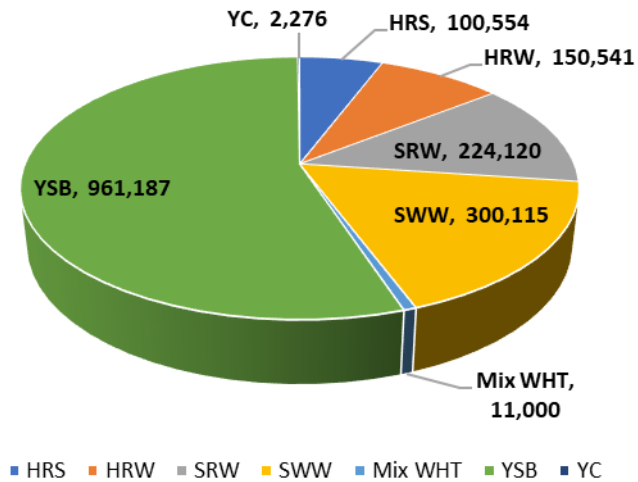
Grain Inspections for Export by U.S. Port Regions (1,000MT):
U.S. Gulf and Pacific Northwest 2018 YTD vs. 2019 YTD



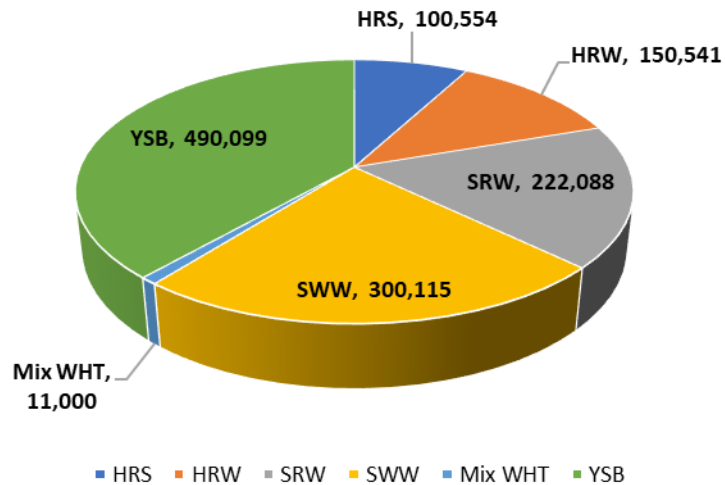
Source: USDA-data

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

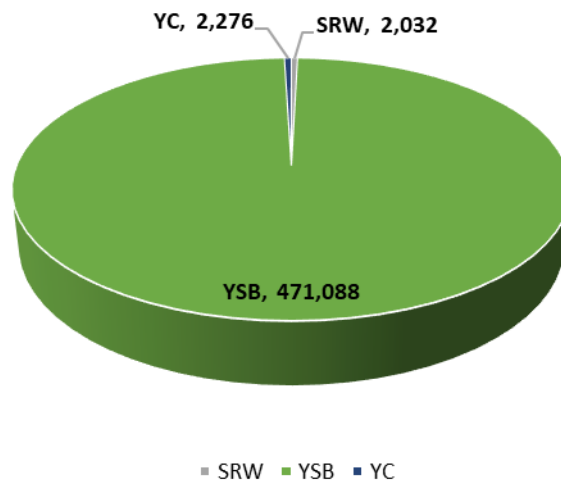
2019 YTD Exports to Indonesia



YTD Exports to Indonesia by Vessel



YTD Exports to Indonesia by Container



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

Shipping News

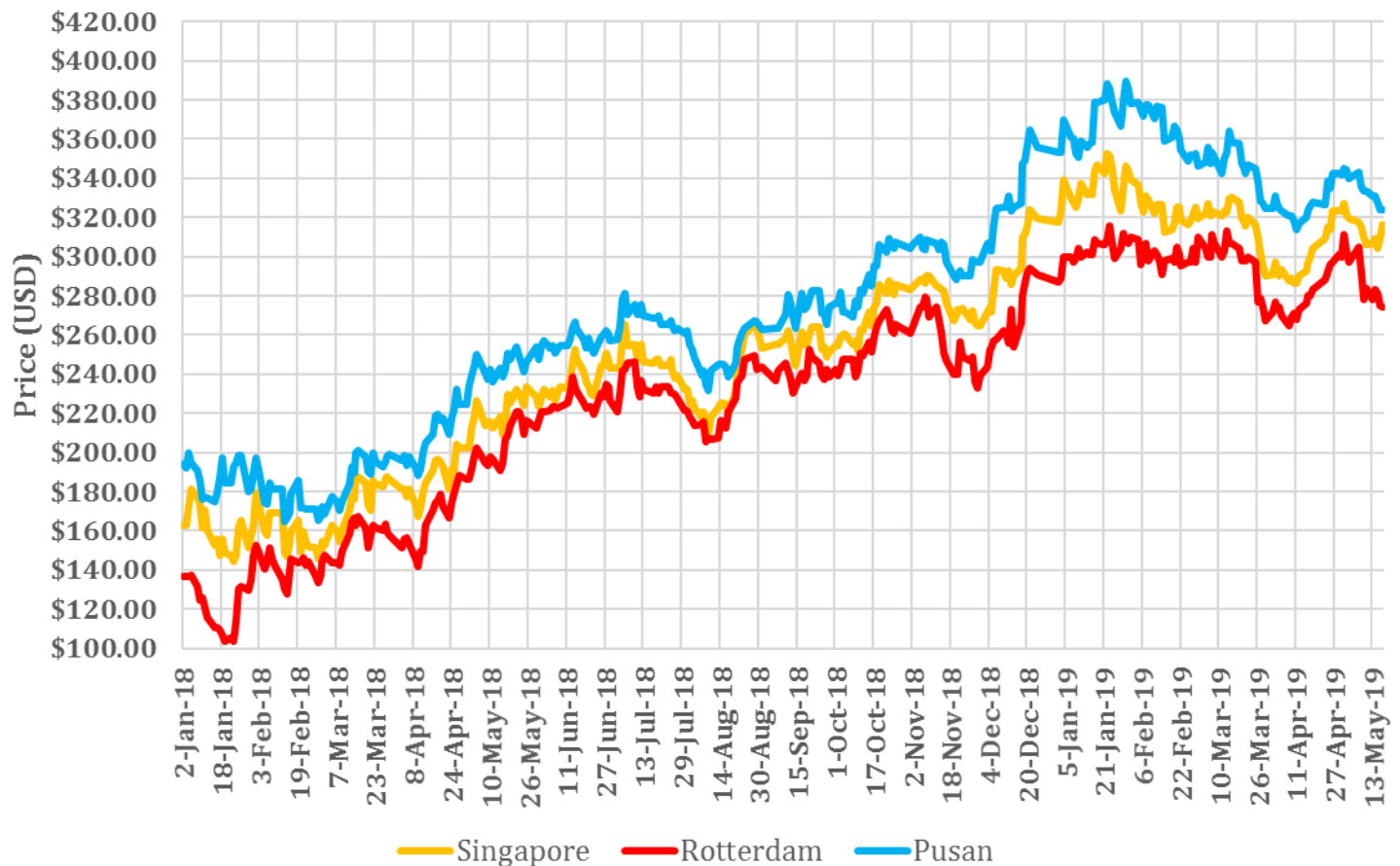
FYR we have been advised that the Panama Canal Authority has confirmed as a result of rainfall in the last week in the Panama Canal watershed **the planned/scheduled draft reduction has been delayed and will now be effective June 12th, 2019 instead of May 28th, 2019**. The maximum transit draft at the Panama Canal locks will be as follows:

Neopanamax locks: 13.11 meters or 43 feet - Tropical Fresh Water

Panamax locks: 11.73 meters or 38.5 feet - Tropical Fresh Water

Until the lake conditions have improved and the draft is increased, all vessels utilizing the Panama Canal and transiting with a maximum draft as recommended above and below can expect a reduced cargo intake.

Bunker Fuel Prices for Singapore vs. Rotterdam vs. Pusan



China Import Dry Bulk Freight Index

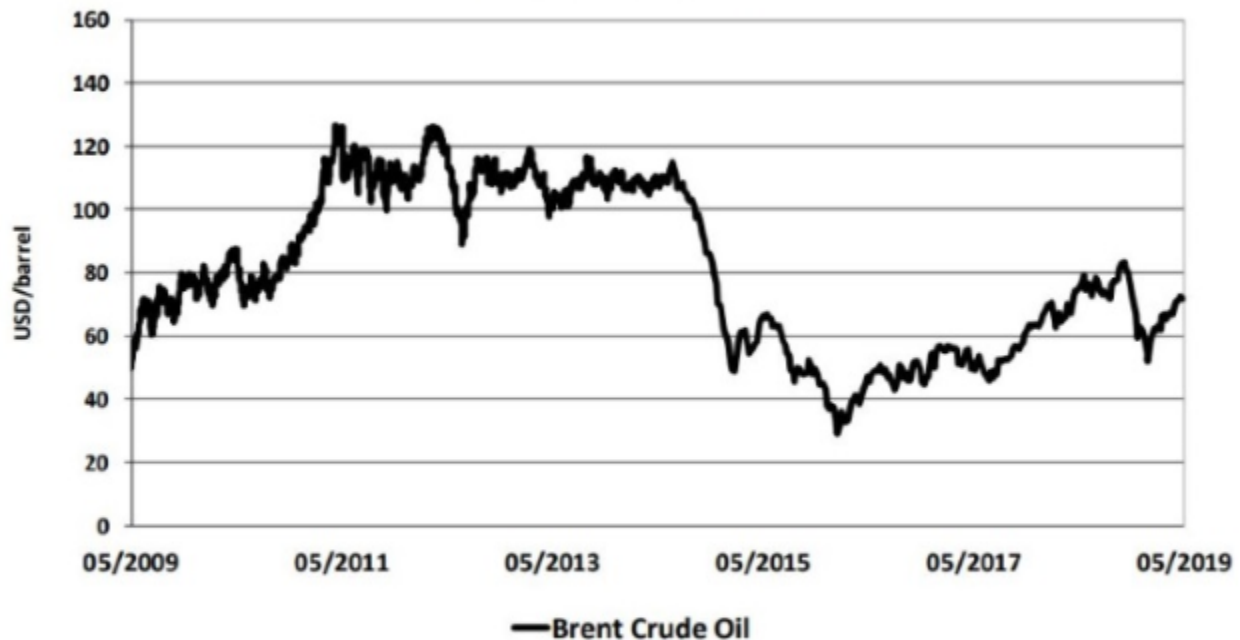


China Containerized Freight Index



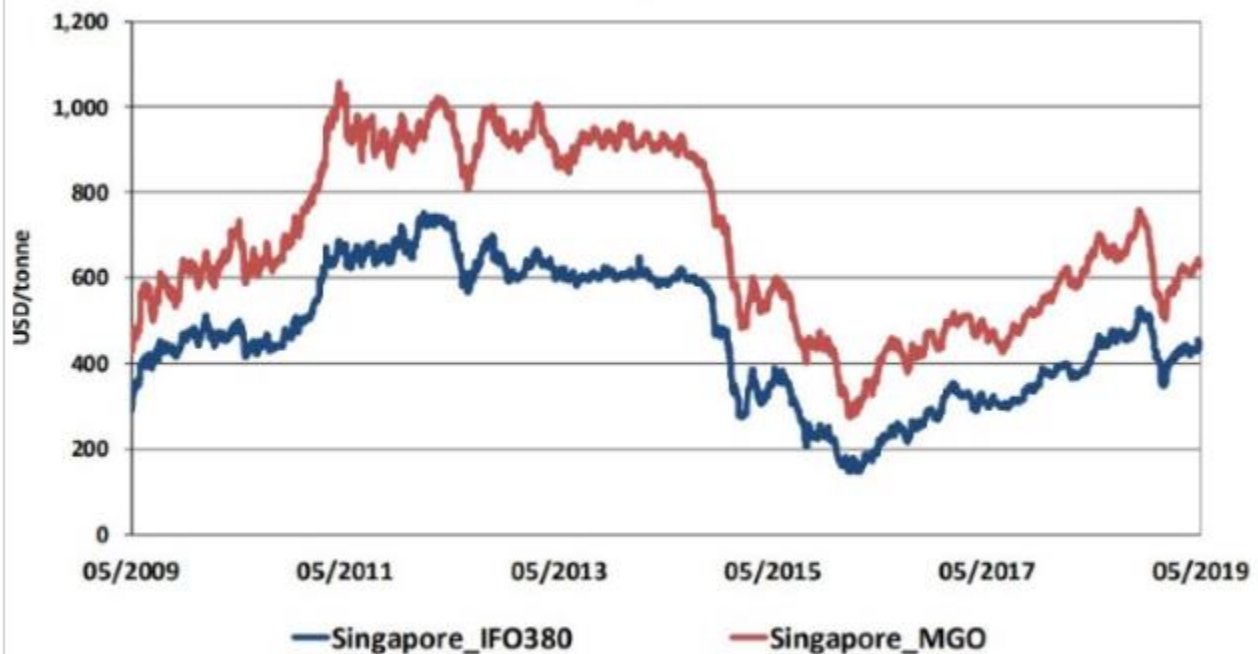
Brent Crude Oil Prices - last 10 years

(May 2019 ; daily data ; in USD/barrel)



FO and MGO Bunker Prices in Singapore - last 10 years

(May 2019 ; daily data ; in USD/tonne)



U.S. RIVER BARGE FREIGHT

Current Barge Freight for Placement First Half July 2019

Placement FH July 2019	% of		Corn	Soybeans-Wheat
	Tariff	MT	BU	BU
Upper Mississippi	440	\$30.02	0.76	0.82
Illinois River (Pekin and South)	415	\$22.00	0.56	0.60
Mid-Mississippi	415	\$24.34	0.62	0.66
Lower Ohio	315	\$15.49	0.39	0.42
St. Louis	290	\$12.75	0.32	0.35

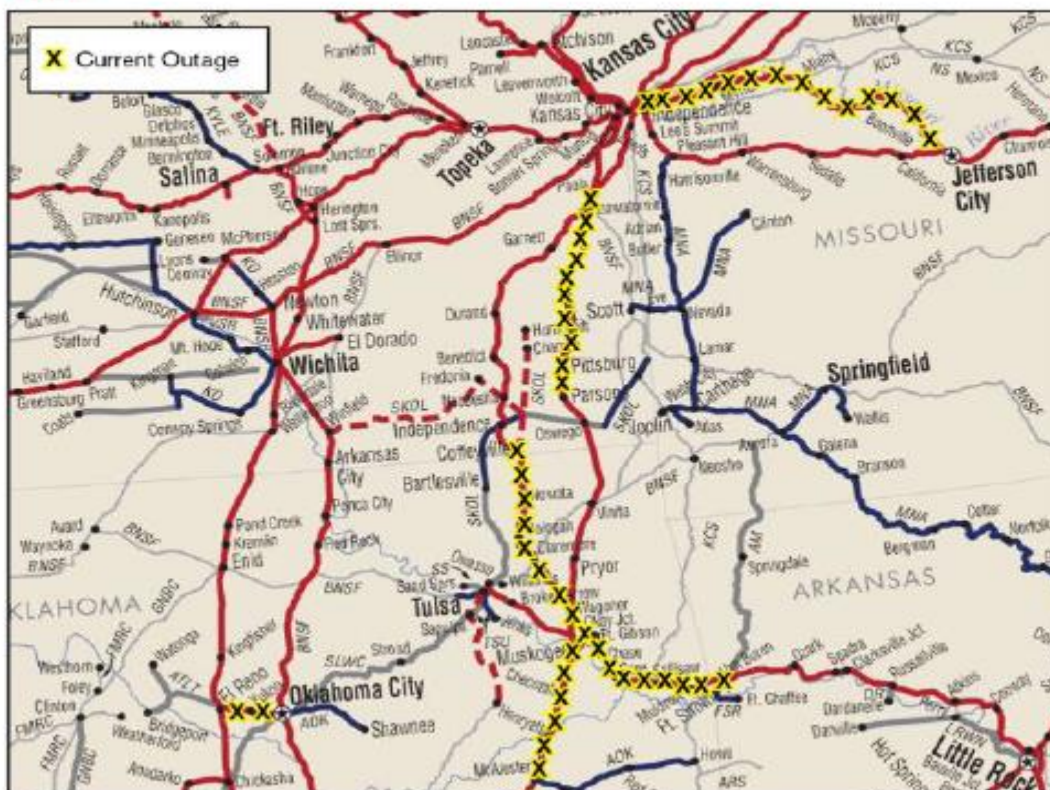
Secondary Rail Car Market for car placement period: First Half July 2019.

Secondary Rail Car Market Placement FH. July 2019	BID USD	ASK USD	BID BU.	ASK BU.	BID MT	ASK MT
BNSF Shuttle Trains	\$ (125.00)	\$ (50.00)	\$ (0.03)	\$ (0.01)	\$ (1.23)	\$ (0.49)
UPRR Shuttle Trains	\$ (200.00)	\$ (100.00)	\$ (0.05)	\$ (0.03)	\$ (1.97)	\$ (0.98)

UPRR- Kansas-Oklahoma- Arkansas- --



Southern Region Outages



May 23, 2019

Best Regards,

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