

## Transportation and Export Report for 26 May 2022

Last week's Dry Bulk market rally fizzled out due to a lack of follow through physical demand to support it. Ocean freight markets continue to be volatile; overall markets are trending upward, but it is a process that requires a step back for every two steps forward. This provides buyers with open opportunities. This week's weakness was primarily the result of concerning news over China's slow economic growth. Market bulls are still betting that the small 2022-2023 New vessel order book for Dry Bulk ships and high fuel costs will eventually move markets higher. But China demand is key. 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					
26-May-2022		This Week	Last Week	Difference	Percent Change
P2A: Gulf/Atlantic - Japan	Index	38245	40773	-2,528	-6.2%
P3A: PNW/Pacific - Korea	Index	27586	29406	-1,820	-6.2%
S1C: US GULF-China-So.Japan	Index	38446	39689	-1,243	-3.1%
P7: Trial- Miss. River - Qingdao	per ton	80.28	82.51	-2.2	-2.7%
P8: Trial- Santos - Qingdao	per ton	69.70	70.65	-1.0	-1.3%

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

Four weeks ago:	\$9.75-\$12.25
Three weeks ago:	\$12.00-\$12.25
Two weeks ago:	\$12.25-\$15.00
One week ago:	\$15.20-\$15.90
This week	\$15.50-\$13.60

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

Mississippi River:	(9 elevators)	3-8 days
Mid-Stream loaders:	(6+ Rigs)	0-1 days
Texas Gulf	(5 elevators)	0-9 days (only 2 facilities more than 1 day)
Pacific Northwest:	(9 elevators)	1- 10 days (AGP Grays Harbor/PNW is back to loading.)

Panamax Market Spreads to Asia -China					
26-May-2022	GULF	PNW	Bushel Spread	Tonne Spread	Advantage
CORN	1.02	1.95	0.93	\$36.61	GULF
SOYBEANS	1.40	2.15	0.75	\$27.56	PNW
OCEAN FREIGHT	\$80.50	\$46.50	.86 -.93	\$34.00	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 \$58.00 - \$59.50/mt.

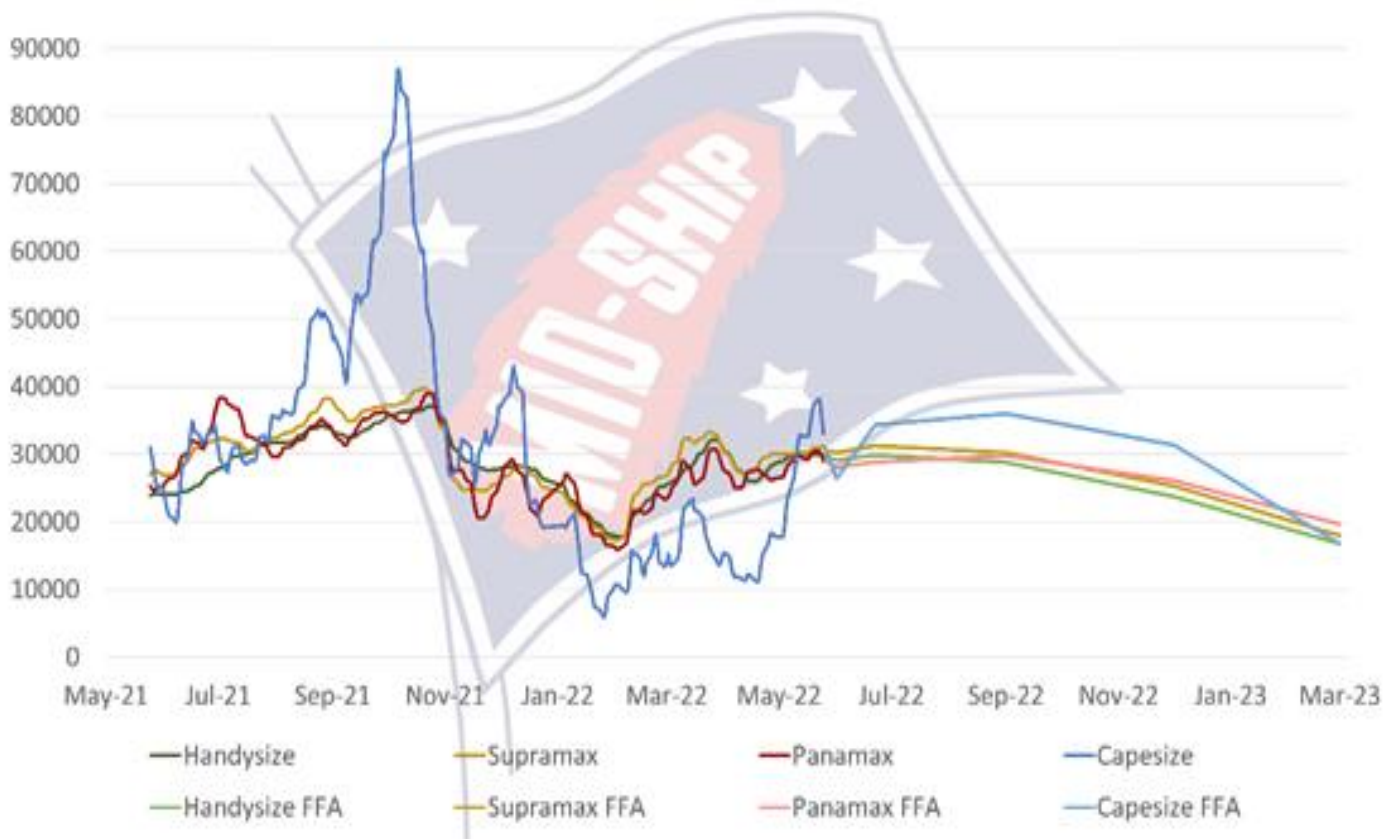
Soybean Brazil to Spain about \$68.50 - 70.00/mt.

Route and Vessel Size	Current Week USD/MT	Change from previous week	Remarks
55,000 U.S. Gulf-Japan	\$81.50	Down \$1.00	Handymax \$81.50 mt
55,000 U.S. PNW- Japan	\$47.00	Unchanged	Handymax at \$47.00 mt
65,000 U.S. Gulf – China	\$80.50	Down \$1.00	North or South China
PNW to China	\$46.50	Unchanged	
25,000 U.S. Gulf- Veracruz, México	\$30.75	Down \$0.25	3,000 MT daily discharge rate
35-40,000 U.S. Gulf- Veracruz, México	\$27.00	Down \$0.25	Deep draft and 6,000 MT per day discharge rate.
30-38,000 U.S. Gulf- Colombia	\$45.50	Down \$0.25	<u>West Coast Colombia at \$53.50</u>
50,000 USG- E/C Colombia	\$45.00		
<u>East Coast Colombia</u> From Argentina	\$56.75		
40-45,000 U.S. Gulf - Guatemala	\$54.00	Down \$0.25	Acajutla/Quetzal - 8,000 out
30,000 US Gulf-Morocco	\$74.00	Down \$0.50	5,000 discharge rate
55-60,000 U.S. Gulf –Egypt	\$73.50	Down \$0.50	55,000-60,000 mt Egypt
PNW to Egypt	\$74.00		Romania - Russia- Ukraine \$33.00 -?? - ? France \$45.00
58-74,000 U.S. Gulf – Europe – Rotterdam	\$36.00	Down \$0.50	Handymax at +\$2.50 more
Brazil, Santos –China	\$72.50	Down \$0.50	54-59,000 Supramax-Panamax
Brazil, Santos –China	\$70.00		60-66,000 Post Panamax
Up-River Port North Brazil	\$78.50		55-60,000 mt
56-60,000 Argentina-China Deep draft	\$77.50	Down \$0.50	Up-River with Top Off Plus \$3.85-\$4.75

## The Baltic Dry Bulk Freight Index



## Baltic Panamax Index

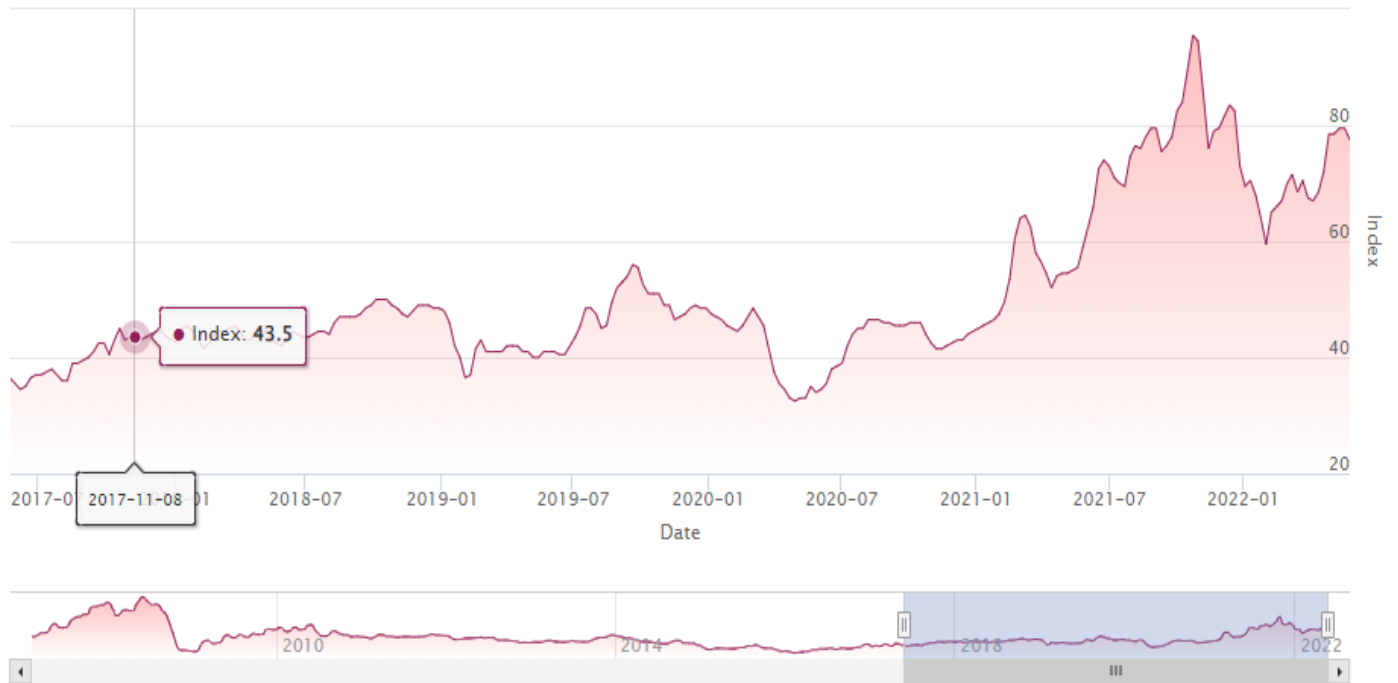


# YAMAMIZU Index



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

From 2017-05-25 To 2022-05-25



China Import Dry Bulk Freight Index					
2022-05-26					
Description	Volume	Cargo	Unit	Rate	Change
Composite Index			Point	1807.11	-35.83
Iron ore Freight Index			Point	1684.49	-56.23
Dampier(West Australia)-Qingdao (China)	170000/10%	Iron ore	\$/ton	13.594	-0.634
Soybean Freight Index			Point	1946.38	-12.7
Santos(Brazil)— North China	66000/10%	Soybean	\$/ton	69.9	-0.41
Tacoma(West America)—North China	63000/10%	Soybean	\$/ton	46.45	-0.33
Mississippi(US Gulf)—North China	66000/10%	Soybean	\$/ton	80.62	-0.59

**26 May 2022 U.S. FOB Vessel Export Market Values:**

<b>U.S. Yellow Corn (USD/MT) FOB Vessel</b>					CORN	FUTURES
#2 YC	<b>GULF # 2 YC</b>		<b>PNW # 3 YC</b>		N =	7.6500
Max. 14.5% moisture	BASIS	FLAT PRICE	BASIS	FLAT PRICE	U =	7.3400
<b>July</b>	1.02	<b>\$341.32</b>	1.95	<b>\$377.93</b>	Z =	7.1875
<b>Aug.</b>	1.32	<b>\$340.93</b>	2.20	<b>\$375.57</b>	H =	7.2275
<b>Sept.</b>	1.42	<b>\$344.86</b>	2.20	<b>\$375.57</b>	K =	7.2275
<b>Oct.</b>	1.60	<b>\$345.94</b>	2.30	<b>\$373.50</b>	N =	7.1725
<b>Nov.</b>	1.53	<b>\$343.19</b>	2.25	<b>\$371.53</b>		
<b>Dec.</b>	1.50	<b>\$342.01</b>	2.25	<b>\$371.53</b>		

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.

<b>SORGHUM (USD/MT) FOB VESSEL</b>		
#2 YGS Fob Vessel	<b>TEXAS Gulf</b>	
Max. 14.0% moisture	BASIS	FLAT PRICE
<b>July</b>	2.10	<b>\$383.84</b>
<b>Aug. (Z)</b>	2.35	<b>\$375.47</b>
<b>Oct.</b>	2.25	<b>\$371.53</b>
<b>Nov.</b>	2.25	<b>\$371.53</b>
<b>Dec.</b>	2.25	<b>\$371.53</b>

Fob vessel Texas Gulf #2 Sorghum is about 113 % the value of #2 Yellow Corn at NOLA.

**U.S. SRW Wheat Fob Vessel at the Center U.S. Gulf**

<b>SRW Wheat</b>	<b>USD/MT</b>	<b>Fob Vessel</b>	<b>US Gulf</b>	
	<b>June</b>	<b>July</b>	<b>Aug.</b>	<b>Sept.</b>
FOB U.S. GULF	\$438.44	\$438.44	\$443.49	\$449.00
Basis	0.50	0.50	0.55	0.70
WN	11.4325			
WU	11.5200			
WZ	11.5875			

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
<b>July</b>	1.40	<b>\$685.81</b>	2.15	<b>\$713.37</b>
<b>Aug.</b>	1.90	<b>\$679.57</b>	2.55	<b>\$703.45</b>
<b>Oct.</b>	2.20	<b>\$648.43</b>	3.05	<b>\$679.66</b>
<b>Nov.</b>	1.73	<b>\$631.16</b>	2.85	<b>\$672.31</b>
<b>Dec.</b>	1.63	<b>\$627.48</b>	2.75	<b>\$668.64</b>
<b>Soybean Futures</b>				
<b>July</b>	\$ 17.2650			
<b>Aug.</b>	\$ 16.5950			
<b>Sept.</b>	\$ 15.8450			
<b>Nov.</b>	\$ 15.4475			
<b>Jan.</b>	\$ 15.4750			
<b>Mar.</b>	\$ 15.3675			

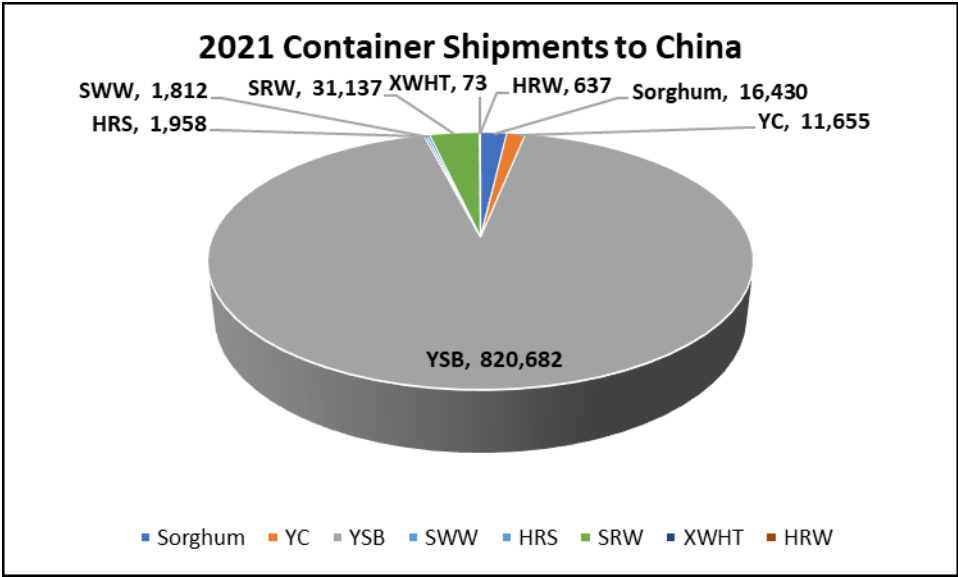
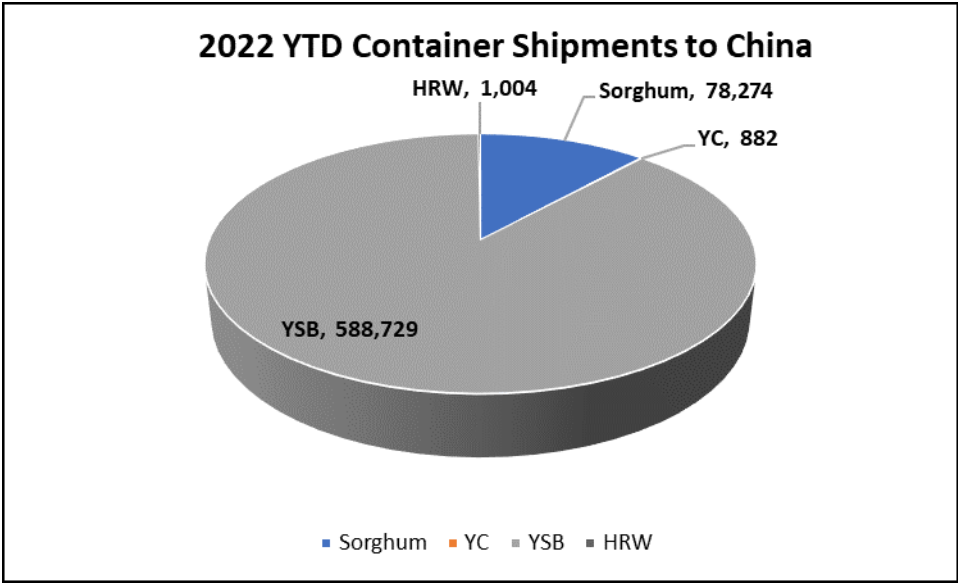
### U.S. Soybean and SBM Markets Fob Vessel:

U.S. SBM (USD/MT) FOB Vessel		
Fob U.S. Gulf Port	47.5 Pro. SBM	
max 12.5 % moisture	Basis	Flat Price
<b>July</b>	40.00	<b>\$ 516.19</b>
<b>Aug.</b>	44.00	<b>\$ 514.54</b>
<b>Oct.</b>	56.00	<b>\$ 515.09</b>
<b>Nov.</b>	55.00	<b>\$ 515.31</b>
<b>Dec.</b>	55.00	<b>\$ 515.31</b>
<b>SBM Futures</b>		
<b>SMN</b>	\$ 428.20	
<b>SMQ</b>	\$ 422.70	
<b>SMU</b>	\$ 417.00	
<b>SMV</b>	\$ 411.20	
<b>SMZ</b>	\$ 412.40	
<b>SMF</b>	\$ 410.50	

**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:		19-May-2022							
Last Week	metric tons								MT
	YC	WC	YSB	SRW	NS	SWH	DUWH	Sorghum	TOTAL
China			19,343					3,968	23,311
Taiwan	12,485		9,035						21,520
Hong Kong	343								343
Costa Rica									0
Indonesia			6,046						6,046
French Poly									0
Japan			1,272						1,272
Korea Rep.			49						49
Ireland									0
Malaysia	906		3,429						4,335
Singapore									0
Philippines			759						759
Thailand			1,347		73				1,420
Switzerland									0
Burma									0
Cambodia			367						367
Nepal									0
Vietnam			2,913		171				3,084
Sub Total:	13,734	0	44,560	0	244	0	0	3,968	62,506
USDA Corrections/Additions to previous reports:									
Taiwan	1,028		587						1,615
China			3,477					416	3,893
Hong Kong									0
Korea Rep.			196						196
Ghana									0
Japan									0
Philippines									0
Indonesia			1,004						1,004
Malaysia									0
Thailand									0
Vietnam			245						245
Burma			490						490
Ireland									0
Sub Total:	1,028	0	5,999	0	0	0	0	416	7,443
<b>Mt. Grand Total</b>	<b>14,762</b>	<b>0</b>	<b>50,559</b>	<b>0</b>	<b>244</b>	<b>0</b>	<b>0</b>	<b>4,384</b>	<b>69,949</b>
Number of Containers	642	0	2,198	0	11	0	0	191	

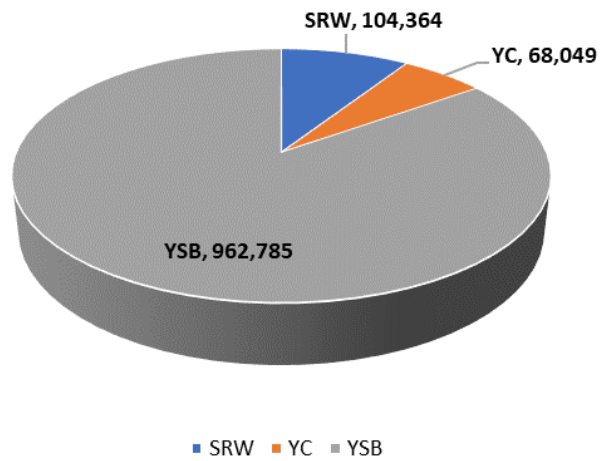
Jan - Dec 2021 Annual Totals versus 2022 YTD Container Shipments (in MT)



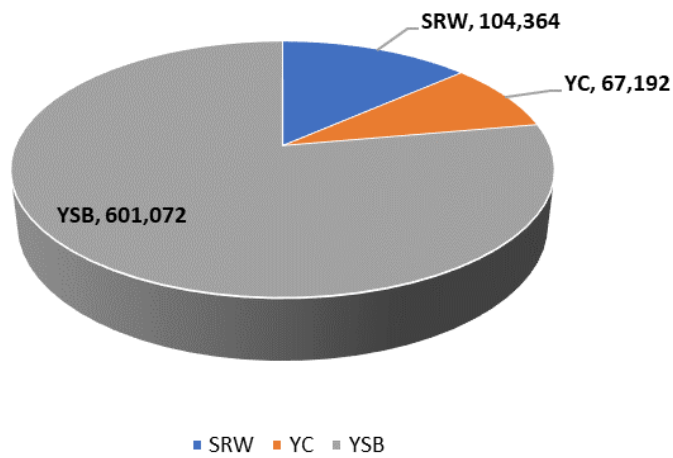


2022 YTD Total Grain Exports reported by USDA (in MT)

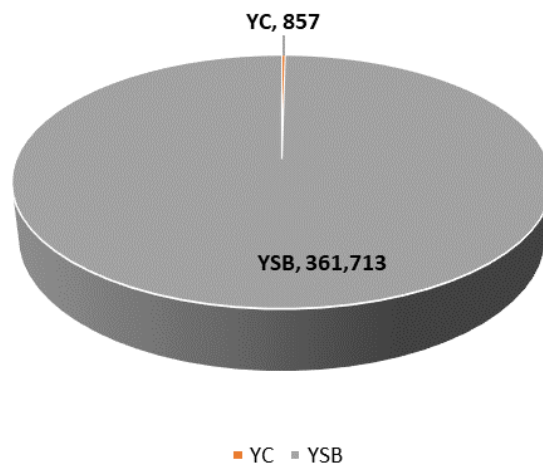
**2022 YTD Exports to Indonesia**



**YTD Vessel Shipments to Indonesia**



**YTD Container Shipments to Indonesia**



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

Source: USDA-data

## Shipping News

**Craig Fuller** 🚢 🇺🇸 @FreightAlley · 2h

Container imports from China into US ports as they cleared US customs, by week.



↻ 6

♡ 27



**CN Wire** @Sino\_Market · 15h

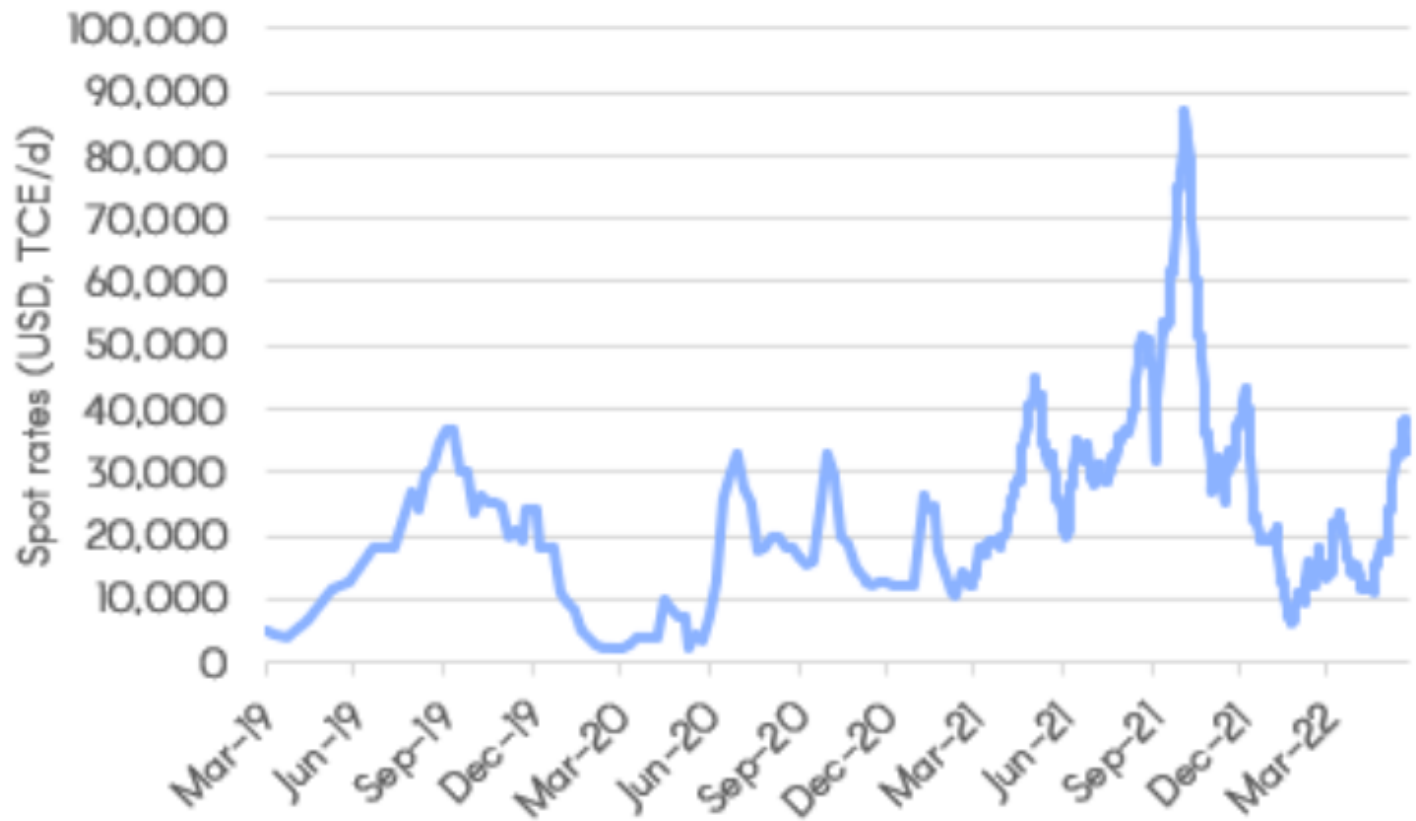
#SHANGHAI PORT RESUMES 95% OF CONTAINER-HANDLING CAPACITY.-CCTV

#CHINA #MOBILITY

[Show this thread](#)

## Capesize FFA Index

### Capesize spot rate



**Joakim Hannisdahl** @JHannisdahl · 5h

Capes tied up in FE discharge is back to pre-pandemic levels

Brazilian iron ore exports are still very low

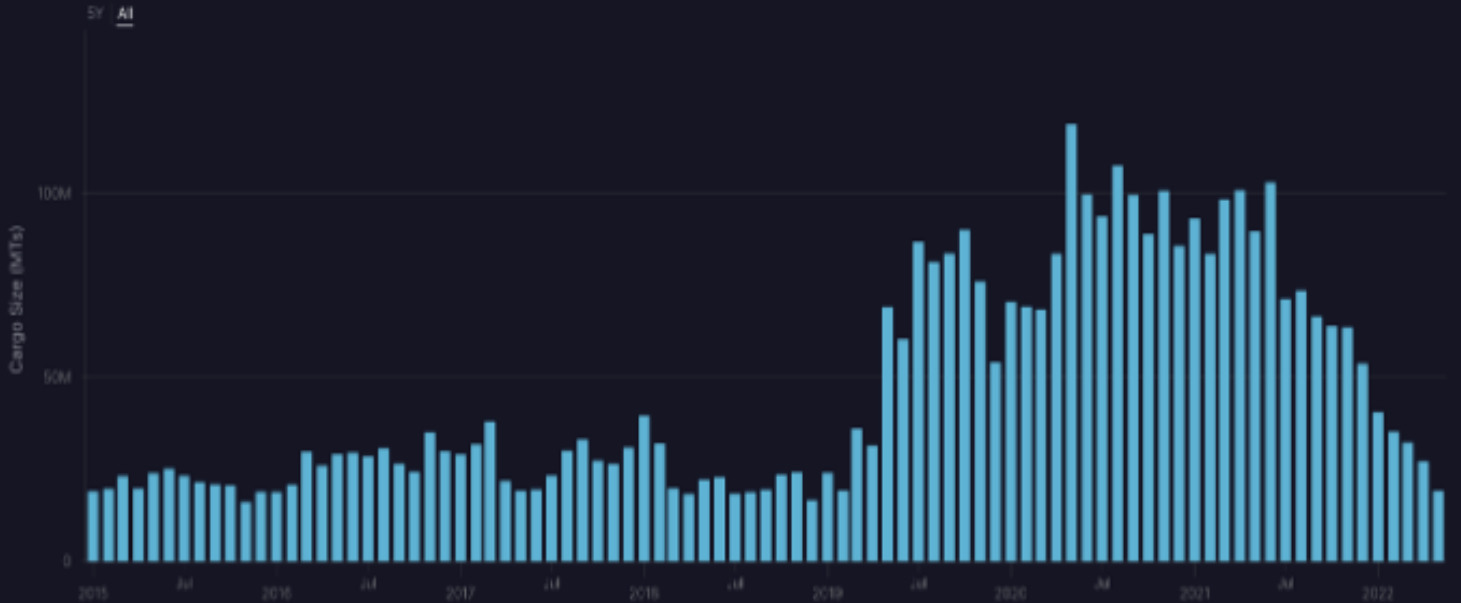
Cape spot rates are strong at ~2x cash break-even

We expect a significant increase in Brazilian IO exports into 2H22

Could see Capes >\$100k/d before year end

## China Ports

Monthly Cargo Order Volumes (TCT & Voyage) for Dry Bulk Cargoes Discharging in China ©



Source: Shipfix

**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](https://www.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.

**Drewry** @DrewryShipping · 6h

...

Our World Container Index decreased just 0.2% this week, but remains 22% higher than a year ago. Container network inefficiencies, port congestion and inland bottlenecks continue to support freight rates.

[tinyurl.com/3apujkmf](https://tinyurl.com/3apujkmf)

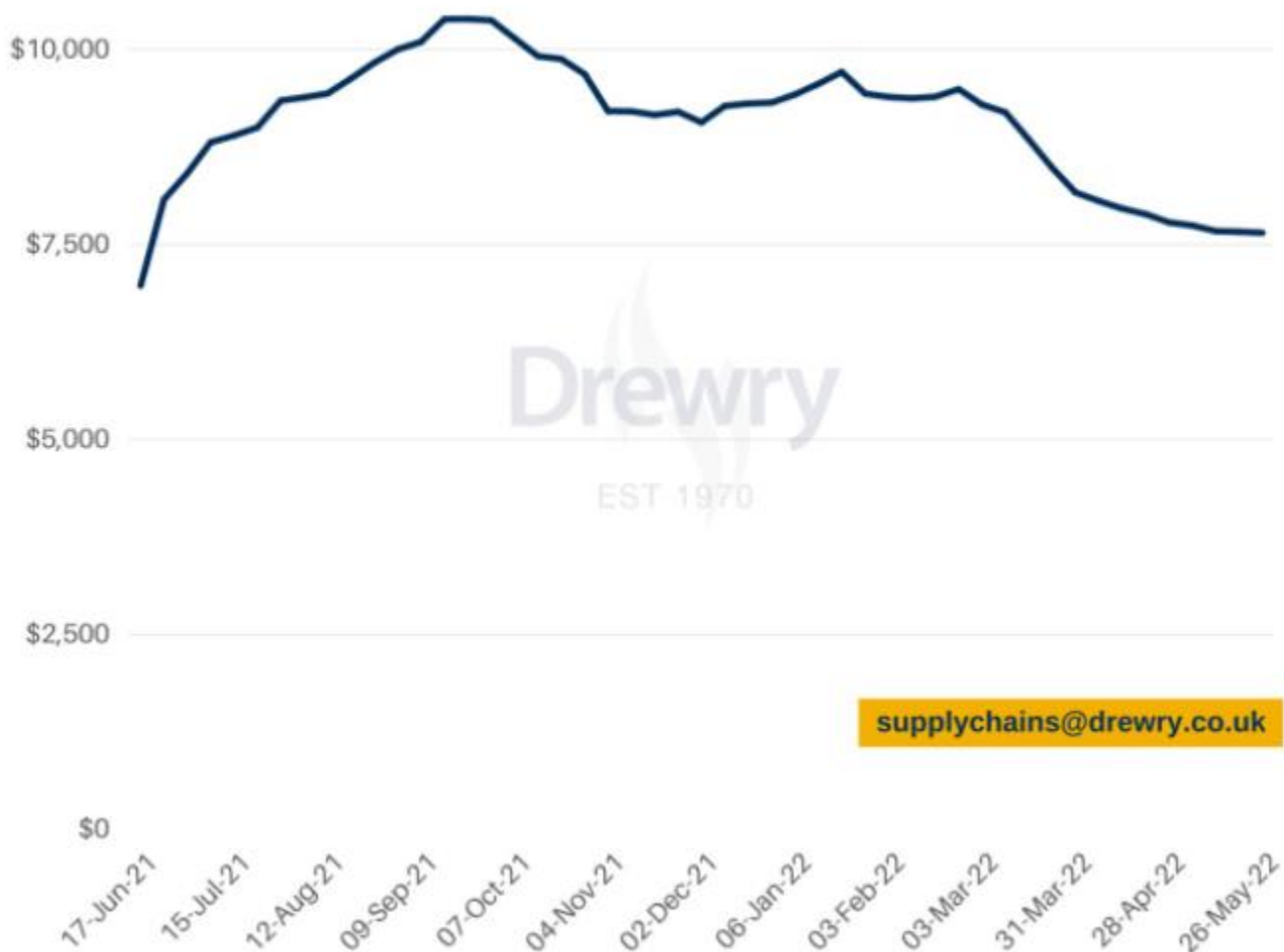
[#containershipping](#) [#oceanfreightrates](#) [#supplychain](#)



Supply Chain Advisors

## World Container Index - 26 May 2022

Assessed by Drewry \$ per 40ft container



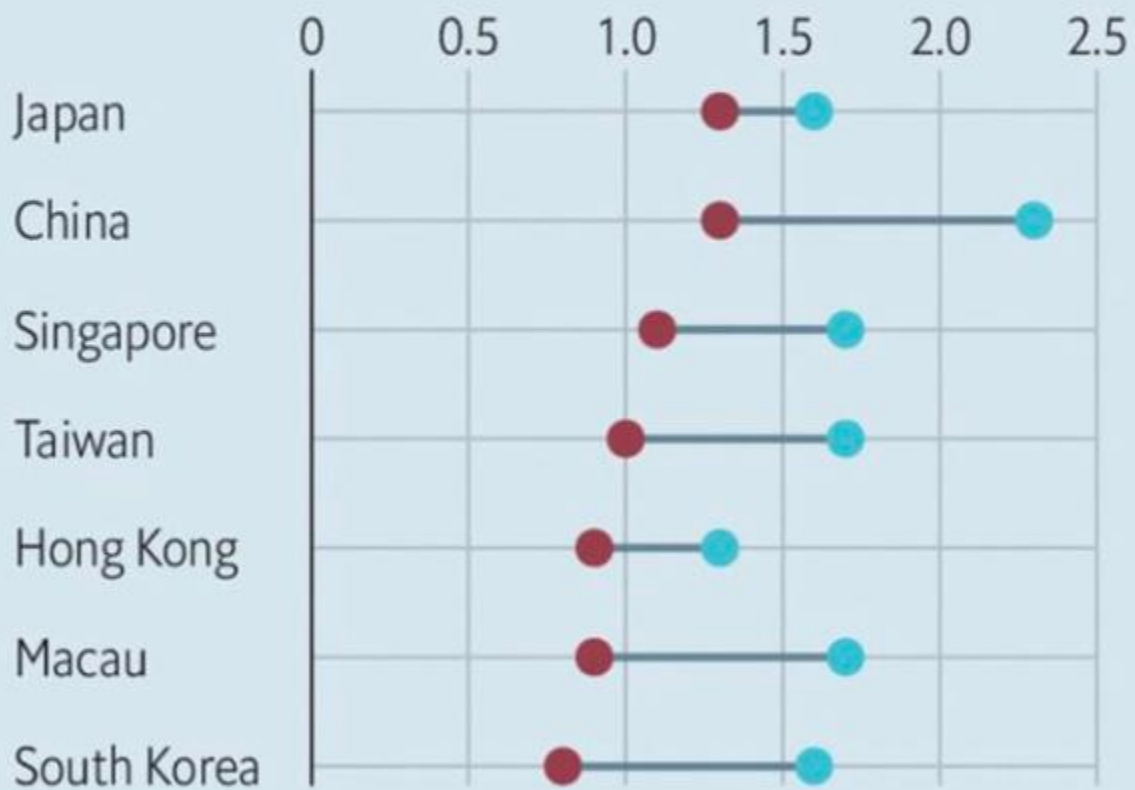
[supplychains@drewry.co.uk](mailto:supplychains@drewry.co.uk)

## Baby it's old outside

Fertility rate, births per woman

● 1990

● 2020\*

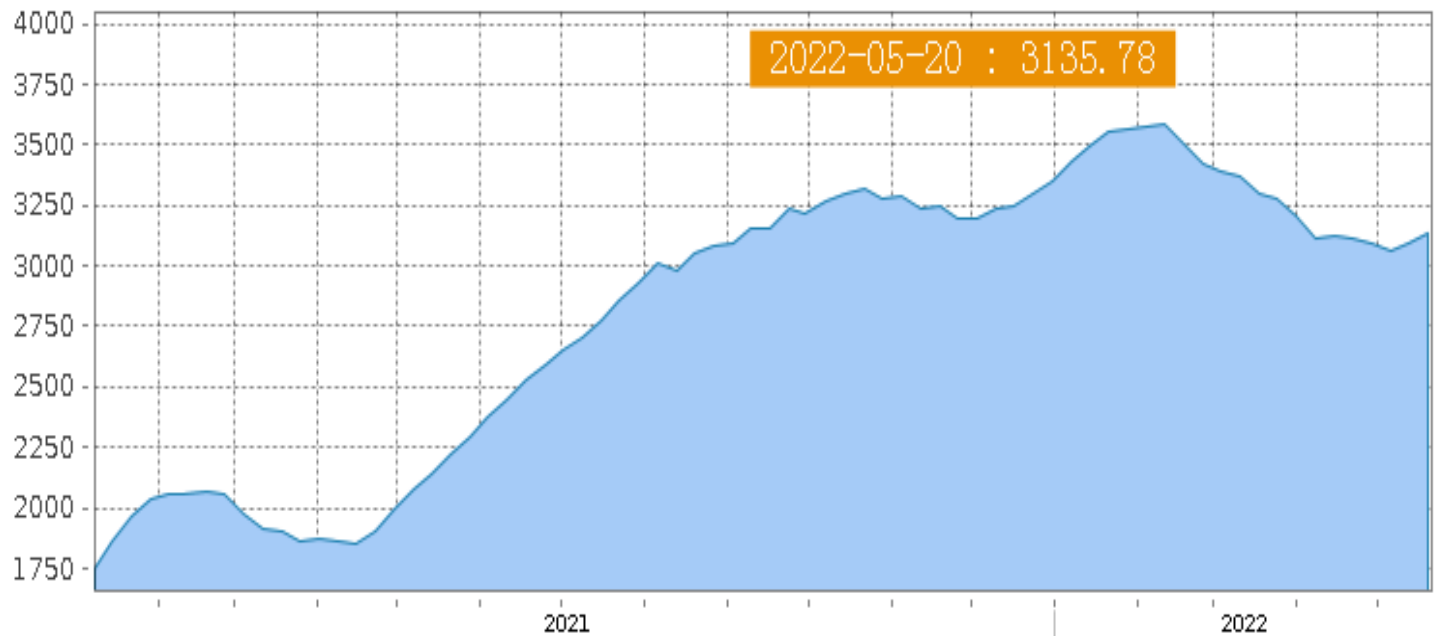


Source: Population Reference Bureau

\*Or latest available



## China Containerized Freight Index



## China Import Dry Bulk Freight Index





**Secondary Rail Car Market for Car placement period: Last Half June 2022**

Secondary Rail Car Market Placement LH June 2022	BID USD	ASK USD	BID BU.	ASK BU.	BID MT	ASK MT
BNSF Shuttle Trains	\$ 200.00	\$ 500.00	\$ 0.05	\$ 0.13	\$ 1.97	\$ 4.92
UPRR Shuttle Trains	\$ 1,000.00	\$ 3,000.00	\$ 0.25	\$ 0.75	\$ 9.84	\$ 29.53

**U.S. RIVER BARGE FREIGHT**

**Barge Freight for Loading Placement Last Half June 2022**

Placement LH June 2022	% of Tariff	MT	Corn BU	Soybeans-Wheat BU
Upper Mississippi	515	\$35.14	0.89	0.96
Illinois River (Pekin and South)	450	\$30.70	0.78	0.84
Mid-Mississippi	465	\$22.86	0.58	0.62
Lower Ohio	400	\$19.67	0.50	0.54
St. Louis	320	\$14.07	0.36	0.38

Best Regards,

Jay

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Follow me on Twitter @ igpjay



\*\*\* The information in this market report is derived from sources believed to be reliable and accurate but cannot be guaranteed. Forward looking projections are never completely accurate, and these markets move quickly.

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