



Transportation and Export Report for 9 May 2019

Ocean Freight Insights and Comments:

Yes, it was yet another mixed week in Dry-Bulk vessel markets. The paper market/the Baltic indices were able to rally slightly at weeks end with the hope of getting some follow through support early next week. Some published market reports have stated that the paper market led the way this week and believe that the physical market needs to “catchup” next week. I am always amazed at the biased slant market forecasters constantly provide in assuming that the physical market must follow the paper market when it moves upward without considering that the paper market could go back down to realign with the physical world. I still view much of this market talk as wishful thinking. A relatively new grain route has been opening up for maize from Northern Brazil to East Coast Mexico. It appears that the freight spread is about \$5.00/mt premium from Brazil, but the physical corn value Fob Brazil is close to \$9-\$10.00/mt cheaper than Fob U.S. Gulf. This will be an interesting dynamic to watch.

BALTIC DRY-BULK PANAMAX INDEX CHANGES

Panamax Ocean Freight Indices				
9-May-19	This Week	Last Week	Difference	Percent Change
P2A : Gulf/Atlantic - Japan	17161	17050	111	0.7%
P3A - PNW/Pacific - Japan	8226	8193	33	0.4%
S1C -USGULF-China-So.Japan	16361	16507	-146	-0.9%
P7- Trial- Miss. River - Qingdao	43165	42890	275	0.6%
P8- Trial- Santos - Qingdao	32190	31900	290	0.9%

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

Four weeks ago:	\$4.65-\$4.95
Three weeks ago:	\$5.00-\$5.40
Two weeks ago:	\$5.45-\$6.00
One week ago:	\$5.50-\$7.35
This week	\$6.00-\$6.35

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)	0-5 days
Texas Gulf	(6 elevators)	0-14 days (only 1 facility over 3 days)
Pacific Northwest:	(9 elevators)	2-6 days

Panamax Market Spreads to Asia -China					
9-May-19	PNW	GULF	Bushel Spread	MT Spread	Advantage
CORN	0.95	0.56	0.39	\$15.35	PNW
SOYBEANS	0.82	0.48	0.34	\$13.39	PNW
OCEAN FREIGHT	\$22.50	\$42.25	.50 -.54	\$19.75	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.

30,000 mt Corn Northern Brazil to Vera Cruz, Mexico \$18-\$19.00/mt

Route and Vessel Size	Current Week USD/MT	Change from previous week	Remarks
55,000 U.S. Gulf-Japan	\$42.50	Unchanged	Handymax \$42.75 mt
55,000 U.S. PNW- Japan	\$23.00	Unchanged	Handymax \$23.50 mt
66,000 U.S. Gulf – China	\$42.25	Unchanged	North China
PNW to China	\$22.50	Unchanged	
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>	\$20.00	Unchanged	<u>West Coast Colombia at \$29.50</u>
From Argentina	\$33.00		
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	Unchanged	8,000 mt daily discharge 3,000 mt daily discharge
26-30,000 US Gulf-Morocco	\$35.25	Unchanged	5,000 discharge rate
55-60,000 U.S. Gulf –Egypt	\$27.75	Unchanged	60,000 -55,000 mt Russia Black Sea Romania - Egypt \$10.50--\$12.60 (France \$17.00-\$17.50)
PNW to Egypt	\$28.25		
60-70,000 U.S. Gulf – Europe – Rotterdam	\$16.75	Unchanged	Handymax at +\$1.75 more
Brazil, Santos – China	\$32.00	Down \$0.50	54-59,000 Supramax-Panamax
Brazil, Santos – China	\$32.25		60-66,000 Post Panamax
Itacoatiara-Port Up River North Brazil	\$35.75		60-66,000 mt
56-60,000 Argentina/Rosario- China Deep Draft	\$35.25	Down \$0.50	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)

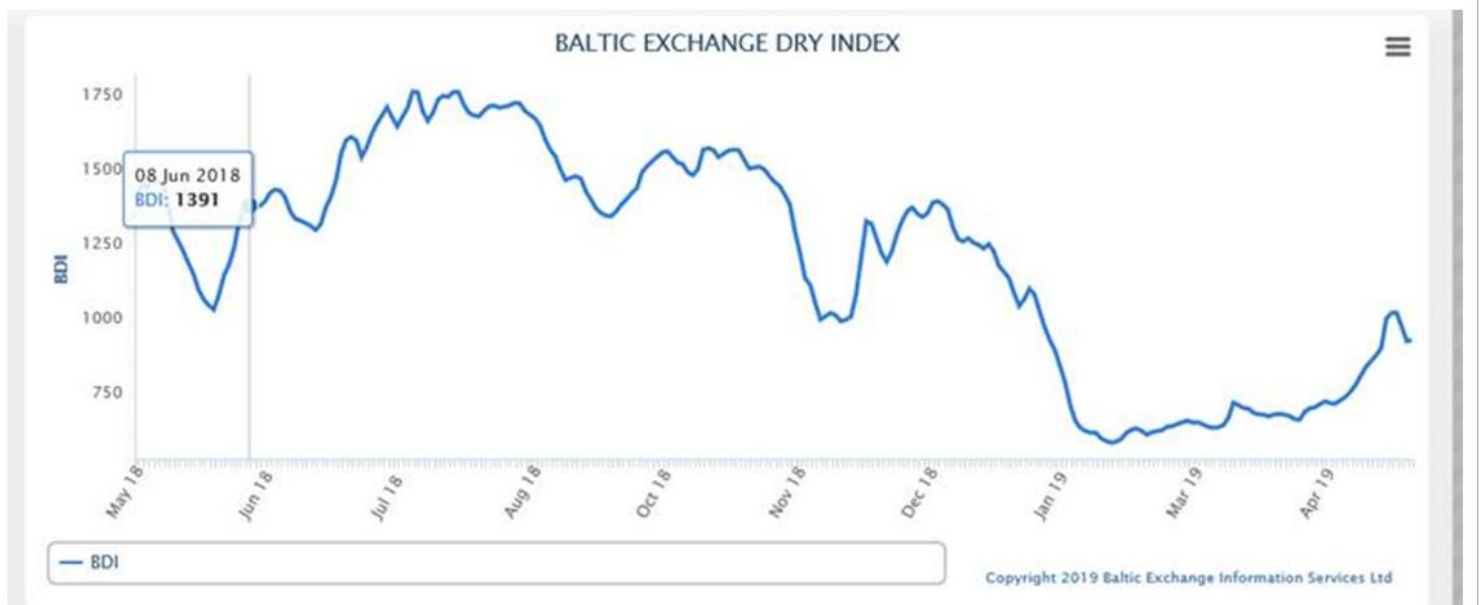
Santos Brazil (via Cape of Good Hope) - 10,441 nautical miles (33 days)

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

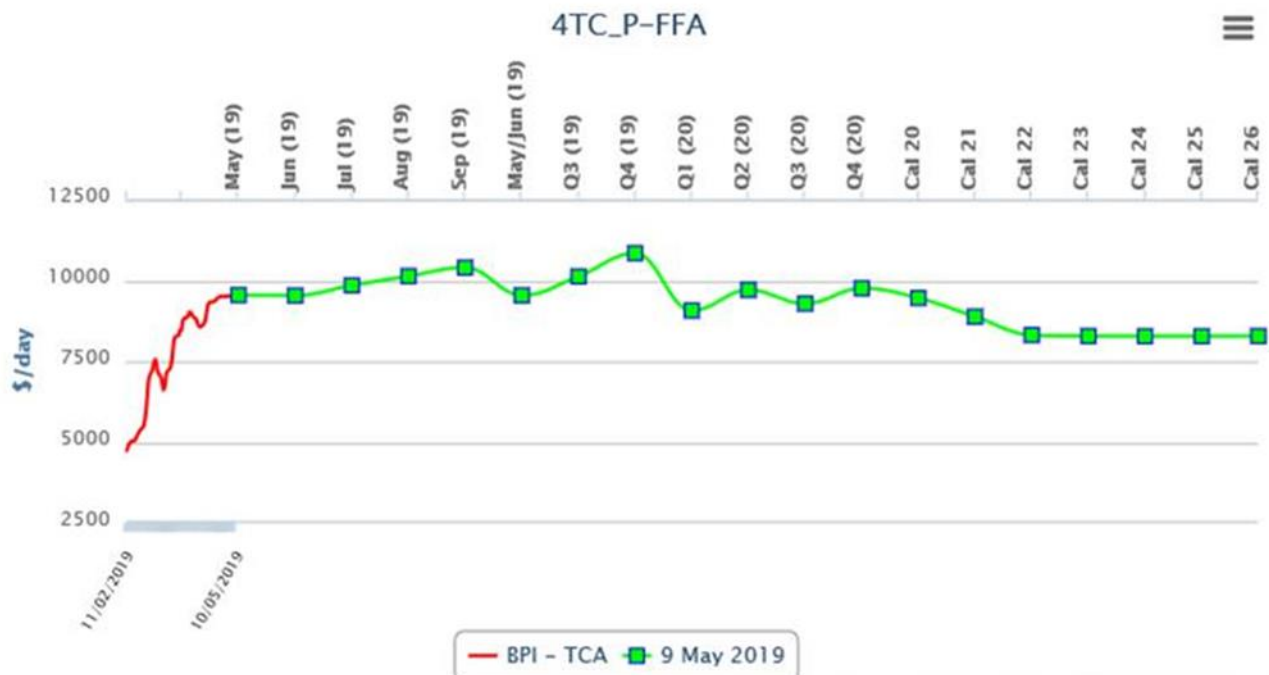
Baltic Dry-Bulk Ocean Freight Index- US Gulf- Japan



Baltic Dry Index.

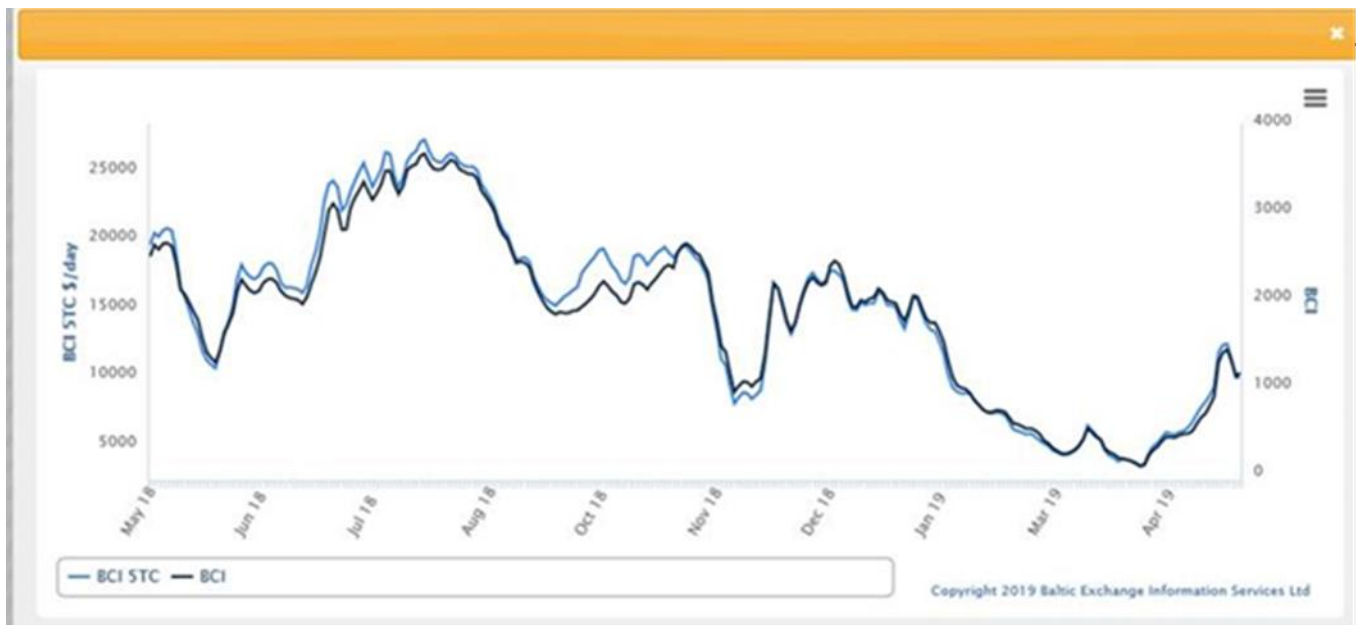


Baltic Panamax Forward Curve Chart



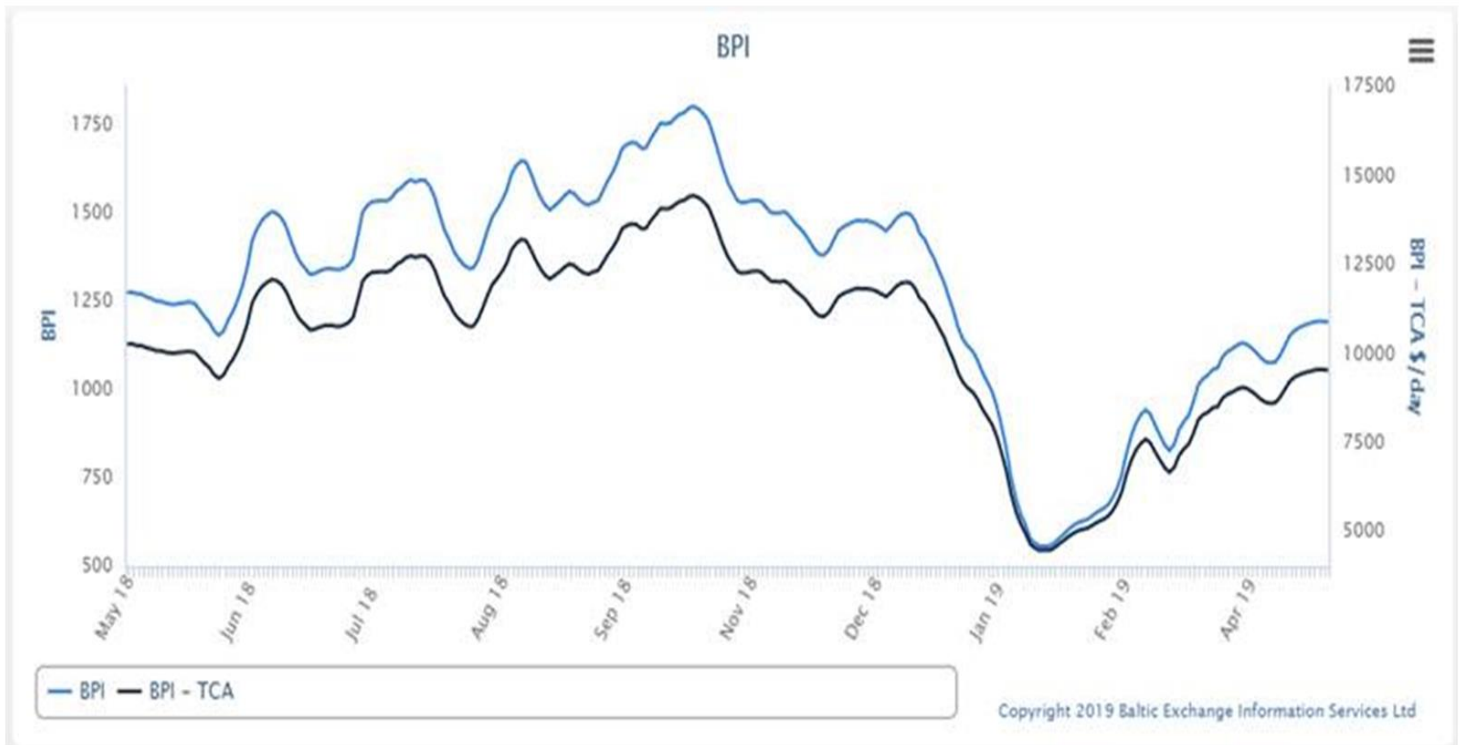
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Baltic Capesize Index

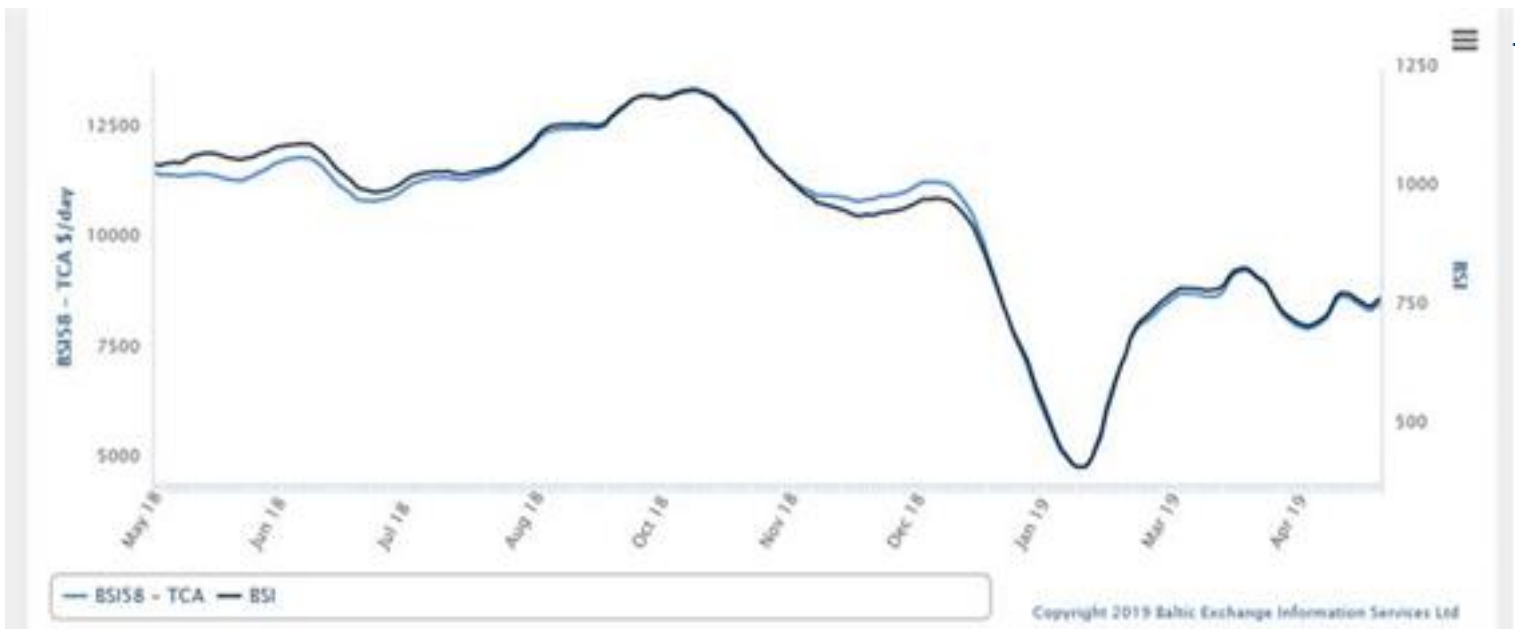


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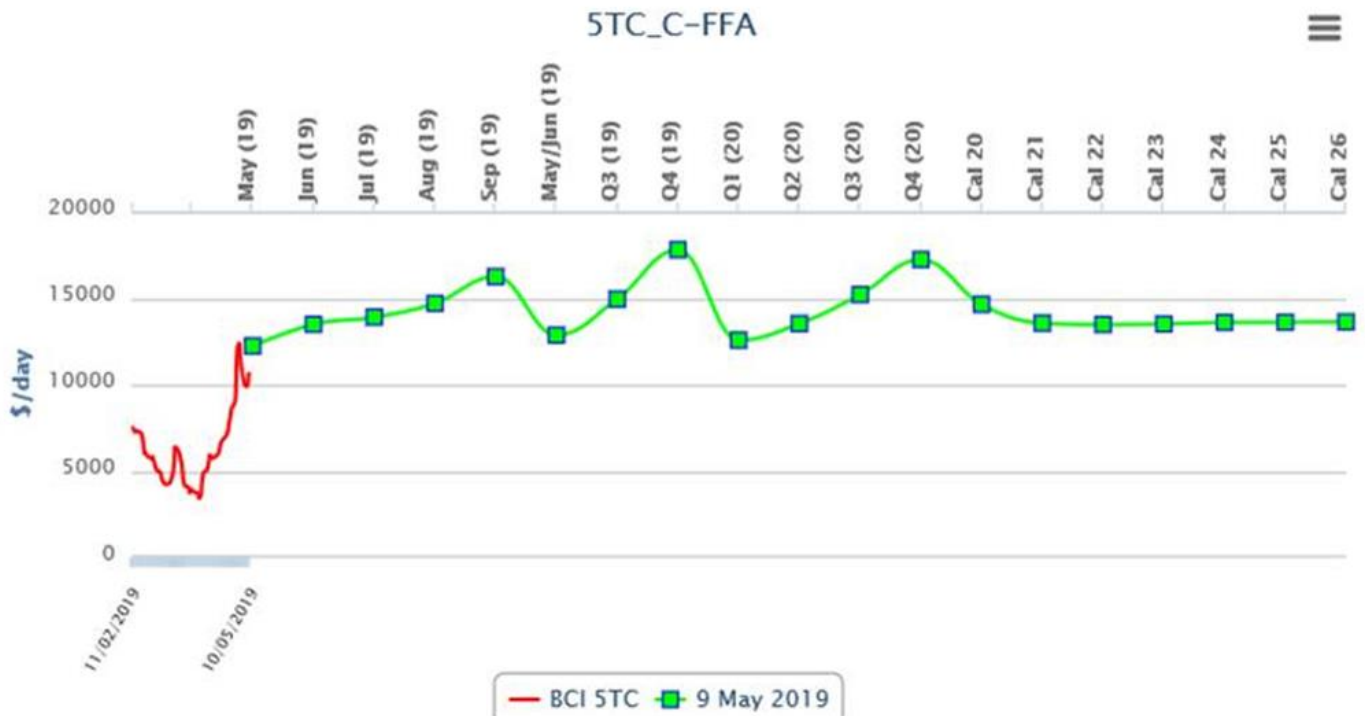
Baltic Panamax Index



Baltic Supramax Vessel Index

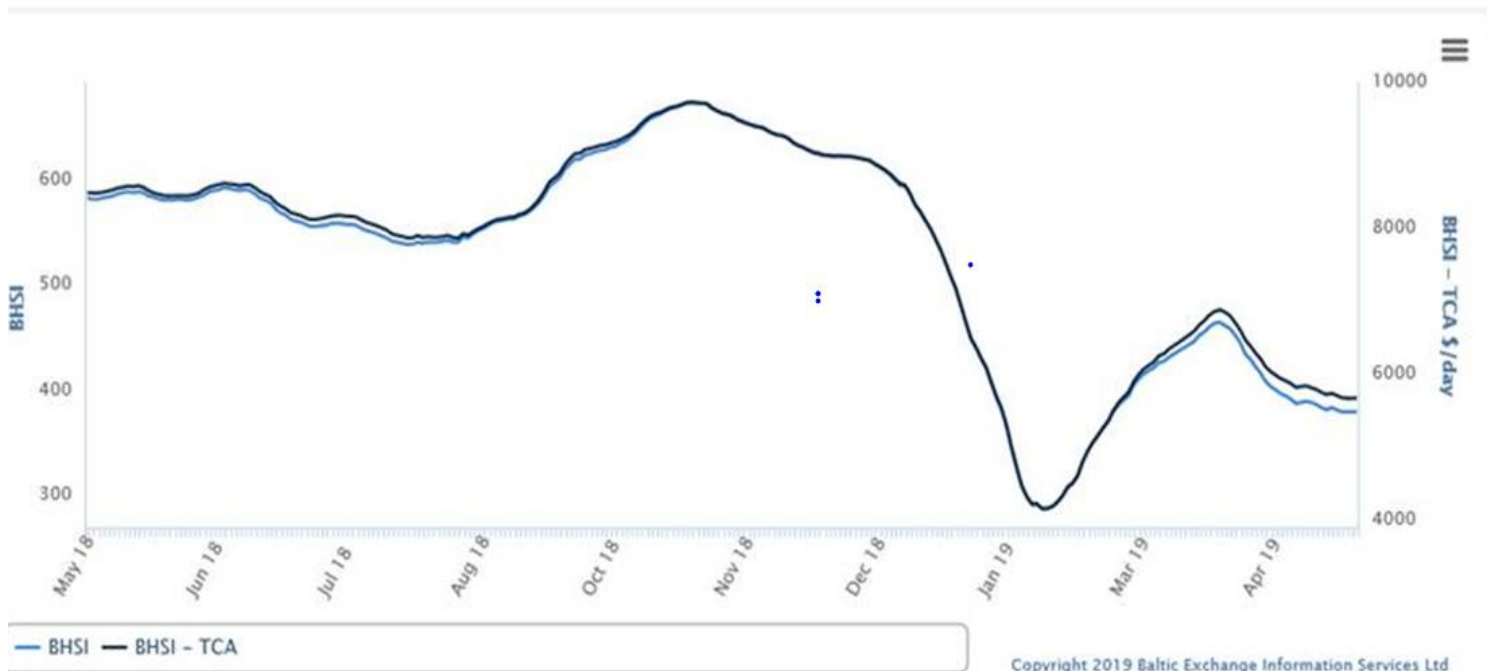


Supramax Dry-Bulk Forward Curv



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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 2019-05-08



China Import Dry Bulk Freight Index 2019-05-08

Description	Size MT	Cargo/Vessel Size	Unit	Rate	Change
Composite Index			Point	778.343	-2.498
Iron ore Freight Index			Point	706.418	-5.01
Dampier(West Australia)-Qingdao (China)	170000/10%	Iron ore	\$/ton	5.963	0.065
Soybean Freight Index			Point	945.741	0.228
Santos(Brazil)—North China	60000/10%	Soybean	\$/ton	32.054	0.043
Tacoma(West America)—North China	60000/10%	Soybean	\$/ton	22.65	-0.028
Mississippi(US Gulf)—North China	66000/10%	Soybean	\$/ton	42.542	-0.045
Mississippi(US Gulf)—North China	55000/10%	Soybean	\$/ton	44.15	-0.003

9 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
June	0.56	\$161.11	0.95	\$176.47
July	0.59	\$162.29	0.97	\$177.25
Aug.	0.52	\$162.98	0.90	\$177.94
Sept.	0.58	\$165.34	0.95	\$179.91
Oct.	0.54	\$168.00	0.90	\$182.17
Nov.	0.56	\$168.79	0.92	\$182.96

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
June	1.00	\$178.43	0.90	\$174.50
July	1.00	\$178.43	0.85	\$172.53
Aug.	0.95	\$179.91	0.78	\$173.22
Sept.	1.00	\$181.88	0.78	\$173.22
Oct.	0.95	\$184.14	0.70	\$174.30

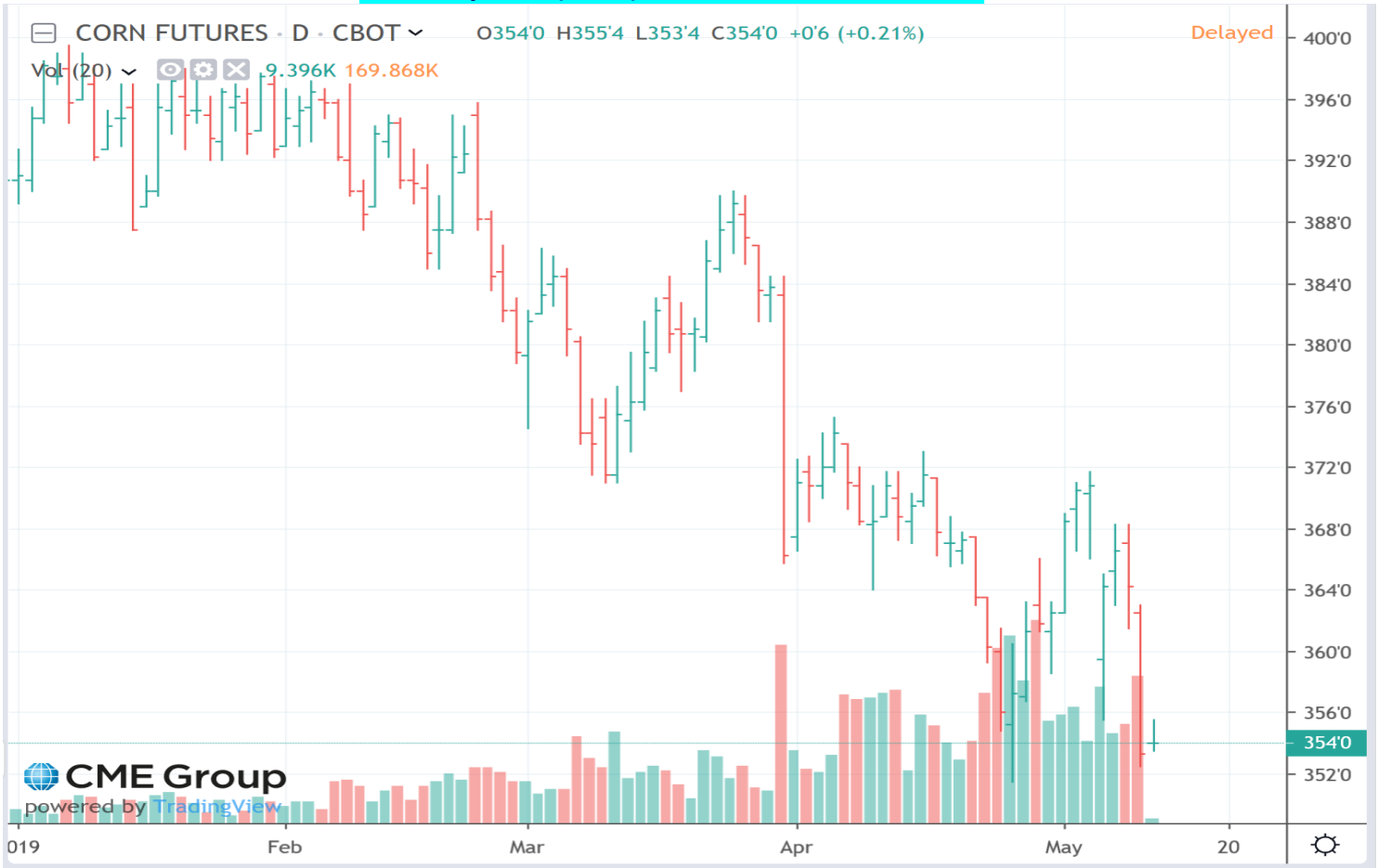
Fob vessel Texas Gulf #2 Sorghum is about 108 % the value of #2 Yellow Corn at NOLA.

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

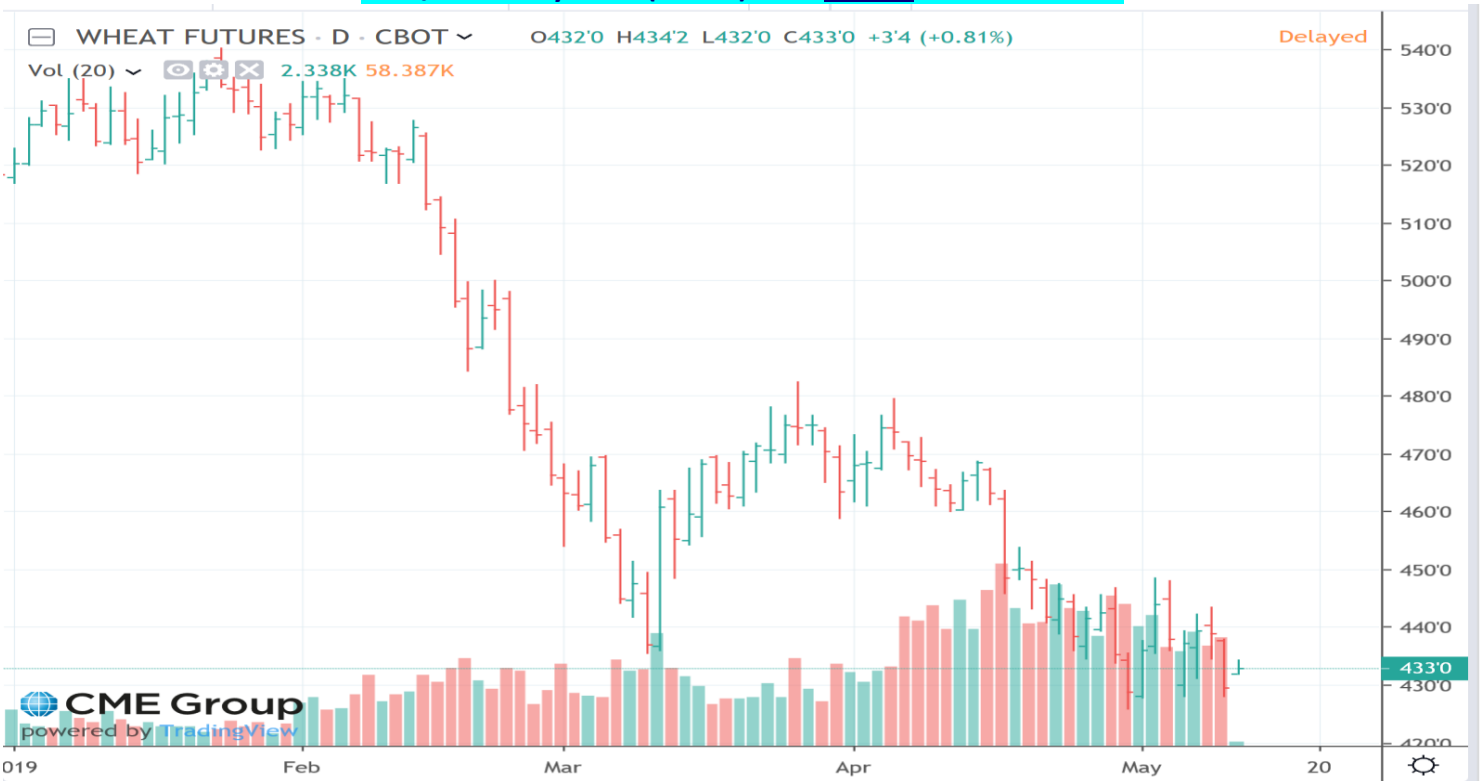
SRW Wheat	USD/MT	Fob Vessel	US Gulf	
	June	July	Aug.	Sept.
FOB U.S. GULF	\$190.88	\$192.72	\$194.19	\$194.19
Basis	0.90	0.95	0.90	0.90
WK	4.2175			.
WN	4.2950			
WU	4.3850			

CME Futures Market Close						
CORN Month	Futures Symbol	Thursday Close Bushel	Thursday Close MT.	Last week Bushel	Last Week MT.	Difference Bushel
May	CK	\$3.4450	\$135.62	\$ 3.6200	\$142.51	(\$0.1750)
July	CN	\$3.5325	\$139.07	\$ 3.7050	\$145.86	(\$0.1725)
Sept.	CU	\$3.6200	\$142.51	\$ 3.7775	\$148.71	(\$0.1575)
Dec.	CZ	\$3.7275	\$146.74	\$ 3.8700	\$152.35	(\$0.1425)
March	CH	\$3.8675	\$152.26	\$ 3.9925	\$157.18	(\$0.1250)

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
June	0.48	\$316.27	0.82	\$328.76
July	0.48	\$316.27	0.85	\$329.86
Aug.	0.43	\$316.91	0.83	\$331.61
Sept.	0.38	\$317.09	0.85	\$334.36
Oct.	0.40	\$321.78	0.85	\$338.31
Soybean Futures				
May	\$ 8.0025			
July	\$ 8.1275			
Aug.	\$ 8.1950			
Sept.	\$ 8.2500			
Nov.	\$ 8.3575			
Jan.	\$ 8.4850			

U.S. SBM (USD/MT) FOB Vessel		
Fob U.S. Gulf Port	47.5 Pro. SBM	
max 12.5 % moisture	Basis	Flat Price
June	0.00	\$ 318.73
July	0.00	\$ 318.73
Aug.	0.00	\$ 320.83
Sept.	0.00	\$ 323.03
Oct.	0.00	\$ 324.80
SBM Futures		
SMK	285.30	
SMN	289.10	
SMQ	291.00	
SMU	293.00	
SMV	294.60	
SMZ	297.20	

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 25 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	668.2	46,057.3	58,420	79%	2,242.3
Sorghum	185.2	1,510.4	2,160	70%	0.0
Soybeans	329.1	45,137.3	51,030	88%	819.8
Wheat	194.0	25,461.7	25,720	99%	2,145.2
Barley	1.7	61.2	110	56%	31.6

U.S. EXPORT INSPECTIONS:

Monday's report 06 May 2019 for the Export week ending 02 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	976,842	1,366,477	35,624,580	33,203,833	107%
Sorghum	24,212	17,775	1,207,619	4,675,523	26%
Soybeans	600,441	507,285	32,158,303	44,052,773	73%
Wheat	477,918	645,662	21,878,557	22,236,137	98%
Barley	0	73	9,181	21,340	43%

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

U.S. EXPORT INSPECTIONS:

Monday's report 06 May 2019 for the Export week ending 02 May 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%	58,853	10%
Gulf	431,028	47%	59,104	97%	0	0%	428,501	71%
PNW	321,428	35%	0	0%	21,338	88%	0	0%
Interior Export Rail	163,761	18%	1,521	3%	2,874	12%	113,087	19%
Metric Tons	916,217		60,625		24,212		600,441	

Sorghum Shipments: metric tons

21,338	Japan
2,874	Mexico
24,212	Total

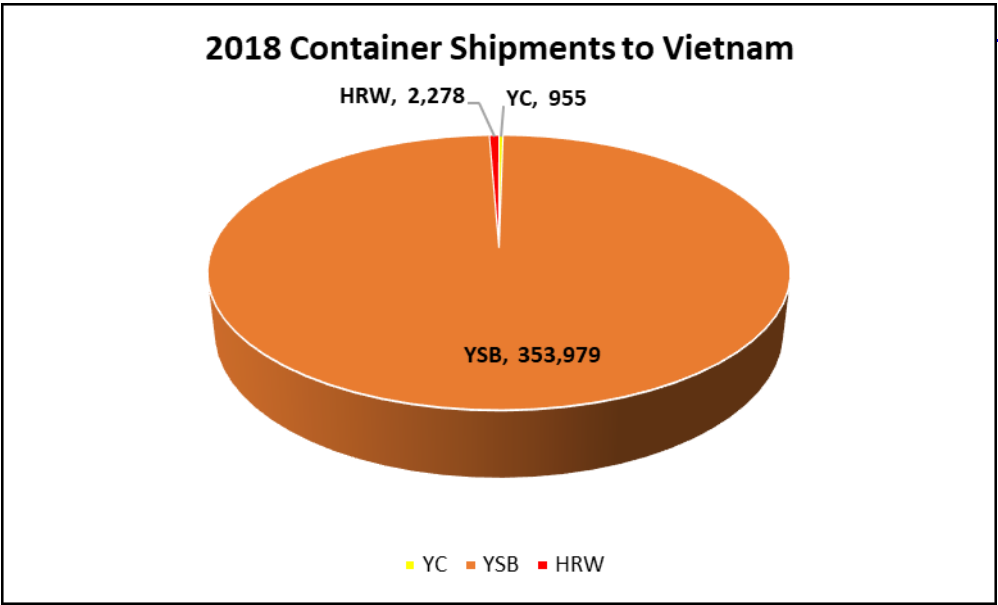
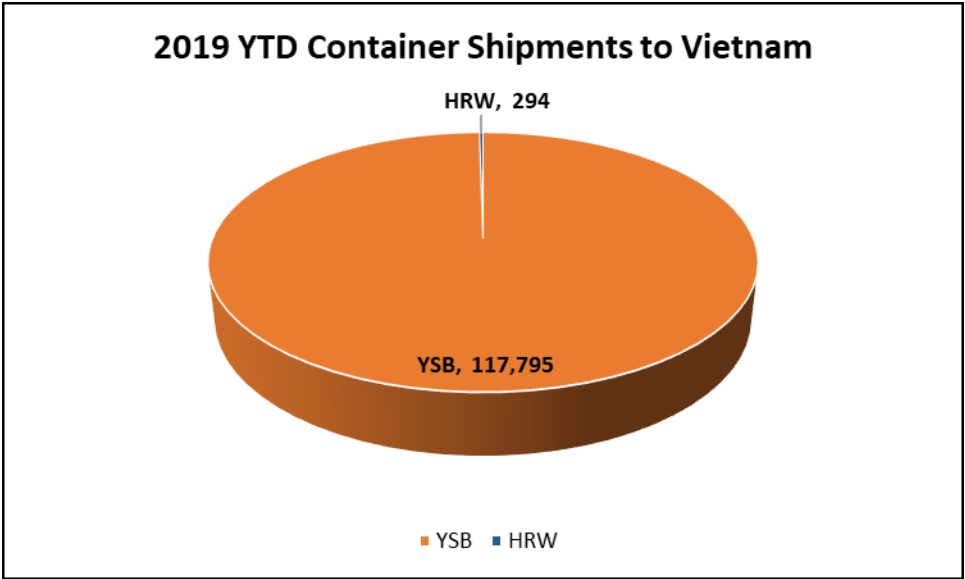
White Corn metric tons

Shipments:	12,802	Colombia
	17,493	El Salvador
	24	Ireland
	30,306	Mexico
	60,625	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:		2-May-2019							
Last Week	metric tons								MT
	YC	WC	YSB	SRW	NS	SWH	HRW	Sorghum	TOTAL
China Main									0
China T	16,822		11,903	196					28,921
Hong Kong	930								930
Costa Rica									0
Indonesia			13,513	734					14,247
Ireland		24							24
Japan	24		857						881
Korea Republic	661		2,327						2,988
Nepal			1,077						1,077
Malaysia	465		3,159	269					3,893
Burma			1,960						1,960
Philippines	490		1,126						1,616
Thailand			13,616						13,616
Qatar	1,470								1,470
Bangladesh			1,028						1,028
Vietnam			6,264						6,264
Sub total	20,862	24	56,830	1,199	0	0	0	0	70,153
USDA Corrections/Additions to previous reports:									
China T									0
China Main									0
Hong Kong									0
Korea Rep.									0
Haiti								360	360
Japan									0
Philippines									0
Indonesia			1,200						1,200
Malaysia			1,053						1,053
Thailand			1,542						1,542
Vietnam									0
Burma									0
Bangladesh									0
Sub total	0	0	3,795	0	0	0	0	360	4,155
Mt. Grand Total	20,862	24	60,625	1,199	0	0	0	360	74,308
Number of containers	907	1	2,636	52	0	0	0	16	

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



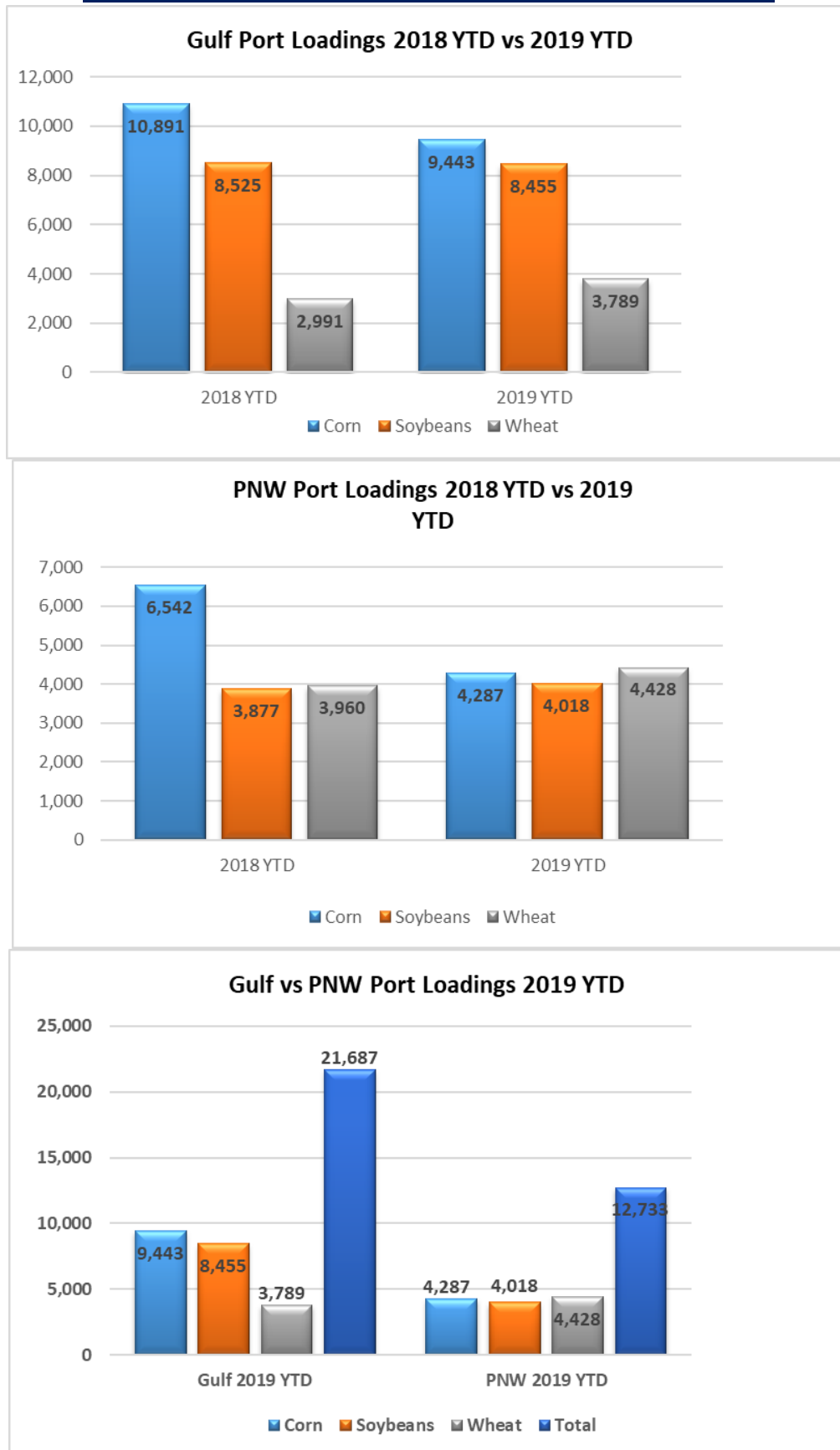
Grain Inspections for Export by U.S. Port Regions:
U.S. Gulf and Pacific Northwest 2018 YTD vs. 2019 YTD

PORT LOADINGS US Gulf				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
GULF				
2018 YTD	10,891	8,525	2,991	22,407
2019 YTD	9,443	8,455	3,789	21,687
2019 as % of 2018	87%	99%	127%	97%

PORT LOADINGS US PNW				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
PNW				
2018 YTD	6,542	3,877	3,960	14,379
2019 YTD	4,287	4,018	4,428	12,733
2019 as % of 2018	66%	104%	112%	89%

PORT LOADINGS GULF vs. PNW				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
2019 Gulf YTD	9,443	8,455	3,789	21,687
2019 PNW YTD	4,287	4,018	4,428	12,733
TOTAL	13,730	12,473	8,217	34,420
Gulf Percentage	69%	68%	46%	63%
PNW Percentage	31%	32%	54%	37%

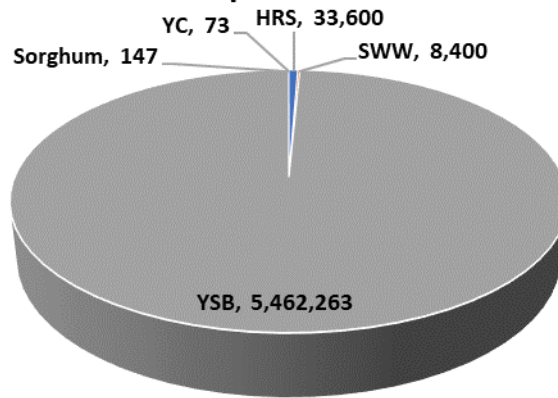
Grain Inspections for Export by U.S. Port Regions (1,000MT):
U.S. Gulf and Pacific Northwest 2018 YTD vs. 2019 YTD



Source: USDA-data

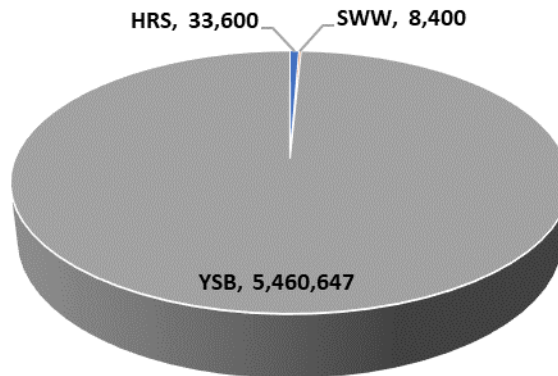
2019 YTD Total Grain Exports reported by USDA (in MT)

2019 YTD Exports to China Main



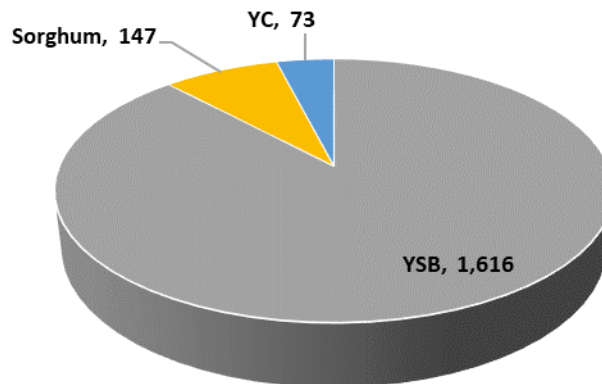
■ HRS ■ SWW ■ YSB ■ Sorghum ■ YC

YTD Exports to China Main by Vessel



■ HRS ■ SWW ■ YSB

YTD Exports to China Main by Container



■ HRS ■ SWW ■ YSB ■ Sorghum ■ YC

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

Shipping News

China Containerized Freight Index



U.S. RIVER BARGE FREIGHT

Current Barge Freight for Placement First Half June 2019

Barge Rates Calculator				
	% of		Corn	Wheat
	Tariff	MT	BU	BU
Upper Mississippi	4.15	\$ 28.32	0.72	0.77
Illinois River	3.90	\$ 20.68	0.53	0.56
Mid-Mississippi	3.90	\$ 22.87	0.58	0.62
Lower Ohio	3.10	\$ 15.24	0.39	0.41
St. Louis	2.85	\$ 12.53	0.32	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 three weeks of May. Barge traffic is therefore halted. But this does Not necessarily constitute/justify a Force Majeure situation for the loading of vessels!

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	\$ (75.00)	\$ (25.00)	\$ (0.02)	\$ (0.01)	\$ (0.74)	\$ (0.25)
UPRR Shuttle Trains	\$ (200.00)	\$ (100.00)	\$ (0.05)	\$ (0.03)	\$ (1.97)	\$ (0.98)

Best Regards,

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