



Transportation and Export Report for 16 June 2022

It was a struggle for Dry Bulk markets to maintain current values this week as most shipping sectors moved mostly sideways. Dry Bulk markets have been trying to rebound and rally higher but soft total cargo demand from China as not provided the fuel necessary to accomplish such.

Q3 Panamax daily hire rates slipped from \$27,000/day down to \$25,500/day this week. Q4 paper 2022 is currently trading at \$23,500/day. The 2022 outlook for Dry Bulk is certainly not as optimistic as it was two months ago. The level of growth in the Chinese economy and government policies will dictate Chinas import volumes and therefore freight rates.

Container market rates remain high, but U.S. port congestion has not yet increased as expected.

U.S. West Coast labor contract negotiations are ongoing with no sign of an agreement soon.

BALTIC DRY-BULK PANAMAX INDEX CHANGES

Panamax Ocean Freight Indices					
16-Jun-2022		This Week	Last Week	Difference	Percent Change
P2A: Gulf/Atlantic - Japan	Index	34055	33173	882	2.7%
P3A: PNW/Pacific - Korea	Index	23483	22643	840	3.7%
S1C: US GULF-China-So.Japan	Index	25839	28886	-3,047	-10.5%
P7: Trial- Miss. River - Qingdao	per ton	78.27	77.61	0.7	0.9%
P8: Trial- Santos - Qingdao	per ton	70.44	69.20	1.2	1.8%

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

Four weeks ago:	\$15.10-\$15.50
Three weeks ago:	\$15.50-\$13.60
Two weeks ago:	\$13.60-\$12.70
One week ago:	\$12.90-\$12.15
This week	\$12.20-\$12.70

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

Mississippi River:	(9 elevators)	2-5 days
Mid-Stream loaders:	(6+ Rigs)	0-1 day
Texas Gulf	(5 elevators)	0-3 days
Pacific Northwest:	(9 elevators)	0- 9 days

Panamax Market Spreads to Asia -China					
16-Jun-2022	GULF	PNW	Bushel Spread	Tonne Spread	Advantage
CORN	1.12	2.00	0.88	\$34.64	BOTH
SOYBEANS	1.35	2.20	0.85	\$31.23	PNW
OCEAN FREIGHT	\$78.50	\$44.50	.86 -.93	\$34.00	JULY

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 \$69.00 - 70.50/mt.

Route and Vessel Size	Current Week USD/MT	Change from previous week	Remarks
55,000 U.S. Gulf-Japan	\$79.50	Unchanged	Handymax \$79.50 mt
55,000 U.S. PNW- Japan	\$45.25	Unchanged	Handymax at \$45.25 mt
65,000 U.S. Gulf – China	\$78.50	Unchanged	North or South China
PNW to China	\$44.50	Unchanged	
25,000 U.S. Gulf- Veracruz, México	\$30.50	Unchanged	3,000 MT daily discharge rate
35-40,000 U.S. Gulf- Veracruz, México	\$26.75	Unchanged	Deep draft and 6,000 MT per day discharge rate.
30-38,000 U.S. Gulf- Colombia	\$45.00	Unchanged	<u>West Coast Colombia at \$53.00</u>
50,000 USG- E/C Colombia	\$44.50		
<u>East Coast Colombia</u> From Argentina	\$56.25		
40-45,000 U.S. Gulf - Guatemala	\$52.50	Unchanged	Acajutla/Quetzal - 8,000 out
30,000 US Gulf-Morocco	\$73.50	Unchanged	5,000 discharge rate
55-60,000 U.S. Gulf –Egypt	\$74.00	Unchanged	55,000-60,000 mt Egypt
PNW to Egypt	\$74.50		Romania - Russia- Ukraine \$38.00 -\$38.00 - ? France \$49.00, Bulgaria \$44.50
58-74,000 U.S. Gulf – Europe – Rotterdam	\$35.75	Up \$0.50	Handymax at +\$2.50 more
Brazil, Santos –China	\$71.50	Up \$0.50	54-59,000 Supramax-Panamax
Brazil, Santos –China	\$69.00		60-66,000 Post Panamax
Up-River Port North Brazil	\$77.50		55-60,000 mt
56-60,000 Argentina-China Deep draft	\$76.50	Up \$0.50	Up-River with Top Off Plus \$3.85-\$4.75

BALTIC DRY INDEX · 1W · INDEX · TradingView

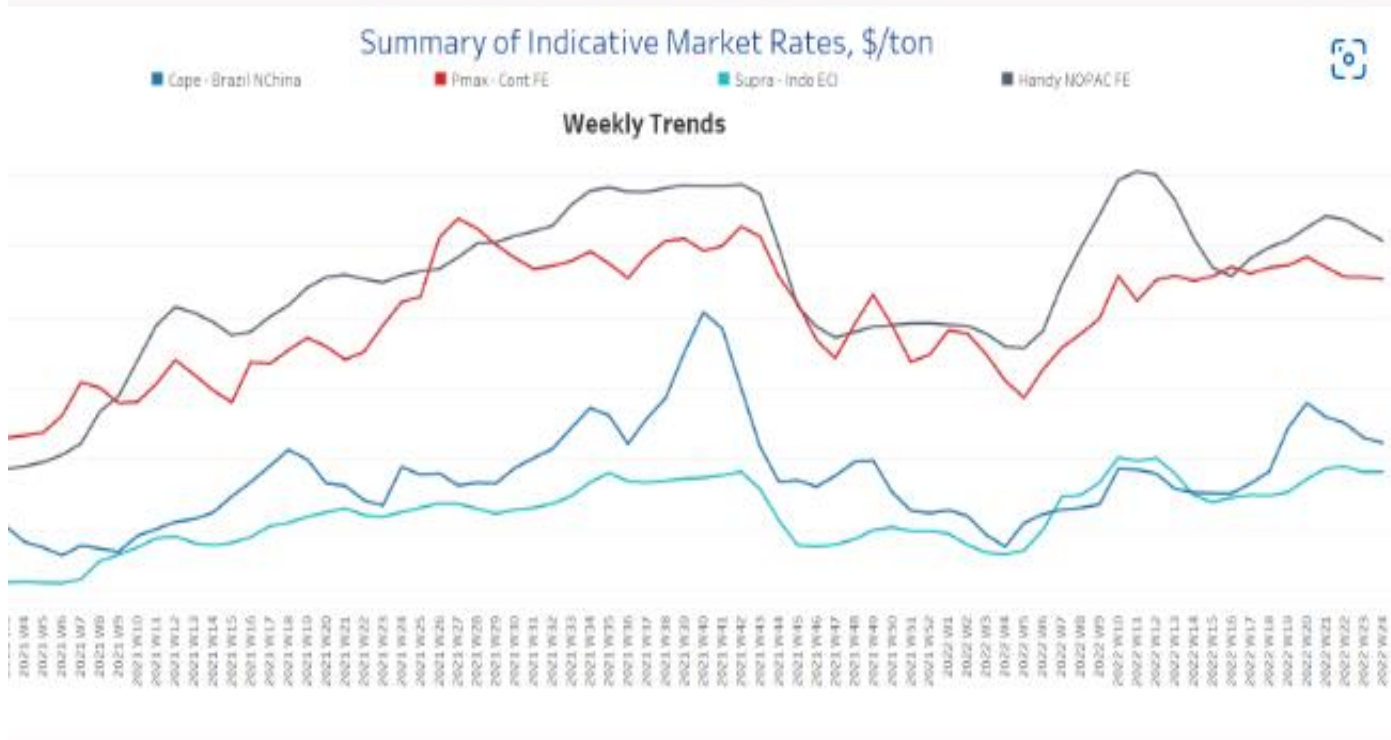
2387 0 2387

7 +67 (+2.89%)

YTD 1Y 5Y All

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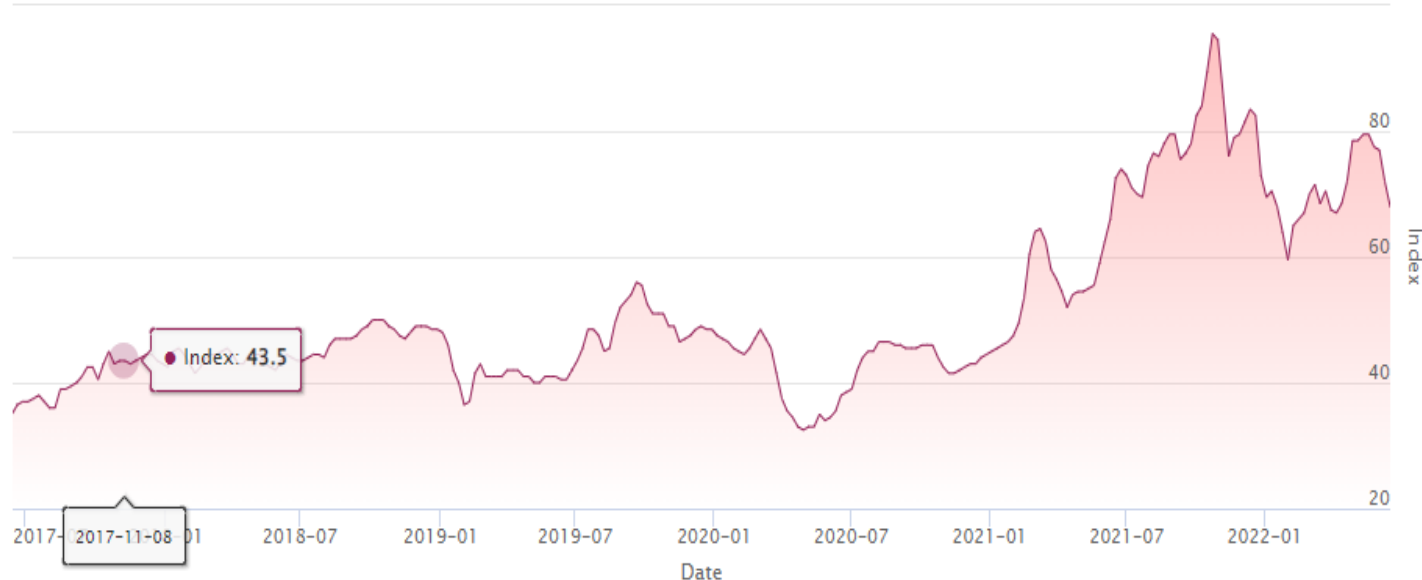
'The Big Picture' - Capesize and Panamax Bulkers and Smaller Ship Sizes



YAMAMIZU Index


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

From 2017-06-15 To 2022-06-15



China Import Dry Bulk Freight Index

2022-06-16

Description	Volume	Cargo	Unit	Rate	Change
Composite Index			Point	1690.61	19.63
Iron ore Freight Index			Point	1528.79	26.72
Dampier(West Australia)-Qingdao (China)	170000/10%	Iron ore	\$/ton	12.667	0.206
Soybean Freight Index			Point	1908.29	12.44
Santos(Brazil)— North China	66000/10%	Soybean	\$/ton	69.04	0.53
Tacoma(West America)—North China	63000/10%	Soybean	\$/ton	44.6	0.25
Mississippi(US Gulf)—North China	66000/10%	Soybean	\$/ton	78.72	0.4

16 June 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 =	7.8825
Max. 14.5% moisture	BASIS	FLAT PRICE	BASIS	FLAT PRICE	U =	7.4175
July	1.12	\$354.41	2.00	\$389.05	Z =	7.3500
Aug.	1.53	\$352.24	2.42	\$387.28	H =	7.3950
Sept.	1.53	\$352.24	2.38	\$385.71	K =	7.4000
Oct.	1.65	\$354.31	2.45	\$385.80	N =	7.3500
Nov.	1.62	\$353.13	2.35	\$381.87		
Dec.	1.60	\$352.34	2.25	\$377.93		

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
July	1.55	\$371.34
Aug. (Z)	2.00	\$368.09
Oct.	1.95	\$366.12
Nov.	1.95	\$366.12
Dec.	1.95	\$366.12

Fob vessel Texas Gulf #2 Sorghum is about 105 % 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	\$412.72	\$417.22	\$424.57	\$431.00
Basis	0.45	0.45	0.65	0.70
WN	10.7825			
WU	10.9050			
WZ	11.0300			

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
July	1.35	\$677.73	2.20	\$708.96
Aug.	2.14	\$677.82	2.90	\$705.75
Sept.	2.82	\$677.91	3.60	\$706.57
Oct.	2.10	\$644.20	3.10	\$680.95
Nov.	1.85	\$635.02	2.89	\$673.23
Soybean Futures				
July	\$ 17.0950			
Aug.	\$ 16.3075			
Sept.	\$ 15.6300			
Nov.	\$ 15.4325			
Jan.	\$ 15.4675			
Mar.	\$ 15.3450			

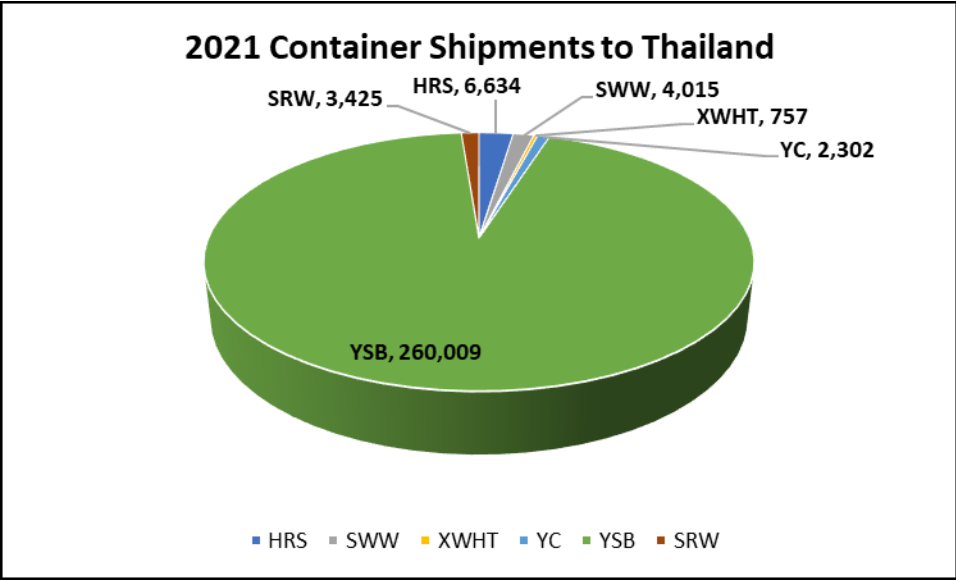
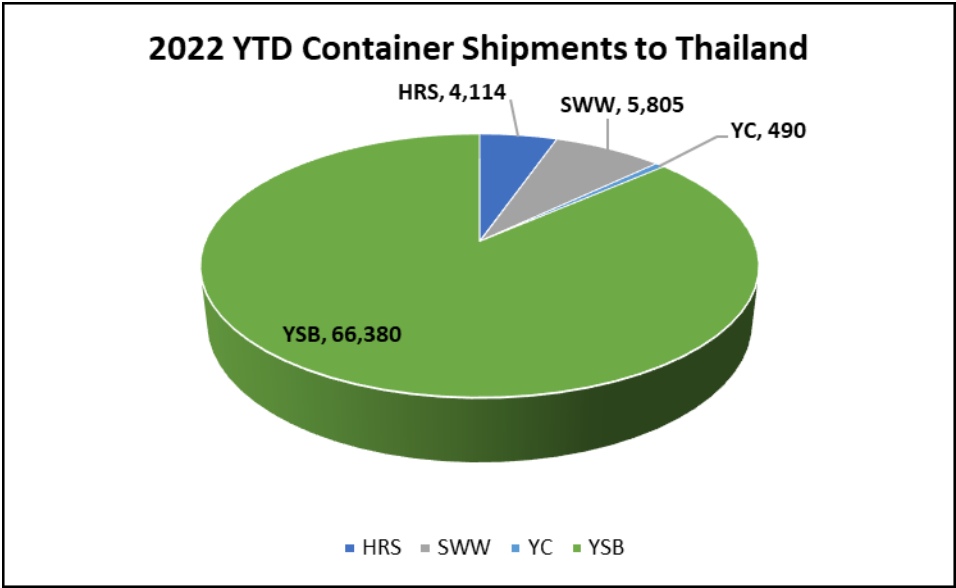
U.S. Soybean and SBM Markets Fob Vessel:

U.S. SBM (USD/MT) FOB Vessel		
Fob U.S. Gulf Port	47.5 Pro. SBM	
max 12.5 % moisture	Basis	Flat Price
July	45.00	\$ 523.36
Aug.	45.00	\$ 508.03
Sept.	45.00	\$ 497.12
Oct.	50.00	\$ 495.35
Nov.	50.00	\$ 497.67
SBM Futures		
SMN	\$ 429.70	
SMQ	\$ 415.80	
SMU	\$ 405.90	
SMV	\$ 399.30	
SMZ	\$ 401.40	
SMF	\$ 400.50	

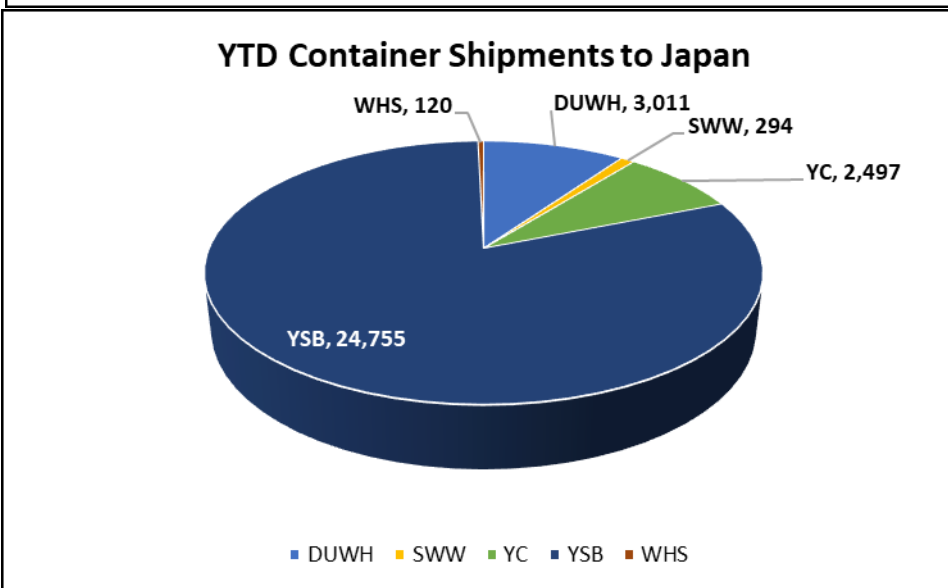
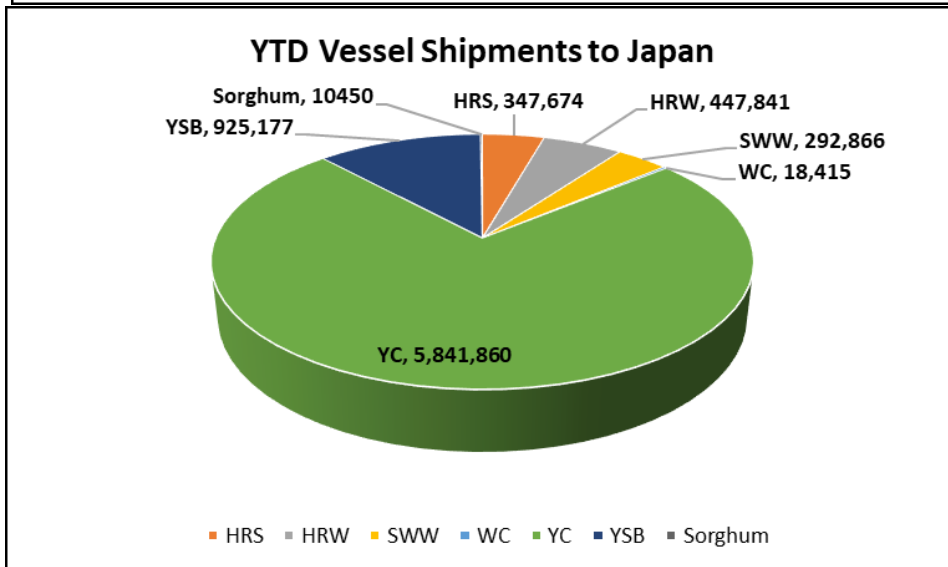
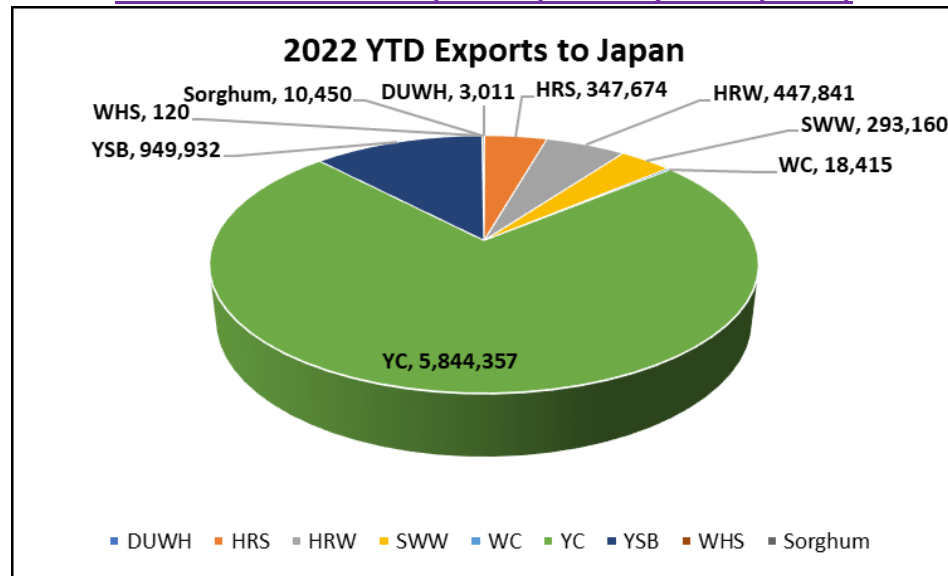
Data sheet below: *USDA weekly export inspections report with corrections to the last three weeks' grain export inspections reports. (This usually covers a 2-5-week prior time frame).*

CONTAINER SHIPMENTS of GRAIN									
USDA Grain Inspections Report:		9-Jun-2022							
Last Week	metric tons								MT
	YC	WC	YSB	SRW	NS	SWH	DUWH	Sorghum	TOTAL
China			17,436					4,580	22,016
Taiwan	7,148		10,307						17,455
Hong Kong	98								98
Costa Rica									0
Indonesia			7,761						7,761
French Poly									0
Japan	490		1,444						1,934
Korea Rep.	514		489						1,003
Ireland									0
Malaysia			3,748	269					4,017
Singapore									0
Philippines			927						927
Thailand			1,028			122			1,150
Switzerland									0
Burma									0
Cambodia									0
Nepal			2,718						2,718
Vietnam			3,034		441				3,475
Sub Total:	8,250	0	48,892	269	441	122	0	4,580	62,554
USDA Corrections/Additions to previous reports:									
Taiwan	1,836		122						1,958
China									0
Hong Kong	146								146
Korea Rep.									0
Un Kingdom									0
Japan									0
Philippines			98						98
Indonesia			98						98
Malaysia			490						490
Thailand						245			245
Vietnam			685						685
Burma			269						269
Ireland									0
Sub Total:	1,982	0	1,762	0	0	245	0	0	3,989
Mt. Grand Total	10,232	0	50,654	269	441	367	0	4,580	66,543
Number of Containers	445	0	2,202	12	19	16	0	199	

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



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



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

Source: USDA-data

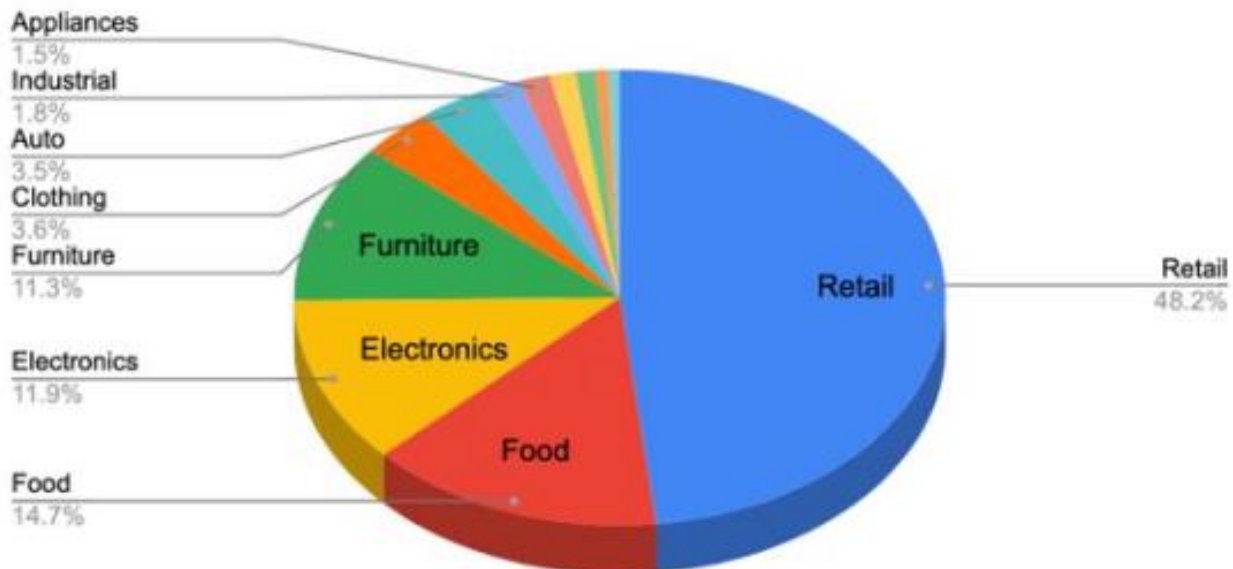
Shipping News

U.S. container Imports by Product

Craig Fuller 🚢 🚚 🇺🇸 @FreightAlley · 20m

The slowdown in container volumes shouldn't be a surprise, nor controversial. 77% of the top 50 container importers come from industries that are currently experiencing a massive bullwhip effect, caused by excess inventories and a consumer consumption slowdown.

Container Imports by Sector 2021 (TEUs)



77% of container TEUs come from industries which currently are experiencing inventory gluts caused by the bullwhip effect (as of June 15, 2022): Retail, electronics, furniture, clothing, and appliances.

Source: SONAR Container Atlas, FreightWaves

Global
figures**6,376** active ships
including 5,579 fully cellular**25,678,914** TEU
25,300,051 TEU fully cellular**307,643,620** DWT

Figures are consolidated

Regional Trades
weekly capacitiesTrans-Atlantic **172,577** TEU
Trans-Pacific **680,982** TEU
Feast-Europe **439,752** TEU

Rank	Operator	Teu	Share	Existing fleet	Orderbook
1	Mediterranean Shg Co	4,417,896	17.3%		
2	Maersk	4,278,370	16.7%		
3	CMA CGM Group	3,298,513	12.9%		
4	COSCO Group	2,923,318	11.4%		
5	Hapag-Lloyd	1,752,665	6.9%		
6	Evergreen Line	1,533,410	6.0%		
7	ONE (Ocean Network Express)	1,508,272	5.9%		
8	HMM Co Ltd	814,557	3.2%		
9	Yang Ming Marine Transport Corp.	660,420	2.6%		
10	Zim	474,969	1.9%		

Alphaliner @Alphaliner · 3h

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Alphaliner currently counts 28 x 1.1K–14K teu [#ships](#) in off-schedule [#voyages](#) between Far East and US West Coast, for a total capacity of 117,500 teu. Another 24 units of 1.7K–11.9K teu (152,600 teu) are active as 'extra sailers' between Far East and US East Coast.



1

**Alphaliner** @Alphaliner · 3h

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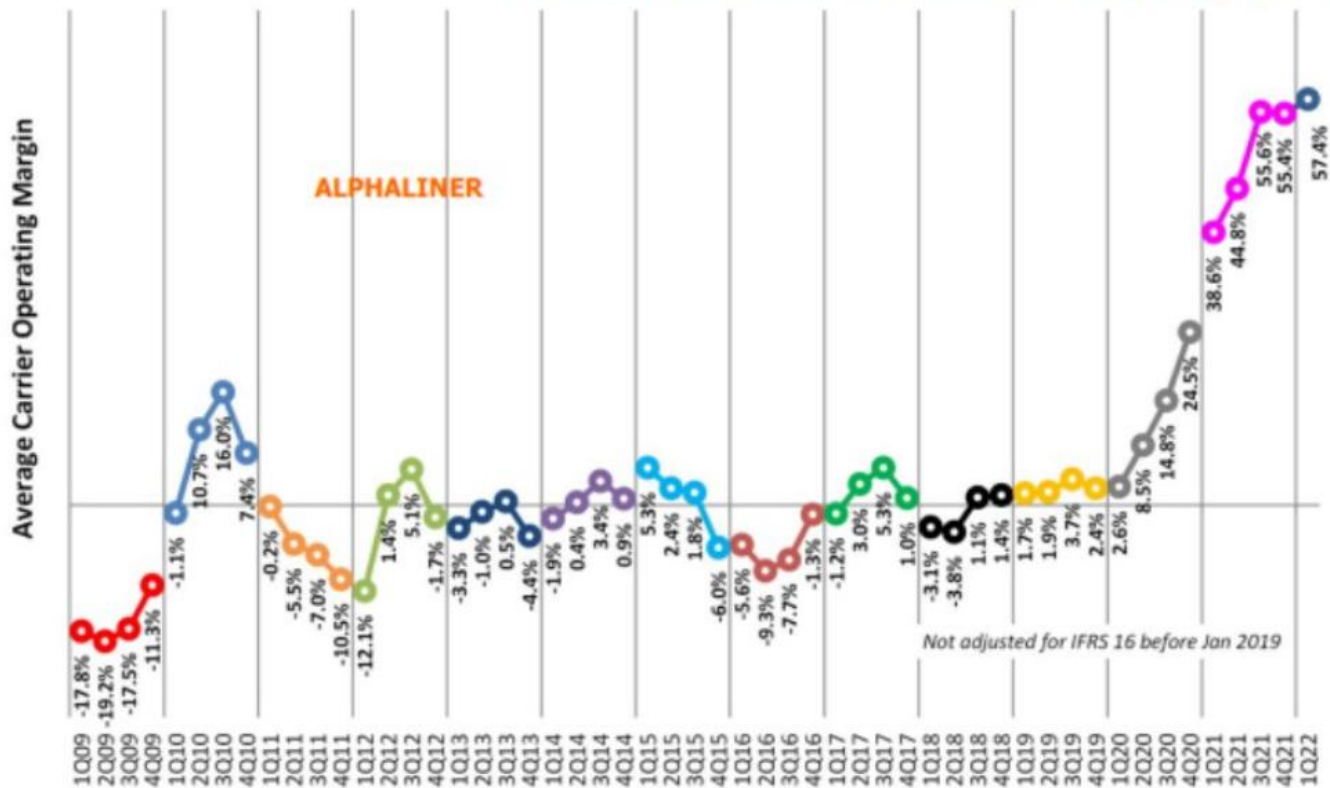
Biggest 'ghost' service without a ship assigned is the OCEAN Alliance Far East–Middle East MEA3 service of CMA CGM (branded as CIMEX5), COSCO Shipping Lines (MEX2), OOCL (ME3) and Evergreen (CEO). The 17.3K teu APL RAFFLES completed a round voyage for this loop in April.



1



Main carriers: Average core EBIT margin by quarter



Average of CMA CGM (incl APL to 2Q 2016), COSCO Shg (since 1Q 2019), CSCL (to 1Q 2016), EMC, Hanjin (to 3Q 2016), Hapag Lloyd (incl CSAV to 2014), HMM, Maersk (Ocean from Q120), ONE (from 2Q 2018, formerly KL/MOL/NYK), WHL, YML, Zim

Peter Tirschwell @PeterTirschwell · 3h

Fully agree Lee, it addresses specific shipper grievances like container storage and usage fees and ensuring vessel space is provided to exporters but the high rates contrary to what @POTUS says are due to high demand and too much supply idled due to congestion



Lee Klaskow @LogisticsLee · 3h

A new US shipping law won't do much to address soaring cargo costs, experts say [bloomberg.com/news/newslette...](https://www.bloomberg.com/news/newsletter) via @business



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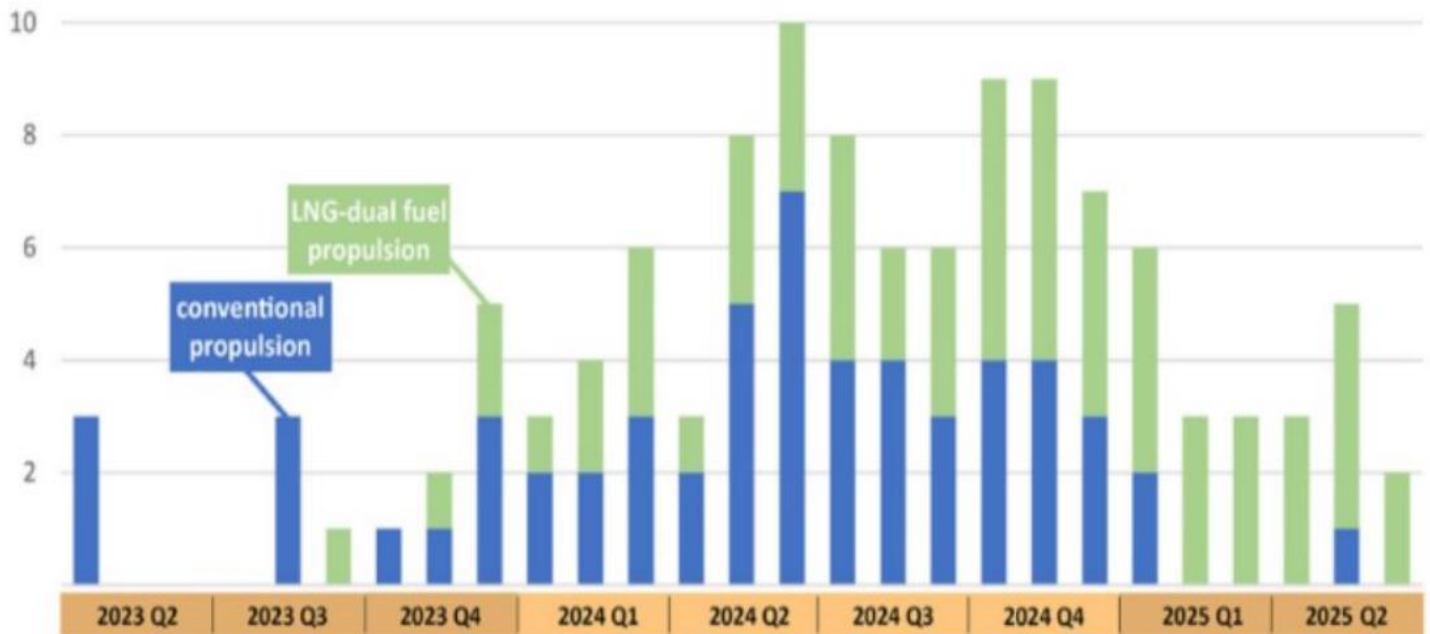
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Compact 7,000-8,000 teu ships - delivery projection

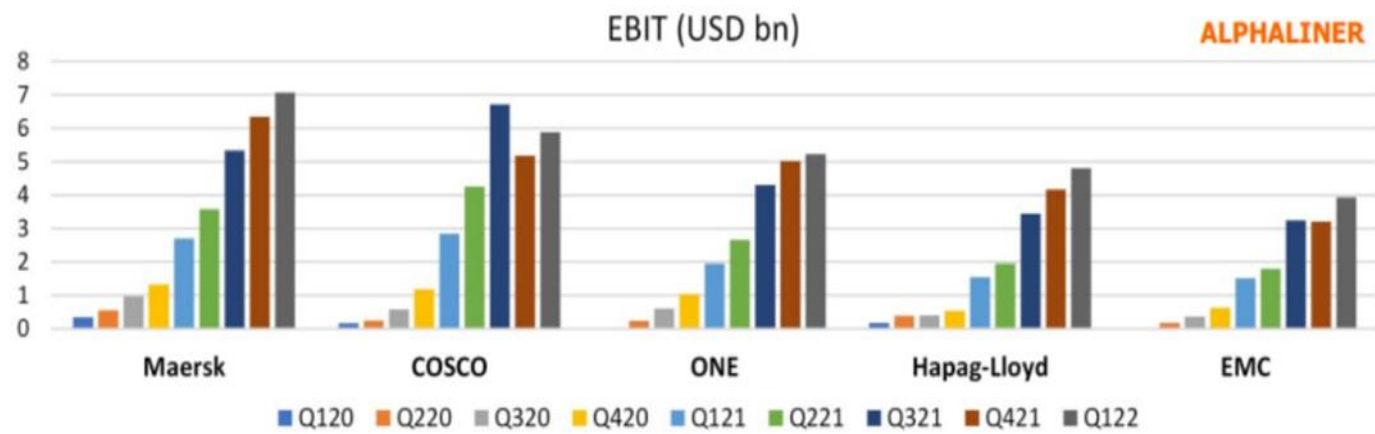
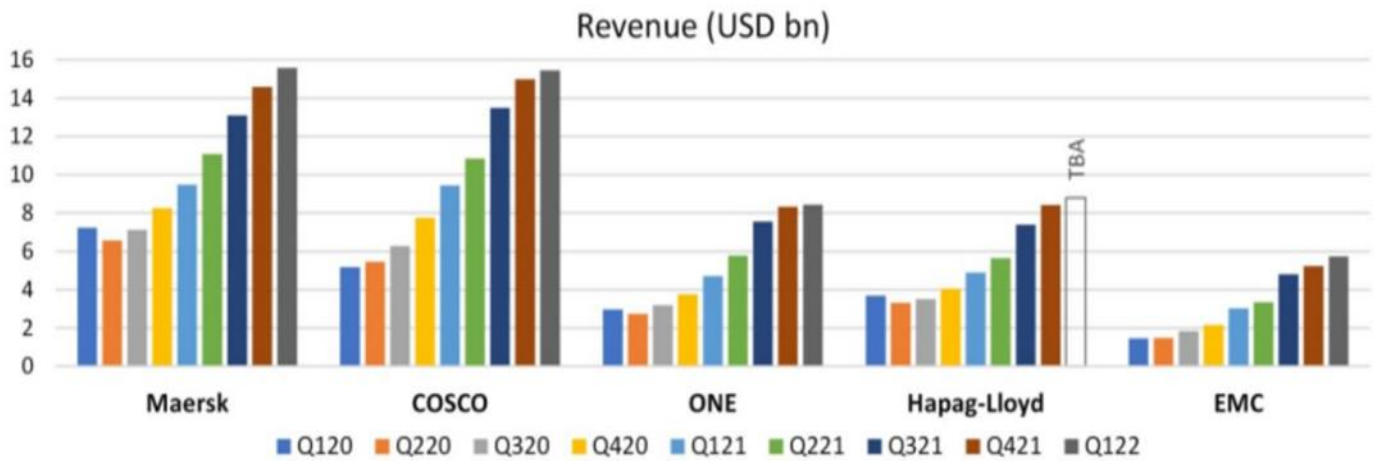
number
of ships

vessel deliveries in ships per month - yard schedule may be subject to change



Based upon proforma construction schedules. Actual deliveries may vary as yards try to bring handovers forward and open up additional near-term construction slots.

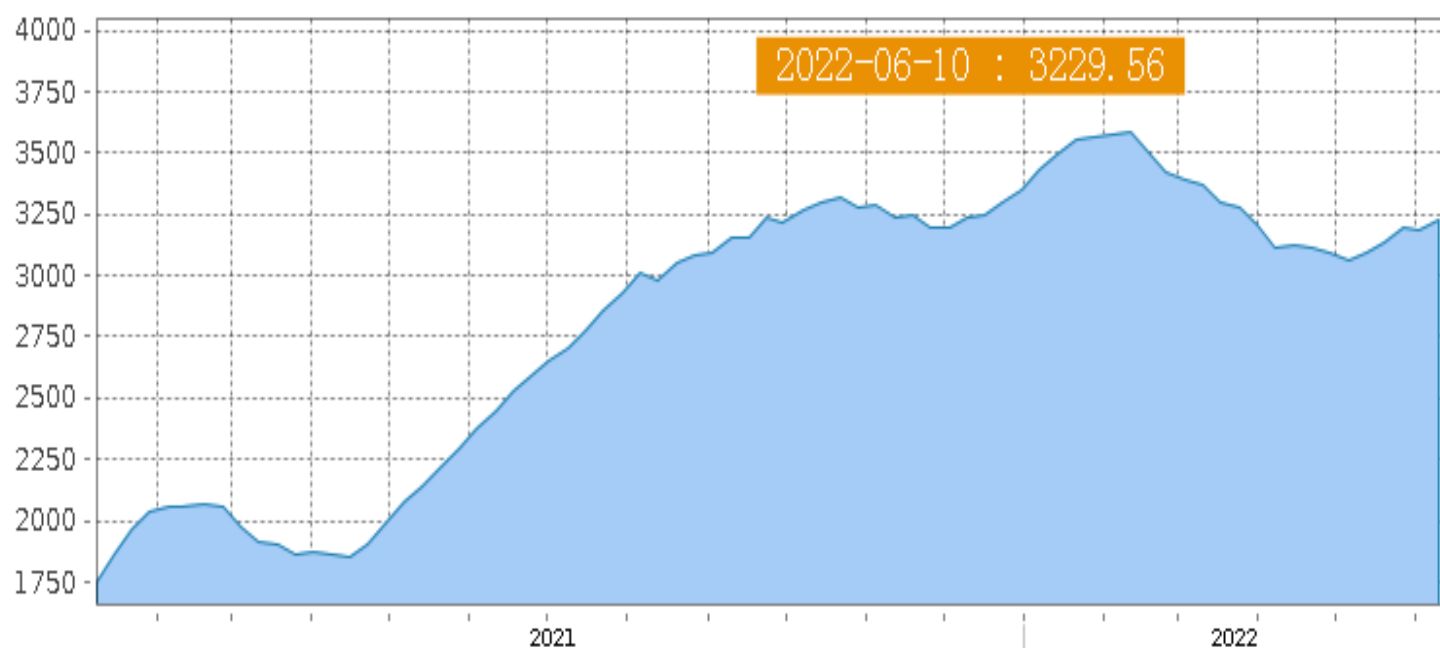
Carrier Q1 2022 Performance as of 10 May 2022



Dry Bulk Capesize Market Chart



China Containerized Freight Index



China Import Dry Bulk Freight Index



Secondary Rail Car Market for Car placement period: First Half July 2022

Secondary Rail Car Market Placement FH July 2022	BID USD	ASK USD	BID BU.	ASK BU.	BID MT	ASK MT
BNSF Shuttle Trains	\$ (300.00)	\$ (200.00)	\$ (0.08)	\$ (0.05)	\$ (2.95)	\$ (1.97)
UPRR Shuttle Trains	\$ (100.00)	\$ 200.00	\$ (0.03)	\$ 0.05	\$ (0.98)	\$ 1.97

U.S. RIVER BARGE FREIGHT

Barge Freight for Loading Placement First Half July 2022

Placement FH July 2022	% of Tariff	MT	Corn BU	Soybeans-Wheat BU
Upper Mississippi	590	\$40.26	1.02	1.10
Illinois River (Pekin and South)	505	\$34.46	0.88	0.94
Mid-Mississippi	525	\$25.81	0.66	0.70
Lower Ohio	505	\$24.83	0.63	0.68
St. Louis	405	\$17.81	0.45	0.48

Best Regards,

Jay

Jay O'Neil
HJ O'Neil Commodity Consulting
785-410-2303 (cell)

joneil@ksu.edu

Follow me on Twitter @ [igpjay](#)



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