☘ **HJ O'NEIL COMMODITY CONSULTING**

Transportation and Export Report for 18 June 2020

It was a wild week as Baltic Dry Bulk indices soared like a rocket. The surge was led again by the Capesize market and FFA paper traders believing that the bull market has finally arrived. Paper shorts in the FFA market got stopped out and values rose in all sectors and oceans. Bold optimism is leading the parade. Physical markets had to follow the major move in the paper trading markets. Daily hire spot rates for Capes jumped from $13,000/day up to $25,250/day while Panamax vessels move from $8,400/day to a new high of $11,600. Markets however are now inverted as the forward months Are trading at a slight discount.
Q1 of 2021 Panamax rates are at $9,800-$10,000/day.
This week's market rally was obviously the biggest upward move of the year and we will now have to see what kind of legs and staying power it possesses. Is the global recovery really at hand ?
Please keep in mind that it is only Thursday morning and we could experience another end of week sell-off if paper traders want to take profits.

BALTIC DRY-BULK PANAMAX INDEX CHANGES

Panamax Ocean Freight Indices				
18-Jun-2020	This Week	Last Week	Difference	Percent Change
P2A : Gulf/Atlantic - Japan	17373	13577	3,796	28.0%
P3A - PNW/Pacific - Japan	9048	7482	1,566	20.9%
S1C -USGULF-China-So.Japan	16450	15033	1,417	9.4%
P7- Trial- Miss. River - Qingdao	39271	34686	4,585	13.2%
P8- Trial- Santos - Qingdao	28500	25307	3,193	12.6%

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

Four weeks ago:	$4.60-$4.75
Three weeks ago:	$4.05-$4.50
Two weeks ago:	$4.40-$5.20
One week ago:	$5.45-$5.70
This week	$6.40- $8.00

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

Mississippi River:	(10 elevators)	3-6 days (2 facilities not currently operating)
Miss. River Mid-Stream loaders: (6+ Rigs)		0-0 days
Texas Gulf	(5 elevators)	0-8 days (only 1 facility over3 days)
Pacific Northwest:	(9 elevators)	1-16days (only 2 facilities over 5 days)

Panamax Market Spreads to Asia -China					
18-Jun-2020	PNW	GULF	Bushel Spread	MT Spread	Advantage
CORN	0.98	0.79	0.19	$7.48	PNW
SOYBEANS	1.25	0.89	0.36	$14.17	PNW
OCEAN FREIGHT	$19.25	$36.75	.42-.45	$17.50	JULY

Recent Reported Vessel Fixtures:

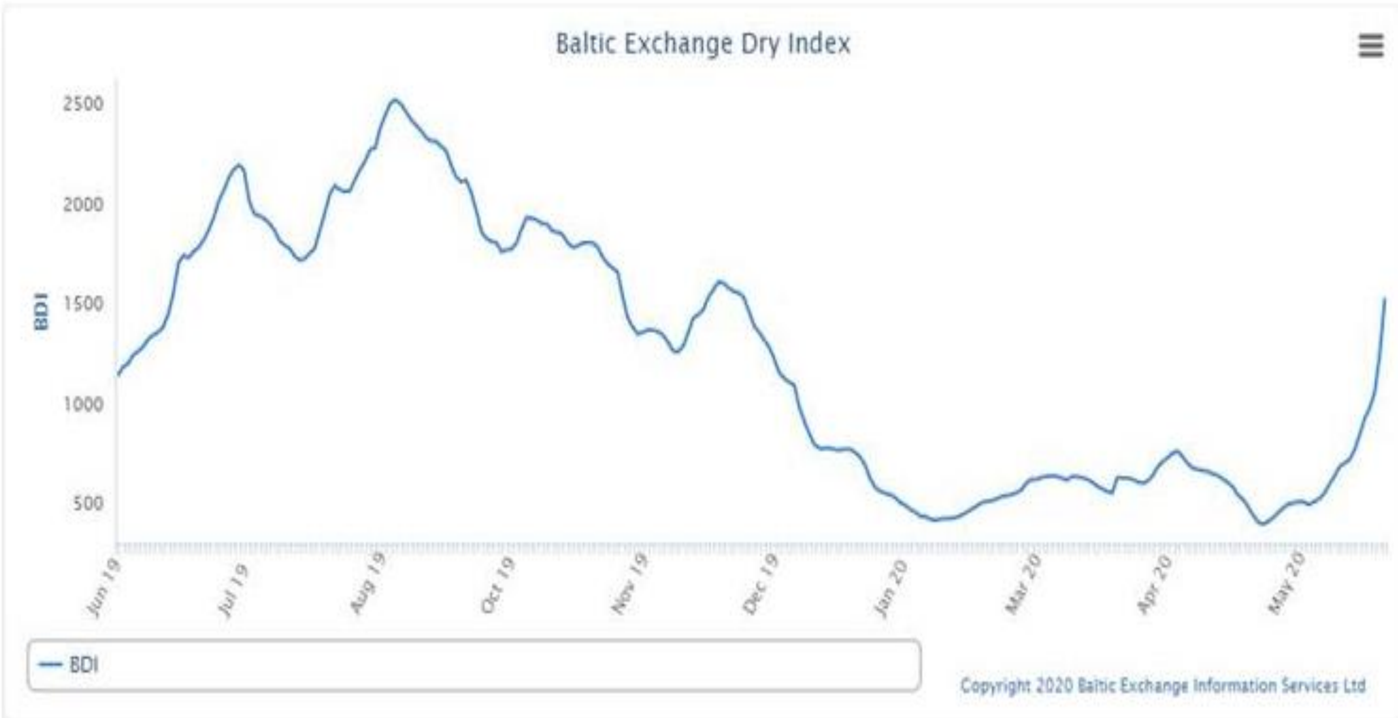
** Below rates are estimates for the nearby slots. 60-90 days forward rates will be higher.

Soybean Panamax USG to Spain is running $17.00/mt.
Soybean Brazil to Spain about $20.00-21.50/mt.
30,000 mt Corn Northern Brazil to Vera Cruz, Mexico $17.50-$18.00/mt .To U.S. E/C about $19.00-20.00/mt

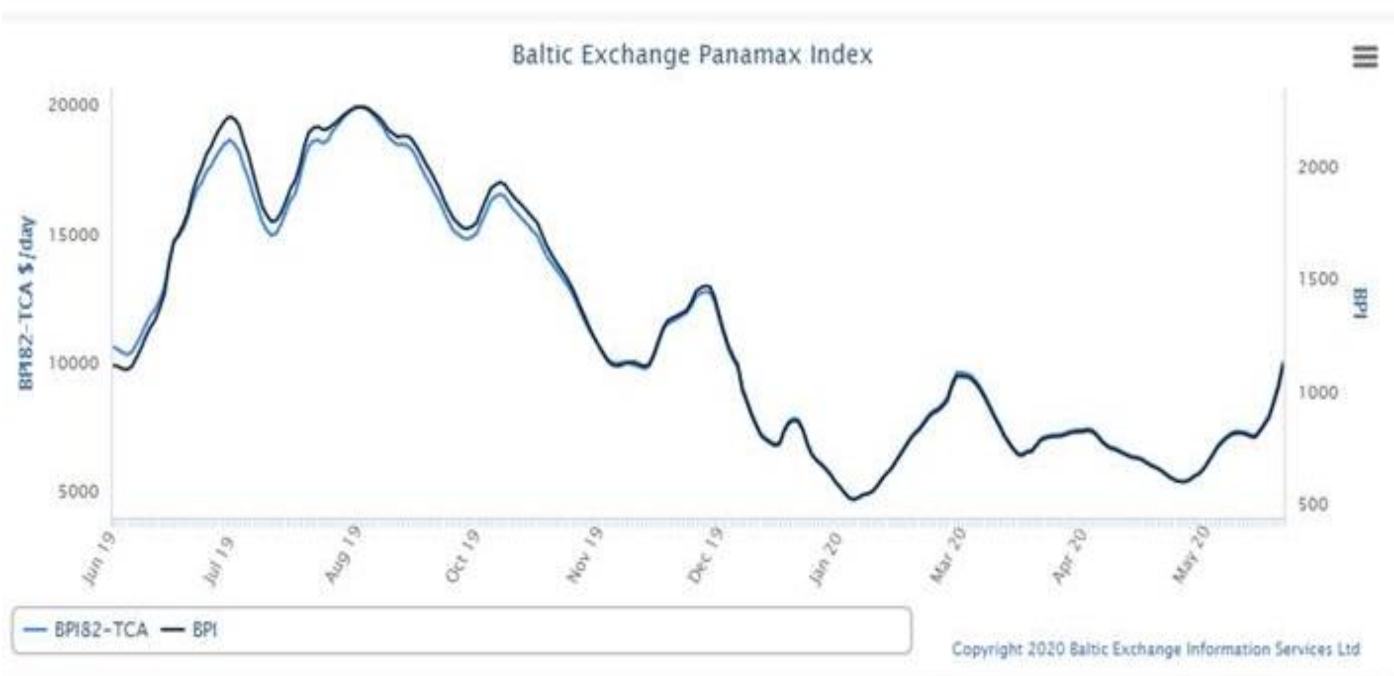
Route and Vessel Size	Current Week USD/MT	Change from previous week	Remarks
55,000 U.S. Gulf-Japan	$37.75	Up $2.25	Handymax $38.75 mt
55,000 U.S. PNW- Japan	$20.00	Up $1.25	Handymax $20.75 mt
66,000 U.S. Gulf – China PNW to China	$36.75 $19.25	Up $2.25 Up $1.25	North China
25,000 U.S. Gulf- Veracruz, México	$15.75	Unchanged	3,000 MT daily discharge rate
30-36,000+ U.S. Gulf- Veracruz, México	$13.00	Unchanged	Deep draft and 6,000 MT per day discharge rate.
30-38,000 U.S. Gulf- East Coast Colombia From Argentina	$19.00 $33.00	Unchanged	West Coast Colombia at $28.75 USG to E/C 50,000 mt at $15.25
43-45,000 U.S. Gulf - Guatemala	$28.25	Unchanged	Acajutla/Quetzal - 8,000 out
26-30,000 U.S. Gulf – Algeria	$35.50 $36.25	Up $2.50	8,000 mt daily discharge 3,000 mt daily discharge
26-30,000 US Gulf-Morocco	$35.50	Up $2.50	5,000 discharge rate
55-60,000 U.S. Gulf –Egypt PNW to Egypt	$25.00 $25.25	Up $2.25	60,000 -55,000 mt Romania- Russia- Ukraine $11.00-$12.00 -$12.25 France $15.00
60-70,000 U.S. Gulf – Europe – Rotterdam	$16.00	Up $2.25	Handymax at +$1.75 more
Brazil, Santos – China Brazil, Santos – China Northern Coast Brazil	$28.25 $27.25 $31.25	Up $2.50	54-59,000 Supramax-Panamax 60-66,000 Post Panamax Upriver No. Brazil Plus -55,000 mt Plus $7.50/mt
56-60,000 Argentina/Rosario- China Deep Draft	$31.75	Up $2.50	Upriver with BB Top Off $35.50

- **The above rate estimates reflect the 20-30-day forward ocean freight markets.**

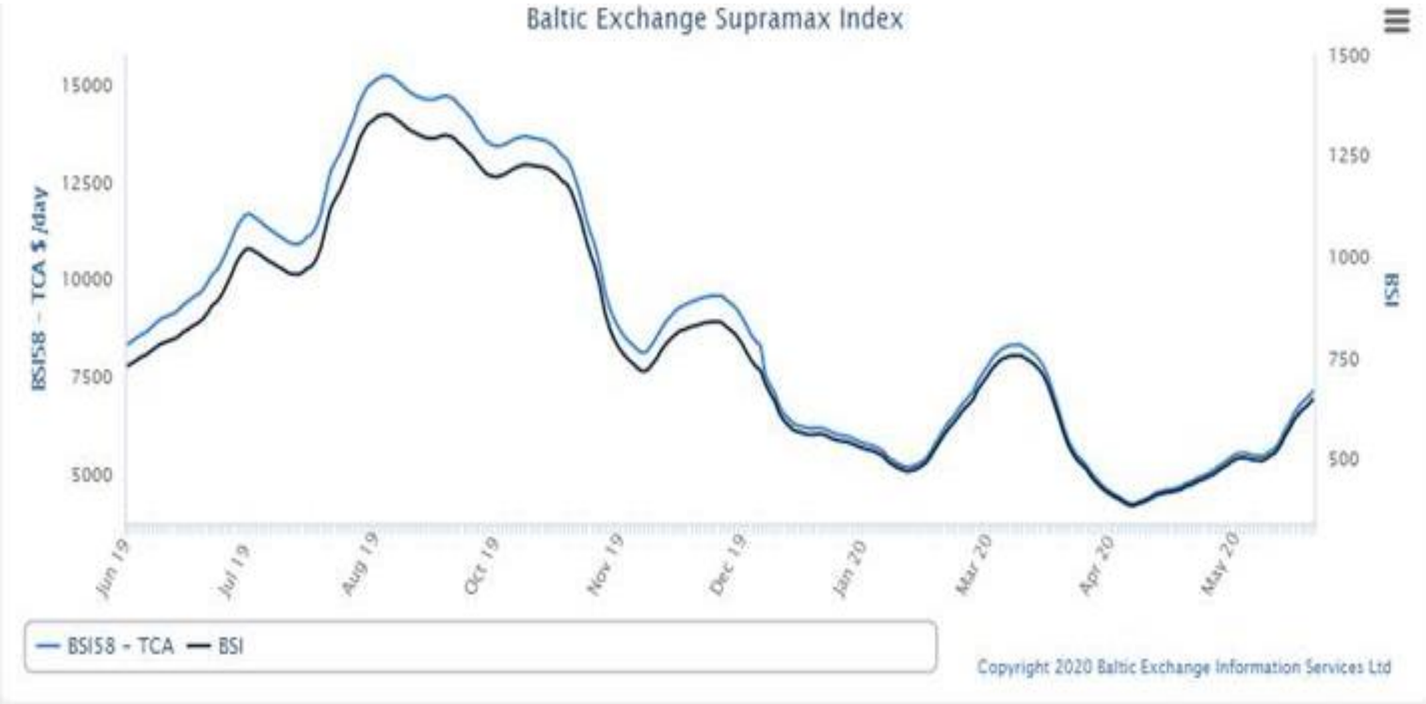
Baltic Dry Bulk Index.



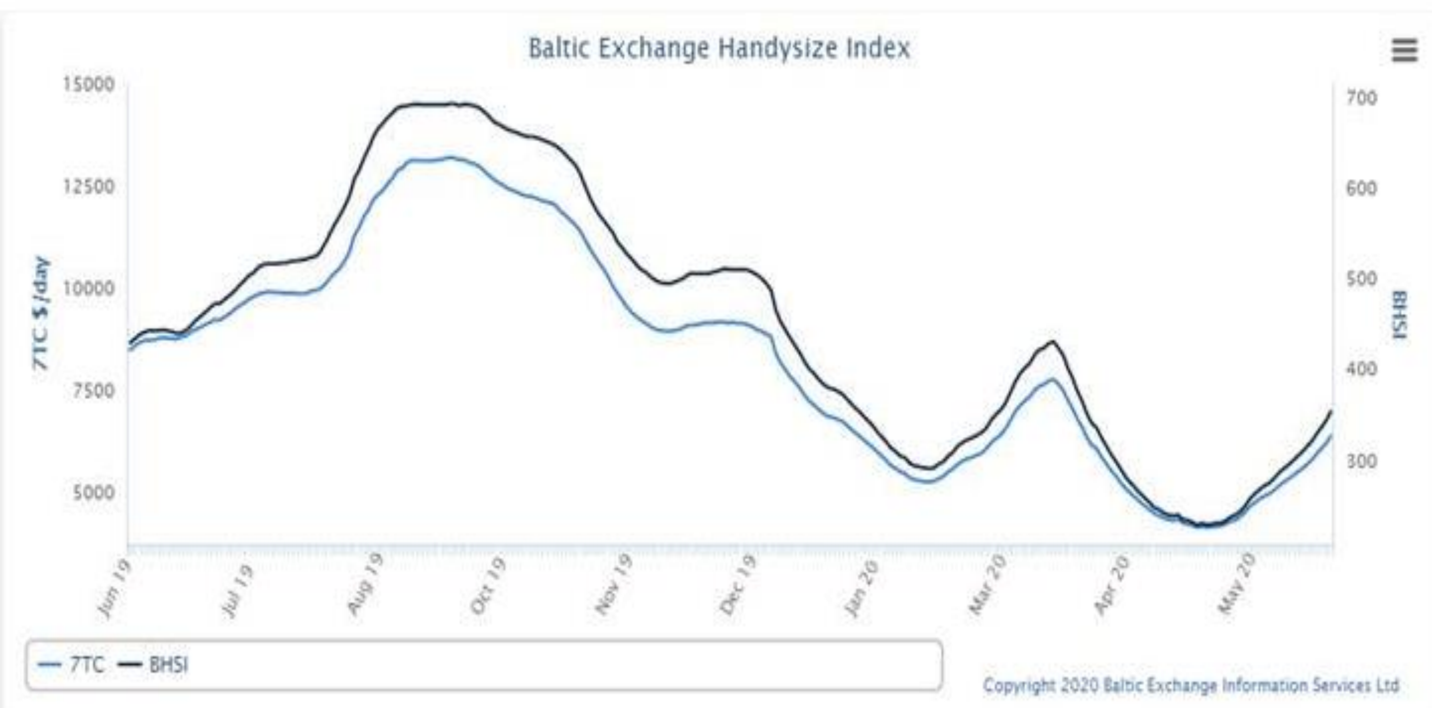
Baltic Panamax Index



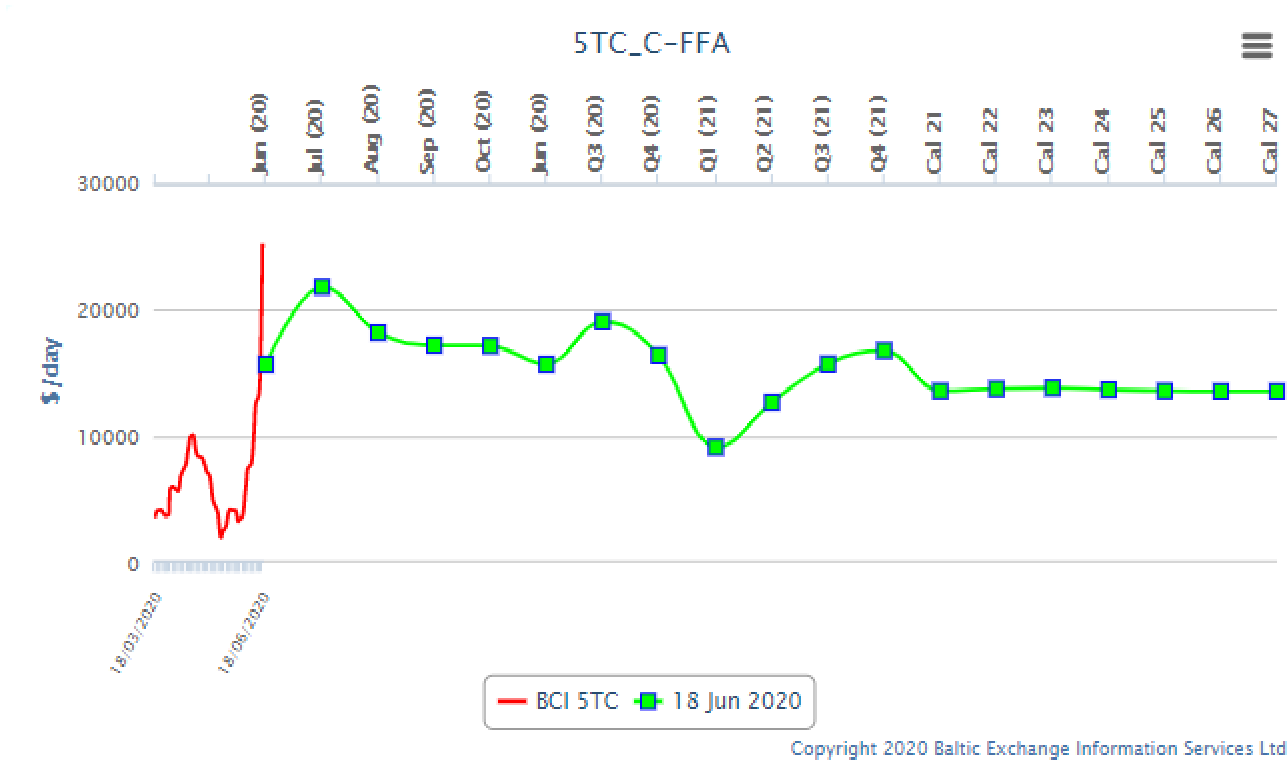
Baltic Supramax Vessel Index



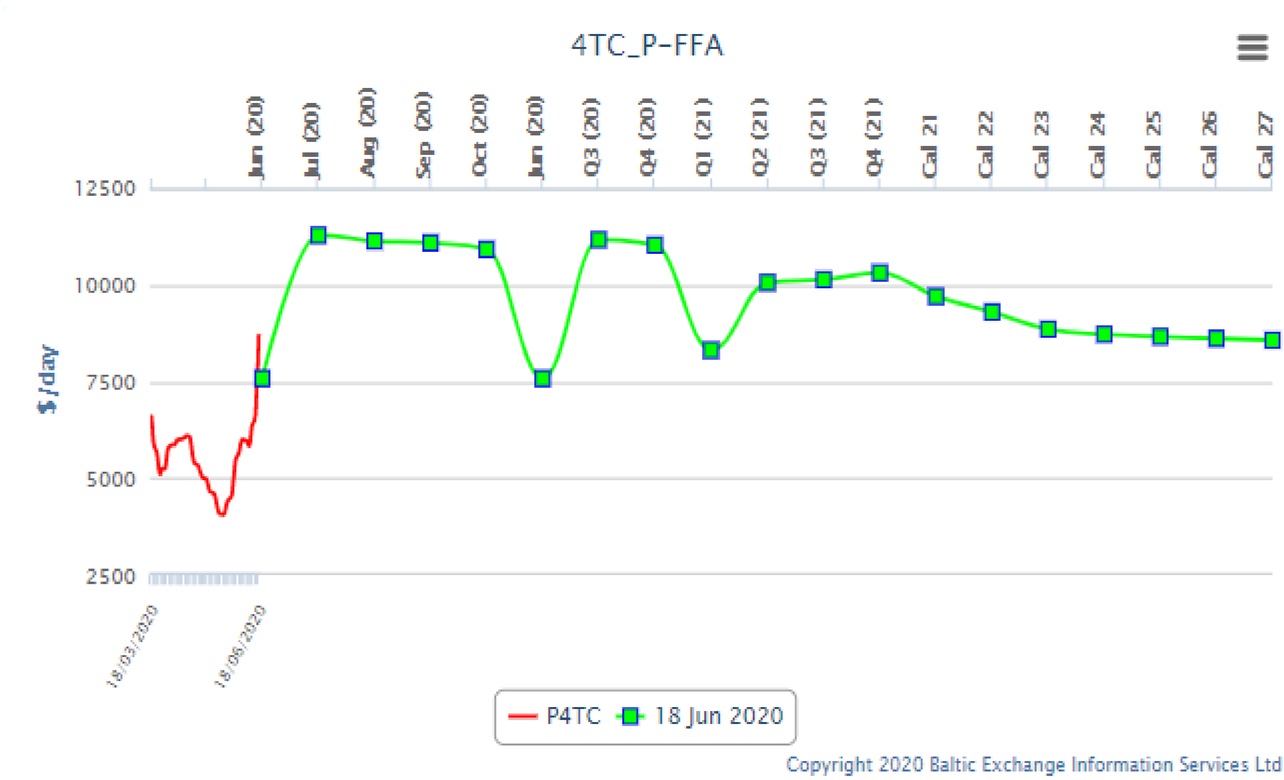
Baltic Handy Size Vessel Index



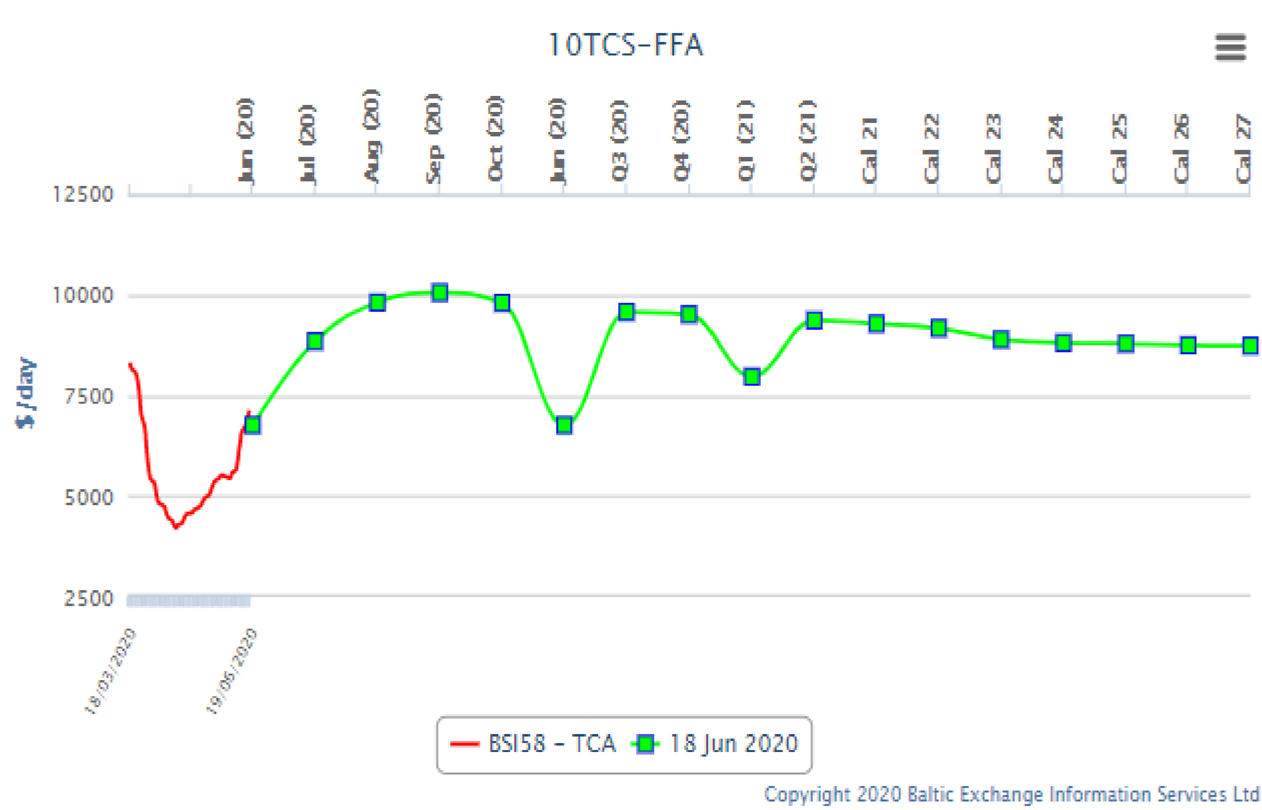
Capesize Forward Curve



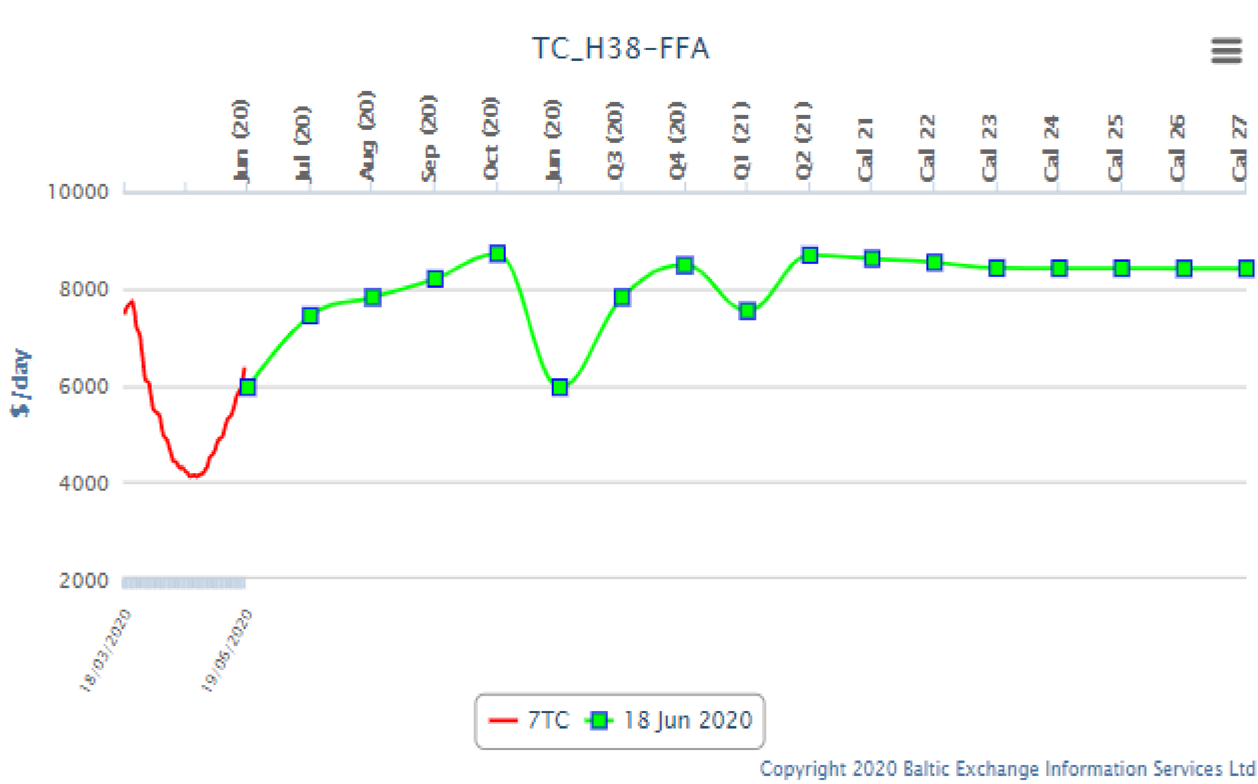
Baltic Panamax Forward Curve Chart

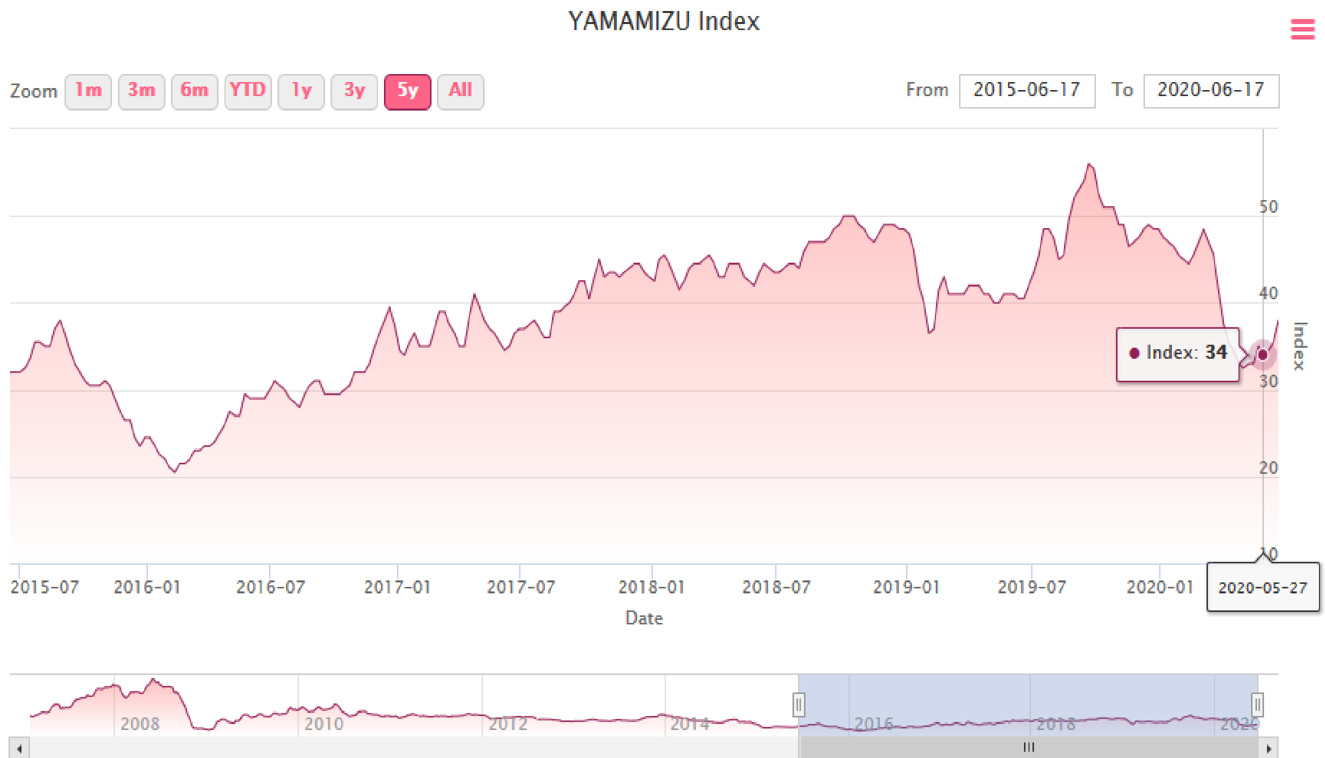


Supramax Dry-Bulk Forward Curve



Baltic Handy Size Forward Curve





China Import Dry Bulk Freight Index 2020-06-18					
Description	Size MT	Cargo/Vessel Size	Unit	Rate	Change
Composite Index			Point	863.43	63.32
Iron ore Freight Index			Point	975.78	104.97
Dampier(West Australia)-Qingdao (China)	170000/10%	Iron ore	$/ton	8.409	1.126
Soybean Freight Index			Point	803.53	16.71
Santos(Brazil)—North China	60000/10%	Soybean	$/ton	26.919	0.594
Tacoma(West America)—North China	60000/10%	Soybean	$/ton	18.963	0.306
Mississippi(US Gulf)—North China	66000/10%	Soybean	$/ton	36.779	0.821
Mississippi(US Gulf)—North China	55000/10%	Soybean	$/ton	38.4	0.658

18 June 2020 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	0.79	**$161.41**	0.98	**$168.89**
Aug.	0.78	**$162.79**	1.00	**$171.45**
Sept.	0.81	**$163.97**	1.05	**$173.42**
Oct.	0.78	**$165.64**	0.98	**$173.51**
Nov.	0.80	**$166.43**	1.00	**$174.30**
Dec.	0.80	**$166.43**	1.02	**$175.09**

The Gulf spread between #2 & #3 YC is currently about .03 cents per bushel (1.18/mt) at USG but out to .15/bushel in the PNW

SORGHUM (USD/MT) FOB VESSEL				
#2 YGS Fob Vessel	NOLA		TEXAS	
Max. 14.0% moisture	BASIS	FLAT PRICE	BASIS	FLAT PRICE
July	2.40	**$224.79**	2.10	**$212.98**
Aug.	2.40	**$229.42**	2.10	**$217.61**
Sept.	2.30	**$225.48**	2.15	**$219.57**
Oct.	2.35	**$227.45**	2.20	**$221.54**
Nov.	2.40	**$229.42**	2.20	**$221.54**

Fob vessel Texas Gulf #2 Sorghum is about 132 % 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	$205.21	$208.98	$210.81	$214.58
Basis	0.75	0.80	0.85	0.86
WN	4.8350			.
WU	4.8875			
WZ	4.9800			

18-Jun-2020 CME Corn Futures	Close Bushel	This Week MT.	Last Week. Bushel	Last Week. Bu. Diff.	Last Week MT	MT Diff.
July	$ 3.3100	$ 130.31	$ 3.2975	0.0125	$ 129.82	$ 0.49
Sept.	$ 3.3550	$ 132.08	$ 3.3500	0.0050	$ 131.88	$ 0.20
Dec.	$ 3.4275	$ 134.93	$ 3.4375	(0.0100)	$ 135.33	$ (0.39)
Mar..	$ 3.5400	$ 139.36	$ 3.5550	(0.0150)	$ 139.95	$ (0.59)
May	$ 3.6100	$ 142.12	$ 3.6225	(0.0125)	$ 142.61	$ (0.49)
July	$ 3.6600	$ 144.09	$ 3.6750	(0.0150)	$ 144.68	$ (0.59)

CBOT July. 2020 (CN20) CORN Futures Chart –

CME/CBOT July 2020 (WN20) 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	0.89	**$353.47**	1.25	**$366.70**
Aug.	0.92	**$354.39**	1.25	**$366.51**
Sept.	0.90	**$353.10**	1.30	**$367.80**
Oct.	0.87	**$353.84**	1.32	**$370.37**
Nov.	0.91	**$355.31**	1.32	**$370.37**
Soybean Futures				
July	$ 8.7300			
Aug.	$ 8.7250			
Sept.	$ 8.7100			
Nov.	$ 8.7600			
Jan.	$ 8.7925			
Mar.	$ 8.7500			

U.S. SBM (USD/MT) FOB Vessel		
Fob U.S. Gulf Port	47.5 Pro. SBM	
max 12.5 % moisture	Basis	Flat Price
July	17.00	**$ 337.14**
Aug.	17.00	**$ 337.14**
Sept.	18.00	**$ 340.23**
Oct.	20.00	**$ 343.32**
Nov.	20.00	**$ 344.53**
SBM Futures		
SMN	288.80	
SMQ	290.60	
SMU	291.40	
SMV	292.50	
SMZ	295.20	
SMF	295.90	

CME July 2020 Soybean (SN20) Futures Chart:

CME July 2020 Soybean Meal (SMN20) Futures Chart

U.S. EXPORT STATISTICS: Report Activity as of Week Ending 04 June 2020

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 '20-21 (000 MT) (Wheat and Barley 2021/22)
Corn	**836.2**	**41,133.0**	**45,090**	**91%**	**3,438.5**
Sorghum	**69.7**	**4,016.5**	**5,080**	**79%**	**278.0**
Soybeans	**1012.5**	**43,661.0**	**45,590**	**96%**	**4,152.3**
Wheat	**2413.9**	**5,828.5**	**26,400**	**22%**	**0.0**
Barley	**9.2**	**40.7**	**130**	**31%**	**0.0**

U.S. EXPORT INSPECTIONS:

Monday's report 15 June 2020 for the Export week ending 11 June 2020

	Export Inspections		Current Market Year YTD	Previous Year to Date	2019/20 YTD as Percent of 2018/19 YTD (Wheat and Barley 2020/21 vs 2019/20)
	This Week	Previous Week			
Corn	**910,495**	**1,161,477**	**30,583,120**	**40,857,127**	**75%**
Sorghum	**222,400**	**196,102**	**3,738,487**	**1,469,358**	**254%**
Soybeans	**376,323**	**274,052**	**36,114,746**	**35,649,452**	**101%**
Wheat	**444,031**	**477,236**	**657,501**	**853,436**	**77%**
Barley	**0**	**0**	**0**	**196**	**0%**

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

U.S. EXPORT INSPECTIONS:

Monday's report 15 June 2020 for the Export week ending 11 June 2020

Last Week								
(Metric Tons)	YC	%	WC	%	Sorghum	%	Soybeans	%
Lakes	0	0%	0	0%	0	0%	41,541	11%
Atlantic	0	0%	0	0%	0	0%	4,970	1%
Gulf	479,207	53%	4,301	87%	210,805	95%	230,720	61%
PNW	283,178	31%	0	0%	9,562	4%	0	0%
Interior Export Rail	143,161	16%	648	13%	2,033	1%	99,092	26%
Metric Tons	905,546		4,949		222,400		376,323	

Sorghum Shipments:

metric tons	
172,459	China Main
14,238	Japan
34,650	New Zealand
1,053	Mexico
222,400	Total

White Corn Shipments:

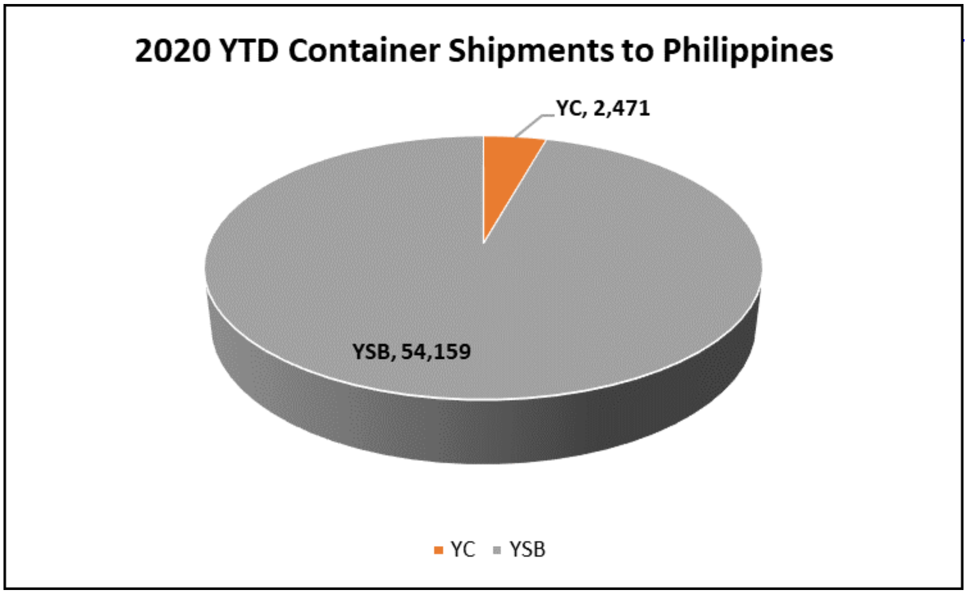
metric tons	
4,301	El Salvador
49	Korea Rep
599	Mexico
4,949	Total

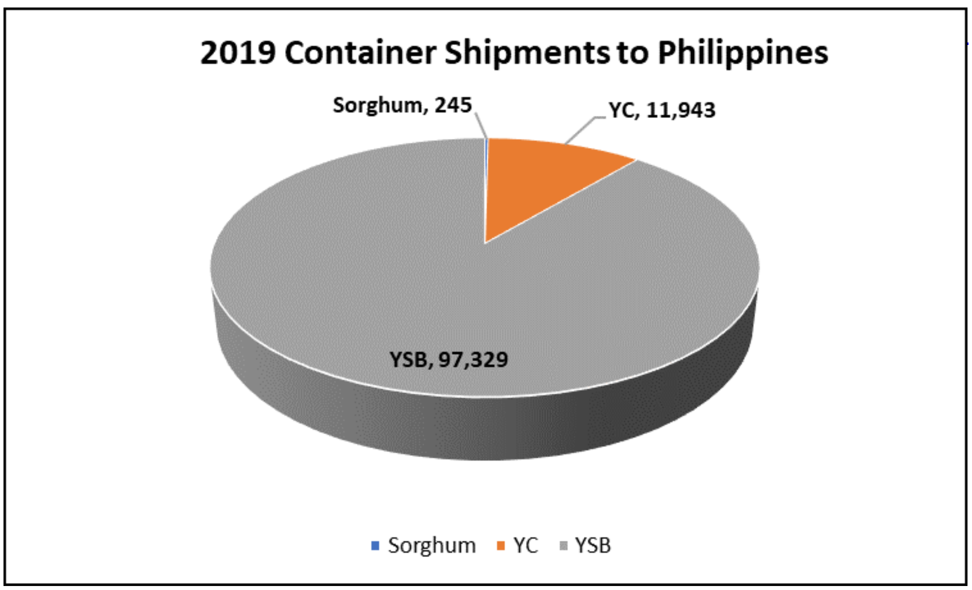
Export Inspection Highlights

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:			11-Jun-2020						
Last Week	metric tons								MT
	YC	WC	YSB	SRW	NS	SWH	HRW	Sorghum	TOTAL
China Main			3,184					980	4,164
China T	8,741		3,329						12,070
Hong Kong	98								98
Costa Rica									0
Indonesia			11,459						11,459
French Poly									0
Japan			832						832
Korea Rep.	1,370	49	1,322						2,741
Nepal			1,935						1,935
Malaysia	1,641		5,486						7,127
Cambodia									0
Philippines			612						612
Thailand			9,970						9,970
Morocco									0
Italy									0
Bangladesh									0
Burma									0
Vietnam			5,778						5,778
Sub Total:	**11,850**	**49**	**43,907**	**0**	**0**	**0**	**0**	**980**	**56,786**
USDA Corrections/Additions to previous reports:									
China T									0
China Main									0
Hong Kong									0
Korea Rep.			931						931
Cambodia									0
Japan									0
Philippines									0
Indonesia			343						343
Malaysia									0
Thailand									0
Vietnam									0
Canada									0
Nigeria									0
Sub Total:	0	0	1,274	0	0	0	0	0	1,274
Mt. Grand Total	**11,850**	**49**	**45,181**	**0**	**0**	**0**	**0**	**980**	**58,060**
Number of Containers	515	2	1,964	0	0	0	0	43	

Jan - Dec 2019 Annual Totals versus 2020 Jan.-Dec. YTD Total Container Shipments (in MT)





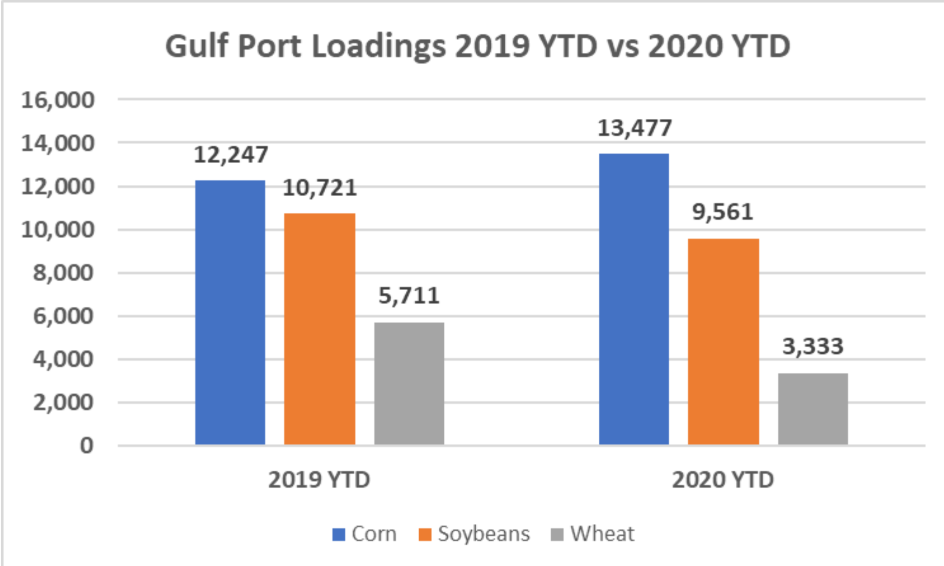
Grain Inspections for Export by U.S. Port Regions:
U.S. Gulf and Pacific Northwest 2019 YTD vs. 2020 YTD

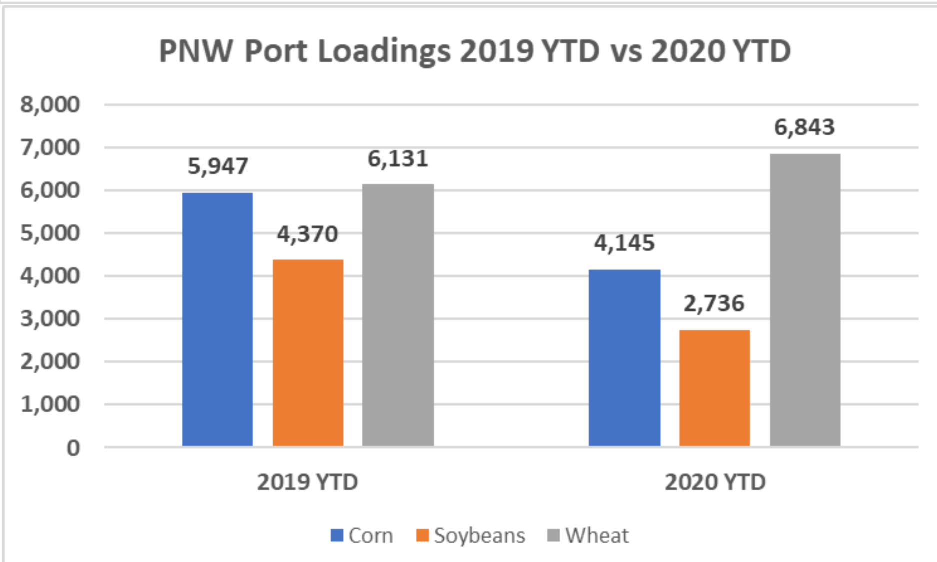
PORT LOADINGS US Gulf				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
GULF				
2019 YTD	12,247	10,721	5,711	28,679
2020 YTD	13,477	9,561	3,333	26,371
2020 as % of 2019	110%	89%	58%	92%

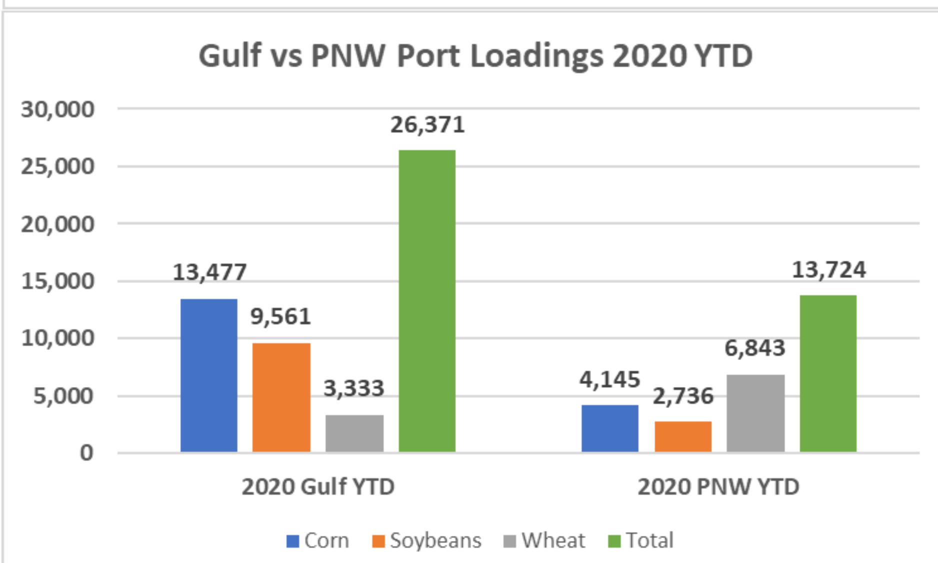
PORT LOADINGS US PNW				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
PNW				
2019 YTD	5,947	4,370	6,131	16,448
2020 YTD	4,145	2,736	6,843	13,724
2020 as % of 2019	70%	63%	112%	83%

PORT LOADINGS GULF vs. PNW				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
2020 Gulf YTD	13,477	9,561	3,333	26,371
2020 PNW YTD	4,145	2,736	6,843	13,724
TOTAL	17,622	12,297	10,176	40,095
Gulf Percentage	76%	78%	33%	66%
PNW Percentage	24%	22%	67%	34%

Grain Inspections for Export by U.S. Port Regions (1,000MT):
U.S. Gulf and Pacific Northwest 2019 YTD vs. 2020 YTD

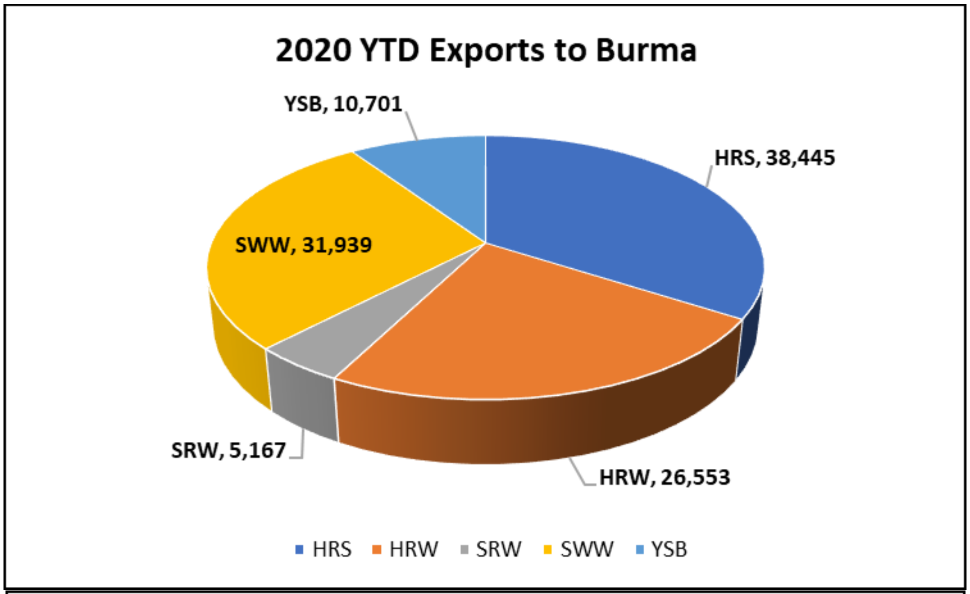


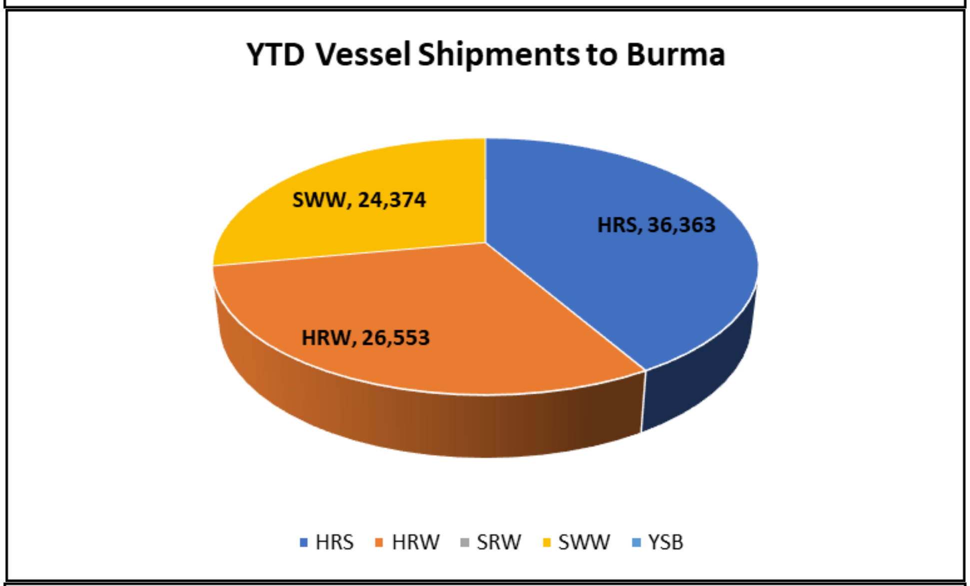


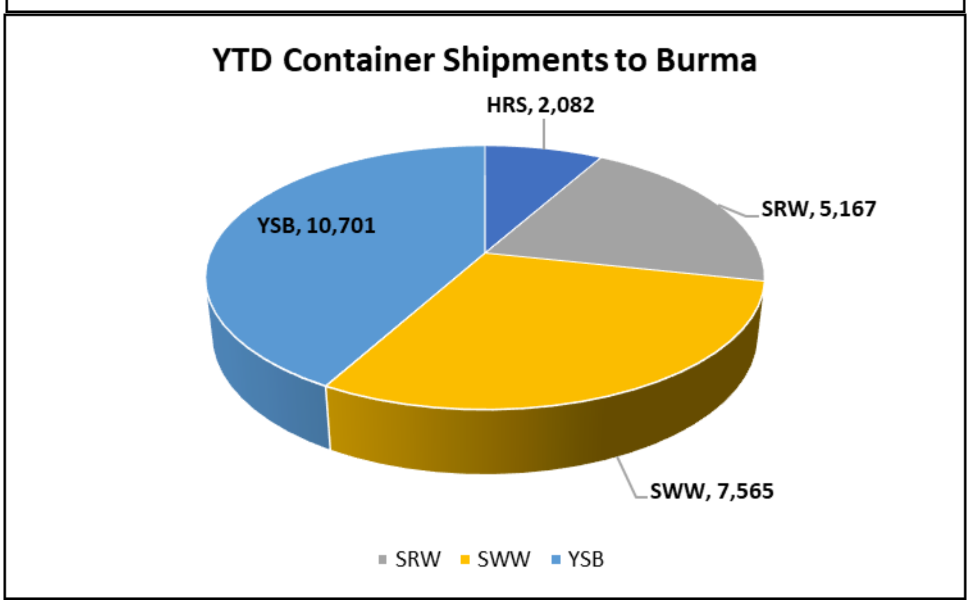


Source: USDA-data

2020 YTD Total Grain Exports reported by USDA (in MT)

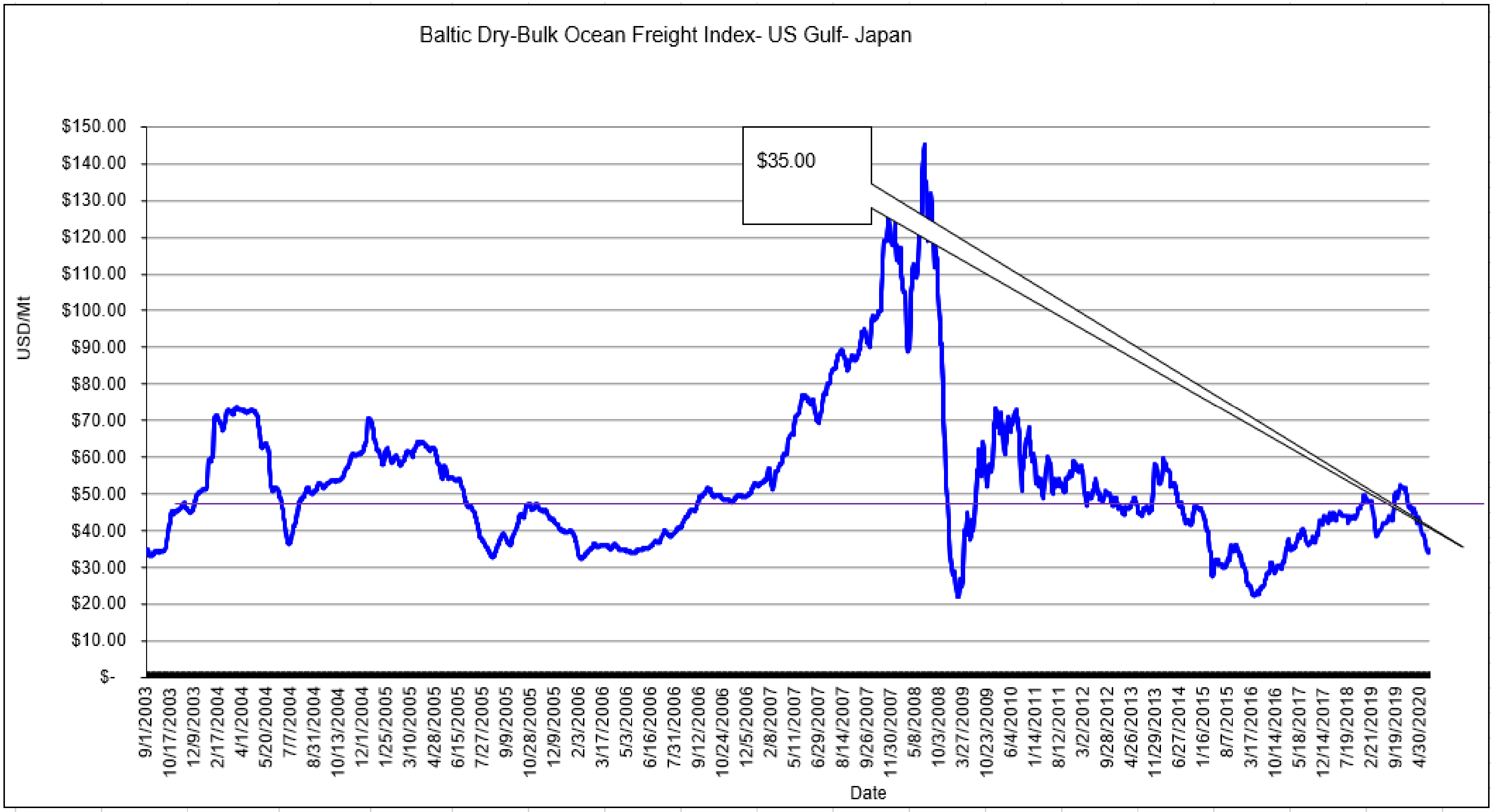


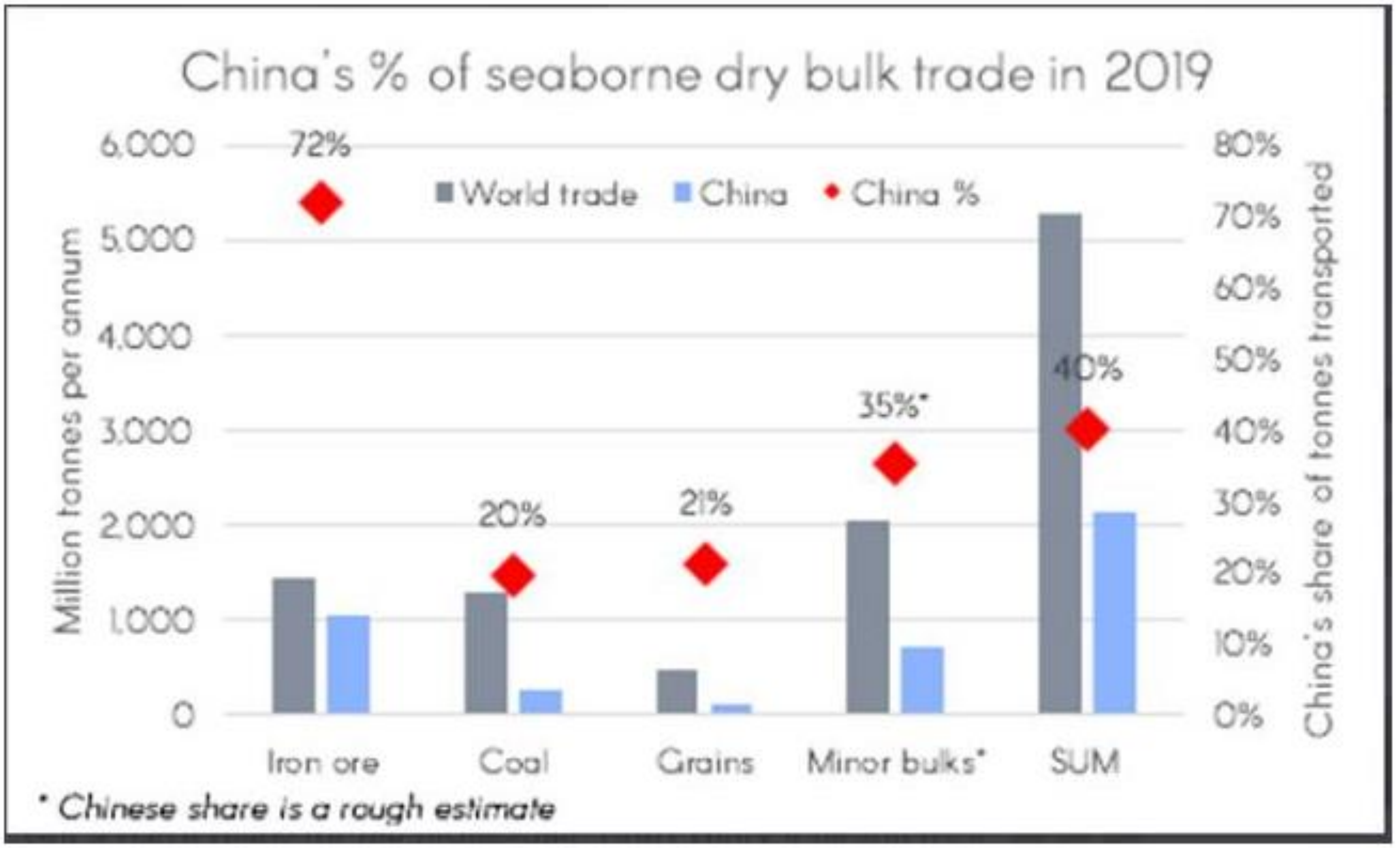




*Please keep in mind that USDA does not report DDGS sales

Shipping News



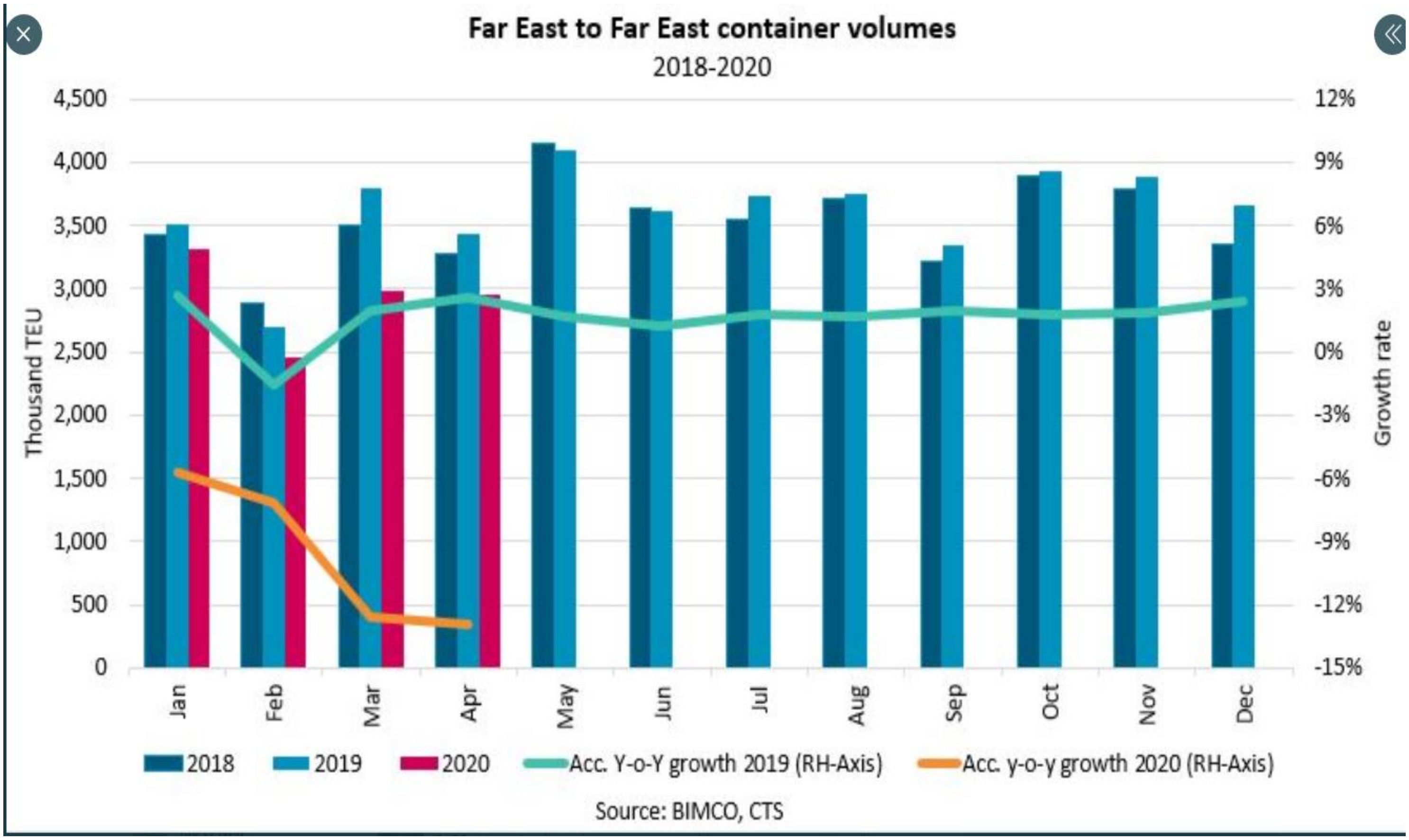


Five Lock and Dam Closures on Illinois River Looming

Five Lock and Dam Closures on Illinois River Looming

The U.S. Army Corps of Engineers Rock Island District will soon begin a major project of repairing five locks and dams on the Illinois River.

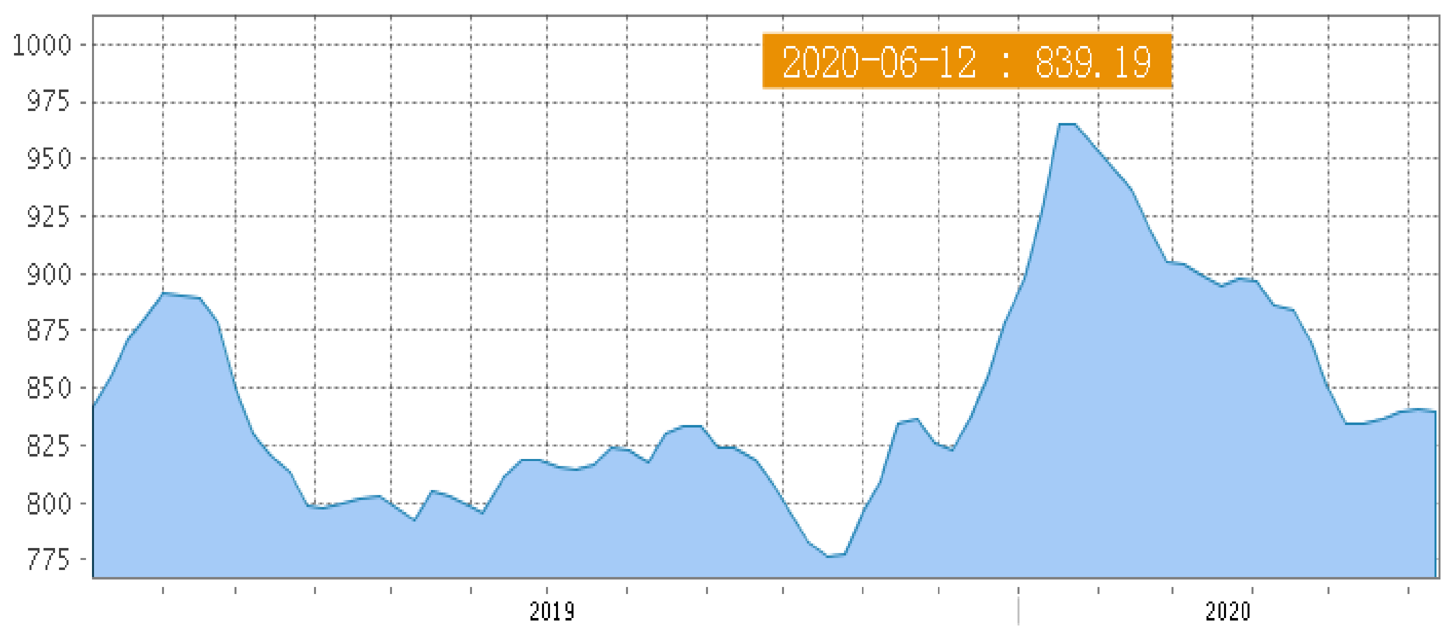
dtnpf.com


Far East to Far East container volumes
2018-2020
4,500
4,000
3,500
3,000
2,500
2,000
1,500
1,000
500
0
Thousand TEU
12%
9%
6%
3%
0%
-3%
-6%
-9%
-12%
-15%
Growth rate
Jan
Feb
Mar
Apr
May
Jun
Jul
Aug
Sep
Oct
Nov
Dec
2018
2019
2020
Acc. Y-o-Y growth 2019 (RH-Axis)
Acc. y-o-y growth 2020 (RH-Axis)
Source: BIMCO, CTS

Metal Shark introduces 70-knot USN military Super Interceptor

China Import Dry Bulk Freight Index

China Containerized Freight Index



U.S. RIVER BARGE FREIGHT

Current Barge Freight for Placement Last Half July 2020

Placement LH July 2020	% of		Corn	Soybeans-Wheat
	Tariff	MT	BU	BU
Upper Mississippi	370	$25.25	0.64	0.69
Illinois River (Pekin and South)	Closed	$ -	0.00	0.00
Mid-Mississippi	305	$17.89	0.45	0.49
Lower Ohio	215	$10.57	0.27	0.29
St. Louis	205	$ 9.02	0.23	0.25

Secondary Rail Car Market for car placement period: Last Half July 2020.

Secondary Rail Car Market Placement LH. July 2020	BID USD	ASK USD	BID BU.	ASK BU.	BID MT	ASK MT
BNSF Shutle Trains	$ (100.00)	$ (50.00)	$ (0.03)	$ (0.01)	$ (0.98)	$ (0.49)
UPRR Shuttle Trains	$ 50.00	$ 350.00	$ 0.01	$ 0.09	$ 0.49	$ 3.44

Best Regards,

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