

## Transportation and Export Report for 2 June 2022

What goes up, must come down; especially if it lacks physical market support. This is the recent story of Dry Bulk freight markets. It appears that freight Traders got a bit too excited too early in the season and are now suffering the result. All the potentially bullish market factors remain, but, for now, China and Global economic worries are overshadowing the arguments for higher rates. Today and tomorrow are British Bank holidays, so FFA Freight markets are closed until Monday.

Container market rates remain high and 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					
2-Jun-2022		This Week	Last Week	Difference	Percent Change
P2A: Gulf/Atlantic - Japan	Index	35368	38245	-2,877	-7.5%
P3A: PNW/Pacific - Korea	Index	23955	27586	-3,631	-13.2%
S1C: US GULF-China-So.Japan	Index	37486	38446	-960	-2.5%
P7: Trial- Miss. River - Qingdao	per ton	78.75	80.28	-1.5	-1.9%
P8: Trial- Santos - Qingdao	per ton	69.12	69.70	-0.6	-0.8%

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

Four weeks ago:	\$12.00-\$12.25
Three weeks ago:	\$12.25-\$15.00
Two weeks ago:	\$15.10-\$15.90
One week ago:	\$15.50-\$13.60
This week	\$13.60-\$12.70

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

Mississippi River:	(9 elevators)	2-10 days (1 facility over 5 days)
Mid-Stream loaders:	(6+ Rigs)	1-2 days
Texas Gulf	(5 elevators)	0-7 days (1 facility over 2 days)
Pacific Northwest:	(9 elevators)	1- 11 days

Panamax Market Spreads to Asia -China					
2-Jun-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	\$79.50	\$45.50	.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	\$80.25	Down \$1.25	Handymax \$80.25 mt
55,000 U.S. PNW- Japan	\$46.00	Down \$1.00	Handymax at \$46.00 mt
65,000 U.S. Gulf – China	\$79.25	Down \$1.25	North or South China
PNW to China	\$45.50	Down \$1.00	
25,000 U.S. Gulf- Veracruz, México	\$30.75	Unchanged	3,000 MT daily discharge rate
35-40,000 U.S. Gulf- Veracruz, México	\$27.00	Unchanged	Deep draft and 6,000 MT per day discharge rate.
30-38,000 U.S. Gulf- Colombia	\$45.50	Unchanged	<u>West Coast Colombia at \$53.25</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	\$53.00	Down \$1.00	Acajutla/Quetzal - 8,000 out
30,000 US Gulf-Morocco	\$74.00	Unchanged	5,000 discharge rate
55-60,000 U.S. Gulf –Egypt	\$74.50	Up \$1.00	55,000-60,000 mt Egypt
PNW to Egypt	\$75.00		Romania - Russia- Ukraine \$38.00 -\$38.00 - ? France \$49.50, Bulgaria \$45.00
58-74,000 U.S. Gulf – Europe – Rotterdam	\$35.50	Down \$0.50	Handymax at +\$2.50 more
Brazil, Santos –China	\$71.50	Down \$1.00	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	Down \$1.00	Up-River with Top Off Plus \$3.85-\$4.75

BALTIC DRY INDEX · 1W · INDEX · TradingView

774 -133 (-14.66%)

2633 0 2633

TV

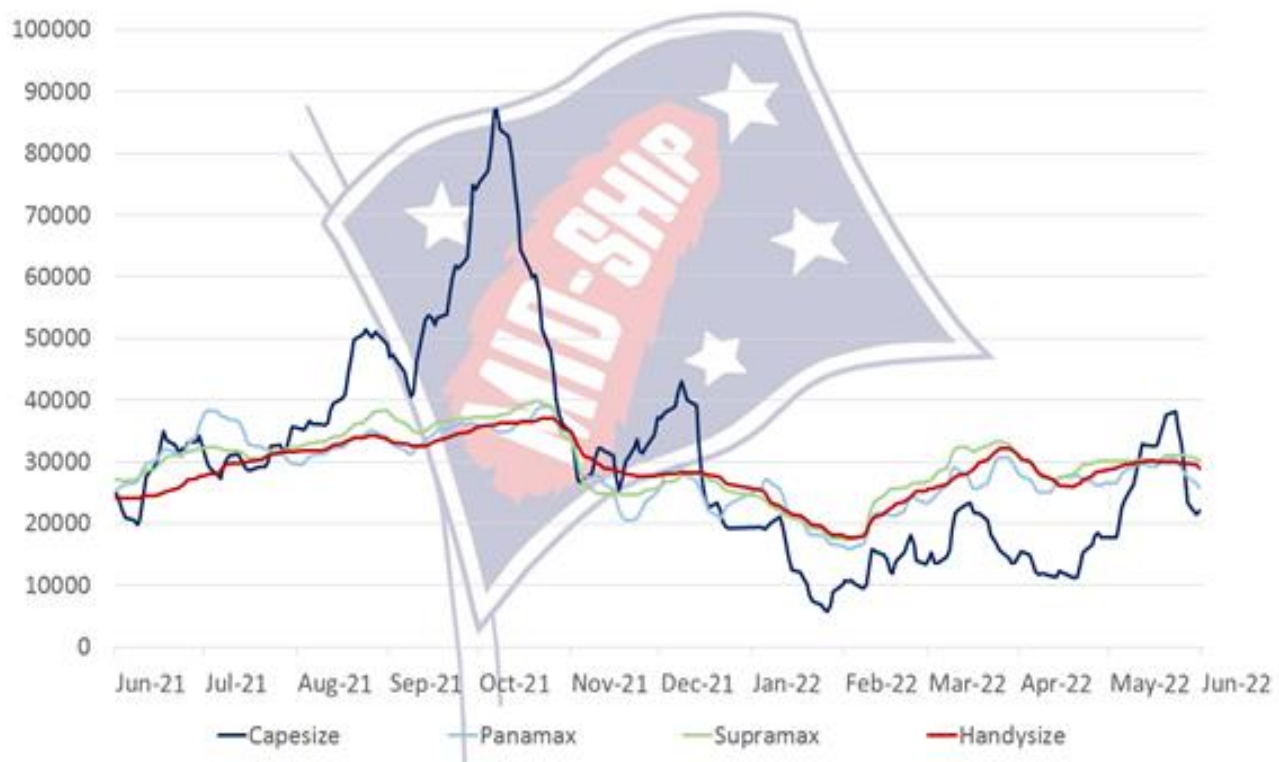
2019 May Sep 06 Jan '20 May Sep 2021 May Sep 2022 May

YTD 1Y 5Y All

16:05:18 (UTC) % log auto

Date	Index Value
Previous Close (Jan 05, 2020)	2766
Current Price (Jan 06, 2020)	2633
Change	-133 (-14.66%)

### Baltic Average of the Time Charter routes per Segment

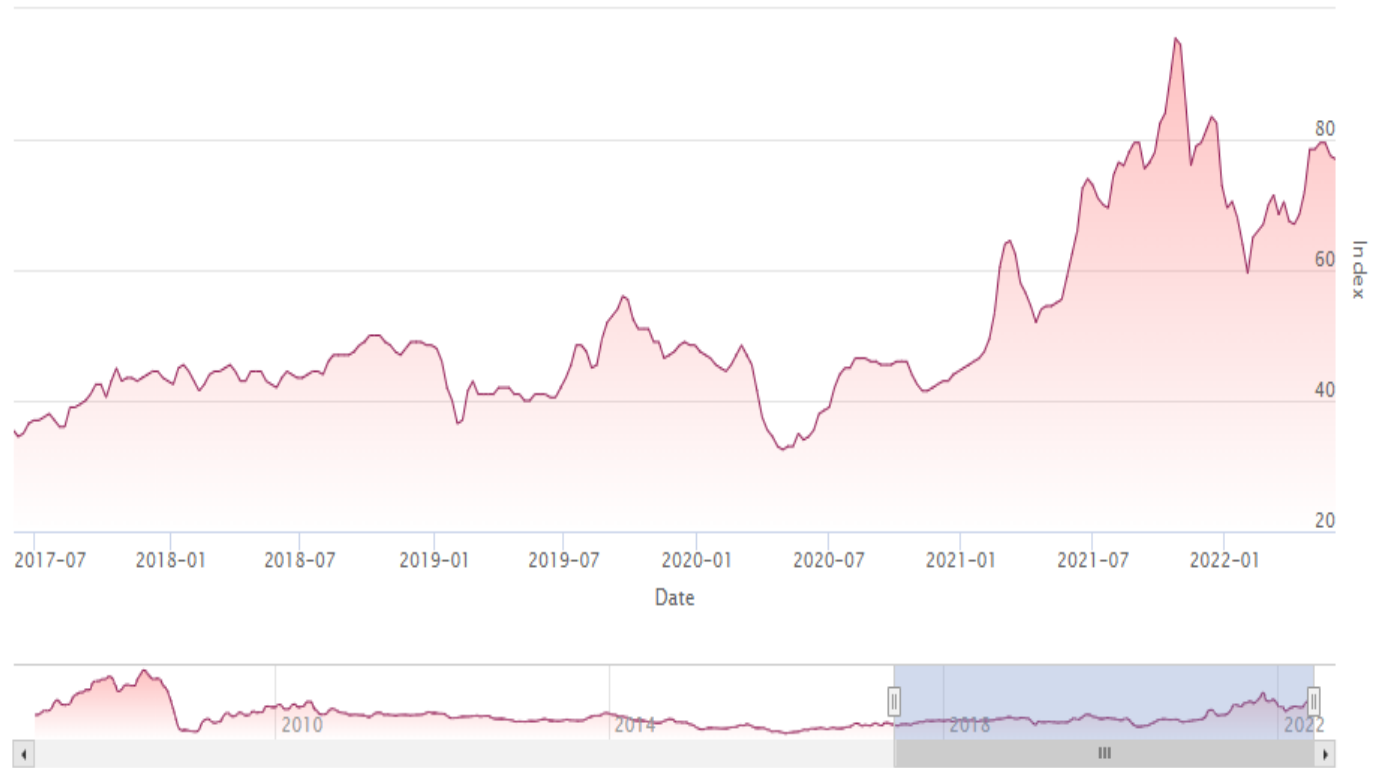


# YAMAMIZU Index



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

From 2017-06-01 To 2022-06-01



## China Import Dry Bulk Freight Index 2022-06-02

Description	Volume	Cargo	Unit	Rate	Change
Composite Index			Point	1704.82	-4.65
Iron ore Freight Index			Point	1539.75	-14.87
Dampier(West Australia)-Qingdao (China)	170000/10%	Iron ore	\$/ton	12.713	-0.283
Soybean Freight Index			Point	1911.34	12.8
Santos(Brazil)— North China	66000/10%	Soybean	\$/ton	68.72	0.56
Tacoma(West America)—North China	63000/10%	Soybean	\$/ton	45.33	0.13
Mississippi(US Gulf)—North China	66000/10%	Soybean	\$/ton	79.2	0.46

## 2 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 =	7.3025
Max. 14.5% moisture	BASIS	FLAT PRICE	BASIS	FLAT PRICE	U =	7.0475
<b>July</b>	1.00	<b>\$326.85</b>	1.95	<b>\$364.25</b>	Z =	6.9425
<b>Aug.</b>	1.25	<b>\$326.65</b>	2.20	<b>\$364.05</b>	H =	6.9925
<b>Sept.</b>	1.30	<b>\$328.62</b>	2.20	<b>\$364.05</b>	K =	7.0050
<b>Oct.</b>	1.63	<b>\$337.48</b>	2.30	<b>\$363.86</b>	N =	6.97.00
<b>Nov.</b>	1.53	<b>\$333.54</b>	2.30	<b>\$363.86</b>		
<b>Dec.</b>	1.49	<b>\$331.97</b>	2.20	<b>\$359.92</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.

SORGHUM (USD/MT) FOB VESSEL		
#2 YGS Fob Vessel	TEXAS Gulf	
Max. 14.0% moisture	BASIS	FLAT PRICE
<b>July</b>	2.10	<b>\$370.16</b>
<b>Aug. (Z)</b>	2.40	<b>\$367.79</b>
<b>Oct.</b>	2.25	<b>\$361.89</b>
<b>Nov.</b>	2.25	<b>\$361.89</b>
<b>Dec.</b>	2.25	<b>\$361.89</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

SRW Wheat	USD/MT	Fob Vessel	US Gulf	
	July	Aug.	Sept.	Oct.
FOB U.S. GULF	\$407.21	\$411.43	\$418.78	\$424.75
Basis	0.50	0.50	0.70	0.75
WN	10.5825			.
WU	10.6975			
WZ	10.8100			

PNW Fob Vessel Soybean Basis levels continue to require a bit of a guess work.

<b>U.S. Yellow Soybeans (USD/MT) FOB Vessel</b>				
# 2 YSB	<b>U.S. Gulf #2 YSB</b>		<b>PNW #2 YSB</b>	
14.0 % Moisture	Basis	Flat Price	Basis	Flat Price
<b>July</b>	1.40	<b>\$686.82</b>	2.15	<b>\$714.38</b>
<b>Aug.</b>	1.95	<b>\$681.13</b>	2.70	<b>\$708.69</b>
<b>Oct.</b>	2.20	<b>\$647.33</b>	3.10	<b>\$680.39</b>
<b>Nov.</b>	1.80	<b>\$632.63</b>	2.90	<b>\$673.05</b>
<b>Dec.</b>	1.63	<b>\$626.38</b>	2.80	<b>\$669.37</b>
<b>Soybean Futures</b>				
<b>July</b>	\$ 17.2925			
<b>Aug.</b>	\$ 16.5875			
<b>Sept.</b>	\$ 15.8050			
<b>Nov.</b>	\$ 15.4175			
<b>Jan.</b>	\$ 15.4525			
<b>Mar.</b>	\$ 15.3675			

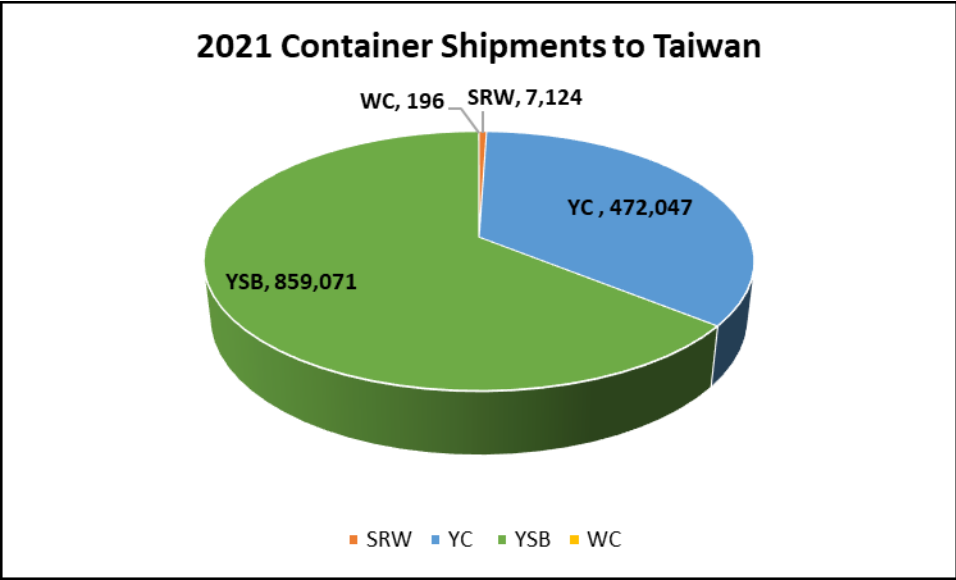
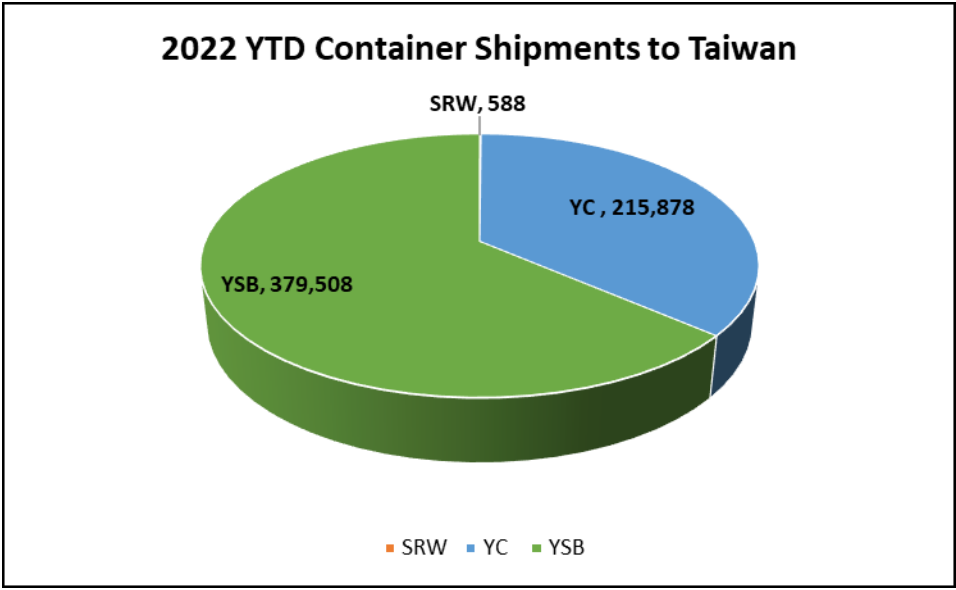
**U.S. Soybean and SBM Markets Fob Vessel:**

<b>U.S. SBM (USD/MT) FOB Vessel</b>		
Fob U.S. Gulf Port	<b>47.5 Pro. SBM</b>	
max 12.5 % moisture	Basis	Flat Price
<b>July</b>	45.00	<b>\$ 507.04</b>
<b>Aug.</b>	45.00	<b>\$ 499.87</b>
<b>Oct.</b>	50.00	<b>\$ 493.15</b>
<b>Nov.</b>	50.00	<b>\$ 495.02</b>
<b>Dec.</b>	50.00	<b>\$ 495.02</b>
<b>SBM Futures</b>		
<b>SMN</b>	\$ 414.90	
<b>SMQ</b>	\$ 408.40	
<b>SMU</b>	\$ 402.20	
<b>SMV</b>	\$ 397.30	
<b>SMZ</b>	\$ 399.00	
<b>SMF</b>	\$ 397.70	

**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:		26-May-2022							
Last Week	metric tons								MT
	YC	WC	YSB	SRW	NS	SWH	DUWH	Sorghum	TOTAL
China			12,145	490				6,786	19,421
Taiwan	9,376		9,256						18,632
Hong Kong	269								269
Costa Rica	73								73
Indonesia			8,567						8,567
French Poly									0
Japan	245		808						1,053
Korea Rep.	98		710	245					1,053
Ireland									0
Malaysia	171		7,176						7,347
Singapore									0
Philippines			587						587
Thailand			1,053		465	490			2,008
Switzerland									0
Burma									0
Cambodia			122						122
Nepal			1,885						1,885
Vietnam			3,453		490	490			4,433
Sub Total:	10,232	0	45,762	735	955	980	0	6,786	65,450
USDA Corrections/Additions to previous reports:									
Taiwan	1,469		930						2,399
China			759					440	1,199
Hong Kong									0
Korea Rep.									0
Ghana									0
Japan			49						49
Philippines			465						465
Indonesia	98		465						563
Malaysia			637						637
Thailand									0
Vietnam			294						294
Burma									0
Ireland									0
Sub Total:	1,567	0	3,599	0	0	0	0	440	5,606
<b>Mt. Grand Total</b>	<b>11,799</b>	<b>0</b>	<b>49,361</b>	<b>735</b>	<b>955</b>	<b>980</b>	<b>0</b>	<b>7,226</b>	<b>71,056</b>
Number of Containers	513	0	2,146	32	42	43	0	314	

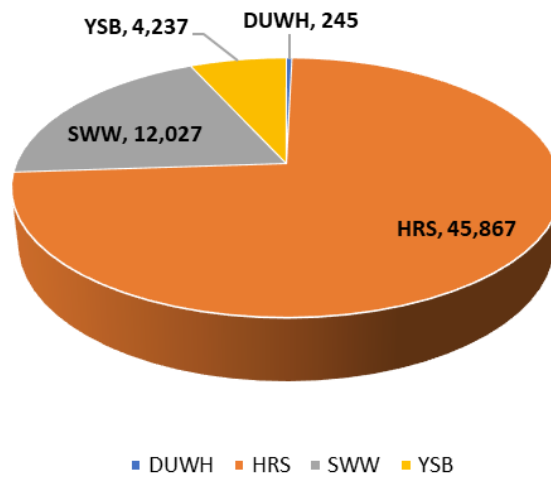
Jan - Dec 2021 Annual Totals versus 2022 YTD Container Shipments (in MT)



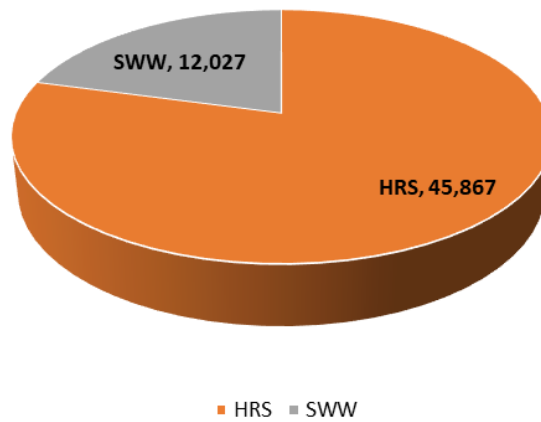


2022 YTD Total Grain Exports reported by USDA (in MT)

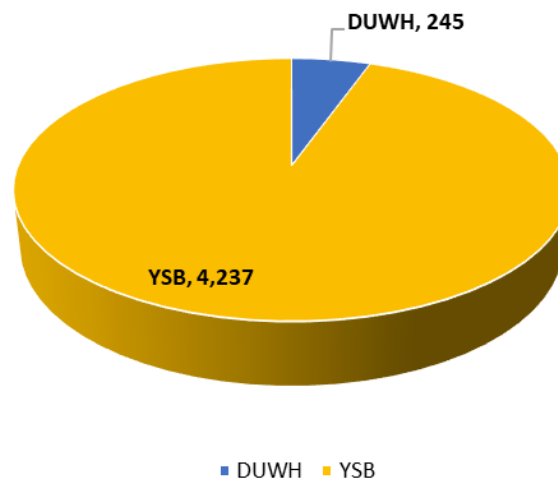
**2022 YTD Exports to Burma**



**YTD Vessel Shipments to Burma**



**YTD Container Shipments to Burma**



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

Source: USDA-data

Shipping News

**2020 Bulk**ers @2Bulkers · 5h

MTD avg 24,274 (corrected from typo yday)  
'22 bal FFA 33K

Bank holiday tday and tmrow, thus no index published. FFA moves slightly down, reflecting softer fixtures done tday.

China moving on with stimulus, and waiting for Vale still

[#dividends](#) [#drybulk](#) [#2020bulk](#)ers [#capesize](#)



**BreakWave** @DryBulkETF · May 31

In the current volatile **dry bulk** market, futures traders are having a hard time seeing even a month ahead. Over the last three months, Capesize futures have not been able to predict prices one month ahead with any great degree of accuracy. Will June be any different?

Front Month Futures	Final Settler
---------------------	---------------

16,868	
--------	--

22,307	
--------	--

24,171	
--------	--

29,500	
--------	--

E. Finley-Richardson @ed\_fin · May 25

Dry bulk #orderbook ••

via \$SBLK Q1 presentation

...

## Dry Bulk Supply Update

- Dry bulk NET fleet growth running at +3.4% during the last 12 months
  - Jan-Apr 2022 deliveries: 11.0 mil. dwt / Down from 15.3 mil. dwt
  - Jan-Apr 2022 demolition: 1.5 mil. dwt / Down from 4.0 mil. dwt
- Orderbook at a record low of ~6.6% of the fleet (~63.0 mil. dwt)
  - Jan-Apr 2022 contracting: 3.5 mil. dwt / Down from 16.5 mil. dwt
  - Environmental regulations keeping new orders under control.  
Shipbuilding capacity filling up with more profitable vessels.
- Vessels above 15 years of age at ~17.9% of the fleet (~171 mil. dwt)
- Steaming speeds experiencing downward pressures as a result of the strong increase in bunker costs and inefficiencies
- Global congestion stands near record highs as a result of bottlenecks, increased political tension and quarantines.
- NET fleet growth unlikely to exceed 2% p.a. during 2022-2024

Traders Will be Traders-



**The Sirius Report** @thesiriusreport · 21h

So it turns out that India is buying Russian oil and a significant percentage of that is then being sold at an additional premium back to the EU.

Alf @MacroAlf · 2h

...

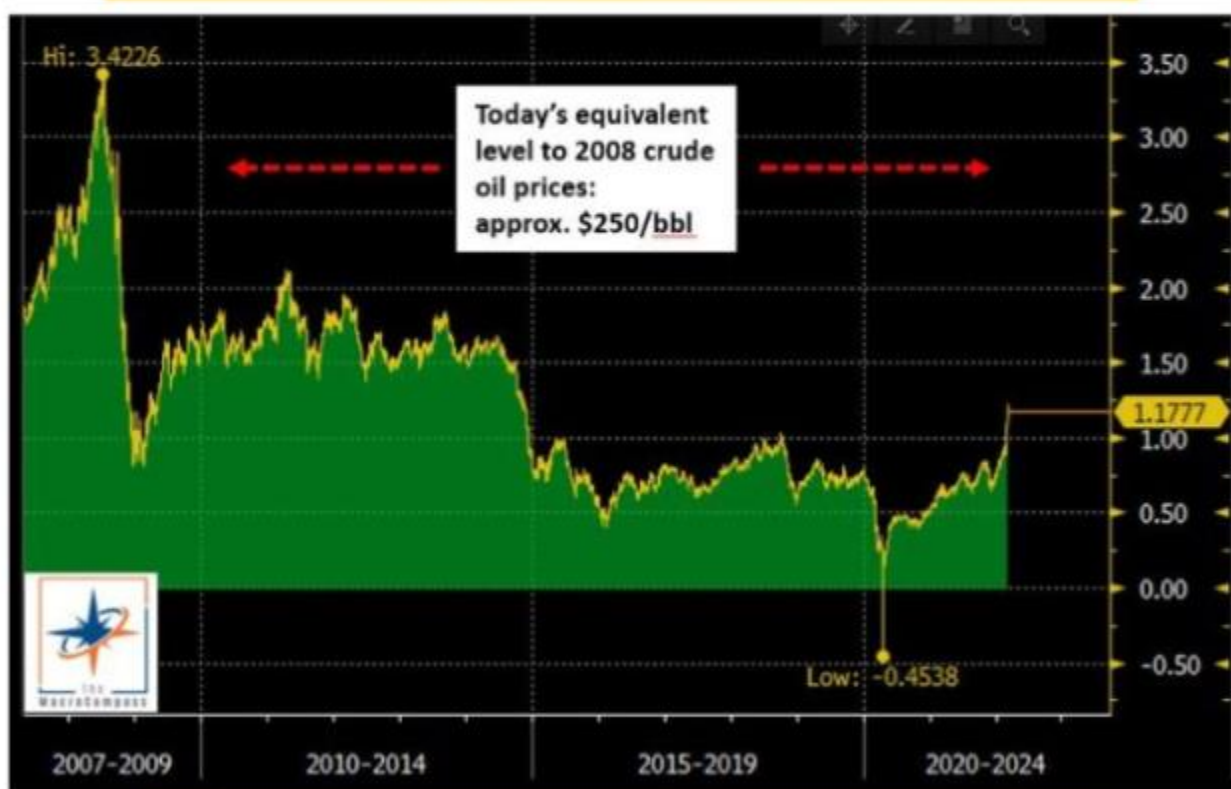
The highest oil price ever was \$147/bbl in 2008.

BUT.

Oil is denominated in fiat currency, and there has been A LOT of spendable money printing over the last 15y.

If you think the market gets as extreme as 2008, the equivalent oil price in today's USD would be above \$250/bbl.

### Crude oil prices deflated by G5 "truly spendable" money supply



TheMacroCompass.substack.com

**Alphaliner** @Alphaliner · 1h

...

Replying to [@Alphaliner](#)

2 of 5

Less than 20% of the publicly-listed non-operating owners' (NOO) charter capacity will come up for renewal in the next 18 months, one of the lowest ratios seen in the modern container market.

The trend reflects the large number of multi-year contracts signed by NOOs...

**Alphaliner** @Alphaliner · 1h

...

3 of 5

...with [#carriers](#), who have been forced to accept such deals in order to secure [#tonnage](#) in the hot market. The largest amount of charter capacity will now expire in 2025, with a quarter of the public companies' [#charters](#) due to continue until at least the end of 2026.

💬 1



♡ 3



**Alphaliner** @Alphaliner · 1h

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By contrast, less than 200,000 teu will come up for renewal for the five NOOs in 2022.

The publicly-listed NOOs have a combined [#fleet](#) of some 2.6 Mteu and an aggregate share of the NOO market of more than 20% and are regarded as representative of the wider market.



Joeri @joeriwestland · Jun 1

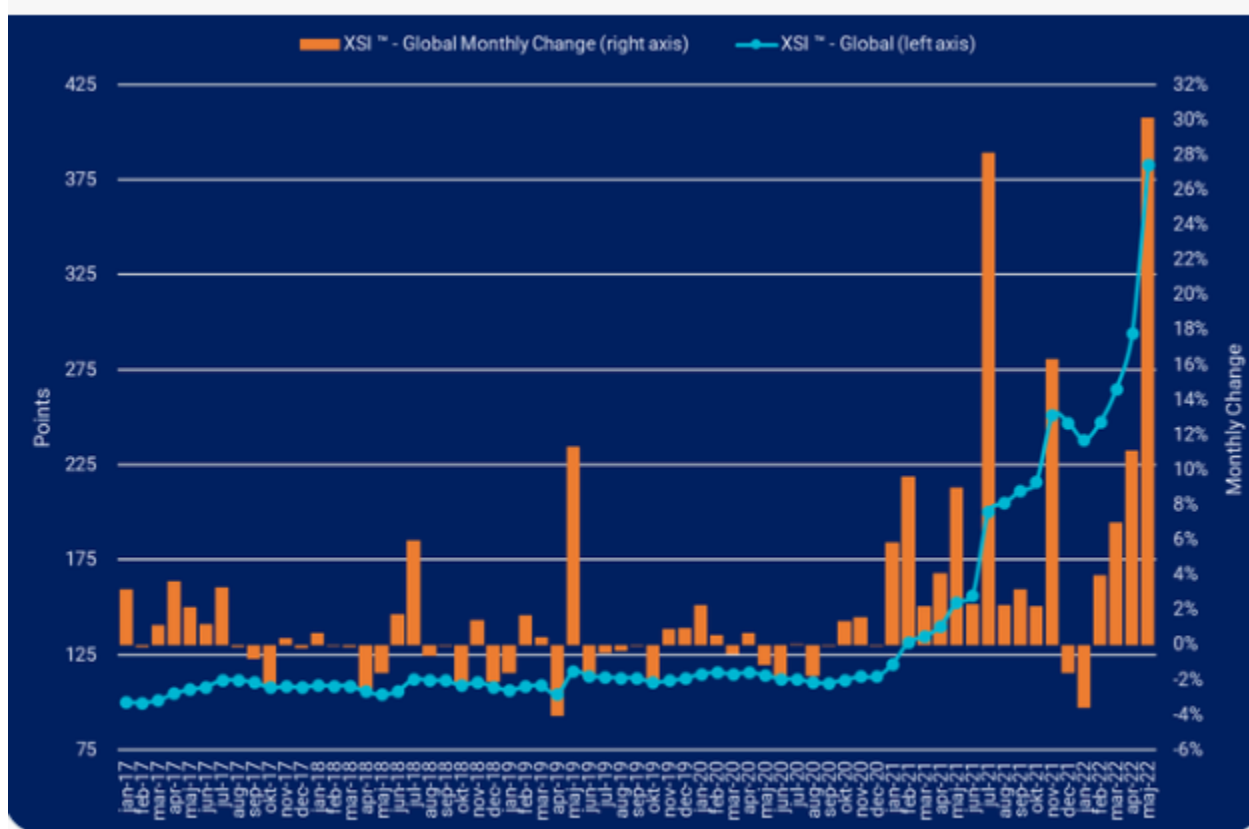
"Everybody" focusses on the [#Container](#) spot moves looking over the top (which might just be effected by Chinese lockdowns and seasonality?!?), few focus on the long term contracts liners like [\\$MAERSK](#) [\\$ZIM](#) [\\$HLA](#) sign. For most, over halve their volumes...



Peter Sand @XenetaSand · Jun 1

Container contract rates continue to climb as new long-term contracts are being sealed at ever-higher rates, according to rates visibility platform Xeneta @LloydsListNidaa reports. ...

[list.maritimeintelligence.informa.com/articles/2022/...](https://list.maritimeintelligence.informa.com/articles/2022/...) [#shipping](#) [#logistics](#) [#SupplyChains](#) @joinxeneta



## Truth Spoken about some of the real issues-

**Steve Wart** @swartable · 1h

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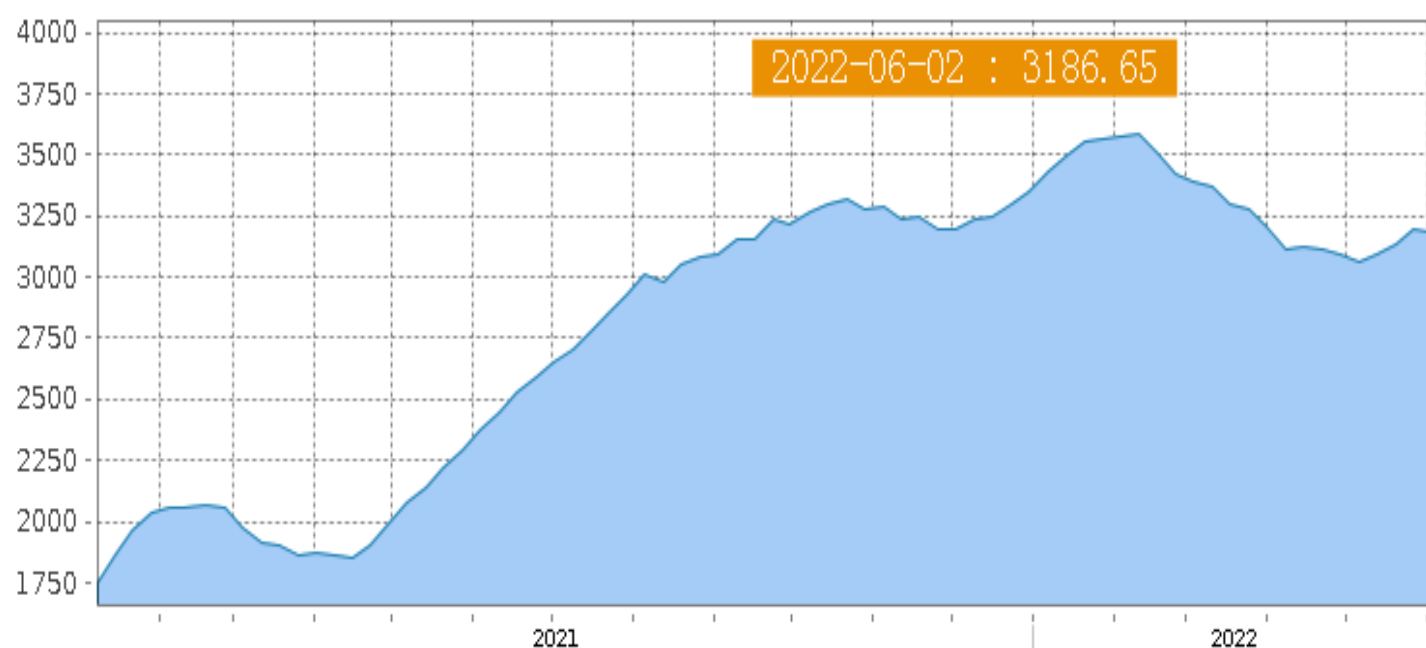
Awesome interview with [@o\\_merk](#) — always challenging the status quo of the shipping oligopoly, with some interesting insights on the mistakes made by regulators, not so long ago.

**Mearsk-**

“The ports essentially take it for granted that they cannot recover all their additional investments that they have to make. I think that is the essential point, why ships were still getting bigger. But I think if carriers were obliged to pay for the bigger cranes or the dredging, then I think it would show that it doesn't make sense for them to go bigger. That is also in our own report in 2015, where we calculated that the cost for a whole transport system, of going bigger, was higher than the cost savings for carriers. So that is essentially the mismatch that exists.

“This is an effect that is relevant for all ports throughout the world, actually.

## 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	\$ (50.00)	\$ 100.00	\$ (0.01)	\$ 0.03	\$ (0.49)	\$ 0.98
UPRR Shuttle Trains	\$ 200.00	\$ 1,000.00	\$ 0.05	\$ 0.25	\$ 1.97	\$ 9.84
Spot BNSF +\$500/\$900						
Spot UPRR +\$2,000/\$3,000						

**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	5.65	\$38.55	0.98	1.05
Illinois River (Pekin and South)	465	\$31.73	0.81	0.86
Mid-Mississippi	485	\$23.84	0.61	0.65
Lower Ohio	415	\$20.40	0.52	0.56
St. Louis	3.35	\$14.73	0.37	0.40

Best Regards,

Jay

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Follow me on Twitter @ igpjay



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