



Transportation and Export Report for 21 June 2018

Ocean Freight Insights and Comments:

This was the week that the Paper traders started to give in to market fundamentals. They have been giving it a good effort to support the Baltic Indices but are, of course, finding that we really do have more Dry-Bulk vessels looking for work than cargo to move. So we had a market correction on the down side this week. The spot market is feeling the weakest. The container markets are feeling the same type of pressures.

It is true that vessel owners and operators are struggling with higher fuel costs and the issues of limiting CO2 emissions, but the market still needs better cargo demand to keep prices up. International Trade tensions are not aiding this cause.

BALTIC DRY-BULK PANAMAX INDEX CHANGES

Panamax Ocean Freight Indices				
21-Jun-18	This Week	Last Week	Difference	Percent Change
P2A : Gulf/Atlantic - Japan	18310	19150	-840	-4.4%
P3A - PNW/Pacific - Japan	10983	11755	-772	-6.6%
S1C -USGULF-China-So.Japan	21172	21269	-97	-0.5%

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

Four weeks ago:	\$ 7.75-\$8.20
Three weeks ago:	\$ 6.55-\$6.85
Two weeks ago:	\$ 7.50-\$8.15
One week ago:	\$ 7.55-\$8.10
This week	\$ 7.85-\$8.10

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)	0-2 days
Texas Gulf	(6 elevators)	0-3days
Pacific Northwest:	(9 elevators)	2-16 days (only 2 facilities over 8 days)

Panamax Market Spreads to Asia -China					
21-Jun-18	PNW	GULF	Bushel Spread	MT Spread	Advantage
CORN	1.00	0.64	0.36	\$14.17	PNW
SOYBEANS	0.90	0.63	0.27	\$9.92	PNW
OCEAN FREIGHT	\$24.00	\$42.50	.47 -.50	\$18.50	August

Recent Reported Vessel Fixtures:

60,000 mt HSS U.S. Gulf to El Dekheila Egypt for June 26-30 at \$27.75/mt 10,000/6,000 sshex bends Cargill

Route and Vessel Size	Current Week USD/MT	Change from previous week	Remarks
55,000 U.S. Gulf-Japan	\$43.50	Down \$0.50	Handymax \$44.00 mt
55,000 U.S. PNW- Japan	\$24.75	Down \$0.25	Handymax \$24.75 mt
66,000 U.S. Gulf – China PNW to China	\$42.50 \$24.00	Down \$0.50 Down \$0.25	North or South China
25,000 U.S. Gulf- Veracruz, México	\$16.25	Down \$0.25	3,000 MT daily discharge rate
35-40,000 U.S. Gulf- Veracruz, México	\$14.25	Down \$0.25	Deep draft and 6,000 MT per day discharge rate.
25/35,000 U.S. Gulf- <u>East Coast Colombia</u> From Argentina	\$19.750 \$34.00	Down \$0.25	<u>West Coast Colombia at \$28.50</u>
40-45,000 U.S. Gulf - Guatemala	\$28.75	Down \$0.25	Acajutla/Quetzal - 8,000 out
26-30,000 U.S. Gulf – Algeria	\$31.75 \$3..50	Down \$0.50	8,000 mt daily discharge 3,000 mt daily discharge
26-30,000 US Gulf-Morocco	\$34.00	Down \$0.50	5,000 discharge rate
55-60,000 U.S. Gulf –Egypt PNW to Egypt	\$28.50 \$27.75	Down \$0.50	55,000 -60,000 mt Russia Black Sea to Egypt \$14.00
60-70,000 U.S. Gulf – Europe – Rotterdam	\$21.00	Unchanged	Handymax at +\$1.75 more
Brazil, Santos – China Brazil, Santos – China Itacoatiara-Port Up River North Brazil	\$35.50 \$34.75 \$38.25	Unchanged	54-59,000 Supramax-Panamax 60-66,000 Post Panamax 60-66,000 mt
56-60,000 Argentina/Rosario- China Deep Draft	\$40.00	Up \$1.75	Up River with BB Top Off \$41.00

- The above rate estimates reflect the 30-45 day forward ocean freight markets.

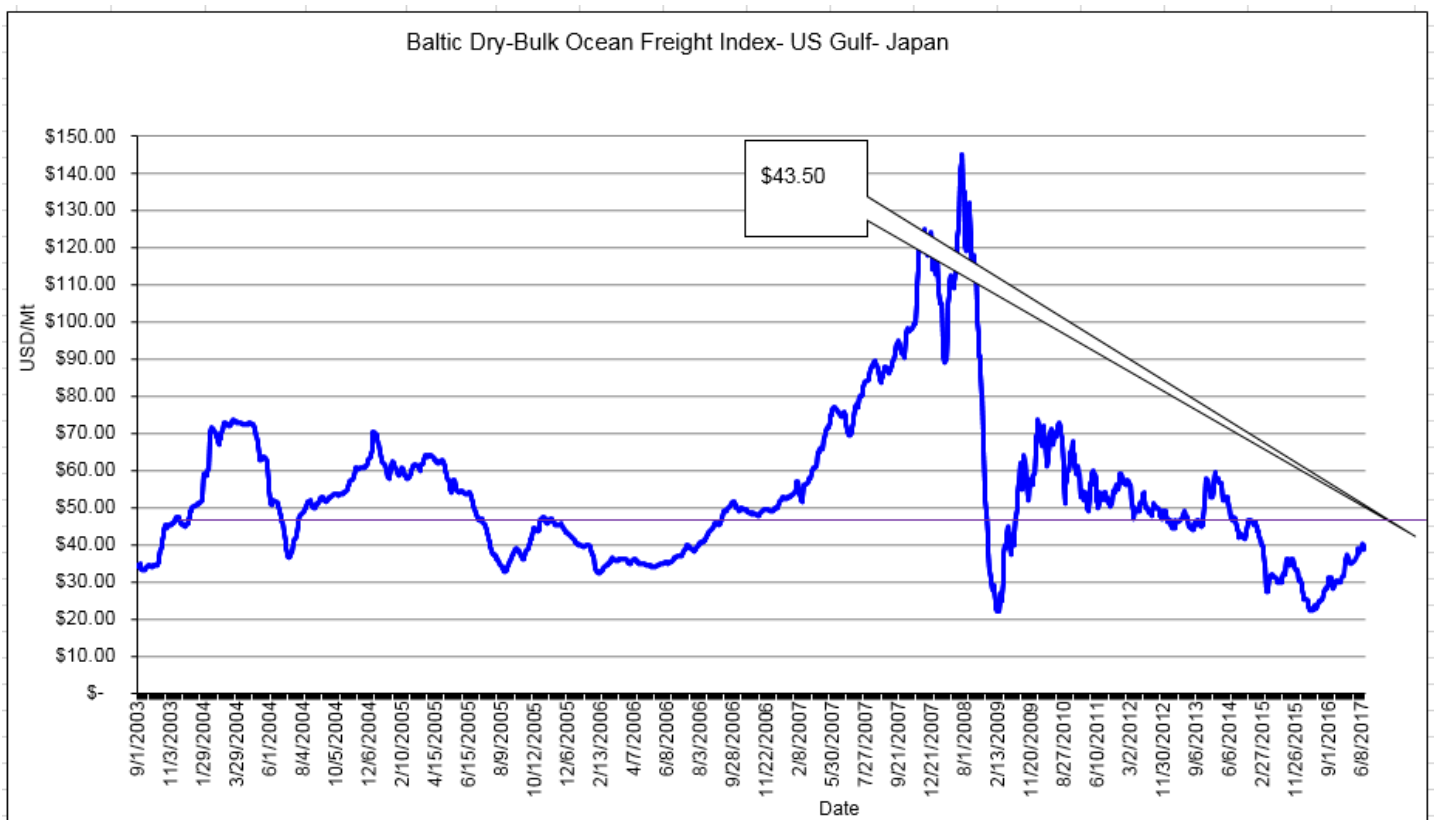
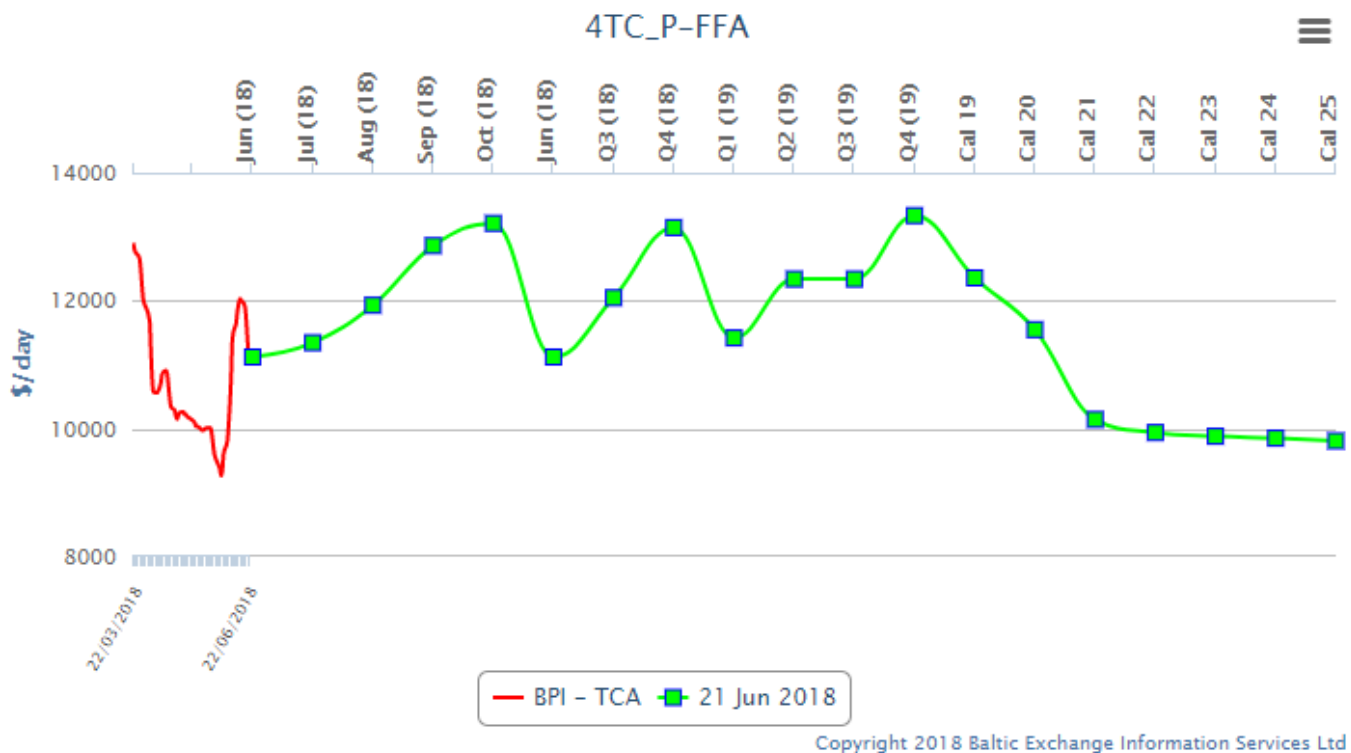
Nautical Miles: To Xiamen China (South China)

US Gulf (NOLA) (via Panamá Canal) – 10,232 nautical miles (32 days)

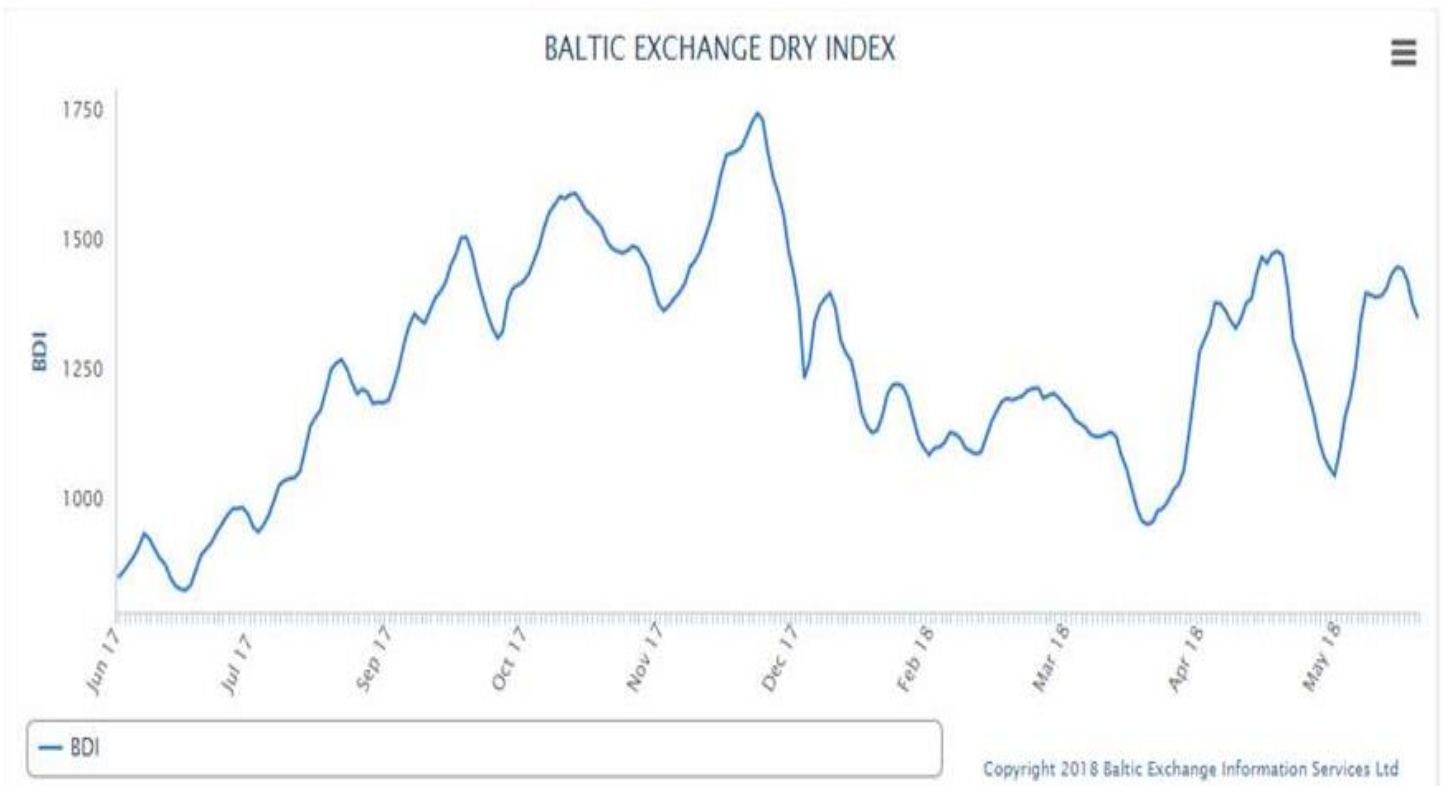
Santos Brazil (via Cape of Good Hope) - 10,441 nautical miles (33 days)

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

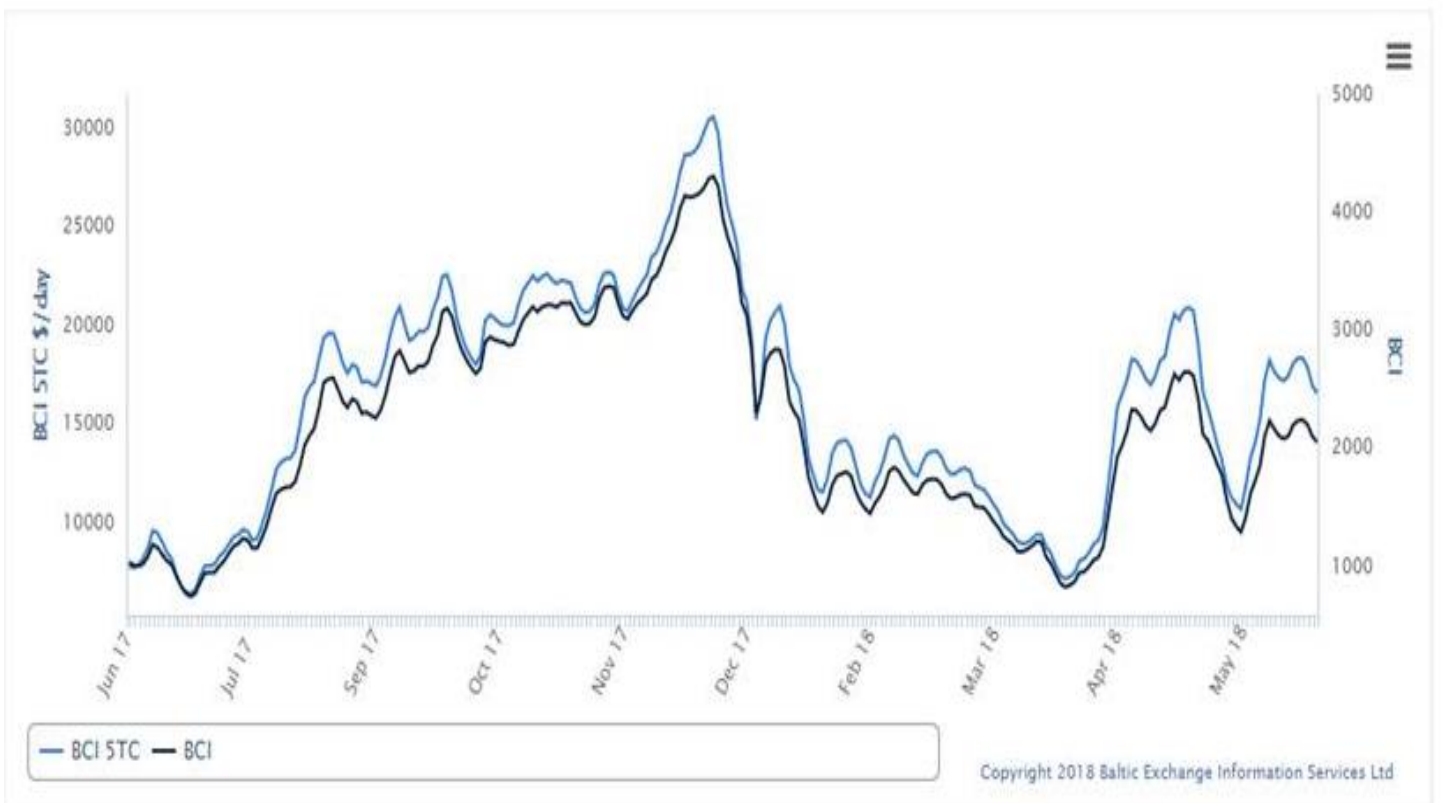
Forward Curve for Baltic BPI Panamax Vessel Freight



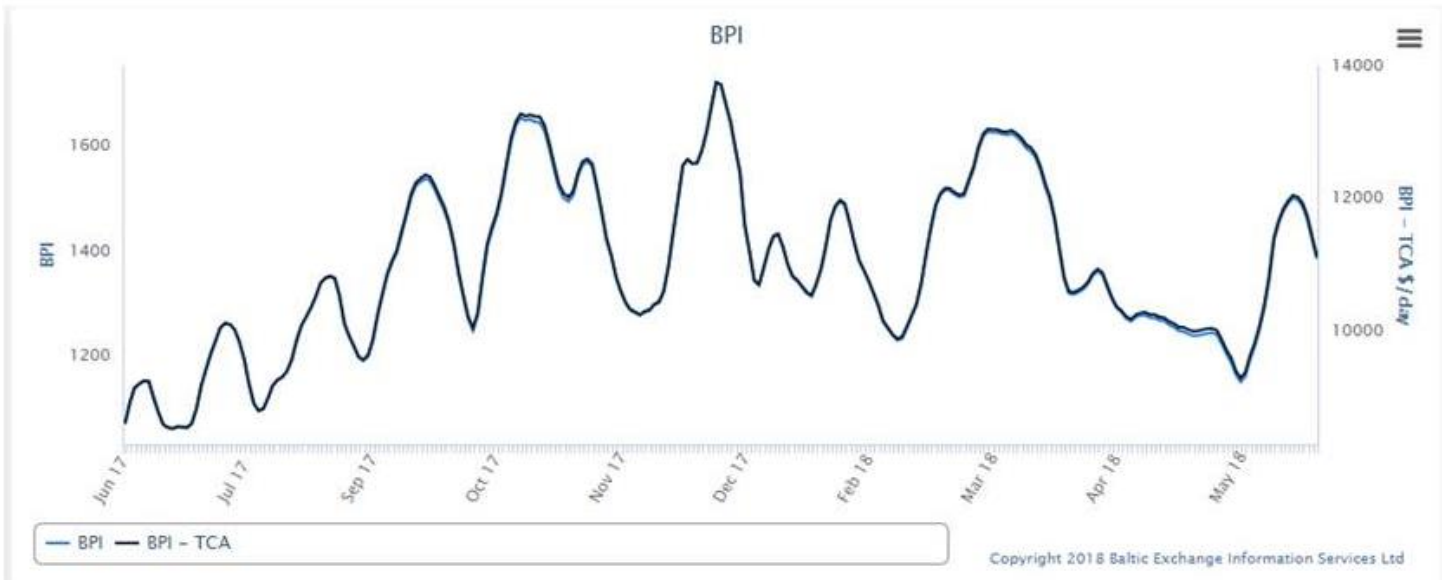
Baltic Dry-Bulk Index



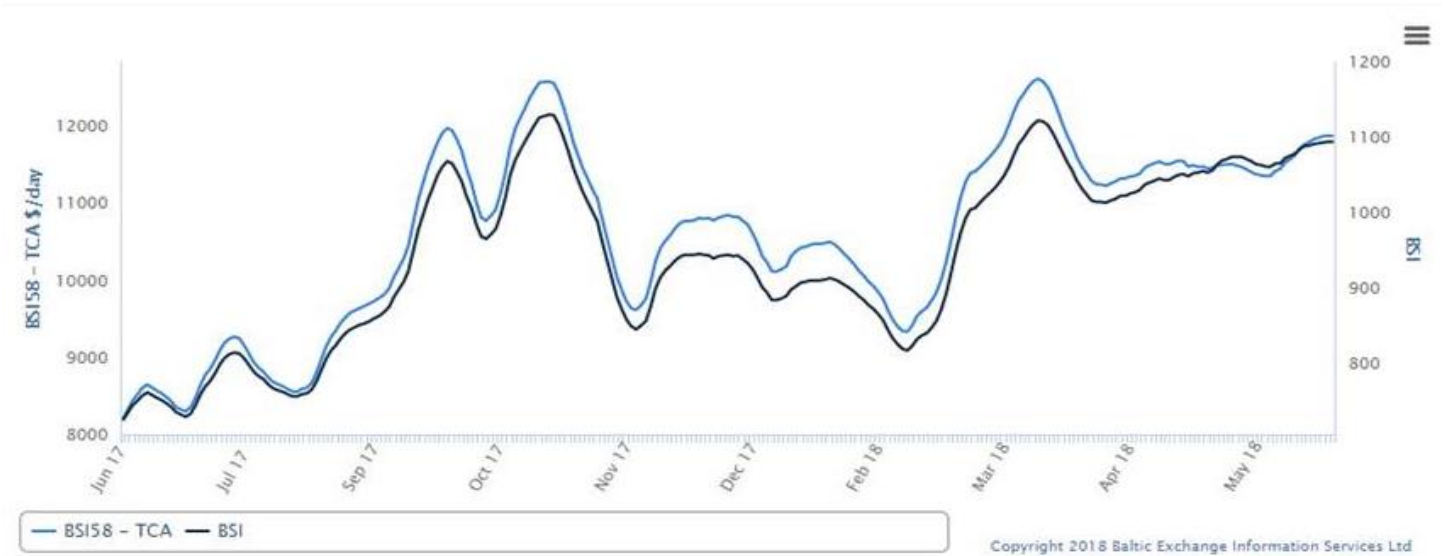
Baltic Capesize Index



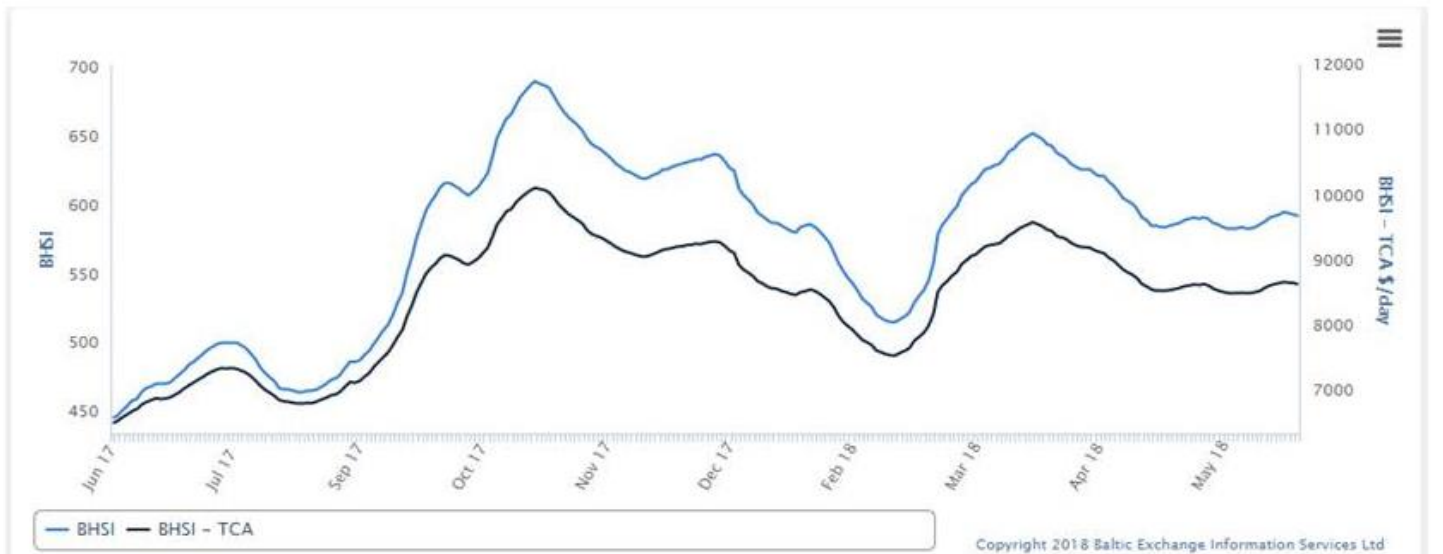
Baltic Panamax Index



Baltic Supramax Vessel Index



Baltic Handy Size



Yamamizu Shipping

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USG/Japan Index Result

Date From: 2017-04-03

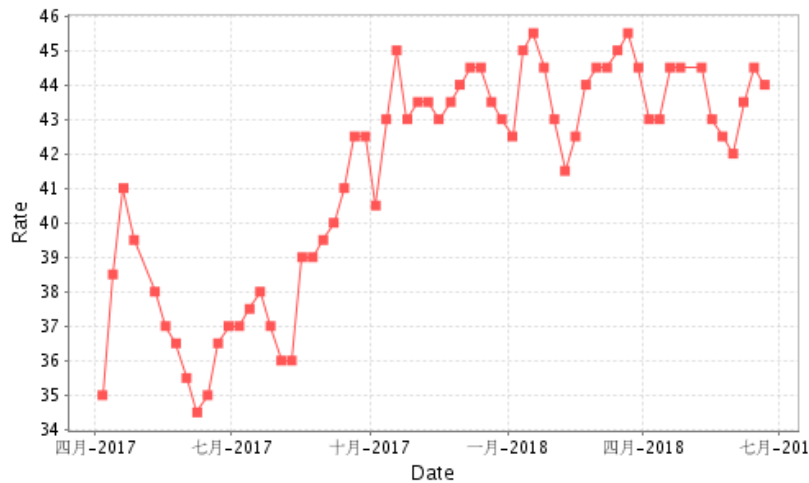
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Date To: 2018-06-21

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21 June 2018 U.S. FOB Vessel Export Market Values:

U.S. Yellow Corn (USD/MT) FOB Vessel				
# 2 YC	U.S. Gulf #2 YC		PNW #3 YC	
15.0 % Moisture	Basis	Flat Price	Basis	Flat Price
August	0.64	\$169.48	1.00	\$183.65
Sept.	0.72	\$172.63	1.05	\$185.62
Oct.	0.73	\$177.65	1.10	\$192.21
Nov.	0.78	\$179.62	1.12	\$193.00
Dec.	0.79	\$180.01	1.15	\$194.18
Jan.	0.73	\$181.39	1.10	\$195.95

The Gulf spread between #2 & #3 YC is currently about 02 cents per bushel (0.80/mt)

SORGHUM (USD/MT) FOB VESSEL				
#2 YGS Fob Vessel	NOLA		TEXAS	
Max. 14.0% moisture	BASIS	FLAT PRICE	BASIS	FLAT PRICE
Aug. (Z)	1.20	\$196.15	1.05	\$190.25
Sept.	1.20	\$196.15	1.05	\$190.25
Oct.	1.20	\$196.15	1.05	\$190.25
Nov.	1.20	\$196.15	1.05	\$190.25
Dec.	1.20	\$196.15	1.05	\$190.25

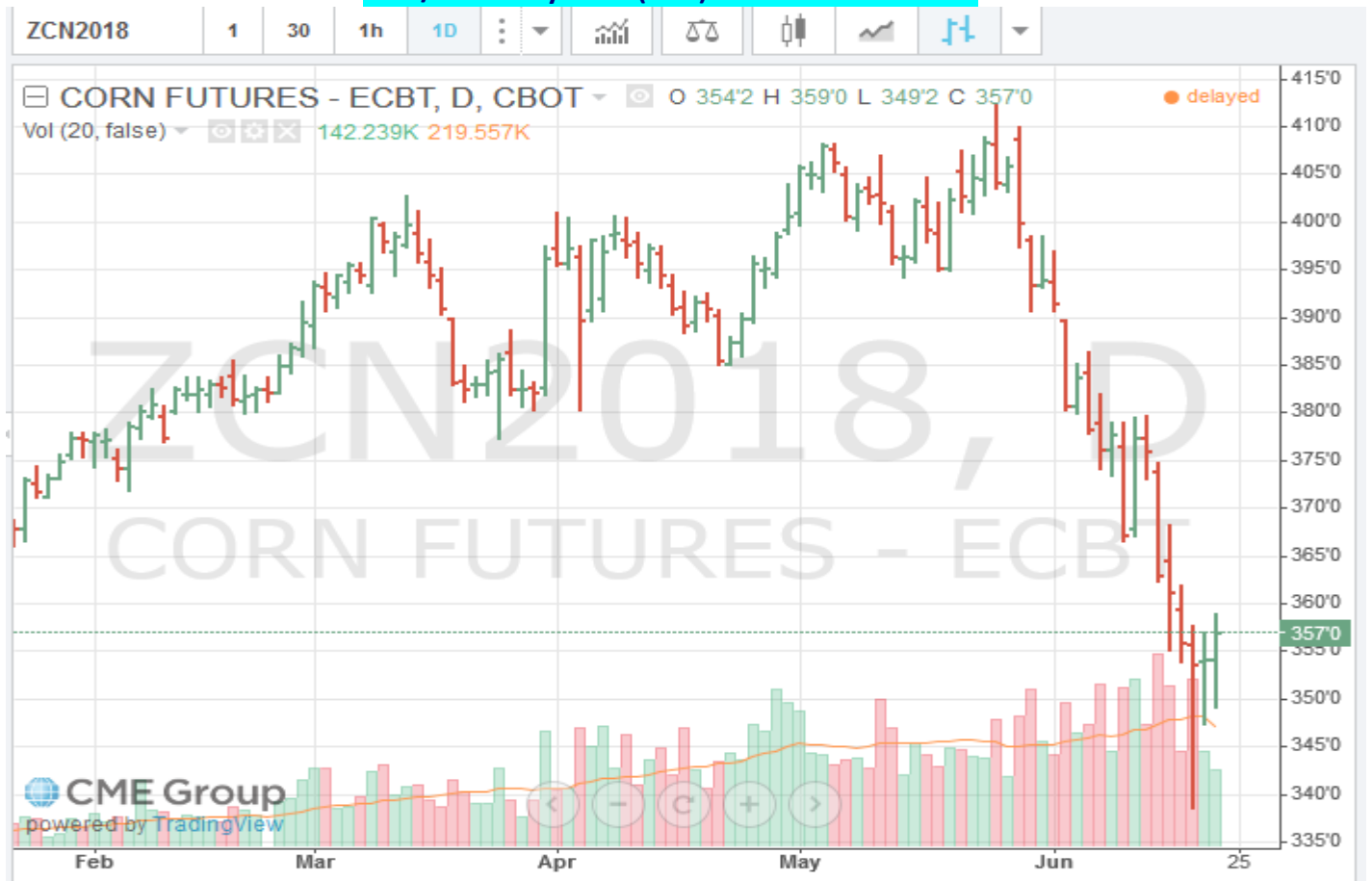
Fob vessel Texas Gulf #2 Sorghum is about 1.12% the value of #2 Yellow Corn at NOLA

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	\$211.37	\$213.75	\$216.33	\$217.89
Basis	0.80	0.75	0.82	0.70
WN	4.9525			
WU	5.0675			
WZ	5.2300			

CME Futures Market Close						
CORN	Futures	Friday	Friday	Last week	Last Week	Difference
Month	Symbol	Close	Close	Bushel	MT.	Bushel
July	CN	\$3.5700	\$140.54	\$ 3.6300	\$142.91	(\$0.0600)
Sept.	CU	\$3.6650	\$144.28	\$ 3.7275	\$146.74	(\$0.0625)
Dec.	CZ	\$3.7825	\$148.91	\$ 3.8450	\$151.37	(\$0.0625)
Mar.	CH	\$3.8775	\$152.65	\$ 3.9400	\$155.11	(\$0.0625)
May.	CK	\$3.9425	\$155.21	\$ 4.0050	\$157.67	(\$0.0625)

CME/CBOT July 2018 (CN8) Corn Futures Chart -



CME/CBOT Sept. 2018 (WU8) SRW Wheat Futures Chart -

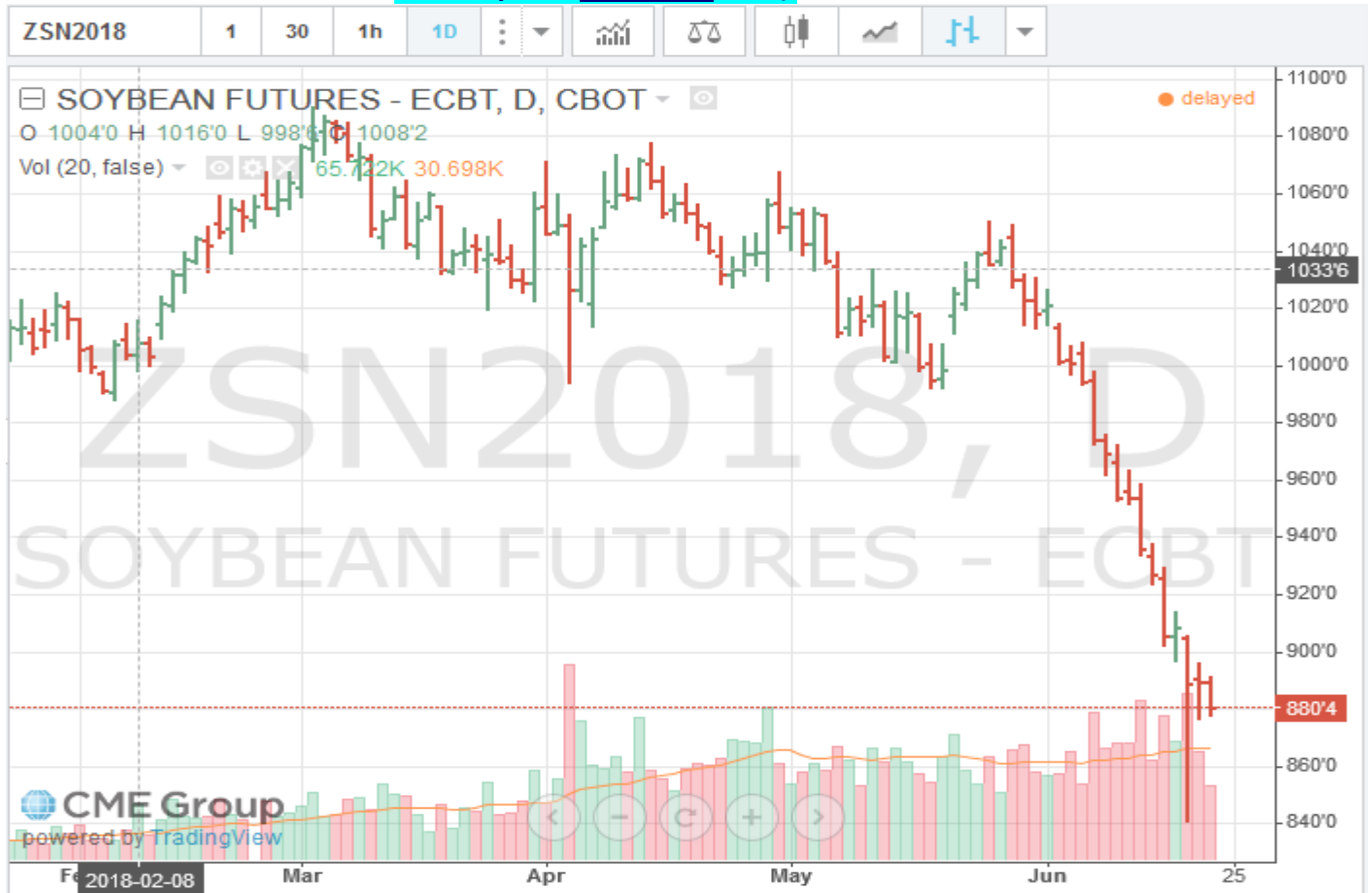


U.S. Soybean and SBM Markets Fob Vessel:

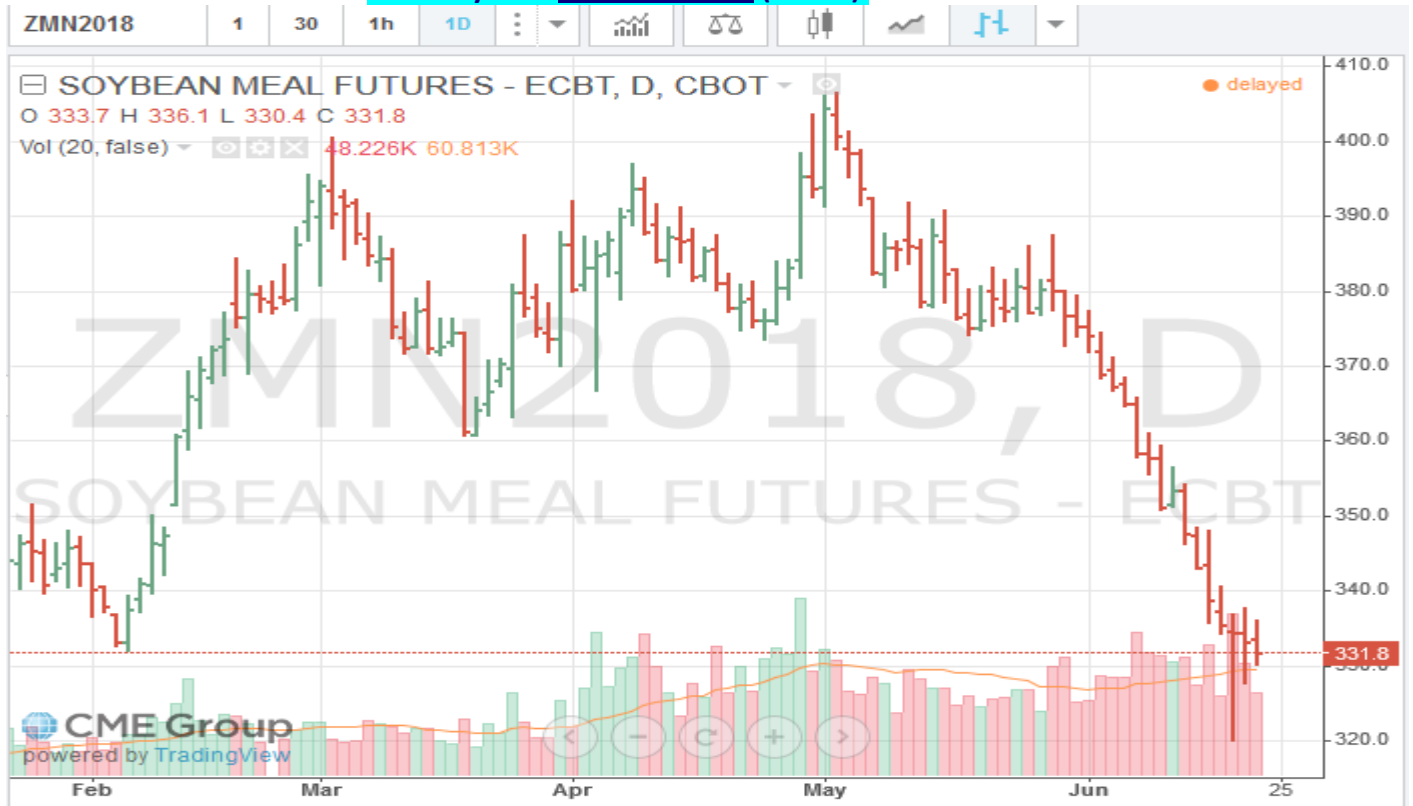
U.S. Yellow Soybeans (USD/MT) FOB Vessel				
# 2 YSB	U.S. Gulf #2 YSB		PNW #2 YSB	
14.0 % Moisture	Basis	Flat Price	Basis	Flat Price
Aug.	0.63	\$348.51	0.90	\$358.43
Sept. (X)	0.60	\$353.29	0.94	\$362.01
Oct.	0.75	\$358.80	0.99	\$367.62
Nov.	0.81	\$361.00	1.10	\$371.66
Dec.	0.78	\$363.21	1.10	\$374.97
Soybean Futures				
July	\$ 8.8050			
Aug.	\$ 8.8550			
Sept.	\$ 8.9125			
Nov.	\$ 9.0150			
Jan.	\$ 9.1050			
Mar.	\$ 9.1500			

U.S. SBM (USD/MT) FOB Vessel		
Fob U.S. Gulf Port	47.5 Pro. SBM	
max 12.5 % moisture	Basis	Flat Price
Aug.	21.00	\$ 390.06
Sept.	25.00	\$ 395.25
Oct.	25.00	\$ 395.36
Nov.	25.00	\$ 396.13
Dec.	25.00	\$ 396.13
SBM Futures		
SMN	331.80	
SMQ	332.80	
SMU	333.50	
SMV	333.60	
SMZ	334.30	
SMF	332.10	

CME July 2018 Soybean (SN18) Futures Chart:



CME July 2018 Soybean Meal (SMN8) Futures Chart



U.S. EXPORT STATISTICS: Report Activity as of Week Ending 07 June 2018

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	1039.1	56,236.8	58,420	96%	3,311.3
Sorghum	*	5,105.2	5,840	87%	38.0
Soybeans	604.5	56,149.7	56,200	100%	6,653.6
Wheat	304.9	4,526.6	25,860	18%	0.0
Barley	0.0	48.6	110	44%	0.0

U.S. EXPORT INSPECTIONS:

Monday's report 18 June 2018 for the Export week ending 14 June 2018

	Export Inspections		Current Market Year YTD	Previous Year to Date	2017 YTD as Percent of 2016 YTD (Wheat 2018 vs 2017)
	This Week	Previous Week			
Corn	1,668,835	1,410,564	42,640,062	46,616,326	91%
Sorghum	31,125	9,678	4,660,652	4,932,997	94%
Soybeans	818,396	675,621	48,307,353	51,928,968	93%
Wheat	372,843	419,589	792,432	1,628,602	49%
Barley	98	0	98	2,384	4%

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

U.S. EXPORT INSPECTIONS:

Monday's report 18 June 2018 for the Export week ending 14 June 2018

Last Week							
(Metric Tons)	YC	%	WC	%	Sorghum	%	Soybeans %
Lakes	19,469	1%	0	0%	0	0%	46,164 6%
Atlantic	0	0%	0	0%	0	0%	58,794 7%
Gulf	855,318	52%	31,422	82%	30,550	98%	452,791 55%
PNW	567,057	35%	0	0%	0	0%	138,868 17%
Interior Export Rail	188,783	12%	6,786	18%	575	2%	121,779 15%
Metric Tons	1,630,627		38,208		31,125		818,396

Sorghum Shipments: metric tons

30,550 Djibouti
575 Mexico
31,125 Total

White Corn metric tons

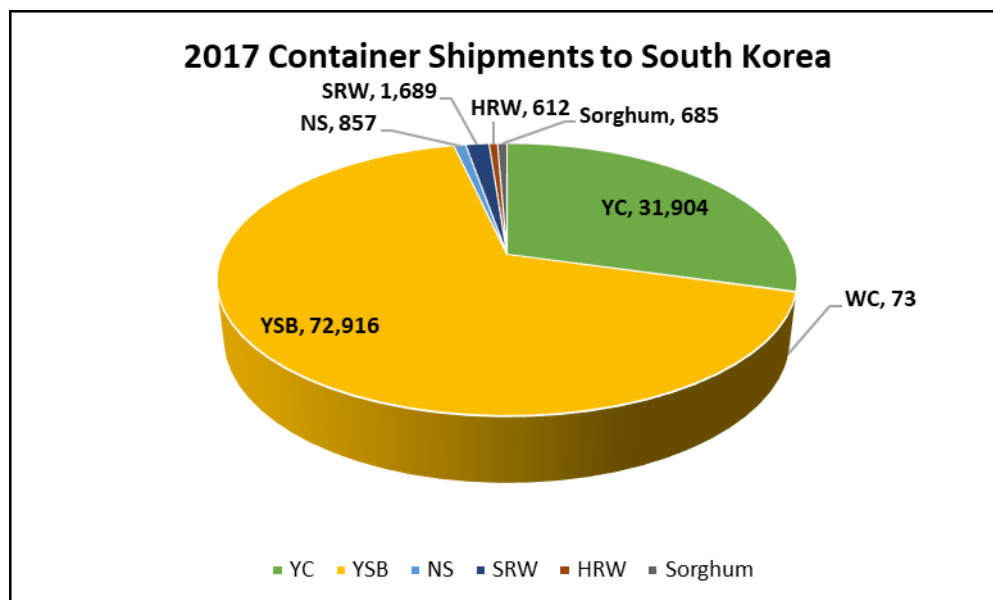
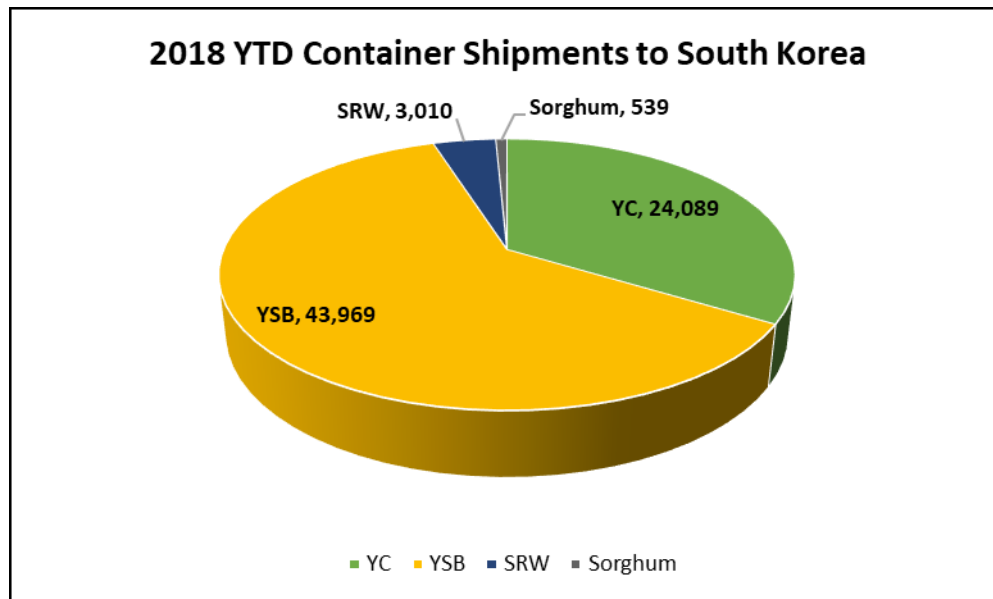
Shipments: 38,208 Mexico
38,208 Total

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:		14-Jun-2018							
Last Week	metric tons								MT
	YC	WC	YSB	SRW	NS	SWH	HRW	Sorghum	TOTAL
China Main			1,053						1,053
China T	55,325		20,132						75,457
Hong Kong	73								73
Costa Rica									0
Indonesia	269		45,403						45,672
Panama									0
Japan			562						562
Korea Republic	759		2,327						3,086
Dominican Rep									0
Malaysia	784		5,755						6,539
Burma			294						294
Philippines			1,200						1,200
Thailand			12,436						12,436
Cambodia									0
Bangladesh			196						196
Vietnam			3,034						3,034
Sub total	57,210	0	92,392	0	0	0	0	0	146,372
USDA Corrections/Additions to previous reports:									
China T	1,542								1,542
China Main									0
Hong Kong									0
Korea Rep.									0
Costa Rica									0
Japan									0
Philippines									0
Indonesia			954						954
Malaysia									0
Thailand									0
Vietnam			709						709
Canada									0
Burma									0
Sub total	1,542	0	1,663	0	0	0	0	0	3,205
Mt. Grand Total	58,752	0	94,055	0	0	0	0	0	149,577
Number of containers	2,554	0	4,089	0	0	0	0	0	

Jan - Dec 2017 Annual Totals versus 2018 Jan.-Dec. Year to Date Container Shipments (in MT)

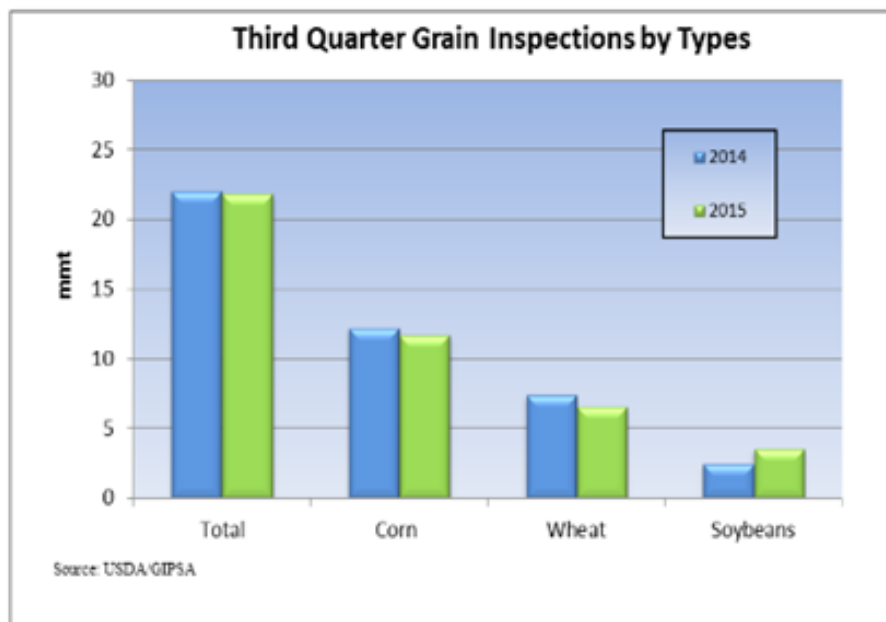


Grain Inspections for Export by U.S. Port Regions:
U.S. Gulf and Pacific Northwest 2017 YTD vs. 2018 YTD

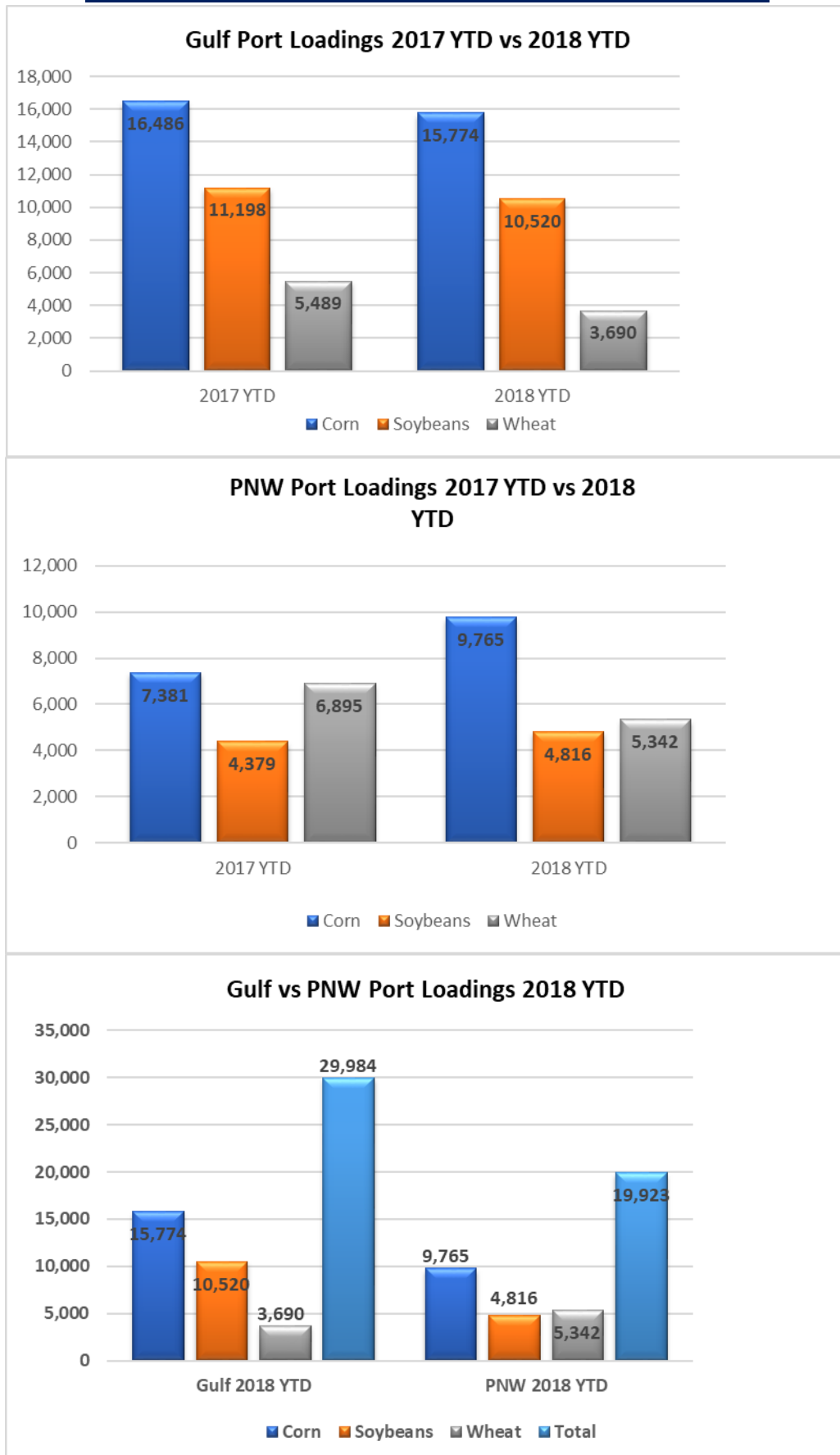
PORT LOADINGS US Gulf				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
GULF				
2017 YTD	16,486	11,198	5,489	33,173
2018 YTD	15,774	10,520	3,690	29,984
2018 as % of 2017	96%	94%	67%	90%

PORT LOADINGS US PNW				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
PNW				
2017 YTD	7,381	4,379	6,895	18,655
2018 YTD	9,765	4,816	5,342	19,923
2018 as % of 2017	132%	110%	77%	107%

PORT LOADINGS GULF vs. PNW				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
2018 Gulf YTD	15,774	10,520	3,690	29,984
2018 PNW YTD	9,765	4,816	5,342	19,923
TOTAL	25,539	15,336	9,032	49,907
Gulf Percentage	62%	69%	41%	60%
PNW Percentage	38%	31%	59%	40%

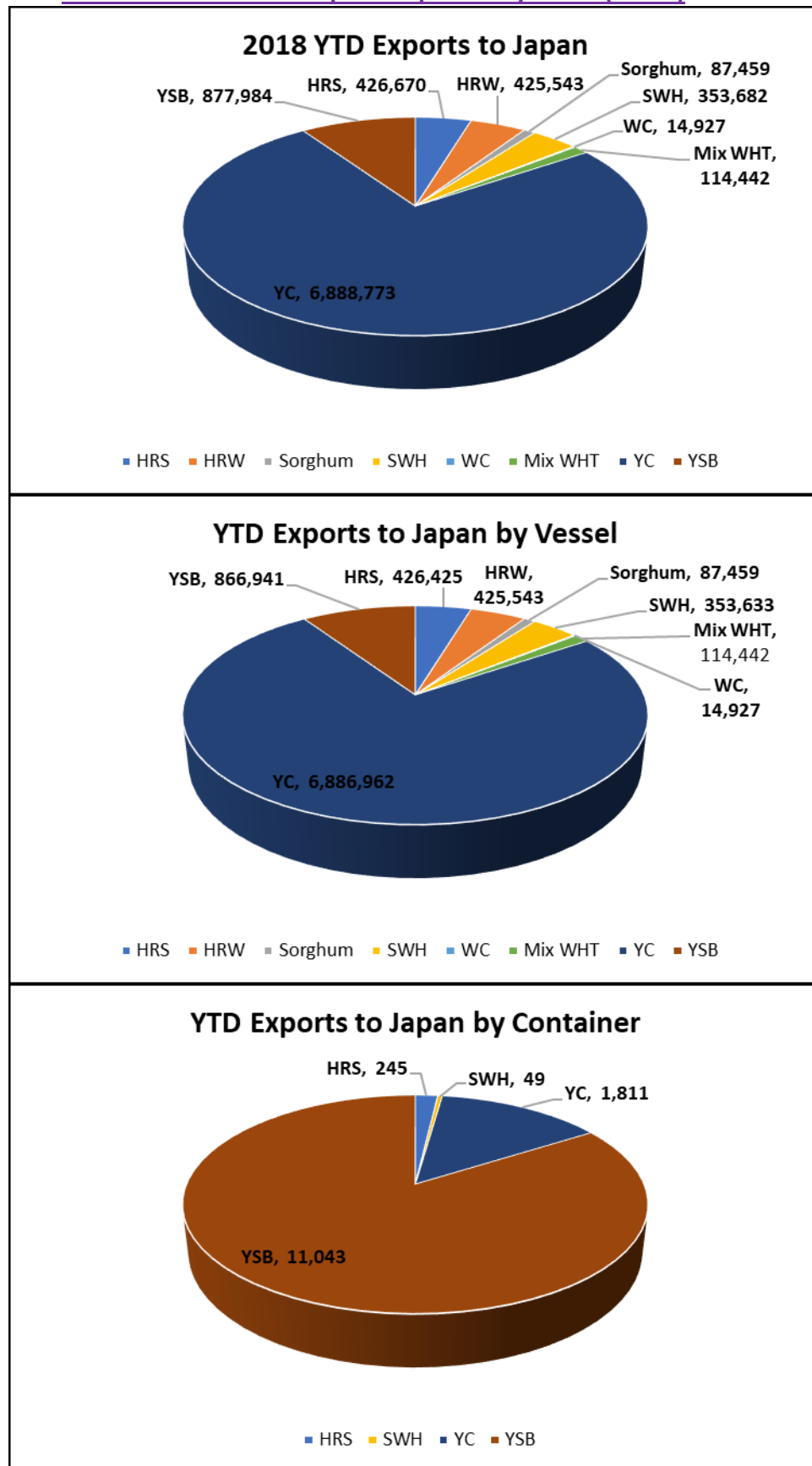


Grain Inspections for Export by U.S. Port Regions (1,000MT):
U.S. Gulf and Pacific Northwest 2017 YTD vs. 2018 YTD



Source: USDA-data

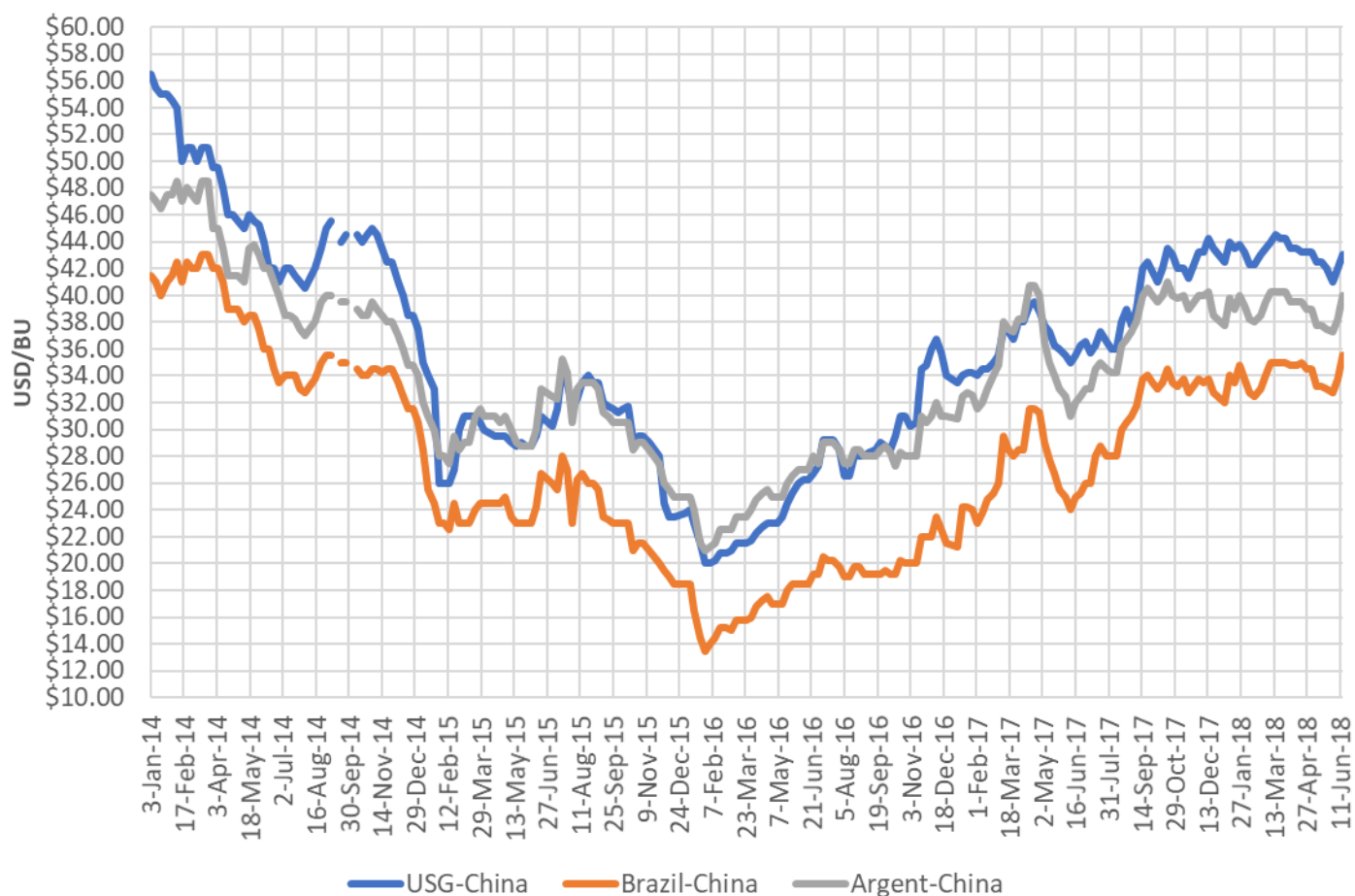
2018 YTD Total Grain Exports reported by USDA (in MT)



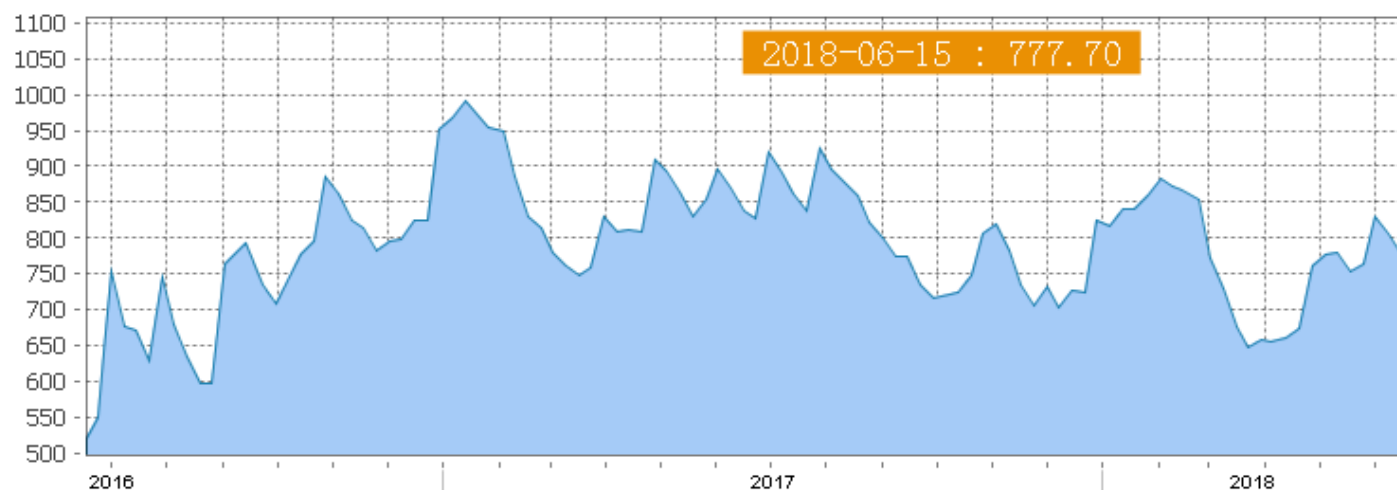
**Please keep in mind that USDA does not report DDGS sales, or they would show as the largest exports by container

Source: USDA

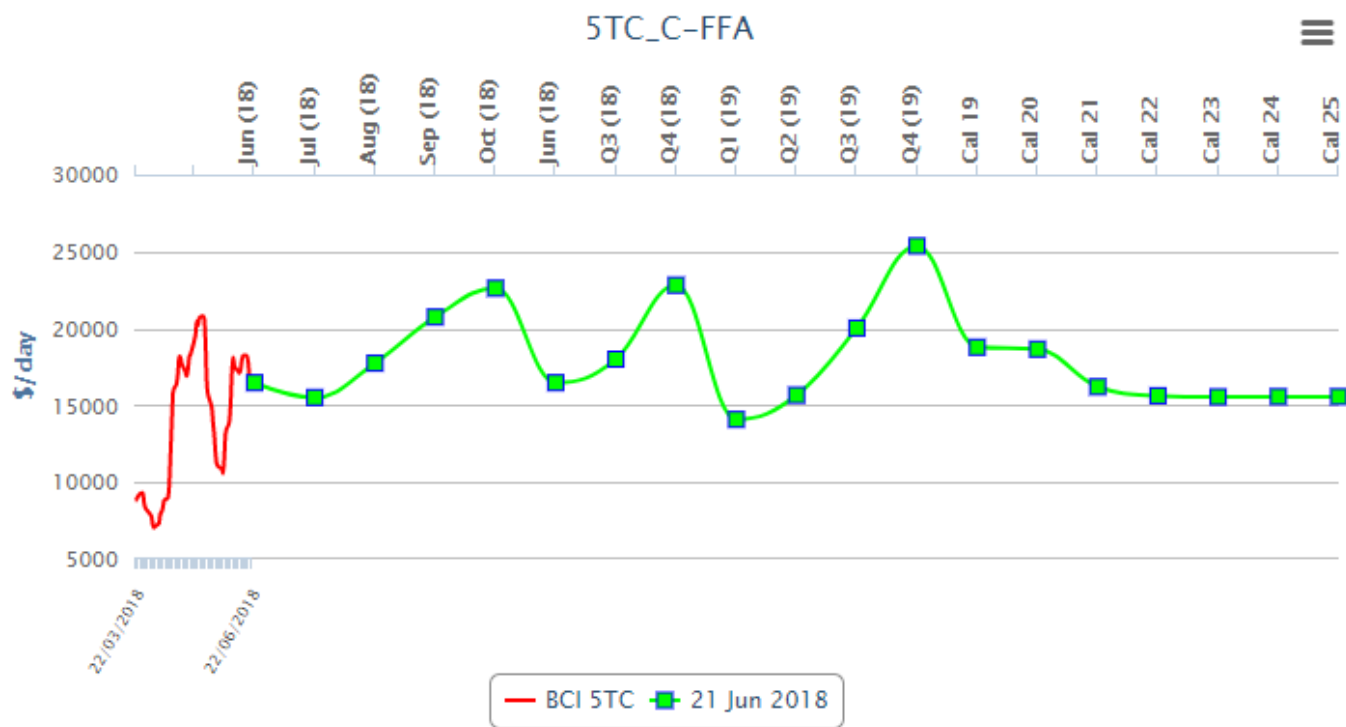
USG vs Brazil vs Argentina to China Freight Rates



Shanghai Containerized Freight Index

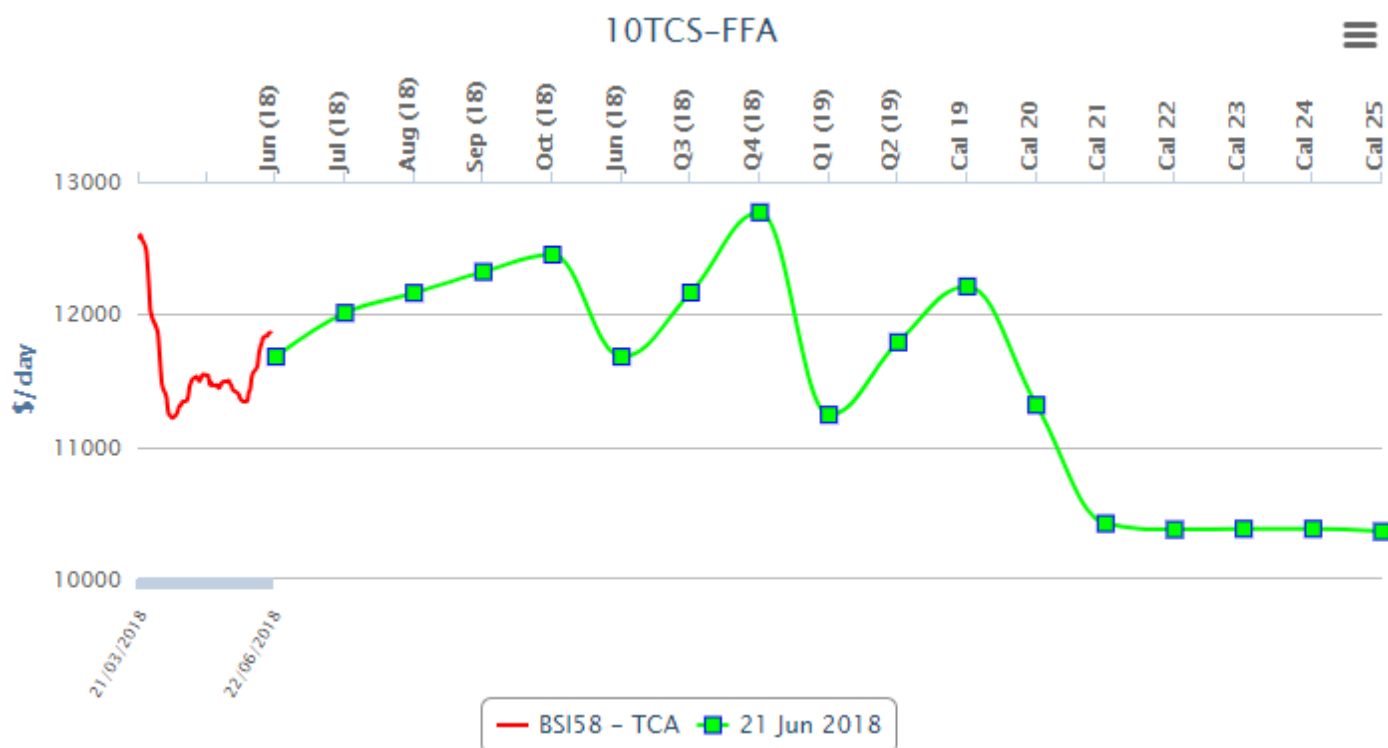


FFA Capesize for the 4-time charter routes



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FFA SUPRAMAX 58 for the 5 time charter routes



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Containerized grain reached more than 1.7 million metric tons during the first quarter of 2018 (see Table 1). These shipments represented approximately 6 percent of the total waterborne grain exported. This year's total is 2 percent less than the same time last year. Decreases in containerized exports of distillers' dried grains (DDGS), corn, starch residues, wheat, and oats were nearly offset by increases in soybean meals and flours, animal feed, grain sorghum, barley, and soybeans.

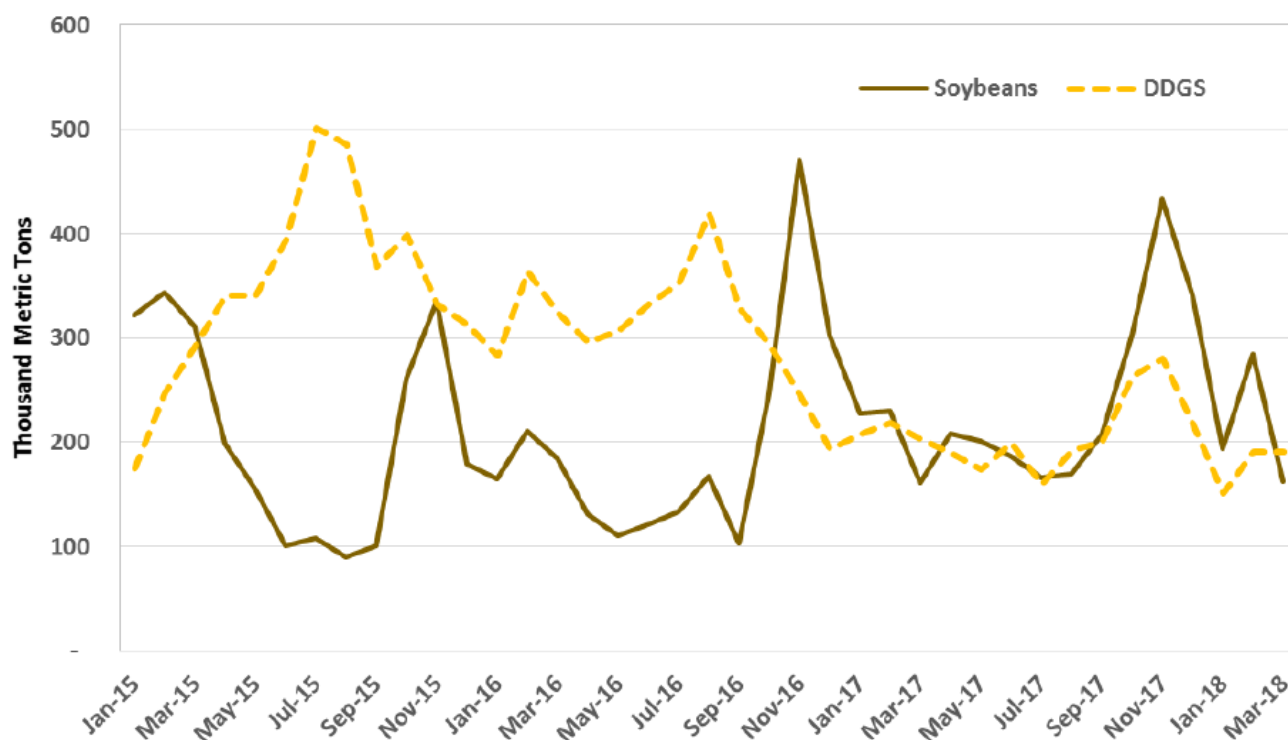
Table 1: Jan-Mar 2018 Containerized Grain Exports

HS Description	Metric Tons	TEU*	Share
Soybeans	639,931	47,730	36%
Distillers grains	532,756	40,099	30%
Animal feed	222,620	19,733	12%
Corn	160,805	12,393	9%
Soybeans meals and flours	123,700	8,870	7%
Other	107,425	7,773	6%
Total	1,787,237	136,598	100%

Source: PIERS

*TEU: Twenty-foot Equivalent Unit

U.S. Containerized Soybean and DDGS Exports, 2015-present



Source: PIERS

U.S. RIVER BARGE FREIGHT

Current Barge Freight for Placement Last half July 2018

Placement LH July 2018	% of		Corn	Soybeans-Wheat
	Tariff	MT	BU	BU
Upper Mississippi	485	\$33.09	0.84	0.90
Illinois River (Pekin and South)	435	\$23.06	0.59	0.63
Mid-Mississippi	450	\$26.39	0.67	0.72
Lower Ohio	360	\$17.70	0.45	0.48
St. Louis	325	\$14.29	0.36	0.39

Secondary Rail Car Market for car placement period: Last Half July 2018.

Secondary Rail Car Market Placement LH July 2018	BID USD	ASK USD	BID BU.	ASK BU.	BID MT	ASK MT
BNSF Shuttle Trains	\$ 250.00	\$ 550.00	\$ 0.06	\$ 0.14	\$ 2.46	\$ 5.41
UPRR Shuttle Trains	\$ 100.00	\$ 250.00	\$ 0.03	\$ 0.06	\$ 0.98	\$ 2.46

www.grains.ksu.edu/igp

Best Regards,

Jay
Jay O'Neil
Senior Agricultural Economist
IGP at Kansas State University
and
O'Neil Commodity Consulting
785-410-2303 (cell)
785-532-2868 (office)
joneil@ksu.edu

Follow me on Twitter @ [igpjay](#)



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