

## Transportation and Export Report for 23 June 2022

Dry bulk freight markets are reluctantly following commodity markets in a downward slump. In freight markets it has been a story of reduced steel demand in China and related drop in iron ore imports along with an overall soft global economic picture and fears of a potential coming recession. All freight sectors are feeling the pain as daily hire rates have continued to drop. Q3 Panamax daily hire rates slipped to \$22,575/day with Q4 paper down to \$20,900/day. An ominous economic shadow has been cast across shipping markets.

Container market rates are also softening. U.S. consumer demand is finally dropping off and with it demand for containers. Spot rates are now below annual contract rates. Will the market really need all the new build container ships?

U.S. West Coast labor contract negotiations are ongoing with no sign of an agreement soon. The July 1 contract expiration will certainly pass without a new agreement in place.

### BALTIC DRY-BULK PANAMAX INDEX CHANGES

Panamax Ocean Freight Indices					
23-Jun-2022		This Week	Last Week	Difference	Percent Change
P2A: Gulf/Atlantic - Japan	Index	33380	34055	-675	-2.0%
P3A: PNW/Pacific - Korea	Index	22108	23483	-1,375	-5.9%
S1C: US GULF-China-So.Japan	Index	25225	25839	-614	-2.4%
P7: Trial- Miss. River - Qingdao	per ton	76.81	78.27	-1.5	-1.9%
P8: Trial- Santos - Qingdao	per ton	68.32	70.44	-2.1	-3.0%

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

Four weeks ago:	\$15.50-\$13.60
Three weeks ago:	\$13.60-\$12.70
Two weeks ago:	\$12.90-\$12.15
One week ago:	\$12.20-\$12.70
This week	\$12.50-\$11.35

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

Mississippi River:	(9 elevators)	2-7 days (only 1 facility over 4 days)
Mid-Stream loaders:	(6+ Rigs)	1-2 days
Texas Gulf	(5 elevators)	0-5 days (3 facilities at zero days)
Pacific Northwest:	(9 elevators)	0-7 days (3 facilities at zero days)

Panamax Market Spreads to Asia -China					
23-Jun-2022	GULF	PNW	Bushel Spread	Tonne Spread	Advantage
CORN	1.15	2.05	0.90	\$35.43	GULF
SOYBEANS	1.20	2.20	1.00	\$36.74	GULF
OCEAN FREIGHT	\$78.00	\$44.25	.86 -.92	\$33.75	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 - \$59.00/mt.

Soybean Brazil to Spain about \$68.50 - 69.50/mt.

Route and Vessel Size	Current Week USD/MT	Change from previous week	Remarks
55,000 U.S. Gulf-Japan	\$79.00	Down \$0.50	Handymax \$79.00 mt
55,000 U.S. PNW- Japan	\$45.00	Down \$0.25	Handymax at \$45.00 mt
65,000 U.S. Gulf – China	\$78.00	Down \$0.50	North or South China
PNW to China	\$44.25	Down \$0.25	
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	\$73.25	Down \$0.25	5,000 discharge rate
55-60,000 U.S. Gulf –Egypt	\$73.50	Down \$0.50	55,000-60,000 mt Egypt
PNW to Egypt	\$74.00		Romania - Russia- Ukraine \$38.00 -\$38.00 - ? France \$48.50, Bulgaria \$44.00
58-74,000 U.S. Gulf – Europe – Rotterdam	\$35.25	Down \$0.50	Handymax at +\$2.50 more
Brazil, Santos –China	\$71.00	Down \$0.50	54-59,000 Supramax-Panamax
Brazil, Santos –China	\$68.50		60-66,000 Post Panamax
Up-River Port North Brazil	\$77.00		55-60,000 mt
56-60,000 Argentina-China Deep draft	\$76.00	Down \$0.50	Up-River with Top Off Plus \$3.85-\$4.75

## The Baltic Dry Bulk Freight Index



## Baltic Panamax Index



# YAMAMIZU Index



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

From 2017-06-22 To 2022-06-22



## China Import Dry Bulk Freight Index 2022-06-23

Description	Volume	Cargo	Unit	Rate	Change
Composite Index			Point	1624.76	-26.19
Iron ore Freight Index			Point	1408.93	-35.69
Dampier(West Australia)-Qingdao (China)	170000/10%	Iron ore	\$/ton	11.351	-0.177
Soybean Freight Index			Point	1904.77	-12.41
Santos(Brazil)— North China	66000/10%	Soybean	\$/ton	68.92	-0.42
Tacoma(West America)—North China	63000/10%	Soybean	\$/ton	44.59	-0.19
Mississippi(US Gulf)—North China	66000/10%	Soybean	\$/ton	78.52	-0.62

**23 June 2022 U.S. FOB Vessel Export Market Values:**

<b>U.S. Yellow Corn (USD/MT) FOB Vessel</b>					CORN	FUTURES
#2 YC	<b>GULF # 2 YC</b>		<b>PNW # 3 YC</b>		N =	7.4675
Max. 14.5% moisture	BASIS	FLAT PRICE	BASIS	FLAT PRICE	U =	6.6675
<b>July</b>	1.15	<b>\$339.25</b>	2.05	<b>\$374.68</b>	Z =	6.5550
<b>Aug.</b>	1.95	<b>\$339.25</b>	2.80	<b>\$372.72</b>	H =	6.6100
<b>Sept.</b>	1.60	<b>\$325.47</b>	2.55	<b>\$362.87</b>	K =	6.6350
<b>Oct.</b>	1.67	<b>\$323.80</b>	2.55	<b>\$358.44</b>	N =	6.5975
<b>Nov.</b>	1.65	<b>\$323.01</b>	2.40	<b>\$352.54</b>		
<b>Dec.</b>	1.60	<b>\$321.04</b>	2.30	<b>\$348.60</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.

<b>SORGHUM (USD/MT) FOB VESSEL</b>		
#2 YGS Fob Vessel	<b>TEXAS Gulf</b>	
Max. 14.0% moisture	BASIS	FLAT PRICE
<b>July</b>	1.55	<b>\$355.00</b>
<b>Aug. (Z)</b>	2.00	<b>\$336.79</b>
<b>Oct.</b>	1.95	<b>\$334.82</b>
<b>Nov.</b>	1.95	<b>\$334.82</b>
<b>Dec.</b>	1.95	<b>\$334.82</b>

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**

<b>SRW Wheat</b>	<b>USD/MT</b>	<b>Fob Vessel</b>	<b>US Gulf</b>	
	<b>July</b>	<b>Aug.</b>	<b>Sept.</b>	<b>Oct.</b>
FOB U.S. GULF	\$360.91	\$365.32	\$372.67	\$380.11
Basis	0.45	0.45	0.65	0.70
WN	9.3725			
WU	9.4925			
WZ	9.6450			

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
<b>July</b>	1.20	<b>\$629.51</b>	2.20	<b>\$666.25</b>
<b>Aug.</b>	1.95	<b>\$625.46</b>	2.95	<b>\$662.21</b>
<b>Sept.</b>	2.60	<b>\$623.53</b>	3.60	<b>\$660.28</b>
<b>Oct.</b>	1.95	<b>\$591.75</b>	3.10	<b>\$634.01</b>
<b>Nov.</b>	1.80	<b>\$586.24</b>	2.89	<b>\$626.29</b>
<b>Soybean Futures</b>				
<b>July</b>	\$ 15.9325			
<b>Aug.</b>	\$ 15.0725			
<b>Sept.</b>	\$ 14.3700			
<b>Nov.</b>	\$ 14.1550			
<b>Jan.</b>	\$ 14.2025			
<b>Mar.</b>	\$ 14.1650			

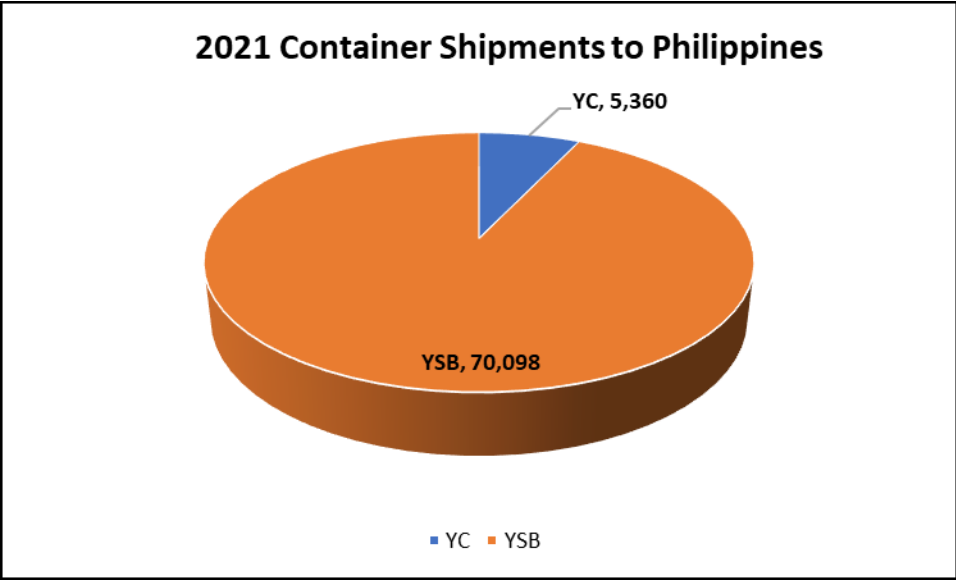
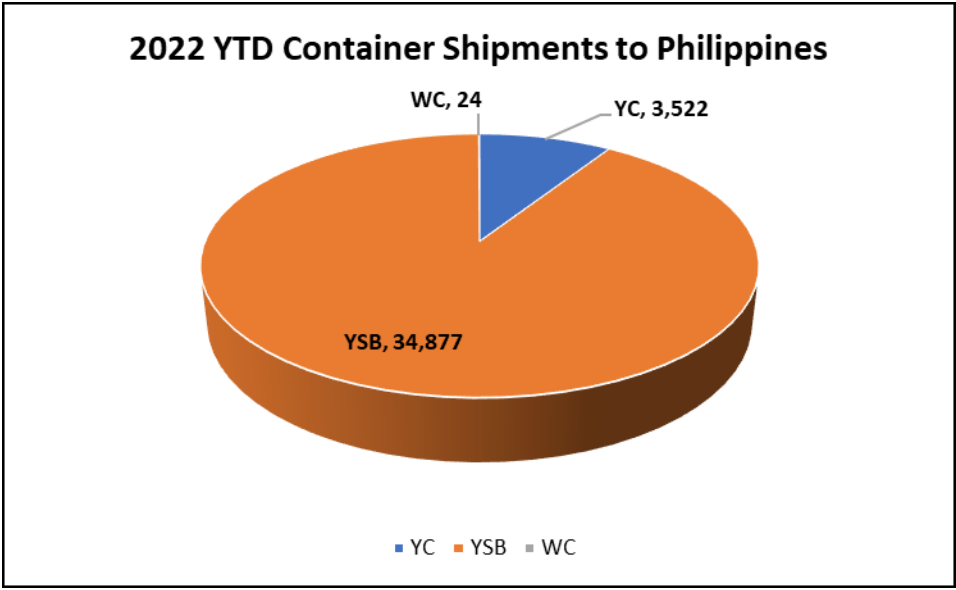
### U.S. Soybean and SBM Markets Fob Vessel:

U.S. SBM (USD/MT) FOB Vessel		
Fob U.S. Gulf Port	47.5 Pro. SBM	
max 12.5 % moisture	Basis	Flat Price
<b>July</b>	50.00	<b>\$ 525.56</b>
<b>Aug.</b>	50.00	<b>\$ 502.74</b>
<b>Sept.</b>	50.00	<b>\$ 488.52</b>
<b>Oct.</b>	55.00	<b>\$ 486.86</b>
<b>Nov.</b>	55.00	<b>\$ 488.30</b>
<b>SBM Futures</b>		
<b>SMN</b>	\$ 426.70	
<b>SMQ</b>	\$ 406.00	
<b>SMU</b>	\$ 393.10	
<b>SMV</b>	\$ 386.60	
<b>SMZ</b>	\$ 387.90	
<b>SMF</b>	\$ 387.50	

**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:		16-Jun-2022							
Last Week	metric tons								MT
	YC	WC	YSB	SRW	NS	SWH	DUWH	Sorghum	TOTAL
China			2,326					2,399	4,725
Taiwan	7,369		15,765						23,134
Hong Kong	685								685
Costa Rica									0
Indonesia			4,750						4,750
French Poly									0
Japan	293		1,247						1,540
Korea Rep.	710		2,668	122					3,500
Ireland									0
Malaysia			1,935						1,935
Singapore									0
Philippines			343						343
Thailand			1,690			122			1,812
Switzerland									0
Burma									0
Cambodia									0
Nepal			2,350						2,350
Vietnam			2,203		171	490			2,864
Sub Total:	9,057	0	35,277	122	171	612	0	2,399	47,638
USDA Corrections/Additions to previous reports:									
Taiwan			807						807
China								245	245
Hong Kong									0
Korea Rep.									0
Un Kingdom									0
Japan									0
Philippines									0
Indonesia			784						784
Malaysia									0
Thailand									0
Vietnam			539						539
Burma									0
Ireland									0
Sub Total:	0	0	2,130	0	0	0	0	245	2,375
<b>Mt. Grand Total</b>	<b>9,057</b>	<b>0</b>	<b>37,407</b>	<b>122</b>	<b>171</b>	<b>612</b>	<b>0</b>	<b>2,644</b>	<b>50,013</b>
Number of Containers	394	0	1,626	5	7	27	0	115	

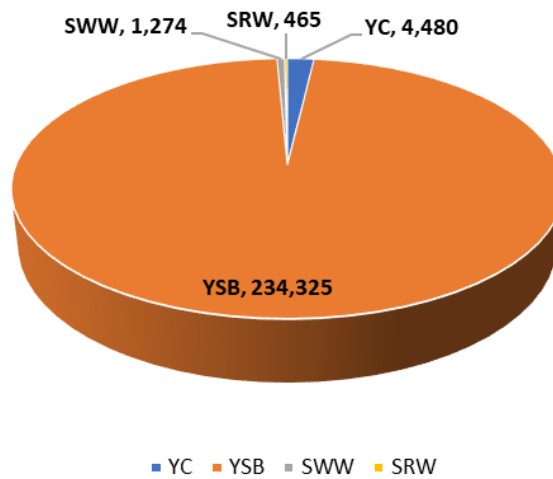
Jan - Dec 2021 Annual Totals versus 2022 YTD Container Shipments (in MT)



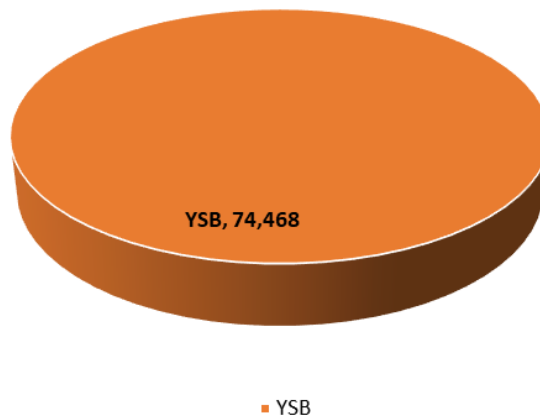


2022 YTD Total Grain Exports reported by USDA (in MT)

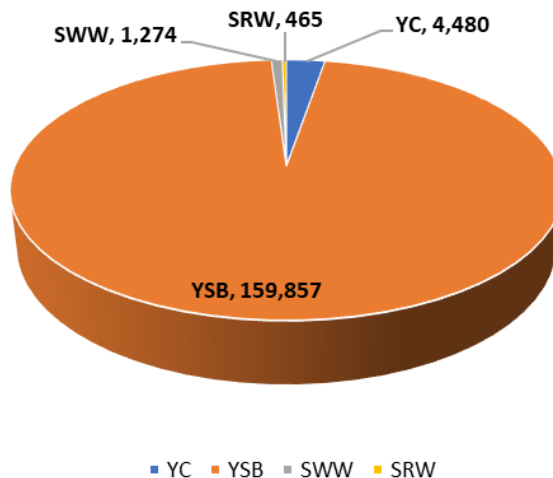
**2022 YTD Exports to Malaysia**



**YTD Vessel Shipments to Malaysia**

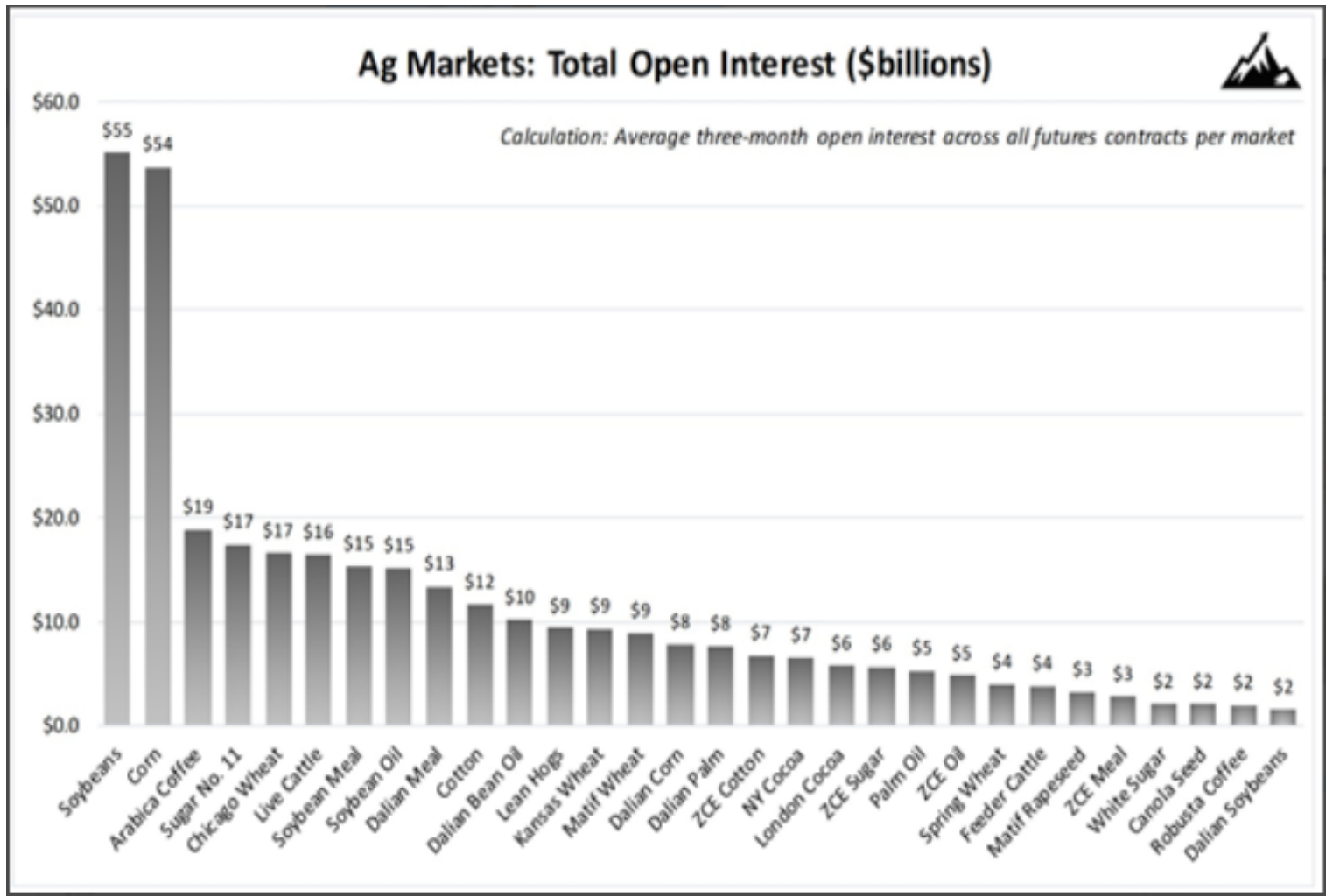


**YTD Container Shipments to Malaysia**



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

Source: USDA-data



**Io's Shipbrokers** @ioshipbrokers · 54m

Week 25 '22 [#demolitionprices](#)

India - \$620/\$630

Bangladesh - \$610/\$620

Pakistan - \$600/\$610

Turkey - \$310/\$320

E. Finley-Richardson @ed\_fin · 10h

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Capesize carnage continues.

Bitcoin (\$20k) will be above spot Cape again soon...🙄

Cape		%
Product	Price	Change
Jun	21625	-875
Jul	25250	-1750
Q3	29017	-1483
Q4	27375	-1125
Cal23	19500	-100



**MyNorthwest** 🌲 🟢 @Mynorthwest · 5h

The 22,000 West Coast dock workers who load and unload most of the region's cargo ships are not likely to reach an agreement with their employers by July 1—the expiration date for their current contract.

[mynorthwest.com/3527842/west-c...](https://mynorthwest.com/3527842/west-c...)

 **Adam Tooze** @adam\_tooze · 4h

Cost of shipping a container from China to US is still very elevated but way off peaks.

[ft.com/content/23ec6d...](https://www.ft.com/content/23ec6d...)

## Lugging it

Cost of shipping a 40-foot container from China to the US west coast, \$



Source: Freightos

**Elena Faige Neroba** @ElenaNeroba · 13h

According to this source,Turkey has already offered its services[to Russia]

“they will provide us with their vessels,which are not subject to any sanctions,and will export all grain through Black Sea ports”

[gorod55.ru/news/2022-06-2...](https://gorod55.ru/news/2022-06-2...)

Maybe some of my Turkish friends could comment?



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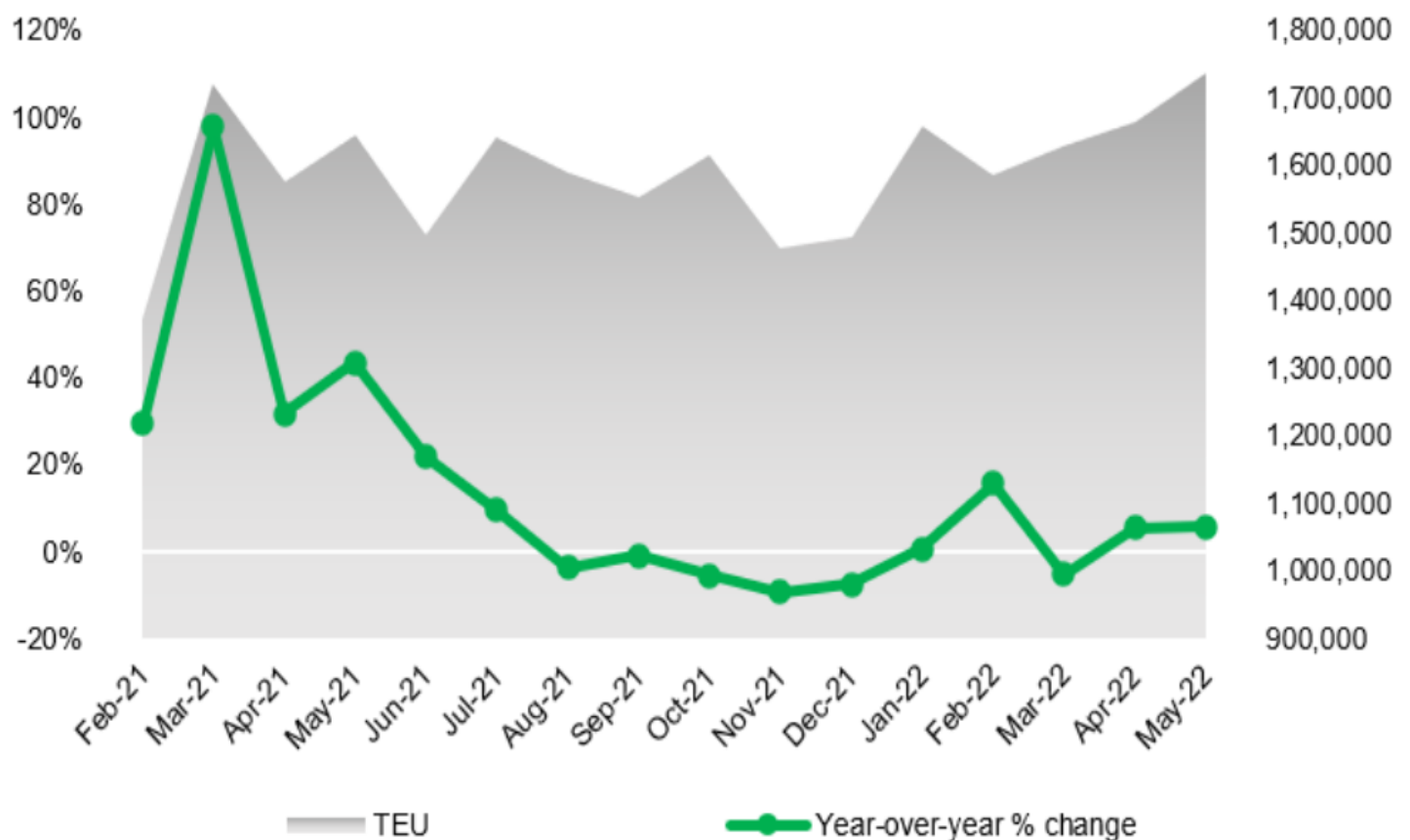


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## US imports from Asia set new monthly record in May

Total monthly TEU volume of US containerized imports from Asia, with year-over-year change



Source: IHS Markit

© 2022 IHS Markit

**Tom Craig** @LTDManagement · 2h

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Spot rates for containers below contract rates. With high charter & bunker costs & paying higher charges at USWC [#ports](#) after new ILWU agreement, what will lines do? Control capacity to control prices? Cave? [#maritime](#) [#supplychain](#) [#logistics](#)



bloomberg.com

Companies See Relief in Falling Spot Rates for Transpacific Freight  
Long-term ocean freight rates between China and the US West Coast are higher than spot prices for the first time since April 2020.



**Tom Craig** @LTDManagement · 1h

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Maersk to build 4 methanol fuel 16,000 TEU ships at cost of \$2.2 billion. Notice smaller size. Indicator of what? Will the cheap rate shippers clash with [#decarbonization](#)? More lines to go alternative fuel? [#maritime](#) [#GHG](#) [#supplychain](#)



**Karen Braun**  @kannbwx · 23h

[#Soybeans](#) continue to steadily leave [#Brazil](#), and this month's volume is seen similar to last month. About 60% of Brazil's annual exports depart between March and June, though June estimates suggest that period's shipments down 18% on the year. Smaller crop, lighter demand.



**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.



**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.





**Marine Exchange** @MXSOCAL · 20h

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Ship Report 6/22: 84 total ships inport LA/LB including 26 at anchor or loitering & 58 at berths. Of the 84, 32 are container ships including 6 at anchor or loitering & 26 at berths. 0 vessels loitering.

More: [facebook.com/mxsocal](https://facebook.com/mxsocal)



## China Containerized Freight Index



## China Import Dry Bulk Freight Index



**Secondary Rail Car Market for Car placement period: Last Half July 2022**

Secondary Rail Car Market Placement LH July 2022	BID USD	ASK USD	BID BU.	ASK BU.	BID MT	ASK MT
BNSF Shuttle Trains	\$ (350.00)	\$ (200.00)	\$ (0.09)	\$ (0.05)	\$ (3.44)	\$ (1.97)
UPRR Shuttle Trains	\$ -	\$ 200.00	\$ -	\$ 0.05	\$ -	\$ 1.97

**U.S. RIVER BARGE FREIGHT**

**Barge Freight for Loading Placement Last Half July 2022**

Placement LH July 2022	% of Tariff	MT	Corn BU	Soybeans-Wheat BU
Upper Mississippi	585	\$39.92	1.01	1.09
Illinois River (Pekin and South)	500	\$34.12	0.87	0.93
Mid-Mississippi	530	\$26.06	0.66	0.71
Lower Ohio	515	\$25.32	0.64	0.69
St. Louis	415	\$18.25	0.46	0.50

Best Regards,

Jay

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