

Transportation and Export Report for 25 June 2020

The Dry-bulk market rally continued into mid-week but appears to be running out of some steam. It has been an exciting ride, but we now see some profit taking occurring and must carefully evaluate just how much of an economic recovery we have and if the rebound in COVID19 cases will provide some pushback. It will likely be difficult for freight markets to push much higher in the near term. As mentioned, the market surge has largely been led by the Capesize market and FFA paper traders.

Daily hire spot rates for Capes jumped up to \$29,250/day over the last week but have now retreated to 20,500/day. Panamax vessels hire rates remain close to \$11,000/day. Supramax daily hire rates are now running \$9,500/day for Q3 and Q4. Markets remain inverted as the forward months are trading at a slight discount. China is now on Dragon Boat holiday and markets are resting and considering their next move.

BALTIC DRY-BULK PANAMAX INDEX CHANGES

Panamax Ocean Freight Indices				
25-Jun-2020	This Week	Last Week	Difference	Percent Change
P2A : Gulf/Atlantic - Japan	18714	17373	1,341	7.7%
P3A - PNW/Pacific - Japan	9875	9048	827	9.1%
S1C -USGULF-China-So.Japan	16864	16450	414	2.5%
P7- Trial- Miss. River - Qingdao	40600	39271	1,329	3.4%
P8- Trial- Santos - Qingdao	28943	28500	443	1.6%

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

Four weeks ago:	\$4.05-\$4.50
Three weeks ago:	\$4.40-\$5.20
Two weeks ago:	\$5.45-\$5.70
One week ago:	\$6.40-\$8.00
This week	\$8.05- \$9.75

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

Mississippi River:	(10 elevators)	1-8 days (2 facilities not currently operating)
Miss. River Mid-Stream loaders:	(6+ Rigs)	0-3 days
Texas Gulf	(5 elevators)	0-5 days
Pacific Northwest:	(9 elevators)	0-14 days

Panamax Market Spreads to Asia -China					
25-Jun-2020	PNW	GULF	Bushel Spread	MT Spread	Advantage
CORN	0.99	0.83	0.16	\$6.30	PNW
SOYBEANS	1.22	0.92	0.30	\$11.81	PNW
OCEAN FREIGHT	\$20.00	\$38.50	.47-.50	\$18.50	August

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 \$18.00/mt.

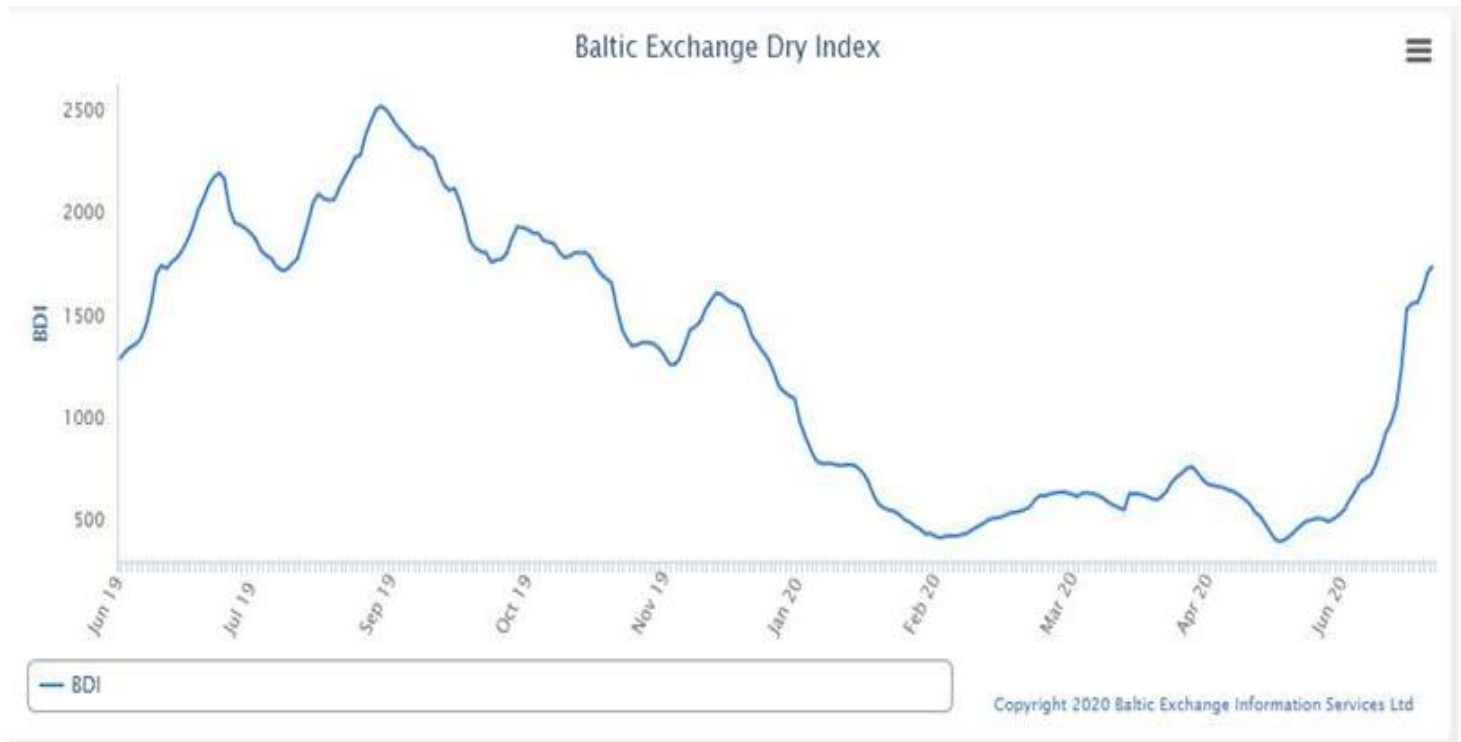
Soybean Brazil to Spain about \$21.00-22.50/mt.

30,000 mt Corn Northern Brazil to Vera Cruz, Mexico \$18.00-\$18.75/mt .To U.S. E/C about \$20.00-21.00/mt

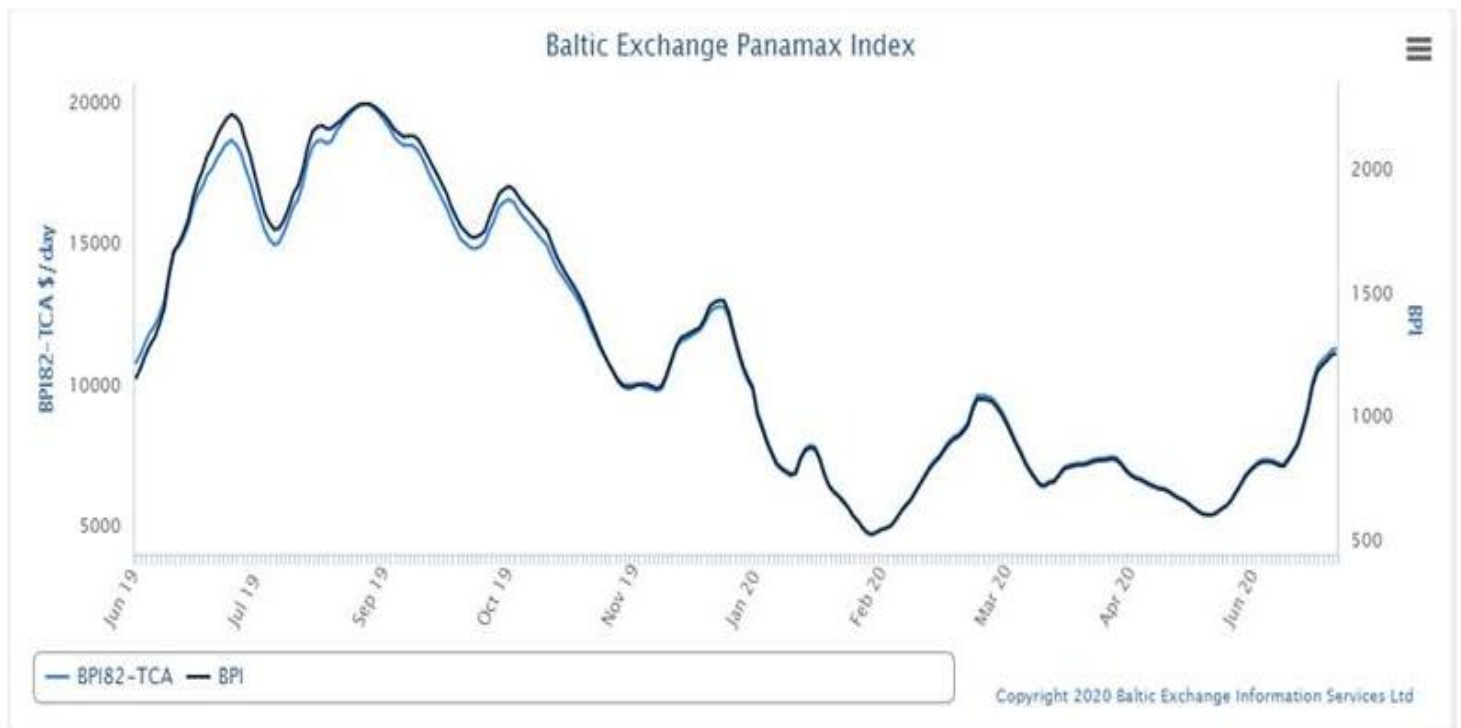
Route and Vessel Size	Current Week USD/MT	Change from previous week	Remarks
55,000 U.S. Gulf-Japan	\$39.25	Up \$1.50	Handymax \$40.25 mt
55,000 U.S. PNW- Japan	\$20.50	Up \$0.50	Handymax \$21.00 mt
66,000 U.S. Gulf – China	\$38.50	Up \$1.75	North China
PNW to China	\$20.00	Up \$0.75	
25,000 U.S. Gulf- Veracruz, México	\$16.00	Up \$0.25	3,000 MT daily discharge rate
30-36,000+ U.S. Gulf- Veracruz, México	\$13.25	Up \$0.25	Deep draft and 6,000 MT per day discharge rate.
30-38,000 U.S. Gulf- <u>East Coast Colombia</u> From Argentina	\$19.50 \$33.75	Up \$0.50	<u>West Coast Colombia at \$29.25</u> USG to E/C 50,000 mt at \$15.75
43-45,000 U.S. Gulf - Guatemala	\$28.75	Up \$0.50	Acajutla/Quetzal - 8,000 out
26-30,000 U.S. Gulf – Algeria	\$36.50 \$37.25	Up \$1.00	8,000 mt daily discharge 3,000 mt daily discharge
26-30,000 US Gulf-Morocco	\$36.50	Up \$1.00	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 \$11.25-\$12.25 -\$12.50 France \$15.50
60-70,000 U.S. Gulf – Europe – Rotterdam	\$17.50	Up \$1.50	Handymax at +\$1.75 more
Brazil, Santos – China Brazil, Santos – China Northern Coast Brazil	\$29.00 \$28.50 \$32.00	Up \$1.25	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	\$33.00	Up \$1.25	Upriver with BB Top Off \$36.75

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

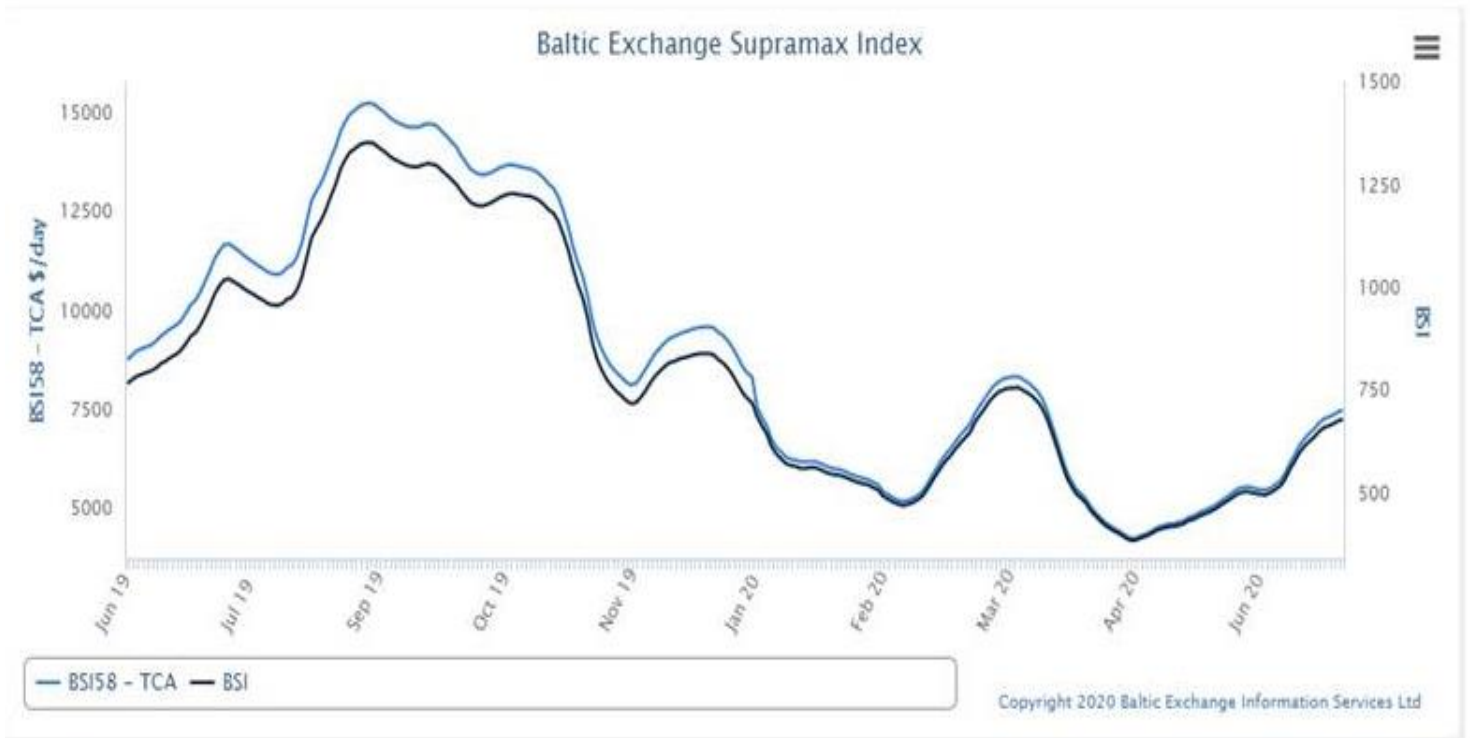
Baltic Dry Bulk Index.



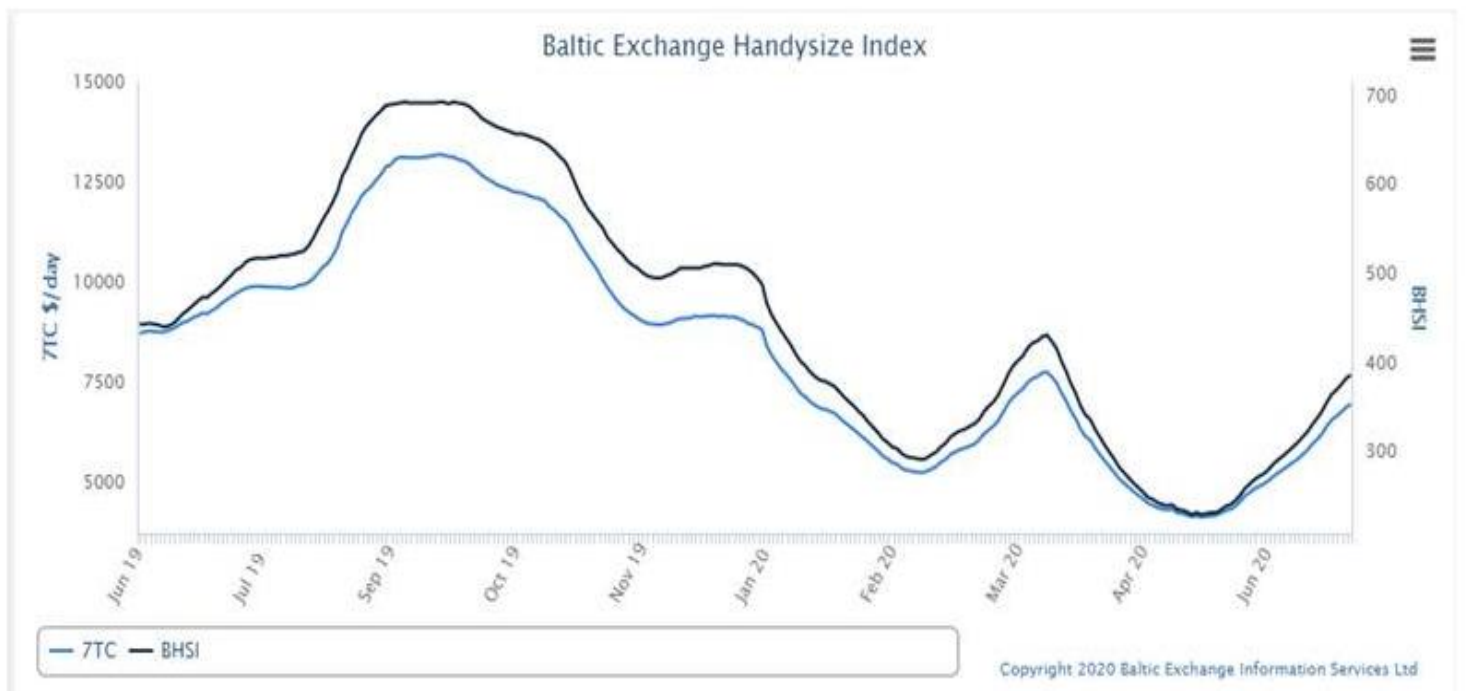
Baltic Panamax Index



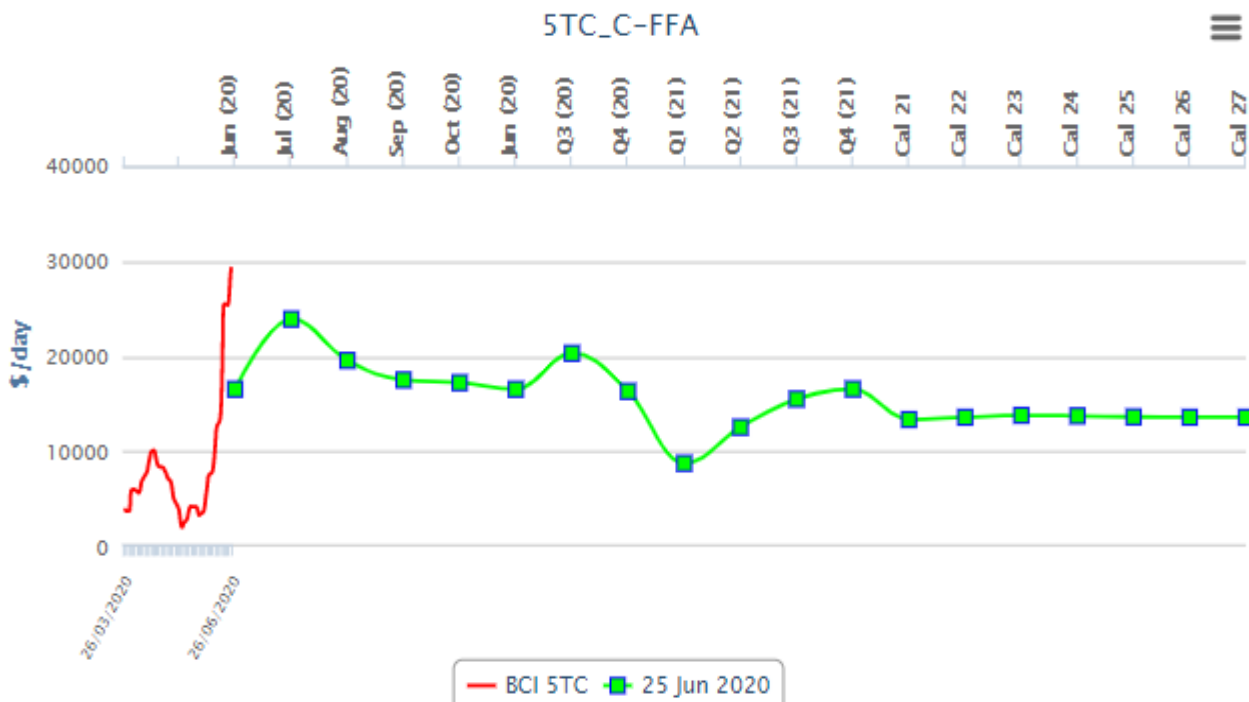
Baltic Supramax Vessel Index



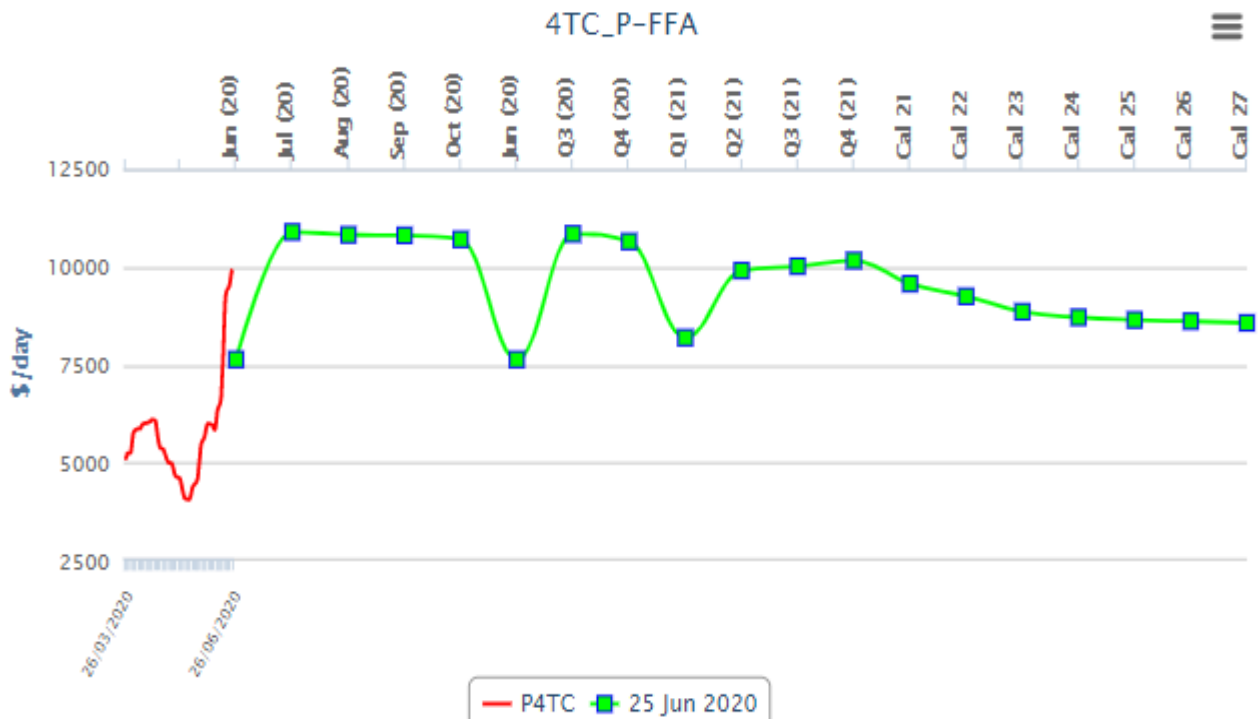
Baltic Handy Size Vessel Index



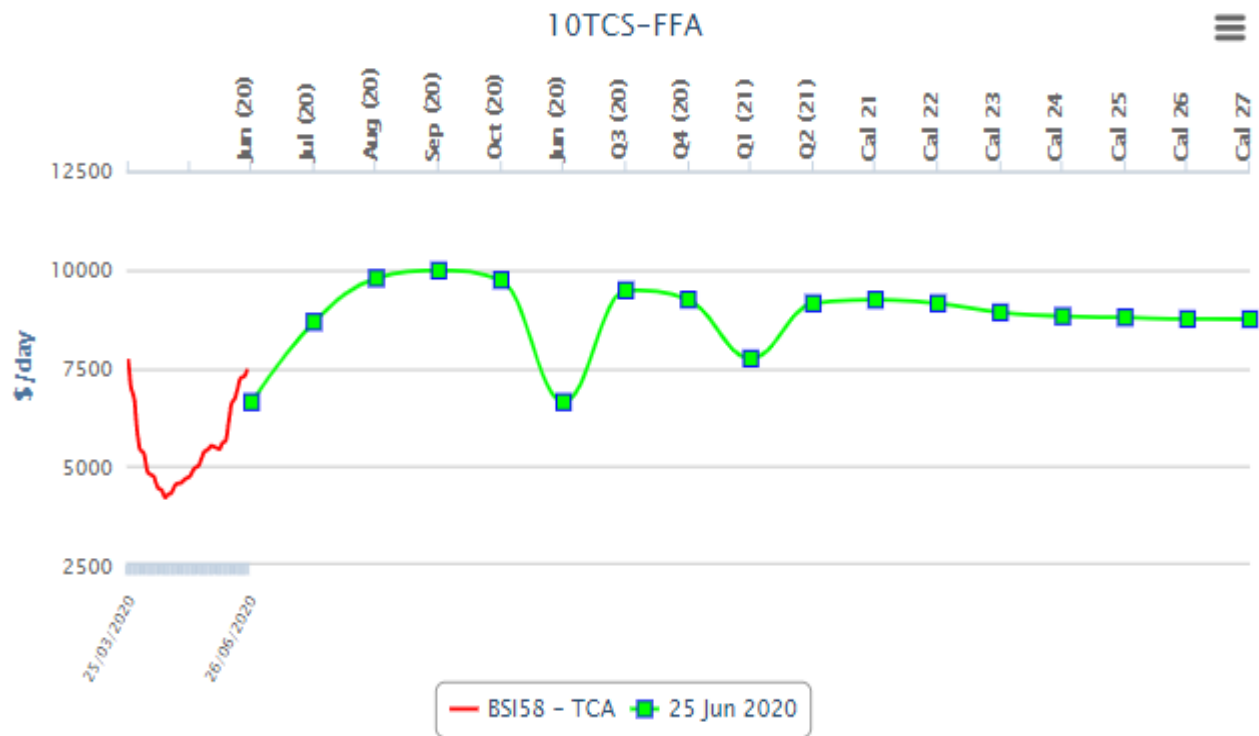
Capesize Forward Curve



Baltic Panamax Forward Curve Chart

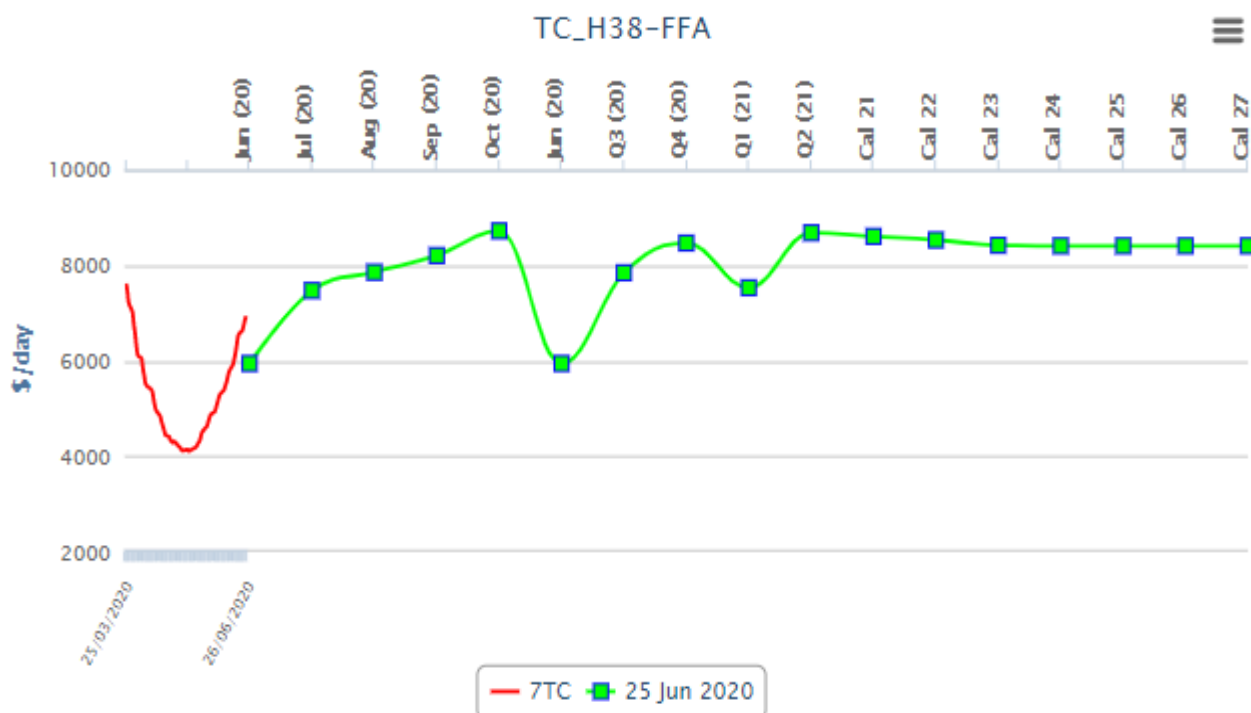


Supramax Dry-Bulk Forward Curve



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Baltic Handy Size Forward Curve



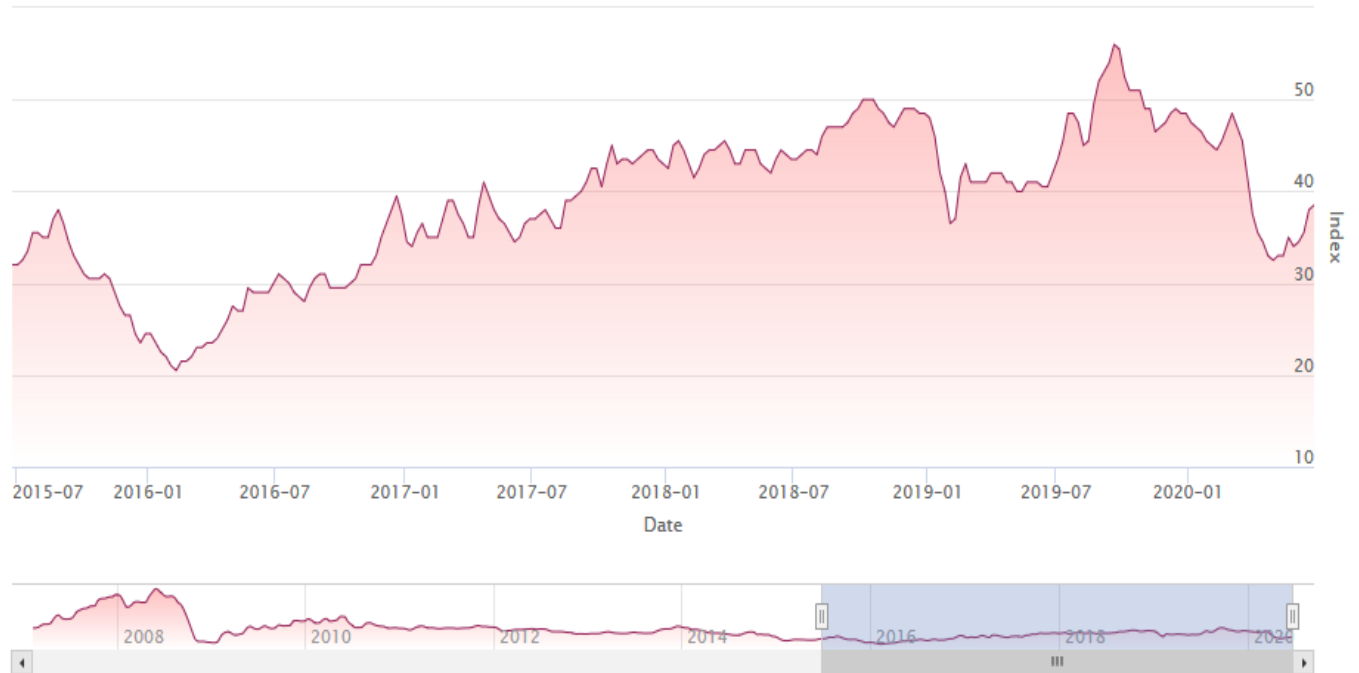
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YAMAMIZU Index



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

From 2015-06-24 To 2020-06-24



China Import Dry Bulk Freight Index					
2020-06-24					
Description	Size MT	Cargo/Vessel Size	Unit	Rate	Change
Composite Index			Point	929.14	33.08
Iron ore Freight Index			Point	1072.34	56.94
Dampier(West Australia)-Qingdao (China)	170000/10%	Iron ore	\$/ton	9.723	0.548
Soybean Freight Index			Point	844.04	6.07
Santos(Brazil)—North China	60000/10%	Soybean	\$/ton	28.306	0.244
Tacoma(West America)—North China	60000/10%	Soybean	\$/ton	19.794	0.1
Mississippi(US Gulf)—North China	66000/10%	Soybean	\$/ton	38.643	0.25
Mississippi(US Gulf)—North China	55000/10%	Soybean	\$/ton	40.383	0.208

25 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
Aug.	0.83	\$158.85	0.99	\$165.15
Sept.	0.85	\$159.64	1.02	\$166.33
Oct.	0.78	\$159.83	0.98	\$167.71
Nov.	0.80	\$160.62	1.00	\$168.49
Dec.	0.83	\$161.80	1.02	\$169.28
Jan.	0.76	\$163.57	0.97	\$171.84

The Gulf spread between #2 & #3 YC is currently about .03 cents per bushel (1.18/mt) at USG but is out to .12/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
Aug.	2.40	\$223.61	2.10	\$211.80
Sept.	2.30	\$219.67	2.15	\$213.77
Oct.	2.30	\$219.67	2.15	\$213.77
Nov.	2.35	\$221.64	2.20	\$215.74
Dec.	2.40	\$223.61	2.20	\$215.74

Fob vessel Texas Gulf #2 Sorghum is about 133 % 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	
	Aug.	Sept.	Oct.	Nov.
FOB U.S. GULF	\$208.79	\$210.63	\$213.57	\$215.04
Basis	0.80	0.85	0.86	0.90
WN	4.8675			.
WU	4.8825			
WZ	4.9525			

25-Jun-2020	Close	This Week	Last Week.	Last Week.	Last Week	
CME Corn Futures	Bushel	MT.	Bushel	Bu. Diff.	MT	MT Diff.
July	\$ 3.1725	\$ 124.89	\$ 3.3100	(0.1375)	\$ 130.31	\$ (5.41)
Sept.	\$ 3.2050	\$ 126.17	\$ 3.3550	(0.1500)	\$ 132.08	\$ (5.91)
Dec.	\$ 3.2800	\$ 129.13	\$ 3.4275	(0.1475)	\$ 134.93	\$ (5.81)
Mar..	\$ 3.3950	\$ 133.65	\$ 3.5400	(0.1450)	\$ 139.36	\$ (5.71)
May	\$ 3.4725	\$ 136.70	\$ 3.6100	(0.1375)	\$ 142.12	\$ (5.41)
July	\$ 3.5350	\$ 139.17	\$ 3.6600	(0.1250)	\$ 144.09	\$ (4.92)

CBOT July. 2020 (CN20) CORN Futures Chart –



CME/CBOT Sept. 2020 (WU20) 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.	0.92	\$352.18	1.22	\$363.21
Sept.	0.95	\$352.28	1.29	\$364.77
Oct.	0.90	\$352.09	1.30	\$366.79
Nov.	0.94	\$353.56	1.32	\$367.53
Dec.	0.94	\$354.57	1.32	\$368.54
Soybean Futures				
July	\$ 8.6925			
Aug.	\$ 8.6650			
Sept.	\$ 8.6375			
Nov.	\$ 8.6825			
Jan.	\$ 8.7100			
Mar.	\$ 8.6750			

U.S. SBM (USD/MT) FOB Vessel		
Fob U.S. Gulf Port	47.5 Pro. SBM	
max 12.5 % moisture	Basis	Flat Price
Aug.	20.00	\$ 339.57
Sept.	20.00	\$ 340.89
Oct.	20.00	\$ 342.33
Nov.	19.00	\$ 343.98
Dec.	20.00	\$ 345.08
SBM Futures		
SMN	285.50	
SMQ	288.00	
SMU	289.20	
SMV	290.50	
SMZ	293.00	
SMF	293.80	

CME July 2020 Soybean (SN20) Futures Chart:



CME December 2020 Soybean Meal (SMZ20) Futures Chart



U.S. EXPORT STATISTICS: Report Activity as of Week Ending 11 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	569.7	41,490.7	45,090	92%	3,553.2
Sorghum	5.1	4,013.1	5,330	75%	388.0
Soybeans	619.2	44,199.1	44,910	98%	5,534.4
Wheat	513.1	6,333.4	25,860	24%	0.0
Barley	0.0	40.7	110	37%	0.0

U.S. EXPORT INSPECTIONS:

Monday's report 22 June 2020 for the Export week ending 18 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	1,295,845	921,272	31,995,350	41,474,867	77%
Sorghum	109,945	222,669	3,849,851	1,582,174	243%
Soybeans	254,929	435,469	36,482,701	36,381,264	100%
Wheat	613,052	564,062	1,412,610	1,287,947	110%
Barley	0	0	367	1,053	35%

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

U.S. EXPORT INSPECTIONS:

Monday's report 22 June 2020 for the Export week ending 18 June 2020

Last Week								
(Metric Tons)	YC	%	WC	%	Sorghum	%	Soybeans	%
Lakes	0	0%	0	0%	0	0%	0	0%
Atlantic	0	0%	0	0%	0	0%	7,220	3%
Gulf	697,693	54%	5,136	59%	108,890	99%	173,196	68%
PNW	393,986	31%	122	1%	0	0%	0	0%
Interior Export Rail	195,515	15%	3,393	39%	1,055	1%	74,513	29%
Metric Tons	1,287,194		8,651		109,945		254,929	

Sorghum Shipments: metric tons

108,890 China Main

1,055 Mexico

109,945 Total

White Corn metric tons

Shipments: 5,136 Guatemala

122 Korea Rep

3,393 Mexico

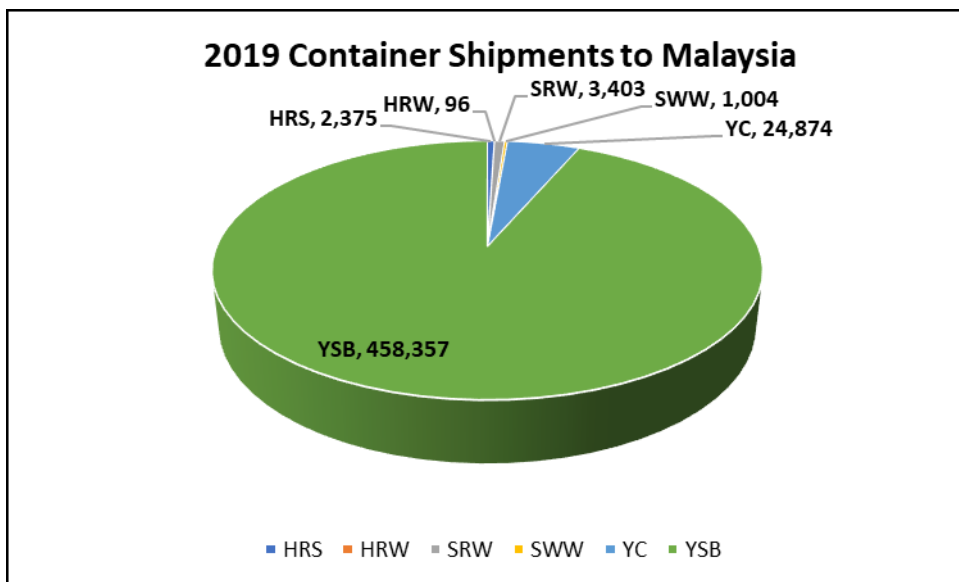
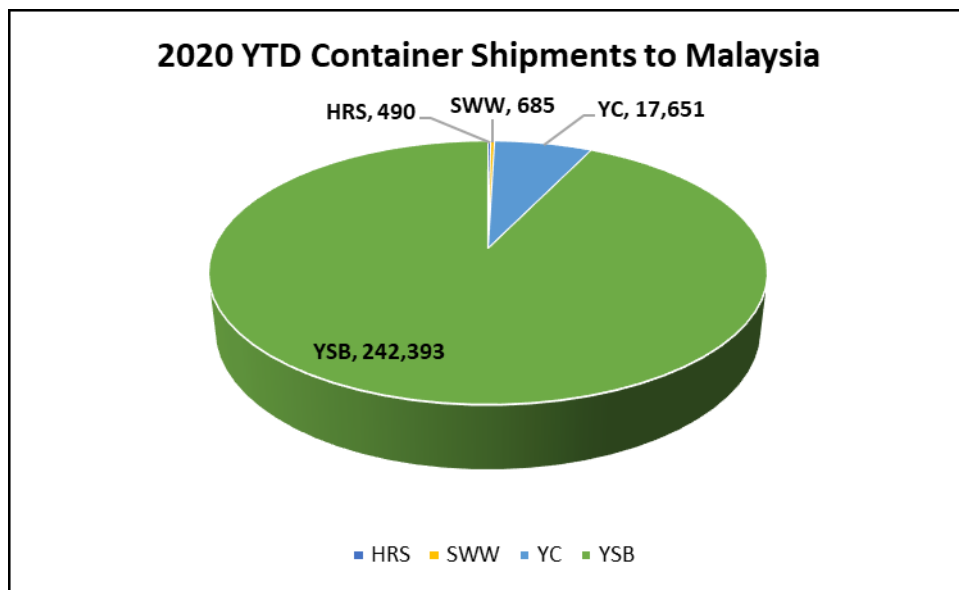
8,651 Total

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:		18-Jun-2020							
Last Week	metric tons								MT
	YC	WC	YSB	SRW	NS	SWH	HRW	Sorghum	TOTAL
China Main	490		8,400						8,890
China T	10,895		3,576						14,471
Hong Kong	415								415
Costa Rica									0
Indonesia			9,698						9,698
French Poly	122								122
Japan			1,099						1,099
Korea Rep.			686						686
Nepal			490						490
Malaysia	930		3,552						4,482
Cambodia									0
Philippines			514						514
Thailand			6,170						6,170
Morocco									0
Italy									0
Bangladesh									0
Burma									0
Vietnam	318		8,494						8,812
Sub Total:	13,170	0	42,679	0	0	0	0	0	55,849
USDA Corrections/Additions to previous reports:									
China T									0
China Main									0
Hong Kong									0
Korea Rep.									0
Cambodia									0
Japan									0
Philippines									0
Indonesia			465						465
Malaysia									0
Thailand									0
Vietnam									0
Haiti								269	269
Nigeria									0
Sub Total:	0	0	465	0	0	0	0	269	734
Mt. Grand Total	13,170	0	43,144	0	0	0	0	269	56,583
Number of Containers	573	0	1,876	0	0	0	0	12	

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



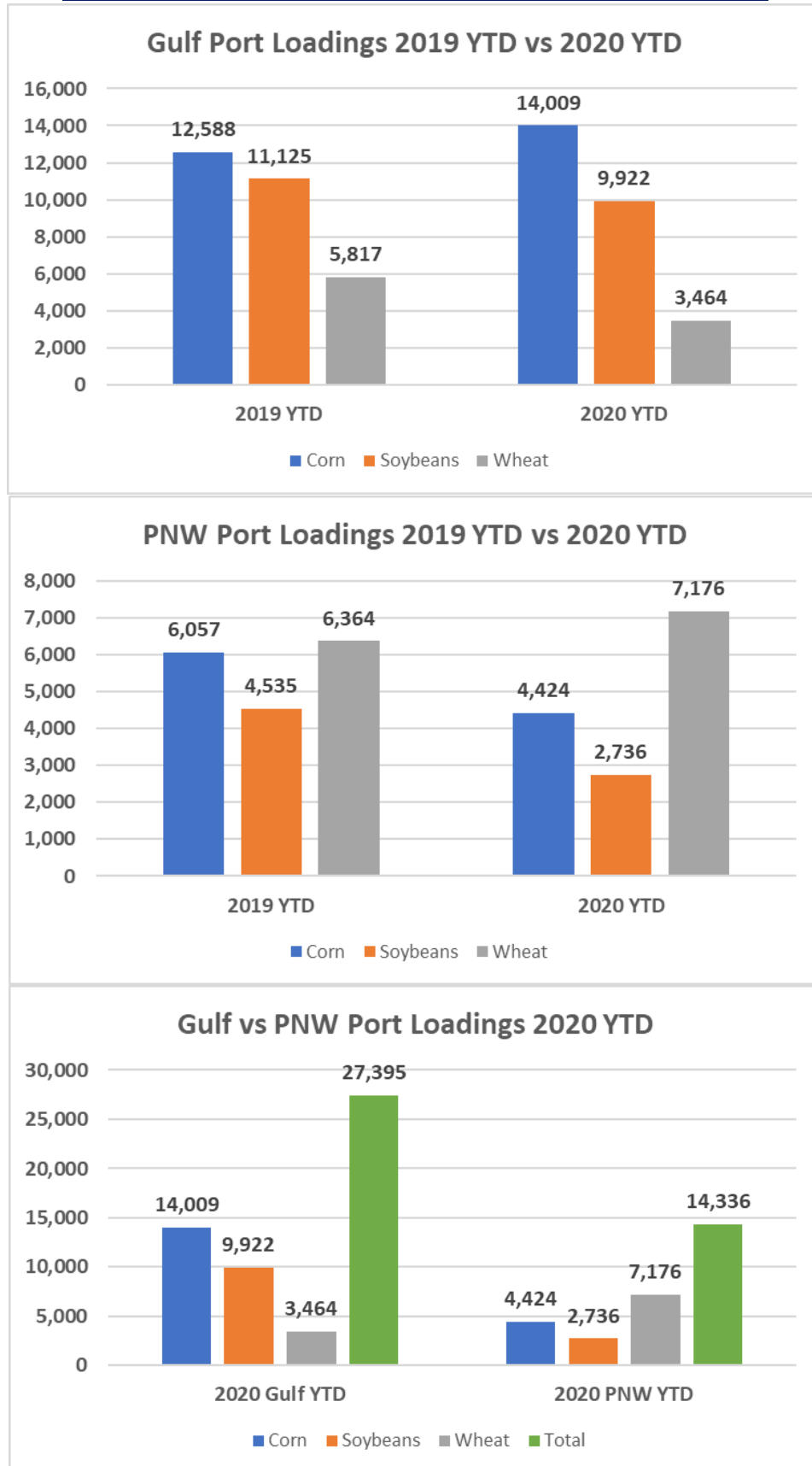
Grain Inspections for Export by U.S. Port Regions:
U.S. Gulf and Pacific Northwest 2019 YTD vs. 2020 YTD

PORT LOADINGS US Gulf				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
GULF				
2019 YTD	12,588	11,125	5,817	29,530
2020 YTD	14,009	9,922	3,464	27,395
2020 as % of 2019	111%	89%	60%	93%

PORT LOADINGS US PNW				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
PNW				
2019 YTD	6,057	4,535	6,364	16,956
2020 YTD	4,424	2,736	7,176	14,336
2020 as % of 2019	73%	60%	113%	85%

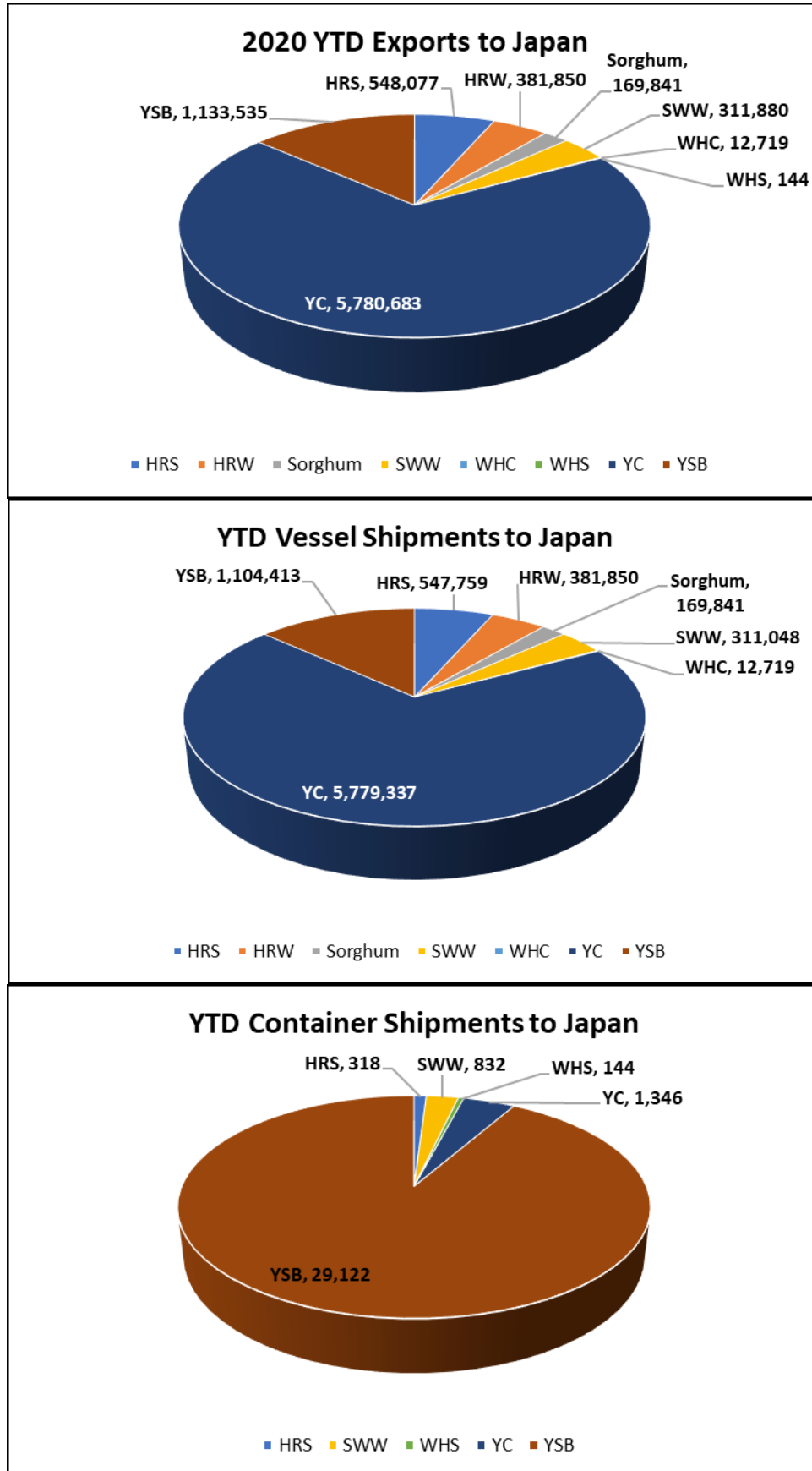
PORT LOADINGS GULF vs. PNW				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
2020 Gulf YTD	14,009	9,922	3,464	27,395
2020 PNW YTD	4,424	2,736	7,176	14,336
TOTAL	18,433	12,658	10,640	41,731
Gulf Percentage	76%	78%	33%	66%
PNW Percentage	24%	22%	67%	34%

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



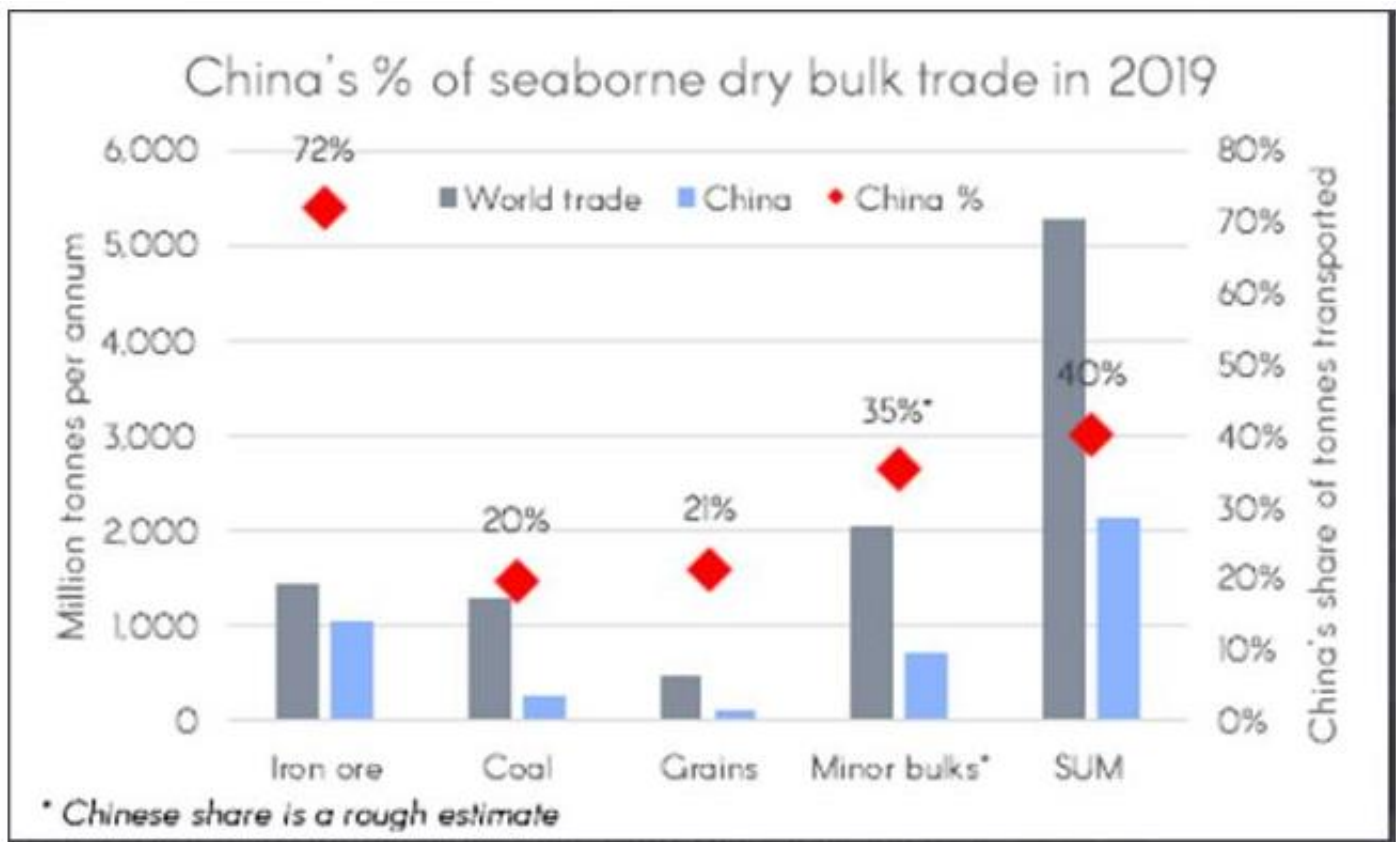
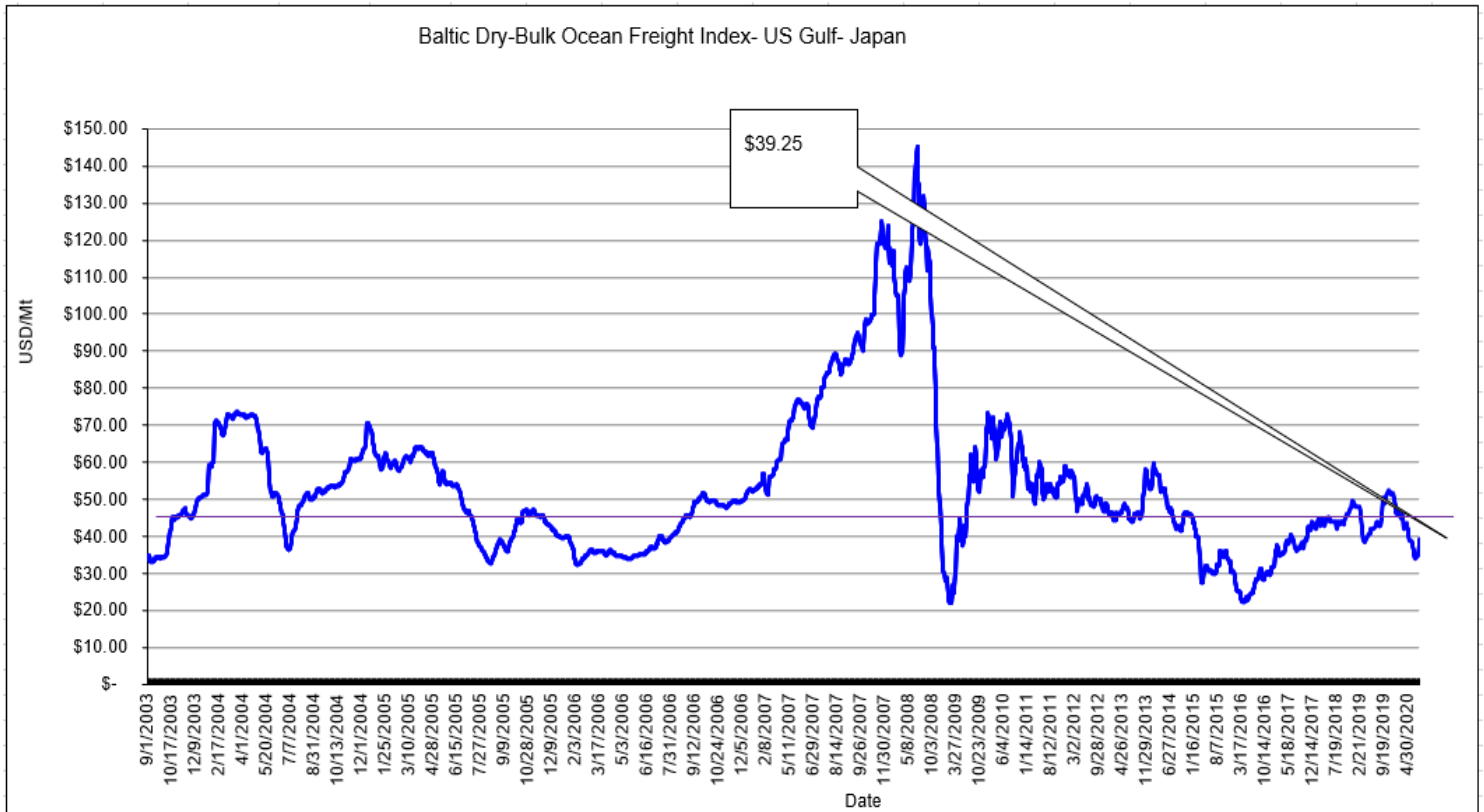
Source: USDA-data

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

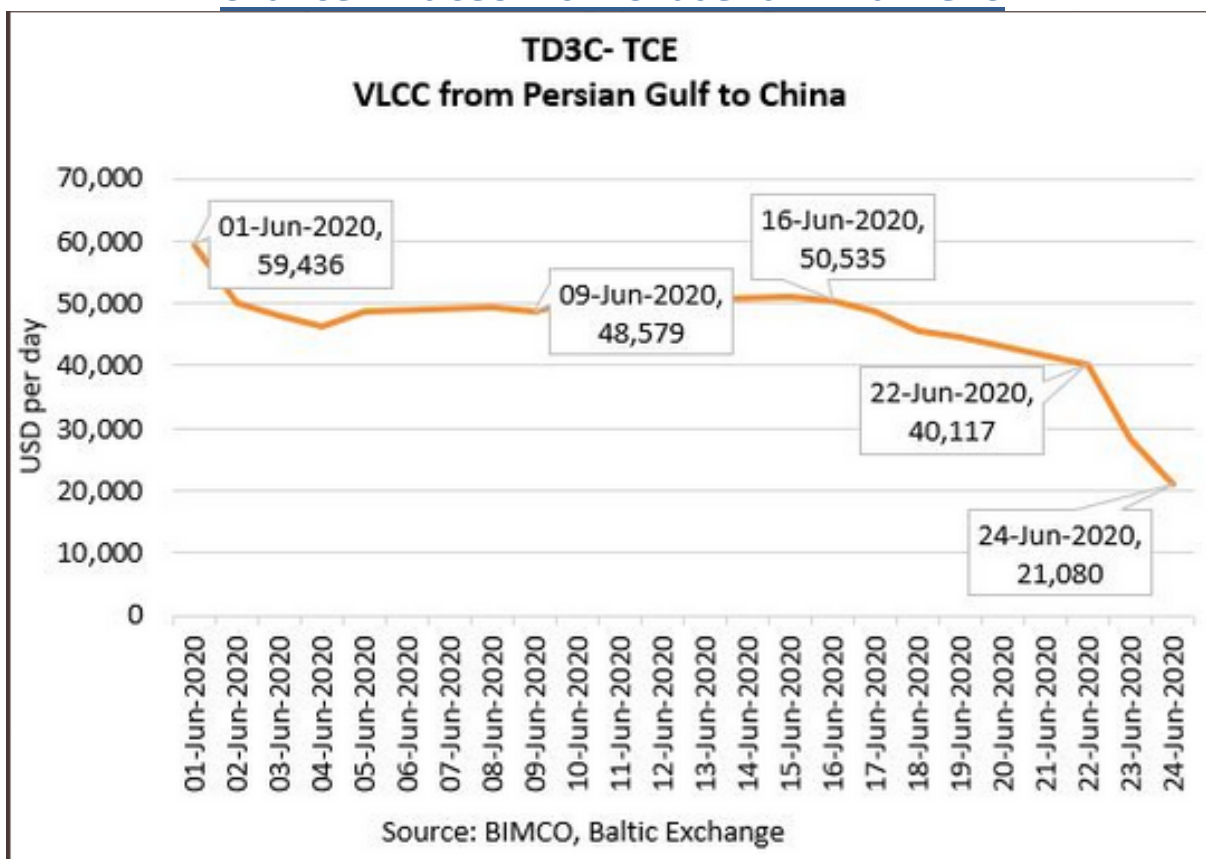


Five Lock and Dam Closures on Illinois River Looming

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

Charter Rates for Crude Oil Tankers






HMM will be switching from BNSF Railway to Union Pacific Railroad in August, a move that allows it to prioritize efficient inland movement of containers within THE Alliance.

by Ship & Bunker News Team

Wednesday June 24, 2020

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Cruise operator **MSC Cruises** has a range of options on its alternative fuelling agenda.

The MSC Cruises executive in charge of maritime policy, **Bud Darr**, outlined some of the measures the company is looking at to Cruise and Ferry's **Susan Parker**.

Biofuel from waste cooking oil is currently being used for bunkering its cargo ships (MSC operates cargo and cruise ships) calling at **Rotterdam**.

"While there are some technical implications, we are comfortable with a **30%** blend," Darr was quoted as saying.

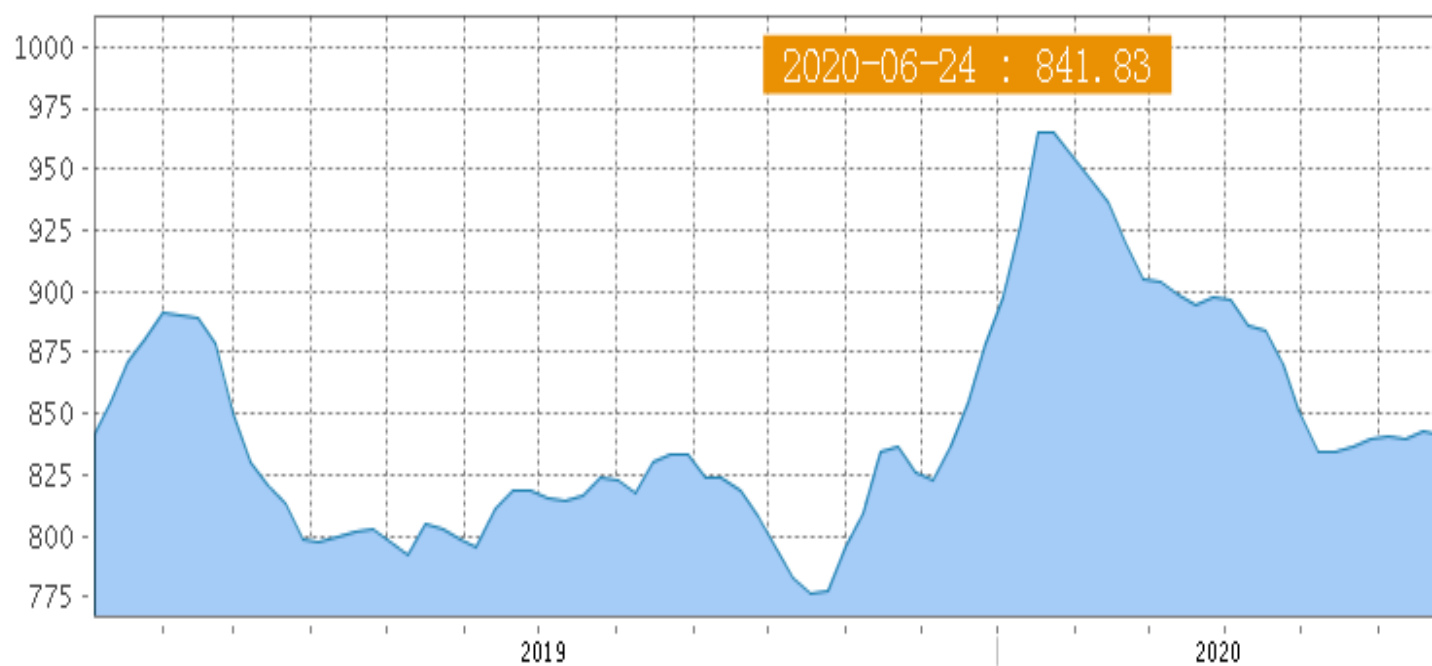


MSC Cruises: viewing options. File Image / Pixabay

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	360	\$24.56	0.62	0.67
Illinois River (Pekin and South)	Closed	\$ -	0.00	0.00
Mid-Mississippi	390	\$17.01	0.43	0.46
Lower Ohio	195	\$ 9.59	0.24	0.26
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 Shuttle Trains	\$ (175.00)	\$ (100.00)	\$ (0.04)	\$ (0.03)	\$ (1.72)	\$ (0.98)
UPRR Shuttle Trains	\$ -	\$ 200.00	\$ -	\$ 0.05	\$ -	\$ 1.97

Best Regards,

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