

Transportation and Export Report for 27 June 2019

Ocean Freight Insights and Comments:

It was a mixed week in Dry-Bulk freight markets.

The Capesize market rallied early in the week but tailed off at weeks end. Most of the price action has been centered around the Capesize markets while the Panamax and Supramax markets have been relatively calm. The Supramax and Handymax sectors have lagged the pack in recent price movement.

Vessels owners remain optimistic that markets will wake up and come to their aid; but with global fleet growth for 2019 and 2020 estimated at 3 percent each year, global coal exports down 9 million metric tonnes and a global economy that seems to be slowing down; it will be difficult to achieve what vessel owners truly need.

BALTIC DRY-BULK PANAMAX INDEX CHANGES

Panamax Ocean Freight Indices				
27-Jun-19	This Week	Last Week	Difference	Percent Change
P2A : Gulf/Atlantic - Japan	17677	16273	1,404	8.6%
P3A - PNW/Pacific - Japan	9459	8894	565	6.4%
S1C -USGULF-China-So.Japan	18892	18197	695	3.8%
P7- Trial- Miss. River - Qingdao	42790	42092	698	1.7%
P8- Trial- Santos - Qingdao	31950	31602	348	1.1%

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

Four weeks ago:	\$6.95-\$7.40
Three weeks ago:	\$7.20-\$7.45
Two weeks ago:	\$7.10-\$7.70
One week ago:	\$7.10-\$7.95
This week	\$7.00-\$7.35

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

Mississippi River:	(10 elevators)	3-11 days
Miss. River Mid-Stream loaders:	(6+ Rigs)	0-2 days
Texas Gulf	(6 elevators)	0-14 days (only 2 facilities over 7 days)
Pacific Northwest:	(9 elevators)	0-11 days (only 2 facilities over 7 days)

Panamax Market Spreads to Asia -China					
27-Jun-19	PNW	GULF	Bushel Spread	MT Spread	Advantage
CORN	0.95	0.72	0.23	\$9.05	PNW
SOYBEANS	0.75	0.62	0.13	\$5.12	PNW
OCEAN FREIGHT	\$23.00	\$42.25	.49 -.52	\$19.25	August

Recent Reported Vessel Fixtures:

Soybean Panamax USG to Spain is running \$20.00/mt.

Soybean Brazil to Spain can be done at \$23.00/mt.

30,000 mt Corn Northern Brazil to Vera Cruz, Mexico \$18.00-\$19.00/mt .To U.S. E/C about \$21.00-22.00/mt

Route and Vessel Size	Current Week USD/MT	Change from previous week	Remarks
55,000 U.S. Gulf-Japan	\$43.00	Up \$0.25	Handymax \$43.00 mt
55,000 U.S. PNW- Japan	\$23.75	Unchanged	Handymax \$24.00 mt
66,000 U.S. Gulf – China PNW to China	\$42.25 \$23.00	Up \$0.25 Unchanged	North China
25,000 U.S. Gulf- Veracruz, México	\$16.50	Down \$0.25	3,000 MT daily discharge rate
30-35,000+ U.S. Gulf- Veracruz, México	\$13.75	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	\$19.00 \$32.50	Down \$0.25	<u>West Coast Colombia at \$27.25</u>
43-45,000 U.S. Gulf - Guatemala	\$28.00	Down 0.25	Acajutla/Quetzal - 8,000 out
26-30,000 U.S. Gulf – Algeria	\$33.50 \$34.50	Unchanged	8,000 mt daily discharge 3,000 mt daily discharge
26-30,000 US Gulf-Morocco	\$34.75	Unchanged	5,000 discharge rate
55-60,000 U.S. Gulf –Egypt PNW to Egypt	\$27.00 \$28.50	Unchanged	60,000 -55,000 mt Russia Black Sea Romania - Egypt \$11.25--\$13.50 (France \$15.50-\$16.50)
60-70,000 U.S. Gulf – Europe – Rotterdam	\$17.50	Unchanged	Handymax at +\$1.75 more
Brazil, Santos – China Brazil, Santos – China Itacoatiara-Port Up River North Brazil	\$32.25 \$32.00 \$35.50	Unchanged	54-59,000 Supramax-Panamax 60-66,000 Post Panamax 60-66,000 mt
56-60,000 Argentina/Rosario- China Deep Draft	\$35.25	Unchanged	Upriver with BB Top Off \$37.75

- 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)

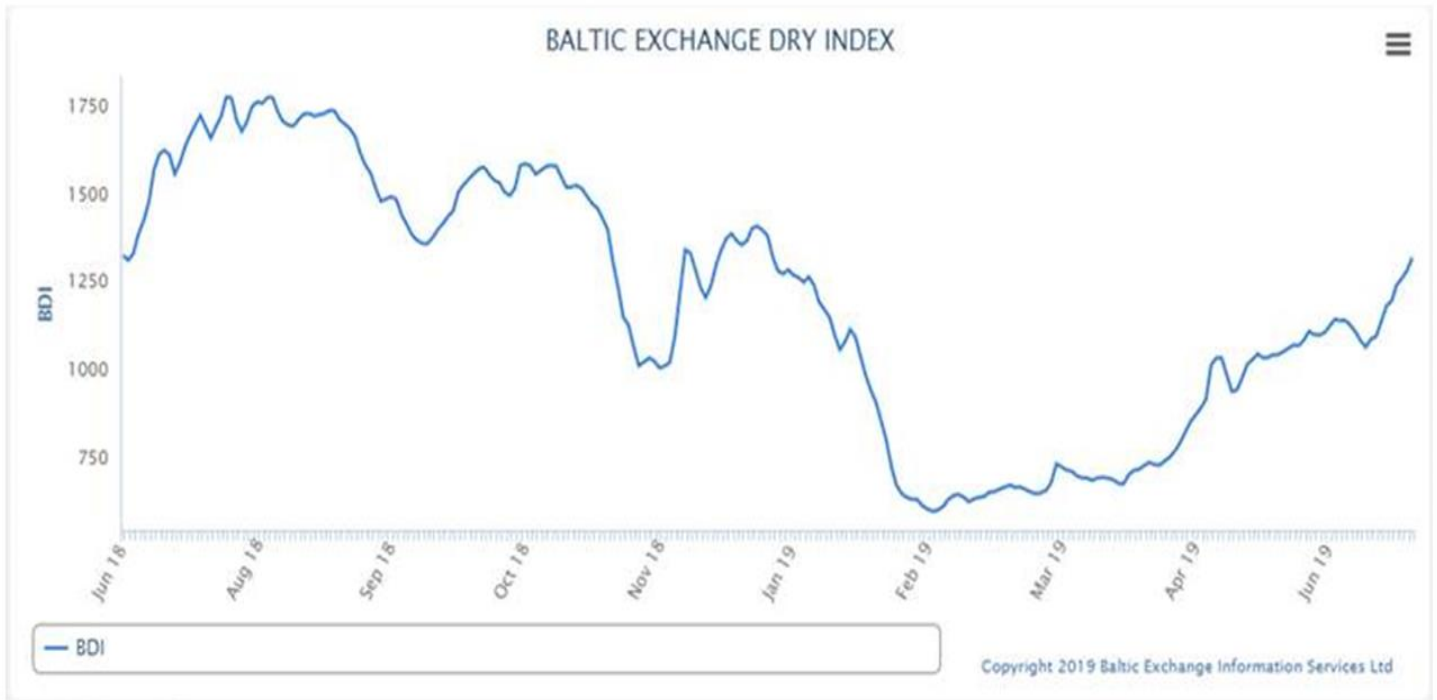
Santos Brazil (via Cape of Good Hope) - 10,441 nautical miles (33 days)

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

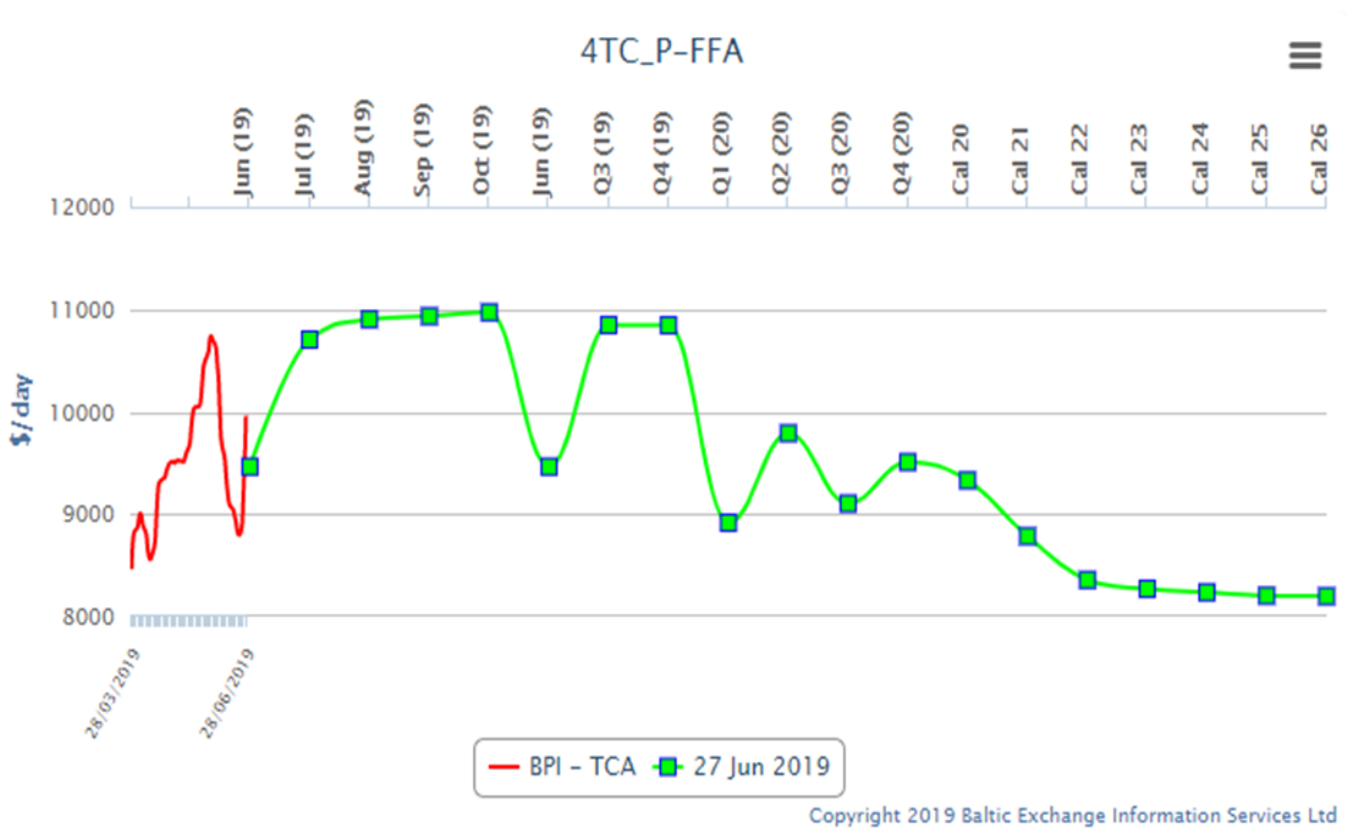
Baltic Dry-Bulk Ocean Freight Index- US Gulf- Japan



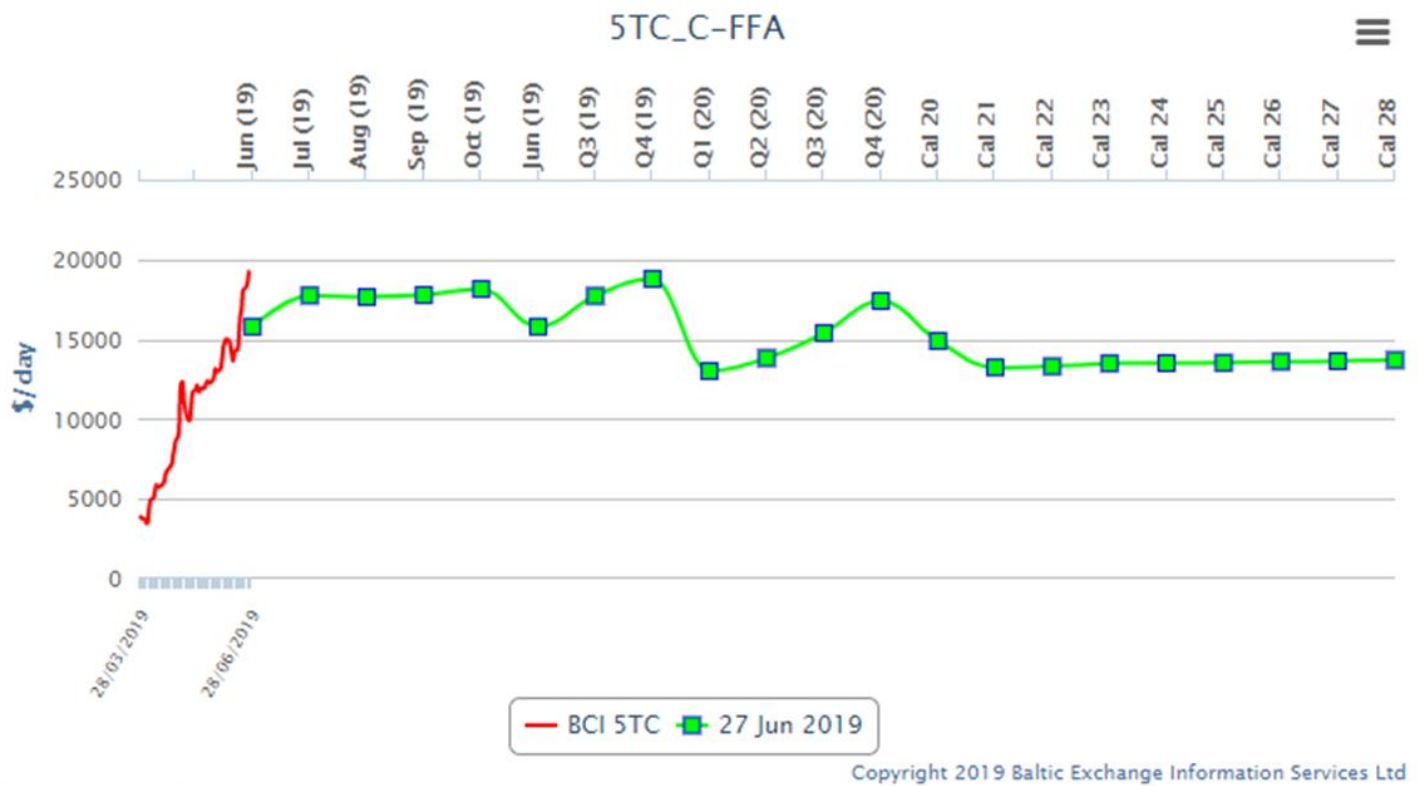
Baltic Dry Index.



Baltic Panamax Forward Curve Chart

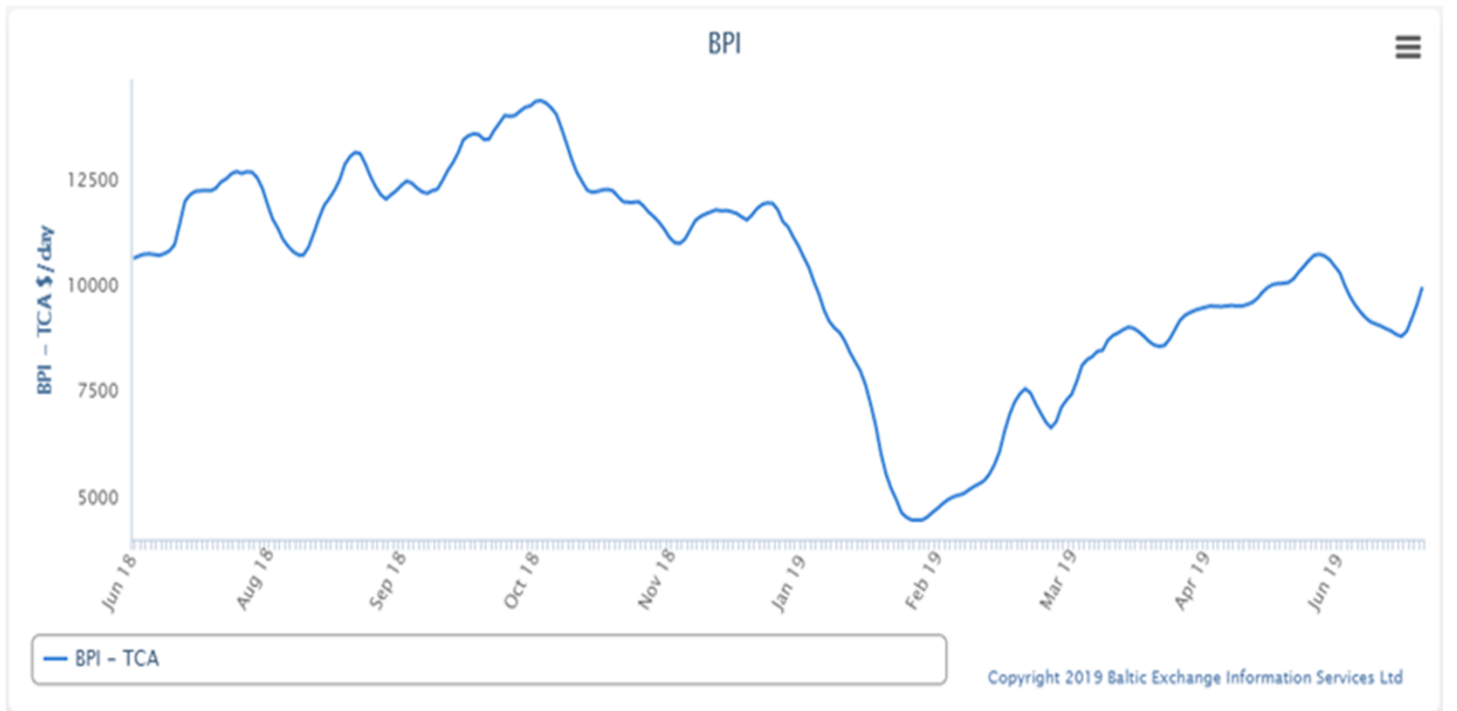


Baltic Capesize Forward Curve Chart



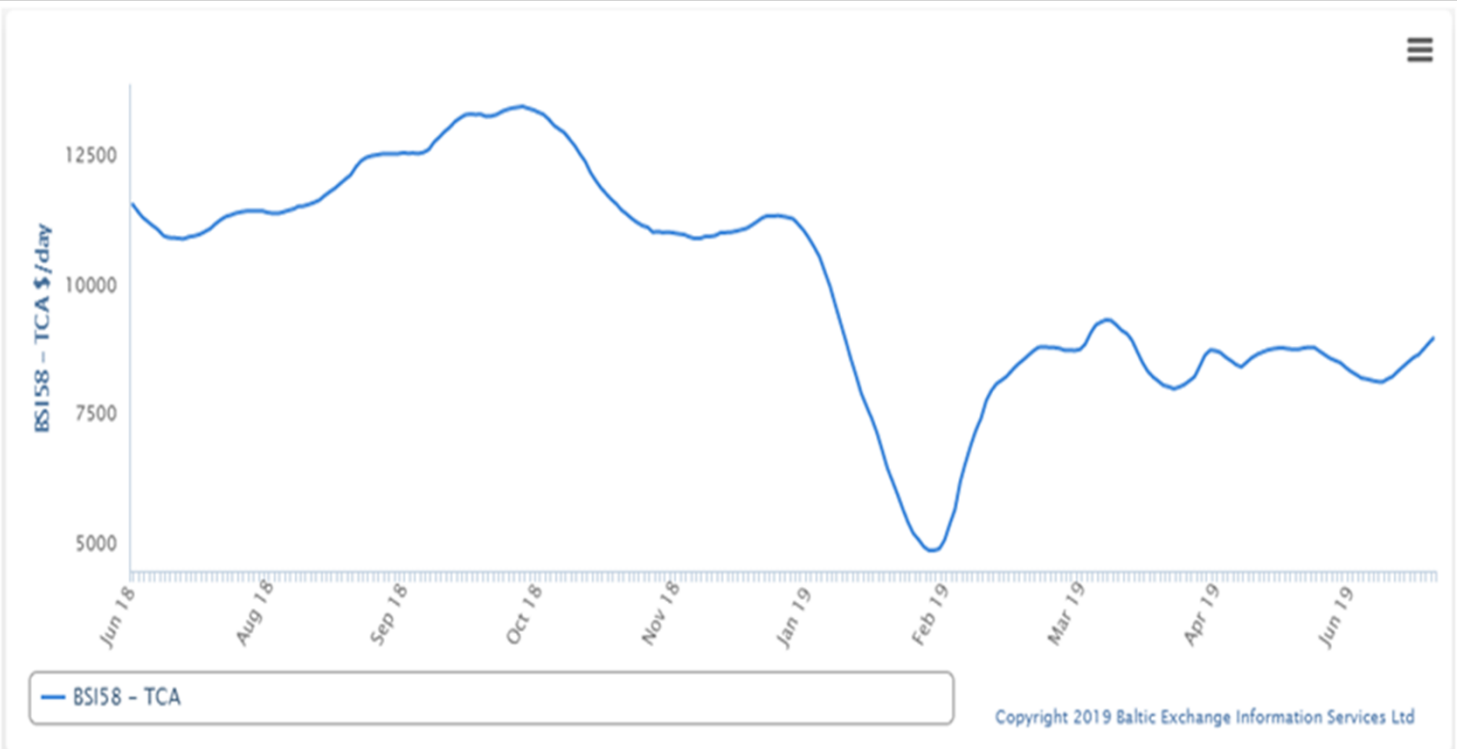
Baltic Panamax Index

Panamax



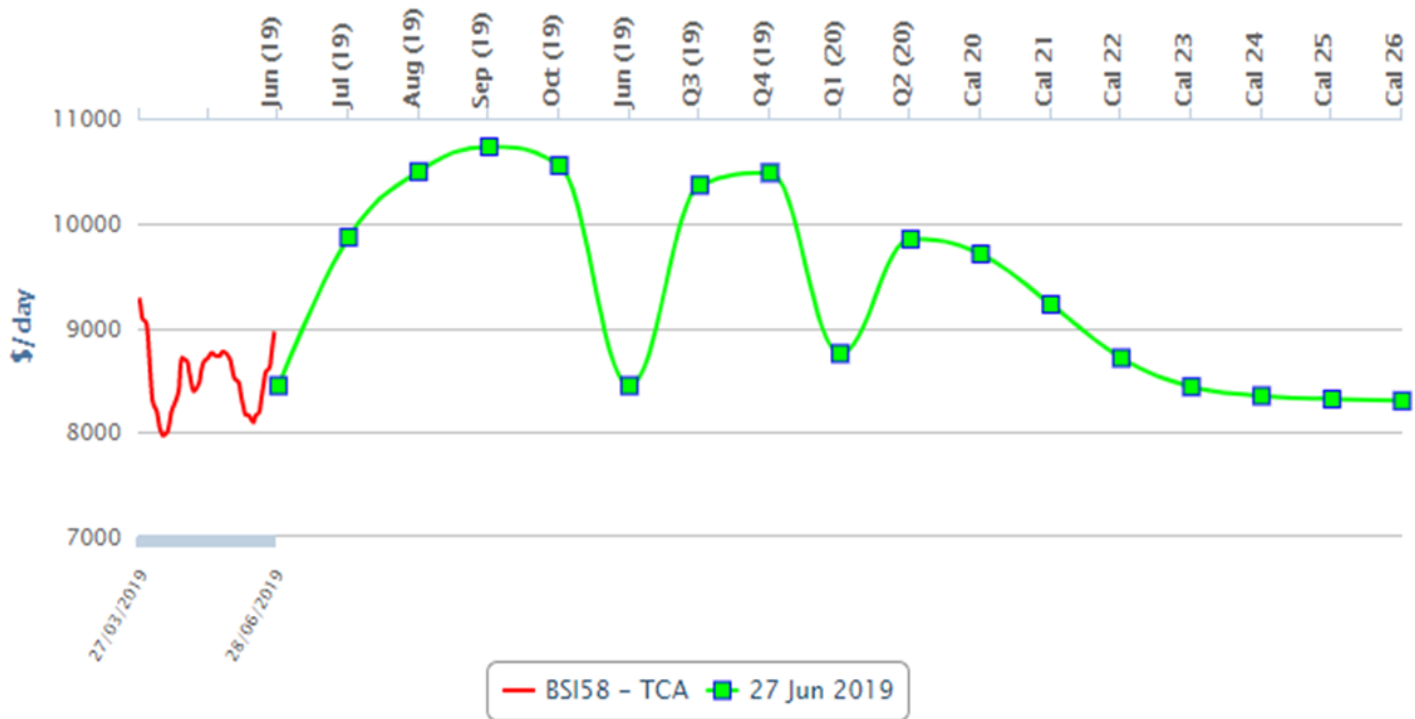
Baltic Supramax Vessel Index

Supramax



Supramax Dry-Bulk Forward Curve

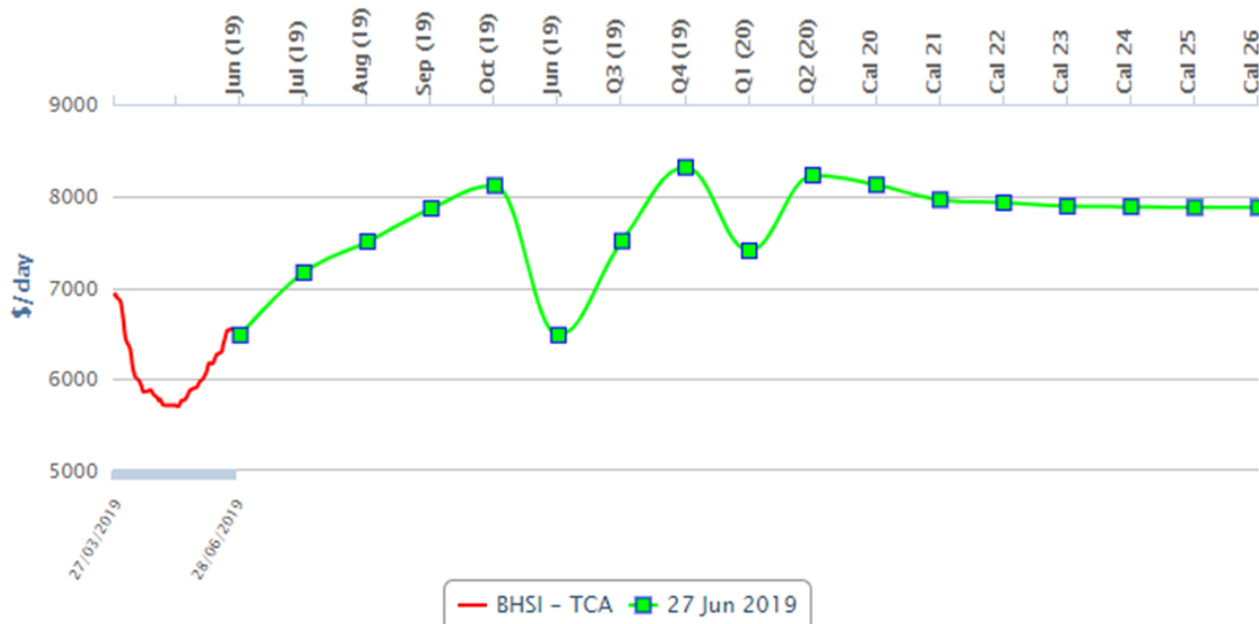
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Baltic Handy Size Forward Curve

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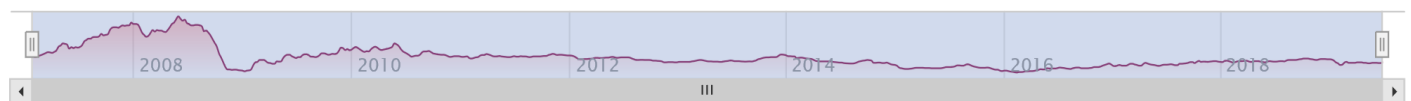
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YAMAMIZU Index



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

From 2007-01-29 To 2019-06-26



China Import Dry Bulk Freight Index 2019-06-27

Description	Size MT	Cargo/Vessel Size	Unit	Rate	Change
Composite Index			Point	850.18	-5.28
Iron ore Freight Index			Point	844.84	-14.51
Soybean Freight Index			Point	946.07	6.28
Santos(Brazil)—North China	60000/10%	Soybean	\$/ton	31.99	0.26
Tacoma(West America)—North China	60000/10%	Soybean	\$/ton	22.745	0.145
Mississippi(US Gulf)—North China	66000/10%	Soybean	\$/ton	42.472	0.243
Mississippi(US Gulf)—North China	55000/10%	Soybean	\$/ton	44.585	0.131

27 June 2019 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.	0.75	\$205.01	0.95	\$210.62
Sept.	0.75	\$205.01	1.06	\$217.21
Oct.	0.68	\$204.32	1.04	\$218.49
Nov.	0.73	\$206.29	1.05	\$218.89
Dec.	0.78	\$208.26	1.12	\$221.64
Jan.	0.75	\$209.34	1.10	\$223.12

The Gulf spread between #2 & #3 YC is currently about .025 cents per bushel (0.98/mt)

SORGHUM (USD/MT) FOB VESSEL				
#2 YGS Fob Vessel	NOLA		TEXAS	
Max. 14.0% moisture	BASIS	FLAT PRICE	BASIS	FLAT PRICE
Aug. (Z)	0.80	\$204.71	0.40	\$193.30
Sept. (Z)	0.80	\$206.98	0.40	\$193.30
Oct.	0.90	\$212.98	0.55	\$199.20
Nov.	1.00	\$216.92	0.60	\$201.17
Dec.	1.00	\$216.92	0.65	\$203.14

Fob vessel Texas Gulf #2 Sorghum is about 100 % 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	\$233.96	\$235.80	\$237.64	\$239.47
Basis	0.90	0.95	0.90	0.95
WN	5.4750			.
WU	5.4675			
WZ	5.5675			

27-Jun-19	Close	This Week	Last Week.	Last Week.	Last Week	
CME Corn Futures	Bushel	MT.	Bushel	Bu. Diff.	MT	MT Diff.
July	\$ 4.4000	\$ 173.22	\$ 4.5000	(0.1000)	\$ 177.16	\$ (3.94)
Sept.	\$ 4.4575	\$ 175.48	\$ 4.5475	(0.0900)	\$ 179.03	\$ (3.54)
Dec.	\$ 4.5100	\$ 177.55	\$ 4.6100	(0.1000)	\$ 181.49	\$ (3.94)
Mar.	\$ 4.5675	\$ 179.81	\$ 4.6625	(0.0950)	\$ 183.55	\$ (3.74)
May	\$ 4.5800	\$ 180.30	\$ 4.6800	(0.1000)	\$ 184.24	\$ (3.94)
July	\$ 4.5900	\$ 180.70	\$ 4.6925	(0.1025)	\$ 184.73	\$ (4.04)

CBOT Sept. 2019 (CU19) CORN Futures Chart –



CME/CBOT Sept. 2019 (WU19) 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.	0.60	\$350.44	0.80	\$357.79
Sept. (X)	0.42	\$350.62	0.72	\$361.65
Oct.	0.46	\$352.09	0.75	\$362.75
Nov.	0.54	\$355.03	0.75	\$362.75
Dec.	0.45	\$355.95	0.68	\$364.40
Soybean Futures				
July	\$ 8.8775			
Aug.	\$ 8.9375			
Sept.	\$ 9.0000			
Nov.	\$ 9.1225			
Jan.	\$ 9.2375			
Mar.	\$ 9.3175			

U.S. SBM (USD/MT) FOB Vessel		
Fob U.S. Gulf Port	47.5 Pro. SBM	
max 12.5 % moisture	Basis	Flat Price
Aug.	2.00	\$ 347.51
Sept.	2.00	\$ 349.27
Oct.	2.00	\$ 351.15
Nov.	1.00	\$ 353.90
Dec.	2.00	\$ 355.01
SBM Futures		
SMN	312.20	
SMQ	313.20	
SMU	314.80	
SMV	316.50	
SMZ	320.00	
SMF	321.70	

CME Nov. 2019 Soybean (SX19) Futures Chart:



CME August 2019 Soybean Meal (SMQ19) Futures Chart



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 '19- 20 (Wht&Barley '20- 21) (000 MT)
Corn	143.4	48,445.1	55,880	87%	3,068.8
Sorghum	2.0	1,562.0	2,160	72%	0.0
Soybeans	793.3	47,509.4	46,270	103%	1,994.9
Wheat	303.8	6,335.7	24,490	26%	0.0
Barley	0.0	50.5	70	72%	0.0

U.S. EXPORT INSPECTIONS:

Monday's report 24 June 2019 for the Export week ending 20 June 2019

	Export Inspections		Current Market Year YTD	Previous Year to Date	2018/19 YTD as Percent of 2017/18 YTD (wheat&barley 19/20 vs 18/19)
	This Week	Previous Week			
Corn	617,740	678,024	41,474,867	44,221,990	94%
Sorghum	112,816	3,669	1,582,174	4,761,677	33%
Soybeans	682,155	680,370	36,331,583	48,824,725	74%
Wheat	406,386	382,371	1,225,725	1,158,241	106%
Barley	857	0	196	98	200%

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

U.S. EXPORT INSPECTIONS:

Monday's report 24 June 2019 for the Export week ending 20 June 2019

Last Week								
(Metric Tons)	YC	%	WC	%	Sorghum	%	Soybeans	%
Lakes	0	0%	0	#DIV/0!	0	0%	22,585	3%
Atlantic	10,036	2%	0	#DIV/0!	0	0%	56,550	8%
Gulf	327,968	53%	0	#DIV/0!	109,622	97%	301,541	44%
PNW	156,345	25%	0	#DIV/0!	0	0%	203,474	30%
Interior Export Rail	123,391	20%	0	#DIV/0!	3,194	3%	98,005	14%
Metric Tons	617,740		0		112,816		682,155	

Sorghum Shipments:	<u>metric tons</u>	
	109,916	China Main
	2,900	Mexico
	<u>112,816</u>	Total

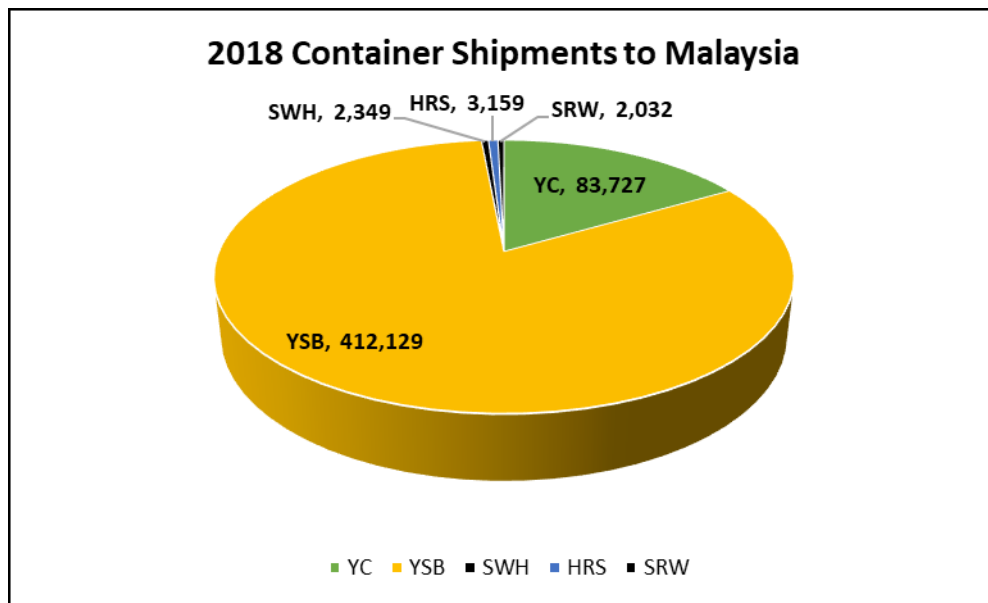
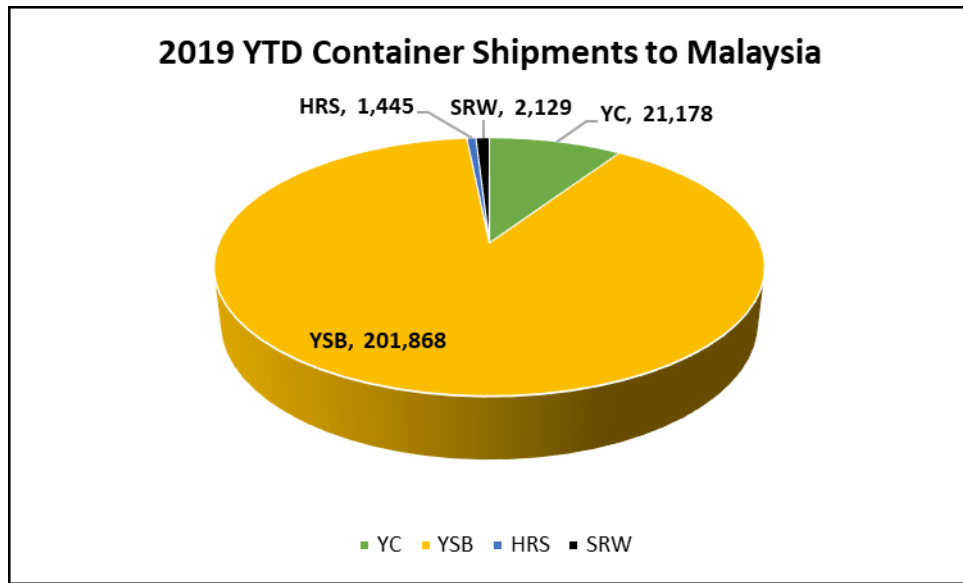
White Corn	<u>metric tons</u>
Shipments:	
	<hr/>
	0 Total

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:		20-Jun-2019							
Last Week	metric tons								MT
	YC	WC	YSB	SRW	NS	SWH	HRW	Sorghum	TOTAL
China Main								294	294
China T	19,050		12,587						31,637
Hong Kong	514								514
Costa Rica	49								49
Indonesia			24,740						24,740
French Poly	220								220
Japan			1,469						1,469
Korea Republic	416			686					1,102
Nepal			612						612
Malaysia	220		4,921	294					5,435
Nicaragua			245						245
Philippines			2,204						2,204
Thailand			8,056						8,056
Ireland									0
Jordan	24								24
Vietnam	245		4,652						4,897
Sub total	20,738	0	59,486	980	0	0	0	294	76,577
USDA Corrections/Additions to previous reports:									
China T							439		439
China Main								637	637
Hong Kong									0
Korea Rep.									0
Canada						120			120
Japan			122						122
Philippines			490						490
Indonesia			955						955
Malaysia			2,472						2,472
Thailand			833						833
Vietnam			196						196
Burma									0
Bangladesh									0
Sub total	0	0	5,068	0	0	120	439	637	6,264
Mt. Grand Total	20,738	0	64,554	980	0	120	439	931	82,841
Number of containers	902	0	2,807	43	0	5	19	40	

Jan - Dec 2018 Annual Totals versus 2019 Jan.-Dec. YTD Total Container Shipments (in MT)



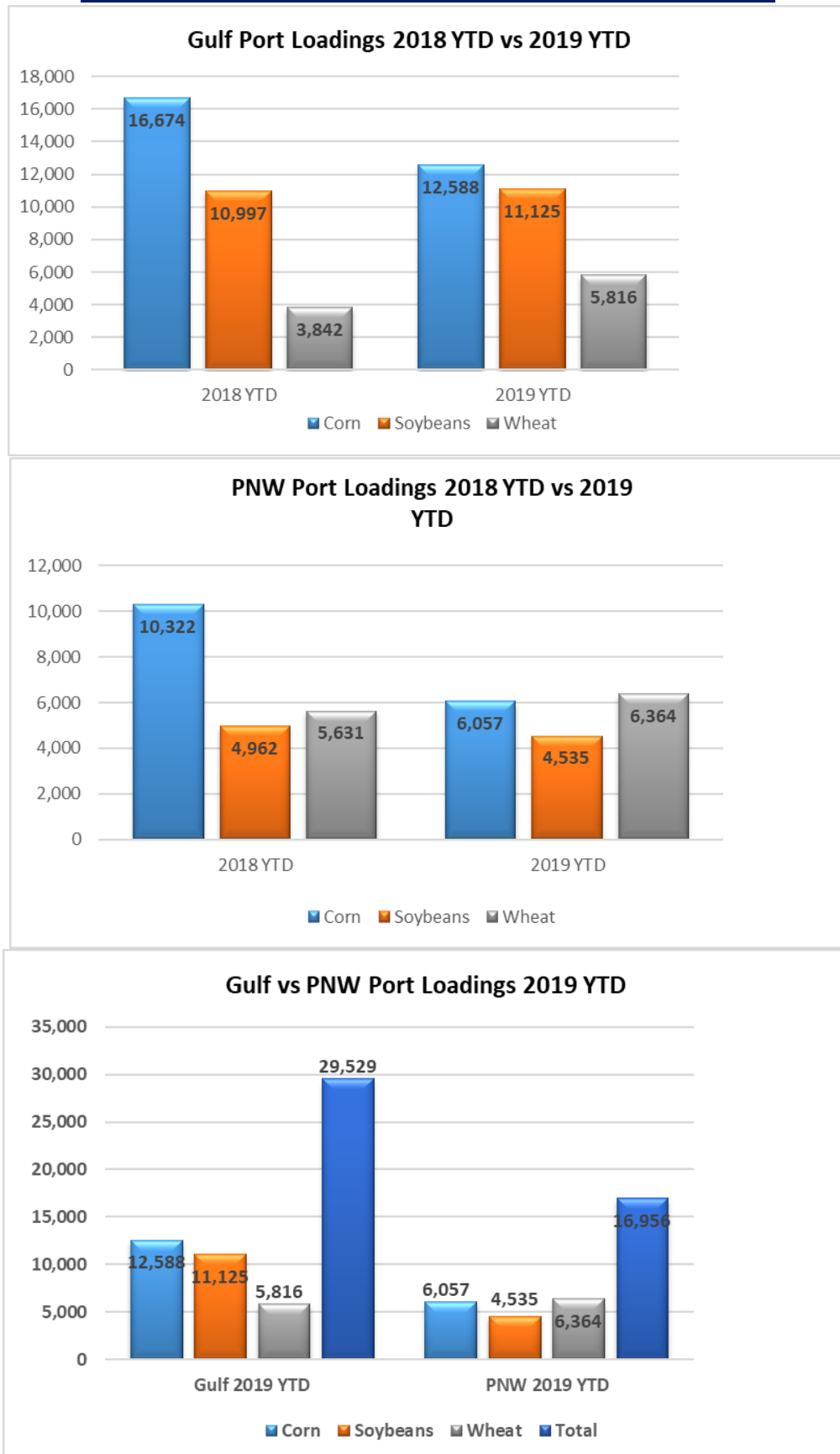
Grain Inspections for Export by U.S. Port Regions:
U.S. Gulf and Pacific Northwest 2018 YTD vs. 2019 YTD

PORT LOADINGS US Gulf				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
GULF				
2018 YTD	16,674	10,997	3,842	31,513
2019 YTD	12,588	11,125	5,816	29,529
2019 as % of 2018	75%	101%	151%	94%

PORT LOADINGS US PNW				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
PNW				
2018 YTD	10,322	4,962	5,631	20,915
2019 YTD	6,057	4,535	6,364	16,956
2019 as % of 2018	59%	91%	113%	81%

PORT LOADINGS GULF vs. PNW				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
2019 Gulf YTD	12,588	11,125	5,816	29,529
2019 PNW YTD	6,057	4,535	6,364	16,956
TOTAL	18,645	15,660	12,180	46,485
Gulf Percentage	68%	71%	48%	64%
PNW Percentage	32%	29%	52%	36%

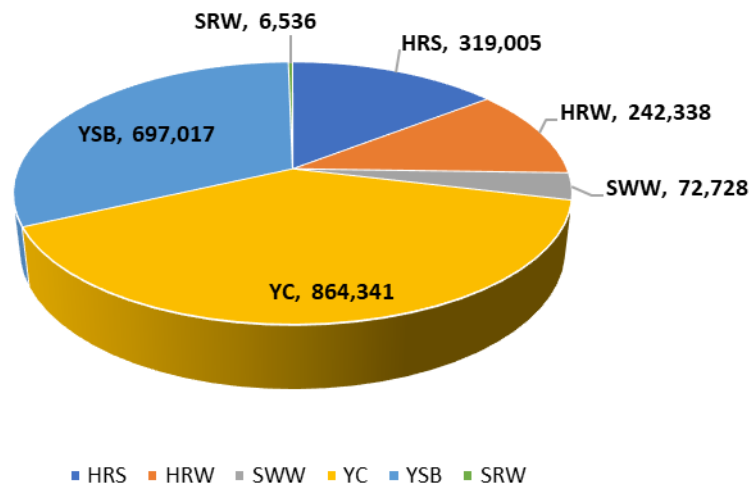
Grain Inspections for Export by U.S. Port Regions (1,000MT):
U.S. Gulf and Pacific Northwest 2018 YTD vs. 2019 YTD



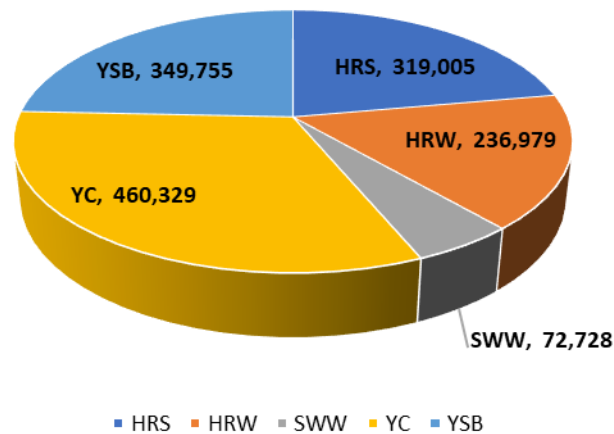
Source: USDA-data

2019 YTD Total Grain Exports reported by USDA (in MT)

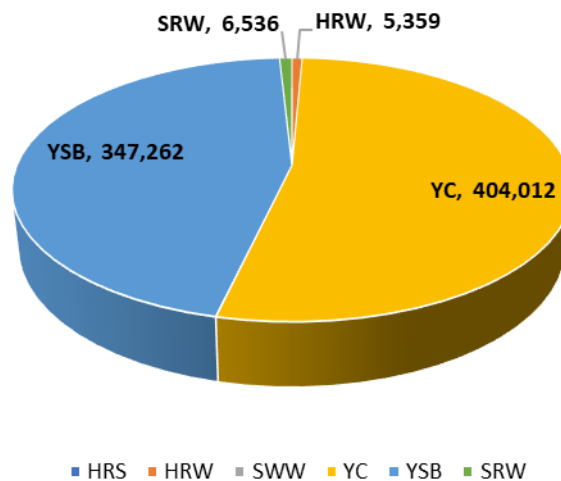
2019 YTD Exports to China T



YTD Exports to China T by Vessel



YTD Exports to China T by Container



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

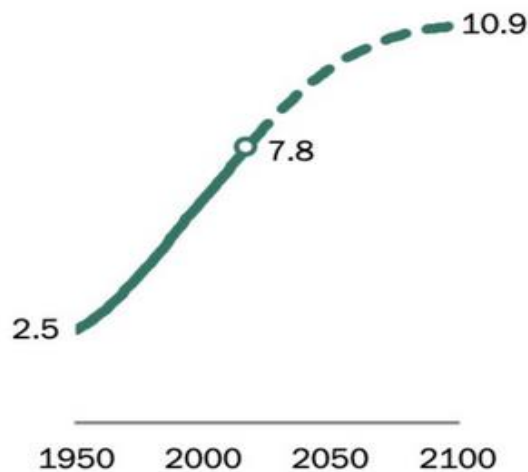
Shipping News

Baltic/BSEA/E Russia Weekly Wheat Loadouts



World population growth is projected to flatten in coming decades

World population, in billions



Note: Data labels shown for 1950, 2020 and 2100.

Source: United Nations Department of Economic and Social Affairs, Population Division, "World Population Prospects 2019."

PEW RESEARCH CENTER

China Import Dry Bulk Freight Index



China Containerized Freight Index



U.S. RIVER BARGE FREIGHT

Current Barge Freight for Placement Last Half July 2019

Placement LH July 2019	% of		Corn	Soybeans-Wheat
	Tariff	MT	BU	BU
Upper Mississippi	4.65	\$ 31.73	0.81	0.86
Illinois River (Pekin and South)	450	\$ 23.86	0.61	0.65
Mid-Mississippi	450	\$ 26.39	0.67	0.72
Lower Ohio	285	\$ 14.01	0.36	0.38
St. Louis	320	\$ 14.07	0.36	0.38

Secondary Rail Car Market for car placement period: Last Half July 2019.

Secondary Rail Car Market Placement LH. July 2019	BID USD	ASK USD	BID BU.	ASK BU.	BID MT	ASK MT
BNSF Shuttle Trains	\$ (150.00)	\$ (50.00)	\$ (0.04)	\$ (0.01)	\$ (1.48)	\$ (0.49)
UPRR Shuttle Trains	\$ (150.00)	\$ 50.00	\$ (0.04)	\$ 0.01	\$ (1.48)	\$ 0.49

Best Regards,

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