

**Transportation and Export Report for 28 June 2018****Ocean Freight Insights and Comments:**

It was not a good week for vessel owners. Dry-bulk markets continued to slip back this week. Paper traders and Shipping news writers tried to talk the market up but could not hold it there without improved physical cargo demand. Some are talking about the EU summer Holidays and the dull days of summer but it seems to be more than just that. Vessel demolition activity has slowed and a few more new build orders have been showing up. The market is not ready for capacity expansion in the face of a worrisome international trade war. A global economic slowdown with lower volumes of sea trade is not going to be healthy for either the Dry Bulk or Container vessel markets.

BALTIC DRY-BULK PANAMAX INDEX CHANGES

Panamax Ocean Freight Indices				
28-Jun-18	This Week	Last Week	Difference	Percent Change
P2A : Gulf/Atlantic - Japan	17667	18310	-643	-3.5%
P3A - PNW/Pacific - Japan	10313	10983	-670	-6.1%
S1C -USGULF-China-So.Japan	20322	21172	-850	-4.0%

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

Four weeks ago:	\$ 6.55-\$6.85
Three weeks ago:	\$ 7.50-\$8.15
Two weeks ago:	\$ 7.55-\$8.10
One week ago:	\$ 7.85-\$8.10
This week	\$ 7.20-\$7.40

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

Mississippi River:	(10 elevators)	3-9 days
Miss. River Mid-Stream loaders:	(6+ Rigs)	0-2 days
Texas Gulf	(6 elevators)	0-2days
Pacific Northwest:	(9 elevators)	1-13 days (only 2 facilities over 8 days)

Panamax Market Spreads to Asia -China					
28-Jun-18	PNW	GULF	Bushel Spread	MT Spread	Advantage
CORN	1.00	0.65	0.35	\$13.78	PNW
SOYBEANS	0.90	0.65	0.25	\$9.19	PNW
OCEAN FREIGHT	\$23.75	\$42.25	.44 -.48	\$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	\$43.25	Down \$0.25	Handymax \$43.75 mt
55,000 U.S. PNW- Japan	\$24.50	Down \$0.25	Handymax \$24.75 mt
66,000 U.S. Gulf – China PNW to China	\$42.25 \$23.75	Down \$0.25 Down \$0.25	North or South China
25,000 U.S. Gulf- Veracruz, México	\$16.25	Unchanged	3,000 MT daily discharge rate
35-40,000 U.S. Gulf- Veracruz, México	\$14.25	Unchanged	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	Unchanged	<u>West Coast Colombia at \$28.50</u>
40-45,000 U.S. Gulf - Guatemala	\$28.75	Unchanged	Acajutla/Quetzal - 8,000 out
26-30,000 U.S. Gulf – Algeria	\$31.50 \$33.00	Down \$0.25	8,000 mt daily discharge 3,000 mt daily discharge
26-30,000 US Gulf-Morocco	\$34.00	Unchanged	5,000 discharge rate
55-60,000 U.S. Gulf –Egypt PNW to Egypt	\$28.00 \$27.50	Down \$0.50	55,000 -60,000 mt Russia Black Sea to Egypt \$15.00
60-70,000 U.S. Gulf – Europe – Rotterdam	\$20.50	Down \$0.50	Handymax at +\$1.75 more
Brazil, Santos – China Brazil, Santos – China Itacoatiara-Port Up River North Brazil	\$35.25 \$34.50 \$38.00	Down \$0.25	54-59,000 Supramax-Panamax 60-66,000 Post Panamax 60-66,000 mt
56-60,000 Argentina/Rosario- China Deep Draft	\$39.75	Down \$0.25	Up River with BB Top Off \$41.00

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

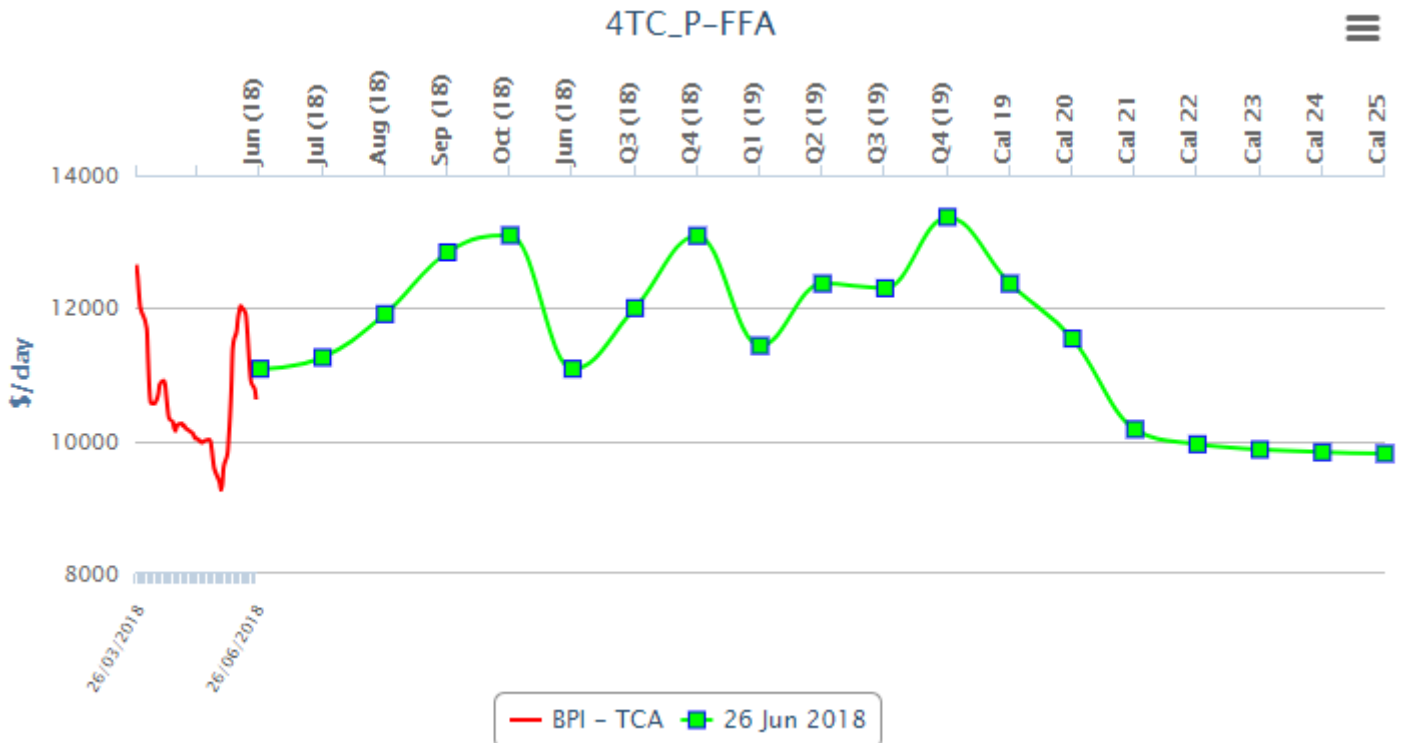
Nautical Miles: To Xiamen China (South China)

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

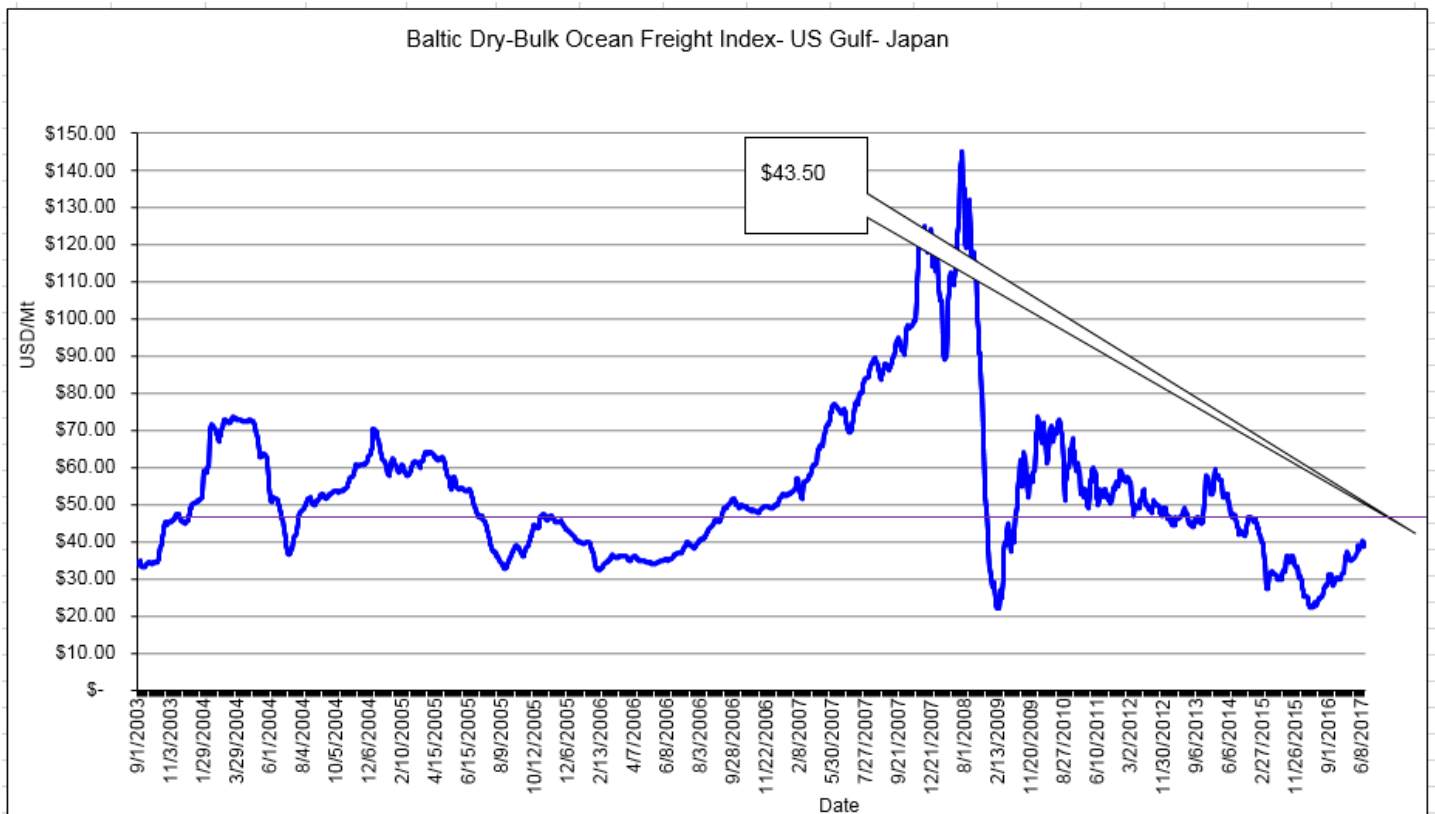
Santos Brazil (via Cape of Good Hope) - 10,441 nautical miles (33 days)

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

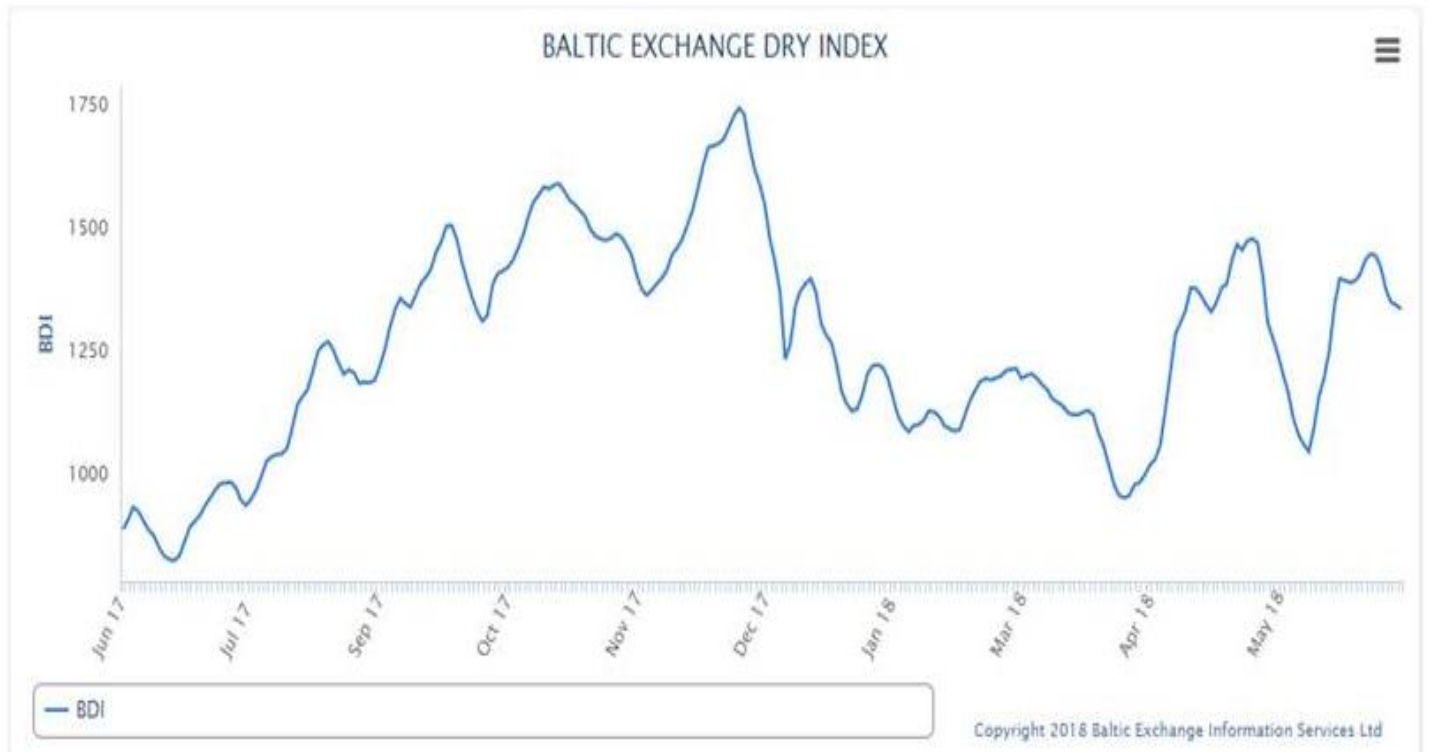
Forward Curve for Baltic BPI Panamax Vessel Freight



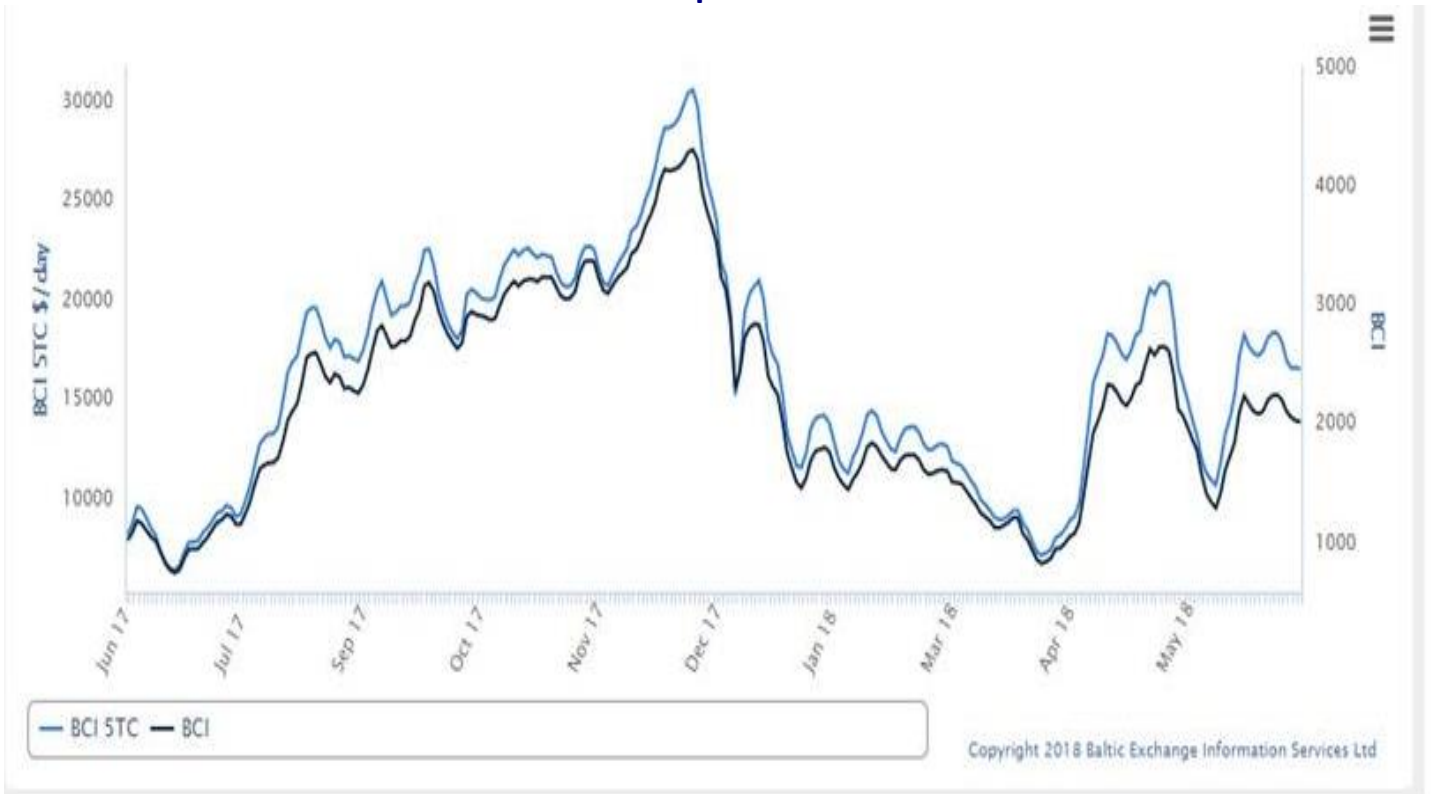
Copyright 2018 Baltic Exchange Information Services Ltd



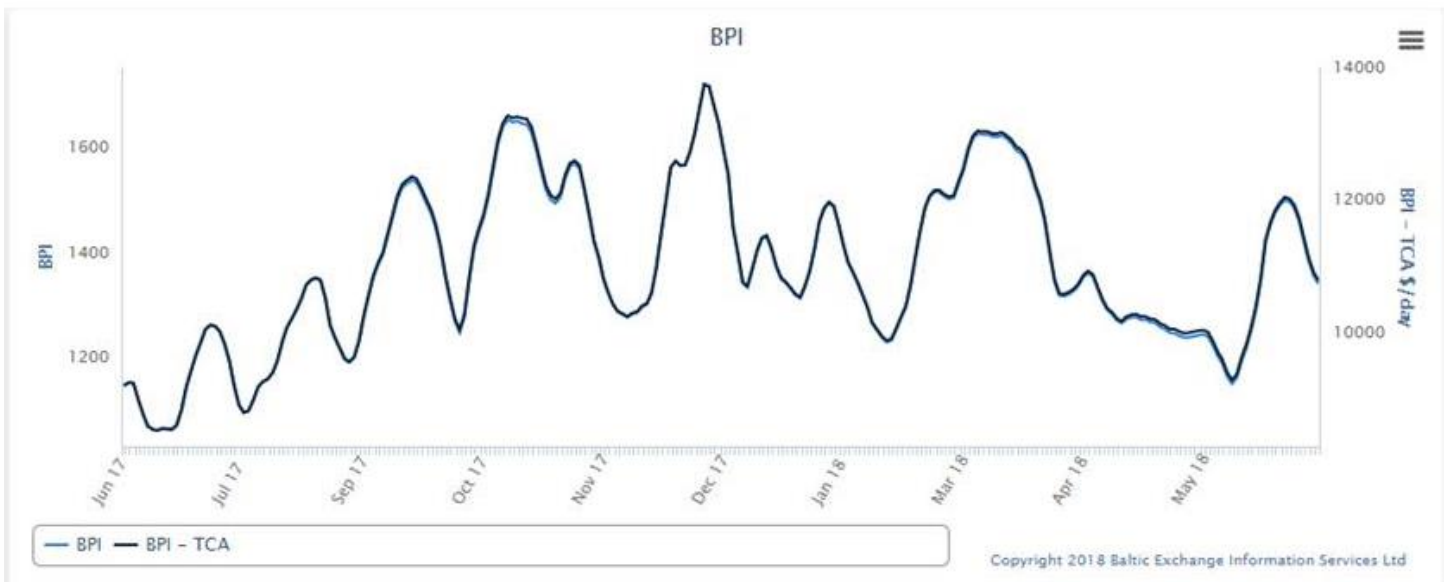
Baltic Dry-Bulk Index



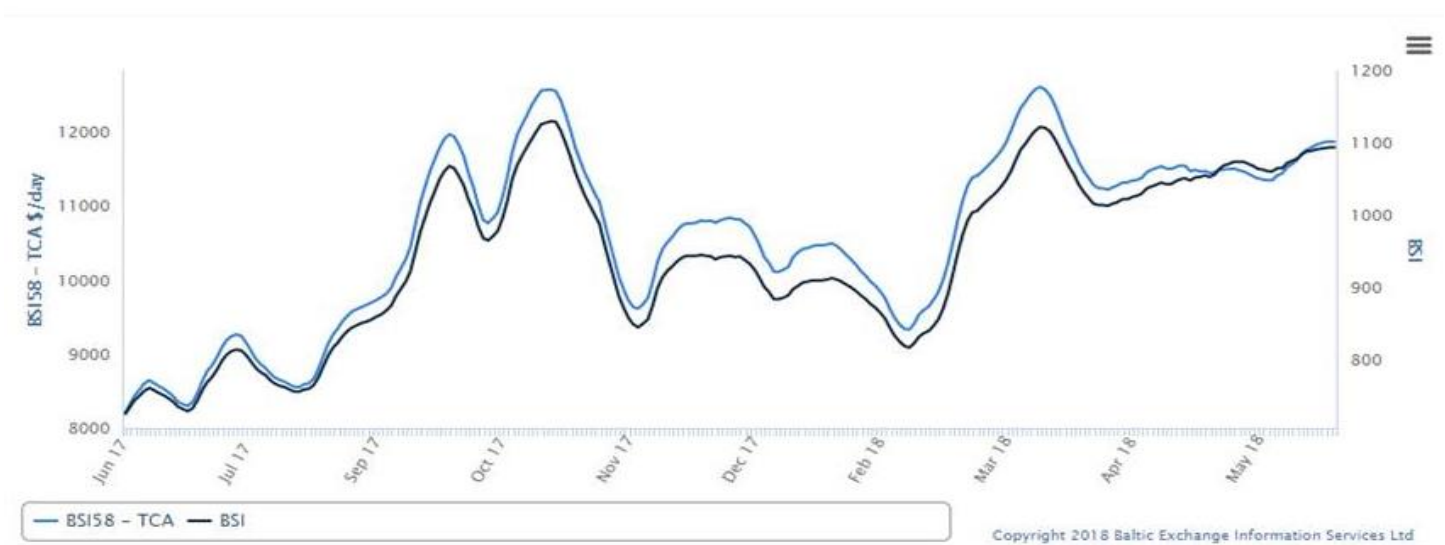
Baltic Capesize Index



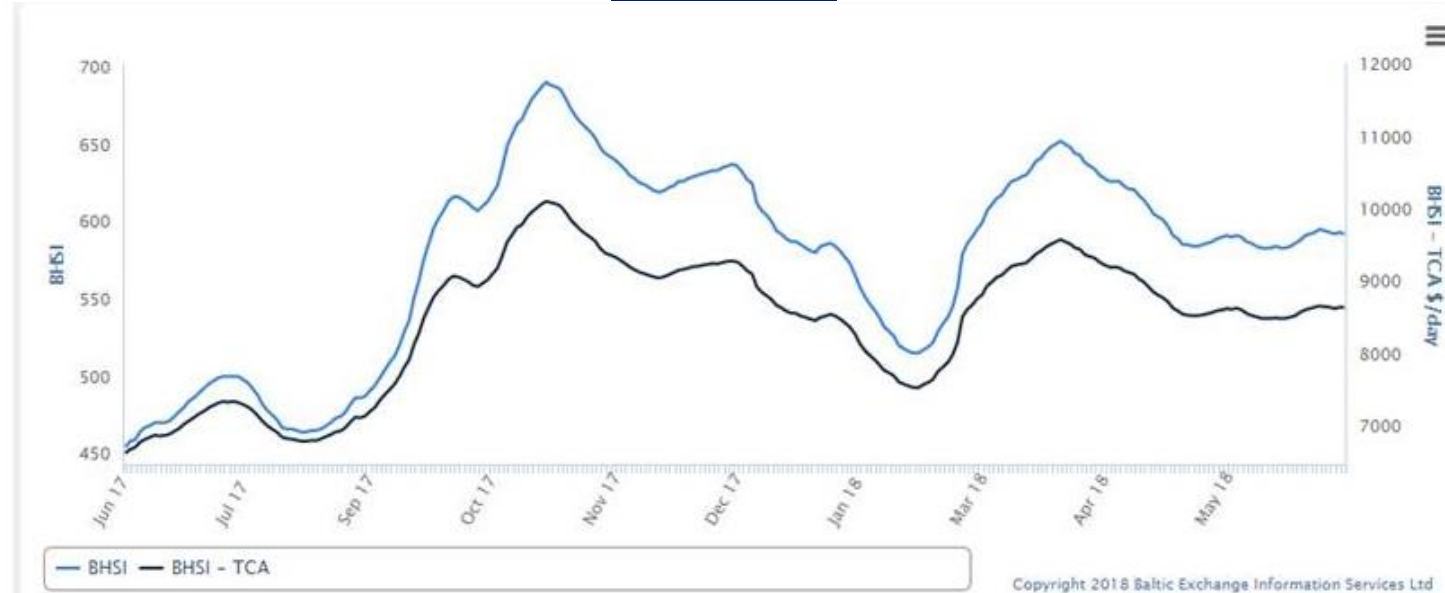
Baltic Panamax Index



Baltic Supramax Vessel Index



Baltic Handy Size



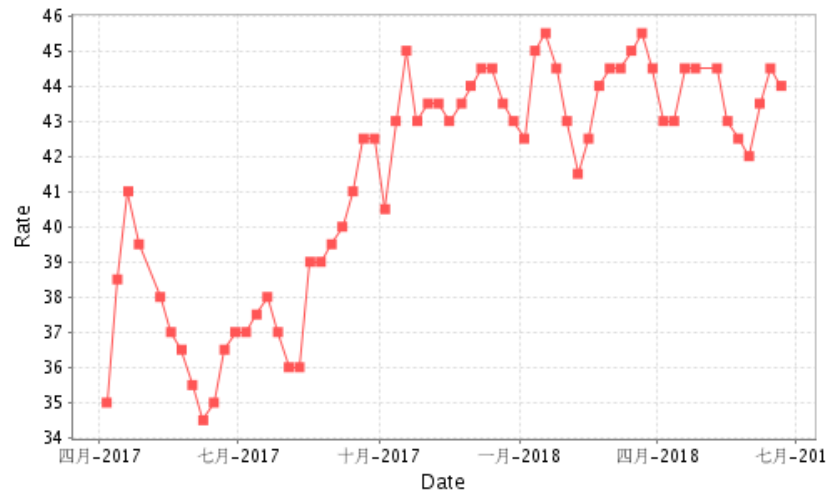
Yamamizu Shipping

[Profile](#)
[History](#)
[Organization](#)
[Service](#)
[Access Map](#)
[Yamamizu Index](#)

USG/Japan Index Result

Date From: 2017-04-03

Date To: 2018-06-28



27 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
Aug.	0.65	\$168.00	1.00	\$181.78
Sept.	0.73	\$171.15	1.04	\$183.36
Oct.	0.72	\$175.29	1.15	\$192.21
Nov.	0.75	\$176.47	1.15	\$192.21
Dec.	0.79	\$178.04	1.16	\$192.61
Jan.	0.73	\$179.42	1.10	\$193.99

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	\$194.18	1.05	\$188.28
Sept. (Z)	1.20	\$194.18	1.05	\$188.28
Oct.	1.20	\$194.18	1.05	\$188.28
Nov.	1.20	\$194.18	1.05	\$188.28
Dec.	1.20	\$197.92	1.05	\$192.02

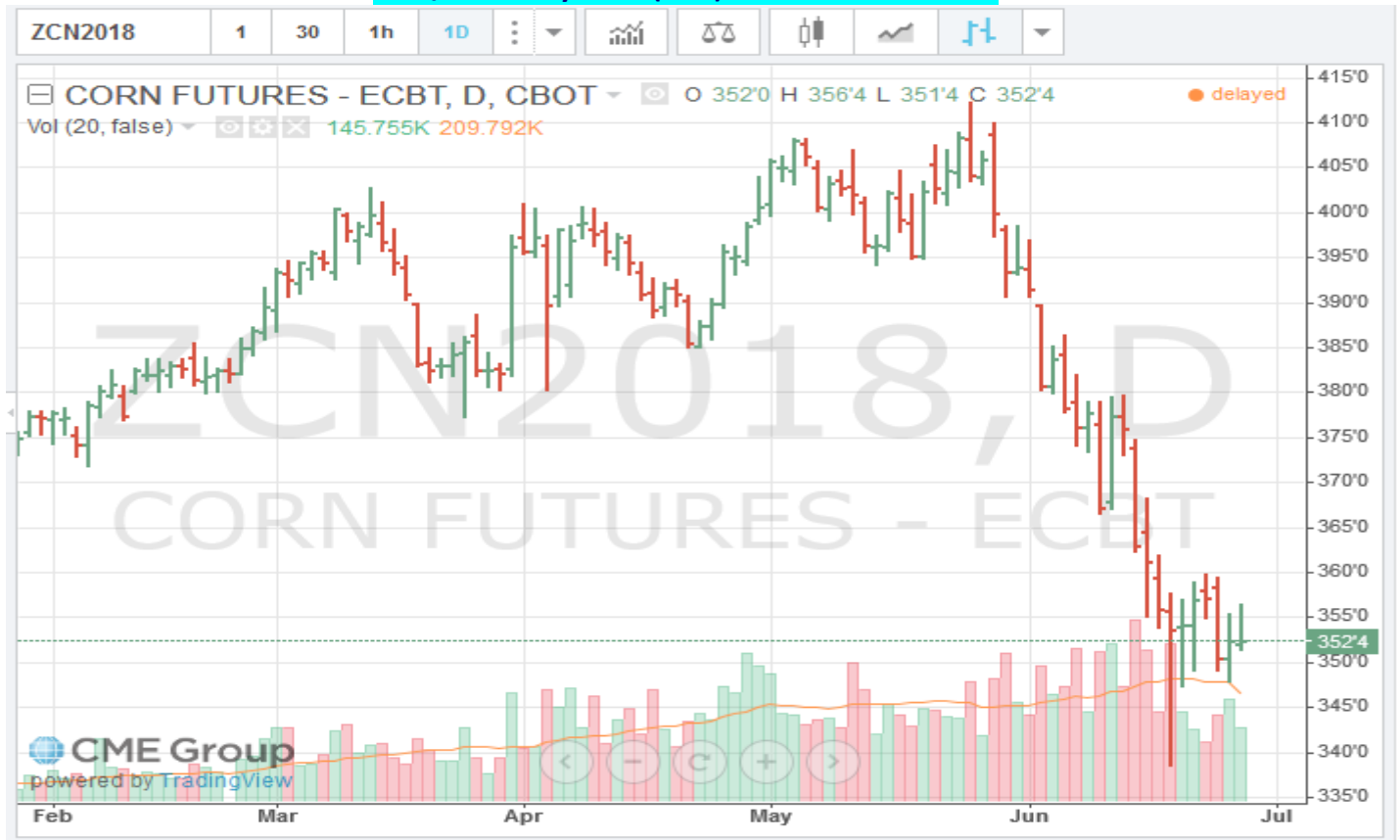
**** Please note that no one is quite sure of the exact value of export Sorghum at the moment. Fob vessel Texas Gulf #2 Sorghum is about _____ the value of #2 Yellow Corn at NOLA**

U.S. SRW Wheat Fob Vessel at the Center U.S. Gulf

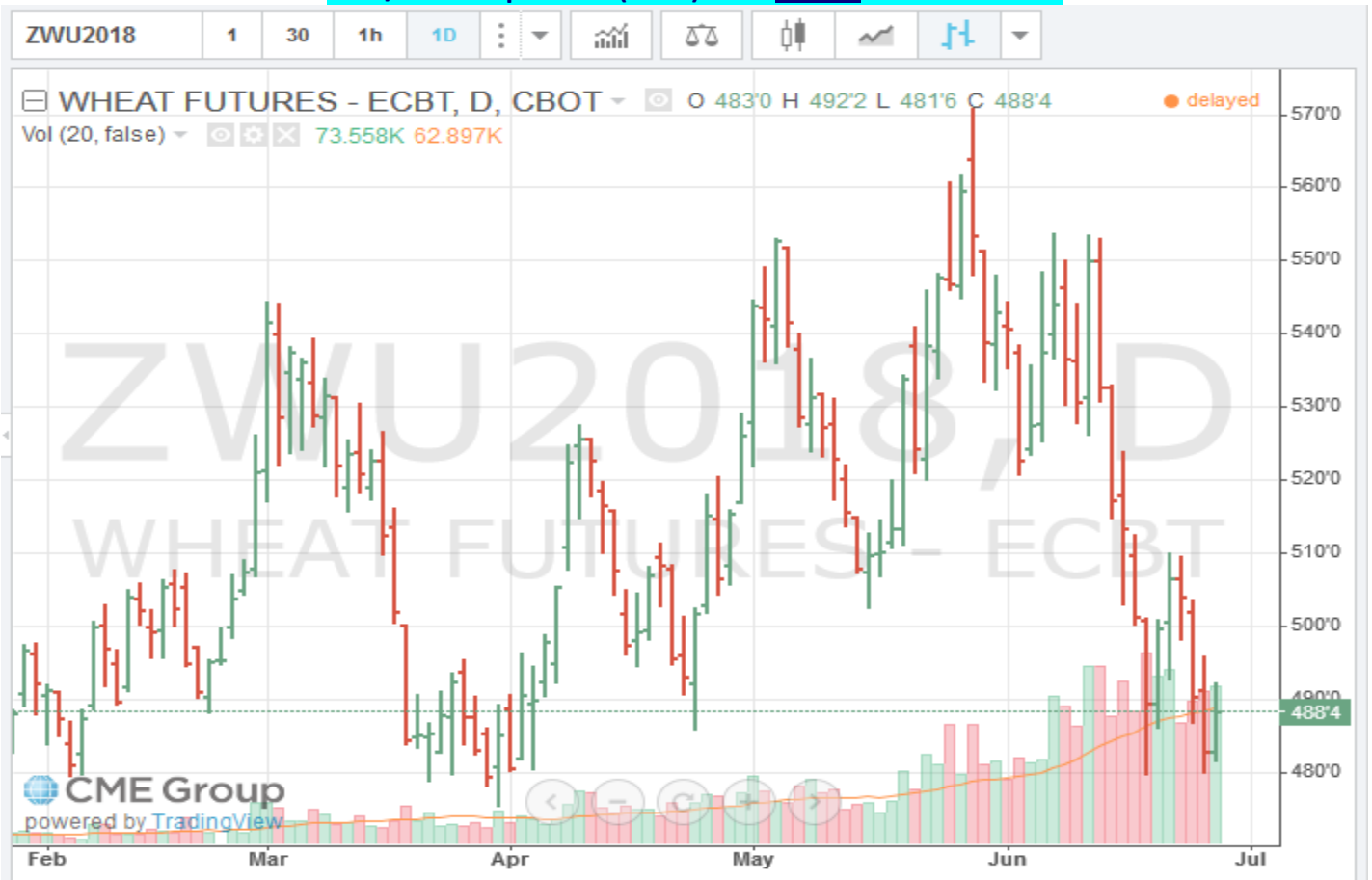
SRW Wheat	USD/MT	Fob Vessel	US Gulf	
	Aug.	Sept.	Oct.	Nov.
FOB U.S. GULF	\$205.95	\$210.72	\$210.81	\$212.65
Basis	0.72	0.85	0.70	0.75
WU	4.8850			
WZ	5.0375			
WH	5.1925			

CME Futures Market Close						
CORN Month	Futures Symbol	Friday Close Bushel	Friday Close MT.	Last week Bushel	Last Week MT.	Difference Bushel
Sept.	CU	\$3.6175	\$142.41	\$ 3.6650	\$144.28	(\$0.0475)
Dec.	CZ	\$3.7325	\$146.94	\$ 3.7825	\$148.91	(\$0.0500)
Mar.	CH	\$3.8275	\$150.68	\$ 3.8775	\$152.65	(\$0.0500)
May.	CK	\$3.8950	\$153.34	\$ 3.9425	\$155.21	(\$0.0475)
July	CN	\$3.9575	\$155.80	\$ 4.0050	\$157.67	(\$0.0475)

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



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

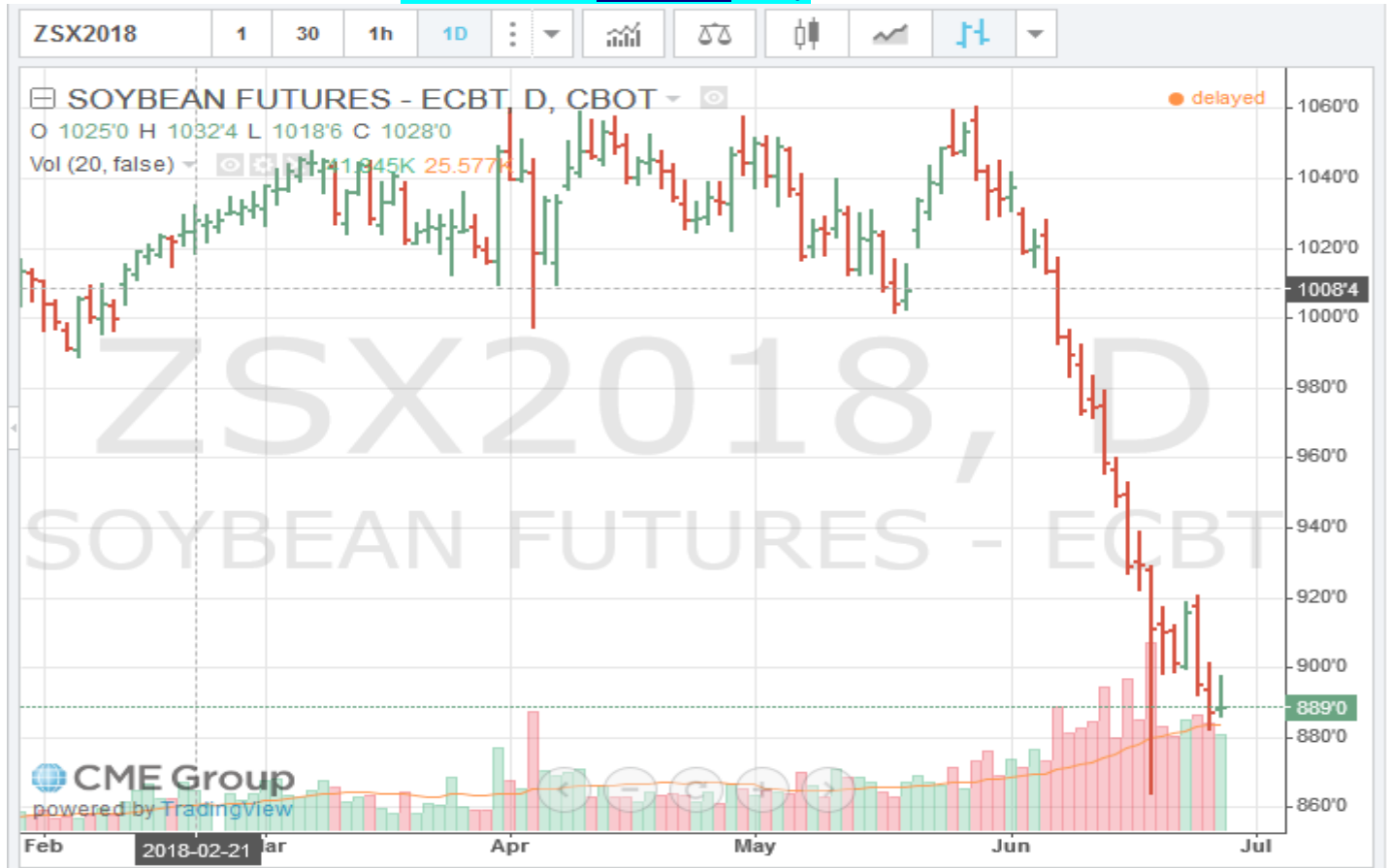


U.S. Soybean and SBM Markets Fob Vessel:

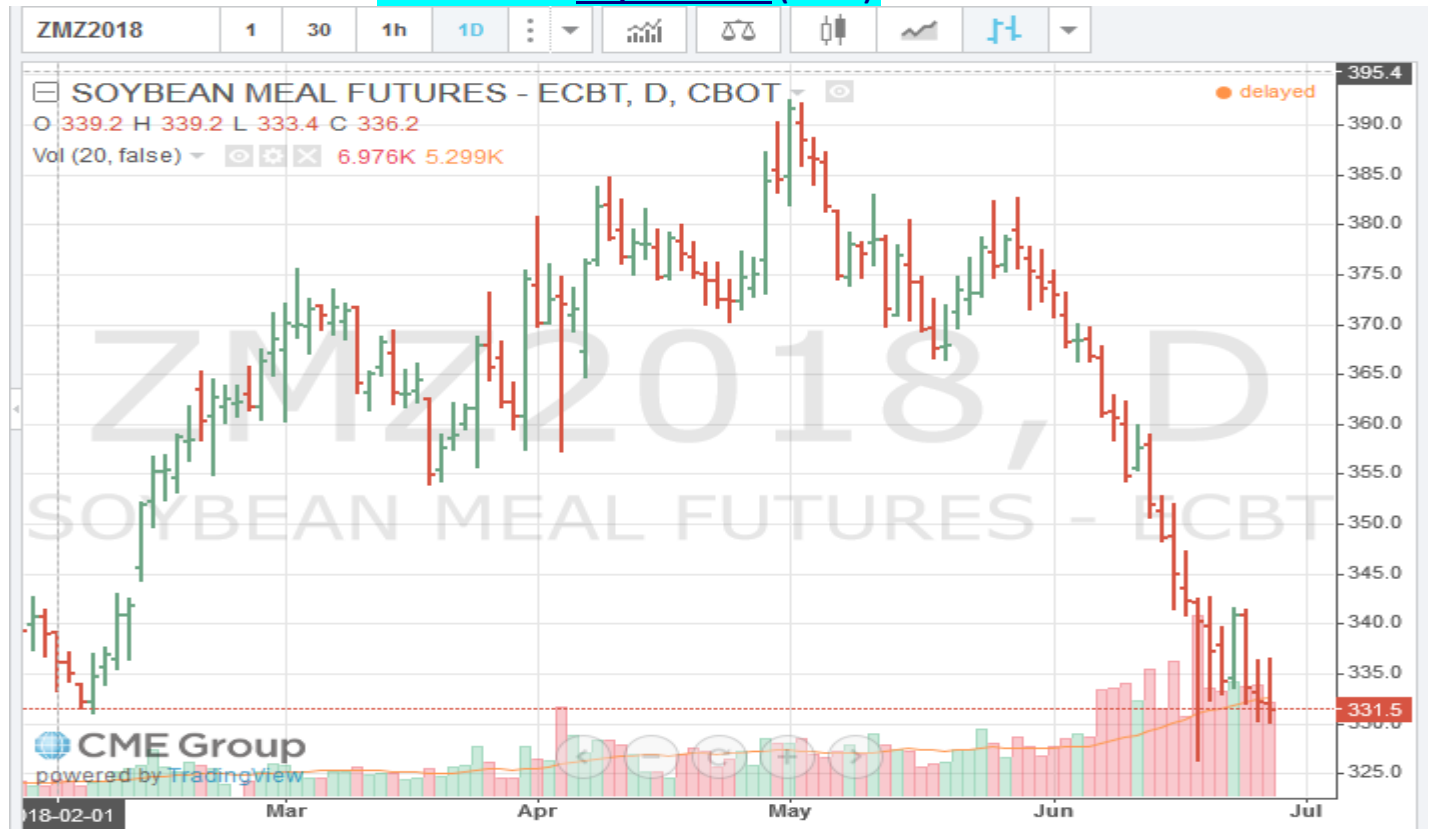
U.S. Yellow Soybeans (USD/MT) FOB Vessel				
# 2 YSB	U.S. Gulf #2 YSB		PNW #2 YSB	
14.0 % Moisture	Basis	Flat Price	Basis	Flat Price
Aug.	0.65	\$346.67	0.90	\$355.86
Sept.	0.65	\$346.67	0.95	\$357.70
Oct.	0.70	\$352.37	1.03	\$364.49
Nov.	0.80	\$356.04	1.17	\$369.64
Dec.	0.80	\$359.35	1.20	\$374.05
Soybean Futures				
Aug.	\$ 8.7300			
Sept.	\$ 8.7850			
Nov.	\$ 8.8900			
Jan.	\$ 8.9800			
Mar.	\$ 9.0325			
May	\$ 9.1150			

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	\$ 389.51
Sept.	25.00	\$ 393.59
Oct.	25.00	\$ 393.15
Nov.	25.00	\$ 393.04
Dec.	25.00	\$ 393.04
SBM Futures		
SMQ	332.30	
SMU	332.00	
SMV	331.60	
SMZ	331.50	
SMF	329.20	
SMH	324.40	

CME Nov. 2018 Soybean (SX18) Futures Chart:



CME Dec. 2018 Soybean Meal (SMZ8) Futures Chart



U.S. EXPORT STATISTICS: Report Activity as of Week Ending 14 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	588.1	56,402.7	58,420	97%	3,651.0
Sorghum	55.0	5,160.2	5,840	88%	38.0
Soybeans	355.0	56,451.4	56,200	100%	6,881.2
Wheat	607.2	4,988.2	25,860	19%	0.0
Barley	0.4	48.9	110	44%	0.0

U.S. EXPORT INSPECTIONS:

Monday's report 25 June 2018 for the Export week ending 21 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	1,511,746	1,680,329	44,193,302	47,585,928	93%
Sorghum	336	31,125	4,660,988	5,008,757	93%
Soybeans	514,214	818,396	48,821,567	52,257,602	93%
Wheat	352,836	374,340	1,146,765	2,288,453	50%
Barley	0	98	98	2,926	3%

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

U.S. EXPORT INSPECTIONS:

Monday's report 25 June 2018 for the Export week ending 21 June 2018

Last Week							
(Metric Tons)	YC	%	WC	%	Sorghum	%	Soybeans %
Lakes	40,723	3%	0	0%	0	0%	41,186 8%
Atlantic	0	0%	0	0%	0	0%	48,717 9%
Gulf	679,347	46%	37,528	100%	0	0%	251,051 49%
PNW	584,665	40%	0	0%	0	0%	69,298 13%
Interior Export Rail	169,483	11%	0	0%	336	100%	103,962 20%
Metric Tons	1,474,218		37,528		336		514,214

Sorghum Shipments: metric tons
336 Mexico
336 Total

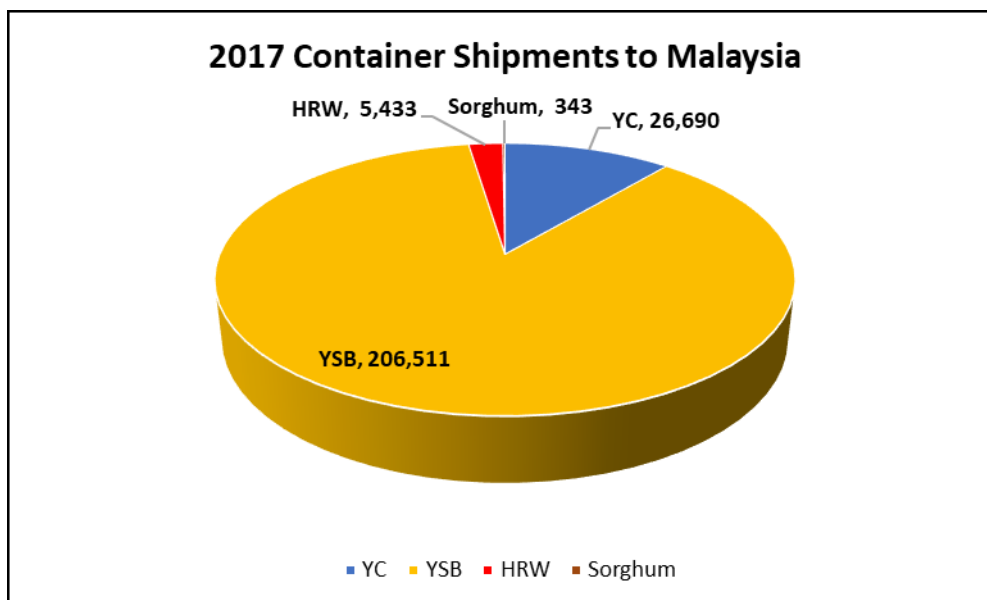
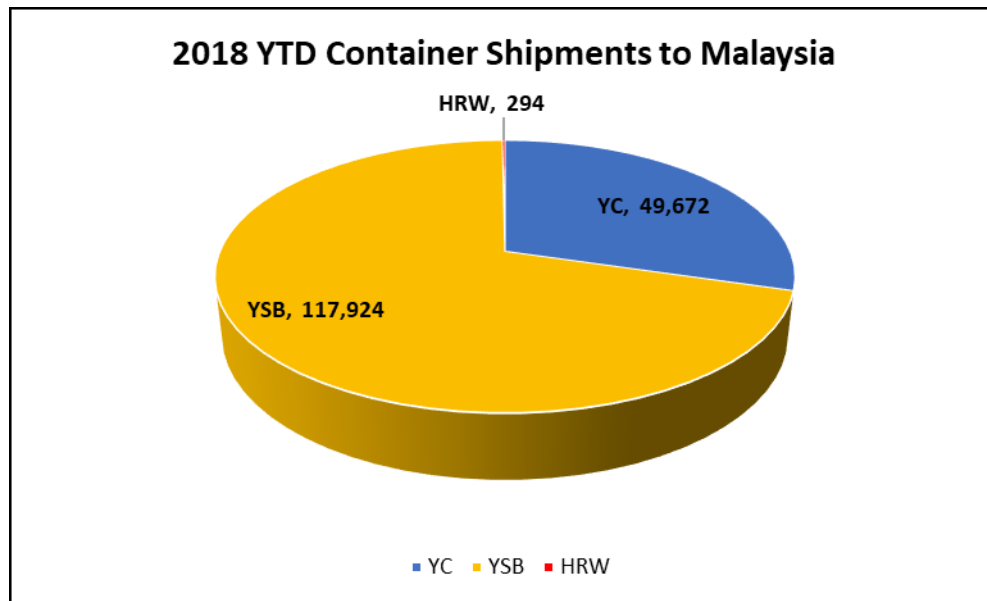
White Corn metric tons
Shipments: 8,140 El Salvador
1,921 Guatemala
27,467 Honduras
37,528 Total

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:		21-Jun-2018							
Last Week	metric tons								MT
	YC	WC	YSB	SRW	NS	SWH	HRW	Sorghum	TOTAL
China Main			7,149						7,149
China T	21,958		11,608						33,566
Hong Kong	661								661
Costa Rica	73								73
Indonesia			21,499						21,499
Panama									0
Japan	220		734						954
Korea Republic	979								979
Dominican Rep	122								122
Malaysia	2,741		5,998						8,739
Burma			538						538
Philippines	955		1,639						2,594
Thailand			12,803						12,803
Cambodia									0
Bangladesh			980						980
Vietnam			7,883						7,883
Sub total	27,709	0	70,831	0	0	0	0	0	89,677
USDA Corrections/Additions to previous reports:									
China T									0
China Main									0
Hong Kong									0
Korea Rep.									0
Costa Rica									0
Japan									0
Philippines									0
Indonesia	318								318
Malaysia									0
Thailand									0
Vietnam									0
Canada									0
Burma									0
Sub total	318	0	0	0	0	0	0	0	318
Mt. Grand Total	28,027	0	70,831	0	0	0	0	0	89,995
Number of containers	1,219	0	3,080	0	0	0	0	0	

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

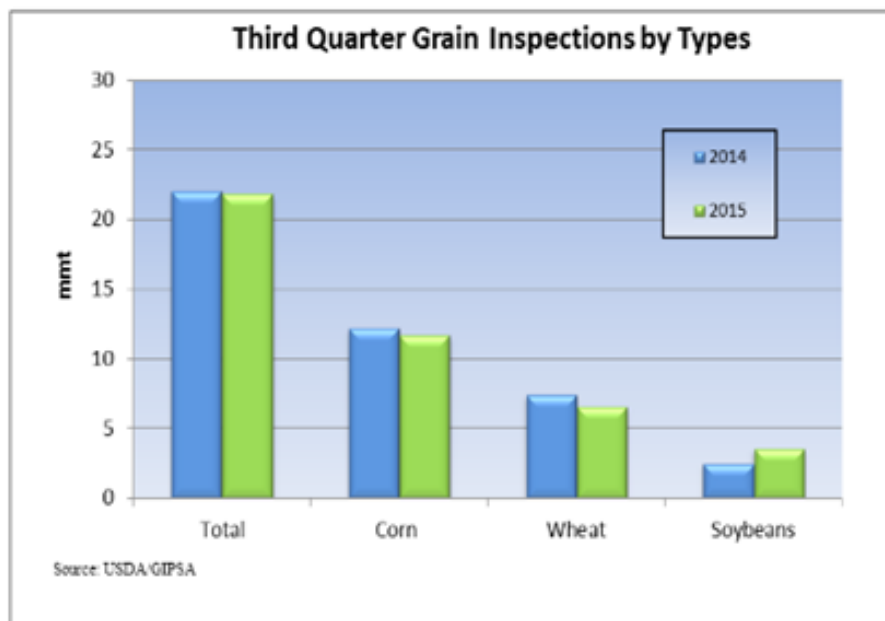


Grain Inspections for Export by U.S. Port Regions:
U.S. Gulf and Pacific Northwest 2017 YTD vs. 2018 YTD

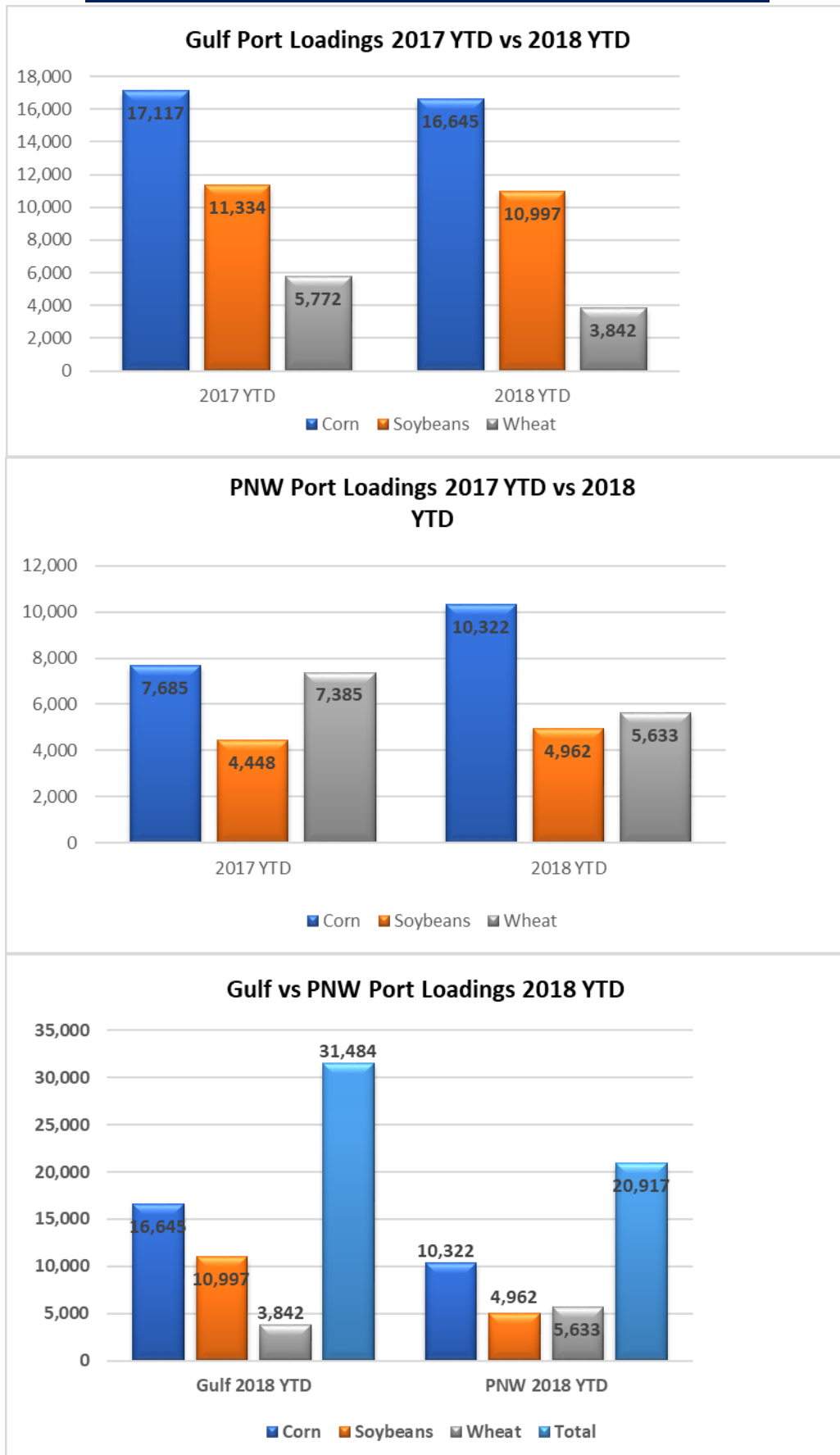
PORT LOADINGS US Gulf				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
GULF				
2017 YTD	17,117	11,334	5,772	34,223
2018 YTD	16,645	10,997	3,842	31,484
2018 as % of 2017	97%	97%	67%	92%

PORT LOADINGS US PNW				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
PNW				
2017 YTD	7,685	4,448	7,385	19,518
2018 YTD	10,322	4,962	5,633	20,917
2018 as % of 2017	134%	112%	76%	107%

PORT LOADINGS GULF vs. PNW				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
2018 Gulf YTD	16,645	10,997	3,842	31,484
2018 PNW YTD	10,322	4,962	5,633	20,917
TOTAL	26,967	15,959	9,475	52,401
Gulf Percentage	62%	69%	41%	60%
PNW Percentage	38%	31%	59%	40%

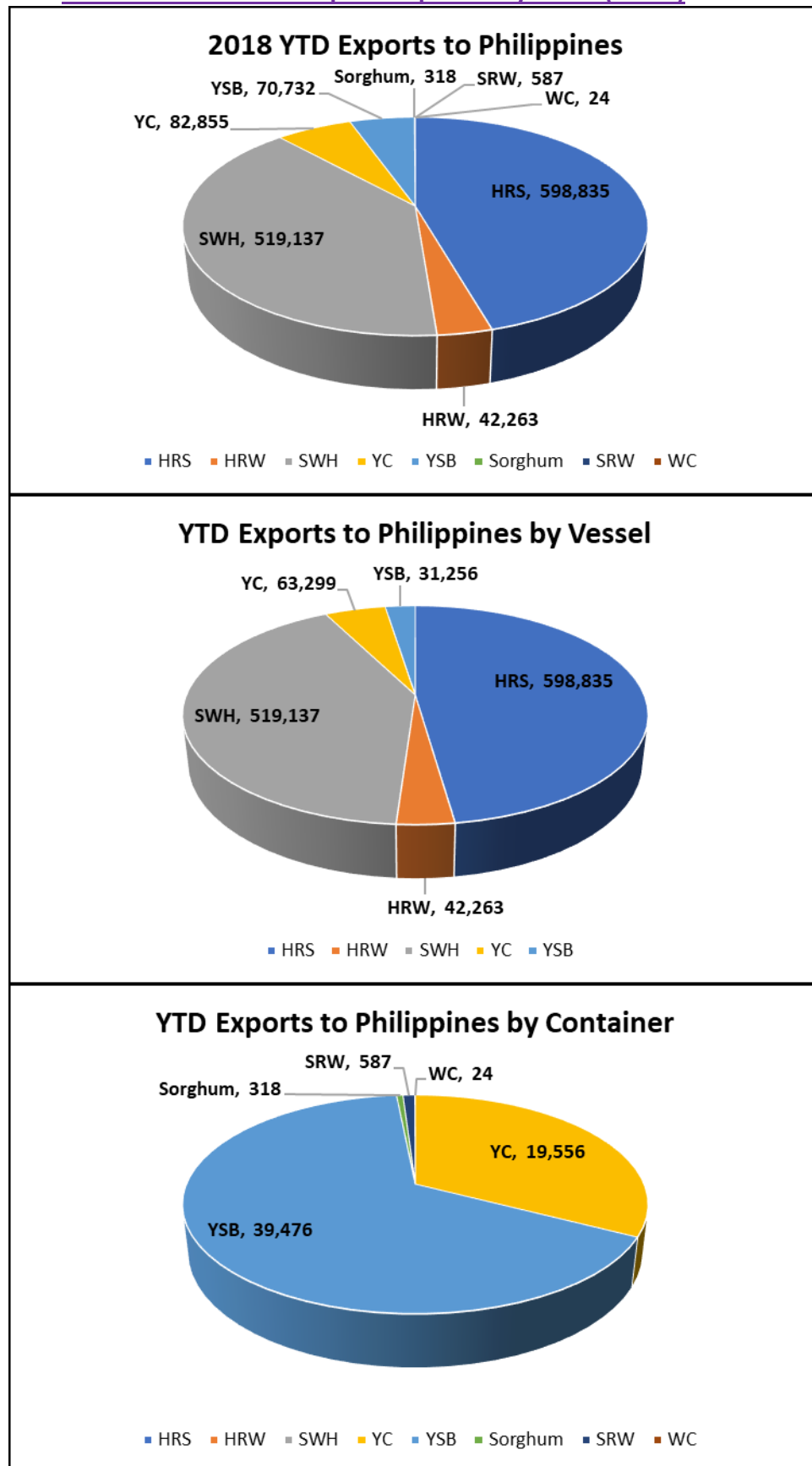


Grain Inspections for Export by U.S. Port Regions (1,000MT):
U.S. Gulf and Pacific Northwest 2017 YTD vs. 2018 YTD



Source: USDA-data

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



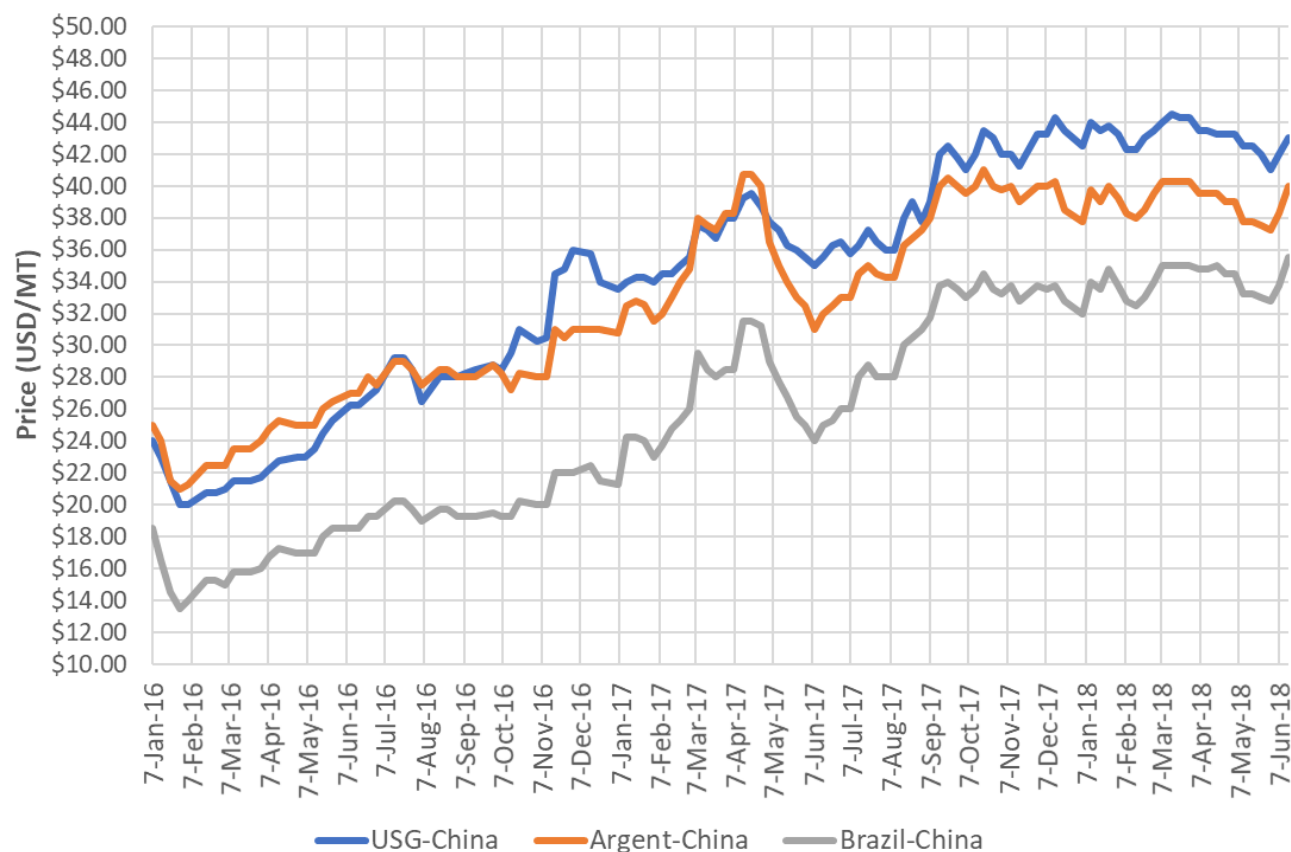
**Please keep in mind that USDA does not report DDGS sales, or they would show as the largest exports by container

Source: USDA

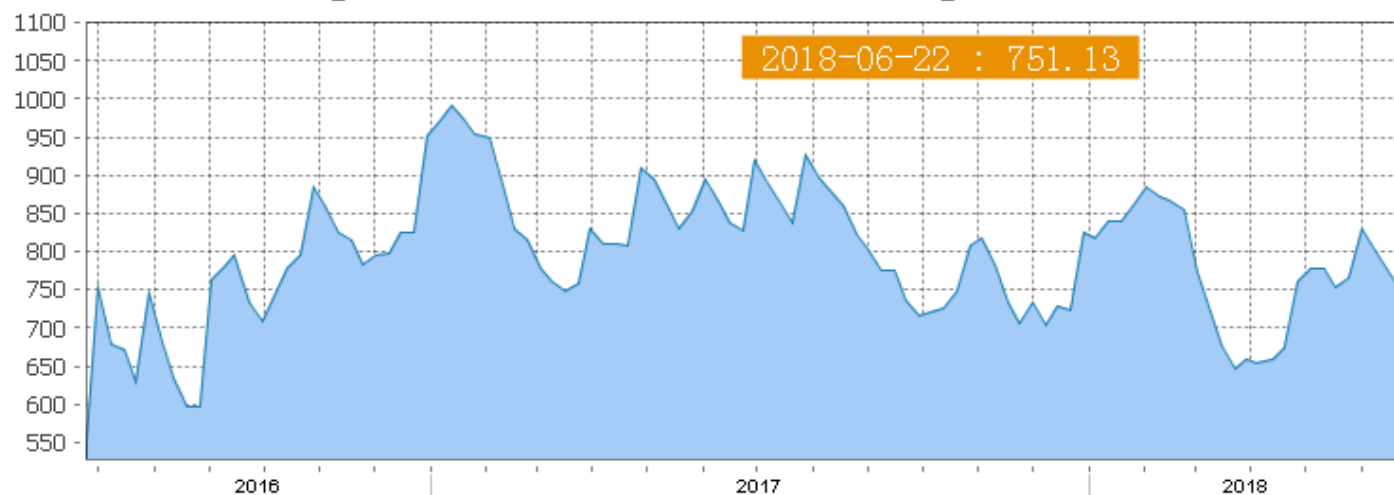
Shipping News

South Korea's Nonghyup Feed Inc. (NOFI) bought 138,000 MT of South American corn from Cargill at around 207.89 \$/mt c&f + 1.25 \$/mt surcharge for additional port unloading in two consignments for Nov 25 and Dec 5 arrival (AGROCHART)

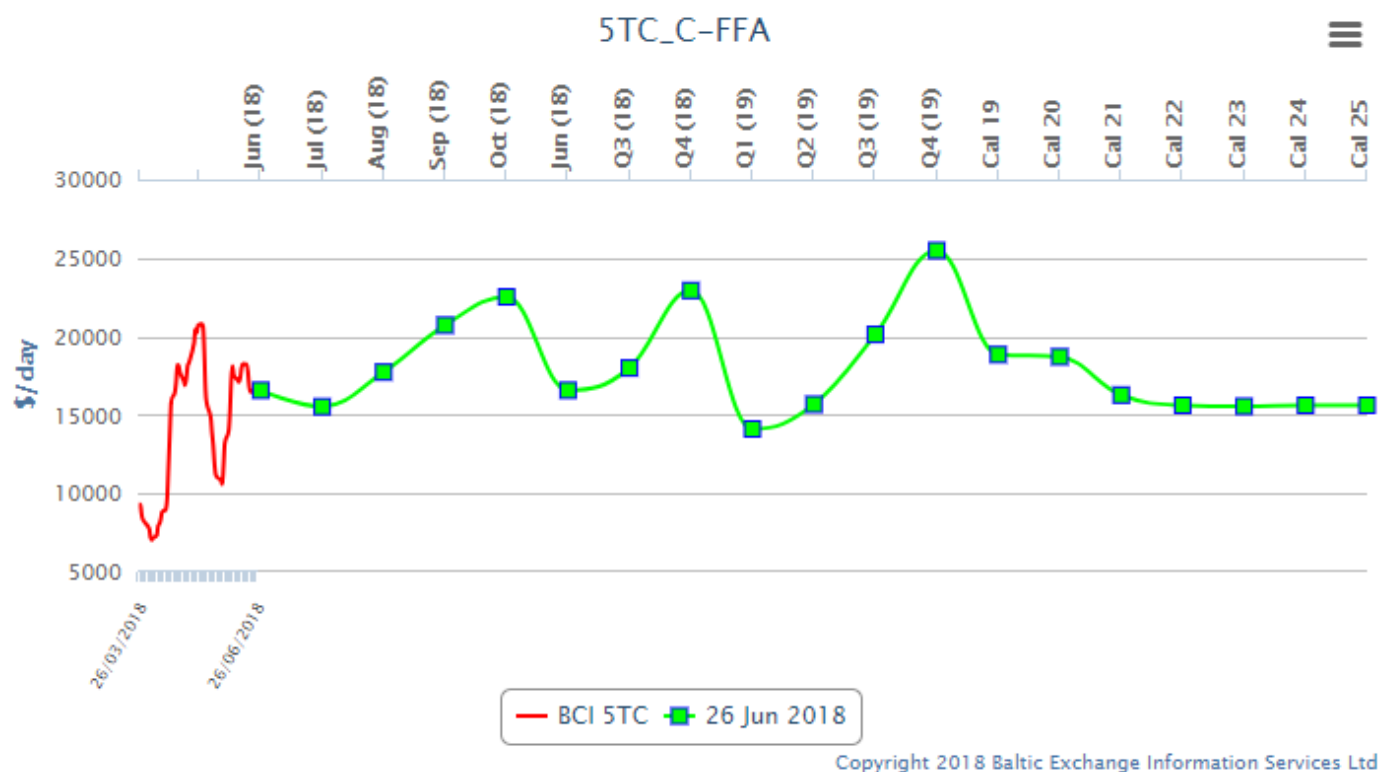
Ocean Freight to China



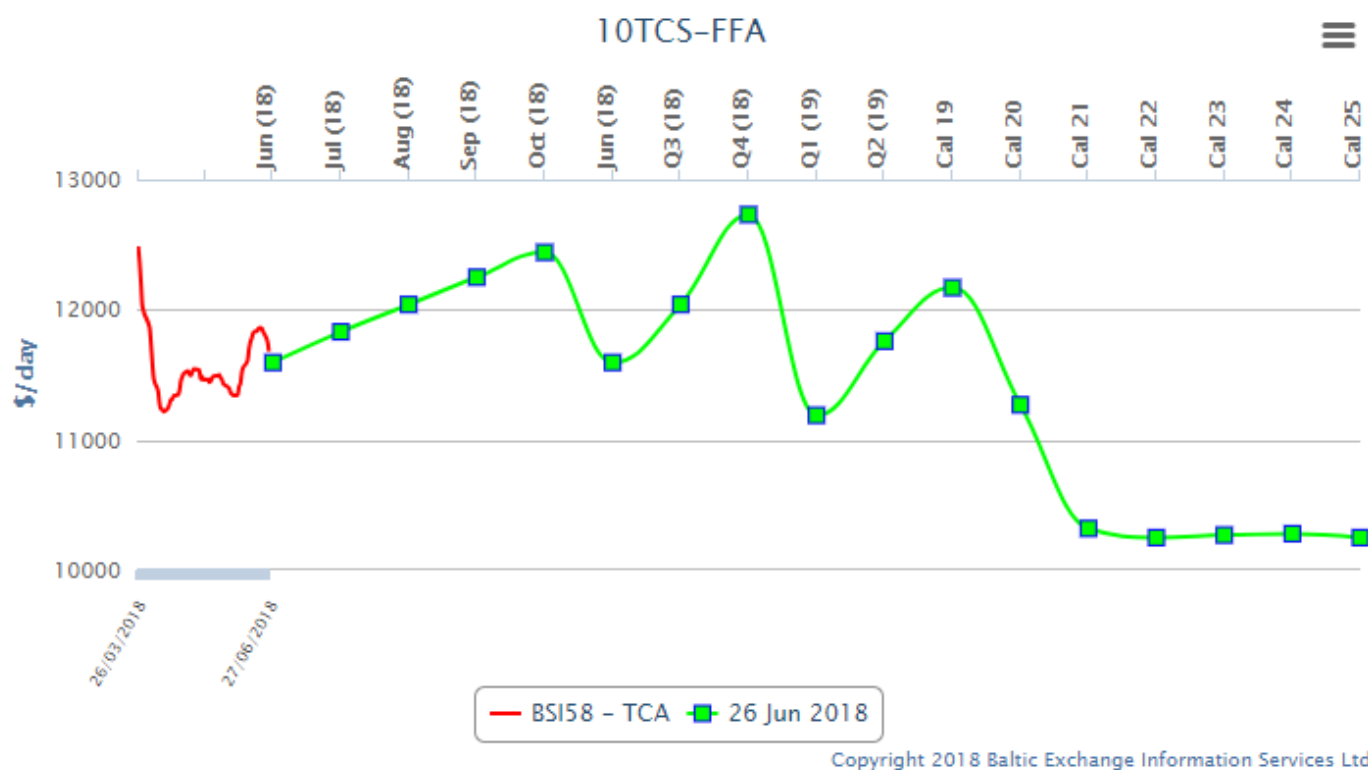
Shanghai Containerized Freight Index



FFA Capesize for the 4-time charter routes



FFA SUPRAMAX 58 for the 5 time charter routes



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	500	\$34.12	0.87	0.93
Illinois River (Pekin and South)	445	\$23.59	0.60	0.64
Mid-Mississippi	445	\$26.10	0.66	0.71
Lower Ohio	365	\$17.94	0.46	0.49
St. Louis	330	\$14.51	0.37	0.40

New Crop

Placement October 2018	% of		Corn	Soybeans-Wheat
	Tariff	MT	BU	BU
Upper Mississippi	590	\$34.60	0.88	0.94
Illinois River (Pekin and South)	565	\$33.13	0.84	0.90
Mid-Mississippi	565	\$33.13	0.84	0.90
Lower Ohio	565	\$27.78	0.71	0.76
St. Louis	450	\$19.79	0.50	0.54

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	\$ 400.00	\$ 700.00	\$ 0.10	\$ 0.18	\$ 3.94	\$ 6.89
UPRR Shuttle Trains	\$ 100.00	\$ 300.00	\$ 0.03	\$ 0.08	\$ 0.98	\$ 2.95

New Crop

Secondary Rail Car Market Placement LOctober 2018	BID USD	ASK USD	BID BU.	ASK BU.	BID MT	ASK MT
BNSF Shuttle Trains	\$ 500.00	\$ 1,500.00	\$ 0.13	\$ 0.38	\$ 4.92	\$ 14.76
UPRR Shuttle Trains	\$ 500.00	\$ 1,200.00	\$ 0.13	\$ 0.30	\$ 4.92	\$ 11.81

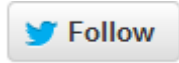
www.grains.ksu.edu/igp

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**



*** The information in this market report is derived from sources believed to be reliable and accurate but can not be guaranteed. Forward looking projections are never completely accurate, and these markets move quickly.
All market data is subject to change with market conditions and Traders opinions.
Please obtain market updates and reconfirm all values with your regular freight supplier before making any trading decisions based on this data. This message and any attachments may contain confidential or privileged information and are only for the use of the intended recipient of this message. If you are not the intended recipient, please notify the sender by return email, and delete or destroy this and all copies of this message and all attachments. Any unauthorized disclosure, use, distribution, or reproduction of this message or any attachments is prohibited and may be unlawful.
This E-mail is covered by the Electronic Communications Privacy Act, 18 U.S.C. §§2510-2521, and is confidential.