

## Transportation and Export Report for 30 June 2022

Dry bulk markets continued to slide for most of the week but appear to have hit a bottom and bounced up a little at week's end. Volatility is obviously a constant. It was the Capesize sector that led markets down and then rebounded slightly due to paper short covering and some newfound price induced cargo demand. Freight markets are pinning their future hopes on improved China commodity buying and increased grain cargo needs from South America.

Q3 Panamax daily hire rates ended the day at \$22,250/day verses \$22,575/day last week.

Spot Container rates remain defensive as front haul rates for consumer products from Asia to West Coast North America dropped to \$7,800 per TEU. This is substantially down from the \$15,000 plus spot rates of earlier in the year. Contract rates however are higher as shipping lines have some charterers lock in for 2-3 year periods.

The U.S. West Coast ILWU labor contract expires tomorrow. Negotiations are ongoing with no sign of an agreement soon. Both side state that a labor strike is not planned, at least not at this time.

### BALTIC DRY-BULK PANAMAX INDEX CHANGES

Panamax Ocean Freight Indices					
30-Jun-2022		This Week	Last Week	Difference	Percent Change
P2A: Gulf/Atlantic - Japan	Index	30918	33380	-2,462	-7.4%
P3A: PNW/Pacific - Korea	Index	19767	22108	-2,341	-10.6%
S1C: US GULF-China-So.Japan	Index	24793	25225	-432	-1.7%
P7: Trial- Miss. River - Qingdao	per ton	74.41	76.81	-2.4	-3.1%
P8: Trial- Santos - Qingdao	per ton	65.48	68.32	-2.8	-4.2%

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

Four weeks ago: \$13.60-\$12.70  
 Three weeks ago: \$12.90-\$12.15  
 Two weeks ago: \$12.20-\$12.70  
 One week ago: \$12.50-\$11.35  
 This week: \$11.80-\$11.00

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

Mississippi River: (9 elevators) 1-9 days (only 1 facility over 5 days)  
 Mid-Stream loaders: (6+ Rigs) 2-3 days  
 Texas Gulf (5 elevators) 2-8 days (only 1 facility over 2 days)  
 Pacific Northwest: (9 elevators) 0- 4 days

Panamax Market Spreads to Asia -China					
30-Jun-2022	GULF	PNW	Bushel Spread	Tonne Spread	Advantage
CORN	2.00	3.00	1.00	\$39.37	GULF
SOYBEANS	1.80	2.85	1.05	\$38.58	GULF
OCEAN FREIGHT	\$75.75	\$43.50	.82 -.88	\$32.25	AUGUST

### 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 \$56.50 - \$58.00/mt.

Soybean Brazil to Spain about \$67.00 - 68.00/mt.

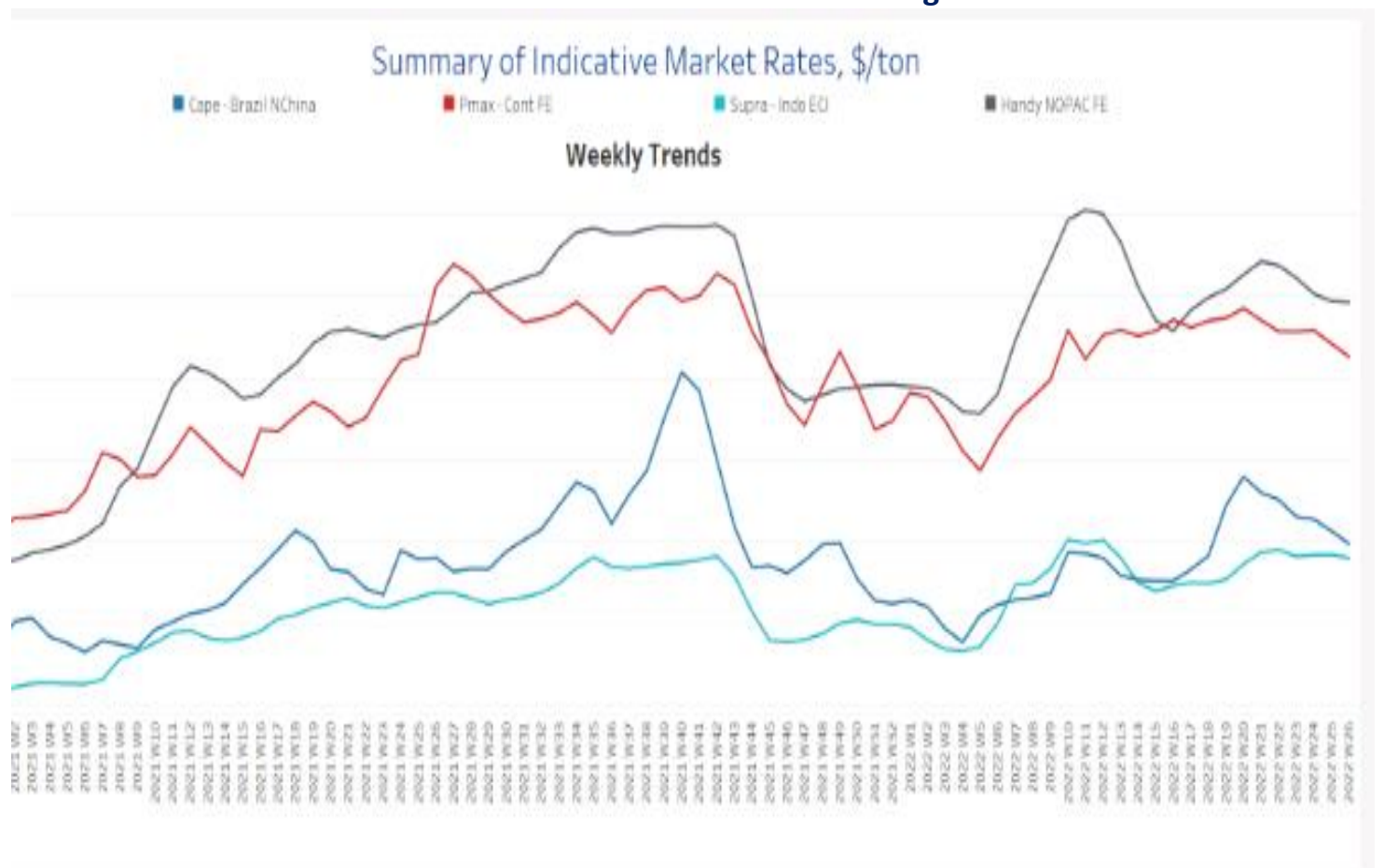
Route and Vessel Size	Current Week USD/MT	Change from previous week	Remarks
55,000 U.S. Gulf-Japan	\$76.50	Down \$2.50	Handymax \$77.00 mt
55,000 U.S. PNW- Japan	\$44.00	Down \$1.00	Handymax at \$44.50 mt
65,000 U.S. Gulf – China	\$75.75	Down \$2.25	North or South China
PNW to China	\$43.50	Down \$0.75	
25,000 U.S. Gulf- Veracruz, México	\$30.25	Down \$0.25	3,000 MT daily discharge rate
35-40,000 U.S. Gulf- Veracruz, México	\$26.50	Down \$0.25	Deep draft and 6,000 MT per day discharge rate.
30-38,000 U.S. Gulf- Colombia	\$44.50	Down \$0.50	<u>West Coast Colombia at \$52.25</u>
50,000 USG- E/C Colombia	\$44.00		
<u>East Coast Colombia</u> From Argentina	\$55.75		
40-45,000 U.S. Gulf - Guatemala	\$52.00	Down \$0.50	Acajutla/Quetzal - 8,000 out
30,000 US Gulf-Morocco	\$73.25	Unchanged	5,000 discharge rate
55-60,000 U.S. Gulf –Egypt	\$73.50	Unchanged	55,000-60,000 mt Egypt
PNW to Egypt	\$74.00		Romania - Russia- Ukraine \$31.00 -\$35-\$51.00- \$.00 - France \$46.00, Bulgaria \$36.00
58-74,000 U.S. Gulf – Europe – Rotterdam	\$35.00	Down \$0.25	Handymax at +\$2.50 more
Brazil, Santos –China	\$69.50	Down \$1.50	54-59,000 Supramax-Panamax
Brazil, Santos –China	\$67.00		60-66,000 Post Panamax
Up-River Port North Brazil	\$75.50		55-60,000 mt
56-60,000 Argentina-China Deep draft	\$74.50	Down \$1.50	Up-River with Top Off Plus \$3.85-\$4.75

It was a very interesting Egypt GASC Wheat tender yesterday. Wheat was offered from 4 different countries (Russia, Romania, Bulgaria, and France). Freight was offered from 12 countries.

## The Baltic Dry Bulk Freight Index



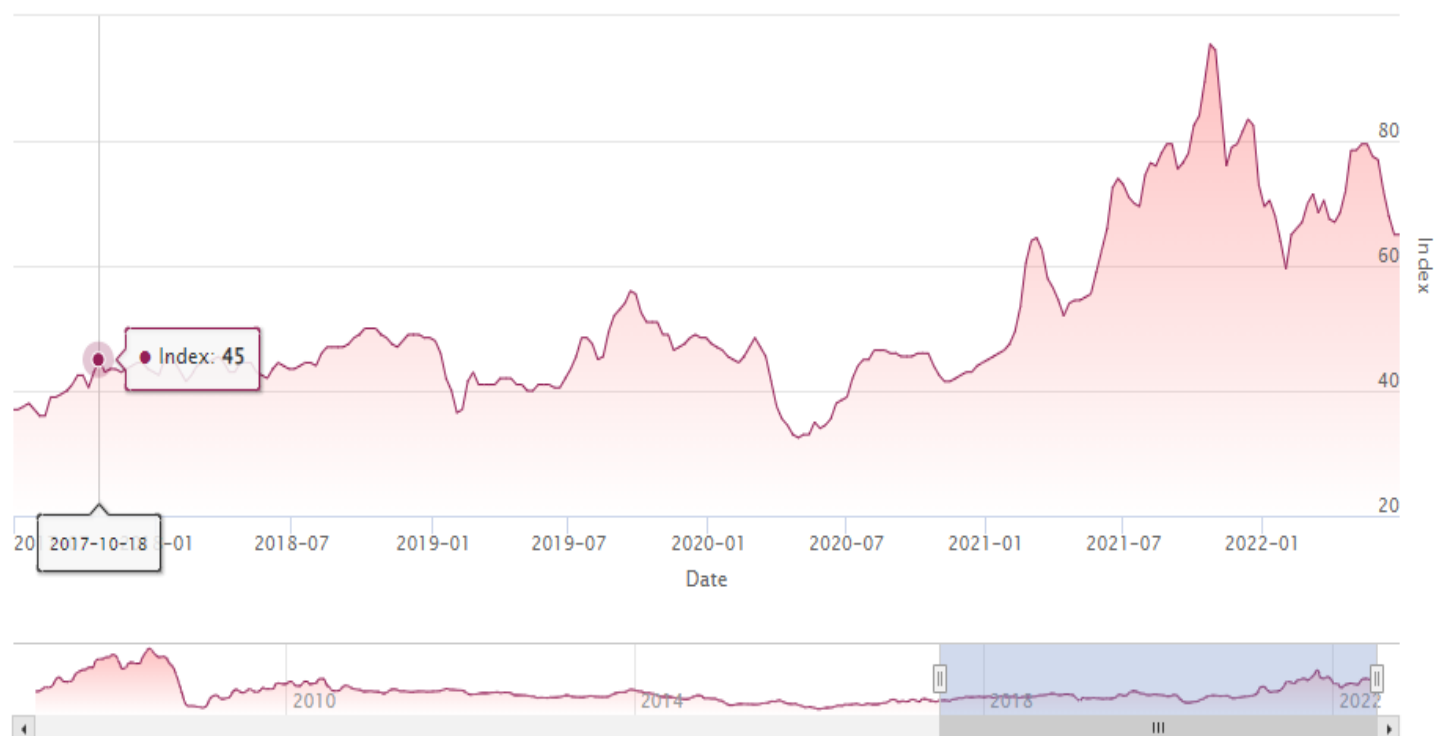
## Baltic Panamax Index- Brakewave Signal



## YAMAMIZU Index


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

From 2017-06-29 To 2022-06-29



## China Import Dry Bulk Freight Index

2022-06-30

Description	Volume	Cargo	Unit	Rate	Change
Composite Index			Point	1591.62	12.32
Iron ore Freight Index			Point	1404.77	38.85
Dampier(West Australia)-Qingdao (China)	170000/10%	Iron ore	\$/ton	11.457	0.383
Soybean Freight Index			Point	1834.46	-17.9
Santos(Brazil)— North China	66000/10%	Soybean	\$/ton	66.21	-0.71
Tacoma(West America)—North China	63000/10%	Soybean	\$/ton	43.4	-0.3
Mississippi(US Gulf)—North China	66000/10%	Soybean	\$/ton	75.64	-0.7

**30 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 =	7.4375
Max. 14.5% moisture	BASIS	FLAT PRICE	BASIS	FLAT PRICE	U =	6.2875
<b>July (U)</b>	2.00	<b>\$326.26</b>	3.00	<b>\$365.63</b>	Z =	6.1975
<b>Aug.</b>	1.90	<b>\$322.32</b>	2.95	<b>\$363.66</b>	H =	6.2625
<b>Sept.</b>	1.68	<b>\$313.66</b>	2.70	<b>\$353.82</b>	K =	6.2975
<b>Oct.</b>	1.75	<b>\$312.88</b>	2.68	<b>\$349.49</b>	N =	6.2750
<b>Nov.</b>	1.70	<b>\$310.91</b>	2.50	<b>\$342.40</b>		
<b>Dec.</b>	1.65	<b>\$308.94</b>	2.30	<b>\$334.53</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 (U)</b>	2.45	<b>\$343.98</b>
<b>Aug. (U)</b>	2.35	<b>\$340.04</b>
<b>Oct.</b>	1.70	<b>\$310.91</b>
<b>Nov.</b>	1.70	<b>\$310.91</b>
<b>Dec.</b>	1.70	<b>\$310.91</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	\$0.00	\$343.18	\$348.69	\$356.59
Basis	0.45	0.50	0.65	0.70
WN	8.6875			
WU	8.8400			
WZ	9.0050			

PNW Fob Vessel Soybean Basis levels continue to require a bit of a guess work.

<b>U.S. Yellow Soybeans (USD/MT) FOB Vessel</b>				
# 2 YSB	<b>U.S. Gulf #2 YSB</b>		<b>PNW #2 YSB</b>	
14.0 % Moisture	Basis	Flat Price	Basis	Flat Price
<b>July (U)</b>	2.20	<b>\$654.21</b>	3.20	<b>\$690.96</b>
<b>Aug.</b>	1.95	<b>\$645.03</b>	2.95	<b>\$681.77</b>
<b>Sept.</b>	2.40	<b>\$630.33</b>	3.50	<b>\$670.75</b>
<b>Oct.</b>	1.95	<b>\$607.37</b>	3.05	<b>\$647.78</b>
<b>Nov.</b>	1.80	<b>\$601.86</b>	2.89	<b>\$641.91</b>
<b>Soybean Futures</b>				
<b>July</b>	\$ 16.7500			
<b>Aug.</b>	\$ 15.6050			
<b>Sept.</b>	\$ 14.7550			
<b>Nov.</b>	\$ 14.5800			
<b>Jan.</b>	\$ 14.6225			
<b>Mar.</b>	\$ 14.5350			

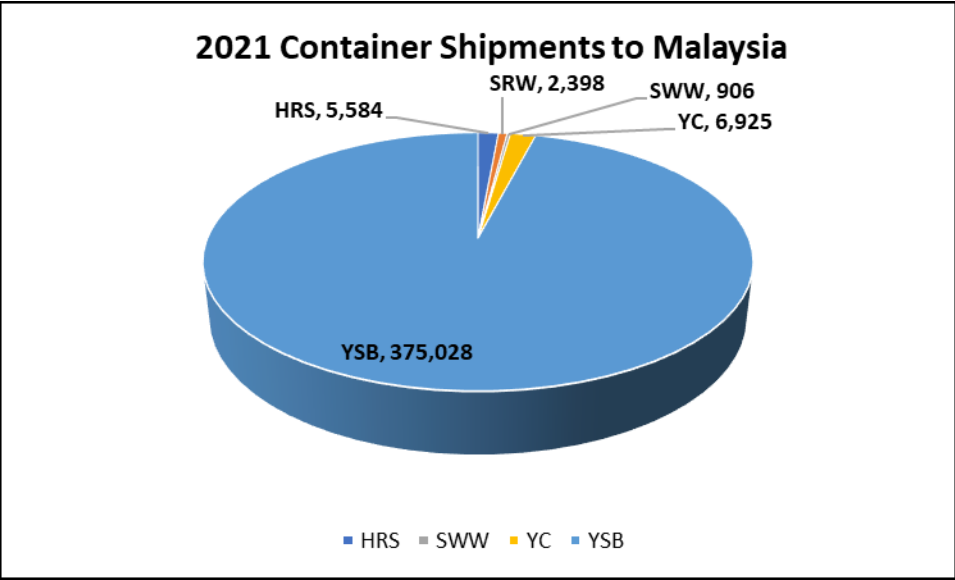
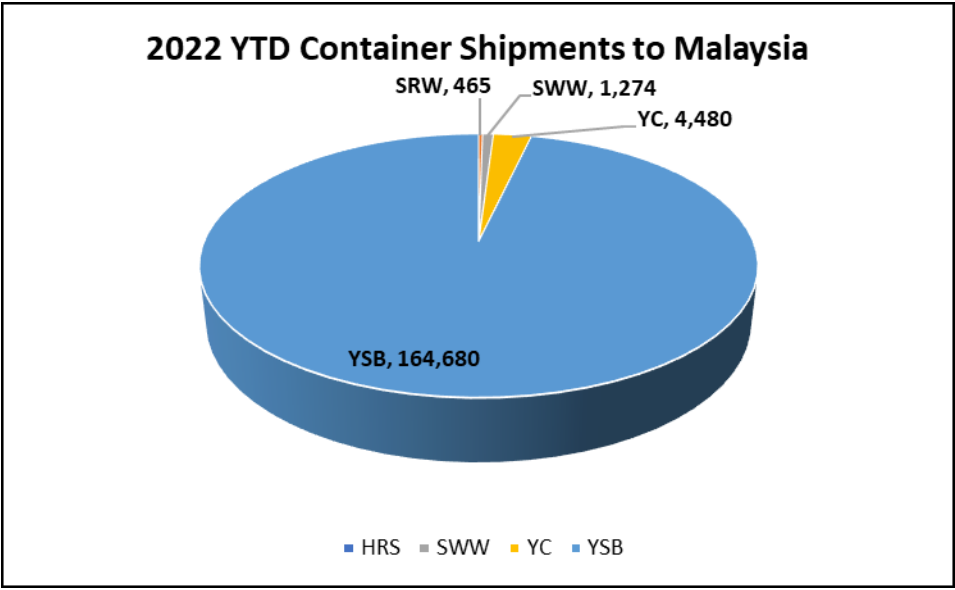
### **U.S. Soybean and SBM Markets Fob Vessel:**

<b>U.S. SBM (USD/MT) FOB Vessel</b>		
Fob U.S. Gulf Port	<b>47.5 Pro. SBM</b>	
max 12.5 % moisture	Basis	Flat Price
<b>July</b>	65.00	<b>\$ 589.73</b>
<b>Aug.</b>	80.00	<b>\$ 568.34</b>
<b>Sept.</b>	80.00	<b>\$ 546.95</b>
<b>Oct.</b>	55.00	<b>\$ 507.92</b>
<b>Nov.</b>	55.00	<b>\$ 509.02</b>
<b>SBM Futures</b>		
<b>SMN</b>	\$ 469.90	
<b>SMQ</b>	\$ 435.50	
<b>SMU</b>	\$ 416.10	
<b>SMV</b>	\$ 405.70	
<b>SMZ</b>	\$ 406.70	
<b>SMF</b>	\$ 405.90	

**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:		23-Jun-2022							
Last Week	metric tons								MT
	YC	WC	YSB	SRW	NS	SWH	DUWH	Sorghum	TOTAL
China	490		10,800					4,702	15,992
Taiwan	5,482		8,569						14,051
Hong Kong	539								539
Costa Rica	73								73
Indonesia			10,500						10,500
French Poly									0
Japan	612		1,590						2,202
Korea Rep.	1,028		1,616						2,644
Ireland									0
Malaysia			3,648						3,648
Singapore									0
Philippines	24		269						293
Thailand			3,719		929	735			5,383
Switzerland									0
Burma			441						441
Cambodia									0
Nepal			2,131						2,131
Vietnam			3,697		49	245			3,991
Sub Total:	8,248	0	46,980	0	978	980	0	4,702	61,888
USDA Corrections/Additions to previous reports:									
Taiwan			220						220
China			146						146
Hong Kong									0
Korea Rep.									0
Un Kingdom									0
Japan									0
Philippines									0
Indonesia			490						490
Malaysia									0
Thailand			122						122
Vietnam									0
Burma									0
Ireland									0
Sub Total:	0	0	978	0	0	0	0	0	978
<b>Mt. Grand Total</b>	<b>8,248</b>	<b>0</b>	<b>47,958</b>	<b>0</b>	<b>978</b>	<b>980</b>	<b>0</b>	<b>4,702</b>	<b>62,866</b>
Number of Containers	359	0	2,085	0	43	43	0	204	

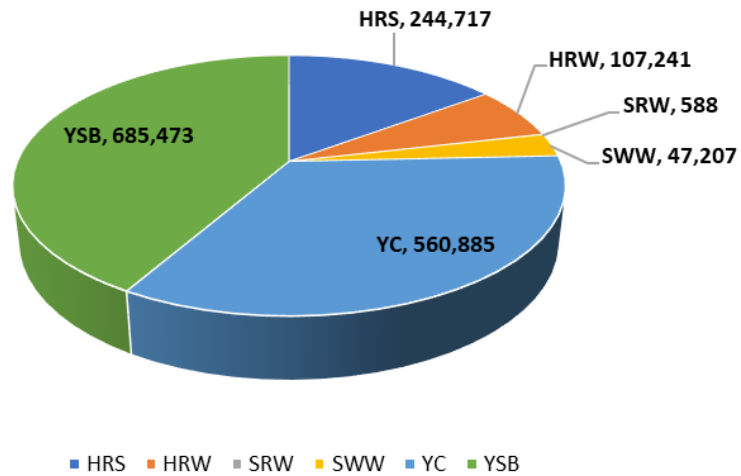
Jan - Dec 2021 Annual Totals versus 2022 YTD Container Shipments (in MT)



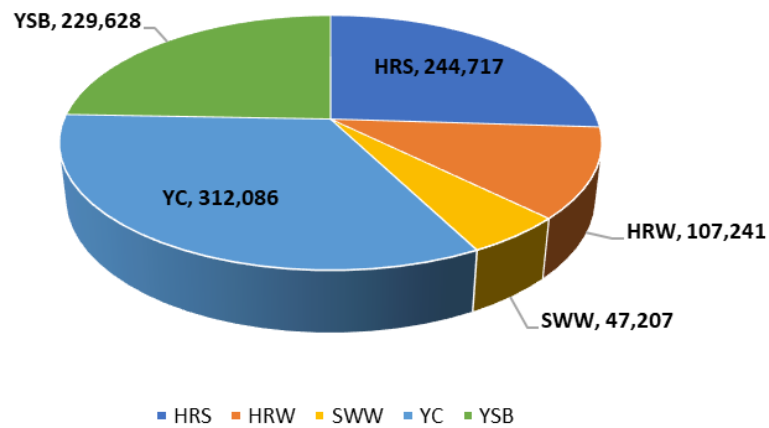


2022 YTD Total Grain Exports reported by USDA (in MT)

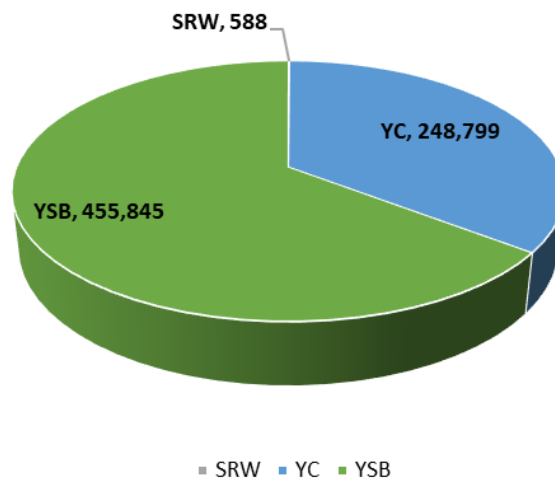
**2022 YTD Exports to Taiwan**



**YTD Vessel Shipments to Taiwan**



**YTD Container Shipments to Taiwan**



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

Source: USDA-data

## Shipping News

Ocean freight offers against Egypt-GASC Wheat Tender.

Russia: \$35.00-\$49.50

Ukraine: None

Romania: \$30.20-\$31.00

Bulgaria: \$30.50-\$35.50

Germany: \$49.50

France: \$36.00-\$46.00

Hungary: \$32.00

Poland: \$52.10

Latvia: \$53.00

US Gulf : \$7.50-\$76.90

Brazil: 466.50

Argentina: \$77.70

**Tom Craig** @LTDMManagement · 48m

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The current [#ILWU](#) contract expires July 1. Already extended from 2019 & ILWU denied a 1-year extension. What will it all mean? Contentious [#automation](#) issue. Beyond what involved parties say, how does everyone feel? Would diversion bury USEC [#ports](#)? [#SupplyChain](#) impact?



ILWU: No strike imminent at West Coast ports



[nwlaborpress.org](http://nwlaborpress.org)

ILWU: No strike imminent at West Coast ports - nwLaborPress

The International Longshore & Warehouse Union and West Coast ports say they're focused on negotiating, rather than escalating action.

**BreakWave** @DryBulkETF · 2h

...

China June Steel PMI comes at 36.2, lowest in at least 10 years pointing to severe stress for the sector. New orders come at 25.9 (!), down 6.5 MoM. Horrendous numbers for the largest steel producer in the world. Silver lining: can't get much worse...

Michael Pettis @michaelpettis · Jun 24

...

Declining **container shipping** rates from China suggest that export growth may slow in June, in which case expect import growth to slow just as much. So far there is no reason to think that this year's trade surplus won't be the biggest in Chinese history.



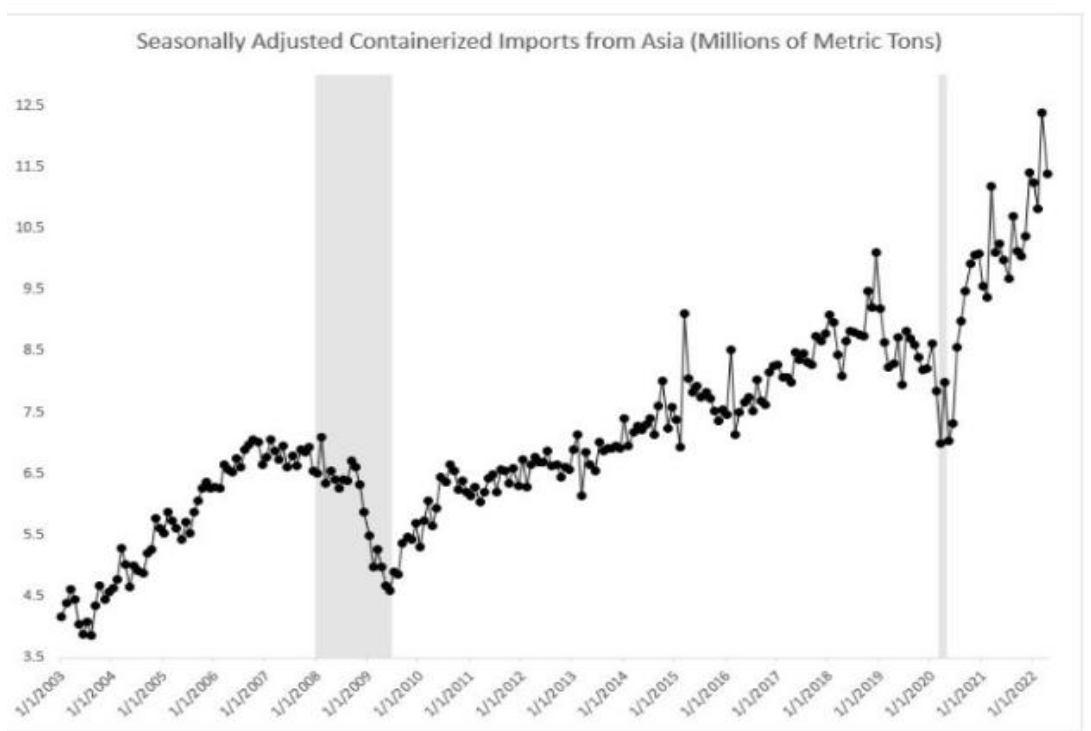
scmp.com

No demand, no supply. Shipping rates tumble as US inflation cools or...  
Container shipping rates from China have been falling since early March despite expectations of pent-up volume being released following ...

Jason Miller • 2nd

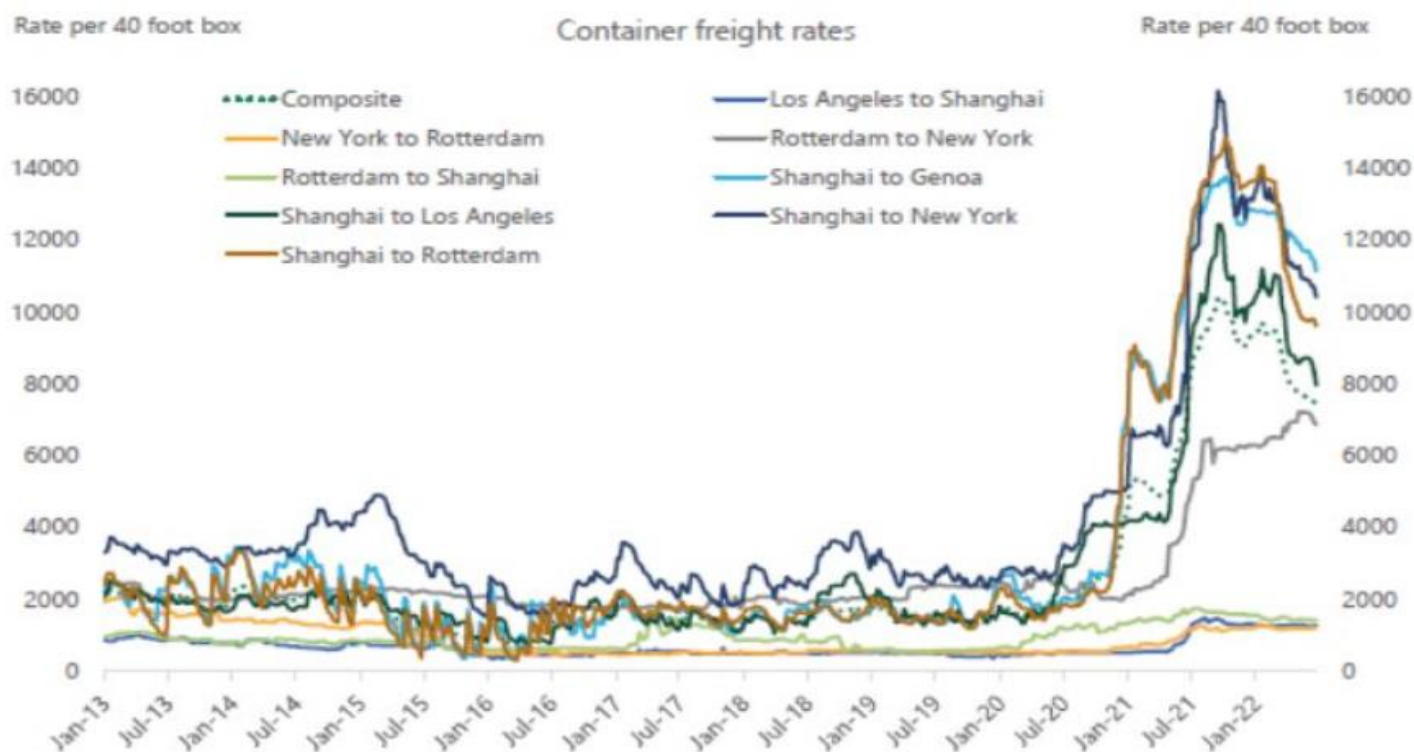
Supply chain professor helping industry...

3w • 🌐





## Container freight rates falling: Inflation pressures are easing

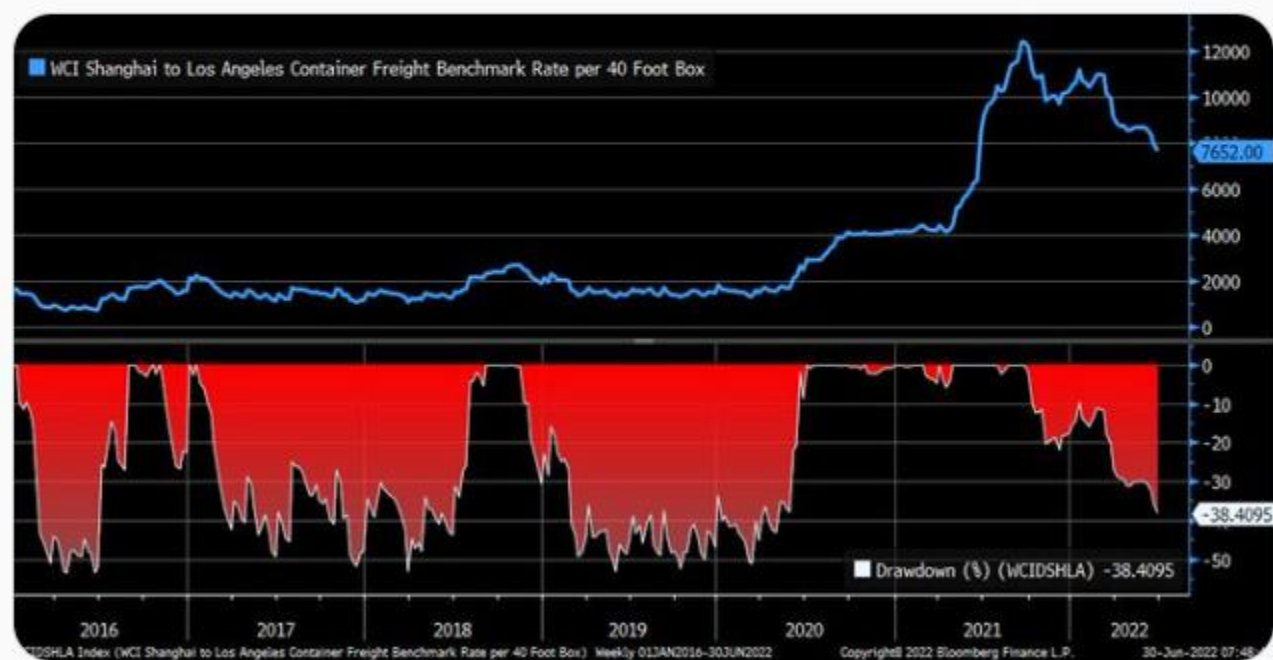


APOLLO

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**Liz Ann Sonders** @LizAnnSonders · 6h

Rate for shipping a 40ft container from Shanghai to Los Angeles has now fallen by 38%



**Xeneta** @joinxeneta · Jun 22

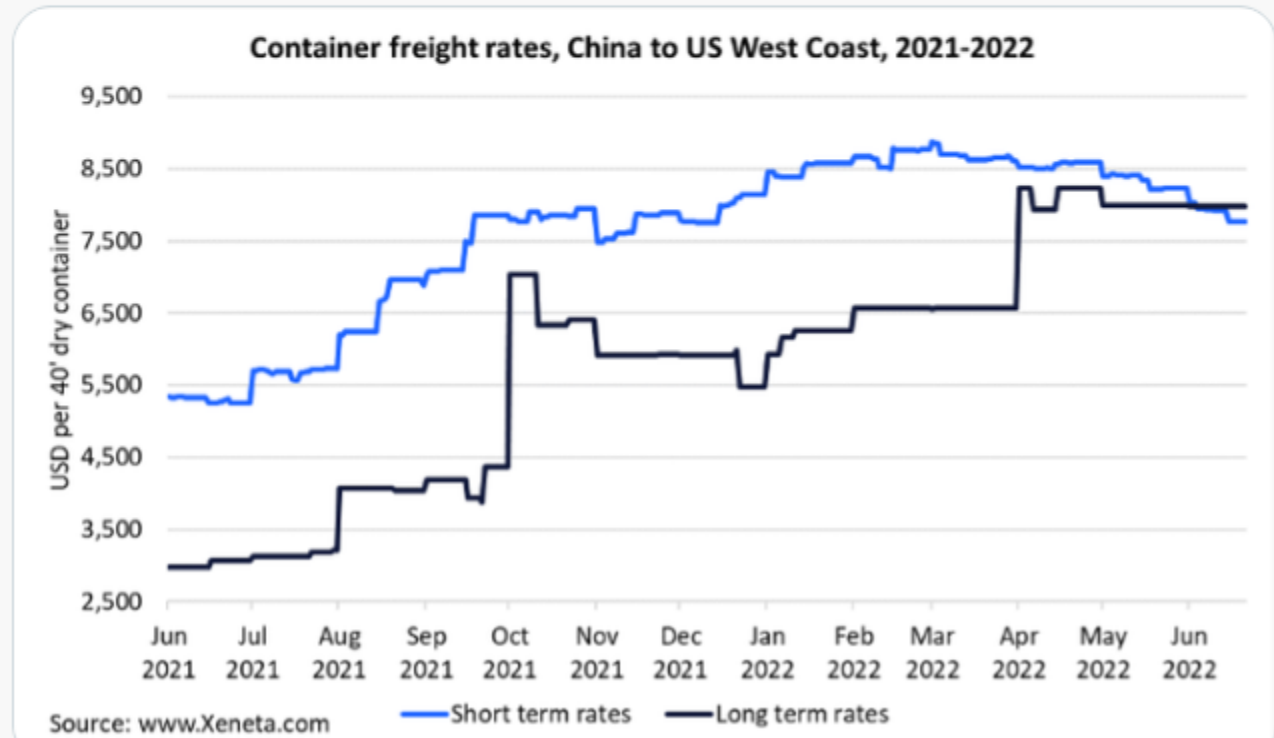
...

Weekly [#container](#) rates alert: Week 25, 2022

The narrowing gap between the short and long-term rates illustrates how US WC shippers have managed the risk of global [#supplychains](#). Read full update here

[hubs.ly/Q01fcbFh0](https://hubs.ly/Q01fcbFh0)

[#Xeneta](#) [#supplychain](#) [#containershipping](#)



**Tom Craig** @LTDManagement · Jun 27

From Wall Street Journal [#Logistics](#)

264,562

Average weekly [#intermodal](#) loads carried by U.S. railroads in the first 24 weeks of 2022, down 6.3% from the same period last year, according to the Association of American [#Railroads](#).



**AllThingsVentured** @AllVentured · 8h

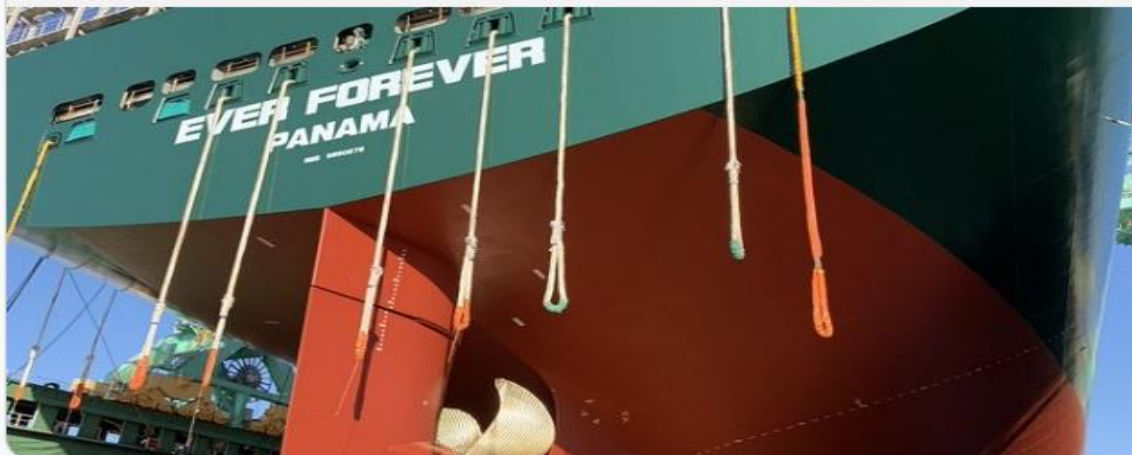
For ships that often run aground, the Ever Given ("Give in") and Ever Forward are much better names.

Let's hope the Ever Forever doesn't get stuck.



**Seatrade Maritime** @Seatrade · 13h

Panama: New dynamic for the maritime sector [ow.ly/47jW103Mcac](https://ow.ly/47jW103Mcac)  
[#maritimeneews](#) [#shippingnews](#)



**Tom Craig** @LTDManagement · 1h

...

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](#)

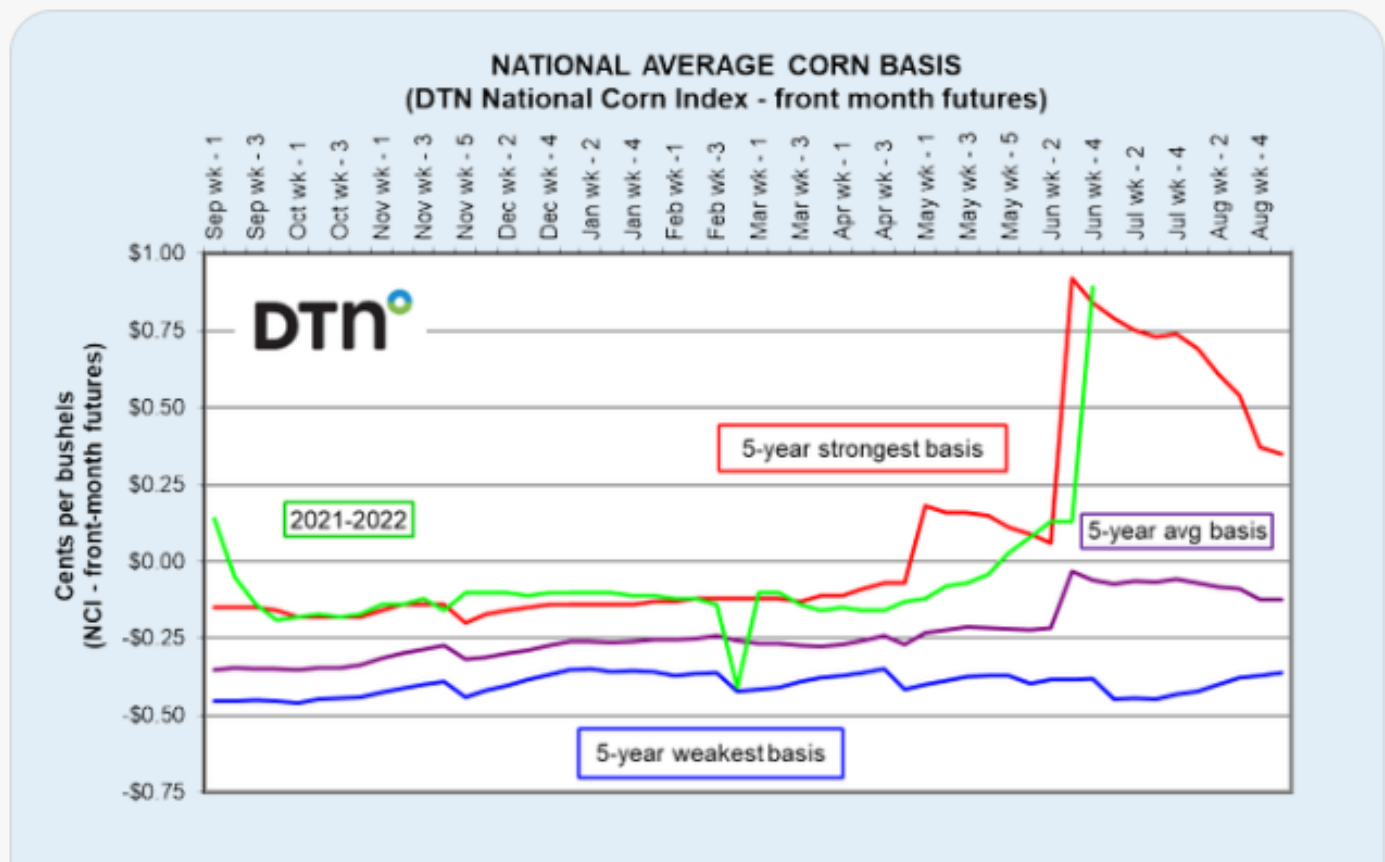




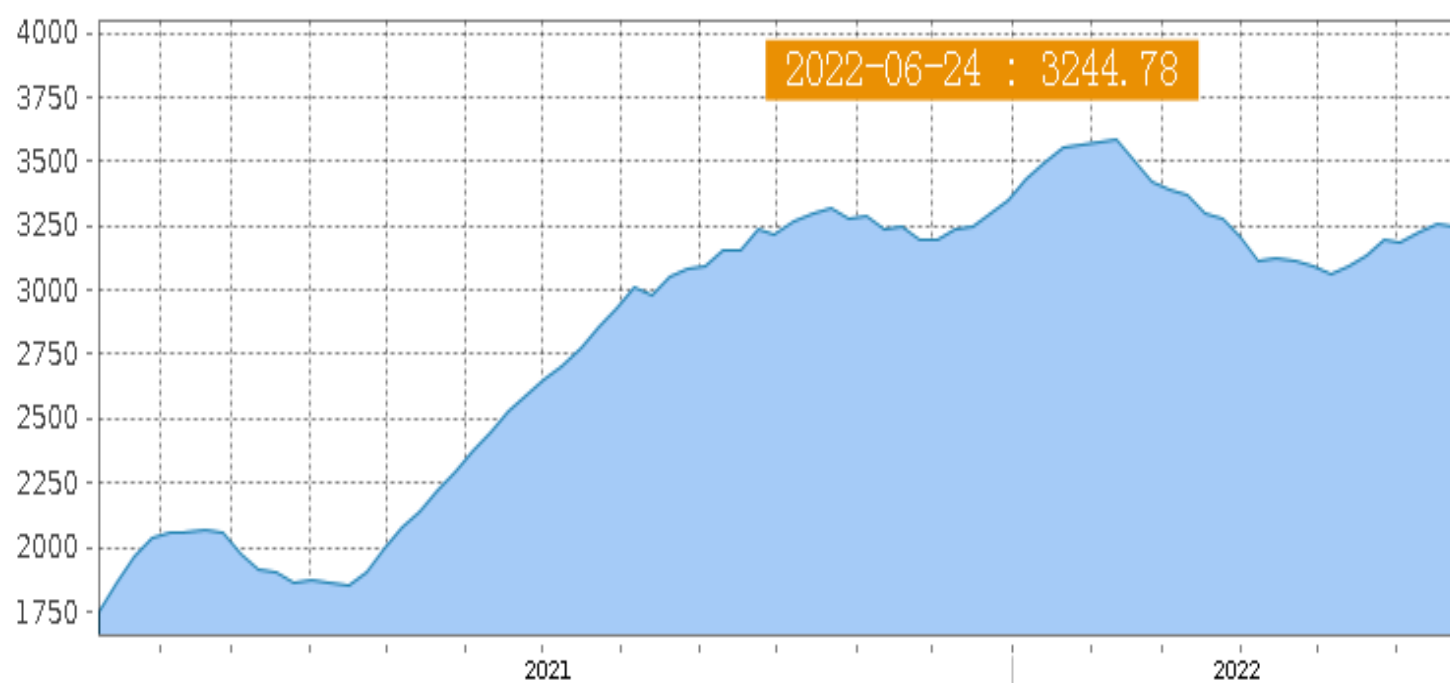
Mary Kennedy @MaryCKenn · 5h

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This is what happens to my DTN weekly corn basis chart when I move basis from N to U in a 90 cent inverse (green line is current basis).



## China Containerized Freight Index



## China Import Dry Bulk Freight Index



**Secondary Rail Car Market for Car placement period: First Half August 2022**

Secondary Rail Car Market Placement FH August 2022	BID USD	ASK USD	BID BU.	ASK BU.	BID MT	ASK MT
BNSF Shuttle Trains	\$ (275.00)	\$ (150.00)	\$ (0.07)	\$ (0.04)	\$ (2.71)	\$ (1.48)
UPRR Shuttle Trains	\$ -	\$ 250.00	\$ -	\$ 0.06	\$ -	\$ 2.46

**U.S. RIVER BARGE FREIGHT**

**Barge Freight for Loading Placement First Half August 2022**

Placement FH August 2022	% of		Corn	Soybeans-Wheat
	Tariff	MT	BU	BU
Upper Mississippi	630	\$42.99	1.09	1.17
Illinois River (Pekin and South)	540	\$36.85	0.94	1.00
Mid-Mississippi	550	\$27.04	0.69	0.74
Lower Ohio	550	\$27.04	0.69	0.74
St. Louis	475	\$20.89	0.53	0.57

Best Regards,

Jay

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