



Transportation and Export Report for 7 June 2018

Ocean Freight Insights and Comments:

It was another of “those” weeks. Dry-Bulk traders felt things had gone low enough and they ran the Baltic Indices up. But the physical market is talking about entering the dull days of summer and questioning if rates can be maintained into the third quarter of 2018. With crude oil, and therefore bunker fuel prices on the rise, vessel owners have good reason to hope for, and want higher freight rates.

POSIDONIA 2018, the big annual global freight conference, is being conducted in Athens Greece and, of course, all the chatter there is bullish. Of course most of the participants are vessel owners, operators and brokers. The three big topics of the conference are De-carbonization, Digitalization, and Slow Steaming. Both Dry-bulk and Container ships are engaging in Slow Steaming in an effort to control fuel costs. So it will take longer for your shipment to arrive. In the world of Container Shipping markets the trade is estimating vessel growth of 4.5% this year verses cargo growth of 5%. Will have to see if that can be hold with all the new vessel orders. The top 10 Container Shipping Lines now control 74 % of the active fleet and the top 5 Lines control 54 % of the active fleet as consolidation continues.

In Dry-Bulk - Tomas Kristiansen estimates “The influx of new, large valemaxes could make 67 capesize vessels unemployed within 24 months. More new ships and less scrapping now creating a poor scenario for dry bulk carriers. Dry-Bulk cargo demand expected to grow by 2.5%.

BALTIC DRY-BULK PANAMAX INDEX CHANGES

Panamax Ocean Freight Indices				
7-Jun-18	This Week	Last Week	Difference	Percent Change
P2A : Gulf/Atlantic - Japan	17528	15285	2,243	14.7%
P3A - PNW/Pacific - Japan	10902	10181	721	7.1%
S1C -USGULF-China-So.Japan	19750	18433	1,317	7.1%

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

Four weeks ago:	\$ 7.80-\$7.65
Three weeks ago:	\$ 8.30-\$8.60
Two weeks ago:	\$ 7.75-\$8.20
One week ago:	\$ 6.55-\$6.85
This week	\$ 7.50-\$8.15

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

Mississippi River:	(10 elevators)	2-7 days
Miss. River Mid-Stream loaders:	(6+ Rigs)	0-0days
Texas Gulf	(6 elevators)	0-3days
Pacific Northwest:	(9 elevators)	3-20 days (only on facility over 8 days)

Panamax Market Spreads to Asia -China					
7-Jun-18	PNW	GULF	Bushel Spread	MT Spread	Advantage
CORN	1.10	0.70	0.40	\$15.75	PNW
SOYBEANS	1.00	0.68	0.32	\$11.76	PNW
OCEAN FREIGHT	\$23.75	\$42.00	.46 -.50	\$18.25	JULY

Recent Reported Vessel Fixtures:

Route and Vessel Size	Current Week USD/MT	Change from previous week	Remarks
55,000 U.S. Gulf-Japan	\$43.00	Up \$1.00	Handymax \$43.25 mt
55,000 U.S. PNW- Japan	\$24.50	Up \$0.25	Handymax \$24.75 mt
66,000 U.S. Gulf – China PNW to China	\$42.00 \$23.75	Up \$1.00 Up \$0.25	North or South China
25,000 U.S. Gulf- Veracruz, México	\$16.00	Up \$0.25	3,000 MT daily discharge rate
35-40,000 U.S. Gulf- Veracruz, México	\$14.00	Up \$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	\$19.50 \$33.50	Up \$0.25	<u>West Coast Colombia at \$28.25</u>
40-45,000 U.S. Gulf - Guatemala	\$28.25	Up \$0.50	Acajutla/Quetzal - 8,000 out
26-30,000 U.S. Gulf – Algeria	\$31.00 \$32.75	Up \$0.50	8,000 mt daily discharge 3,000 mt daily discharge
26-30,000 US Gulf-Morocco	\$33.25	Up \$0.50	5,000 discharge rate
55-60,000 U.S. Gulf –Egypt PNW to Egypt	\$28.00 \$27.00	Up \$0.50	55,000 -60,000 mt Russia Black Sea to Egypt \$15.00
60-70,000 U.S. Gulf – Europe – Rotterdam	\$21.00	Up \$1.00	Handymax at +\$1.75 more
Brazil, Santos – China Brazil, Santos – China Itacoatiara-Port Up River North Brazil	\$33.75 \$33.00 \$36.50	Up \$1.50	54-59,000 Supramax-Panamax 60-66,000 Post Panamax 60-66,000 mt
56-60,000 Argentina/Rosario- China Deep Draft	\$38.25	Up \$1.00	Up River with BB Top Off \$41.00

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

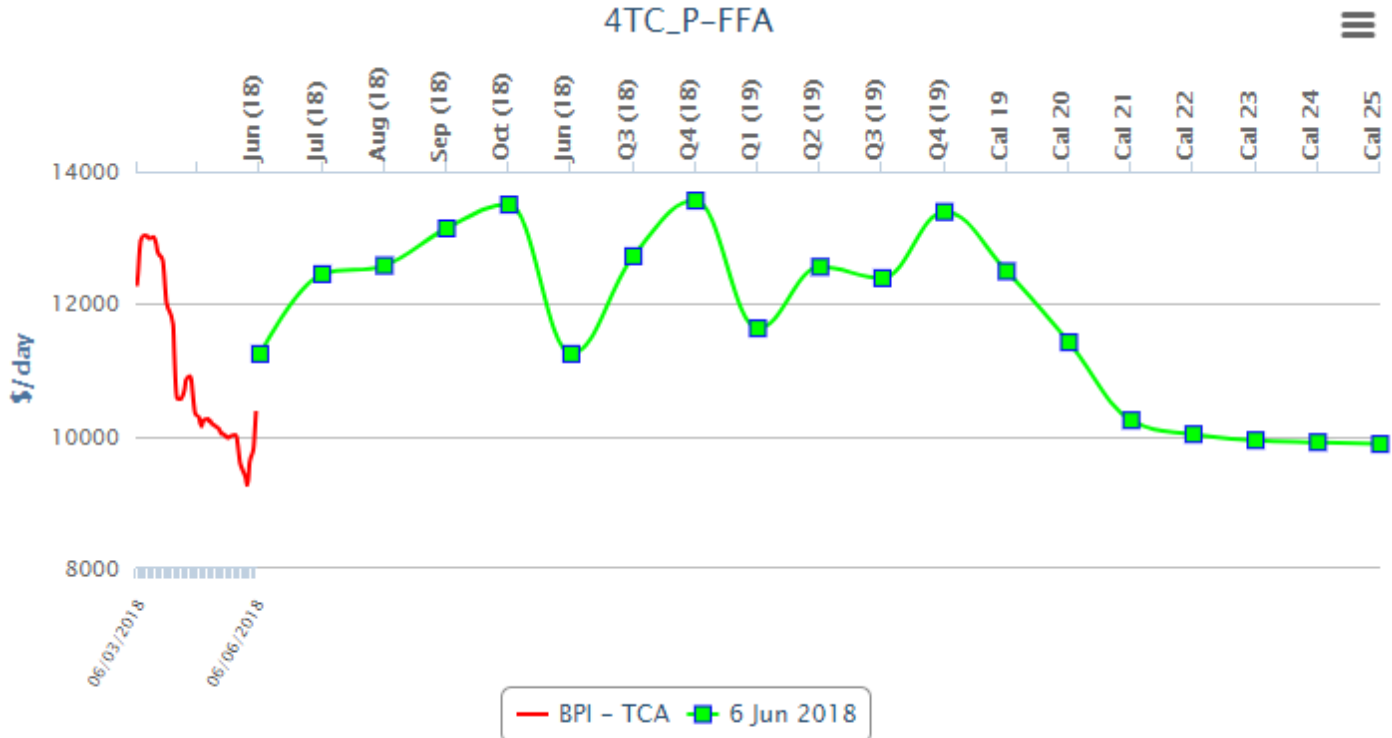
Nautical Miles: To Xiamen China (South China)

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

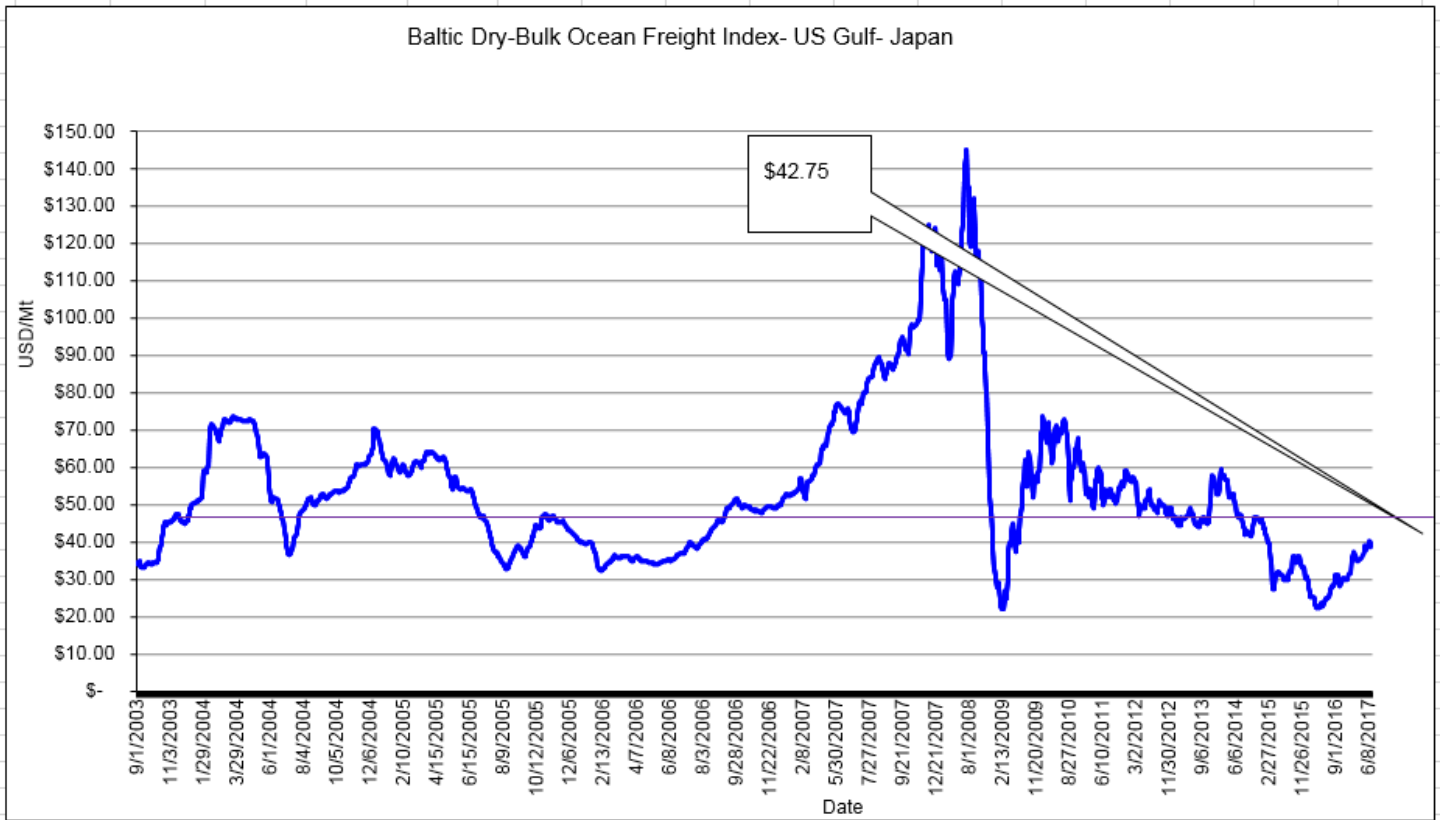
Santos Brazil (via Cape of Good Hope) - 10,441 nautical miles (33 days)

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

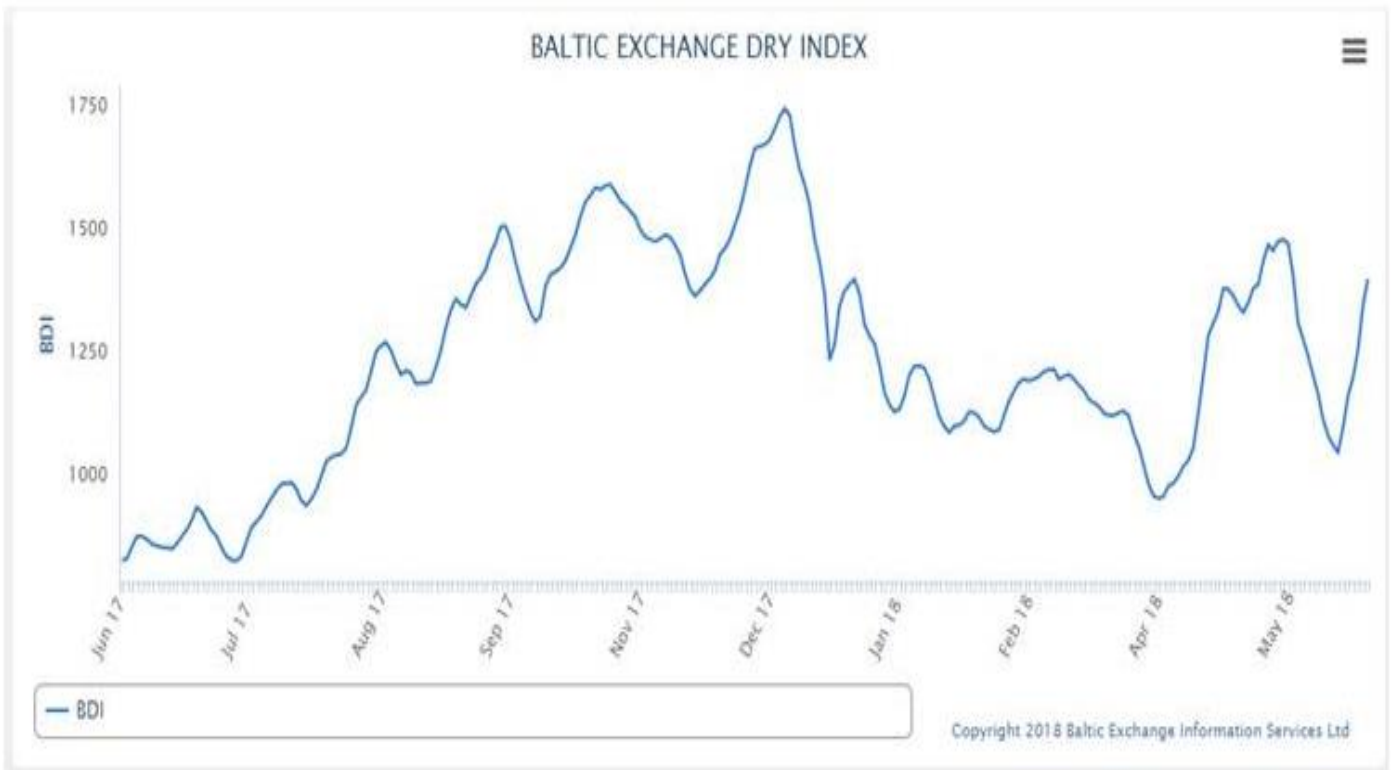
Forward Curve for Baltic BPI Panamax Vessel Freight



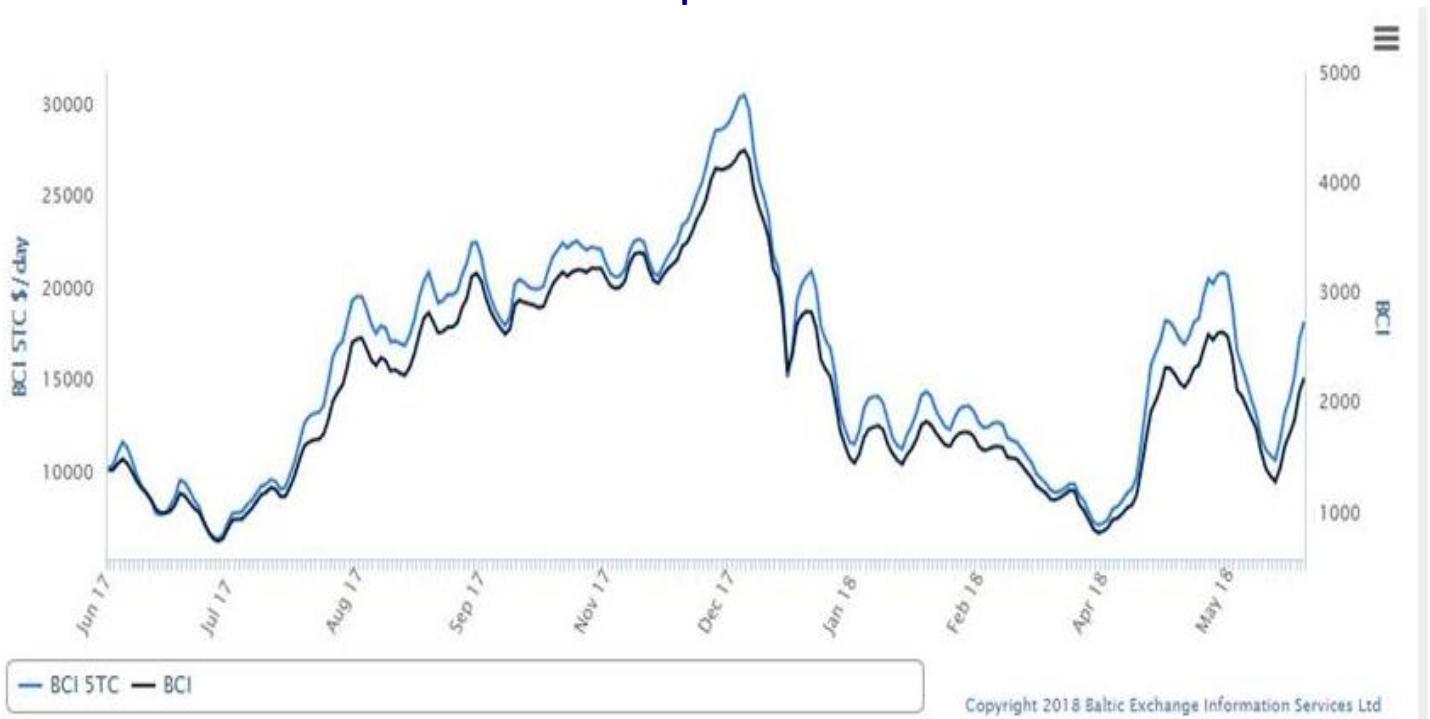
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Baltic Dry-Bulk Index



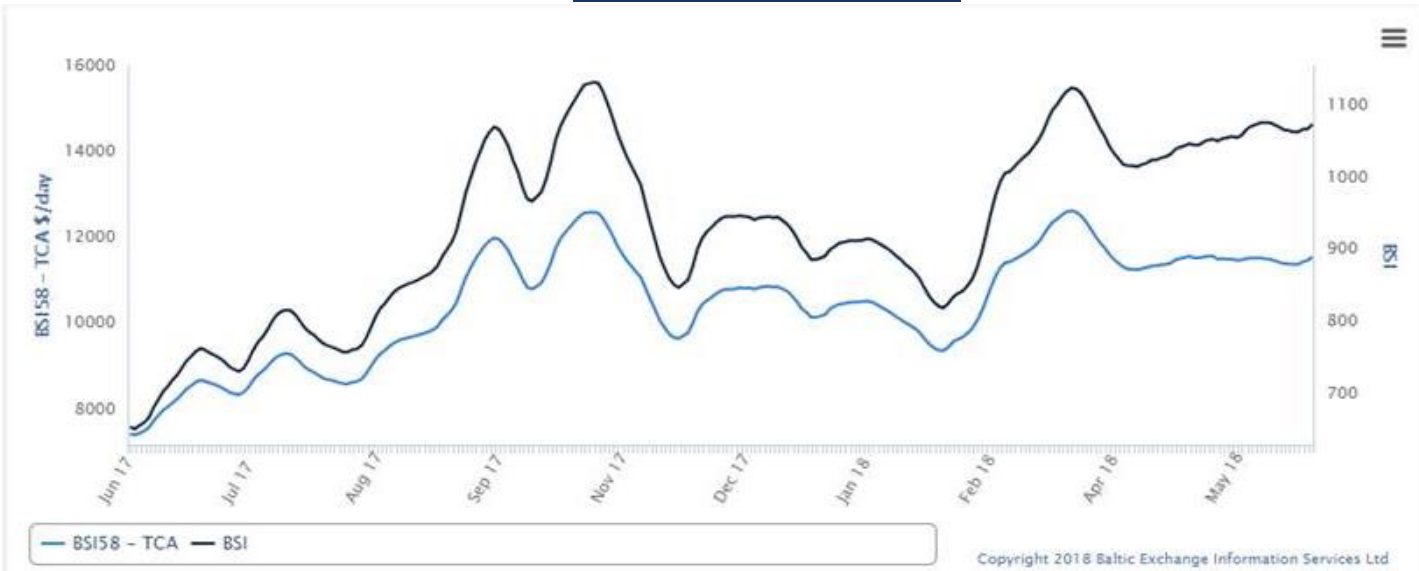
Baltic Capesize Index



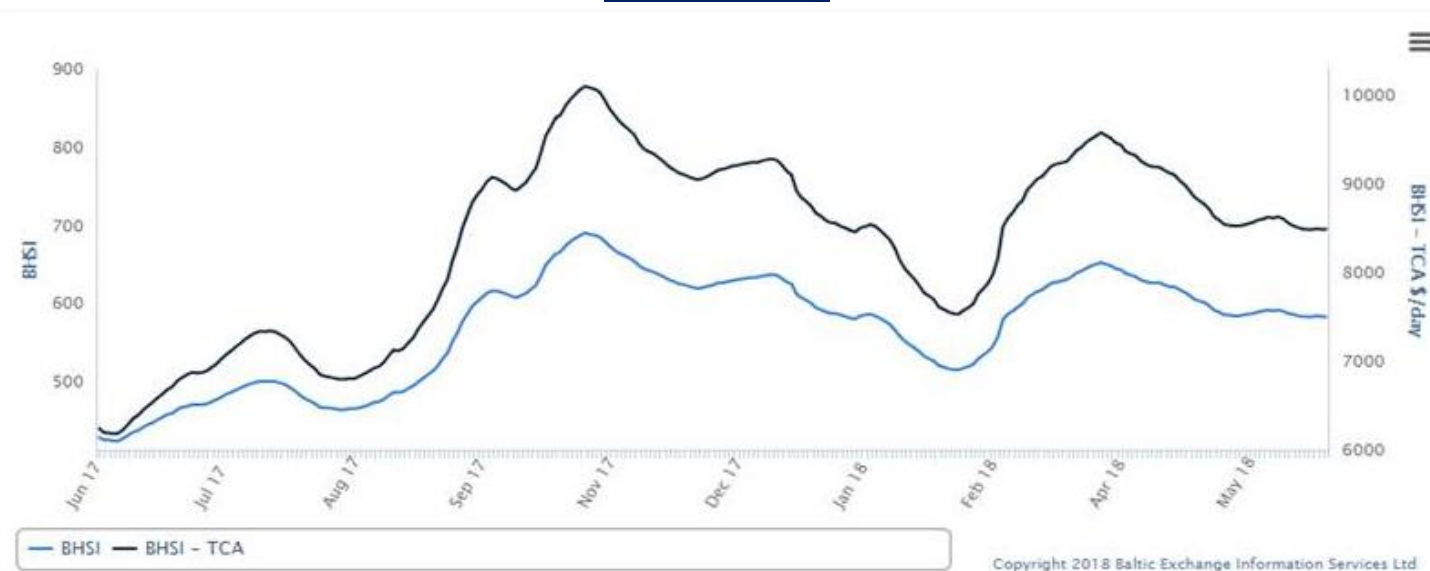
Baltic Panamax Index



Baltic Supramax Vessel Index



Baltic Handy Size



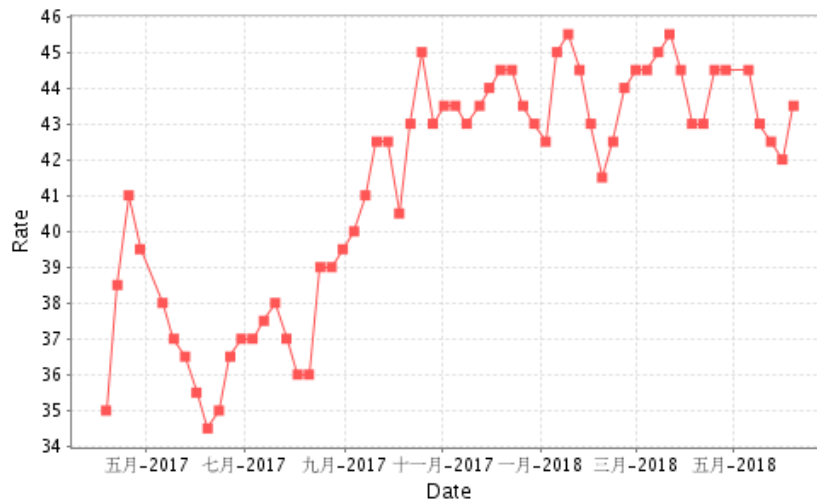
Yamamizu Shipping

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[Yamamizu Index](#)

USG/Japan Index Result

 Date From:

 Date To:



China Import Dry Bulk Freight Index(CDFI)

2018-06-06

Route	Size MT	Cargo/Vessel Size	Unit	Rate	Change
Composite Index			Point	919.74	19.06
Iron ore Freight Index			Point	924.98	30.90
Soybean Freight Index			Point	966.67	11.92
Santos(Brazil)—North China	60000/10%	Soybean	\$/ton	33.236	0.732
Tacoma(West America)—North China	60000/10%	Soybean	\$/ton	23.641	0.058
Mississippi(US Gulf)—North China	66000/10%	Soybean	\$/ton	42.269	0.114
Mississippi(US Gulf)—North China	55000/10%	Soybean	\$/ton	44.220	0.091

7 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
July	0.70	\$175.68	1.10	\$191.43
Aug.	0.67	\$178.04	1.01	\$191.43
Sept.	0.75	\$181.19	1.06	\$193.39
Oct.	0.75	\$185.72	1.00	\$195.56
Nov.	0.81	\$188.08	1.02	\$196.35
Dec.	0.82	\$188.47	1.04	\$197.13

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
July	1.20	\$195.36	1.00	\$187.49
Aug.	1.20	\$198.91	1.00	\$191.03
Sept.	1.20	\$203.43	1.00	\$195.56
Oct.	1.20	\$203.43	1.00	\$195.56
Nov.	1.20	\$203.43	1.00	\$195.56

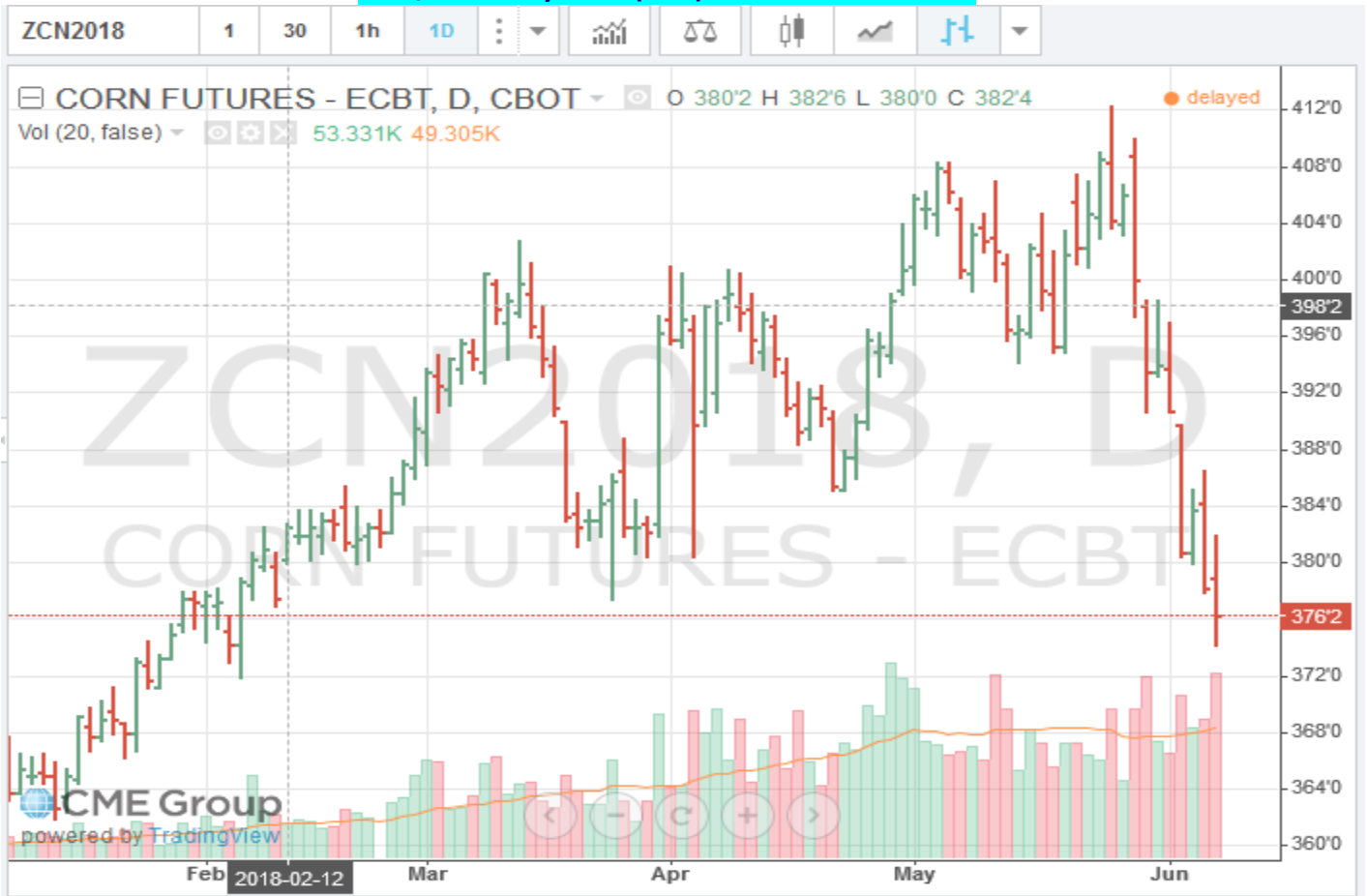
Fob vessel Texas Gulf #2 Sorghum is about 93% the value of #2 Yellow Corn at NOLA

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

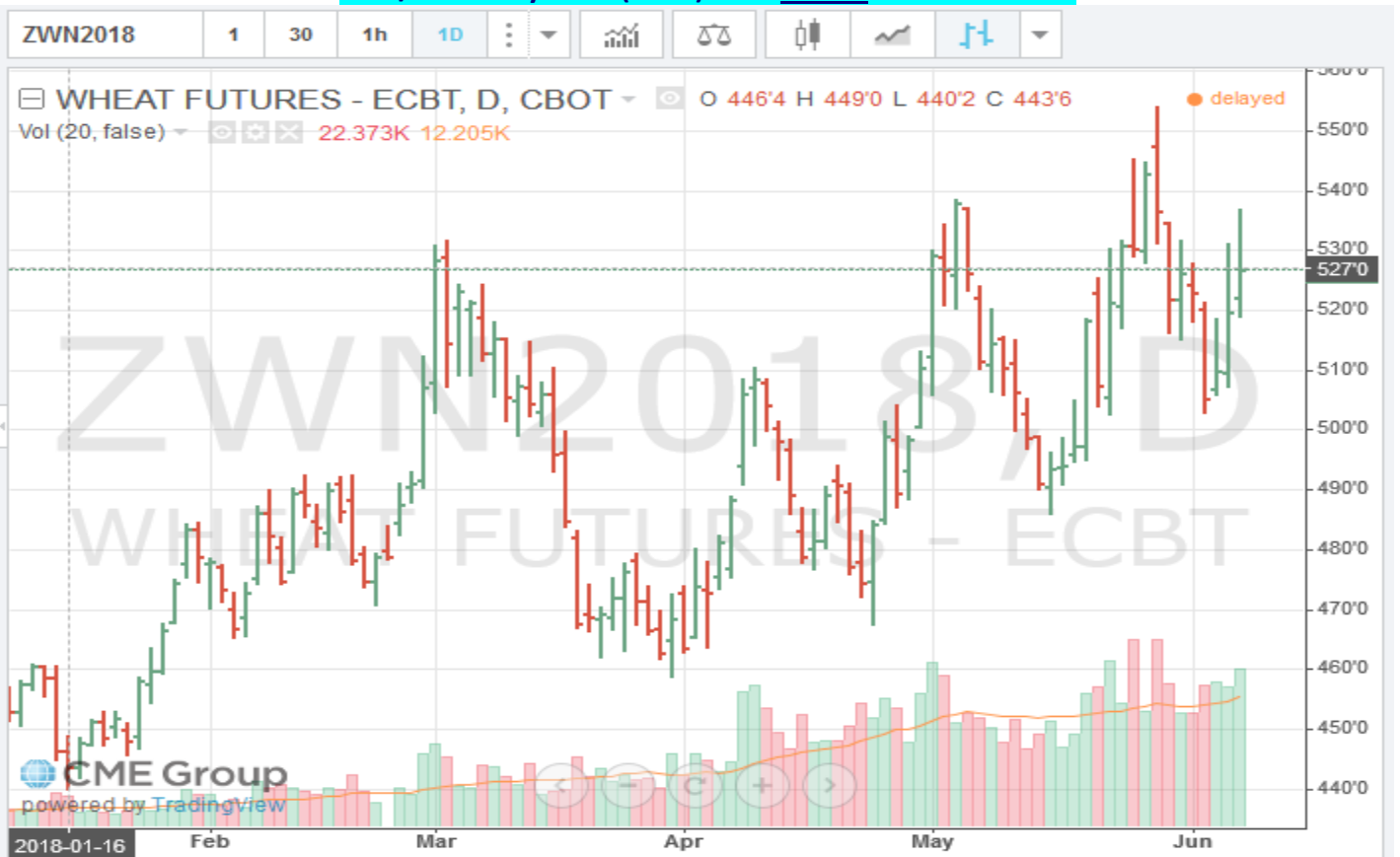
SRW Wheat	USD/MT	Fob Vessel	US Gulf	
	July	Aug.	Sept.	Oct.
FOB U.S. GULF	\$223.68	\$223.86	\$223.86	\$229.74
Basis	0.82	0.65	0.65	0.60
WN	5.2675			
WU	5.4425			
WZ	5.6525			

CME Futures Market Close						
CORN	Futures	Friday	Friday	Last week	Last Week	Difference
Month	Symbol	Close	Close	Bushel	MT.	Bushel
July	CN	\$3.7625	\$148.12	\$ 3.9525	\$155.60	(\$0.1900)
Sept.	CU	\$3.8525	\$151.66	\$ 4.0225	\$158.36	(\$0.1700)
Dec.	CZ	\$3.9675	\$156.19	\$ 4.1300	\$162.59	(\$0.1625)
Mar.	CH	\$4.0600	\$159.83	\$ 4.2175	\$166.03	(\$0.1575)
May.	CK	\$4.1225	\$162.29	\$ 4.2675	\$168.00	(\$0.1450)

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



CME/CBOT July 2018 (WN8) SRW Wheat Futures Chart -

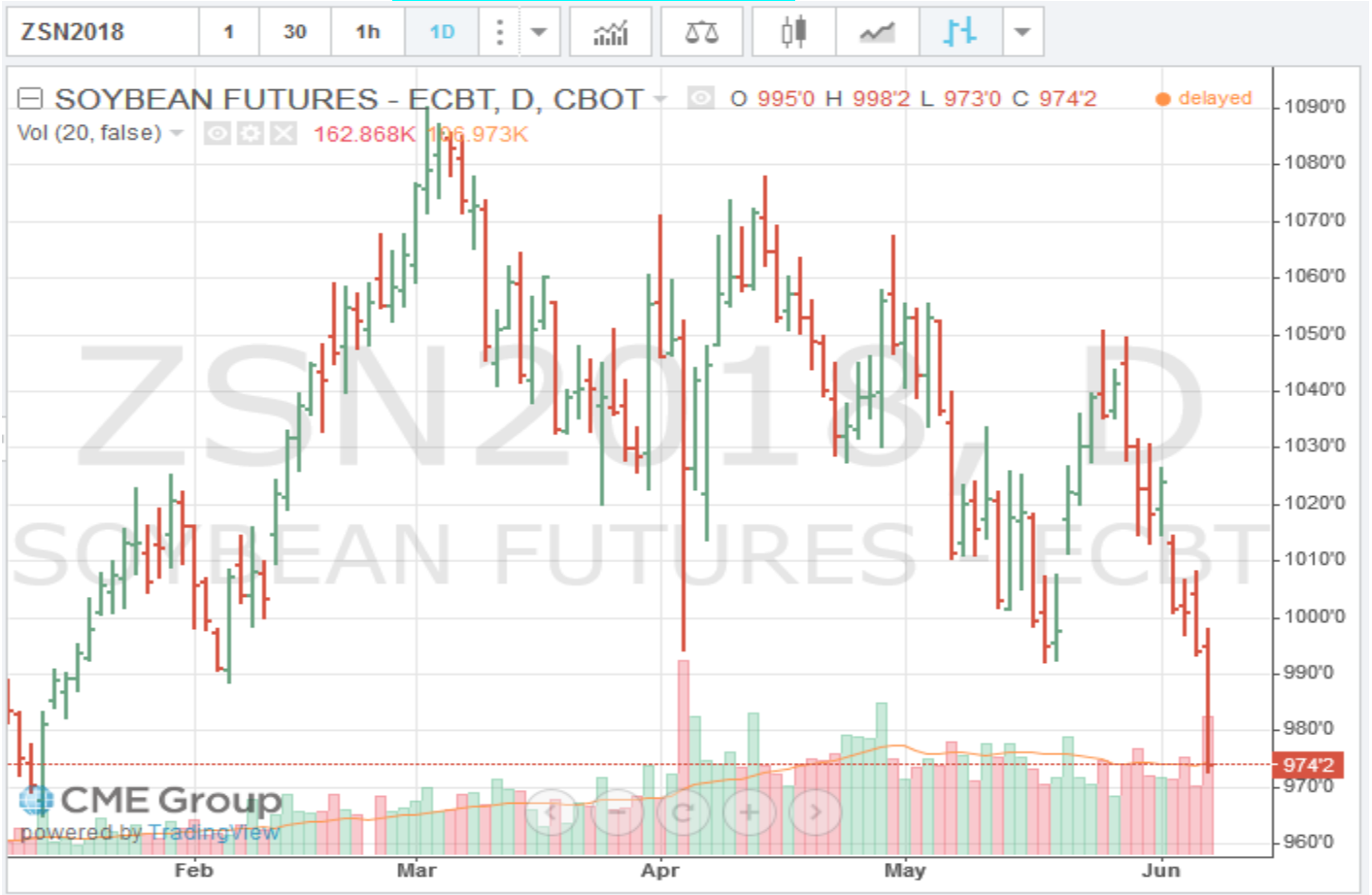


U.S. Soybean and SBM Markets Fob Vessel:

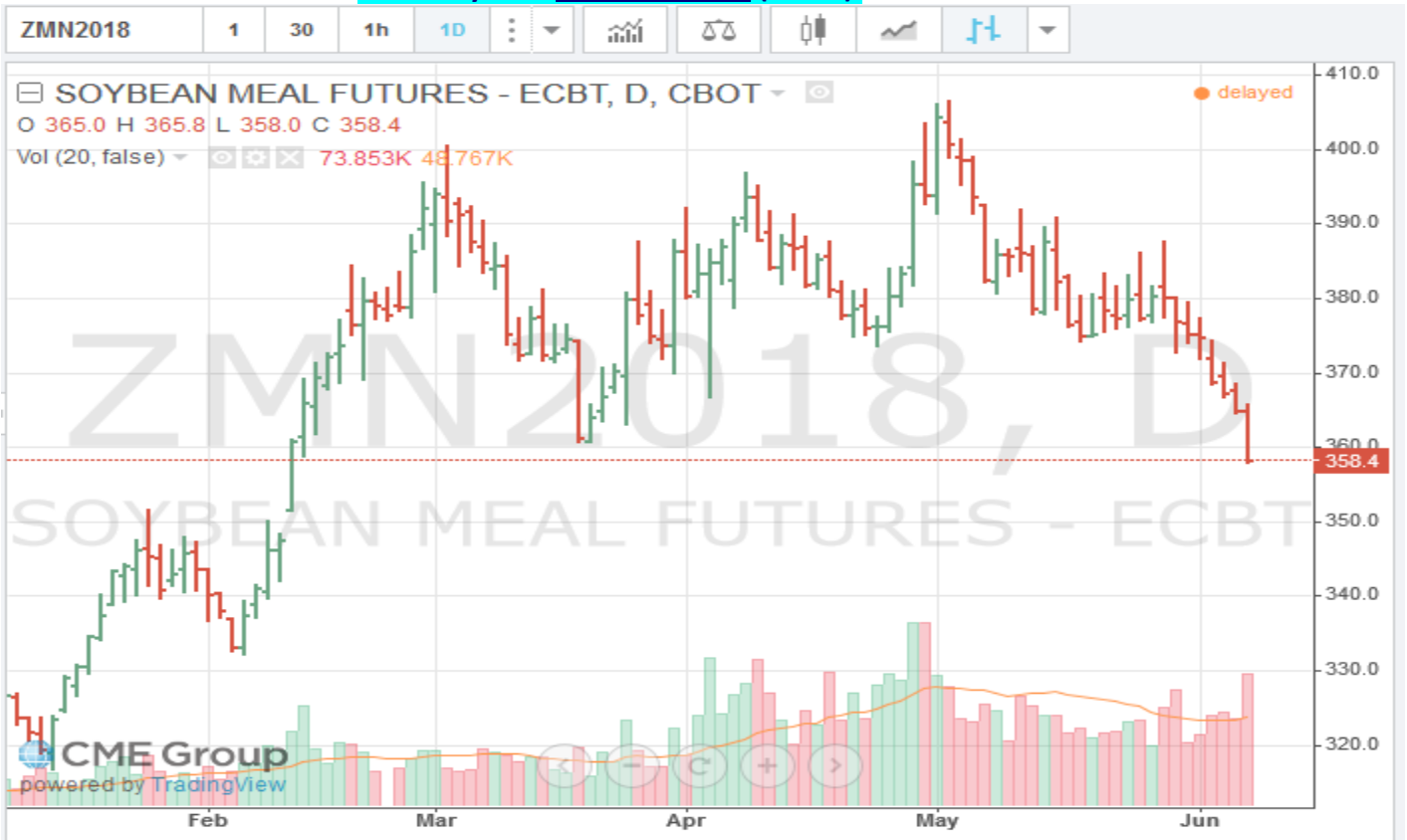
U.S. Yellow Soybeans (USD/MT) FOB Vessel				
# 2 YSB	U.S. Gulf #2 YSB		PNW #2 YSB	
14.0 % Moisture	Basis	Flat Price	Basis	Flat Price
July	0.68	\$382.96	1.00	\$394.72
Aug.	0.68	\$384.98	1.00	\$396.74
Sept.	0.72	\$388.47	1.05	\$400.59
Oct.	0.75	\$393.06	1.08	\$405.19
Nov.	0.82	\$395.63	1.14	\$407.39
Soybean Futures				
July	\$ 9.7425			
Aug.	\$ 9.7975			
Sept.	\$ 9.8525			
Nov.	\$ 9.9475			
Jan.	\$ 10.0225			
Mar.	\$ 10.0050			

U.S. SBM (USD/MT) FOB Vessel		
Fob U.S. Gulf Port	47.5 Pro. SBM	
max 12.5 % moisture	Basis	Flat Price
July	20.00	\$ 417.19
Aug.	23.00	\$ 422.04
Sept.	25.00	\$ 425.23
Oct.	25.00	\$ 425.23
Nov.	26.00	\$ 427.00
SBM Futures		
SMN	358.40	
SMQ	359.80	
SMU	360.70	
SMV	360.70	
SMZ	361.30	
SMF	360.20	

CME July 2018 Soybean (SN18) Futures Chart:



CME May 2018 Soybean Meal (SMK8) Futures Chart



U.S. EXPORT STATISTICS: Report Activity as of Week Ending 24 May 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	1093.0	54,464.5	56,520	96%	2,652.8
Sorghum	2.9	5,093.3	6,220	82%	38.0
Soybeans	478.2	55,465.3	56,200	99%	6,327.9
Wheat	33.3	23,743.3	24,770	96%	2,668.6
Barley	0.0	32.5	130	25%	47.4

U.S. EXPORT INSPECTIONS:

Monday's report 04 June 2018 for the Export week ending 31 May 2018

	Export Inspections		Current Market Year YTD	Previous Year to Date	2017 YTD as Percent of 2016 YTD
	This Week	Previous Week			
Corn	1,554,961	1,705,655	39,578,067	44,322,976	89%
Sorghum	432	25,843	4,619,705	4,811,908	96%
Soybeans	557,733	579,245	46,795,868	51,125,126	92%
Wheat	341,470	445,709	23,852,754	27,491,617	87%
Barley	0	0	21,340	45,385	47%

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

U.S. EXPORT INSPECTIONS:

Monday's report 04 June 2018 for the Export week ending 31 May 2018

Last Week							
(Metric Tons)	YC	%	WC	%	Sorghum	%	Soybeans %
Lakes	23,311	2%	0	0%	0	0%	19,661 4%
Atlantic	0	0%	0	0%	0	0%	5,629 1%
Gulf	776,541	51%	34,213	81%	0	0%	273,927 49%
PNW	605,441	40%	220	1%	0	0%	131,998 24%
Interior Export Rail	107,252	7%	7,983	19%	432	100%	126,518 23%
Metric Tons	1,512,545		42,416		432		557,733

Sorghum Shipments:	<u>metric tons</u>	
	432	Mexico
	<u>432</u>	<u>Total</u>

White Corn	<u>metric tons</u>	
Shipments:	1,813	El Salvador
	220	Korea Rep
	40,383	Mexico
	<u>42,416</u>	<u>Total</u>

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:		31-May-2018								
Last Week	metric tons		YCB	YSB	SRW	NS	SWH	HRW	Sorghum	MT
	YC	WC								TOTAL
China Main										0
China T	25,907			17,854						43,761
Hong Kong	1,199									1,199
Costa Rica										0
Indonesia				20,979						20,979
Panama										0
Japan	73			196						269
Korea Republic	661			269						930
Dominican Rep										0
Malaysia	1,420			8,499						9,919
Ireland										0
Philippines	1,004			1,371						2,375
Thailand				6,586						6,586
Venezuela				245						245
Bangladesh										0
Vietnam				4,407						4,407
Sub total	30,264	0		60,406	0	0	0	0	0	86,018
USDA Corrections/Additions to previous reports:										
China T	465									465
China Main										0
Hong Kong										0
Korea Rep.				122						122
Costa Rica										0
Japan										0
Philippines										0
Indonesia				1,542						1,542
Malaysia				1,224						1,224
Thailand										0
Vietnam				465						465
Canada										0
Burma										0
Sub total	465	0		3,353	0	0	0	0	0	3,818
Mt. Grand Total	30,729	0		63,759	0	0	0	0	0	89,836
Number of containers	1,336	0		2,772	0	0	0	0	0	

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

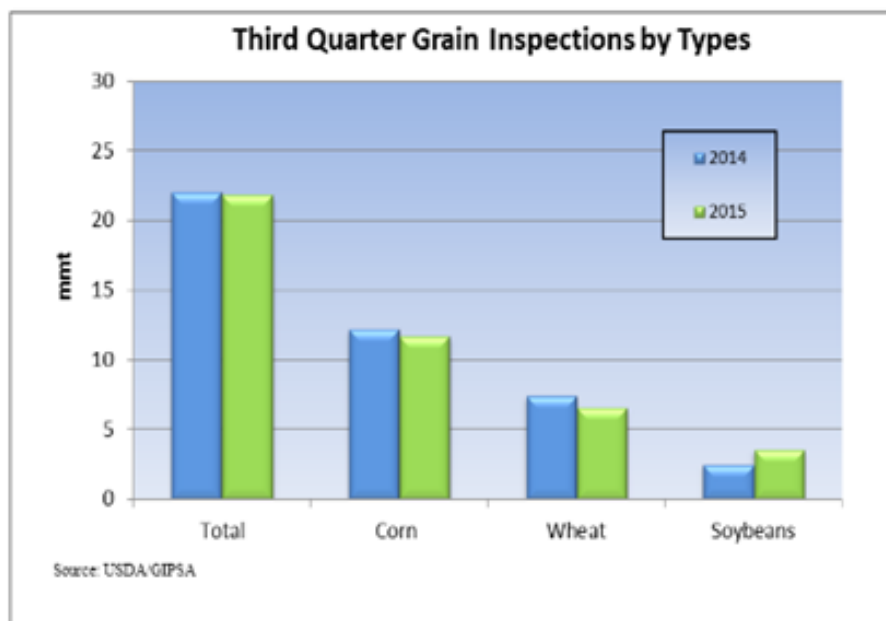


Grain Inspections for Export by U.S. Port Regions:
U.S. Gulf and Pacific Northwest 2017 YTD vs. 2018 YTD

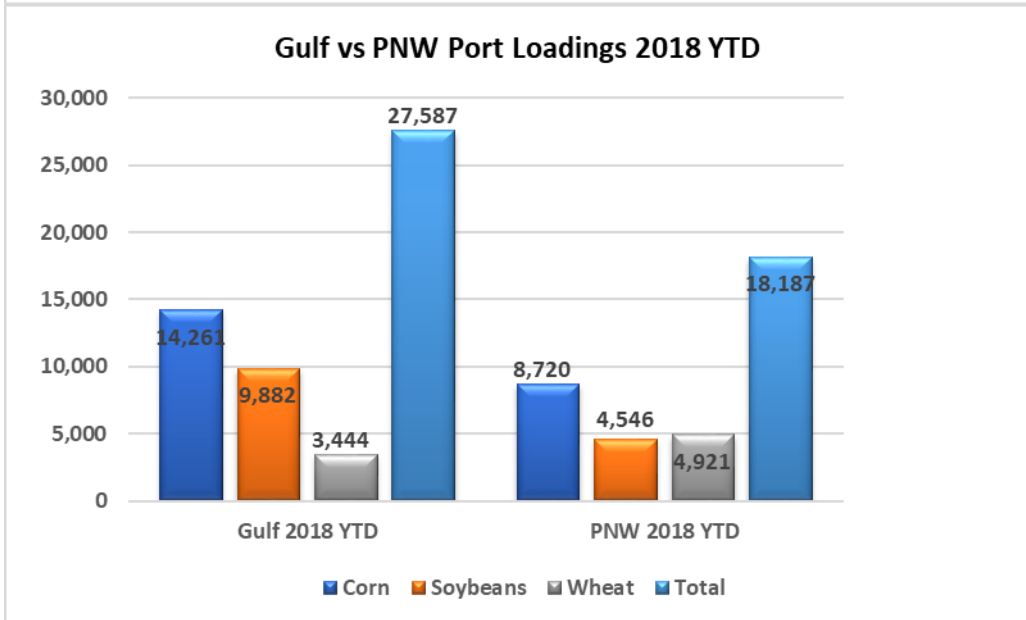
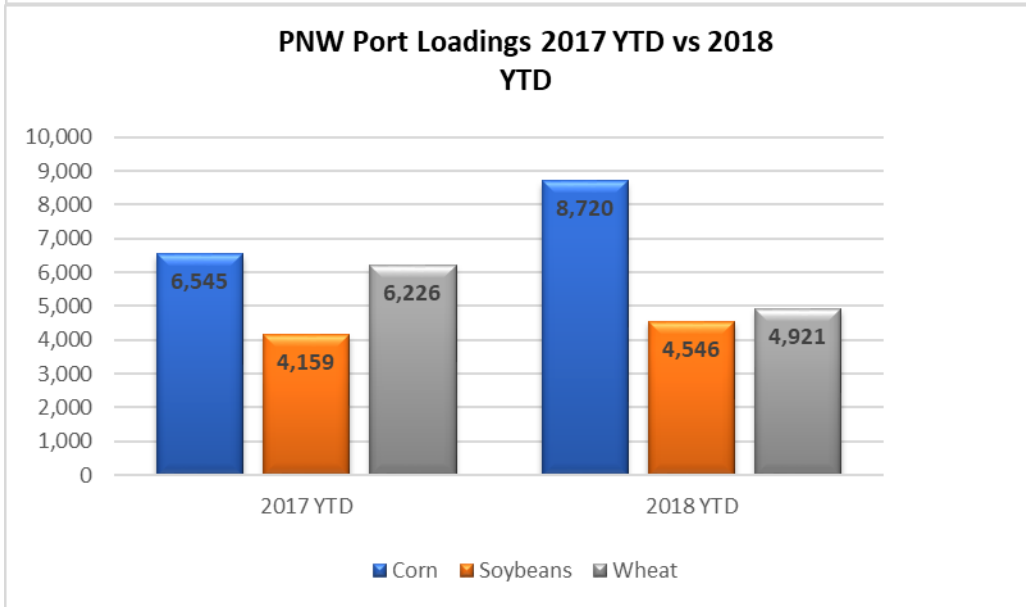
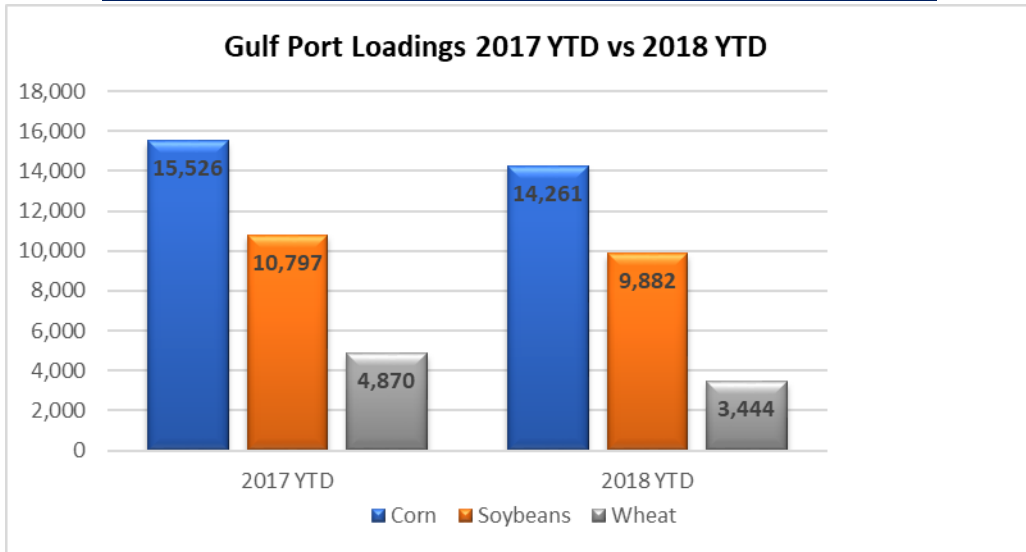
PORT LOADINGS US Gulf				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
GULF				
2017 YTD	15,526	10,797	4,870	31,193
2018 YTD	14,261	9,882	3,444	27,587
2018 as % of 2017	92%	92%	71%	88%

PORT LOADINGS US PNW				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
PNW				
2017 YTD	6,545	4,159	6,226	16,930
2018 YTD	8,720	4,546	4,921	18,187
2018 as % of 2017	133%	109%	79%	107%

PORT LOADINGS GULF vs. PNW				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
2018 Gulf YTD	14,261	9,882	3,444	27,587
2018 PNW YTD	8,720	4,546	4,921	18,187
TOTAL	22,981	14,428	8,365	45,774
Gulf Percentage	62%	68%	41%	60%
PNW Percentage	38%	32%	59%	40%

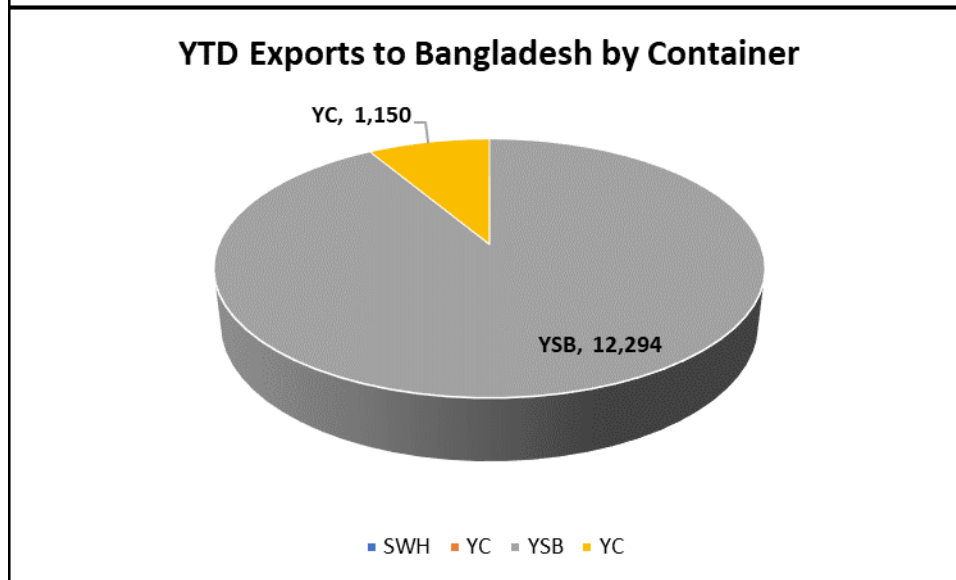
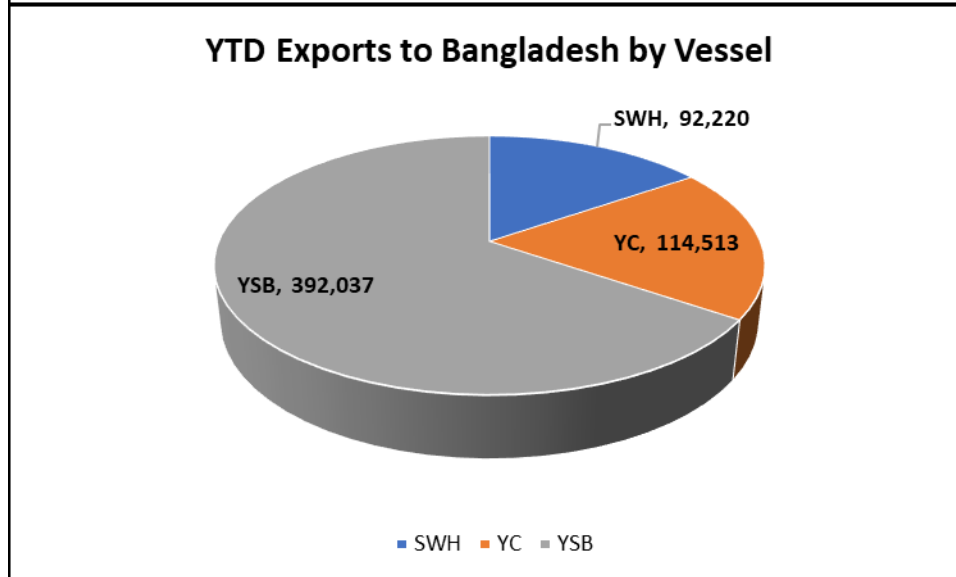
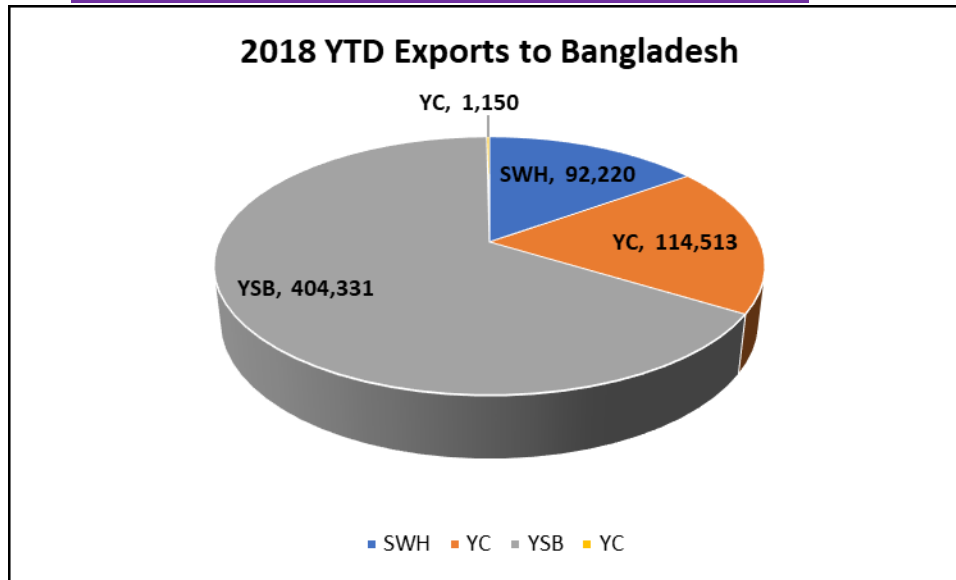


Grain Inspections for Export by U.S. Port Regions (1,000MT):
U.S. Gulf and Pacific Northwest 2017 YTD vs. 2018 YTD



Source: USDA-data

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

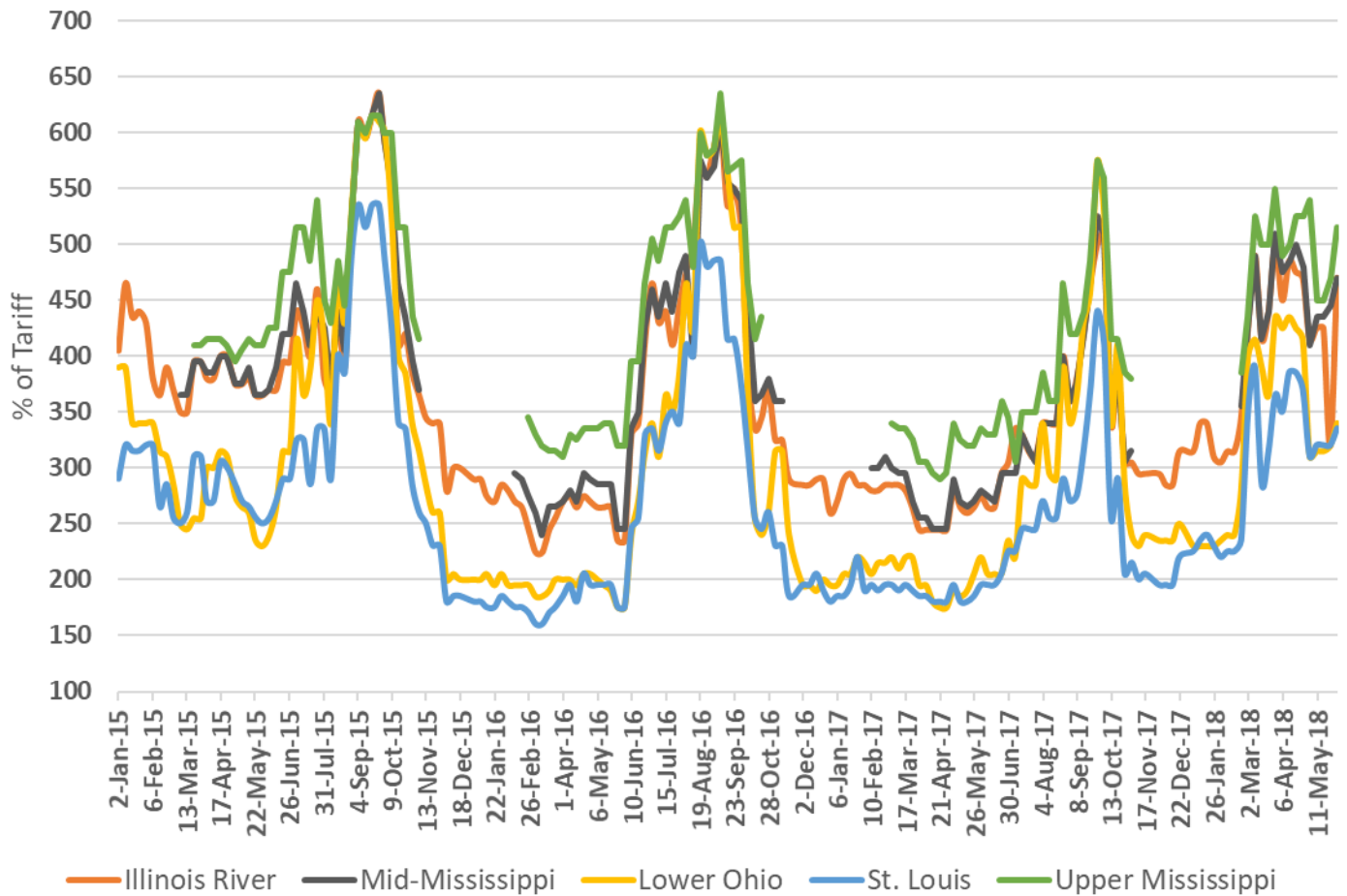


**Please keep in mind that USDA does not report DDGS sales, or they would show as the largest exports by container

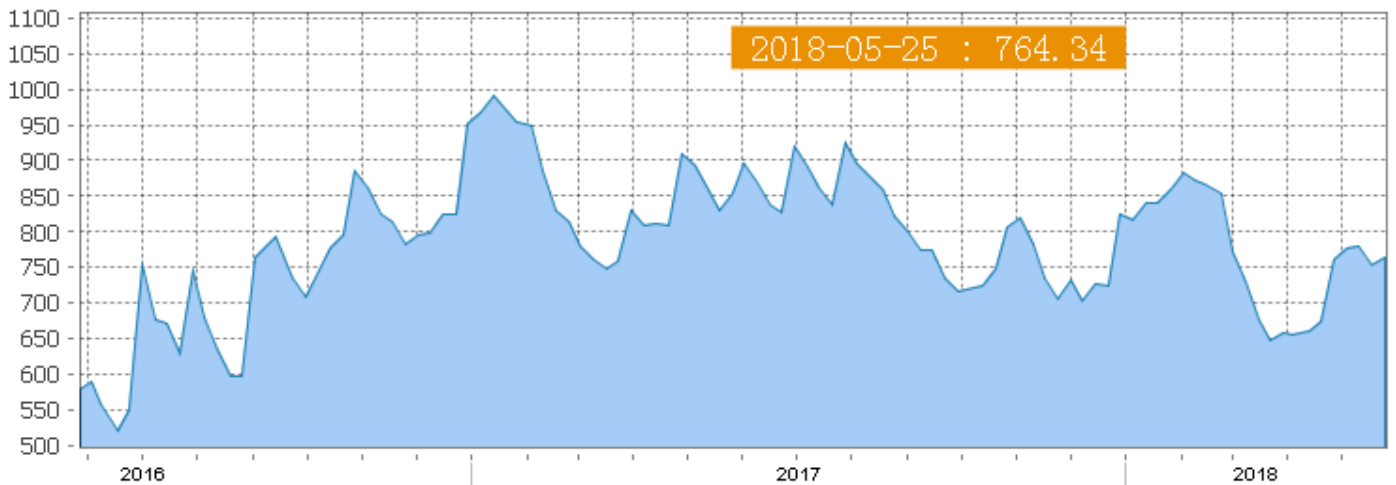
Source: USDA

Shipping News

U.S. River Barge Freight as % of Tariff



Shanghai Containerized Freight Index



Superior Maritime Retweeted

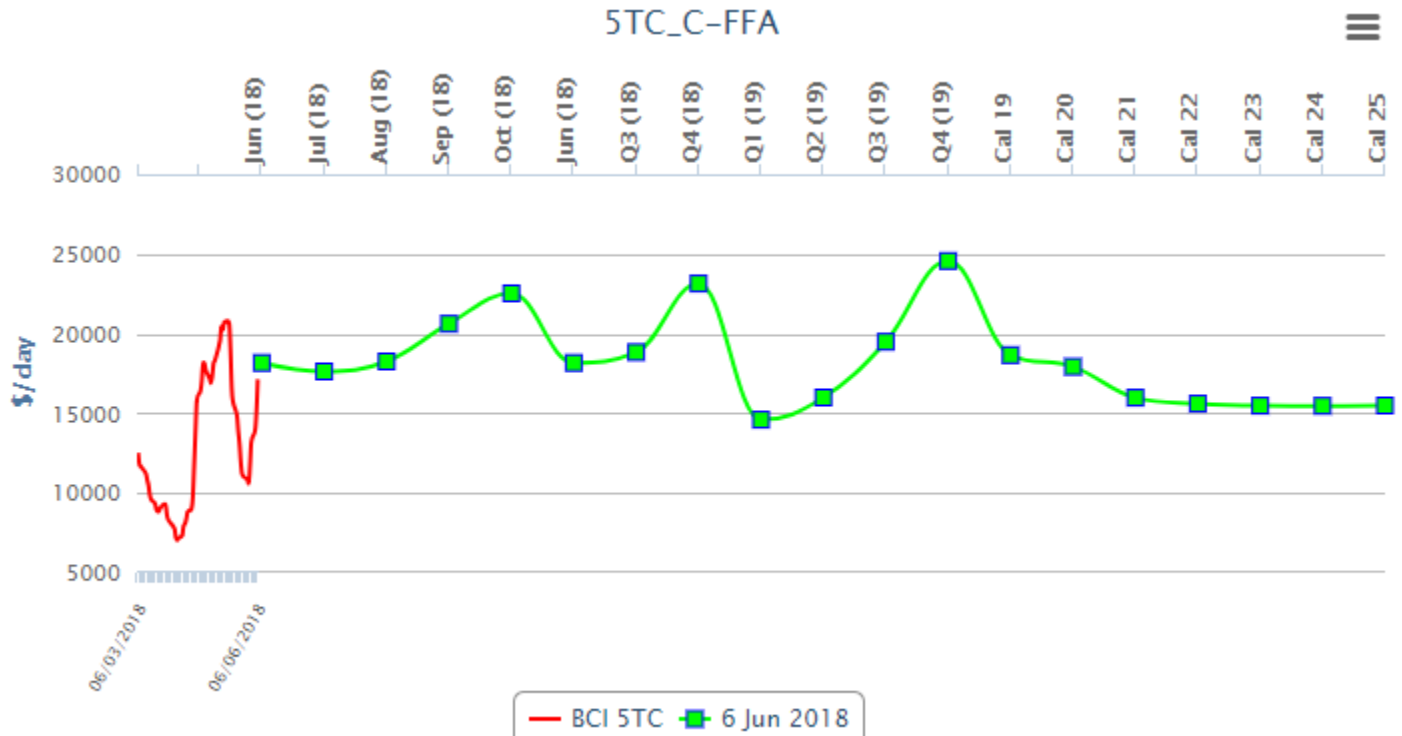


IUMI @IUMI_marine · Jun 3

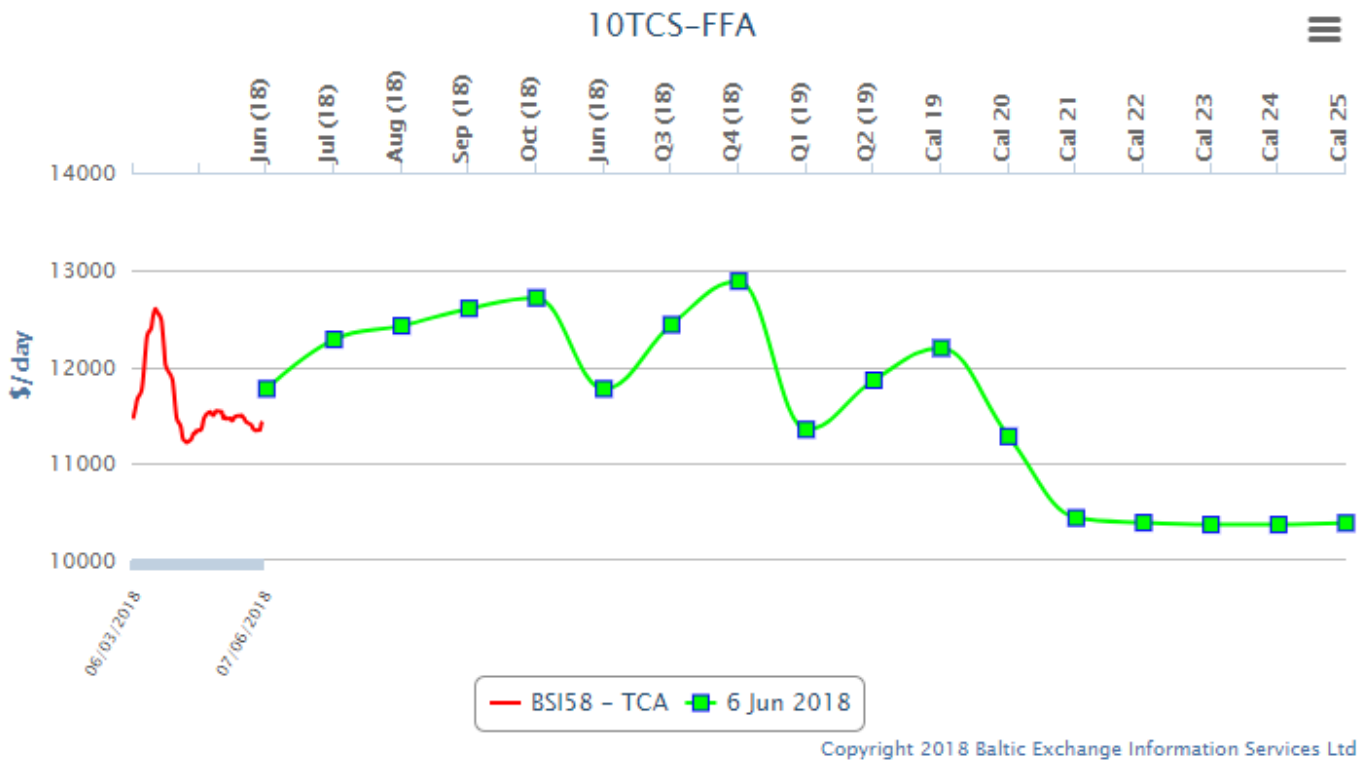
Australia alert after ship loses 83 containers bbc.co.uk/news/world-aus...



FFA Capesize for the 4-time charter routes



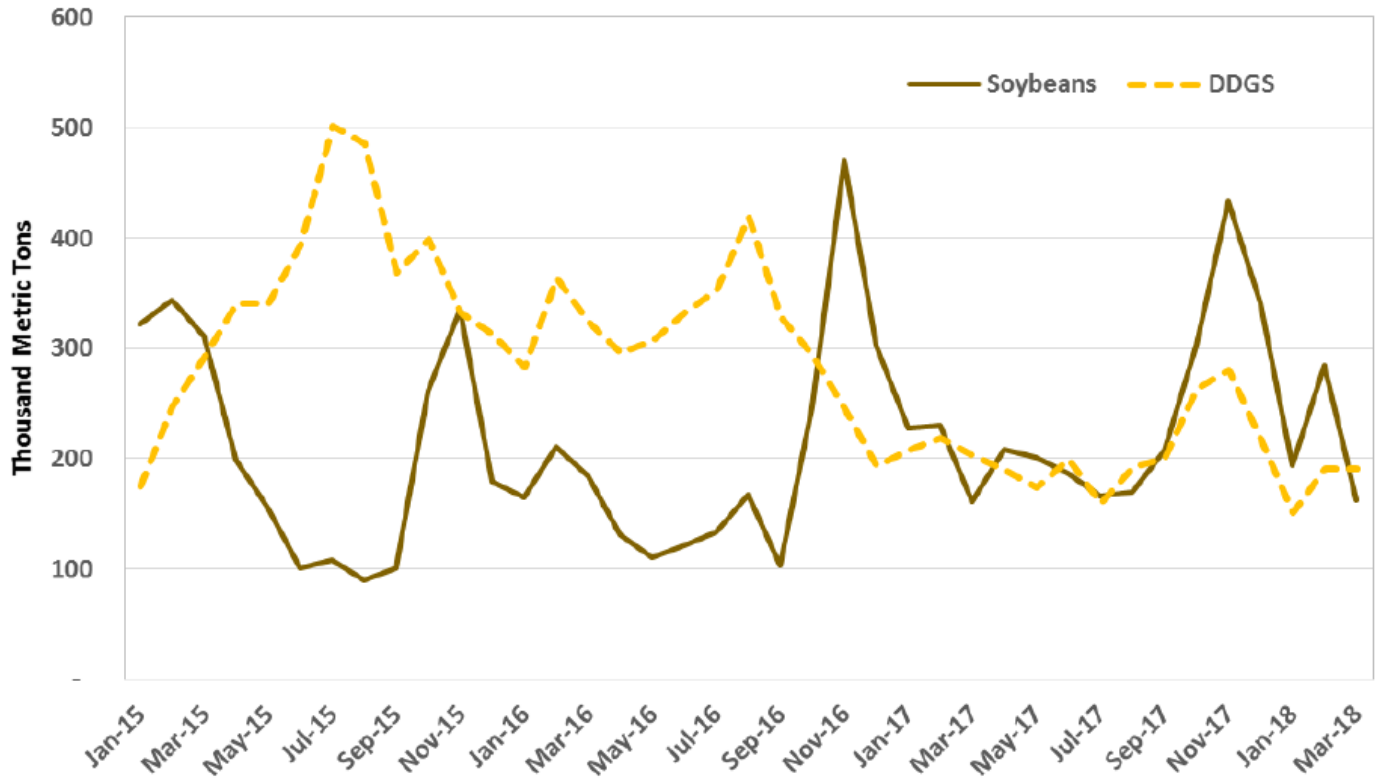
FFA SUPRAMAX 58 for the 5 time charter routes



Containerized grain reached more than 1.7 million metric tons during the first quarter of 2018 (see Table 1). These shipments represented approximately 6 percent of the total waterborne grain exported. This year's total is 2 percent less than the same time last year. Decreases in containerized exports of distillers' dried grains (DDGS), corn, starch residues, wheat, and oats were nearly offset by increases in soybean meals and flours, animal feed, grain sorghum, barley, and soybeans.

Table 1: Jan-Mar 2018 Containerized Grain Exports			
HS Description	Metric Tons	TEU*	Share
Soybeans	639,931	47,730	36%
Distillers grains	532,756	40,099	30%
Animal feed	222,620	19,733	12%
Corn	160,805	12,393	9%
Soybeans meals and flours	123,700	8,870	7%
Other	107,425	7,773	6%
Total	1,787,237	136,598	100%
<i>Source: PIERS</i>			
<i>*TEU: Twenty-foot Equivalent Unit</i>			

U.S. Containerized Soybean and DDGS Exports, 2015-present



Source: PIERS

U.S. RIVER BARGE FREIGHT

Current Barge Freight for Placement First half July 2018

Placement FH July 2018	% of Tariff	MT	Corn BU	Soybeans-Wheat BU
Upper Mississippi	525	\$35.82	0.91	0.97
Illinois River (Pekin and South)	490	\$25.98	0.66	0.71
Mid-Mississippi	490	\$28.73	0.73	0.78
Lower Ohio	365	\$17.94	0.46	0.49
St. Louis	390	\$17.15	0.44	0.47

Secondary Rail Car Market for car placement period: first Half July 2018.

Secondary Rail Car Market Placement FH July 2018	BID USD	ASK USD	BID BU.	ASK BU.	BID MT	ASK MT
BNSF Shuttle Trains	\$ 300.00	\$ 500.00	\$ 0.08	\$ 0.13	\$ 2.95	\$ 4.92
UPRR Shuttle Trains	\$ (100.00)	\$ -	\$ (0.03)	\$ -	\$ (0.98)	\$ -

www.grains.ksu.edu/igp

Best Regards,

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*** 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.

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