

Transportation and Export Report for 11 July 2019

Ocean Freight Insights and Comments:

It was a bullish week in paper and physical Dry-Bulk freight markets. The Capesize market saw an uptick in Iron Ore demand and the rest of the market is feeling the heat from the increased costs of IMO2020 compliance. This week's rate jump was on top of the market increases of the last two weeks; so freight buyers are now feeling the pain of increased transportation costs. It looks like Dry-Bulk rate increases will outpace those of the container shipping sector. This should provide an opportunity for containerized grain markets to pick up some additional market share in export channels. Container rates from the Mid-west to Asia are close to \$1,000/TEU and U.S. East Coast rates to Asia remain at \$300 or less/TEU.

BALTIC DRY-BULK PANAMAX INDEX CHANGES

Panamax Ocean Freight Indices				
11-Jul-19	This Week	Last Week	Difference	Percent Change
P2A : Gulf/Atlantic - Japan	24891	19900	4,991	25.1%
P3A - PNW/Pacific - Japan	12005	10385	1,620	15.6%
S1C -USGULF-China-So.Japan	22850	19889	2,961	14.9%
P7- Trial- Miss. River - Qingdao	47927	44675	3,252	7.3%
P8- Trial- Santos - Qingdao	36428	33400	3,028	9.1%

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

Four weeks ago:	\$7.10-\$7.70
Three weeks ago:	\$7.10-\$7.95
Two weeks ago:	\$7.00-\$7.35
One week ago:	\$7.30-\$7.90
This week	\$8.50- \$9.10

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

Mississippi River:	(10 elevators)	6-14 days
Miss. River Mid-Stream loaders:	(6+ Rigs)	0-3 days
Texas Gulf	(5 elevators)	0-9 days (only 1 facilitie over 3 days)
Pacific Northwest:	(9 elevators)	2-9 days (only 2 facilities over 5 days)

Panamax Market Spreads to Asia -China					
11-Jul-19	PNW	GULF	Bushel Spread	MT Spread	Advantage
CORN	1.02	0.74	0.28	\$11.02	PNW
SOYBEANS	0.90	0.45	0.45	\$17.72	PNW
OCEAN FREIGHT	\$24.50	\$46.00	.51 -.54	\$21.50	August

Recent Reported Vessel Fixtures:

Soybean Panamax USG to Spain is running \$22.50/mt.

Soybean Brazil to Spain can be done at \$25.50/mt.

30,000 mt Corn Northern Brazil to Vera Cruz, Mexico \$19.50-\$20.50/mt .To U.S. E/C about \$23.00-23.50/mt

Route and Vessel Size	Current Week USD/MT	Change from previous week	Remarks
55,000 U.S. Gulf-Japan	\$46.50	Up \$2.00	Handymax \$46.50 mt
55,000 U.S. PNW- Japan	\$25.50	Up \$1.25	Handymax \$25.50 mt
66,000 U.S. Gulf – China PNW to China	\$46.00 \$24.50	Up \$2.50 Up \$1.00	North China
25,000 U.S. Gulf- Veracruz, México	\$17.75	Up \$1.00	3,000 MT daily discharge rate
30-35,000+ U.S. Gulf- Veracruz, México	\$15.00	Up \$1.00	Deep draft and 6,000 MT per day discharge rate.
25/35,000 U.S. Gulf- <u>East Coast Colombia</u> From Argentina	\$20.00 \$33.50	Up \$1.00	<u>West Coast Colombia at \$27.25</u>
43-45,000 U.S. Gulf - Guatemala	\$29.00	Up \$1.00	Acajutla/Quetzal - 8,000 out
26-30,000 U.S. Gulf – Algeria	\$35.50 \$36.50	Up \$1.00	8,000 mt daily discharge 3,000 mt daily discharge
26-30,000 US Gulf-Morocco	\$36.75	Up \$1.00	5,000 discharge rate
55-60,000 U.S. Gulf –Egypt PNW to Egypt	\$29.50 \$30.00	Up \$1.50	60,000 -55,000 mt Romania- Ukraine, Russia Black Sea -Egypt \$13.75--\$15.00 (France \$16.50-\$17.50)
60-70,000 U.S. Gulf – Europe – Rotterdam	\$19.25	Up \$1.00	Handymax at +\$1.75 more
Brazil, Santos – China Brazil, Santos – China Itacoatiara-Port Upriver North Brazil	\$35.25 \$35.00 \$38.50	Up \$2.00	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 \$2.00	Upriver with BB Top Off \$42.50

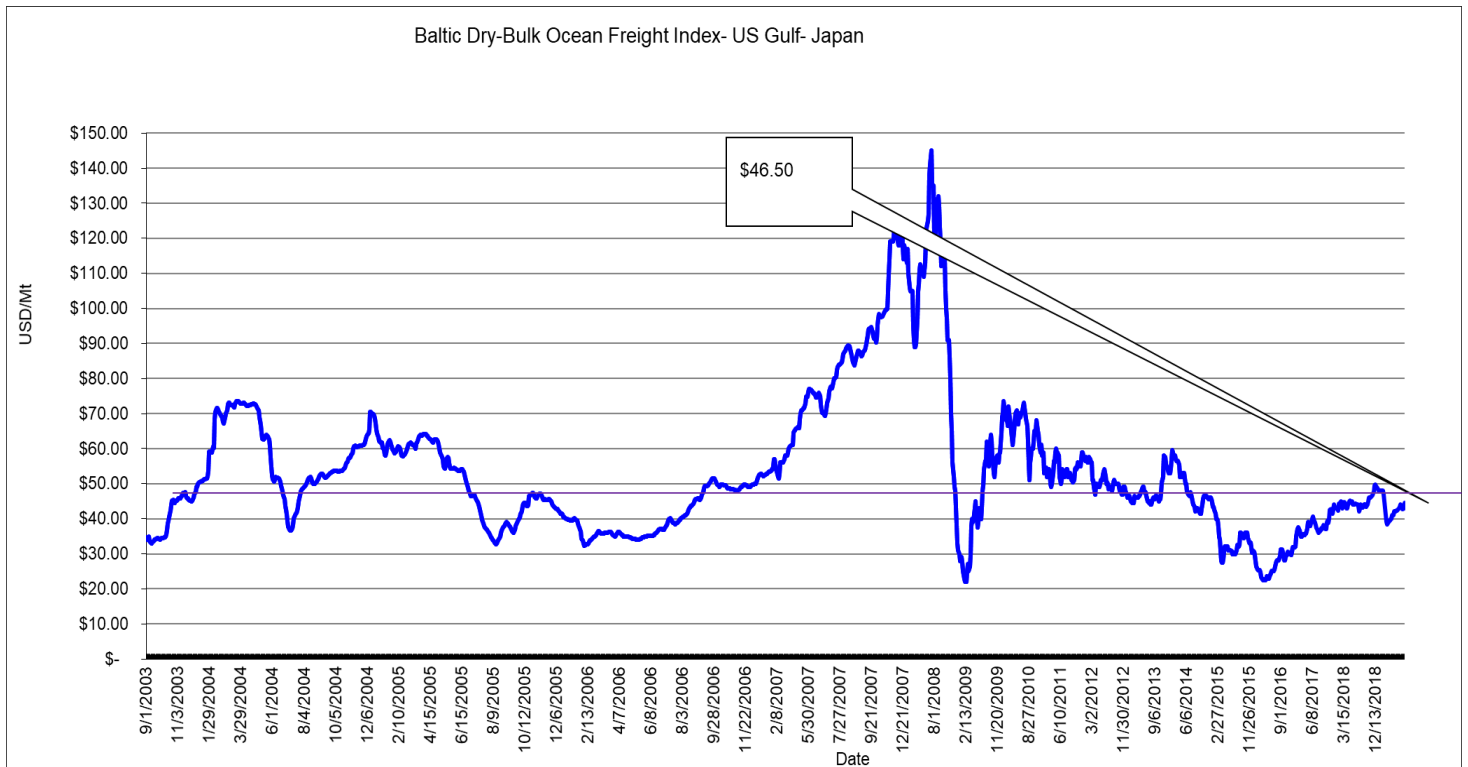
- The above rate estimates reflect the 30-45-day forward ocean freight markets.

Nautical Miles: To Xiamen China (South China)

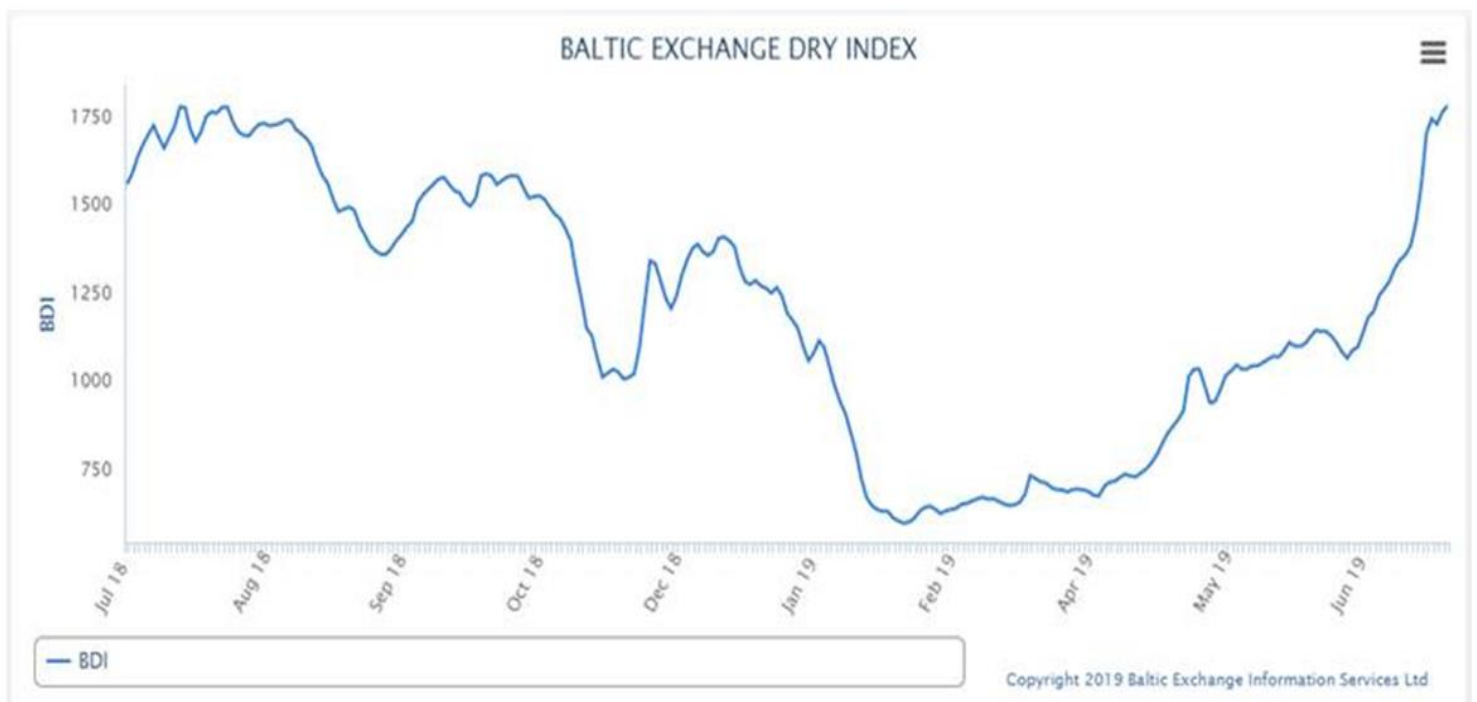
US Gulf (NOLA) (via Panamá Canal) – 10,232 nautical miles (32 days)

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

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

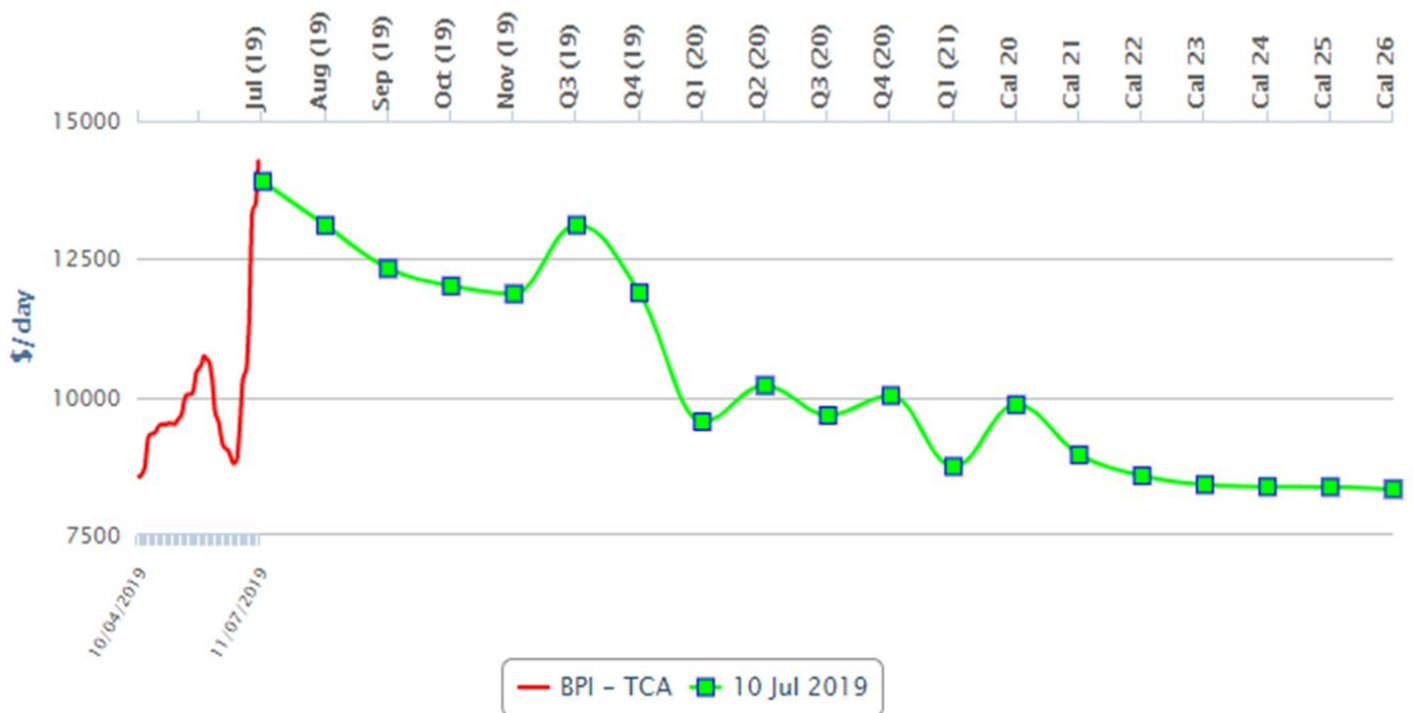


Baltic Dry Index.



Baltic Panamax Forward Curve Chart

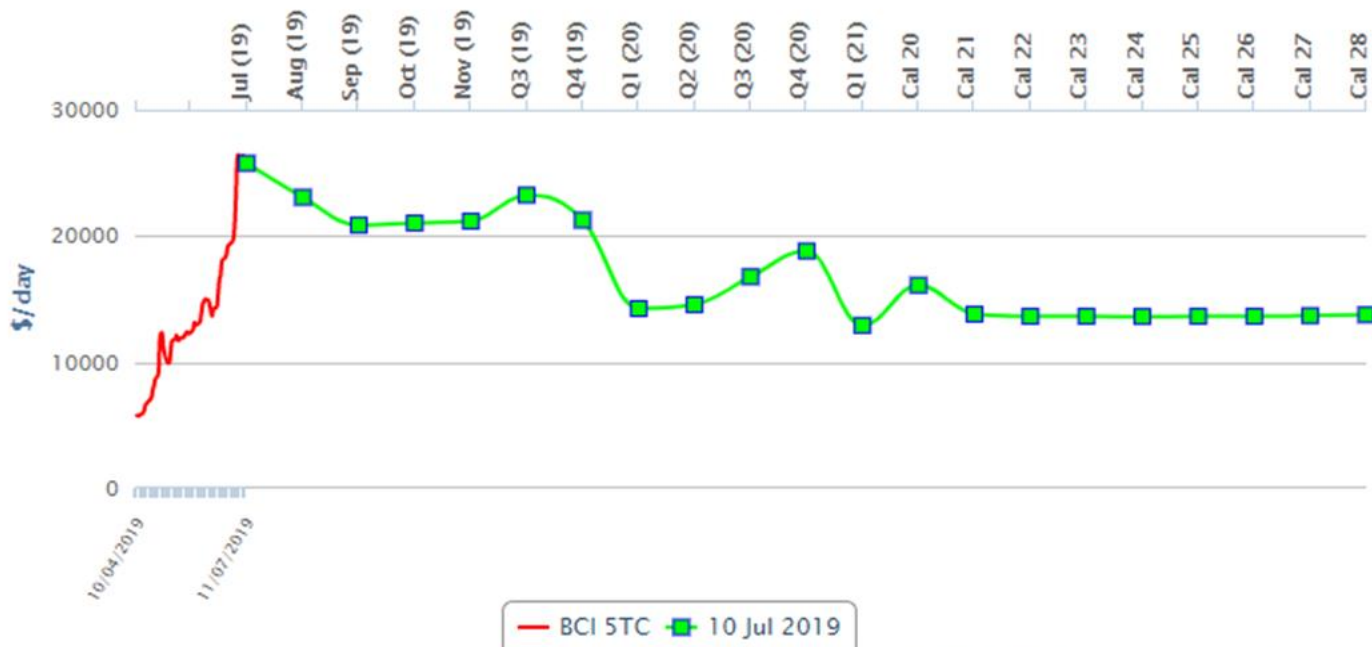
4TC_P-FFA



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Baltic Capesize Forward Curve Chart

5TC_C-FFA



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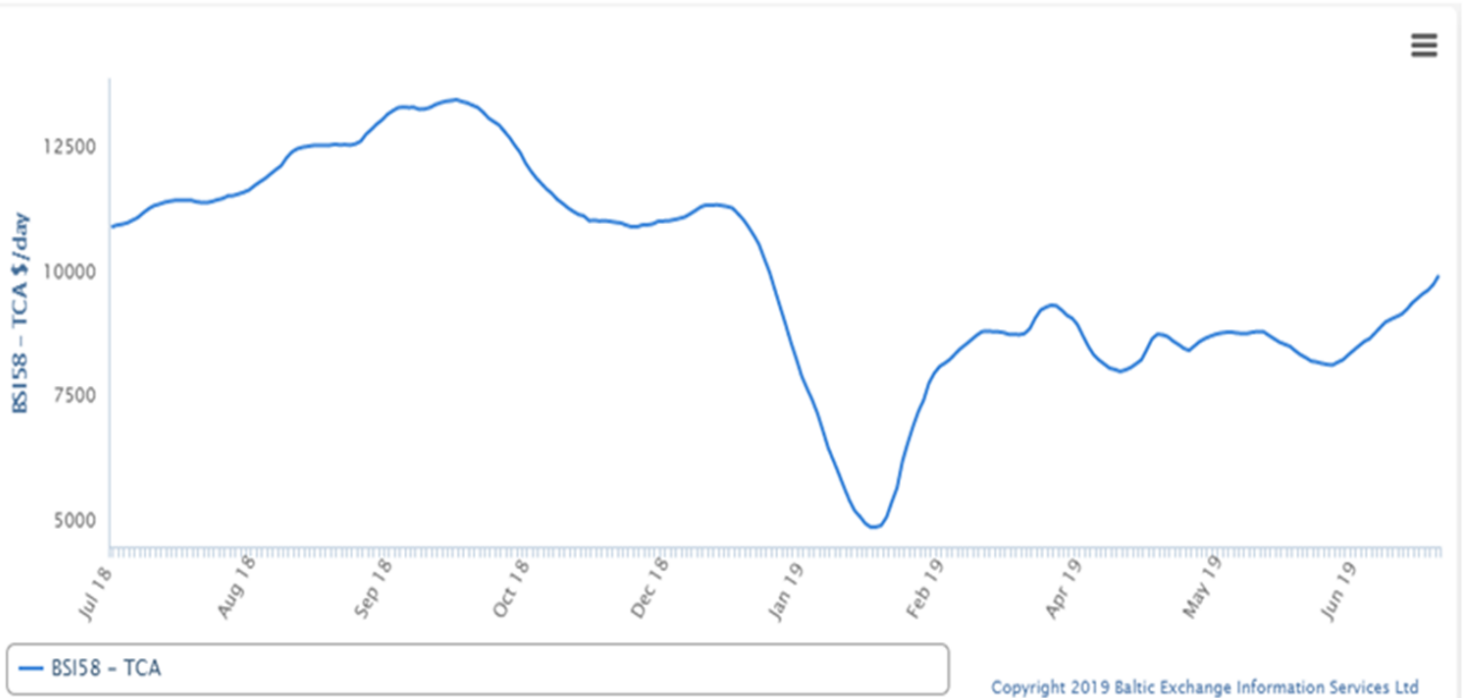
Baltic Panamax Index

Panamax

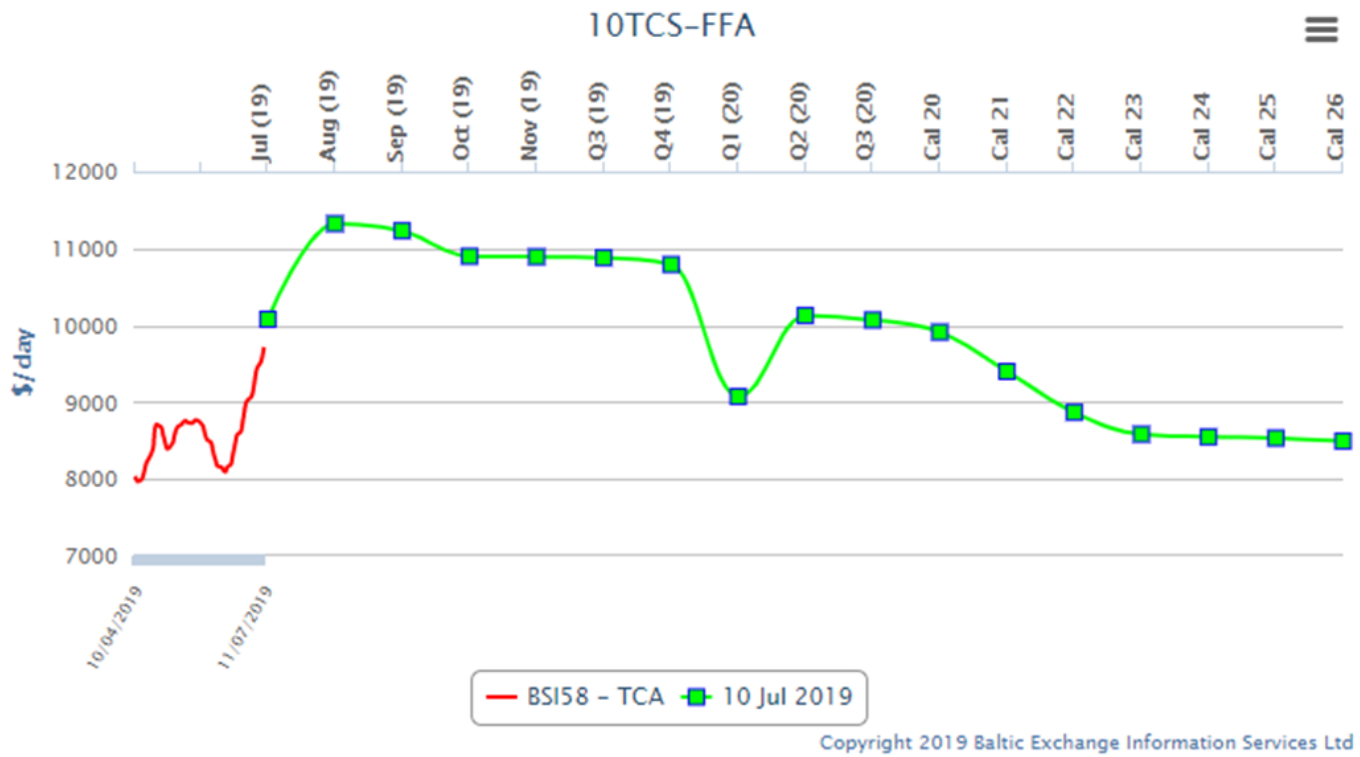


Baltic Supramax Vessel Index

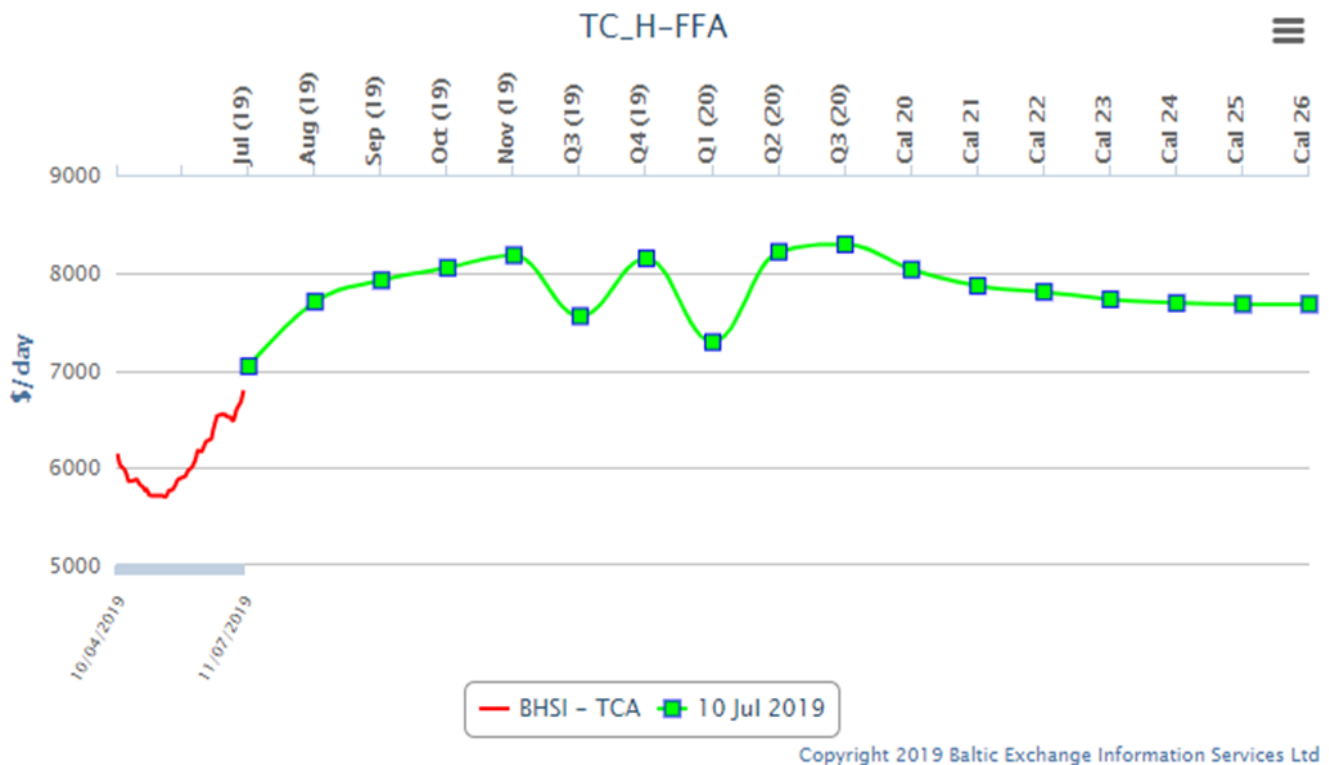
Supramax



Supramax Dry-Bulk Forward Curve



Baltic Handy Size Forward Curve



YAMAMIZU Index



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

From 2007-01-29 To 2019-07-10



China Import Dry Bulk Freight Index 2019-07-10

Description	Size MT	Cargo/Vessel Size	Unit	Rate	Change
Composite Index			Point	992.36	8.42
Iron ore Freight Index			Point	1064.96	7.06
Soybean Freight Index			Point	1036.87	14.2
Santos(Brazil)—North China	60000/10%	Soybean	\$/ton	35.25	0.645
Tacoma(West America)—North China	60000/10%	Soybean	\$/ton	24.73	0.335
Mississippi(US Gulf)—North China	66000/10%	Soybean	\$/ton	46.66	0.37
Mississippi(US Gulf)—North China	55000/10%	Soybean	\$/ton	47.978	0.354

11 July 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.	0.74	\$200.38	1.02	\$211.11
Sept.	0.75	\$200.78	1.10	\$214.55
Oct.	0.71	\$200.97	1.14	\$217.90
Nov.	0.75	\$202.55	1.16	\$218.69
Dec.	0.80	\$204.52	1.19	\$219.87
Jan.	0.78	\$206.39	1.15	\$220.95

The Gulf spread between #2 & #3 YC is currently about .03 cents per bushel (1.18/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	\$202.45	0.30	\$184.83
Sept. (Z)	0.80	\$202.74	0.35	\$186.80
Oct.	0.90	\$208.45	0.50	\$192.71
Nov.	1.00	\$212.39	0.60	\$196.64
Dec.	1.00	\$212.39	0.65	\$198.61

Fob vessel Texas Gulf #2 Sorghum is about 92 % 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	\$218.53	\$220.37	\$222.94	\$224.78
Basis	0.90	0.95	0.90	0.95
WN	5.1175			.
WU	5.0475			
WZ	5.1675			

11-Jul-19	Close	This Week	Last Week.	Last Week.	Last Week	
CME Corn Futures	Bushel	MT.	Bushel	Bu. Diff.	MT	MT Diff.
July	\$ 4.3425	\$ 170.95	\$ 4.3300	0.0125	\$ 170.46	\$ 0.49
Sept.	\$ 4.3500	\$ 171.25	\$ 4.3675	(0.0175)	\$ 171.94	\$ (0.69)
Dec.	\$ 4.3950	\$ 173.02	\$ 4.4125	(0.0175)	\$ 173.71	\$ (0.69)
Mar.	\$ 4.4625	\$ 175.68	\$ 4.4825	(0.0200)	\$ 176.47	\$ (0.79)
May	\$ 4.4950	\$ 176.96	\$ 4.5175	(0.0225)	\$ 177.84	\$ (0.89)
July	\$ 4.5200	\$ 177.94	\$ 4.5500	(0.0300)	\$ 179.12	\$ (1.18)

CBOT Dec.. 2019 (CZ19) CORN Futures Chart –



CME/CBOT Sept. 2019 (WU19) SRW Wheat Futures Chart –

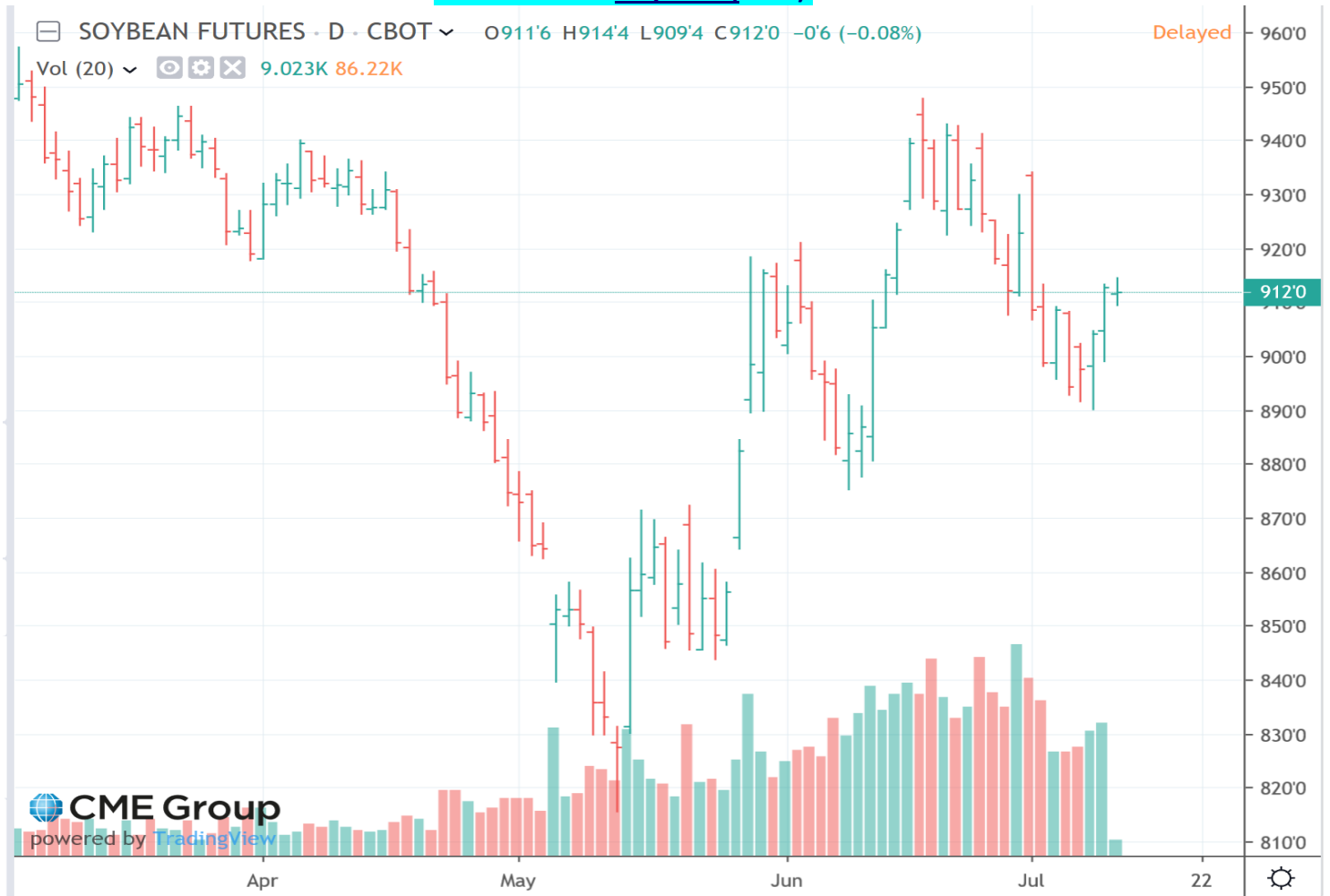


U.S. Soybean and SBM Markets Fob Vessel:

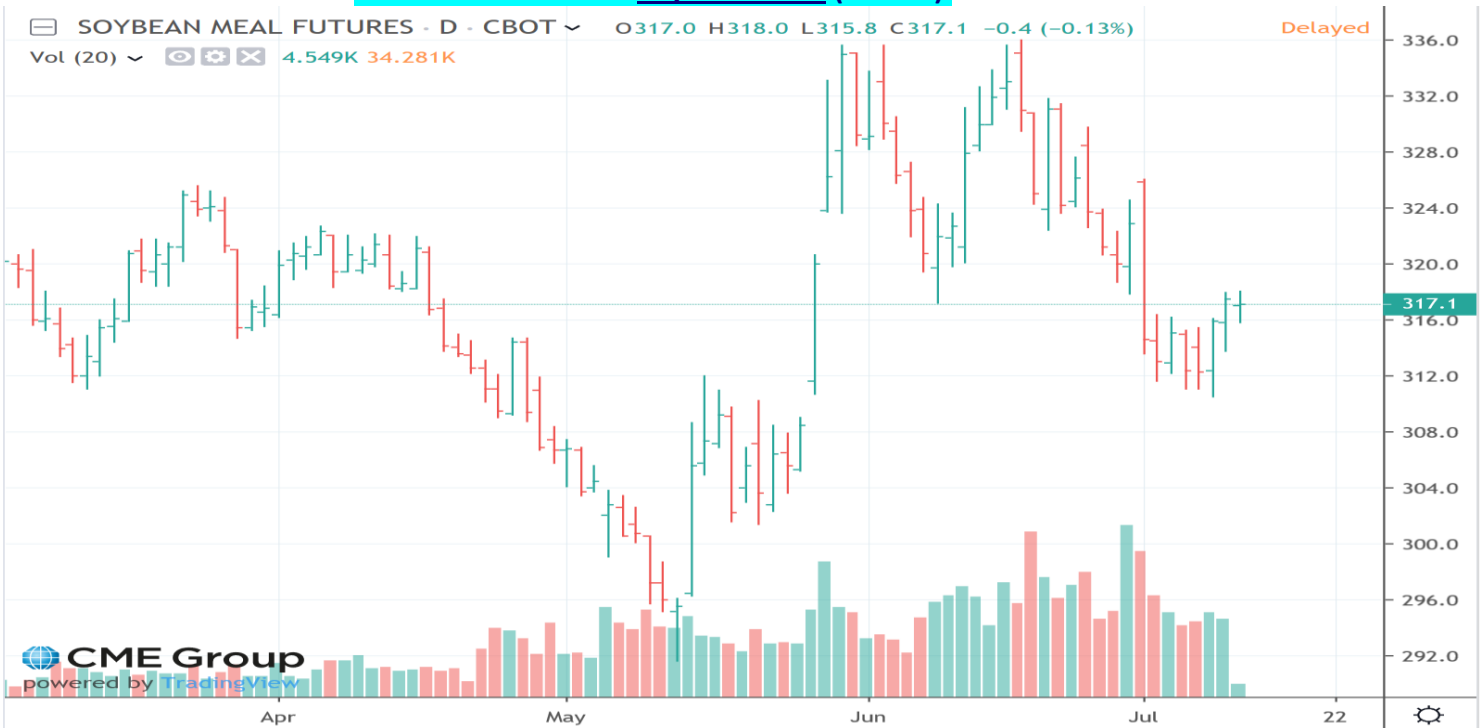
U.S. Yellow Soybeans (USD/MT) FOB Vessel				
# 2 YSB	U.S. Gulf #2 YSB		PNW #2 YSB	
14.0 % Moisture	Basis	Flat Price	Basis	Flat Price
Aug.	0.45	\$345.20	0.90	\$361.74
Sept. (X)	0.45	\$351.91	0.85	\$366.61
Oct.	0.53	\$354.85	0.85	\$366.61
Nov.	0.59	\$357.05	0.85	\$366.61
Dec.	0.53	\$359.17	0.90	\$372.76
Soybean Futures				
July	\$ 8.9300			
Aug.	\$ 8.9450			
Sept.	\$ 9.0025			
Nov.	\$ 9.1275			
Jan.	\$ 9.2450			
Mar.	\$ 9.3425			

U.S. SBM (USD/MT) FOB Vessel		
Fob U.S. Gulf Port	47.5 Pro. SBM	
max 12.5 % moisture	Basis	Flat Price
Aug.	5.00	\$ 348.06
Sept.	5.00	\$ 349.93
Oct.	5.00	\$ 351.92
Nov.	4.00	\$ 354.45
Dec.	5.00	\$ 355.56
SBM Futures		
SMN	309.10	
SMQ	310.70	
SMU	312.40	
SMV	314.20	
SMZ	317.50	
SMF	319.10	

CME Nov. 2019 Soybean (SX19) Futures Chart:



CME December 2019 Soybean Meal (SMZ19) Futures Chart



U.S. EXPORT STATISTICS: Report Activity as of Week Ending 27 June 2019

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	194.7	48,915.6	55,880	88%	3,335.2
Sorghum	0.4	1,554.7	2,160	72%	0.0
Soybeans	895.2	48,526.1	46,270	105%	2,475.9
Wheat	332.2	7,224.2	24,490	29%	0.0
Barley	0.5	51.3	70	73%	0.0

U.S. EXPORT INSPECTIONS:

Monday's report 08 July 2019 for the Export week ending 04 July 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	703,192	284,923	42,462,982	47,238,545	90%
Sorghum	70,143	56,255	1,708,572	4,785,376	36%
Soybeans	757,903	720,842	37,859,985	50,342,823	75%
Wheat	609,456	696,142	2,593,545	1,751,010	148%
Barley	122	0	1,175	807	146%

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

U.S. EXPORT INSPECTIONS:

Monday's report 08 July 2019 for the Export week ending 04 July 2019

Last Week								
(Metric Tons)	YC	%	WC	%	Sorghum	%	Soybeans	%
Lakes	0	0%	0	0%	0	0%	49,265	7%
Atlantic	0	0%	0	0%	0	0%	56,872	8%
Gulf	264,769	40%	31,500	91%	0	0%	511,029	67%
PNW	289,324	43%	0	0%	65,999	94%	0	0%
Interior Export Rail	114,361	17%	3,238	9%	4,144	6%	140,737	19%
Metric Tons	668,454		34,738		70,143		757,903	

Sorghum Shipments:	metric tons	
	65,999	China Main
	4,144	Mexico
	70,143	Total

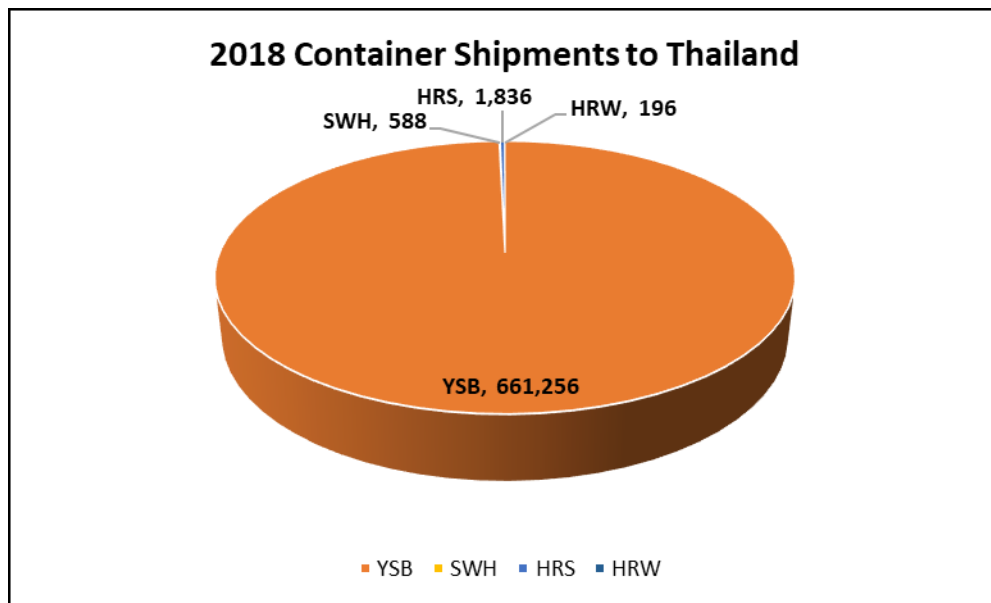
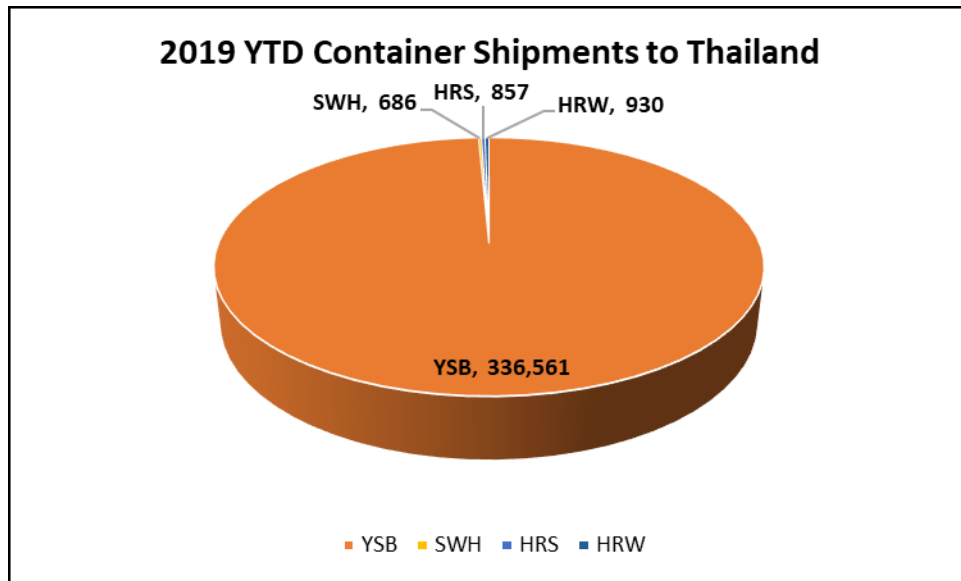
White Corn	metric tons	
Shipments:	244	Korea Rep
	34,494	Mexico
	34,738	Total

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:		4-Jul-2019							
Last Week	metric tons								MT
	YC	WC	YSB	SRW	NS	SWH	HRW	Sorghum	TOTAL
China Main									0
China T	10,160		16,749	269			539		27,717
Hong Kong	367								367
Costa Rica									0
Indonesia			15,050						15,050
French Poly									0
Japan	734		537						1,271
Korea Republic	612	244							856
Nepal			4,039						4,039
Malaysia			3,012						3,012
Nicaragua									0
Philippines			392						392
Thailand			6,759						6,759
Burma				980					980
Jordan									0
Vietnam	245		7,197						7,442
Sub total	12,118	244	53,735	1,249	0	0	539	0	59,463
USDA Corrections/Additions to previous reports:									
China T			73						73
China Main									0
Hong Kong									0
Korea Rep.									0
Canada									0
Japan									0
Philippines			441						441
Indonesia			1,029						1,029
Malaysia									0
Thailand									0
Vietnam									0
Burma									0
Bangladesh									0
Sub total	0	0	1,543	0	0	0	0	0	1,543
Mt. Grand Total	12,118	244	55,278	1,249	0	0	539	0	61,006
Number of containers	527	11	2,403	54	0	0	23	0	

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



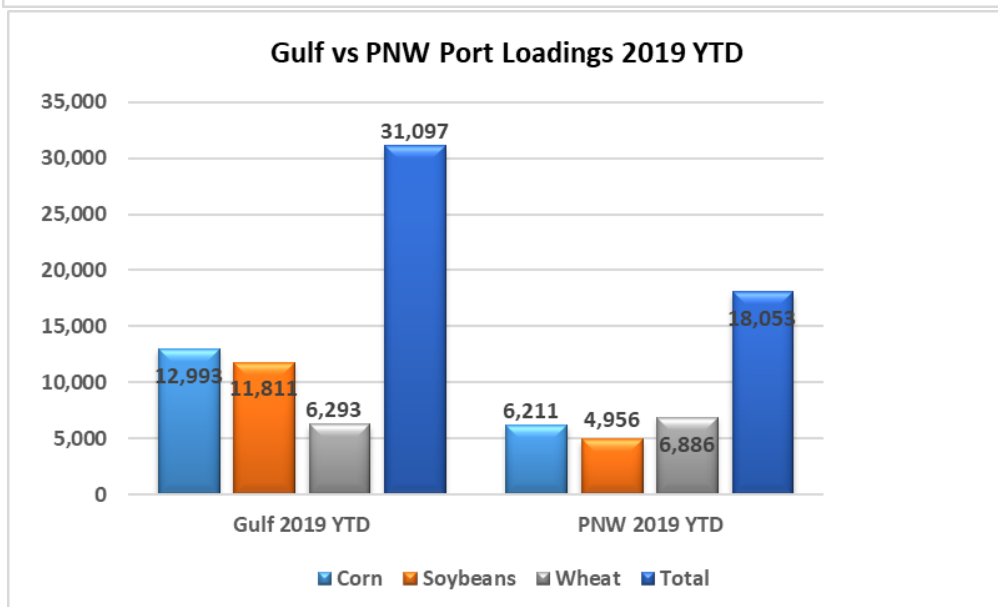
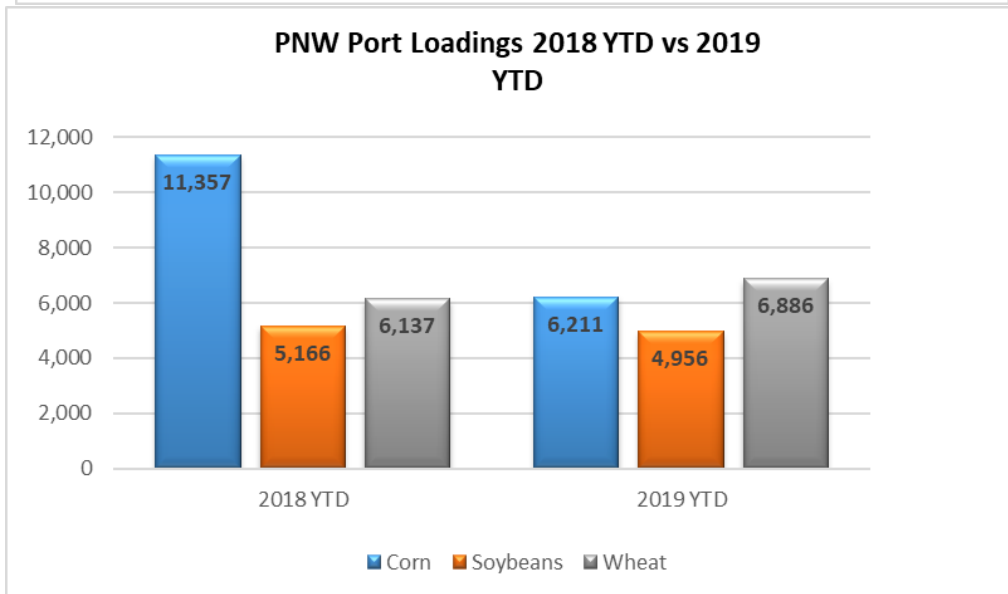
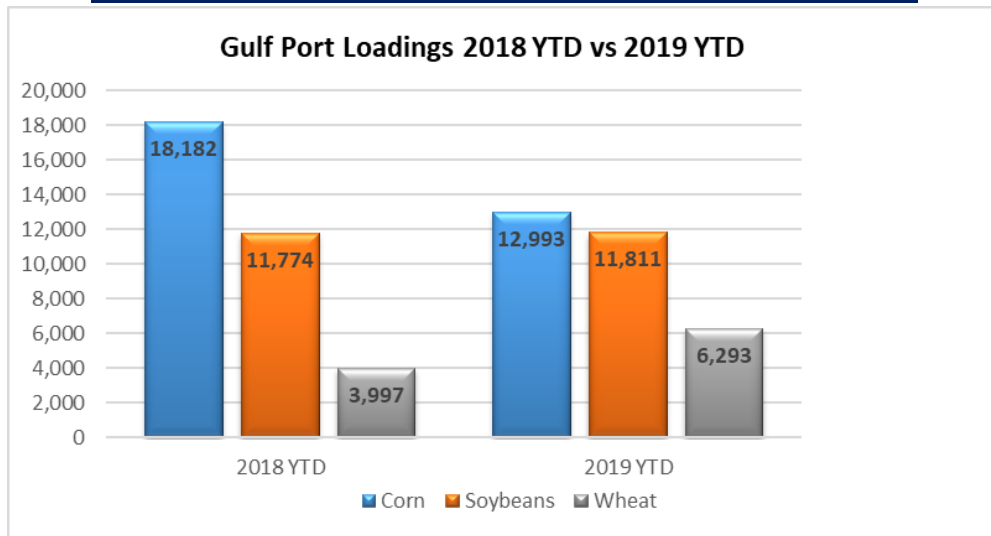
Grain Inspections for Export by U.S. Port Regions:
U.S. Gulf and Pacific Northwest 2018 YTD vs. 2019 YTD

PORT LOADINGS US Gulf				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
GULF				
2018 YTD	18,182	11,774	3,997	33,953
2019 YTD	12,993	11,811	6,293	31,097
2019 as % of 2018	71%	100%	157%	92%

PORT LOADINGS US PNW				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
PNW				
2018 YTD	11,357	5,166	6,137	22,660
2019 YTD	6,211	4,956	6,886	18,053
2019 as % of 2018	55%	96%	112%	80%

PORT LOADINGS GULF vs. PNW				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
2019 Gulf YTD	12,993	11,811	6,293	31,097
2019 PNW YTD	6,211	4,956	6,886	18,053
TOTAL	19,204	16,767	13,179	49,150
Gulf Percentage	68%	70%	48%	63%
PNW Percentage	32%	30%	52%	37%

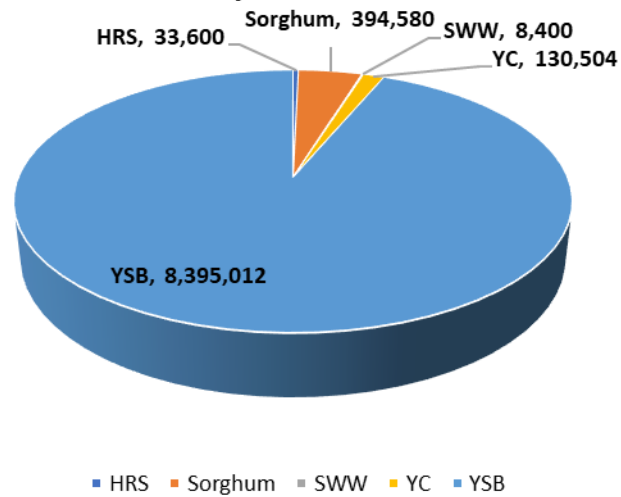
Grain Inspections for Export by U.S. Port Regions (1,000MT):
U.S. Gulf and Pacific Northwest 2018 YTD vs. 2019 YTD



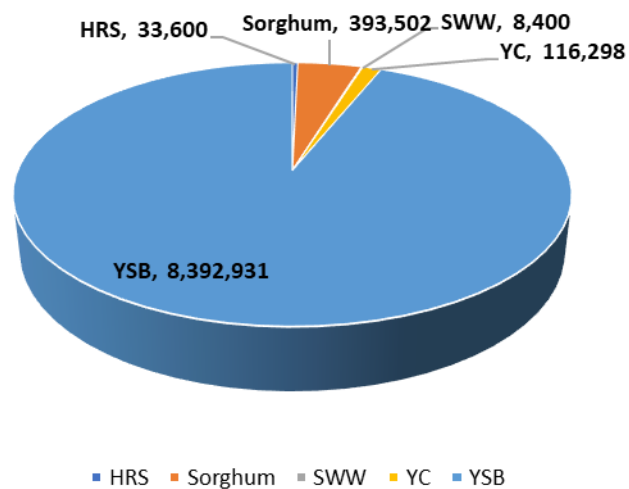
Source: USDA-data

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

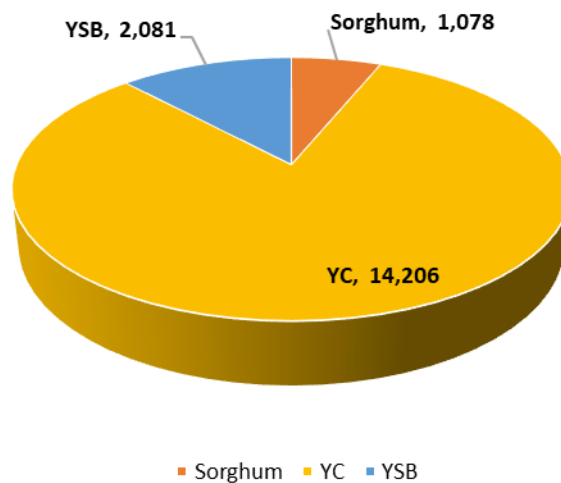
2019 YTD Exports to China Main



YTD Exports to China Main by Vessel



YTD Exports to China Main by Container



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

Shipping News

Baltic Dry Bulk Index

China Import Dry Bulk Freight Index



China Containerized Freight Index



U.S. RIVER BARGE FREIGHT

Current Barge Freight for Placement Last Half August 2019

Placement LH August 2019	% of		Corn	Soybeans-Wheat
	Tariff	MT	BU	BU
Upper Mississippi	420	\$ 28.66	0.73	0.78
Illinois River (Pekin and South)	405	\$ 21.47	0.55	0.58
Mid-Mississippi	410	\$ 24.04	0.61	0.65
Lower Ohio	410	\$ 20.16	0.51	0.55
St. Louis	295	\$ 12.97	0.33	0.35

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

Secondary Rail Car Market Placement LH. August 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)	\$ -	\$ (0.04)	\$ -	\$ (1.48)	\$ -

Best Regards,

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