

## Transportation and Export Report for 17 July 2019

### Ocean Freight Insights and Comments:

The Bulls got ahold of the freight markets this week and pushed things higher. This was the biggest single week jump in the Baltic Dry-Bulk index, and in physical markets, for the calendar year 2019. Better demand for Iron Ore and other commodities carried by Capesize vessels initiated the market rally and the bullish fever carried down into the Panamax sector. Supramax and Handymax sectors however did not find the same amount of support. Daily hire rates for Panamax vessels is now up to \$14500/day. As mentioned last week, grain container shipping markets are finding it much more difficult to rapidly rise rates and are falling behind relative to Dry-Bulk shipping rate costs.

### BALTIC DRY-BULK PANAMAX INDEX CHANGES

Panamax Ocean Freight Indices				
18-Jul-19	This Week	Last Week	Difference	Percent Change
P2A : Gulf/Atlantic - Japan	27394	24891	2,503	10.1%
P3A - PNW/Pacific - Japan	13649	12005	1,644	13.7%
S1C -USGULF-China-So.Japan	24839	22850	1,989	8.7%
P7- Trial- Miss. River - Qingdao	49232	47927	1,305	2.7%
P8- Trial- Santos - Qingdao	38045	36428	1,617	4.4%

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

Four weeks ago:	\$7.10-\$7.95
Three weeks ago:	\$7.00-\$7.35
Two weeks ago:	\$7.30-\$7.90
One week ago:	\$8.50-\$9.10
This week	\$9.50- \$10.40

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

Mississippi River:	(10 elevators)	7-14 days
Miss. River Mid-Stream loaders:	(6+ Rigs)	0-3 days
Texas Gulf	(5 elevators)	2-5 days
Pacific Northwest:	(9 elevators)	0-7 days

Panamax Market Spreads to Asia -China					
18-Jul-19	PNW	GULF	Bushel Spread	MT Spread	Advantage
CORN	1.12	0.70	0.42	\$16.53	PNW
SOYBEANS	0.95	0.69	0.26	\$10.24	PNW
OCEAN FREIGHT	\$26.50	\$49.00	.51 -.54	<b>\$22.50</b>	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	\$49.50	Up \$3.00	Handymax \$48.50 mt
55,000 U.S. PNW- Japan	\$27.00	Up \$1.50	Handymax \$27.00 mt
66,000 U.S. Gulf – China PNW to China	\$49.00 \$26.50	Up \$3.00 Up \$2.00	North China
25,000 U.S. Gulf- Veracruz, México	\$18.00	Up \$0.25	3,000 MT daily discharge rate
30-35,000+ U.S. Gulf- Veracruz, México	\$15.25	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	\$21.00 \$31.00	Up \$1,00	<u>West Coast Colombia at \$27.50</u>
43-45,000 U.S. Gulf - Guatemala	\$28.50	Up \$0.50	Acajutla/Quetzal - 8,000 out
26-30,000 U.S. Gulf – Algeria	\$36.00 \$37.00	Up \$0.50	8,000 mt daily discharge 3,000 mt daily discharge
26-30,000 US Gulf-Morocco	\$37.50	Up \$0.75	5,000 discharge rate
55-60,000 U.S. Gulf –Egypt  PNW to Egypt	\$30.50 \$31.00	Up \$1.00	60,000 -55,000 mt Romania- Ukraine, Russia Black Sea -Egypt \$14.00--\$15.00 (France \$17.00-\$17.50)
60-70,000 U.S. Gulf – Europe – Rotterdam	\$20.50	Up \$1.25	Handymax at +\$1.75 more
Brazil, Santos – China Brazil, Santos – China Itacoatiara-Port Upriver North Brazil	\$38.25 \$38.00 \$40.25	Up \$3.00	54-59,000 Supramax-Panamax 60-66,000 Post Panamax 60-66,000 mt
56-60,000 Argentina/Rosario- China Deep Draft	\$41.00	Up \$2.75	Upriver with BB Top Off \$45.50

- 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)**

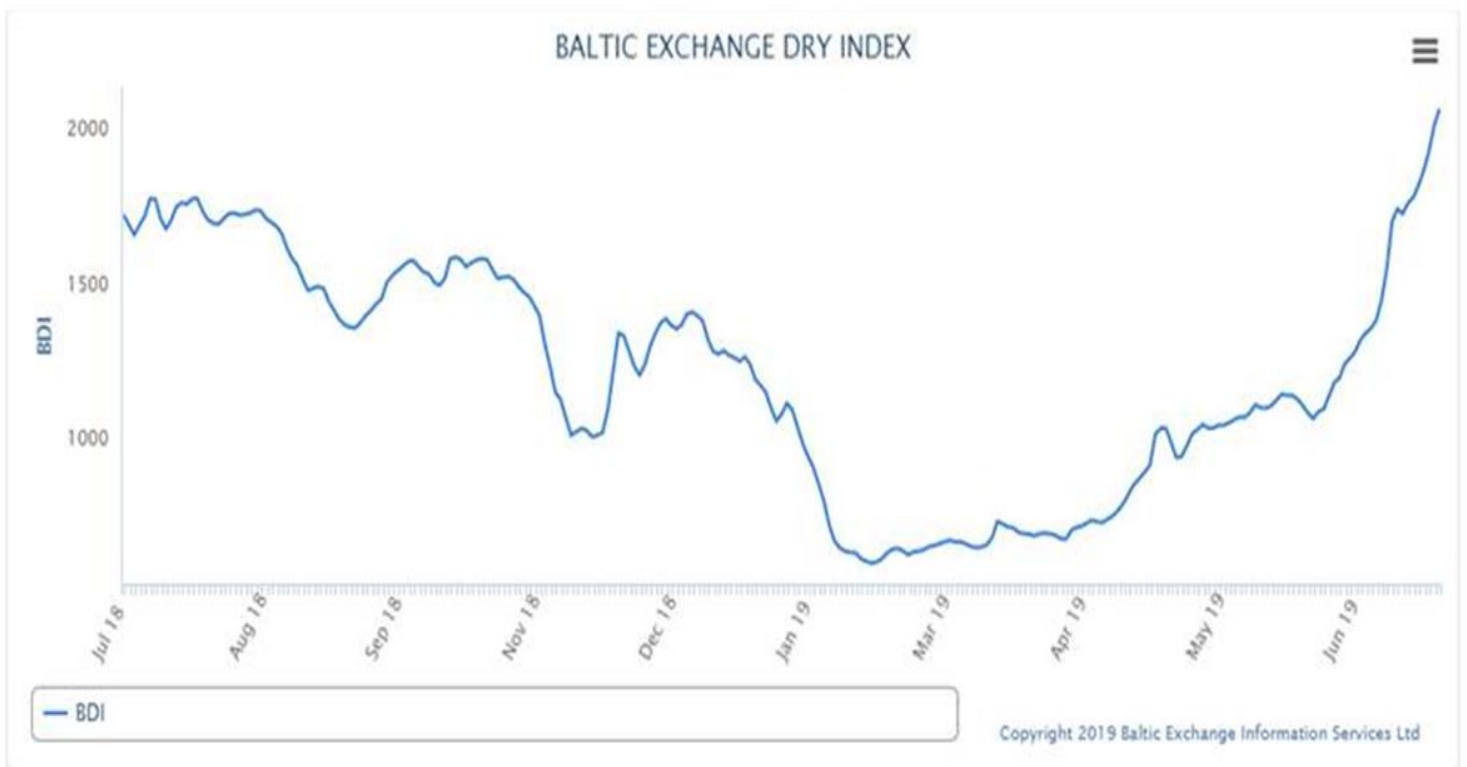
**Santos Brazil (via Cape of Good Hope) - 10,441 nautical miles (33 days)**

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

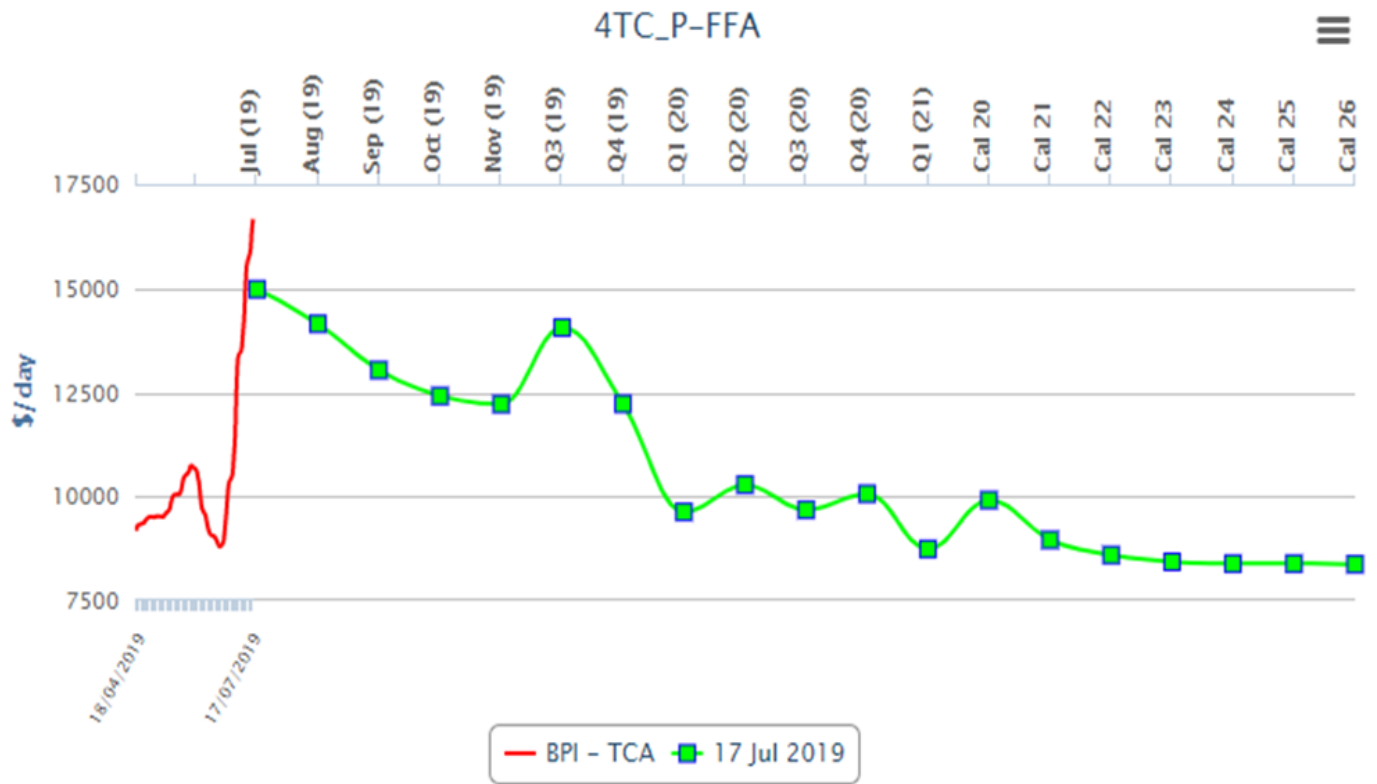
Baltic Dry-Bulk Ocean Freight Index- US Gulf- Japan



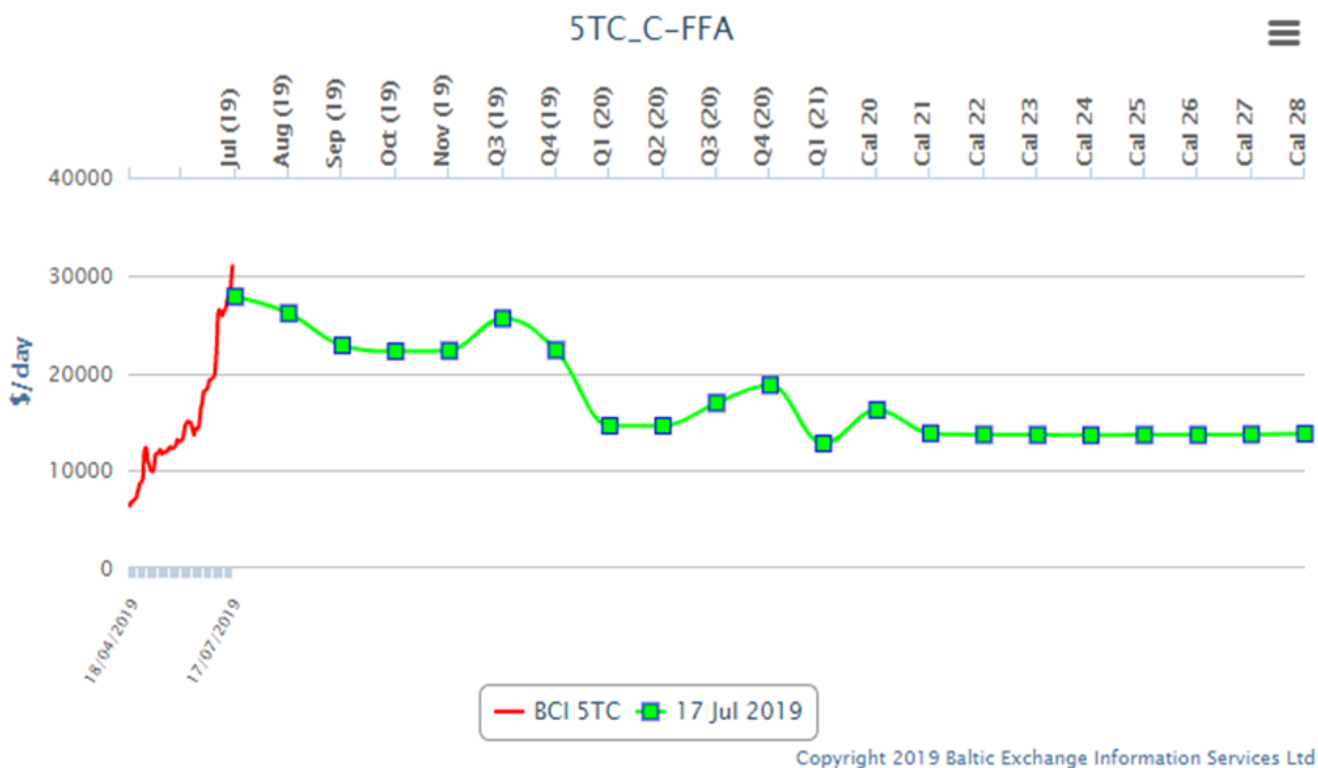
Baltic Dry Index.



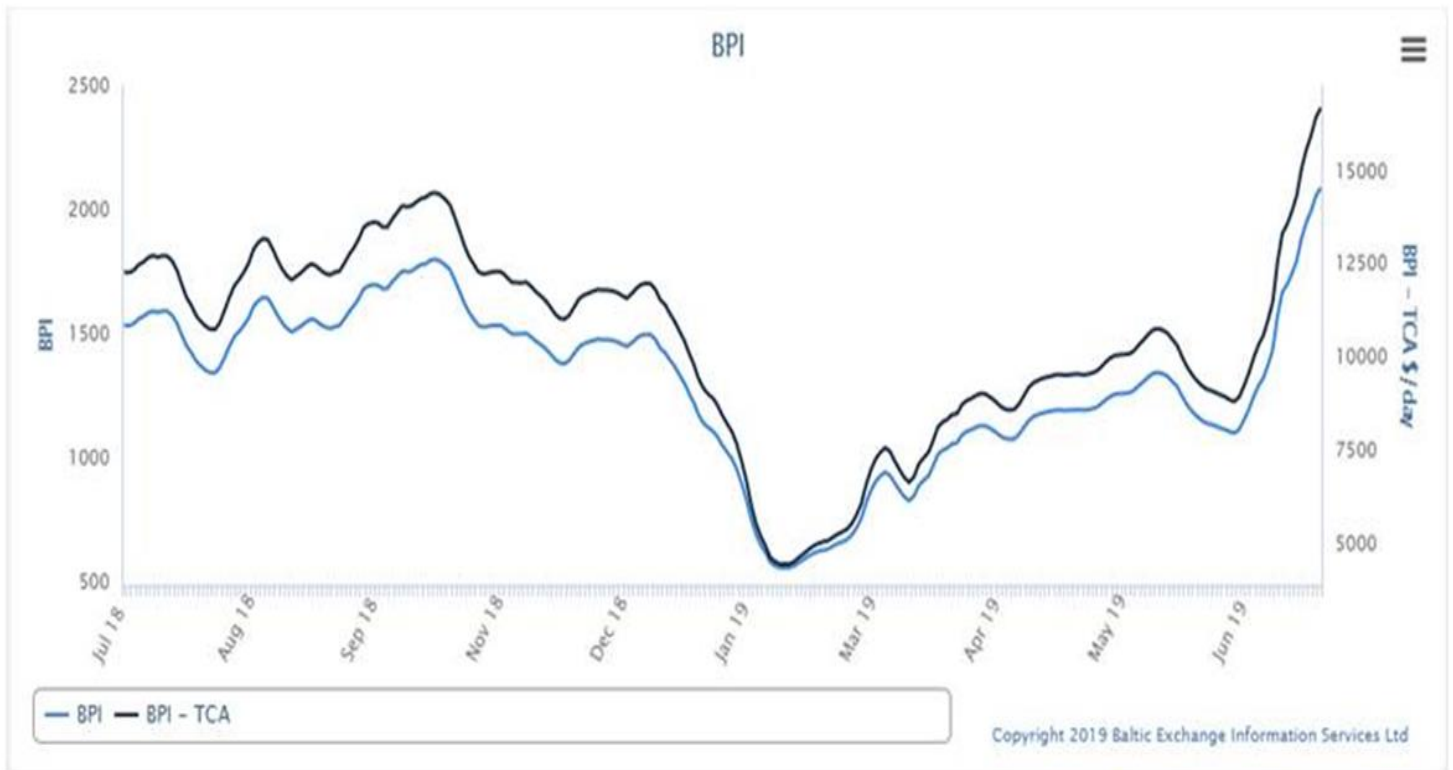
## Baltic Panamax Forward Curve Chart



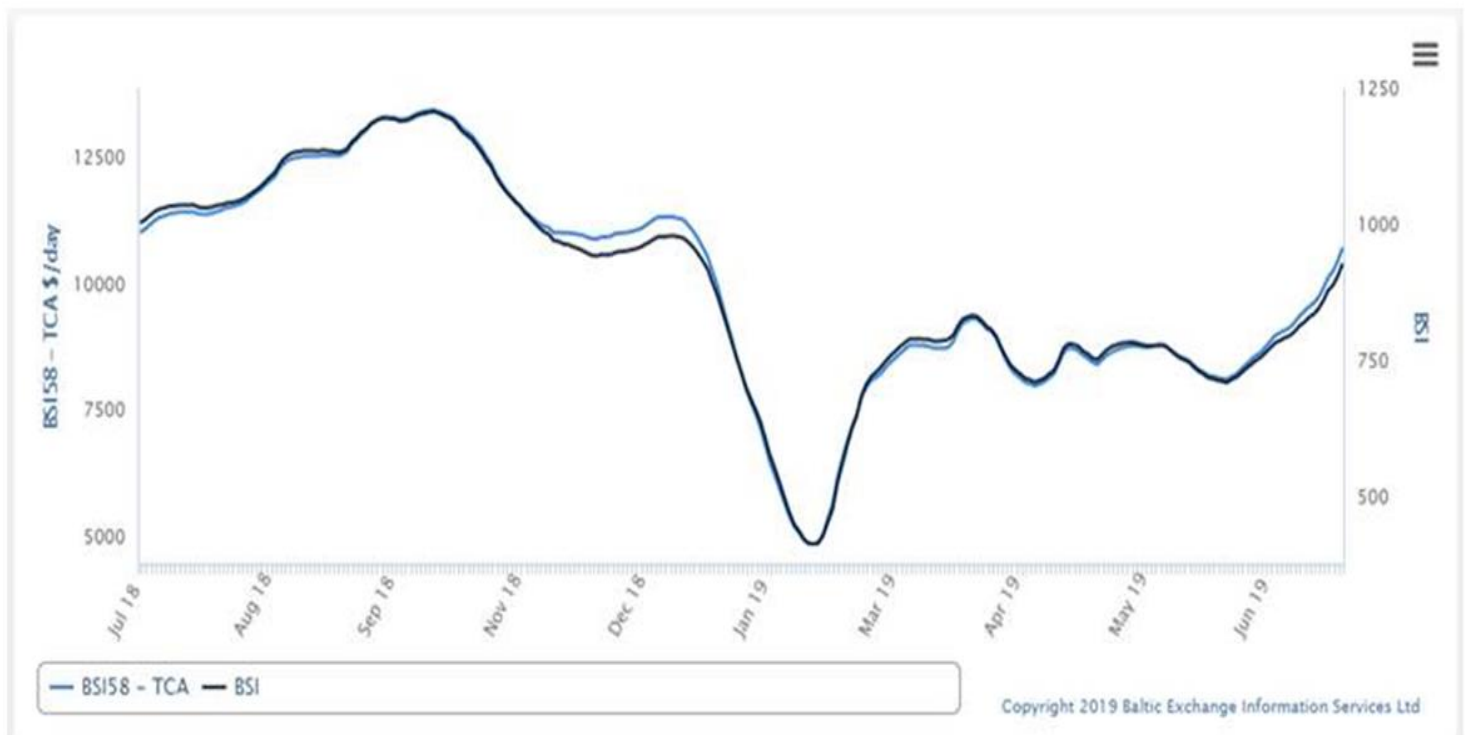
## Baltic Capesize Forward Curve Chart



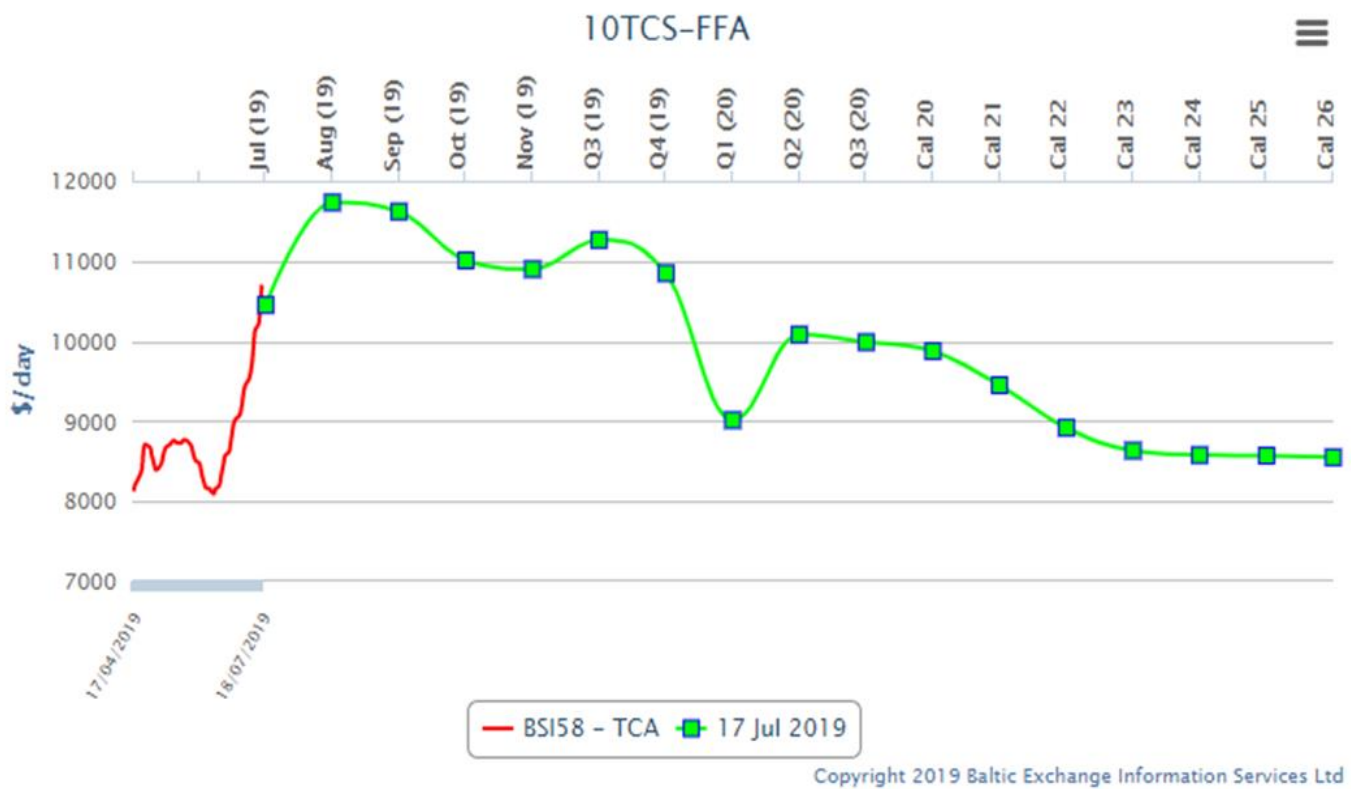
### Baltic Panamax Index



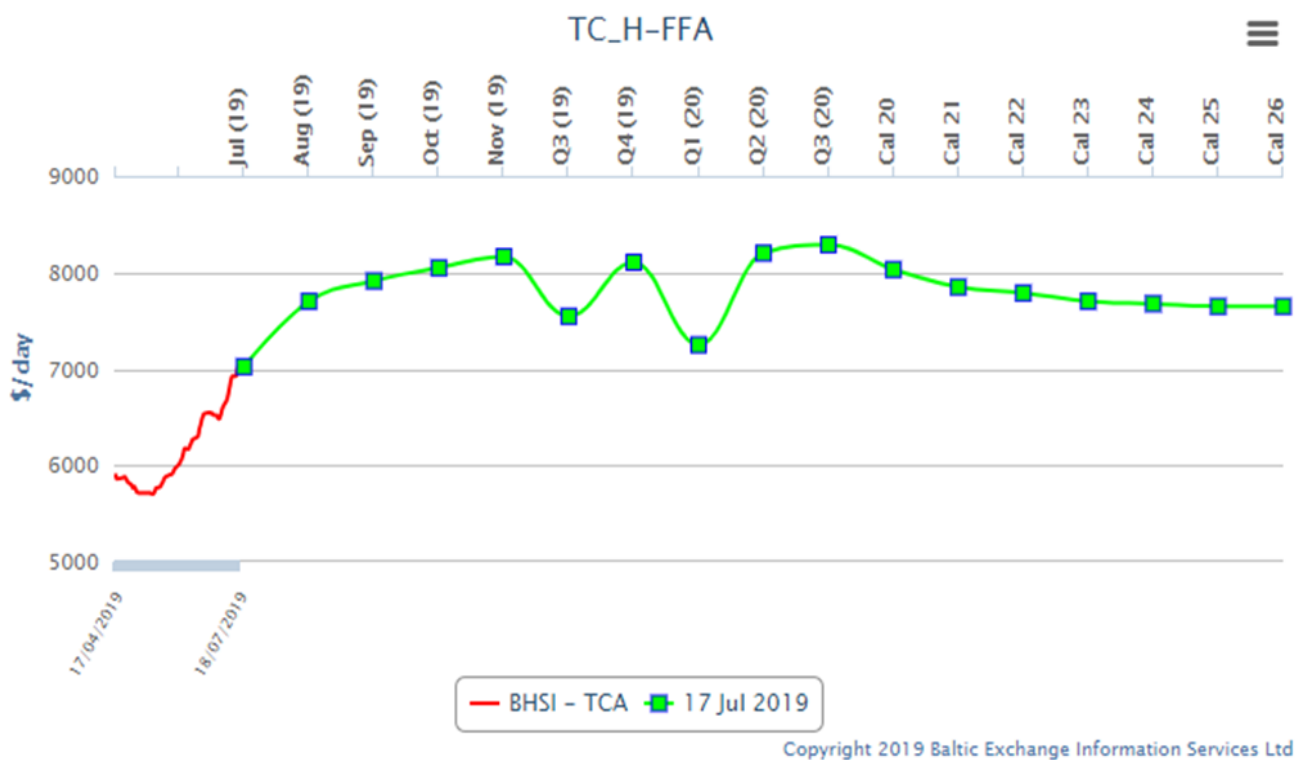
### Baltic Supramax Vessel Index



### Supramax Dry-Bulk Forward Curve



### Baltic Handy Size Forward Curve

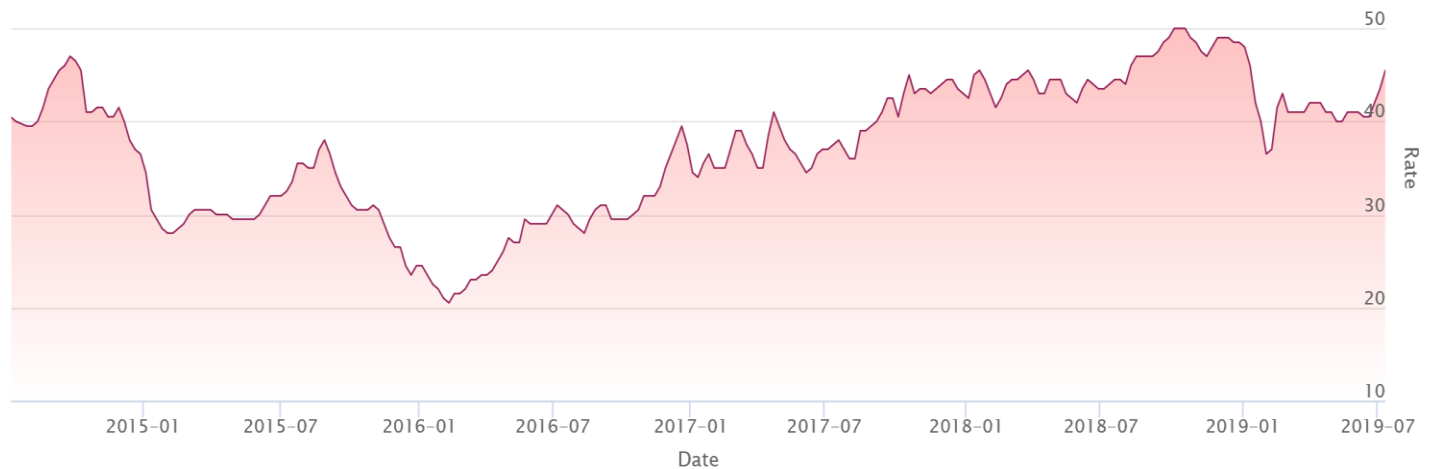


## YAMAMIZU Index



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

From 2014-07-10 To 2019-07-10



## China Import Dry Bulk Freight Index 2019-07-17

Description	Size MT	Cargo/Vessel Size	Unit	Rate	Change
Composite Index			Point	1125.12	32.34
Iron ore Freight Index			Point	1249.58	47.23
Soybean Freight Index			Point	1111.61	13.34
Santos(Brazil)—North China	60000/10%	Soybean	\$/ton	38.275	0.51
Tacoma(West America)—North China	60000/10%	Soybean	\$/ton	26.73	0.35
Mississippi(US Gulf)—North China	66000/10%	Soybean	\$/ton	49.081	0.5
Mississippi(US Gulf)—North China	55000/10%	Soybean	\$/ton	50.398	0.466

**18 July 2019 U.S. FOB Vessel Export Market Values:**

<b>U.S. Yellow Corn (USD/MT) FOB Vessel</b>				
#2 YC	<b>GULF # 2 YC</b>		<b>PNW # 3 YC</b>	
Max. 14.5% moisture	BASIS	FLAT PRICE	BASIS	FLAT PRICE
<b>Aug.</b>	0.70	<b>\$199.20</b>	1.12	<b>\$215.74</b>
<b>Sept.</b>	0.69	<b>\$198.81</b>	1.17	<b>\$217.70</b>
<b>Oct.</b>	0.66	<b>\$199.79</b>	1.15	<b>\$219.08</b>
<b>Nov.</b>	0.72	<b>\$202.15</b>	1.17	<b>\$219.87</b>
<b>Dec.</b>	0.78	<b>\$204.52</b>	1.19	<b>\$220.66</b>
<b>Jan.</b>	0.76	<b>\$206.58</b>	1.16	<b>\$222.33</b>

The Gulf spread between #2 & #3 YC is currently about .03 cents per bushel (1.18/mt)

<b>SORGHUM (USD/MT) FOB VESSEL</b>				
#2 YGS Fob Vessel	<b>NOLA</b>		<b>TEXAS</b>	
Max. 14.0% moisture	BASIS	FLAT PRICE	BASIS	FLAT PRICE
<b>Aug. (Z)</b>	0.80	<b>\$205.30</b>	0.30	<b>\$185.62</b>
<b>Sept. (Z)</b>	0.80	<b>\$205.30</b>	0.35	<b>\$187.59</b>
<b>Oct.</b>	0.90	<b>\$209.24</b>	0.50	<b>\$193.49</b>
<b>Nov.</b>	0.95	<b>\$211.21</b>	0.55	<b>\$195.46</b>
<b>Dec.</b>	0.98	<b>\$212.39</b>	0.60	<b>\$197.43</b>

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**

<b>SRW Wheat</b>	<b>USD/MT</b>	<b>Fob Vessel</b>	<b>US Gulf</b>	
	<b>Aug.</b>	<b>Sept.</b>	<b>Oct.</b>	<b>Nov.</b>
FOB U.S. GULF	\$218.81	\$220.64	\$223.12	\$224.96
Basis	0.90	0.95	0.90	0.95
WU	5.0550			.
WZ	5.1725			
WH	5.2975			

17-Jul-19	Close	This Week	Last Week.	Last Week.	Last Week	
CME Corn Futures	Bushel	MT.	Bushel	Bu. Diff.	MT	MT Diff.
Sept.	\$ 4.3600	\$ 171.64	\$ 4.3425	0.0175	\$ 170.95	\$ 0.69
Dec.	\$ 4.4150	\$ 173.81	\$ 4.3500	0.0650	\$ 171.25	\$ 2.56
Mar.	\$ 4.4875	\$ 176.66	\$ 4.3950	0.0925	\$ 173.02	\$ 3.64
May	\$ 4.5225	\$ 178.04	\$ 4.4625	0.0600	\$ 175.68	\$ 2.36
July	\$ 4.5475	\$ 179.03	\$ 4.4950	0.0525	\$ 176.96	\$ 2.07
Sept.	\$ 4.2625	\$ 167.81	\$ 4.5200	(0.2575)	\$ 177.94	\$ (10.14)



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



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

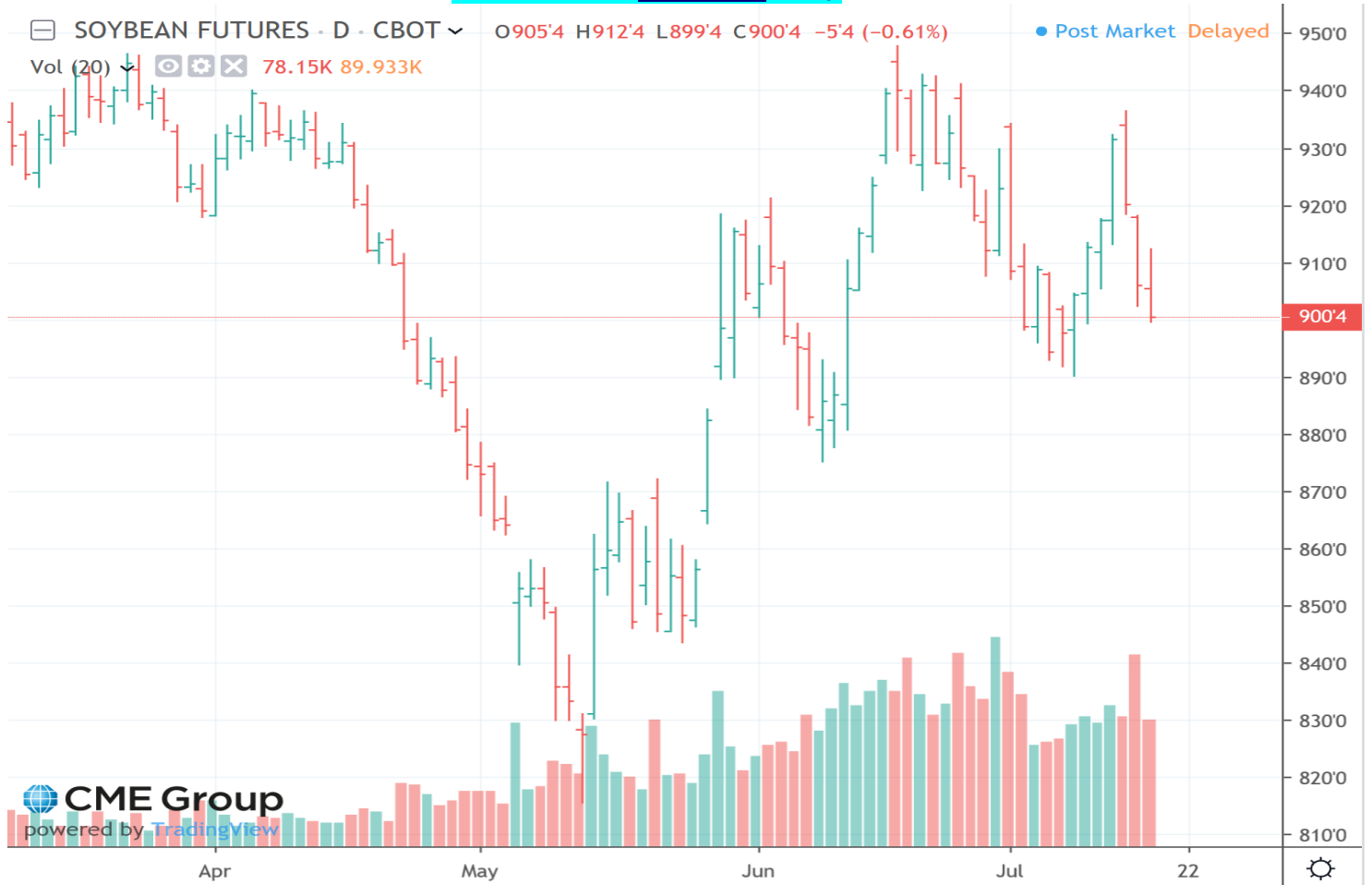


## U.S. Soybean and SBM Markets Fob Vessel:

<b>U.S. Yellow Soybeans (USD/MT) FOB Vessel</b>				
# 2 YSB	U.S. Gulf #2 YSB		PNW #2 YSB	
14.0 % Moisture	Basis	Flat Price	Basis	Flat Price
<b>Aug.</b>	0.69	<b>\$349.61</b>	0.95	<b>\$359.17</b>
<b>Sept. (X)</b>	0.51	<b>\$349.61</b>	0.88	<b>\$363.21</b>
<b>Oct.</b>	0.54	<b>\$350.72</b>	0.90	<b>\$363.94</b>
<b>Nov.</b>	0.60	<b>\$352.92</b>	0.90	<b>\$363.94</b>
<b>Dec.</b>	0.52	<b>\$354.48</b>	0.86	<b>\$366.97</b>
<b>Soybean Futures</b>				
<b>Aug.</b>	\$ 8.8250			
<b>Sept.</b>	\$ 8.8825			
<b>Nov.</b>	\$ 9.0050			
<b>Jan.</b>	\$ 9.1275			
<b>Mar</b>	\$ 9.2250			
<b>May</b>	\$ 9.3100			

<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>Aug.</b>	7.00	<b>\$ 348.39</b>
<b>Sept.</b>	7.00	<b>\$ 350.26</b>
<b>Oct.</b>	7.00	<b>\$ 353.46</b>
<b>Nov.</b>	7.00	<b>\$ 355.34</b>
<b>Dec.</b>	7.00	<b>\$ 355.34</b>
<b>SBM Futures</b>		
<b>SMQ</b>	307.50	
<b>SMU</b>	309.00	
<b>SMV</b>	310.70	
<b>SMZ</b>	313.60	
<b>SMF</b>	315.30	
<b>SMH</b>	317.90	

### 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 04 July 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	560.4	49,421.0	55,880	88%	3,226.8
Sorghum	66.4	1,621.1	2,160	75%	0.0
Soybeans	155.5	48,594.4	46,270	105%	2,605.4
Wheat	322.2	7,508.5	24,490	31%	0.0
Barley	0.4	51.7	70	74%	0.0

### U.S. EXPORT INSPECTIONS:

Monday's report 15 July 2019 for the Export week ending 11 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	676,485	721,419	43,157,694	48,497,646	89%
Sorghum	55,291	70,143	1,763,863	4,786,120	37%
Soybeans	854,373	761,649	38,718,104	50,980,358	76%
Wheat	315,358	616,261	2,915,708	2,232,055	131%
Barley	0	734	1,787	880	203%

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

### U.S. EXPORT INSPECTIONS:

Monday's report 15 July 2019 for the Export week ending 11 July 2019

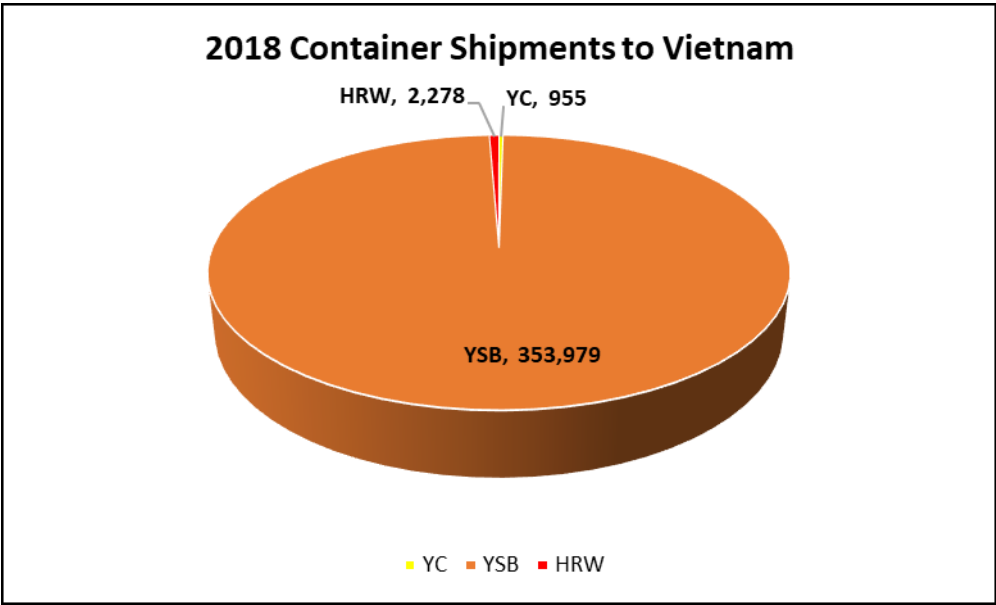
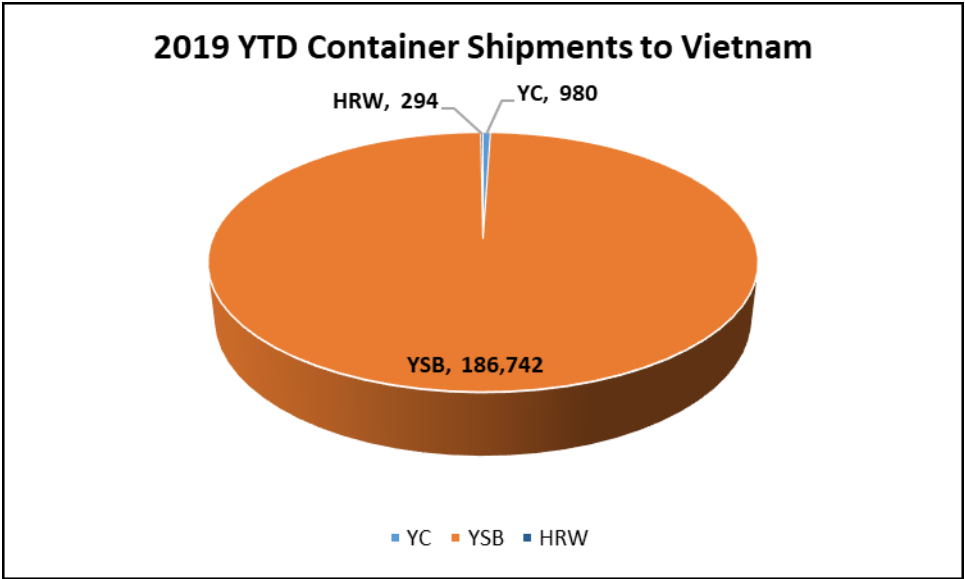
Last Week								
(Metric Tons)	YC	%	WC	%	Sorghum	%	Soybeans	%
Lakes	0	0%	0	0%	0	0%	20,505	2%
Atlantic	0	0%	0	0%	0	0%	3,353	0%
Gulf	343,356	51%	4,949	100%	51,075	92%	476,848	56%
PNW	142,099	21%	0	0%	0	0%	264,747	31%
Interior Export Rail	186,081	28%	0	0%	4,216	8%	88,920	10%
Metric Tons	671,536		4,949		55,291		854,373	
Sorghum Shipments:			metric tons		White Corn		metric tons	
			51,075 China Main		Shipments:		4,949 El Salvador	
			4,216 Mexico				4,949 Total	
			55,291 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:		11-Jul-2019							
Last Week	metric tons								MT
	YC	WC	YSB	SRW	NS	SWH	HRW	Sorghum	TOTAL
China Main									0
China T	12,315		10,187						22,502
Hong Kong	122								122
Costa Rica									0
Indonesia			10,846						10,846
French Poly	367								367
Japan			1,149						1,149
Korea Republic									0
Nepal			3,452						3,452
Malaysia			6,977						6,977
Nicaragua									0
Philippines			1,396						1,396
Thailand			7,250						7,250
Burma									0
Jordan									0
Vietnam			3,869						3,869
Sub total	12,804	0	45,126	0	0	0	0	0	54,061
USDA Corrections/Additions to previous reports:									
China T									0
China Main									0
Hong Kong									0
Korea Rep.									0
Canada									0
Japan									0
Philippines			171						171
Indonesia			3,575						3,575
Malaysia									0
Thailand									0
Vietnam									0
Burma									0
Bangladesh									0
Sub total	0	0	3,746	0	0	0	0	0	3,746
<b>Mt. Grand Total</b>	<b>12,804</b>	<b>0</b>	<b>48,872</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>57,807</b>
Number of containers	557	0	2,125	0	0	0	0	0	

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



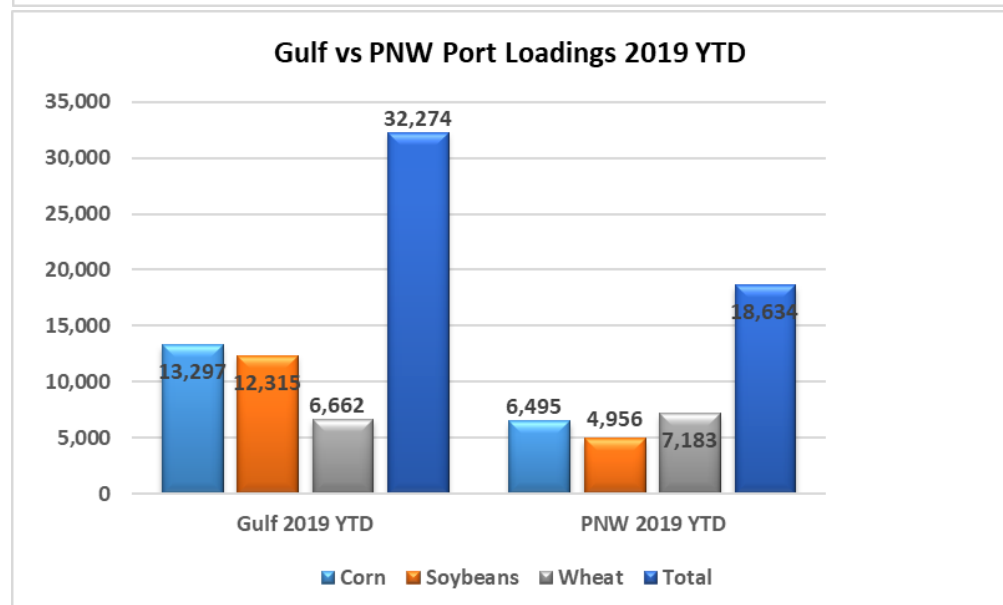
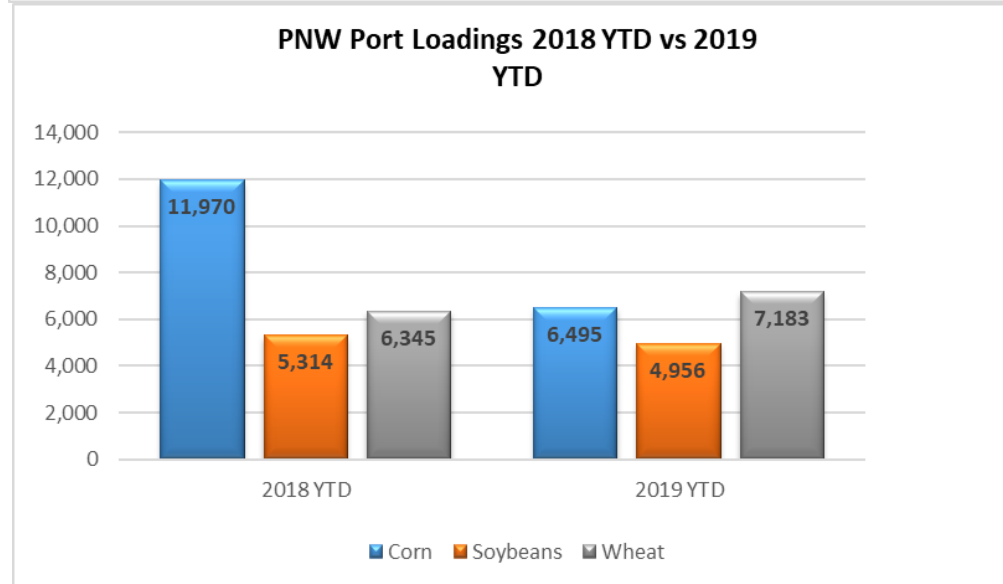
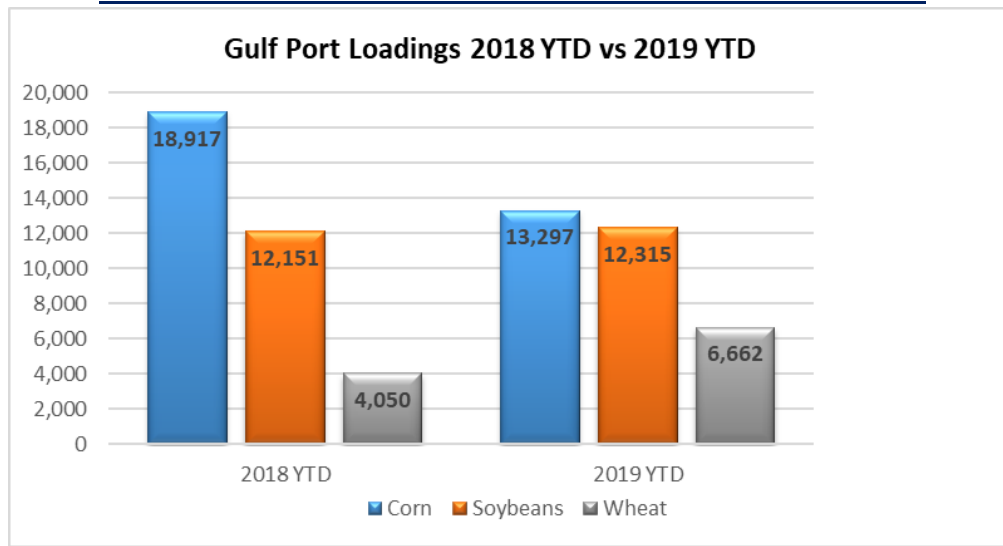
Grain Inspections for Export by U.S. Port Regions:  
U.S. Gulf and Pacific Northwest 2018 YTD vs. 2019 YTD

PORT LOADINGS US Gulf				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
<b>GULF</b>				
2018 YTD	18,917	12,151	4,050	35,118
2019 YTD	13,297	12,315	6,662	32,274
2019 as % of 2018	70%	101%	164%	92%

PORT LOADINGS US PNW				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
<b>PNW</b>				
2018 YTD	11,970	5,314	6,345	23,629
2019 YTD	6,495	4,956	7,183	18,634
2019 as % of 2018	54%	93%	113%	79%

PORT LOADINGS GULF vs. PNW				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
2019 Gulf YTD	13,297	12,315	6,662	32,274
2019 PNW YTD	6,495	4,956	7,183	18,634
TOTAL	19,792	17,271	13,845	50,908
Gulf Percentage	67%	71%	48%	63%
PNW Percentage	33%	29%	52%	37%

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

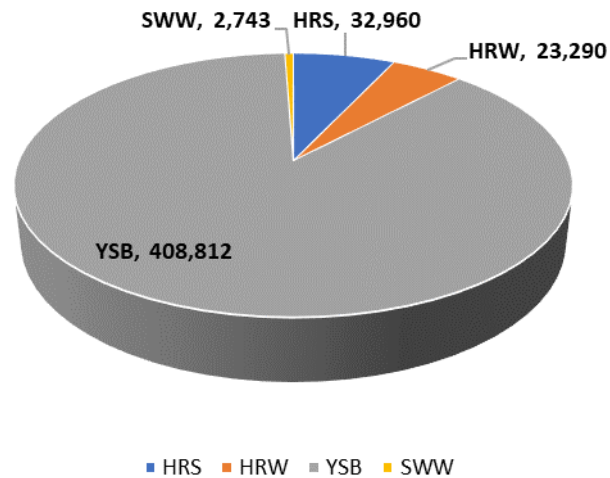




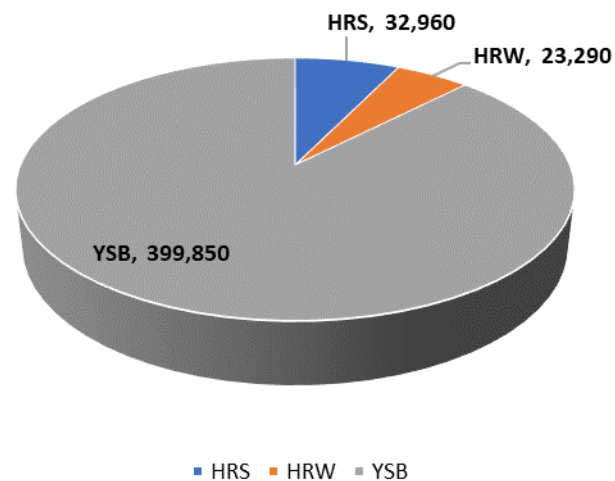
Source: USDA-data

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

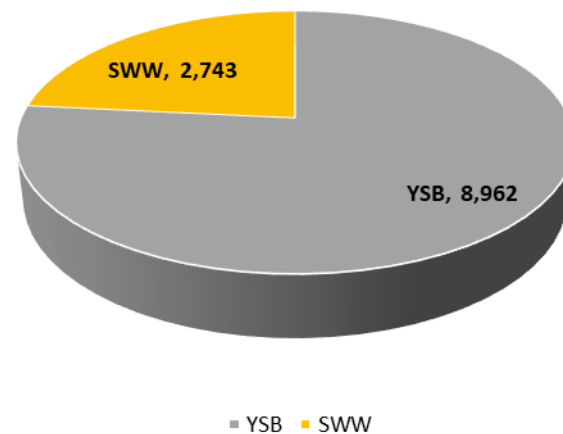
**2019 YTD Exports to Bangladesh**



**YTD Exports to Bangladesh by Vessel**



**YTD Exports to Bangladesh 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	435	\$ 29.68	0.75	0.81
Illinois River (Pekin and South)	425	\$ 22.53	0.57	0.61
Mid-Mississippi	435	\$ 25.51	0.65	0.69
Lower Ohio	315	\$ 20.16	0.51	0.55
St. Louis	295	\$ 13.85	0.35	0.38

**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	\$ (100.00)	\$ (25.00)	\$ (0.03)	\$ (0.01)	\$ (0.98)	\$ (0.25)
UPRR Shuttle Trains	\$ (175.00)	\$ (50.00)	\$ (0.04)	\$ (0.01)	\$ (1.72)	\$ (0.49)

Best Regards,

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