

Transportation and Export Report for 25 July 2019

Ocean Freight Insights and Comments:

It was a wild ride in Dry-Bulk freight markets this week. The week started stronger as the bulls tried to move rates continually higher. But by Wednesday the wheels started to come off the wagon as paper Sellers emerged to take profits. The Capesize market dropped over \$1.00/mt off its high in 24 hours. The Baltic Dry index fell over 3,000 points in the same time period, and the Panamax sector played follow the leader. The Baltic indices and physical markets remained up slightly for the week but looked soft and trending lower on market Thursdays close. This is the first time since March-April 2014 that the Panamax rate from the U.S. Gulf to China has touched the \$50.00 mark. The overall trend remains upward, but it looks as if things got moving a bit to far too fast over the past two weeks.

BALTIC DRY-BULK PANAMAX INDEX CHANGES

Panamax Ocean Freight Indices				
25-Jul-19	This Week	Last Week	Difference	Percent Change
P2A : Gulf/Atlantic - Japan	28710	27394	1,316	4.8%
P3A - PNW/Pacific - Japan	13945	13649	296	2.2%
S1C -USGULF-China-So.Japan	25028	24839	189	0.8%
P7- Trial- Miss. River - Qingdao	49580	49232	348	0.7%
P8- Trial- Santos - Qingdao	38610	38045	565	1.5%

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

Four weeks ago:	\$7.00-\$7.35
Three weeks ago:	\$7.30-\$7.90
Two weeks ago:	\$8.50-\$9.10
One week ago:	\$9.50-\$10.40
This week	\$9.30- \$11.15

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

Mississippi River:	(10 elevators)	5-17 days
Miss. River Mid-Stream loaders:	(6+ Rigs)	0-2 days
Texas Gulf	(5 elevators)	0-6 days
Pacific Northwest:	(9 elevators)	0-17 days

Panamax Market Spreads to Asia -China					
25-Jul-19	PNW	GULF	Bushel Spread	MT Spread	Advantage
CORN	0.92	0.70	0.22	\$8.66	PNW
SOYBEANS	0.90	0.60	0.30	\$11.81	PNW
OCEAN FREIGHT	\$27.50	\$50.00	.57 -.60	\$22.50	August

Recent Reported Vessel Fixtures:

Soybean Panamax USG to Spain is running \$23.50/mt.

Soybean Brazil to Spain at about \$26.50/mt.

30,000 mt Corn Northern Brazil to Vera Cruz, Mexico \$20.50-\$21.50/mt .To U.S. E/C about \$24.00-24.50/mt

Route and Vessel Size	Current Week USD/MT	Change from previous week	Remarks
55,000 U.S. Gulf-Japan	\$50.50	Up \$1.00	Handymax \$50.00 mt
55,000 U.S. PNW- Japan	\$28.00	Up \$1.00	Handymax \$28.00 mt
66,000 U.S. Gulf – China	\$50.00	Up \$1.00	North China
PNW to China	\$27.50	Up \$1.00	
25,000 U.S. Gulf- Veracruz, México	\$18.50	Up \$0.50	3,000 MT daily discharge rate
30-35,000+ U.S. Gulf- Veracruz, México	\$15.75	Up \$0.50	Deep draft and 6,000 MT per day discharge rate.
25/35,000 U.S. Gulf- <u>East Coast Colombia</u>	\$22.00	Up \$1,00	<u>West Coast Colombia at \$28.00</u>
From Argentina	\$32.00		
43-45,000 U.S. Gulf - Guatemala	\$29.50	Up \$1.00	Acajutla/Quetzal - 8,000 out
26-30,000 U.S. Gulf – Algeria	\$37.00 \$38.00	Up \$1.00	8,000 mt daily discharge 3,000 mt daily discharge
26-30,000 US Gulf-Morocco	\$38.50	Up \$1.00	5,000 discharge rate
55-60,000 U.S. Gulf –Egypt	\$31.50	Up \$1.00	60,000 -55,000 mt
PNW to Egypt	\$32.00		Romania- Russia- Ukraine \$16.30 -\$17.40 -\$18.30 (France \$19.00-\$19.50)
60-70,000 U.S. Gulf – Europe – Rotterdam	\$20.50	Unchanged	Handymax at +\$1.75 more
Brazil, Santos – China	\$39.25	Up \$1.00	54-59,000 Supramax-Panamax
Brazil, Santos – China	\$39.00		60-66,000 Post Panamax
Itacoatiara-Port Upriver North Brazil	\$41.25		60-66,000 mt
56-60,000 Argentina/Rosario- China Deep Draft	\$42.00	Up \$1.00	Upriver with BB Top Off \$46.50

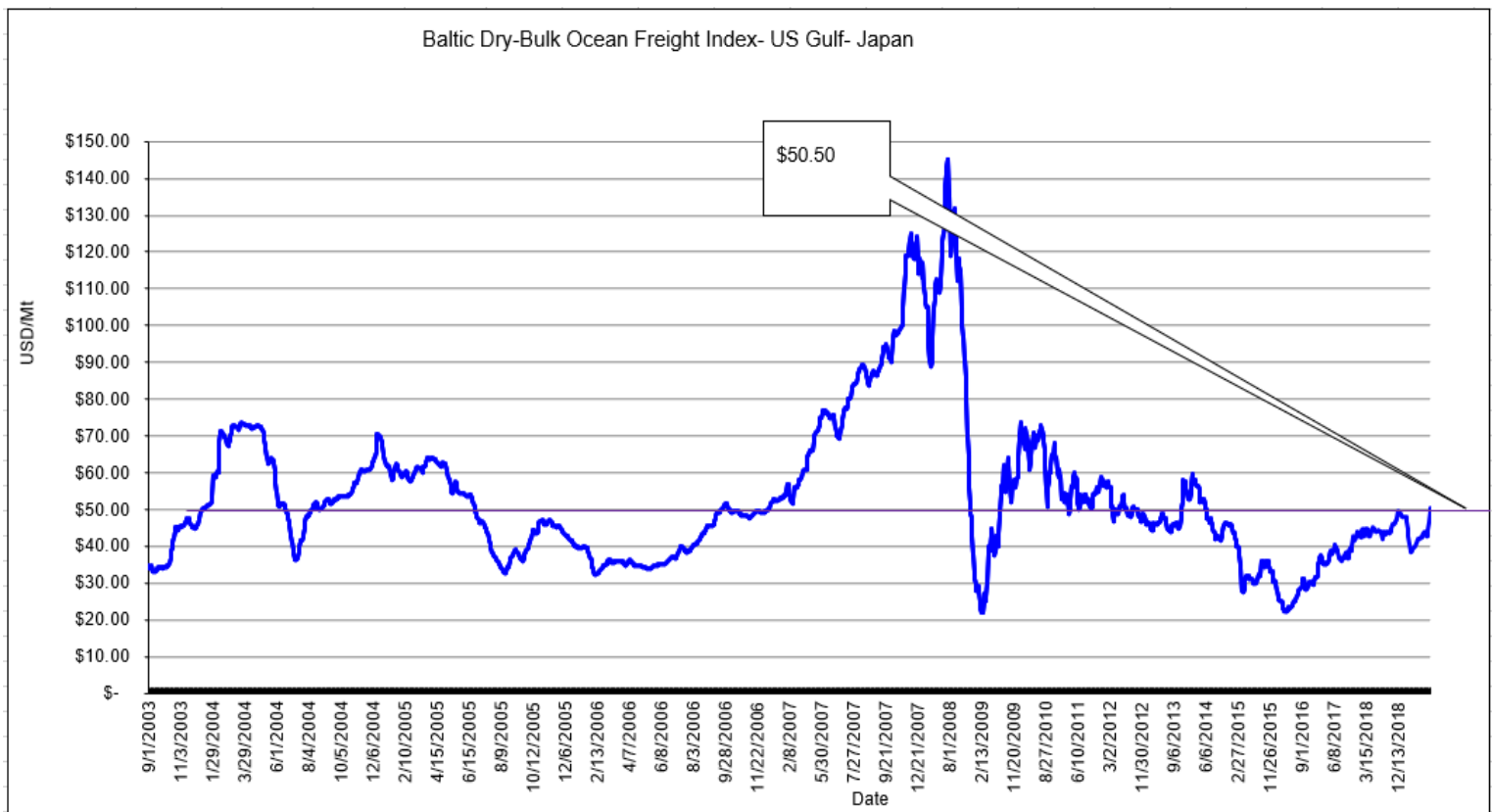
- The above rate estimates reflect the 30-45-day forward ocean freight markets.

Nautical Miles: To Xiamen China (South China)

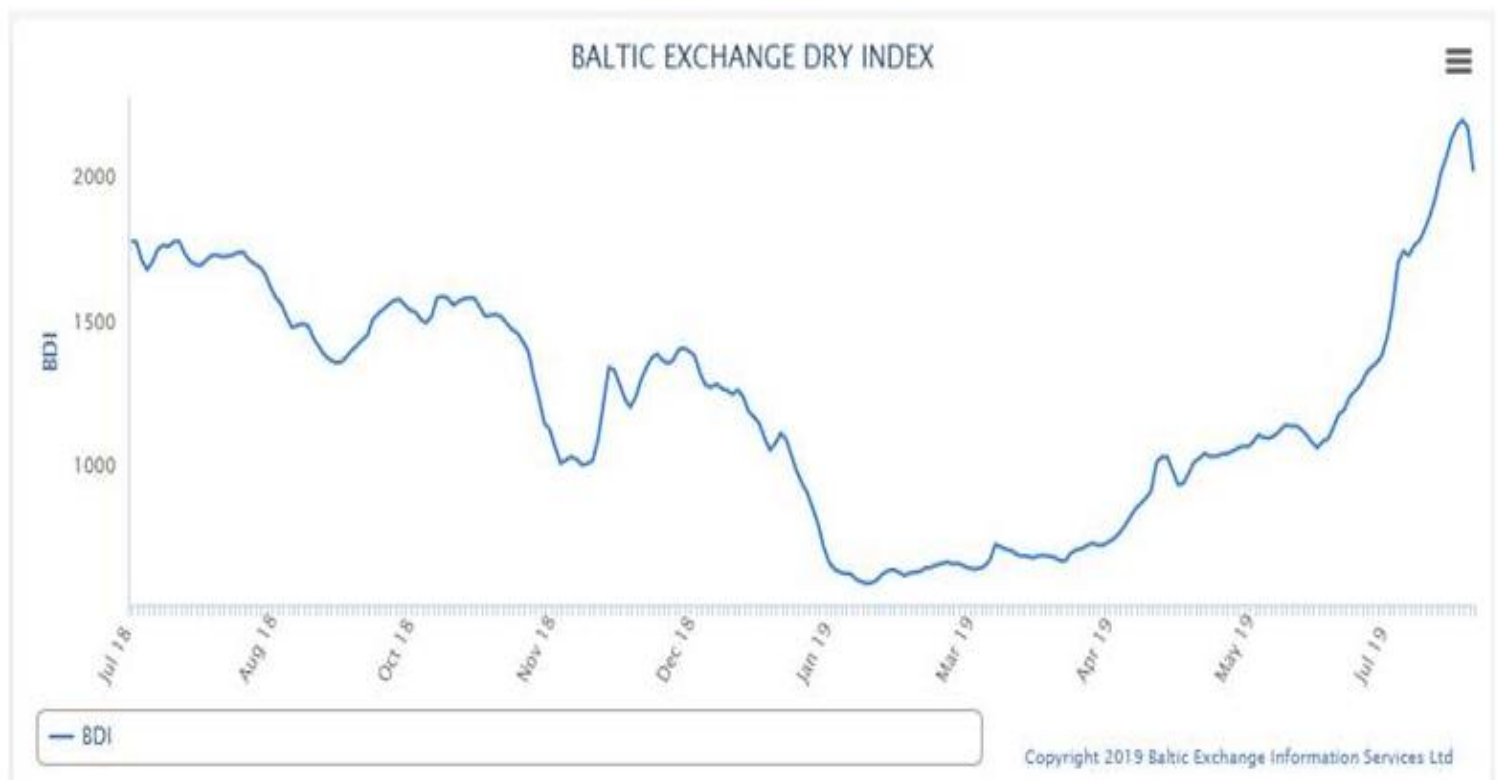
US Gulf (NOLA) (via Panamá Canal) – 10,232 nautical miles (32 days)

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

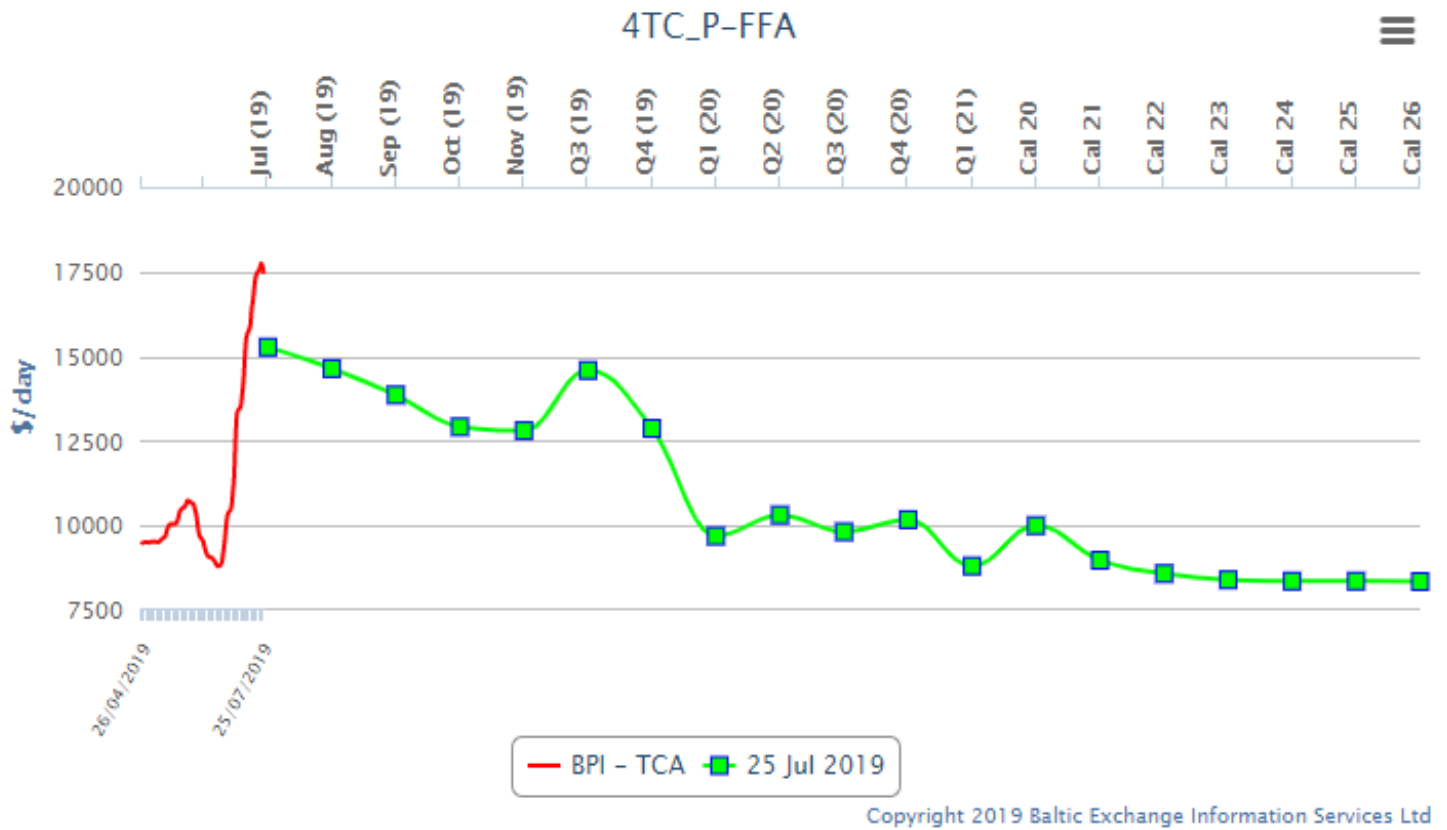
Rosario Argentina (via Cape Horn) - 10,751 nautical miles (34 days)



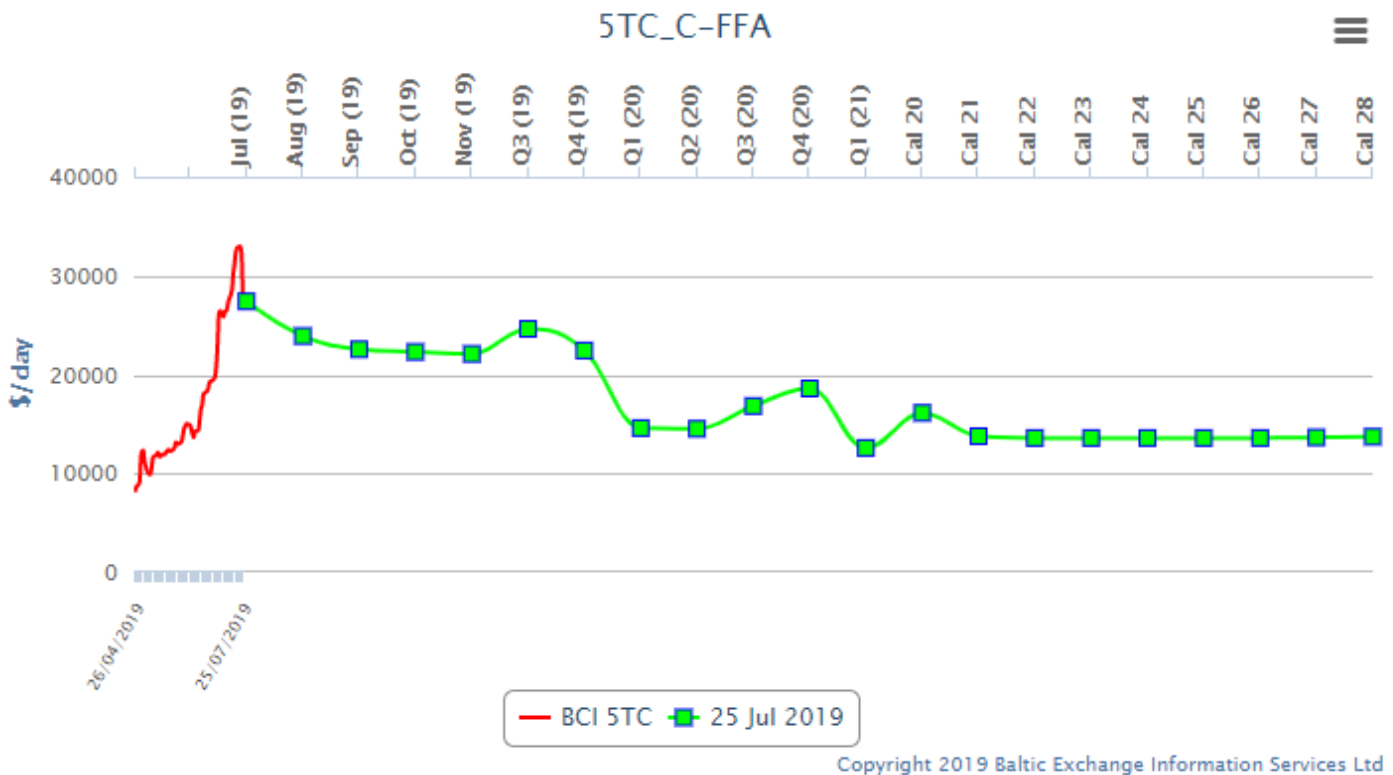
Baltic Dry Index.



Baltic Panamax Forward Curve Chart



Baltic Capesize Forward Curve Chart



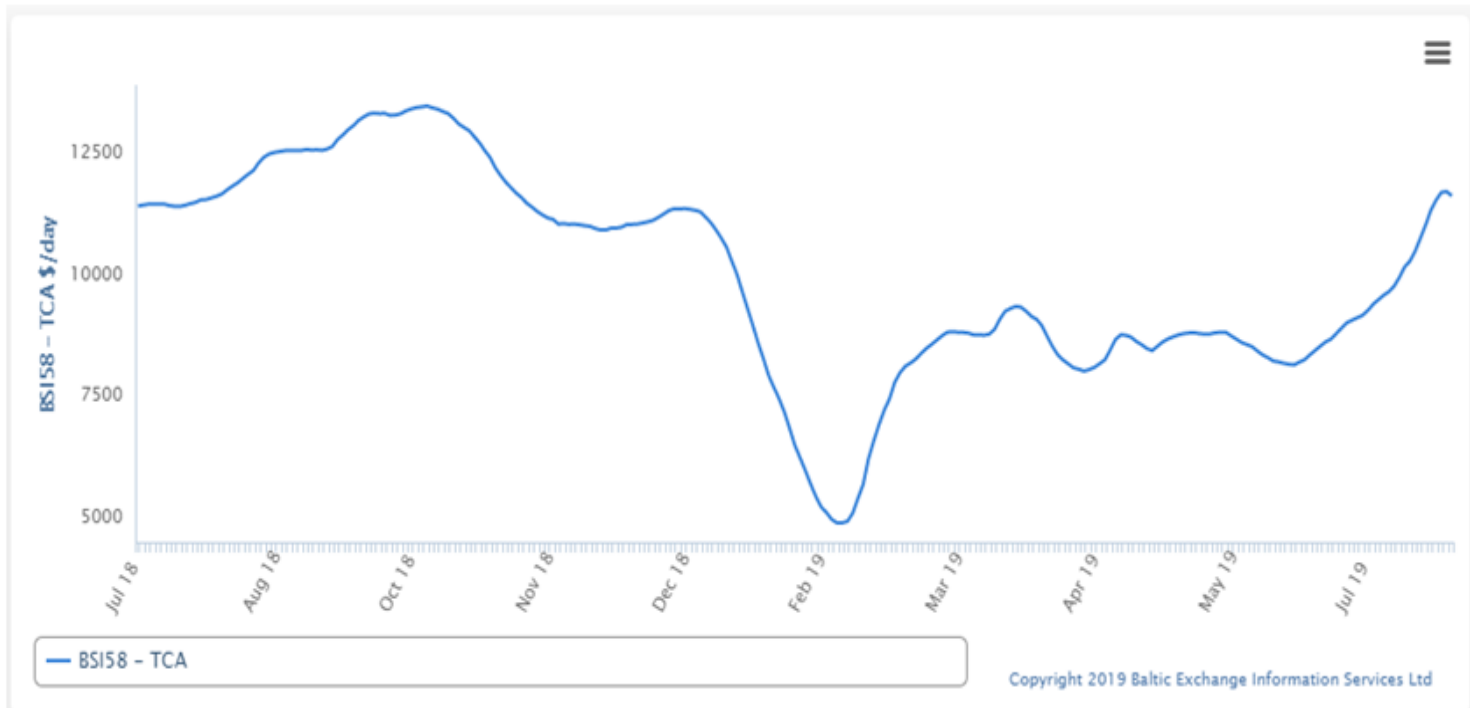
Baltic Panamax Index

Panamax

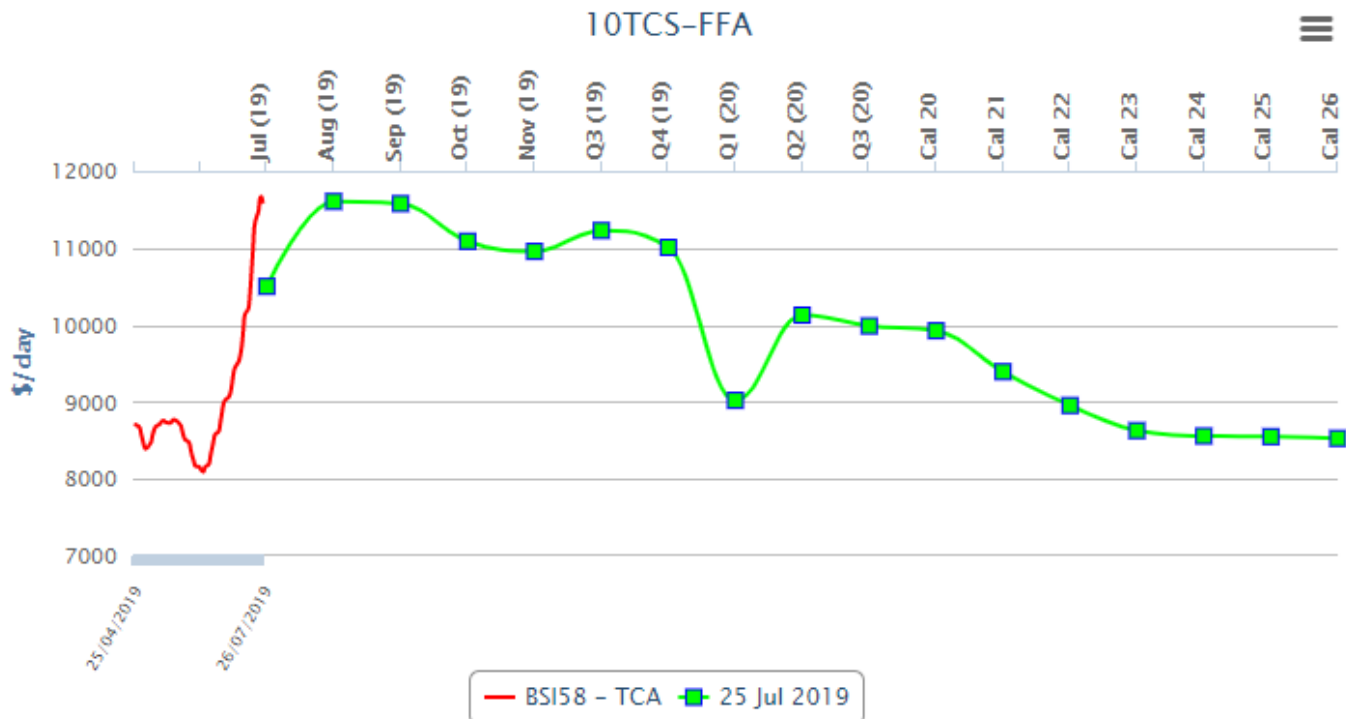


Baltic Supramax Vessel Index

Supramax

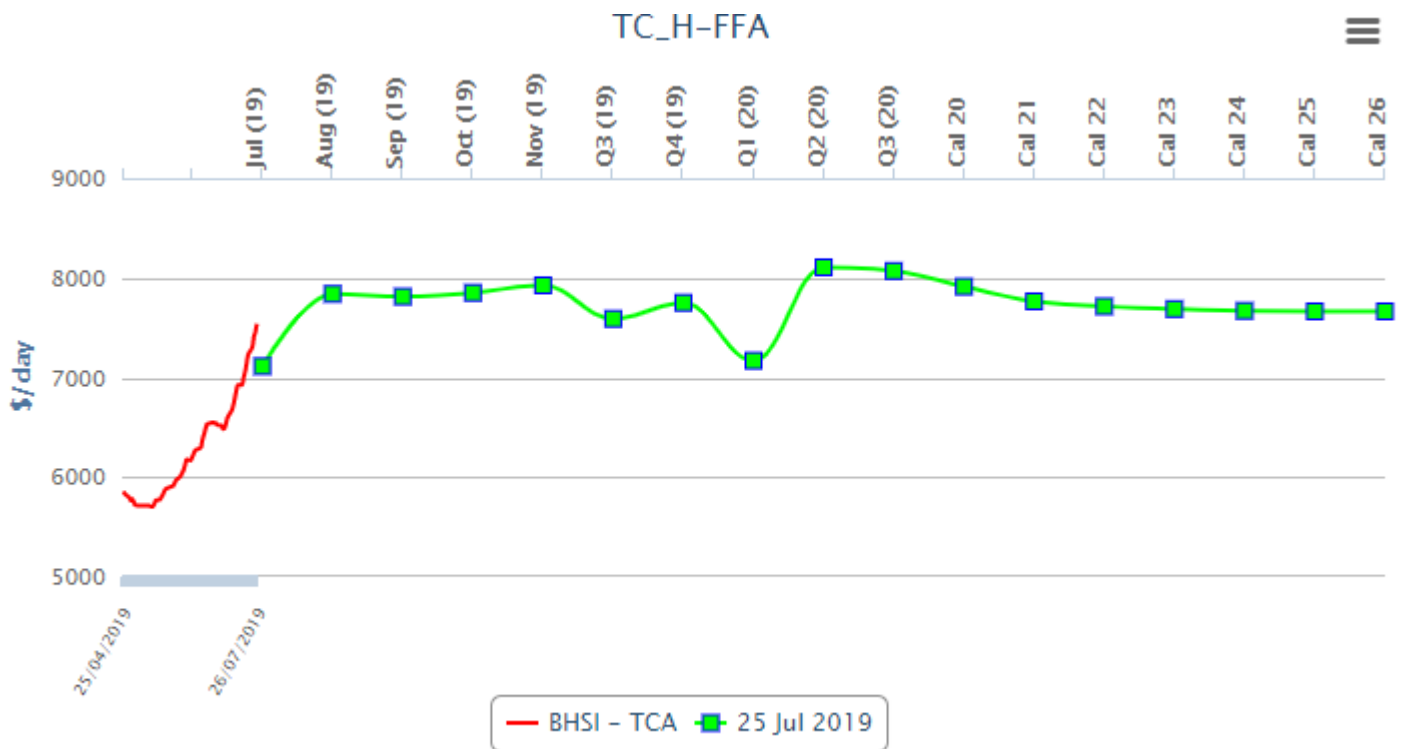


Supramax Dry-Bulk Forward Curve



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Baltic Handy Size Forward Curve



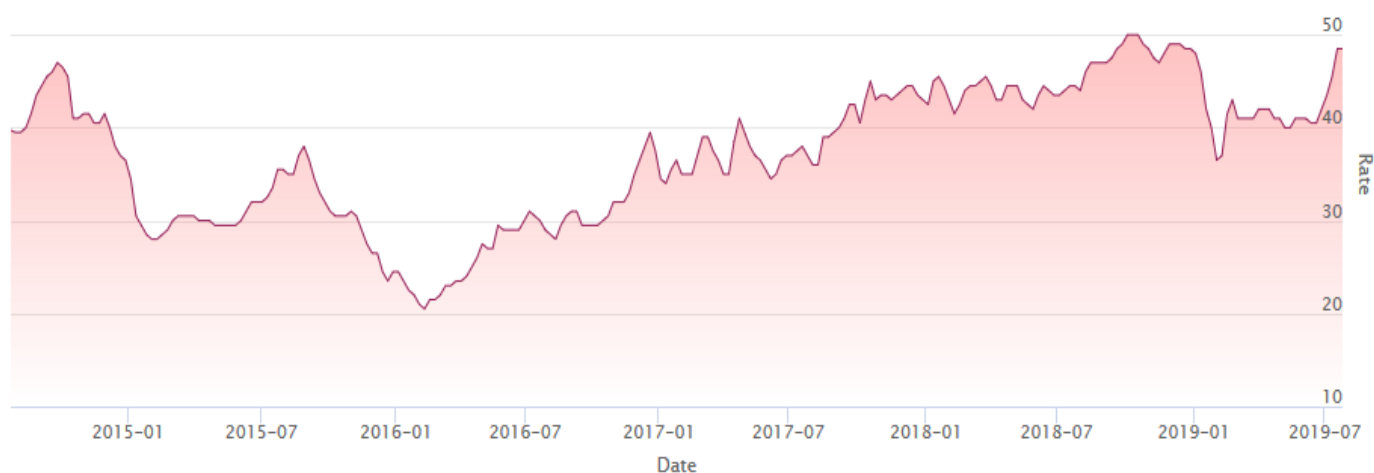
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YAMAMIZU Index



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

From 2014-07-24 To 2019-07-24



China Import Dry Bulk Freight Index

2019-07-25

Description	Size MT	Cargo/Vessel Size	Unit	Rate	Change
Composite Index			Point	1058.18	-40.52
Iron ore Freight Index			Point	1084.17	-73.92
Soybean Freight Index			Point	1139.49	-2.58
Santos(Brazil)—North China	60000/10%	Soybean	\$/ton	39.185	-0.095
Tacoma(West America)—North China	60000/10%	Soybean	\$/ton	27.575	-0.135
Mississippi(US Gulf)—North China	66000/10%	Soybean	\$/ton	50.284	-0.068
Mississippi(US Gulf)—North China	55000/10%	Soybean	\$/ton	51.671	-0.048

25 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.	0.62	\$189.16	0.92	\$200.97
Sept.	0.65	\$190.34	1.02	\$204.91
Oct.	0.65	\$193.89	1.05	\$209.63
Nov.	0.70	\$195.86	1.10	\$211.60
Dec.	0.75	\$197.82	1.13	\$212.78
Jan.	0.73	\$200.87	1.10	\$215.44

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	\$199.79	0.50	\$187.98
Sept. (Z)	0.80	\$199.79	0.55	\$189.95
Oct.	0.90	\$203.73	0.70	\$195.86
Nov.	0.98	\$206.88	0.75	\$197.82
Dec.	0.98	\$206.88	0.75	\$197.82

Fob vessel Texas Gulf #2 Sorghum is about 99 % 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	\$215.87	\$216.60	\$221.29	\$223.12
Basis	0.88	0.90	0.95	1.00
WU	4.9950			.
WZ	5.0725			
WH	5.1825			

25-Jul-19	Close	This Week	Last Week.	Last Week.	Last Week	
CME Corn Futures	Bushel	MT.	Bushel	Bu. Diff.	MT	MT Diff.
Sept.	\$ 4.1850	\$ 164.75	\$ 4.3600	(0.1750)	\$ 171.64	\$ (6.89)
Dec.	\$ 4.2750	\$ 168.30	\$ 4.4150	(0.1400)	\$ 173.81	\$ (5.51)
Mar.	\$ 4.3725	\$ 172.14	\$ 4.4875	(0.1150)	\$ 176.66	\$ (4.53)
May	\$ 4.4150	\$ 173.81	\$ 4.5225	(0.1075)	\$ 178.04	\$ (4.23)
July	\$ 4.4475	\$ 175.09	\$ 4.5475	(0.1000)	\$ 179.03	\$ (3.94)
Sept.	\$ 4.2200	\$ 166.13	\$ 4.2625	(0.0425)	\$ 167.81	\$ (1.67)

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.	0.60	\$346.31	0.90	\$357.33
Sept. (X)	0.52	\$349.70	0.88	\$362.93
Oct.	0.55	\$350.81	0.88	\$362.93
Nov.	0.60	\$352.64	0.90	\$363.67
Dec.	0.52	\$354.66	0.84	\$366.42
Soybean Futures				
Aug.	\$ 8.8250			
Sept.	\$ 8.8775			
Nov.	\$ 8.9975			
Jan.	\$ 9.1325			
Mar	\$ 9.2450			
May	\$ 9.3450			

U.S. SBM (USD/MT) FOB Vessel		
Fob U.S. Gulf Port	47.5 Pro. SBM	
max 12.5 % moisture	Basis	Flat Price
Aug.	7.00	\$ 344.53
Sept.	7.00	\$ 346.19
Oct.	7.00	\$ 349.27
Nov.	7.00	\$ 351.37
Dec.	8.00	\$ 352.47
SBM Futures		
SMQ	303.90	
SMU	305.50	
SMV	307.00	
SMZ	309.80	
SMF	311.70	
SMH	315.00	

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 11 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	293.2	49,621.0	53,340	93%	3,359.8
Sorghum	30.0	1,649.2	2,160	76%	0.0
Soybeans	209.9	48,660.1	46,270	105%	2,803.8
Wheat	372.9	7,855.8	25,860	30%	0.0
Barley	0.0	51.7	70	74%	0.0

U.S. EXPORT INSPECTIONS:

Monday's report 22 July 2019 for the Export week ending 18 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	438,045	690,427	43,609,681	49,825,192	88%
Sorghum	60,913	61,518	1,831,003	4,798,773	38%
Soybeans	559,462	855,377	39,278,790	51,708,497	76%
Wheat	433,117	348,519	3,393,362	2,661,352	128%
Barley	0	220	2,007	880	228%

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

U.S. EXPORT INSPECTIONS:

Monday's report 22 July 2019 for the Export week ending 18 July 2019

Last Week							
(Metric Tons)	YC	%	WC	%	Sorghum	%	Soybeans %
Lakes	0	0%	0	0%	0	0%	29,844 5%
Atlantic	0	0%	0	0%	0	0%	57,466 10%
Gulf	159,580	40%	38,739	100%	43,050	71%	181,477 32%
PNW	111,654	28%	0	0%	10,918	18%	133,595 24%
Interior Export Rail	128,048	32%	24	0%	6,945	11%	157,080 28%
Metric Tons	399,282		38,763		60,913		559,462

Sorghum Shipments:	<u>metric tons</u>
	10,918 Japan
	49,995 Mexico
	<u>60,913 Total</u>

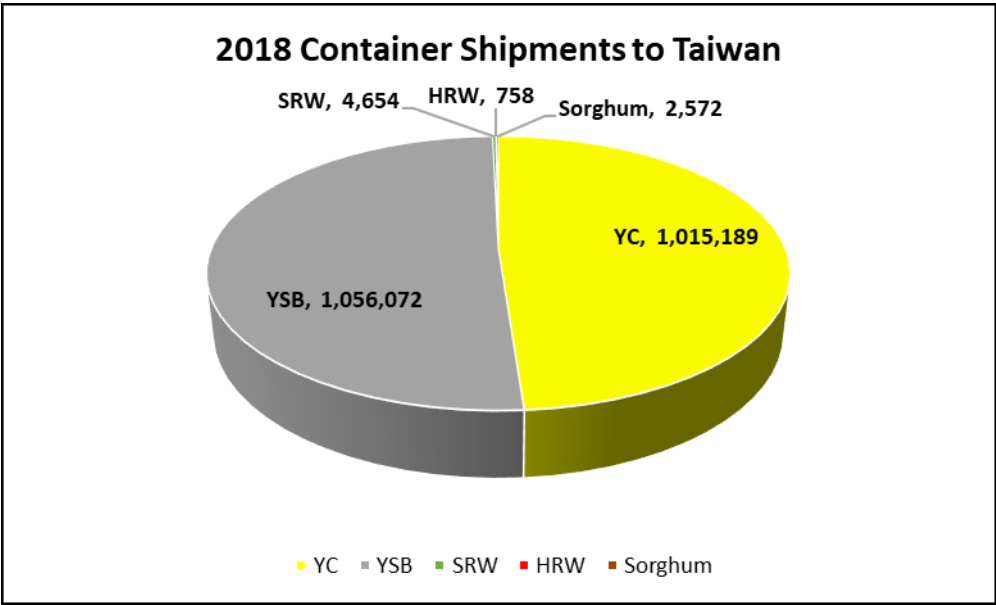
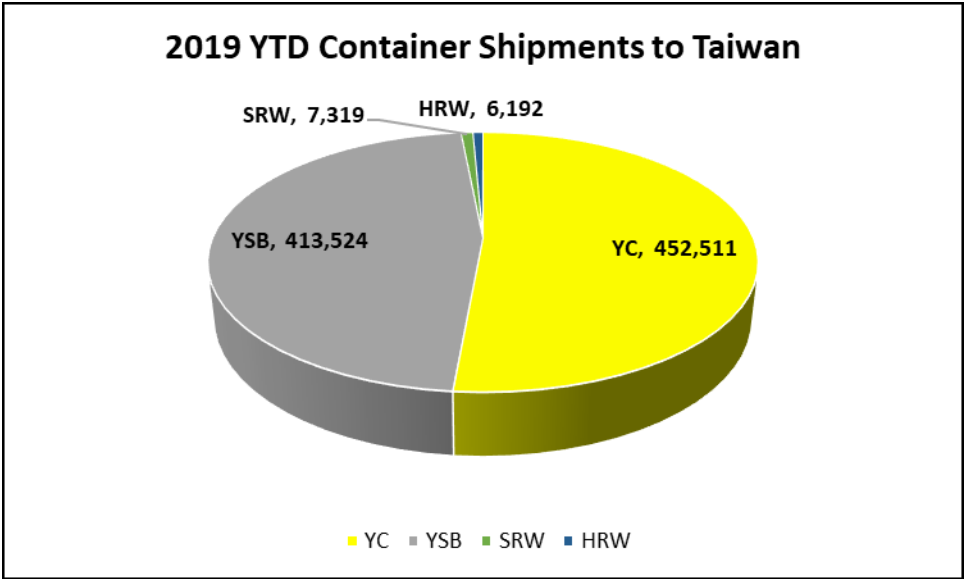
White Corn	<u>metric tons</u>
Shipments:	27,440 Colombia
	11,299 Costa Rica
	24 Mexico
	<u>38,763 Total</u>

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:		18-Jul-2019							
Last Week	metric tons								MT
	YC	WC	YSB	SRW	NS	SWH	HRW	Sorghum	TOTAL
China Main									0
China T	10,134		18,020	269					28,423
Hong Kong	563								563
Costa Rica									0
Indonesia	122		15,428						15,550
French Poly									0
Japan			782						782
Korea Republic	734		171						905
Nepal			1,371						1,371
Malaysia			9,722						9,722
Nicaragua									0
Philippines	539		980						1,519
Thailand			10,579						10,579
Burma									0
Cambodia			269						269
Vietnam			5,238						5,238
Sub total	12,092	0	62,560	269	0	0	0	0	69,414
USDA Corrections/Additions to previous reports:									
China T									0
China Main									0
Hong Kong									0
Korea Rep.									0
Canada									0
Japan									0
Philippines									0
Indonesia			24						24
Malaysia			686						686
Thailand			514						514
Vietnam									0
Burma									0
Bangladesh									0
Sub total	0	0	1,224	0	0	0	0	0	1,224
Mt. Grand Total	12,092	0	63,784	269	0	0	0	0	70,638
Number of containers	526	0	2,773	12	0	0	0	0	

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



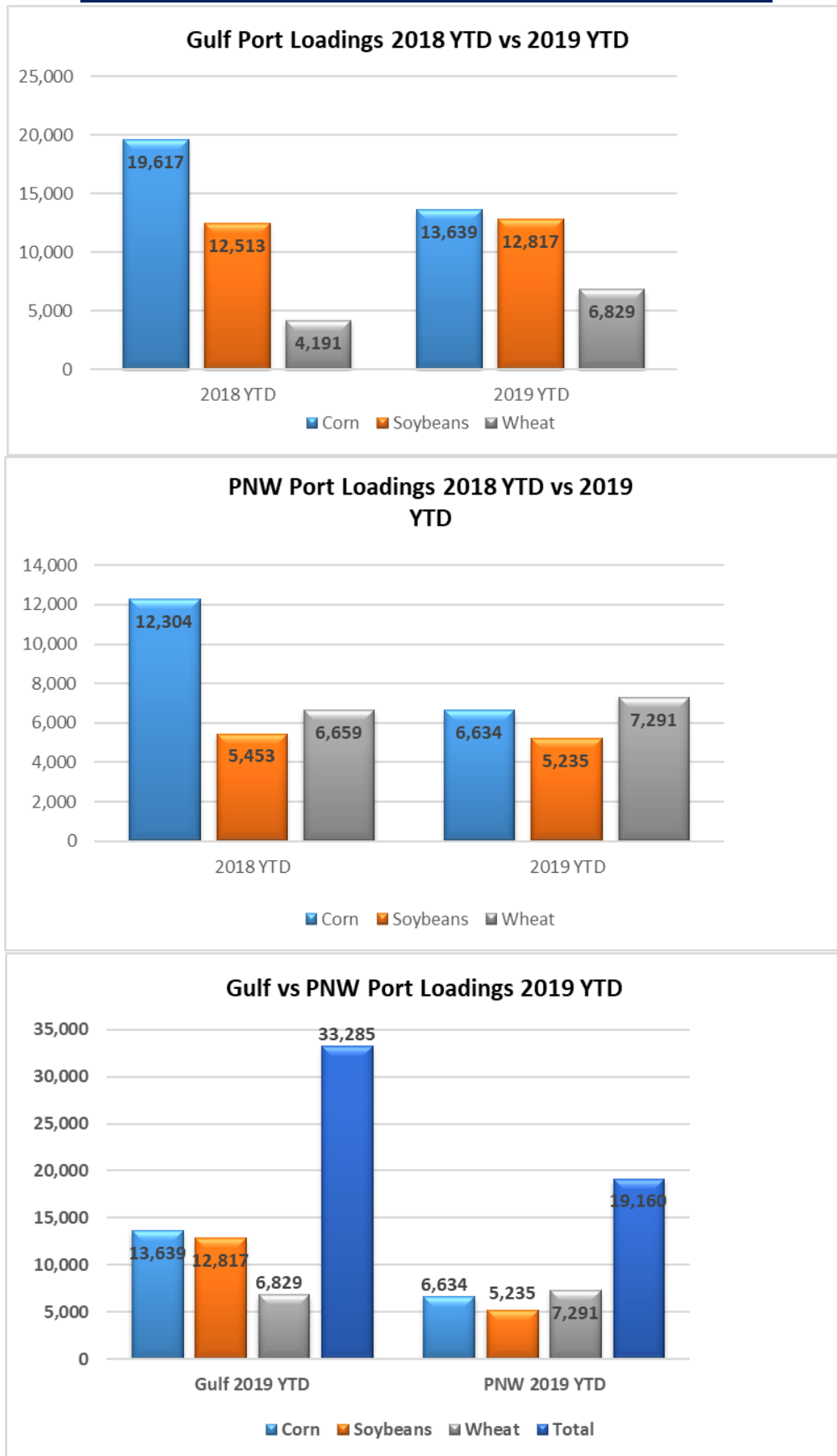
Grain Inspections for Export by U.S. Port Regions:
U.S. Gulf and Pacific Northwest 2018 YTD vs. 2019 YTD

PORT LOADINGS US Gulf				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
GULF				
2018 YTD	19,617	12,513	4,191	36,321
2019 YTD	13,639	12,817	6,829	33,285
2019 as % of 2018	70%	102%	163%	92%

PORT LOADINGS US PNW				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
PNW				
2018 YTD	12,304	5,453	6,659	24,416
2019 YTD	6,634	5,235	7,291	19,160
2019 as % of 2018	54%	96%	109%	78%

PORT LOADINGS GULF vs. PNW				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
2019 Gulf YTD	13,639	12,817	6,829	33,285
2019 PNW YTD	6,634	5,235	7,291	19,160
TOTAL	20,273	18,052	14,120	52,445
Gulf Percentage	67%	71%	48%	63%
PNW Percentage	33%	29%	52%	37%

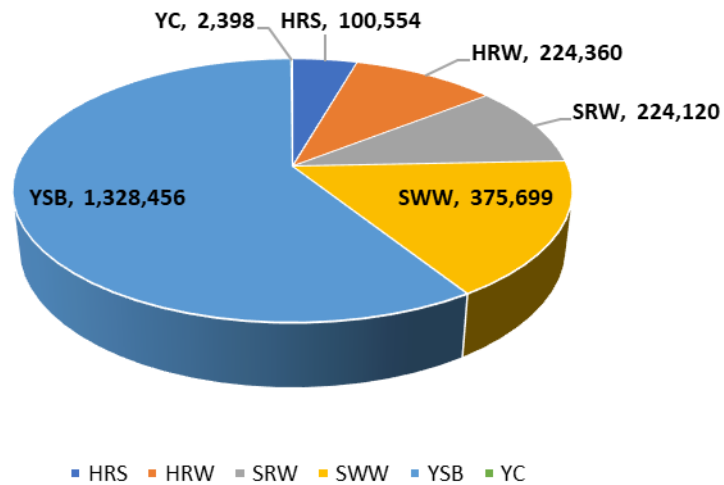
Grain Inspections for Export by U.S. Port Regions (1,000MT):
U.S. Gulf and Pacific Northwest 2018 YTD vs. 2019 YTD



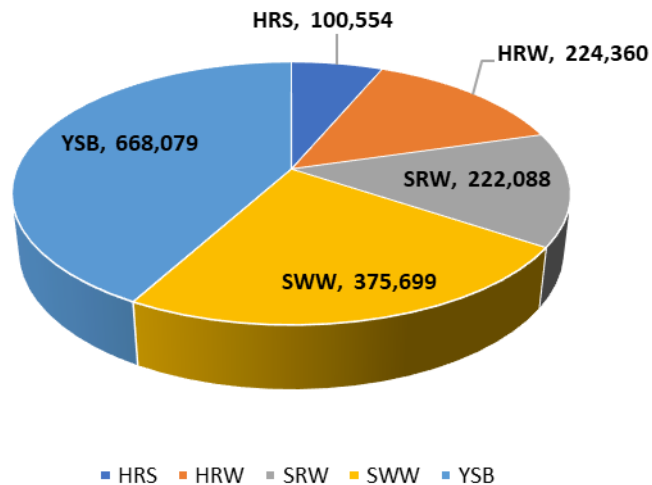
Source: USDA-data

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

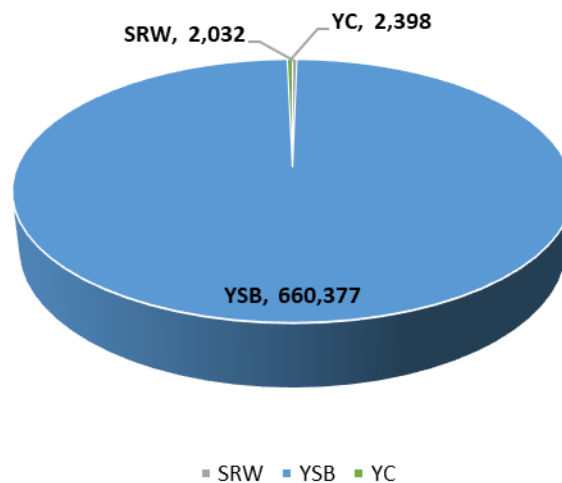
2019 YTD Exports to Indonesia



YTD Exports to Indonesia by Vessel



YTD Exports to Indonesia 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	465	\$31.73	0.81	0.86
Illinois River (Pekin and South)	415	\$22.00	0.56	0.60
Mid-Mississippi	440	\$25.80	0.66	0.70
Lower Ohio	315	\$15.49	0.39	0.42
St. Louis	340	\$14.95	0.38	0.41

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	\$ (200.00)	\$ (150.00)	\$ (0.05)	\$ (0.04)	\$ (1.97)	\$ (1.48)
UPRR Shuttle Trains	\$ (300.00)	\$ (100.00)	\$ (0.08)	\$ (0.03)	\$ (2.95)	\$ (0.98)

Best Regards,

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