

Transportation and Export Report for 28 July 2022

Dry Bulk freight markets were little changed this week; but it was a struggle to keep things from sliding further down the slope.

Fear of reduced Chinese coal imports and a lack of global cargo growth is stunting traders' optimism as it now looks like a 2.8 percent fleet growth may be sufficient to cover global needs. For the moment markets will be happy to sail in quite waters and hope values will climb back in Q4 of this year. But since Q4 is historically a soft market, vessel owners may have to wait until Q1 of 2023 to see any significant rate improvement.

In container markets, the trucker protest that shut down the port of Oakland, CA. for four days has ended. But the fight over California Gig-worker Assembly Bill AB5 has not been resolved and will continue to be a serious issue for all industries in the State. The ILWU-West Coast Port labor contract negotiations continue as the big issue of port automation remains to be resolved.

BALTIC DRY-BULK PANAMAX INDEX CHANGES

Panamax Ocean Freight Indices					
28-Jul-2022		This Week	Last Week	Difference	Percent Change
P2A: Gulf/Atlantic - Japan	Index	28205	27377	828	3.0%
P3A: PNW/Pacific - Korea	Index	15989	16546	-557	-3.4%
S1C: US GULF-China-So.Japan	Index	27807	28543	-736	-2.6%
P7: Trial- Miss. River - Qingdao	per ton	65.64	67.39	-1.8	-2.6%
P8: Trial- Santos - Qingdao	per ton	55.35	56.38	-1.0	-1.8%

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

Four weeks ago:	\$11.80-\$11.00
Three weeks ago:	\$11.00-\$10.90
Two weeks ago:	\$10.50-\$10.75
One week ago:	\$10.60-\$10.75
This week	\$10.50-\$10.15

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

Mississippi River:	(9 elevators)	2-8 days (only 1 facility over 5 days)
Mid-Stream loaders:	(6+ Rigs)	0-1 days
Texas Gulf	(5 elevators)	0-7 days (all but 1 facility at zero days wait.)
Pacific Northwest:	(9 elevators)	0- 6 days (only 2 facilities over 2-3 day wait.)

Panamax Market Spreads to Asia -China					
28-Jul-2022	GULF	PNW	Bushel Spread	Tonne Spread	Advantage
CORN	1.68	2.65	0.97	\$38.19	GULF
SOYBEANS	2.25	3.25	1.00	\$36.74	GULF
OCEAN FREIGHT	\$67.50	\$40.00	.70 -.75	\$27.50	AUGUST

Current Grain Vessel Market Indications:

**** 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 \$49.00 - \$50.50/mt.

Soybean Brazil to Spain about \$58.50 - 60.00/mt.

Route and Vessel Size	Current Week USD/MT	Change from previous week	Remarks
55,000 U.S. Gulf-Japan	\$68.50	Down \$0.50	Handymax \$68.50 mt
55,000 U.S. PNW- Japan	\$40.50	Unchanged	Handymax at \$40.50 mt
65,000 U.S. Gulf – China	\$67.50	Down \$0.50	North or South China
PNW to China	\$40.00	Unchanged	
25,000 U.S. Gulf- Veracruz, México	\$28.25	Unchanged	3,000 MT daily discharge rate
35-40,000 U.S. Gulf- Veracruz, México	\$24.25	Unchanged	Deep draft and 6,000 MT per day discharge rate.
30-38,000 U.S. Gulf- Colombia	\$39.75	Down \$0.25	<u>West Coast Colombia at \$47.50</u>
50,000 USG- E/C Colombia	\$39.25		
<u>East Coast Colombia</u> From Argentina	\$19.75		
40-45,000 U.S. Gulf - Guatemala	\$47.75	Down \$0.25	Acajutla/Quetzal - 8,000 out
30,000 US Gulf-Morocco	\$67.50	Unchanged	5,000 discharge rate
55-60,000 U.S. Gulf –Egypt	\$67.50	Down \$0.50	55,000-60,000 mt Egypt
PNW to Egypt	\$68.00		Romania - Russia- Ukraine \$28.00 -\$32-\$46.00- \$.00 - France \$43.00, Bulgaria \$34.00
58-74,000 U.S. Gulf – Europe – Rotterdam	\$35.00	Unchanged	Handymax at +\$2.50 more
Brazil, Santos –China	\$60.00	Down \$0.50	54-59,000 Supramax-Panamax
Brazil, Santos –China	\$57.50		60-66,000 Post Panamax
Up-River Port North Brazil	\$68.00		55-60,000 mt
56-60,000 Argentina-China	\$65.00	Down \$0.50	Up-River with Top Off Plus \$3.85-\$4.75
Deep draft			

The Baltic Dry Bulk Freight Index



Baltic Index-

Baltic Average of the Time Charter routes per Segment

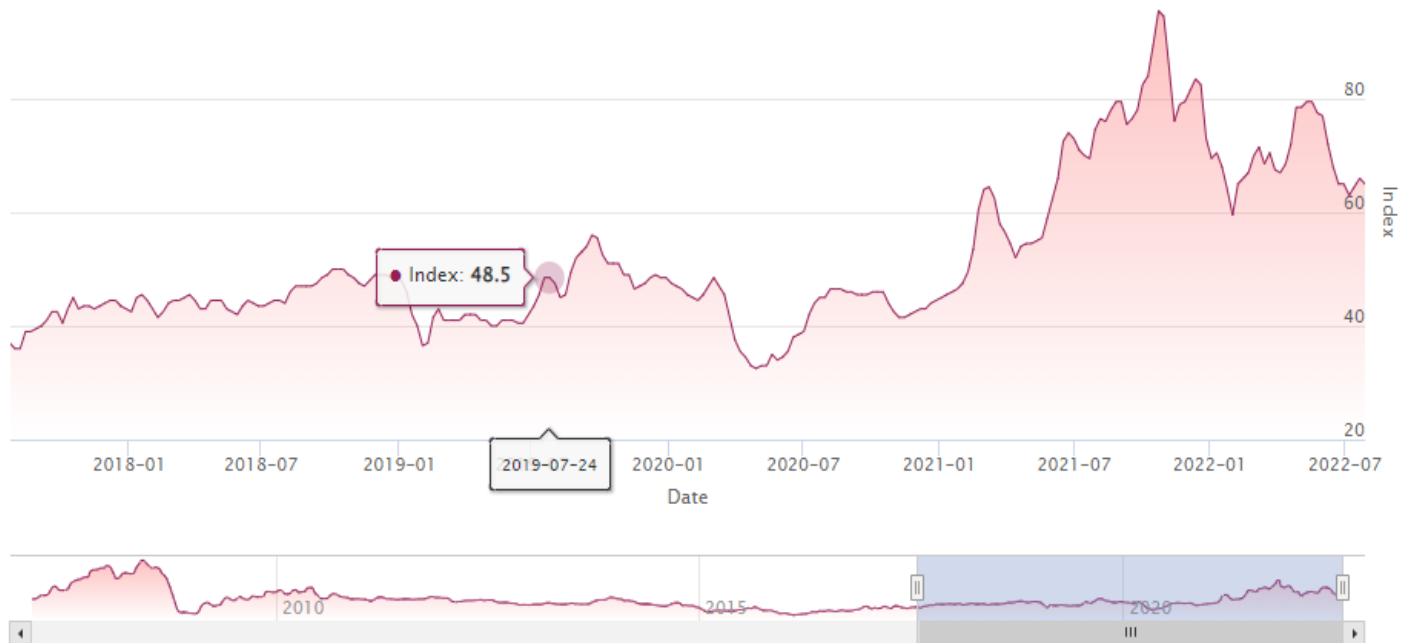


YAMAMIZU Index



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

From 2017-07-27 To 2022-07-27



China Import Dry Bulk Freight Index					
2022-07-28					
Description	Volume	Cargo	Unit	Rate	Change
Composite Index			Point	1434.5	-22.53
Iron ore Freight Index			Point	1274.72	-35.56
Dampier(West Australia)-Qingdao (China)	170000/10%	Iron ore	\$/ton	10.15	-0.137
Soybean Freight Index			Point	1624	-4.93
Santos(Brazil)— North China	66000/10%	Soybean	\$/ton	57.61	-0.18
Tacoma(West America)—North China	63000/10%	Soybean	\$/ton	40.04	-0.1
Mississippi(US Gulf)—North China	66000/10%	Soybean	\$/ton	67.74	-0.21

28 July 2022 U.S. FOB Vessel Export Market Values:

U.S. Yellow Corn (USD/MT) FOB Vessel					CORN	FUTURES
#2 YC	GULF # 2 YC		PNW # 3 YC		U =	6.1500
Max. 14.5% moisture	BASIS	FLAT PRICE	BASIS	FLAT PRICE	Z =	6.1900
Aug.	1.68	\$308.25	2.65	\$346.44	H=	6.2525
Sept.	1.59	\$304.71	2.55	\$342.50	K =	6.2875
Oct.	1.53	\$303.92	2.47	\$340.93	N=	6.2850
Nov.	1.46	\$301.16	2.33	\$335.41	U =	5.9150
Dec.	1.43	\$299.98	2.15	\$328.33		
Jan.	1.45	\$303.23	2.10	\$328.82		

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.

SORGHUM (USD/MT) FOB VESSEL		
#2 YGS Fob Vessel	TEXAS Gulf	
Max. 14.0% moisture	BASIS	FLAT PRICE
Aug.	1.95	\$318.88
Sept.	1.95	\$318.88
Oct.	1.95	\$320.45
Nov.	1.95	\$320.45
Dec.	2.00	\$322.42

Fob vessel Texas Gulf #2 Sorghum is about 103 % 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. (Z)	Sept. (Z)	Oct.	Nov.
FOB U.S. GULF	\$349.15	\$352.83	\$356.50	\$360.18
Basis	1.15	1.25	1.35	1.45
WU	8.1700			
WZ	8.3525			
WH	8.5150			

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

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. (X)	2.25	\$611.96	3.25	\$648.70
Sept. (X)	2.15	\$608.29	3.15	\$645.03
Oct.	1.95	\$600.94	2.80	\$632.17
Nov.	1.69	\$591.38	2.60	\$624.82
Dec.	1.58	\$589.91	2.48	\$622.98
Soybean Futures				
Aug.	\$ 16.0925			
Sept.	\$ 14.5700			
Nov.	\$ 14.4050			
Jan.	\$ 14.4750			
Mar.	\$ 14.4400			
May	\$ 14.4075			

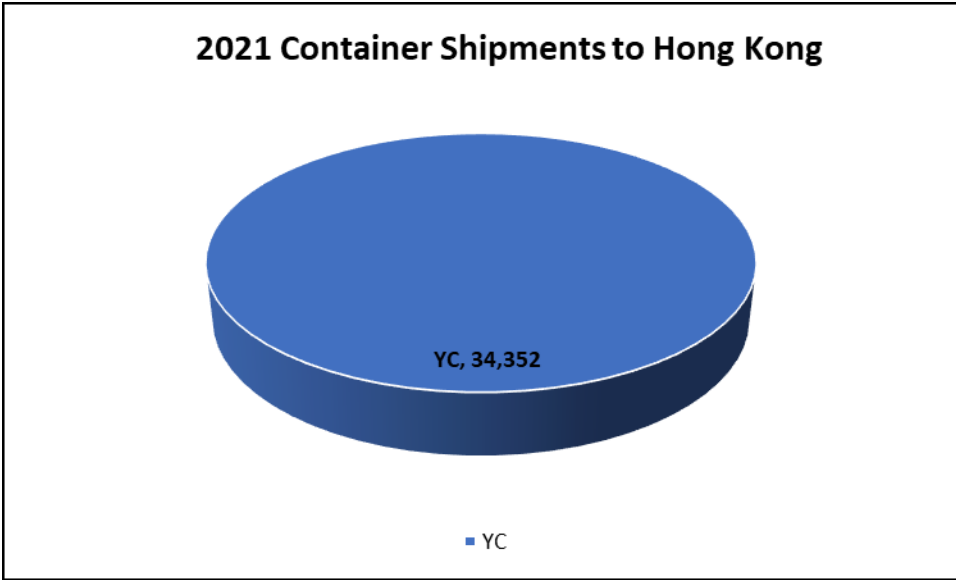
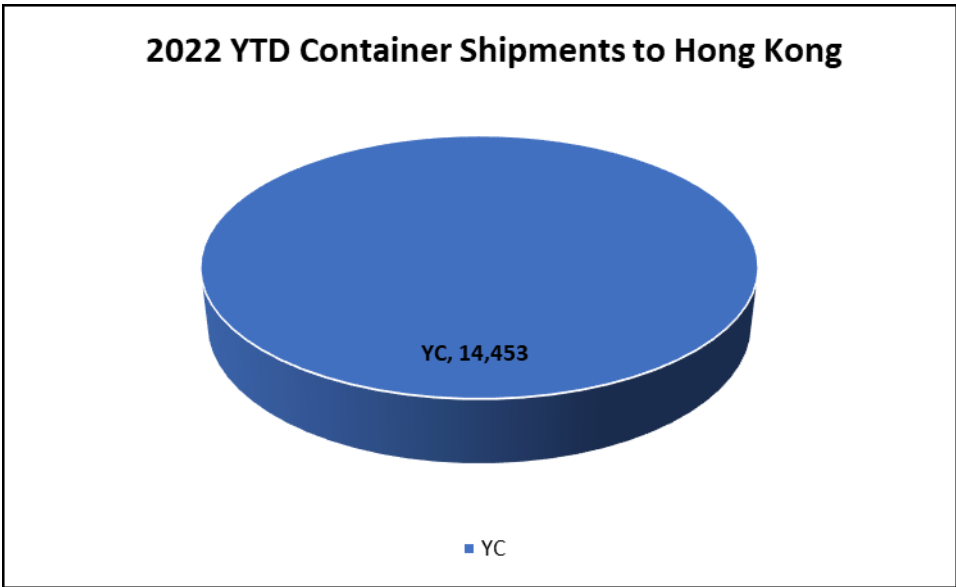
U.S. Soybean and SBM Markets Fob Vessel:

U.S. SBM (USD/MT) FOB Vessel		
Fob U.S. Gulf Port	47.5 Pro. SBM	
max 12.5 % moisture	Basis	Flat Price
Aug.	70.00	\$ 617.07
Sept.	65.00	\$ 560.18
Oct.	50.00	\$ 519.39
Nov.	50.00	\$ 517.07
Dec.	50.00	\$ 517.07
SBM Futures		
SMQ	\$ 489.70	
SMU	\$ 443.10	
SMV	\$ 421.10	
SMZ	\$ 419.00	
SMF	\$ 416.40	
SMH	\$ 409.80	

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).*

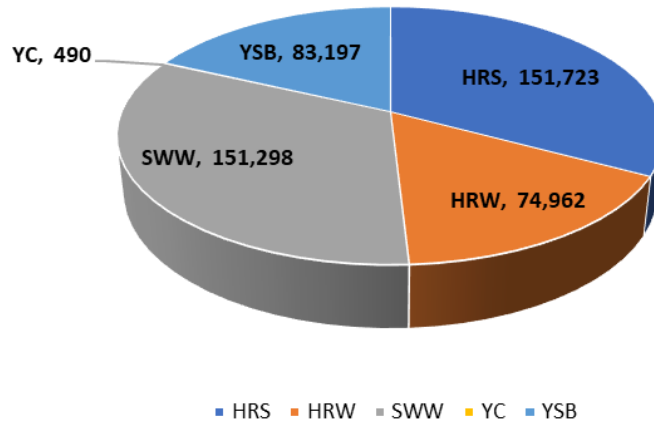
CONTAINER SHIPMENTS of GRAIN									
USDA Grain Inspections Report:		21-Jul-2022							
Last Week	metric tons								MT
	YC	WC	YSB	SRW	NS	SWH	DUWH	Sorghum	TOTAL
China	1,420		5,754					1,519	8,693
Taiwan	2,570		10,823						13,393
Hong Kong	538								538
Costa Rica	24								24
Indonesia			7,660						7,660
French Poly									0
Japan			1,566						1,566
Korea Rep.	244		367						611
Ireland									0
Malaysia			4,381		490				4,871
Singapore									0
Philippines			440						440
Thailand			2,302		122				2,424
Switzerland									0
Burma									0
Cambodia									0
Nepal									0
Vietnam			5,288		147				5,435
Sub Total:	4,796	0	38,581	0	759	0	0	1,519	45,655
USDA Corrections/Additions to previous reports:									
Taiwan	294		1,028						1,322
China									0
Hong Kong	24								24
Korea Rep.									0
Un Kingdom									0
Japan									0
Philippines									0
Indonesia									0
Malaysia						1,053			1,053
Thailand			24						24
Vietnam									0
Burma									0
Ireland									0
Sub Total:	318	0	1,052	0	0	1,053	0	0	2,423
Mt. Grand Total	5,114	0	39,633	0	759	1,053	0	1,519	48,078
Number of Containers	222	0	1,723	0	33	46	0	66	

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

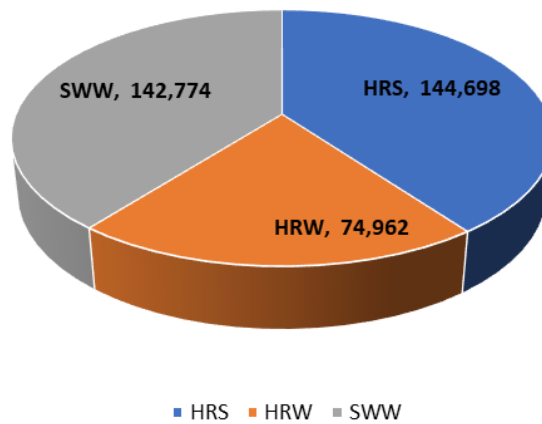


2022 YTD Total Grain Exports reported by USDA (in MT)

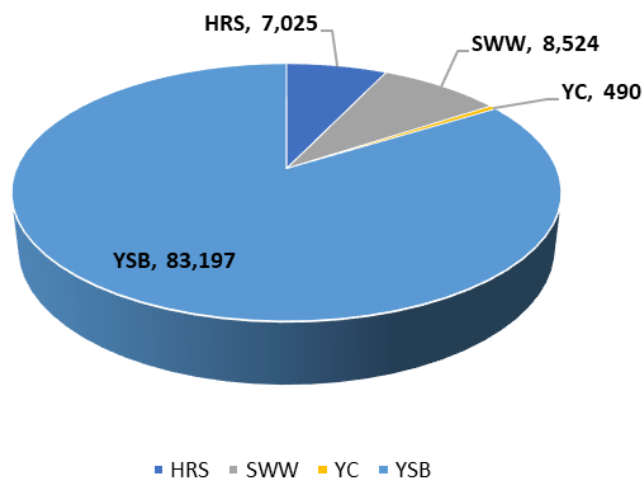
2022 YTD Exports to Thailand



YTD Vessel Shipments to Thailand



YTD Container Shipments to Thailand



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

Source: USDA-data

Shipping News



ILWU Coast Longshore Division @ilwulongshore · Jul 26

PMA and ILWU Update on Contract Talks:
Tentative Agreement Reached on Health Benefits.
Negotiations Continue on Other Issues.
1/5

Peter Tirschwell @PeterTirschwell · 15h

...

Speeches on Monday at the S. Atlantic & Gulf Coast District Convention in San Diego made clear that even though informal talks have gone on for months, interest remains strong in extending the existing contract covering container operations on the East and Gulf Coasts /1



California AB5 is going to be a continuing serious problem for California trucking and ports and industries.

Joeri @joeriwestland · 23h

...

[#SupplyChainCrisis](#) firing up again. Global port contagion is near high at the moment ...



Lori Ann LaRocco  @loriannlarocco · 23h

TRADE ALERT- Large trucker protests over California's gig worker law AB5 shut down Port of Oakland terminals cnb.cx/3uZVBCI #LOGISTICS #TRUCKING



2



1



27



Elena Faige Neroba @ElenaNeroba · 9h

...

Lloyd's syndicates began to insure vessels with Ukrainian grain - there are the first contracts - FT

BreakWave @DryBulkETF · 3h

...

The Baltic Dry Index drops below the 2,000 mark, first time since February. Now down 38% YoY.

Mike Lee @GreenSquareAC · 4h

...

Top 3 Russian grain export ports 2021/22;

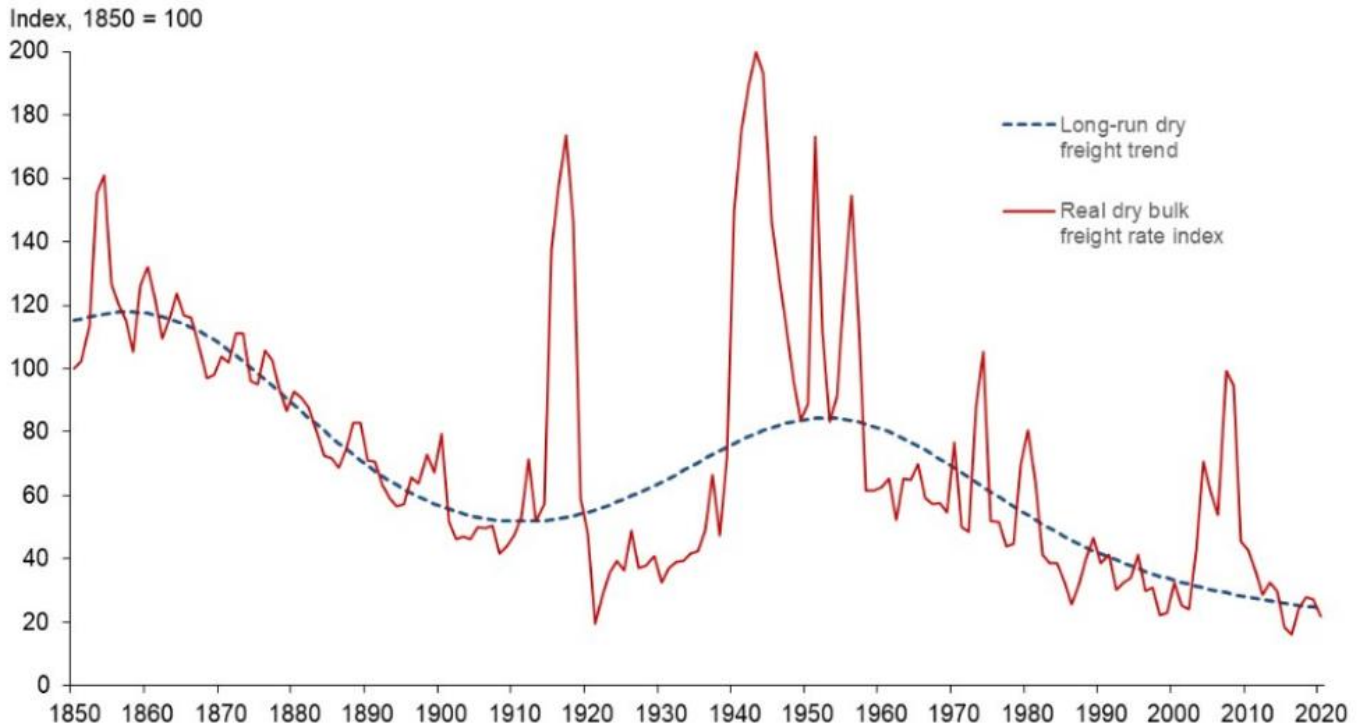
Novorossiysk: 14.7MMT

Kavkaz: 9.0MMT

Rostov-on-Don: 3.9MMT



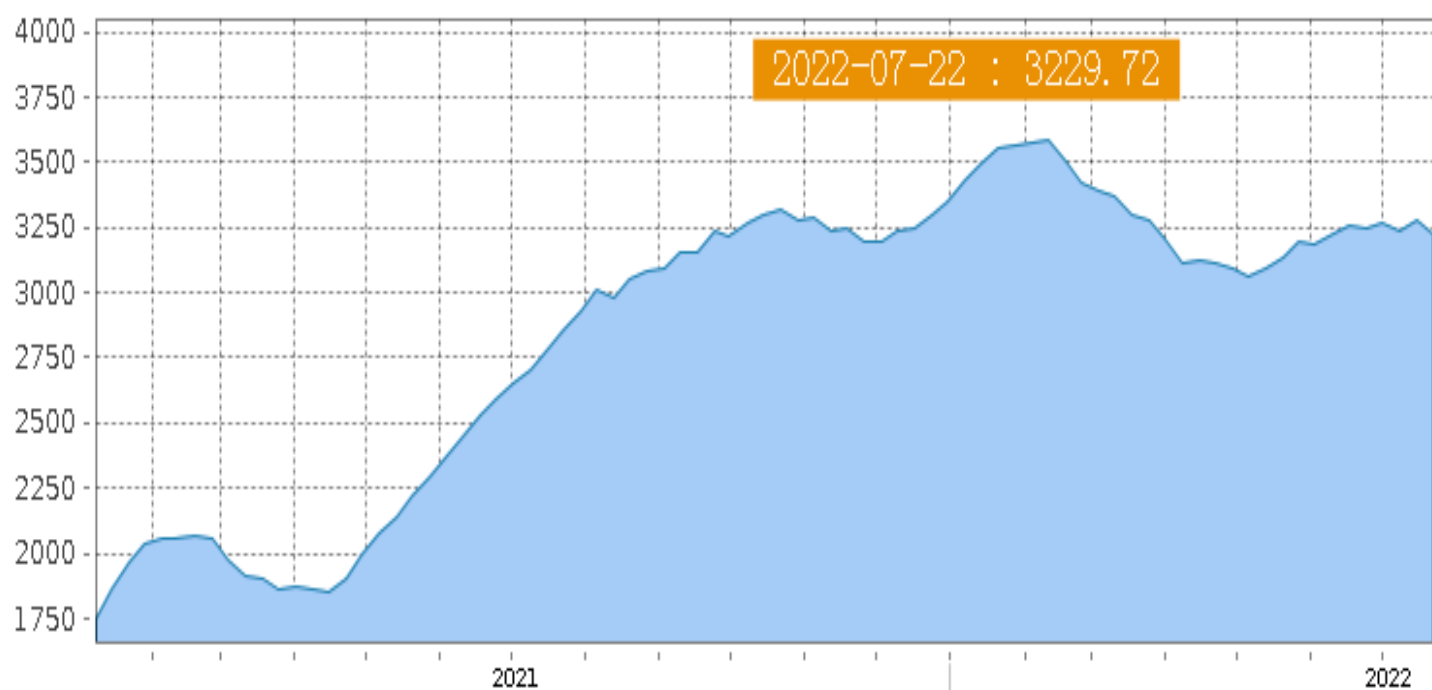
Chart 1
Real Dry Bulk Freight Rate Index and Its Trend, 1850–2020



NOTES: The solid red line represents the real dry bulk freight rate index, constructed from 10,488 observations of maritime freight rates. The dotted blue line is an estimate of the long-run trend.

SOURCE: "Dry Bulk Shipping and the Evolution of Maritime Transport Costs, 1850–2020." by David Jacks and Martin Stuermer. Dallas Fed Working Paper no. 2102, March 2021.

China Containerized Freight Index



China Import Dry Bulk Freight Index



Secondary Rail Car Market for Car placement period: Last Half August 2022

Secondary Rail Car Market Placement LH August 2022	BID USD	ASK USD	BID BU.	ASK BU.	BID MT	ASK MT
BNSF Shuttle Trains	\$ (275.00)	\$ (200.00)	\$ (0.07)	\$ (0.05)	\$ (2.71)	\$ (1.97)
UPRR Shuttle Trains	\$ 300.00	\$ 600.00	\$ 0.08	\$ 0.15	\$ 2.95	\$ 5.91

U.S. RIVER BARGE FREIGHT

Barge Freight for Loading Placement Last Half August 2022

Placement LH August 2022	% of Tariff	MT	Corn BU	Soybeans-Wheat BU
Upper Mississippi	658	\$46.74	1.19	1.27
Illinois River (Pekin and South)	600	\$40.94	1.04	1.11
Mid-Mississippi	625	\$30.73	0.78	0.84
Lower Ohio	600	\$29.50	0.75	0.80
St. Louis	565	\$24.85	0.63	0.68

Best Regards,

Jay

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