

## Transportation and Export Report for 4 July 2019

### Ocean Freight Insights and Comments:

The paper Bulls got ahold of the Dry-Bulk markets this week and ran things up. The physical side of the Trade was happy to follow. The market seems to be starting to understand that it is on limited time to comply with IMO2020 and the capital costs are hitting home. Daily hire rates in the Panamax sector for July jumped to \$11,200/day while Q4 went to \$11,600/day. Calendar year 2020 however remains inverted at \$9,850/day; so, there remains some uncertainty as to how far the market rally can extend. The Handy and Handymax freight sector was not able to realize the gains attained in the larger vessel markets.

### BALTIC DRY-BULK PANAMAX INDEX CHANGES

Panamax Ocean Freight Indices				
4-Jul-19	This Week	Last Week	Difference	Percent Change
P2A : Gulf/Atlantic - Japan	19900	17677	2,223	12.6%
P3A - PNW/Pacific - Japan	10385	9459	926	9.8%
S1C -USGULF-China-So.Japan	19889	18892	997	5.3%
P7- Trial- Miss. River - Qingdao	44675	42790	1,885	4.4%
P8- Trial- Santos - Qingdao	33400	31950	1,450	4.5%

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

Four weeks ago:	\$7.20-\$7.45
Three weeks ago:	\$7.10-\$7.70
Two weeks ago:	\$7.10-\$7.95
One week ago:	\$7.00-\$7.35
This week	\$7.30-\$7.90

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

Mississippi River:	(10 elevators)	2-12 days
Miss. River Mid-Stream loaders:	(6+ Rigs)	0-3 days
Texas Gulf	(5 elevators)	0-13 days (only 2 facilities over 7 days)
Pacific Northwest:	(9 elevators)	0-6 days (only 1 facilities over 4 days)

Panamax Market Spreads to Asia -China					
4-Jul-19	PNW	GULF	Bushel Spread	MT Spread	Advantage
CORN	0.96	0.66	0.30	\$11.81	PNW
SOYBEANS	0.80	0.64	0.16	\$6.30	PNW
OCEAN FREIGHT	\$23.50	\$43.50	.51 - .54	\$20.00	August

### Recent Reported Vessel Fixtures:

Soybean Panamax USG to Spain is running \$21.00/mt.

Soybean Brazil to Spain can be done at \$24.00/mt.

30,000 mt Corn Northern Brazil to Vera Cruz, Mexico \$18.50-\$19.50/mt .To U.S. E/C about \$21.50-22.50/mt

Route and Vessel Size	Current Week USD/MT	Change from previous week	Remarks
55,000 U.S. Gulf-Japan	\$44.50	Up \$1.50	Handymax \$43.00 mt
55,000 U.S. PNW- Japan	\$24.25	Up \$0.50	Handymax \$24.00 mt
66,000 U.S. Gulf – China	\$43.50	Up \$1.50	North China
PNW to China	\$23.50	Up \$0.50	
25,000 U.S. Gulf- Veracruz, México	\$16.75	Up \$0.25	3,000 MT daily discharge rate
30-35,000+ 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>	\$19.00	Unchanged	<u>West Coast Colombia at \$27.25</u>
From Argentina	\$32.50		
43-45,000 U.S. Gulf - Guatemala	\$28.00	Unchanged	Acajutla/Quetzal - 8,000 out
26-30,000 U.S. Gulf – Algeria	\$34.50 \$35.50	Up \$1.00	8,000 mt daily discharge 3,000 mt daily discharge
26-30,000 US Gulf-Morocco	\$35.75	Up \$1.00	5,000 discharge rate
55-60,000 U.S. Gulf –Egypt	\$28.00	Up \$1.00	60,000 -55,000 mt Romania- Ukraine, Russia Black Sea -Egypt \$13.75--\$15.00 (France \$16.50-\$17.50)
PNW to Egypt	\$29.00		
60-70,000 U.S. Gulf – Europe – Rotterdam	\$18.25	Up \$0.75	Handymax at +\$1.75 more
Brazil, Santos – China	\$33.25	Up \$1.00	54-59,000 Supramax-Panamax 60-66,000 Post Panamax 60-66,000 mt
Brazil, Santos – China	\$33.00		
Itacoatiara-Port Upriver North Brazil	\$36.50		
56-60,000 Argentina/Rosario- China Deep Draft	\$36.25	Up \$1.00	Upriver with BB Top Off \$38.75

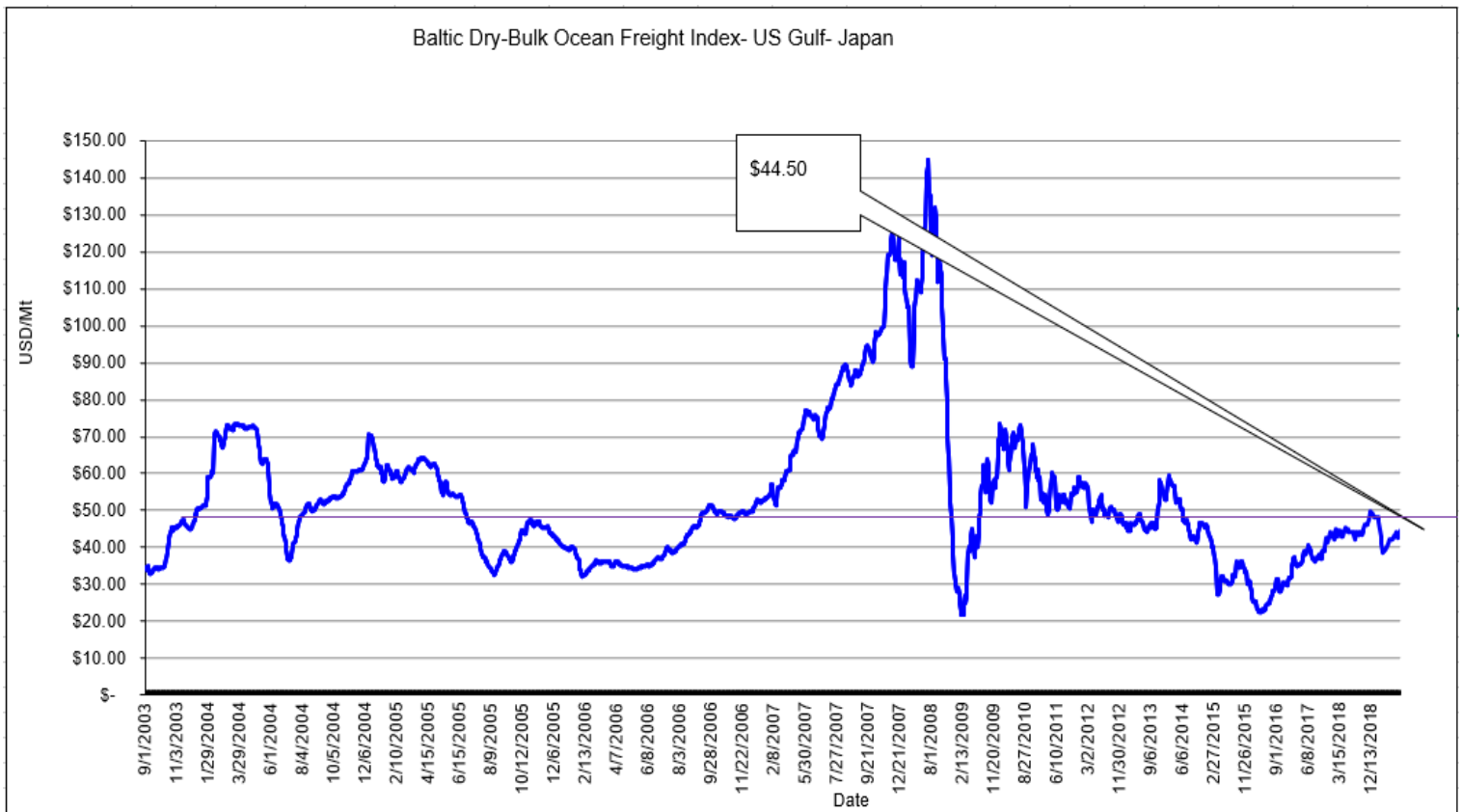
- The above rate estimates reflect the 30-45-day forward ocean freight markets.

**Nautical Miles: To Xiamen China (South China)**

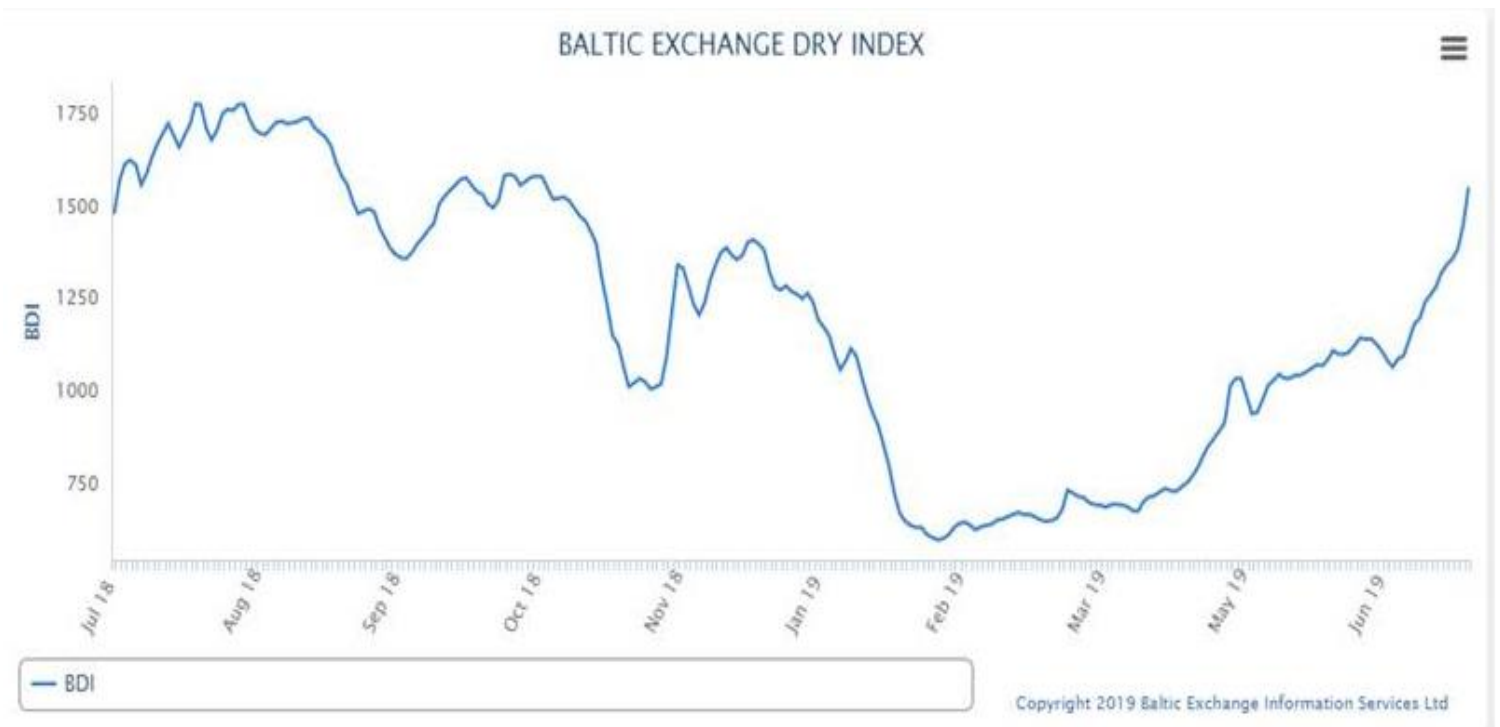
**US Gulf (NOLA) (via Panamá Canal) – 10,232 nautical miles (32 days)**

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

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

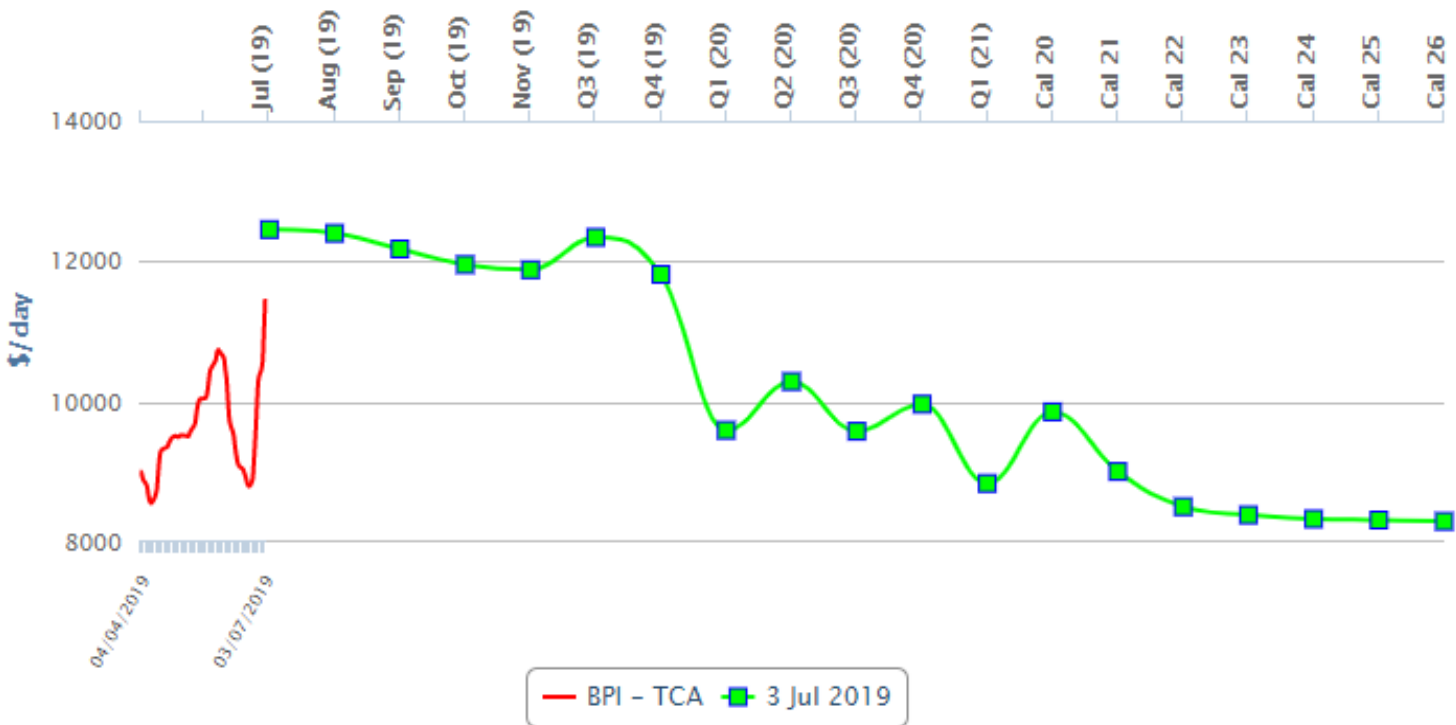


## Baltic Dry Index.



Baltic Panamax Forward Curve Chart

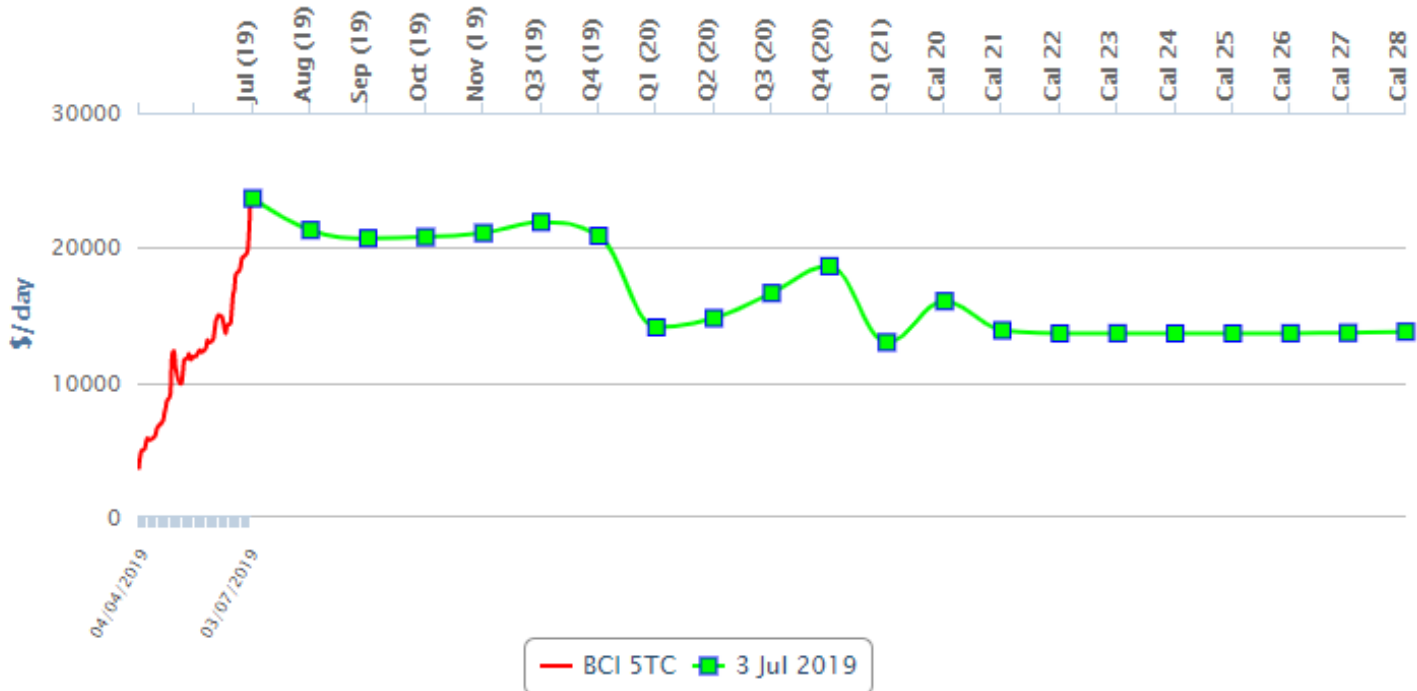
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Baltic Capesize Forward Curve Chart

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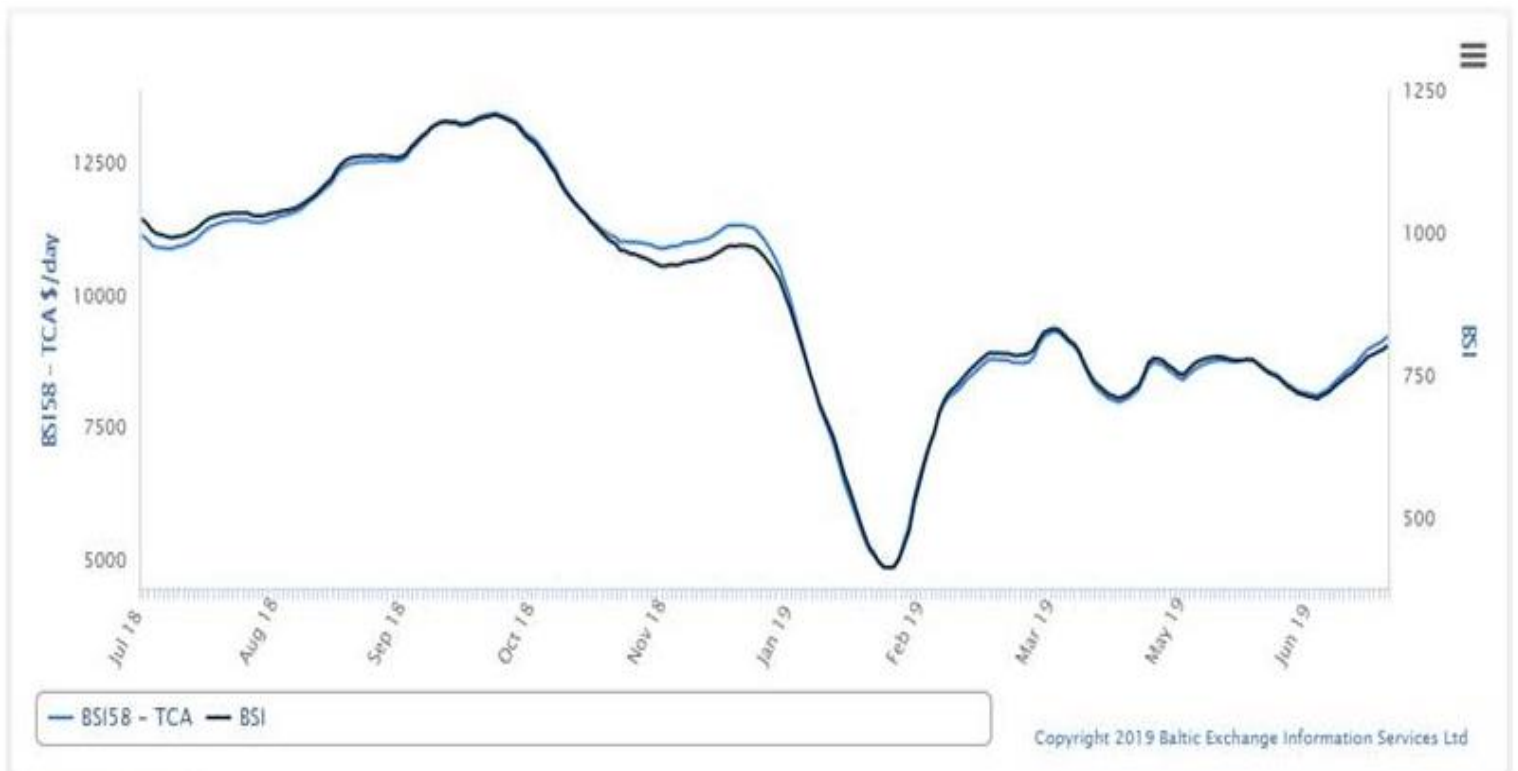


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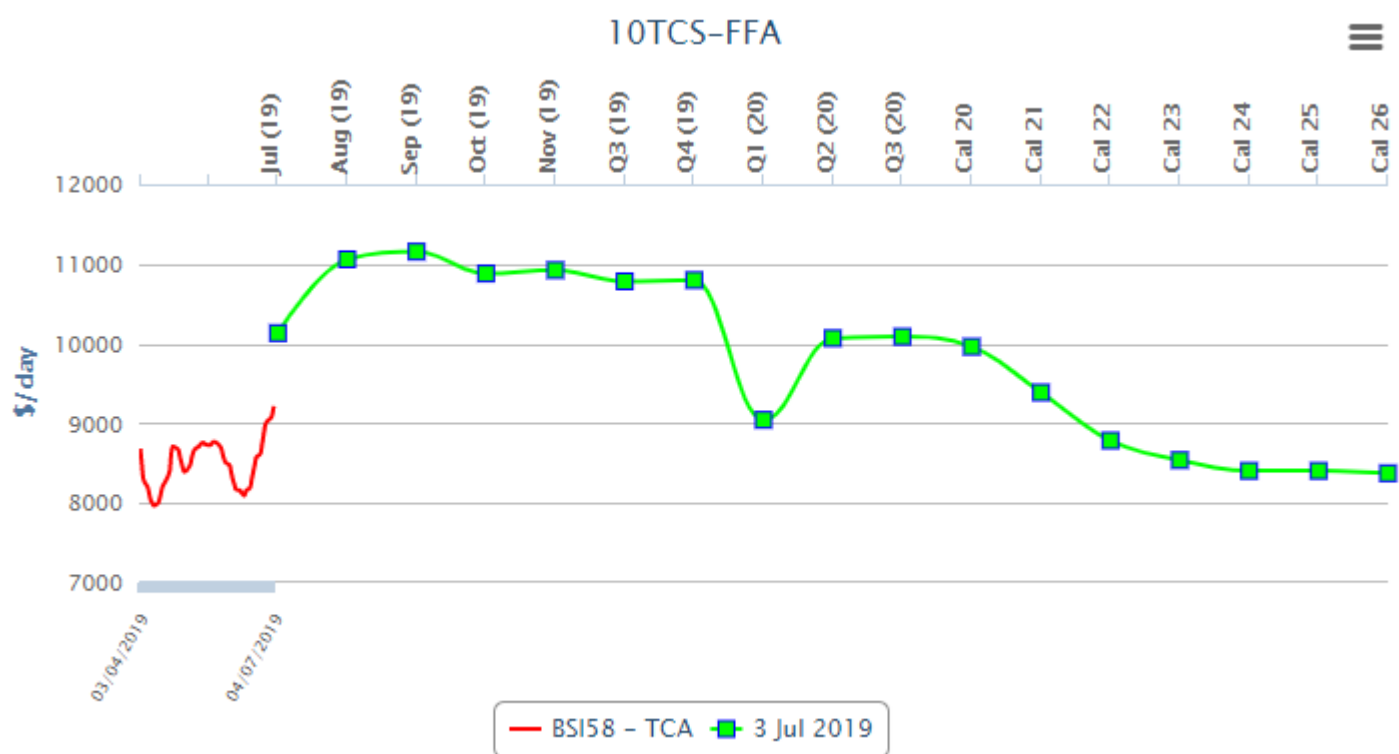
### Baltic Panamax Index



### Baltic Supramax Vessel Index

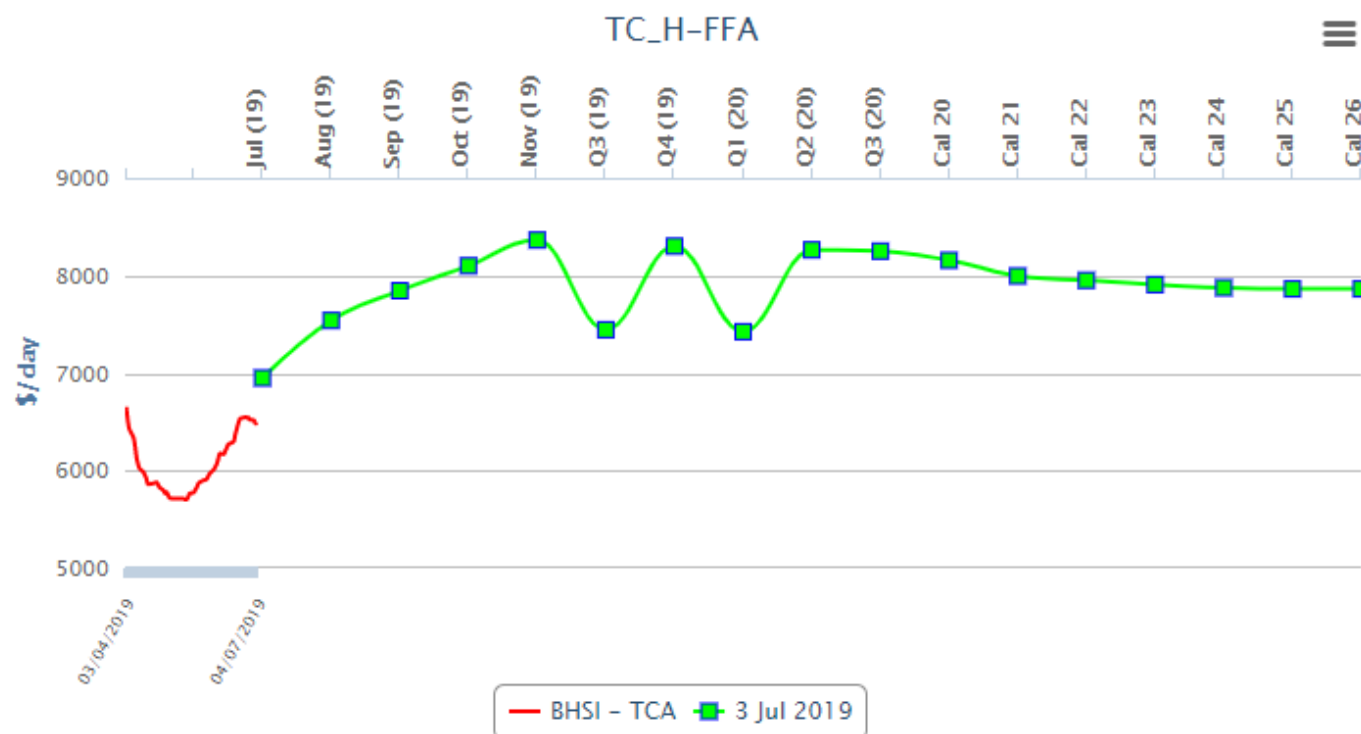


### Supramax Dry-Bulk Forward Curve



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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 2007-01-29 To 2019-06-26



China Import Dry Bulk Freight Index					
2019-07-03					
Description	Size MT	Cargo/Vessel Size	Unit	Rate	Change
Composite Index			Point	908.49	21.51
Iron ore Freight Index			Point	944.83	35.58
Soybean Freight Index			Point	969.45	10.15
Santos(Brazil)—North China	60000/10%	Soybean	\$/ton	32.81	0.415
Tacoma(West America)—North China	60000/10%	Soybean	\$/ton	23.21	0.19
Mississippi(US Gulf)—North China	66000/10%	Soybean	\$/ton	43.687	0.4
Mississippi(US Gulf)—North China	55000/10%	Soybean	\$/ton	45.363	0.308

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

<b>U.S. Yellow Corn (USD/MT) FOB Vessel</b>				
#2 YC	GULF # 2 YC		PNW # 3 YC	
Max. 14.5% moisture	BASIS	FLAT PRICE	BASIS	FLAT PRICE
<b>Aug.</b>	0.66	<b>\$197.92</b>	0.96	<b>\$208.26</b>
<b>Sept.</b>	0.69	<b>\$199.10</b>	1.08	<b>\$214.46</b>
<b>Oct.</b>	0.67	<b>\$200.09</b>	1.08	<b>\$216.23</b>
<b>Nov.</b>	0.72	<b>\$202.06</b>	1.10	<b>\$217.02</b>
<b>Dec.</b>	0.78	<b>\$204.42</b>	1.13	<b>\$218.20</b>
<b>Jan.</b>	0.76	<b>\$206.39</b>	1.10	<b>\$219.77</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	NOLA		TEXAS	
Max. 14.0% moisture	BASIS	FLAT PRICE	BASIS	FLAT PRICE
<b>Aug. (Z)</b>	0.80	<b>\$201.96</b>	0.35	<b>\$187.49</b>
<b>Sept. (Z)</b>	0.80	<b>\$203.43</b>	0.40	<b>\$189.46</b>
<b>Oct.</b>	0.90	<b>\$209.14</b>	0.50	<b>\$193.39</b>
<b>Nov.</b>	1.00	<b>\$213.08</b>	0.60	<b>\$197.33</b>
<b>Dec.</b>	1.00	<b>\$213.08</b>	0.65	<b>\$199.30</b>

Fob vessel Texas Gulf #2 Sorghum is about 95 % 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	\$221.93	\$223.77	\$226.06	\$227.90
Basis	0.90	0.95	0.90	0.95
WN	5.1800			.
WU	5.1400			
WZ	5.2525			

4-Jul-19	Close	This Week	Last Week.	Last Week.	Last Week	
CME Corn Futures	Bushel	MT.	Bushel	Bu. Diff.	MT	MT Diff.
July	\$ 4.3300	\$ 170.46	\$ 4.4000	(0.0700)	\$ 173.22	\$ (2.76)
Sept.	\$ 4.3675	\$ 171.94	\$ 4.4575	(0.0900)	\$ 175.48	\$ (3.54)
Dec.	\$ 4.4125	\$ 173.71	\$ 4.5100	(0.0975)	\$ 177.55	\$ (3.84)
Mar.	\$ 4.4825	\$ 176.47	\$ 4.5675	(0.0850)	\$ 179.81	\$ (3.35)
May	\$ 4.5175	\$ 177.84	\$ 4.5800	(0.0625)	\$ 180.30	\$ (2.46)
July	\$ 4.5500	\$ 179.12	\$ 4.5900	(0.0400)	\$ 180.70	\$ (1.57)



# 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	<b>U.S. Gulf #2 YSB</b>		<b>PNW #2 YSB</b>	
14.0 % Moisture	Basis	Flat Price	Basis	Flat Price
<b>Aug.</b>	0.64	<b>\$350.44</b>	0.80	<b>\$356.32</b>
<b>Sept. (X)</b>	0.48	<b>\$351.54</b>	0.75	<b>\$361.46</b>
<b>Oct.</b>	0.50	<b>\$352.28</b>	0.75	<b>\$361.46</b>
<b>Nov.</b>	0.56	<b>\$354.48</b>	0.75	<b>\$361.46</b>
<b>Dec.</b>	0.49	<b>\$356.23</b>	0.68	<b>\$363.21</b>
<b>Soybean Futures</b>				
<b>July</b>	\$ 8.8525			
<b>Aug.</b>	\$ 8.8975			
<b>Sept.</b>	\$ 8.9625			
<b>Nov.</b>	\$ 9.0875			
<b>Jan.</b>	\$ 9.2050			
<b>Mar.</b>	\$ 9.2900			

<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>	2.00	<b>\$ 341.89</b>
<b>Sept.</b>	2.00	<b>\$ 344.09</b>
<b>Oct.</b>	2.00	<b>\$ 345.96</b>
<b>Nov.</b>	1.00	<b>\$ 348.50</b>
<b>Dec.</b>	2.00	<b>\$ 349.60</b>
<b>SBM Futures</b>		
<b>SMN</b>	306.00	
<b>SMQ</b>	308.10	
<b>SMU</b>	310.10	
<b>SMV</b>	311.80	
<b>SMZ</b>	315.10	
<b>SMF</b>	316.90	

### 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 20 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	337.7	48,740.0	55,880	87%	3,178.9
Sorghum	0.0	1,558.6	2,160	72%	0.0
Soybeans	270.3	47,658.5	46,270	103%	2,314.4
Wheat	627.4	6,947.7	24,490	28%	0.0
Barley	0.3	50.8	70	73%	0.0

**U.S. EXPORT INSPECTIONS:**

Monday's report 01 July 2019 for the Export week ending 27 June 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	272,513	617,740	41,747,380	45,760,546	91%
Sorghum	56,255	112,816	1,638,429	4,771,093	34%
Soybeans	719,299	731,812	37,100,539	49,674,809	75%
Wheat	609,037	433,314	1,895,787	1,482,789	128%
Barley	0	857	1,053	807	130%

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

**U.S. EXPORT INSPECTIONS:**

Monday's report 01 July 2019 for the Export week ending 27 June 2019

Last Week								
(Metric Tons)	YC	%	WC	%	Sorghum	%	Soybeans	%
Lakes	0	0%	0	0%	0	0%	19,198	3%
Atlantic	0	0%	0	0%	0	0%	3,403	0%
Gulf	69,227	27%	15,824	91%	48,778	87%	350,562	49%
PNW	0	0%	0	0%	0	0%	196,721	27%
Interior Export Rail	185,892	73%	1,570	9%	7,477	13%	149,415	21%
Metric Tons	255,119		17,394		56,255		719,299	

Sorghum Shipments:	metric tons	
	48,778	China Main
	24	Japan
	7,453	Mexico
	56,255	Total

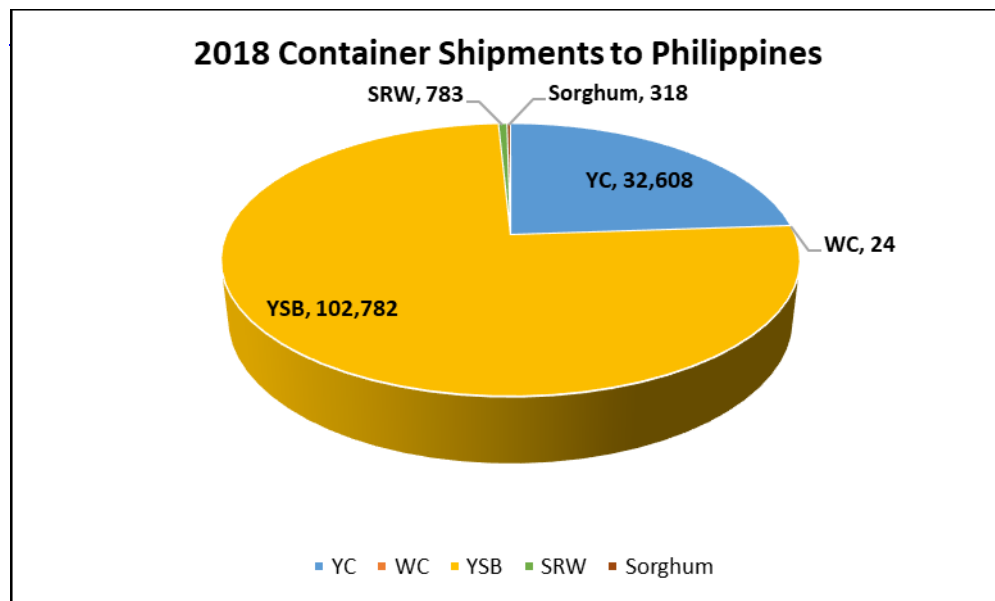
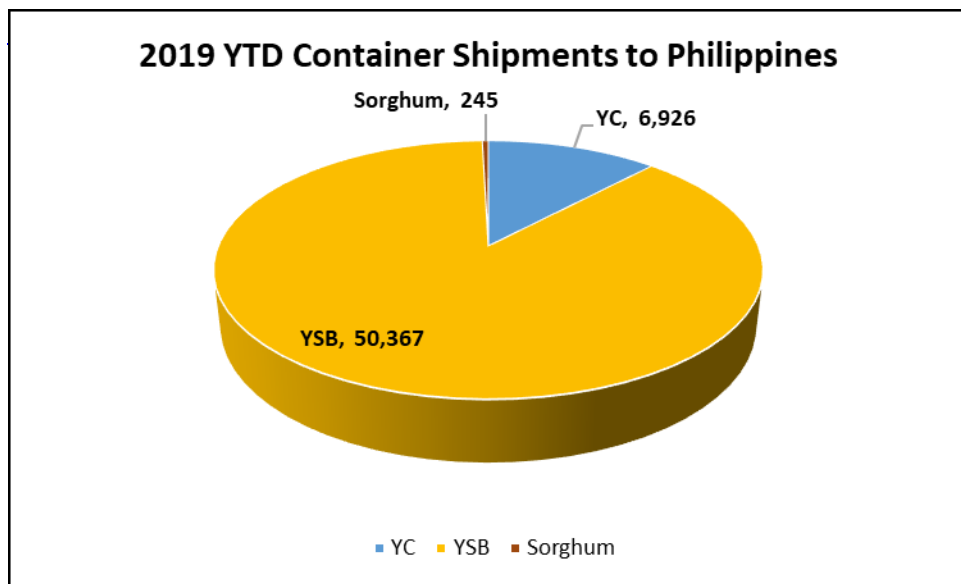
White Corn	metric tons	
Shipments:	7,600	Colombia
	8,224	Guatemala
	73	Korea Rep
	1,497	Mexico
	17,394	Total

## 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:		27-Jun-2019							
Last Week	metric tons								MT
	YC	WC	YSB	SRW	NS	SWH	HRW	Sorghum	TOTAL
China Main									0
China T	15,890		16,923	539					33,352
Hong Kong	808								808
Costa Rica									0
Indonesia			20,350						20,350
French Poly									0
Japan	735		1,369					24	2,128
Korea Republic	1,396	73	294						1,763
Nepal			1,714						1,714
Malaysia			7,983						7,983
Nicaragua									0
Philippines			1,444						1,444
Thailand			14,034						14,034
Ireland									0
Jordan									0
Vietnam			6,464						6,464
Sub total	18,829	73	70,575	539	0	0	0	24	83,576
USDA Corrections/Additions to previous reports:									
China T									0
China Main									0
Hong Kong									0
Korea Rep.									0
Canada									0
Japan									0
Philippines			122						122
Indonesia			1,053						1,053
Malaysia			73						73
Thailand									0
Vietnam									0
Burma									0
Bangladesh									0
Sub total	0	0	1,248	0	0	0	0	0	1,248
<b>Mt. Grand Total</b>	<b>18,829</b>	<b>73</b>	<b>71,823</b>	<b>539</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>24</b>	<b>84,824</b>
Number of containers	819	3	3,123	23	0	0	0	1	

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



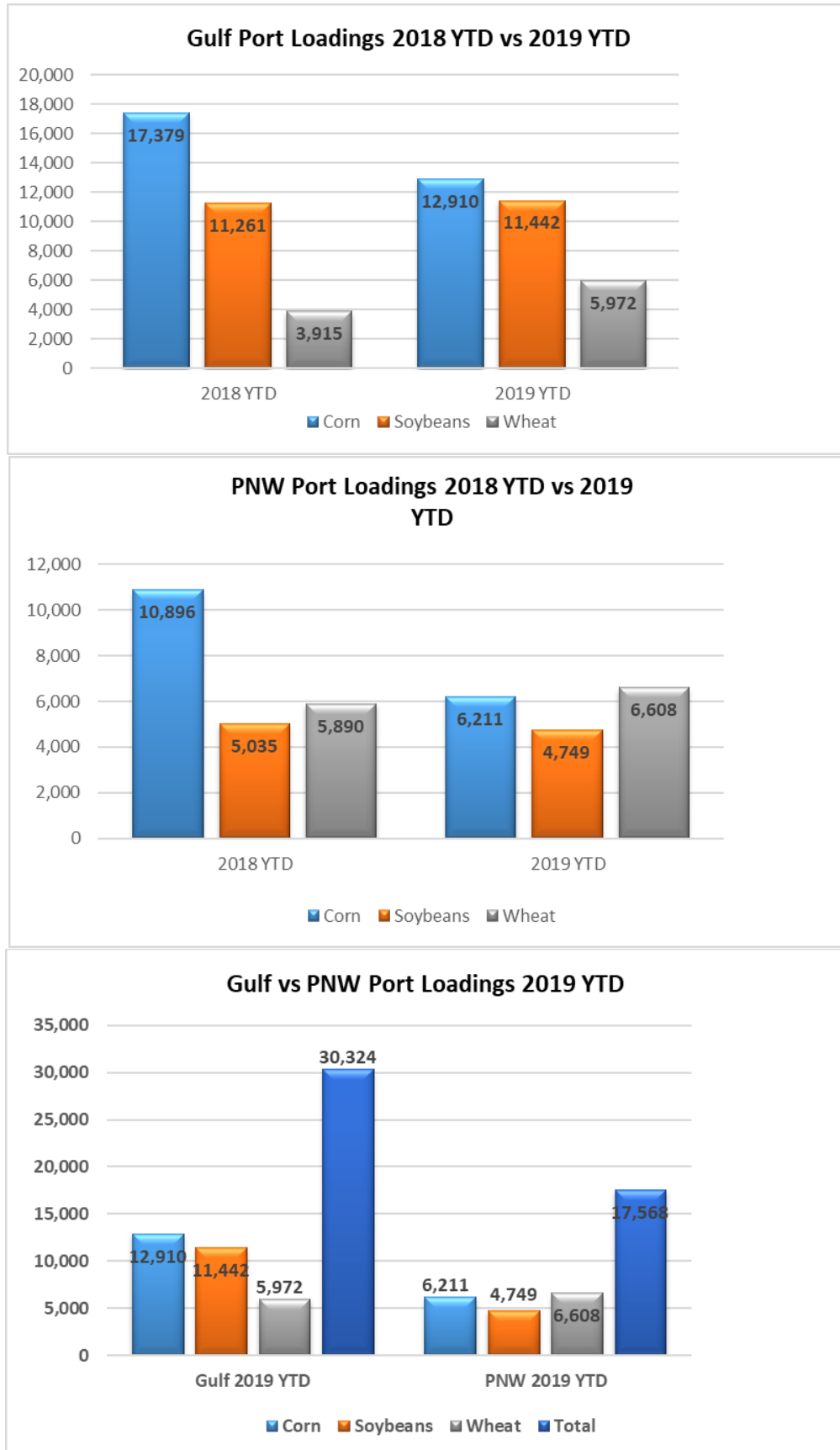
Grain Inspections for Export by U.S. Port Regions:  
U.S. Gulf and Pacific Northwest 2018 YTD vs. 2019 YTD

PORT LOADINGS US Gulf				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
<b>GULF</b>				
2018 YTD	17,379	11,261	3,915	32,555
2019 YTD	12,910	11,442	5,972	30,324
2019 as % of 2018	74%	102%	153%	93%

PORT LOADINGS US PNW				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
<b>PNW</b>				
2018 YTD	10,896	5,035	5,890	21,821
2019 YTD	6,211	4,749	6,608	17,568
2019 as % of 2018	57%	94%	112%	81%

PORT LOADINGS GULF vs. PNW				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
2019 Gulf YTD	12,910	11,442	5,972	30,324
2019 PNW YTD	6,211	4,749	6,608	17,568
TOTAL	19,121	16,191	12,580	47,892
Gulf Percentage	68%	71%	47%	63%
PNW Percentage	32%	29%	53%	37%

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

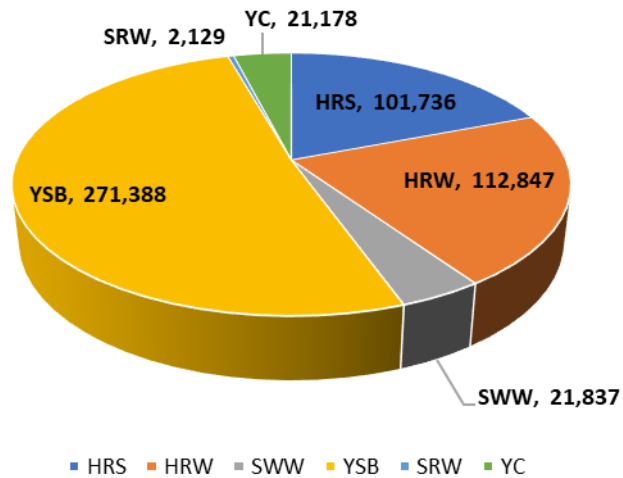


Source: USDA-data

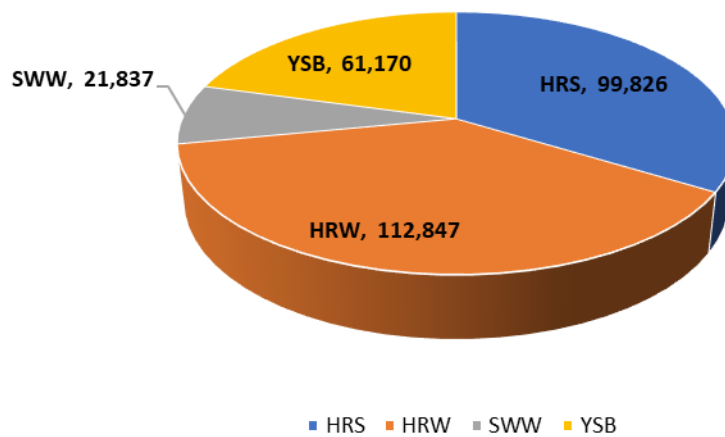


2019 YTD Total Grain Exports reported by USDA (in MT)

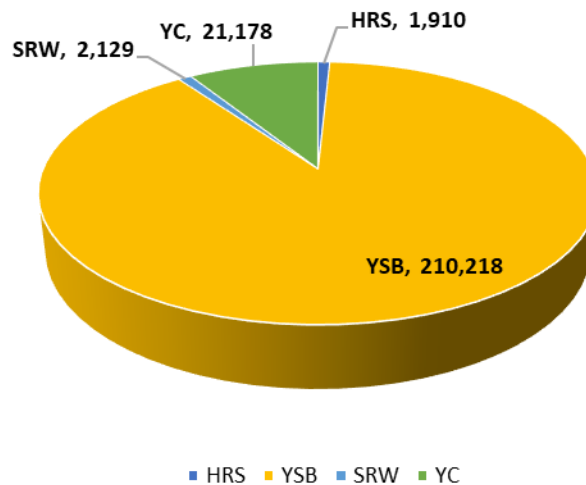
**2019 YTD Exports to Malaysia**



**YTD Exports to Malaysia by Vessel**

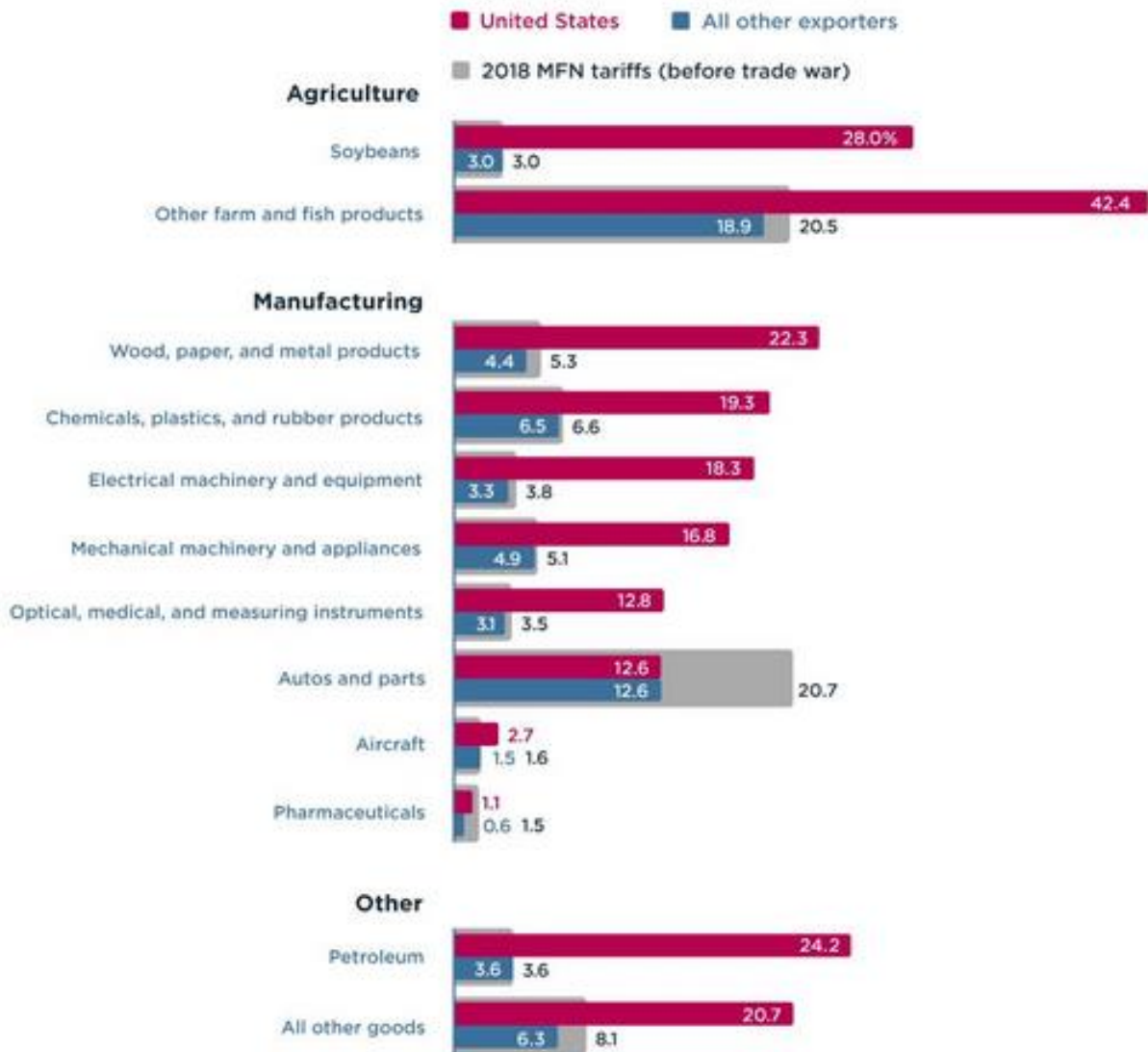


**YTD Exports to Malaysia by Container**



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

## China's tariff rates on US goods vs. the rest of the world's goods by sector as of June 1, 2019



**Note:** Trade-weighted average tariffs computed from product-level tariff and trade data, weighted by US exports to the world in 2017.

**Sources:** Constructed by the authors with data from Market Access Map (International Trade Centre, [marketanalysis.intracen.org](http://marketanalysis.intracen.org)) and China's Ministry of Finance's announcements (as linked in appendix table A.1).

Baltic Dry Bulk Index

## China Import Dry Bulk Freight Index



## China Containerized Freight Index



### **U.S. RIVER BARGE FREIGHT**

#### **Current Barge Freight for Placement First Half August 2019**

Placement FH August 2019	% of		Corn	Soybeans-Wheat
	Tariff	MT	BU	BU
Upper Mississippi	415	\$28.32	0.72	0.77
Illinois River (Pekin and South)	395	\$20.94	0.53	0.57
Mid-Mississippi	395	\$23.16	0.59	0.63
Lower Ohio	340	\$16.72	0.42	0.45
St. Louis	300	\$13.19	0.34	0.36

#### **Secondary Rail Car Market for car placement period: First Half August 2019.**

Secondary Rail Car Market Placement FH. 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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