

Transportation and Export Report for 7 July 2022

Just as Traders thought freight markets had found a bottom last week, things turned south and moved even lower. The current outlook has been described as “gloomy”. Paper traders are hoping this week will fare better. Markets remain fearful of the uncertainty in the global economic picture and some predictions of a coming recession. Hopes are that the China government \$200 billion financial stimulus package will provide some added import cargo demand.

The U.S. West Coast ILWU labor contract expired July 1. Negotiations are ongoing with no sign of an agreement soon. Both side state that a labor strike is not planned, at least not at this time.

BALTIC DRY-BULK PANAMAX INDEX CHANGES

Panamax Ocean Freight Indices					
7-Jul-2022		This Week	Last Week	Difference	Percent Change
P2A: Gulf/Atlantic - Japan	Index	29364	30918	-1,554	-5.0%
P3A: PNW/Pacific - Korea	Index	18346	19767	-1,421	-7.2%
S1C: US GULF-China-So.Japan	Index	25914	24793	1,121	4.5%
P7: Trial- Miss. River - Qingdao	per ton	71.36	74.41	-3.1	-4.1%
P8: Trial- Santos - Qingdao	per ton	62.06	65.48	-3.4	-5.2%

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

Four weeks ago:	\$12.90-\$12.15
Three weeks ago:	\$12.20-\$12.70
Two weeks ago:	\$12.50-\$11.35
One week ago:	\$11.80-\$11.00
This week	\$11.00-\$10.90

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

Mississippi River:	(9 elevators)	2-9 days (only 1 facility over 4 days)
Mid-Stream loaders:	(6+ Rigs)	2-3 days
Texas Gulf	(5 elevators)	0-6 days (only 1 facility over 3 days, 3 at zero days)
Pacific Northwest:	(9 elevators)	0- 6 days (only 1 facility over 3 days, 3 at zero days)

Panamax Market Spreads to Asia -China					
7-Jul-2022	GULF	PNW	Bushel Spread	Tonne Spread	Advantage
CORN	2.00	3.05	1.05	\$41.34	GULF
SOYBEANS	2.40	2.95	0.55	\$20.21	PNW
OCEAN FREIGHT	\$74.00	\$42.50	.80 -.86	\$31.50	AUGUST

Current Grain Vessel Market Indications:

** Below 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 \$55.50 - \$57.00/mt.

Soybean Brazil to Spain about \$65.00 - 66.00/mt.

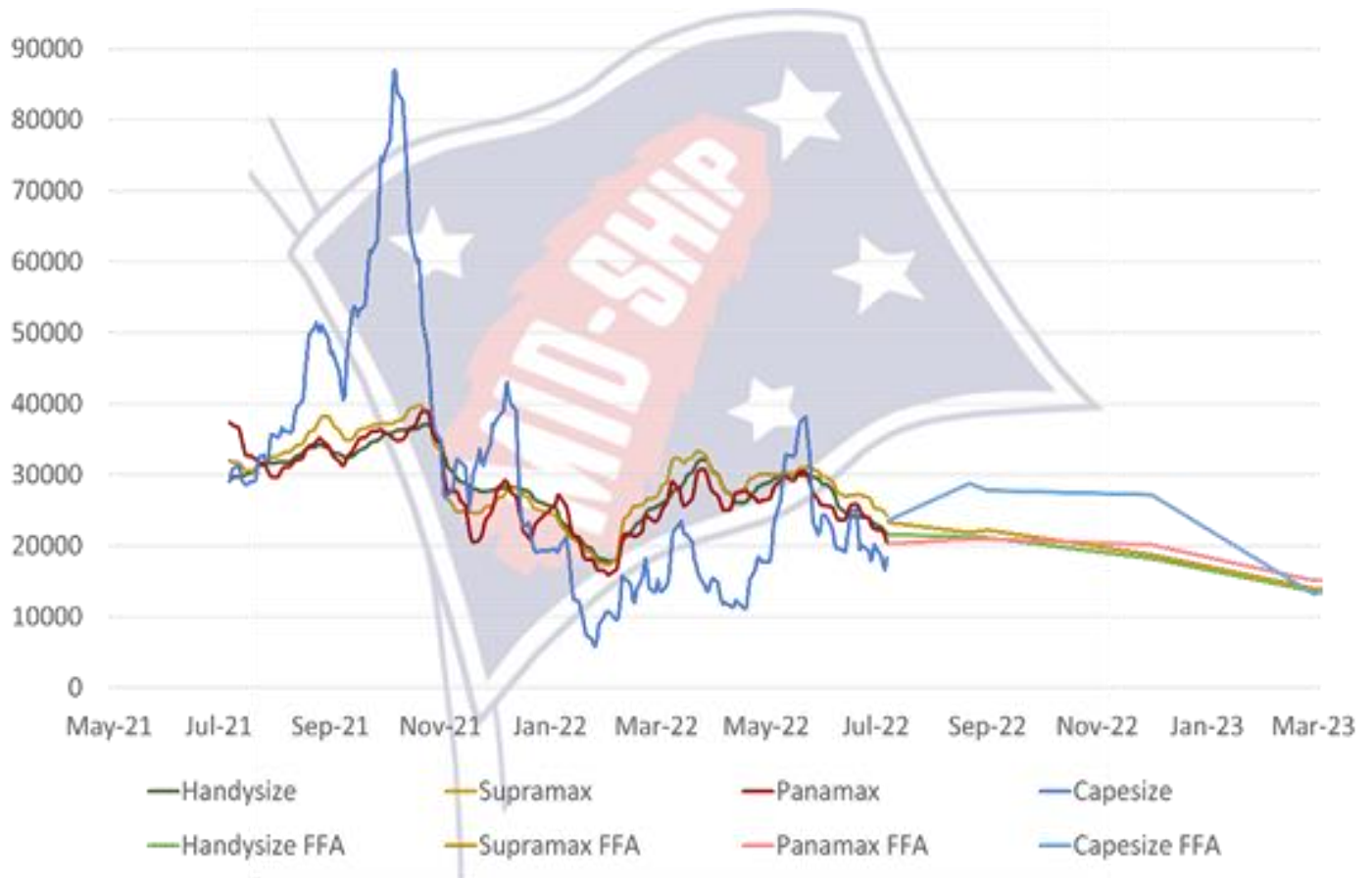
Route and Vessel Size	Current Week USD/MT	Change from previous week	Remarks
55,000 U.S. Gulf-Japan	\$75.00	Down \$1.50	Handymax \$75.00 mt
55,000 U.S. PNW- Japan	\$43.25	Down \$0.75	Handymax at \$43.00 mt
65,000 U.S. Gulf – China	\$74.00	Down \$1.75	North or South China
PNW to China	\$42.50	Down \$1.00	
25,000 U.S. Gulf- Veracruz, México	\$30.00	Down \$0.25	3,000 MT daily discharge rate
35-40,000 U.S. Gulf- Veracruz, México	\$26.25	Down \$0.25	Deep draft and 6,000 MT per day discharge rate.
30-38,000 U.S. Gulf- Colombia	\$44.00	Down \$0.50	<u>West Coast Colombia at \$51.50</u>
50,000 USG- E/C Colombia	\$43.50		
<u>East Coast Colombia</u> From Argentina	\$55.00		
40-45,000 U.S. Gulf - Guatemala	\$51.50	Down \$0.50	Acajutla/Quetzal - 8,000 out
30,000 US Gulf-Morocco	\$72.50	Down \$0.75	5,000 discharge rate
55-60,000 U.S. Gulf –Egypt	\$73250	Down \$1.00	55,000-60,000 mt Egypt
PNW to Egypt	\$73.00		Romania - Russia- Ukraine \$31.00 -\$35-\$51.00- \$.00 - France \$46.00, Bulgaria \$36.00
58-74,000 U.S. Gulf – Europe – Rotterdam	\$35.00	Unchanged	Handymax at +\$2.50 more
Brazil, Santos –China	\$66.50	Down \$3.00	54-59,000 Supramax-Panamax
Brazil, Santos –China	\$64.00		60-66,000 Post Panamax
Up-River Port North Brazil	\$72.50		55-60,000 mt
56-60,000 Argentina-China Deep draft	\$71.50	Down \$3.00	Up-River with Top Off Plus \$3.85-\$4.75

It was a very interesting Egypt GASC Wheat tender yesterday. Wheat was offered from 4 different countries (Russia, Romania, Bulgaria, and France). Freight was offered from 12 countries.

The Baltic Dry Bulk Freight Index



Baltic Panamax Index-

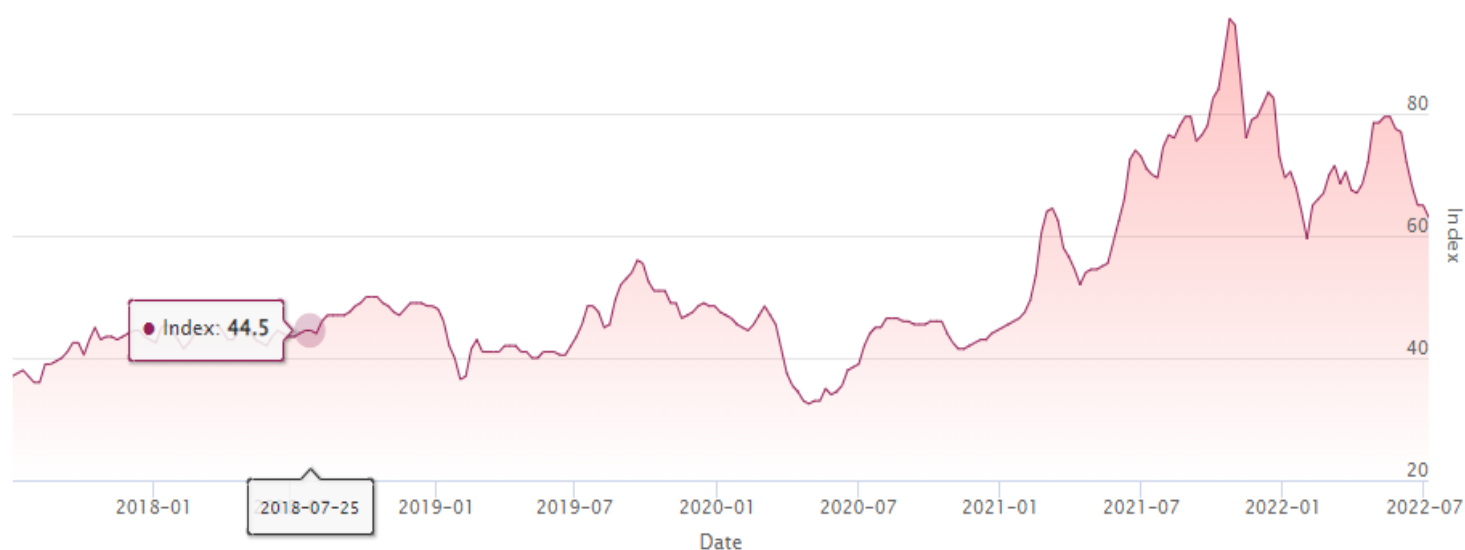


YAMAMIZU Index



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

From 2017-07-06 To 2022-07-06



China Import Dry Bulk Freight Index 2022-07-07

Description	Volume	Cargo	Unit	Rate	Change
Composite Index			Point	1552.23	4.67
Iron ore Freight Index			Point	1369.27	23.85
Dampier(West Australia)-Qingdao (China)	170000/10%	Iron ore	\$/ton	10.887	0.409
Soybean Freight Index			Point	1792.02	-18.25
Santos(Brazil)— North China	66000/10%	Soybean	\$/ton	64.42	-0.83
Tacoma(West America)—North China	63000/10%	Soybean	\$/ton	42.71	-0.24
Mississippi(US Gulf)—North China	66000/10%	Soybean	\$/ton	74.15	-0.57

7 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		N =	7.4700
Max. 14.5% moisture	BASIS	FLAT PRICE	BASIS	FLAT PRICE	U =	6.0900
Aug.	2.00	\$318.49	3.05	\$359.82	Z =	5.9625
Sept.	1.75	\$308.64	2.80	\$349.98	H =	6.0200
Oct.	1.75	\$303.62	2.70	\$341.02	K =	6.0550
Nov.	1.70	\$301.66	2.68	\$340.24	N =	6.0400
Dec.	1.65	\$299.69	2.35	\$327.25		
Jan.	1.60	\$299.98	2.25	\$325.57		

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.	1.60	\$302.74
Sept.	1.60	\$302.74
Oct.	1.70	\$301.66
Nov.	1.70	\$301.66
Dec.	1.70	\$301.66

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

SRW Wheat	USD/MT	Fob Vessel	US Gulf	
	Aug.	Sept.	Oct.	Nov.
FOB U.S. GULF	\$327.57	\$336.75	\$340.52	\$342.36
Basis	0.55	0.80	0.75	0.80
WN	8.2450			
WU	8.3650			
WZ	8.5175			

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)	2.40	\$589.91	2.95	\$610.12
Sept. (X)	2.30	\$586.24	2.95	\$610.12
Oct.	2.00	\$575.22	2.95	\$610.12
Nov.	1.78	\$567.13	2.68	\$600.20
Dec.	1.65	\$564.10	2.52	\$596.07
Soybean Futures				
July	\$ 15.9125			
Aug.	\$ 14.8525			
Sept.	\$ 13.8300			
Nov.	\$ 13.6550			
Jan.	\$ 13.7025			
Mar.	\$ 13.6450			

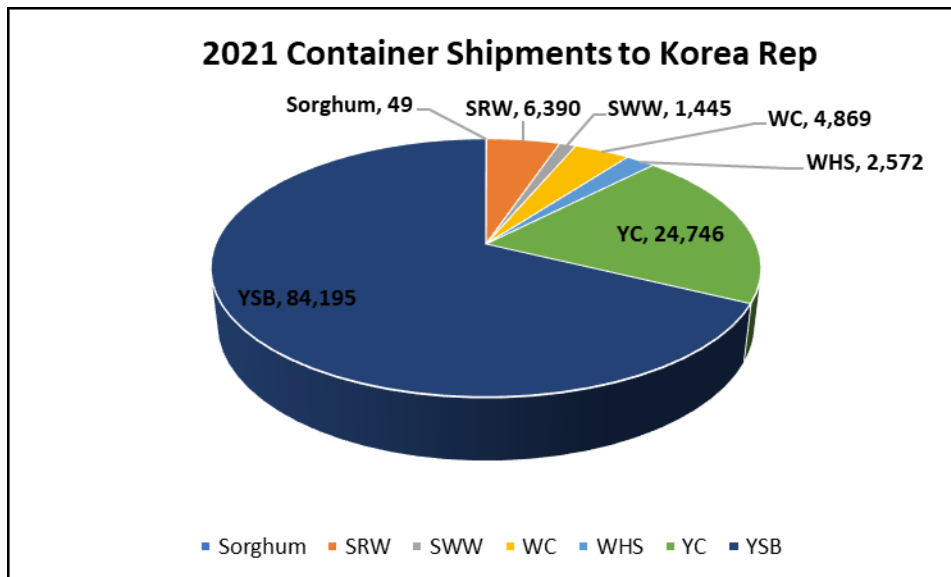
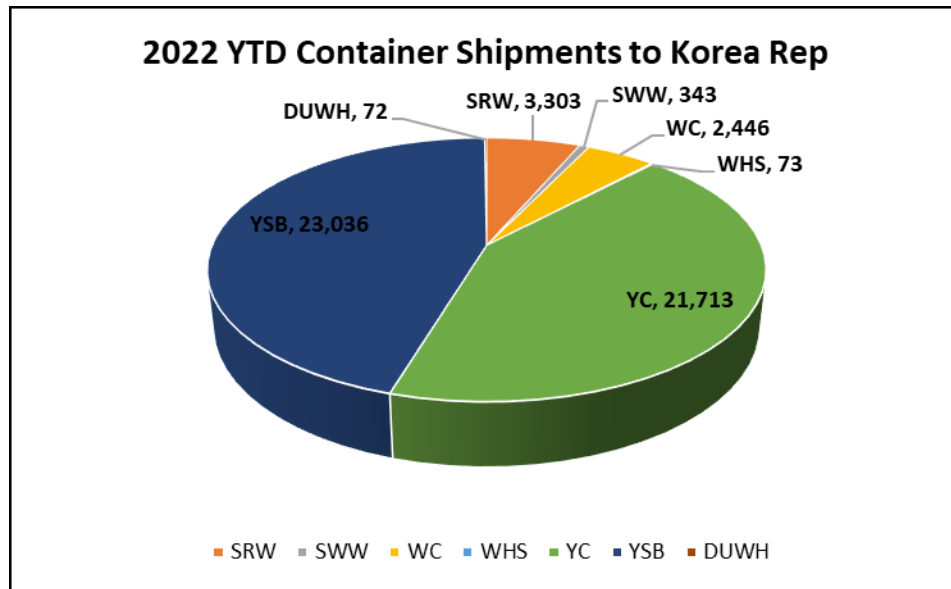
U.S. Soybean and SBM Markets Fob Vessel:

U.S. SBM (USD/MT) FOB Vessel		
Fob U.S. Gulf Port	47.5 Pro. SBM	
max 12.5 % moisture	Basis	Flat Price
Aug.	80.00	\$ 555.11
Sept.	80.00	\$ 530.30
Oct.	55.00	\$ 492.05
Nov.	55.00	\$ 492.60
Dec.	55.00	\$ 492.60
SBM Futures		
SMN	\$ 470.00	
SMQ	\$ 423.50	
SMU	\$ 401.00	
SMV	\$ 391.30	
SMZ	\$ 391.80	
SMF	\$ 390.90	

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).*

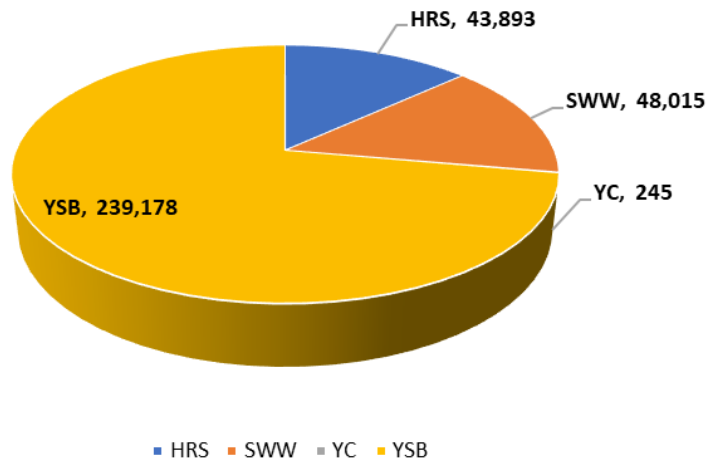
CONTAINER SHIPMENTS of GRAIN									
USDA Grain Inspections Report:		30-Jun-2022							
Last Week	metric tons								MT
	YC	WC	YSB	SRW	NS	SWH	DUWH	Sorghum	TOTAL
China			6,831					2,278	9,109
Taiwan	3,157		10,384						13,541
Hong Kong	464								464
Costa Rica									0
Indonesia			8,960						8,960
French Poly	245								245
Japan			1,002						1,002
Korea Rep.	2,056		856						2,912
Ireland									0
Malaysia	416		1,249						1,665
Singapore									0
Philippines			367						367
Thailand			1,222		808	490			2,520
Switzerland									0
Burma									0
Cambodia			73						73
Nepal									0
Vietnam			2,863		49				2,912
Sub Total:	6,338	0	33,807	0	857	490	0	2,278	43,770
USDA Corrections/Additions to previous reports:									
Taiwan			3,182						3,182
China								49	49
Hong Kong									0
Korea Rep.	637		73						710
Un Kingdom									0
Japan			24						24
Philippines			735						735
Indonesia			1,739						1,739
Malaysia									0
Thailand						490			490
Vietnam			1,004						1,004
Burma			490						490
Ireland									0
Sub Total:	637	0	7,247	0	0	490	0	49	8,423
Mt. Grand Total	6,975	0	41,054	0	857	980	0	2,327	52,193
Number of Containers	303	0	1,785	0	37	43	0	101	

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

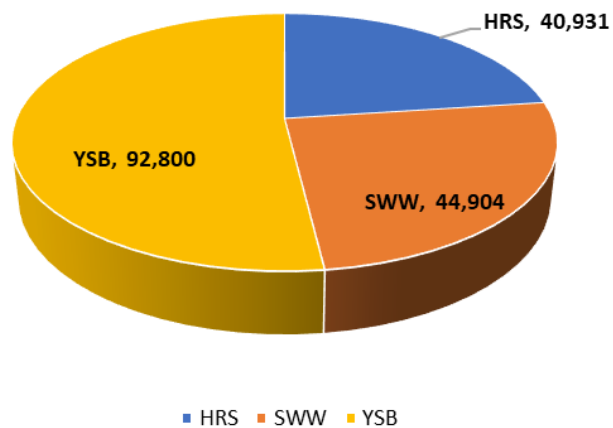


2022 YTD Total Grain Exports reported by USDA (in MT)

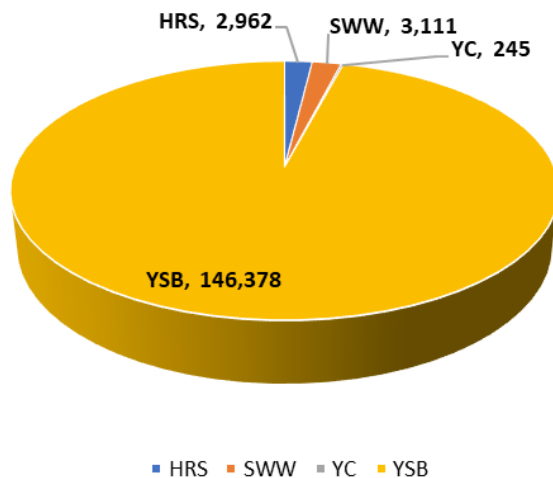
2022 YTD Exports to Vietnam



YTD Vessel Shipments to Vietnam



YTD Container Shipments to Vietnam



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

Source: USDA-data

Shipping News

Peter Tirschwell @PeterTirschwell · 15h ...

Example of how the ILWU is working outside the collective bargaining structure to limit automation at West Coast ports



John J Filson @JFIlson · 15h

Like it or not, California budgets \$2.3 billion for port infrastructure improvements/upgrades. It appears to all be going to the LA/LB port complex. In deference to the LA basin smog problems, it will include zero-emission truck & port equipment. railwayage.com/intermodal/cal...



Peter Tirschwell @PeterTirschwell · 15h ...

From the recently adapted California budget: “Funds awarded under this section shall not be used for the purchase of fully automated cargo handling equipment nor for infrastructure that is used to support fully automated cargo handling equipment.”

Peter Sand @XenetaSand · 2h

...

The most recent decrease means that for the first time this year schedule reliability from the Far East to the US East Coast has fallen below that between the Far East and the US West Coast.

Weekly Rate Update: W27-2022 from [@joinxeneta](#)
[xeneta.com/blog/weekly-co...](#)



Tom Craig @LTDMManagement · Jul 5

...

USWC [#ports](#) & [#ILWU](#). More [#SupplyChain](#) disruption. Even if there is no strike, it can shift more to USEC who are struggling now with shifts. Add [#maritime](#) impact & [#BlankSailings](#). Next stop--the Twilight Zone. [#logistics](#) [#automation](#) [#technology](#)



Wall Street Journal Opinion @WSJopinion · Jul 4

More supply-chain disruptions are coming. West Coast ports are negotiating a new labor contract, and it's likely to cause major slowdowns, writes [@PeterTirschwell](#)
[on.wsj.com/3OVKrGm](#)

Santosh Sankar ⚡💥 @santoshsankar · 5h

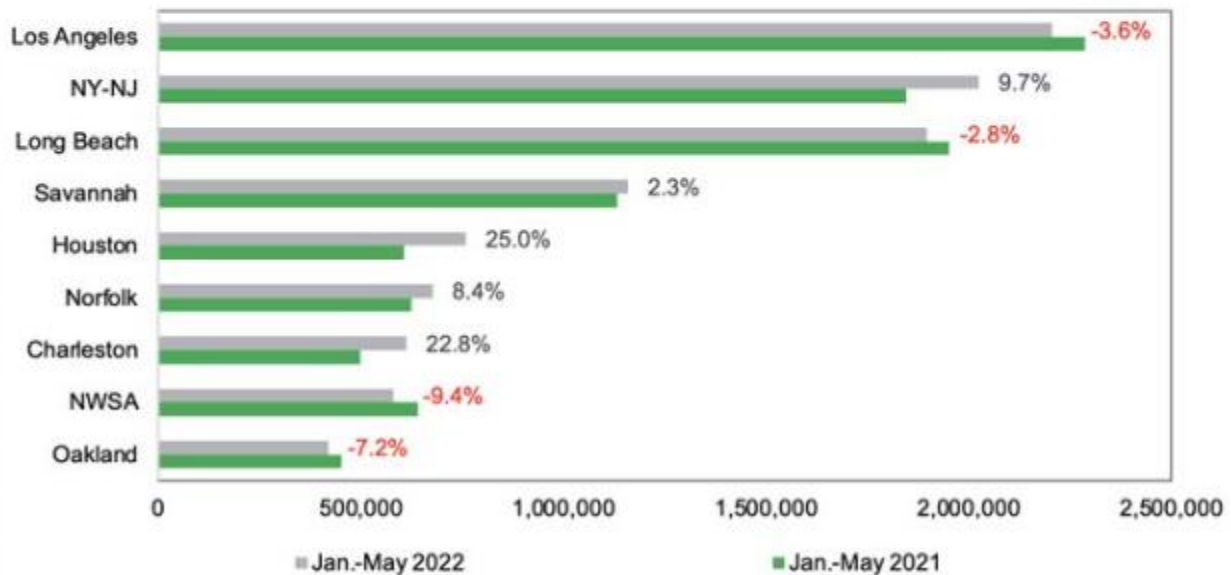
...

185/ "The difference this year is that imports to the East Coast began arriving even earlier as shippers sought to avoid potential disruption related to West Coast longshore labor contract negotiations, which began in May."

Via [@JOC_Updates](#)

US East, Gulf import growth offsets West Coast decline in early 2022

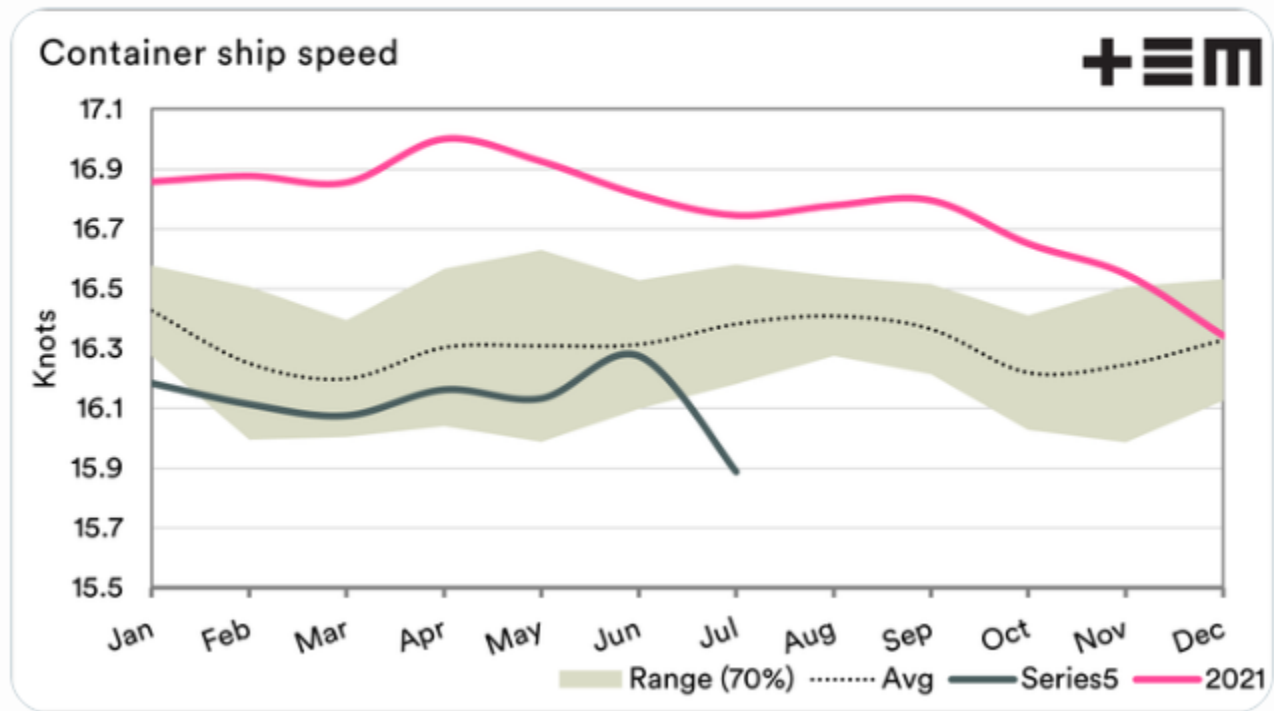
Total laden containerized imports at the busiest US ports, in TEU, with year-over-year change



Source: IHS Markit

© 2022 IHS Markit

Container vessel speeds have been below average this year.



Import Containers by Dwell Time

All Port of Los Angeles Terminals



July 5, 2022 6:35 AM

Total Imported Containers

82,640

0-4 Day Import Containers

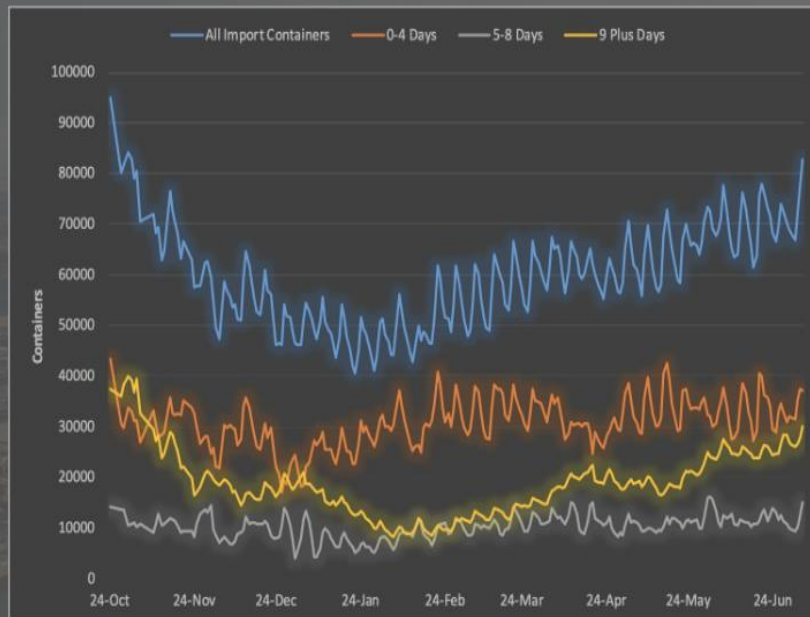
37,282 45.1%

5-8 Day Import Containers

15,152 18.3%

9+ Day Import Containers

30,206 36.6%



Since Oct. 24

Total

-13%

0-4 Day

-14%

5-8 Day

7%

9+ Day

-19%

Tom Craig @LTDMManagement · Jul 5

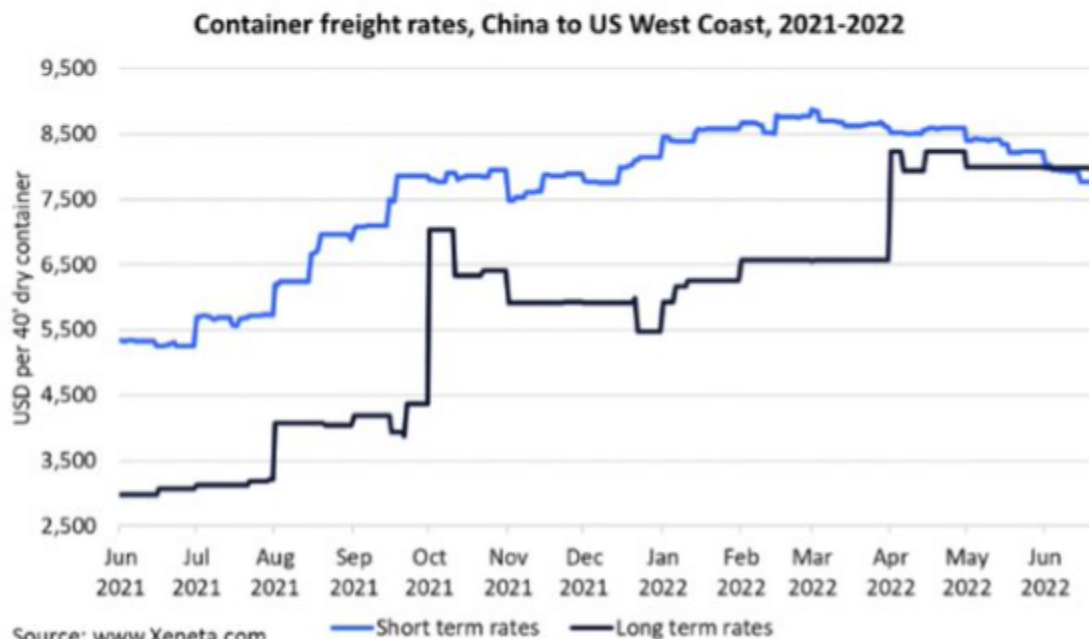
And in the land of #ContainerLine rate craziness. Rates vs volume/ship shifts to USEC from USWC. #ILWU #maritime #logistics #supplychain

 Xeneta @joinxeneta · Jul 5

It's been another bumpy month for long-term ocean #freightrates, as the cost of securing container shipments climbed by 10.1% in June.

After a record 30.1% hike in May, this now means rates stand 169.8% higher than this time last year.

Read more: hubs.ly/Q01g8YG30



Lloyd's List  @LloydsList · 19m

...

Cosco expects 74% increase in first-half profit



lloydslist.maritimeintelligence.informa.com

Cosco expects 74% increase in first-half profit

Company cites high export transportation fees on prime shipping lines amid tight capacity and port congestion

Greg Knowler @greg_knowler · 38m

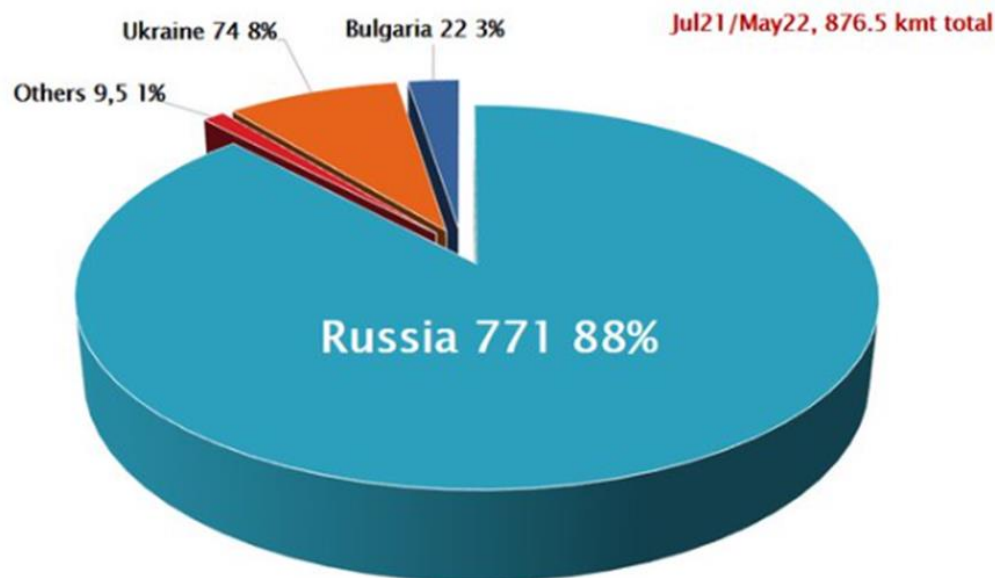
...

Cosco today told investors to expect first half net profit to hit \$9.6 billion, up 74% on H1 last year. It was the first carrier to issue a profit alert this interim results season, but the other carriers can't be far behind
JOC_Updates shar.es/afWP2W via @JOC_Updates

DRY TIME CHARTER ESTIMATES (\$/pdpr)

PERIOD	4/6 MOS		1 YR		2 YR	
SIZE	ATL	PAC	ATL	PAC	ATL	PAC
HANDY (38k dwt)	22,500	29,000	24,000	25,500	24,750	26,000
SMAX/ULTRA	23,250	33,750	25,000	26,500	23,000	23,500
PANA/KMAX	24,000	26,000	23,500	24,000	22,000	22,000
CAPE SIZE	26,000	26,000	23,500	23,500	23,000	23,000

TURKISH SUNOIL IMPORTS (KMT)

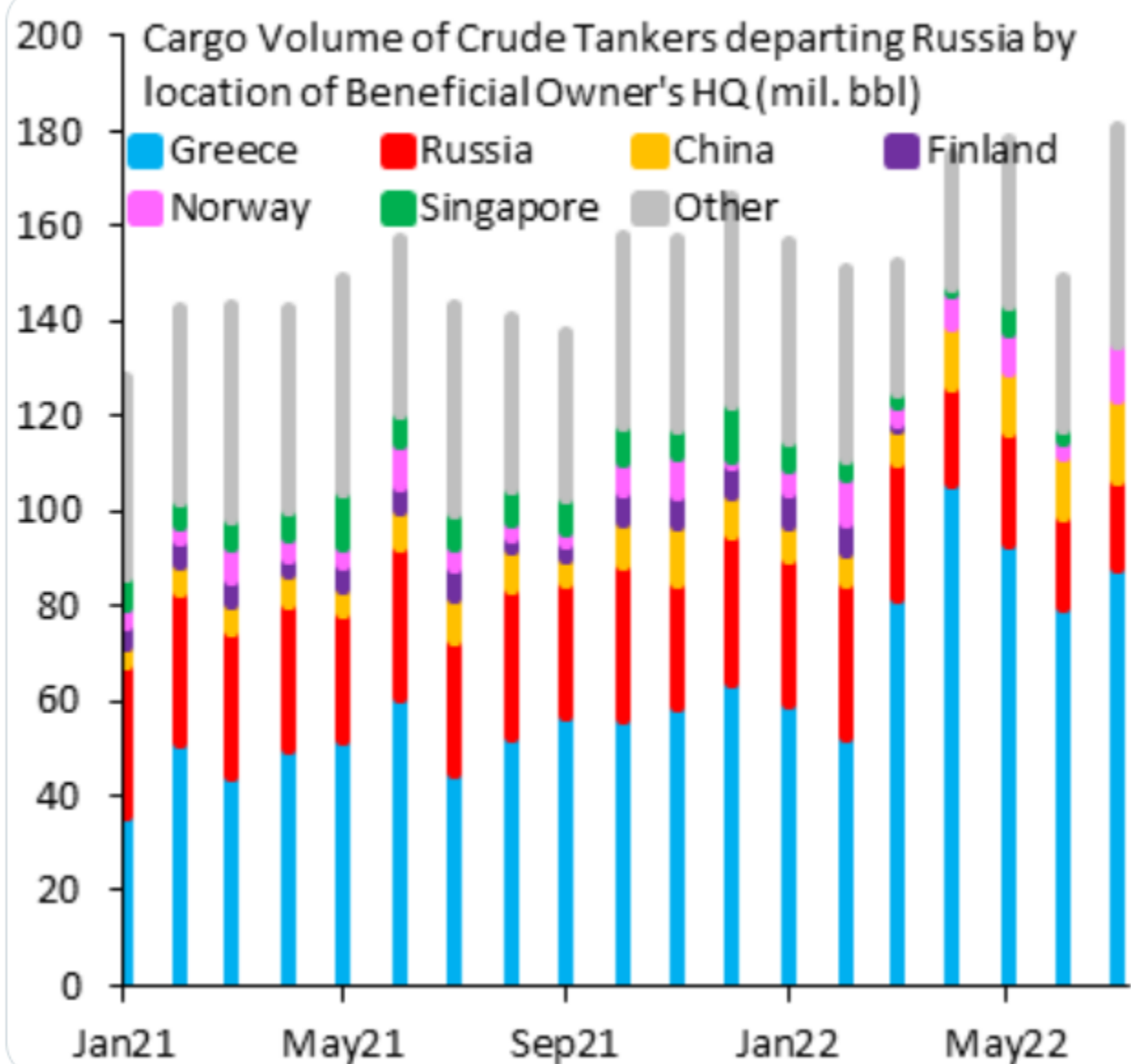


Source: TURKSTAT

Robin Brooks @RobinBrooksIIF · Jul 5

...

The EU holds all the cards on Russia. It is EU tankers - from Greece - that transport Russian oil & keep Putin's war machine going. The EU has the power to stop this with the stroke of a pen, sending Russia into chaos as it struggles to shut-in its oil wells. With [@JonathanPingle](#)



Stolen grain trucks tracked via on-board GPS

Between 1 March and 23 June 2022



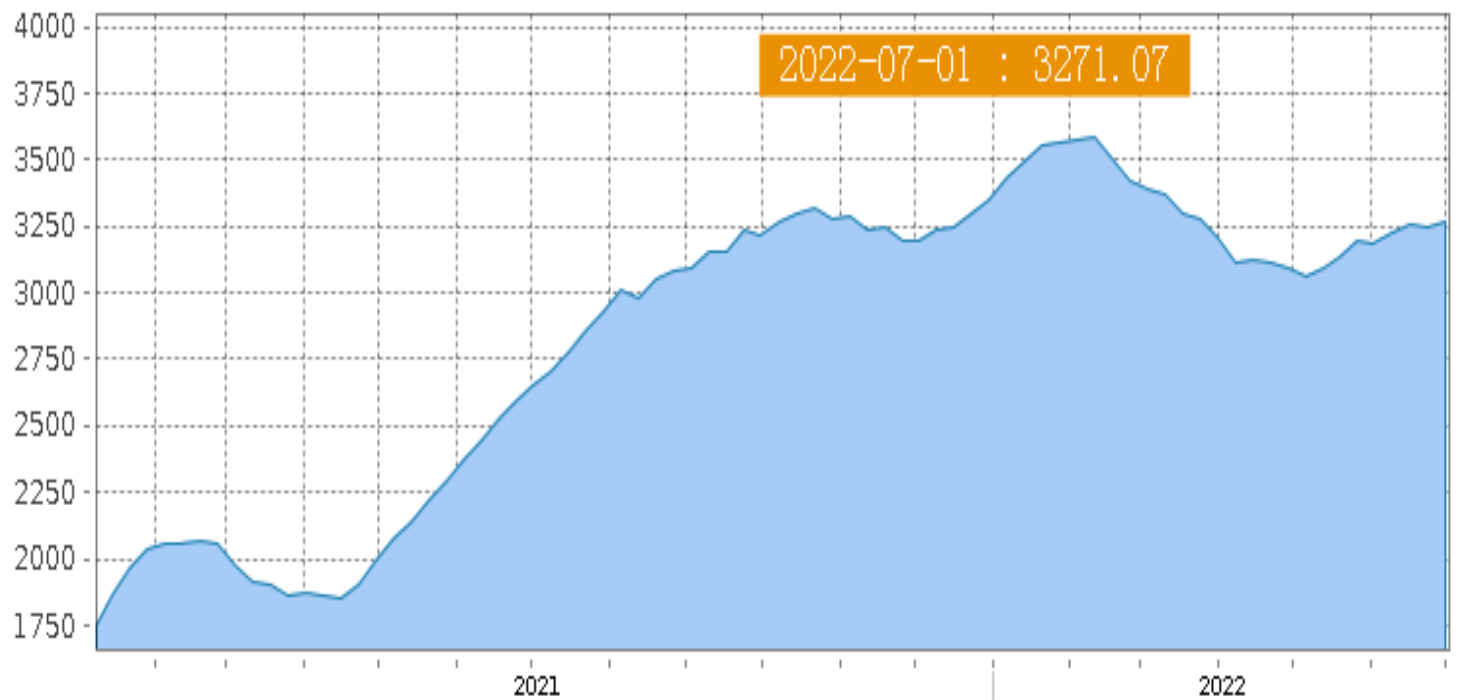
Source: Institute for the Study of War (22 June) / Renault / Maxar

BBC

From the GPS data, both trucks stopped near a storage facility - identified as a site for unloading and storing grain - in the Crimean town of Oktyabske.

In a satellite image from 14 June this year - you can see a line of trucks on the road next to the facility.

China Containerized Freight Index



China Import Dry Bulk Freight Index



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

Secondary Rail Car Market Placement FH August 2022	BID USD	ASK USD	BID BU.	ASK BU.	BID MT	ASK MT
BNSF Shuttle Trains	\$ (300.00)	\$ (200.00)	\$ (0.08)	\$ (0.05)	\$ (2.95)	\$ (1.97)
UPRR Shuttle Trains	\$ -	\$ 300.00	\$ -	\$ 0.08	\$ -	\$ 2.95

U.S. RIVER BARGE FREIGHT

Barge Freight for Loading Placement First Half August 2022

Placement FH August 2022	% of Tariff	MT	Corn BU	Soybeans-Wheat BU
Upper Mississippi	630	\$42.99	1.09	1.17
Illinois River (Pekin and South)	530	\$36.16	0.92	0.98
Mid-Mississippi	550	\$27.04	0.69	0.74
Lower Ohio	540	\$26.55	0.67	0.72
St. Louis	475	\$20.89	0.53	0.57

Best Regards,

Jay

Jay O'Neil
HJ O'Neil Commodity Consulting
785-410-2303 (cell)

joneil@ksu.edu

Follow me on Twitter @ [igpjay](#)



*** The information in this market report is derived from sources believed to be reliable and accurate but cannot be guaranteed. Forward looking projections are never completely accurate, and these markets move quickly.
All market data is subject to change with market conditions and Trader's opinions.
Please obtain market updates and reconfirm all values with your regular freight supplier before making any trading decisions based on this data. This message and any attachments may contain confidential or privileged information and are only for the use of the intended recipient of this message. If you are not the intended recipient, please notify the sender by return email, and delete or destroy this and all copies of this message and all attachments. Any unauthorized disclosure, use, distribution, or reproduction of this message or any attachments is prohibited and may be unlawful.
This E-mail is covered by the Electronic Communications Privacy Act, 18 U.S.C. §§2510-2521, and is confidential.