

Transportation and Export Report for 9 July 2020

It was a mixed scenario in Dry-Bulk markets this week as the Capesize market ran into selling pressure and the Panamax and Supramax sectors tried to make up ground from their slower performance of the last two weeks. Freight markets needed some rebalancing after the Capesize sector outdistanced all other markets over the past two weeks. After trading as high as \$31,000/day last week, the July Capesize market dropped to \$25,500-\$26,000/day and August to \$18,100/day. Panamax markets rallied early in the week but backed off a bit at weeks end settling at \$13,400/day for July and August. It has obviously been quite a ride and freight markets will now have to reassess just how much fuel this market really has. On the container side, it has been amazing how the shipping Alliances have been able to stand together in their efforts to remove capacity from the market and enforce 3-4 GRI's in 2020.

BALTIC DRY-BULK PANAMAX INDEX CHANGES

Panamax Ocean Freight Indices				
9-Jul-2020	This Week	Last Week	Difference	Percent Change
P2A : Gulf/Atlantic - Japan	23932	19550	4,382	22.4%
P3A - PNW/Pacific - Japan	11860	9408	2,452	26.1%
S1C -USGULF-China-So.Japan	21826	17481	4,345	24.9%
P7- Trial- Miss. River - Qingdao	43650	40786	2,864	7.0%
P8- Trial- Santos - Qingdao	31807	28957	2,850	9.8%

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

Four weeks ago:	\$5.45-\$5.70
Three weeks ago:	\$6.40-\$8.00
Two weeks ago:	\$8.05-\$9.75
One week ago:	\$10.00-\$11.00
This week	\$9.25- \$10.50

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

Mississippi River:	(10 elevators)	3-10 days (2 facilities not currently operating)
Miss. River Mid-Stream loaders:	(6+ Rigs)	0-3 days
Texas Gulf	(5 elevators)	1-12 days
Pacific Northwest:	(9 elevators)	1-8 days

Panamax Market Spreads to Asia -China					
9-Jul-2020	PNW	GULF	Bushel Spread	MT Spread	Advantage
CORN	0.95	0.88	0.07	\$2.76	PNW
SOYBEANS	1.22	0.93	0.29	\$11.42	PNW
OCEAN FREIGHT	\$20.50	\$41.00	.52-.56	\$20.50	August

Recent Reported Vessel Fixtures:

**** Below rates are estimates for the nearby slots. 60-90 days forward rates will be higher.**

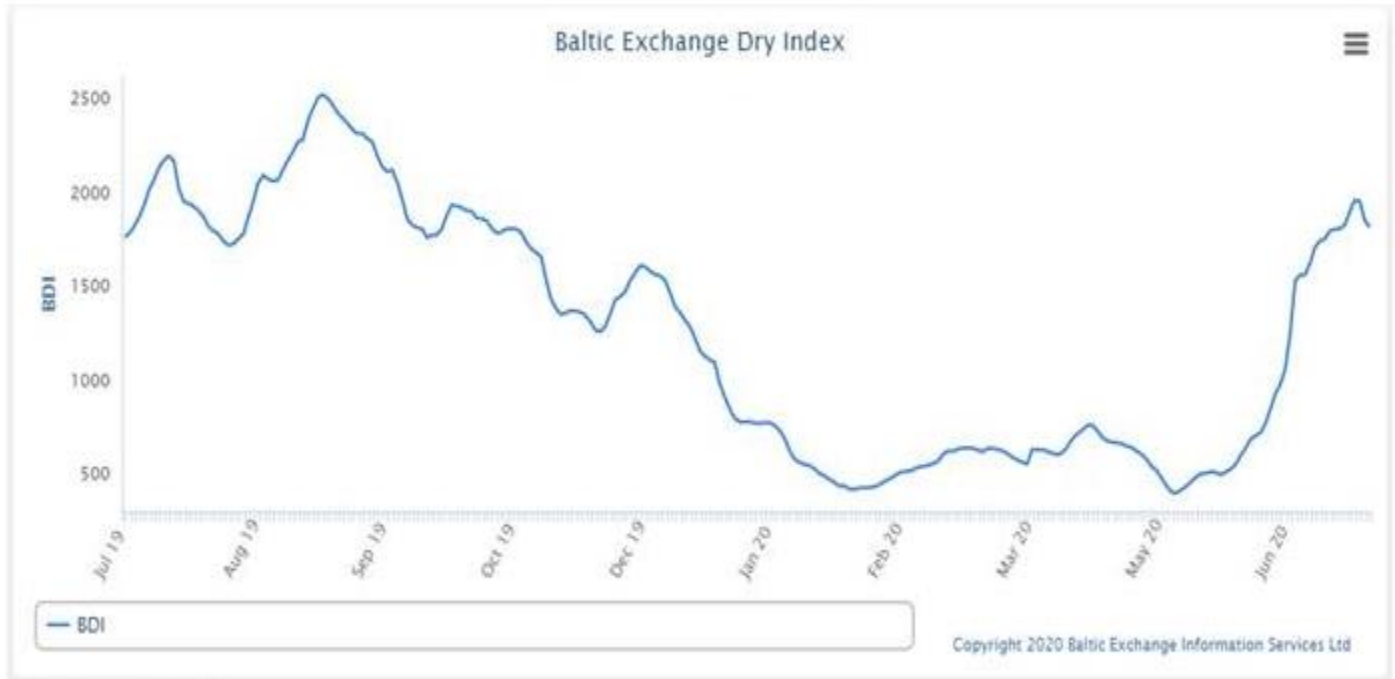
Soybean Panamax USG to Spain is running \$19.50/mt.

Soybean Brazil to Spain about \$22.50-23.00/mt.

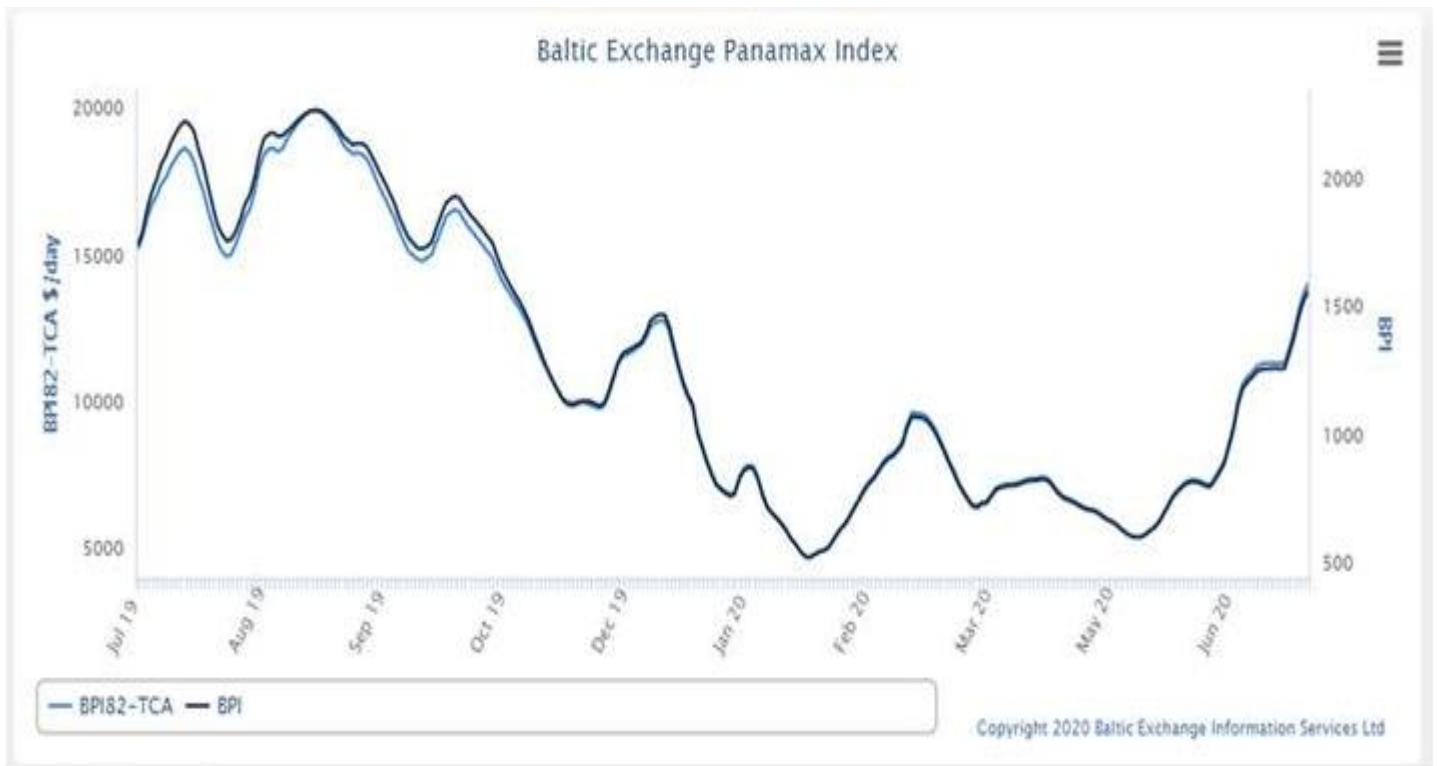
30,000 mt Corn Northern Brazil to Vera Cruz, Mexico \$18.50-\$19.00/mt .To U.S. E/C about \$20.50-21.50/mt

Route and Vessel Size	Current Week USD/MT	Change from previous week	Remarks
55,000 U.S. Gulf-Japan	\$39.50	Up \$2.50	Handymax \$41.50 mt
55,000 U.S. PNW- Japan	\$21.00	Up \$0.50	Handymax \$22.00 mt
66,000 U.S. Gulf – China	\$41.00	Up \$2.25	North China
PNW to China	\$20.50	Up \$0.50	
25,000 U.S. Gulf- Veracruz, México	\$16.50	Up \$0.50	3,000 MT daily discharge rate
30-36,000+ U.S. Gulf- Veracruz, México	\$13.75	Up \$0.50	Deep draft and 6,000 MT per day discharge rate.
30-38,000 U.S. Gulf- Colombia	\$18.75	Down \$0.50	<u>West Coast Colombia at \$29.00</u>
<u>East Coast Colombia</u> From Argentina	<u>\$28.00</u> \$32.50		USG to E/C 50,000 mt at \$16.00
43-45,000 U.S. Gulf - Guatemala	\$26.50	Down 2.00	Acajutla/Quetzal - 8,000 out
26-30,000 U.S. Gulf – Algeria	\$38.50 \$39.25	Up \$2.00	8,000 mt daily discharge 3,000 mt daily discharge
26-30,000 US Gulf-Morocco	\$38.50	Up \$2.00	5,000 discharge rate
55-60,000 U.S. Gulf –Egypt	\$27.00	Up \$2.00	60,000 -55,000 mt
PNW to Egypt	\$27.25		Romania- Russia- Ukraine \$13.00-\$13.50 -\$14.00 France \$17.00
60-70,000 U.S. Gulf – Europe – Rotterdam	\$17.25	Down \$1.00	Handymax at +\$1.75 more
Brazil, Santos – China	\$31.50	Up \$2.50	54-59,000 Supramax-Panamax
Brazil, Santos – China	\$31.00		60-66,000 Post Panamax
Northern Coast Brazil	\$34.50		Upriver No. Brazil Plus -55,000 mt Plus \$7.50/mt
56-60,000 Argentina/Rosario- China Deep Draft	\$35.50	Unchanged	Upriver with BB Top Off \$39.25

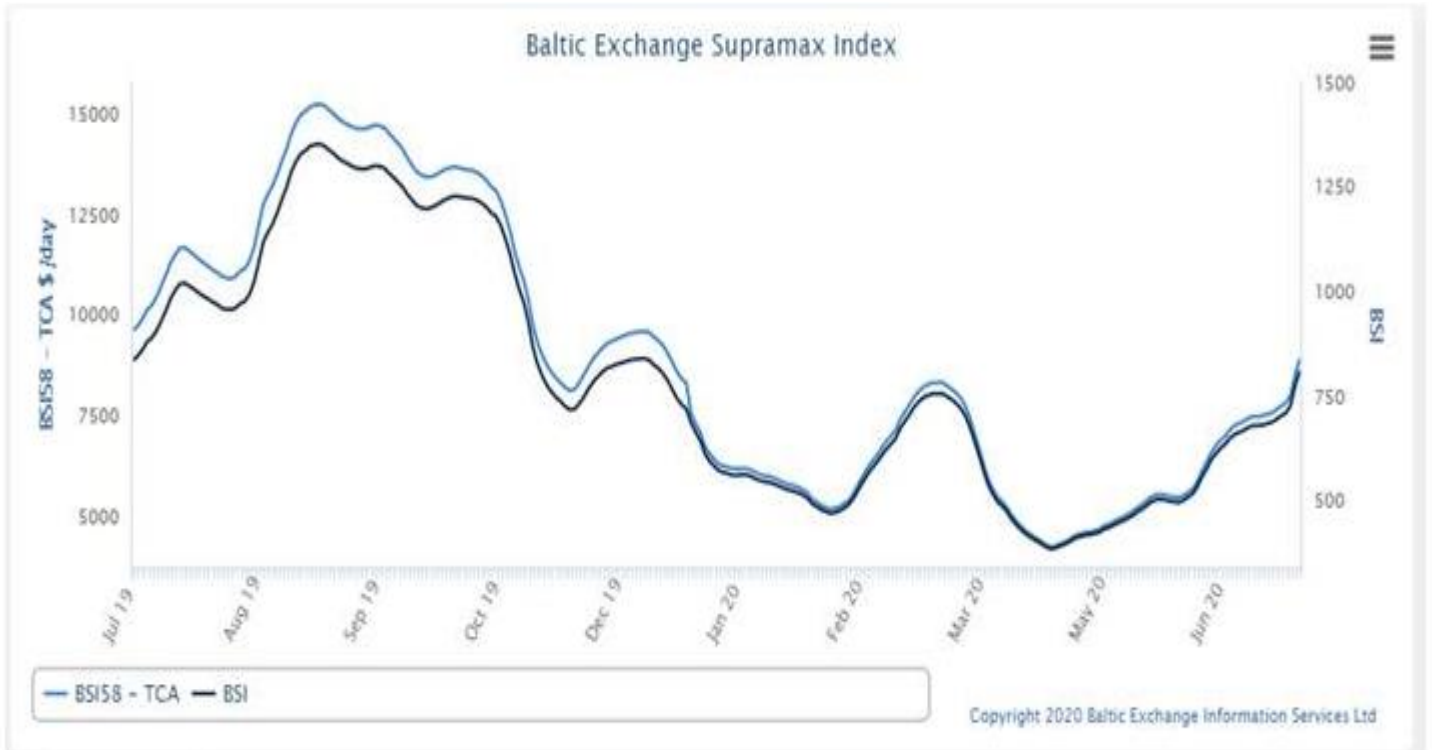
- The above rate estimates reflect the 20-30-day forward ocean freight markets.
Baltic Dry Bulk Index.



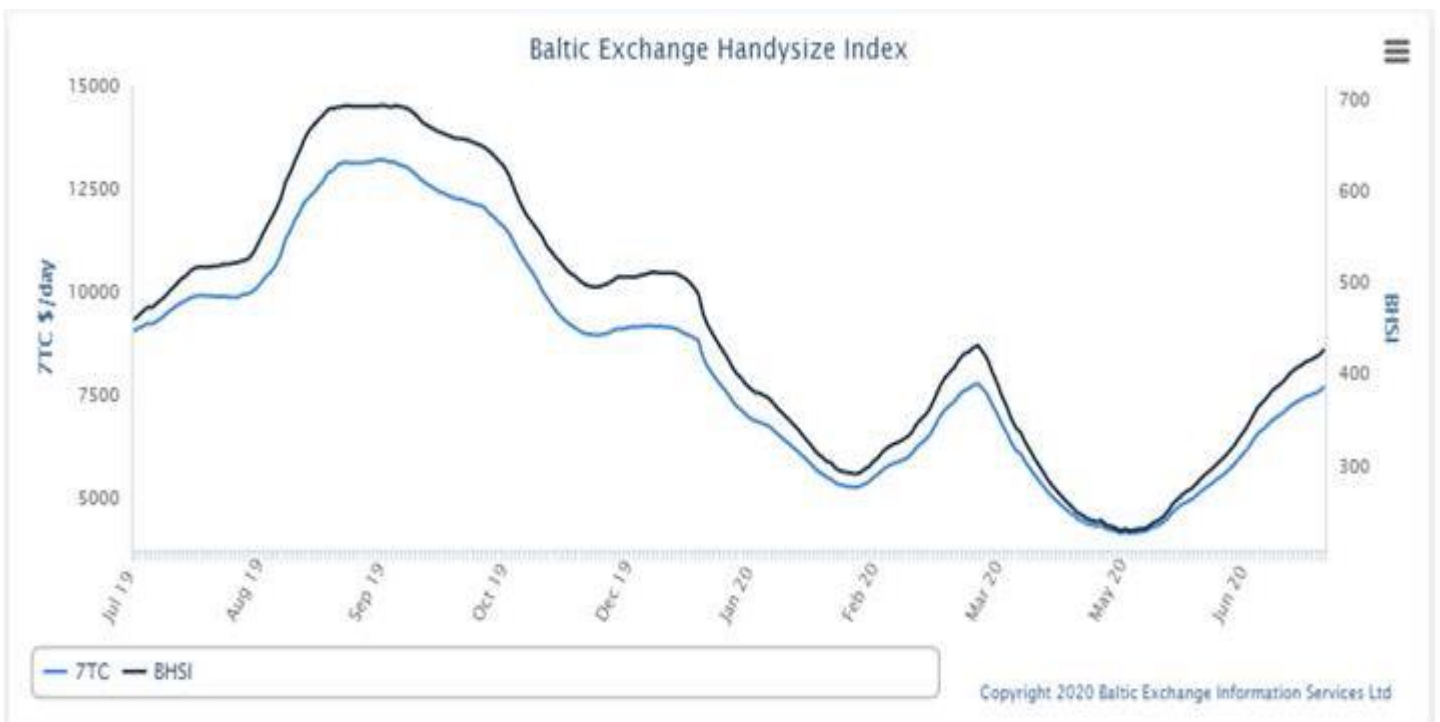
Baltic Panamax Index



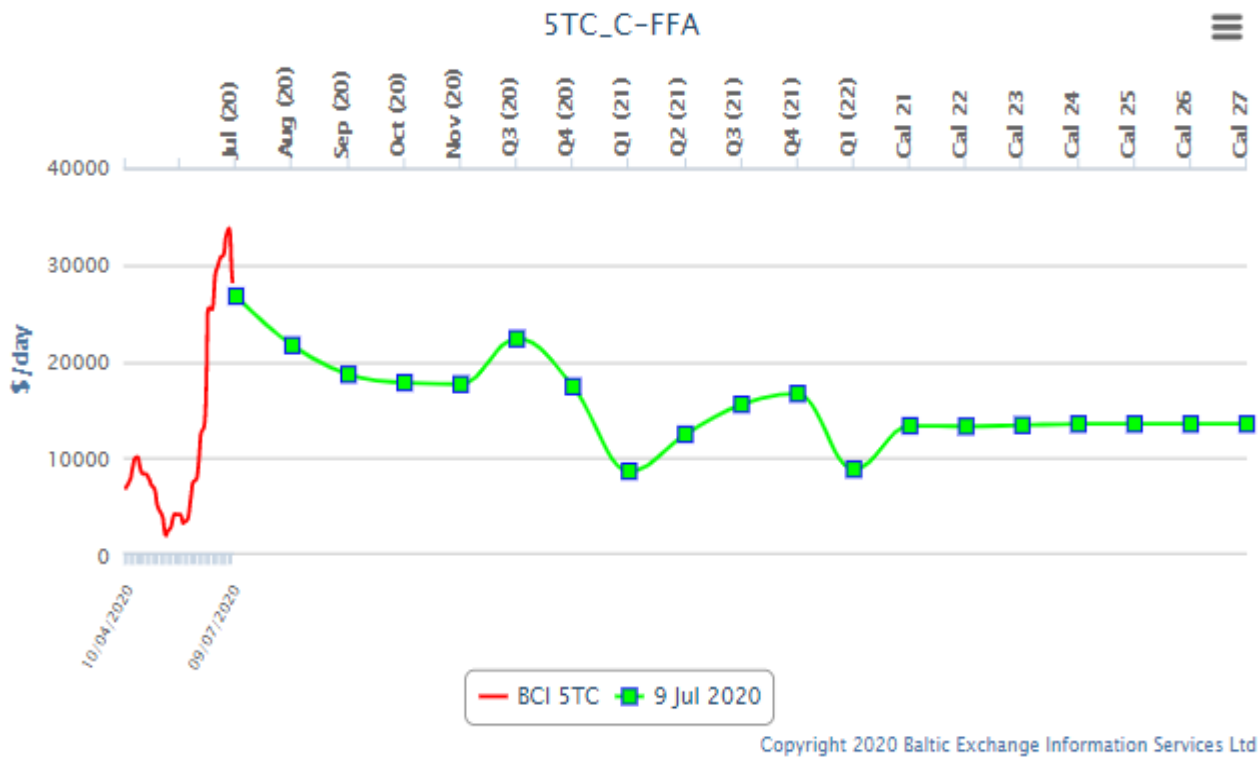
Baltic Supramax Vessel Index



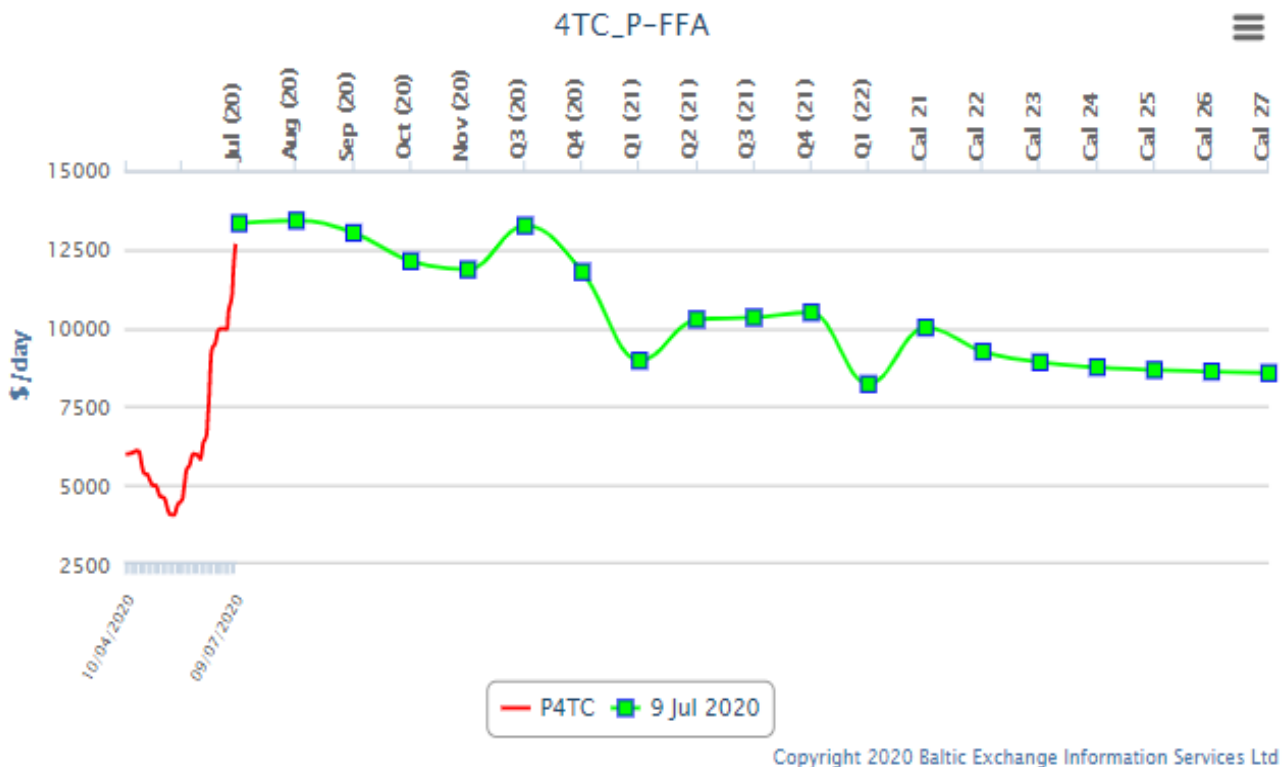
Baltic Handy Size Vessel Index



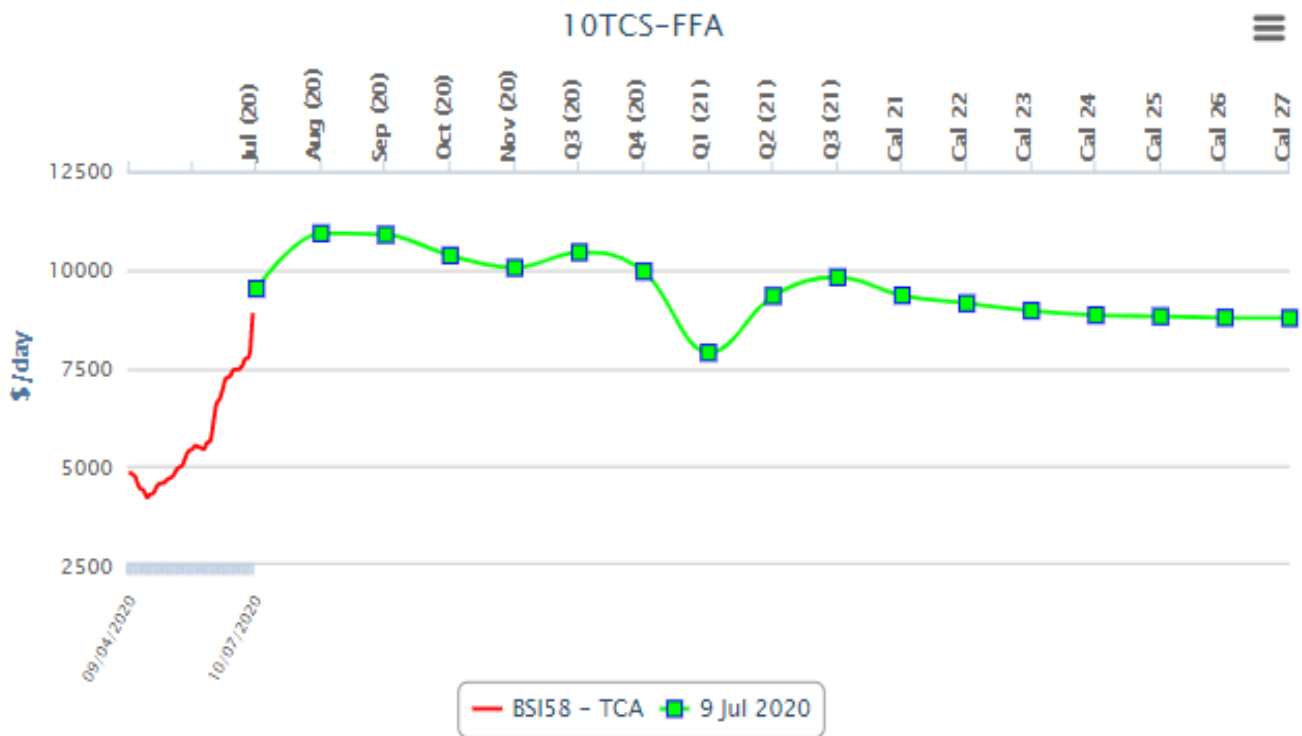
Capesize Forward Curve



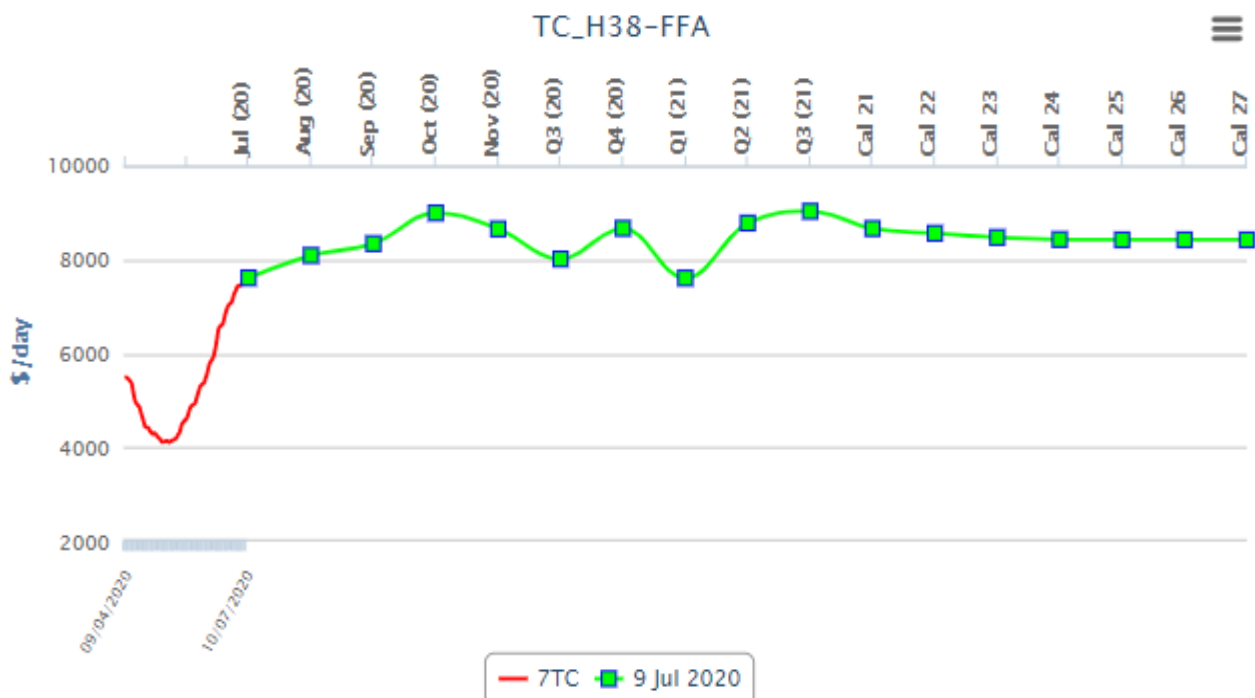
Baltic Panamax Forward Curve Chart



Supramax Dry-Bulk Forward Curve



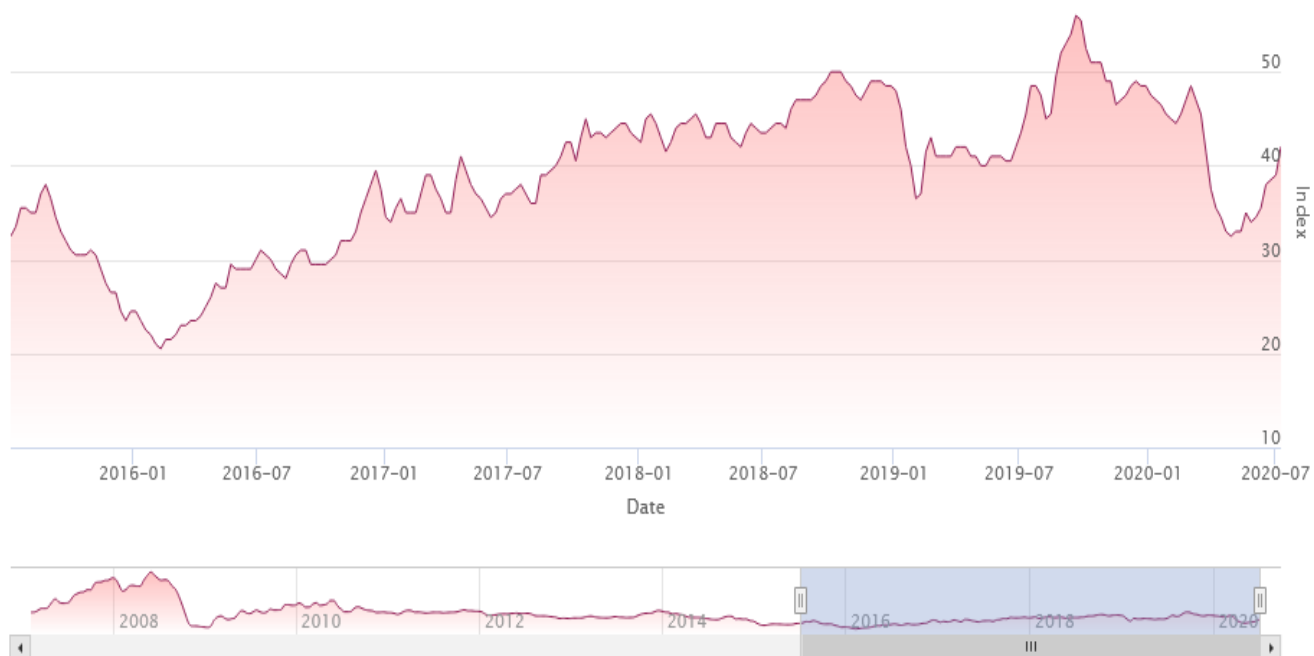
Baltic Handy Size Forward Curve



YAMAMIZU Index


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

From 2015-07-08 To 2020-07-08



China Import Dry Bulk Freight Index

2020-07-09

Description	Size MT	Cargo/Vessel Size	Unit	Rate	Change
Composite Index			Point	896.25	-9.67
Iron ore Freight Index			Point	980.48	-26.76
Dampier(West Australia)-Qingdao (China)	170000/10%	Iron ore	\$/ton	9.043	-0.292
Tubarao(Brazil)-Qingdao(China)	170000/10%	Iron ore	\$/ton	18.931	-0.512
Soybean Freight Index			Point	908.09	11.57
Santos(Brazil)—North China	60000/10%	Soybean	\$/ton	30.9	0.372
Tacoma(West America)—North China	60000/10%	Soybean	\$/ton	20.65	0.214
Mississippi(US Gulf)—North China	66000/10%	Soybean	\$/ton	41.25	0.625
Mississippi(US Gulf)—North China	55000/10%	Soybean	\$/ton	42.91	0.55

9 July 2020 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.	0.88	\$171.94	0.95	\$174.69
Sept.	0.90	\$172.73	0.99	\$176.27
Oct.	0.83	\$173.22	0.95	\$177.94
Nov.	0.85	\$174.01	0.97	\$178.73
Dec.	0.86	\$174.40	1.00	\$179.91
Jan.	0.77	\$174.69	0.93	\$180.99

The Gulf spread between #2 & #3 YC is currently about .03 cents per bushel (1.18/mt) at USG but is out to .12/bushel in the PNW.

SORGHUM (USD/MT) FOB VESSEL				
#2 YGS Fob Vessel	NOLA		TEXAS	
Max. 14.0% moisture	BASIS	FLAT PRICE	BASIS	FLAT PRICE
Aug.	2.40	\$235.03	2.10	\$223.22
Sept.	2.30	\$231.09	2.10	\$223.22
Oct.	2.30	\$231.09	2.10	\$223.22
Nov.	2.35	\$233.06	2.05	\$221.25
Dec.	2.40	\$235.03	2.05	\$221.25

Fob vessel Texas Gulf #2 Sorghum is about 129 % 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	\$225.97	\$229.65	\$231.48	\$235.16
Basis	0.90	1.00	1.00	1.10
WN	5.2625			.
WU	5.2500			
WZ	5.3000			

9-Jul-2020	Close	This Week	Last Week.	Last Week.	Last Week	
CME Corn Futures	Bushel	MT.	Bushel	Bu. Diff.	MT	MT Diff.
July	\$ 3.5125	\$ 138.28	\$ 3.1725	0.3400	\$ 124.89	\$ 13.39
Sept.	\$ 3.4875	\$ 137.30	\$ 3.2050	0.2825	\$ 126.17	\$ 11.12
Dec.	\$ 3.5700	\$ 140.54	\$ 3.2800	0.2900	\$ 129.13	\$ 11.42
Mar..	\$ 3.6675	\$ 144.38	\$ 3.3950	0.2725	\$ 133.65	\$ 10.73
May	\$ 3.7225	\$ 146.55	\$ 3.4725	0.2500	\$ 136.70	\$ 9.84
July	\$ 3.7625	\$ 148.12	\$ 3.5350	0.2275	\$ 139.17	\$ 8.96

CBOT December 2020 (CZ20) CORN Futures Chart –



CME/CBOT Sept. 2020 (WU20) 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.	0.93	\$363.58	1.22	\$374.23
Sept.	0.95	\$363.85	1.29	\$376.34
Oct.	0.93	\$365.41	1.28	\$378.27
Nov.	0.96	\$366.51	1.28	\$378.27
Dec.	0.96	\$368.54	1.28	\$380.29
Soybean Futures				
July	\$ 8.9825			
Aug.	\$ 8.9650			
Sept.	\$ 8.9525			
Nov.	\$ 9.0150			
Jan.	\$ 9.0700			
Mar.	\$ 9.0300			

U.S. SBM (USD/MT) FOB Vessel		
Fob U.S. Gulf Port	47.5 Pro. SBM	
max 12.5 % moisture	Basis	Flat Price
Aug.	20.00	\$ 349.82
Sept.	20.00	\$ 352.69
Oct.	20.00	\$ 354.78
Nov.	18.00	\$ 356.55
Dec.	20.00	\$ 358.75
SBM Futures		
SMN	295.10	
SMQ	297.30	
SMU	299.90	
SMV	301.80	
SMZ	305.40	
SMF	306.90	

CME November 2020 Soybean (SX20) Futures Chart:



CME December 2020 Soybean Meal (SMZ20) Futures Chart



U.S. EXPORT STATISTICS: Report Activity as of Week Ending 25 June 2020

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 '20-21 (000 MT) (Wheat and Barley 2021/22)
Corn	432.7	42,313.5	45,090	94%	3,892.9
Sorghum	144.4	4,156.5	5,330	78%	456.0
Soybeans	275.2	45,042.6	44,910	100%	6,936.8
Wheat	490.1	7,266.3	25,860	28%	75.0
Barley	1.0	41.7	110	38%	0.0

U.S. EXPORT INSPECTIONS:

Monday's report 06 July 2020 for the Export week ending 02 July 2020

	Export Inspections		Current Market Year YTD	Previous Year to Date	2019/20 YTD as Percent of 2018/19 YTD (Wheat and Barley 2020/21 vs 2019/20)
	This Week	Previous Week			
Corn	962,445	1,241,038	34,208,812	42,481,209	81%
Sorghum	51,217	159,440	4,060,508	1,708,572	238%
Soybeans	521,638	333,662	37,338,882	37,863,951	99%
Wheat	326,448	515,359	2,327,401	2,612,142	89%
Barley	0	0	367	1,787	21%

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

U.S. EXPORT INSPECTIONS:

Monday's report 06 July 2020 for the Export week ending 02 July 2020

Last Week								
(Metric Tons)	YC		WC		Sorghum		Soybeans	
		%		%		%		%
Lakes	0	0%	0	0%	0	0%	0	0%
Atlantic	0	0%	0	0%	196	0%	7,199	1%
Gulf	496,193	54%	38,058	90%	50,925	99%	401,685	77%
PNW	225,370	24%	245	1%	0	0%	0	0%
Interior Export Rail	198,587	22%	3,992	9%	96	0%	112,754	22%
Metric Tons	920,150		42,295		51,217		521,638	

Sorghum Shipments: metric tons

51,121	China Main
96	Mexico
51,217	Total

White Corn metric tons

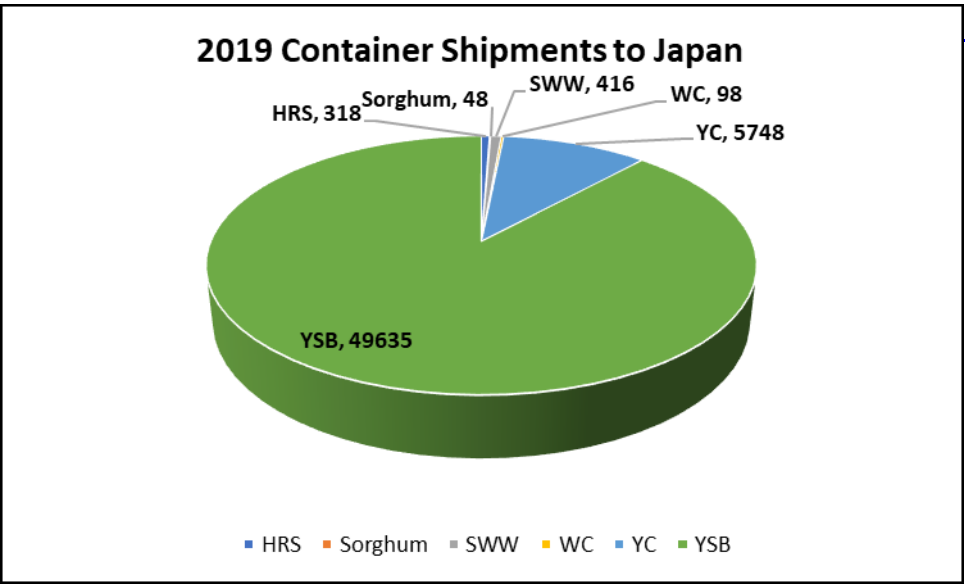
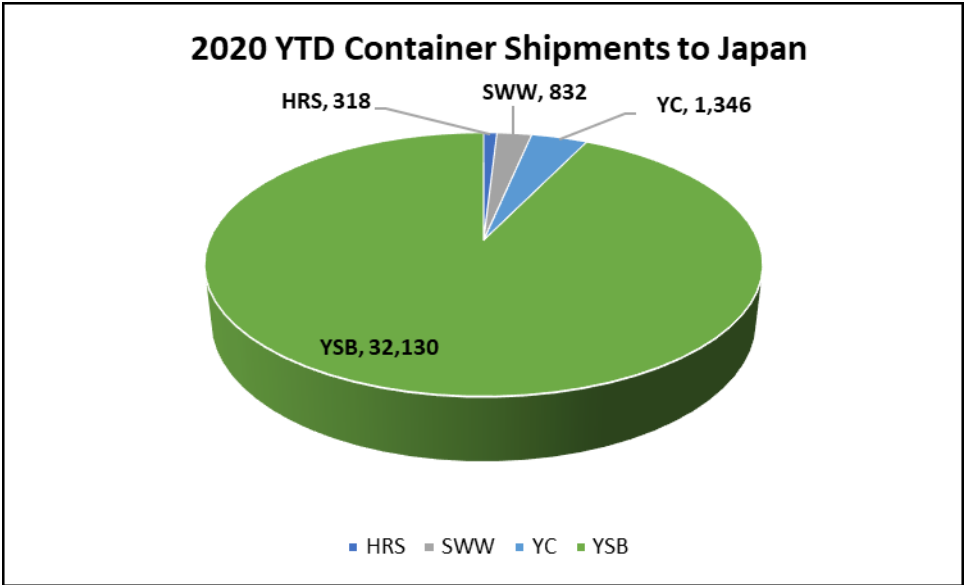
Shipments:	29,603	Colombia
	245	Korea Rep
	12,447	Honduras
	42,295	Total

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:		2-Jul-2020							
Last Week	metric tons								MT
	YC	WC	YSB	SRW	NS	SWH	HRW	Sorghum	TOTAL
China Main									0
China T	8,862		1,737						10,599
Hong Kong	734								734
Costa Rica									0
Indonesia			16,607						16,607
French Poly									0
Japan			1,028						1,028
Korea Rep.									0
Nepal			980						980
Malaysia	490		2,891						3,381
Cambodia									0
Philippines			1,052						1,052
Thailand			4,187						4,187
Morocco									0
Italy									0
Bangladesh									0
Burma									0
Vietnam			6,536						6,536
Sub Total:	10,086	0	35,018	0	0	0	0	0	45,104
USDA Corrections/Additions to previous reports:									
China T									0
China Main									0
Hong Kong									0
Korea Rep.									0
Cambodia									0
Japan									0
Philippines									0
Indonesia									0
Malaysia									0
Thailand									0
Vietnam									0
Jordan	48	48							96
Nigeria									0
Sub Total:	48	48	0	0	0	0	0	0	96
Mt. Grand Total	10,134	48	35,018	0	0	0	0	0	45,200
Number of Containers	441	2	1,523	0	0	0	0	0	

Jan - Dec 2019 Annual Totals versus 2020 Jan.-Dec. YTD Total Container Shipments (in MT)



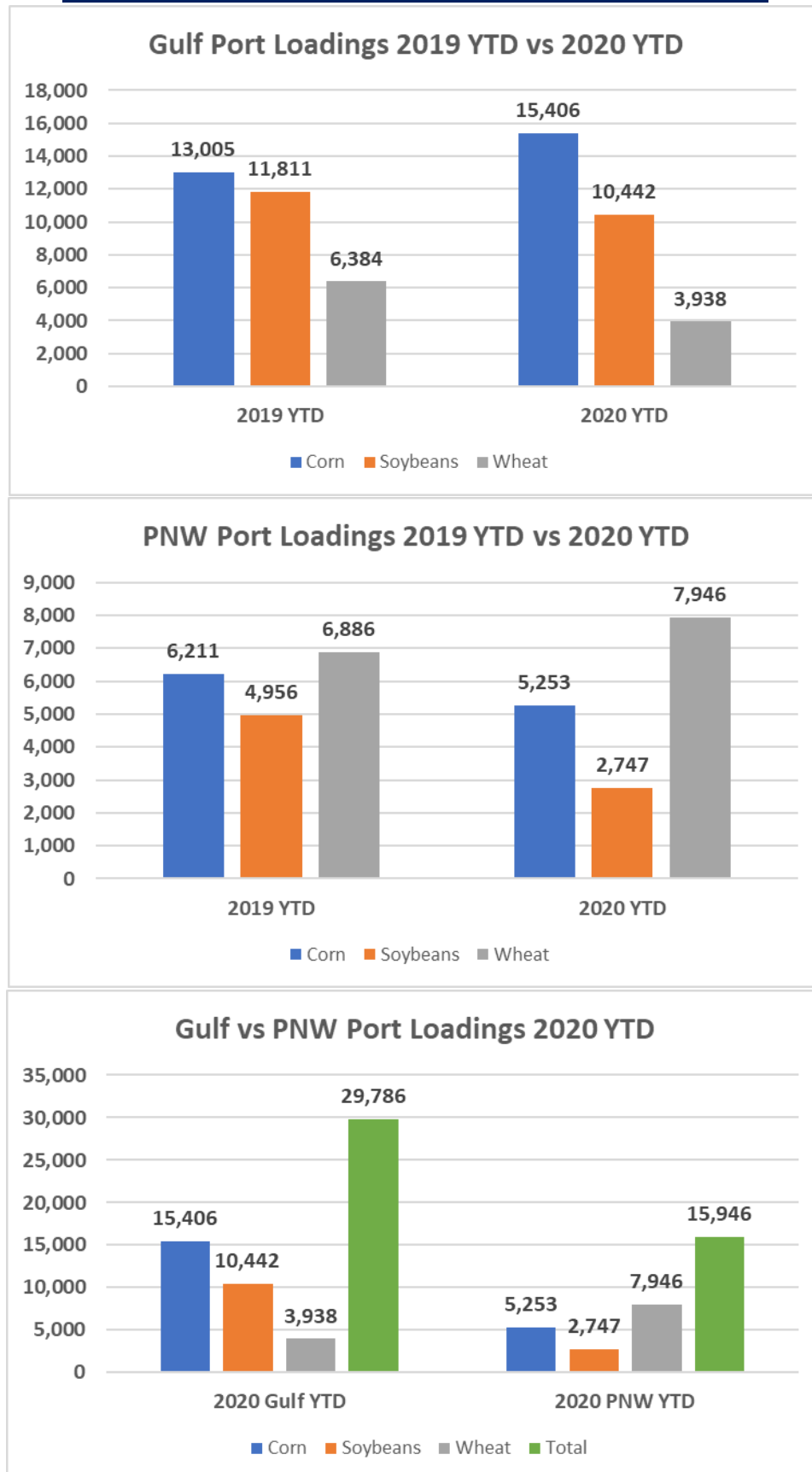
Grain Inspections for Export by U.S. Port Regions:
U.S. Gulf and Pacific Northwest 2019 YTD vs. 2020 YTD

PORT LOADINGS US Gulf				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
GULF				
2019 YTD	13,005	11,811	6,384	31,200
2020 YTD	15,406	10,442	3,938	29,786
2020 as % of 2019	118%	88%	62%	95%

PORT LOADINGS US PNW				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
PNW				
2019 YTD	6,211	4,956	6,886	18,053
2020 YTD	5,253	2,747	7,946	15,946
2020 as % of 2019	85%	55%	115%	88%

PORT LOADINGS GULF vs. PNW				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
2020 Gulf YTD	15,406	10,442	3,938	29,786
2020 PNW YTD	5,253	2,747	7,946	15,946
TOTAL	20,659	13,189	11,884	45,732
Gulf Percentage	75%	79%	33%	65%
PNW Percentage	25%	21%	67%	35%

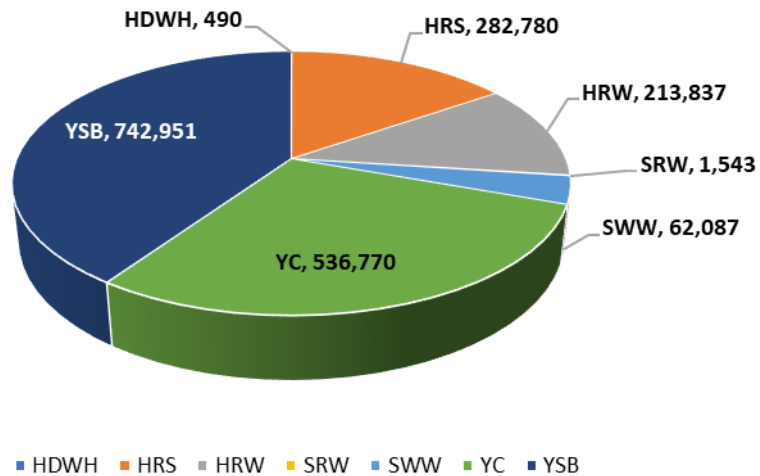
Grain Inspections for Export by U.S. Port Regions (1,000MT):
U.S. Gulf and Pacific Northwest 2019 YTD vs. 2020 YTD



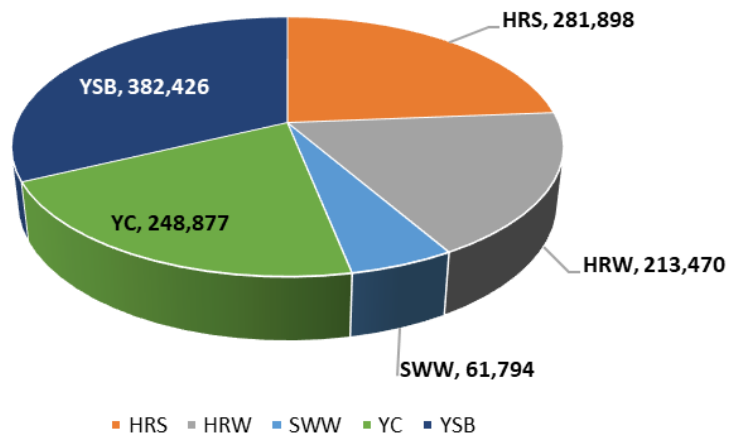
Source: USDA-data

2020 YTD Total Grain Exports reported by USDA (in MT)

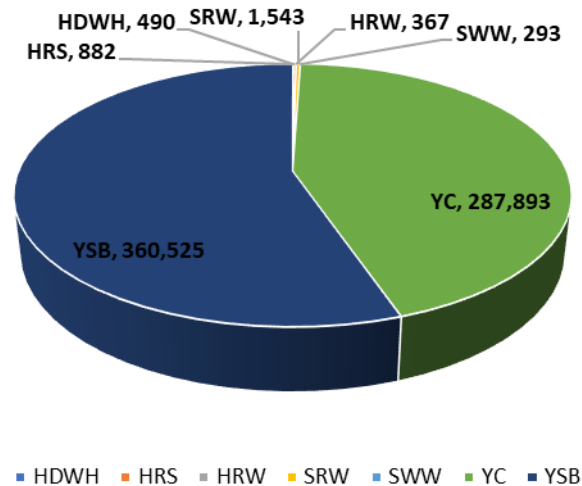
2020 YTD Exports to Taiwan



YTD Vessel Shipments to Taiwan



YTD Container Shipments to Taiwan



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

Shipping News



The world's Cruise Ships Can't Sail. Now, What to Do With Them !? 🤔🤔



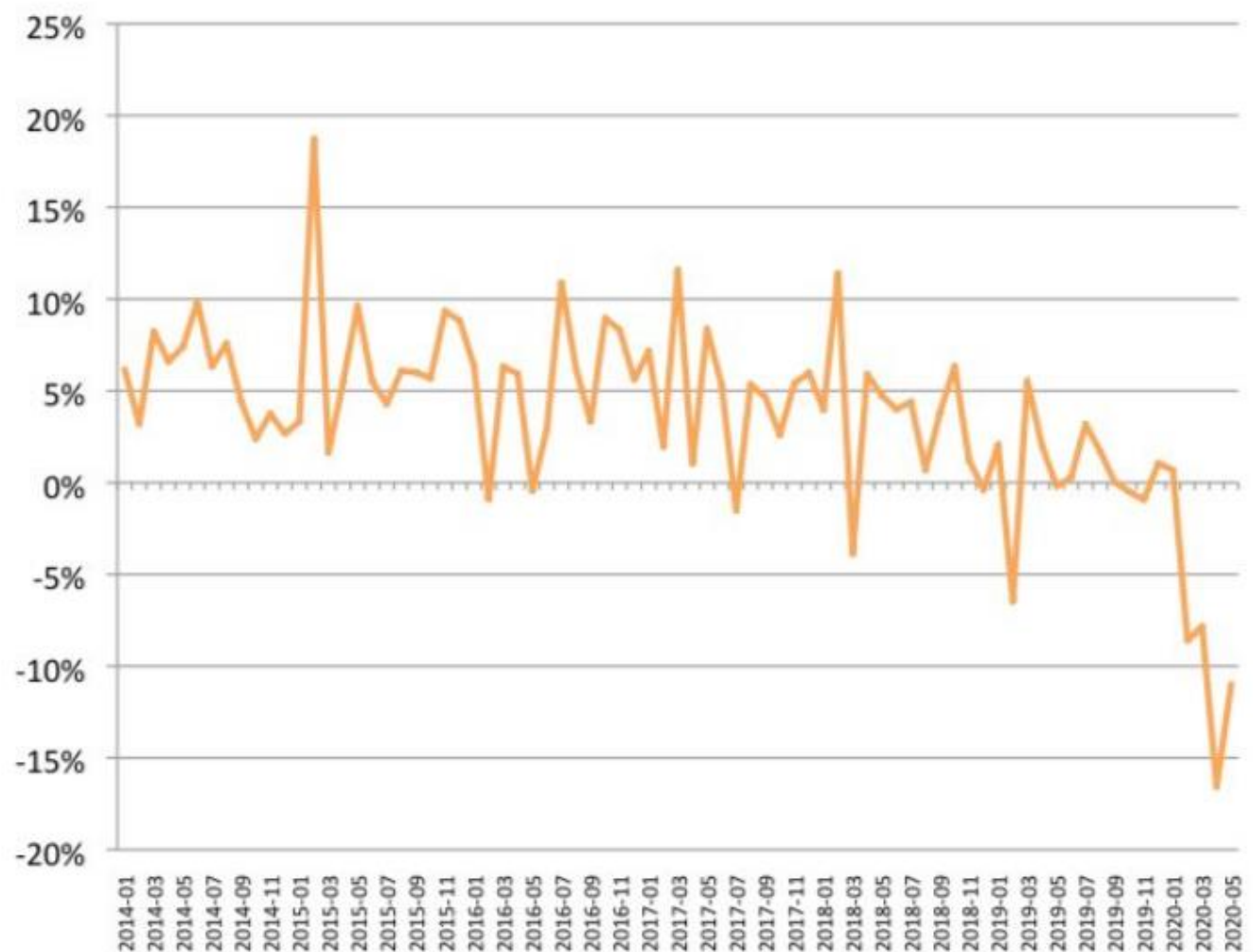
The World's Cruise Ships Can't Sail. Now, What to Do With Them?
Hurricanes, humidity, expired permits—they're all costly threats to empty ships.

[bloomberg.com](https://www.bloomberg.com)

Olaf Merk @o_merk · 17m

Just released global container trade volumes show that decline is bottoming out: volumes dropped by 8.7% over the first five months of 2020.

Global container trade volume growth (year-on-year)



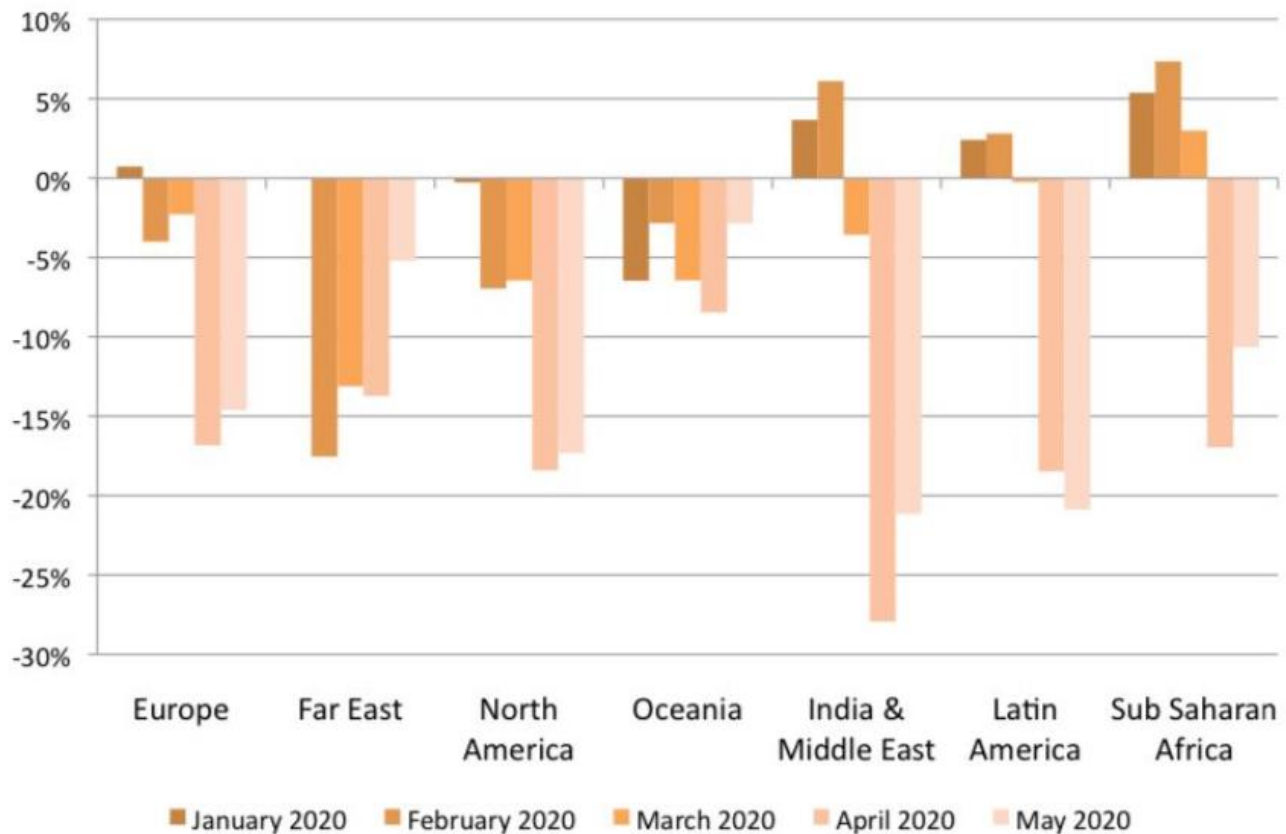
Source: International Transport Forum, CTS

Olaf Merk @o_merk · 14m

Replying to [@o_merk](#)

The worst affected world regions are North America and the Far East (-10%) over the first five months of 2020. The impacts are most moderate on the Sub Saharan Africa market (-3%).

Container trade volume growth in first 5 months 2020 (year-on-year)



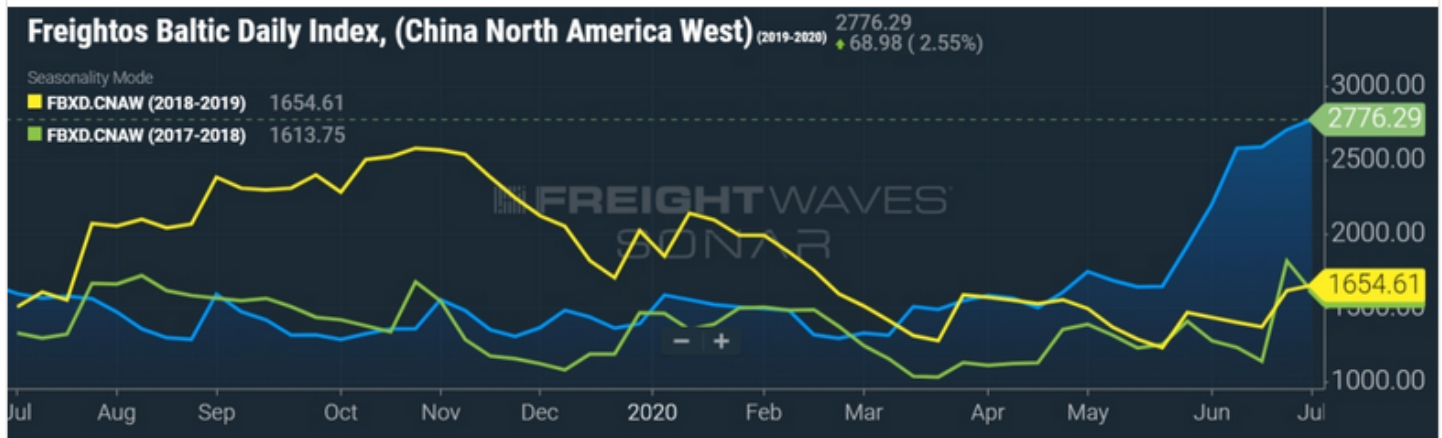
Source: International Transport Forum, CTS

Surging ocean spot rates spur profiteering debate

[Greg Miller, Senior Editor](#) Tuesday, July 7, 2020

New peak for spot rates

Asia-West Coast spot rates ([SONAR: FBXD.CNAW](#)) were \$2,776 per forty-foot equivalent unit (FEU) as of Monday, according to the [Freightos Baltic Daily Index](#). That's up around 70% versus the past two years and more than double late-February lows.



The Shanghai Containerized Freight Index put the cost even higher, estimating the Shanghai, China-West Coast rate at \$2,920 per FEU for the first week of July, at or above decade highs.

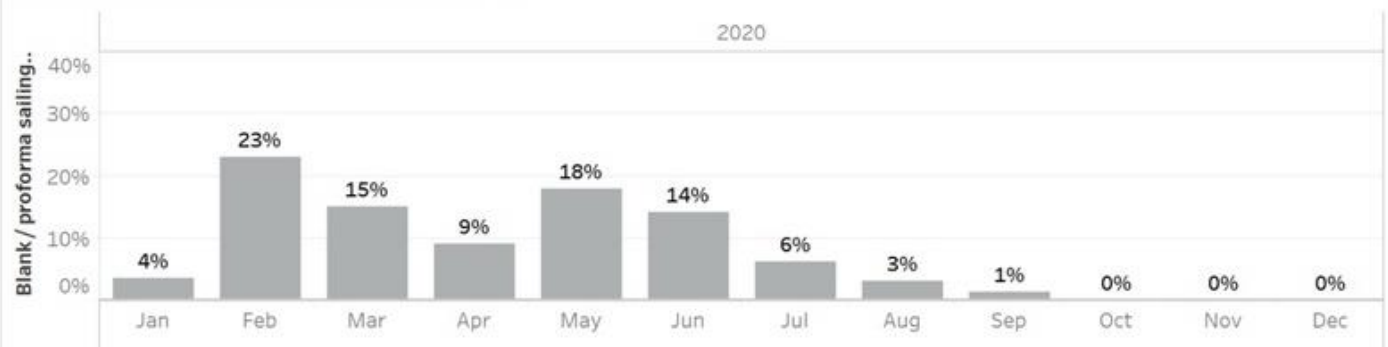
At the beginning of this month, carriers successfully implemented their third general rate increase (GRI) in the past six weeks. According to Freightos Chief Marketing Officer Eytan Buchman, this "is a rarity in ocean rates that didn't even happen in the lead-up to the trade war in late 2018."

[Alphaliner](#) estimates that the alliances now control 89% of the market share between Asia and North America (including both coasts). The 2M Alliance (Maersk, MSC) controls 20%. The Ocean Alliance (COSCO/OOCL, CMA CGM/APL, Evergreen, HMM) has 39%. And THE Alliance (Hapag-Lloyd, ONE, Yang Ming) has 30%.

Data provided to FreightWaves by [eeSea.com](#) shows that carriers blanked 12.7% of Asia-West Coast sailings in the second quarter, but only 3.3% so far for the third quarter (6% this month, 3% August, 1% September).

Blank sailings, percentage of total - trade overview - by arrival date

Far East -> West Coast North America - Head haul



(Chart: eeSea.com)

[SealIntelligence Consulting](#) CEO Lars Jensen also highlighted the reasonableness factor. "In very round numbers, ocean freight accounts for 1.3 cents of each dollar of goods," he wrote. "The rate increase in 2020 means that each dollar of goods has seen a freight rate increase of \$0.0009. Is that tantamount to profiteering?"

Mark Szakonyi @MarkSzakonyi · 5h

Trans-Pacific container lines pushing 3rd eastbound GRI (\$250-\$800 per FEU) in a month, after first two connected. [@billmongelluzzo](#) on what's emboldening carriers even with Asia import volumes down 10% YTD. [@JOC_Updates](#) joc.com/node/3637796

Andrey Sizov @sizov_andre · 2h

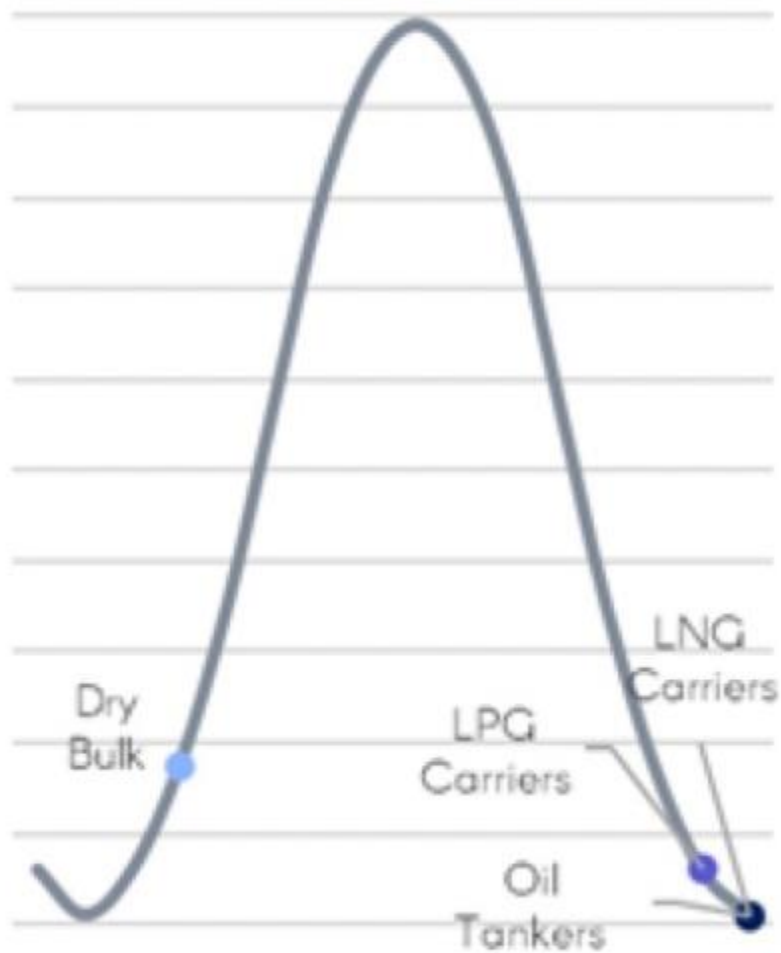
The first direct Wuhan-Kiev train, 9K KM in 15 days. Any [#sunflower](#) oil / [#corn](#) going back?

China Xinhua News @XHNews · 3h

15 days, 9,000 km. The first direct China-Europe freight train between central China and Ukraine has arrived in Kiev, the capital of Ukraine. [#BeltandRoad](#)



Shipping Cycles



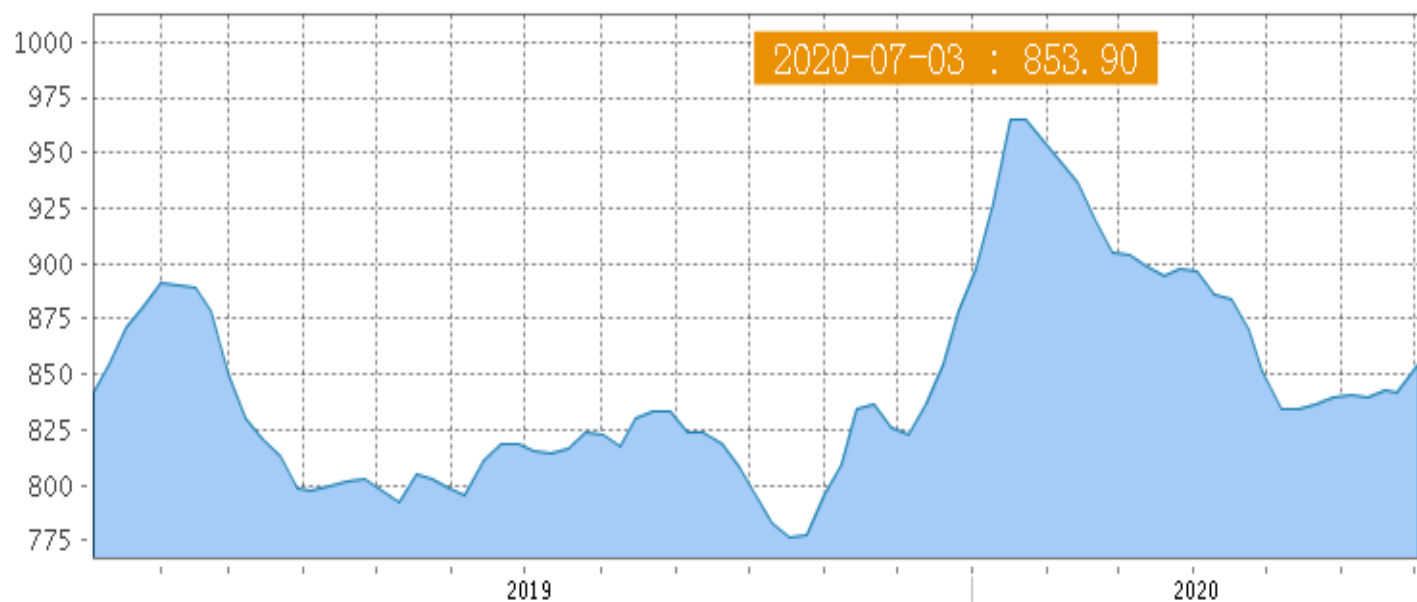
Analysts

Joakim Hannisdahl
Head of Research

China Import Dry Bulk Freight Index



China Containerized Freight Index



U.S. RIVER BARGE FREIGHT
Current Barge Freight for Placement First Half August 2020

Placement FH August 2020	% of		Corn	Soybeans-Wheat
	Tariff	MT	BU	BU
Upper Mississippi	370	\$25.25	0.64	0.69
Illinois River (Pekin and South)	Closed	\$ -	0.00	0.00
Mid-Mississippi	305	\$17.89	0.45	0.49
Lower Ohio	215	\$10.57	0.27	0.29
St. Louis	215	\$ 9.46	0.24	0.26

Secondary Rail Car Market for car placement period: First Half August 2020.

Secondary Rail Car Market Placement FH. August 2020	BID USD	ASK USD	BID BU.	ASK BU.	BID MT	ASK MT
BNSF Shuttle Trains	\$ (25.00)	\$ 25.00	\$ (0.01)	\$ 0.01	\$ (0.25)	\$ 0.25
UPRR Shuttle Trains	\$ 100.00	\$ 150.00	\$ 0.03	\$ 0.04	\$ 0.98	\$ 1.48

Best Regards,

Jay
 Jay O'Neil
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