

**Transportation and Export Report for 10 August 2017****Ocean Freight Insights and Comments:**

Ocean freight markets are trying to shake off that sinking feeling. It was an up and down market for most of the week but looks to be ending on a more positive note for vessel owners. A degree of optimism has returned to the Baltic Indices and the faces of owners and their bankers. Though many Dry-bulk vessels owners have decreased their annual financial losses; they still remain in the red. So we will have to see if the markets can actually sustain a rally or if this simply turns out to be another false start. Physical markets have been slower to react this week and I am therefore leaving most rates unchanged and will wait to see what next week brings. I continue to doubt that we will experience any substantial upward turn in vessel rates in 2017.

BALTIC DRY-BULK PANAMAX INDEX CHANGES

Panamax Ocean Freight Indices				
10-Aug-17	This Week	Last Week	Difference	Percent Change
P2A : Gulf/Atlantic - Japan	16532	15607	925	5.9%
P3A - PNW/Pacific - Japan	8832	8148	684	8.4%
S1C -USGULF-China-So.Japan	16417	16507	-90	-0.5%

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

Four weeks ago:	\$ 4.50-\$5.50
Three weeks ago:	\$ 4.50-\$5.50
Two weeks ago:	\$ 5.50-\$6.00
One week ago:	\$ 5.60-\$6.40
This week	\$ 6.15-\$6.50

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

Mississippi River:	(10 elevators)	3-10 days
Miss. River Mid-Stream loaders:	(6+ Rigs)	0-2 days
Texas Gulf	(6 elevators)	0-2 days
Pacific Northwest:	(9 elevators)	0-6 days

Panamax Market Spreads to Asia -China					
10-Aug-17	PNW	GULF	Bushel Spread	MT Spread	Advantage
CORN	0.72	0.45	0.27	\$10.63	PNW
SOYBEANS	0.88	0.62	0.26	\$10.24	PNW
OCEAN FREIGHT	\$19.00	\$37.00	.46-.49	\$18.00	SEPT.

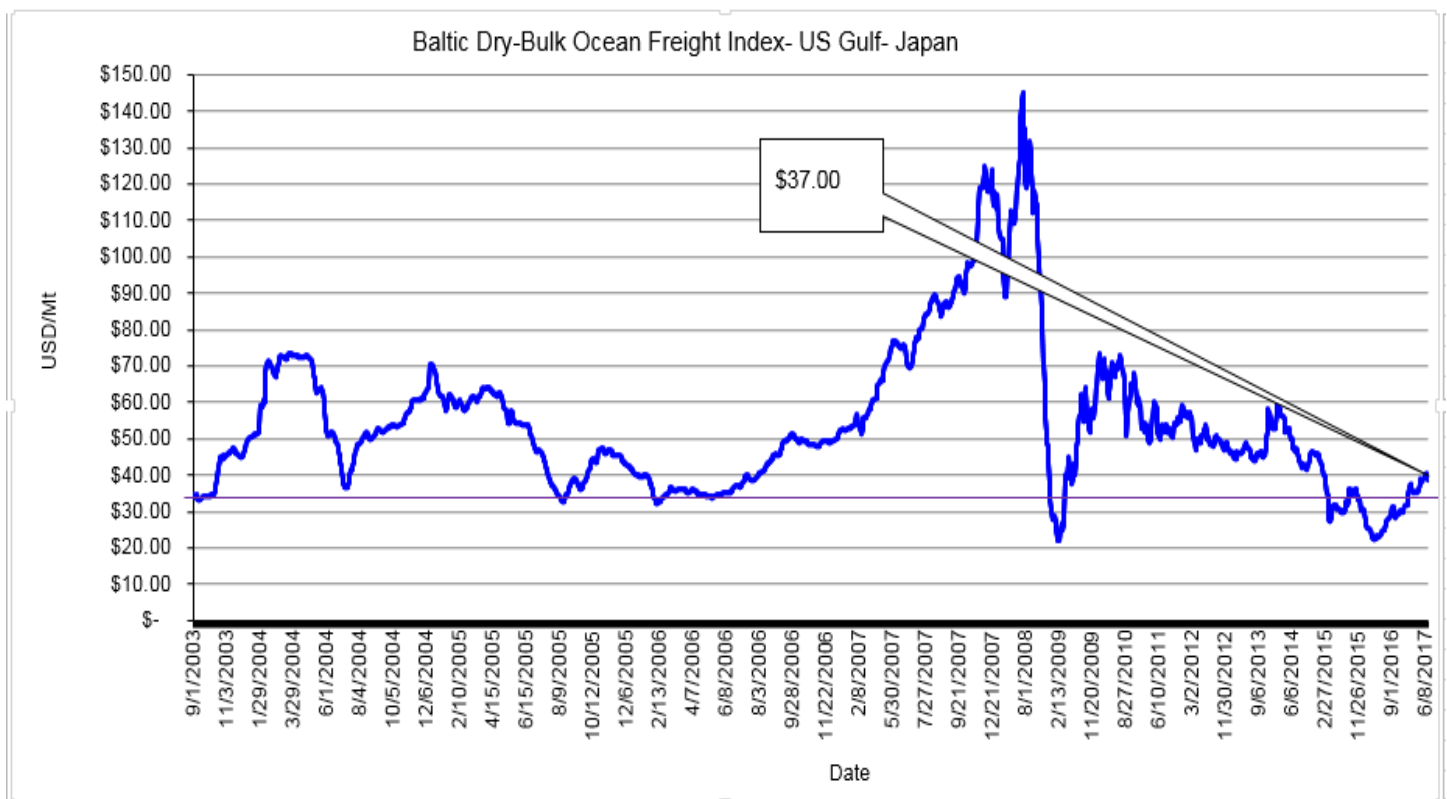
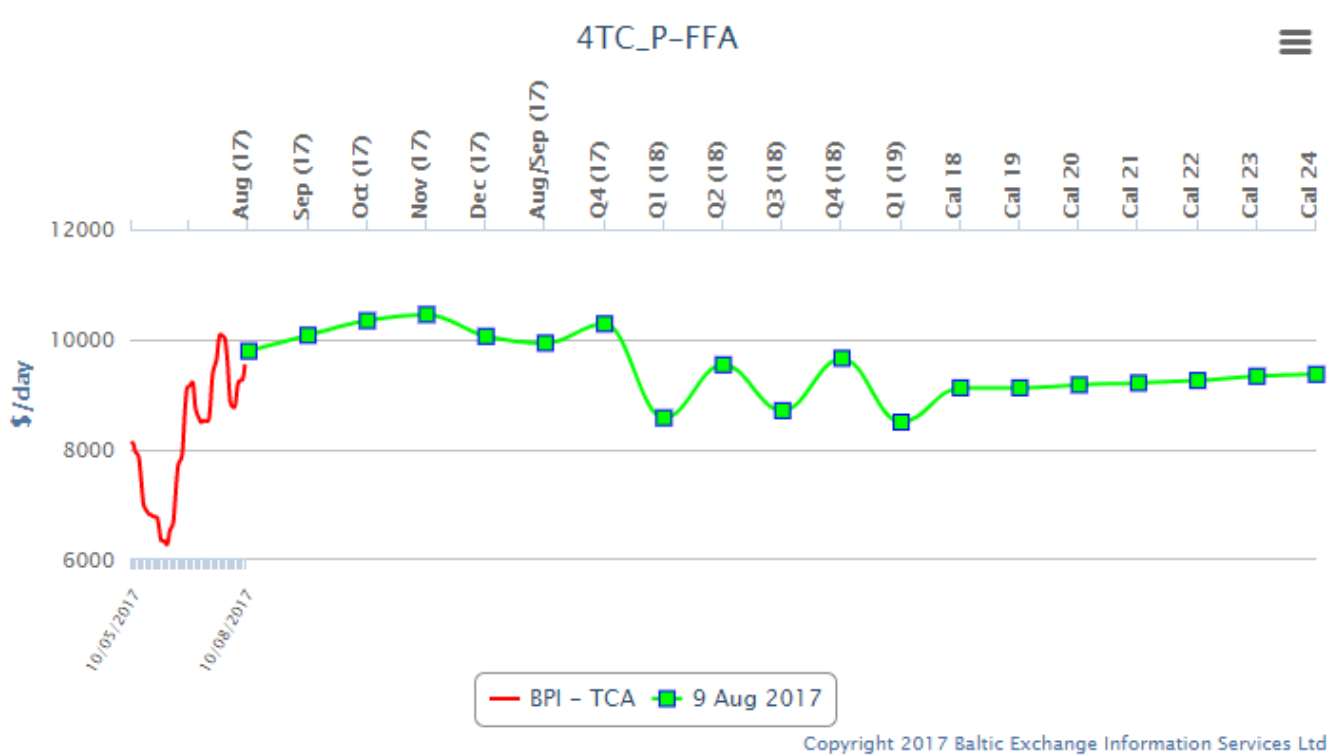
Recent Reported Vessel Fixtures:

Route and Vessel Size	Current Week USD/MT	Change from previous week	Remarks
55,000 U.S. Gulf-Japan	\$37.00	Unchanged	Handymax at \$37.75 mt
55,000 U.S. PNW- Japan	\$19.00	Unchanged	Handymax at \$19.25 mt
55,000 U.S. Gulf – China	\$36.00	Unchanged	North China
PNW to China	\$18.25	Unchanged	
25,000 U.S. Gulf- Veracruz, México	\$14.00	Unchanged	3,000 MT daily discharge rate
35-40,000 U.S. Gulf- Veracruz, México	\$11.75	Unchanged	Deep draft and 6,000 MT per day discharge rate.
25/35,000 U.S. Gulf- <u>East Coast Colombia</u>	\$16.75	Unchanged	<u>West Coast Colombia at \$25.50</u>
From Argentina	\$27.00		
40-45,000 U.S. Gulf - Guatemala	\$25.00	Unchanged	Acajutla/Quetzal - 8,000 out
26-30,000 U.S. Gulf – Algeria	\$26.00 \$29.00	Unchanged	8,000 mt daily discharge 3,000 mt daily discharge
25-30,000 US Gulf-Morocco	\$25.00	Unchanged	5,000 discharge rate
55,000 U.S. Gulf –Egypt	\$22.50	Unchanged	55,000 -60,000 mt
PNW to Egypt	\$22.50		St. Lawrence to Egypt \$22.75
60-70,000 U.S. Gulf – Europe – Rotterdam	\$14.25	Up \$0.25	Handymax at +\$1.50 more
Brazil, Santos –China	\$28.00	Unchanged	54-58,000 Supramax-Panamax
Itacoatiara Port up River	\$26.50		60-66,000 Post Panamax
Amazonia - China	\$31.00		
56-60,000 Argentina-China Up River with Top Off	\$34.25	Unchanged	

Nautical Miles: To Xiamen China (South China)

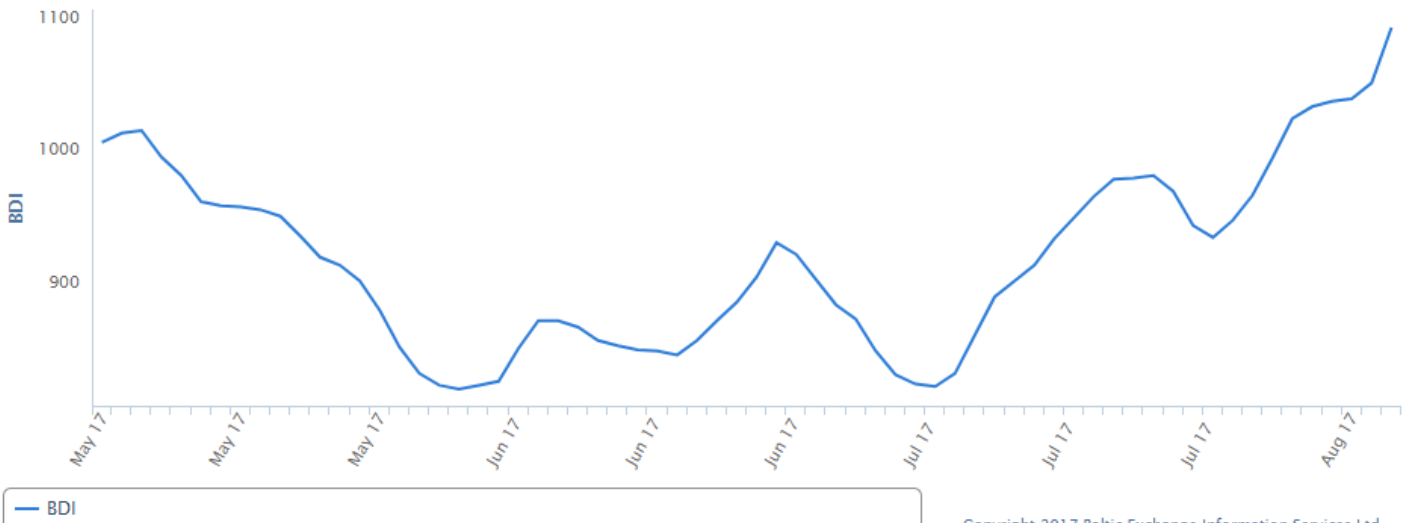
US Gulf (NOLA) (via Panamá Canal) – 10,232 nautical miles (32 days)
Santos Brazil (via Cape of Good Hope) - 10,441 nautical miles (33 days)
Rasario Argentina (via Cape Horn) - 10,751 nautical miles (34 days)

Forward Curve for Baltic BPI Panamamax Vessel Freight

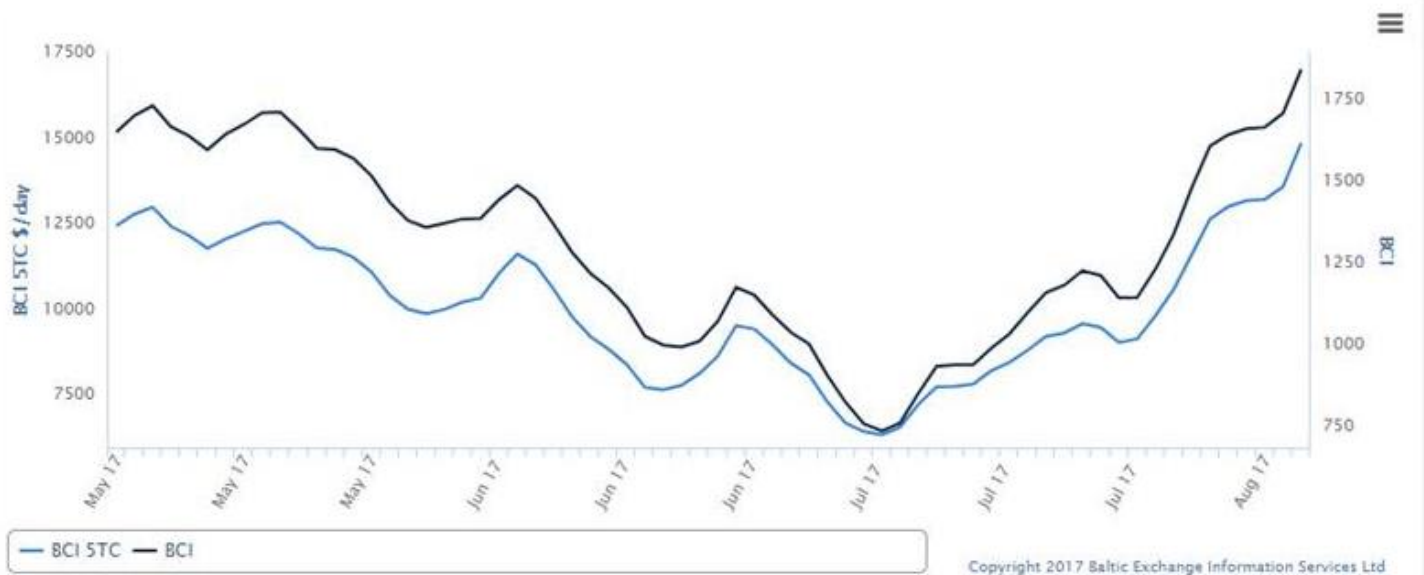


Baltic Dry Bulk Index

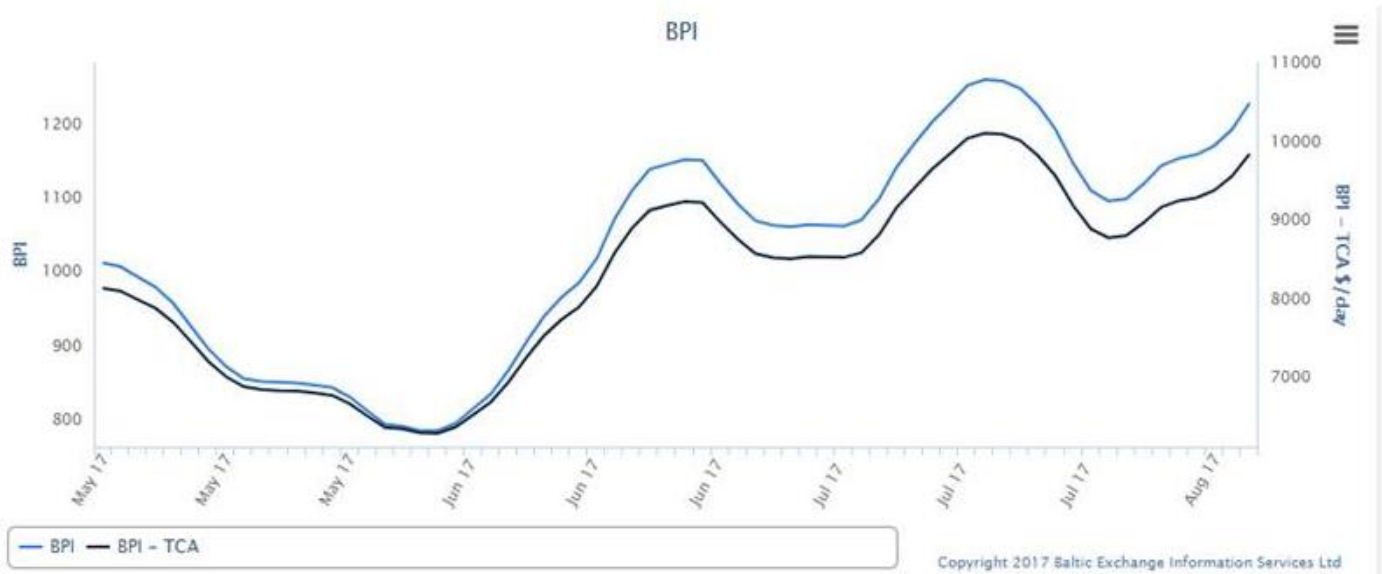
BALTIC EXCHANGE DRY INDEX



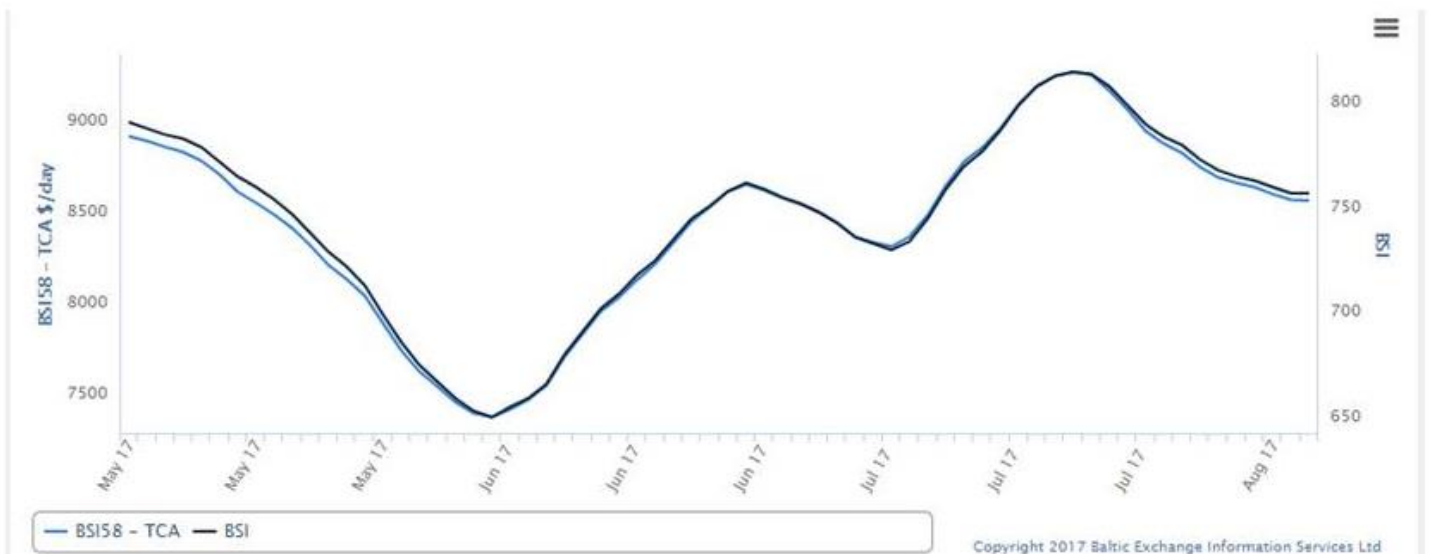
Baltic Capesize Index



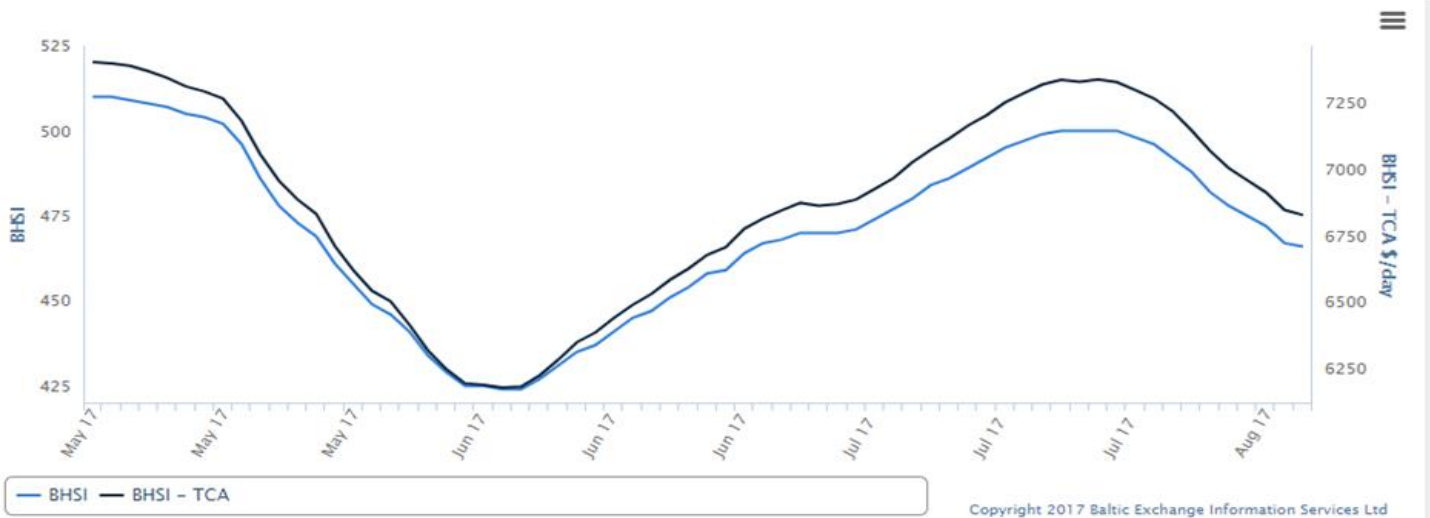
Baltic Panamax Index



Baltic Supramax Vessel Index



Baltic Handy Size



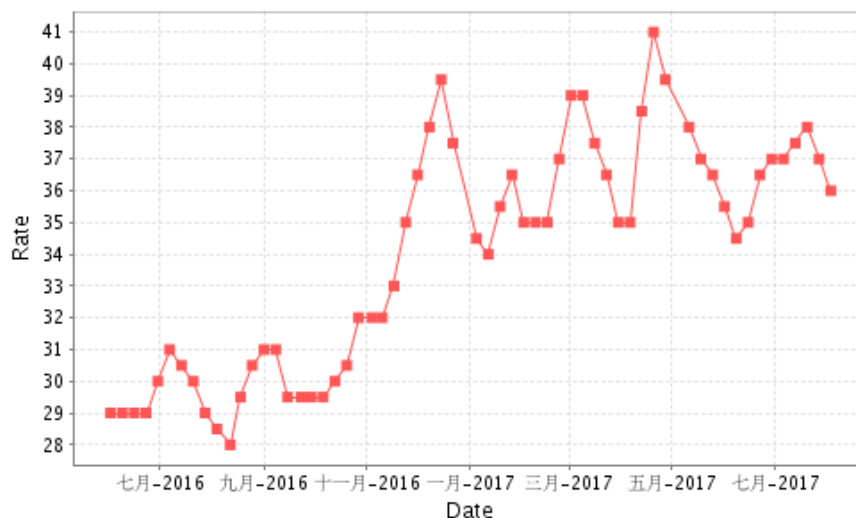
Yamamizu Shipping

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USG/Japan Index Result

Date From: 2016-06-01

Date To: 2017-08-10



China Import Dry Bulk Freight Index(CDFI)

2017-08-09

Index/Routes	Charterparty type	Cargo/Vessel type	Dwt/Cargo Capacity	Unit	Index/Rate	Change
Composite Index				Point	785.69	2.06
VC Index				Point	698.82	0.66
TCT Index				Point	915.98	4.14
Santos(Brazil)— North China	VC	Soybean	60000/10%	\$/ton	27.118	0.1
Tacoma(West America)—North China	VC	Soybean	60000/10%	\$/ton	18.591	0.032
Mississippi(US Gulf) —North China	VC	Soybean	55000/10%	\$/ton	36.923	0.128

10 August 2017 FOB Vessel Export Market Values:

U.S. Yellow Corn (USD/MT) FOB Vessel				
# 2 YC	U.S. Gulf #2 YC		PNW #2 YC	
15.0 % Moisture	Basis	Flat Price	Basis	Flat Price
Sept. (Z)	0.45	\$163.77	0.74	\$175.19
Oct.	0.45	\$163.77	0.83	\$178.73
Nov.	0.48	\$164.95	0.84	\$179.12
Dec.	0.52	\$166.53	0.84	\$179.12
Jan.	0.49	\$170.07	0.80	\$182.27
Feb.	0.51	\$170.86	0.83	\$183.45

The Gulf spread between #2 and #3 YC is currently about 02 cents per bushel (0.80 per MT)

SORGHUM (USD/MT) FOB VESSEL				
#2 YGS Fob Vessel	NOLA		TEXAS	
Max. 14.0% moisture	BASIS	FLAT PRICE	BASIS	FLAT PRICE
Sept. (Z)	1.10	\$189.36	1.00	\$185.42
Oct.	1.10	\$189.36	1.00	\$185.42
Nov.	1.05	\$187.39	1.00	\$185.42
Dec.	1.05	\$187.39	1.00	\$185.42
Jan.	1.05	\$192.12	0.96	\$188.57

Fob vessel Texas Gulf #2 Sorghum is about 113 % the value of #2 Yellow Corn at NOLA

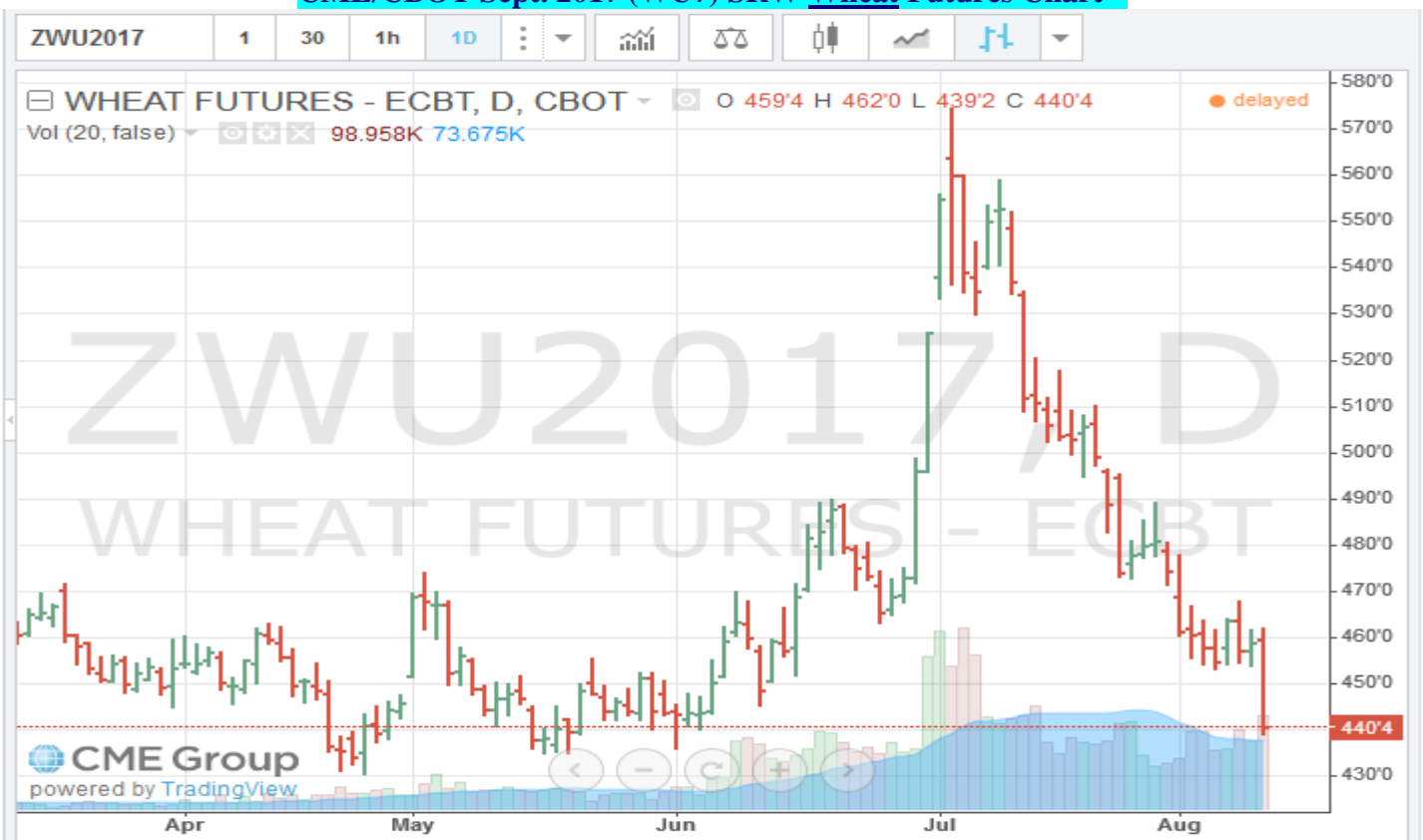
U.S. SRW Wheat Fob Vessel at the Center U.S. Gulf				
SRW Wheat	USD/MT	Fob Vessel	US Gulf	
	Sept.	Oct.	Nov.	Dec.
FOB U.S. GULF	\$186.47	\$196.12	\$196.12	\$195.75
Basis	0.67	0.65	0.65	0.64
WU	4.4050			
WZ	4.6875			
WH	4.9025			

CME CORN FUTURES MARKET CLOSE- Thursday						
CBOT CORN Month	Futures Symbol	Friday Close Bushel	Friday Close MT.	Last week Bushel	Last Week MT.	Difference Bushel
Sept.	CU	\$3.5725	\$140.64	\$ 3.6650	\$144.28	(\$0.0925)
Dec.	CZ	\$3.7100	\$146.05	\$ 3.8100	\$149.99	(\$0.1000)
Mar.	CH	\$3.8300	\$150.78	\$ 3.9250	\$154.52	(\$0.0950)
May	CK	\$3.8925	\$153.24	\$ 3.9800	\$156.68	(\$0.0875)
July	CN	\$3.9450	\$155.31	\$ 4.0350	\$158.85	(\$0.0900)

CME/CBOT December 2017 (CZ7) Corn Futures Chart –



CME/CBOT Sept. 2017 (WU7) SRW Wheat Futures Chart –



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
Sept. (X)	0.62	\$364.77	0.84	\$372.85
Oct.	0.65	\$369.36	0.93	\$379.65
Nov.	0.70	\$371.20	0.96	\$380.75
Dec.	0.65	\$372.58	0.97	\$384.34
Jan.	0.65	\$372.58	0.97	\$384.34
Soybean Futures				
Aug.	\$ 9.3075			
Sept.	\$ 9.3400			
Nov.	\$ 9.4025			
Jan.	\$ 9.4900			
Mar.	\$ 9.5675			
May	\$ 9.6425			

U.S. SBM (USD/MT) FOB Vessel		
Fob U.S. Gulf Port	47.5 Pro. SBM	
max 12.5 % moisture	Basis	Flat Price
Sept.	-2.00	\$ 322.15
Oct.	-1.00	\$ 325.02
Nov.	0.00	\$ 327.99
Dec.	1.00	\$ 332.07
Jan.	3.00	\$ 334.28
SBM Futures		
SMQ	294.20	
SMU	295.80	
SMV	297.50	
SMZ	300.20	
SMF	301.40	
SMH	304.20	

CME Nov. 2017 Soybean (SX17) Futures Chart



CME Dec. 2017 Soybean Meal (SMZ7) Futures Chart



U.S. EXPORT STATISTICS: Report Activity as of Week Ending 27 July 2017
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 '17- 18 (000 MT)
Corn	189.6	56,358.7	56,520	100%	4,438.1
Sorghum	165.0	4,833.6	5,720	85%	126.0
Soybeans	473.4	60,761.2	57,150	106%	6,392.7
Wheat	207.3	10,063.3	26,540	38%	0.0
Barley	0.5	36.3	110	33%	0.0

U.S. EXPORT INSPECTIONS:

Monday's report 07 August 2017 for the Export week ending 03 August 2017

	Export Inspections		Current Market Year YTD	Previous Year to Date	2016 YTD as Percent of 2015
	This Week	Previous Week			
Corn	979,006	993,045	53,838,868	41,699,904	129%
Sorghum	105,951	222,653	5,633,848	8,371,080	67%
Soybeans	685,697	492,537	55,091,471	47,828,398	115%
Wheat	586,149	584,503	5,611,586	4,802,567	117%
Barley	2,468	2,245	10,032	15,027	67%

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

U.S. EXPORT INSPECTIONS:

Monday's report 07 August 2017 for the Export week ending 03 August 2017

Last Week							
(Metric Tons)	YC	%	WC	%	Sorghum	%	Soybeans %
Lakes	0	0%	0	0%	0	0%	0 0%
Atlantic	0	0%	0	0%	0	0%	4,578 1%
Gulf	474,646	50%	31,900	98%	98,949	93%	486,178 71%
PNW	312,114	33%	0	0%	0	0%	133,932 20%
Interior Export Rail	159,747	17%	599	2%	7,002	7%	61,009 9%
Metric Tons	946,507		32,499		105,951		685,697

Sorghum

Shipments:

metric tons	
101,030	China Main
1,813	Kenya
710	Sudan
2,398	Mexico
105,951	Total

White Corn

Shipments:

metric tons	
31,900	Costa Rica
599	Mexico
32,499	Total

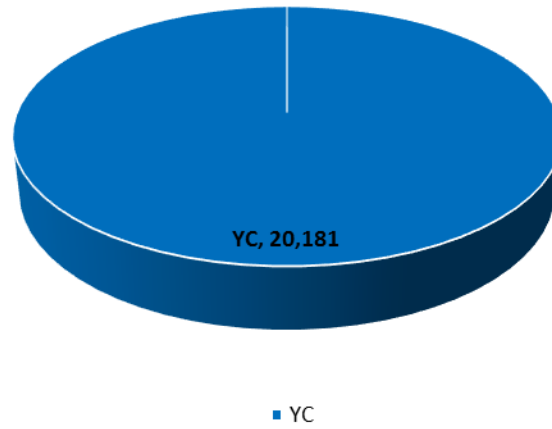
Export Inspection Highlights

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).*

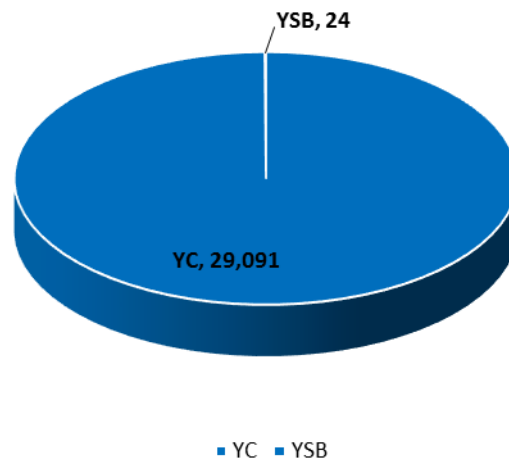
CONTAINER SHIPMENTS of GRAIN									
USDA Grain Inspections Report:		3-Aug-2017							
Last Week	metric tons								MT
	YC	WC	YSB	SRW	NS	SWH	HRW	Sorghum	TOTAL
China Main	1,470		2,644					2,081	6,195
China T	6,144		6,633						12,777
Hong Kong	245								245
Costa Rica									0
Indonesia			21,623						21,623
French Polynesia									0
Japan			490						490
Korea Republic	1,763								1,763
Dominican Rep.									0
Malaysia			2,423						2,423
Sudan								710	710
Philippines	343		538						881
Thailand			3,110						3,110
Bangladesh			367						367
Kenya								1,813	1,813
Vietnam			2,741						2,741
Sub total	9,965	0	40,569	0	0	0	0	4,604	50,217
USDA Corrections/Additions to previous reports:									
China T	(5,409)		3,501						-1,908
China Main			514					538	1,052
Hong Kong									0
Korea Rep.									0
Canada				100		431			531
Japan									0
Philippines			147						147
Indonesia			3,404						3,404
Malaysia			(23,206)						-23,206
Thailand							588		588
Vietnam			1,224						1,224
Bangladesh			612						612
Panama									0
Sub total	-5,409	0	-13,804	100	0	431	588	538	-17,556
Mt. Grand Total	4,556	0	26,765	100	0	431	588	5,142	32,661
Number of containers	198	0	1,164	4	0	19	26	224	

Jan - Dec 2016 Annual Totals versus 2017 Jan.-Dec. Year to Date Container Shipments (in MT)

2017 YTD Container Shipments to Hong Kong



2016 Container Shipments to Hong Kong

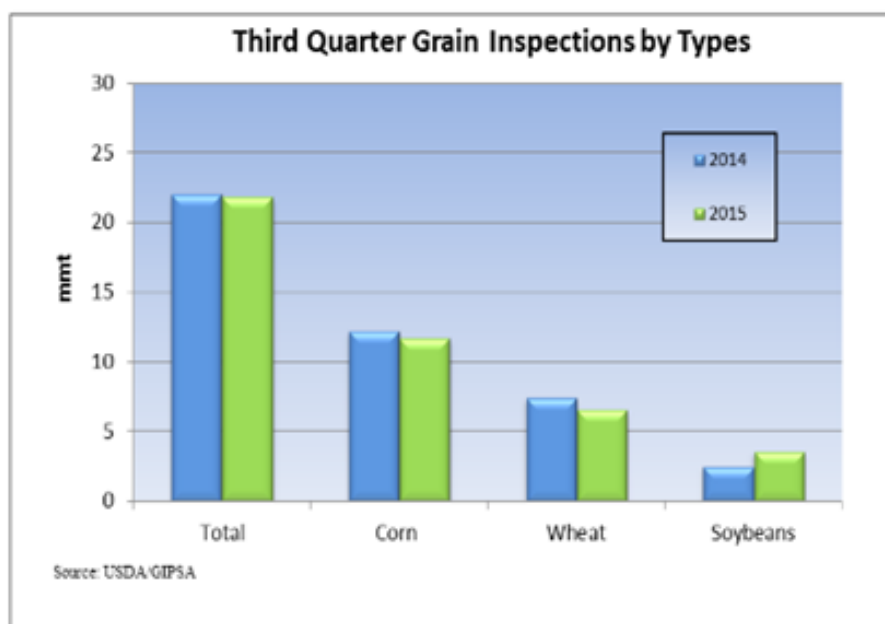


Grain Inspections for Export by U.S. Port Regions:
U.S. Gulf and Pacific Northwest 2016 YTD vs. 2017 YTD

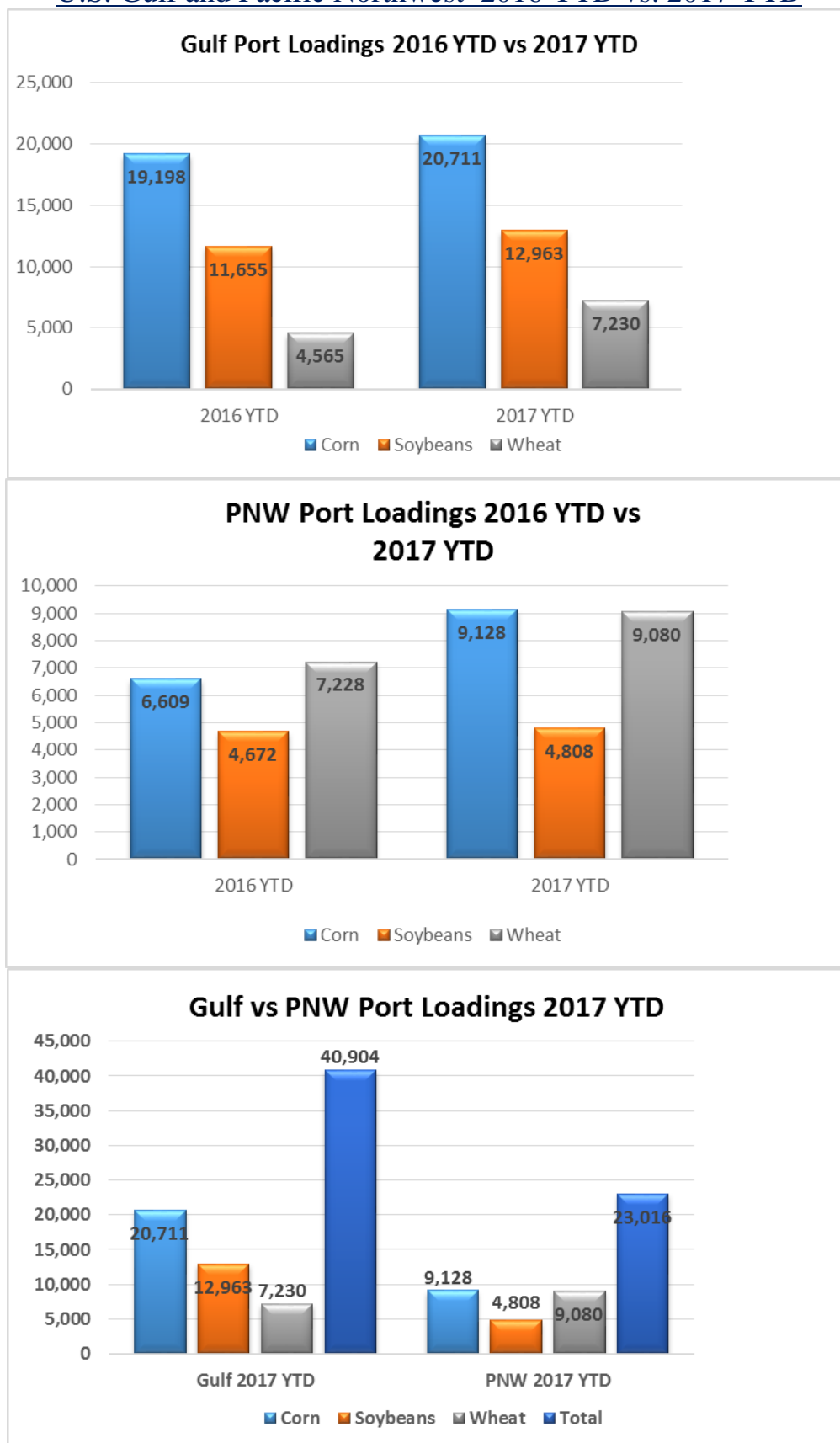
PORT LOADINGS US Gulf				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
GULF				
2016 YTD	19,198	11,655	4,565	35,418
2017 YTD	20,711	12,963	7,230	40,904
2017 as % of 2016	108%	111%	158%	115%

PORT LOADINGS US PNW				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
PNW				
2016 YTD	6,609	4,672	7,228	18,509
2017 YTD	9,128	4,808	9,080	23,016
2017 as % of 2016	138%	103%	126%	124%

PORT LOADINGS GULF vs. PNW				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
2017 Gulf YTD	20,711	12,963	7,230	40,904
2017 PNW YTD	9,128	4,808	9,080	23,016
TOTAL	29,839	17,771	16,310	63,920
Gulf Percentage	69%	73%	44%	64%
PNW Percentage	31%	27%	56%	36%

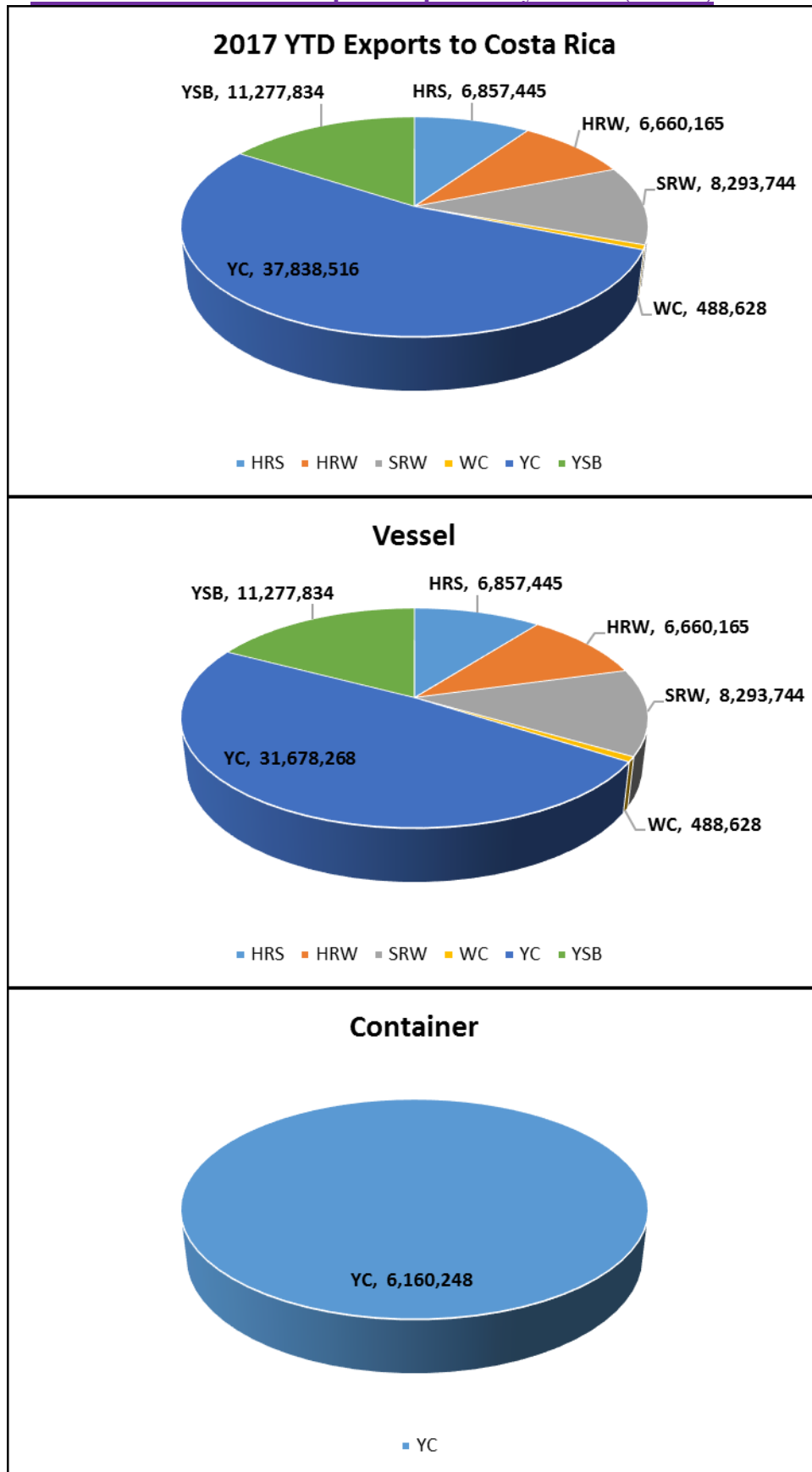


Grain Inspections for Export by U.S. Port Regions:
U.S. Gulf and Pacific Northwest 2016 YTD vs. 2017 YTD



Source: USDA-data

2017 YTD Total Grain Exports reported by USDA (in MT)



**Please keep in mind that USDA does not report DDGS sales, or they would show as the largest exports by container

Star Bulk post loss in second quarter

09 Aug 2017

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Star Bulk reduced its loss for the second quarter of this year to USD 10.3 million from USD 32.9 million posted in the same quarter a year earlier.

Net loss for the first half of this year stood at USD 26.2 million, against a net loss of USD 81.7 million recorded in 1H 2016.

In 2Q 2017, total net voyage revenues were USD 62 million, compared to USD 34.9 million seen in the second quarter of 2016. This increase was primarily driven by the increase in charter hire rates, which led to a TCE rate of USD 9,746 compared to a TCE rate of USD 5,609 in the same period last year, representing a 74% rise.

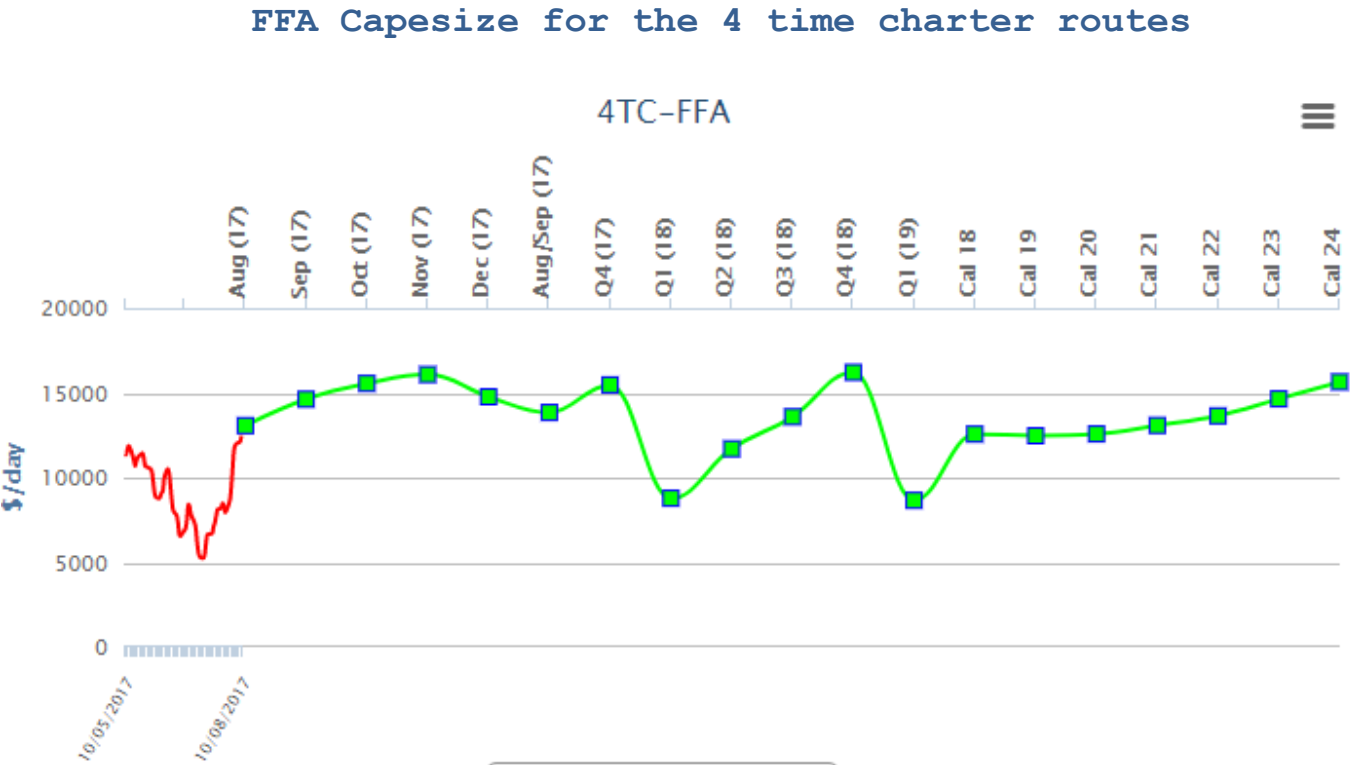
“Given our Q2 2017 average OPEX and net cash G&A expenses per vessel ... we have an adjusted EBITDA of USD 25.7 million, compared to an adjusted EBITDA figure of USD 1.6 million in Q2 2016. This marks the fifth consecutive increase in our quarterly Adjusted EBITDA since the first quarter of 2016 when the dry bulk market troughed,” Petros Pappas, Chief Executive Officer of Star Bulk, commented.

In July, the company took delivery of MV Diva, a Supramax vessel with carrying capacity of 56,582 dwt, built at Jiangsu Hantong Ship Heavy Industry China in 2011.

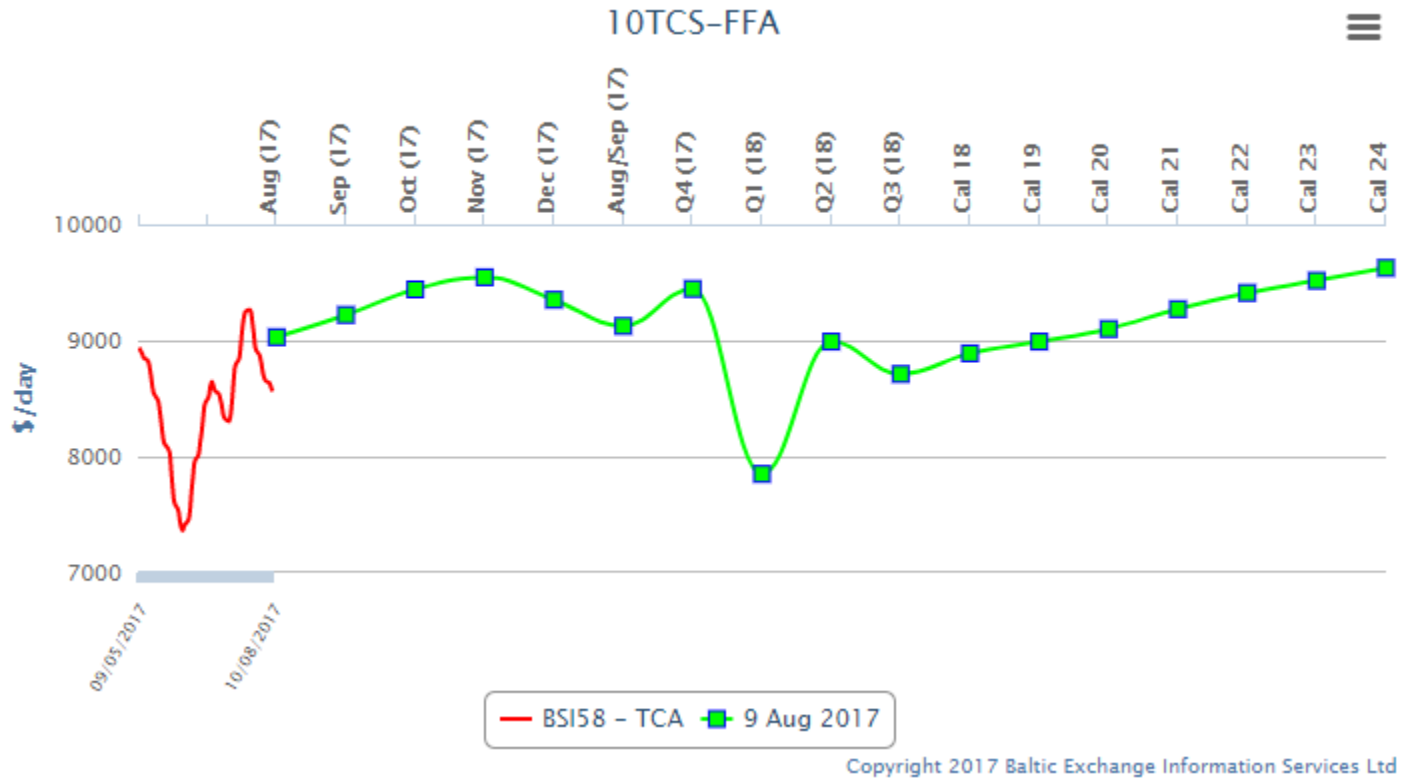
Furthermore, in August, the company paid USD 3.6 million to all parties under its restructuring agreements, representing the 20% of the equity used for the acquisition of Star Charis, Star Suzanna and Diva.

In June, Star Bulk signed a new loan agreement with ABN AMRO Bank for USD 30.8 million to partially finance the acquisition of two Kamsarmaxes bought earlier this year and to refinance all of the outstanding debt under the Heron Vessel CiT Facility.

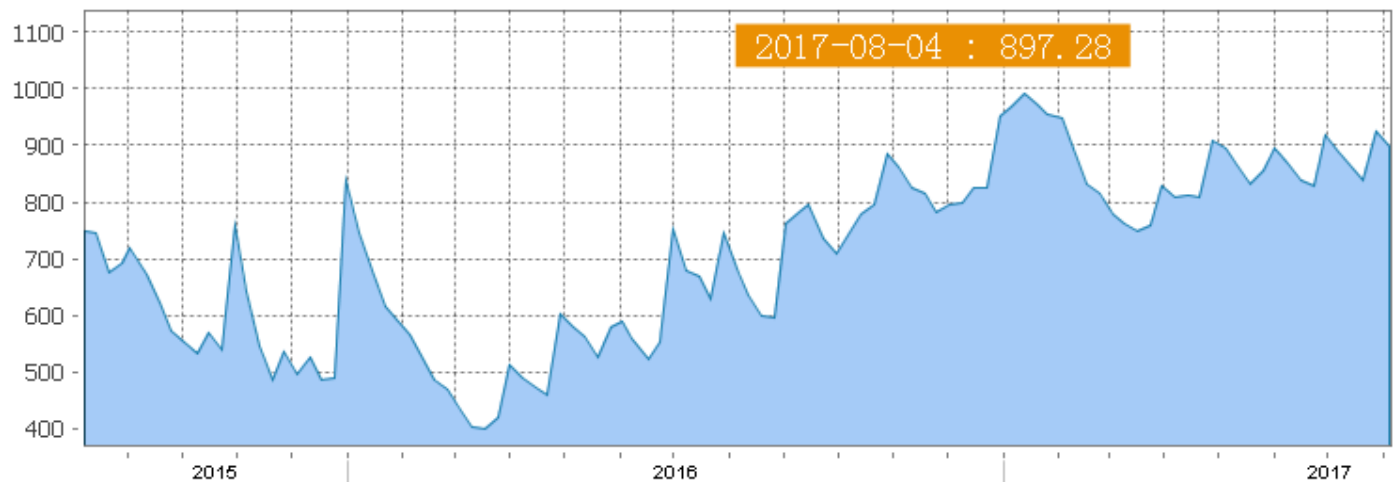
“On the financing front, we have drawn down the full facility amount to partially finance the acquisition of the 2 ... Kamsarmaxes ..., which along with the successful refinancing in full of one of our bank facilities, demonstrates the solid support from the company’s lenders and enhances our financial flexibility going forward,” Pappas added.



FFA SUPRAMAX 58 for the 5 time charter routes



Shanghai Containerized Freight Index



U.S. RIVER BARGE FREIGHT

Current Barge Freight for Placement First Half September 2017

Placemen FH Septmber 2017	% of		Corn	Soybeans-Wheat
	Tariff	MT	BU	BU
Upper Mississippi	360	\$24.56	0.62	0.67
Illinois River (Pekin and South)	340	\$18.03	0.46	0.49
Mid-Mississippi	340	\$19.94	0.51	0.54
Lower Ohio	295	\$14.50	0.37	0.39
St. Louis	255	\$11.22	0.28	0.31

Secondary Rail Car Market for car placement period: Last Half August 2017.

Secondary Rail Car Market Placement FH September 2017	BID USD	ASK USD	BID BU.	ASK BU.	BID MT	ASK MT
BNSF Shuttle Trains	\$ (250.00)	\$ (150.00)	\$ (0.06)	\$ (0.04)	\$ (2.46)	\$ (1.48)
UPRR Shuttle Trains	\$ (100.00)	\$ -	\$ (0.03)	\$ -	\$ (0.98)	\$ -

Best Regards,

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