

Transportation and Export Report for 11 August 2022

This week was not a story of the little engine that could. Freight markets staged a small rally early in the week but could not keep the momentum going and, once again, fell back. One does have to wonder when a bottom will be found. And, if Shipping and the Dry Bulk index has any true relationship with global economic health; it is not painting an optimistic picture.

On the bright side, from a shipper's perspective, Container markets are showing improved availability of empty containers at U.S. West Coast ports. This is a positive development for export grain sellers. U.S. containerized grain exports more than doubled in this week's FGIS export report.

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					
11-Aug-2022		This Week	Last Week	Difference	Percent Change
P2A: Gulf/Atlantic - Japan	Index	26782	27350	-568	-2.1%
P3A: PNW/Pacific - Korea	Index	15175	15440	-265	-1.7%
S1C: US GULF-China-So.Japan	Index	21629	24321	-2,692	-11.1%
P7: Trial- Miss. River - Qingdao	per ton	62.74	64.35	-1.6	-2.5%
P8: Trial- Santos - Qingdao	per ton	50.22	52.99	-2.8	-5.2%

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

Four weeks ago:	\$11.00-\$10.90
Three weeks ago:	\$10.50-\$10.75
Two weeks ago:	\$10.60-\$10.75
One week ago:	\$10.50-\$10.15
This week	\$8.50-\$8.85

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

Mississippi River:	(9 elevators)	3-7 days
Mid-Stream loaders:	(6+ Rigs)	0-1 days
Texas Gulf	(5 elevators)	1-5 days
Pacific Northwest:	(9 elevators)	0- 5 days

Panamax Market Spreads to Asia -China					
11-Aug-2022	GULF	PNW	Bushel Spread	Tonne Spread	Advantage
CORN	1.40	2.35	0.95	\$37.40	GULF
SOYBEANS	1.90	2.92	1.02	\$37.48	GULF
OCEAN FREIGHT	\$64.50	\$37.50	.69-.73	\$27.00	September

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 \$46.00 -\$48.00/mt.

Soybean Brazil to Spain about \$55.00 -\$56.50/mt.

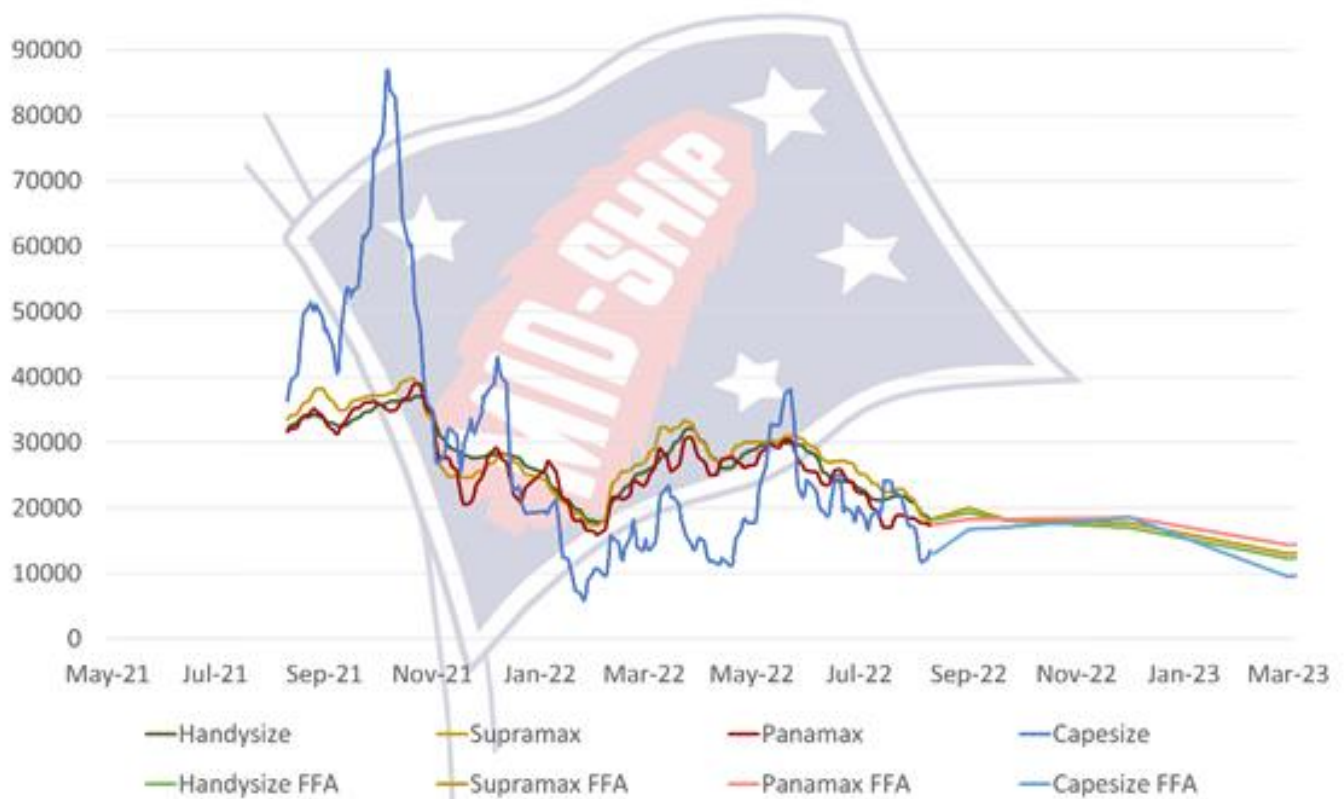
Route and Vessel Size	Current Week USD/MT	Change from previous week	Remarks
55,000 U.S. Gulf-Japan	\$65.50	Down \$1.00	Handymax \$66.00 mt
55,000 U.S. PNW- Japan	\$38.00	Down \$1.50	Handymax at \$39.00 mt
65,000 U.S. Gulf – China	\$64.50	Down \$1.00	North or South China
PNW to China	\$37.50	Down \$1.50	
25,000 U.S. Gulf- Veracruz, México	\$27.50	Down \$0.25	3,000 MT daily discharge rate
35-40,000 U.S. Gulf- Veracruz, México	\$23.50	Down \$0.25	Deep draft and 6,000 MT per day discharge rate.
30-38,000 U.S. Gulf- Colombia	\$37.75	Down \$1.00	<u>West Coast Colombia at \$44.50</u>
50,000 USG- E/C Colombia	\$37.25		
<u>East Coast Colombia</u> From Argentina	\$47.50		
40-45,000 U.S. Gulf - Guatemala	\$46.00	Down \$0.75	Acajutla/Quetzal - 8,000 out
30,000 US Gulf-Morocco	\$64.50	Down \$1.00	5,000 discharge rate
55-60,000 U.S. Gulf –Egypt	\$64.50	Down \$1.00	55,000-60,000 mt Egypt
PNW to Egypt	\$65.00		Romania - Russia- Ukraine \$27.00 -\$31-\$44.00- \$.00 - France \$42.00, Bulgaria \$33.00
58-74,000 U.S. Gulf – Europe – Rotterdam	\$32.50	Down \$0.50	Handymax at +\$2.50 more
Brazil, Santos –China	\$55.75	Down \$1.75	54-59,000 Supramax-Panamax
Brazil, Santos –China	\$53.25		60-66,000 Post Panamax
Up-River Port North Brazil	\$63.25		55-60,000 mt
56-60,000 Argentina-China	\$60.75	Down \$1.75	Up-River with Top Off Plus \$3.85-\$4.75
Deep draft			

The Baltic Dry Bulk Freight Capesize Index

August Capesize FFA



Baltic Dry Bulk Index-

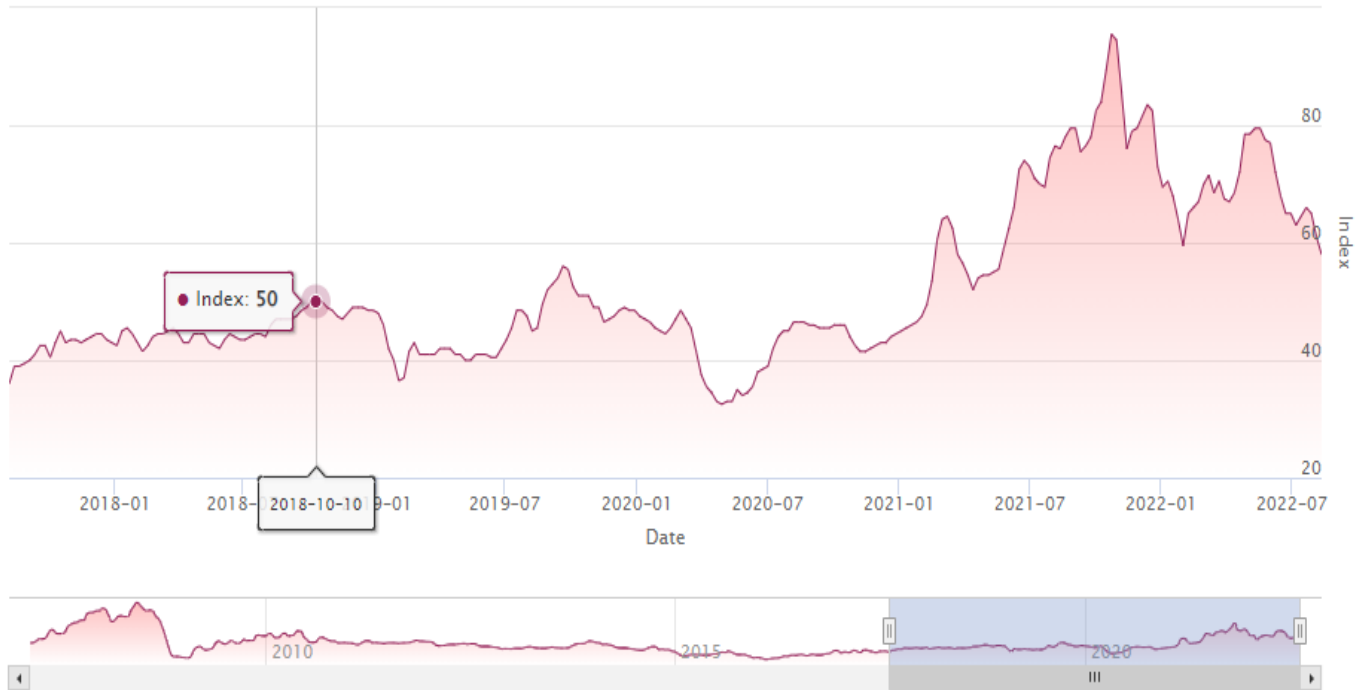


YAMAMIZU Index



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

From 2017-08-09 To 2022-08-09



China Import Dry Bulk Freight Index					
2022-08-11					
Description	Volume	Cargo	Unit	Rate	Change
Composite Index			Point	1259.1	4.1
Iron ore Freight Index			Point	1076.3	13.8
Dampier(West Australia)-Qingdao (China)	170000/10%	Iron ore	\$/ton	8.882	0.311
Soybean Freight Index			Point	1525.3	-16.76
Santos(Brazil)— North China	66000/10%	Soybean	\$/ton	53.53	-0.62
Tacoma(West America)—North China	63000/10%	Soybean	\$/ton	37.6	-0.85
Mississippi(US Gulf)—North China	66000/10%	Soybean	\$/ton	64.62	-0.4

11 August 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 =	6.2925
Max. 14.5% moisture	BASIS	FLAT PRICE	BASIS	FLAT PRICE	Z =	6.2775
Sept. (Z)	1.40	\$302.25	2.35	\$339.65	H=	6.3450
Oct.	1.42	\$303.03	2.40	\$341.61	K =	6.3750
Nov.	1.42	\$303.03	2.25	\$335.71	N=	6.3625
Dec.	1.40	\$302.25	2.15	\$331.77	U =	6.0275
Jan.	1.36	\$303.33	2.10	\$332.46		
Feb.	1.40	\$304.90	2.15	\$334.43		

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
Sept.	1.70	\$314.06
Oct.	1.70	\$314.06
Nov.	1.70	\$314.06
Dec.	1.70	\$314.06
Jan.	1.65	\$314.75

Fob vessel Texas Gulf #2 Sorghum is about 104 % 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. (Z)	Oct.	Nov.	Dec.
FOB U.S. GULF	\$349.52	\$355.03	\$356.87	\$358.71
Basis	1.25	1.40	1.45	1.50
WU	8.1075			.
WZ	8.2625			
WH	8.4125			

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
Sept. (X)	1.90	\$602.04	2.92	\$639.52
Oct.	1.75	\$596.53	2.65	\$629.60
Nov.	1.62	\$591.75	2.52	\$624.82
Dec.	1.50	\$589.73	2.38	\$622.06
Jan.	1.45	\$587.89	2.38	\$622.06
Soybean Futures				
Aug.	\$ 17.0950			
Sept.	\$ 15.2025			
Nov.	\$ 14.4850			
Jan.	\$ 14.5500			
Mar.	\$ 14.5475			
May	\$ 14.5475			

*Note that SBM Fob vessel USG is now trading at a discount to Soybeans Fob vessel.

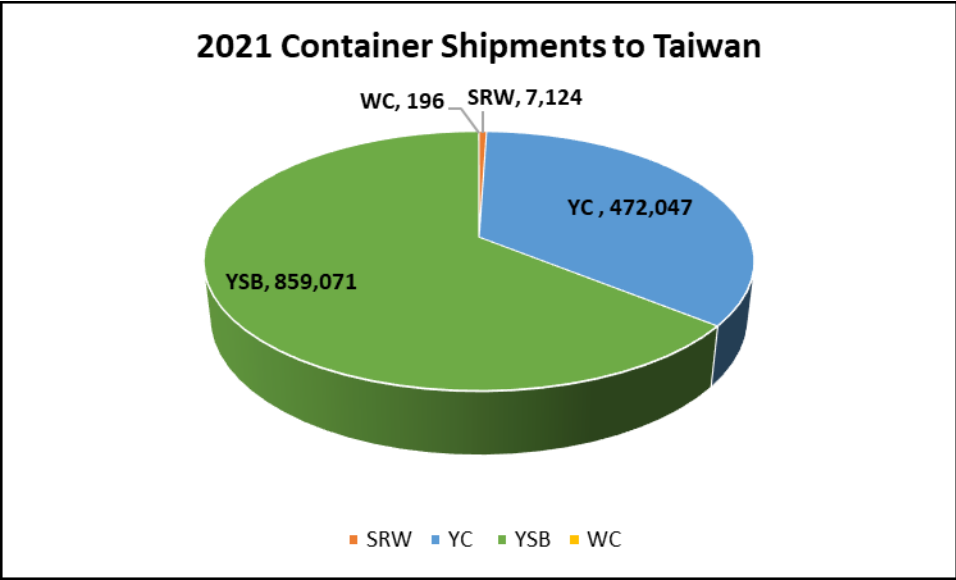
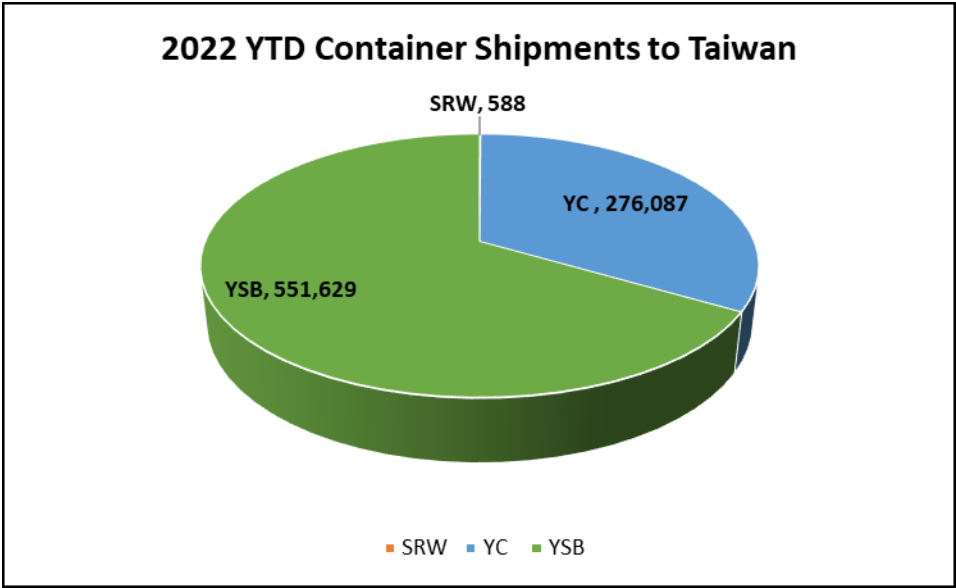
U.S. Soybean and SBM Markets Fob Vessel:

U.S. SBM (USD/MT) FOB Vessel		
Fob U.S. Gulf Port	47.5 Pro. SBM	
max 12.5 % moisture	Basis	Flat Price
Sept.	50.00	\$ 558.42
Oct.	50.00	\$ 514.76
Nov.	50.00	\$ 509.80
Dec.	50.00	\$ 509.80
Jan.	52.00	\$ 507.37
SBM Futures		
SMQ	\$ 520.20	
SMU	\$ 456.50	
SMV	\$ 416.90	
SMZ	\$ 412.40	
SMF	\$ 408.20	
SMH	\$ 400.60	

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).*

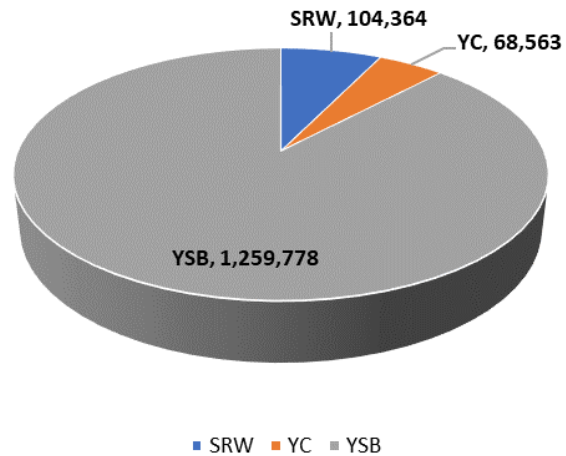
CONTAINER SHIPMENTS of GRAIN									
USDA Grain Inspections Report:		4-Aug-2022							
Last Week	metric tons								MT
	YC	WC	YSB	SRW	NS	SWH	DUWH	Sorghum	TOTAL
China	1,470		12,441				416	1,420	15,747
Taiwan	5,557		11,065						16,622
Hong Kong	881								881
Costa Rica									0
Indonesia	416		5,775						6,191
French Poly									0
Japan			906						906
Korea Rep.	49		808						857
Ireland									0
Malaysia	343		1,935	441					2,719
Singapore									0
Philippines			611						611
Thailand			3,255						3,255
Switzerland									0
Burma									0
Cambodia									0
Nepal									0
Vietnam			5,849						5,849
Sub Total:	8,716	0	42,645	441	0	0	416	1,420	53,638
USDA Corrections/Additions to previous reports:									
Taiwan	4,627		6,807						11,434
China			6,977					490	7,467
Hong Kong									0
Korea Rep.	367		318						685
Un Kingdom									0
Japan			1,002						1,002
Philippines									0
Indonesia			20,414						20,414
Malaysia	3,156		14,912						18,068
Thailand			2,130						2,130
Vietnam			5,091						5,091
Burma									0
Cambodia			416						416
Sub Total:	8,150	0	58,067	0	0	0	0	490	66,707
Mt. Grand Total	16,866	0	100,712	441	0	0	416	1,910	120,345
Number of Containers	733	0	4,379	19	0	0	18	83	

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

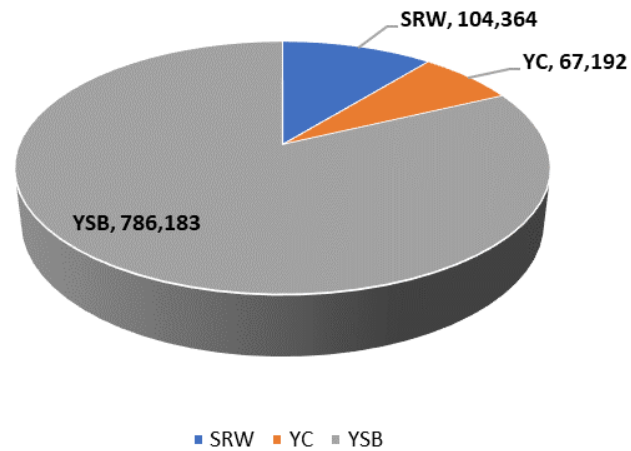


2022 YTD Total Grain Exports reported by USDA (in MT)

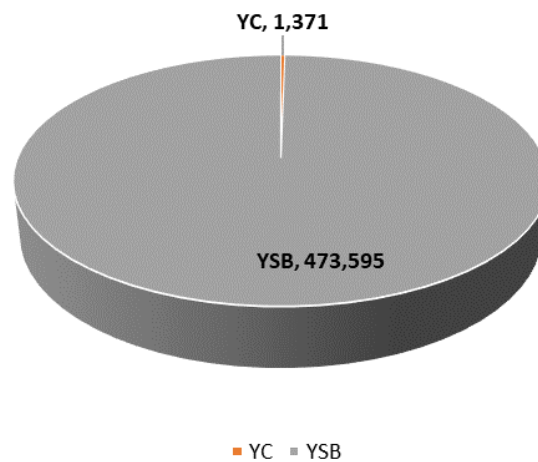
2022 YTD Exports to Indonesia



YTD Vessel Shipments to Indonesia



YTD Container Shipments to Indonesia



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

Source: USDA-data

Shipping News

Commodity Insights Shipping @SPGCIShipping · 9h

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#Corn bulk ship leaves Chornomorsk port for South Korea; concerns over quality

- ◆ MV Ocean Lion sails from #BlackSea port for South Korea
- ◆ Quality of corn in question; Razoni rejected from Lebanon

okt.to/KwcrnF

#Ukraine #Russia #OATT #shipping

Ships that have left Ukraine's ports:

Date Left	Vessel Name	Product	Destination	Quantity (mt)
1-Aug-22	Razoni	Corn	Lebanon	26,500
5-Aug-22	Polarnet	Corn	Karasu, Turkey	12,000
5-Aug-22	Navi Star	Corn	Ireland	33,000
5-Aug-22	Rojen	Corn	UK	13,000
7-Aug-22	Glory	Corn	Istanbul, Turkey	66,000
7-Aug-22	Riva Wind	Corn	Iskenderun, Turkey	44,000
7-Aug-22	Star Helena	Sunflower Meal	China	45,000
7-Aug-22	Mustafa Necati	Sunflower Oil	Italy	6,000
8-Aug-22	Sacura	Soybeans	Italy	11,000
8-Aug-22	Arizona	Corn	Iskenderun, Turkey	48,000
9-Aug-22	Ocean Lion	Corn	Incheon, South Korea	65,000
9-Aug-22	Rahmi Yagci	Sunflower Meal	Istanbul, Turkey	5,300

Lana Synkovska @LSynkovska · 12h

During the 9 days of the "grain corridor", 12 ships left Ukrainian ports



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6



BreakWave @DryBulkETF · 5h

CARGILL REPORTS \$165 BILLION IN REVENUE FOR FISCAL 2022



5



16



Rafa Llerena @rafaelxllerena · 10h

#Containerlines are set to smash year-old profit record by 73% @AJOT ajot.com/news/container... Carriers will post profits in 2022 that will top last year's record by 73%. Net income this year will likely reach \$256 billion based on the 11 top carriers monitored by @mccown_john



ajot.com

Container lines are set to smash year-old profit record by 73%

The world's biggest container lines are on course to post profits in 2022 that will top last year's record by 73%, according to a new forecast, ...

Peter Tirschwell @PeterTirschwell · 5h

...

West Coast ship backup is down to 10 from 109 in early January, according to the latest @MXSOCAL. Of course LA-LB rail dwells are significant and the vessel backups and port congestion issues have only shifted to the East and Gulf coasts.

Marine Exchange @MXSOCAL · 6h

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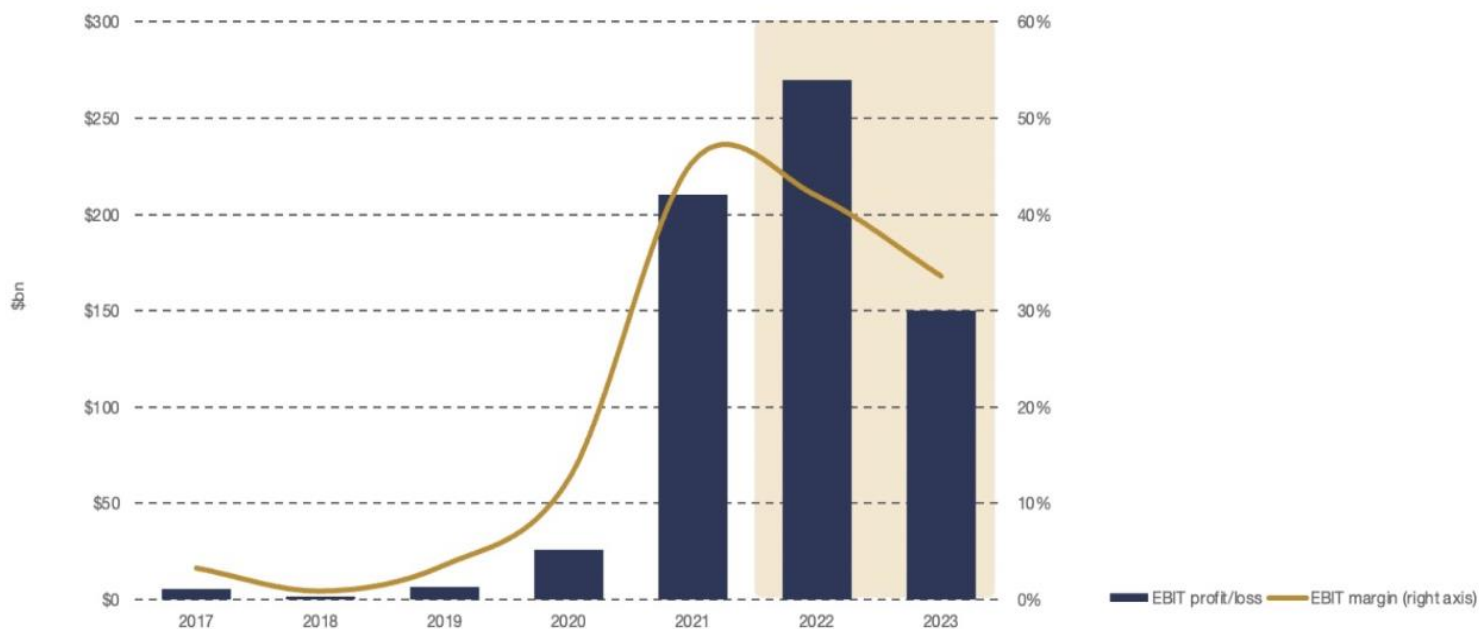
Ship Report 8/10: 79 total ships inport LA/LB incl. 15 at anchor or loitering & 64 at berths. Of the 79, 27 are container ships incl. 1 at anchor or loitering & 26 at berths. 1 vessel loitering; 1 container ship. 5 empty anchorages.



Sam Chambers @SamChambers · 11h

How @DrewryShipping sees liner profits playing out this year and next splash247.com/liner-shipping...

Forecast carrier industry ebit profit/loss and ebit margins



Source: Drewry Maritime Research

Baltic Dry-Bulk Ocean Freight Index- US Gulf- Japan



01st - 07th August 2022

Dry Bulk period market TC rates

	05 Aug	01 Jul	±%	Min	last 5 years	
					Avg	Max
Capesize						
12 months	\$ 15,750	\$ 23,250	-32.3%	\$ 9,450	\$ 19,638	\$ 40,950
36 months	\$ 15,750	\$ 20,250	-22.2%	\$ 10,700	\$ 17,280	\$ 26,700
Panamax						
12 months	\$ 16,750	\$ 20,250	-17.3%	\$ 8,200	\$ 15,260	\$ 30,950
36 months	\$ 13,250	\$ 15,250	-13.1%	\$ 8,450	\$ 13,197	\$ 20,450
Supramax						
12 months	\$ 15,750	\$ 20,500	-23.2%	\$ 7,200	\$ 14,314	\$ 31,450
36 months	\$ 13,250	\$ 15,750	-15.9%	\$ 7,700	\$ 11,958	\$ 19,200
Handysize						
12 months	\$ 17,750	\$ 21,000	-15.5%	\$ 6,450	\$ 13,072	\$ 30,450
36 months	\$ 13,500	\$ 15,500	-12.9%	\$ 6,950	\$ 10,864	\$ 19,450

source: Allied.

Wall Street Silver  @WallStreetSilv · 22h

State of the world economy

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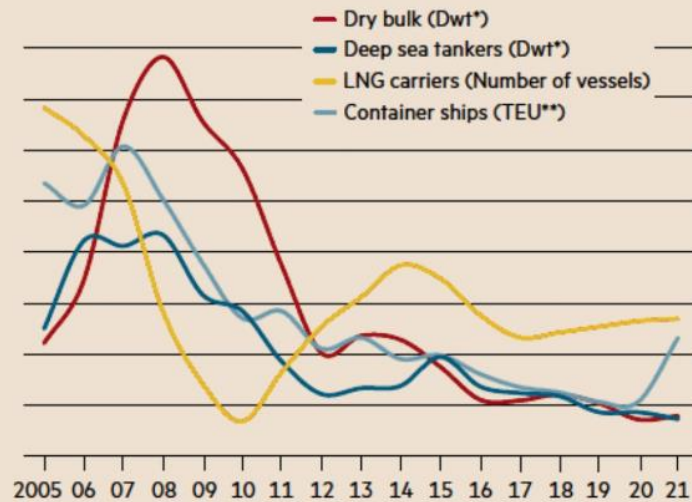


Shipping rates: containerise your enthusiasm

An imbalance between supply and demand has driven up freight rates. The number of new ships on order has increased, particularly for liquid natural gas carriers. Overall, order books average a tenth of the global fleet. That is still far below the pre-financial crisis peak.

Capacity is growing

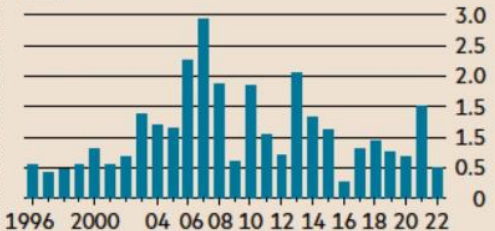
Order book as % of world fleet



Source: Clarksons Research *Dead weight tonnage **Twenty-foot Equivalent Unit

Number of shipbuilding orders

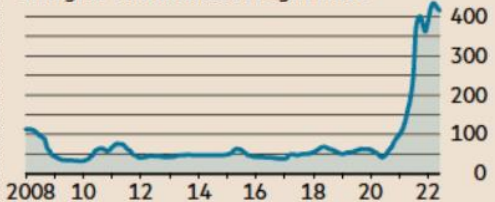
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Source: Clarksons Research

Container freight rates

Shanghai Containerised Freight Index



Sources: Shanghai Shipping Exchange; Clarksons Research

THIS SHOULD BE GOOD NEWS FOR U.S. GRAIN EXPORTERS

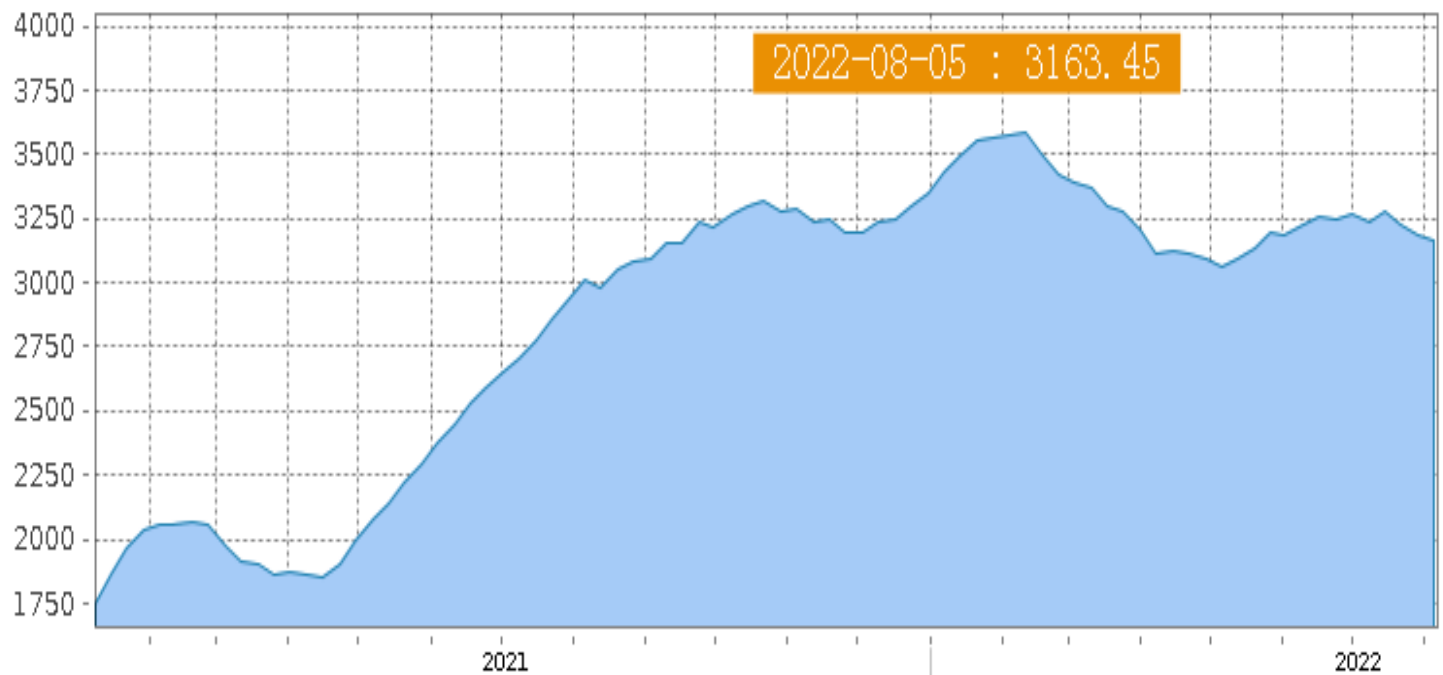
Peter Tirschwell @PeterTirschwell · 3h

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Interesting that the empty returns issue is now also rearing its head on the West Coast. As we recently reported importers are having no trouble obtaining containers in Asia, thus carriers' incentive to return them is not what it was last year. [#TPM23 joc.com/port-news/us-p...](#)



China Containerized Freight Index



China Import Dry Bulk Freight Index



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

Secondary Rail Car Market Placement FH September 2022	BID USD	ASK USD	BID BU.	ASK BU.	BID MT	ASK MT
BNSF Shuttle Trains	\$ (250.00)	\$ (100.00)	\$ (0.06)	\$ (0.03)	\$ (2.46)	\$ (0.98)
UPRR Shuttle Trains	\$ 300.00	\$ 500.00	\$ 0.08	\$ 0.13	\$ 2.95	\$ 4.92

U.S. RIVER BARGE FREIGHT

Barge Freight for Loading Placement First Half September 2022

Placement FH Sept. 2022	% of Tariff	MT	Corn BU	Soybeans-Wheat BU
Upper Mississippi	675	\$46.06	1.17	1.25
Illinois River (Pekin and South)	625	\$42.65	1.08	1.16
Mid-Mississippi	625	\$30.73	0.78	0.84
Lower Ohio	615	\$30.23	0.77	0.82
St. Louis	575	\$25.29	0.64	0.69

Best Regards,

Jay

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