

Transportation and Export Report for 15 August 2019

Ocean Freight Insights and Comments:

Dry-Bulk markets did find a bottom this week and bounced off it. From a technical point of view, you would say that things gapped up. Now the market is wondering if this is a true turn around or if things will get topsey after the big single week rally. Vessel owners however have been given reason to get bullish again and are holding out for better values. We will have to see if rates can hold, or move further upward, as we go into the coming week.

BALTIC DRY-BULK PANAMAX INDEX CHANGES

Panamax Ocean Freight Indices				
15-Aug-19	This Week	Last Week	Difference	Percent Change
P2A : Gulf/Atlantic - Japan	28478	25264	3,214	12.7%
P3A - PNW/Pacific - Japan	14225	11058	3,167	28.6%
S1C -USGULF-China-So.Japan	25750	23256	2,494	10.7%
P7- Trial- Miss. River - Qingdao	50823	48100	2,723	5.7%
P8- Trial- Santos - Qingdao	39652	37250	2,402	6.4%

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

Four weeks ago:	\$9.50-\$10.40
Three weeks ago:	\$9.30-\$11.15
Two weeks ago:	\$9.70-\$10.00
One week ago:	\$8.65-\$9.65
This week	\$8.95- \$10.25

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

Mississippi River:	(10 elevators)	3-14 days (2 facilities not currently operating)
Miss. River Mid-Stream loaders:	(6+ Rigs)	0-3 days
Texas Gulf	(5 elevators)	0-4 days (only 1 facility has a vessel lineup)
Pacific Northwest:	(9 elevators)	0-15 days (only 2 facilities over 6 days. 3 at 0 days)

Panamax Market Spreads to Asia -China					
15-Aug-19	PNW	GULF	Bushel Spread	MT Spread	Advantage
CORN	0.95	0.50	0.45	\$17.72	PNW
SOYBEANS	0.78	0.40	0.38	\$14.96	PNW
OCEAN FREIGHT	\$27.25	\$50.00	.58-.62	\$22.75	September

Recent Reported Vessel Fixtures:

Soybean Panamax USG to Spain is running \$23.50/mt.

Soybean Brazil to Spain at about \$26.50/mt.

30,000 mt Corn Northern Brazil to Vera Cruz, Mexico \$21.00-\$21.50/mt .To U.S. E/C about \$24.00-24.50/mt

Route and Vessel Size	Current Week USD/MT	Change from previous week	Remarks
55,000 U.S. Gulf-Japan	\$50.50	Up \$1.50	Handymax \$50.50 mt
55,000 U.S. PNW- Japan	\$27.75	Up \$0.75	Handymax \$27.75 mt
66,000 U.S. Gulf – China PNW to China	\$50.00 \$27.25	Up \$1.50 Up \$0.75	North China
25,000 U.S. Gulf- Veracruz, México	\$18.50	Up \$0.75	3,000 MT daily discharge rate
30-35,000+ U.S. Gulf- Veracruz, México	\$15.75	Up \$0.75	Deep draft and 6,000 MT per day discharge rate.
25/37,000 U.S. Gulf- <u>East Coast Colombia</u> From Argentina	\$21.75 \$32.25	Up \$1.25	<u>West Coast Colombia at \$29.50</u>
43-45,000 U.S. Gulf - Guatemala	\$29.50	Up \$1.50	Acajutla/Quetzal - 8,000 out
26-30,000 U.S. Gulf – Algeria	\$36.75 \$37.75	Up \$1.25	8,000 mt daily discharge 3,000 mt daily discharge
26-30,000 US Gulf-Morocco	\$38.25	Up \$1.25	5,000 discharge rate
55-60,000 U.S. Gulf –Egypt PNW to Egypt	\$31.50 \$32.00	UP \$1.50	60,000 -55,000 mt Romania- Russia- Ukraine \$18.00 -\$16.00 -\$18.50 (France \$22.00-\$22.50)
60-70,000 U.S. Gulf – Europe – Rotterdam	\$20.00	Up \$0.50	Handymax at +\$1.75 more
Brazil, Santos – China Brazil, Santos – China Itacoatiara-Port Upriver North Brazil	\$39.25 \$39.00 \$41.25	Up \$1.50	54-59,000 Supramax-Panamax 60-66,000 Post Panamax 60-66,000 mt
56-60,000 Argentina/Rosario- China Deep Draft	\$42.00	Up \$1.50	Upriver with BB Top Off \$46.50

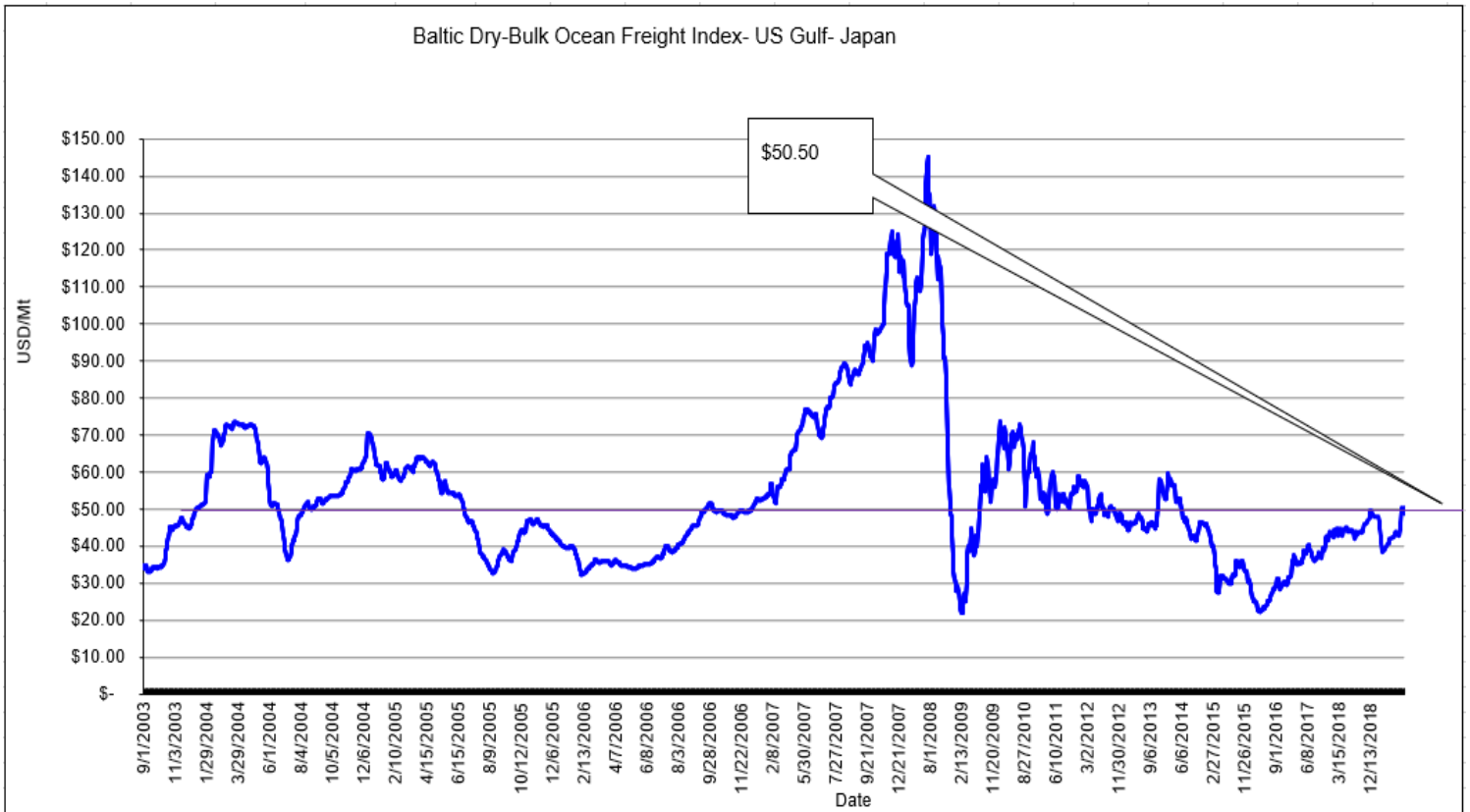
- The above rate estimates reflect the 30-45-day forward ocean freight markets.

Nautical Miles: To Xiamen China (South China)

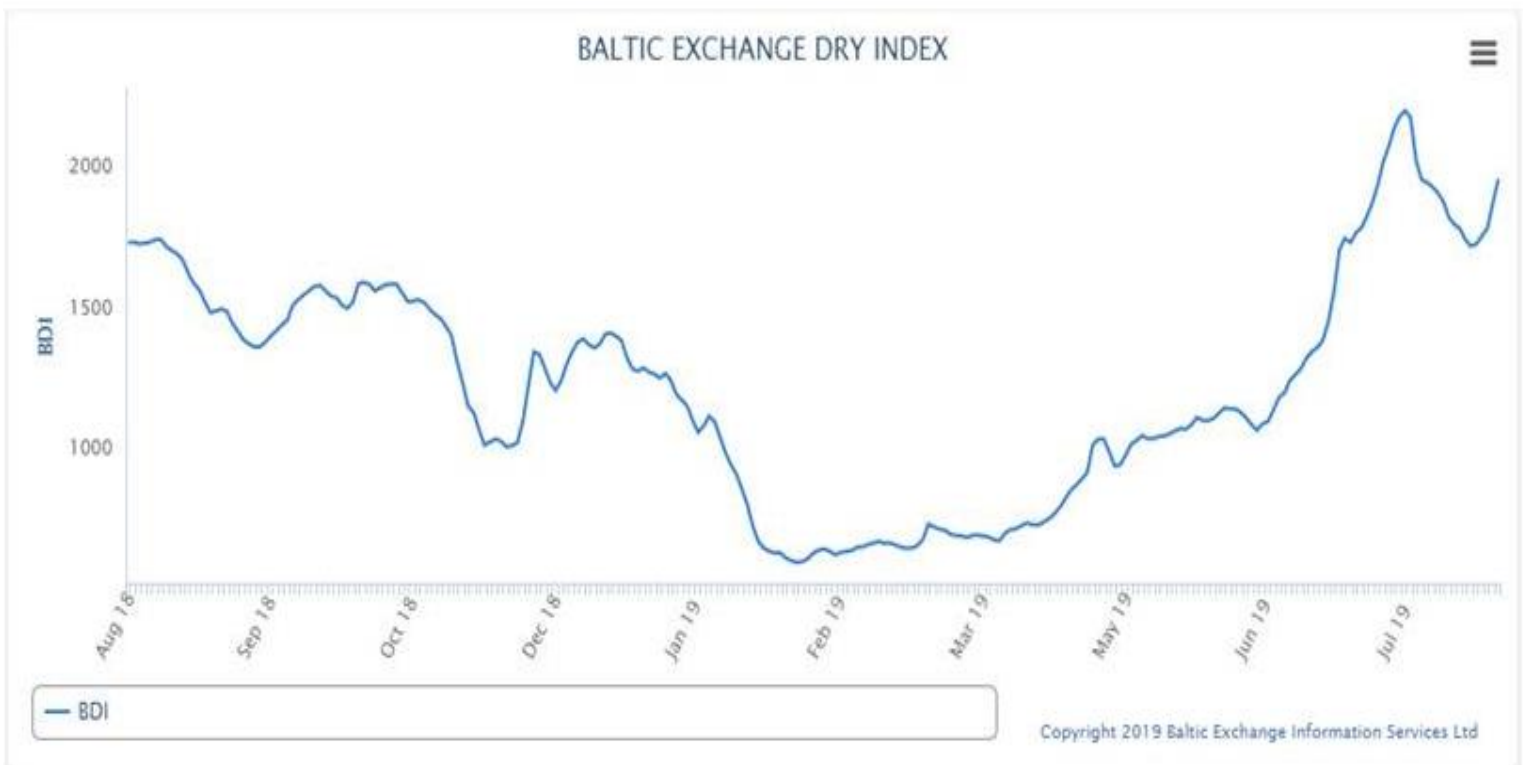
US Gulf (NOLA) (via Panamá Canal) – 10,232 nautical miles (32 days)

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

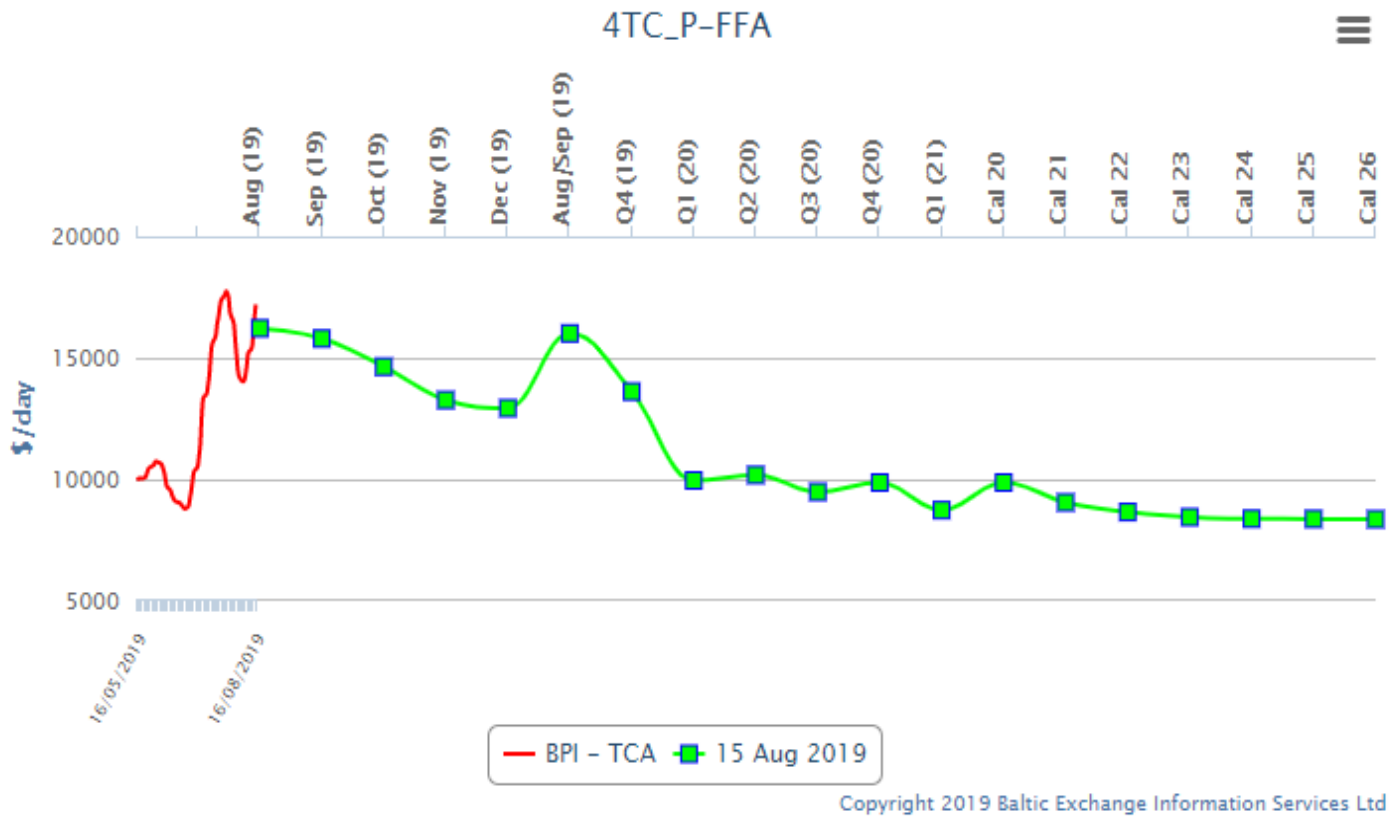
Rosario Argentina (via Cape Horn) - 10,751 nautical miles (34 days)



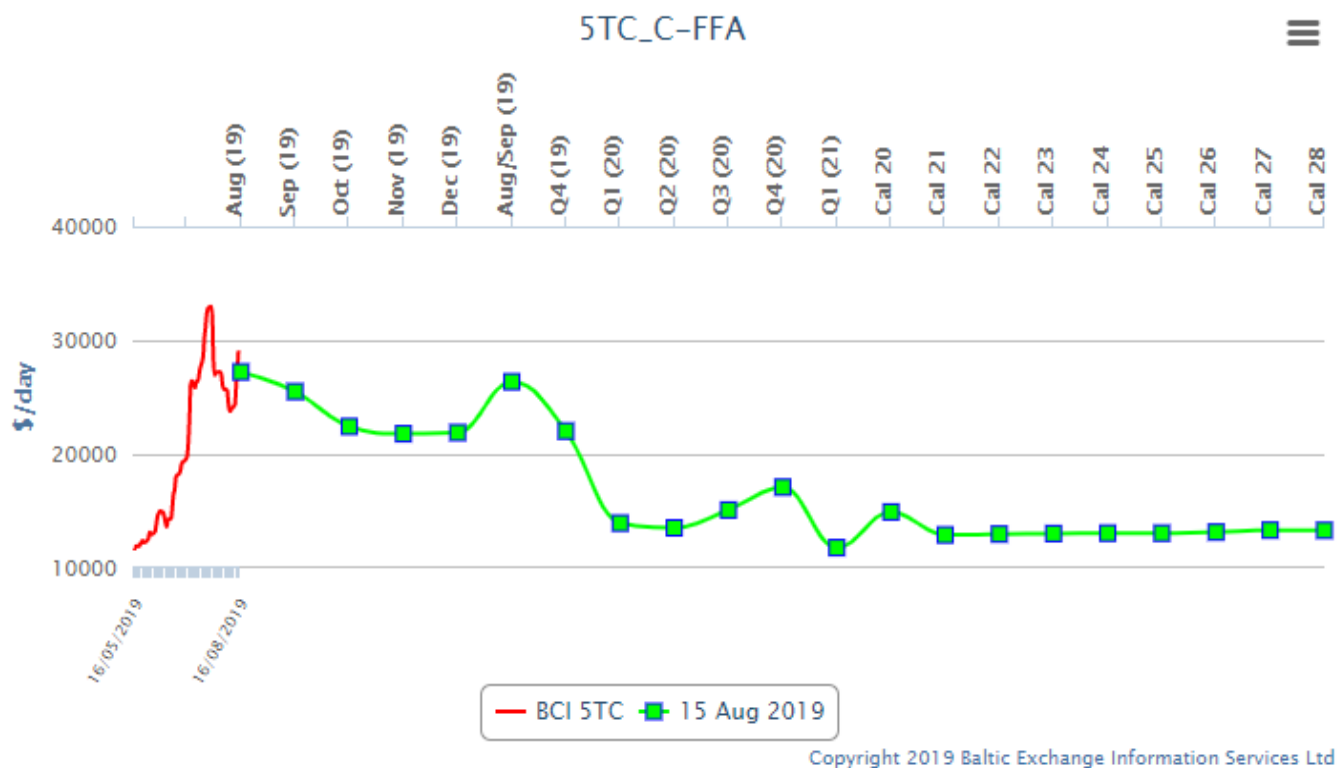
Baltic Dry Index.



Baltic Panamax Forward Curve Chart



Baltic Capesize Forward Curve Chart



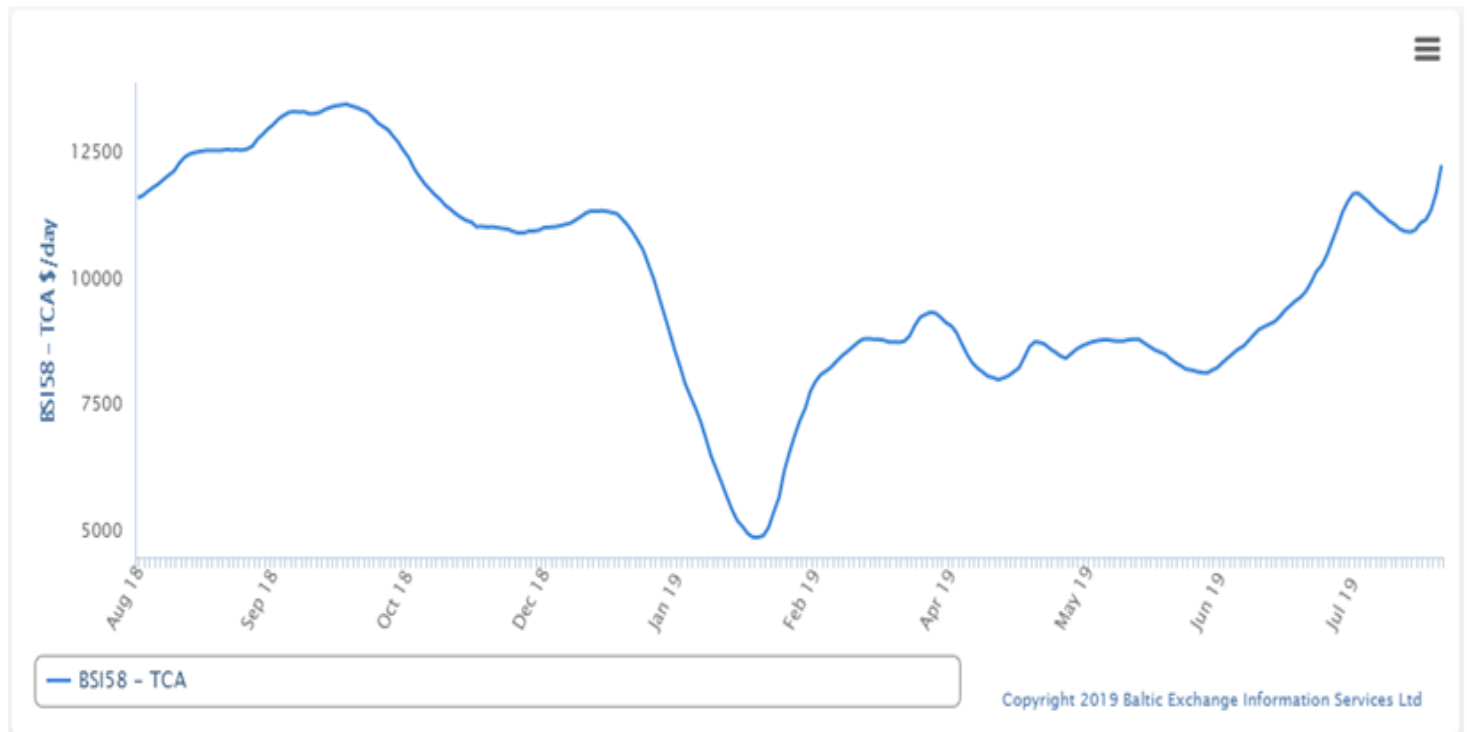
Baltic Panamax Index

Panamax

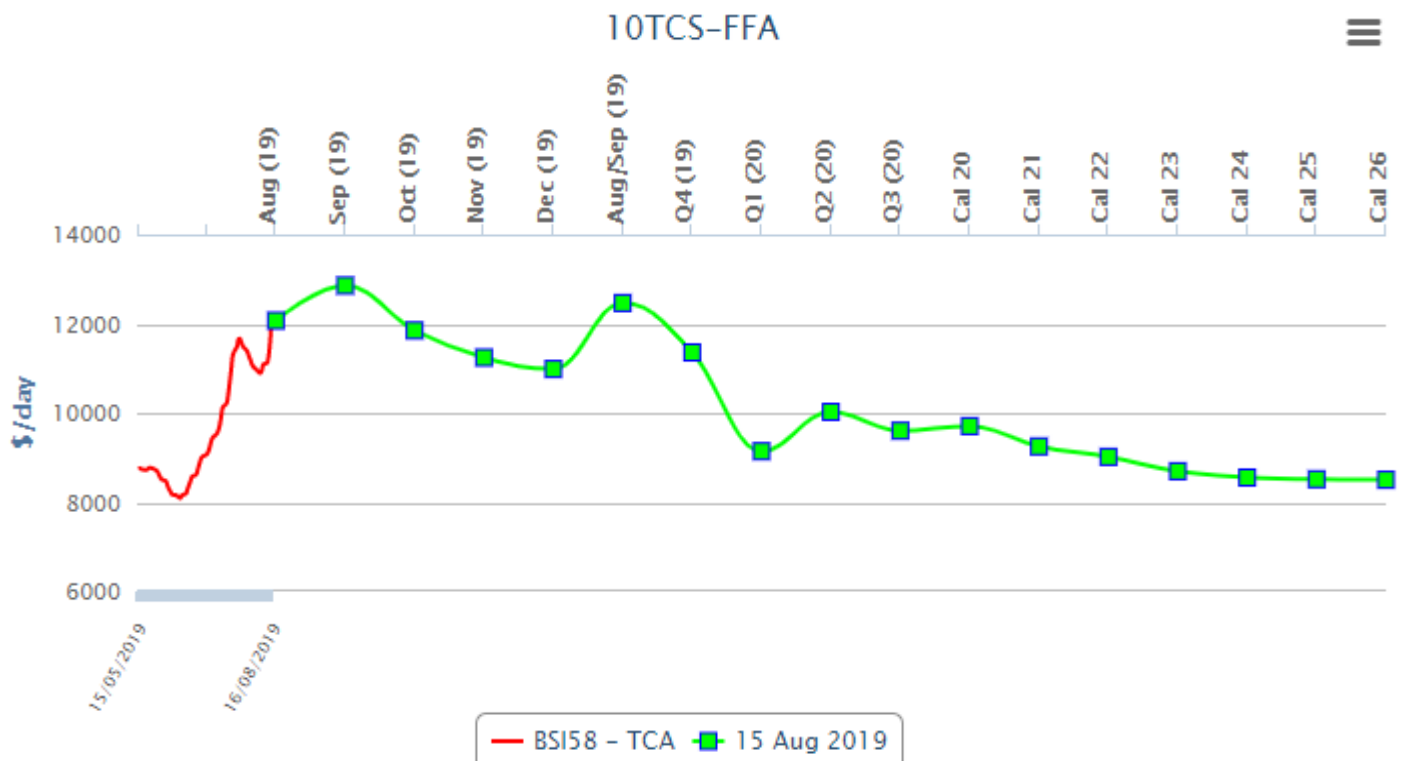


Baltic Supramax Vessel Index

Supramax

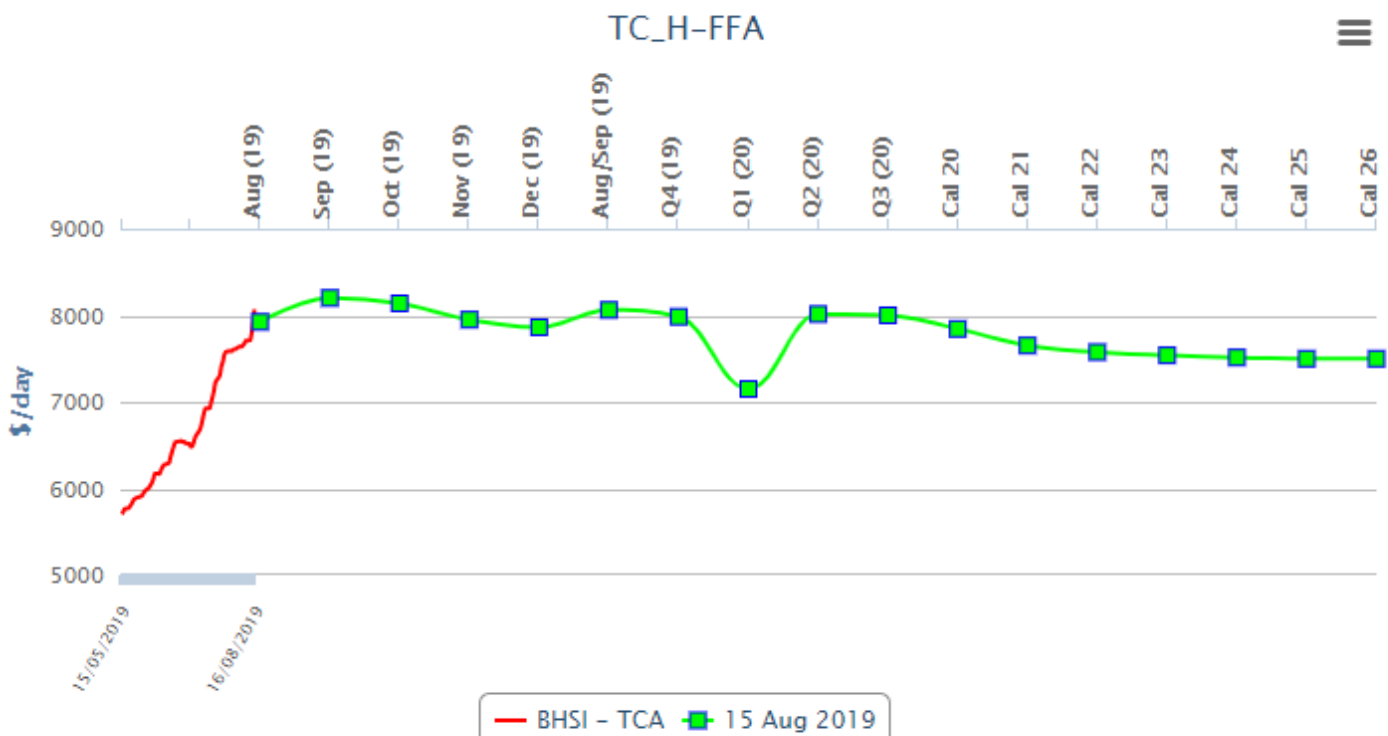


Supramax Dry-Bulk Forward Curve



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Baltic Handy Size Forward Curve

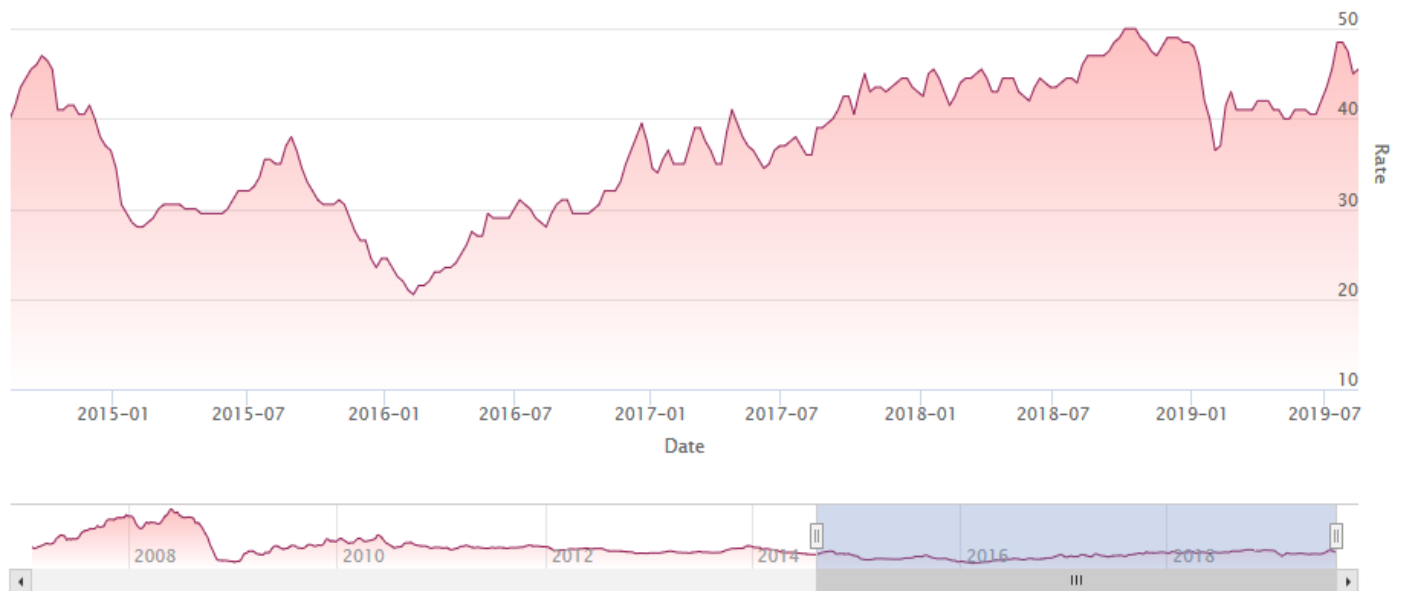


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YAMAMIZU Index


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

From 2014-08-14 To 2019-08-14



China Import Dry Bulk Freight Index					
2019-08-15					
Description	Size MT	Cargo/Vessel Size	Unit	Rate	Change
Composite Index			Point	1090.43	32.41
Iron ore Freight Index			Point	1152.23	45.19
Soybean Freight Index			Point	1132.75	12.61
Santos(Brazil)—North China	60000/10%	Soybean	\$/ton	39.061	0.561
Tacoma(West America)—North China	60000/10%	Soybean	\$/ton	27.183	0.283
Mississippi(US Gulf)—North China	66000/10%	Soybean	\$/ton	49.806	0.361
Mississippi(US Gulf)—North China	55000/10%	Soybean	\$/ton	51.578	0.331

15 August 2019 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
Sept. (Z)	0.50	\$165.74	0.95	\$183.45
Oct.	0.50	\$165.74	0.97	\$184.24
Nov.	0.54	\$167.31	0.99	\$185.03
Dec.	0.58	\$168.89	1.02	\$186.21
Jan.	0.56	\$173.02	0.96	\$188.77
Feb.	0.58	\$173.81	1.00	\$190.34

The Gulf spread between #2 & #3 YC is currently about .03 cents per bushel (1.18/mt)

SORGHUM (USD/MT) FOB VESSEL				
#2 YGS Fob Vessel	NOLA		TEXAS	
Max. 14.0% moisture	BASIS	FLAT PRICE	BASIS	FLAT PRICE
Sept. (Z)	0.90	\$183.45	0.70	\$173.61
Oct.	0.95	\$183.45	0.75	\$175.58
Nov.	0.95	\$183.45	0.80	\$177.55
Dec.	1.05	\$187.39	0.85	\$179.52
Jan.	1.00	\$190.34	0.78	\$181.68

Fob vessel Texas Gulf #2 Sorghum is about 103 % 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	\$205.40	\$209.25	\$211.09	\$212.93
Basis	0.90	0.95	1.00	1.05
WU	4.6900			.
WZ	4.7450			
WH	4.8100			

14-Aug-19	Close	This Week	Last Week.	Last Week.	Last Week	
CME Corn Futures	Bushel	MT.	Bushel	Bu. Diff.	MT	MT Diff.
Sept.	\$ 3.6075	\$ 142.02	\$ 4.1100	(0.5025)	\$ 161.80	\$ (19.78)
Dec.	\$ 3.7100	\$ 146.05	\$ 4.1825	(0.4725)	\$ 164.66	\$ (18.60)
Mar.	\$ 3.8350	\$ 150.98	\$ 4.2850	(0.4500)	\$ 168.69	\$ (17.72)
May	\$ 3.9125	\$ 154.03	\$ 4.3350	(0.4225)	\$ 170.66	\$ (16.63)
July	\$ 3.9775	\$ 156.59	\$ 4.3625	(0.3850)	\$ 171.74	\$ (15.16)
Sept.	\$ 3.9925	\$ 157.18	\$ 4.2225	(0.2300)	\$ 166.23	\$ (9.05)

CBOT Dec. 2019 (CZ19) CORN Futures Chart –



CME/CBOT Sept. 2019 (WU19) 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
Sept. (X)	0.43	\$335.74	0.75	\$347.50
Oct.	0.38	\$333.91	0.78	\$348.60
Nov.	0.45	\$336.48	0.79	\$353.93
Dec.	0.54	\$344.74	0.82	\$355.03
Jan.	0.48	\$342.54	0.84	\$355.77
Soybean Futures				
Sept.	\$ 8.5800			
Nov.	\$ 8.7075			
Jan.	\$ 8.8425			
Mar.	\$ 8.9700			
May	\$ 9.0825			
July	\$ 9.1900			

U.S. SBM (USD/MT) FOB Vessel		
Fob U.S. Gulf Port	47.5 Pro. SBM	
max 12.5 % moisture	Basis	Flat Price
Sept.	7.00	\$ 331.41
Oct.	7.00	\$ 331.41
Nov.	6.00	\$ 333.95
Dec.	7.00	\$ 336.92
Jan.	8.00	\$ 338.03
SBM Futures		
SMU	291.80	
SMV	293.60	
SMZ	296.90	
SMF	298.60	
SMH	301.80	
SMK	305.80	

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 01 August 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	95.2	49,927.9	53,340	94%	4,073.1
Sorghum	38.8	1,692.3	2,160	78%	25.0
Soybeans	140.2	48,826.7	46,270	106%	3,651.3
Wheat	576.2	9,386.3	25,860	36%	0.0
Barley	0.0	56.7	70	81%	0.0

U.S. EXPORT INSPECTIONS:

Monday's report 12 August 2019 for the Export week ending 08 August 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	703,183	645,675	45,630,024	54,047,741	84%
Sorghum	82,733	17,396	1,940,258	4,895,510	40%
Soybeans	944,238	1,032,874	42,325,866	53,952,473	78%
Wheat	688,978	416,177	4,934,971	3,866,049	128%
Barley	0	0	2,938	1,516	194%

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

U.S. EXPORT INSPECTIONS:

Monday's report 12 August 2019 for the Export week ending 08 August 2019

Last Week								
(Metric Tons)	YC	%	WC	%	Sorghum	%	Soybeans	%
Lakes	0	0%	0	0%	0	0%	33,161	4%
Atlantic	0	0%	0	0%	0	0%	7,075	1%
Gulf	496,000	75%	39,382	100%	76,888	93%	630,541	67%
PNW	0	0%	0	0%	0	0%	126,646	13%
Interior Export Rail	167,777	25%	24	0%	5,845	7%	146,815	16%
Metric Tons	663,777		39,406		82,733		944,238	

Sorghum Shipments:	metric tons	
	53,788	China Main
		Rep S
	11,000	Africa
	17,945	Mexico
	82,733	Total

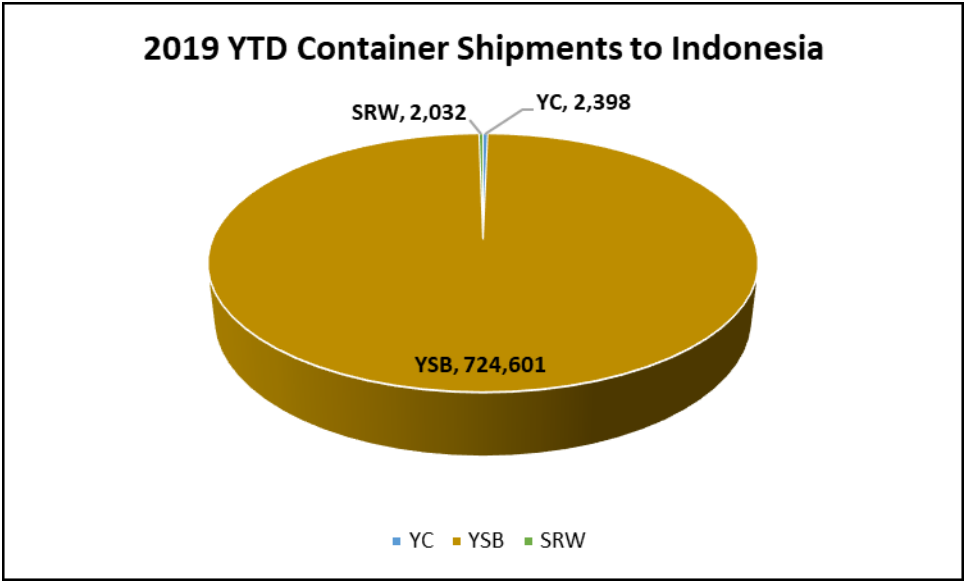
White Corn	metric tons	
Shipments:	7,658	Honduras
	3,022	Japan
	100	Mexico
	28,602	New Zealand
	24	Ireland
	39,406	Total

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:		8-Aug-2019							
Last Week	metric tons								MT
	YC	WC	YSB	SRW	NS	SWH	HRW	Sorghum	TOTAL
China Main									0
China T	6,143		22,018						28,161
Hong Kong	905								905
Costa Rica									0
Indonesia			19,168						19,168
Ireland		24							24
Japan			587						587
Korea Republic			734						734
Nepal			2,644						2,644
Malaysia			11,336						11,336
India			392						392
Philippines	611		2,547						3,158
Thailand			13,471						13,471
Bangladesh			808						808
Burma			490						490
Vietnam			7,076						7,076
Sub total	7,659	24	81,271	0	0	0	0	0	80,580
USDA Corrections/Additions to previous reports:									
China T	120						416		536
China Main									0
Hong Kong									0
Korea Rep.			460						460
Canada									0
Japan			140						140
Philippines			20						20
Indonesia			3,428						3,428
Malaysia			930						930
Thailand			367						367
Vietnam									0
Burma									0
Bangladesh									0
Sub total	120	0	5,345	0	0	0	416	0	5,881
Mt. Grand Total	7,779	24	86,616	0	0	0	416	0	86,461
Number of containers	338	1	3,766	0	0	0	18	0	

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



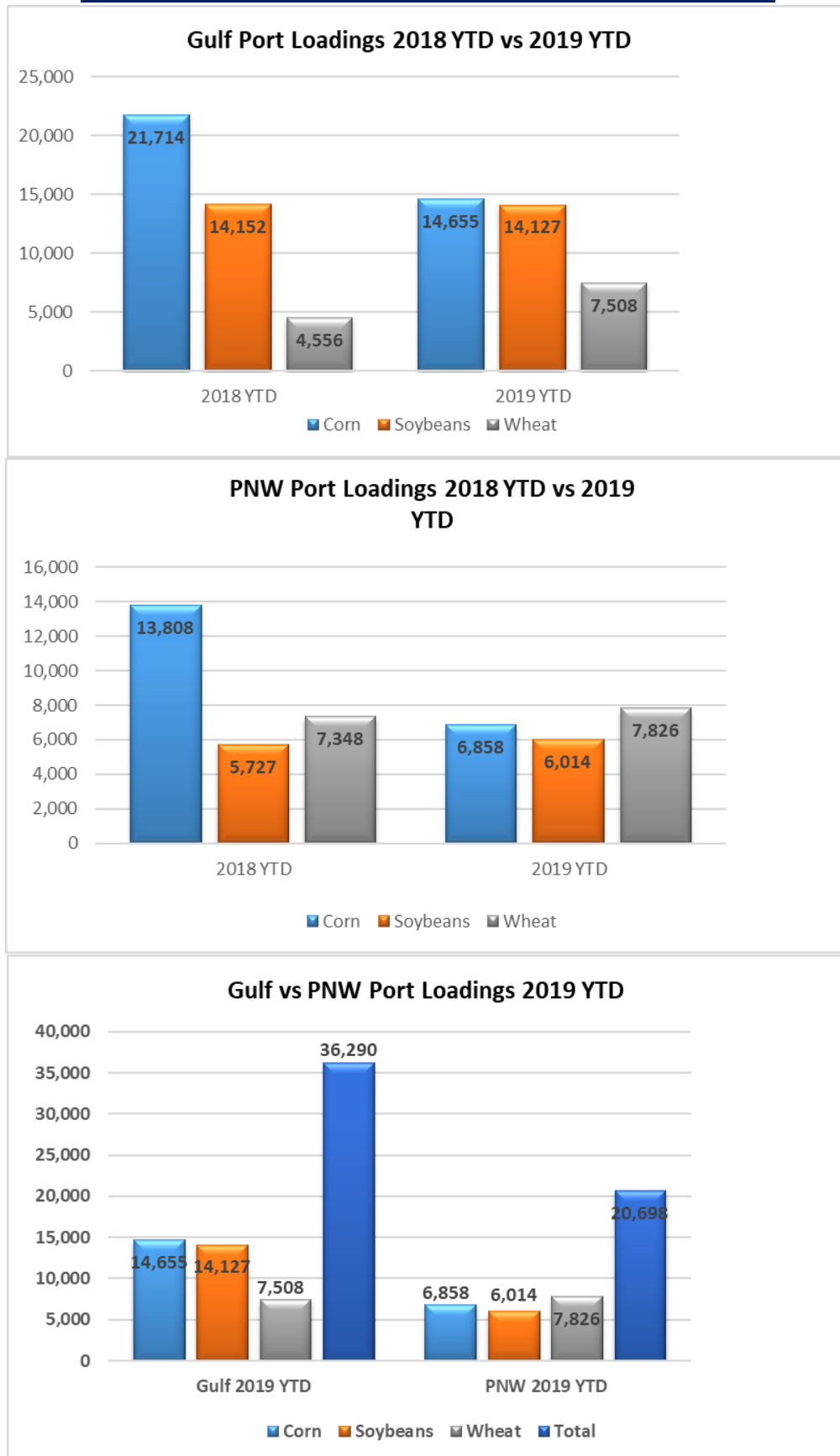
Grain Inspections for Export by U.S. Port Regions:
U.S. Gulf and Pacific Northwest 2018 YTD vs. 2019 YTD

PORT LOADINGS US Gulf				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
GULF				
2018 YTD	21,714	14,152	4,556	40,422
2019 YTD	14,655	14,127	7,508	36,290
2019 as % of 2018	67%	100%	165%	90%

PORT LOADINGS US PNW				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
PNW				
2018 YTD	13,808	5,727	7,348	26,883
2019 YTD	6,858	6,014	7,826	20,698
2019 as % of 2018	50%	105%	107%	77%

PORT LOADINGS GULF vs. PNW				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
2019 Gulf YTD	14,655	14,127	7,508	36,290
2019 PNW YTD	6,858	6,014	7,826	20,698
TOTAL	21,513	20,141	15,334	56,988
Gulf Percentage	68%	70%	49%	64%
PNW Percentage	32%	30%	51%	36%

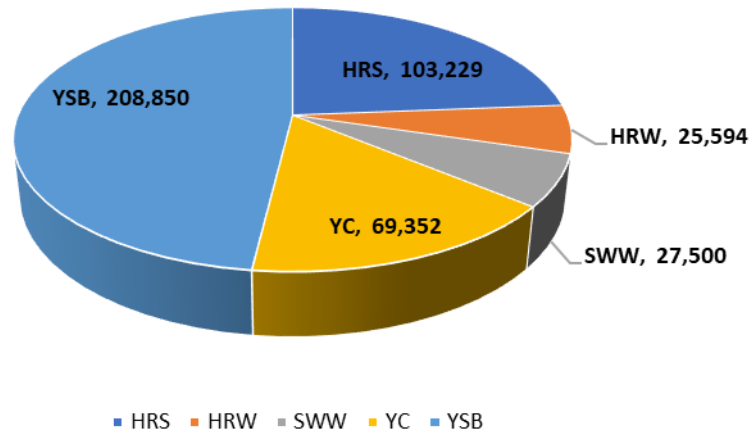
Grain Inspections for Export by U.S. Port Regions (1,000MT):
U.S. Gulf and Pacific Northwest 2018 YTD vs. 2019 YTD



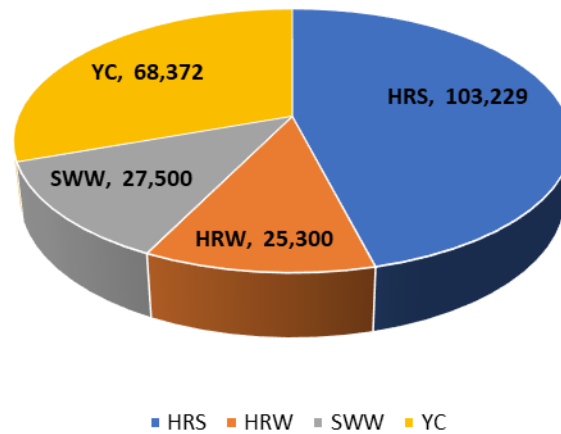
Source: USDA-data

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

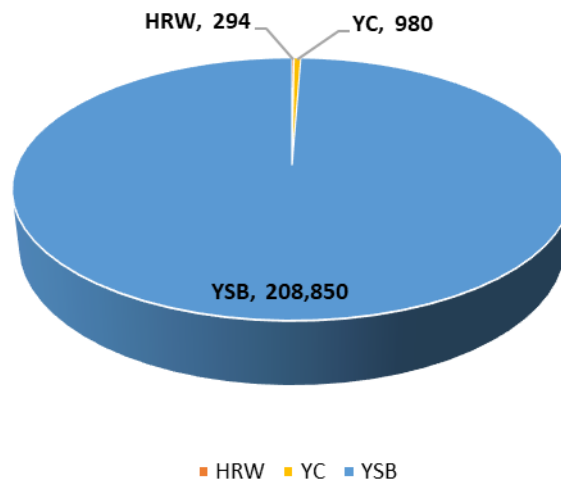
2019 YTD Exports to Vietnam



YTD Exports to Vietnam by Vessel



YTD Exports to Vietnam by Container



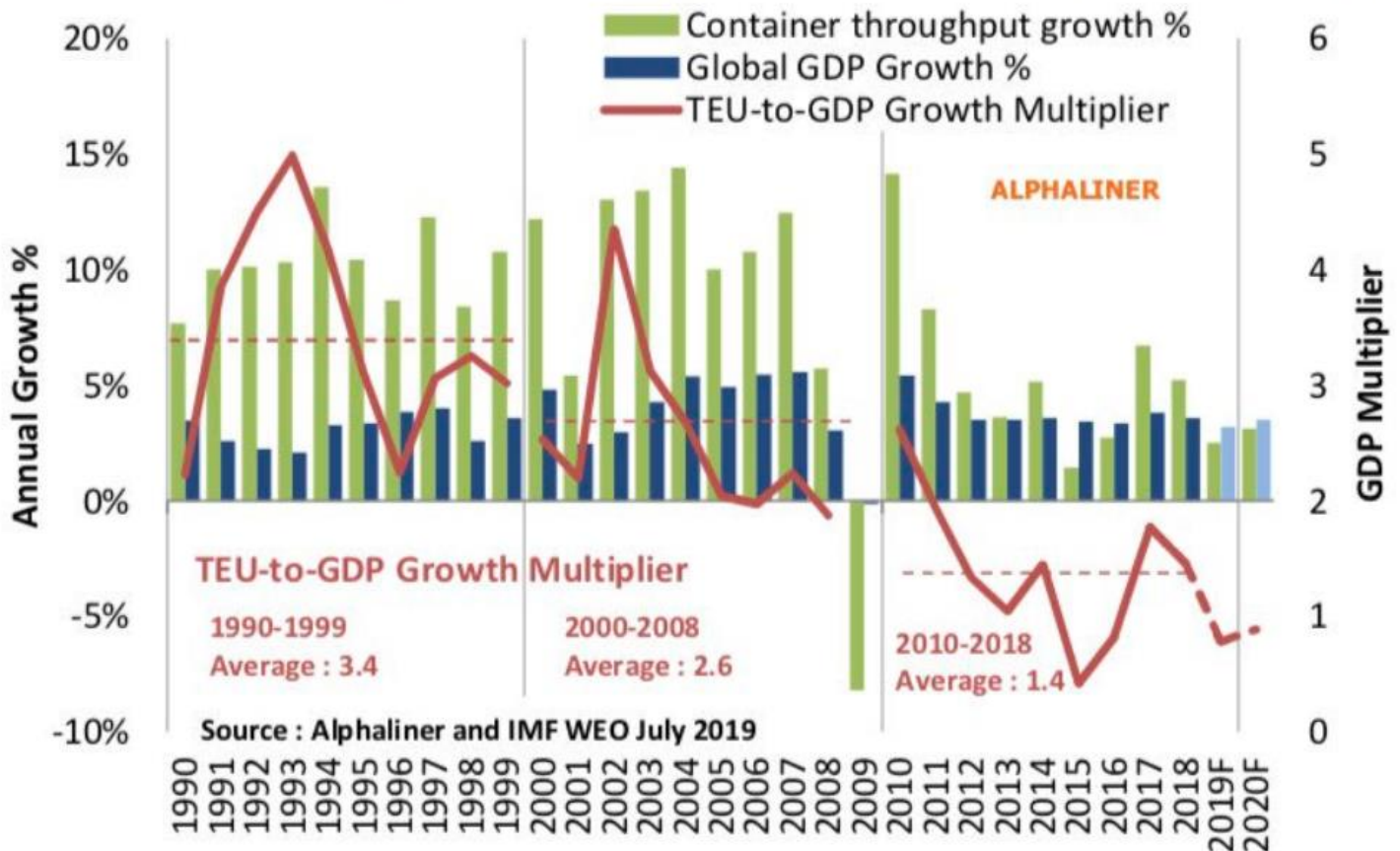
*Please keep in mind that USDA does not report DDGS sales



Olaf Merk @o_merk · Aug 7

Downward revision of global container volume growth to 2.5% in 2019 by Alphaliner. Note that estimated new container fleet capacity for 2019 is 4% so you know what to expect next

Evolution of the TEU-to-GDP Growth Multiplier : 1990-2020(F)

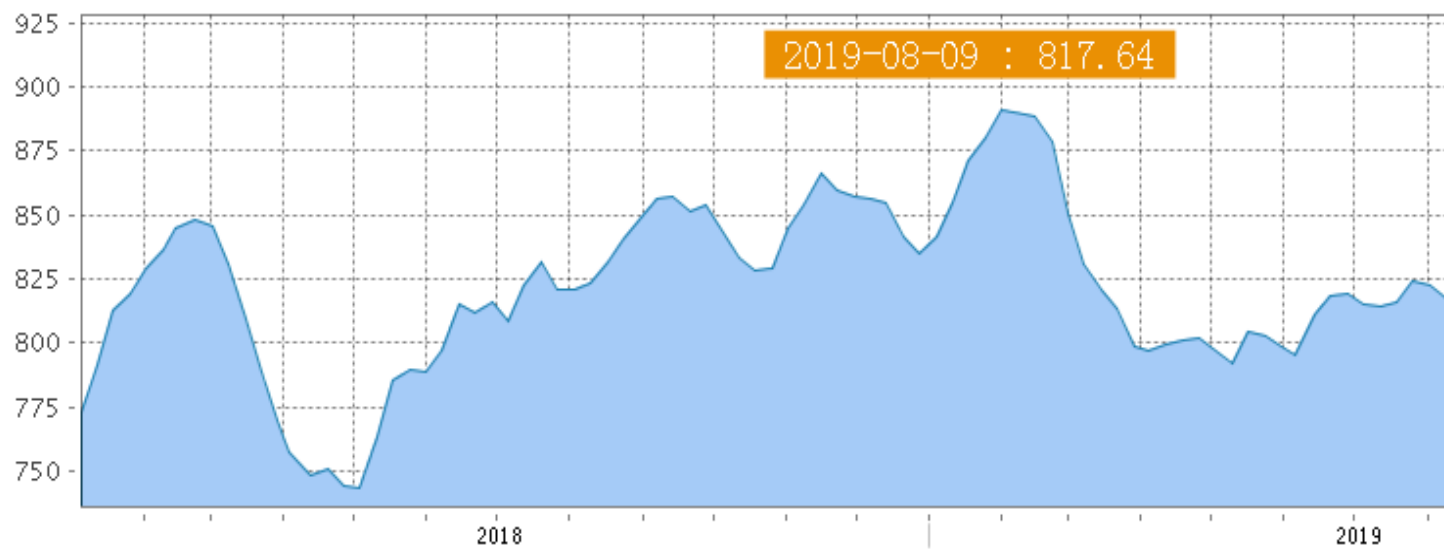


Baltic Dry Bulk Index

China Import Dry Bulk Freight Index



China Containerized Freight Index



U.S. RIVER BARGE FREIGHT

Current Barge Freight for Placement Last Half September 2019

Placement LH September 2019	% of		Corn	Soybeans-Wheat
	Tariff	MT	BU	BU
Upper Mississippi	440	\$30.02	0.76	0.82
Illinois River (Pekin and South)	440	\$23.33	0.59	0.63
Mid-Mississippi	440	\$25.80	0.66	0.70
Lower Ohio	415	\$20.40	0.52	0.56
St. Louis	390	\$17.15	0.44	0.47

Secondary Rail Car Market for car placement period: Last Half September 2019.

Secondary Rail Car Market Placement LH. September 2019	BID USD	ASK USD	BID BU.	ASK BU.	BID MT	ASK MT
BNSF Shuttle Trains	\$ (200.00)	\$ (150.00)	\$ (0.05)	\$ (0.04)	\$ (1.97)	\$ (1.48)
UPRR Shuttle Trains	\$ (300.00)	\$ (175.00)	\$ (0.08)	\$ (0.04)	\$ (2.95)	\$ (1.72)

Best Regards,

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