

**Transportation and Export Report for 17 August 2017****Ocean Freight Insights and Comments:**

This week's uptick in Capesize vessel paper markets and rates combined with good Grain freight demand from the U.S. Gulf and East Coast South America provided support and higher values in Dry-Bulk markets. Some corn sales have been made from Brazil to East coast Mexico. These were concluded a few weeks ago and calculated on a wide Corn Basis spread US Gulf vs. Santos Brazil and with ocean freight rates of \$21-\$22.00/mt to Veracruz verses relative freight from the US Gulf to Veracruz at \$13.00/mt. The current corn Basis Fob Brazil is considerably higher today, and the ocean freight spreads a bit wider, so we will have to see if these sales ship as originally intended or get swapped out for U.S. Gulf corn. Export Traders are anticipating that Container Shipping lines will install a \$100/TEU GRI in October.

The improved freight markets have motivated some vessel owners to step back into the new vessel ordering game. If this continues the 2020 Dry-Bulk fleet will start growing again and the markets will be forced to punish everyone in the industry. Someone please tell owners to keep their hands in the pockets and their wallets closed to protect their investments.

BALTIC DRY-BULK PANAMAX INDEX CHANGES

Panamax Ocean Freight Indices				
17-Aug-17	This Week	Last Week	Difference	Percent Change
P2A : Gulf/Atlantic - Japan	17677	16532	1,145	6.9%
P3A - PNW/Pacific - Japan	9881	8832	1,049	11.9%
S1C -USGULF-China-So.Japan	18036	16417	1,619	9.9%

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:	\$ 5.50-\$6.00
Two weeks ago:	\$ 5.60-\$6.40
One week ago:	\$ 6.15-\$6.50
This week	\$ 6.90-\$7.25

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

Mississippi River:	(10 elevators)	2-12 days
Miss. River Mid-Stream loaders:	(6+ Rigs)	0-0 days
Texas Gulf	(6 elevators)	0-4 days
Pacific Northwest:	(9 elevators)	2-7 days

Panamax Market Spreads to Asia -China					
17-Aug-17	PNW	GULF	Bushel Spread	MT Spread	Advantage
CORN	0.82	0.52	0.30	\$11.81	PNW
SOYBEANS	0.95	0.68	0.27	\$10.63	PNW
OCEAN FREIGHT	\$19.25	\$38.00	.48-.51	\$18.75	SEPT.

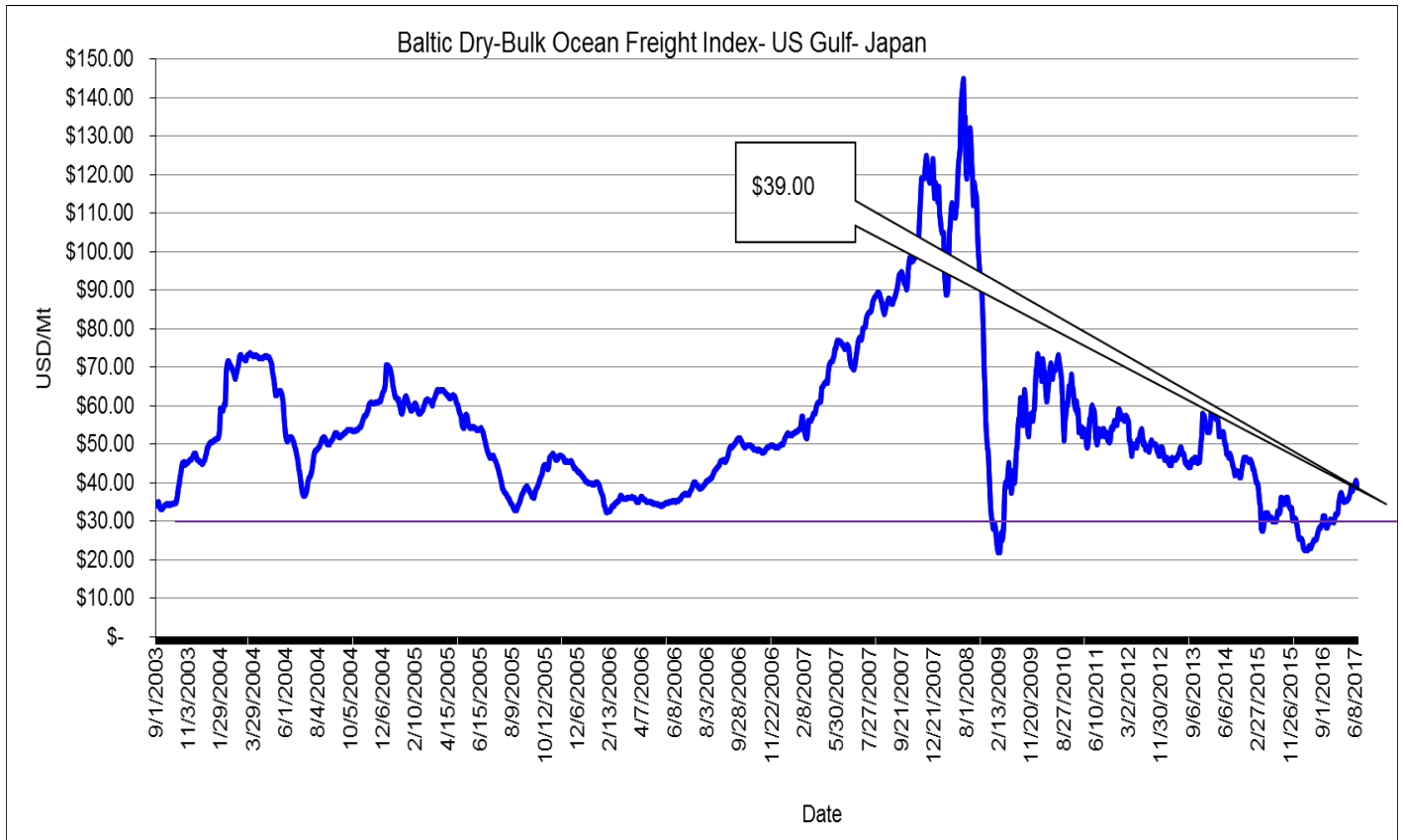
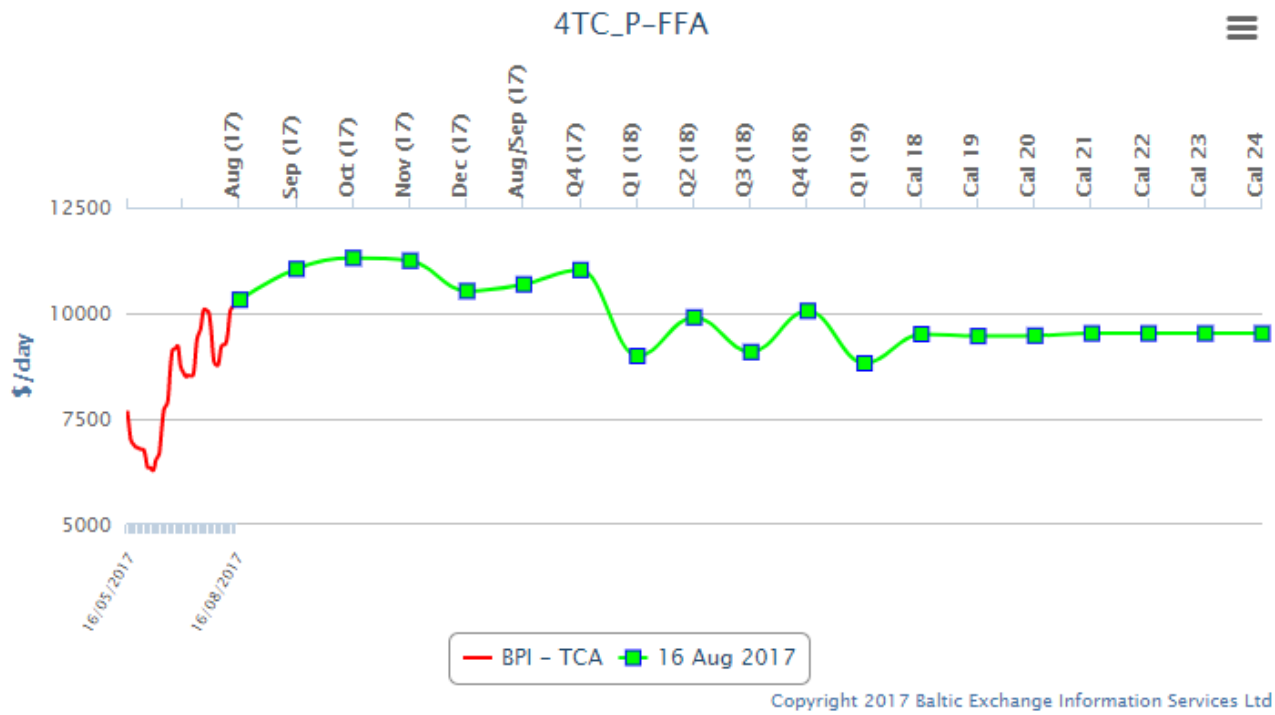
Recent Reported Vessel Fixtures:

Route and Vessel Size	Current Week USD/MT	Change from previous week	Remarks
55,000 U.S. Gulf-Japan	\$39.00	Up \$2.00	Handymax at \$39.50 mt
55,000 U.S. PNW- Japan	\$20.00	Up \$1.00	Handymax at \$20.25 mt
55,000 U.S. Gulf – China	\$38.00	Up \$2.00	North China
PNW to China	\$19.25	Up \$1.00	
25,000 U.S. Gulf- Veracruz, México	\$15.00	Up \$1.00	3,000 MT daily discharge rate
35-40,000 U.S. Gulf- Veracruz, México	\$13.00	Up \$1.25	Deep draft and 6,000 MT per day discharge rate.
25/35,000 U.S. Gulf- <u>East Coast Colombia</u>	\$18.00	Up \$1.25	<u>West Coast Colombia at \$26.50</u>
From Argentina	\$28.50		
40-45,000 U.S. Gulf - Guatemala	\$26.00	Up \$1.00	Acajutla/Quetzal - 8,000 out
26-30,000 U.S. Gulf – Algeria	\$27.25	Up \$1.25	8,000 mt daily discharge
	\$30.25		3,000 mt daily discharge
25-30,000 US Gulf-Morocco	\$26.50	Up \$1.50	5,000 discharge rate
55,000 U.S. Gulf –Egypt PNW to Egypt	\$24.25	Up \$1.75	55,000 -60,000 mt
	\$23.75		St. Lawrence to Egypt \$24.50
60-70,000 U.S. Gulf – Europe – Rotterdam	\$15.50	Up \$1.25	Handymax at +\$1.50 more
Brazil, Santos –China	\$30.00	Up \$2,00	54-58,000 Supramax-Panamax
Itacoatiara Port up River	\$28.50		60-66,000 Post Panamax
Amazonia - China	\$33.00		
56-60,000 Argentina-China Up River with Top Off	\$36.25	Up \$2.00	

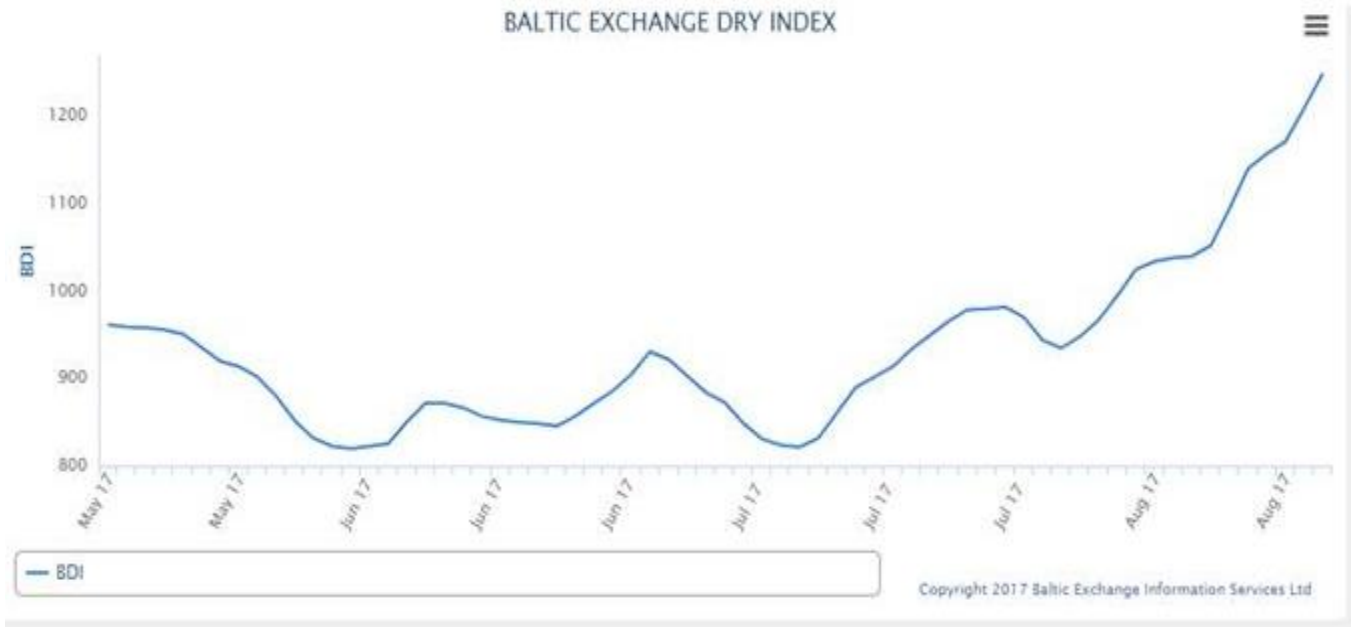
Nautical Miles: To Xiamen China (South China)

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)

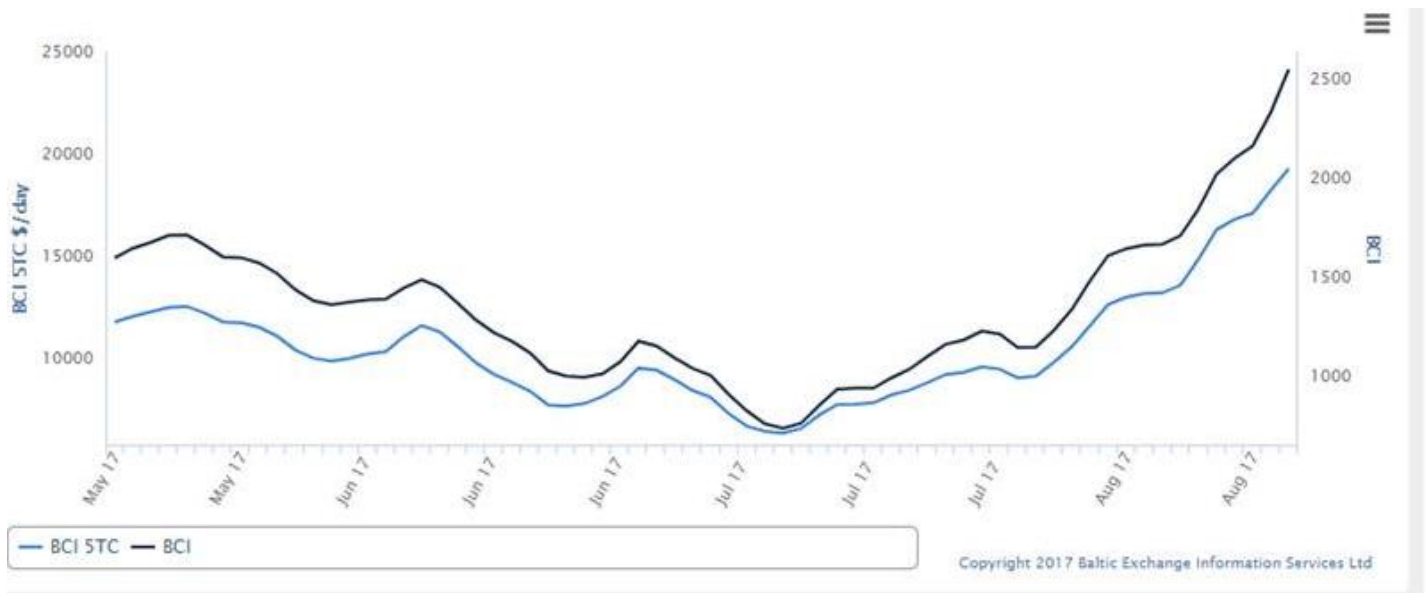
Forward Curve for Baltic BPI Panamax Vessel Freight



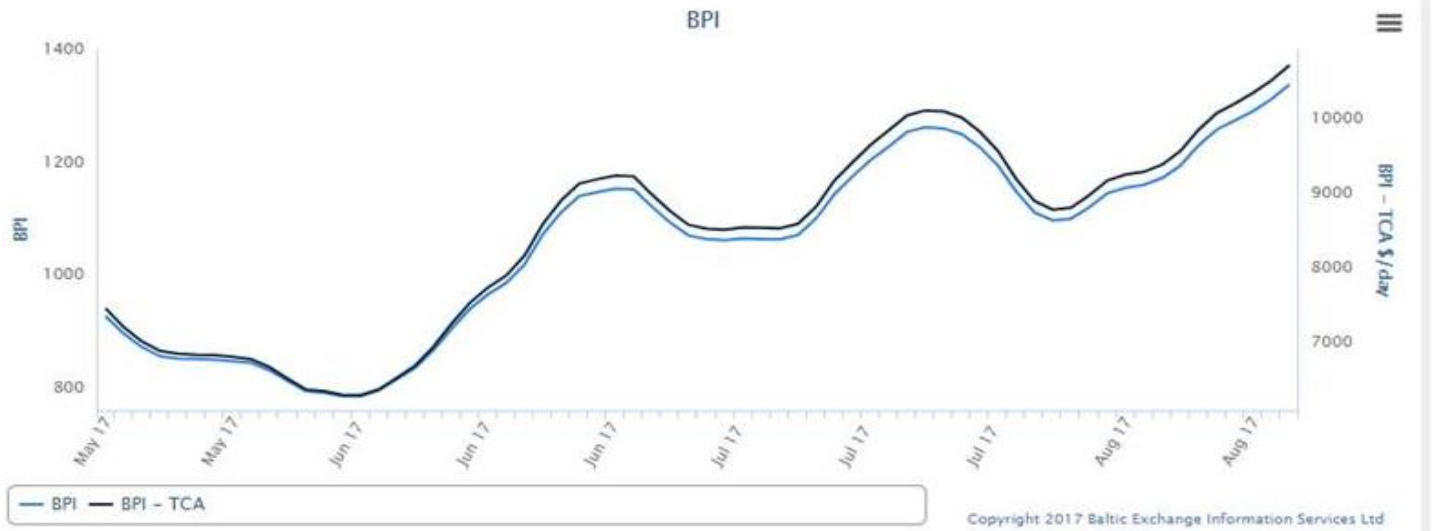
Baltic Dry Bulk Index



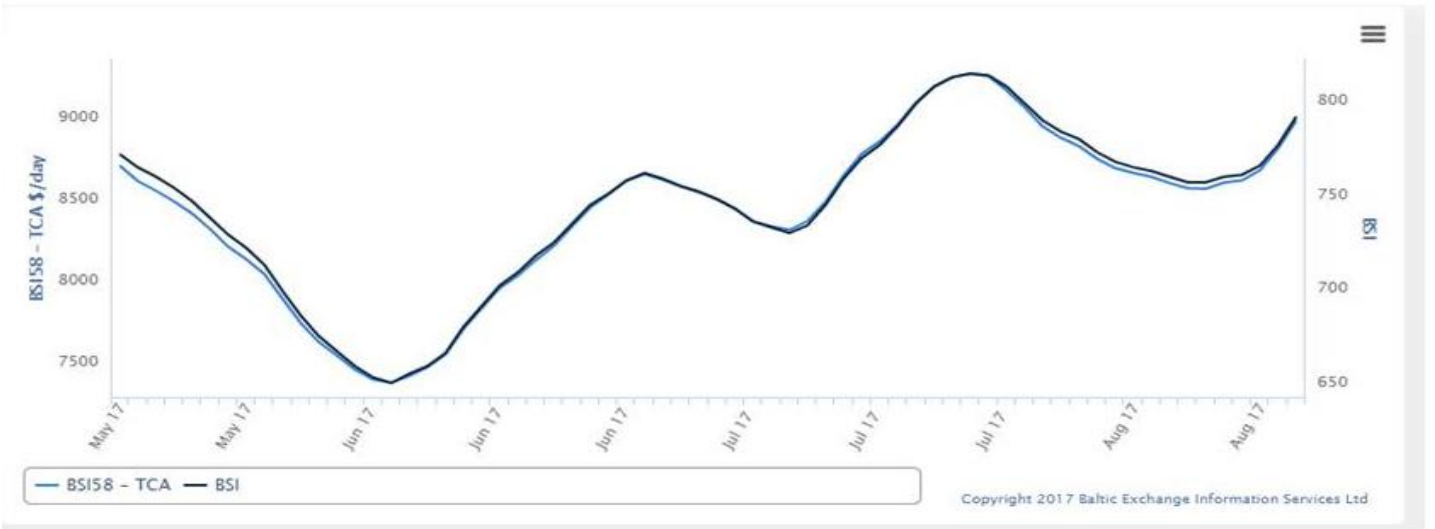
Baltic Capesize Index



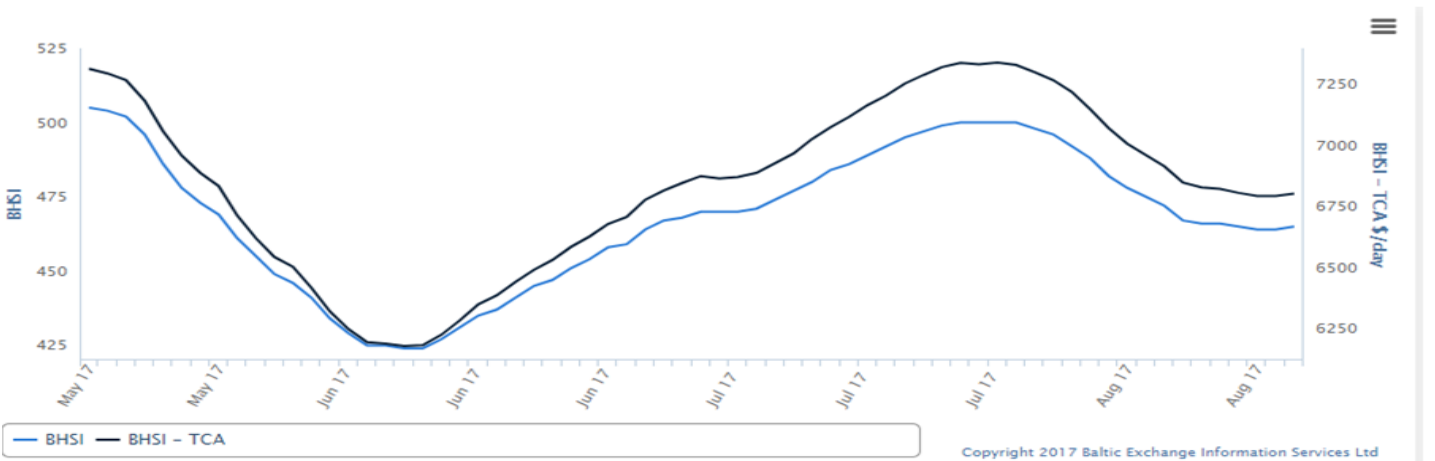
Baltic Panamax Index



Baltic Supramax Vessel Index



Baltic Handy Size



Yamamizu Shipping

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USG/Japan Index Result

Date From: 2016-04-01

V

Date To: 2017-08-18

V

Query

Reset



China Import Dry Bulk Freight Index(CDFI)

2017-08-16

Index/Routes	Charterparty type	Cargo/Vessel type	Dwt/Cargo Capacity	Unit	Index/Rate	Change
Composite Index				Point	904.8	24.33
VC Index				Point	767.44	14.73
TCT Index				Point	1110.83	38.71
Santos(Brazil)— North China	VC	Soybean	60000/10%	\$/ton	28.364	0.269
Tacoma(West America)—North China	VC	Soybean	60000/10%	\$/ton	19.677	0.263
Mississippi(US Gulf) —North China	VC	Soybean	55000/10%	\$/ton	38.459	0.318

17 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)	0.52	\$163.87	0.82	\$175.68
Oct.	0.50	\$163.08	0.85	\$176.86
Nov.	0.55	\$165.05	0.85	\$176.86
Dec.	0.59	\$166.62	0.86	\$177.25
Jan.	0.49	\$167.41	0.83	\$180.80
Feb.	0.51	\$168.20	0.85	\$181.58

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	\$186.70	1.05	\$184.73
Oct.	1.10	\$186.70	1.00	\$182.77
Nov.	1.05	\$184.73	1.00	\$182.77
Dec.	1.05	\$184.73	1.00	\$182.77
Jan.	1.05	\$189.46	0.96	\$185.91

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	\$177.10	\$187.30	\$187.67	\$188.03
Basis	0.68	0.69	0.70	0.71
WU	4.1400			
WZ	4.4075			
WH	4.6375			

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	\$3.5050	\$137.98	\$ 3.5725	\$140.64	(\$0.0675)
Dec.	CZ	\$3.6425	\$143.40	\$ 3.7100	\$146.05	(\$0.0675)
Mar.	CH	\$3.7625	\$148.12	\$ 3.8300	\$150.78	(\$0.0675)
May	CK	\$3.8225	\$150.48	\$ 3.8925	\$153.24	(\$0.0700)
July	CN	\$3.8825	\$152.85	\$ 3.9450	\$155.31	(\$0.0625)

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



CME/CBOT Dec. 2017 (WZ7) 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)	0.68	\$367.80	0.95	\$377.72
Oct.	0.68	\$367.80	1.00	\$379.56
Nov.	0.70	\$368.54	1.04	\$381.03
Dec.	0.65	\$369.73	1.04	\$384.06
Jan.	0.66	\$370.10	1.03	\$383.69
Soybean Futures				
Sept.	\$ 9.3025			
Nov.	\$ 9.3300			
Jan.	\$ 9.4125			
Mar.	\$ 9.4950			
May	\$ 9.5675			
July	\$ 9.6300			

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	\$ 324.25
Oct.	-2.00	\$ 326.01
Nov.	-2.00	\$ 328.55
Dec.	-2.00	\$ 328.55
Jan.	0.00	\$ 332.07
SBM Futures		
SMU	296.10	
SMV	297.70	
SMZ	300.00	
SMF	301.20	
SMH	303.60	
SMK	305.70	

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 03 August 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	191.5	56,410.7	56,520	100%	5,066.6
Sorghum	4.5	4,831.4	5,720	84%	271.5
Soybeans	199.0	60,806.2	57,150	106%	7,032.0
Wheat	528.7	10,527.6	26,540	40%	0.0
Barley	0.0	36.3	110	33%	0.0

U.S. EXPORT INSPECTIONS:

Monday's report 14 August 2017 for the Export week ending 10 August 2017

	Export Inspections		Current Market Year YTD	Previous Year to Date	2017 YTD as Percent of 2016 YTD
	This Week	Previous Week			
Corn	756,935	979,006	54,558,862	42,872,666	127%
Sorghum	69,625	105,951	5,703,473	8,492,320	67%
Soybeans	570,012	686,770	55,646,044	48,605,520	114%
Wheat	511,528	635,987	6,172,952	5,501,563	112%
Barley	2,195	2,468	12,227	16,524	74%

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

U.S. EXPORT INSPECTIONS:

Monday's report 14 August 2017 for the Export week ending 10 August 2017

Last Week							
(Metric Tons)	YC	%	WC	%	Sorghum	%	Soybeans %
Lakes	14,557	2%	0	0%	0	0%	20,270 4%
Atlantic	0	0%	0	0%	0	0%	11,361 2%
Gulf	366,632	51%	38,874	100%	66,793	96%	452,452 79%
PNW	198,632	28%	0	0%	122	0%	11,452 2%
Interior Export Rail	138,240	19%	0	0%	2,710	4%	74,477 13%
Metric Tons	718,061		38,874		69,625		570,012

Sorghum Shipments:	metric tons	
	66,940	China Main
	122	Korea Rep.
	2,563	Mexico
	69,625	Total

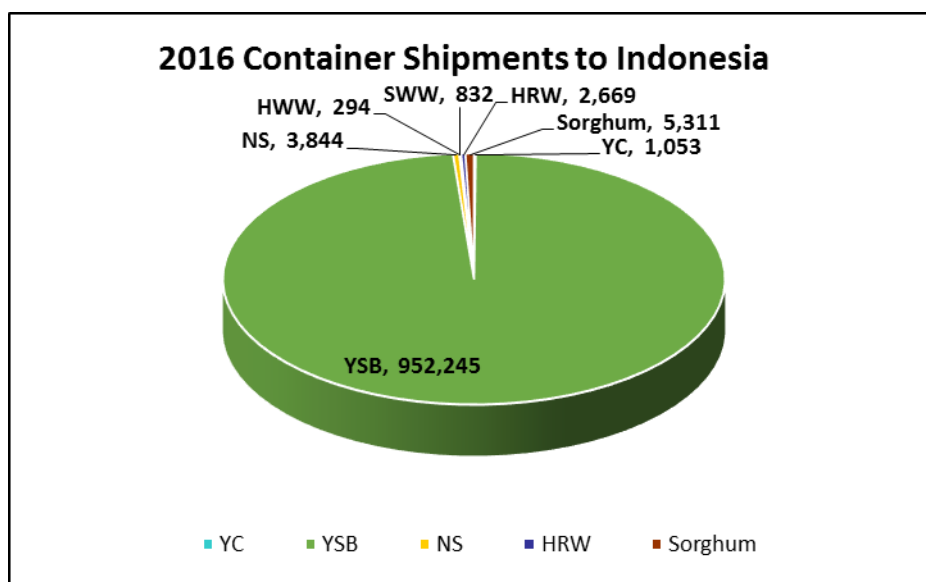
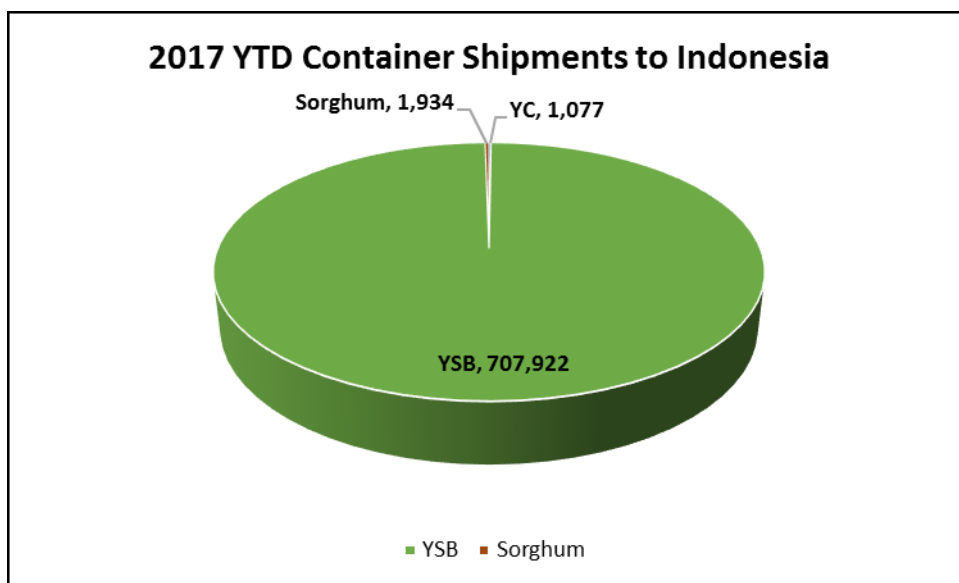
White Corn Shipments:	metric tons	
	7,374	Colombia
	31,500	Mexico
	38,874	Total

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:		10-Aug-2017							
Last Week	metric tons								MT
	YC	WC	YSB	SRW	NS	SWH	HRW	Sorghum	TOTAL
China Main	881		1,518					147	2,546
China T	6,367		5,168						11,535
Hong Kong	245								245
Costa Rica									0
Indonesia	955		8,252						9,207
French Polynesia									0
Japan									0
Korea Republic									0
Dominican Rep.									0
Malaysia			269						269
Sudan									0
Philippines	245		2,522						2,767
Thailand			3,648						3,648
Bangladesh			294						294
Kenya									0
Vietnam			808						808
Sub total	8,693	0	22,479	0	0	0	0	147	30,217
USDA Corrections/Additions to previous reports:									
China T			(931)						-931
China Main			(734)						-734
Hong Kong									0
Korea Rep.									0
Canada						263			263
Japan			(122)						-122
Philippines									0
Indonesia									0
Malaysia			(1,738)						-1,738
Thailand									0
Vietnam			(318)						-318
Bangladesh									0
Panama									0
Sub total	0	0	-3,843	0	0	263	0	0	-3,580
Mt. Grand Total	8,693	0	18,636	0	0	263	0	147	26,637
Number of containers	378	0	810	0	0	11	0	6	

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

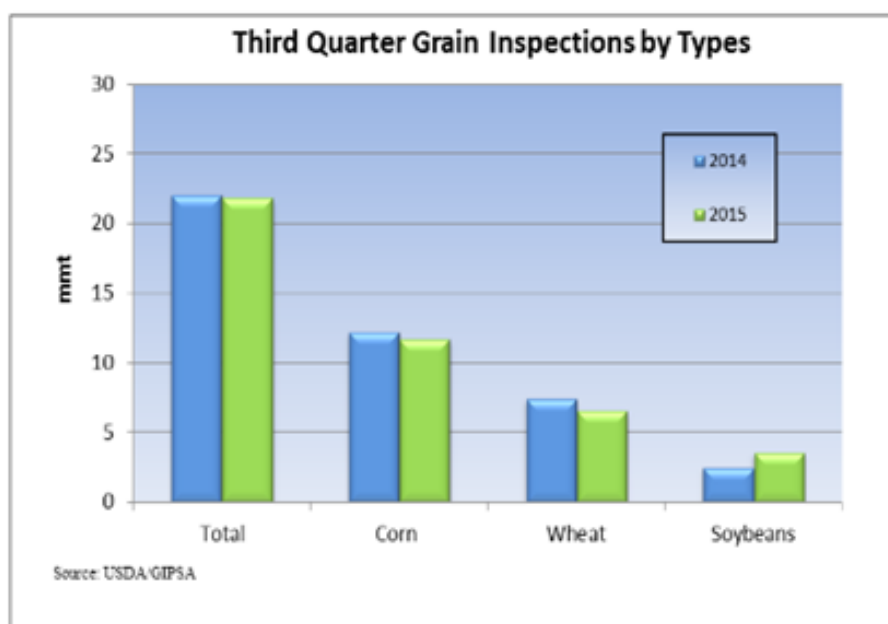


Grain Inspections for Export by U.S. Port Regions:
U.S. Gulf and Pacific Northwest 2016 YTD vs. 2017 YTD

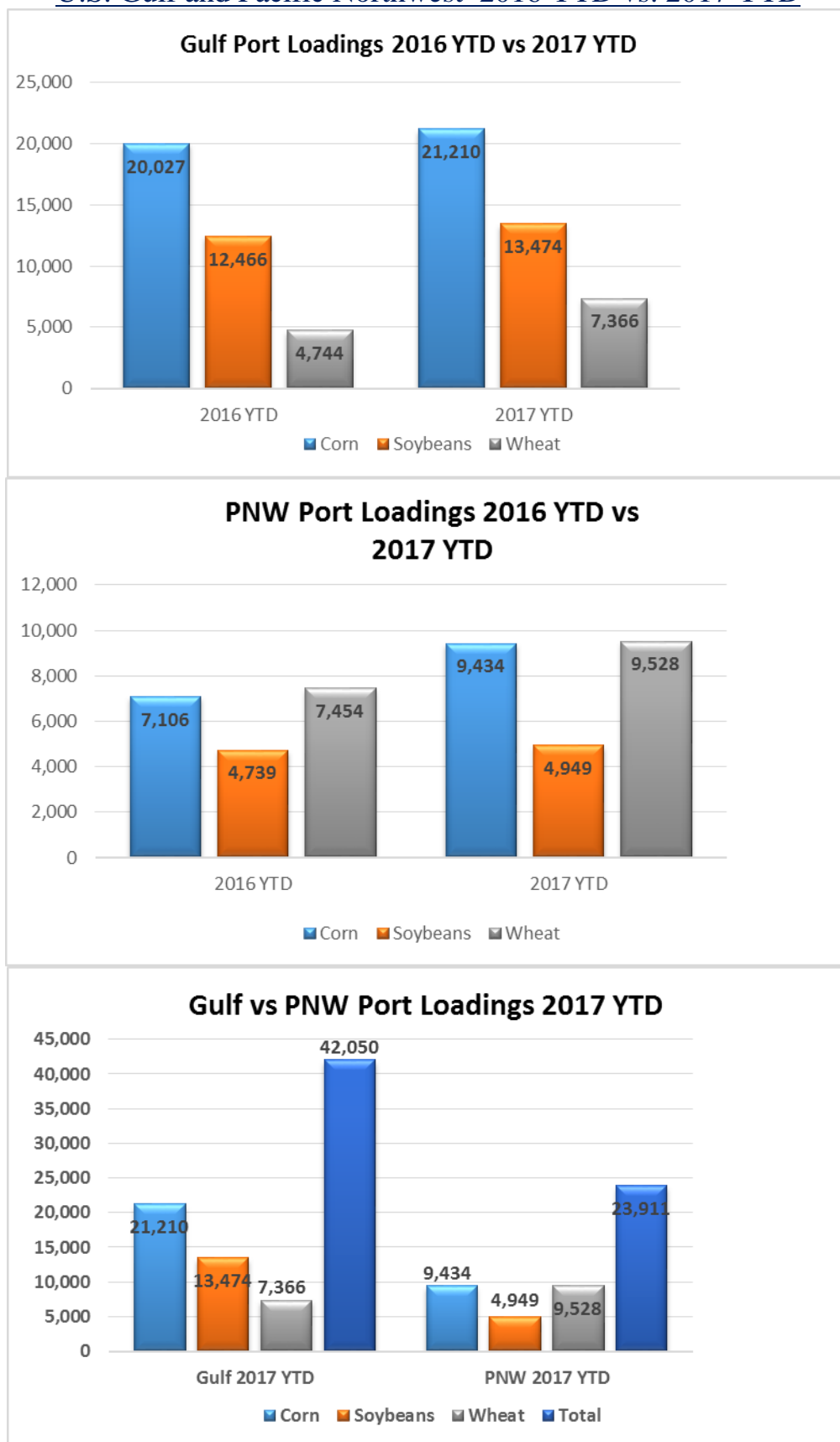
PORT LOADINGS US Gulf				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
GULF				
2016 YTD	20,027	12,466	4,744	37,237
2017 YTD	21,210	13,474	7,366	42,050
2017 as % of 2016	106%	108%	155%	113%

PORT LOADINGS US PNW				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
PNW				
2016 YTD	7,106	4,739	7,454	19,299
2017 YTD	9,434	4,949	9,528	23,911
2017 as % of 2016	133%	104%	128%	124%

PORT LOADINGS GULF vs. PNW				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
2017 Gulf YTD	21,210	13,474	7,366	42,050
2017 PNW YTD	9,434	4,949	9,528	23,911
TOTAL	30,644	18,423	16,894	65,961
Gulf Percentage	69%	73%	44%	64%
PNW Percentage	31%	27%	56%	36%

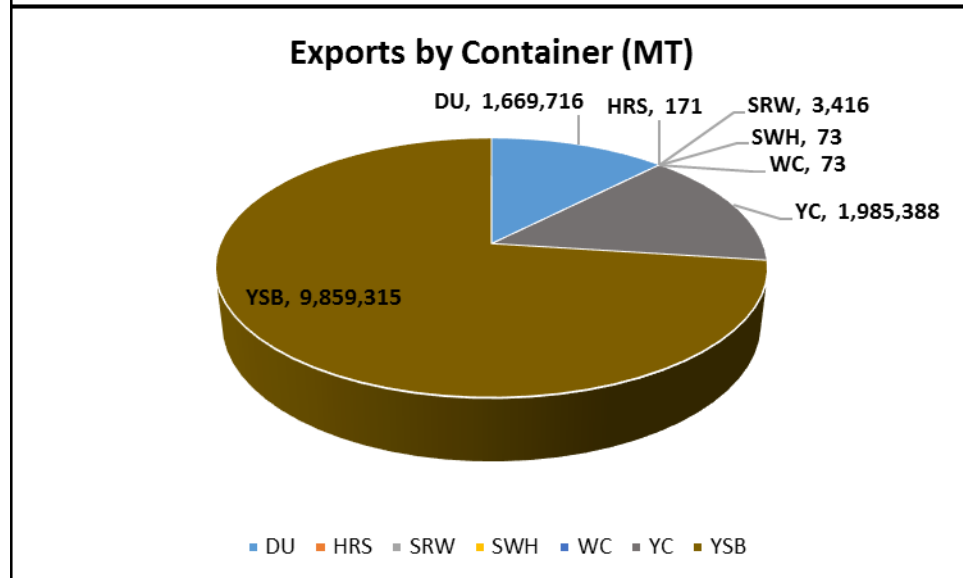
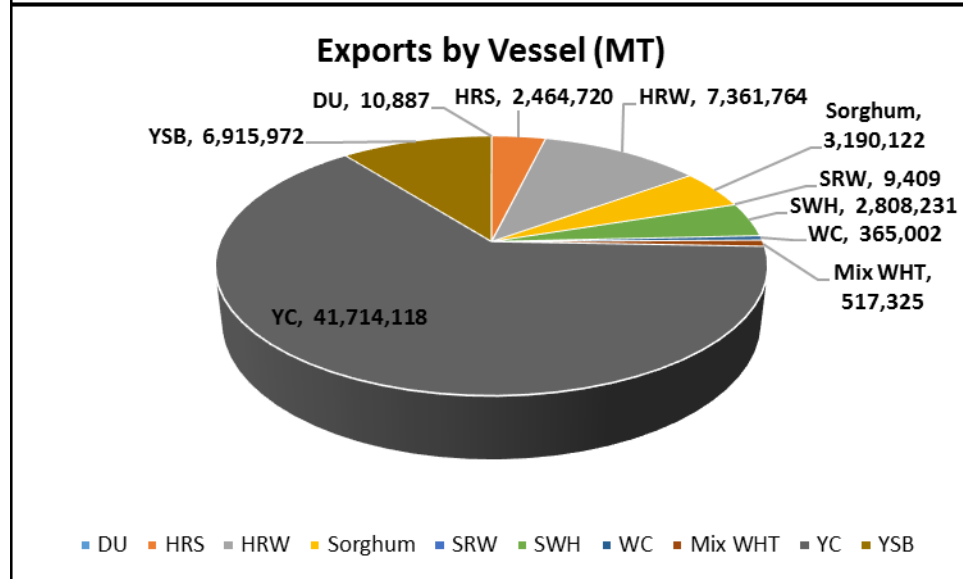
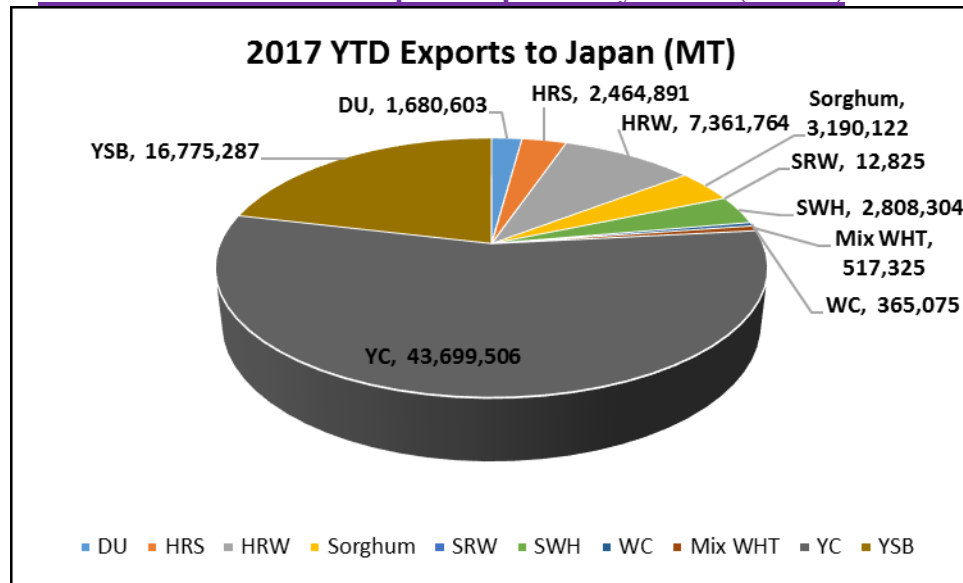


Grain Inspections for Export by U.S. Port Regions:
U.S. Gulf and Pacific Northwest 2016 YTD vs. 2017 YTD



Source: USDA-data

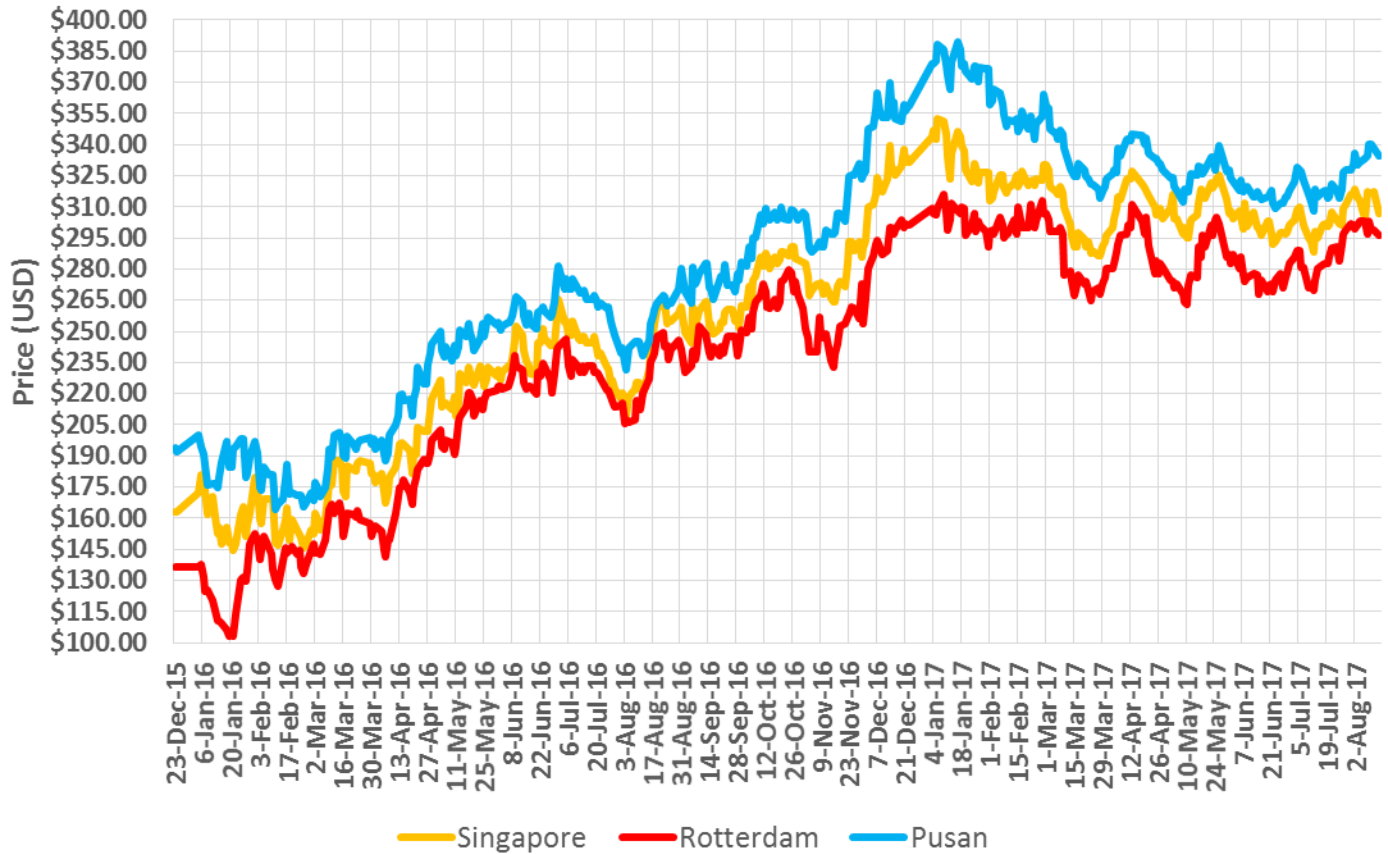
2017 YTD Total Grain Exports reported by USDA (in MT)



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

Shipping News:

Bunker Fuel Prices for Singapore vs. Rotterdam vs. Pusan



Star Bulk post loss in second quarter

09 Aug 2017

[Editor's Picks](#), [Finance & Economy](#), [Headlines](#), [Slider](#), [The Wire](#)



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.

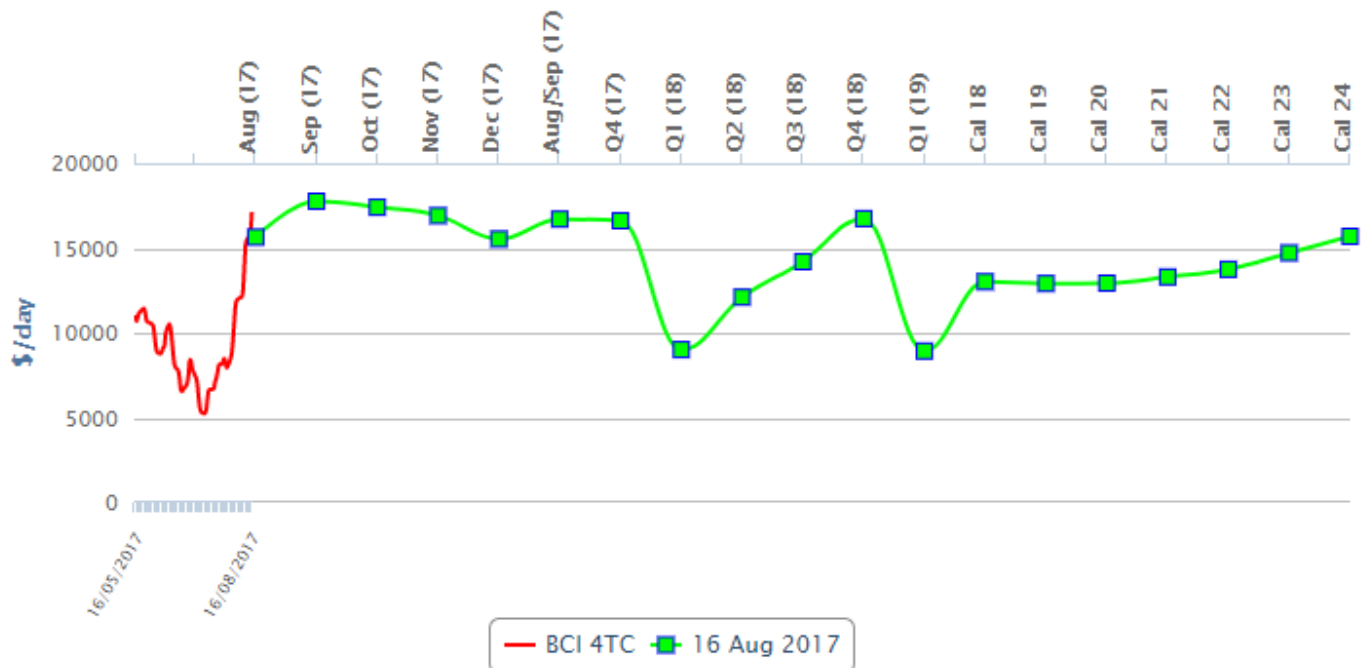
Furthermore, in August, the company paid USD 3.6 million to all parties under its restructuring agreements, representing the 20% of the equity used for the acquisition of Star Charis, Star Suzanna and Diva.

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 Capesize for the 4 time charter routes

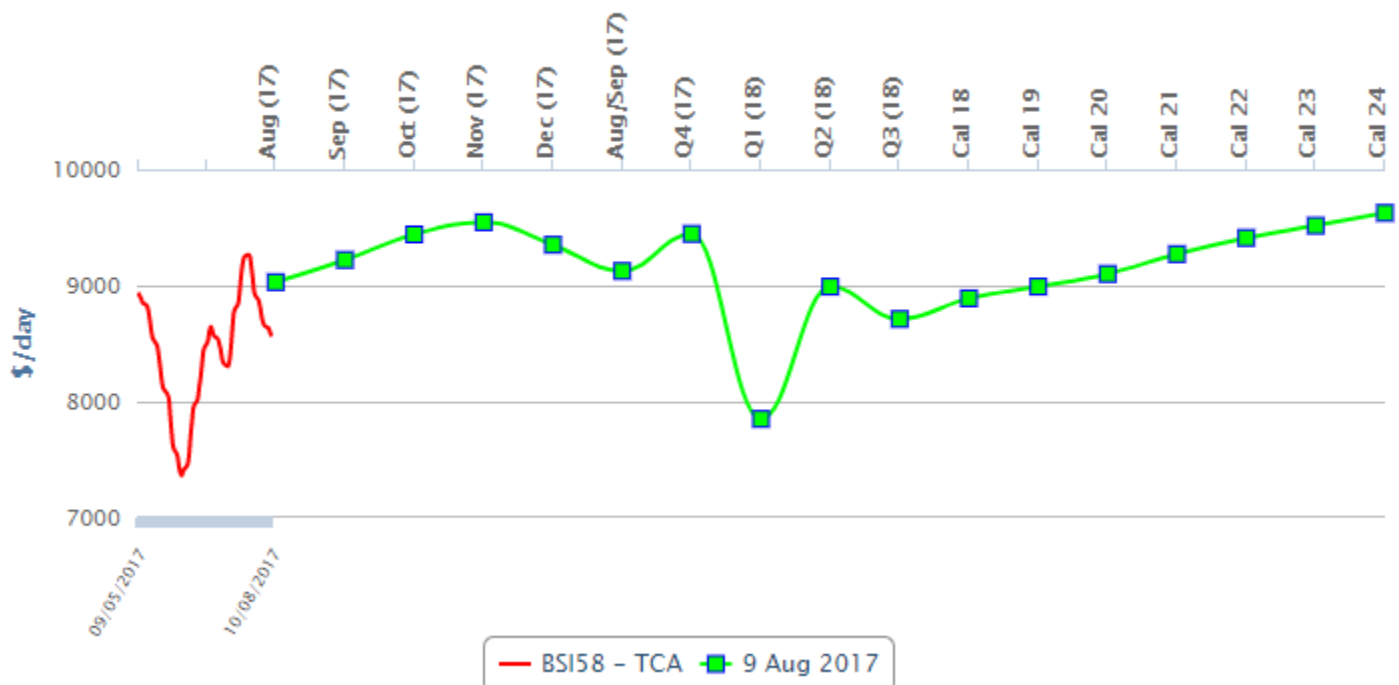
4TC-FFA



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FFA SUPRAMAX 58 for the 5 time charter routes

10TCS-FFA



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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	290	\$14.26	0.36	0.39
St. Louis	255	\$11.22	0.28	0.31

Secondary Rail Car Market for car placement period: First Half September 2017.

** The big news out of UP Rail Road HQ in Omaha is that the UPRR will lay-off 750 employees this month. This is in reaction to lost coal and other freight business and the need to reduce costs across the system.

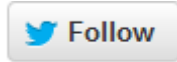
Secondary Rail Car Market Placement FH September 2017	BID USD	ASK USD	BID BU.	ASK BU.	BID MT	ASK MT
BNSF Shuttle Trains	\$ (250.00)	\$ (150.00)	\$ (0.06)	\$ (0.04)	\$ (2.46)	\$ (1.48)
UPRR Shuttle Trains	\$ (100.00)	\$ 50.00	\$ (0.03)	\$ 0.01	\$ (0.98)	\$ 0.49

Best Regards,

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