

Transportation and Export Report for 18 August 2022

It was another bloody week for vessel owners. Freight markets have been very concerned over the outlook for the Chinese economy and this has greatly contributed to the recent selloff. The Capesize sector has been particularly hard hit with nearby Pacific daily hire rates below \$10,000/day and now below operating cost. The Q4 Panamax index is at its lowest level since 2011. So, the question remains; have we hit bottom yet? Will the Chinese government stimulus program provide for better imports of Coal, Iron ore and minor bulks? It is hard to believe freight markets can retreat much further.

Container markets continue to show better availability of empty containers for reload and grain exports by container have jumped more than 50 percent over the last month.

The ILWU-West Coast Port labor contract negotiations continue as the big issue of port automation remains to be resolved. We could be 30 days away from a rail strike in the western U.S. if negotiations with the union do not improve. Sept.16 is the last day of the cooling-off period. Union wants pay raise of 31% over 5 years; Rail roads are offering 17 % pay hike. Maybe they can meet in the middle ?

BALTIC DRY-BULK PANAMAX INDEX CHANGES

Panamax Ocean Freight Indices					
18-Aug-2022		This Week	Last Week	Difference	Percent Change
P2A: Gulf/Atlantic - Japan	Index	24427	27350	-2,923	-10.7%
P3A: PNW/Pacific - Korea	Index	14698	15440	-742	-4.8%
S1C: US GULF-China-So.Japan	Index	22336	24321	-1,985	-8.2%
P7: Trial- Miss. River - Qingdao	per ton	59.89	64.35	-4.5	-6.9%
P8: Trial- Santos - Qingdao	per ton	47.54	52.99	-5.5	-10.3%

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

Four weeks ago: \$10.50-\$10.75
 Three weeks ago: \$10.60-\$10.75
 Two weeks ago: \$10.50-\$10.15
 One week ago: \$8.50-\$8.85
 This week: \$8.40-\$8.15

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

Mississippi River: (9 elevators) 2-8 days
 Mid-Stream loaders: (6+ Rigs) 0-1 days
 Texas Gulf (5 elevators) 0-4 days (3 facilities at zero days)
 Pacific Northwest: (9 elevators) 0- 10 days (only 1 facility over 4 days)

Panamax Market Spreads to Asia -China					
18-Aug-2022	GULF	PNW	Bushel Spread	Tonne Spread	Advantage
CORN	1.33	2.28	0.95	\$37.40	GULF
SOYBEANS	1.90	2.90	1.00	\$36.74	GULF
OCEAN FREIGHT	\$62.00	\$36.00	.66-.71	\$26.00	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.**

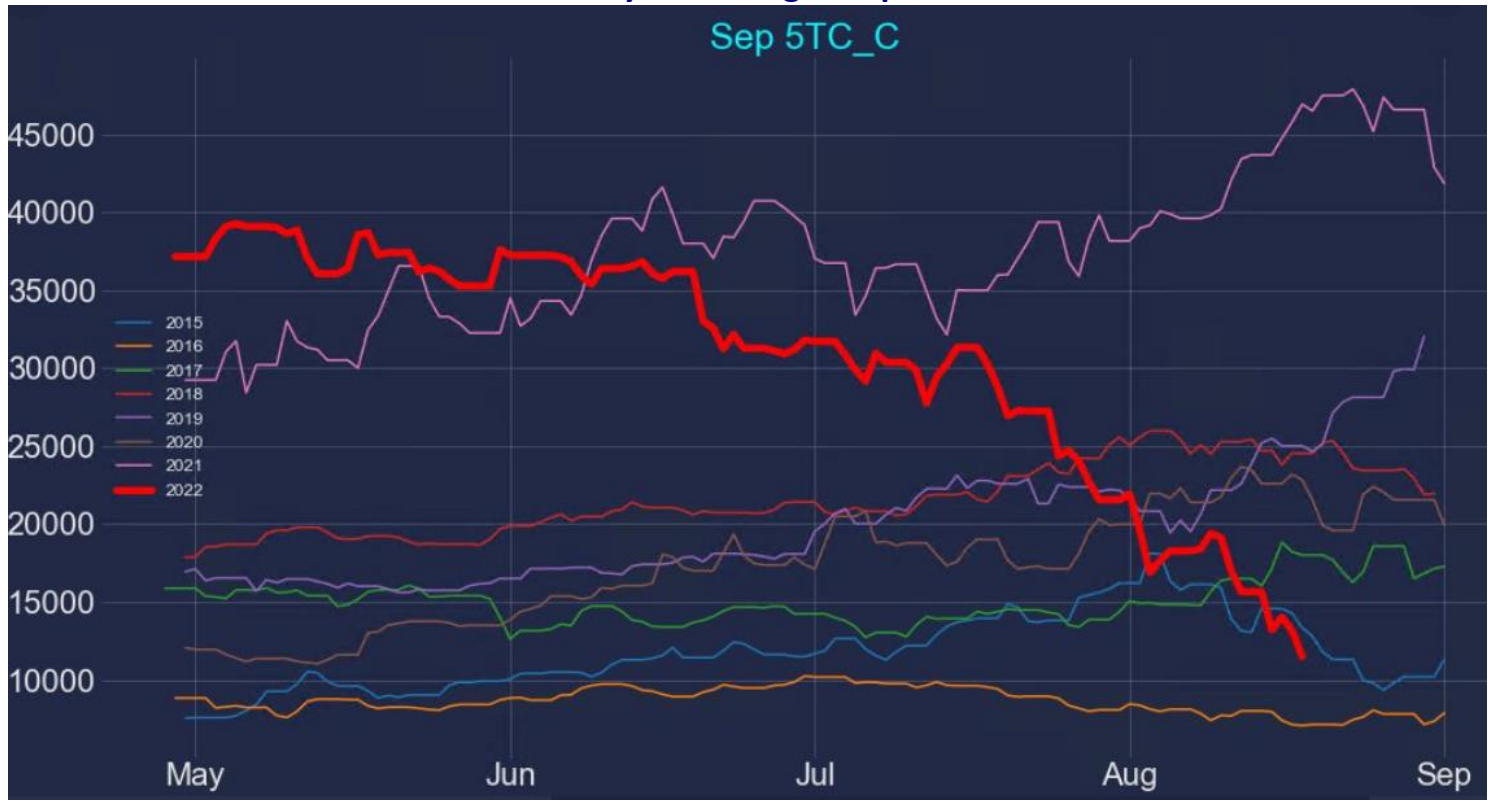
Soybean Panamax USG to Spain is running \$46.00 -\$48.00/mt.

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	\$63.00	Down \$2.50	Handymax \$63.00 mt
55,000 U.S. PNW- Japan	\$36.50	Down \$1.50	Handymax at \$36.50 mt
65,000 U.S. Gulf – China	\$62.00	Down \$2.50	North or South China
PNW to China	\$36.00	Down \$1.50	
25,000 U.S. Gulf- Veracruz, México	\$27.00	Down \$0.50	3,000 MT daily discharge rate
35-40,000 U.S. Gulf- Veracruz, México	\$23.00	Down \$0.50	Deep draft and 6,000 MT per day discharge rate.
30-38,000 U.S. Gulf- Colombia	\$36.50	Down \$1.25	<u>West Coast Colombia at \$42.50</u>
50,000 USG- E/C Colombia	\$35.75		
<u>East Coast Colombia</u> From Argentina	\$45.50		
40-45,000 U.S. Gulf - Guatemala	\$44.50	Down \$1.50	Acajutla/Quetzal - 8,000 out
30,000 US Gulf-Morocco	\$62.50	Down \$2.00	5,000 discharge rate
55-60,000 U.S. Gulf –Egypt	\$62.00	Down \$2.50	55,000-60,000 mt Egypt
PNW to Egypt	\$62.50		Romania - Russia- Ukraine \$27.00 -\$31-\$44.00- \$.00 - France \$42.00, Bulgaria \$33.00
58-74,000 U.S. Gulf – Europe – Rotterdam	\$32.00	Down \$0.50	Handymax at +\$2.50 more
Brazil, Santos –China	\$53.50	Down \$2.25	54-59,000 Supramax-Panamax
Brazil, Santos –China	\$51.00		60-66,000 Post Panamax
Up-River Port North Brazil	\$61.00		55-60,000 mt
56-60,000 Argentina-China	\$58.50	Down \$2.25	Up-River with Top Off Plus \$3.85-\$4.75
Deep draft			

The Baltic Dry Bulk Freight Capesize Index

Sep 5TC_C



Baltic Dry Bulk Index-

Baltic Average of the Time Charter routes per Segment

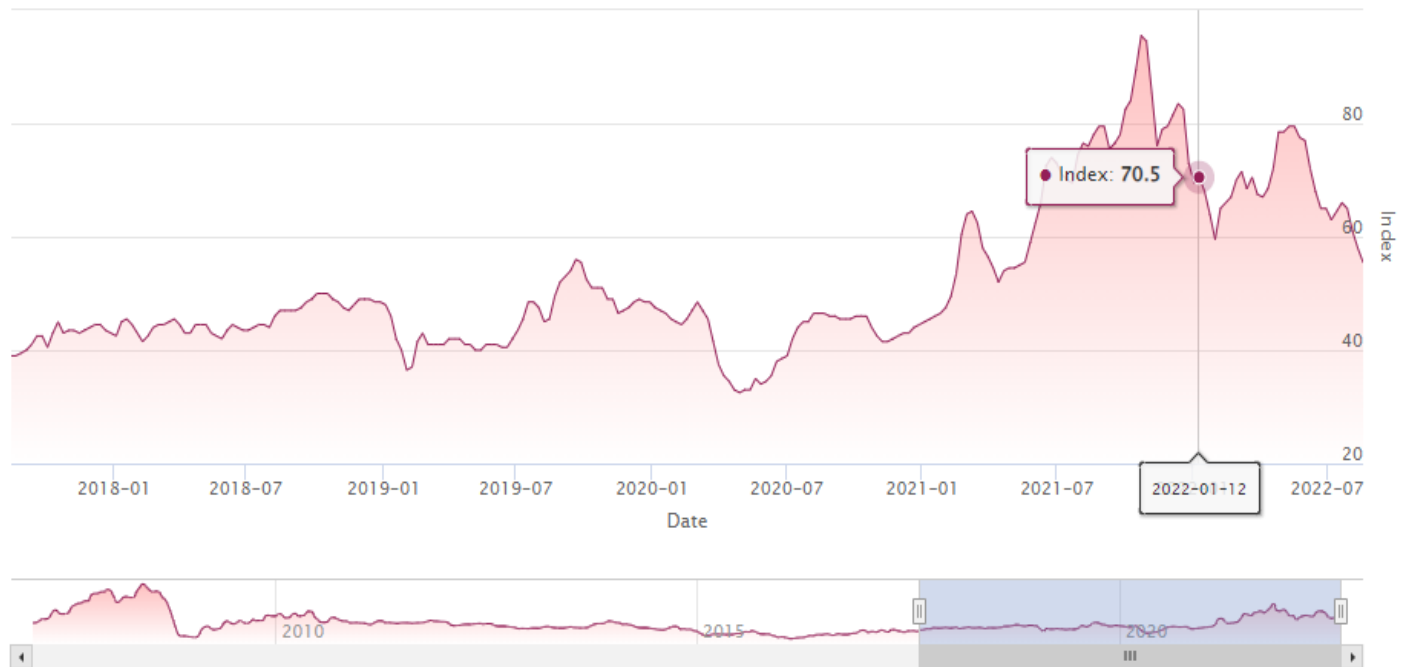


YAMAMIZU Index



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

From 2017-08-17 To 2022-08-17



China Import Dry Bulk Freight Index					
2022-08-18					
Description	Volume	Cargo	Unit	Rate	Change
Composite Index			Point	1208.15	0.89
Iron ore Freight Index			Point	982.46	2.57
Dampier(West Australia)-Qingdao (China)	170000/10%	Iron ore	\$/ton	8.129	0.219
Soybean Freight Index			Point	1469.6	-11.93
Santos(Brazil)— North China	66000/10%	Soybean	\$/ton	51.37	-0.522
Tacoma(West America)—North China	63000/10%	Soybean	\$/ton	36.42	-0.03
Mississippi(US Gulf)—North China	66000/10%	Soybean	\$/ton	62.5	-0.483

18 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 =	6.1975
Max. 14.5% moisture	BASIS	FLAT PRICE	BASIS	FLAT PRICE	Z =	6.1575
Sept. (Z)	1.33	\$294.77	2.28	\$332.17	H=	6.2275
Oct.	1.40	\$297.52	2.30	\$332.95	K =	6.2525
Nov.	1.42	\$298.31	2.25	\$330.99	N=	6.2300
Dec.	1.40	\$297.52	2.15	\$327.05	U =	5.9225
Jan.	1.25	\$294.37	2.10	\$327.84		
Feb.	1.22	\$293.19	2.10	\$327.84		

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.	1.65	\$307.36
Oct.	1.65	\$307.36
Nov.	1.65	\$307.36
Dec.	1.65	\$307.36
Jan.	1.60	\$308.15

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	\$319.30	\$321.14	\$322.97	\$326.65
Basis	1.20	1.25	1.30	1.40
WU	7.3150			.
WZ	7.4900			
WH	7.6600			

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	\$586.15	2.90	\$622.89
Oct.	1.75	\$580.64	2.65	\$613.71
Nov.	1.65	\$576.96	2.55	\$610.03
Dec.	1.53	\$574.85	2.40	\$606.82
Jan.	1.48	\$573.01	2.38	\$606.08
Soybean Futures				
Sept.	\$ 14.9550			
Nov.	\$ 14.0525			
Jan.	\$ 14.1150			
Mar.	\$ 14.1300			
May	\$ 14.1475			
July	\$ 14.1375			

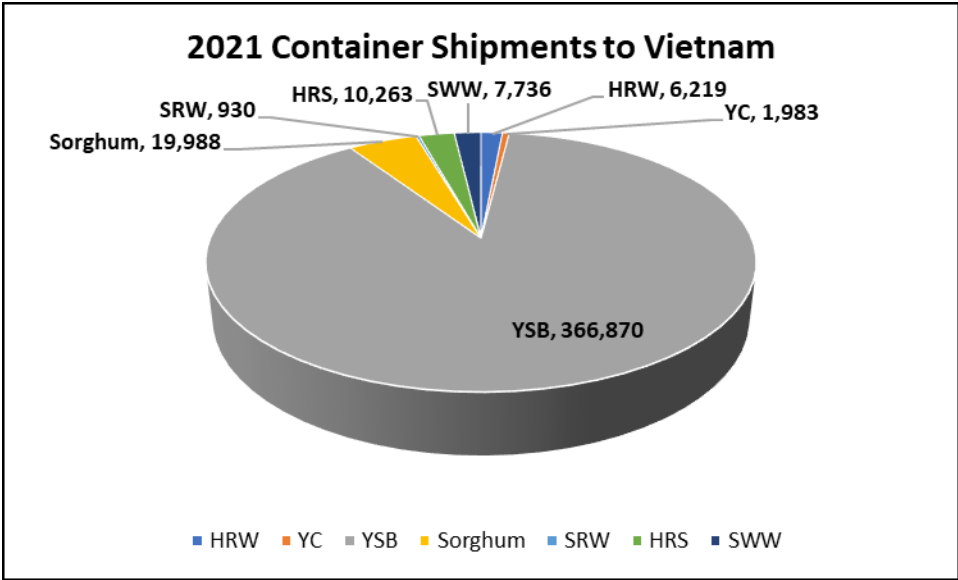
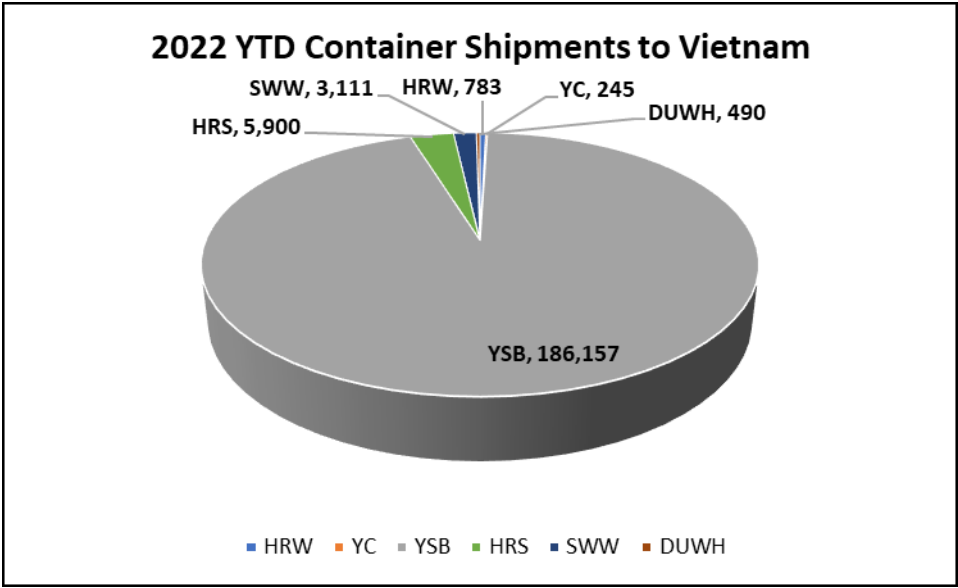
U.S. Soybean and SBM Markets Fob Vessel:

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	\$ 550.59
Oct.	55.00	\$ 515.97
Nov.	52.00	\$ 507.04
Dec.	52.00	\$ 507.04
Jan.	52.00	\$ 502.63
SBM Futures		
SMU	\$ 449.40	
SMV	\$ 413.00	
SMZ	\$ 407.90	
SMF	\$ 403.90	
SMH	\$ 397.10	
SMK	\$ 393.50	

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).*

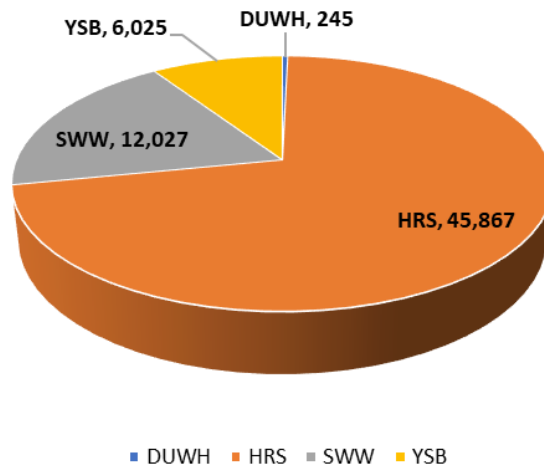
CONTAINER SHIPMENTS of GRAIN									
USDA Grain Inspections Report:		11-Aug-2022							
Last Week	metric tons								MT
	YC	WC	YSB	SRW	NS	HRW	DUWH	Sorghum	TOTAL
China			5,608	1,616				2,155	9,379
Taiwan	3,766		8,470						12,236
Hong Kong									0
Costa Rica	294								294
Indonesia			13,343		416				13,759
French Poly									0
Japan			734						734
Korea Rep.	1,199		1,200						2,399
Ireland									0
Malaysia	269		3,257		1,567				5,093
Singapore									0
Philippines									0
Thailand			1,469						1,469
El Salvador								24	24
Burma									0
Cambodia									0
Nepal									0
Vietnam			3,035		1,910	783	490		6,218
Sub Total:	5,528	0	37,116	1,616	3,893	783	490	2,179	51,605
USDA Corrections/Additions to previous reports:									
Taiwan			2,767						2,767
China			1,909						1,909
Hong Kong									0
Korea Rep.	6,853		3,721	3,770					14,344
Un Kingdom									0
Japan			196						196
Philippines									0
Indonesia			7,685						7,685
Malaysia	856		2,301						3,157
Thailand			1,641						1,641
Vietnam			4,529						4,529
Burma									0
Cambodia									0
Sub Total:	7,709	0	24,749	3,770	0	0	0	0	36,228
Mt. Grand Total	13,237	0	61,865	5,386	3,893	783	490	2,179	87,833
Number of Containers	576	0	2,690	234	169	34	21	95	

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

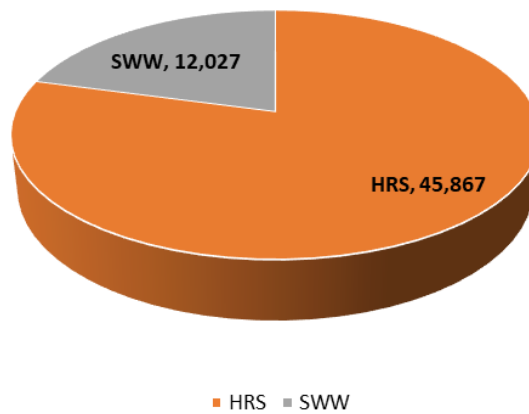


2022 YTD Total Grain Exports reported by USDA (in MT)

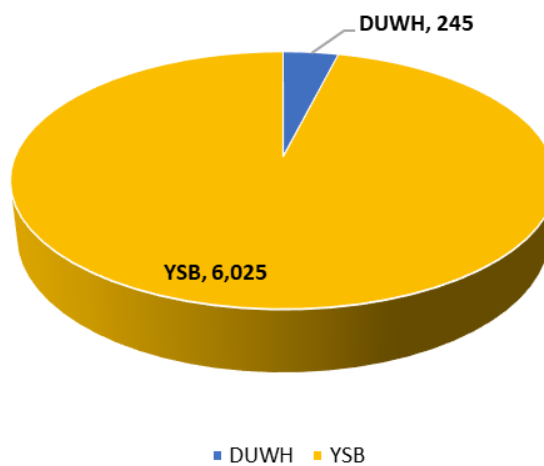
2022 YTD Exports to Burma



YTD Vessel Shipments to Burma



YTD Container Shipments to Burma

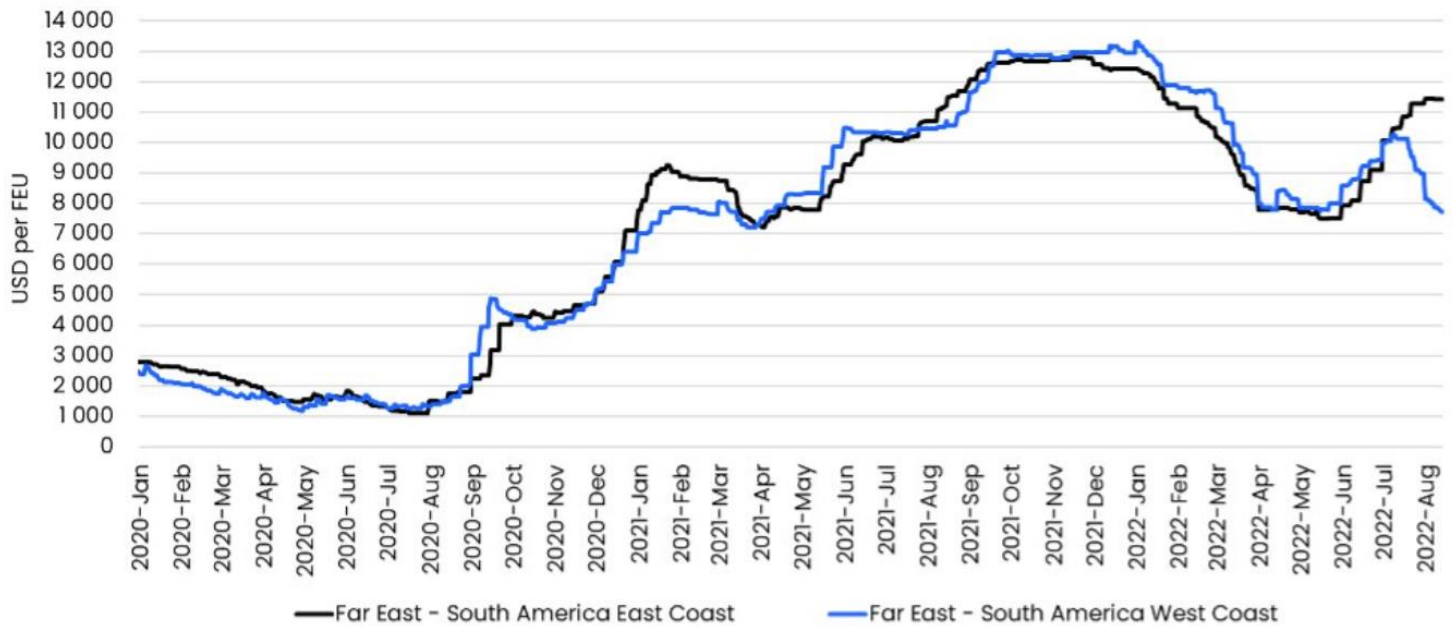


*Please keep in mind that USDA does not report DDGS sales

Source: USDA-data

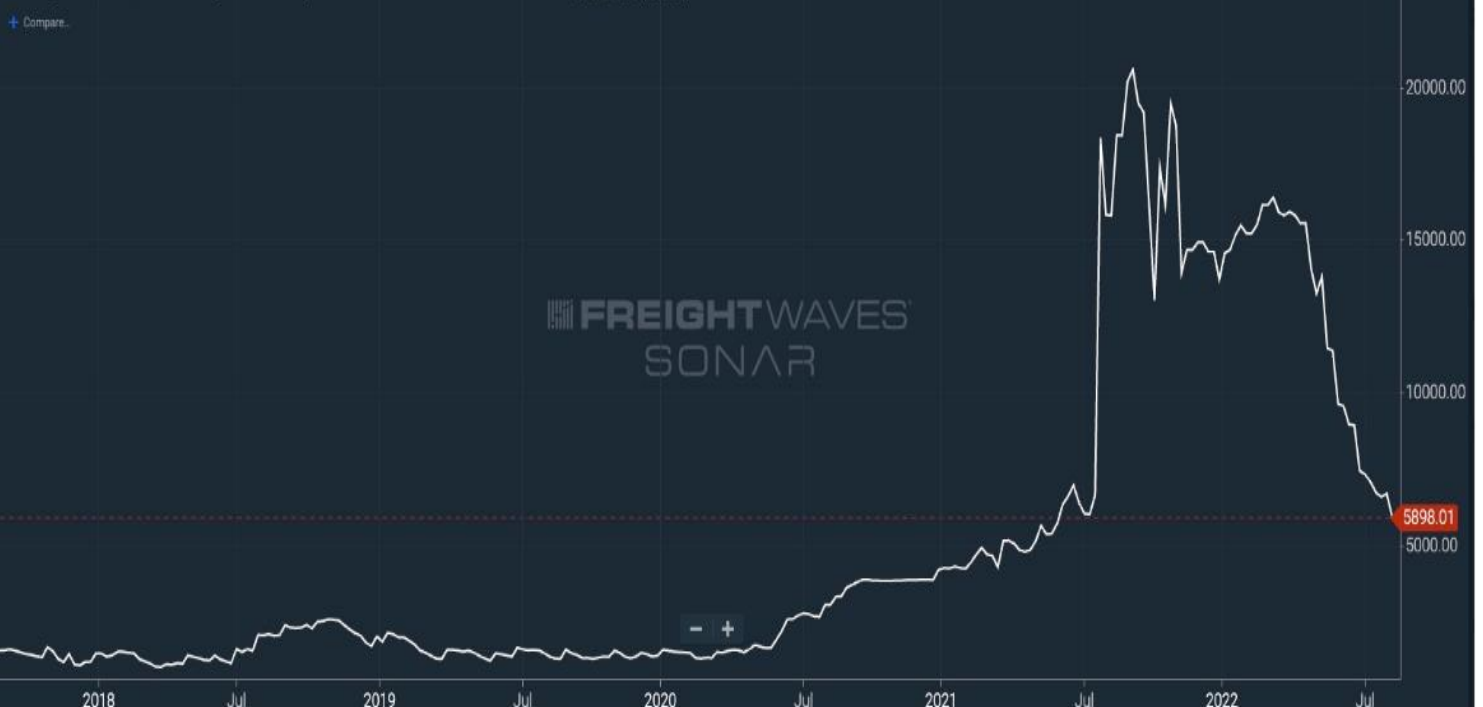
Shipping News

Spot freight rates: Far East to South America East & West Coasts



Source: www.xeneta.com

Freightos Baltic Daily Index, (China North America West)



2012	Operator	Market Share	2022	Operator	Market Share
1	APM-Maersk	16.0%	1	MSC	17.4%
2	MSC	13.3%	2	APM-Maersk	16.6%
3	CMA CGM	8.4%	3	CMA CGM	12.8%
4	COSCO Shg	4.1%	4	COSCO Shipping	11.2%
5	Hapag-Lloyd	4.1%	5	Hapag-Lloyd	6.8%
6	APL	3.9%	6	Evergreen Line	6.1%
7	Evergreen Line	3.8%	7	ONE	5.8%
8	CSCL	3.4%	8	HMM	3.2%
9	Hanjin Shg	3.0%	9	Yang Ming	2.7%
10	MOL	2.7%	10	ZIM	2.0%
11	Hamburg Sud	2.6%	11	Wan Hai	1.7%
12	OOCL	2.6%	12	PIL	1.1%
13	NYK Line	2.5%	13	KMTC	0.6%
14	CSAV Grp	2.4%	14	SITC	0.6%
15	Yang Ming	2.1%	15	IRISL	0.6%
16	K Line	2.1%	16	Unifeeder	0.6%
17	ZIM	2.0%	17	X-Press Feeders	0.5%
18	HMM	1.9%	18	Zhonggu	0.4%
19	PIL ALPHALINER	1.7%	19	TS Lines	0.4%
20	UASC	1.5%	20	SM Line	0.4%
21	Wan Hai	1.1%	21	Antong Hdgs	0.3%
22	HDS Lines	0.5%	22	Sea Lead	0.3%
23	TS Lines	0.5%	23	CULines	0.3%
24	X-Press	0.4%	24	Sinokor	0.3%
25	SITC	0.3%	25	RCL	0.3%
26	RCL	0.2%	26	Global Feeder	0.3%
27	KMTC	0.2%	27	Emirates Shg	0.3%
28	MISC	0.2%	28	Matson	0.3%
29	Hainan Sg	0.2%	29	Swire Shg	0.3%
30	Grimaldi	0.2%	30	Arkas Line	0.2%

Marine Exchange @MXSOCAL · 4h

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Ship Report 8/17: 77 total ships inport LA/LB incl. 22 at anchor or loitering & 55 at berths. Of the 77, 24 are container ships incl. 1 at anchor or loitering & 23 at berths. 1 vessel loitering; 1 bulk. 4 empty anchorages.



Tom Craig @LTDManagement · 4h

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Import volumes rise at LA-Long Beach [#port?](#) How can that be? The volume shift to USEC & Gulf ports & the import apocalypse predicted by some? [#maritime](#) [#logistics](#) [#supplychain](#)



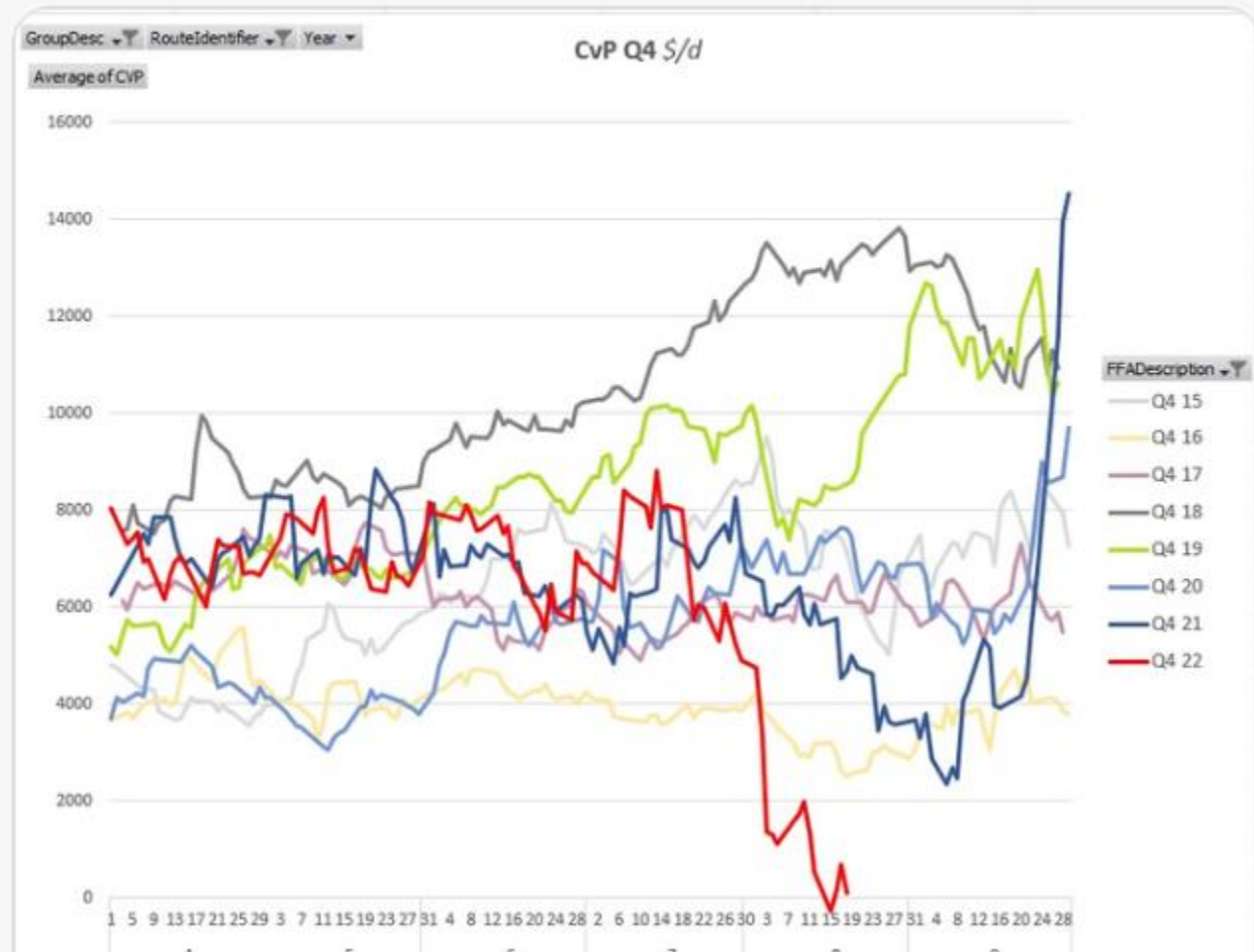
Paul Page  @PaulPage · 5h

Combined loaded container imports into the port of Los Angeles and Long Beach rose 1.1% in July from a year ago, and the inbound volumes were almost flat compared to June. Over on the East Coast, Port of Savannah container imports were up 10.7% last month.



Nick Ristic @ristic_nick · 36m

Cape v Panamax Q4 looking pretty funky - lowest in absolute terms since 2011 🙄



FreightWaves SONAR @SONAR_FW · 5h

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Contract rates were slow to rise & meet market demand in 2021 and are now lagging behind declining spot rates by roughly 6 mo. Contract rates are contracting, according to data from early August. In a week, rates have fallen 7 cents per mile.

Contract rates are falling without a parachute.



[SONAR Tickers: VCRPM1.USA, NTIL.USA](#)

Kashyap Sriram @kashyap286 · Aug 15

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The Breakwave **Dry Bulk Shipping** ETF [\\$BDRY](#) which tracks a mix of **dry bulk** futures is the worst performing ETF of this year, down 67% ytd. That's even worse than Crazy Cathie's Ark Innovation ETF [\\$ARKK](#) which is down 45%. Who would have thought **dry bulk** could fare worse than [\\$ROKU](#)?

1

↑

3

↑

Norway's oil fund is larger than the combined wealth of the richest 10 people in the world

Data: Forbes, Norges Bank Investment Management
Graph by: @rubenbmthisen (Twitter)

Norway's Oil Fund

\$1339 B



Top 10 Richest People

\$1307 B



China Containerized Freight Index



China Import Dry Bulk Freight Index



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

Secondary Rail Car Market Placement LH September 2022	BID USD	ASK USD	BID BU.	ASK BU.	BID MT	ASK MT
BNSF Shuttle Trains	\$ 700.00	\$ 900.00	\$ 0.18	\$ 0.23	\$ 6.89	\$ 8.86
UPRR Shuttle Trains	\$ 700.00	\$ 1,000.00	\$ 0.18	\$ 0.25	\$ 6.89	\$ 9.84

U.S. RIVER BARGE FREIGHT

Barge Freight for Loading Placement Last Half September 2022

Placement LH Sept. 2022	% of Tariff	MT	Corn BU	Soybeans-Wheat BU
Upper Mississippi	780	\$53.22	1.35	1.45
Illinois River (Pekin and South)	680	\$46.40	1.18	1.26
Mid-Mississippi	700	\$34.41	0.87	0.94
Lower Ohio	700	\$34.41	0.87	0.94
St. Louis	625	\$27.49	0.70	0.75

Best Regards,

Jay

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