

## Transportation and Export Report for 2 August 2018

### Ocean Freight Insights and Comments:

Global Dry Bulk freight markets are starting to be like watching paint dry. For the past month they have been slowly steaming nowhere in particular. 2018 has certainly not been the continuation of the Q3-Q4 2017 market recovery that vessel owners were expecting. Rates have largely remained stagnant for much of the year and the outlook remains uncertain.

The common belief is that things will pick up and rates will gradually improve as we head into the last quarter of 2018. But uncertainties regarding the growth of global trade due to the tariff wars is keeping a lid on things for the time being. One the container side of things, one telling piece of trade data is the weekly USDA-FGIS export shipments reports that have not shown a containerized grain shipment to China in the month of July.

### BALTIC DRY-BULK PANAMAX INDEX CHANGES

Panamax Ocean Freight Indices				
2-Aug-18	This Week	Last Week	Difference	Percent Change
P2A : Gulf/Atlantic - Japan	20335	21069	-734	-3.5%
P3A - PNW/Pacific - Japan	8762	9427	-665	-7.1%
S1C -USGULF-China-So.Japan	21561	21507	54	0.3%

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

Four weeks ago:	\$ 7.20-\$7.40
Three weeks ago:	\$ 8.10-\$9.00
Two weeks ago:	\$ 8.50-\$9.10
One week ago:	\$ 8.90-\$9.60
This week	\$ 9.65-\$9.95

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

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

Panamax Market Spreads to Asia -China					
2-Aug-18	PNW	GULF	Bushel Spread	MT Spread	Advantage
CORN	0.96	0.76	0.20	\$7.87	PNW
SOYBEANS	0.70	0.50	0.20	\$7.35	PNW
OCEAN FREIGHT	\$23.50	\$43.00	.50 -.53	\$19.50	September

**Recent Reported Vessel Fixtures:**

<b>Route and Vessel Size</b>	<b>Current Week USD/MT</b>	<b>Change from previous week</b>	<b>Remarks</b>
55,000 U.S. Gulf-Japan	\$43.75	Down \$0.25	Handymax \$44.50 mt
55,000 U.S. PNW- Japan	\$24.25	Down \$0.50	Handymax \$25.00 mt
66,000 U.S. Gulf – China PNW to China	\$43.00 \$23.50	Unchanged Down \$0.50	North China
25,000 U.S. Gulf- Veracruz, México	\$16.50	Unchanged	3,000 MT daily discharge rate
35-40,000 U.S. Gulf- Veracruz, México	\$14.50	Unchanged	Deep draft and 6,000 MT per day discharge rate.
25/35,000 U.S. Gulf- <u>East Coast Colombia</u> From Argentina	\$19.75 \$34.00	Unchanged	<u>West Coast Colombia at \$28.50</u>
40-45,000 U.S. Gulf - Guatemala	\$28.75	Unchanged	Acajutla/Quetzal - 8,000 out
26-30,000 U.S. Gulf – Algeria	\$31.75 \$33.25	Unchanged	8,000 mt daily discharge 3,000 mt daily discharge
26-30,000 US Gulf-Morocco	\$34.25	Unchanged	5,000 discharge rate
55-60,000 U.S. Gulf –Egypt PNW to Egypt	\$28.50 \$27.75	Unchanged	55,000 -60,000 mt Russia Black Sea to Egypt \$15.50
60-70,000 U.S. Gulf – Europe – Rotterdam	\$21.75	Up \$0.25	Handymax at +\$1.75 more
Brazil, Santos – China Brazil, Santos – China Itacoatiara-Port Up River North Brazil	\$35.75 \$35.00 \$38.50	Unchanged	54-59,000 Supramax-Panamax 60-66,000 Post Panamax 60-66,000 mt
56-60,000 Argentina/Rosario- China Deep Draft	\$40.25	Unchanged	Up River with BB Top Off \$41.00

- **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)**

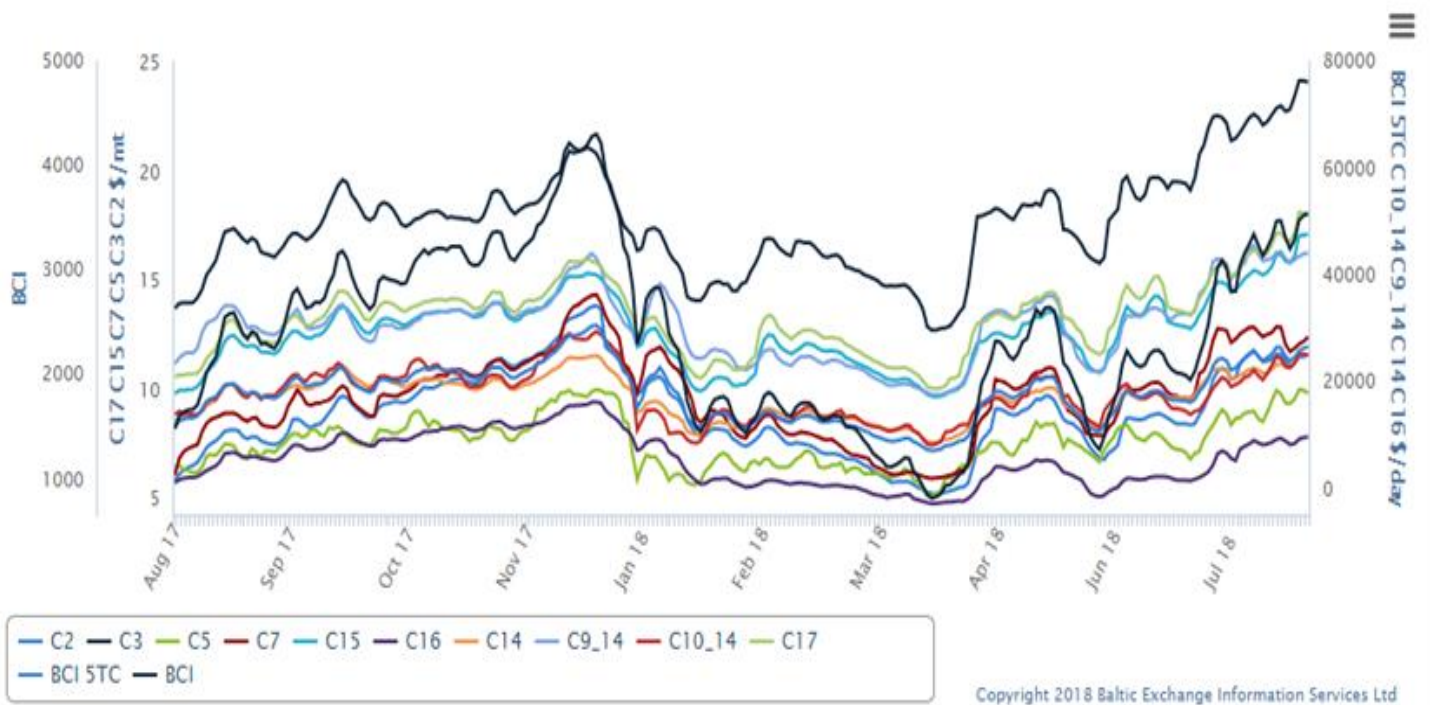
**Rasario Argentina (via Cape Horn) - 10,751 nautical miles (34 days)**

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



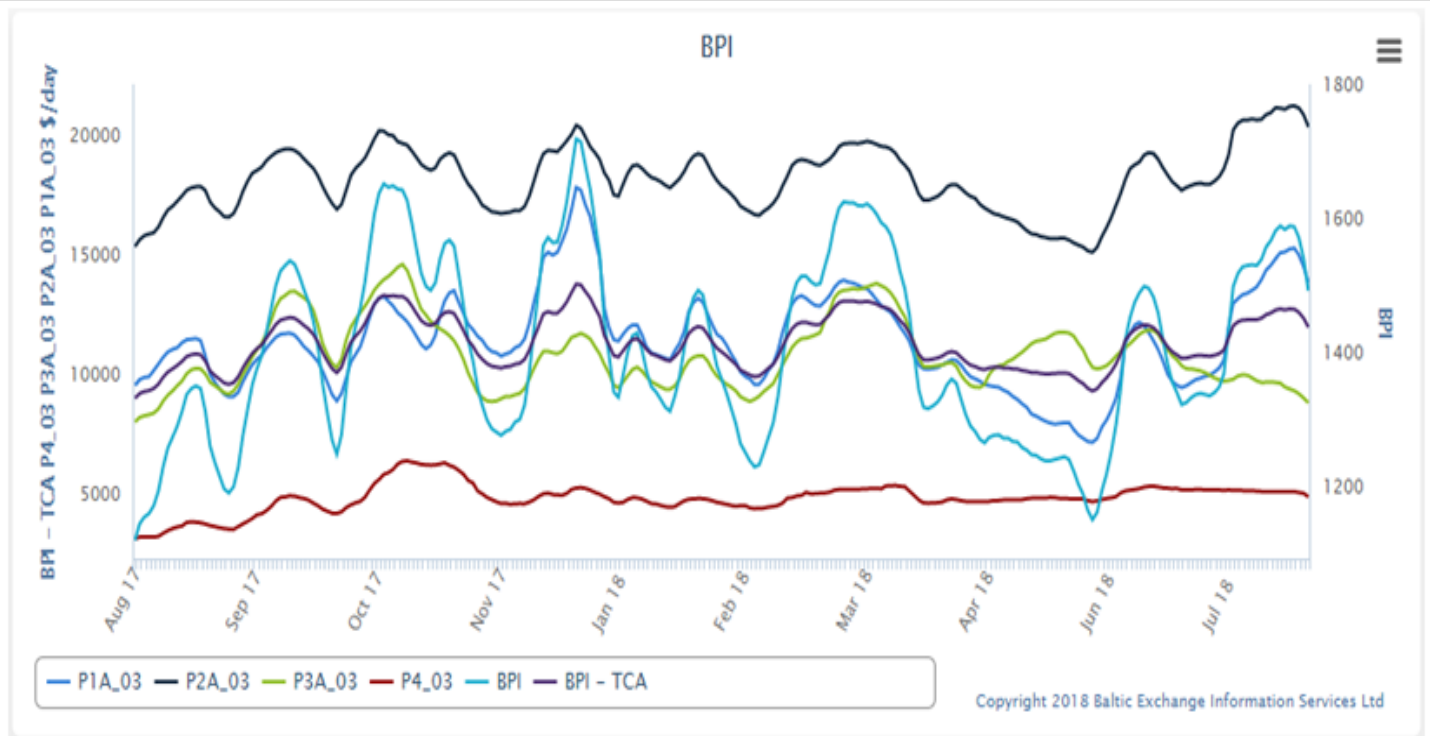
## Baltic Capesize Index

Cape



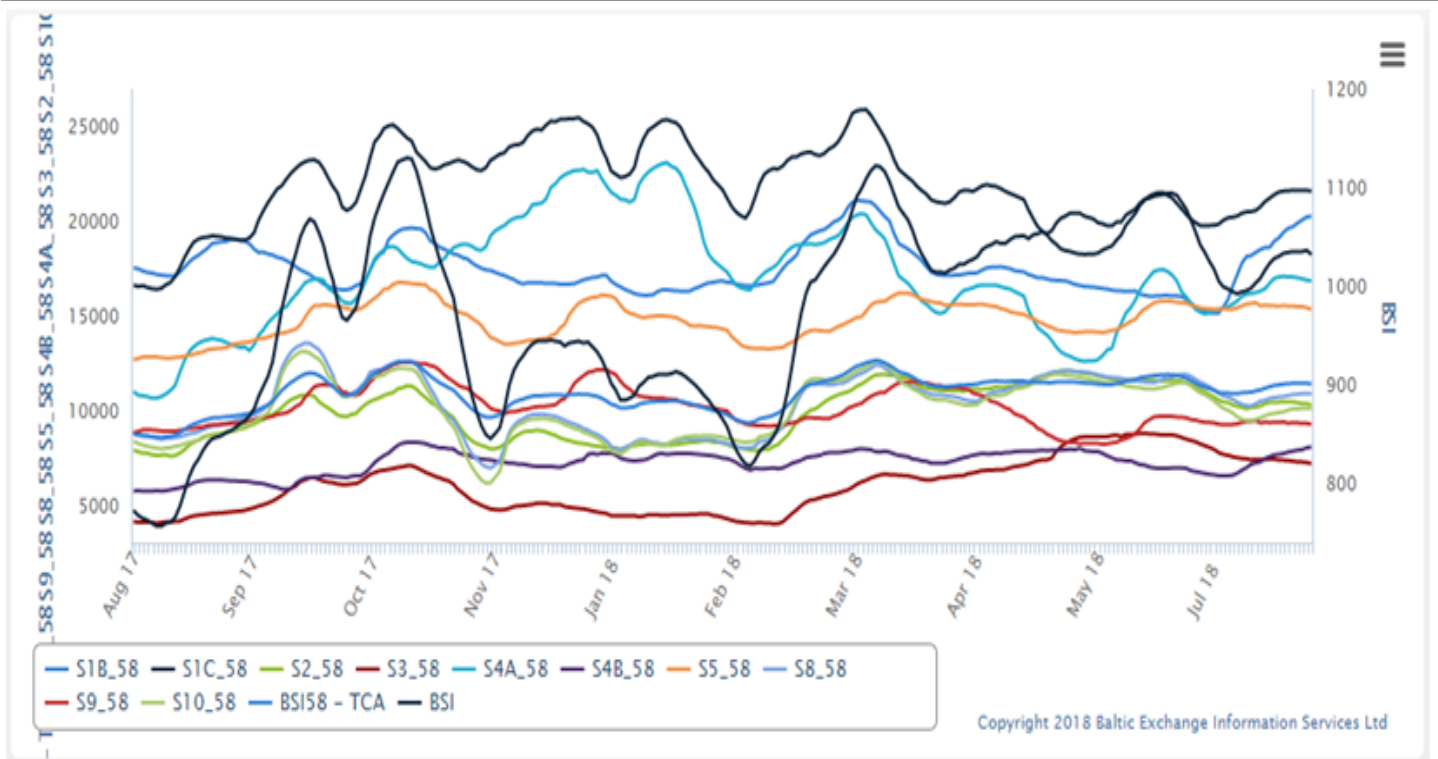
## Baltic Panamax Index

Panamax



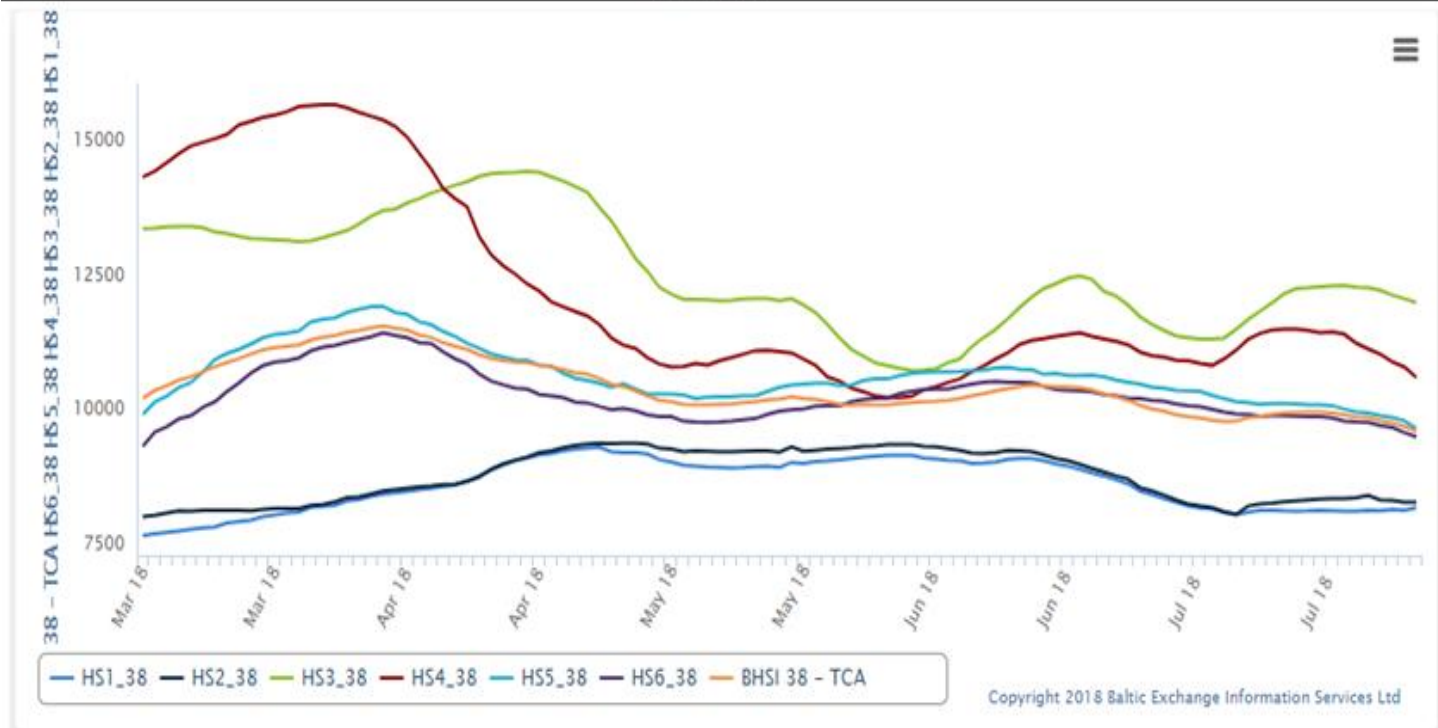
## Baltic Supramax Vessel Index

### Supramax



## Baltic Handy Size

### Handysize



# Yamamizu Shipping

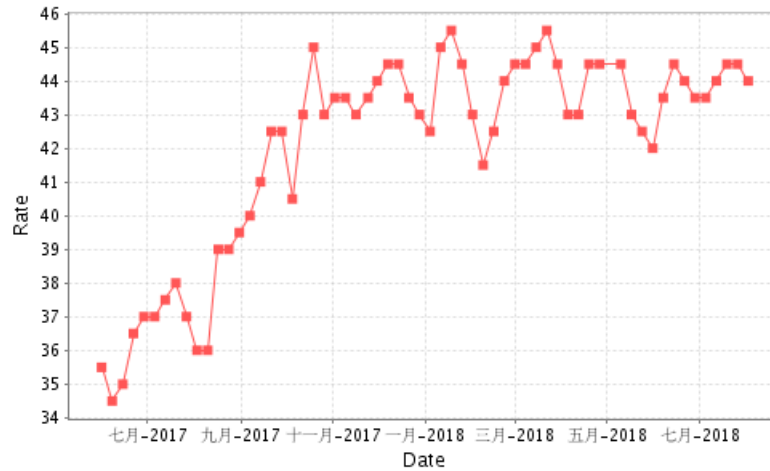
[Profile](#)
[History](#)
[Organization](#)
[Service](#)
[Access Map](#)
[Yamamizu Index](#)

## USG/Japan Index Result

Date From: 2017-06-01

Date To: 2018-08-03





## China Import Dry Bulk Freight Index(CDFI)

2018-08-02

Route	Size MT	Cargo/Vessel Size	Unit	Rate	Change
Composite Index			Point	1029.04	-4.74
Iron ore Freight Index			Point	1136.70	-7.14
Soybean Freight Index			Point	994.84	-1.85
Santos(Brazil)—North China	60000/10%	Soybean	\$/ton	34.809	-0.123
Tacoma(West America)—North China	60000/10%	Soybean	\$/ton	23.350	-0.041
Mississippi(US Gulf)—North China	66000/10%	Soybean	\$/ton	43.169	0.008
Mississippi(US Gulf)—North China	55000/10%	Soybean	\$/ton	44.744	0.041

**2 August 2018 U.S. FOB Vessel Export Market Values:**

<b>U.S. Yellow Corn (USD/MT) FOB Vessel</b>				
# 2 YC	U.S. Gulf #2 YC		PNW #3 YC	
15.0 % Moisture	Basis	Flat Price	Basis	Flat Price
<b>Aug.</b>	0.75	<b>\$173.91</b>	0.96	<b>\$182.17</b>
<b>Sept.</b>	0.76	<b>\$174.30</b>	0.96	<b>\$182.17</b>
<b>Oct.</b>	0.70	<b>\$177.65</b>	0.90	<b>\$185.52</b>
<b>Nov.</b>	0.76	<b>\$180.01</b>	0.95	<b>\$187.49</b>
<b>Dec.</b>	0.78	<b>\$180.80</b>	0.96	<b>\$187.88</b>
<b>Jan.</b>	0.72	<b>\$182.77</b>	1.00	<b>\$193.79</b>

The Gulf spread between #2 & #3 YC is currently about 02 cents per bushel (0.80/mt)

<b>SORGHUM (USD/MT) FOB VESSEL</b>				
#2 YGS Fob Vessel	NOLA		TEXAS	
Max. 14.0% moisture	BASIS	FLAT PRICE	BASIS	FLAT PRICE
<b>Aug. (Z)</b>	1.00	<b>\$189.46</b>	0.85	<b>\$183.55</b>
<b>Sept. (Z)</b>	1.05	<b>\$191.43</b>	0.85	<b>\$183.55</b>
<b>Oct.</b>	1.10	<b>\$193.39</b>	0.90	<b>\$185.52</b>
<b>Nov.</b>	1.15	<b>\$195.36</b>	0.90	<b>\$185.52</b>
<b>Dec.</b>	1.20	<b>\$197.33</b>	0.90	<b>\$185.52</b>

Fob vessel Texas Gulf #2 Sorghum is about 1.05 % the value of #2 Yellow Corn at NOLA.  
In S.W. Kansas it is bid at 84 percent the value of corn.

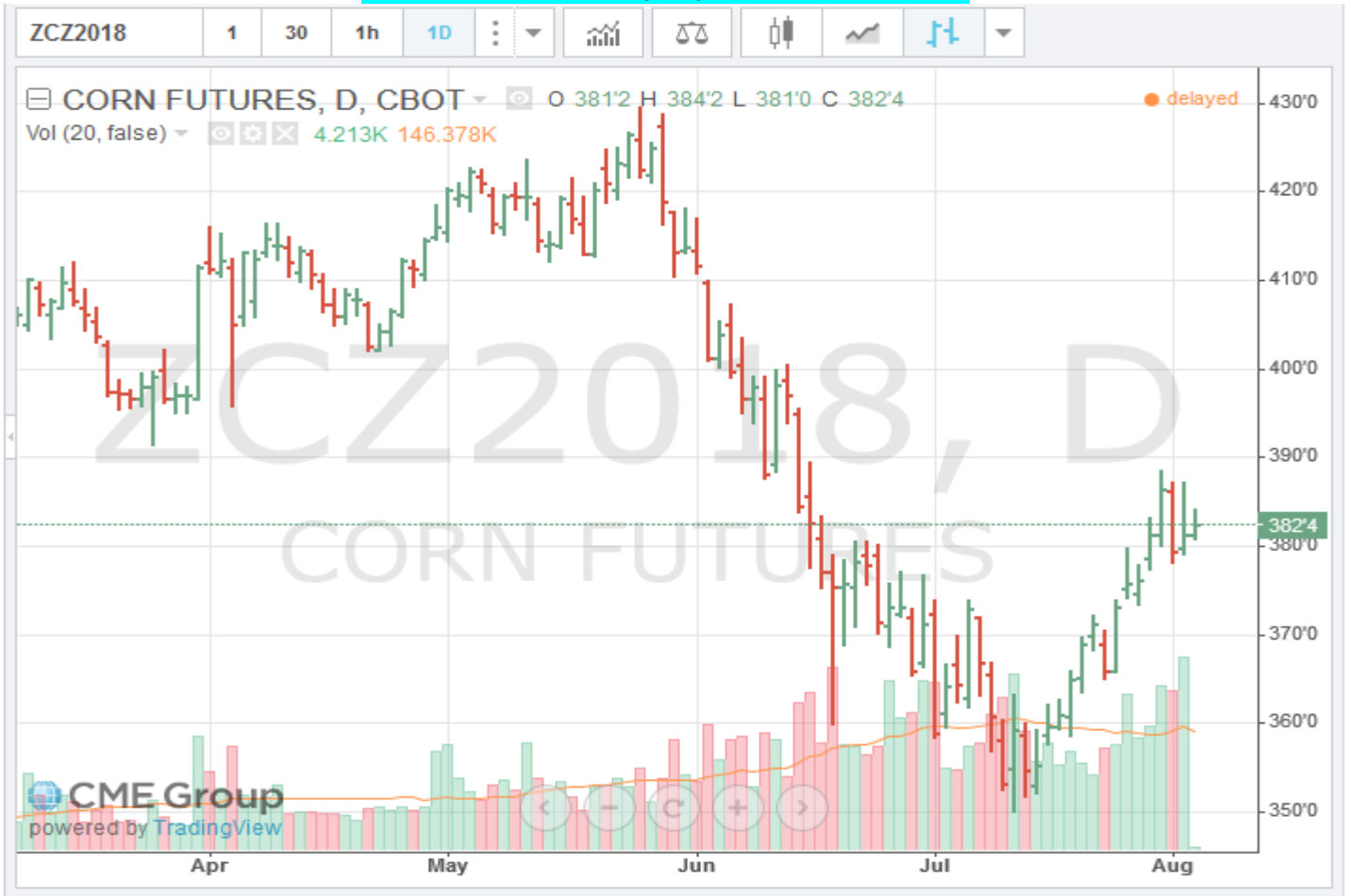
**U.S. SRW Wheat Fob Vessel at the Center U.S. Gulf**

SRW Wheat	USD/MT	Fob Vessel	US Gulf	
	Aug.	Sept.	Oct.	Nov.
FOB U.S. GULF	\$237.18	\$238.65	\$242.78	\$247.19
Basis	0.85	0.89	0.78	0.90
WU	5.6050			
WZ	5.8275			
WH	6.0000			

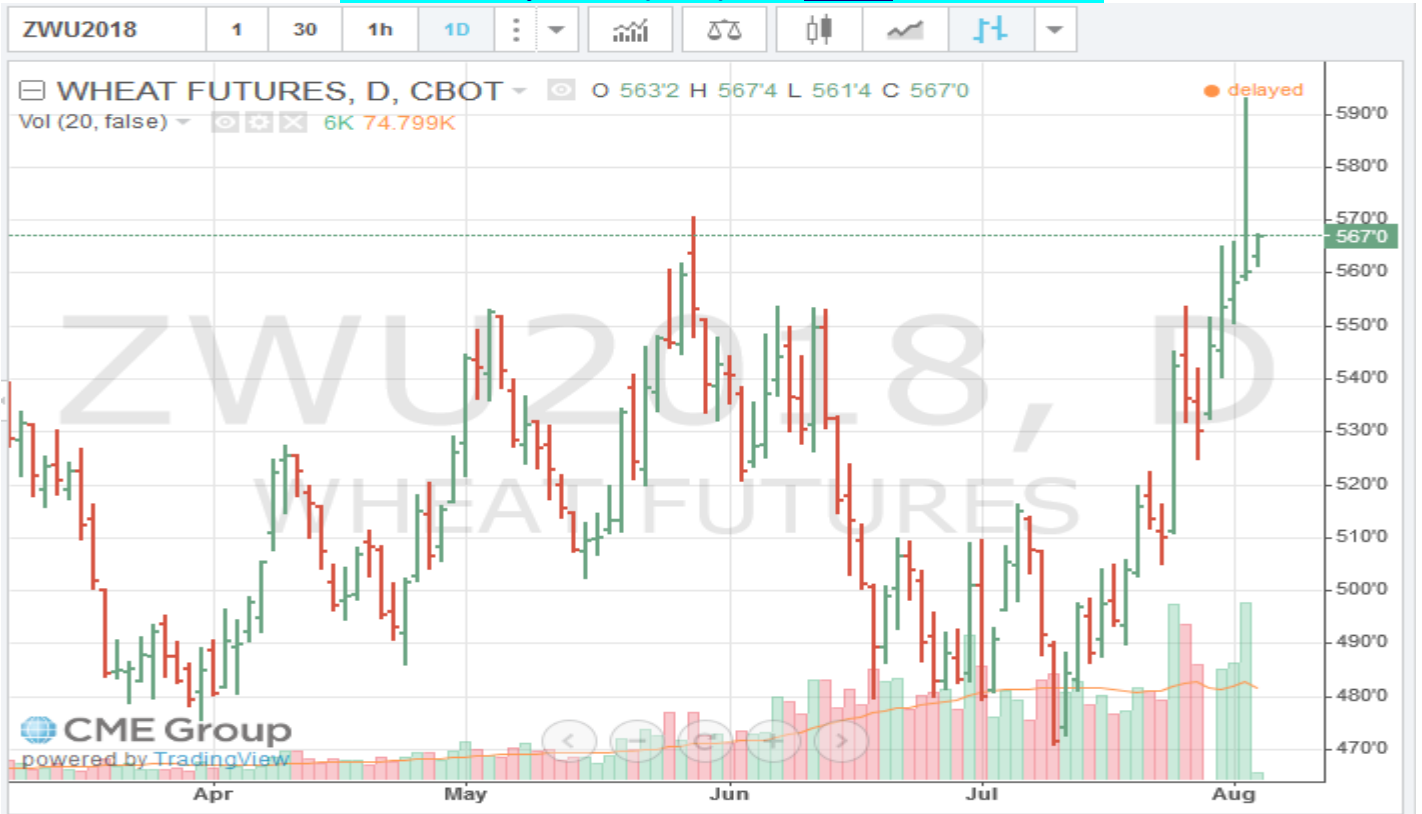
<b>CME Futures Market Close</b>						
CORN	Futures	Thursday	Thursday	Last week	Last Week	Difference
Month	Symbol	Close	Close	Bushel	MT.	Bushel
Sept.	CU	\$3.6675	\$144.38	\$ 3.6150	\$142.31	\$0.0525
Dec.	CZ	\$3.8125	\$150.09	\$ 3.7575	\$147.92	\$0.0550
Mar.	CH	\$3.9225	\$154.42	\$ 3.8625	\$152.06	\$0.0600
May.	CK	\$3.9800	\$156.68	\$ 3.9200	\$154.32	\$0.0600
July	CN	\$4.0375	\$158.95	\$ 3.9725	\$156.39	\$0.0650



# CBOT December 2018 (CZ8) Corn Futures Chart –



# CME/CBOT Sept. 2018 (WU8) SRW Wheat Futures Chart –





## **U.S. Soybean and SBM Markets Fob Vessel:**

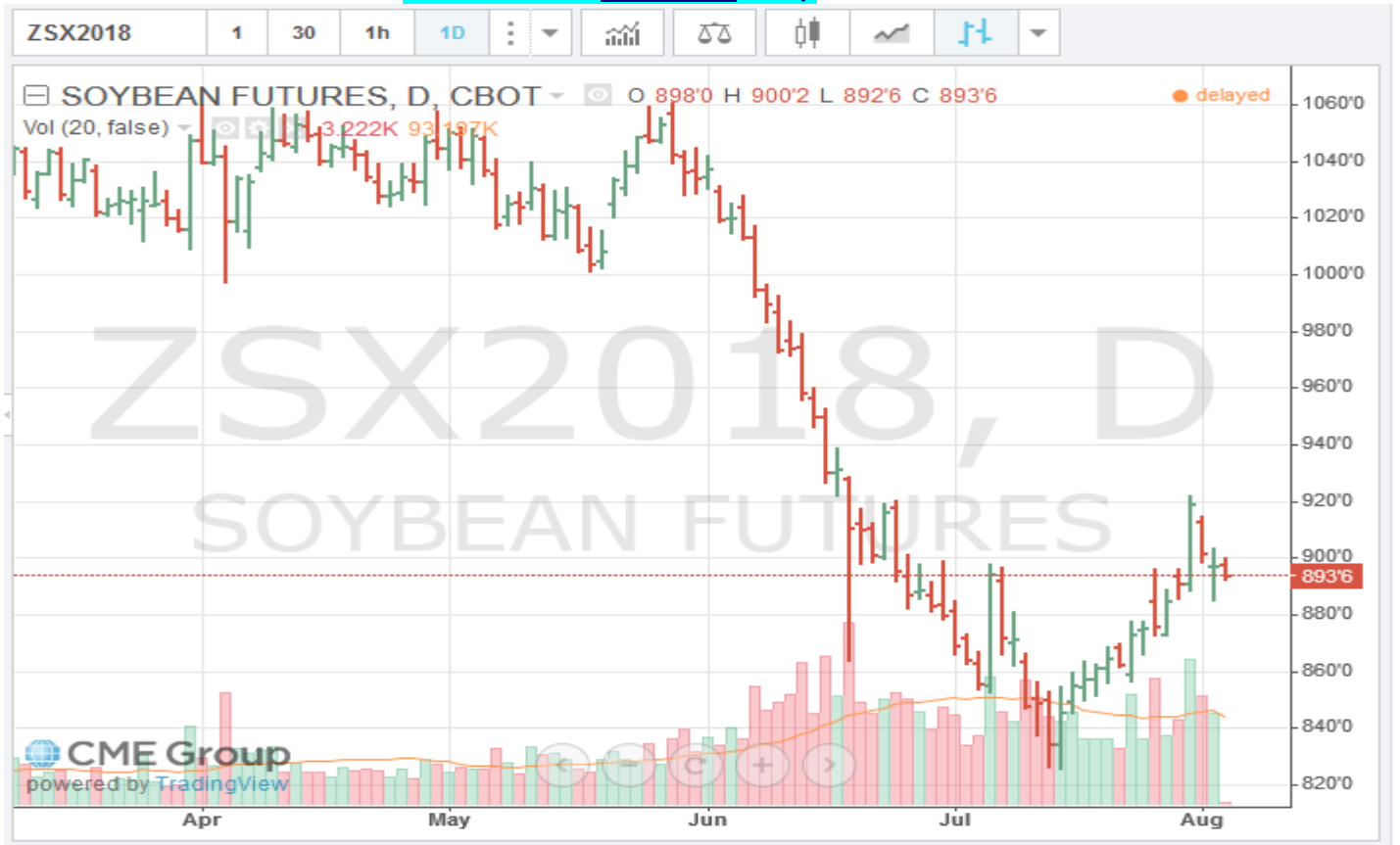
<b>U.S. Yellow Soybeans (USD/MT) FOB Vessel</b>				
# 2 YSB	<b>U.S. Gulf #2 YSB</b>		<b>PNW #2 YSB</b>	
14.0 % Moisture	Basis	Flat Price	Basis	Flat Price
<b>Aug. (X)</b>	0.50	<b>\$348.14</b>	0.70	<b>\$355.49</b>
<b>Sept. (X)</b>	0.50	<b>\$348.14</b>	0.75	<b>\$357.33</b>
<b>Oct.</b>	0.56	<b>\$350.35</b>	0.80	<b>\$359.17</b>
<b>Nov.</b>	0.65	<b>\$353.65</b>	0.85	<b>\$361.00</b>
<b>Dec.</b>	0.65	<b>\$357.79</b>	0.85	<b>\$365.14</b>
<b>Soybean Futures</b>				
<b>Aug.</b>	\$ 8.8250			
<b>Sept.</b>	\$ 8.8700			
<b>Nov.</b>	\$ 8.9750			
<b>Jan.</b>	\$ 9.0875			
<b>Mar.</b>	\$ 9.1800			
<b>May</b>	\$ 9.2750			

<b>U.S. SBM (USD/MT) FOB Vessel</b>		
Fob U.S. Gulf Port max 12.5 % moisture	<b>47.5 Pro. SBM</b>	
	Basis	Flat Price
<b>Aug.</b>	27.00	<b>\$ 396.68</b>
<b>Sept. (V)</b>	28.00	<b>\$ 396.13</b>
<b>Oct.</b>	28.00	<b>\$ 396.13</b>
<b>Nov.</b>	28.00	<b>\$ 397.56</b>
<b>Dec.</b>	28.00	<b>\$ 397.56</b>

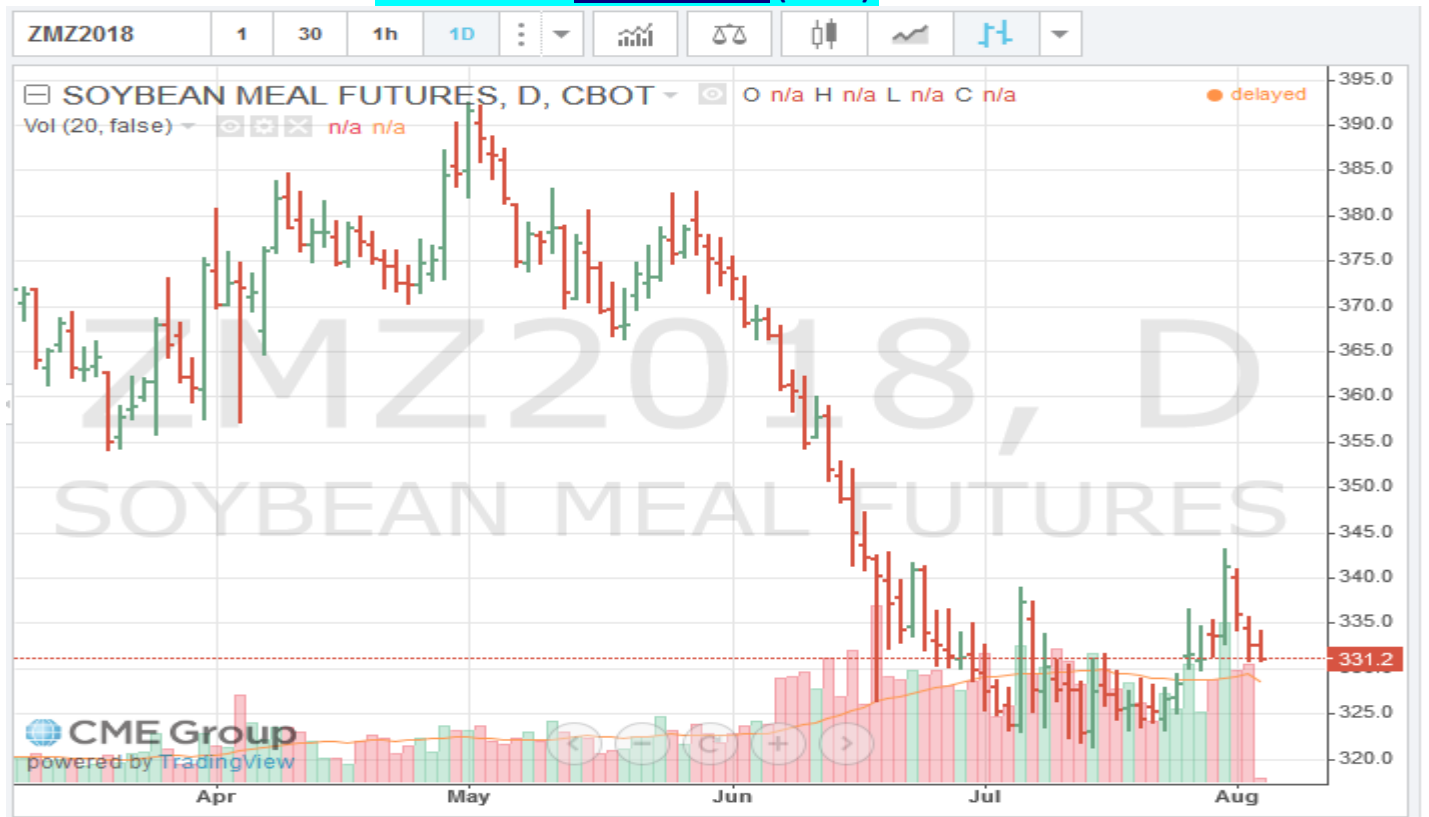
### **SBM Futures**

<b>SMQ</b>	332.80
<b>SMU</b>	331.00
<b>SMV</b>	331.30
<b>SMZ</b>	332.60
<b>SMF</b>	332.00
<b>SMH</b>	329.00

CME Nov. 2018 Soybean (SX18) Futures Chart:



CME Dec. 2018 Soybean Meal (SMZ8) Futures Chart



**U.S. EXPORT STATISTICS: Report Activity as of Week Ending 19 July 2018**

**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	655.4	59,074.9	60,960	97%	6,169.9
Sorghum	1.0	5,045.6	5,840	86%	0.0
Soybeans	563.9	58,182.8	56,750	103%	9,830.2
Wheat	476.5	6,814.3	26,540	26%	0.0
Barley	0.0	48.9	110	44%	0.0

**U.S. EXPORT INSPECTIONS:**

Monday's report 30 July 2018 for the Export week ending 26 July 2018

	Export Inspections		Current Market Year YTD	Previous Year to Date	2017 YTD as Percent of 2016 YTD (Wheat 2018 vs 2017)
	This Week	Previous Week			
Corn	1,658,477	1,327,546	51,485,716	52,823,215	97%
Sorghum	47,899	12,653	4,846,672	5,527,897	88%
Soybeans	740,323	728,139	52,448,820	54,451,632	96%
Wheat	379,149	429,297	3,032,218	5,026,833	60%
Barley	343	0	1,223	7,564	16%

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

**U.S. EXPORT INSPECTIONS:**

Monday's report 30 July 2018 for the Export week ending 26 July 2018

Last Week							
(Metric Tons)	YC	%	WC	%	Sorghum	%	Soybeans %
Lakes	3,281	0%	0	0%	0	0%	31,528 4%
Atlantic	0	0%	0	0%	0	0%	2,914 0%
Gulf	821,749	50%	17,170	93%	46,078	96%	415,842 56%
PNW	649,613	40%	391	2%	0	0%	132,602 18%
Interior Export Rail	165,275	10%	998	5%	1,821	4%	157,437 21%
Metric Tons	1,639,918		18,559		47,899		740,323

Sorghum Shipments:	metric tons	
	1,821	Mexico
	30,047	Eritrea
	11,009	Japan
	5,022	Rep S Africa
	47,899	Total

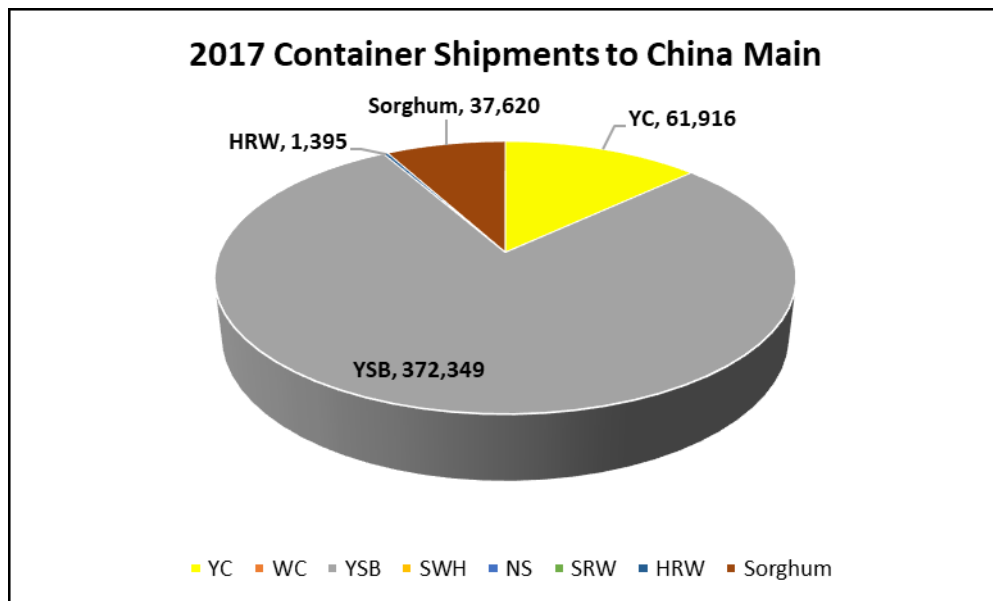
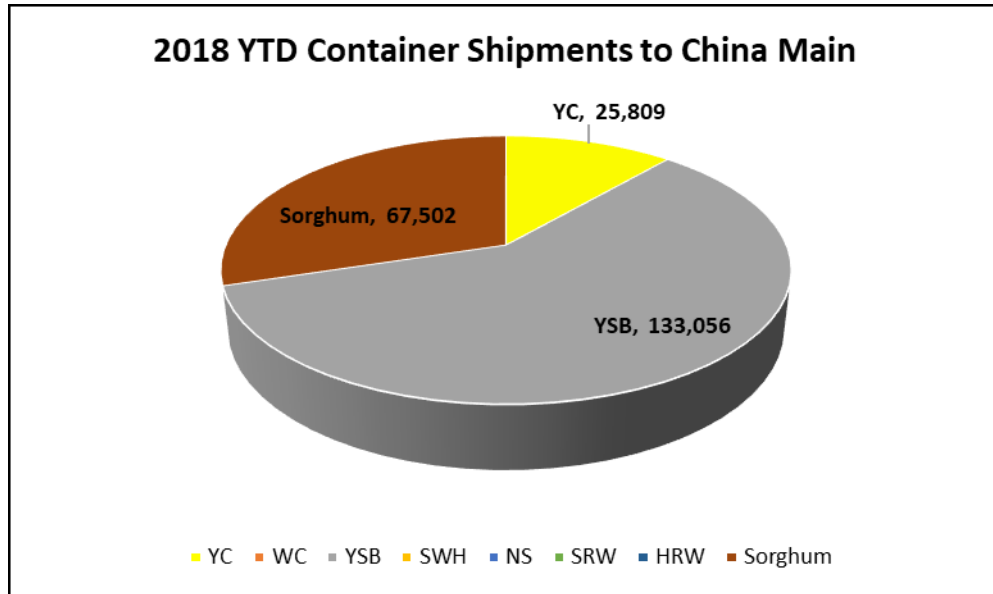
White Corn	metric tons	
Shipments:	13,836	Colombia
	3,334	Honduras
	391	Korea Rep
	998	Mexico
	18,559	Total

## 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:		26-Jul-2018							
Last Week	metric tons								MT
	YC	WC	YSB	SRW	NS	SWH	HRW	Sorghum	TOTAL
China Main									0
China T	17,287		15,186						32,473
Hong Kong	98								98
Costa Rica									0
Indonesia			26,837						26,837
Panama									0
Japan			709						709
Korea Republic				490					490
Un Arab Em									0
Malaysia	3,281		14,201						17,482
Burma									0
Philippines	490		2,276						2,766
Thailand			7,616						7,616
Jordan									0
Bangladesh			465						465
Vietnam			6,389						6,389
Sub total	21,156	0	73,679	490	0	0	0	0	88,471
USDA Corrections/Additions to previous reports:									
China T									0
China Main									0
Hong Kong									0
Korea Rep.									0
Costa Rica									0
Japan			49						49
Philippines									0
Indonesia			2,008						2,008
Malaysia									0
Thailand			612						612
Vietnam			171						171
Canada									0
Burma									0
Sub total	0	0	2,840	0	0	0	0	0	2,840
<b>Mt. Grand Total</b>	<b>21,156</b>	<b>0</b>	<b>76,519</b>	<b>490</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>91,311</b>
Number of containers	920	0	3,327	21	0	0	0	0	

Jan - Dec 2017 Annual Totals versus 2018 Jan.-Dec. Year to Date Container Shipments (in MT)



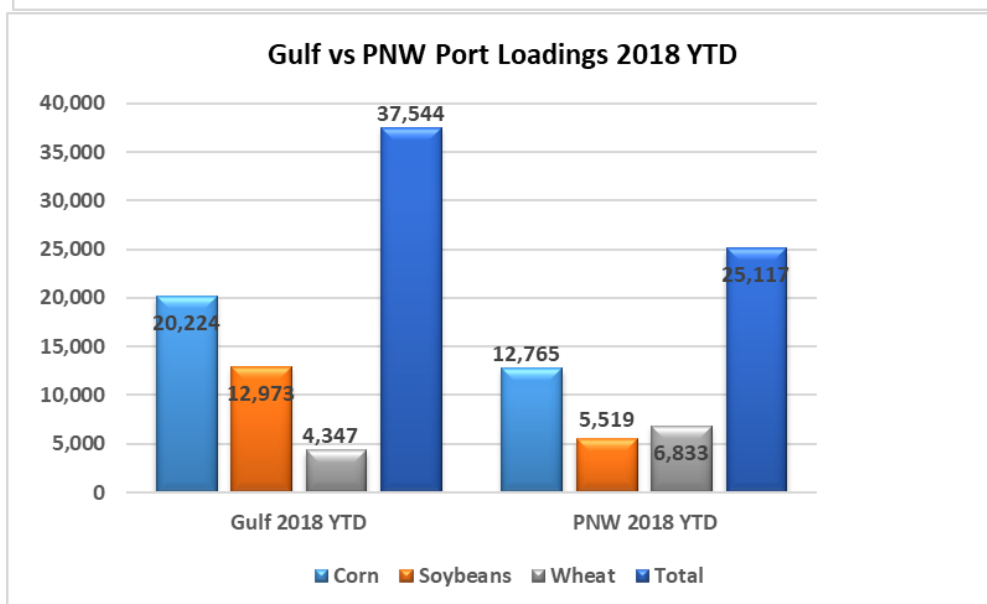
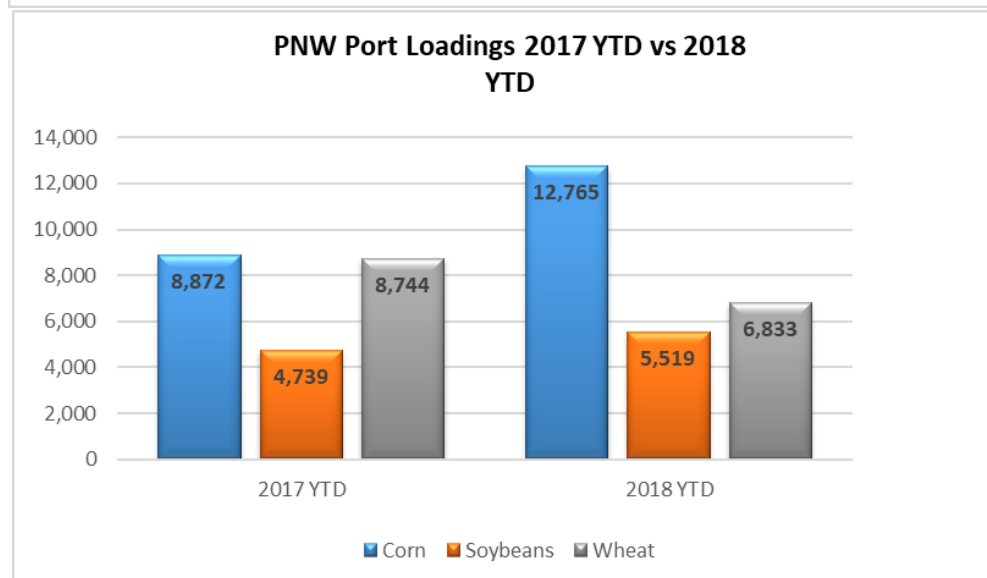
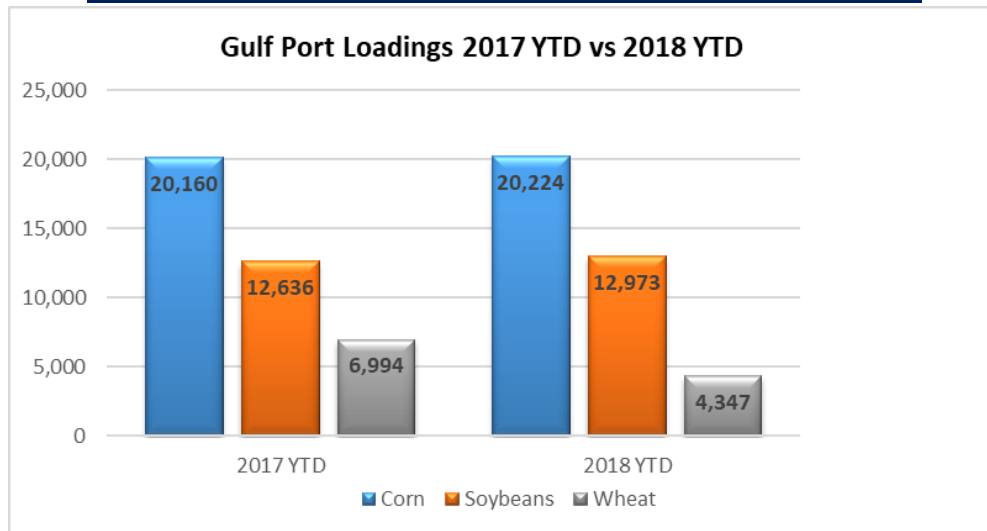
Grain Inspections for Export by U.S. Port Regions:  
U.S. Gulf and Pacific Northwest 2017 YTD vs. 2018 YTD

PORT LOADINGS US Gulf				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
<b>GULF</b>				
2017 YTD	20,160	12,636	6,994	39,790
2018 YTD	20,224	12,973	4,347	37,544
2018 as % of 2017	100%	103%	62%	94%

PORT LOADINGS US PNW				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
<b>PNW</b>				
2017 YTD	8,872	4,739	8,744	22,355
2018 YTD	12,765	5,519	6,833	25,117
2018 as % of 2017	144%	116%	78%	112%

PORT LOADINGS GULF vs. PNW				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
2018 Gulf YTD	20,224	12,973	4,347	37,544
2018 PNW YTD	12,765	5,519	6,833	25,117
TOTAL	32,989	18,492	11,180	62,661
Gulf Percentage	61%	70%	39%	60%
PNW Percentage	39%	30%	61%	40%

Grain Inspections for Export by U.S. Port Regions (1,000MT):  
U.S. Gulf and Pacific Northwest 2017 YTD vs. 2018 YTD

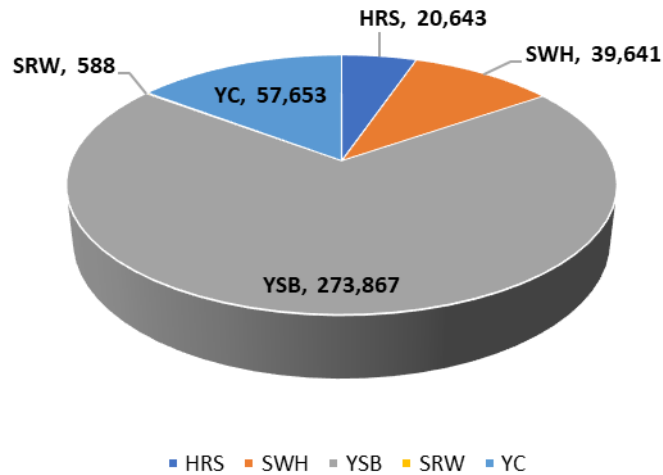


Source: USDA-data

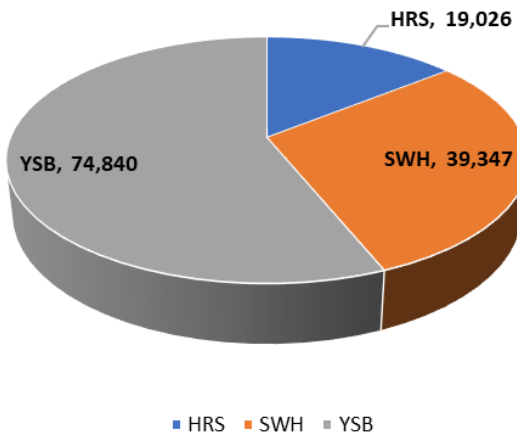


2018 YTD Total Grain Exports reported by USDA (in MT)

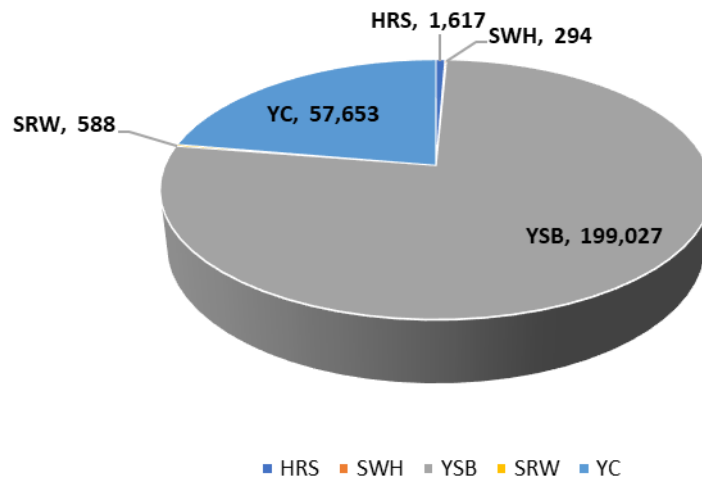
**2018 YTD Exports to Malaysia**



**YTD Exports to Malaysia by Vessel**



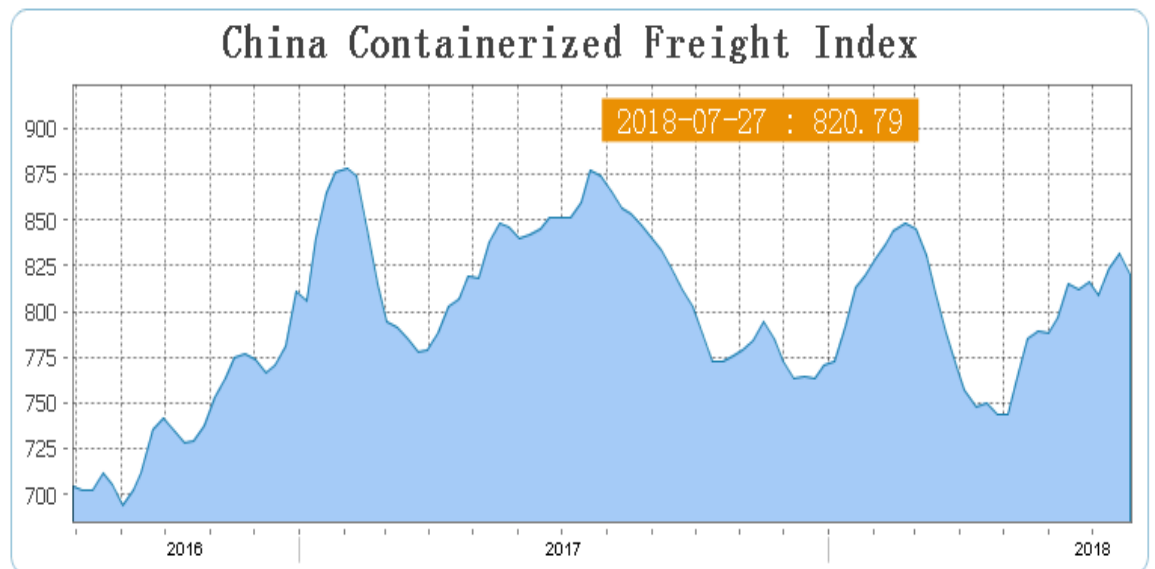
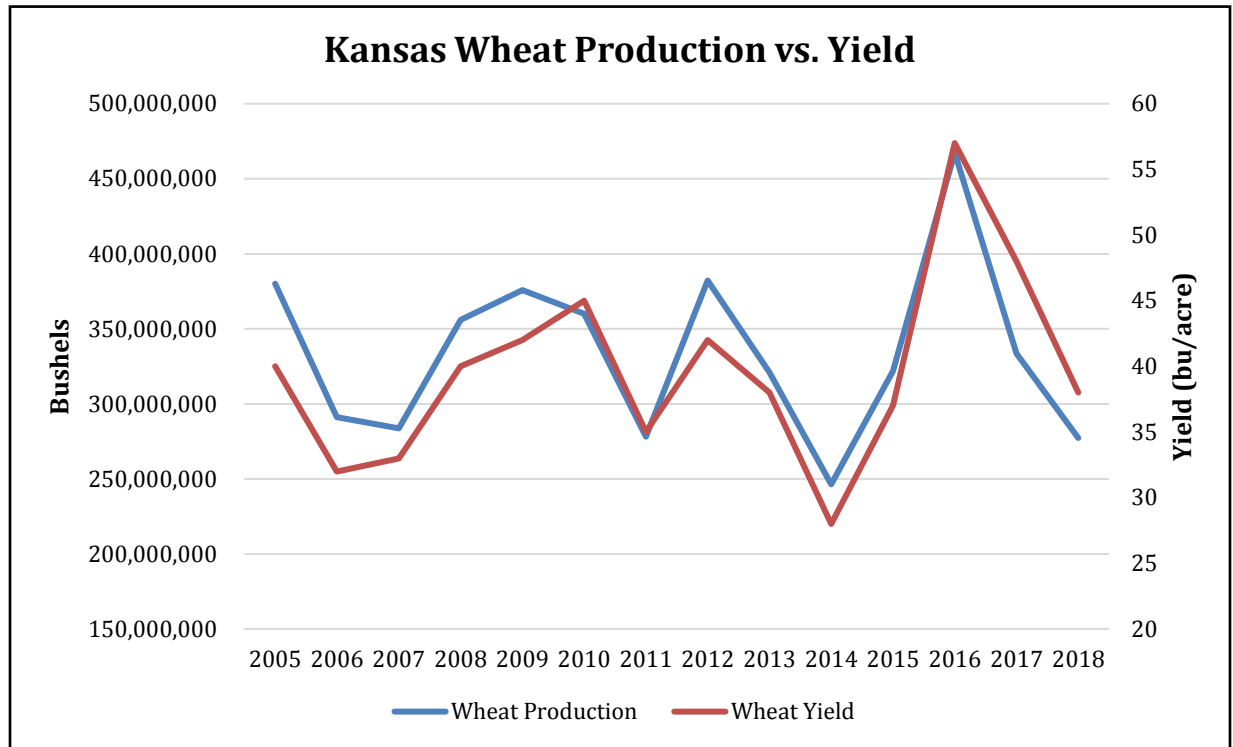
**YTD Exports to Malaysia by Container**



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

Source: USDA

## Shipping News



**U.S. RIVER BARGE FREIGHT**

**Current Barge Freight for Placement First Half September 2018**

Placement FH September 2018	% of		Corn	Soybeans-Wheat
	Tariff	MT	BU	BU
Upper Mississippi	590	\$40.26	1.02	1.10
Illinois River (Pekin and South)	560	\$29.69	0.75	0.81
Mid-Mississippi	550	\$32.25	0.82	0.88
Lower Ohio	565	\$27.78	0.71	0.76
St. Louis	475	\$20.89	0.53	0.57

**Secondary Rail Car Market for car placement period: First Half September 2018.**

Secondary Rail Car Market	BID	ASK	BID	ASK	BID	ASK
Placement FH September 2018	USD	USD	BU.	BU.	MT	MT
BNSF Shuttle Trains	\$ (100.00)	\$ (50.00)	\$ (0.03)	\$ (0.01)	\$ (0.98)	\$ (0.49)
UPRR Shuttle Trains	\$ (300.00)	\$ (150.00)	\$ (0.08)	\$ (0.04)	\$ (2.95)	\$ (1.48)

[www.grains.ksu.edu/igp](http://www.grains.ksu.edu/igp)

Best Regards,

Jay

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\*\*\* The information in this market report is derived from sources believed to be reliable and accurate but cannot be guaranteed. Forward looking projections are never completely accurate, and these markets move quickly.

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