

## Transportation and Export Report for 23 August 2018

### Ocean Freight Insights and Comments:

It was not an exciting week in global Dry Bulk freight markets, but the paper index traders were able to move market a little higher even though we did not see any new bullish news. Aside from the negative feelings emanating from the tariff wars the biggest two biggest issues facing shipping companies is the cost of bunker fuel and the upcoming environmental restrictions on CO2 emissions; both are very costly for vessel owners. Vessel owners and many paper traders therefore feel that rates need to continue to move higher to compensate for rising operating costs. But, as we all know, the markets do not always provide what people want. The laws of supply and demand still govern market direction. We therefore will need a continuing increase in cargo demand to keep things moving up. It should be noted that vessel scrapping activity has slowed considerably as owners are trying to hang on to ships for what they believe will be improving markets. They best not get too greedy. On the container side, this is the peak shipping season for holiday goods coming from China to the West. Christmas is coming, but for whom we do not yet know.

### BALTIC DRY-BULK PANAMAX INDEX CHANGES

Panamax Ocean Freight Indices				
23-Aug-18	This Week	Last Week	Difference	Percent Change
P2A : Gulf/Atlantic - Japan	21141	19525	1,616	8.3%
P3A - PNW/Pacific - Japan	11208	9902	1,306	13.2%
S1C -USGULF-China-So.Japan	24417	24136	281	1.2%

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

Four weeks ago:	\$ 8.90-\$9.60
Three weeks ago:	\$ 9.65-\$9.95
Two weeks ago:	\$ 9.40-\$9.95
One week ago:	\$ 9.70-\$9.90
This week	\$ 9.80-\$9.80

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

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

Panamax Market Spreads to Asia -China					
23-Aug-18	PNW	GULF	Bushel Spread	MT Spread	Advantage
CORN	1.00	0.78	0.22	\$8.62	PNW
SOYBEANS	0.55	0.40	0.15	\$5.51	PNW
OCEAN FREIGHT	\$24.25	\$44.75	.52 -.55	\$20.50	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	\$46.00	Up \$1.00	Handymax \$47.00 mt
55,000 U.S. PNW- Japan	\$25.00	Up \$0.25	Handymax \$25.00 mt
66,000 U.S. Gulf – China	\$44.75	Up \$0.75	North China
PNW to China	\$24.25	Up \$0.25	
25,000 U.S. Gulf- Veracruz, México	\$16.75	Unchanged	3,000 MT daily discharge rate
35-40,000 U.S. Gulf- Veracruz, México	\$14.75	Unchanged	Deep draft and 6,000 MT per day discharge rate.
25/35,000 U.S. Gulf- <u>East Coast Colombia</u> From Argentina	\$20.25 \$34.50	Up \$0.25	<u>West Coast Colombia at \$28.75</u>
40-45,000 U.S. Gulf - Guatemala	\$29.25	Up \$0.25	Acajutla/Quetzal - 8,000 out
26-30,000 U.S. Gulf – Algeria	\$33.25 \$34.75	Up \$0.50	8,000 mt daily discharge 3,000 mt daily discharge
26-30,000 US Gulf-Morocco	\$35.75	Up \$0.50	5,000 discharge rate
55-60,000 U.S. Gulf –Egypt PNW to Egypt	\$30.00 \$29.50	Up \$0.50	55,000 -60,000 mt Russia Black Sea to Egypt \$16.50
60-70,000 U.S. Gulf – Europe – Rotterdam	\$22.00	Up \$0.25	Handymax at +\$1.75 more
Brazil, Santos – China Brazil, Santos – China Itacoatiara-Port Up River North Brazil	\$36.50 \$35.75 \$39.25	Up \$0.25	54-59,000 Supramax-Panamax 60-66,000 Post Panamax 60-66,000 mt
56-60,000 Argentina/Rosario- China Deep Draft	\$41.00	Up \$0.25	Up River with BB Top Off \$42.75

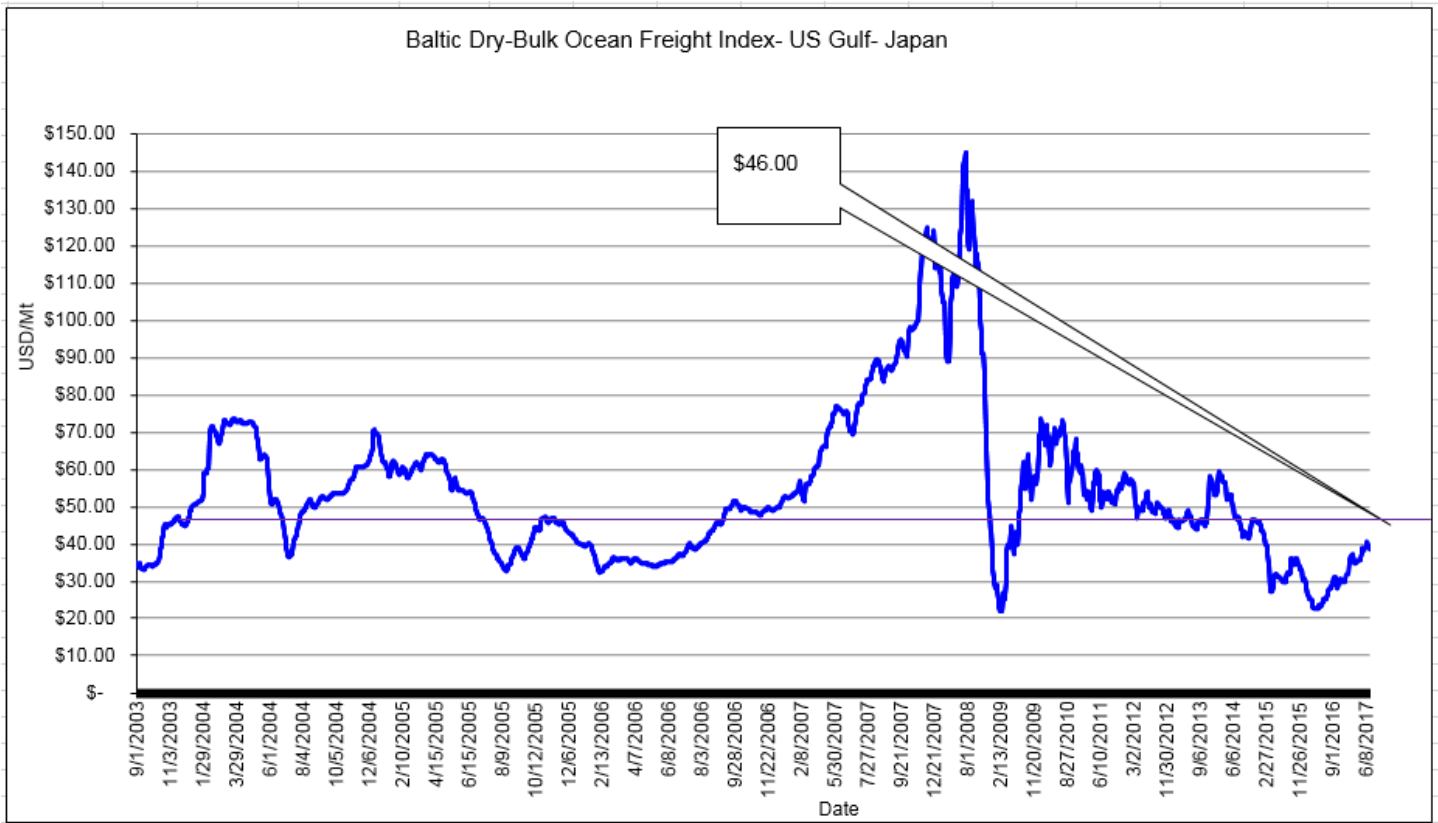
- **The above rate estimates reflect the 30-45-day forward ocean freight markets.**

**Nautical Miles: To Xiamen China (South China)**

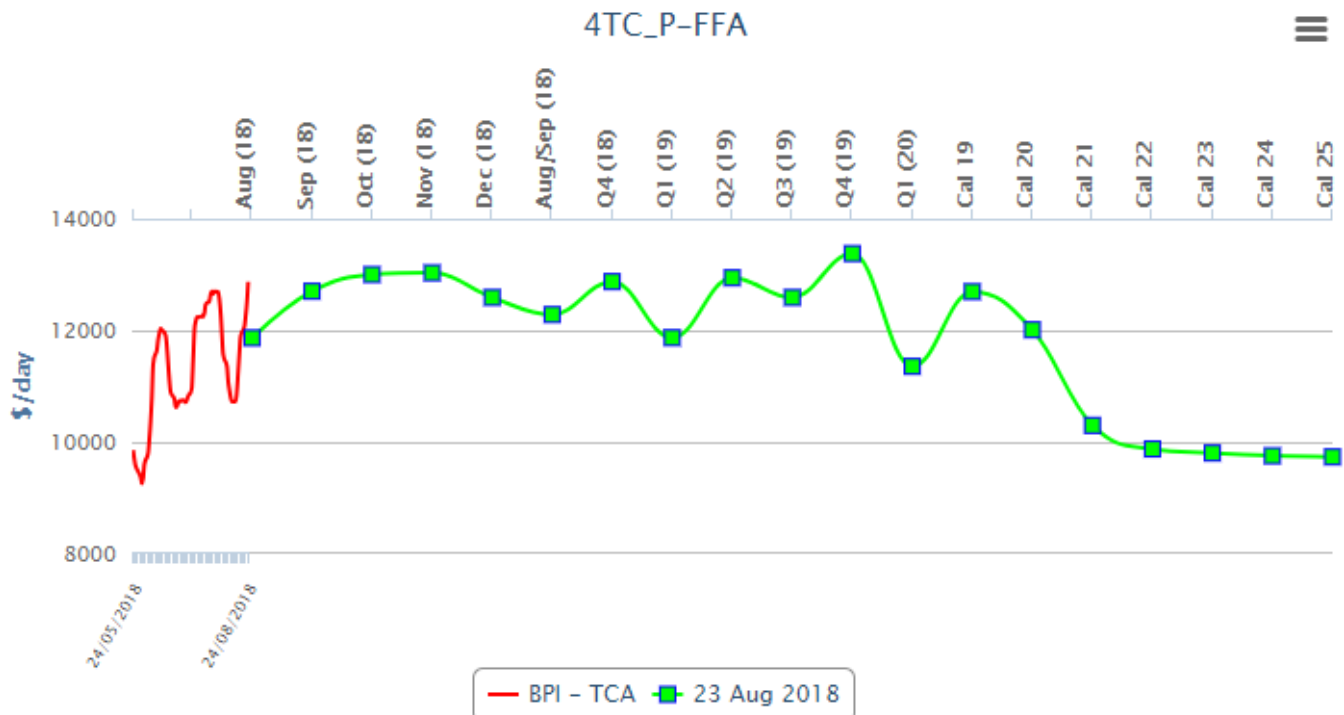
**US Gulf (NOLA) (via Panamá Canal) – 10,232 nautical miles (32 days)**

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

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

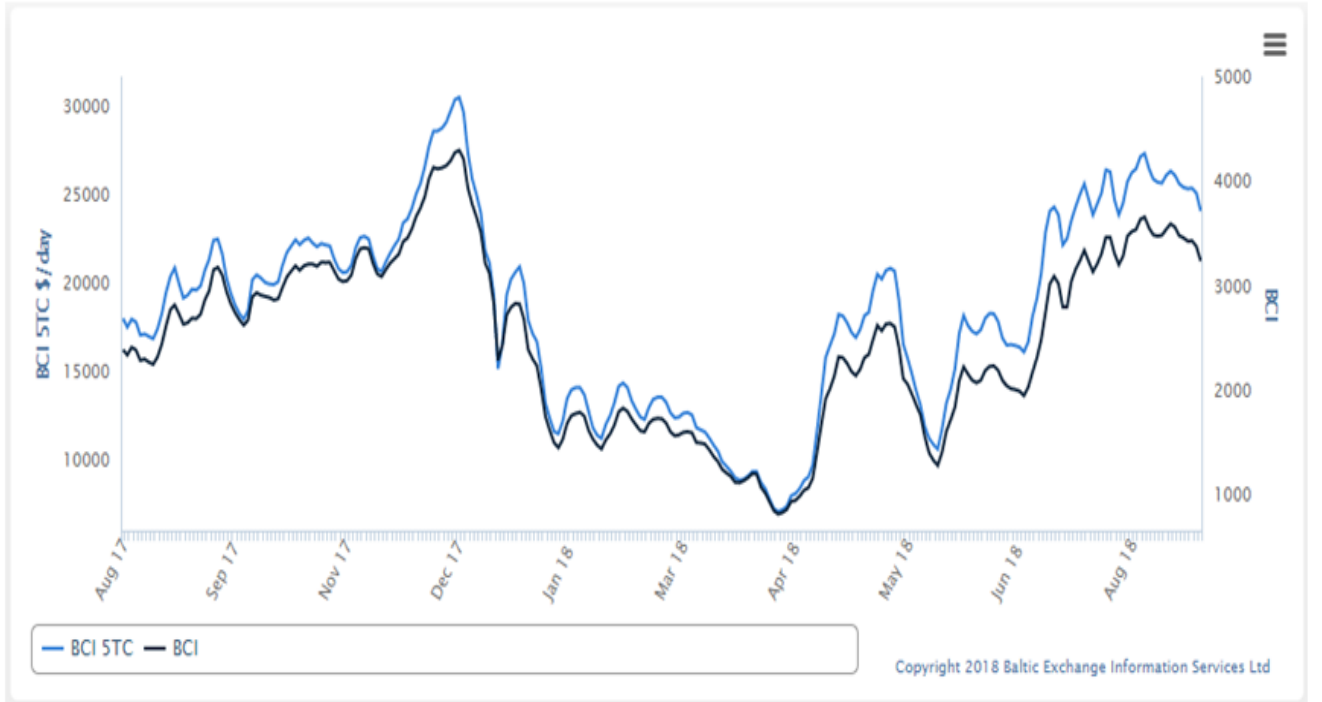


### Forward Curve for Baltic BPI Panamax Vessel Freight



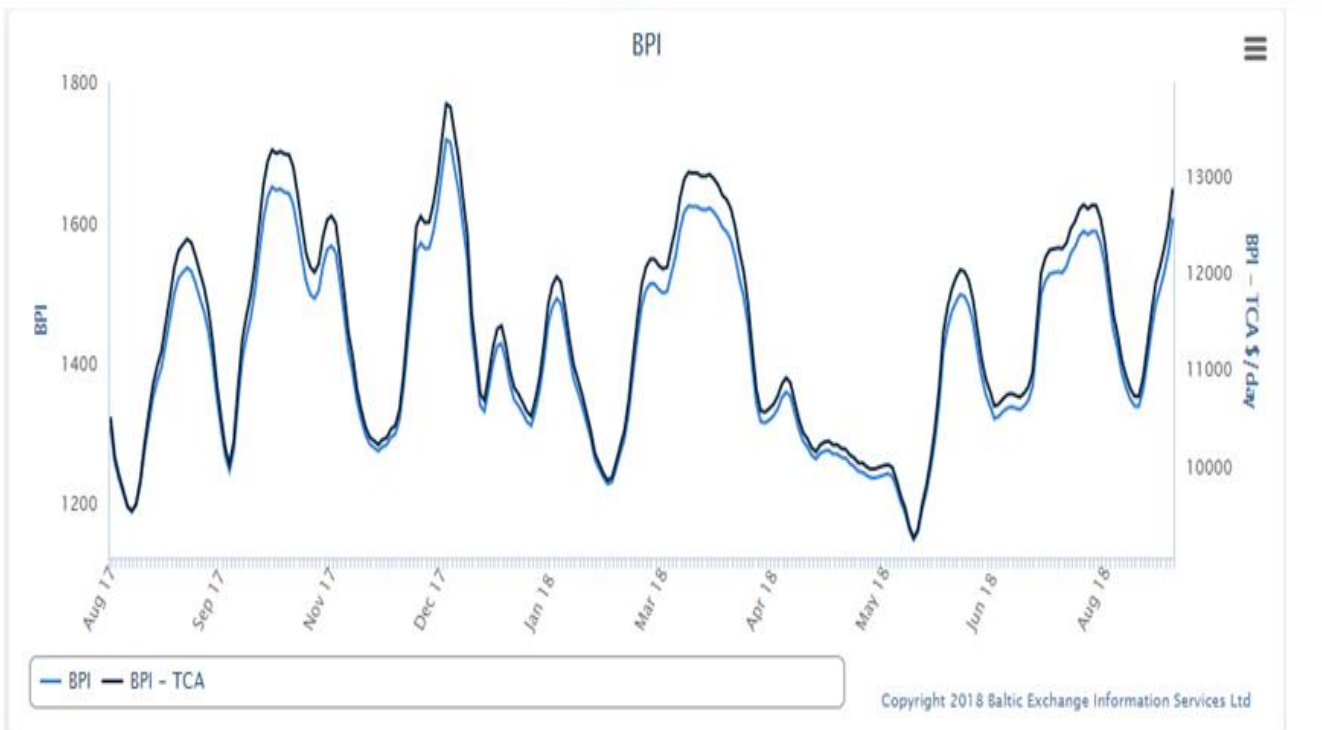
## Baltic Capesize Index

Cape

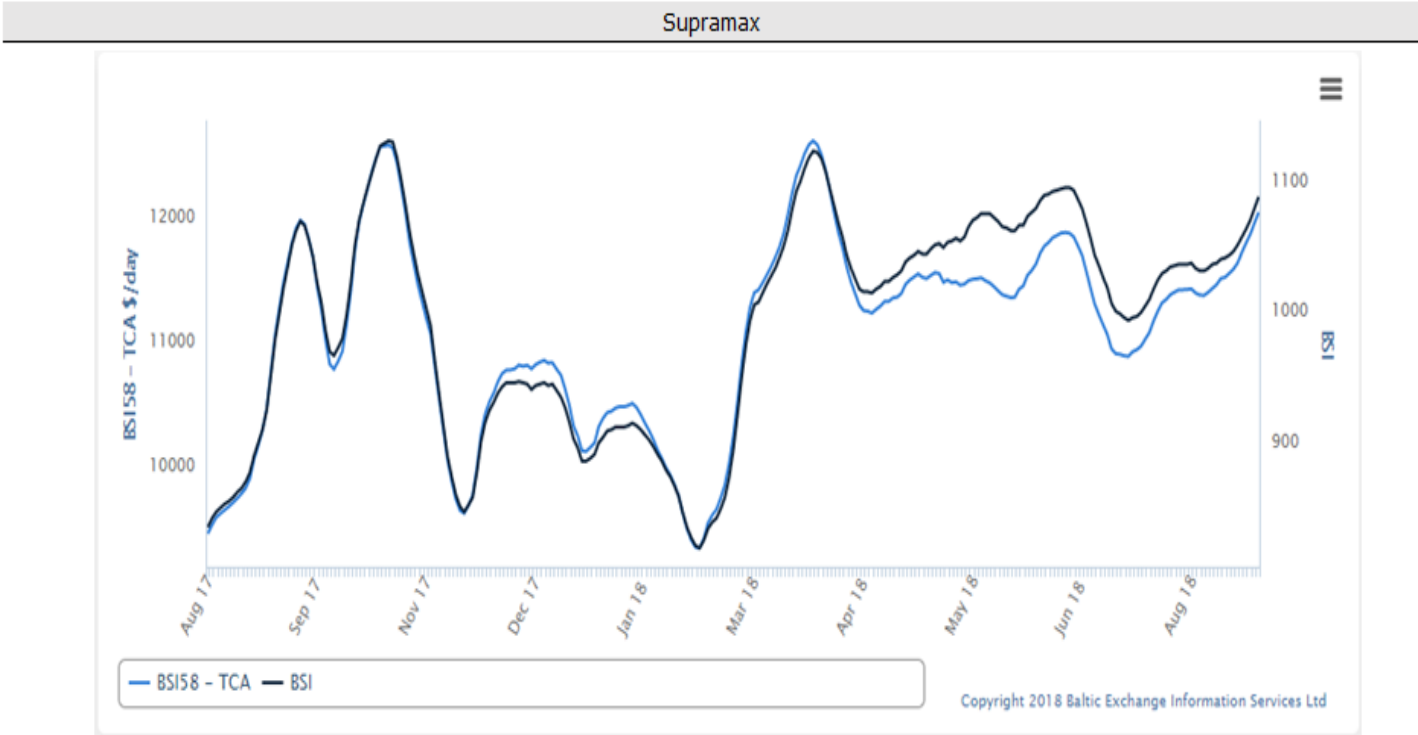


## Baltic Panamax Index

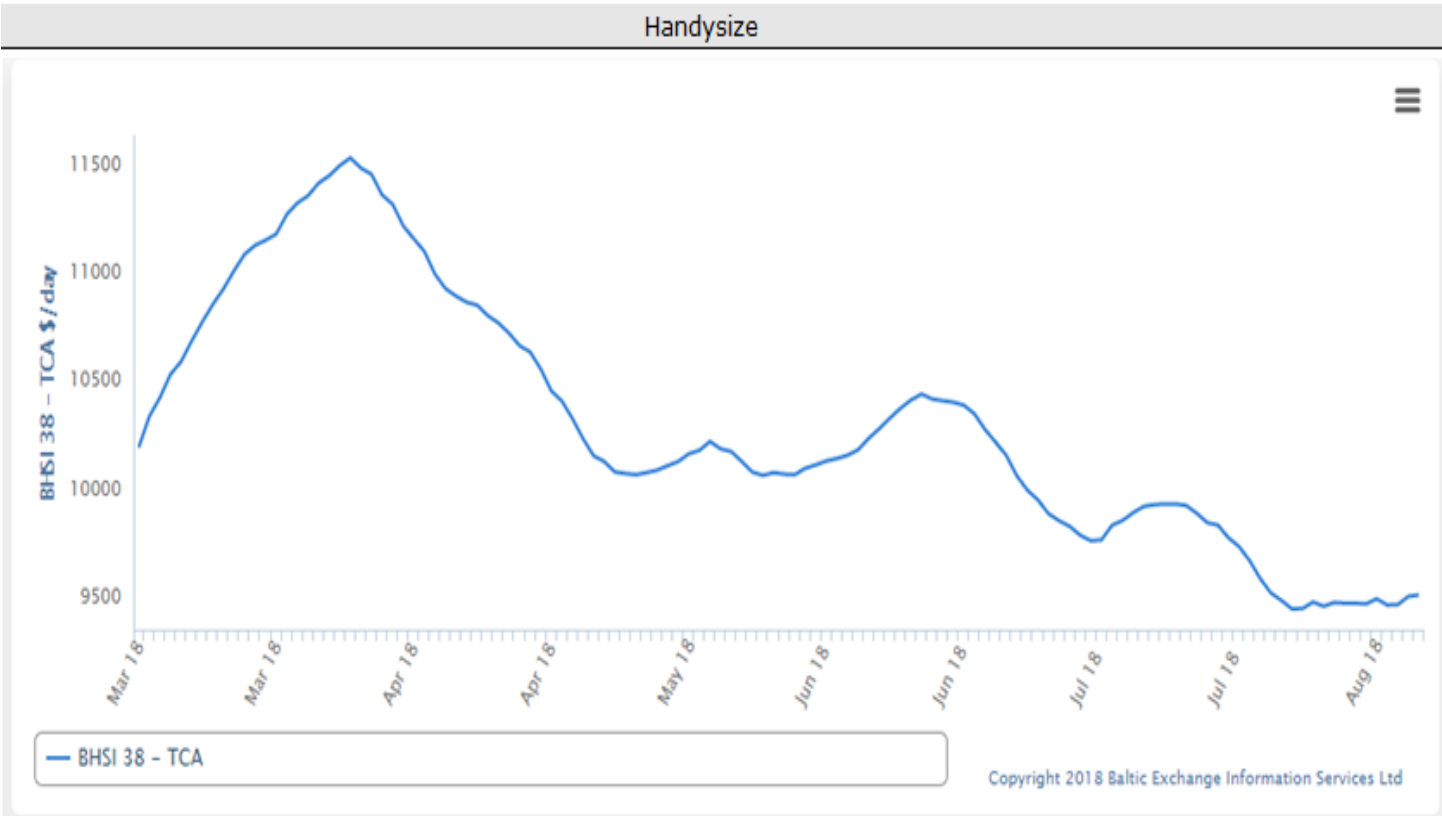
Panamax



Baltic Supramax Vessel Index



Baltic Handy Size



# Yamamizu Shipping

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

## USG/Japan Index Result

Date From: 2017-06-01

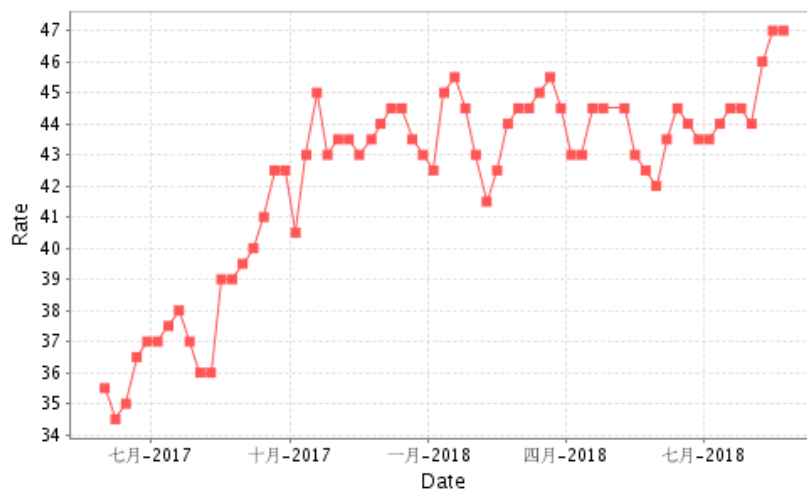
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Date To: 2018-08-23

V

Query

Reset



## China Import Dry Bulk Freight Index(CDFI) 2018-08-23

Route	Size MT	Cargo/Vessel Size	Unit	Rate	Change
Composite Index			Point	1029.19	-3.03
Iron ore Freight Index			Point	1117.78	-11.93
Soybean Freight Index			Point	1013.47	4.63
Santos(Brazil)—North China	60000/10%	Soybean	\$/ton	35.259	0.229
Tacoma(West America)—North China	60000/10%	Soybean	\$/ton	24.091	0.076
Mississippi(US Gulf)—North China	66000/10%	Soybean	\$/ton	44.372	0.129
Mississippi(US Gulf)—North China	55000/10%	Soybean	\$/ton	45.292	0.060

**23 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>Sept.</b>	0.67	<b>\$168.49</b>	1.00	<b>\$181.49</b>
<b>Oct.</b>	0.65	<b>\$167.71</b>	0.99	<b>\$181.09</b>
<b>Nov.</b>	0.71	<b>\$170.07</b>	1.01	<b>\$181.88</b>
<b>Dec.</b>	0.74	<b>\$171.25</b>	1.05	<b>\$183.45</b>
<b>Jan.</b>	0.68	<b>\$173.71</b>	1.04	<b>\$187.88</b>
<b>Feb.</b>	0.70	<b>\$174.50</b>	1.06	<b>\$188.67</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>Sept. (Z)</b>	1.20	<b>\$189.36</b>	1.00	<b>\$181.49</b>
<b>Oct. (Z)</b>	1.20	<b>\$189.36</b>	1.00	<b>\$181.49</b>
<b>Nov.</b>	1.20	<b>\$189.36</b>	1.00	<b>\$181.49</b>
<b>Dec.</b>	1.20	<b>\$189.36</b>	1.00	<b>\$181.49</b>
<b>Jan.</b>	1.20	<b>\$194.18</b>	1.00	<b>\$186.31</b>

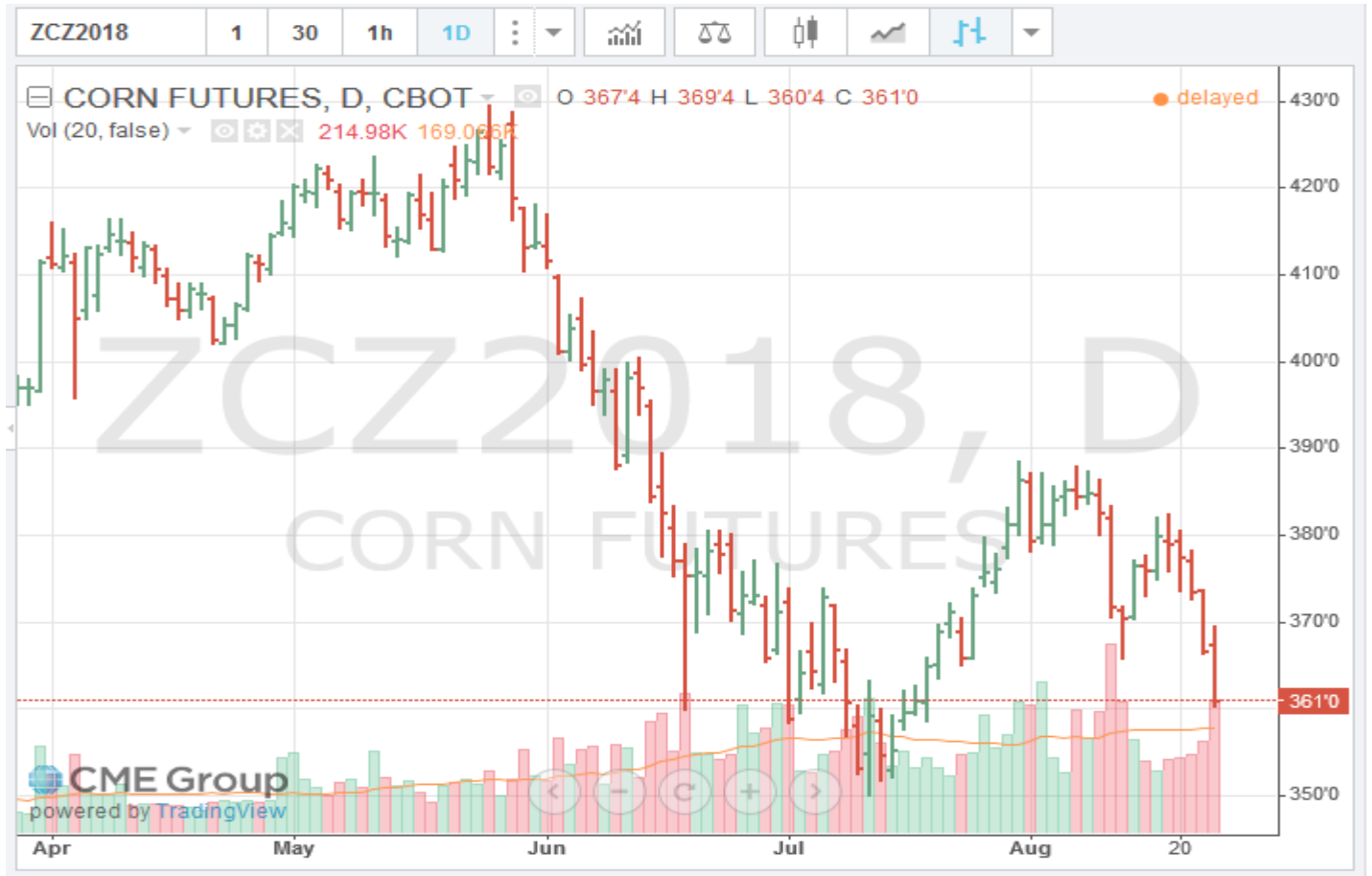
Fob vessel Texas Gulf #2 Sorghum is about 1.08 % the value of #2 Yellow Corn at NOLA.  
In S.W. Kansas it is bid at 85 percent the value of corn.

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

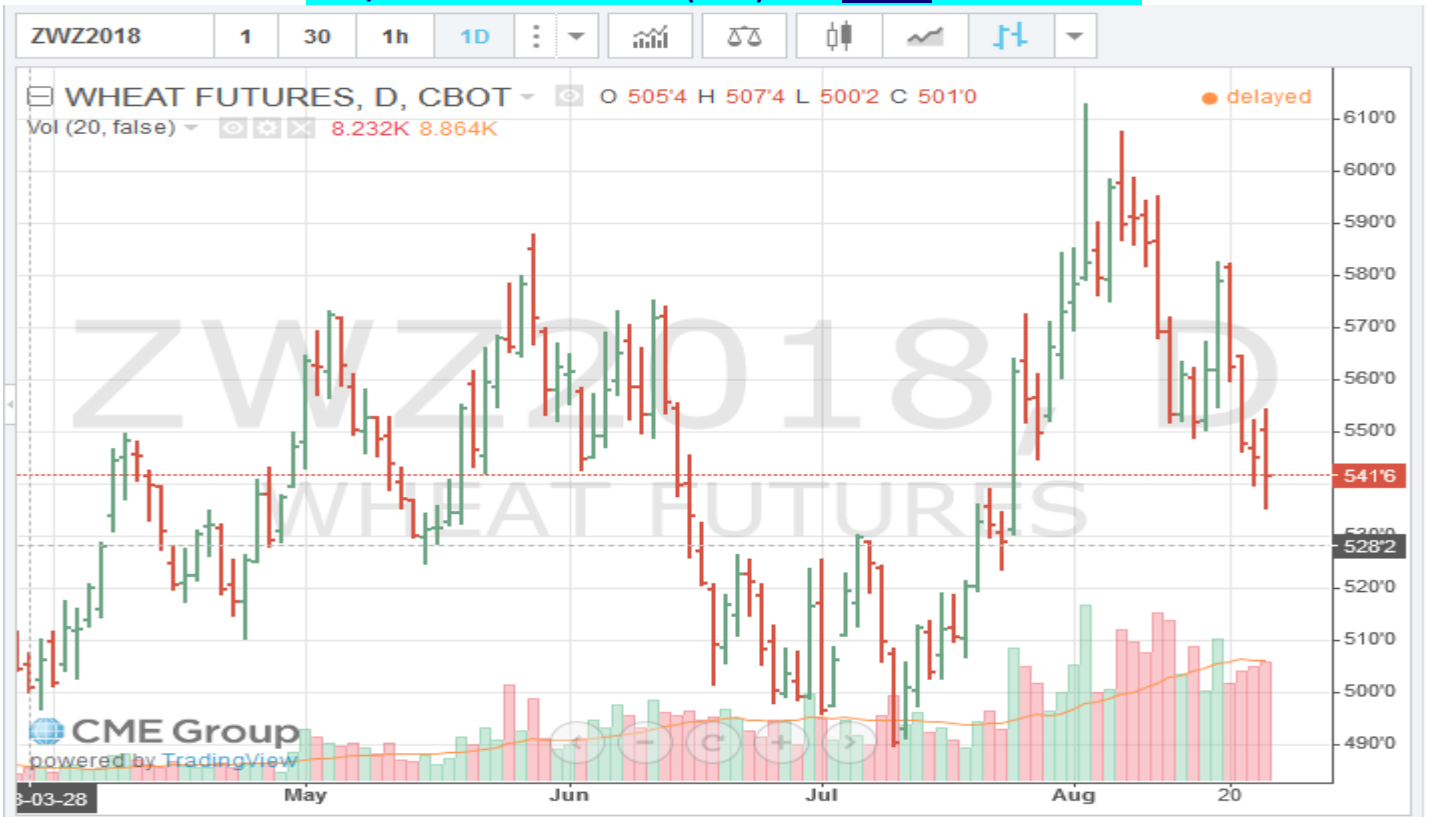
SRW Wheat	USD/MT	Fob Vessel	US Gulf	
	Sept.	Oct.	Nov.	Dec.
FOB U.S. GULF	\$225.88	\$226.61	\$228.45	\$230.29
Basis	0.73	0.75	0.80	0.85
WU	5.2200			
WZ	5.4175			
WH	5.6450			

<b>CME Futures Market Close</b>						
CORN	Futures	Thursday	Thursday	Last week	Last Week	Difference
Month	Symbol	Close	Close	Bushel	MT.	Bushel
Sept.	CU	\$3.4675	\$136.51	\$ 3.6525	\$143.79	(\$0.1850)
Dec.	CZ	\$3.6100	\$142.12	\$ 3.7975	\$149.50	(\$0.1875)
Mar.	CH	\$3.7325	\$146.94	\$ 3.9150	\$154.13	(\$0.1825)
May.	CK	\$3.8075	\$149.89	\$ 3.9850	\$156.88	(\$0.1775)
July	CN	\$3.8650	\$152.16	\$ 4.0425	\$159.14	(\$0.1775)

## CBOT December 2018 (CZ8) Corn Futures Chart –



## CME/CBOT December. 2018 (WZ8) SRW Wheat Futures Chart –



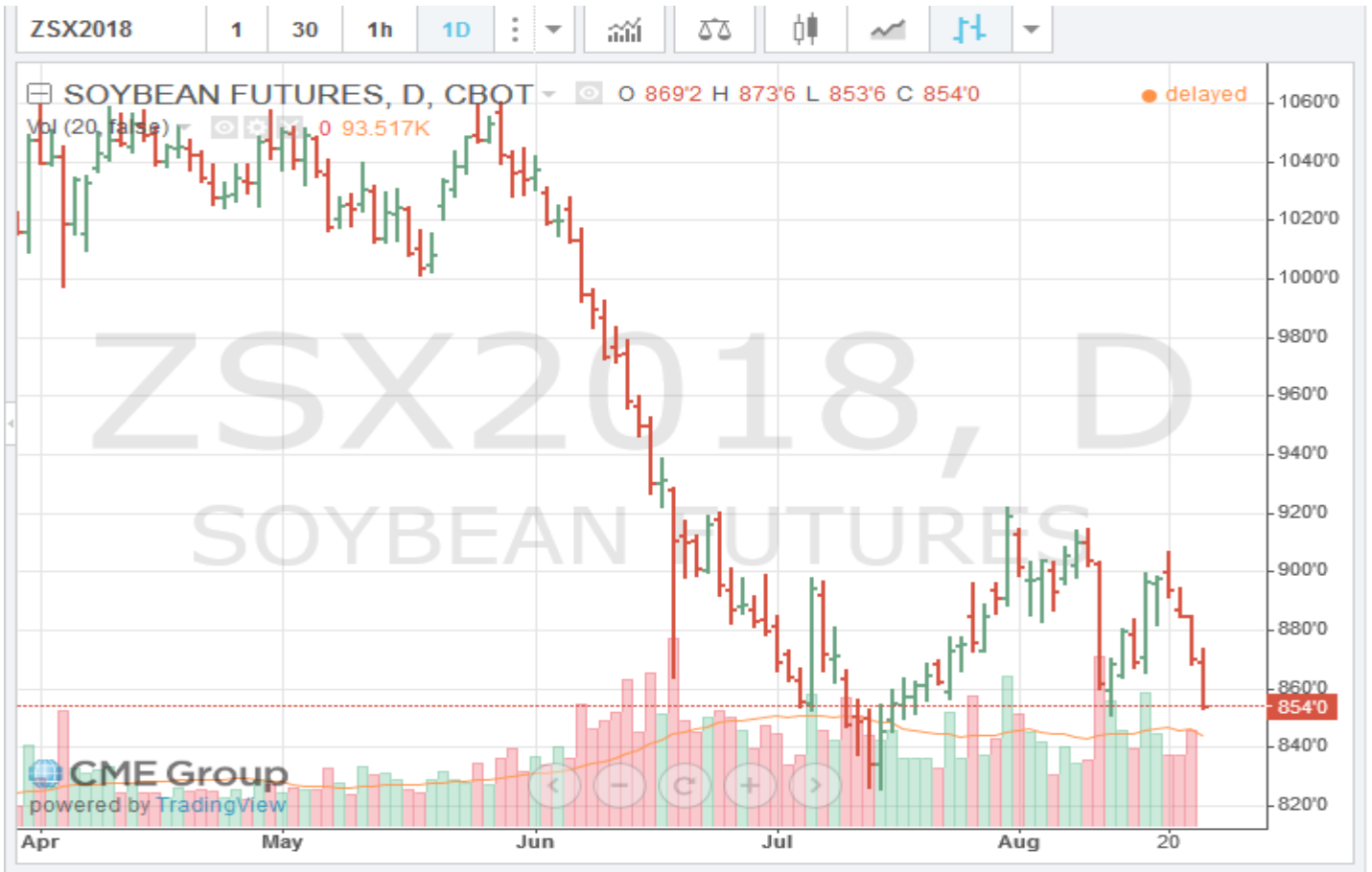


## U.S. Soybean and SBM Markets Fob Vessel:

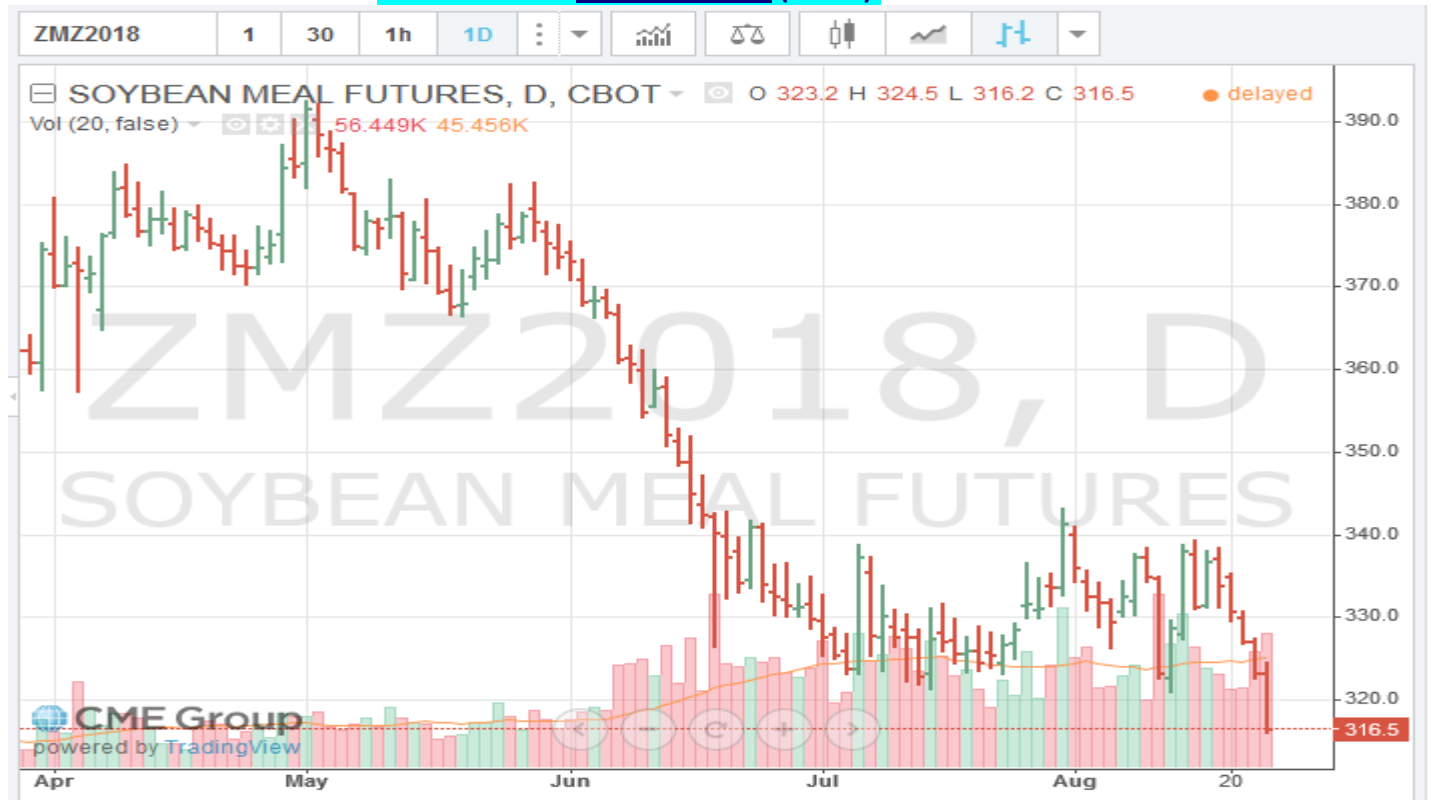
<b>U.S. Yellow Soybeans (USD/MT) FOB Vessel</b>				
# 2 YSB	<b>U.S. Gulf #2 YSB</b>		<b>PNW #2 YSB</b>	
14.0 % Moisture	Basis	Flat Price	Basis	Flat Price
<b>Sept. (X)</b>	0.30	<b>\$324.81</b>	0.55	<b>\$334.00</b>
<b>Oct. (X)</b>	0.36	<b>\$327.02</b>	0.45	<b>\$330.32</b>
<b>Nov.</b>	0.44	<b>\$329.96</b>	0.55	<b>\$334.00</b>
<b>Dec.</b>	0.44	<b>\$334.73</b>	0.60	<b>\$340.61</b>
<b>Jan.</b>	0.53	<b>\$338.04</b>	0.68	<b>\$343.55</b>
<b>Soybean Futures</b>				
<b>Sept.</b>	\$ 8.4200			
<b>Nov.</b>	\$ 8.5400			
<b>Jan.</b>	\$ 8.6700			
<b>Mar.</b>	\$ 8.8000			
<b>May</b>	\$ 8.9125			
<b>July</b>	\$ 9.0050			

<b>U.S. SBM (USD/MT) FOB Vessel</b>		
Fob U.S. Gulf Port	<b>47.5 Pro. SBM</b>	
max 12.5 % moisture	Basis	Flat Price
<b>Sept. (V)</b>	22.00	<b>\$ 371.76</b>
<b>Oct.</b>	22.00	<b>\$ 371.76</b>
<b>Nov.</b>	21.00	<b>\$ 372.09</b>
<b>Dec.</b>	22.00	<b>\$ 371.98</b>
<b>Jan.</b>	22.00	<b>\$ 371.98</b>
<b>SBM Futures</b>		
<b>SMU</b>	313.70	
<b>SMV</b>	315.20	
<b>SMZ</b>	316.50	
<b>SMF</b>	315.40	
<b>SMH</b>	315.10	
<b>SMK</b>	314.10	

### 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 09 August 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	504.5	60,260.4	60,960	99%	8,858.5
Sorghum	30.1	5,076.7	5,330	95%	0.0
Soybeans	165.5	58,688.4	57,430	102%	11,477.6
Wheat	820.7	8,316.9	27,900	30%	0.0
Barley	0.0	49.1	110	45%	0.0

**U.S. EXPORT INSPECTIONS:**

Monday's report 20 August 2018 for the Export week ending 16 August 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	1,096,647	1,262,283	55,133,487	55,283,751	100%
Sorghum	76,306	672	4,971,816	5,809,413	86%
Soybeans	639,001	581,314	54,591,229	56,397,999	97%
Wheat	345,375	487,399	4,211,424	6,768,077	62%
Barley	367	0	1,883	12,227	15%

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

**U.S. EXPORT INSPECTIONS:**

Monday's report 20 August 2018 for the Export week ending 16 August 2018

Last Week							
(Metric Tons)	YC	%	WC	%	Sorghum	%	Soybeans %
Lakes	3,255	0%	0	0%	0	0%	68,073 11%
Atlantic	0	0%	0	0%	0	0%	4,604 1%
Gulf	608,183	58%	34,523	74%	75,085	98%	465,014 73%
PNW	301,267	29%	293	1%	0	0%	0 0%
Interior Export Rail	137,151	13%	11,975	26%	1,221	2%	101,310 16%
Metric Tons	1,049,856		46,791		76,306		639,001

Sorghum Shipments:	metric tons	
	1,221	Mexico
	16,000	Sudan
	57,199	China Main
	1,886	Cameroon
	76,306	Total

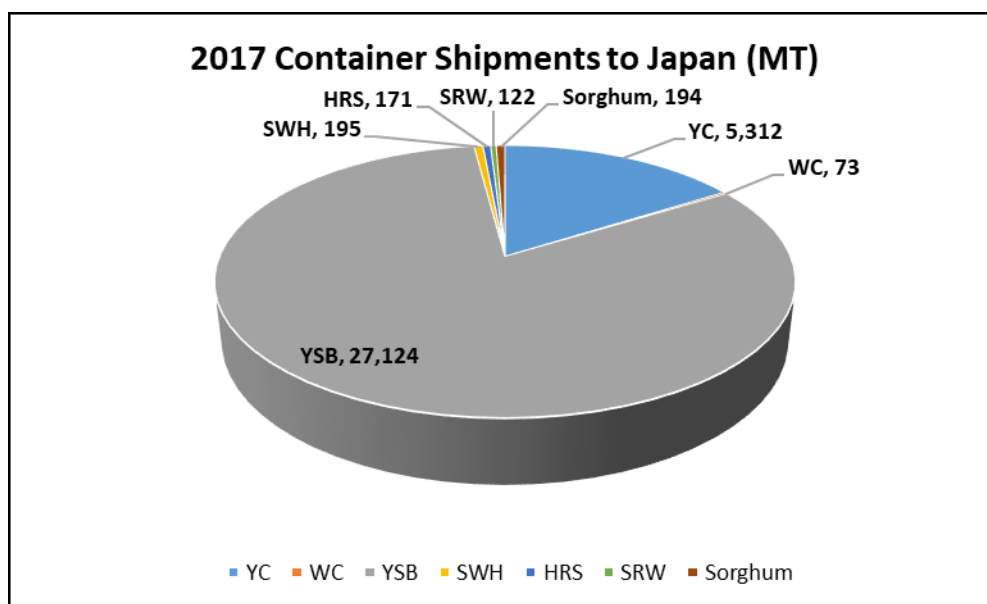
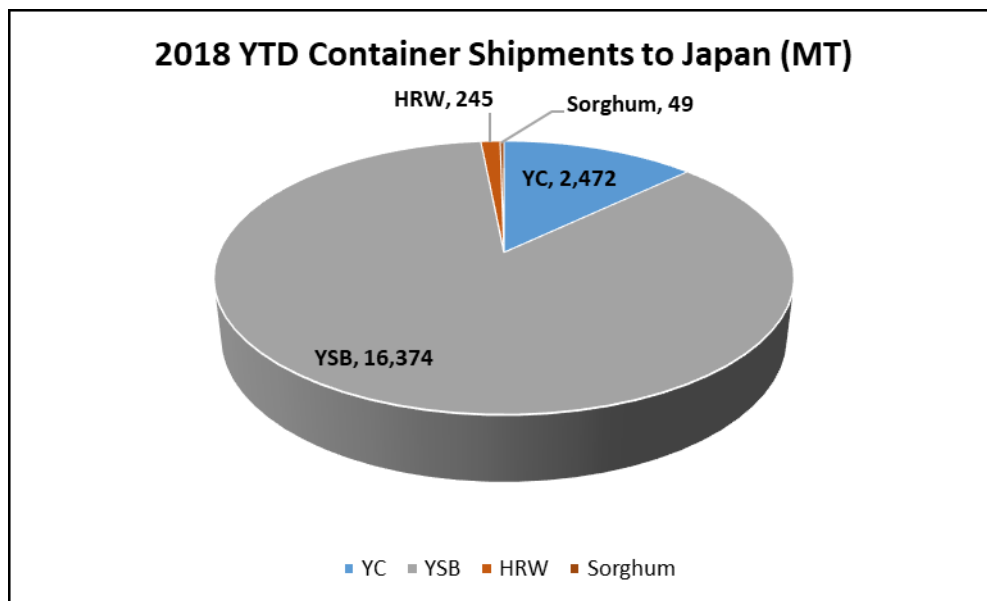
White Corn	metric tons	
Shipments:	293	Korea Rep
	35,975	Mexico
	4,436	Japan
	6,087	Colombia
	46,791	Total

## 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:		16-Aug-2018							
Last Week	metric tons								MT
	YC	WC	YSB	SRW	NS	SWH	HRW	Sorghum	TOTAL
China Main									0
China T	18,481		11,997						30,478
Hong Kong	220								220
Costa Rica									0
Indonesia			28,428						28,428
Panama									0
Japan			147						147
Korea Republic	538								538
Un Arab Em									0
Malaysia	73		5,607						5,680
Burma			293						293
Philippines	465		2,816						3,281
Thailand			9,327						9,327
Jordan									0
Bangladesh			2,178						2,178
Vietnam			6,069						6,069
Sub total	19,777	0	66,862	0	0	0	0	0	78,392
USDA Corrections/Additions to previous reports:									
China T									0
China Main									0
Hong Kong									0
Korea Rep.									0
Costa Rica									0
Japan									0
Philippines									0
Indonesia			490						490
Malaysia			490						490
Thailand									0
Vietnam									0
Canada									0
Burma									0
Sub total	0	0	980	0	0	0	0	0	980
<b>Mt. Grand Total</b>	<b>19,777</b>	<b>0</b>	<b>67,842</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>79,372</b>
Number of containers	860	0	2,950	0	0	0	0	0	

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



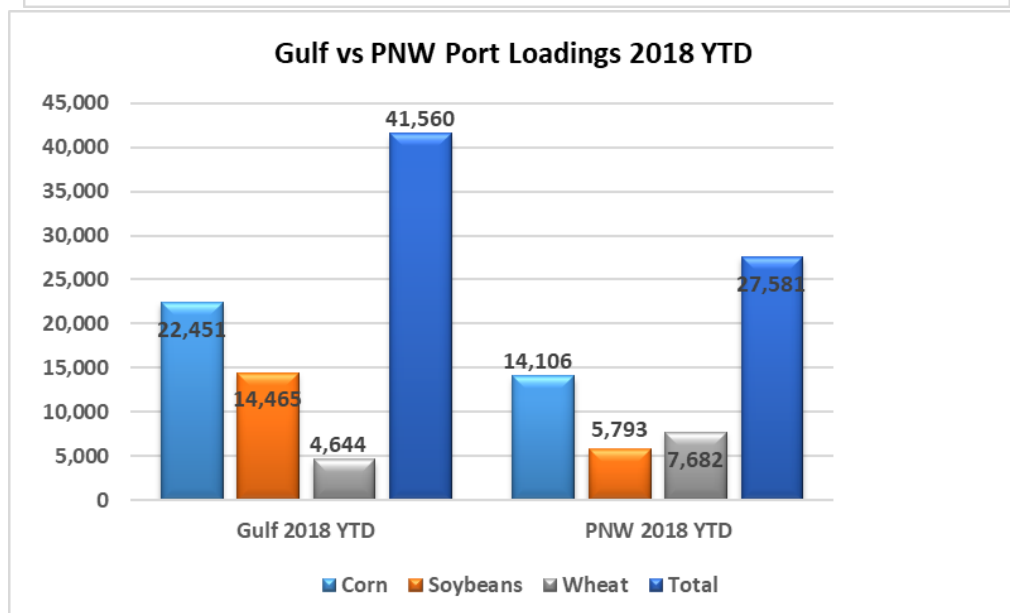
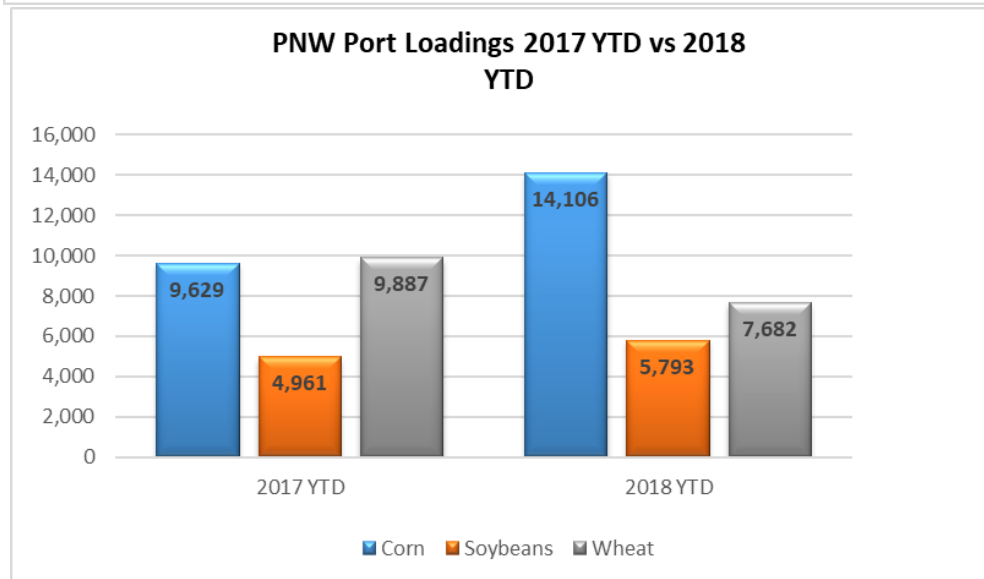
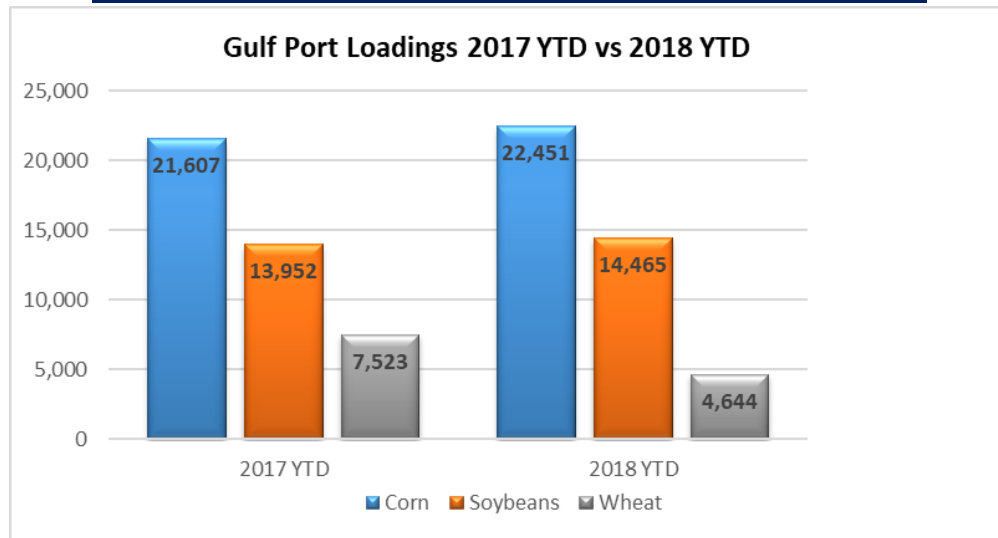
Grain Inspections for Export by U.S. Port Regions:  
U.S. Gulf and Pacific Northwest 2017 YTD vs. 2018 YTD

PORT LOADINGS US Gulf				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
<b>GULF</b>				
2017 YTD	21,607	13,952	7,523	43,082
2018 YTD	22,451	14,465	4,644	41,560
2018 as % of 2017	104%	104%	62%	96%

PORT LOADINGS US PNW				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
<b>PNW</b>				
2017 YTD	9,629	4,961	9,887	24,477
2018 YTD	14,106	5,793	7,682	27,581
2018 as % of 2017	146%	117%	78%	113%

PORT LOADINGS GULF vs. PNW				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
2018 Gulf YTD	22,451	14,465	4,644	41,560
2018 PNW YTD	14,106	5,793	7,682	27,581
TOTAL	36,557	20,258	12,326	69,141
Gulf Percentage	61%	71%	38%	60%
PNW Percentage	39%	29%	62%	40%

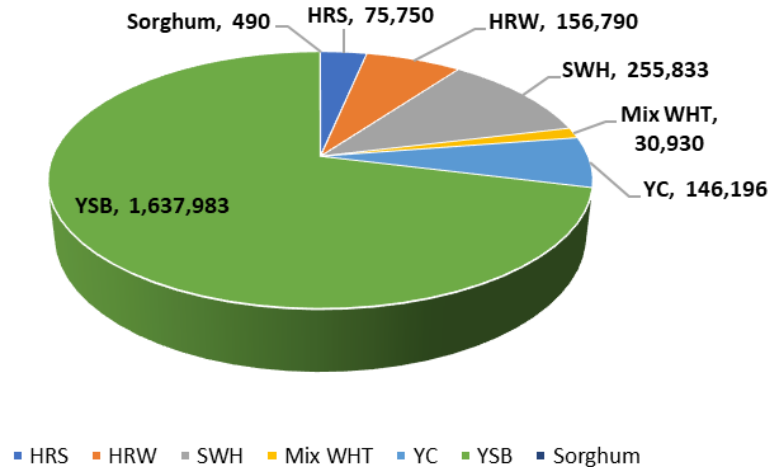
Grain Inspections for Export by U.S. Port Regions (1,000MT):  
U.S. Gulf and Pacific Northwest 2017 YTD vs. 2018 YTD



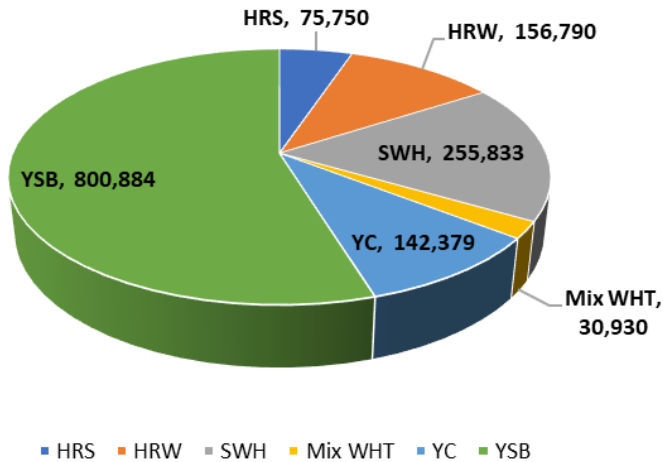
Source: USDA-data

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

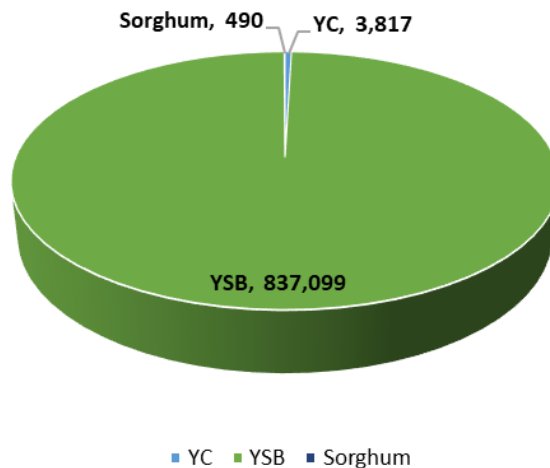
**2018 YTD Exports to Indonesia**



**YTD Exports to Indonesia by Vessel**



**YTD Exports to Indonesia by Container**

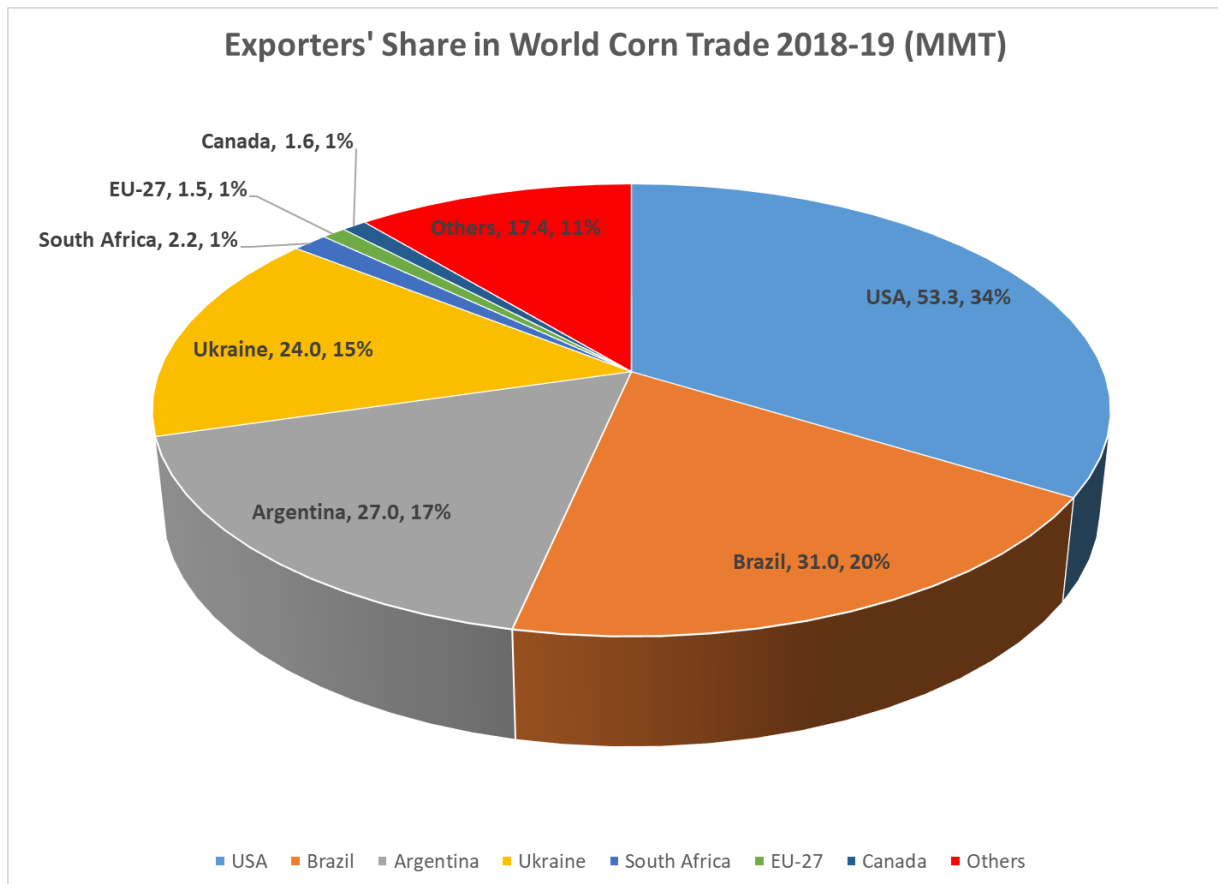


\*\*Please keep in mind that USDA does not report DDGS sales, or they would show as the largest exports by container.

Source: USDA



## Shipping News



From Reuters News service- South Korea's shipping sector is slumping. Shipyard Daewoo Shipbuilding & Marine Engineering Co.'s second-quarter net profit plunged 80% year-over-year despite a strong order book, the WSJ's Costas Paris reports, while container ship operator Hyundai Merchant Marine Co. Ltd. is coping with bigger losses amid competition from much larger rivals. The results cast troubling new clouds over shipping operations that are a prominent part of South Korea's economy. Both companies got hefty state bailouts last year, with DSME receiving a \$2.6 billion cash infusion. Executives hope to sell the shipyard to Hyundai Heavy Industries or Samsung Heavy Industries, which could be complicated as global shipping demand weakens and orders decline. Meanwhile, HMM lost \$169 per container in the second quarter, dimming prospects that the company can pick up the country's shipping banner after the demise of Hanjin Shipping last year.

# Maersk sets world record for single containership load

AUGUST 22ND, 2018

JASON JIANG

CONTAINERS, EUROPE

0 COMMENTS

Denmark's Maersk Line claims to have set the a world record for the highest-ever load of containers carried on a single ship.

The second generation Triple-E vessel [Mumbai Maersk](#) left Tanjung Pelepas Port in Malaysia last weekend and is now sailing into Europe with a load of 19,038 teu.

According to Maersk, the world record load of 19,038 teu has raised a new bar by surpassing *Madison Maersk*, a first generation Triple-E class vessel, which reached 18,215 TEU in 2015.

"The record-breaking load also marks a sign of progress on one of Maersk's core priorities for this year: to make APM Terminals perform again," Maersk Line said.

"Our hubs are currently breaking existing productivity records. This record on most loaded containers during a port stay is one of many illustrations showing that we are well-positioned to become a company of operators who are proud, passionate and world-class at servicing our clients," said Keith Svendsen, chief operating officer at APM Terminals.

## China Containerized Freight Index



## **U.S. RIVER BARGE FREIGHT**

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

Placement LH September 2018	% of		Corn	Soybeans-Wheat
	Tariff	MT	BU	BU
Upper Mississippi	585	\$39.92	1.01	1.09
Illinois River (Pekin and South)	585	\$31.02	0.79	0.84
Mid-Mississippi	585	\$34.31	0.87	0.93
Lower Ohio	585	\$28.76	0.73	0.78
St. Louis	505	\$22.21	0.56	0.60

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

Secondary Rail Car Market Placement LH. September 2018	BID USD	ASK USD	BID BU.	ASK BU.	BID MT	ASK MT
BNSF Shuttle Trains	\$ 50.00	\$ 200.00	\$ 0.01	\$ 0.05	\$ 0.49	\$ 1.97
UPRR Shuttle Trains	\$ (100.00)	\$ 50.00	\$ (0.03)	\$ 0.01	\$ (0.98)	\$ 0.49

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

Best Regards,

Jay

Jay O'Neil  
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Follow me on Twitter @ **igpjay**



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