



## Transportation and Export Report for 24 August 2017

### Ocean Freight Insights and Comments:

The Baltic indices continued to rally upward this week. There has been a lot of technical support and, as is common, the paper traders are pushing things harder and farther than the physical markets. But; wow, what a rally it was. Three months ago, on 2 June 2017, the Baltic P2 Panamax Index for the Atlantic stood at 11577. On 23 August it was at 17193. That is a jump of 5,616 points or a 49 % increase. Most of it in the index paper markets. One industry reporter questioned if there could be a correlation between the Charge of the Light Brigade and the Baltic indices? Supramax vessels in the Gulf and East coast South America now getting up to \$18,000/day in daily hire rates. Longer term Time Charter rates are closer to \$13,500/day. But things are definitely looking topky today.

I particularly like one blogger's comment that "Vessel owners never miss an opportunity to miss an opportunity". So will they lock in these good rates and go to the bank or get greedy and wait for something better; or even worse, run out and order new ships?

### BALTIC DRY-BULK PANAMAX INDEX CHANGES

Panamax Ocean Freight Indices				
24-Aug-17	This Week	Last Week	Difference	Percent Change
P2A : Gulf/Atlantic - Japan	17193	17677	-484	-2.7%
P3A - PNW/Pacific - Japan	9620	9881	-261	-2.6%
S1C -USGULF-China-So.Japan	19124	18036	1,088	6.0%

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

Four weeks ago:	\$ 5.50-\$6.00
Three weeks ago:	\$ 5.60-\$6.40
Two weeks ago:	\$ 6.15-\$6.50
One week ago:	\$ 6.90-\$7.25
This week	\$ 6.80-\$7.50

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

Mississippi River:	(10 elevators)	3-6 days
Miss. River Mid-Stream loaders:	(6+ Rigs)	0-0 days
Texas Gulf	(6 elevators)	0-4 days
Pacific Northwest:	(9 elevators)	0-4 days

Panamax Market Spreads to Asia -China					
24-Aug-17	PNW	GULF	Bushel Spread	MT Spread	Advantage
CORN	0.88	0.52	0.36	\$14.17	PNW
SOYBEANS	1.10	0.75	0.35	\$13.78	PNW
OCEAN FREIGHT	\$20.25	\$39.00	.48-.51	<b>\$18.75</b>	SEPT.

**Recent Reported Vessel Fixtures:**

60,000 mt hss US Gulf to China Sept.1-10 at \$38.50 fio 10000shex/8000shex -Raffles

60,000 mt hss US Gulf to China Sept.1-15 at \$39.00 fio 10000shex/8000shex –Crystal Seas

Route and Vessel Size	Current Week USD/MT	Change from previous week	Remarks
55,000 U.S. Gulf-Japan	\$39.50	Up \$0.50	Handymax at \$40.00 mt
55,000 U.S. PNW- Japan	\$20.50	Up \$0.50	Handymax at \$21.00 mt
55,000 U.S. Gulf – China	\$39.00	Up \$1.00	North China
PNW to China	\$20.00	Up \$0.75	
25,000 U.S. Gulf- Veracruz, México	\$15.50	Up \$0.50	3,000 MT daily discharge rate
35-40,000 U.S. Gulf- Veracruz, México	\$13.50	Up \$0.50	Deep draft and 6,000 MT per day discharge rate.
25/35,000 U.S. Gulf- <u>East Coast Colombia</u>	\$18.50	Up \$0.50	<u>West Coast Colombia at \$27.00</u>
From Argentina	\$29.00		
40-45,000 U.S. Gulf - Guatemala	\$26.50	Up \$0.50	Acajutla/Quetzal - 8,000 out
26-30,000 U.S. Gulf – Algeria	\$27.75 \$30.75	Up \$0.50	8,000 mt daily discharge 3,000 mt daily discharge
25-30,000 US Gulf-Morocco	\$27.00	Up \$0.50	5,000 discharge rate
55,000 U.S. Gulf –Egypt	\$24.75	Up \$0.50	55,000 -60,000 mt
PNW to Egypt	\$24.25		St. Lawrence to Egypt \$24.50
60-70,000 U.S. Gulf – Europe – Rotterdam	\$15.50	Unchanged	Handymax at +\$1.50 more
Brazil, Santos –China	\$30.50	Up \$0.50	54-58,000 Supramax-Panamax
Itacoatiara Port up River	\$29.00		60-66,000 Post Panamax
Amazonia - China	\$33.50		
56-60,000 Argentina-China Up River with Top Off	\$36.75	Up \$0.50	

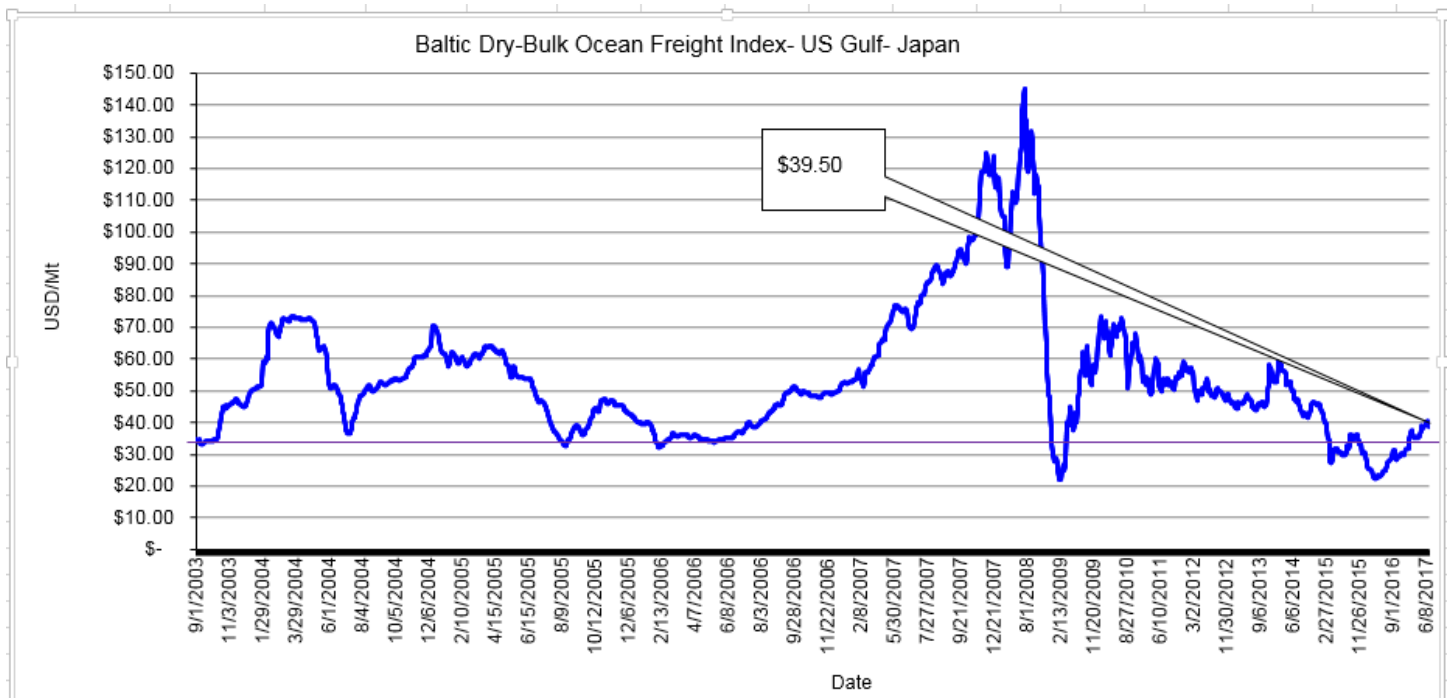
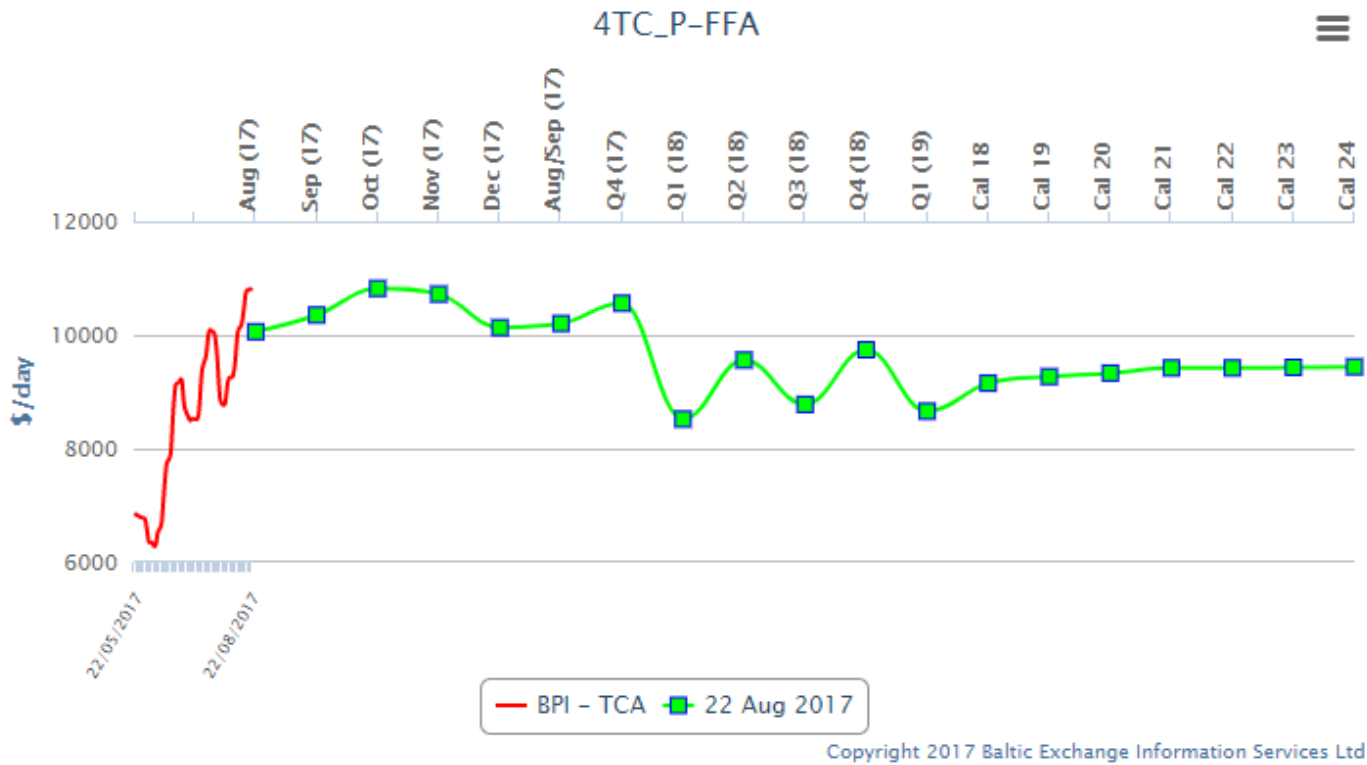
**Nautical Miles: To Xiamen China (South China)**

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

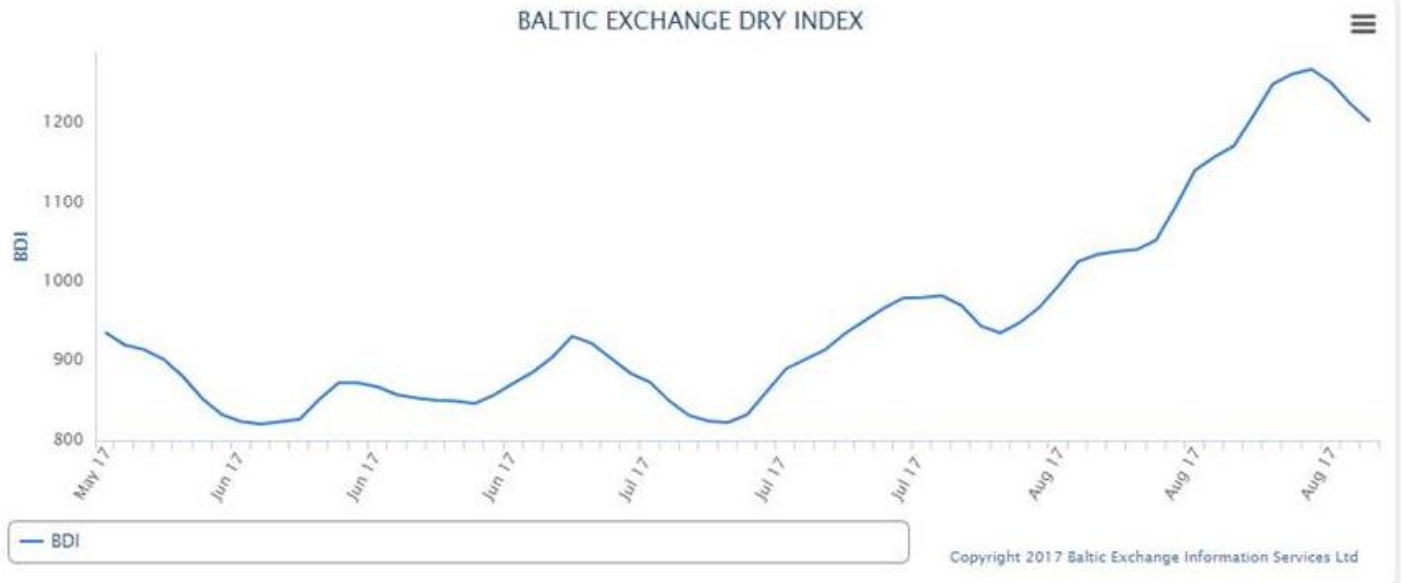
**Santos Brazil (via Cape of Good Hope) - 10,441 nautical miles (33 days)**

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

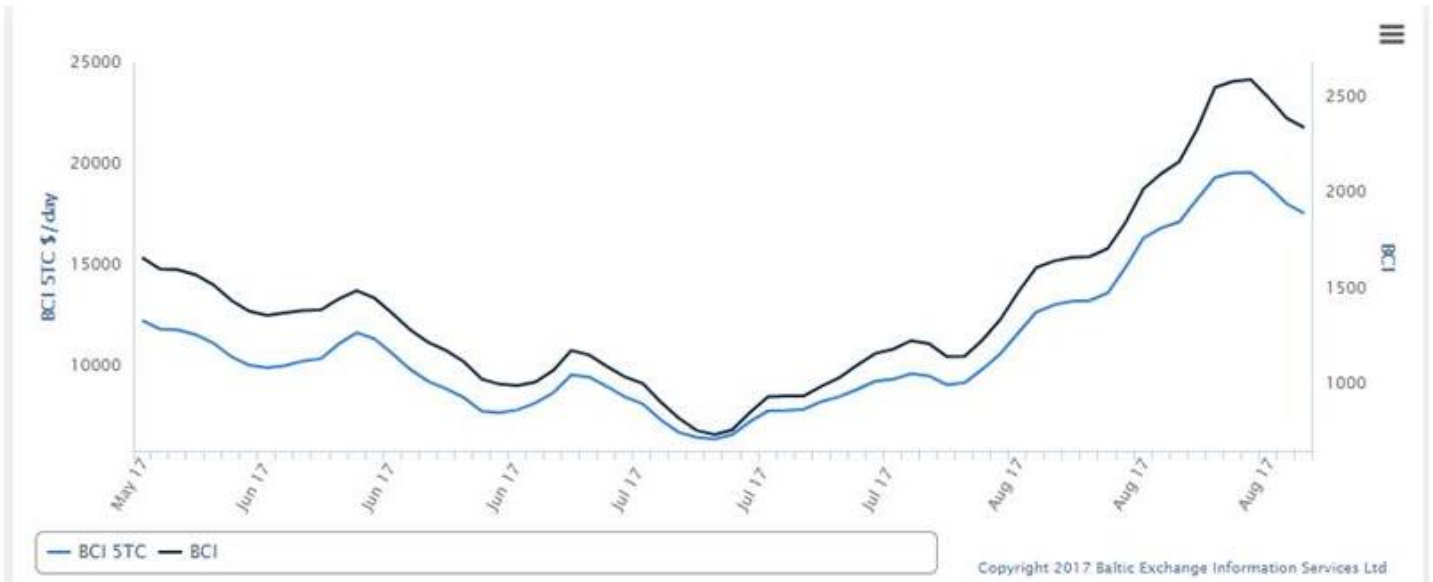
## Forward Curve for Baltic BPI Panamax Vessel Freight



## Baltic Dry Bulk Index



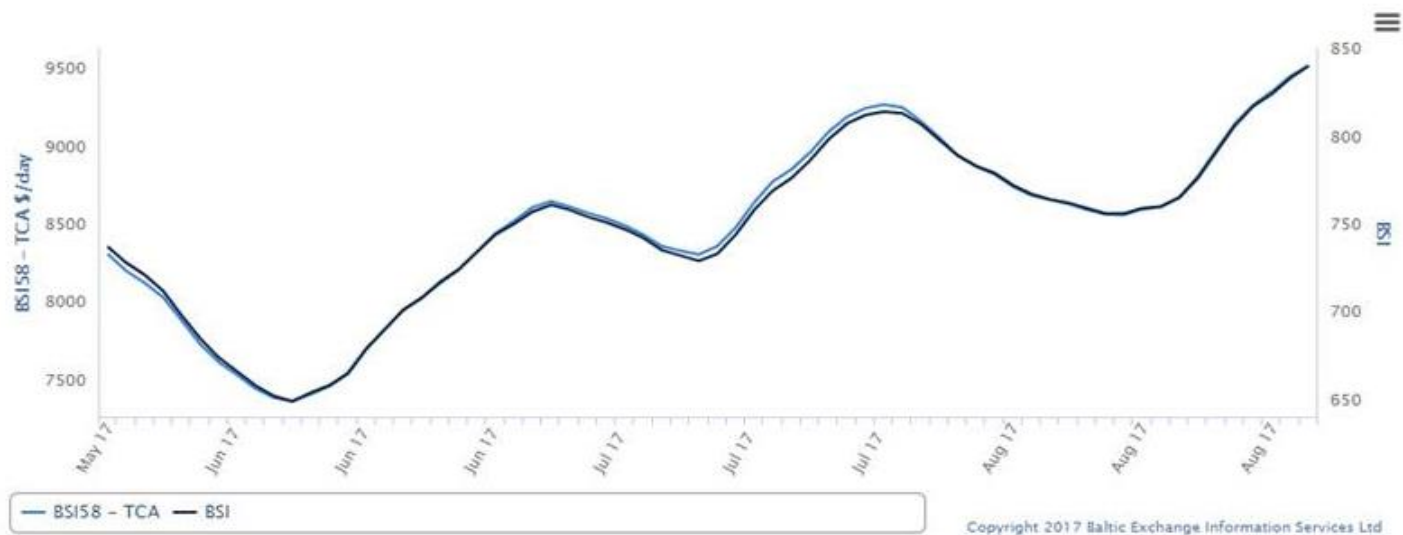
## Baltic Capesize Index



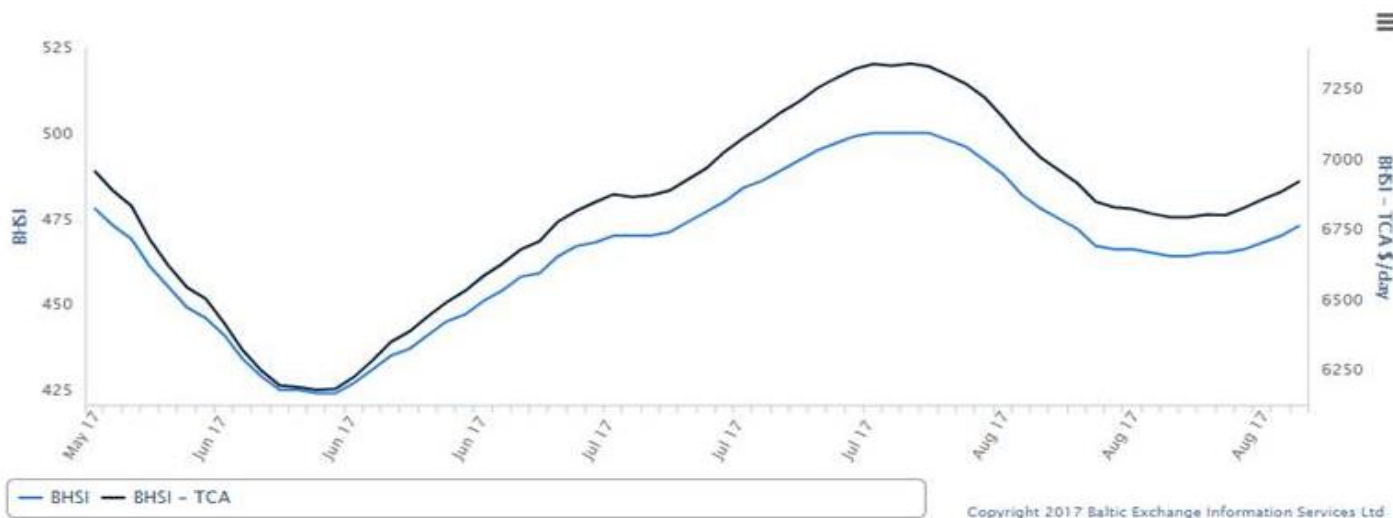
## Baltic Panamax Index



### Baltic Supramax Vessel Index



### Baltic Handy Size



# Yamamizu Shipping

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

## USG/Japan Index Result

Date From: 2016-06-01

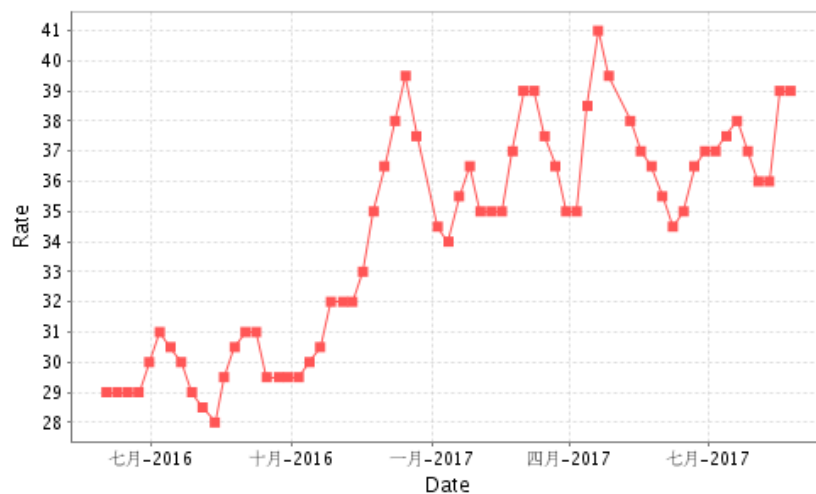
V

Date To: 2017-08-24

V

Query

Reset



## China Import Dry Bulk Freight Index(CDFI)

2017-08-24

Index/Routes	Charterparty type	Cargo/Vessel type	Dwt/Cargo Capacity	Unit	Index/Rate	Change
Composite Index				Point	917.89	-15.77
VC Index				Point	781.22	-9.48
TCT Index				Point	1122.89	-25.21
Santos(Brazil)— North China	VC	Soybean	60000/10%	\$/ton	29.28	-0.05
Tacoma(West America)—North China	VC	Soybean	60000/10%	\$/ton	20.355	-0.08
Mississippi(US Gulf) —North China	VC	Soybean	55000/10%	\$/ton	39.12	-0.16

24 August 2017 FOB Vessel Export Market Values:

<b>U.S. Yellow Corn (USD/MT) FOB Vessel</b>				
# 2 YC	U.S. Gulf #2 YC		PNW #2 YC	
15.0 % Moisture	Basis	Flat Price	Basis	Flat Price
<b>Oct.</b>	0.52	<b>\$160.72</b>	0.88	<b>\$174.89</b>
<b>Nov.</b>	0.59	<b>\$163.47</b>	0.89	<b>\$175.29</b>
<b>Dec.</b>	0.62	<b>\$164.66</b>	0.90	<b>\$175.68</b>
<b>Jan.</b>	0.58	<b>\$168.00</b>	0.86	<b>\$179.03</b>
<b>Feb.</b>	0.60	<b>\$168.79</b>	0.88	<b>\$179.81</b>
<b>Mar.</b>	0.63	<b>\$169.97</b>	0.90	<b>\$180.60</b>

The Gulf spread between #2 and #3 YC is currently about 02 cents per bushel (0.80 per 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>Oct.</b>	1.15	<b>\$185.52</b>	1.05	<b>\$181.58</b>
<b>Nov.</b>	1.15	<b>\$185.52</b>	1.05	<b>\$181.58</b>
<b>Dec.</b>	1.10	<b>\$183.55</b>	1.05	<b>\$181.58</b>
<b>Jan.</b>	1.10	<b>\$188.47</b>	1.00	<b>\$184.54</b>
<b>Jan.</b>	1.10	<b>\$188.47</b>	1.00	<b>\$184.54</b>

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	
	<b>Oct.</b>	<b>Nov.</b>	<b>Dec.</b>	<b>Jan.</b>
FOB U.S. GULF	\$213.02	\$214.86	\$216.69	\$222.39
Basis	0.75	0.80	0.85	0.80
WU	4.7975			
WZ	5.0475			
WH	5.2525			

<b>CME CORN FUTURES MARKET CLOSE- Thursday</b>						
CBOT CORN Month	Futures Symbol	Friday Close Bushel	Friday Close MT.	Last week Bushel	Last Week MT.	Difference Bushel
Sept.	CU	\$3.4200	\$134.64	\$ 3.5050	\$137.98	(\$0.0850)
Dec.	CZ	\$3.5625	\$140.25	\$ 3.6425	\$143.40	(\$0.0800)
Mar.	CH	\$3.6875	\$145.17	\$ 3.7625	\$148.12	(\$0.0750)
May	CK	\$3.7550	\$147.83	\$ 3.8225	\$150.48	(\$0.0675)
July	CN	\$3.8150	\$150.19	\$ 3.8825	\$152.85	(\$0.0675)

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



**CME/CBOT Dec. 2017 (WZ7) SRW Wheat Futures Chart –**



**Soybean and SBM Markets Fob Vessel:**

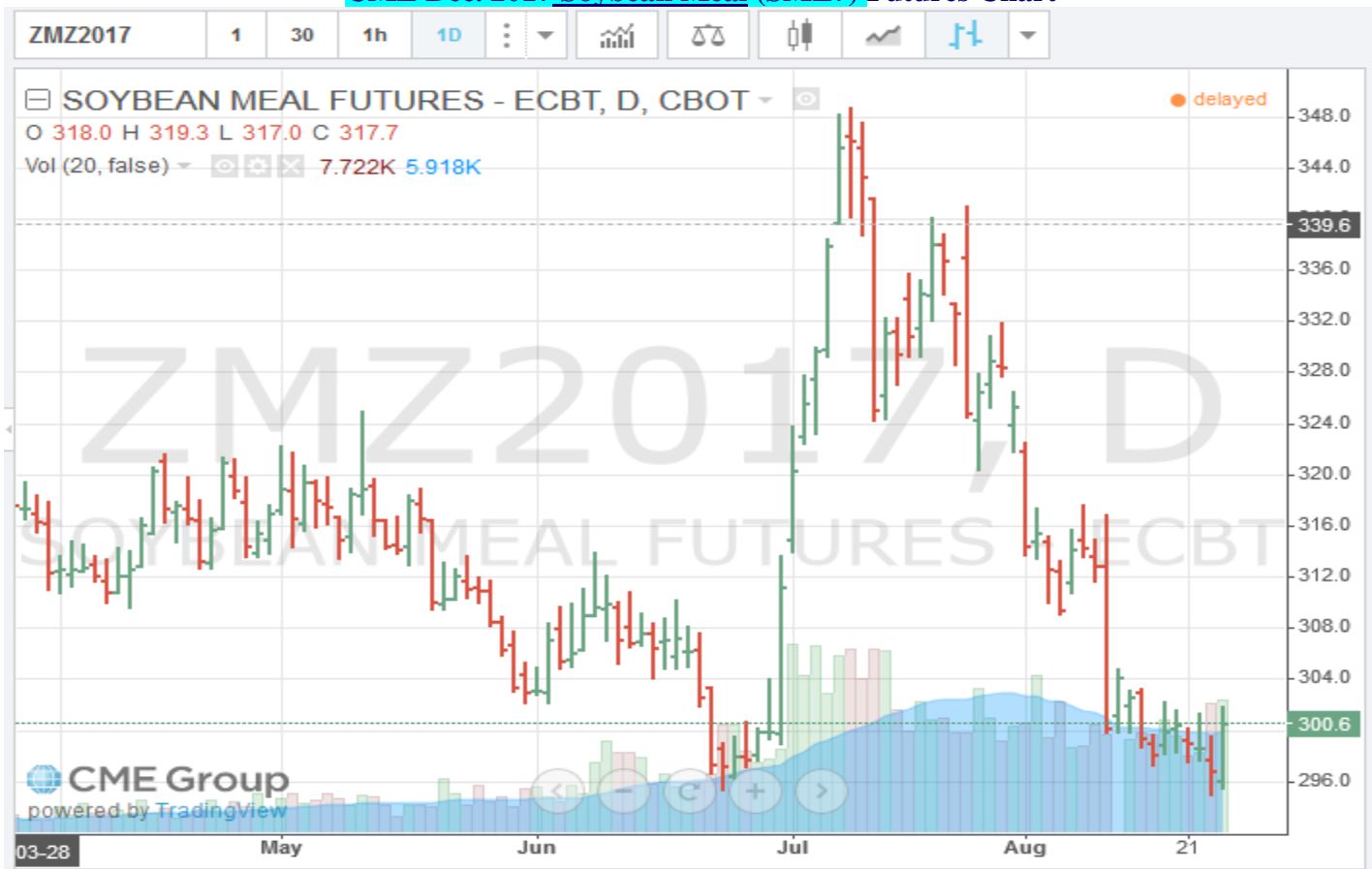


<b>U.S. Yellow Soybeans (USD/MT) FOB Vessel</b>				
# 2 YSB	<b>U.S. Gulf #2 YSB</b>		<b>PNW #2 YSB</b>	
14.0 % Moisture	Basis	Flat Price	Basis	Flat Price
<b>Oct.</b>	0.75	<b>\$375.33</b>	1.10	<b>\$388.19</b>
<b>Nov.</b>	0.76	<b>\$375.70</b>	1.12	<b>\$388.93</b>
<b>Dec.</b>	0.70	<b>\$376.71</b>	1.10	<b>\$391.41</b>
<b>Jan.</b>	0.73	<b>\$377.81</b>	1.10	<b>\$391.41</b>
<b>Feb.</b>	0.72	<b>\$380.66</b>	1.05	<b>\$392.79</b>
<b>Soybean Futures</b>				
<b>Sept.</b>	\$ 9.4125			
<b>Nov.</b>	\$ 9.4650			
<b>Jan.</b>	\$ 9.5525			
<b>Mar.</b>	\$ 9.6400			
<b>May</b>	\$ 9.7175			
<b>July</b>	\$ 9.7825			

<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>Oct.</b>	-1.00	<b>\$ 328.55</b>
<b>Nov.</b>	-1.00	<b>\$ 330.64</b>
<b>Dec.</b>	0.00	<b>\$ 331.74</b>
<b>Jan.</b>	-1.00	<b>\$ 331.63</b>
<b>Feb.</b>	-2.00	<b>\$ 333.73</b>
<b>SBM Futures</b>		
<b>SMU</b>	297.60	
<b>SMV</b>	299.00	
<b>SMZ</b>	300.90	
<b>SMF</b>	301.80	
<b>SMH</b>	304.70	
<b>SMK</b>	306.50	



### CME Dec. 2017 Soybean Meal (SMZ7) Futures Chart



[U.S. EXPORT STATISTICS: Report Activity as of Week Ending 17 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	175.9	56,575.5	56,520	100%	6,161.7
Sorghum	78.8	4,891.8	5,720	86%	409.7
Soybeans	284.4	60,719.8	58,510	104%	9,940.4
Wheat	412.5	11,547.6	26,540	44%	0.0
Barley	0.0	36.3	110	33%	0.0

### U.S. EXPORT INSPECTIONS:

Monday's report 21 August 2017 for the Export week ending 17 August 2017

	Export Inspections		Current Market Year YTD	Previous Year to Date	2017 YTD as Percent of 2016 YTD
	This Week	Previous Week			
Corn	691,442	761,317	55,254,686	44,152,270	125%
Sorghum	105,818	69,625	5,809,291	8,543,204	68%
Soybeans	665,283	590,618	56,331,933	49,552,412	114%
Wheat	583,126	511,624	6,756,174	6,039,050	112%
Barley	0	2,195	12,227	17,023	72%

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

### U.S. EXPORT INSPECTIONS:

Monday's report 21 August 2017 for the Export week ending 17 August 2017

Last Week							
(Metric Tons)	YC	%	WC	%	Sorghum	%	Soybeans %
Lakes	11,407	2%	0	0%	0	0%	33,282 5%
Atlantic	0	0%	0	0%	0	0%	0 0%
Gulf	414,859	60%	0	0%	100,632	95%	468,343 70%
PNW	122,750	18%	0	0%	0	0%	68,570 10%
Interior Export Rail	142,302	21%	124	100%	5,186	5%	95,088 14%
Metric Tons	691,318		124		105,818		665,283

Sorghum Shipments: metric tons

	China
101,171	Main
24	Japan
4,623	Mexico
105,818	Total

White Corn metric tons

Shipments:	24	Spain
	100	Mexico
	124	Total

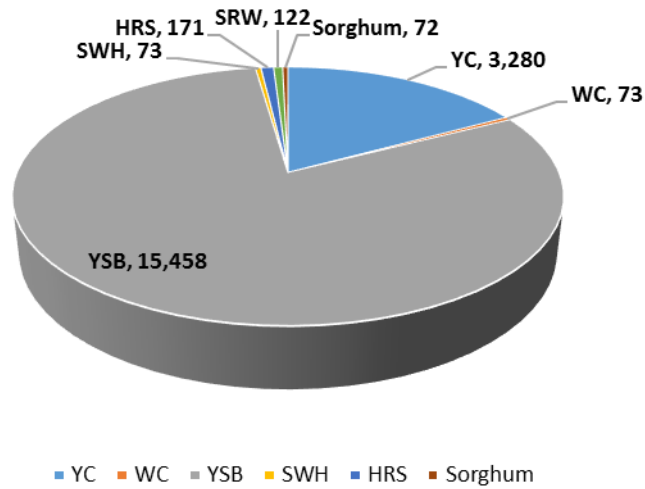
### Export Inspection Highlights

**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).*

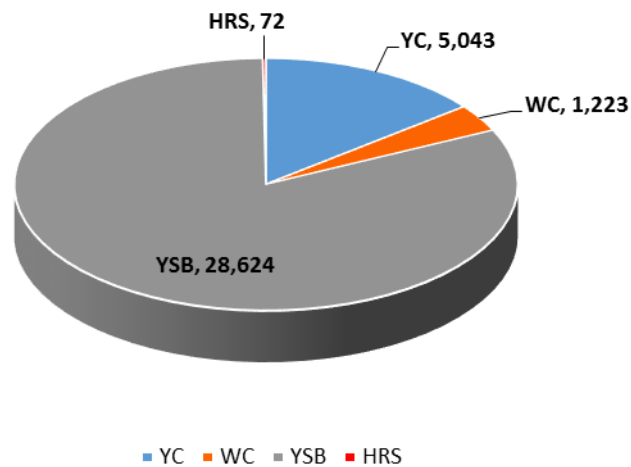
CONTAINER SHIPMENTS of GRAIN									
USDA Grain Inspections Report:		17-Aug-2017							
Last Week	metric tons								MT
	YC	WC	YSB	SRW	NS	SWH	HRW	Sorghum	TOTAL
China Main	318							539	857
China T	5,825		9,745						15,570
Hong Kong	465								465
Costa Rica									0
Indonesia			17,628						17,628
French Polynesia									0
Japan			318					24	342
Korea Republic	245		587						832
Dominican Rep.									0
Malaysia			1,861						1,861
Sudan									0
Philippines			1,223						1,223
Thailand			8,767						8,767
Bangladesh			1,323						1,323
Spain		24							24
Vietnam			2,620						2,620
Sub total	6,853	24	44,072	0	0	0	0	563	47,545
USDA Corrections/Additions to previous reports:									
China T	2,351		9,000						11,351
China Main	833		1,347						2,180
Hong Kong	635								635
Korea Rep.									0
Canada						96			96
Japan			318						318
Philippines	73		808						881
Indonesia			3,844						3,844
Malaysia	490		1,641						2,131
Thailand			1,935						1,935
Vietnam			1,542						1,542
Bangladesh			171						171
Panama									0
Sub total	4,382	0	20,606	0	0	96	0	0	25,084
<b>Mt. Grand Total</b>	<b>11,235</b>	<b>24</b>	<b>64,678</b>	<b>0</b>	<b>0</b>	<b>96</b>	<b>0</b>	<b>563</b>	<b>72,629</b>
Number of containers	488	1	2,812	0	0	4	0	24	

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

### 2017 YTD Container Shipments to Japan (MT)



### 2016 Container Shipments to Japan (MT)



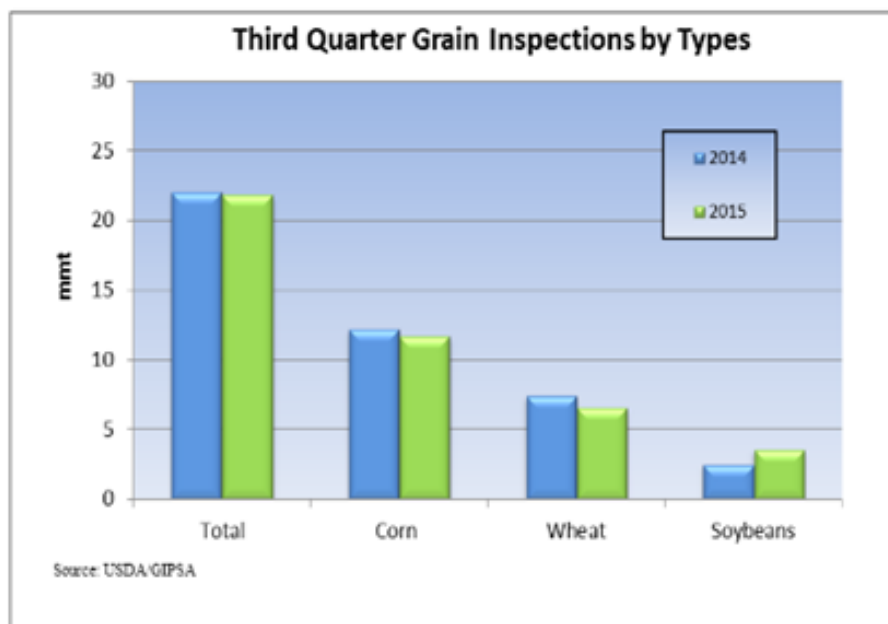
Grain Inspections for Export by U.S. Port Regions:

## U.S. Gulf and Pacific Northwest 2016 YTD vs. 2017 YTD

PORT LOADINGS US Gulf				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
<b>GULF</b>				
2016 YTD	21,180	13,898	5,359	40,437
2017 YTD	22,015	14,445	7,684	44,144
2017 as % of 2016	104%	104%	143%	109%

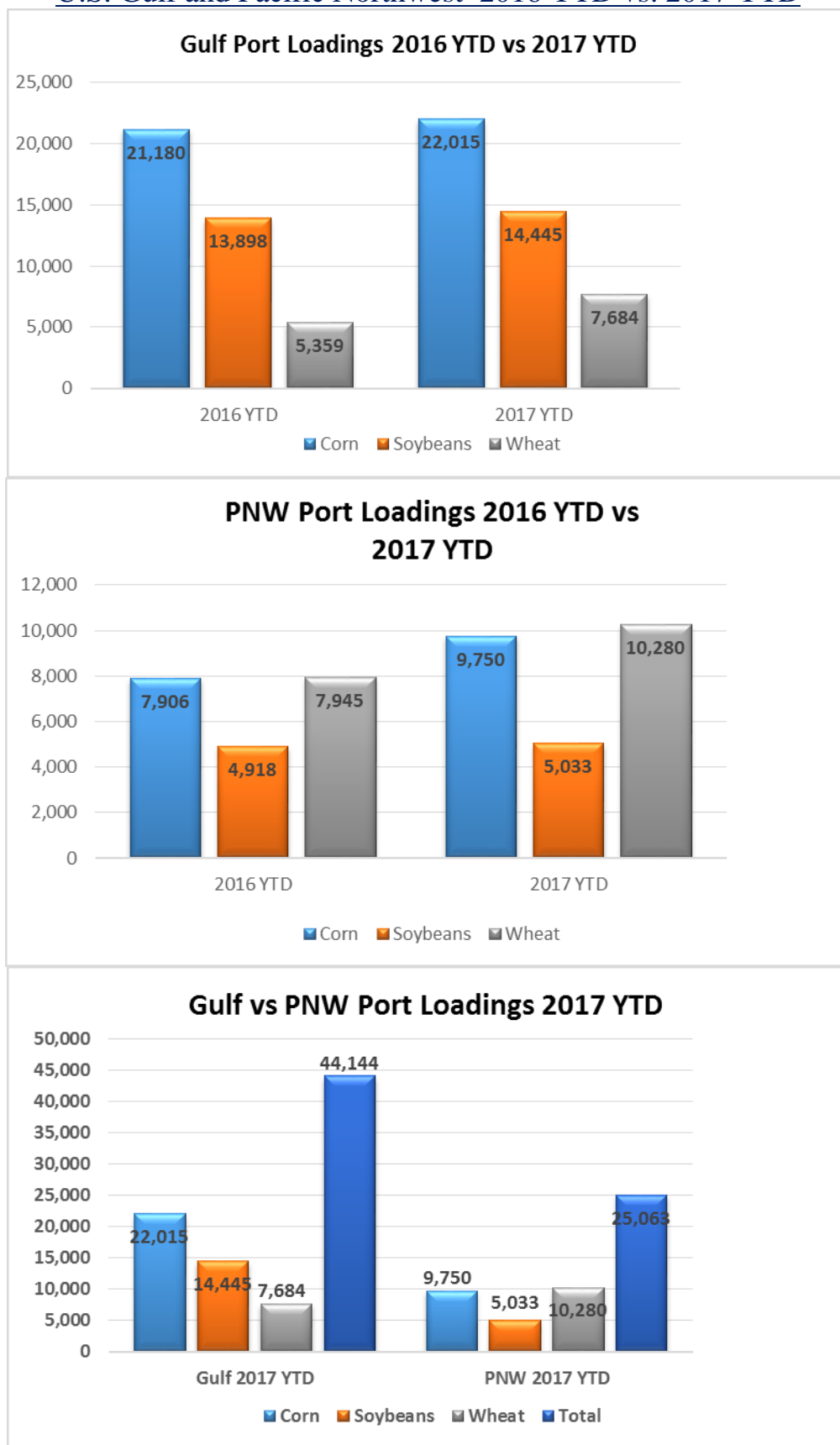
PORT LOADINGS US PNW				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
<b>PNW</b>				
2016 YTD	7,906	4,918	7,945	20,769
2017 YTD	9,750	5,033	10,280	25,063
2017 as % of 2016	123%	102%	129%	121%

PORT LOADINGS GULF vs. PNW				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
2017 Gulf YTD	22,015	14,445	7,684	44,144
2017 PNW YTD	9,750	5,033	10,280	25,063
TOTAL	31,765	19,478	17,964	69,207
Gulf Percentage	69%	74%	43%	64%
PNW Percentage	31%	26%	57%	36%



Grain Inspections for Export by U.S. Port Regions:

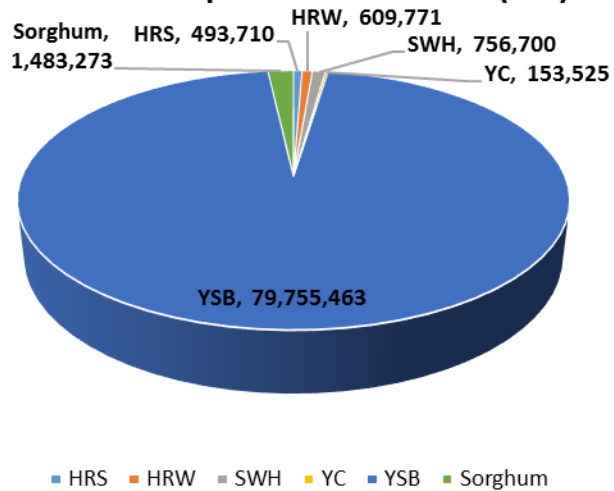
## U.S. Gulf and Pacific Northwest 2016 YTD vs. 2017 YTD



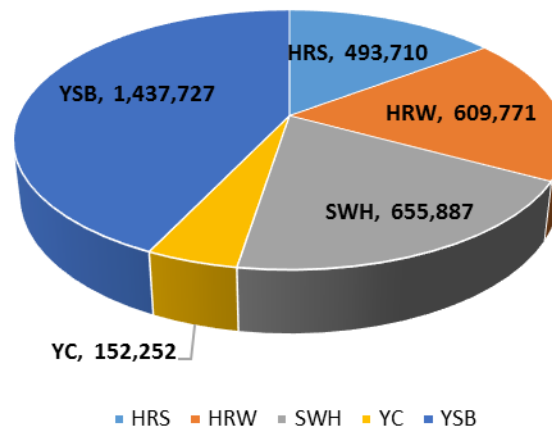
Source: USDA-data

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

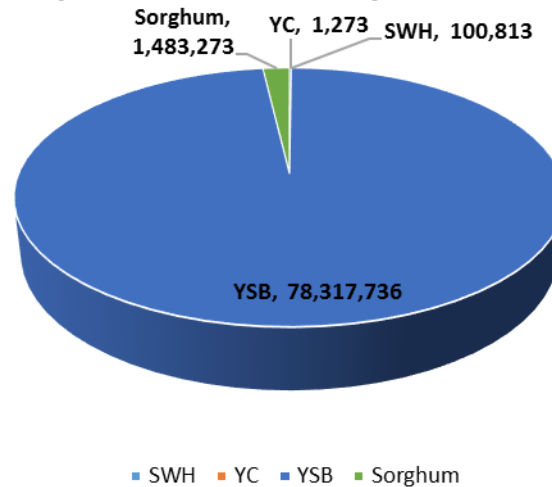
### 2017 YTD Exports to Indonesia (MT)



### YTD Exports to Indonesia by Vessel (MT)



### YTD Exports to Indonesia by Container (MT)



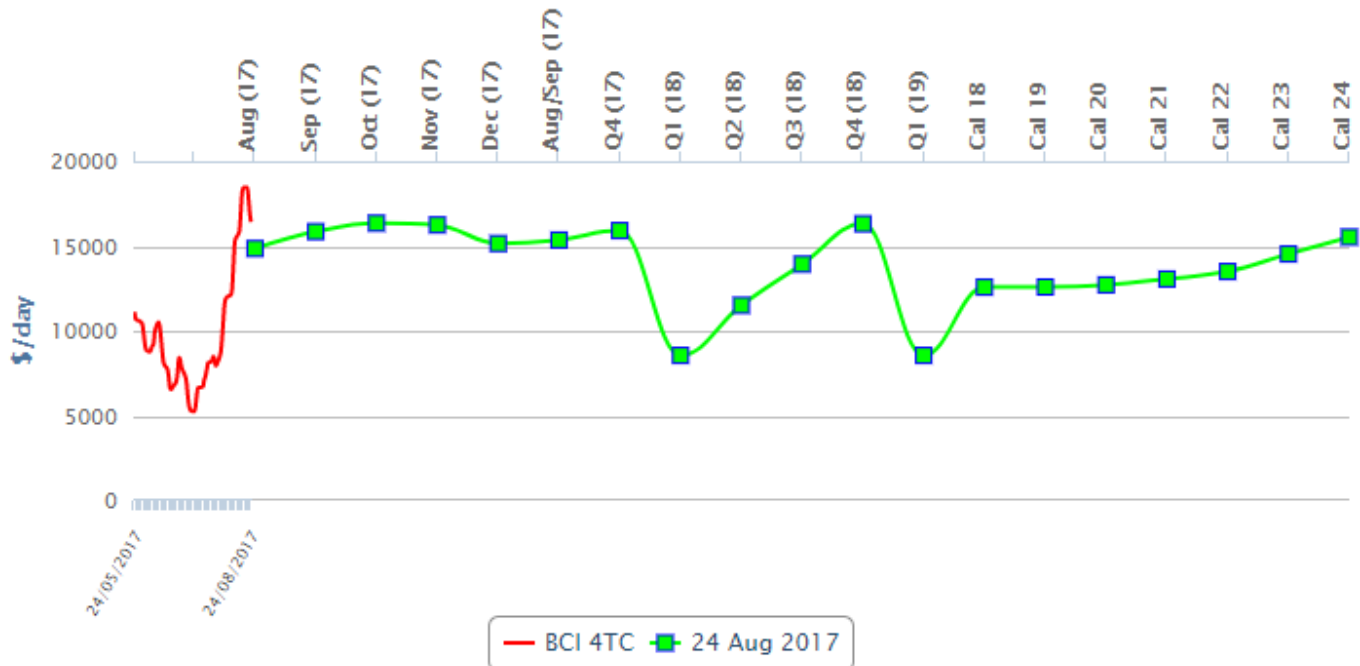
\*\*Please keep in mind that USDA does not report DDGS sales, or they would show as the largest exports by container

Shipping News:



## FFA Capesize for the 4 time charter routes

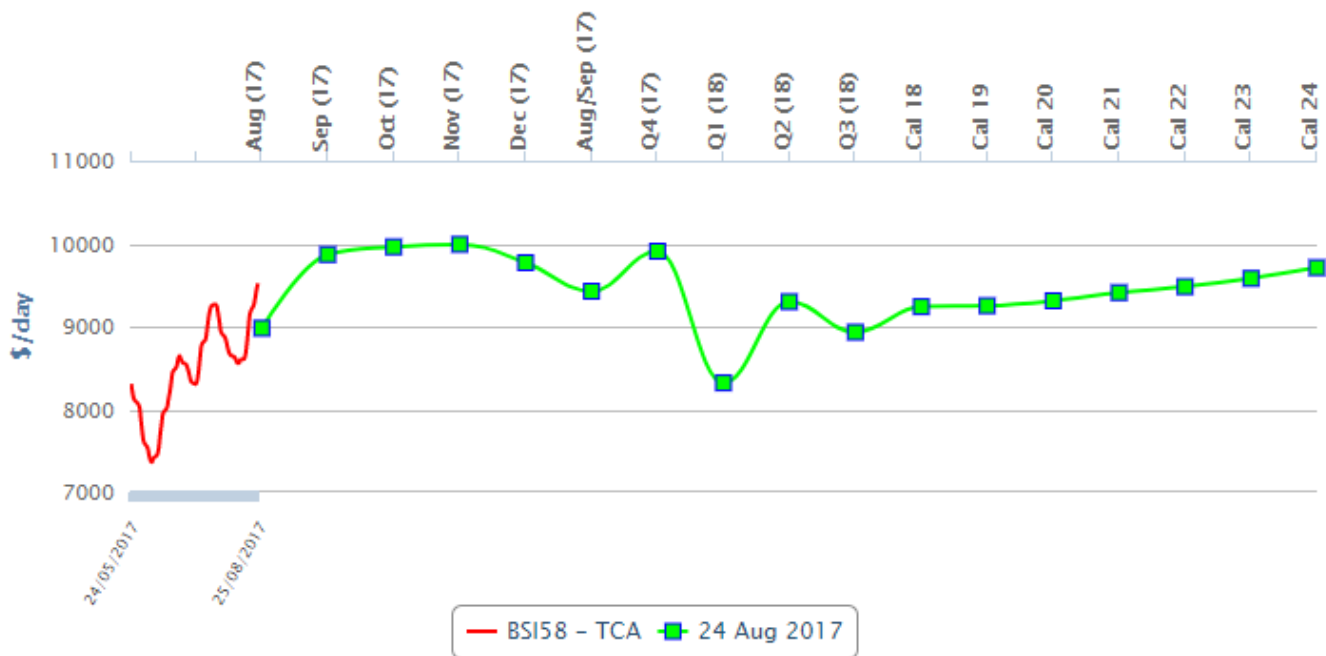
4TC-FFA



Copyright 2017 Baltic Exchange Information Services Ltd

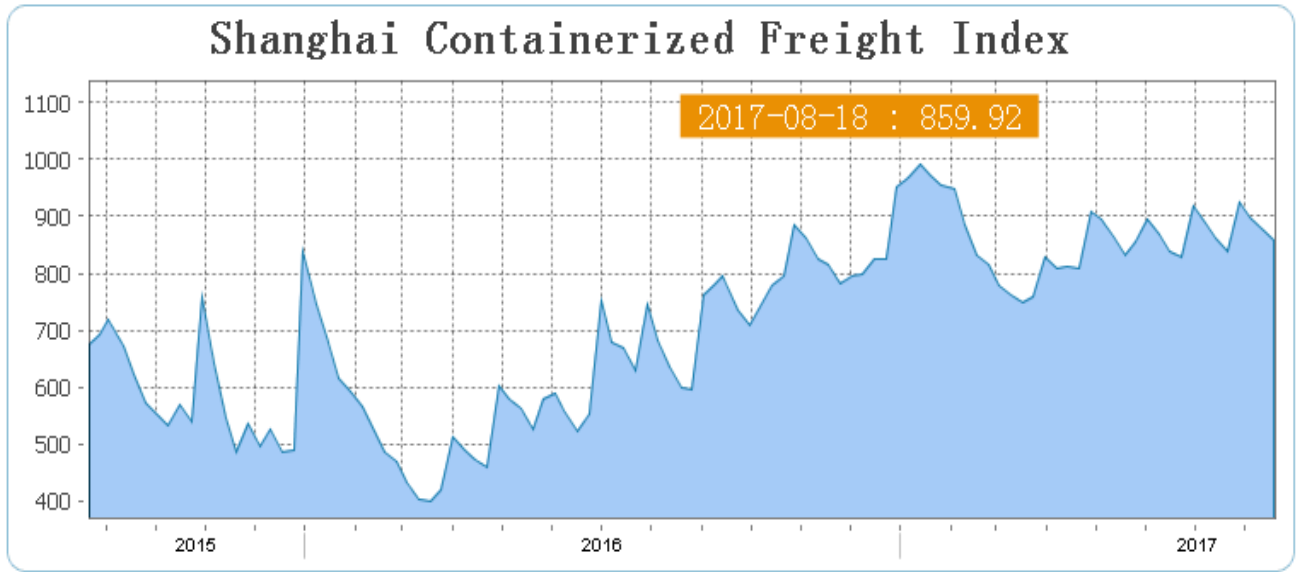
## FFA SUPRAMAX 58 for the 5 time charter routes

10TCS-FFA



Copyright 2017 Baltic Exchange Information Services Ltd

## U.S. RIVER BARGE FREIGHT



### **Current Barge Freight for Placement Last Half September 2017**

Placemen LH Septmber 2017	% of		Corn	Soybeans-Wheat
	Tariff	MT	BU	BU
Upper Mississippi	465	\$31.73	0.81	0.86
Illinois River (Pekin and South)	400	\$21.21	0.54	0.58
Mid-Mississippi	400	\$23.46	0.60	0.64
Lower Ohio	390	\$19.17	0.49	0.52
St. Louis	290	\$12.75	0.32	0.35

### **Secondary Rail Car Market for car placement period:** **Last Half September 2017.**

Secondary Rail Car Market Placement LH September 2017	BID USD	ASK USD	BID BU.	ASK BU.	BID MT	ASK MT
BNSF Shuttle Trains	\$ 400.00	\$ 800.00	\$ 0.10	\$ 0.20	\$ 3.94	\$ 7.87
UPRR Shuttle Trains	\$ 250.00	\$ 600.00	\$ 0.06	\$ 0.15	\$ 2.46	\$ 5.91

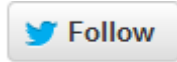
\*\* The big news out of UP Rail Road HQ in Omaha is that the UPRR will lay-off 750 employees this month. This is in reaction to lost coal and other freight business and the need to reduce costs across the system. Also note that the above freight market values have moved out to last half September and that this is a new crop harvest period.

Best Regards,

Jay

Jay O'Neil  
Senior Agricultural Economist  
IGP at Kansas State University  
and  
O'Neil Commodity Consulting  
785-410-2303 (cell)  
785-532-2868 (office)  
[joneil@ksu.edu](mailto:joneil@ksu.edu)

Follow me on Twitter @ **igpjay**



\*\*\* The information in this market report is derived from sources believed to be reliable and accurate but can not be guaranteed. Forward looking projections are never completely accurate, and these markets move quickly.  
All market data is subject to change with market conditions and Traders opinions.  
Please obtain market updates and reconfirm all values with your regular freight supplier before making any trading decisions based on this data. This message and any attachments may contain confidential or privileged information and are only for the use of the intended recipient of this message. If you are not the intended recipient, please notify the sender by return email, and delete or destroy this and all copies of this message and all attachments. Any unauthorized disclosure, use, distribution, or reproduction of this message or any attachments is prohibited and may be unlawful.  
This E-mail is covered by the Electronic Communications Privacy Act, 18 U.S.C. §§2510-2521, and is confidential.