HJ O'NEIL COMMODITY CONSULTING

Transportation and Export Report for 27 August 2020

It was a mixed and not overly exciting week in global Dry-Bulk markets. Capesize and Panamax markets rolled gently up and down all week, no hurricane winds here. By Thursday afternoon things settled at slightly better values. Markets continue to hunt for clear direction. Grain cargo demand remains supportive and vessel owners are anticipating a demand serge in September from the U.S. Grain harvest activity. Paper traders have been more active and more optimistic than physical players.

It is encouraging to see containerized grain shipments from the U.S. gradually increasing and hopefully working back towards pre-COVID and pre-Trade War levels.

BALTIC DRY-BULK PANAMAX INDEX CHANGES

Panamax Ocean Freight Indices				
27-Aug-2020	This Week	Last Week	Difference	Percent Change
P2A : Gulf/Atlantic - Japan	24127	25827	-1,700	-6.6%
P3A - PNW/Pacific - Japan	13878	13858	20	0.1%
S1C -USGULF-China-So.Japan	24386	25136	-750	-3.0%
P7- Trial- Miss. River - Qingdao	43857	43850	7	0.0%
P8- Trial- Santos - Qingdao	33064	31983	1,081	3.4%

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

Four weeks ago:	$6.15-$7.15
Three weeks ago:	$7.60-$8.50
Two weeks ago:	$8.10-$8.20
One week ago:	$7.50-$8.00
This week	$7.25- $8.50

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

Mississippi River:	(10 elevators)	2-6 days (2 facilities not currently operating)
Miss. River Mid-Stream loaders:	(6+ Rigs)	0-4 days
Texas Gulf	(5 elevators)	0-4 days
Pacific Northwest:	(9 elevators)	2-8 days

Panamax Market Spreads to Asia -China					
27-Aug-2020	PNW	GULF	Bushel Spread	MT Spread	Advantage
CORN	1.47	0.97	0.50	$19.68	Both
SOYBEANS	1.45	1.05	0.40	$15.75	PNW
OCEAN FREIGHT	$24.00	$44.00	.51-.54	$20.00	October

Recent Reported Vessel Fixtures:

** Below rates are estimates for the nearby slots. 60-90 days forward rates will be higher.

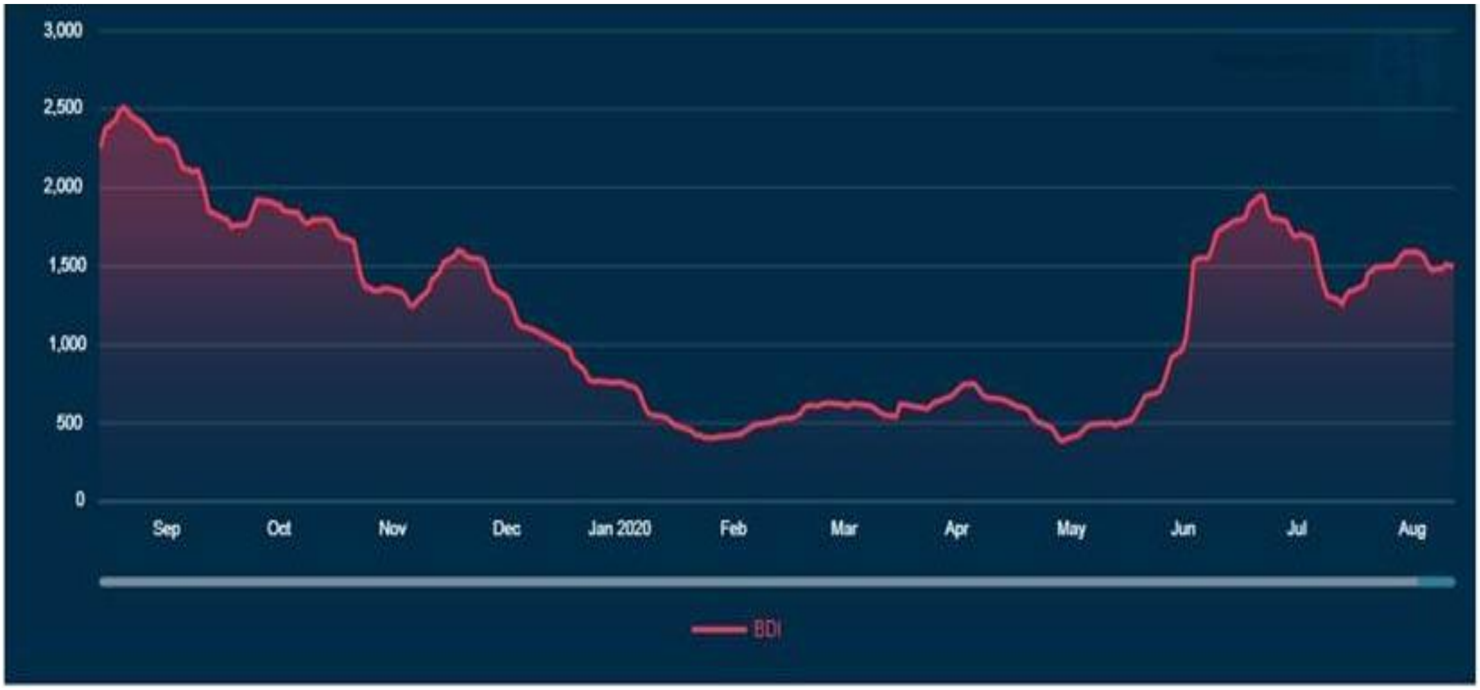
Soybean Panamax USG to Spain is running $22.00-$23.00/mt.

Soybean Brazil to Spain about $25.25-26.25/mt.

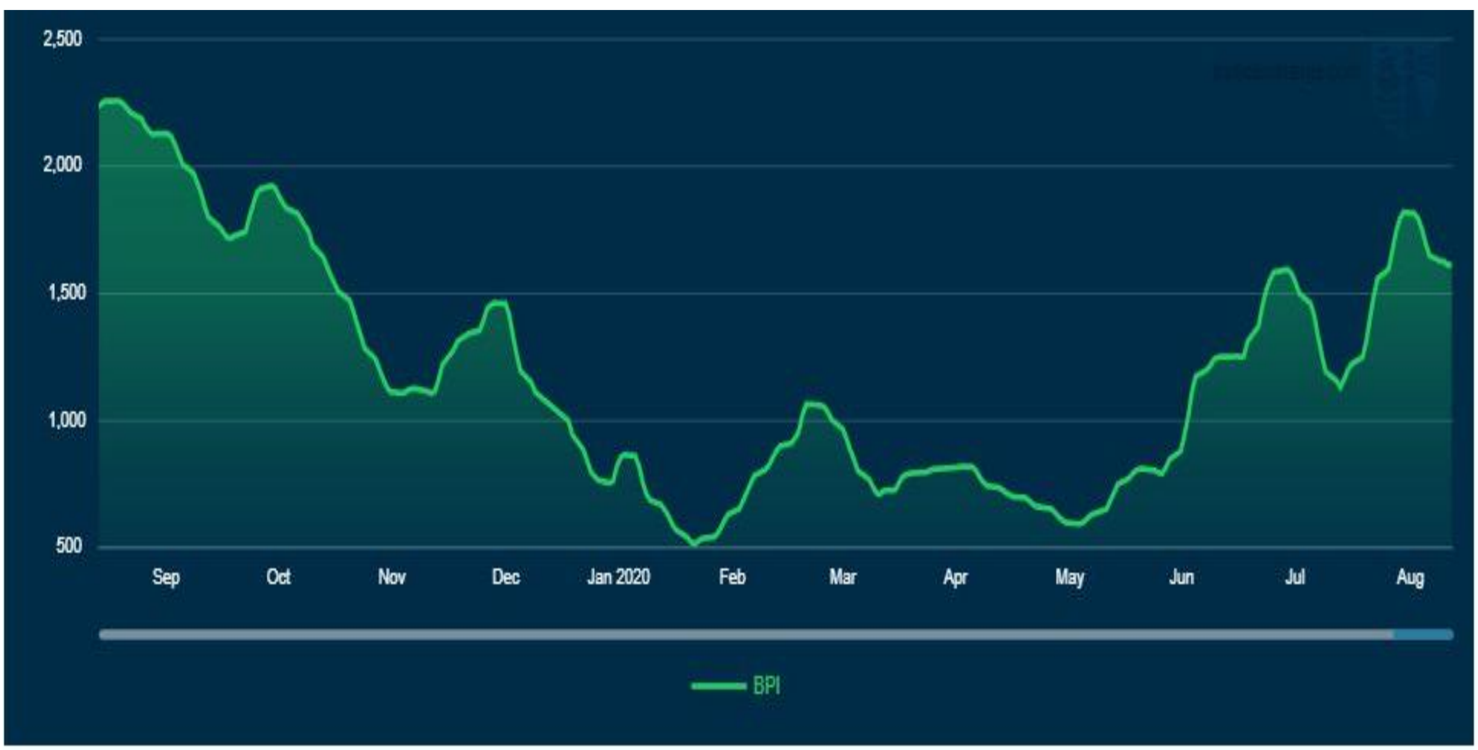
30,000 mt Corn Northern Brazil to Vera Cruz, Mexico $19.50-$21.00/mt .To U.S. E/C about $22.25-23.50/mt

Route and Vessel Size	Current Week USD/MT	Change from previous week	Remarks
55,000 U.S. Gulf-Japan	$45.00	Up $0.50	Handymax $46.50 mt
55,000 U.S. PNW- Japan	$24.75	Up $0.50	Handymax $26.00 mt
66,000 U.S. Gulf – China PNW to China	$44.00 $24.00	Up $0.50 Up $0.50	North China
25,000 U.S. Gulf- Veracruz, México	$18.00	Up $0.25	3,000 MT daily discharge rate
30-36,000+ U.S. Gulf- Veracruz, México	$15.25	Up $0.25	Deep draft and 6,000 MT per day discharge rate.
30-38,000 U.S. Gulf- Colombia	$21.00	Up $0.25	West Coast Colombia at $31.00
East Coast Colombia From Argentina	$29.75 $34.00		USG to E/C 50,000 mt at $18.00
43-45,000 U.S. Gulf - Guatemala	$29.25	Up $0.25	Acajutla/Quetzal - 8,000 out
26-30,000 U.S. Gulf – Algeria	$39.50 $41.50	Up $0.50	8,000 mt daily discharge 3,000 mt daily discharge
26-30,000 US Gulf-Morocco	$41.00	Up $0.50	5,000 discharge rate
55-60,000 U.S. Gulf –Egypt PNW to Egypt	$29.50 $29.75	Up $0.50	60,000 -55,000 mt Romania- Russia- Ukraine $15.00-$15.00 -$15.50 France $20.00
60-70,000 U.S. Gulf – Europe – Rotterdam	$20.00	Up $0.25	Handymax at +$1.75 more
Brazil, Santos – China Brazil, Santos – China Northern Coast Brazil	$33.00 $32.50 $36.00	Up $0.50	54-59,000 Supramax-Panamax 60-66,000 Post Panamax Upriver No. Brazil Plus -55,000 mt Plus $7.50/mt
56-60,000 Argentina/Rosario-China Deep Draft	$37.00	Up $0.50	Upriver with BB Top Off Plus $3.75 mt

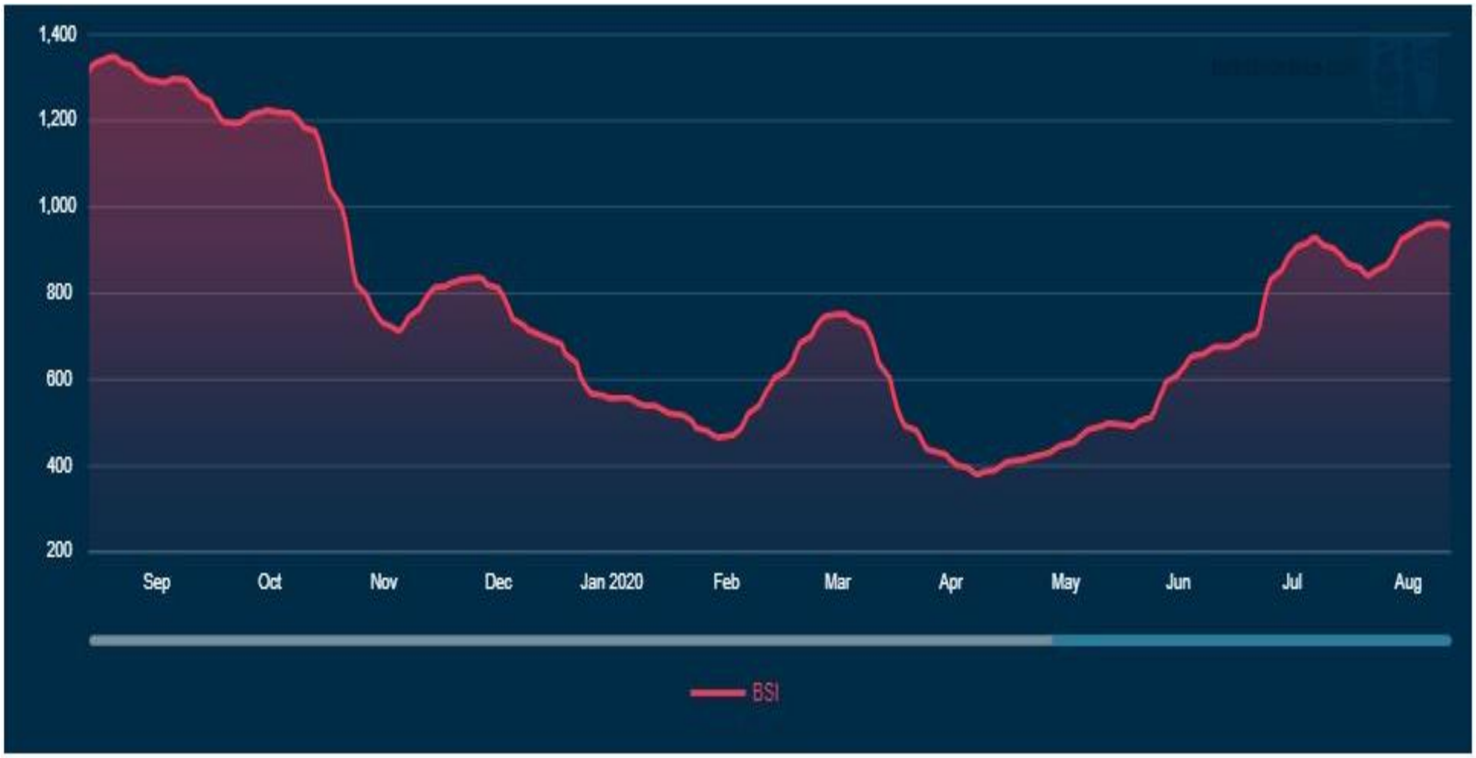
Baltic Dry Bulk Index.



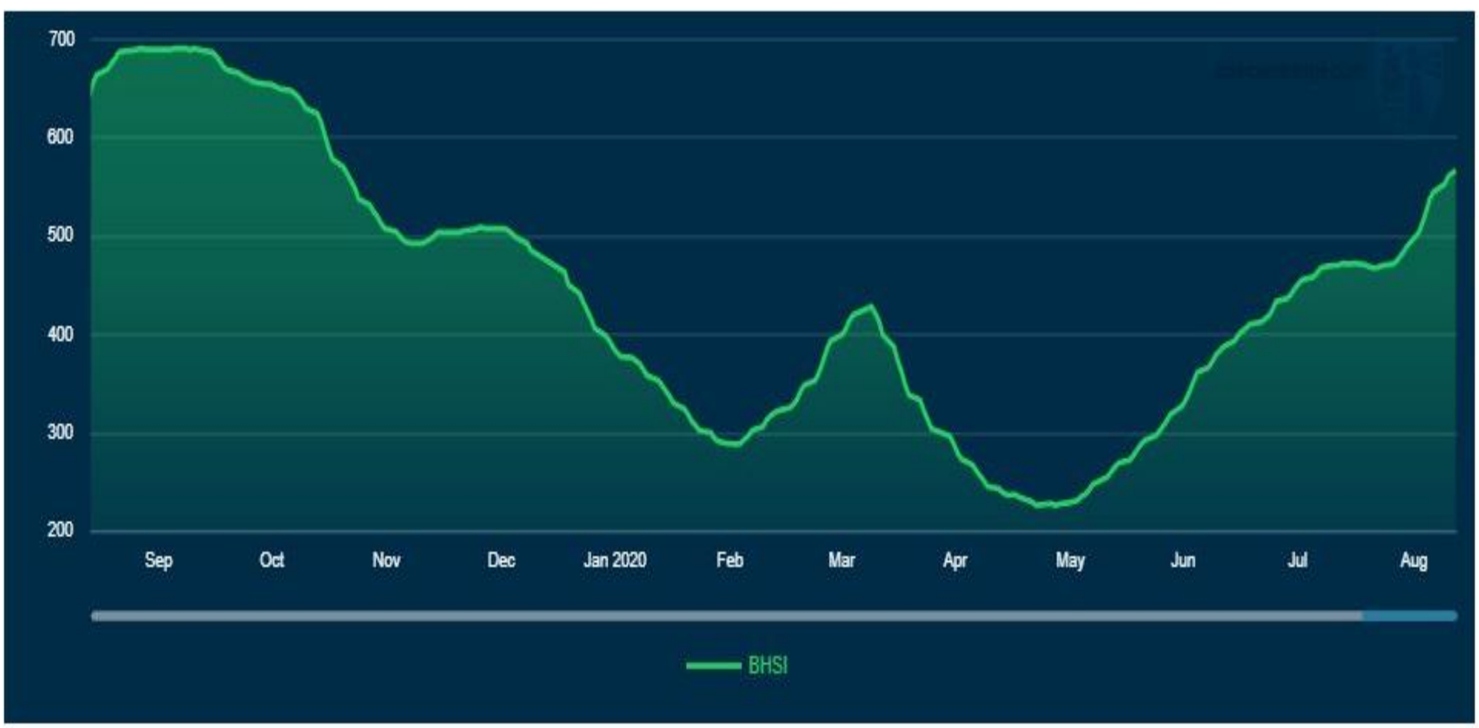
Baltic Panamax Index

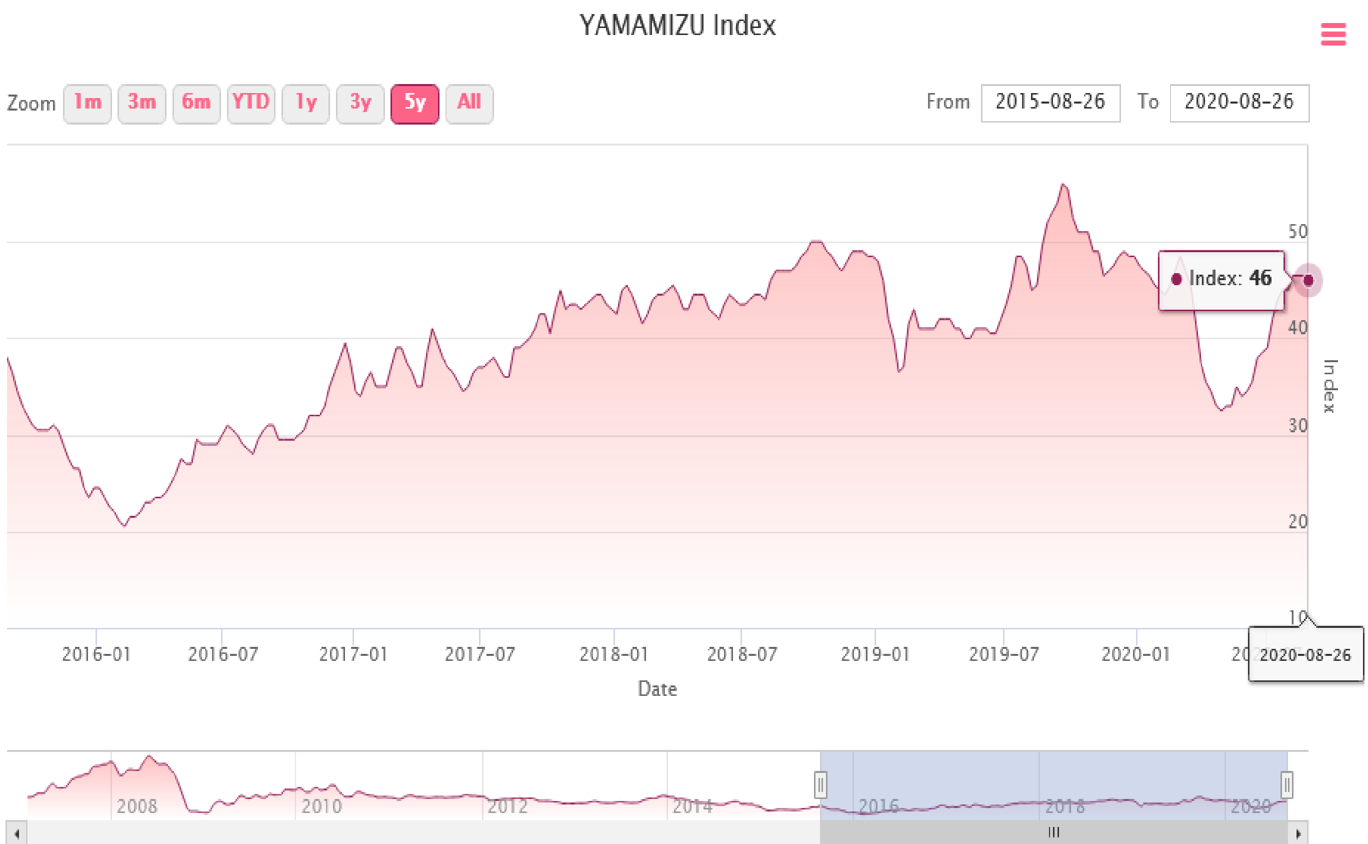


Baltic Supramax Vessel Index



Baltic Handy Size Vessel Index





China Import Dry Bulk Freight Index 2020-08-27					
Description	Size MT	Cargo/Vessel Size	Unit	Rate	Change
Composite Index			Point	890.23	1.79
Iron ore Freight Index			Point	925.41	-0.18
Dampier(West Australia)-Qingdao (China)	170000/10%	Iron ore	$/ton	8.331	-0.107
Soybean Freight Index			Point	965.4	4.51
Santos(Brazil)—North China	60000/10%	Soybean	$/ton	32.293	0.214
Tacoma(West America)—North China	60000/10%	Soybean	$/ton	23.714	0.107
Mississippi(US Gulf)—North China	66000/10%	Soybean	$/ton	43.7	0.117
Mississippi(US Gulf)—North China	55000/10%	Soybean	$/ton	45.71	0.06

27 August 2020 U.S. FOB Vessel Export Market Values:

U.S. Yellow Corn (USD/MT) FOB Vessel				
#2 YC	GULF # 2 YC		PNW # 3 YC	
Max. 14.5% moisture	BASIS	FLAT PRICE	BASIS	FLAT PRICE
Oct.	0.97	**$179.32**	1.47	**$199.00**
Nov.	0.94	**$178.14**	1.43	**$197.43**
Dec.	0.94	**$178.14**	1.44	**$197.82**
Jan.	0.77	**$175.78**	1.38	**$199.79**
Feb.	0.75	**$174.99**	1.40	**$200.58**
Mar.	0.75	**$174.99**	1.40	**$200.58**

The Gulf spread between #2 & #3 YC is currently about .03 cents per bushel (1.18/mt) at USG but is out to .12/bushel in the PNW.

SORGHUM (USD/MT) FOB VESSEL				
#2 YGS Fob Vessel	NOLA		TEXAS	
Max. 14.0% moisture	BASIS	FLAT PRICE	BASIS	FLAT PRICE
Oct.	2.70	**$247.43**	2.50	**$239.55**
Nov.	2.70	**$247.43**	2.50	**$239.55**
Dec.	2.65	**$245.46**	2.45	**$237.58**
Jan.	2.55	**$245.85**	2.35	**$237.98**
Feb.	2.60	**$247.82**	2.35	**$237.98**

Fob vessel Texas Gulf #2 Sorghum is about 141 % 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	
	Oct.	**Nov.**	**Dec.**	**Jan.**
FOB U.S. GULF	$248.29	$248.29	$248.29	$249.03
Basis	1.25	1.25	1.25	1.20
WU	5.4250			.
WZ	5.5075			
WH	5.5775			

27-Aug-2020 CME Corn Futures	Close Bushel	This Week MT.	Last Week. Bushel	Last Week. Bu. Diff.	Last Week MT	MT Diff.
Sept.	$ 3.4425	$ 135.52	$ 3.2450	0.1975	$ 127.75	$ 7.78
Dec.	$ 3.5850	$ 141.13	$ 3.3925	0.1925	$ 133.56	$ 7.58
Mar..	$ 3.6950	$ 145.46	$ 3.5225	0.1725	$ 138.67	$ 6.79
May	$ 3.7600	$ 148.02	$ 3.6025	0.1575	$ 141.82	$ 6.20
July	$ 3.8000	$ 149.60	$ 3.6600	0.1400	$ 144.09	$ 5.51
Sept.	$ 3.7800	$ 148.81	$ 3.6750	0.1050	$ 144.68	$ 4.13

CBOT December 2020 (CZ20) CORN Futures Chart –

CME/CBOT December 2020 (WZ20) SRW Wheat Futures Chart –

U.S. 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
Oct.	1.05	**$384.70**	1.45	**$399.40**
Nov.	1.07	**$385.44**	1.45	**$399.40**
Dec.	0.99	**$384.52**	1.43	**$400.69**
Jan.	0.99	**$384.52**	1.42	**$400.32**
Feb.	1.00	**$384.89**	1.43	**$400.69**
Soybean Futures				
Sept.	$ 9.3725			
Nov.	$ 9.4200			
Jan.	$ 9.4750			
Mar.	$ 9.4750			
May	$ 9.4800			
July	$ 9.5100			

U.S. SBM (USD/MT) FOB Vessel		
Fob U.S. Gulf Port	47.5 Pro. SBM	
max 12.5 % moisture	Basis	Flat Price
Oct.	25.00	**$ 355.78**
Nov.	25.00	**$ 361.73**
Dec.	26.00	**$ 362.83**
Jan.	26.00	**$ 364.82**
Feb.	27.00	**$ 365.92**
SBM Futures		
SMU	294.90	
SMV	297.70	
SMZ	303.10	
SMF	304.90	
SMH	304.90	

CME November 2020 Soybean (SX20) Futures Chart:

CME December 2020 Soybean Meal (SMZ20) Futures Chart

U.S. EXPORT STATISTICS: Report Activity as of Week Ending 13 August 2020

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 '20-21 (000 MT) (Wheat and Barley 2021/22)
Corn	88.0	44,221.4	45,600	97%	12,203.6
Sorghum	0	4,629.1	5,330	87%	1,845.1
Soybeans	212.1	47,498.0	44,910	106%	20,548.7
Wheat	555.9	11,114.1	26,540	42%	5.0
Barley	0.0	39.2	110	36%	0.0

U.S. EXPORT INSPECTIONS:

Monday's report 24 August 2020 for the Export week ending 20 August 2020

	Export Inspections		Current Market Year YTD	Previous Year to Date	2019/20 YTD as Percent of 2018/19 YTD (Wheat and Barley 2020/21 vs 2019/20)
	This Week	Previous Week			
Corn	892,031	1,075,251	41,266,727	46,814,947	88%
Sorghum	70,357	83,934	4,793,955	2,008,964	239%
Soybeans	1,150,832	924,486	42,241,831	44,451,168	95%
Wheat	569,593	494,680	6,228,505	6,039,908	103%
Barley	0	1,996	2,461	2,938	84%

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

U.S. EXPORT INSPECTIONS:

Monday's report 24 August 2020 for the Export week ending 20 August 2020

Last Week								
(Metric Tons)	YC	%	WC	%	Sorghum	%	Soybeans	%
Lakes	0	0%	0	0%	0	0%	47,914	4%
Atlantic	0	0%	0	0%	0	0%	11,804	1%
Gulf	467,987	55%	30,673	92%	70,113	100%	854,852	74%
PNW	226,598	26%	0	0%	0	0%	134,060	12%
Interior Export Rail	163,982	19%	2,791	8%	244	0%	102,202	9%
Metric Tons	858,567		33,464		70,357		1,150,832	

Sorghum Shipments:	metric tons	
	56,333	China Main
	14,000	Sudan
	24	Mexico
	70,357	Total

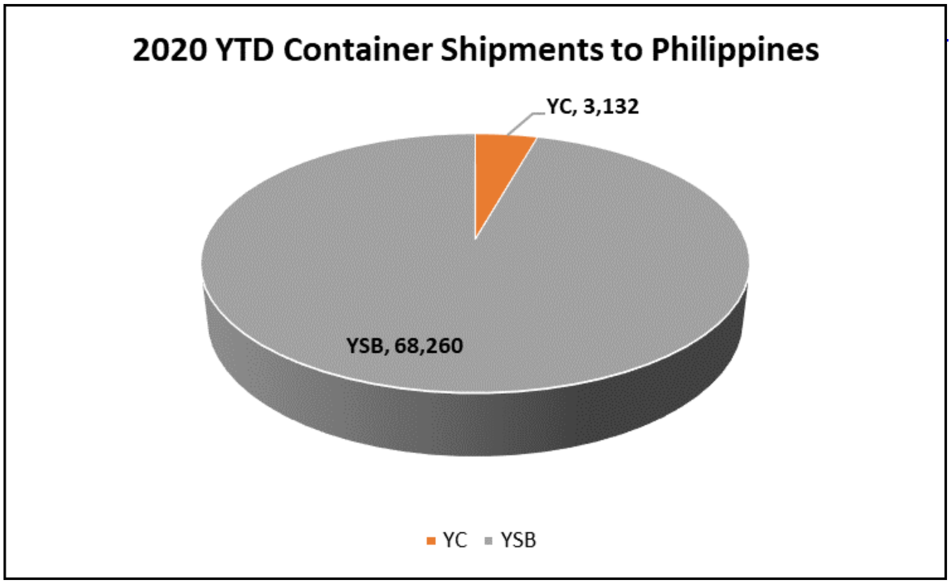
White Corn Shipments:	metric tons	
	33,464	Mexico
	33,464	Total

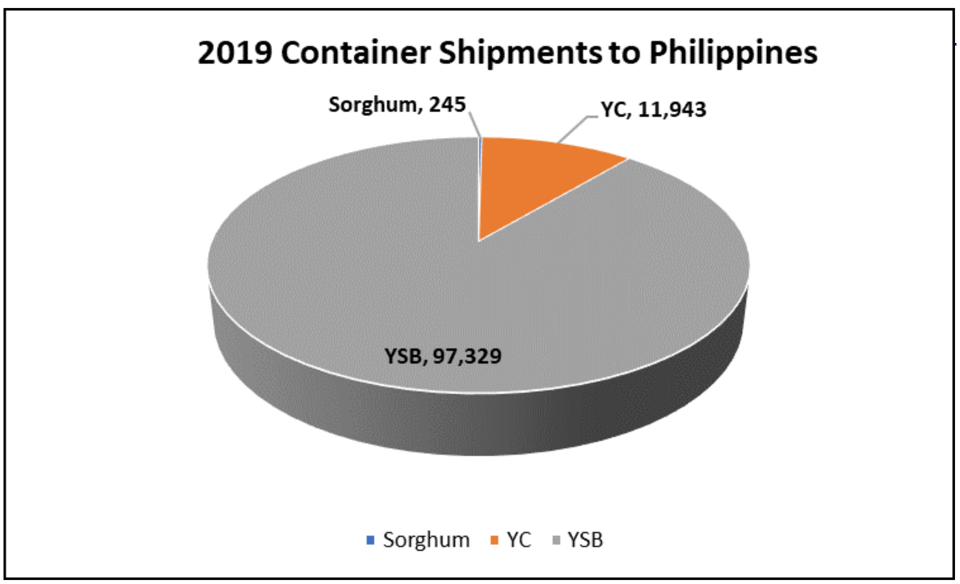
Export Inspection Highlights

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:			20-Aug-2020						
Last Week	metric tons								MT
	YC	WC	YSB	SRW	NS	SWH	HRW	Sorghum	TOTAL
China Main	122		5,926					220	6,268
China T	9,425		7,883	465					17,773
Hong Kong	807								807
Costa Rica									0
Indonesia			21,935						21,935
French Poly									0
Japan			440						440
Korea Rep.	220		1,029						1,249
Nepal									0
Malaysia			6,049						6,049
El Salvador									0
Philippines			465						465
Thailand			4,408						4,408
Cambodia			343						343
Singapore									0
Bangladesh									0
Burma			636						636
Vietnam			7,320						7,320
Sub Total:	**10,574**	**0**	**56,434**	**465**	**0**	**0**	**0**	**220**	**67,693**
USDA Corrections/Additions to previous reports:									
China T	72		808						880
China Main	2,180								2,180
Hong Kong	122								122
Korea Rep.									0
Cambodia			245						245
Japan			122						122
Philippines									0
Indonesia			6,880						6,880
Malaysia	490		465						955
Thailand									0
Vietnam			24						24
Jordan									0
Nigeria									0
Sub Total:	2,864	0	8,544	0	0	0	0	0	11,408
Mt. Grand Total	**13,438**	**0**	**64,978**	**465**	**0**	**0**	**0**	**220**	**79,101**
Number of Containers	584	0	2,825	20	0	0	0	10	

[Jan - Dec 2019 Annual Totals versus 2020 Jan.-Dec. YTD Total Container Shipments (in MT)]





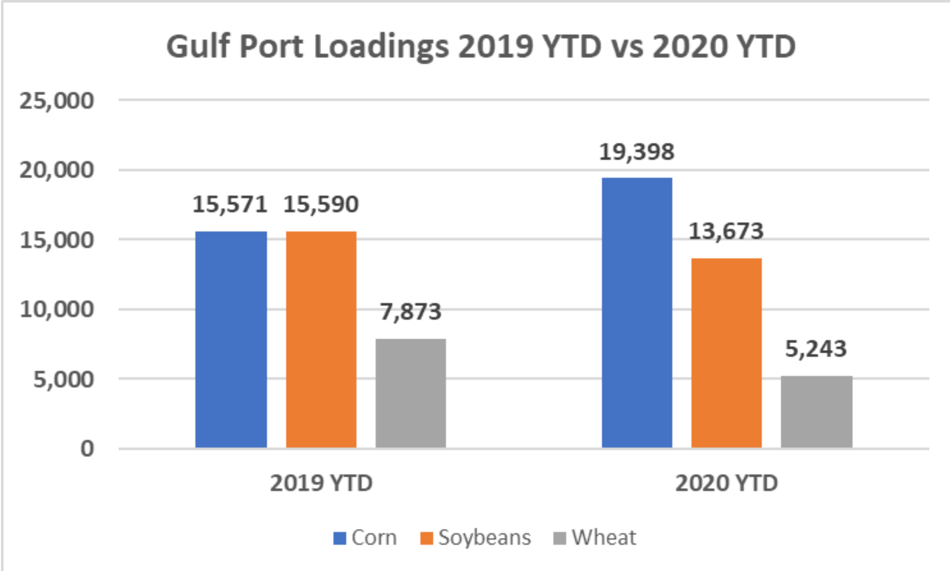
Grain Inspections for Export by U.S. Port Regions:
U.S. Gulf and Pacific Northwest 2019 YTD vs. 2020 YTD

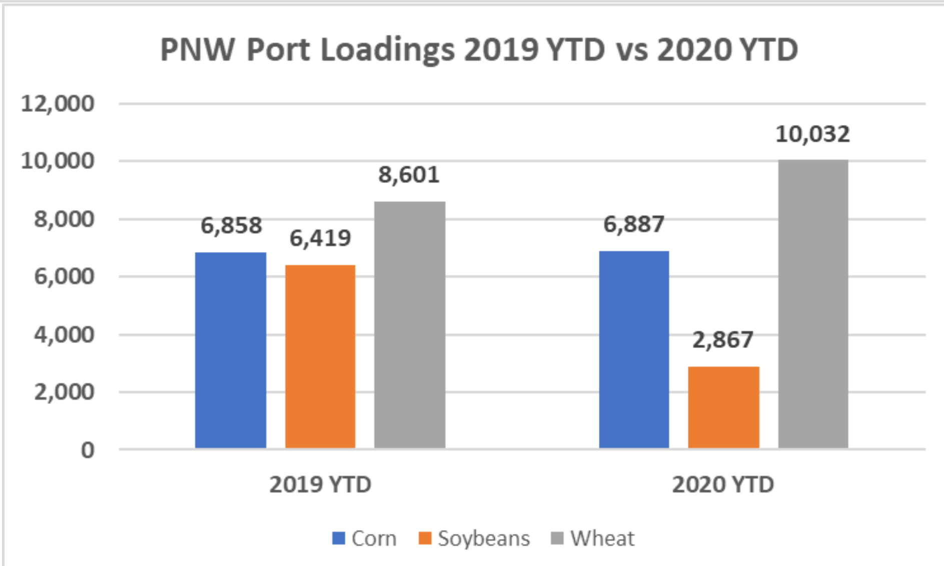
PORT LOADINGS US Gulf				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
GULF				
2019 YTD	15,571	15,590	7,873	39,034
2020 YTD	19,398	13,673	5,243	38,314
2020 as % of 2019	125%	88%	67%	98%

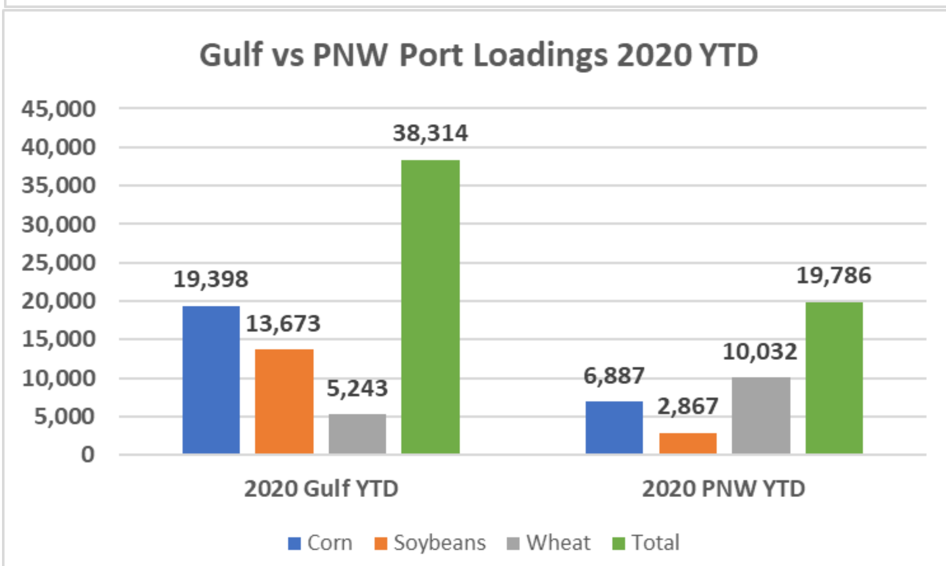
PORT LOADINGS US PNW				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
PNW				
2019 YTD	6,858	6,419	8,601	21,878
2020 YTD	6,887	2,867	10,032	19,786
2020 as % of 2019	100%	45%	117%	90%

PORT LOADINGS GULF vs. PNW				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
2020 Gulf YTD	19,398	13,673	5,243	38,314
2020 PNW YTD	6,887	2,867	10,032	19,786
TOTAL	26,285	16,540	15,275	58,100
Gulf Percentage	74%	83%	34%	66%
PNW Percentage	26%	17%	66%	34%

Grain Inspections for Export by U.S. Port Regions (1,000MT):
U.S. Gulf and Pacific Northwest 2019 YTD vs. 2020 YTD

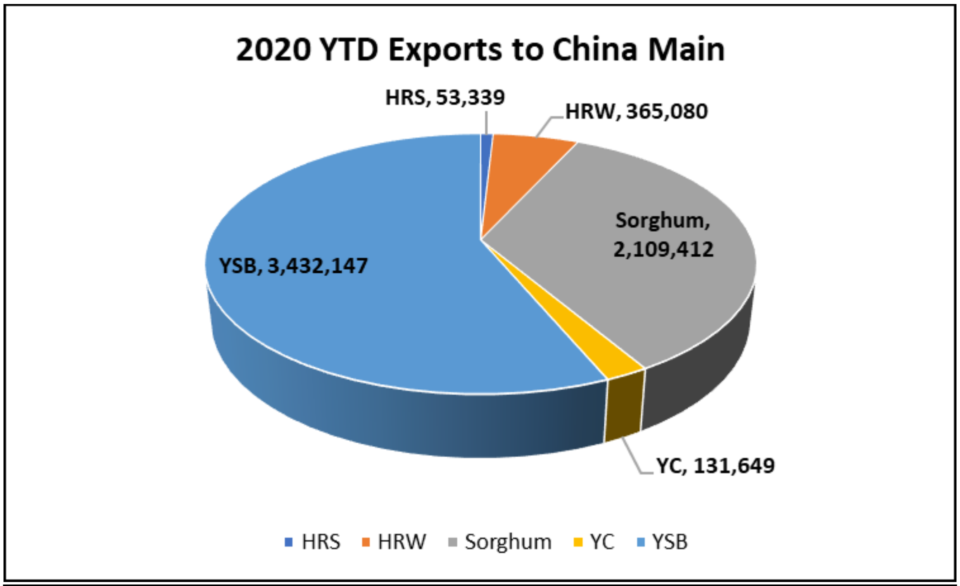


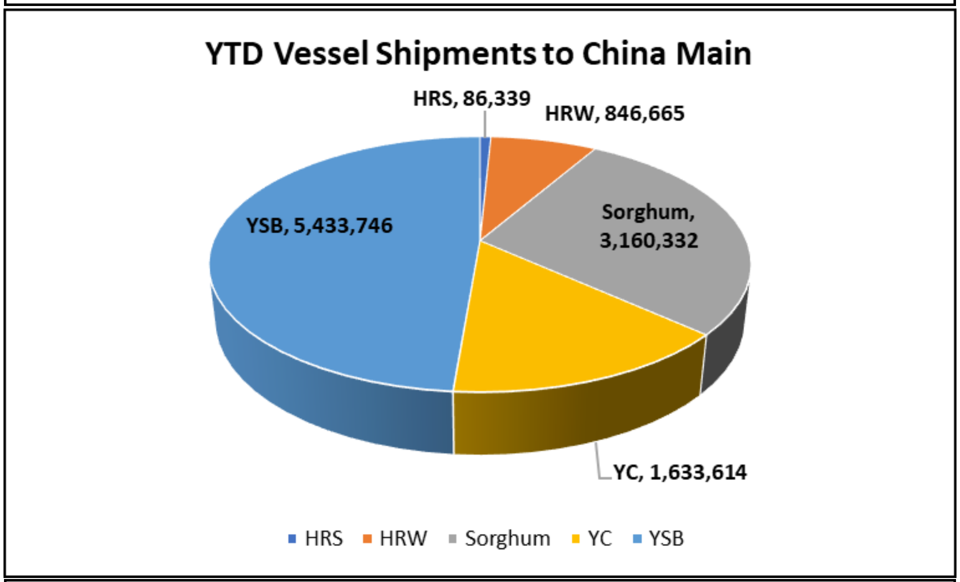


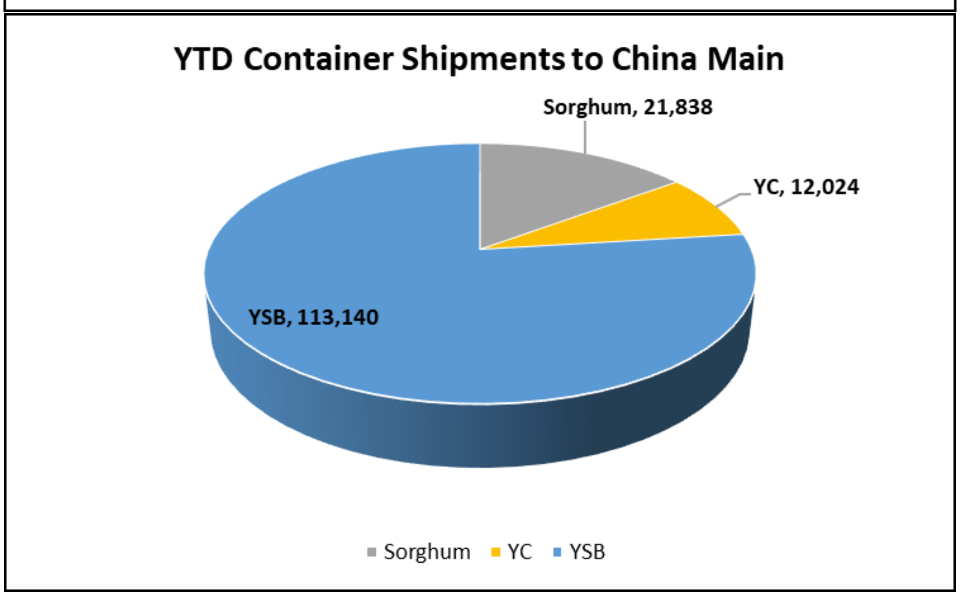


Source: USDA-data

2020 YTD Total Grain Exports reported by USDA (in MT)

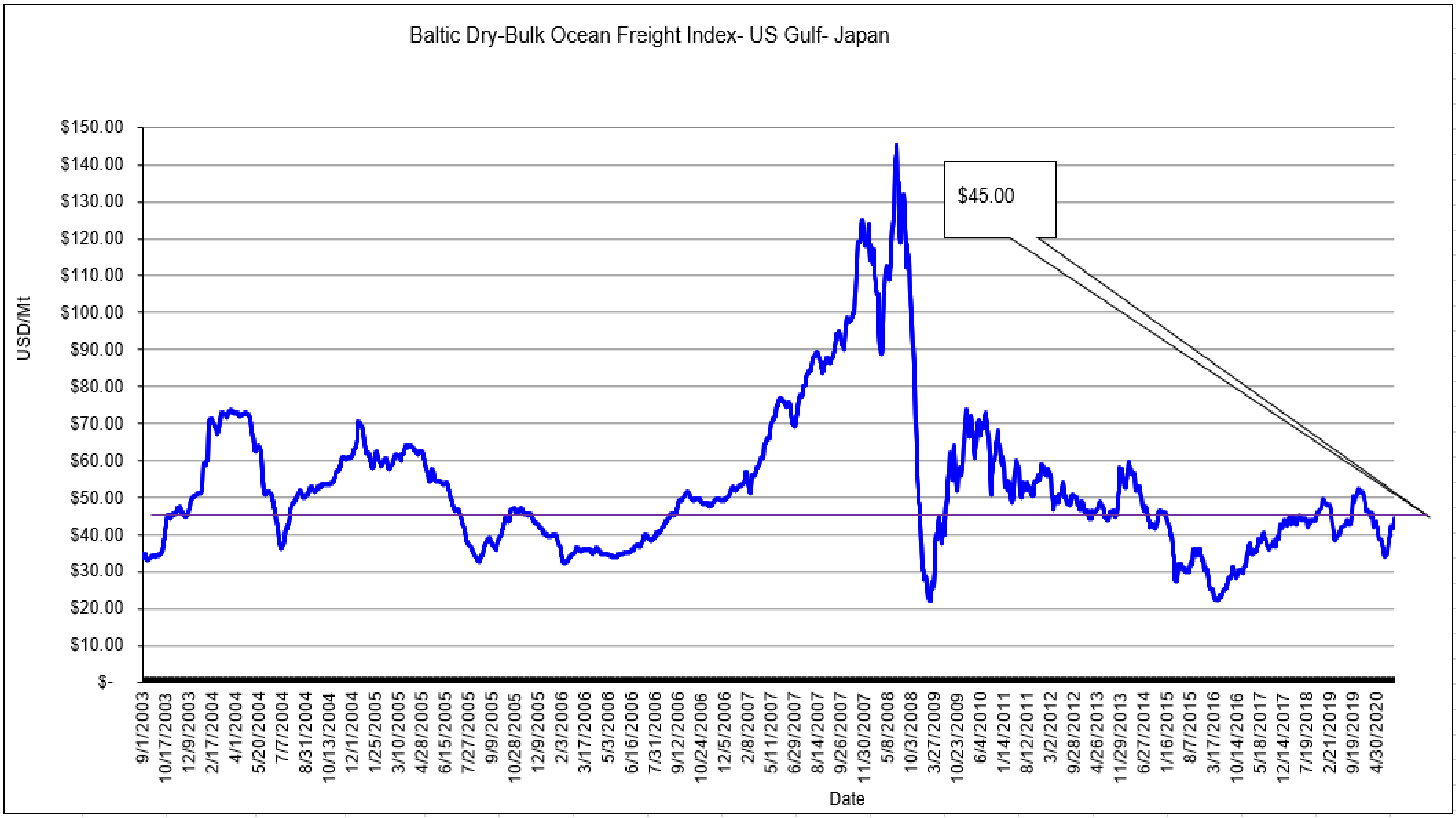






*Please keep in mind that USDA does not report DDGS sales

Shipping News



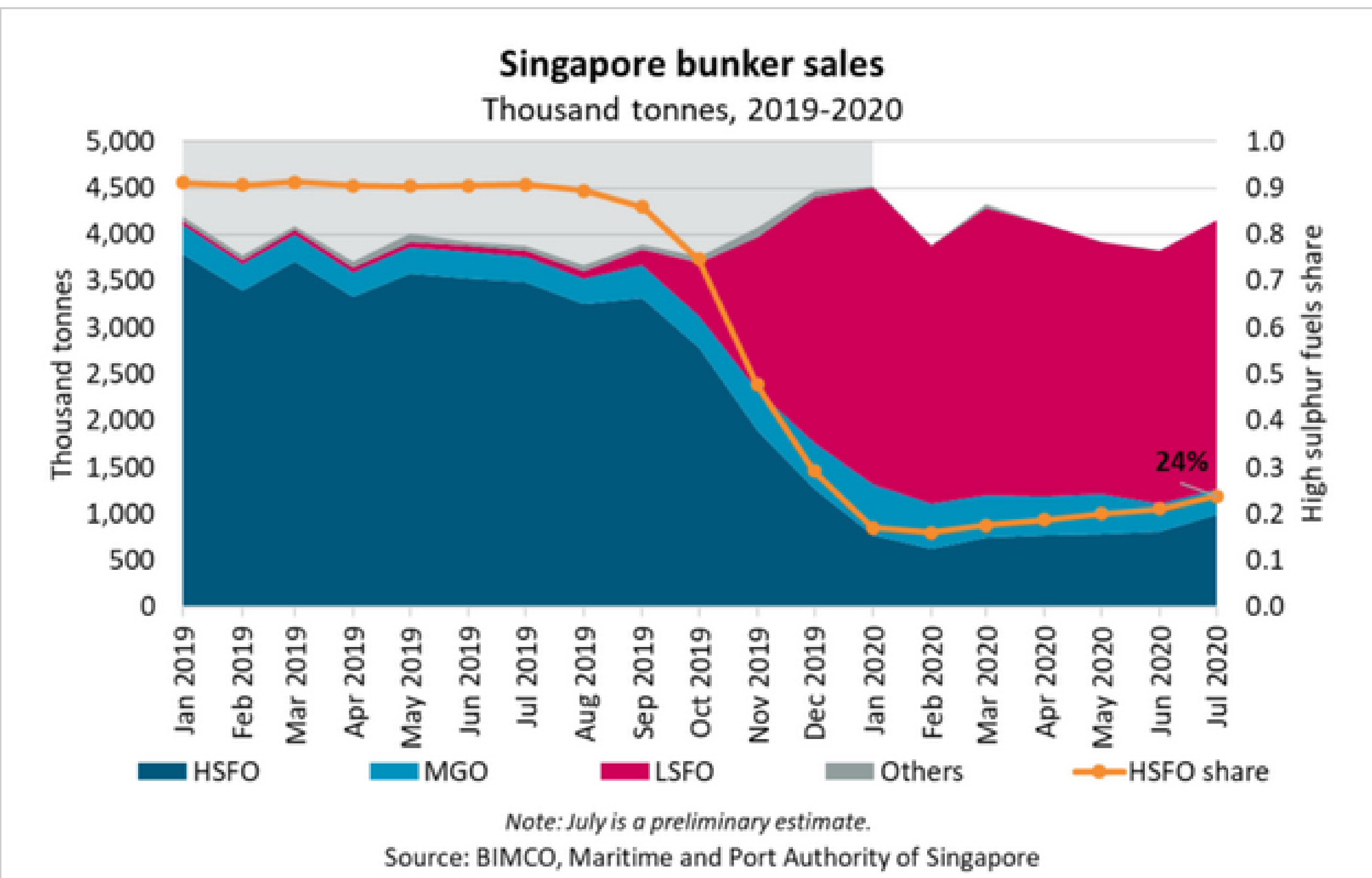
Do you think the U.S. Navy would let me captian their smallest war ship ?

Shipping number of the week: High-sulphur fuel oil sales reach 24% of total in Singapore

in International Shipping News 26/08/2020

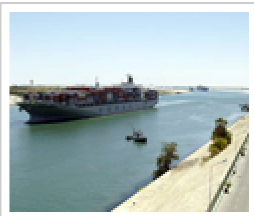
Nearly a quarter of total bunker sales in Singapore refuelled scrubber-fitted ships with high-sulphur fuel oil (HSFO) in July, thereby reaching the highest level of HSFO sales so far in 2020 with 24% of total bunker sales – or 988,000 tonnes.

Despite overall uncertainty in the markets, and low demand for shipping, total bunker sales in Singapore reached a four-months high in July. The month showed a 7% growth in total bunker sales compared with the same period last year, and 8.5% growth from last month, with total July bunker sales reaching 4,157.7 thousand tonnes.



Suez canal Chairman Says 12,000 Ships Crossed The Waterway Since January

in Port News 26/08/2020



Chairman of the Suez Canal Authority Osama Rabie revealed in a phone-in Monday a number of figures.

Rabie stated that the number of ships that crossed the waterway since January has reached 12,000, and that a large ship would pay $1 million to cross the international waterway.

As for the gains of digging a parallel canal in 2015, Rabie said that one ship can now carry up to 26,000 containers. He added that the authority covered the costs of the digging four months after the new canal's inauguration.

The Suez Canal chairman said that the upgrade of 16 surveillance stations is underway, and will be over in September.
Source: Egypt Today

Chris Dier @chrisdier · 4h

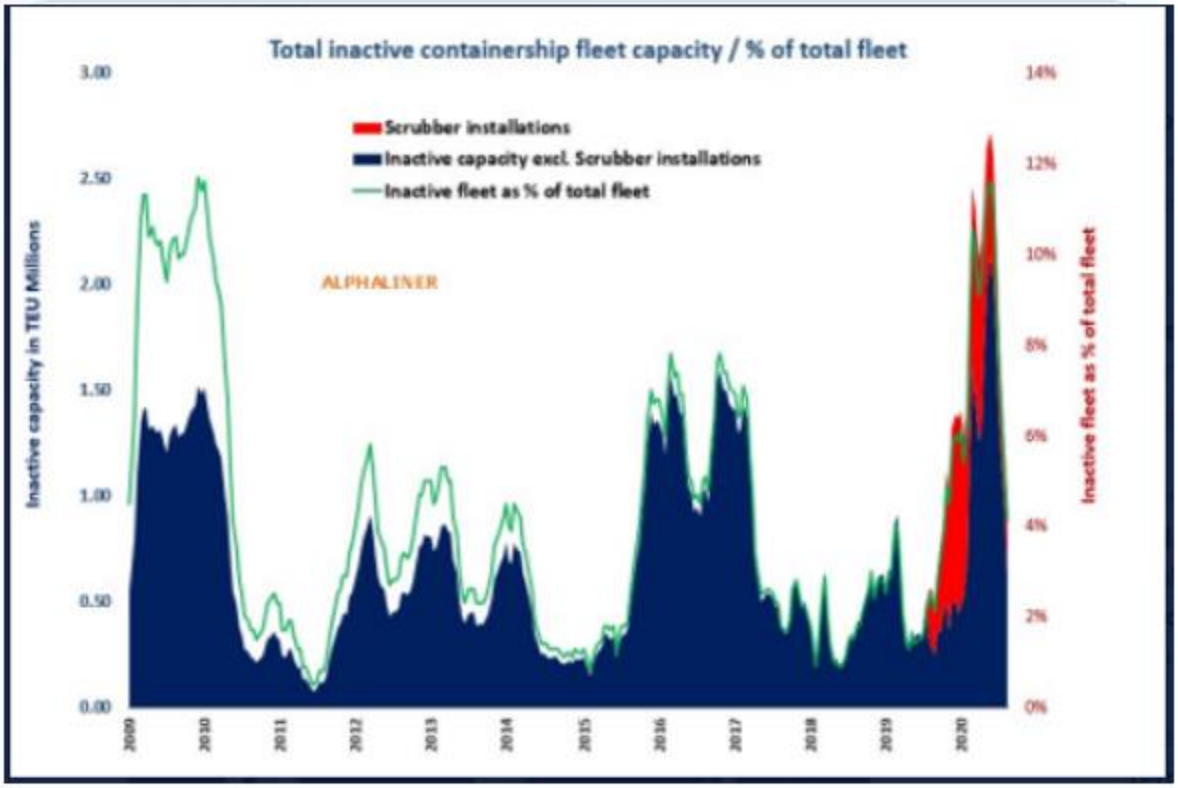
Hurricane Laura is forcing the Mississippi to follow north instead of south. Barges are now having to fight these tides as they go downriver. Surreal.

Show this thread

4 477 788

Mike King @mikeking121 · 1h

The Inactive #container ship fleet is now, finally, below the 1m TEU mark (see Alphaliner chart) as carriers have added capacity in response to rebounding trans-Pac and Asia-Europe demand. As Hapag Lloyd CEO Rolf Habben Jensen notes, markets are now normalising.

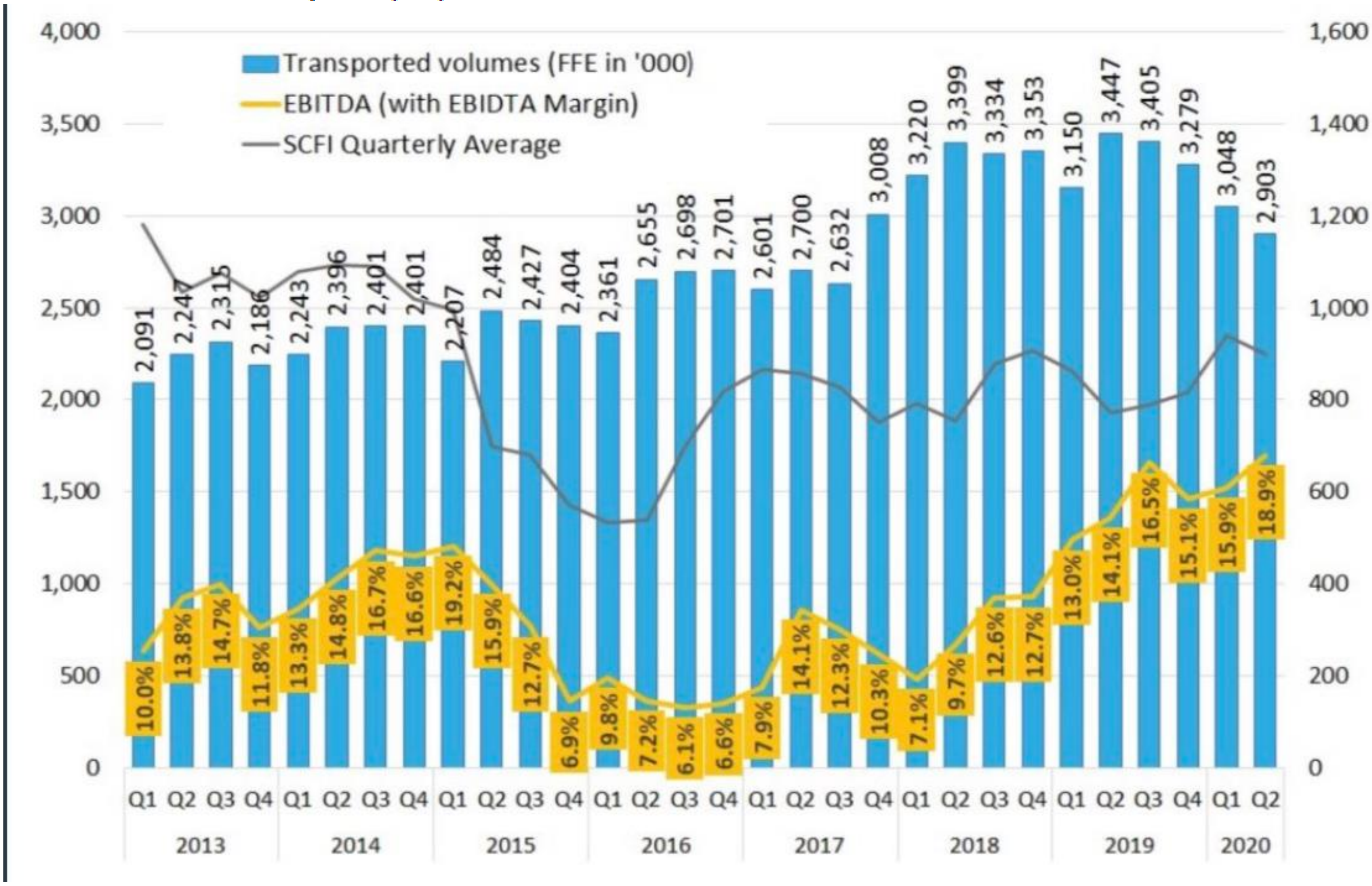


SSY Online @SSYOnline · 1h

A number of tanker owners have confirmed scrubber fitting deferrals in order to preserve cashflow or because they wanted to take advantage of the elevated freight rates from March to May, so delaying going into dry dock. bit.ly/31bReFR

Olaf Merk @o_merk · 4h

Maersk's EBITDA margin highest since first quarter of 2015. Crisis? Which crisis? Figure by Alphaliner



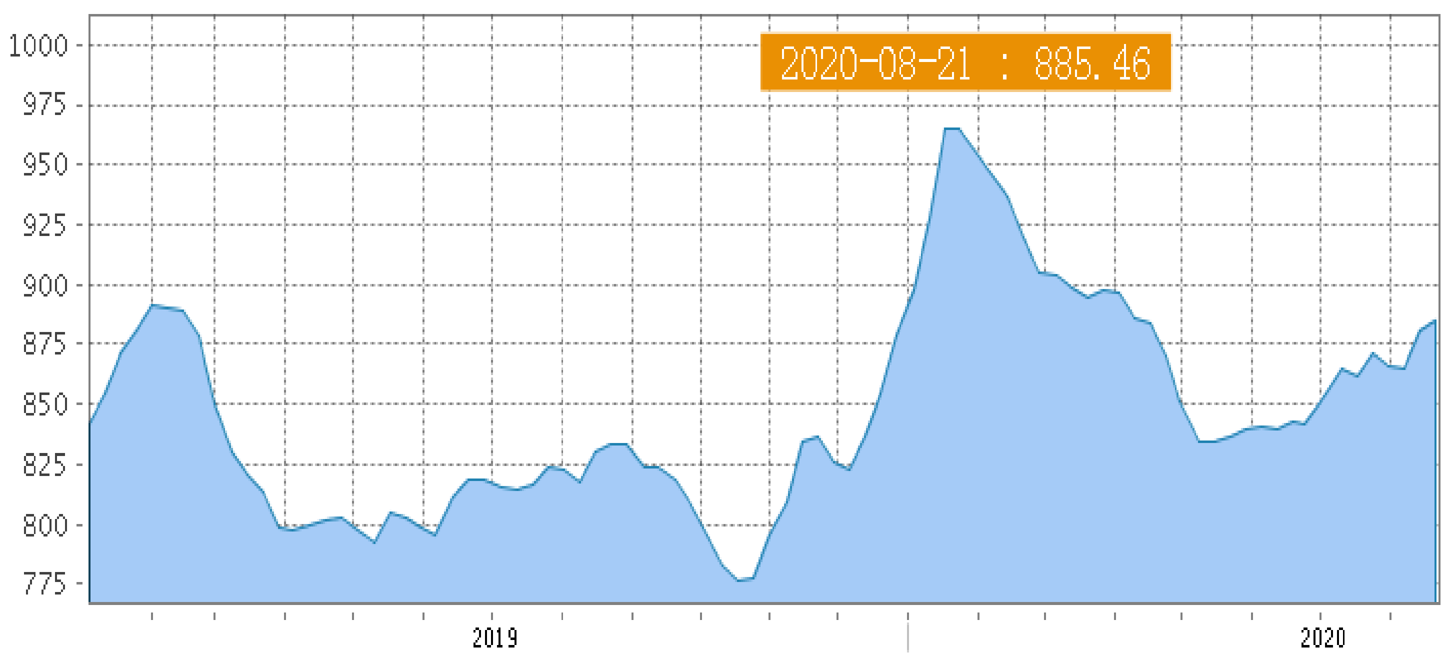
Jay O'Neil @IGPJay · 30m

Replying to @essexpeasant

Can't state that bread prices will not rise, but it will certainly Not be due to the price of wheat. Although that is always used as a poor excuse. Estimates are that a $1.50-$2.00 loaf of pan bread contains about 6-9 cents of direct wheat cost.

China Import Dry Bulk Freight Index

China Containerized Freight Index

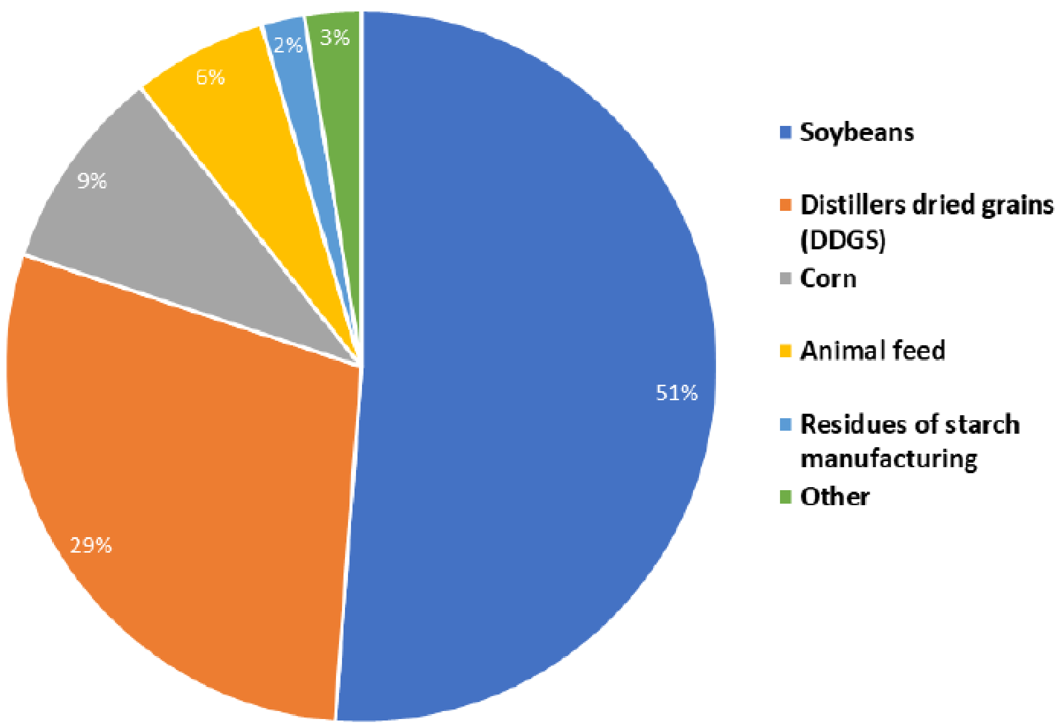


Wayne Cleveland @waynetim · 15h

Big day for #sorghum as the first ever shipment (1 of 4) loads to leave the Port of Brownsville for China! Basis improvement across Texas! Cheers to WestPlainsLLC for getting it done! @USGC @SorghumCheckoff @SorghumGrowers @TexasSorghum all playing major roles to build mkts

4 24 95

Figure 2: Top Five U.S. Containerized Grain Exports in Metric Tons



Source: USDA, Agricultural Marketing Service analysis of IHS Markit/PIERS.

U.S. RIVER BARGE FREIGHT
Current Barge Freight for Placement Last Half September 2020

Placement LH September 2020	% of		Corn	Soybeans-Wheat
	Tariff	MT	BU	BU
Upper Mississippi	500	$34.12	0.87	0.93
Illinois River (Pekin and South)	Closed	$ -	0.00	0.00
Mid-Mississippi	475	$27.86	0.71	0.76
Lower Ohio	485	$23.84	0.61	0.65
St. Louis	400	$17.59	0.45	0.48

Secondary Rail Car Market for car placement period: Last Half September 2020.

Secondary Rail Car Market Placement LH. September 2020	BID USD	ASK USD	BID BU.	ASK BU.	BID MT	ASK MT
BNSF Shutle Trains	$ 1,000.00	$ 1,600.00	$ 0.25	$ 0.40	$ 9.84	$ 15.75
UPRR Shuttle Trains	$ 600.00	$ 1,000.00	$ 0.15	$ 0.25	$ 5.91	$ 9.84

Best Regards,

Jay

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