

Transportation and Export Report for 29 August 2019

Ocean Freight Insights and Comments:

Dry-Bulk markets continued to inch their way upward this week. It has been an up and down, back in forth path, but the net market gains have been averaging close to 2-4 percent per week over the past few months, and that is creating meaningful increases in physical rates. Serious concerns remain regarding global cargo demand growth due to the tariff wars but the markets also know that some compensation for increased IMO 2020 compliance is needed to stave off financial destruction.

And, yes, we continue to see a widening between Dry-Bulk and Container freight rates.

BALTIC DRY-BULK PANAMAX INDEX CHANGES

Panamax Ocean Freight Indices				
29-Aug-19	This Week	Last Week	Difference	Percent Change
P2A : Gulf/Atlantic - Japan	29614	28889	725	2.5%
P3A - PNW/Pacific - Japan	16025	14962	1,063	7.1%
S1C -USGULF-China-So.Japan	29628	28745	883	3.1%
P7- Trial- Miss. River - Qingdao	50978	50635	343	0.7%
P8- Trial- Santos - Qingdao	41603	40155	1,448	3.6%

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

Four weeks ago:	\$9.50-\$10.40
Three weeks ago:	\$9.30-\$11.15
Two weeks ago:	\$9.70-\$10.00
One week ago:	\$8.65-\$9.65
This week	\$10.25- \$10.55

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

Mississippi River:	(10 elevators)	2-11days (2 facilities not currently operating)
Miss. River Mid-Stream loaders:	(6+ Rigs)	2-7 days
Texas Gulf	(5 elevators)	0-8 days (only 1 over 4 days)
Pacific Northwest:	(9 elevators)	0-14 days (only 2 facilities over 5days)

Panamax Market Spreads to Asia -China					
29-Aug-19	PNW	GULF	Bushel Spread	MT Spread	Advantage
CORN	0.87	0.50	0.37	\$14.57	PNW
SOYBEANS	0.60	0.36	0.24	\$9.45	PNW
OCEAN FREIGHT	\$28.75	\$51.25	.57-.61	\$22.50	October

Recent Reported Vessel Fixtures:

Soybean Panamax USG to Spain is running \$25.00/mt.

Soybean Brazil to Spain at about \$28.00/mt.

30,000 mt Corn Northern Brazil to Vera Cruz, Mexico \$21.75-\$22.25/mt .To U.S. E/C about \$24.75-25.25/mt

Route and Vessel Size	Current Week USD/MT	Change from previous week	Remarks
55,000 U.S. Gulf-Japan	\$51.75	Up \$0.75	Handymax \$51.75 mt
55,000 U.S. PNW- Japan	\$29.75	Up \$0.75	Handymax \$29.75 mt
66,000 U.S. Gulf – China PNW to China	\$51.25 \$28.75	Up \$0.75 Up \$1.00	North China
25,000 U.S. Gulf- Veracruz, México	\$18.75	Up \$0.25	3,000 MT daily discharge rate
30-35,000+ U.S. Gulf- Veracruz, México	\$16.00	Up \$0.25	Deep draft and 6,000 MT per day discharge rate.
25/37,000 U.S. Gulf- <u>East Coast Colombia</u> From Argentina	\$22.00 \$32.50	Up \$0.25	<u>West Coast Colombia at \$30.25</u>
43-45,000 U.S. Gulf - Guatemala	\$29.75	Up \$0.25	Acajutla/Quetzal - 8,000 out
26-30,000 U.S. Gulf – Algeria	\$37.25 \$38.25	Up \$0.25	8,000 mt daily discharge 3,000 mt daily discharge
26-30,000 US Gulf-Morocco	\$38.75	Up \$0.25	5,000 discharge rate
55-60,000 U.S. Gulf –Egypt PNW to Egypt	\$32.50 \$32.75	UP \$0.50	60,000 -55,000 mt Romania- Russia- Ukraine \$19.00 -\$17.00 -\$18.00 (France \$21.50-\$22.00)
60-70,000 U.S. Gulf – Europe – Rotterdam	\$21.00	Up \$0.25	Handymax at +\$1.75 more
Brazil, Santos – China Brazil, Santos – China Itacoatiara-Port Upriver North Brazil	\$40.75 \$41.25 \$42.50	Up \$0.50	54-59,000 Supramax-Panamax 60-66,000 Post Panamax 60-66,000 mt
56-60,000 Argentina/Rosario- China Deep Draft	\$43.50	Up \$0.50	Upriver with BB Top Off \$48.25

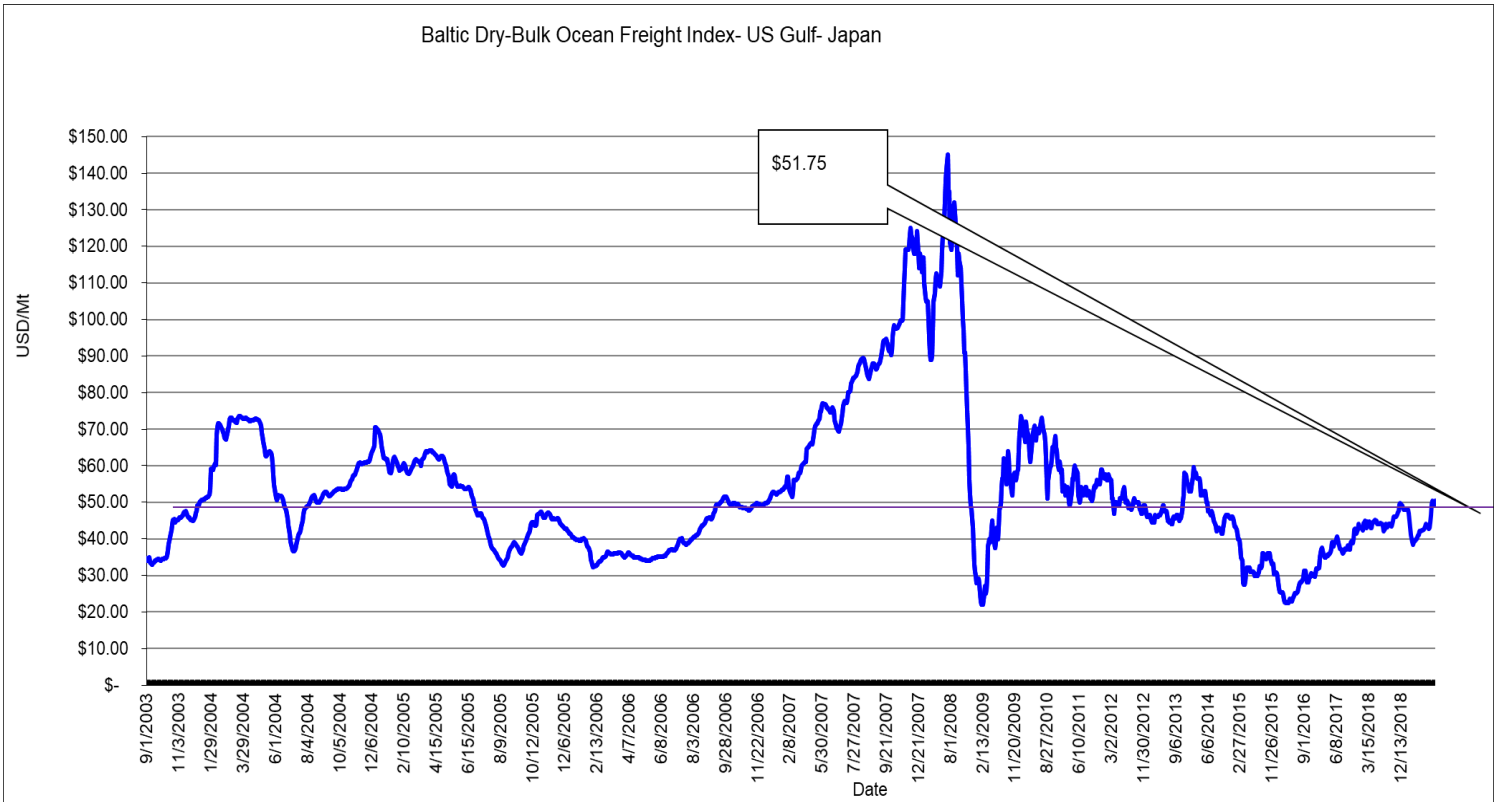
- The above rate estimates reflect the 30-45-day forward ocean freight markets.

Nautical Miles: To Xiamen China (South China)

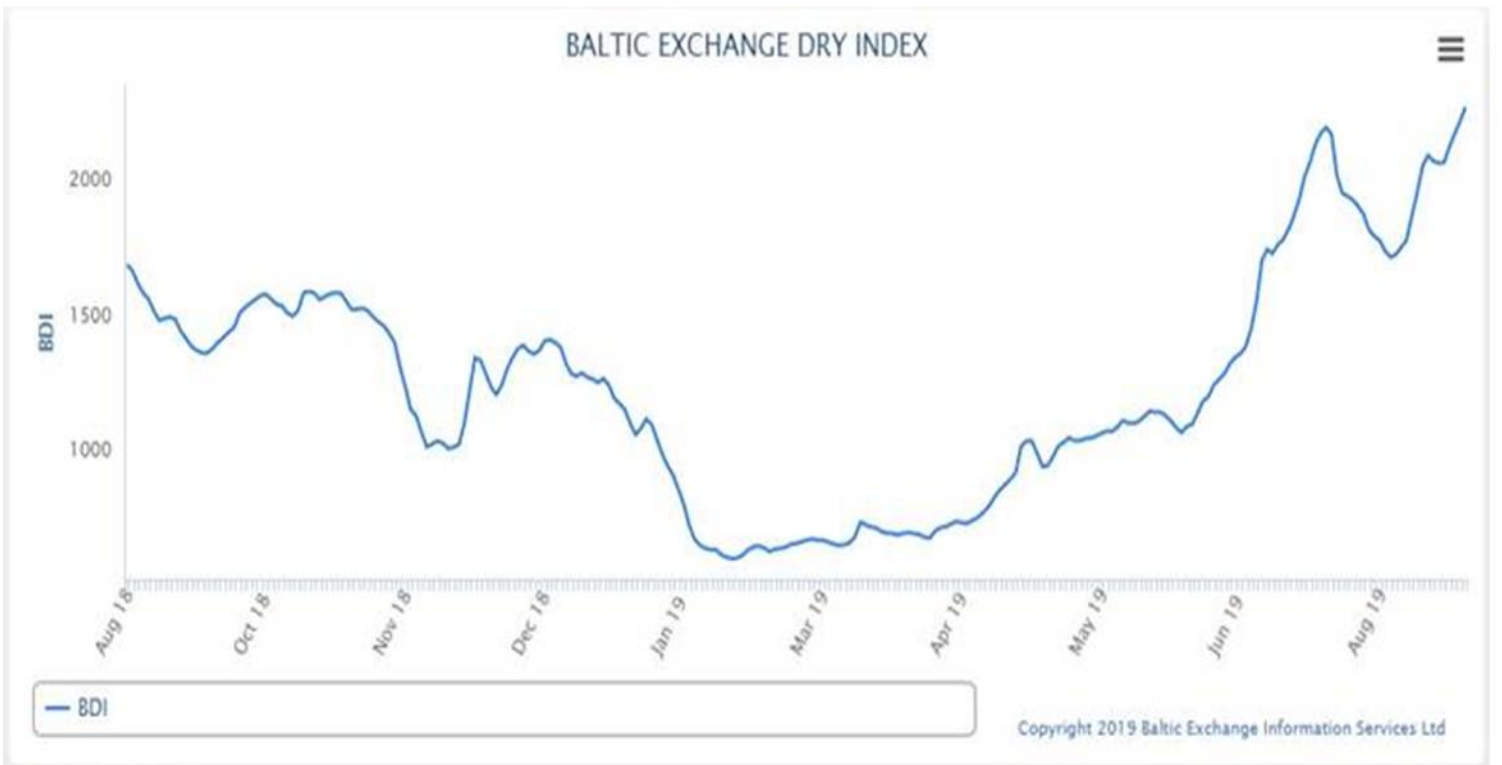
US Gulf (NOLA) (via Panamá Canal) – 10,232 nautical miles (32 days)

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

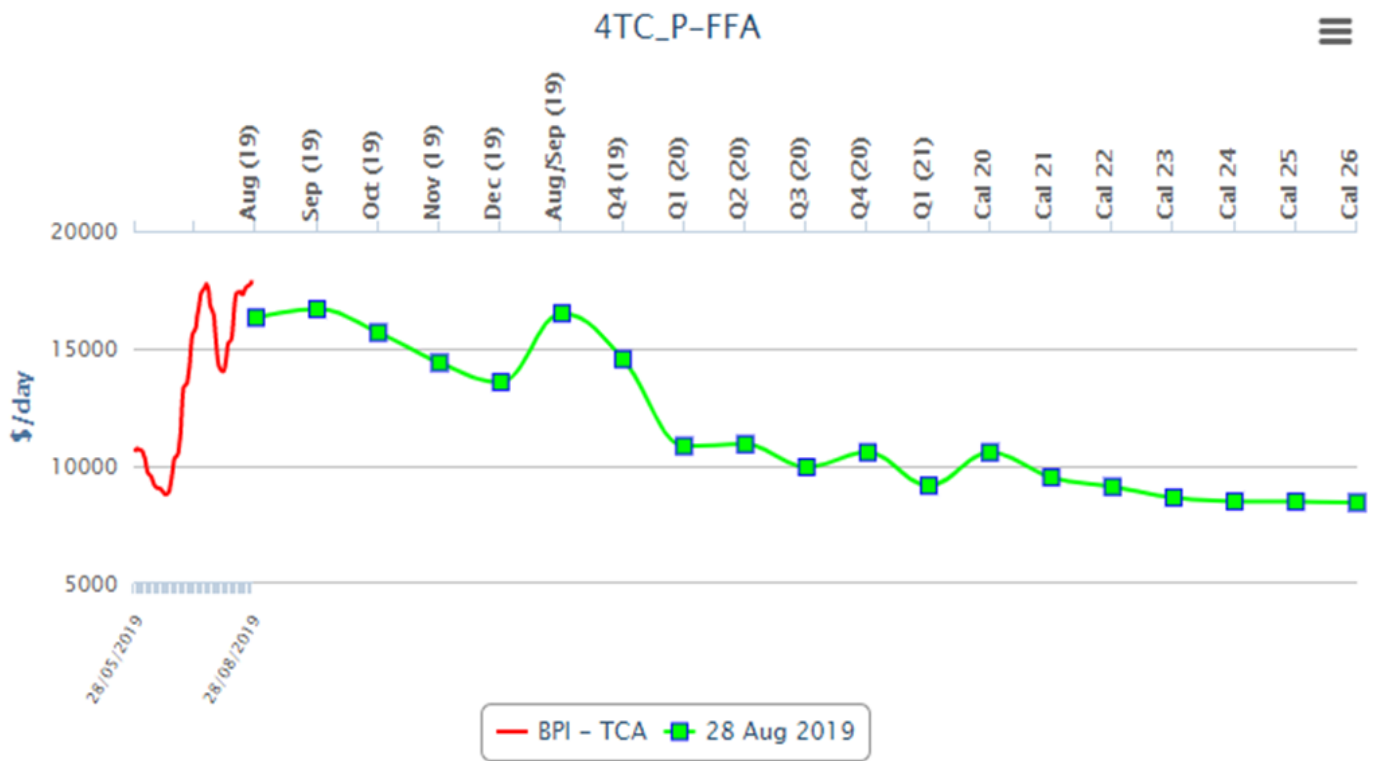
Rosario Argentina (via Cape Horn) - 10,751 nautical miles (34 days)



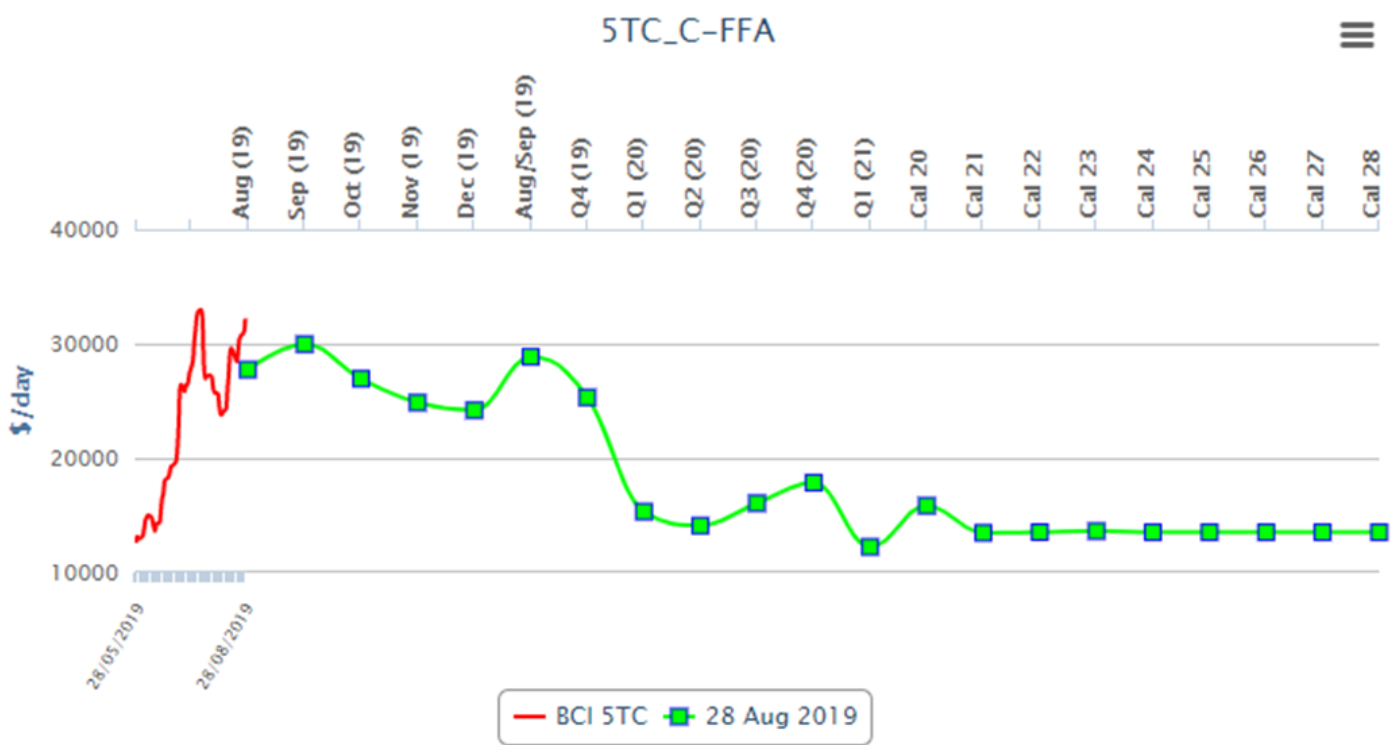
Baltic Dry Index.



Baltic Panamax Forward Curve Chart

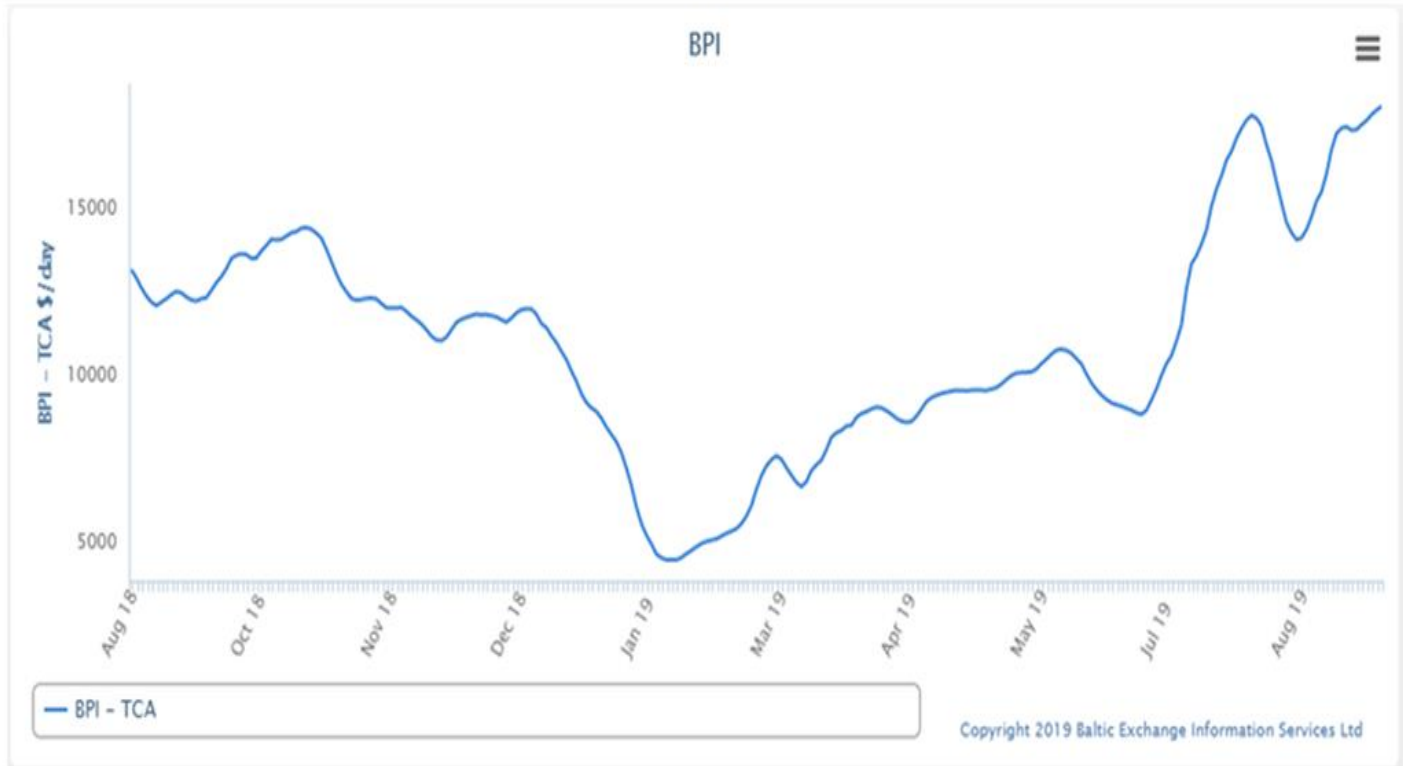


Baltic Capesize Forward Curve Chart



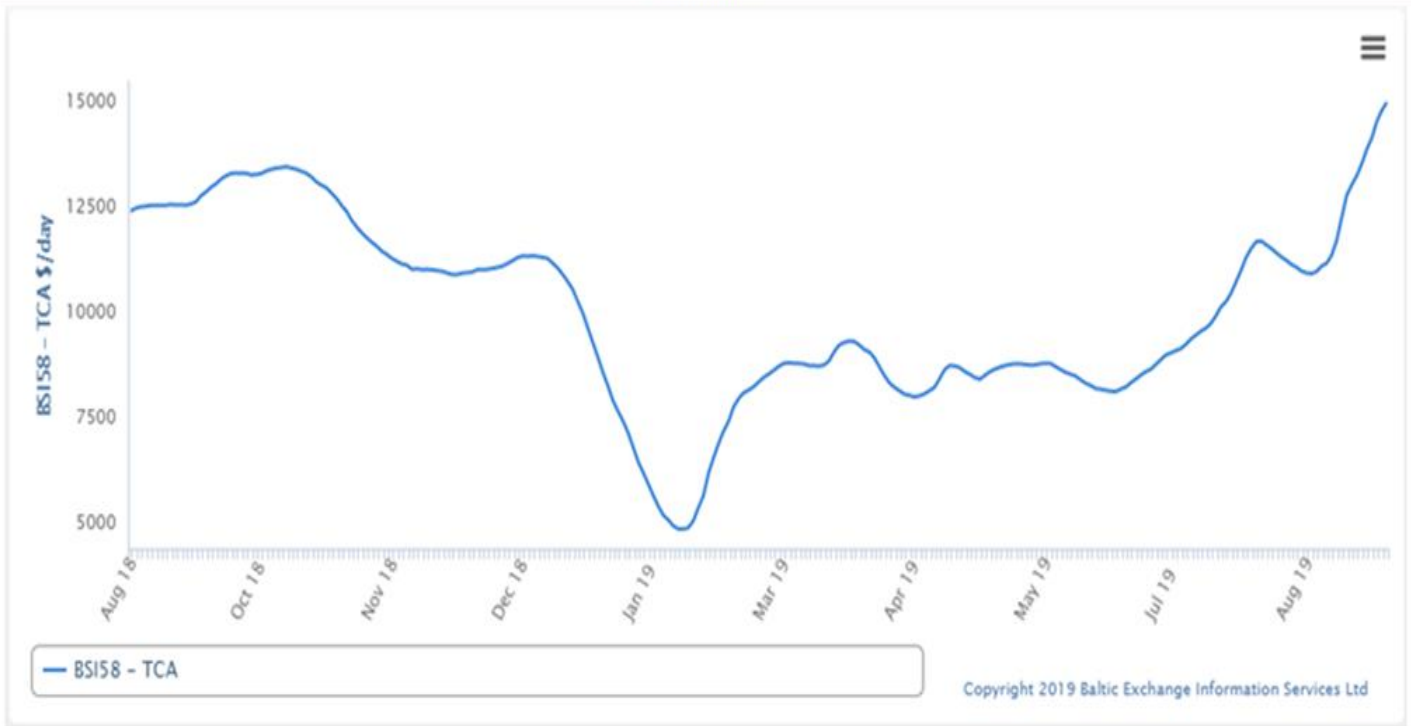
Baltic Panamax Index

Panamax

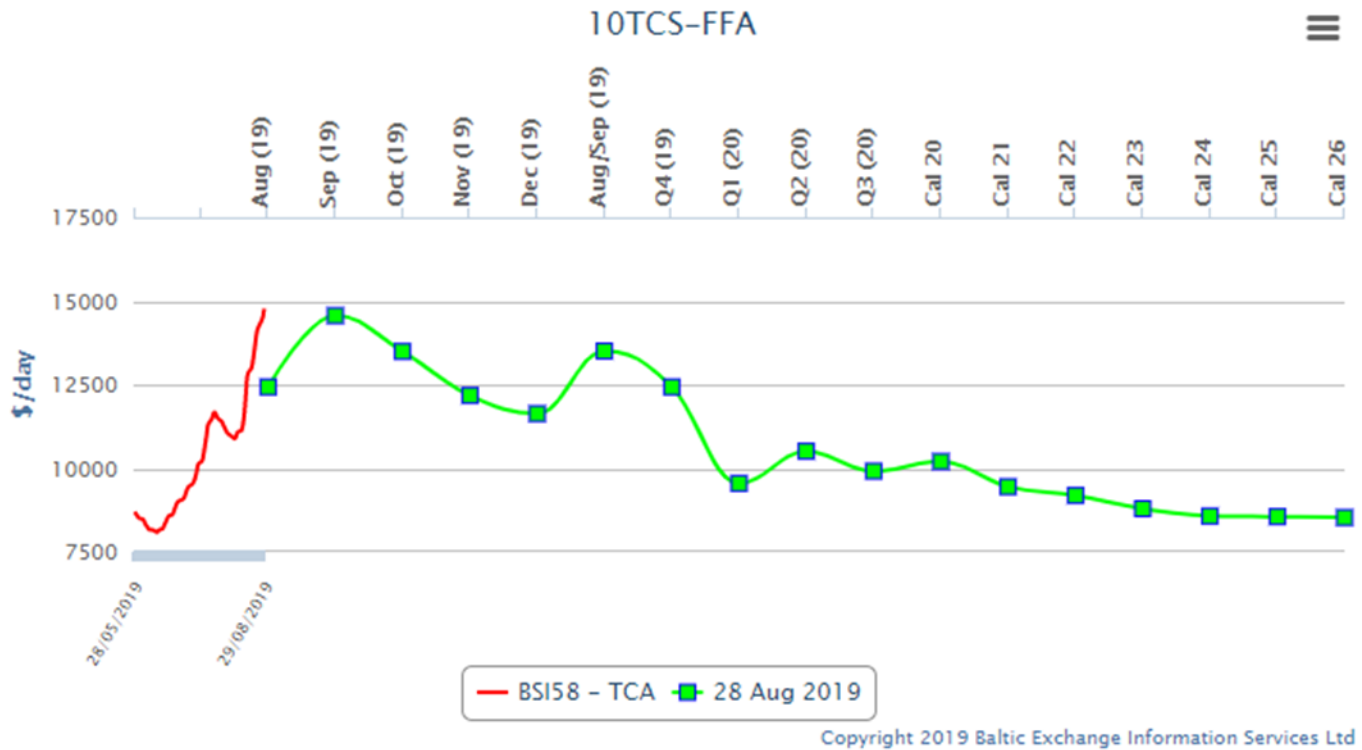


Baltic Supramax Vessel Index

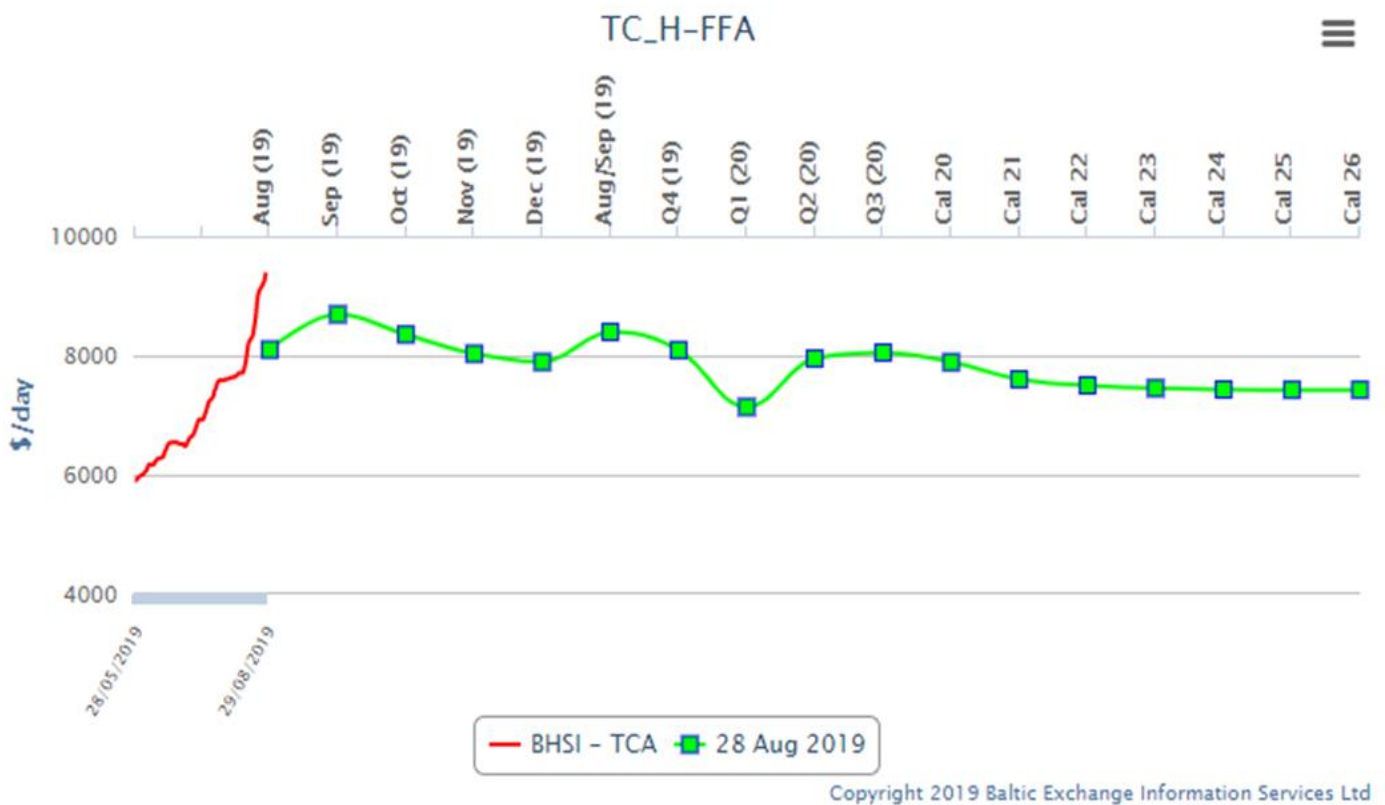
Supramax



Supramax Dry-Bulk Forward Curve



Baltic Handy Size Forward Curve



YAMAMIZU Index

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

From 2014-08-28 To 2019-08-28



China Import Dry Bulk Freight Index 2019-08-28

Description	Size MT	Cargo/Vessel Size	Unit	Rate	Change
Composite Index			Point	1160.91	19.57
Iron ore Freight Index			Point	1215.87	28.8
Soybean Freight Index			Point	1183.45	6.54
Santos(Brazil)—North China	60000/10%	Soybean	\$/ton	41.183	0.328
Tacoma(West America)—North China	60000/10%	Soybean	\$/ton	28.794	0.183
Mississippi(US Gulf)—North China	66000/10%	Soybean	\$/ton	51.193	0.102
Mississippi(US Gulf)—North China	55000/10%	Soybean	\$/ton	52.91	0.089

29 August 2019 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
Sept. (Z)	0.50	\$165.84	0.87	\$180.40
Oct.	0.50	\$165.84	0.87	\$180.40
Nov.	0.54	\$167.41	0.82	\$178.43
Dec.	0.59	\$169.38	0.85	\$179.62
Jan.	0.55	\$172.53	0.83	\$183.55
Feb.	0.59	\$174.10	0.90	\$186.31

The Gulf spread between #2 & #3 YC is currently about .03 cents per bushel (1.18/mt)

SORGHUM (USD/MT) FOB VESSEL				
#2 YGS Fob Vessel	NOLA		TEXAS	
Max. 14.0% moisture	BASIS	FLAT PRICE	BASIS	FLAT PRICE
Sept. (Z)	0.90	\$183.55	0.55	\$167.81
Oct.	0.95	\$183.55	0.60	\$169.77
Nov.	0.95	\$183.55	0.65	\$171.74
Dec.	1.03	\$186.70	0.65	\$171.74
Jan.	1.00	\$190.25	0.60	\$174.50

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

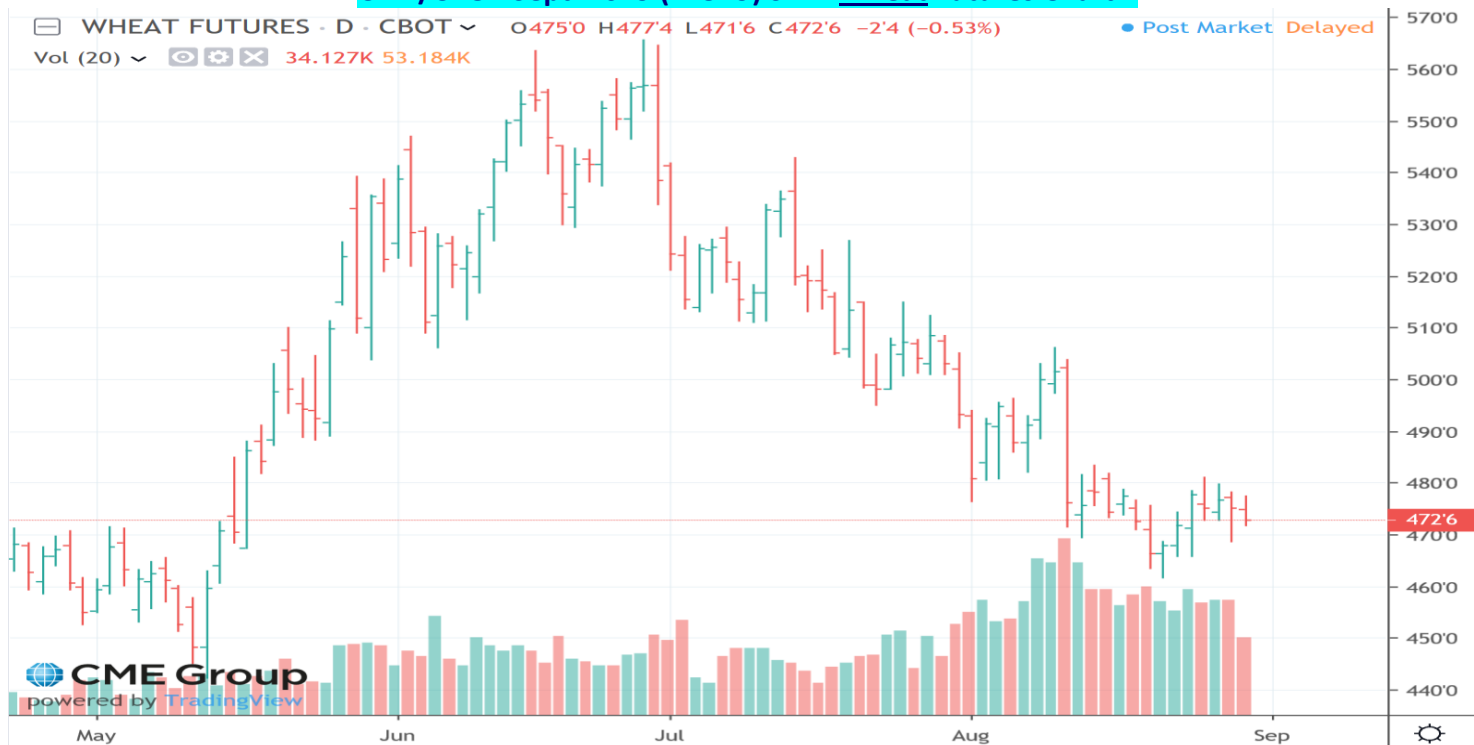
SRW Wheat	USD/MT	Fob Vessel	US Gulf	
	Sept.	Oct.	Nov.	Dec.
FOB U.S. GULF	\$206.77	\$208.98	\$210.45	\$212.28
Basis	0.90	0.96	1.00	1.05
WZ	4.72750			.
WH	4.7825			
WK	4.8100			

29-Aug-19	Close	This Week	Last Week.	Last Week.	Last Week	
CME Corn Futures	Bushel	MT.	Bushel	Bu. Diff.	MT	MT Diff.
Dec.	\$ 3.7125	\$ 146.15	\$ 3.7100	0.0025	\$ 146.05	\$ 0.10
Mar.	\$ 3.8325	\$ 150.88	\$ 3.8300	0.0025	\$ 150.78	\$ 0.10
May	\$ 3.9075	\$ 153.83	\$ 3.9075	-	\$ 153.83	\$ -
July	\$ 3.9725	\$ 156.39	\$ 3.9775	(0.0050)	\$ 156.59	\$ (0.20)
Sept.	\$ 3.9925	\$ 157.18	\$ 4.0075	(0.0150)	\$ 157.77	\$ (0.59)
Dec.	\$ 4.0375	\$ 158.95	\$ 4.0600	(0.0225)	\$ 159.83	\$ (0.89)

CBOT Dec. 2019 (CZ19) CORN Futures Chart –



CME/CBOT Sept. 2019 (WU19) SRW Wheat Futures Chart –



U.S. Soybean and SBM Markets Fob Vessel:

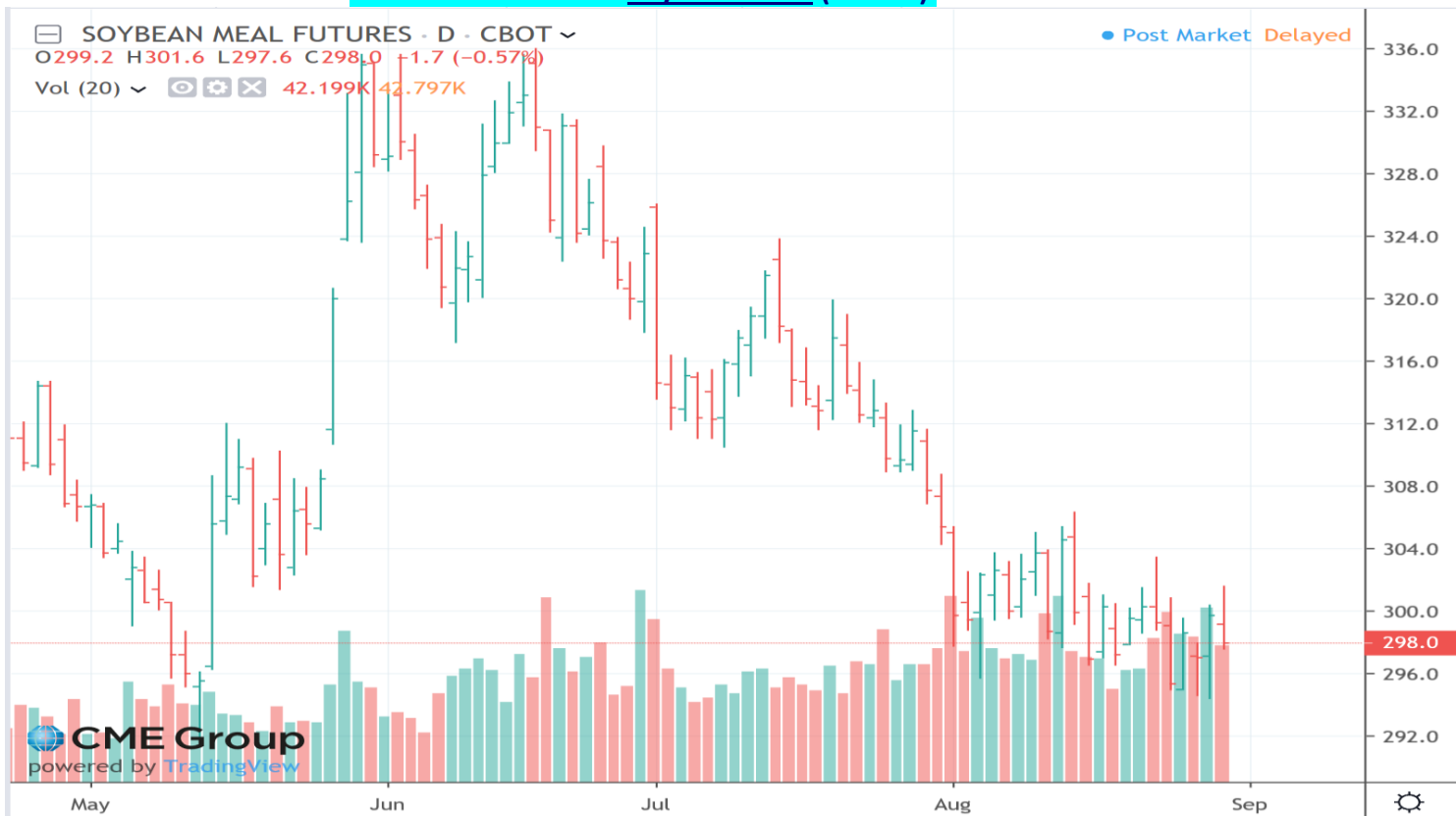
U.S. Yellow Soybeans (USD/MT) FOB Vessel				
# 2 YSB	U.S. Gulf #2 YSB		PNW #2 YSB	
14.0 % Moisture	Basis	Flat Price	Basis	Flat Price
Sept. (X)	0.38	\$333.08	0.60	\$341.16
Oct.	0.36	\$332.34	0.60	\$341.16
Nov.	0.42	\$334.55	0.65	\$343.00
Dec.	0.40	\$338.59	0.60	\$345.94
Jan.	0.45	\$340.43	0.70	\$349.61
Soybean Futures				
Nov.	\$ 8.6850			
Jan.	\$ 8.8150			
Mar.	\$ 8.9400			
May	\$ 9.0475			
July	\$ 9.1475			
August	\$ 9.1925			

U.S. SBM (USD/MT) FOB Vessel		
Fob U.S. Gulf Port	47.5 Pro. SBM	
max 12.5 % moisture	Basis	Flat Price
Sept.	7.00	\$ 332.18
Oct.	7.00	\$ 332.18
Nov.	6.00	\$ 335.16
Dec.	7.00	\$ 336.26
Jan.	7.00	\$ 337.92
SBM Futures		
SMV	294.30	
SMZ	298.00	
SMF	299.50	
SMH	302.20	
SMK	305.30	
SMN	309.20	

CME Nov. 2019 Soybean (SX19) Futures Chart:



CME December 2019 Soybean Meal (SMZ19) Futures Chart



U.S. EXPORT STATISTICS: Report Activity as of Week Ending 15 August 2019

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 '19- 20 (Wht&Barley '20- 21) (000 MT)
Corn	141.1	50,103.3	53,340	94%	4,682.3
Sorghum	0.1	1,724.8	2,160	80%	10.2
Soybeans	153.2	48,618.1	46,270	105%	5,261.2
Wheat	668.3	10,421.7	26,540	39%	17.1
Barley	0.0	56.7	70	81%	0.0

U.S. EXPORT INSPECTIONS:

Monday's report 26 August 2019 for the Export week ending 22 August 2019

	Export Inspections		Current Market Year YTD	Previous Year to Date	2018/19 YTD as Percent of 2017/18 YTD (wheat&barley 19/20 vs 18/19)
	This Week	Previous Week			
Corn	639,154	510,334	46,796,286	56,409,175	83%
Sorghum	9,509	56,802	2,008,964	5,111,629	39%
Soybeans	961,964	1,158,755	44,447,219	55,521,416	80%
Wheat	492,998	564,632	6,014,256	4,854,465	124%
Barley	0	0	2,938	2,886	102%

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

U.S. EXPORT INSPECTIONS:

Monday's report 26 August 2019 for the Export week ending 22 August 2019

Last Week							
(Metric Tons)	YC	%	WC	%	Sorghum	%	Soybeans %
Lakes	0	0%	0	0%	0	0%	0 0%
Atlantic	2,754	0%	0	0%	0	0%	6,269 1%
Gulf	459,614	78%	41,500	86%	2,817	30%	499,509 52%
PNW	0	0%	0	0%	0	0%	334,881 35%
Interior Export Rail	128,800	22%	6,486	14%	6,692	70%	121,305 13%
Metric Tons	591,168		47,986		9,509		961,964

Sorghum Shipments:	<u>metric tons</u>	
	2,817	Madagascar
	343	Haiti
	24	Japan
	6,325	Mexico
	<u>9,509</u>	<u>Total</u>

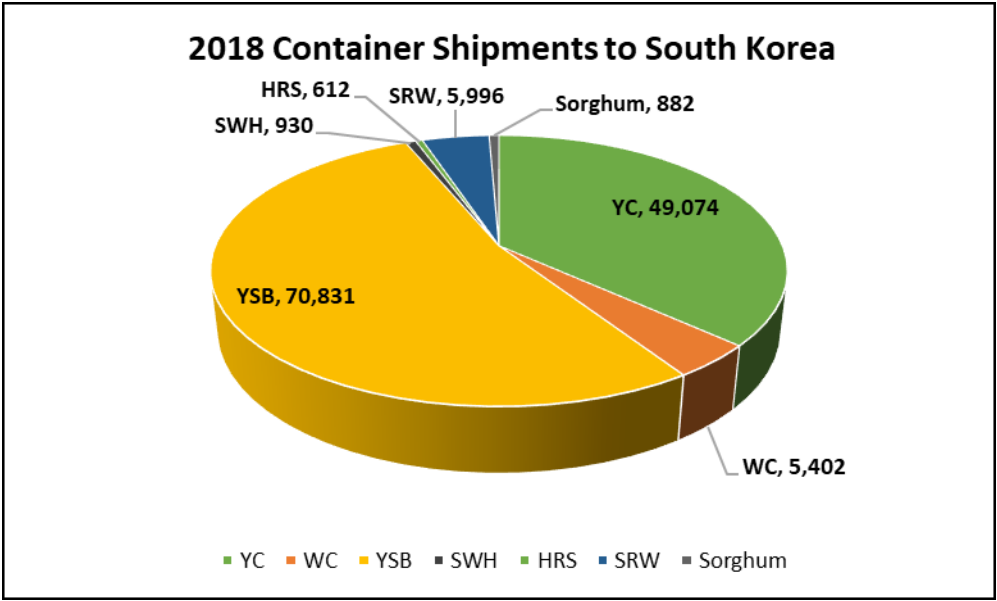
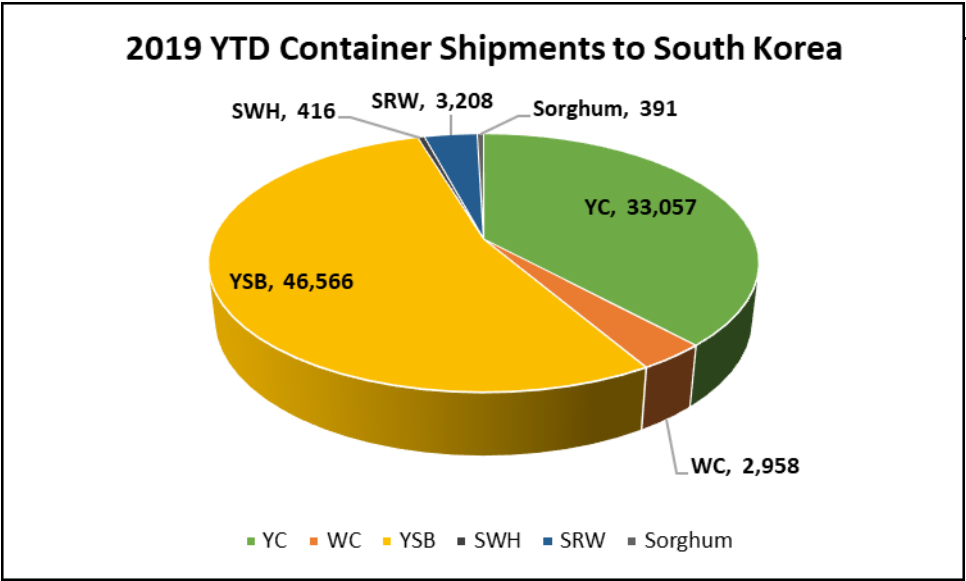
White Corn	<u>metric tons</u>	
Shipments:	8,800	Colombia
	39,186	Ireland
	<u>47,986</u>	<u>Total</u>

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:		22-Aug-2019							
Last Week	metric tons								MT
	YC	WC	YSB	SRW	NS	SWH	HRW	Sorghum	TOTAL
China Main									0
China T	9,547		9,232	245		73			19,097
Hong Kong	587								587
Costa Rica	171								171
Indonesia			19,883						19,883
French Poly	294								294
Japan			1,124					24	1,148
Korea Republic	636		441	367					1,444
Nepal			2,008						2,008
Malaysia			12,124						12,124
Cambodia			245						245
Philippines	294		3,380						3,674
Thailand			9,155						9,155
Haiti								343	343
Lebanon	40								40
Bangladesh			1,199						1,199
Burma			343						343
Vietnam			5,804						5,804
Sub total	11,569	0	64,938	612	0	73	0	367	69,830
USDA Corrections/Additions to previous reports:									
China T									0
China Main									0
Hong Kong									0
Korea Rep.									0
Canada									0
Japan									0
Philippines									0
Indonesia			538						538
Malaysia									0
Thailand									0
Vietnam									0
Burma									0
Bangladesh									0
Sub total	0	0	538	0	0	0	0	0	538
Mt. Grand Total	11,569	0	65,476	612	0	73	0	367	70,368
Number of containers	503	0	2,847	27	0	3	0	16	

Jan - Dec 2018 Annual Totals versus 2019 Jan.-Dec. YTD Total Container Shipments (in MT)



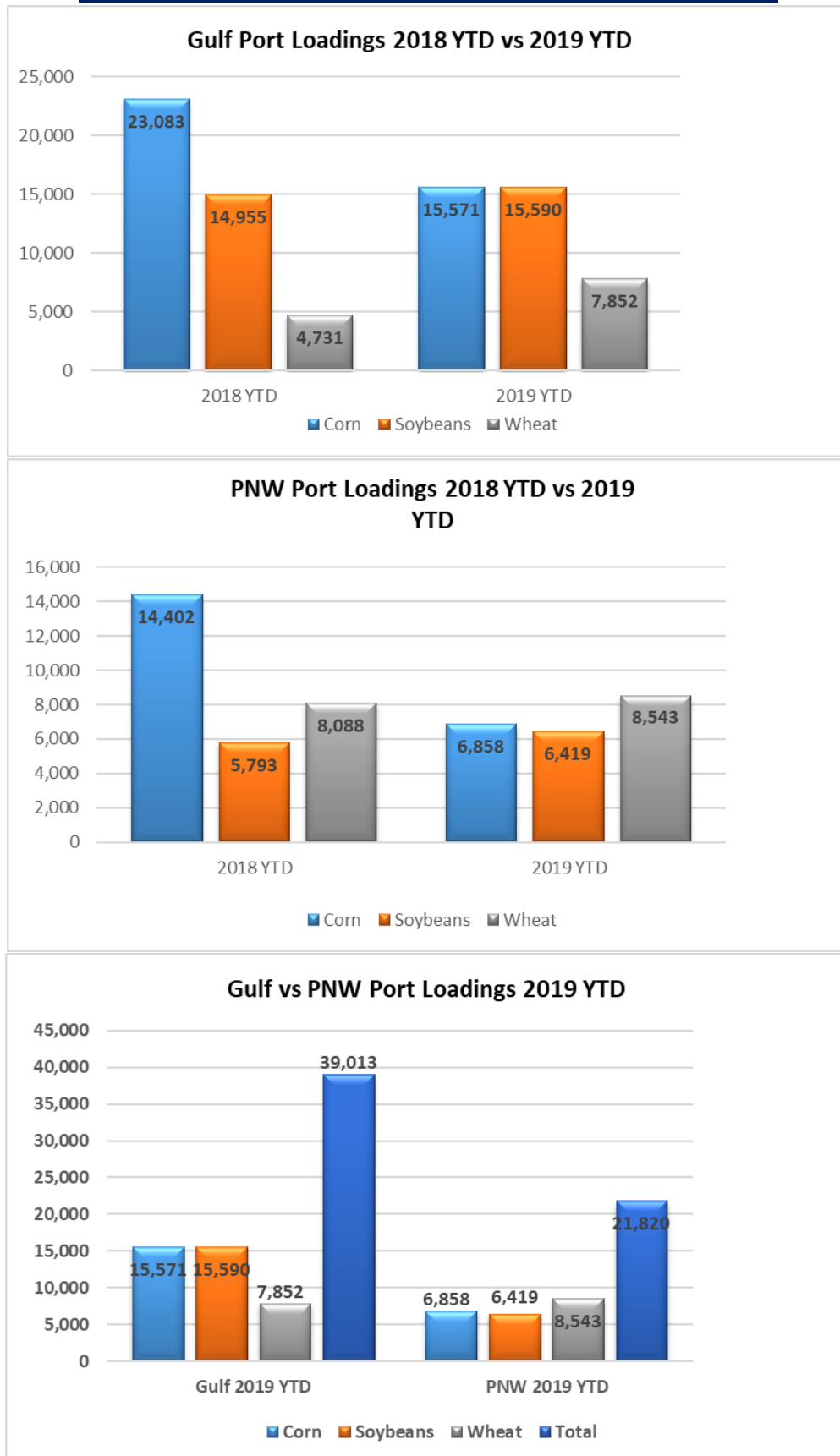
Grain Inspections for Export by U.S. Port Regions:
U.S. Gulf and Pacific Northwest 2018 YTD vs. 2019 YTD

PORT LOADINGS US Gulf				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
GULF				
2018 YTD	23,083	14,955	4,731	42,769
2019 YTD	15,571	15,590	7,852	39,013
2019 as % of 2018	67%	104%	166%	91%

PORT LOADINGS US PNW				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
PNW				
2018 YTD	14,402	5,793	8,088	28,283
2019 YTD	6,858	6,419	8,543	21,820
2019 as % of 2018	48%	111%	106%	77%

PORT LOADINGS GULF vs. PNW				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
2019 Gulf YTD	15,571	15,590	7,852	39,013
2019 PNW YTD	6,858	6,419	8,543	21,820
TOTAL	22,429	22,009	16,395	60,833
Gulf Percentage	69%	71%	48%	64%
PNW Percentage	31%	29%	52%	36%

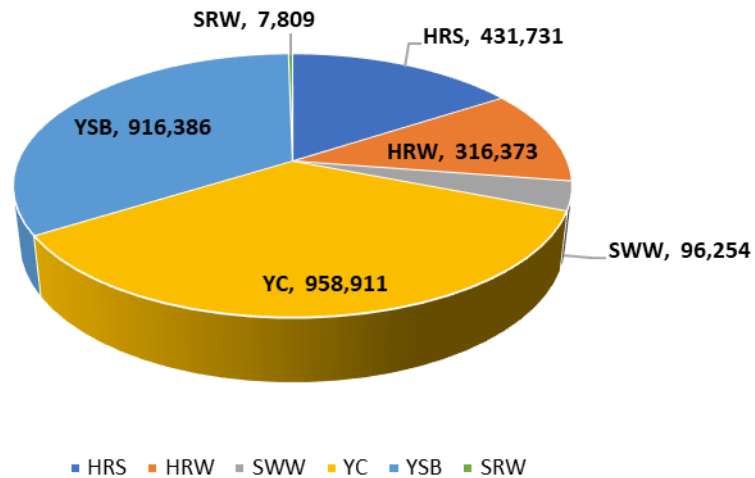
Grain Inspections for Export by U.S. Port Regions (1,000MT):
U.S. Gulf and Pacific Northwest 2018 YTD vs. 2019 YTD



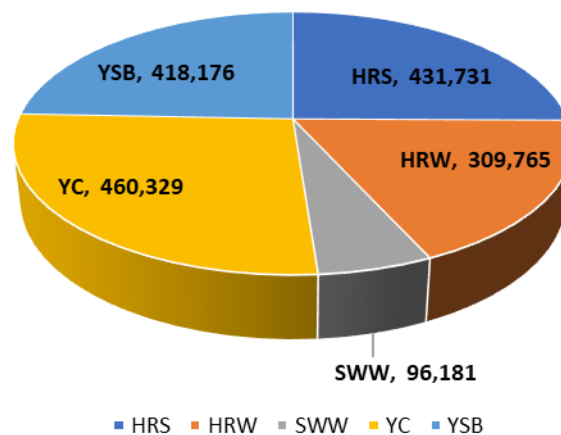
Source: USDA-data

2019 YTD Total Grain Exports reported by USDA (in MT)

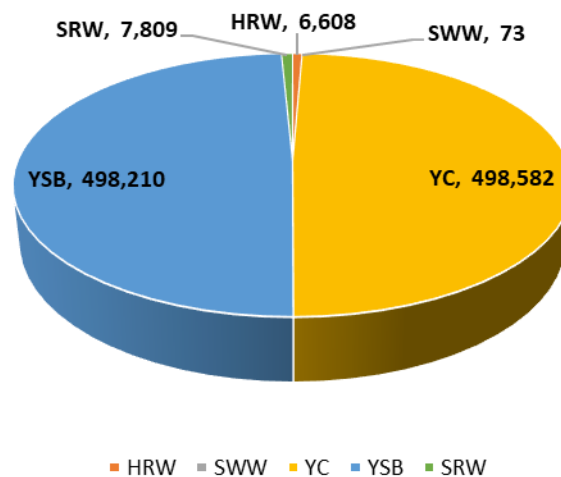
2019 YTD Exports to China T



YTD Exports to China T by Vessel



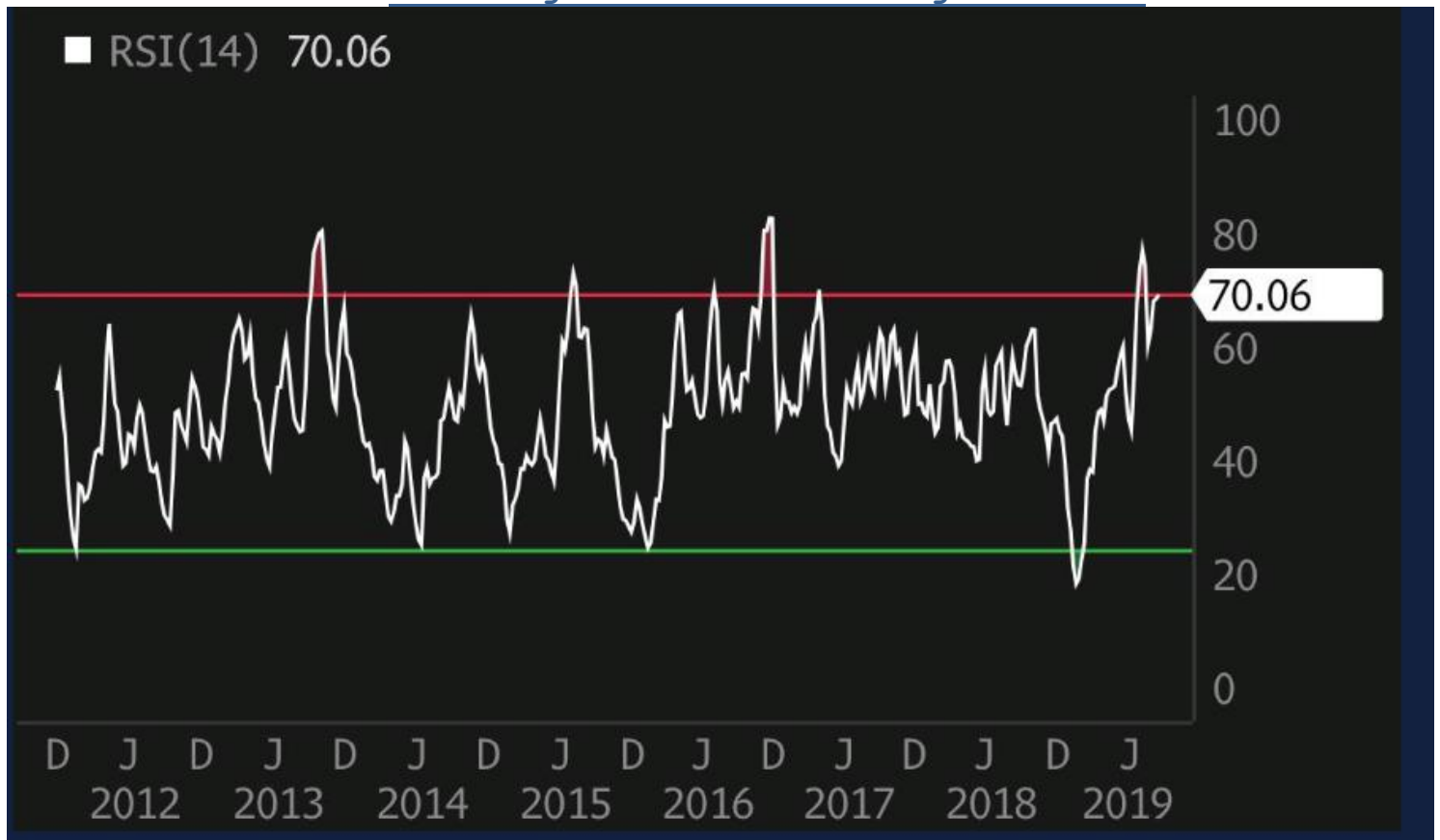
YTD Exports to China T by Container



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

Shipping News

• Year High in Panamax Freight Index-



Baltic Dry Bulk Index

China Import Dry Bulk Freight Index



China Containerized Freight Index



U.S. RIVER BARGE FREIGHT

Current Barge Freight for Placement Last Half September 2019

Placement FH October 2019	% of Tariff	MT	Corn BU	Soybeans-Wheat BU
Upper Mississippi	465	\$ 31.73	0.81	0.86
Illinois River (Pekin and South)	440	\$ 23.33	0.59	0.63
Mid-Mississippi	440	\$ 25.80	0.66	0.70
Lower Ohio	415	\$ 20.40	0.52	0.56
St. Louis	390	\$ 17.15	0.44	0.47

Secondary Rail Car Market for car placement period: Last Half September 2019.

Secondary Rail Car Market Placement FH. October 2019	BID USD	ASK USD	BID BU.	ASK BU.	BID MT	ASK MT
BNSF Shuttle Trains	\$ (400.00)	\$ (300.00)	\$ (0.10)	\$ (0.08)	\$ (3.94)	\$ (2.95)
UPRR Shuttle Trains	\$ (200.00)	\$ (125.00)	\$ (0.05)	\$ (0.03)	\$ (1.97)	\$ (1.23)

Best Regards,

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