

Transportation and Export Report for 30 August 2018

Ocean Freight Insights and Comments:

The Dry-Bulk Baltic indices showed small gains most of the week but exhibited some weakness at weeks end by closing on the low side of the week's trading range. Physical freight markets have not shown any willingness to pay up and therefore were mostly unchanged for the week.

The bigger story is probably in the grain container market where we have now gone two full months without a single container load of any grain commodity going to China. And this is the start of the Christmas consumer goods movement season from Asia/China to the U.S. So, the question has been, is there an increased volume of empty containers to move U.S. grains and co-products back to Asia. The answer is yes and no. Since most containers need to move back to China for reloading; you can find good availability of empties to go there at very negotiable/attractive rates. But no one currently has buyers in China. If you are looking for empty containers to load and go to other Asian destinations; you will often find limited availability, increase transit times and freight rate increases of \$100-\$200/TEU. This is creating a real dilemma for U.S. exporters who are seeking alternative demand in Asia to compensate for market volumes that have been temporarily lost in China.

BALTIC DRY-BULK PANAMAX INDEX CHANGES

Panamax Ocean Freight Indices				
30-Aug-18	This Week	Last Week	Difference	Percent Change
P2A : Gulf/Atlantic - Japan	21244	21141	103	0.5%
P3A - PNW/Pacific - Japan	11048	11208	-160	-1.4%
S1C -USGULF-China-So.Japan	24308	24417	-109	-0.4%

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

Four weeks ago:	\$ 9.65-\$9.95
Three weeks ago:	\$ 9.40-\$9.95
Two weeks ago:	\$ 9.70-\$9.90
One week ago:	\$ 9.80-\$9.90
This week	\$ 9.00-\$9.30

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)	0-3 days
Texas Gulf	(6 elevators)	0-5days
Pacific Northwest:	(9 elevators)	0-9 days

Panamax Market Spreads to Asia -China					
30-Aug-18	PNW	GULF	Bushel Spread	MT Spread	Advantage
CORN	0.83	0.67	0.16	\$6.30	PNW
SOYBEANS	0.38	0.23	0.15	\$5.51	PNW
OCEAN FREIGHT	\$24.25	\$44.75	.52 -.55	\$20.50	September

Recent Reported Vessel Fixtures:

Route and Vessel Size	Current Week USD/MT	Change from previous week	Remarks
55,000 U.S. Gulf-Japan	\$46.00	Unchanged	Handymax \$47.00 mt
55,000 U.S. PNW- Japan	\$25.00	Unchanged	Handymax \$25.00 mt
66,000 U.S. Gulf – China PNW to China	\$44.75 \$24.25	Unchanged Unchanged	North China
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	Unchanged	<u>West Coast Colombia at \$28.75</u>
40-45,000 U.S. Gulf - Guatemala	\$29.25	Unchanged	Acajutla/Quetzal - 8,000 out
26-30,000 U.S. Gulf – Algeria	\$33.25 \$34.75	Unchanged	8,000 mt daily discharge 3,000 mt daily discharge
26-30,000 US Gulf-Morocco	\$35.75	Unchnge	5,000 discharge rate
55-60,000 U.S. Gulf –Egypt PNW to Egypt	\$30.00 \$29.50	Unchanged	55,000 -60,000 mt Russia Black Sea to Egypt \$16.50
60-70,000 U.S. Gulf – Europe – Rotterdam	\$21,50	Down \$0.50	Handymax at +\$1.75 more
Brazil, Santos – China Brazil, Santos – China Itacoatiara-Port Up River North Brazil	\$36.50 \$35.75 \$39.25	Unchanged	54-59,000 Supramax-Panamax 60-66,000 Post Panamax 60-66,000 mt
56-60,000 Argentina/Rosario- China Deep Draft	\$41.00	Unchanged	Up River with BB Top Off \$42.75

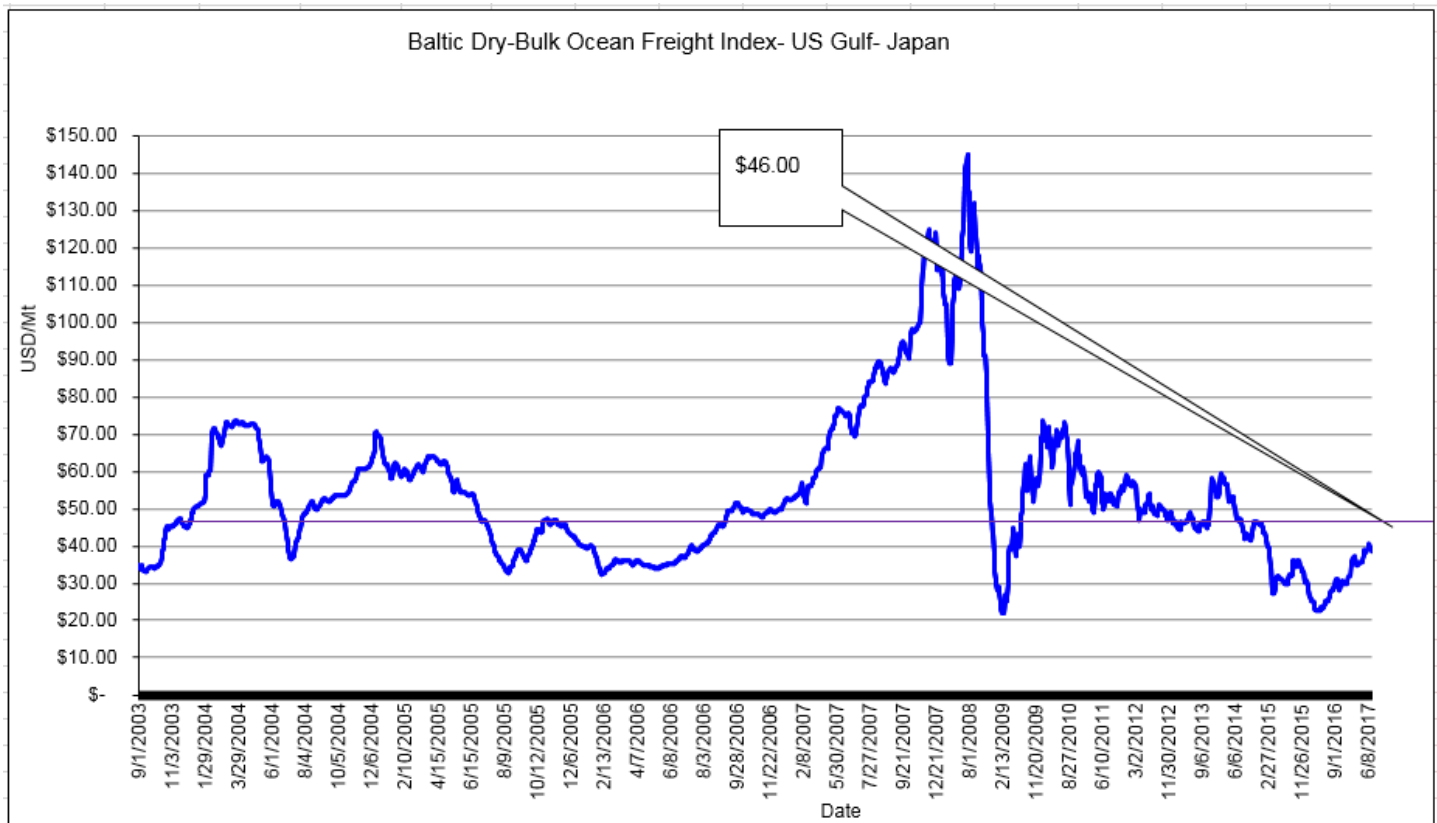
- **The above rate estimates reflect the 30-45-day forward ocean freight markets.**

Nautical Miles: To Xiamen China (South China)

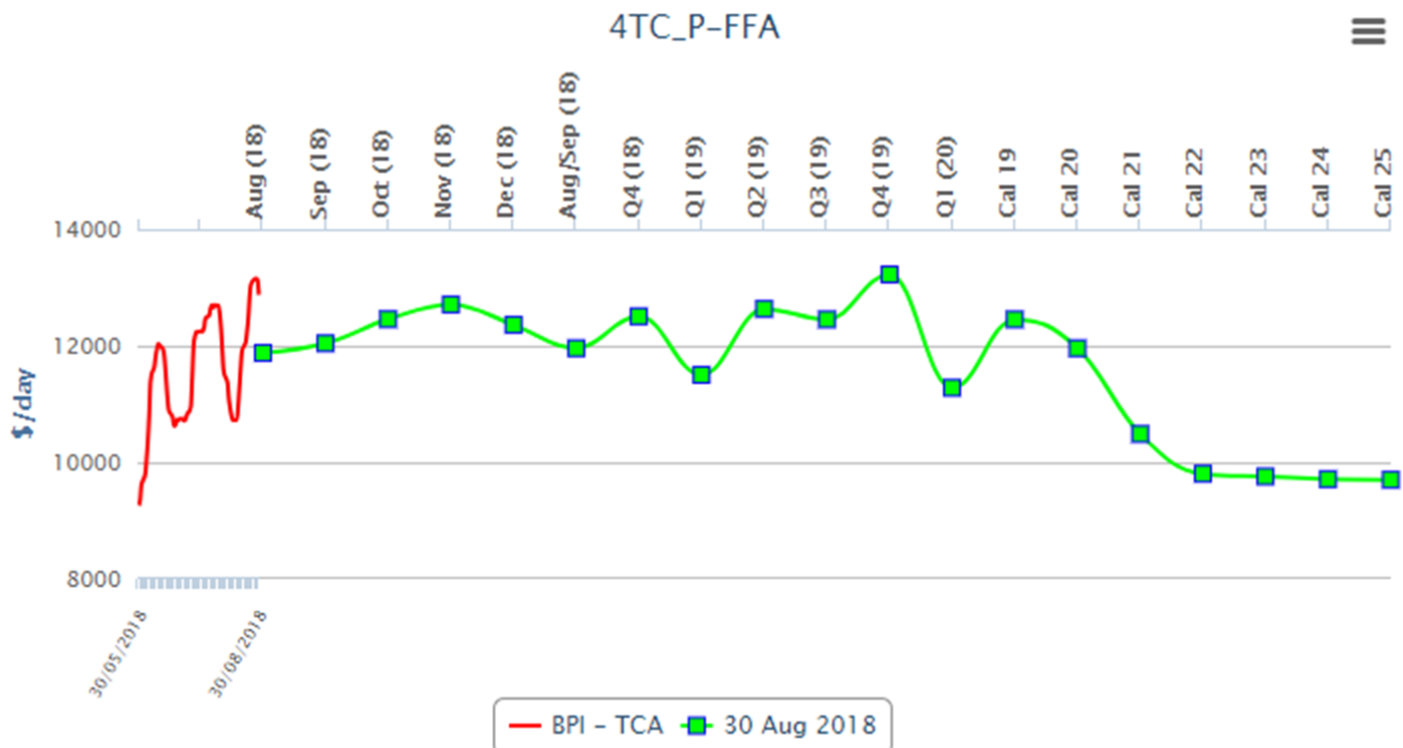
US Gulf (NOLA) (via Panamá Canal) – 10,232 nautical miles (32 days)

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

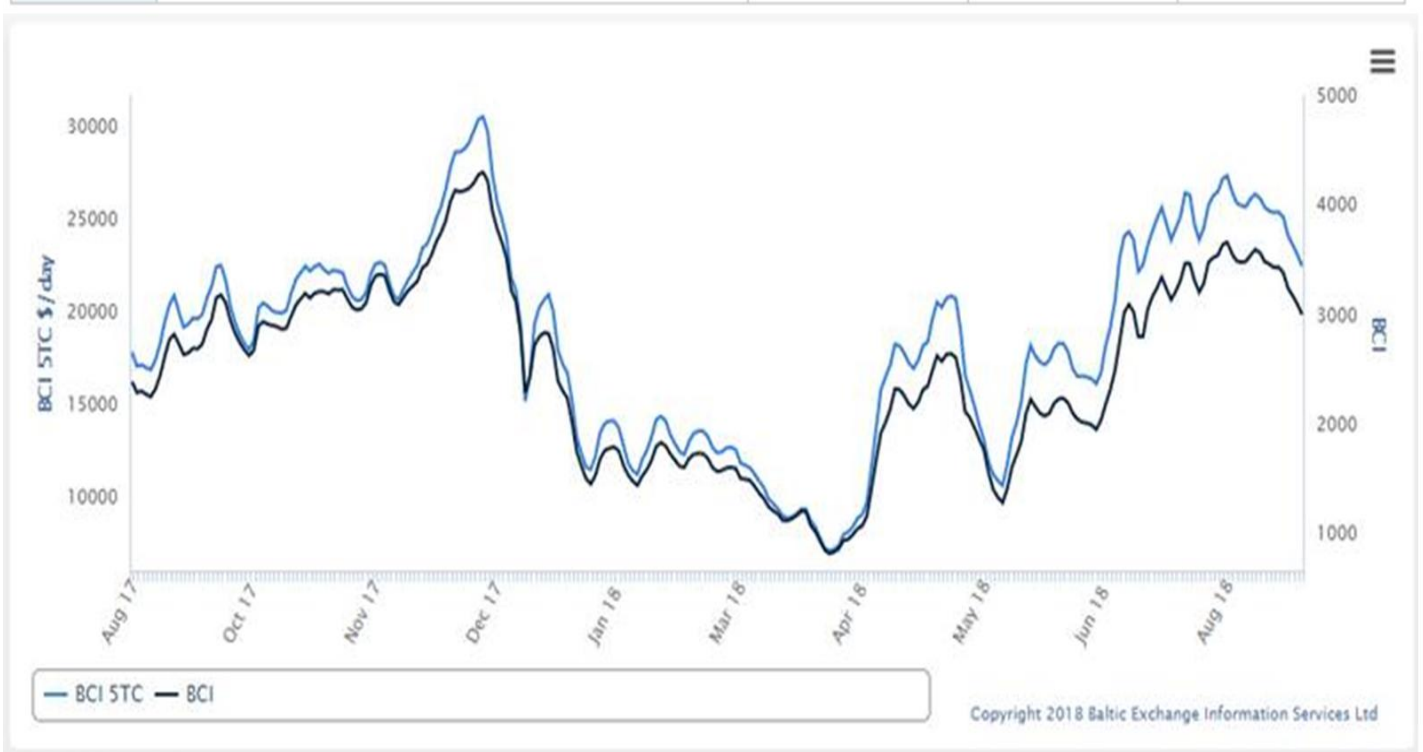
Rasario Argentina (via Cape Horn) - 10,751 nautical miles (34 days)



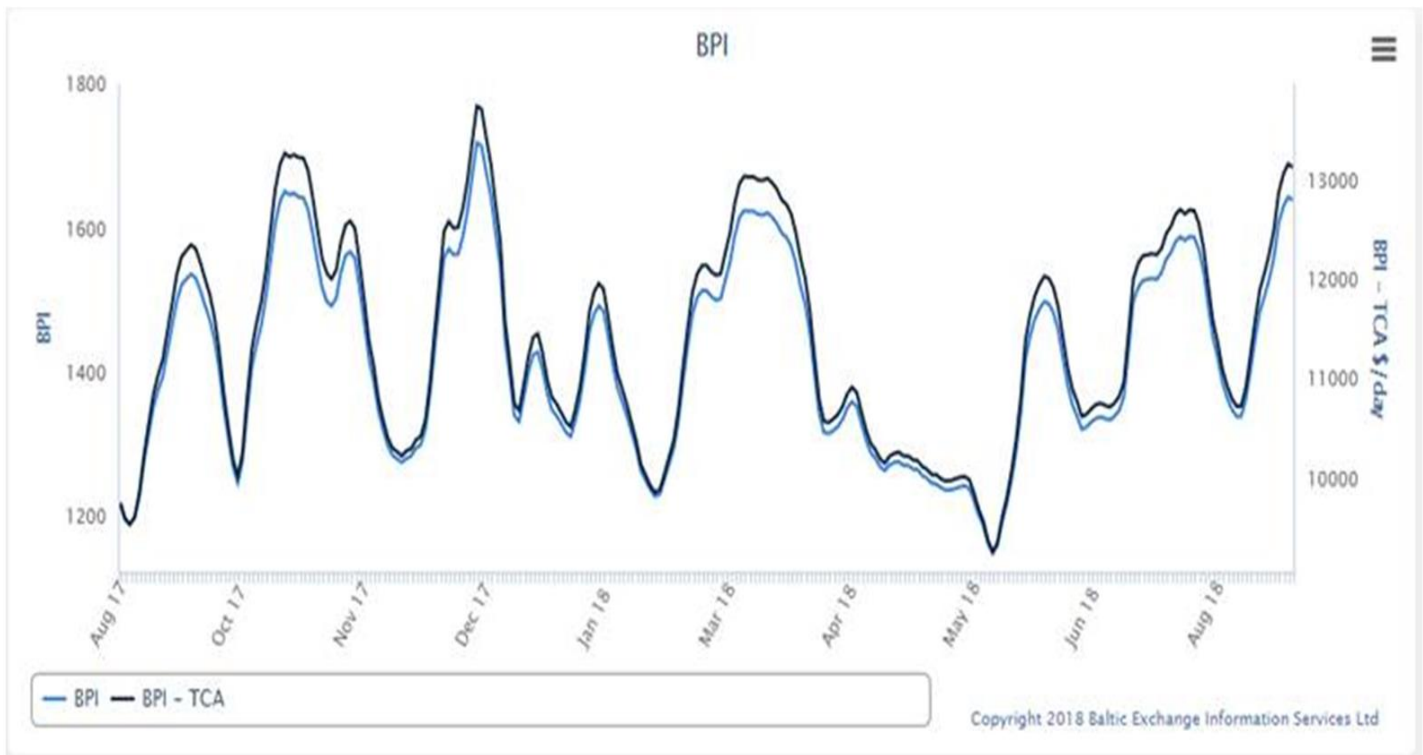
Forward Curve for Baltic BPI Panamax Vessel Freight



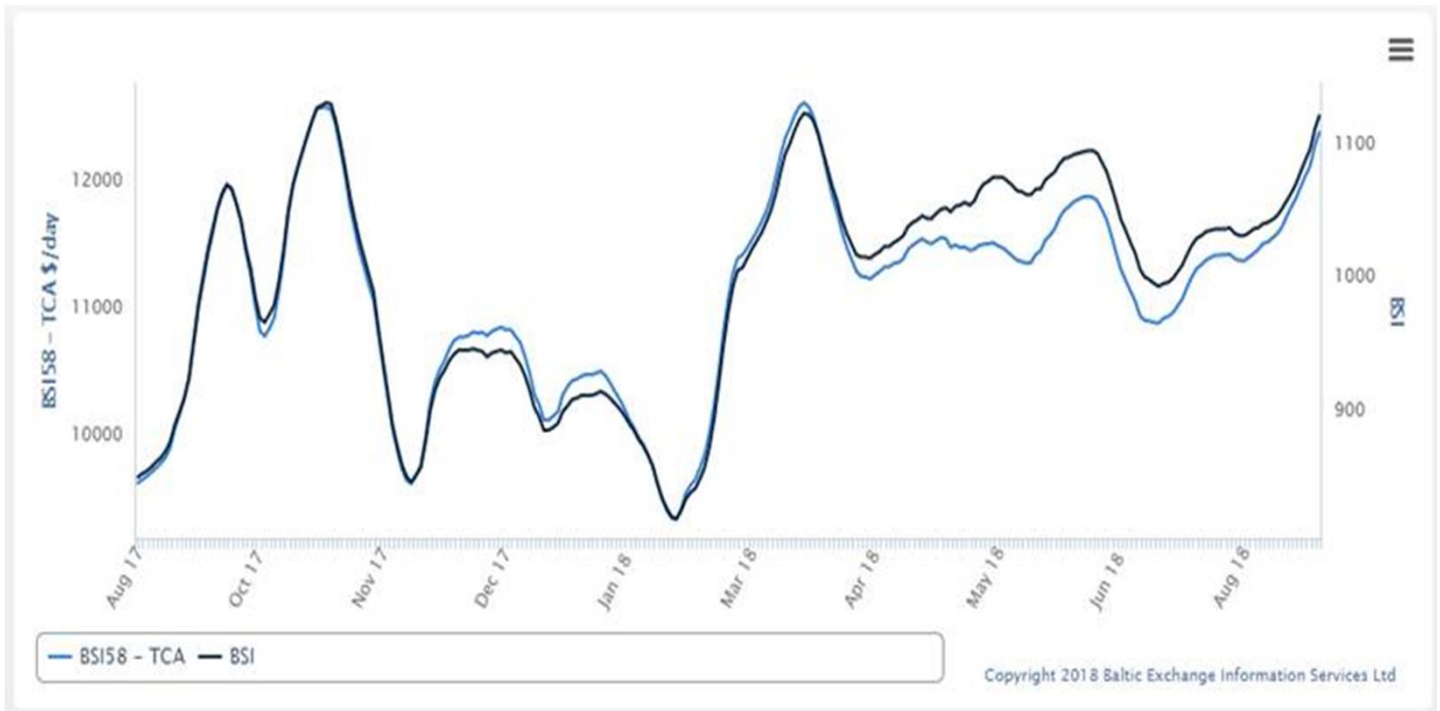
Baltic Capesize Index



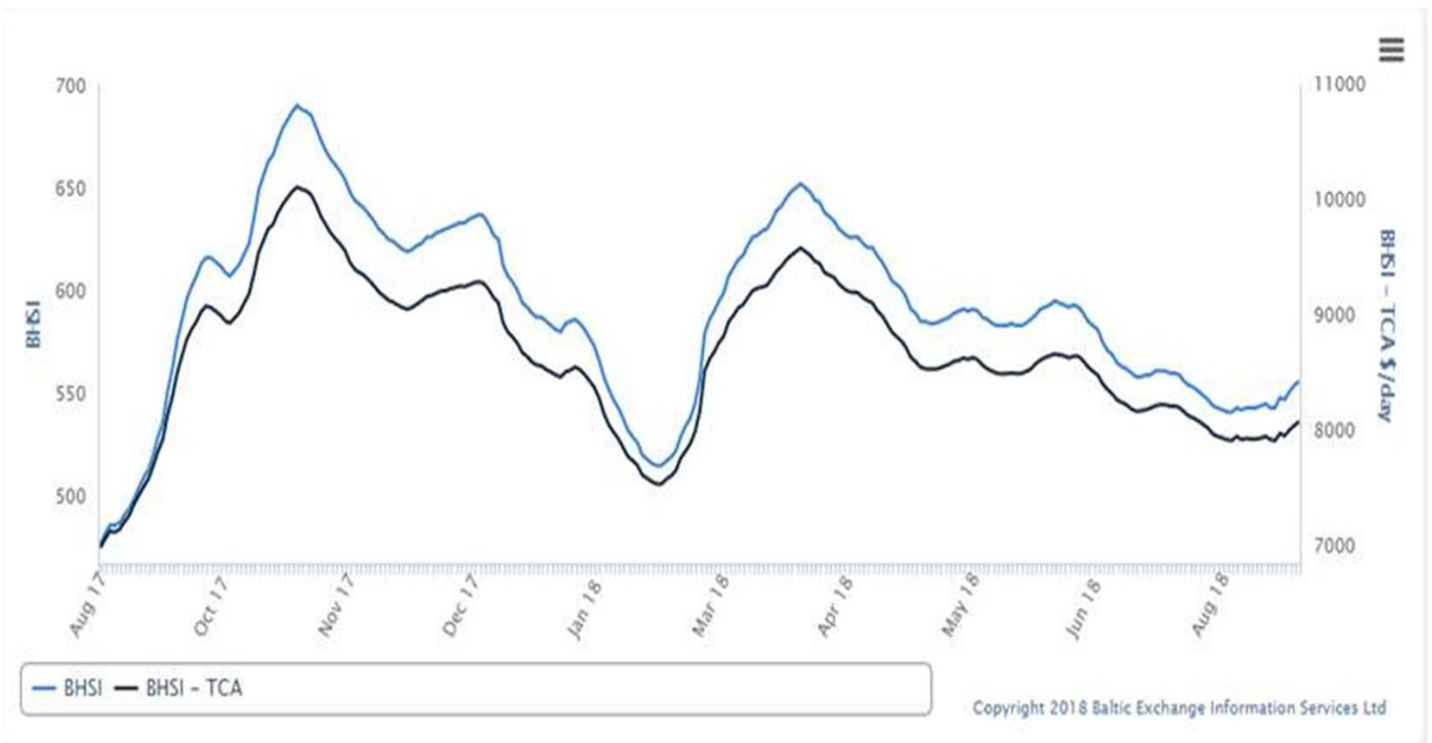
Baltic Panamax Index



Baltic Supramax Vessel Index



Baltic Handy Size



Profile	History	Organization	Service	Access Map	Yamamizu Index	
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Yamamizu Index

Date From: 2017-06-01 V Date To: 2018-08-30 V

Query Reset

China Import Dry Bulk Freight Index(CDFI)					
2018-08-30					
Route	Size MT	Cargo/Vessel Size	Unit	Rate	Change
Composite Index			Point	995.06	-12.58
Iron ore Freight Index			Point	1035.67	-24.38
Soybean Freight Index			Point	1021.23	-0.85
Santos(Brazil)—North China	60000/10%	Soybean	\$/ton	35.459	-0.055
Tacoma(West America)—North China	60000/10%	Soybean	\$/ton	24.227	-0.044
Mississippi(US Gulf)—North China	66000/10%	Soybean	\$/ton	44.933	0.023
Mississippi(US Gulf)—North China	55000/10%	Soybean	\$/ton	45.641	0.014

30 August 2018 U.S. FOB Vessel Export Market Values:

U.S. Yellow Corn (USD/MT) FOB Vessel				
# 2 YC	U.S. Gulf #2 YC		PNW #3 YC	
15.0 % Moisture	Basis	Flat Price	Basis	Flat Price
Sept.	0.65	\$165.94	0.83	\$173.02
Oct.	0.63	\$164.75	0.93	\$176.96
Nov.	0.68	\$167.12	0.99	\$179.32
Dec.	0.69	\$167.51	1.03	\$180.90
Jan.	0.66	\$171.35	0.99	\$184.34
Feb.	0.68	\$172.14	1.05	\$186.70

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

SORGHUM (USD/MT) FOB VESSEL				
#2 YGS Fob Vessel	NOLA		TEXAS	
Max. 14.0% moisture	BASIS	FLAT PRICE	BASIS	FLAT PRICE
Sept. (Z)	1.20	\$187.59	1.00	\$179.71
Oct. (Z)	1.20	\$187.59	1.00	\$179.71
Nov.	1.20	\$187.59	1.00	\$179.71
Dec.	1.20	\$187.59	1.00	\$179.71
Jan.	1.20	\$192.61	1.00	\$184.73

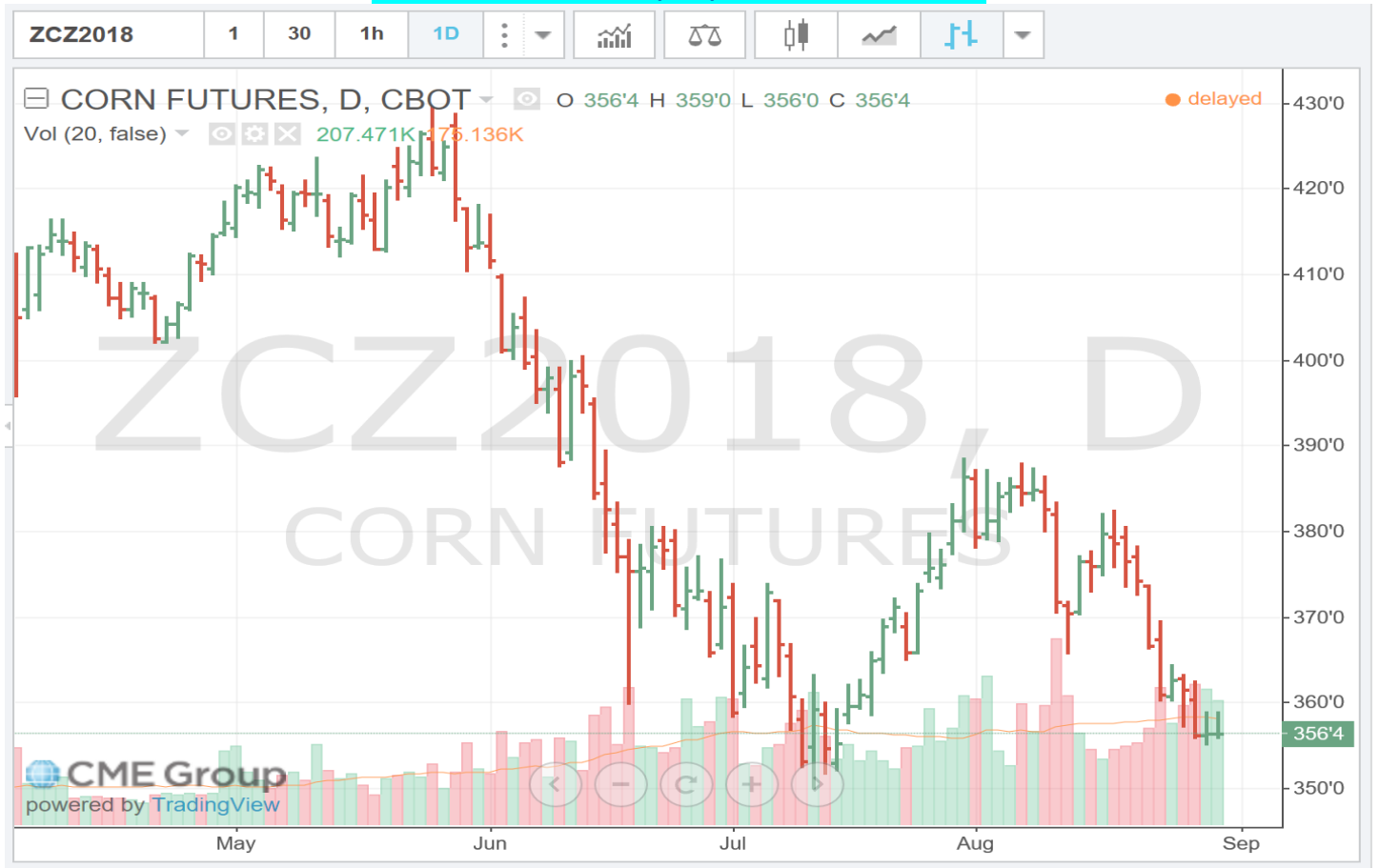
Fob vessel Texas Gulf #2 Sorghum is about 1.08 % the value of #2 Yellow Corn at NOLA.
In S.W. Kansas it is bid at 85 percent the value of corn.

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

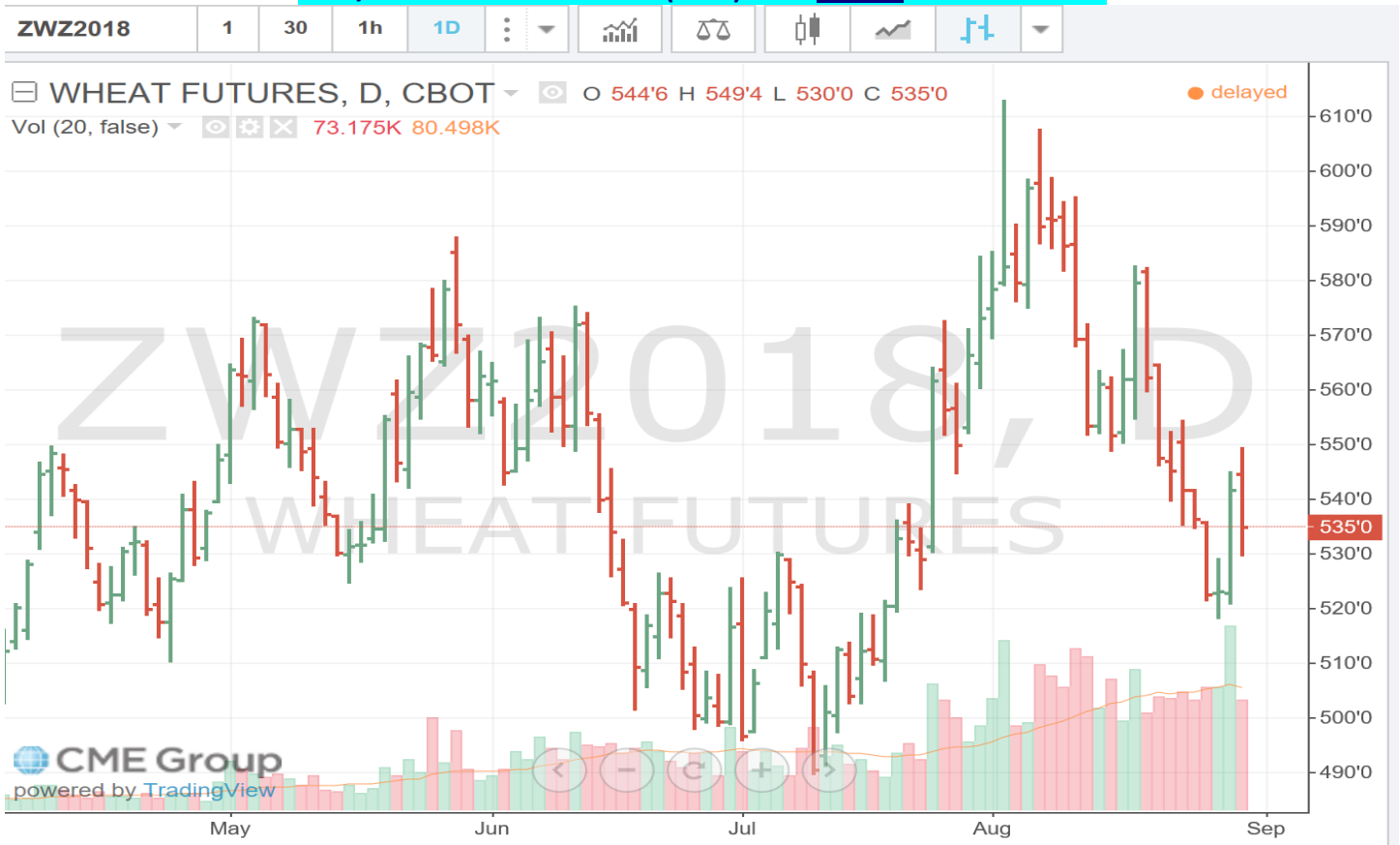
SRW Wheat	USD/MT	Fob Vessel	US Gulf	
	Sept.	Oct.	Nov.	Dec.
FOB U.S. GULF	\$223.40	\$224.13	\$225.97	\$227.81
Basis	0.73	0.75	0.80	0.85
WU	5.0800			
WZ	5.3500			
WH	5.5550			

CME Futures Market Close						
CORN Month	Futures Symbol	Thursday Close Bushel	Thursday Close MT.	Last week Bushel	Last Week MT.	Difference Bushel
Sept.	CU	\$3.4100	\$134.24	\$ 3.4675	\$136.51	(\$0.0575)
Dec.	CZ	\$3.5650	\$140.35	\$ 3.6100	\$142.12	(\$0.0450)
Mar.	CH	\$3.6925	\$145.37	\$ 3.7325	\$146.94	(\$0.0400)
May.	CK	\$3.7700	\$148.42	\$ 3.8075	\$149.89	(\$0.0375)
July	CN	\$3.8300	\$150.78	\$ 3.8650	\$152.16	(\$0.0350)

CBOT December 2018 (CZ8) Corn Futures Chart –



CME/CBOT December. 2018 (WZ8) 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)	0.23	\$313.97	0.38	\$319.48
Oct. (X)	0.26	\$315.07	0.40	\$320.22
Nov.	0.35	\$318.38	0.52	\$324.63
Dec.	0.36	\$323.71	0.60	\$332.53
Jan.	0.45	\$327.02	0.68	\$335.47
Soybean Futures				
Sept.	\$ 8.1900			
Nov.	\$ 8.3150			
Jan.	\$ 8.4500			
Mar.	\$ 8.5825			
May	\$ 8.7050			
July	\$ 8.8100			

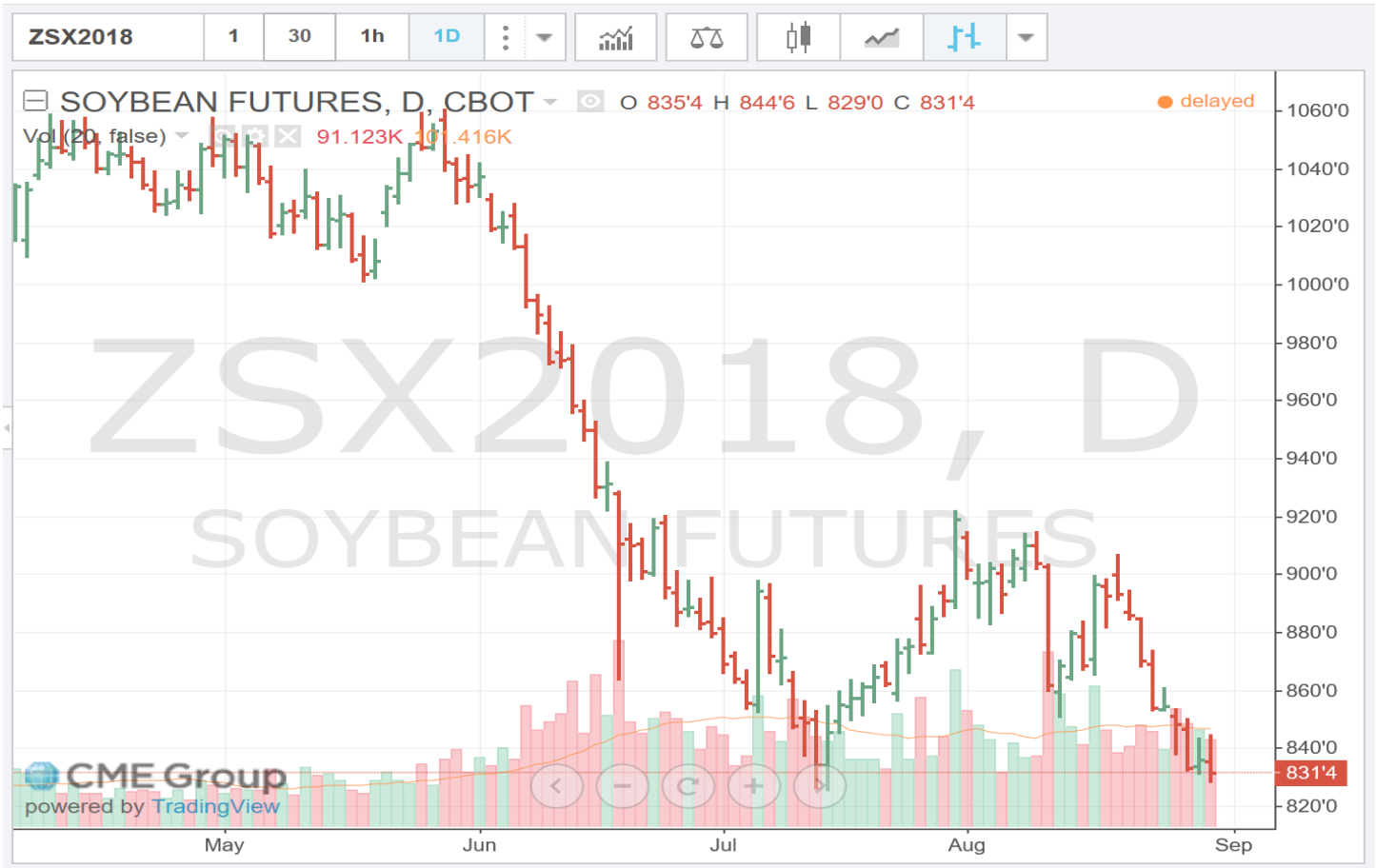
What is the true Fob Basis for PNW Soybeans? Answer -What is your Bid ?

The above market quotes are just what is being publicly indicated by traders.

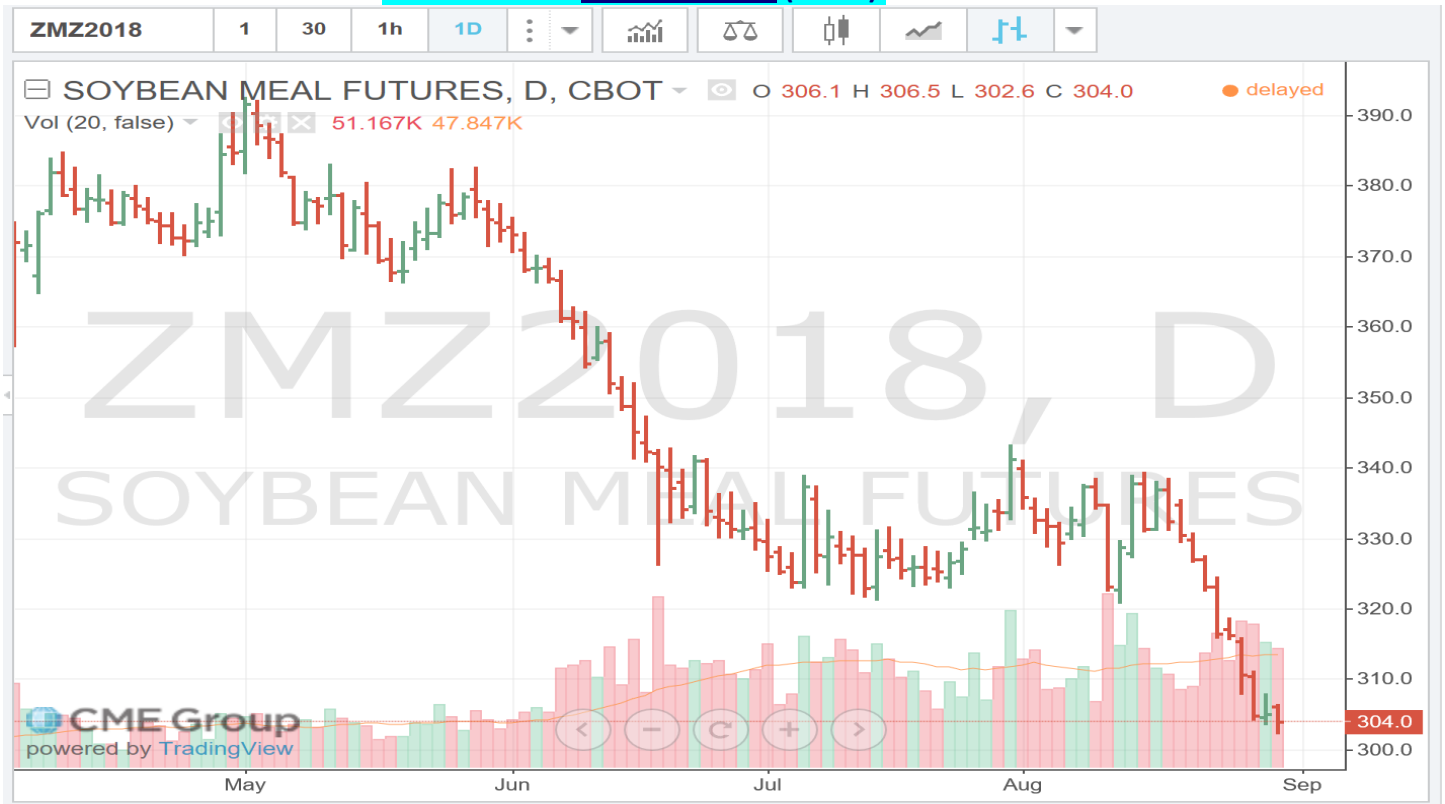
At times there have been no bids for rail soybeans to the PNW. Every PNW exporter is looking for business to replace the lost China demand. And there are many price rumors in the market. Everything from Soybeans trading from the PNW to Spain to them trading at close to +10 over fob to other destinations. With bids to farmers in the North at lower than \$1.00 under the November futures, it is easy to imagine many possibilities on the true export value. So; if you want to know the true current market price; you will have to place a bid to test waters and discover how aggressive sellers want to become.

U.S. SBM (USD/MT) FOB Vessel		
Fob U.S. Gulf Port	47.5 Pro. SBM	
max 12.5 % moisture	Basis	Flat Price
Sept. (V)	18.00	\$ 352.58
Oct.	18.00	\$ 352.58
Nov.	18.00	\$ 354.45
Dec.	18.00	\$ 354.78
Jan.	18.00	\$ 354.78
SBM Futures		
SMU	301.40	
SMV	301.80	
SMZ	303.50	
SMF	303.80	
SMH	304.40	
SMK	305.40	

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 16 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	318.5	60,433.7	60,960	99%	9,913.1
Sorghum	11.4	5,088.1	5,330	95%	0.0
Soybeans	251.8	58,761.7	57,430	102%	12,626.2
Wheat	388.1	8,556.7	27,900	31%	0.0
Barley	2.4	51.5	110	47%	0.0

U.S. EXPORT INSPECTIONS:

Monday's report 27 August 2018 for the Export week ending 23 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	1,245,130	1,096,647	56,378,641	56,119,547	100%
Sorghum	90,296	76,306	5,062,112	5,933,909	85%
Soybeans	901,620	650,021	55,503,869	57,136,551	97%
Wheat	488,187	488,489	4,842,725	7,458,784	65%
Barley	514	367	2,397	12,227	20%

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

U.S. EXPORT INSPECTIONS:

Monday's report 27 August 2018 for the Export week ending 23 August 2018

Last Week								
(Metric Tons)	YC	%	WC	%	Sorghum	%	Soybeans	%
Lakes	0	0%	0	0%	0	0%	53,473	6%
Atlantic	0	0%	0	0%	0	0%	1,420	0%
Gulf	675,069	58%	62,750	88%	89,074	99%	548,609	61%
PNW	371,445	32%	0	0%	0	0%	137,409	15%
Interior Export Rail	127,484	11%	8,382	12%	1,222	1%	160,709	18%
Metric Tons	1,173,998		71,132		90,296		901,620	

Sorghum Shipments:	metric tons	
	1,222	Mexico
	89,074	Spain
	90,296	Total

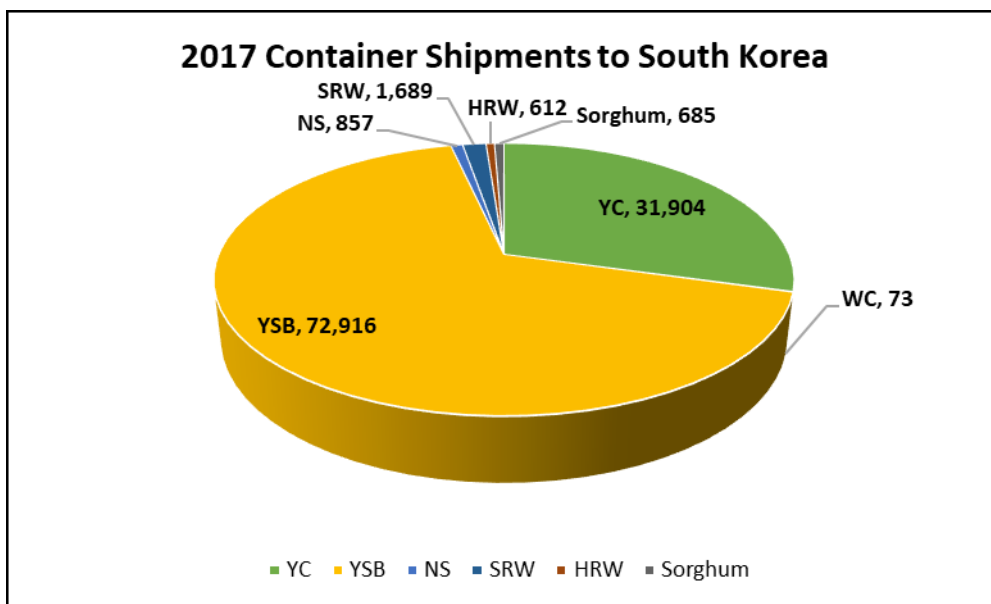
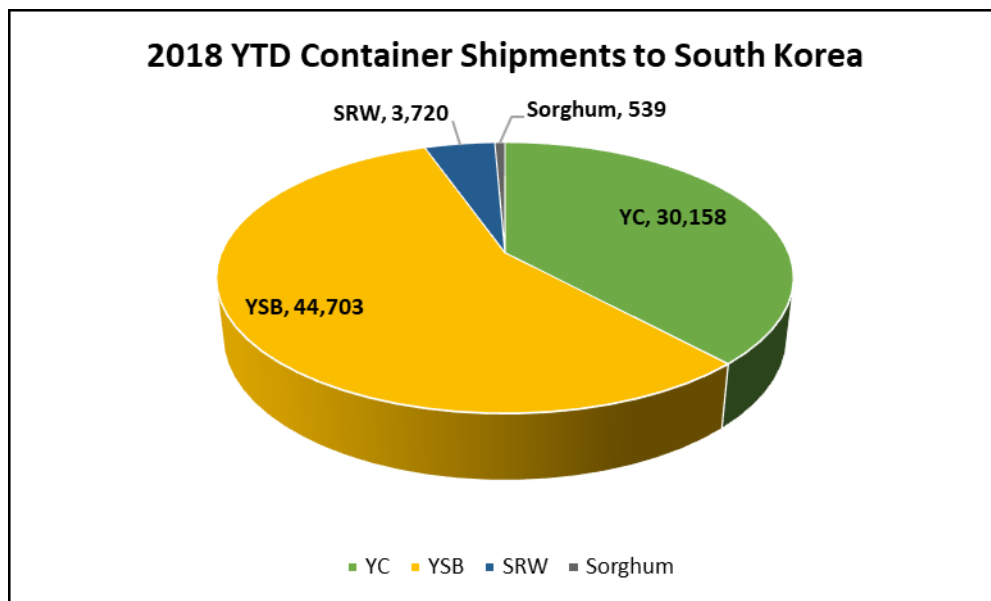
White Corn	metric tons	
Shipments:	5,655	Colombia
	40,383	Mexico
	20,698	El Salvador
	4,396	Japan
	71,132	Total

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:		23-Aug-2018							
Last Week	metric tons								MT
	YC	WC	YSB	SRW	NS	SWH	HRW	Sorghum	TOTAL
China Main									0
China T	16,183		14,247						30,430
Hong Kong									0
Costa Rica	98								98
Indonesia			35,572						35,572
Panama									0
Japan			365						365
Korea Republic	98								98
Un Arab Em									0
Malaysia	612		13,002						13,614
Burma			490						490
Philippines	979		1,956						2,935
Thailand			18,487						18,487
Jordan									0
Bangladesh			2,424						2,424
Vietnam			5,949						5,949
Sub total	17,970	0	92,492	0	0	0	0	0	102,089
USDA Corrections/Additions to previous reports:									
China T	24								24
China Main									0
Hong Kong									0
Korea Rep.									0
Costa Rica									0
Japan									0
Philippines									0
Indonesia			4,605						4,605
Malaysia			3,355						3,355
Thailand			2,350						2,350
Vietnam			367						367
Canada									0
Burma									0
Sub total	24	0	10,677	0	0	0	0	0	10,701
Mt. Grand Total	17,994	0	103,169	0	0	0	0	0	112,790
Number of containers	782	0	4,486	0	0	0	0	0	

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



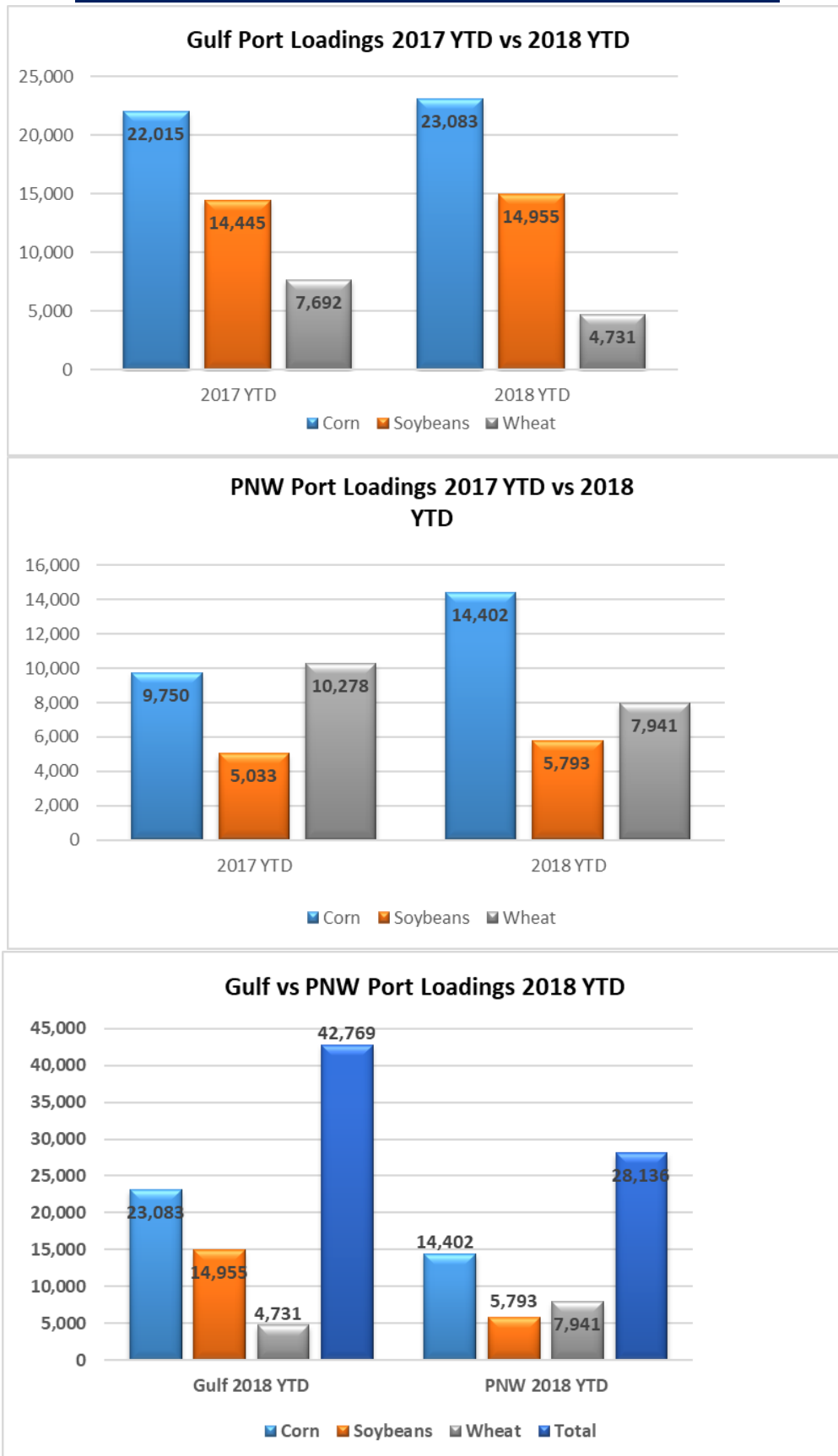
Grain Inspections for Export by U.S. Port Regions:
U.S. Gulf and Pacific Northwest 2017 YTD vs. 2018 YTD

PORT LOADINGS US Gulf				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
GULF				
2017 YTD	22,015	14,445	7,692	44,152
2018 YTD	23,083	14,955	4,731	42,769
2018 as % of 2017	105%	104%	62%	97%

PORT LOADINGS US PNW				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
PNW				
2017 YTD	9,750	5,033	10,278	25,061
2018 YTD	14,402	5,793	7,941	28,136
2018 as % of 2017	148%	115%	77%	112%

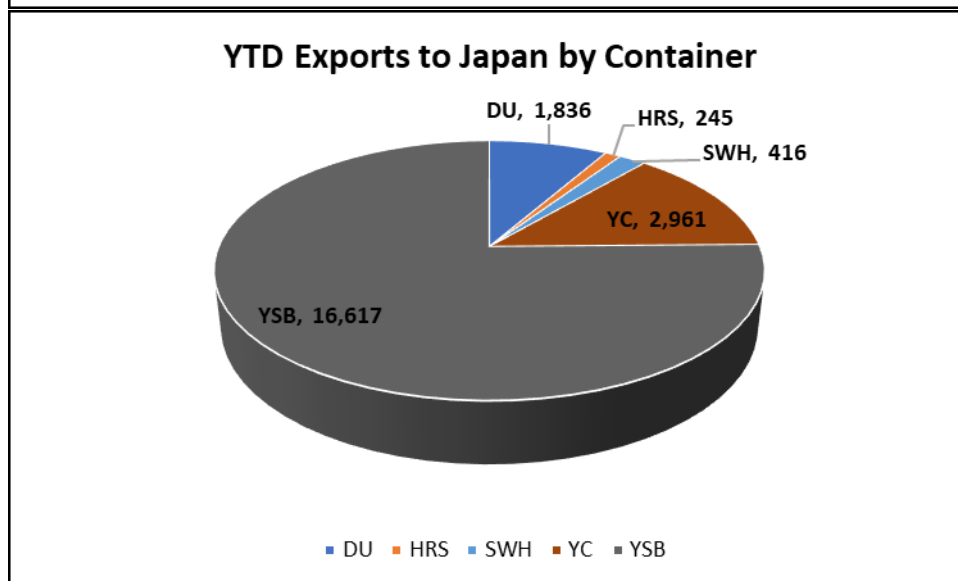
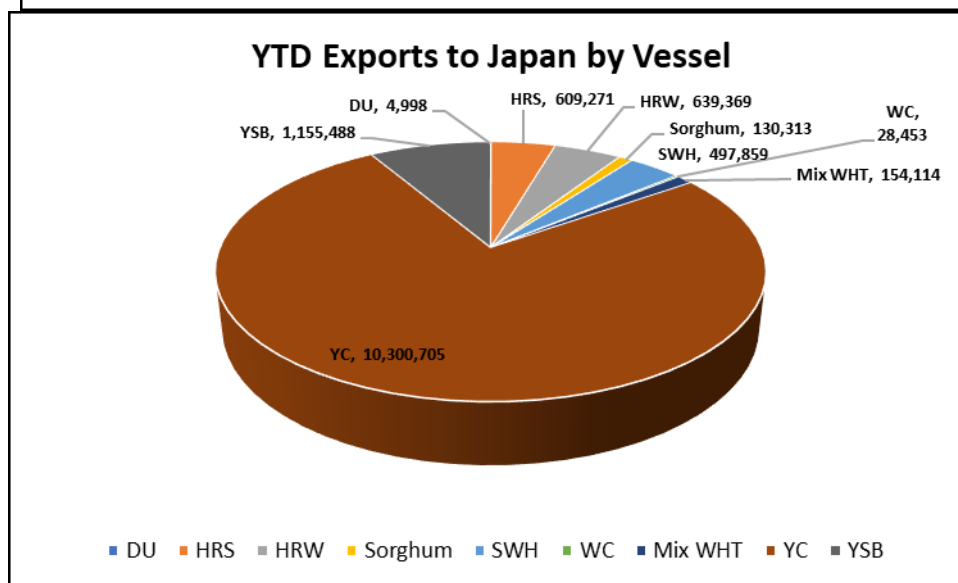
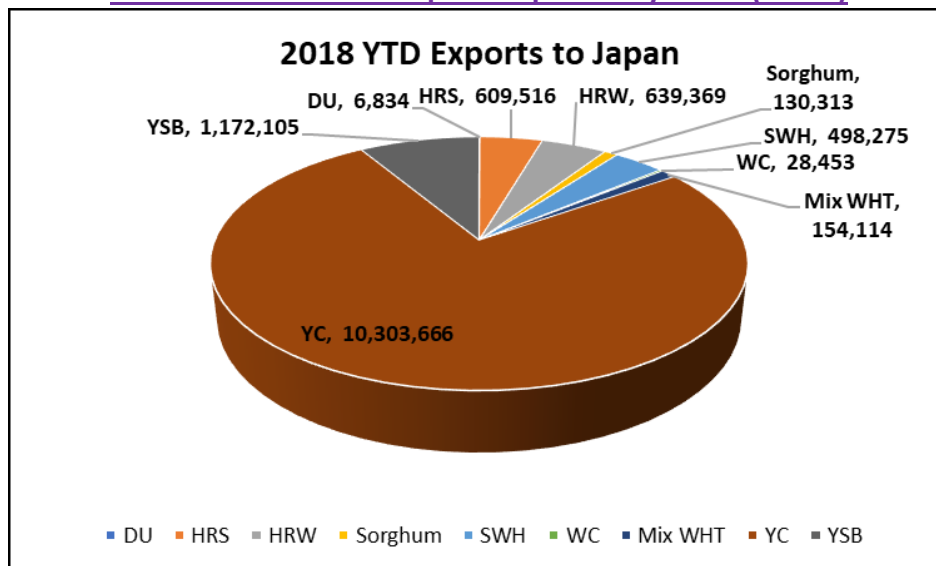
PORT LOADINGS GULF vs. PNW				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
2018 Gulf YTD	23,083	14,955	4,731	42,769
2018 PNW YTD	14,402	5,793	7,941	28,136
TOTAL	37,485	20,748	12,672	70,905
Gulf Percentage	62%	72%	37%	60%
PNW Percentage	38%	28%	63%	40%

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)

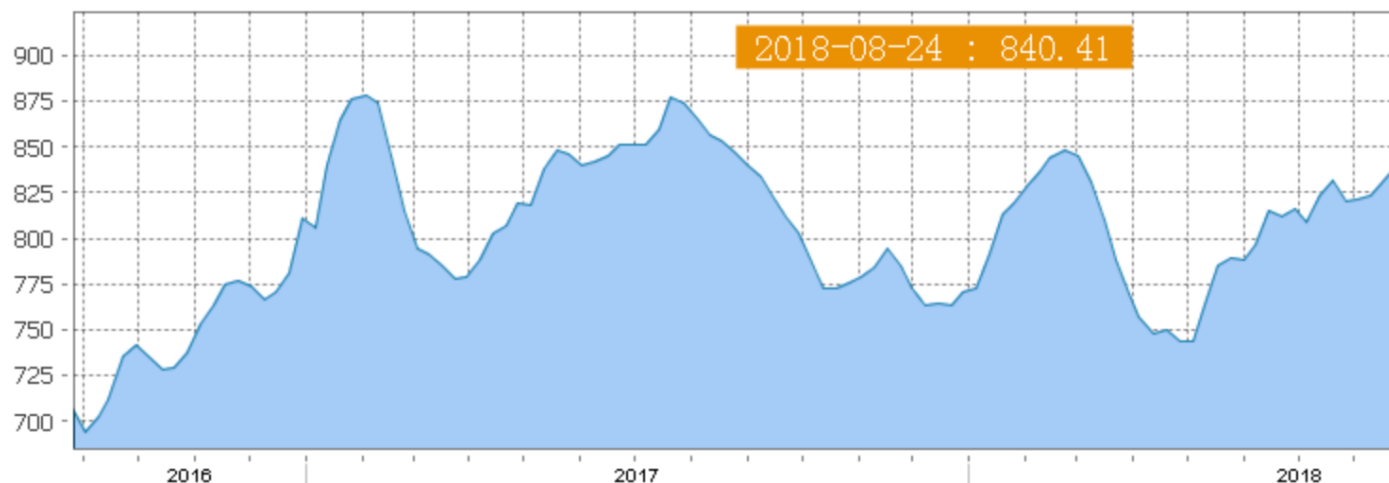


**Please keep in mind that USDA does not report DDGS sales, or they would show as the largest exports by container.

Source: USDA

Shipping News

China Containerized Freight Index



U.S. RIVER BARGE FREIGHT

Current Barge Freight for Placement First Half September 2018

Placement LH September 2018	% of Tariff	MT	Corn BU	Soybeans-Wheat BU
Upper Mississippi	615	\$ 41.96	1.07	1.14
Illinois River (Pekin and South)	590	\$ 31.28	0.79	0.85
Mid-Mississippi	600	\$ 35.19	0.89	0.96
Lower Ohio	590	\$ 29.01	0.74	0.79
St. Louis	490	\$ 21.55	0.55	0.59

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	\$ 100.00	\$ 0.01	\$ 0.03	\$ 0.49	\$ 0.98
UPRR Shuttle Trains	\$ (50.00)	\$ -	\$ (0.01)	\$ -	\$ (0.49)	\$ -

Best Regards,

Jay

Jay O'Neil
O'Neil Commodity Consulting
785-410-2303 (cell)

joneil@ksu.edu

Follow me on Twitter @ **igppjay**



**** 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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