

Transportation and Export Report for 26 September 2019

Ocean Freight Insights and Comments:

“Lions, tigers and bears, oh my”; well mostly bears this week, lots of bears. Physical and paper values in the Capesize market declined this week and the Panamax market followed. The Supramax and Handymax sectors held up much better than the larger vessels. African Swine Fever, Trade Wars and the slowing of global economic growth continue to weigh on freight markets. Some Dry-Bulk publications are trying to call this pull back a simple technical correction, but it is much more than that. Both Dry-Bulk and Containerized freight markets desperately need better cargo demand and growth. On the container side we are not seeing the normal pre-holiday rush for freight, as it seems that retailers have made their purchases early due to fears over the tariff wars. Something is going to have to change for the better or we will see a rapid acceleration of shipping consolidation.

BALTIC DRY-BULK PANAMAX INDEX CHANGES

Panamax Ocean Freight Indices				
26-Sep-19	This Week	Last Week	Difference	Percent Change
P2A : Gulf/Atlantic - Japan	25573	27938	-2,365	-8.5%
P3A - PNW/Pacific - Japan	11941	13227	-1,286	-9.7%
S1C -USGULF-China-So.Japan	29961	30414	-453	-1.5%
P7- Trial- Miss. River - Qingdao	49738	49852	-114	-0.2%
P8- Trial- Santos - Qingdao	38890	41128	-2,238	-5.4%

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

Four weeks ago:	\$10.25-\$10.55
Three weeks ago:	\$10.50-\$11.25
Two weeks ago:	\$10.50 -\$11.00
One week ago:	\$10.50-\$1100
This week	\$8.50- \$9.90

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

Mississippi River:	(10 elevators)	3-9 days (2 facilities not currently operating)
Miss. River Mid-Stream loaders:	(6+ Rigs)	0-2 days
Texas Gulf	(5 elevators)	0-4 days
Pacific Northwest:	(9 elevators)	0-11 days (3 facilities at 0 days)

Panamax Market Spreads to Asia -China					
26-Sep-19	PNW	GULF	Bushel Spread	MT Spread	Advantage
CORN	0.85	0.46	0.39	\$15.35	PNW
SOYBEANS	0.73	0.28	0.45	\$17.72	PNW
OCEAN FREIGHT	\$28.25	\$50.50	.57-.61	\$22.25	October

Recent Reported Vessel Fixtures:

Soybean Panamax USG to Spain is running \$24.50/mt.

Soybean Brazil to Spain at about \$27.00/mt.

30,000 mt Corn Northern Brazil to Vera Cruz, Mexico \$21.00-\$21.50/mt .To U.S. E/C about \$24.00-25.00/mt

Route and Vessel Size	Current Week USD/MT	Change from previous week	Remarks
55,000 U.S. Gulf-Japan	\$51.50	Down \$0.75	Handymax \$53.00 mt
55,000 U.S. PNW- Japan	\$28.75	Down \$0.75	Handymax \$29.75 mt
66,000 U.S. Gulf – China	\$50.50	Down \$0.75	North China
PNW to China	\$28.25	Down \$0.75	
25,000 U.S. Gulf- Veracruz, México	\$18.75	Down 0.25	3,000 MT daily discharge rate
30-35,000+ U.S. Gulf- Veracruz, México	\$16.00	Unchanged	Deep draft and 6,000 MT per day discharge rate.
25/37,000 U.S. Gulf- <u>East Coast Colombia</u>	\$21.00	Down \$0.50	<u>West Coast Colombia at \$31.00</u>
From Argentina	\$36.00		
43-45,000 U.S. Gulf - Guatemala	\$29.25	Unchanged	Acajutla/Quetzal - 8,000 out
26-30,000 U.S. Gulf – Algeria	\$36.50 \$37.50	Down \$0.50	8,000 mt daily discharge 3,000 mt daily discharge
26-30,000 US Gulf-Morocco	\$38.00	Down \$0.50	5,000 discharge rate
55-60,000 U.S. Gulf –Egypt	\$31.75	Down \$0.50	60,000 -55,000 mt Romania- Russia- Ukraine \$18.75 -\$16.75 -\$17.00 (France \$21.25-\$21.50)
PNW to Egypt	\$32.00		
60-70,000 U.S. Gulf – Europe – Rotterdam	\$19.75	Down \$1.25	Handymax at +\$1.75 more
Brazil, Santos – China	\$39.50	Down \$1.00	54-59,000 Supramax-Panamax 60-66,000 Post Panamax 60-66,000 mt
Brazil, Santos – China	\$40.00		
Itacoatiara-Port Upriver North Brazil	\$41.25		
56-60,000 Argentina/Rosario- China Deep Draft	\$42.25	Down \$1.00	Upriver with BB Top Off \$45.25

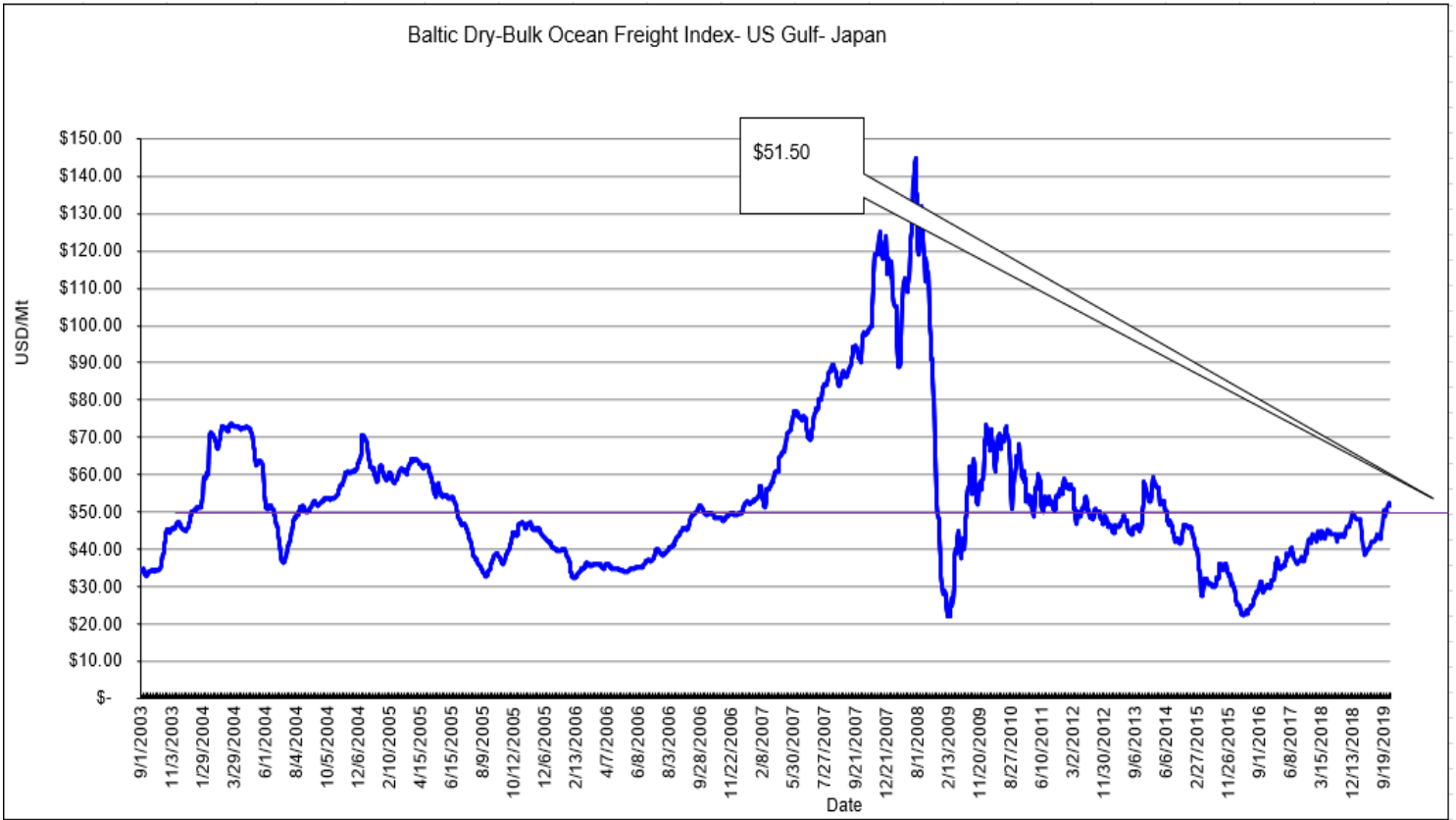
- The above rate estimates reflect the 30-45-day forward ocean freight markets.

Nautical Miles: To Xiamen China (South China)

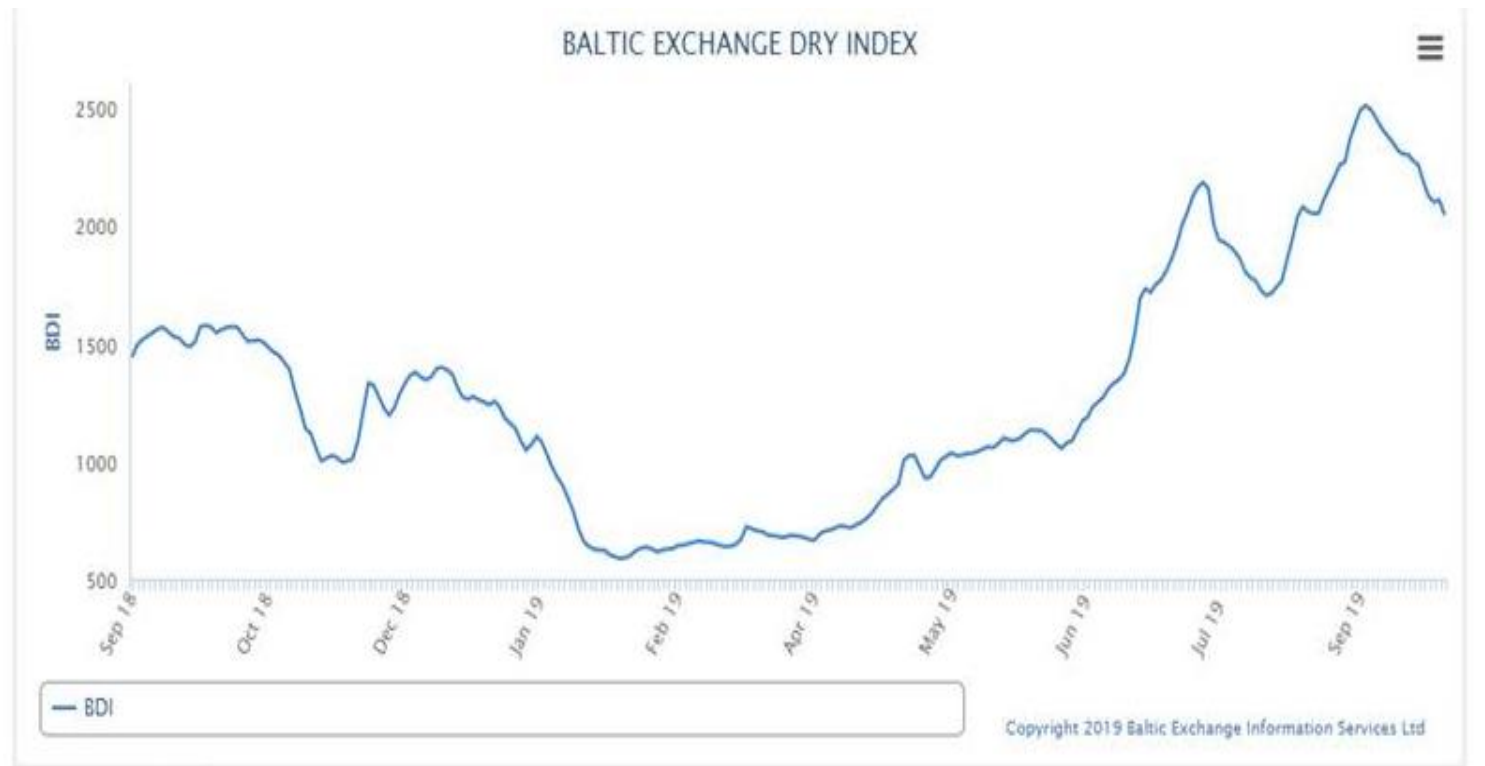
US Gulf (NOLA) (via Panamá Canal) – 10,232 nautical miles (32 days)

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

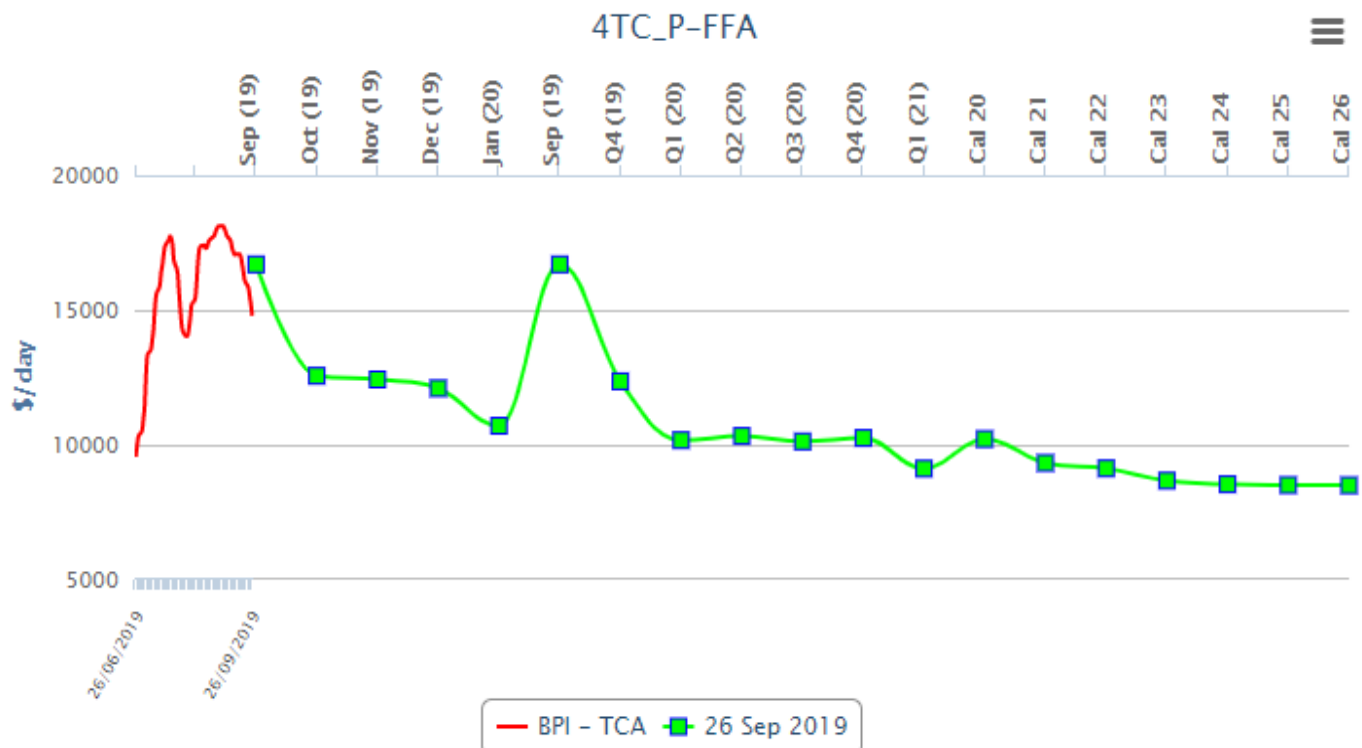
Rosario Argentina (via Cape Horn) - 10,751 nautical miles (34 days)



Baltic Dry Bulk Index.

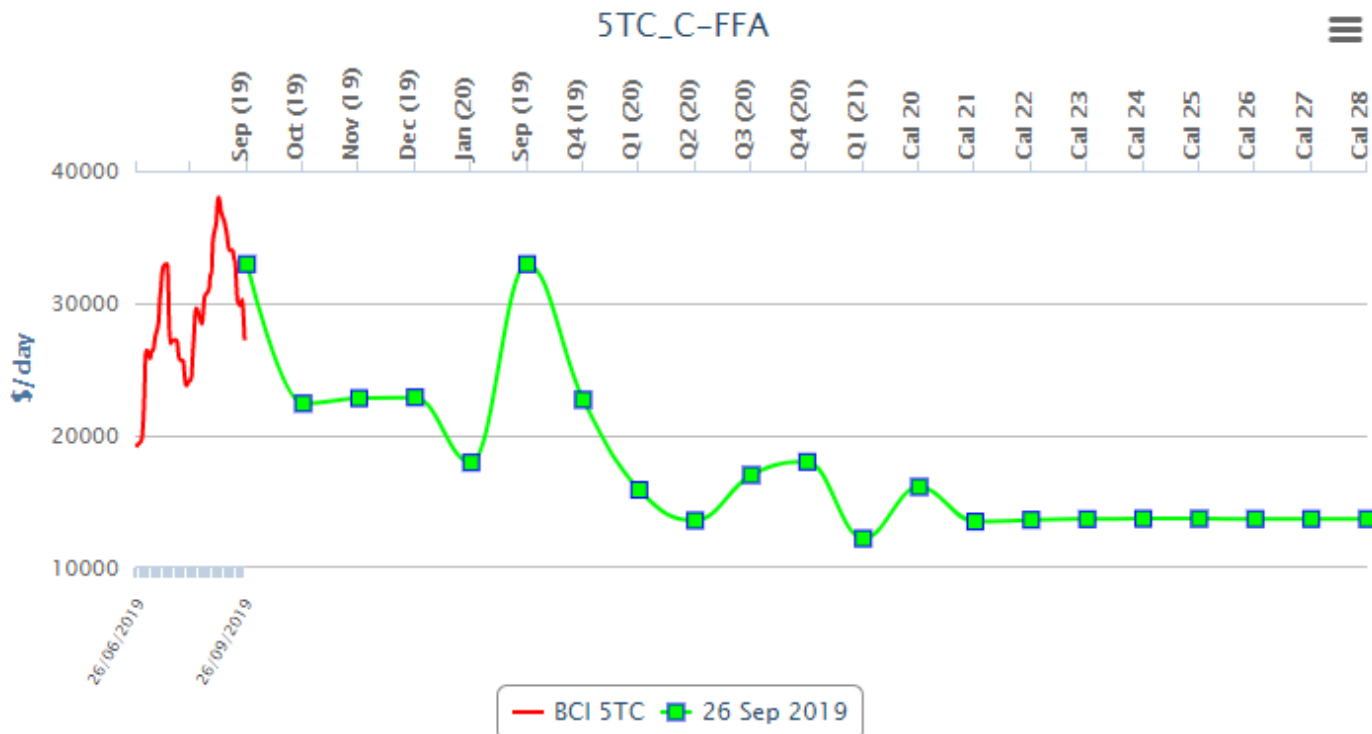


Baltic Panamax Forward Curve Chart



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Baltic Capesize Forward Curve Chart



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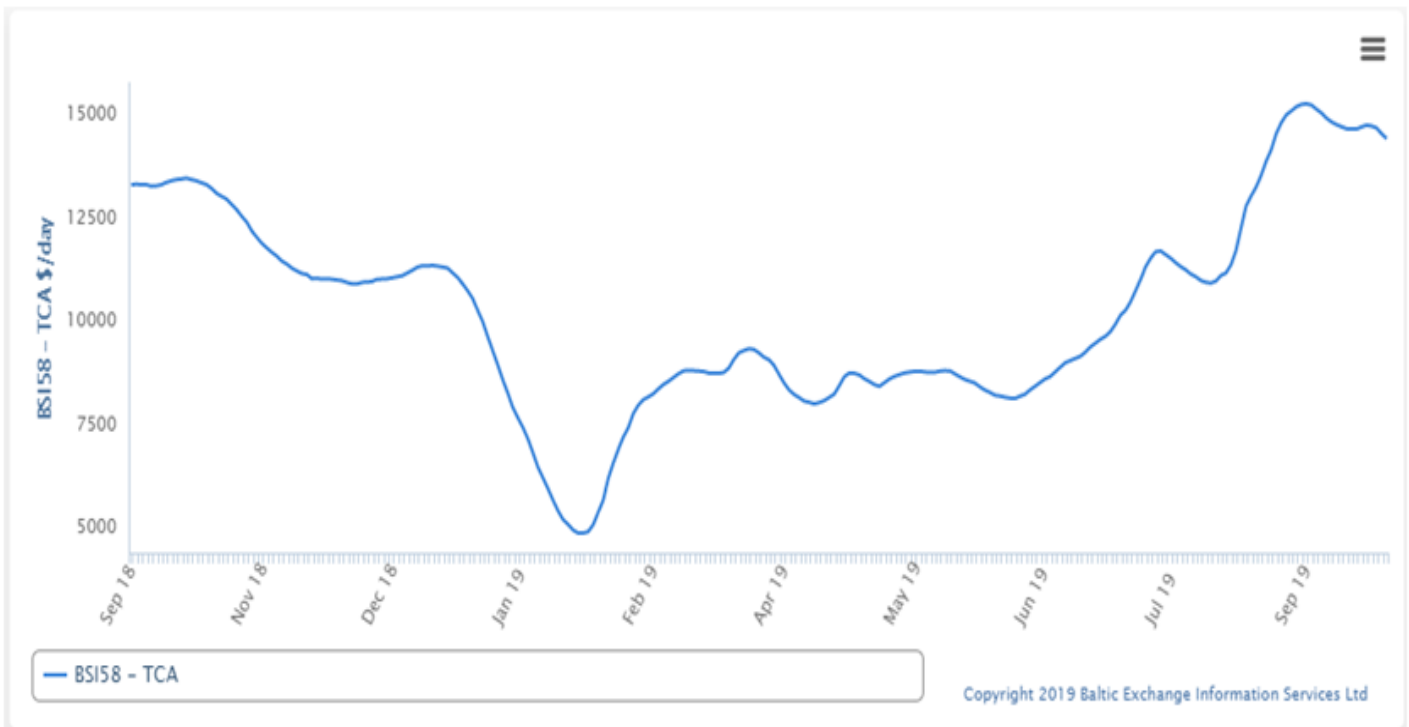
Baltic Panamax Index

Panamax

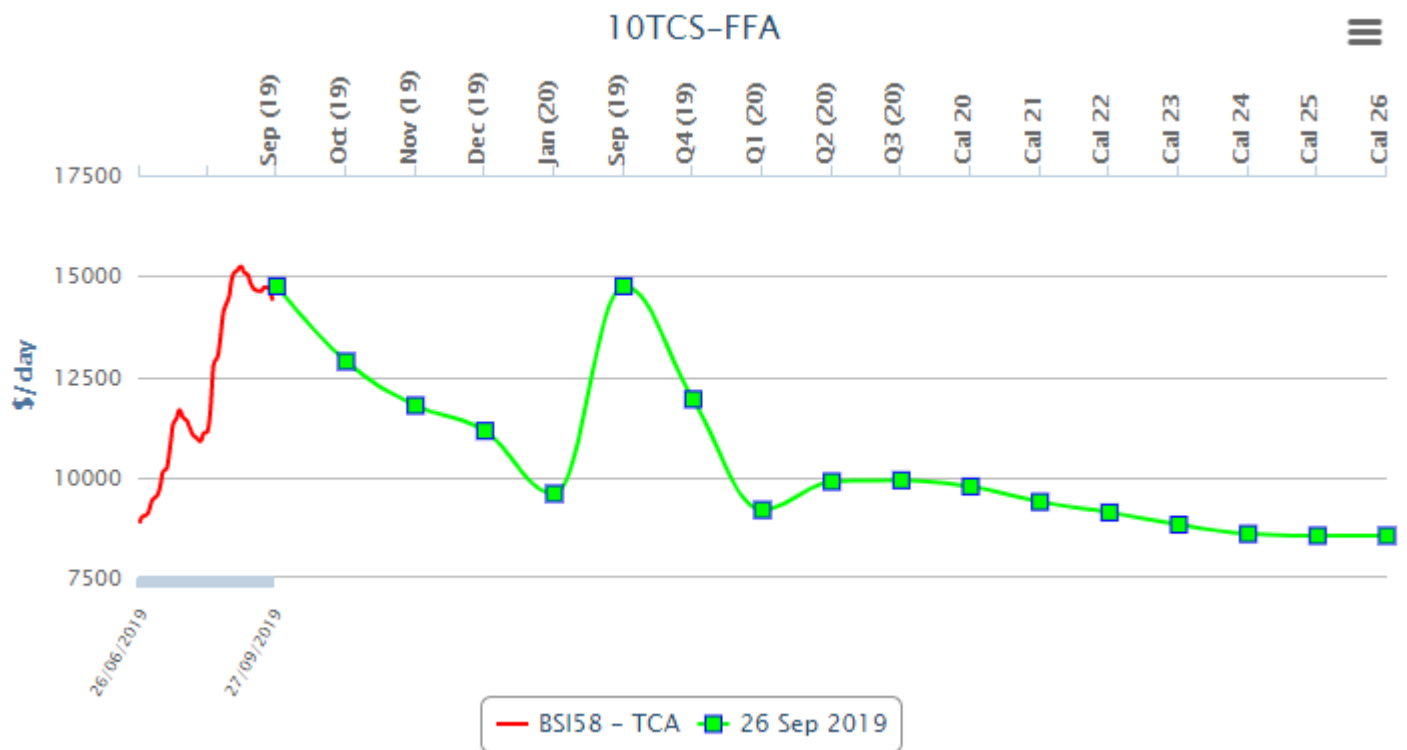


Baltic Supramax Vessel Index

Supramax

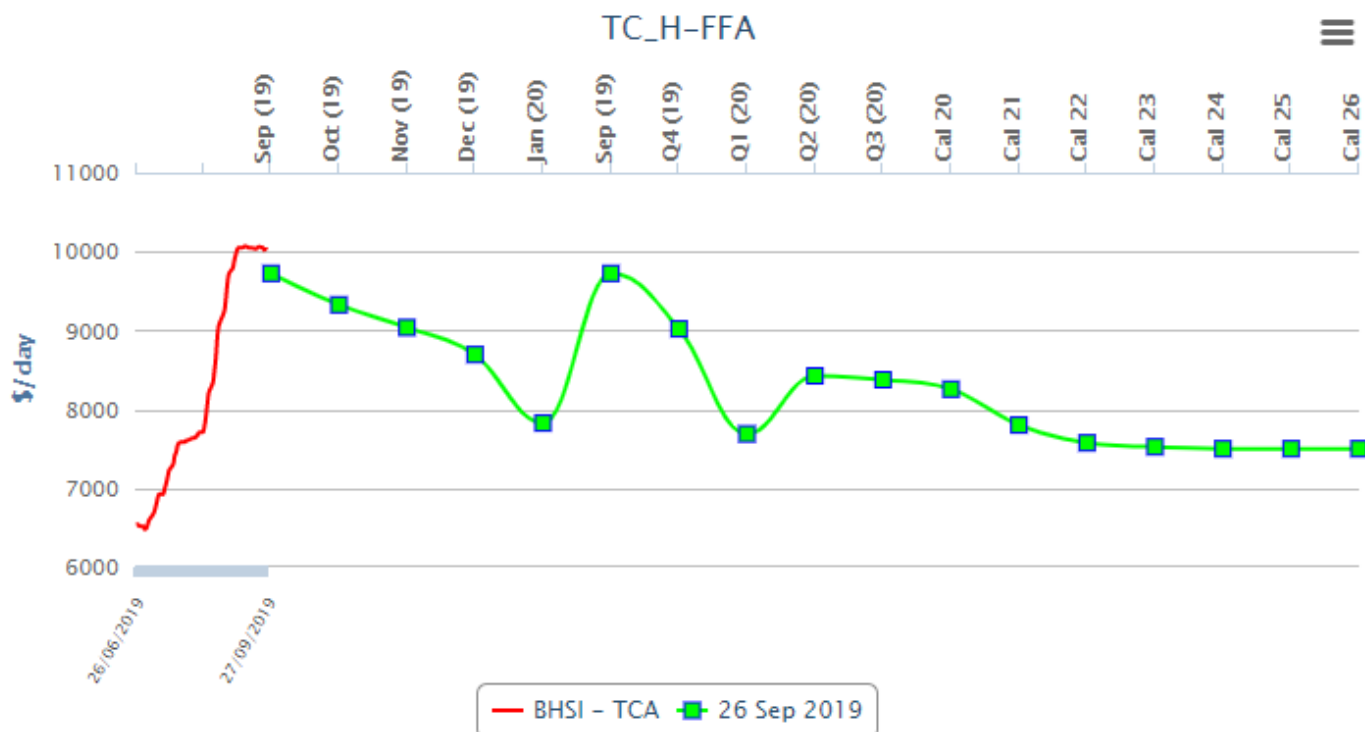


Supramax Dry-Bulk Forward Curve



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Baltic Handy Size Forward Curve



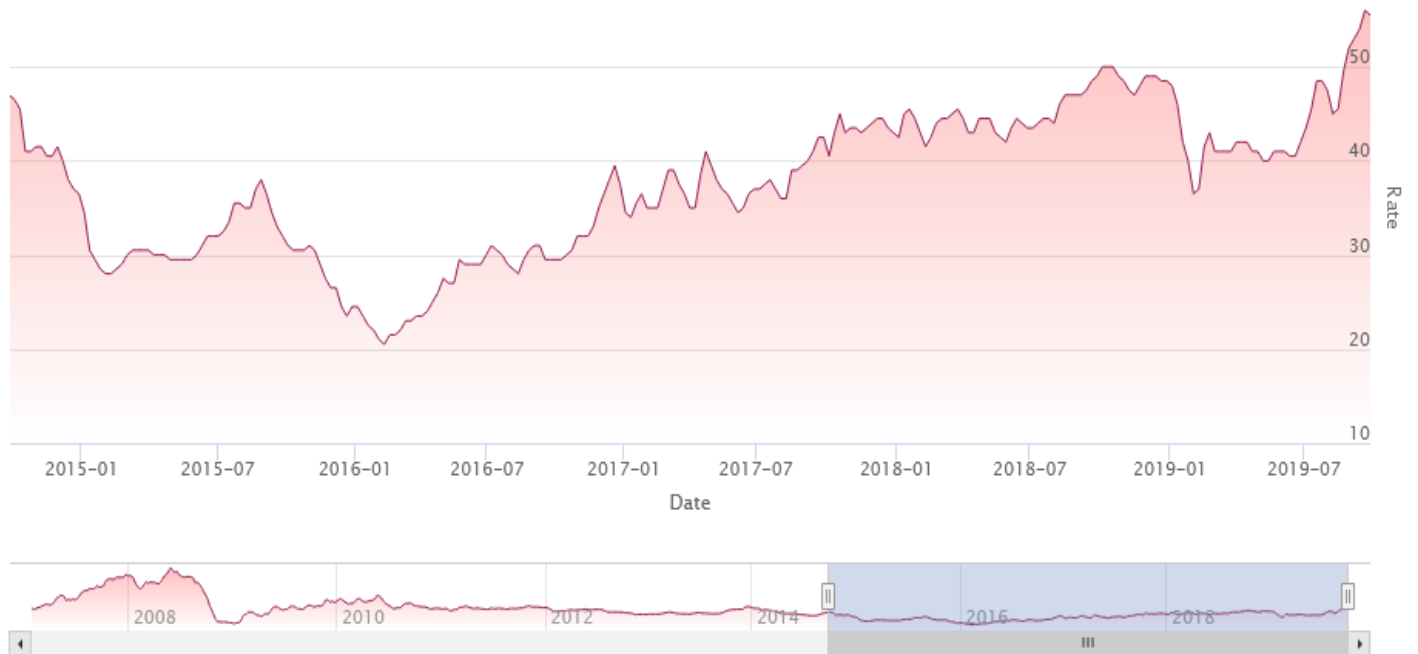
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YAMAMIZU Index



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

From 2014-09-25 To 2019-09-25



China Import Dry Bulk Freight Index					
2019-09-26					
Description	Size MT	Cargo/Vessel Size	Unit	Rate	Change
Composite Index			Point	1079.01	-27.73
Iron ore Freight Index			Point	1080.19	-47.75
Soybean Freight Index			Point	1159.23	-4.62
Santos(Brazil)—North China	60000/10%	Soybean	\$/ton	40.05	-0.255
Tacoma(West America)—North China	60000/10%	Soybean	\$/ton	28.267	-0.128
Mississippi(US Gulf)—North China	66000/10%	Soybean	\$/ton	50.472	-0.051
Mississippi(US Gulf)—North China	55000/10%	Soybean	\$/ton	52.597	0.019

26 September 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
Oct.	0.46	\$164.75	0.85	\$180.11
Nov.	0.51	\$166.72	0.86	\$180.50
Dec.	0.57	\$169.08	0.88	\$181.29
Jan.	0.51	\$171.55	0.85	\$184.93
Feb.	0.55	\$173.12	0.95	\$188.87
Mar.	0.58	\$174.30	0.99	\$190.44

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
Oct.	0.90	\$184.04	0.60	\$170.27
Nov.	0.95	\$184.04	0.65	\$172.23
Dec.	0.95	\$184.04	0.65	\$172.23
Jan.	0.90	\$186.90	0.60	\$175.09
Feb.	0.95	\$188.87	0.60	\$175.09

Fob vessel Texas Gulf #2 Sorghum is about 103 % the value of #2 Yellow Corn at NOLA.

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

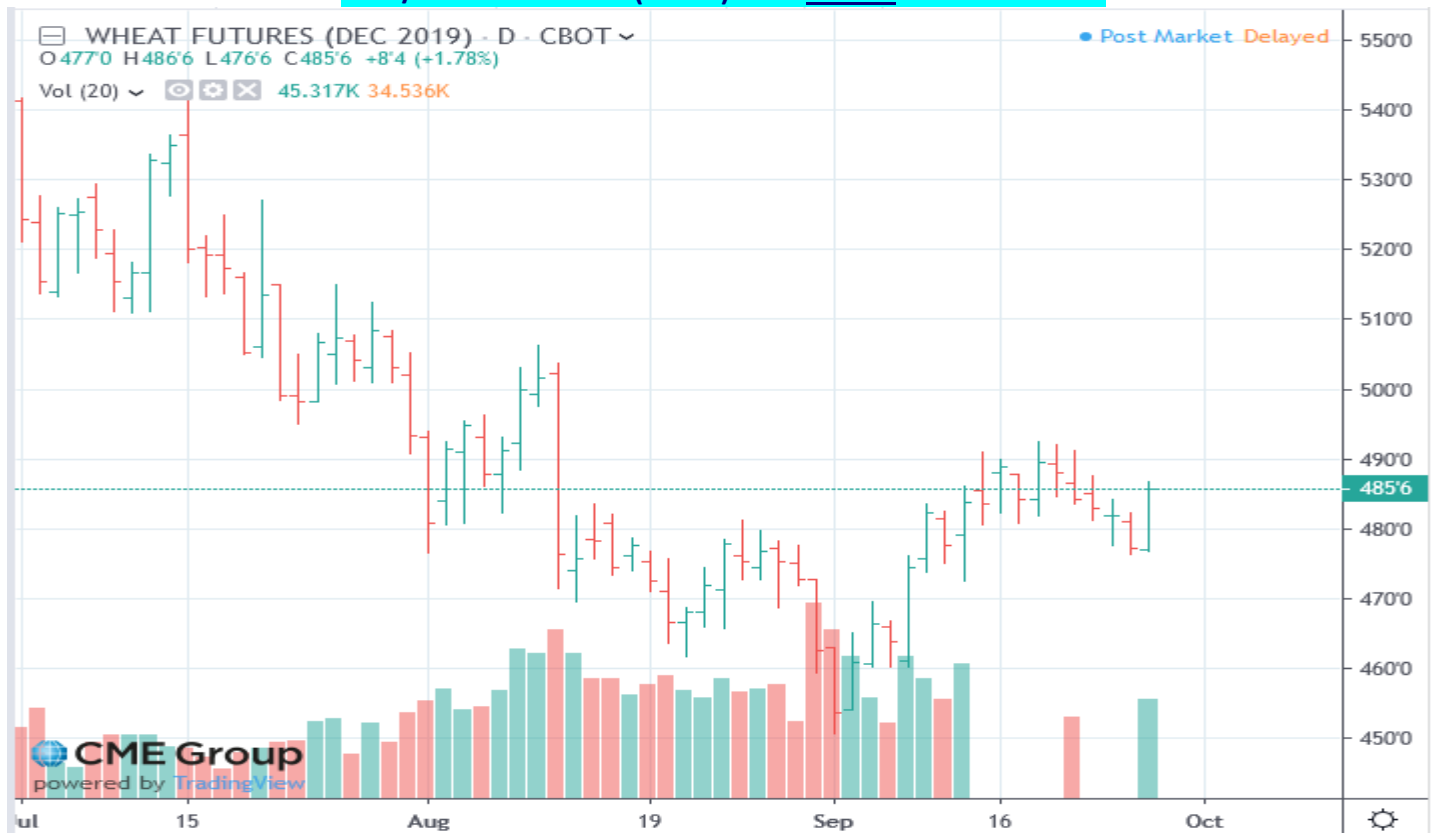
SRW Wheat	USD/MT	Fob Vessel	US Gulf	
	Oct.	Nov.	Dec.	Jan.
FOB U.S. GULF	\$214.31	\$214.67	\$216.51	\$218.71
Basis	0.99	1.00	1.05	1.05
WZ	4.84250			.
WH	4.9025			
WK	4.9425			

26-Sep-19	Close	This Week	Last Week.	Last Week.	Last Week	
CME Corn Futures	Bushel	MT.	Bushel	Bu. Diff.	MT	MT Diff.
Dec.	\$ 3.7250	\$ 146.65	\$ 3.7275	(0.0025)	\$ 146.74	\$ (0.10)
Mar.	\$ 3.8475	\$ 151.47	\$ 3.8400	0.0075	\$ 151.17	\$ 0.30
May	\$ 3.9225	\$ 154.42	\$ 3.9175	0.0050	\$ 154.22	\$ 0.20
July	\$ 3.9750	\$ 156.49	\$ 3.9750	-	\$ 156.49	\$ -
Sept.	\$ 3.9950	\$ 157.27	\$ 3.9975	(0.0025)	\$ 157.37	\$ (0.10)
Dec.	\$ 4.0425	\$ 159.14	\$ 4.0500	(0.0075)	\$ 159.44	\$ (0.30)

CBOT Dec. 2019 (CZ19) CORN Futures Chart –



CME/CBOT Dec. 2019 (WZ19) SRW Wheat Futures Chart –

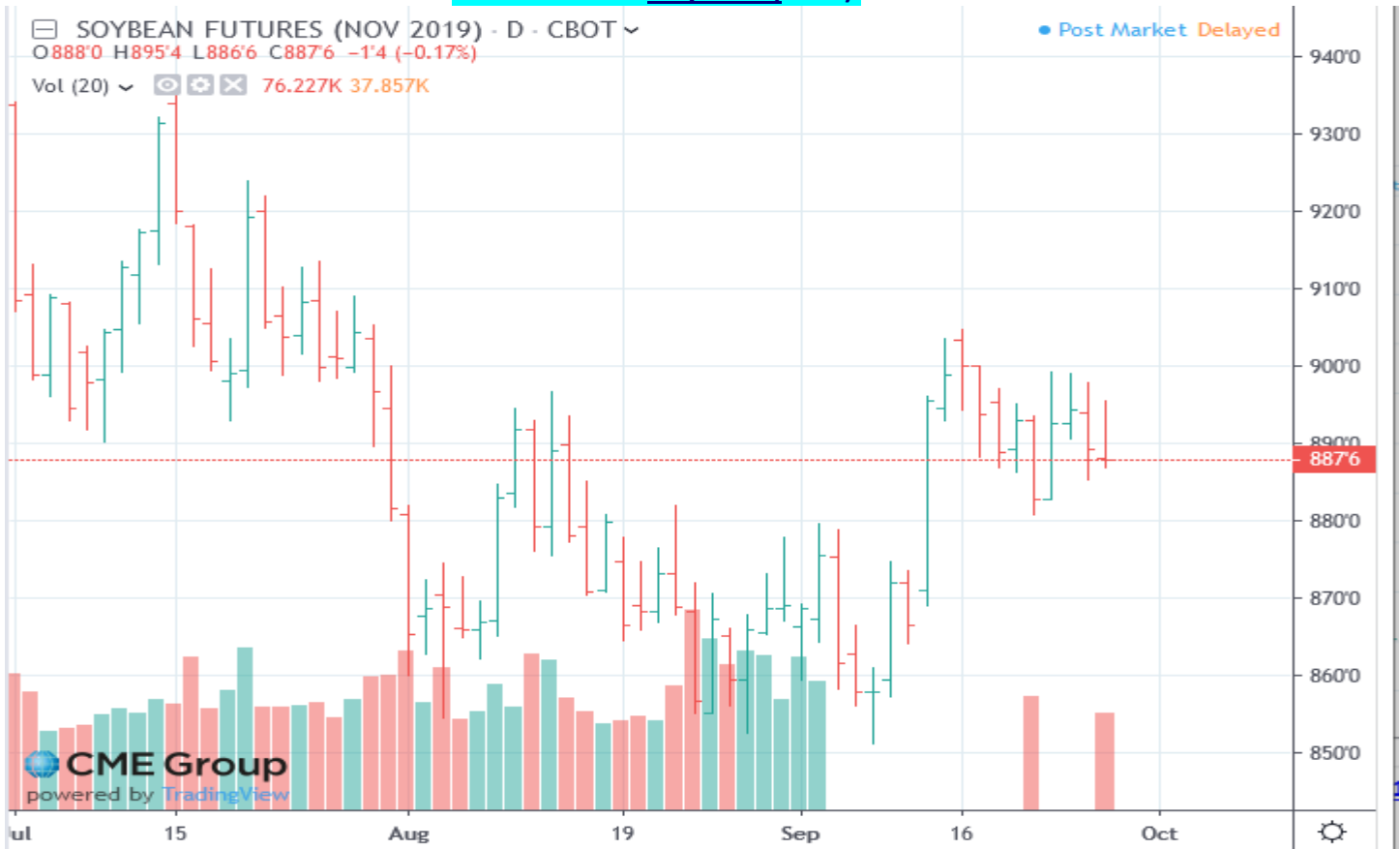


U.S. Soybean and SBM Markets Fob Vessel:

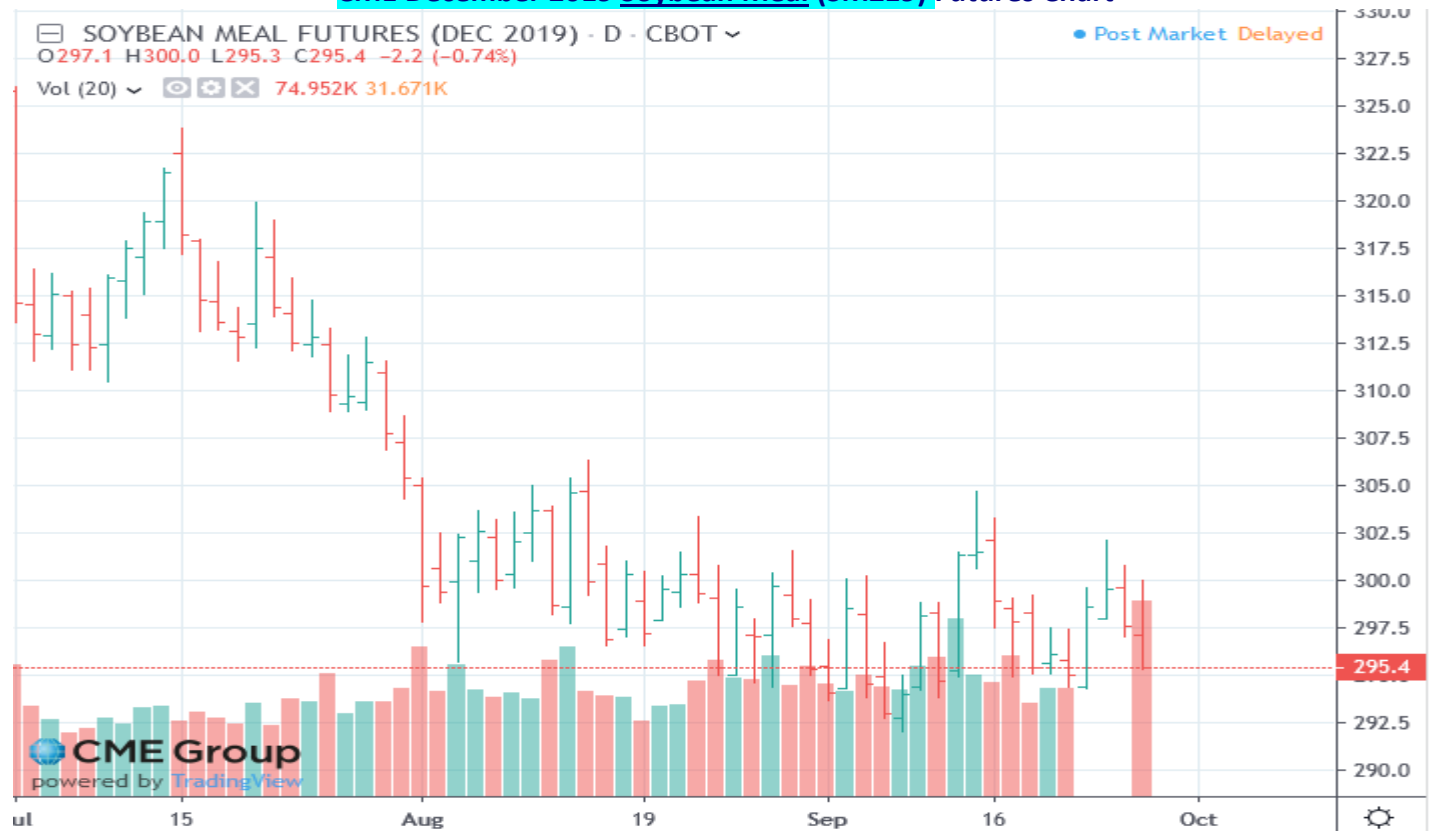
U.S. Yellow Soybeans (USD/MT) FOB Vessel				
# 2 YSB	U.S. Gulf #2 YSB		PNW #2 YSB	
14.0 % Moisture	Basis	Flat Price	Basis	Flat Price
Oct.	0.28	\$336.75	0.73	\$353.29
Nov.	0.34	\$338.96	0.75	\$354.02
Dec.	0.31	\$343.09	0.65	\$355.58
Jan.	0.40	\$346.40	0.68	\$356.69
Feb.	0.38	\$350.16	0.59	\$357.88
Soybean Futures				
Nov.	\$ 8.8850			
Jan.	\$ 9.0275			
Mar.	\$ 9.1500			
May	\$ 9.2550			
July	\$ 9.3425			
August	\$ 9.3825			

U.S. SBM (USD/MT) FOB Vessel		
Fob U.S. Gulf Port	47.5 Pro. SBM	
max 12.5 % moisture	Basis	Flat Price
Oct.	7.00	\$ 328.32
Nov.	6.00	\$ 332.51
Dec.	8.00	\$ 334.72
Jan.	7.00	\$ 335.82
Feb.	6.00	\$ 338.69
SBM Futures		
SMV	290.80	
SMZ	295.60	
SMF	297.60	
SMH	301.20	
SMK	305.60	
SMN	310.20	

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 12 September 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 '20- 21 (000 MT)
Corn	1477.9	8,654.9	52,070	17%	124.9
Sorghum	2.0	69.5	2,540	3%	0.0
Soybeans	1755.5	11,180.9	48,310	23%	0.0
Wheat	381.8	12,292.9	26,540	46%	8.9
Barley	0.0	57.4	70	82%	0.0

U.S. EXPORT INSPECTIONS:

Monday's report 23 September 2019 for the Export week ending 19 September 2019

	Export Inspections		Current Market Year YTD	Previous Year to Date	2019/20 YTD as Percent of 2018/19 YTD
	This Week	Previous Week			
Corn	233,993	423,129	1,129,132	3,077,810	37%
Sorghum	6,276	45,857	85,675	6,332	1353%
Soybeans	922,550	668,496	2,164,513	2,340,915	92%
Wheat	476,173	517,550	8,005,684	6,545,647	122%
Barley	0	49	3,036	3,547	86%

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

U.S. EXPORT INSPECTIONS:

Monday's report 23 September 2019 for the Export week ending 19 September 2019

Last Week							
(Metric Tons)	YC	%	WC	%	Sorghum	%	Soybeans %
Lakes	0	0%	0	#DIV/0!	0	0%	19,360 2%
Atlantic	0	0%	0	#DIV/0!	0	0%	1,567 0%
Gulf	94,556	40%	0	#DIV/0!	0	0%	735,194 80%
PNW	15,049	6%	0	#DIV/0!	0	0%	60,252 7%
Interior Export Rail	124,388	53%	0	#DIV/0!	6,276	100%	106,177 12%
Metric Tons	233,993		0		6,276		922,550

Sorghum Shipments: metric tons

6,276	Mexico
6,276	Total

White Corn metric tons

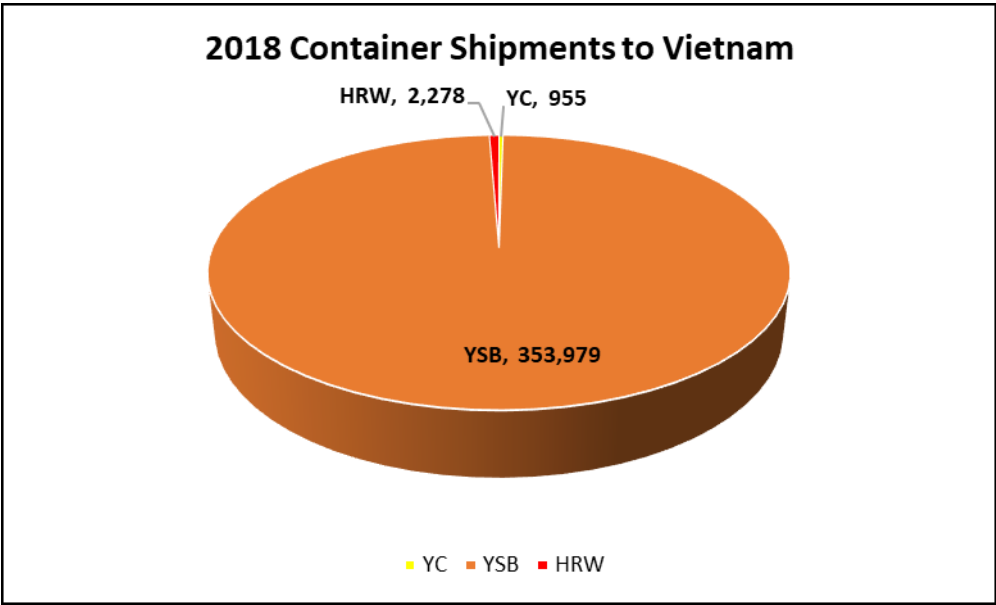
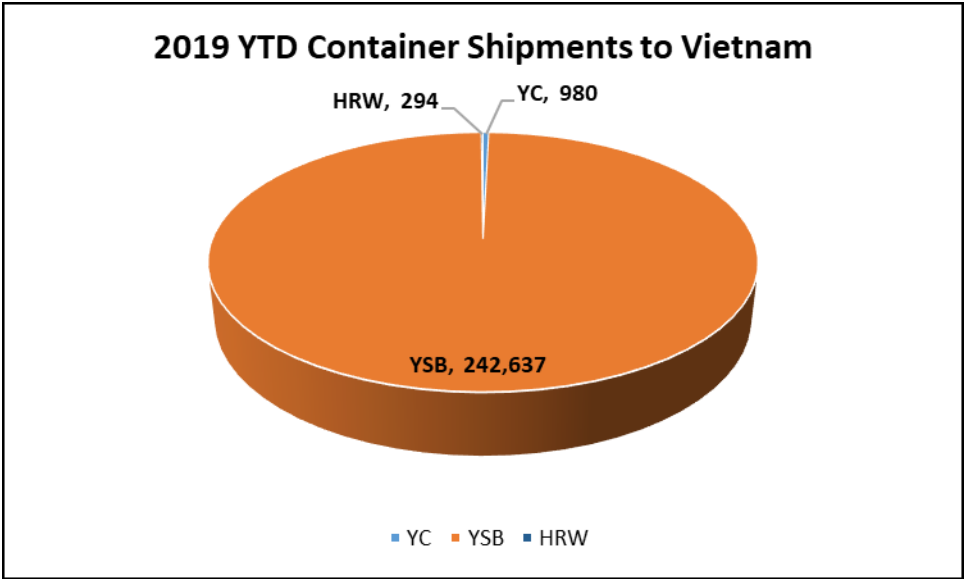
Shipments:	
0	Total

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:		19-Sep-2019							
Last Week	metric tons								MT
	YC	WC	YSB	SRW	NS	SWH	HRW	Sorghum	TOTAL
China Main									0
China T	9,083		14,521						23,604
Hong Kong	832								832
Costa Rica									0
Indonesia			12,046						12,046
French Poly	318								318
Japan			1,957						1,957
Korea Republic	735		2,668						3,403
Nepal			1,297						1,297
Malaysia	171		5,974						6,145
Ireland									0
Philippines			637						637
Thailand			5,853						5,853
Jordan									0
Lebanon									0
Bangladesh									0
Burma			490						490
Vietnam			6,782						6,782
Sub total	11,139	0	52,225	0	0	0	0	0	56,092
USDA Corrections/Additions to previous reports:									
China T									0
China Main									0
Hong Kong									0
Korea Rep.									0
Canada									0
Japan									0
Philippines	220		122						342
Indonesia			1,273						1,273
Malaysia			539						539
Thailand									0
Vietnam									0
Burma									0
Bangladesh									0
Sub total	220	0	1,934	0	0	0	0	0	2,154
Mt. Grand Total	11,359	0	54,159	0	0	0	0	0	58,246
Number of containers	494	0	2,355	0	0	0	0	0	

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



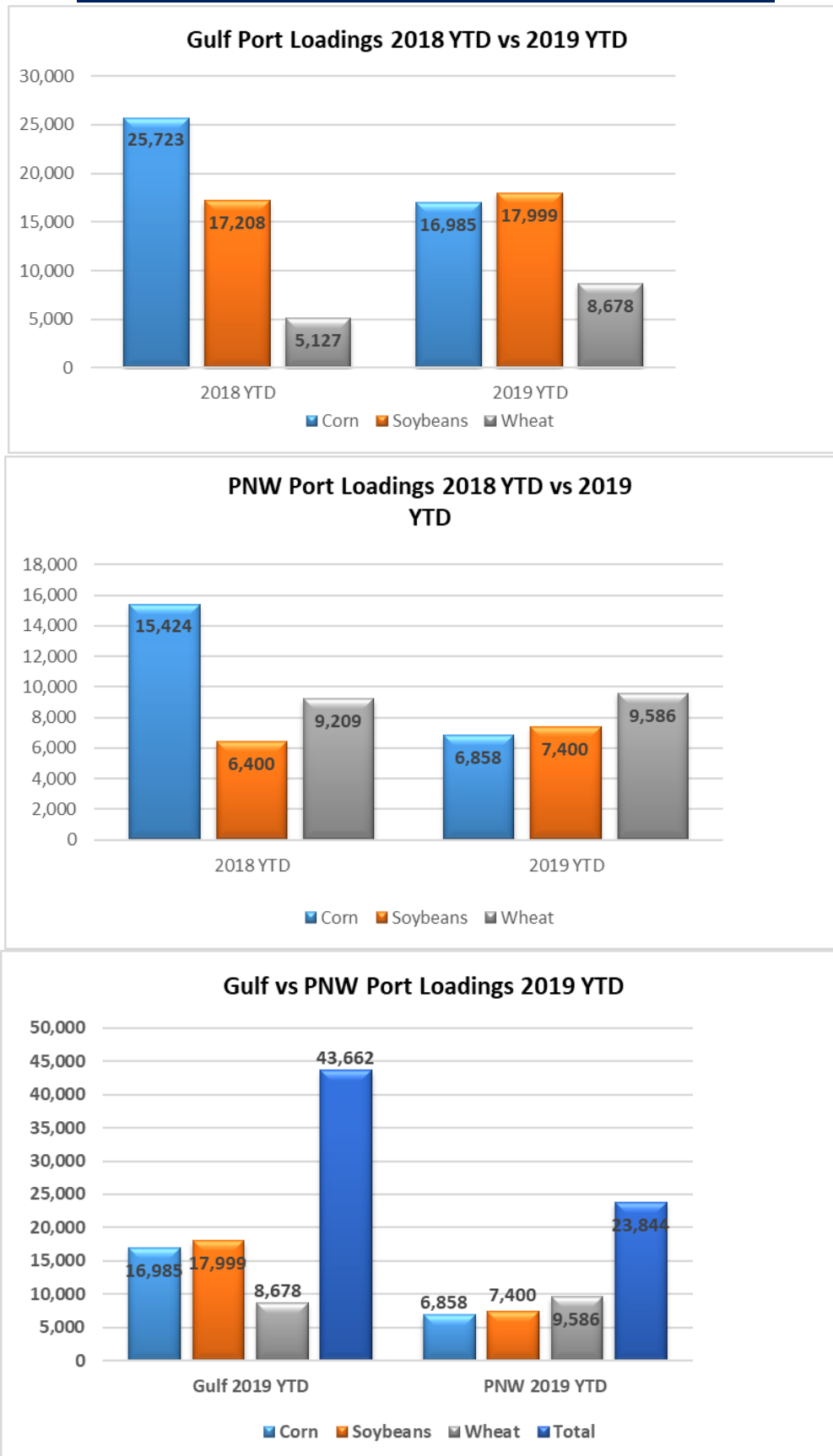
Grain Inspections for Export by U.S. Port Regions:
U.S. Gulf and Pacific Northwest 2018 YTD vs. 2019 YTD

PORT LOADINGS US Gulf				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
GULF				
2018 YTD	25,723	17,208	5,127	48,058
2019 YTD	16,985	17,999	8,678	43,662
2019 as % of 2018	66%	105%	169%	91%

PORT LOADINGS US PNW				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
PNW				
2018 YTD	15,424	6,400	9,209	31,033
2019 YTD	6,858	7,400	9,586	23,844
2019 as % of 2018	44%	116%	104%	77%

PORT LOADINGS GULF vs. PNW				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
2019 Gulf YTD	16,985	17,999	8,678	43,662
2019 PNW YTD	6,858	7,400	9,586	23,844
TOTAL	23,843	25,399	18,264	67,506
Gulf Percentage	71%	71%	48%	65%
PNW Percentage	29%	29%	52%	35%

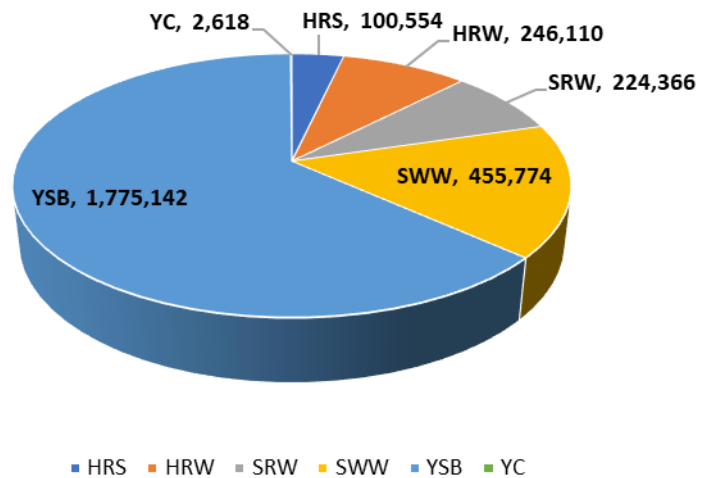
Grain Inspections for Export by U.S. Port Regions (1,000MT):
U.S. Gulf and Pacific Northwest 2018 YTD vs. 2019 YTD



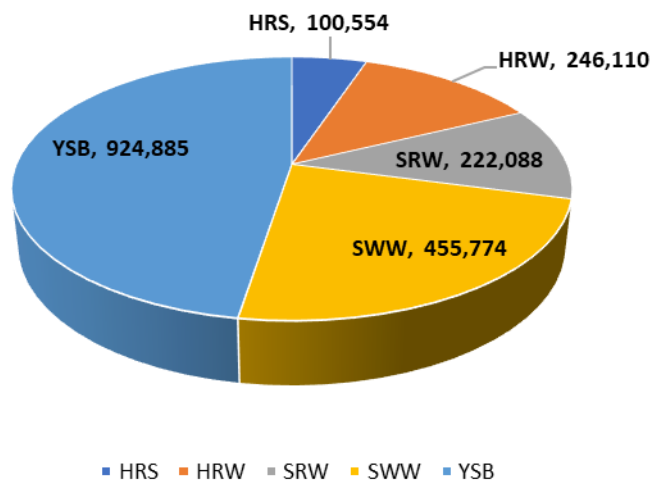
Source: USDA-data

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

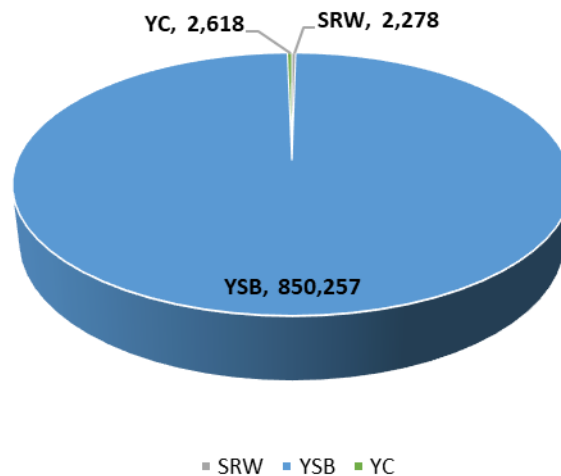
2019 YTD Exports to Indonesia



YTD Exports to Indonesia by Vessel

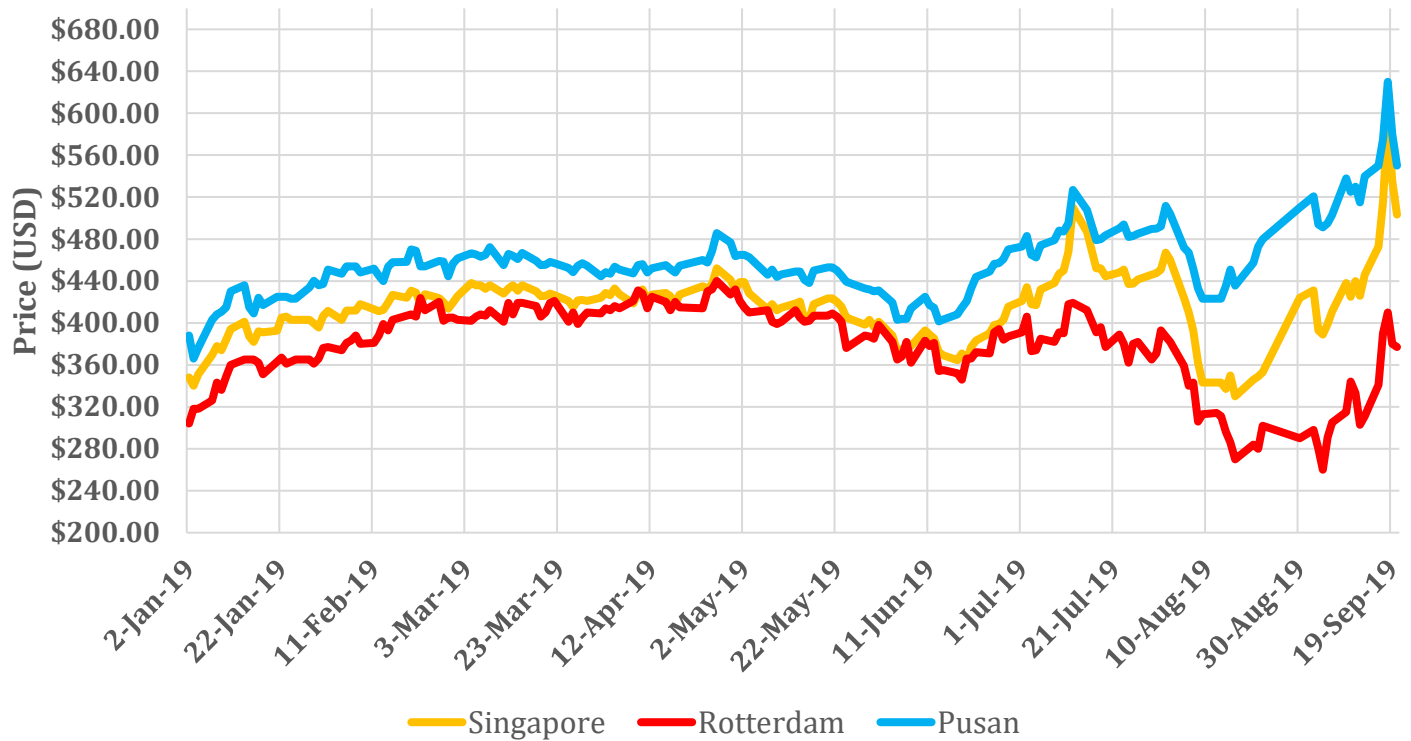


YTD Exports to Indonesia by Container

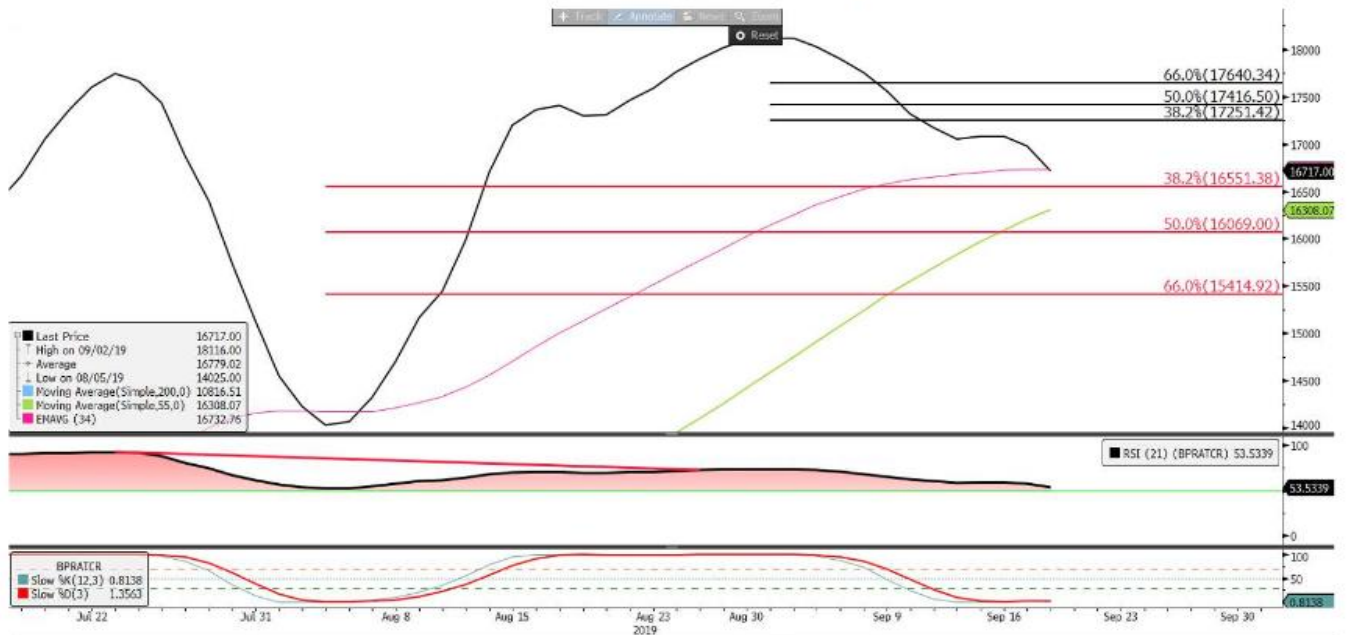


*Please keep in mind that USDA does not report DDGS sales

Bunker Fuel Prices for Singapore vs. Rotterdam vs. Pusan



Panamax Index Daily



Resistance –16,317, 16,660, 17,126

Source Bloomberg

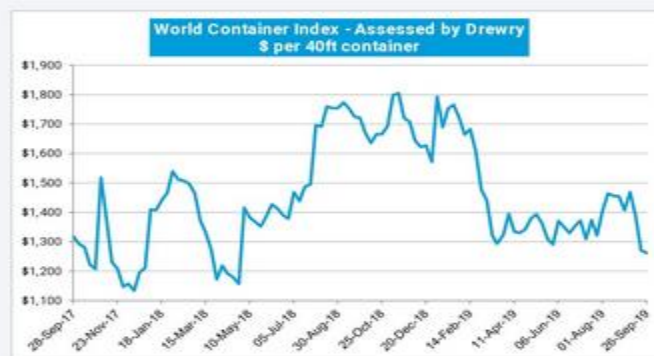
Support 14,324, 14,025, 13,268

Route	12-Sep-19	19-Sep-19	26-Sep-19	Weekly change (%)	Annual change (%)
Composite Index	\$1,387	\$1,271	\$1,262	-1% ▼	-27% ▼
Shanghai - Rotterdam	\$1,511	\$1,303	\$1,247	-4% ▼	-19% ▼
Rotterdam - Shanghai	\$565	\$566	\$565	0%	-42% ▼
Shanghai - Genoa	\$1,604	\$1,451	\$1,395	-4% ▼	-7% ▼
Shanghai - Los Angeles	\$1,518	\$1,391	\$1,404	1% ▲	-41% ▼
Los Angeles - Shanghai	\$411	\$411	\$396	-4% ▼	-22% ▼
Shanghai - New York	\$2,583	\$2,435	\$2,574	6% ▲	-28% ▼
New York - Rotterdam	\$546	\$536	\$536	0%	-8% ▼
Rotterdam - New York	\$2,346	\$2,347	\$2,346	0%	17% ▲

World Container Index - 26 Sep

The World Container Index assessed by Drewry, a composite of container freight rates on 8 major routes to/from the US, Europe and Asia is down by 0.6% to \$1,262.39 per 40ft container (updated Thursday, 26 September 2019).

Two-year spot freight rate trend for the World Container Index:



World Coontainer Index Assessed by Drewry

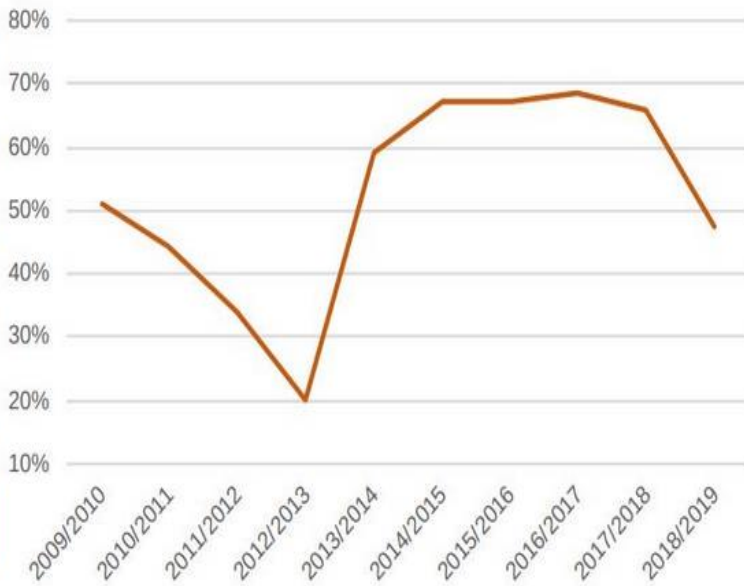
Our detailed assessment for Thursday, 26 September 2019



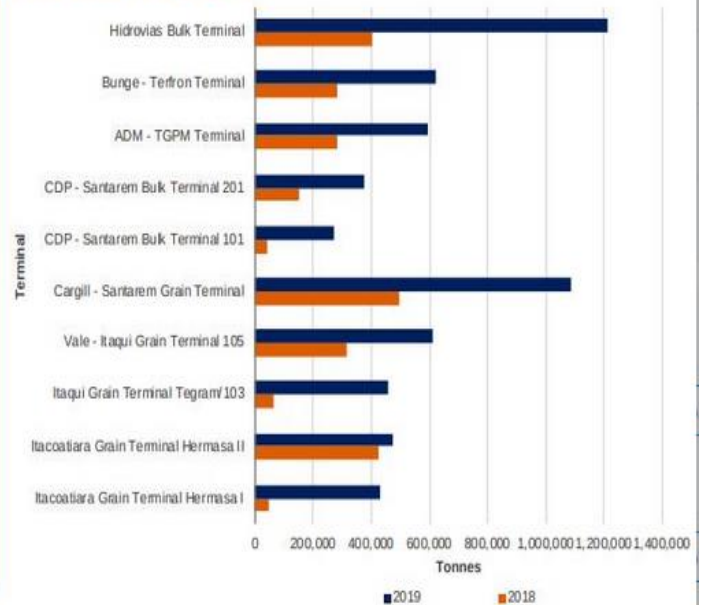
ClipperData @ClipperData · 6h

Our latest special report, "Grain & Oilseed Flows Detected in Real-Time Data," details issues impacting #grain and #oilseed flows.

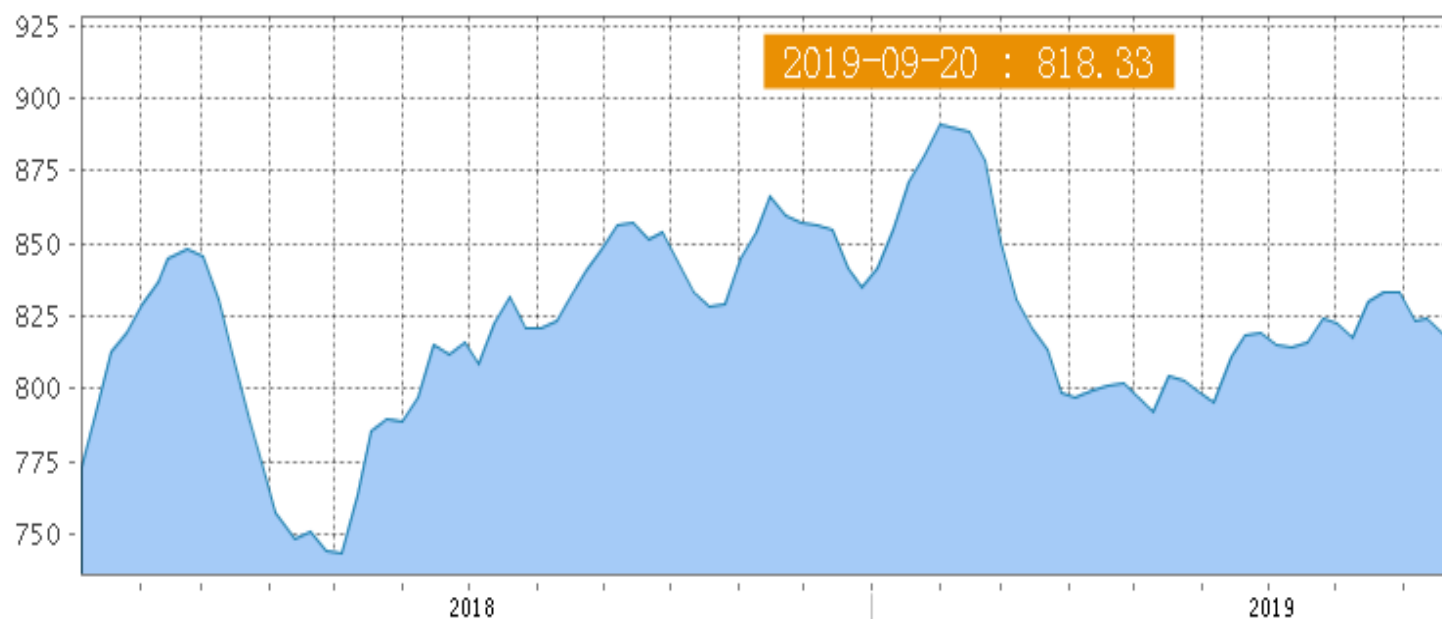
CARIBBEAN/LATIN AMERICAN MARKET SHARE



BRAZIL NORTHERN ARC TERMINAL LOADING JANUARY-AUGUST



China Containerized Freight Index



China Import Dry Bulk Freight Index



U.S. RIVER BARGE FREIGHT

Current Barge Freight for Placement Last Half October 2019

Placement LH October 2019	% of		Corn	Soybeans-Wheat
	Tariff	MT	BU	BU
Upper Mississippi	385	\$26.27	0.67	0.71
Illinois River (Pekin and South)	380	\$20.15	0.51	0.55
Mid-Mississippi	400	\$23.46	0.60	0.64
Lower Ohio	390	\$19.17	0.49	0.52
St. Louis	340	\$14.95	0.38	0.41

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

Secondary Rail Car Market Placement LH. October 2019	BID USD	ASK USD	BID BU.	ASK BU.	BID MT	ASK MT
BNSF Shuttle Trains	\$ (300.00)	\$ (200.00)	\$ (0.08)	\$ (0.05)	\$ (2.95)	\$ (1.97)
UPRR Shuttle Trains	\$ (200.00)	\$ (50.00)	\$ (0.05)	\$ (0.01)	\$ (1.97)	\$ (0.49)

Best Regards,

Jay

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*** 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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