

**Transportation and Export Report for 28 September 2017****Ocean Freight Insights and Comments:**

Dry-bulk freight markets seem to be quieting down after their recent run up. The Chinses are going on Golden week on holiday and vessel owners and operators are looking for the bids that were here last week. The few reported trades that have been seen are at slightly lower rates. All-in-All is looks like the market has simply reversed last week's gains and is now looking for new direction. Perhaps the market rally has gone as far as needed for the time being? In addition to China cancelling one third of their domestic Iron Ore mining licenses, a good portion of this past market rally has been technical. It is difficult to project that China will continue to grow imports steadily into 2018 without changing policies again. The market also has to be concerned over the recent spirt of new build vessel orders. Will vessel owners paint themselves right back into the same corner?

BALTIC DRY-BULK PANAMAX INDEX CHANGES

Panamax Ocean Freight Indices				
28-Sep-17	This Week	Last Week	Difference	Percent Change
P2A : Gulf/Atlantic - Japan	17830	19207	-1,377	-7.2%
P3A - PNW/Pacific - Japan	11230	13302	-2,072	-15.6%
S1C -USGULF-China-So.Japan	22706	22956	-250	-1.1%

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

Four weeks ago:	\$ 6.85-\$7.30
Three weeks ago:	\$ 7.25-\$7.60
Two weeks ago:	\$ 7.75-\$8.05
One week ago:	\$ 7.70-\$8.10
This week	\$ 7.30-\$7.90

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

Mississippi River:	(10 elevators)	5-12 days
Miss. River Mid-Stream loaders:	(6+ Rigs)	0-2 days
Texas Gulf	(6 elevators)	0-5 days
Pacific Northwest:	(9 elevators)	2-8 days

Panamax Market Spreads to Asia -China					
28-Sep-17	PNW	GULF	Bushel Spread	MT Spread	Advantage
CORN	0.83	0.54	0.29	\$11.42	PNW
SOYBEANS	0.75	0.58	0.17	\$6.69	PNW
OCEAN FREIGHT	\$23.25	\$41.75	.48-.51	\$18.50	OCT.

Recent Reported Vessel Fixtures:

60,000 mt HSS Rio Grande Brazil to China Oct 1-10 at \$32.75/mt FIO;8000tShex/8000tShex CNR
60,000 mt HSS Rio Grande Brazil to China Oct 25-Nov.10 at \$32.50/mt FIO;8000tShex/8000tShex ECTP
60,000 mt HSS Paranagua, Brazil to N.China Oct 6-15 at \$33.00/mt FIO;8000tShex/8000tShex Gavilon
66,000 mt HSS US Gulf to China Oct 10-20 at \$41.00/mt FIO;10000tShex/8000tShex CNR

Route and Vessel Size	Current Week USD/MT	Change from previous week	Remarks
55,000 U.S. Gulf-Japan	\$42.25	Down \$0.50	Handymax at \$42.75 mt
55,000 U.S. PNW- Japan	\$23.50	Down \$0.50	Handymax at \$24.00 mt
65,000 U.S. Gulf – China PNW to China	\$41.75 \$23.25	Down \$0.75 Down \$0.50	North China
25,000 U.S. Gulf- Veracruz, México	\$16.50	Unchanged	3,000 MT daily discharge rate
35-40,000 U.S. Gulf- Veracruz, México	\$14.00	Unchanged	Deep draft and 6,000 MT per day discharge rate.
25/35,000 U.S. Gulf- <u>East Coast Colombia</u> From Argentina	\$20.00 \$30.00	Unchanged	<u>West Coast Colombia at \$28.00</u>
40-45,000 U.S. Gulf - Guatemala	\$28.00	Unchanged	Acajutla/Quetzal - 8,000 out
26-30,000 U.S. Gulf – Algeria	\$29.25 \$32.25	Down \$0.25	8,000 mt daily discharge 3,000 mt daily discharge
25-30,000 US Gulf-Morocco	\$28.50	Down \$0.25	5,000 discharge rate
55,000 U.S. Gulf –Egypt PNW to Egypt	\$26.25 \$25.50	Down \$0.25	55,000 -60,000 mt St. Lawrence to Egypt \$26.50
60-70,000 U.S. Gulf – Europe – Rotterdam	\$16.75	Down \$0.25	Handymax at +\$1.50 more
Brazil, Santos –China Itacoatiara Port up River Amazonia North Brazil - China	\$33.50 \$32.50 \$36.00	Down \$0.50	54-58,000 Supramax-Panamax 60-66,000 Post Panamax
56-60,000 Argentina-China Up River with Top Off	\$40.00	Down \$0.50	

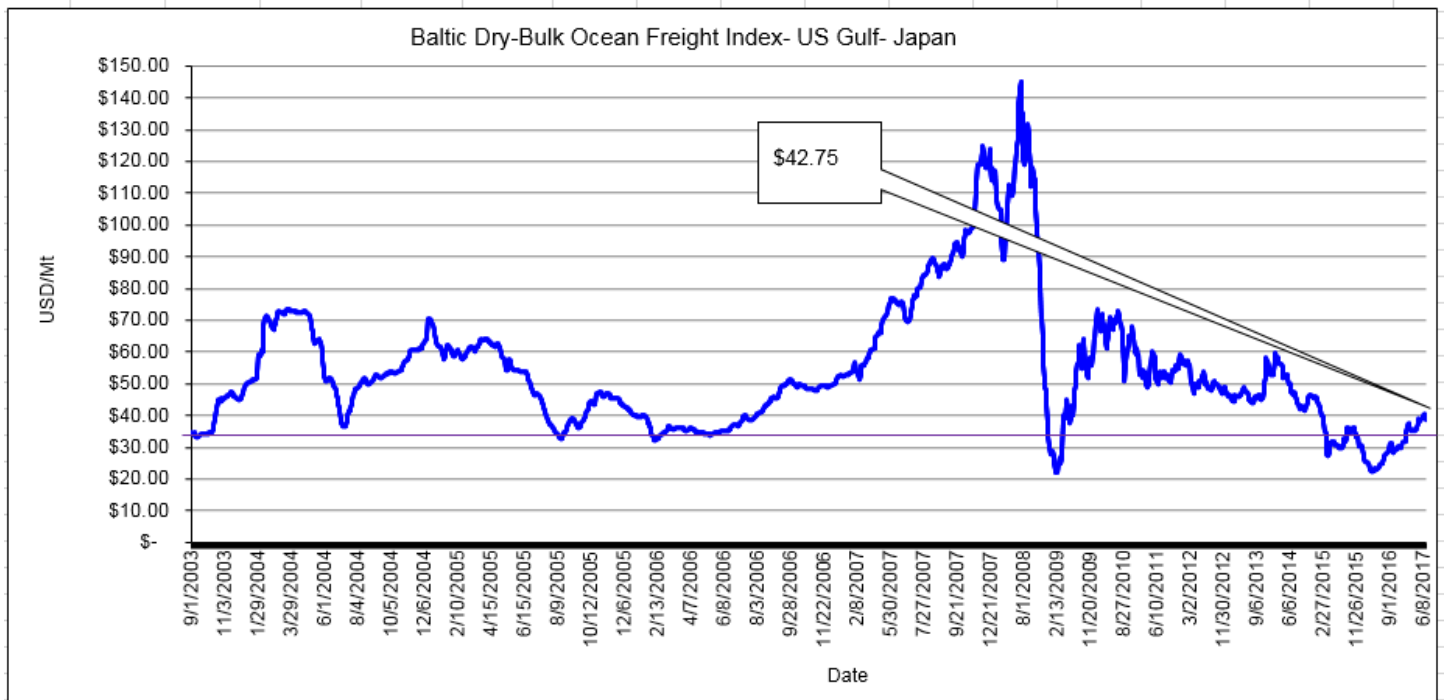
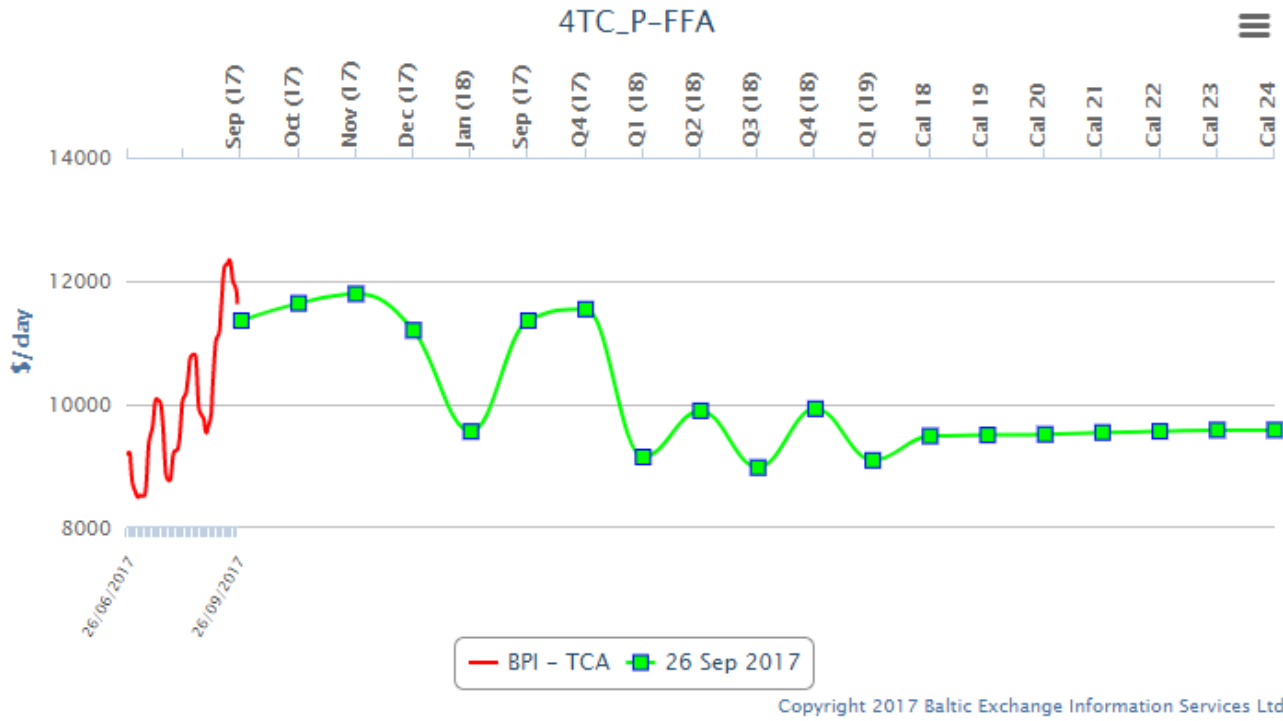
Nautical Miles: To Xiamen China (South China)

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

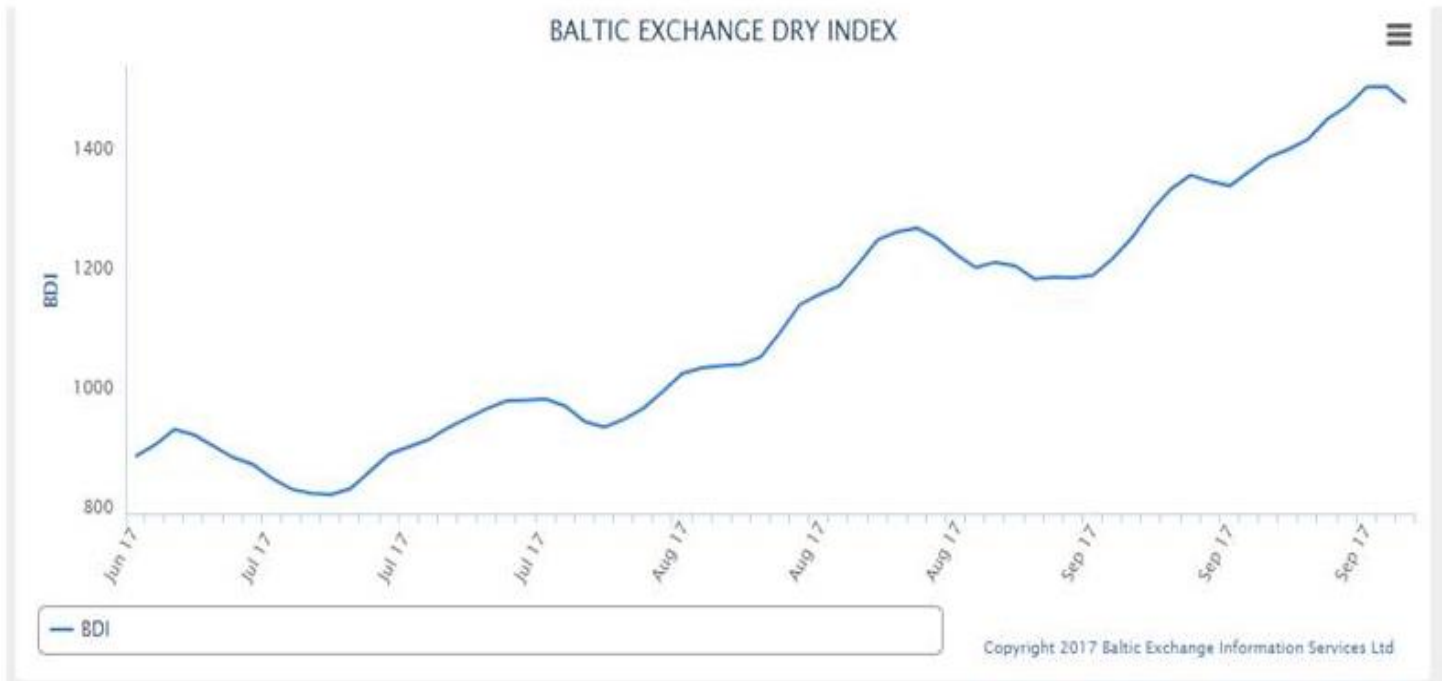
Santos Brazil (via Cape of Good Hope) - 10,441 nautical miles (33 days)

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

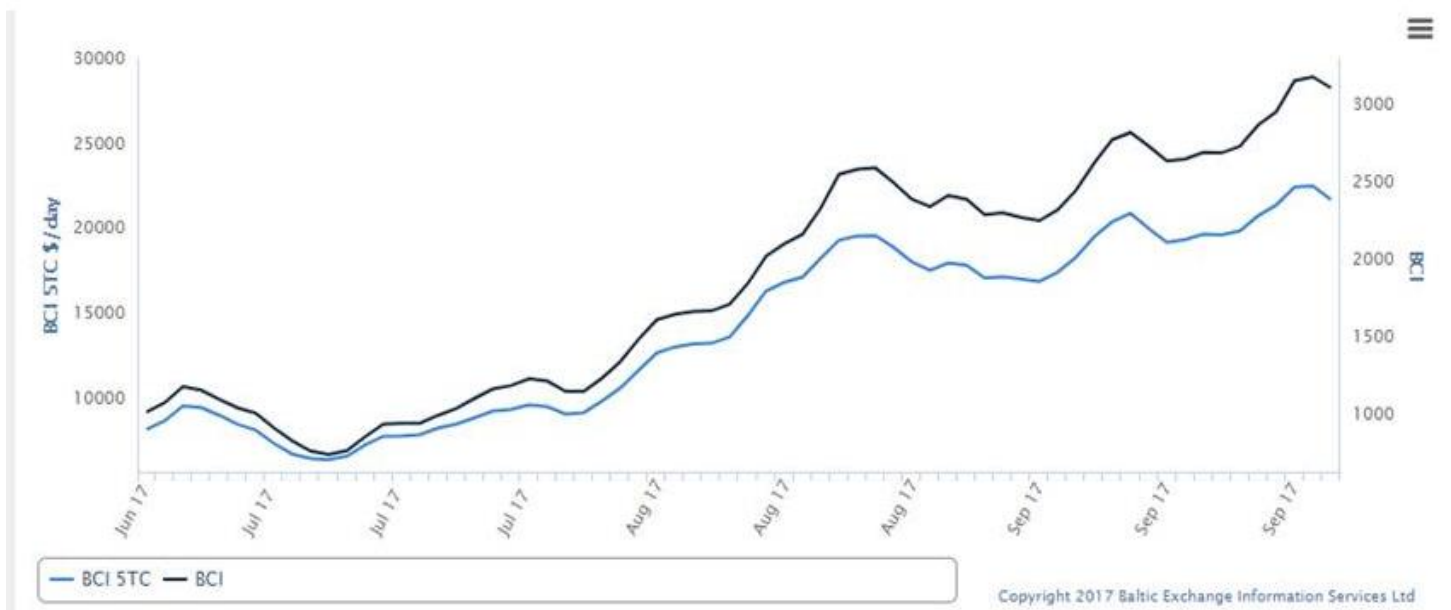
Forward Curve for Baltic BPI Panamax Vessel Freight



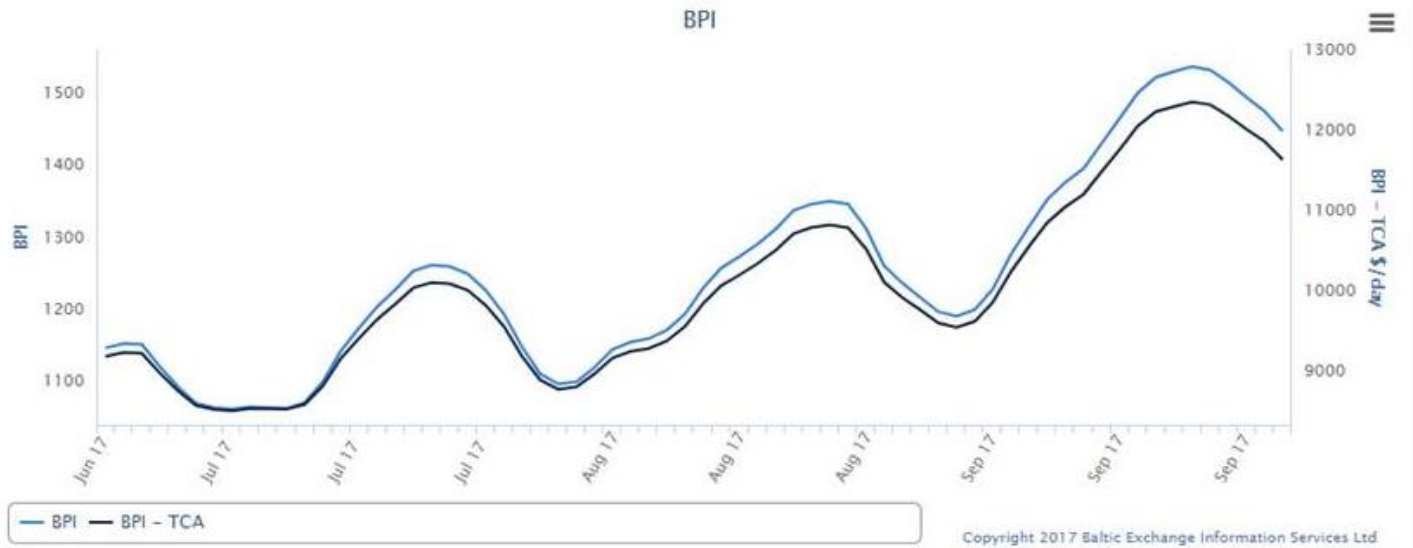
Baltic Dry Bulk Index



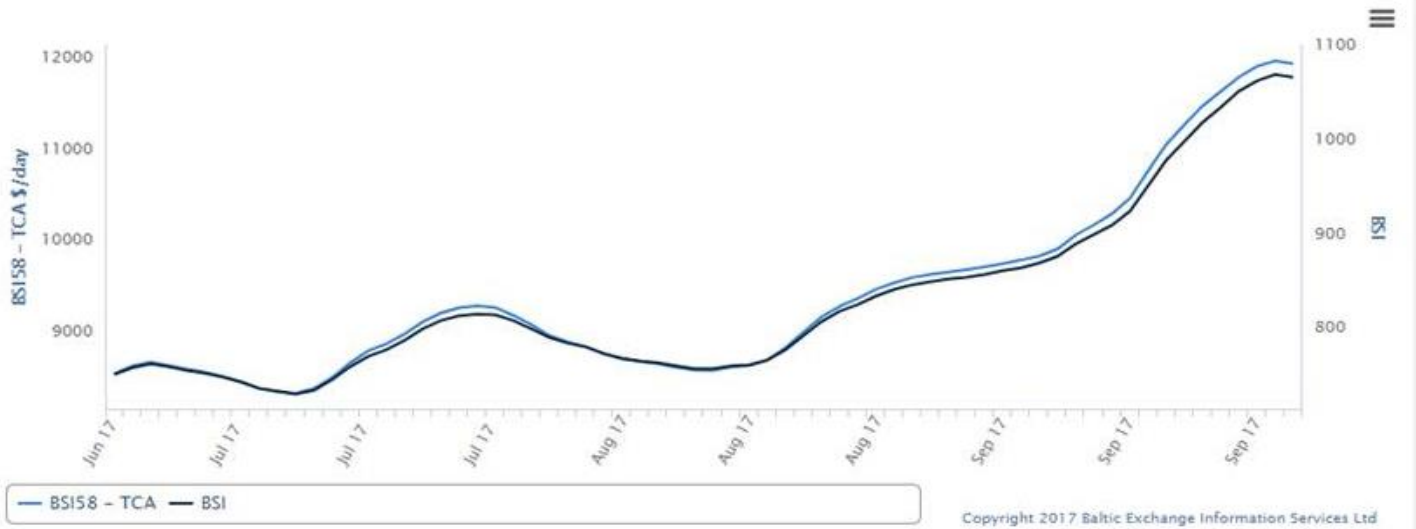
Baltic Capesize Index



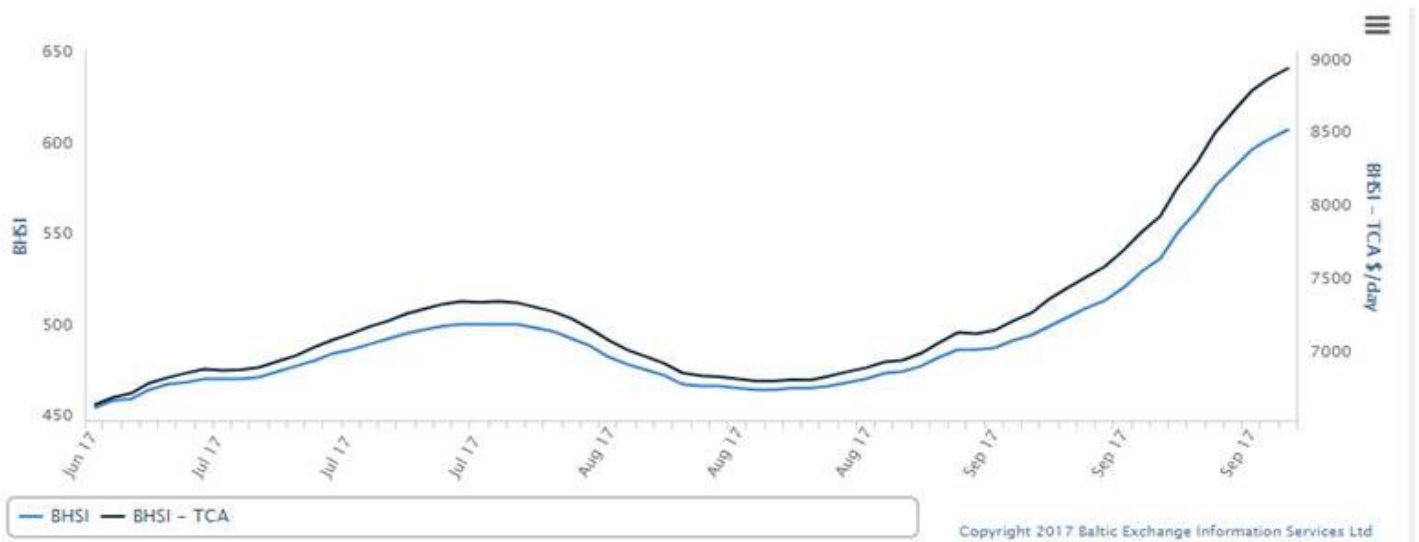
Baltic Panamax Index



Baltic Supramax Vessel Index



Baltic Handy Size



Yamamizu Shipping

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[Access Map](#)
[Yamamizu Index](#)

USG/Japan Index Result

Date From: 2016-07-01

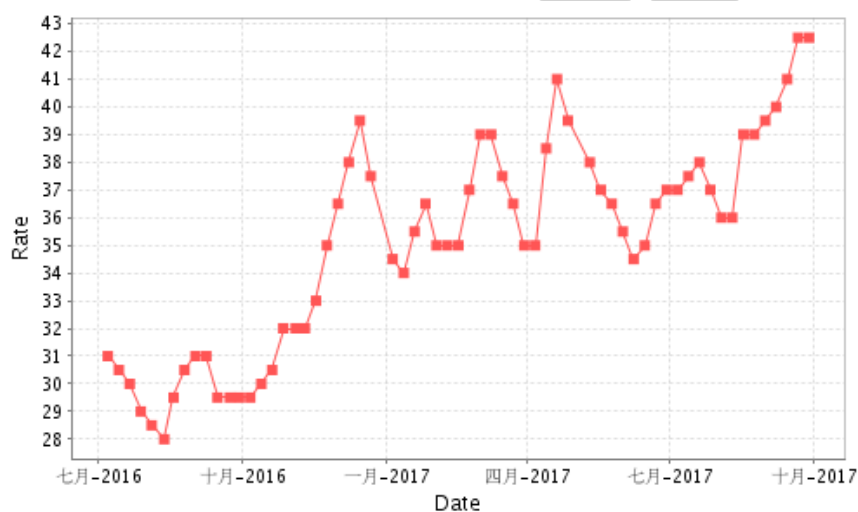
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Date To: 2017-09-29

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China Import Dry Bulk Freight Index(CDFI)

2017-09-28

Index/Routes	Charterparty type	Cargo/Vessel type	Dwt/Cargo Capacity	Unit	Index/Rate	Change
Composite Index				Point	1089.94	-31.9
VC Index				Point	887.33	-15.84
TCT Index				Point	1393.86	-55.98
Santos(Brazil)— North China	VC	Soybean	60000/10%	\$/ton	31.51	-0.28
Tacoma(West America)—North China	VC	Soybean	60000/10%	\$/ton	23.18	-0.145
Mississippi(US Gulf) —North China	VC	Soybean	55000/10%	\$/ton	43.405	-0.23

28 September 2017 FOB Vessel Export Market Values:

U.S. Yellow Corn (USD/MT) FOB Vessel				
# 2 YC	U.S. Gulf #2 YC		PNW #2 YC	
15.0 % Moisture	Basis	Flat Price	Basis	Flat Price
Oct.	0.54	\$160.03	0.83	\$171.45
Nov.	0.57	\$161.21	0.82	\$171.05
Dec.	0.60	\$162.39	0.82	\$171.05
Jan.	0.50	\$163.47	0.73	\$172.53
Feb.	0.51	\$163.87	0.75	\$173.32
Mar.	0.52	\$164.26	0.77	\$174.10

The Gulf spread between #2 and #3 YC is currently about 02 cents per bushel (0.80 per MT)

SORGHUM (USD/MT) FOB VESSEL				
#2 YGS Fob Vessel	NOLA		TEXAS	
Max. 14.0%	BASIS	FLAT PRICE	BASIS	FLAT PRICE
Oct.	1.40	\$193.89	1.35	\$191.92
Nov.	1.40	\$193.89	1.35	\$191.92
Dec.	1.40	\$193.89	1.38	\$193.10
Jan.	1.30	\$194.97	1.25	\$193.00
Jan.	1.30	\$194.97	1.25	\$193.00

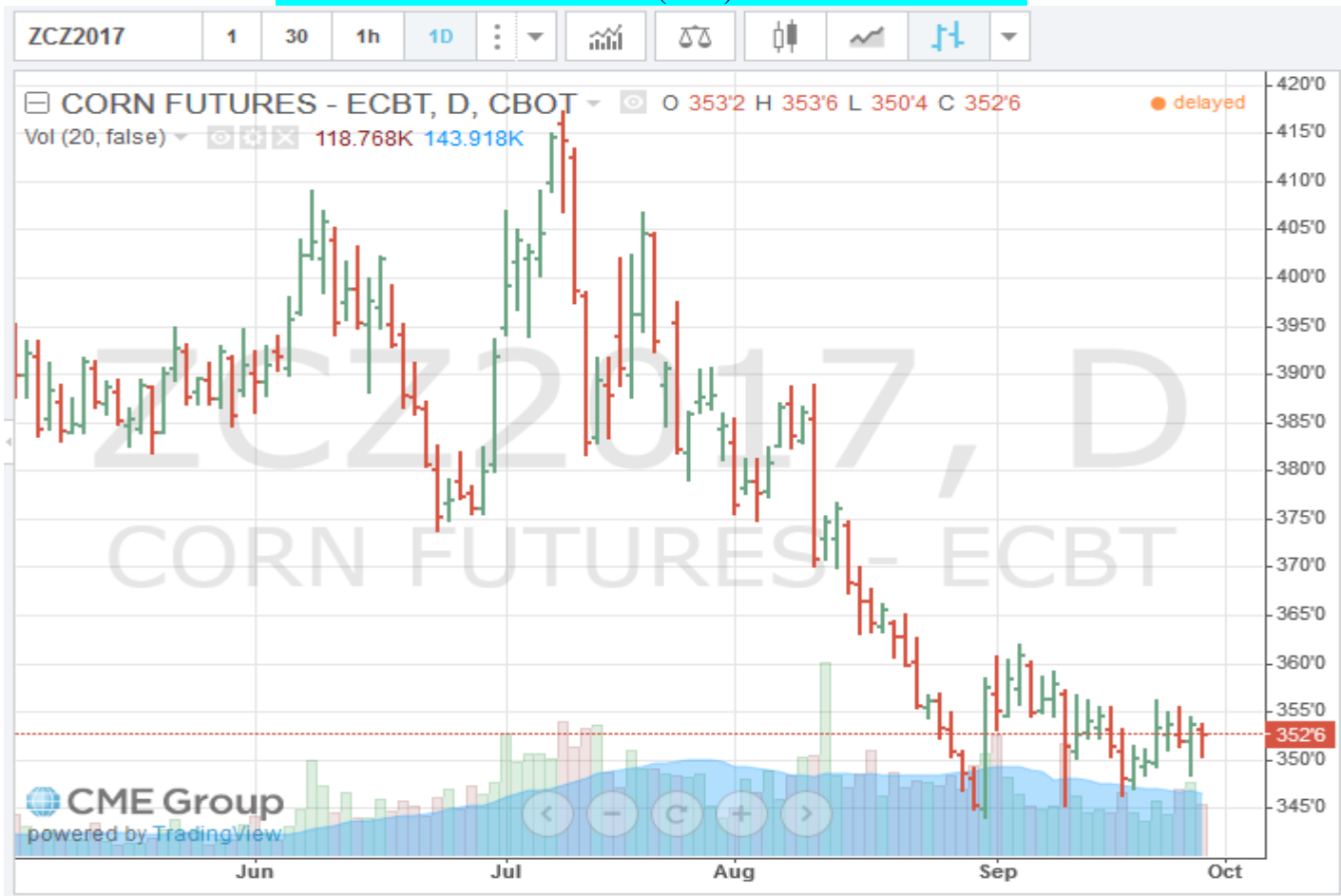
Fob vessel Texas Gulf #2 Sorghum is about 119 % the value of #2 Yellow Corn at NOLA Sorghum has gotten to be a thin trade and interior and export handling margins have widened out to reflect the risk.

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	\$194.74	\$196.58	\$196.58	\$198.51
Basis	0.75	0.80	0.80	0.66
WZ	4.5500			
WH	4.7425			
WK	4.8725			

CME CORN FUTURES MARKET CLOSE- Thursday						
CBOT		Friday	Friday	Last week		Difference
CORN	Futures	Close	Close	Last week	Last Week	
Month	Symbol	Bushel	MT.	Bushel	MT.	Bushel
Sept.	CU	\$3.5250	\$138.77	\$ 3.5025	\$137.89	\$0.0225
Dec.	CZ	\$3.6525	\$143.79	\$ 3.6300	\$142.91	\$0.0225
Mar.	CH	\$3.7375	\$147.14	\$ 3.7125	\$146.15	\$0.0250
May	CK	\$3.8125	\$150.09	\$ 3.7800	\$148.81	\$0.0325
July	CN	\$3.8800	\$152.75	\$ 3.8475	\$151.47	\$0.0325

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



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

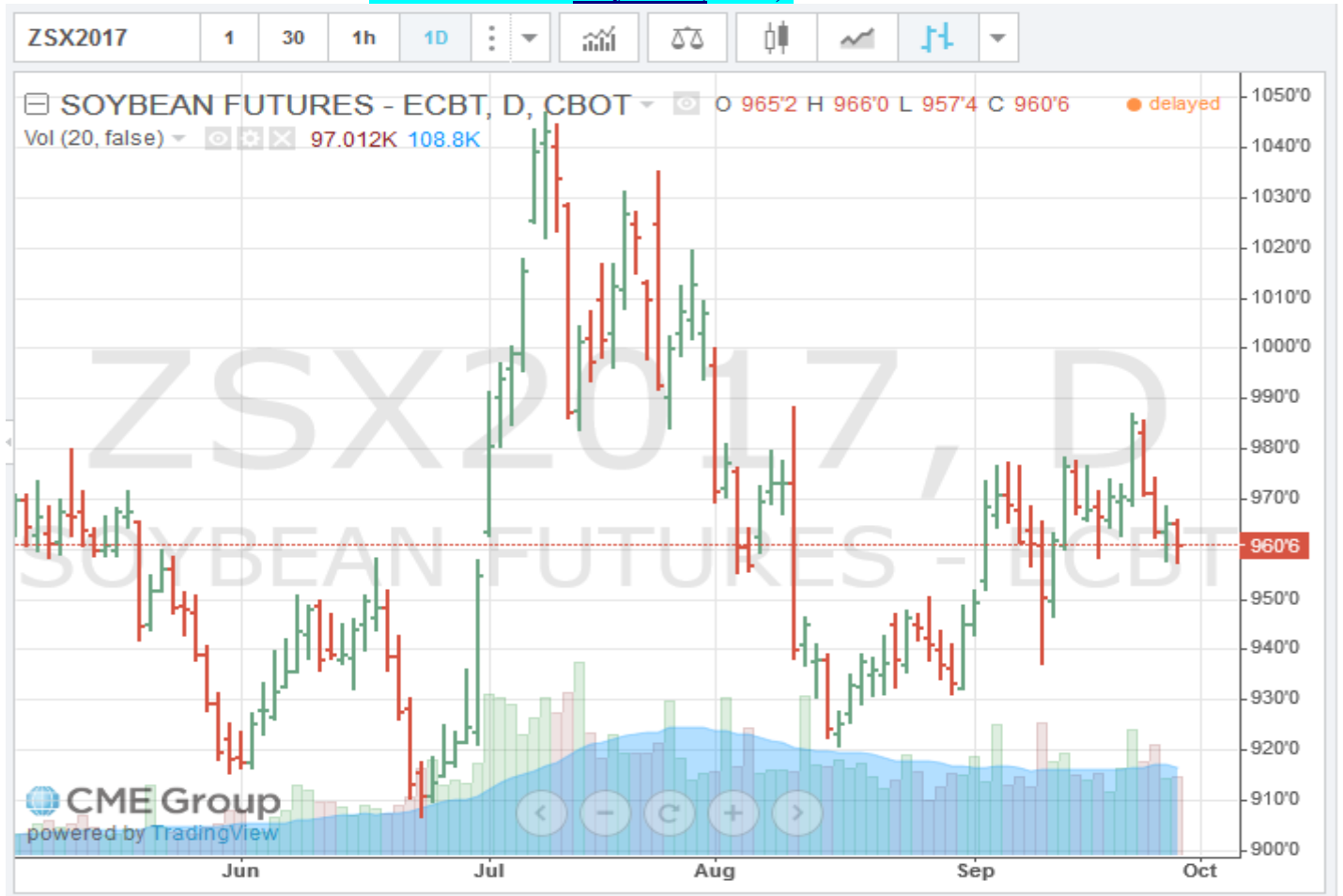


Soybean and SBM Markets Fob Vessel:

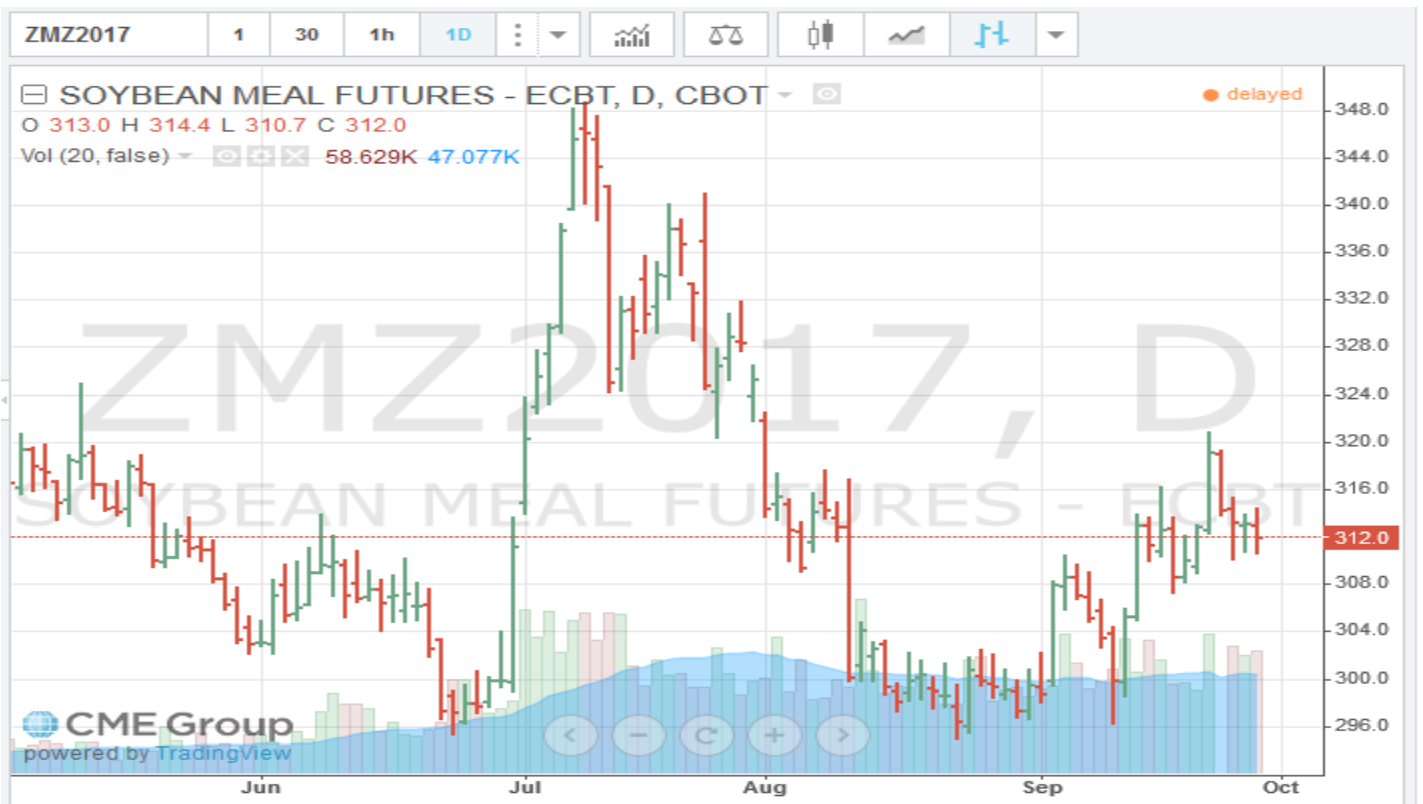
U.S. Yellow Soybeans (USD/MT) FOB Vessel				
# 2 YSB	U.S. Gulf #2 YSB		PNW #2 YSB	
14.0 % Moisture	Basis	Flat Price	Basis	Flat Price
Oct.	0.58	\$373.86	0.76	\$380.48
Nov.	0.58	\$373.86	0.76	\$380.48
Dec.	0.53	\$375.98	0.76	\$384.43
Jan.	0.54	\$376.34	0.87	\$388.47
Feb.	0.54	\$379.74	0.89	\$392.60
Soybean Futures				
Nov.	\$ 9.5950			
Jan.	\$ 9.7025			
Mar.	\$ 9.7950			
May.	\$ 9.8800			
July	\$ 9.9525			
Aug.	\$ 9.9600			

U.S. SBM (USD/MT) FOB Vessel		
Fob U.S. Gulf Port	47.5 Pro. SBM	
max 12.5 % moisture	Basis	Flat Price
Oct.	2.00	\$ 340.45
Nov.	1.00	\$ 344.53
Dec.	2.00	\$ 345.63
Jan.	1.00	\$ 346.85
Feb.	0.00	\$ 349.38
SBM Futures		
SMV	306.80	
SMZ	311.50	
SMF	313.60	
SMH	316.90	
SMK	319.50	
SMN	321.90	

CME Nov. 2017 Soybean (SX17) Futures Chart



CME Dec. 2017 Soybean Meal (SMZ7) Futures Chart



U.S. EXPORT STATISTICS: Report Activity as of Week Ending 21 September 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	396.7	11,350.1	46,990	24%	207.8
Sorghum	71.0	1,199.5	5,330	23%	0.0
Soybeans	3069.4	22,314.7	61,240	36%	121.0
Wheat	448.5	13,518.5	26,540	51%	30.0
Barley	0.7	36.9	110	34%	0.0

U.S. EXPORT INSPECTIONS:

Monday's report 25 September 2017 for the Export week ending 21 September 2017

	Export Inspections		Current Market Year YTD	Previous Year to Date	2017 YTD as Percent of 2016 YTD
	This Week	Previous Week			
Corn	738,779	687,996	2,103,018	4,288,916	49%
Sorghum	130,018	67,452	248,852	348,579	71%
Soybeans	1,030,051	931,414	3,068,223	2,300,104	133%
Wheat	499,995	468,704	9,227,604	9,476,928	97%
Barley	0	0	14,122	22,961	62%

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

U.S. EXPORT INSPECTIONS:

Monday's report 25 September 2017 for the Export week ending 21 September 2017

Last Week							
(Metric Tons)	YC	%	WC	%	Sorghum	%	Soybeans %
Lakes	0	0%	0	0%	0	0%	19,485 2%
Atlantic	4,595	1%	0	0%	0	0%	56,566 5%
Gulf	411,091	57%	17,627	80%	129,011	99%	829,905 81%
PNW	60,250	8%	0	0%	0	0%	66,003 6%
Interior Export Rail	240,925	34%	4,291	20%	1,007	1%	58,092 6%
Metric Tons	716,861		21,918		130,018		1,030,051

Sorghum

Shipments:

metric tons

101,511	China Main
27,500	Japan
1,007	Mexico
130,018	Total

White Corn

metric tons

Shipments:

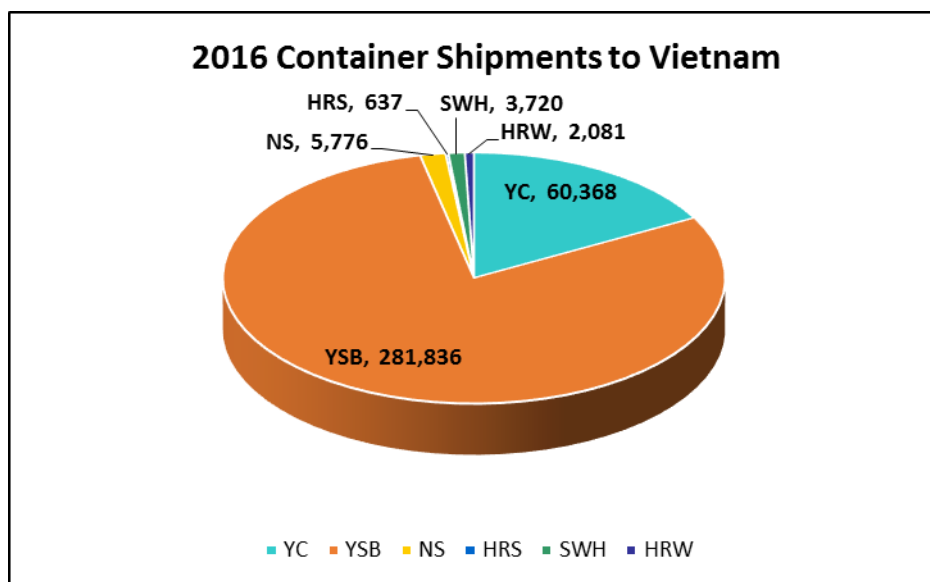
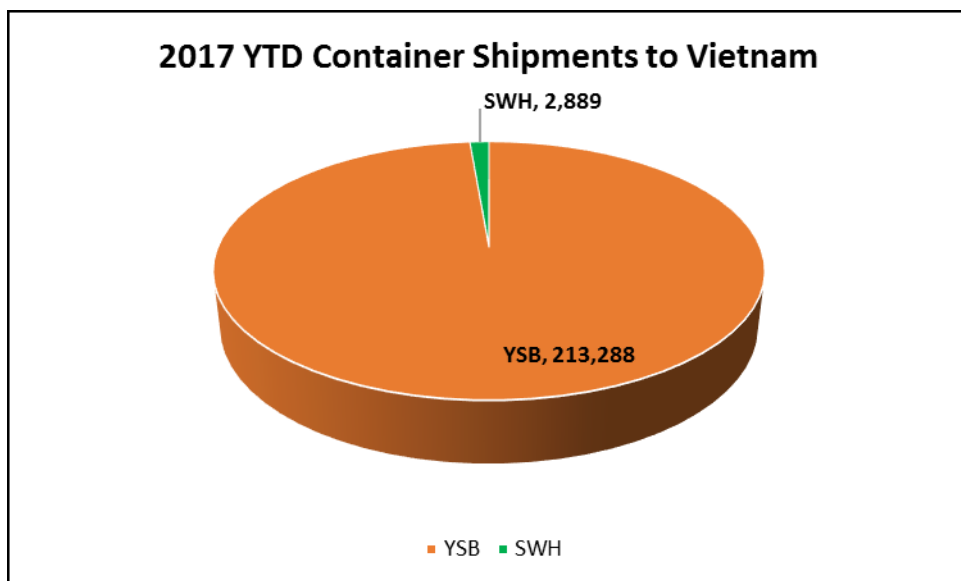
14,862	Mexico
7,056	Colombia
21,918	Total

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:		21-Sep-2017							
Last Week	metric tons								MT
	YC	WC	YSB	SRW	NS	SWH	HRW	Sorghum	TOTAL
China Main			10,482						10,482
China T	11,263		13,126				245		24,634
Hong Kong	880								880
Costa Rica									0
Indonesia			12,607						12,607
French Polynesia									0
Japan			538						538
Korea Republic	196								196
Panama									0
Malaysia	906		4,284						5,190
Sri Lanka	465								465
Philippines	416		781						1,197
Thailand			2,621				416		3,037
Bangladesh									0
Burma									0
Vietnam			2,274						2,274
Sub total	14,126	0	46,713	0	0	0	661	0	59,226
USDA Corrections/Additions to previous reports:									
China T			1,836						1,836
China Main								1,053	1,053
Hong Kong									0
Korea Rep.									0
Canada						216			216
Japan									0
Philippines									0
Indonesia			1,003						1,003
Malaysia									0
Thailand									0
Vietnam									0
Guyana				171					171
Panama									0
Sub total	0	0	2,839	171	0	216	0	1,053	4,279
Mt. Grand Total	14,126	0	49,552	171	0	216	661	1,053	63,505
Number of containers	614	0	2,154	7	0	9	29	46	

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

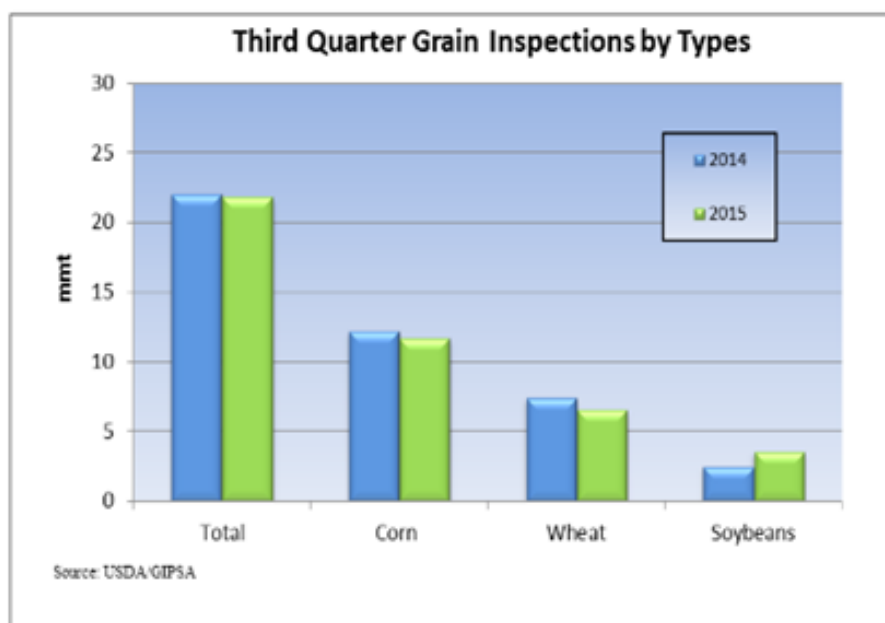


Grain Inspections for Export by U.S. Port Regions:
U.S. Gulf and Pacific Northwest 2016 YTD vs. 2017 YTD

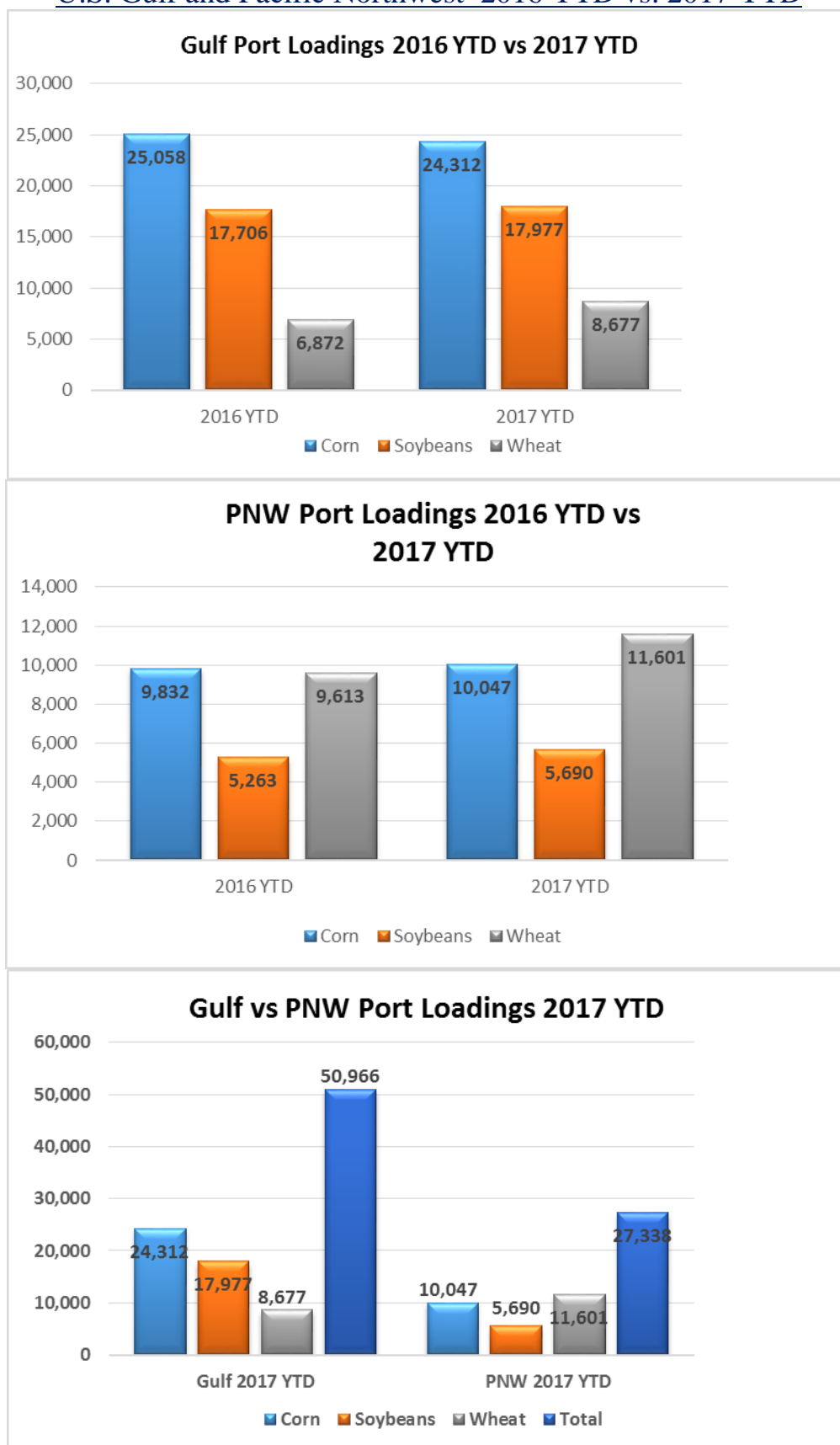
PORT LOADINGS US Gulf				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
GULF				
2016 YTD	25,058	17,706	6,872	49,636
2017 YTD	24,312	17,977	8,677	50,966
2017 as % of 2016	97%	102%	126%	103%

PORT LOADINGS US PNW				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
PNW				
2016 YTD	9,832	5,263	9,613	24,708
2017 YTD	10,047	5,690	11,601	27,338
2017 as % of 2016	102%	108%	121%	111%

PORT LOADINGS GULF vs. PNW				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
2017 Gulf YTD	24,312	17,977	8,677	50,966
2017 PNW YTD	10,047	5,690	11,601	27,338
TOTAL	34,359	23,667	20,278	78,304
Gulf Percentage	71%	76%	43%	65%
PNW Percentage	29%	24%	57%	35%



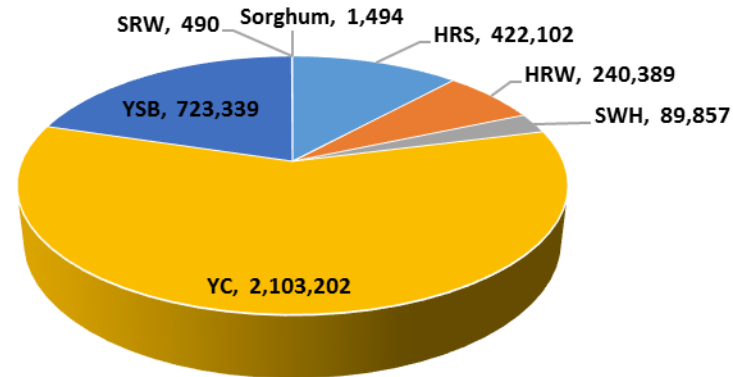
Grain Inspections for Export by U.S. Port Regions:
U.S. Gulf and Pacific Northwest 2016 YTD vs. 2017 YTD



Source: USDA-data

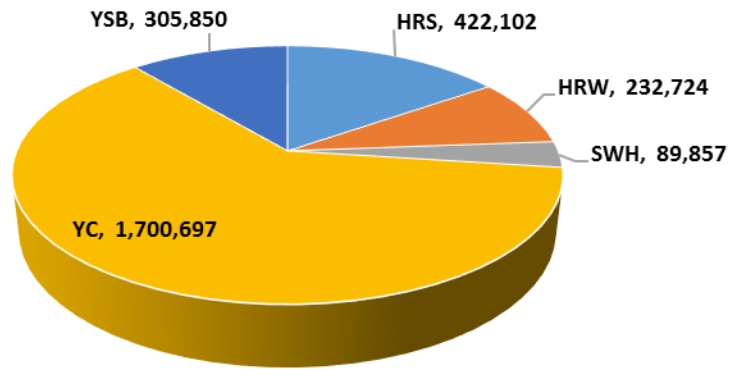
2017 YTD Total Grain Exports reported by USDA (in MT)

2017 YTD Exports to China T



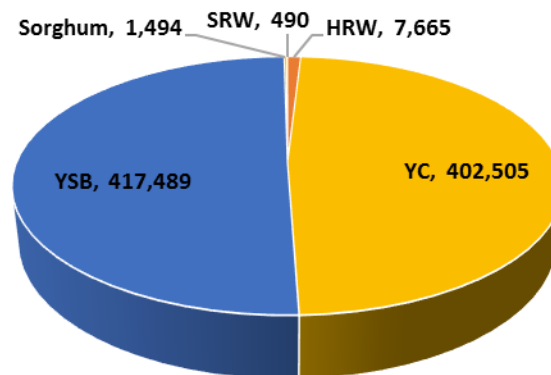
■ HRS ■ HRW ■ SWH ■ YC ■ YSB ■ Sorghum ■ SRW

YTD Exports to China T by Vessel



■ HRS ■ HRW ■ SWH ■ YC ■ YSB

YTD Exports to China T by Container

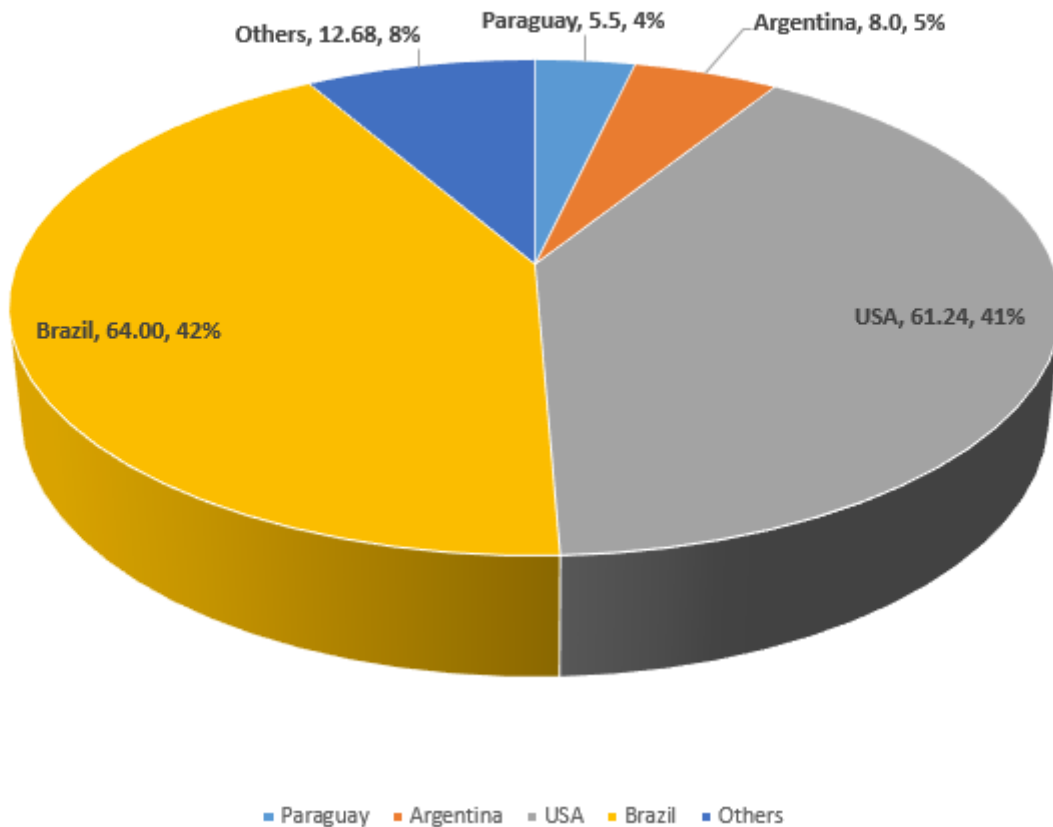


■ HRW ■ YC ■ YSB ■ Sorghum ■ SRW

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

Shipping News:

Exporters' Share in World Soybean Trade 2017-18 (MMT)



First Brazilian Corn Vsl Headed to Veracruz, Mexico

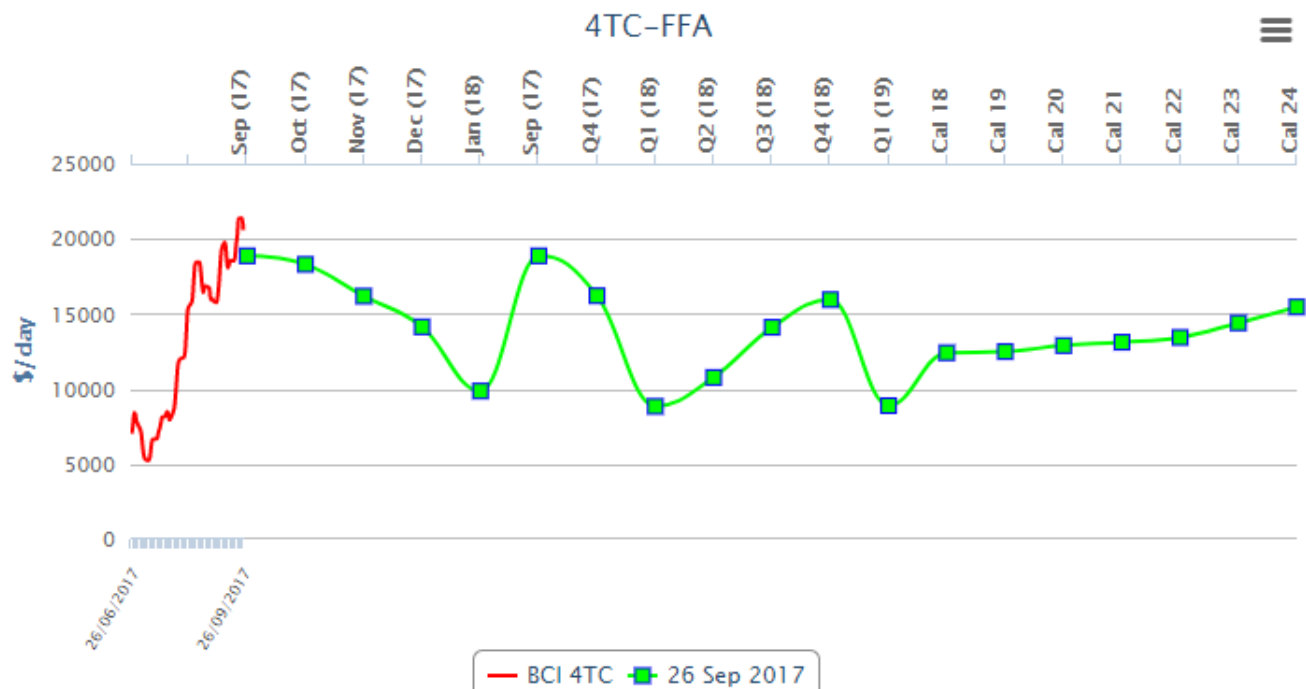


Ocean freight cost was probably close to \$20.00/mt

China Containerized Freight Index

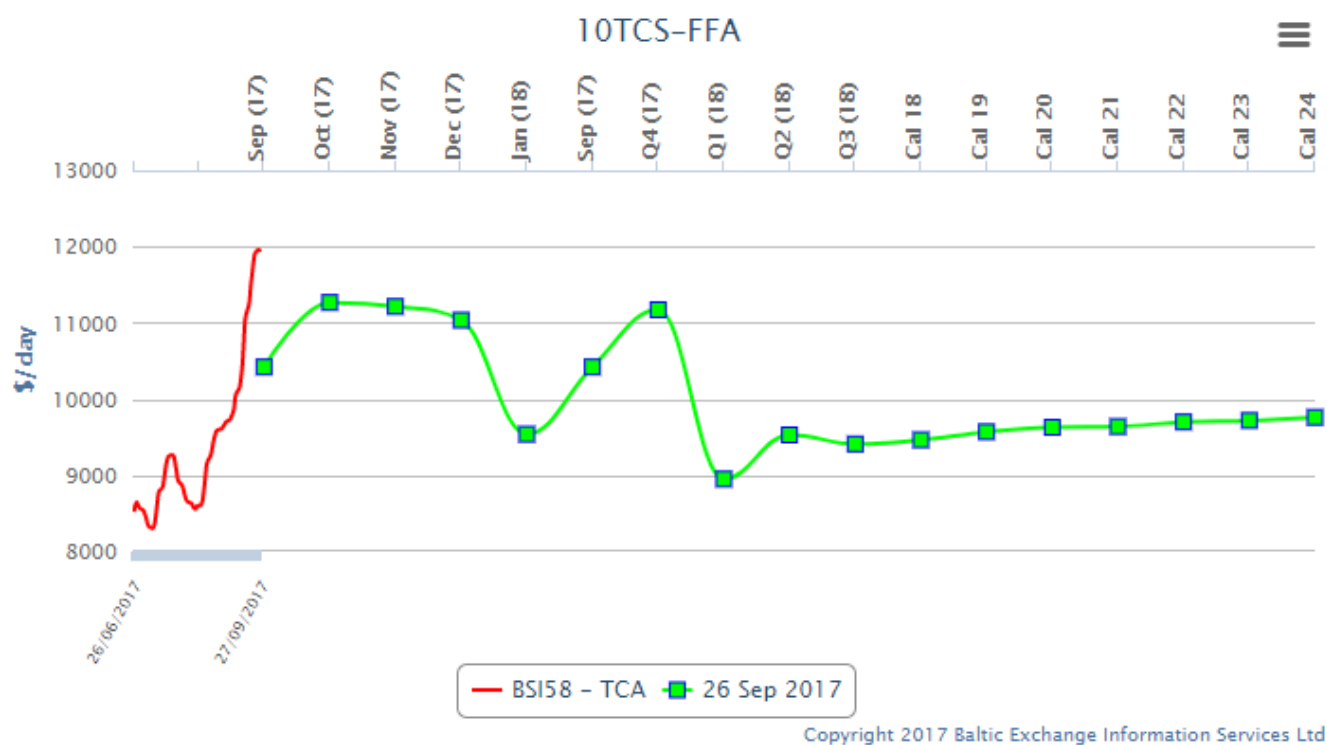


FFA Capesize for the 4 time charter routes



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FFA SUPRAMAX 58 for the 5 time charter routes



U.S. RIVER BARGE FREIGHT

Current Barge Freight for Placement First Half October 2017

Placemen LH October 2017	% of		Corn	Soybeans-Wheat
	Tariff	MT	BU	BU
Upper Mississippi	575	\$39.23	1.00	1.07
Illinois River (Pekin and South)	500	\$26.51	0.67	0.72
Mid-Mississippi	525	\$30.79	0.78	0.84
Lower Ohio	575	\$28.27	0.72	0.77
St. Louis	440	\$19.35	0.49	0.53

Secondary Rail Car Market for car placement period:
First Half October 2017.

Secondary Rail Car Market Placement LH October 2017	BID USD	ASK USD	BID BU.	ASK BU.	BID MT	ASK MT
BNSF Shuttle Trains	\$ 450.00	\$ 700.00	\$ 0.11	\$ 0.18	\$ 4.43	\$ 6.89
UPRR Shuttle Trains	\$ (50.00)	\$ 200.00	\$ (0.01)	\$ 0.05	\$ (0.49)	\$ 1.97

Best Regards,

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