

## Transportation and Export Report for 27 September 2018

### Ocean Freight Insights and Comments:

Once again, the Baltic paper Traders were able to push the indices up farther than the physical market was willing to follow. We did however see higher rates published in the physical grain freight markets as we move into Q4 of the 2018 shipping season. And this was accomplished without the assistance of the Capesize market which remained flat to slightly lower for the week. Soybean business from the US Gulf to Argentina helped support the Handysize and Handymax vessel markets with up to ten vessels were chartered at rates between \$33.00-\$35.00 mt. to Up River Argentina. Freight markets are now waiting to see if U.S. soybeans to Brazil become the next area of interest. If it comes into reality the Panamax freight should be close to 20-21.00/mt.

### BALTIC DRY-BULK PANAMAX INDEX CHANGES

Panamax Ocean Freight Indices				
27-Sep-18	This Week	Last Week	Difference	Percent Change
P2A : Gulf/Atlantic - Japan	21759	19921	1,838	9.2%
P3A - PNW/Pacific - Japan	13271	12692	579	4.6%
S1C -USGULF-China-So.Japan	25361	24717	644	2.6%

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

Four weeks ago:	\$ 9.00-\$9.20
Three weeks ago:	\$ 7.50-\$7.60
Two weeks ago:	\$ 7.50-\$7.60
One week ago:	\$ 7.45- 7.70
This week	\$7.20-\$7.25

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

Mississippi River:	(10 elevators)	1-7 days
Miss. River Mid-Stream loaders:	(6+ Rigs)	0-2 days
Texas Gulf	(6 elevators)	0-2 days
Pacific Northwest:	(9 elevators)	0-9 days

Panamax Market Spreads to Asia -China					
27-Sep-18	PNW	GULF	Bushel Spread	MT Spread	Advantage
CORN	0.84	0.57	0.27	\$10.63	PNW
SOYBEANS	0.40	0.09	0.31	\$11.39	PNW
OCEAN FREIGHT	\$25.75	\$46.25	.52 -.55	<b>\$20.50</b>	November

**Recent Reported Vessel Fixtures:**

<b>Route and Vessel Size</b>	<b>Current Week USD/MT</b>	<b>Change from previous week</b>	<b>Remarks</b>
55,000 U.S. Gulf-Japan	\$47.25	Up \$0.50	Handymax \$48.25mt
55,000 U.S. PNW- Japan	\$26.50	Up \$1.00	Handymax \$27.00 mt
66,000 U.S. Gulf – China PNW to China	\$46.25 \$25.75	Up \$0.75 Up \$0.75	North China
25,000 U.S. Gulf- Veracruz, México	\$17.25	Up \$0.25	3,000 MT daily discharge rate
35-40,000 U.S. Gulf- Veracruz, México	\$15.25	Up \$0.25	Deep draft and 6,000 MT per day discharge rate.
25/35,000 U.S. Gulf- <u>East Coast Colombia</u> From Argentina	\$20.75 \$35.25	Up \$0.50	<u>West Coast Colombia at \$29.25</u>
40-45,000 U.S. Gulf - Guatemala	\$29.75	Up \$0.50	Acajutla/Quetzal - 8,000 out
26-30,000 U.S. Gulf – Algeria	\$34.75 \$36.25	Up \$1.00	8,000 mt daily discharge 3,000 mt daily discharge
26-30,000 US Gulf-Morocco	\$37.25	Up \$1.00	5,000 discharge rate
55-60,000 U.S. Gulf –Egypt PNW to Egypt	\$31.50 \$30.75	Up \$1.00	55,000 -60,000 mt Russia Black Sea to Egypt \$16.75
60-70,000 U.S. Gulf – Europe – Rotterdam	\$20.00	Unchanged	Handymax at +\$1.75 more
Brazil, Santos – China Brazil, Santos – China Itacoatiara-Port Up River North Brazil	\$38.00 \$37.25 \$40.75	Up \$1.25	54-59,000 Supramax-Panamax 60-66,000 Post Panamax 60-66,000 mt
56-60,000 Argentina/Rosario- China Deep Draft	\$42.50	Up \$0.25	Up River with BB Top Off \$43.00

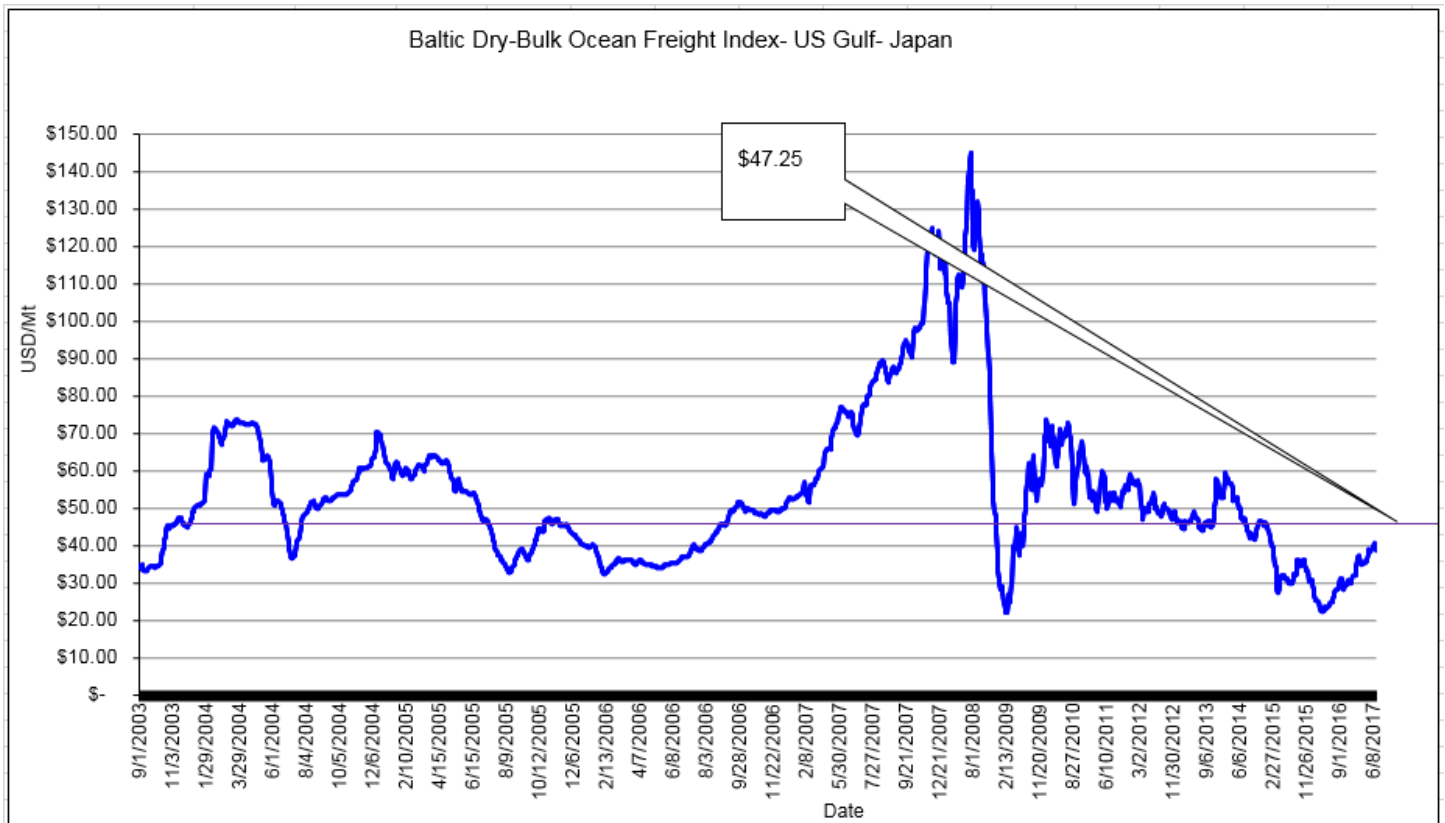
- **The above rate estimates reflect the 30-45-day forward ocean freight markets.**

**Nautical Miles: To Xiamen China (South China)**

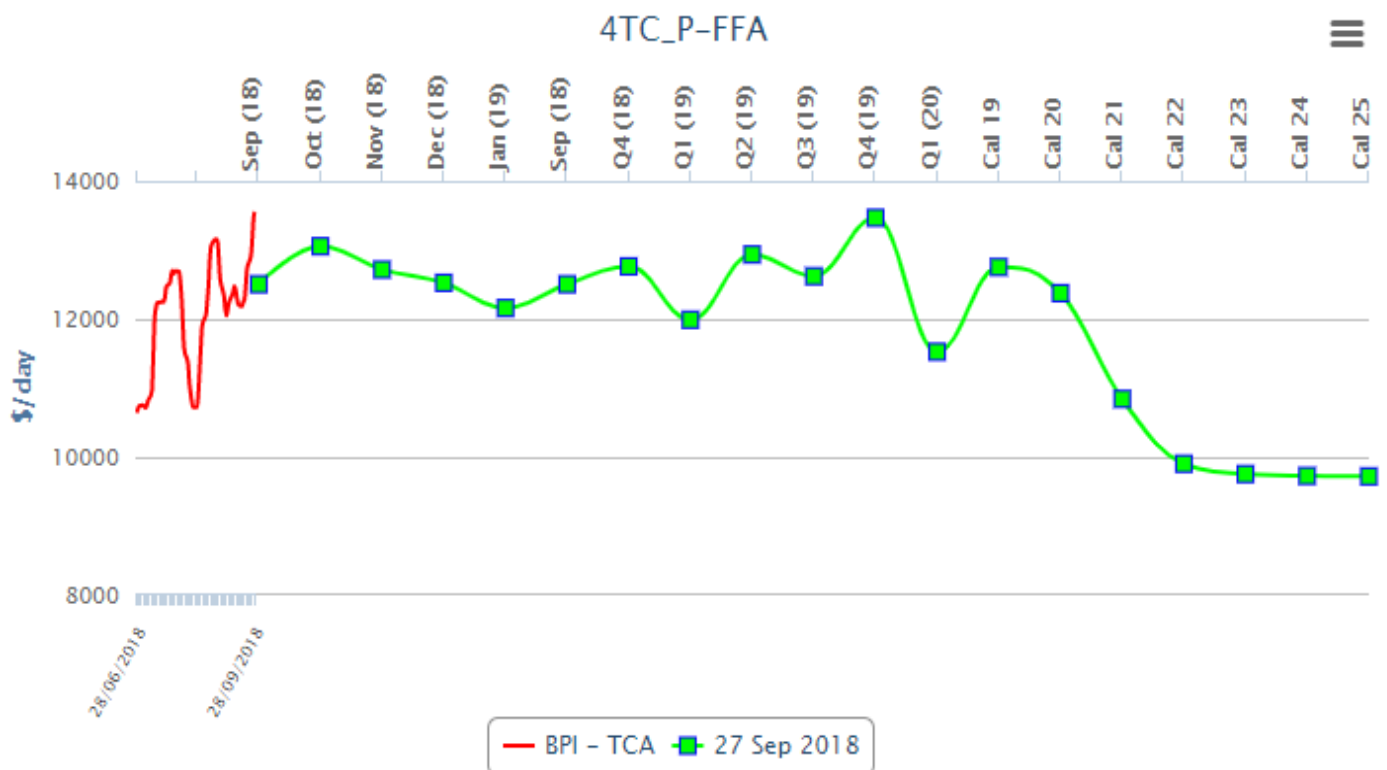
**US Gulf (NOLA) (via Panamá Canal) – 10,232 nautical miles (32 days)**

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

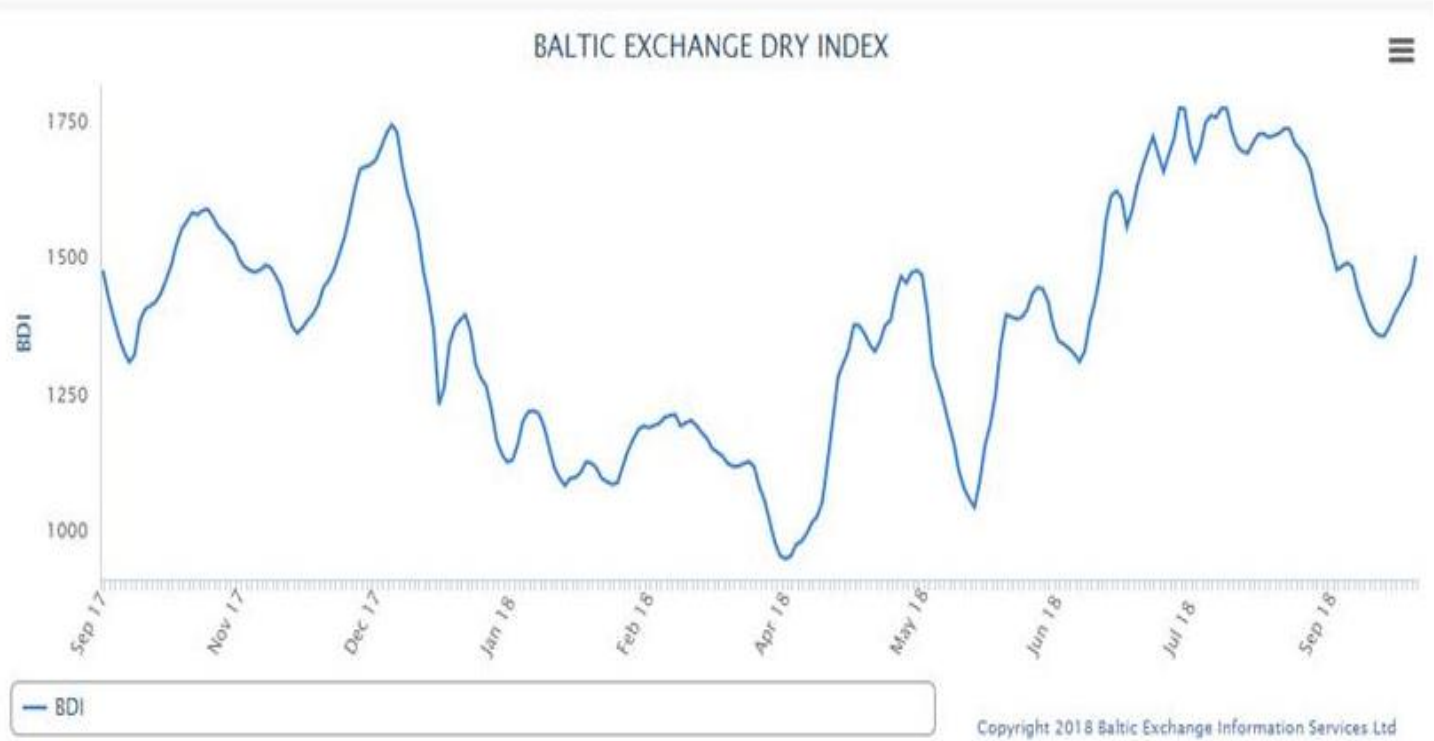
**Rasario Argentina (via Cape Horn) - 10,751 nautical miles (34 days)**



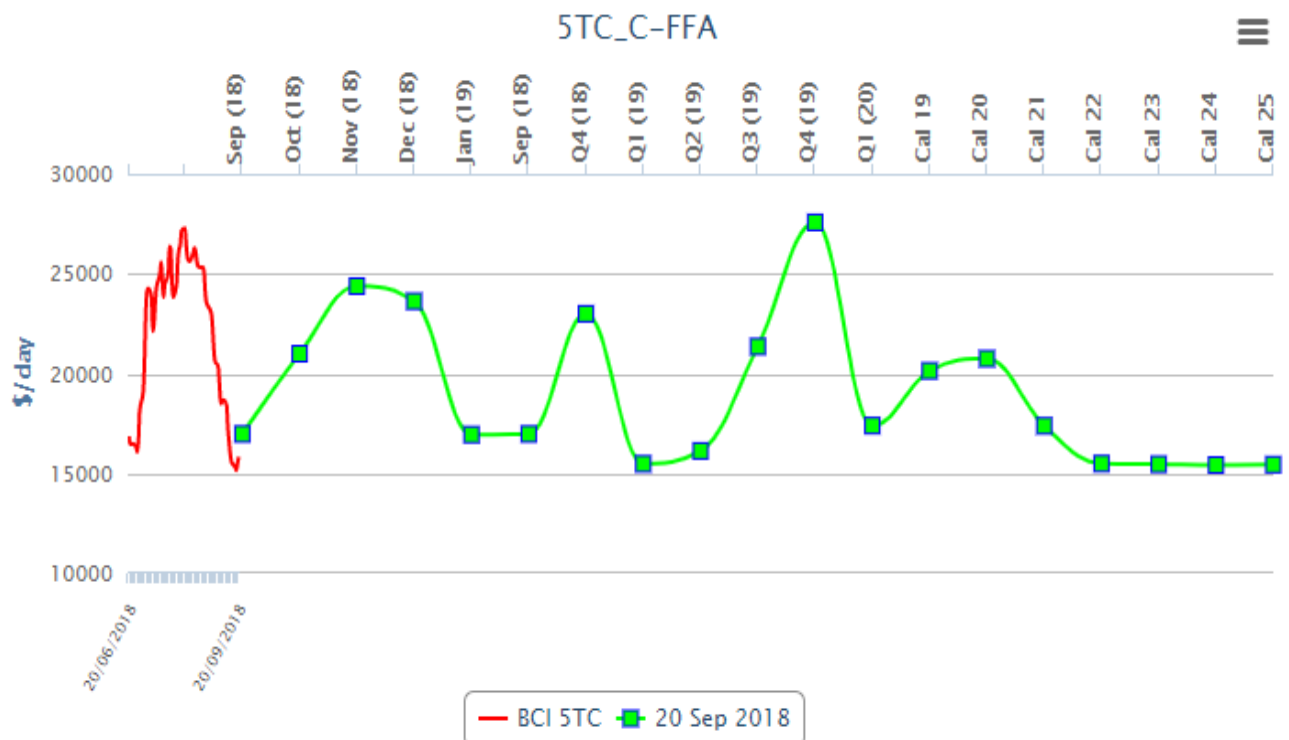
### Forward Curve for Baltic BPI Panamax Vessel Freight



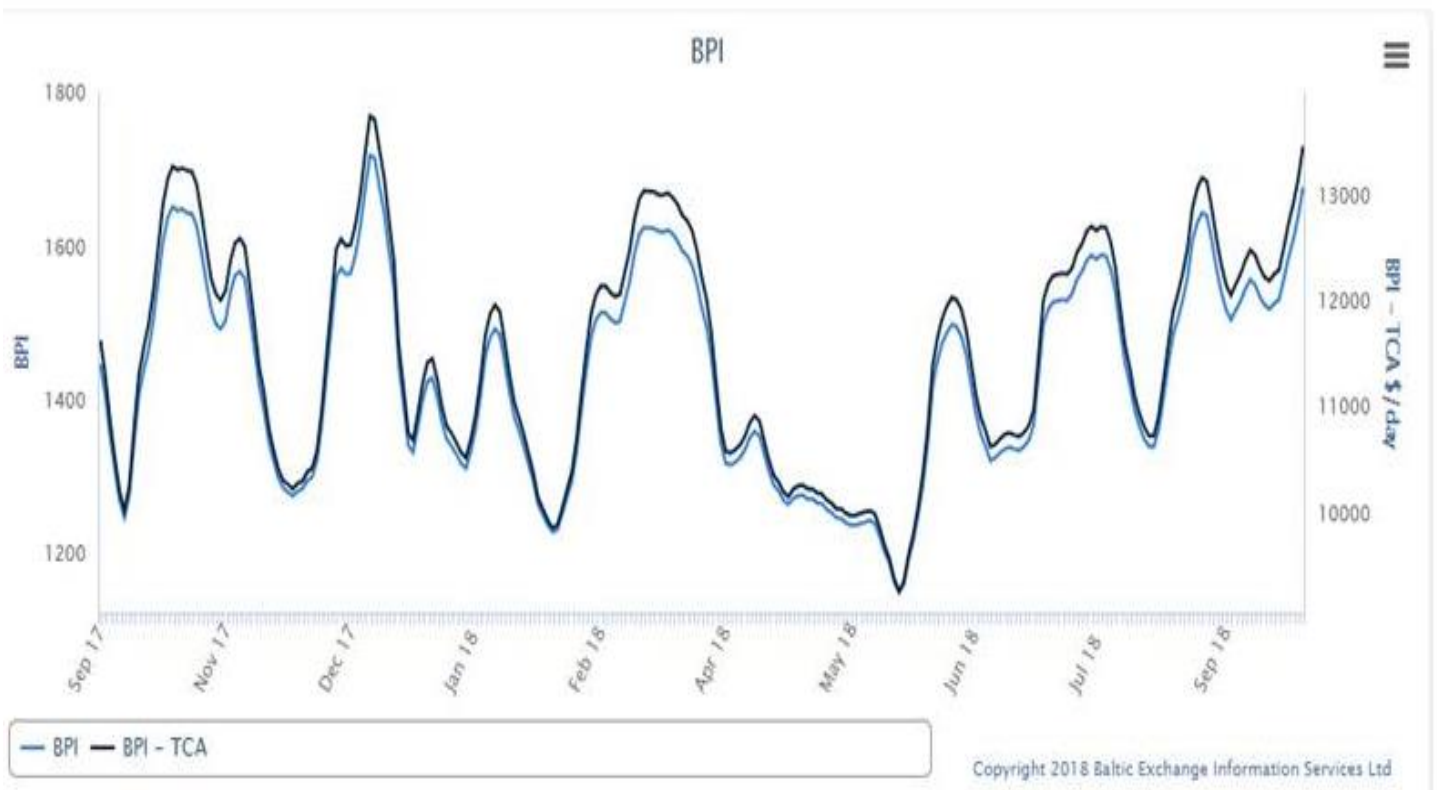
## Baltic Dry Index.



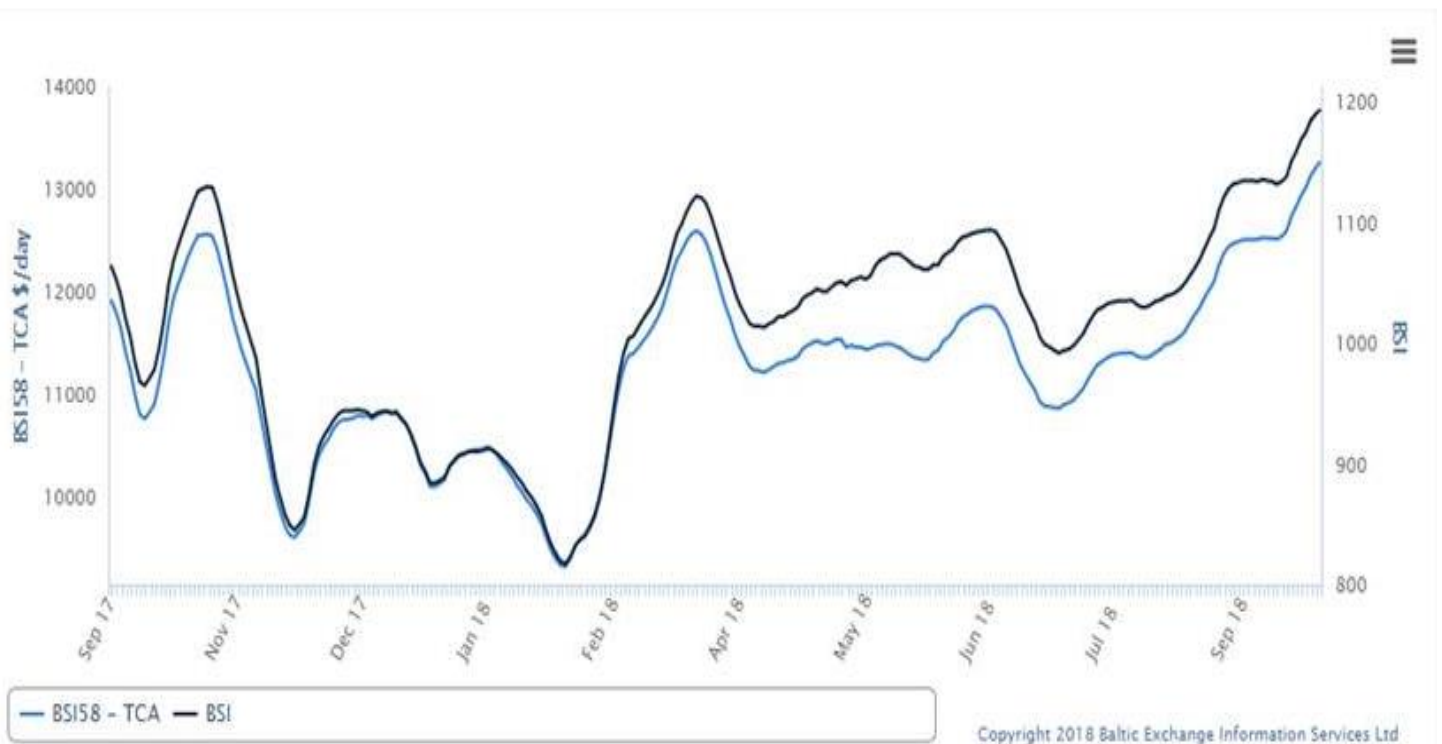
## Baltic Capesize Index



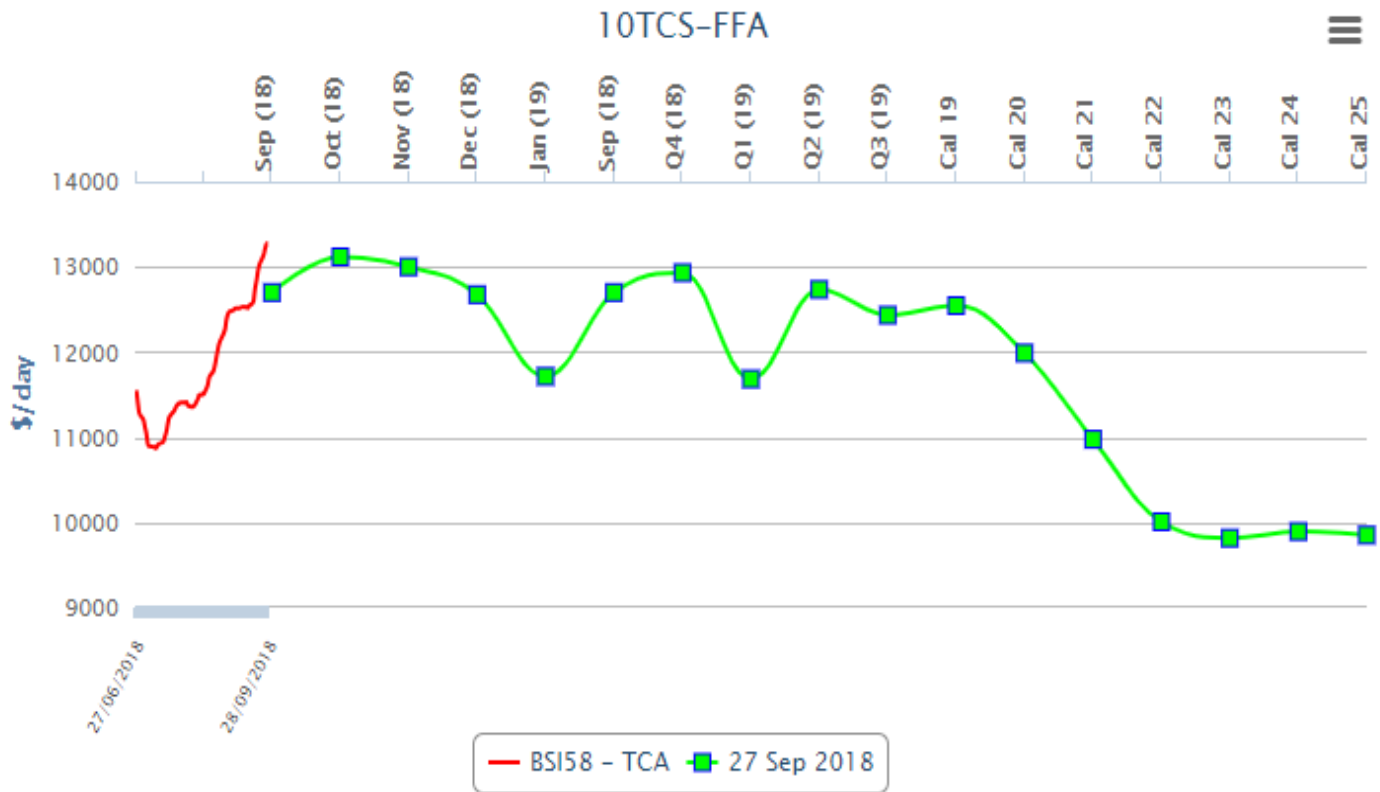
### Baltic Panamax Index



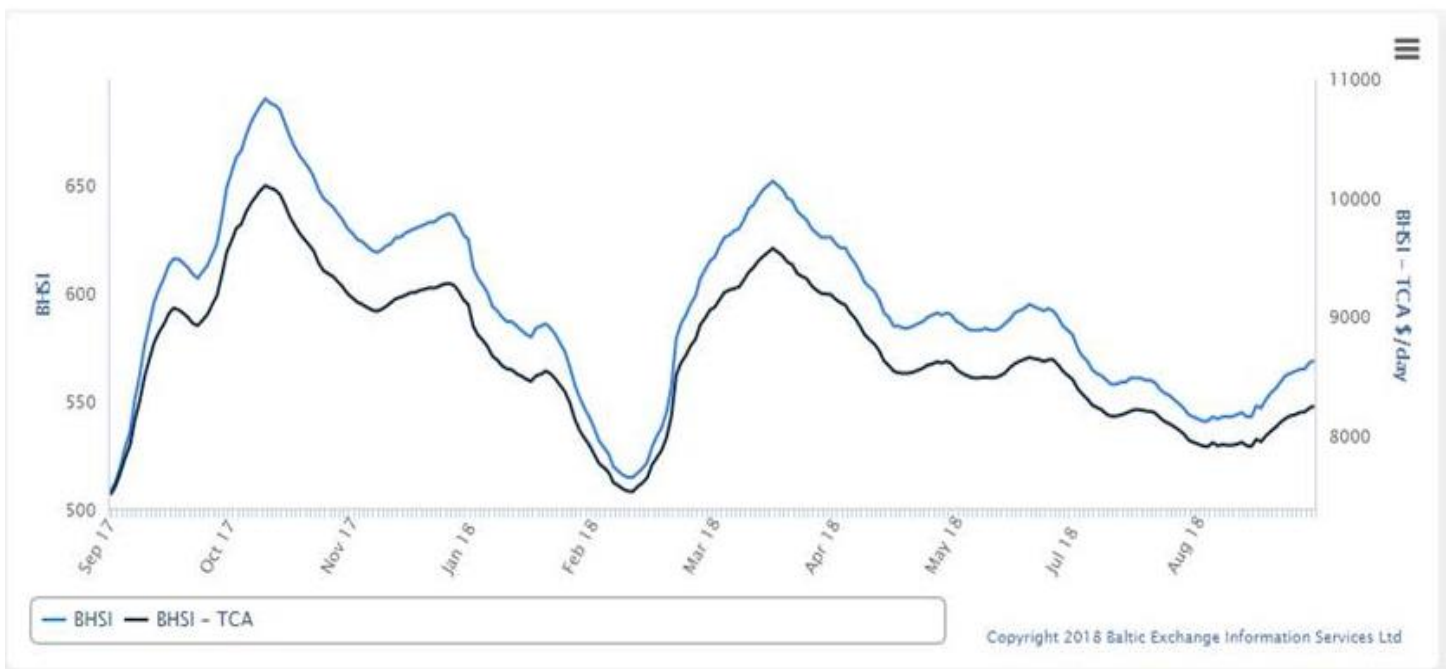
### Baltic Supramax Vessel Index



## Supramax Dry-Bulk Forward Curve



## Baltic Handy Size



# Yamamizu Shipping

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[Yamamizu Index](#)

## USG/Japan Index Result

Date From: 2017-07-03

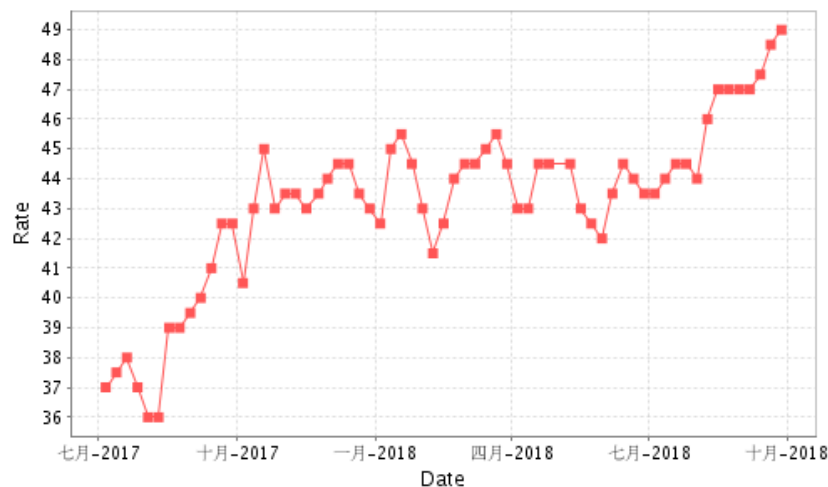
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Date To: 2018-09-27

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Query

Reset



## China Import Dry Bulk Freight Index(CDFI)

2018-09-27

Route	Size MT	Cargo/Vessel Size	Unit	Rate	Change
Composite Index			Point	960.44	14.13
Iron ore Freight Index			Point	929.63	19.14
Soybean Freight Index			Point	1065.19	15.01
Santos(Brazil)—North China	60000/10%	Soybean	\$/ton	37.332	0.755
Tacoma(West America)—North China	60000/10%	Soybean	\$/ton	25.605	0.360
Mississippi(US Gulf)—North China	66000/10%	Soybean	\$/ton	46.064	0.179
Mississippi(US Gulf)—North China	55000/10%	Soybean	\$/ton	46.805	0.414

**27 September 2018 U.S. FOB Vessel Export Market Values:**

<b>U.S. Yellow Corn (USD/MT) FOB Vessel</b>				
# 2 YC	U.S. Gulf #2 YC		PNW #3 YC	
15.0 % Moisture	Basis	Flat Price	Basis	Flat Price
<b>Nov.</b>	0.57	<b>\$166.03</b>	0.84	<b>\$176.66</b>
<b>Dec.</b>	0.63	<b>\$168.40</b>	0.92	<b>\$179.81</b>
<b>Jan.</b>	0.59	<b>\$170.66</b>	0.92	<b>\$184.44</b>
<b>Feb.</b>	0.58	<b>\$171.05</b>	0.96	<b>\$186.01</b>
<b>Mar.</b>	0.61	<b>\$172.23</b>	0.99	<b>\$187.19</b>
<b>Apr.</b>	0.58	<b>\$174.01</b>	0.94	<b>\$188.18</b>

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

<b>SORGHUM (USD/MT) FOB VESSEL</b>				
#2 YGS Fob Vessel	NOLA		TEXAS	
Max. 14.0% moisture	BASIS	FLAT PRICE	BASIS	FLAT PRICE
<b>Nov.</b>	1.00	<b>\$182.96</b>	0.80	<b>\$175.09</b>
<b>Dec.</b>	1.05	<b>\$184.93</b>	0.80	<b>\$175.09</b>
<b>Jan.</b>	1.05	<b>\$189.56</b>	0.80	<b>\$179.71</b>
<b>Feb.</b>	1.00	<b>\$187.59</b>	0.85	<b>\$181.68</b>
<b>Mar.</b>	1.05	<b>\$189.56</b>	0.90	<b>\$183.65</b>

Fob vessel Texas Gulf #2 Sorghum is about 1.05 % the value of #2 Yellow Corn at NOLA.  
In S.W. Kansas it is bid at 85 percent the value of corn.

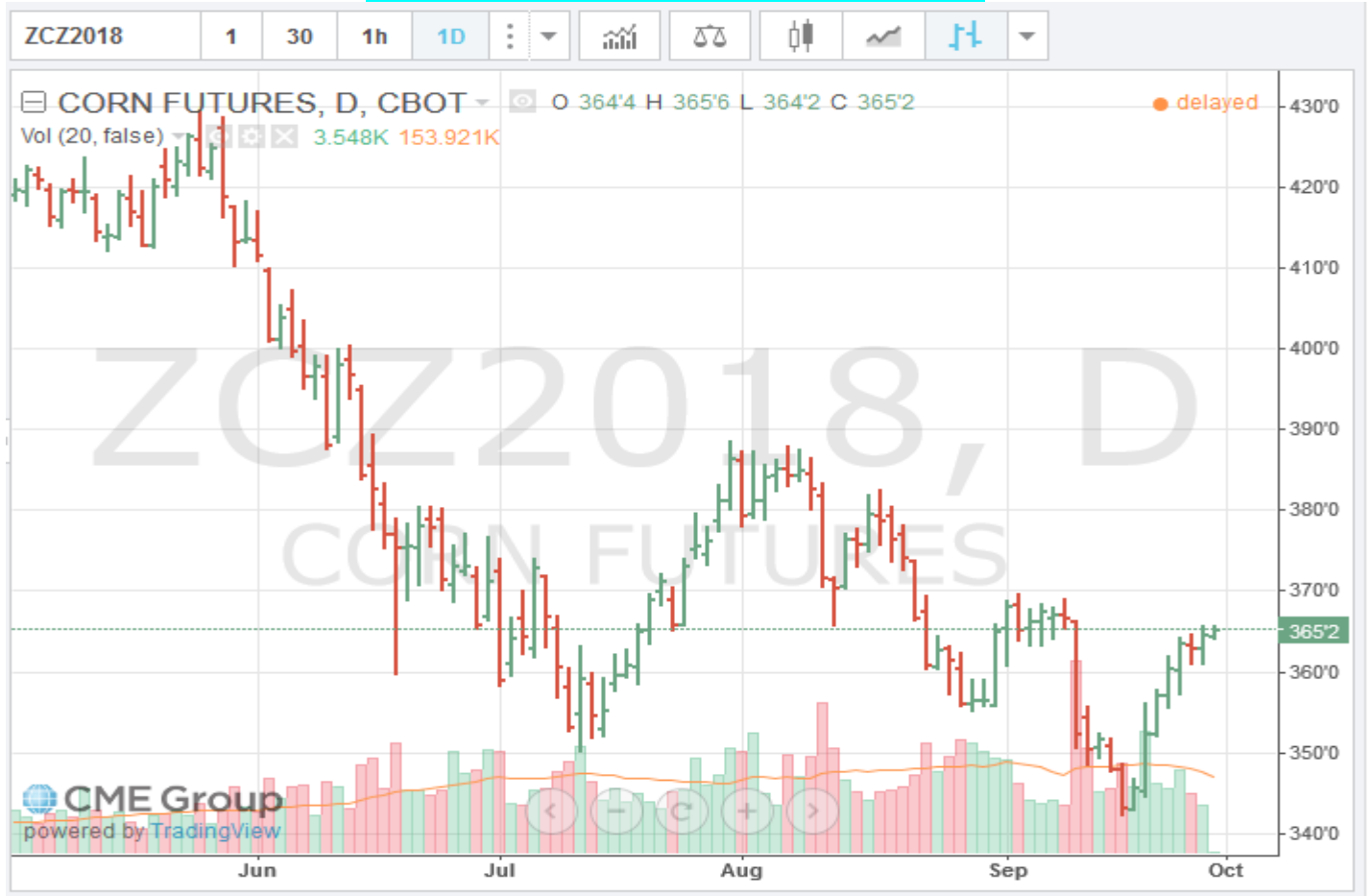
**U.S. SRW Wheat Fob Vessel at the Center U.S. Gulf**

SRW Wheat	USD/MT	Fob Vessel	US Gulf	
	Nov.	Dec.	Jan.	Feb.
FOB U.S. GULF	\$217.89	\$220.83	\$224.41	\$226.25
Basis	0.80	0.88	0.80	0.85
WZ	5.1300			
WH	5.3075			
WK	5.4125			

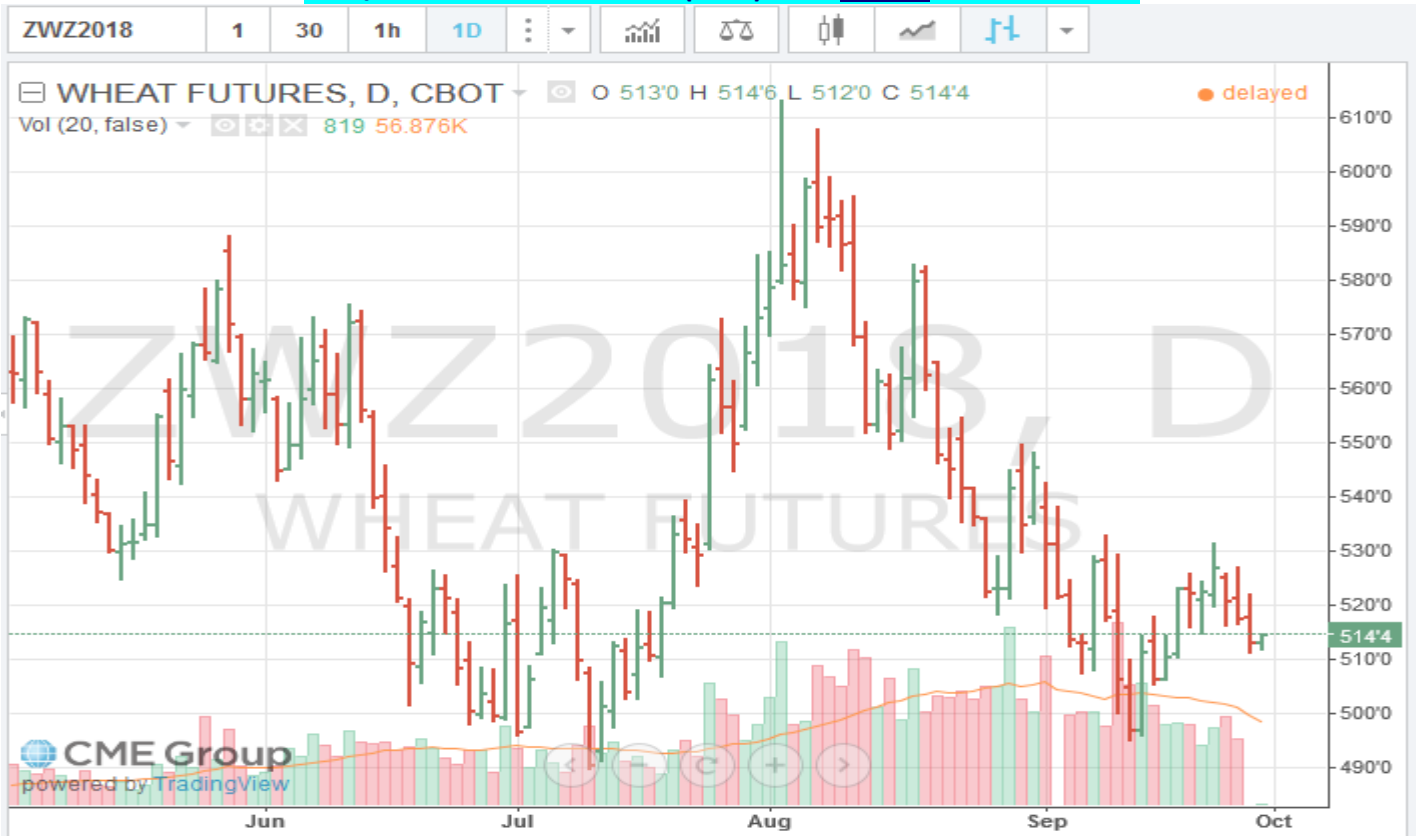
<b>CME Futures Market Close</b>						
CORN	Futures	Thursday	Thursday	Last week	Last Week	Difference
Month	Symbol	Close	Close	Bushel	MT.	Bushel
Dec.	CZ	\$3.6475	\$143.59	\$ 3.5050	\$137.98	\$0.1425
Mar.	CH	\$3.7650	\$148.22	\$ 3.6275	\$142.81	\$0.1375
May.	CK	\$3.8400	\$151.17	\$ 3.7125	\$146.15	\$0.1275
July	CN	\$3.8925	\$153.24	\$ 3.7750	\$148.61	\$0.1175
Sept.	CU	\$3.9275	\$154.62	\$ 3.8250	\$150.58	\$0.1025



CBOT December 2018 (CZ8) Corn Futures Chart –



CME/CBOT December. 2018 (WZ8) SRW Wheat Futures Chart –



## U.S. Soybean and SBM Markets Fob Vessel:

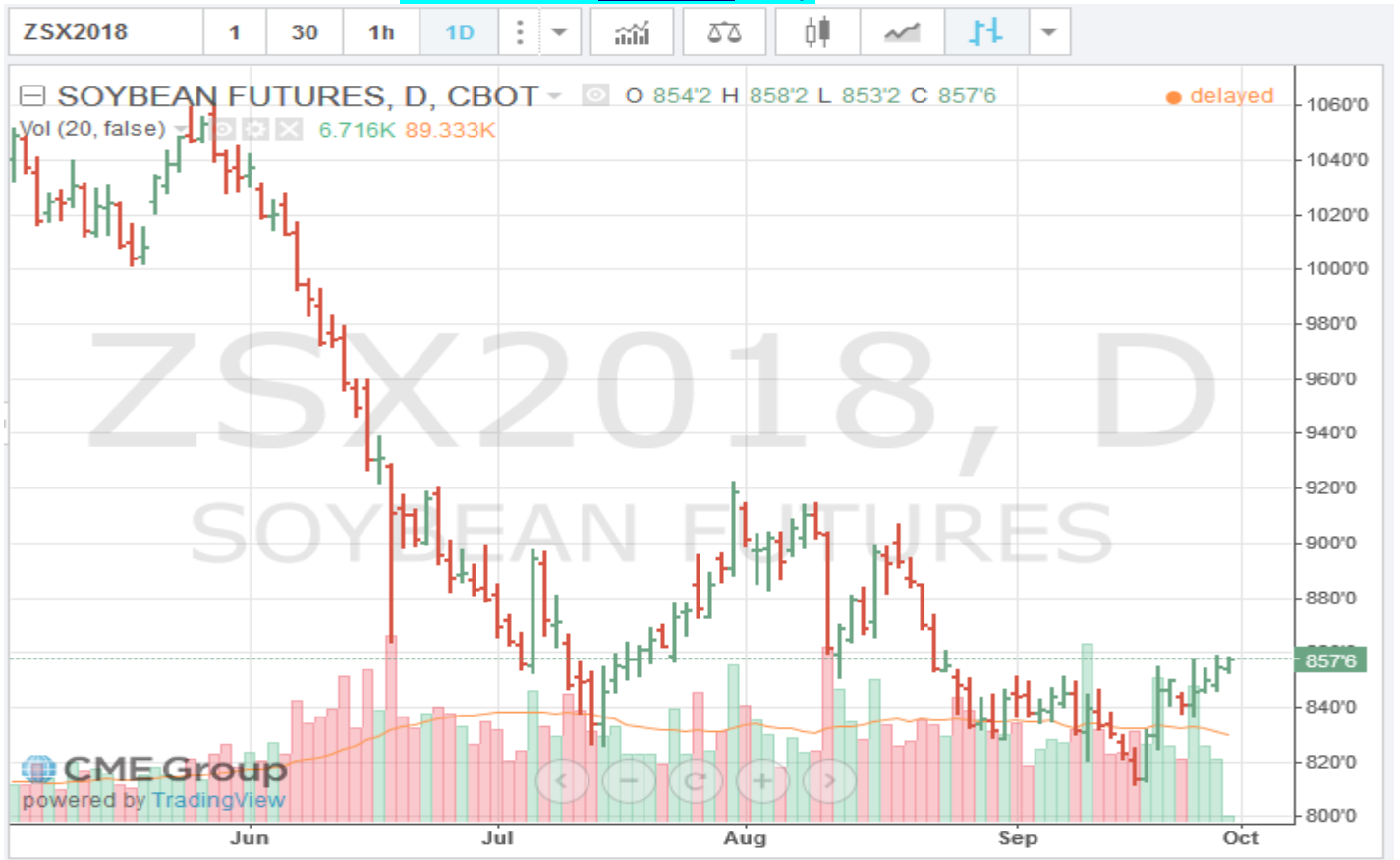
<b>U.S. Yellow Soybeans (USD/MT) FOB Vessel</b>				
# 2 YSB	U.S. Gulf #2 YSB		PNW #2 YSB	
14.0 % Moisture	Basis	Flat Price	Basis	Flat Price
<b>Nov.</b>	0.09	<b>\$317.46</b>	0.40	<b>\$328.85</b>
<b>Dec.</b>	0.15	<b>\$324.81</b>	0.50	<b>\$337.67</b>
<b>Jan.</b>	0.25	<b>\$328.49</b>	0.60	<b>\$341.35</b>
<b>Feb.</b>	0.30	<b>\$335.10</b>	0.60	<b>\$346.12</b>
<b>Mar.</b>	0.35	<b>\$336.94</b>	0.65	<b>\$347.96</b>
<b>Soybean Futures</b>				
<b>Nov.</b>	\$ 8.5500			
<b>Jan.</b>	\$ 8.6900			
<b>Mar.</b>	\$ 8.8200			
<b>May</b>	\$ 8.9525			
<b>July</b>	\$ 9.0525			
<b>Aug.</b>	\$ 9.1000			

<b>U.S. SBM (USD/MT) FOB Vessel</b>		
Fob U.S. Gulf Port max 12.5 % moisture	47.5 Pro. SBM	
	Basis	Flat Price
<b>Nov.</b>	15.00	<b>\$ 363.16</b>
<b>Dec.</b>	15.00	<b>\$ 363.16</b>
<b>Jan.</b>	15.00	<b>\$ 364.16</b>
<b>Feb.</b>	16.00	<b>\$ 365.15</b>
<b>Mar.</b>	18.00	<b>\$ 367.35</b>

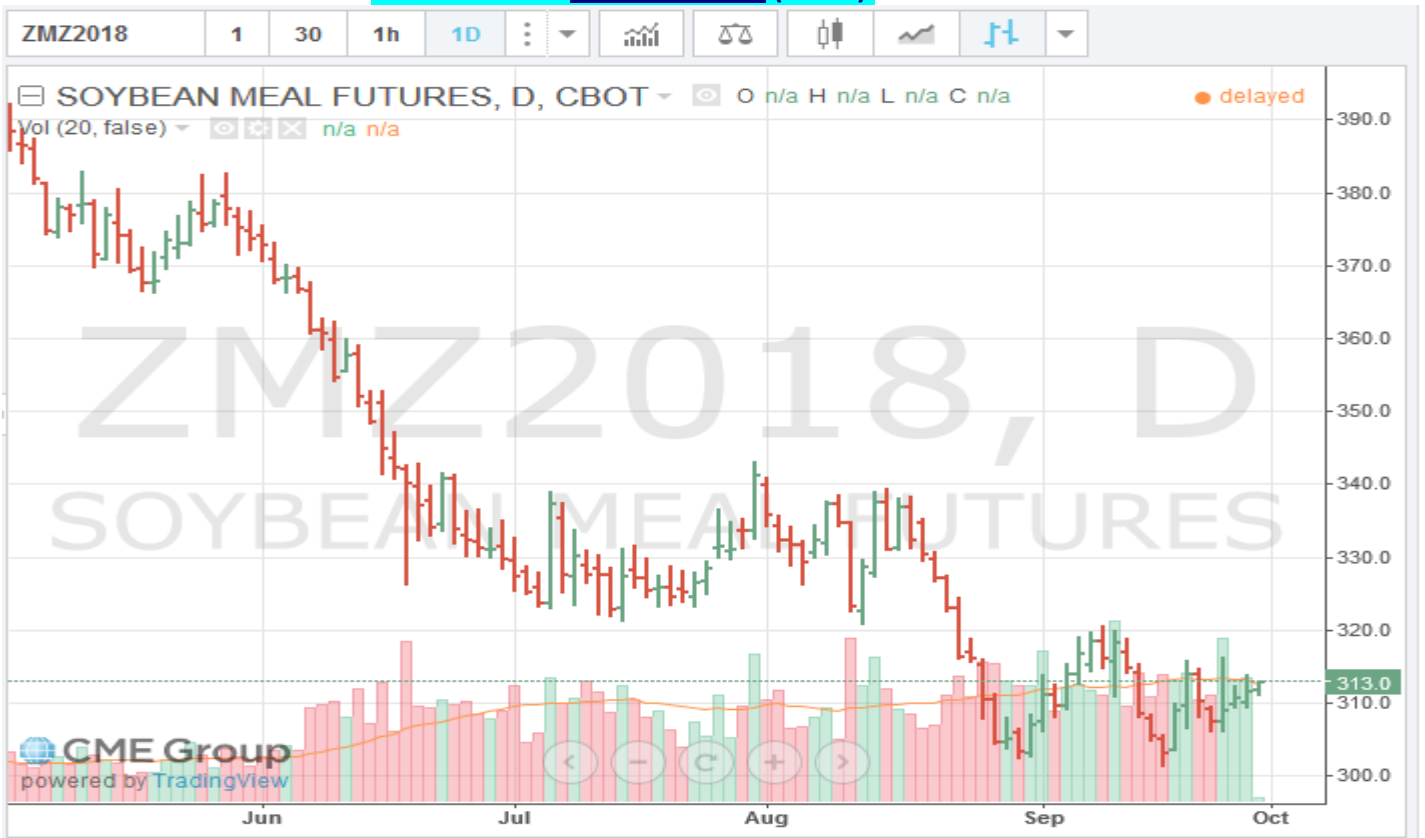
### **SBM Futures**

<b>SMV</b>	311.40
<b>SMZ</b>	314.40
<b>SMF</b>	315.30
<b>SMH</b>	315.20
<b>SMK</b>	314.50
<b>SMN</b>	316.50

### 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 13 September 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	1428.6	16,555.2	60,960	27%	80.8
Sorghum	20.2	65.7	4,450	1%	0.0
Soybeans	1120.8	17,932.3	56,070	32%	80.0
Wheat	497.1	10,207.3	27,900	37%	0.0
Barley	0.0	53.4	110	49%	0.0

**U.S. EXPORT INSPECTIONS:**

Monday's report 24 September 2018 for the Export week ending 20 September 2018

	Export Inspections		Current Market Year YTD	Previous Year to Date	2018/19 YTD as Percent of 2017/18 YTD
	This Week	Previous Week			
Corn	1,263,310	1,035,928	2,977,759	2,145,906	139%
Sorghum	3,161	1,326	5,997	249,121	2%
Soybeans	693,890	786,268	2,313,803	3,076,382	75%
Wheat	409,592	410,675	6,525,556	9,230,334	71%
Barley	0	343	3,547	14,122	25%

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

**U.S. EXPORT INSPECTIONS:**

Monday's report 24 September 2018 for the Export week ending 20 September 2018

Last Week								
(Metric Tons)	YC	%	WC	%	Sorghum	%	Soybeans	%
Lakes	0	0%	0	0%	0	0%	343	0%
Atlantic	28,960	2%	0	0%	0	0%	3,380	0%
Gulf	614,305	50%	43,515	100%	0	0%	645,544	93%
PNW	445,517	37%	0	0%	0	0%	48	0%
Interior Export Rail	130,817	11%	196	0%	3,161	100%	44,575	6%
Metric Tons	1,219,599		43,711		3,161		693,890	

Sorghum Shipments:

metric tons	
3,161	Mexico
3,161	Total

White Corn metric tons

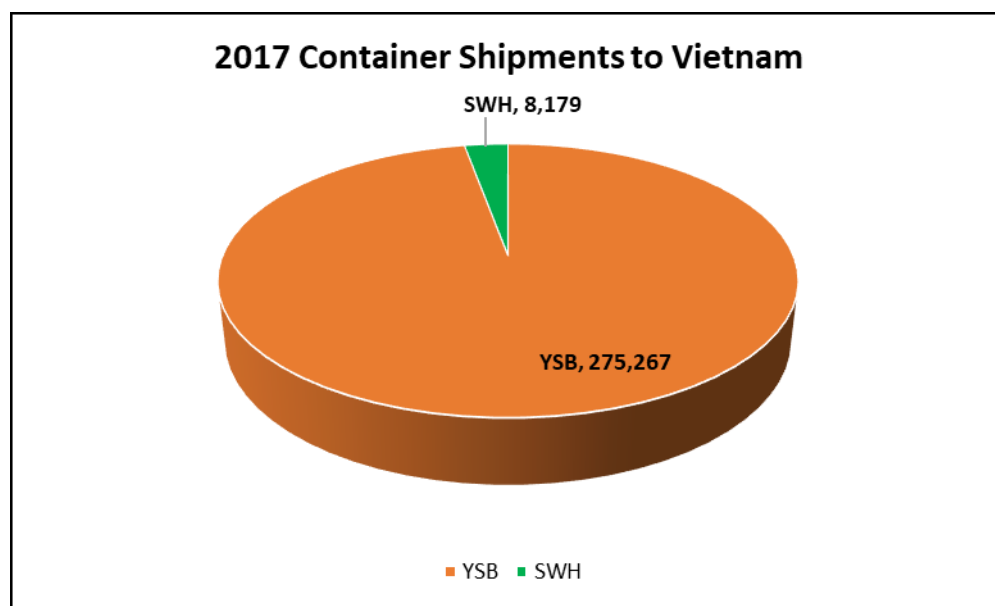
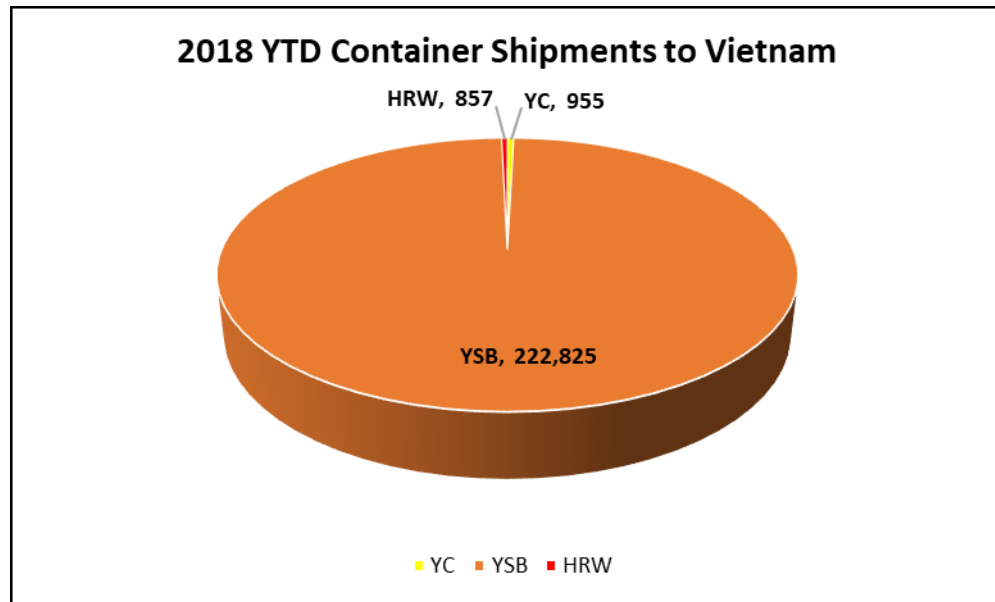
Shipments:	12,585	Colombia
	196	Korea Rep
	30,930	Mexico
	43,711	Total

## 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-Sep-2018							
Last Week	metric tons								MT
	YC	WC	YSB	SRW	NS	SWH	HRW	Sorghum	TOTAL
China Main	1,690								1,690
China T	15,278		9,619						24,897
Hong Kong	979								979
French Poly	318								318
Indonesia			18,610						18,610
India			514						514
Japan			538						538
Korea Republic	391	196		220					807
Un Arab Em									0
Malaysia	2,326		3,769						6,095
Burma									0
Philippines			1,271						1,271
Thailand			6,292						6,292
Guyana									0
Bangladesh									0
Vietnam			3,866						3,866
Sub total	20,982	196	44,479	220	0	0	0	0	62,011
USDA Corrections/Additions to previous reports:									
China T									0
China Main									0
Hong Kong									0
Korea Rep.									0
Costa Rica									0
Japan									0
Philippines									0
Indonesia			1,493						1,493
Malaysia									0
Thailand			269						269
Vietnam									0
Canada									0
Burma									0
Sub total	0	0	1,762	0	0	0	0	0	1,762
<b>Mt. Grand Total</b>	<b>20,982</b>	<b>196</b>	<b>46,241</b>	<b>220</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>63,773</b>
Number of containers	912	9	2,010	10	0	0	0	0	

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



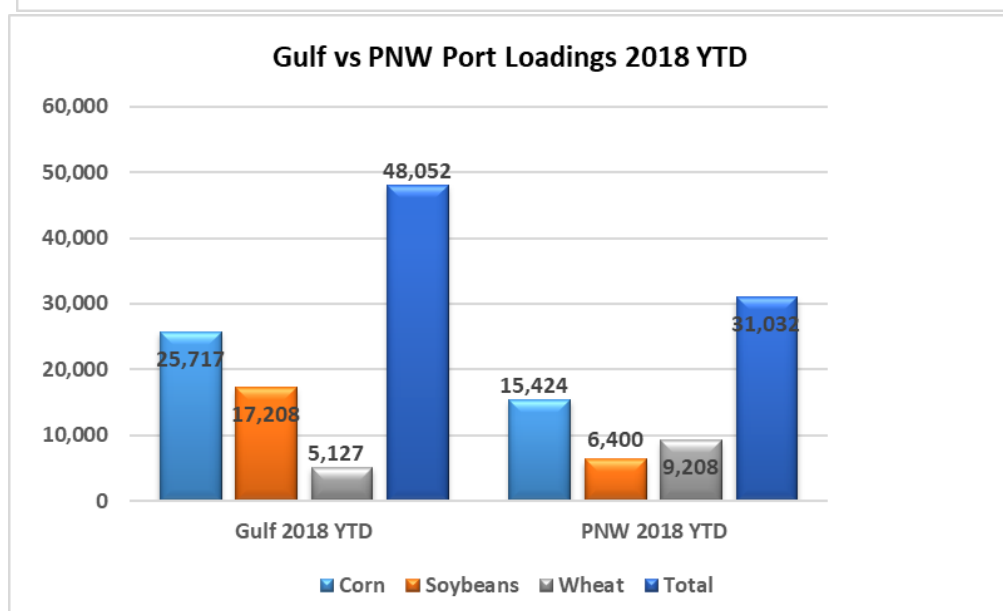
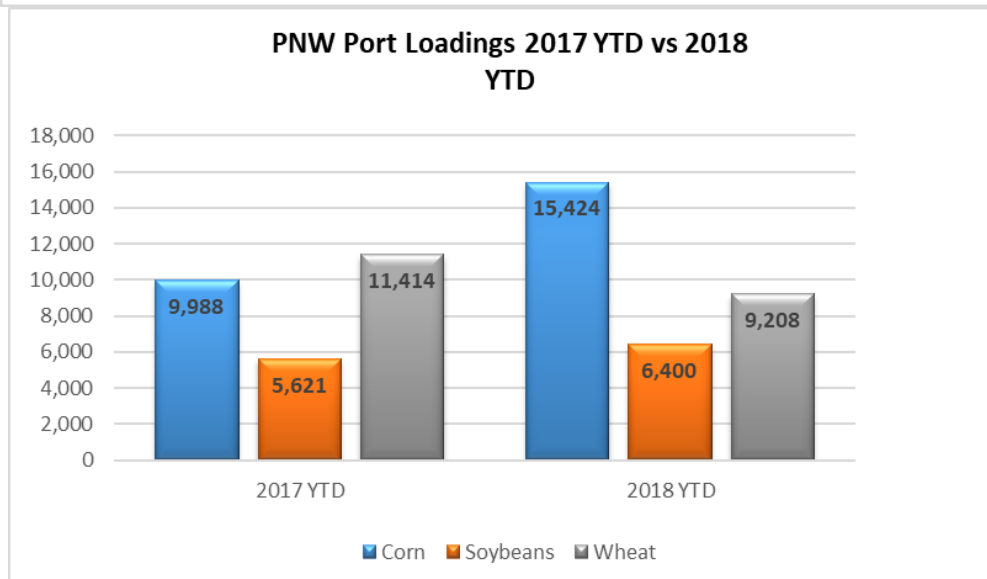
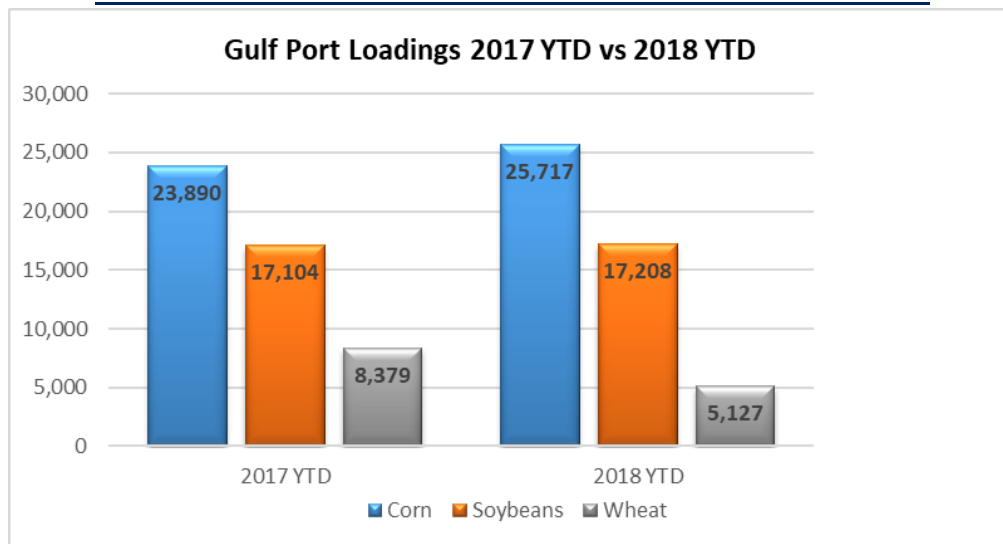
Grain Inspections for Export by U.S. Port Regions:  
U.S. Gulf and Pacific Northwest 2017 YTD vs. 2018 YTD

PORT LOADINGS US Gulf				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
<b>GULF</b>				
2017 YTD	23,890	17,104	8,379	49,373
2018 YTD	25,717	17,208	5,127	48,052
2018 as % of 2017	108%	101%	61%	97%

PORT LOADINGS US PNW				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
<b>PNW</b>				
2017 YTD	9,988	5,621	11,414	27,023
2018 YTD	15,424	6,400	9,208	31,032
2018 as % of 2017	154%	114%	81%	115%

PORT LOADINGS GULF vs. PNW				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
2018 Gulf YTD	25,717	17,208	5,127	48,052
2018 PNW YTD	15,424	6,400	9,208	31,032
TOTAL	41,141	23,608	14,335	79,084
Gulf Percentage	63%	73%	36%	61%
PNW Percentage	37%	27%	64%	39%

Grain Inspections for Export by U.S. Port Regions (1,000MT):  
U.S. Gulf and Pacific Northwest 2017 YTD vs. 2018 YTD

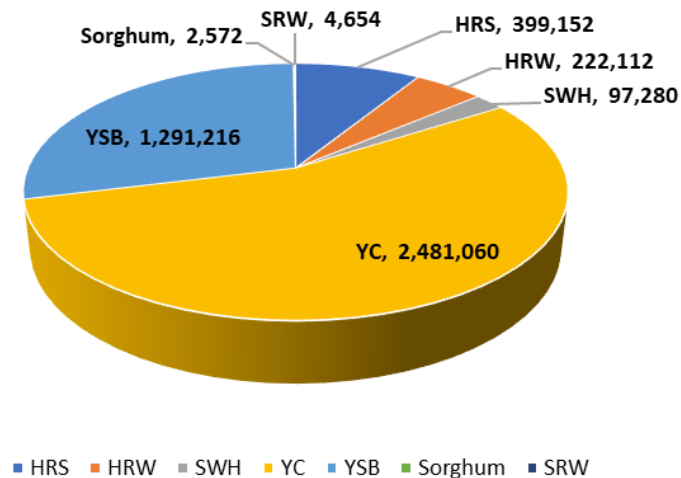


Source: USDA-data

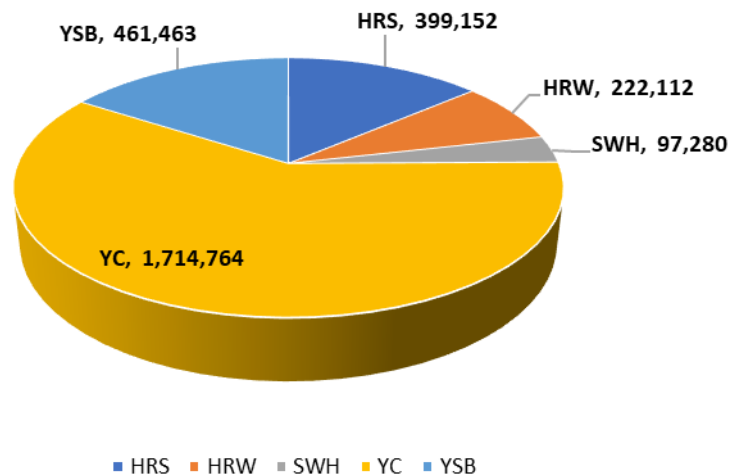


2018 YTD Total Grain Exports reported by USDA (in MT)

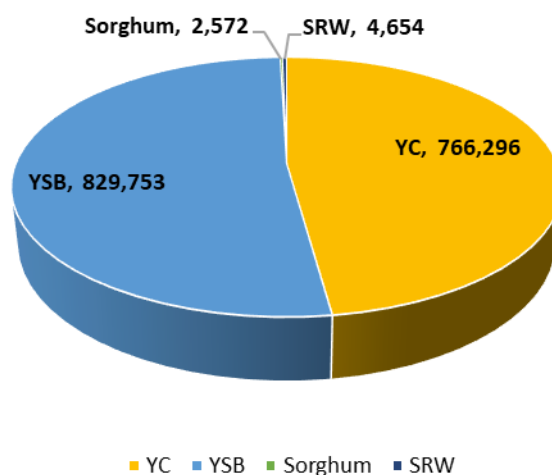
**2018 YTD Exports to China T**



**YTD Exports to China T by Vessel**



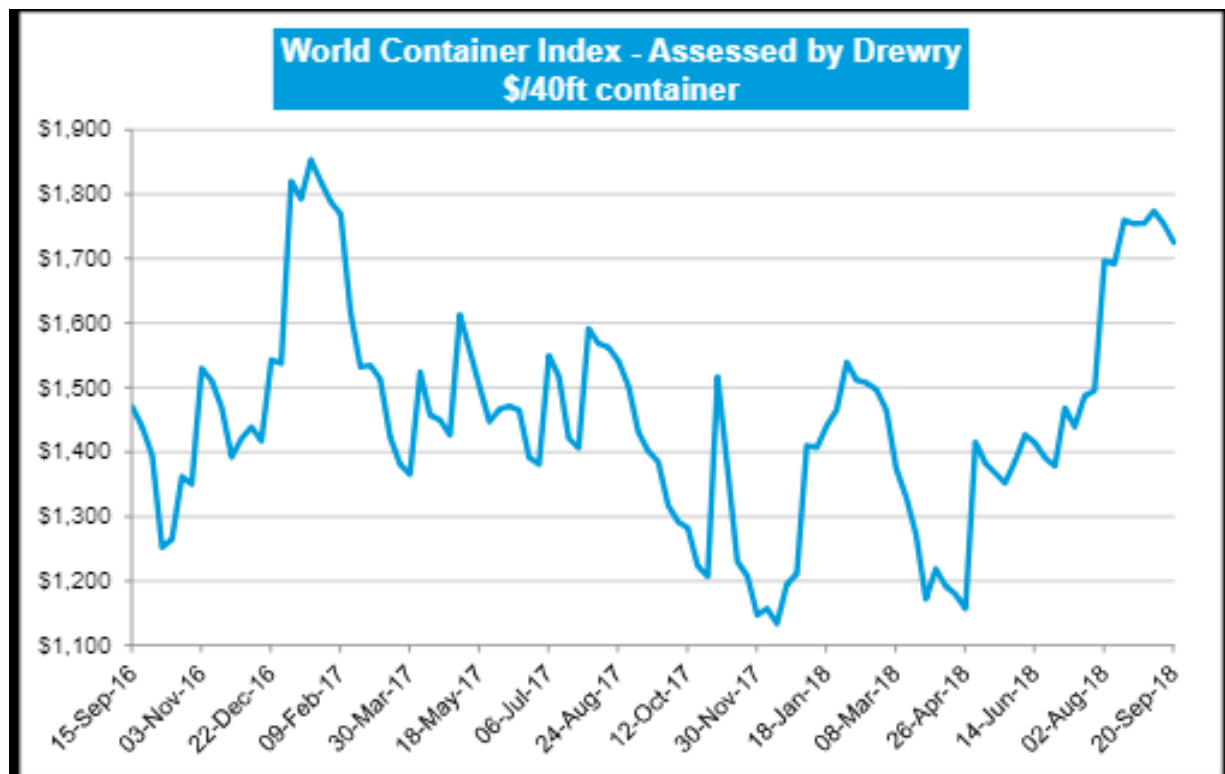
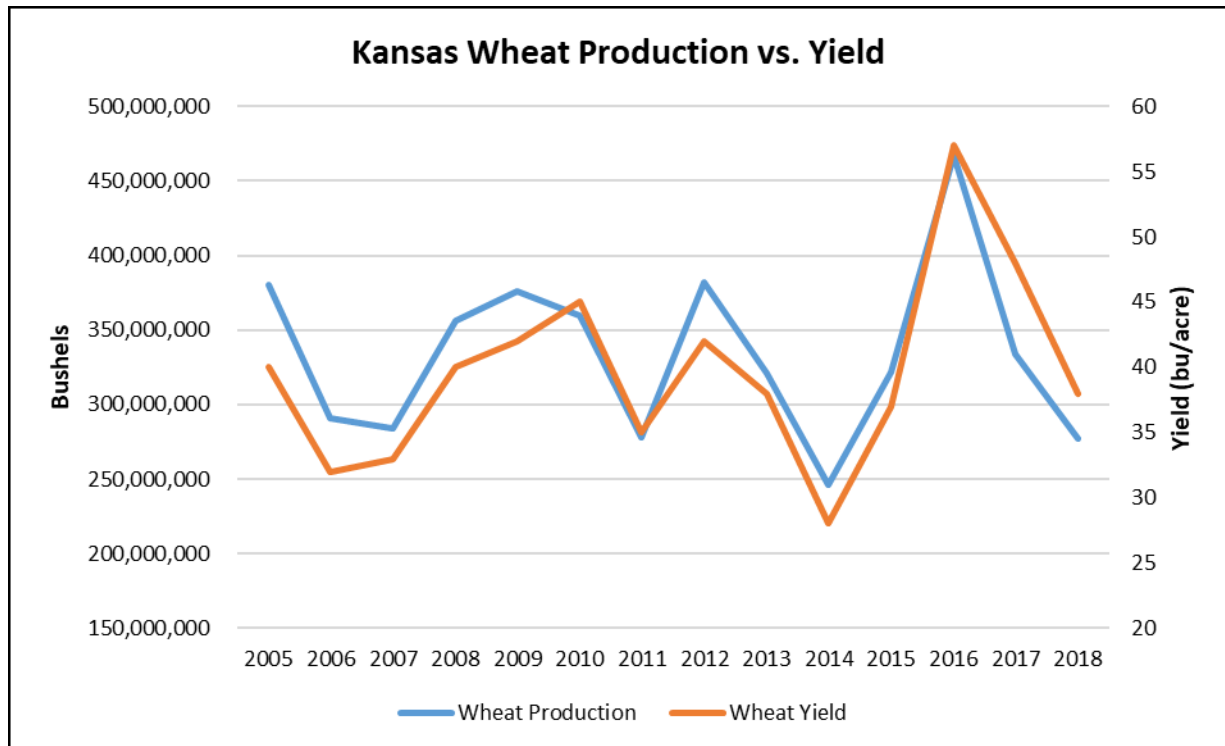
**YTD Exports to China T by Container**



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

Source: USDA

## Shipping News

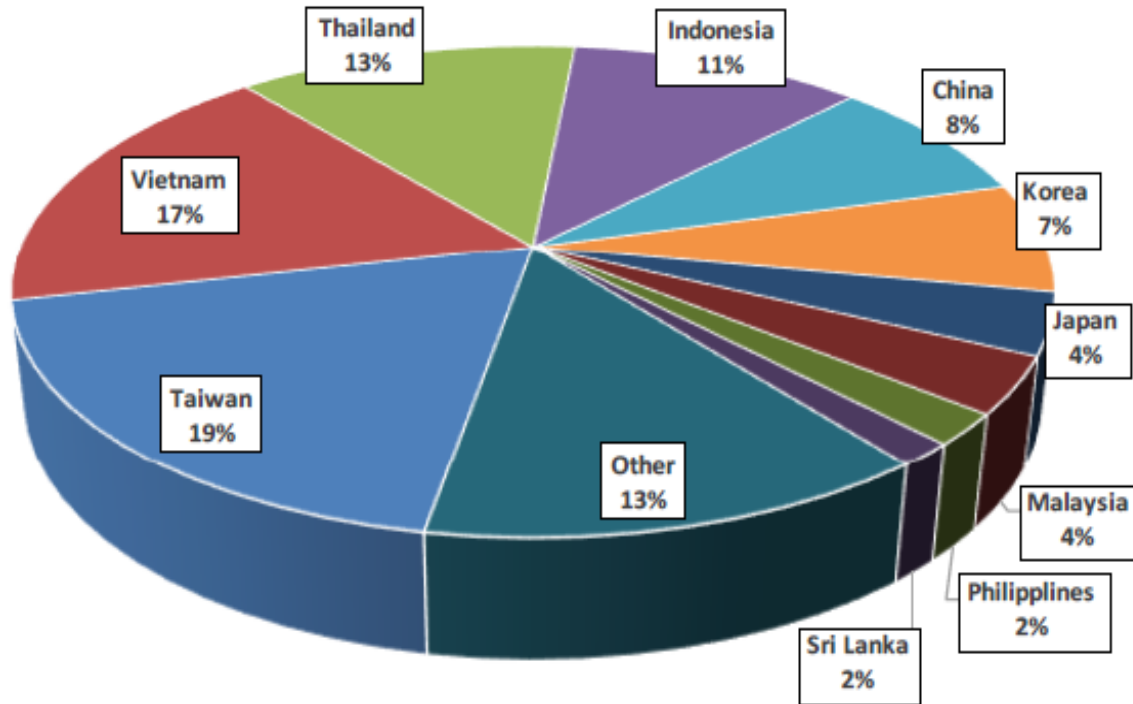


## China Containerized Freight Index



Route	30-Aug-18	06-Sep-18	13-Sep-18	Weekly change (%)	Annual change (%)
Composite Index	\$1,754	\$1,773	\$1,753	-1% ▼	25% ▲
Shanghai - Rotterdam	\$1,803	\$1,713	\$1,662	-3% ▼	8% ▲
Rotterdam - Shanghai	\$923	\$910	\$937	3% ▲	-24% ▼
Shanghai - Genoa	\$1,894	\$1,665	\$1,573	-6% ▼	3% ▲
Shanghai - Los Angeles	\$2,116	\$2,362	\$2,362	0%	59% ▲
Los Angeles - Shanghai	\$490	\$494	\$505	2% ▲	5% ▲
Shanghai - New York	\$3,426	\$3,604	\$3,610	0%	66% ▲
New York - Rotterdam	\$584	\$557	\$559	0%	12% ▲
Rotterdam - New York	\$1,950	\$1,955	\$1,955	0%	12% ▲

## Top 10 Destination Markets for U.S. Containerized Grain Exports, January-May 2018



Service (PIERS) data

Note: The following Harmonized Tariff Codes are used to calculate containerized grains movements: 100190, 100200, 100300, 100400, 100590, 100700, 110100, 230310, 110220, 110290, 120100, 230210, 230990, 230330, and 120810.

## U.S. RIVER BARGE FREIGHT

Current Barge Freight for Placement Last Half October 2018

Placement LH October 2018	% of		Corn	Soybeans-Wheat
	Tariff	MT	BU	BU
Upper Mississippi	515	\$35.14	0.89	0.96
Illinois River (Pekin and South)	485	\$25.72	0.65	0.70
Mid-Mississippi	515	\$30.20	0.77	0.82
Lower Ohio	485	\$23.84	0.61	0.65
St. Louis	415	\$18.25	0.46	0.50

**Secondary Rail Car Market for car placement period: Last Half October 2018.**

Secondary Rail Car Market Placement LH. October 2018	BID USD	ASK USD	BID BU.	ASK BU.	BID MT	ASK MT
BNSF Shuttle Trains	\$ 100.00	\$ 300.00	\$ 0.03	\$ 0.08	\$ 0.98	\$ 2.95
UPRR Shuttle Trains	\$ 100.00	\$ 400.00	\$ 0.03	\$ 0.10	\$ 0.98	\$ 3.94

[www.grains.ksu.edu/igp](http://www.grains.ksu.edu/igp)

Best Regards,

Jay

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