

Transportation and Export Report for 30 September 2021

Hooray and up she rises Hooray..., What shall we do with the drunken sailor? The markets are a crazy as the traditional sea shanty. And all sectors continue to follow the Cape, which have now reached 13-year highs. The Capesize market is putting the big squeeze on the short players and the goal is to see how high the market can be pushed. Capesize FFA index rates have already passed \$65,000/day and the market is pushing for more. The all-time high was \$300,000/day back in May of 2008. So, are we headed for 2008 all over again? Or are we in for a big market correction once the shorts have been forced out?

October Capes reached 65,000 before settling back to 63,000 at the close. Panamax FFA paper gained support from the Capes and ended the day at \$36,250 for October.

We now have 8 of the 9 previously operating New Orleans export grain facilities back online. There are 68 grain vessels currently in NOLA. Fob vessel Export Grain values at Mississippi River facilities for October remain uncertain.

BALTIC DRY-BULK PANAMAX INDEX CHANGES

Panamax Ocean Freight Indices					
30-Sep-2021		This Week	Last Week	Difference	Percent Change
P2A: Gulf/Atlantic - Japan	per day	51006	51795	-789	-1.5%
P3A: PNW/Pacific - Korea	per day	37698	35627	2,071	5.8%
S1C: US GULF-China-So.Japan	per day	49567	47500	2,067	4.4%
P7: Trial- Miss. River - Qingdao	per ton	85.23	84.580	0.7	0.8%
P8: Trial- Santos - Qingdao	per ton	69.09	68.020	1.1	1.6%

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

Four weeks ago:	\$14.75-\$15.95
Three weeks ago:	\$13.00-\$14.75
Two weeks ago:	\$15.00-\$15.75
One week ago:	\$16.00-\$20.00
This week	\$17.00-\$22.50

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

Mississippi River:	(10 elevators)	5-16 + days (8 facilities operating.)
Mid-Stream loaders:	(6+ Rigs)	0-8 days
Texas Gulf	(5 elevators)	0-6 days
Pacific Northwest:	(9 elevators)	0 - 8 days (AGP Grays Harbor down for 2-3 months)

Panamax Market Spreads to Asia -China					
30-Sep-2021	PNW	GULF	Bushel Spread	Tonne Spread	Advantage
CORN	1.65	2.45	0.80	\$31.49	PNW
SOYBEANS	1.60	2.55	0.95	\$34.91	PNW
OCEAN FREIGHT	\$46.00	\$83.50	.95-1.02	\$37.50	November

Current Grain Vessel Market Indications:

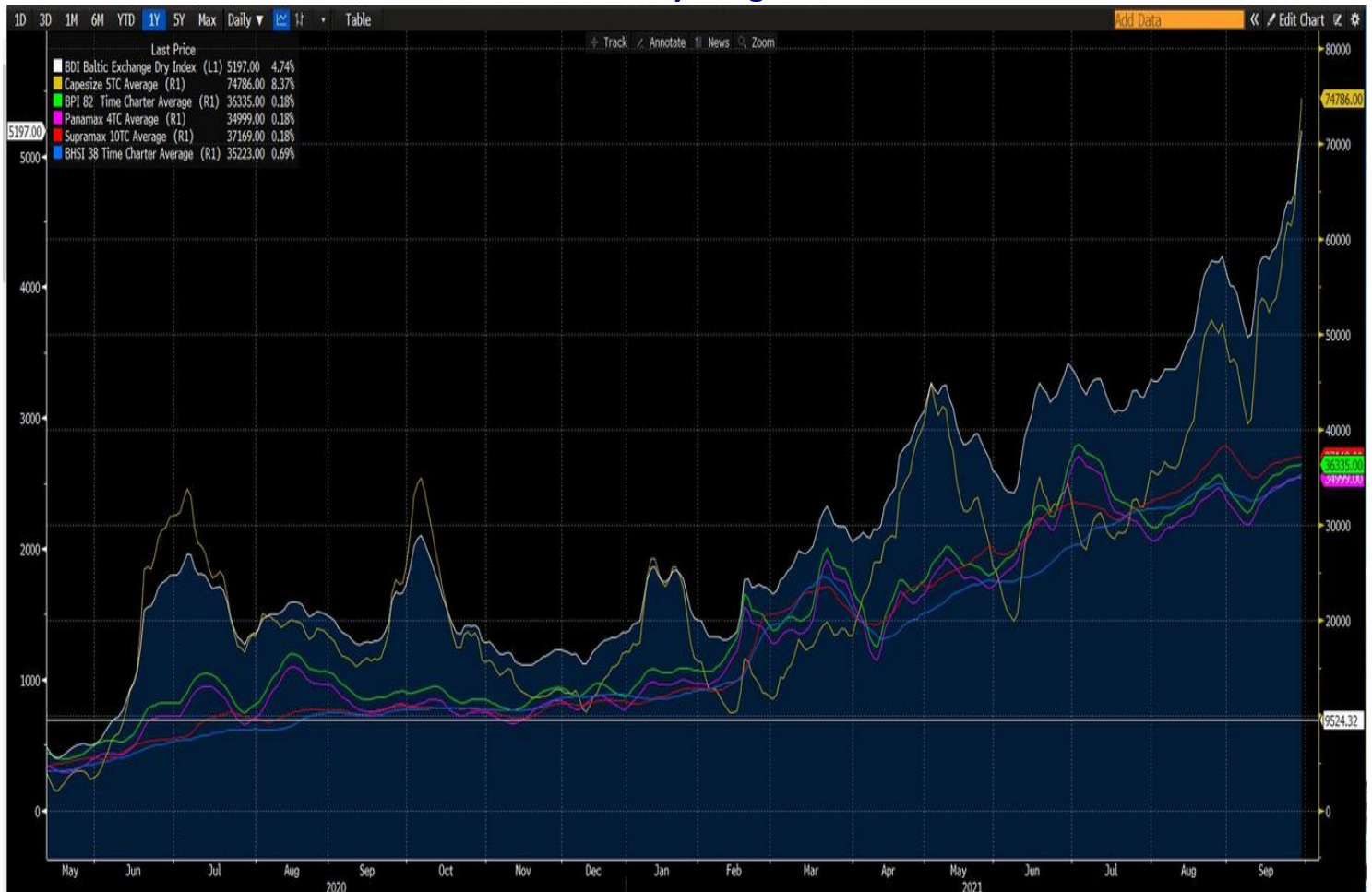
**** Below rates are estimates for the nearby-30-day period. 60-90 days forward rates will usually be higher.**

Soybean Panamax USG to Spain is running \$52.00 - \$54.00/mt.

Soybean Brazil to Spain about \$58.50 -60.00/mt.

Route and Vessel Size	Current Week USD/MT	Change from previous week	Remarks
55,000 U.S. Gulf-Japan	\$84.25	Up \$1.75	Handymax \$85.00 mt
55,000 U.S. PNW- Japan	\$46.50	Up \$1.00	Handymax \$47.00 mt
66,000 U.S. Gulf – China	\$83.50	Up \$1.50	North China
PNW to China	\$46.00	Up \$1.00	
25,000 U.S. Gulf- Veracruz, México	\$30.50	up \$0.50	3,000 MT daily discharge rate
30-36,000+ U.S. Gulf- Veracruz, México	\$28.00	Up \$0.50	Deep draft and 6,000 MT per day discharge rate.
30-38,000 U.S. Gulf- Colombia	\$46.00	Up \$1.00	<u>West Coast Colombia at \$54.00</u>
50,000 mt USG to E/C Colombia	<u>\$45.00</u>		
From Argentina	\$62.00		
43-45,000 U.S. Gulf - Guatemala	\$51.50	Up \$1.00	Acajutla/Quetzal - 8,000 out
26-30,000 U.S. Gulf – Algeria	\$68.00 \$70.00	Up \$1.50	8,000 mt daily discharge 3,000 mt daily discharge
30,000 US Gulf- Morocco	\$65.50	Up \$1.50	5,000 discharge rate
55-60,000 U.S. Gulf –Egypt	\$69.00	Up \$1.50	60,000 -55,000 mt -Egypt
PNW to Egypt	\$69.25		Romania- Russia- Ukraine \$35.00--\$34.00- \$35.25 France \$44.50
58-75,000 U.S. Gulf – Europe – Rotterdam	\$35.25	Up \$2.25	Handymax at +\$2.00 more
Brazil, Santos – China	\$68.50	Up \$0.50	54-59,000 Supramax-Panamax
Brazil, Santos – China	\$68.00		60-66,000 Post Panamax
Northern Coast Brazil	\$69.00		Upriver No. Brazil Plus -55,000 mt Plus \$7.50-8.00/mt
56-60,000 Argentina/Rosario- China Deep Draft	\$73.75	Up \$0.75	Upriver with BB Top Off Plus \$3.75 - \$4.00mt

The Baltic Dry Freight Index



BreakWave @DryBulkETF · 5h

Today the Baltic Dry Index will top 5,000, a level last seen in September 2008.

BreakWave @DryBulkETF · 4h

More importantly, although such levels might seem extreme when looking at the past decade, the index had managed to stay above the 5,000 level for 552 days straight in the '07-'08 period when it also reached its ATH of 11,612.

#shipping

Baltic Panamax Index



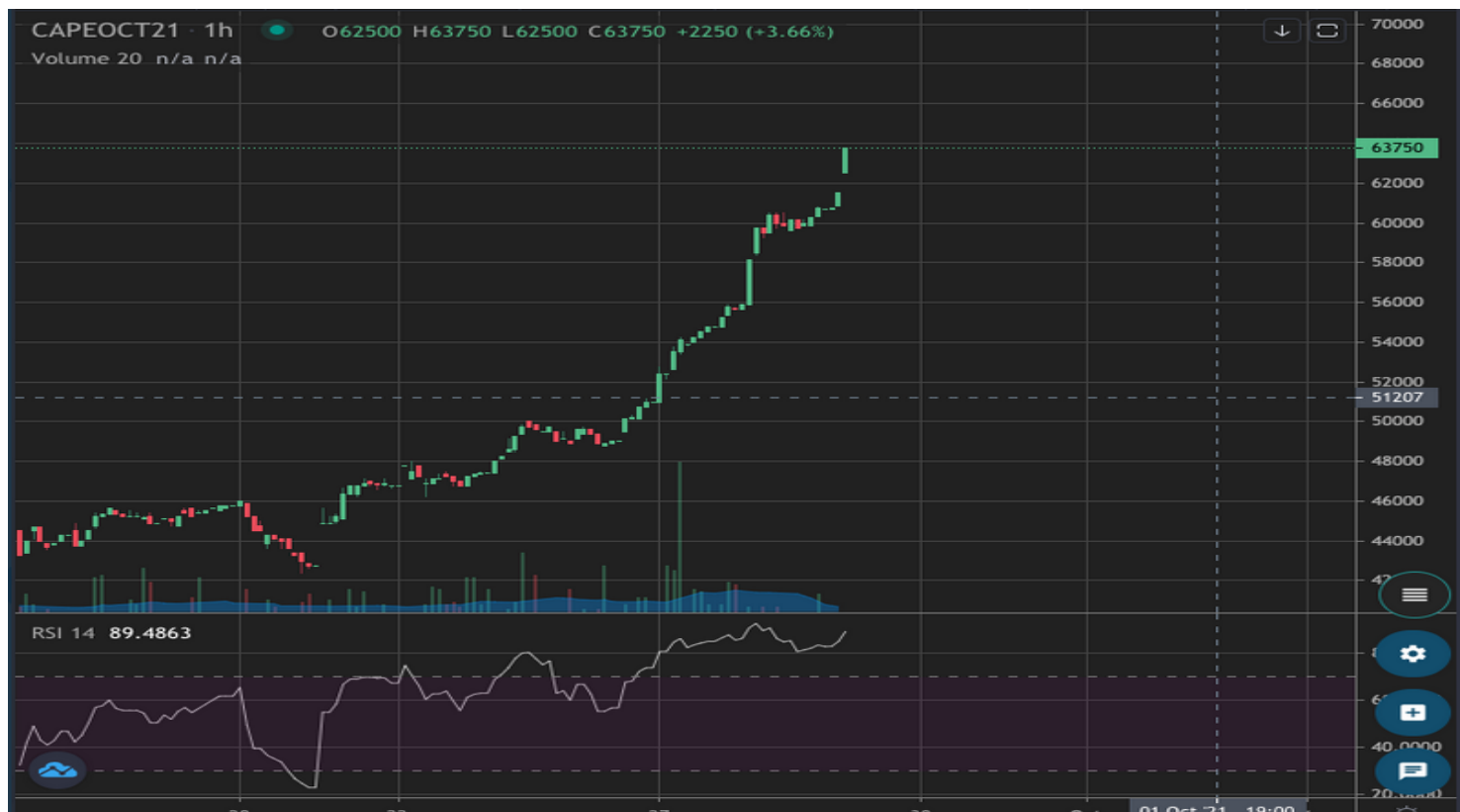
Capesize FFA Chart

Freight Investor Services @freightinvestor · 1h

...

Capesize October Futures now in a parabolic trend. The upside move might not be sustainable for much longer, suggesting once broken we could soon enter into a countertrend corrective phase...





Baltic Dry-Bulk Ocean Freight Index- US Gulf- Japan



YAMAMIZU Index



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

From 2007-01-29 To 2021-09-29



China Import Dry Bulk Freight Index					
2021-09-30					
Description	Volume	Cargo/Vessel Size	Unit	Rate	Change
Composite Index			Point	2208.47	38.91
Iron ore Freight Index			Point	2401.99	69
Dampier(West Australia)-Qingdao (China)	170000/10%	Iron ore	\$/ton	22.665	0.558
Soybean Freight Index			Point	1931.15	-0.16
Santos(Brazil)— North China	66000/10%	Soybean	\$/ton	67.574	-0.04
Santos(Brazil)—North China	60000/10%	Soybean	\$/ton	68.61	-0.06
Tacoma(West America)—North China	63000/10%	Soybean	\$/ton	45.75	0
Mississippi(US Gulf)—North China	66000/10%	Soybean	\$/ton	83.24	0.05

PLEASE NOTE THAT BELOW FOB VESSEL EXPORT VESSEL BASIS FOR OCTOBER IS A ROUGH ESTIMATE. VALUES FOR FORWARD MONTHS ARE UPDATED.

30 September 2021 U.S. FOB Vessel Export Market Values:

U.S. Yellow Corn (USD/MT) FOB Vessel					CORN	FUTURES
#2 YC	GULF # 2 YC		PNW # 3 YC		Z =	5.3675
Max. 14.5% moisture	BASIS	FLAT PRICE	BASIS	FLAT PRICE	H =	5.4450
Oct.	1.70	\$278.23	2.50	\$309.73	K =	5.4900
Nov.	1.65	\$276.26	2.45	\$307.76	N =	5.4900
Dec.	1.60	\$274.30	2.35	\$303.82	U =	5.2800
Jan.	1.25	\$263.57	1.90	\$289.16	Z =	5.2275
Feb.	1.10	\$257.66	1.85	\$287.19		
Mar.	1.05	\$255.69	1.78	\$284.43		

The Gulf spread between #2 & #3 YC is currently about .04 cents per bushel (1.60/mt) at USG but is out to .06/bushel in the PNW.

SORGHUM (USD/MT) FOB VESSEL		
#2 YGS Fob Vessel	TEXAS Gulf	
Max. 14.0% moisture	BASIS	FLAT PRICE
Oct.	2.30	\$301.85
Nov.	2.25	\$299.88
Dec.	2.20	\$297.92
Jan.	1.80	\$285.22
Feb.	1.80	\$285.22

Fob vessel Texas Gulf #2 Sorghum is about 109 % 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	\$319.85	\$319.85	\$319.85	\$323.89
Basis	1.45	1.45	1.45	1.45
WZ	7.2550			
WH	7.3650			
WK	7.3950			

CME/CBOT December 2021 (CZ21) Corn Futures Chart



CME/CBOT December 2021 (WZ21) 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.	1.85	\$529.47	2.75	\$562.54
Nov.	1.60	\$520.29	2.55	\$555.19
Dec.	1.38	\$515.69	2.38	\$552.44
Jan.	1.35	\$514.59	2.28	\$548.76
Feb.	1.35	\$516.98	2.30	\$551.88
Soybean Futures				
Nov.	\$ 12.5600			
Jan.	\$ 12.6550			
Mar.	\$ 12.7200			
May	\$ 12.7850			
July	\$ 12.8175			
Aug.	\$ 12.7525			

U.S. SBM (USD/MT) FOB Vessel		
Fob U.S. Gulf Port	47.5 Pro. SBM	
max 12.5 % moisture	Basis	Flat Price
Oct.	60.00	\$ 425.79
Nov.	55.00	\$ 423.03
Dec.	55.00	\$ 423.03
Jan.	50.00	\$ 420.05
Feb.	50.00	\$ 422.70
SBM Futures		
SMV	\$ 326.20	
SMZ	\$ 328.70	
SMF	\$ 331.00	
SMH	\$ 333.40	
SMK	\$ 337.10	
SMN	\$ 340.50	

CME November 2021 Soybean (SX21) Futures Chart:



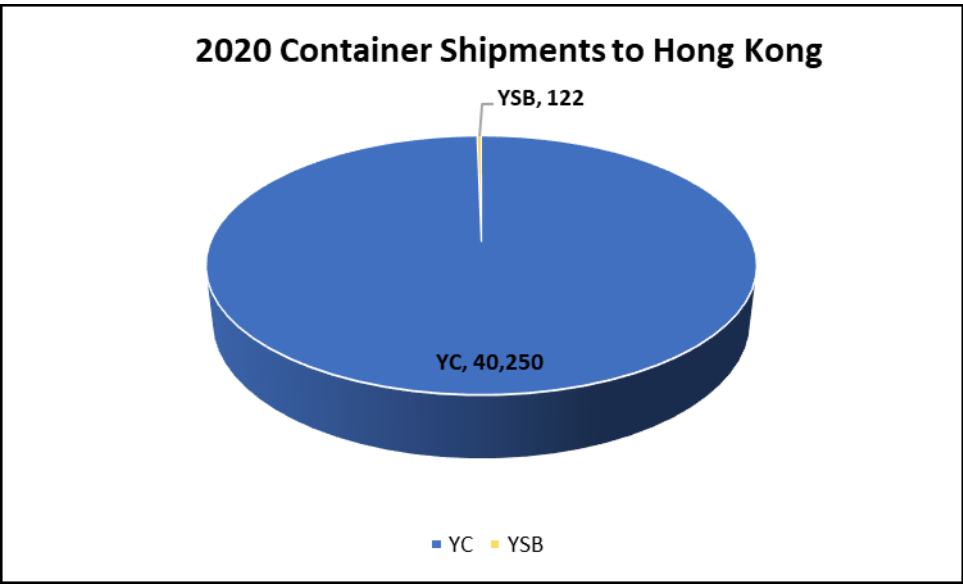
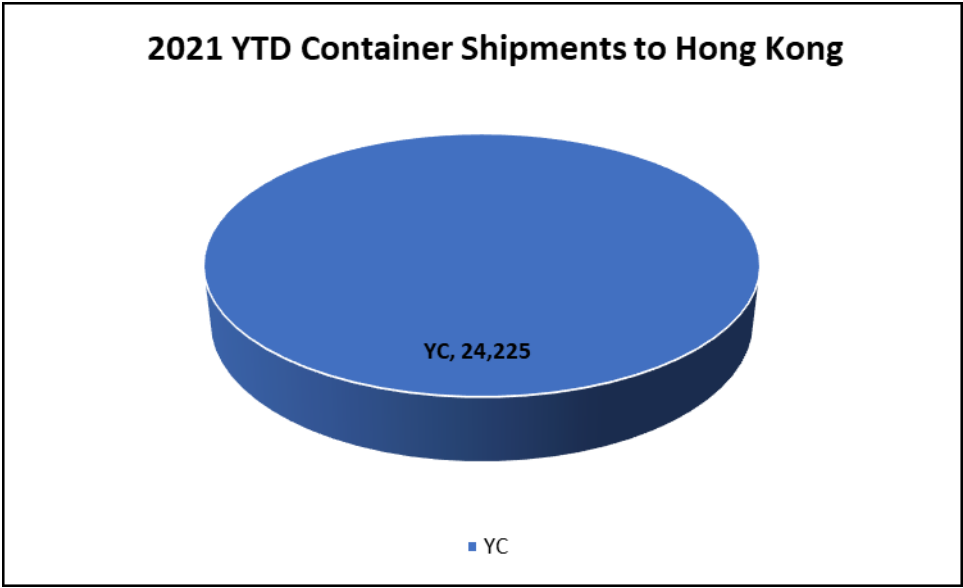
CME December 2021 Soybean Meal (SMZ21) Futures Chart



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).*

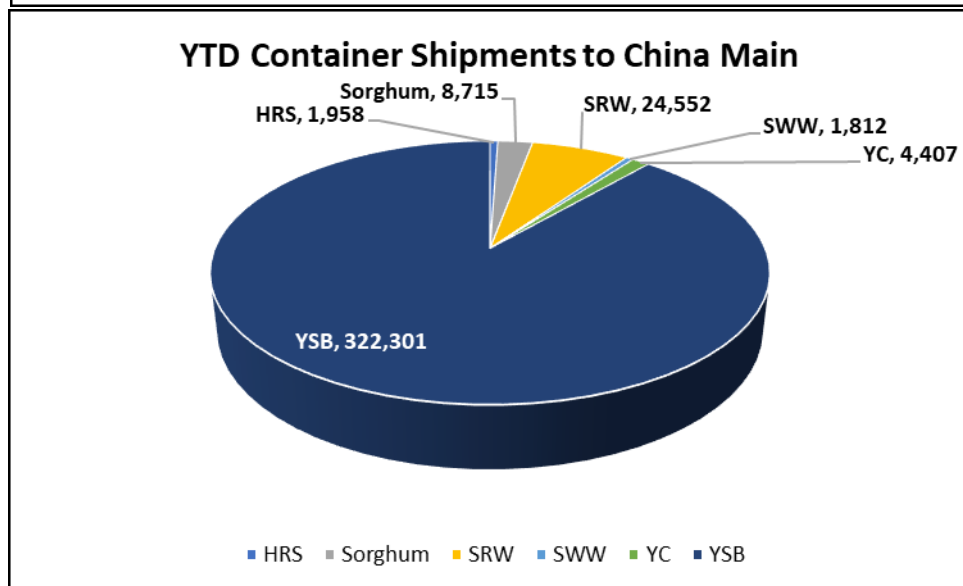
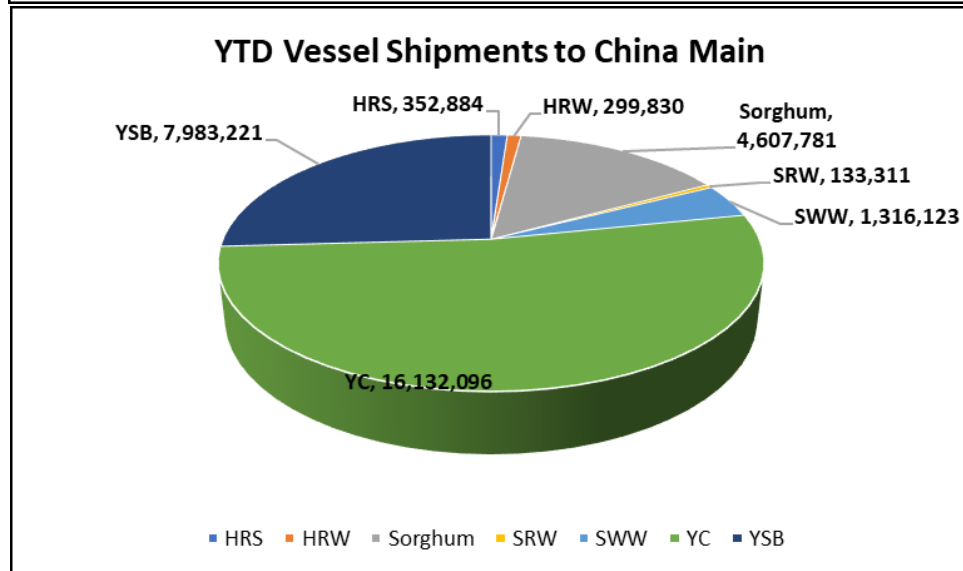
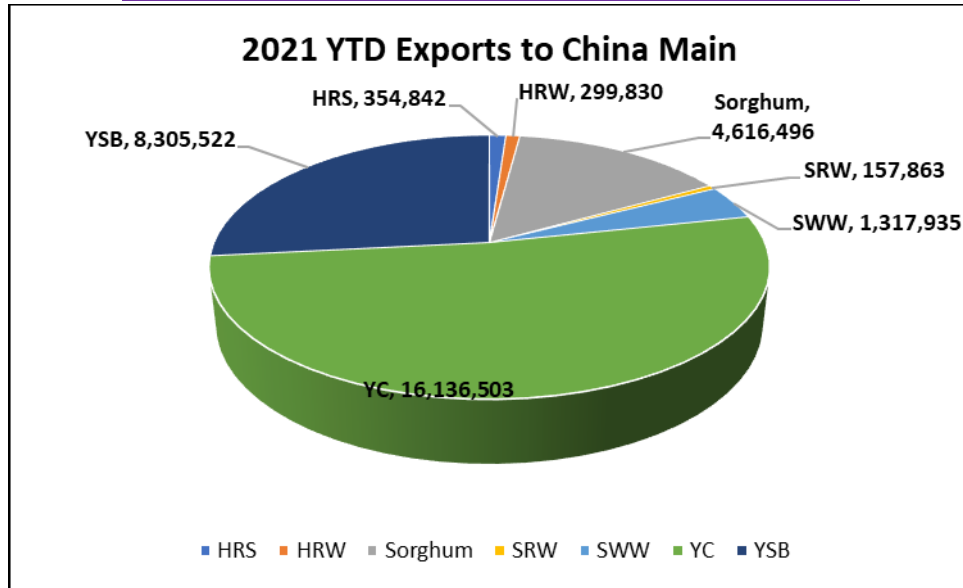
CONTAINER SHIPMENTS of GRAIN									
USDA Grain Inspections Report:		23-Sep-2021							
Last Week	metric tons								MT
	YC	WC	YSB	SRW	NS	SWH	HRW	Sorghum	TOTAL
China			7,441						7,441
Taiwan	3,694		1,200						4,894
Hong Kong	24								24
Costa Rica									0
Indonesia			5,067						5,067
French Poly									0
Japan			1,249						1,249
Korea Rep.			1,946						1,946
Dominican Rep									0
Malaysia			3,772		1,200				4,972
Colombia									0
Philippines			147						147
Thailand			1,003						1,003
Nigeria									0
Burma									0
Bangladesh									0
Cambodia									0
Vietnam			2,374				587	882	3,843
Sub Total:	3,718	0	24,199	0	1,200	0	587	882	30,586
USDA Corrections/Additions to previous reports:									
Taiwan			49						49
China			391					1,077	1,468
Hong Kong									0
Korea Rep.	318								318
Cambodia									0
Japan			219						219
Philippines									0
Indonesia									0
Malaysia			73						73
Thailand									0
Vietnam			1,786			220			2,006
Bangladesh									0
Ireland									0
Sub Total:	318	0	2,518	0	0	220	0	1,077	4,133
Mt. Grand Total	4,036	0	26,717	0	1,200	220	587	1,959	34,719
Number of Containers	175	0	1,162	0	52	10	26	85	

Jan - Dec 2020 Annual Totals versus 2021 YTD Container Shipments (in MT)



Source: USDA-data

2021 YTD Total Grain Exports reported by USDA (in MT)



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

Shipping News

Superior Maritime @SuperiorMar · 18h

Maersk warns of risks of missing Christmas rush dlvr.it/S8VCzT

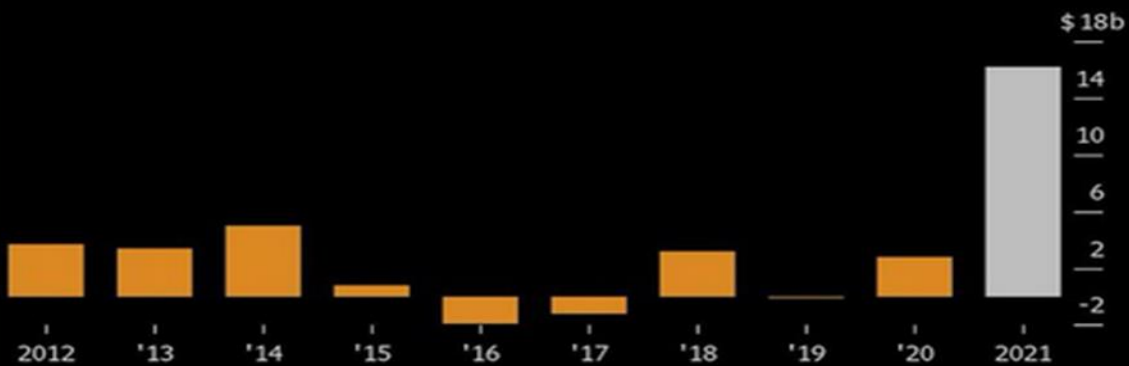


Sal Mercogliano 🚢 ⚓ 🌐 🏠 🚚 @mercoglianos · 4h

Maersk Is Now Heading for Biggest Profit in Danish History

Making History

Maersk's profit, a Danish record, is set to match past nine years' combined



Source: Company reports via Bloomberg

Maersk Is Now Heading for Biggest Profit in Danish History

(Bloomberg) -- Most Read from BloombergThe Global Housing Market Is Broken, and It's Dividing Entire CountriesMerkel's Legacy Comes to Li...

finance.yahoo.com

By **Nick Savvides** 29/09/2021

Wan Hai Lines has gone to China International Marine Containers (CIMC) and Singamas to buy more dry containers, as liner operators stock up during the highly publicised equipment shortage.

In a filing to the Taiwan Stock Exchange, Wan Hai said it had ordered 30,000 teu from CIMC and 18,000 teu from Xiamen Pacific Container Manufacturing, a subsidiary of Singamas, itself, a subsidiary of Pacific International Lines, at a total cost of around \$148.6m.

CIMC and Singamas are, respectively, the world's largest and ...

Peter Tirschwell @PeterTirschwell · 9h

...

Many tell JOC the only way out of the mess we're in at the ports is for demand to slow. That is happening, but the unwinding of gridlock will still take months. Asia import growth into the US slowed from 44% y-o-y in May to less than 1% in August, according to [@IHSMarkit](#)





By **Martina Li** in Taiwan 28/09/2021

China International Marine Containers (CIMC) has acquired AP Møller-Maersk's box manufacturing unit, Maersk Container Industry (MCI) for \$1.08bn, including net debt.

The deal confirms CIMC as the world's largest container producer.

Real Time Economics @WSJecon · 37m

Truckers so far aren't showing up for the extended gate hours that the congested Port of Long Beach began more than two weeks ago



California Port's 24-Hour Operation Is Going Unused

A pilot program offering 24-hour container operations at the Port of Long Beach hasn't attracted any truckers more than two weeks since ...

[wsj.com](https://www.wsj.com)

VesselsValue @VesselsValue · 1h

...

Bulker [#congestion](#) is significant and rising.

2,411 [#Bulkers](#) are waiting globally - 21% of the entire live Bulker fleet.

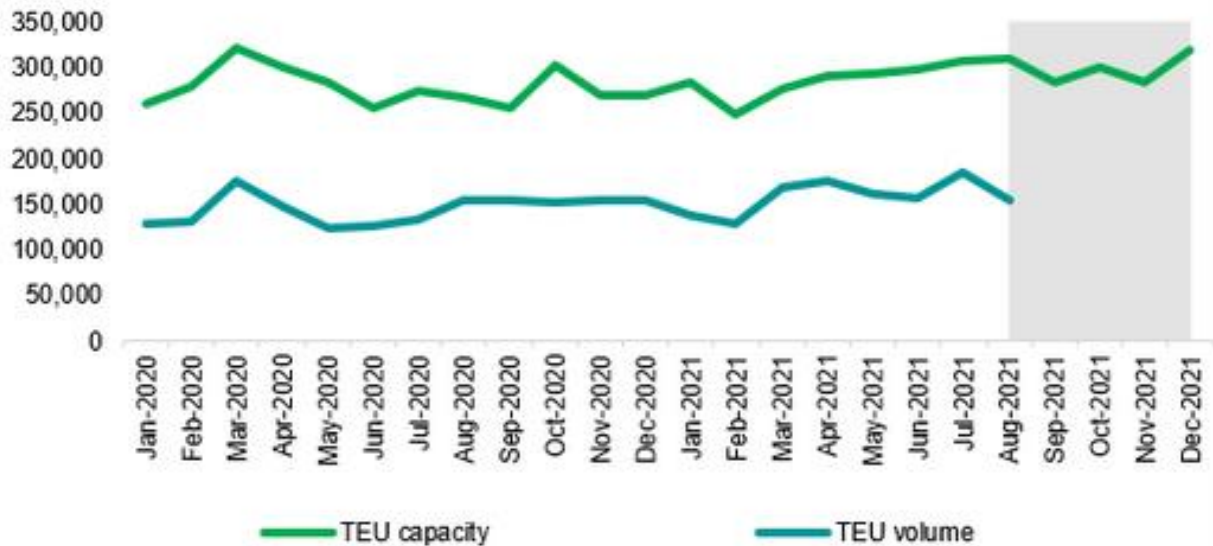
29% of all congested Bulklers are located in [#China](#) 713 vessels (58 mil DWT).

The [#EastChinaSea](#) is the most significant region of congestion.



Westbound trans-Atlantic capacity outpacing demand

Actual TEU volume and deployed vessel capacity from North Europe to the US East Coast, adjusted for blank sailings and delays, with projected deployed capacity, as of September 27, 2021

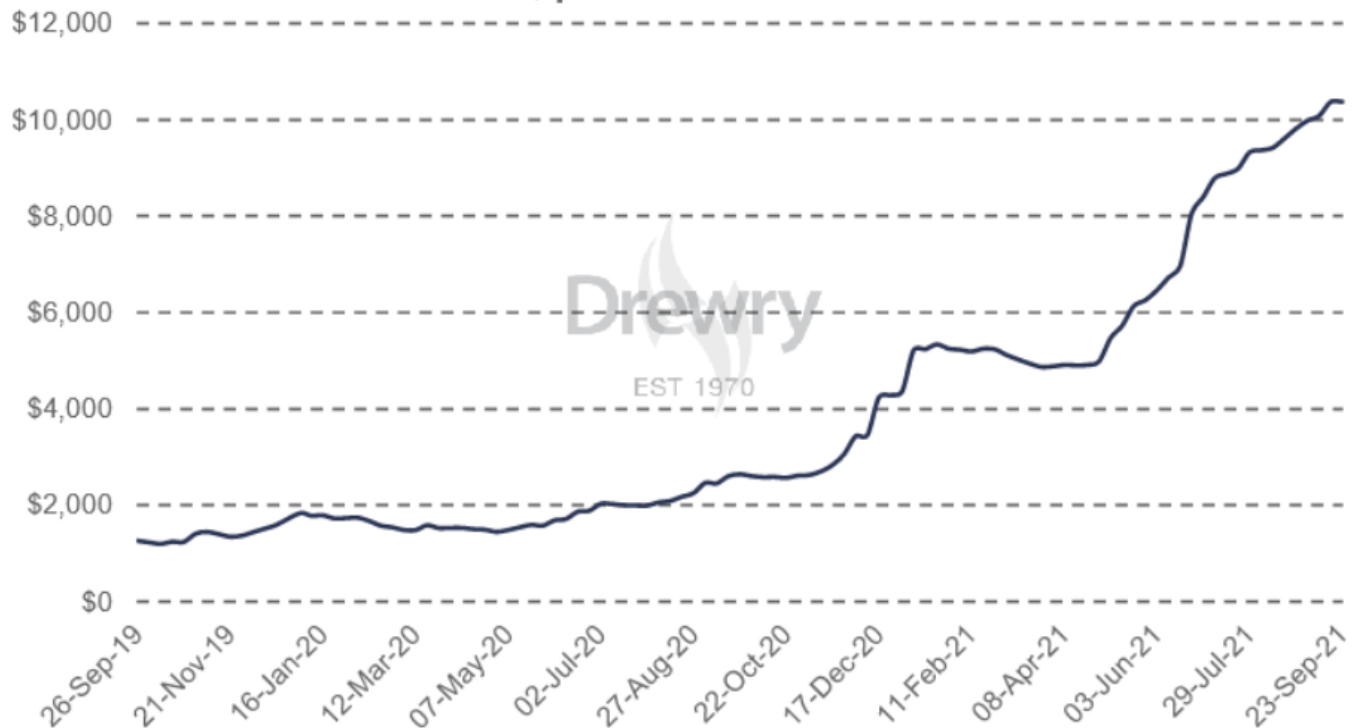


Note: Cargo flow selected as last load port at origin region; shading indicates expected deployed

Source: IHS Markit, eeSea

© 2021 IHS Markit

World Container Index - Assessed by Drewry \$ per 40 ft container



Marine Exchange @MXSOCAL · 5h

...

Ship report 9/29: 145 total ships inport LA/LB includes 85 at anchor or drift areas & 60 at berths. Of the 145, 97 are container ships including 64 at anchor or in drift areas & 33 at berth. 30 vessels in drift areas; 26 container ships, 2 tankers, 1 bulk, 1 general cargo.



KTLA @KTLA · 8h

...

As of this morning 64 ships were stuck off the coast amid backups at the Port of L.A. Officials say they're waiting an average of 6 days to unload, compared to the typical 2 days.




Dozens of ships stuck offshore as Port of L.A. backup continues
Congestion at the Port of Los Angeles has been getting worse for months and shows no signs of letting up before the holidays, officials ...

ktla.com

Peter Tirschwell @PeterTirschwell · 5h

...

And still the rates have barely come down. Shows just how much the idling of vessels, containers and chassis has drained capacity from the system at a time when volumes, even if growth has slowed (which it has), remain far above pre-pandemic levels

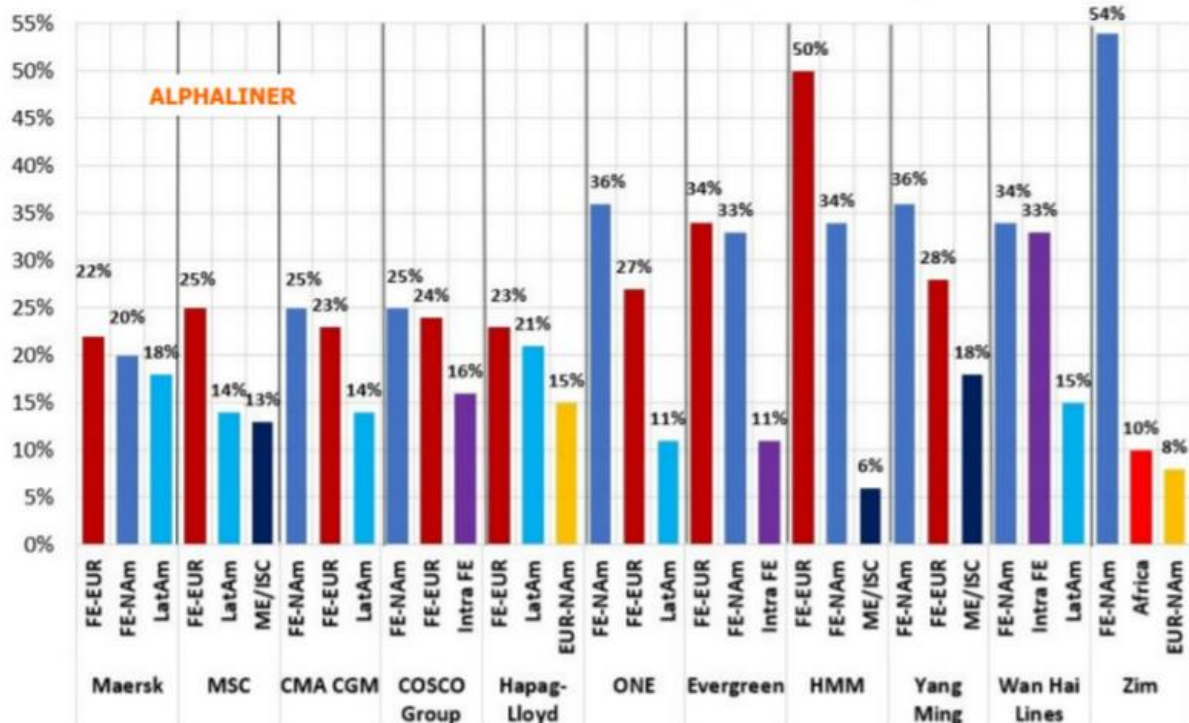
 **Alphaliner** @Alphaliner · 7h

1 of 4

Data from the September edition of the Alphaliner Monthly Monitor shows that 21% of the total liner #fleet is currently deployed on services between Asia and North America, up from 17% in September 2018.

[Show this thread](#)

Top 11 carriers: percentage of capacity operated by trade



ME/ISC - Middle East-India sub continent

Source : Alphaliner Monthly Monitor September 2021

Bloomberg @business · 1h

One reason why so many containers ships are still waiting to enter U.S. ports is because the rail yards that carry those containers to the rest of the country are also severely backed up



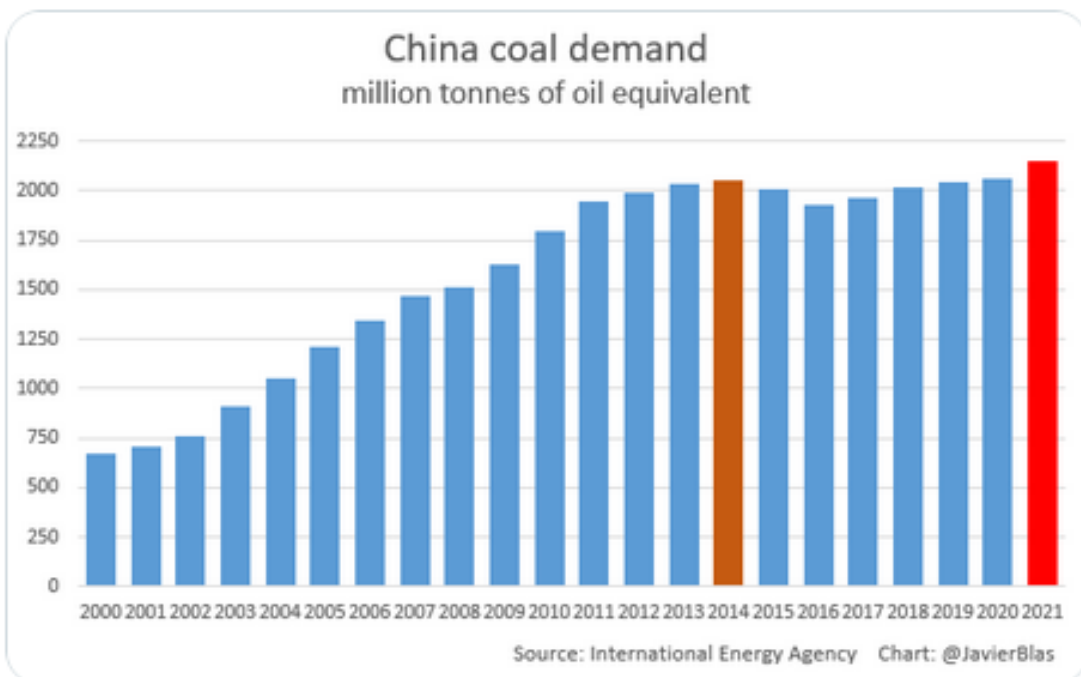
Containers Piling Up at U.S. Rail Yards Add to Port Strains

To understand why more than 100 container ships are waiting to enter U.S. ports from Southern California to Savannah, Georgia, it helps to ...

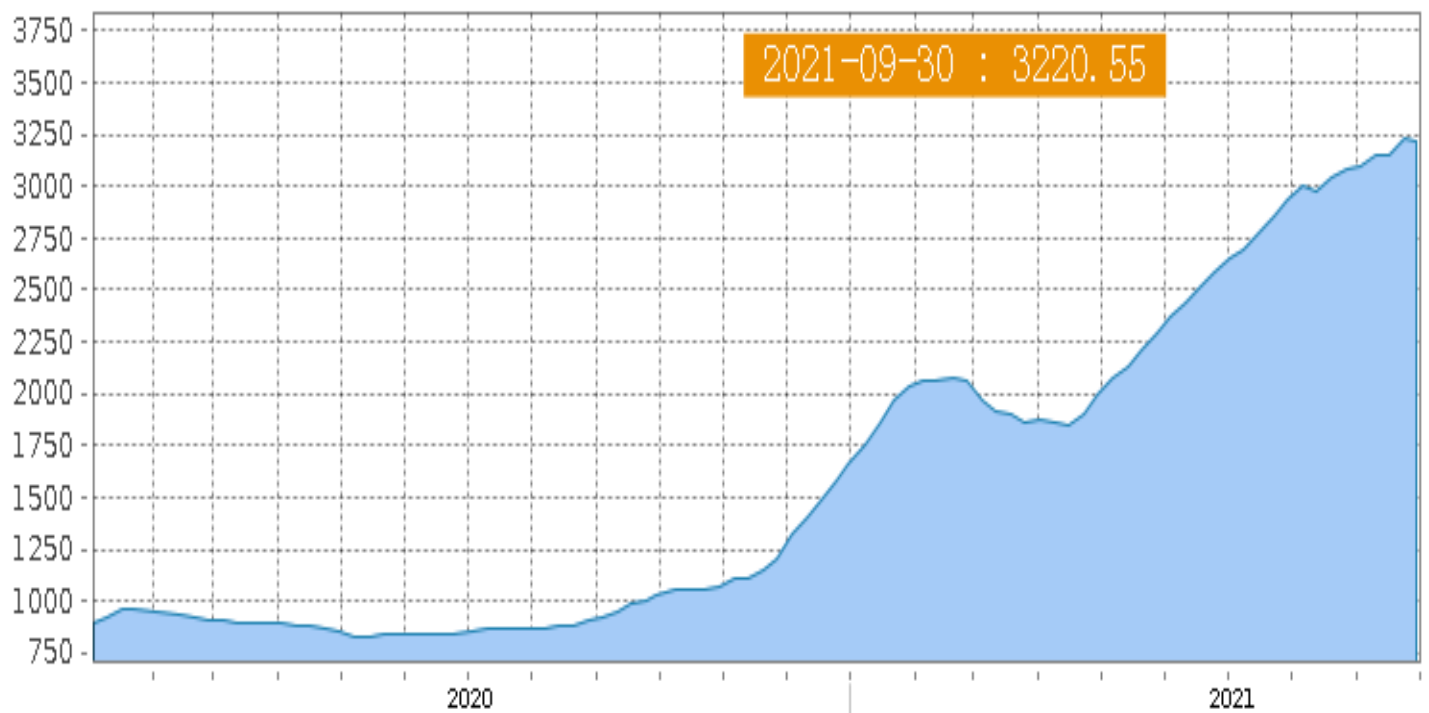
[bloomberg.com](https://www.bloomberg.com)

Javier Blas @JavierBlas · 19h

CHINA ENERGY CRUNCH: When looking at the coal shortages in China today, it's very important to remember that Chinese coal consumption is still growing, and did NOT peak in 2014, as many assumed at the time. In 2021, Chinese coal consumption will hit an all-time high. 1/2



China Containerized Freight Index



China Import Dry Bulk Freight Index



U.S. RIVER BARGE FREIGHT
Current Barge Freight for Placement Last Half October 2021

Placement LH October 2021	% of		Corn	Soybeans-Wheat
	Tariff	MT	BU	BU
Upper Mississippi	700	\$47.76	1.21	1.30
Illinois River (Pekin and South)	700	\$47.76	1.21	1.30
Mid-Mississippi	750	\$36.87	0.94	1.00
Lower Ohio	750	\$36.87	0.94	1.00
St. Louis	775	\$34.09	0.87	0.93

Secondary Rail Car Market for car placement period: Last Half October 2021.

Secondary Rail Car Market Placement LH. October 2021	BID USD	ASK USD	BID BU.	ASK BU.	BID MT	ASK MT
BNSF Shuttle Trains	\$ 50.00	\$ 250.00	\$ 0.01	\$ 0.06	\$ 0.49	\$ 2.46
UPRR Shuttle Trains	\$ 250.00	\$ 550.00	\$ 0.06	\$ 0.14	\$ 2.46	\$ 5.41

Best Regards,

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 HJ O'Neil Commodity Consulting
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Follow me on Twitter @ igpjay



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