

## Transportation and Export Report for 8 September 2022

Dry bulk markets seem to have finally found bottom. Most sectors and rates rallied this week but found some resistance at slightly higher levels. It feels like freight markets are very reluctant of going lower but uncertain about degree of fundamental support to go up. Considerable concerns remain regarding the slow growth of the Chinese economy.

New concerns have also been raised regarding the freight corridor for Ukraine grain due to Putin's recent comments.

Looking at the U.S. PNW vessel line up, it is interesting to see nothing but Wheat cargos going out. (AGP - Grays Harbor the exception with SBM going to The Philippines).

The ILWU-West Coast Port labor contract negotiations are ongoing with no schedule for a conclusion soon. There are some new worries about a potential strike by port security personnel.

Railroad union negotiations continue. The "cooling-off" period for those negotiations expires on Sept.16. Some targeted railroad strikes and interruptions in service are very possible.

### BALTIC DRY-BULK PANAMAX INDEX CHANGES

Panamax Ocean Freight Indices					
8-Sep-2022		This Week	Last Week	Difference	Percent Change
P2A: Gulf/Atlantic - Japan	Index	21727	16,664	5,063	30.4%
P3A: PNW/Pacific - Korea	Index	16946	12,218	4,728	38.7%
S1C: US GULF-China-So.Japan	Index	16993	18550	-1,557	-8.4%
P7: Trial- Miss. River - Qingdao	per ton	56.42	52.44	3.98	7.6%
P8: Trial- Santos - Qingdao	per ton	44.81	39.63	5.18	13.1%

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

Four weeks ago:	\$8.50-\$8.75
Three weeks ago:	\$8.40-\$8.15
Two weeks ago:	\$8.35-\$8.25
One week ago:	\$7.60-\$7.85
This week	\$8.25-\$7.85

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

Mississippi River:	(9 elevators)	2-6 days
Mid-Stream loaders:	(6+ Rigs)	0-1 days
Texas Gulf	(5 elevators)	0-4 days
Pacific Northwest:	(9 elevators)	0- 5 days (6 facilities at zero days)

Panamax Market Spreads to Asia -China					
8-Sep-2022	GULF	PNW	Bushel Spread	Tonne Spread	Advantage
CORN	1.53	2.25	0.72	\$28.34	GULF
SOYBEANS	1.85	2.85	1.00	\$36.74	GULF
OCEAN FREIGHT	\$57.00	\$33.00	.61-.65	\$24.00	October

### Current Grain Vessel Market Indications:

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

Soybean Panamax USG to Spain is running \$42.50 - \$43.50/mt.

Soybean Brazil to Spain about \$47.50 - \$49.00/mt.

Route and Vessel Size	Current Week USD/MT	Change from previous week	Remarks
55,000 U.S. Gulf-Japan	\$58.00	Up \$1.00	Handymax \$58.00 mt
55,000 U.S. PNW- Japan	\$33.50	Unchanged	Handymax at \$33.50 mt
65,000 U.S. Gulf – China	\$57.00	Up \$1.00	North or South China
PNW to China	\$33.00	Unchanged	
25,000 U.S. Gulf- Veracruz, México	\$25.00	Unchanged	3,000 MT daily discharge rate
35-40,000 U.S. Gulf- Veracruz, México	\$21.50	Unchanged	Deep draft and 6,000 MT per day discharge rate.
30-38,000 U.S. Gulf- Colombia	\$34.25	Up \$0.25	<u>West Coast Colombia at \$39.00</u>
50,000 USG- E/C Colombia	\$31.75		
<u>East Coast Colombia</u> From Argentina	\$41.75		
40-45,000 U.S. Gulf - Guatemala	\$41.75	Up \$0.25	Acajutla/Quetzal - 8,000 out
30,000 US Gulf-Morocco	\$56.50	Up \$0.50	5,000 discharge rate
55-60,000 U.S. Gulf –Egypt	\$55.50	Up \$0.50	55,000-60,000 mt Egypt
PNW to Egypt	\$56.50		Romania - Russia- Ukraine \$25.00 -\$25-30 - \$.40.00 - France \$39.00, Bulgaria \$28.00
58-74,000 U.S. Gulf – Europe – Rotterdam	\$28.00	Unchanged	Handymax at +\$2.50 more
Brazil, Santos –China	\$47.75	Up \$0.75	54-59,000 Supramax-Panamax
Brazil, Santos –China	\$45.25		60-66,000 Post Panamax
Up-River Port North Brazil	\$55.25		55-60,000 mt
56-60,000 Argentina-China	\$51.250	Up \$0.75	Up-River with Top Off Plus \$3.85-\$4.75
Deep draft			

## The Baltic Dry Bulk Freight Index Index



## Baltic Average of the Time Charter routes per Segment

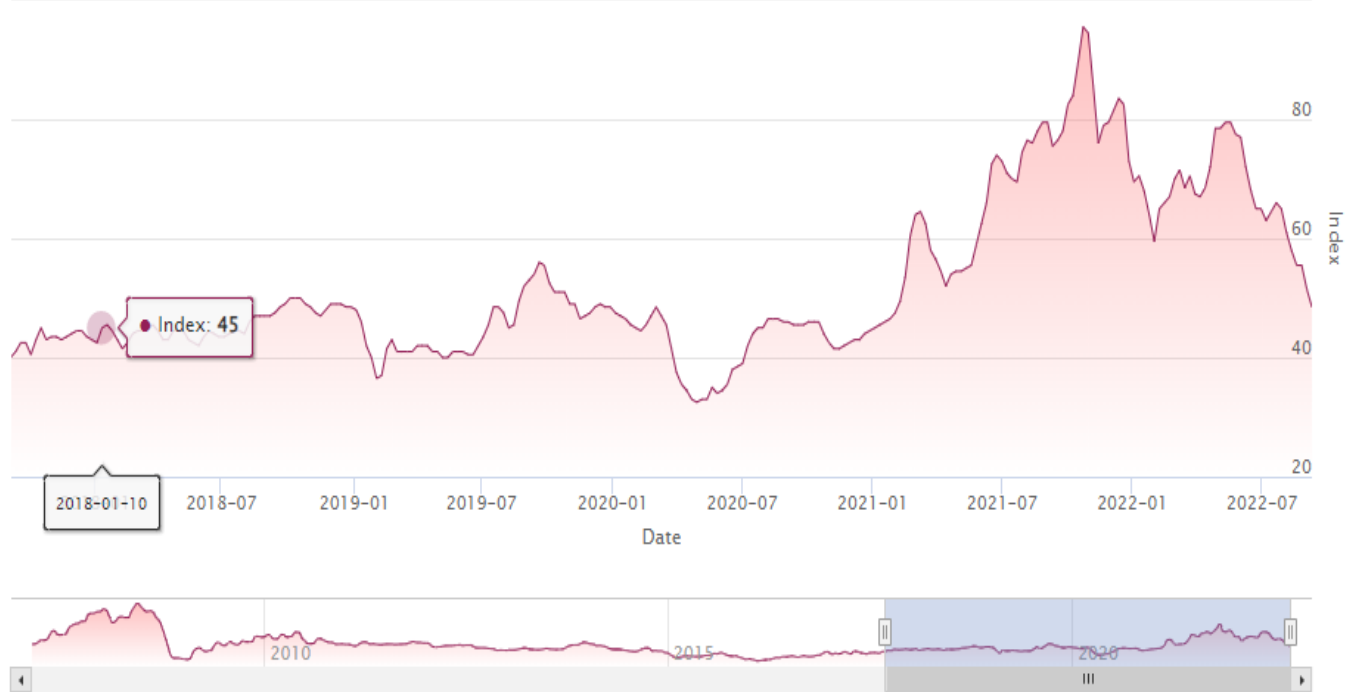


# YAMAMIZU Index



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

From 2017-09-07 To 2022-09-07



## China Import Dry Bulk Freight Index 2022-09-08

Description	Volume	Cargo	Unit	Rate	Change
Composite Index			Point	1142.15	2.39
Iron ore Freight Index			Point	954.57	-1.64
Dampier(West Australia)-Qingdao (China)	170000/10%	Iron ore	\$/ton	7.87	-0.047
Soybean Freight Index			Point	1315.98	12.89
Santos(Brazil)— North China	66000/10%	Soybean	\$/ton	45.36	0.52
Tacoma(West America)—North China	63000/10%	Soybean	\$/ton	33	0.3
Mississippi(US Gulf)—North China	66000/10%	Soybean	\$/ton	56.84	0.44

**8 September 2022 U.S. FOB Vessel Export Market Values:**

<b>U.S. Yellow Corn (USD/MT) FOB Vessel</b>					CORN	FUTURES
#2 YC	<b>GULF # 2 YC</b>		<b>PNW # 3 YC</b>		Z =	6.6850
Max. 14.5% moisture	BASIS	FLAT PRICE	BASIS	FLAT PRICE	H =	6.7325
<b>Oct.</b>	1.53	<b>\$323.41</b>	2.25	<b>\$351.75</b>	K =	6.7450
<b>Nov.</b>	1.49	<b>\$321.83</b>	2.15	<b>\$347.81</b>	N =	6.6975
<b>Dec.</b>	1.45	<b>\$320.26</b>	2.05	<b>\$343.88</b>	U =	6.3175
<b>Jan.</b>	1.24	<b>\$313.86</b>	1.95	<b>\$341.81</b>	Z =	6.1750
<b>Feb.</b>	1.18	<b>\$311.50</b>	1.95	<b>\$341.81</b>		
<b>Mar.</b>	1.13	<b>\$309.53</b>	1.90	<b>\$339.84</b>		

The Gulf spread between #2 YC & #3 YC is currently about .03 cents per bushel (1.09/mt) at USG but is out to .06/bushel in the PNW.

<b>SORGHUM (USD/MT) FOB VESSEL</b>		
#2 YGS Fob Vessel	<b>TEXAS Gulf</b>	
Max. 14.0% moisture	BASIS	FLAT PRICE
<b>Oct.</b>	2.95	<b>\$379.31</b>
<b>Nov.</b>	2.65	<b>\$367.50</b>
<b>Dec.</b>	2.65	<b>\$367.50</b>
<b>Jan.</b>	2.55	<b>\$365.43</b>
<b>Feb.</b>	2.55	<b>\$365.43</b>

Fob vessel Texas Gulf #2 Sorghum is about 117 % the value of #2 Yellow Corn at NOLA.

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

<b>SRW Wheat</b>	<b>USD/MT</b>	<b>Fob Vessel</b>	<b>US Gulf</b>	
	<b>Oct.</b>	<b>Nov.</b>	<b>Dec.</b>	<b>Jan.</b>
FOB U.S. GULF	\$354.11	\$355.95	\$357.79	\$359.63
Basis	1.20	1.25	1.30	1.35
WZ	8.2900			.
WH	8.4375			
WK	8.5275			

PNW Fob Vessel Soybean Basis levels continue to require a bit of a guess work.

<b>U.S. Yellow Soybeans (USD/MT) FOB Vessel</b>				
# 2 YSB	<b>U.S. Gulf #2 YSB</b>		<b>PNW #2 YSB</b>	
14.0 % Moisture	Basis	Flat Price	Basis	Flat Price
<b>Oct.</b>	1.85	<b>\$577.24</b>	2.85	<b>\$613.98</b>
<b>Nov.</b>	1.80	<b>\$575.40</b>	2.65	<b>\$606.63</b>
<b>Dec.</b>	1.53	<b>\$567.41</b>	2.45	<b>\$601.21</b>
<b>Jan.</b>	1.45	<b>\$564.47</b>	2.40	<b>\$599.38</b>
<b>Feb.</b>	1.45	<b>\$565.76</b>	2.40	<b>\$600.66</b>
<b>Soybean Futures</b>				
<b>Nov.</b>	\$ 13.8600			
<b>Jan.</b>	\$ 13.9125			
<b>Mar.</b>	\$ 13.9475			
<b>May</b>	\$ 13.9825			
<b>July</b>	\$ 13.9775			
<b>Aug.</b>	\$ 13.8175			

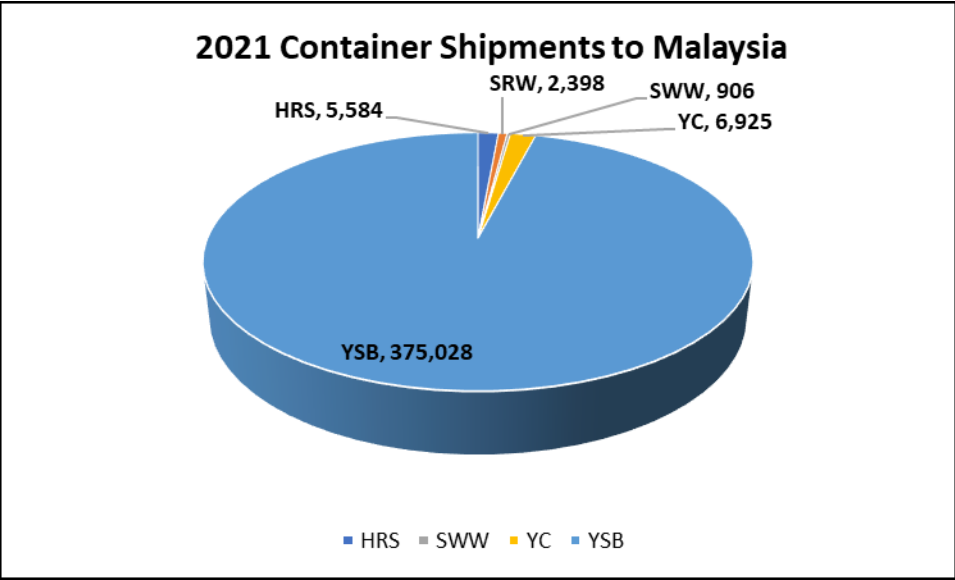
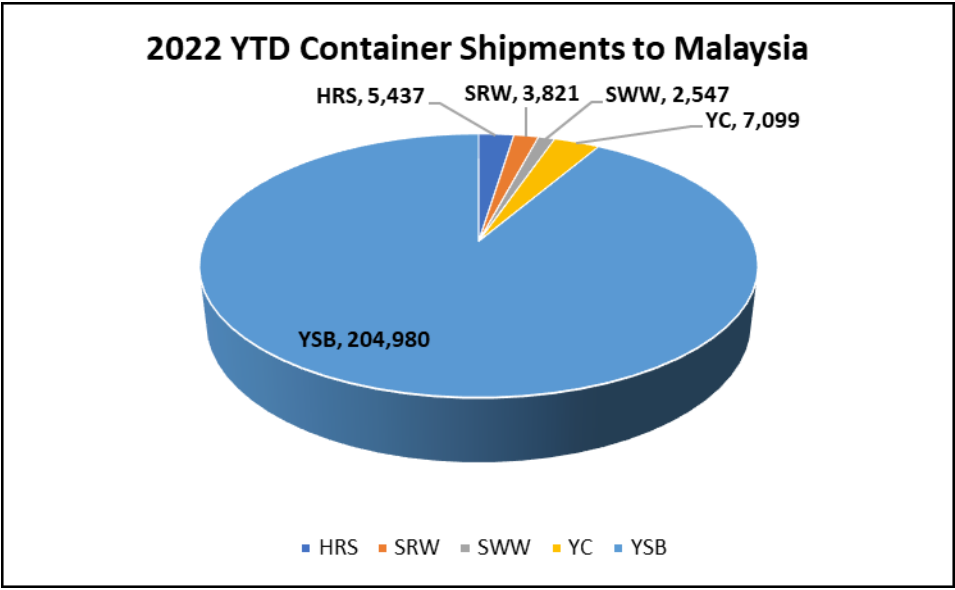
### **U.S. Soybean and SBM Markets Fob Vessel:**

<b>U.S. SBM (USD/MT) FOB Vessel</b>		
Fob U.S. Gulf Port	<b>47.5 Pro. SBM</b>	
max 12.5 % moisture	Basis	Flat Price
<b>Oct.</b>	50.00	<b>\$ 506.16</b>
<b>Nov.</b>	45.00	<b>\$ 497.12</b>
<b>Dec.</b>	45.00	<b>\$ 494.91</b>
<b>Jan.</b>	50.00	<b>\$ 500.42</b>
<b>Feb.</b>	50.00	<b>\$ 495.57</b>
<b>SBM Futures</b>		
<b>SMV</b>	\$ 409.10	
<b>SMZ</b>	\$ 405.90	
<b>SMF</b>	\$ 403.90	
<b>SMH</b>	\$ 399.50	
<b>SMK</b>	\$ 397.60	
<b>SMN</b>	\$ 397.80	

**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:		1-Sep-2022							
Last Week	metric tons								MT
	YC	WC	YSB	SRW	NS	HRW	DUWH	Sorghum	TOTAL
China			7,788	1,028				490	9,306
Taiwan	1,468		3,206	980					5,654
Hong Kong	220								220
Costa Rica									0
Indonesia			6,040						6,040
French Poly									0
Japan			661						661
Korea Rep.			1,029						1,029
Dominic Rep	48								48
Malaysia			2,914		734				3,648
Singapore									0
Philippines			245						245
Thailand			1,909		1,053				2,962
Ireland		24							24
Burma									0
Cambodia			367						367
Nepal									0
Vietnam	220		3,597		122	1,568			5,507
Sub Total:	1,956	24	27,756	2,008	1,909	1,568	0	490	35,711
USDA Corrections/Additions to previous reports:									
Taiwan	490		2,084						2,574
China			3,806						3,806
Hong Kong									0
Korea Rep.	611			171					782
Un Kingdom									0
Japan	441		295						736
Philippines									0
Indonesia			1,448						1,448
Malaysia	2,497		3,330						5,827
Thailand			1,298						1,298
Vietnam			2,815						2,815
Burma									0
Cambodia									0
Sub Total:	4,039	0	15,076	171	0	0	0	0	19,286
<b>Mt. Grand Total</b>	<b>5,995</b>	<b>24</b>	<b>42,832</b>	<b>2,179</b>	<b>1,909</b>	<b>1,568</b>	<b>0</b>	<b>490</b>	<b>54,997</b>
Number of Containers	261	1	1,862	95	83	68	0	21	

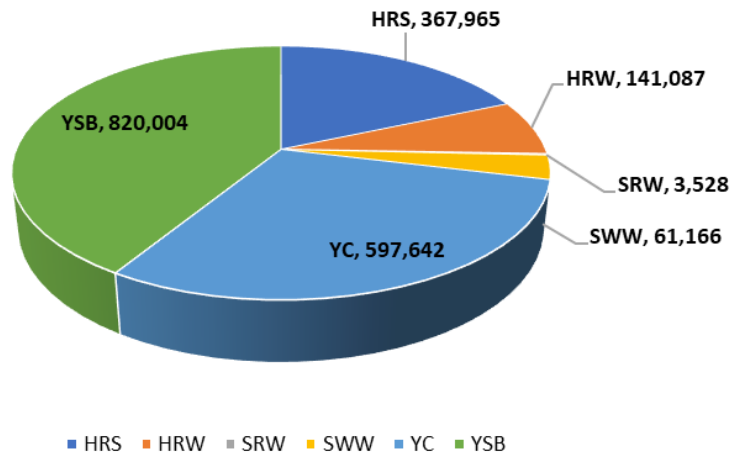
Jan - Dec 2021 Annual Totals versus 2022 YTD Container Shipments (in MT)



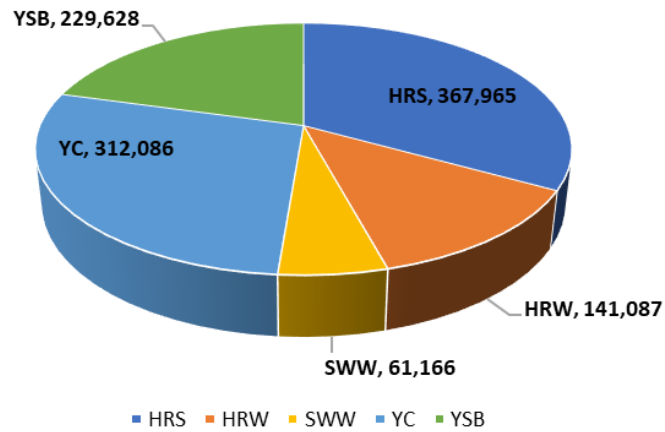


2022 YTD Total Grain Exports reported by USDA (in MT)

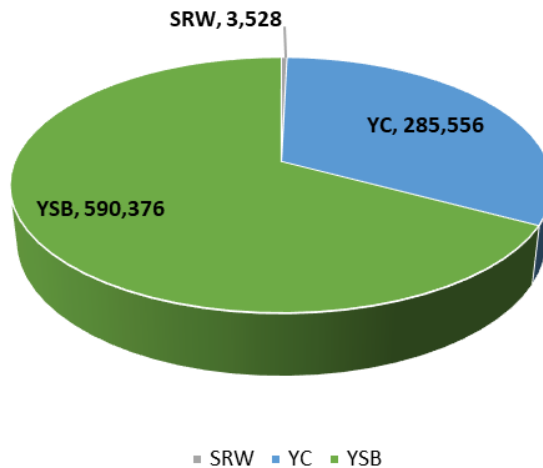
**2022 YTD Exports to Taiwan**



**YTD Vessel Shipments to Taiwan**



**YTD Container Shipments to Taiwan**



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

Source: USDA-data

## Shipping News

**Peter Tirschwell** replied

**Nathan Strang** @NavyStrang · 11h

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Please note that this is NOT part of the current dockworker's contract negotiations. The security guards are under a different contract (which expired in 2019). Local 26 supplies security at about half the terminals in LA/LB.



**Peter Tirschwell** @PeterTirschwell · 11h

ILWU security guard local authorizes LA-LB strike; No strike date set but concern is that if they picket the dockworkers won't cross the line and LA-LB will be plunged back into disruption just when it's emerging from two years of it [joc.com/port-news/us-p...](https://joc.com/port-news/us-p...) @JOC\_updates



**Marine Exchange** @MXSOCAL · 16h

...

Ship Report 9/7: 87 total ships inport LA/LB incl. 30 at anchor or loitering & 57 at berths. Of the 87, 22 are container ships incl. 0 at anchor or loitering & 22 at berths. 1 vessel loitering. 0 empty anchorages.



**Mary Kennedy** @MaryCKenn · 15s

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As Rail Strike Deadline Looms, Shippers Ask Congress to Help Now



[dtnpf.com](http://dtnpf.com)

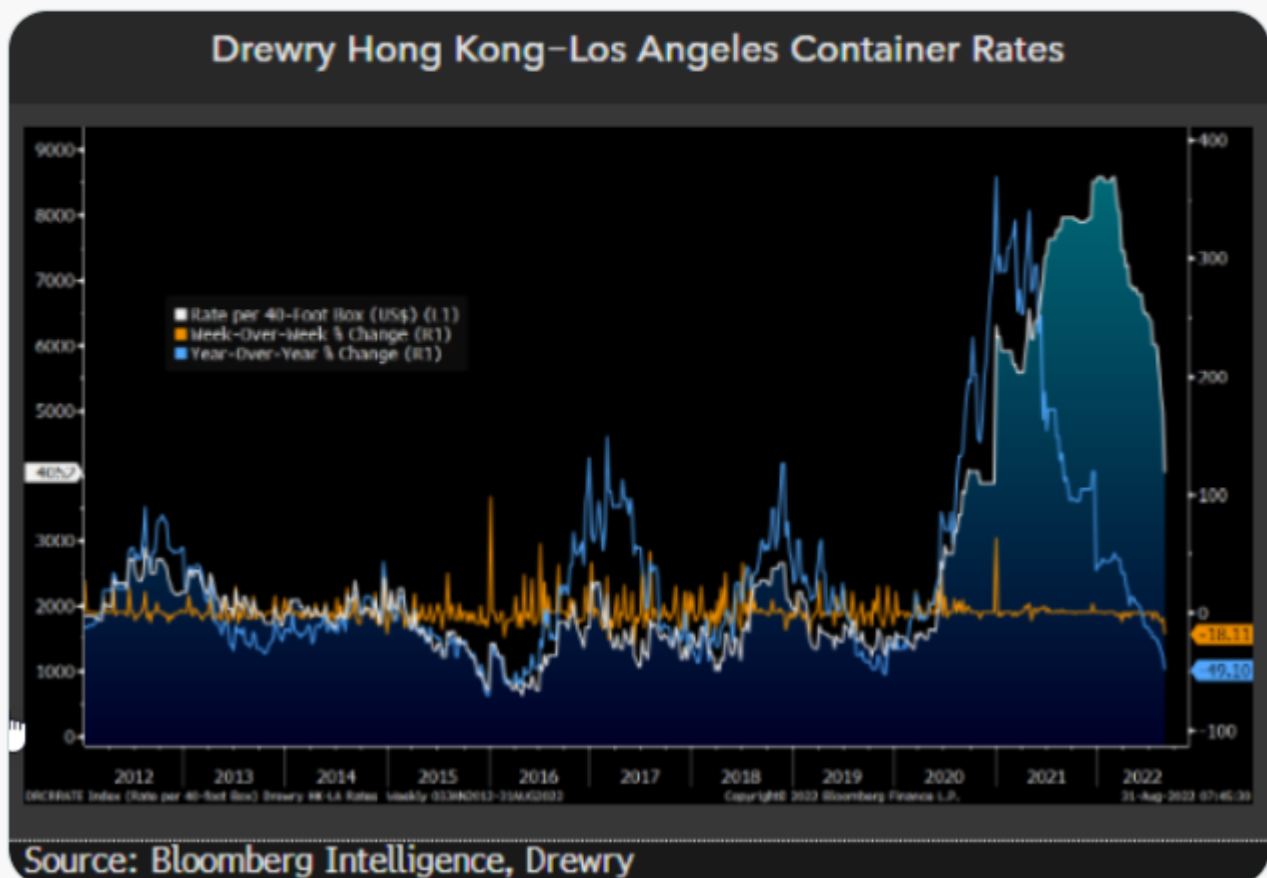
As Rail Strike Deadline Looms, Shippers Ask Congress to Help Now

The deadline is approaching next week to end the 30-day cooling off period for rail workers to accept the latest contract proposals from th...

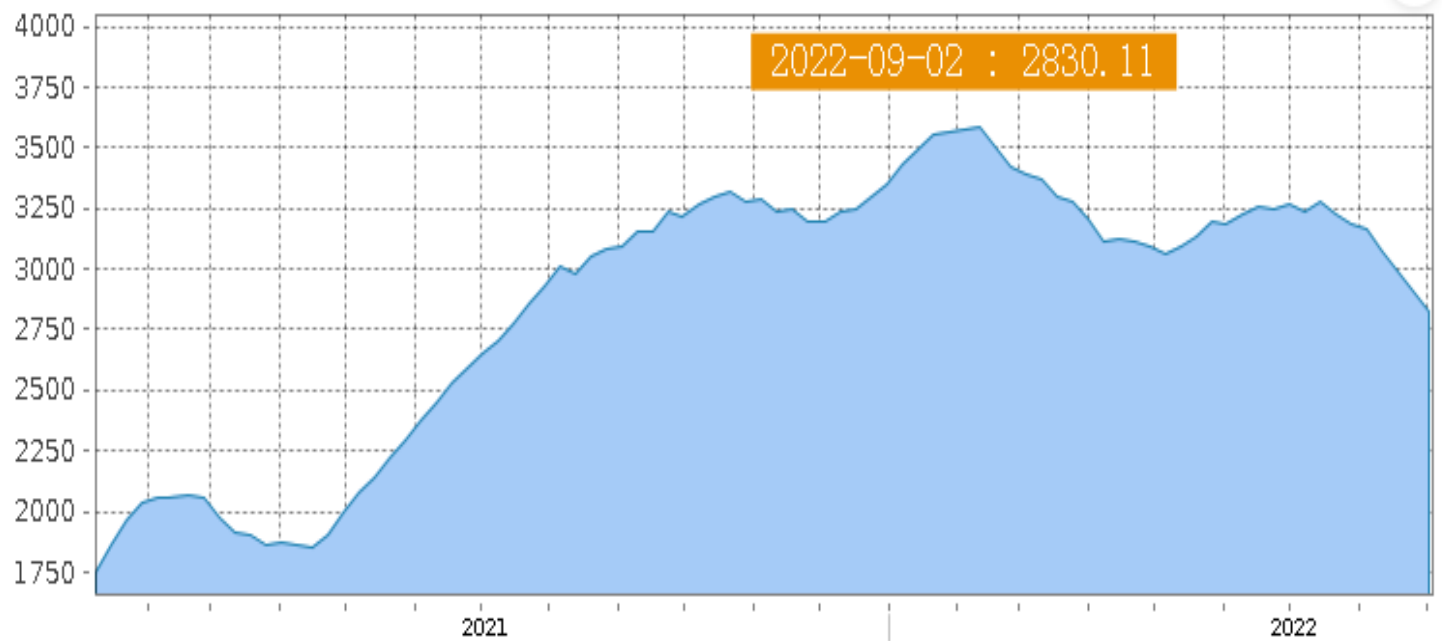
Lee Klaskow  @LogisticsLee · 20m

...

#Transpacific #container rates fell 18.1% sequentially in latest week, down 49% YoY. The sky is not falling...rates are simply normalizing from unsustainable 2021 levels. They are well above historical figures: up 19% from '20, 177% from '19 based on @DrewryShipping data.



## China Containerized Freight Index



## China Import Dry Bulk Freight Index





**Secondary Rail Car Market for Car placement period: First Half October 2022**

Secondary Rail Car Market Placement FH October 2022	BID USD	ASK USD	BID BU.	ASK BU.	BID MT	ASK MT
BNSF Shuttle Trains	\$ 1,800.00	\$ 2,100.00	\$ 0.45	\$ 0.53	\$ 17.72	\$ 20.67
UPRR Shuttle Trains	\$ 2,000.00	\$ 3,000.00	\$ 0.50	\$ 0.75	\$ 19.68	\$ 29.53

**U.S. RIVER BARGE FREIGHT**

**Barge Freight for Loading Placement First Half October 2022**

Placement FH Oct. 2022	% of Tariff	MT	Corn BU	Soybeans-Wheat BU
Upper Mississippi	890	\$60.73	1.54	1.65
Illinois River (Pekin and South)	875	\$59.70	1.52	1.62
Mid-Mississippi	885	\$43.51	1.11	1.18
Lower Ohio	875	\$43.02	1.09	1.17
St. Louis	800	\$35.19	0.89	0.96

Best Regards,

Jay

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