

Transportation and Export Report for 11 May 2023

Dry Bulk markets continue to slide back. To answer the first question, what is wrong with ocean freight markets; one must first answer the second question, what is wrong with the Chinese cargo demand. As mentioned, many times, ocean freight rates depend heavily on Chinese business. The latest Chinese PMI index report was a big disappointment and Traders are worried that the lack of economic growth there will cause a reduction in coal and iron ore cargo demand and thus negatively impact freight rates.

Panamax FFA paper for Q3 traded down \$800 points to 14,500/day with Q4 trading down to \$14,000/day. And Cal YR 2024 at just \$12,350/day. High expectations are being dashed and market bulls are reassessing their market opinions. The market knows well the vessel supply side situation (dry bulk fleet at 984 million dwt.), it is the demand side of the picture that is in serious question. Port congestion in Brazil and China is however rising and will have to be watched carefully.

The BALTIC DRY-BULK PANAMAX INDEX CHANGES

Panamax Ocean Freight Indices					
11-May-2023		This Week	Last Week	Difference	Percent Change
P2A: Gulf/Atlantic - HK-Korea	Index	22404	23950	-1,546	-6.5%
P3A: PNW/Pacific - RV Korea-Taiwan	Index	11658	13321	-1,663	-12.5%
S1C: US GULF-China-So.Japan	Index	22150	24429	-2,279	-9.3%
P7: Trial- Miss. River - Qingdao	per ton	51.23	53.15	-1.92	-3.6%
P8: Trial- Santos - Qingdao	per ton	39.89	43.40	-3.51	-8.1%

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

Four weeks ago:	\$8.60-\$8.40
Three weeks ago:	\$8.10-\$8.40
Two weeks ago:	\$8.10-\$8.40
One week ago:	\$8.70-\$8.80
This week	\$9.10-\$9.30

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

Mississippi River:	(9 elevators)	2-5 days
Mid-Stream loaders:	(6+ Rigs)	0-2 days
Texas Gulf	(5 elevators)	0-3 days (3 Facilities at zero days)
Pacific Northwest:	(9 elevators)	0-6 days

Panamax Market Spreads to Asia -China					
11-May-2023	GULF	PNW	Bushel Spread	Tonne Spread	Advantage
CORN	1.00	1.68	0.68	\$26.77	GULF
SOYBEANS	0.92	1.98	1.06	\$38.95	GULF
OCEAN FREIGHT	\$50.25	\$28.00	.58-.63	\$22.25	JUNE

There are a number of corn vessels being loaded out of the PNW to Asia, so railroad freight rebates must be calculated and considered.

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 \$28.00 - \$29.00/mt.

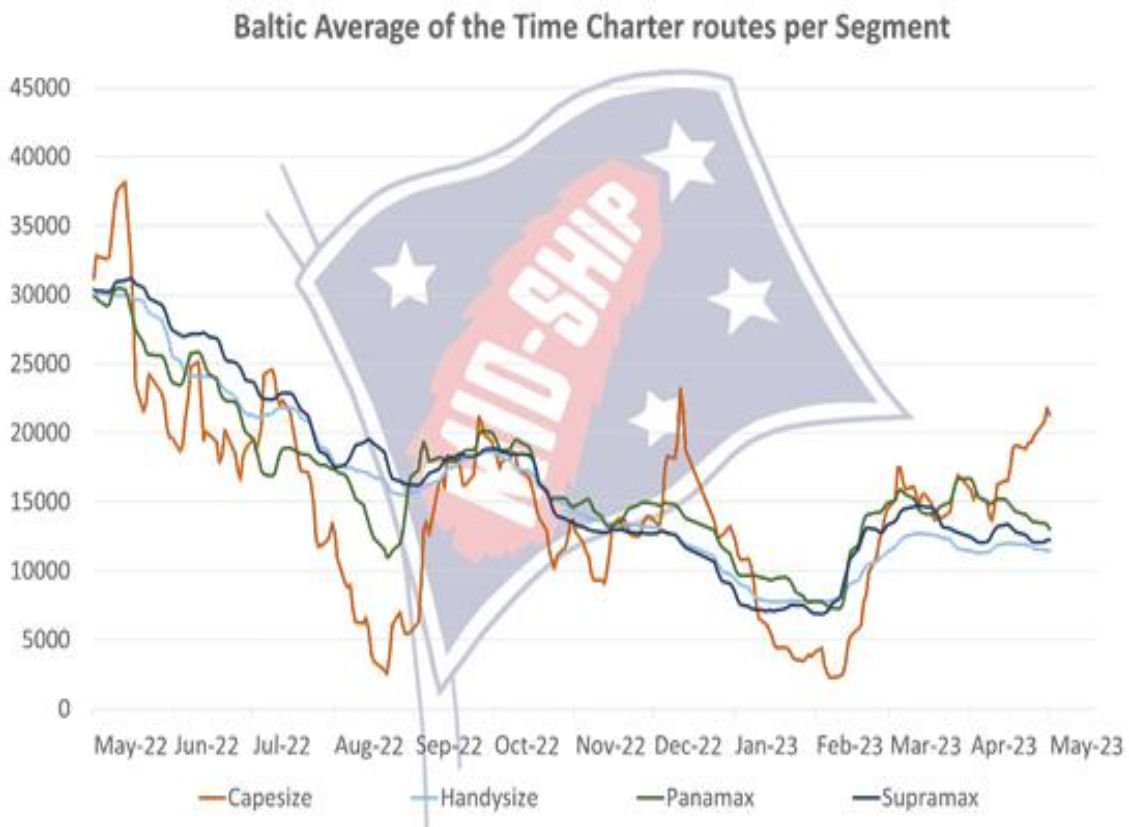
Soybean Brazil to Spain about \$37.50 - \$39.00/mt.

Route and Vessel Size	Current Week USD/MT	Change from previous week	Remarks
55,000 U.S. Gulf-Japan	\$51.25	Down \$2.50	Handymax \$55.00 mt
55,000 U.S. PNW- Japan	\$28.50	Down \$1.50	Handymax at \$29.50 mt
65,000 U.S. Gulf – China	\$50.25	Down \$2.25	North or South China
PNW to China	\$28.00	Down \$1.50	
25,000 U.S. Gulf- Veracruz, México	\$22.25	Down \$0.50	3,000 MT daily discharge rate
35-40,000 U.S. Gulf- Veracruz, México	\$19.00	Down \$0.50	Deep draft and 6,000 MT per day discharge rate.
30-38,000 U.S. Gulf- Colombia	\$29.00	Down \$1.00	<u>West Coast Colombia at \$32.50</u>
50,000 USG- E/C Colombia	\$27.00		
<u>East Coast Colombia</u> From Argentina	\$39.00		
40-45,000 U.S. Gulf - Guatemala	\$32.00	Down \$1.50	Acajutla/Quetzal - 8,000 out
30,000 US Gulf-Morocco	\$33.00	Down \$0.50	5,000 discharge rate
55-60,000 U.S. Gulf –Egypt	\$29.50	Down \$0.50	55,000-60,000 mt Egypt
PNW to Egypt	\$30.50		Romania - Russia- Ukraine \$17.00 -\$23.00 - \$50.00 - France \$24.50, Bulgaria \$17.00
58-74,000 U.S. Gulf – Europe – Rotterdam	\$29.50	Unchanged	Handymax at +\$2.50 more
Brazil, Santos –China	\$43.50	Down \$1.00	54-59,000 Supramax-Panamax
Brazil, Santos –China	\$41.50		60-66,000 Post Panamax
Up-River Port North Brazil	\$47.50		55-60,000 mt
56-60,000 Argentina-China	\$46.50	Down \$1.00	Up-River with Top Off Plus \$3.85-\$4.75
Deep draft			

Baltic Dry Bulk Freight Index



The Baltic Dry Bulk Freight Index- Cape-Panamax-Supra and Handy

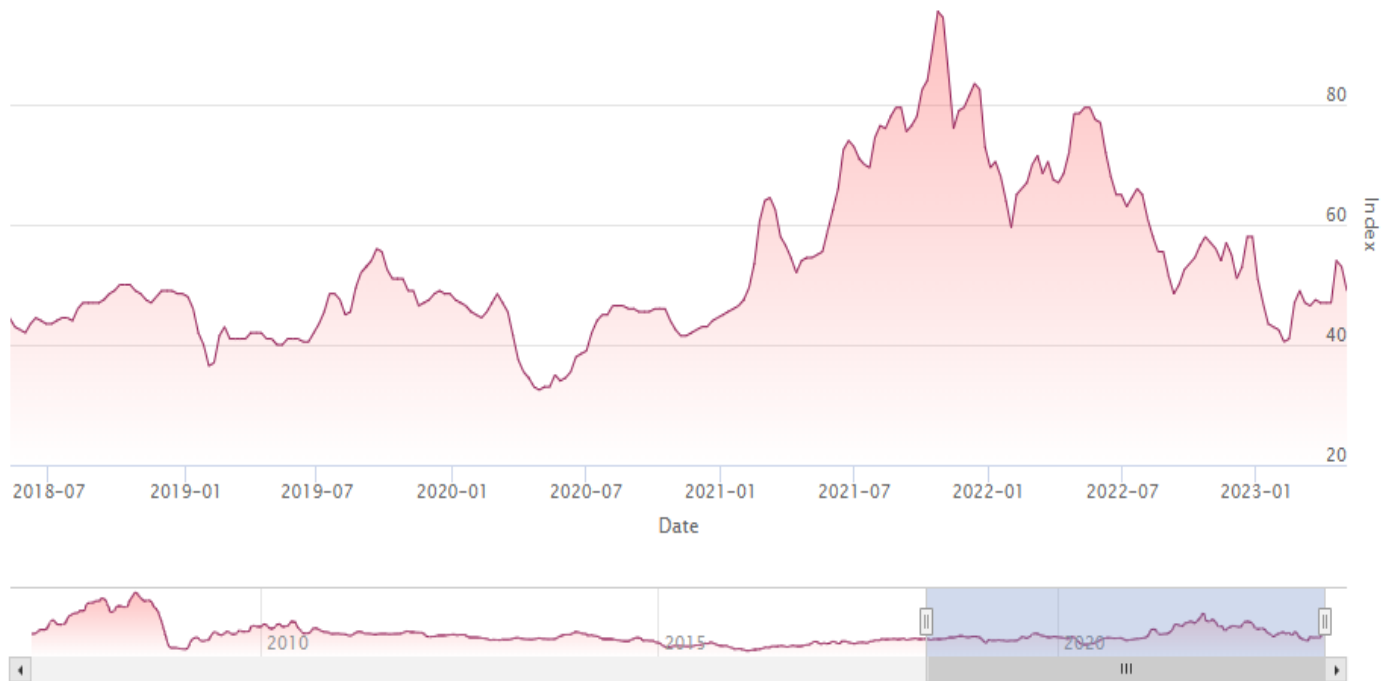


YAMAMIZU Index



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

From 2018-05-10 To 2023-05-10



China Import Dry Bulk Freight Index					
2023-05-11					
Description	Volume	Cargo	Unit	Rate	Change
Composite Index			Point	1089.46	-7.92
Iron ore Freight Index			Point	1085.7	-13.42
Dampier(West Australia)-Qingdao (China)	170000/10%	Iron ore	\$/ton	9.304	-0.161
Soybean Freight Index			Point	1183.51	-3.65
Santos(Brazil)— North China	66000/10%	Soybean	\$/ton	40.66	-0.14
Tacoma(West America)—North China	63000/10%	Soybean	\$/ton	28.7	-0.08
Mississippi(US Gulf)—North China	66000/10%	Soybean	\$/ton	51.92	-0.14

11 May 2023 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		N =	5.8250
Max. 14.5% moisture	BASIS	FLAT PRICE	BASIS	FLAT PRICE	U =	5.1500
June	1.00	\$268.69	1.68	\$295.46	Z =	5.1375
July	0.79	\$260.42	1.46	\$286.79	H =	5.2375
Aug.	1.12	\$246.84	1.79	\$273.21	K =	5.3025
Sept.	0.95	\$240.14	1.64	\$267.31	N =	5.3375
Oct.	0.98	\$240.83	1.66	\$267.60		
Nov.	0.99	\$241.23	1.66	\$267.60		

PNW rail markets for April-May are extremely thin, and rail road incentives to Exporters to promote movement west are making values difficult to pin point. PNW Fob vessel values are therefore a bit of a guessing game.

The Gulf spread between #2 YC & #3 YC is currently about .03 cents per bushel (1.10/mt) at USG but is out to .04/bushel in the PNW.

SORGHUM (USD/MT) FOB VESSEL		
#2 YGS Fob Vessel	TEXAS Gulf	
Max. 14.0% moisture	BASIS	FLAT PRICE
June	2.10	\$311.99
July	1.80	\$300.18
Aug. (Z)	2.25	\$290.83
Oct. (Z)	2.05	\$282.96
Nov.	2.05	\$282.96

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

SRW Wheat is now at 96% the value of Corn Fob the USG for May-June-July

U.S. SRW Wheat Fob Vessel at the Center U.S. Gulf				
SRW Wheat	USD/MT	Fob Vessel	US Gulf	
	June	July	Aug.	Sept.
FOB U.S. GULF	\$255.46	\$246.27	\$253.90	\$259.04
Basis	0.68	0.43	0.52	0.66
WN	6.2725			
WU	6.3900			
WZ	6.5625			

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
June	0.92	\$550.23	1.98	\$589.18
July	0.83	\$546.92	1.89	\$585.87
Aug. (X)	1.12	\$499.71	2.10	\$535.72
Oct.	1.06	\$497.50	2.05	\$533.88
Nov.	1.00	\$495.30	1.98	\$531.31
Soybean Futures				
July	\$ 14.0550			
Aug.	\$ 13.3725			
Sept.	\$ 12.6800			
Nov.	\$ 12.4800			
Jan.	\$ 12.5775			
Mar.	\$ 12.6150			

Soybean cargo demand at PNW ports is thin and rail delivery markets there are very difficult to accurately pinpoint. The above Fob vessel values in the PNW are therefore based on best guesses off interior values.

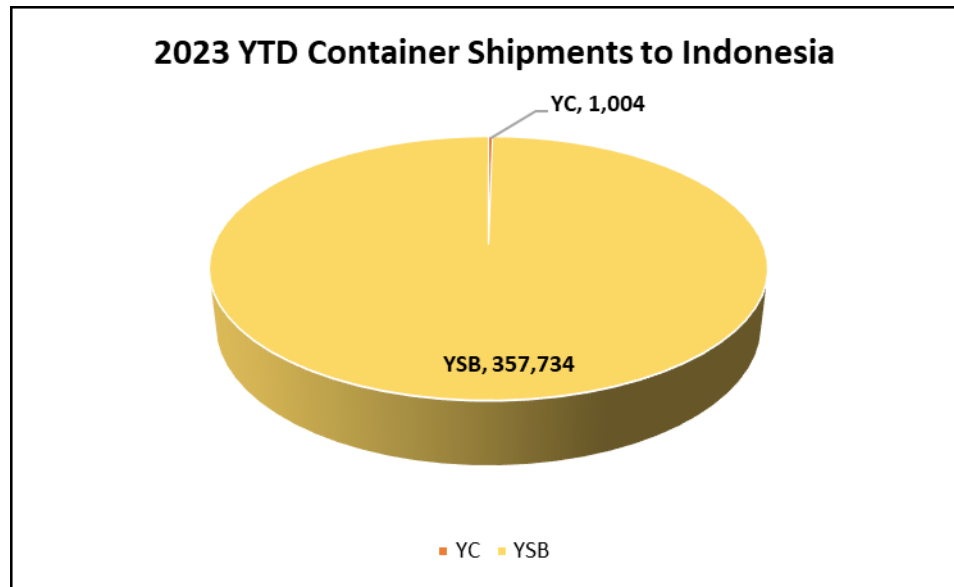
U.S. Soybean and SBM Markets Fob Vessel:

U.S. SBM (USD/MT) FOB Vessel		
Fob U.S. Gulf Port	47.5 Pro. SBM	
max 12.5 % moisture	Basis	Flat Price
June	21.00	\$ 498.77
July	24.00	\$ 502.08
Aug.	33.00	\$ 502.74
Sept.	39.00	\$ 494.91
Oct.	48.00	\$ 492.38
SBM Futures		
SMN	\$ 431.40	
SMQ	\$ 423.00	
SMU	\$ 409.90	
SMV	\$ 398.60	
SMZ	\$ 395.30	
SMF	\$ 392.70	

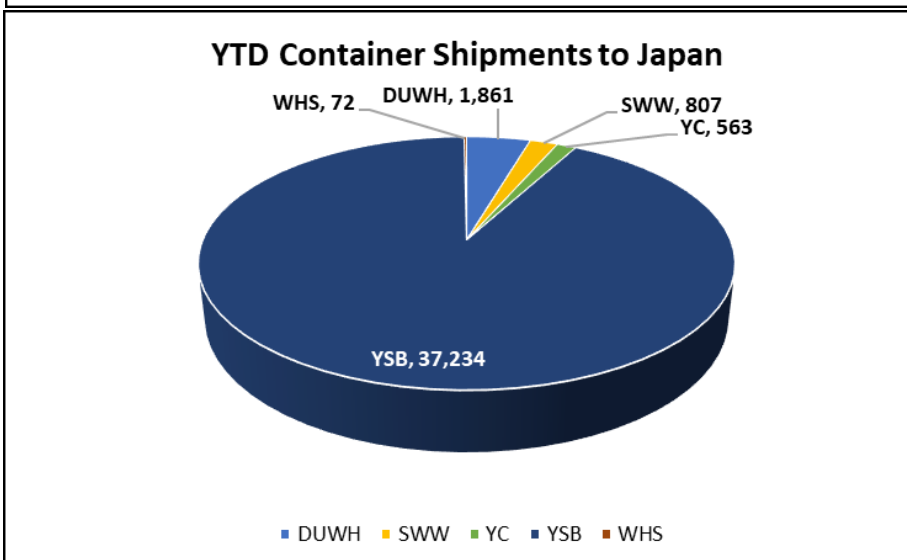
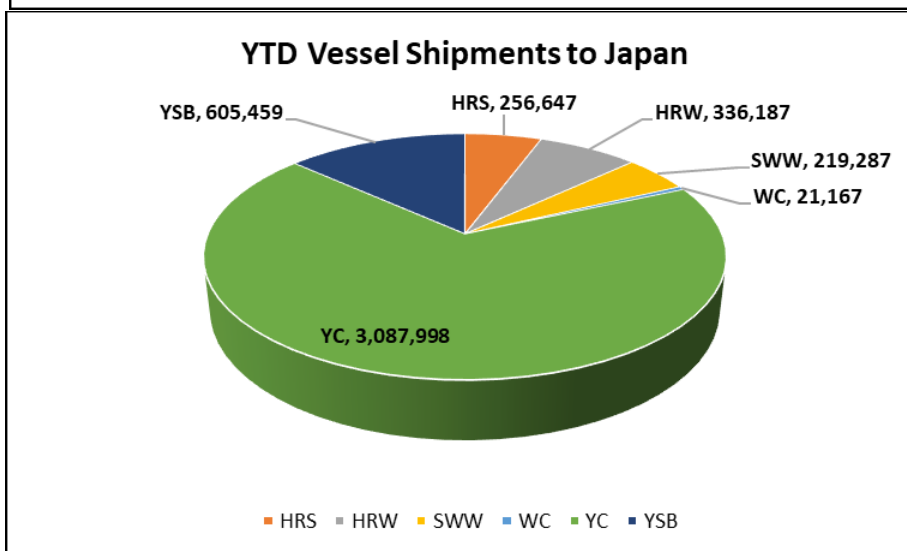
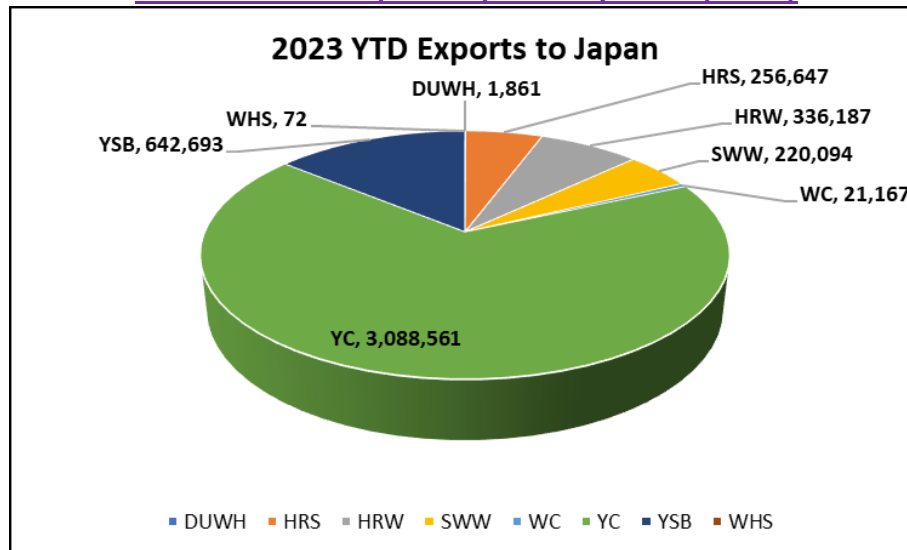
Data sheet below: *USDA weekly export inspections report with corrections to the last three weeks' grain export inspections reports. (This usually covers a 2-5-week prior time frame).*

CONTAINER SHIPMENTS of GRAIN									
USDA Grain Inspections Report:		27-Apr-2023							
Last Week	metric tons								MT
	YC	WC	YSB	SRW	NS	HRW	SWH	Sorghum	TOTAL
China			2,595					342	2,937
Taiwan	2,032		1,517	294					3,843
Hong Kong	709								709
Costa Rica									0
Indonesia			12,954						12,954
French Poly									0
Japan			2,911						2,911
Korea Rep.	1,885		980	196					3,061
Dominicn Rep									0
Malaysia			293						293
Netherlands	3,771								3,771
Philippines			392						392
Thailand			1,959						1,959
Nepal									0
Burma									0
Senegal									0
Cambodia									0
Vietnam			1,175						1,175
Sub Total:	8,397	0	24,776	490	0	0	0	342	34,005
USDA Corrections/Additions to previous reports:									
Taiwan									0
China								122	122
Hong Kong									0
Korea Rep.			220						220
Un Kingdom									0
Japan			318						318
Philippines									0
Indonesia			783						783
Malaysia									0
Thailand			171						171
Vietnam			1,322						1,322
Burma									0
Cambodia									0
Sub Total:	0	0	2,814	0	0	0	0	122	2,936
Mt. Grand Total	8,397	0	27,590	490	0	0	0	464	36,941
Number of Containers	365	0	1,200	21	0	0	0	20	

2023 YTD Totals versus 2022 Annual Totals Container Shipments (in MT)



2023 YTD Grain Exports reported by USDA (in MT)



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

Source: USDA-data

Shipping News

In the maritime sailors' cathedral
The church bell chimed 'til it rang
twenty-nine times
For each man on the Edmund Fitzgerald.

The Mariner's church in Detroit rang it 30
times yesterday. One for Gordon
Lightfoot.
Pretty cool.



U.S. Container Freight Markets

Tom Craig @LTDDManagement · 2h

...

Container rate war 'plain as daylight'. Is it a race to the bottom by idiot executives who will not refuse unprofitable cargo? And [#forwarders](#) and [#BCOs](#) who only care about cheap rates. IMHO. [#supplychain](#) [#logistics](#) [#maritime](#)



splash247.com

Container rate war 'plain as daylight' - Splash247

Container carriers are embarking on a rates war, according to one leading analyst, while other experts contacted by Splash remain ...

Journal of Commerce

by **S&P Global**

Asia News

May 8, 2023

Top News & Analysis

ILWU, management approve manning deal for non-automated LA-LB terminals



An agreement on manning requirements at conventional terminals at the ports of Los Angeles and Long Beach could open the door for a deal on a tentative coastwide contract in the next couple of weeks, sources say.

[Longshore labor](#)[Container shipping](#)[Container lines](#)[Marine terminals](#)[North American ports](#)

Bill Mongelluzzo, Senior Editor | May 3, 2023, 5:00 PM EDT



Longshore labor and employers at the ports of Los Angeles and Long Beach have reached agreement on manning requirements for non-automated terminals, sources said Wednesday, overcoming a major hurdle that could accelerate a deal on a new coastwide contract as negotiations near the one-year mark.

Three sources told the *Journal of Commerce* that the deal between Local 13 of the International Longshore and Warehouse Union (ILWU) and the Pacific Maritime Association (PMA), which represents terminal operators and shipping lines, was reached Tuesday and involves manning requirements for cargo-handling equipment at conventional container terminals in Los Angeles-Long Beach.

The PMA declined

[US Rail News:](#)

[U.S. River Markets](#)

Mary Kennedy @MaryCKenn · 57m

Getting closer to reopening the Upper Miss!

WhooWhoo!

Lock & Dam 16

(RM 457) Illinois City, IL CLOSED

(Closed due to high water - Anticipated reopening 5/12)

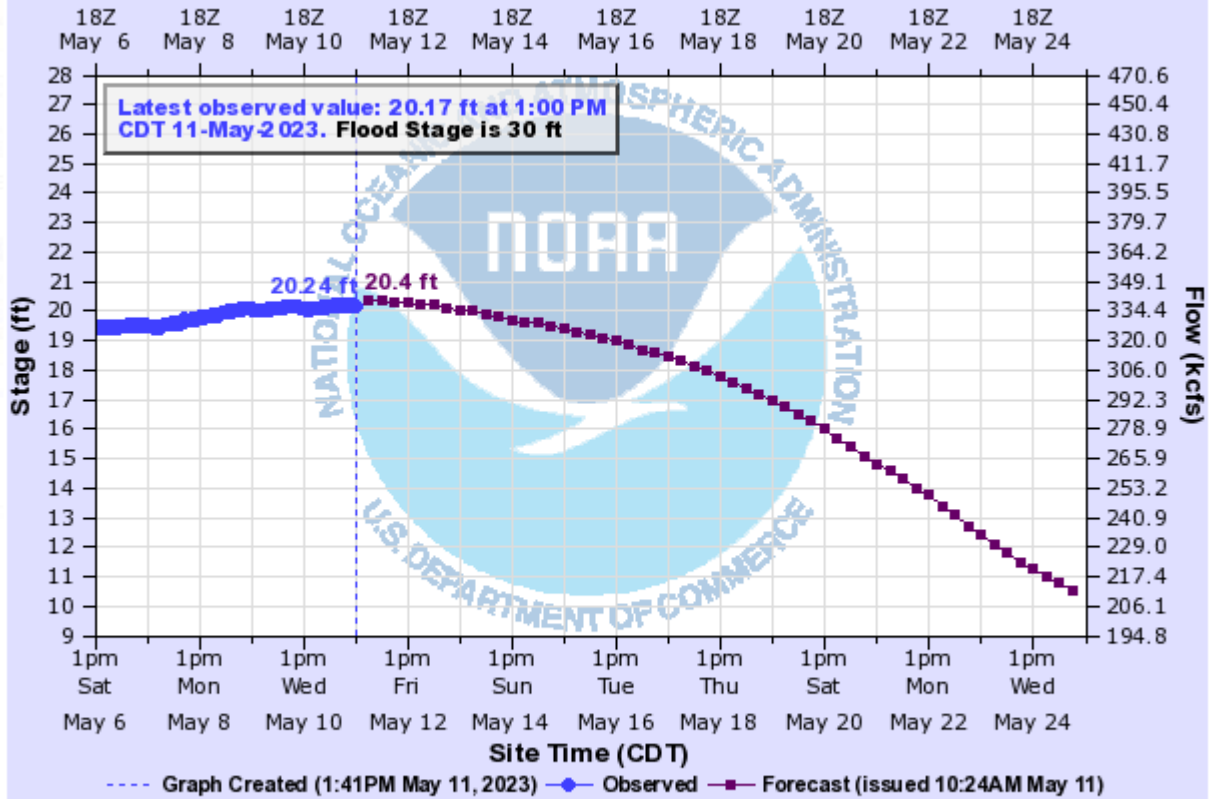
Lock & Dam 17

(RM 437) New Boston, IL CLOSED

(Closed due to high water - Anticipated reopening 5/12)

MISSISSIPPI RIVER AT ST. LOUIS

Universal Time (UTC)

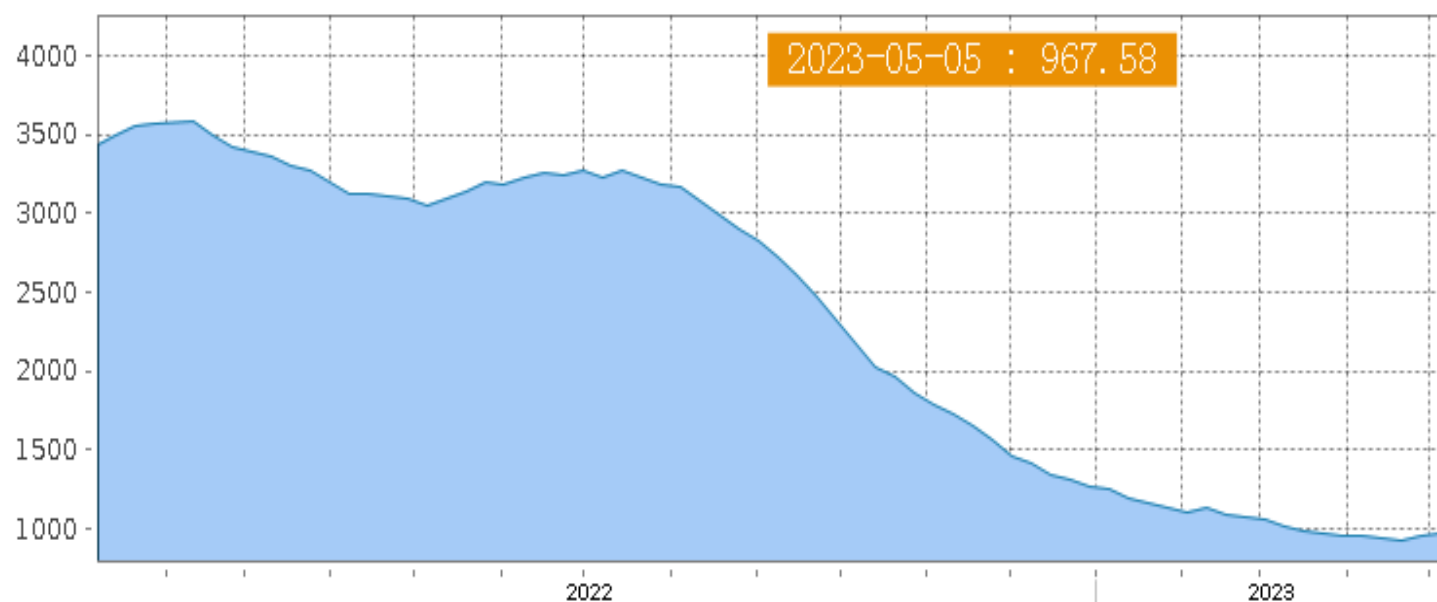


EADM7(plotting HGIRG) "Gage 0" Datum: 379.58'

Observations courtesy of US Geological Survey

Area Hydrograph

China Containerized Freight Index



China Import Dry Bulk Freight Index



Secondary Rail Car Market for Car placement period: First Half June 2023

Secondary Rail Car Market Placement FH June 2023	BID USD	ASK USD	BID BU.	ASK BU.	BID MT	ASK MT
BNSF Shuttle Trains	\$ (300)	\$ (200)	\$ (0.08)	\$ (0.05)	\$ (2.95)	\$ (1.97)
UPRR Shuttle Trains	\$ (400)	\$ (300)	\$ (0.10)	\$ (0.08)	\$ (3.94)	\$ (2.95)

Barge Placement First Half June 2023

Placement FH June 2023	% of		Corn	Soybeans-Wheat
	Tariff	MT	BU	BU
Upper Mississippi	425	\$ 29.00	0.74	0.79
Illinois River (Pekin and South)	305	\$ 20.81	0.53	0.57
Mid-Mississippi	335	\$ 16.47	0.42	0.45
Lower Ohio	260	\$ 12.78	0.32	0.35
St. Louis	250	\$ 11.00	0.28	0.30

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The church bell chimed 'til it rang
twenty-nine times
For each man on the Edmund Fitzgerald.

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Best Regards,

Jay

Jay O'Neil
HJ O'Neil Commodity Consulting
785-410-2303 (cell)

joneil@ksu.edu

Follow me on Twitter @ igpjay



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