

Transportation and Export Report for 1 June 2023

It was yet another disappointing and unexpected week for Dry Bulk vessel owners and shipping news magazines. Most every industry ocean freight article and freight blog has been touting the reasons why ocean freight markets have bottomed out and are positioned for a big rally. As stated previously, the logic for such is simple and it stands on the belief that the Chinese economic recovery is forthcoming, and the new vessel order book is small. To date, the flaw in this logic has been the slow rate of cargo growth from China. With Chinese housing construction declining, so is the demand for imported raw materials. Vessel rates are moving below some owners' operating costs and new CO2 emissions regulations are adding extra financial pain to owners' returns. Panamax FFA July paper dropped to \$9,200/day and Q3 traded down to 10,700/day with Q4 trading down to \$11600/day. It was an ugly week for vessel owners.

The BALTIC DRY-BULK PANAMAX INDEX CHANGES

Panamax Ocean Freight Indices					
1-Jun-2023		This Week	Last Week	Difference	Percent Change
P2A: Gulf/Atlantic - HK-Korea	Index	17373	22404	-5,031	-22.5%
P3A: PNW/Pacific - RV Korea-Taiwan	Index	8262	11658	-3,396	-29.1%
S1C: US GULF-China-So.Japan	Index	18500	22150	-3,650	-16.5%
P7: Trial- Miss. River - Qingdao	per ton	46.48	51.23	-4.75	-9.3%
P8: Trial- Santos - Qingdao	per ton	34.26	39.89	-5.63	-14.1%

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

Four weeks ago:	\$8.70-\$8.80
Three weeks ago:	\$8.10-\$9.30
Two weeks ago:	\$9.10-\$9.70
One week ago:	\$8.65-\$8.75
This week	\$8.12-\$7.50

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)	0-2 days
Texas Gulf	(5 elevators)	0-6 days (only 1 Facilities over zero days)
Pacific Northwest:	(9 elevators)	0-7 days (3 facilities over 3 days)

Panamax Market Spreads to Asia -China					
1-Jun-2023	GULF	PNW	Bushel Spread	Tonne Spread	Advantage
CORN	0.60	1.22	0.62	\$24.41	GULF
SOYBEANS	0.75	1.63	0.88	\$32.33	GULF
OCEAN FREIGHT	\$47.00	\$26.00	.53-.57	\$21.00	JULY

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 \$27.00 - \$28.00/mt.

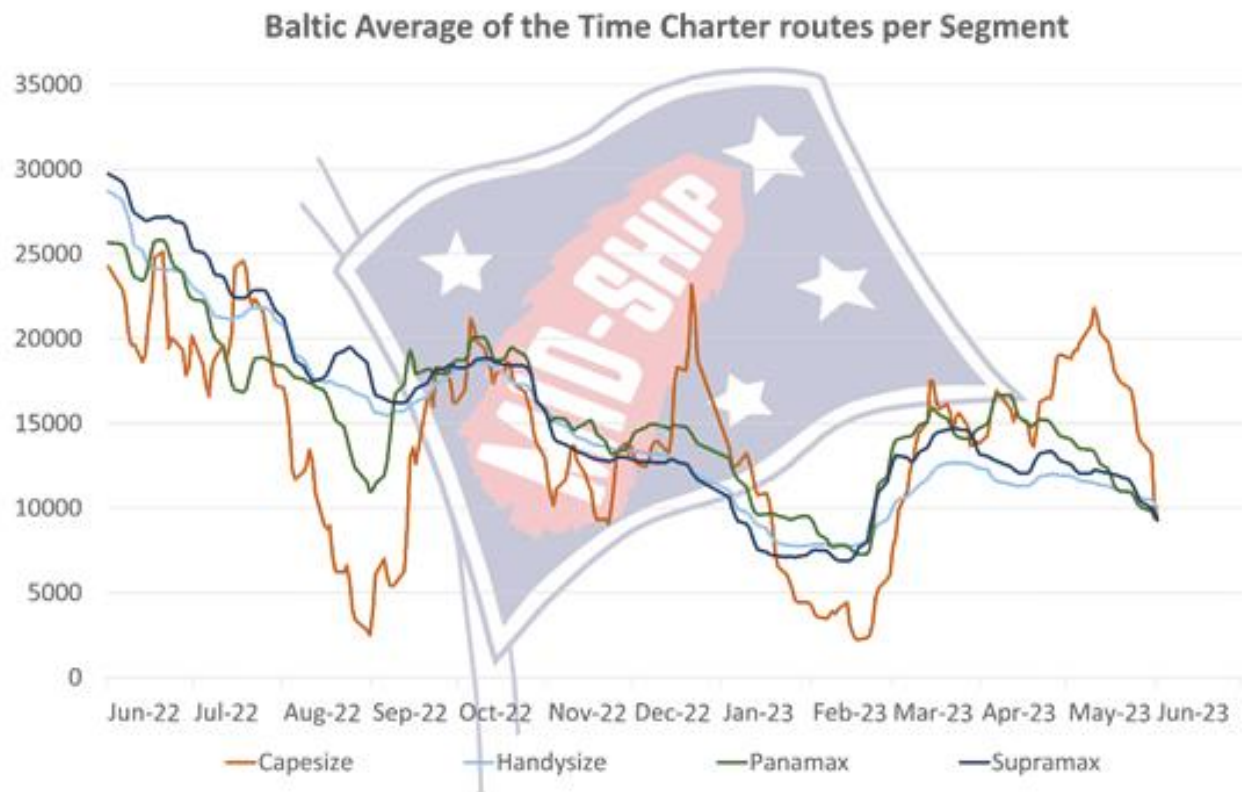
Soybean Brazil to Spain about \$35.50 - \$37.00/mt.

Route and Vessel Size	Current Week USD/MT	Change from previous week	Remarks
55,000 U.S. Gulf-Japan	\$48.00	Down \$2.00	Handymax \$48.00 mt
55,000 U.S. PNW- Japan	\$26.50	Down \$1.00	Handymax at \$26.50 mt
65,000 U.S. Gulf – China	\$47.00	Down \$2.00	North or South China
PNW to China	\$26.00	Down \$1.00	
25,000 U.S. Gulf- Veracruz, México	\$21.75	Down \$.50	3,000 MT daily discharge rate
35-40,000 U.S. Gulf- Veracruz, México	\$18.25	Down \$0.50	Deep draft and 6,000 MT per day discharge rate.
30-38,000 U.S. Gulf- Colombia	\$27.00	Down \$1.00	<u>West Coast Colombia at \$30.00</u>
50,000 USG- E/C Colombia	\$25.00		
<u>East Coast Colombia</u> From Argentina	\$35.00		
40-45,000 U.S. Gulf - Guatemala	\$29.50	Down \$1.50	Acajutla/Quetzal - 8,000 out
30,000 US Gulf-Morocco	\$31.00	Down \$1.00	5,000 discharge rate
55-60,000 U.S. Gulf –Egypt	\$28.00	Down \$1.00	55,000-60,000 mt Egypt
PNW to Egypt	\$29.00		Romania - Russia- Ukraine \$16.00 - \$24.00 - \$49.00 - France \$23.00, Bulgaria \$16.00
58-74,000 U.S. Gulf – Europe – Rotterdam	\$26.50	Down \$1.50	Handymax at +\$2.50 more
Brazil, Santos –China	\$37.00	Down \$2.00	54-59,000 Supramax-Panamax
Brazil, Santos –China	\$35.00		60-66,000 Post Panamax
Up-River Port North Brazil	\$41.00		55-60,000 mt
56-60,000 Argentina-China	\$43.00	Down \$2.00	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

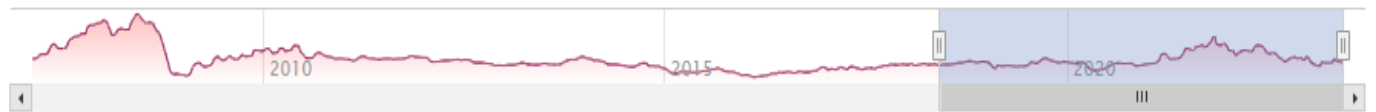
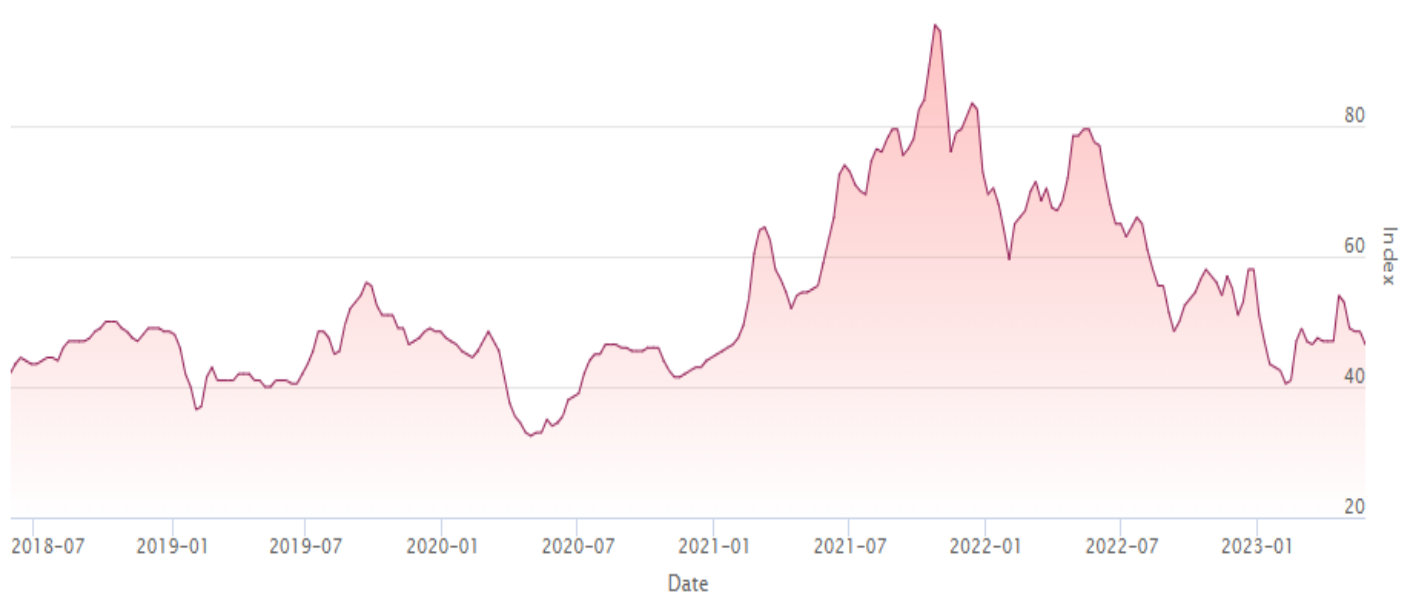


YAMAMIZU Index



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

From 2018-05-31 To 2023-05-31



China Import Dry Bulk Freight Index					
2023-06-01					
Description	Volume	Cargo	Unit	Rate	Change
Composite Index			Point	927.06	-15.69
Iron ore Freight Index			Point	893.79	-16.96
Dampier(West Australia)-Qingdao (China)	170000/10%	Iron ore	\$/ton	7.528	-0.131
Soybean Freight Index			Point	1048.94	-13.53
Santos(Brazil)— North China	66000/10%	Soybean	\$/ton	35.22	-0.62
Tacoma(West America)—North China	63000/10%	Soybean	\$/ton	26.05	-0.17
Mississippi(US Gulf)—North China	66000/10%	Soybean	\$/ton	47.06	-0.42

1 June 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 =	5.9250
Max. 14.5% moisture	BASIS	FLAT PRICE	BASIS	FLAT PRICE	U =	5.2425
June	0.88	\$267.90	1.50	\$292.31	Z =	5.3000
July	0.60	\$256.88	1.22	\$281.28	H =	5.3950
Aug.	1.15	\$251.66	1.78	\$276.46	K =	5.4500
Sept.	0.92	\$242.60	1.54	\$267.01	N =	5.4675
Oct.	0.91	\$244.47	1.53	\$268.88		
Nov.	0.92	\$244.87	1.54	\$269.28		

PNW rail markets for June-July 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	1.35	\$286.40
July	1.20	\$280.50
Aug. (Z)	1.70	\$275.57
Oct. (Z)	1.45	\$265.73
Nov.	1.45	\$265.73

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

SRW Wheat is now at 95% 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	\$244.99	\$240.94	\$246.27	\$253.25
Basis	0.56	0.45	0.46	0.65
WN	6.1075			
WU	6.2425			
WZ	6.4375			

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
June	0.90	\$521.57	1.78	\$553.91
July	0.75	\$516.06	1.63	\$548.39
Aug. (X)	1.75	\$493.83	2.60	\$525.06
Oct.	1.03	\$467.38	1.86	\$497.87
Nov.	0.99	\$465.91	1.81	\$496.03
Soybean Futures				
July	\$ 13.2950			
Aug.	\$ 12.4400			
Sept.	\$ 11.7725			
Nov.	\$ 11.6900			
Jan.	\$ 11.7875			
Mar.	\$ 11.7950			

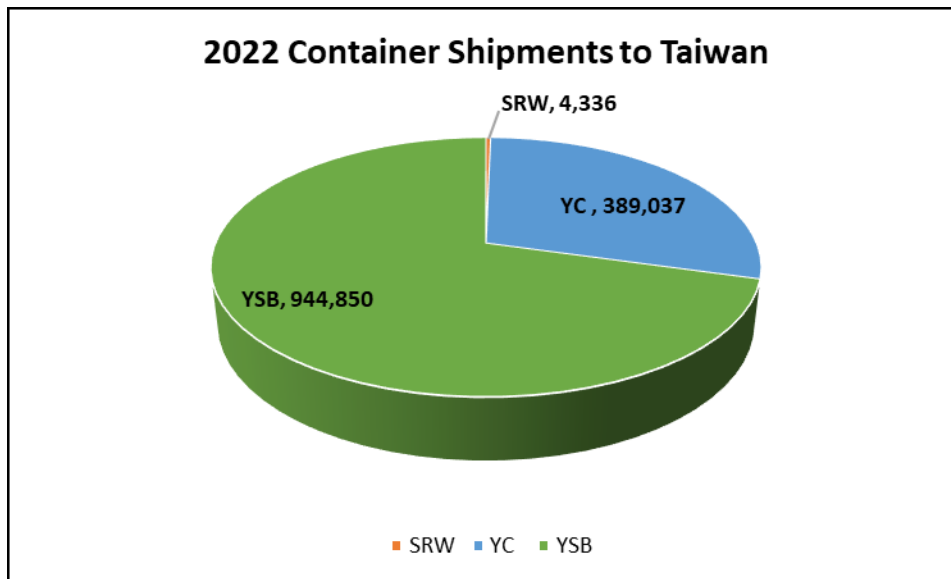
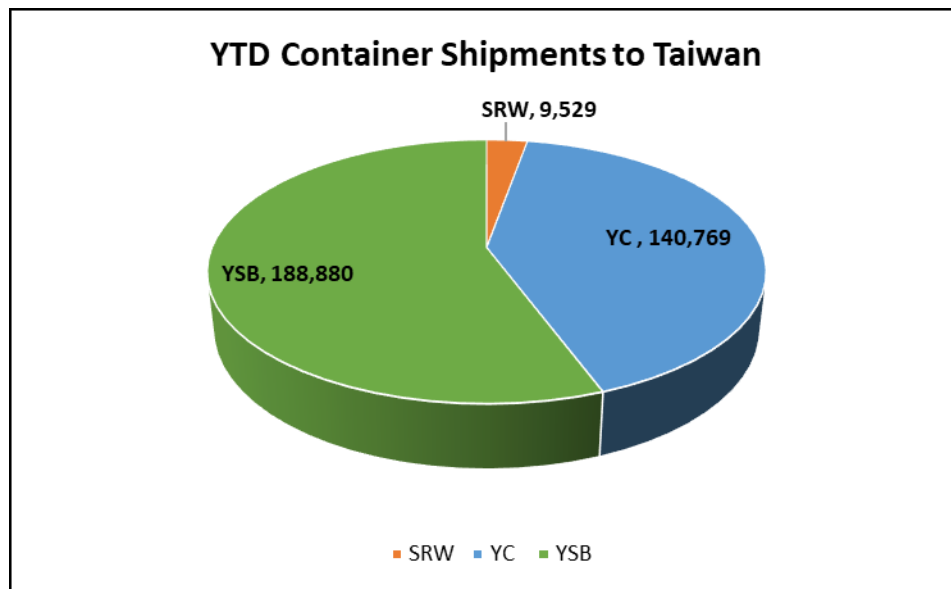
Soybean cargo demand at PNW ports is thin and rail delivery markets there are very difficult to accurately pinpoint. The above Fob vessel values in the PNW are therefore based on best guesses off interior values.

U.S. SBM (USD/MT) FOB Vessel		
Fob U.S. Gulf Port	47.5 Pro. SBM	
max 12.5 % moisture	Basis	Flat Price
June	22.00	\$ 466.80
July	24.00	\$ 469.00
Aug.	29.00	\$ 466.91
Oct.	44.00	\$ 457.98
Nov.	45.00	\$ 456.55
SBM Futures		
SMN	\$ 401.40	
SMQ	\$ 394.50	
SMU	\$ 382.90	
SMV	\$ 371.40	
SMZ	\$ 369.10	
SMF	\$ 366.60	

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).*

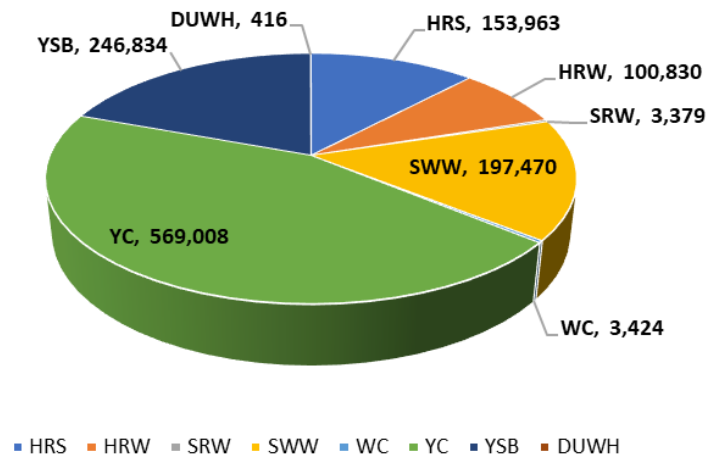
CONTAINER SHIPMENTS of GRAIN									
USDA Grain Inspections Report:		25-May-2023							
Last Week	metric tons								MT
	YC	WC	YSB	SRW	NS	HRW	SWH	Sorghum	TOTAL
China	930		1,861						2,791
Taiwan	2,742		1,738	343					4,823
Hong Kong	122								122
Costa Rica	98								98
Indonesia			10,555						10,555
French Poly	98								98
Japan			2,005						2,005
Korea Rep.	245		1,616						1,861
Dominicn Rep									0
Malaysia									0
Netherlands									0
Philippines	147		955						1,102
Thailand			2,008						2,008
Nepal									0
Burma									0
Senegal									0
Cambodia									0
Vietnam			1,665						1,665
Sub Total:	4,382	0	22,403	343	0	0	0	0	27,128
USDA Corrections/Additions to previous reports:									
Taiwan	171		220						391
China									0
Hong Kong									0
Korea Rep.									0
Un Kingdom									0
Japan			661						661
Philippines									0
Indonesia			49						49
Malaysia									0
Thailand			98						98
Vietnam									0
Burma									0
Cambodia									0
Sub Total:	171	0	1,028	0	0	0	0	0	1,199
Mt. Grand Total	4,553	0	23,431	343	0	0	0	0	28,327
Number of Containers	198	0	1,019	15	0	0	0	0	

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

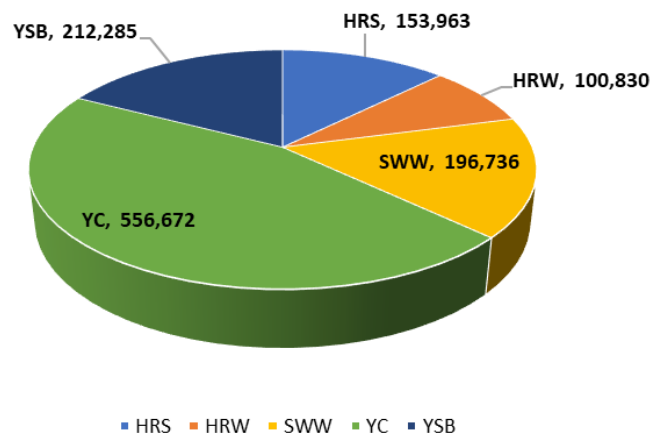


2023 YTD Grain Exports reported by USDA (in MT)

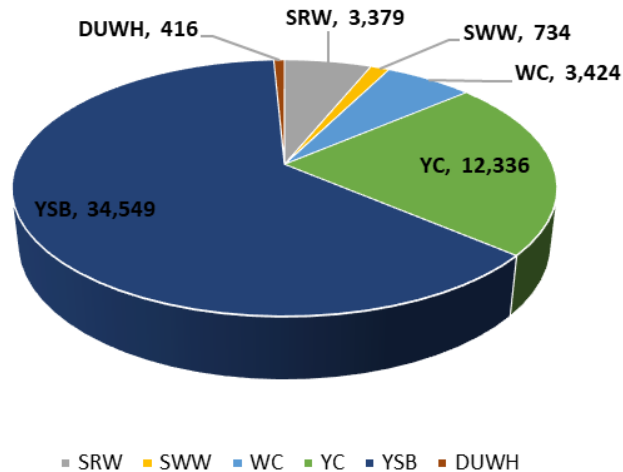
2023 YTD Exports to Korea Rep



YTD Vessel Shipments to Korea Rep



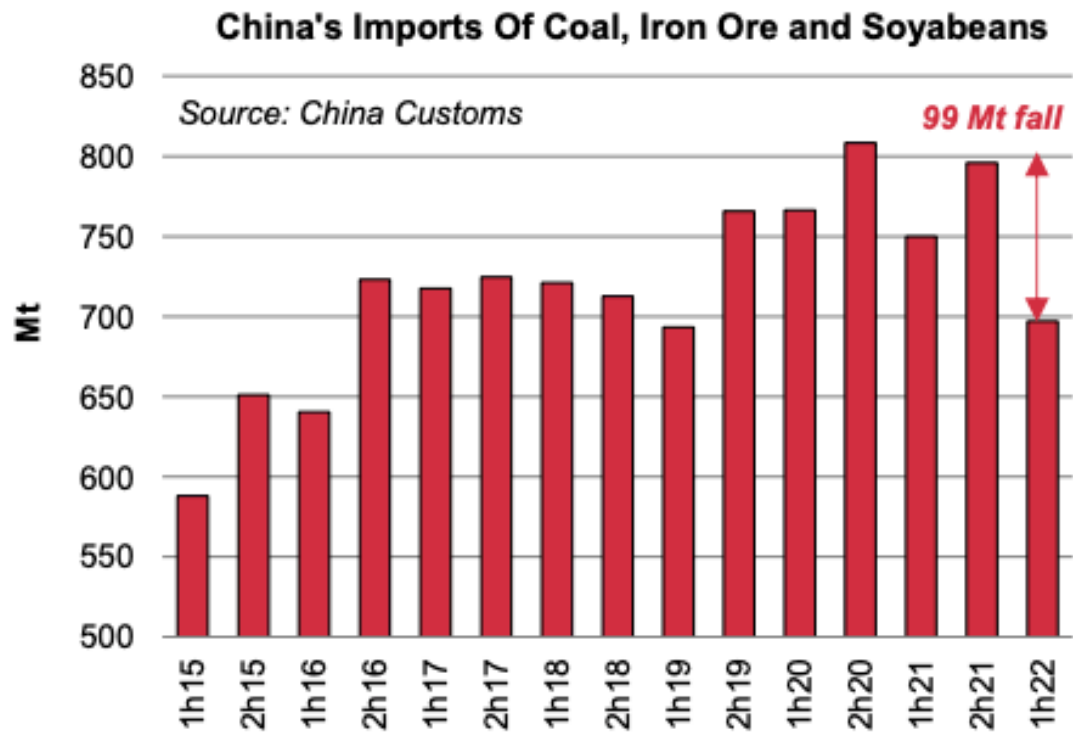
YTD Container Shipments to Korea Rep



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

Source: USDA-data

Shipping News

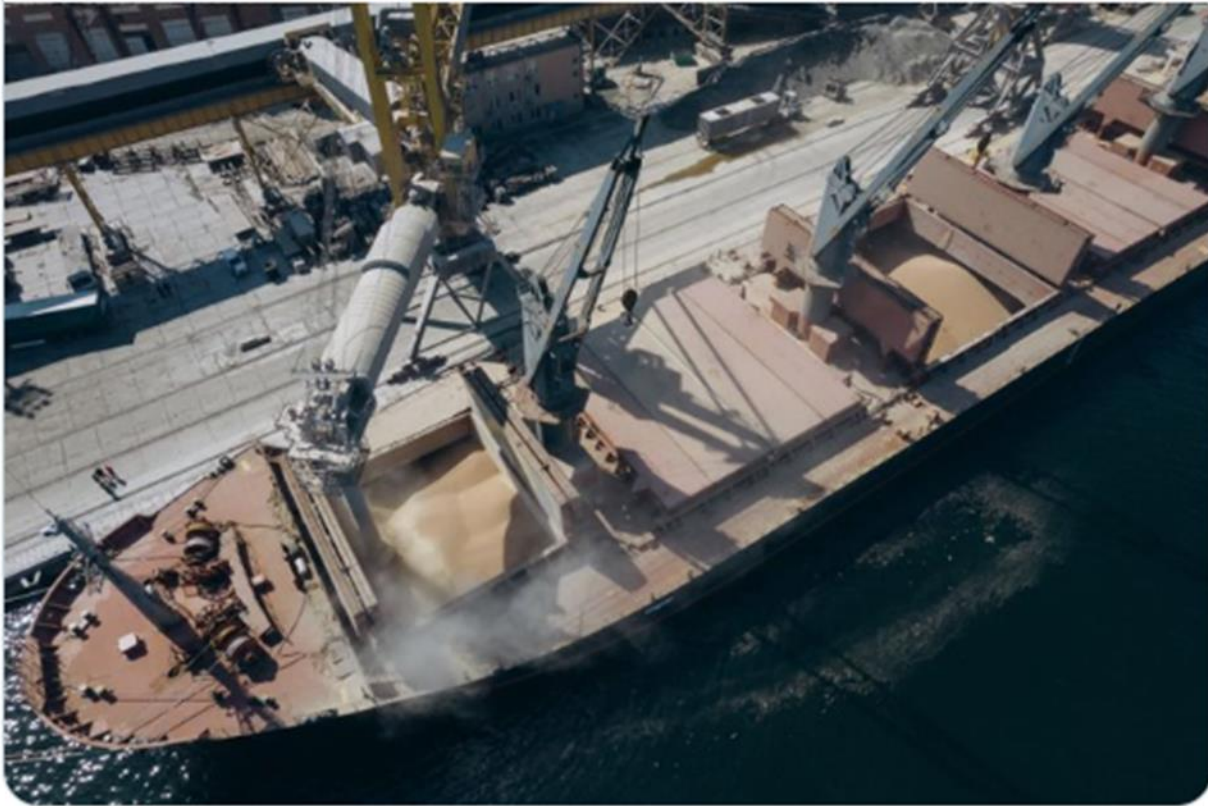


Ukraine-Black Sea Shipments



Oleksandr Kubrakov @OlKubrakov · 5h

#BSGI: inbound 🚢 are blocked again by russia. Today JCC is not able to make inspection plan. 50 🚢 is still waiting in Bosphorus to move for loading 2,4 M tones of 🇺🇦🌾. 🇺🇦 sent request to JCC with demand to renew registration of fleet. I believe 🇹🇷 & UN will find way to renew it.



U.S. Container Freight Markets



Panama Canal Authority
Vice Presidency for Operations

Advisory To Shipping No. A-22-2023

May 29, 2023

TO : All Shipping Agents, Owners, and Operators

SUBJECT : Update to the Maximum Authorized Draft in the Neopanamax Locks

Recent rainfall in the Panama Canal watershed during the past several days has allowed the Panama Canal Authority to postpone until June 13, 2023, the maximum authorized draft of **13.41 m (44.0 feet)** TFW in the Neopanamax Locks, scheduled to become effective on May 30, 2023, as announced in Advisory to Shipping A-20-2023. Therefore, the maximum authorized draft of **13.56 m (44.5 feet)** TFW will remain in effect until June 12, 2023.

The maximum authorized drafts for the following weeks are summarized in the following table:

DATE	MAXIMUM AUTHORIZED DRAFT (TFW)
June 13, 2023	13.41 m (44.0 feet)
June 25, 2023	13.26 m (43.5 feet)

The ACP will continue to monitor the level of Gatun Lake and announce future draft adjustments in a timely manner.

ORIGINAL SIGNED

Boris Moreno Vásquez
Vice President for Operations

From ZENETA-

Inaugurated in June 2016, the Neopanamax locks made it possible for containerships more than double the size of earlier vessels to bring cargo from Asia to the US East Coast, Europe to the South America West Coast, the US Gulf Coast to the Far East, and across many more inter-regional trades. With a normal draft maximum of 50 feet (15.24m), the current permitted draft of 44.5 feet (13.56m) is already impacting business. The new draft limit of 43.5 feet, valid from June 25, will take this, quite literally, to a new level.

With a total of 285 Neopanamax ships transiting the Panama Canal in April alone, half of which were containerships, each incremental cut has significant volume ramifications.

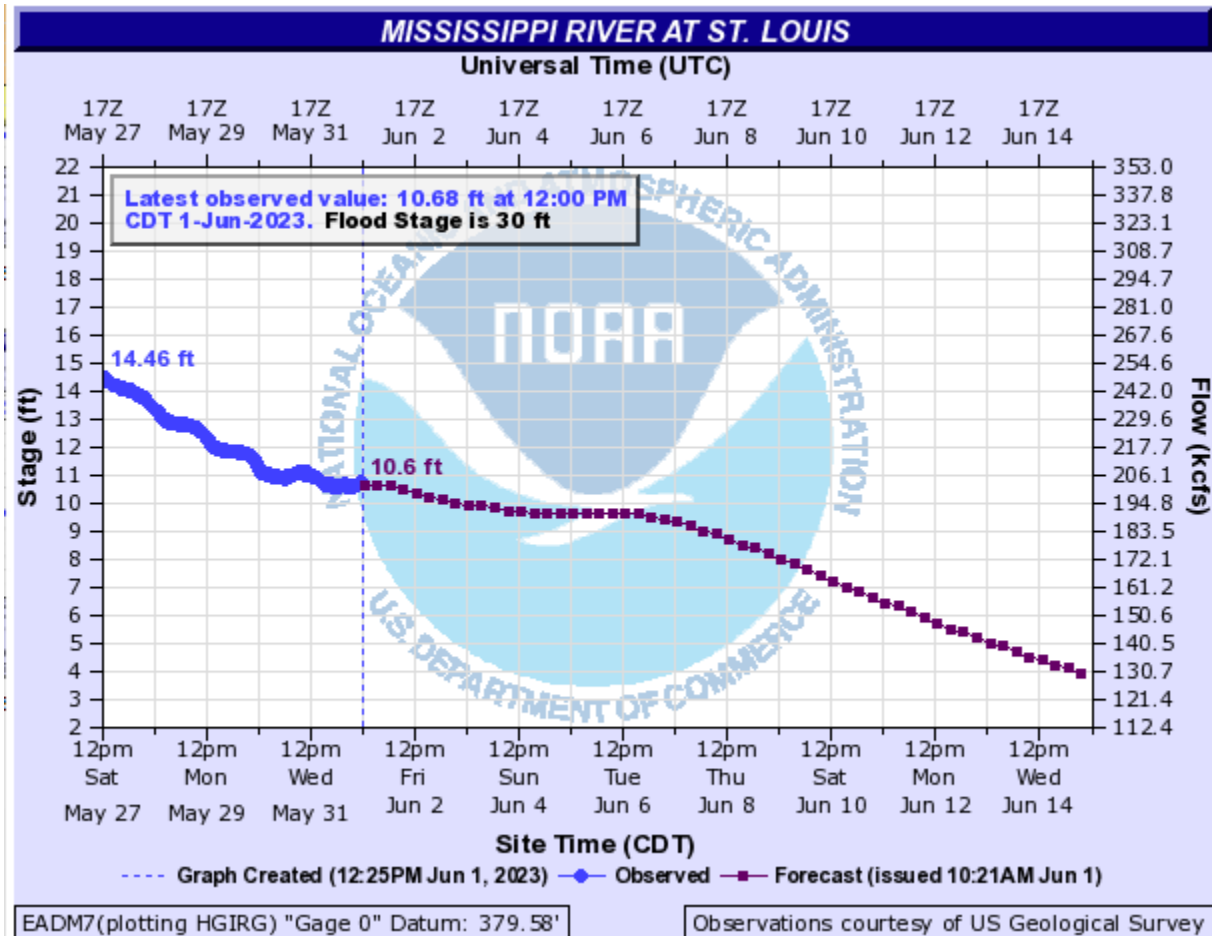
US Rail News:

UPRR Fall Rate Increases Announced:

- Effective September 1, 2023 Union Pacific will implement selective rate adjustments on Export Soybeans in UP 4051 to the following markets:
 - Soybeans will increase by \$175 to all destinations
- Effective October 1, 2023 Union Pacific will implement selective rate adjustments on Corn, Barley, and Milo in UP 4051 to the following markets:
 - Domestic Corn and Feed Barley will increase by \$175 to all destinations
 - Export Corn rates will increase by \$175 to all destinations
 - Milo rates will increase by \$175 to all destinations
 - Mileage scale increase of 5%

The new rate changes will be applied for Heavy covered hoppers (capacity greater than or equal to 5,001 cubic feet OR total allowable gross weight on rail exceeds 286,000 pounds). Light covered hoppers (capacity less than or equal to 5,000 cubic feet OR total allowable gross weight on rail is less than or equal to 285,999 pounds) will be 10.6% less than the Heavy covered hopper rates.

U.S. River Markets



Mary Kennedy @MaryCKenn · 10h

REMINDER 📌

120-Day Lock Closures on Illinois River Start June 1



dtnpf.com

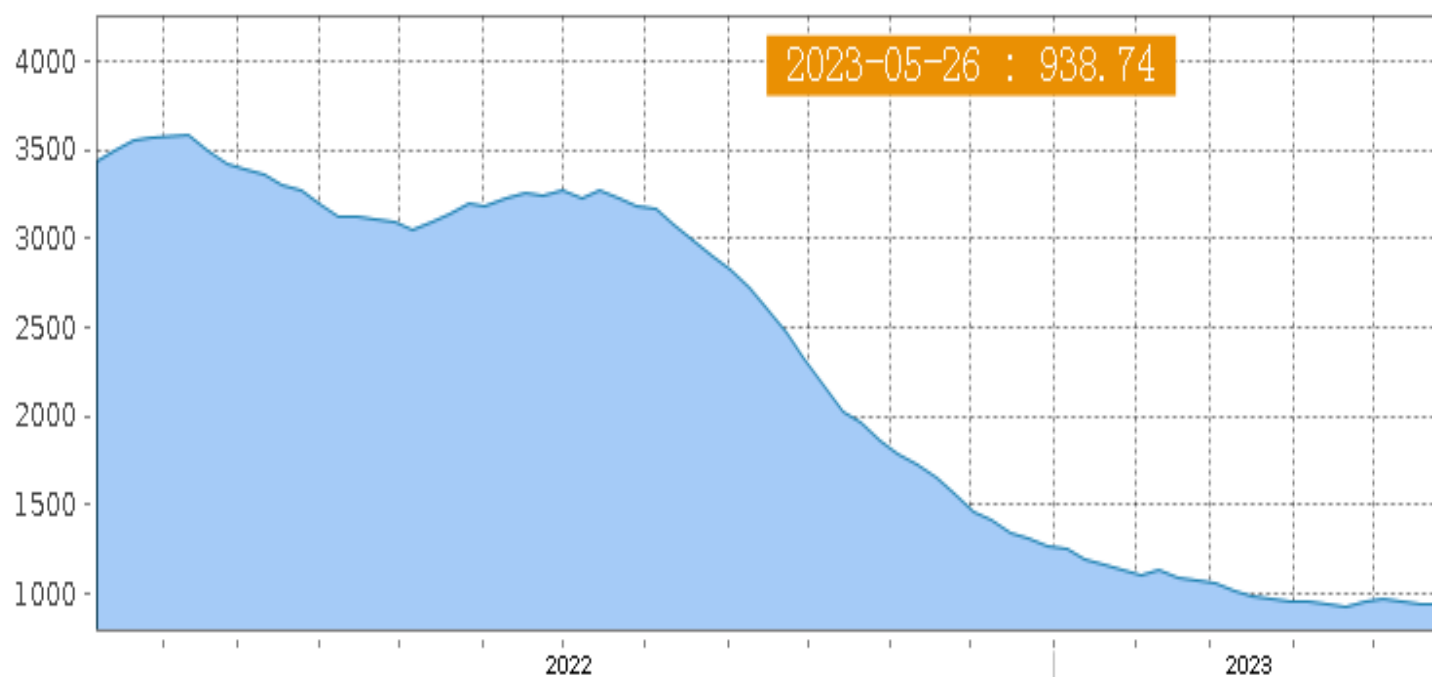
120-Day Lock Closures on Illinois River Start June 1

The U.S. Army Corps of Engineers will soon begin phase 2 of extended lock closures on the Illinois River for much-needed repairs.

China Import Dry Bulk Freight Index



China Containerized Freight Index



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

Secondary Rail Car Market Placement LH June 2023	BID USD	ASK USD	BID BU.	ASK BU.	BID MT	ASK MT
BNSF Shuttle Trains	\$ (350)	\$ (250)	\$ (0.09)	\$ (0.06)	\$ (3.44)	\$ (2.46)
UPRR Shuttle Trains	\$ (400)	\$ (250)	\$ (0.10)	\$ (0.06)	\$ (3.94)	\$ (2.46)

Barge Placement Last Half June 2023

Placement LH June 2023	% of		Corn	Soybeans-Wheat
	Tariff	MT	BU	BU
Upper Mississippi	350	\$ 23.88	0.61	0.65
Illinois River (Pekin and South)	250	\$ 17.06	0.43	0.46
Mid-Mississippi	285	\$ 14.01	0.36	0.38
Lower Ohio	220	\$ 10.82	0.27	0.29
St. Louis	215	\$ 9.46	0.24	0.26

Best Regards,

Jay

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*** The information in this market report is derived from sources believed to be reliable and accurate but cannot be guaranteed. Forward looking projections are never completely accurate, and these markets move quickly.

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