# HJ O'NEIL COMMODITY CONSULTING

## Transportation and Export Report for 15 June 2023

The biggest news in ocean freight markets this week was the agreement reached between the PMA and ILWU on a new 6-year labor contract for West Coast container ports. This is great news for all consumer supply chain markets and container Grain Traders.

On the Dry bulk side, markets remained fairly quiet but did show slight improvement. FFA paper markers were up marginally, and physical markets inched up by less than $1.00/mt in most markets.

Panamax FFA July paper was up 1000 points, going from $10,500/day to $11,500/day. Q3 was up about the same to to 12,450/day. The Q4 market is flat at $12,500/day.

### The BALTIC DRY-BULK PANAMAX INDEX CHANGES

| Panamax Ocean Freight Indices | | | | | |
|---|---|---|---|---|---|
| 15-Jun-2023 | | This Week | Last Week | Difference | Percent Change |
| P2A: Gulf/Atlantic - HK-Korea | Index | 18564 | 17373 | 1,191 | 6.9% |
| P3A: PNW/Pacific - RV Korea-Taiwan | Index | 10268 | 8262 | 2,006 | 24.3% |
| S1C: US GULF-China-So.Japan | Index | 15339 | 18500 | -3,161 | -17.1% |
| P7: Trial- Miss. River - Qingdao | per ton | 47.37 | 46.48 | 0.89 | 1.9% |
| P8: Trial- Santos - Qingdao | per ton | 36.43 | 34.26 | 2.17 | 6.3% |

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

| | |
|---|---|
| Four weeks ago: | $9.10-$9.70 |
| Three weeks ago: | $8.65-$8.75 |
| Two weeks ago: | $8.15-$7.50 |
| One week ago: | $8.20-$8.52 |
| This week | $8.45-$8.50 |

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

| | | |
|---|---|---|
| Mississippi River: | (9 elevators) | 1-3 days |
| Mid-Stream loaders: | (6+ Rigs) | 0-1 days |
| Texas Gulf | (5 elevators) | 0-6 days (Only 1 facility over zero days.) |
| Pacific Northwest: | (9 elevators) | 0-6 days (6 facilities at zero days) |

NOLA vessel draft now at 49 ft./ 14.935 meters fresh water.

| Panamax Market Spreads to Asia -China | | | | | |
|---|---|---|---|---|---|
| 15-Jun-2023 | GULF | PNW | Bushel Spread | Tonne Spread | Advantage |
| CORN | 0.54 | 1.20 | 0.66 | $25.98 | GULF |
| SOYBEANS | 0.72 | 1.55 | 0.83 | $30.50 | GULF |
| OCEAN FREIGHT | $47.50 | $26.50 | .53-.57 | $21.00 | JULY |

Currently there is only 1 corn vessel in the loading queue in the PNW and no soybean vessels. It's all wheat and SBM.

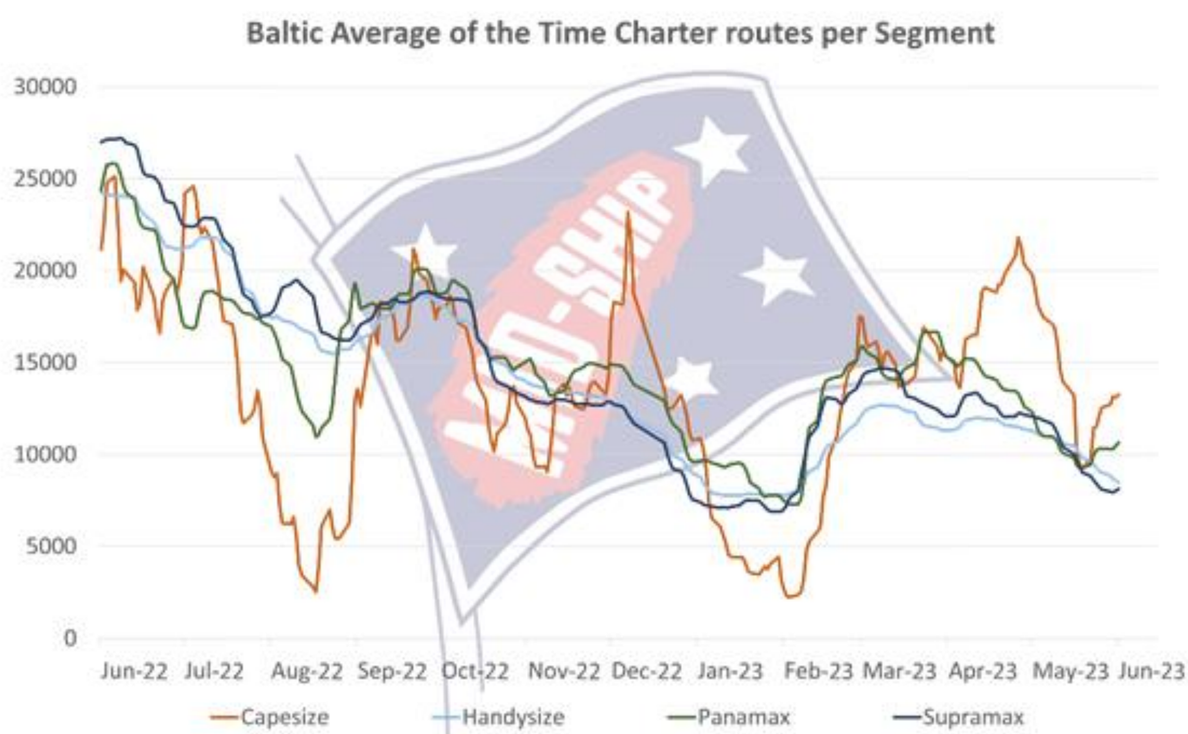
## Grain Vessel Market Indications:

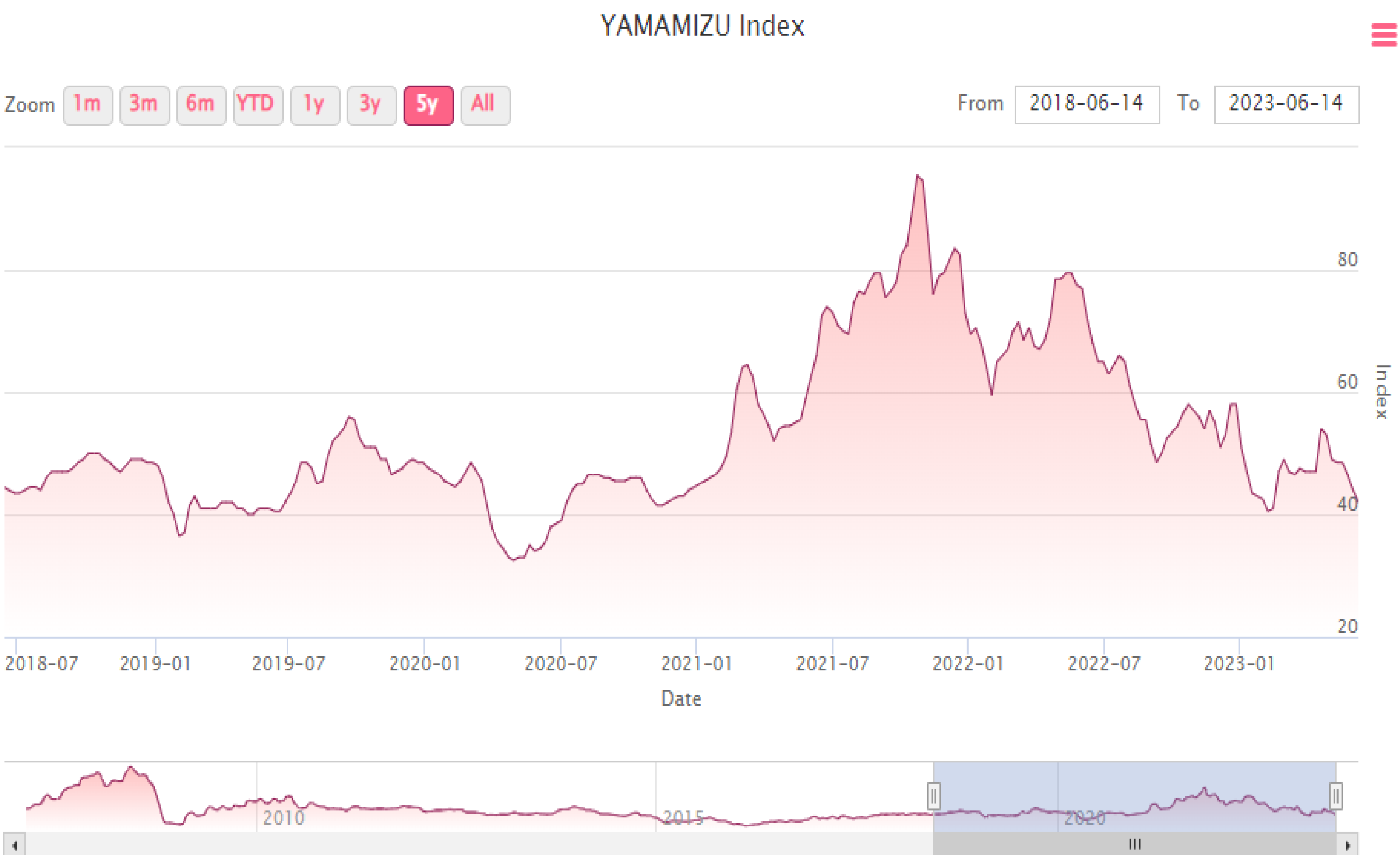
** Rates are estimates for the nearby-30-day period. 60-90 days forward physical rates will usually be higher.
Soybean Panamax USG to Spain is running $27.0 -$28.50/mt.
Soybean Brazil to Spain about $36.00 -$37.00/mt.

| Route and Vessel Size | Current Week USD/MT | Change from previous week | Remarks |
|---|---|---|---|
| 55,000 U.S. Gulf-Japan | $48.50 | Up $0.50 | Handymax $48.50 mt |
| 55,000 U.S. PNW- Japan | $27.00 | Up $0.50 | Handymax at $27.00 mt |
| 65,000 U.S. Gulf – China<br>PNW to China | $47.50<br>$26.50 | Up $0.50<br>Up $0.50 | North or South China |
| 25,000 U.S. Gulf- Veracruz, México | $22.00 | Up $0.25 | 3,000 MT daily discharge rate |
| 35-40,000 U.S. Gulf- Veracruz, México | $18.50 | Up $0.25 | Deep draft and 6,000 MT per day discharge rate. |
| 30-38,000 U.S. Gulf- Colombia<br>50,000 USG- E/C Colombia<br>East Coast Colombia<br>From Argentina | $27.25<br>$25.25<br><br>$35.25 | Up $0.25 | West Coast Colombia at $30.25 |
| 40-45,000 U.S. Gulf - Guatemala | $29.75 | Up $0.25 | Acajutla/Quetzal - 8,000 out |
| 30,000 US Gulf-Morocco | $31.50 | Up $0.50 | 5,000 discharge rate |
| 55-60,000 U.S. Gulf –Egypt<br>PNW to Egypt | $28.50<br>$29.50 | Up $0.50 | 55,000-60,000 mt Egypt<br>Romania - Russia- Ukraine<br>$16.00 -$17.50 - $49.00 - France $23.00, Bulgaria $16.00 |
| 58-74,000 U.S. Gulf – Europe – Rotterdam | $26.50 | Unchanged | Handymax at +$2.50 more |
| Brazil, Santos –China<br>Brazil, Santos –China<br>Up-River Port North Brazil | $38.00<br>$36.00<br>$42.00 | Up $0.50 | 54-59,000 Supramax-Panamax<br>60-66,000 Post Panamax<br>55-60,000 mt |
| 56-60,000 Argentina-China<br>Deep draft | $44.00 | Up $0.50 | Up-River with Top Off Plus $3.85-$4.75 |

## Baltic Dry Bulk Freight Index


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






China Import Dry Bulk Freight Index
2023-06-15

| Description | Volume | Cargo | Unit | Rate | Change |
|---|---|---|---|---|---|
| Composite Index | | | Point | 984.19 | 6.27 |
| Iron ore Freight Index | | | Point | 987.58 | 5.42 |
| Dampier(West Australia)-Qingdao (China) | 170000/10% | Iron ore | $/ton | 8.456 | -0.05 |
| Soybean Freight Index | | | Point | 1068.44 | 4.19 |
| Santos(Brazil)— North China | 66000/10% | Soybean | $/ton | 36.17 | 0.24 |
| Tacoma(West America)—North China | 63000/10% | Soybean | $/ton | 26.36 | 0.1 |
| Mississippi(US Gulf)—North China | 66000/10% | Soybean | $/ton | 47.53 | 0.02 |

## 15 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 = | 6.2325 |
| Max. 14.5% moisture | BASIS | FLAT PRICE | BASIS | FLAT PRICE | U = | 5.7000 |
| **July** | 0.54 | **$266.62** | 1.20 | **$292.60** | Z = | 5.7450 |
| **Aug.** | 1.01 | **$264.16** | 1.67 | **$290.14** | H = | 5.8225 |
| **Sept.** | 0.70 | **$251.95** | 1.40 | **$279.51** | K = | 5.8550 |
| **Oct.** | 0.79 | **$257.27** | 1.45 | **$283.25** | N = | 5.8500 |
| **Nov.** | 0.80 | **$257.66** | 1.45 | **$283.25** | | |
| **Dec.** | 0.85 | **$259.63** | 1.48 | **$284.43** | | |

PNW rail corn markets for July-August are extreamly 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. Very few corn vessels are being loaded out of the PNW.

**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 |
| **July** | 1.20 | **$292.60** |
| **Aug. (Z)** | 1.60 | **$289.16** |
| **Sept. (Z)** | 1.40 | **$281.28** |
| **Oct.** | 1.40 | **$281.28** |
| **Nov.** | 1.45 | **$283.25** |

**Fob vessel Texas Gulf #2 Sorghum is about 108 % the value of #2 Yellow Corn at NOLA.**

**SRW Wheat is now at 97% the value of Corn Fob the USG for July**

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

| SRW Wheat | USD/MT | Fob Vessel | US Gulf | |
|---|---|---|---|---|
| | **July** | **Aug.** | **Sept.** | **Oct.** |
| FOB U.S. GULF | $259.59 | $264.46 | $271.07 | $279.89 |
| Basis | 0.45 | 0.47 | 0.65 | 0.75 |
| WN | 6.6150 | | | |
| WU | 6.7275 | | | |
| WZ | 6.8675 | | | |

## 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 |
| **July** | 0.72 | **$551.24** | 1.55 | **$581.74** |
| **Aug. (X)** | 1.85 | **$542.79** | 2.70 | **$574.02** |
| **Oct.** | 1.00 | **$511.56** | 1.88 | **$543.89** |
| **Nov.** | 0.96 | **$510.09** | 1.81 | **$541.32** |
| **Dec.** | 0.94 | **$511.74** | 1.80 | **$540.95** |
| **Soybean Futures** | | | | |
| **July** | $ 14.2825 | | | |
| **Aug.** | $ 13.6850 | | | |
| **Sept.** | $ 13.0900 | | | |
| **Nov.** | $ 12.9225 | | | |
| **Jan.** | $ 12.9875 | | | |
| **Mar.** | $ 12.8750 | | | |

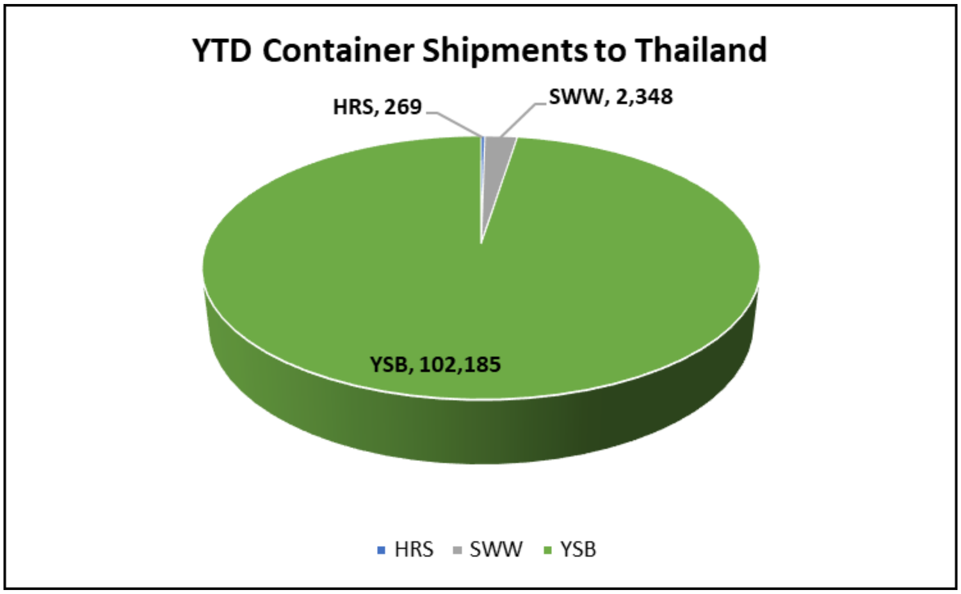
Soybean cargo demand at PNW ports is thin and rail delivery markets there are very difficult to accurately pinpoint. Currently, there are no soybean vessels in the PNW vessel lineup. Above Fob vessel values in the PNW are therefore based on best guesses off interior values.

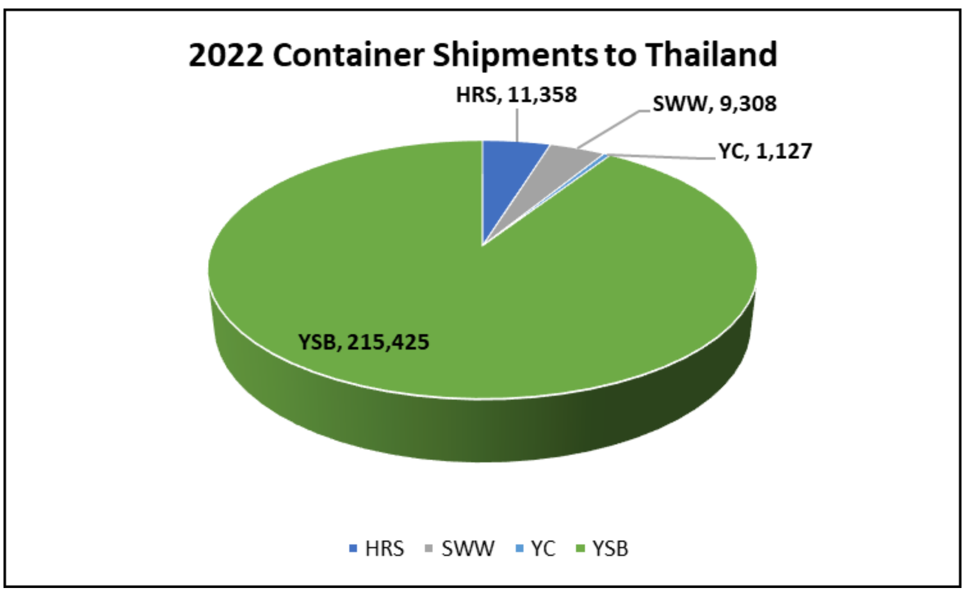
| U.S. SBM (USD/MT) FOB Vessel | | |
|---|---|---|
| Fob U.S. Gulf Port | 47.5 Pro. SBM | |
| max 12.5 % moisture | Basis | Flat Price |
| **July** | 24.00 | **$ 461.07** |
| **Aug.** | 30.00 | **$ 463.49** |
| **Oct.** | 43.00 | **$ 470.00** |
| **Nov.** | 40.00 | **$ 467.24** |
| **Dec.** | 40.00 | **$ 467.24** |
| **SBM Futures** | | |
| **SMN** | $ 394.20 | |
| **SMQ** | $ 390.40 | |
| **SMU** | $ 386.80 | |
| **SMV** | $ 383.30 | |
| **SMZ** | $ 383.80 | |
| **SMF** | $ 381.70 | |

**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).*

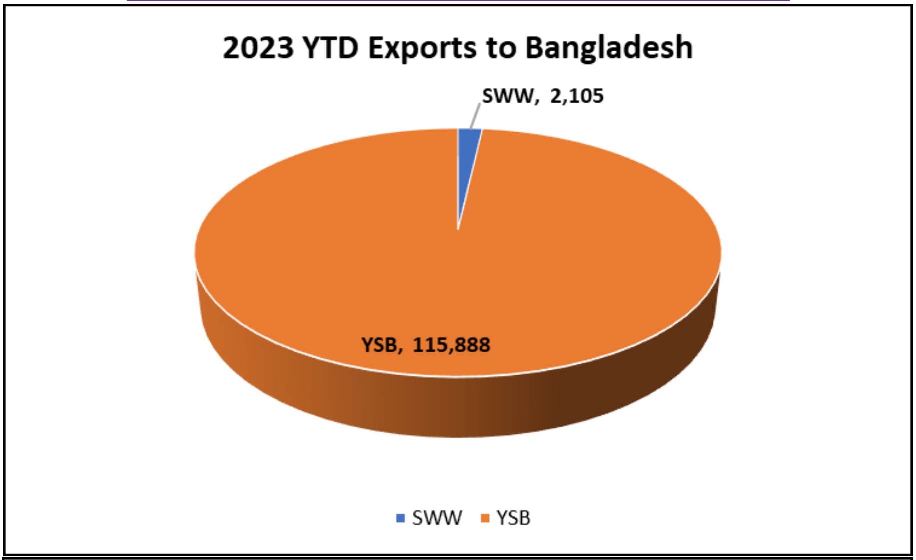
| CONTAINER SHIPMENTS of GRAIN | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| USDA Grain Inspections Report: | | | **8-Jun-2023** | | | | | | |
| | | | | | | | | | |
| Last Week | metric tons | | | | | | | | **MT** |
| | **YC** | **WC** | **YSB** | **SRW** | **NS** | **HRW** | **SWH** | **Sorghum** | **TOTAL** |
| China | | | 3,893 | | | | | | 3,893 |
| Taiwan | 4,796 | | 2,374 | | 245 | | | | 7,415 |
| Hong Kong | 441 | | | | | | | | 441 |
| Costa Rica | 49 | | | | | | | | 49 |
| Indonesia | | | 11,065 | | | | | | 11,065 |
| French Poly | | | | | | | | | 0 |
| Japan | | | 2,324 | | | | | | 2,324 |
| Korea Rep. | 783 | | 49 | | | | | | 832 |
| Dominicn Rep | | | | | | | | | 0 |
| Malaysia | 343 | | | | | | | | 343 |
| Netherlands | | | | | | | | | 0 |
| Philippines | 245 | | 1,053 | | | | | | 1,298 |
| Thailand | | | 1,125 | | | | | | 1,125 |
| Morocco | | | | | 49 | | | | 49 |
| Burma | | | | | | | | | 0 |
| Senegal | | | | | | | | | 0 |
| Cambodia | | | | | | | | | 0 |
| Vietnam | 465 | | 856 | | | | | | 1,321 |
| Sub Total: | **7,122** | **0** | **22,739** | **0** | **294** | **0** | **0** | **0** | **30,155** |
| | | | | | | | | | |
| USDA Corrections/Additions to previous reports: | | | | | | | | | |
| Taiwan | 416 | | 686 | | | | | | 1,102 |
| China | | | 587 | | | | | | 587 |
| Hong Kong | | | | | | | | | 0 |
| Korea Rep. | | | 416 | | | | | | 416 |
| Un Kingdom | | | | | | | | | 0 |
| Japan | | | 490 | | | | | | 490 |
| Philippines | | | | | | | | | 0 |
| Indonesia | | | 758 | | | | | | 758 |
| Malaysia | | | | | | | | | 0 |
| Thailand | | | 24 | | | | | | 24 |
| Vietnam | | | 367 | | | | | | 367 |
| Burma | | | | | | | | | 0 |
| Cambodia | | | | | | | | | 0 |
| Sub Total: | 416 | 0 | 3,328 | 0 | 0 | 0 | 0 | 0 | 3,744 |
| | | | | | | | | | |
| **Mt. Grand Total** | **7,538** | **0** | **26,067** | **0** | **294** | **0** | **0** | **0** | **33,899** |
| Number of Containers | 328 | 0 | 1,133 | 0 | 13 | 0 | 0 | 0 | |

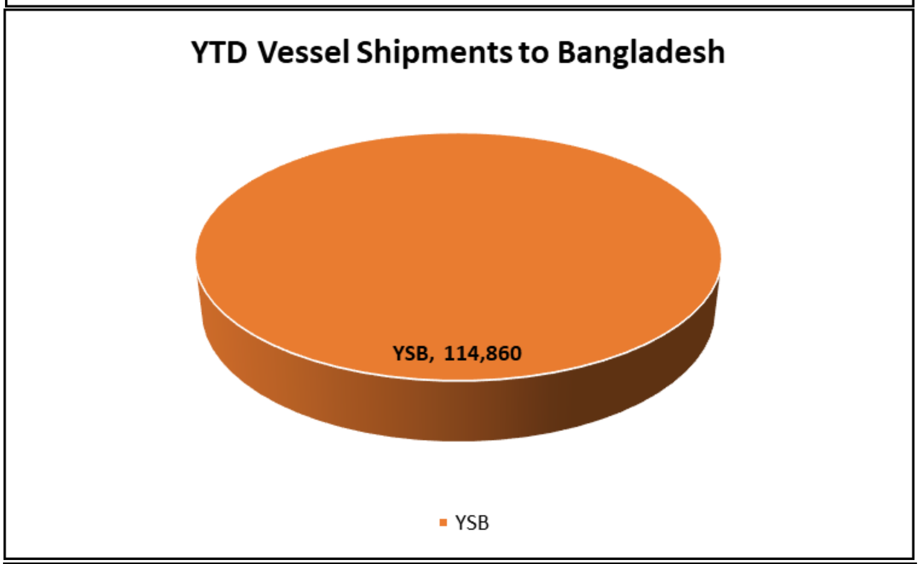
**2023 YTD Totals versus 2022 Annual Totals Container Shipments (in MT)**

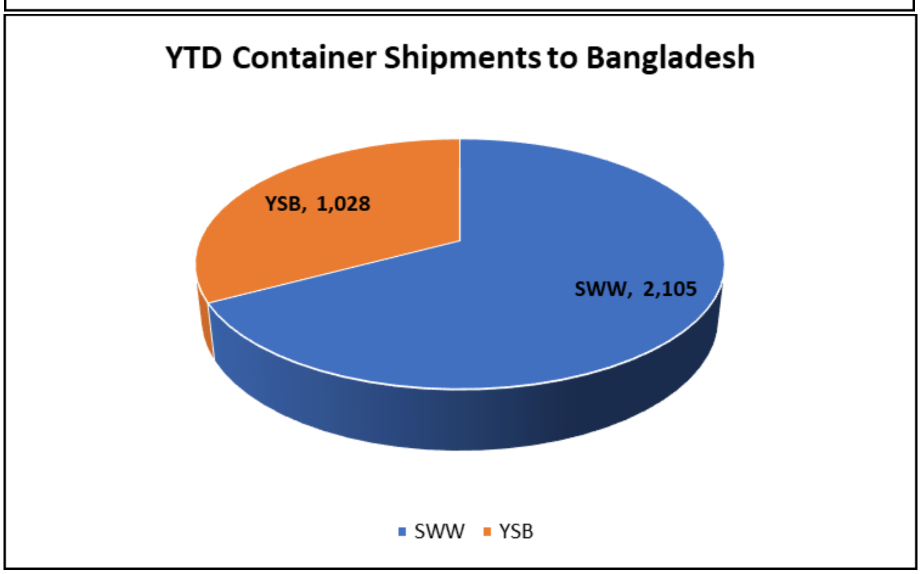


## 2023 YTD Grain Exports reported by USDA (in MT)



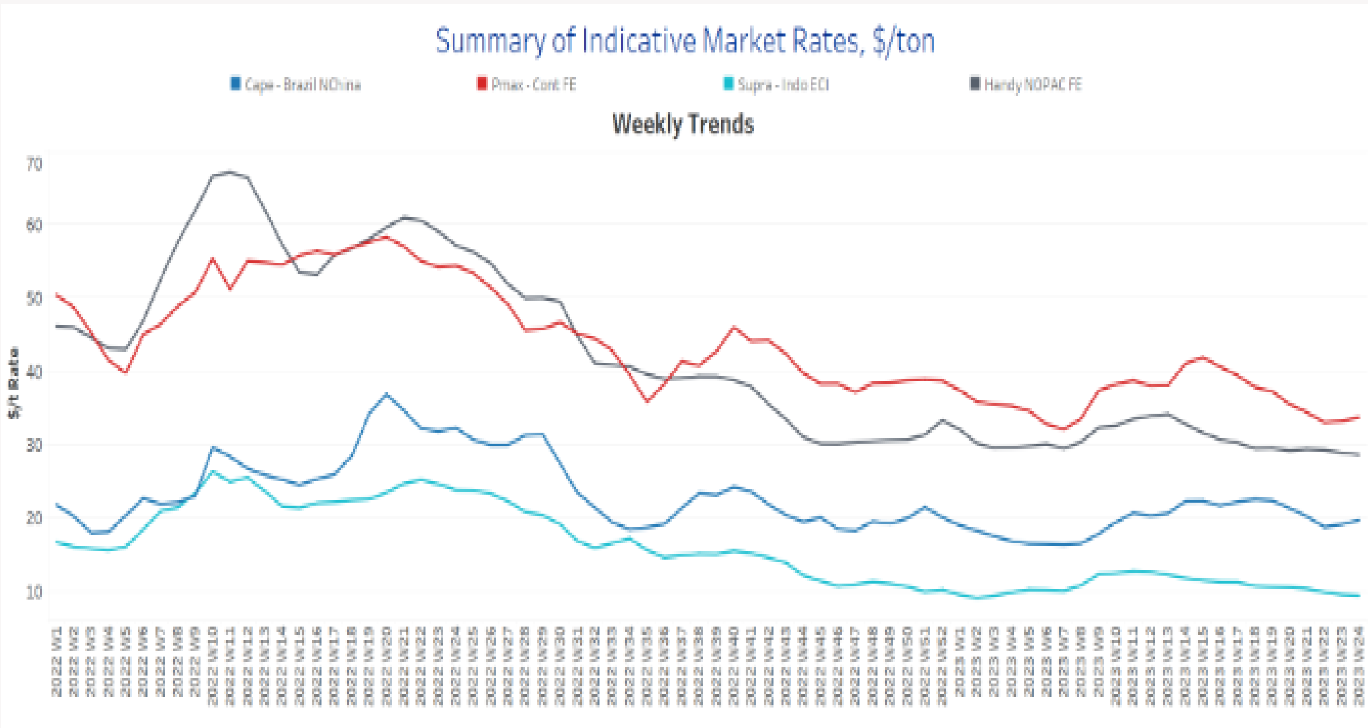




*Please keep in mind that USDA does not report DDGS sales

Source: USDA-data

## Shipping News

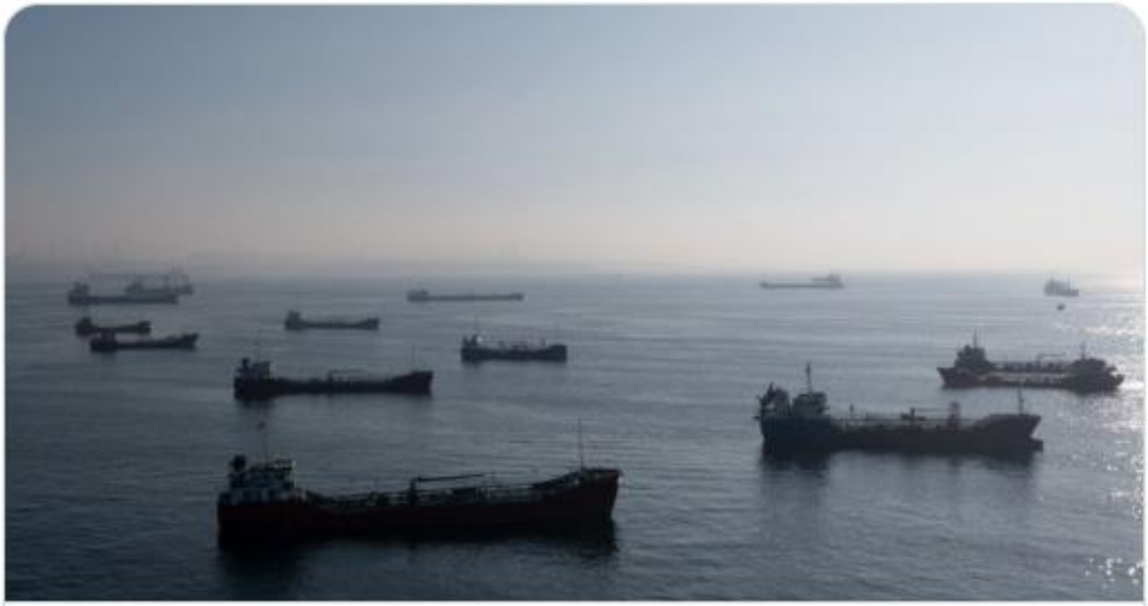
# Market Rates ($/t) Firmer



Ukraine-Black Sea Shipments

**Bloomberg Asia** @BloombergAsia · 2h

Russia is considering leaving the deal that allows Ukraine to ship grain exports from Black Sea ports, President Vladimir Putin says



bloomberg.com

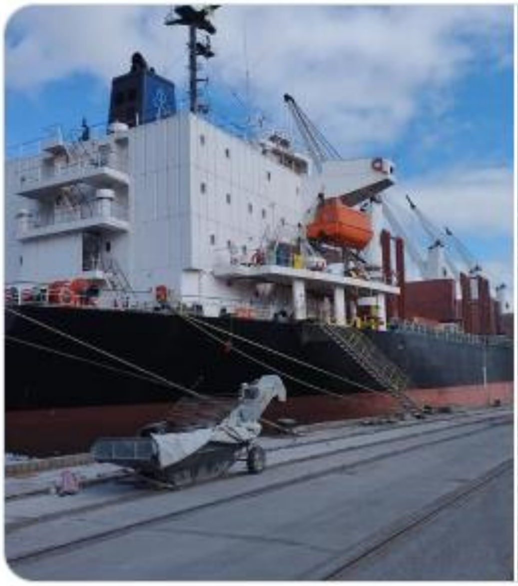
Russia Considering Quitting Ukraine Safe-Corridor Crop Deal, Putin S...

Russia is considering leaving the deal that allows Ukraine to ship grain exports from Black Sea ports, President Vladimir Putin said at a ...

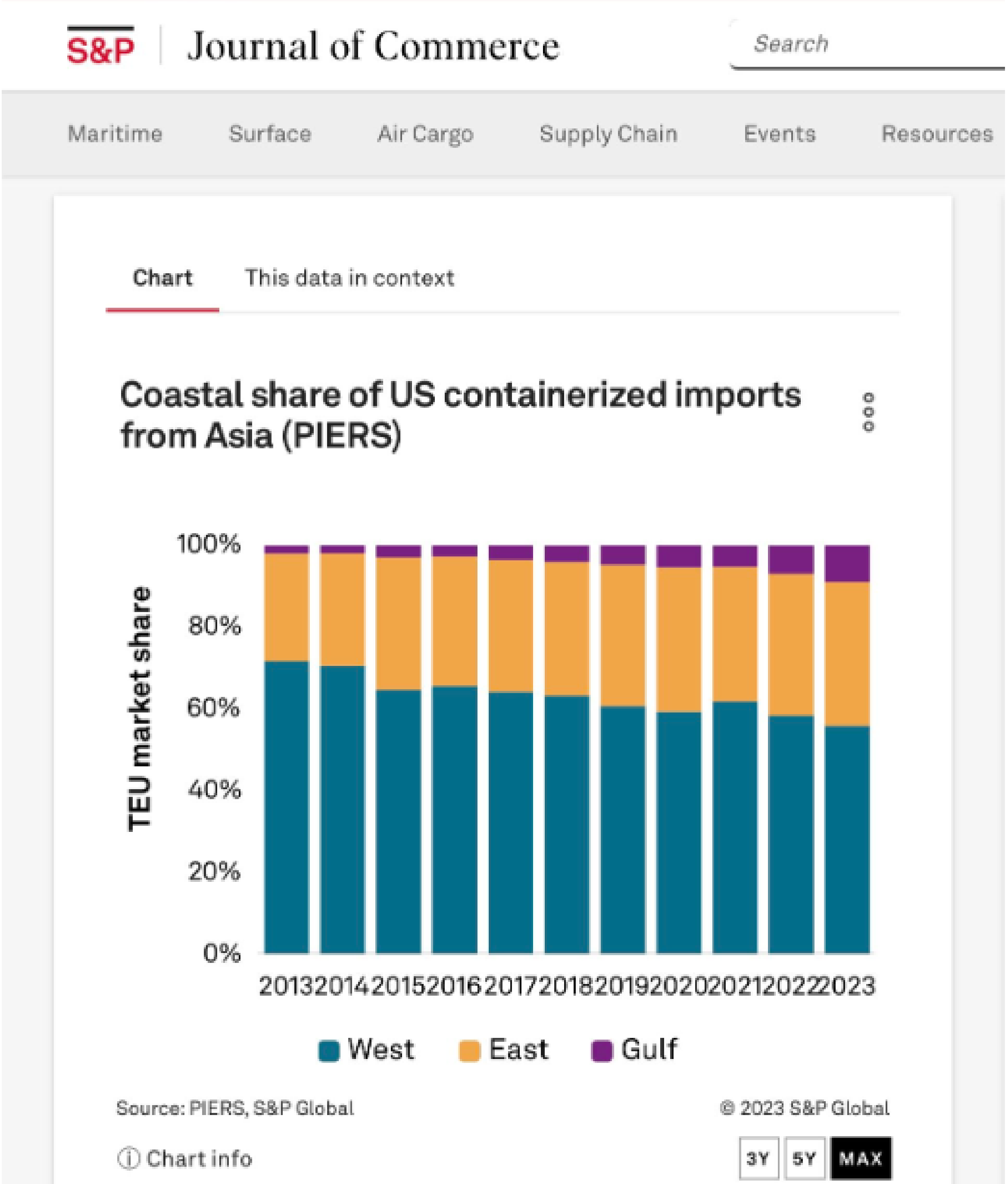
**Atria Brokers** @AtriaBrokers · 5h ···

🇺🇦🚢💪14 Jun-Largest vessel to date enters Ukraine's shallow water Danube port of Reni-@FastmarketsAG

🌽🇪🇬Blue Gate(☝ DWT 24 KMT) was nominated for 14 KMT corn to Egypt,as per Yuriy Melnykov from Ukraine-based company @AtriaBrokers ,who brokered deal
✉️chartering@atriabrokers.com



## U.S. Container Freight Markets



**FOR IMMEDIATE RELEASE**

## ILWU, PMA Announce West Coast Waterfront Contract

### *Acting Secretary of Labor Played Key Role*

SAN FRANCISCO (June 14, 2023) – The Pacific Maritime Association and the International Longshore and Warehouse Union today announced a tentative agreement on a new six-year contract covering workers at all 29 West Coast ports. The deal was reached with assistance from Acting U.S. Secretary of Labor Julie Su. The parties will not be releasing details of the agreement at this time. The agreement is subject to ratification by both parties.

"We are pleased to have reached an agreement that recognizes the heroic efforts and personal sacrifices of the ILWU workforce in keeping our ports operating," said PMA President James McKenna and ILWU President Willie Adams in a joint statement. "We are also pleased to turn our full attention back to the operation of the West Coast Ports."

# # #

**Drewry** @DrewryShipping · 5h

Drewry's World Container Index decreased by 5% to $1,592.25 per 40ft container this week, and is 79% lower than the same week in 2022. View our detailed assessment at: drewry.co.uk/supply-chain-a... #Drewry #WorldContainerIndex #containers #shipping #SupplyChain #OceanFreightRates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# US Rail News:

## Customer Station Bulletin

**CPKC announces 2023/24 new crop rate guidance for corn and soybeans effective October 1st 2023**

June 7th, 2023

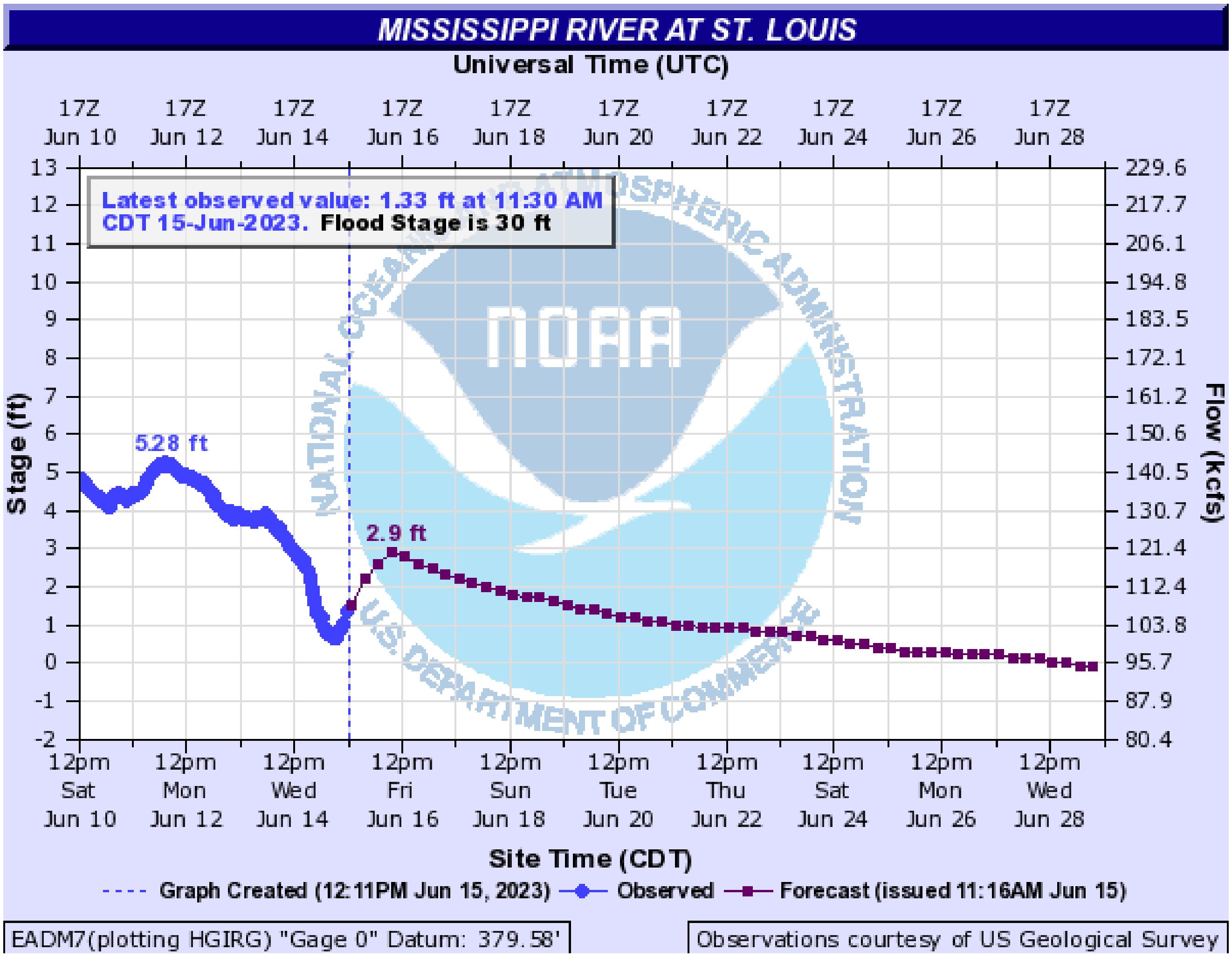
For the 2023/24 crop year, CPKC announces a $200USD per car increase on high-capacity U.S. corn and soybeans rates published in tariff CPRS 4444 to destinations in Oregon and Washington, and destinations in western Canada (AB, BC, MB and SK).

CPKC unit train rates from MN, ND, SD, and WI to domestic feed mills in AR, OK, LA, MS and TX will be held at the current rate with no change. Standard car size rate differentials will apply.

Rates will be posted to the Canadian Pacific Railway Tariff Publishing System web page prior to September 1, 2023.

For any questions, please contact your Account Manager.

# U.S. River Markets




Area Hydrograph

**Mary Kennedy** @MaryCKenn · 10h

REMINDER 👇

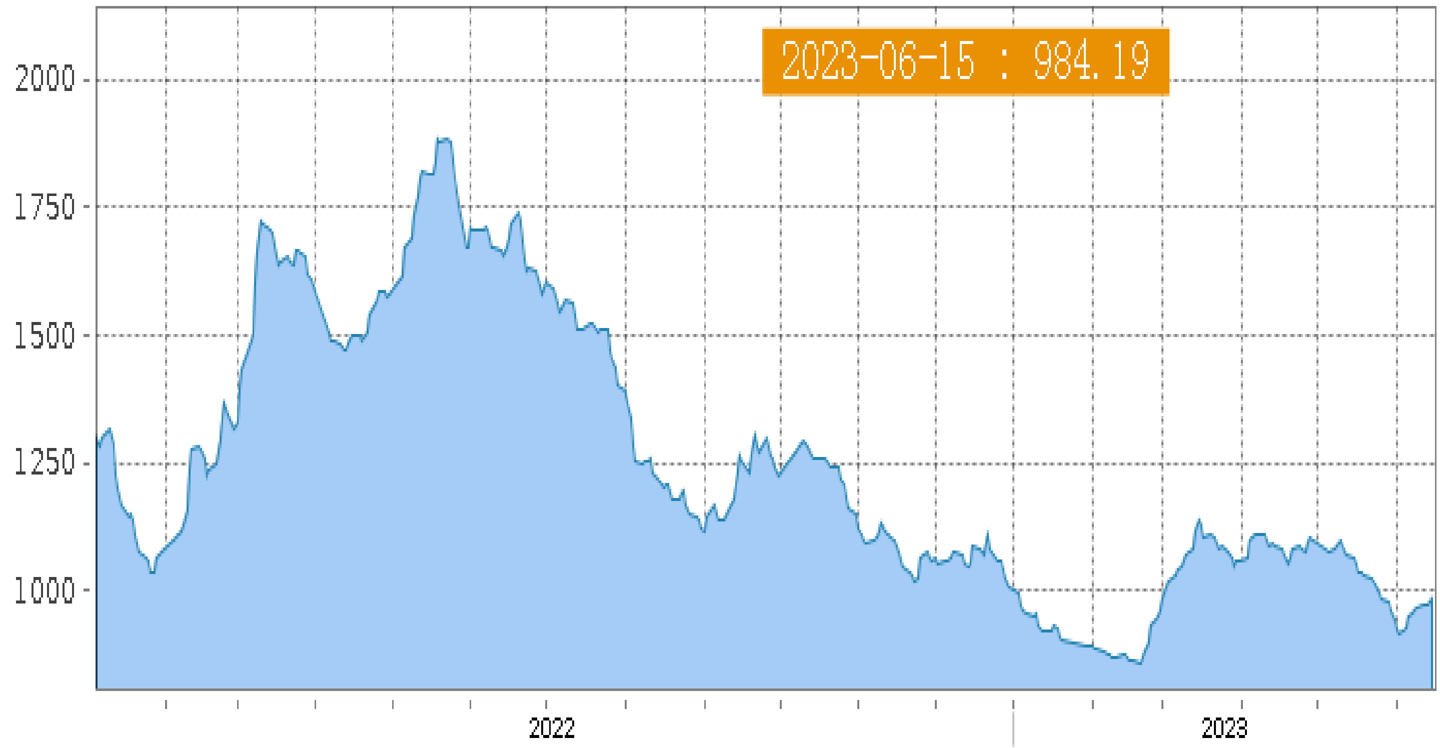
120-Day Lock Closures on Illinois River Start June 1


dtnpf.com

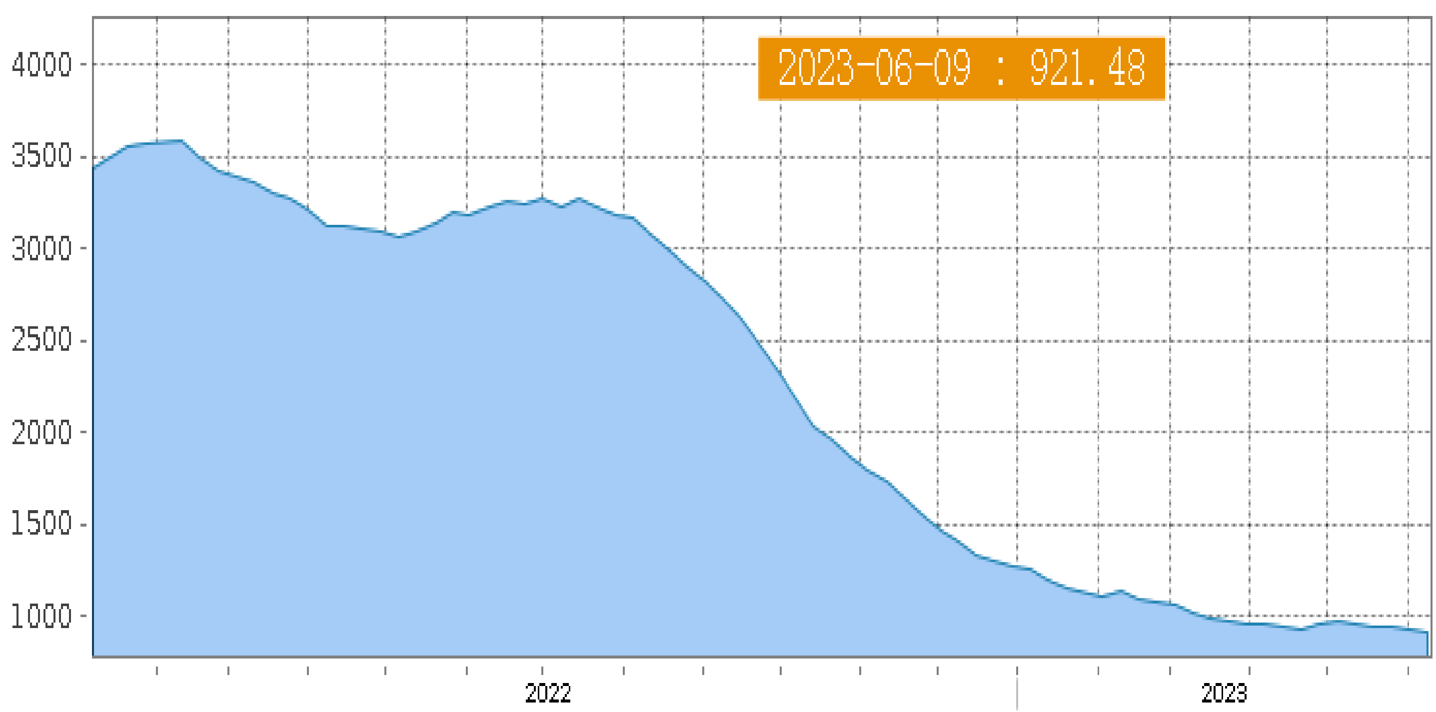
120-Day Lock Closures on Illinois River Start June 1

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: Fist Half July 2023

| Secondary Rail Car Market Placement FH July 2023 | BID USD | ASK USD | BID BU. | ASK BU. | BID MT | ASK MT |
|---|---|---|---|---|---|---|
| | | | | | | |
| BNSF Shutle Trains | $ (300) | $ (250) | $ (0.08) | $ (0.06) | $ (2.95) | $ (2.46) |
| UPRR Shuttle Trains | $ (450) | $ (350) | $ (0.11) | $ (0.09) | $ (4.43) | $ (3.44) |

### Barge Placement First Half July 2023

| Placement FH July 2023 | % of Tariff | MT | Corn BU | Soybeans-Wheat BU |
|---|---|---|---|---|
| Upper Mississippi | 375 | $ 25.59 | 0.65 | 0.70 |
| Illinois River (Pekin and South) | 285 | $ 19.45 | 0.49 | 0.53 |
| Mid-Mississippi | 315 | $ 15.49 | 0.39 | 0.42 |
| Lower Ohio | 285 | $ 14.01 | 0.36 | 0.38 |
| St. Louis | 250 | $ 11.00 | 0.28 | 0.30 |

Best Regards,

Jay

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