

Transportation and Export Report for 20 July 2023

Dry bulk markets went up \$0.50/mt last week and then down \$0.50/mt. this week. Last week's support quickly faded, and markets are back to steaming in circles. Freight markets are thin and lacking excitement. Until something changes/improves with the Chinese economy, this is the environment we are in. August and Q3 FFA Panamax markets are trading at \$8,300/day. Q4 slipped 900 points lower to \$9,750/day.

The Ukraine Black Sea Grain Corridor has been closed by Russia and Grain buyers are looking for alternative supply origins. This should add some tonne miles to some grain shipments.

The ILWU West Coast Canada port strike is both on, and off. Labor unions want to strike but the government says they need to provide 72 hours advance notice. The past mediated contract has been rejected.

The BALTIC DRY-BULK PANAMAX INDEX CHANGES

Panamax Ocean Freight Indices					
20-Jul-2023		This Week	Last Week	Difference	Percent Change
P2A: Gulf/Atlantic - HK-Korea	Index	16705	18773	-2,068	-11.0%
P3A: PNW/Pacific - RV Korea-Taiwan	Index	6804	7781	-977	-12.6%
S1C: US GULF-China-So.Japan	Index	14993	14768	225	1.5%
P7: Trial- Miss. River - Qingdao	per ton	45.38	46.99	-1.61	-3.4%
P8: Trial- Santos - Qingdao	per ton	33.51	35.63	-2.12	-6.0%

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

Four weeks ago:	\$7.95-\$8.00
Three weeks ago:	\$8.10-\$8.40
Two weeks ago:	\$7.85-\$7.95
One week ago:	\$7.90-\$8.05
This week	\$7.45-\$7.65

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)	0-1 days
Texas Gulf	(5 elevators)	0-4 days (2 facilities at zero days)
Pacific Northwest:	(9 elevators)	0-4 days (6 facilities at zero days)

Panamax Market Spreads to Asia -China					
20-Jul-2023	GULF	PNW	Bushel Spread	Tonne Spread	Advantage
CORN	0.76	1.62	0.86	\$33.86	GULF
SOYBEANS	0.95	1.87	0.92	\$33.80	GULF
OCEAN FREIGHT	\$45.00	\$25.00	.51-.54	\$20.00	August

Currently there are no Corn or Soybean vessels in the PNW loading queue. 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 \$25.00 - \$26.50/mt.

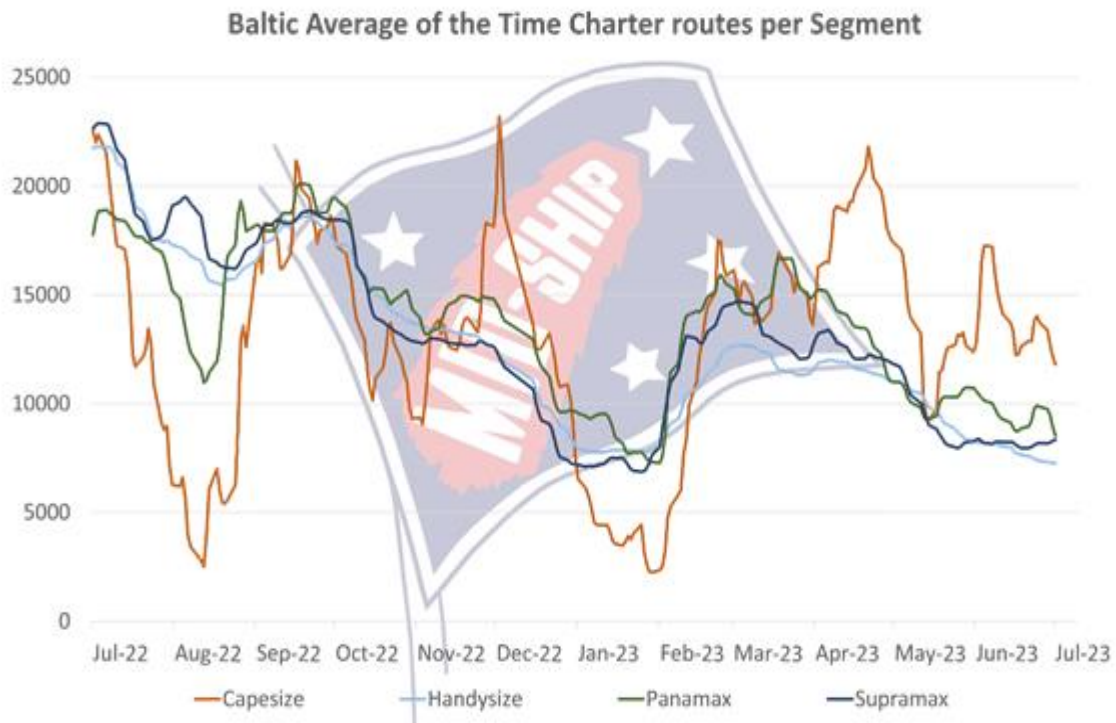
Soybean Brazil to Spain about \$34.00 - \$35.50/mt.

Route and Vessel Size	Current Week USD/MT	Change from previous week	Remarks
55,000 U.S. Gulf-Japan	\$46.50	Down \$0.75	Handymax \$46.50 mt
55,000 U.S. PNW- Japan	\$25.50	Down \$0.25	Handymax at \$25.50 mt
65,000 U.S. Gulf – China	\$45.00	Down \$0.50	North or South China
PNW to China	\$25.00	Down \$0.25	
25,000 U.S. Gulf- Veracruz, México	\$21.00	Down \$0.25	3,000 MT daily discharge rate
35-40,000 U.S. Gulf- Veracruz, México	\$18.00	Unchanged	Deep draft and 6,000 MT per day discharge rate.
30-38,000 U.S. Gulf- Colombia	\$26.00	Down \$0.25	<u>West Coast Colombia at \$29.00</u>
50,000 USG- E/C Colombia	\$24.00		
<u>East Coast Colombia</u> From Argentina	\$33.00		
40-45,000 U.S. Gulf - Guatemala	\$28.00	Down \$0.25	Acajutla/Quetzal - 8,000 out
30,000 US Gulf-Morocco	\$29.75	Down \$0.50	5,000 discharge rate
55-60,000 U.S. Gulf –Egypt	\$27.00	Down \$0.50	55,000-60,000 mt Egypt
PNW to Egypt	\$28.50		Romania - Russia- Ukraine \$16.00 - \$17.50 - \$49.00 - France \$23.00, Bulgaria \$16.00
58-74,000 U.S. Gulf – Europe – Rotterdam	\$24.50	Down \$0.50	Handymax at +\$2.50 more
Brazil, Santos –China	\$36.00	Down \$0.75	54-59,000 Supramax-Panamax
Brazil, Santos –China	\$34.00		60-66,000 Post Panamax
Up-River Port North Brazil	\$39.75		55-60,000 mt
56-60,000 Argentina-China	\$41.75	Down \$0.75	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

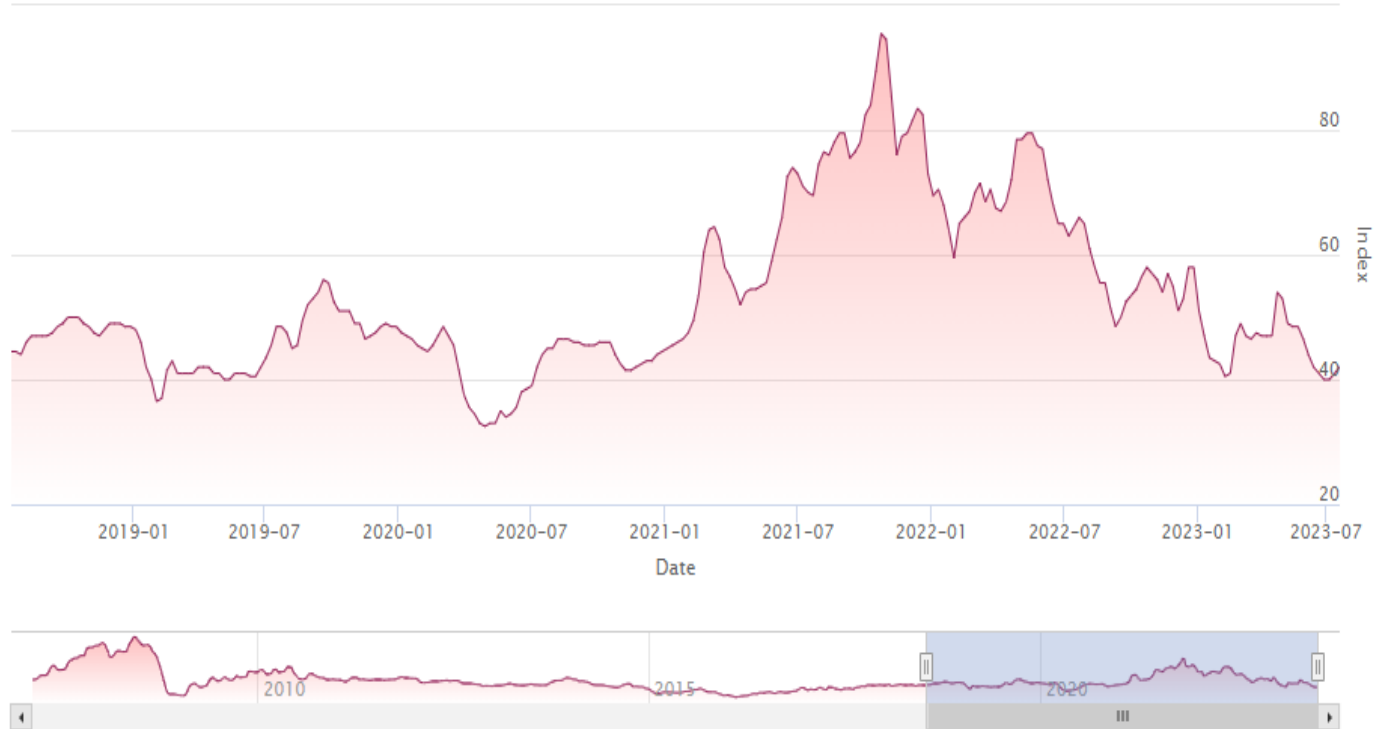


YAMAMIZU Index



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

From 2018-07-19 To 2023-07-19



China Import Dry Bulk Freight Index					
2023-07-20					
Description	Volume	Cargo	Unit	Rate	Change
Composite Index			Point	922.5	-10.35
Iron ore Freight Index			Point	905.89	-14.31
Dampier(West Australia)-Qingdao (China)	170000/10%	Iron ore	\$/ton	7.456	-0.181
Soybean Freight Index			Point	1009.07	-10.51
Santos(Brazil)— North China	66000/10%	Soybean	\$/ton	33.9	-0.5
Tacoma(West America)—North China	63000/10%	Soybean	\$/ton	25.11	-0.14
Mississippi(US Gulf)—North China	66000/10%	Soybean	\$/ton	45.21	-0.29

20 July 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		U =	5.3725
Max. 14.5% moisture	BASIS	FLAT PRICE	BASIS	FLAT PRICE	Z =	5.4625
Aug.	0.76	\$241.42	1.62	\$275.28	h =	5.5750
Sept.	0.75	\$241.03	1.61	\$274.89	K =	5.6375
Oct.	0.69	\$242.21	1.53	\$275.28	N =	5.6550
Nov.	0.78	\$245.75	1.60	\$278.04	U =	5.4000
Dec.	0.84	\$248.12	1.65	\$280.00		
Jan.	0.81	\$251.36	1.60	\$282.46		

There are currently no corn vessels the PNW export facility lineups. PNW rail corn markets for August-Sept. are extremely thin. Without export business, not even big rail road incentives to Exporters to promote movement west & negative rail car values, can encourage business. PNW Fob vessel values are therefore a pure 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
Aug. (Z)	1.55	\$276.07
Sept. (Z)	1.55	\$276.07
Oct.	1.50	\$274.10
Nov.	1.50	\$274.10
Dec.	1.55	\$276.07

Fob vessel Texas Gulf #2 Sorghum is about 114 % 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	
	Aug.	Sept.	Oct.	Nov.
FOB U.S. GULF	\$276.31	\$282.56	\$298.08	\$310.21
Basis	0.25	0.42	0.65	0.98
WU	7.2700			
WZ	7.4625			
WH	7.6050			

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
Aug.	0.95	\$584.22	1.87	\$618.02
Sept.	0.85	\$555.28	1.77	\$589.09
Oct.	0.90	\$549.22	1.75	\$580.45
Nov.	0.82	\$546.28	1.65	\$576.78
Dec.	0.80	\$547.66	1.60	\$577.05
Soybean Futures				
Aug.	\$ 14.9500			
Sept.	\$ 14.2625			
Nov.	\$ 14.0475			
Jan.	\$ 14.1050			
Mar.	\$ 13.9925			
May	\$ 13.9275			

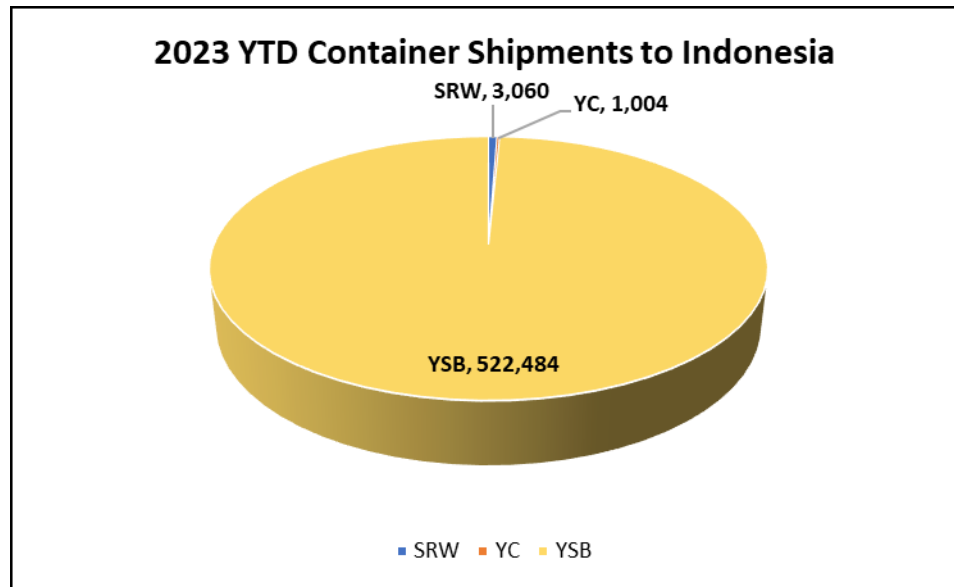
Currently, there are no soybean vessels in the PNW vessel lineup. Soybean cargo demand at PNW ports is therefore very thin and rail delivery markets there are difficult to accurately determine. Above Fob vessel values in the PNW are based on best guesses off interior values and spreads.

U.S. SBM (USD/MT) FOB Vessel		
Fob U.S. Gulf Port	47.5 Pro. SBM	
max 12.5 % moisture	Basis	Flat Price
Aug.	28.00	\$ 516.52
Sept.	38.00	\$ 511.12
Oct.	39.00	\$ 498.33
Nov.	39.00	\$ 495.68
Dec.	39.00	\$ 495.68
SBM Futures		
SMQ	\$ 440.50	
SMU	\$ 425.60	
SMV	\$ 413.00	
SMZ	\$ 410.60	
SMF	\$ 407.00	
SMF	\$ 399.20	

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).*

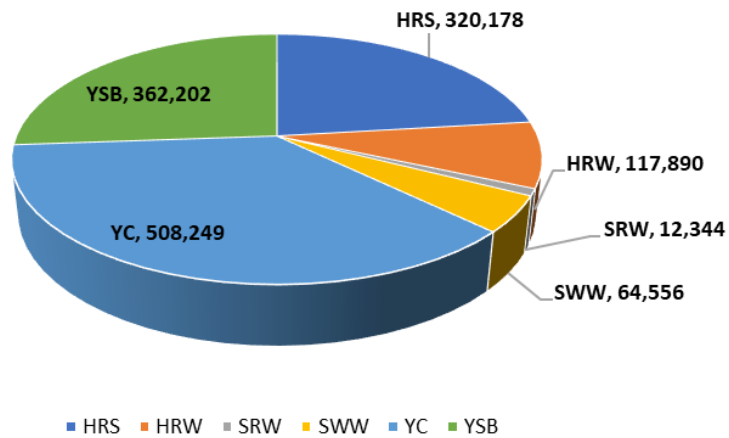
CONTAINER SHIPMENTS of GRAIN									
USDA Grain Inspections Report:		13-Jul-2023							
Last Week	metric tons								MT
	YC	WC	YSB	SRW	NS	HRW	SWH	Sorghum	TOTAL
China			1,175						1,175
Taiwan	1,225		1,053	1,493					3,771
Hong Kong	244								244
Costa Rica									0
Indonesia			15,180	1,959					17,139
French Poly									0
Japan			2,103						2,103
Korea Rep.	955								955
Dominicn Rep									0
Malaysia				171					171
Netherlands									0
Philippines			269						269
Thailand			98						98
Morocco									0
Burma									0
Spain									0
Cambodia									0
Vietnam			3,133						3,133
Sub Total:	2,424	0	23,011	3,623	0	0	0	0	29,058
USDA Corrections/Additions to previous reports:									
Taiwan	514								514
China			784						784
Hong Kong									0
Korea Rep.			24						24
Un Kingdom									0
Japan			832						832
Philippines									0
Indonesia			612						612
Malaysia									0
Thailand									0
Vietnam			367		563				930
Burma									0
Cambodia									0
Sub Total:	514	0	2,619	0	563	0	0	0	3,696
Mt. Grand Total	2,938	0	25,630	3,623	563	0	0	0	32,754
Number of Containers	128	0	1,114	158	24	0	0	0	

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

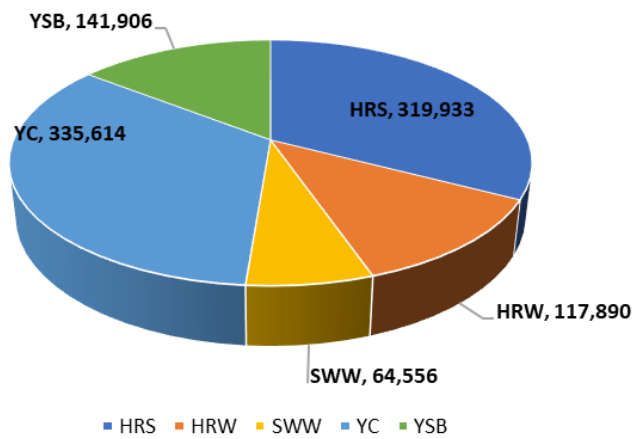


2023 YTD Grain Exports reported by USDA (in MT)

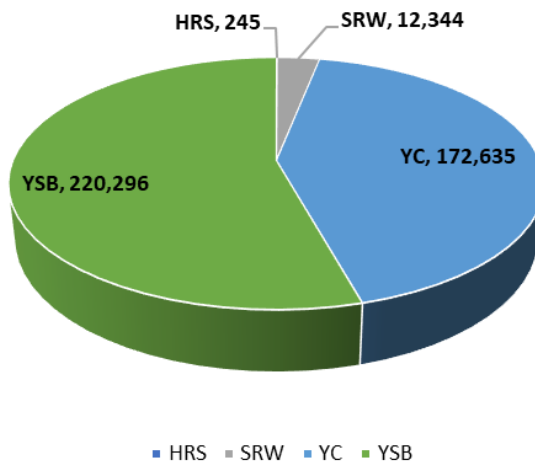
2023 YTD Exports to Taiwan



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

Lloyd's List @LloydsList · Jul 12

...

Is it the right time for consolidation in **dry bulk shipping**?



lloydslist.maritimeintelligence.informa.com

Is it the right time for consolidation in dry bulk shipping?

In theory it makes sense to buy into companies as share prices are trading below net asset values, but personality clashes and different ...

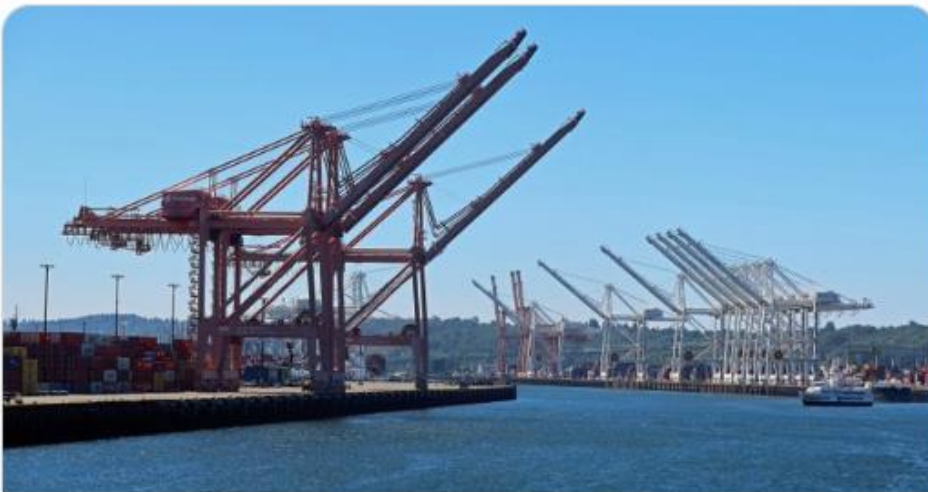
BreakWave  @DryBulkETF · 6h

...

After a raft of disappointing economic data and an increasing risk of deflation, reports yesterday suggested that the Chinese government is preparing more measures to support the world's second-largest

[#economy](#).

[#shipping](#) [#China](#)



breakwaveadvisors.com

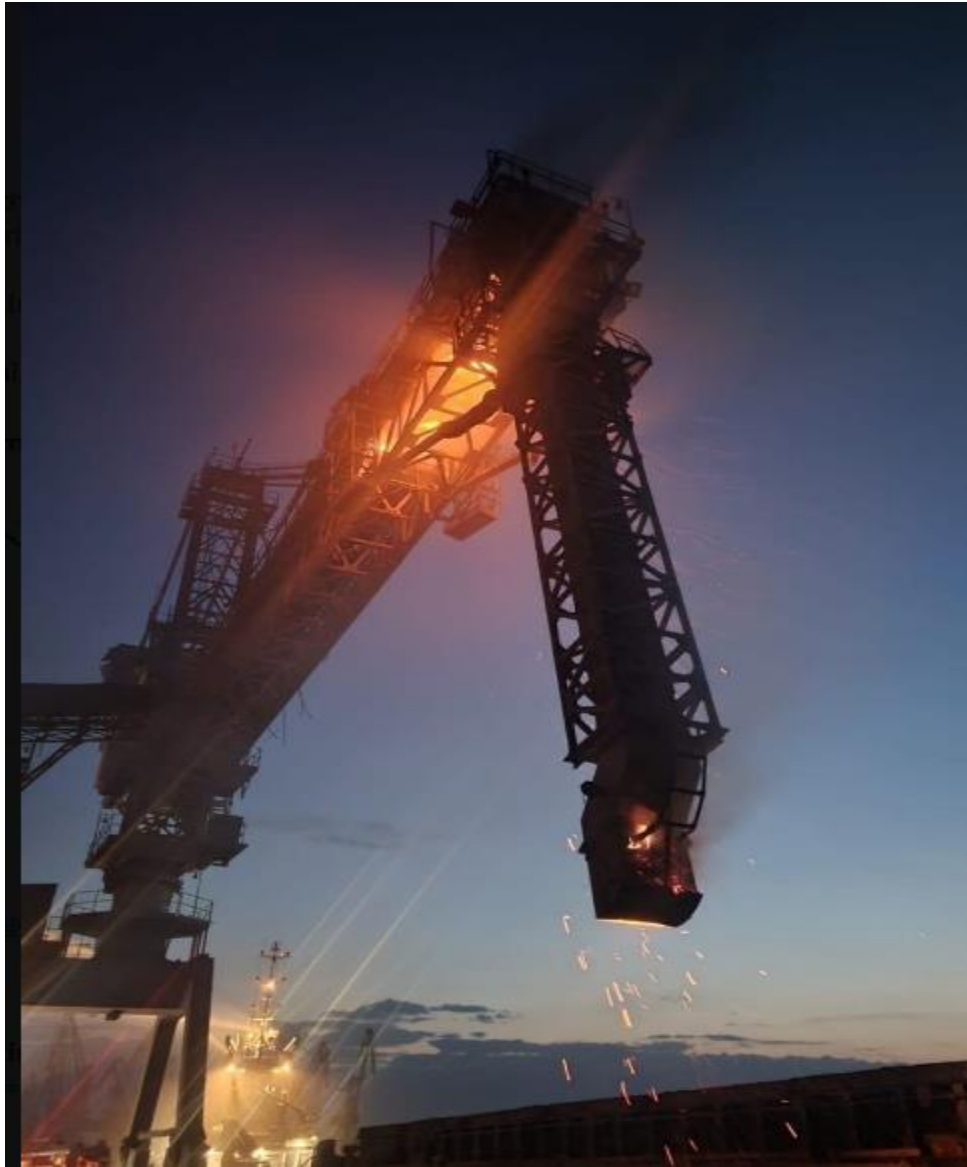
Shipfix-Global Market Update — Breakwave Advisors

Macro/Geopolitics, Commodity Markets, Freight and Bunker Markets

Ukraine-Black Sea Shipments

Port of Odessa





Mike Lee @GreenSquareAC · 12h

...

BSGI update.

- Odesa attacked second night in a row, grain infrastructure damaged.
- Russia said UN has three months to implement terms that would facilitate Russian ag exports if it wanted Moscow to resume talks about allowing Ukrainian exports to restart.



! russia continues to cause global terror even after withdrawing from the Grain Initiative. On the night of July 19, russia carried out targeted air attacks on grain terminals in the ports of Odesa and Chornomorsk.

As a result, the grain infrastructure belonging to International and Ukrainian traders and carriers Kernel, Viterro, and the CMA CGM Group suffered damage.

The previous night, the infrastructure related to the grain corridor was targeted and the reservoirs and berths at the port of Odesa were damaged as a result of the attack.

19/07/2023 by Ministry of defence of Russian Federation

In connection with the termination of the "Black Sea Initiative" and the curtailment of the marine humanitarian corridor, from 00.00 Moscow time on July 20, 2023, all vessels travelling in the Black Sea to Ukrainian ports will be considered as potential carriers of military goods.

- * Accordingly, the flag countries of such vessels will be considered involved in the Ukrainian conflict on the side of the Kiev regime.

- In addition, a number of marine areas in the northwestern and south-eastern parts of the international Black Sea waters have been declared temporarily hazardous to navigation. Relevant information warnings on the withdrawal of safety guarantees to seafarers have been issued in accordance with the established procedure.

Mike Lee @GreenSquareAC · 5h

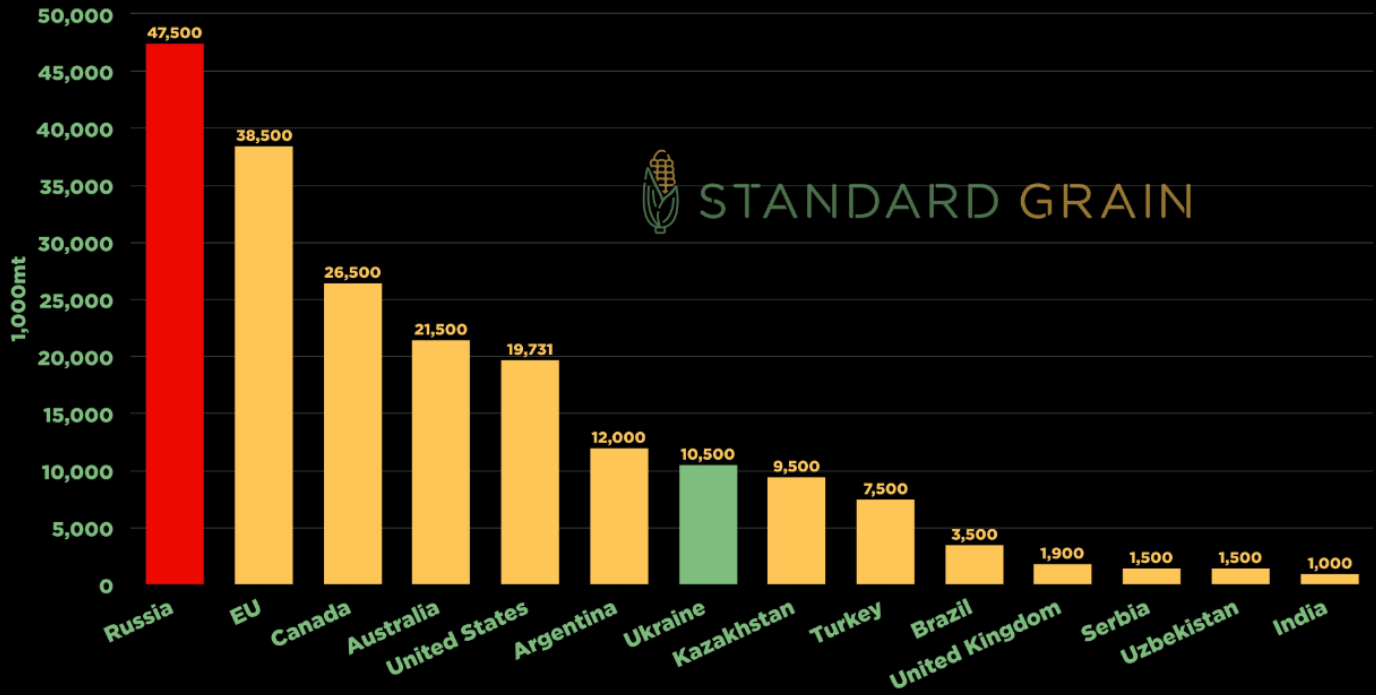
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Ag ministers of Poland, Slovakia, Hungary, Romania and Bulgaria signed a declaration to extend their ban on Ukrainian grain imports beyond 15 Sept deadline.

They support allowing Ukraine's grain to transit their countries but need to keep the import ban to protect their farmers.



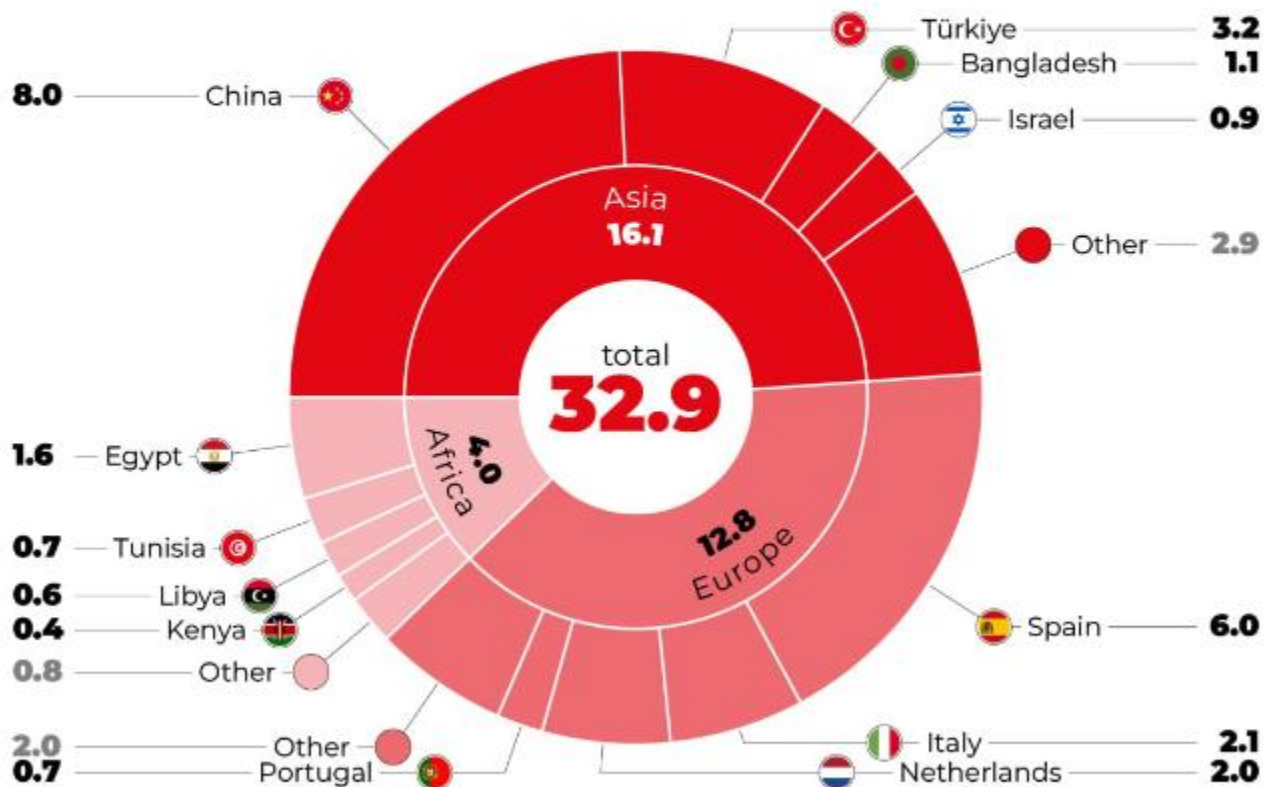
Top Global Wheat Exporters, 23/24 USDA Proj.



CHINA IS THE LARGEST IMPORTER UNDER THE GRAIN DEAL

TOP
LEAD

Grain initiative exports by country, mln tons



Source: UN Office for the Coordination of Humanitarian Affairs. Data as of July 15, 2023.

 t.me/uawarininfographics

U.S. Container Freight Markets

CANADA Port Strike Back On.



INTERNATIONAL LONGSHORE & WAREHOUSE UNION CANADA

180 – 111 Victoria Drive Vancouver, BC V5L 4C4 • Tel: 604-254-8141 • Fax: 604-254-8183 • E-mail: officers@ilwu.ca

July 18, 2023

NEWS RELEASE

The ILWU Canada Longshore Caucus has voted down the Mediators Recommended Terms of Settlement.

The ILWU Canada Longshore Caucus does not believe the recommendations had the ability to protect our jobs now or into the future.

Our position since day one has been to protect our jurisdiction and this position has not changed.

With the record profits that the BCMEA's member companies have earned over the last few years the employers have not addressed the cost of living issues that our workers have faced over the last couple of years as all workers have.

The term of the collective agreement that was given with today's uncertain times, is far too long. We must be able to readdress the uncertainty in the world's financial markets for our members.

On July 18, 2023, as of 16:30 the ILWU Canada Longshore Division will be back on the picket line for a fair and negotiated collective agreement.

Rob Ashton
President – ILWU Canada

Tom Craig @LTDManagement · 5h

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Canada's Pacific dock workers ordered by labor watchdog to end [#port](#) strike. [#ILWU](#) did not provide required 72 hour notice. In the Era of [#SupplyChain](#) Disruption. [#logistics](#) [#maritime](#) [#trade](#) [#export](#) [#import](#)



reuters.com

Canada gov't 'running out of patience' with Pacific dock workers' strike
Canada's Transport Minister Omar Alghabra on Wednesday said he was running out of patience with striking Pacific dock workers when ...

There is a fair and balanced deal on the table that was presented by a third-party mediator, that is reflective of both the employer and the union's positions over five months of negotiations and mediation. This deal would allow ILWU workers to receive a compounded 19.2% wage increase over four years which would result in the median ILWU income moving from \$136,000 to \$162,000, not including benefits and pension. The proposed wage increase is well and above industry average standards and yet, ILWU Leadership deemed it not enough.

The proposed deal also provides an 18.5% increase in their M&M retirement lump sum payment in addition to their enhanced pension, increased tool allowances and benefits contributions.

BCMEA employer members are proud to provide well-paying family-supporting jobs for B.C. longshore workers. Over the course of the past 13 years, longshore wages have risen by 40%, ahead of inflation at 30%. ILWU Canada member wages have increased by approximately 10% in the past three years since the COVID-19 pandemic began.

Drewry - Port Throughput Indices Update - Port Throughput Indices

@DrewryShipping

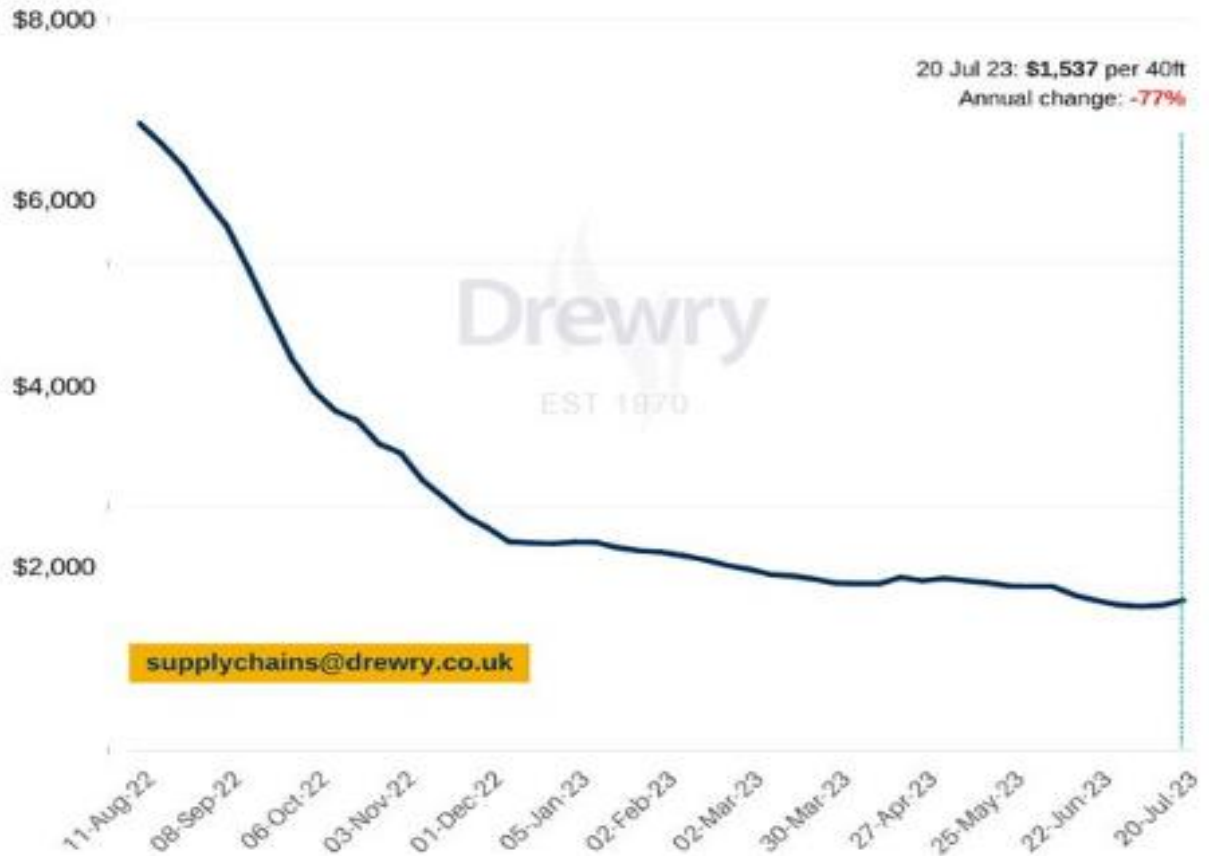
* Note that the index figure for Africa is based on a relatively small sample, and so should be viewed with caution

Index figures for May 2023 are based on partial data; figures for June 2023 are nowcast estimates based on AIS data; data for both periods are subject to subsequent revision

Index	May 22	Apr 22	May 23	Jun 23 (estimated)	May 23 vs Apr 22(%)	May 23 vs May 22 (%)	Jun 23 vs May 23(%)
Global	109.1	108.0	107.4	108.4	-0.5% ▼	-1.6% ▼	0.9% ▲
Greater China	108.1	111.5	111.7		0.2% ▲	3.4% ▲	
Asia (excl. China)	105.0	107.2	106.0		-1.1% ▼	0.9% ▲	
Middle East & South Asia	107.0	113.3	110.5	For regional nowcast index updates subscribe to Drewry's Ports and Terminals Insight	-2.4% ▼	3.3% ▲	For regional nowcast index updates subscribe to Drewry's Ports and Terminals Insight
Europe	107.5	100.4	98.8		-1.6% ▼	-8.1% ▼	
North America	120.5	99.5	101.5		2.0% ▲	-15.8% ▼	
Latin America	126.4	123.0	120.6		-1.9% ▼	-4.5% ▼	
Africa *	100.4	104.1	103.0		-1.0% ▼	2.6% ▲	
Oceania	104.1	97.8	99.8		2.0% ▲	-4.2% ▼	

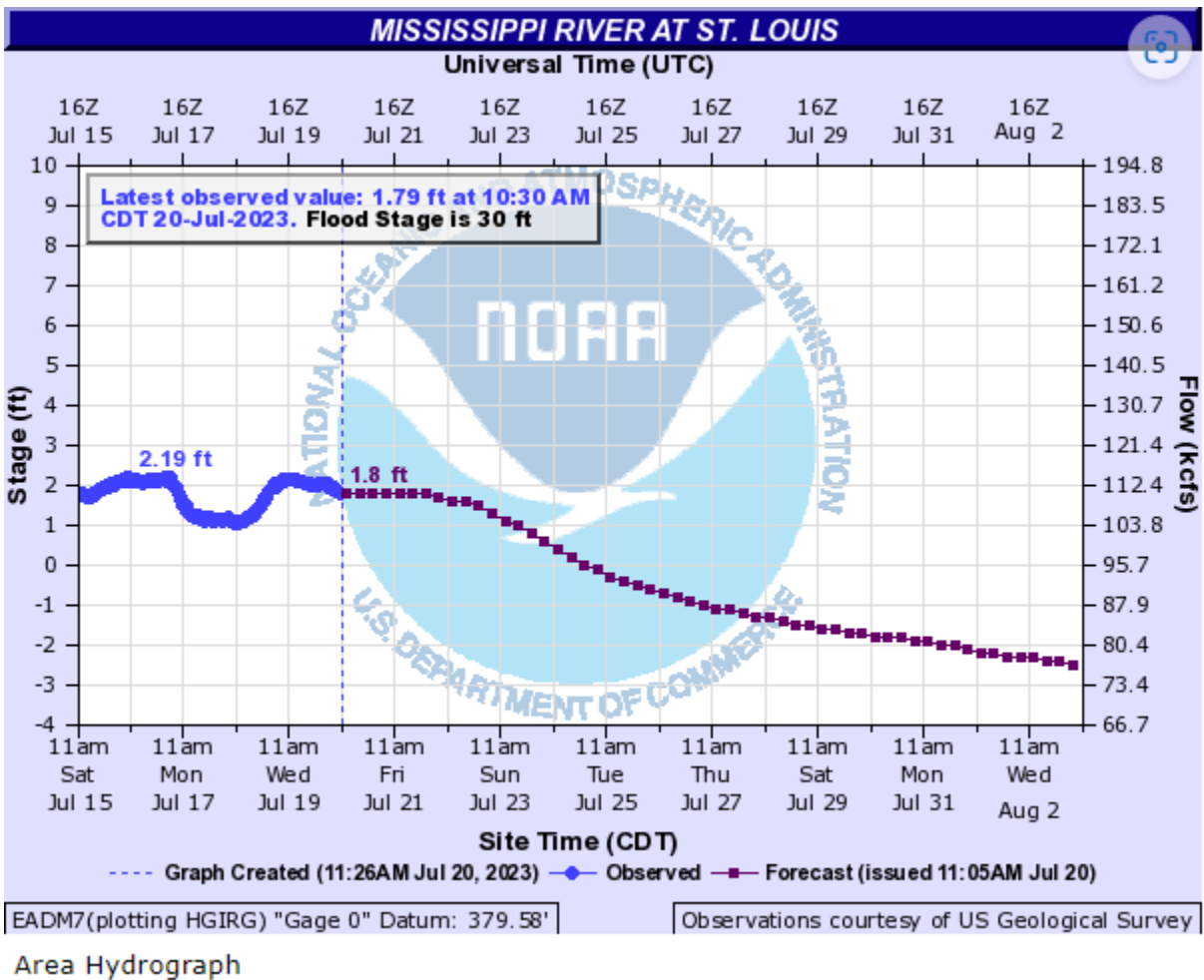
World Container Index - 20 Jul 2023

Assessed by Drewry \$ per 40ft container



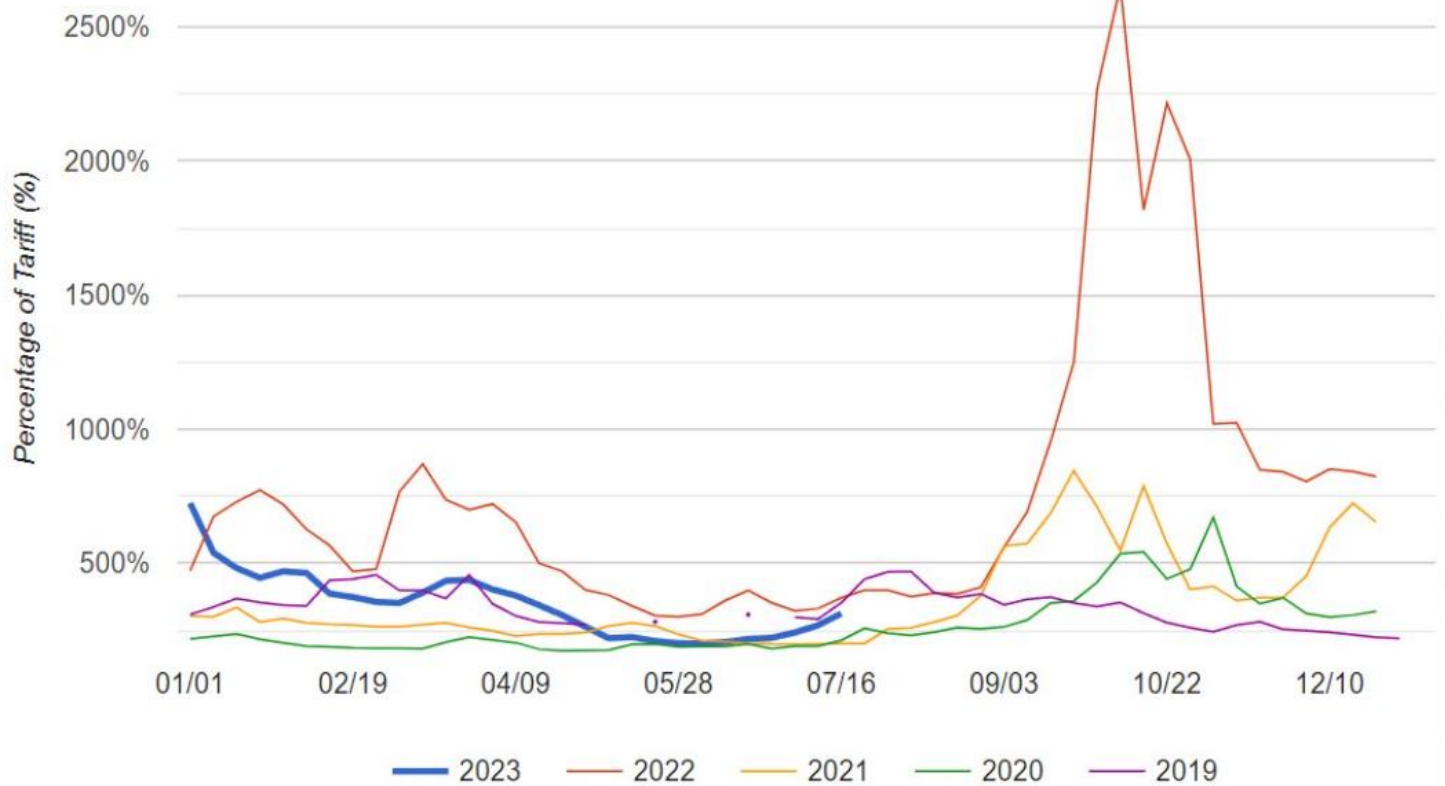
US Rail News:

U.S. River Markets



US Barge Freight at St. Louis

Tariff Seasonality - As of 2023-07-18



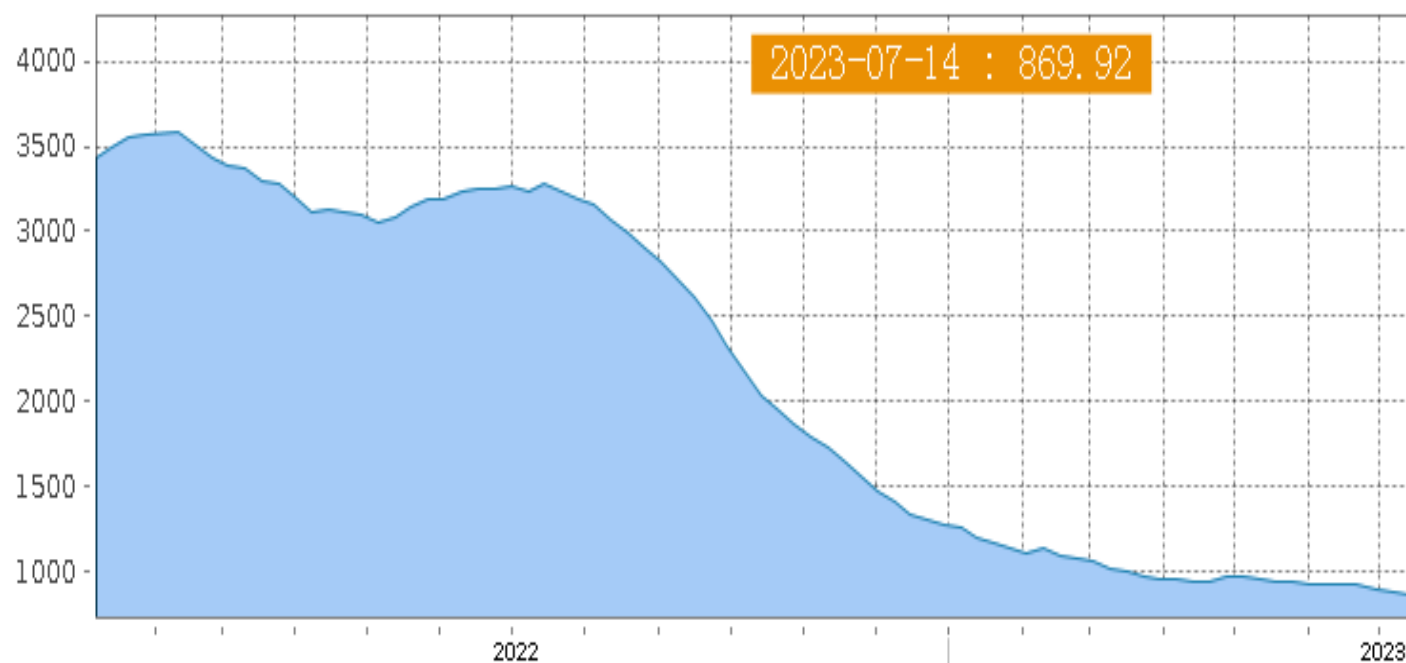
Source: USDA AMS

GrainStats.com

China Import Dry Bulk Freight Index



China Containerized Freight Index



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

Secondary Rail Car Market Placement LH August 2023	BID USD	ASK USD	BID BU.	ASK BU.	BID MT	ASK MT
BNSF Shuttle Trains	\$ (150)	\$ -	\$ (0.04)	\$ -	\$ (1.48)	\$ -
UPRR Shuttle Trains	\$ (150)	\$ -	\$ (0.04)	\$ -	\$ (1.48)	\$ -

Barge Placement Last Half August 2023

Placement LH August 2023	% of		Corn	Soybeans-Wheat
	Tariff	MT	BU	BU
Upper Mississippi	475	\$ 32.41	0.82	0.88
Illinois River (Pekin and South)	475	\$ 32.41	0.82	0.88
Mid-Mississippi	465	\$ 22.86	0.58	0.62
Lower Ohio	450	\$ 22.12	0.56	0.60
St. Louis	425	\$ 18.69	0.47	0.51

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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