HJ O'NEIL COMMODITY CONSULTING

Transportation and Export Report for 6 July 2023

I feel a bit like the traffic policeman who tells the crowd to "move along, nothing to see here." Dry Bulk markets are much the same situation. There has not been an increase in Chinese cargo demand and therefore no excitement in Dry Bulk freight markets. Every attempt to rally higher continues to be met by selling pressure. This week was no exception and markets set back on a lack of buying support. July FFA Panamax markets dropped from $9,000/day to $7,750/day. Q3 is now at $8,750/day and Q4 at $10,400/day. It may look like a carry market, but this is mostly optimism and pure hope on the part of vessel owners, with desperation showing in the spot and 30-day markets. Nothing bullish visible on the horizon. Container markets are not looking any more exciting or optimistic.
ILWU Canada did instigate a West Coast Canada port work stoppage on July 1.
Associated Branch Bar Pilots advised they will resume their 50FT Draft Recommendation for NOLA-Southwest Pass Effective 1000 HRS July 6th, 2023.

The BALTIC DRY-BULK PANAMAX INDEX CHANGES

Panamax Ocean Freight Indices					
6-Jul-2023		This Week	Last Week	Difference	Percent Change
P2A: Gulf/Atlantic - HK-Korea	Index	16527	16809	-282	-1.7%
P3A: PNW/Pacific - RV Korea-Taiwan	Index	8134	9292	-1,158	-12.5%
S1C: US GULF-China-So.Japan	Index	13429	13375	54	0.4%
P7: Trial- Miss. River - Qingdao	per ton	45.40	45.20	0.20	0.4%
P8: Trial- Santos - Qingdao	per ton	33.71	34.85	-1.14	-3.3%

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

Four weeks ago:	$8.20-$8.52
Three weeks ago:	$8.45-$8.50
Two weeks ago:	$7.95-$8.00
One week ago:	$8.10-$8.40
This week	$7.85-$7.95

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

Mississippi River:	(9 elevators)	1-5 days
Mid-Stream loaders:	(6+ Rigs)	0-1 days
Texas Gulf	(5 elevators)	0-2 days (4 facilities at zero days.)
Pacific Northwest:	(9 elevators)	0-3 days (4 facilities at zero days)

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

Panamax Market Spreads to Asia -China					
6-Jul-2023	GULF	PNW	Bushel Spread	Tonne Spread	Advantage
CORN	0.65	1.50	0.85	$33.46	GULF
SOYBEANS	1.35	2.25	0.90	$33.07	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.

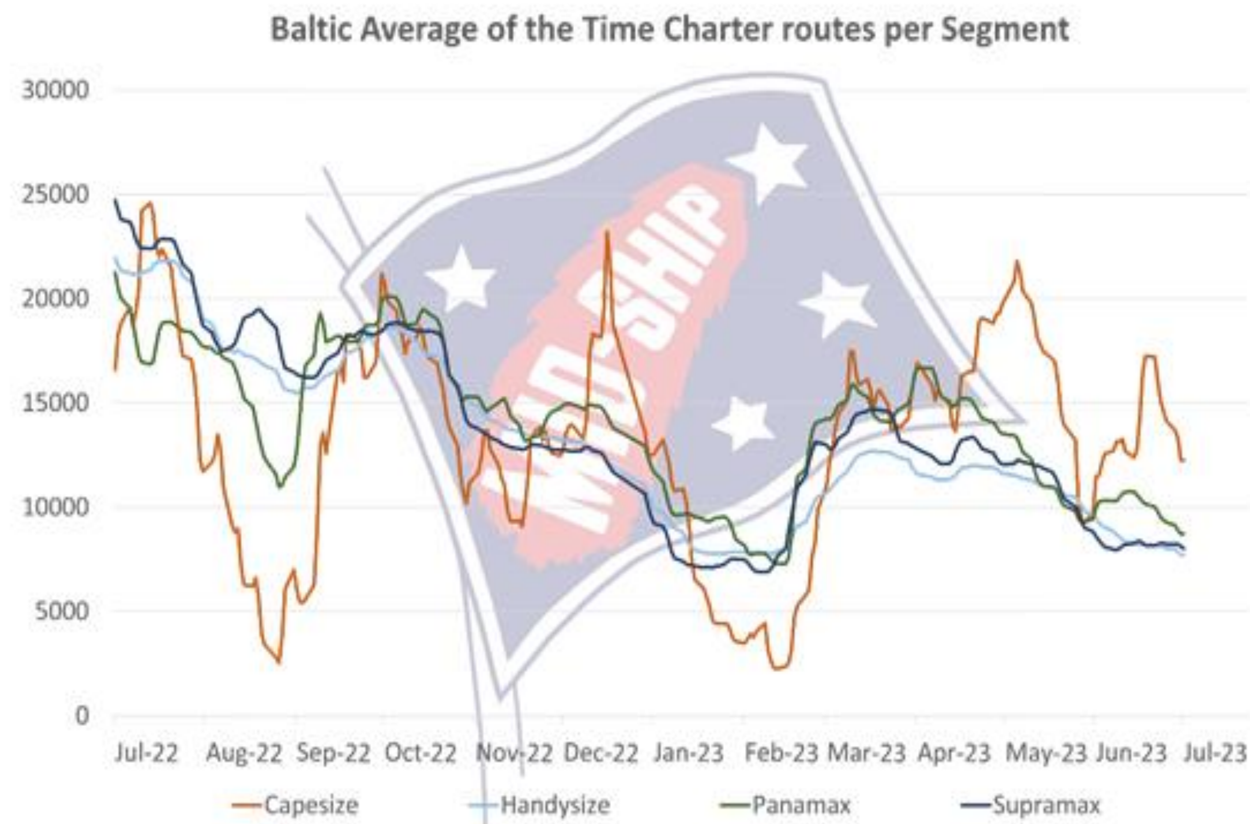
Grain Vessel Market Indications:

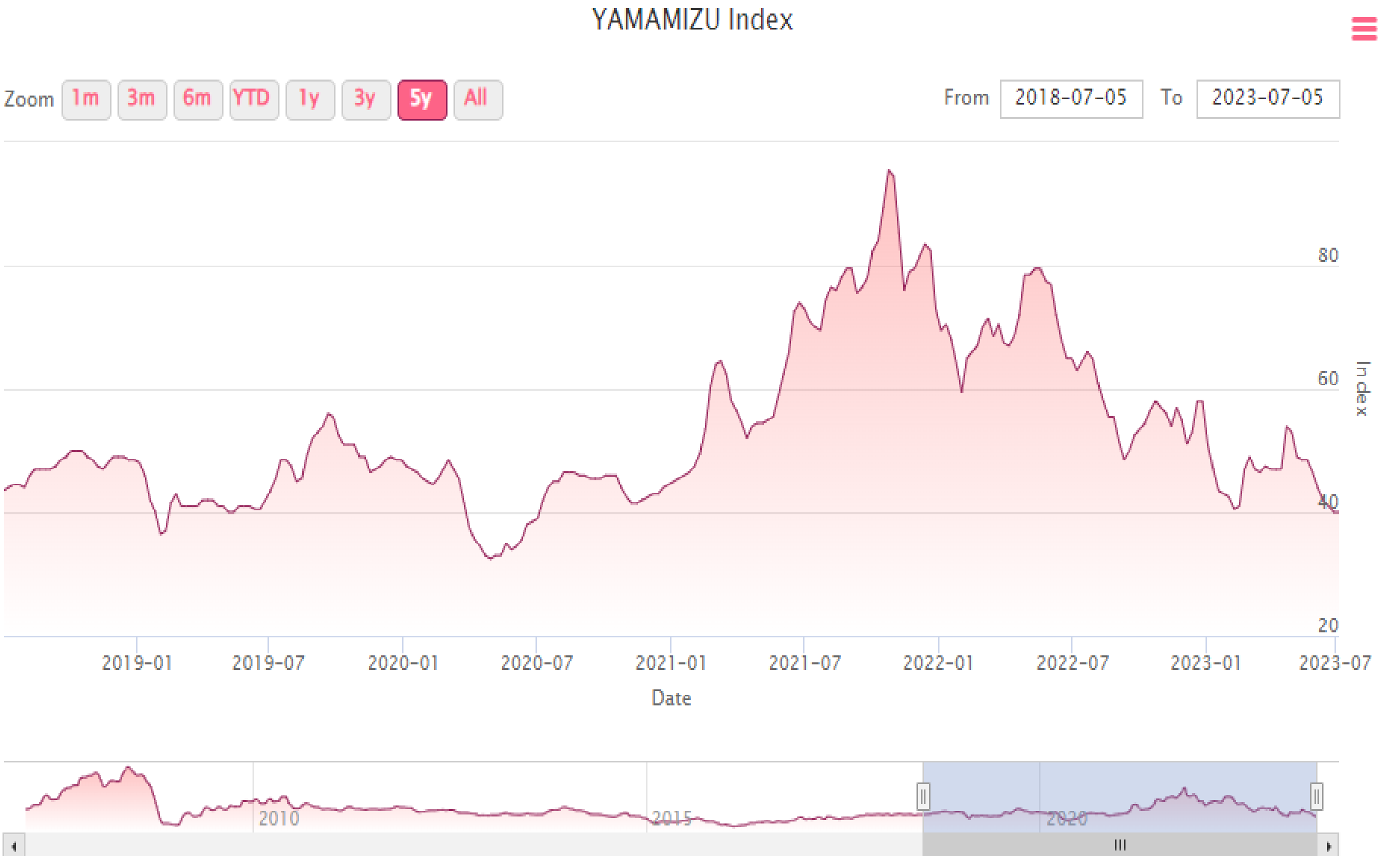
** Rates are estimates for the nearby-30-day period. 60-90 days forward physical rates will usually be higher.
Soybean Panamax USG to Spain is running $25.00 -$26.00/mt.
Soybean Brazil to Spain about $34.00 -$35.50/mt.

Route and Vessel Size	Current Week USD/MT	Change from previous week	Remarks
55,000 U.S. Gulf-Japan	$46.25	Down $2.25	Handymax $46.50 mt
55,000 U.S. PNW- Japan	$25.50	Down $0.50	Handymax at $26.50 mt
65,000 U.S. Gulf – China PNW to China	$45.00 $25.00	Down $1.50 Down $0.50	North or South China
25,000 U.S. Gulf- Veracruz, México	$21.25	Down $.50	3,000 MT daily discharge rate
35-40,000 U.S. Gulf- Veracruz, México	$18.00	Down $0.25	Deep draft and 6,000 MT per day discharge rate.
30-38,000 U.S. Gulf- Colombia 50,000 USG- E/C Colombia East Coast Colombia From Argentina	$26.00 $24.00 $33.50	Down $1.00	West Coast Colombia at $29.00
40-45,000 U.S. Gulf - Guatemala	$28.00	Down $1.00	Acajutla/Quetzal - 8,000 out
30,000 US Gulf-Morocco	$30.25	Down $1.00	5,000 discharge rate
55-60,000 U.S. Gulf –Egypt PNW to Egypt	$27.00 $28.00	Down $1.00	55,000-60,000 mt Egypt Romania - Russia- Ukraine $16.00 -$17.50 - $49.00 - France $23.00, Bulgaria $16.00
58-74,000 U.S. Gulf – Europe – Rotterdam	$25.00	Down $1.00	Handymax at +$2.50 more
Brazil, Santos –China Brazil, Santos –China Up-River Port North Brazil	$36.00 $34.00 $40.00	Down $1.50	54-59,000 Supramax-Panamax 60-66,000 Post Panamax 55-60,000 mt
56-60,000 Argentina-China Deep draft	$42.00	Down $1.50	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 2023-07-06					
Description	Volume	Cargo	Unit	Rate	Change
Composite Index			Point	948.43	-4.11
Iron ore Freight Index			Point	950.23	-2.62
Dampier(West Australia)-Qingdao (China)	170000/10%	Iron ore	$/ton	7.933	0.066
Soybean Freight Index			Point	1009.37	-4.83
Santos(Brazil)— North China	66000/10%	Soybean	$/ton	33.9	-0.18
Tacoma(West America)—North China	63000/10%	Soybean	$/ton	25.29	-0.13
Mississippi(US Gulf)—North China	66000/10%	Soybean	$/ton	45.14	-0.18

6 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		N =	5.6675
Max. 14.5% moisture	BASIS	FLAT PRICE	BASIS	FLAT PRICE	U =	4.9900
July	0.50	**$242.80**	1.35	**$276.26**	Z =	5.0650
Aug.	0.65	**$222.03**	1.50	**$255.50**	H =	5.1825
Sept.	0.53	**$217.31**	1.35	**$249.59**	K =	5.2525
Oct.	0.60	**$223.02**	1.38	**$253.73**	N =	5.2800
Nov.	0.75	**$228.92**	1.45	**$256.48**		
Dec.	0.75	**$228.92**	1.46	**$256.88**		

There are currently no corn vessels the PNW export facility lineups. PNW rail corn markets for July-August are therefore 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 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
July (Z)	1.60	**$262.39**
Aug. (Z)	1.50	**$258.45**
Sept. (Z)	1.40	**$254.51**
Oct.	1.40	**$254.51**
Nov.	1.40	**$254.51**

Fob vessel Texas Gulf #2 Sorghum is about 110-117 % 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	
	July	**Aug.**	**Sept.**	**Oct.**
FOB U.S. GULF	$250.96	$252.06	$258.31	$270.61
Basis	0.25	0.28	0.45	0.60
WN	6.4700			
WU	6.5800			
WZ	6.7650			

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	0.65	**$584.49**	1.55	**$617.56**
Aug. (U)	1.35	**$548.67**	2.25	**$581.74**
Oct.	0.90	**$525.25**	1.80	**$558.31**
Nov.	0.85	**$523.41**	1.75	**$556.48**
Dec.	0.82	**$524.97**	1.70	**$554.64**
Soybean Futures				
July	$ 15.2575			
Aug.	$ 14.4825			
Sept.	$ 13.5825			
Nov.	$ 13.3950			
Jan.	$ 13.4675			
Mar.	$ 13.3700			

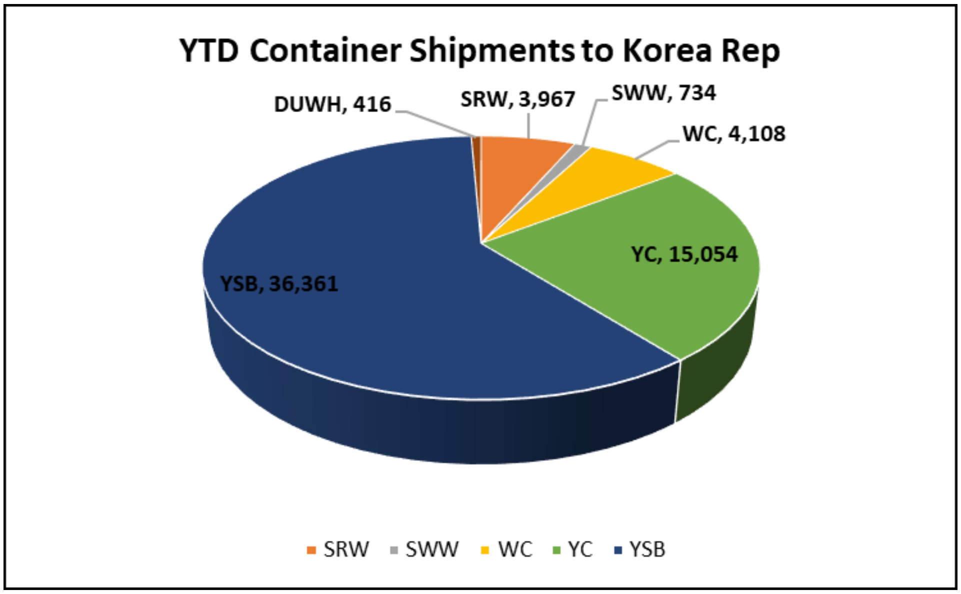
Currently, there are no soybean vessels in the PNW vessel lineup. Soybean cargo demand at PNW ports is therefore very thin and rail delivery markets there are difficult to accurately determine. Above Fob vessel values in the PNW are based on best guesses off interior values and spreads.

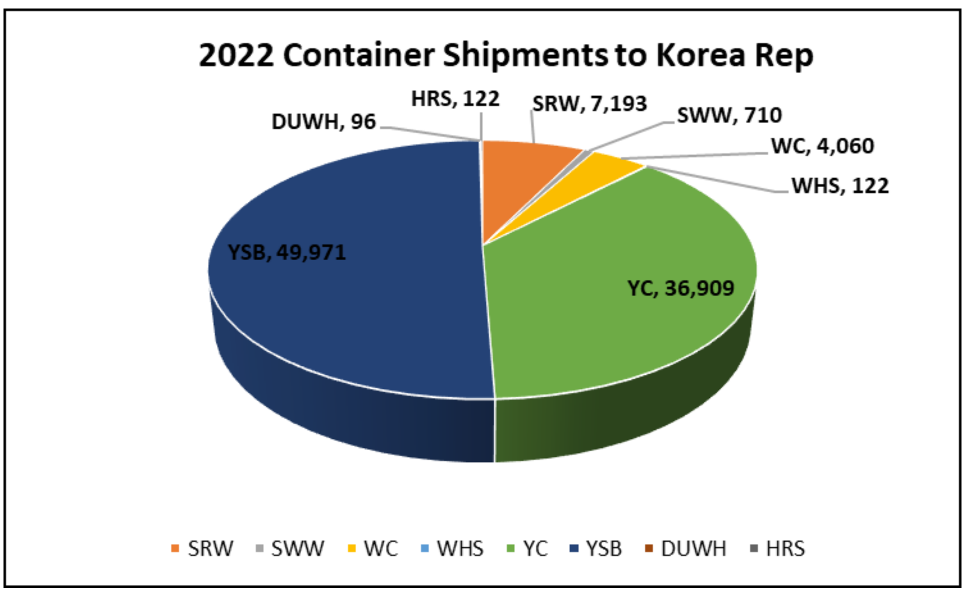
U.S. SBM (USD/MT) FOB Vessel		
Fob U.S. Gulf Port	47.5 Pro. SBM	
max 12.5 % moisture	Basis	Flat Price
July (Q)	26.00	**$ 478.71**
Aug.	27.00	**$ 479.81**
Oct.	42.00	**$ 479.81**
Nov.	38.00	**$ 473.85**
Dec.	38.00	**$ 473.85**
SBM Futures		
SMN	$ 415.60	
SMQ	$ 408.20	
SMU	$ 401.20	
SMV	$ 393.20	
SMZ	$ 391.80	
SMF	$ 389.40	

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).*

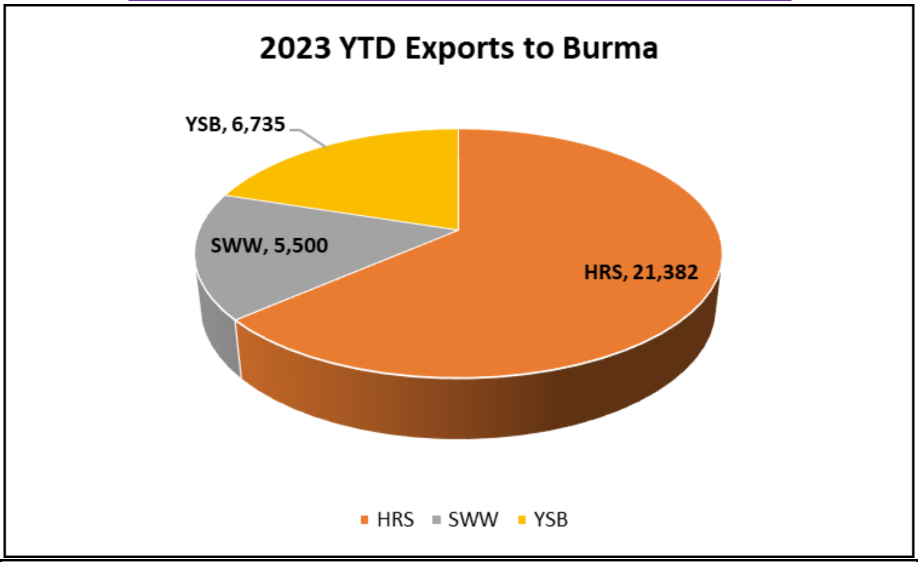
CONTAINER SHIPMENTS of GRAIN									
USDA Grain Inspections Report:			**29-Jun-2023**						
Last Week	metric tons								**MT**
	YC	**WC**	**YSB**	**SRW**	**NS**	**HRW**	**SWH**	**Sorghum**	**TOTAL**
China			5,336						5,336
Taiwan	6,561		734	832					8,127
Hong Kong									0
Costa Rica	98								98
Indonesia			10,552	930					11,482
French Poly									0
Japan			3,277						3,277
Korea Rep.	1,641		294	392					2,327
Dominicn Rep									0
Malaysia			1,126	122					1,248
Netherlands									0
Philippines			612						612
Thailand			196						196
Morocco									0
Burma			367						367
Spain	49								49
Cambodia									0
Vietnam			2,179		195				2,374
Sub Total:	**8,349**	**0**	**24,673**	**2,276**	**195**	**0**	**0**	**0**	**35,493**
USDA Corrections/Additions to previous reports:									
Taiwan			24						24
China									0
Hong Kong									0
Korea Rep.									0
Un Kingdom									0
Japan			513						513
Philippines									0
Indonesia			367						367
Malaysia			490						490
Thailand									0
Vietnam			49						49
Burma									0
Cambodia									0
Sub Total:	0	0	1,443	0	0	0	0	0	1,443
Mt. Grand Total	**8,349**	**0**	**26,116**	**2,276**	**195**	**0**	**0**	**0**	**36,936**
Number of Containers	363	0	1,135	99	8	0	0	0	

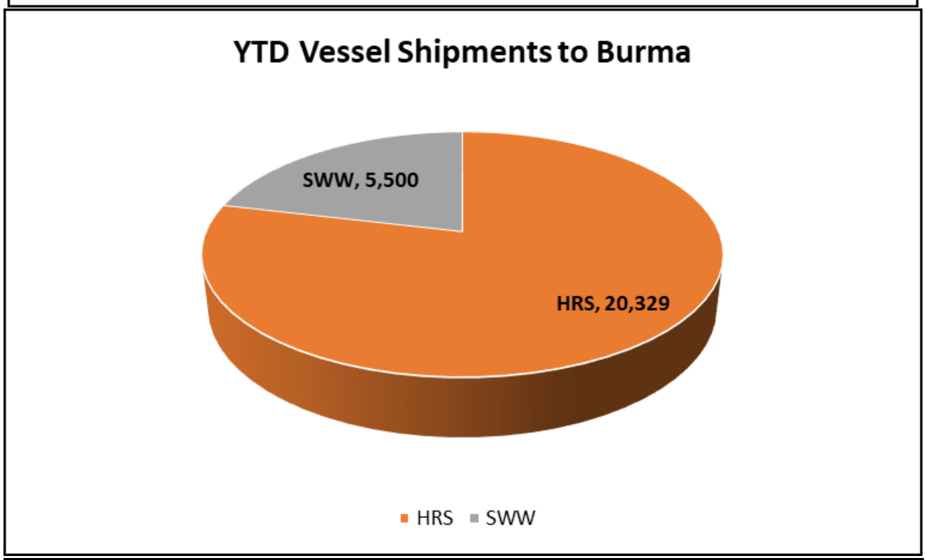
2023 YTD Totals versus 2022 Annual Totals Container Shipments (in MT)

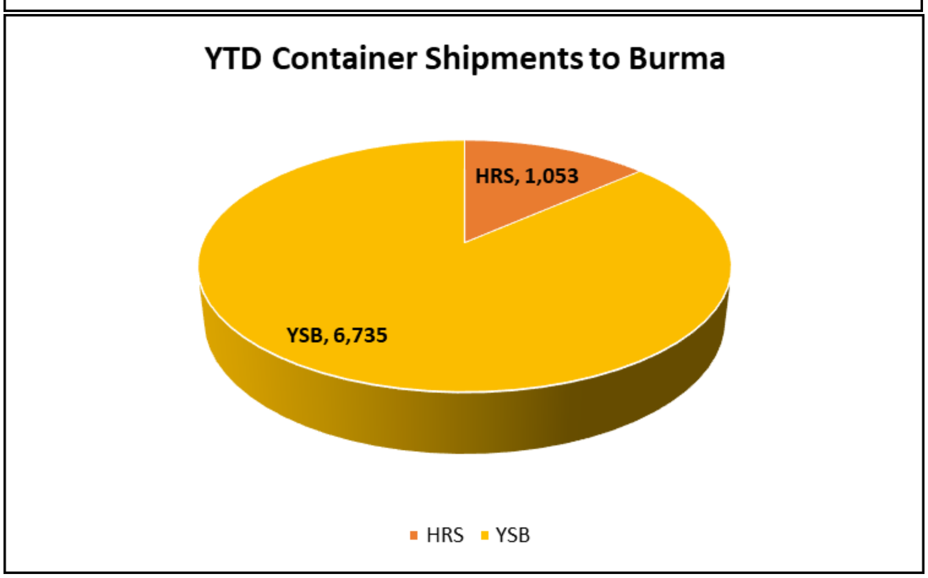




2023 YTD Grain Exports reported by USDA (in MT)







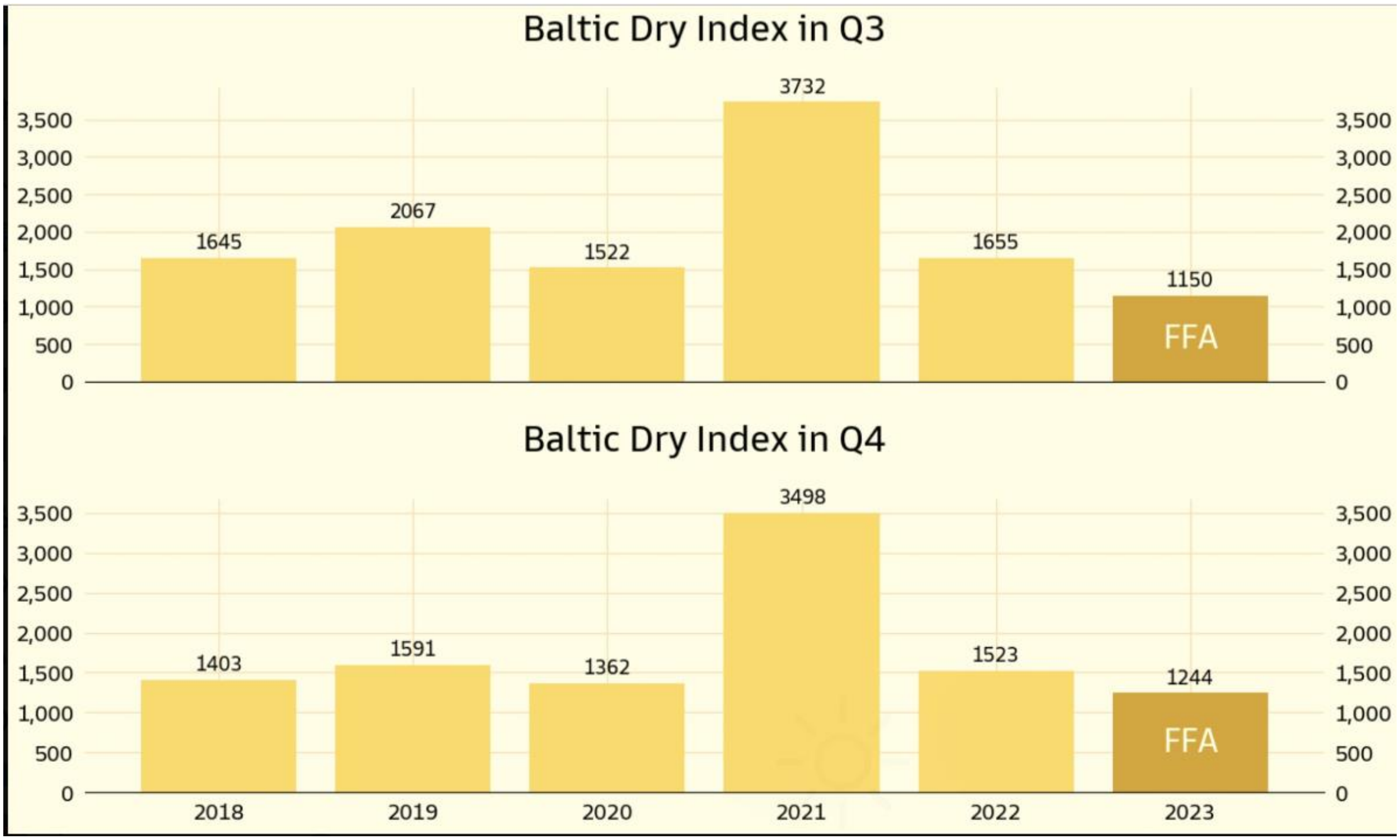
*Please keep in mind that USDA does not report DDGS sales

Source: USDA-data

Shipping News

dry bulk dude @drybulk · 10h

the dry bulk outlook is bleak at the moment, reflected in ffas being reasonably priced for maybe the first time this year



BreakWave @DryBulkETF · 7h

Baltic Dry Index drops below 1,000, lowest seasonal point in 5 years...👇

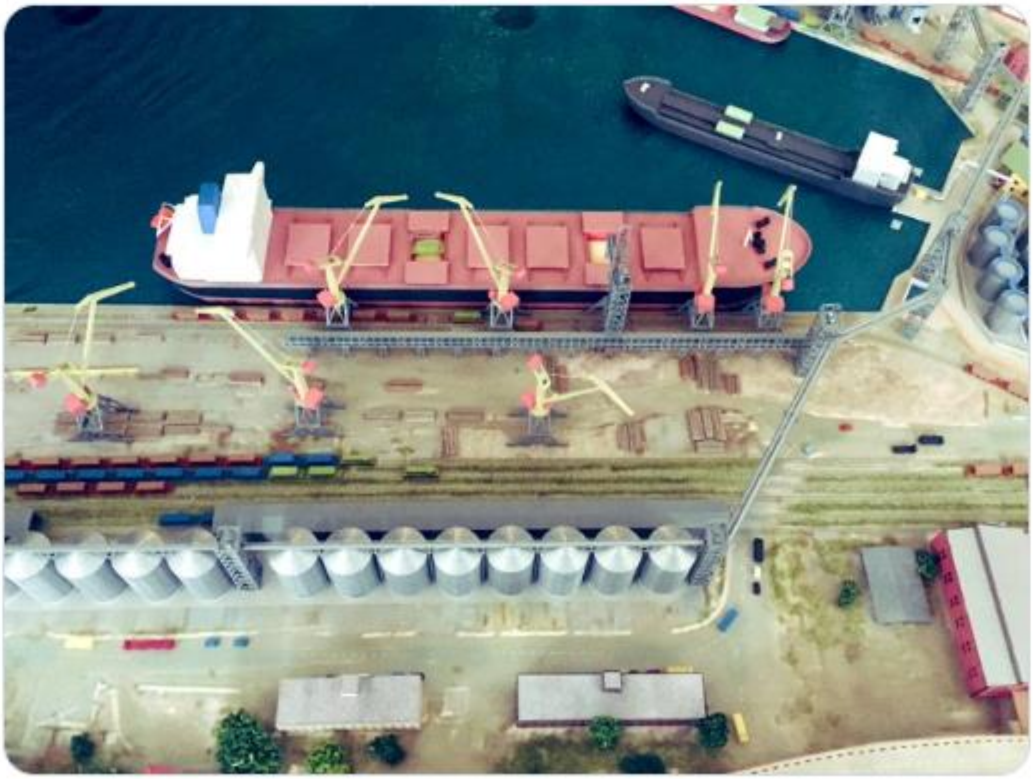
Ukraine-Black Sea Shipments

Mike Lee @GreenSquareAC · 10h ···

The Russian Foreign Ministry said that, given the current situation, there are no grounds for further extension of the grain deal.

More details in our BSCF report out later.

blackseacropforecasts.com



RUSGRAIN UNION @rusgrain · 8h

Russia said on Wednesday that it has not taken a final decision on whether to extend the Black Sea grain deal. Softening the rhetoric...
#oatt

reuters.com

Kremlin: No final decision yet on Black Sea grain deal

Russia said on Wednesday that it has not taken a final decision about whether to extend the Black Sea grain deal which is due to expire on ...

Latifundist.com @LatifundistCom · Jul 5

1️⃣2️⃣ new export terminals will appear on the Danube to boost the transshipment capacity of Ukraine's river ports.

🏗️ NIBULON, @KernelUkraine, Ukrainian Danube Shipping Company, Ascet Shipping and Danube Logistics Group have started modernization and/or construction.

RitaBuyse @ACOMRB · 6h

Romanian port key for Ukraine grain faces overflow as Black Sea deal on edge

reuters.com

Romanian port key for Ukraine grain faces overflow as Black Sea deal ...

Ukraine's on-off Black Sea grain deal has made the nearest port of Constanta in neighbouring Romania a key alternative that is set for ...

B.C. ports labor dispute drags on

Written by Nick Blenkey

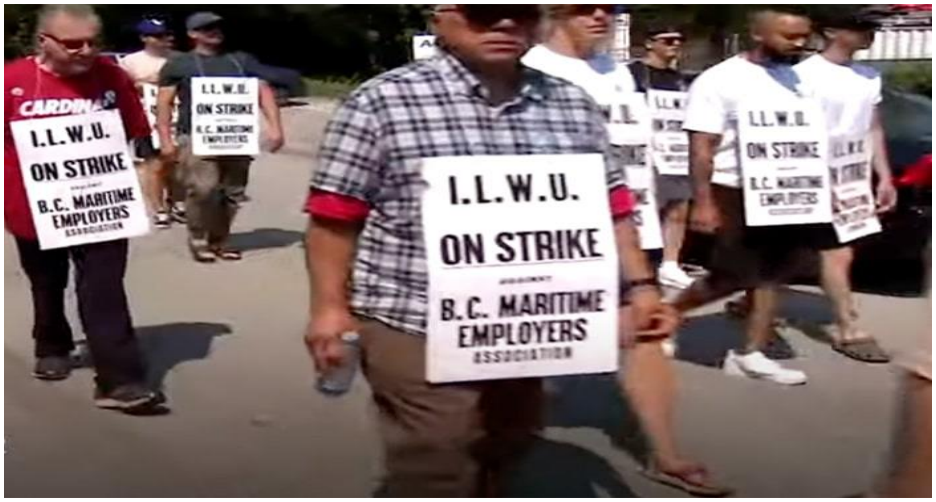


IMAGE: Screen grab from CBC News video

While the U.S. West Coast ports labor dispute last month reached a point where **a tentative labor agreement could be reached**, there's as yet no sign of any such breakthrough in Canada's ongoing B.C. ports dispute.

Canada's *Financial Post* reports that thousands of union members at the ports stopped working on July 1 after negotiations linked to their wages, benefits and employment conditions failed to make headway.

"The key issue that is holding up getting a deal is contracting out of ILWU maintenance work by member employers of the BCMEA [British Columbia Marine Employers Association] and the refusal of the association and its member companies to agree on a regular maintenance document that is all but complete – except for one sentence.

Tom Craig @LTDManagement · 8h

CMA CGM hikes rates even as record ultra-large newbuild tonnage sails in and soft market demand. Like Maersk. #maritime #supplychain #logistics.

theloadstar.com

CMA CGM hikes rates even as record ultra-large n...

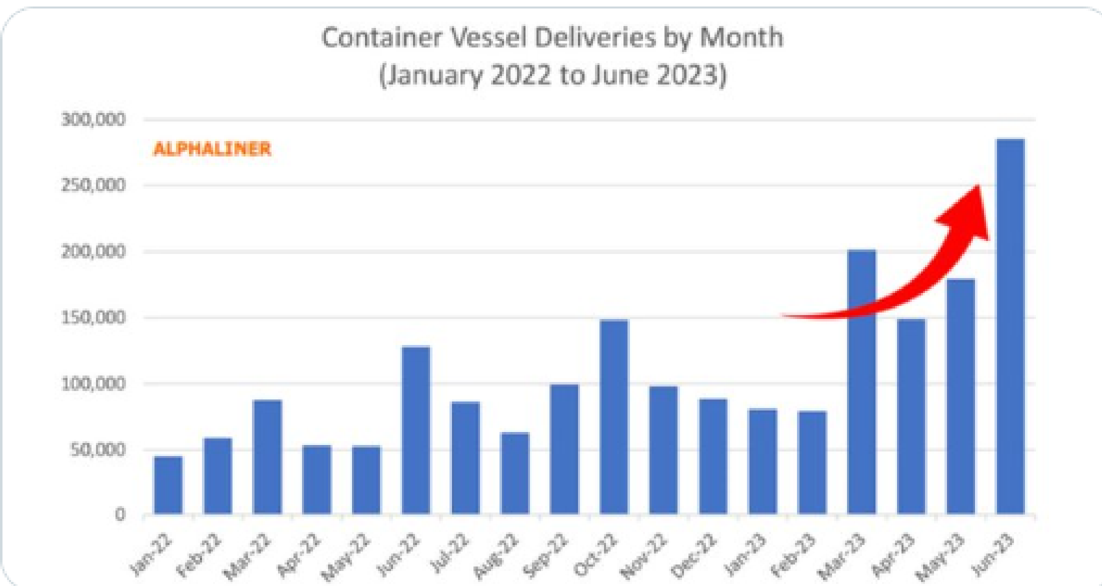
CMA CGM yesterday followed Maersk's shock pricing announcement on Monday with a big hike i...

Alphaliner @Alphaliner · 32m

1 of 4

📣 Vessel deliveries reach close to 300,000 teu in June as MSC builds one million teu lead over second-ranked Maersk

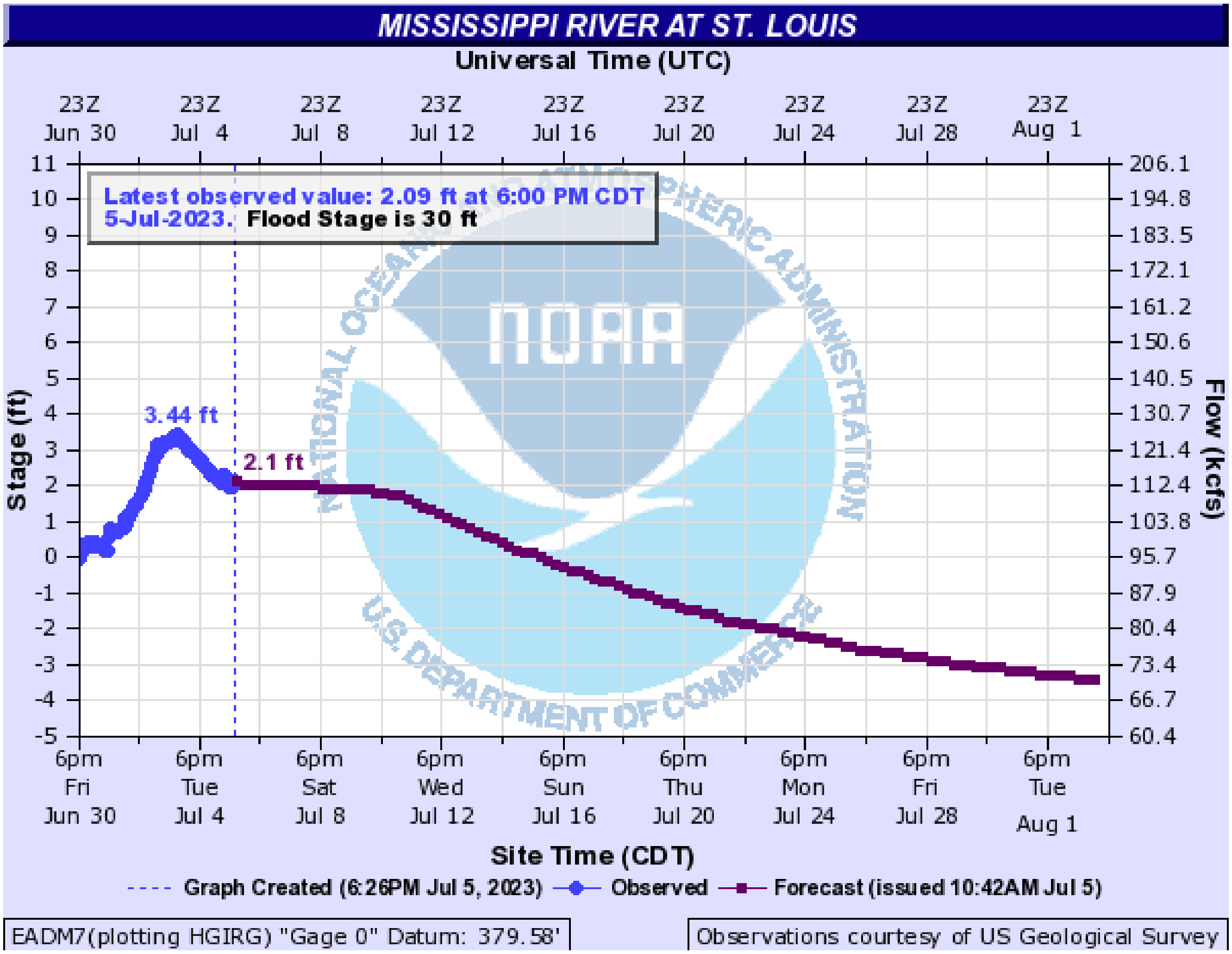
👉Just 18 months after becoming the world's largest container shipping line, MSC has put a fleet capacity gap of one million teu between itself and the...



1 1 4 180

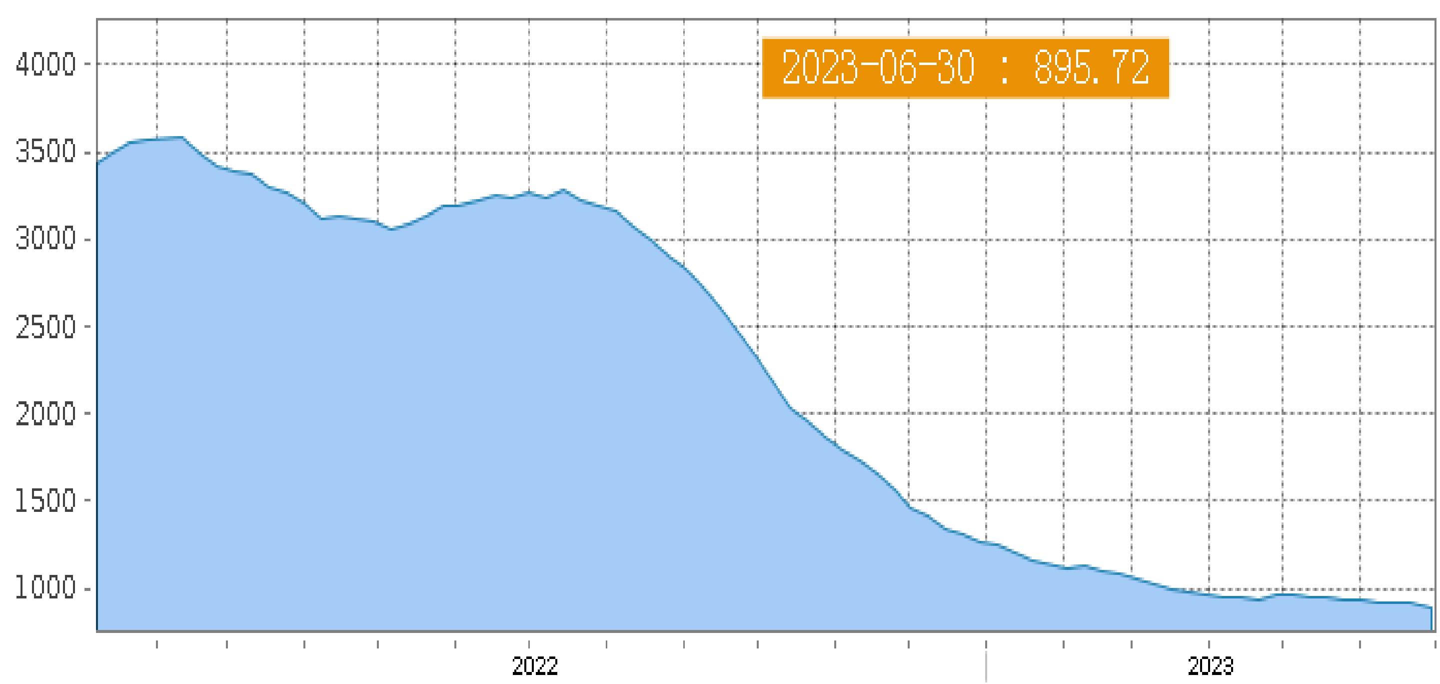
US Rail News:

U.S. River Markets



China Import Dry Bulk Freight Index

China Containerized Freight Index



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

Secondary Rail Car Market Placement LH July 2023	BID USD	ASK USD	BID BU.	ASK BU.	BID MT	ASK MT
BNSF Shutle Trains	$ (350)	$ (250)	$ (0.09)	$ (0.06)	$ (3.44)	$ (2.46)
UPRR Shuttle Trains	$ (250)	$ (150)	$ (0.06)	$ (0.04)	$ (2.46)	$ (1.48)

Barge Placement Last Half July 2023

Placement LH July 2023	% of Tariff	MT	Corn BU	Soybeans-Wheat BU
Upper Mississippi	355	$ 24.22	0.62	0.66
Illinois River (Pekin and South)	285	$ 19.45	0.49	0.53
Mid-Mississippi	300	$ 14.75	0.37	0.40
Lower Ohio	265	$ 13.03	0.33	0.35
St. Louis	275	$ 12.09	0.31	0.33

Best Regards,

Jay

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

joneil@ksu.edu
Follow me on Twitter @ igpjay