

Transportation and Export Report for 24 August 2023

Dry Bulk markets are a story of the ship that is not yet going anywhere. While vessel owners waiting for better economic news, markets continue to steam in circles. Markets are doing their best to hold steady and resist pressure to go lower, but improved cargo demand is still lacking. Hope remains that the coming North American grain harvest will provide some support.

September FFA Panamax markets slipped back to \$11,650/day. Q4 is trading at \$11,500/day, and Cal.2024 at \$10,750/day. The water situation at the Panama Canal is not improving and wait times are increasing to 14-19 days for Non-scheduled cargo vessels. This will obviously cause grain ships to re-think their schedules and potential routes. Low water is also a growing concern on the Mississippi River and barge tow sizes will be decreasing until things improve.

The BALTIC DRY-BULK PANAMAX INDEX CHANGES

Panamax Ocean Freight Indices					
24-Aug-2023		This Week	Last Week	Difference	Percent Change
P2A: Gulf/Atlantic - HK-Korea	Index	23309	23664	-355	-1.5%
P3A: PNW/Pacific - RV Korea-Taiwan	Index	9747	10775	-1,028	-9.5%
S1C: US GULF-China-So.Japan	Index	16471	15075	1,396	9.3%
P7: Trial- Miss. River - Qingdao	per ton	53.60	53.26	0.34	0.6%
P8: Trial- Santos - Qingdao	per ton	39.90	40.60	-0.70	-1.7%

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

Four weeks ago:	\$7.55-\$7.65
Three weeks ago:	\$7.55-\$7.65
Two weeks ago:	\$8.00-\$8.35
One week ago:	\$7.95-\$8.05
This week	\$7.55-\$7.75

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

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

Panamax Market Spreads to Asia -China					
24-Aug-2023	GULF	PNW	Bushel Spread	Tonne Spread	Advantage
CORN	0.77	1.52	0.75	\$29.53	GULF
SOYBEANS	1.10	1.90	0.80	\$29.39	GULF
OCEAN FREIGHT	\$52.00	\$27.00	.62-.66	\$25.00	October

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 nearly 30-day period. 60-90 days forward physical rates will usually be higher.**

Soybean Panamax USG to Spain is running \$26.25 - \$27.25/mt.

Soybean Brazil to Spain about \$36.00 - \$37.50/mt.

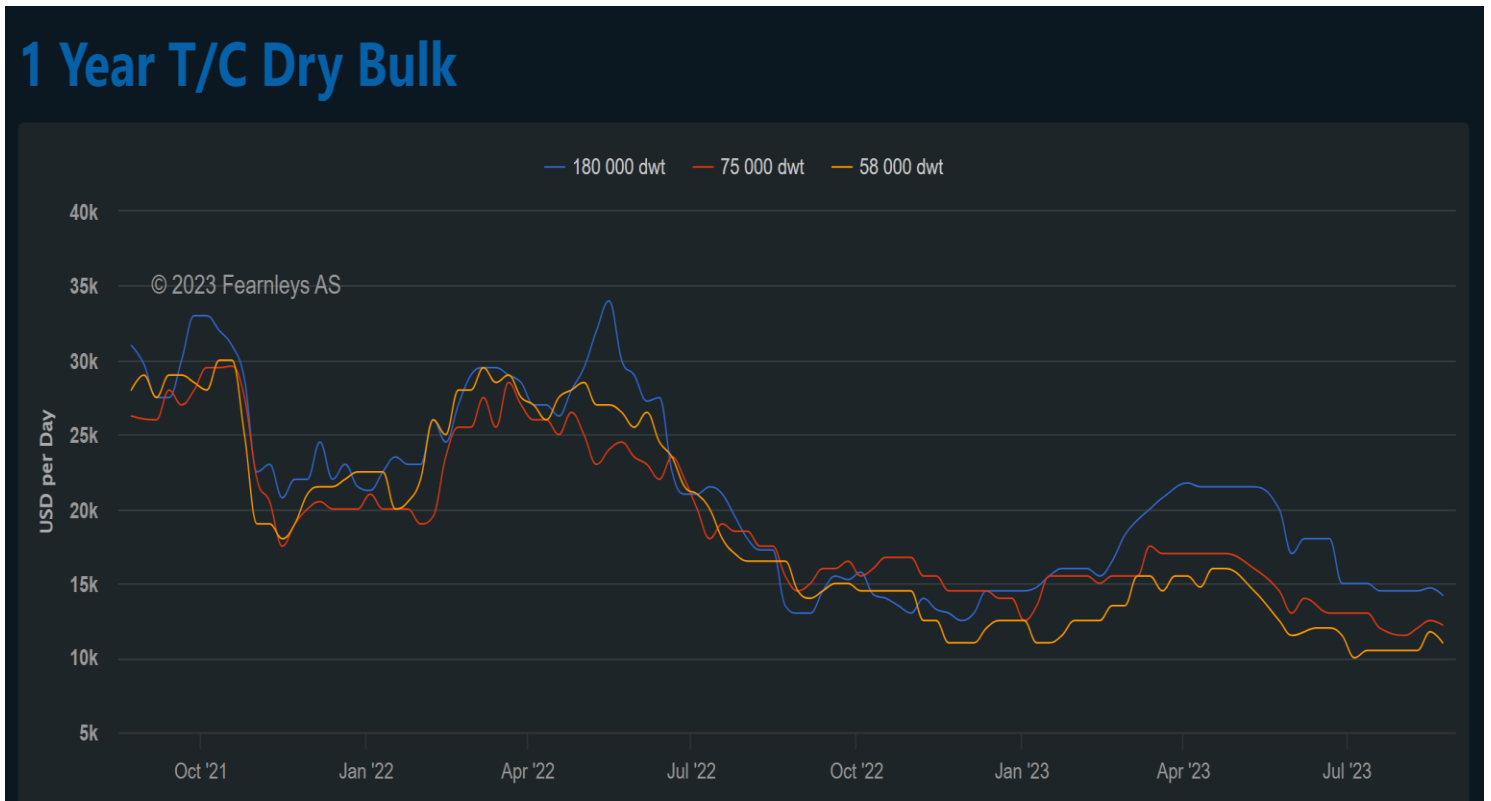
Route and Vessel Size	Current Week USD/MT	3.75	Remarks
55,000 U.S. Gulf-Japan	\$52.00	Up \$0.75	Handymax \$52.00 mt
55,000 U.S. PNW- Japan	\$27.50	Unchanged	Handymax at \$27.50 mt
65,000 U.S. Gulf – China	\$52.00	Up \$0.75	North or South China
PNW to China	\$27.00	Unchanged	
25,000 U.S. Gulf- Veracruz, México	\$21.25	Up \$0.25	3,000 MT daily discharge rate
35-40,000 U.S. Gulf- Veracruz, México	\$18.75	Up \$0.25	Deep draft and 6,000 MT per day discharge rate.
30-38,000 U.S. Gulf- Colombia	\$29.00	Up \$0.25	<u>West Coast Colombia at \$31.50</u>
50,000 USG- E/C Colombia	\$25.75		
<u>East Coast Colombia</u> From Argentina	\$36.75		
40-45,000 U.S. Gulf - Guatemala	\$28.75	Up \$0.25	Acajutla/Quetzal - 8,000 out
30,000 US Gulf-Morocco	\$32.50	Up \$0.50	5,000 discharge rate
55-60,000 U.S. Gulf –Egypt	\$31.00	Up \$0.50	55,000-60,000 mt Egypt
PNW - Egypt	\$31.50		Romania - Russia- Ukraine \$14.50 - \$16.50 - \$45.00?? France \$24.50, Bulgaria \$16.00
58-74,000 U.S. Gulf – Europe – Rotterdam	\$26.00	Unchanged	Handymax at +\$2.50 more
Brazil, Santos –China	\$41.00	Unchanged	54-59,000 Supramax-Panamax
Brazil, Santos –China	\$39.00		60-66,000 Post Panamax
Up-River Port North Brazil	\$44.75		55-60,000 mt
56-60,000 Argentina-China	\$46.75	Unchanged	Up-River with Top Off Plus \$3.75-\$4.75
Deep draft			

Baltic Dry Bulk Freight Index



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

1 Year T/C Dry Bulk



YAMAMIZU Index



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

From 2018-08-23 To 2023-08-23



China Import Dry Bulk Freight Index					
2023-08-24					
Description	Volume	Cargo	Unit	Rate	Change
Composite Index			Point	971.15	-8.06
Iron ore Freight Index			Point	928.26	-12.68
Dampier(West Australia)-Qingdao (China)	170000/10%	Iron ore	\$/ton	7.539	-0.119
Soybean Freight Index			Point	1158.78	-3.04
Santos(Brazil)— North China	66000/10%	Soybean	\$/ton	39.21	-0.19
Tacoma(West America)—North China	63000/10%	Soybean	\$/ton	27.05	-0.05
Mississippi(US Gulf)—North China	66000/10%	Soybean	\$/ton	52.48	0

24 August 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		Z =	4.8825
Max. 14.5% moisture	BASIS	FLAT PRICE	BASIS	FLAT PRICE	H =	5.0300
Oct.	0.77	\$221.54	1.52	\$251.07	K =	5.1075
Nov.	0.81	\$223.12	1.55	\$252.25	N =	5.1450
Dec.	0.82	\$223.51	1.56	\$252.64	U =	5.0725
Jan.	0.71	\$224.69	1.45	\$253.82	Z =	5.0875
Feb..	0.75	\$226.27	1.50	\$255.79		
Mar.	0.76	\$226.66	1.52	\$256.58		

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
Oct.	1.40	\$246.34
Nov.	1.50	\$250.28
Dec.	1.50	\$250.28
Jan.	1.50	\$255.79
Feb.	1.50	\$255.79

Fob vessel Texas Gulf #2 Sorghum is about 112 % 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	
	Oct.	Nov.	Dec.	Jan.
FOB U.S. GULF	\$254.17	\$256.01	\$261.52	\$274.84
Basis	0.60	0.65	0.80	0.90
WZ	6.3175			
WH	6.5800			
WK	6.7400			

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
Oct.	1.10	\$544.44	1.90	\$573.84
Nov.	1.05	\$542.61	1.85	\$572.00
Dec.	0.98	\$544.35	1.78	\$573.75
Jan.	1.00	\$545.09	1.80	\$574.48
Feb	1.04	\$548.03	1.83	\$577.05
Soybean Futures				
Sept.	\$ 13.6575			
Nov.	\$ 13.7175			
Jan.	\$ 13.8350			
Mar.	\$ 13.8750			
May	\$ 13.8975			
July	\$ 13.8900			

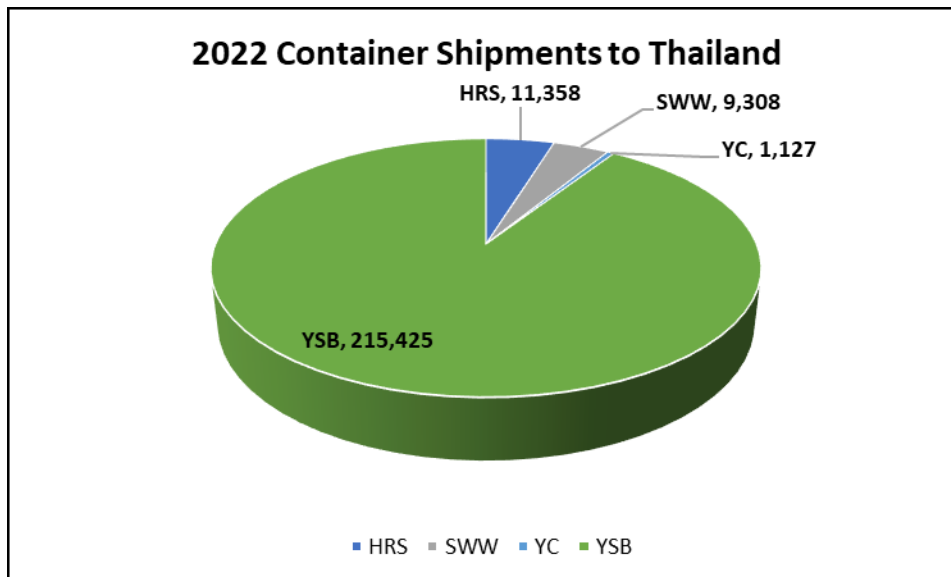
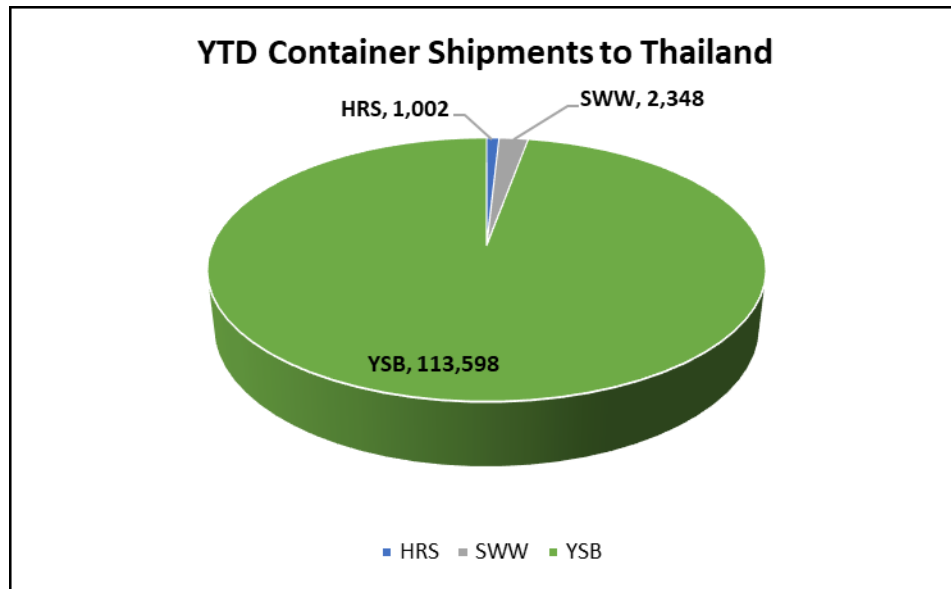
Currently, there are no soybean vessels in the PNW vessel lineup. Soybean cargo demand at PNW ports is therefore very thin and rail delivery markets there are difficult to accurately determine. Above Fob vessel values in the PNW are based on best guesses off interior values and spreads.

U.S. SBM (USD/MT) FOB Vessel		
Fob U.S. Gulf Port	47.5 Pro. SBM	
max 12.5 % moisture	Basis	Flat Price
Oct.	41.00	\$ 503.40
Nov.	41.00	\$ 499.76
Dec.	40.00	\$ 498.66
Jan.	39.00	\$ 492.60
Feb.	35.00	\$ 479.59
SBM Futures		
SMU	\$ 422.70	
SMV	\$ 415.60	
SMZ	\$ 412.30	
SMF	\$ 407.80	
SMH	\$ 400.00	
SMK	\$ 394.20	

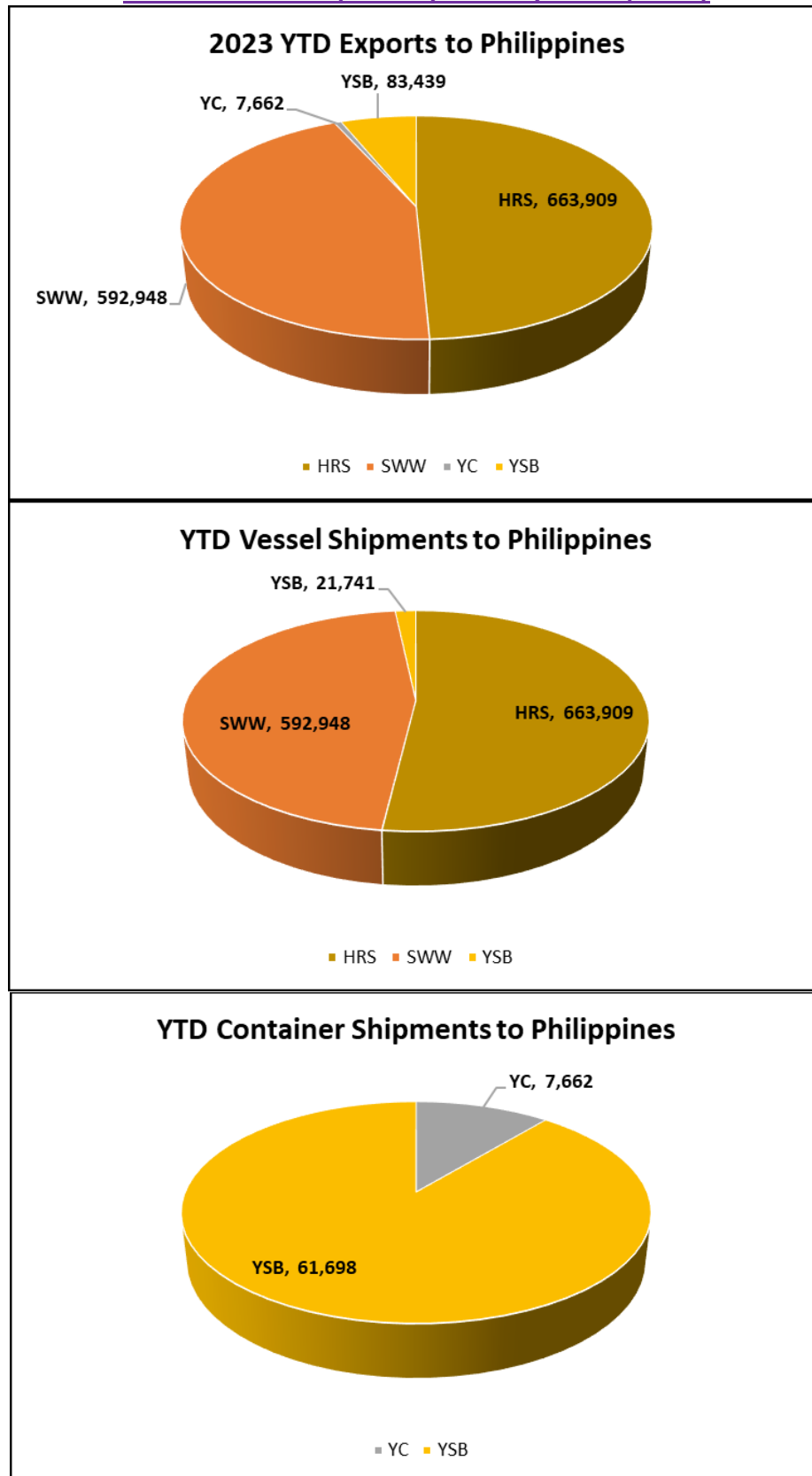
Data sheet below: *USDA weekly export inspections report with corrections to the last three weeks' grain export inspections reports. (This usually covers a 2-5-week prior time frame).*

CONTAINER SHIPMENTS of GRAIN									
USDA Grain Inspections Report:		17-Aug-2023							
Last Week	metric tons								MT
	YC	WC	YSB	SRW	NS	HRW	SWH	Sorghum	TOTAL
China			2,326					3,283	5,609
Taiwan	5,435		8,422	2,742					16,599
Hong Kong	122								122
Costa Rica									0
Indonesia			13,174						13,174
French Poly									0
Japan			2,987						2,987
Korea Rep.	759		245						1,004
Bangladesh									0
Malaysia			929						929
Netherlands									0
Philippines	367								367
Thailand					122				122
Nepal									0
Burma									0
Jamaica			122						122
Cambodia									0
Vietnam			3,892						3,892
Sub Total:	6,683	0	32,097	2,742	122	0	0	3,283	44,927
USDA Corrections/Additions to previous reports:									
Taiwan	563		98						661
China									0
Hong Kong									0
Korea Rep.									0
Un Kingdom									0
Japan			1,395						1,395
Philippines									0
Indonesia			1,371						1,371
Malaysia									0
Thailand									0
Vietnam			661						661
Burma									0
Cambodia									0
Sub Total:	563	0	3,525	0	0	0	0	0	4,088
Mt. Grand Total	7,246	0	35,622	2,742	122	0	0	3,283	49,015
Number of Containers	315	0	1,549	119	5	0	0	143	

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

Green | Cleaner Tech

Cargill Tests 123-Foot-Tall Sails in Effort to Slash Fuel Burn

The biggest agricultural trader in the world turns to an old-tech solution as commercial shipping looks for ways to clean up its act.



WindWings can cut the vessel's fuel use by roughly a fifth, designer BAR Technologies says. *Source: Cargill Inc.*

Old is New, New is Old 🧘🚢

The biggest agricultural trader in the world, Cargill, has tapped into one of the world's oldest renewable energies, **wind power** 🧘.

That's right, **wind power**, something that has been used for over a millennia to move goods across the world is being used yet again to solve **new world problems** ♻️

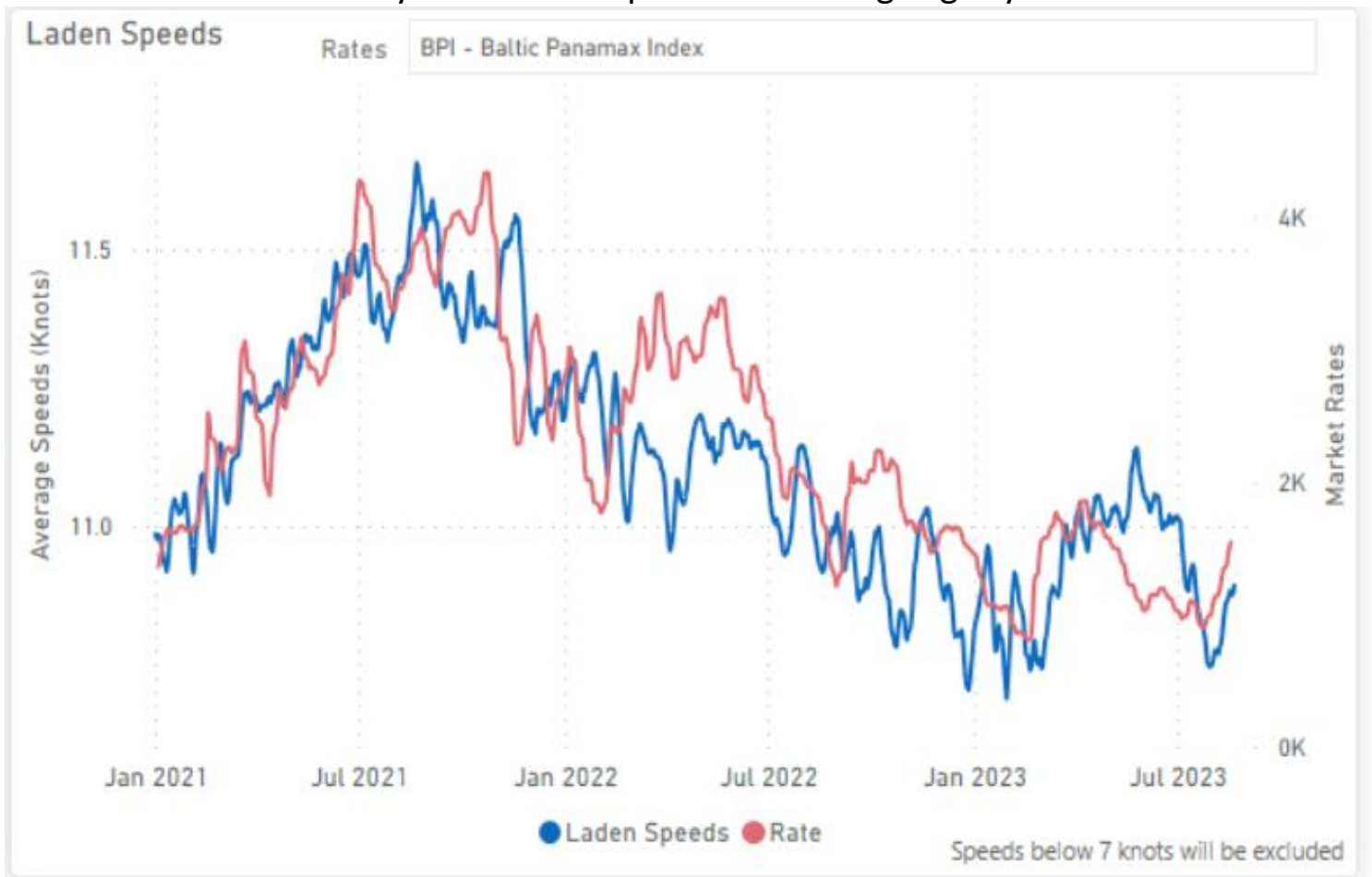
According to Bloomberg Magazine, Cargill chartered a vessel retrofitted with two giant sails that traveled from Singapore to Shanghai 🇸🇬 ➡️ 🇨🇳

This was only a trial shipment, but pending success, Cargill is hoping to add this "new" sail technology to as many as 10 more vessels ⚓

According to the designer of the sail technology, the **sails can cut the vessel's fuel use by roughly a fifth**, thus helping to reduce emissions and lower freight costs 💰



Dry Bulk Vessel Speeds Increasing Slightly



Tom Craig @LTDManagement · Aug 20

200+ ships are stuck with [#PanamaCanal](#) drought. Many have run aground. [#ClimateChange](#) in the Era of [#SupplyChain](#) Disruption. Are you adapting your [#SCM](#) or just winging it? [#logistics](#) [#trade](#) [@nexta_tv](#)

NEXTA  [@nexta_tv](#) · Aug 20

More than 200 ships are stuck in the Panama Canal due to a record drought in the region. Many of them have run aground.



16-17 day wait times to transit the Panama Canal will certainly cause non-scheduled cargo vessels to avoid the Canal and go the long way around.

From The Panama Canal Authority

Impact

Due to the extended drought, in advance, the Panama Canal informed its customers that based on the current and projected levels of its water reservoirs, vessels transiting the Neopanamax locks are allowed maximum drafts of up to 44.5 feet.

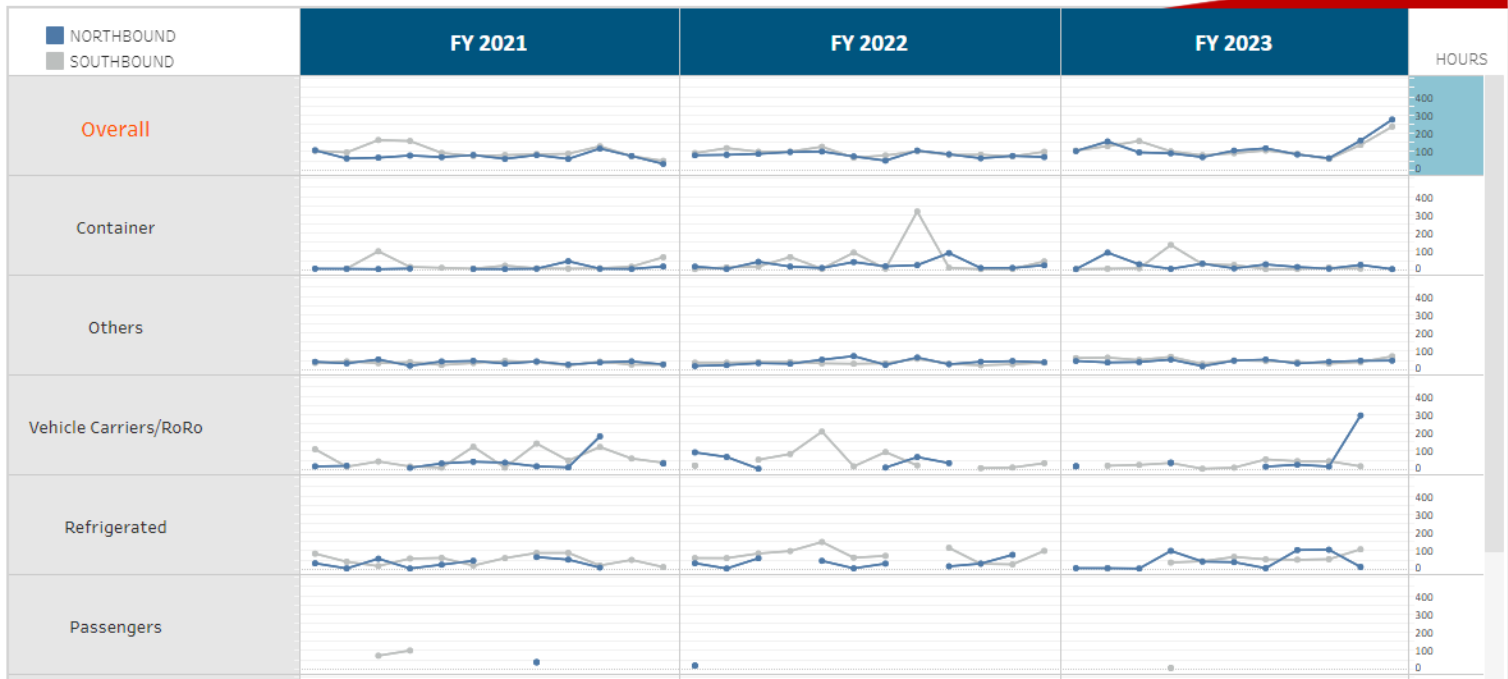
A limited number of ships have had to lower their draft levels to comply; notwithstanding, LNG carriers transiting through the all-water route typically report drafts of up to 37 feet, hence these temporary adjustments have had little impact on them and zero impact on ships transiting through the Panamax locks.

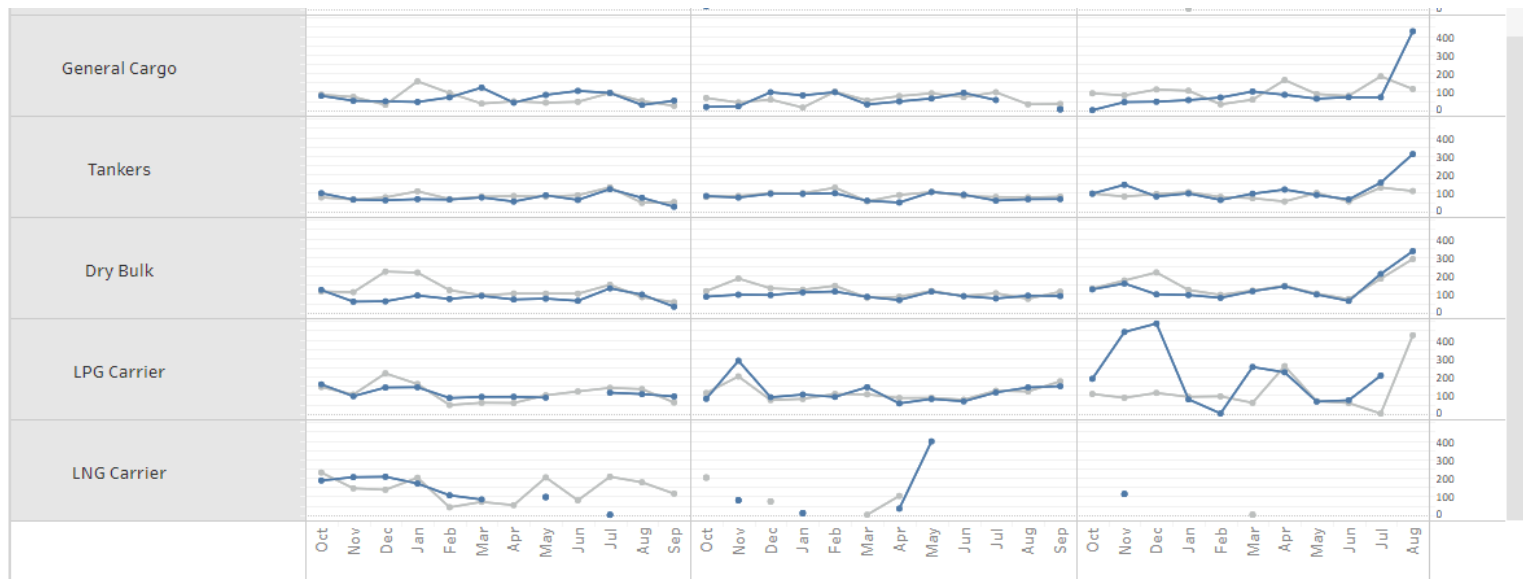
It has also helped that the drought coincided with the Canal's low demand season, seemingly reducing impact on customers. Nevertheless, open communication channels with customers and permanent analyses are being conducted to validate if this decrease is due to seasonality, or if there are other causes for current market behavior.

HISTORICAL AVERAGE WAITING TIME FOR PANAMA CANAL NON-BOOKED TRANSITS

Lock
(All)

Refreshed at: 8/22/2023 12:03:31 PM





Vessels statistics and transit backlog in the Panama Canal

Vessels in queue for transit in the Panama Canal

Updated at: 8/22/2023 12:53:18 PM

Locks	Booked	Non-Booked
Neopanamax	13	6
Panamax	37	68
Vessels in Queue for Transit	50	74

Count of days of non-booked vessels in queue for transit per lock type and direction

Updated at: 8/22/2023 12:53:18 PM

Days in queue	SCHEDULED			NEOPANAMAX		PANAMAX PLUS		UNSCHEDULED		REGULARS		Total	Grand Total
	NORTHBOUND	SOUTHBOUND	Total					NORTHBOUND	SOUTHBOUND	NORTHBOUND	SOUTHBOUND		
13	1	1	2										2
12											2	2	2
11	2		2										2
10	1		1						1			1	2
9		1	1					2	1			3	4
7								3	4			7	7
6								2	1	1		4	4
5		1	1	1				2	1			4	5
4		1	1	1				2	1			4	5
3				1	1			4	2			8	8
2								5	2			7	7
1									2			2	2
< 1				1		1		11	5	4	2	24	24
Total Vessels by Size and Direction	4	4	8	4	1	1		31	20	5	4	66	74

Container Freight Markets

Alphaliner @Alphaliner · 4h

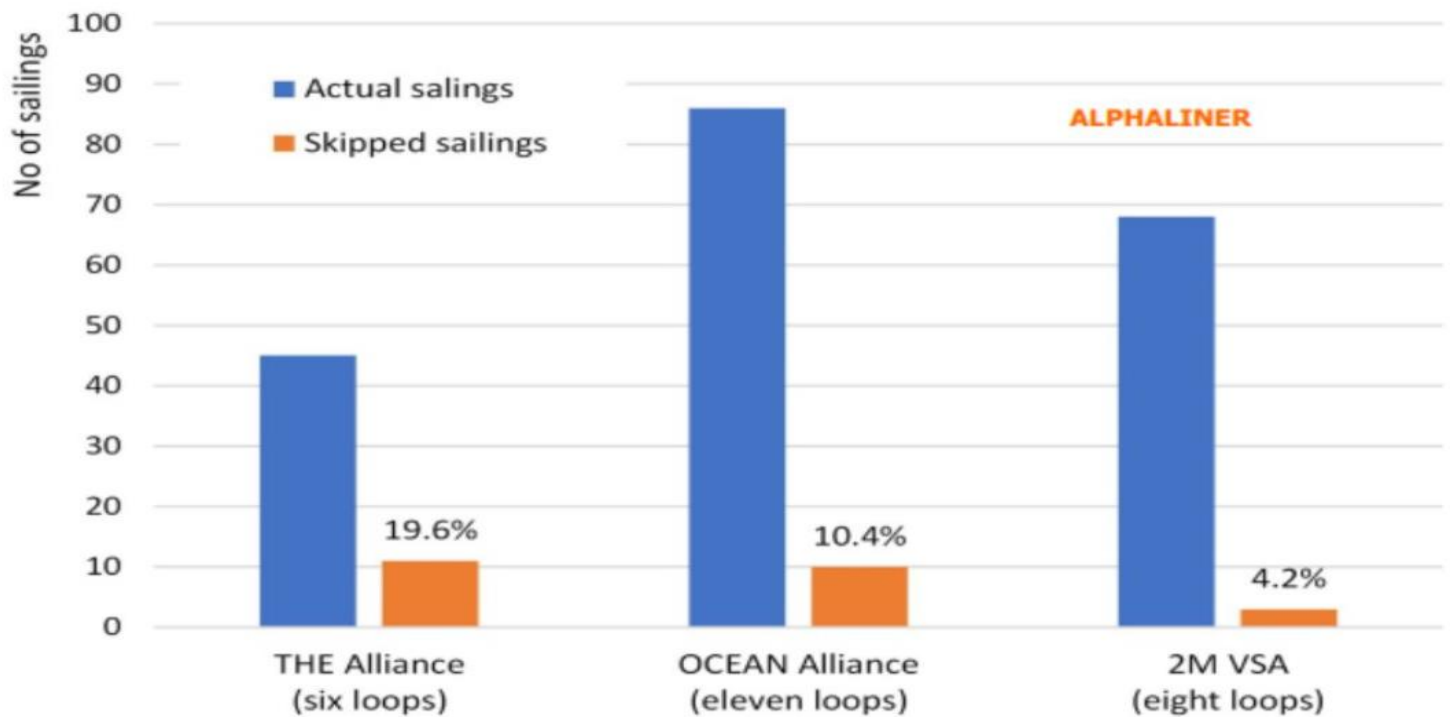
...

1 of 4

Blanked sailings now part of normal shipping business routine

Although a few carriers are still issuing customer advisories on blanked sailings, they seem to have become part of normal shipping business life in the Asia – Europe trade.

Alliance sailings ex Central China to Europe in June/July



Alphaliner counted on 1 July 2023 a total number of 198 cellular [#container](#) ships trading in regular liner services between Europe and the East and West coasts of Canada, the USA and Mexico.



Alphaliner @Alphaliner · Aug 4



4 of 5

They represent a capacity of 1.13 Mteu, up 6.6% year-on-year. This [#fleet](#) is evenly spread between services linking North Europe with North America (49.8%) and [#Transatlantic](#) loops to/from the West and East Med (50.2%).

...rates were much higher.

Freight rates from Europe to the US East Coast are however back at '20 levels, which means that the [#Transatlantic](#) liner party seems to be over. MSC, which is by far the largest carrier in this trade, has already started to remove [#tonnage](#) again.

Black Sea

Belikova Masha @MashaBelGrain · 10h

...

Danube port attacked again overnight by russians. Again grain terminals affected. Photos from local officials [#Ukraine](#)



💬 2

↻ 11

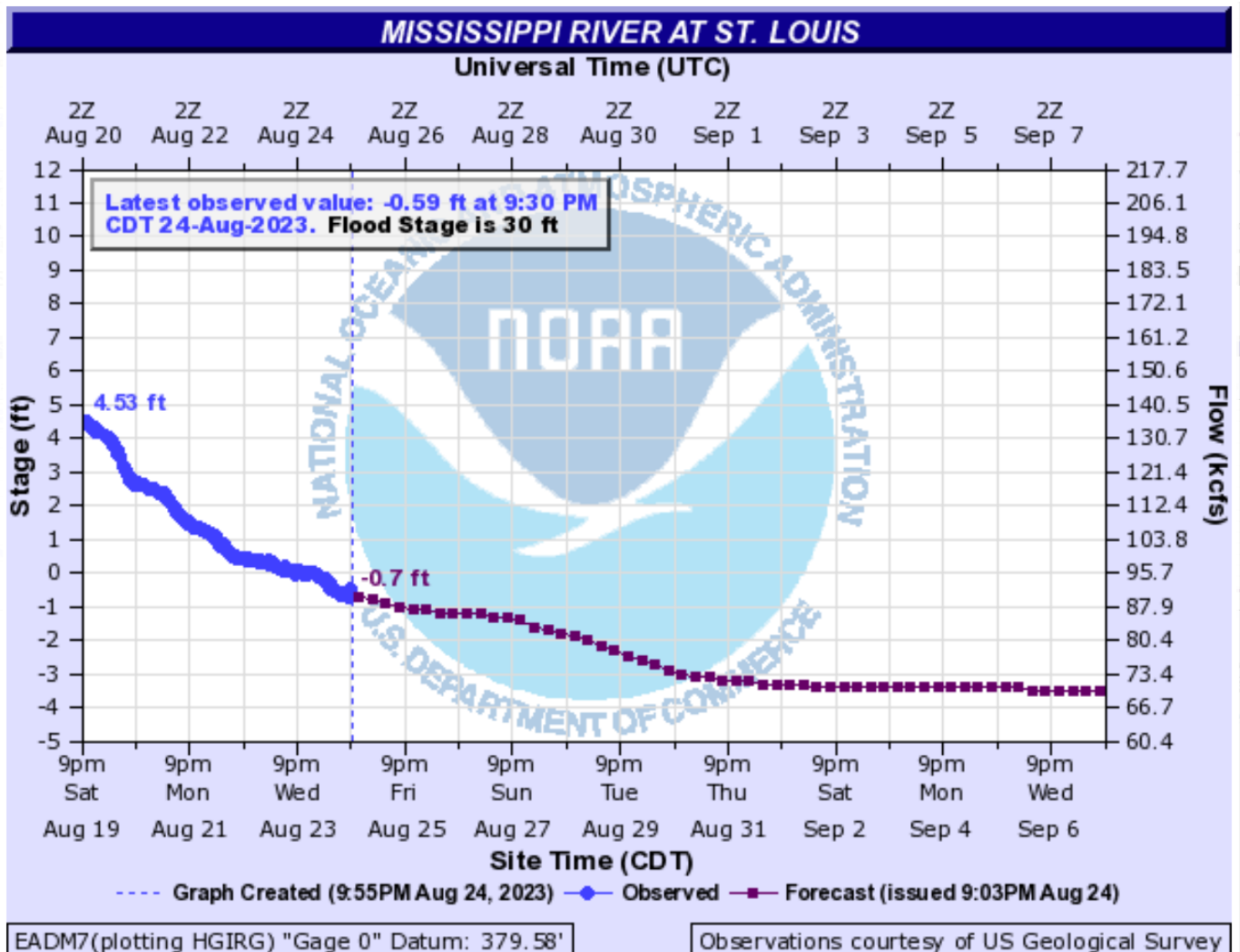
❤ 11

📊 3,004

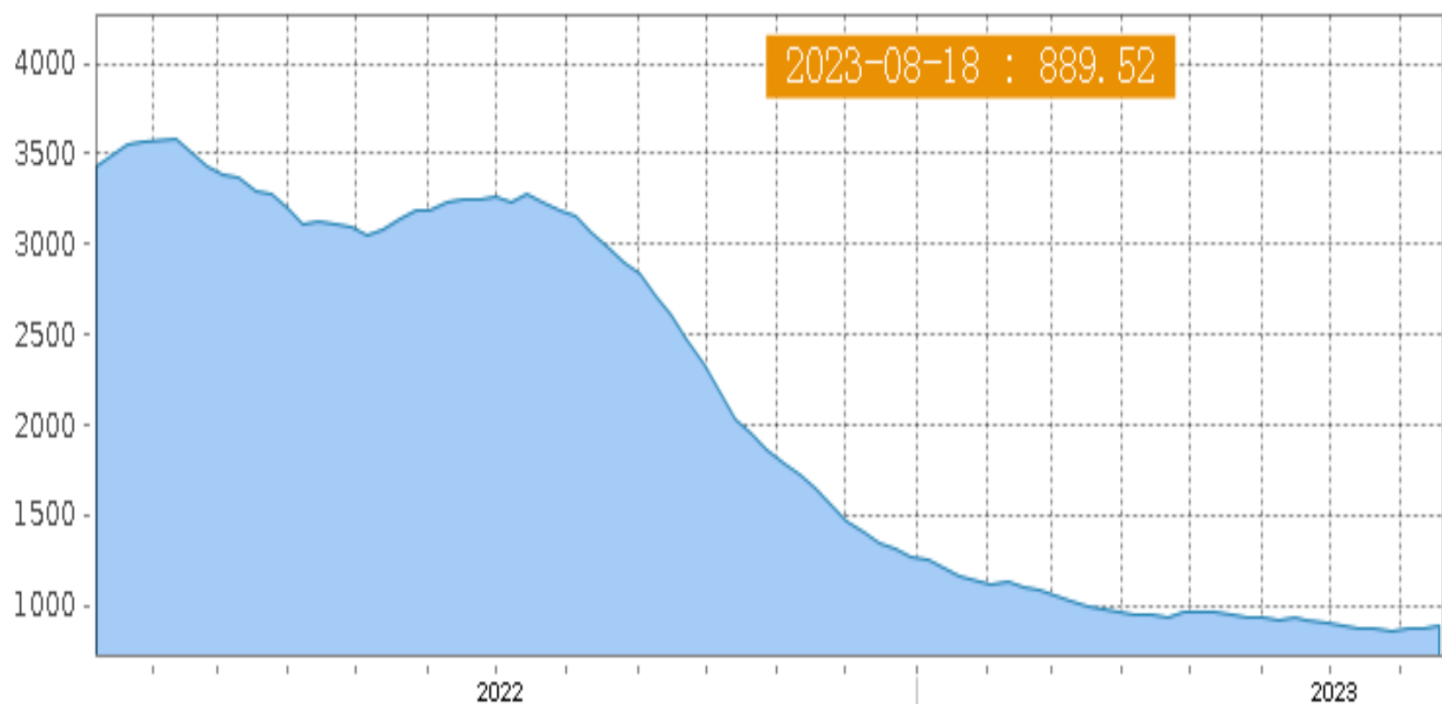
📌

US Rail News:

U.S. River Markets



China Containerized Freight Index



China Import Dry Bulk Freight Index



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

Secondary Rail Car Market Placement FH October 2023	BID USD	ASK USD	BID BU.	ASK BU.	BID MT	ASK MT
BNSF Shuttle Trains	\$ 800	\$ 1,200	\$ 0.20	\$ 0.30	\$ 7.87	\$ 11.81
UPRR Shuttle Trains	\$ 800	\$ 1,100	\$ 0.20	\$ 0.28	\$ 7.87	\$ 10.83

Barge Placement First Half October 2023

Placement FH October 2023	% of Tariff	MT	Corn BU	Soybeans-Wheat BU
Upper Mississippi	765	\$ 52.20	1.33	1.42
Illinois River (Pekin and South)	750	\$ 51.17	1.30	1.39
Mid-Mississippi	750	\$ 36.87	0.94	1.00
Lower Ohio	740	\$ 36.38	0.92	0.99
St. Louis	740	\$ 32.55	0.83	0.89

Best Regards,

Jay

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

joneil@ksu.edu

Follow me on Twitter @ **igpjay**



*** 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.
All market data is subject to change with market conditions and Trader's opinions. Please obtain market updates and reconfirm all values with your regular freight supplier before making any trading decisions based on this data. This message and any attachments may contain confidential or privileged information and are only for the use of the intended recipient of this message. If you are not the intended recipient, please notify the sender by return email, and delete or destroy this and all copies of this message and all attachments. Any unauthorized disclosure, use, distribution, or reproduction of this message or any attachments is prohibited and may be unlawful.
This E-mail is covered by the Electronic Communications Privacy Act, 18 U.S.C. §§2510-2521, and is confidential.