

Transportation and Export Report for 7 September 2023

Dry Bulk markets want to believe that the worst has passed and that rates will gradually move higher. Daily hire rates do seem to have bottomed and recovered slightly but much still depends on the Chinese economy and government stimulus programs. China imports of Iron ore and Coal appear to be improving. With the holiday season approaching, it will likely be Q1 2024 before any true rally can be sustained. Q4 FFA Panamax markets traded up 1,000 points to \$13,600/day and Cal.2024 moved up 800 points to \$11,900/day. The Panama Canal still has a low water problem and container vessels must load lighter to meet the restricted draft requirements. Grain vessel wait times are running 10-12 days through the old locks.

The BALTIC DRY-BULK PANAMAX INDEX CHANGES

Panamax Ocean Freight Indices					
7-Sep-2023		This Week	Last Week	Difference	Percent Change
P2A: Gulf/Atlantic - HK-Korea	Index	22223	22918	-695	-3.0%
P3A: PNW/Pacific - RV Korea-Taiwan	Index	12367	10842	1,525	14.1%
S1C: US GULF-China-So.Japan	Index	21739	18750	2,989	15.9%
P7: Trial- Miss. River - Qingdao	per ton	53.83	53.62	0.21	0.4%
P8: Trial- Santos - Qingdao	per ton	40.26	41.36	-1.10	-2.7%

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

Four weeks ago:	\$8.00-\$8.35
Three weeks ago:	\$7.95-\$8.05
Two weeks ago:	\$7.55-\$7.75
One week ago:	\$7.45-\$7.60
This week	\$7.90-\$7.93

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

Mississippi River:	(9 elevators)	1-7 days (1 facility over 3 days)
Mid-Stream loaders:	(6+ Rigs)	0-1 days
Texas Gulf	(5 elevators)	0-5 days (3 facilities at zero days, only 1 over 2days)
Pacific Northwest:	(9 elevators)	0-7 days (6 facilities at zero days, only 1 over 2 days)

Panamax Market Spreads to Asia -China					
7-Sep-2023	GULF	PNW	Bushel Spread	Tonne Spread	Advantage
CORN	1.25	1.95	0.70	\$27.56	GULF
SOYBEANS	1.20	1.93	0.73	\$26.82	GULF
OCEAN FREIGHT	\$53.50	\$28.50	.64-.68	\$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 \$27.75 - \$28.75/mt.

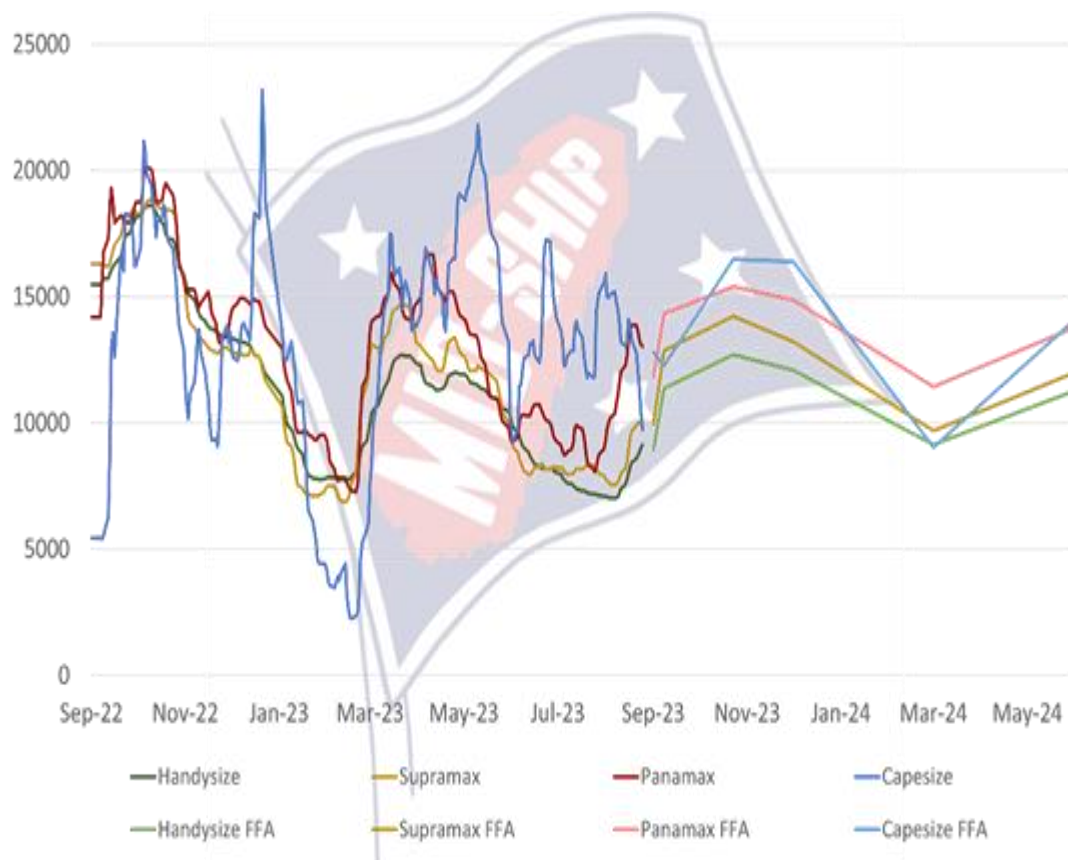
Soybean Brazil to Spain about \$37.50 - \$39.00/mt.

Route and Vessel Size	Current Week USD/MT	Change	Remarks
55,000 U.S. Gulf-Japan	\$54.00	Up \$0.50	Handymax \$54.50 mt
55,000 U.S. PNW- Japan	\$29.00	Up \$0.50	Handymax at \$29.00 mt
65,000 U.S. Gulf – China PNW to China	\$53.50 \$28.50	Up \$0.50 Up \$0.50	North or South China
25,000 U.S. Gulf- Veracruz, México	\$21.25	Unchanged	3,000 MT daily discharge rate
35-40,000 U.S. Gulf- Veracruz, México	\$18.75	Unchanged	Deep draft and 6,000 MT per day discharge rate.
30-38,000 U.S. Gulf- Colombia 50,000 USG- E/C Colombia <u>East Coast Colombia</u> From Argentina	\$29.25 \$26.00 \$37.00	Unchanged	<u>West Coast Colombia at \$32.00</u>
40-45,000 U.S. Gulf - Guatemala	\$29.25	Unchanged	Acajutla/Quetzal - 8,000 out
30,000 US Gulf-Morocco	\$33.75	Up \$0.25	5,000 discharge rate
55-60,000 U.S. Gulf –Egypt PNW - Egypt	\$32.50 \$33.00	Up \$0.50	55,000-60,000 mt Egypt Romania - Russia- Ukraine \$15.00 - \$16.50 - \$45.00?? France \$20.50, Bulgaria \$15.50
58-74,000 U.S. Gulf – Europe – Rotterdam	\$27.50 \$27.00	Up \$0.50	Handymax at +\$2.50 more
Brazil, Santos –China Brazil, Santos –China Up-River Port North Brazil	\$43.00 \$41.00 \$46.75	Unchanged	54-59,000 Supramax-Panamax 60-66,000 Post Panamax 55-60,000 mt
56-60,000 Argentina-China Deep draft	\$48.75	Unchanged	Up-River with Top Off Plus \$3.75-\$4.75

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 2018-09-06 To 2023-09-06



China Import Dry Bulk Freight Index

2023-09-07

Description	Volume	Cargo	Unit	Rate	Change
Composite Index			Point	987.04	2.02
Iron ore Freight Index			Point	927.4	3.19
Dampier(West Australia)-Qingdao (China)	170000/10%	Iron ore	\$/ton	7.929	0.096
Soybean Freight Index			Point	1199.65	-1.58
Santos(Brazil)— North China	66000/10%	Soybean	\$/ton	40.84	-0.15
Tacoma(West America)—North China	63000/10%	Soybean	\$/ton	28.34	-0.03
Mississippi(US Gulf)—North China	66000/10%	Soybean	\$/ton	53.71	0.09

7 September 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 =	4.8625
Max. 14.5% moisture	BASIS	FLAT PRICE	BASIS	FLAT PRICE	H =	5.0000
Oct.	1.25	\$240.64	1.95	\$268.19	K =	5.0825
Nov.	1.10	\$234.73	1.78	\$261.50	N =	5.1175
Dec.	1.00	\$230.79	1.69	\$257.96	U =	5.0650
Jan.	0.82	\$229.12	1.52	\$256.68	Z =	5.1000
Feb..	0.80	\$228.33	1.49	\$255.50		
Mar.	0.81	\$228.73	1.50	\$255.89		

There are currently no corn vessels the PNW export facility lineups. PNW rail corn markets for 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 until we get out to new crop.

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.	1.45	\$248.51
Nov.	1.45	\$248.51
Dec.	1.45	\$248.51
Jan.	1.40	\$251.95
Feb.	1.40	\$251.95

Fob vessel Texas Gulf #2 Sorghum is about 108 % 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	\$249.76	\$255.27	\$254.91	\$254.91
Basis	0.80	0.95	0.94	0.68
WZ	5.9975			
WH	6.2575			
WK	6.4300			

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.	1.20	\$543.62	1.93	\$570.44
Nov.	1.05	\$538.11	1.75	\$563.83
Dec.	0.97	\$540.40	1.67	\$566.12
Jan.	1.01	\$541.87	1.71	\$567.59
Feb	1.04	\$545.09	1.74	\$570.81
Soybean Futures				
Nov.	\$ 13.5950			
Jan.	\$ 13.7375			
Mar.	\$ 13.7950			
May	\$ 13.8225			
July	\$ 13.8000			
Aug.	\$ 13.5650			

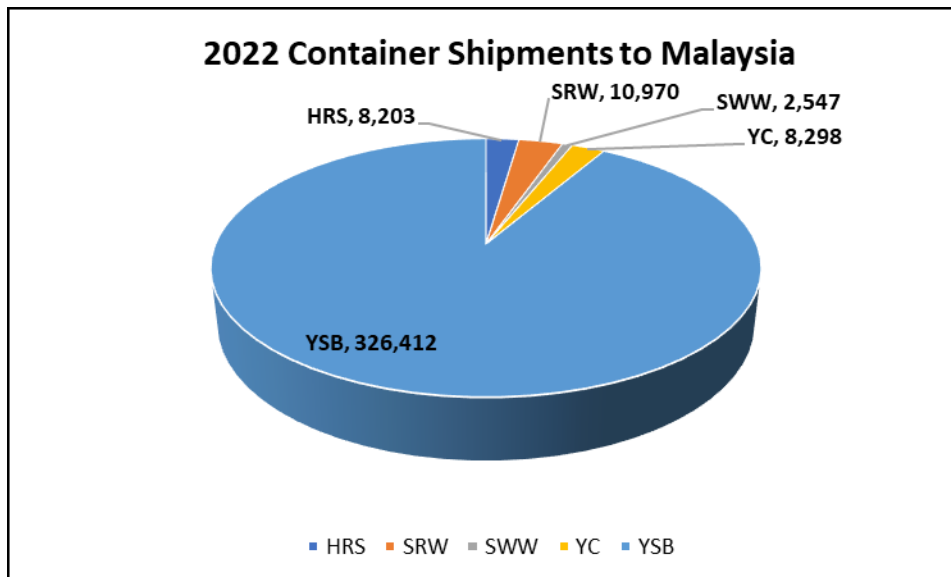
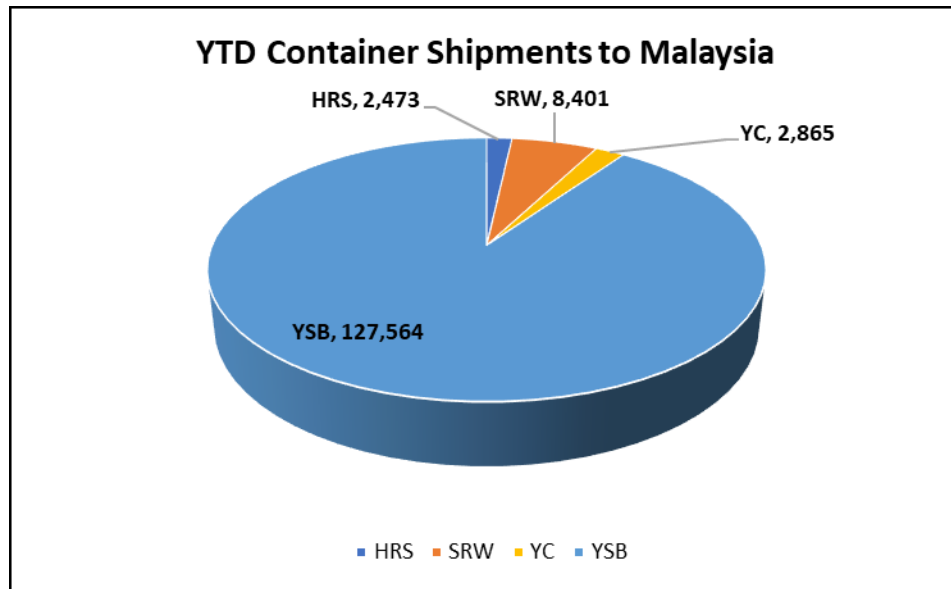
Currently, there are no soybean vessels in the PNW vessel lineup. Soybean cargo demand at PNW ports is therefore very thin and rail delivery markets there are difficult to accurately determine. Above Fob vessel values in the PNW are based on best guesses off interior values and spreads.

U.S. SBM (USD/MT) FOB Vessel		
Fob U.S. Gulf Port	47.5 Pro. SBM	
max 12.5 % moisture	Basis	Flat Price
Oct.	43.00	\$ 484.44
Nov.	43.00	\$ 483.23
Dec.	42.00	\$ 482.12
Jan.	39.00	\$ 476.72
Feb.	38.00	\$ 471.21
SBM Futures		
SMV	\$ 396.40	
SMZ	\$ 395.30	
SMF	\$ 393.40	
SMH	\$ 389.40	
SMK	\$ 386.30	
SMN	\$ 386.20	

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).*

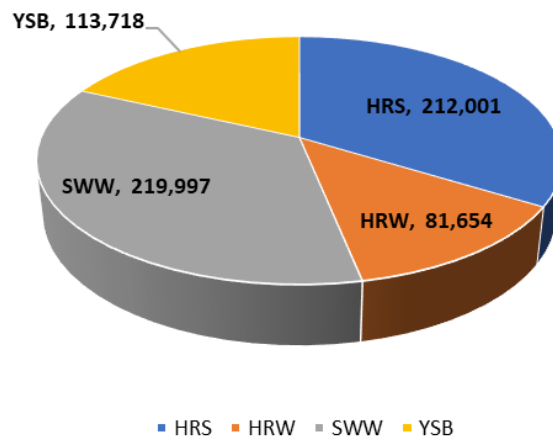
CONTAINER SHIPMENTS of GRAIN									
USDA Grain Inspections Report:		31-Aug-2023							
Last Week	metric tons								MT
	YC	WC	YSB	SRW	NS	HRW	SWH	Sorghum	TOTAL
China			5,925					1,935	7,860
Taiwan	1,860		5,435	1,371					8,666
Hong Kong	98								98
Costa Rica	49								49
Indonesia			6,095						6,095
French Poly									0
Japan			2,150						2,150
Korea Rep.	1,199								1,199
Bangladesh									0
Malaysia			784						784
Netherlands									0
Philippines	367		416						783
Thailand			120						120
Nepal									0
Burma									0
Ireland		24							24
Cambodia									0
Vietnam			3,401		710				4,111
Sub Total:	3,573	24	24,326	1,371	710	0	0	1,935	31,939
USDA Corrections/Additions to previous reports:									
Taiwan	954		171						1,125
China								49	49
Hong Kong									0
Korea Rep.			24						24
Un Kingdom									0
Japan			611						611
Philippines									0
Indonesia			392						392
Malaysia			147						147
Thailand									0
Vietnam			612						612
Burma									0
Cambodia									0
Sub Total:	954	0	1,957	0	0	0	0	49	2,960
Mt. Grand Total	4,527	24	26,283	1,371	710	0	0	1,984	34,899
Number of Containers	197	1	1,143	60	31	0	0	86	

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

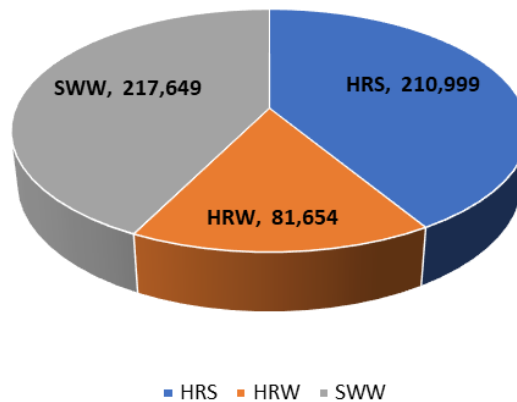


2023 YTD Grain Exports reported by USDA (in MT)

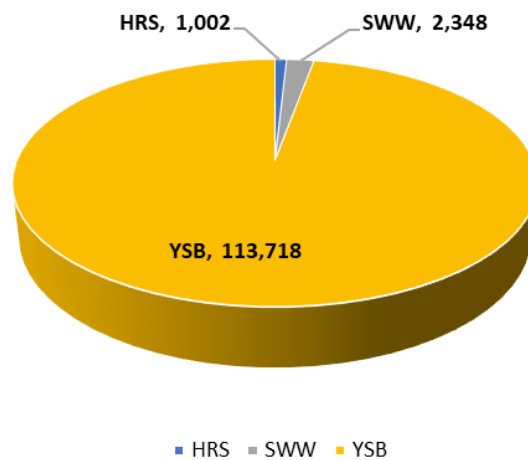
2023 YTD Exports to Thailand



YTD Vessel Shipments to Thailand



YTD Container Shipments to Thailand



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


Source: USDA-data

Shipping News




MarinSmart @marinsmart0405 · 8h

...

 BIMCO Report: Global **Dry Bulk** Shipping Growth in 2023 May Be Below Expectations

 Tanker Market: Set for Growth

 Container Ships: Facing Challenges

 **Dry Bulk** Market: Uncertain

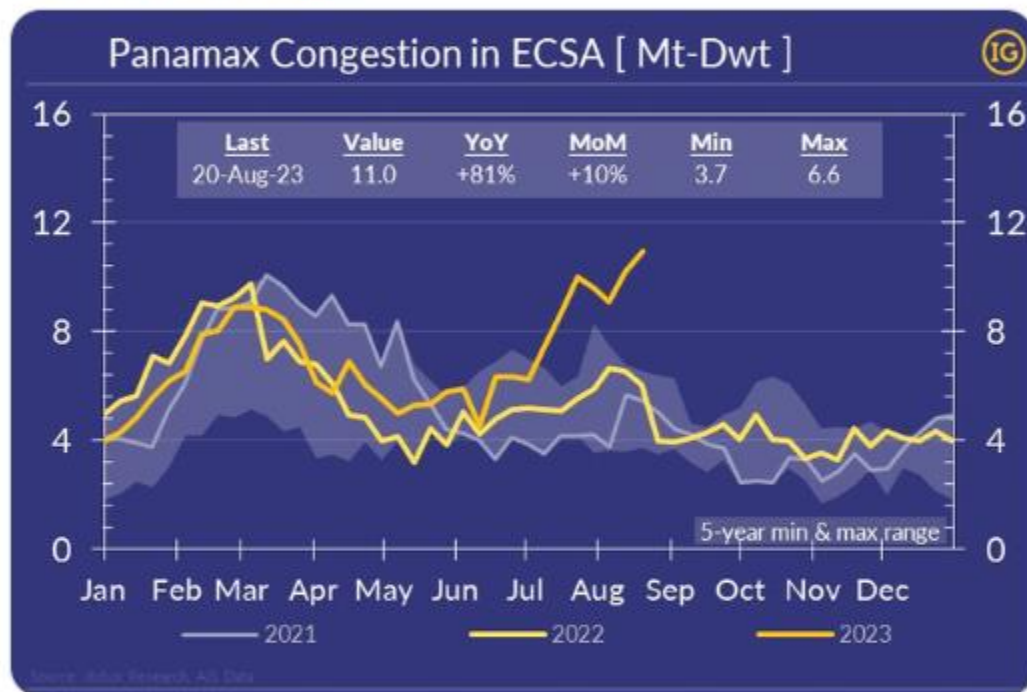
 Global Factors: IMF predicts slower GDP growth

#ShippingMarket #Tankers #Containers #DryBulk



Freightmonkey @jsxfreight1 · Aug 29

We have mentioned pmx congestion in South America, nice graph to represent. Let's keep in mind that 2021 market was congestion driven [\\$sblk](#) [\\$gogl](#) [\\$gogl.ol](#) [\\$gnk](#) - graph by Ifchor Galbraiths



3

2

22

1,377



Freightmonkey @jsxfreight1 · Aug 29

Key difference being that in 2021 China was very congested, the current situation is weather driven in South Brazil.

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.

Container Freight Markets

Greg Miller @GMJournalist · Aug 28

...

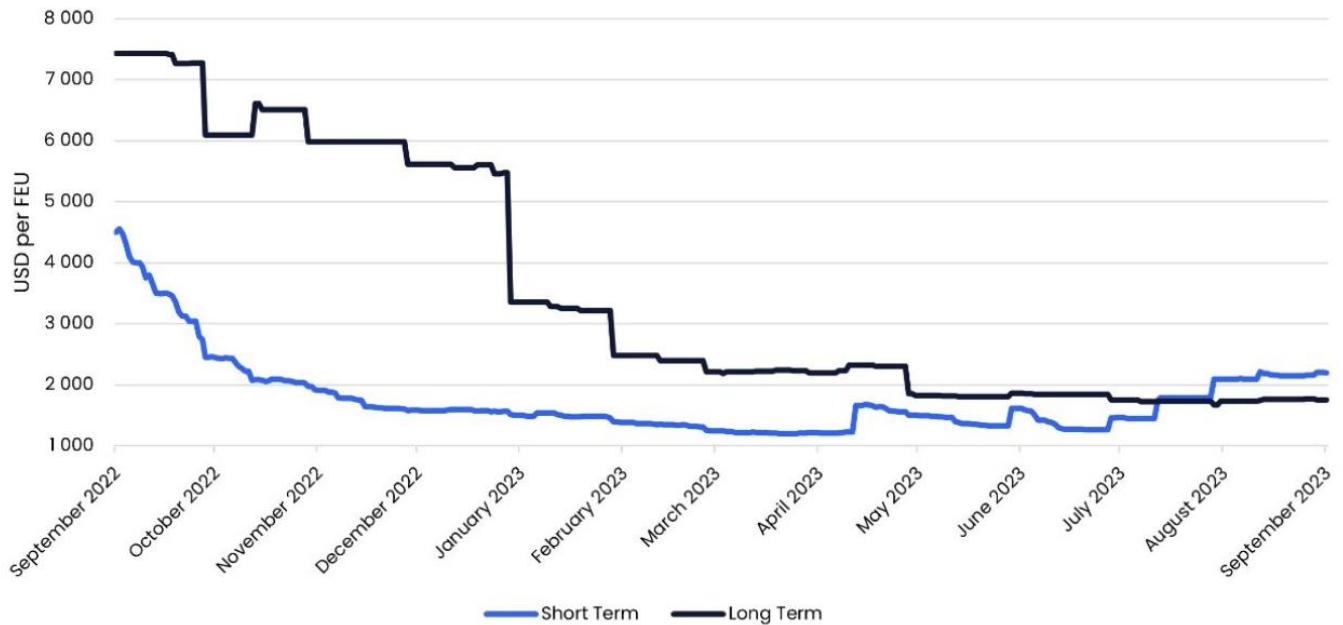
After big gains for trans-Pacific spot [#shipping](#) rates in July/first half of Aug, momentum stalled over past 2 weeks, with some declines. Could be temporary setback, could be the end of peak season. See story for latest index numbers [#containers](#) [\\$ZIM](#) [\\$MATX](#)



freightwaves.com

Rebound in trans-Pacific container shipping rates has stalled
Asia-U.S. spot shipping rates have pulled back after a strong run-up,
implying peak season may have passed its peak.

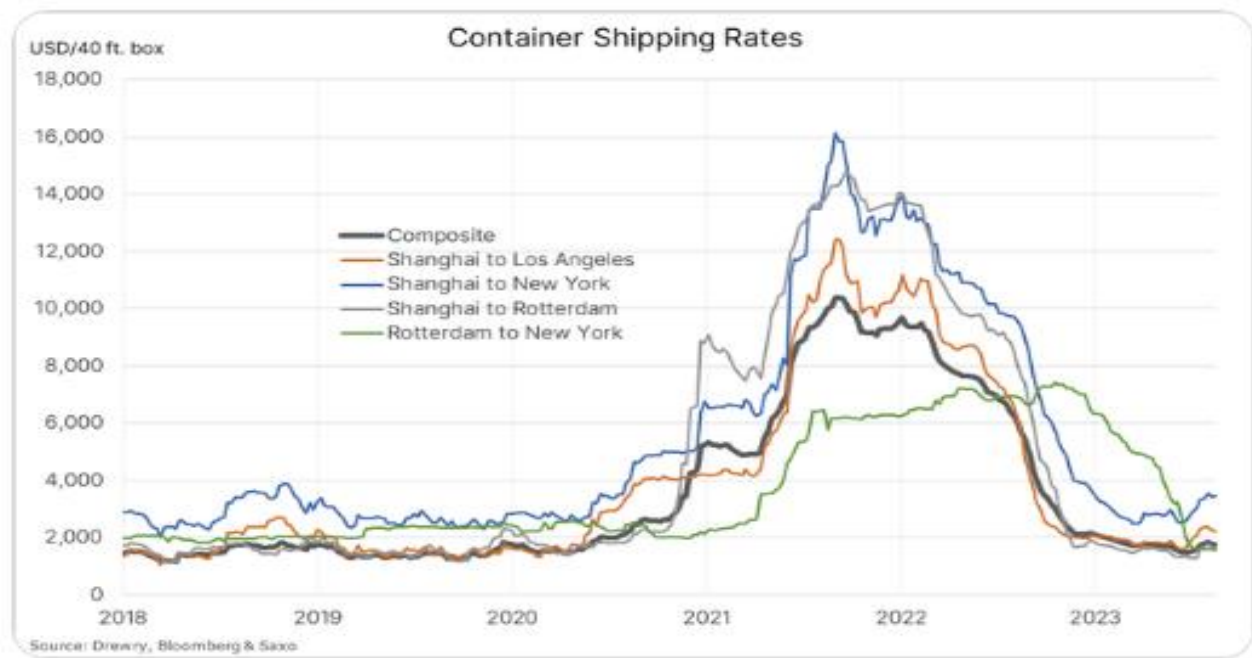
China to US West Coast - Long and Short term rates



Source: www.xeneta.com

Ole S Hansen @Ole_S_Hansen · 10h

Global [#container](#) [#shipping](#) rates cont. to reverse some of their recent gains with the Drewry Composite Index down 1.6% this week to \$1740 pr 40ft. box. A 69% YoY decline but still some 300 dollars above the pre-Covid avg. Weakness led by the two major inbound routes to Europe... [Show more](#)



Black Sea

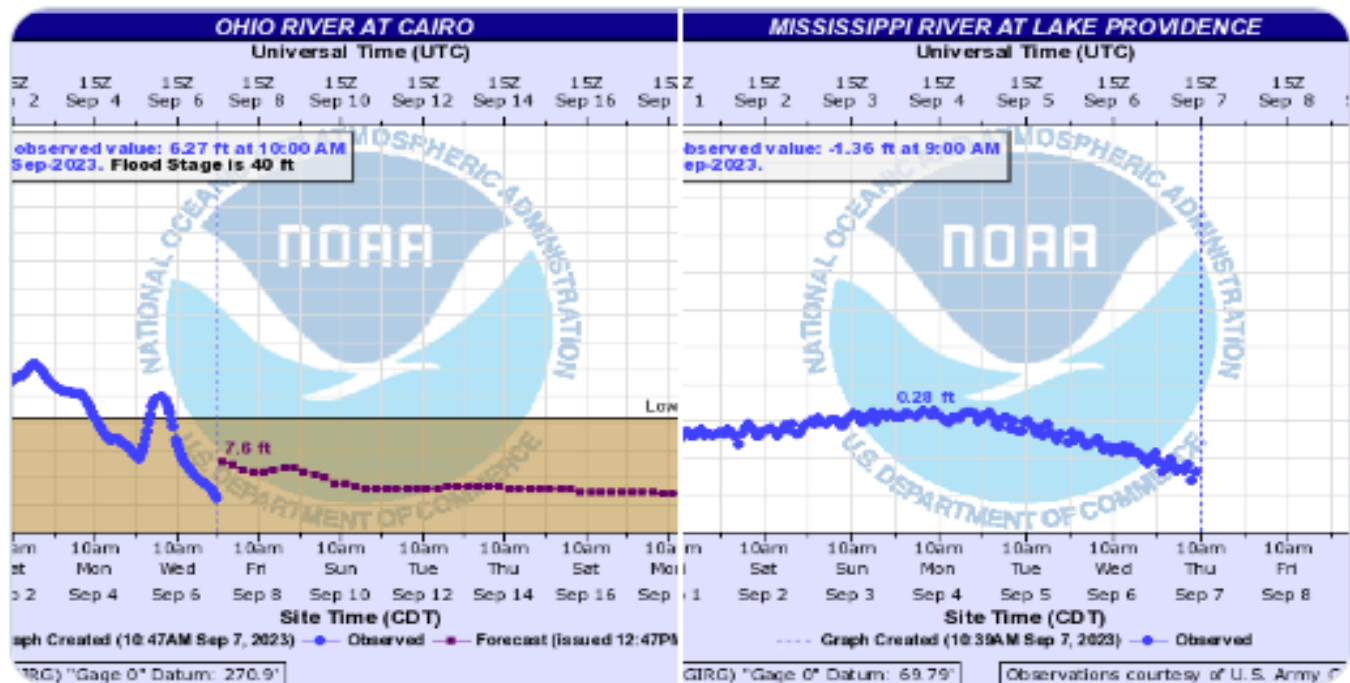
US Rail News:

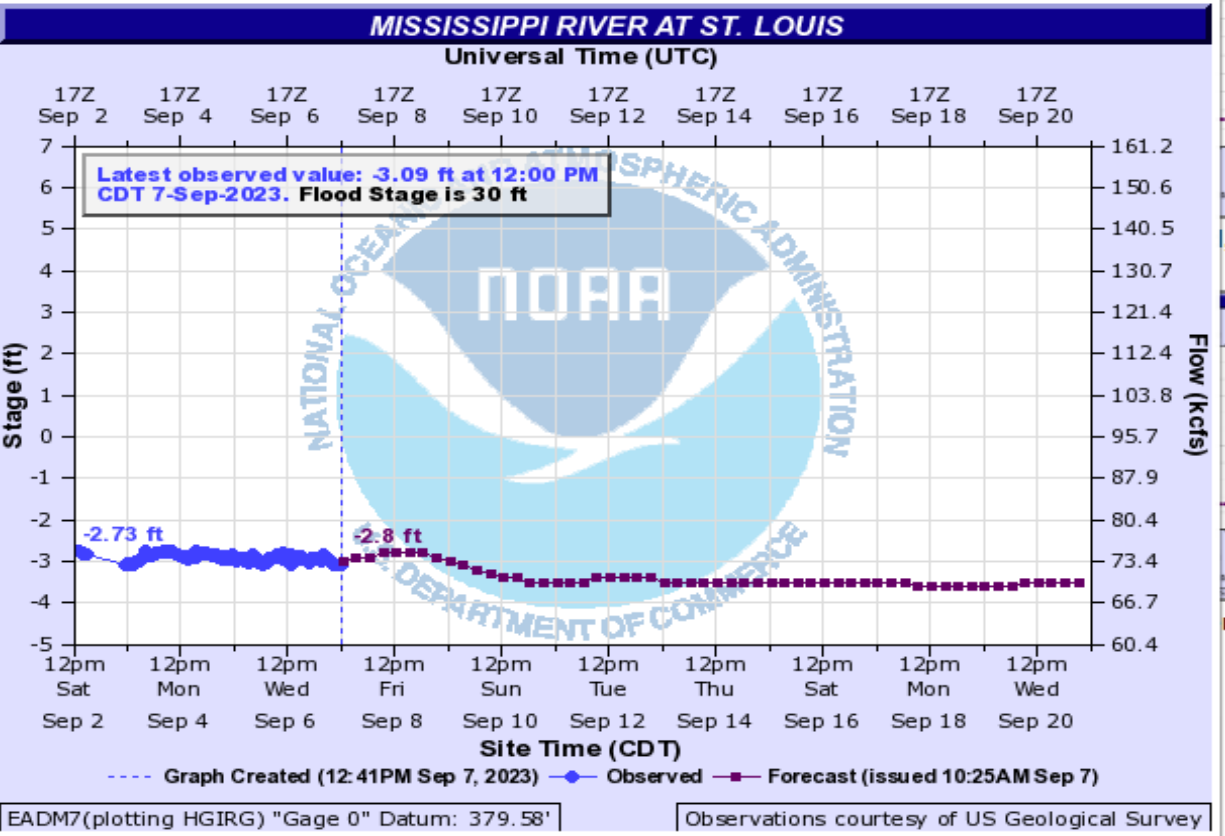
U.S. River Markets

Mary Kennedy @MaryCKenn · 2h

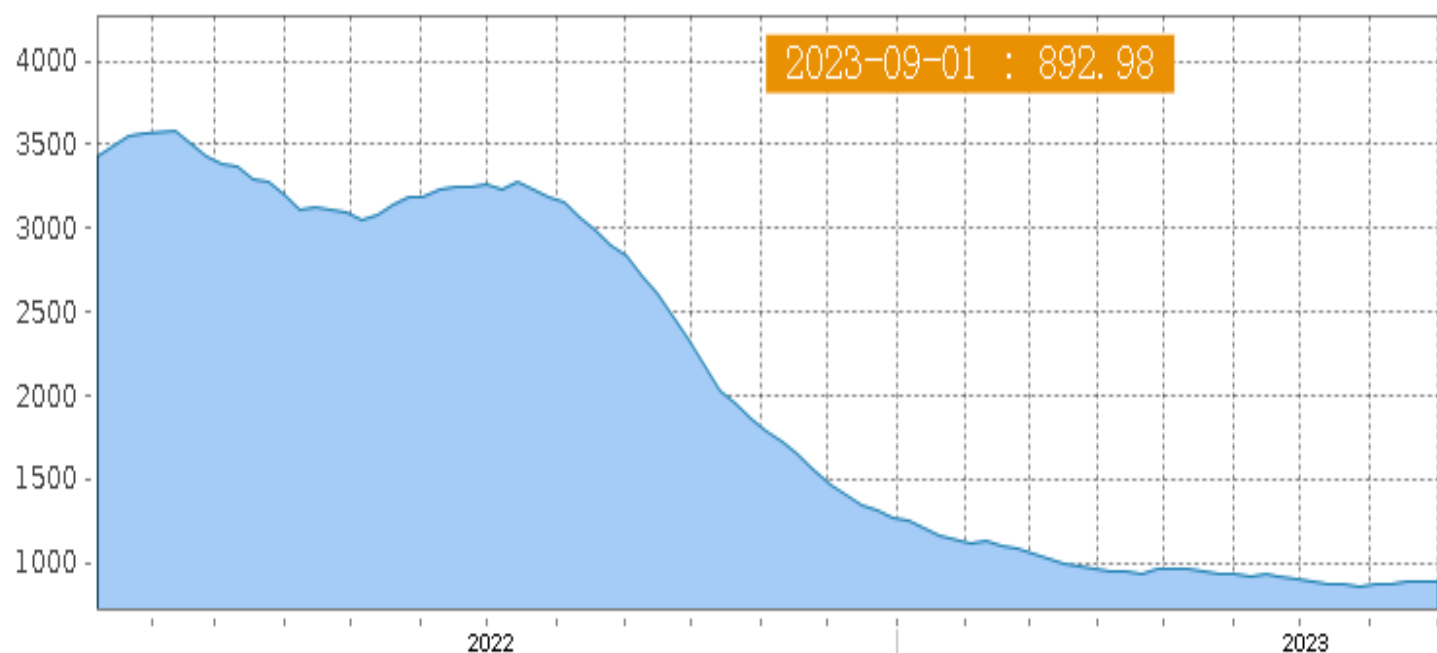
...

River Update: "Drafts were cut back yesterday 10'0" Cairo-Lake Prov and 10'6 Lake Prov to NOLA. River stages continue to fall, reduced tow sizes and intermittent river closure for dredging."





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	\$ 1,300	\$ 1,700	\$ 0.33	\$ 0.43	\$ 12.79	\$ 16.73
UPRR Shuttle Trains	\$ 1,000	\$ 1,500	\$ 0.25	\$ 0.38	\$ 9.84	\$ 14.76

Barge Placement First Half October 2023

Placement FH October 2023	% of Tariff	MT	Corn BU	Soybeans-Wheat BU
Upper Mississippi	875	\$ 59.70	1.52	1.62
Illinois River (Pekin and South)	875	\$ 59.70	1.52	1.62
Mid-Mississippi	875	\$ 43.02	1.09	1.17
Lower Ohio	875	\$ 43.02	1.09	1.17
St. Louis	875	\$ 38.48	0.98	1.05

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.