

Ocean Freight

Interestingly it was quoted in a wire story that 65% of the world's panamax fleet is discharging in China, thoughts are this freight will be looking for a home, once emptied and could weaken freight values. Personally I do not believe the percentage is that high, but it is true that Chinas economy is growing rapidly, at 10.7% in 2006, and that China demand constitutes a large part of the demand base for the dry bulk fleet.

As expected, Panamax bulk freight rates have softened over the last two weeks. Since the beginning of the month lease rates on vessels have gone from \$37,997/day down to \$35,132/day (a drop of \$2,865/day) in the Atlantic. Daily hire rates in the Pacific have gone from \$36,029/day to \$32,401/day (a drop of \$3,628 per day).

U.S. Gulf to Japan, rates have backed down to about \$54.00/tonne. And PNW rates to Japan are now at \$36.50/tonne (maybe \$36.00). This puts the spread at \$17.50/tonne or .445 cents per bushel for corn and .476/bushel for Soybeans.

At \$54.00 per tonne the Panamax bulk freight market from the U.S, Gulf to Japan is still up \$21.70/tonne, or 67 percent from its January 26, 2006 low of \$32.30. But this is a 9 % drop from the beginning of the month.

The Panama Canal is congested with about 71 vessels waiting in line to transit. Delays are estimated at 4-5 days and a few large Tankers and a large container vessel have paid upwards of \$200,000 in the Cannel auction to buy a quick slot..

CURRENT VESSEL MARKET RATES ARE ESTIMATED BELOW:

Route and Vessel Size	Current Week USD/MT	Change from previous week	Remarks
55,000 US Gulf-Japan	\$54.00	Down \$3.00	
55,000 PNW- Japan	\$36.50	Down \$1.50	
55,000 US Gulf - China	\$54.00		North or South China
25,000 US Gulf- Veracruz, Mexico	\$22.00		3,000 mt daily discharge rate
35-40,000 US Gulf- Veracruz, Mexico	\$17.00		Deep draft and 8,000 mt per day discharge rate.
25/30,000 mt US Gulf- East Coast Colombia	\$25.00		West Coast Colombia \$30.00
25,000 US Gulf - Algeria	\$40.00		
55,000 mt US Gulf - Egypt	\$38.00		
60-70,000 mt US Gulf - Europe	\$29.00		
55-60,000 Brazil -China	\$59.00		Panama Canal Delays

St. Lawrence – Egypt	\$39.00		
55,000 US Gulf to Iraq	\$72.00		Um Qasar
25,000 mt US Gulf to Morocco	\$35.00		One port discharge.

Barge Freight

Ill. River freight for FH. February is now at 300 % (\$15.34/mt, or .39/bushel for Corn).

Lower Ohio River freight for FH. February is 300% (\$14.75/mt, or .375/bushel for Corn).

Secondary Rail Freight Markets

BNSF Pool cars (Less than shuttle train size) for FH. February are bid -\$/car and offered at -\$25/car. 110 car Shuttle freight for Spot placement are offered at -\$500/car and FH. February is now bid -\$400/car against offers of -\$300/car.

UPRR Pool cars for FH. February are bid -\$/car against offers of -\$175/car.

UPRR 100 car shuttle trains for FH. February are bid -\$150/car against offers of -\$50/car

DDGS Markets:

DDGS	USD/MT				
	Delivery Point	February	March	April	May/Sept.
	Barge CIF New Orleans (min. 36 % Profat)	\$170.00	\$165.00	\$154.00	\$154.00
	FOB Vessel GULF (min. 36 % Profat)	\$177.00	\$172.00	\$161.00	\$161.00
	Rail delivered PNW (min. 36 % Profat)	\$187.00	\$187.00	\$173.00	\$173.00
	Rail delivered California (min. 36 % Profat)	\$185.00	\$185.00	\$171.00	\$171.00
	Mid-Bridge Laredo, TX (min. 36 % Profat)	\$200.00	\$200.00	\$200.00	\$200.00
	40 ft. Containers to South Korea (Busan)	\$206.00	\$206.00	\$192.00	\$190.00
	40 ft. Containers to Taiwan (Kaohsiung)	\$206.00	\$206.00	\$192.00	\$192.00
	40 ft. Containers to Philippines (Manila)	\$228.00	\$228.00	\$223.00	\$223.00
	40 ft. Containers to Indonesia (Jakarta)	\$204.00	\$204.00	\$200.00	\$200.00
	40 ft. Containers to Malaysia (Port Kelang)	\$230.00	\$230.00	\$225.00	\$225.00
	40 ft. Containers to Vietnam (Saigon)	\$231.00	\$231.00	\$226.00	\$226.00

Best Regards,
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