

1 November 2006

## Ocean Freight

The worm has turned, slightly. Or at least vessel owners are hoping so.

The excess of near-by tonnage has largely been absorbed and vessel owners are holding out for better prices, hoping that the North American new crop business will finally get moving and provide better demand.

Rates in both the Atlantic and Pacific are up from last weeks values. The U.S. Gulf to Japan index is up .68 points in the last three days; the PNW/Pacific index to Asia is up \$1.99 points in the last four days.

The Baltic freight index for Panamax vessels from US Gulf to Japan is currently \$48.48/tonne.

The physical market is still trading at around \$49.00/tonne.

The Baltic index for Panamax vessels from the PNW to Japan is \$38.67.

The Gulf-PNW freight spread to Asia is now \$9.81/tonne (.25 bushel for Corn and .266/bushel for Wheat and Soybeans).

The cash spread on FH. November Corn from the PNW verses Gulf has narrowed to +.29/bushel (+.91 Z Fob PNW verses +.62 Z Fob vessel at the Gulf)

The cash spread on FH. November Soybeans from the PNW verses Gulf has widened back out to +.23/bushel (+.75 X Fob PNW verses +.52 X Fob vessel at the Gulf).

On paper, current market spreads indicate that Corn is best loaded out of the Gulf to Asia and Soybeans are slightly more economical to load out of the PNW if going to Asia.

- **Weekly Export Inspection Highlights:**

The port range breakdown for last week's exports is as follows:

**Yellow Corn:** 1,014,686 mt Total

U.S. Gulf = 81 %, PNW = 5 %, Lakes = 4 %, Atlantic Coast = 3 % and Interior shipments = 7 %.

**White Corn:** 5,842 mt Total (All to Colombia)

**Sorghum:** 25,097 mt Total (10,110 mt to Japan, 7,036 mt to Spain, and 7,951 mt to Mexico).

Gulf = 68 %, PNW = 0 % and Interior Rail to Mexico = 32 %.

**Containerized Shipments:** Total FGIS inspected containers reported for the week = 28,145 mt.

(About 1,173 containers).

**Yellow Corn:** 9,856 mt total (411 containers) 8,154 mt to Taiwan, 1,575 mt to Indonesia, and 127 mt to Hong Kong).

**Soybeans:** 18,289 mt total. (762 containers) 15,894 mt to Taiwan, 2,123 mt to mainland China and 272 mt to Indonesia.

## Vessel line ups at the Ports:

**Mississippi River** 2-5 days

**Mid-Stream Transfer** 1-2 days

**Texas Gulf** 0-2 days

**PNW** 0-2 days

## **Barge Freight**

Ill. River freight for FH. November is now 515 % (\$26.34/mt, or .67 bushel for Corn).  
(That's up .10 per bushel from one week ago)

Mid-Mississippi River freight for FH. November is 510 % (\$29.91/mt, or .76/bushel for corn).

Upper Mississippi freight for FH. November is 615 % (\$41.96/mt, or \$1.07/bushel for corn).

## **Secondary Rail Freight Markets**

BNSF Pool car values for FH. November placement are bid -\$175/car and offered at -\$125/car

BNSF shuttle trains for FH. November are bid -300/car and offered at -\$200/car

UPRR Pool cars for FH. November are bid -\$250/car and offered at -\$175/car

UPRR Shuttle cars for FH. November are bid -\$200/car against offers of -150/car

*\*\* FYI – I will be out of the office next week, traveling on business to Chile.*

*I will not be able to put out a transportation report until I return.*

*\* The information in this market report is derived from sources believed to be reliable and accurate but can not be guaranteed. All market data is subject to change with market conditions and Traders opinions. Please obtain market updates and reconfirm all values with your supplier before making any trading decisions based on this data.*

Best Regards,

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