

ONEIL COMMODITY CONSULTING

Transportation Update Report for 8 February 2008

Ocean Freight

Ocean Freight Comments:

Despite the lull in business due to the Chinese New Year holiday, ocean freight rates are trying to bounce back a bit from their recent lows.

The Baltic index for Panamax rates in the Gulf/Atlantic bounced up 5,686 points or 9 % in the last week to 66,214. The Baltic index for Panamax rates in the Pacific moved up 1,430 points or 4 % since last Friday.

Rates are still well below their 2007 highs, but remain quite volatile.

In dollar terms the U.S. Gulf to Japan Panamax market for Feb.-March is close to \$97.00/mt. Handymax vessels are trading at a \$4.00/tonne premium to Panamax size vessels. Panamax rates from the PNW to Japan are quoted at \$54-55.00/mt. for the same period. With U.S. Gulf to Japan-Asia Panamax rates now in the range of \$97.00/tonne for February shipment and rates from the PNW to Japan at near \$54.00 per tonne, the Gulf-PNW freight spread is sitting very close to \$43.00 per tonne (\$1.09 cents per bushel for corn and Milo and about 1.17 cents per bushel for soybeans and wheat). This is a very wide spread and will cause thee shifting of vessels from the Pacific to the Gulf-Atlantic. Of course we also have an historically high cash spread/premium between the US Gulf and PNW in Fob Corn values.

Route and Vessel Size	Current Week U.S.D/MT	Change from previous week	Remarks
55,000 U.S. Gulf-Japan	\$97.00	Up \$5.00	46,000 ton Handymax At \$96.00 per tonne
55,000 PNW- Japan	\$54.00	Down \$1.00	Handymax at \$54.00
55,000 U.S. Gulf - China	\$96.00		North or South China
25,000 U.S. Gulf-Veracruz, México	\$25.00		3,000 MT daily discharge rate
35-40,000 U.S. Gulf-Veracruz, México	\$21.00		Deep draft and 8,000 MT per day discharge rate.
25/30,000 U.S. Gulf-East Coast Colombia	\$36.00		West Coast Colombia \$62.00
30,000 U.S. Gulf - Algeria	\$70.00		6,000 MT daily discharge
55,000 U.S. Gulf -Egypt	\$69.00		55,000 -60,000 mt
60-70,000 U.S. Gulf - Europe	\$63.00		
55-60,000 Brazil -China	\$105.00		
55-60,000 Argentina-China	\$104.00		
55,000 U.S. Gulf to Iraq	\$165.00 -\$170.00		Umm Qasr (Incl. War risk)
25,000 U.S. Gulf to Morocco	\$66.00		One port discharge. 3,000 MT discharge rate

Containerized Grain Shipments:

CONTAINER SHIPMENTS of GRAIN									
USDA Grain Inspections Report:		4-Feb-2008							
Last Week	metric tons							MT	
	<u>YC</u>	<u>YSB</u>	<u>Milo</u>	<u>SRW</u>	<u>HRW</u>	<u>HRS</u>	<u>Barley</u>	<u>TOTAL</u>	
Taiwan	3,963	4,055						8,018	
China		898						898	
Hong Kong								0	
Indonesia		735						735	
Malaysia	1,041							1,041	
Philippines	25	463						488	
Vietnam		980						980	
Singapore								0	
Japan	610	844						1,454	
So. Korea	127				737			864	
Thailand								0	
Jordan								0	
Algeria									
Australia	406							406	
Sub total	5,766	7,975	0		737			14,478	
USDA Corrections/Additions to last weeks report:									
Taiwan	21,642	17,554				354	610	40,160	
China Main		4,000						4,000	
Hong Kong								0	
Indonesia	254	11,158				406		11,818	
Malaysia	115	762			245	1,470		2,592	
Philippines		1,143						1,143	
Vietnam	635	1,279						1,914	
Japan	432	82						514	
South Korea	940							940	
Singapore								0	
Thailand		218						218	
Columbia								0	
Costa Rica								0	
Dominican Republic								0	
Ecuador								0	
Guatemala								0	
Jordan								0	
Morocco									
Portugal	25							25	
Sub total	24,018	36,196	0	0	245	2230		63,324	
Mt. Grand Total	29,784	44,171	0	0	982	2,230		77,167	
Number of containers	1,295	1,920	0	0	43	97		3,355	

USDA Grain Inspections for Export Report						
Last Week (000 Bushels)	YC	%	WC	%	Sorghum	%
	Gulf	32,589	70.5%	1361		8,187
PNW	7,939	17.2%				0%
Lakes	0	0.0%				
Atlantic	1,154	2.5%				
Interior Export Rail	4,531	9.8%	168	100.0%		0.0%
Total (mil. Bushels)	46,213	100.0%	1,529		8,187	100%
Metric Tons	1,173,877		38,839		207,962	MT

White Corn Shipments:

38,839 mt to Mexico

Sorghum Shipments:

131,173	mt to Spain
30,075	mt to Sudan
21,591	mt to Ireland
17,527	mt to Israel
4,598	mt to Mexico
2,998	mt to Japan
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207,962	Total

[U.S. Barge Freight](#) (Last Half of February 2008)

Lower Illinois River freight is currently 400 % of tariff (\$20.46/mt, or \$.52 per bushel for Corn).

Lower Ohio River freight is 375 % of tariff (\$18.43/mt or \$.47 per bushel for Corn).

[Secondary Rail Car Freight Markets](#) (For Car order placement Last Half February 2008)

BNSF Pool cars (Less than shuttle train size) are bid +\$15/car and offered at +\$75/car.

110 car Shuttle car freight is now bid + \$200/car against offers of +\$400/car.

UPRR Pool cars are bid -100/car against offers of -\$25/car.

UPRR Shuttle train cars are bid +100/car against offers of +\$250 per car.

Best Regards,

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*** 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 regular suppliers before making any trading decisions based on this data.