

Transportation Update Report for 18 July 2008

Ocean Freight Comments:

It is impossible to say that freight markets have a particular direction as they remain quite volatile. At best we can report that they are no longer moving in a single direction; up.

Last weeks rally in freight values was followed by this week's slump. If Trade analysis predictions are correct, next week could see another short rally in prices?

The Gulf/Atlantic Baltic P2A Panamax index gave back about half of last weeks rally by dropping 4,482 points, or 5 percent, this week.

The Pacific P3A market took a harder hit by dropping 6,336 points or 9.5 % over the last 7 days.

The P2A Baltic index for Panamax vessels in the Atlantic/Gulf is now at 89,713 and the P3A Panamax index for the Pacific routes dipped to 60,523.

As usual, most of the action/softness is in the Spot market with much less change occurring in the deferred September-October positions. The market is currently at a premium for deferred positions with vessel owners wanting \$2-\$3.00/mt more for 60 days forward bookings.

In dollar terms, the 30 day U.S. Gulf to Asia Panamax market is now approximately \$128.00-130.00/mt. Handymax vessels are still trading at a \$3.00-4.00/tonne premium to Panamax size vessels. Panamax rates from the PNW to Asia are quoted at \$69.00-\$72.00/mt. in the 30 day market. This puts the Gulf-Paci5cents per bushel for soybeans and wheat). This spread remains wide and will continue to favor and push U.S. corn and soybean business from the PNW to Asia.

OCEAN FREIGHT MARKETS and SPREADS

Recent Freight Fixtures:

M/V Albarella 1983 22000 HSS Up River Argentina to Casablanca, Morocco for 2-12 August at \$96.50
8000sx/3000sx - by AC Toepfer

Bulk Freight Indices for HSS - Heavy Grain, Sorghum and Soybeans.

Route and Vessel Size	Current Week U.S.D/MT	Change from previous week	Remarks
55,000 U.S. Gulf-Japan	\$129.00	Down \$3.00	46,000 ton Handymax At \$133.00 per tonne
55,000 PNW- Japan	\$72.00	Down \$4.00	Handymax at \$76.00
55,000 U.S. Gulf - China	\$127.00		North or South China
25,000 U.S. Gulf-Veracruz, México	\$36.00		3,000 MT daily discharge rate
35-40,000 U.S. Gulf-Veracruz, México	\$32.00		Deep draft and 8,000 MT per day discharge rate.
25/35,000 U.S. Gulf-East Coast Colombia	\$43.00		West Coast Colombia \$73.00-\$75.00
30,000 U.S. Gulf – Algeria	\$103.00 \$109.00		6,000 mt daily discharge 3,000 mt daily discharge
55,000 U.S. Gulf -Egypt	\$91.00		55,000 -60,000 mt
60-70,000 U.S. Gulf – Europe	\$62.00		
55-60,000 Brazil -China	\$133.00		
55-60,000 Argentina-China	\$132.00		

55,000 U.S. Gulf to Iraq	\$193.00 -202.00		Umm Qasr*(Incl. War risk)
55,000 PNW to Iraq	\$158.00- \$164.00		
25,000 U.S. Gulf to Morocco	\$94.00		One port discharge. 3,000 MT discharge rate

Containerized Grain Shipments:

CONTAINER SHIPMENTS of GRAIN									
USDA Grain Inspections Report:		14-Jul-2008							
Last Week	metric tons							MT TOTAL	
	<u>YC</u>	<u>YSB</u>	<u>Milo</u>	<u>SRW</u>	<u>HRW</u>	<u>HRS</u>	<u>Barley</u>		
Taiwan		1,687						1,687	
China		408						408	
Hong Kong								0	
Indonesia								0	
Malaysia								0	
Philippines								0	
Vietnam								0	
Singapore								0	
Japan								0	
South Korea								0	
Thailand								0	
Jordan								0	
Algeria								0	
Australia								0	
Sub total	0	2,095	0		0			2,095	
USDA Corrections/Additions to last weeks report:									
Taiwan	13,387	10,777			1,960	27		26,151	
China Main		4,681						4,681	
Hong Kong	76							76	
Indonesia		1,089		626				1,715	
Malaysia								0	
Philippines				381				381	
Vietnam								0	
Japan								0	
South Korea	483			463				946	
Singapore								0	
Thailand								0	
Columbia								0	
Costa Rica								0	
Dominican Republic								0	
Ecuador								0	
Guatemala								0	
Jordan								0	
Morocco								0	
Portugal								0	
Sub total	13,946	16,547	0	1,470	1,960	27		33,950	
Mt. Grand Total	13,946	18,642	0	1,470	1,960	27		36,045	
Number of containers	606	811	0	64	85	1		1,567	

U.S. Export Inspections for the week:

USDA Grain Inspections for Export Report						
Last Week (000 Bushels)	YC		WC		Sorghum	
		%		%		%
Gulf	13,836	57%	0		257	100%
PNW	7,254	30%				0%
Lakes		0%				
Atlantic		0%				
Interior Export Rail	3,100	13%				0%
Total (mil. Bushels)	24,190	100.0%	0		257	100%
Metric Tons	614,461		0		6,528	

White Corn Shipments:

0 mt

0 Total

Sorghum Shipments:

6,528 mt to Japan

6,528 Total

Best Regards,
 Jay O'Neil
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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. Forward looking projections are never completely accurate. 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.