



March 23, 2017

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For more information on the contents of this newsletter or the U.S. Grains Council, its mission and programs, please contact Manuel Sanchez or Alvaro Cordero at (202) 789-0789.

The U.S. Grains Council is a private, non-profit partnership of producers and agribusinesses committed to building and expanding international markets for U.S. barley, corn, grain sorghum and their products. The Council is headquartered in Washington, D.C. and has ten international offices that oversee programs in more than 50 countries. Financial support from our private industry members, including state checkoffs, agribusinesses, state entities and others, triggers federal matching funds from the USDA resulting in a combined program value of more than \$26 million.

CHICAGO BOARD OF TRADE MARKET NEWS

| Week in Review: CME Corn May Contract | | | | | |
|---------------------------------------|--|---|---|--|--|
| \$/Bu | Friday March 17 | Monday March 20 | Tuesday March 21 | Wednesday March 22 | Thursday March 23 |
| Change | 1.5 | -4.0 | -2.25 | -2.5 | -2.0 |
| Closing Price | 367.50 | 363.50 | 361.25 | 358.75 | 356.75 |
| Factors Affecting the Market | News was very light today and corn is stuck in a "big supply" vs. "big demand" battle. As one analyst noted, the fact corn closed up 1.5 cents on a 3-cent trading range shows traders' preference of trading corn versus watching basketball. Outside markets were quiet. | Friday's CFTC data showed a decrease in funds' long positions and created today's selling. However, export inspections were bullish at 52.5 million bushels, bringing YTD totals to 72 percent of last year. Outside markets were bearish corn, with the dollar unchanged and equities lower. | Despite huge Brazilian production, U.S. corn is at a steep discount to Brazil's prices, aiding export demand. U.S. cash corn continues to fall, priced 40 cents under May futures. The U.S. dollar index took a 60-point tumble and U.S. equities had their largest drop of 2017. | May corn achieved its lowest close of 2017 on commercial selling and fund selling. Ethanol production was unchanged from the week prior, which should be bullish corn. Still, South American supplies drive the market. Outside markets were weaker. | Good export sales failed to impress traders today and corn headed lower on good South American weather. Gasoline demand fell last week, casting doubts on ethanol prices/margins. Outside markets were mixed with mild dollar gains, lower crude oil, and higher equities. |

Outlook: The corn market has been trading without substantial new news for some time now; stuck continually evaluating the story of large South American supplies versus big demand for U.S. exports. The weather is almost ideal for the corn harvest in Argentina right now and the Buenos Aires Grain Exchange reported 10 percent of the nation's corn was harvested as of last week. Given this week's favorable weather, Argentine farmers should be able to make a substantial leap in progress – perhaps hitting 17 percent completion or higher. South American traders are reporting a steady and impressive flow of trucks to ports, and some are thinking the limiting factor for Argentina's exports this year may be the number of trucks available to transport grain. The start of Argentina's harvest is bringing commensurate pressure to corn prices, and FOB Upriver prices are under \$160/MT for the first time since early February.

In Brazil, the weather is looking good for the safrinha corn crop. Some analysts are expecting further upward revisions to Brazil's production figure (currently at 91.5 MMT) though most agree current estimates are on the high side and leave little room for improvement. So far, global corn buyers have not sourced significantly from Brazil, waiting until the summer when Brazil's exports will pressure the market. Moreover, U.S. Gulf prices are maintaining a strong advantage against any other competitor. Currently, spot FOB prices are 13 cents cheaper in NOLA than in Paranagua and U.S. Gulf prices are 9 cents less than Argentina's Upriver offers. The U.S. should be able to maintain its competitive position for some time to come which will help clear some of the large U.S. stocks.

The USDA's weekly export sales report was bullish corn as both weekly sales and weekly shipments were more than was needed to meet USDA's projections. Net sales came in at 58 million bushels with 53 million for the current marketing year, far more than the 17.5 million needed in this week's report. Similarly, weekly

shipments of 54.4 million bushels exceeded the 45.2 million needed to reach USDA's export projections of 2.225 billion bushels.

From a technical standpoint, May corn is lodged in a bearish down trend and is slowly grinding toward support at \$3.52, the December 23, 2016 daily low. That daily low roughly corresponds with the 61 percent retracement level in the rally that lasted from August 31, 2016 to February 6, 2017. Should this support level withstand the coming selling pressure, it would open up a return to the \$3.60 trading range with resistance at \$3.64 and then \$3.70. On the other hand, however, if bears push prices below the retracement point, May corn would become vulnerable to a 100 percent retracement down to \$3.32 ½. As everyone watching the market knows, this battle will be decided somewhere between big South American supplies and growing global corn demand.

CBOT MAY CORN FUTURES



Source: Prophet X

Current Market Values:

| Futures Price Performance: Week Ending March 23, 2017 | | | |
|---|---------|---------|------------|
| Commodity | 23-Mar | 17-Mar | Net Change |
| Corn | | | |
| May 17 | 356.75 | 367.50 | -10.75 |
| Jul 17 | 364.50 | 375.00 | -10.50 |
| Sep 17 | 372.00 | 382.25 | -10.25 |
| Dec 17 | 380.00 | 389.75 | -9.75 |
| Soybeans | | | |
| May 17 | 991.00 | 1000.00 | -9.00 |
| Jul 17 | 1001.50 | 1010.00 | -8.50 |
| Aug 17 | 1003.75 | 1011.00 | -7.25 |
| Sep 17 | 996.75 | 1001.00 | -4.25 |
| Soymeal | | | |
| May 17 | 320.70 | 328.90 | -8.20 |
| Jul 17 | 324.00 | 332.20 | -8.20 |
| Aug 17 | 324.50 | 331.30 | -6.80 |
| Sep 17 | 324.20 | 329.70 | -5.50 |
| Soyoil | | | |
| May 17 | 33.22 | 32.30 | 0.92 |
| Jul 17 | 33.48 | 32.59 | 0.89 |
| Aug 17 | 33.54 | 32.68 | 0.86 |
| Sep 17 | 33.59 | 32.75 | 0.84 |
| SRW | | | |
| May 17 | 421.00 | 436.25 | -15.25 |
| Jul 17 | 436.00 | 451.50 | -15.50 |
| Sep 17 | 451.00 | 466.75 | -15.75 |
| Dec 17 | 470.75 | 485.50 | -14.75 |
| HRW | | | |
| May 17 | 428.00 | 453.50 | -25.50 |
| Jul 17 | 440.75 | 465.25 | -24.50 |
| Sep 17 | 455.50 | 479.75 | -24.25 |
| Dec 17 | 477.00 | 499.00 | -22.00 |
| MGEX (HRS) | | | |
| May 17 | 537.75 | 549.00 | -11.25 |
| Jul 17 | 544.25 | 554.00 | -9.75 |
| Sep 17 | 549.75 | 560.25 | -10.50 |
| Dec 17 | 558.50 | 569.00 | -10.50 |

*Price unit: Cents and quarter-cents/bu (5,000 bu)

U.S. WEATHER/CROP PROGRESS

U.S. Drought Monitor Weather Forecast: A dry start to the period featuring lingering late-winter chill over the east will give way to increasing chances for rain and mountain snow from the Pacific Coast States into the nation's mid-section. A cold area of high pressure will slide off the East Coast, allowing a pair of slow-moving disturbances to track from the Pacific Coast into the middle Mississippi Valley. These systems will ultimately slow in response to building high pressure over the upper Midwest, resulting in potentially heavy rain (1 to 4 inches) from the central Gulf Coast into the middle Mississippi Valley, with a secondary swath of moderate to heavy rain (locally more than an inch) from the central High Plains into the Great Lakes and Northeast. Likewise, locally heavy rain and mountain snow will return to the west, though the precipitation will largely

bypass the lingering long-term drought areas in the Southwest. The NWS 6- to 10-day outlook for March 28-April 1 calls for near- to above-normal temperatures and precipitation over most of the nation, with cooler-than-normal conditions confined to northern New England and drier-than-normal weather limited to California and southern Florida.

Follow this link to view current U.S. and international weather patterns and future outlook: [Weather and Crop Bulletin](#).

U.S. EXPORT STATISTICS

| U.S. Export Sales and Exports: Week Ending March 16, 2017 | | | | | |
|---|------------------|--------------|---------------------|----------------------|-----------------------|
| Commodity | Gross Sales (MT) | Exports (MT) | YTD Exports (000MT) | YTD Bookings (000MT) | % Change YTD Bookings |
| Wheat | 438,400 | 648,700 | 19,784.7 | 25,784.9 | 36% |
| Corn | 1,408,100 | 1,382,200 | 29,127.5 | 46,706.8 | 51% |
| Sorghum | 215,600 | 12,400 | 2,769.4 | 3,817.9 | -41% |
| Barley | 100 | 200 | 15.2 | 24.3 | -11% |

Corn: Net sales of 1,347,000 MT for 2016/2017 were up 11 percent from the previous week and 59 percent from the prior 4-week average. Increases were for South Korea (593,700 MT, including 129,000 MT switched from unknown destinations and decreases of 5,300 MT), Japan (297,000 MT, including 54,400 MT switched from unknown destinations and decreases of 7,000 MT), Mexico (162,700 MT, including decreases of 6,600 MT), Saudi Arabia (113,100 MT, including 65,000 MT switched from unknown destinations), and Morocco (103,100 MT, including 53,100 MT switched from unknown destinations). Reductions were reported for unknown destinations (272,300 MT) and Costa Rica (2,000 MT). For 2017/2018, net sales of 127,100 MT were reported for Mexico (120,000 MT) and Japan (7,100 MT). Exports of 1,382,200 MT were down 10 percent from the previous week and 3 percent from the prior 4-week average. The primary destinations were Mexico (259,100 MT), South Korea (244,500 MT), Japan (234,600 MT), Colombia (196,300 MT), and Saudi Arabia (143,100 MT).

Optional Origin Sales: For 2016/2017, options were exercised to export 68,000 MT to South Korea from the United States. Decreases in optional origin sales totaling 40,000 MT were reported for unknown destinations. The current optional origin outstanding balance of 530,000 MT is for unknown destinations (203,000 MT) and South Korea (327,000 MT).

Export Adjustments: Accumulated exports to Japan were adjusted down 45,048 MT for week ending March 9th. This shipment was reported twice.

Barley: No net sales were reported for the week. Exports of 200 MT were reported to Taiwan.

Sorghum: Net sales of 215,600 MT for 2016/2017 were up noticeably from the previous week and from the prior 4-week average. Increases were for unknown destinations (105,500 MT), China (105,000 MT), and Japan (5,100 MT). Exports of 12,400 MT were down 90 percent from the previous week and 89 percent from the prior 4-week average. The primary destination was Mexico.

U.S. Export Inspections: Week Ending March 16, 2017

| Commodity (MT) | Export Inspections | | Current Market YTD | Previous YTD | YTD as Percent of Previous |
|----------------|--------------------|---------------|--------------------|--------------|----------------------------|
| | Current Week | Previous Week | | | |
| Barley | 48 | 144 | 31,407 | 30,265 | 104% |
| Corn | 1,333,064 | 1,565,621 | 30,262,043 | 17,567,758 | 172% |
| Sorghum | 48,218 | 143,852 | 3,426,664 | 5,641,671 | 61% |
| Soybeans | 737,255 | 676,560 | 45,750,466 | 40,994,187 | 112% |
| Wheat | 624,334 | 544,166 | 20,684,534 | 16,135,009 | 128% |

Source: USDA/AMS. *Marketing Year is June 1-May 31 for wheat and barley and September 1-August 31 for corn, sorghum and soybeans. Week-to-week reports will vary due to exporter reported conditions and cancellations to previous week's reports.

USDA Grain Inspections for Export Report: Week Ending March 16, 2017

| Region | YC | % of Total | WC | % of Total | Sorghum | % of Total |
|--------------------------------------|------------------|-------------|---------------|----------------|---------------|-------------|
| Lakes | 0 | 0% | 0 | 0% | 0 | 0% |
| Atlantic | 0 | 0% | 0 | 0% | 0 | 0% |
| Gulf | 801,128 | 61% | 16,273 | 86% | 0 | 0% |
| PNW | 375,870 | 29% | 587 | 3% | 42,435 | 88% |
| Interior Export Rail | 137,210 | 10% | 1,996 | 11% | 5,783 | 12% |
| Total (Metric Tons) | 1,314,208 | 100% | 18,856 | 100% | 48,218 | 100% |
| White Corn Shipments by Country (MT) | | | 8,044 | to Colombia | | |
| | | | 8,229 | to El Salvador | | |
| | | | 587 | to Korea | | |
| | | | 1,996 | to Mexico | | |
| Total White Corn (MT) | | | 18,856 | | | |
| Sorghum Shipments by Country (MT) | | | | | 42,925 | to China |
| | | | | | 5,293 | to China |
| Total Sorghum (MT) | | | | | 48,218 | |

Source: USDA, World Perspectives, Inc.

FOB

Yellow Corn (USD/MT FOB Vessel)

| YC FOB Vessel Max. 15.0% Moisture | GULF | | PNW | |
|---|---------------|--------------------|---------------|--------------------|
| | Basis (#2 YC) | Flat Price (#2 YC) | Basis (#2 YC) | Flat Price (#2 YC) |
| FH April | +0.52 K | \$160.92 | +0.73 K | \$169.18 |
| LH April | +0.50 K | \$160.13 | +0.73 K | \$169.18 |
| May | +0.47 K | \$158.95 | +0.70 K | \$168.00 |
| June | +0.43 N | \$160.42 | +0.70 N | \$171.05 |

Due to the low volume of trade we are unable to provide White Corn FOB indications in today's report.

| Sorghum (USD/MT FOB Vessel) | | | | |
|---|--------------|-------------------|--------------|-------------------|
| #2 YGS FOB Vessel Max 14.0% Moisture | NOLA | | TEXAS | |
| | Basis | Flat Price | Basis | Flat Price |
| April | +0.65 K | \$166.03 | +0.50 K | \$160.13 |
| May | +0.65 K | \$166.03 | +0.50 K | \$160.13 |

| Barley: Feed Barley (FOB USD/MT) | | |
|---|--------------|------------|
| | April | May |
| FOB PNW | \$195 | \$200 |

| Corn Gluten Feed Pellets (CGFP) (FOB Vessel U.S. \$/MT) | | | |
|--|--------------|------------|-------------|
| | April | May | June |
| New Orleans | \$142 | \$142 | \$142 |
| <i>Quantity 5,000 MT</i> | | | |

| Corn Gluten Meal (CGM) (FOB Vessel U.S. \$/MT) | | | |
|---|--------------|------------|-------------|
| Bulk 60% Pro. | April | May | June |
| New Orleans | \$610 | \$610 | \$610 |
| <i>*5-10,000 MT Minimum</i> | | | |

| Corn Gluten Meal (CGM) (Offers, Rail and Truck Delivered U.S. \$/ST) | | | |
|---|--------------|--------------|------------|
| | March | April | May |
| Rail Delvd. East Coast | \$550 | \$550 | \$550 |
| Rail Delvd. Chicago | \$535 | \$535 | \$535 |
| Truck Delvd. Chicago | \$560 | \$560 | - |
| Truck Delvd. Channahon/Elwood | - | - | - |

**All prices are market estimates.*

| DDGS Price Table: March 23, 2017 (USD/MT) (Quantity, availability, payment and delivery terms vary) | | | |
|---|--------------|------------|-------------|
| Delivery Point Quality Min. 35% Pro-fat combined | April | May | June |
| Barge CIF New Orleans | 136 | 138 | 139 |
| FOB Vessel GULF | 146 | 148 | 149 |
| Rail delivered PNW | 162 | 163 | 167 |
| Rail delivered California | 165 | 166 | 167 |
| Mid-Bridge Laredo, TX | 161 | 163 | 165 |
| FOB Lethbridge, Alberta | 137 | 138 | 139 |
| 40 ft. Containers to South Korea (Busan) | 170 | 170 | 172 |
| 40 ft. Containers to Taiwan (Kaohsiung) | 167 | 168 | 169 |
| 40 ft. Containers to Philippines (Manila) | 176 | 177 | 178 |
| 40 ft. Containers to Indonesia (Jakarta) | 174 | 175 | 176 |
| 40 ft. Containers to Malaysia (Port Kelang) | 174 | 176 | 177 |
| 40 ft. Containers to Vietnam (HCMC) | 178 | 178 | 181 |
| 40 ft. Containers to Japan (Yokohama) | 174 | 174 | 176 |
| 40 ft. containers to Thailand (LCMB) | 170 | 171 | 173 |
| 40 ft. Containers to China (Shanghai) | 179 | 181 | 185 |
| KC & Elwood, IL Rail Yard (delivered Ramp) | 128 | 130 | 132 |

*Source: WPI, *Prices are based on offer indications only; terms of delivery, payment and quality may vary from one supplier to another, impacting the actual value of the price.*

DISTILLER'S DRIED GRAINS WITH SOLUBLES (DDGS)

DDGS Comments: Trade volume has been light this week with an unreported but significant number of traders attending the National Grain and Feed Association conference. Despite the widespread conference attendance, however, interesting developments occurred this week in the DDGS market. The export container market remains under domestic pricing influences while the barge market is beginning to pressure logistics operators upstream. Merchandisers are reporting barge rates are exerting negative pricing pressure on transloaders, rail operation, and truckers. However, CIF NOLA barge rates recovered \$1/MT this week to \$136. Despite continued historically strong ethanol production, merchandisers are expecting DDGS prices to firm heading in to April and May as ethanol plants will slow operations for spring maintenance.

On the export market, FOB Gulf DDGS are trading steady with last week at \$146/MT; roughly 91 percent of FOB corn values, up 1 percent from last week. Similarly, DDGS are at 41 percent of FOB soybean meal offers (up 1 percent) which narrows DDGS's per-protein-unit cost advantage slightly. The per-protein-unit cost of DDGS is \$1.64 less than that of soybean meal (both quoted FOB Gulf), down \$0.27 from last week. To some extent, lower soybean meal prices are pressuring DDGS offers but corn will continue to exert a larger influence going forward. Despite merchandisers' expectations for stronger prices into April/May, the forward curve for export DDGS prices shows a -\$2/MT change from April to May. One could argue, however, that the current shape of the curve simply means there is more room for export prices to increase this spring.

Internationally, prices had a softer tone this week largely due to quiet trading in general. Prices for Southeast Asia-bound containers fell \$3/MT on average with the largest declines coming from Japan. Moderate pricing strength came from Malaysia and South Korea. For now, it seems export prices will be largely steady in the next few weeks, caught between satiated global demand and U.S. merchandisers defending their offers.

COUNTRY NEWS

China: Corn futures and spot prices hit six year lows on government liquidation of temporary reserve stocks. (Reuters) CNGOIC says that feed mills bought 1.2-1.3 MMT of corn, sorghum and barley over the past two weeks, most for May-June delivery, due to concerns about domestic corn quality. (Bloomberg)

The leader of China's corn starch association, Zhu Yongsheng, says that corn is uncompetitive for export and feed demand is satiated, leaving the expanded production of fuel ethanol as the key to reducing corn stockpiles. He sees ethanol demand rising to 10-12 million tons for blending into gasoline. Li Qiang of JC Intelligence says China's fuel ethanol output could reach 20 million tons by 2025. (Bloomberg)

Separately, Chinese Premier Li Keqiang calls for supply side reforms of agriculture and improvements in quality. The National Development and Reform Commission says that corn and soybean subsidy policies will be linked and market-oriented reforms will be pushed forward. (Bloomberg)

Indonesia: Michael Michalak, regional managing director of the U.S.-ASEAN Business Council says that Jakarta had been liberalizing and President Joko Widodo had solicited increased foreign direct investment – but now the government has imposed non-tariff barriers on agricultural goods such as imported corn. Trade Ministry official Oke Nurwan says that favoring domestic sources over imports is not protectionism. (Bloomberg)

Mexico: The USDA FAS Attaché sees corn output declining 6.4 percent to 25.25 MMT, though imports will likely remain unchanged at 13.4 MMT. Shipments from the U.S. are unchanged at 13.2 MMT. (Bloomberg)

Saudi Arabia: Reports indicate that 1.5 MMT of corn, sorghum and barley were purchased for May-June delivery. (Bloomberg) Saudi Arabian buyers also purchased 18,000 tons of DDGS, a 114 percent increase over 2014. (World Grain)

OCEAN FREIGHT MARKETS AND SPREAD

| Bulk Freight Indices for HSS — Heavy Grain, Sorghum and Soybeans* | | | |
|---|-------------------------------|---|--|
| Route and Vessel Size | Current Week (USD/MT) | Change from Previous Report | Remarks |
| 55,000 U.S. Gulf-Japan | \$38.00 | Down \$0.50 | Handymax at \$37.50/MT |
| 55,000 U.S. PNW-Japan | \$20.50 | Down \$0.50 | Handymax at \$19.50/MT |
| 55,000 U.S. Gulf-China PNW to China | \$36.75 \$19.75 | Down \$0.50 Down \$0.50 | North China |
| 25,000 U.S. Gulf-Veracruz, México | \$16.75 | Down \$0.25 | 3,000 MT daily discharge rate |
| 35-40,000 U.S. Gulf-Veracruz, México | \$15.00 | Down \$0.25 | Deep draft and 8,000 MT per day discharge rate. |
| 25/35,000 U.S. Gulf-East Coast Colombia, from Argentina | \$21.50 \$34.00 | Down \$0.50 Down \$0.50 | West Coast Colombia at \$28.50 |
| 40-45,000 U.S. Gulf-Guatemala | \$25.00 | Down \$0.75 | Acajutla/Quetzal - 8,000 out |
| 26-30,000 U.S. Gulf-Algeria | \$26.00 \$28.25 | Down \$0.50 Down \$0.50 | 8,000 MT daily discharge 3,000 MT daily discharge |
| 25-30,000 U.S. Gulf-Morocco | \$25.00 | Down \$0.50 | 5,000 discharge rate |
| 55,000 U.S. Gulf-Egypt PNW to Egypt | \$23.00 \$26.00 | Down \$0.50 Down \$0.50 | 55,000 -60,000 MT St. Lawrence to Egypt \$23.00 |
| 60-70,000 U.S. Gulf-Europe- Rotterdam | \$15.75 | Up \$0.25 | Handymax at +\$1.50 more |
| Brazil, Santos-China Itacoatiara Port up river Amazonia-China | \$28.00 \$27.50 \$31.50 | Down \$0.50 Down \$0.50 Down \$0.50 | 54-58,000 Supramax- Panamax 60-66,000 Post Panamax |
| 56-60,000 Argentina-China Upriver with Top-Off | \$37.25 | Down \$0.25 | — |

Source: O'Neil Commodity Consulting

*Numbers for this table based on previous night's closing values.

OCEAN FREIGHT COMMENTS

Transportation and Export Report: Jay O'Neil, O'Neil Commodity Consulting: All-in-all it was a pretty quiet week. This means there really is not much to talk about other than the fact that Dry-Bulk rates slipped back a bit more in a market that did not show much conviction in any cause.

Containerized grain freight markets seem to have more news and concerns as traders have experience an increase in rates during the first quarter of 2017 and fear that shipping lines could try to impose additional increases of up to \$200/TEU over the next 3-4 months. This makes it difficult to quote CFR sales for this summer. Of course, all this was probably more of a concern up until earlier today when U.S. Department of Justice antitrust regulators raided the Box Club meeting in San Francisco to serve subpoenas to shipping line employees. We will have to see how this twist affects shipping line rate thinking.

| Baltic-Panamax Dry-Bulk Indices | | | | |
|---------------------------------|-----------|-----------|------------|----------------|
| March 23, 2017 | This Week | Last Week | Difference | Percent Change |
| Route | | | | |
| P2A: Gulf/Atlantic – Japan | 14,035 | 13,962 | 73 | 0.5% |
| P3A: PNW/Pacific– Japan | 9,807 | 9,913 | -106 | 1.1% |
| S1C: U.S. Gulf-China-S. Japan | 19,656 | 20,244 | -588 | -2.9% |

Source: O'Neil Commodity Consulting

Below is a recent history of freight values for Capesize vessels of iron ore from Western Australia to South China:

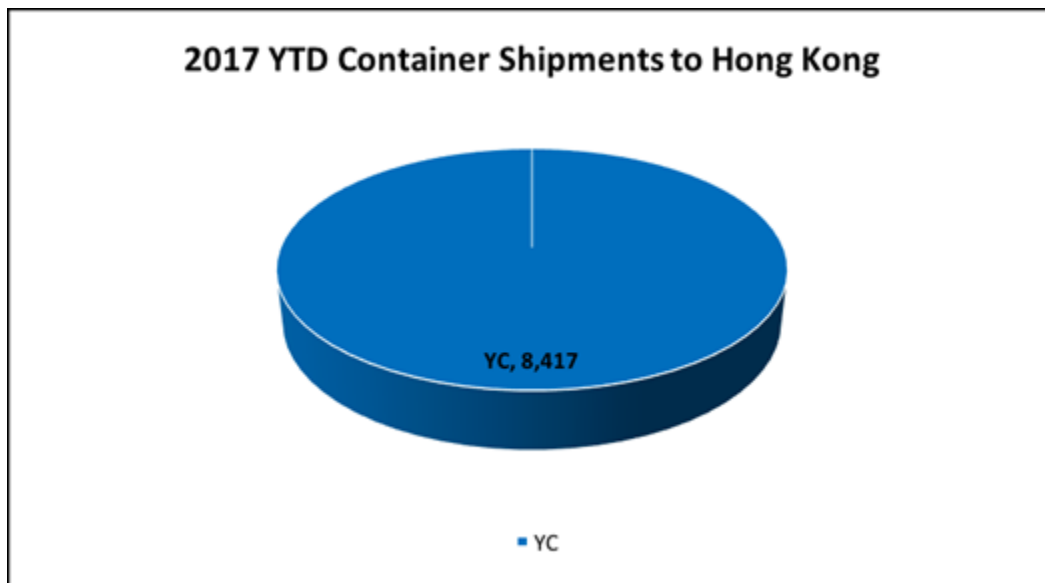
| Week Ending March 23, 2017 | |
|----------------------------|---------------|
| Four weeks ago: | \$4.20-\$5.40 |
| Three weeks ago: | \$5.35-\$6.00 |
| Two weeks ago: | \$6.15-\$6.45 |
| One week ago: | \$6.15-\$6.65 |
| This week | \$6.50-\$6.95 |

Source: O'Neil Commodity Consulting

| U.S.-Asia Market Spreads | | | | | |
|--------------------------|---------|---------|---------------|-----------|-----------|
| March 23, 2017 | PNW | Gulf | Bushel Spread | MT Spread | Advantage |
| #2 Corn | 0.75 | 0.46 | 0.29 | \$11.42 | PNW |
| Soybeans | 0.63 | 0.41 | 0.22 | \$8.66 | PNW |
| Ocean Freight | \$19.75 | \$36.75 | 0.43-0.46 | (\$17.00) | April |

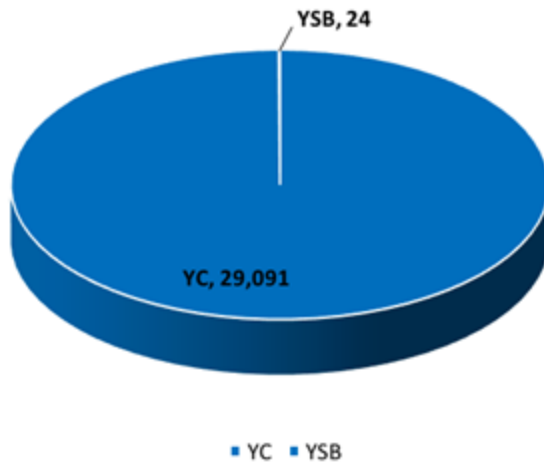
Source: O'Neil Commodity Consulting

The charts below represent YTD 2017 versus January-December 2016 annual totals for container shipments to Hong Kong.



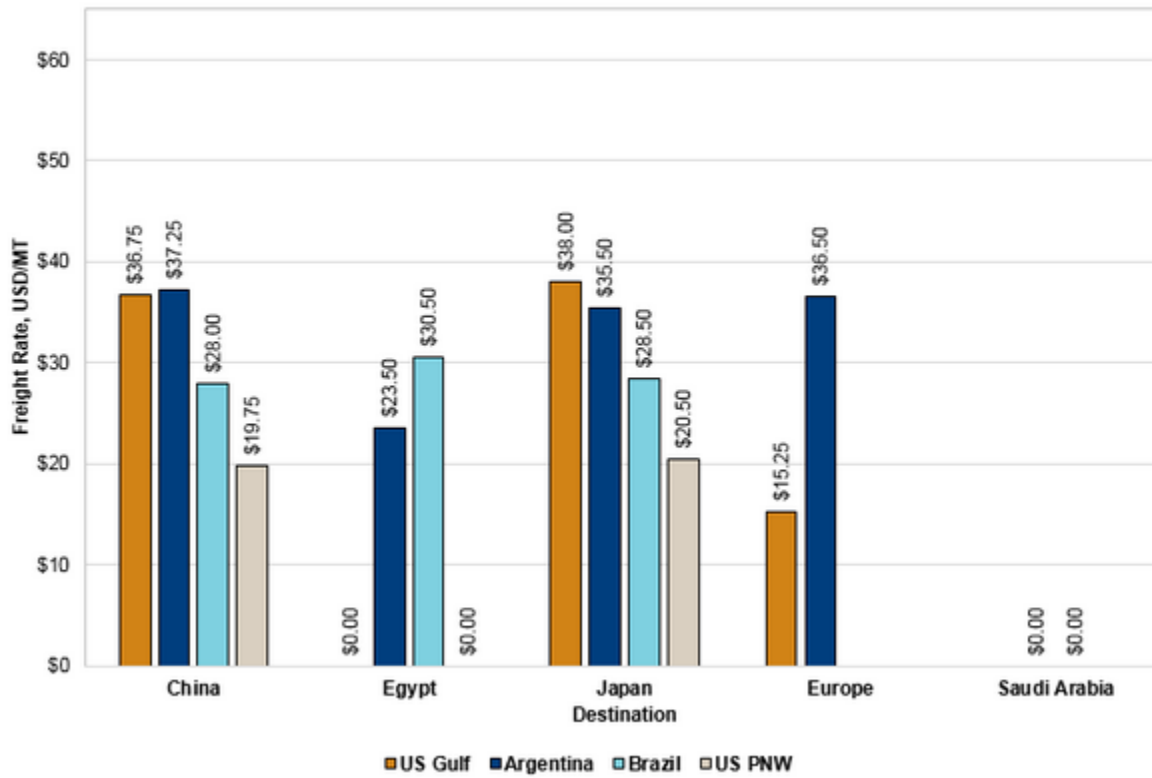
Source: O'Neil Commodity Consulting

2016 Container Shipments to Hong Kong

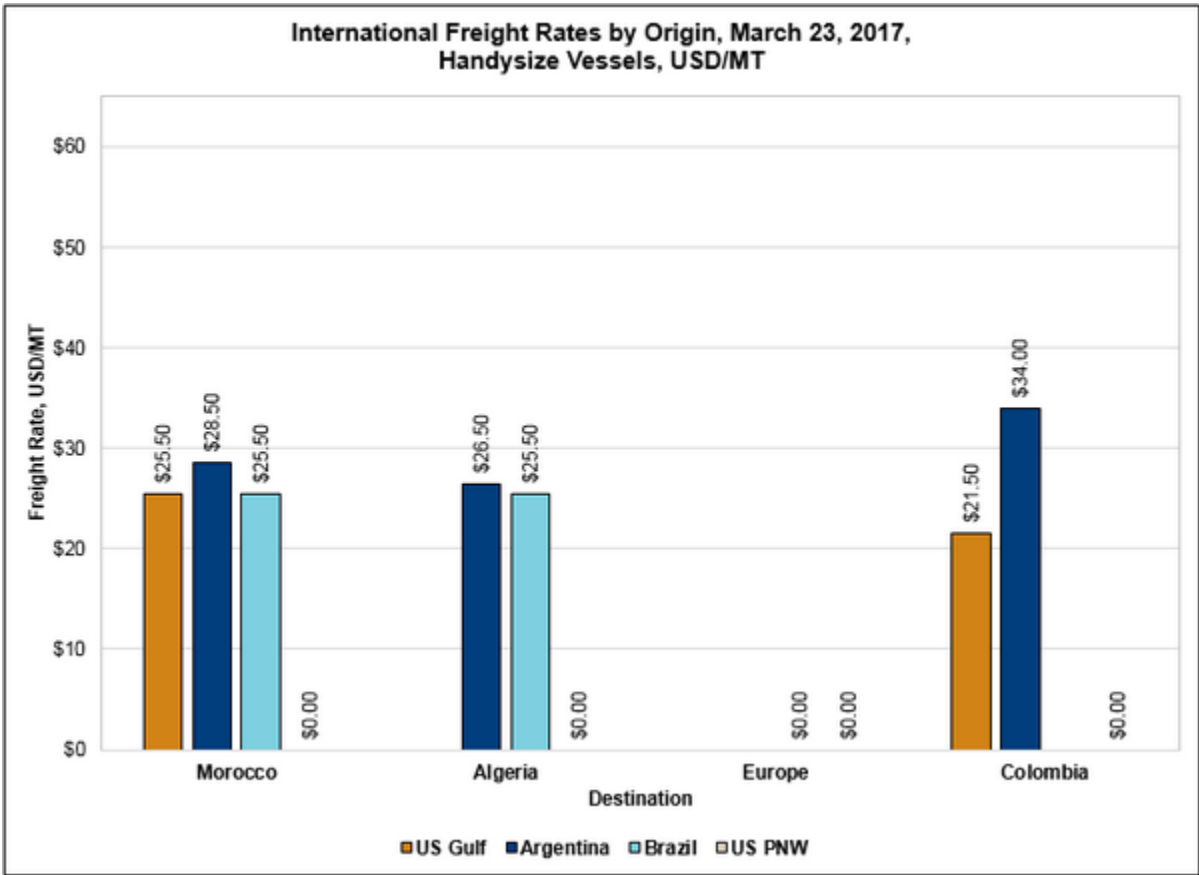


Source: O'Neil Commodity Consulting

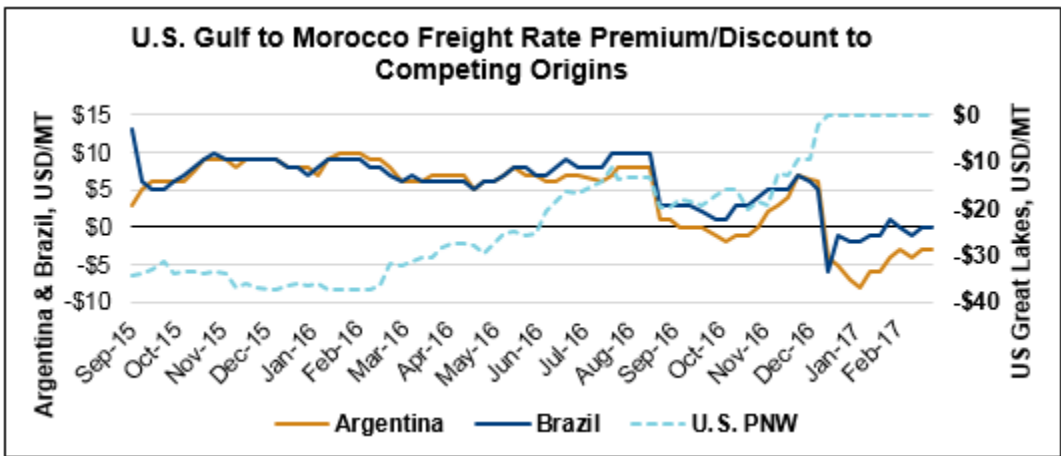
International Freight Rates by Origin, March 23, 2017, Supramax/Panamax Vessels, USD/MT



Source: DTN, O'Neil Commodity Consulting and WPI



Source: DTN, O'Neil Commodity Consulting and WPI



Source: DTN, O'Neil Commodity Consulting and WPI

INTEREST RATES

| Interest Rates (%): March 23, 2017 | | | |
|---|---------------------|------------------|-------------------|
| | Current Week | Last Week | Last Month |
| U.S. Prime | 4.00 | 3.75 | 3.75 |
| LIBOR (6 month) | 1.43 | 1.43 | 1.36 |
| LIBOR (1 year) | 1.82 | 1.82 | 1.74 |

Source: www.bankrate.com