



**CONTENTS**

CHICAGO BOARD OF TRADE MARKET NEWS ..... 1

CBOT DECEMBER CORN FUTURES ..... 3

U.S. WEATHER/CROP PROGRESS ..... 4

U.S. EXPORT STATISTICS ..... 5

FOB..... 6

DISTILLERS DRIED GRAINS WITH SOLUBLES (DDGS) ..... 8

COUNTRY NEWS ..... 8

OCEAN FREIGHT MARKETS AND SPREAD ..... 9

OCEAN FREIGHT COMMENTS ..... 10

INTEREST RATES..... 12

**CHICAGO BOARD OF TRADE MARKET NEWS**

**Week in Review: CME Corn July Contract**

| <b>\$/Bu</b>                        | <b>Monday<br/>28 April</b>  | <b>Tuesday<br/>29 April</b>   | <b>Wednesday<br/>30 April</b>  | <b>Thursday<br/>1 May</b>  | <b>Friday<br/>2 May</b>   |
|-------------------------------------|---|---|--|--|---|
| <b>Change</b>                       | 0.0125  | 0.0775  | -0.0250  | -0.1200  | -0.0725   |
| <b>Closing Price</b>                | 5.1375  | 5.2150  | 5.1900   | 5.0700   | 4.9950  |
| <b>Factors Affecting the Market</b> | Continued momentum from the prior week and uncertainty about planting progress enabled the July corn contract to close slightly higher. Corn planting progress was 19 percent complete. | The increase in the July corn contract was primarily related to traders exiting short positions due to potential delivery rather than concerns about planting progress. | Prices stalled as an improved weather forecast for next week increased the prospects that the planting pace for corn will occur in an acceptable time frame. | Buying stalled and selling became more aggressive above \$5.15 in the July contract. Increasing ethanol stocks and better weather were weighing on the market. | The July corn contract continues to decline into the weekend but soil temperatures in the northern Corn Belt remain cool and that could keep prices choppy next week. |

**For more information on the contents of this newsletter or the U.S. Grains Council, its mission and programs, please contact Kevin Roepke or Alvaro Cordero at (202) 326-0637.**

*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 nine 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.*

**Outlook:** The July corn contract had followed expectations by opening higher at the beginning of this week, but it stalled on the prospect that corn planting will occur in a more timely manner. By mid-week, corn contracts gave back gains and made charts look decidedly more bearish. This section noted last week that corn contracts could be initially supported to higher, down the proceeding couple of weeks and then supported once again prior to pollination. That continues to remain the most likely price action.

A majority of U.S. corn planting is likely to happen by the middle of May, and that could temper the market's perception about the size of the necessary weather premium. Of course, constrained weather concerns does not mean eliminated weather concerns. Some concern will remain and will likely rebound to a certain degree prior to pollination. There will presumably also be increased discussions about the prospect of El Nino developing, but such a development half way through the summer will not be much of a real issue. One potential negative would be the prospect for excessive moisture in the fall during harvest.

The variability of regional weather throughout the Corn Belt is somewhat evident in the fact that the planting rate in Illinois is in line with the five-year average at 32 percent complete while the states on either side lag behind. Iowa to the west was reported to be 15 percent complete, in comparison to 33 percent normal, and Indiana to the east was reported as 8 percent complete, in comparison to 26 percent normal. A potential positive of having some variability in the planting pace across the Corn Belt is that there is a broader window for pollination to occur and that lessens the threat that a single 10-day period of heat could decimate the entire crop.

## CBOT JULY CORN FUTURES



Source: Prophet X

### Current Market Values:

| Futures Price Performance: Week Ending May 2, 2014 |         |          |            |
|--|---------|----------|------------|
| Commodity  | May 2   | April 25 | Net Change |
| <b>Corn</b>  |         |          |            |
| May 14   | 494.00  | 507.00   | -13.00     |
| Jul 14   | 499.50  | 512.75   | -13.25     |
| Sep 14   | 496.25  | 509.25   | -13.00     |
| Dec 14   | 494.00  | 506.25   | -12.25     |
| <b>Soybeans</b>                                    |         |          |            |
| May 14   | 1480.75 | 1498.00  | -17.25     |
| Jul 14   | 1470.75 | 1494.25  | -23.50     |
| Aug 14   | 1407.00 | 1428.25  | -21.25     |
| Sep 14   | 1281.50 | 1302.00  | -20.50     |
| <b>Soymeal</b>                                     |         |          |            |
| May 14   | 491.20  | 490.60   | 0.60       |
| Jul 14   | 480.40  | 481.40   | -1.00      |
| Aug 14   | 453.20  | 454.10   | -0.90      |
| Sep 14   | 422.10  | 423.10   | -1.00      |
| <b>Soyoil</b>                                      |         |          |            |



|                   |        |        |       |
|-------------------|--------|--------|-------|
| May 14            | 41.29  | 42.92  | -1.63 |
| Jul 14            | 41.51  | 43.15  | -1.64 |
| Aug 14            | 41.49  | 43.00  | -1.51 |
| Sep 14            | 41.26  | 42.71  | -1.45 |
| <b>SRW</b>        |        |        |       |
| May 14            | 707.75 | 700.25 | 7.50  |
| Jul 14            | 716.00 | 708.25 | 7.75  |
| Sep 14            | 724.25 | 716.50 | 7.75  |
| Dec 14            | 737.75 | 730.50 | 7.25  |
| <b>HRW</b>        |        |        |       |
| May 14            | 831.75 | 775.75 | 56.00 |
| Jul 14            | 821.75 | 779.50 | 42.25 |
| Sep 14            | 823.50 | 785.50 | 38.00 |
| Dec 14            | 827.75 | 795.75 | 32.00 |
| <b>MGEX (HRS)</b> |        |        |       |
| May 14            | 763.00 | 747.50 | 15.50 |
| Jul 14            | 775.00 | 749.50 | 25.50 |
| Sep 14            | 782.75 | 755.75 | 27.00 |
| Dec 14            | 793.75 | 766.50 | 27.25 |

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

## U.S. WEATHER/CROP PROGRESS

| U.S. Crop Planting Progress |           |           |           |                 |
|-----------------------------|-----------|-----------|-----------|-----------------|
| Commodity                   | 27-Apr-14 | Last Week | Last Year | 2008-12 Average |
| Corn                        | 19%       | 6%        | 5%        | 28%             |
| Sorghum                     | 27%       | 20%       | 27%       | 26%             |
| Barley                      | 33%       | 25%       | 29%       | 33%             |

Source: USDA

**U.S. Drought Monitor Weather Forecast:** As a slow-moving upper-level weather system gradually exits the CONUS, it will leave behind an inch or more of precipitation along the East Coast, with 2-4 inches possible in parts of the Northeast and eastern Gulf of Mexico Coast. In addition, the NWS HPC 7-Day Quantitative Precipitation Forecast (QPF) calls for 1-2 inches of precipitation along the northern tier states, but no precipitation across the Southwest and southern Plains to Lower Mississippi Valley. Temperatures for May 1-6 should be below normal in the central CONUS as the upper low and surface cold front migrate eastward, and above normal in the West. Colder-than-normal air slides into the northern states during May 3-8.

The 10-day and 14-day outlooks indicate that a change in the upper-level circulation pattern, consisting of a trough over western North America and a ridge over the east, is predicted for May 6-14, bringing warmer-than-normal temperatures for Alaska and the southern Plains to Northeast, and below-normal temperatures for the West to northern Great Lakes. Precipitation is expected to be above normal for much of the CONUS, except

for the immediate West Coast of the CONUS, Southeast, and extreme Southwest. Follow this link to view current U.S. and international weather patterns and the future outlook: [Weather and Crop Bulletin](#).

## U.S. EXPORT STATISTICS

| Export Sales and Exports: Week Ending April 24, 2014 |                  |              |                     |                      |                       |
|--|------------------|--------------|---------------------|----------------------|-----------------------|
| Commodity  | Gross Sales (MT) | Exports (MT) | YTD Exports (000MT) | YTD Bookings (000MT) | % Change YTD Bookings |
| Wheat  | 321,000          | 678,600      | 27,272.1            | 31,272.2             | 18%                   |
| Corn   | 1,091,700        | 1,216,000    | 27,895.8            | 44,057.2             | 163%                  |
| Sorghum  | 298,800          | 256,900      | 2,656.9             | 3,958.5              | 168%                  |
| Barley   | 0                | 0            | 135.7               | 180.6                | 35%                   |

Source: USDA, World Perspectives, Inc.

**Corn:** Net sales of 937,900 MT for 2013/14 were up 52 percent from the previous week and 35 percent from the prior four-week average. Increases were reported for Japan (587,800 MT, including 139,300 MT switched from unknown destinations and decreases of 2,600 MT), Mexico (197,900 MT), South Korea (115,500 MT, including 65,000 MT switched from unknown destinations and decreases of 4,500 MT), Costa Rica (36,000 MT), Venezuela (30,000 MT, including 22,000 MT switched from unknown destinations), and Morocco (30,000 MT). Decreases were reported for unknown destinations (145,300 MT), China (18,800 MT) and Jamaica (2,000 MT). Net sales of 13,800 MT for 2014/15 for unknown destinations (16,300 MT), were partially offset by decreases for China (2,500 MT). Exports of 1,216,000 MT were down 25 percent from the previous week and 8 percent from the prior four-week average. The primary destinations were Japan (356,200 MT), Mexico (182,700 MT), Egypt (129,400 MT), Spain (67,000 MT), Colombia (65,900 MT), China (61,400 MT), and South Korea (60,500 MT). Optional Origin Sales: For 2013/14, outstanding optional origin sales total 123,000 MT, all South Korea. Export Adjustments: Accumulated exports to China were adjusted down 1,566 MT for week ending November 28, 2013; down 1,273 MT for week ending December 12, 2013; and down 1,128 MT for week ending December 19, 2013. The correct destination for these shipments is Taiwan (3,529 MT) and Hong Kong (438 MT). These sales and shipments are included in this report.

**Barley:** There were no net sales or exports reported during the week.

**Sorghum:** Net sales of 297,200 MT for 2013/14 resulted as increases for China (406,800 MT, including 117,200 MT switched from unknown destinations) and Japan (10,400 MT, including 2,000 MT switched from unknown destinations and decreases of 700 MT), were partially offset by decreases for unknown destinations (120,000 MT). Exports of 256,900 MT--a marketing-year high--were unchanged from the previous week, but up 94 percent from the prior four-week average. The primary destinations were China (237,300 MT) and Japan (19,600 MT).

| U.S. Export Inspections: Week Ending April 24, 2014 |                    |               |                    |              |                            |
|---|--------------------|---------------|--------------------|--------------|----------------------------|
| Commodity (MT)                                      | Export Inspections |               | Current Market YTD | Previous YTD | YTD as Percent of Previous |
|   | Current Week       | Previous Week |                    |              |                            |
| Corn  | 1,156,332          | 1,633,180     | 27,991,018         | 12,247,293   | 229%                       |

May 2, 2014

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|          |         |         |            |            |      |
|----------|---------|---------|------------|------------|------|
| Sorghum  | 119,548 | 270,549 | 2,933,667  | 1,370,924  | 214% |
| Soybeans | 254,299 | 153,963 | 41,353,670 | 33,918,765 | 122% |
| Wheat    | 631,021 | 508,128 | 28,406,894 | 24,577,621 | 116% |
| Barley   | 372     | 0       | 159,687    | 138,157    | 116% |

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

| USDA Grain Inspections for Export Report: Week Ending April 24, 2014 |           |            |        |            |         |            |
|--|-----------|------------|--------|------------|---------|------------|
| Last Week  | YC        | % of Total | WC     | % of Total | Sorghum | % of Total |
| <b>Gulf</b>  | 730,344   | 65%        | 28,957 | 99%        | 118,781 | 99%        |
| <b>PNW</b>   | 204,740   | 18%        | 0      | 0%         | 0       | 0%         |
| <b>Lakes</b>   | 19,609    | 2%         | 0      | 0%         | 0       | 0%         |
| <b>Atlantic</b>  | 50,909    | 5%         | 0      | 0%         | 0       | 0%         |
| <b>Interior Export Rail</b>  | 121,626   | 11%        | 147    | 1%         | 767     | 1%         |
| <b>Total (Metric Tons)</b>   | 1,127,228 | 100%       | 29,104 | 100%       | 119,548 | 100%       |
| <b>White Corn Shipments by Country (MT)</b>                          |           |            | 28,957 | to Mexico  |         |            |
|  |           |            | 147    | to Korea   |         |            |
| <b>Total White Corn (MT)</b>   |           |            | 29,104 |            |         |            |
| <b>Sorghum Shipments by Country (MT)</b>                             |           |            |        |            | 118,781 | to China   |
|  |           |            |        |            | 767     | to Mexico  |
| <b>Total Sorghum (MT)</b>  |           |            |        |            | 119,548 |            |

Source: USDA, World Perspectives, Inc.

## FOB

| Yellow Corn (USD/MT FOB Vessel)         |                  |                       |                  |                       |
|---|------------------|-----------------------|------------------|-----------------------|
| YC FOB Vessel<br>Max. 15.0%<br>Moisture | GULF             |                       | PNW              |                       |
|   | Basis<br>(#2 YC) | Flat Price<br>(#2 YC) | Basis (#2<br>YC) | Flat Price<br>(#2 YC) |
| FH May                                  | -                | -                     | +1.23 K          | \$242.90              |
| LH May                                  | +0.95 K          | \$231.88              | +1.23 K          | \$242.90              |
| FH June                                 | +0.85 N          | \$230.11              | +1.23 N          | \$245.06              |
| LH June                                 | +0.84 N          | \$229.71              | +1.23 N          | \$245.06              |
| FH July                                 | +0.80 N          | \$228.14              | +1.23 N          | \$245.06              |
| LH July                                 | +0.77 N          | \$226.96              | +1.23 N          | \$245.06              |





| #2 White Corn (U.S. \$/MT FOB Vessel) |       |       |       |
|---------------------------------------|-------|-------|-------|
| Max. 15.0% Moisture                   | May   | June  | July  |
| Gulf                                  | \$273 | \$273 | \$273 |

| Sorghum (USD/MT FOB Vessel)             |         |            |         |            |
|---|---------|------------|---------|------------|
| #2 YGS FOB Vessel<br>Max 14.0% Moisture | NOLA    |            | TEXAS   |            |
|   | Basis   | Flat Price | Basis   | Flat Price |
| May                                     | +1.75 K | \$263.37   | +1.75 K | \$263.37   |
| LH July                                 | +1.25 N | \$245.85   | +1.25 N | \$245.85   |

| Barley: Feed Barley (FOB USD/MT) |       |       |       |
|----------------------------------|-------|-------|-------|
|                                  | May   | June  | July  |
| FOB PNW                          | \$270 | \$270 | \$270 |

| Corn Gluten Feed Pellets (CGFP) (FOB Vessel U.S. \$/MT) |       |       |       |
|---|-------|-------|-------|
|   | May   | June  | July  |
| New Orleans   | \$215 | \$215 | \$215 |
| Quantity 5,000 MT                                       |       |       |       |
| Corn Gluten Meal (CGM) (FOB Vessel U.S. \$/MT)          |       |       |       |
| Bulk 60% Pro.   | May   | June  | July  |
| New Orleans   | \$915 | \$915 | \$915 |
| *5-10,000 MT Minimum                                    |       |       |       |

\*All prices are market estimates.

| DDGS Price Table: May 2, 2014 (USD/MT)                    |     |      |      |
|---|-----|------|------|
| (Quantity, availability, payment and delivery terms vary) |     |      |      |
| Delivery Point<br>Quality Min. 35% Pro-fat combined       | May | June | July |
| Barge CIF New Orleans                                     | 282 | 278  | 270  |
| FOB Vessel GULF   | 290 | 286  | 276  |
| Rail delivered PNW  | 310 | 305  | 290  |
| Rail delivered California                                 | 316 | 311  | 296  |
| Mid-Bridge Laredo, TX                                     | 315 | 310  | 305  |
| 40 ft. Containers to South Korea (Busan)                  | 358 | 356  | 354  |
| 40 ft. Containers to Taiwan (Kaohsiung)                   | 348 | 345  | 344  |
| 40 ft. Containers to Philippines (Manila)                 | 363 | 360  | 359  |
| 40 ft. Containers to Indonesia (Jakarta)                  | 363 | 359  | 356  |
| 40 ft. Containers to Malaysia (Port Kelang)               | 361 | 357  | 357  |
| 40 ft. Containers to Vietnam (HCMC)                       | 362 | 359  | 358  |
| 40 ft. Containers to Japan (Yokohama)                     | 359 | 356  | 355  |
| 40 ft containers to Thailand (LCMB)                       | 360 | 356  | 355  |

|  |     |     |     |
|--|-----|-----|-----|
| 40 ft Containers to Shanghai, China        | 349 | 343 | 343 |
| KC & Elwood, IL Rail Yard (delivered Ramp) | 281 | 271 | 268 |

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.

## DISTILLERS DRIED GRAINS WITH SOLUBLES (DDGS)

**DDGS Comments:** The DDGS sales to foreign locations were somewhat spotty this week because much of the world celebrates May 1 as a holiday. Merchandisers reported that prices were rather erratic in the spot market because many foreign DDGS buyers are temporarily out of the market. However, Vietnamese buyers did step into the market this week and made some purchases for the June and July period.

In relation to containerized DDGS sales to Vietnamese buyers: an important factor is that their domestic administrators have become much more aggressive in monitoring container weights. Vietnamese buyers have been notified that effective immediately, under no condition are weights to exceed the following requirements:

- Container 20" not to exceed 18 tons.
- Container 40" not to exceed 23 tons.

Merchandisers report that they are starting to see some price weakness in U.S. domestic markets as more cattle are put on pasture and because of the reduced swine herd due to the PED virus. DDGS delivered by rail to the west coast, California and Pacific North West (PNW), experienced the largest declines this week of more than \$10 per metric ton. Please note that West Coast rail-delivered DDGS also have the largest price declines into mid-summer. Price declines are less pronounced for DDGS being transported to the Gulf region and rates to inland Texas experienced little decrease.

This week's DDGS price declines became more pronounced after futures prices experienced a setback. Some DDGS merchandisers are still wondering if there will be a repeat of last season's surge in prices while other merchandisers are far less confident that such an event will happen again this season. As a result, buyers may need to speak with various merchandisers in order to do some comparative shopping.

Buyers may also want to work with merchandisers in investigating different logistical arrangements. For example, there is supposedly a certain amount of DDGS that are moving to Asian markets by barge. Most of these purchases were sold a while ago as a combination of bulk cargoes. It presumably will take some investigative initiative to determine if similar opportunities can be arranged in the future.

**Ethanol Comments:** The level of U.S. ethanol stocks at 17.2 million barrels was 1 percent above the year-ago level of 17 million barrels. This newly released data by the Energy Information Agency (EIA) is significant in that this is the first year-over-year increase in total U.S. ethanol stocks since the end of 2012. That is a substantial amount of time for ethanol stocks to consistently remain below the year-ago level, and that pattern obviously could not go on indefinitely.



There was a slight decline in the week-to-week production level of ethanol from an average daily rate of 910,000 barrels per day (bpd) in the prior week to the more recent rate of 898,000 bpd. Ethanol imports have also fallen back to zero. Therefore, the substantial increase in stocks for the past two weeks presumably has more to do with a temporary lull in demand than excessive production. Domestic fuel demand may increase somewhat as summer activities get back into full swing.

Recent strong margins have enabled several publically traded ethanol companies to outperform analyst expectations. Ethanol producer margins continue to work down from recent lofty levels, but the reported differentials between corn and co-products imply that profitability remains strong across the Corn Belt. The regional differentials for the week ending May 2 are as follows:

- Illinois differential is \$3.67 per bushel, in comparison to \$4.29 the prior week and \$2.39 a year ago.
- Iowa differential is \$3.28 per bushel, in comparison to \$3.92 the prior week and \$2.26 a year ago.
- Nebraska differential is \$3.07 per bushel, in comparison to \$3.64 the prior week and \$2.38 a year ago.
- South Dakota differential is \$3.69 per bushel, in comparison to \$4.20 the prior week and \$2.19 a year ago.

## COUNTRY NEWS

**Russia:** Russia is set to more than double its corn exports in 2013/14, according to All About Feed. It is estimated that exports will jump to 4.15 MMT, which is a significant increase over the 1.93 MMT seen last year. Total Russian grain exports could total 24.5 MMT, which is up from last year's 22 MMT.

**South Africa:** Africa's largest corn producer announced that exports have risen 13 percent compared to last year, reports Bloomberg News. Corn shipments totaled 2.04 MMT in the marketing year ending on April 25, which compared with 1.81 MMT the year before. Japan was the largest importer of South African corn at 596,315 MT, with Zimbabwe following at 283,533 MT.

**Ukraine:** Ukrainian farmers are looking for assistance from the IMF as the continuing tensions with Russia have made lending conditions much more difficult, according to Reuters. This credit crunch came during the spring planting season and forced some farmers to purchase cheaper seeds and reduce their use of fertilizers. The IMF's Board of Governors convened on April 30 to consider a Ukrainian aid package following a tentative agreement in March to provide Ukraine with a two year aid package totaling \$14-18 billion.

**United Kingdom:** Approximately 95 percent of the UK's spring barley crop has been planted, reports the Wall Street Journal.

## 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  | \$47.00               | Down \$0.50                 | Handymax at \$47.50/MT |
| 55,000 U.S. PNW- Japan  | \$26.50               | Unchanged                   | Handymax at \$26.50/MT |

May 2, 2014

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|  |                    |                          |  |
|--|--------------------|--------------------------|--|
| 55,000 U.S. Gulf – China<br>PNW to China               | \$45.50<br>\$25.00 | Down \$0.50<br>Unchanged | North China  |
| 25,000 U.S. Gulf- Veracruz, México                     | \$17.50            | Unchanged                | 3,000 MT daily discharge rate                            |
| 35-40,000 U.S. Gulf- Veracruz, México                  | \$15.50            | Unchanged                | Deep draft and 8,000 MT per day discharge rate.          |
| 25/35,000 U.S. Gulf- East Coast<br>Colombia, Argentina | \$22.00<br>\$32.00 | Down \$0.50<br>Unchanged | West Coast Colombia at \$28.00                           |
| 35,000 U.S. Gulf - Guatemala                           | \$28.00            | Unchanged                | Acajutla/Quetzal - 8,000 out                             |
| 25-30,000 U.S. Gulf – Algeria                          | \$36.00<br>\$38.00 | Unchanged<br>Unchanged   | 8,000 MT daily discharge<br>3,000 MT daily discharge     |
| 25,000 U.S. Gulf-Morocco                               | \$37.00            | Unchanged                | 5,000 discharge rate                                     |
| 55,000 U.S. Gulf – Egypt<br>PNW to Egypt               | \$30.50<br>\$32.00 | Unchanged<br>Up \$1.00   | 55,000 -60,000 MT<br>St. Lawrence to Egypt<br>\$28.50    |
| 60-70,000 U.S. Gulf – Europe –<br>Rotterdam            | \$19.00            | Unchanged                | Handymax at +\$1.50 more                                 |
| Brazil, Santos – China                                 | \$39.00<br>\$37.00 | Unchanged<br>Unchanged   | 54-58,000 Supramax-<br>Panamax<br>60-66,000 Post Panamax |
| 56-60,000 Argentina-China<br>Upriver with Top-Off      | \$41.50            | Unchanged                | —  |

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:** As the old saying goes, "it's hard to keep a good man down." In the case of ocean freight markets, it's hard to keep a poor market up. Cargo demand simply has not risen to levels necessary to soak up the excess vessel supply and create support in the market. It might be 2015 before this occurs and, in the meantime, we are going to have to see how many vessel owners/operators can tread water and keep their finances together. 2014 is not turning out to be the turnaround year many expected as you will see in the below Panamax forward curve. The market is, however, eternally optimistic about the future. Maybe next week will be a little better?

| Baltic Panamax Dry-Bulk Indices |           |           |            |                |
|---------------------------------|-----------|-----------|------------|----------------|
| May 2, 2014                     | This Week | Last Week | Difference | Percent Change |
| Route                           |           |           |            |                |
| P2A: Gulf/Atlantic – Japan      | 14,269    | 14,257    | 12         | 0.1%           |
| P3A: PNW/Pacific – Japan        | 7,454     | 7,842     | -388       | -4.9%          |

Source: O'Neil Commodity Consulting

May 2, 2014

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

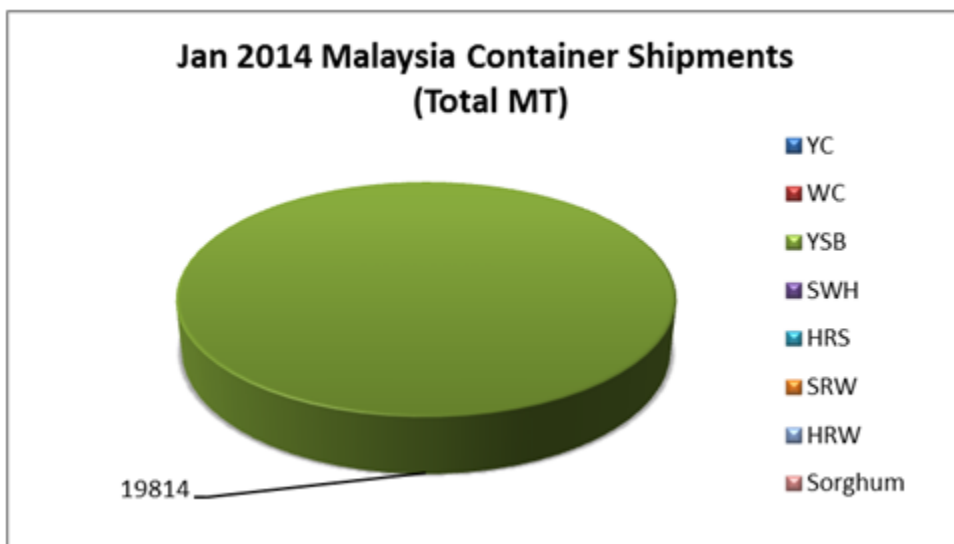
| Week of May 2, 2014 |                 |
|---------------------|-----------------|
| Four weeks ago      | \$10.00-\$11.25 |
| Three weeks ago:    | \$8.30-\$9.90   |
| Two weeks ago       | \$7.25-\$7.90   |
| One week ago:       | \$7.50-\$7.75   |
| This week           | \$6.90-\$7.00   |

Source: O'Neil Commodity Consulting

| U.S. – Asia Market Spreads |         |         |               |           |           |
|----------------------------|---------|---------|---------------|-----------|-----------|
| May 2, 2014                | PNW     | Gulf    | Bushel Spread | MT Spread | Advantage |
| # 2 Corn                   | 1.20    | 0.81    | 0.39          | \$15.35   | PNW       |
| Soybeans                   | 1.45    | 0.85    | 0.60          | \$22.05   | GULF      |
| Ocean Freight              | \$25.00 | \$45.50 | 0.52-0.56     | (\$20.50) | June      |

Source: O'Neil Commodity Consulting

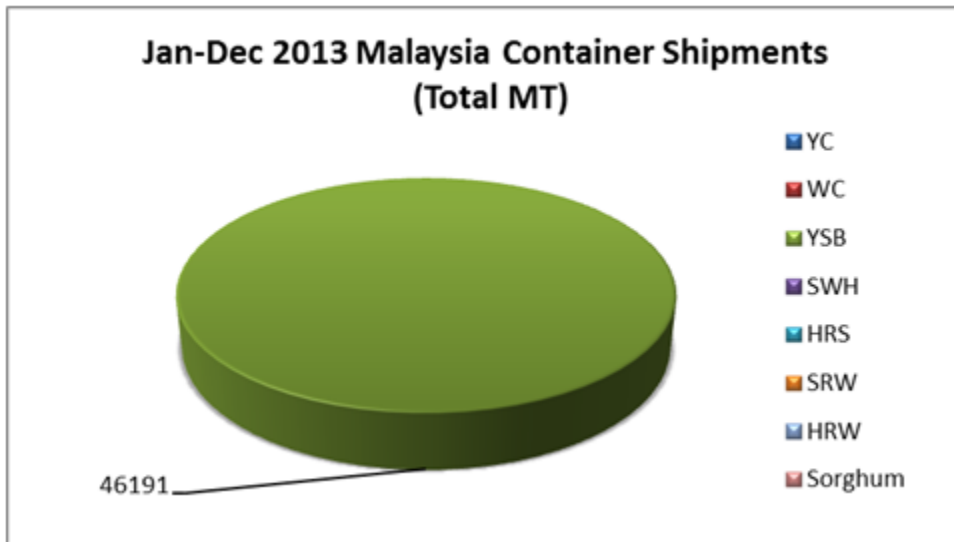
The charts below represent January-December 2013 annual totals versus January 2014 container shipments for Malaysia.



Source: O'Neil Commodity Consulting

May 2, 2014

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Source: O'Neil Commodity Consulting

| International Freight Rates for Feed Grains – Select Routes<br>Estimated Spot Price (\$/MT) |           |       |       |       |          |         |       |              |
|---|-----------|-------|-------|-------|----------|---------|-------|--------------|
| Commodity   | Origins   | China | Japan | Korea | Colombia | Morocco | Egypt | Saudi Arabia |
| Corn (Yellow)   | Argentina | \$55  | \$57  | -     | \$31     | \$42    | \$42  | \$45         |
|   | Brazil    | \$49  | \$51  | \$50  | -        | \$32    | \$35  | -            |
| Corn (White)  | Argentina | \$55  | \$57  | -     | \$31     | \$42    | \$42  | \$45         |
|   | Brazil    | \$49  | \$51  | \$50  | -        | \$32    | \$35  | -            |
| Barley  | Argentina | \$55  | \$57  | -     | \$31     | \$42    | \$42  | \$45         |
|   | Brazil    | \$49  | \$51  | \$50  | -        | \$32    | \$35  | -            |
| Sorghum   | Argentina | \$55  | \$57  | -     | \$31     | \$42    | \$42  | \$45         |
|   | Brazil    | \$49  | \$51  | \$50  | -        | \$32    | \$35  | -            |

Note: Bid-ask spreads can vary in width and initial offers may be higher on less active routes.

Source: World Perspectives, Inc.

## INTEREST RATES

| Interest Rates (%): April 30, 2014 |              |           |            |
|------------------------------------|--------------|-----------|------------|
|                                    | Current Week | Last Week | Last Month |
| U.S. Prime                         | 3.25         | 3.25      | 3.25       |
| LIBOR (6 month)                    | 0.32         | 0.32      | 0.33       |
| LIBOR (1 year)                     | 0.55         | 0.55      | 0.56       |

Source: [www.bankrate.com](http://www.bankrate.com)