



**September 3, 2020**

The COVID-19 pandemic is changing the markets and our working situations on a day-to-day basis - but what is not changing is the U.S. Grains Council’s commitment to you, our members’ valued customers.

The Council’s staff worldwide are committed to providing you the service and market information you have come to expect from us during this time. While we are teleworking, we remain ready to assist you and encourage you to contact us as issues or questions arise.

The Council wishes all our customers around the world good health and safety during this trying time.

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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 Cary Sifferath 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 December Contract					
\$/Bu	Friday August 28	Monday August 31	Tuesday September 1	Wednesday September 2	Thursday September 3
Change	0.75	-1.50	0.25	0.75	-5.00
Closing Price	359.25	357.75	358.00	358.75	353.75
Factors Affecting the Market	Corn traded both sides of unchanged before posting a modest gain. The weather forecast trends dry for the Corn Belt, keeping prices supported. China bought 12.7 Mbu of corn, which follows 34.8 Mbu sold to China and unknown destinations on Thurs. Outside markets were supportive with the dollar lower and equities higher.	Corn traded to 7-cent gains at the day's high but settled lower as rains are forecast for the Midwest. USDA said 15.8 Mbu were inspected for export last week and reported 23.5 Mbu sold to China Mon. morning. Cash prices are trending higher. Outside markets were weaker as traders booked profits at the month's end.	Macro market buying and a 2% decline in good/excellent condition ratings helped corn firm. USDA said 23.5 Mbu was sold to China for 2020/21 delivery. Exports remain a bright spot in the corn balance sheet. Macro markets, including the USD, were higher as investors look for Aug. market strength to continue in Sept.	December corn drifted higher on export business rumors. Markets started on a weak tone but firmed as they approached support and found end-user buying. Ethanol production was steady while stocks increased as gasoline consumption fell. Outside markets were higher with the U.S. dollar posting a technical reversal on the charts.	Chances for rain in the Midwest pressured corn, despite the sale of 3.8 Mbu of old-crop and 94.1 Mbu of new-crop corn last week. New-crop sales total 621 Mbu, the most as of the end of Aug. in the past 8 years. Traders pared positions ahead of the Labor Day holiday. Outside markets were sharply lower and the USD fell 10 bps.

**Outlook:** December corn futures are 5.5 cents (1.5 percent) lower this week as the market has turned sideways ahead of the September WASDE. Last week's rally saw funds quickly exiting their short positions while commercial firms increased pricing ideas. That combination helped December corn futures enter a new, higher trading range from \$3.50 - \$3.64 ¼. The market settled into that range this week with the approaching three-day weekend in the U.S. and September WASDE discouraging traders from adding risk to their positions.

Monday's Crop Progress report noted a 2 percent decline in the good/excellent rating of the U.S. corn crop. The decline was within market expectations and held relatively little influence on futures. Most of the Corn Belt experienced a hot, dry August that has impacted yields. This week, several private firms have issued their own yield expectations ahead of the 11 September WASDE report. Most of the yield estimates reflect at least a 0.063 MT/ha (1 bushel/acre) decrease from USDA's August forecast while some predict a 0.314 MT/ha (5 bushel/acre) decrease. The September WASDE, and particularly the state yield estimates, will likely be key in determining the market's direction this fall.

The weekly Export Sales report featured net old-crop corn sales of 95,800 MT and net new-crop sales of 2.3889 MMT. Weekly exports were down 51 percent from the prior week at 464,200 MT and were sufficient to put 2019/20 YTD bookings at 44.587 MMT – down 11 percent from the prior year and in-line with USDA's forecast. Notably, new crop outstanding sales currently total 15.773 MMT, up 165 percent from the prior year. The volume of outstanding new crop sales is the largest for the end of August in the past eight years.

U.S. corn exports have been decidedly bullish heading into the fall. Rising prices in China, driven by flooding, concerns about fall army worms, and stronger feed demand, are prompting the Middle Kingdom to increase purchases from the U.S. Similarly, drought in Ukraine and Europe has cut production in those regions, further tightening international supplies. FOB Black Sea corn prices rallied \$5/MT last week and are holding those gains this week while French export maize offers are up \$10/MT. Tighter supplies and rising prices for international origins, combined with a weak U.S. dollar, should bode well for the U.S. 2020/21 export program.

From a technical standpoint, December corn futures turned sideways from their trend higher. The market has found solid commercial buying activity on breaks towards \$3.52 and the 10-day moving average has also been a notable support point. Trading volumes have decreased each day this week as traders adjust positions but avoid absorbing additional risk ahead of the September WASDE. The market is approaching overbought levels with the relative strength index at 68, which could indicate growing potential for a pullback. If the market moves lower, initial support lies at \$3.50 then the open chart gap at \$3.41.

Interest Rates and Macroeconomic Markets, September 3, 2020						
	Last*	Weekly Change	Weekly % Change	Monthly Change	Monthly % Change	1-Year History
<b>Interest Rates</b>						
U.S. Prime	3.3	0.0	0.0%	0.0	0.0%	
LIBOR (6 Month)	0.3	0.0	-6.3%	0.0	-3.6%	
LIBOR (1 Year)	0.4	0.0	-4.7%	0.0	-4.2%	
S&P 500	3,455.1	-29.5	-0.8%	105.9	3.2%	
Dow Jones Industrials	28,292.7	-199.6	-0.7%	905.7	3.3%	
U.S. Dollar	92.8	-0.2	-0.3%	0.0	0.0%	
WTI Crude	41.3	-1.7	-4.0%	-0.6	-1.5%	
Brent Crude	44.0	-1.6	-3.6%	-1.1	-2.5%	

Source: DTN ProphetX, World Perspectives, Inc.

\* Last price as of 3:57 PM ET

# CBOT December Corn Futures



Source: DTN ProphetX

**Current Market Values:**

<b>Futures Price Performance: Week Ending September 3, 2020</b>			
<b>Commodity</b>	<b>3-Sep</b>	<b>28-Aug</b>	<b>Net Change</b>
<b>Corn</b>			
Sep 20	344.50	346.00	-1.50
Dec 20	353.75	359.25	-5.50
Mar 21	364.75	369.25	-4.50
May 21	371.50	375.75	-4.25
<b>Soybeans</b>			
Sep 20	968.75	950.50	18.25
Nov 20	966.00	950.50	15.50
Jan 21	972.25	956.25	16.00
Mar 21	972.75	956.25	16.50
<b>Soymeal</b>			
Sep 20	305.20	301.60	3.60
Oct 20	307.60	304.10	3.50
Dec 20	312.80	309.70	3.10
Jan 21	314.80	311.30	3.50
<b>Soyoil</b>			
Sep 20	33.47	33.39	0.08
Oct 20	33.14	33.10	0.04
Dec 20	33.29	33.24	0.05
Jan 21	33.43	33.32	0.11
<b>SRW</b>			
Sep 20	543.25	539.25	4.00
Dec 20	553.25	548.75	4.50
Mar 21	561.75	556.50	5.25
May 21	566.00	561.00	5.00
<b>HRW</b>			
Sep 20	475.00	461.75	13.25
Dec 20	475.75	472.25	3.50
Mar 21	487.00	482.75	4.25
May 21	493.75	490.25	3.50
<b>MGEX (HRS)</b>			
Sep 20	527.50	518.50	9.00
Dec 20	547.25	539.25	8.00
Mar 21	560.50	551.00	9.50
May 21	568.00	558.75	9.25

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

## U.S. Weather/Crop Progress

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U.S. Crop Conditions: August 30, 2020					
Commodity	Very Poor	Poor	Fair	Good	Excellent
Corn	5%	9%	24%	48%	14%
Sorghum	6%	12%	32%	39%	11%
Barley	N/A	N/A	N/A	N/A	N/A

Source: USDA, World Perspectives, Inc.

**U.S. Drought Monitor Weather Forecast:** During the next 5 days (September 3-7), WPC's QPF forecasts little or no precipitation (and thus persisting or intensifying drought) to the north and west of Texas. Similarly, light precipitation at best is expected across the interior Southeast and much of the northern Ohio Valley. Moderate precipitation (several tenths to 1.5 inches) should fall on the Great Lakes, upper Midwest, the Northeast, and most of Florida. Heavy precipitation is expected over a large swath across central and northeastern Texas, where totals from 1.5 to locally over 4 inches are expected. Robust precipitation is also forecast in a band stretching from Arkansas to West Virginia, where many areas should record 1.5 to 2.5 inches. Meanwhile, well-above-normal temperatures are expected from the High Plains to the Pacific Coast. High temperatures should average more than 12 degrees above normal from the Rockies to near the Pacific Coast, exceeding 18 degrees above normal in the Great Basin. Farther east, conditions will be less remarkable. Nighttime lows will be a few degrees above normal across the East, Southeast, and South-Central regions, and near normal in the Great Plains and upper Midwest. During the day, temperatures should top out a few degrees below normal on average in the northern Plains, and closer to normal in other parts of the eastern half of the contiguous states.

The Climate Prediction Center's 6-10-day outlook (September 8-12) favors above-normal rainfall in the central and southern Plains and from the Mississippi Valley eastward. The odds also tilt toward surplus precipitation in most of Alaska, outside the Panhandle. In contrast, subnormal precipitation is expected in the northern Plains, the southern High Plains, the Rockies, and the Pacific Northwest. At the same time, below-normal temperatures are heavily favored in the Plains and surrounding areas, and odds tilt toward cooler than normal weather from the Rockies to the Appalachians. From the Appalachians eastward and from the Intermountain West to the Pacific Coast, warmer than normal weather is expected. Across Alaska, the northern tier should average cooler than normal while above-normal temperatures are favored along the southern tier.

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

## U.S. Export Statistics

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U.S. Export Sales and Exports: Week Ending August 27, 2020					
Commodity	Gross Sales (MT)	Exports (MT)	YTD Exports (000 MT)	YTD Bookings (000 MT)	% Change YTD Bookings
Wheat	608,700	483,400	6,533.0	12,463.7	9%
Corn	166,000	464,200	42,622.2	44,587.5	-11%
Sorghum	72,400	133,100	4,529.2	4,637.1	169%
Barley	0	0	8.4	39.2	-32%

Source: USDA, World Perspectives, Inc.

**Corn:** Net sales of 95,800 MT for 2019/2020 were down 65 percent from the previous week and 53 percent from the prior 4-week average. Increases primarily for China (72,100 MT, including 66,000 MT switched from Taiwan), Mexico (44,100 MT), Colombia (27,000 MT, including decreases of 400 MT), Japan (22,100 MT, switched from unknown destinations), and Trinidad (16,700 MT, late – see below), were offset by reductions for Taiwan (66,100 MT) and unknown destinations (26,900 MT).

For 2020/2021, net sales of 2,389,100 MT primarily for China (1,155,000 MT), unknown destinations (569,000 MT), Japan (343,600 MT), Guatemala (151,800 MT), and Costa Rica (47,900 MT), were offset by reductions for Peru (8,000 MT).

Exports of 464,200 MT were down 51 percent from the previous week and 55 percent from the prior 4-week average. The destinations were primarily to Mexico (224,300 MT), China (137,200 MT), Jamaica (28,800 MT, including 13,900 MT late – see below), Japan (22,100 MT), and Trinidad (16,700 MT, late – see below).

*Optional Origin Sales:* For 2019/2020, options were exercised to export 65,000 MT to South Korea from other than the United States. The current outstanding balance of 325,000 MT is for South Korea (195,000 MT), Vietnam (65,000 MT), and Taiwan (65,000 MT). For 2020/2021, new optional origin sales of 140,000 MT were reported for Taiwan. The current outstanding balance of 400,000 MT is for Vietnam (195,000 MT), Taiwan (140,000 MT), and South Korea (65,000 MT).

*Late Reporting:* For 2019/2020, net sales totaling 16,700 MT were reported late. These sales were reported for Trinidad. For 2019/2020, exports totaling 30,600 MT were reported late. The destination was Trinidad (16,700 MT) and Jamaica (13,900 MT).

**Barley:** No net sales or exports for 2020/2021 were reported for the week.

**Sorghum:** For 2019/2020, total net sales of 11,900 MT reported for China were down noticeably from the previous week and down 82 percent from the prior 4-week average. For 2020/2021, total net sales of 126,500 MT were reported for China. Exports of 133,100 MT were up noticeably from the previous week, but down 30 percent from the prior 4-week average. The destination was China.

## U.S. Export Inspections: Week Ending August 27, 2020

Commodity (MT)	Export Inspections		Current Market YTD	Previous YTD	YTD as Percent of Previous
	Current Week	Previous Week			
Barley	1,270	0	3,731	2,987	125%
Corn	402,216	892,031	41,668,943	47,172,730	88%
Sorghum	162,678	70,357	4,957,123	2,097,682	236%
Soybeans	804,591	1,223,251	43,126,553	45,741,582	94%
Wheat	516,131	569,593	6,744,636	6,598,431	102%

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 conditions & cancellations to previous week's reports.

## USDA Grain Inspections for Export Report: Week Ending August 27, 2020

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	116,297	30%	11,000	79%	162,678	100%
PNW	137,347	35%	0	0%	0	0%
Interior Export Rail	134,578	35%	2,994	21%	0	0%
<b>Total (Metric Tons)</b>	<b>388,222</b>	<b>100%</b>	<b>13,994</b>	<b>100%</b>	<b>162,678</b>	<b>100%</b>
White Corn Shipments by Country (MT)			11,000 2,994	to Colombia to Mexico		
<b>Total White Corn</b>			<b>13,994</b>			
Sorghum Shipments by Country (MT)					131,898 30,780	to China to Zimbabwe
<b>Total Sorghum</b>					<b>162,678</b>	

Source: USDA, World Perspectives, Inc.



**FOB**

<b>Yellow Corn (USD/MT FOB Vessel*)</b>				
<b>YC FOB Vessel Max. 15.0% Moisture</b>	<b>GULF</b>		<b>PNW</b>	
	<b>Basis (#2 YC)</b>	<b>Flat Price (#2 YC)</b>	<b>Basis (#2 YC)</b>	<b>Flat Price (#2 YC)</b>
<b>October</b>	0.98+Z	\$177.84	1.52+Z	\$198.91
<b>November</b>	0.95+Z	\$176.66	1.50+Z	\$198.12
<b>December</b>	0.94+Z	\$176.27	1.50+Z	\$198.32

<b>#2 White Corn (U.S. \$/MT FOB Vessel*)</b>			
<b>Max. 15.0% Moisture</b>	<b>October</b>	<b>November</b>	<b>December</b>
<b>Gulf</b>	N/A	\$192	\$193

<b>Sorghum (USD/MT FOB Vessel*)</b>				
<b>#2 YGS FOB Vessel Max 14.0% Moisture</b>	<b>NOLA</b>		<b>TEXAS</b>	
	<b>Basis</b>	<b>Flat Price</b>	<b>Basis</b>	<b>Flat Price</b>
<b>October</b>	2.70+Z	\$245.56	2.50+Z	\$237.68
<b>November</b>	2.70+Z	\$245.56	2.50+Z	\$237.68
<b>December</b>	2.65+Z	\$243.59	2.45+Z	\$235.72

<b>Corn Gluten Feed Pellets (CGFP) (FOB Vessel U.S. \$/MT*)</b>			
	<b>October</b>	<b>November</b>	<b>December</b>
<b>New Orleans</b>	\$180	\$180	\$185
<i>Quantity 5,000 MT</i>			
<b>Corn Gluten Meal (CGM) (FOB Vessel U.S. \$/MT*)</b>			
<b>Bulk 60% Pro.</b>	<b>October</b>	<b>November</b>	<b>December</b>
<b>New Orleans</b>	\$530	\$530	\$530
<i>*5-10,000 MT Minimum</i>			

*\*Prices are based on offer indications only. Quoted prices are believed to reflect current market conditions but may vary from actual offers. Terms of delivery, payment, and quality may vary from one supplier to another, impacting the actual value of the price.*

**DDGS Price Table: September 3, 2020 (USD/MT)**  
 (Quantity, availability, payment and delivery terms vary)

<b>Delivery Point Quality Min. 35% Pro-fat combined</b>	<b>October</b>	<b>November</b>	<b>December</b>
Barge CIF New Orleans	207	207	208
FOB Vessel GULF	215	216	216
Rail delivered PNW	206	208	210
Rail delivered California	222	223	224
Mid-Bridge Laredo, TX	206	207	209
FOB Lethbridge, Alberta	196	198	199
40 ft. Containers to South Korea (Busan)	234	234	234
40 ft. Containers to Taiwan (Kaohsiung)	232	232	232
40 ft. Containers to Philippines (Manila)	241	241	241
40 ft. Containers to Indonesia (Jakarta)	235	235	235
40 ft. Containers to Malaysia (Port Kelang)	239	239	239
40 ft. Containers to Vietnam (HCMC)	237	237	237
40 ft. Containers to Japan (Yokohama)	242	242	242
40 ft. containers to Thailand (LCMB)	242	242	242
40 ft. Containers to China (Shanghai)	239	239	239
40 ft. Containers to Bangladesh (Chittagong)	263	263	263
40 ft. Containers to Myanmar (Yangon)	259	259	259
KC Rail Yard (delivered ramp)	196	196	197
Elwood, IL Rail Yard (delivered ramp)	192	192	193

*Source: World Perspectives, Inc. \*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.*

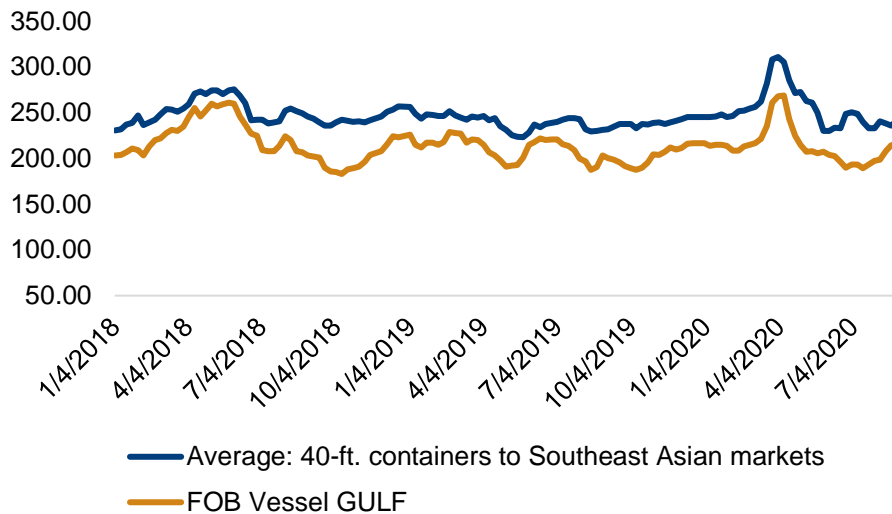
## Distiller's Dried Grains with Solubles (DDGS)

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**DDGS Comments:** FOB ethanol plant DDGS prices continue to rally on strong domestic demand, rising \$7.50/MT this week. The rally in the soymeal market has slowed and Kansas City soymeal prices are up \$2.00/MT. DDGS are priced at 116 percent of cash corn values, up from last week and above the five-year average ratio of 109 percent. The DDGS/soymeal price ratio is 0.44, above last week's value and the three-year average of 0.42.

While domestic DDGS prices are firming, export offers are mixed. Barge CIF NOLA DDGS are down \$3/MT for spot shipment and FOB Gulf offers are down an equal amount. Offers for DDGS in 40-foot containers destined for Southeast Asia are up \$1-2/MT as international demand is starting to pick up for fall positions.

DDGS Indications: U.S. Gulf (FOB) and  
40-foot containers to Southeast Asia  
(\$/MT)



Source: World Perspectives, Inc.

## Country News

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**Algeria:** The government tendered for 50 KMT of feed barley for October delivery. (AgriCensus)

**Argentina:** According to export licenses and private company declarations, barley sales to China will be 250 KMT this year and a record 380 KMT in 2021. Argentine suppliers are supplanting Australia's amid a Middle Kingdom/Down Under political spat. (Reuters)

**Brazil:** Arc Mercosul estimates the 2019/20 second season corn harvest to be 88.5 percent complete, versus the long-term average of 90.4 percent. The weak currency makes exports attractive but corn sales in August were 6.48 MMT, versus 7.3 MMT last season.

**Canada:** Feed barley prices have been under seasonal downward pressure as the new crop nears harvest and the Department of Agriculture and Agri-Food has raised its forecasted output by 470 KMT to 10.3 MMT. StatsCan says it will be even larger than that and will enable more sizeable exports. The agency says oat production will be 4.5 MMT, a 6 percent increase over last year and well above the five-year average of 3.6 MMT. (FarmLead; World Grain)

**China:** Corn futures prices have been slow in dropping out of concern the crop is being damaged by frequent typhoons, plus the spread of Fall Armyworm (FAW) to 35 percent of China's northern corn fields. The FAW infestation arrived 10 days earlier than last year and affects a region where 70 percent of China's corn is grown. By contrast, the spot price has fallen for three straight weeks, under downward pressure due to imports and more than 30 MMT of auctioned corn waiting to be delivered. Both prices and the amount of corn purchased has been dropping at the government's reserve auction sales. Just 33.6 percent of the corn offered this week was successfully bid. Still, there are fears about food security problems and a potential 30 to 50 MMT corn shortfall.

Separately and amid otherwise strained bilateral relations, China's General Administration of Customs placed a ban on barley imports from Australia's largest grain exporter, CBH Grain, claiming to find pests on multiple occasions. Australian growers will sell elsewhere and may plant less next year. (JCI; Gro; Refinitiv; Reuters)

**EU:** The corn production forecast was lowered by 2.4 MMT with both Romania and France hurt by the weather. Romania's maize crop could fall by 40 percent due to drought, down to 10.2 MMT. Meanwhile, rising corn prices in Chicago futures has caused Brussels to move the maize and sorghum import tariff back to zero. (AgriCensus; Reuters)

**Ukraine:** APK-Inform reduced its forecasted corn harvest by 8 percent to 35 MMT due to unfavorable weather. Corn exports were forecast by the ministry at 26 MMT for 2020/21, with barley adding another 3.3 MMT in foreign sales. Corn exports thus far this season are 603 KMT, versus 1.85 MMT the same date last year. Corn pricing has added \$7 to \$9/ton due to lower production. However, year to date barley exports are above levels in 2019. (AgriCensus; Refinitiv)

## Ocean Freight Markets and Spreads

Bulk Freight Indices for HSS — Heavy Grain, Sorghum and Soybeans* September 3, 2020			
Route and Vessel Size	Current Week (USD/MT)	Change from Previous Report	Remarks
55,000 U.S. Gulf-Japan	\$45.00	Unchanged	Handymax \$46.50 mt
55,000 U.S. PNW- Japan	\$24.75	Unchanged	Handymax \$26.00 mt
66,000 U.S. Gulf – China	\$44.00	Unchanged	North China
PNW to China	\$24.00	Unchanged	
25,000 U.S. Gulf - Veracruz, México	\$18.00	Unchanged	3,000 MT daily discharge rate
30-36,000+ U.S. Gulf - Veracruz, México	\$15.25	Unchanged	Deep draft and 6,000 MT per day discharge rate.
30-38,000 U.S. Gulf - Colombia	\$20.50	Down \$0.50	<u>West Coast Colombia at \$32.00</u>
<u>East Coast Colombia</u> From Argentina	<u>\$30.50</u> \$33.00		USG to E/C 50,000 mt at \$18.00
43-45,000 U.S. Gulf - Guatemala	\$29.25	Unchanged	Acajutla/Quetzal - 8,000 out
26-30,000 U.S. Gulf – Algeria	\$39.50 \$41.50	Unchanged	8,000 mt daily discharge 3,000 mt daily discharge
26-30,000 US Gulf - Morocco	\$41.00	Unchanged	5,000 discharge rate
55-60,000 U.S. Gulf –Egypt	\$29.50	Unchanged	60,000 -55,000 mt
PNW to Egypt	\$29.75		Romania- Russia- Ukraine \$15.00-\$15.00 -\$15.50 France \$20.00
60-70,000 U.S. Gulf – Europe, Rotterdam	\$20.00	Unchanged	Handymax at +\$1.75 more
Brazil, Santos – China	\$33.25	Up \$0.25	54-59,000 Supramax-Panamax
Brazil, Santos – China	\$32.75		60-66,000 Post Panamax
Northern Coast Brazil - China	\$36.25		Upriver No. Brazil Plus -55,000 mt Plus \$7.50/mt
56-60,000 Argentina/Rosario-China, Deep Draft	\$37.25	Up \$0.25	Upriver with BB Top Off Plus \$3.75 mt

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:** Dry-Bulk freight markets continue to be characterized as “dull and uneventful”. Cargo business from the Black Sea has slowed and the oversupply of vessels there are looking for work. Some have even looked to ship wheat to the U.S. but, despite freight at \$24.00-\$25.00/MT, local FOB values will not allow it to pencil out.

For the moment, most freight values are unchanged from last week, but dull markets are not bullish and vessel owners will likely have to hit the bids as they slip back. Vessel owners have been hoping for a historical fourth quarter market rally but are now fearing markets could flatten out and not improve until 2021.

Container markets have seen an uptick in cargo demand but must also be wary of the potential for laid up capacity coming back on stream. Back in March and April, 25 percent of Transpacific container capacity was taken off-line. Ten percent is of it now back at work. It will be a delicate balancing act to maintain rates.

Baltic-Panamax Dry-Bulk Indices				
September 3, 2020	This Week	Last Week	Difference	Percent Change
Route				
P2A: Gulf/Atlantic – Japan	22,580	24,127	-1,547	-6.4
P3A: PNW/Pacific– Japan	13,292	13,878	-586	-4.2
S1C: U.S. Gulf-China-S. Japan	24,444	24,386	58	0.2

Source: O'Neil Commodity Consulting

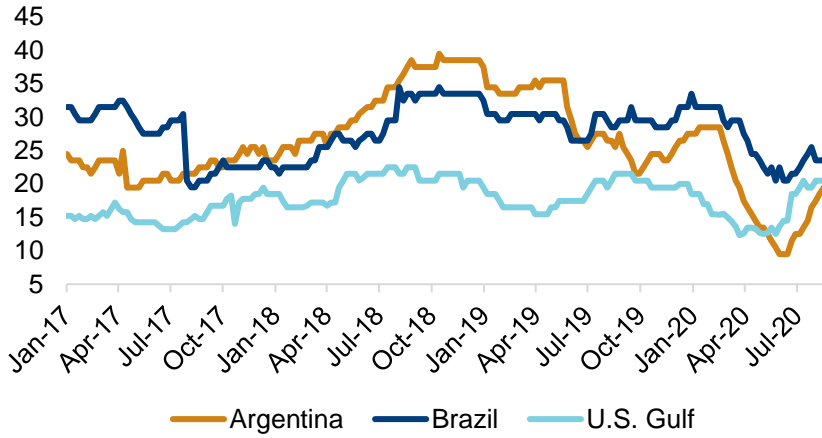
Capesize Vessel Freight Values Western Australia to South China (iron ore)	
Four weeks ago:	\$7.60-8.50
Three weeks ago:	\$8.10-8.20
Two weeks ago:	\$7.50-8.00
One week ago:	\$7.25-8.50
This week	\$7.50-8.20

Source: O'Neil Commodity Consulting

U.S.-Asia Market Spreads					
September 3, 2020	PNW	Gulf	Bushel Spread	MT Spread	Advantage
#2 Corn	1.47	0.99	0.48	\$18.90	BOTH
Soybeans	1.45	1.11	0.34	\$12.49	PNW
Ocean Freight	\$24.00	\$44.00	0.51-0.54	\$20.00	October

Source: O'Neil Commodity Consulting

## Bulk Grain Freight Rates to Europe from Select Origins



Source: World Perspectives, Inc., O'Neil Commodity Consulting

**Bulk Grain Freight Rates for Key Suppliers and Destinations**  
**September 3, 2020**

Origin	Destination	This Week	Monthly Change	Monthly % Change	Yearly Change	Yearly % Change	2-Year History
<i>Panamax/Supramax Vessels</i>							
U.S. Gulf		45.00	2.5	5.9%	-7.5	-14.3%	
U.S. PNW	Japan	24.75	2	8.8%	-5.25	-17.5%	
Argentina		36.50	3	9.0%	-6	-14.1%	
Brazil		32.50	2	6.6%	-8	-19.8%	
U.S. Gulf		44.00	2.5	6.0%	-7.5	-14.6%	
U.S. PNW	China	24.00	2	9.1%	-5.25	-17.9%	
Argentina		37.25	2.25	6.4%	-7	-15.8%	
Brazil		36.25	2.25	6.6%	-5.75	-13.7%	
U.S. Gulf		21.50	2	10.3%	0	0.0%	
Argentina	Europe	20.50	4	24.2%	-7	-25.5%	
Brazil		24.50	-1	-3.9%	-5	-16.9%	
Argentina	Saudi Arabia	42.50	1	2.4%	3	7.6%	
Brazil		57.50	2	3.6%	15	35.3%	
U.S. Gulf		30.50	4.00	15.1%	-2.00	-6.2%	
U.S. PNW	Egypt	30.00	4.00	15.4%	-2.90	-8.8%	
Argentina		26.50	7.00	35.9%	-2.00	-7.0%	
Brazil		29.50	0.00	0.0%	-3.00	-9.2%	
<i>Handysized Vessels</i>							
U.S. Gulf		41.50	3.00	7.8%	3.00	7.8%	
U.S. Great Lakes	Morocco	44.00	0.00	0.0%	-1.05	-2.3%	
Argentina		31.50	1.00	3.3%	6.00	23.5%	
Brazil		39.50	5.00	14.5%	9.00	29.5%	
U.S. Great Lakes	Europe	43.00	0.00	0.0%	-1.00	-2.3%	
Brazil		31.20	3.00	10.6%	1.70	5.8%	
Argentina	Algeria	30.50	0.00	0.0%	2.00	7.0%	
Brazil		34.50	0.00	0.0%	3.00	9.5%	
U.S. Gulf		20.50	1.25	6.5%	-1.50	-6.8%	
U.S. PNW	Colombia	29.00	0.00	0.0%	-0.90	-3.0%	
Argentina		33.00	1.00	3.1%	1.00	3.1%	
<i>Shipping Indexes</i>							
Baltic Dry Index		1488	103	7.4%	-954	-39.1%	

Source: World Perspectives, Inc. and O'Neil Commodity Consulting