



# Market Perspectives

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**January 21, 2021**

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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 March Contract |  |   |  |  |   |
|---|--|---|--|--|---|
| Cents/Bu                                | Friday<br>January 15   | Monday<br>January 18  | Tuesday<br>January 19  | Wednesday<br>January 20  | Thursday<br>January 21  |
| <b>Change</b>                           | -2.75  |   | -5.50  | -4.00  | 2.25  |
| <b>Closing Price</b>                    | 531.50   |   | 526.00   | 522.00   | 524.25  |
| <b>Factors Affecting the Market</b>     | Corn settled lower for the day but posted its 6th straight weekly gain. Profits were taken ahead of a 3-day weekend with rain expected for Argentina. Sixteen percent of Argentina's corn crop is rated poor/ very poor. USDA reported 4.3 Mbu sold to Mexico for 2020/21. Global cash prices continue to rise amid strong demand. | Markets were closed for the U.S. Martin Luther King, Jr. Day holiday. | Weekend rains for Brazil and Argentina pressured the CBOT. Traders booked profits and funds are rebalancing their huge long positions. USDA reported 5 Mbu sold to Japan and 3.9 Mbu sold to Israel, which brings 2020/21 commitments to 1.8 Bbu. Outside markets were supportive with stocks gaining and the USD down 26 bps. | March corn traded lower and filled an open chart gap before rallying through to close near the high end of the day's range. End users emerged as strong buyers and trading volume was heavy. Weak longs have been chased out and commercial buying is active. Outside markets were supportive with U.S. stocks higher. | Follow-through buying came after yesterday's end user pricing with support coming from USDA's news that 13.2 Mbu were sold to an unknown buyer. Market chatter says it was China. S. Am. weather is favorable into the weekend buy dry thereafter. U.S. stocks wobbled on poor economic data and the USD fell 39 bps. |

**Outlook:** March corn futures are 7 ¼ cents (1.4 percent) lower this week after the market pulled back from overbought extremes. Funds were modest net sellers and weak longs booked profits as it became clear that post-WASDE follow through buying would be limited. On Wednesday and Thursday, end-users emerged to price Q1 and Q2 needs on the break, offering support to the futures market. Corrections of 5-8 percent are not uncommon during bull markets and this week's pullback is being viewed as a minor rebalancing amid what is likely to be a sustained trend higher.

The weekly Export Sales report from USDA is delayed one day due to a U.S. holiday this past Monday, but the weekly Export Inspections report was friendly for grains. Corn inspections fell from the prior week and were on the low end of expectations, but the fact YTD shipments are up 82 percent was a supportive factor. Sorghum inspections were 20 percent higher from the prior week as China once again emerged as a major buyer. Sorghum YTD inspections total 2.6 MMT, up 167 percent from this time last year.

The La Nina weather event is still present in the Pacific Ocean and is not expected to fade until March. Typically, that tends to keep Brazil and Argentina dry during the critical stages of corn yield development. Weather in the past two weeks, however, has been variable with a mostly dry pattern fading and allowing meaningful rainfall to develop this past weekend. This week's weather has been mostly dry and, except for a weak system expected this weekend, the next two weeks look dry as well.

Day time temperatures will be below average, lowering soil moisture demand, but will still be warm enough to stress reproductive corn fields. Dryness in Argentina was a major catalyst for the current bull market in corn and it seems likely that this similar weather trend will continue pushing futures higher.

U.S. cash corn prices are slightly lower this week as prices above \$5.00/bushel sparked some farmer selling. The average price across the U.S. is near \$198.15/MT (\$5.03/bushel) with basis weakening to 19 cents under March futures. Basis remains just shy of its five-year highs for mid-January that were set in 2020. With a record-large export program forecast for the U.S., basis is likely to remain firm and end users will have to be aggressive on breaks.

From a technical standpoint, March futures marked an important development on Wednesday by trading lower and filling the open chart gap left by the 13 January opening. After the market filled the gap and found support near the 10-day moving average, it settled at the gap's top (\$5.22) in a moderately bullish development. Open interest in corn futures increased on Wednesday as end user pricing and bargain hunting led to active trade against funds lightening up on long positions. Three days of declines and trade below the highs set on the day the January WASDE was released have chased out many weak longs, which should allow the market to stabilize and move higher again. One lingering bearish factor is that March future are still overbought, however, with the Relative Strength Index at 81 percent (a neutral market has an RSI below 70). Regardless, the fundamentals lean bullish corn and future breaks are likely to be buying opportunities.

| Interest Rates and Macroeconomic Markets, January 21, 2021 |          |               |                 |                |                  |                |
|--|----------|---------------|-----------------|----------------|------------------|----------------|
|  | 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)  | 0.2      | 0.0           | -4.0%           | 0.0            | -9.8%            |                |
| LIBOR (1 Year)   | 0.3      | 0.0           | -2.8%           | 0.0            | -6.3%            |                |
| S&P 500  | 3,853.1  | 57.5          | 1.5%            | 150.0          | 4.1%             |                |
| Dow Jones Industrials                                      | 31,176.0 | 184.5         | 0.6%            | 976.1          | 3.2%             |                |
| U.S. Dollar  | 90.1     | -0.2          | -0.2%           | -0.2           | -0.3%            |                |
| WTI Crude  | 53.0     | -0.6          | -1.0%           | 4.8            | 9.9%             |                |
| Brent Crude  | 56.0     | -0.4          | -0.7%           | 4.7            | 9.1%             |                |

Source: DTN ProphetX, World Perspectives, Inc.

# CBOT March Corn Futures



Source: DTN ProphetX

**Current Market Values:**

| <b>Futures Price Performance: Week Ending January 21, 2021</b> |               |               |                   |
|--|---------------|---------------|-------------------|
| <b>Commodity</b>   | <b>21-Jan</b> | <b>15-Jan</b> | <b>Net Change</b> |
| <b>Corn</b>  |               |               |                   |
| Mar 21   | 524.25        | 531.50        | -7.25             |
| May 21   | 526.25        | 534.75        | -8.50             |
| Jul 21   | 522.25        | 532.00        | -9.75             |
| Sep 21   | 472.75        | 485.50        | -12.75            |
| <b>Soybeans</b>  |               |               |                   |
| Mar 21   | 1370.25       | 1416.75       | -46.50            |
| May 21   | 1368.75       | 1414.75       | -46.00            |
| Jul 21   | 1354.50       | 1401.00       | -46.50            |
| Aug 21   | 1310.50       | 1354.25       | -43.75            |
| <b>Soymeal</b>   |               |               |                   |
| Mar 21   | 438.20        | 463.20        | -25.00            |
| May 21   | 435.30        | 458.50        | -23.20            |
| Jul 21   | 431.90        | 453.80        | -21.90            |
| Aug 21   | 419.00        | 439.90        | -20.90            |
| <b>Soyoil</b>  |               |               |                   |
| Mar 21   | 43.43         | 41.85         | 1.58              |
| May 21   | 42.75         | 41.49         | 1.26              |
| Jul 21   | 42.15         | 41.21         | 0.94              |
| Aug 21   | 41.19         | 40.56         | 0.63              |
| <b>SRW</b>   |               |               |                   |
| Mar 21   | 660.75        | 675.50        | -14.75            |
| May 21   | 662.25        | 676.50        | -14.25            |
| Jul 21   | 647.75        | 657.75        | -10.00            |
| Sep 21   | 648.25        | 657.50        | -9.25             |
| <b>HRW</b>   |               |               |                   |
| Mar 21   | 635.75        | 643.00        | -7.25             |
| May 21   | 639.00        | 646.00        | -7.00             |
| Jul 21   | 638.50        | 645.50        | -7.00             |
| Sep 21   | 641.00        | 648.50        | -7.50             |
| <b>MGEX (HRS)</b>  |               |               |                   |
| Mar 21   | 635.25        | 643.25        | -8.00             |
| May 21   | 644.25        | 651.75        | -7.50             |
| Jul 21   | 649.25        | 656.00        | -6.75             |
| Sep 21   | 652.75        | 659.00        | -6.25             |

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

## U.S. Weather/Crop Progress

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**U.S. Drought Monitor Weather Forecast:** The most significant weather for the next 5 days (January 21-26, 2021) will be widespread heavy precipitation across the Southeast. Between 1.5 and 4.0 inches are forecast from eastern Texas through southern Alabama and northern Georgia. Light to moderate amounts should dampen the rest of the Southeast. Farther west, from the central and southern Rockies to the California Coast, significant precipitation will fall on the higher elevations. Most of the mountains are expecting 1 to 3 inches. The rest of the Southwest and the Pacific Northwest are expecting 0.5 to 2.5 inches. Elsewhere, light to moderate precipitation of up to 0.5 inch is forecast for the upper Midwest, and little none is expected over the Northeast, High Plains, and the remainder of the Midwest and Great Pains.

The 6–10-day CPC extended range outlook (January 27-31, 2021) favors surplus precipitation from the Rockies to the West Coast, most of the Midwest, and part of the interior Southeast. Much of Alaska is also expecting above-normal precipitation. Meanwhile, the odds favor subnormal precipitation across Florida, in the Northeast and Ohio Valley, southern Plains, and eastern Montana. Meanwhile, cooler than normal weather is anticipated in the Northeast, the middle Atlantic States, and a broad area from the Rockies to the West Coast. In contrast, enhanced chances for above-normal temperatures cover roughly the southeastern quarter of the country.

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

## U.S. Export Statistics

Note: Due to Monday's U.S. Martin Luther King, Jr. Day holiday, the weekly Export Sales report from USDA is delayed until Friday, January 22, 2021. Updated export sales statistics will be provided in next week's Market Perspectives report.

| U.S. Export Inspections: Week Ending January 14, 2021 |                    |               |                    |              |                            |
|---|--------------------|---------------|--------------------|--------------|----------------------------|
| Commodity (MT)  | Export Inspections |               | Current Market YTD | Previous YTD | YTD as Percent of Previous |
|   | Current Week       | Previous Week |                    |              |                            |
| Barley  | 2,395              | 0             | 23,339             | 17,246       | 135%                       |
| Corn  | 876,774            | 1,313,767     | 17,275,616         | 9,483,581    | 182%                       |
| Sorghum   | 159,495            | 133,461       | 2,638,767          | 988,758      | 267%                       |
| Soybeans  | 2,058,399          | 1,847,777     | 42,956,889         | 24,180,346   | 178%                       |
| Wheat   | 276,898            | 281,087       | 15,568,860         | 15,985,872   | 97%                        |

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 January 14, 2021 |                |             |               |                          |                |                      |
|--|----------------|-------------|---------------|--------------------------|----------------|----------------------|
| 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   | 585,664        | 68%         | 17,600        | 99%                      | 100,504        | 63%                  |
| PNW  | 101,967        | 12%         | 0             | 0%                       | 58,501         | 37%                  |
| Interior Export Rail   | 171,443        | 20%         | 100           | 1%                       | 490            | 0%                   |
| <b>Total (Metric Tons)</b>   | <b>859,074</b> | <b>100%</b> | <b>17,700</b> | <b>100%</b>              | <b>159,495</b> | <b>100%</b>          |
| White Corn Shipments by Country (MT)                                   |                |             | 17,600<br>100 | to Colombia<br>to Mexico |                |                      |
| Total White Corn   |                |             | <b>17,700</b> |                          |                |                      |
| Sorghum Shipments by Country (MT)                                      |                |             |               |                          | 159,005<br>490 | to China<br>to Japan |
| Total Sorghum  |                |             |               |                          | <b>159,495</b> |                      |

Source: USDA, World Perspectives, Inc.

**FOB**

| <b>Yellow Corn (USD/MT FOB Vessel*)</b>          |                          |                               |                          |                               |
|--|--------------------------|-------------------------------|--------------------------|-------------------------------|
| <b>YC FOB Vessel<br/>Max. 15.0%<br/>Moisture</b> | <b>GULF</b>              |                               | <b>PNW</b>               |                               |
|  | <b>Basis<br/>(#2 YC)</b> | <b>Flat Price<br/>(#2 YC)</b> | <b>Basis<br/>(#2 YC)</b> | <b>Flat Price<br/>(#2 YC)</b> |
| <b>February</b>                                  | 1.01+H                   | \$246.15                      | 1.53+H                   | \$266.62                      |
| <b>March</b>                                     | 0.96+H                   | \$244.18                      | 1.41+H                   | \$261.89                      |
| <b>April</b>                                     | 0.92+K                   | \$243.19                      | 1.42+K                   | \$262.88                      |

| <b>#2 White Corn (U.S. \$/MT FOB Vessel*)</b> |                 |              |              |
|---|-----------------|--------------|--------------|
| <b>Max. 15.0% Moisture</b>                    | <b>February</b> | <b>March</b> | <b>April</b> |
| <b>Gulf</b>                                   | N/A             | N/A          | N/A          |

| <b>Sorghum (USD/MT FOB Vessel*)</b>             |              |                   |              |                   |
|---|--------------|-------------------|--------------|-------------------|
| <b>#2 YGS FOB Vessel<br/>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>February</b>                                 | N/A          | N/A               | 3.10+H       | \$328.43          |
| <b>March</b>                                    | N/A          | N/A               | 3.05+H       | \$326.46          |
| <b>April</b>                                    | N/A          | N/A               | 3.05+K       | \$327.25          |

| <b>Corn Gluten Feed Pellets (CGFP) (FOB Vessel U.S. \$/MT*)</b> |                 |              |              |
|---|-----------------|--------------|--------------|
|   | <b>February</b> | <b>March</b> | <b>April</b> |
| <b>New Orleans</b>  | \$260           | \$260        | \$260        |
| <i>Quantity 5,000 MT</i>  |                 |              |              |
| <b>Corn Gluten Meal (CGM) (FOB Vessel U.S. \$/MT*)</b>          |                 |              |              |
| <b>Bulk 60% Pro.</b>  | <b>February</b> | <b>March</b> | <b>April</b> |
| <b>New Orleans</b>  | \$790           | \$790        | \$790        |
| <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: January 21, 2021 (USD/MT)**  
 (Quantity, availability, payment and delivery terms vary)

| <b>Delivery Point<br/>Quality Min. 35% Pro-fat combined</b> | <b>February</b> | <b>March</b> | <b>April</b> |
|---|-----------------|--------------|--------------|
| Barge CIF New Orleans                                       | 307             | 306          | 305          |
| FOB Vessel GULF   | 316             | 315          | 311          |
| Rail delivered PNW  | 312             | 313          | 312          |
| Rail delivered California                                   | 317             | 316          | 315          |
| Mid-Bridge Laredo, TX                                       | 314             | 312          | 311          |
| FOB Lethbridge, Alberta                                     | 294             | 294          | 292          |
| 40 ft. Containers to South Korea (Busan)                    | 343             | 345          | 347          |
| 40 ft. Containers to Taiwan (Kaohsiung)                     | 342             | 344          | 346          |
| 40 ft. Containers to Philippines (Manila)                   | 350             | 350          | 350          |
| 40 ft. Containers to Indonesia (Jakarta)                    | 348             | 350          | 352          |
| 40 ft. Containers to Malaysia (Port Kelang)                 | 351             | 353          | 355          |
| 40 ft. Containers to Vietnam (HCMC)                         | 359             | 361          | 363          |
| 40 ft. Containers to Japan (Yokohama)                       | 349             | 351          | 353          |
| 40 ft. containers to Thailand (LCMB)                        | 350             | 350          | 350          |
| 40 ft. Containers to China (Shanghai)                       | 345             | 345          | 345          |
| 40 ft. Containers to Bangladesh (Chittagong)                | 350             | 350          | 350          |
| 40 ft. Containers to Myanmar (Yangon)                       | 345             | 345          | 345          |
| KC Rail Yard (delivered ramp)                               | 280             | 280          | 280          |
| Elwood, IL Rail Yard (delivered ramp)                       | 281             | 281          | 280          |

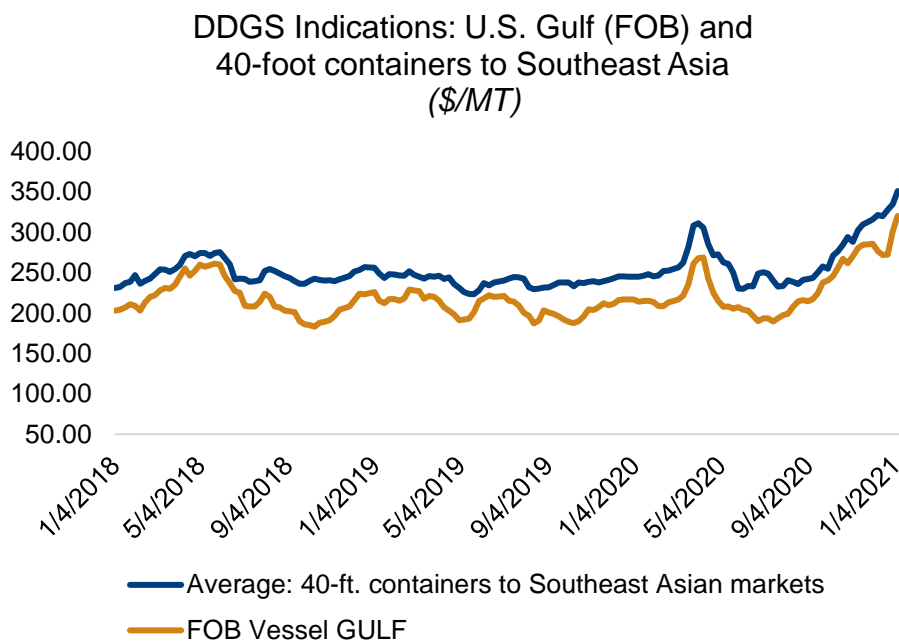
*Source: World Perspectives, Inc. \*Prices are based on offer indications only; terms of delivery, payment and quality may vary from one supplier to another, impacting the actual value of the price.*

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

**DDGS Comments:** U.S. DDGS values continue to rally amid lower production and strong demand for feedstuffs and agricultural commodities. FOB ethanol plant values are up \$7.50/MT this week even as Kansas City soymeal values have moved \$23/MT lower on weakness in soymeal futures. The DDGS/cash corn price ratio currently sits at 118 percent, up from last week and above the three-year average of 110 percent. The DDGS/soymeal ratio is up from last week at 48 percent and is above the three-year average of 42 percent. So far in the 2020/2021 marketing year, FOB Gulf soymeal prices are up 40 percent while FOB Gulf DDGS values have risen 47 percent.

Industry sources say the volatility in corn and soybean markets and concerns with container freight rates are complicating forward sales. Reportedly, container lines are hesitant to lock in rates more than four weeks forward, which is making DDGS sales from March forward more difficult. Southeast Asian buyers still need to purchase a large portion of their Q1/early Q2 needs but are being cautious amid rising commodity prices.

Barge CIF NOLA values are up \$3-4/MT this week while FOB NOLA offers have declined \$4-6/MT for February and March shipment, decreasing netbacks to merchandisers looking to move product on the river. U.S. rail rates are down \$2-3/MT this week while offers for 40-foot containers to Southeast Asia are mostly steady at \$349-350/MT.



Source: World Perspectives, Inc.

## Country News

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**Argentina:** After port workers and labor at crush plants settled their wage demands, and after farmers achieved an end to corn export limitations, now picketing independent truck drivers are feared to be slowing grain flows. They are blocking highways and creating uncertainty. Nonetheless, farmer new crop corn selling is at its highest level since more than a year ago, attracted by good prices and fear of an export tax. (Refinitiv)

**Brazil:** The exporter association ANEC increased its assessment of January corn exports to 2.398 MMT from an earlier estimate of 1.027 MMT, a 36 percent increase. Meanwhile, the consultancy Datagro reduced its estimate of corn production for this marketing year to 109.93 MMT, a 4.11 MMT reduction in part due to a 0.15-million-hectare reduction in production area. Instituto The Mato-grossense de Economia Agropecuária (IMEA) says that corn sales by farmers are at 66.8 percent, a slight increase from December but ahead of the long-term average of 45.4 percent. (Reuters)

**Jordan:** The government's procurement agency MIT paid \$262/MT for barley for July delivery, a price jump. (Agricensus)

**Mexico:** The government intends to gradually replace imported corn with domestic non-GMO corn. (AgriCensus)

**Philippines:** Importers are seeking 80 KMT of barley for delivery in April/May. (AgriCensus)

**Russia:** The government will impose an export duty of €25/MT on corn and €10/MT on barley starting March 15<sup>th</sup>. The goal is to preserve domestic stocks to reduce prices paid by consumers. (Refinitiv)

**Saudi Arabia:** The Saudi Grains Organization (SAGO) issued a tender for 480 KMT of animal feed barley. (Reuters)

**Taiwan:** MFIG tendered for 65 KMT of optional origin corn for March-April Delivery with the U.S. being the lowest cost source. (AgriCensus)

**Ukraine:** Exports are down an average 18.6 percent for this 2020/21 marketing year with corn exports at 10.52 MMT (down 25 percent) and barley exports at 3.89 MMT. The economy ministry along with agricultural unions will decide on 25 January whether to limit corn exports to 22 MMT as requested by the animal feed and meat producers. The consultancy APK-Inform says that corn asking prices are \$23-\$26/MT higher in January, reaching \$256-\$264/MT FOB Black Sea, a level that is \$4-\$6/MT higher than in 2014. (Refinitiv; AgriCensus)

## Ocean Freight Markets and Spreads

| Bulk Freight Indices for HSS — Heavy Grain, Sorghum and Soybeans*<br>January 21, 2021 |                           |                             |  |
|---|---------------------------|-----------------------------|--|
| Route and Vessel Size   | Current Week (USD/MT)     | Change from Previous Report | Remarks  |
| 55,000 U.S. Gulf-Japan  | \$46.25                   | Up \$0.25                   | Handymax \$46.75/MT  |
| 55,000 U.S. PNW- Japan  | \$26.50                   | Unchanged                   | Handymax \$27.00/MT  |
| 66,000 U.S. Gulf – China  | \$45.00                   | Up \$0.25                   | North China  |
| PNW to China  | \$25.00                   | Unchanged                   |  |
| 25,000 U.S. Gulf - Veracruz, México   | \$20.00                   | Unchanged                   | 3,000 MT daily discharge rate                                      |
| 30-36,000+ U.S. Gulf - Veracruz, México   | \$16.75                   | Unchanged                   | Deep draft and 6,000 MT per day discharge rate.                    |
| 30-38,000 U.S. Gulf - Colombia  | \$22.75                   | Unchanged                   | <u>West Coast Colombia at \$33.50</u>                              |
| <u>East Coast Colombia</u><br>From Argentina  | <u>\$33.25</u><br>\$34.50 |                             | USG to E/C 50,000 MT at \$18.50                                    |
| 43-45,000 U.S. Gulf - Guatemala   | \$30.00                   | Unchanged                   | Acajutla/Quetzal - 8,000 out                                       |
| 26-30,000 U.S. Gulf – Algeria   | \$43.00<br>\$45.00        | Up \$0.25                   | 8,000 MT daily discharge<br>3,000 MT daily discharge               |
| 26-30,000 US Gulf - Morocco   | \$43.75                   | Unchanged                   | 5,000 discharge rate   |
| 55-60,000 U.S. Gulf –Egypt  | \$33.25                   | Up \$0.25                   | 60,000 -55,000 MT -Egypt   |
| PNW to Egypt  | \$33.00                   |                             | Romania- Russia- Ukraine<br>\$14.00-14.00 -14.50<br>France \$19.50 |
| 60-70,000 U.S. Gulf – Europe, Rotterdam   | \$19.00                   | Down \$1.50                 | Handymax at +\$1.75-2.00 more                                      |
| Brazil, Santos – China  | \$36.00                   | Up \$0.25                   | 54-59,000 Supramax-Panamax   |
| Brazil, Santos – China  | \$35.50                   |                             | 60-66,000 Post Panamax   |
| Northern Coast Brazil - China   | \$36.50                   |                             | Upriver No. Brazil Plus -55,000<br>MT Plus \$7.50/MT               |
| 56-60,000 Argentina/Rosario-<br>China, Deep Draft                                     | \$41.75                   | Up \$0.25                   | Upriver with BB Top Off<br>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 played their normal game this week; indices and rates were up for the first three business days and then ran into selling pressure at weeks end. The selling activity caused prices to scale back from their weekly highs. Overall, markets are slightly higher from the prior week, but volumes are shallow and nothing dramatic is taking place.

This will likely be the scenario for most of 2021. Dry-bulk rates are expected to gradually creep upward, but it will be a struggle and nothing is expected to cause much market drama. Container rates have already made their dramatic move for 2020-2021 and they are expected to moderate after past Q2. Logistics are the challenge in these markets.

| Baltic-Panamax Dry-Bulk Indices |           |           |            |                |
|---------------------------------|-----------|-----------|------------|----------------|
| January 21, 2021                | This Week | Last Week | Difference | Percent Change |
| Route                           |           |           |            |                |
| P2A: Gulf/Atlantic – Japan      | 23,518    | 23,945    | -427       | -1.8           |
| P3A: PNW/Pacific– Japan         | 13,230    | 12,920    | 310        | 2.4            |
| S1C: U.S. Gulf-China-S. Japan   | 24,389    | 24,436    | -47        | -0.2           |

Source: O'Neil Commodity Consulting

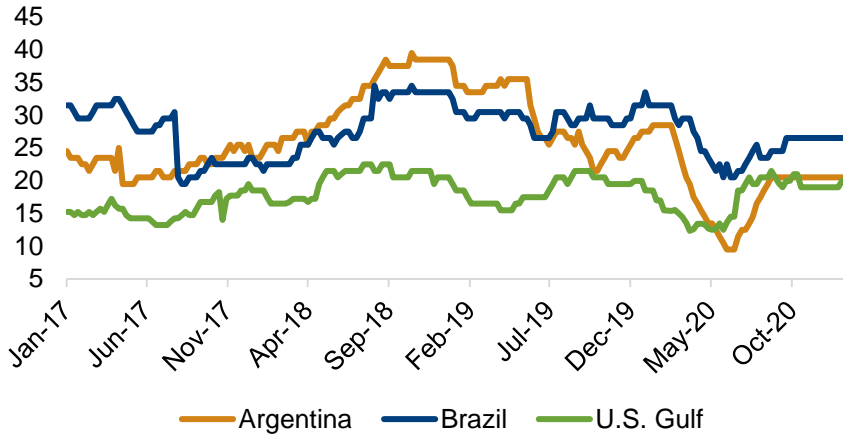
| Capesize Vessel Freight Values<br>Western Australia to South China (iron ore) |              |
|---|--------------|
| Four weeks ago:   | \$6.90-7.10  |
| Three weeks ago:  | \$7.15-7.45  |
| Two weeks ago:  | \$7.45-8.95  |
| One week ago:   | \$9.85-10.35 |
| This week   | \$7.75-8.20  |

Source: O'Neil Commodity Consulting

| U.S.-Asia Market Spreads |         |         |               |           |           |
|--------------------------|---------|---------|---------------|-----------|-----------|
| January 21, 2021         | PNW     | Gulf    | Bushel Spread | MT Spread | Advantage |
| #2 Corn                  | 1.47    | 0.99    | 0.48          | \$18.90   | PNW       |
| Soybeans                 | 1.40    | 0.95    | 0.45          | \$16.53   | PNW       |
| Ocean Freight            | \$25.00 | \$45.00 | 0.51-0.54     | \$20.00   | February  |

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**  
**January 21, 2021**

| Origin                          | Destination  | This Week | Monthly Change | Monthly % Change | Yearly Change | Yearly % Change | 2-Year History |
|---------------------------------|--------------|-----------|----------------|------------------|---------------|-----------------|----------------|
| <i>Panamax/Supramax Vessels</i> |              |           |                |                  |               |                 |                |
| U.S. Gulf                       |              | 46.25     | 4.25           | 10.1%            | 0.25          | 0.5%            |                |
| U.S. PNW                        | Japan        | 26.50     | 2.75           | 11.6%            | 1.75          | 7.1%            |                |
| Argentina                       |              | 37.50     | 2              | 5.6%             | 2             | 5.6%            |                |
| Brazil                          |              | 33.50     | 3              | 9.8%             | 0             | 0.0%            |                |
| U.S. Gulf                       |              | 45.00     | 4.5            | 11.1%            | 0.5           | 1.1%            |                |
| U.S. PNW                        | China        | 25.00     | 2              | 8.7%             | 1             | 4.2%            |                |
| Argentina                       |              | 41.75     | 6.5            | 18.4%            | 5.5           | 15.2%           |                |
| Brazil                          |              | 36.50     | 1.5            | 4.3%             | 0.5           | 1.4%            |                |
| U.S. Gulf                       |              | 20.00     | 1              | 5.3%             | 1.5           | 8.1%            |                |
| Argentina                       | Europe       | 20.50     | 0              | 0.0%             | -8            | -28.1%          |                |
| Brazil                          |              | 26.50     | 0              | 0.0%             | -5            | -15.9%          |                |
| Argentina                       | Saudi Arabia | 40.50     | 0              | 0.0%             | -4            | -9.0%           |                |
| Brazil                          |              | 45.50     | 1              | 2.2%             | -1            | -2.2%           |                |
| U.S. Gulf                       |              | 28.50     | 0.00           | 0.0%             | 0.00          | 0.0%            |                |
| U.S. PNW                        | Egypt        | 29.00     | -0.10          | -0.3%            | 0.05          | 0.2%            |                |
| Argentina                       |              | 29.50     | 0.00           | 0.0%             | 1.00          | 3.5%            |                |
| Brazil                          |              | 31.50     | 0.00           | 0.0%             | -1.00         | -3.1%           |                |
| <i>Handysized Vessels</i>       |              |           |                |                  |               |                 |                |
| U.S. Gulf                       |              | 40.50     | 0.00           | 0.0%             | 5.00          | 14.1%           |                |
| U.S. Great Lakes                | Morocco      | 44.00     | 0.00           | 0.0%             | 1.95          | 4.6%            |                |
| Argentina                       |              | 28.50     | 0.00           | 0.0%             | 1.00          | 3.6%            |                |
| Brazil                          |              | 31.50     | 0.00           | 0.0%             | -9.00         | -22.2%          |                |
| U.S. Great Lakes                | Europe       | 43.00     | 0.00           | 0.0%             | 2.95          | 7.4%            |                |
| Brazil                          |              | 31.60     | 0.00           | 0.0%             | -0.40         | -1.3%           |                |
| Argentina                       | Algeria      | 30.50     | 0.00           | 0.0%             | -3.00         | -9.0%           |                |
| Brazil                          |              | 32.50     | 0.00           | 0.0%             | -13.00        | -28.6%          |                |
| U.S. Gulf                       |              | 22.75     | 2.75           | 13.8%            | 3.25          | 16.7%           |                |
| U.S. PNW                        | Colombia     | 30.00     | 0.00           | 0.0%             | -2.10         | -6.5%           |                |
| Argentina                       |              | 33.25     | 2.25           | 7.3%             | 0.25          | 0.8%            |                |
| <i>Shipping Indexes</i>         |              |           |                |                  |               |                 |                |
| Baltic Dry Index                |              | 1374      | 51             | 3.9%             | 645           | 88.5%           |                |

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