



Market Perspectives

July 29, 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: CBOT December Corn Contract | | | | | |
|---|---|---|---|---|--|
| Cents/Bu | Friday July 23 | Monday July 26 | Tuesday July 27 | Wednesday July 28 | Thursday July 29 |
| Change | -18.25 | 3.75 | -0.50 | 2.75 | 7.50 |
| Closing Price | 543.00 | 546.75 | 546.25 | 549.00 | 556.50 |
| Factors Affecting the Market | Rains in the extended U.S. forecast and quiet export demand sent corn lower and to a 9-cent loss for the week. Funds were net sellers as momentum indicators turned lower. Ukraine's weather is improving, which will help boost world supplies. Outside markets were higher with U.S. stocks posting record highs. | Corn formed a near-term reversal on the charts after briefly trading below key support levels but settling higher. Weekly export inspections were 40.8 Mbu, below USDA's weekly target. Chinese corn prices were 0.7 percent higher as that country deals with flooding in its 5th largest corn-producing province. | Corn futures traded sharply higher but could not hold gains as the U.S. 5-day weather outlook remains hot/dry, but the 2-week forecast shift cooler and wetter. Corn conditions fell slightly from last week with the Western Corn Belt still the area of greatest concern. Outside markets were supportive with the USD down 21 bps. | Corn futures settled higher in low-volume trade with rains moving across the Midwest. Ethanol production fell again with weak margins lowering run rates. Corn demand remains quiet though market chatter suggested China is looking for U.S. new crop corn. Outside markets were mixed; oil rallies and the USD and equities fell. | Corn edged higher within its \$5.30-5.60 range as the 7-14-day forecast turned drier. New crop export sales were bullish at 20.8 Mbu and old-crop bookings total 96% of USDA's 2.85-Bbu forecast. Traders are focused on the weather and yield forecasts and neither breaks nor rallies see much follow-through. |

Outlook: December corn futures are 13 ½ cents (2.5 percent) higher after another week of choppy trade. U.S. weather forecasts are shifting more favorably for corn and soybean production, which sparked an early selloff on Monday and has capped rallies since. End-users and commercials remain active buyers on market dips, however, and steady/strong basis levels are keeping the market chopping sideways rather than breaking lower.

Much of this week's market action is due to the latest U.S. weather forecasts, which show meaningful rains for the western U.S., central Plains, and much of the Corn Belt. Temperatures will moderate heading into and through this weekend, though heat will return to the northern Plains/western Corn Belt mid-next week. The 8-14-day forecast shows above average temperatures moving across nearly all the Plains, Upper Midwest, and Corn Belt states, which may disrupt kernel fill of corn crops in the region. Overall, however, the forecast is more concerning for the soybean crop as most of the corn crop will have passed through the key reproductive stages when the next heat wave could hit.

U.S. corn condition ratings were slightly lower in this week's USDA Crop Progress report with 64 percent rated in good/excellent condition, down 1 percent from the prior week. Conditions in the western Corn Belt and Plains states saw the greatest decrease while the eastern Corn Belt remains in exceptionally good condition. USDA said 79 percent of the crop is silking, 6 percent ahead of the normal pace, and 18 percent of the crop was in the dough stage as of 25 July. The improved near-term U.S.

weather forecast means plants will likely complete pollination and start kernel fill with only moderate heat, which will help yield potential.

The trade is already looking forward to the August WASDE, which will be the first report where USDA includes data from field samples to help create the corn yield forecast. Expectations are that states in the eastern Corn Belt could post record-large yields with at least one private firm forecasting a 11.304-MT/hectare (180-bushel/acre) U.S.-average yield. Most analysts, however, have yield projections below USDA's July WASDE figure, with early U.S.-average yield forecasts ranging from 10.8-11.27 MT/ha (172-179.5 bushels/acre).

U.S. old crop corn export sales continue to follow their seasonal pattern lower, but weekly exports were up 36 percent from the prior week at 1.36 MMT. YTD exports are up 63 percent at 62.1 MMT while YTD bookings (exports plus unshipped sales) are up 59 percent at 69.655 MMT. YTD bookings have reached 96 percent of USDA's 2020/21 corn export forecast while YTD exports are 86 percent of that figure. New crop export sales were up sharply from the prior week and outstanding 2021/22 sales total 16.6 MMT, up 117 percent from this time last year.

From a technical standpoint, December corn futures continue to chop sideways with breaks finding support at progressively higher prices and rallies seeing limited follow-through buying. Support lies at \$5.30 in December futures while resistance lies initially at \$5.60 and \$5.73 above that. Fourteen-day stochastics are swinging higher but remain in neutral territory, as does the relative strength index (RSI) at its current 48.24 value. Funds have been slowly lightening up on long positions on rallies, but liquidation remains limited as few want to forego upside potential given the drought in the northern Plains and western Corn Belt. Commercials remain patient buyers but have been active on breaks amid firm basis levels in the cash market. For now, it seems neither bulls nor bears have the fundamental reasoning or will to push the market either higher or lower.

| Interest Rates and Macroeconomic Markets, July 29, 2021 | | | | | | |
|---|----------|---------------|-----------------|----------------|------------------|----------------|
| | Last* | Weekly Change | Weekly % Change | Monthly Change | Monthly % Change | 1-Year History |
| Interest Rates | | | | | | |
| U.S. Prime | 3.3 | 0.0 | 0.0% | 0.0 | 0.0% | |
| LIBOR (6 Month) | 0.2 | 0.0 | 0.6% | 0.0 | -3.4% | |
| LIBOR (1 Year) | 0.2 | 0.0 | -2.4% | 0.0 | -3.7% | |
| S&P 500 | 4,422.5 | 55.0 | 1.3% | 102.6 | 2.4% | |
| Dow Jones Industrials | 35,107.4 | 284.0 | 0.8% | 473.8 | 1.4% | |
| U.S. Dollar | 91.9 | -1.0 | -1.0% | -0.7 | -0.8% | |
| WTI Crude | 73.6 | 1.7 | 2.3% | -1.7 | -2.2% | |
| Brent Crude | 75.1 | 1.3 | 1.7% | -0.8 | -1.0% | |

Source: DTN ProphetX, World Perspectives, Inc.

* Last price as of 3:14 PM ET

CBOT December Corn Futures



Source: DTN ProphetX

Current Market Values:

| Futures Price Performance: Week Ending July 29, 2021 | | | |
|---|---------------|---------------|-------------------|
| Commodity | 29-Jul | 23-Jul | Net Change |
| Corn | | | |
| Sep 21 | 558.00 | 547.25 | 10.75 |
| Dec 21 | 556.50 | 543.00 | 13.50 |
| Mar 22 | 564.25 | 551.00 | 13.25 |
| May 22 | 568.75 | 555.00 | 13.75 |
| Soybeans | | | |
| Aug 21 | 1434.25 | 1401.00 | 33.25 |
| Sep 21 | 1385.25 | 1355.75 | 29.50 |
| Nov 21 | 1377.75 | 1351.75 | 26.00 |
| Jan 22 | 1382.00 | 1356.50 | 25.50 |
| Soymeal | | | |
| Aug 21 | 356.50 | 353.60 | 2.90 |
| Sep 21 | 356.50 | 353.10 | 3.40 |
| Oct 21 | 355.70 | 352.40 | 3.30 |
| Dec 21 | 359.40 | 356.20 | 3.20 |
| Soyoil | | | |
| Aug 21 | 66.93 | 65.66 | 1.27 |
| Sep 21 | 66.22 | 64.40 | 1.82 |
| Oct 21 | 65.24 | 63.58 | 1.66 |
| Dec 21 | 64.71 | 63.23 | 1.48 |
| SRW | | | |
| Sep 21 | 705.25 | 684.00 | 21.25 |
| Dec 21 | 713.75 | 693.50 | 20.25 |
| Mar 22 | 720.75 | 701.00 | 19.75 |
| May 22 | 719.75 | 702.25 | 17.50 |
| HRW | | | |
| Sep 21 | 674.50 | 646.00 | 28.50 |
| Dec 21 | 685.25 | 657.25 | 28.00 |
| Mar 22 | 692.25 | 664.25 | 28.00 |
| May 22 | 694.25 | 667.75 | 26.50 |
| MGEX (HRS) | | | |
| Sep 21 | 918.50 | 883.50 | 35.00 |
| Dec 21 | 903.25 | 871.75 | 31.50 |
| Mar 22 | 887.25 | 859.00 | 28.25 |
| May 22 | 871.75 | 847.00 | 24.75 |

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

U.S. Weather/Crop Progress

| U.S. Crop Conditions: July 25, 2021 | | | | | |
|-------------------------------------|-----------|------|------|------|-----------|
| Commodity | Very Poor | Poor | Fair | Good | Excellent |
| Corn | 3% | 7% | 26% | 49% | 15% |
| Sorghum | 1% | 5% | 26% | 55% | 11% |
| Barley | 19% | 32% | 27% | 18% | 4% |

Source: USDA, World Perspectives, Inc.

U.S. Drought Monitor Weather Forecast: Cooler air will overspread the northern Plains and upper Midwest, though many drought-affected areas will remain in need of moisture. Large sections of the central and southern Plains will also remain mostly dry, accompanied by some of the hottest weather of the summer. Farther east, periodic showers and thunderstorms will affect the Great Lakes and Northeastern States. Meanwhile, hot, humid weather will linger into the weekend across the South, where an approaching cold front will generate showers and thunderstorms. Elsewhere, the Southwestern monsoon circulation will remain active, with beneficial showers dampening interior sections of the western United States as far north as Wyoming and southern Idaho.

The NWS 6- to 10-day outlook for August 3 – 7 calls for the likelihood of above-normal temperatures in Alaska, southern Florida and from the Pacific Coast to the northern Plains and upper Midwest, while cooler-than-normal conditions will cover much of the southeastern half of the country. Meanwhile, near- or below-normal rainfall across most of the United States should contrast with wetter-than-normal weather in a few areas, including western Alaska, the southern Atlantic region, the southern Plains, and the Northwest.

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

U.S. Export Statistics

| U.S. Export Sales and Exports: Week Ending July 22, 2021 | | | | | |
|--|------------------|--------------|----------------------|-----------------------|-----------------------|
| Commodity | Gross Sales (MT) | Exports (MT) | YTD Exports (000 MT) | YTD Bookings (000 MT) | % Change YTD Bookings |
| Wheat | 556,900 | 345,000 | 2,728.6 | 8,103.9 | -15% |
| Corn | 105,400 | 1,361,000 | 62,112.1 | 69,655.3 | 59% |
| Sorghum | 2,000 | 69,600 | 6,537.1 | 7,180.3 | 65% |
| Barley | 0 | 400 | 2.0 | 25.0 | -35% |

Source: USDA, World Perspectives, Inc.

Corn: Net sales reductions of 115,200 MT for 2020/2021--a marketing-year low--were up 30 percent from the previous week, but down noticeably from the prior 4-week average. Increases primarily for Japan (36,300 MT, including 39,900 MT switched from unknown destinations and decreases of 16,100 MT), Venezuela (30,000 MT switched from unknown destinations), Barbados (6,300 MT), Canada (5,200 MT, including decreases of 700 MT), and Taiwan (2,500 MT), were more than offset by reductions primarily for China (119,300 MT) and unknown destinations (71,600 MT). For 2021/2022, net sales of 529,300 MT were primarily for Mexico (172,000 MT), unknown destinations (150,000 MT), Colombia (129,100 MT), and Japan (50,000 MT).

Exports of 1,361,000 MT were up 36 percent from the previous week and 21 percent from the prior 4-week average. The destinations were primarily to China (698,700 MT), Japan (308,500 MT), Mexico (256,900 MT), Venezuela (30,000 MT), and Jamaica (19,000 MT).

Optional Origin Sales: For 2020/2021, the current outstanding balance of 30,500 MT is for unknown destinations. For 2021/2022, the current outstanding balance of 60,000 MT is for unknown destinations.

Barley: Total net sales reductions for 2021/2022 of 100 MT were for China. Exports of 400 MT were up 62 percent from the previous week and up noticeably from the prior 4-week average. The destinations were to China (200 MT) and Canada (200 MT).

Sorghum: Net sales of 2,000 MT for 2020/2021 resulting in increases for China (69,000 MT, including 68,000 MT switched from unknown destination) and Mexico (1,000 MT), were offset by reductions for unknown destinations (68,000 MT). Exports of 69,600 MT were up 18 percent from the previous week and up noticeably from the prior 4-week average. The destination was primarily to China (69,000 MT).

U.S. Export Inspections: Week Ending July 22, 2021

| Commodity (MT) | Export Inspections | | Current Market YTD | Previous YTD | YTD as Percent of Previous |
|----------------|--------------------|---------------|--------------------|--------------|----------------------------|
| | Current Week | Previous Week | | | |
| Barley | 698 | 200 | 2,817 | 416 | 677% |
| Corn | 1,036,910 | 1,076,668 | 61,276,281 | 37,358,824 | 164% |
| Sorghum | 90,792 | 63,192 | 6,710,753 | 4,350,597 | 154% |
| Soybeans | 241,897 | 143,934 | 58,041,712 | 38,826,741 | 149% |
| Wheat | 477,964 | 532,898 | 3,344,650 | 4,130,890 | 81% |

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 July 22, 2021

| Region | YC | % of Total | WC | % of Total | Sorghum | % of Total |
|---|------------------|-------------|-----------------------|-------------------------------------|---------------------------|--------------------------------------|
| Lakes | 9,649 | 1% | 0 | 0% | 0 | 0% |
| Atlantic | 0 | 0% | 0 | 0% | 0 | 0% |
| Gulf | 471,974 | 46% | 4,467 | 23% | 87,437 | 96% |
| PNW | 332,831 | 33% | 0 | 0% | 0 | 0% |
| Interior Export Rail | 203,072 | 20% | 14,917 | 77% | 3,355 | 4% |
| Total (Metric Tons) | 1,017,526 | 100% | 19,384 | 100% | 90,792 | 100% |
| White Corn Shipments by Country (MT) | | | 14,869 4,467 48 | to Mexico to Japan to Ireland | | |
| Total White Corn | | | 19,384 | | | |
| Sorghum Shipments by Country (MT) | | | | | 68,987 18,450 3,355 | to China to Zimbabwe to Mexico |
| Total Sorghum | | | | | 90,792 | |

Source: USDA, World Perspectives, Inc.

| Yellow Corn (USD/MT FOB Vessel*) | | | | |
|---|------------------|-----------------------|------------------|-----------------------|
| YC FOB Vessel Max. 15.0% Moisture | GULF | | PNW | |
| | Basis (#2 YC) | Flat Price (#2 YC) | Basis (#2 YC) | Flat Price (#2 YC) |
| July | 1.48+U | \$277.74 | 2.32+U | \$311.01 |
| August | 1.11+U | \$263.17 | 1.90+U | \$294.47 |
| September | 1.02+Z | \$259.04 | 1.83+Z | \$291.13 |

| #2 White Corn (U.S. \$/MT FOB Vessel*) | | | |
|--|------|--------|-----------|
| Max. 15.0% Moisture | July | August | September |
| Gulf | N/A | N/A | N/A |

| Sorghum (USD/MT FOB Vessel*) | | | | |
|---|-------|------------|--------|------------|
| #2 YGS FOB Vessel Max 14.0% Moisture | NOLA | | TEXAS | |
| | Basis | Flat Price | Basis | Flat Price |
| July | N/A | N/A | 3.10+U | \$341.71 |
| August | N/A | N/A | 2.50+U | \$318.09 |
| September | N/A | N/A | 2.50+Z | \$317.50 |

| Corn Gluten Feed Pellets (CGFP) (FOB Vessel U.S. \$/MT*) | | | |
|--|-------|--------|-----------|
| | July | August | September |
| New Orleans | \$205 | \$205 | \$205 |
| Quantity 5,000 MT | | | |
| Corn Gluten Meal (CGM) (FOB Vessel U.S. \$/MT*) | | | |
| Bulk 60% Pro. | July | August | September |
| New Orleans | \$620 | \$620 | \$620 |
| *5-10,000 MT Minimum | | | |

*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: July 29, 2021 (USD/MT)
(Quantity, availability, payment and delivery terms vary)

| Delivery Point Quality Min. 35% Pro-fat combined | August | September | October |
|---|---------------|------------------|----------------|
| Barge CIF New Orleans | 233 | 240 | 254 |
| FOB Vessel GULF | 243 | 249 | 263 |
| Rail delivered PNW | 260 | 270 | 285 |
| Rail delivered California | 280 | 280 | 300 |
| Mid-Bridge Laredo, TX | | | |
| FOB Lethbridge, Alberta | | | |
| 40 ft. Containers to South Korea (Busan) | 305 | 305 | 320 |
| 40 ft. Containers to Taiwan (Kaohsiung) | 321 | 321 | 326 |
| 40 ft. Containers to Philippines (Manila) | 320 | 320 | 335 |
| 40 ft. Containers to Indonesia (Jakarta) | 318 | 318 | 323 |
| 40 ft. Containers to Malaysia (Port Kelang) | 316 | 316 | 321 |
| 40 ft. Containers to Vietnam (HCMC) | 318 | 318 | 323 |
| 40 ft. Containers to Japan (Yokohama) | 320 | 320 | 335 |
| 40 ft. containers to Thailand (LCMB) | 324 | 324 | 329 |
| 40 ft. Containers to China (Shanghai) | 315 | 315 | 330 |
| 40 ft. Containers to Bangladesh (Chittagong) | 320 | 320 | 335 |
| 40 ft. Containers to Myanmar (Yangon) | 318 | 318 | 323 |
| KC Rail Yard (delivered ramp) | 230 | 230 | 240 |
| Elwood, IL Rail Yard (delivered ramp) | 230 | 230 | 240 |

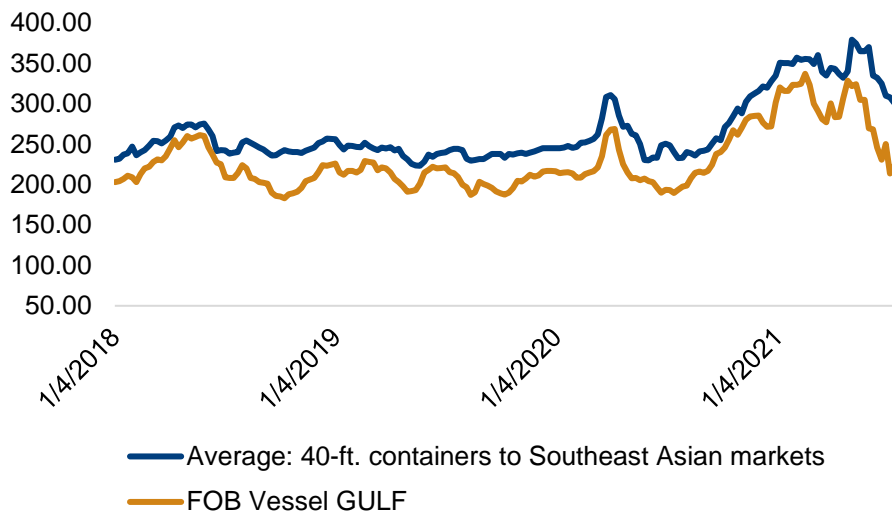
*Source: World Perspectives, Inc. *Prices are based on offer indications only; terms of delivery, payment and quality may vary from one supplier to another, impacting the actual value of the price.*

Distiller's Dried Grains with Solubles (DDGS)

DDGS Comments: U.S. DDGS prices are \$8/MT higher than last week's values amid a widespread uptick in feedstuff and commodity prices. Ethanol production has fallen for two consecutive weeks now, which is also supporting DDGS values. Kansas City soymeal prices are up \$2/MT this week and the DDGS/Kansas City soymeal ratio is up from last week at 0.47. The DDGS/cash corn ratio is also higher this week at 0.74, up from 0.68 last week and the three-year average of 1.12.

Export demand for DDGS remains steady with solid domestic demand underpinning values even as international buyers navigate rising freight rates. Barge CIF NOLA offers are up \$8/MT for spot position and \$12/MT for September/October while FOB Gulf prices are up \$6/MT for August and steady/up \$3 for fall shipments. Continued tightness in the container market is supporting prices for DDGS shipped via 40-foot containers to Southeast Asia. Offers are \$8-12/MT higher this week averaging \$319/MT for spot shipment and \$322/MT for deferred positions.

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



Source: World Perspectives, Inc.

Country News

Argentina: The Rosario Grain Exchange says high local reference prices will compel farmers to increase the area planted to corn in 2021/22 by 5 percent to 7.7 million hectares. If average yields are achieved, total corn output will increase by 8 percent to 55 MMT. The barley planted area will also increase by 5.1 percent to 1.3 million hectares and an output boost of 9.8 percent to 4.9 MMT. Grain shipments out the Parana River will have 40 percent reduced loads for several weeks due to low water levels. (Reuters; AgriCensus)

Brazil: Conab warned of crop failure in at least three states from drought and then frost impacts. The late season frost only added to the level of disaster in the corn crop. IMEA says the corn harvest in Mato Grosso is now 73 percent complete and yields are failing, but AgRural has made no change in its forecast. Yields range from a high of 115 bushels/acre in the best areas to zero in the hardest hit. Domestic corn prices are the equivalent of US\$8.50/bushel. At least 30 shiploads of corn have been purchased from Argentina to fulfill domestic Brazilian livestock needs. Brazil's corn exports are the slowest in six years whereas corn imports comprise 25 percent of supply. Despite the current tight supply situation, the country's largest coop named Coamo is plotting getting into corn ethanol production. (Reuters; Soybean & Corn Advisor; AgriCensus)

China: The government's multiple actions including advising farmers against feeding corn, expanding the production area and adding grain output to the macroeconomic control targets evidences the deep deficit in feed grains. China's Agricultural Supply and Demand Estimates (CASDE) reduced forecast corn usage in feed by 3 MMT to a total consumption of 182 MMT. Meanwhile, the National Grain & Oils Information Center (NGOIC) expects corn imports in 2021/22 to reach a record 28 MMT. Flooding in China has impacted 25 percent of crop areas including corn though NGOIC says it will only be a minor impact and rain boosts yields. The Center's Li Xigui says there will still be a record 28 MMT of corn imports this year despite some small cancellations. Foreign reporters were ordered not to report on the flooding and its impact. NGOIC says domestic corn production will increase by 12.8 MMT to a total of 274 MMT. Corn prices are depressed due to grain imports and the use of wheat and rice as feed substitutes. Demand is slack at the government's corn auctions. Major western grain supply companies say that China's corn import needs will be large, "repeat and be sustainable." Feed demand in 2021/22 will increase by 3.6 percent. China has already booked 12.5-13.0 MMT of corn from the U.S. and 4-6 MMT from Ukraine for 2021/22. ARC estimates China's corn import needs at 29-33 MMT, with 18-24 MMT coming from the U.S. (Reuters; S&P Global Platts; Wall Street Journal; Refinitiv; AgriCensus)

EU: The barley harvest has slowed as Germany's major farm group says rains are causing damage. (AgriCensus)

India: Low domestic demand and high world prices are boosting India's corn exports, according to USDA. (AgriCensus)

Mexico: Grupo Consultor De Mercados Agrícolas reports that Mexico imported 9 MMT of corn in the first half of 2021. (AgriCensus)

Russia: Barley exports have surged but still lag on a year-on-year basis. Meanwhile, the corn production area is stressed by heat and drought. (AgriCensus)

South Africa: The Crop Estimates Committee says corn production is up 7 percent year on year, with a total output of 16.4 MMT. (AgriCensus)

South Korea: FLC bought corn privately from Cargill at \$314.99/MT. (AgriCensus)

Ukraine: Grain exports are accelerating amidst harvest progress with the lack of moisture a factor. (AgriCensus)

Ocean Freight Markets and Spreads

| Bulk Freight Indices for HSS — Heavy Grain, Sorghum and Soybeans* July 29, 2021 | | | |
|---|--------------------------------------|-----------------------------|---|
| Route and Vessel Size | Current Week (USD/MT) | Change from Previous Report | Remarks |
| 55,000 U.S. Gulf-Japan | \$81.00 | Unchanged | Handymax \$81.50 mt |
| 55,000 U.S. PNW- Japan | \$43.00 | Down \$1.00 | Handymax \$44.50 mt |
| 66,000 U.S. Gulf – China | \$80.00 | Unchanged | North China |
| PNW to China | \$42.50 | Down \$1.00 | |
| 25,000 U.S. Gulf - Veracruz, México | \$30.00 | Unchanged | 3,000 MT daily discharge rate |
| 30-36,000+ U.S. Gulf - Veracruz, México | \$27.00 | Unchanged | Deep draft and 6,000 MT per day discharge rate. |
| 30-38,000 U.S. Gulf - Colombia <u>50,000 MT U.S. Gulf to East Coast Colombia</u> From Argentina | \$43.75 <u>\$42.75</u> \$57.75 | Down \$0.25 | <u>West Coast Colombia at \$51.75</u> |
| 43-45,000 U.S. Gulf - Guatemala | \$49.50 | Down \$0.50 | Acajutla/Quetzal - 8,000 out |
| 26-30,000 U.S. Gulf – Algeria | \$64.50 \$67.00 | Down \$0.50 | 8,000 mt daily discharge 3,000 mt daily discharge |
| 26-30,000 US Gulf - Morocco | \$62.00 | Unchanged | 5,000 discharge rate |
| 55-60,000 U.S. Gulf –Egypt | \$65.00 | Unchanged | 60,000 -55,000 mt -Egypt Romania- Russia- Ukraine |
| PNW to Egypt | \$65.00 | | \$33.50- -\$34.00- \$34 France \$44.00 |
| 60-70,000 U.S. Gulf – Europe, Rotterdam | \$27.00 | Up \$2.00 | Handymax at +\$2.00 more |
| Brazil, Santos – China | \$66.00 | Down \$0.50 | 54-59,000 Supramax-Panamax |
| Brazil, Santos – China | \$65.00 | | 60-66,000 Post Panamax |
| Northern Coast Brazil - China | \$66.00 | | Upriver No. Brazil Plus -55,000 mt Plus \$7.50-8.00/mt |
| 56-60,000 Argentina/Rosario-China, Deep Draft | \$70.50 | Down \$0.50 | 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 markets lost more ground this week and freight reports state the market is “lacking the dynamism of recent months”. One might conclude that freight reporters are simply afraid to admit FFA traders got carried away with their enthusiasm and focused too much on ideas of a “Commodity Super Cycle”. Analysts do not expect a big selloff but increasingly think the market has leveled off after already digesting the most bullish news.

Unfortunately, the container freight situation remains largely unchanged, and the outlook is for much of the same through the end of 2021 and possibly into the first half of 2022. The 5,292 TEU container ship *Orca 1* was reported to have been chartered for \$300,000/day for a 2–3-month period. The only positive news this week was that the Evergreen vessel *Ever Given* finally docked in Rotterdam.

| Baltic-Panamax Dry-Bulk Indices | | | | |
|---------------------------------|-----------|-----------|------------|----------------|
| July 29, 2021 | This Week | Last Week | Difference | Percent Change |
| Route | | | | |
| P2A: Gulf/Atlantic – Japan | 48,064 | 50,850 | -2,786 | -5.5 |
| P3A: PNW/Pacific– Japan | 27,745 | 28,726 | -981 | -3.4 |
| S1C: U.S. Gulf-China-S. Japan | 43,867 | 39,233 | 4,634 | 11.8 |

Source: O’Neil Commodity Consulting

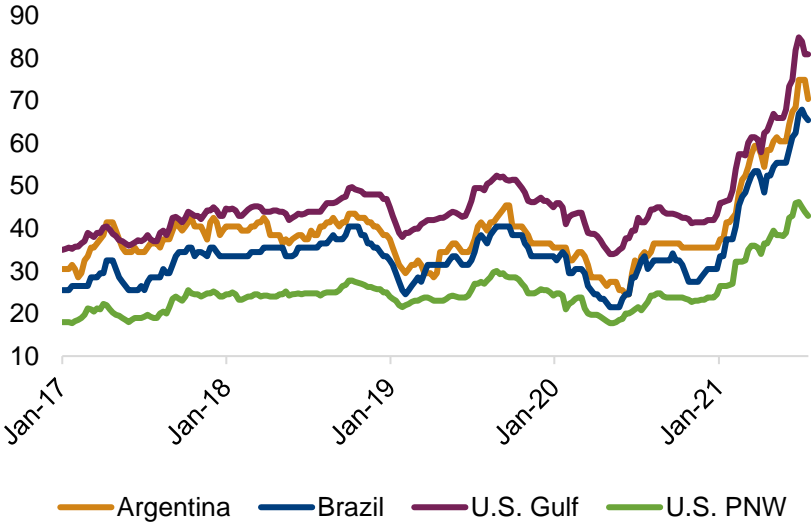
| Capesize Vessel Freight Values Western Australia to South China (iron ore) | |
|---|---------------|
| Four weeks ago: | \$11.35-11.70 |
| Three weeks ago: | \$10.80-11.90 |
| Two weeks ago: | \$10.50-11.25 |
| One week ago: | \$11.25-11.90 |
| This week | \$13.00-13.90 |

Source: O’Neil Commodity Consulting

| U.S.-Asia Market Spreads | | | | | |
|--------------------------|---------|---------|---------------|-----------|-----------|
| July 29, 2021 | PNW | Gulf | Bushel Spread | MT Spread | Advantage |
| #2 Corn | 1.90 | 1.18 | 0.72 | \$28.34 | PNW |
| Soybeans | 2.00 | 0.70 | 1.30 | \$47.77 | GULF |
| Ocean Freight | \$42.50 | \$80.00 | 0.95-1.02 | \$37.50 | September |

Source: O’Neil Commodity Consulting

Bulk Grain Freight Rates to Japan from Select Origins



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

Bulk Grain Freight Rates for Key Suppliers and Destinations

July 29, 2021

| Origin | Destination | This Week | Monthly Change | Monthly % Change | Yearly Change | Yearly % Change | 2-Year History |
|---------------------------------|--------------|-----------|----------------|------------------|---------------|-----------------|----------------|
| <i>Panamax/Supramax Vessels</i> | | | | | | | |
| U.S. Gulf | | 81.00 | -1.00 | -1.2% | 39.50 | 95.2% | |
| U.S. PNW | Japan | 43.00 | -3.00 | -6.5% | 21.25 | 97.7% | |
| Argentina | | 70.50 | 2.00 | 2.9% | 36.00 | 104.3% | |
| Brazil | | 65.50 | 3.00 | 4.8% | 32.00 | 95.5% | |
| U.S. Gulf | | 80.00 | -1.00 | -1.2% | 40.00 | 100.0% | |
| U.S. PNW | China | 42.50 | -2.50 | -5.6% | 21.50 | 102.4% | |
| Argentina | | 70.50 | -3.50 | -4.7% | 37.00 | 110.4% | |
| Brazil | | 66.00 | -3.00 | -4.3% | 33.50 | 103.1% | |
| U.S. Gulf | | 25.00 | 2.00 | 8.7% | 5.50 | 28.2% | |
| Argentina | Europe | 28.50 | 2.00 | 7.5% | 14.00 | 96.6% | |
| Brazil | | 34.50 | 2.00 | 6.2% | 10.00 | 40.8% | |
| Argentina | Saudi Arabia | 63.50 | 5.00 | 8.5% | 21.00 | 49.4% | |
| Brazil | | 58.50 | 3.00 | 5.4% | 4.00 | 7.3% | |
| U.S. Gulf | | 65.00 | -0.50 | -0.8% | 38.50 | 145.3% | |
| U.S. PNW | Egypt | 66.30 | 8.50 | 14.7% | 39.30 | 145.6% | |
| Argentina | | 38.50 | 1.00 | 2.7% | 21.00 | 120.0% | |
| Brazil | | 48.50 | 2.00 | 4.3% | 20.00 | 70.2% | |
| <i>Handysize Vessels</i> | | | | | | | |
| U.S. Gulf | | 62.00 | -1.50 | -2.4% | 24.00 | 63.2% | |
| U.S. Great Lakes | Morocco | 68.00 | 23.00 | 51.1% | 25.00 | 58.1% | |
| Argentina | | 28.50 | 0.00 | 0.0% | -2.00 | -6.6% | |
| Brazil | | 35.50 | 0.00 | 0.0% | 1.00 | 2.9% | |
| U.S. Great Lakes | Europe | 65.00 | 29.00 | 80.6% | 24.00 | 58.5% | |
| Brazil | | 34.30 | 5.90 | 20.8% | 7.10 | 26.1% | |
| Argentina | Algeria | 32.50 | 1.00 | 3.2% | 2.00 | 6.6% | |
| Brazil | | 33.50 | 1.00 | 3.1% | -1.00 | -2.9% | |
| U.S. Gulf | | 43.75 | -1.25 | -2.8% | 25.50 | 139.7% | |
| U.S. PNW | Colombia | 55.00 | 15.00 | 37.5% | 26.00 | 89.7% | |
| Argentina | | 57.75 | -1.75 | -2.9% | 25.75 | 80.5% | |
| <i>Shipping Indexes</i> | | | | | | | |
| Baltic Dry Index | | 3210 | -114 | -3.4% | 1917 | 148.3% | |

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

Note: Quoted rates are believed to reflect current market conditions but may vary from actual offers. Rates may differ based on delivery terms, demurrage, and other factors.