



Market Perspectives

August 12, 2021

CONTENTS

Chicago Board of Trade Market News	2
CBOT December Corn Futures.....	4
U.S. Weather/Crop Progress	6
U.S. Export Statistics	7
FOB	9
Distiller’s Dried Grains with Solubles (DDGS).....	11
Country News	12
Ocean Freight Markets and Spreads	13
Ocean Freight Comments	14

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 August 6	Monday August 9	Tuesday August 10	Wednesday August 11	Thursday August 12
Change	3.50	-2.75	-0.50	6.00	14.00
Closing Price	556.50	553.75	553.25	559.25	573.25
Factors Affecting the Market	Corn moved higher and posted an 11-cent gain for the week with support at the 100-day MA. Traders are waiting for next week's WASDE and are adding little additional risk. Weekend weather forecast are favorable for the U.S. with rains for the western and eastern Corn Belt.	Corn futures slipped lower after weekend rains were expected to boost crop conditions in this evening's report. Traders continue to prepare for the WASDE, and Dow Jones' survey found a 177.1 BPA yield. USDA's export inspections were disappointing, but China is thought to be in the market.	Corn traded both sides of unchanged with U.S. conditions improving last week. Illinois and Missouri's crops improved the most and analysts forecast record large yields for the eastern Corn Belt. Brazil's CONAB pegged the crop at 86.65 MMT. U.S. stocks and crude oil were higher for the day.	Corn moved higher on fund buying and spread trade before the WADE report. USDA noted a corn sale to Mexico, which supported futures. Ethanol production was lower, but stocks fell on higher gas use. Outside markets were sharply higher after the U.S. CPI was released.	Corn rallied and nearly touched \$6 after USDA surprised the market with a 174.6 BPA U.S. corn yield. The figure was smaller than expected and bullish. USDA cut the 2021/22 U.S. corn export forecast as well as world ending stocks. USDA raised its 2021 farm price forecast due to the smaller crop.

Outlook: December corn futures are 16 ¾ cents (3.0 percent) higher after the market traded sideways all week before rallying sharply after the August WASDE was published. December futures came within 5 ½ cents of the \$6.00 mark on Thursday after USDA surprised the market with smaller U.S. yield and production estimates and a tighter global corn outlook. Futures pared gains heading into the close, however, and the December contract settled on the high end of its late-July/August trading range.

Divergent weather conditions for corn crops in the eastern and western U.S. prompted analysts to predict lower yields for western states and near-record yields for areas in the east. Analysts were correct in this approach but underestimated the magnitude of both western crop losses and eastern record yields. USDA forecast record large yields for Illinois, Indiana, and Ohio, but those records were offset by sharply lower production for the Dakotas and Minnesota. Minnesota's corn yield was down 13 percent from 2020 while North and South Dakota's yields were down 23 and 18 percent, respectively.

In total, USDA estimated the 2021 U.S. average yield at 10.965 MT/ha (174.6 bushels/acre), up 1.5 percent from 2020 but down 2.7 percent from the July estimate. USDA pegged the 2021 U.S. corn crop at 374.67 MMT (14.750 billion bushels), up 4 percent from 2020 but down 3 percent from the agency's July forecast. USDA's yield and production estimates were below analysts' pre-report estimates.

Other notable adjustments to the U.S. corn balance sheet was an increase in 2020/21 ending stocks, due to a lower export forecast for that year. For the new crop (2021/22) USDA lowered feed use due to smaller production and left ethanol use unchanged. The agency lowered the U.S. corn export forecast by 2.54 MMT (100 million bushels), which was a move analysts did not anticipate.

Ending stocks for 2021/22 are forecast at 31.548 MMT (1.242 billion bushels) up 11 percent from 2020/21 levels but down 13 percent from the USDA's July forecast. The ending stocks-to-use ratio is 8.4 percent, down from the July estimate of 9.6 percent. The tighter carry out prompted USDA to increase the average farm price to \$5.75/bushel.

Internationally, USDA cut its forecast of the 2020/21 Brazilian corn crop by 6 MMT from the July report to 87 MMT, due to the drought and frost challenges the *safrinha* crop faced. The agency also cut Brazil's export forecast by 5 MMT to 23 MMT and lowered ending stocks, leaving a 5.4 percent stocks-to-use ratio (down from 5.9 percent in July). USDA did not make any changes to Argentina's 2020/21 corn production forecast but increased the country's export program 1 MMT.

For the 2021/22 marketing year, USDA decreased world corn production by 8.7 MMT to 1,186 MMT due to smaller U.S. and EU production. The agency increased production prospects for Ukraine, Russia, and Canada, however. USDA lowered world corn imports by 3 MMT and reduced 2021/22 global carry-out 6.5 MMT to 284.6.

Beyond the corn market, USDA increased its projection of the 2021/22 U.S. sorghum crop after raising the 2021 yield forecast 3 percent to 4.446 MT/ha (70.8 bushels/acre). USDA boosted the sorghum crop to 10.389 MMT (409 million bushels) and increased feed and export use by 15 and 3 percent, respectively. Sorghum ending stocks for 2021/22 grew 6 percent from the July estimate and 38 percent from 2020/21 to 0.457 MMT (18 million bushels). USDA increased the average farm price for sorghum 15 cents/bushel to \$6.15.

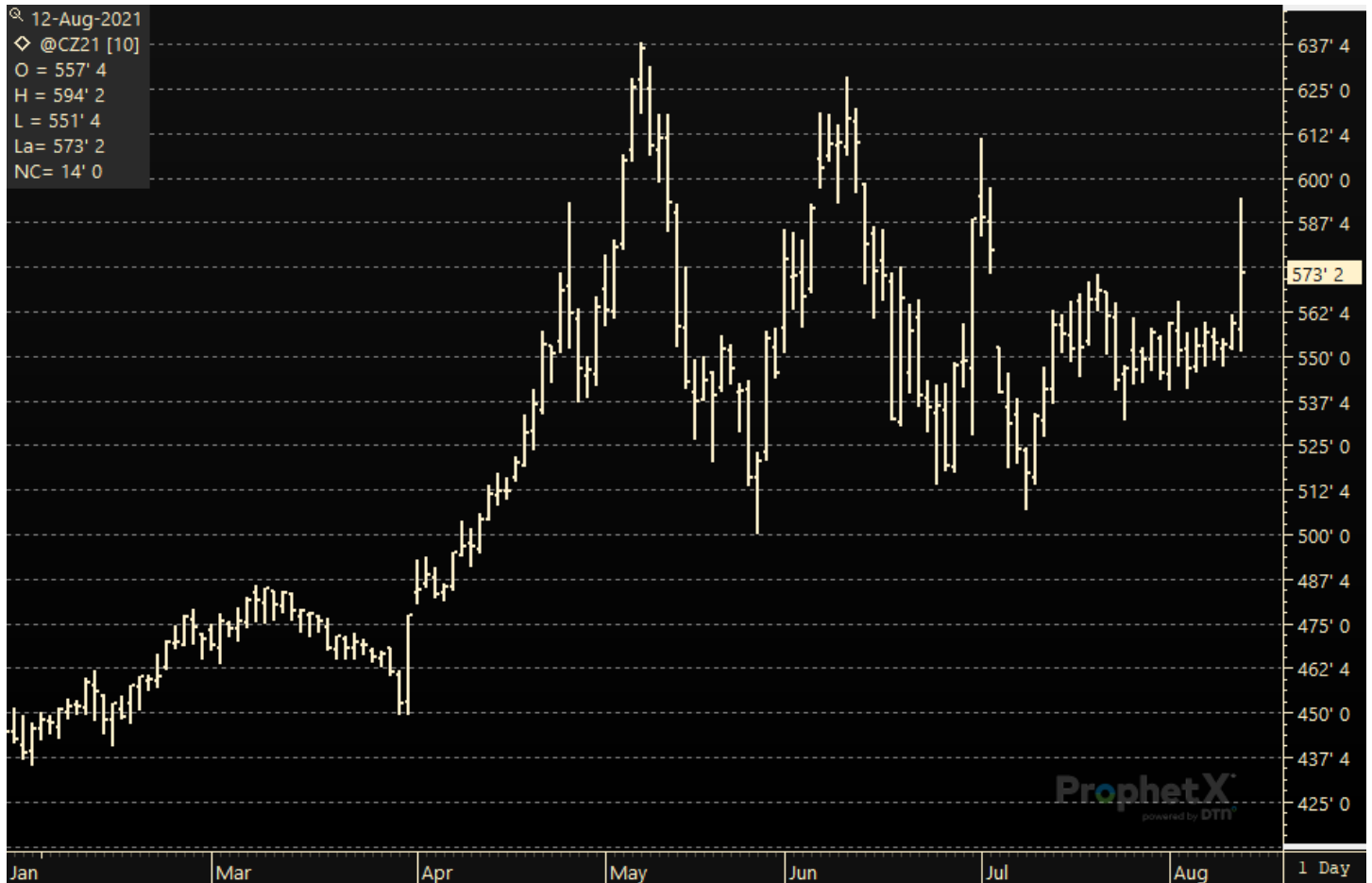
From a technical standpoint, December corn futures have found strong support at the 100-day MA during the past 2 weeks and that point is increasingly important for technical trade. Thursday's post-WASDE rally sent the market above trendline resistance at \$5.78 and the rally triggered buy-stops as it passed that level, \$5.80, and \$5.90. The market could not continue the rally much above \$5.90, however, and profit taking eventually pushed the market well off the day's highs. December futures settled at \$5.73 ¼ - the trading range high formed by the 21 July daily high. The market's inability to settle above this level or trendline resistance may indicate a return to a sideways trading pattern. The fact futures rallied so sharply on Thursday, however, highlights the market's upside potential and sharply higher days are seldom bearish.

Interest Rates and Macroeconomic Markets, August 12, 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	1.5%	0.0	4.4%	
LIBOR (1 Year)	0.2	0.0	5.7%	0.0	0.0%	
Stocks and Commodities						
S&P 500	4,460.2	31.1	0.7%	100.1	2.3%	
Dow Jones Industrials	35,483.2	419.0	1.2%	496.2	1.4%	
U.S. Dollar	93.0	0.8	0.8%	0.4	0.4%	
WTI Crude	69.0	-0.1	-0.2%	-2.7	-3.7%	
Brent Crude	71.2	-0.1	-0.1%	-2.3	-3.1%	

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 August 12, 2021			
Commodity	12-Aug	6-Aug	Net Change
Corn			
Sep 21	567.00	555.00	12.00
Dec 21	573.25	556.50	16.75
Mar 22	579.75	564.75	15.00
May 22	583.25	569.50	13.75
Soybeans			
Aug 21	1401.50	1422.25	-20.75
Sep 21	1347.00	1344.25	2.75
Nov 21	1341.00	1336.75	4.25
Jan 22	1346.00	1341.25	4.75
Soymeal			
Aug 21	355.40	358.80	-3.40
Sep 21	355.20	355.80	-0.60
Oct 21	354.80	354.30	0.50
Dec 21	358.50	357.70	0.80
Soyoil			
Aug 21	63.51	63.41	0.10
Sep 21	62.25	61.81	0.44
Oct 21	61.72	61.31	0.41
Dec 21	61.58	61.27	0.31
SRW			
Sep 21	753.50	719.00	34.50
Dec 21	764.75	733.25	31.50
Mar 22	774.50	743.50	31.00
May 22	777.00	746.50	30.50
HRW			
Sep 21	738.75	705.75	33.00
Dec 21	750.75	717.50	33.25
Mar 22	759.50	726.75	32.75
May 22	760.25	729.50	30.75
MGEX (HRS)			
Sep 21	932.75	916.25	16.50
Dec 21	919.00	903.25	15.75
Mar 22	908.50	891.50	17.00
May 22	896.50	879.75	16.75

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

U.S. Weather/Crop Progress

U.S. Crop Conditions: August 8, 2021					
Commodity	Very Poor	Poor	Fair	Good	Excellent
Corn	3%	8%	25%	49%	15%
Sorghum	2%	7%	28%	54%	9%
Barley	20%	26%	30%	20%	4%

Source: USDA, World Perspectives, Inc.

U.S. Drought Monitor Weather Forecast: During the next 5 days (August 12 – 16, 2021) should see a resurgence of monsoonal moisture in the southern Rockies. Generally 1.5 to locally over 4.0 inches are forecast in the southeastern quarter of Arizona, the southern half of New Mexico, and part of northwestern Texas, with moderate rain expected in adjacent areas. Farther east, 1.0 to 3.0 inches of rain are expected from the North Carolina mountains into central Virginia, with isolated larger totals in the higher elevations. Moderate to heavy rains (1 to 2 inches) are anticipated in a swath from central Kansas into the southern Great Lakes Region, and across western Pennsylvania. Light to locally moderate rainfall (0.5 to 1.5 inches) should fall in northernmost New England, and in a broken pattern from northern Arkansas through the Middle Ohio Valley. Other areas in the central Plains and the lower Mississippi Valley can anticipate light to locally moderate rainfall. Little if any precipitation is forecast from the western Great Lakes Region across the northern half of the Rockies to the entire length of the West Coast, and over most of central and southern Texas. Temperatures will be near or above normal through most of the contiguous states, particularly from the central and northern Plains westward, where many locations could average 6 to 10 degrees F above normal. The only area expecting subnormal readings are the southern halves of Arizona and New Mexico, where unusually heavy precipitation will keep daytime highs 3 to 9 degrees F below normal.

The CPC 6-10 day extended range outlook (August 17 – 21, 2021) favors subnormal rainfall from the Northeast into the central Great Lakes Region, and southward into the Middle Atlantic Region. Dryness is also favored – though with lower confidence – in southern Texas, and from the Great Basin to the Oregon and lower Washington coasts. Enhanced chances for surplus rainfall cover a broad area across the Rockies, Plains, lower Ohio Valley, part of the lower Mississippi Valley, and the southeastern quarter of the country. Odds also favor above-normal precipitation in the areas of dryness and drought across Alaska. Meanwhile, warmer than normal weather is expected from the central and northern Plains eastward into the Middle Atlantic Region and Northeast to the Atlantic Coast. Chances for abnormal warmth top 70 percent from the northern half of the Great Lakes Region through New England, topping 80 percent in Maine and adjacent Vermont and New Hampshire. Increased chances of warmth also cover the Gulf Coast Region, southern Texas, and northern California. In contrast, mild conditions are favored in the Pacific Northwest, the Southwest, much of the Rockies, the southern High Plains, and across the Carolinas and much of Georgia.

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 August 5, 2021					
Commodity	Gross Sales (MT)	Exports (MT)	YTD Exports (000 MT)	YTD Bookings (000 MT)	% Change YTD Bookings
Wheat	304,000	627,900	3,743.7	8,705.3	-17%
Corn	500,100	1,060,000	64,582.9	70,101.1	59%
Sorghum	6,700	72,300	6,662.1	7,189.6	55%
Barley	0	0	2.3	25.0	-36%

Source: USDA, World Perspectives, Inc.

Corn: Net sales of 377,600 MT for 2020/2021 were up noticeably from the previous week and from the prior 4-week average. Increases primarily for Mexico (144,500 MT, including decreases of 38,500 MT), Japan (80,500 MT, including 81,700 MT switched from unknown destinations and decreases of 1,200 MT), Venezuela (59,200 MT, including 39,200 MT - late), Colombia (54,800 MT, including 21,000 MT switched from unknown destinations and 31,700 MT - late), and Canada (45,700 MT, including decreases of 8,900 MT), were offset by reductions primarily for unknown destinations (76,800 MT) and the Dominican Republic (7,500 MT). For 2021/2022, net sales of 601,800 MT were primarily for unknown destinations (278,400 MT, including 20,400 MT - late), Colombia (80,500 MT), Costa Rica (60,800 MT), Mexico (52,200 MT), and Japan (45,000 MT).

Exports of 1,060,000 MT were down 25 percent from the previous week and 12 percent from the prior 4-week average. The destinations were primarily to China (352,600 MT, including 71,500 MT - late), Mexico (337,300 MT, including 9,700 MT - late), Japan (80,500 MT), Saudi Arabia (57,900 MT), and Colombia (54,800 MT, including 31,700 MT - late).

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 50,000 MT is for unknown destinations.

Late Reporting: For 2020/2021, net sales totaling 222,300 MT of corn were reported late for China (71,500 MT), Venezuela (39,200 MT), Colombia (31,700 MT), unknown destinations (25,900 MT), Guyana (22,800 MT), Trinidad and Tobago (19,900 MT), Suriname (4,000 MT), Jamaica (3,300 MT), Haiti (2,100 MT), and Leeward and Windward Islands (1,900 MT). For 2021/2022, net sales totaling 20,400 MT of corn were reported late for unknown destinations. Exports totaling 206,200 MT of corn were reported late to China (71,500 MT), Venezuela (39,200 MT), Colombia (31,700 MT), Guyana (22,800 MT), Trinidad and Tobago (19,900 MT), Mexico (9,700 MT), Suriname (4,000 MT), Jamaica (3,300 MT), Haiti (2,100 MT), and Leeward and Windward Islands (1,900 MT).

Barley: No net sales or exports were reported for the week.

Sorghum: Net sales of 6,600 MT for 2020/2021 were reported for China (5,600 MT) and Mexico (1,000 MT). Exports of 72,300 MT were up 37 percent from the previous week and 14 percent from the prior 4-week average. The destination was primarily to China (70,600 MT).

U.S. Export Inspections: Week Ending August 5, 2021

Commodity (MT)	Export Inspections		Current Market YTD	Previous YTD	YTD as Percent of Previous
	Current Week	Previous Week			
Barley	299	599	4,513	465	971%
Corn	667,220	1,397,406	63,517,449	39,440,823	161%
Sorghum	75,669	55,210	6,842,171	4,644,195	147%
Soybeans	114,253	184,988	58,387,701	40,258,180	145%
Wheat	605,793	405,215	4,396,900	5,167,560	85%

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 5, 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	394,448	63%	38,179	100%	71,236	94%
PNW	0	0%	0	0%	0	0%
Interior Export Rail	234,497	37%	96	0%	4,433	6%
Total (Metric Tons)	628,945	100%	38,275	100%	75,669	100%
White Corn Shipments by Country (MT)			23,099 8,498 6,582 96	to Colombia to Japan to El Salvador to Ireland		
Total White Corn			38,275			
Sorghum Shipments by Country (MT)					70,648 4,433 588	to China to Mexico to Madagascar
Total Sorghum					75,669	

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)
September	1.09+U	\$266.26	1.87+U	\$296.64
October	1.04+Z	\$266.62	1.80+Z	\$296.34
November	1.03+Z	\$266.36	1.71+Z	\$292.80

#2 White Corn (U.S. \$/MT FOB Vessel*)			
Max. 15.0% Moisture	September	October	November
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
September	N/A	N/A	2.90+U	\$337.38
October	N/A	N/A	2.60+Z	\$328.03
November	N/A	N/A	2.40+Z	\$320.16

Corn Gluten Feed Pellets (CGFP) (FOB Vessel U.S. \$/MT*)			
	September	October	November
New Orleans	\$185	\$190	\$195
Quantity 5,000 MT			
Corn Gluten Meal (CGM) (FOB Vessel U.S. \$/MT*)			
Bulk 60% Pro.	September	October	November
New Orleans	\$635	\$645	\$660
*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: August 12, 2021 (USD/MT)
 (Quantity, availability, payment and delivery terms vary)

Delivery Point Quality Min. 35% Pro-fat combined	September	October	November
Barge CIF New Orleans	238	241	245
FOB Vessel GULF	249	260	264
Rail delivered PNW	274	277	280
Rail delivered California	281	286	289
Mid-Bridge Laredo, TX	277	283	286
FOB Lethbridge, Alberta	279	282	285
40 ft. Containers to South Korea (Busan)			
40 ft. Containers to Taiwan (Kaohsiung)	330	330	330
40 ft. Containers to Philippines (Manila)			
40 ft. Containers to Indonesia (Jakarta)	320	320	320
40 ft. Containers to Malaysia (Port Kelang)	328	328	328
40 ft. Containers to Vietnam (HCMC)	328	328	328
40 ft. Containers to Japan (Yokohama)			
40 ft. containers to Thailand (LCMB)	344	344	344
40 ft. Containers to China (Shanghai)			
40 ft. Containers to Bangladesh (Chittagong)			
40 ft. Containers to Myanmar (Yangon)	320	320	320
KC Rail Yard (delivered ramp)			
Elwood, IL Rail Yard (delivered ramp)	223	225	226

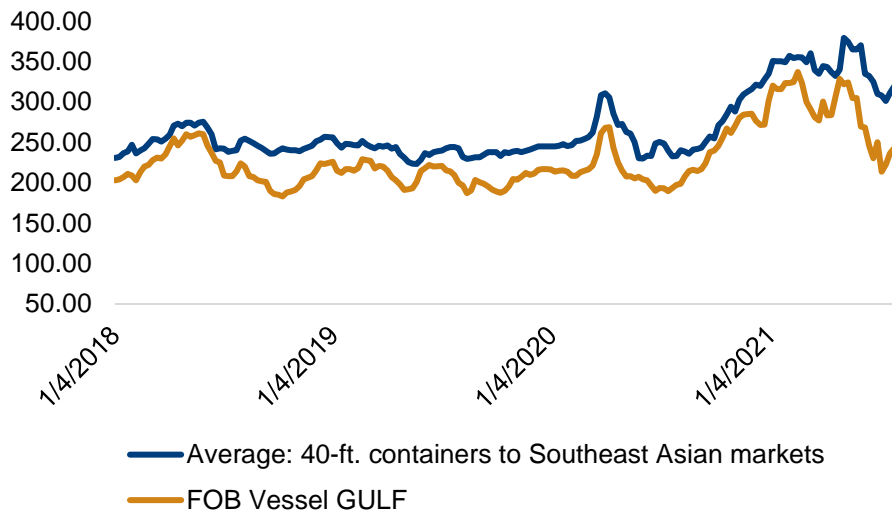
*Source: World Perspectives, Inc. *Prices are based on offer indications only; terms of delivery, payment and quality may vary from one supplier to another, impacting the actual value of the price.*

Distiller's Dried Grains with Solubles (DDGS)

DDGS Comments: U.S. DDGS prices are firmer this week, rising \$9/MT after last week's strong demand. Kansas City soymeal prices are up \$13/MT this week following the soymeal futures market's rally, pushing the DDGS/Kansas City soymeal ratio to 0.48, up slightly from last week. The DDGS/cash corn ratio is also higher this week at 0.79, up from 0.76 last week and the three-year average of 1.12.

Exporters and merchandisers report export DDGS markets have been quiet this week. Market participants were reportedly waiting for Thursday's WASDE report before making substantial moves. Barge CIF NOLA prices are \$4-8/MT higher for September/October positions while FOB Gulf offers are \$3 higher for spot shipment and down \$2 for October/November. Container market logistics are supporting prices for 40-foot containers to Southeast Asia and the average price is up \$9/MT to \$328 for spot shipment.

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



Source: World Perspectives, Inc.

Country News

Argentina: Corn ending stocks are 260 KMT higher than expected. The Buenos Aires Grain Exchange reports that the corn harvest is progressing at a good pace. Meanwhile, authorities are probing the collapse of a silo. (AgriCensus)

Brazil: Conab forecasts the Safrinha corn crop at 60.322 MMT, down from 66.970 MMT in July and 75.053 MMT a year ago. AgroConsult thinks the Safrinha crop will only be 60.9 MMT. The total crop is pegged at 86.6 MMT, down 6.75 MMT from July. Exports are expected at 23.5 MMT and imports unchanged at 2.3 MMT. Some private estimates place corn exports at 19 MMT and imports at 3.5 MMT. Customs data indicates corn exports are down 50 percent from a year earlier on a daily throughput basis and below the five-year average. AgRural reports that 58 percent of the nation's Safrinha corn crop is harvested. Deral reports that Parana's Safrinha corn harvest is now 22 percent complete. IMEA says Mato Grosso's corn harvest is 93.4 percent complete and exports continue to grow. The Union of Poultry Producers and Industries in the State of Parana (Sindiavipar) is considering incentives such as forward contracts at high prices as inducements for farmers to plant more corn. (Reuters; Soybean & Corn Advisor; SPGlobalPlatts)

EU: Barley exports are outpacing 2020, in part due to an official data correction, and due to substantial Chinese purchases routing through Rouen. Soufflet says spring barley quality is satisfactory despite heavy rains. (AgriCensus)

Russia: Officials reduced the barley export tax by \$11.50/MT for August 8-17, 2021. (AgriCensus)

South Africa: Corn export potential this year has run into stiff competition from Ukraine. (AgriCensus)

South Korea: MFG purchased 207 KMT of corn for November delivery. (AgriCensus)

Tunisia: The government trade agency ODC bought 100 KMT of barley at \$292/MT CNF. (AgriCensus)

Ukraine: Around 20 percent of the export potential has been sold. (AgriCensus)

Ocean Freight Markets and Spreads

Bulk Freight Indices for HSS — Heavy Grain, Sorghum and Soybeans* August 12, 2021			
Route and Vessel Size	Current Week (USD/MT)	Change from Previous Report	Remarks
55,000 U.S. Gulf-Japan	\$79.00	Unchanged	Handymax \$79.50/MT
55,000 U.S. PNW- Japan	\$43.00	Unchanged	Handymax \$43.50/MT
66,000 U.S. Gulf – China	\$78.00	Unchanged	North China
PNW to China	\$42.50	Unchanged	
25,000 U.S. Gulf - Veracruz, México	\$29.00	Unchanged	3,000 MT daily discharge rate
30-36,000+ U.S. Gulf - Veracruz, México	\$26.00	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	\$42.50 <u>\$41.50</u> \$58.50	Unchanged	<u>West Coast Colombia at \$50.00</u>
43-45,000 U.S. Gulf - Guatemala	\$48.25	Unchanged	Acajutla/Quetzal - 8,000 out
26-30,000 U.S. Gulf – Algeria	\$63.00 \$65.50	Unchanged	8,000 MT daily discharge 3,000 MT daily discharge
26-30,000 US Gulf - Morocco	\$60.50	Unchanged	5,000 discharge rate
55-60,000 U.S. Gulf –Egypt	\$63.50	Unchanged	60,000 -55,000 MT - Egypt
PNW to Egypt	\$63.50		Romania – Russia - Ukraine \$33.50 - \$34.00 - \$34.00 France \$44.00
60-70,000 U.S. Gulf – Europe, Rotterdam	\$28.50	Unchanged	Handymax at +\$2.00 more
Brazil, Santos – China	\$65.50	Up \$0.50	54-59,000 Supramax-Panamax
Brazil, Santos – China	\$64.50		60-66,000 Post Panamax
Northern Coast Brazil - China	\$65.50		Upriver No. Brazil Plus -55,000 MT Plus \$7.50-8.00/MT
56-60,000 Argentina/Rosario-China, Deep Draft	\$70.00	Up \$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 were better for most of the week but topped out at weeks end due to profit taking. The Supramax and Handymax sectors led the way in both paper and physical markets. As usual, most of the support came for the 30–60-day periods.

All markets remain inverted and market news stories again note that “sentiment looks good” as vessel owners are still expecting improving conditions. Sentiment aside, it will take real demand to keep rates moving upward; and Chinese demand will be the key. Chinese iron ore imports are down but coal imports are up.

The container freight situation is not showing any improvement and COVID-19 issues are still plaguing Chinese ports. It is going to be a difficult ride into 2022.

Baltic-Panamax Dry-Bulk Indices				
August 12, 2021	This Week	Last Week	Difference	Percent Change
Route				
P2A: Gulf/Atlantic – Japan	48,693	47,877	816	1.7
P3A: PNW/Pacific– Japan	29,903	28,611	1,292	4.5
S1C: U.S. Gulf-China-S. Japan	45,156	44,756	400	0.9

Source: O’Neil Commodity Consulting

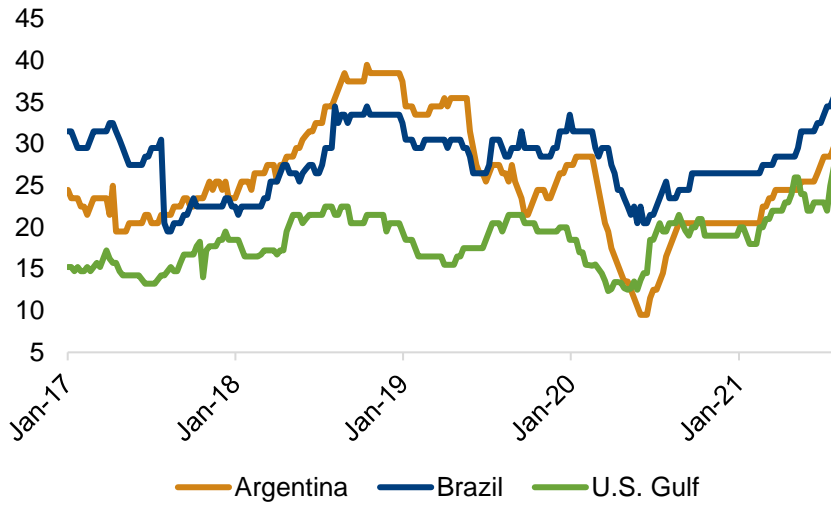
Capesize Vessel Freight Values Western Australia to South China (iron ore)	
Four weeks ago:	\$10.50-11.25
Three weeks ago:	\$11.25-11.90
Two weeks ago:	\$13.00-13.90
One week ago:	\$14.00-14.90
This week	\$14.00-14.50

Source: O’Neil Commodity Consulting

U.S.-Asia Market Spreads					
August 12, 2021	PNW	Gulf	Bushel Spread	MT Spread	Advantage
#2 Corn	1.85	1.12	0.73	\$28.74	PNW
Soybeans	2.20	1.35	0.85	\$31.23	PNW
Ocean Freight	\$42.50	\$78.00	0.9-0.97	\$35.50	September

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
August 12, 2021

Origin	Destination	This Week	Monthly Change	Monthly % Change	Yearly Change	Yearly % Change	2-Year History
<i>Panamax/Supramax Vessels</i>							
U.S. Gulf		79.00	-5.00	-6.0%	34.50	77.5%	
U.S. PNW	Japan	43.00	-2.00	-4.4%	18.75	77.3%	
Argentina		69.50	-5.50	-7.3%	35.00	101.4%	
Brazil		63.50	-4.50	-6.6%	32.00	101.6%	
U.S. Gulf		78.00	-5.00	-6.0%	34.50	79.3%	
U.S. PNW	China	42.50	-1.75	-4.0%	19.00	80.9%	
Argentina		70.00	-2.50	-3.4%	33.00	89.2%	
Brazil		65.50	-2.00	-3.0%	29.50	81.9%	
U.S. Gulf	Europe	29.00	6.00	26.1%	8.50	41.5%	
Argentina		30.50	2.00	7.0%	13.00	74.3%	
Brazil		36.50	3.00	9.0%	13.00	55.3%	
Argentina	Saudi Arabia	65.50	5.00	8.3%	23.00	54.1%	
Brazil		60.50	3.00	5.2%	4.00	7.1%	
U.S. Gulf	Egypt	63.50	-4.00	-5.9%	36.00	130.9%	
U.S. PNW		64.30	2.50	4.0%	38.30	147.3%	
Argentina		40.50	2.00	5.2%	20.00	97.6%	
Brazil		50.50	2.00	4.1%	23.00	83.6%	
<i>Handysize Vessels</i>							
U.S. Gulf	Morocco	60.50	-5.00	-7.6%	20.00	49.4%	
U.S. Great Lakes		68.00	23.00	51.1%	25.00	58.1%	
Argentina		30.50	1.00	3.4%	-1.00	-3.2%	
Brazil		35.50	-1.00	-2.7%	-1.00	-2.7%	
U.S. Great Lakes	Europe	65.00	29.00	80.6%	23.00	54.8%	
Brazil		38.00	8.60	29.3%	8.20	27.5%	
Argentina	Algeria	34.50	2.00	6.2%	4.00	13.1%	
Brazil		35.50	2.00	6.0%	1.00	2.9%	
U.S. Gulf	Colombia	42.50	-3.50	-7.6%	21.75	104.8%	
U.S. PNW		54.00	14.00	35.0%	25.00	86.2%	
Argentina		58.50	-1.50	-2.5%	24.50	72.1%	
<i>Shipping Indexes</i>							
Baltic Dry Index		3371	71	2.2%	1865	123.8%	

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.