



# Market Perspectives

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**December 1, 2022**

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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>November 25  | Monday<br>November 28  | Tuesday<br>November 29   | Wednesday<br>November 30   | Thursday<br>December 1  |
| Change                                  | 5.00   | 0.00   | -1.75  | -2.50  | -6.50   |
| Closing Price                           | 671.25   | 671.25   | 669.50   | 667.00   | 660.50  |
| Factors Affecting the Market            | Corn firmed in lackluster, post-holiday trade and posted a weekly gain of 1 1/4 cents. The latest Export Sales report was encouraging with 72.8 Mbu sold last week, due to large purchases from Mexico. Feed demand and ethanol use have been strong and are supporting basis levels. Outside markets were mixed, the USD fell 11 bps. | March corn settled unchanged amid a tug-of-war from lower wheat futures and higher soybean values. The U.S. harvest is finished but a looming railroad strike could disrupt transportation. USDA said 11.9 Mbu of corn was inspected for export last week, below the USDA's target. Outside markets were mixed; the USD rose 72 bps while stocks fell. | Corn settled lower in its sideways range on quiet volume. The U.S. House is moving to get involved in ending the looming railroad worker strike, which would be positive for grain markets. Fresh news was light, and traders remain focused on U.S. exports, feed demand, and ethanol use. Outside markets were mixed again with the USD firming and crude oil rose \$0.96/brl. | Corn futures ticked lower in another day of quiet trade as ethanol output fell 2.2 percent. The EPA's deadline for releasing the RFS RVOs is today, and the uncertainty put pressure on futures. Weather in Argentina is hot and dry for its early corn crop. USDA's attaché in Brazil pegged the crop at 126 MMT. Outside markets were higher and stocks rallied sharply. | Corn futures pushed lower on Thursday as the Export Sales report missed expectations. USDA said 23.7 Mbu of new sales were recorded last week, below the weekly target. The EPA's RVO numbers were below market guesses. The South American weather is bearish in the short-run with showers this week, but turns hot and dry thereafter. |

**Outlook:** March corn futures are down 10 ¾ cents (1.6 percent) this week as the market continues to chip sideways following the completion of the U.S. harvest. The harvest ended with minimal seasonal pressure on basis or flat prices, highlighting the strength of underlying feed and ethanol demand. Presently, Midwest basis levels are averaging 16 cents over March futures (+16H), up from last week's 14-over quotes and the -10H reported this time last year.

The Export Sales report featured 602.7 KMT of net corn sales last week and 344 KMT of exports. Exports were down from the prior week and YTD exports total 5.77 MMT, down 40 percent. Exports are off to a slow start so far this year but tend to seasonally increase in the spring.

Ethanol demand remains a bright spot for the corn balance sheet with the EIA reporting a seventh consecutive week of production above 1 million barrels per day. On Thursday, the USDA said 11.403 MMT (448.9 Mbu) of corn was used for fuel ethanol in October, a figure up 17 percent from September but down 4 percent from 2021. The October production figure represented a strong rebound from the five-year low set in September. Collectively, corn used for fuel, industrial, and beverage ethanol in October totaled 11.695 MMT (460.4 Mbu), up 17 percent from the prior month.

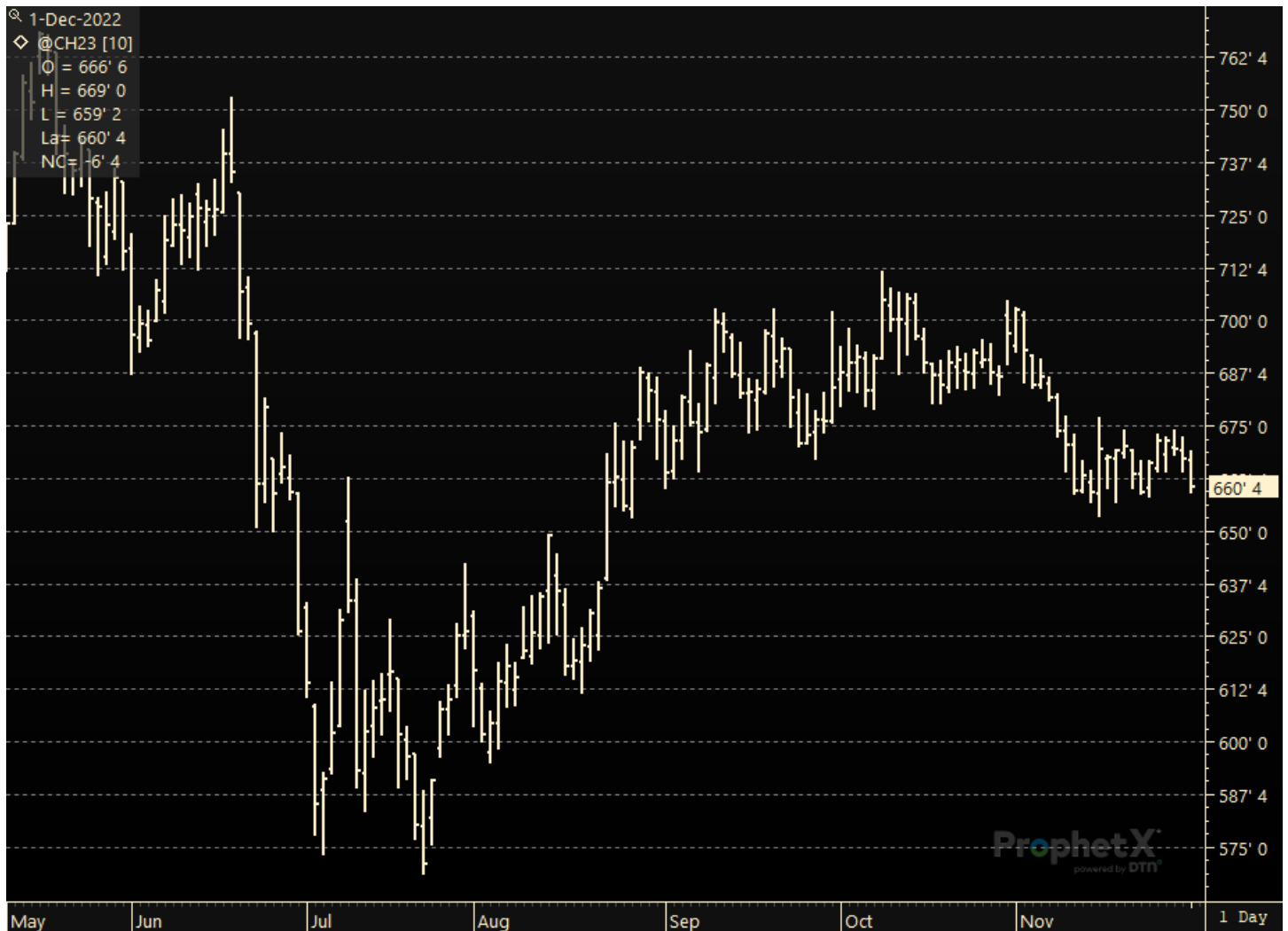
Technically, March corn futures remain lodged in a sideways trading pattern with support at \$6.53 (the 15 November low) and trendline resistance at \$6.90 ¼. Funds remain heavily long the market amid concerning weather patterns in South America and the strong domestic demand. March futures settled below the 100-day moving average on Thursday, which will likely be of some importance to technical traders. Commercial buying has remained strong on breaks in the market, however, and any weakness is not expected to last long.

| Interest Rates and Macroeconomic Markets, December 1, 2022 |          |               |                 |                |                  |                |
|--|----------|---------------|-----------------|----------------|------------------|----------------|
|  | Last*    | Weekly Change | Weekly % Change | Monthly Change | Monthly % Change | 1-Year History |
| <b>Interest Rates</b>                                      |          |               |                 |                |                  |                |
| U.S. Prime   | 7.00     | 0.0           | 0.0%            | 0.8            | 12.0%            |                |
| LIBOR (6 Month)  | 5.20     | 0.0           | 0.8%            | 0.2            | 4.7%             |                |
| LIBOR (1 Year)   | 5.57     | 0.0           | -0.1%           | 0.0            | 0.6%             |                |
| S&P 500  | 4,076.6  | 49.3          | 1.2%            | 356.7          | 9.6%             |                |
| Dow Jones Industrials                                      | 34,395.0 | 201.0         | 0.6%            | 2,393.8        | 7.5%             |                |
| U.S. Dollar  | 104.7    | -1.4          | -1.3%           | -8.2           | -7.3%            |                |
| WTI Crude  | 81.2     | 3.3           | 4.2%            | -6.9           | -7.9%            |                |
| Brent Crude  | 86.9     | 1.6           | 1.9%            | -7.8           | -8.2%            |                |

Source: DTN ProphetX, World Perspectives, Inc.

\* Last price as of 4:04 PM ET

# CBOT March Corn Futures



Source: DTN ProphetX

**Current Market Values:**

| <b>Futures Price Performance: Week Ending December 1, 2022</b> |              |               |                   |
|--|--------------|---------------|-------------------|
| <b>Commodity</b>   | <b>1-Dec</b> | <b>25-Nov</b> | <b>Net Change</b> |
| <b>Corn</b>  |              |               |                   |
| Dec 22   | 650.00       | 668.00        | -18.00            |
| Mar 23   | 660.50       | 671.25        | -10.75            |
| May 23   | 659.25       | 670.00        | -10.75            |
| Jul 23   | 654.00       | 664.50        | -10.50            |
| <b>Soybeans</b>  |              |               |                   |
| Jan 23   | 1429.75      | 1436.25       | -6.50             |
| Mar 23   | 1436.75      | 1442.25       | -5.50             |
| May 23   | 1444.50      | 1449.75       | -5.25             |
| Jul 23   | 1448.50      | 1453.00       | -4.50             |
| <b>Soymeal</b>   |              |               |                   |
| Dec 22   | 420.90       | 408.80        | 12.10             |
| Jan 23   | 421.60       | 406.30        | 15.30             |
| Mar 23   | 419.70       | 404.20        | 15.50             |
| May 23   | 417.50       | 401.70        | 15.80             |
| <b>Soyoil</b>  |              |               |                   |
| Dec 22   | 68.40        | 74.52         | -6.12             |
| Jan 23   | 67.38        | 71.71         | -4.33             |
| Mar 23   | 65.78        | 70.02         | -4.24             |
| May 23   | 64.28        | 68.53         | -4.25             |
| <b>SRW</b>   |              |               |                   |
| Dec 22   | 758.75       | 775.50        | -16.75            |
| Mar 23   | 783.00       | 797.00        | -14.00            |
| May 23   | 795.25       | 807.75        | -12.50            |
| Jul 23   | 800.50       | 811.75        | -11.25            |
| <b>HRW</b>   |              |               |                   |
| Dec 22   | 903.00       | 922.00        | -19.00            |
| Mar 23   | 890.25       | 912.00        | -21.75            |
| May 23   | 884.75       | 904.00        | -19.25            |
| Jul 23   | 877.50       | 893.75        | -16.25            |
| <b>MGEX (HRS)</b>  |              |               |                   |
| Dec 22   | 954.50       | 957.25        | -2.75             |
| Mar 23   | 938.00       | 949.50        | -11.50            |
| May 23   | 934.00       | 948.50        | -14.50            |
| Jul 23   | 930.00       | 944.00        | -14.00            |

\*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 NWS WPC 7-Day Quantitative Precipitation Forecast (QPF) calls for moderate-to-heavy precipitation accumulations (including heavy snowfall accumulations) ranging from 2 to 5+ inches (liquid) across much of the Cascades of Oregon and Washington, Klamath Mountains, Coast Ranges of Northern California, and the Sierra Nevada Range. In the Intermountain West, 1 to 3+ inch (liquid) accumulations are expected in central and northern Idaho ranges as well as in the Teton Range of Wyoming. Elsewhere in the conterminous U.S., heavy precipitation accumulations are expected in Kentucky and Tennessee (3 to 5+ inches liquid) as well as in areas of the Northeast including New York, New Hampshire, and Maine.

The CPC 6-10-day Outlooks call for a moderate-to-high probability of above-normal temperatures for the South, Southeast, and Mid-Atlantic regions, while much of the West, Plains, and Midwest are expected to be cooler than normal. Precipitation is forecasted to be above normal across the Pacific Northwest, Northern California, and across much of the Eastern Tier. Below-normal precipitation is expected in Florida.

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 November 24, 2022 |                  |              |                      |                       |                       |
|--|------------------|--------------|----------------------|-----------------------|-----------------------|
| Commodity  | Gross Sales (MT) | Exports (MT) | YTD Exports (000 MT) | YTD Bookings (000 MT) | % Change YTD Bookings |
| Wheat  | 162,500          | 271,200      | 9,494.8              | 13,451.6              | -6%                   |
| Corn   | 619,300          | 344,500      | 5,773.3              | 18,352.4              | -48%                  |
| Sorghum  | 5,100            | 1,800        | 102.1                | 356.9                 | -91%                  |
| Barley   | 0                | 800          | 5.0                  | 11.6                  | -61%                  |

Source: USDA, World Perspectives, Inc.

**Corn:** Net sales of 602,700 MT for 2022/2023 were primarily for Mexico (387,100 MT, including decreases of 2,700 MT), unknown destinations (78,500 MT), Hong Kong (34,000 MT), Japan (27,700 MT, including 25,100 MT switched from unknown destinations), and Colombia (27,200 MT). Total net sales of 30,000 MT for 2023/2024 were for Mexico. Exports of 344,500 MT were primarily to Mexico (193,100 MT), China (77,100 MT), Japan (25,100 MT), Canada (17,800 MT), and Honduras (8,300 MT).

**Barley:** No net sales were reported for the week. Exports of 800 MT were to Japan.

**Sorghum:** Total net sales of 5,100 MT for 2022/23 were for Mexico. Exports of 1,800 MT were to Mexico.

| U.S. Export Inspections: Week Ending November 24, 2022 |                    |               |                    |              |                            |
|--|--------------------|---------------|--------------------|--------------|----------------------------|
| Commodity (MT)   | Export Inspections |               | Current Market YTD | Previous YTD | YTD as Percent of Previous |
|  | Current Week       | Previous Week |                    |              |                            |
| Barley   | 0                  | 0             | 1,708              | 9,937        | -83%                       |
| Corn   | 302,350            | 499,068       | 5,807,815          | 8,633,608    | -33%                       |
| Sorghum  | 3,068              | 53,665        | 277,760            | 944,338      | -71%                       |
| Soybeans   | 2,022,443          | 2,425,237     | 19,248,392         | 21,400,350   | -10%                       |
| Wheat  | 198,519            | 291,427       | 10,489,503         | 10,904,295   | -4%                        |

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 November 24, 2022

| 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                                 | 134,346        | 100%        | 5,799        | 96%                        | 0            | 0%          |
| PNW                                  | 0              | 0%          | 245          | 4%                         | 0            | 0%          |
| Interior Export Rail                 | 0              | 0%          | 0            | 0%                         | 3,068        | 100%        |
| <b>Total (Metric Tons)</b>           | <b>134,346</b> | <b>100%</b> | <b>6,044</b> | <b>100%</b>                | <b>3,068</b> | <b>100%</b> |
| White Corn Shipments by Country (MT) |                |             | 5,799<br>245 | to Colombia<br>to S. Korea |              |             |
| <b>Total White Corn</b>              |                |             | <b>6,044</b> |                            |              |             |
| Sorghum Shipments by Country (MT)    |                |             |              |                            | 3,068        | to Mexico   |
| <b>Total Sorghum</b>                 |                |             |              |                            | <b>3,068</b> |             |

Source: USDA, World Perspectives, Inc.



| Yellow Corn (USD/MT FOB Vessel*)        |         |            |         |            |
|---|---------|------------|---------|------------|
| YC FOB Vessel<br>Max. 15.0%<br>Moisture | GULF    |            | PNW     |            |
|   | Basis   | Flat Price | Basis   | Flat Price |
|   | (#2 YC) | (#2 YC)    | (#2 YC) | (#2 YC)    |
| January                                 | 1.36+H  | \$313.50   | 1.91+H  | \$335.22   |
| February                                | 1.27+H  | \$310.15   | 1.89+H  | \$334.43   |
| March                                   | 1.20+H  | \$307.13   | 1.86+H  | \$333.25   |
| April                                   | 1.15+K  | \$304.81   | 1.81+K  | \$330.79   |
| May                                     | 1.07+K  | \$301.52   | 1.71+K  | \$326.85   |
| June                                    | 1.06+N  | \$299.06   | 1.71+N  | \$324.78   |

| Sorghum (USD/MT FOB Vessel*)            |       |            |        |            |
|---|-------|------------|--------|------------|
| #2 YGS FOB Vessel<br>Max 14.0% Moisture | NOLA  |            | TEXAS  |            |
|   | Basis | Flat Price | Basis  | Flat Price |
| January                                 | N/A   | N/A        | 2.65+H | \$364.35   |
| February                                | N/A   | N/A        | 2.65+H | \$364.35   |
| March                                   | N/A   | N/A        | 2.65+H | \$364.35   |

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

| Corn Gluten Feed Pellets (CGFP) (FOB Vessel U.S. \$/MT*) |          |         |          |
|--|----------|---------|----------|
|  | December | January | February |
| New Orleans  | \$290    | \$290   | \$290    |
| Quantity 5,000 MT  |          |         |          |

| Corn Gluten Meal (CGM) (FOB Vessel U.S. \$/MT*) |          |         |          |
|---|----------|---------|----------|
| Bulk 60% Pro.                                   | December | January | February |
| New Orleans                                     | \$810    | \$810   | \$810    |
| *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: December 1, 2022 (USD/MT)**  
 (Quantity, availability, payment, and delivery terms vary)

| <b>Delivery Point<br/>Quality Min. 35% Pro-fat combined</b> | <b>December</b> | <b>January</b> | <b>February</b> |
|---|-----------------|----------------|-----------------|
| Barge CIF New Orleans                                       | 314             | 313            | 311             |
| FOB Vessel GULF   | 325             | 326            | 325             |
| Rail delivered PNW  | 340             | 343            | 344             |
| Rail delivered California                                   | 343             | 347            | 348             |
| Mid-Bridge Laredo, TX                                       | 337             | 340            | 368             |
| FOB Lethbridge, Alberta                                     | 338             | 338            | 338             |
| 40 ft. Containers to South Korea (Busan)                    | 350             | 360            | 360             |
| 40 ft. Containers to Taiwan (Kaohsiung)                     | 405             | 415            | 415             |
| 40 ft. Containers to Philippines (Manila)                   | 400             | 410            | 410             |
| 40 ft. Containers to Indonesia (Jakarta)                    | 373             | 383            | 383             |
| 40 ft. Containers to Malaysia (Port Kelang)                 | 380             | 390            | 390             |
| 40 ft. Containers to Vietnam (HCMC)                         | 380             | 390            | 390             |
| 40 ft. Containers to Japan (Yokohama)                       | N/A             | N/A            | N/A             |
| 40 ft. containers to Thailand (LCMB)                        | 400             | 410            | 410             |
| 40 ft. Containers to China (Shanghai)                       | N/A             | N/A            | N/A             |
| 40 ft. Containers to Bangladesh (Chittagong)                | 465             | 475            | 475             |
| 40 ft. Containers to Myanmar (Yangon)                       | N/A             | N/A            | N/A             |
| KC Rail Yard (delivered ramp)                               | 280             | 281            | 282             |
| Elwood, IL Rail Yard (delivered ramp)                       | 284             | 284            | 285             |

*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)

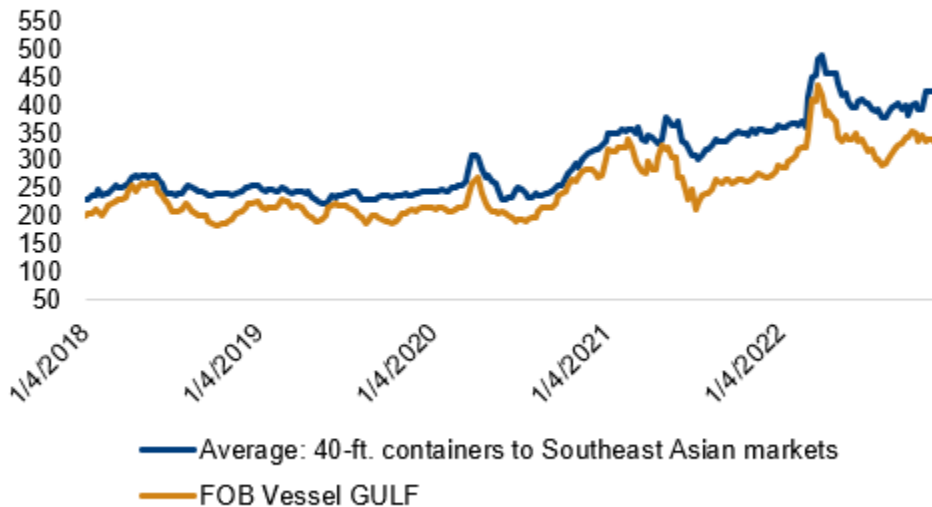
**DDGS Comments:** DDGS values are steady/\$3 higher this week due to rising feedstuffs prices and steady feed demand in the Midwest. Ethanol run rates have declined in two of the past three weeks, which has helped pare down product supplies. With barge traffic on the Mississippi River increasing and approaching more normal levels, export demand has picked up as well.

The DDGS/Kansas City soymeal ratio is at 0.52 this week, down slightly from two weeks ago and above the three-year average of 0.50. The DDGS/cash corn ratio edged slightly higher this week to 0.97 percent, still below the three-year average of 1.06.

USDA's monthly Grain Crushings report showed DDGS production rose 8.2 percent from September and totaled 1.75 million tons in October. That volume was down 10.4 percent from October 2021, however, and the year-over-year production decrease has helped support prices this fall.

On the export market, Barge CIF NOLA prices are \$15 lower for spot shipment as barge rates have softened in the past two weeks. Offers for FOB NOLA DDGS are down \$12/MT for spot shipment but only down \$2-4 for Q1 2023 positions with February shipments offered at \$325/MT. Offers for 40-foot containers of DDGS are lower this week with noted pressure for spot shipment. December containers are down \$4/MT at \$388/MT this week while Q1 2023 positions are trading \$3-7 higher at \$395-398.

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



Source: World Perspectives, Inc.

## Country News

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**Argentina:** The Rosario Grain Exchange lowered its estimate for the corn crop to a range of 42-51 MMT due to drought. (AgriCensus)

**Brazil:** USDA/FAS raised its forecast for 2022/23 corn production by 5 percent from its last estimate to a new total of 126 KMT. If realized, that would be 8.6 percent higher output than a year ago based on increased planted area and improved yields. Agrinvest says farmers have purchased just 75 percent of their supplies for the second crop corn, down from the five-year average of 83 percent. The cause is declining input prices and the potential to increase margins by delaying.

The exporters' association ANEC reported lower corn exports for November with Abiove saying protests blocking shipments have raised freight costs by 20 percent. Landslides have also blocked access to the port at Paranaguá. However, ANEC believes the supply agreement with China could boost corn exports to 40-50 MMT. HedgePoint Global Markets says 368 KMT of corn was exported to China in November. (AgriCensus; Brownfield Ag News; Reuters)

**EU:** European traders are concerned that newly enabled sales of Brazilian corn to China will increase the prices they have to pay from a traditional supplier. With its own output trimmed and Ukraine's supplies reduced, Europe has been importing historically large volumes of corn. Thus far in 2022/23, corn imports are at 11.54 MMT, versus last year at 5.09 MMT. Poland's corn harvest could fall 1 MMT shy of official figures and the overall EU corn production forecast was lowered by 3 percent to 53.5 MMT. On the upside, the planting of winter barley continues in France under stable weather conditions. (AgriCensus; SPGlobal)

**Russia:** The corn export tax was dropped to zero for the first week of December making an indicative price of \$222.1/MT. The tax on barley exports was lowered to 2,308.6 rubles/MT and leaves an indicative price of \$283.7/MT. (AgriCensus)

**South Africa:** The Crop Estimates Committee made its final estimate for the corn crop at 15.38 MMT based on higher yields. Meanwhile, the cost of the coarsely ground corn called "samp" is up almost 15 percent. (AgriCensus; Bloomberg)

**South Korea:** MFG bought 70 KMT of corn and another 69 KMT for March delivery via a private deal. FLC purchased 60 KMT of corn. NOFI obtained 136 KMT of corn for February/March delivery. (AgriCensus; Reuters)

**Tunisia:** State grain buyer ODC tendered for 100 KMT of barley and eventually purchased 75 KMT for December-January delivery. (AgriCensus)

**Turkey:** State grain buyer TMO purchased 495 KMT of barley for January-February delivery. (AgriCensus)

**Ukraine:** Russia has slowed the inspection of Ukrainian grain being exported by sea. Exports this campaign are down 31.7 percent, with 8.6 MMT of corn and 1.3 MMT of barley making it out. The Ukrainian Agrarian Council says that this will lead to a decrease in future sown crops, with corn the likely first one reduced. Snow is everywhere and only half of this past summer's corn has been harvested. (BDNews; APK-Inform; Reuters)

## Ocean Freight Markets and Spreads

| Bulk Freight Indices for HSS — Heavy Grain, Sorghum and Soybeans* |                       |                             |  |
|---|-----------------------|-----------------------------|--|
| December 1, 2022  |                       |                             |  |
| Route and Vessel Size   | Current Week (USD/MT) | Change from Previous Report | Remarks  |
| 55,000 U.S. Gulf-Japan  | \$57.00               | Down \$1.00                 | Handymax \$57.50 MT  |
| 55,000 U.S. PNW- Japan  | \$32.25               | Down \$1.00                 | Handymax at \$32.50 MT   |
| 66,000 U.S. Gulf – China  | \$56.00               | Down \$1.00                 | North or South China   |
| PNW to China  | \$32.00               | Down \$1.00                 |  |
| 25,000 U.S. Gulf - Veracruz, México                               | \$23.50               | Down \$0.25                 | 3,000 MT daily discharge rate  |
| 30-36,000+ U.S. Gulf - Veracruz, México                           | \$19.75               | Down \$0.25                 | Deep draft and 6,000 MT per day discharge rate.  |
| 30-38,000 U.S. Gulf - Colombia                                    | \$32.00               | Down \$0.25                 | West Coast Colombia at \$36.50   |
| <u>50,000 MT U.S. Gulf to East Coast Colombia</u>                 | \$29.75               |                             |  |
| From Argentina  | \$39.00               |                             |  |
| 43-45,000 U.S. Gulf - Guatemala                                   | \$39.00               | Down \$0.50                 | Acajutla/Quetzal - 8,000 out   |
| 26-30,000 US Gulf - Morocco                                       | \$50.00               | Down \$1.50                 | 5,000 discharge rate   |
| 55-60,000 U.S. Gulf –Egypt  | \$48.00               | Down \$1.50                 | 55,000-60,000 MT Egypt<br>Romania - Russia- Ukraine<br>\$18.50 -\$27.00 - \$37.00 -<br>France \$29.00, Bulgaria<br>\$19.00 |
| PNW to Egypt  | \$49.00               |                             |  |
| 60-70,000 U.S. Gulf – Europe, Rotterdam                           | \$28.50               | Up \$0.50                   | Handymax at +\$2.50 more   |
| Brazil, Santos – China  | \$45.75               | Down \$3.25                 | 54-59,000 Supramax-Panamax   |
| Brazil, Santos – China  | \$43.50               |                             | 60-66,000 Post Panamax   |
| Northern Coast Brazil - China                                     | \$49.25               |                             | 55-60,000 MT   |
| 56-60,000 Argentina/Rosario-China, Deep Draft                     | \$48.50               | Down \$3.25                 | Upriver with Top-off,<br>Plus \$3.85-4.75  |

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 remain volatile, but, for all the same reasons, the overall direction continues to be down. Vessel owners are still asking when the market will hit bottom. We are currently moving through the seasonal holiday doldrums, and it will not be long before the Lunar New Year celebrations arrive on January 22. I expect to see some charterers covering position before they depart for the holidays.

Panamax daily hire rates for December are down to \$12,800/day with Q1 2023 trading at \$11,400/day. The low water situation on the Mississippi River improved last week but is now a continuing concern as water levels are expected to drop going into the next two weeks.

It appears that a U.S. railroad strike has been averted. The U.S. House of Representatives passed a bill to force both sides to accept an agreement. On Thursday, 1 December, the Senate is scheduled to vote on the legislation. The ILWU union container report contract negotiations are continuing without resolution and talks are expected to go into early 2023.

| Baltic-Panamax Dry-Bulk Indices |           |           |            |                |
|---------------------------------|-----------|-----------|------------|----------------|
| December 1, 2022                | This Week | Last Week | Difference | Percent Change |
| Route                           |           |           |            |                |
| P2A: Gulf/Atlantic – Japan      | 23,232    | 22,436    | 796        | 3.5            |
| P3A: PNW/Pacific– Japan         | 11,348    | 13,417    | -2,069     | -15.4          |
| S1C: U.S. Gulf-China-S. Japan   | 23,671    | 26,200    | -2,529     | -9.7           |

Source: O'Neil Commodity Consulting

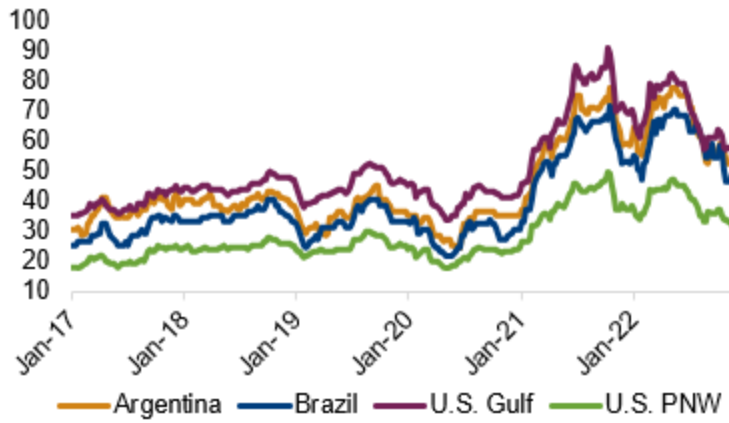
| Capesize Vessel Freight Values              |             |
|---|-------------|
| Western Australia to South China (iron ore) |             |
| Four weeks ago:                             | \$8.10-8.40 |
| Three weeks ago:                            | \$8.50-9.40 |
| Two weeks ago:                              | \$8.30-8.50 |
| One week ago:                               | \$8.30-8.50 |
| This week                                   | \$8.50-9.10 |

Source: O'Neil Commodity Consulting

| U.S.-Asia Market Spreads |         |         |               |           |           |
|--------------------------|---------|---------|---------------|-----------|-----------|
| December 1, 2022         | PNW     | Gulf    | Bushel Spread | MT Spread | Advantage |
| #2 Corn                  | 1.90    | 1.38    | 0.52          | \$20.47   | PNW       |
| Soybeans                 | 2.30    | 1.55    | 0.75          | \$27.56   | GULF      |
| Ocean Freight            | \$32.00 | \$56.00 | 0.61-0.65     | \$24.00   | January   |

Source: O'Neil Commodity Consulting

### Bulk Grain Freight Rates to Japan from Select Origins



Source: World Perspectives, Inc.

**Bulk Grain Freight Rates for Key Suppliers and Destinations**  
December 1, 2022

| Origin                          | Destination  | This Week | Monthly Change | Monthly % Change | Yearly Change | Yearly % Change | 2-Year History |
|---------------------------------|--------------|-----------|----------------|------------------|---------------|-----------------|----------------|
| <i>Panamax/Supramax Vessels</i> |              |           |                |                  |               |                 |                |
| U.S. Gulf                       |              | 57.00     | -1.00          | -1.7%            | -14.00        | -19.7%          |                |
| U.S. PNW                        | Japan        | 32.25     | -1.75          | -5.1%            | -5.25         | -14.0%          |                |
| Argentina                       |              | 53.50     | -3.00          | -5.3%            | -10.00        | -15.7%          |                |
| Brazil                          |              | 48.50     | -2.00          | -4.0%            | -8.00         | -14.2%          |                |
| U.S. Gulf                       |              | 56.00     | -1.00          | -1.8%            | -14.00        | -20.0%          |                |
| U.S. PNW                        | China        | 32.00     | -1.25          | -3.8%            | -5.25         | -14.1%          |                |
| Argentina                       |              | 48.50     | -2.50          | -4.9%            | -10.75        | -18.1%          |                |
| Brazil                          |              | 49.25     | -2.25          | -4.4%            | -12.25        | -19.9%          |                |
| U.S. Gulf                       |              | 29.00     | -1.30          | -4.3%            | 0.00          | 0.0%            |                |
| Argentina                       | Europe       | 50.50     | 4.00           | 8.6%             | 9.00          | 21.7%           |                |
| Brazil                          |              | 52.50     | 1.00           | 1.9%             | 9.00          | 20.7%           |                |
| Argentina                       | Saudi Arabia | 60.50     | 1.00           | 1.7%             | 7.00          | 13.1%           |                |
| Brazil                          |              | 69.50     | 3.00           | 4.5%             | 6.00          | 9.4%            |                |
| U.S. Gulf                       |              | 48.00     | -7.00          | -12.7%           | -10.00        | -17.2%          |                |
| U.S. PNW                        | Egypt        | 51.20     | -9.10          | -15.1%           | 2.70          | 5.6%            |                |
| Argentina                       |              | 61.50     | 1.00           | 1.7%             | 11.00         | 21.8%           |                |
| Brazil                          |              | 65.50     | 0.00           | 0.0%             | 6.00          | 10.1%           |                |
| <i>Handysize Vessels</i>        |              |           |                |                  |               |                 |                |
| U.S. Gulf                       |              | 50.00     | -15.50         | -23.7%           | -7.50         | -13.0%          |                |
| U.S. Great Lakes                | Morocco      | 81.80     | 8.80           | 12.1%            | 36.80         | 81.8%           |                |
| Argentina                       |              | 54.50     | 1.00           | 1.9%             | 13.00         | 31.3%           |                |
| Brazil                          |              | 57.50     | 1.00           | 1.8%             | 11.00         | 23.7%           |                |
| U.S. Great Lakes                | Europe       | 81.00     | 9.70           | 13.6%            | 33.80         | 71.6%           |                |
| Brazil                          |              | 60.00     | 0.80           | 1.4%             | 7.40          | 14.1%           |                |
| Argentina                       | Algeria      | 55.50     | 1.00           | 1.8%             | 12.00         | 27.6%           |                |
| Brazil                          |              | 58.50     | 1.00           | 1.7%             | 11.00         | 23.2%           |                |
| U.S. Gulf                       |              | 32.00     | -1.50          | -4.5%            | -4.50         | -12.3%          |                |
| U.S. PNW                        | Colombia     | 50.00     | -2.00          | -3.8%            | 8.70          | 21.1%           |                |
| Argentina                       |              | 38.00     | -3.00          | -7.3%            | -13.00        | -25.5%          |                |
| <i>Shipping Indexes</i>         |              |           |                |                  |               |                 |                |
| Baltic Dry Index                |              | 1347      | -116           | -7.9%            | -1534         | -53.2%          |                |

Source: World Perspectives, Inc.

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.

Indications for some routes were corrected on 20 and 27 Oct. 2022.