



Market Perspectives

January 28, 2021

CONTENTS

Chicago Board of Trade Market News	2
CBOT March 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	14
Ocean Freight Comments	15

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 March Corn Contract					
Cents/Bu	Friday January 22	Monday January 25	Tuesday January 26	Wednesday January 27	Thursday January 28
Change	-23.75	11.00	20.75	1.75	0.50
Closing Price	500.50	511.50	532.25	534.00	534.50
Factors Affecting the Market	Fund selling pressured March corn, which gave back nearly all its WASDE gains. The market found support at \$5.00 but the downside breakout from its trading channel is bearish. Rains for Argentina helped prices lower while USDA's export sales lagged their needed weekly pace. Outside markets were weaker.	Corn futures dipped lower to test pre-WASDE support and rallied higher, in a sign last week's selloff may be done. End users were buyers and some fund buying emerged as well. USDA's export inspections were supportive and cash prices are trending higher. Outside markets were mixed with the USD up 15 bps.	March corn rallied and closed above its former down channel on the charts in a bullish day of heavy volume trade. Open interest is rising, suggesting fresh longs are being added. Heavy rains in Brazil are causing concerns for the second-crop corn planting. Outside markets were lower with the USD falling 21 bps.	Corn pushed to a new contract high but settled at the bottom of its trading range. Buyers seem unwilling to commit to prices above the old contract high. China has booked 80 Mbu of corn in the past two days, which is supporting futures. Outside markets were sharply lower with the Dow down 600 points.	March corn pushed to a new contract high again but settled only slightly higher. China has booked 3.7 MMT of corn in the past 3 days and YTD corn bookings total 75% of USDA's forecast. End users are buyers on breaks, a positive sign for corn bulls. Outside markets were supportive with stocks higher and the USD lower.

Outlook: March corn futures are 34 cents (6.8 percent) lower this week as last week's pullback sparked commercial and end-user buying along with renewed speculative long interest. One hallmark of bull markets is that pullbacks find strong support and are able to rally to new highs. Thursday's rally to a fresh contract high at \$5.50 in March futures is certainly a sign of market strength.

The weekly Export Sales report from USDA featured 1.85 MMT of net sales, up 29 percent from the prior week and well above the five-year average for late January. Weekly exports rose to 1.414 MMT - the second highest weekly shipment pace of the marketing year - bringing YTD exports to 19.021 MMT. YTD shipments are up 81 percent while YTD bookings (exports plus unshipped sales) are up 126 percent at 48.670 MMT. Notably, roughly four months into the 2020/21 corn marketing year, YTD bookings account for 75 percent of USDA's 64.7 MMT export forecast, and YTD shipments 42 percent of the agency's projection.

China remains a significant buyer of U.S. corn, with USDA issuing a daily export sales announcement for Chinese corn purchases each of the past three days. USDA only issues daily export sales announcements when commodity purchases by a single country exceed 100,000 MT. Since Tuesday, China has booked 3.74 MMT (147.2 Mbu) of corn as reported in USDA's daily announcements. Notably, the USDA Foreign Agricultural Service attaché in Beijing expects China to import 22 MMT of corn this year (above USDA's official forecast of 17.5 MMT) while one large grain trading firm says it sees China

importing 25 MMT in 2020/21. If either of these projections is true, it suggests the U.S. corn export program will continue to break records and support the ongoing market rally.

U.S. farmers are thought to have sold some 85 percent of the 2020 corn crop, taking advantage of the futures rally and historically firm basis. That farmers have sold so much already suggests cash selling pressure on future rallies will be limited. Cash prices average \$203.04/MT (\$5.16/bushel) across the U.S. this week, up 7 percent from the prior week and up 40 percent from this time last year. The average basis level is at a five-year high for the end of January, averaging 18 cents under March futures.

Updated long-term weather forecasts show the existing strong La Nina persisting into April. That trend suggests the U.S. Corn Belt may see a drier-than-normal spring. Drought conditions have been expanding across the U.S. this winter, with extreme drought in the Southwest creeping into the northern Plains states and the western edges of the Corn Belt.

In South America, the La Nina weather event suggests central and eastern Brazil will likely remain dry, potentially impacting the *safrinha* corn crop. Similarly, Argentina's weather tends to be drier during La Nina years, though the extremely dry start to the country's summer appears to have faded. Despite generally dry conditions, southern Brazil and Paraguay have received excess rainfall in recent weeks, which is delaying the soybean harvest. If the rain continues, there is potential that the region's *safrinha* corn crop planting will also be delayed. The forecast for La Nina to continue into the spring suggests world crops are far from done with weather risk.

From a technical standpoint, March futures are in a sideways, range-bound pattern but testing upside breakout potential. The immediate trading range is formed by the 12 January daily low (\$489 ¼) and the 13 January daily high (formerly the contract high) at \$5.41 ½. The market posted fresh contract highs Wednesday and Thursday, which suggests the trading range is moving higher, but the failure to settle above the old contract high/trading range ceiling suggests hesitancy on the part of bulls. Still, the major fundamental factors remain bullish and new contract highs suggest a strengthening market.

Interest Rates and Macroeconomic Markets, January 28, 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	-4.3%	0.0	-12.3%	
LIBOR (1 Year)	0.3	0.0	-1.7%	0.0	-8.9%	
S&P 500	3,787.4	-65.7	-1.7%	31.3	0.8%	
Dow Jones Industrials	30,603.4	-572.6	-1.8%	-3.1	0.0%	
U.S. Dollar	90.5	0.4	0.4%	0.6	0.6%	
WTI Crude	52.3	-0.9	-1.7%	3.7	7.7%	
Brent Crude	55.1	-1.0	-1.8%	3.3	6.3%	

Source: DTN ProphetX, World Perspectives, Inc.

CBOT March Corn Futures



Source: DTN ProphetX

Current Market Values:

Futures Price Performance: Week Ending January 28, 2021			
Commodity	28-Jan	22-Jan	Net Change
Corn			
Mar 21	534.50	500.50	34.00
May 21	536.25	503.00	33.25
Jul 21	527.25	498.75	28.50
Sep 21	465.00	451.50	13.50
Soybeans			
Mar 21	1353.25	1311.75	41.50
May 21	1351.50	1311.75	39.75
Jul 21	1333.00	1298.50	34.50
Aug 21	1285.00	1254.00	31.00
Soymeal			
Mar 21	427.10	421.60	5.50
May 21	425.00	417.90	7.10
Jul 21	419.40	414.00	5.40
Aug 21	404.50	399.30	5.20
Soyoil			
Mar 21	44.65	42.27	2.38
May 21	43.79	41.55	2.24
Jul 21	42.98	41.07	1.91
Aug 21	41.99	40.29	1.70
SRW			
Mar 21	647.00	634.50	12.50
May 21	647.50	636.00	11.50
Jul 21	631.50	624.00	7.50
Sep 21	630.25	625.00	5.25
HRW			
Mar 21	626.00	613.25	12.75
May 21	629.50	617.00	12.50
Jul 21	626.00	616.75	9.25
Sep 21	626.00	619.50	6.50
MGEX (HRS)			
Mar 21	619.50	612.50	7.00
May 21	628.75	621.50	7.25
Jul 21	634.75	627.25	7.50
Sep 21	639.75	631.75	8.00

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

U.S. Weather/Crop Progress

U.S. Drought Monitor Weather Forecast: Over the next 5 days (January 28 – February 1, 2021) the heaviest precipitation is expected along the immediate West Coast, southern Cascades, and Sierra Nevada. These areas are expecting 3 to locally 7 inches of precipitation. Meanwhile, 1 to 3 inches are expected in the central and northern Cascades and the higher elevations from northeastern Oregon to northwestern Wyoming. Up to 2 inches may fall on north-central Utah, the higher elevations of Arizona, and part of Nevada. Farther east, the western half of the Plains should be dry, and only light precipitation is forecast across the northern Great Lakes, lower Mississippi Valley, Gulf Coast, Florida, and upper New England. Moderate to locally heavy precipitation should fall on a swath from much of the Mississippi Valley eastward through the southern half of the Appalachians, middle Atlantic region, and upper Southeast. The eastern half of North Carolina should pick up 1 to 2 inches. In the portions of the Plains expecting very little if any precipitation, daytime temperatures should average at least 3 degrees F above normal, with a swath from the Texas Panhandle to eastern Montana averaging 6 to 12 degrees F warmer than normal. In contrast, most of the Pacific and Atlantic Coasts and the Southwest should average at least 3 degrees F below normal. Daytime high temperatures will average at least 6 degrees F below normal in central Arizona, northern California, the upper Northeast, and lower New England.

The ensuing 5 days (February 2 – 6, 2021) bring enhanced chances of surplus precipitation in a broad area from the Rockies to the East Coast, excluding much of Texas and Florida. Odds favor above-normal precipitation throughout Alaska as well. Meanwhile, deficient precipitation is more likely across the Florida Panhandle, the southern one-third of Texas, northern California, and the Pacific Northwest. Warmer than normal weather is favored east of the Mississippi Valley and north of Florida, with the highest probabilities covering New England. Milder than usual conditions are also expected in the southern half of Alaska. Meanwhile, the odds favor subnormal temperatures from the High Plains to the West Coast, especially across California and most of Nevada, Utah, and Arizona.

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 January 21, 2021					
Commodity	Gross Sales (MT)	Exports (MT)	YTD Exports (000 MT)	YTD Bookings (000 MT)	% Change YTD Bookings
Wheat	412,500	505,800	15,510.8	21,770.5	4%
Corn	1,968,100	1,414,000	19,021.3	48,670.0	126%
Sorghum	245,300	118,600	2,398.7	5,757.3	405%
Barley	0	400	17.2	30.5	-37%

Source: USDA, World Perspectives, Inc.

Corn: Net sales of 1,850,300 MT for 2020/2021 were up 29 percent from the previous week and 61 percent from the prior 4-week average. Increases primarily for Japan (695,700 MT, including 232,100 MT switched from unknown destinations and decreases of 26,800 MT), Mexico (145,600 MT, including decreases of 1,000 MT), Colombia (116,900 MT, including 50,000 MT switched from unknown destinations and decreases of 23,600 MT), Israel (105,000 MT), and unknown destinations (91,300 MT), were offset by reductions for Guatemala (1,200 MT) and Chile (600 MT).

Exports of 1,414,000 MT were up 60 percent from the previous week and 20 percent from the prior 4-week average. The destinations were primarily to Japan (518,000 MT), Mexico (233,700 MT), China (141,900 MT), Colombia (90,600 MT), and South Korea (71,500 MT).

Optional Origin Sales: For 2020/2021, options were exercised to export 30,000 MT to Ukraine from other than the United States. The current outstanding balance of 1,269,400 MT is for South Korea (838,000 MT), unknown destinations (224,000 MT), Taiwan (140,000 MT), China (65,000 MT), and Ukraine (2,400 MT).

Barley: No net sales were reported for the week. Exports of 400 MT were to Taiwan.

Sorghum: Net sales of 185,000 MT for 2020/2021, resulting in increases for China (253,000 MT, including 68,000 MT switched from unknown destinations and decreases of 60,300 MT), were offset by reductions for unknown destinations (68,000 MT). For 2021/2022, total net sales of 63,000 MT were for China.

Exports of 118,600 MT were down 46 percent from the previous week and 13 percent from the prior 4-week average. The destination was China.

U.S. Export Inspections: Week Ending January 21, 2021

Commodity (MT)	Export Inspections		Current Market YTD	Previous YTD	YTD as Percent of Previous
	Current Week	Previous Week			
Barley	0	2,395	23,339	17,662	132%
Corn	1,391,455	914,880	18,736,777	10,164,040	184%
Sorghum	179,182	159,495	2,817,949	1,130,975	249%
Soybeans	1,978,971	2,273,005	45,280,876	25,240,343	179%
Wheat	523,901	282,627	16,098,759	16,211,697	99%

Source: USDA/AMS. *Marketing Year is June 1-May 31 for wheat and barley and Sept. 1-Aug. 31 for corn, sorghum and soybeans. Week-to-week reports will vary due to exporter reported conditions & cancellations to previous week's reports.

USDA Grain Inspections for Export Report: Week Ending January 21, 2021

Region	YC	% of Total	WC	% of Total	Sorghum	% of Total
Lakes	0	0%	0	0%	0	0%
Atlantic	0	0%	0	0%	367	0%
Gulf	803,898	58%	0	0%	178,473	100%
PNW	418,375	30%	97	1%	0	0%
Interior Export Rail	153,493	11%	15,592	99%	342	0%
Total (Metric Tons)	1,375,766	100%	15,689	100%	179,182	100%
White Corn Shipments by Country (MT)			15,568 97 24	to Mexico to S. Korea to Ireland		
Total White Corn			15,689			
Sorghum Shipments by Country (MT)					179,182	to China
Total Sorghum					179,182	

Source: USDA, World Perspectives, Inc.

FOB

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)
February	0.93+H	\$247.03	1.47+H	\$268.29
March	0.92+H	\$246.44	1.41+H	\$265.73
April	0.93+K	\$247.72	1.44+K	\$267.80

#2 White Corn (U.S. \$/MT FOB Vessel*)			
Max. 15.0% Moisture	February	March	April
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
February	N/A	N/A	3.10+H	\$332.46
March	N/A	N/A	3.08+H	\$331.67
April	N/A	N/A	3.05+K	\$331.18

Corn Gluten Feed Pellets (CGFP) (FOB Vessel U.S. \$/MT*)			
	February	March	April
New Orleans	\$262	\$264	\$264
<i>Quantity 5,000 MT</i>			
Corn Gluten Meal (CGM) (FOB Vessel U.S. \$/MT*)			
Bulk 60% Pro.	February	March	April
New Orleans	\$796	\$806	\$806
<i>*5-10,000 MT Minimum</i>			

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

DDGS Price Table: January 28, 2021 (USD/MT)
 (Quantity, availability, payment and delivery terms vary)

Delivery Point Quality Min. 35% Pro-fat combined	February	March	April
Barge CIF New Orleans	314	317	308
FOB Vessel GULF	320	320	316
Rail delivered PNW	335	335	332
Rail delivered California	323	321	322
Mid-Bridge Laredo, TX			
FOB Lethbridge, Alberta			
40 ft. Containers to South Korea (Busan)	344		
40 ft. Containers to Taiwan (Kaohsiung)	344		
40 ft. Containers to Philippines (Manila)			
40 ft. Containers to Indonesia (Jakarta)	347	351	
40 ft. Containers to Malaysia (Port Kelang)	345	350	
40 ft. Containers to Vietnam (HCMC)	353	358	
40 ft. Containers to Japan (Yokohama)			
40 ft. containers to Thailand (LCMB)	356	350	
40 ft. Containers to China (Shanghai)			
40 ft. Containers to Bangladesh (Chittagong)			
40 ft. Containers to Myanmar (Yangon)	345	350	
KC Rail Yard (delivered ramp)	292	291	289
Elwood, IL Rail Yard (delivered ramp)	290	287	287

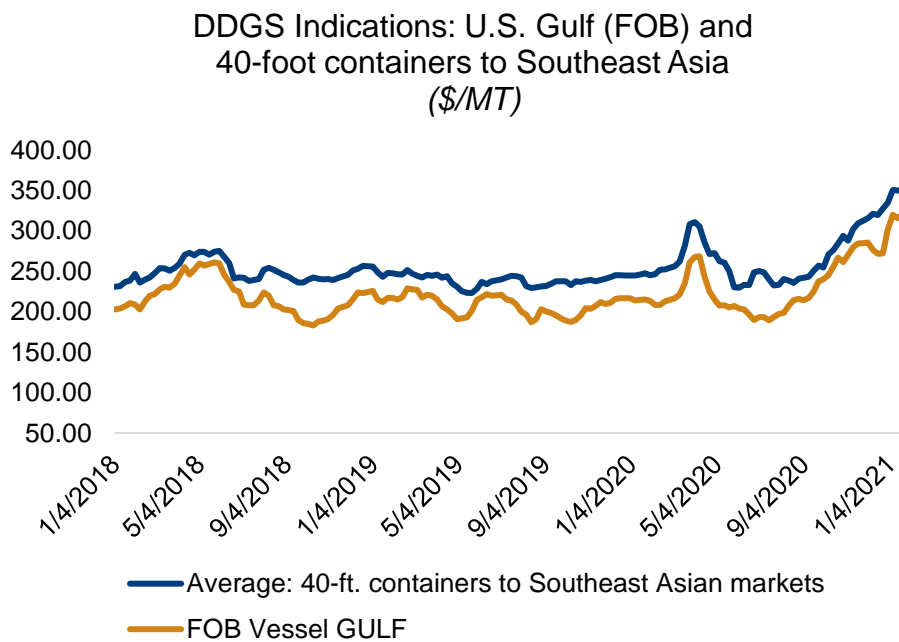
*Source: World Perspectives, Inc. *Prices are based on offer indications only; terms of delivery, payment and quality may vary from one supplier to another, impacting the actual value of the price.*

Distiller's Dried Grains with Solubles (DDGS)

DDGS Comments: U.S. DDGS values continue to rally with FOB ethanol plant values rising another \$7.50/MT this week. The market has been supported by stronger soymeal prices, with Kansas City offers rising \$16.50/MT this week to \$485.50/MT. The DDGS/cash corn price ratio currently sits at 119 percent, up from last week and above the three-year average of 110 percent. The DDGS/soymeal ratio is up from last week at 50 percent and is above the three-year average of 42 percent.

Industry sources say domestic DDGS demand remains firm amid the rally while export interest has slowed this week. Buyers for Southeast Asia are reportedly reluctant to show interest out of concern that will push offers higher. Sources say there is a lot of interest waiting for offers to decline even slightly.

Barge CIF NOLA offers are up \$9-12/MT this week while FOB NOLA offers are up \$5/MT on average. U.S. rail rates are largely steady while offers for 40-foot containers to Southeast Asia are down \$1-3/MT at an average of \$348/MT for February shipment.



Source: World Perspectives, Inc.

Country News

Argentina: The movement of grain through the Rosario export hub have returned to normal following an end to protests by truckers. The Buenos Aires Grain Exchange forecasts corn planting at 93.4 percent complete. The Soybean and Corn Advisor says soil moisture for corn is now rated 13 percent short to very short and 87 percent favorable to optimum. Increased yields prompted the FAS attaché to raise estimated barley production by 150 KMT to 3.85 MMT with exports at 2.6 MMT. By contrast, drought prompted the attaché to peg 2020/21 corn production at 47 MMT, 500 KMT lower than the WASDE estimate. Corn sales are currently being rushed ahead of a rumored increase in the export tax. exports have Strong demand from China prompts the attaché to increase estimated sorghum exports by 400 KMT to 1.4 MMT. (Reuters; Refinitiv; FAS GAIN)

Brazil: The Instituto Matogrossense de Economia Agropecuária (IMEA) forecasts the safrinha corn planting progress at 1 percent, versus 9.8 percent last year and the 9.6 percent long-term average. Deral reports corn planting in Parana at 1 percent complete, versus 2 percent a year ago. AgroConsult forecasts 2020/21 total corn production at 109 MMT, up 200 KMT from its November estimate. Recent rains prompted the Soybean and Corn Advisor to raise its estimate of maize production by 3 MMT to a total of 105 MMT. The USDA estimate is 109 MMT. However, the rains have slowed the pace of planting the safrinha corn crop as harvesting soybeans is being interrupted. Corn futures prices in Brazilian Reals hit a fresh record high, supported by the weak currency, and rallying US prices. January corn exports edge close to 2 MMT. (Reuters; AgriCensus)

China: The purchase of 1.36 MMT of U.S. corn was the largest in six months and only the fifth time since 1994 that American corn sales to China have exceeded 1 MT in a single day. The FAS attaché in Beijing says MY 2020/21 corn imports could total 22 MMT, which is 4.5 MMT above the USDA estimate, but the CEO of a major grain supplier says the number could rise to about 25 MMT. One private firm says corn imports could be 25 to 40 MMT. Feed demand will rise 6 percent this year and one estimate is that China has bought 11.7 MMT of corn thus far this marketing year with 5.2 MMT of it already shipped. (Refinitiv; Successful Farming; FAS GAIN)

EU: Corn imports during the week ending 24 January were 150,346 MT, the lowest level since the start of the marketing year. (European Commission)

Mexico: The FAS attaché says drought coupled with limited irrigation will reduce corn production to 27.8 MMT in 2020/21. Sorghum production is estimated at 4.6 MMT and exports to China could reach 50 – 100 KMT following an agreement on phytosanitary protocols. The consultancy Grupo Consultor De Mercados Agrícolas says corn imports in 2020 were down 1.1 percent from 2019. Mexico is purchasing 35 KMT of ISCC certified malting barley from Australia's CBH. (FAS GAIN; AgriCensus; World Grain)

Jordan: The Ministry of Industry and Trade (MIT) purchased 120 KMT of barley at \$258.95/MT for June-July delivery. (AgriCensus)

Saudi Arabia: The Saudi Grains Organization (SAGO) bought 660 KMT of feed barley for March/April delivery. The average price paid was \$277.65, a significant jump higher from SAGO's previous purchase. (Reuters)

South Africa: The area planted to maize is 7 percent larger than last season as farmers are encouraged by good weather and higher prices. A Reuters survey of crop analysts predicts that the Crop Estimates Committee will increase its forecast for 2020/21 maize area to 2.78 million hectares, up from the 2.61 million hectares planted last season. USDA predicts a 16 MMT crop. Separately, a government ban on alcohol to fight Covid is hurting sales by barley to farmers to beer makers. (Refinitiv)

South Korea: After culling 23 million birds due to an outbreak of H5N8 avian influenza, this year's feed demand is expected to be lower. (S&P Global Platts)

Ukraine: The Economy Ministry increased its estimate of 2020/21 corn production by 1 MMT to 30.3 MMT and reached agreement with unions representing farmers and grain traders to allow corn exports at 24 MMT. Livestock producers had asked the Ministry to limit corn exports to 22 MMT. Prior to the announced increase, corn prices had declined \$5 - \$6/MT to the equivalent of \$6.46 - \$6.73/bushel. With this past week's loading of 800 KMT, corn exports this marketing year have surpassed 11 MMT. (Reuters; Refinitiv; AgrCensus)

Ocean Freight Markets and Spreads

Bulk Freight Indices for HSS — Heavy Grain, Sorghum and Soybeans* January 28, 2021			
Route and Vessel Size	Current Week (USD/MT)	Change from Previous Report	Remarks
55,000 U.S. Gulf-Japan	\$46.50	Up \$0.25	Handymax \$47.00 MT
55,000 U.S. PNW- Japan	\$26.50	Unchanged	Handymax \$27.00 MT
66,000 U.S. Gulf – China	\$45.50	Up \$0.50	North China
PNW to China	\$25.00	Unchanged	
25,000 U.S. Gulf - Veracruz, México	\$20.50	Up \$0.50	3,000 MT daily discharge rate
30-36,000+ U.S. Gulf - Veracruz, México	\$17.25	Up \$0.50	Deep draft and 6,000 MT per day discharge rate.
30-38,000 U.S. Gulf - Colombia	\$23.50	Up \$0.50	<u>West Coast Colombia at \$33.50</u>
<u>East Coast Colombia</u> From Argentina	<u>\$33.50</u> \$35.00		USG to E/C 50,000 MT at \$19.00
43-45,000 U.S. Gulf - Guatemala	\$30.50	Up \$0.50	Acajutla/Quetzal - 8,000 out
26-30,000 U.S. Gulf – Algeria	\$43.50 \$45.50	Up \$0.50	8,000 MT daily discharge 3,000 MT daily discharge
26-30,000 US Gulf - Morocco	\$44.50	Up \$0.50	5,000 discharge rate
55-60,000 U.S. Gulf –Egypt	\$33.50	Up \$0.25	60,000 -55,000 MT -Egypt
PNW to Egypt	\$33.25		Romania- Russia- Ukraine \$14.00-\$14.00 -\$14.50 France \$19.50
60-70,000 U.S. Gulf – Europe, Rotterdam	\$18.00	Down \$1.00	Handymax at +\$1.75-\$2.00 more
Brazil, Santos – China	\$36.25	Up \$0.25	54-59,000 Supramax-Panamax
Brazil, Santos – China	\$35.75		60-66,000 Post Panamax
Northern Coast Brazil - China	\$36.75		Upriver No. Brazil Plus -55,000 MT Plus \$7.50/MT
56-60,000 Argentina/Rosario- China, Deep Draft	\$42.00	Up \$0.25	Upriver with BB Top Off Plus \$3.75 MT

Source: O'Neil Commodity Consulting

*Numbers for this table based on previous night's closing values.

Ocean Freight Comments

Transportation and Export Report: Jay O'Neil, O'Neil Commodity Consulting: Q1 of 2021 remains challenging for vessel owners as global cargo demand is not picking up as quickly as hoped. Market action this week was another up and down battle with physical markets unwilling to follow FFA paper traders' lead. This resulted in a generally soft market at weeks end. The Panamax sector fared a bit better than the Capsize market this week. Rates are expected to gradually climb through the year, but vessel owners will have to be patient as it will not be a straight shot.

Baltic-Panamax Dry-Bulk Indices				
January 28, 2021	This Week	Last Week	Difference	Percent Change
Route				
P2A: Gulf/Atlantic – Japan	23,841	23,518	323	1.4
P3A: PNW/Pacific– Japan	13,051	13,230	-179	-1.4
S1C: U.S. Gulf-China-S. Japan	24,786	24,389	397	1.6

Source: O'Neil Commodity Consulting

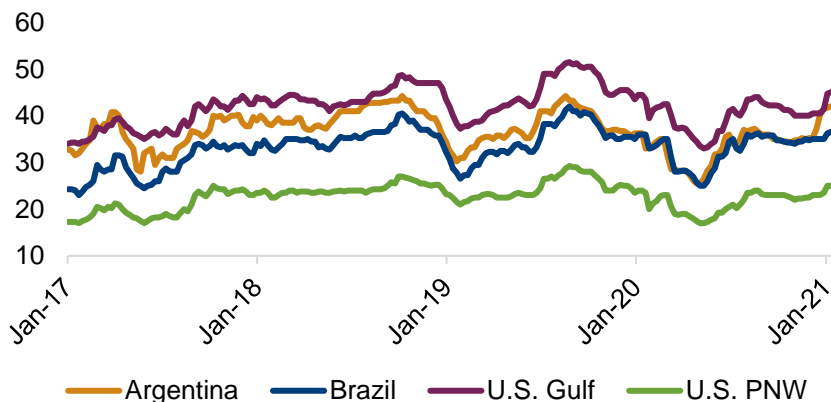
Capesize Vessel Freight Values Western Australia to South China (iron ore)	
Four weeks ago:	\$7.15-7.45
Three weeks ago:	\$7.45-8.95
Two weeks ago:	\$9.85-10.35
One week ago:	\$7.75-8.20
This week	\$6.35-7.70

Source: O'Neil Commodity Consulting

U.S.-Asia Market Spreads					
January 28, 2021	PNW	Gulf	Bushel Spread	MT Spread	Advantage
#2 Corn	1.39	0.89	0.50	\$19.68	Both
Soybeans	1.40	0.85	0.55	\$20.21	Gulf
Ocean Freight	\$25.00	\$45.50	0.52-0.56	\$20.50	February

Source: O'Neil Commodity Consulting

Bulk Grain Freight Rates to China from Select Origins



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

Bulk Grain Freight Rates for Key Suppliers and Destinations January 28, 2021

Origin	Destination	This Week	Monthly Change	Monthly % Change	Yearly Change	Yearly % Change	2-Year History
<i>Panamax/Supramax Vessels</i>							
U.S. Gulf		46.50	4.5	10.7%	1.5	3.3%	
U.S. PNW	Japan	26.50	2.75	11.6%	2.25	9.3%	
Argentina		41.50	6	16.9%	6	16.9%	
Brazil		37.50	7	23.0%	3	8.7%	
U.S. Gulf		45.50	5	12.3%	2	4.6%	
U.S. PNW	China	25.00	2	8.7%	1.5	6.4%	
Argentina		42.00	4.75	12.8%	5.75	15.9%	
Brazil		36.75	1.75	5.0%	0.75	2.1%	
U.S. Gulf		19.00	0	0.0%	2	11.8%	
Argentina	Europe	20.50	0	0.0%	-8	-28.1%	
Brazil		26.50	0	0.0%	-5	-15.9%	
Argentina	Saudi Arabia	40.50	0	0.0%	-4	-9.0%	
Brazil		47.50	3	6.7%	0	0.0%	
U.S. Gulf		33.50	5.00	17.5%	6.00	21.8%	
U.S. PNW	Egypt	33.00	3.90	13.4%	6.00	22.2%	
Argentina		29.50	0.00	0.0%	1.00	3.5%	
Brazil		31.50	0.00	0.0%	-2.00	-6.0%	
<i>Handysize Vessels</i>							
U.S. Gulf		44.50	4.00	9.9%	9.00	25.4%	
U.S. Great Lakes	Morocco	44.00	0.00	0.0%	2.30	5.5%	
Argentina		28.50	0.00	0.0%	1.00	3.6%	
Brazil		32.50	1.00	3.2%	-9.00	-21.7%	
U.S. Great Lakes	Europe	43.00	0.00	0.0%	3.30	8.3%	
Brazil		31.70	0.10	0.3%	0.35	1.1%	
Argentina	Algeria	30.50	0.00	0.0%	-3.00	-9.0%	
Brazil		32.50	0.00	0.0%	-14.00	-30.1%	
U.S. Gulf		23.50	3.50	17.5%	4.00	20.5%	
U.S. PNW	Colombia	33.00	3.00	10.0%	2.25	7.3%	
Argentina		35.00	4.00	12.9%	1.75	5.3%	
<i>Shipping Indexes</i>							
Baltic Dry Index		1810	448	32.9%	1264	231.5%	

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