

Ags, metals, and freight: What's next for Latam markets?

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30 September 2026

Grains trade in 2026/27





01

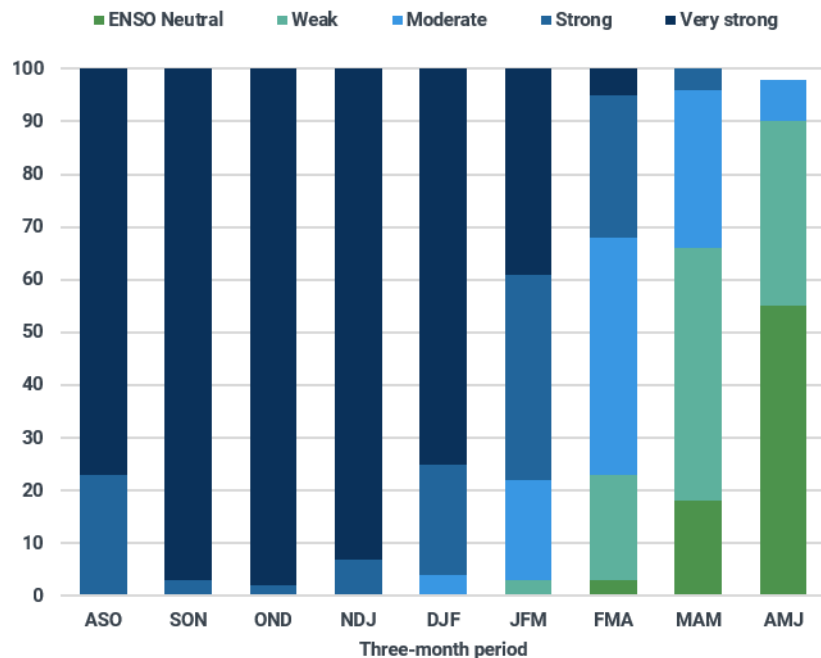
El Niño builds strength



El Niño strength outlook

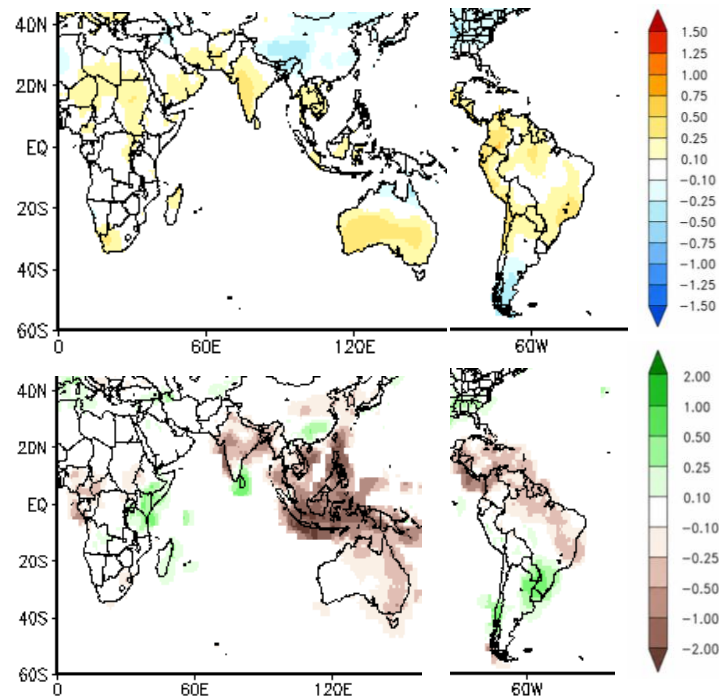
With a very strong El Niño event expected during the end of the year, several regions face production concerns

El Niño strength probability (as of September, %)



Source: NOAA

El Niño impact Sep-Nov (°C (top) and mm/day (bottom) per standardised Niño3.4 value)

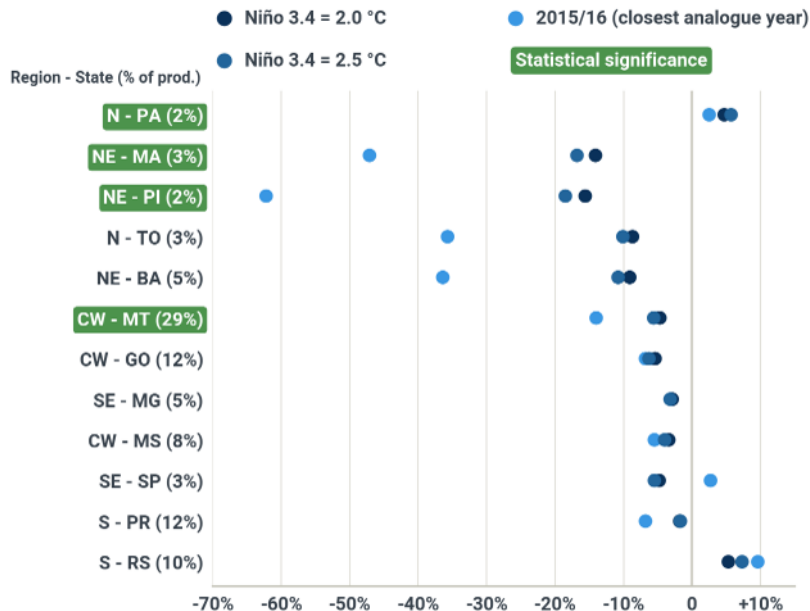


Source: NOAA

Both exporters and importers may face yield penalties

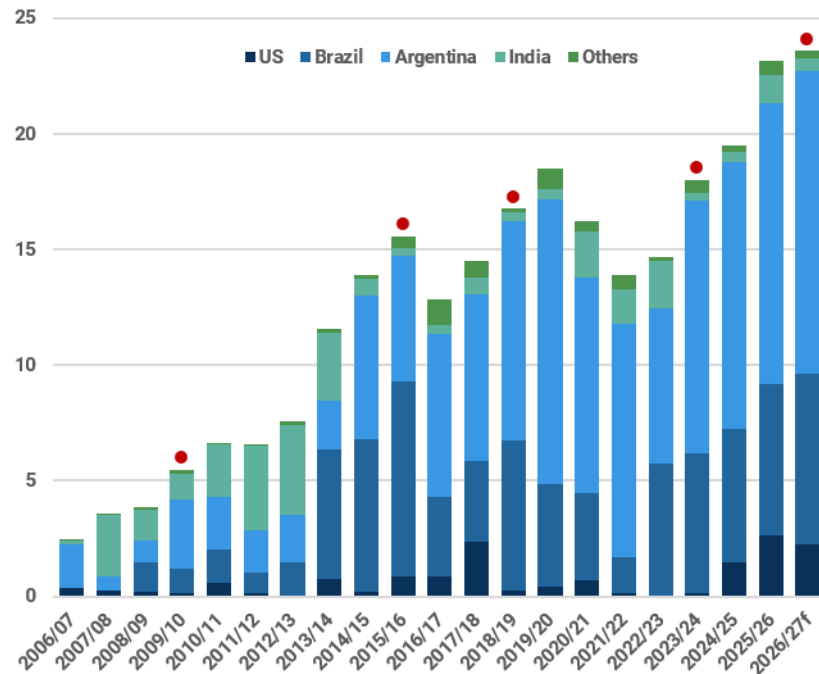
Australian wheat, Brazil's soybean crop and domestic feed-grain production in Southeast Asia are affected

El Niño impact on Brazilian soybean yield (SON, OND, NDJ)



Source: NOAA, Conab, Kpler Insight

Southeast Asian corn demand correlates with El Niño (Mt)



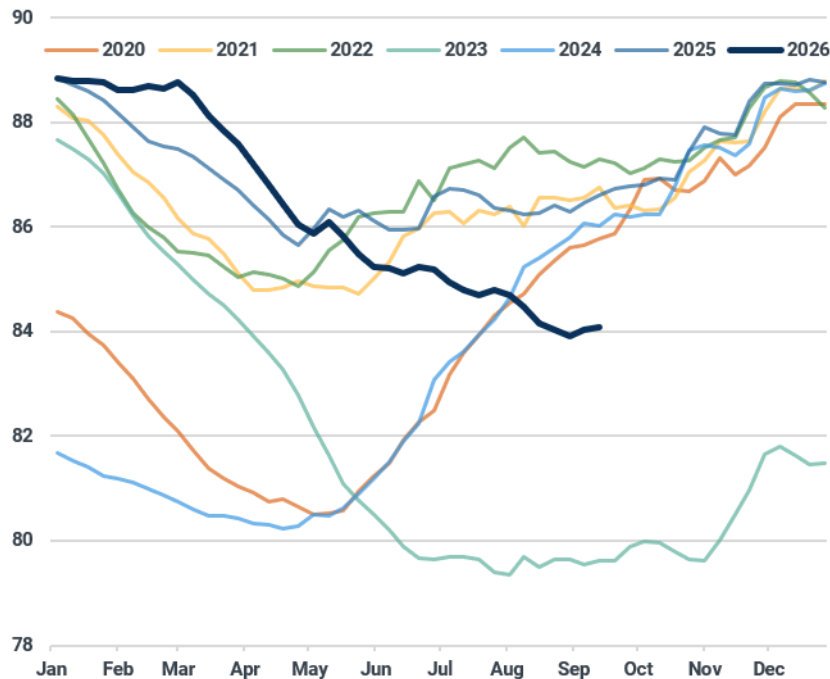
Source: Kpler Insight

Panama Canal vessel transits

Daily transits are already being limited through the Panama Canal, with the potential for further reductions

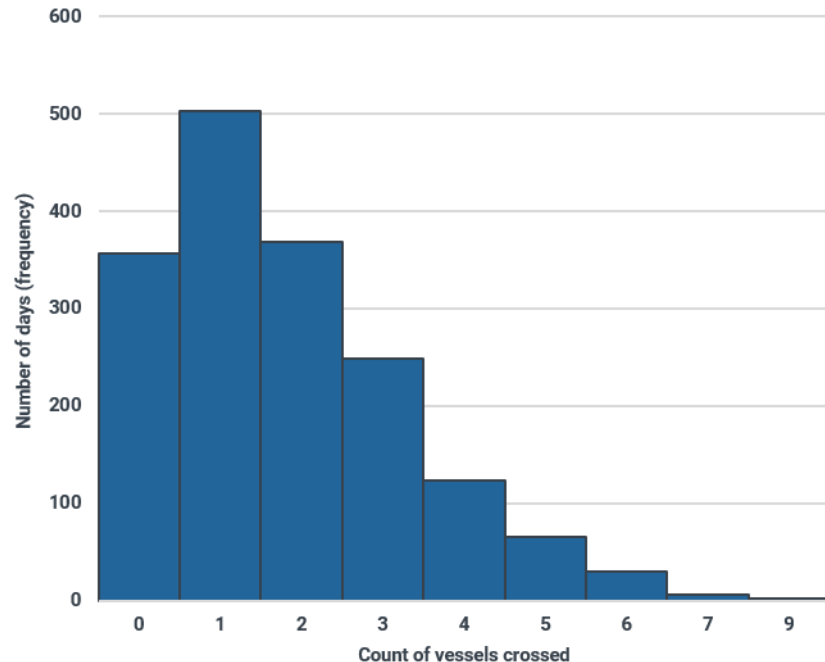
6

Gatun Water Level (ft)



Source: Panama Canal Authority

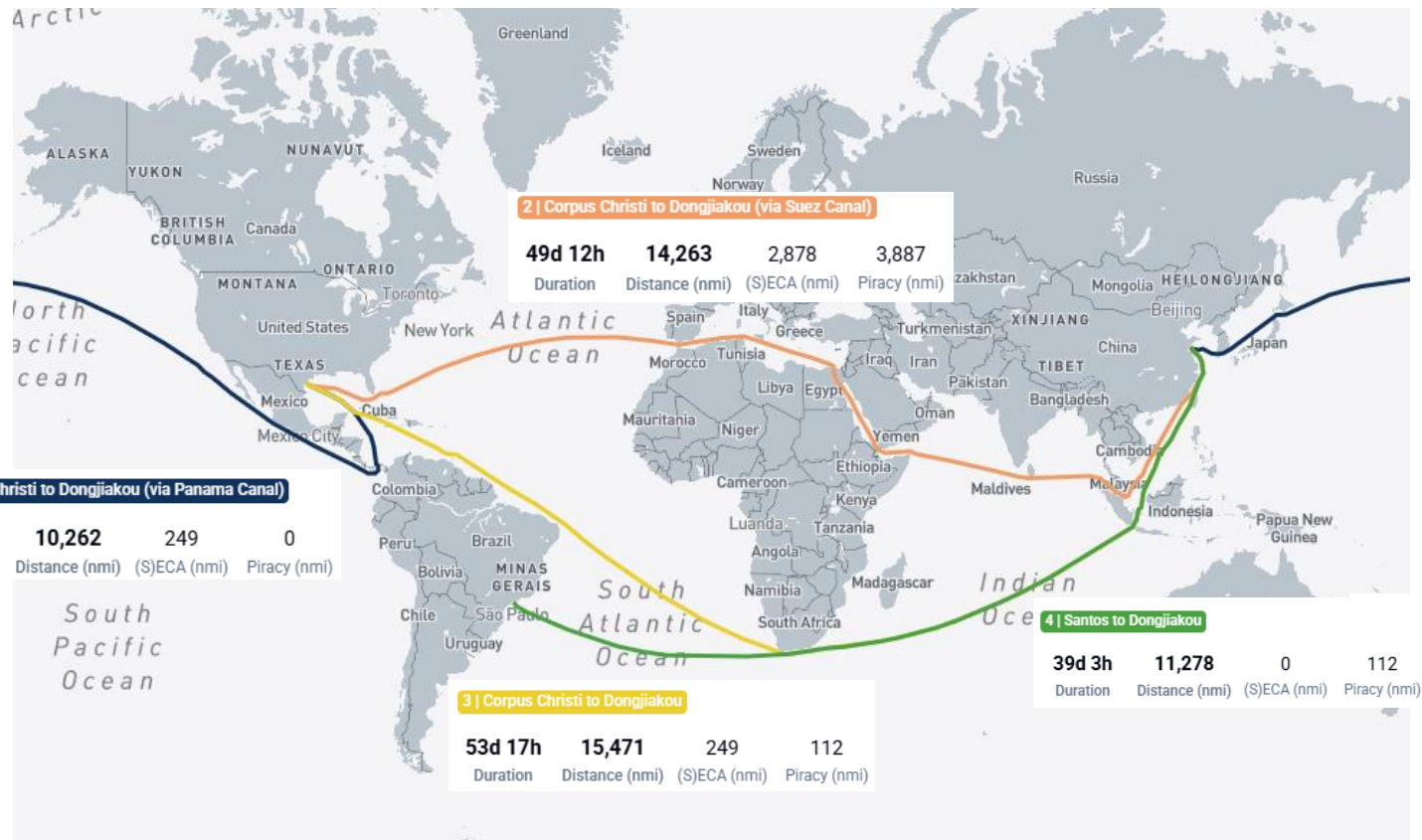
Frequency count of agricultural cargoes transiting the Panama Canal since 2022



Source: Kpler

Panama restrictions will add costs to US exports

Voyages from the US Gulf to Asia will be 50% longer



Source: Kpler



02

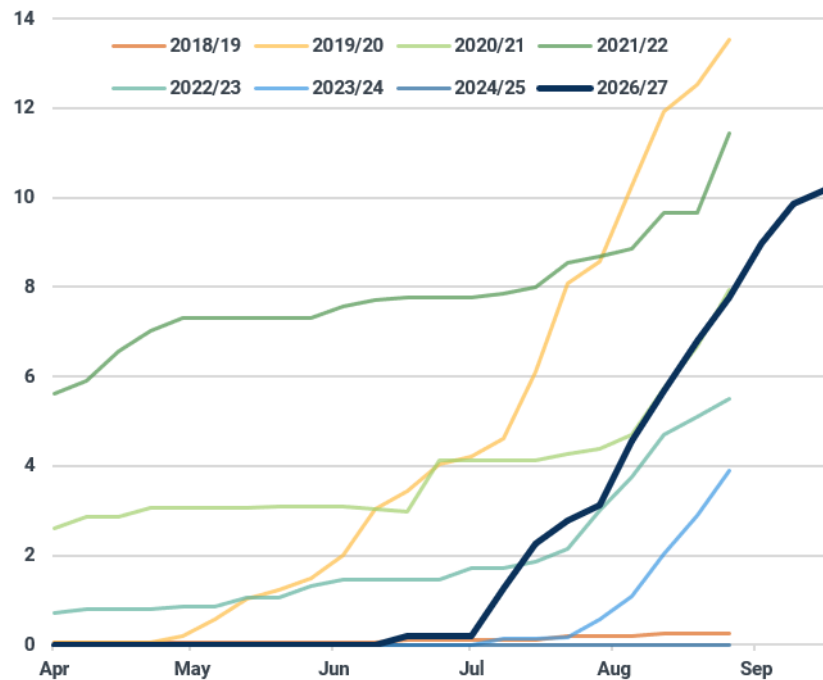
China's US agricultural purchase commitments



China's 25 Mt US soybean purchase commitment

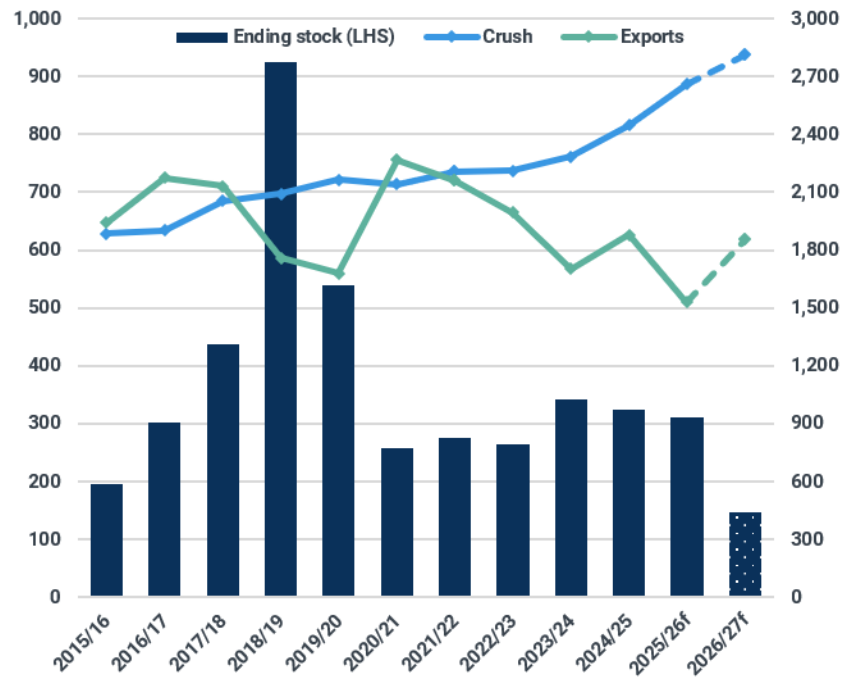
Growing structural support from biofuel sector leaves the US less reliant on export demand to balance domestic stocks

US soybean sales to China (Mt)



Source: USDA

US soybean crush, exports, and ending stocks (mbu)

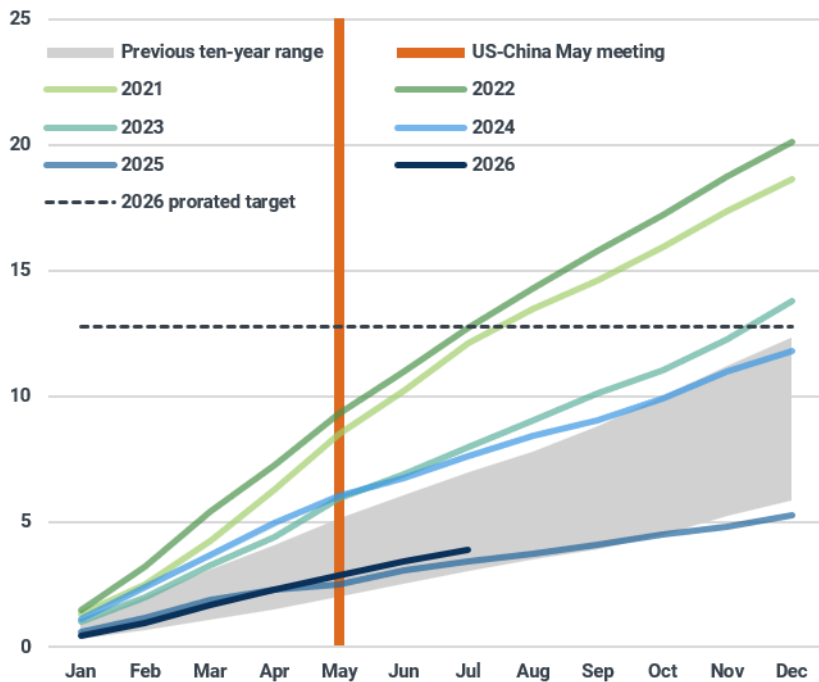


Source: Kpler Insight

China commits to broader purchases of US agricultural products

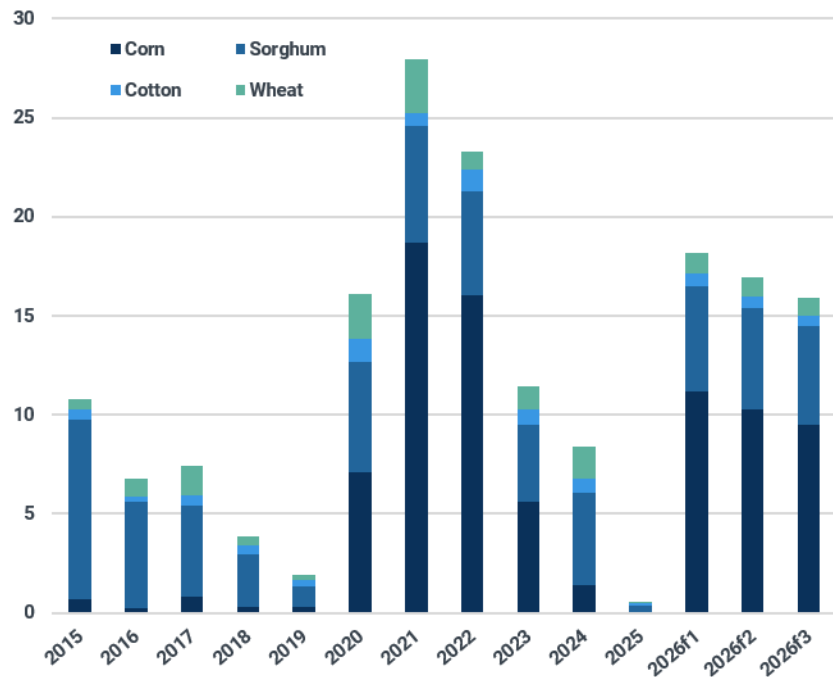
China's \$17bn annual purchase commitment, prorated for 2026 after the May agreement, has seen little progress so far

Cumulative US agricultural sales (exc. soybeans) (\$ bn)



Source: US Census Bureau

US ag exports to meet China's purchase commitment (Mt)



f1: 10% commodity price rise, f2: 20% commodity price rise, f3: 30% commodity price rise
Source: US Census Bureau, Kpler Insight

03

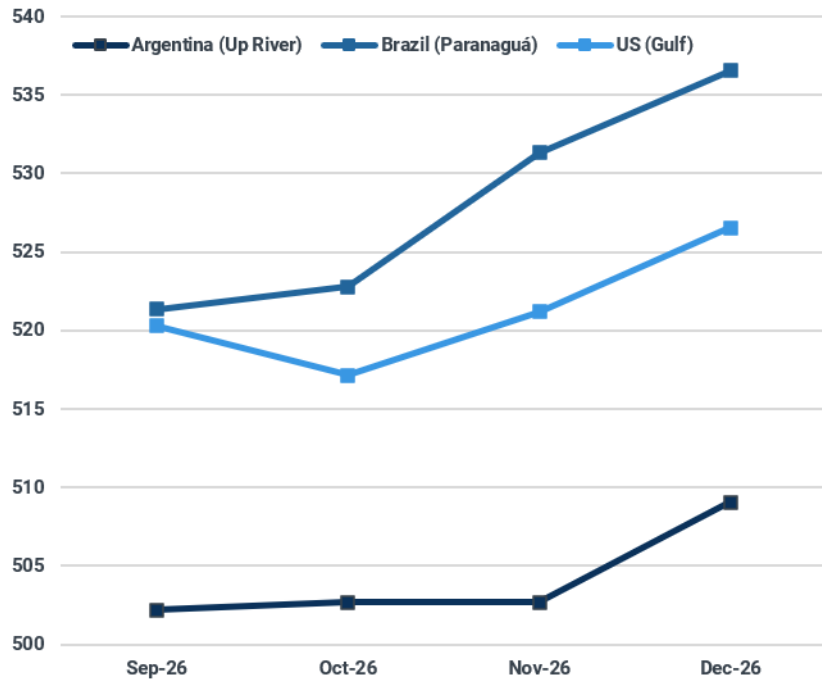
US crop fundamentals



US soybean fundamentals

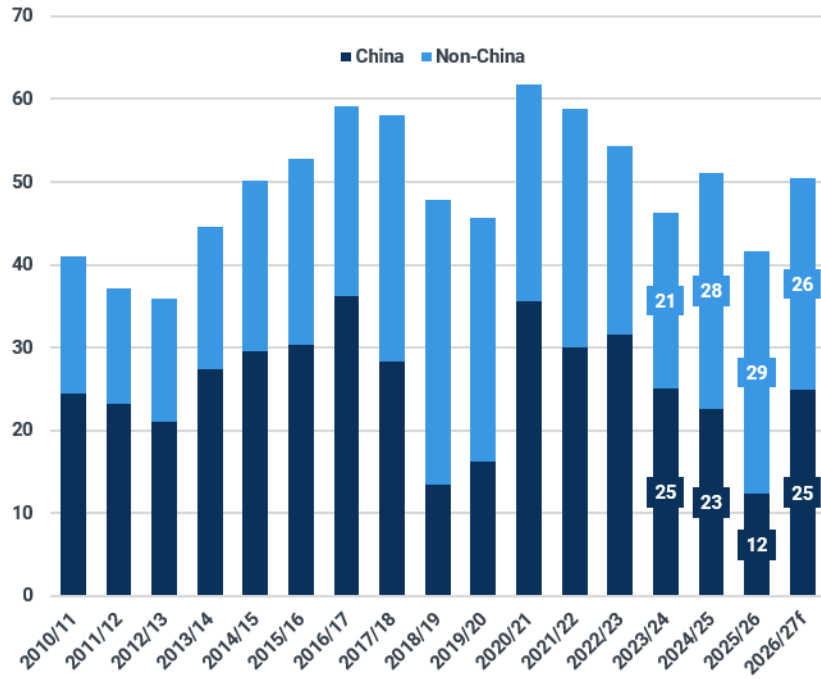
Despite expecting 25 Mt of Chinese export demand, US soybeans continue to price at a discount to Brazil

Soybean FOB offers (\$/t)



Source: Barchart

US exports by destination (Mt)

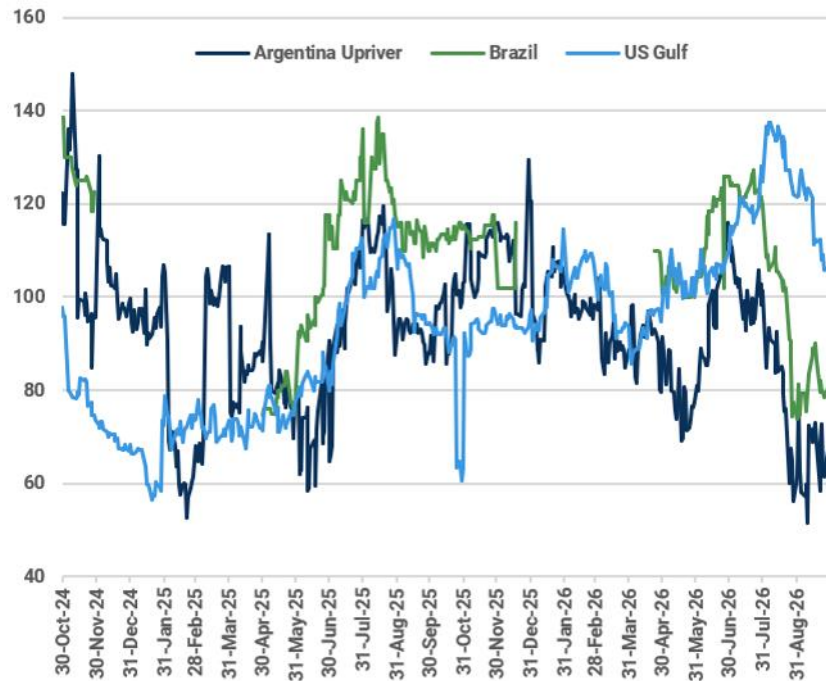


Source: Kpler Insight

US corn fundamentals

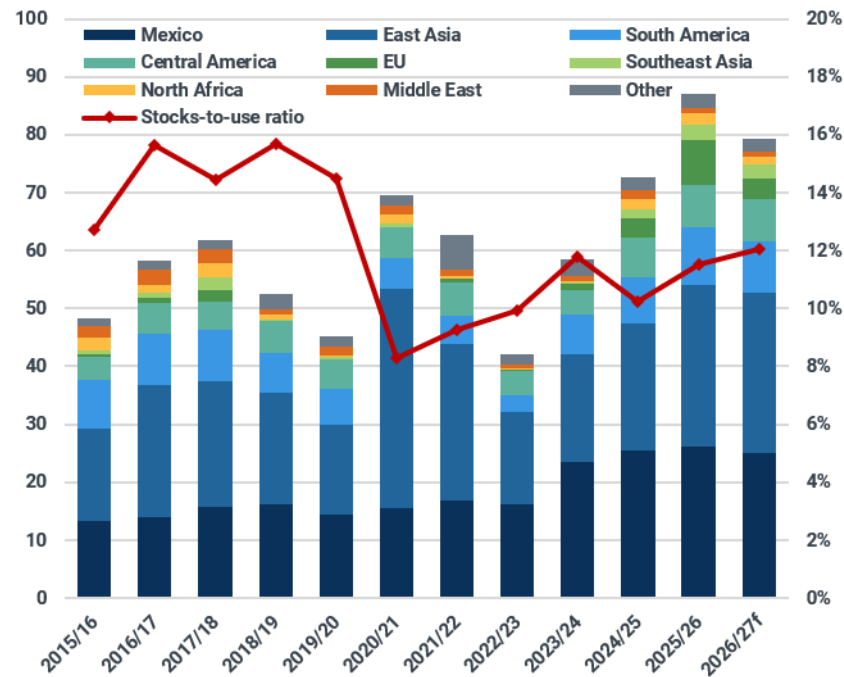
Softer export competitiveness from the US could see South America pickup greater global demand

Corn FOB basis (¢/bu)



Source: Barchart

US corn exports (Mt) and stocks-to-use ratio (%)



Source: Kpler Insight



04

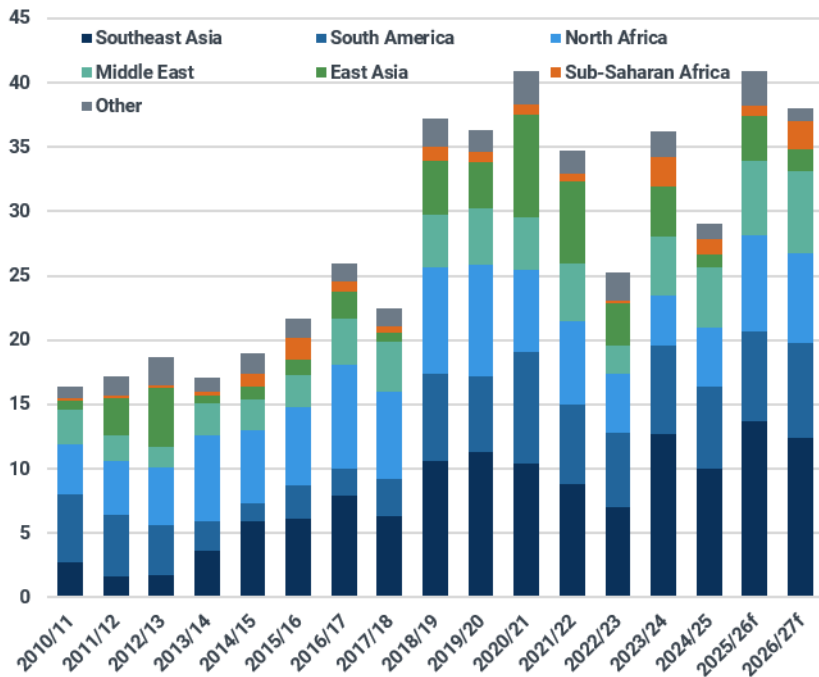
South American grain exports



Argentine grain exports

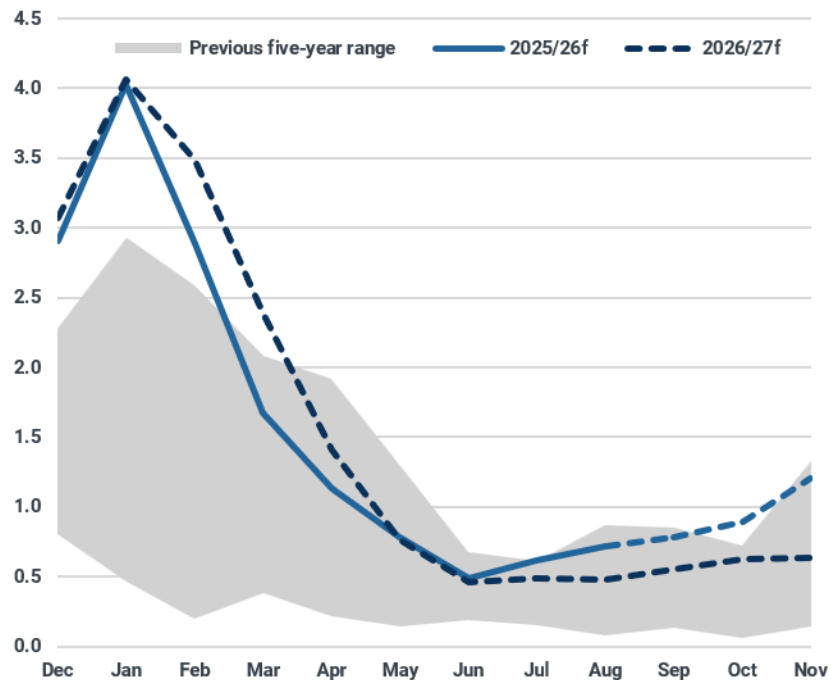
Another sizable wheat crop is expected for harvest later this year, while the outlook for corn production is optimistic

Corn exports (Mt)



Source: Kpler Insight

Wheat exports (Mt)



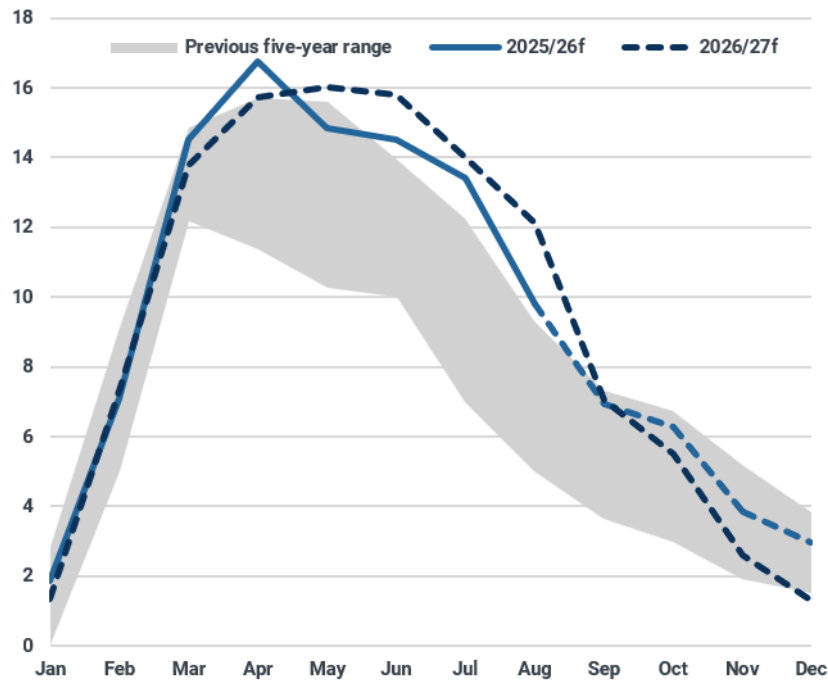
Source: Kpler Insight

Brazil grain exports

El Niño presence could impact soybean export dominance, while corn exports yet to show aggressive competitiveness

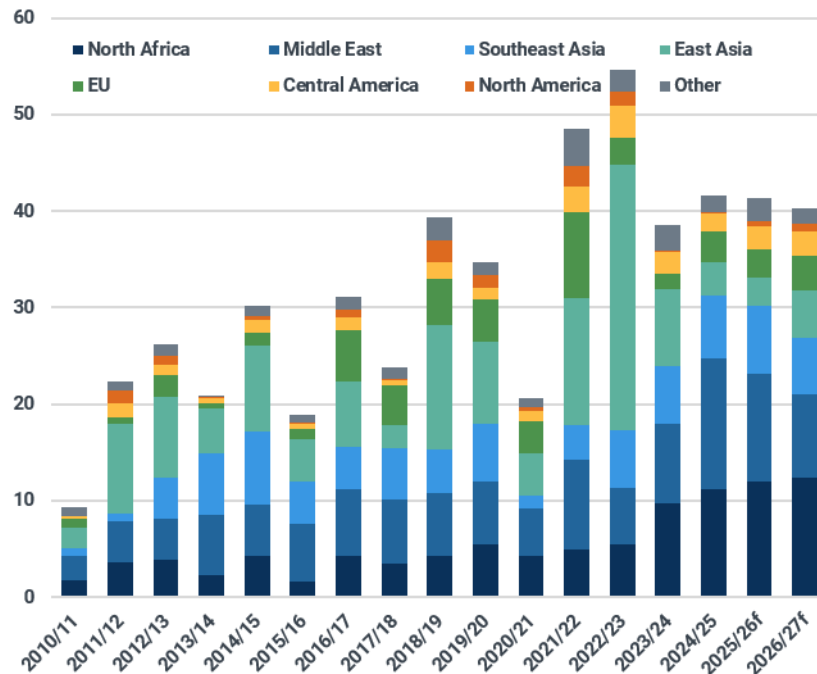
16

Soybean exports (Mt)



Source: Kpler Insight

Corn exports (Mt)



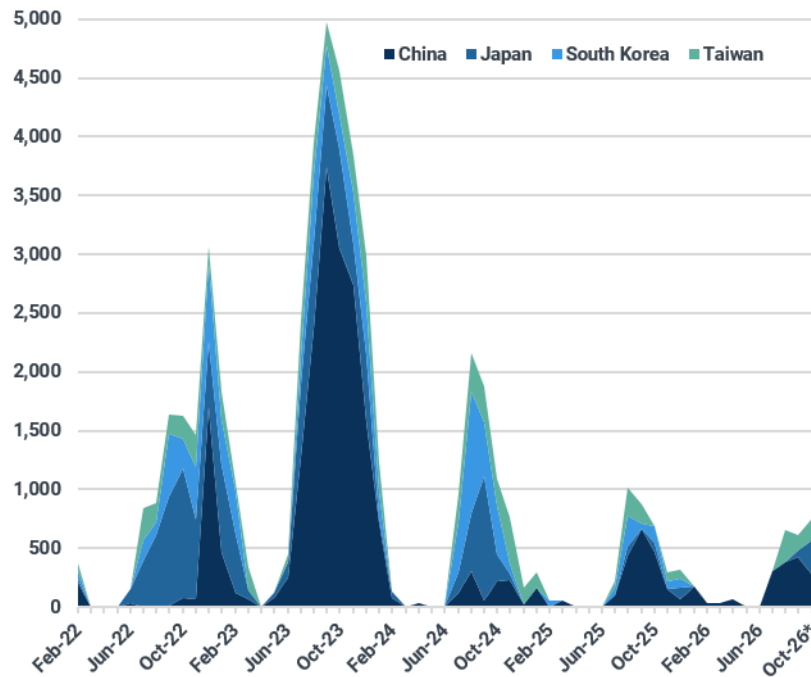
Source: Kpler Insight

South American corn trade

With ample supply of Brazilian and Argentine corn, key export destinations have been showing signs of stronger demand

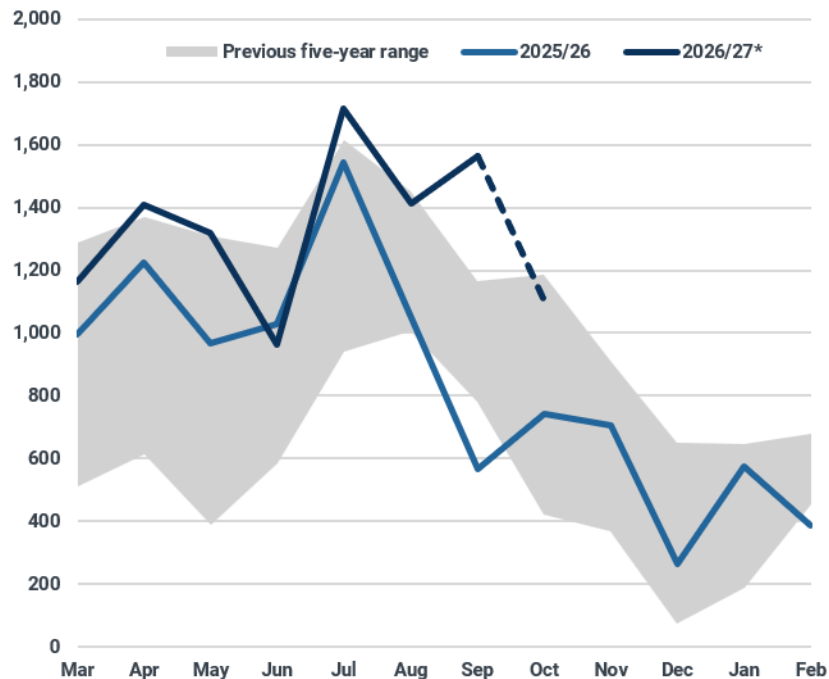
17

Brazilian exports to East Asia (kt)



*as on 30 Sep.
Source: Kpler

Argentine corn exports to Southeast Asia (kt)



*Oct as of 30 Sep.
Source: Kpler

Outlook

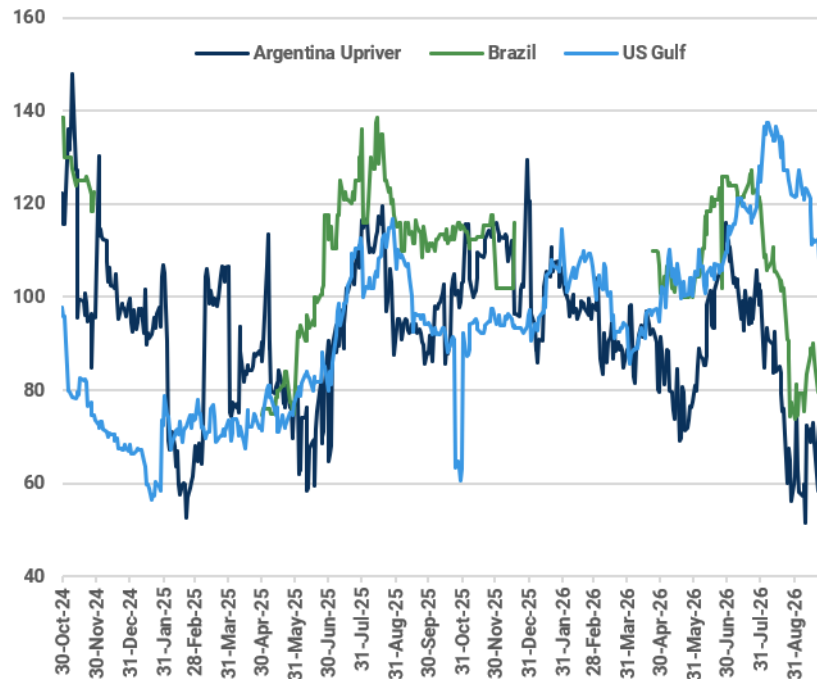


Weather and trade policy will define price direction

Planting weather, acreage, El Niño effect in LatAm and US-China trade deal will be closely watched

- Varied El Niño precipitation in Brazil and Argentina will affect crops differently. **Strong prospects for Argentine wheat and corn will drive production and exports.**
- **Dryness in Centro-South Brazil** will decide soybean production, impacting both its export-surplus and global prices.
- **Argentina, Brazil corn exports are both more competitive than the US and will take market share,** marking a significant shift after two years. Slowdown in Brazilian ethanol stocking?
- US-China trade agreement remains in limbo, indicating continued soybean commitment but little else. **China's ability for significant Brazilian soybean purchases might be limited in 2027.**

Corn basis turns in favour of LatAm exports (¢/bu)



Source: Barchart

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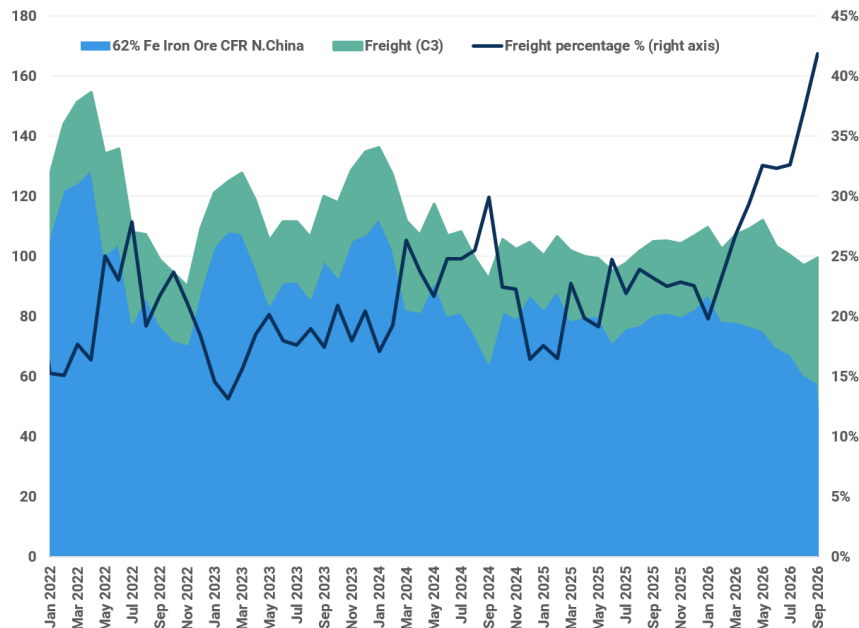
Why freight matters



Why does dry bulk freight matter?

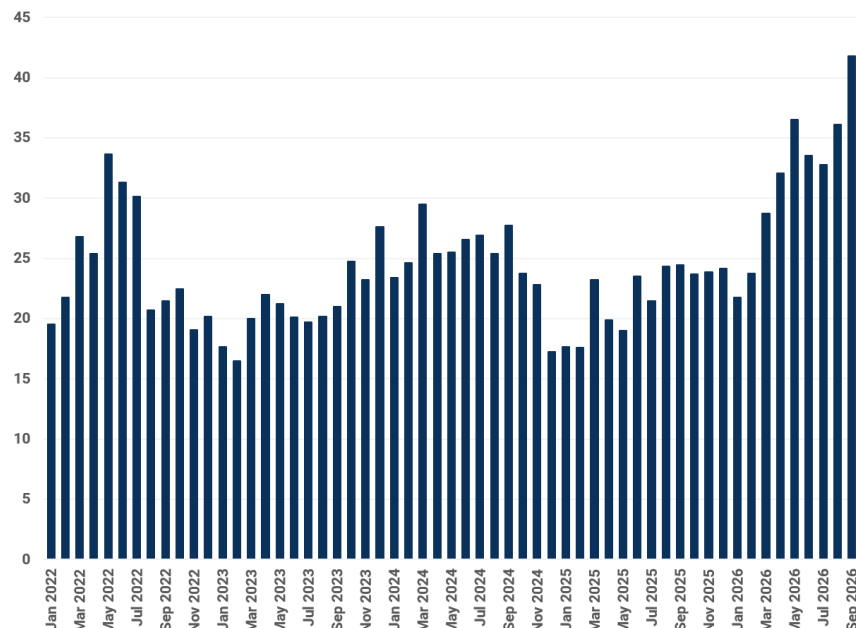
A war-driven surge in bunker costs, plus higher timecharter rates, have boosted freight costs and cut into margins

Chinese iron ore price and freight component (\$/t)



Source: MarketView, SGX, TSI, Baltic Exchange, Kpler Insight

Freight price component in Brazilian iron ore price (\$/t)

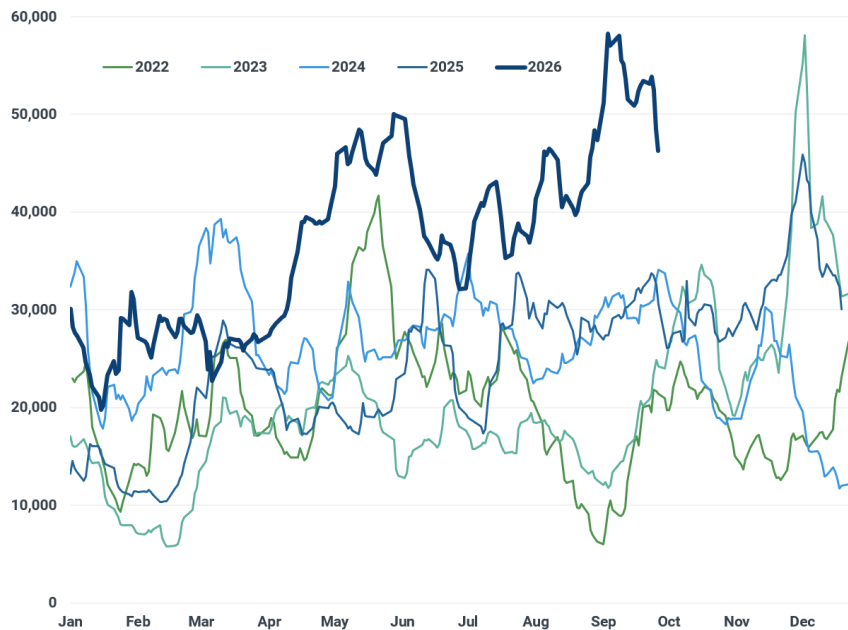


Source: MarketView, SGX, TSI, Baltic Exchange, Kpler Insight

Why is the Capesize market so high?

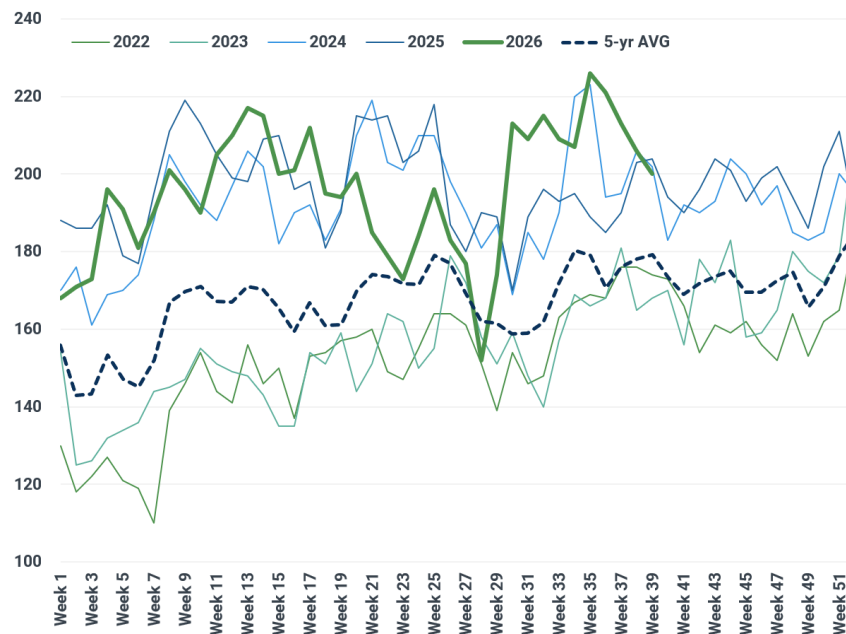
Seasonal and structural factors combine to drive timecharter earnings and spot voyage rates higher

Capesize (182k dwt) 5 TC Average (\$/day)



Source: Baltic Exchange

Laden Capesize (100k+ dwt) vessels in the Atlantic (Count)

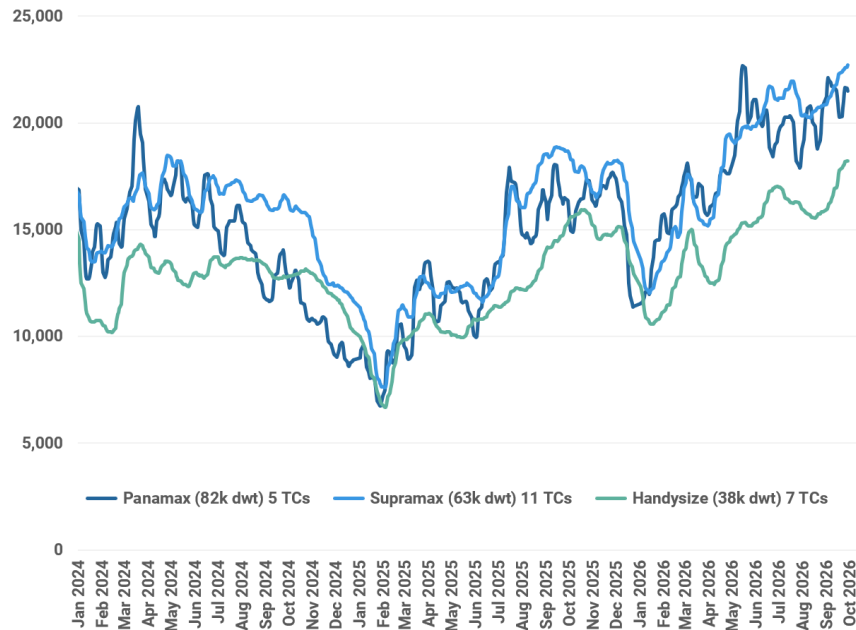


Source: Baltic Exchange

Sub-Capesize earnings also hit multi-year highs

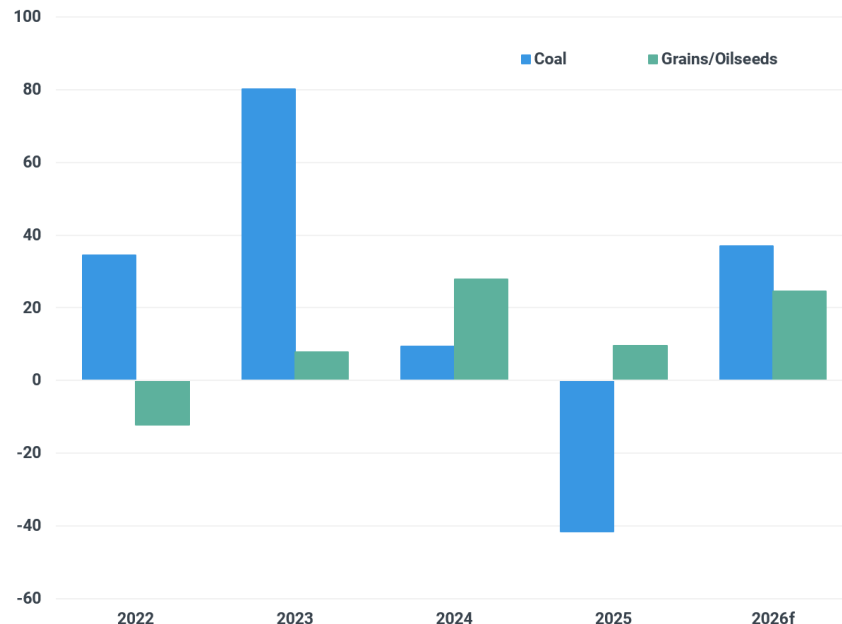
Demand growth, a slow pace of fleet expansion, and the trickle-down effect of the Capesize surge boost earnings

Average timecharter earnings (\$/day)



Source: Baltic Exchange

Annual change in seaborne trade (Mt)

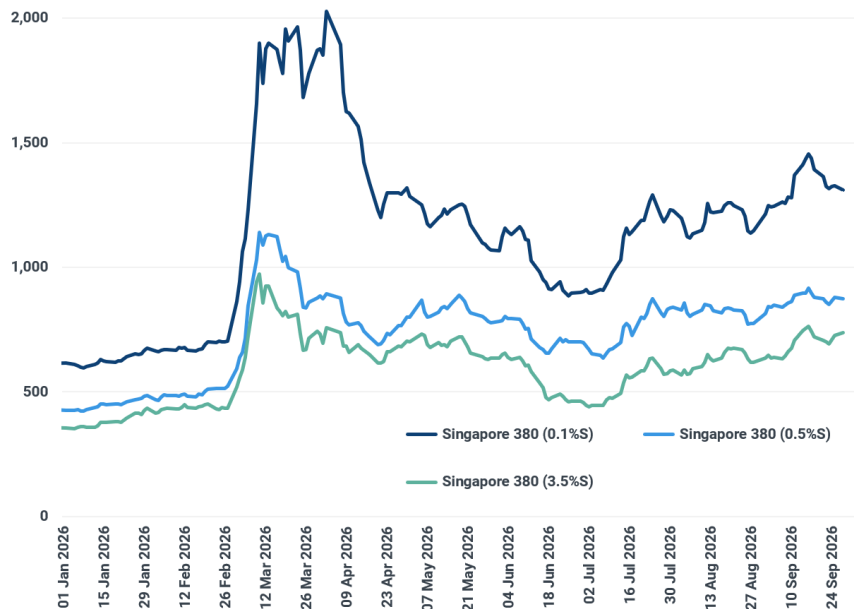


Source: Kpler Insight

Bunker price spikes were part of the story... but less so now, but still important

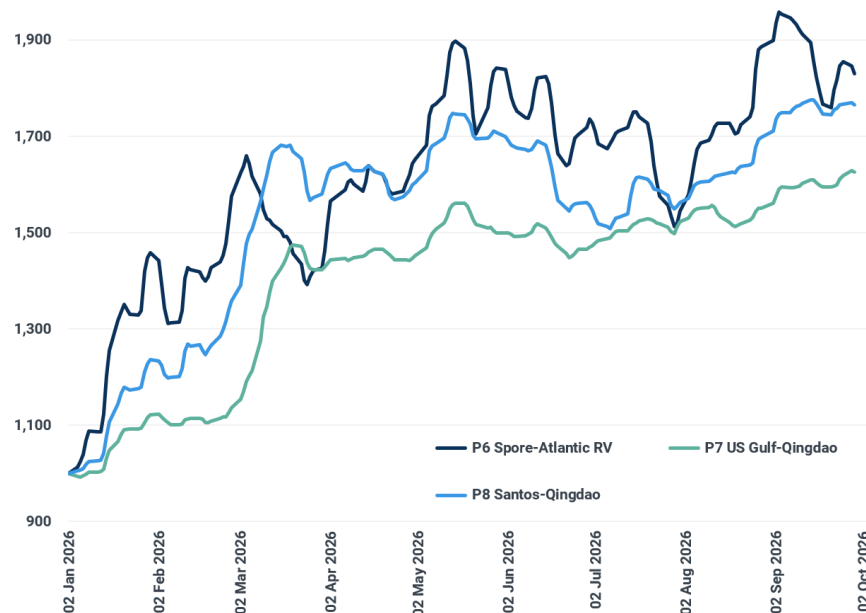
Fuel oil prices have retreated from their war-driven highs, but remain elevated compared to the 1q26

Singapore bunker prices (\$/t)



Source: Baltic Exchange

Panamax TC earnings and spot voyage rates indexed

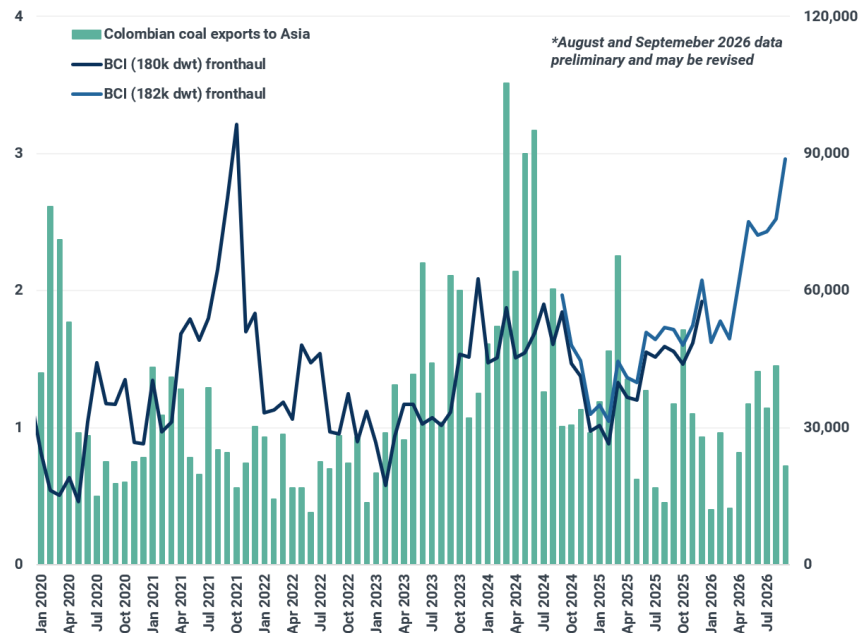


Source: Kpler Insight, Baltic Exchange

Freight costs directly affect purchasing decisions

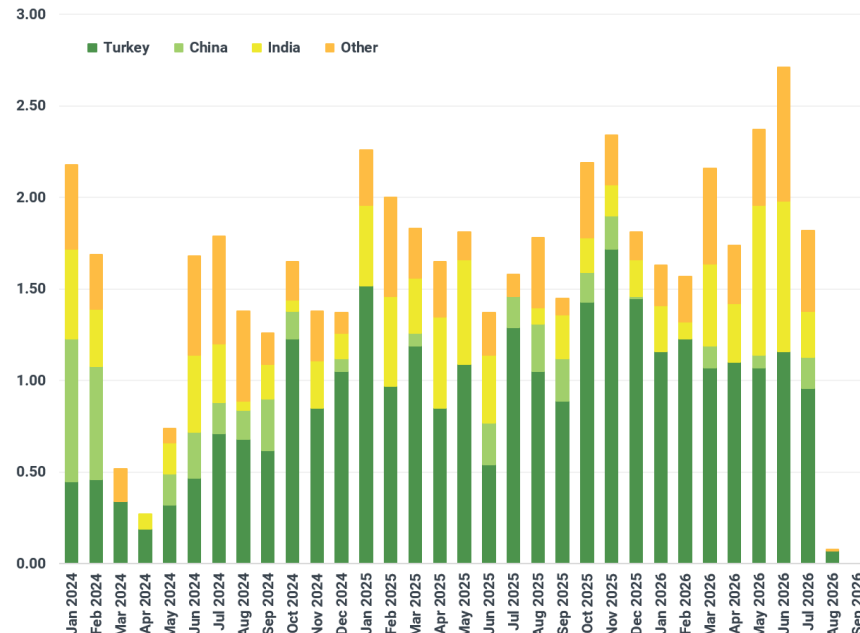
High freight can shut Colombian coal out of the Asian market, but conflict in the MEG and Black Sea offers an outlet

Colombian coal exports to Asia (Mt)



Source: Kpler, Baltic Exchange

Russian Black Sea coal exports by destination country (Mt)

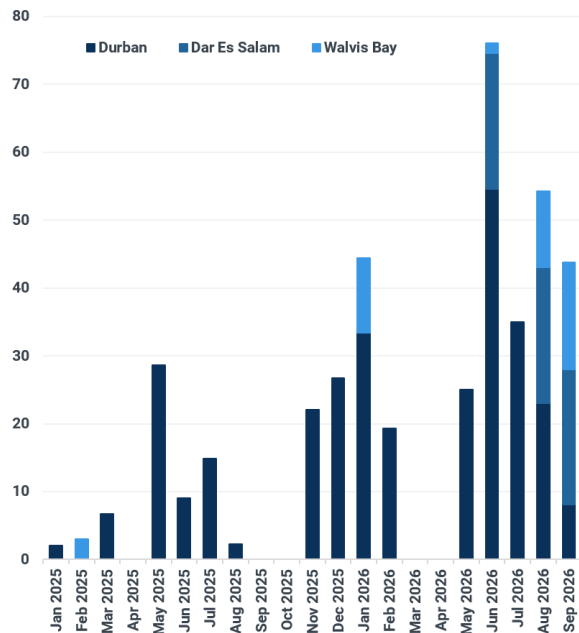


Source: Kpler

Copper prices climbs as market tightens

US cathode imports climb on tariff threat, sulphur constraints force changes to trade, market searches for new volume

Southern African copper cathode exports to the US (kt)



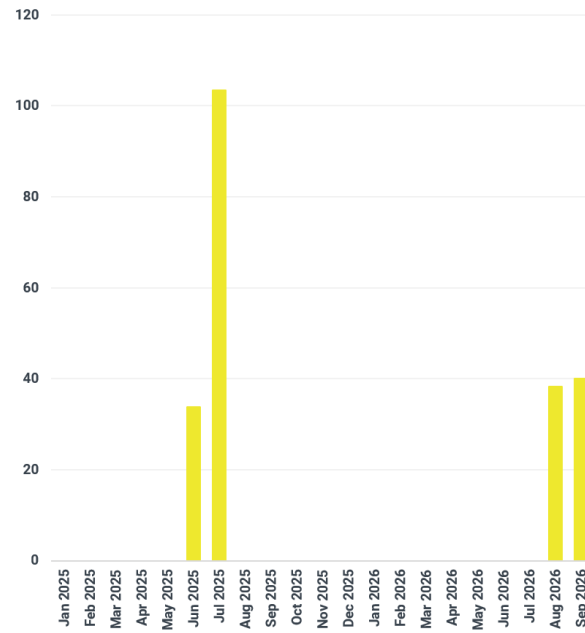
Source: Kpler

Escondida copper concentrate exports: European share grows (kt)



Source: Kpler

Cobre Panama copper concentrate shipments (kt)



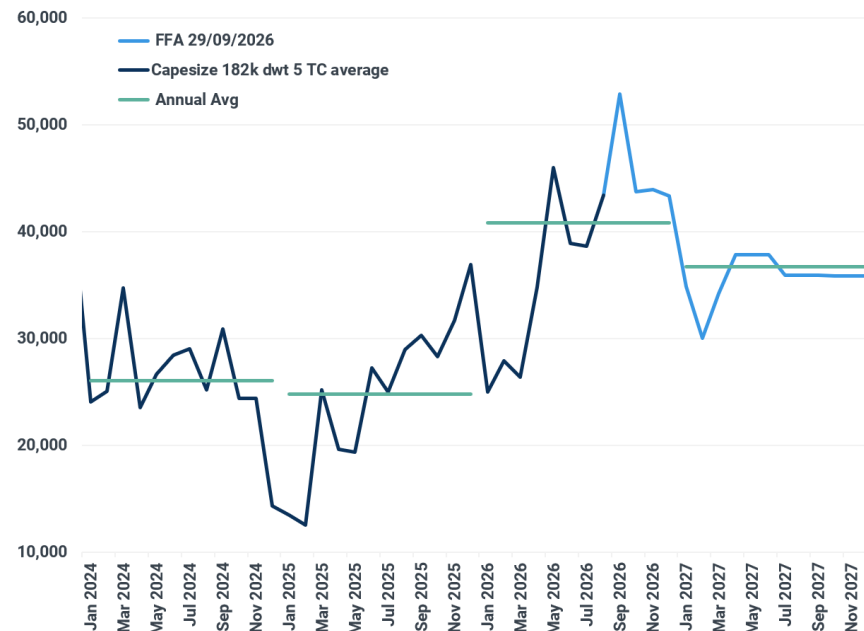
Source: Kpler

Latam freight and metals markets

Distance to market can mean freight often matters more for Latam commodity players

- **A war-driven surge in bunker costs, plus higher timecharter rates**, have boosted freight costs and cut into margins
- **Seasonal and structural factors** combine to drive Capesize timecharter earnings higher
- **Demand growth** from coal and grains, a slow pace of fleet expansion, and the trickle-down effect boost earnings supported sub-Capesize sectors
- **Bunker prices** have retreated from their war-driven highs, but remain elevated
- **Elevated freight costs can direct buying** by Asian consumers however, conflicts in the Middle East and Black Sea have opened new outlets for trade
- **High prices in metals markets makes freight less of a factor** as focus is on commodity supply

Capesize (182k dwt) 5 TCs and FFAs (\$/day)



Source: Baltic Exchange, SGX, Kpler Insight

Q&A





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Thank you

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Webinar

Kpler Pulse: Latam Series

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