REPORT ISM

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Commodity markets // week 8 31

Market fundamentals in brief // week 8

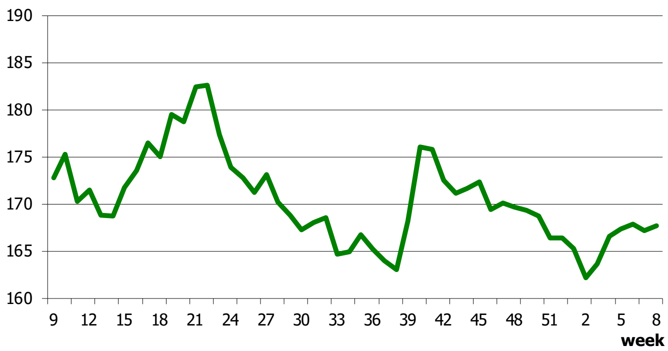
The overall environment is looking more encouraging on the large tonnage freight market. The positive changes have been mainly driven by brisker commodity flows on South Atlantic and Southeast Asian routes. As a result, the week has finished with another $0.72/t increase in the Global HFI, the next $0.34/t rise in the Global PFI, and a U-turn to a $0.55/t growth in the Global CapeFI. Indicating enhancements on the freight market, The Baltic Dry Index has jumped up by 189 points to 981 points after February 17. Similar to the previous week, the small-tonnage shipping market has remained generally steady, with just merely noticeable increases in Black Sea freights and totally stalled rates in the other regions.

This week, the bunker fuel market has relatively stabilized in all major ports worldwide after the mid-February's rapid increase in IFO and MGO prices slowed down.

The situation on the commodity markets remains fairy divergent. With hiking grain prices being offset by lower quotes for fertilizers, metallurgical products and coal, the Global ISM Commodity Index has edged up by insignificant 0.5 points over the week.

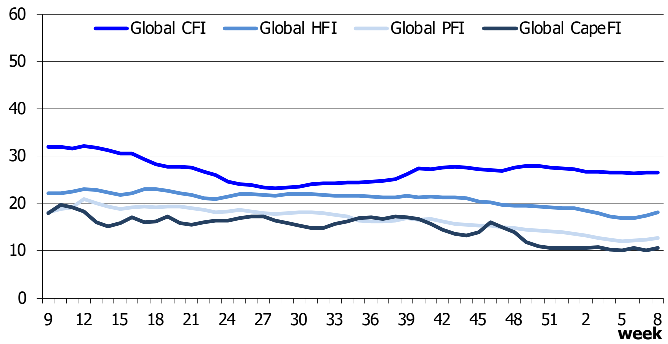
Quite active oversea sales of Black Sea wheat and corn as well as South American corn and soybeans are driving up the global grain market. The price growth in the Black Sea region is additionally heated by scant offer of grain for export shipments. Despite moderate demand, EU wheat quotes are also on the rise, following the global uptrend on the one hand and lower-than-expected production forecasts on the other hand.

Global ISM Dry Commodity prices Index*



** - Commodity Index was designed by ISM as a tool to determine the complex commodity market situation and, therefore, to predict future shipping activity within certain tonnage classes. ISM Commodity Index is a weighted average of export prices for main types of dry cargoes, such as grain, steel, coal, fertilizers, raw materials*

Global Freight Index

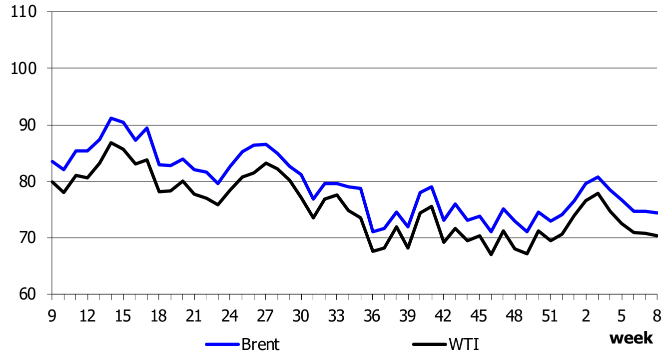


The world fertilizer market continues on a softening mode, dragged down by a further decline in the urea segment. Although Russian urea traders are still trying to surf the wave of the previous price hikes, Egyptian exporters have already leveled up their offer quotes in order to at least support the recent pace of oversea sales. Quotes for Russian AN and AS have plunged due to weak buying interest. Demand for phosphorous and complex fertilizers is also muted, which puts strong pressure on prices.

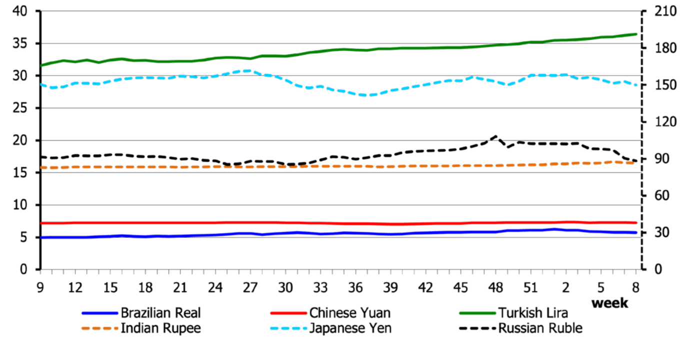
The only improvements on the global metallurgical market have showed up in the iron ore segment where the optimistic sentiment towards Chinese rolled steel production and wormer US-China trade relations spurred demand for imported iron ore, thus driving up the corresponding prices. Meanwhile, export trade in scrap, HRC and billets is slow amid the protracted decline in the segment of finished steel products. Attempts of Russian and Chinese traders to speed up sales by providing discounts have failed.

In general, the thermal coal market remains weak and boring. Prices for Columbian and Russian coal are going down amid occasional foreign deliveries. South African exporters can only benefit from exports to India, which allows them to keep prices on track to increase. At the same time, coal traffic on Australia-China route is slow.

Crude oil futures, $/bbl



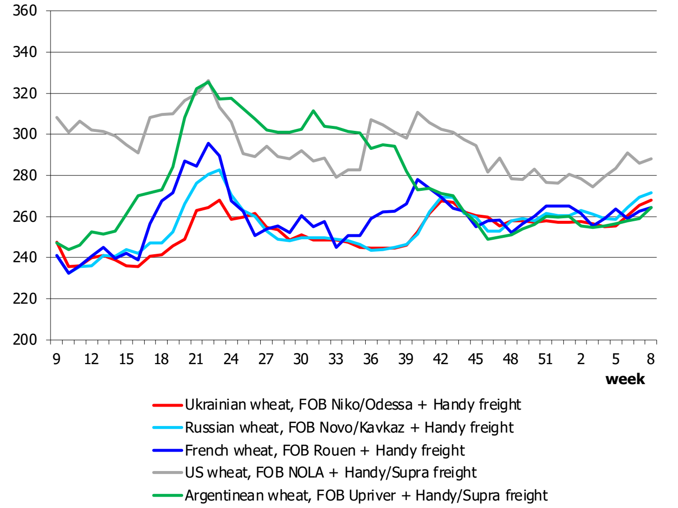
Currency rates dynamics (BRL, CNY, TRY, JPY, INR, RUB to USD)**



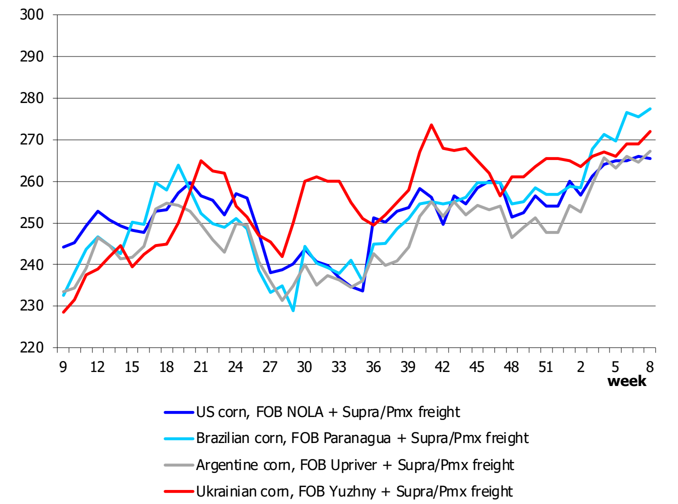
*** - Due to different numerical order, Brazilian Real (BRL), Chinese Yuan (CNY), Turkish Lira (TRY) currency rates are shown within the main (left) scale, while Indian Rupee, Japanese Yen and Russian Ruble are shown within the secondary (right) scale. Time scale (week number) is a common one with latest rates shown to the right of the graph for all of 6 currencies.*

Grain competitiveness on major sales markets // week 8

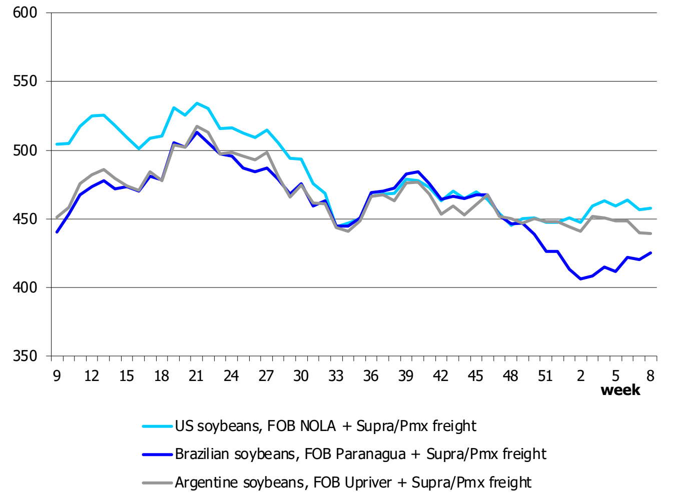
Wheat competitiveness in North Africa (bss Algeria)



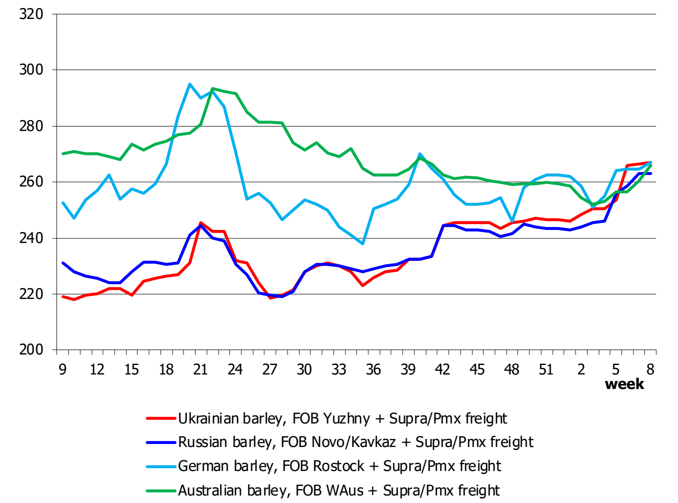
Corn competitiveness in SE Asia (bss Japan/S. Korea)



Soybeans competitiveness in China (bss South China ports)



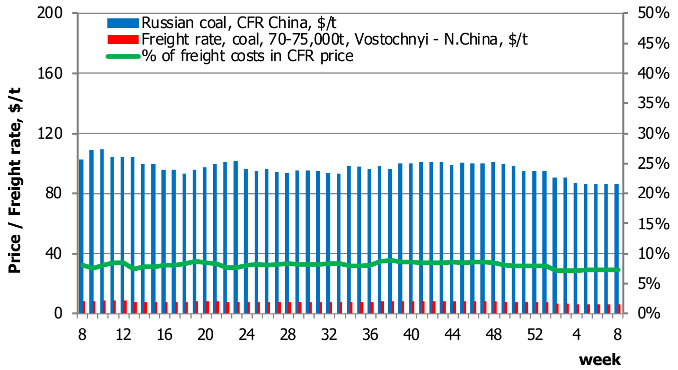
Barley competitiveness in Saudi Arabia (bss Jeddah port)



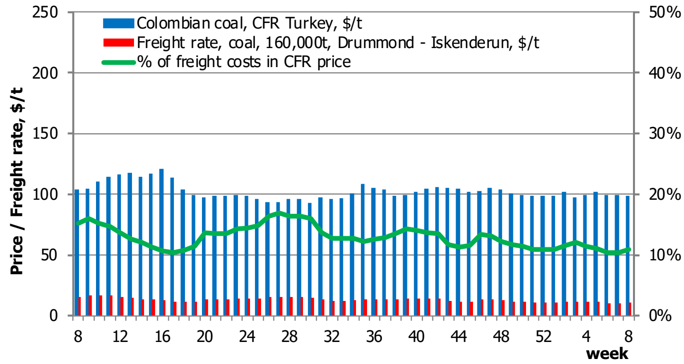
Click here to see competitiveness of other commodities on major sales markets

Share of freight costs in coal CFR prices // week 8

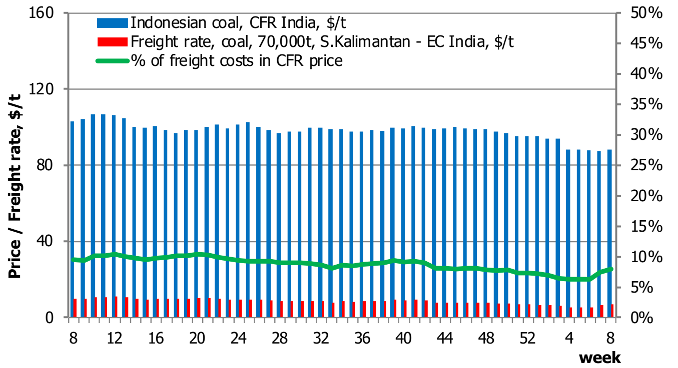
Russian coal: weight of freight costs in CFR China price



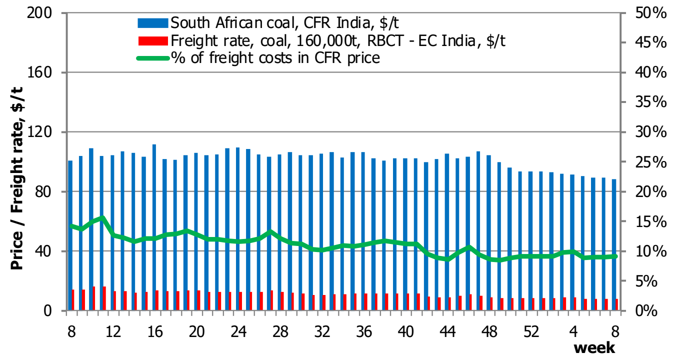
Colombian coal: weight of freight costs in CFR Turkey price



Indonesian coal: weight of freight costs in CFR India price

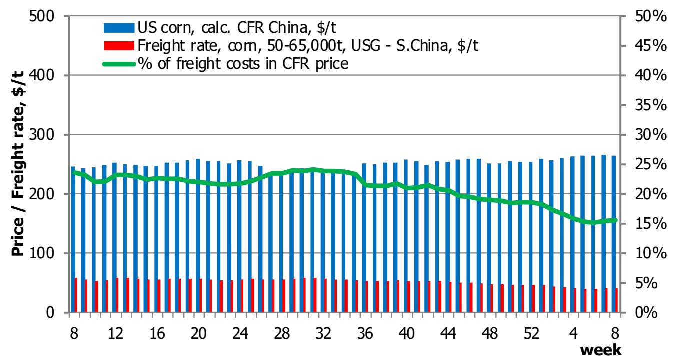


South African coal: weight of freight costs in CFR India price

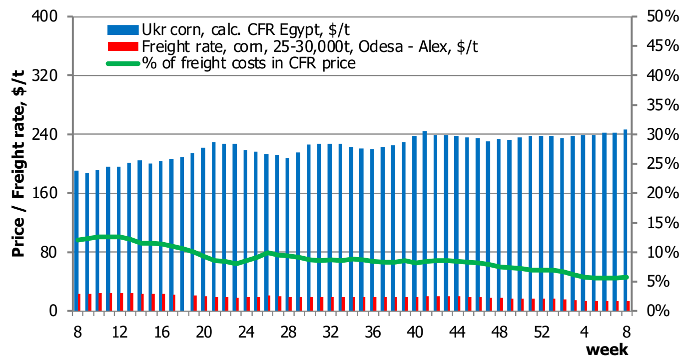


Share of freight costs in grain CFR prices // week 8

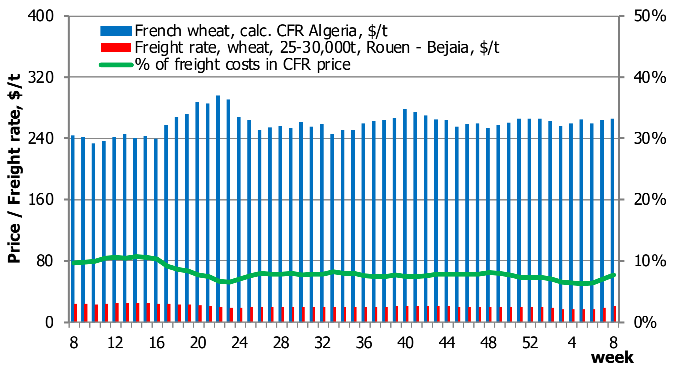
US corn: weight of freight costs in CFR China price



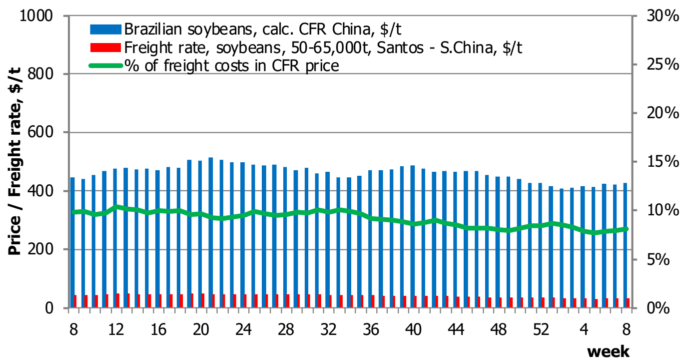
Ukrainian corn: weight of freight costs in CFR Egypt price



French wheat: weight of freight costs in CFR Algeria price



Brazilian soybeans: weight of freight costs in CFR China price



Click here to learn share of freight costs in CFR prices of some other basic commodities

CHARTERING MARKET AT HAND

Short sea market // week 8

CURRENT TREND
STEADY / FIRMING

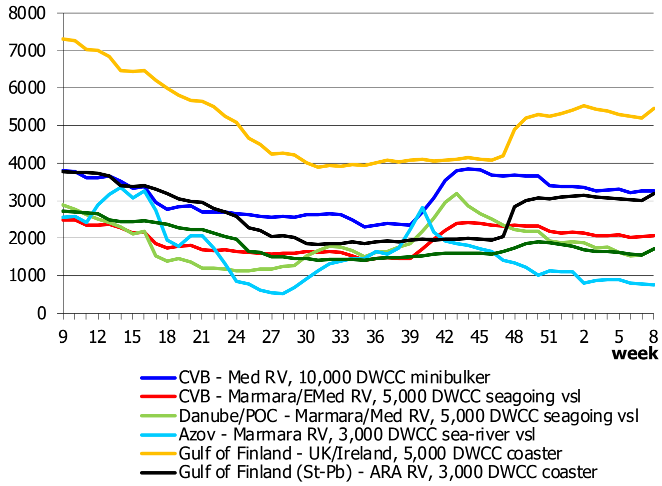
EXPECTATIONS
MIXED

The sentiment has improved slightly on the small-tonnage shipping market during the week. Primarily this applies to the Black Sea and North Sea segments, where shipments of finished and semi-finished steel products, as well as grain, have got slightly brisker. "We see more grain activity in **Black Sea**, but these are still mostly non-firm orders with charterers still resisting any increase in rates," a Ukrainian broker shared his thoughts, complaining that traders are still slow to accept higher freights, despite a further upturn in export prices. According to ISM, grain freight rates ex Ukrainian ports have pushed back from the bottom by mere $0.25-0.5/t, while transportation costs on other routes are stable both in the Black Sea and in the neighboring **Mediterranean area**. Still noticeable surplus of open vessels prevents owners from achieving any considerable gains (although the vessel count has been slowly decreasing for the second week in a row). We should particularly note the decline in the number of 6-12k dwt ships open in the Black Sea (down from 26 to 18 units during the week). The tonnage list has dropped from 60 to 50 vessels in the western and central Mediterranean, with the vessel surplus staying as significant as before only in the eastern Mediterranean and the Marmara Sea. At the same time, unlike the Black Sea, there is no hint of a cargo flow increase in the area; moreover, the offer of steel scrap for shipments from EU ports has declined again after some growth seen in 1H February.

Note that restrictions in Turkey effective starting February 20 have not had any particular impact on corresponding freight rates, contrary to charterers' fears. According to restrictions, only vessels with P&I policy of insurance companies registered in Turkish Port Management Information System (LYBS) are allowed to call or transit through local ports.

Following brisker traffic of steel products and grain in the **North Sea**, the **Baltic Sea** market has also seen a slight increase in tonnage demand. On the other hand, weather conditions have a much more noticeable impact on the local market: vessel delays are gradually increasing, while fleet turnover is deteriorating. "Slightly better sentiment in the Handy segment pushes minibulker owners to become more bullish as well," an EU broker mentioned another reason for higher ideas. By the end of the week, rates on key routes have grown by €0.5-1.5/t.

Average round voyage TCE (given backhaul leg in ballast), $/day



No major shifts can be seen in the **Azov Sea**. Extremely slack exports of Russian wheat to Turkey are still putting strong pressure on the sea-river market. Ship owners cannot push freights up even in spite of still unfavorable weather, worsened ice conditions and new rules of vessel inspection in Russian ports for absence of dangerous and explosive substances (including those in the underwater part of the vessel). RV TCEs remain significantly below the OPEX level in the area. The Caspian Sea market looks no better, as Russian grain exports to Iran have shrunk to a minimum, and competition for Kazakh grain looks incredibly high among ship owners (many Russian-flagged vessels are now also competing for cargoes from Aktau). Freight rates have sagged by another $0.5-1/t in the region.

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A slow increase in grain exports may continue in the Black Sea next week, but it will be extremely difficult for ship owners to insist on rate growth in this region without support from the Marmara Sea and the eastern Mediterranean markets (especially considering the fact that recovery of steel and scrap shipments will most probably be only a short-term surge and will come to naught again next week). Meanwhile, weather will remain the key market driver in North Europe, as there are no serious preconditions for a cargo traffic upturn, unless we take seriously the desire of Russian exporters to restore trade with EU buyers (Russians were suddenly cheered up after Trump's statements).

Azov-BlSea & Med. Average round voyage TCE (given backhaul leg in ballast)

Route	Daily TCE, $	w-o-w
CVB - Med RV, minibulker 10,000 DWCC	3,270	+20
CVB - Marmara/EMed RV, seagoing vsl 5,000 DWCC	2,060	+10
CVB - Marmara RV, seagoing vsl 3,000 DWCC	1,330	+10
Danube/POC - Marmara/EMed RV, seagoing vsl, 5,000 DWCC	1,720	+170
Azov Sea - Marmara RV, sea-river vsl 5,000 DWCC	1,600	-30
Azov Sea - Marmara RV, sea-river vsl 3,000 DWCC	760	-20
Marmara - Med RV, seagoing vsl 3,000 DWCC	1,420	+10
Marmara - Med RV, seagoing vsl 5,000 DWCC	2,030	+20
Inter-WMed RV (Iberian peninsula - N. Afr RV), seagoing vsl 5,000 DWCC	2,400	+20

Baltic & Continent. Average round voyage TCE (given backhaul leg in ballast)

Route	Daily TCE, $	w-o-w
Gulf of Finland (St-Pb) - UK/Ireland, coaster 5,000 DWCC	5,450	+250
Gulf of Finland (St-Pb) - ARAG RV, coaster 3,000 DWCC	3,180	+180
Lower Baltic - ARAG RV, coaster 3,000 DWCC	1,710	+150

Click here to follow freight assessments on major trade routes

Handysize & Supramax/Ultramax market // week 8

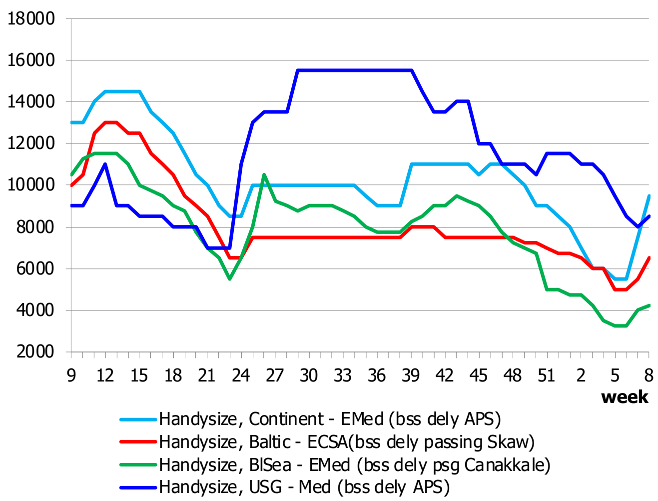
CURRENT TREND
FIRMING / STEADY

EXPECTATIONS
FIRMING / MIXED

The **South Atlantic** Supramax/Ultramax shipping market continues in a positive mode. However, this mainly applies to the transatlantic sector, where the cargo flow looks quite lively: corresponding rates have risen by $1-2k daily and $1-2/t this week. Meanwhile, the ECSA front-haul market remains soft, with a brisker inflow of ballasters from WAfr putting additional pressure. The regional Handy segment has also started to strengthen. "Positive sentiment is growing for the owners, despite the prompt tonnage list remaining lengthy," a broker mentioned. Handysize rates have grown by $0.5k daily and $0.5-1/t across the board.

A relative balance of Supramax spot tonnage list and cargo offer has formed in **USG**, which is not the case with USEC, where tonnage surplus seems to be more and more obvious, forcing Supramax/Ultramax owners to consider options for repositioning to other regions. However, relevant rates are stable for now.

Time-charter-trip rates, $/day



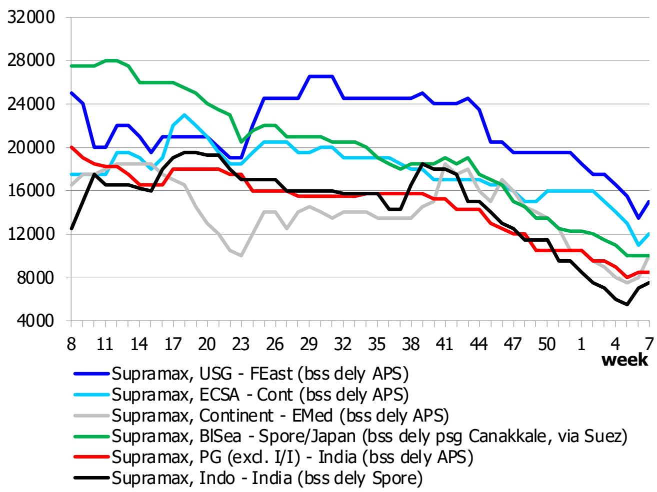
Meanwhile, Handy owners have even managed to raise freight levels by $0.5k daily and $0.5-1/t on all routes thanks to an upturn in transatlantic and Inter-Caribs cargo traffic.

The uptrend continues in the **Baltic & Continent**. As in the previous week, European steel scrap remains the regional driver, but ISM sources also note a slight recovery of fertilizer and grain shipments. It should be noted that there is a positional shortage of vessels open for certain dates. Ship owners sometimes voice quite aggressive ideas and pass them off as real deals, as they want to achieve a considerable rate increase. According to ISM, however, rates have actually increased by $1-3k daily and $0.5-2.5/t during the week.

Meanwhile, the **Black Sea** market has only confirmed its status as the most depressed region in the entire western hemisphere. The whole point is that the offer of grain has grown very slightly in the region (if it has at all), as trade is still very difficult despite the increase in grain export prices by $8-12/t since the start of the year. Besides grain, only clinker is relatively regularly offered for transportation. "We see higher ideas from owners - obviously, they try to follow tendencies seen on neighboring markets -, but most charterers stay at last-done levels, therefore the only change is a bigger gap and even more complicated negotiations," a Greek broker shared with ISM. Over the week, inter-Med and transatlantic rates have risen by mere $0.5k daily and within $1/t in the region, with slightly stronger increases reported towards WAfr. Meanwhile, Supramax front-haul rates have even inched down. "This is happening since the Pacific is quite strong and owners want to get back to Asia," an experienced Danish operator commented to ISM.

In the **Asia-Pacific** region, Supramax/Ultramax owners are confidently pushing rates up due to growing Indonesian coal exports to India and SE Asia.

Time-charter-trip rates, $/day



Open vessels are increasingly scarce in the region, with freight rates up by $2-4k daily and $1-3/t over the week.

Meanwhile, the Handysize/Handymax market strengthening is supported by increased offer of **Far East** steel. Corresponding freight levels have added $1-2k daily and $0.5-2/t. Note that Indonesian coal traffic does not show much improvement, while Australian exports stay underwhelming.

Rates on most routes stay largely unchanged in the **Indian Ocean**, and Supramax/Ultramax owners have to settle with minimal improvements. Among these gains, we should primarily note brisker iron ore traffic from ECI, as well as a decline in vessel count, as the bullish SE Asian market is pulling tonnage from ECI. The PG/WCI sector is a mixed bag: exports of main cargoes from PG is limited, while salt and ore are quite actively offered for shipments from WCI; at the same time, the tonnage list has got longer off both PG and WCI, although the number of open vessels looks stable off South Africa.

***

Positive trends are expected to continue in ECSA after February 24. "The outlook is positive, with further growth of grain exports, especially for March laycans," a broker mentioned. However, West African ballasters may strengthen pressure on possible rate improvements. In the USG, it will be much more difficult for owners to raise rates, as the potential tonnage inflow from USEC could again worsen the newly formed supply/demand balance in the Gulf.

In the short term, owners will certainly continue to push for further market strengthening in North Europe, but ISM does not share this optimism, as scrap demand is weakening in Turkey following the softening of a long product market. "We expect better demand for scrap in April," scrap traders commented. In the Black and Mediterranean Seas, rates can only go up if Ukrainian and European grain sales pick up significantly, which is not yet in sight (although exporters are bound to increase sales as the new grain season approaches).

Following this week's skyrocketing, it is reasonable to assume that trade might settle down to some extent on the Asia-Pacific Supramax/Ultramax market. Meanwhile, players expect the Indian Ocean Supramax/Ultramax sector to stay largely unchanged.

Click here to follow freight assessments on major trade routes

Panamax/Kamsarmax market // week 8

CURRENT TREND
STEADY / FIRMING

EXPECTATIONS
FIRMING / MIXED

Panamax/Kamsarmax owners' sentiment is improving in the **Asia-Pacific** region due to a gradual increase in the offer of Indonesian coal for prompt shipments. Meanwhile, steady grain exports from NOPAC ports are providing decent support to the local market. "Tonnage profile looks moderate, which helps owners to raise rates," an Asian-based broker commented to ISM. By the end of the week, relevant freight levels have added $1-2k daily and $0.5-1.5/t.

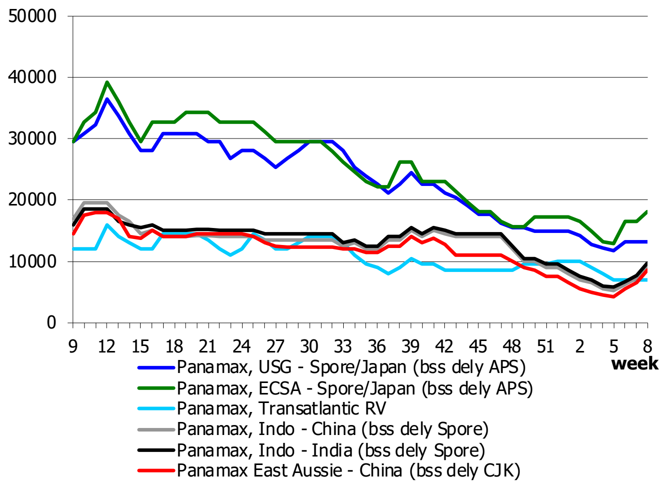
The **South Atlantic** Panamax/Kamsarmax market also continues to strengthen thanks to a noticeable upturn in grain shipments from Brazil and Argentina for March laycans. The slowdown in ballaster inflow from Asia is also playing into the hands of ship owners working in ECSA. As a result, spot rates have risen by $1k daily and $1-2/t across the board. Note that the growth of the FFA market is also helping to boost forward freight levels.

Meanwhile, the **North Atlantic** segment stays under pressure of a serious tonnage surplus, which does not allow ship owners to insist on even an insignificant rate increase. It should be noted that competition for F/H cargoes has even got sharper. "Most owners prefer to fix their vessels on front-hauls, feeling brisker activity in the Pacific," an EU operator commented to ISM.

***

After February 24, rates for shipments from ECSA ports will most likely continue to go up following the increasing grain offer for 2H March and April laycans. At the same time, ship owners working in the North Atlantic will have problems standing their ground amid a steady tonnage surplus and still very low demand from the Mediterranean area. Meanwhile, further improvements are not ruled out in the Asia-Pacific region considering declining coal inventories of Chinese power producers as well as gradual improvements in the neighboring ECSA segment.

Time-charter-trip rates, $/day



Click here to follow freight assessments on major trade routes

Capesize market // week 8

CURRENT TREND
FIRMING / STEADY

Capesize freight rates have started moving up in the **South Atlantic** after last week's decline. Thus, brisker spot shipments of Brazilian iron ore allowed ship owners to push rates up by $1-2/t even despite the ongoing ballaster inflow from the Indian Ocean. The **North Atlantic** market continues to strengthen amid stable shipments of coal and iron ore from Colombia and Canada. By the end of the week, relevant spot freights have added $0.5-1/t.

The **Asia-Pacific** market has also seen an upturn within $0.5/t thanks to a positional increase in iron ore offer for shipments from Australia with early-mid March laycans. The market is also supported by steady coal shipments from Australia.

EXPECTATIONS
FIRMING

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There are still many vessels congested in W.Australia after the cyclone. Since the uncertainty about ETAs persists, charterers may maintain a cautious approach in the coming week. In the meantime, however, demand for imported iron ore has grown in China, which will support the market. Note that owners working in the Atlantic Ocean will see more challenges preserving the positive momentum given the expected increase in ballaster inflow from Asia.

Click here to follow freight assessments on major trade routes

Despite strong positive impetus from neighboring regions, Mediterranean Handysize/Supramax market still sees minimal recovery

Charterers continue to successfully hold on Handy/Supra rates in the Black and Mediterranean Seas. Despite positive impetus coming from ECSA, USG and the Continent, ship owners are not able to raise rates amid still extremely slow activity in the area.

On the TCT-market:

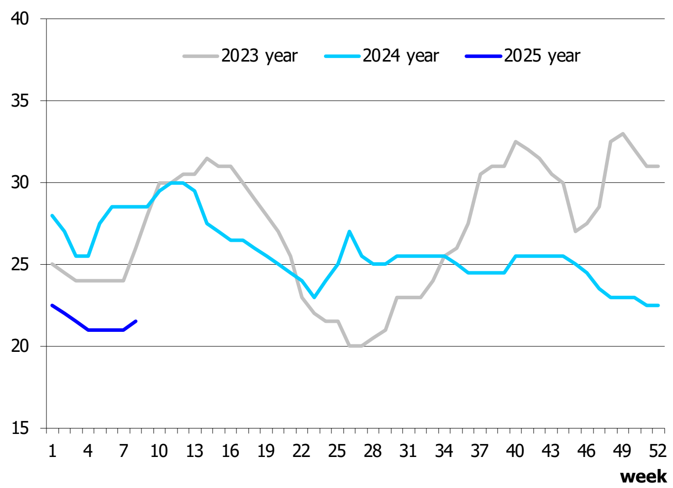
Inter-Med trips by 32-34k dwt fleet are discussed at $4-5k daily bss dely passing Canakkale or at $5.5-6k daily bss dely APS CVB or Ukraine;

Charterers target $6k daily for a 35k dwt vessel bss APS dely CVB redel WMed;

Most charterers are not ready to pay more than $9k daily for Supramax front-haul trips bss dely passing Canakkale;

Meanwhile, Supra rates for usual clinker runs from Turkiye or Algeria towards WAfr have inched up to $8-9k daily;

Urea (sf 50`), 25-30,000t, Damietta - Santos (7000x/6000c), $/tonne



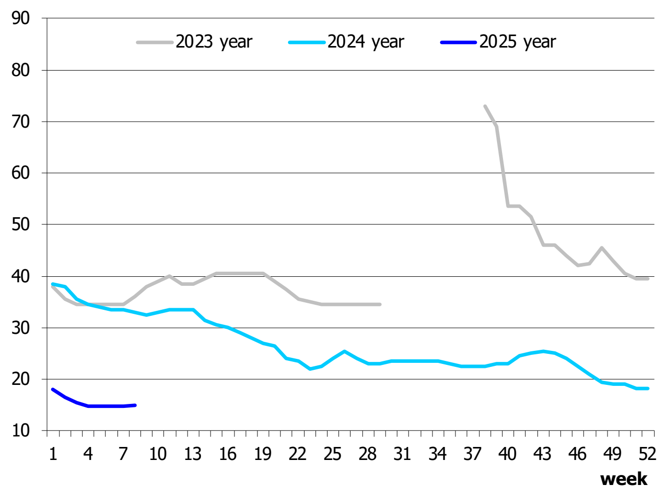
An Ultramax carrier has been chartered at $6k daily for a fertilizers run bss dely EMed redel ECSA.

The gap in voyage-basis ideas has widened since charterers still try to keep rates on bottom, especially those for shipments from Ukraine:

25,000 t of corn are offered for transportation from POC to Izmir at $11/t given 8000x/6000x l/d rates, which is equivalent to mere $2.7-3k daily bss dely psg Canakkale even in case of no EWRI required;

Charterers still target below $12/t for shipment of 30,000 t of wheat from POC to EgyptMed given early March laycans, while most owners are seeking to get at least $14/t (equivalent to $2.1-2.4k daily vs. $4-4.3k daily bss dely psg Canakkale in case of no EWRI required);

Wheat / corn, 25-30,000t, Chornomorsk / Pivdennyi - SpanMed (8000x/8000x), $/tonne



Traders offer mere $13/t for transportation of up to 30,000 t of corn from POC to SpanMed with 7000x/6000x l/d rates, while owners are seeking to get more than $15/t, which is equivalent to around $2k daily vs. $4k daily bss dely psg Canakkale even in case of no EWRI required (incl. $17-20k for ETS);

Other charterers are ready to pay at best $12.5/t for shipment of 40-45,000 t of corn from POC to SpanMed with 8000x/6000x l/d rates, which hardly reaches even $3k daily in TCE bss dely psg Canakkale (incl. $22-25k for ETS);

The deal for transportation of 30,000 t of meal (sf 56`) from POC to ARAG has been signed at mid-$20s/t given 8000 sshex bends l/d rates and early March laycans, which means $7.5-8k daily in TCE bss dely psg Canakkale for a large Handy carrier in case of no EWRI required and $2k less in case of $50-70k of EWRI;

Ship owners are seeking to get at least $18.5/t for shipment of 30,000 t of wheat from CVB to Algeria, while traders still target below $17/t (means $7.5k daily vs. up to $6k daily in TCE bss dely psg Canakkale);

As for long-haul grain traffic, brokers suggest low-mid $30s/t for transportation of 30-40,000 t of wheat from Novorossiysk or Kavkaz roads to PG and around $30/t for shipment of 50-55,000 t of wheat from Russia to Indonesia bss 1/1;

The contract for transportation of 30,000 t of grains (sf up to 50`) from POC to Angola bss 1/2 with 8000x/3000x l/d rates and 1H March laycans is discussed at $34/t, which is equivalent to about $8k daily bss dely psg Canakkale.

As for other cargoes:

Charterers target up to $17/t for shipment of 35,000 t of clinker from TurkMed to Guinea with 7000c/5000c l/d rates, while owners are seeking to get more than $20/t (equivalent to $7.5-8k daily vs. $11k+ daily bss DOP EMed for a 45-47k dwt vessel to meet draft restrictions);

Brokers suggest $19/t for transportation of 20,000 t of bulk cement from TurkMed to Ireland with quick shinc l/d rates, which gives the TCE of $5.5-6k daily bss dely DOP EMed;

Carrying 20-25,000 t of steels from Marmara or Nemrut to Tunisia with 5000x/2500x l/d rates is estimated by ISM at mid-$10s/t bss 1/1, while shipment of 50,000 t of coal from Taman or Novorossiysk to WC India given 20000c/15000c l/d rates is quoted at mid-$20s/t bss 1/1.

Turkey updates P&I Insurance Regulations for ships

The Turkish Ministry of Transport and Infrastructure has reiterated that all ships of 300 GT and above arriving at or departing from Turkish ports must have valid P&I insurance from approved institutions. According to a letter dated 17.02.2025, insurance providers not listed among the recognized P&I organizations must apply in order to be included in the Ministry's LTP system, as per the directive issued on 09.01.2025.

Applications continue to be processed, with the list regularly updated. Companies failing to meet the criteria will be removed. New applications after 20.02.2025 must be submitted through correspondent companies in Turkey. The initiative aims to enhance maritime safety while prioritizing national interests.

As of now respectable P&I clubs:

1TURK P&I

2 American Steamship Owners Mutual Protection and Indemnity Association, Inc.

3 The Britannia Steam Ship Insurance Association Ltd.

4-a Assuranceforeningen Gard (Gjensidig)

4-b Gard P&I (Bermuda) Ltd.

5 The Japan Ship Owners' Mutual Protection & Indemnity Association

6 The London Steam-Ship Owners' Mutual Insurance Association Ltd.

7 The Shipowners' Mutual Protection & Indemnity Association (Luxembourg)

8 Assuranceforeningen Skuld (Gjensidig)

9-a NorthStandard EU DAC

9-b NorthStandard Limited

9-c The Standard Club Asia Ltd.

9-d The Standard Club Ireland Designated Activity Company

10-a The Steamship Mutual Underwriting Association Limited

10-b The Steamship Mutual Underwriting Association (Bermuda) Ltd.

11 Sveriges Angfartygs Assurans Forening - The Swedish Club

12-a United Kingdom Mutual Steam Ship Assurance Association (Bermuda) Ltd.

12-b United Kingdom Mutual Steam Ship Assurance Association Ltd.

12-c UK P&I Club N.V

13 The West of England Ship Owners Mutual Insurance Association (Luxembourg)

14 Norwegian Hull Club

15 MS Amlin Marine N.V.

16 Noord Nederlandsche P&I Club

17 Aurora

18 Thomas Miller Specialty

19 British Marine

20 Hydor

21 Korea P&I Club

22 China Shipowners' Mutual Assurance Association

Small-tonnage owners try to achieve at least minor growth of Black Sea freights ex Ukraine

Witnessing slightly higher activity (mainly thanks to Ukrainian grains), ship owners try to raise rates from bottom in the Black Sea, especially those for shipments from the Danube and POC ports. However, most cargo offers are still not firm and most charterers are ready to accept only minor increases. For instance:

A couple of charterers target $24-25/t for transportation of 6-7,000 t of corn from Izmail to the southern Adriatic or Sicily, while owners are already seeking to get at least $25.5-26/t, which means $2.2-2.6k daily bss dely Marmara or $1.6-1.9k daily bss RV (note that a couple of weeks ago, similar shipments were discussed at $24.5-25/t, which means $0.2-0.3k daily less in TCE);

About 5-5,500 t of wheat are offered for shipment from Izmail to the Italian Adriatic at $25/t given 1250x/2000x l/d rates, which is equivalent to $1.3-1.5k daily bss RV or $2-2.2k daily bss dely Marmara, or $2.5-2.7k daily bss dely Sulina entrance;

Traders offer $17/t for transportation of 10,000 t of soybeans from POC to Mersin with 3000x/2000x l/d rates, which is equivalent to mere $1.7-1.9k daily bss dely Maramra or below $1k daily bss RV;

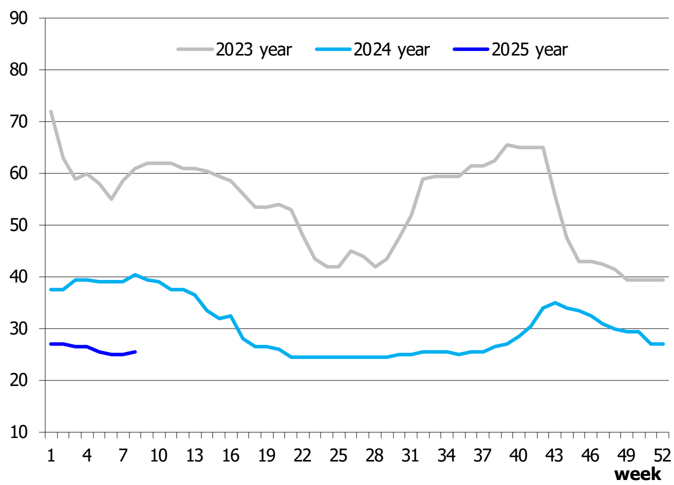
Some charterers are ready to pay $22/t for shipment of 6-7,000 t of soybeans from POC to Iskenderun, which is equivalent to $1.8-2k daily bss dely Marmara;

Transportation of 7,000 t of wheat from POC to Lebanon is discussed at $20.5-21/t, while owners are seeking to get at least $24/t for shipment of 3,000 t of wheat from Izmail on a similar route;

Up to 6,000 t of corn are offered for transportation from Izmail to Marmara at $16/t, while a similar shipment of 5,000 t of corn from POC to Marmara is discussed at mere $15.5-16/t (means $1.3-1.4k daily vs. $1-1.1k daily in TCE bss RV or $2-2.1k daily vs. $1.7-1.8k daily bss dely Sulina entrance);

The deal for transportation of 5,000 t of agri products (sf 56`) from POC to Izmir is negotiated at $23/t, which corresponds to $19.5-20/t bss 5.7-5,800 t of heavy grains;

Wheat / corn, 5-6,000t, Izmail / Reni - Bari / Ortona (1500x/2000x), $/tonne



As for smaller grain lots, shipment of 4-5,000 t of corn from POC to Larnaca with 1000 sshex bends l/d rates is discussed at $23-23.5/t, which hardly reaches even $1k daily bss RV, $1.5k daily bss dely Marmara or $2k daily bss dely Sulina entrance;

Approximately 3.5-4,000 t of sfs (sf 85-90`) are offered for transportation from Giurgiulesti to Marmara at $25/t, which corresponds to mere $15/t bss 6-6,500 t of heavy grains;

Charterers are ready to pay low $20s/t for shipment of 3,000 t of agri products (sf 56`) from POC to Marmara (equivalent to $1.4-1.6k daily bss RV);

A couple of 3-4,000 t lots of grains (sf up to 50`) are offered for transportation from Izmail or POC to EC Greece at $18-19/t, while owners are seeking to get at least $23/t (means around $1k daily bss dely Marmara);

Moreover, some charterers are ready to pay quite strong $25/t for shipment of 3,000 t of corn from Giurgiulesti to EC Greece, which gives the TCE of $1.2-1.3k daily bss dely Marmara or $1.7-1.8k daily bss dely Sulina.

Charterers are ready to pay high $20s/t for shipment of 2,500 t of agri products (sf = dwt) from TBS to Sicily;

Owners are seeking to get at least high $40s/t bss FILO for transportation of 4.5-5,000 t of steel billets from Novorossiysk to Haifa;

Carrying 7,000 t of steel rebars from Novorossiysk to Alexandria is estimated by ISM at $26-27/t with 2000x/1500x l/d rates and 1H March laycans;

The deal for shipment of 5,300 t of steels from Novorossiysk to Lebanon with 1500c/1500x l/d rates and 3-6 March laycans is discussed at mid-high $20s/t, which exceeds $3k daily bss dely Marmara and $2k daily bss RV.

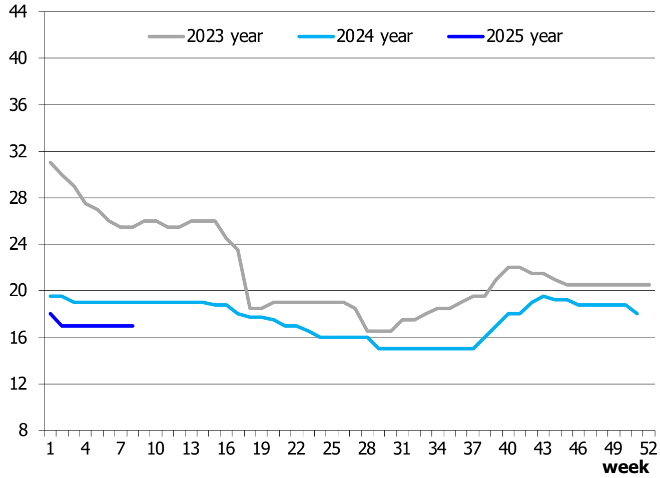
Despite a slight increase in steel offer from Russia, rates for shipments from country's ports as well as from CVB, TBS and Georgia hold steady:

The deal for transportation of about 9,000 t of corn from Constanta to Lebanon has been signed at $16/t, which is equivalent to $1.7-2k daily bss RV or $2.8-3.1k daily bss dely Marmara;

Brokers suggest mid-high $20s/t for shipment of 5,000 t of scrap (sf 70`) from Galati to Nemrut Bay given 700x/1000x l/d rates and spot laycans;

Up to 4,000 t of AN in bb are offered for transportation from Poti to Izmail at $28-29/t, which is equivalent to $1.3-1.5k daily bss dely Marmara redel Danube, but could exceed $2k daily for a 2-laden-leg voyage bss dely Marmara via Poti & Danube redel Marmara/EMed (in case of grain cargo from the Danube, which will be suitable on dates);

Square billets, 5-6,000t, Novorossiysk - Marmara (2000x/1500x), $/tonne



Coaster freights relatively stable in Mediterranean Sea

The overall picture has not changed much on the Mediterranean coaster market this week. There is still an imbalance of tonnage list and cargo offer. Requests for transportation of main cargoes from regional ports are still insufficient to cover the rather long list of vessels open in the region. Ship owners are trying to keep rates at previous levels (and often succeed), being not ready to make further concessions, although charterers' pressure on freight levels persists:

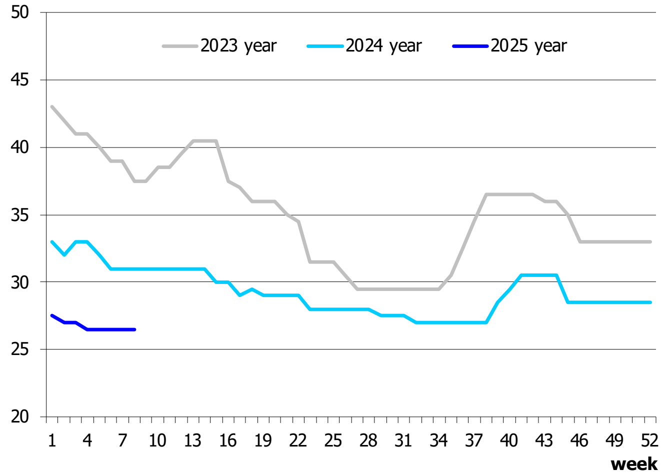
The deal for shipment of about 5,000 t of urea from EgyptMed to EC Greece has been signed at $15/t (gives the TCE of $1.8-2k daily bss RV);

A 6,000 t lot of urea has been fixed from EgyptMed to SpanMed at $24/t, giving the TCE of $4.6-4.7k daily for one laden leg;

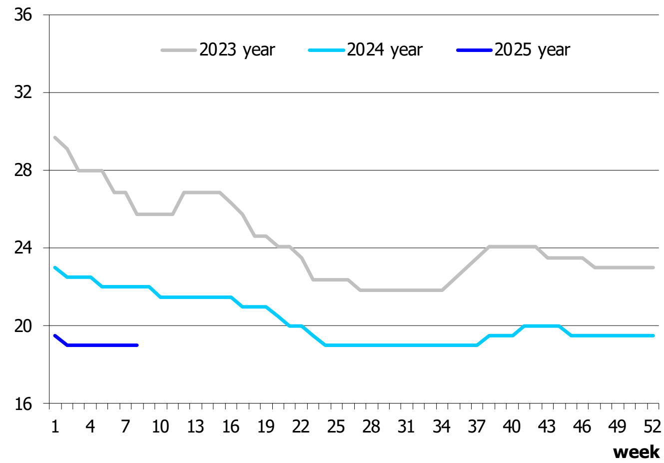
The contract for transportation of 5,500 t of urea from EgyptMed to the Adriatic port has been concluded at low $20s/t bss 1/1, which gives the TCE closer to $5k daily for one laden leg;

Rates for shipment of 13,000 t of urea from Arzew to the French Bay are negotiated at $18/t;

Urea, 5-6,000t, Damietta - Sevilla (3000x/2500x), $/tonne



HRC, 5-6,000t, Nemrut Bay - Sousse / Sfax (1750x/1250x), $/tonne



The deal for transportation of 5,500 t of fertilizers from Tunisia to Iskenderun is discussed at high $10s/t;

Carrying 8,000 t of fertilizers from Aqaba to Ukraine is estimated by brokers at low $30s/t;

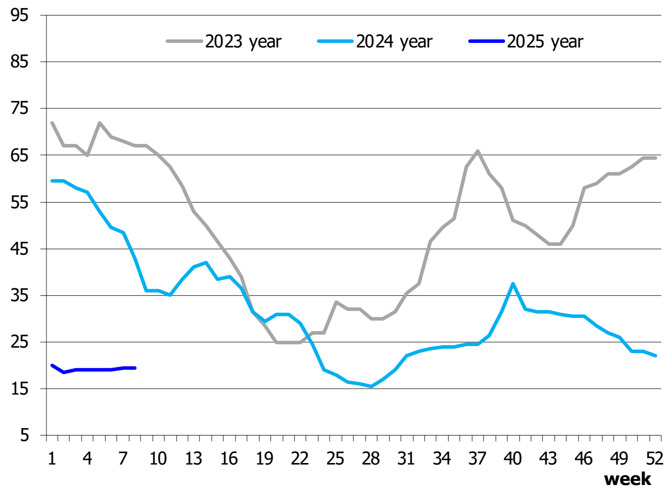
Charterers offer high €10s/t for shipment of 3,000 t of minerals (sf 57`) from Tunisia to Vasto;

Charterers are ready to pay €23-24/t for transportation of 1.8-2,000 t of agri products (sf 58`) from Molfetta to Tunisia.

Azov Sea shipping market still suffers extremely low activity

Despite still unfavourable weather conditions (low draft and ice), sea-river owners are not able to push rates up in the Azov Sea since the cargo offer remains extremely poor.

Wheat, 3,000t, Rostov / Azov - Marmara Sea ports (1000x/1000x), $/tonne



Wheat is offered mostly towards Kavkaz roads, while Turkey imports mainly high-stow agri products. Thus:

The deal for shipment of slightly less than 3,000 t of wbp (sf 54-55`) from Rostov to Marmara is discussed at $20/t (bss ice dues on charterer's acct), which corresponds to $18-19/t bss 3.1-3,200 t of heavy grains and still means mere $1.2-1.4k daily bss dely Kerch straits redel Marmara;

Meanwhile, other traders are ready to pay $20/t for transportation of 3,000 t of agri products (sf up to 50`) from Rostov/Azov to Marmara (with ice dues on owner's acct), which also hardly reaches even $1.4k daily in TCE bss dely Kerch straits;

Shipment of 5,000 t of corn or peas from Yeisk to Marmara is discussed at $17.5-18/t, which is equivalent to $1.7-1.9k daily bss dely Kerch;

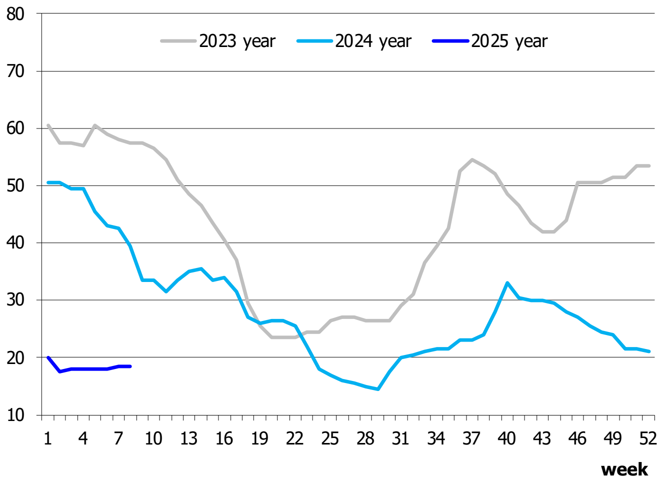
Brokers suggest $17/t for transportation of 3-5,000 t of coal from Rostov to TBS, while some traders have agreed to pay even more than $21/t for shipment of 5,000 t of coal from Rostov to Marmara with 1500 sshex bends l/d rates, which exceeds $3k daily in TCE bss dely Kerch redel TBS and $2.2k daily bss RV.

As for long-haul trips:

The deal for shipment of 5,000 t of coal from Rostov bb to Alexandria has been signed at low $30s/t, which is equivalent to $3-3.1k daily bss dely Kerch or $2-2.2k daily bss dely Marmara, or $1.3-1.4k daily bss RV;

Transportation of 3,000 t of wheat from Azov to Beirut is estimated by ISM at low-mid $30s/t, while shipment to Durres is quoted at mid-$30s/t bss 1/1.

Coal, 3-5,000t, Rostov - Marmara (2000c/2000x), $/tonne



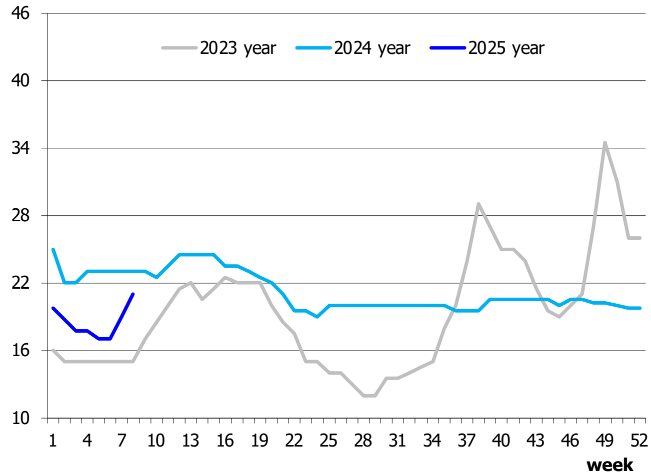
Baltic & Continent witness growing levels for Handysize/Supramax trips

The market picture continues to improve for Handysize/Supramax owners working in the Baltic & Continent. The cargo traffic from regional ports has slightly perked up and demand for tonnage is growing. In these circumstances, ship owners continue to push rates up (sometimes very aggressively). By the end of the week, freight levels have again risen by $1-2k daily.

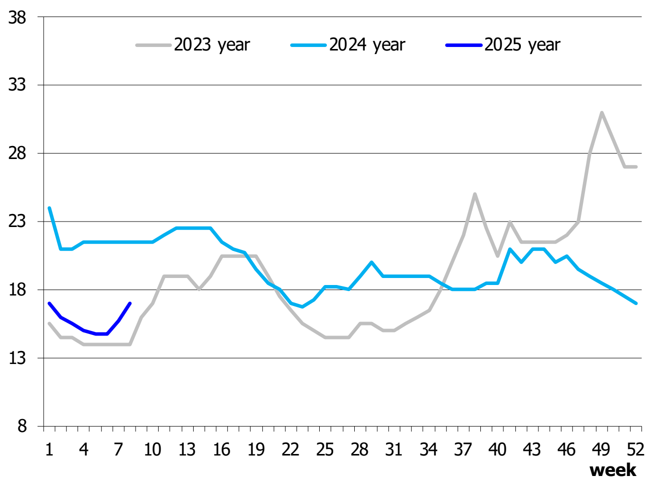
In the Supramax/Ultramax sector:

A 58k dwt vessel has been chartered at $12k daily bss dely ARA redel EMed;

Wheat, 25-30,000t, Rouen - Bejaia (10000x/2500x), $/tonne



Scrap (sf 55-60`), 40,000-45,000t, ARAG - Iskenderun (8000x/7000c), $/tonne



The deal for an Ultramax carrier bss dely Continent redel EMed has been reportedly signed at $13-14k daily;

Supramax F/H rates are negotiated at around $15k daily;

A 57k dwt ship has been fixed at about $10k daily for transportation of fertilizers bss dely Dublin via Russian Baltic redel ECSA;

Transportation of about 50-55,000 t of urea from Ust-Luga to New Orleans is negotiated at low $20s/t with 20000c/10000c l/d rates, with the TCE closer to $12-13k daily bss dely Continent;

Speaking of a smaller tonnage group:

The contract for transportation of steel scrap by a 37k dwt vessel bss dely Avonmouth redel Iskenderun has been concluded at around $16.5k daily;

Rates for a 37k dwt carrier bss dely Brunsbuttel via Mukran redel Conakry are discussed at $14k daily;

A similar ship has been chartered at about $15k daily bss dely APS Baltic redel WAfr (excl Nigeria);

The deal for coal transportation by a 33k dwt vessel bss dely ARA redel Baltic has been signed closer to $11k daily;

A 38k dwt vessel has been fixed at about $7.5k daily bss dely Otranto via Baltic + Continent redel USG;

Rates for a Handysize ship bss dely Continent via Russian Baltic redel NCSA (incl. Venezuela) are negotiated at around $12k daily;

Time-charter rates for such fleet bss dely Continent via Russian Baltic redel ECSA are voiced by brokers at $8-9k daily;

Voy-bss deal for transportation of 30,000 t of grain from Mukran to Casablanca has been signed at a rate equivalent to $10k daily bss dely Gibraltar for a 34 dwt vessel.

Coaster demand strengthened in North Sea, Baltic Sea also enjoys improved sentiment among owners

ISM sources note some shifts in the North European market sentiment. Thus, tonnage demand has strengthened in the North Sea and owners even manage to slightly improve their positions. The Baltic region is also seeing a change of sentiment, although the support from the cargo side is less significant in the area, and owners so far fail to insist on a noticeable increase in rates. Weather conditions are also partly making adjustments, namely causing some vessel delays and decreased fleet turnover:

The deal for transportation of about 5,500 t of wood pulp from Kotka to Poland is negotiated at €23/t (gives the TCE closer to $5k daily bss RV);

Carrying 3,000 t of grains (sf 56`) from Latvia to Ghent is quoted by brokers at high €20s/t;

A 3,000 t lot of BHF has been fixed from Gdansk to DK at €16.5/t, giving the TCE closer to $2.5k daily bss RV;

The contract for shipment of 6,000 t of minerals from Portugal to SpanMed has been concluded at mid-high €10s/t;

Transportation of 5,000 t of dwt cargo from ARAG to ECUK is negotiated closer to €20/t.

Outlook for Handysize segment seems brighter in USG

The North Atlantic Handy market is showing signs of improvement. Deals are discussed at higher rates and there is stronger resistance from owners. Market sentiment is supported by strengthening segment in ECSA, and more owners are considering trades in that direction:

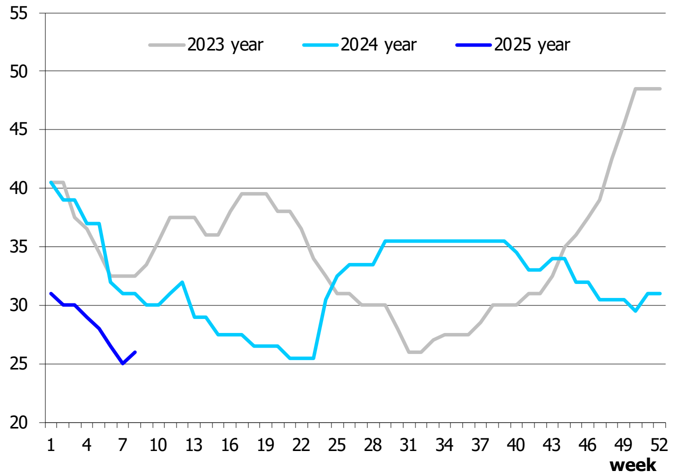
TCT rates for large Handies bss dely USG redel Skaw-Passero are hovering at $9.5-10.5k daily, while levels for small Handies are voiced at $7.5-8.5k daily;

A 39k dwt vessel has been fixed at $10k daily bss dely USG redel Med;

The deal for a 35k dwt carrier bss Inter-Caribs has been signed at $8.5k daily;

A 38k dwt ship has been chartered at $10k daily bss dely USG redel WCSA;

Wheat (sf 47-48'), 25-30,000t, New Orleans - Alexandria, $/tonne



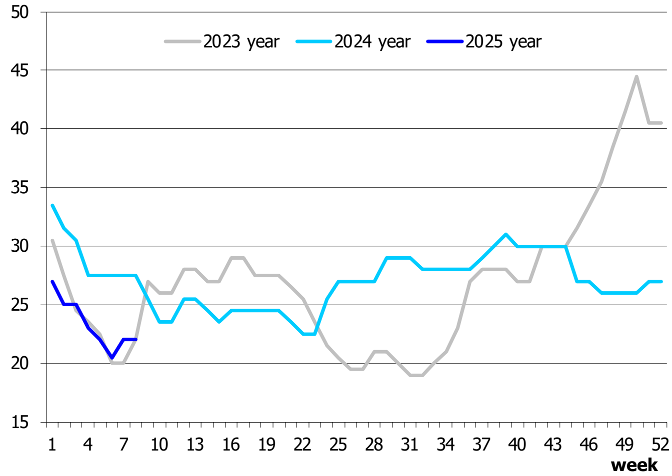
Brokers suggest high $20s/t for transportation of 30,000 t of grains from USG to Egypt with 7000x/5000x l/d rates and spot laycans;

Brokers suggest mid-$20s/t for transportation of 30,000 t of coal from Mobile to Spain with 10000c/10000c l/d rates and spot laycans.

The USG Smx/Umx market is balanced for spot dates, while more cargoes have started to surface for 2H March laycans. USEC remains overtonnaged and owners consider ballasting to USG which might put pressure on rates:

Supramax/Ultramax F/H TCT rates are hovering at $14-15k daily;

Scrap (sf 52-55`), 45,000t, USEC - Iskenderun, $/tonne



A 63k dwt ship has been fixed at $15k daily bss dely USG redel China;

A 58k dwt carrier has been chartered at $14.5k daily bss dely USG redel India;

The deal for a 61k dwt vessel bss dely USG redel WCSA has been signed at $14.5k daily;

Transportation of 50,000 t of petcoke from USG to India with spot laycans is discussed at $36-38/t, which gives the TCE of $13-14k daily for a large Supramax carrier bss APS USG;

The contract for shipment of 55,000 t of coal from USEC to Krishnapatnam with late February laycans has been signed at high $20s/t, which gives the TCE of $13.5k daily;

Deals for Supramax fleet bss dely USG redel Skaw-Passero are negotiated at $12-13k daily;

A 58k dwt ship has been chartered at $13k daily bss dely USG redel Med;

A 63k dwt vessel has been fixed at $11k daily bss dely USEC redel Med;

The deal for a 63k dwt carrier bss Inter-Caribs has been signed at $13.5k daily;

Transportation of 50,000 t of petcoke from Houston to Rotterdam with spot laycans is negotiated at $18-19/t, which gives the TCE of $11-12k daily for a standard Supramax vessel bss APS USG;

Brokers suggest low-mid $20s/t for shipment of 50-55,000 t of grains from USG to Egypt with 10000x/7000x l/d rates and spot laycans.

Panamax/Kamsarmax owners struggling to achieve higher bids in USG/USEC

The Panamax/Kamsarmax market stays restricted in North Atlantic from any real improvement in bids on T/A and F/H routes, although most ship owners are trying their best to switch the market to an improving mode:

Kamsarmax time-charter rates bss TARV are hovering at $7-8k daily;

A Kamsarmax ship has been chartered at $8k daily bss dely Med via USG redel Skaw-Passero;

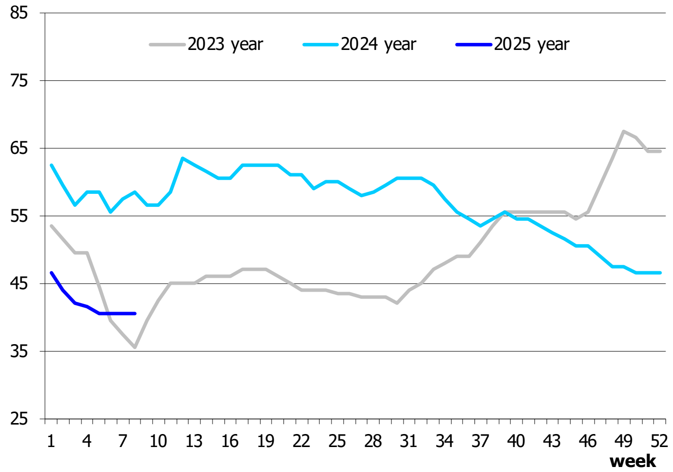
The deal for a 77k dwt vessel bss dely USEC via USG redel Med has been signed at $7k daily;

Transportation of 70,000 t of coal from USG to ARA with spot laycans may cost $10-11/t, which is equivalent to $6-7k daily bss dely Gibraltar;

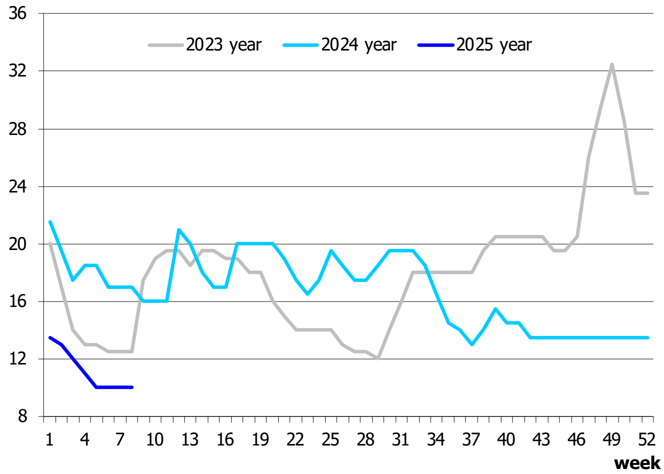
Shipment of 70,000 t of coal from Bolivar to Rotterdam is discussed at $9-10/t, which is equivalent to $6-6.5k daily bss dely Gibraltar;

The deal for transportation of a Panamax lot of grains from New Orleans to Egypt is negotiated at low $20s/t, which gives the TCE of $6.5-7k daily;

Soybean (sf 50'), 60-70,000t, New Orleans - Northen ports of China (10000x/8000x), $/tonne



Coal, 70,000t, Mobile - Rotterdam (25000c/25000c), $/tonne



The contract for an 82k dwt carrier bss dely Gibraltar via USG redel Japan has been signed at $13.5k daily;

Transportation of 66,000 t of grains from USG to China with spot laycans is negotiated at $42-43/t;

Rates for shipment of a Panamax lot of grains from USG to China with March laycans are discussed at $43-44/t, which is equivalent to $12-13k daily bss dely Gibraltar;

The contract for transportation of 75,000 t of coal from Baltimore to Haldia has been concluded at $30.25/t, which is equivalent to $12k daily bss dely Gibraltar.

ECSA Supramax/Ultramax shipping sector looks more T/A-oriented

The South Atlantic Supramax/Ultramax market is quieter on F/H routes this week, while there are more cargoes for T/A trades, with higher rates achieved. The tonnage list remains well supplied in WAfr, while cargo offer is limited for February dates. It remains to be seen whether the F/H sector will pick up on T/A levels in ECSA:

TCT rates for Ultramax fleet bss dely ECSA redel FEast are hovering at $12-13k daily + $200-300k bb, those for large Supramax vessels at $11k daily + $110k bb on average;

A 63k dwt carrier has been fixed at $12.5k daily + $250k bb bss dely ECSA redel China with spot laycans;

A 57k dwt ship has been chartered at $10.75k daily + $175k bb bss dely ECSA redel China with spot laycans;

The contract for a 57k dwt vessel bss dely WAfr redel China has been concluded at $9.75k daily;

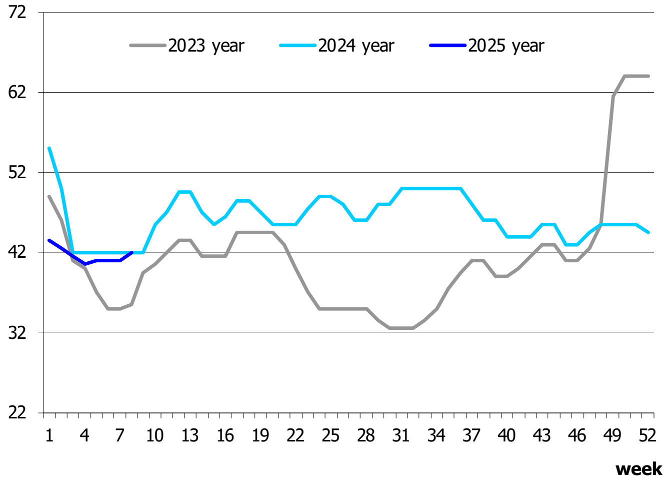
Transportation of 60,000 t of grains from Itaqui to China with March laycans is discussed at $32-34/t, which gives the TCE of $10-11k daily bss dely WAfr;

The deal for shipment of 60-63,000 t of grains from Santos to China is negotiated at $35-36/t with May laycans;

Rates for transportation of 58,000 t of grains from Upriver (top-off Necochea) to Malaysia (two discharge ports) are discussed at $40-42/t with April laycans;

TCT rates for Supramax fleet bss dely ECSA redel Skaw-Passero are hovering at $14-16k daily on average;

Soybean meals (sf 54'), 25-30,000t, Paranagua - Baltic Sea (7000x/6000x), $/tonne



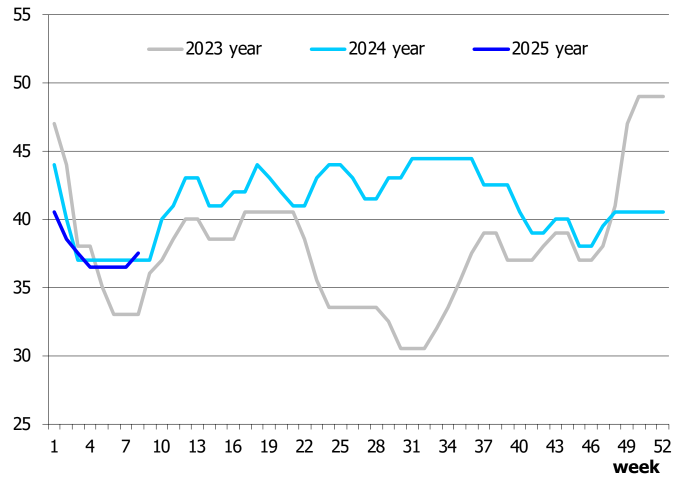
A 58k dwt carrier has been chartered at $16k daily bss dely ECSA redel Med;

A 55k dwt ship has been fixed at $13.75k daily bss dely ECSA redel Continent;

The deal for a 61k dwt vessel bss dely WAfr redel Continent has been signed at $11.5k daily;

Transportation of 50,000 t of steel slabs from Praia Mole to Mobile is discussed at $16-17/t with March laycans, which gives the TCE of $11-12k daily bss APS ECSA;

Wheat (sf 47-48`), 25-30,000t, Upriver - Bejaia (7000x/3000x), $/tonne



The contract for shipment of 45,000 t of grains from Santarem to Lisbon is negotiated at $19-20/t with March laycans, which gives the TCE of $12-13k daily bss APS ECSA;

The deal for transportation of 45,000 t of sugar from Santos to Bejaia is discussed at $20-21/t with April laycans.

Handysize rates have inched up as more cargoes emerge for March laycans. Given a long spot tonnage list in the area, it is tough for owners to insist on considerable improvements:

T/A TCT rates for large Handy vessels bss APS ECSA are hovering at $12.5-13.5k daily; rates for smaller Handies are voiced at high $9s k daily;

A 39k dwt carrier has been fixed at $14k daily bss dely ECSA redel Med;

A 28k dwt ship has been chartered at $9k daily bss dely ECSA redel Med;

A 38k dwt vessel has been fixed at $18.5k daily bss dely ECSA redel WCCA;

The deal for transportation of a Handy lot of grains from Upriver to Bejaia is negotiated at low $30s/t, which gives the TCE of $10-12k daily bss APS ECSA;

Brokers suggest low-mid $50s/t for shipment of 30,000 t of sugar from Santos to India with 8000x/5000x l/d rates and spot laycans.

Overall situation gradually improving on ECSA Panamax/Kamsarmax market

The South Atlantic Panamax/Kamsarmax market is well supported for March laycans thanks to a regular flow of new cargo offers. Charterers are pushing up their forward bids further in line with the FFA segment:

TCT rates bss ECSA RV are hovering at $9-10k daily for spot laycans;

The deal for a Kamsarmax vessel bss dely Spore via ECSA redel Spore-Japan has been signed at $9k daily with spot laycans;

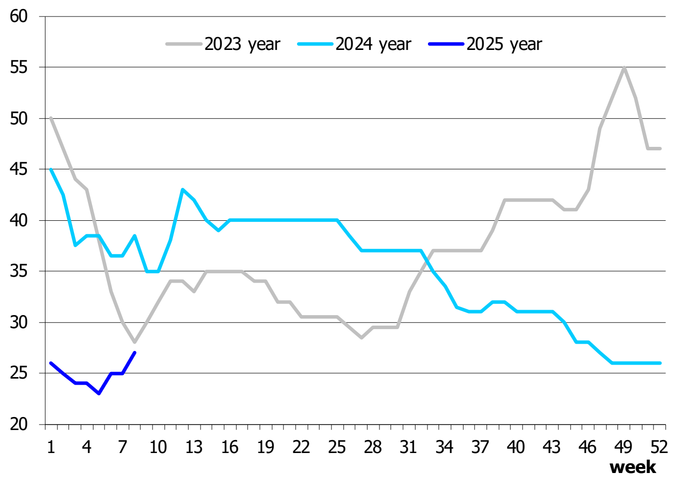
An 80k dwt carrier has been fixed at $9.5k daily bss dely ECI via ECSA redel FEast;

A 75k dwt ship has been chartered at $13.5k daily + $350k bb bss dely ECSA redel China;

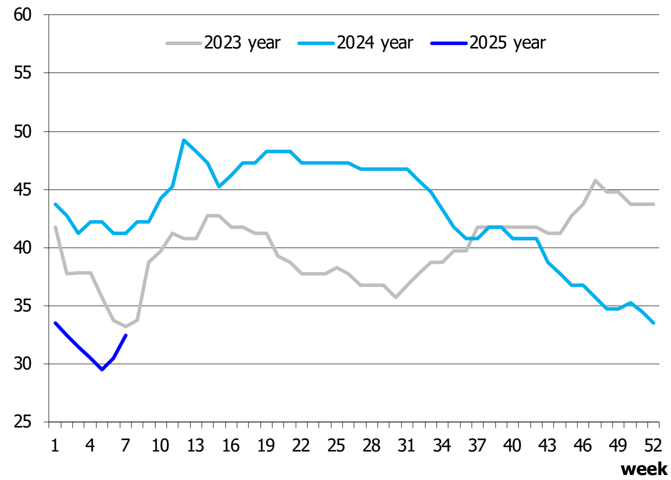
Voy-bss rates for shipment of 66,000 t of grain from Santos to Qingdao with spot laycans are voiced by brokers at $32-34/t, which gives the TCE of $8-9.5k daily;

The deal for transportation of 66,000 t of grains from Santos to China with April laycans has been signed at $36/t.

Corn (sf 52'), 60-65,000t, Upriver/Bahia Blanca - Damietta (8000x/6000x), $/tonne



Soybean (sf 50'), 60,000t, Santos - Northern ports of China (8000x/8000x), $/tonne



Transatlantic levels have also inched up:

TCT offers bss APS ECSA are voiced at mid-high $10s k daily vs. bids of low $10s k daily for spot laycans;

The deal for a 77k dwt vessel bss dely Gibraltar via ECSA redel Med with spot laycans has been signed at $9k daily;

An 81k dwt carrier has been chartered at $15.5k daily bss dely ECSA redel Skaw-Passero;

The contract for transportation of a Panamax lot of bauxite from Kamsar to the UK has been concluded at $11.5/t, which gives the TCE of $8k daily bss dely Gibraltar;

Rates for shipment of 66,000 t of grains from Santos to Rotterdam with spot laycans are negotiated at mid-$20s/t, which gives the TCE of $11-13k daily for a Kamsarmax vessel bss dely APS ECSA.

South Atlantic Capesize sector back to positive

The South Atlantic Capesize market looks supported this week as demand from Brazil is buoyant. Ship owners have managed to insist on higher rates despite the still growing ballaster list from the Indian Ocean. Thus, a steady flow of cargoes from Canada and Colombia does not allow charterers to materialize lower bids:

Rates for transportation of 170,000 t of iron ore from Tubarao to Qingdao with spot laycans are hovering at $17-18/t;

The deal for shipment of 170,000 t of iron ore from Tubarao to Qingdao has been signed at $18/t with March laycans;

The contract for transportation of 180,000 t of iron ore from Sudeste to Qingdao has been concluded at $18.5/t;

A 170,000 t lot of iron ore has been fixed from Tubarao to Rotterdam at $7.25/t;

Shipment of 160,000 t of coal from Bolivar to Rotterdam with spot laycans may cost $8-9/t;

The deal for transportation of 170,000 t of coal from Drummond to Iskenderun has been signed at $10.5/t;

The contract for shipment of 160,000 t of coal from Bolivar to China has been signed at $23.5/t with March laycans.

Just modest improvements seen on Supramax/Ultramax market in Indian Ocean

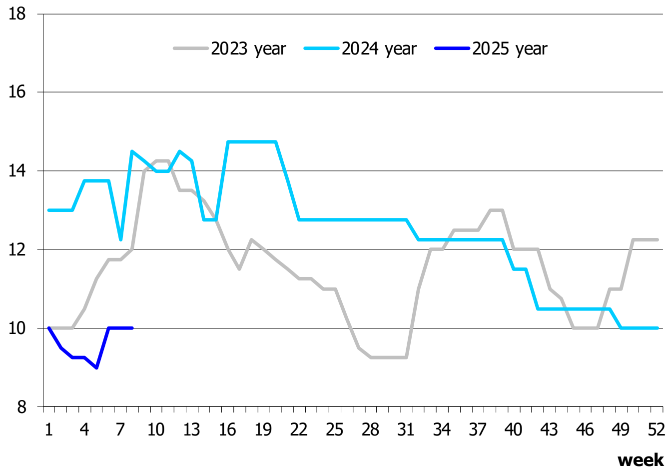
Supramax/Ultramax market sentiment looks a little bit more positive in the Indian Ocean, although corresponding rates have not changed much in most cases. The cargo traffic from PG/WCI remains flat, while iron ore exports from ECI are showing some improvements, with the tonnage list looking slightly shorter off ECI amid a firmer APAC sector.

Regarding shipments from the R.Sea/PG/WCI region:

Supramax owners are seeking to get $10k daily bss dely PG redel FEast, while charterers target mid-$8s k daily;

An Ultramax carrier has been chartered at strong $15k daily bss dely PG redel ECI intn fertilizers;

Limestone, 50,000t, Mina Saqr - Paradip (12000c/10000c), $/tonne



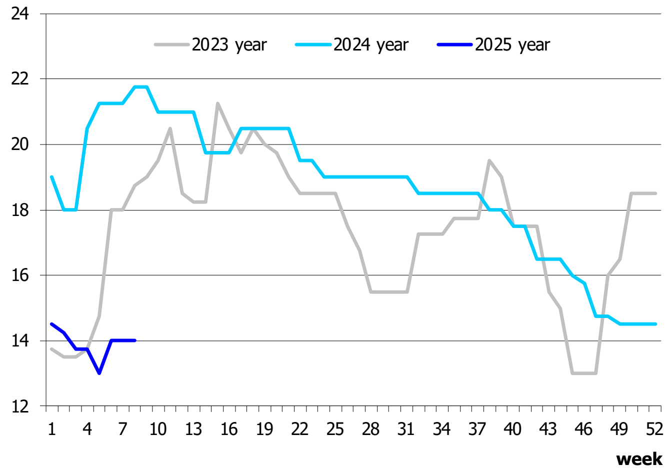
By contrast, Supramax owners want to get $10k daily bss dely PG redel ECI;

Charterers target $20/t for transportation of a Supramax lot of bulk cargo from the Red Sea to the Far East with late February laycans.

In ECI:

An Ultramax vessel has been chartered at $8-9k daily bss dely ECI redel China;

Iron ore, 50,000t, EC India - Tianjin (8000c/12000c), $/tonne



Meanwhile, owners of a similar ship have managed to get mid-high $9s k daily bss dely Bangladesh via ECI redel China;

Carrying a Supramax lot of iron ore from ECI to China with 8000c/12000c l/d rates is estimated by ISM at $13.5-14/t.

On the SAfr market:

A Supramax vessel has been fixed at $10k daily + $100k bb bss APS dely Durban redel Vietnam;

Ultramax owners have managed to get $12.5k daily + $125k bb bss dely Port Elizabeth redel China.

Handysize rates are stable:

Charterers are aiming at $6k daily for a Handysize vessel bss dely PG redel ECI;

Owners of a similar carrier want to get $6k daily bss dely WCI redel FEast, while charterers are bidding at $4k daily.

Supramax/Ultramax freight levels skyrocketing in Asia-Pacific region

Livelier Indonesian coal traffic has boosted the pace of Supramax/Ultramax market strengthening in the Asia-Pacific region:

The deal for a Supramax vessel bss dely Vietnam via Indo redel China is discussed at $8.5k daily;

Owners of a similar carrier have managed to get low-mid $9s k daily bss dely SE Asia redel China;

Owners of a Supramax ship have managed to get $10k daily bss dely Vietnam via Indo redel India;

An Ultramax vessel has been chartered at $11k daily bss dely Spore via Indo redel Taiwan;

The contract for transportation of an Ultramax lot of coal from S.Kali to WCI with late February laycans has been concluded below $12/t (equivalent to $11-12k daily bss dely Spore);

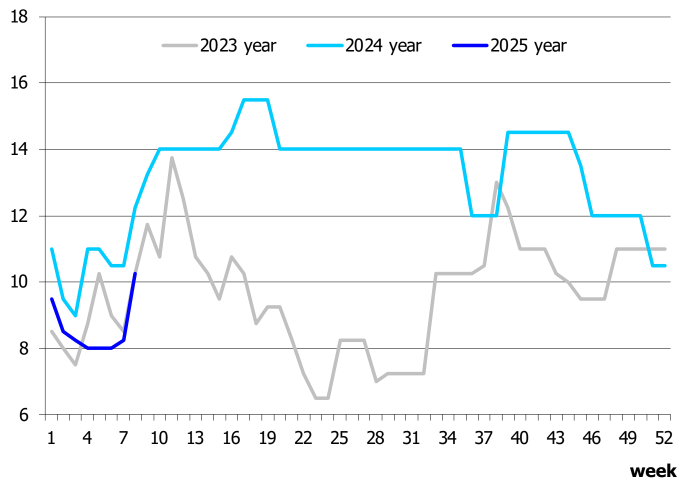
The deal for shipment of a similar lot of coal from Indonesia to China with March laycans has been signed at $7k daily;

Carrying an Ultramax lot of coal from E.Kali to ECI with 8000c/12000c l/d rates is estimated by ISM at $12/t.

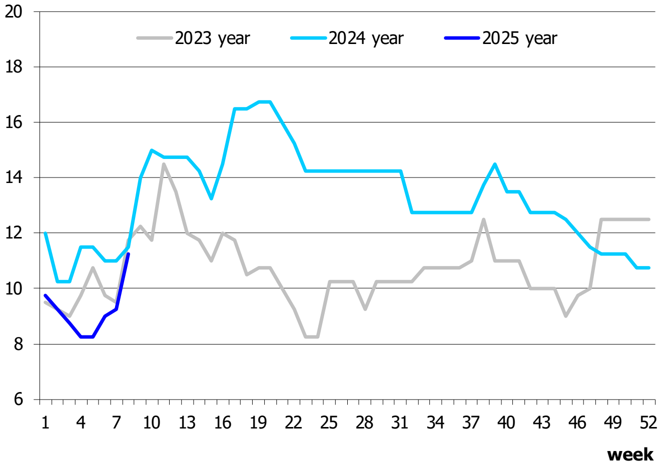
In Australia:

The deal for an Ultramax vessel bss dely SE Asia via Aus redel FEast (intn n.ore) has been signed at $14k daily.

Coal, 40,000t, Samarinda - Guangzhou (8000c/12000c), $/tonne



Nickel ore, 55,000t, Surigao - Rizhao (6000c/12000c), $/tonne



As for the Far East:

Supramax owners have managed to get as much as $14-15k daily bss dely FEast redel W.Afr;

Owners of a similar carrier have achieved $11k daily bss dely China redel PG-WCI;

The contract for a Supramax ship bss dely FEast redel SE Asia has been concluded at $9k daily;

Supramax time-charter rates bss dely FEast via FE Russia redel Spore-Japan are voiced by brokers at $10k daily.

In the Handysize/Handymax segment:

A Handymax vessel has been chartered at mid-$7s k daily bss dely Weda via Aus redel Spore-Japan;

Rates for a Handysize carrier bss dely Vietnam redel SE Asia are discussed at $7k daily;

A 28k dwt ship has been fixed at $7k daily bss dely Japan redel SE Asia;

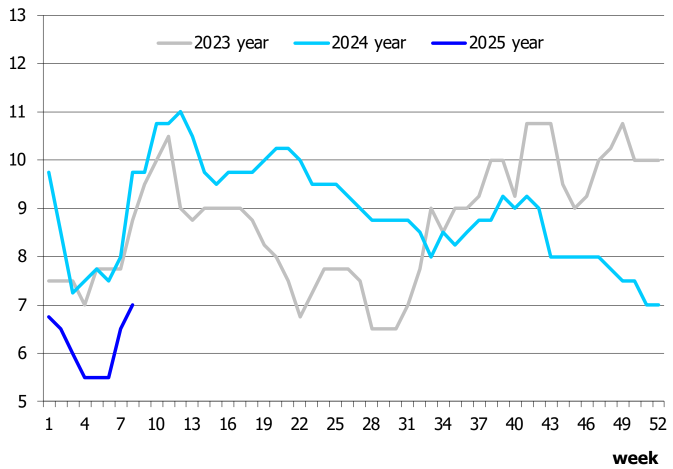
A large Handysize vessel has been chartered at $8.7k daily bss dely Kobexindo via Aus redel Japan.

Owners keep pushing up Panamax/Kamsarmax rates on Asia-Pacific routes

The sentiment remains positive on the Asia-Pacific Panamax/Kamsarmax market due to brisker exports of NOPAC grains and Indonesian coal:

A Panamax vessel has been fixed at $6.5k daily bss dely S.China via Indo redel S.China, while the deal bss redel N.China has been signed at $7.5k daily;

Coal, 70-75,000t, South Kalimantan - EC India (12000c/30000c), $/tonne



A Kamsarmax ship has been chartered at strong $12k daily bss dely Philippines via Indo redel India;

The contract for a similar carrier bss dely Japan via Villanueva redel Japan has been concluded at $11-11.5k daily;

A Kamsarmax vessel has been fixed at low-mid $11s k daily bss dely Japan via Indo chopt NOPAC redel China;

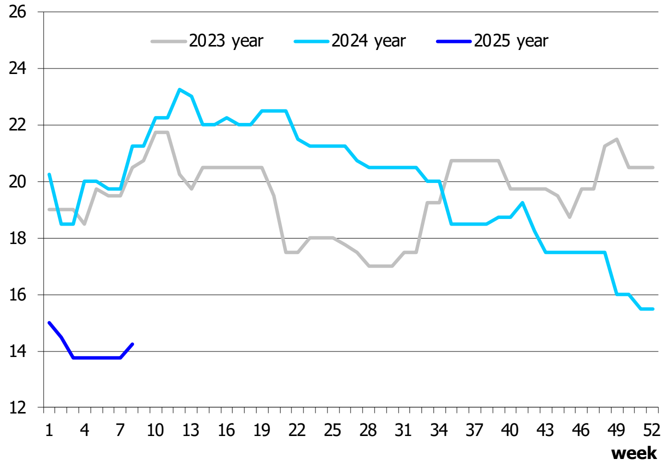
Transportation of 75,000 t of coal from S.Kali to ECI with 15000c/25000c l/d rates is estimated by ISM at $7/t.

In Australia:

The deal for a Kamsarmax ship bss dely Zhoushan via E.Aus redel Vietnam is rumored to have been signed at $9k daily;

The contract for transportation of 75,000 t of coal from E.Aus to ECI with 2H March laycans has been concluded at mid-high $14s k daily;

Coal, 70-75,000t, Richards Bay - Fangcheng (38000c/25000c), $/tonne



Carrying 75,000 t of coal from E.Aus to ECI with 38000c/25000c l/d rates is quoted by ISM at $13.5-14/t (equivalent to $9-10k daily bss dely CJK).

As for the Far East:

The deal for Panamax shipment of petcoke bss dely S.Korea via NOPAC redel Spore-Japan has been signed at $8k daily;

Carrying a Panamax lot of coal from FE Russia to China is quoted by brokers at $5-6/t;

Transportation of a Panamax lot of grain from Vancouver to China with 9000x/8000x l/d rates is estimated by ISM at $21-22/t.

Trade slack and quiet on Eastern Hemi Capesize market

Hit by recent cyclone, Australian iron ore exports remain limited, while brisk traffic of Australian coal alone is insufficient to support Capesize owners who struggle to raise rates in the Asia-Pacific region:

Shipment of a Capesize lot of ore from W.Aus to Qingdao is estimated by ISM at $6/t;

Thus, several Capesize lots of ore have been fixed from Port Hedland to Qingdao at $6/t with early March laycans;

In the meantime, Capesize owners have managed to sign a similar deal at $6.2/t.

Speaking of coal traffic from Australia:

Transportation of a Capesize lot of coal from E.Aus to China is quoted by ISM at $10/t.

In the Indian Ocean:

Carrying a Capesize lot of ore from Saldanha Bay to Qingdao is estimated by ISM at $12/t.

COMMODITY MARKETS

Grain market insight

Russia's grain exports down 28.2% y-o-y in January

Seaborne shipments of Russian grain shrank by 28.2% to approximately 3.3 million t in January 2025 compared with December 2024. The decline is due to unfavorable weather conditions at ports on the one hand and the upcoming introduction of grain export quota in February on the other hand.

About 2.7 million t of grain were shipped from the Black Sea ports, mostly heading to the Middle East (accounting for almost 82% of the overall grain oversea flow in January, down 33.9% year-on-year), while about 300,000 t were shipped from the Caspian Sea ports chiefly to Iran (accounting for 9%, down 32.6% year-on-year). Meanwhile, traders stepped up grain shipments though Baltic Sea ports to such markets as Latin America and West Africa, with the volume averaging 300,000 t, up 246% year-on-year).

In the period from July 1, 2024 (the start of the 2024-25 marketing year) to January 31, 2025, a total of 35.3 million t of grain were exported from Russia through seaports, up 2.6% year-on-year thanks to brisk shipments in the first half of the current grain season.

Note that in MY 2023-24, when Russia saw a bumper harvest, grain exports from the country reached impressive 62 million t, with about 90% falling on seaborne shipments.

In MY 2024-25, however, the Russian Ministry of Agriculture predicts grain exports to plunge to approximately 55-57 million t due to poorer yields hurt by unfavorable weather conditions.

Brazil stepped up grain shipments 58.2%, Argentina's export shows 59.5% hike after Feb 15

Brazil's grain exports reached approximately 3.75 million t in February 15-21 compared with 2.37 million t in February 8-14, of which 2.96 million t were soybeans (1.64 million t last week) and just 258,581 t fell on corn (356,089 t last week).

China traditionally was the largest consignee of soybeans, having acquired some 2.31 million t of the commodity. Soybeans were also carried to Thailand (140,178 t) and Pakistan (139,616 t). Algeria (74,740 t), Iran (66,805 t) and Saudi Arabia (63,000 t) were the main destinations for corn.

Grain exports from Argentina averaged some 1.77 million t in February 15-21, showing a 660,000 t increase from 1.11 million t shipped in February 8-14. Thus, the foreign deliveries included 650,389 t of corn (against 385,494 t last week), 426,714 t of wheat (215,686 t last week) and 289,761 t of soybean meal (312,105 t last week).

The main consignees of Argentine corn were Malaysia (224,461 t), Vietnam (50,235 t) and Iraq (42,390 t). Wheat was carried to Brazil (95,799 t), Saudi Arabia (68,561 t) and Peru (37,915 t). Up to 135,115 t of soybean meal were delivered to Vietnam, 40,144 t to Peru and 29,108 t to Cyprus.

Improved weather conditions speed up field work in Brazil

According to Conab, Brazilian farmers have sown 2024-25 first-crop corn on about 98.1% of the projected acreage by February 16, progressing by 1.3 percentage points over the week, while 98.3% had been planted by the same date of last year.

After a protracted delay, the corn harvesting campaign is gaining pace significantly, almost catching up with the last year's result. Thus, harvesting has advanced by 7.8 percentage points to 21.1% compared with 21.4% last season.

Sowing of 2024-25 second-crop corn (safrinha) has also advanced considerably, with 35.7% of the projected acreage planted by February 16 (up impressive 16.9 percentage points in a week) compared with 45.3% last year.

2024-25 soybean sowing is 99.7% complete (up tiny 0.2 percentage points), while it had been finished by that date last year.

Soybean harvesting enjoys a progress of 11 percentage points to 25.5% of the plan over the week compared with 29.4% last season.

Weather issues in Argentina hurt both soy and corn quality and yields

In Argentina, 2024-25 soybean production estimate dropped by 1 million t to 48 million t due to irregular rainfall, high temperatures and a continued decline in the soybean condition.

According to Buenos Aires Grain Exchange, up to 36% of soybean crops are rated poor/very poor, 49% fair, and 15% good/excellent as of February 15, with good/excellent percentage falling by 2% from the previous week. Soil moisture for soybeans is rated 38% short/very short and 62% favorable/optimum (the latter down 2% from the prior week).

The 2024-25 corn estimate in Argentina was also lowered by 1 million t to 46 million t due to weather issues and a significant deterioration of the quality of corn crops rated good/excellent.

Data from the Buenos Aires Grain Exchange show that the quality of 33% of corn is considered poor/very poor, 51% fair, while only 16% of crops are found in good/excellent condition in Argentina, down 9% from the previous week. Up to 41% of the area under corn sees short/very short soil moisture. Meanwhile, about 59% of acreage has favorable/optimum soil moisture, down 4% over the week.

Latest grain tenders and trades // week 8

Click here to see information about the latest grain tenders and trades

Steel market insight

Export deliveries of Ukrainian metallurgical products on the decline

The general oversupply in the world metallurgical industry accompanied by muted demand from the consuming sectors, high product costs, as well as geopolitical issues keep negatively affecting the global steel segment, thus putting strong pressure on production and exports of raw materials and semi-finished products.

In Europe, Ukrainian metallurgical industry looks the most vulnerable, as the situation is worsened by infrastructure damage, enterprises shutdown and shipping disruptions due to escalating war.

Thus, iron ore exports* from Ukraine shrank by 9.2% to 3.13 million t in January 2025 compared with December 2024, although the volume is still 0.5% above January 2024.

China (down 16.1% month-on-month to 1.72 million t), Slovakia (down 21.7% month-on-month to 405,650 t) and Poland (up 1.1% month-on-month to 399,460 t) remained the main markets for Ukrainian iron ore in January.

Although Ukraine stepped up foreign deliveries of pig iron by 1.6% month-on-month to 128,590 t in January 2025, the volume dropped by 9.6% year-on-year.

With purchases of approximately 115,350 t of Ukrainian pig iron, the US was the key importer of such production for Ukraine, accounting for almost 90% of such exports. Just insignificant volumes were carried the Netherlands (4,970 t) and Poland (4,480 t).

Exports of semi-finished steel products from Ukraine plunged by 34.1% month-on-month and 63.7% year-on-year to 80,620 t, with Bulgaria (23,830 t), Egypt (21,930 t) and Turkey (20,570 t) being the largest destinations.

It should be noted that the lion's share of metallurgical products is delivered to foreign markets by water. In particular, more than 2.1 million t of iron ore (including iron ore concentrate and pallets) were shipped from the ports of Greater Odesa in January 2025, while over 149,300 t were shipped via Danube ports.

** the volume includes iron ore and iron ore concentrate (code УКТЗЕД 2601), according to State customs data*

Fertilizer market insight

Brazil Potash and Keytrade agree up to 1 mmt of potash offtake per year

According to the information posted on the company's website on January 16, Brazil Potash Corp., a company developing and constructing the largest potash fertilizer project in Brazil, announced signing a memorandum of understanding between Potássio do Brasil Ltda., a wholly-owned subsidiary of the Company, and Keytrade AG, one of the world's leading fertilizer trading companies, for potential offtake of up to one million tons per year of potash from the Company's Autazes Potash Project (the "Project").

"This MOU with Keytrade represents another important step towards Brazil Potash's development and validates our strategic position in Brazil as a potential premier domestic potash supplier," said Adriano Espeschit, President of Potassio do Brasil. "Combined with our existing offtake agreement with AMAGGI, we have now secured potential commitments for approximately 1.5 million tons of our planned 2.4 million tons of annual potash production, providing strong foundational support for project financing," he added.

Founded in Switzerland in 1997, Keytrade developed into a leading fertilizer company that delivers a wide range of fertilizers to more than 115 countries across the world.

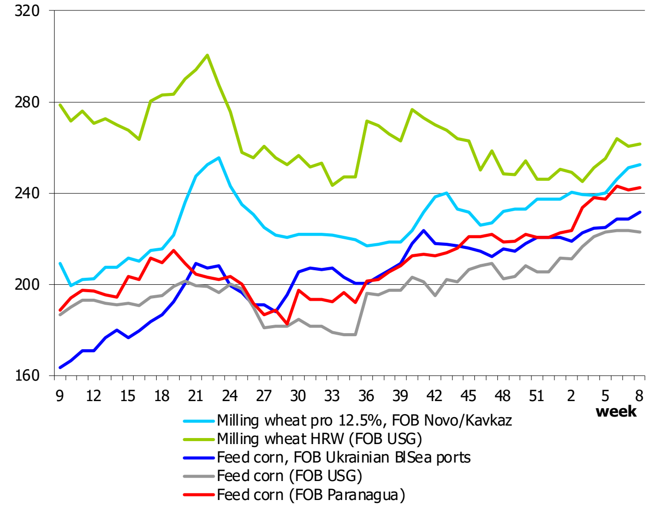
As for Brazil Potash, the company is developing Brazil's largest potash project that will supply fertilizers to one of the world's largest agricultural exporting country which, however, covers over 95% of its potash fertilizer needs by imported fertilizers. With initial planned annual potash production of 2.4 million tons per year, Brazil Potash's management believes it could potentially supply approximately 17% of the growing potash demand in Brazil with future plans to double the output. Management anticipates 100% of Brazil Potash's production will be sold domestically to reduce Brazil's reliance on potash imports. The potash produced will be transported primarily using low-cost river barges on an inland river system in partnership with Amaggi, one of the largest farmers and logistical operators of agricultural products in Brazil.

According to the Foreign Trade Secretariat, fertilizer imports by Brazil in 2024 reached a new record, totaling 44.34 million t, a 8.1% increase compared with 2023.

The data from the National Association for Fertilizer Diffusion show that fertilizer deliveries to the Brazilian market reached 4.99 million t in October 2024, a growth of 5.8% against October 2023. From January to October, the total was 37.87 million t, a slight drop of 0.9% compared to 38.22 million t seen in the same period in 2023. The State of Mato Grosso was the leader in fertilizer deliveries, with 20.3% of the total volume, or 7.68 million t.

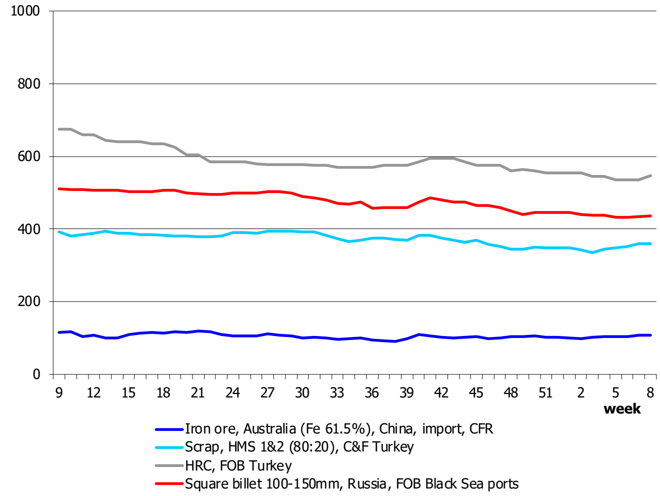
Commodity markets // week 8

Grain price dynamics, $/tonne



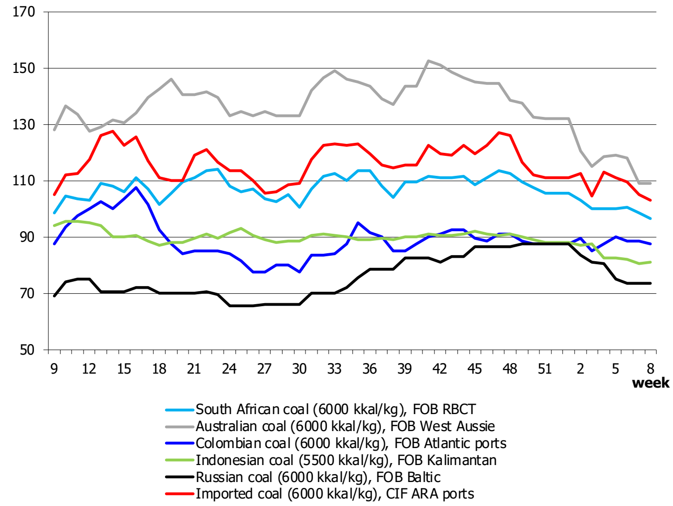
Grain export prices // week 8

Steels and raw materials price dynamics, $/tonne



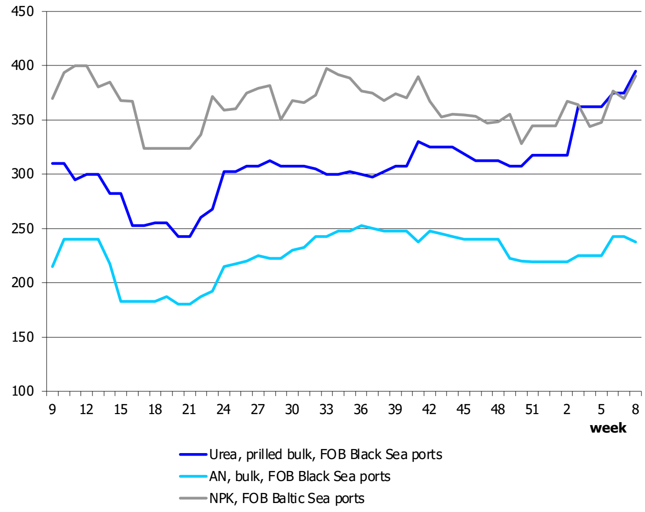
Export prices for major ferrous raw materials and steel products // week 8

Coal price dynamics, $/tonne



Coal export and import prices // week 8

Mineral fertilizers price dynamics, $/tonne



Mineral fertilizers export and import prices in basic ports // week 8

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