



DRY MARKET FUNDAMENTALS

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DRY MARKET FUNDAMENTALS

Market fundamentals in brief // week 34

The large-tonnage freight market has showed miscellaneous changes in both transportation costs and pace of cargo flow depending on a section and a tonnage group, with the epicenter of positive sentiment on the European Handy/Supra market.

The Global HFI has inched up by \$0.48/t, while the Global PFI and the Global CapeFI have sagged by \$0.18/t and \$1.04/t, respectively. The bunker fuel prices have been fluctuating this week, with the most significant increases in Americas and the Baltic Sea. The Baltic Dry Index has dropped by 43 points to 1,080 points after August 21. Similar to the previous week, another hike in the Azov Sea rates has boosted the Global Coaster Freight Index by \$0.58/t.

The world's major commodity markets remain dominated by divergent trends. Nevertheless, the Global ISM Commodity Index has increased by 5 points in the period under review, indicating a gradual price growth on monitored markets during three consecutive weeks.

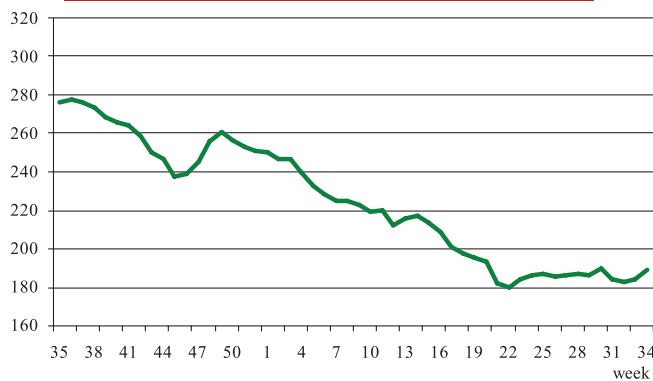
Iron ore prices for all key origins have jumped up after August 21 owing to strong demand from China that shows bumper steel production this week, as well as due to scant inflow of iron ore to the consuming markets. Turkish mills express lively interest in imported scrap, but prices are sliding down amid sluggish sales of finished steel products. Trade is dull on both European and Asian markets of square billets; however, exporters are trying to maintain prices due to high cost of raw materials. European markets of HRC and rebar are weak, while Chinese HRC exporters managed to sign a number of fresh contracts after cutting the offer quotes.

Prices for imported thermal coal keep climbing up in Western Europe for the third week in a row despite quite modest demand. Australian coal exporters managed to raise quotes too. Brisker demand from India boosted prices for South African coal.

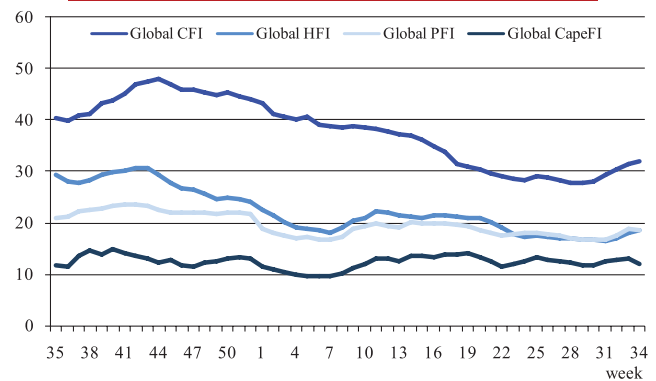
Prices for Ukrainian grains have dropped sharply amid slow export trade. Note that maritime shipments from the country remain limited and risky. Quotes for EU-origin wheat and barley are tending down due to, firstly, moderate demand from key importers and, secondly, stiff competition with Russia. Prices for US soy and corn are on the rise due to rather lively demand. Unfavorable weather conditions keep driving up wheat quotes in the USA and South America, while corn prices are in the rise there owing to brisk buying interest. Moreover, Russian attacks on Ukrainian grain ports continue to provide additional support to global grain prices.

This week, a slump in urea prices has been mainly related to muted demand from India, as the country has already acquired a significant volume of this type of nitrogen fertilizers. Quotes for Russian AN have totally stalled, while those for AS and UAN have inched down. Similar to the previous week, exporters of DAP, MAP, MOP, NPK and sulphur managed to raise quotes again despite lackluster trade.

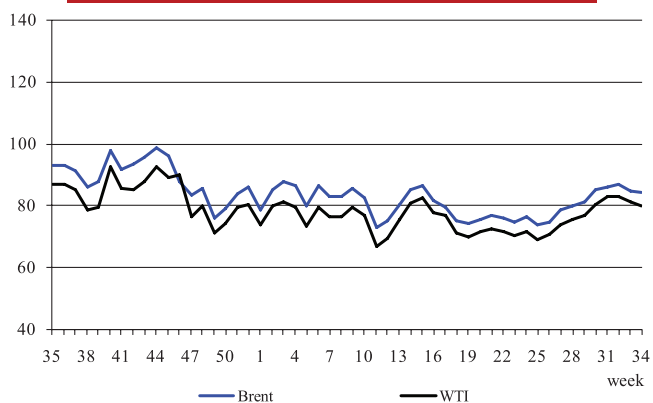
Global ISM Dry Commodity prices Index*



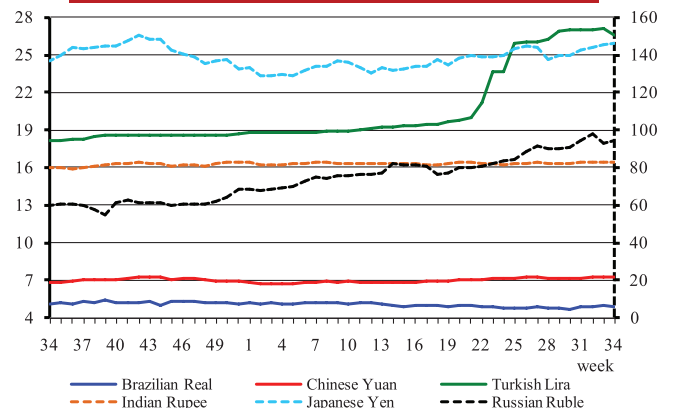
Global Freight Index



Crude oil futures, \$/bbl



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

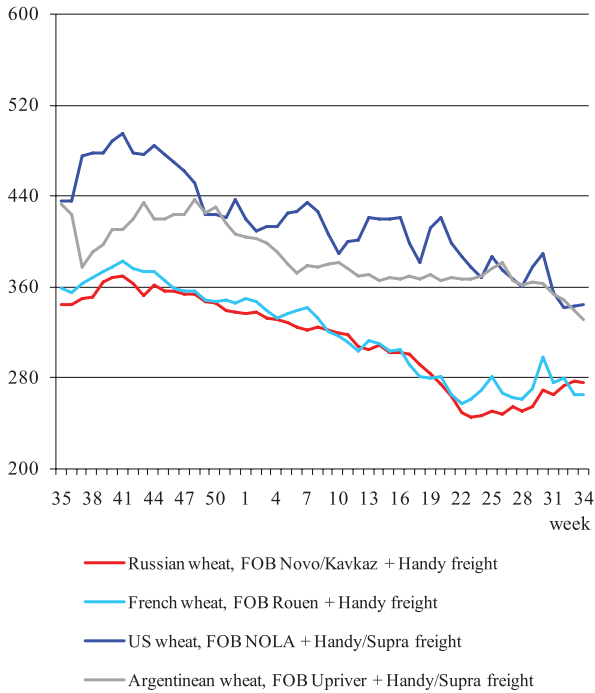


* - Commodity Index was designed by ISM as a tool to determine the complex commodity market situation and, therefore, to predict future shipping activity within certain tonnage classes. ISM Commodity Index is a weighted average of export prices for main types of dry cargoes, such as grain, steel, coal,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

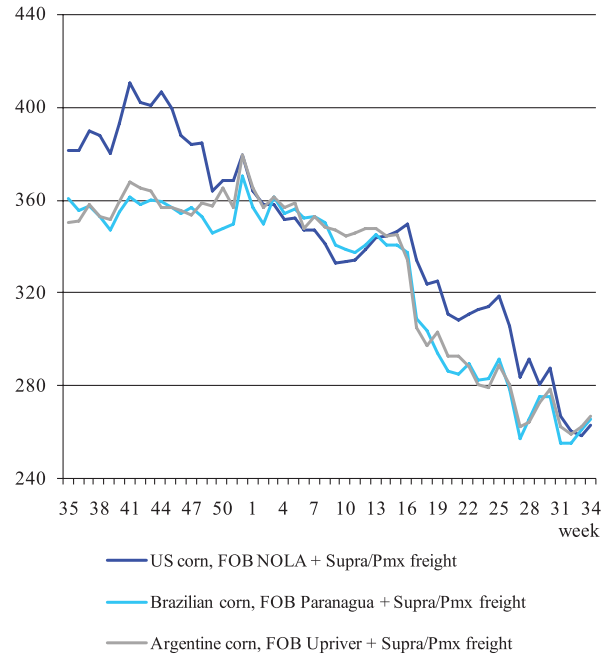
** - Due to different numerical order, Brazilian Real (BRL), Chinese Yuan (CNY), Turkish Lira (TRY) currency rates are shown within the main (left) scale, while Indian Rupee, Japanese Yen and Russian Ruble are shown within the secondary (right) scale. Time scale (week number) is a common one with latest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

Grain competitiveness on major sales markets // week 34

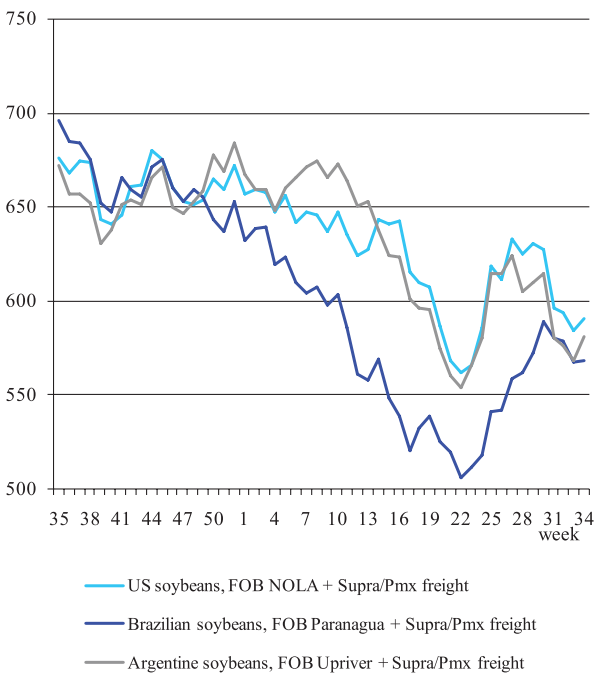
Wheat competitiveness in North Africa (bss Algeria)



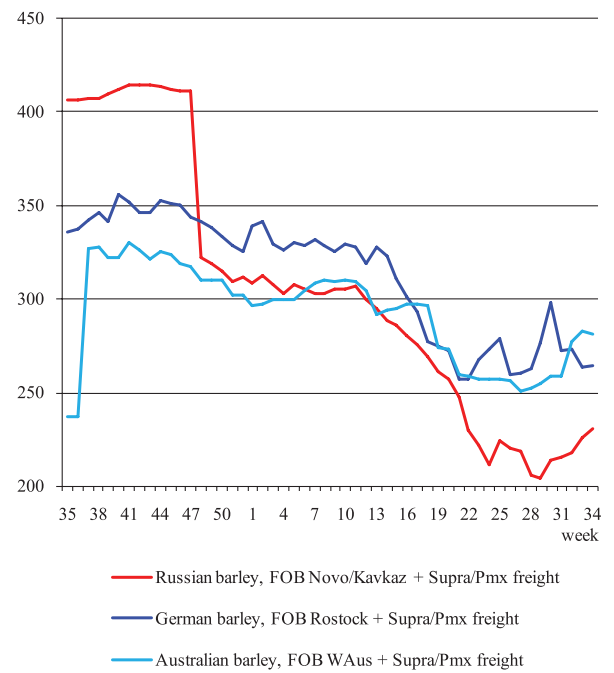
Corn competitiveness in SE Asia (bss Japan/S. Korea)



Soybeans competitiveness in China (bss South China ports)



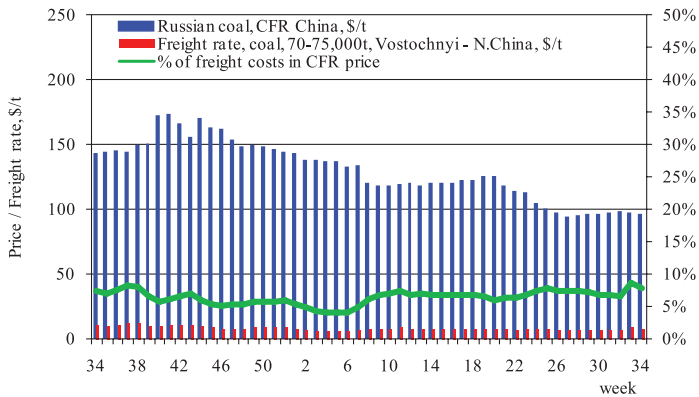
Barley competitiveness in Saudi Arabia (bss Jeddah port)



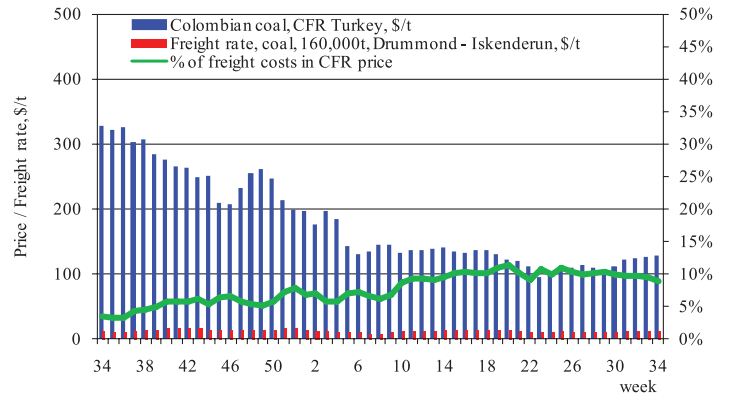
[Click here to see competitiveness of other commodities on major sales markets](#)

Share of freight costs in coal CFR prices // week 34

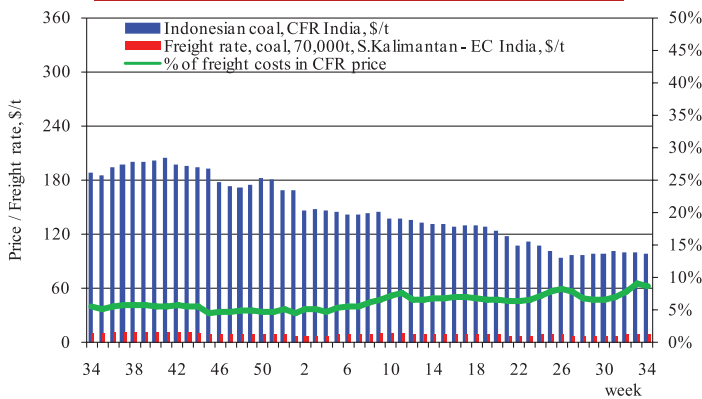
Russian coal: weight of freight costs in CFR China price



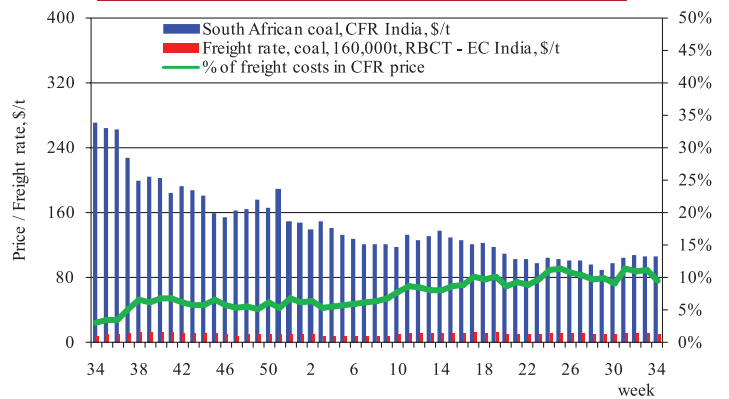
Colombian coal: weight of freight costs in CFR Turkey price



Indonesian coal: weight of freight costs in CFR India price

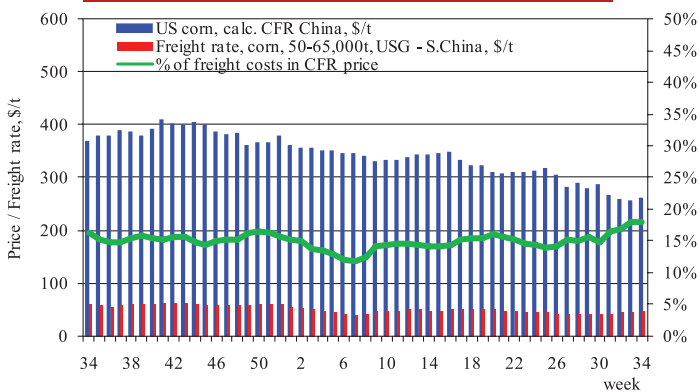


South African coal: weight of freight costs in CFR India price

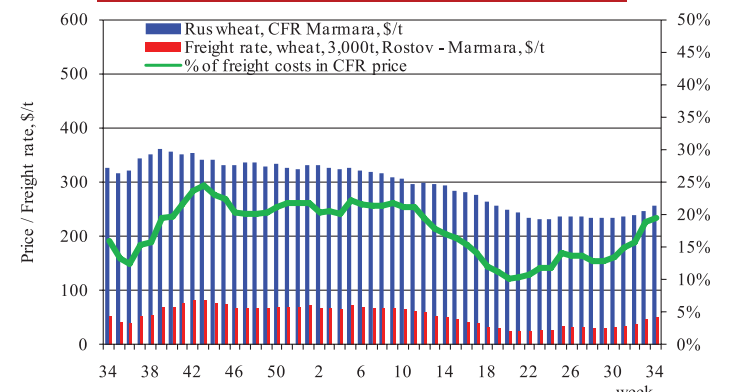


Share of freight costs in grain CFR prices // week 34

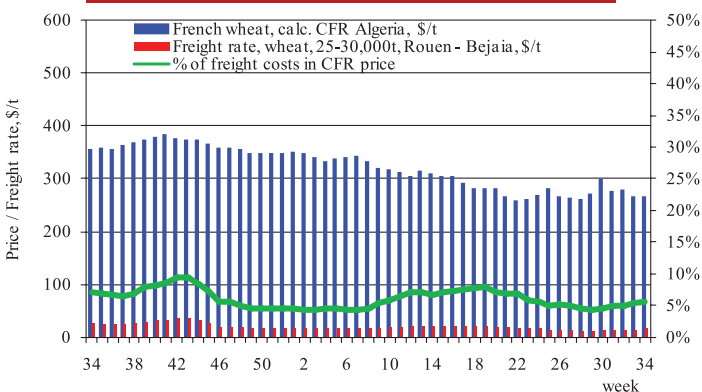
US corn: weight of freight costs in CFR China price



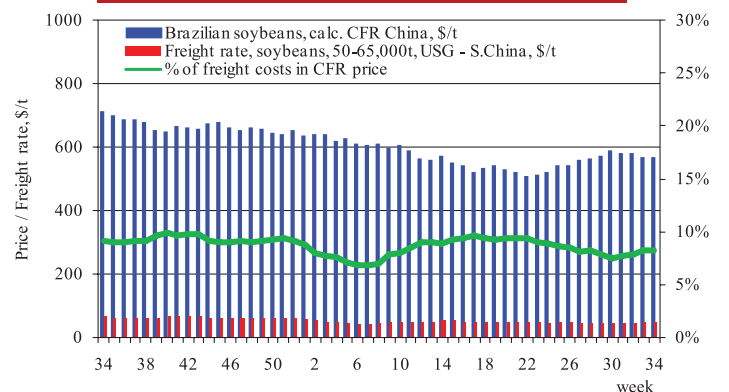
Russian wheat: weight of freight costs in CFR Marmara price



French wheat: weight of freight costs in CFR Algeria price



Brazilian soybeans: weight of freight costs in CFR China price



CHARTERING MARKET AT HAND

Short sea market // week 34

CURRENT TREND - FIRMING / STEADY

EXPECTATIONS - FIRMING

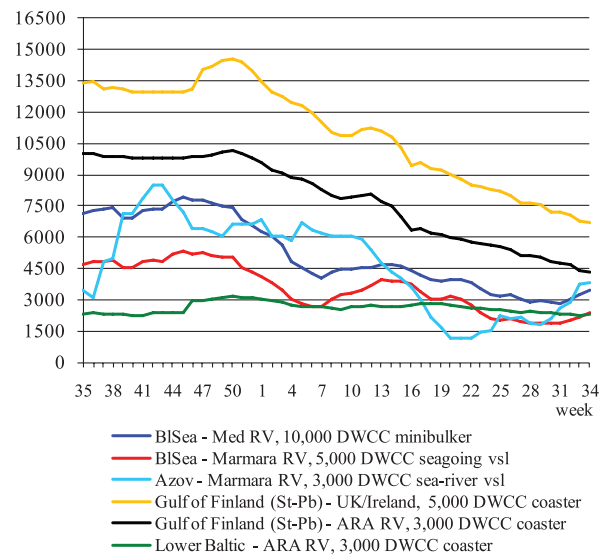
Despite the fact that the second month of the new grain export season is nearing end in Eastern and Western Europe, no serious impact on the small-tonnage market has been seen so far. Only the Danube market remains a specialty, where military risks combined with downtime for entry and exit allow ship owners to earn 1.5-2 times more compared to shipments from sea ports. However, the rate upturn has virtually stopped this week. "This week we see less firm grain offers from Ukrainian Danube ports towards Turkey and N.Africa, some charterers even try to decrease rates," - a Turkish broker commented to ISM. Note that absorption by the Danube market of about 100 vessels queuing to enter Sulina and Bystroe has only slightly corrected the cargo/tonnage imbalance in the region. This allowed ship owners to barely noticeably raise rates (\$0.5-1/t up) only for shipments from Bulgaria and Romania, while transportation costs from other Black Sea ports remain unchanged. "The main problem for owners is that there are still very few alternative cargoes around apart from Danube grains," another Turkish broker said. In general, despite some decline in tonnage list seen in the last couple of weeks, there is still a surplus of sea fleet on the spot market even in the **Black and Marmara Seas**, not to mention the Mediterranean Sea. Thus, about 50 vessels of 2-12k dwt will open in the Black and Marmara Seas from August 24 to 31 and more than 40 units will open during September 1-10; more than 110 vessels are open within the Mediterranean Sea for the next 7 days. There are still very few other cargoes in the **Mediterranean Sea** besides grains, fertilizers and minerals; relevant freight rates are also stable.

Meanwhile, sea-river rates have inched up further in the **Azov Sea** after a sharp surge mid-August. As before, rates are mainly supported by idle time of vessels in the Kerch Strait, which severely hit fleet turnover and lead to shortage of vessels. It should be noted that more than 170 vessels are now waiting for inspection and passage from the Black Sea to the Azov Sea. The average waiting time has already increased to 8-10 days. Freight rates have risen by another \$3-5/t during the week, while TCEs have not changed much as the rate upturn was leveled by increased waiting time. However, even with a 10-day idle time, sea-river owners are still able to earn 2.5-3 times more than OPEX.

The **Caspian Sea** market has started perking up due to brisker grain exports to Iran. Freight rates have added \$5-7/t in the region over the week.

Meanwhile, coaster market remains weak in the **Baltic and North Seas**. The sentiment has improved slightly this week only

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



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

Route	Daily TCE, \$	w-o-w
Western BISea - Med RV, minibuiker 10,000 DWCC	3,480	+230
Western BISea - Marmara/Med RV, seagoing vsl 5,000 DWCC	2,390	+180
Western BISea - Marmara RV, seagoing vsl 3,000 DWCC	1,580	+40
Azov Sea - Marmara RV, sea-river vsl 5,000 DWCC	6,010	+50
Azov Sea - Marmara RV, sea-river vsl 3,000 DWCC	3,820	+40
Marmara - Med RV, seagoing vsl 3,000 DWCC	1,150	+20
Marmara - Med RV, seagoing vsl 5,000 DWCC	1,700	+40
Inter-WMed RV (Iberian peninsula - N. Afr RV), seagoing vsl 5,000 DWCC	2,280	+40

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	6,700	-50
Gulf of Finland (St-Pb) - ARAG RV, coaster 3,000 DWCC	4,370	-30
Lower Baltic - ARAG RV, coaster 3,000 DWCC	2,310	+50

due to some recovery of grain and wood pellets shipments from Lower Baltic ports. However, this still looks like a drop in the ocean considering the overall extremely low activity. Besides, cargo traffic from other Baltic parts remains minimal: "Cannot say i see any improvement - spot vessels, low freights and so little on the spot market from Upper Baltic," an EU broker commented. Freight rates have not changed much during the week. Only grain transportation costs from EU have grown by €0.5-1/t.

If the tonnage list keeps getting shorter (albeit slowly) in the Black and Marmara Seas, with gradually perking up grain exports from Ukraine, Russia and EU ports to Turkey and the Mediterranean Sea, freight rates in this region may gradually increase in September. A slight recovery of steel demand from North African importers should also play into ship owners' hands. On the other hand, demand for Egyptian urea has been extremely low in Europe since the beginning of August. In North Europe, activity is likely to keep growing slowly at the expense of grain traffic. The end of the vacation season in Europe should also have a positive impact on the local market. "Still a lot of spot tonnage in the usual areas, but we're seeing more interest from charterers right now. Everyone wants guidance as to what the market's going to be doing/where rates will be at going into September/Q4," a broker commented.

[Click here to follow freight assessments on major trade routes](#)

Handysize & Supramax/Ultramax market // week 34

CURRENT TREND - FIRMING / STEADY

EXPECTATIONS - FIRMING

The sentiment of Supramax/Ultramax and Handysize owners remains positive in most sections of the Western Hemisphere, with market steadily accelerating in some regions. This primarily applies to the Black and Mediterranean Seas, and to a slightly lesser extent to the Continent.

The tonnage list has decreased in both regions in the last couple of weeks, while the cargo offer has grown this week (quite significantly in the **Black Sea**); primarily we talk about grain offer for transportation from Romania, Bulgaria and Russia by both Handysize and Supramax tonnage. "There are lots of fresh cargoes on the market ex Black Sea this week, with many vessels absorbed by USG and Brazilian markets, especially those open in WMed and Continent," an EU-based operator commented to ISM. "We surely see much higher levels for Supra driven by F/H demand and also for Handy to Med driven by tight fleet plus decent spot grains demand," an experienced grain charterer confirmed. Note that besides grain, shipments of metallurgical cargoes and coal from Russia have perked up, which also provides serious support to ship owners, especially in the **Baltic Sea**, where we can see a real excitement when discussing deals from the Gulf of Finland, with owners' ideas having literally no ceiling: "Business with Russians becomes more and more 'as usual' for the majority of ship owners, while many charterers of Russian cargoes are still used to pay huge premiums; therefore more and more owners consider these levels as normal ones, thus instigating the market," a ship operator explains. It should be noted that recent surge on the European Panamax market also played into the hands of Supramax/Ultramax owners, because in the last couple of weeks many charterers started to split shipments to Supra/Ultra lots in order to leave the overheated Panamax segment. By the end of the week, transportation costs of grain and other cargoes have risen by \$1-3/t both in the Black Sea and North Europe, while time-charter rates have added \$1-2k daily (with Supramax fronthauls from **Mediterranean** up by impressive \$3-4k daily).

USG also continues to see positive trends. "The sentiment in North America continues its upward trend, with higher rates being exchanged," a broker mentioned. Active Asian coal and coke shipments are providing the main support to the Supramax/Ultramax market. Despite a slight decrease in delays for Panama Canal passage (max 7-9 days for north bound and 2-3 days for south bound), ship owners have managed to raise both front-haul and transatlantic rates by \$1-2k daily and \$1-3/t. The Handy segment has also strengthened amid increased cargo offer from USA and Canada, especially on transatlantic routes. Over the week, spot rates have grown by \$1k daily and \$1-2/t.

Meanwhile, Supramax/Ultramax transportation costs have stabilized in **ECSA** after a surge seen during the last few weeks. Some premiums are still possible only for vessels open for late August - early September laycans, while charterers are even lowering rates a bit when discussing deals with mid-2H September laycans. The Handysize market, however, has firmed up further amid limited spot vessel list; particularly rates towards WCSA have shown a noticeable upturn. Transatlantic freight levels have risen by \$1k daily and \$1-2/t, while trips to WCSA cost \$2-3k daily more than last week.

In **SE Asia**, the uptrend persists only on Handysize market as well; corresponding rates have increased by \$0.5-1.5/t and \$1-2k daily over the week amid lively exports of Australian cargoes and serious shortage of open vessels for such shipments. Supramax/Ultramax rates have stabilized due to a slowdown of Indonesian coal traffic to India. In the **Far East**, an increase in Chinese fertilizer shipments to India seen at the start of the week to some extent supported demand for Handymax/Supramax tonnage, but Panamax owners are already actively competing for such cargoes, with surplus of vessels growing in the region amid improving weather conditions.

In the **Indian Ocean**, quite lively traffic of South African coal remains the key market driver. Shipments of construction cargoes from the Persian Gulf to ECI remain stable. Freight rates have not changed much this week.

CHARTERING MARKET AT HAND

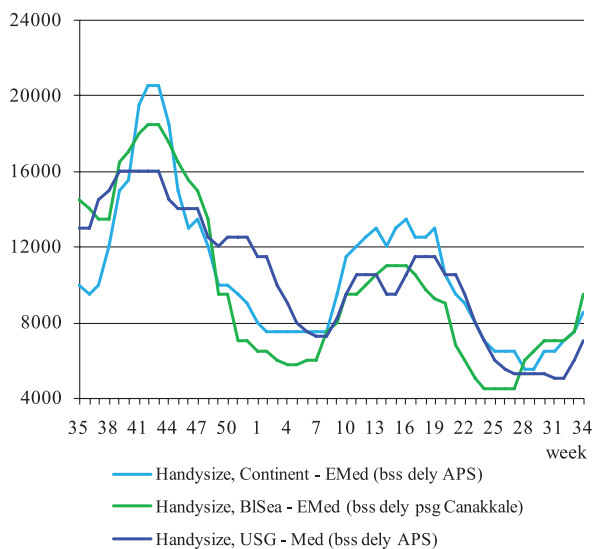
Next week, Supramax/Ultramax rates from ECSA may start climbing up due to brisk grain shipments from Brazil and Argentina in September, as well as the forecasted upturn in the Panamax segment. The uptrend will most likely continue in USG as well: "Prevailing sentiment on the market indicates that this upward trend will persist throughout September and October," a broker says.

The end of the vacation season in Europe together with an increase in exports of EU grain, fertilizers and steel scrap will most likely allow ship owners to continue strengthening their positions in the Baltic & Continent.

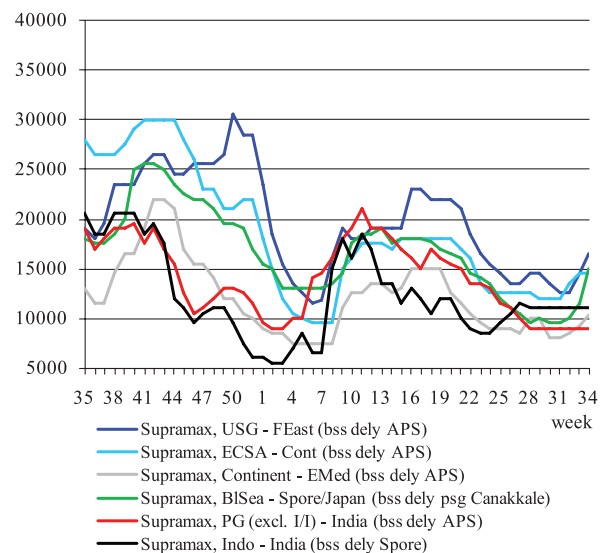
Grain exports are likely to continue gaining pace in the Black and Mediterranean Seas, but it will be difficult for Supramax/Ultramax owners to count on a sustained rate upturn considering steadily slow exports of construction cargoes from Turkey, as well as still stagnant Mediterranean market for steel products. "Most importers that were usually buying clinker and cement from Turkey now purchase from Vietnam or Pakistan claiming they pay \$20-30/t less bss FOB, with more or less similar or slightly higher freights". It should also be noted that owners of Handysize tonnage, as well as of larger carriers, are closely following Ukraine's attempts to establish operations within its own grain corridor with security guarantees for ship owners. Offers of 10-20,000 t wheat stems from Odessa even enter the market, but few ship owners are ready to seriously consider and quote them.

Some players in the Eastern Hemi also expect the market to strengthen in September. "These two days seem a little calm, but I am positive because I can see that cargoes for end Aug - early Sept are far more than before in Asia-Pacific and Indian Ocean," a broker claims. "Feel there should be some movements of iron ore ex ECI - hoping something better," another broker adds.

Time-charter-trip rates, \$/day



Time-charter-trip rates, \$/day



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Panamax/Kamsarmax market // week 34

CURRENT TREND - MIXED

Trade remains quite brisk on **ECSA** Panamax/Kamsarmax market, but local charterers have still managed to stop the rate growth after surge seen during last several weeks. The fact that deals with 2H September laycans are negotiated below spot rates should be an alarming signal for ship owners.

The **USG** spot market has started cooling down slowly. The offer of U.S. cargoes for transatlantic shipments has declined, while the tonnage list is again growing in the Continent. T/A rates have stabilized. At the same time, last week's positive impulse on the front-haul market turned out to be quite strong: corresponding rates have added another \$1k daily and \$1-2/t (still quite lively exports of minerals to Asia play into ship owners' hands).

In the **Asia-Pacific region**, the situation has started to worsen for ship owners amid decreased coal offer for shipments from Indonesia, as well as a slowdown of grain exports from NOPAC ports. "There are more tonnages simply because volume decreases," a broker commented. In addition, the tonnage list has got longer given reduced idle time in the region due to improved weather conditions. Time-charter rates have sagged by \$1k daily, while transportation costs of coal, ore cargoes and grain have dropped by \$0.5-1/t.

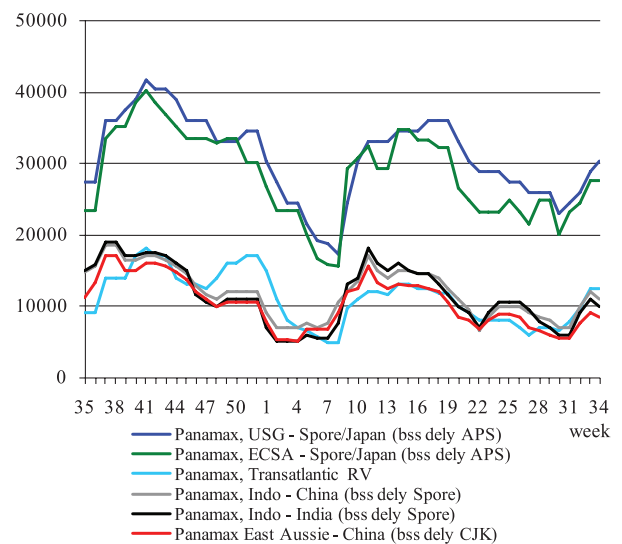
EXPECTATIONS - FIRMING / MIXED

CHARTERING MARKET AT HAND

Despite the fact that ECSA Panamax market is taking a breather this week, and rates for 2H September are even slightly decreasing, fundamentals still look rather positive. For example, the outlook for Brazilian soybean exports remains strong. The country exported about 4 million t of soybeans in 1H August and about the same volume is expected for 2H August. "Soybean crush margins remain negative on Brazil's domestic market, which means more soybeans will come to the export market," a trader mentioned. Note that lower export prices for soybeans in Brazil allow local traders to look to the autumn with confidence (although usually U.S. soybeans are in high demand in China at this time). Players report that China is already quite aggressively buying Brazilian soybeans with shipments in October-November this year, as well as in March and April next year. Meanwhile, there are few preconditions for increased activity in the North Atlantic despite the impending start of the U.S. export season. Some ship owners are also counting on resumption of grain exports from Ukraine (Ukrainian ministries are actively working towards providing safety and guarantees for ship owners), but it is too early to talk about it. As for the Asian market, the fact that coal stocks continue to increase in Indian ports is the biggest concern of ship owners as it means that shipments from Indonesia to India will not be recovering yet. On the other hand, coal stocks have somewhat decreased at Chinese power plants, and the recent explosion in a mine in northern China may cause inspections, which negatively affect coal production volumes. This, in turn, could boost coal imports to China. In addition, interest from some Asian importers in Australian high-calorie coal is gradually growing.

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Time-charter-trip rates, \$/day



Capesize market // week 34

CURRENT TREND - SOFTENING

Capesize freight rates have started going down in both Western and Eastern hemispheres after August 21 despite quite brisk iron ore shipments from both Brazil and Australia, as well as of bauxite from West Africa. Moreover, coal exports from Colombia and Australia have even perked up. "Coal traffic towards China increased a bit, iron ore activity is pretty normal and steady," a broker comments. Pressure on freight rates is put by growing number of open vessels, which is referred to improved weather in CJK and increased ballaster inflow to the Atlantic Ocean with ETA in September.

By the end of the week, spot rates for shipments from **South Atlantic** have dropped by \$1-1.5/t on both F/H and transatlantic routes. Capesize rates in **North Atlantic** and **APAC** have sagged by \$0.5-1.5/t.

China is expected to ramp up steel production and hence imports of iron ore (stocks of which are quite low). "More stimuli to the real estate market might be the cause for ramping up steel output," a broker reckons. However, it will be problematic for owners of vessels opening in the Atlantic to push rates up as the tonnage list for September dates is growing quite rapidly in ECSA. At the same time, regional exports, as well as those in the eastern hemisphere, are expected to rise in September. Vale is projected to have a strong production amid increased capacity in Itabira and Vargem Grande complexes, as well as the commissioning of the Torto dam. Brazil is forecasted to export about 35 million t of iron ore in September vs. 32 million t in August.

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EXPECTATIONS - FIRING / MIXED

XIX INTERNATIONAL CONFERENCE

blackseagrain

BLACK SEA GRAIN & OIL

14 September 2023
Kyiv, Ukraine

blacksea oil
TRADE

ORGANIZER

 **UkrAgroConsult**

FLAWS & FIXTURES / ATLANTIC

Black Sea coaster market: Grain charterers try to stop rate increases ex Danube ports

Trade from Ukrainian Danube ports remains quite strong, although some brokers report lack of firm offers towards Turkey. Seeing no further growth of congestions at Sulina, charterers try to stop the freight rate increase. The gap in rates on similar routes is still rather wide, though:

Thus, the deal for shipment of 3,700 t of corn from Reni or Izmail to EC Greece is discussed at \$56/t given 1,500 sshex bends l/d rates, which is equivalent to \$4.4k daily bss RV given 7 days of waiting time on owner's acct for passage in and 5-6 days for passage out for vessels with no AWRP required and to \$3-3.2k daily bss RV with AWRP on owner's acct;

Meanwhile, other charterers offer mere \$47/t for transportation of 3-4,000 t of wheat from Reni or Izmail to EC Greece, which means \$3-3.2k daily bss RV for vessels with no AWRP required and \$1.8-2k daily with AWRP on owner's acct;

Traders offer \$56/t for shipment of 4-7,000 t of corn from Reni to Larnaca, which is equivalent to \$4.5-4.7k daily bss RV for 5k dwcc vessels with no AWRP required or to \$3.1-3.2k daily bss RV with AWRP on owner's acct;

Other charterers are ready to pay \$58/t for transportation of about 5,000 t of corn from Izmail to Cyprus (given 6 days of waiting time on owner's acct), which means \$5-5.2k daily bss RV for vessels with no AWRP or \$3.2-3.3k daily with AWRP on owner's acct;

The deal for transportation of 6,500 t of wheat from Reni or Izmail to Marmara has been signed at \$45/t given 1,200 sshex bends l/d rates, which exceeds quite strong \$5.7k daily for vessels with no AWRP required in case of 5-6 days for passage out;

Charterers offer \$60/t for shipment of 4,500 t of wheat from Reni to Ravenna, while owners are seeking to get at least mid-\$60s/t (equivalent to \$3.8k daily vs. \$4.5k daily bss RV for vessels with no AWRP required or \$1.3-1.5k daily less with AWRP on owner's acct);

Some traders are ready to pay \$58-59/t for transportation of 6-8,000 t of wheat or corn from Reni or Izmail to Alexandria given 1,250 sshex bends l/d rates and late August - early September laycans, which is equivalent to \$5-6k daily bss RV for vessels with no AWRP required and \$1.4-1.7k daily less with AWRP on owner's acct;

Charterers are ready to pay \$65/t for shipment of 4-6,000 t of grain from Izmail to the Italian Adriatic with 1,250 sshex bends l/d rates and early September laycans, which means around \$5k daily in TCE bss RV for 6-7k dwcc vessels (in order to meet draft limits of 5 m) with no AWRP required.

As for long-hauls:

Traders offer \$69/t for shipment of 5,900 t of meal (sf 60') from Reni to SpanMed;

Other charterers offer mere \$62/t for transportation of 8,000 t of wheat from Izmail to S.Spain with 2,000x/2,500x l/d rates, while owners are seeking to get \$70/t (equivalent to \$6.2k daily vs. \$7.4k daily bss RV for 11k dwt vessels with no AWRP required and \$2k daily less with AWRP on owner's acct);

Up to 6,600 t of barley (sf 56') are offered for shipment from Izmail to Seville at \$60/t given 1,500 sshex bends l/d rates.

As for the shipments from Romanian Danube ports:

A 5,000 t lot of corn is carried from Galati to Marmara at \$41/t;

Meanwhile, charterers are ready to pay \$50/t for transportation of up to 6,500 t of barley (sf 55-56') from Galati to Ashdod with 1,500 sshex bends l/d rates, which exceeds \$5.5k daily bss RV in case of total 7 days for passage in+out on owner's acct.

With many 5-8k dwt vessels being absorbed by the Danube market, freight rates from EU ports have even inched up despite lack of offers:

The deal for shipment of up to 6,000 t of wheat from Constanta to the Italian Adriatic is discussed at mid-high \$20s/t bss 1/1, which is equivalent to \$2.5-2.7k daily bss RV;

Some traders offer mere \$13-14/t for transportation of 3-3,500 t of wheat from Bulgaria to Marmara;

Up to 8,000 t of bulk minerals are carried from Constanta to TBS at \$12/t.

As for other cargo flows:

The deal for shipment of 6,000 t of coke from TBS to Constanta has been signed at \$15-16/t;

Brokers suggest very high \$20s/t for transportation of 5-6,000 t of steel from Bartin to Tunisia bss 1/1;

Charterers are ready to pay \$16.5/t for shipment of 9,000 t of steels from Novorossiysk to Marmara, which is equivalent to \$2.9-3.2k daily bss RV for vessels with no AWRP required;

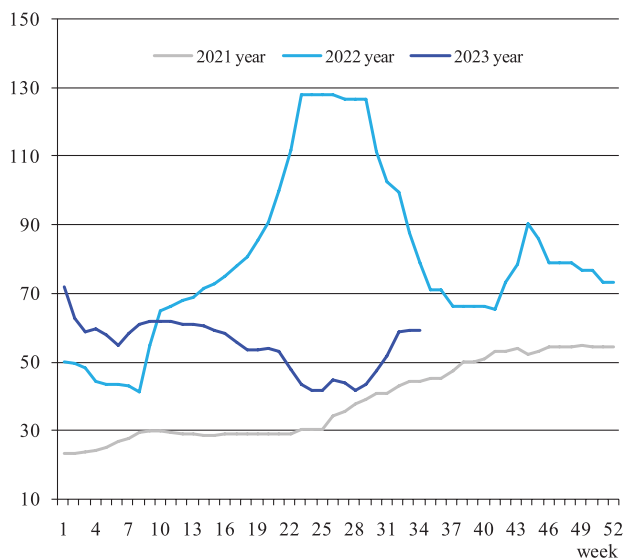
Up to 4,700 t of steel are offered for transportation from Novorossiysk to Alexandria at \$28-29/t with 1,500 sshex bends l/d rates and 6-10 September laycans (equivalent to \$2.3-2.5k daily bss RV for vessels with no AWRP required);

FLAWS & FIXTURES

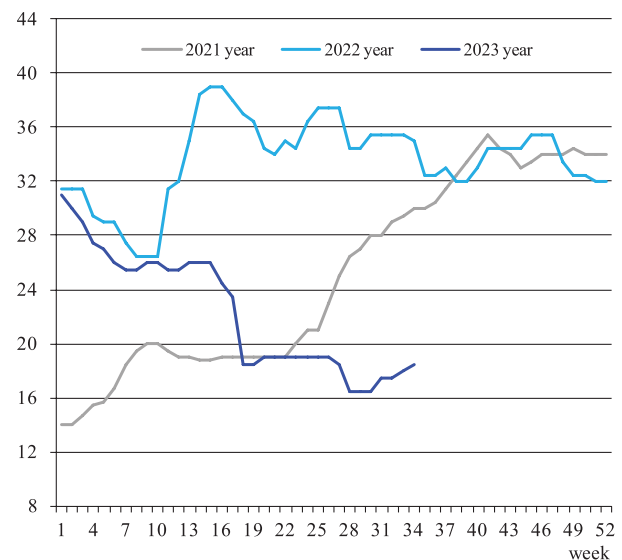
Charterers are ready to pay \$35/t for shipment of 3-5,000 t of bulk urea from Poti to Izmail with 1500x/1000x l/d rates and early Sep laycans and 37/t for transportation of 3-4,000 t of bagged urea from Hopa to Izmail given 1000 sshex bends l/d rates and 1H Sep laycans;

Carrying 3,000 t of bagged urea from Poti to Izmail with 1,000 sshex bends l/d rates and 7 days of waiting time on owner's acct is estimated by ISM at very high \$30s/t.

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



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



Both Handysize and Supramax owners bullish in Black Sea & Med amid more grain offers

Having taken a short breather, the Handy/Supra market has resumed firming up, with even much more confidence than in 1H August. Brokers report plenty of fresh grain requests entering the market, mostly from Romania, Bulgaria and Russia. Owners are successfully raising rates amid tightening tonnage list both for spot and 1H September laycans:

Thus, several inter-Med deals for 33-36k dwt vessels are already discussed at \$10-11k daily bss dely passing Canakkale for trips via CVB and \$1-2k higher for trips via Russia;

A 34k dwt carrier has been chartered at \$10k daily bss DOP dely Algeria via WMed redel Continent;

Supramax owners are already seeking to get \$12-13k daily bss dely passing Canakkale via CVB redel Med, while charterers are ready to pay \$11-11.5k daily.

As for long-haul trips:

Charterers are already lowering ideas to \$15-16k daily for Supramax fleet bss dely passing Canakkale via CVB redel Spore-Japan, while owners are seeking to get at least \$17k daily;

The deal for a Handysize grain run bss APS dely Constanta redel WAfr is discussed at \$13-14k daily.

Grain offers are the main driver on the voyage-basis market:

Charterers target \$17-18/t for spot transportation of 30,000 t of wheat from Constanta to Morocco given 5,000 sshex bends l/d rates and 1H September laycans, while owners are seeking to get at least \$20.5-21/t bss 1/1 (equivalent to \$7.5-8k daily vs. \$11k daily bss dely psg Canakkale);

Other traders are ready to pay very high \$10s/t for a similar shipment of 30,000 t of wheat + barley from Constanta to Morocco with 7,000x/5,000x l/d rates and 1-5 September laycans, which means \$10-10.5k daily for a 34-35k dwt carrier bss dely psg Canakkale;

The deal for shipment of 30,000 t of corn from Constanta to Alexandria with 8,000x/5,000x l/d rates and September laycans has been signed slightly below \$15/t (equivalent to \$9.5-10k daily bss dely psg Canakkale);

The contract for transportation of 30,000 t of wheat from Varna to Cadiz with 8,000x/5,000x l/d rates and early September laycans is negotiated close to \$19/t (equivalent to \$10.5-11k daily bss dely psg Canakkale);

Brokers suggest \$18.5-19/t for transportation of 30,000 t of corn from CVB to SpanMed given 8,000 sshex bends l/d rates and 15 September - 15 October laycans bss 1/1, which exceeds \$12k daily bss dely psg Canakkale;

FLOWS & FIXTURES

Up to 25,000 t of wheat are carried from Constanta to Libya at \$19.5/t (equivalent to \$9.5k daily bss dely psg Canakkale);
 Several deals for transportation of 25-30,000 t of wheat from Novorossiysk or Taman to EgyptMed or Iskenderun are discussed at \$16.5-17/t bss 1/1;

Brokers suggest mid-high \$50s/t for shipment of 25,000 t of agri products (sf 56') from Bulgaria to China bss 2/1 given 5,000 sshex bends l/d rates;

Transportation of 25,000 t of wheat from Kavkaz roads to Ghana with 3,000 sshex bends l/d rates and 20-25 September laycans is estimated by ISM at mid-\$40s/t, while shipment of 30,000 t of wheat from Novorossiysk to Rio de Janeiro + Santos given 8,000x/4,000c + 8,000c l/d rates and 17-22 September laycans is quoted at very high \$30s/t bss 1/2.

As for larger grain stems:

Charterers are ready to pay low-mid \$40s/t for transportation of 50,000 t of wheat from Kavkaz roads to Chittagong given 7,000x/3,000x l/d rates and 5-10 September laycans;

Brokers suggest high \$30s/t for shipment of 50,000 t of corn from Constanta to S.China bss 1/1 given 8,000 sshex bends l/d rates.

Surprisingly, grain shipments from Turkey continue gaining pace:

Spot shipment of 30,000 t of corn from Iskenderun or Mersin to Ireland with 6,000 sshex bends l/d rates is discussed at low \$20s/t;

Transportation of up to 23,000 t of wheat from Iskenderun + Mersin to Tunisia with 5,000x/2,250x l/d rates is estimated by ISM at \$22-22.5/t.

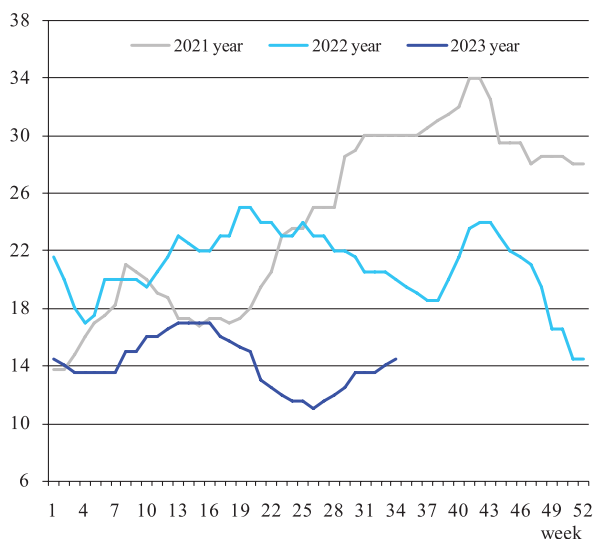
As for other cargo flows:

Charterers offer \$38/t for shipment of 35-44,000 t of pig iron from Novorossiysk to Vizag + Haldia given 8,000c/6,000c + 4,000c l/d rates and late August laycans, while owners are seeking to get at least low-mid \$50s/t bss 1/2 (equivalent to \$17k daily vs. \$29-30k daily bss dely psg Canakkale for a fully laden 42-43k dwt carrier with no EWRI required or 3-4k less with EWRI on owner's acct);

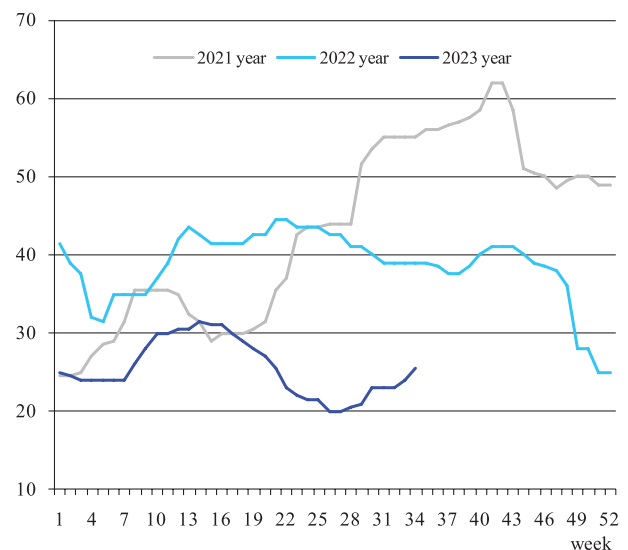
Other charterers are ready to pay \$45/t for transportation of 35,000 t of coal from Novorossiysk to Vietnam with 10,000c/20,000c l/d rates, which is equivalent to \$22k daily bss dely psg Canakkale for vessels with no EWRI required and around \$19k daily with EWRI on owner's acct);

Shipment of 50,000 t of iron ore from Constanta to Erdemir with 30,000c/25,000c l/d rates and 5-10 September laycans is estimated by ISM at \$6.5-7/t.

**Wheat / corn, 25-30,000t, Constanta / Varna - Alexandria
(8000x/5000x), \$/tonne**



**Urea (sf 50'), 25-30,000t, Damietta - Santos
(7000x/6000c), \$/tonne**



Coaster cargo offer still insufficient to change market picture in Mediterranean Sea

The situation is not changing significantly on the Mediterranean Sea coaster market. The cargo traffic from regional ports is not growing noticeably. Export volumes remain moderate and are not yet sufficient to strengthen the market. Requests for transportation of minerals, fertilizers, grains and (somewhat less frequently) steel products regularly enter the market. At the same time, there is no shortage of open vessels as the tonnage list is excessive. Players report that rates hold relatively steady, with any shifts rather positional.

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In the segment for minerals:

The deal for transportation of 10,000 t of perlite from Yali to Ashdod has been signed at around \$14.5/t;

The contract for shipment of 7,500 t of alumina from Greece to Marseille is discussed at low \$20s/t;

A 3,000 t lot of grit has been fixed from Larymna to Marmara at very low \$10s/t;

A 3,000 t lot of minerals has been fixed from Tunisia to Varna closer to \$25/t;

Shipment of 3,000 t of salt from Egypt Med to Izmail is negotiated at \$31/t;

As for fertilizers:

Rates for transportation of about 6,000 t of urea from Egypt Med to Varna are voiced by brokers at high \$10s/t;

Rates for shipment of 2,500 t of bagged fertilizers cargo from Dammieta to Aliaga are voiced by brokers at \$75k bss lumpsum;

The contract for transportation of 3,000 t of fertilizers from Nea Karvali to Romania is discussed at \$20/t;

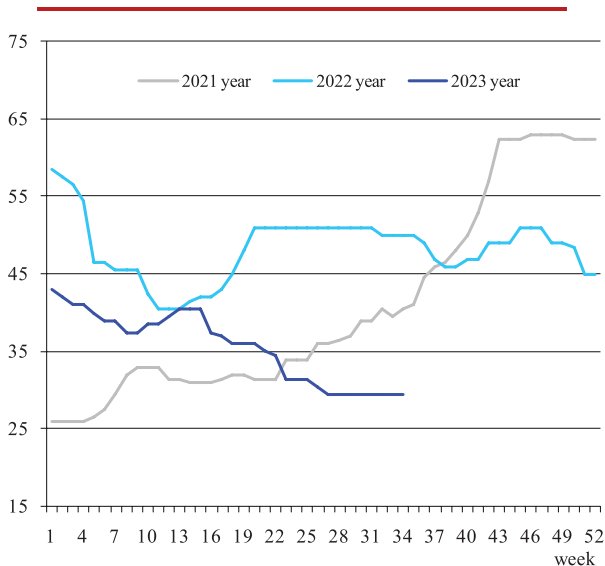
Charterers offer \$11/t for shipment of 8,000 t of steel from Marmara to Constanta.

As for grain traffic:

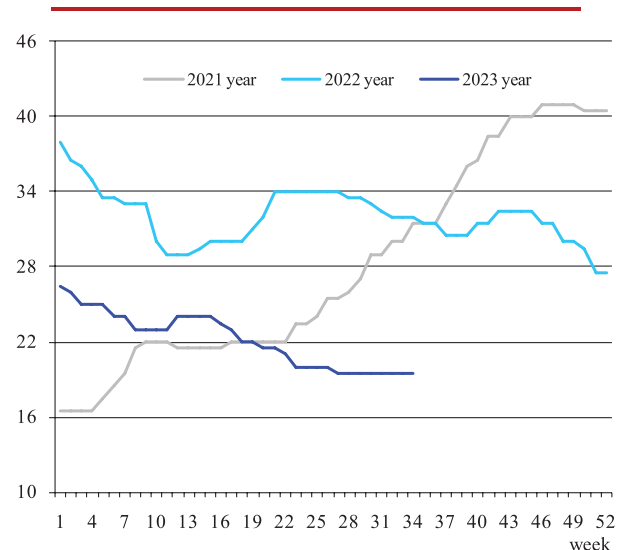
Up to 3,500 t lot of corn (sf 50') have been fixed from Iskenderun to Damietta closer to \$18/t (which gives the TCE of about \$2.5k daily bss RV);

A 4,000 t lot of barley (sf 55') is carried from Rijeka to Tunis at \$26/t (equivalent to \$5-5.3k daily for one laden leg).

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



**Square billets, 5-6,000t, Marmara - Damietta
(1750x/1250x), \$/tonne**



Sea-river rates ex Azov Sea keep rising amid huge congestion in Kerch Strait

Ship owners insist on a further rate increase in the Azov Sea amid a further upturn in grain offer and sharpening congestions in the Kerch Strait. At the moment, more than 170 vessels are waiting for passage, with average waiting time already exceeding 8 days. At the moment:

Most owners are already seeking to get mid-\$50s/t for shipments of 3,000 t of wheat from Rostov/Azov to Marmara, while in fact several deals have been signed at \$51-52/t bss 1/1 (equivalent to \$3.7-3.9k daily given 8 days of waiting);

Up to 3,000 t of wheat are carried from Yeisk to Samsun at \$48/t;

Meanwhile, some charterers are ready to pay at best \$47/t for transportation of 5,000 t of wheat from Yeisk to Marmara (equivalent to \$5.5-5.7k daily bss RV);

As for long-haul trips, owners are seeking to get at least low-mid \$80s/t for shipment of 3-5,000 t of grain from Azov to Mersin and more than \$90/t to the Adriatic Sea, while charterers target \$5-7/t less.

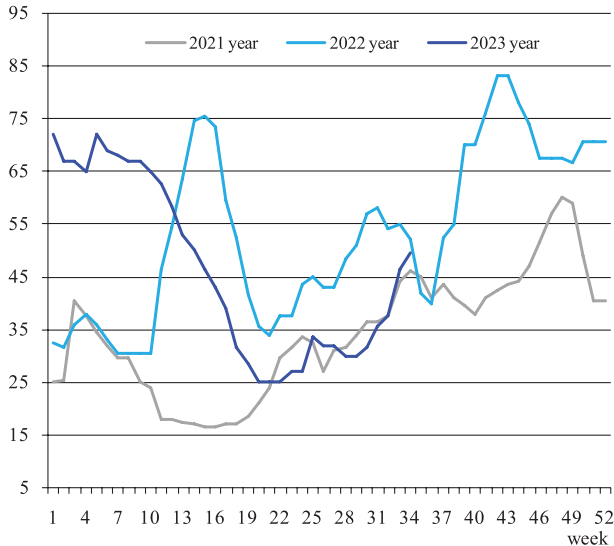
Coal charterers are still silent, being shocked with current freights:

Thus, most charterers are still not ready to pay more than high \$30s/t for shipment of 3,000 t of coal from Rostov to TBS, which does not look attractive to owners;

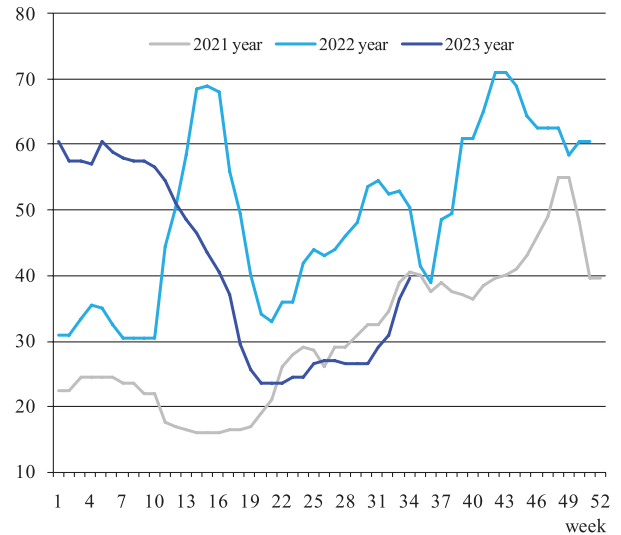
Brokers suggest low \$70s/t for transportation of 3-5,000 t of coal from Rostov to Iskenderun.

FLOWS & FIXTURES

Wheat, 3,000t, Rostov / Azov - Marmara Sea ports, \$/tonne



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



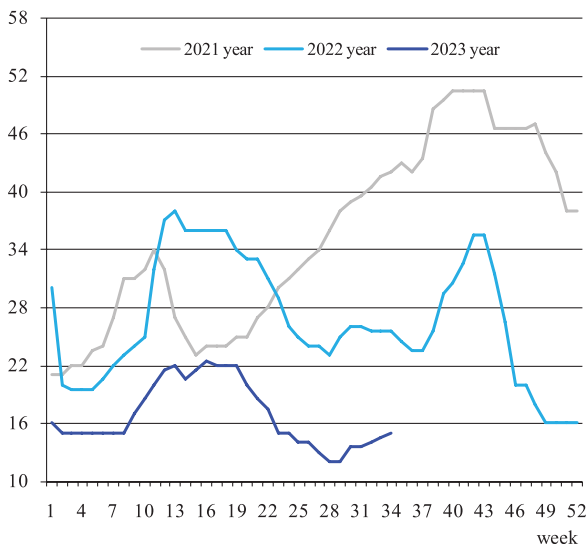
Handysize/Supramax owners share optimistic mood in Baltic & Continent

The situation continues to improve gradually for Handysize/Supramax owners working in the Baltic & Continent, although it is still more about changing sentiment than about real and tangible shifts. The number of spot deals is rather limited at the moment. Relatively regular shipments of main cargoes (fertilizers and grains, less frequently scrap) from regional ports support demand for vessels, the number of which has decreased somewhat. It is still too early to talk about significant rate growth, but there is a clear gradual uptrend and many ship owners are again voicing quite aggressive ideas.

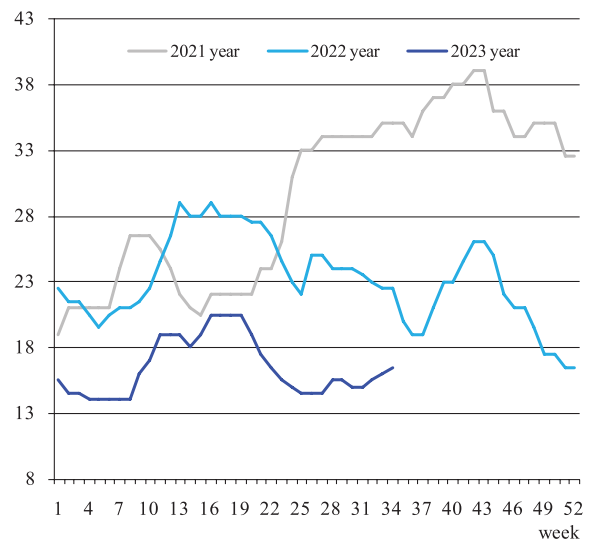
Excitement persists in the segment for shipments ex Russian ports, with rates being voiced at quite high levels:

The Handysize time-charter bss dely Continent via Russia redel Brazil is still quoted by ship owners closer to \$15k daily, but some deals are signed at \$11-13k daily;

Wheat, 25-30,000t, Rouen - Bejaia (10000x/3000x), \$/tonne



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



Owners are also seeking to get around \$20k daily for a Handysize vessel bss via Russia redel Far East;
 Supramax/Ultramax owners are still determined to get \$15-17k daily bss dely Continent via Russia redel EMed, although some contracts are being concluded with TCEs closer to low \$10s k daily;
 A 56k dwt vessel has been fixed at \$33k daily bss dely DOP Poland via Russia redel Sri Lanka;
 The deal for a 58k dwt carrier bss dely N.Spain via Russia redel China has been signed at \$25k daily;
 A 58k dwt ship has been chartered at \$16k daily bss dely Continent via Russia redel USG;
 Transportation of 27-28,000 t of scrap (high sf') by a small Supramax vessel from St. Petersburg to Nemrut Bay is negotiated at low-mid \$40s/t;
 Shipment of 30-35,000 t of fertilizer from St. Petersburg to Brazil is discussed at \$34-36/t;
 Note that excitement has eased somewhat in the Panamax segment, although rates are still being negotiated at high levels. Kamsarmax owners still expect to get \$14-15k daily bss dely DOP WCI via Russia redel PG/Japan.

Handysize steel scrap transportation bss dely Continent redel EMed is already quoted by owners at \$9-10k daily, while Supramax owners are asking for similar levels on this route, and sometimes even a bit higher;
 Handysize rates bss dely Continent redel USG are voiced by brokers just above \$8k daily;
 Supramax F/H rates are discussed at \$13.5-15k daily;
 Charterers are ready to pay low \$40s/t for transportation of 53,000 t of grain from Baltic States to the Persian Gulf.

Sentiment of coaster owners looks brighter in Baltic and North Seas

Spot coaster market remains rather slack in North Europe. Grain shipments from Baltic ports are the only brisk cargo flow these days. At the same time, the tonnage list remains excessive in all parts of the basin. The sentiment among owners is gradually improving, but so far they are virtually unable to strengthen positions. Rates hold relatively steady; owners sometimes manage to sign deals slightly above previous levels (mainly is case of agri shipments):

Carrying 5,500 t of pig iron from Lulea to northern Spain is estimated by brokers at mid-high €20s/t;
 Transportation of 3,000 t of minerals from WC Finland to Poland is negotiated at mid-€10s/t;
 Rates for shipment of about 3,000 t of grain (sf 58') from Riga to Ghent are voiced by brokers around €33-35/t and closer to \$50/t for the same lot to Morocco;
 Shipment of about 6,000 t of grain (sf 56') from Klaipeda to northern Spain is discussed at €30/t;
 Transportation of 4,000 t of wheat from Lithuania to ARAG ports costs €21-22/t;
 The contract for shipment of 3,000 t of steel rebars from Gdansk to Marmara Sea is discussed at low \$70/t;
 A 2,500 t lot of dwt cargo has been fixed from ARA ports to the Marmara Sea at high €40s/t.

USG Supramax/Ultramax market keeps strengthening

Supramax/Ultramax rates for shipments from North America keep going up as fresh cargo replenishment remains healthy. There are mainly USG front-haul cargoes with 1H September laycans, while cargo flow ex USEC is slow, but the area is very tight on tonnage. Most of the available tonnage is in Caribs and NCSA currently:

Supramax F/HTCT rates are hovering at \$16-17k daily;
 A 61k dwt vessel has been fixed at \$20k daily bss dely USEC redel India;
 A 60k dwt carrier has been chartered at \$19.5k daily bss dely USG redel PG;
 A large Supramax ship has been fixed at \$17.5k daily bss dely USG redel Japan;
 A 58k dwt vessel has been chartered at \$15k daily bss dely USG redel WCSA;
 Transportation of 50,000 t of petcoke from USG to India with spot laycans is discussed at \$38-39/t, which gives the TCE of \$14-15k daily for a large Supramax carrier;
 The deal for shipment of a Supramax lot of grains from USG to S.Korea is negotiated at \$44-46/t for spot laycans.

Deals for Supramax fleet bss dely USG redel Skaw-Passero are discussed at \$11-12k daily;
 An Ultramax vessel has been fixed at \$14k daily bss dely USEC redel Med;
 A 55k dwt carrier has been chartered at \$12k daily bss dely USG redel Skaw-Passero;
 The deal for a 56k dwt ship bss dely USG redel ECSA has been signed at \$8k daily;
 Transportation of 50,000 t of petcoke from Houston to Rotterdam with spot laycans is negotiated at \$16.5-17.5/t, which gives the TCE of \$10-11k daily for a standard Supramax vessel;

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The contract for shipment of a Supramax lot of grains from USG to Rotterdam is discussed at low-mid \$20s/t, which gives the TCE of \$10-12k daily.

The USG Handy market keeps on a positive mode due to an inflow of fresh cargoes and a decline in available tonnage list. USEC and EC Canada regions are also experiencing an uptrend in rates:

TCT rates for large Handies bss dely USG redel Skaw-Passero are hovering at \$8-9k daily, while levels for small Handies are voiced at \$7-8k daily;

A 38k dwt vessel has been fixed at \$9k daily bss dely USG redel Med;

A 32k dwt carrier has been chartered at mere \$6.5k daily bss dely USG redel Continent;

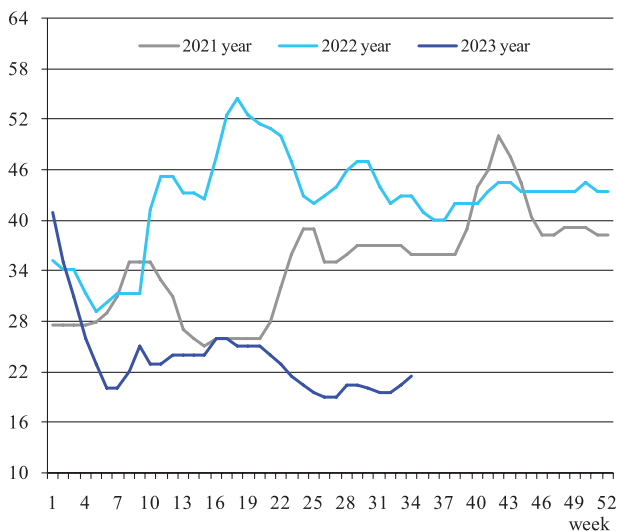
Deals for Inter-Caribs trades are discussed at \$7-9k daily;

A 37k dwt ship has been fixed at \$12.5k daily bss dely USG redel WCSA;

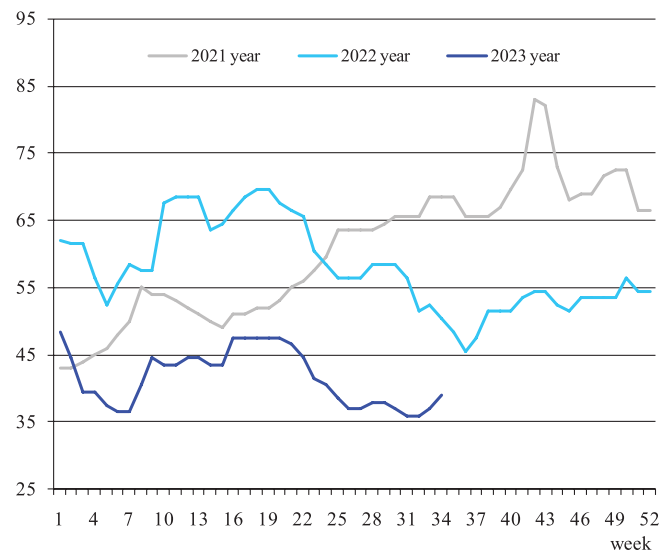
Transportation of 30,000 t of corn from USG to Colombia may cost \$21-22/t, which gives the TCE of \$6-7k daily;

The contract for shipment of 35,000 t of wheat from USG to Nigeria has been signed at \$27/t.

**Corn (sf 52'), 45-50,000t, New Orleans - Alexandria
(10000x/6000x), \$/tonne**



**Petcoke (sf 47'), Houston - Pipavav
(20000c/15000c), \$/tonne**



Panamax/Kamsarmax market stabilized in USG/USEC after recent spikes

The USG/USEC Panamax/Kamsarmax market is slowly losing momentum, but rates are holding steady for now. F/H cargoes, especially minerals, are still traded at good levels, while there is a decline in fresh requests ex USG/USEC on T/A routes, and the Continent tonnage list is lengthening:

Kamsarmax time-charter rates bss TARV are hovering at \$12-13k daily;

A Kamsarmax vessel has been fixed at \$14k daily bss dely Continent via USG redel Skaw-Passero;

The contract for a Panamax carrier bss dely Gibraltar via USEC redel Med has been signed at \$13k daily;

The deal for shipment of 70,000 t of coal from Mobile to Rotterdam with spot laycans has been signed at \$18.75/t, which is equivalent to \$11.5k daily bss dely Gibraltar;

Transportation of 70,000 of coal from Bolivar to Rotterdam is negotiated at \$14-16/t;

The contract for shipment of a Panamax lot of coal from USEC to Rotterdam is discussed at \$14-15/t;

The deal for transportation of a Panamax lot of grains from USG to Rotterdam is negotiated at \$26-27/t.

F/H segment remains supported:

A Kamsarmax ship has been chartered at \$25k daily bss dely Gibraltar via USG redel India;

The deal for a Kamsarmax vessel bss dely Gibraltar via USG redel China is discussed at \$22-23k daily;

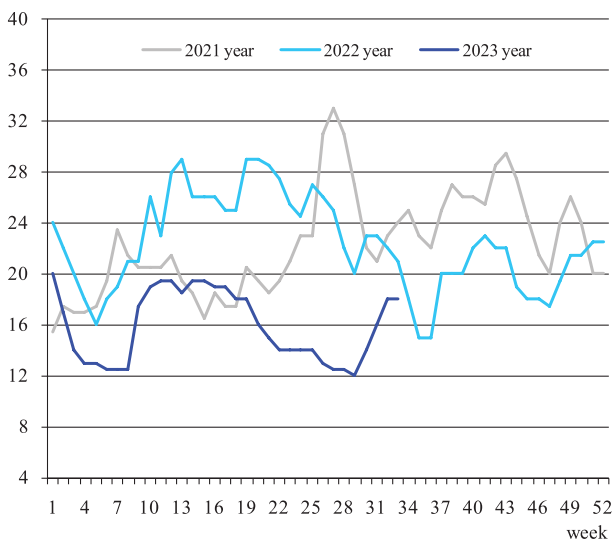
FLOWS & FIXTURES

Transportation of 66,000 t of grains from USG to China (via Neopanamax locks) with spot laycans is negotiated at \$49-51/t, which is equivalent to \$21-22k daily bss dely Gibraltar via USG redel China;

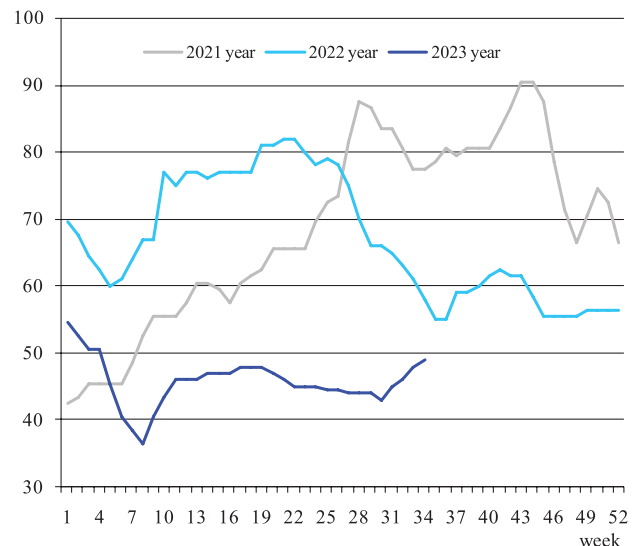
The deal for shipment of 75,000 t of coal from USEC to China is discussed at \$40-41/t;

The contract for transportation of a Panamax lot of coal from Bolivar to China is negotiated at \$39-40/t.

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



**Soybean (sf 50'), 55-60,000t, New Orleans - Northern ports of China
(8000x/8000x), \$/tonne**



Trade quiet, rates flat on ECSA Supramax/Ultramax market

The Supramax/Ultramax market is mostly flat in South Atlantic, with some positional opportunities still existing and rates being exchanged around last done levels. There is a lack of cargoes for August laycans and most coming into the market are with early September dates. That combined with the shorter tonnage list, is keeping the market at a decent level:

TCT rates for Ultramax fleet bss dely ECSA redel FEast are hovering at \$14-15k daily + \$400-500k bb, those for large Supramax vessels at \$13-14k daily + \$300-400k bb on average;

An Ultramax carrier has been fixed at \$15k daily + \$500k bb bss dely ECSA redel China with late August laycans;

A large Supramax ship has been chartered at \$14k daily + \$400k bb bss dely ECSA redel SE Asia;

A 56k dwt vessel has been fixed at \$13.25k daily + \$325k bb bss dely ECSA redel FEast;

A large Supramax carrier has been chartered at \$16.5k daily bss dely WAfr redel China;

A 56k dwt ship has been fixed at \$13.5k daily bss dely WAfr via ECSA redel China;

Transportation of 40-45,000 t of grains from Argentina to the Philippines is discussed at high \$40s/t;

The contract for shipment of 50-55,000 t of grains from Santos to China has been signed at \$37/t, which gives the TCE of \$12.5k daily bss DOP WAfr.

TCT rates for Supramax fleet bss dely ECSA redel Skaw-Passero are hovering at \$14-15k daily on average;

The deal for a 53k dwt vessel bss dely ECSA redel WAfr has been signed at \$16k daily;

The contract for a 56k dwt carrier bss dely ECSA redel WMed has been signed at \$13.5k daily;

A large Supra ship has been chartered at \$16k daily bss dely N.Brazil redel WMed;

A 56k dwt vessel has been fixed at \$11k daily bss dely WAfr redel Med;

Shipment of 40,000 t of grains from Argentina to Turkey with spot laycans is discussed at \$36-38/t, which gives the TCE of \$12-14k daily for a large Supramax carrier bss APS ECSA;

The contract for transportation of a Supramax lot of corn from San Lorenzo to Algeria is negotiated at \$33-35/t;

The deal for shipment of 40,000 t of soybeans from Argentina to Durban is discussed at \$28-30/t.

The Handy market is up, with increased rates that were done for vessels able to make August laycans. Operators are reluctant to take too many forward positions as it is difficult to read the market on a too far forward basis:

T/A TCT rates for large Handy fleet are hovering at \$12-14k daily bss APS ECSA;

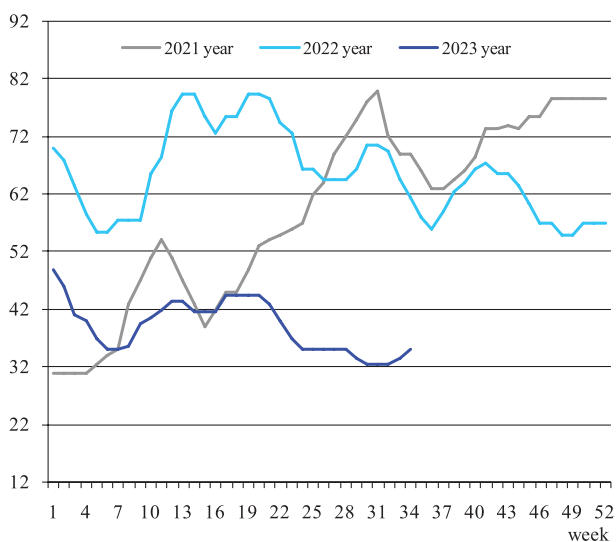
The deal for a 35k dwt vessel bss dely ECSA redel Med has been signed at \$14k daily;

A 32k dwt carrier has been chartered at \$14.5k daily bss dely ECSA redel WAfr;

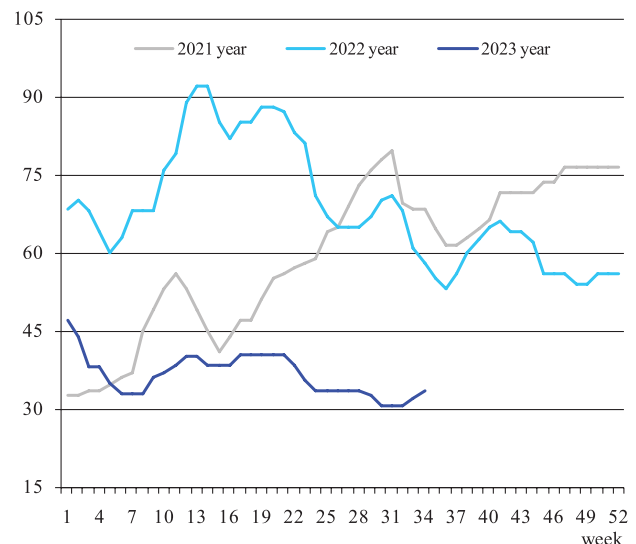
FLOWS & FIXTURES

A Handy ship has been fixed at \$10k daily bss ECSA coastal trip;
 A 37k dwt vessel has been chartered at \$13k daily bss dely ECSA redel Canada;
 A substantial amount of activity is observed in WCSA, causing a noticeable rate spike.
 A 34k dwt ship has been chartered at \$16k daily bss dely ECSA redel Chile/Peru;
 A 37k dwt ship has been fixed at \$19k daily bss dely ECSA redel WCSA;
 A few deals for 38-39k dwt vessels bss dely ECSA redel WCSA are negotiated at low \$20s k daily;
 Transportation of 30,000 t of corn from Argentina to Morocco is discussed at low \$30s/t, which gives the TCE of \$10-12k daily bss APS ECSA;
 The contract for shipment of a Handy lot of corn from Argentina to Caribs is negotiated at \$30-32/t, which gives the TCE of \$9-10k daily bss APS ECSA;
 The deal for transportation of a Handy lot of grains from Argentina to Colombia is discussed at \$31-33/t.

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



Wheat (sf 47-48'), 25-30,000t, Upriver - Bejaia (7000x/3000x), \$/tonne



Rates for Panamax/Kamsarmax shipments from ECSA largely stable

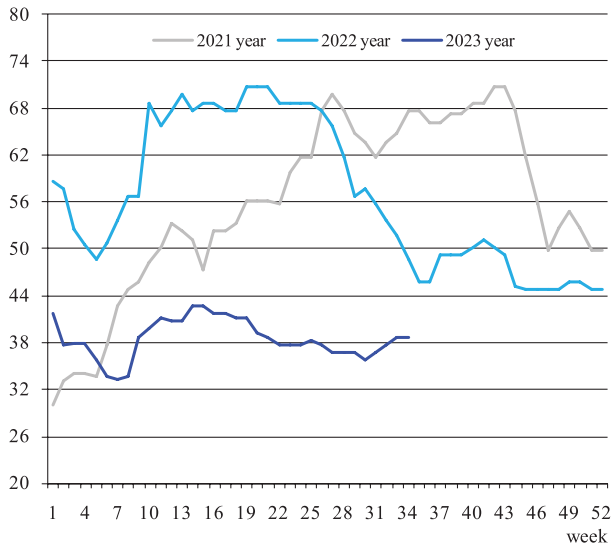
The ECSA Panamax/Kamsarmax market has stabilized after a few weeks of rate upturn. Fixing activity remains high, with early laycans still getting some premium, while September deals are discussed at slightly discounted rates. Overall, TCT levels generally stay at last-week marks:

TCT rates bss ECSA RV are hovering at \$12-13k daily for spot laycans;
 The deal for an 81k dwt vessel bss dely ECI via ECSA redel China has been signed at \$13.5k daily;
 A Kamsarmax carrier has been fixed at \$11.75k daily bss dely retro Spore via ECSA redel Spore-Japan;
 The contract for an 82k dwt ship bss dely ECSA redel Spore-Japan has been concluded at \$16.5k daily + \$650k bb with September laycans;
 A Panamax vessel has been chartered at \$15.5k daily + \$550k bb bss dely ECSA redel China with September laycans;
 Voy-bss rates for shipment of 66,000 t of grain from Santos to Qingdao with spot laycans are voiced by brokers at \$37-39/t, which gives the TCE of \$11-12k daily;
 Transportation of 60,000 t of grains from Brazil to Malaysia with late March 2024 laycans is discussed at \$24-27/t;
 The contract for shipment of a Panamax lot of sugar from Brazil to India with 1H September laycans has been concluded at \$31/t.

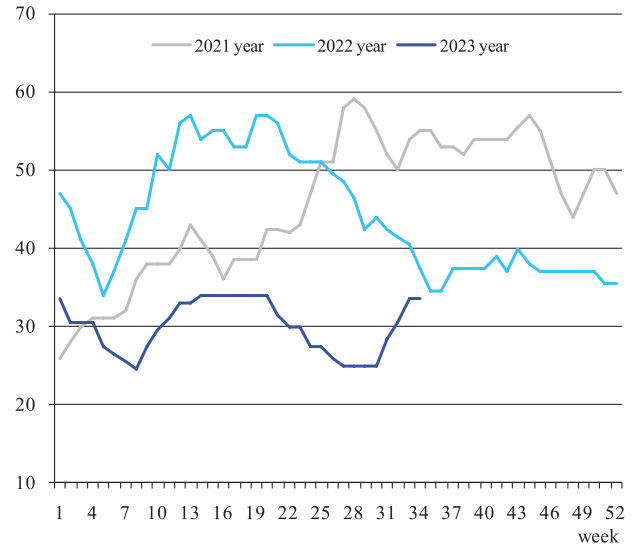
Transatlantic rates remain strong:
 TCT offers bss APS ECSA are voiced at high \$10s k daily vs. bids at mid-\$10s k daily for spot laycans;
 The deal for an 83k dwt vessel bss dely ECSA redel Continent is discussed at \$14-15k daily with 1H September laycans;
 A Panamax carrier has been fixed at \$12k daily bss dely ECSA redel Continent;
 The deal for shipment of a Panamax lot of bauxite from Kamsar to Spain has been signed at \$12/t;
 Transportation of 65,000 t of grains from S.Brazil to Egypt with spot laycans is negotiated at low \$20s/t, which gives the TCE of \$13-14k daily bss APS ECSA.

FLOWS & FIXTURES

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



**Corn (sf 52'), 60,000t, Bahia Blanca - Alexandria
(8000x/6000x), \$/tonne**



Capesize rates down again in Atlantic

Despite healthy cargo offer ex Brazil and WAF, a number of ballasting vessels aborted any upward movement in rates and charterers have managed to switch the market to their side:

Rates for transportation of 170,000 t of iron ore from Tubarao to Qingdao with spot laycans are hovering at \$19-20/t;

The deal for shipment of 170,000 t of iron ore from Tubarao to Qingdao has been concluded at \$19.65/t with early September laycans;

The contract for transportation of 190,000 t of iron ore from Tubarao to Qingdao has been signed at \$19/t with 1H September laycans;

A 170,000 t lot of iron ore has been fixed from Ponta da Madeira to Vietnam at \$20.5/t with 1H September laycans;

The deal for shipment of 180,000 t of bauxite from Kamsar to China with 1H September laycans has been signed at \$21/t;

Transportation of 170,000 t of iron ore from Brazil to Rotterdam with spot laycans is discussed at \$7-7.5/t.

North Atlantic rates have also decreased slightly:

Transportation of 160,000 t of coal from Bolivar to Rotterdam with spot laycans may cost \$9.5-10/t;

Rates for shipment of 120,000 t of coal from USEC to Rotterdam are hovering at \$10.5-11/t;

China is increasing coal imports from Colombia: the deal for transportation of 150,000 t of coal from Bolivar to China has been signed at \$28/t with 1H September laycans;

The contract for shipment of 180,000 t of iron ore from Seven Islands to Qingdao has been signed at \$24/t with 1H September laycans.

FLOWS & FIXTURES / PACIFIC

Upward trend in Supramax/Ultramax rates continues in Indian Ocean

In the Indian Ocean, Supramax/Ultramax owners benefit from livelier coal exports from S.Afr with prompt laycans, as well as from steady cargo traffic from PG.

With regard to shipments ex R.Sea/PG/WCI region:

- An Ultramax ship has been fixed at \$7.5k daily bss dely Fujairah via Oman redel S.Brazil;
- A similar vessel has been chartered at \$16k daily bss dely WCI redel China intrn salt;
- An Ultramax carrier has been fixed at \$11.5k daily bss dely WCI via PG redel WCI;
- A similar ship has been chartered at \$14k daily bss dely PG redel Bangladesh;
- The deal for a Supramax vessel bss dely WCI via PG redel WCI was negotiated at \$13-14k daily, but was never signed;
- The Supramax time-charter bss dely PG redel WCI is quoted by brokers at \$11k daily;
- A similar carrier has been chartered at \$8.5k daily bss dely WCI via Mina Saqr redel W.Afr;
- A Supramax ship has been chartered at \$7k daily bss dely ECI via Oman redel Tuticorin;
- Transportation of a Supramax lot of limestone from Mina Saqr to Paradip is estimated by ISM at \$12/t.

As for ECI:

- An Ultramax vessel has been fixed at \$9k daily bss dely Bangladesh via ECI redel China;
- A Supramax carrier has been chartered at strong \$8.5k daily bss dely ECI redel China.

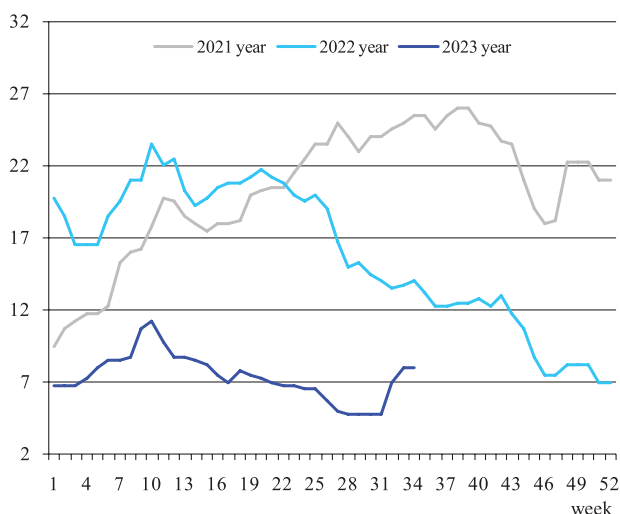
On the SAfr market:

- The Ultramax time-charter bss dely S.Afr redel SE Asia is quoted by brokers at \$16k daily + 160k bb, that for Supramax fleet at \$14k daily + \$140k bb;
- An Ultramax ship has been chartered at \$16k daily + \$160k bb bss dely S.Afr redel Far East.

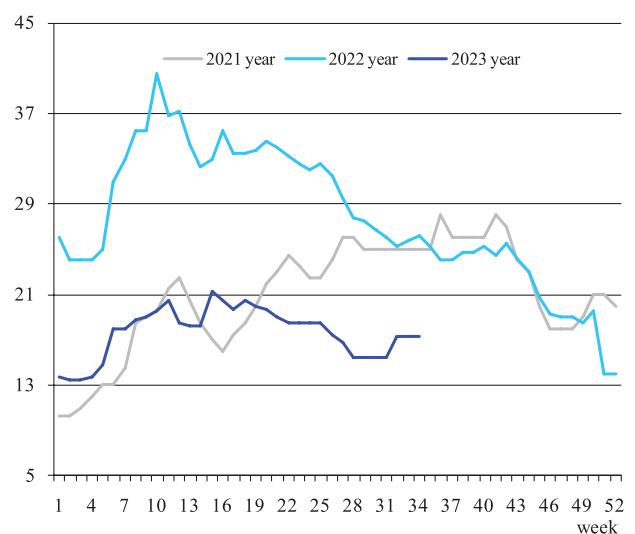
In the Handysize segment:

- Handysize owners are seeking to get \$7-8k daily bss dely ECI redel SE Asia-FEast;
- A large Handysize vessel has been chartered at \$8.5k daily bss dely PG redel Thailand.

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



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



Supramax/Ultramax traffic of Indonesian coal to slow down in SE Asia

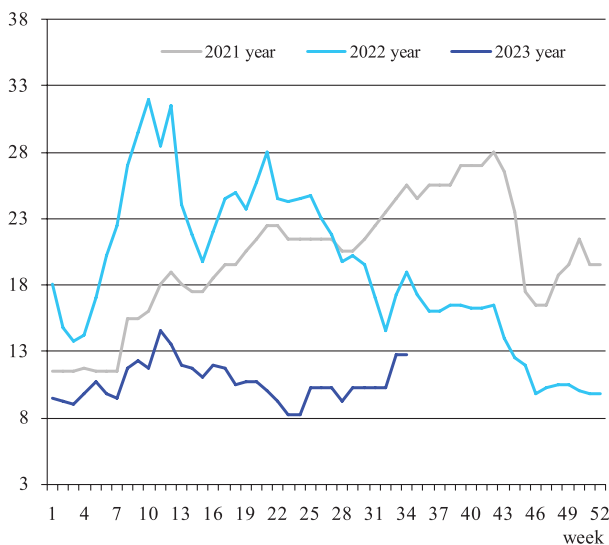
Following last week's momentum, Supramax/Ultramax rates remain on positive side despite signs of coal traffic slowdown from Indo:

FLAWS & FIXTURES

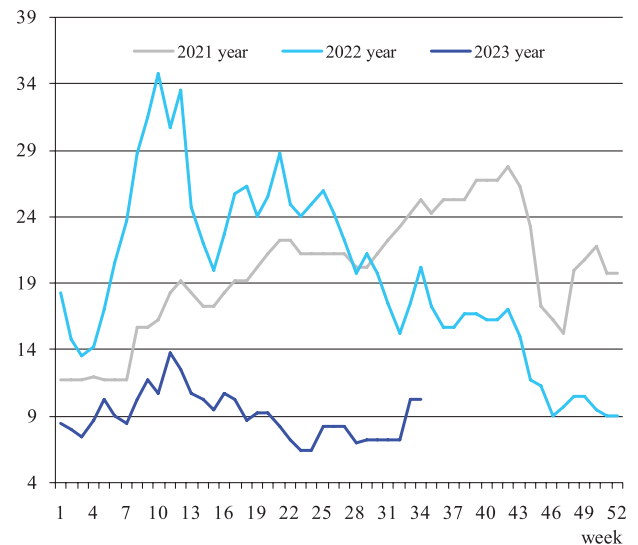
An Ultramax vessel has been chartered at \$13k daily bss dely Taiwan via Indo redel Bangladesh;
 A similar ship has been fixed at \$9k daily bss first 65 days and at \$13.25k daily balance bss dely China via SE Asia redel USG;
 An Ultramax carrier has been fixed at \$14k daily bss DOP dely Cebu via Indo redel SE Asia;
 An Ultramax vessel has been chartered at \$11k daily bss dely S.Korea via New Zeland redel China intrn logs;
 The deal for a Supramax ship bss dely Port Kelang redel China is negotiated at \$10k daily;
 Charterers are ready to pay \$11k daily for a carrier of 53-60k dwt bss dely Kemaman redel N.China with late August – early September dates;
 Charterers are ready to pay \$11k daily for a similar deal bss dely Taboneo redel Yangtze River port;
 A Supramax vessel has been chartered at \$11k daily bss dely S.Kali via Indo redel China;
 A Supramax carrier has been fixed at \$10k daily bss dely Thailand via Indo redel CJK;
 A similar ship has been chartered at \$9k daily bss dely China redel S.China intrn n.ore;
 The contract for transportation of 55,000 t of coal from Tarakan to WCI with late August – early September laycans has been signed at mid-\$12s/t;
 The deal for shipment of 50,000 t of coal from E.Kali to China has been signed at \$9.8/t.

The Handysize market sentiment remains firm as owners enjoy vigorous cargo traffic from Australia:
 A large Handysize vessel has been chartered at \$12.5k daily bss dely Japan via Aus redel FEast;
 A logger of similar dwt has been fixed at \$13k daily bss dely Indo via W.Aus redel FEast;
 A Handysize carrier has been chartered at \$10.5k daily bss dely Tarakan via Indo redel China intrn coal;
 Shipment of 25-30,000 t of alumina from E.Aus to Lianyungang is estimated by ISM at \$27.5-28/t.

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



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



Far Eastern Supramax/Ultramax market slowly running out of steam

The pace of strengthening has declined on the Supramax/Ultramax market of the Far East. However, there are so far enough cargoes ex N.China to support rates till the end of the month. In particular, players note brisker Chinese fertilizer traffic towards India:

A Supramax vessel has been fixed at \$10.5k daily bss DOP dely Yantai redel Chittagong intrn slag;
 In the meantime, the deal for shipment of a Supramax lot of fertilizers bss dely F.East redel India has been signed at a voy-bss rate equivalent to mere \$9k daily;
 The Supramax time-charter bss dely FEast redel SE Asia is quoted by brokers at \$7-8k daily;
 A Supramax carrier has been chartered at \$7.5k daily bss dely Zhanjiang redel SE Asia;
 Ultramax owners are seeking to get \$9.5k daily bss dely N.China redel SE Asia, while charterers are bidding at \$8.7k daily;
 The Supramax time-charter bss dely FEast redel S.Afr is quoted by brokers at \$7.5-7.75k daily;
 Similarly, the deal for a Supramax ship bss DOP dely N.China via China redel S.Afr is negotiated at \$7.75k daily bss first 66 days and at \$12k daily thereafter;
 Transportation of 30,000 t of coal from Vanino to Shanghai with 10,000shinc/10,000shinc l/d rates is estimated by ISM below \$12/t.

Handysize rates stay on positive side so far:

A large Handysize vessel has been chartered at low-mid \$10s k daily bss first 65 days and at \$13.25k daily thereafter bss DOP dely S.China via FEast redel Med intn steels;

A small Handysize carrier has been fixed at \$6k daily bss dely S.Korea via CIS redel Taiwan;

A large Handysize ship has been chartered at \$9k daily bss dely S.Korea redel PG;

A similar deal has been signed at low-mid \$7s k daily bss redel SE Asia.

Signs of softening showing up on Asia-Pacific Panamax/Kamsarmax market

Panamax/Kamsarmax owners have started making some concessions in the Asia-Pacific region given lagging demand side, with smaller cargo volumes available. In particular, players note the shortage of coal offers ex Indonesia. In these circumstances, the tonnage list has become somewhat longer:

A Panamax vessel has been chartered at \$4.5k daily bss dely HK via Indo redel S.China;

A similar carrier has been fixed at low \$7sk daily bss DOP dely HK via Indo redel S.China;

A Panamax ship has been chartered at \$6.75k daily bss DOP dely HK via Indo redel Philippines;

The contract for transportation of 75,000 t of coal from Taboneo to Gangavaram with August 25 – September 3 laycans and 18,000shinc/40,000shinc l/d rates has been concluded at low \$9s/t (gives mid-high \$10s k daily in TCE bss dely Guangzhou).

As for shipments from Australia:

A Panamax vessel has been fixed at \$11k daily bss DOP dely Kakogawa via Newcastle redel Japan;

The deal for shipment of 75,000 t of coal from Abbot Point to Vizag with September 11-20 laycans and 35,000sshex/20,000sshex l/d rates has been signed at \$15.4/t (gives \$8.7k daily in TCE bss dely Qingdao).

In the Far East:

A Panamax carrier has been fixed at \$10.25k daily bss DOP dely Tianjin via N.China redel India;

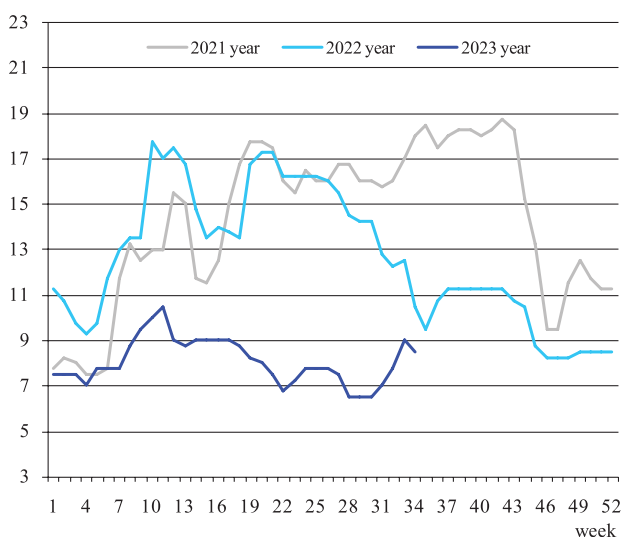
A Kamsarmax ship has been chartered at \$10.5k daily bss DOP dely Longkou via NOPAC redel Spore-Japan;

Transportation of a Panamax lot of coal from FE Russia to China is quoted by brokers at low-mid \$7s/t.

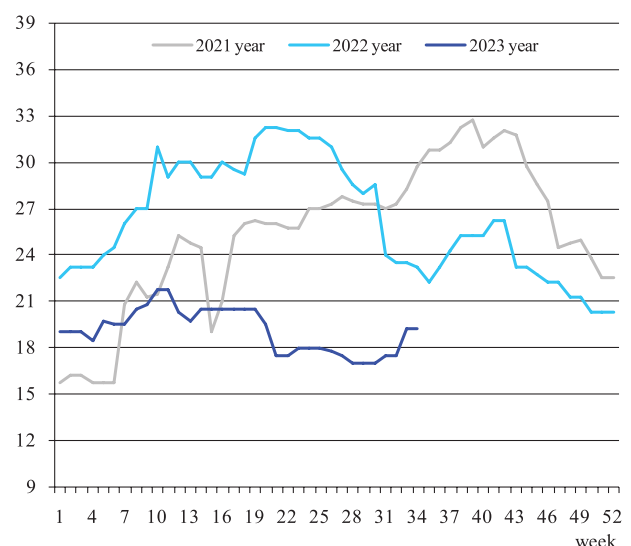
In the Indian Ocean:

Carrying 75,000 t of coal from RBCT to ECI with 38,000shinc/20,000shinc l/d rates is estimated by ISM at \$16/t.

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



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



Capesize shipping sector overtonnaged in Eastern Hemi

The Asia-Pacific Capesize market has softened despite regular traffic of iron ore and increased exports of coal from Australia. Rates suffered pressure from increased tonnage list amid improved situation with delays in the region:

Shipment of a Capesize lot of ore from W.Aus to Qingdao is estimated by ISM at \$7-8/t;

The deal for transportation of a Capesize lot of ore from W.Aus to Qingdao has been concluded at \$7.6/t;

The contract for shipment of 160,000 t of ore from Port Hedland to Qingdao with early September laycans and 80,000shinc/30,000shinc l/d rates has been signed at \$7.8/t.

As for coal traffic from Australia:

Carrying a Capesize lot of coal from E.Aus to China is quoted by brokers at \$12/t.

On the TCT basis:

The deal for a 100k dwt vessel bss dely passing Taiwan via Aus redel China was negotiated at \$12.75k daily, but was never signed.

In the Indian Ocean:

Transportation of a Capesize lot of iron ore from Saldanha Bay to Qingdao is estimated by ISM slightly below \$15/t.

COMMODITY MARKETS

GRAIN MARKET INSIGHT

USA: Condition of corn crops worsens, soy stable

According to the USDA, up to 58% of corn crops are in good and excellent condition as of August 20, down 1 percentage point from the previous week, while the corresponding health rating was 55% on August 20, 2022. The condition of soybean crops has remained unchanged over the week, with 59% of crops being found in good and excellent state on August 20 this year against 57% on the same date of the previous year.

Looking at fresh prices voiced around August 21, US-origin corn can be purchased at \$212/t FOB US Gulf, while soybeans are offered at \$549/t on the same basis.

Against 94% harvested as of August 21, 2022, harvesting of winter wheat is 96% complete, which corresponds to the five-year average. Harvesting of spring wheat is ahead of the last year's result, but yet falling behind the five-year average. Thus, up to 39% of spring wheat crops have been harvested as of August 21, 2023 against 31% on the same date of 2022 and the five-year average of 46%. The condition of spring wheat crops remains disappointing, with just 38% of crops rated good and excellent compared with 42% last week and 64% last year. Prices for HRW wheat are hovering around \$313/t FOB US Gulf, while those for SRW wheat are voiced at \$244/t FOB US Gulf.

The U.S. report Wheat Associates says that local farmers have harvested about 87% of HRW wheat by August 18. In most cases growers report higher yields and quality than expected. Harvesting of Soft White wheat is progressing rapidly in the Pacific Northwest, being about 57% complete, the quality is improving constantly. Hard Red Spring wheat ripens quickly, so U.S. farmers have collected about 33% of crops by August 18. Harvesting of Northern Durum is about 16% complete, the condition of crops is very good.

Ukraine has exported 3.8 mmt agri products since new grain season

A total of 3.8 million tonnes of grains and legumes were exported from Ukraine since the beginning of the marketing year 2023-24 till August 23 compared with approximately 3.3 million t in the same period of MY 2022-23, namely from July 1 to August 25, 2022.

In terms of crops, Ukraine exported 1.8 million t of corn in July 1-August 23, 2023 against 2.1 million t in July 1-August 25, 1.6 million t of wheat (against 896,000 t) and 440,000 t of barley (against 272,000 t).

As for the August shipments, a total of 1.6 million t of grains and legumes were shipped abroad from August 1 to August 23, including 776,000 t of wheat, 635,000 t of corn and 145,000 t of barley.

Meanwhile, farmers have harvested some 27.3 million t of grain and leguminous crops by August 18, including 20.8 million t of wheat from 4.4 million ha and 5.6 million t of barley from 1.4 million ha. Also, farmers harvested about 3.9 million t of rapeseed, 379,100 t of peas and have already got down to harvesting millet and buckwheat.

FERTILIZER MARKET INSIGHT

Unigel to step up urea, ammonia and AS production by restarting facility in Laranjeiras

Unigel, one of the Brazil's largest manufacturers of nitrogen fertilizers, styrenics and acrylics in Latin America, is restarting the Unigel Agro Sergipe, a facility focused on production of urea, ammonia and ammonium sulfate.

Unigel has operated Unigel Agro Sergipe since the first half of 2021. Due to challenging market conditions, the factory was idled during a certain period of time. The restart of the facility is scheduled for September 2023 owing to improved environment in the domestic petrochemical sector. When operating at full capacity, Unigel Agro Sergipe is capable of producing 450,000 tonnes of ammonia and 650,000 tonnes of urea per year.

Another plant in Bahia called Unigel Agro Bahia which has the capacity for production of ammonia, urea and Diesel Exhaust Fluid (DEF) will remain idled.

“The chemical industry’s outlook remains challenging, but we understand that it is time to resume activities [...] as we foresee an increase in urea demand through the end of the year due to the next winter grain harvest,” Unigel’s CEO Roberto Santos said.

Restarting of Unigel Agro Sergipe will allow reducing the Brazilian farm sector’s heavy reliance on imported fertilizers, which are currently accounting for about 85% of the overall volume of fertilizers annually absorbed by the local farm sector.

COAL MARKET INSIGHT

China’s imports of Australian coal exceeded three-year high in July

China’s imports of Australian coal increased significantly in July, firstly, owing to quite competitive prices for high-caloric coal sourced from Australia compared with the domestic supplies and, secondly, due to strong coal demand from local utilities amid extremely high temperatures.

Thus, China acquired 6.31 million tonnes of Australian coal in July 2023 (against 4.83 million t in June 2023) which became the highest volume in past three years, according to data from the General Administration of Customs. In particular, imports included 6.15 million t of thermal coal used in power plants and 161,619 t of coking coal used by steelmakers.

If the policy is not going to change by the end of the year, China’s imports of Australian coal will remain high in 2023 owing to robust import profits and lower domestic output caused by tightened safety inspections of local mines.

It should be noted, however, that despite stepping up imports of Australian coal, China reduced the overall coal imports by 1.5% month-on-month in July.

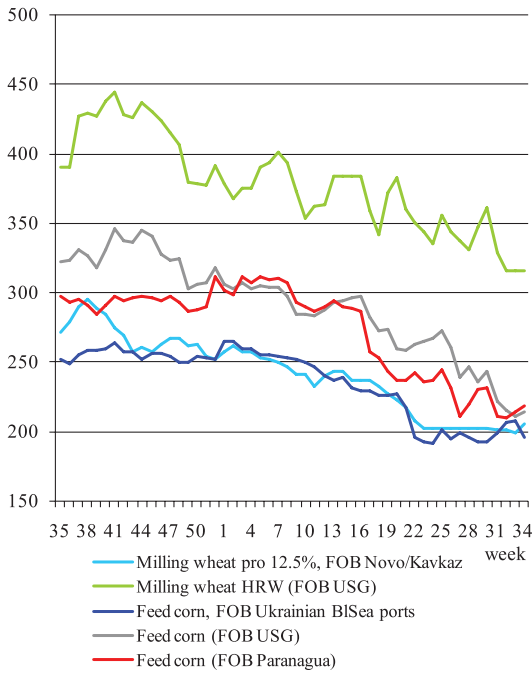
In particular, arrivals of Russian coal dropped to 8.99 million t in July from June’s record 10.65 million t; nevertheless, they remained 21% above the corresponding supplies in July 2022.

Imports of Indonesian coal averaged some 15.83 million t in July against 16.32 million t in June.

Meanwhile, imports from Mongolia, mostly coking coal, increased by 13% month-on-month to 5.94 million t despite lower steel production in China.

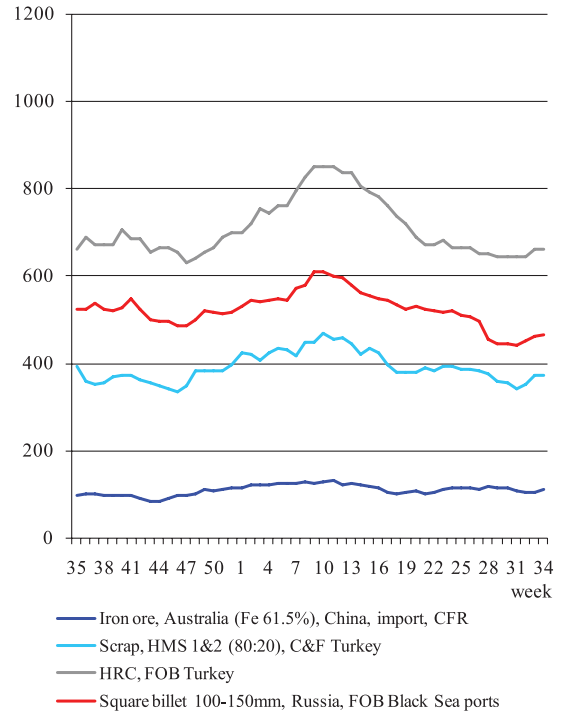
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Grain price dynamics, \$/tonne



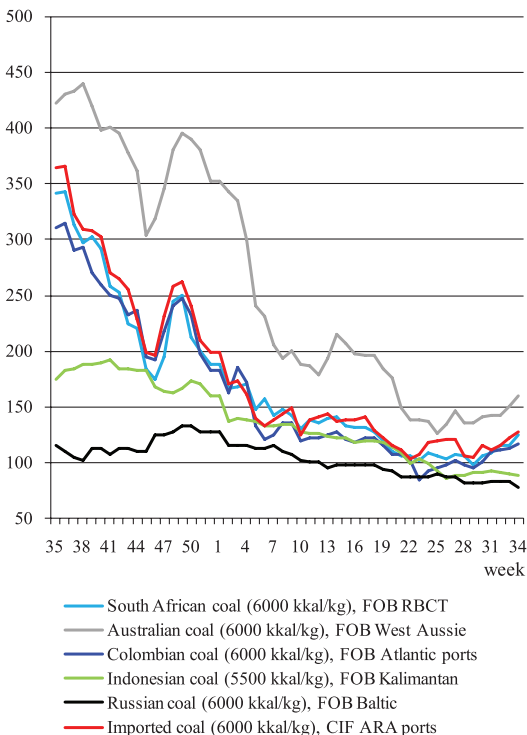
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Steels and raw materials price dynamics, \$/tonne



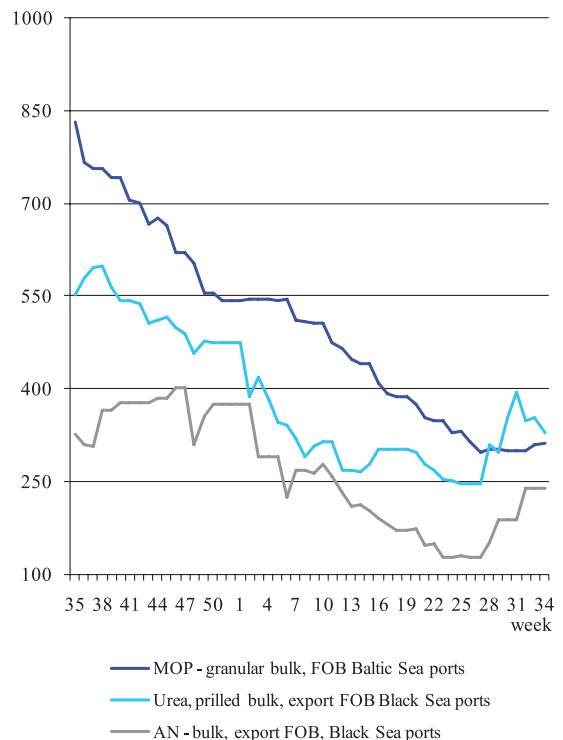
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Coal price dynamics, \$/tonne



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Mineral fertilizers price dynamics, \$/tonne



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