

# ISM Freight & Chartering

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# DRY MARKET FUNDAMENTALS

## Market fundamentals in brief // week 27

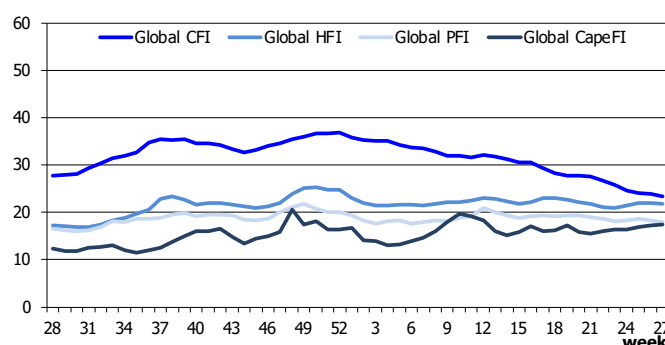
In general, the large-tonnage freight market continues on a softening mode in early July. The Global HFI has sagged by \$0.25/t after the last week's tiny increase; the Global PFI keeps falling, this time by \$0.43/t in a week; Capesize owners find it even more difficult to struggle for higher rates than last week – the Global CapeFI has only edged up by insignificant \$0.07/t. However, the Baltic Dry Index has dropped by 84 points to 1,966 (2,050) points. The small-tonnage shipping market remains dull and uneventful, with plenty of open vessels looking for cargoes. The most considerable rate falls are seen in the North European basin and, similar to the previous week, in the Azov Sea ports. As a result, the Global CFI has sagged by \$0.52/t.

The upward price trend persists on the bunker fuel market for the third consecutive week. In early July, about \$20-40/t increases are observed in prices for all types of the bunker fuel in literally all major ports all over the world, which makes an unfavorable situation for shipowners even worse as it hurts their earnings.

The Global ISM Commodity Index has risen by almost 2 points mostly owing to higher prices for iron ore, grains and fertilizers.

The iron ore segment is a bright spot on the global metallurgical market this week. All major iron ore exporters are raising prices amid quite steady sales to China and other Asian countries. Turkish importers

### Global Freight Index

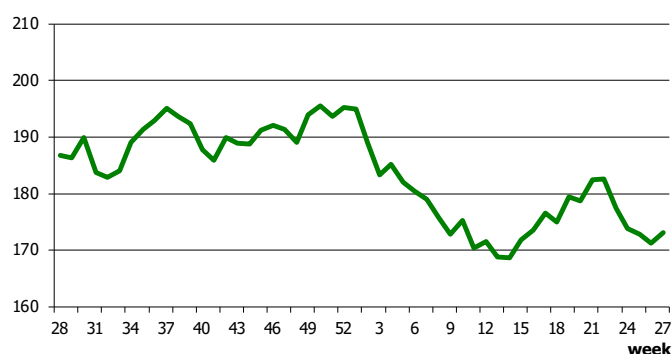


continue purchasing steel scrap, which boosts the corresponding prices. At the same time, trade in South Korean scrap is moderate, quotes stable. Russian exporters enjoy regular shipments of square billets to Turkey, which gives them a green light to raise prices, while sales to other markets are muted. Chinese billets are quite popular among Asian buyers. In the meantime, HRC sales remain slow despite exporters' attempts to spur trade by reducing the offer prices. As before, the rebar market is almost dead. Quotes for Italian and Spanish rebar are indicative. Turkish exporters raised offer quotes following an increase in production costs, but sales remain sporadic.

The price tendencies on the world thermal coal market are mixed. Australian exporters are the only ones who are raising offer prices this week, taking the advantage of regular sales to China. In the meantime, large coal exporters such as Russia, South Africa, Indonesia and Columbia reduce offer prices.

The world grain market continues cooling down this week. Export prices for Ukrainian grains are falling amid slow overseas trade. After a decrease during several weeks in a row, quotes for EU grains have risen despite weak importers' interest and competition with Black Sea suppliers. Prices for Russian wheat are going down due to favorable production forecasts and slack buying interest. Importers show quite lively demand for US wheat which boosts prices for the commodity. However, US corn quotes are under pressure of stiff competition with Brazil where safrinha harvesting progresses at a high pace. Soybean prices are well supported by lower production forecasts and rising demand from China.

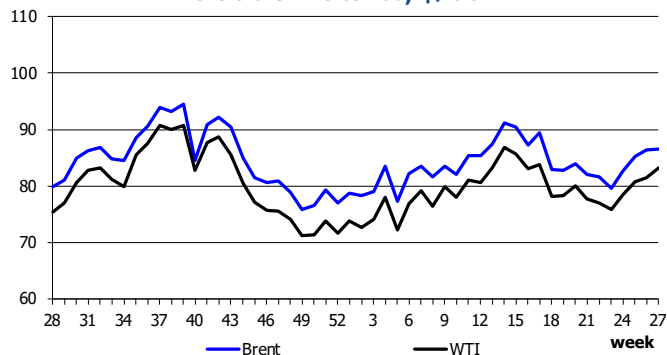
### Global ISM Dry Commodity prices Index\*



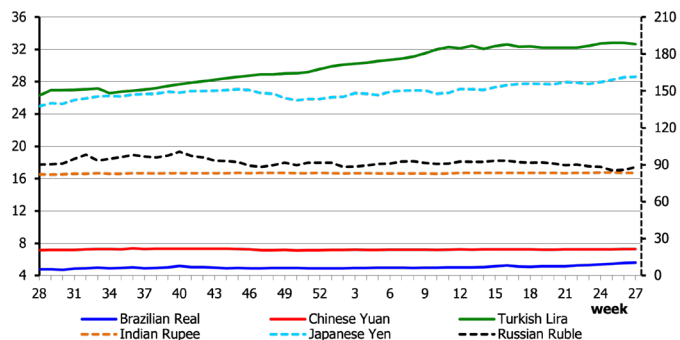
\* - Commodity Index was designed by ISM as a tool to determine the complex commodity market situation and, therefore, to predict future shipping activity within certain tonnage classes. ISM Commodity Index is a weighted average of export prices for main types of dry cargoes, such as grain, steel, coal,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

The global fertilizer market seems to start leveling up, particularly in the urea segment. The rush among urea importers seen during the couple of previous weeks has abated, so exporters now prefer to wait and see, holding quotes unchanged. All exporters of AN, UAN and DAP/MAP have raised offer prices despite modest sales, while those of MOP keep providing discounts amid very poor trade.

Crude oil futures, \$/bbl



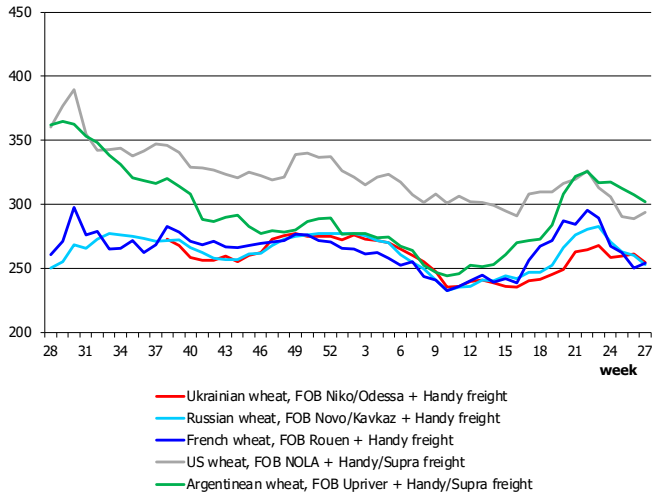
Currency rates dynamics (BRL, CNY, TRY, JPY, INR, RUB to USD)\*\*



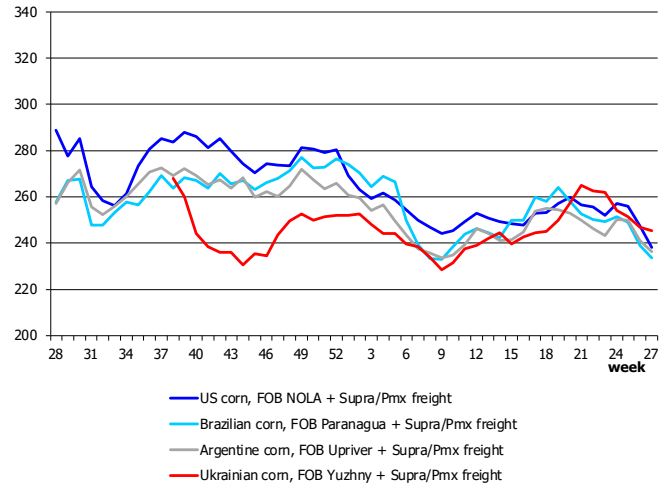
\*\* - Due to different numerical order, Brazilian Real (BRL), Chinese Yuan (CNY), Turkish Lira (TRY) currency rates are shown within the main (left) scale, while Indian Rupee, Japanese Yen and Russian Ruble are shown within the secondary (right) scale. Time scale (week number) is a common one with latest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

## Grain competitiveness on major sales markets // week 27

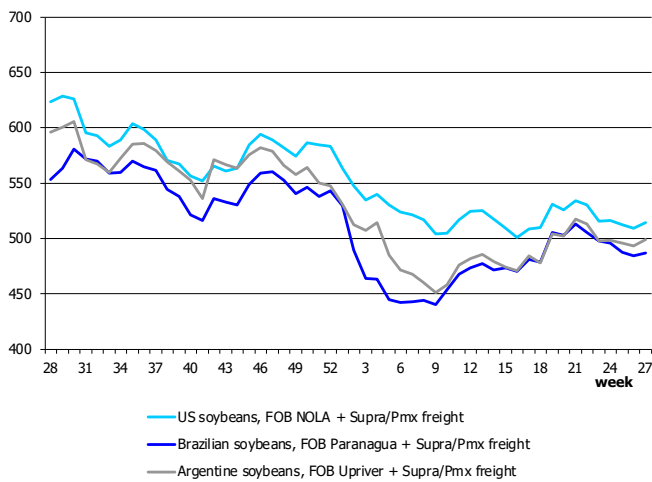
### Wheat competitiveness in North Africa (bss Algeria)



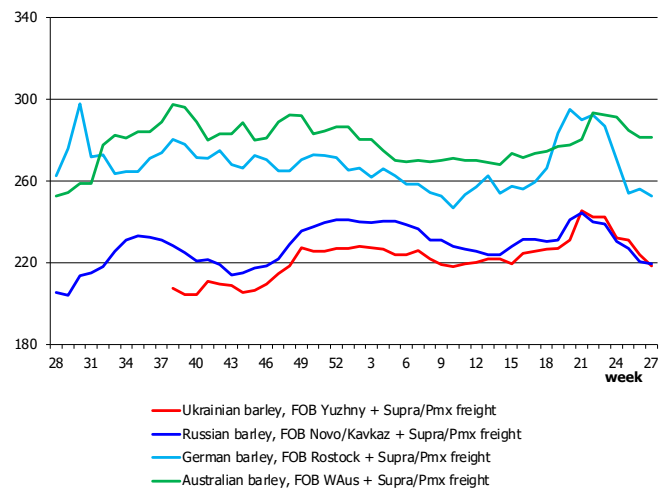
### Corn competitiveness in SE Asia (bss Japan/S. Korea)



### Soybeans competitiveness in China (bss South China ports)



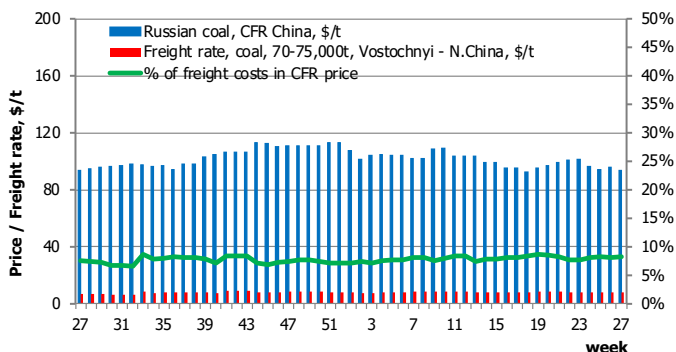
### Barley competitiveness in Saudi Arabia (bss Jeddah port)



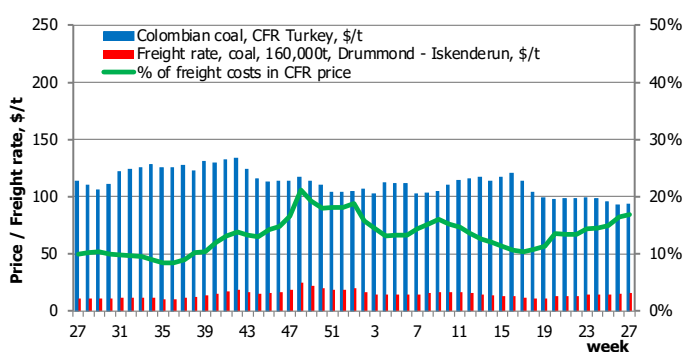
[Click here to see competitiveness of other commodities on major sales markets](#)

## Share of freight costs in coal CFR prices // week 27

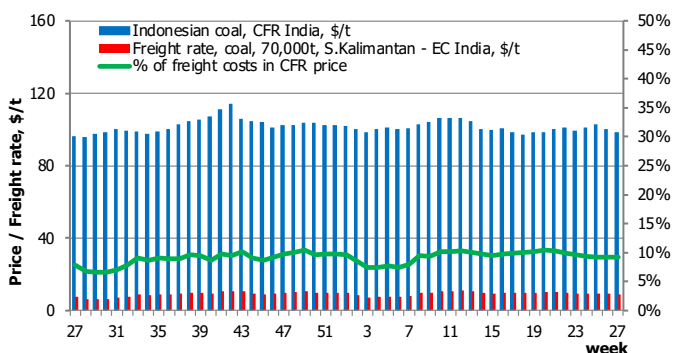
### Russian coal: weight of freight costs in CFR China price



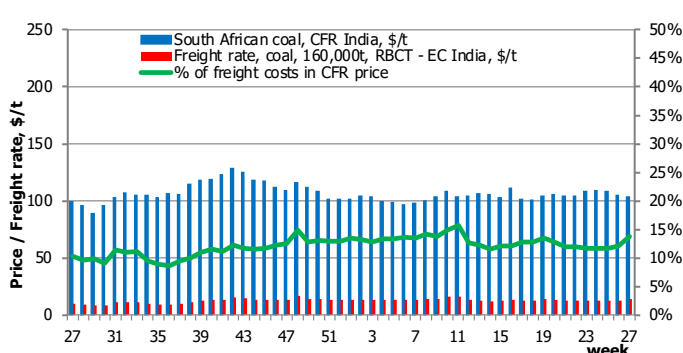
### Colombian coal: weight of freight costs in CFR Turkey price



### Indonesian coal: weight of freight costs in CFR India price

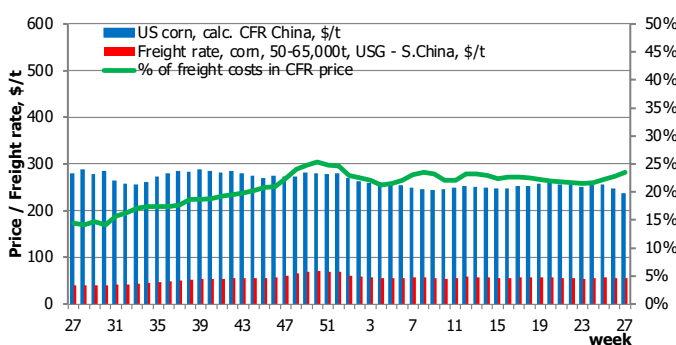


### South African coal: weight of freight costs in CFR India price

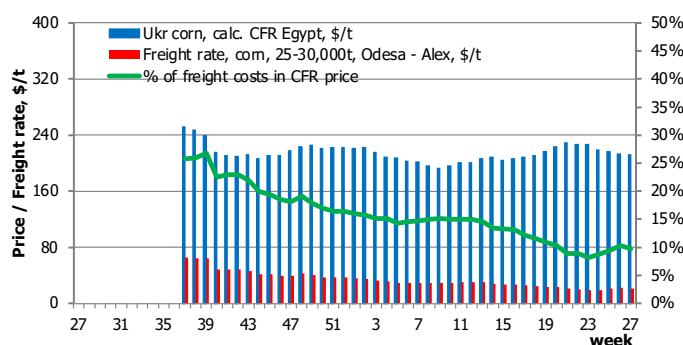


## Share of freight costs in grain CFR prices // week 27

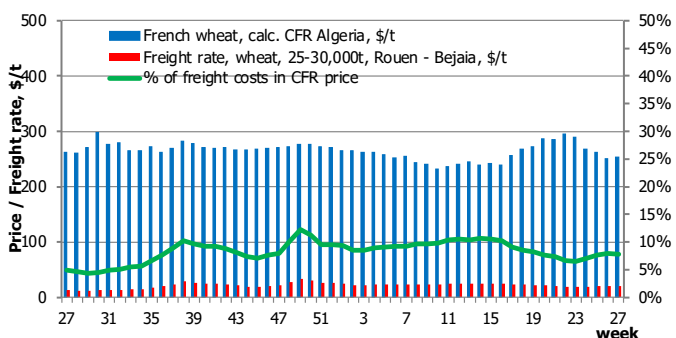
### US corn: weight of freight costs in CFR China price



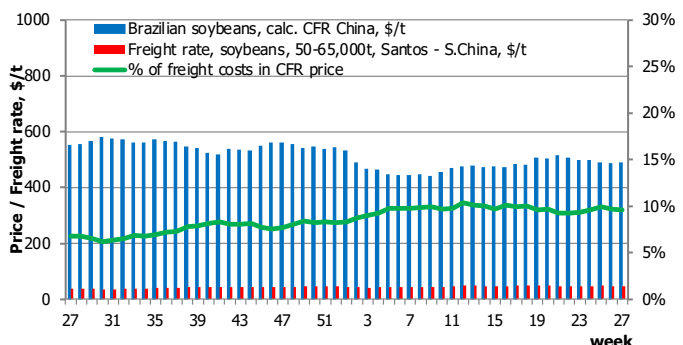
### Ukrainian corn: weight of freight costs in CFR Egypt price



### 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 27

### CURRENT TREND STEADY / SOFTENING

The return of thousands of players back to their desks after the Istanbul Shipbrokers' Dinner, as well as the official start of the new grain season in European countries had no impact on the small-tonnage shipping market. With Turkey's continued ban on wheat imports and low demand from Mediterranean buyers, the cargo offer remains minimal in the Black Sea basin. "We can describe the situation as a total disaster, the market is collapsed," an experienced Turkish broker commented to ISM. "Perhaps we see the worst start of a new grain season ever," another broker mentioned. Despite all efforts, ship owners are unable to raise freight rates both in the **Black** and **Mediterranean** Seas given large surplus of open vessels.

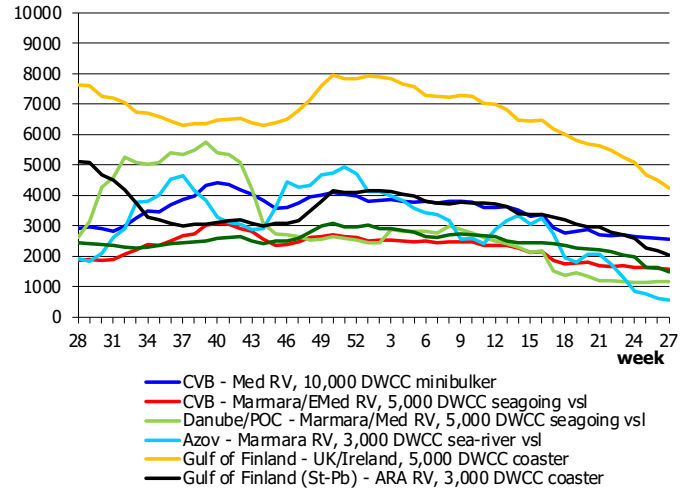
As expected, the situation continues to deteriorate in the **Azov Sea** as the market sees only offers of corn and cubature agri products for transportation to Turkey; shipments of wheat to Egypt and those of coal to Turkey are sporadic. Sea-river rates have sagged by another \$0.5-1/t during the week, probably having reached their bottom: there is nowhere to fall further considering the TCEs. In the Caspian Sea, freights have also dropped by another \$3-7/t.

The vacation season is gaining momentum in the **North European** countries, and activity is traditionally slowing down on the local coaster market. During the week, freight rates have declined by another €0.5-1.5/t.

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### EXPECTATIONS MIXED

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



Both traders and ship owners expect an upturn in grain trade in the nearest future, but commodity market picture is not very favorable for this. A further decrease in export prices for wheat and corn given limited demand from Mediterranean buyers complicates an already difficult process of signing new deals on the freight market. Demand for Russian square billets has weakened again in Turkey, while offers of Egyptian urea are absent. According to ISM, players can hardly count on any rate growth in the next couple of weeks. Expectations about further developments in North Europe remain very pessimistic. The market may sag a little more considering minimal activity in the midst of the vacation season.

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

Route	Daily TCE, \$	w-o-w
CVB - Med RV, minibulker 10,000 DWCC	2,550	-40
CVB - Marmara/EMed RV, seagoing vsl 5,000 DWCC	1,580	-30
CVB - Marmara RV, seagoing vsl 3,000 DWCC	1,270	-20
Danube/POC - Marmara/Emed RV, seagoing vsl, 5,000 DWCC	1,170	-10
Azov Sea - Marmara RV, sea-river vsl 5,000 DWCC	900	-120
Azov Sea - Marmara RV, sea-river vsl 3,000 DWCC	560	-70
Marmara - Med RV, seagoing vsl 3,000 DWCC	1,010	-10
Marmara - Med RV, seagoing vsl 5,000 DWCC	1,410	-20
Inter-WMed RV (Iberian peninsula - N. Afr RV), seagoing vsl 5,000 DWCC	1,710	-30



**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	4,250	-250
Gulf of Finland (St-Pb) - ARAG RV, coaster 3,000 DWCC	2,040	-140
Lower Baltic - ARAG RV, coaster 3,000 DWCC	1,490	-130

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**Handysize & Supramax/Ultramax market // week 27**

**CURRENT TREND**  
**SOFTENING / STEADY**

The Handysize and Supramax/Ultramax shipping segments started July on a softening mode in most freight sections of the Western Hemisphere. Thus, lack of fresh cargoes and growing list of vessels open for mid-July and 2H July laycans force owners to make concessions in **ECSA, Mediterranean Sea** and the **Continent**. Despite the start of new grain season, grain offers from Ukraine, Russia and EU are few on the market, while offers of other cargoes are sporadic. Over the week, freight rates have dropped within \$2k daily and \$3/t in all three regions. The ECSA Supramax segment has been the only exception: relevant rates are holding steady. "Owners have to search long for F/H cargoes, as the market is rather T/A heavy for now," a broker mentioned.

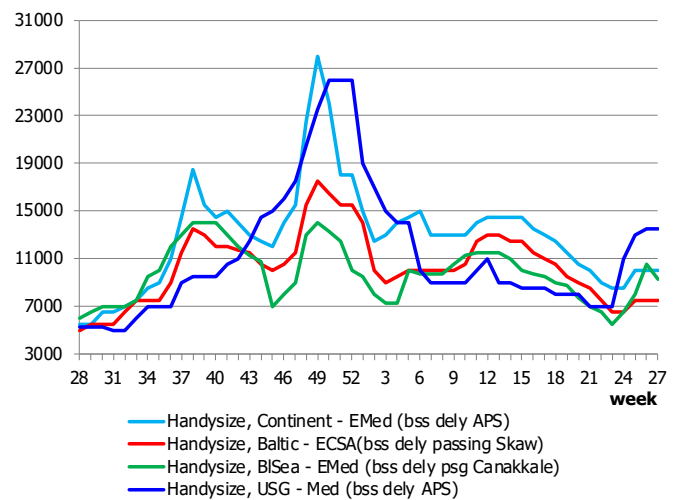
The **USG** Handysize market has also started to cool down after strong growth reported in the past few weeks. "The market has slowed down considerably, with some softer moods appearing," a broker mentioned. Despite decreased cargo offer, still limited tonnage list allows ship owners to keep freight levels stable. The local Supramax/Ultramax market is also looking stable despite the increase in ballaster list, as owners are supported by regular shipments of petcoke and coal on both F/H and T/A routes.

The **SE Asian** market is also dominated by negative sentiment. Supramax/Ultramax rates have declined by \$0.5-1k daily and \$0.5-1/t amid a slowdown of Indonesian coal exports as well as increased ballaster inflow from ECI.

Meanwhile, Handysize/Handymax rates have not changed much in SE Asia and the Far East. Ship owners are benefiting from gradually decreasing tonnage list

**EXPECTATIONS**  
**MIXED / SOFTENING**

**Time-charter-trip rates, \$/day**



as well as regular steel traffic from China, South Korea and Japan. In the **Indian Ocean**, Supramax/Ultramax rates hold steady due to regular salt shipments from WCI and worsening weather conditions off ECI. However, exports of minerals and aggregates from PG are a mixed bag. "PG market looks confusing. One day it is strengthening while on another day it is weakening," a broker is perplexed.

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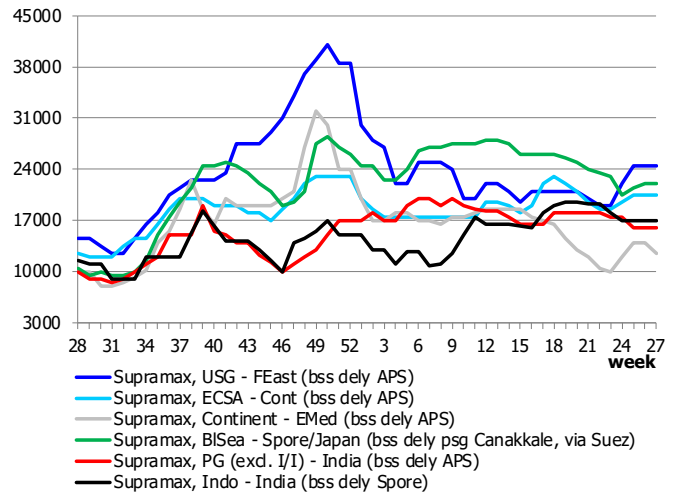
The ECSA market will most likely continue to weaken next week as trade looks limited for the coming weeks. "Activity is low, adding to softening sentiment; the market looks unlikely to improve significantly," a broker mentioned. Meanwhile, most players are optimistic about developments in the northern part of the basin: "Positive sentiment seems to prevail while demand continues to maintain its volume," another broker commented.

Many ship owners working in the Continent and Mediterranean Sea prefer to take a wait-and-see stance and do not hurry to fix deals for 2H July, believing that the situation will change. However, encouraging trends are few on commodity markets so far.

In 2H July, demand for Supramax/Ultramax tonnage is expected to grow in the Persian Gulf due to an increase in exports, which may help owners to raise freight rates. Meanwhile, there are no preconditions for the Supramax/Ultramax market recovery in SE Asia as Indonesian and Australian coal exports are still unlikely to perk up.

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Time-charter-trip rates, \$/day



## Panamax/Kamsarmax market // week 27

**CURRENT TREND**  
**SOFTENING**

In the first week of July, the situation remains tense for Panamax/Kamsarmax owners working in the **South Atlantic**. Fresh offers with late July laycans less frequently enter the market compared to August requests, while spot tonnage list is steadily growing. By the end of the week, spot rates have sagged by \$0.5-1k daily and \$0.5-1/t on all routes. Negative trends also prevail in the **North Atlantic** given limited offer of grain and coal for shipments from the USA on all routes.

Demand for tonnage to be used for transportation of new crop grains in the **Black Sea** is now also increasing at a slower pace after some activation during the last 2-3 weeks. Rates ex USG/USEC, Continent and the Black Sea have dropped by \$1-2k daily and \$0.5-2/t over the week.

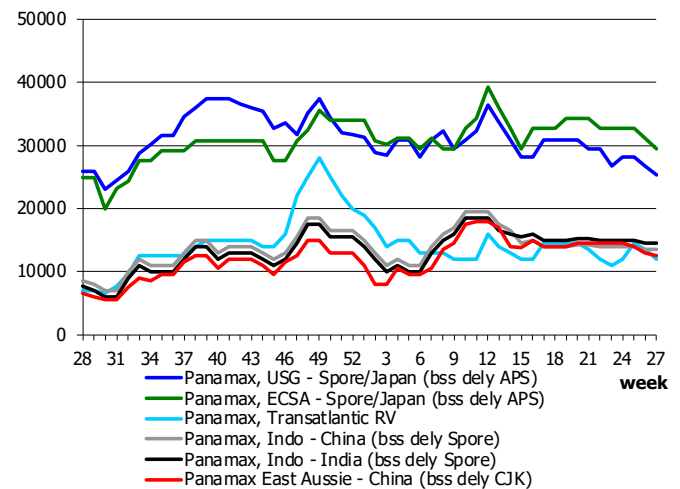
In the **Asia-Pacific region**, sharpening tonnage surplus outweighs Australian and Indonesian coal exports (which remain extremely limited) and grain shipments from NOPAC ports. "It is difficult to find good news in the APAC region at the moment. Plenty of people are seeking for short period or long period deals," a broker claims. Rates have sagged within \$1k daily and \$0.5/t this week.

\*\*\*

In ECSA, rates for shipments with July laycans

**EXPECTATIONS**  
**MIXED**

Time-charter-trip rates, \$/day



may remain under pressure as relevant cargo offer is growing slower than the number of vessels. The northern part of the basin is also likely to stay on a downward trend due to limited demand for US grain and coal in major importing countries. Exports of Black Sea barley and new crop wheat with 2H July-August laycans will most likely be increasing gradually, but this may turn out insufficient to have a serious impact on the overall Atlantic market picture.

In APAC, Australian coal exports will hardly perk up in the near term, which could at best allow owners to keep rates stable. "Any nearby turnaround is unlikely," a broker expects.



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## Capesize market // week 27

### CURRENT TREND FIRMING / STEADY

The Capesize shipping market has slowed down a bit in the **South Atlantic**, as most spot requests are already covered, while deals for August laycans are discussed inactively. Nevertheless, ship owners still manage to keep rates stable thanks to limited tonnage list. "Ballasters able to make July loading in Brazil diminish rapidly," a broker mentioned. Meanwhile, positive trends persist in the **North Atlantic** due to brisk shipments of iron ore and coal from Canada and USEC. Over the week, relevant freight rates have risen by \$0.5-1/t on all routes.

### EXPECTATIONS FIRMING

In the **Asia-Pacific region**, Capesize rates have added \$0.5-2/t due to a surge in Australian ore exports and strengthening of the FFA market. However, the market has started to soften closer to weekend and rates have stabilized.

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Capesize owners are mostly optimistic about future market development as there are growing signs of better demand for iron ore in China amid hopes for stimulus support.

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**FIXTURES & RUMORS / ATLANTIC**

**Black Sea Handysize/Supramax market started rolling back**

Positive sentiment seen in recent weeks has literally disappeared in the Black and Mediterranean Seas. The cargo flow has even slowed down, while the list of vessels open for both spot and 2H July laycan dates has become longer. Freight rates have rolled back.

On the TCT market:

A couple of inter-Med deals for 32-34k dwt vessels bss dely passing Canakkale via CVB are discussed at \$9-9.5k daily, but some charterers already target even below \$8.5k daily;

Meanwhile, some charterers are ready to pay \$10.5k daily for a standard Handysize carrier bss dely Marmara redel SpanMed;

The contract for a 32kdwt ship bss DOP dely Georgia via Constanta redel Algeria has been concluded at \$9k daily or a tick above that;

A 32k dwt vessel has been chartered at \$9k daily for minerals run bss APS dely EMed redel Continent;

Charterers offer \$9k daily for Handysize steels run bss APS dely EgyptMed redel Morocco;

The deal for dirty cargo run by a 30k dwt carrier bss APS dely WMed redel BSea has been signed at \$10k daily;

Rates for a large Handy ship bss dely WMed redel ECSA are discussed at \$9.5k daily;

As for larger vessels, the contract for Supra bagged cement run bss APS dely TurkMed redel USG is negotiated at \$9.5k daily;

Charterers target below \$20k daily for an Ultramax trip bss DOP dely WMed redel India;

Supramax front-haul rates bss dely EMed via Suez are hovering at \$22-23k daily, while rates for usual clinker trips towards WAfr have declined to \$13-14k daily; however, a 56k dwt carrier open in EMed has been chartered at mere \$11.75k daily via Port Said towards Ghana;

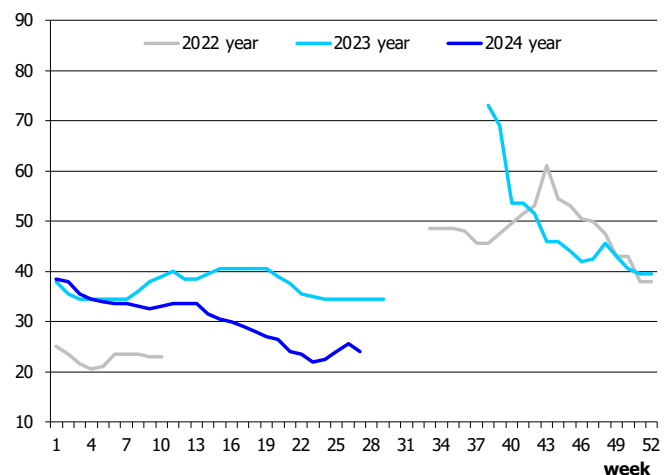
A 63k dwt ship has been fixed at \$18.5k daily bss APS dely Iskenderun redel WCCA.

Voyage-basis rates have come under pressure as well.

As for Ukrainian grains:

Charterers are ready to pay at best \$25/t for shipment of 25,000 t of corn from POC to Israel with 5000 sshex bends l/d rates (equivalent to \$10-10.5k daily bss dely psg Canakkale in case of \$70-90k of EWRI);

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



Other traders target \$23/t for transportation of 25,000 t of wheat from Chornomorsk to Tunisia with 6000x/2000x l/d rates and 9-11 July laycans, which hardly reaches even \$8k daily in TCE bss dely psg Canakkale even in case of no EWRI required;

Up to 23,000 t of corn are offered for shipment from POC to Mersin at \$20/t given 7000x/5000x l/d rates and late July/early August laycans (gives the TCE of \$9-9.5k daily in case of no EWRI required);

Traders offer low \$20s/t for transportation of 20,000 t of wheat from POC to Morocco given 5000 sshex bends l/d rates and mid-July laycans, which hardly reaches even \$5k daily in TCE bss dely psg Canakkale even for vessels with no EWRI required;

Up to 15,000 t of meal (sf 65-68`) are offered for shipment from POC to the French Atlantic at mid-\$40s/t bss 1/1, which corresponds to high \$20s/t bss 22-24,000 t of heavy grain;

The deal for transportation of 60-65,000 t of corn from POC to S.China is discussed at very low \$50s/t given 8000 sshex bends l/d rates;

However, a 60,000 t lot of barley (sf 53`) has been fixed from POC to S.China at \$49/t given 12000c/8000x l/d rates and 2H July laycans (equivalent to \$21k daily bss dely Port Said in case of \$500k of total EWRI for calling Ukraine and passing the Red Sea, or \$25k daily in case of \$300k of EWRI).

In the segment for EU and Russian grains:

Brokers suggest mid-high \$40s/t for shipment of 60,000 t of barley + wheat from Constanta to PG (Doha + Jebel Ali) bss 1/2;

The deal for transportation of 25,000 t of wheat from Varna to SpanMed is discussed at \$17-17.5/t (equivalent to \$7.5-8.5k daily bss dely psg Canakkale);

Charterers target \$25-26/t for shipment of 30,000 t of wheat from Kavkaz roads to Casablanca given 5000 sshex bends l/d rates, which means \$11-12k daily bss dely psg Canakkale for vessels with no EWRI required or \$2k daily less in case of \$50-60k EWRI;

Another 30,000 t lot of wheat is offered for transportation from Novorossiysk to Casablanca at \$22-23/t with 8000x/5000x l/d rates (equivalent to \$11.5-12k daily bss dely psg Canakkale for vessels with no EWRI required);

Traders offer \$20/t for shipment of 30,000 t of barley (sf 53`) from Novo to Libya given 7000x/3000x l/d rates and mid-July laycans, which hardly reaches even \$8k daily bss dely psg Canakkale for vessels with no EWRI required;

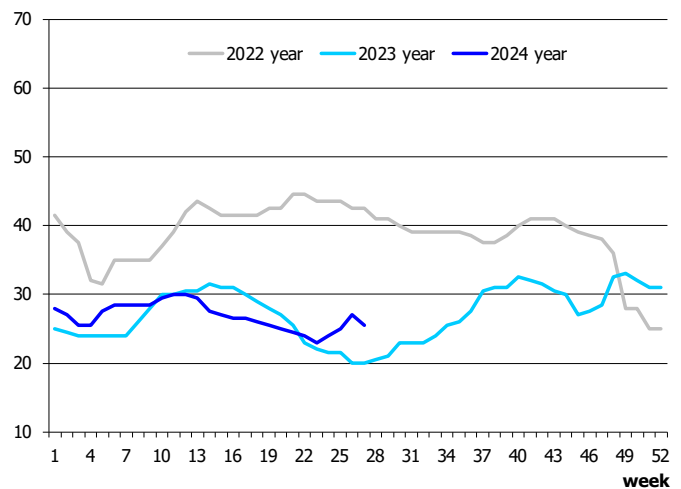
Speaking of non-grain cargoes:

Charterers target \$16/t for shipment of 30-40,000 t of clay from Constanta to SpanMed given 13000x/15000x l/d rates and mid-July laycans (equivalent to \$12.5-14k daily bss dely psg Canakkale);

Carrying up to 30,000 t of clay of 2 different grades from Pivdennyi to Ravenna with 10000c/9000x l/d rates and 14-17 July laycans is estimated by ISM at around \$20/t;

Charterers are ready to pay \$15-16/t for transportation of 30,000 t of coal from Tuapse to EgyptMed given 9000c/6000x l/d rates and spot laycans, which gives the TCE of \$9.5-10.5k daily bss dely psg Canakkale in case of no EWRI required;

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



Shipments of both 53,000 t of fertilizers from Ashdod to New Orleans with 8000x/10000c l/d rates and 14-17 July laycans and 45,000 t of phosphates from Damietta to Vila do Conde with 6000x/4000c l/d rates and 10-15 July laycans are estimated by ISM at nearly the same rate of low-mid \$20s/t;

Brokers suggest very low \$20s/t for transportation of 29,000 t of fertilizers from Ashdod to Vlissingen with 8000x/7000x l/d rates and mid-July laycans.

## Small-tonnage market remains extremely slow and overtonnaged in Black Sea

Despite the official start of a new grain season, activity remains extremely poor on the Black Sea small-tonnage market. Ship owners are still unable to raise rates from bottom amid still sharp cargo/tonnage imbalance. At the moment:

Charterers target \$18/t for shipment of 7,000 t of corn from Chornomorsk to Mersin with 1500 sshex bends l/d rates, which hardly reaches even \$1k daily in TCE for vessels open in Marmara and \$1.3k daily bss dely Sulina redel EMed for vessels with no AWRP required;

Meanwhile, the deal for transportation of 6,000 t of wheat from Izmail to Alexandria has been signed at \$21/t (equivalent to \$2-2.2k daily bss dely Sulina or \$1.4-1.6k daily bss dely Marmara);

Shipment of up to 4,000 t of barley (sf 54') from Izmail to Lebanon with 1000 sshex bends l/d rates is discussed at low \$20s/t, which is equivalent to \$0.8-1k daily bss dely Marmara;

Traders are ready to pay at best \$24/t for transportation of 5-7,000 t of barley (sf 54-55') from Izmail to Libya, which gives the TCE of \$1.6-1.9k daily bss dely Marmara;

Brokers suggest \$16-17/t for shipment of 5,000 t of pig iron from Pivdennyi to Marmara given 1500c/1500x l/d rates and 9-11 July laycans, which is equivalent to \$1.1-1.3k daily bss RV.

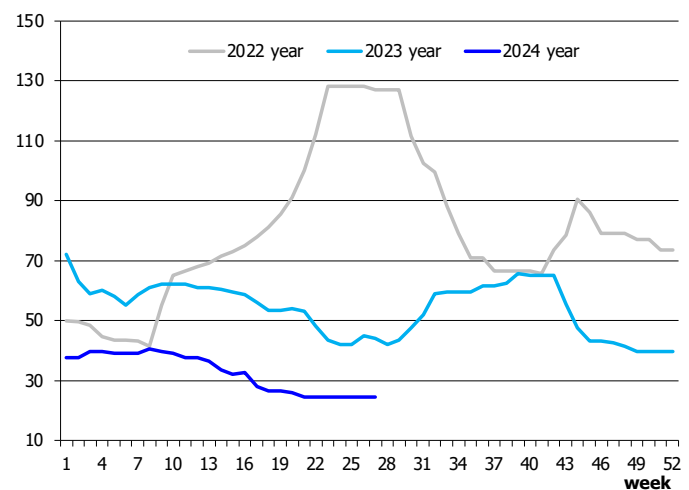
As for the non-Ukrainian cargoes:

Up to 4,000 t of corn are carried from Varna to Larnaca at \$20/t, which is equivalent to \$0.8-1k daily bss RV or \$1.5-1.7k daily bss dely Marmara;

Traders offer \$22-22.5/t for transportation of 3,000 t of barley (sf 53-54') from Braila to Crete;

Brokers suggest extremely poor low \$10s/t for shipment of 1,100 t of agri products (sf 78') from Constanta to Marmara;

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



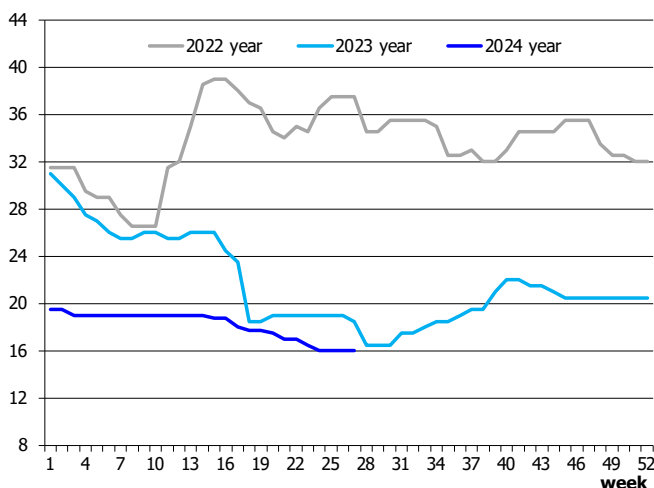
The deal for transportation of 2,600 t of steel products from Bartin to Burgas with 1000 sshex bends l/d rates and 6-8 July laycans is discussed at \$13/t (equivalent to \$1-1.2k daily bss RV);

Charterers are ready to pay \$280k bss lumpsum for shipment of general cargoes by 3k dwcc vessel from Bulgaria to the Red Sea bss 1/1;

Charterers target \$20/t for transportation of up to 15,000 t of pig iron from Novorossiysk to Marghera, while owners are seeking to get at least \$22/t (equivalent to \$4-4.2k daily vs. \$4.8-5k daily bss RV for vessels with no AWRP required);

Other exporters offer \$25/t bss FIOS for shipment of 8,000 t of wric from Novorossiysk to Haifa, which means around \$3k daily bss RV for vessels with no AWRP required or \$0.7-1k daily less in case of \$20-25k of total AWRP.

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



## Mediterranean coaster market still swarms with open vessels

The cargo/tonnage imbalance remains rather acute on the Mediterranean Sea coaster shipping market. Fresh cargoes are few these days. It is quite difficult for ship owners to improve their positions without the support of the cargo base, and they are often forced to make further concessions to avoid downtime:

The deal for shipment of 7,000 t of urea from EgyptMed to Les Tellines is negotiated at mid-\$20s/t with 3000x/1800x l/d rates and spot laycans, which gives the TCE closer to \$5k daily for one laden leg or \$2k daily bss RV (note that some owners were ready to fix at low \$20s/t, which gives the TCE of \$3.8k daily for one laden leg);

Charterers target \$16-17/t for transportation of 6,000 t of sulphur from Aliaga to Selaata with early July laycans (equivalent to \$2,6k daily bss RV);

A 3,000 t lot of BHF is carried from Greece to Bulgaria at \$15/t;

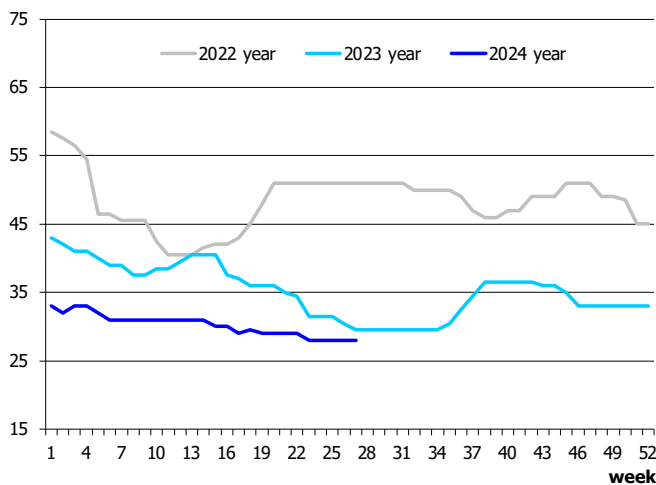
Rates for shipment of about 6,000 t of sbpp (60'') from Damietta to SpanMed are voiced by brokers at high \$20s/t, while owners want to get low \$30s/t;

Charterers are ready to pay \$20/t for transportation of 5-6,000 t of wheat from Iskenderun to EC Italy bss 1/1 with 1500x/1500x l/d rates, which gives the TCE closer to \$3,3k daily for one laden leg;

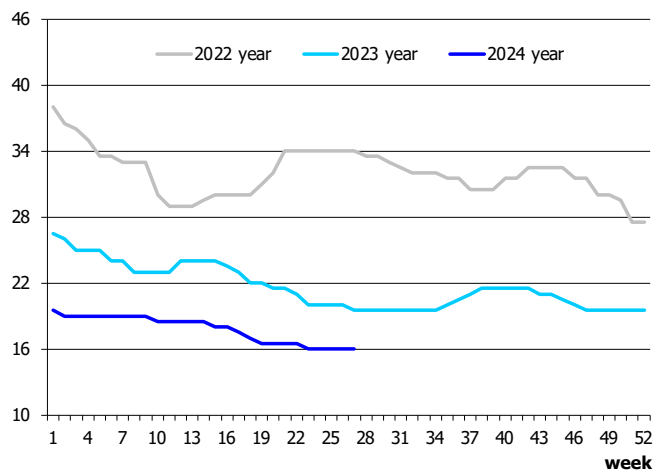
The contract for shipment of 3,000 t of steels from Iskenderun to Koper has been signed at around \$26.5/t, equivalent to \$1k daily bss RV or \$2,6k daily for one laden leg;

Charterers offer \$23k bss lumpsum for transportation of 600 t of steel from Gemlik to Varna.

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



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



## Azov Sea market remains nearly dead, with just sporadic wheat offers

Demand for sea-river vessels remains extremely poor in the Azov Sea, with almost no wheat offers around. Many ships stay in dead spot, while others compete for cargoes ex Black Sea ports. Freight rates stay on bottom:

Most charterers target \$14.5-15.5/t for shipment of 3,000 t of corn or wbp or peas from Azov/Rostov to Marmara, while owners are seeking to get at least \$17-18/t (equivalent to mere \$0.6-0.7k daily vs. \$1-1.2k daily bss dely Kerch straits redel Marmara and less than \$0.4k daily bss RV);

Brokers suggest \$15/t for transportation of 5,000 t of corn or barley from Yeisk to Marmara, which is equivalent to \$1.3-1.5k daily bss dely Kerch or \$0.6-0.7k daily bss RV;

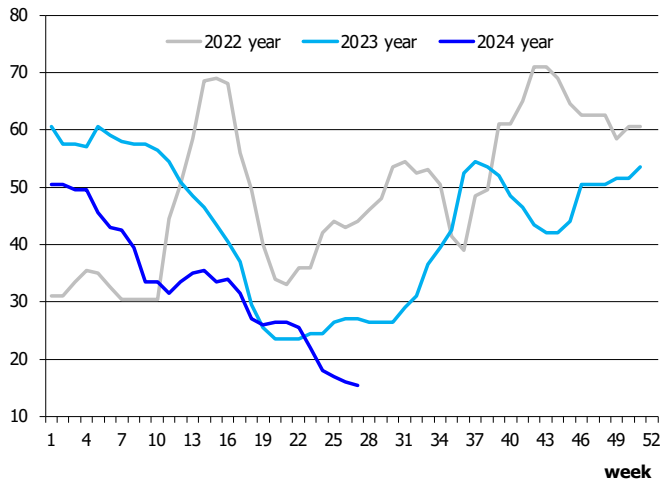
Carrying 3,000 t of wheat from Rostov to Poti is still estimated by ISM at \$15-15.5/t, while shipment to EC Greece is quoted at low-mid \$20s/t;

The deal for transportation of 3,000 t of wheat from Azov to Alexandria has been signed at \$35/t, which exceeds \$1k daily in TCE bss RV and \$2.2k daily bss dely Kerch redel EMed.

Coal traffic remains very slow as well:

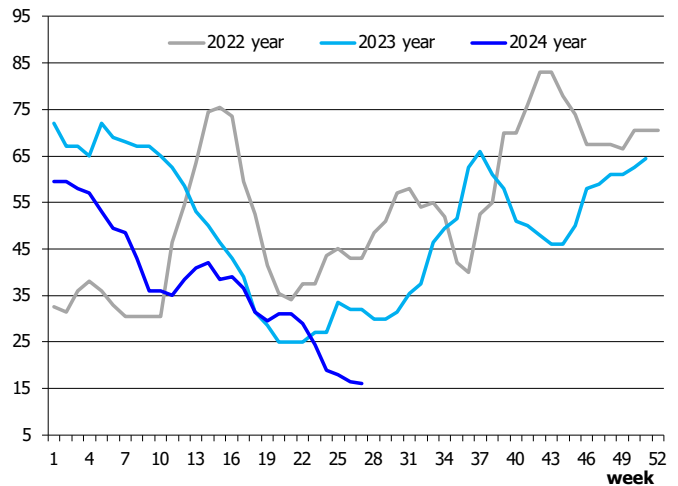
Charterers offer up to \$13/t for shipment of 3-5,000 t of coal from Rostov bb to Marmara;

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



Brokers suggest less than \$30/t for transportation of 3-5,000 t of coal from Taganrog to Iskenderun.

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



**Trade slowing down on Baltic & Continent Handysize/Supramax market**

The situation seems to have worsened a bit more on the Baltic & Continent Handysize/Supramax market. Thus, the pressure on rates is mounting in both segments. Weak cargo flow and rather long tonnage list force ship owners to make some concessions again. Supramax rates have dropped more significantly, while Handysize owners are still reluctant to make concessions, with only situational downturns reported. In general, the number of signed deals is rather limited at the moment.

The contract for a 77k dwt carrier bss dely Dunkirk via Russia & Red Sea redel India has been concluded at \$34k daily.

In the Handysize sector:

The charterer offers low \$30s/t for Handy shipment of fertilizers from Russian ports to Brazil;

As for Supramax cargo traffic:

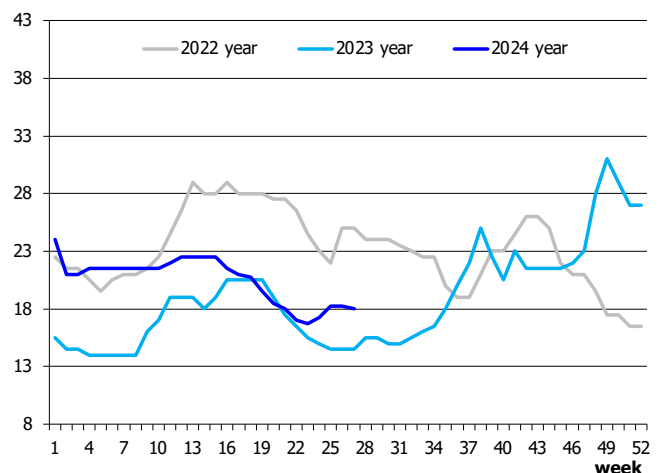
Rates for Supramax fleet bss dely Continent redel EMed are negotiated at \$11-12k daily, although many ship owners still hope to get \$13-15k daily on this route;

Transportation of 40-45,000 t of steel scrap from ARA ports to Turkey is quoted by brokers at around \$18/t;

Short inter-Continent trips are discussed at \$12-13k daily;

Charterers are ready to pay about \$11k daily for shipment of steel products by a 54k dwt vessel bss dely Continent redel USEC;

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





Handysize owners in spot positions are ready to fix even below \$10k daily bss dely Continent/Skaw via Russia redel ECSA, while owners of vessels opening in 10 days are seeking to get \$12-13k daily at the moment, but nobody wants to pay such money;

Time-charter rates for such fleet bss dely Skaw via Russia redel Black Sea are negotiated at \$13-15k daily;

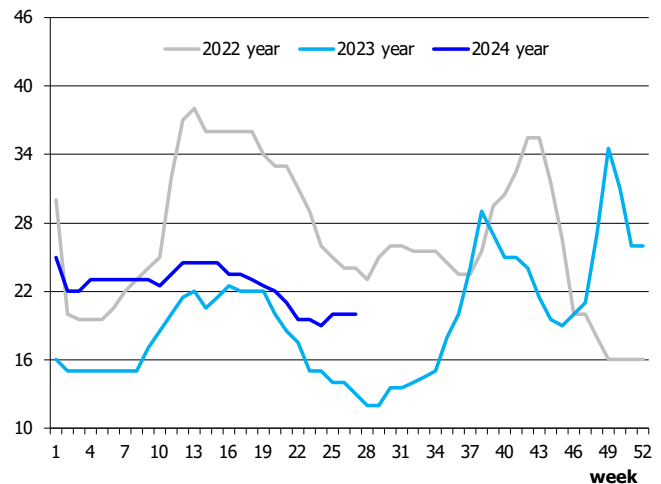
The charterer has paid low \$40s/t for transportation of a Handy lot of fertilizers from Russia to the Black Sea (2 ports);

Handysize rates bss dely Continent redel EMed are voiced by brokers at \$9-11k daily;

A 34k dwt vessel has been chartered at \$9.5k daily bss passing Skaw via Baltic redel EMed;

The contract for a 30k dwt ship bss APS dely Continent redel Adriatic has been concluded at \$10k daily.

**Wheat, 25-30,000t, Rouen - Bejaia, \$/tonne**



**North European small-tonnage market continues to going down**

The situation has deteriorated again on the Baltic Sea coaster market. The vacation season has started in European countries, which is already affecting the pace of trade. The number of new cargo offers is small, while the tonnage list remains long. Charterers are taking advantage of the current circumstances and put pressure on freight levels in the region. Ship owners are forced to accept their ideas amid high competition:

Rates for shipment of 3-5,000 t of urea from Kotka to Poland are voiced by brokers at €16-19/t depending on cargo size;

Transportation of 3-6,000 t of aggregates from Kalmar to one port in Latvia or Estonia costs €7-7.25/t with high l/d rates;

The deal for shipment of 8,000 t of grains (sf 58') from Riga to Waterford is negotiated at €21/t with spot laycans, which gives the TCE of \$4-4.5k daily for one laden leg;

The contract for transportation of 5,000 t of agri products (sf 56-58') from Latvia to ARAG is discussed at €22-23/t (equivalent to \$1.5-1.7k daily bss RV for a 6.1k dwt vessel);

Rates for shipment of 3-5,000 t of dwt cargo from Klaipeda to ARAG are voiced by brokers at around €20/t.

## Healthy demand buoys up USG Supramax/Ultramax market

The North Atlantic Handy market has slowed down after the recent rally. Despite short tonnage list, the cargo volume has been minimal this week:

TCT rates for large Handies bss dely USG redel Skaw-Passero are hovering at \$15.5-16.5k daily, while levels for small Handies are voiced at \$13.5-14.5k daily;

A 38k dwt ship has been chartered at \$17.5k daily bss dely USG redel Med;

A 35k dwt vessel has been fixed at \$14k daily bss dely USG redel Continent;

A 32k dwt carrier has been chartered at \$15.5k daily bss InterCaribs;

A large Handy ship has been fixed at \$18.5k daily bss dely USG redel WCCA;

Brokers suggest mid-\$20s/t for transportation of 30,000 t of coal from Colombia to N.Brazil with 7000c/10000c l/d rates and spot laycans;

Carrying 30,000 t of petcoke from Venezuela to Turkey with 5000c/5000c l/d rates and spot laycans is estimated by brokers at low-mid \$20s/t.

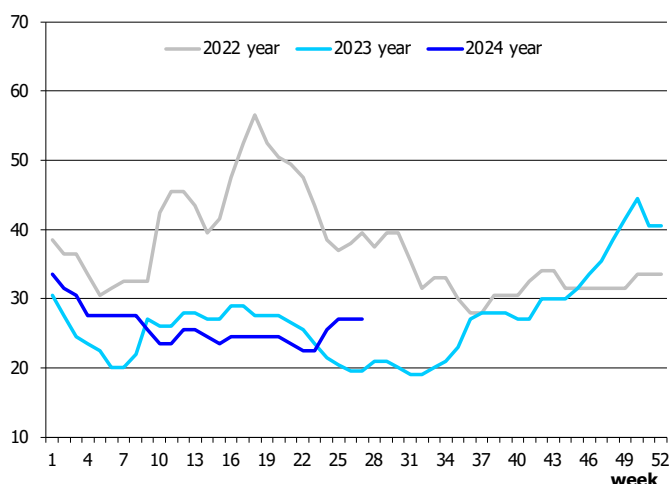
Despite large number of ballasters, the USG Supramax/Ultramax market looks supported thanks to petcoke and coal shipments on T/A and F/H routes:

Supramax F/H TCT rates are hovering at \$24-26k daily;

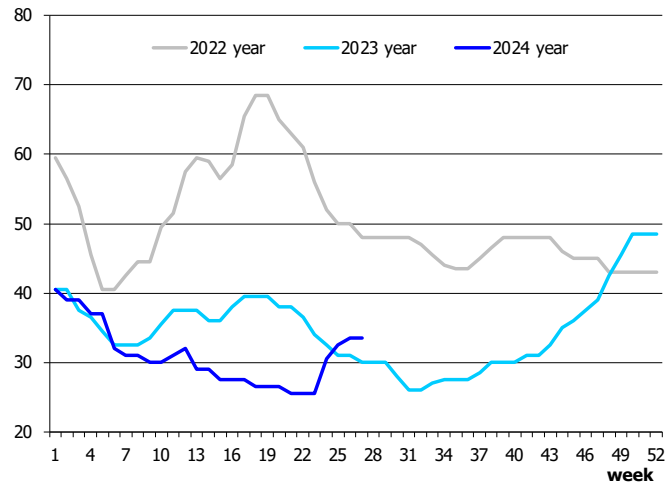
A 56k dwt ship has been fixed at \$25.5k daily bss dely USG redel China;

The contract for an Ultramax vessel bss dely USG redel India has been signed at \$29k daily;

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



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



An Ultramax carrier has been chartered at \$28k daily bss dely USEC redel China;

The deal for a large Supramax ship bss dely USG redel WCCA has been signed at \$26k daily;

Transportation of 50,000 t of petcoke from USG to India with spot laycans is discussed at \$48-50/t, which gives the TCE of \$22-24k daily for a large Supramax vessel bss APS USG;

The contract for shipment of a Supramax lot of grains from USG to China with late August laycans is negotiated at very low \$50s/t.

Deals for Supramax fleet bss dely USG redel Skaw-Passero are discussed at \$17-18k daily;

A 56k dwt ship has been chartered at \$17.75k daily bss dely USEC redel Continent;

A 57k dwt vessel has been fixed at \$16.5k daily bss dely USG redel Med;

The deal for an Ultramax carrier bss dely USEC redel Continent is discussed \$20-21k daily;

A large Supramax ship has been chartered at \$18k daily bss InterCaribs;

Transportation of 50,000 t of petcoke from Houston to Iskenderun with spot laycans is negotiated at \$25-26/t, which gives the TCE of \$16-17k daily for a standard Supramax vessel bss APS USG;

Brokers suggest low-mid \$20s/t for shipment of 40-45,000 t of coal from Colombia to Rotterdam with 25000c/15000c l/d rates and spot laycans.

## USG/USEC: Panamax/Kamsarmax owners still in trouble on T/A routes

Panamax/Kamsarmax rates ex North Atlantic keep falling on all routes, with minimal number of fresh cargoes available:

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

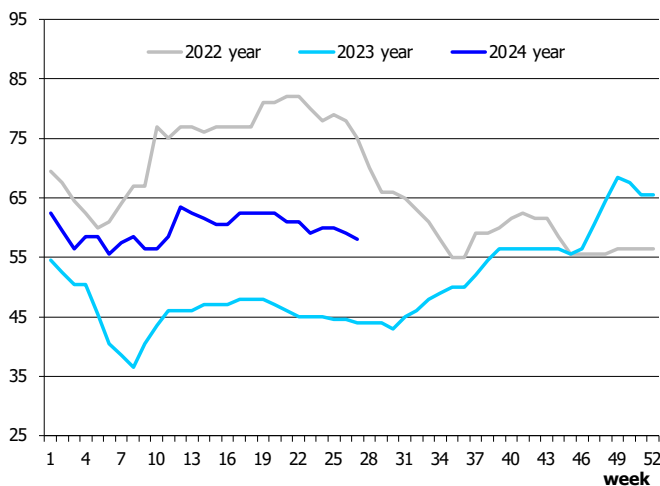
A Kamsarmax ship has been chartered at \$11k daily bss dely Continent via USG redel Continent;

The deal for a Kamsarmax vessel bss dely Gibraltar via USEC redel Med is discussed at \$12-14k daily;

Transportation of 70,000 t of coal from USG to ARA with spot laycans may cost \$16-17/t, which is equivalent to \$10-11k daily bss dely Gibraltar;

The contract for shipment of 70,000 t of coal from USEC to Iskenderun is discussed at \$11-13/t, which is equivalent to \$11-12k daily bss dely Gibraltar;

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

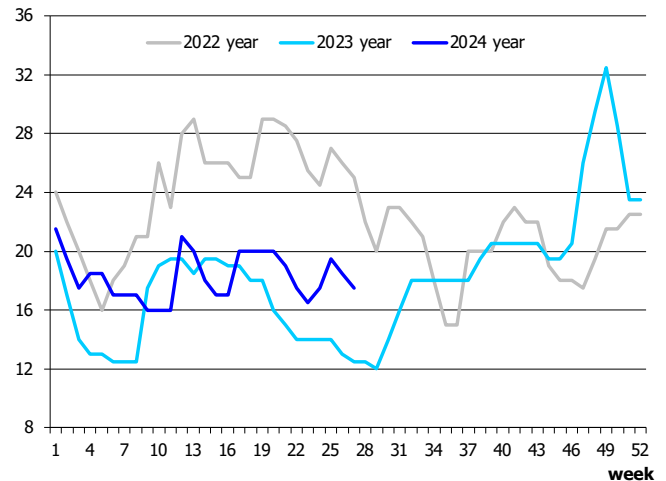


The deal for transportation of a Panamax lot of grains from USG to Egypt is negotiated at mid-\$30s/t.

F/H activity remains limited, with just a few coal and grain offers around:

The deal for a Kamsarmax ship bss dely Gibraltar via USG redel China has been signed at \$23.5k daily;

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



The contract for a Panamax vessel bss dely Continent via USEC redel India has been signed at \$23.5k daily;

Transportation of 66,000 t of grains from USG to China with spot laycans is discussed at \$58-59/t;

The deal for shipment of 70,000 t of coal from Baltimore to China has been signed at \$44.25/t.

## ECSA Supramax/Ultramax market remains dull as F/H demand is lacking

South Atlantic Handy rates keep falling as the tonnage count still seems quite rich and overcomes the needs of the spot/prompt cargo list:

T/A TCT rates for large Handy vessels bss APS ECSA are hovering at \$15-16k daily; rates for smaller Handies are voiced at mid-\$10s k daily;

The contract for a 39k dwt ship bss dely ECSA redel Med has been concluded at \$15.75k daily;

The deal for a 35k dwt carrier bss dely ECSA redel Skaw-Passero has been signed at \$15.25k daily;

A 30k dwt vessel has been chartered at \$13.75k daily bss dely ECSA redel WAfr;

Deals for shipments to WCSA are discussed at low \$20s k daily;

Transportation of a Handy lot of grains from Upriver to Spain is negotiated at low \$40s/t, which gives the TCE of \$13-14k daily bss APS ECSA;

Brokers suggest very low \$30s/t for shipment of 30,000 t of steel from Itaguai to Rotterdam with 10000c/7000c l/d rates and spot laycans.

The ECSA Smx/Umx market sentiment remains under pressure of short cargo list on F/H routes, while the main support comes from plentiful T/A requests:

TCT rates for Ultramax fleet bss dely ECSA redel FEast are hovering at \$17-18k daily + \$700-800k bb, those for large Supramax vessels at \$16k daily + \$600k bb on average;

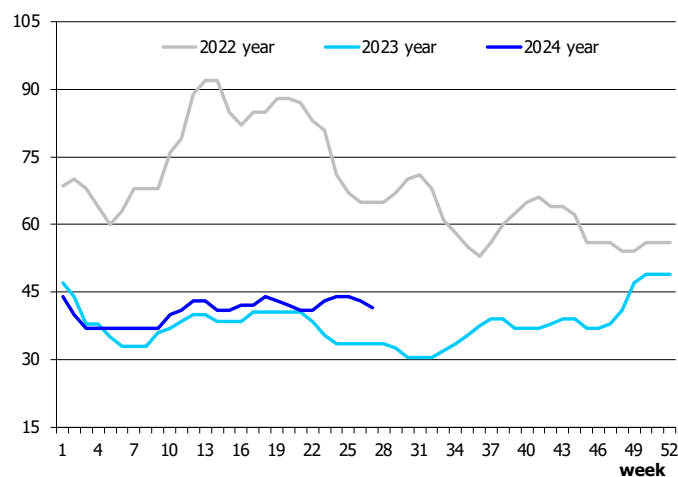
A 57k dwt carrier has been fixed at \$15.75k daily + \$575k bb bss dely ECSA redel China with spot laycans;

A 61k dwt ship has been fixed at \$18k daily + 800k bb bss dely ECSA redel SE Asia with spot laycans;

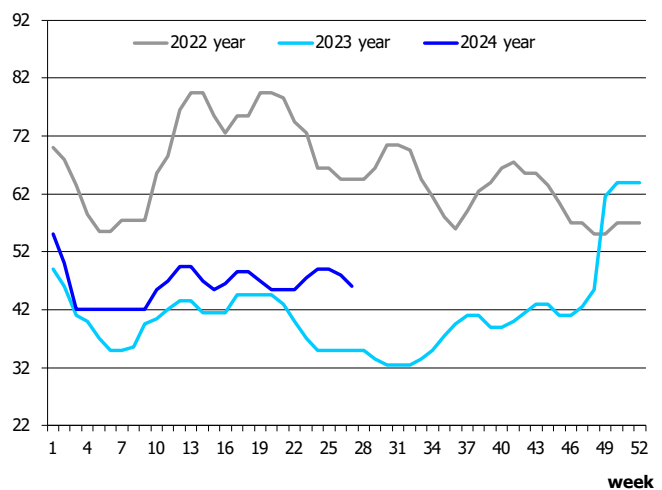
The deal for a 61k dwt vessel bss dely WAfr redel India has been signed at \$22k daily;

Transportation of 60,000 t of grains from Santos to China is negotiated at mid-high \$40s/t with 8000x/8000x for 1H August laycans.

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



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



TCT rates for Supramax fleet bss dely ECSA redel Skaw-Passero are hovering at \$19-20k daily on average;

A 58k dwt carrier has been chartered at \$19.5k daily bss dely N.Brazil redel Med;

An Ultramax vessel has been fixed at \$19.5k daily bss dely ECSA redel USG;

A 57k dwt ship has been fixed at \$15k daily bss dely WAfr redel Continent;

The contract for transportation of 45-50,000 t of grains from Brazil to Spain has been signed at high \$20s/t, which gives the TCE of \$17k daily for a large Supramax carrier bss APS ECSA;

Brokers suggest high \$30s/t for shipment of 40,000 t of grains from Upriver to Morocco with 8000x/5000x l/d rates and spot laycans.

**Panamax/Kamsarmax F/H rates drifting further in ECSA**

The ECSA Panamax/Kamsarmax market remains under pressure for late July laycans amid demand/supply imbalance:

TCT rates bss ECSA RV are hovering at \$17-18k daily for spot laycans;

The deal for a Kamsarmax ship bss dely ECI via ECSA redel China has been signed at \$19k daily with spot laycans;

An 81k dwt carrier has been fixed at \$17k daily bss dely Spore via ECSA redel Spore-Japan;

An 82k dwt vessel has been chartered at \$18.5k daily + \$850k 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 \$45-46/t, which gives the TCE of \$15-16k daily;

The deal for transportation of 66,000 t of grains from Santos to China with late August laycans has been signed at \$51/t.

Transatlantic rates have decreased further:

TCT offers bss APS ECSA are voiced at mid-\$20s k daily vs. bids of very low \$20s k daily for spot laycans;

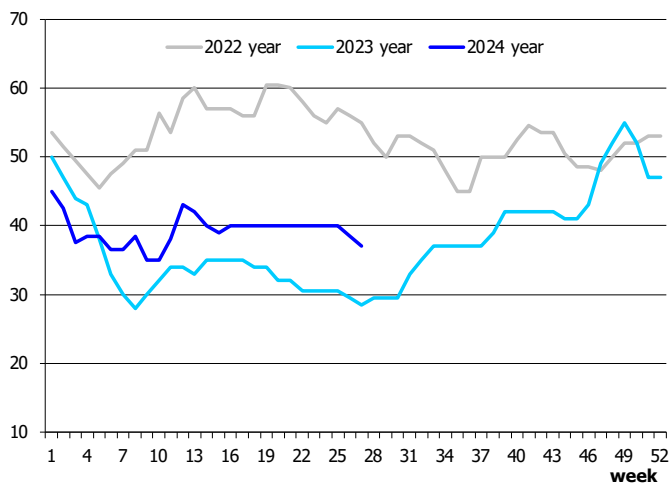
The deal for a Panamax vessel bss dely ECSA redel Skaw-Passero with spot laycans has been signed at \$19k daily;

An 81k dwt carrier has been fixed at \$21k daily bss dely N.Brazil redel Med;

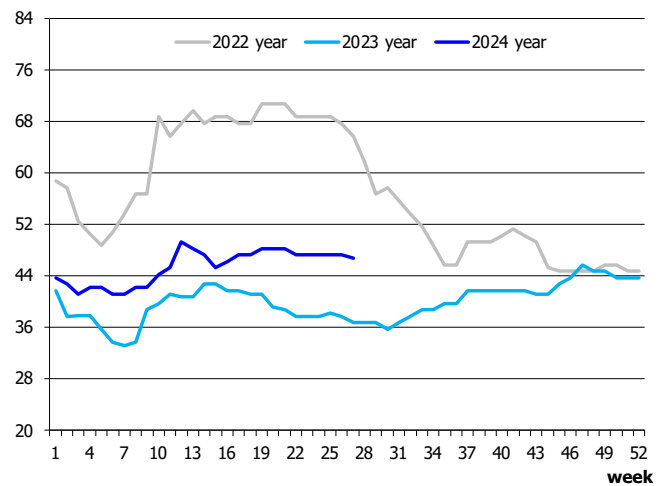
Transportation of a Panamax lot of bauxite from Kamsar to Spain is discussed at \$12-13/t;

Shipment of 66,000 t of grains from Santos to Egypt with spot laycans may cost \$28-30/t, which gives the TCE of \$20-21k daily for a Kamsarmax vessel bss dely APS ECSA.

**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**



**South Atlantic Capesize rates stabilized after recent gains**

The Capesize market remains supported in South Atlantic thanks to clear out of tonnage for late July loading. Tight vessel list in the North Atlantic together with increased cargo offer from Canada and USEC allow rates to surge further:

Rates for transportation of 170,000 t of iron ore from Tubarao to Qingdao with spot laycans are hovering at \$28-29/t;

The deal for shipment of 170,000 t of iron ore from Tubarao to China has been signed at \$27/t with early August laycans;

The contract for transportation of 185,000 t of iron ore from Sudeste to Qingdao has been concluded at \$28.15/t;

A 200,000 t lot of iron ore has been fixed from Freetown to Qingdao at \$27/t;

Shipments of 170,000 t of iron ore from Brazil to Rotterdam with spot laycans are discussed at \$10-11/t;

Transportation of 160,000 t of coal from Bolivar to Rotterdam with spot laycans may cost \$13.5-14.5/t;

Rates for shipment of 120,000 t of coal from USEC to Rotterdam are hovering at \$14-15/t;

The contract for transportation of 170,000 t of iron ore from Canada to China has been concluded at \$34/t;

A 160,000 t lot of coal has been fixed from Bolivar to China at \$34.25/t.

# FIXTURES & RUMORS / PACIFIC

## Supramax/Ultramax levels mostly unchanged in Indian Ocean

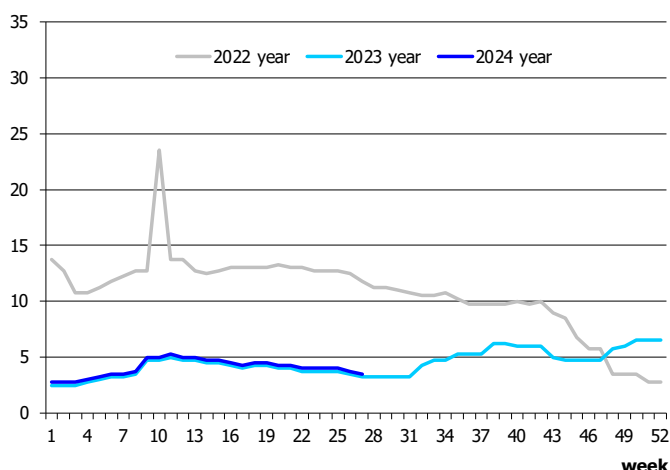
Despite long tonnage list and fluctuating PG sector, Supramax/Ultramax owners are able to maintain rates, particularly thanks to regular salt traffic from WCI.

Regarding shipments ex R.Sea/PG/WCI region:

An Ultramax vessel has been chartered at \$15.25k daily bss dely Mumbai via Salalah redel Vietnam;

The deal for a similar carrier bss dely Mumbai via WCI redel SE Asia intn salt is discussed at mid-\$15s k daily;

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



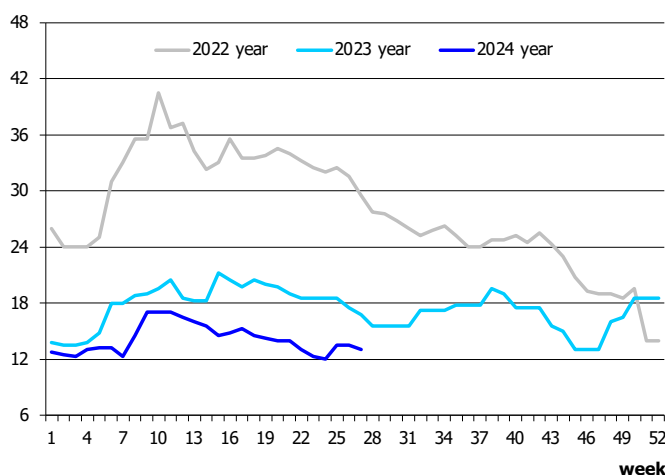
An Ultramax ship has been fixed at \$18k daily bss APS dely Pakistan via WCI redel S.Korea intn salt;

A Supramax vessel has been chartered at high \$16s k daily bss dely Shuwaikh redel India-Japan;

A similar carrier has been fixed above \$10k daily bss dely Mesaieed redel E.Afr/S.Afr intn fert;

Transportation of 55,000 t of iron ore from Bandar Khomeini to Qingdao with 8000c/12000c l/d rates is estimated by ISM at \$26/t.

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



In ECI:

A Supramax ship has been fixed at \$12k daily bss dely Bangladesh via ECI redel Spore-Japan;

Carrying a Supramax lot of iron ore from ECI to China with 8000c/12000c l/d rates is quoted by ISM at \$17/t.

Speaking of the SAfr market:

A Supramax vessel has been chartered at \$16.5k daily + \$165k bb bss dely Maputo redel WCI;

An Ultramax vessel has been fixed at \$18.5k daily + \$185k bb bss dely Port Elizabeth redel ECI.

Handysize rates are stable:

A small Handysize carrier has been fixed at \$10k daily bss dely WCI redel PG;

Charterers are bidding at \$9k daily for a 32k dwt ship bss dely PG redel WCI;

Owners of a similar vessel are seeking to get \$12k daily bss dely WCI redel FEast.



## Supramax/Ultramax market subdued in Asia-Pacific region

The Asia-Pacific Supramax/Ultramax market has softened amid a slowdown of coal traffic from Indonesia as well as the inflow of ballasters from ECI.

In the south of the basin:

An Ultramax vessel has been fixed at high \$13s k daily bss dely CJK via Indo redel China;

The deal for a scrubber-fitted Ultramax carrier bss dely Gresik via Indo redel Thailand is negotiated at \$20.5k daily;

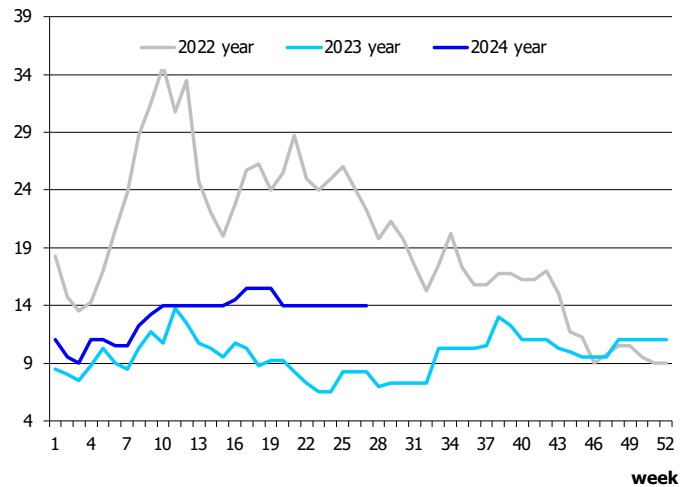
The contract for a Supramax ship bss dely Spore via Indo redel China was discussed at \$13.5k daily but never signed;

Rates for a Supramax vessel bss dely Spore via Indo redel S.China are negotiated at mid-\$13s k daily;

Transportation of an Ultramax lot of coal from Indo to S.China with 1H July laycans is discussed at mid-\$14s/t (gives as much as \$20k daily in TCE bss dely S.China);

The deal for shipment of an Ultramax lot of coal from S.Kali to S.China with 1H July laycans has been signed at \$10.5-11/t (equivalent to \$15-16k daily bss dely Spore).

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



As for the Far East:

An Ultramax carrier has been fixed at \$12-13k daily bss dely China redel USG;

A Supramax ship has been chartered at \$16k daily bss 16 days and at \$17.5k daily thereafter bss dely Lianyungang via COGH redel Med;

Supramax time-charter rates bss dely CJK via FE Russia redel Spore-Japan are voiced by brokers at \$14-15k daily;

Handysize rates are flat:

A large Handysize vessel has been fixed at \$12k daily bss dely N.China redel SE Asia;

A Handysize carrier has been chartered at \$14k daily bss dely FEast redel SE Asia; a similar deal bss redel Spore has been signed at \$16k daily;

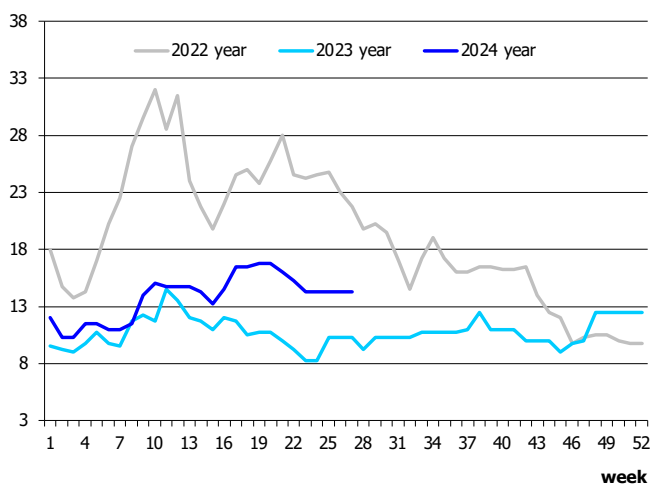
A 39k dwt ship has been fixed at \$12k daily bss dely FEast redel USG;

Charterers are bidding at \$14k daily for a similar trip bss redel PG/WCI;

Handysize time-charter rates bss dely CJK via FE Russia redel Spore-Japan are voiced by brokers at \$11-12k daily;

Transportation of 30,000 t of coal from Vanino to Shanghai with 10000c/10000c l/d rates is estimated by ISM at \$14-15/t.

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



## Panamax/Kamsarmax rates still under pressure in Eastern Hemi

The Asia-Pacific Panamax/Kamsarmax segment remains languid, with a slowdown of coal traffic from Australia and Indonesia as well as gradually increasing tonnage list:

A Kamsarmax carrier has been fixed at \$11.5k daily bss dely HK via Indo redel Philippines;

The contract for transportation of a Panamax lot of coal from Indonesia to S.China with late July laycans has been signed at low-mid \$7s/t (gives mere \$8-9k daily in TCE bss dely S.China);

Shipment of 75,000 t of coal from S.Kali to ECI with 15000c/25000c l/d rates is estimated by ISM at \$9/t.

In Australia:

A Panamax vessel has been chartered at \$13k daily bss dely HK via E.Aus redel India;

A similar carrier has been fixed at low-mid \$15s k daily bss dely HK via Koolan Island redel S.China;

A Kamsarmax ship has been chartered at \$14k daily bss dely CJK via E.Aus redel S.China;

Carrying 75,000 t of coal from E.Aus to ECI with 38000c/25000c l/d rates is estimated by ISM at \$16.75/t.

As for the Far East:

A Kamsarmax vessel has been chartered at \$16k daily bss dely Kashima via NOPAC redel Spore-Japan;

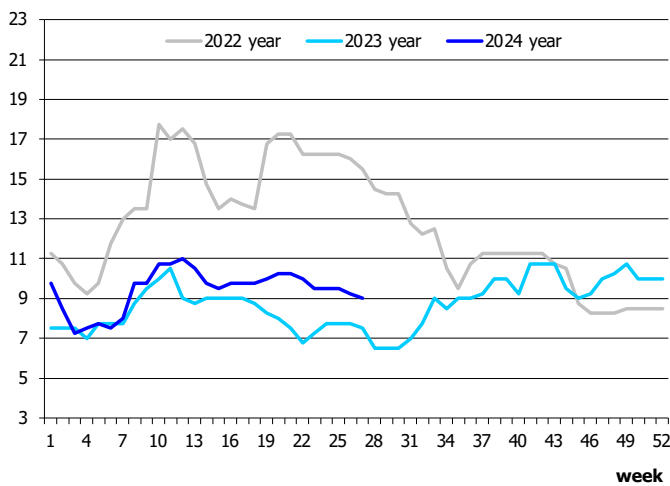
A similar ship has been fixed at \$12.5k daily bss dely retro Tianjin via NOPAC redel Spore-Japan intn grains.

Speaking of the Indian Ocean:

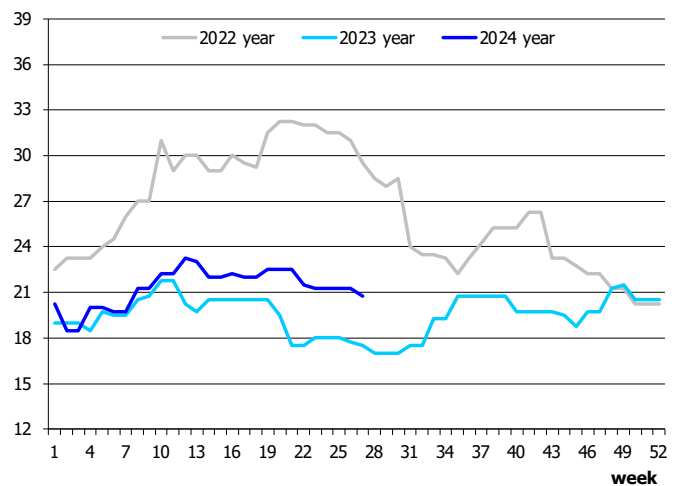
Transportation of a Panamax lot of coal from RBCT to ECI with 38000c/20000c l/d rates is estimated by ISM at \$17-17.5/t;

The deal for shipment of a Panamax lot of construction cargo from PG to ECI with 1H July laycans has been signed at mid-\$10s/t (equivalent to \$16k daily bss dely WCI).

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



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



## Asia-Pacific Capesize market looks a bit stronger

The Capesize sector has firmed up in the Asia-Pacific region thanks to increased iron ore traffic from Australia, with participation of three iron ore mining giants:

Carrying a Capesize lot of iron ore from W.Aus to Qingdao is estimated by ISM at \$11-11.5/t;

Owners have managed to get high \$11s/t for shipment of 160,000 t of ore from Port Hedland to Qingdao with 2H July laycans.

Speaking of Australian coal:

Transportation of a Capesize lot of coal from E.Aus to China is quoted by ISM at \$17-18/t.

In the Indian Ocean:

Carrying a Capesize lot of ore from Saldanha Bay to Qingdao is estimated by ISM at \$23-24/t.

# COMMODITY MARKETS

## Ukraine's 1H 2024 exports up 35% y-o-y in physical value and stable in money equivalent

In the period from January 1 to June 30, 2024, the total export of all goods from Ukraine reached 71 million tons (up 35% year-on-year), while the total value have remained almost unchanged compared with the same period of 2023, averaging some \$19.5 billion.

The June exports plunged to 9.7 million t or \$2.7 billion after record April and May, showing a monthly decrease of 18.4% and 20.2%, respectively. Among the major goods, iron ore exports sagged by 1.5% month-on-month, while those of flat rolled products and soybeans surged by 7% month-on-month and 45% month-on-month, respectively.

As for the EU market, Ukraine's exports of all goods to the European Union dropped by 9.7% year-on-year

to \$10.97 billion in January-June 2024. In particular, deliveries of Ukrainian goods to Poland dropped by 25.7% year-on-year, to Slovakia by 21.3% year-on-year, to Hungary by 67.2% year-on-year, and to Romania by 50.2% year-on-year. At the same time, exports to Spain rocketed by 81.1% year-on-year, to Italy by 24.7% year-on-year, and to the Netherlands by 22.4% year-on-year.

Meanwhile, Ukraine's import decreased by 5.6% month-on-month to \$4.8 billion in June. At the same time, the first half of the year ended with a 4.9% year-on-year hike in import volumes to \$31.9 billion.

## Grain market insight

### Overseas shipments of Ukrainian agricultural products hit 33.5 mmt in 1H 2024

The turnover of all cargoes at six Ukrainian ports reached almost 52.7 million t in the period from January 1 to July 30, 2024 against 31.3 million t in the same period of the previous year, of which 33.5 million t fell on agricultural products, the Ukrainian Sea Port Authority announced.

In June 2024, shipments of all groups of cargo from Ukrainian seaports averaged some 6.7 million t (up 30% year-on-year), including 4.1 million t of agricultural products.

According to the data of the State Customs Service of Ukraine, the overall grain exports reached 50.8 million t in the marketing year 2023-24 started July 1, 2023 and ended June 30, 2024, while about 49.2 million t of grain were exported from the country during the previous season.

The MY 2023-24 exports included 29.4 million t of corn (against 29.2 million t in MY 2022-23), 18.4 million t of wheat (16.9 million t last season), and 2.5 million t of barley (2.7 million t).

### Russian wheat export duty down 27% from July 3

The duty on wheat exports from Russia valid from July 3 to July 9 has been reduced by 27% to 1,818.2 RUB per ton against 2,492.8 RUB per ton a week ago.

Duties on barley and corn have remained zero.

The rates were calculated based on the following indicative prices: \$236.3/t for wheat (\$235.8/t last week), \$173.7/t for barley (\$165/t last week), and \$180.6/t for corn (\$177.8/t last week).

Some 1,000 RUB (equivalent to approximately \$7.32 on July 4) were added to the basis wheat price for the tax calculation, bringing the basis price for the wheat export tax to 18,000 RUB per tonne. As a result, wheat export tax dropped by 674.60 rubles per tonne or almost \$5 per tonne.

The base export prices for calculating duties on barley and corn increased from 15,875 RUB per ton to 16,875 RUB per ton.

From June 2, 2021, Russian government introduced a grain damper mechanism, which provides for floating duties on exports of wheat, corn and barley, with

funds received from export sales of these products to be allocated by the government to subsidize the local farmers. The size of a duty is calculated on a weekly basis using the prices of export contracts, which have been registered at the Moscow Exchange. At first, the duties were calculated in dollars, but starting from July 2022, they have been determined in rubles. The duty is 70% of the difference between the base and indicative prices.

## EU's import tariffs on Russian and Belarusian agri products grow significantly

With the EU Council Decision dated May 30, 2024, the European Union introduced significantly higher import duties on grains and oilseeds as well as their processing products imported from Russia and Belarus. The prohibitive duties came into force on July 1 this year.

The duties are as follows:

95 euros per ton on soft wheat;

148 euros per ton on hard wheat;

93 euros per ton on barley and rye;

50% of the customs value of oilseeds, oil and meal, as well as beet pulp.

In addition, these products are also prohibited from the access to the EU tariff quotas.

## Planting of soybeans completed in the US

The soybean planting campaign has come to an end in the United States.

According to USDA data, the condition of soybean crops has not changed over the week started June 24, with 67% of crops being in good/excellent condition against 50% on the same date last year.

The condition of corn crops has deteriorated, showing 67% of crops in a good/excellent condition compared with 69% last week and 51% last year.

The health rating of spring wheat crops has improved slightly since June 24. Thus, up to 72% of spring wheat is rated good/excellent on June 30 compared with 71% last week and 48% last year.

Harvesting of winter wheat is progressing rapidly. Up to 54% of crops have been collected by June 30 compared with 33% last year and the five-year average of 39%. Up to 51% of winter wheat crops are found in

a good/excellent condition compared with 52% last week and 40% last year.

According to the latest report from the U.S. Wheat Associates dated June 28, the US farmers have collected 21% of HRW wheat. Harvesting in Texas and Oklahoma has speeded up after the last week's rainfall. The condition of 57% of crops is estimated as good and excellent. Although yields differ depending on a region, in general, they are higher than expected.

The pace of SRW wheat harvesting is quite rapid, with 63% of crops collected by June 24, well ahead of last year and the five-year average. There have been minor delays in Ohio and Indiana due to recent storms, but other states enjoy favorable weather conditions for harvesting. From 61% to 82% of crops are estimated to be in good/excellent condition throughout the growing region.

## Safrinha production estimates still vague in Brazil

According to Conab data, Brazilian farmers had collected 93.6% of corn of first 2023-24 harvest by June 30 against 91.6% last week and 94.8% last year.

Harvesting of safrinha corn of the 2023-24 grain season is running at a rapid pace, with a progress of 19.9 percentage points over the week to 47.9% by June 30 compared with 20% at the same date of last year.

StoneX analysts reduced the forecast of safrinha corn production in the marketing year 2023-24 from 93.5 million t to 92.9 million t due to the negative impact of drought in the states of Goiás, Minas Gerais,

Sao Paulo and Tocantins. Meanwhile, prospects for safrinha yields in the state of Mato Grosso do Sul improved somewhat.

AgroConsult raised the estimate of 2023-24 safrinha corn production from 96.7 million t to 100.5 million t owing to larger-than-expected planting areas. The acreage under soybeans may shorten from 46.4 million hectares in MY 2023-24 to 46 million hectares in MY 2024-25 due to the smaller planting area in Rio Grande do Sul, AgroConsult says.

## Argentina collects more soybeans than last year

The Buenos Aires Grain Exchange has announced a completion of 2023-24 soybean harvest campaign in Argentina on July 3. Production is estimated at 50.5 million t, which exceeds the MY 2022-23 harvest of 23 million t and a five-year average of 47.4 million t. Soy yields are the second highest in the last five seasons.

Harvesting of corn of the 2023-24 crop year has advanced by 7 percentage points to 62.9% over the week started June 27. The 2023-24 production forecast has stayed at 46.5 million t compared with 37 million t in MY 2022-23.

Argentine farmers had sowed 85.3% of the projected acreage with wheat of the 2024-25 grain season by June 3, showing a progress of 4.3 percentage points in a week. In recent days, sowing has been delayed in the central and northern grain growing regions of the country due to excess moisture. About 50.9% of wheat harvest was assessed as good/excellent on June 3.

## Fresh updates on South America's exports of agricultural products in June 29-July 5

Brazilian traders exported a total of 4.08 million t of agricultural products in the period started June 29 and ended July 5 compared with 3.32 million t from June 22 till June 28. In particular, the shipping volume of soybeans amounted to 3.15 million t (against 2.56 million t in June 22-28), while that of corn averaged some 249,705 t (296,349 t w-o-w).

With purchases of 2.82 million t, China was on top of the list of the main consignees of soybeans. Also, soybeans were carried to Spain (66,492 t) and Russia (57,073 t). South Korea (74,799 t), Venezuela (65,914 t) and Spain (60,000 t) were the key destinations for corn.

The period from June 29 to July 5 finished with exports of 1.25 million t of agricultural products from Argentina compared with 1.42 million t from June 20 to June 28. Shipments included 415,810 t of soybean meal (against 634,045 t in the previous week) and 355,352 t of soybeans (vs. 274,657 t week-on-week). Also, about 326,940 t of corn (against 432,888 t in June 20-28) were exported in the period under review.

The main consignees of Argentine soybean meal was Italy (76,663 t), Australia (70,493 t) and Indonesia (43,294 t). Shipments of soybeans were reported in the directions of China (323,814 t) and Russia (31,538 t). Vietnam (87,125 t), Indonesia (50,150 t) and Algeria (36,974 t) was the key destination for Argentine-origin soybeans.



[Click here to see information about the latest grain tenders and trades](#)

## Fertilizer market insight

### NEXTCHEM awarded EUR 30 million contracts for upgraded fertilizer technology

MAIRE announced on July 2, 2024 that NEXTCHEM (Sustainable Technology Solutions) had been awarded new contracts for an overall value of approximately EUR 30 million by leading international clients mainly in the Middle East and Europe.

Among the new contracts, NEXTCHEM's subsidiary Stamicarbon, the Group's nitrogen technology licensor, had been awarded a contract by a major Middle Eastern fertilizer producer to design and supply a state-of-the-art High Pressure Pool Condenser, featuring the latest technology and design improvements.

Additionally, CONSER, NEXTCHEM's subsidiary and the Group's biodegradable plastics technology licensor, had been awarded by a prominent client in the Middle East a feasibility study based on NX

CONSER Duetto proprietary technology. This solution will allow to upgrade an existing line by shifting to the production of a biodegradable monomer.

The new contracts also include a number of high value added engineering services for prominent clients in different geographies.

Alessandro Bernini, MAIRE CEO, commented: "We are proud of these significant achievements, which confirm our capability to improve traditional infrastructure through our technologies as part of the energy transition roadmap. These upgrades enhance energy efficiency, minimize environmental impacts, and ensure the highest safety standards also thanks to our state-of-the-art proprietary equipment."

## Steel market insight

### Global iron ore exports up 5% y-o-y in 1H 2024

Global iron ore exports increased by 5% to 751 million t in January-June 2024 compared with the same period of 2023.

With exports of 427 million t (up 2% year-on-year), Australia became the leading iron ore exporter in the world. Note that shipments from Australia increased in 2Q 2024 after a 1% year-on-year decline in January-March caused by maintenance at large mining enterprises and adverse weather conditions which affected loading at some local ports.

Brazil exported about 181 million t of iron ore in January-June 2024, showing a 6% year-on-year increase thanks to higher capacity utilization of Vale and CSN. The 1Q 2024 finished with a 12% year-on-year hike.

Iron ore shipments from South Africa increased by 3% year-on-year to 30 million t in 1H 2024. Canada stepped up exports by 10% year-on-year to 27 million t, India by 20% year-on-year to 26 million t, and Ukraine by 100% year-on-year to 17 million t (Ukrainian exports recovered after the last week's rapid plunge owing to the opening of a maritime export corridor).

China was the world's largest iron ore importer in January-June 2024. The iron ore inflow to this country increased by 6% year-on-year to 615 million t. Meanwhile, Japan reduced iron ore imported by 2% year-on-year and South Korea by 5% year-on-year.

## Türkiye extends protective measures on wire rod imports

Following the introduction of an additional duty of \$175/t on alloy and non-alloy wire rod imports starting January 8, 2024 for a period of 200 days, Türkiye has extended the temporary safeguard measures for the following three years.

Thus, importers of wire rod will be obliged to pay the following import duty:

from June 15, 2024 to January 6, 2025 – \$175/t;

from January 7, 2025 to January 6, 2026 – \$170/t;

from January 7, 2026 to January 6, 2027 – \$165/t.

It is worth noting, however, that import of alloy and non-alloy wire rod from the developing countries which number the 113 states and customs territories will be excluded from the safeguard measures, but they will be subject to quotas.

The quotas have been set as follows:

from June 15, 2024 to January 6, 2025 – almost 33,900 tons;

from January 7, 2025 to January 6, 2026 – almost 67,800 tons;

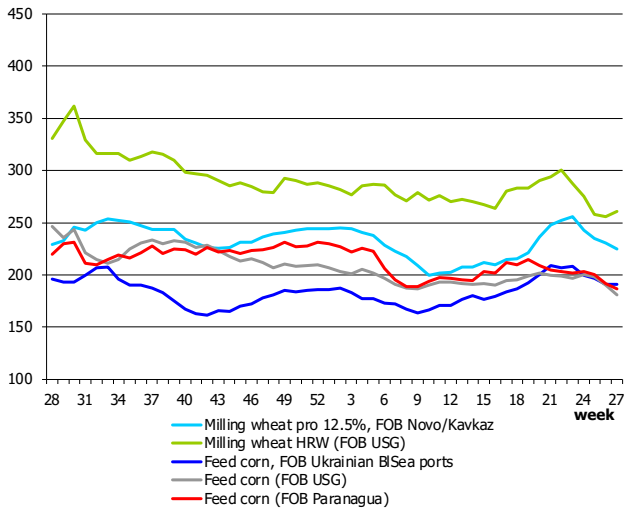
from January 7, 2026 to January 6, 2027 – almost 67,800 tons.

The quota allocated to each country or customs territory will not exceed 11,299 tons in the first period and 22,599 tons in the second and third ones.

HS codes covered by the measures: 721320000011, 721320000013, 721320000019, 721391100000, 721391200001 12, 721391410013, 721391410019, 7213914900 12, 721391490013, 721391490019, 721391701011, 7213917 1019, 721391709000, 721391900000, 721399100011, 721399100013, 72139910 0011, 721399901019, 721399909000, 722710000000, 722720000000, 722790100000, 722790900000.

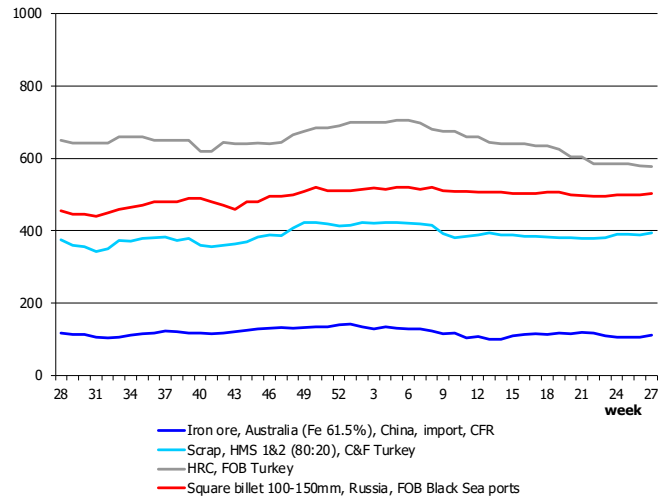
## Commodity markets // week 27

### Grain price dynamics, \$/tonne



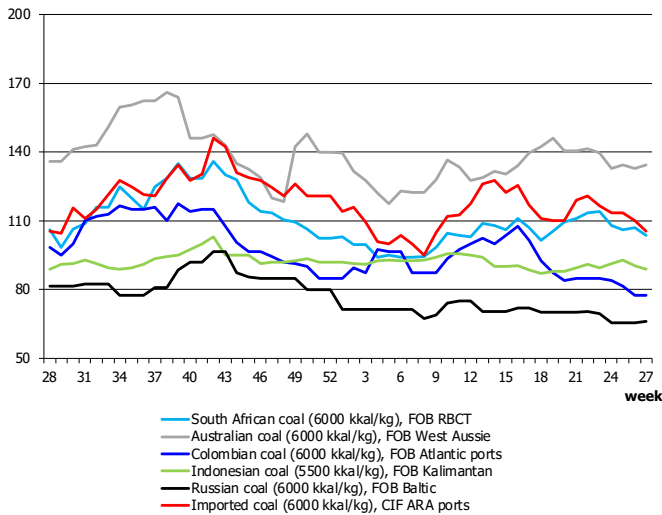
Grain export prices // week 27

### Steels and raw materials price dynamics, \$/tonne



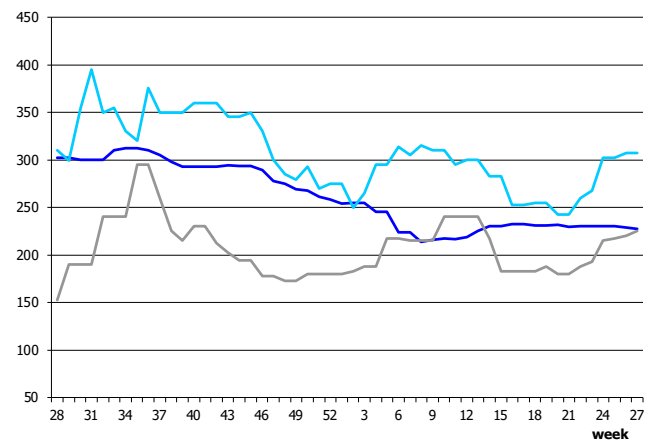
Export prices for major ferrous raw materials and steel products // week 27

### Coal price dynamics, \$/tonne



Coal export and import prices // week 27

### Mineral fertilizers price dynamics, \$/tonne



Mineral fertilizers export and import prices in basic ports // week 27



# ISM Freight & Chartering

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