CAPESIZE

Week 7 opened on a quiet note with many participants still absent for Chinese New Year. The index was a mixed bunch as the ballaster and Pacific routes posted small gains while the north Atlantic weakened slightly. Taken together there was little in it to signal any major change. Bunker prices continued to lift while market chatter continues about more Panamax stems being combined to make Cape cargoes.

The market was energized Tuesday as most routes posted strong gains amongst a pushing paper market. Most west Australian majors were heard to be active on the C5 route. Solid fixture information was piecemeal yet all signs pointed to a strengthening market. Further west the Brazil to China C3 was running with its own story as first half cargo bid higher. The market was on a positive turn seems a bit frenetic while energized by paper and supported by a charging Panamax market. The Capesize market saw a sharp pick-up in activity, with index routes moving up in tandem.

In the Atlantic TKSE was rumored to have covered their iron ore stem from Itaguai to Rotterdam on 9-22 March dates at $6.70. Tuesday trading heard an undisclosed charterer covering a March 12-18 C3 loading from Tubarao to Qingdao at $16.75 and Trafigura reportedly fixed a March 1 canceling on the same route at $16.00. Ore&Metals covered their March 12-17 ore cargo from Saldanha Bay to Qingdao at $11.90 basis 1.25% commissions.

In the Pacific, Swire Bulk was linked with a 2011-built 176,405 dwt vessel February 14-15 delivery Taicang for a round trip via South Africa at $10,500 daily. C5 business reported Oldendorff covered a March 2-4 loading from West Australia to Qingdao at $6.00. On Tuesday POSCO awarded their Newcasrlenax tender for 190,000 tons from Port Hedland to Gwangyang on 5-14 March at $5.94. On C5 FMG was heard taking a vessel for their Port Hedland to Qingdao on 3-5 March dates at $6.50 whilst BHP Billiton covered a March 2-4 loading on the same route at $6.65. Timecharter trading reported a 2010-built 175,401 dwt caper fixed to an unnamed charterer prompt delivery Richards Bay on a trip to China at $14,000 daily plus a ballast bonus of $700,000.

On the oil front, petroleum futures settled higher Tuesday, as frigid temperatures limited all the refinery operations and oil production in Texas.

The market saw a tremendous recovery over the last week. The two main routes with iron ore C3 from Brazil and C5 from Australia to China were up by 23% and 46%, and the total time charter basket of all routes by 48%.

This was backed by a very firm Panamax market and an increasingly strong belief amongst market participants in the Dry Bulk segment. Activity was much stronger midweek as Pacific and Brazil routes to China pointed upwards with paper running strongly in parallel; however the market returned in a nervous state Thursday after the dramatic rise of the past couple of days. With such velocity came the usual questions of what next or how far can this go? With the Panamaxes pushing, the chance of a dramatic Capesize decline may be less probable but for the time being the seasonal current looked to be taking hold. Wednesday's C3 business in the Atlantic heard that Louis Dreyfus covered a prompt loading from Tubarao to Qingdao at $18.00, amongst rumors that Trafigura agreed for a Sudeste to Qingdao mid-March cargo $19.00.

From South Africa Bajrang covered a March 5-14 coal loading from Richards Bay Coal Terminal to Gangavaram at $10.45 basis a $325,000 D/A disbursement cap at the discharging port.

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In the East, a 2010-built 182,060 dwt caper went to an unnamed charterer basis prompt delivery Yosu for a trip within the Pacific redelivery Singapore-Japan at $18,000 daily and a 2010-built 180,575 dwt vessel also to an unknown charterer February 19-21 delivery Mizushima for a similar business at $17,000 daily, however further details were not available.
Big money as Panocean was reported taking a 2006-built 170,000 dwt vessel February 21- 23 delivery CJK on a trip via Gladstone redelivery Kwangyang at $8,000 daily. C5 business saw rates jumping up. BHP Billiton covered a March 5-10 loading from Port Hedland to Qingdao at $8.45 and Rio Tinto a March 4-6 loading from Dampier to Qingdao at $8.30. KEPCO's March 10-15 tender from Gladstone to Dangjin was awarded at $7.97.
On the oil front US Gulf Coast retail bunker prices edged slightly higher on Wednesday, suppliers in the region had to deal with harsh winter weather. OceanConnect Marine fuel quality issues could begin to surface again this year as the price of fuel and blending components begins to rise again, marine fuel supplier KPI OceanConnect warned in a 2021 sector outlook published this week, Oil futures continued to rises continued frigid weather and power outages took a toll on crude production and refinery operations, mostly in Texas. Crude oil prices dipped on Thursday as a bullish draw in commercial crude oil inventories and a spike a US oil exports were offset by returning domestic production volumes and coronavirus vaccine rollout delays triggered by the long freeze in Texas and neighboring states. IMO's norms on cutting carbon in merchant ships likely from Oct 2022 the draft amendments to the International Maritime Organization's mandatory rules on reducing carbon emissions in all ships globally, if adopted, are likely to be implemented from October next year and will be applicable to the world's entire commercial fleet, the IMO said Thursday. Oil supplies from OPEC and its key producer allies are set to begin flooding back to the market this year, triggering a shift in global crude quality which could bring welcome relief to swathes of embattled refiners struggling to turn a profit in the wake of the pandemic-trigged demand collapse.

As we approached the weekend the market looked like was running out of fuel. Capesize trading ended the week on a quiet note, with rates easing on the lack of activity.
In the Atlantic ArcelorMittal was heard to have fixed their iron ore stem from Ponta Da Madeira to Taranto for 13-20 March at $10.75.
In Asia FMG covered their Port Hedland to Qingdao 4-6 March loading at $8.30 and Welhunt fixed their smaller coal stem from Abbot Point to Kandla on 5-14 March at $9.95.

Never the less this week had an outstanding performance. BCI gained 554 to end at 1,715 and BCI 5TC average $3,767 standing on Friday at $14,224 daily.

PANAMAX

The week opened with the BPI was one step away from breaking 2,000 points whilst the time charter average of the 5 routes was closing in on $18,000 daily, with higher rate levels traded in both basins.

In the Atlantic the week opened on an impressive manner with EC South America fronthaul rates surging and transatlantic rates showing signs of improvement. Tuesday proved an even better day for the sector, with rates firming again. Atlantic trading was largely a series of rumors, with details of concluded business hard to nail down. There was still good levels of interest for period fixing, with short periods fixed at $15,000 daily from Japan, and 4-6 months reportedly seeing a rate above $18,000 daily for prompt delivery The scenario in the North Continent was the same as last week with a tight tonnage supply coupled with steady mineral demand resulting in rates remaining very firm, particularly on breaching Transatlantic business where we continue to see colossal numbers fixed on Ice Class tonnage. ArcelolMittal covered their iron ore cargo ex PDM to Ghent basis 22 February-3

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March at $16.00. A 2011-built 74,849 dwt ice classed panamax open Ghent 1 March was rumored fixed for 2 laden-leg redelivery in the basin at $55,000 daily, but it was later suggested this failed on subjects. There was also a rumor of Nordic reletting an LME for a Baltic round trip at $70,000 daily but the details remained vague. Tuesday the Atlantic continued to go from strength to strength.

The morning started quickly in the South with charterers snapping up whatever firm offers they could get their hands on, in most cases well above last done, and index types fixing $20K from India-Spore range for EC South America rounds. The afternoon moved into more of a standstill as owners were just happy to watch the market improve. The North Continent saw further gains for ice traders, with some claiming to see timecharter equivalents of $80K for quick rounds back to the Continent. With FFAs adding more fuel to the fire, we expect the rally to continue for the rest of the week. A 2001-built 75,244 dwt panamax was fixed with an undisclosed charterer for March 17-18 delivery NC South America on a trip redelivery Skaw-Cape Passero at $26,000 daily.

Despite holidays in the Pacific, owners remained bullish backed up by a strong start on paper and continued period interest from major charterers. It was clear that the market here continued to benefit from the short tonnage supply in the Atlantic and strong demand ex EC South America. Though it was still too early in the week to see where inter-Pacific spot activity stood the tone was set for another week of gains.

On the EC South American front Norden fixed a 2019-built 82,010 dwt kamsarmax February 14 delivery retro Haldia for a trip via EC South America redelivery Singapore-Japan at $18,000 daily, whilst ECTP agreed with a 2007-built 76,596 dwt panamax $17,000 daily prompt delivery Mundra for the same business. Followed by an undisclosed charterer fixing a 2009-built 76,596 dwt vessel February 19-20 delivery Taichung and redelivery Southeast Asia at $15,500 daily. Cargill paid the same rate to a 2016- built 82,354 dwt kamsarmax for February 12-16 delivery Jinzhou on a trip via the US Gulf redelivery Singapore-Japan. Tuesday both the FFA market and demand ex EC South America kicked on, further fueling owners already bullish confidence and consequently charterers found it increasingly difficult to secure cover. Towards the end of day there was a feeling that charterers were beginning to step back and allow some breathing space in order to digest the recent strong gains and plan how to best accommodate the increase in owners' offers Trading saw a 2012-built 81,429 dwt kamsarmax fixed for February 24 delivery Hong Kong for an EC South America round at $19,000 daily. The charterer was not named.

Unnamed was also the charterer of a 2007-built 82,562 dwt vessel for prompt delivery Singapore gone on the same route at $18,000 daily. ECTP agreed $17,000 daily with a 2007-built 76,596 dwt panamax prompt delivery Mundra also for trip via EC South America redelivery China. Caravel paid the same rate for the same business to a 2004-built 76,436 dwt vessel prompt delivery Singapore. It also emerged that Trafigura took a 2004-built 76,390 dwt scrubber-fitted panamax last week for January 23 delivery retro-Mauban at $13,500 daily. The scrubber benefit was to the owner's account. Pacific voyage business reported SAIL awarded its March 1-10 coal tender from Gladstone to Visakhapatnam at $21.05.

On the period front a 2012-built 81,805 dwt kamsarmax fixed with an unnamed charterer February 22-28 delivery Vizag for 5-7 months trading at $15,250 daily and a 2019-built 80,716 dwt scrubber fitted eco-type vessel was taken retro Singapore 8 February for a minimum period of 10 October 2021 up to maximum 10 February 2022 at a strong $17,750 daily, with scrubber benefit for charterer's account.

Mid-week really gave us the same feeling of 2008. From $50,000 daily being done for a Baltic round one day, and the next day $110,000 was heard done. It was extremely hot in the North Atlantic. In a normal market we would need ice conditions in both St. Lawrence and the Baltic to achieve some premium on the transatlantic run. Now we were experiencing sky high rates in a sudden for both breach of INL cargoes and regular rounds. Commodity prices had also risen significantly, and with cold weather hitting Europe the demand for coal has come up. It is hard to put a figure one it, but the Indices were lagging. We were seeing $40,000 vs $35,000 on regular Atlantic trades. In the Pacific we also saw rates coming up with $20,000 being done for a regular Pacific round. The Baltic Indices had not been this high since 2010. On Thursday similar to capes and all other sizes, the question towards the weekend was what next or how far can this dramatic rise go? Brokers noticed some resistance from charterers in the east. For vessels open in Far East or Southeast Asia, the gap between owners and charterers slightly widened for Pacific round voyages.

North Atlantic remained fairly firm with routes adjusting down as the demand for Baltic cargoes and breaching INL lessened compared with early of the week. We did not have the same volume as the previous days and rates did not jump up further. Owners seemed happy to wait at their offer until they are spot. The North was still dominated by the Baltic ice trade giving unchanged positive impetus to the other areas. EC South America was bid up early in the morning when paper shot up and owners raised their offers accordingly, but charterers took a step back and things ended a bit quiet this afternoon with also FFA weakening. A 2005-built 76,800 dwt panamax went for March 10-15 delivery Gibraltar on a trip with 2-3 laden legs and redelivery in the Atlantic at $42,500 daily.

Fayette fixed a 2020-built 85,062 dwt kamsarmax open Immingham 20 February for a trip via US East coast & the Black Sea redelivery Passero at $26,250 daily with scrubber benefit for charterers' account.

The Pacific saw the rising FFA market relax slightly, showing a more steady footing, and also a slight easing of demand ex EC South America.

However in spite of this, as a consequence of Tuesday's activities unsurprisingly we seen charterers taking a step back from chasing owners' offers. Charterers were still finding it difficult to cover certain positions with owner's confidence sky high and in no mood to let these rates slip. Daiichi fixed a 2011-built 80,647 dwt kamsarmax February 19-24 delivery Zhoushan for a trip via East Coast Australia redelivery Japan at $25,000 daily. Shorter coal trips via Indonesia were paying a premium over the demand from EC South America. Klaveness booked a 2010-built 76,546 dwt panamax spot delivery Davao for on a trip via Indonesia with redelivery in the Philippines at $25,000 daily. NYK agreed $23,000 daily for a 2017- built 81,704 dwt kamsarmax February 20-22 delivery Fukuyama for a round trip via the Philippines redelivery Japan at $25,000 daily. A 2013-built 81,086 dwt kamsarmax went to Japanese charterers February 19-20 delivery Fangcheng for a trip via EC India redelivery Japan at $16,900 daily For the EC America runs, a 2017-built 81,947 dwt vessel went to an unreported charterer February delivery retro Haldia on a trip via EC South America redelivery South East Asia at $25,000 daily. In addition Cofco fixed a 2008-built 82,641 dwt kamsarmax February 22-28 delivery Passing Muscat for a similar trip redelivery Singapore-Japan at $20,750 daily. The charterer also took a 2002-built 76,598 dwt panamax February 1-5 delivery retro Singapore at $17,000 daily. A 2006-built 77,430 panamax Zhangzhou 22 February was fixed for a similar run at $22,000 daily. On Thursday Comerge fixed a 2014-built 81,922 dwt kamsarmax delivery Gresik 22-23 February at $23,500 daily also or an EC South America round voyage. Finally a 2011-built 79,457 dwt panamax went to an unnamed charterer for February 10 delivery retro Singapore on a trip via East Coast South America with redelivery South East Asia at $22,000 daily. On Thursday PCL agreed with a 2011-built 93,500 dwt kamsarmax $20,000 daily February 24- 29 delivery CJK on a trip via EC Australia redelivery India. SAIL dominated the voyage business with two tenders. The 1st for March 2-11 loading from Gladstone to Visakhapatnam at $24.40 and the 2nd for March 5-4 loading from Hay Point coal terminal to Visakhapatnam at $23.30. Earlier KEPCO awarded their March 7-16 coal tender from Taboneo to Boryeong at $11.73.

Period activity in the east continued to be vigorous. Cofco fixed a 2005- built 75,775 dwt panamax February 22-27 delivery Donghae for 10-12 months trading redelivery worldwide at $15,000 daily. Huyndai Glovis booked a 2010-built 87,344 dwt kamsarmax February 17-21 delivery Jingtang for 6-8 months trading redelivery worldwide at $14,000 daily. In addition a 2015-built 81,253 dwt vessel Sakaide 19-20 February was fixed for 4 to 6 months at $19,000 daily and a 2008-built 82,652 dwt kamsarmax New Mangalore 21- 23 February was also taken for short period at $23,500 daily but the exact duration was not clear.

Approaching the weekend Atlantic appeared to be running out of steam, or rather taking a breather.

On the other hand Pacific remained active. K-Line fixed a 2015-built eco panamax Yeosu 19-

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20 February for an EC Australia round at $19,000 daily whilst a 2011-built 93,702 dwt post panamax CJK 16 February was taken for the same route at $16,250 daily. In addition a 2006-built 87,144 dwt kamsarmax was taken from Kinuura 18-20 February also for a trip via EC Australia redelivery India at $23,750 daily with scrubber benefit for the owners and a 2010-built 93,262 dwt post panamax Pohang 21-22 February was taken for the same route at $20,000 daily. A 2012-built 81,600 dwt kamsarmax fixed a longer US Gulf round retro Kagogawa 8 February at $23,000 daily.

On the period front a 2012-built 79,510 dwt vessel open Xiamen 20-22 February went to unnamed charterers for 3-5 months trading at $23,000 daily while Oldendorff was reported taking a 2015-built 81,548 kamsarmax open Laizhou 26 February-3 March for 5-7 months redelivery worldwide at $17,800 daily.

Most charterers appear taking a little pause to reassess the market and their next steps, so we have to see what next week brings...

SUPRAMAX – HANDYMAX - HANDYSIZE

EAST COAST SOUTH AMERICA / WEST AFRICA

In the Atlantic Basin Supramax/ Ultramax tonnage continued to follow the market and make improvement on the numbers, with charterers still actively taking tonnage for period business. On the West Africa, MV Captain Andreadis (58,760 dwt 2008) fixed to Cobelfret, basis delivery West Africa for 4-6 months trading with redelivery in the Atlantic at $16,750 daily. In Esca, MV Medi Paestum (55,614 dwt 2009) fixed at $20.000 daily basis delivery San Lorentzo for a trip via North Coast South America to Chile with coal. On the Handies, an unnamed charterer fixed the mv Team Hope (37,196 dwt 2012) at $15,500 basis delivery Salvador on a trip with redelivery in the Black Sea. Mid-week, Wednesday was quite without any reported fixtures, however the week ends quite optimistic considering that the MV Moondance II (55,566 dwt 2005) fixed at $18,500 for a trip via South Africa with redelivery West Africa on the Supramax/ Ultramax. For the Handy size segment the week is closing more promising than its start, considering MV Fedra GR (37,301 dwt 2020) which fixed at $24,500 basis delivery Nueva Palmira for a trip to Egypt.
Certainly was overall an encouraging week which obviously follows closely the improvement of Panamax sector.

MEDITERRANEAN/ CONTINENT / BLACK SEA

The market sentiment this week continued to be on a positive turn others said seems a bit frenetic while energized by paper.

During the week some of the highest time charter average of the latest years in value among all sizes was heard and period enquires remained active.

Sentiment was very strong but limited information rates across all areas were reported although all routes were pushed up.

Large handies could get around $20,000 bss Canakkale delivery for the usual intermed trip whilst trips to were paying similar levels.
Backhauls for handies remained paying very high teens subject always duration and redelivery range.

Finally trips to wafr from Black Sea were at very high twenties.

On the supramax sector not many fixtures were reported but there were rumors that

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supramaxes were seeing around 17/18 levels for short period.
In east Mediterranean a 56,000 was heard fixed in the low $30,000s for a fronthaul but no further details surfaced.

Continent was said to be rising at a faster pace.

There was talk of a large-sized handy open ARAG area fixed for a trip via the Baltic to US east coast at approximately $26,000, which might include breaching INL.

The usual scrap runs for large handies were paying in the mid 20's whilst intercont trips with coal with short duration were at 23k levels.
On the supramax sector a 58dwt open Immingham 20 February was fixed for a trip with scrap to the eastern Mediterranean at $18,150 but some said it was closer to $18,500. Also a 56 dwt open Aughinish was linked to a similar run in the mid $17,000s.
Finally a 57dwt open Bejaia 15 February was reported fixed for a trip via Baltic and India with fertilizers redelivery Port Said at $19,500.

There was a rumor that a JMU60 open La Coruna fixed for period 4-6 months at 25k redelivery in the Atlantic.

FAR EAST/ INDIA

(**Below info on the basis of an average 58k dwt vessel– basis our views/feeling/information on the market)
A very exciting week for the supramax segment is coming to an end – just like for the entire dry bulk sector in fact. Activity has been super strong and levels have been climbing to new record levels every day – making it very difficult to conclude a fixture as well as create an impression as to where market actually stands since every day or in the same day several times, rather controversial rumors have been popping up, with similar ships fixing a lot different levels for same business. An eco-58 has been aspiring towards $14,500/15,000 levels basis Singapore a coal shipment to WCI, if not more while same position could get around $18,000/18,500 for a 60-day duration parceling stem loading ex South Africa and destined to China. NOPAC rounds looks would pay around $15,000/15,500 levels basis Japan, subject to the cargo/duration and eventual destination. Levels has been fluctuating around $26,000 basis WCI delivery for aggregates via Persian Gulf to Bangladesh, closer to $30,000 or more for salt via WCI to China or around $24,000/25,000 for eco large supramax for iron ore via ECI to China. Ballasters could secure around $14,750 plus $475,000 basis Richards Bay for coal to Pakistan. On the period font, eco-58 could get fixed at around $15,000 levels basis Far East or closer to $19,000/19,500 if basis Pakistan – always subject to flexibility offer/ vessel's design. In any case, market's massive volatility should be definitely taken into account.

FFA

The week started much firmer for cape and panamax continued the upward trend but post index the levels drifted. Next day cape was pushing higher and panamax improved further. Mid of the week was very volatile for both sizes, and Thursday was drifting lower, with Friday being active with decent volume.

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