CAPESIZE

Previous week started with rates initially rallying, however mid-week sentiment turned to negative with rates plummeting.

Continuing on from last week the market shed further value across all routes on this week's opening. The Australian majors were in the market for tonnage with fixtures being rumoured in the $10.50 -$11.00 range. Tuesday the market muddled through its pricing as routes appeared to have become somewhat rudderless. Negative sentiment helped to continue softening the majority of routes. Tuesday, the market muddled through its pricing as routes appeared to have become somewhat rudderless as the majority continued to soften.

In the Atlantic, ArcelorMittal was linked with number fixtures.

There was talk that the charterer covered its Ponta Ubu to Rotterdam and Gijon 10-20 July loading at $14.50 as well its Port Cartier to Gijon and Fos 17-26 July loading at $15.00. Also Ore&Metals fixed its July 25-30 Saldanha Bay to Qingdao loading at $18.50 basis 1.25% commissions. Tuesday Arcelor Mittal covered its July 17-26 loading from Port Cartier to Gijon and Fos at $15.00 less 0.5% low. Tuesday on C3 Vale fixed a Newcastlemax vessel cargo from Brazil to China at under $24.00. CSN was heard to have covered their 180,000mt 10% iron ore cargo from CSN to Qingdao for prompt dates at $24.40 and Oldendorff was linked with a coal cargo from Puerto Bolivar to Iskenderun on 28 July-6 August loading at an index linked at 105% of the Baltic C7 route.

In Asia BHP was heard to have fixed their 16-17 July stem from Port Hedland to Qingdao at $10.50, whilst Rio Tinto fixed previous Friday a July 20-22 loading from Dampier $10.90. Kepco awarded its Newcastle to Boryeong 20-29 July coal tender at $16.11. On timecharter a 2004-built 177,036 dwt vessel was fixed delivery South Korea 4-5 July for a trip via Indonesia redelivery China at $32,000 daily. Tuesday, majors were rumoured to be active on the West Australia to China C5 route but no solid trade fixtures were heard. Rio Tinto covered a prompt loading from Dampier to Qingdao at $10.50 whilst an undisclosed charterer reportedly paid the same rate for July 19-21 loading from Port Hedland.

On the oil front ICE Brent fell 3% as market digested OPEC+production stalemate. Crude demand was expected to rise in the coming months as lockdown restrictions ease globally. Singapore 180/380 CST HSFO spread widened to 8-month high on strong 180 CST demand.

The market rebounded mid-week as positive fixing volume was heard both in the Pacific and the Atlantic. Many of the majors were linked with activity as the improved sentiment became clearer thanks to a steady stream of new inquiry and a willingness to fix by both owners and charterers. As a result all index routes showed positive returns.

In the Atlantic, ECTP covered their C3 stem from Tubarao to Qingdao full August loading dates at $27.85 and Rio Tinto their Seven Islands to Qingdao via Suez on 26-31 July loading window at $31.00. Vale was active fixing their Ponta Da Madeira to Qingdao from 23 July onwards at $25.50 and their Ponta Da Madeira to Rotterdam for 1-15 August at low $10's level. Aria fixed their reduced iron ore cargo (around 100,000 tones) loading Imbituba for Kuantan, at a rate in the $40/41.00 fio. On time- charter Aquavita booked a 2014-built 182,922 dwt caper July 12-16 delivery Ijmuiden for a trip via the Baltic redelivery Dunkirk at $35,000 daily.

In Asia, on C5 FMG covered their iron ore stem from Port Hedland to Qingdao for end July dates at $11.50. Posco was heard to have fixed their coal loading from Dalrymple Bay Coal Terminal to Gwangyang and Pohang for 23 July-6 August at $22.00 and KEPCO awarded its July 21-30 coal tender from Drymple Bay to Taean at $12.18 plt.

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On the oil front, a stronger US dollar added to downward pressure on crude prices, whilst Energy rout extended as market kept an eye on OPEC+ discord, rising supply outlooks. South Korea's bunker fuel demand showed signs of picking up. Given the volatility in the Asian fuel oil cargo market, buyers have drifted to the sidelines awaiting clear pricing cues, or pull spot inquiries in anticipation of price corrections.

Rates continued to firm on the approach to the weekend, with all index routes moving up. Atlantic trading continued to see vessels fixed for trans-Atlantic runs and C3 Brazil/China saw a flurry of fixing, with rates climbing as a result. Also in the Pacific there was a lot of West Australia/Qingdao business on offer, however details of concluded business were hard to come by. Optimism was elevated on C5 even though only few actual fixtures were heard but in any case levels were said to be trading above index. The fact is that the push continued and the market saw gains on all routes.

The Atlantic has been active the past couple days as several fixtures have been heard although on somewhat shorter duration trans-Atlantic business. Salzgitter covered their iron ore lot from Narvik to Hansaport on the 23 July-1 August window at $7.03 basis 1.25% commission. Baosteel was heard to have awarded their iron ore tender Saldanha Bay to Qingdao 1-10 August iron ore tender at $20.95, whilst on timecharter Swissmarine fixed a 2010-built 179,719 dwt vessel delivery Hansaport 18- 20 July for a trip via Murmansk and Hadera redelivery Passero at $36,000 daily.

In Asia FMG was heard to have fixed at $11.60 their stem from Port Hedland to Qingdao on 22/24 July and Pacbulk covered their coal stem from Richards Bay Coal Terminal on 28 July-2 August at an unknown rate.

The market held strong in the week 27. The sentiment was positive with all routes being talked higher mirrored by the Baltic Cape Index.

BCI climbed 356 to 3735 and BCI 5TC average gained $3,199 standing on Friday at $30,972 daily.

Our half-year health check on the state of the maritime markets finds owners in a better place than they anticipated 12 months ago.

While tankers will have to wait for a meaningful vaccine-led recovery, box and bulk are booming, with prospects of earnings stretching well into 2022 for both sectors.

PANAMAX

Last week the BPI average returned its highest value since May 2010 as the imbalance of supply versus demand in the Atlantic impacted rates across most origins. Along with a vigorous looking north

Atlantic market, Black Sea grain exports kicked into gear and with it came sourcing of vessels from far-flung deliveries as far out as China as the tonnage count for Skaw-Mediterranean positions dwindled, this only adding traction on rates on most positions despite it being a lacklustre Asian market. Despite wide bid/offer gaps a heap of period fixtures emerged.

Current week's (27) commencement was slow, not helped much by Independence Day holidays in the USA. Consequently, the Atlantic started out extremely quietly with information hard to come by and some minor adjustments to the index routes. Some talk of Capesize offers looking to be competitive on some North America stems, but otherwise the majority felt the macro picture had not changed that much with Atlantic supply remaining extremely thin. Asia began the week in a similar vein with limited information surfacing, with some initially thinking perhaps the trend appeared slightly off in line with FFA's correcting but felt was too soon to call a direction given the lack of activity thus far.

The quiet start to the week in the Atlantic saw both owners and charterers taking a watch and wait approach. Sentiment was flatter due to the continued sell off on the FFA coupled with

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holidays, notably in the US. Whilst a question mark loomed over the cargo enquiry expected for the week ahead, the tonnage count ex North Continent was fractionally longer, plus with the oversupply of Capesize still seeking panamax stems if possible, added to the lacklustre tone. However fronthaul enquiry ex France/Baltic was still healthy and further South, EC South America and Black Sea grain demand was consistent. Outlook was flat. Cofco Agri fixed a 2011-built 82,177 dwt kamsarmax July 10-11 delivery Lazaro Cardenas for a trip via the US Gulf redelivery Singapore- Japan range at $45,000 daily. On Atlantic voyage business, ArcelorMittale covered its July 18-22 ore loading from Itaguai to Dunkirk East at $21.25 fio.

A less encouraging start to the week within the Pacific, after an influx of fresh tonnage. A handful of fresh orders emerged from all areas, though the majority coming from Indonesia and CIS, with longer duration inter-Pacific trips limited. Charterers' bids were around $1500 below Index. Naturally owners were not particularly interested in these revised rates. Furthermore, for those that could, ballasting was still a viable option given the Atlantic numbers. It was only Monday, however we had to see a healthy push on the cargo front in order to hold current levels. A 2014-built 81,944 dwt kamsarmax was taken retro Krishnapatnam 1 July for a trip via EC South America redelivery Far east at $38,500 daily whilst Cargill booked a 2013-built 84,108 dwt vessel Dhamra 9 July for the same trip at $35,000 daily. MOL was linked with a 2011-built 82,188 dwt vessel Zhoushan 7 July for a trip via EC Australia redelivery Japan at $36,500 daily.

Contradicting rates were rumoured on a 2007-built 82,562 dwt kamsarmax Sual 8-9 July gone for a trip via Indonesia redelivery Malaysia at $32,000 daily to Smart Gain, with others reporting the rate at $34,000 and $34,250.

Midweek in the Atlantic, after a quiet couple of days following last week's sharp gains on physical then the subsequent drop in FFA values, the market on Wednesday slowly kicked back into life today.

The fundamentals in the North had remained solid throughout, and although seemingly quiet in the morning, several early ships were picked off throughout the day both for quick mineral trans-Atlantic rounds and fronthaul compounding an already tight tonnage supply.

Cargo demand was healthy with French fronthaul grain cargoes increasingly evident. EC South America also started slowly and owners' offers had come down sufficiently from last week's highs to find support and secure buying interest. A spate of fixtures emerged on the trans-Atlantic trades Wednesday, most appeared largely quick Baltic round centric as it was apparent that some owners preferred to take the premium money for shorter duration whilst this current correction took place in the hope for better days further out.

Fronthaul rates from the North America's remained largely flat with thin visibility, some weighty numbers being rumoured for grain trips via North France to China as premium money was to be seemingly had by the grain clean types open on the Continent. Further South, EC South America fronthaul rates gathered momentum as tonnage count remained tight and several deals were concluded, some with optionality.

Improved fixing volume in all regions of the Atlantic but this had only translated into marginal gains on rates. Tonnage on the North Continent was extremely tight however the rates were partially capped by a longer supply of tonnage open in the Mediterranean; there were however some premium paying cargoes which remained unfixed on fronthaul routes which had to look slightly further afield for cover.

The Black Sea cargo enquiry stayed healthy and continued to draw in tonnage from PG-Singapore range. Further South, activity again had improved on EC South America fronthaul routes. Some new found optimism from the FFA markets helped narrow the bid/offer spread but thus far we have only seen a slight improvement on fixing timecharter rates. Cargill fixed a 2014-built 77,888 dwt panamax July 15 delivery Rotterdam for a trip via North France to China at $61,000 daily. SwissMarine agreed $44,500 daily with a 2010-built 76,980 dwt vessel July 9 delivery Ghent for a trip via the Baltic redelivery Skaw-Gibraltar, whilst Uniper fixed a 2004-built 75,798 dwt panama July 11-12 delivery Rotterdam for a similar trip at $44,000 daily and Nordic a 2010-built 75,200 dwt vessel July 8 delivery San Ciprian at $36,000 daily. Bunge booked a 2013-built 82,138 dwt kamsarmax July 7 delivery Hamburg for a trip via NC South America

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redelivery Skaw-Barcelona at $36,000 daily. Thursday's trading was largely flat and uninspiring. Offers were easing on the trans-Atlantic trades with little activity this despite a very tight looking tonnage list for Skaw-Gibraltar positions. The fronthaul trips remained well supported with solid enquiry from the Black Sea and from the Continent, with the former continuing to draw in tonnage from India and SE Asia.

Swissmarine were linked with a 2020-built 80,890 dwt kamsarmax Aughinish 13-14 July for a trip via Baltic redelivery on the Continent however further details had yet to come to light whilst a 2020-built 81,601 dwt vessel Rotterdam 13 July was fixed for a trip via North France redelivery China with grains at an alleged $61,000 but further details had yet to emerge.

Wednesday proved a bit of a stagnant day in the East, with early gains on FFA fueling owners' sentiment once more, while charterers were showing little interest in revising their offers. Fresh enquiry was being drip- fed into the market, with charterers cherry-picking the most competitive offers, though for the majority the bid/offer spread remains wide. Rates concluded appeared to be below index, however there do seem to be one or two cargos paying premiums due to tight dates and/or restrictive technical requirements. For the most part, the Pacific was flat to a tick softer. Five Oceans fixed, a 2011-built 93,268 dwt post panamax July 2-7 delivery Seki Saki for a trip via EC Australia redelivery Singapore-Japan at $36,000 daily.

Bunge fixed a 2008-built 77,283 dwt panamax on subjects July 8-10 delivery Kushiro, for a NoPac round at $32,000 daily. Cargill fixed a 2011-built 78,882 dwt panamax July 14 delivery Bhavnagar for a trip via the Black Sea redelivery Singapore/Japan range at $34,000 daily.

Voyages in the East reported SAIL awarded its July 20-29 coal tender from Gladstone to Visakhapatnam at $31.25 and its July 21-30 from Dalrymple Bay to Visakhapatnam at $30.15 fio. Additionally Vale covered its July 17-26 coal loading from Nacala to Flushing at $20.75 plt. The market saw healthier volumes of activity largely focused in the North on Thursday, with a number of tender Korean and Japanese coal cargoes concluded, but mixed rates made the market hard to call with mixed views on where true value sat, but with FFA's improving on the day and support found from EC South America it was felt it made for a perkier picture in the region, even though very few charterers showed much of an interest in pursuing these highs, apart from a handful of Japanese paying up on super-eco units. For the rest of the field, the bid/offer spread was significant, albeit at firmer levels.

The long tonnage profile prevented active buying interest from charterers, but given the much improved FFA sentiment, this should/could change. North Pacific trades were active as Korean and Japanese traders covered coal business; however rates varied and no definite direction was called. Overall the East showed possibilities, as demand for ballasters and stronger paper values lent support.

Norden fixed a 2019-built 82,031 dwt kamsarmax July 6 delivery Singapore for an EC South America round at $37,250 daily, whilst Cargill was linked with a 2019- built 82,017 dwt kamsarmax July 3 delivery Kohsichang for the same trip at $36,500 daily. An unnamed charterer took a 2008-built 76,565 dwt panamax at $35,000 daily July 10-13 delivery Fukuyama for a trip via Stockton redelivery Japan. K- Line fixed a 2019-built 81,572 dwt kamsarmax July 11 delivery CJK for an EC Australia round at $35,000 daily, whilst NYK booked a 2020- built 81,816 dwt vessel July 12 delivery Taiwan on the same run at $34,000 daily. In addition Cofco Agri fixed a 2017-built 77,998 dwt panamax July 8-9 delivery Yosu for a trip via South Australia to China at $34,000 daily. It further emerged that a 2011-built 92,928 dwt post panamax recently fixed to Universal Solutions July 4-7 delivery Rizhao for a trip via CIS Pacific redelivery China at $32,000 daily. Voyages in the Pacific reported SAIL awarded at a lower $29.50 plt its July 25-August 03 coal tender from Dalrymple Bay to Visakhapatnam and KEPCO its July 15-19 coal tender from Taboneo to Kwangyang at $14.66 plt. Limited activity emerged in Asia on Thursday. With the Black Sea action enticing some tonnage from SE Asia positions, overall the market was said to be well supported but in need of some fresh demand to remain so. A 2013-built 81,681 dwt kamsarmax Caofeidan 6-9 July was fixed for a trip via EC Australia redelivery Singapore-Japan at a lower $29,750 daily.

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Approaching the weekend, very little of note surfaced for the Panamax sector, with rates on some key routes off last dones.

Atlantic was slower, with the lack of activity in the North dragging rates down a tick for trans-Atlantic. Fronthaul remained stable with decent enquiry still ex Continent and strong volume coming from the Black sea. EC South America was flat on the whole with end July loaders seeing healthy levels still. However, the list of ballasters was lengthening and any owners wanting to cover for August dates had to discount. Cofco fixed a 2011-built 81,502 dwt kamsarmax delivery EC South America 27 July for a trip redelivery Skaw/Passero at $47,500 daily and ACB a 2015-built 81,812 dwt vessel Liverpool prompt for a trip via the Baltic & Koper redelivery Passero at $39,000 daily.

A more sedentary feel to the Pacific, with owners having to choose either to take the risk of ballasting or reduce their ideas in order to get charterers' response. The Japanese have been the most active
up until now, taking a number of ships and generally paying above index, but it seems the majority of these cargoes have been covered.
The remainder of charterers simply was not willing to pursue the offers, and thus owners found themselves having to reduce their ideas in order to secure employment. While Indonesian coal on paper appeared active, rates remained surprisingly unchanged in the South.
As we approached the end of the week, the East was once again flat, to a tick softer. From EC South America, Cargill fixed a 2006-built 82,849 dwt kamsarmax Krishnapatnam 27 June for a trip with sugar to Singapore/Japan at $38,500 daily, whilst Cofco booked a 2008-built 76,432 dwt panamax delivery retro-Sunda Strait 21 June for a grain trip on the same route at $34,750 daily. Elsewhere Deyesion was active fixing a 2003-built 76,945 dwt panamax CJK 12 July for a trip via Philippines to Guangzhou at $28,000 daily and a 1999-built 72,270 dwt mature lady from Zhangzhou 10-11 July for a trip via Indonesia redelivery North China at the same rate.

To see any real improvement in rates next week we would simply need some injection of cargo as the fundamentals appear well balanced.

SUPRAMAX – HANDYMAX - HANDYSIZE

EAST COAST SOUTH AMERICA / WEST AFRICA

Another week comes to an end without many fixtures being reported out of the W.Africa/ECSA region, Supramax/Ultramax segment for trips to China via ECSA were paying in the neighborhood of $24,000/ $25,000 + $1.4 mill gbb basis ECSA Delivery.

Ultramaxes in ESCA were getting paid around $36,000/$37,000 for period of about 4 to about 6 months with redelivery Atlantic. For TA rounds vessels were seeing around $42,000 /$43,000 basis ECSA.
Handy size vessels in ECSA could earn around $38,000/$39,000 for trips to Caribbean sea or Continent destinations, whereas handies in West Africa were payed $29,000/$30,000 for Continent.

MEDITERRANEAN/ CONTINENT / BLACK SEA

Sentiment had steadied and some thought pressure had eased slightly except from the Mediterranean, in which rates remained firm and positive.

Med/Black Sea trades will likely tick up as grain cargoes begin specially in the Black Sea which grain season now is underway and numbers in the Eastern Mediterranean were improving.

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On the handies, via EMed area not many fixtures were heard although rates remained very strong from the west Med a 38dwt open Skikda fixed at $38,000 for trip to WAFR intention Tema.

On the Supramax/Ultramax sector from same area a 57,000-dwt fixed at $41,500 from an unnamed charterer to make prompt delivery Otranto for a trip via the Black Sea with redelivery Durban.
Also a Supramax was placed on subjects for a trip delivery west Mediterranean with clinker redelivery West Africa at $40,000.
Finally there were roumors that a 61,000-dwt fixed and failed at $54,000 dop Iskenderun for trip via Black Sea to China.
On the period font, a 57,000-dwt open central Mediterranean was rumoured fixed at $41,000 for 4 to 6 months trading redelivery worldwide and first leg to Canada, with scrubber benefit to the Charterer.

On the Continent more prompt vessels coming open on the Continent has led some to feel the market has levelled off there also although rates still remained strong.

A 35,000-dwt open Rotterdam was rumoured to have been fixed basis delivery DOP via the Baltic and Redelivery Continent with an intended cargo of steels at $25,000.

On the Supramax/Ultramax sector from the Continent, a mitsui 60,000-dwt was reported fixed for a scrap run delivery Flushing trip via Baltic redelivery Turkish Mediterranean at $36,000, whilst a 57,000-dwt fixed for a trip with delivery Riga to east Mediterranean again with scrap at $35,000.

An Ultramax was rumoured fixed from the Continent to China at around $61,000 but no further details came to light.

FAR EAST/ INDIA

(**Below info on the basis of an average 58k dwt vessel - basis our views/feeling/information on the market)

Market's sentiment retreated this week – rates for all routes dropped a bit and activity has been clearly slower. Worth to mention is the fact that, while rates for single trips moved down, period levels have still been strong – especially in Far East where we even saw some marginal improvement compared to last week levels for period! An eco 58 could get around $25,000 basis CJK for a coal shipment via Indonesia back to China, while shipments to India have been scarcely seen – looks like charterers have been trying to fix in tonnage for period with 1st leg being Indonesia/India coal. Pacific rounds have been fluctuating around $27,000/28,500 levels basis CJK, subject to the cargo/duration and eventual destination. A trip with aggregates via PG to Bangladesh would pay around $36,000/37,000 basis WCI on a 58 while iron ore via ECI to China would move closer to $39,000/40,000 levels. Ballasters could get fixed at around $18750 + $875,000 afsps Richards Bay for coal to Pakistan or closer to $22,000 plus $1,150,000/1,250,000 passing Durban for ores to Far East.
On the period font, an eco 58 could secure around $31,500/32,500 basis North China for 4/6 months or closer to $35,000/36,000 if basis WCI, always depending on actual flexibility offered.

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