CAPESIZE

Capesizes finished the previous week on a downward trend. From Brazil, Vale managed to fix at easier levels, trans-Atlantic rates held around last dones, whilst North Atlantic trades saw limited inquiry. From the Pacific, West Australia/Qingdao finished the week up despite slowing demand for tonnage. East Australia coal cargoes to Northern Asia remained strong and kept traders busy, whilst rare coal cargoes destined to Europe had to pay up due to the longer duration involved on this backhaul route.

The market was off to a very slow start Monday. The holiday in Singapore Tuesday kept traders home. Atlantic saw little fresh inquiry and details of concluded business were hard to come by.
Pacific showed some signs of life and several vessels were fixed on the Key West Australia/Qingdao run. Tuesday was focused on key Australian routes, with charterers covering a number of tenders for first-half August loading. Very little surfaced from the Atlantic, although there was some talk of Tubarao/Japan and Tubarao/Qingdao business having fixed, however details were lacking.
In the Atlantic, Manganese Trading covered newcastlemax August 4-9 loading from Takoradi to Qingdao at $30.35 plt with an option Xingang at $29.45. Tuesday NSC awarded their Tubarao/Japan 15-29 August 190,000 10% tender, but the exact rate was not been reported.
There was talk of a C3 fixture in the mid $26's or higher, however again it was not possible to verify anything. Salzgitter covered their Saldanha Bay to Hamburg cargo loading 10-15 August at $11.90 basis their usual 1.25% total.
In Asia Rio Tinto covered an August 2-4 loading from Dampier to Qingdao at $11.25 plt, followed by $11.45 paid for an identical cargo. BHP was rumored to have booked tonnage at $11.40 from Port Hedland for unknown loading dates. It also emerged that the charterer also covered last Friday an August 1-2 loading at $10.80, whilst COSCO managed to cover at $10.50 plt an August 1-5 loading.
Tuesday Kepco awarded two coal tenders for Newcastle to Boryeong for 5-15 and 7-16 August at $16.38 and $16.84 net respectively and another two to Dangjin and to Boryeong for 5-9 August at $17.23.
Posco also awarded its coal tender August 5-15 loading from Hay Point to Kwangyang at $11.20 fio. It also emerged that Zhejiang Shipping recently covered an August 3-7 loading from Dampier to Qingdao at $11.50 plt.

The oil price retreated after OPEC and its allies on Sunday agreed to boost oil production into 2022, adding millions of barrels of crude oil to the market. The alliance will continue to hold talks every month from September. This decline will likely guide bunker markets in the Americas after days of uncertainty and mixed behavior in most regions, where local fundamentals prevailed over the international influences. The combination of the OPEC+ deal to hike production volumes this year and throughout 2022 combined with rising COVID-19 fears and a Wall Street selloff sent crude prices plunging to their lowest levels since May. Tuesday crude oil futures rebounded somewhat after the biggest single-day drop in prices of 2021, signaling the day prior was a bit of an overcorrection and also anticipating more bullish US inventories data in the week.

The market found a little support mid-week to lift routes in the Pacific region in what was largely an inactive day. Rates in the Atlantic were under pressure with tonnage lists growing on the lack of fresh inquiry.
From South Africa KSC fixed a 2011-built 175,155 2011) open Gopalpur, for a trip delivery Richards Bay Coal Terminal 10-19 August redelivery South Korea at $30,000 plus $1,200,000 ballast bonus.
In Asia Rio Tinto covered their iron ore stem from Dampier to Qingdao on 3-5 August loading

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at $11.80, whilst earlier Oldendorff fixed their C5 5-7 August loading at $11.70.

On the oil front Crude oil futures spiked July 21 to back above the $70/b threshold as commodities and stock markets continued to rebound from the big July 19 selloff that was triggered by concerns of rising crude production and potential demand weakness from the rapidly spreading COVID-19 delta variant.

Approaching the weekend Atlantic remained weak as cargo volumes had yet to improve. Salzgitter covered their smaller 130,000mt iron ore stem from Sudeste to Hamburg on 10-20 August loading at $14.75 basis 1.25% commissions.

In Asia Kepco awarded their coal tender stem from Newcastle to Boryeong on 10-19 August loading at $17.05 to an aged vessel. On C5 Rio Tinto was heard to have fixed at $12.25 for their stem from Dampier to Qingdao on 5-7 August load dates. NYK was also rumored to have covered on 2-11 August dates at $12.20.

As the week draws to an end, maybe it is time to pause, take a step back and let the market settle down a bit as the fundamentals here are good. Although the near-term outlook appears softer, it is part of the natural volatility of the industry. We believe we are in the summer lull period, and as we approach early August, trade activity for forward September loadings will pick up, and with that, spot rates will once again turn higher. China has been supporting rates with its stimulus packages. But the accelerating recovery in many other parts of the world has provided the dry bulk market with a new vigor since the beginning of the year. The seasonality of iron ore freight demand is driven by Brazil as it increases production during the dry season. This typically results in the third quarter being the strongest month for Brazilian iron ore exports. Conversely with coal, the third quarter tends to be one of the weakest for capesize exports. If Brazilian iron ore exports comfortably exceed 2020 levels this quarter, and if capesizes continue to participate heavily in the long haul coal trade, then we can expect the market to improve further. As coal prices are at the highest level in a decade, export volumes are likely to increase this quarter. If this happens and volumes defy the usual third quarter slump, then these coal cargoes will be competing with iron ore cargoes at a time when Brazilian exports usually peak. The market sentiment improved as charterers were required to lift their bids as the inactivity was becoming deafening on wide spreads. While not a large raft of new trades followed there was definitely a feeling of being better bid in the Pacific and Ballaster routes. Although the seasonal lull had taken hold of the dry bulk market, there was reason to be optimistic as sentiment remained positive in light of the strong market fundamentals. Capesize fundamentals are tighter in the third quarter versus the second quarter, which depends mostly on Brazilian iron ore exports, coal trade flows and inefficiency unwinding. In line with this low figure, Freight Investor Services said in its capesize derivatives update that the paper market was very erratic, with one minute the market bid with no offers, and then the opposite scenario just a few minutes later.

The market held strong in the week 29. The sentiment was positive with all routes being talked higher mirrored by the Baltic Cape Index.

BCI climbed 401 to 3915 and BCI 5TC average gained $3,330 standing on Friday at $32,469 daily.

PANAMAX

Previous week EC South America came under heavy pressure early in the week after a strong correction, however approaching the weekend it seemed to have stabilized at these new levels. That being said, bids from the area remained still thin in volume in contrast to the Black Sea volume which was healthy and active providing slight support to the basin. A similar sort of story in the North Atlantic, with rates adjusting downwards at the start of the week before steadying at the lower levels after a clear out of tonnage. A very quiet end to the week in the Pacific too, with rates under pressure. Supply continued to grow and with EC South America lacking recovery, short term outlook remained negative. In any case the rates were still very healthy but the speed of the decline was a bit alarming.

It was the standard slow start to the week for the sector, with holidays impacting the week's opening. Atlantic trading was balanced with cargoes from Black Sea & Continent offering new business. Very little was heard done in the Pacific, with some slightly better rates on offer, however details were lacking.

Period enquiry increased, but with positional first legs rather than due to any common feeling that the market will have a strong bounce. Tuesday proved a very dull day in the basin, with rates easing on the lack of fresh inquiry, holding off any change in fortunes. The trans-Atlantic market needed replenishing, although the tonnage count in the North region continued to look tight and perhaps some kind of bottoming out could be found, but time being weaker rates appeared the norm. Out of the Pacific, the holiday in Singapore kept a lid on business, with little evidence of any direction found. Cargo demand particularly ex SE Asia remained solid despite a slow looking NoPac market, which could add further pressure to those ships open further North. A difficult market to call overall, with so many noticeable absentees.

Atlantic was steady with positive fundamentals ex Continent and Black Sea, albeit with only a handful of longer trans-Atlantic rounds quoted. The early push in paper on the front months gave owners some restored confidence in the South after last week, allowing for offers and bids seen to be a tick above last done.

Yet, with some holidays throughout the week we had to wait before calling the market direction with some confidence. Tuesday proved a lethargic trading day with multiple holidays in force. Levels were largely flat and longer duration trans-Atlantic cargoes still slow. The tonnage list remained relatively tight, so this could quickly change with the onset of any improved demand. Fronthaul volume ex Continent-North France and Black Sea remained healthy, albeit with a wide bid/offer spread, however cargoes loading further afield ex US Gulf/NC South America by contrast were limited at significantly discounted levels against more competitive Far East vessels/ballasters. The orders list ex EC South America was longer than last week, but after an initial slight improvement in rates on Monday against FFA gains, Tuesday was again rather flat. Quadra fixed a 2013-built 81,716 dwt kamsarmax prompt delivery Port Said for a trip via the Black Sea redelivery Singapore-Japan at $56,000 daily. Dreyfus was heard to have taken a 2027-built 82,170 dwt kamsarmax delivery NC South America 5-6 August for a trip to Gibraltar/Skaw range at $48,000 daily. It also emerged that Evomarine had booked a 2016-built 84,806 dwt scrubber-fitted vessel Gibraltar 20-21 July for a trip via the Baltic with coal to India at $63,250 daily.

Better demand to kick start the week in the Pacific, probably a consequence of upcoming Far-Eastern holidays combined with a slight uptick in cargo volume with fresh enquiry predominantly from Indonesia.

Although supply was by no means short, most notably on the nearby, many owners claimed to see better levels on Monday. Conversely, other owners were quick on the trigger to discount in order to take cover prior the holiday disruption. It was clear that Atlantic's momentum would be essential this week. Graincorp fixed a 2005-built 76,812 dwt panama July 20-27 delivery Singapore for a round trip via the Black Sea at $29,900 daily, whilst CRC took a 2007-built 76,596 dwt vessel July 16-19 from Rizhao for a US Gulf round at $24,000 daily. Elsewhere an unknown charterer booked a 2011-built 75,455 dwt panamax July 17-19 delivery Lianyungang for a trip via Indonesia to Malaysia at $22,000 daily. On voyage, SAIL awarded their August 1-10 coal tender from Gladstone to Visakhapatnam at $28.45 fio and their August 5-14 from Port Kembla at $31.15. Despite the holiday in Singapore Tuesday, there had been evidence of some activity. The hoped-for Pacific floor had not yet materialized, despite better enquiry ex Indonesia, and owners had to again reduce numbers, especially those in the North.

The Atlantic market had been somewhat muted and the extensive August EC South America arrivals still meant charterers could cherry pick to take cover. Period enquiry, still primarily first leg led, resulted in bids well down on last achieved, with owners unwilling to entertain

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such levels. With further Mid/Far-Eastern holidays later in the week, it was tough to see that the market can generate sufficient heat to get back up this week, but that didn't necessarily mean that it would not. Trading heard Klaveness fixed a 2011-built 79,445 dwt vessel July 22-23 delivery Singapore for a trip via Indonesia redelivery in the Philippines at $30,000 daily plus a ballast bonus of $50,000. K-Line Philippines at $30,000 daily plus a ballast bonus of $50,000. K-Line was linked with a 2015-built 81,118 dwt kamsarmax July 23-24 delivery Kawasaki for an EC Australia round at $28,000 daily. In addition Oldendorff booked a 2012-built 81,429 dwt vessel July 27 delivery CJK for a trip via NoPac redelivery India at $25,000 daily.

The Atlantic market saw further erosion Wednesday as a quieter day emerged on the longer duration round trips, whilst there was talk of some discounting taking place on the shorter rounds with the hope from a few owners of a rebound in market fortune in coming weeks. Asia was difficult to call still especially with further holidays imminent in Japan Thursday and Friday, although there was a feeling that things looked a little firmer with few marginally better bids, whereas others felt there remained little support and the North was likely to fall under further pressure. A similar pattern Thursday. In the Atlantic, the trans-Atlantic trades came under further pressure with a bunch of voyage fixtures emerging with time-charter returns sub index time- charter equivalent returns. Elsewhere trans-Atlantic remained thin and bids were duly reduced. Fronthaul trips continued to be well supported by grain trades ex North France and the Black sea with only a minor correction in values perhaps not aided by reports of Charterers again turning to the Far East for cheaper deliveries. Asia appeared very active with several Indonesia coal fixtures concluded and rates began to creep up albeit by small increments as the rest of the region appeared under pressure still.

Improved fixing volume in the Atlantic did not aid the slight negativity in the North. An increasing North Continent tonnage list led charterers to bid lower levels for what was left of the trans-Atlantic cargoes, and owners had to drop their offers in order to cover, particularly for the quicker trans-Atlantics. The fronthaul however was consistently bid, particularly ex Black Sea and France grains, but particularly on the Continent there was a healthy bid/offer gap of at least $5000. It was worth noting that some grain houses were looking to cover end August Black Sea cargoes already, at last done levels at least. Further South, the increasing ballaster list and lack of prompt cargoes put pressure on the earlier dates, however for end August charterers were happy to execute at last done if not a tick better following the paper push. Jera were linked with a 2016-built 81,554 dwt kamsarmax Brindisi 20-21 July for a trip via Puerto Drummond redelivery Japan at $47,500 daily. From South America a Bunge relet 2010-built 81,502 kamsarmax went to unnamed charterers delivery EC South America 29-30 July for a trip redelivery Singapore-Japan at $33,000 daily plus $1,300,000 ballast bonus, whilst Evomarine fixed a 2016-built 84,806 dwt scrubber-fitted vessel Gibraltar 20 July for a trip via the Baltic to India at $63,250 daily. Louis Dreyfus was linked with a 2017-built 82,170 dwt kamsarmax August 5-6 delivery NC South America for a trip to Skaw-Gibraltar at $48,000 daily.

The North Atlantic saw further declines Thursday, most notably for trans-Atlantic trading, a significant lack of demand has only forced owners to re-offer at heavily discounted levels if they wished to remain in the Atlantic. For frontHaul (aside from France/China) any owners willing to head East had also few alternatives. The Black Sea remained the most active region with numbers here improving slightly over last done levels for July-early August loaders after a healthy clear out of tonnage, with charterers focusing on vessels open PG/WC India range this had been a welcomed distraction to an otherwise flat and largely inactive EC South America market. With August only around the corner this week feels as if the summer lull has come early, the outlook was cautious for now. K-Line covered its 75,000/10 iron ore loading Sept Isles to Dunkirk at $14,50 fio. Also in the north came reports of a 2011-built 81,827 dwt kamsarmax Ghent 24-25 July fixing a quick Baltic round trip at $30,000 daily. Cofco secured a 2013- built 80,559 dwt vessel delivery Santos 7-10 August for a trip redelivery Skaw-Spanish Med at $43,500 daily, whilst Olam booked a 2004-built 76,602 dwt panamax August 1-3 delivery US Gulf for a trip redelivery Skaw-Gibraltar range at $33,250 daily plus a $525,000 ballast bonus.

Voyage business reported prompt ore loading from Seven Islands to Dunkirk at $14.50 fio.

A somewhat uninspiring Wednesday within the Pacific, with little to show in terms of gains. Owners' resistance was ever visible, with very few offers breaking the $30,000 mark, and offers for kamsarmaxes all in the low $30ks region. On the contrary, considering the amount of tonnage on offer, charterers equally demonstrated their resistance with bids on the whole in the high-$20K's region on kamsarmaxes. The South had shown the most promise, with the support of some better EC South America bids shortening the list of offers available to charterers for short rounds, however arguably we are yet to see any notable improvement in fixing levels. The stalemate nature of this market continued. A 2019-built 82,063 dwt kamsarmax Cjk 22 July fixed for a trip via Australia redelivery India at $30,000 daily but charterers name did not surface. Oldendorff fixed a scrubber-fitted 2012-built 74,933 dwt panamax from Prai 20-21 July for a trip via EC South America to Singapore-Japan at $31,000 daily and Sucden booked a 2008-built 76,636 dwt panamax retro delivery Ennore 14 July for a trip via EC South America with sugar redelivery South China at $33,000 daily. A couple of Kepco coal tenders to Goesong were awarded; one ex Dalrymple Bay for 6-10 August dates at $19.75 fio and the other ex Taboneo 29 July-2 August at $13.20 fio. SAIL also awarded its August 5-14 coal tender from Hay Point option Dalrymple Bay to Visakhapatnam at $30.35 plt. A slow but relatively steady Thursday in Asia as cargo continued to be released little-by- little, providing at least some level of stability to the East. While the tonnage list had been healthy, and charterers had a lengthy selection of options, owners had shown their resilience once again and managed to stand firm behind their ideas and not panic. Charterers had shown more interest in finding cover prior the weekend, as bids had crept closer towards the offers. It was worth mentioning a number of vessels in China were experiencing further delays which could prove timely for tonnage spot or heading off in ballast depending on levels of activity in coming weeks. The Pacific remained largely stand-offish, and rates flat in the South, with minor gains in the North. Cargill fixed two vessels for trips via Black sea redelivery Far East. A 2006-built 82,489 dwt kamsarmax open Ulsan 22-24 July basis Singapore delivery at $32,000 daily and a 2013- built 81,086 dwt vessel open Kaohsiung 22-25 July again basis Singapore delivery at $30,000 daily. Elsewhere a 2010-built 87,334 dwt kamsarmax Hualien 26-27 July was rumored fixed for a trip via Indonesia redelivery Taiwan in the low $30,000's levels and Well Shine were linked with a 2004-built 77,684 dwt panamax Taichung 21-22 July for a trip via Indonesia redelivery South China at $27,500 daily and a 2013-built 76,432 dwt vessel was taken Limay 27-29 July at $33,000 daily for a trip via Indonesia redelivery South China-Taiwan. In the North action was limited with talk of a 2014-built 81,793 dwt kamsarmax Hitachinaka 19 July fixed for a trip via CIS Pacific redelivery Singapore-Japan at approximately $30,000 daily. Charterers identity was not disclosed. U-Ming agreed $26,900 daily with a 2012-built 81,170 dwt vessel July 24-25 delivery Hadong for a trip via EC Australia redelivery Taiwan. On voyage Kepco awarded their coal tender on August 6-15 loading from Roberts Bank to Goseong at $22.85 and their August 7-11 from Taboneo to Hosan at $16.16 plt. Period trading heard that Hyundai Glovis took in a 2018-built 84,625 dwt kamsarmax July 17 delivery retro-sailing Shanhaiguan for 3-5 months with redelivery worldwide at $33,000 daily.

The market took its usual breather on approaching the weekend.

In the Atlantic Cargill was reported fixing a 2017-built 84,808 dwt kamsarmax Port Said 26-27 July for a trip via the Black Sea redelivery Gibraltar Skaw at $36,000 daily and Aquavita a 2020-built 81,064 dwt scrubber-fitted vessel Rotterdam 25 July for a coal trip via the Baltic and Turkey redelivery Passero at $36,000 daily with scrubber benefit for owners). In addition Meadway was rumoured fixing a 2013-built 81,602 dwt vessel Port Said early August for a trip via the Black Sea to China with grains at $34,500 daily plus a ballast bonus of $1,000,000.

In Asia rumours of Reachy fixing a 2020-Japanese built kamsarmax retro Sunda strait at $33,000 daily to cover their 10-20 August EC South America/Far East loading were nor substantiated. Tongli booked a 2013-built 76,432 dwt panamax Limay 27-29 July for a trip via Indonesia to South China/Taiwan range at $33,000 daily. Voyage business included Welhunt covering their coal cargo from Tanjung

Kempeh to Zhanjiang for 29 July-4 August in the low-mid $12.00s fio, whilst Korean coal tenders continued with SAIL awarding its Gladstone/Visakhapatnam 10-19 August tender at $29.30 fio and Kepco its Newcastle/Taean 10-19 August at $22.70.

SUPRAMAX – HANDYMAX - HANDYSIZE

EAST COAST SOUTH AMERICA / WEST AFRICA

Once again the market of supramax/ultramax and handy size vessels followed the same mood, as it was too silent in matter of reported fixtures. Although the West Africa was quite negative, the ECSA remained positive.

Supramaxes in West Africa were getting payed around $38,000/39,000 for backhauls to China. Handies ex ECSA were getting payed around 43,000/42,000 for trips to Continent/Baltic with grains.

MEDITERRANEAN/ CONTINENT / BLACK SEA

Market kept the healthy numbers, but limited fixing information surfaced.
Tonnages continued to earn firm rates and new business was quoted in the market.

The Black Sea grains continued to flow in the Eastern Mediterranean region. Cargoes from the Black Sea/Med region are still outstripping available tonnage, so rates have held around last dones or even helped push numbers up.

Large Handies for the usual intermed grain runs could gain at very high 20's. A 33,000-dwt open in Bari was rumored to have been fixed basis delivery passing Canakkale for a trip via the Black Sea to the Continent with an intended cargo of rapeseed at $26,500. Another 28,000-dwt open Mersin was fixed basis delivery DOP for a trip via the Black Sea to the Continent at $26,000. As far backhauls for handies, a 38,000-dwt open in Nemrut bay rumoured to fix for trip to Singapore/Japan at mid/high 40k.

On the period fond for handies a 32,000-dwt open in Greece for balance of period (about 4 month) with redelivery in to Atlantic at $33,000.

On the supramax sector the east Mediterranean, was said was very firm.

An ultramax was heard open in in Egypt med fixed around $41,000 for Houston with bulk cement. A 61,000-dwt open Turkey was fixed for a trip to south East Asia at $59,000 other said might be $60,000.
Other than that supramaxes for the intermed trips could see around $35,000 or tick more if west med redelivery.

From the west med (Jorf Lasfar) a 63,000-dwt fixed for a trip to USA east coast at $36,000.

Continent was also firming slightly with more requirements in the market. Plenty of cargo in the market from grains, clinker and steels and bids improved, resulting an uplifting sentiment was improving daily.

On the handysize not many fixtures were reported but period interest for the handysize was still firm.

As far as supramaxes/Ultramaxes, a nice 58,000-dwt open in Arag region could gain around 35 k for the usual scrap run in Emed and high 30's for the trips to West Africa. The backhauls remained firm and rates were fluctuating around mid/high 40's subject always duration and redelivery and vessels specs.

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FAR EAST/ INDIA

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

Week 29 got off to a quiet start with a few holidays in the East, however it seemed after Monday the supramax index had touched bottom and was beginning to rise again, also supported by the Pacific routes making improvements as the week pressed on. An eco 58k tonner could secure around $28,000/ $29,000 basis South China for coal via Indonesia back to china. Pacific Rounds also fluctuating around $29,000 basis CJK delivery subject to the cargo/actual duration and destination. Trips to Full India basis delivery South China could earn their owners around $28,000 daily. For backhaul trips Tess 58s could earn in the region of 25k for trips to ECSA whilst trips to Med could earn in the mid/high $20ks. Ships open North WCI could secure around $40,000 daily for trip via Persian Gulf to Bangladesh with aggregates or limestone, whilst trips via P.G. back to the WCI with same delivery could earn around $32,000 daily. Trips via P.G. to China could pay similar ships in the low 40K range. Out of South Africa, Tess 58s could aim to fix around $21,000+$1.1M basis APS South African ports for trips to Far East.

On the period front eco 58s could aim to secure rates around $29k/30k for short period, whilst in the WCI/PG range could same ships could aim to gain around $35k for about 4/6 months, always subject to flexibility offered/vessel design etc.

FFA

The week started for both sizes stronger but with holidays the next day and a disappointing physical market the levels soon retraced. Tuesday was a quiet and uneventful day for cape and panamax was softening throughout the day with a little support prior closing. Mid of the week started with positive sentiment but this did not keep on. Last couple of days good volume changed hands for both sizes.

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