CAPESIZE

The market made a somewhat unexpected upturn at the close of previous week with sentiment improving, however to maintain this recovery we need an infusion of new business on the North Atlantic this week, as well as more cargoes from Australia and Indonesia. Some tighter tonnage availability due to tropical cyclone Cempaka is impacting discharging operations in China which may help rates.

Capesizes got off to a very typical Monday start, with little fresh inquiry heard and concluded business limited. Pacific trading did see some business done and the overall index managed to move up. Chinese business was being affected by Typhoon In-Fa, closing ports on EC China and CJK region.

In the Atlantic, SwissMarine covered their coal shipment from Puerto Bolivar to Rotterdam at $14.50.

In the Pacific it emerged that Rio Tinto booked last Friday for August 6-8 loading from Dampier to Qingdao at $13.20 plt and an August 5-17 at $13.40. Monday bid/offers were in the low $13's region but very little was heard to have fixed.

On the oil front crude oil futures finished a directionless session Monday as the market consolidated ahead of a week laden with corporate earnings and economic indicator releases.

Tuesday the market appeared to be even slower with all routes losing ground.

From the Atlantic, despite the ongoing interest on the C3 route for August dates, rates were a touch easier. Pacbulk covered its September 1-10 loading of 185,000 tons from Tubarao to Qingdao at $28.00 plt. SwissMarine also booked its August 16-25 coal loading from Puerto Bolivar to Rotterdam at $14.50 plt.

In Asia, Bao-Island covered their C5 4-13 August loading at around the $13.00 level.

On the period front a 2010-built 182,060 dwt caper was heard fixed delivery ex drydock in Dalian 30-31 July was fixed but no further details came to light.

Crude oil futures settled lower July 27 as traders looked to upcoming US inventory and economic data for signs of next direction against a backdrop of rising coronavirus infections around the world.

The market stalled out a little mid-week. The Pacific West Australia to China was the only area showing some support although that was largely off the back minimal trade activity. All other routes dipped slightly as fixture activity failed to impress. Backhaul activity showed increasing strength largely from further afield East Australia loading, but details of concluded business were extremely limited.

Atlantic trading heard that CSE fixed last Friday an August 15-21 ore loading from Ponta Ubu to Luoyu at $28.65 plt. In addition Erdemir awarded their August 25-September 4 ore tender from Ponta da Madeira to Isdemir at $14.00 plt, basis 1.25% total commissions.

From South Africa, KEPCO awarded their coal tender from Richards Bay to Boryeong for August 20-29 loading at $24.88 plt.

In the Pacific, on C5 Rio Tino was heard to have covered at $12.95 a stem from Dampier to Qingdao on 13-15 August. It was also rumoured a $13.10 was done but details did not to emerge, however NYK agreed a higher $13.35 plt for their August 13-22 loading from Port Hedland.

K-Line was rumoured to have fixed their 10-19 August coal cargo from Dalrymple Bay to Japan 10-19 August but rate remained under wraps.

Elsewhere Vale Dubai covered an August 10-16 ore shipment from Sohar to Misurata at $15.40 plt.

On the oil front crude prices were steady in July 28 trading as a resumption of US crude oil inventory draws was offset by weaker-than-expected gasoline demand.

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Approaching the week-end Capesizes saw a quick surge upward in rates.
All routes settled in positive territory with charterers aggressively taking tonnage for both C3 and C5.
In the Atlantic C3 was fixed at $29.00 for Tubarao/Qingdao end August.
Uniper covered at approximately $53.00 their 120,000 tons 10% coal stem from Mobile to Jingtang on 1-5 September. A Newcastlemax was linked with a 22-29 August Seven Islands/Qingdao loading at a rate in the low $30s.
It also emerged that earlier in the week CSN covered a prompt loading 180,000 tons 10% ore from CSN to Qingdao at $25.00 fio basis 1.25% total commissions.
In Asia BHP was heard to have covered at $14.25 a Port Hedland to Qingdao for unknown dates and FMG fixed an August 15-20 loading from Port Hedland to Qingdao at $13.55 plt. Posco was linked with a 190,000 tons 10% stem from Port Hedland to Pohang on 13-22 August but the rate was not confirmed. KSC took a vessel for a trip via Gladstone to South Korea with laycan 14-19 August but no more details emerged.

The market in general was stronger in the week 30. The sentiment remained positive with routes being talked higher mirrored by the Baltic Cape Index. BCI was up 356 to 4306 and BCI 5TC average gained $2958 standing on Friday at $35,713 daily.

In the meantime on a vital topic, according to an article, global supply chains are experiencing unprecedented pressure due to the Covid-19 pandemic, cyber-attacks aimed at ports, and natural disasters. With ports opening and closing abruptly around the world, vessels shortages have impacted the ability to move cargo into and out of ports. With 90% of the world's goods transported by ship, this is a crisis. Natural disasters, which typically are expected and can be worked around, have been exacerbated by the combination of issues facing ports, owners and charterers. Currently flooding in China was limiting coal exports from Inner Mongolia and Shanxi; while in Germany flooding has closed roads across the country, leaving ports unable to distribute their cargoes. Adding to the burdens already mentioned, South African ports were subjected to a cyber-attack last week which targeted Cape Town and Durban, leading the ports to suspend movement of cargo until the port operating systems were restored. Challenges facing the shipping industry, manufacturers and importers/exporters are expected to remain through at least the first quarter of next year.

PANAMAX

A contrasting last week with the Asian basin largely Indonesia focused, as a host of cargoes helped some rates to benefit. Aside from an assortment of coal tender cargoes from Australia to Korea and India, the north of the region continued to be under pressure for most of the week with owners forced to reduce levels to gain any attention. In the Atlantic, trans-Atlantic remained under pressure with tonnage building and with a lack of any serious demand from North America the outlook looked somewhat suspect.
On the contrary, the fronthaul trips for a large part remained well supported with grain cargoes ex North France and Black Sea but with charterers sourcing tonnage from India and as far out as China, rates for Atlantic positions began to slide as the week closed. Period enquiry was lively, but with positional first legs rather than due to any feeling that the market will move upwards.

Panamaxes opened the week 30 very quietly, with little fresh inquiry heard in the Atlantic. The Pacific was very dull, with some impact being felt by Typhoon In-Fa closing ports in Eastern China although some felt this would be short lived with minimal delays. Monday did little to switch sentiment around which still appeared weak. It was obvious that a sizeable

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demand was required to prevent any further losses. Tuesday proved a listless market, with little fresh demand to counter act an easing market. Aside from a splattering of Black Sea and EC South America fixtures, the market continued to appear thin on visibility and almost in holiday mode with little surfacing. Asia too was lethargic with very little action to report and in places appearing somewhat confused still with what kind of impact the recent typhoon may have on supply.

A quiet start to the week in the Atlantic, with trans-Atlantic where sentiment was drifting. A number of spot tonnage and ballasters ex Continent added further pressure to trans-Atlantic rates. Fronthaul still appeared relatively steady, albeit a touch light on the bid.

Further South ex EC South America, despite losses on the FFAs, charterers were bidding in line with last done however with limited volume. It emerged that late last week Klaveness fixed a 2018-built 82,006 dwt kamsarmax July 10 delivery retro-Singapore for a round trip via EC South America at $32,000 daily, a rate which by all means could not be achieved this week. A more active Tuesday in the North, with more prompt owners having to drop their offers towards charterers' bids to find cover for the trans-Atlantic rounds. The lower fronthaul bids from last week becoming more attractive to owners, especially with a falling spot trans-Atlantic market. EC South America also saw worse bids for the end August arrivals in line with the drop in FFA values, moving towards around the $30K mark basis Singapore, however early-mid August cargo was scarce. The Black Sea market had taken a breather following good volumes in the last couple of weeks, putting further pressure on EC South America. Cargill booked a 2011-built 75,700 dwt panamax August 15 delivery Singapore for a trip via the Black Sea redelivery in the Far East at $28,000 daily. North Atlantic saw further declines most notably for trans-Atlantic trading. A significant lack of demand forced owners to start re-offering at heavily discounted levels if they wished to remain in the basin. On the fronthaul -aside from France/China- any owners willing to head East had a few alternatives.

The Black Sea remained the most active region with numbers 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, the feeling was as if the summer lull had come early.

Outlook was cautious.

Slow start to the week in Asia too, with both owners and charterers waiting for the other to make the first move. Whilst it was clear that the typhoon had caused some short term positional gains, it was unclear as to how long they would last, with tonnage on the nearby appearing to build up in comparison to fresh enquiry, which was lacking. Indonesia and Australia minerals continued to be the main drivers in the Pacific, with NoPac still thin on volume. Sentiment remained flat, although it was too early in the week to gauge clear market direction, particularly amid such uncertainty. Tuesday proved another slow day, with both owners and charterers hesitant on the bid/offer. Spot pressure continued to build for the early vessels unwilling to ballast -mostly operator controlled- and with the EC South America market drifting, the list of those not willing to take the ballast started to lengthen. Minerals ex Indonesia & Australia continued to offer some support, however rates did show signs of easing. With paper again under pressure, period activity was minimal, therefore a fresh injection of enquiry was needed to restore some confidence. Trading included word of a 2021-built 81,650 dwt kamsarmax gone to Norden July 28 delivery Busan for a WC Australia round at $33,000 daily. Wooyang was linked with a 2011-built 93,379 dwt post panamax July 31-August 5 delivery Taiwan for a trip via Indonesia to South Korea at $31,250 daily and Jera with a 2010-built 82,072 dwt kamsarmax July 26 delivery Oita for a NoPac round at $30,000 daily.

Period business in the East, linked Cargill with a 2020-built 86,433 dwt kamsarmax July 28-30 delivery Fuzhou for 3-5 months trading at $31,650 daily.

Trading for the Panamaxes was a little busier mid-week, but not enough to lift rates off their recent losses. As well, longer tonnage lists put additional pressure on rates. In the Atlantic, Black Sea & Baltic cargoes continued to provide most of the support, whilst a smattering of EC South America fixtures emerged with the bids for first half August arrival dates being heavily discounted. In the Pacific, the Indonesian coal

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was still the main driver without any signs that the market had peaked yet. The story did not change Thursday with further losses and weaker sentiment basically encompassing the market.

In the Atlantic, continued good fixing volume in the North helped clear some of the early ships, but sustained trans-Atlantic replenishment was required to stabilize rates. EC South America activity remained slow, with first half August loaders still having to discount. Rates for end August ETAs were relatively flat after the drop earlier in the week.

Trading saw Cargill fixing a 2019-built 80,811 dwt kamsarmax August 3 delivery aps Rouen for a trip to China at $49,500 daily. The charterer also took the 2016-built 84,860 dwt vessel August 2-3 delivery passing Gibraltar for a trip via Kamsar redelivery Aughinish at $31,500 daily and a 2013-built 81,169 dwt kamsarmax July 27 delivery retro-sailing Sunda Strait for an EC South America round at $28,450 daily. On the same route a 2018-built 82,200 dwt kamsarmax was rumoured fixed July 16 delivery retro-Singapore $31,800 daily but charterers name did not emerge. Atlantic Coal & Bulk booked a 2014-built 81,084 dwt vessel August 1-3 delivery Cape Matapan for a trip via the Black Sea redelivery Turkey at $35,000 daily. Oldendorff fixed a 2017-built 81,193 dwt scrubber-fitted vessel August 3-7 delivery Rotterdam for a 2 laden legs trip redelivery Skaw-Gibraltar range at $29,500 daily. The charterer was also said to have fixed a 2012-built 78,087 dwt panamax Amsterdam 1-3 August for a Baltic round at a rate in the $28,000's but precise details did not surface. Atlantic voyage business reported that K-Line covered its July 28-29 ore loading from Seven Islands to Dunkirk at $15.50 fio. However precise details had yet to surface. Thursday despite a slower day, the North Atlantic has seen improved activity, resulting in a tightening of nearby tonnage. However, fresh trans-Atlantic enquiry was urgently required in order to avoid further losses.

It was worth noting that some charterers were looking for legs willing to pay in line with paper. Further South, despite a handful of fresh cargos, rates ex EC South America were coming under slight negative pressure, with rates ticking off. First half August loaders still appeared discounted compared to those of second half. Cargill fixed a 2005-built 76,602 dwt panamax August 6-10 delivery Cape Passero for a trip via the Black Sea redelivery Skaw-Gibraltar range at $30,000 daily. Further South, Polaris placed on subjects an unnamed LME delivery India for a trip via Brazil redelivery Korea for August dates however precise details had yet to come to light and Raffles were said to have secured a 2010-built 82,154 dwt kamsarmax retro sailing Singapore 13 July trip via EC South America redelivery Singapore-Japan at $29,500 daily.

Spot pressure remained in the Pacific, however we began to see signs of it maybe alleviating. Slightly improved volume resulted in a marginal clear out of nearby tonnage, and FFA prices held steady helped market sentiment. That being said, charterers still had the upper hand and rates eased further. It would require more fresh enquiry, but if said clear out could gain some momentum, combined with some volume ex EC South America and be sustained, then the Pacific might start to find a tentative floor.

An undisclosed charterer fixed a 2013-built 81,998 dwt kamsarmax August 2-4 delivery Fangcheng for a trip via Indonesia to South China at $29,000 daily. Once again, voyage business was focusing on the coal tenders.

SAIL awarded its August 15-24 tender from Gladstone to Visakhapatnam at $27.50 plt. KEPCO awarded their August 7-16 from Bunati to Hosan at $15.49, and their August 13-17 from Tarakan to Dangjin at $12.05 plt.

Thursday was more quiet, with less volume, which came from booked tonnage falling out of laycans and charterers being forced to find a replacement.

Again, spot pressure persisted, with a clear out of prompt tonnage still required to stop rates drifting further. Owners had to either discount to find cover or ballast South, with operators quick to put their tonnage into own program. On a more positive note, improved sentiment from the Cape and FFA markets may well lend a hand to our own, and if EC South America volume picks up once again, we may still find that tentative floor. However, it seems that the week has settled in charterers' favour.

Raffles fixed a 2010-built 82,154 dwt kamsarmax July 13 delivery retro-Singapore for an EC South America round at $29,500 daily. Voyages reported RINL covered at $27.05 its August 20-29 coal loading from Hay Point to Gangavaram. KEPCO tender results a coal lift ex Tarakan to Yongheung for 8-17 August dates

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at $12.90 fio and ex Brisbane to Hadong 16-20 August at $20.39 fio.

Friday was a day with restricted information emerging. Panamaxes approached the weekend on a downbeat, with easier rates fixed and less inquiry in both basins. In addition a substantial amount of available tonnage is also weighing on the market.

In the Atlantic Freightforce booked a 2015-built 77,154 dwt panama Port Said 8 August for a trip via the Black $33,000 daily whilst Oldendorff was rumoured taking a 2012-built 78,087 NYK relet Amsterdam 1-3 August for a Baltic round in the $28000s. Bulk Trading booked a 2017-built 81,335 dwt kamsarmax retro Rotterdam 26 July for a trip via the Baltic & Italy redelivery Gibraltar at $29,000 daily.

In Asia Iino booked a 2010-built 93,249 dwt post panamax prompt Lianyungang for a trip via EC Australia redelivery Japan at $29,000 daily. In the South Cargillwas heard fixing a 2011-built 79,791 dwt vessel retro Singapore 11 July for an EC South America round at a "lowish" $24,800 daily.

The week ended with a distinct lack of demand and a feeling of many already taking holidays in some owner's quarters. Coupled with charterers happy to sit back unless stuck for a position but given the available tonnage count in all regions it seemed more a question of charterers being able to cherry pick where necessary. Ultimately all these lead to a profound weaker market with little suggestion of an immediate change.

SUPRAMAX – HANDYMAX - HANDYSIZE

EAST COAST SOUTH AMERICA / WEST AFRICA

A positive week for supramax/ultramax and handy size vessels within Atlantic, however details and fixtures especially for handies were lacking.

For supramaxes, fronthauls to China were paying around $24,000/$25,000 plus $1,5 million BB basis delivery aps ECSA, while basis delivery West Africa rates were around $45,000/$46,000.

Supramaxes ex West Africa were getting paid around $33.000/$34.000 for 4/6 mos period basis redelivery Atlantic.

For Handy size vessels in West Africa for trips via ECSA to Continent/Baltic were getting payed around $26,000/$27,000 on dlosp basis. For trips to Pacific and more specifically to WCSA handies were getting payed around $53,000/$54,000.

MEDITERRANEAN/ CONTINENT / BLACK SEA

Market remained firm during the week with strong numbers being fixed.

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 while trip to Ecsa paying in the region of mid-high 20s basis delivery West Med Inter-continent business pays in the region of 25's while trip to East Med pays in the region of 30k and region 35k for trip to West Africa basis continent delivery. Large eco handies gain region high 20's for short period while 1 year period pays in the region of low 20's.

Supramax market remained very firm in both areas with fresh activity. Scrap business pays in the region of mid-high 30's for prompt tonnage while trip to USA pays in the region of very low 30's.

Med market kept very hot with big supramax gain in the region of low 50's for fronthaul ex black sea, while prompt ultras gain in the region of mid-high 50's basis black sea delivery. Clinker business pays in the region of $40,000 for supramax and region $45,000 for ultramax while trip to USA pays in the region of $40,000.

FAR EAST/ INDIA

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

Week 30 got off to another quiet start with both owners and charterers holding back to get a feel for the direction the market will take, with very little in the way of fresh requirements it was anyone's guess, however the market sentiment generally kept its positive sentiment despite the slower than usual trading activity and most of the routes in the Pacific continued to make modest gains throughout the week.
An Eco 58k tonner could secure around $29,000 basis delivery South China for coal via Indonesia back to china, whilst Pacific rounds via Nopac or Australia continued to fluctuate around $30,000 basis North China delivery, subject to the cargo/actual duration and destination. Trips via Indonesia to India with coal were paying around $29k/28k for E.C.india/W.C.India respectively basis delivery South China. Out of E.C.India market seemed bit softer, however eco 58s could still achieve around $35k for trips to China with iron ore. Out of the P.G., Tess 58s open in Pakistan could secure around $42k for TCT via PG to Bangladesh with aggregates/limestone. W.C.India positions could secure in the region of low $40k for trips to the Fareast. Reported fixtures ex South Africa were few and far between, however Eco 58s could still aim to earn $22K+1.2M APS South Africa for trips Fareast, whilst trips to Pakistan basis same delivery would earn their owners in the neighborhood of $18,500+850K.
On the period front Eco 58s open in Singapore/Japan could earn in the region of $31/32,000 for about 4/6 months sub exact delivery position, whilst out of WCI similar ships could secure $35/36,000 for same period, whilst ships open in P.G. could achieve close to 37,500, always subject to flexibility offered and vessel design.

FFA

The week started firm for cape and slow and quiet for panamax, next day the direction continued to be the same for cape even though physical was not helping much and panamax followed capes but thereafter started drifting and kept volatile till the end of the day. Thursday became more volatile for cape and firmer for panamax.
Finally week ended supported with good volume.

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