CAPESIZE

Capesize rates drifted down this week lowering further across both basins.
Port congestion that has propelled bulk carrier rates to 13-year highs will unwind as China's demand for bulk commodities slows. The pace & scale will determine rates direction. Here's some data from key choke points: Many think that would be the case with Chinese industry slowdown over next 3 months. Although with new lockdowns seemingly likely to stem the new covid tide in China, maybe ports will see delays increasing once again as labor shortages and quarantines bite again.

The market opened the week well down on last Friday's close with all routes losing ground. C3 Brazil/Qingdao was very quiet with little concluded business emerging however Friday's range of $31.00-$35.00, was now being fixed on the lower end of that scale. The key C5 West Australia/Qingdao route moved to the low-$13.00 range. The capesize derivatives market was finding itself in a situation that would have seemed unthinkable a month ago.

In the Atlantic Vale was linked to taking a vessel from Tubarao to Qingdao at $35.00 on 20-30 November end last week, and following by taking a few more including one at $31.50 with early December dates on the run. SAIL awarded its coal tender from Norfolk to Dhamra at $49.75. In addition RINL's coal tender from Norfolk TO Gangavaram on 10-19 November was also awarded but the rate was not revealed. Ore&Metal awarded their November 17-21 ore tender from Saldanha Bay to Qingdao at $24.10 fio, basis 1.25% ttl commissions.

In Asia Rio Tinto fixed their Dampier/Qingdao iron ore cargo at $13.55 with 10 November/onwards dates plus another at $13.25 for 10-12 November. It also emerged that last Friday the charterer covered a November 8-10 November loading at $14.00 pmt and another one at $13.90 pmt.

Crude prices stagnated after brief surge to start week. Front-month NYMEX WTI briefly hit a seven-year high as it rose above the $85/b threshold in early New York trading October 25 before falling back below $84/b and settling even for the day. Crude bounced past $86/b mark as supply outlooks held firm. Demand recovery from impacts of COVID-19 coupled with a conservative approach from the OPEC+ alliance to raise its crude oil production had been providing support to the complex lately. Goldman saw global oil demand close to full COVID recovery Gas-to-oil switching may currently be contributing at least 1 million b/d to oil demand. The bank reiterated its base-care forecast that Brent crude prices will average $90/b at year-end with "upside risk".

By midweek the Capesize sector saw ongoing steep declines, with Charterers exercising control over rate levels. C5 reached $12.10 pmt by middle of the week. In the Atlantic, it emerged that RINL took the 2018-built Star Eleni yesterday for November 19-19 canceling 140,000 tons 10% coal from Norfolk to Gangavaram at $47.65 plt.

Vale fixed a Newcastlemax TBN for November 20-30 canceling 190,000 tons 1-% ore from Tubarao to Qingdao at $28.00 plt. The same charterer also has a TBN for December 1-10 loading 170,000 tons 10% ore from Tubarao to Qingdao at the same rate. Superior Ocean fxd a TBN for December 6-10 canceling 150,000 tons 10% ore from San Nicolas to China at an index-based rate.

Pacific trading included the 2010-built 175,401 dwt CCL-relet Mineral Destelbergen fixing to Minmetals Zhejiang for November 1 delivery

Beilun for a trip via CIS to China at $35,000 daily.

The 2016-built 180,940 dwt Maran Hero will reportedly earn $35,000 daily from an undisclosed charterer for October 30 delivery Pohang on a Pacific round trip with redelivery Singapore/Japan range.

Five Ocean reportedly fixed the 2011-built 176,371 dwt Sea Poseidon for October 26 delivery Mailiao on a trip via East Coast Australia to Korea at $34,500 daily.

It emerged that BHP took a TBN yesterday for November 13 canceling 170,000 tons 10% ore from Port Hedland to Qingdao at $12.55 plt.

Vale agreed $9.95 plt yesterday for a TBN with November 9-10 canceling 170,000 tons 10% coal from Tulek to Qingdao.

Capesize trading was markedly slow in the approach to the weekend. In the Atlantic, fresh inquiry was slow to emerge and details of concluded business hard to come by. For the Pacific basin, WC Australia/China business managed a small recovery. The Baltic Capesize index plunged a further 286 to end at 4542.

From the Atlantic, in a correction to an earlier report, NCSC fixed a TBN yesterday for November 20-29 canceling 170,000 tons 10% coal from Puerto Drummond to Hadera option Ashkelon at $12.50 plt. The business was earlier incorrectly reported done at $21.50 plt.

Pacific trading heard that KEPCO covered their tender for 133,000 tons 10% coal on a Ssangyong TBN for November 16-25 canceling from Newcastle to Hadong at $17.94 plt.

Rio Tinto fixed a TBN for November 14-16 loading 170,000 tons 10% ore from Dampier to Qindao at $12.25 plt.

PANAMAX

Atlantic trading closed out previous week in a positive tone, with Black Sea still busy at stronger numbers, whilst in the Pacific, Indonesian coal cargoes and NoPac rounds provided most of the support throughout the week.

The week started in a typically quiet fashion in the East, and this carried on throughout Monday with little fresh information being reported. With Cape physical and paper coming off some felt that both the owners and the charterers were going for the waiting game and see where the direction will go this week, though with the big correction in capes a fall could be expected.

A slow start to the week in the Atlantic, with a wait and watch approach taken by both sides. The sell-off on Paper Monday did little to encourage bids, giving a spread in sentiment which resulted in very little being concluded. Despite the inactivity, the tonnage profile remained balanced with healthy cargo flow in most areas (notably ex US Gulf and Black Sea), coupled by a steady EC South American market. Outlook was still firm.

There was talk of offers for mid-November cargoes and a US Gulf front haul being fixed in the region of $50,750 daily. Langlois took a 2018-built 81,781 dwt kamsarmax Port Said prompt for a trip via Black Sea back to Egypt at $38,250 daily and Louis Dreyfus booked a 2013-built 81,752 dwt delivery Yuzhny October 30 for a trip via the Black Sea redelivery Singapore-Japan at $59,000 daily.

With a further collapse on the FFA prices on Tuesday, which started from the capes, the sentiment turned negative across the Atlantic. Bids for Transatlantic and fronthaul trips were short in the North, while enquiry remained also in low levels. Further south, charterers maintained mostly a wait and see approach, with bids coming in below last done levels as expected. A 2017-built 82,982 dwt has gone to Cargill for November 11 delivery East Coast South America on a trip via East Coast South America for redelivery Skaw/Gibraltar range at $53,500 daily. A 2013-built 82,215 dwt was fixed to an undisclosed charterer for November 15-24 delivery Gibraltar on a trip via the US

Gulf for redelivery Singapore-Japan at $45,500 daily and an unnamed charterer took a 2010-built 75345 dwt at $31,250 daily for November 1-4 delivery Teesport on a trip via the Atlantic with redelivery Skaw/Gibraltar range.

On Wednesday, the market continued to slide in the Atlantic overall, with indexes and FFA prices declining further.

Rates followed the downhill in all routes; however the pace was slower, with many thinking that a floor was near.

A 2013-built 81,708 dwt fixed prompt to an undisclosed charterer for delivery Yuzhny on a trip via the Black Sea with redelivery Singapore-Japan at $57,000 daily. From the Gulf, ADMI payed $37,000 daily plus a ballast bonus of $1.7 million for a 2011-built 82,165 dwt to make mid-November delivery in the U.S. Gulf on a trip with redelivery China.

Further South, a 2010-built 87,375 dwt has reportedly fixed to Cargill for prompt delivery Gibraltar on a trip via East Coast South America with redelivery Skaw-Gibraltar range at $34,000 daily.

Thursday appeared busier across the Atlantic despite Greece was off for their National holiday, at least in terms of fixtures concluded and as it seems, a floor found. The North Atlantic market was slower, however with few fresh enquiries coming out, while further South, ECSA's Fronthaul rates maintained in last done levels.

In the Black Sea, fresh enquiry looked healthy; however rates were under pressure on the prompt dates.

A 2014-built 82k dwt reported fixed Retro Krishnapatnam 26 October for a trip via ECSA to Singapore-Japan range with grains at $37,500 daily to Cargill and a 2015-built 82k dwt open Durban 5 November fixed to Bunge at $37,000 daily plus a ballast bonus of $700,000 for a similar run. Northern, a 2008-built 77k dwt reportedly fixed passing Gibraltar 30 October for a trip via NCSA with Grains to Egypt at $36,000 daily to Cargill.

A slow Monday in Asia too, with very limited activity to speak of. That being said, it was a softer start to the week, with a noticeable lack of NoPac grains and coal demand from Indonesia.

Outlook remained flat, but the Pacific was in need of fresh cargoes to prevent tonnage from building up. Charterers were rating lower than last done and sentiment appeared to be softening.

A 2012-built 82,861 dwt kamsarmax went October 25-30 delivery Inchon for a WC Australia round at $37,250 daily. The name of the charterer involved was not disclosed. Coal tenders to India dominated once again the voyage market. SAIL awarded its November 15-24 EC Australia/Visakhapatnam tender at $37.45 fio and RINL its November 11-20 Dalrymple Bay to Gangavaram at $31.40.

Tuesday, was a day of losses in the Pacific market as well, with owners that saw the market coming off, started discounting to find support.

However that stance just sped up the fall in the rates overall in the basin. A 2007-built 82,562 dwt fixed with Viterra for November 1-5 delivery Mizushima on a trip via East Australia for redelivery India at $36,000 daily and a 2014-built 82,629 dwt fixed for October 27 delivery Zhoushan on a trip via NoPac with redelivery Singapore/Japan at about $36,000 daily, to undisclosed charterers.

The downtrend continued as well in the Pacific on Wednesday, together with fewer fresh cargoes in the market from all loading areas, but especially from Indonesia. Owners that had few days in front of them decided to resist on charterers discounted bids - however the ones with prompt tonnage discounted further to find cover in all routes.

A 2011-built 81,168 dwt has gone to Libra for November 1-5 delivery Huangpu for a trip via Australia with redelivery India at $32,000 daily. Wooyang fixed a 2000-built 74,381 dwt delivery Qinzhou for a
Balikpapan to Korea load at $30,000 daily.

Thursday was a more active day on trading for the Pacific as well; however rates remained under pressure especially for Indonesian rounds. Nopac and Australia appeared thinner on fresh cargo volume, leading to further discounts from owners positioned in the North in order to find cover before the end of the week. A 2013-built 82k dwt Qinhuangdao 2 November fixed a trip via Nopac to Singapore-Japan with grains at $31,000 daily to Bunge and a 2006-built 82k dwt reportedly fixed passing Taichung 28 October a trip via Indonesia to China with coal at $30,000 daily to undisclosed charterers.

On the period front a 2006-built 82,150 dwt vessel was reported fixed for about 9 months

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trading to Mina Shipping Dubai at $32,500 daily.
A 2016-built 82,003 dwt fixed with an unnamed charterer for prompt delivery Japan on 30-34 months trading with redelivery worldwide at $22,750 daily.
A 2008-built 76,636 dwt on prompt delivery Japan fixed for 9-12 months trading at 102% of the BPI 74 TC Average.
A 2018-built 81,700 dwt open Dangjin 30-31 October fixed for Short Period in D/C at $33,000 daily to Cobelfret with the Scrubber benefit for Charterers.

Approaching the weekend, the market appeared a bit more stable in the Atlantic, while in the Pacific, despite that remained active, especially from Indonesia, rates remained under pressure.
In the short term the outlook remains soft, however with FFA prices moving upwards again, we hope to see a more balanced market next week.

SUPRAMAX – HANDYMAX - HANDYSIZE

EAST COAST SOUTH AMERICA / WEST AFRICA

The market had a soft week with most, if not all, routes lost ground.
The trend continued through most of the days and a negative sentiment in general remained although some said the Continent and Mediterranean areas showed a little more resistance. Of course Sentiment in Med and Continent areas wasn't so negative comparing the downward trend in Asia which continued through the whole week and on a larger scale.

Details of concluded business were hard to come by leading to a very slow trading and resistance between owners and charterers in rates left market more quite than usual.

The Mediterranean has been showed signs of softening and has led to negative moves even for handysize.

A 39dwt was fixed basis Canakkalev via the Black Sea to the US Gulf at $40,500.
A 35dwt from Port Said was rumored to have been fixed for a trip to Brazil with an intended cargo of Fertilizers at $34,000 whilst a 37dwt fixed at $40,000 via Canakkale to West Africa.

A 40dwt from Algiers was rumored to have been fixed for a trip to Brazil at $31,500 for the first 37 days and $38,000 for Balance of duration.

From the supramax sector, supramaxes could gain low 50's for fronthaul trips to china /Korea range but no details came to light.
An ultramax was rumored to have been failed Shipping basis delivery Iskenderun for a trip to Lome at $54,500.

The Continent remained more firm has been discussed by most.

From handysize a 30dwt was rumored to have been fixed from Holland to the Eastern Mediterranean with an intended cargo of scrap at $34,500.A 27dwt fixed almost $30,000 bss delivery ARAG for trip with sulphur via Baltic to west med. For a modern 38dwt handy the backhaul trips via Continent to ECSA or USG region were paying at very high 30's.

Period has been more active as said, a 30dwt in Immingham, was fixed for about 5 to about 7 months with worldwide redelivery ranged at $32,000 plus a $550,000 Gross Ballast bonus. Another 33dwt in Rotterdam also was fixed for minimum 4 months period $35,000 with redelivery only in Atlantic.

From the supramax sector a 57dwt in Ghent was rumored fixed for a scrap run to the East Mediterranean at $41,000. Also a supramax was rumored fixed for a scrap run basis delivery Gibraltar via Baltic redelivery East Mediterranean in the mid-low $30,000s.

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MEDITERRANEAN/ CONTINENT / BLACK SEA

The downwards tendency seals the week and very few fixtures for Ecsa/West Africa basin outline the dullness of the market. A typical 58k vessel in Ecsa could secure around $50,000/$51,000 for trips to med. The handy size segment tendency was not different than supramax/ultramax and seems to be also negative as vessels from Ecsa are getting payed around $34.000/$35.000 for trips to Continent/Baltic.

FAR EAST/ INDIA

(**Below info on the basis of an average 58k dwt vessel - basis our views/feeling/information on the market)
A very difficult week for the dry bulk sector is coming to an end and supramax segment was no exception. Baltic Indices as well as overall market's sentiment probably experienced the biggest weekly retreat in many years. Rates have been plummeting by almost $2,000 every day with owners mostly in a rush to fix and avoid further losses and charterers stepping back, whenever possible, in order to monitor market and let it stabilize. Holidays in India in the beginning of next week took their toll on an already bleeding market. In the end of the week, rates have been fluctuating around $25,000/26,000, basis Philippines for a coal shipment back to WCI on a nice 58 while pacific rounds have been probably paying in the low 20s basis CJK. South Africa rates also dropped and on today a large supramax could barely get around $28,000 plus $500,000/550,000 basis Richards Bay for coal to Pakistan or more like $28,000 plus $800,000/900,000 basis South Africa for Far East redelivery. There has been no serious interest/movement on period obviously this week since, even in cases that owners have been dropping their rates drastically in an attempt to fix period, charterers have been withdrawing interest in period deals till some clarity as to market's direction comes.

FFA

The week started with FFA values sliding heavily. Situation and sentiment changed from Wednesday with prompt contract and cal22 rates start increasing. Cal22 earned more than $1000 since then.

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