CAPESIZE

Previous week the market experienced the traditional post holidays drop. Atlantic was quiet as in Brazil high rainfall affected mining operations of iron ore. The Pacific maintained a more stable flow of cargo out of West Australia but market cargoes were underwhelming.

Capesizes got off to an extremely slow start this week, with very little business concluded. C3 trading was scarce due to weather delays abating and it was anticipated it will take a day or two to establish new loading dates although there was talk of operations gradually resuming in Minas Gerais after the stoppages due to the heavy rains. Overall the BCI and 5TC declined slightly whilst in the Pacific C5 recovered a bit to mid $7s.

Tuesday, the market saw a solid drop on transatlantic and fronthaul trips with significant discounts reported. Atlantic trading saw numbers ease across all routes, which outweighed gains made on the key Pacific routes that made strong moves upward in the day.

In the Atlantic it emerged that RINL awarded previous Thursday its January 30-February 8 Newport News/Gangavaram coal tender at $34.85 fio. Uniper paced on subjects its 1-5 February stem from Baltimore to Krishnapatnam but no further details came to light whilst a 2011-built 176,000 dwt vessel sailed from Port Said last week was fixed for a Black Sea fronthaul but again further details remained undisclosed.

Tuesday a coal cargo from Puerto Drummond to Gijon for 3-12 February was placed on subjects at $10.40. Glencore covered their Nouadhibou/Qingdao 22-31 January loading at $20.00 with a DA's cap applied to loading and discharging ports.

In the Pacific BHP covered their Port Hedland to Qingdao 30 January-1 February cargo at $7.35 fio, whilst FMG also fixed from Port Hedland sub $7.50 for end January dates. It also emerged that Richland fixed last Thursday a February 5-14 coal loading from Abbot Point to Krishnapatnam at $9.00 fio. Also Rio Tinto fixed at $7.65 iti Dampier/Qingdao 11-15 February loading. FMG was linked to similar levels later in the day for early February loading but further details were not confirmed.

On the oil front crude was the strongest since October 2014 as supply risks and demand optimism tightened outlooks.

Mid-week the market was far from being busy with all routes softening. Fresh inquiry from West and South Africa hit the market, but rates failed to see any upside due to the sheer volume of tonnage with more ballasters to compete. Perhaps the best that could be said was that concluded business on the key C5 route held around the same levels.

In the Atlantic, it emerged that Swissmarine covered on Tuesday their coal stem from Puerto Drummond to Gijon with 3-12 February loading at $10.40. Ore & Metal awarded its Saldanha Bay /Qingdao 11-15 February tender at $13.25, basis 1.25% commissions.

EZDK fixed their iron ore stem from Sohar to El Dekheila option Sokhna with 29 January-7 February loading but the rate was not disclosed. Earlier SAIL awarded at $28.90 their February 10-19 coal tender from Norfolk and Newport News to Dhamra.

In Asia BHP appeared to be the only major on C5 and covered its Port Hedland/Qingdao February 2-5 loading around the same level at $7.70.

On the period front it emerged that last week Daiichi took a vessel for 11-13 months trading at $27,000 daily.

Crude notched seven-year high as IEA raised demand outlooks and supply risks grew. Increasingly bullish fundamental outlooks reflected in sharp widening of forward structure.

The market approached the weekend with little change noted. Key routes trended around

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last dones or lower. Index routes were down across the board. On the end of a miserable week, we came to realize that was back in June 2020 that the same levels on 5TC and BCI was last seen. With higher bunker prices, the returns on time charter trips posted in the $5,000s for trans- pacific round voyages and China/Brazil rounds. C5 fell off the $7.00 benchmark, losing half its value in six weeks since December last year.

In the Atlantic on Thursday Glencore was linked to covering their Nouadhibou/Qingdao 5-14 February loading at around $18.00 and NSC fixed its February 14-28 loading from Nouadhibou to Oita at $20.30 fio with a K-Line 2009-built 169,391 dwt relet taken for the business basis prompt delivery Singapore at $15,600 daily. It also emerged that TKSE fixed its February 3-12 cargo from Narvik to Rotterdam at $4.60 fio.

Friday was "deafening quiet".

Thursday in Asia on C5, FMG was heard covering a 5-6 February loading from Port Hedland to Qingdao at $7.00. BHP was rumored to have fixed from Port Hedland on 7-9 February at $6.90, whilst earlier Rio Tinto fixed one of its standards Dampier to Qingdao for February 1-5 at $7.35, amongst vague rumors that tonnage was now offering $6.70. An extremely low number if true, but with spot tonnage and vessels in ballast left, right and center, nothing could be excluded.

Friday lacked any action.

The market was desperately weak fighting a lost war...

Both indices and rates collapsed leaving owners unable to find a way out. BCI dropped 579 to end at 891 and BCI 5TC average plunged $4,800 on Friday at $7,390 daily well below the handysize TC average, with little hopes of finding a respectable floor the coming week.

PANAMAX

The decline showed no signs of abating last week with further substantial corrections in both basins. In the Atlantic, a distinct lack of mineral demand in the North as well as a build-up of tonnage count weighed heavy and mid-week talk of a floor being found from EC South America appeared premature with charterers able to pick off tonnage at will at times. SE Asia ballasters notably the smaller/ older units were undercutting the larger type vessels. A slow end to a negative week with rates coming under tremendous pressure. Bids remained flat-ish, with owners having to drop offers to more realistic levels, with last done continually sliding. Indonesian coal exports remained an issue in the Pacific and the minor support ex Australia did little to dent into an ever-growing tonnage count with limited options. The week ended quietly with minimal fresh enquiry and a surplus of spot tonnage which rolled into this week. With neighboring negativity from Supras and Capes, it was difficult to etch a positive view.

A muted start of the new week with the market still holding a cloud of vulnerability as further weakening of rates continued, with rates likely to ease further. Very little new business heard and the amount of available tonnage continued to outweigh inquiry. The correction in the market continued Tuesday with further falls. Wide bid/offer spreads in much of the market led to a great deal of inactivity, as well as talk of Cape tonnage competing on some of the larger voyage stems added to the panamaxes gloom. In Asia the lack of coal exports from Indonesia continued to impact the market and Australia's renaissance did little to affect the ever-growing tonnage list especially in the North of the region. Another day of struggle, with index routes down sharply across the board. Charterers appeared to have the bit firmly between their teeth, refusing firmer numbers and pressing hard for easier rates. As a result, very little concluded business was heard done.

Little activity to note in the Atlantic with the basin still under significant pressure. The North remained limited on the cargo front with rates exchanged sliding for both transatlantic and fronthaul. The only area with some relative tightness was the Black Sea on prompter dates, where some decent bids were seen. EC South America was limited on the bids/volume front,

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but with the Pacific still under pressure the list of ballasters continued to lengthen. Cefetra Rome fixed a 2021-built 82,447 dwt kamsarmax end January delivery Recalada for a trip to Skaw-Passero at $30,000 daily. Viterra was extremely active on the EC South America/Far East run. It emerged previous Wednesday they fixed a 2014-built 81,056 dwt kamsarmax 10 January retro- Singapore at $25,000 daily and a 2001-built 74,427 dwt panamax January 12 retro-Singapore at $17,500 daily. Later the charterer secured $21,500 daily from a 2014-built 82,260 dwt vessel again January 12 retro- Singapore. An unnamed charterer booked a 2013-built 82,297 dwt kamsarmax January 17 Singapore at $21,000 daily, whilst on voyage ADMI were rumored fixing an early February Santos/China grain cargo at $52.25 fio.

Tuesday saw some fixing/failing whilst levels dissolved quickly. Bids for the longer transatlantic were at best region $20K for kamsarmaxes in the morning, with charterers dropping bids further or stepping back during the course of the day and reports in the end of very high teens fixed. A similar story for fronthaul with charterers reducing bids and testing below the recent $30K barrier. Ex EC South America rates eroded rapidly with owners dropping offers against themselves trying to tempt charterers into moving, as fronthaul bids were virtually non-existent. Bids lost ground from low-mid $30Ks on nice kamsarmaxes to sub $30k, whilst Black Sea suffered to a lesser extent. Talk emerged that Bunge fixed a 2011-built 81,827 dwt kamsarmax Gibraltar 20 January for a NC South America round at a rate in the region of $18,500 daily. The charterer was also rumored taking a 2011-built 83,482 dwt vessel Gijon 21 January on the same run at $19,000 daily but this was subsequently denied. Olam booked a 2013-built 82,023 dwt kamsarmax 22 January delivery Barcelona for a trip via the Black Sea to the Far East at $36,000 daily. It also emerged that last week Olam fixed a 2011-built 82,177 dwt kamsarmax January 17-19 delivery Singapore for a trip via the Black Sea redelivery Singapore-Japan at $22,000 daily.

In the Pacific the week started on a similar theme to last, with Australian coal the main driver in an otherwise lackluster market. The oversupply of tonnage loomed large and charterers were able to try well below last done, in no rush to find cover. Consequently, any spot tonnage looking to fix had to heavily reduce their rates. Despite it was still early in the week, without a prompt influx of fresh enquiry it was difficult to see rates stabilizing in the short term. Trading reported Golden Ocean fixed a 2012-built 81,354 dwt kamsarmax January 14 delivery Tianjin for a trip via Australia & Arabian Gulf redelivery Muscat at $18,000 daily. Bainbridge booked a 2019-built 81,188 dwt vessel January 16-20 delivery Cai Lan for a trip via EC Australia redelivery India at $18,000 daily.

Cargill was linked with a 2006-built 82,295 dwt scrubber-fitted vessel January 19-20 delivery Inchon for a NoPac round at $15,000 daily. The scrubber benefit was for the owner's account. Earlier on the same run Jera Trading took a 2004-built 76,566 dwt panamax January 15 Dalian at $20,500 daily. Klaveness booked a 2008-built 76,554 dwt panamax prompt Qinzhou for a trip via South Australia redelivery Jeddah at $20,000 daily.

Tuesday was again slow, with extremely limited fresh enquiry. The lift of the Indonesian coal ban done little to alleviate the downward pressure, with charterers still able to take spot ships on aps basis without ballast bonus. Australia coal remained the most positive part of the market, however even here rates continued to slide, with charterers able to pick off the owners willing to discount most heavily from an oversupplied spot market. Furthermore, a falling FFA market was only giving charterers even more confidence to bid well below last done. In order for the market to find at least a floor, volume ex NoPac and Indonesia had to pick up so that a clear out of spot tonnage and a helping hand from the Atlantic, which seemed to have its own struggle with a growing ballaster list. Norvic fixed a 2010- built 93,322 dwt post panamax January 18 delivery Lumut for a trip via South Africa redelivery China at $15,000 daily. Oldendorff placed on subjects a kamsarmax North China 1-10 February for a trip via EC Australia to India at a rate sub $15,000 daily. Elsewhere came talk of Jera securing on subjects a kamsarmax South Japan 5-14 February for a round trip via Roberts Bank as well as a post panama for a trip via Samarinda 22-31 January redelivery Japan but details on both remained under wrap. On voyage, SAIL awarded their February 10-19 Hay Point/Visakhapatnam coal tender at $20.65 fio.

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Unsurprisingly, period activity was limited but it emerged that Cobelfret took a 2012-built 98,704 dwt post panamax delivery in direct continuation Zhanjiang 23 January for 12-14 months trading
at $24,750 daily.

The market mid-week was described as a bloodbath with the sell-off continuing and no bottom in sight. Much reduced bids on most Atlantic routes were appearing to get hit by some owners whose resistance was seemingly being unpicked with little fresh demand.
Asia mirrored a similar story to recent days with little action of note and rates continuing to falter, with an obvious supply/ demand imbalance. On Wednesday hope in the market was a scarce commodity. Charterers could easily secure tonnage off last dones without much of resistance as yet. With only limited inquiry in both basins, weather delays and Covid, owners appeared eager to just get fixed.
Thursday despite news of the lifting of the Indonesian coal export ban, the market saw a further weakening of rates. This had a positive effect for FFA's throughout the day, but it failed to disguise the overriding fundamentals in the market. Atlantic continued to show a thin looking cargo book and a bulging ballaster and tonnage count, so effects were likely not to be seen for a period. Only limited fresh inquiry was been quoted and with the approach to the weekend, Golden Week holidays in early February and hefty tonnage counts, panamaxes were looking for some good news. Asia too, despite the positive news ex Indonesia, charterers met with some resistance as cargoes started to filter. A welcome sign in tough market conditions.
Wednesday was another day of heavy losses across the board in the Atlantic. In the North a buildup of tonnage and a lack of quick mineral rounds have put pressure on longer transatlantic rounds. Most owners stuck at $30k for a kamsarmax for US Gulf/NC South America fronthaul but at those levels bids were very hard to come by. Little activity to note, with the basin still under significant pressure. The North remained limited on the cargo front with rates exchanged still sliding for transatlantic and fronthaul. The only area with some relative tightness was the Black Sea on prompter dates, where some decent bids were seen.
EC South America was limited on the bids/volume front, but with the Pacific still under pressure the list of ballasters should continue to lengthen. Cofco Agri fixed a 2020-built 81,621 dwt scrubber-fitted kamsarmax January 8 delivery EC South America for a trip redelivery Skaw-Spanish Mediterranean at $30,500 daily. The scrubber benefit was for charterer's account.
Cargill booked a 2010-built 76,557 dwt panamax January 23 Rotterdam for a 2 laden legs trip redelivery Skaw-Gibraltar at $21,000 daily, whilst Bunge secured at $19,000 daily a 2011-built 83,482 kamsarmax January 21 delivery Gijon for a NC South America round. On fronthaul, Panocean booked a 2021- built 81,145 dwt kamsarmax January 25-26 delivery Singapore for an EC South round at $20,000 daily and ECTP covered their February 10-19 grain loading from Santos to China at $50.00 fio.
Thursday after a week of heavy losses across the Atlantic, the news from Indonesia overnight resulted in FFA values rebounding sharply, in turn offering owners some much needed respite and the first signs of a potential bottom. Naturally most owners reacted by pulling their offers but we were yet to see significant evidence EC South America bid where charterers upped their rates for 2nd half Feb & March loading, but little was concluded as most players have adopted a wait and see approach. Louis Dreyfus fixed a 2005-built 75,656 dwt Sea redelivery Singapore-Japan at $29,000 daily. Cofco Agri was linked with a 2013-built 75,800 dwt vessel February 15-17 delivery EC South America for a trip redelivery Skaw-Gibraltar at $24,500 daily. Cargill agreed $19,750 daily with a 2009- built 75,205 dwt scrubber-fitted panamax prompt delivery Port Said for a trip via the Black Sea & Red Sea redelivery Port Said. Reachy took a 2004-built 76,466 dwt vessel February 1-3 delivery EC South America for a trip redelivery Singapore-Japan at $16,500 daily plus a $900,000 ballast bonus and Oldendorff booked a 2011-built 76,032 dwt panamax January 23 delivery Gibraltar for a trip via Kamsar redelivery Stade at $15,750 daily. Voyage business in the Atlantic heard British Steel covered their prompt ore loading from Pointe Noire to Immingham at $19.50 fio and Jera Trading its February 6 coal loading from Newport News to Jorf Lasfar at $16.75.
From South Africa Bulk Trading sourced tonnage for their coal Richards Bay to Safi 3-9 February at a rate sub $17.00 fio.

The cancellation of some Australian coal tenders signaled the start of a slowing down of the region Wednesday, with less fresh enquiry than we had seen in recent days. Some good news emerged. Indonesia ended the coal export ban for all holders of Coal Contracts of Work and Business Mining Licences, which equates to most of the country's major miners, IHS reported, quoting a government circular from 20 January. The ban remained in place until 31 January for other mining companies which had yet to meet their Domestic Market Obligations. However, the cargo count ex Indonesia was still as low as it has been for quite some time, leaving owners with no option other than to ballast if they were unwilling to drop their offers drastically for a Pacific round or a trip to India. As the ballaster list lengthened further and FFA continued to fall, it was difficult to see where support for the Pacific would come.

Wednesday Marubeni fixed a 2022-built 81,816 dwt prompt South Korea for a South Australia round at $18,250 daily. NoPac rounds included Pacific Bulk taking a 2015-built 81,070 dwt kamsarmax prompt Japan at $18,250 daily after Bunge's fixture of a 2007- built 76,525 dwt panamax January 20-21 Zhoushan at $17,000 daily.

Daiichi reportedly fixed a 2012-built 92,967 dwt post panama prompt delivery passing Taichung for a trip via Villaneuva to Japan at $14,000 daily. On voyage SAIL awarded their February 11-20 Hay Point/Visakhapatnam coal tender at $20.35 fio.

Thursday a dramatic push in the FFA market provided the spark that the Pacific needed after a partial clear out of the spot tonnage. Owners' confidence was now on the up, raising their ideas against charterers greatly improved bids. Australia coal and grains remained the main drivers; however NoPac activity also picked up, whilst news of a partial lifting of the Indonesia coal ban brought the potential for fresh enquiry from the region too over the coming days. It remained to be seen if the push can sustain itself beyond Chinese New Year, with spot tonnage still oversupplied, however at least the market looked set to rebound from the consistent losses seen over the last couple of weeks. Jera placed a post panamax on subjects for a trip via Long beach 5 February/onwards redelivery Japan and their trip via Stockton 10 February/onwards to Japan but further details had yet to surface. LSS agreed $15,000 daily with a 2008-built 82,624 dwt kamsarmax January 21-24 delivery 2010-built 93,252 dwt post panamax January 20 delivery Nagoya for a trip via EC Australia redelivery South east Asia/South China range at $12,000 daily, whilst Hyundai Glovis took a 2011-built 92,648 dwt similar ship January 23 Kashima for a trip via Newcastle redelivery South Korea at $11,200 daily.

Period business heard that Speed Logistics extended a 2017-built 81,782 dwt kamsarmax prompt delivery Zhoushan in direct continuation for a minimum of 6 months up to a maximum of 9 months trading at $22,250 daily.

The quiet approach to the weekend did not bring much relief, despite Thursday's activity. Inquiry was very limited in the Atlantic whilst in the Pacific the market was a bit more active.

From the Atlantic Cofco fixed a 2005-built 76,498 dwt panama Tianjin 22-24 January for a trip via the US Gulf to China at $15,850 daily. The charterer also booked a 2014-built 81,565 dwt kamsarmax Amsterdam 25-27 January for a trip via NC South America to Far East at $25,250 daily.

In the Pacific South Ocean took a 2005-built 76,598 dwt vessel Donghae 23-25 January for a NoPac round at $13,000 daily, whilst a 2010-built 93,315 dwt post panamax was taken by an unnamed charterer delivery Oita 26 January for an Australian round at $14,000 daily.

On the period front a very well described scrubber-fitted 2020-built 80,618 dwt kamsarmax was heard gone delivery Japan end January for 5/8 months trading at $24,500 daily with the scrubber benefit for the charterers but full details remained in the dark.

The week finished quietly but the feeling though was that the market seemed to have found a floor but was definitely in need of injection of fresh demand that will certainly improve the sentiment.

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SUPRAMAX – HANDYMAX - HANDYSIZE

EAST COAST SOUTH AMERICA / WEST AFRICA

Another week in which details of concluded business were hard to come by for Supramax/Ultramax and Handies sizes in. The market maintained its downward course, with rates being easier in Atlantic basin considering the lack of demand for tonnage. Nevertheless sources said pace of decline has slowed down, giving hope for fresh inquiry.

MEDITERRANEAN/ CONTINENT / BLACK SEA

Another week was sentiment overall remained negative, with tonnage in many areas struggling to fix. Limited fresh enquiry was seen and rates continued to slide with some feeling a bottom is in sight. It is said that February things might be better.
From the handysize as far the intermed run there was a rumor that a 32dwt fixed at 15k basis Canakkale for trip to Algeria but seems as week proceeded rates were getting lower. A 33,000 open in the Eastern Mediterranean was rumored to have been fixed for a trip to West Africa at $18,000.A 28dwt was fixed for a trip from the Black Sea to East Coast Central America at $17,000 .A 33dwt was fixed from Algeria to the US Gulf at $19,800. Another 34dwt open in Mersin was fixed via the Black Sea to the US West Coast in the low to mid $20,000s.
On the supramax sector, a 58dwt could see 14k bss Canakkale for intermed trip whilst trips to Continent were floating around $13/13,500. The clinker runs ex east med to West Africa were around $16,000. From west Med an ultramax was rumored to fixed for a trip from Djen Djen redelivery Douala at around $18,000 but. As far the fronthauls a 60,000dwt was heard to have been placed on subjects for a trip delivery central Mediterranean redelivery India in the low $30,000s.
The negative movements on the Continent continued also this week. Handysizes have also seen a continuation of its recent struggles. A 33dwt basis delivery La Pallice fixed for a trip to Abidjan with an intended cargo of wheat at $20,000 whilst the usual grain run via France to west Med was around 13k. A 38dwt from Skaw was fixed via the Baltic to North Coast South America intention Venezuela at$ 17,500. As far the scrap cargoes via Arag to East Med were around $14/14,500.
Not much information revealed on the Supramax sector. The scrap run ex Arag to east med was around mid-tens whilst rates for backhaul to USG or ECSA were hovering also in the same levels.

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 kept on deteriorating this week and rates probably posted biggest losses in last few weeks. Activity has been slow and absence of cargo ex Indonesia created a very negative environment in both Indian and Pacific oceans. Some positive news about the lift of ban of Indonesia coal came towards the end of the week but the actual effect on market is expected to be seen next week onwards. Australia rounds have been paying up to $16,500/17,500 basis CJK and NOPAC closer to $16,000/17,000 basis South Korea, always subject to the cargo/duration and actual destination. Aggregates via PG to Bangladesh have been paying close to $22,000/23,000 basis Pakistan. South Africa rates retreated as well and moved close to $21,000/21,500 plus $200,000 afsps Richards Bay for coal to Pakistan or more like $22,000/23,000 plus $300,000 passing Durban for manganese ore to Far East. On the period font, an eco 58 could be fixed at around 20,000/21,000 for 4/6 months basis Far East delivery or more like $23,000/24,000 basis Pakistan, subject to flexibility offered.

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FFA

Week started softer for cape and panamax range bound. On Tuesday both sizes were under pressure, the slide continued also mid of the week for cape but panamax showed some resistance. Thursday cape deteriorated further but panamax rebounded throughout the curve and ending the day well supported. Week ended slowly.

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