CAPESIZE

The market had a positive start previous week as rates were building strongly off improved sentiment but as invasion in Ukraine took hold the market abruptly changed course. Increase in fuel prices were eating into voyage rate earnings. The Capesize market along with other shipping sectors found themselves in the rare unenviable situation of being cut off from several trade routes due to war risk as vessels were being halted, turned around and send sailing in the opposite direction. The sudden invasion of Ukraine was expected to have major ramifications, not just for the energy markets, but also for the security of Europe. Broad sanctions have been enacted by the main economies of the world. The European Union, US, UK, Japan, South Korea, Canada and Australia among other countries had targeted key members of Russia's elite, banks and financial institutions, access to western technology and currency, but, sanctions had stopped short of direct restrictions on Russia's energy trade.

With political turmoil permeating financial and shipping markets since last week, the Capesize sector got off to an abnormally slow start this week. Index routes declined on the lack of fixing. There was some talk of a few vessels fixing C3, but details were lacking. Pacific heard that a C5 cargo fixed in the mid $8s range, but nothing further emerged.

The market showed some green shoots of recovery Tuesday, the first since last Thursday's events in Ukraine. The West Australia to China C5 and wider Pacific market had been highly volatile recently. Tuesday the C5 bounced back as several major charterers returned to the market looking for tonnage. A factor on all owners' minds was the rapidly increasing bunker prices, with the VLSFO at $802 in Singapore.

In the Atlantic, fixtures that surfaced were largely from end last week; Superior Ocean took two vessels for their stems from San Nicholas to Qingdao on 10-14 April and from Punta Totoralillo to Qingdao on 5-10 April but the rates were not disclosed.

Tuesday Vale entered the market with a fresh order ex Tubarao to Qingdao for 15-24 March but the rate which was rumoured to have fixed could not be confirmed.

In the Pacific, Rio Tinto was linked with the only C5 West Australia to Qingdao trade region $8.50 however this was not confirmed and further details were unavailable.

Tuesday Pacbulk were said to have fixed their C5 stem from West Australia to Qingdao on 13-15 March at $8.65. Rio Tinto was linked to fixing from Dampier at $8.90 and FMG from Port Hedland 16-18 March at $8.95 fio.

On the oil front IEA was to hold special meeting March 1 on market stability amid Ukraine crisis. The move came a week after the IEA said its member countries stand ready to act collectively to ensure that global oil markets are adequately supplied as the escalating Russia-Ukraine stand-off pushed oil prices above $90/b. Pressure was growing on US, EU to target Russian energy exports as sanctions escalated. Meantime analysts had raised question marks over Opec+ alliance with Russia for the Ukraine crisis.

Approaching the weekend market became more quiet again after a downwards pressure on Thursday with c5's being done at around $10 pmt and Friday also same levels low 10 pmt to $10 pmt, showing the resistance of Owners accepting lower rates due to high bunker prices. Due to Atlantic becoming softer and more vessels being available, due to very few vessels willing load from Black Sea, charterers were bidding mid 22 pmt fr c3 fr mid-march, so lower than last dones.

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PANAMAX

Following last week's turmoil, the market started slow, as trading ex Black Sea seized completely and vessels from the Mediterranean headed towards Gibraltar. Market news of postponed contracts forced ships to seek employment from the US Gulf, NC &EC South America.
In the Atlantic basin, with high expectations for grain sales volumes for the US Gulf/China run to increase in the next month due to the cancellation of several ships, owners in open Continent kept offers high. In the Baltic, trades also started slow but it was too early to understand if mineral volumes could improve. South America fronthaul trips ex Singapore were executed at $25,000, however with fewer owners ready to conclude.
The Pacific balanced out better on Monday's opening with Nopac demand still there for mid/end March but with little action. Indonesian coal was what kept things moving throughout the week, but on Monday owners were still holding back as market sentiment was not clear.
There were no fundamental changes for Australian trades, however a few grain &alumina stems were still available to serve as first leg employment for period. Despite FFA losing significant ground, charterers were seeking period ships, but with a wide gap on offer/bid it was difficult for deals to be concluded.

On Tuesday, owners were holding back offers assessing if the postponed and cancelled contracts ex Black Sea would need to be materialized from other destinations, as demand appeared to be there. USG/China last executed on voyage was at mid $68.00-$69.00 pmt for March but with fewer takers for forward cargoes as pricing appeared difficult due to the current instability in commodities trading. A quick Baltic round was covered at $23,000 on a prompt kamsarmax, delivery France. The drop in Atlantic rates affected mainly prompt tonnage, willing to commit on fronthaul trips, while tonnage open in the next 10 days bided their time to see how the week unrolls.

In South Atlantic, for mid/end March ex ECSA fronthaul remained active with last fixed basis delivery Singapore at $26,000 on a spot kamsarmax.
In the Pacific, for Nopac a kamsarmax North China fixed at $23,000. Indonesia's further increased activity drove offers higher with ships fixing at $24,000 for Indo/India while for Indo pacific round an eco Japanese kamsarmax open Seasia covered at $26,000. Last dones for Aussie pacific round were reported also at $24,000 for trips back to India and with owners unwilling to give in to any lower bids.

Mid week with FFA trades improving significantly lead to owners increasing offers for trips and period alike. In the Atlantic, prompt ships were still seeking coverage for fronthaul trips as such trips were best paying business. For a Baltic trip it was rumored that a kamsarmax covered at $23,750 basis delivery Germany. Despite Black sea /Med ships heading towards Gibraltar, offers remained high for NCSA/ECSA for transAtlantic as well as fronthaul. Brent price hitting over $110 added further pressure, while commodity trades again showed high volatility. For ECSA the last reported fixtures of the day were at $27,000 basis retro India kamsarmax, with offers being pushed higher and the market slowing down post index.
Market activity increased in the North Pacific with fresh stems mainly for April in the Nopac, but with little concluded in the am hours. Momentum continued in South pacific too, with charterers concluding for indo/china on a kamsarmax with delivery South East Asia at $25,000. For Indo/India a spot post-panamax delivery Cjk fixed $27,000 while kamsarmax basis delivery Philippines for 2 laden legs redelivery India fixed at $25,000. In Australia for a pacific round a kamsarmax fixed basis delivery mid China $27,000 for trip to Japan, as it was reported overnight that a 77,000-dwt vessel in the Philippines covered at $27,000. For Aussie/India offers kept up with last concluded deal on a kamsarmax delivery mid China at $24,000.

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Thursday in the North Atlantic transAtlantic fixing slowed down as fronthaul took front stage. For a trip out, charterers secured a kamsarmax delivery Continent at $26,500 for trip east. Despite still seeing a large number of vessels heading from
East Med towards Gibraltar, the demand for ships was still strong both for transAtlantic and fronthaul trips, but with a wide gap between offers and bids. USG/China last done on voyage reported at low $71,00 pmt, which further impeded fixing forward as offers were in excess of $74,00 pmt. For prompt stems, charterers remained keen to pick up Atlantic tonnage for f/haul trips. A kamsarmax open in the Continent covered at high $28,000 for trip east with charterers option for USG/NCSA.

ECSA kept attracting more candidates following yesterday's activity with last reported fixed basis delivery in Seasia at $27,000. An eco kamsarmax basis India covered at $29,500 for same round.

As offers kept strong from Seasia/Pmo charterers were also bidding vessels in the $27,000 from Cont/Gib area for NCSA /ECSA fronthaul, whereas bids for transAtlantic trips ex South Atlantic remained lower with last fixed at $25,750. More South Africa cargoes also attracted ships, as demand for supras got hotter. Charterers fixed ex South Africa $25,000 for a trip to Seasia.

Some additional fresh stems in the Nopac hit the market with morning rumors that a scrubber fitted kamsarmax delivery in North China fixed at $27,000 but for non grain cargo. As for South Pacific, the driving force was still Indonesia.
Basis CJK a kamsarmax open Cjk fixed $26,000 for Indo/China. Some more coal ex Australia surfaced in the market paying better than grain stems with last reported for Aussie/Japan at $27,000 on a kamsarmax del North China.

The week is closing on a positive note but with slower bidding across both basins after some morning action. FFA was trending positive yesterday enabling more period deals to materialize with last reported on short period for eco kamsarmax delivery Seasia at $26,000. While late in the afternoon it was rumored that a grainhouse picked up 3 kamsarmaxes delivery feast at $30,000 for their grain programme.
A big leap for the USG/China run, as last reported was at low $73s pmt for April stems, gaining more than $2pmt from Thursdays executed, while on Friday offers were in at $76.00-$77.00 pmt with little reported fixed at this week's closing. A kamsarmax open San Ciprian offering optionality for USG/NCSA/ECSA for fronthaul was covered at $35,000. Owners being bullish kept their offers strong for f/haul. In addition to grains (and also in conjunction with the supra market's boost), more minerals ex USG hit the market for transAtlantic rounds. In North Atlantic little was disclosed for short t/as with rumors of a kamsarmax offering $27,000 for a quick round today.
For transAtlantic basis a kamsarmax was picked up for $40000 for t/a ex Ecsa. ECSA bids are drawing closer to owners offers for f/haul with last reported fixed on a kamsarmax at $29,000 basis delivery Seasia. With most stems in the Nopac touching April dates now last reported was at $25,000 on Fridays closing. Indonesian coal is still keeping the South Pacific active with a large volume covered in the past two days. For Indo/China hear a kamsarmax covered at $26,000, while Australia appeared not as firm as yesterday with last reported kamsarmax delivery North China fixing at $25,500.

It appears difficult to grasp the sentiment of the market for next week as with political events and with the continuous drive up in grain commodities and oil prices the market could potentially change radically.

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SUPRAMAX – HANDYMAX - HANDYSIZE

EAST COAST SOUTH AMERICA / WEST AFRICA

Week is closing without any significant change on the market levels. Throughout the week the index of supramax/ultramax and handy size segment remained dull. Reported fixtures were also poor this week, however the rates were on the high side.

A typical Supramax in Ecsa could get around $33,500/34,500 for trips to West Mediterranean whilst trips to East Mediterranean were paying more, considering current situation in Black Sea. Handies in Ecsa were getting around $35/36.000.

MEDITERRANEAN/ CONTINENT / BLACK SEA

Another week of no clear direction in the Mediterranean and Continent.
Needless to say that the on-going situation between Russia and Ukraine has affected not only the two regions but generally the Atlantic routes.
The effects of a war starting to show their remarks as many fixtures have been cancelled or try to move to easy loading areas.
Nevertheless activity was limited and reported fixtures many of them kept under the wraps.
The Mediterranean continued to soften and prompt tonnage list was keeping to be built.
Many cargoes dried up and most owners considering the Black Sea region as a forbidden area. Most of the ships are seeing mid-low teens either for intermed if such a cargo of course or for trips to Cont.

Supramax sector also suffering, seeing almost same rates for same trips as handies although it was heard that in the very begging of the week a tess 58 got mid/high twenties aps Constanta loading for trip to Feast.

In the Continent as most of ferts and coal being export via Russia and being sanctioned caused also less activity.
A 32,000-dwt was rumored to have been fixed from the Continent to the Eastern Mediterranean with an intended cargo of scrap in the $16,000s.
Another 38,000-dwt as rumored has been failed on subjects for a trip from Skikda to Poland at $18,000.

Finally from Supramax sector a supra was rumored to have been fixed for trip from the Continent to Eastern Mediterranean with an intended cargo of scrap at $22,000.

FAR EAST

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

Market's sentiment has been improving every day throughout the week with Far East/Southeast Asia areas playing the leading roles in this rally. A decent 58 could achieve around $37,000/38,000 basis Philippines for a coal shipment via Indonesia to West Coast of India. Australia rounds have been paying in the range of $35,000/36,000 basis CJK while NOPAC more like $34,000/35,000 basis South Korea, in both cases depending on actual cargo/duration and destination. Limestone via PG to Bangladesh would pay around $37,000/38,000 basis Pakistan/West Coast India range and ballasters could secure around $26,000 plus $600,000 afsps Richards Bay for coal to Pakistan or closer to $27,000 plus $700,000 passing Durban for the parceling stems to Far East.

On the period front, it looks that a 58 could aspire towards $33,000/34,000 for 4/6 months basis Far East or closer to $35,000/36,000 if basis Pakistan.

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