CAPESIZE

Solid coal volumes, the main catalyst for last Friday's Pacific push, looked set to continue this week with cargo aplenty. C5 in comparison has been quieter but looked to be getting a little busier. Given the West Australia eta tonnage list tightening, the view from many $9+ will continue being on the cards. In the coming days, C3 & West Africa was slow on Friday with no action to speak, but that did not stop owners hoping the optimism from out East would filter across and bolsters rates there too. The absence of London in the market slowed FFA activity, but it was hard to find anyone not having a positive view for the coming days.

Tuesday looked set to be another busy day in the Pacific then with all 3 Miners out and the return of numerous operator stems to add into the mix. Last done a reported $9.25 with offers now starting at mid $9's and above. The coal story continued to play its part and many owners required even better bids as vessels were shifting back to their 'preferred' West Australia routes. C3 & West Africa was not active Monday and whilst May looked very finely balanced still, June was a bit unclear as to where the true value was. It was not been well offered thus far but the cargoes were starting to appear, thus players anticipated some more action there, as the week progressed. C5 was likely fix first and odds were that it would be higher than last done. After the long weekend in the UK, the week practically started on an upbeat note. This positivity continued the whole day, was also reflected in the paper market.

Atlantic was looking to be tightly supplied. Stronger fronthaul fixtures have been heard although details were lacking. Vale was linked with an 180,000-tonner for early June loading from Tubarao to China at $22.50, but confirmation was lacking.

A plethora of fresh inquiry from West Australia in Asia with all the majors active. Majors were active, firming rates. An undisclosed charterer took a 2007-built 175,874 dwt caper at $26,000 daily May 12-13 delivery CJK for an EC Australia round. On C5 Rio Tinto covered a May 23-25 stem from Dampier to Qingdao at $9.35 fio, having earlier done $9.00 for May 21-23. BHP also paid $9.30 for May 24 canceling ex Port Hedland and FMG was linked with a vessel for May 23-24 from Port Hedland also at $9.30. The charterer had also covered earlier a May 22-23 stem at $9.40 fio. Elsewhere it emerged that LSS had covered Friday last their May 21-27 coal loading from Taboneo to Mundra at $6.15.

The market continued its way up Wednesday in both basins together with a noticeable shift in sentiment on the paper.

In the Atlantic supply of tonnage remained tight, and stronger trans-Atlantic fixtures were concluded. A healthy flow of cargo from South Brazil supported the sentiment. Bunge covered their Guinea/China 1-6 June stem at $23.10 fio. On C3 Vale fixed their Tubarao/China end May C3 loading at $22.30 and Dreyfus their 30 May-4 June at $22.50 fio. In addition Trafigura covered their Sudeste/China end May stem in the low $22s.

A steady flow of fixing from West Australia with two of the three majors in the market, and rates nudging up accordingly. Bao-Island fixed a newcastlemax C5 24 May-2 June. The rate was not reported but it was below the $9.30 mark. Rio Tinto covered their Dampier/Qingdao 24-26 May at $9.40 fio. NSC awarded their 190,000/10 iron ore tender from Port Walcott to Japan at 9.80 fio.

On the period front it emerged that Smart Gain fixed a 2015-built 179,492 dwt vessel delivery Taicang 7 May for a period up to minimum 10 October/maximum 10 December 2024 at $21,250 daily.

On Thursday paper market continued to lose value and this was then reflected to the spot cape market which started sustaining pressure in all basins. BHP fixed c5 at $9.15 pmt and Rio

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Tinto at $9.10 pmt for end may loaders. C3 also started lacking momentum and Atlantic cape market started feeling quiet.

BCI lost 53 this week to 2,456 while the BCI 5TC period was down $440 standing on Friday at $20,367 daily.

PANAMAX

Previous week closed quietly in the Atlantic with prompt tonnage from the North focusing on fronthaul trips. Trans-Atlantic stems remained scarce for prompt dates, but some fresh June grains surfaced. Black Sea attracted tonnage from Muscat/India and East Med with owners able to secure rates well above market levels, however on Friday Ukraine, Russia, Turkey and the United Nations failed to authorize any new ships under a deal allowing safe Black Sea exports of grain from Ukraine. A few spot ships from the North Pacific commenced ballasting South over the weekend. In the South prompt ships struggled to secure employment as rates had dropped sharply. Unless demand picks up this week in the Pacific, vessel count which has exponentially increased in the basin will likely stress the market even further.

On Monday the absence of the Index and lack of information around the North Atlantic bids dropped further, with spot tonnage open since the end of last week attempting to find coverage on the start of this week. Fresh business was limited, with a few grains cargoes surfacing for early June mainly from NC & EC South America. In the South, ballasters were already discounting Friday's offers with the focus now on very late May/early June arrivals. It was too early to understand how the week would unroll, but for sure charterers held back as the number competing ballasters increased further. A 2006-built 76,598 dwt panamax was fixed retro-Singapore 27 April for an EC South America round voyage at $13,500 daily. Also, in the South a 2012-built 75,414 dwt panamax was taken delivery EC South America 21 May for a trip redelivery Singapore-Japan at $16,500 plus $650,000 ballast bonus.

Sentiment in the Pacific remained bearish across with limited fresh stems entering the market in the North. In the South, owners maintained their offers high as Australian demand kept the day going in the region. The FFA positive trades kept spirits high, but some physical demand was required in order to revive the market. Richland fixed a 2019-built 81,150 dwt kamsarmax Rizhao prompt for an Australia round trip at $12,500 daily, whilst a 2015-built 77,113 dwt vessel went to an unnamed charterer retro-Shanghai May 5 for a trip via Indonesia to India at $8,000 daily.

On Tuesday a 2011-built 98,681 dwt post panamax was rumored to have fixed retro-Danndong 1 May for a trip via EC Australia to South Korea at $11,000 daily. It further emerged that MOL took a 2015-built 82,072 dwt kamsarmax May 04 delivery Kashima for a NoPac round at $15,250 daily. A 2020-built 81,135 dwt scrubber-fitted vessel was fixed to an unnamed charterer May 12-15 delivery Kunsan for a trip via Australia to India at $14,000 daily with the scrubber benefit going to the charterers. Richland booked a 2019-built 81,150 dwt kamsarmax prompt Rizhao on a trip via Australia back to Singapore/Japan at $12,500 daily. Earlier a 2015-built 77,113 dwt vessel was fixed May 05 delivery retro-Shanghai on a trip via Indonesia to India at $8,000 daily. Some vovage fixtures emerged. RINL awarded their coal tender from Gladstone to Gangavaram for 20-29 May at $17.60 fio and SAIL their Haypoint/ Visakhapatnam 1-10 June at $16.25. In addition SMEL covered their Richards Bay/ Paradip 1-10 June coal loading at $14.25 fio basis no address commission. Period trading linked Aquavita to a 2013-built 87,146 dwt vessel May 5-13 delivery Qinhuangdao for 14-16 months trading at $12,250 daily.

Wednesday in the North Atlantic fresh business revived activity in the region, however bids did not improve significantly despite owner’s strong resistance. In the South, the push of the FFA's created the expectation that

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the balance may be tipped, with many ballasters unwilling to drop their offers. Early June stems were in the spotlight, with end May arrivals trying to secure employment on the few remaining stems for their dates.

In the Pacific, with the lack of cargo from the North, competition increased in the basin. Despite improving demand from Indonesia and Australia, rates remained suppressed due to the surplus of vessels. Tonnage from the South was willing to ballast towards EC South America as rates improved, while more period interest surfaced, but with the bid/offer gap still remaining wide.

On Thursday the North Atlantic suffered further losses, with P1A printing lower at $11,605 ($210). With fresh business still scarce in the North, charterers sharpened their bids further. Further South, we noted offers on Bki type for t/a ranged at $24/$25k vs charterers bidding at $20/21k for a round trip back to Skaw/Gib. For f/haul we heard throughout the day vessels failing, and owners quickly revising their offers in order to find coverage before the weekend. A 81dwt/12 blt fixed aps ECSA $16,500 + $650k gbb for a trip back to Spore/Japan range, while a 75dwt/11blt was rumored to have traded at aps ECSA $14,900 + $490k gbb for the same round but for end May arrival.

Over in the Pacific, with the derivatives market crushing down, the bid/offer gap became wider as tonnage across the basin competed against each other for the same Indonesian and Aussie stems. Prompt ships looking to cover today were forced to take some waiting time as most spot cargoes have been fixed. A 80dwt/11 blt from Seasia fixed at $8,500 for Indo/India, while an 83dwt/13blt from mid-China fixed for Aussie back to China in the mid $10s. Many ships will have to decide if they will remain idle in the Pacific or ballast towards the Atlantic was the market also remains under pressure.

The week ends with a negative tone, as FFAs dropped further and activity remaining scant across both basins. Bids for t/a from the North Atlantic remained sharp, with owners still unwilling to discount their numbers at the end of this week. We noted some grain stems discussed for early June, with an 81dwt/17 blt concluding from Gib at $12k. An Ime traded for t/a basis Gib/Gib at $9k vs owners offer at $11k, while a 81dwt/18blt from the Cont traded at $22k for a f/haul trip without any further details surfacing. Charterers soft peddled in the South with some end May ballasters dropping offers further in order to find coverage. An 81dwt/13blt fixed aps ECSA $17,000 + $700gbb for a trip with grains to Spore/Japan.
Charterers bided below P6 $14,105 (-$377), with an 82dwt/16blt offering $15k from Singapore vs charterers bid at $13,500. The market is in need of fresh demand in order to counterbalance the long list of ballasters.

A very quiet end to the week in the Pacific, with minimal action in the Nopac were we noted ships were ready to ballast South over the weekend. Some sparse activity in the South Pacific, with reports of an 82dwt/11 blt from Seasia trading at $8k for Indo/India, while an 81dwt/12blt from Taiwan covered at $9500 for Indo/China. Australian demand still looked healthy at the end of this week, but with the tonnage oversupply charterers were able to drop their bids lower. We heard 83dwt/11 blt from N.China fixed at $8,500 for an Aussie/China run, but little else emerged.

SUPRAMAX – HANDYMAX - HANDYSIZE

EAST COAST SOUTH AMERICA / WEST AFRICA

Dull sentiment with downward tendency in the Atlantic throughout the week with little fresh information surfaced. More specifically, supramaxes in ECSA could get high 10's for trips to Med/Continent range with same route paying very low 20ies for Ultramaxes. Fronthauls to Singapore/Japan were paying Supramaxes around $15.000 + $500.000 gbb

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basis ECSA delivery and slightly more for ultramaxes. Trips via West Africa to Continent were paying low/mid 10ies for supramaxes and slightly more for Ultramaxes, while trips to NCSA were paying low 10ies. Handies in ECSA were around mid-10's for trips to west med/continent range, while front hauls to Far East were paying mid/high teens.

MEDITERRANEAN/ CONTINENT / BLACK SEA

This week was quite lackluster in the Atlantic and especially at continent and Mediterranean with fixtures reported at lower levels than the last dones.
Continent lacked of fresh enquiries with the exception of scrap cargoes to Mediterranean which currently paying close to $14,000 on a supramax. Fronthaul trips with clean cargo paying around mid/high-teens levels sub to vessel. On the handy segment, prompt grain cargoes are limited with the last done to be fixed at very low teens. The few petcock runs to PG/India direction have been discussed at $13,000, similar to grain runs to West Africa. Lastly, scrap runs to Mediterranean were paying around $12,000 on a handy.
Activity at Mediterranean also slowed down which the list of prompt tonnage is increasing and rates and are pushed downwards. Clinker runs to West Africa were paying mid-teens levels same with backhaul trips to USG/USEC range. Furthermore, fronthaul trips were traded at high-teens levels and inter-med runs at low/mid-teens. On the handy segment, 37k dwt vessel open at West Mediterranean was rumored fixed at $12,000 for a short inter-med trip with petcoke while grain runs ex Black Sea paying low-teens nowadays even not many of those are there to be seen. In general, West Mediterranean is dry of prompt possibilities and spot/prompt vessels have hard time to secure employment, for instance we heard fertilizers cargo to ECSA was covered around $7,000 and trips to South Africa were traded around $10,000 on a 32k tonner.

FAR EAST/ INDIA

(**Below info on the basis of an average 58k dwt vessel - basis our views/feeling/information on the market)
Week began on a positive tone, in line with most players' high expectations, however as we drew closer to the week activity has been getting slower again and flow of fresh cargo quieter. An eco58 could fix around $12,000/12,500 basis Philippines for a coal shipment to India while Australia rounds have been paying closer to $9,750/10,250 basis CJK, subject to the cargo/duration and redelivery. Aggregates via Persian Gulf to Bangladesh have been paying around $17,500 basis Fujairah while levels via South Africa have still been fluctuating around $17,000 plus $17,000 passing Durban for ores to Far East or closer to $16,000 plus $160,000 afsps Richards Bay for coal to India. On the period front, levels got slightly corrected upwards and a 58 could get fixed at around $13,500/14,000 basis Far East delivery for 4/6 months or closer to $15,000/15,500 if basis Persian Gulf, subject to the flexibility offered and vessel's actual design.

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