CAPESIZE

Previous week may have started off slowly and at a subdued pace, but it quickly gained some traction and witnessed an increase in activity in both the Atlantic and the Pacific. Despite holidays in China and Hong Kong trading improved and rates ticked up with a 25 percent gain across both basins.

Although market conditions seemed to support a strong start to the new week, rates appeared to have come off last dones on Monday. There were at least two ore majors in the market from Australia and a few tender cargoes along with some operator requirements emerging, indicating a rather active start to the week. The index was marked marginally lower, led predominantly by a softening C5 market, but the sheer volume of cargo in both basins suggested that the market remained fundamentally underpinned with cautious optimism under the surface. Demand/Supply balance softened owing to an increase in vessel supply. Low levels of congestion in both mainland China and EC South America, competition with panamaxes for coal cargo stems along with slower than expected mainland China economic recovery were limiting the upside potentials.

Atlantic finished previous Friday on a positive trajectory and the prevailing tight market conditions suggested the trend was likely to continue. MOL fixed their Itaguai/Isdemir 12-21 July but further details did not come to light. Earlier CSN covered their Itaguai/Qingdao July 14/onwards loading at $21.90 followed by a 19-21 July at $21.95 fio.

In the Pacific it also emerged from Friday last that Bao Island fixed a vessel for their July 1-3 C5 loading at a sharply lower $8.30.

Like the physical market, the paper started the week in a steady manner with the July and q34 contracts easing a touch. July was discounted to the spot market however with some better, but thus far unconfirmed fixtures rumoured ex Brazil it was interesting to see how the paper would develop.

Tuesday despite the presence of two out of the three majors in the market the Pacific experienced increased pressure, leading to further decline in rates. In a similar vein, the Atlantic market faced pressure as sentiment especially from Brazil and West Africa had shifted resulting in a softening in rates.

Atlantic was for sure a declining market with few details of concluded business heard. EC South America & West Africa trades faced easier rates, leaving little positive overall. A vessel with eta Tubarao 24-25 July was fixed at $21.85 fio basis C3 terms and Rio Tinto covered their bauxite loading from Kamsar to China on 19-23 June at $20.30 fio.

In Asia, Panocean fixed a 2011-built 180,247 dwt caper basis delivery Huanghua 22 June for an Australia round voyage, further details did not emerge.

An utterly miserable day for the paper despite healthy cargo volumes in both basins. The 5 T/C was marked down by almost 7 percent as both the C5 and C3 came under pressure. An already backward curve saw rates drop further as good volume changed hands with the market trending lower throughout the day with little respite for the bulls. Congestion appeared to be building in China which may have an impact in the coming weeks but so far, the very short term outlook did not look overly promising for the big ships. Capes have a habit of surprising us so we should keep a very close eye on it.

The Pacific experienced a relatively calm Wednesday with minimal activity leading up to the upcoming holiday in Singapore. Nevertheless, there were indications the market attaining a certain level of stability. In spite of a

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significant surge in activity observed overnight, with rumours of a major fixing five to six ships, the market sentiment turned negative, resulting in further easing of rates. Moreover, the growing number of ships in ballast exacerbated the downward pressure on the market.

Trading in the Atlantic had been slow to emerge, with additional pressure on rates as ballast counts continued to rise. Vale covered their July 20 canceling C3 loading from Tubarao to Qingdao at $20.25 fio and Trafigura was rumoured to have taken a newcastlemax at $20.50 basis 12 July canceling from Sudeste to Qingdao.

Very little concluded business was heard done in the East, with rates trending sideways on the lack of direction. The upcoming holiday in Singapore was already slowing the activity. Deyesion fixed a 2004-built 171,015 dwt vessel June 29 delivery Fangcheng for an EC Australia round at $15,500 daily and LSS covered their July 06-11 coal loading from Indonesia to India at $5.75 fio.

The cape index was brutal again. Despite the clear out of tonnage in the Atlantic, rates still softened and although the paper lost further ground, it felt as though a bottom had been found.

As anticipated, the holiday in Singapore Thursday led to an exceptionally quiet day, with minimal noteworthy activity. Nevertheless, by the end of the day, rumours started circulating about concluded fixtures on C5 that surpassed index levels, indicating potentially stronger rates.

In the Atlantic, ST Shipping was reported to have covered a Bolivar/Iskenderun shipment at $11.25 but full details failed to emerge. Furthermore a vessel with eta Tubarao 26 July was rumoured to have fixed in the high $21s but again further details were lacking. In addition Pacific Bulk fixed a vessel for their July 15-24 coal stem from Norfolk to Zhoushan at $35.25 fio and IMR covered their Saldanha Bay/China 18-20 July stem at around $16.20.

In Asia there was talk that the key C5 W.Australia/Qingdao route was seeing some fixtures at better than last done. KLC reportedly agreed $8.75 for 14-16 July, although full details were not reported.

As we approached the end of June, the market sentiment despite the downward trend, was optimistic for the capes. Entering the manufacturing season in China always brings an increase of the iron ore shipments from Brazil and Australia and consequently a healthier outlook for the segment. From the Atlantic Rio Tinto covered their 15-25 July Newcastlemax loading from Seven Islands to China at $24.00 fio.

In Asia, Ningbo Marine awarded their 15-24 July coal tender from Newcastle to Liuheng at $11.50 fio basis 1.25% total.

The BCI plunged this week 371 to 1,704, while the BCI 5TC collapsed losing $3,076 standing on Friday at $14,133 daily. Sentiment the whole week remained dull and flowed over all routes as rates buckled.

PANAMAX

Previous week was disappointing for the segment with red ink encompassing the indices. The market lacked any real impetus and the gradual decline in the FFAs further curtailed activity. Friday was a muted day in the Atlantic, with more tonnage pilling up in the North for next week, as demand had flattened. It remained to be seen post-holiday, if fresh demand would be able to absorb the growing ballaster list. Pacific was also quiet with the holidays in China and Hong Kong keeping the market idle. All the participants seemed to be on a stand-by mode waiting to see if the upcoming week could bring any change in the market's direction, which seemed impossible without any fresh cargo enquiry to reduce the tonnage building up.

Week 26 opened with a typical Monday's understated fashion and little reported done. Charterers took the bit between their teeth indicating lower rates, which eventually proved a successful move.

A quiet start in the North Atlantic with a volume of prompt tonnage remaining unfixed and fresh business still very limited. Further

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South charterers were testing the waters for mid/end July with bids sub P6. Reported fixtures linked Cargill to a 2017-built 81,947 dwt vessel July 04 delivery NC South America for a trip to Singapore-Japan at $15,650 daily plus a ballast bonus of $565,000 and Comerge to a 2017-built 81,670 dwt kamsarmax June 15 delivery retro-sailing Singapore for an EC South America round at $14,000 daily. On the same run an unnamed charterer fixed a 2011-built 74,916 dwt
panamax retro-sailing Krishnapatnam 16 June at $11,000 daily redelivery Southeast Asia with a Singapore-Japan option at $11,500.

Monday we saw some fresh demand across the Pacific, but as bids were close or below last dones, some owners were unwilling to commit whilst others elected to go the other way. Klaveness fixed a 2019-built 82,032 dwt kamsarmax July 10-15 Kohsichang on a trip via Kwinana to Indonesia at $10,000 daily and Multimax was linked to a 2006-built 77,430 dwt vessel June 29 CJK for a trip via Indonesia to South China at $8,500 daily. Elsewhere Tata NYK agreed $12,250 daily plus a $220,000 ballast bonus with a 2011-built 80,655 dwt kamsarmax July 10-19 delivery South Africa for a trip to India. On voyage KEPCO awarded their July 1-7 Tarakan/Taean coal tender at $6.89 fio.

Paper drifted in the morning session on relatively thin volume. Post index the nearby initially dipped
further before finding a floor and maintained support at the lower end of the day's range into the close.

A further slow-paced Tuesday with little emanating. Atlantic continued to drift lower. Only EC South America was active but with tonnage count building, a sizeable reduction in owners offers became apparent as charterers maintained the upper hand. Asia again impacted by minimal fresh demand and a burgeoning tonnage list saw a further correction in rates, despite better mineral demand seen ex Indonesia and Australia, as substantially more was needed to see to bring a sign of a turn around in fortunes.

Rates continued their fall in the Atlantic. Some fresh inquiry out of EC South America was not sufficient to absorb all the available tonnage. North Atlantic was static with limited business entering the market, hence more prompt vessels were under pressure to fix. Reported fixtures linked Mercuria to a 2016-built 84,806 dwt kamsarmax July 23-24 Rotterdam for a trip via NC South America to Singapore/Japan at $17,250 daily. The charterer of a 2012-built 75,043 dwt panamax was not identified, but reportedly agreed a good $15,400 daily plus a $540,000 ballast bonus June 29-30 delivery Paranagua for a trip to the east, whilst it emerged that CofcoAgri fixed a 2014-built 82,629 dwt kamsarmax July 6-8 delivery EC South America at $15,300 daily plus a ballast bonus of $530,000. Transatlantic business saw Bunge fixing a 2020-built 81,878 dwt scrubber-fitted vessel Salvador 7 July for a trip to Skaw-Gibraltar at $16,000 daily.

There was a notable improvement in the number of fresh stems across the Pacific with Australia and
Indonesia keeping the spot market alive, despite the poor performance of the FFA's. The bid/offer gap seemed to be narrowing, as charterers were willing to bid up prompt vessels for mineral and grain stems ex Australia, from where fixtures included an undisclosed charterer taking a 2023-built 84,740 dwt kamsarmax delivery 21 July Shanhaiguan for a trip with grains redelivery in the Arabian Gulf at $11,000 daily. Unnamed was also the charterer of a 2021-built 82,426 dwt scrubber-fitted vessel who fixed hat agreed $10,250 daily June 29 delivery Busan on a trip via North China at $10,250 daily. On the same run a 2022-built 84,616 dwt kamsarmax was reported fixed June 28 delivery Jinzhou also at $10,250 daily. Indonesia business heard an unnamed charterer fixing a 2009-built 93,251 dwt post panamax prompt delivery Philippines on a trip to South China at $9,500 daily and a 2011-built 93,183 dwt similar vessel prompt Taiwan for a trip to the Philippines at $8,000 daily. Voyage business reported SAIL's July 20-29 EC Australia/Visakhapatnam coal tender was awarded at a weaker $14.80 fio.

Panamax paper opened the day better offered and continued to come under pressure throughout the morning session. Post index the tone remained the same with support levels tested before finding a floor towards the close. 2023 contracts closed -$650 average, Cal24 and Cal25 -$300 and -$75 respectively with size trading throughout the day.

Panamax trading proved stagnant Wednesday, with index routes easing across the board. Rates in the Atlantic continued to fall as fresh inquiry was still lacking. In the Pacific with more holidays approaching very little inquiry or fixing heard.

Midweek, the North Atlantic remained quiet with ships once again having to discount to find coverage. From EC South America charterers soft peddled as P6 moved further down. The focus was slowly shifting towards end July, with early August arrivals being tested. Olam was rumoured fixing a 2017-built 81,630 dwt kamsarmax delivery NC South America prompt for a trip to Skaw-Spain at a "lowish" $13,500 daily and on voyage Viterra was heard covering a July 10-15 Itaqui to China grain cargo at a rate below $35.00 but full details or confirmation in both cases did not come through.

Wednesday proved a very quiet day across the Pacific region in view of the upcoming holidays. Coverage of Tuesday's instantaneous infusion of the few fresh stems resulted to minimal exchanges and further softened rates, whilst the volume of prompt tonnage remained high. The market was purely centered to coal shipments ex Indonesia. Panocean fixed a 2013-built 81,086 dwt kamsarmax Taichung spot on a trip via Indonesia to South Korea at $9,500 daily, Daewoo was linked to a 2014-built 95,444 dwt scrubber-fitted post panamax prompt Hsinta for a trip to Taiwan at $9,250 daily, Mingwah fixed a 2014-built 75,378 dwt panamax July 01 Xiamen for a trip to South China at $9,000 daily and finally a 2014-built 75,491 dwt panamax went to an undisclosed charterer 28 June delivery Mauban for a trip to South China at $11,250 daily. Elsewhere on voyage, SAIL awarded their July 20-29 coal tender from Gladstone to Visakhapatnam at a lower $14.40 fio.

Panamax paper saw offers from the open and came under pressure throughout the morning session, particularly on the nearby contracts, with size trading. Post index rates continued to drift before finding a floor & closing with support at the days lows.

Unsurprisingly Thursday's trading was limited as more holidays and the lack of fresh inquiry kept the market down. From the Atlantic, current tonnage lists and a steady stream of ballasters gave no hope of recovery in the face of limited cargoes. Indonesia continued to provide the only bright spot in the East, but fresh inquiry was quickly covered and failed to impact rates given the lengthy tonnage lists available.

In the Atlantic the market was still under pressure in the North with spot tonnage forced to discount before the week comes to an end. Koch Trading fixed a 2010-built 79,775 dwt kamsarmax July 15- 20 delivery EC South America for a trip to Singapore/Japan at $14,150 daily plus a $415,000 ballast bonus.

As anticipated with Thursday's holidays, the Pacific felt dull, with limited exchanges throughout the basin. In the North overall action remained very limited. A 2021-built 86,417 dwt vessel went at $10,250 daily to an undisclosed charterer July 02-03 delivery Fukuyama on a trans-Pacific round trip redelivery Singapore-Japan. In the South, the majority of mineral prompt demand had been covered, but it was evident that spot vessels were ready to discount in order to find coverage. Tongli agreed $11,500 daily with a 2023-built 82,245 dwt kamsarmax July 01 delivery Hong Kong on a trip via Australia to South China and Propel Shipping booked a 2013-built 83,975 dwt kamsarmax June 29-30 delivery Paradip for a coastal trip to WC India at $10,850 daily. Voyage business reported Wellhunt covered their July 25-29 coal loading from Port Kembla to Hon Mieu at $14.50 fio.

The approach to the weekend brought some relief in the Atlantic. More concluded business was heard with rates trending upwards. Bunge fixed a 2021-built 82,110 dwt scrubber-fitted kamsarmax delivery EC South America 1-5 August for a trip to Singapore/Japan at $16,500 daily plus $650,000 ballast bonus. Cargill booked a 2014-built 81,817 dwt scrubber-fitted vessel delivery North France 8 July for trip to the east at $17,000 daily, followed by a 2012-built 82,250 scrubber-fitted kamsarmax Imjuiden 28 June for a trip via NC South America at $17,000 daily. In all three fixtures the scrubber benefit will be to the charterers account. Cargill was also linked to a 2012-built 81,850 dwt kamsarmax delivery EC South America 12 July at $14,500 daily plus $450,000 ballast bonus and another 2011-built 82,177 dwt kamsarmax June 22 delivery retro-sailing Kandla at $12,250 daily. In addition on the same run a 2013-built 81,641 dwt vessel went to an undisclosed charterer delivery EC South America 15-20 July at $14,500 daily plus $450,000 ballast bonus.

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On the contrary very little was heard in the Pacific. Unnamed charterers reportedly fixed a 2012-built 82,122 dwt kamsarmax CJK 5-10 July for an Australia round voyage at $8,500 daily.

A really tough week came to its end with a slightly optimistic tone for the coming week shyly emerging...

SUPRAMAX – HANDYMAX - HANDYSIZE

EAST COAST SOUTH AMERICA / WEST AFRICA

Atlantic Basin maintained a dull tendency throughout the week with little fresh information surfaced. More specifically, supramaxes in ECSA could get low/mid 10ies for trips to Med/Continent range while Ultramaxes for same route were getting payed slightly more. Fronthauls to Singapore/Japan were paying Supramaxes around $14.500 plus $450.000 gbb basis ECSA delivery and slightly more for ultramaxes whilst trips to USG were around mid/high 10ies. Trips via West Africa to Continent were paying low 10ies for supramaxes, while trips to India/China range were paying around low/mid 10ies.

MEDITERRANEAN/ CONTINENT / BLACK SEA

With the major shipping event happening here in Greece this week, market could be described as sluggish with little activity coming to light from Continent/Mediterranean range.
From Continent, minimal activity came into light with levels discussed close to the last dones. Supramaxes were fixed at $7/8,000 for scrap runs to Mediterranean while backhaul trips to ECSA were traded at $6/7,000. Furthermore, handies fixed at $5/6,000 for grains trip to Mediterranean similar levels to backhaul trips. Also, we heard a 32,000 dwt was fixed ex Bremen to Houston for trip with timber to USEC.

Mediterranean's' activity was also limited this week with vessels starting to pile up again. Clinker runs to West Africa were discussed at $9/10,000 on Supramaxes while backhaul trips were traded at 7/8,000. We heard also a 57,000 dwt was fixed for a trip with grains to China at $11,000 with Black Sea loading. On handies, grain runs ex Black sea have been fixed at $6/7,000 levels this week, whilst trips to USG with cement were traded at $7,000. At West Mediterranean the cargo count was minimal and as a result vessels had to ballast towards either black sea or ECSA in order to find employment.

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 slightly recovered this week, definitely with much room for improvement though. A 58 could aspire towards $9,000/9,500 levels basis Philippines for a coal shipment back to India while Australia rounds have been moving closer to $8,000/8,500 levels basis CJK, subject to the cargo/duration and actual destination. Market’s shape in Persian Gulf remained almost unchanged, and levels have still been fluctuating around $11,500/12,500 basis Mina Saqr delivery for an aggregates shipment to Bangladesh while levels via South Africa slightly corrected upwards and a 58 could achieve around $15,000 plus $170,000 passing Durban for ores to Far East or closer to $14,000 plus $150,000 aps Richards Bay for coal to full India. ON the period front, a 58 could be fixed around $11,000/11,500 basis Far East delivery for 4/6 months duration, depending on actual vessel’s design and flexibility offered of course.

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