CAPESIZE

Previous week was challenging for the miners in the Pacific, as North China's ports faced closures due to adverse weather conditions. As we approached the end of the week, although activity had slightly diminished, the steadfastness of C5 levels remained resilient. In contrast, in the Atlantic activity was sluggish with the bid/offer gaps widening resulting to weaker fronthaul fixtures from South Brazil and West Africa.

This week opened with Atlantic rates trending sideways/ downwards in very light trading. Charterers having covered their prompt requirements had taken a step back from the market. With the Christmas holiday at the end of the week, very little was expected to change.

In the Pacific, all three majors were present in the market for tonnage, which should have given a lift to the rates. However, with fresh inquiry dates for early-to-mid-January, rates were actually lower on the longer tonnage counts. Coal cargoes from EC Australia were very limited, adding to the pressure on rates as tonnage became more abundant in the region.

On C5 Rio Tinto fixed two vessels for the January 01-03 window from Dampier to Qingdao at $14.50 and $14.25 and BHP Billiton covered a January 02-04 stem from Port Hedland at $14.00 fio. Elsewhere Nayara Energy booked a vessel for their December 24-28 Taboneo/Salaya coal loading at $12.00 fio.

Tuesday was another day of poor performance for the sector as rates fell on the key routes.

The Atlantic market remained lackluster, with minimal discussions and an overall subdued sentiment.

The Pacific saw again all three major players from West Australia in the market, but despite their presence C5 rates continued to decline for January loaders. Nevertheless, there were reports of fixtures securing a premium to the index for earlier arrivals. FMG covered their Port Hedland/Qingdao 01-03 January loading at $14.40, whilst Rio Tinto fixed two vessels ex Dampier; one for January 03-05 at $13.80 and the other for January 02-04 at $13.35. In addition BHP Billiton covered their 04-06 January loading ex Port Hedland at $13.60.

A slight improvement in sentiment Wednesday, with fresh fronthaul inquiry from Brazil and West Africa. North Atlantic also improved, and combined with shorter tonnage counts, brought some hope for the start of the New Year. In the East rates continued their downward spiral. Majors' activity failed to assist and the sentiment remained bearish as tonnage lists were still growing and coal cargoes from Indonesia and Australia were slow to emerge, adding to the pressure.

In the Atlantic, Cargill covered a January 03-12 loading from Port Cartier to Qingdao at $35.50 fio.

In the Pacific C5 trading reported FMG covered their January 03-05 Port Hedland/Qingdao loading at $12.70, whilst BHP Billiton fixed two vessels for January 06-08 from Port Hedland at $12.50 and an unnamed charterer covered a January 03-05 ex Dampier at $12.80.

Thursday sentiment was again negative. Atlantic saw additional fresh inquiry; however owners did not manage to bolster the rates. Spot vessels were the only ones achieving a premium. Reports of concluded business in East were limited, despite the presence of two majors. The luck of any significant coal business from Indonesia and Australia kept the pressure on rates.

Atlantic C3 trading heard that a vessel fixed an undisclosed charterer for January 05-10 loading from Tubarao to Qingdao at $25.00 fio, whilst Oldendorff covered a January 10/ onwards loading with a West Africa option at

Carriers Chartering Corp. S.A.
Kaplanon 7 & Massalias Street, 106 80 Athens, Greece | Telephone: +30-210 3668700
Email Address: capespmx@carriers.gr, handy@carriers.gr, snp@carriers.gr
www.carrierschartering.gr

$24.50 and Swissmarine a January 07-16 190,000 lot at $23.25. On C17 Ore&Metal agreed $18.25 for their January 08-12 loading from Saldanha Bay to Qingdao and Anglo American $18.10 for January 10-13.

On the C5 in the Pacific, FMG covered their January 03-04 stem from Port Hedland to Qingdao at $11.90 and Rio Tinto a January 06-08 from Dampier at $11.65 fio.

As expected the approach of the weekend was very quiet as Friday Christmas market participants had better choices than fixing ships.

In the Atlantic Vale covered a Tubarao/ Misurata January 05-14 loading in the low $19.00s, and Allianz their Richards Bay/Dhamra January 10-19 coal stem in the mid/low $13.00s

In the Pacific FMG fixed a vessel for their Port Hedland/Qingdao 04-05 January loading at $11.65. In addition Ningbo Marine awarded their Newcastle/ Putian January 10-19 coal tender at $14.75 less 1.25% commissions to Richland, who in turn fixed a 2004-built 171,015 dwt vessel Weihai December 24 at $19,500 daily. Finally Vale covered their TRMT/Son Duong 02-04 January stem at $6.75 fio.

One more week with the Baltic Cape Index experiencing losses. BCI dipped 538 to 3,936 and BCI 5TC average plunged $4,462 standing this Friday at $28,177 daily.

In the third week of December, sentiment in the market for the larger vessels was weakening further. There has been a notable increase in tonne days from Brazil to China, contrasting with the market price decline. Despite a rise in ballasters for Capesize vessels in South East Asia compared to recent lows, activity remained subdued, probably suggesting potential rate stabilization through the month's end.

PANAMAX

Previous week ended quietly in the North Atlantic, with owners unwilling to discount on a Friday. There were some bids on prompt positions, but little was concluded as bids remained close to last done levels. In the South, first half January tonnage supply remained tight and despite charterers improved their bids, the bid/offer gap was still wide with the owners unwilling to discount. In the Pacific the FFA gains provided further insensitive for charterers to pick up period tonnage, however, as offers remained high and with the spot market still under pressure, some hesitated to commit tonnage at the end of the week. Activity was minimal on spot trades with players stepping back. Tonnage oversupply was hard to accommodate throughout the week, and the market was in much need of fresh cargo injection to recover. Activity ex NoPac and Australia was minimal with only Indonesia providing some energy. Demand ex EC South America could be crucial as more ships may be drawn towards the Atlantic.

Trading opened this last week before the holidays on a very quiet note. Despite the luck of reported fixtures Atlantic was being talked positively, and charterers appeared willing to pay up for cargoes loading through January 10. Little emerged from the Pacific with anticipations of a retraction in rates as tonnage counts raised and the holiday’s impact demand. Some period deals were also heard.

North Atlantic prompt demand was steady but as owners maintained their offers high, charterers remained in a collecting mood mainly for fresh trans-Atlantic trips.

In the South activity was slow in the beginning but picked up later on in the day with several candidates trading for mid-end Jan laydays. A 2008-built 82,331 dwt kamsarmax went to undisclosed charterers December 25 delivery retro-Haldia on a trip via EC South America to Southeast Asia at $15,750 daily. Earlier a 2015-built 81,565 dwt vessel was also gone to unnamed charterers December 12 delivery retro-Tuticorin on a similar trip redelivery Singapore-Japan at $17,500. Elsewhere, Cobelfret was linked to a 2023-built 82,328 dwt kamsarmax December 16-18 Wilhelmshaven for a trip via Gdynia to Algeria at $24,500 daily.

A slow start in Asia with minimal news emerging, but being a Monday it was too soon to call the market. A slight improvement in NoPac demand, with owners adamantly not reducing their rats, whilst charterers were biding once again close to last done levels. Cargo flow ex Indonesia and Australia improved slightly but with both sides not in rush to conclude, the bid/offer gap remained wide. The basin started off the week on a flat tone, however, with the FFA curve further improving and with an injection of some fresh demand we could eventually see sentiment turning positive.

On the period front Cargill fixed a 2019-built 81,028 unit December 21 Qinzhou for 1-years trading at $16,000 daily and ADMI took a 2021-built 80,916 dwt kamsarmax open Japan end December for 5-7 months at $15,500.

Atlantic trading provided a mixed picture Tuesday. Despite shorter tonnage counts, rates eased on the lack of fresh inquiry however the tonnage count remained slim especially on the nearby position hence some owners with early tonnage appeared to be holding firm in the hope of "catching" someone with tight cancelling prior holidays. In the Pacific, owners found some comfort in an uptick of inquiry, with Australian and NoPac interest helping lift rates somewhat, but sentiment remained poor for more forward dates.

A slower Tuesday in the North Atlantic, with reduced activity throughout the day with prompt ships having to lower their offers in order to cover. In the South several exchanges took place during the day, but as quite a few owners still resisted lower bids, the bid/offer gap remained wide. Mercuria fixed a 2023- built 82,773 dwt kamsarmax December 18 Singapore for a trip via EC South America option NC South America or US Gulf to Singapore-Japan at $19,000 daily. On the same run the charterer also took a 2012-built 82,177 dwt vessel 13 December delivery retro-Gopalpur at $18,500 and a 2012-built 81,504 dwt kamsarmax December 15-18 Krishnapatnam at $16,000. In addition Koch Trading was linked with a 2009-built 75,539 dwt panamax December 17 retro-sailing Haldia at $14,000 daily. On voyage SAIL awarded their January 21-30 coal tender from Newport News to Visakhapatnam coal tender at $43.20 fio.

In Asia, the day was marked by owners' interest on securing employment before the festive season begins, despite the FFA's downward trend. In the North, cargoes and activity improved slightly yet remained very low and close to last done levels. In the South the day began with uplift in the market's momentum accompanied with increased activity levels, however, as the day progressed and derivative values dropped, we saw a slowdown in pace with charterers reluctant to bid. Pacific fixtures linked Cargill with a 2019-built 82,039 dwt kamsarmax prompt CJK for a NoPac round at $15,000 daily. Cambrian Bulk fixed a 2013-built 81,602 dwt vessel December 19-24 Japan on a trip via Newcastle to South China at $13,500. Ex Indonesia, a 2014-built 75,411 dwt panamax was fixed December 21-24 delivery Hong Kong for a trip to South China $13,250 daily, D'Amico booked a 2014-built 77,239 dwt vessel December 19-21 Campha for a trip to the Philippines at $12,500 and a 2005-built 74,143 dwt panamax December 17-20 Manila for a trip to South China at $14,000. Also a 2002-built 74,475 dwt vessel went to undisclosed charterers December 23-24 Hong Kong also to South China at $11,000 daily. On voyage, SAIL awarded their January 15-24 Hay Point/Visakhapatnam coal tender at $17.45 fio and their December 23-01 January limestone tender from Mina Saqr to Visakhapatnam at $13.80.

Period business heard a 2019-built 81,788 dwt kamsarmax fixed an undisclosed charterer December 27 delivery Dangjin on 11-13 months trading at $17,250 daily.

Coming to midweek the general the holiday feel continued, though some signs of life appeared. Tuesday the FFA market was shown with red again, perhaps reflecting mixed sentiments from the participants. Most charterers with some time in their hands were still resistant to bid up and the bid/offer spread did not improve as most owners were reluctant to come down.

It remained to be seen whether by the end of the week a floor could be found or if the rates would keep on sliding. Although there were reports of fresh inquiry in the Atlantic Wednesday, concluded business failed to mitigate the recent drop in rates which trended sideways, although fronthaul numbers were showing some signs of improvement. Very little emerged in the Pacific, with rates easing in slow trading. The advent of holidays in the West had already taken a bite out of the market and rates eased on the lack of interest.

Another slow day in the North Atlantic with little reported throughout the Wednesday. Owners with prompt positions had to lower their offers to find coverage prior to the holidays. In the South, several exchanges took place, with some charterers prepared to improve their bids in order to secure candidates for their mid-January stems. TataNYK fixed a 2017-built 81,588 dwt kamsarmax December 22-24 Hamburg on a trip via the US East Coast & India redelivery Cape of Good Hope at $22,000 daily, and Koch Trading booked a 2009-built 75,539 dwt panamax December 17 delivery retro-Haldia for a trip via EC South America to Singapore-Japan at $14,000.

Overall, action in the Pacific slowed down and exchanges lacked volume, except for those with prompt positions who were keen to bridge the gap in order to cover. In the North, more candidates entered the market and despite a fresh injection of cargoes, charterers were able to secure ships at below last done levels. Demand from the South remained static with rates for Indonesia rounds slightly declining, while Australian demand appeared slower. More owners were looking to cover on period, with charterers prepared to trade around the FFA curve levels. Sentiment in the Pacific remained very flat. Jera Trading fixed a 2016-built 84,947 dwt vessel December 22-24 Lianyungang on a trip via Australia to Japan at $18,000 daily, whilst Cargill was linked with a 2019-built 82,039 dwt kamsarmax prompt CJK for a NoPac round at $15,000. On voyage SAIL awarded their January 15-24 Dalrymple Bay/Visakhapatnam coal tender at $16.65 fio and a January 01-10 limestone tender from Mina Saqr to Visakhapatnam at $14.10.

Thursday was practically the last full day of trading, and with most looking towards the holiday period it was a typically lackluster day. Some late trading occurred, with EC South America and NoPac rounds reported fixed, while more period business emerged.

In the North Atlantic trans-Atlantic demand was hardly replenished vs an active morning for fronthaul trips with some owners able to achieve over last done levels. Picture in the South Atlantic was similar to Wednesday, with charterers looking to cover mid/end January stems just before the festive season begins, hence the increased fixing activity. A 2022-built 81,974 dwt kamsarmax went to unnamed charterers December 23 Jorf Lasfar on a trip via EC South America back to Skaw-Gibraltar at $23,250 daily. Fronthaul business linked Langlois with a 2016- built 81,765 dwt kamsarmax December 16 retro-Haldia on a trip via EC South America to Singapore/Japan at $17,500 daily, Louis Dreyfus with a 2019-built 85,123 dwt kamsarmax December 06 retro-Dahej at $17,000, Bunge with a 2012-built 81,480 dwt vessel December 17 retro-Singapore at $16,000, Trafigura with a 2012-built 75,854 dwt panamax December 22-24 at $15,000 and Norden with a 2011-built 75,617 dwt vessel December 13 retro-Singapore at $14,000 daily.

In the East with some demand ex NoPac covered earlier on this week, owners were left on Thursday with limited options but to either fix at a discount or ballast South. In the South, following a significant amount of spot/prompt requirements covered action was limited. The majority of exchanges in the area were linked to prompt vessels, with owner’s ideas slightly reduced in order to find cover. As the week was coming to an end, the Pacific market flattened out. Reported fixtures included Louis Dreyfus taking a 2011- built 81,359 dwt kamsarmax December 23-24 Pagbilao on a trip via Indonesia to India at $15,000 daily and Klaveness booking a 2019- built 81,553 dwt vessel December 27-28 for a NoPac round at $13,750. Voyage business reported SAIL awarded their January 18-27 EC Australia/ Visakhapatnam coal tender at $17.05 fio and KEPCO their January 08-15 Brisbane/Goseong at $14.77.

On the period front Crystal Seas fixed a 2023-built 82,051 dwt well super-eco kamsarmax at $19,250 daily January 01-10 delivery North China for 10-12 months trading and Sinoeast a 2011-built 75,592 dwt panamax December 20 delivery Lianyungang for 4-6 months at $11,500.

What made this week interesting was the period activity as otherwise the spot market was disappointing. However, optimism grows for a robust month-end, given the declining number of ballasters.

Carriers Chartering Corp. S.A.
Kaplanon 7 & Massalias Street, 106 80 Athens, Greece | Telephone: +30-210 3668700
Email Address: capespmx@carriers.gr, handy@carriers.gr, snp@carriers.gr
www.carrierschartering.gr

SUPRAMAX – HANDYMAX - HANDYSIZE

EAST COAST SOUTH AMERICA / WEST AFRICA

Market in Atlantic Basin started promising this week with a positive tendency, nevertheless last two days turn to be negative again. Fronthaul to Far East via ECSA were paying $19/20,000 + $190/200,000 gbb on Ultramaxes while for Supramaxes rates for trips to India were at similar levels. Trips to US Gulf were paying very high 10ies on tess 58. TA's were paying mid 20ies for trips to West Med/Continent range and slightly less for trips to East Med. Fronthauls to China ex West Africa were paying around 30ies.

MEDITERRANEAN/ CONTINENT / BLACK SEA

Holiday season affected trading activity in the area as the majority of charterers have cleared their books for the year since last week thus we noticed many fixtures below last dones as owners wanted to secure employment during holiday season.

At Continent, minimum prompt cargo availability was the main issue of the days as charterers either have clear their books before holidays or wait till next week for the rates from owners to decrease even more.

On supramax, activity was reduced this week with levels remaining stable. Scrap runs to East Mediterranean have been discussed high-20,000s this week while transatlantic trips to Us Gulf have been discussed at high teens similar to trips to ECSA. Furthermore, fronthaul runs have been traded at 27/28,000 levels close to trips to South Africa.

On the handy segment, there was a lot activity by the beginning of the week but charterers have decided to hold back and wait till next week to cover end December and early January requirements. Trips within the area have been discussed at mid-teens levels similar to levels of scrap cargoes to East Mediterranean. In addition, trips to Us Gulf have been trader at mid-teens levels as we heard a 38k dwt fixed at $16,500 via Germany to USA with lumber.

At Mediterranean, little fixing information appeared and demand was said to be less than the past week with visible tonnage availability increased due to owners willingness to cover their late December candidates before everyone is away for Christmas. Fronthaul runs have been traded at low/mid 20,000s via Black Sea while fertilizers via Morocco to East close to low- $30,000s levels. Clinker runs to West Africa have been discussed at high-teens levels while we heard a 63k dwt was fixed on subs at 17,000 aps Djen Djen to Continent. On the handies, Inter-Mediterranean trips with grains have been discussed at low-teens levels basis Canakkale delivery. Furthermore, steels cargos to Us Gulf have been discussed at $14/15,000. Lastly, we heard a 32k dwt was fixed at 19,000 aps Tunisia for trip to Nigeria with salt.

FAR EAST/ INDIA

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

Market's shape remained more or less unchanged this week, with sentiment being negative given the Christmas/New Years' Holidays just around the corner. The flow of cargo has been very slow, and owners were in a rush to cover their positions before this weekend, since next week traditionally has very few to offer. A decent 58 could secure around $11,000/11,500 basis Philippines for a coal shipment to full India and Australia rounds have been paying closer to $9,000/9,500 levels basis CJK, subject to the cargo/duration and actual destination. Limestone via Persian Gulf to Bangladesh was paying around $15,000/16,000 basis West Coast India delivery and South Africa levels slightly retreated to $19,000 plus $190,000 passing Durban for ores to Far East or more like $18,000 plus $180,000 afsps

Carriers Chartering Corp. S.A.
Kaplanon 7 & Massalias Street, 106 80 Athens, Greece | Telephone: +30-210 3668700
Email Address: capespmx@carriers.gr, handy@carriers.gr, snp@carriers.gr
www.carrierschartering.gr

Richards Bay for coal to India. On the period front, a 58 could get fixed at around $11,000/11,000 basis Far East for 4/6 months period or more like $12,500/13,000 basis Pakistan for same duration, always depending on actual design and flexibility offered.

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Email Address: capespmx@carriers.gr, handy@carriers.gr, snp@carriers.gr
www.carrierschartering.gr