

IRON ORE

South Africa's mining production increased by 0.2% year-on-year in May, with iron-ore having made the largest positive contribution and manganese ore and coal the largest negative contributions. Iron-ore production increased by 12.5% year-on-year, while manganese ore output decreased by 13% year-on-year and coal by 4.6% year-on-year. Further, seasonally adjusted mining production increased by 3.7% month-on-month in May. This followed month-on-month changes of 0% in April and 3.9% in March. Seasonally adjusted mining production increased by 2.6% in the three months ended May, compared with the previous three months. The largest positive contributor was iron ore, while coal was the largest negative contributor. (Mining.com)

STEEL

Australia and China should cooperate more closely over green steel, Prime Minister Anthony Albanese said in Shanghai last week, even as he called on the world's largest steelmaker to address excess capacity for the metal. China relies on Australia for roughly two-thirds of the iron-ore consumed by its vast steel industry, a trade that will earn Canberra A\$105-billion this financial year, according to the latest government estimates. However, attempts to clean up an industry responsible for roughly a tenth of all emissions put that trade for Australia at risk as decarbonisation requires higher grades of iron ore, found in countries like Guinea and Brazil. Green steel refers to metal produced using renewable energy such as hydrogen to limit or eliminate the use of coal, cutting carbon emissions. (Mining.com)

COAL

EU sanctions have cost Russia's coal sector billions in revenue and crippled operations. High debt, falling demand, and lost access to foreign equipment compound the crisis. Russia has the 6th largest coal industry in the world and is a major player in global fossil fuel markets. For this reason, Europe and the United States have specifically targeted Russian energy exports as a strategic vulnerability in order to condemn and undercut the Kremlin's military operations in Ukraine. Coal is a much smaller economic sector than oil and gas in Russia, but it still has a considerable impact on the economy, and remains a "critical sector for dozens of single-industry towns where it employs hundreds of thousands of workers," according to Newsweek. The European Union's sanctions on Russian coal have amounted to an €8 billion loss of revenue per year for Russia. This financial blow comes on top of extreme and intensifying challenges to access the necessary equipment to continue operations as usual. (Oilpro)

GRAIN

Latin American farmers are in for a rough ride if the U.S. slaps secondary sanctions on buyers of Russian exports, such as the fertilizers essential for cash crops from Mexican avocados to Brazilian soybeans and corn. For farm powerhouse Brazil, which covered about a third of its fertilizer demand with \$3.7 billion of imports from Russia last year, there is virtually no alternative to fill the gap if those flows are halted, experts and industry players said. The 2022 outbreak of war in Ukraine triggered stockpiling of Russian fertilizer in the region. Prices soared briefly, but trade has now normalized. Plans to boost domestic fertilizer production in Mexico and Brazil have made slow progress in the face of relatively cheap Russian imports. Shipments to Brazil, the world's largest producer of soybeans, sugar and coffee, rose nearly 30% in the first half of this year, the Russian Fertilizer Producers Association said. (Reuters)

OIL

U.S. oil and gas giants ExxonMobil and Chevron are in discussions about development opportunities in Iraq's oilfields with the government, according to the Iraqi oil ministry. "ExxonMobil has conveyed its willingness to return to Iraq," Bassim Khudair, an undersecretary at Iraq's Oil Ministry, has said in comments reported by Iraqi media. Last year, Exxon quit the giant Iraqi oilfield West Qurna 1, handing over control of the operations to PetroChina, the state-controlled Chinese firm. West Qurna 1, currently producing about 550,000 barrels per day (bpd) of crude oil, is estimated to have as much as 20 billion barrels of recoverable oil resources. (Oilpro)

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