# IRON ORE

China strengthens bargaining position in iron ore negotiations. China Mineral Resources Group (CMRG) has reportedly instructed some Chinese steel mills to suspend negotiations with Rio Tinto for iron ore shipments from September, extending Beijing's push to centralize procurement and strengthen its negotiating position with the major miners. CMRG is estimated to negotiate more than half of China's annual iron ore imports and is seeking to bring a larger share of mill purchasing under its control. The move follows similar pressure on Australian suppliers including BHP, Fortescue and Hancock Prospecting, suggesting the strategy is becoming broader rather than targeting individual producers. Australia still supplies more than half of China's imported iron ore, giving the negotiations significance for the wider seaborne market. Rio had previously appeared relatively less exposed given Chinalco's shareholding and the companies' involvement in the Simandou project, but the latest action indicates that it is not exempt from CMRG's procurement strategy. The broader implication is a gradual shift in negotiating leverage toward Chinese buyers as global supply expands. For dry bulk, this is more a procurement and cargo-timing risk than an immediate demand shock: if negotiations delay the finalization of September cargo allocations or shipment schedules, the effect could initially appear through the timing of Australian export volumes and Pacific Capesize employment rather than through a structural reduction in Chinese iron ore requirements. (Steelorbis.com)

# COAL

Indonesia has lowered its benchmark coal price (HBA) for the first half of August 2026 to $124.44/t, down 5.62% from $131.85/t in the second half of July. The government attributed the decline to weaker underlying coal transaction prices used in calculating the benchmark. Despite the fortnight-on-fortnight correction, the HBA remains around 21% above August 2025, when it stood at $102.22/t. The headline HBA applies to higher-calorific coal of 6,322 kcal/kg GAR on an FOB vessel basis. Price movements were not uniform across grades: while the high-grade benchmark declined, the 5,300 GAR benchmark increased to $93.27/t and the 4,100 GAR benchmark rose to $65.48/t. This suggests that the latest adjustment is concentrated at the higher-quality end rather than representing a uniform weakening across Indonesia's coal grades. The price correction alone does not imply weaker Indonesian export volumes. For freight, the more important question is whether lower high-CV prices improve competitiveness and support shipments into Indonesia's major Asian markets, particularly China and India, or whether underlying demand remains insufficient to generate additional cargoes. Given Indonesia's importance to regional thermal-coal trades, the physical response should be tested against Indonesia coal exports, destination mix and Supramax/Panamax tonne-mile demand rather than inferred directly from the HBA move. (jakartaglobe.id)

# GRAIN

China has accelerated purchases of U.S. soybeans, with state-owned Sinograin reportedly buying 10–15 cargoes, including at least 10 for October–November 2026 shipment. The latest deals extend a recent buying push: only days earlier, Chinese state traders were reported to have booked 14–16 cargoes totalling around 1 Mt, while USDA subsequently confirmed close to 0.5 Mt of sales. The buying is taking place ahead of President Xi Jinping's expected U.S. visit and against China's commitment to purchase 25 Mt of U.S. soybeans annually. Around 6 Mt has so far been purchased for delivery in the U.S. crop year beginning September 1, according to an industry source cited by Reuters. Sinograin is also releasing older imported beans from state reserves: it recently sold around 67% of a 501,000-tonne auction, indicating that storage is being cleared ahead of incoming U.S. cargoes. The significance is not simply the additional soybean volume, but the potential shift in China's sourcing toward the U.S. as the new-crop export season begins. If the latest purchases develop into sustained physical shipments, U.S. Gulf and Pacific Northwest loadings could gain momentum during the fourth quarter, supporting long-haul grain employment into China. The key freight indicator will therefore be whether the recent forward purchases translate into a measurable increase in U.S.–China soybean volumes and Panamax tonne-mile demand, rather than remaining concentrated in state-led buying. (Successful Farming)

# Oil Macro

Kazakhstan is looking to re-route part of its crude oil exports away from its Black Sea export terminal and on pipelines through Azerbaijan, Georgia, and Turkey amid continued threats to its shipments from the Russian Black Sea port of Novorossiysk. In July alone, flows through the Caspian Pipeline Consortium (CPC) were suspended for days as many as on three separate occasions. The Ukrainian drone attacks have led to suspension of the shipments and exposed Kazakhstan's critical infrastructure vulnerability of having to rely on a Russian export terminal for most of its crude oil shipments. CPC operates the pipeline from the Caspian coast in northwest Kazakhstan to the Novorossiysk port, which handles most of Kazakhstan's crude exports from giant oilfields in Kazakhstan operated by international oil firms, including U.S. supermajor Chevron. (Oilpro)



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