## CAPESIZE

On previous Friday the question was whether the Atlantic would keep its premium once the Brazil program restarted or whether both basins would slide together. The answer was neither. Capesize opened the week higher and, unlike previous Friday, the gain was shared as all five routes finished up.

Atlantic rates held steady despite a lack of activity, with participants content to wait for clearer direction. The market was steady but thin, although reports of firmer business concluded late last week helped underpin sentiment. South Brazil and West Africa/China started quietly, with unconfirmed talk of a West Africa stem covered around $37.00. It emerged that Ore and Metal awarded on Friday their 07-11 September Saldanha Bay/Qingdao tender at $24.98 fio and Rio Tinto fixed a vessel for their September 11-20 loading from Seven Islands to Qingdao at $43.00.

Three miners were active on the West Australia round, one more than Friday. The two sides stayed apart most of the session: offers opened in the upper $14s against bidding that began in the low $13s and improved to the mid $13s, then came back towards $14.50 with $14.30 discussed by the close and nothing confirmed.

Tuesday capesize gave back more than it had gained as weaker Pacific conditions outweighed a relatively stable Atlantic market. The transpacific round did nearly all the damage alone as the Atlantic held its level on very little business.

Atlantic activity remained limited, although several North Atlantic fronthaul cargoes provided some underlying support. South Brazil and West Africa/China business was subdued, with few workable bids emerging and owners' ideas remaining in the low-to-mid $36.00s. Arcelor Mittal covered their August 25-September 05 Port Cartier/Kakogawa loading at $49.25.

Three ore majors were again present in the East, however charterers' increasing resistance pushed the C5 rate down. Cargill covered their September 05-07 Port Hedland loading at $13.55, BHP their September 03-05 at $13.40 and Rio Tinto their September 02-04 Dampier stem at the same rate.

Wednesday Capesize fell a second session and both basins went together. All five routes finished lower - the first session in this pullback where no route held – although the market remained supported by steady miner and operator- controlled demand. The question was whether Atlantic would stay steady once the Pacific stopped falling; but the Pacific did not stop, and the Atlantic went with it.

Atlantic trading was quiet with slightly easier rates with the C3 was only 10 cents lower at $35.85. The South lacked meaningful bids, while a softer transatlantic fixture placed some pressure on northern routes.

Three ore majors were active in the Pacific, but softer bids brought concluded levels into the low-to-mid $13.00s, while the tonnage list has begun to tighten following several busy days of fixing earlier in the week. Offers opened around $14.00 before quickly slipping into the upper $13s, with one miner bidding $12.80 during the afternoon and subsequently seeing offers closer to $13.40. Another miner was reported to have fixed in the low-to-mid $13s, although details remained limited.

Thursday trading improved modestly, with the Pacific providing most of the support. Operator-controlled cargoes helped rates move higher despite limited participation from the major miners. For four sessions the Pacific led this board down. Thursday it stopped, and the Atlantic did not follow. The C5 route advanced 53 cents, while the C3 route slipped 5 cents.

Atlantic remained quiet, with little fresh business emerging from Brazil or West Africa



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and limited interest at owners' levels that remained around the $36.00 level.

In the Pacific, market sentiment appeared to be finding a level, supported largely by operator-controlled cargoes despite limited participation from the major miners. Trading was somewhat mixed throughout the session, with reports of a miner bidding around $12.80 against offers of $13.50, while operators were bidding in the $13.60 to $14.00 range. Finally, Mingwah covered their September 07-09 Dampier loading at $14.00, while Rio Tinto secured tonnage for their September 04-06 loading at $13.50. The two Dampier stems were the clearer tell: fifty cents apart, three days apart on laycan, the earlier window paying less. That was cover taken for position, not urgency.

The market approached the end of the week with an impressive volume of activity in both basins, unlike the usual Friday's mode.

Atlantic fronthaul business heard that Classic covered their Tubarao option West Africa/Qingdao mid-September loading in the high $35s, Polaris their Tubarao/Qingdao Newcastlemax mid- September stem in the mid-high $35s and their Tubarao/Qingdao September 15 at $35.50, Glencore their September 10-15 CSN/Qingdao at $35.50, whilst earlier Posco awarded their PDM/Gwangyang & Pohang September 30-October 09 tender region $34s and Sinoafrica fixed a vessel for their 190,000 tons Freetown/ Qingdao September 04-08 loading in the very high $35s. On the transatlantic runs Vitol covered their September 08-12 Drummond/ Rotterdam loading at $19.00 and Cargill their Saldanha Bay/Rotterdam September 18-27 sub $14.50.

In the Pacific, Oldendorff fixed a vessel for their C5 September 10/onwards loading at $14.50, Cosco covered their Dampier September 05 loading around the same level, with a September 13-20 stem covered also at $14.50.

This week was showing a small pressure with limited fixing across all segments; however markets were consistent on C3 Brazil/China with the main decline seen in Pacific C5. FFAs show slight positive sentiment in the long term although above average laden to ballast ratio of vessels heading toward the Atlantic gives a slight bearish outlook in the near future. BCI was slightly down 38 to settle at 4,552, whilst the BCI 5TC average lost $337 standing on Friday at $41,288 daily.

## PANAMAX

A quiet start to the week was reflected in limited fixtures reported from either basin.

A muted commencement in the Atlantic, with very little being concluded. In the North, some cargo replenishment was noted, primarily from USEC; however, the tonnage list continued to outweigh demand, pushing rates downward. Both P1 and P2 reflected this trend, continuing their downward trend, albeit at a slower pace. In the South, fundamentals remained unchanged, contributing to a flattish market. Although many charterers remained off the bid amid cautious sentiment, a few placed bids close to $20,000 on a P6 equivalent basis, while owners remained in the low $20,000s. Meanwhile, more candidates were ballasting from the Pacific for second-half September arrivals, contributing to a growing tonnage list. As a result, the P6 saw a modest decline, marking its first drop in nearly three weeks. Overall, market sentiment remained uncertain, with both sides waiting to see how the week would unfold. SAIL awarded their September 15-24 Newport News/EC India coal tender at $52.50 fio.

The week commenced in the Pacific in a typical Monday mode. In the North, fresh cargoes emerged; however, both owners and charterers remained in a cautious, wait-and-see mood. Meanwhile, the Korean public holiday kept activity relatively subdued, with a lack of tender stems. In the South a few fresh orders surfaced from both Indonesia and Australia, but there was little in the way of fireworks, with overall activity remaining subdued, with participants adopting a cautious stance. KLC was linked to a 2019-built 81,553 dwt kamsarmax August 20-22 Phu My on a trip via Indonesia to South Korea at $21,250 daily, ADM with a 2011-built 83,468 dwt vessel August 15 Pyeongtaek on a trip via the Yangtze River to EC South America at $6,500 and Propel to a 2014-built 77,528 dwt unit August 10 Tuticorin on a trip via South Africa back to India at $22,000. On voyage NSL covered their September 5-14 Hay Point/Gangavaram coal loading at $21.95 fio.

Rates remained under pressure Tuesday as a weaker sentiment persisted across both basins. In the Atlantic tonnage availability continued to exceed cargo demand and Pacific was also quiet, although continuing demand from NoPac and Australia provided some support.

The market remained under pressure, with little change in sentiment across the Atlantic. In the North, a surplus of available tonnage persisted, while cargo replenishment remained limited. Despite some fresh enquiries emerging at the beginning of the week, a prolonged lack of fresh enquiries ex NCSA and US Gulf contributed to another drop in the P1 and P2 indices. In the South, first-half September arrivals were trading at a premium amid a tighter tonnage list. Nevertheless, charterers' bids for second-half September arrivals hovered below the index, while a few owners revised their offers downward in an attempt to secure employment in a softening market. A 2007-built 82,656 dwt kamsarmax August 20-25 EC South America was fixed for a trip to Singapore/Japan at $19,750 daily plus a $975,000 ballast bonus. On the same run Oldendorff was linked to a 2011-built 82,499 dwt vessel August 05 retro-Singapore at $19,500. Overall, fresh demand was essential to provide a spark for any potential rebound in the Basin.

The North Pacific market remained slow, with activity subdued amid a lack of fresh cargoes. Demand stayed soft, with charterers showing limited appetite to commit to forward stems, while a number of vessels started ballasting South. A similar sentiment prevailed in the South, where market momentum eased as demand failed to recover. Bidding activity showed a bearish tilt, while many owners remained reluctant to accept lower market levels, resulting in a wider bid/offer gap. Cargo activity was predominantly driven by Australian minerals, which continued to attract an increasing number of candidates keeping rates relatively steady. Ex NoPac, a 2011-built 81,444 dwt kamsarmax August 17 CJK went on a round-trip redelivery Singapore-Japan at $16,100 daily; on the same run a 2013-built 76,195 dwt panamax August 16 Zhoushan was fixed at $15,500 and a 2004-built 75,611 dwt vessel August 22-29 CJK agreed the same rate. Elsewhere a 2018-built 81,828 dwt kamsarmax August 20-30 Rizhao fixed an Australian round at $18,000 daily.

Trading remained weak midweek, with rates losing ground across both basins. Ample tonnage availability continued to press the Atlantic, while Pacific was comparatively stable as Indonesia and Australia were still providing employment, however tonnage list remained long limiting owners' efforts to improve rates.

Wednesday in the North Atlantic, the market continued losing ground as a growing list of prompt vessels added further pressure. Fresh demand remained limited and, in the absence of sufficient cargo replenishment, rates weakened further. Both P1 and P2 dropped, extending the downward trend. In the South, a surplus of tonnage ballasting from the Pacific, coupled with lack of activity in the FFA market, discouraged charterers from biddings, resulting in another small drop in the P6 index. Overall, market sentiment remained negative in the North and uncertain in the South, with fresh requirements needed before any meaningful recovery could take place. Very little fixing emerged; SAIL awarded their September 21-30 Newport News/EC India coal tender at a $51.20 fio, $1.30 below last done.

It was a notably quiet Wednesday across the Pacific, with the market moving at a slow pace amid limited fixing activity. In the North fresh demand remained scarce, prompting most charterers to adopt a wait-and-see approach. A similar picture in the South, where fresh mineral demand has yet to be replenished. Charterers largely held back or bid below last-done levels, while owners showed little willingness to discount, with some spot candidates even considering ballasting southward. Demand out of Australia was holding at a steady pace but failed to stimulate further activity overall in the basin. With rates continuing to slide across the basin, the Pacific was increasingly approaching a state of oversupply. Sentiment remains mixed, and there was still considerable uncertainty over how the remainder of the week would unfold. On the Indonesia/South China run Panocean was linked to a 2020-built 81,791 dwt scrubber-fitted vessel August 20-21 Dongjiakou at $20,000 daily with the scrubber benefit for the charterer, GML to a 2013-built 76,432 dwt panamax August 18 Koh Sichang at $16,000 and Multimax with a 2013-built 75,403 dwt



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vessel August 19-20 Hong Kong at $14,100. Ex Australia, a 2013-built 82,177 dwt kamsarmax was fixed August 21-22 CJK on a trip to India at $19, 000 daily and a 2014-built 81,001 dwt vessel August 20-25 Panjin on a trip back to Singapore-Japan at $16,500 and Five Ocean with a 2015-built 79,489 dwt unit August 18 Samcheonpo on a trip to South Korea at $15,500 daily.

On the period front Sky Fusion was linked to a 2022-built 84,990 dwt vessel August 25 Tianjin on 11-13 months trading at 112% of the P5TC, Swissmarine with a 2017-built 81,129 dwt kamsarmax August 19-20 Bahodopi on 8-10 months at $19,000 daily and Fullinks to a 2000-built 74,228 dwt panamax August 20-24 Hong Kong for two to three laden legs at $16,150.

Conditions in the Atlantic appeared to be stabilizing Thursday as trans-Atlantic and fronthaul enquiry improved, although available tonnage remained ample. Pacific retained a softer tone as the supply of prompt vessels continued to outweigh demand.

The Atlantic market seemed to potentially nearing a floor, although in the North, the tonnage list continued to grow, while cargo replenishment remained limited. Some fresh stems from the USG and USEC surfaced, primarily for fronthaul, but were insufficient to boost market levels. This was also reflected in the indices, with P1 and P2 both posting losses, albeit at a slower pace. The good news came from the South. Activity picked up, with a few charterers committing bids for second-half September arrivals in the upper $19,000s to $20,000 on a P6-equivalent basis, with a few deals concluding around $20,500s. Nevertheless, many owners were still offering in the $21,000s, anticipating further gains following a strong day in the FFA market. Overall, a lack of fresh demand in the North continued to cap any meaningful upside, while the South Atlantic appeared to have found a floor amid healthy cargo replenishment. LDC was linked with the 2021-built 81,842 dwt kamsarmax August 19 Flushing on a trip via the US East Coast to Southeast Asia at $30,750 daily, Koch to a 2013-built 82,226 dwt vessel August 20-24 Pipavav on a trip via EC South America to Singapore-Japan at $20,250 and Cargill to a 2020-built 81,796 dwt kamsarmax August 24-25 Nansha at $19,750 daily. On the same run a 2019-built 82,181 dwt vessel was fixed to an undisclosed charterer August 20-21 Tuticorin at $21,250 daily.

The latter half of the week continued to reflect subdued activity across the Pacific. In the North, demand remained stable for grain stems for the first half of September, with some back-hauls in market. A number of owners have decided to ballast south, with an increasing number turning their attention to the Australian route. In the South, fresh cargo replenishment ex Indonesia remained limited. Australian exports provided some support, with market levels holding in the high/mid teens. However, most charterers had already covered their prompt requirements and were adopting a wait-and-see approach. As the week drew to a close, limited movement was anticipated, with overall market sentiment remaining slow and flat. Ex Australia Cargill was linked with a 2014-built 77,888 dwt vessel August 22 delivery Toyama on a trip to South China, at $18,000 daily and undisclosed charterers to a 2020-built 81,090 dwt kamsarmax Kaohsiung August 25 on a trip to Singapore-Japan at $19,000. Elsewhere Tongli was linked with a 2023- built 82,210 dwt vessel August 24-29 Zhanjiang on trip via South China to India at $19,750 daily.

In period business, Oldendorff fixed a 2012-built 81,586 dwt kamsarmax August 19 Zhuhai for 5-7 months trading at $17,900 daily and Norden was linked to a 2014-built 75,285 dwt panamax August 25 Hong Kong for 5-8 months trading at $15,500.

Friday, Atlantic was holding up rather better, with ECSA fronthaul remaining the firmer leg and Continent tonnage still reasonably tight, although bid/offer widened and fixing volumes are thin. Cofco was linked to a 2014-built 82,039 dwt kamsarmax aps ECSA September 03-05 on a trip to Singapore/Japan at $20,500 plus $1,050,000 ballast bonus and Quadra with a 2014-built 82,250 dwt vessel Safi 25 August on a trip via NCSA to Spain at $20,500.

The Pacific has led the correction: prompt tonnage had accumulated across the North and South while fresh NoPac grain and Australian and Indonesia coal enquiry slow to absorb it, basically leaving charterers in control. Ex NoPac, Bunge was linked to a 2012-built 81,967 dwt kamsarmax Pohang August 22-23 on a round trip at $17,500 daily and Olam to a 2016-built 81,031 dwt vessel Rizhao August 24-26 at $18,850. Ex Australia Tata NYK was linked to a 2023-built 82,403 dwt kamsarmax



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Zhoushan August 24 on a trip to India at $19,500, whilst a 2013-built 81,773 dwt vessel Zhoushan 22 August went for a trip to Japan at the same rate. Ex Indonesia a 2017-built 75,302 dwt panamax Bahodopi August 24-25 was fixed for a trip to S. Korea at $17,500 and Cambrian was linked with a 2002 built 76,662 dwt "mature" lady Machong August 25 for a trip to S. China at $13,000. Elsewhere a 2008-built 76,554 dwt vessel Aqaba August 30-September 03 Sep fixed a trip to WC India at $28,500. On voyage, Cobelfret covered their Bunbury/ Iceland September 13-19 alumina loading at $45.00 fio.

Sentiment has become more cautious this week, with the index giving back part of its recent gains and both basins trading in a softer environment. We would expect a sideways-to-softer tone next week, with any recovery contingent on a fresh injection of grain and coal cargo in the Pacific; in the meantime, the Atlantic should continue to offer owners the better alternative.

## *SUPRAMAX – HANDYMAX - HANDYSIZE*

### EAST COAST SOUTH AMERICA / WEST AFRICA

ECSA, remained healthy and firm attacking also Mediterranean ballasters.

Grain transatlantic runs increased with levels hovering in the low $30,000s. Fronthauls were discussed around $19.500+$950k GBB on ultramaxes, with trips to West Coast discussing in the mid-$30,000s levels.

On the handysize front, South remained steady with minimal flow changes. Transatlantic runs were discussed in the $21/22,000s from Recalada to Mediterranean or Continent with grains, while trips to WCSA were discussed in the mid-$20.000s on big handles. Coastals were reported in the high teens with north Brazil loading trips discussed on tick lower levels.

### MEDITERRANEAN/ CONTINENT / BLACK SEA

Mediterranean, remained relatively stable with little fluctuations observed.

On the supramax, Black Sea flow remains limited and with the recent attacks everyone remains cautious for the next day.

Trips to US Gulf were discussed in the mid-teens levels with dirty cargoes while trips to West Africa hovered closer to $17/18,000. Fronthauls, were discussed in the mid-$20,000s. Several fixtures were leaked basis North Brazil loading, which is another indicator of the Mediterranean situation at the moment.

On the handysize front, limited grain cargoes appeared once again leaving East Mediterranean dry of clean options, and some spot cargoes that appeared where paying too little for Owners to indulge and moving towards next week with several prompt positions in the area. Inter-Mediterranean runs were discussed in the $9,000s basis Canakkale, while trips to Continent hovered around similar levels on big handies. Cargoes to West Africa were paying in the $13/14,000s, similarly to front hauls, with clean backhauls being discussed in the $8/9,000s ex West Mediterranean.

Continent lacked momentum this week with limited fresh demand coming to surface.

On the supramax front, scrap runs to Mediterranean were discussed in the $21/22,000s, while backhauls insisted in the $12/13,000s. Grains to West Africa were discussed in the $16/17,000s with fronthauls at low-$20,000s levels. In general cargo flow was minimal ex Baltic for late August dates and we anticipate some views of the September volume.

On handysize end, same outlook as supramax, with few fresh cargoes appearing and Russia competing vanilla trades with a healthy cargo flow. Grain runs to West Africa were discussed tad above mid-teens, while scrap runs hovered around $17/18,000s levels. Grains to Mediterranean also discussed in the $13,000s as well with few backhauls still trading in the $10/11,000s levels subject to redelivery.



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## FAR EAST / INDIA

Market's shape remained mostly unchanged for yet another week - Week 34 began in a subdued tone, however midweek onwards some signs of improvement appeared for most routes. A 63 dwt could secure around $22,000/ 23,000 basis Philippines for a coal shipment to full India/Bangladesh range, while Australia rounds would pay closer to $17,500 basis CJK depending on the cargo/duration/destination. South Africa levels have been fluctuating around $23,000 plus $230,000 for eco 63 basis South Africa for ores to Far East or more like $24,000 plus $240,000 at Richards Bay for coal to India/Pak. On the period front, rates have been fluctuating around $20,500/21,000 basis Far East for 4/6 months or closer to $18,500 if basis India, subject to flexibility offered/ position.



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