



# DRY BULK WEEKLY

WEEK 16 | Monday, 26 April 2021



## LATEST COMMODITY NEWS

### Iron Ore

IRON ORE PRICE RALLY CONTINUES AS VALE REPORTS LOWER THAN EXPECTED PRODUCTION OUTPUT AND WESTERN AUSTRALIAN IRON ORE OPERATIONS ARE SCUTTLED BY WET WEATHER, LABOUR SHORTAGES.

### Coal

GLOBAL THERMAL COAL TRADE SHRINKS 10PC IN Q1 2021

### Grains

WHEAT PRICES CONTINUE TO RISE VERY RAPIDLY DUE TO THE VERY COLD WEATHER IN THE UNITED STATES

ARGENTINE AUTHORITIES CONSIDERING RAISING EXPORT TAXES OF AS CORN FUTURES HIT 8 YEAR HIGH.

SOYBEAN CBOT FUTURES RISE TO THEIR HIGHEST LEVELS SINCE 2008

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Broker's Meeting Point - Available Cargoes

Week	S&P Transactions	Demolition Sales	Newbuilding Orders
16	18		24
15	13	2	5
14	17		8
12	26	1	14
<b>Total</b>	<b>74</b>	<b>3</b>	<b>51</b>

### Top 5 Destination Countries of Ships in Ballast by Vessel Size (Week 17 Arrivals)

Size Group ● Capesize ● Handysize ● Panamax ● Supramax



### Timecharter Hire Rates

Commercial Class	Wk 14	Wk 15	Wk 16	WoW%	Avg. 2021	YoY%
<input type="checkbox"/> CAPE SIZE						
6 M	24,250	26,250	26,500	1.0%	19,758	40.2%
1 Y	22,000	24,000	24,000	0.0%	19,156	29.8%
2 Y	18,750	19,500	19,500	0.0%	17,914	12.7%
<input type="checkbox"/> PANAMAX						
6 M	21,500	18,625	20,375	9.4%	17,441	53.1%
1 Y	20,750	17,250	19,125	10.9%	16,109	44.4%
2 Y	16,875	15,375	17,750	15.4%	15,323	36.3%
<input type="checkbox"/> ULTRAMAX						
6 M	23,000	22,500	22,500	0.0%	17,477	70.8%
1 Y	18,250	16,250	19,050	17.2%	15,011	46.8%
2 Y	15,250	15,250	15,500	1.6%	14,047	31.0%
<input type="checkbox"/> SUPRAMAX						
6 M	20,750	20,750	20,875	0.6%	16,671	71.5%
1 Y	16,000	15,000	17,350	15.7%	14,256	48.3%
2 Y	15,000	15,000	14,125	-5.8%	13,609	32.6%
<input type="checkbox"/> HANDY						
6 M	16,125	16,125	19,000	17.8%	13,734	65.6%
1 Y	15,000	14,000	14,000	0.0%	12,594	53.4%
2 Y	14,500	14,500	11,875	-18.1%	12,289	27.3%

## Latest Transactions

Week	Ships Sold	Built	DWT	Reported Price (US\$)	Country/Region of Buyer	Owner	Notes
16	BOTTIGLIERI CHALLENGER	2010	93,353	\$15,000,000		BOTTIGLIERI SHIPPING	
16	CEMTEX VENTURE	2006	73,594	\$12,700,000		U MING MARINE TRANSPORT	
16	EIBHLIN	2011	182,307	\$30,400,000		NISSEN KAIUN	
16	GUO QIANG 8	2018	63,376	\$22,000,000		SINOTRANS SHIPMANAGEMENT	
16	K SPINEL	2011	59,905	\$14,000,000		SK SHIPPING	
16	MARIA	2011	58,407	\$15,000,000	China	MARINDOU SHIPPING CORP	
16	MEDI SEGESTA	2009	58,730	\$14,000,000	Indonesia	ORIENT LINE	
16	MG COURAGE	2007	206,254	\$14,000,000		FUKUJIN KISEN	
16	ORIENTAL ANGEL	2012	59,941	\$14,700,000		SK SHIPPING	
16	SAGE AMAZON	2012	63,227	\$17,300,000		WALLEM COMMERCIAL SERVICES	
16	SEDNA OCEAN	2011	31,997	\$10,000,000		DAIICHI CHUO MARINE	
16	VIALLI	2015	63,493	\$20,000,000			
16	ARUN	2012	106,415				\$ 81,000,000 enbloc
16	ASHOK	2012	106,415				\$ 81,000,000 enbloc
16	ISHWARI	2012	106,415				\$ 81,000,000 enbloc
16	KAMLESH	2012	106,415				\$ 81,000,000 enbloc
16	KISHORE	2012	106,415				\$ 81,000,000 enbloc
16	SHRAVAN	2012	106,415				\$ 81,000,000 enbloc

The buying interest continues in a much positive tone as activity in terms of number of sales rebounded. Eighteen secondhand transactions came to light while we noticed that shipowners' interest shifted to Capesize vessels with seven deals reported in sixteenth week of the year.

The remaining eleven deals spread across almost all vessel sizes, although in lower numbers; except for the Kamsarmax and Handymax, at least one transaction was reported in each of the rest of the size categories. In terms of vessel age, thirteen out of the eighteen vessels have their place in the category of 5-10 years old, whilst four transactions were reported for ships of 10-15 years of service and only one vessel, the Ultramax Guong Qiang 8, was in the range of 0-5 years old.

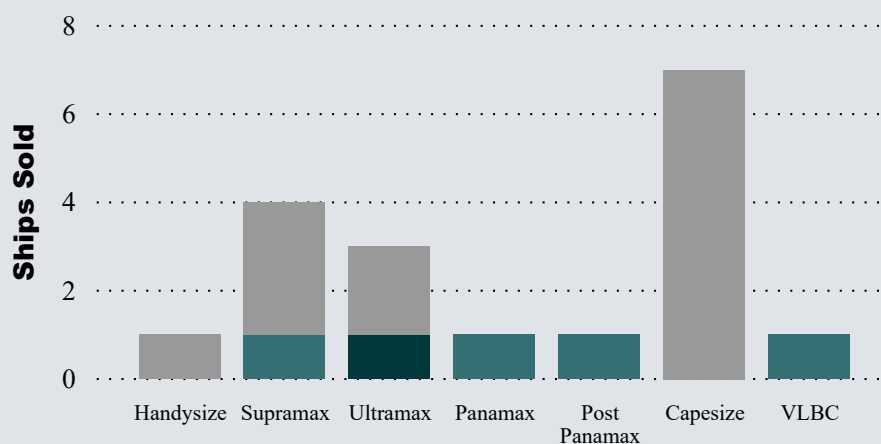
As envisioned in our last report, the positive tone in the dry bulk freight market remains and healthy rates continue to positively affect the S&P market, keeping the attention of shipowners that carry on investing in secondhand vessels.

### Sale of the week:

Marindou Shipping Corporation, a subsidiary of Safe Bulkers, INC sold the 2011-built *MARIA* to Chinese buyers for US\$ 15 million. *MARIA* is a Supramax vessel sailing under the flag of Liberia. Built by the Korean SPP Shipbuilding Co.,Ltd, the vessel has a carrying capacity of 58,407 t DWT. Her length overall (LOA) is 196 meters, and her width is 32.25 meters.

## Ship Sales by Age and Size (Week 16)

Age Group ● 0-5 years ● 10-15 years ● 5-10 years



## Weekly Volume of Sales

Size	14	15	16	Total
Handysize	5	4	1	10
Capesize	2		7	9
Supramax	1	3	4	8
Ultramax	3		3	6
Kamsarmax	1	4		5
Post Panamax	2	2	1	5
Panamax	1		1	2
VLBC	1		1	2
Handymax	1			1
<b>Total</b>	<b>17</b>	<b>13</b>	<b>18</b>	<b>48</b>

## Annual Volume of Sales

Size Group	2019	2020	2021
Supramax	125	125	69
Handysize	119	128	52
Panamax	86	56	34
Kamsarmax	35	52	44
Ultramax	44	46	40
Capesize	25	53	30
Handymax	26	12	3
Post Panamax	15	9	11
VLBC	8	19	4
<b>Total</b>	<b>483</b>	<b>500</b>	<b>287</b>

## Latest Transactions

Week	Vessel	Vessel Age	Location of Delivery	USD / LDT	LDT (MT)	Sale Price
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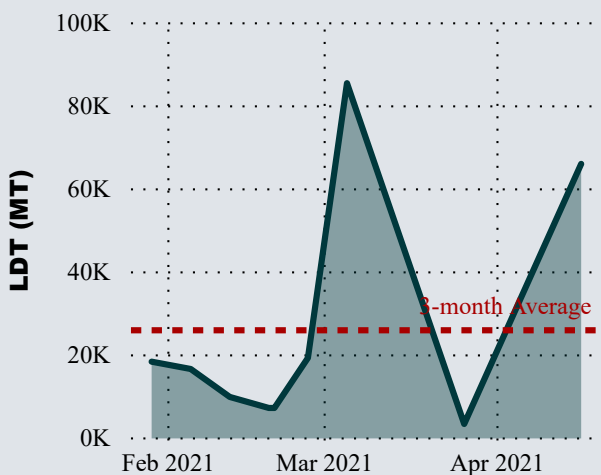
## Demolition Prices for Bulkcarriers- Week Average (USD/LDT)

Market	Wk 14	Wk 15	Wk 16	WoW%
Bangladesh	487	494	497	0.6%
Pakistan	478	484	488	0.8%
India	458	465	471	1.3%
Turkey	250	250	250	0.0%

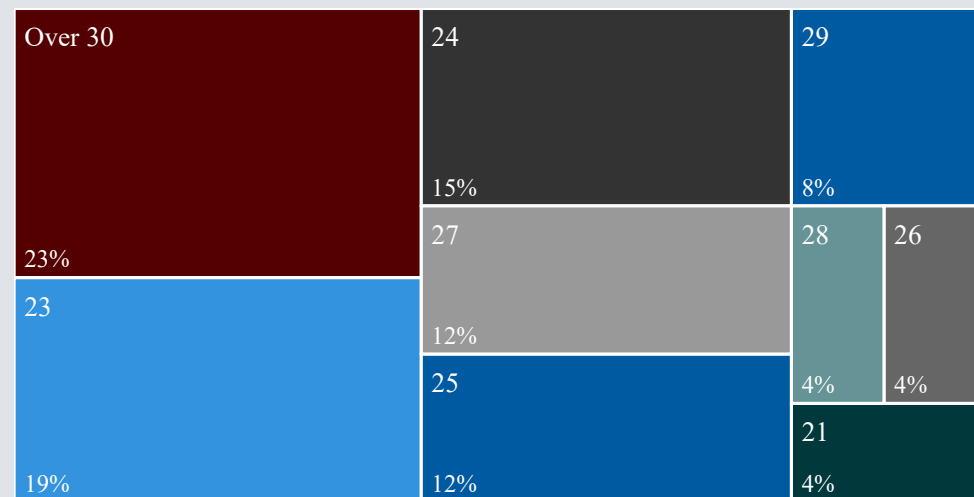
The demolition market has ground to a halt this week as the world's leading recyclers battle the increasing surge of COVID-19 infections. India shipbreakers are battling the pandemic on two fronts with lockdown and reduced supply of oxygen with the government banning the supply of Oxygen for industrial use from April 22. Meanwhile Bangladesh authorities are continuing to extend lockdowns on a weekly basis disrupting operation of recyclers as the nation tries to keep the COVID infections to a manageable level.

With demand for steel very firm, LDT rates this week are inching higher across the major recyclers. Bangladesh LDT rate have increasing 0.6% w-o-w, Pakistan and India have also increased LDT rates by 0.8% and 1.3% respectively. A dearth of available tonnage due to a bullish freight market means scrapyards are not in the thoughts of vessels owners right now. It is left to be seen how much more the leading shipbreakers are willing to offer in order to tempt vessels owners into giving up their vessels.

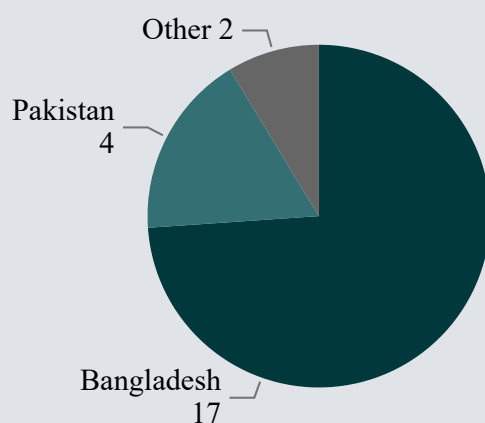
## Demolition Activity in the Last 3 Months



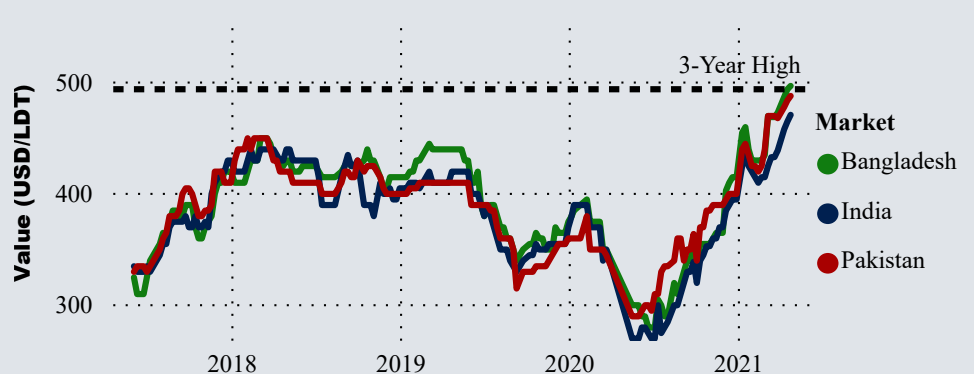
## Demolition Age (years) of Vessels in 2021(%)



## Location of Delivery - No. Vessels 2021



## Demolition Prices (US\$/LDT)



# Shipbuilding Market



## Latest Orders

Week	Size	Units	Delivery	Buyer	Shipbuilder
16	HANDYMAX	1		Zhejiang Dachen Shipping.	New Dayang Shipbuilding
16	KAMSARMAX	5	2022/2023	Nisshin Shipping	Jiangsu Hantong
16	ULTRAMAX	1	2023	Tangshan Dongfang Shipping	New Dayang Shipbuilding
16	VLOC	6	2023	Eastern Pacific	New Times SB, China
16	VLOC	6	2023	H-Line Shipping	Qindao Beihai, China
16	HANDYSIZE	2	2023	Navibulgar	Yangzijiang, China

## Newbuilding Market Price by Size (Week 16)

Year	Handysize	Ultramax	Panamax	Kamsarmax	Capesize
2021	\$25,000,000	\$28,000,000	\$29,000,000	\$32,000,000	\$52,000,000
2020	\$26,000,000	\$32,000,000	\$33,000,000	\$34,000,000	\$53,000,000
2019	\$26,000,000	\$31,000,000	\$32,000,000	\$33,000,000	\$51,000,000

## Delivery Year by Size

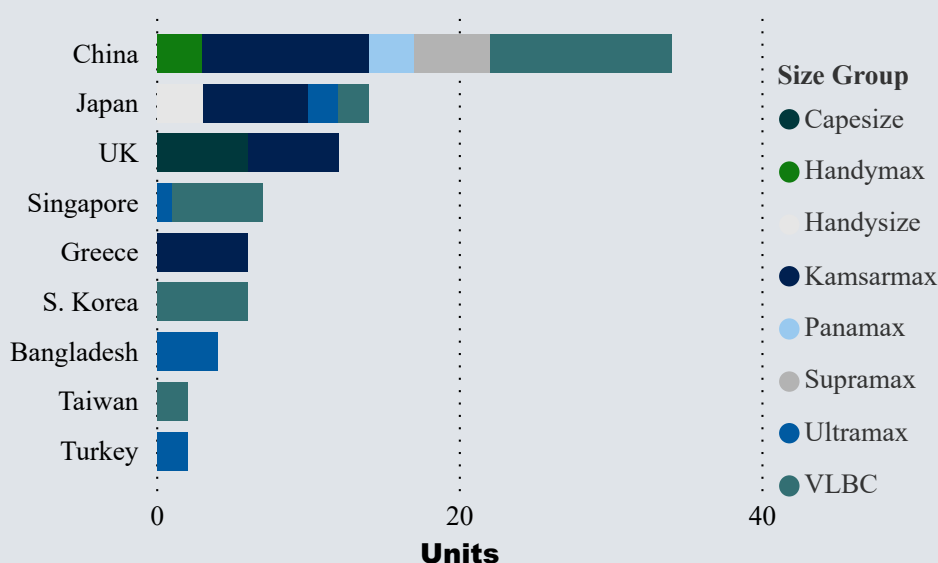
Size Group	2021/2022	2022	2022/2023	2023	Total
Kamsarmax		35	5	27	67
Handysize	9	40	3	3	55
VLBC		23	2	26	51
Ultramax	3	41		1	45
Supramax		12		7	19
Capesize		2		13	15
Handymax	4	3			7
Post Panamax		3		2	5
Panamax		4			4
<b>Total</b>	<b>16</b>	<b>163</b>	<b>10</b>	<b>79</b>	<b>268</b>

All shipbuilding contracts reported this week went to Chinese shipbuilders. Chinese shipyards are scooping up majority of orders this year with rival shipbuilding nation Japan's shipping companies turning to China. Chinese builders have continued to wax strong from COVID-19 recovery with increased volumes of contracts reported each week.

There were 2 VLOC orders contracted this week. New Times SB, China won an order for 6 Units of VLOC from London based Eastern Pacific Shipping while Qindao Beihai, China won the other order also for 6 units of VLOC from H-Line Shipping, both orders are scheduled for delivery in 2023. Jiangsu Hantong group received order for 5 Kamarsarmax from Japan's Nisshin Shipping, with delivery starting in the second half of 2022 through to 2023. New Dayang Shipbuilding has been contracted by Tangshan Dongfang Shipping and Zhejiang Dachen Shipping to build an Ultramax and Handymax, respectively. While the Delivery for Ultramax is 2023, delivery for the Handymax is not known. In this week's other deal, Bulgarian shipping company Navibulgar has placed an order for two Handysize vessels with Yangzijiang, with delivery in 2023.

We are beginning to see an increasing number of orders for VLOCs with shipping companies opting to buy now with newbuild prices increasing rapidly. Newbuild prices are edging ever closer to 2019 levels with Capesize already past its 2019 price. Shipowners around the world are also gearing up for increasing economic activity around the world with many nations planning to embark on economic stimulus that would see increase in consumer spending.

## Orders by Country of Buyer - 2021



## IRON ORE

### IRON ORE PRICE RALLY CONTINUES AS VALE REPORTS LOWER THAN EXPECTED PRODUCTION OUTPUT AND WESTERN AUSTRALIAN IRON ORE OPERATIONS ARE SCUTTLED BY WET WEATHER, LABOUR SHORTAGES

Brazilian miner Vale's output in Q1 grew 14% from Q1 2020, to 68 million tonnes but well below analyst expected output by 5.5%. Production has also decline quarter-over-quarter by 19.5% due to the coming raining season according to Vale's production and sales report published on Monday. Output grew on the back of resumption of operations at complexes in Minas Gerais state supported by a better production Serra Norte in Pará state, lower rainfall in January, and the restart of Serra Leste operations. The miner maintained its full-year guidance of between 315-335 million tonnes of iron ore for 2021. The company said last year it expects to reach an iron ore capacity of 400 million tonnes per year by the end of 2022 or early 2023.

Rio Tinto's iron ore production in the West Australia Pilbara has fallen after wet weather and labour shortages impacted output. But the two per cent decline in the first quarter to 76.4 million tonnes, from the same period last year, won't impact the resources giant's optimistic full-year outlook. "We achieved an overall solid operating performance in the first quarter," new CEO Jakob Stausholm said in a statement on Tuesday. Iron ore shipments in the 2021 March quarter rose seven per cent 77.8 million tonnes. But compared to the fourth quarter of 2020, both production and shipments of iron ore were down by more than 10 per cent. Rio Tinto also restated its commitment to being part of a global low carbon future. "The commodities we produce are essential to this transition and cannot be substituted in many important applications," it said.

No ships departed from Rio Tinto's Cape Lambert facility at Walcott and only five ships departed from its Dampier port between 7 April and 11 April inclusive, and the firm highlighted the heavy rainfall as likely to weigh on its output for this quarter. Rio Tinto loaded ships with 5.67mn dwt in the week to 17 April, up from 3.82mn dwt the previous week but 17pc below its annual rolling average of 6.8mn dwt/week.

After three above-average weeks, Fortescue shipments slipped to 3.04mn dwt in the latest week from 3.78mn dwt in the week to 10 April and 13pc below its weekly average of 3.51mn dwt. Roy Hill loaded vessels with 1.4mn dwt capacity, down from 1.54mn dwt the week before but 21pc above its rolling average of 1.16mn dwt/week. BHP loaded vessels with 6.33mn dwt capacity in the latest week, up from 5.52mn dwt the previous week and 8pc above its average of 5.84mn dwt/week. China was listed as the destination for 75pc of total shipments in the latest week, down from 76pc a week earlier. After including shipments with unconfirmed destinations — most of which are likely headed to China — the percentage was 80pc, up from 77pc a week earlier but still below the average of around 83pc.

Argus last assessed the ICX iron ore price yesterday at a new nine-year high of \$181.05/dmt cfr Qingdao on a 62pc Fe basis, up from \$167.45/t on 1 April and \$159.90 on 31 December.

Sources: Argus media, *Minning.com*

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## COAL

### GLOBAL THERMAL COAL TRADE SHRINKS 10PC IN Q1 2021

Global thermal coal trade shrank by 10pc on the year in the first quarter of 2021, while China's informal ban on imports from Australia shifted trade flows around the world. Coal shipments from the major exporting countries — the US, Colombia, Australia, Russia, South Africa, and Indonesia — declined by 10pc on the year in January-March to 223.1mn t, according to customs and shipping data aggregated by Argus. China and India Imports fell by 17.8mn t and 9.4mn t on the year to 55.3mn t and 38mn t, respectively, accounting for the vast majority of the contraction in global trade flows. This was despite strong coal-fired power generation in China and India this year due to a very cold winter. In China, a spike in customs clearances in December and strong growth in domestic production weighed on first-quarter imports, although renewed domestic supply tightness is bringing buyers back to the market ahead of summer.

On the supply side, Indonesian exports recorded the biggest decline as China and India cut receipts from the country by 2.8mn t and 7.8mn t, respectively. Argus estimates that total Indonesian exports fell by 15.6mn t on the year in the first quarter to 99.7mn t. Australian shipments declined by around 5.3mn t on the year in the first quarter to 46.7mn t, amid the Chinese import ban on Australian coal and as severe storms disrupted exports last month.

Australia's largest coal export port of Newcastle have recovered this month as the port tries to clear a backlog of ships due to storms and shiploader outages. Deliveries to the port were disrupted by severe storms in the second half of March, following a planned rail maintenance programme on 13-14 March. At the same time, the second shiploader at the Newcastle Coal Infrastructure (NCIG) terminal closed for two weeks. With the first NCIG shiploader out until October-December, all coal exports had to go through the Port Waratah Coal Services (PWCS) terminals at Newcastle. The rail network has since returned to normal operating capacity and the second shiploader at NCIG is back in operation. This has allowed Newcastle to reduce the shipping queue to around 26 vessels from over 40 on 22 March.

NCIG shipped more coal in the first half of April as it did in the whole of March, according to initial shipping figures collated by Argus. Newcastle, including both PWCS and NGIC, is on track to ship more than 14mn t this month, according to this data. PWCS shipped 8.08mn t in March, down from 9.74mn t in February and from 10.16mn t in March 2020, according to PWCS port data. This implied that NCIG shipped 1.9mn t in March, down from 3.25mn t in February and from 4.35mn t in March 2020.

Argus last assessed high-grade Australian thermal coal at \$88.24/t fob Newcastle for NAR 6,000 kcal/kg on 16 April, down from \$97.60/t on 1 April but up from a low of \$46.18/t on 4 September. while Argus assessed the semi-soft mid-volatile coking coal price at \$92.75/t fob Australia on 16 April, up from \$71.20/t on 31 December.

*Sources: Argus Media.*

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## GRAINS

### WHEAT PRICES CONTINUE TO RISE VERY RAPIDLY DUE TO THE VERY COLD WEATHER IN THE UNITED STATES

Wheat prices continue to rise very rapidly due to the very cold weather in the United States reaching southern Texas. The market reacted to the forecast for lack of precipitation next week in the areas with spring wheat. Similarly, there will be no rain in Canada's productive areas not only in the coming days, but for the entire summer, which is expected to be very dry. Cold weather in Europe is fuelling the price increase. The US is however continuing to meet fulfil export contracts with export sale reaching 240,208 tons (-56,638 tons a week earlier and 244,654 tons a year earlier) In the week ending 15.04.2021. Export commitments for wheat from the United States since the beginning of the season reach 25.37 million tons (25.46 million tons a year earlier).

Wheat production in Russia will reach 79.5 million tons in 2021 compared to 81 million tons in the previous estimate from 2 weeks ago, according to the latest ICAR forecast. Wheat production has been revised downwards as there are concerns that a great amount of wheat in the country's central provinces are in poor condition. Russian traders are actively trading wheat from the new crop, although they do not know exactly how much the export tax will be as the new export tax regime is implemented. Meanwhile China has been an active buyer of French wheat for the last 2 weeks. It is estimated Chinese buyers had bought about 500,000 tons of new and old wheat with delivery in July-September. Over the past week, CBOT May SRW wheat futures prices rose by 13 3/4 cents to close at \$6.52 1/4 a bushel.

*Source: Grainprices*

### ARGENTINE AUTHORITIES CONSIDERING RAISING EXPORT TAXES OF AS CORN FUTURES HIT 8 YEAR HIGH

The USDA announced the export sales of from the new crop on Friday. The export sales were to an unknown buyer and Guatemala. 336,000 tons was for an unknown buyer and the second export sale of 136,680 tons was for Guatemala. Purchases of corn from the new crop from the United States are linked to the problems in Brazil - a drought that is not yet clear when it will be overcome. These are the first major purchases of a new corn crop, which are certainly related to the potential reduction in the Brazilian corn production estimate. At present, domestic corn prices in Brazil are at record highs with no decline insight. Despite strong corn markets, purchases from the United States will continue until it rains in Brazil where poor rainfall has heightened concerns over global supplies. The Chicago Board of Trade (CBOT) front-month corn contract rose 0.9% to \$6.31-1/4 a bushel by 0232 GMT, having climbed earlier in the session to \$6.32 a bushel, the highest since mid-2013 on the back of the supply outlook.

Meanwhile, Authorities in Argentina are considering raising export taxes on corn and soybeans in order to increase revenues. The country is desperately in need of funds as it grapples with coronavirus and a weak economy. It however left to be seen if this is implemented as it could potentially send buyers to Argentina's competitors. In other news, The USDA attaché in Argentina has raised its forecast for the corn production to a total of 47 million tons while The Rosario Grain Exchange raised its forecast for the corn production in Argentina 2020/21 by 1.5 million tons to 50 million tons.

*Source: Grainprices, Reuters*

### SOYBEAN CBOT FUTURES RISE TO THEIR HIGHEST LEVELS SINCE 2008

The prices of July soybean futures in Chicago were up 0.3% at \$15.20-3/4 a bushel, after touching their highest since June 2013 at \$15.39-1/2 a bushel. Prices have risen sharply following the positive trend in corn and wheat markets. Another key factor was the rising soyoil prices, which reached the highest levels since 2008. The soybean market was supported by continued rainfall in Argentina and delayed soybean harvesting campaign, the abolition of soybean imports taxes in Brazil and problems with oil supplies around the world.

Export sales from the United States are not high, however there has not been any cancellations. Weekly US soybean export sales were 64,299 tons (90,488 and 344,921). Export commitments for soybeans are 60,826,922 tons (37,822,211), which is 98% of the annual forecast of the USDA. The sales of soybeans from the new crop reached 315,263 tons and export commitments for the new crop reach 6.19 million tons. Sales of soymeal has been spread between old crop and new crop. There 124,300 tons of old crop sold while new crop sold amounted to 8,200 tons

*Source: Grainprices, Reuters*

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Loading Port	Discharging Port	Cargo	Laycan	Contact
NOVO/IZMIR	CHALKIS	ALU PRODUCTS 5000	28 Apr - 30Apr	<a href="#">Contact</a>
BERDYANSK OR MARIUPOL	TUNISIA	BULK WHEAT 11000/18000	PPT	<a href="#">Contact</a>
GHENT	NADOR	STEEL BILLETS 5000	8 May - 12 May	<a href="#">Contact</a>
RAVENNA	LATTAKIA	MINERALS 5000	28 Apr - 30Apr	<a href="#">Contact</a>
VLADIVOSTOK	PARADIP	COAL 40000	1 May - 3 May	<a href="#">Contact</a>
NAKHODKA	BAHODOPI-POSO	COAL IN BULK 18000	27 Apr - Beg May	<a href="#">Contact</a>
BAYAH	BANGLADESH - INCHOPT	CLINKER IN BULK 50000	17 May - 21 May	<a href="#">Contact</a>
INDONESIA	BANGLADESH	CLINKER 50000	13 May - 17 May	<a href="#">Contact</a>
BOURGAS-VARNA-CTZA	TUNISIE	WHEAT 25000	25 Apr - ONW	<a href="#">Contact</a>
POLAND OR ROSTOCK	ALGERIE	WHEAT 30000	10 May - ONW	<a href="#">Contact</a>
CAM PHA	TAI CHUNG	CLINKER IN BULK 30000	3 May - 8 May	<a href="#">Contact</a>
NGHI SON, VIETNAM	GUANGZHOU	CLINKER IN BULK 25000/35000	25 Apr - 30 Apr	<a href="#">Contact</a>
PADANG	BANGLADESH - INCHOPT	CLINKER IN BULK 35000	26 Apr - 30 Apr	<a href="#">Contact</a>
NIKATERA	BARI	BULK CLAY STOW DWT 10000	10 May - 15 May	<a href="#">Contact</a>
DAMIETTA	RAVENNA	FERTS 43 5500	PPT	<a href="#">Contact</a>
ISKENDERUN	SAVONA	HRC 8250/8420	4 May -5 May	<a href="#">Contact</a>