DRY BULK WEEKLY BRIEF

WEEK 45 | Monday, 15 November 2021

LATEST COMMODITY NEWS

Iron Ore

CHINA'S OCT IRON ORE IMPORTS SLIP FOR 2ND MONTH ON EASING DEMAND

IRON ORE ON COURSE FOR FIFTH WEEKLY FALL

Coal

CHINA IS PLAYING WITH FIRE AS IT IMPLEMENTS PRICE CONTROLS ON COAL

Grains

CHINA CORN PRICES RISE AS BAD WEATHER DELAYS CROP SHIPMENTS

CANADA'S WHEAT OUTPUT FORECAST AS SMALLEST IN 14 YEARS

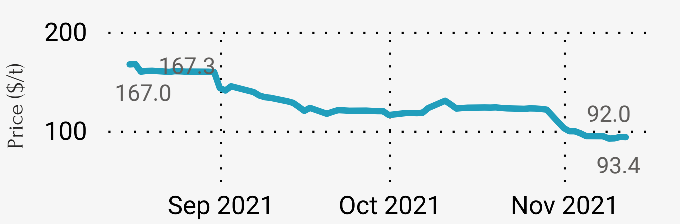
USDA MAKES MINOR ADJUSTMENTS TO US SOYBEAN PRODUCTION FROM OCTOBER

Week	S&P Transactions	Demolition Sales	Newbuilding Orders
45	12	1	6
44	9		22
43	12		
Total	**32**	**1**	**28**

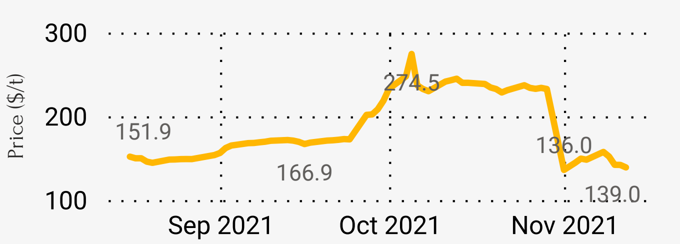
Latest Secondhand Transactions

Week	Vessel Name	DWT	Built	Reported Price
45	BAO MAY	178,050	2010	£32.0M
45	IKAN SENYUR	61,494	2010	£22.0M
45	LAKE DANY	28,358	2008	£11.9M
45	MAJULAH HARBOURFRONT	81,922	2014	£31.0M
45	NAUTICAL ALICE	63,580	2016	£28.5M
45	OCEAN ROSEMARY	82,265	2013	£23.0M
45	SHANDONG HAI TONG	56,724	2012	£16.7M
45	SOHO MERCHANT	63,800	2015	En bloc
45	SOHO TRADER	63,473	2015	En bloc
45	SPRING BREEZE	33,847	2013	£15.0M
45	STAR DAMON	63,301	2012	£22.5M
45	YUTAI AMBITIONS	77,283	2008	£18.0M

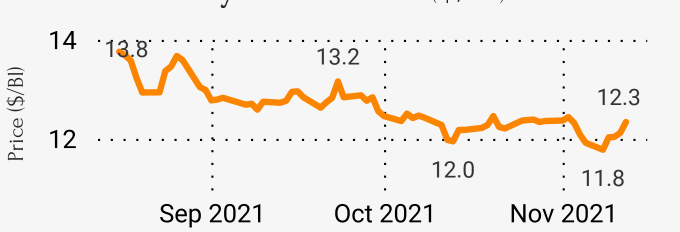
Iron Ore Price This Month ($/t)



Coal Price This Month ($/t)



Soybeans Price ($/bl)



Changes in Iron Ore Port Inventory Index

Port	W/W%
Dampier	15.21%
Qingdao-Dongjiakou	7.38%
Qingdao-Qianwan	4.00%
Saldanha	10.28%
Tubarao	-1.03%

Source: Tathya.Earth

Demolition Prices for Bulkcarriers ($/LDT)

BREAKER COUNTRY	Week 45	WoW%
BANGLADESH	608	-0.4%
INDIA	593	-1.0%
PAKISTAN	598	-0.6%
TURKEY	295	0.9%

Average bunker Prices ($/t)

WEEK	VLSFO	MGO	IFO380
46	623	746	495
45	632	760	505
44	629	763	510

Follow us for more analysis and updates of the dry bulk shipping market

@Dnfsmanalysis | www.linkedin.com/company/dnfsmanalysis | contact@dnfanalysis.com | www.dnfanalysis.com

CHINA'S OCT IRON ORE IMPORTS SLIP FOR 2ND MONTH ON EASING DEMAND

ArcelorMittal Liberia, the world's leading steel and mining company, says it is not threatened by Thursday's announcement by High Power Exploration (HPX) and the Sumitomo Mitsui Financial Group (SMFG) regarding positive results of its pre-feasibility study for the Nimba Iron Ore Project. HPX is a privately-owned, U.S.-domiciled mineral exploration and development company while SMFG is a Guinean incorporated mining company. SMFG is an 85% owned subsidiary of High Power Exploration (HPX). Guy de Selliers, Chairman of Société des Mines de Fer de Guinée (SMFG) and Mamady Youla, CEO of SMFG, in a statement Thursday, said, that its feasibility study confirms the viability of developing Nimba's world class high-grade, low impurity, direct shipping ore deposit.

The feasibility study, which according to the mining companies is expected to be completed in early 2023, was led by independent engineering firm Hatch Ltd of Toronto, Canada and evaluated the development of a mine, rail and port infrastructure to export up to 30 million tonnes per annum (MTPA) of direct shipping ore via rail from the Nimba project site in Guinea through Liberia to the Buchanan Port. The Hatch led team included SRK Consulting (UK) Limited, Fluor Corporation, Golder Associates, China Harbour Engineering Company Limited, China Railway Liuyuan Group Co. Ltd and CCCC First Harbour Consultants Co. Ltd. Speaking to FrontPageAfrica Thursday, Mr. Joe Matthews, Chief Executive Officer of ArcelorMittal Liberia said AML was not involved in the creation of the feasibility study for HPX and that HPX is doing so as part of their development program for the mine and exporting the ore via Liberia.

Source: All Africa

IRON ORE ON COURSE FOR FIFTH WEEKLY FALL

Iron ore prices were on track for a fifth straight weekly fall on Friday, as worries over weak demand for the raw material in top steel producer China outweighed hopes for an easing of financing curbs in the country's debt-laden property sector.

The most-traded iron ore for January delivery on China's Dalian Commodity Exchange fell 2.6% to 541 yuan a tonne by 0330 GMT and was on track for a weekly loss of 3.8%. Iron ore's front-month December contract on the Singapore Exchange slumped 4% to $88.80 a tonne and was down 2.9% from last week. Spot iron ore in China traded at an 18-month low of $90 a tonne on Thursday, down nearly 5% this week, according to SteelHome consultancy data.

Traders turned cautious after a relief rally in China's ferrous futures markets on Thursday driven by China Evergrande Group making last-minute coupon payment to some bondholders and talks of a potential credit easing in the property sector. The sector accounts for about a quarter of domestic steel demand. "The question is more on implementation details," analysts at J.P. Morgan said in a note, referring to the potential credit-easing measures. Construction steel rebar on the Shanghai Futures Exchange shed 1.5% after a 5% jump in the previous session, while hot-rolled coil dropped 0.7%. Stainless steel slipped 0.2%. Dalian coking coal slid 3.9%, while coke retreated 2.5%.

Source: Business Recorder

CHINA IS PLAYING WITH FIRE AS IT IMPLEMENTS PRICE CONTROLS ON COAL

The largest Chinese Power Grid Company, State Grid Corporation of China (SGCC), announced Sunday that power supply and demand in its service areas have returned to normal and rolling blackouts have decreased, according to state news agency Xinhua. SGCC's power grid reaches more than 1.1 billion people over 88% of China's territory. It said thermal coal inventories rebounded to 99.3 million tons, and the available days of inventory now stand at 20. Increasing inventories come as Beijing imposed price controls on coal.

Just last month, when we reported that Beijing had imposed price controls on its coal prices, we said that the problem with such explicit measures which create an artificially low price is that they don't fundamentally address the underlying problem (too much demand, not enough supply), but instead accelerate panic hoarding and lead to a run on the artificially underpriced commodity.

One recurring theme with central planning is that the greater the level of intervention, the worse and more widespread the unexpected adverse consequences. Beijing has been playing a giant game of "whack a mole" as it was directly responsible for soaring coal prices in September/October, telling state energy firms to "secure supplies [coal] at all costs," to only then impose price controls that sent prices tumbling by early November.

Thermal coal futures on the Zhengzhou Commodity Exchange have been halved in the last few weeks, allowing state energy firms to purchase coal at lower prices, but panic hoarding could result in another push higher. Even though SGCC is normalizing its grid, power to energy-intensive industries remains limited. It warned the grid will suffer an "overall tight balance with partial gaps" this winter.

China skipped out on last week's Cop26 UN climate summit in Glasgow as President Xi Jinping ramps up coal imports, coal power generation, and coal stockpiling. China Meteorological Administration recently warned a La Nina weather event would unleash a cold blast across the country. This has forced the country to increase fossil fuel power generation that has led to air quality deterioration. Mean temperatures in Beijing are below freezing this weekend as the capital experienced its first heavy snowfall of the season. Suburbs of Beijing saw the heaviest snowfall, up to 15.8 inches.

As the colder weather rolls in, central planners have been on a multi-month frenzy to stockpile fuel and, as of last week, told households to stock up on food in case of emergencies, mainly because it expects food shortages as La Nina could trigger a winter of discontent. Interventions can only last so long as supplies are limited. Coal prices are likely to increase from here, and China's energy crunch to persist through the winter season.

Source: zerohedge

CHINA CORN PRICES RISE AS BAD WEATHER DELAYS CROP SHIPMENTS

Corn prices in China have pushed to multi-month highs despite the advancing harvest after wet weather slowed crop collection just as record energy prices pushed up grain drying and logistics costs, analysts and traders said. New crop corn futures on the Dalian Commodity Exchange have rallied nearly 9% in the past month to their highest since June, while key cash markets in the east JCI-CORN-QNDAO and south JCI-CORN-SHZH of the world's second-largest corn consumer have climbed sharply in recent days. "Rains and snow delayed sales of the new crop to market in Liaoning (province), the northwestern and northern regions, while logistics at ports in Liaoning were suspended due to the bad weather," said Meng Jinhui, senior analyst with Shengda Futures. Liaoning produces 7% of China's corn and is home to ports that distribute the grain from other northeastern provinces, including Heilongjiang, the biggest producing province.

Cash corn in the key grain consumption hub of Shandong Province in eastern China jumped to 2,890 yuan ($451.81) a tonne this week from less than 2,650 yuan at the start of the month, after snowstorms hit northern and northeastern China snarling crop shipments. "Farmers have the habit of drying grain on the fields and selling it to traders right after harvest, when the weather is good. But the rains and snow have disrupted the habit," said Li Hongchao, analyst with Myagric.com. In northern and northeastern China, around 12% of the corn crop has already been sold to the market on average so far, compared with 14% at same time last year, according to a survey done by Myagric.com. "Farmers are holding back on sales, while corn is not coming out of the northeast fast," said a purchase manager with a feed producer in northern China.

Source: Reuters

CANADA'S WHEAT OUTPUT FORECAST AS SMALLEST IN 14 YEARS

Canada's wheat output in marketing year 2021-22 is expected to shrink significantly due to one of the hottest and driest summers on record, according to a Global Agricultural Information Network report from the Foreign Agricultural Service of the US Department of Agriculture (USDA). The USDA projects wheat production at just 21.7 million tonnes, 38% lower than the previous year and the lowest mark since a 20-million-tonne harvest in 2007-08.

The average yield for all types of wheat is expected to fall more than 30% below the five-year average of 3.42 tonnes per hectare, the USDA said. "Drought conditions stretched across vast regions of farmland in 2021," the USDA said. "Typically, moisture levels and temperature vary significantly across the prairies and drought occurs in isolated pockets."However, 80% of crops in Alberta, for example, are of lower quality than the previous year, largely due to an uncommonly expansive drought."

The country's wheat exports also will be impacted, with the USDA projecting only 15.7 million tonnes to be shipped. If realized it would be the lowest total since 2004-05, when 14.8 million tonnes were exported. Canada is one of the world's most important wheat suppliers. It ranked fourth in wheat exports in 2020-21 at 26.4 million tonnes, just a couple of thousand tonnes behind the United States. Global wheat supplies are the tightest they have been in years, causing the price of wheat to skyrocket in recent weeks.

Source: World Grain

USDA MAKES MINOR ADJUSTMENTS TO US SOYBEAN PRODUCTION FROM OCTOBER

The US Department of Agriculture in its Nov. 9 Crop Production report forecast slightly higher corn production and slightly lower soybean production from its October projections although both were up from 2020. The lower soybean estimate appeared to be the greatest surprise to the trade. US soybean production in 2021 was forecast at 4.425 billion bushels, down 0.5% from October but up 5% from 4.216 billion bushels in 2020 and the second highest on record if realized after 4.428 billion bushels in 2018.

The average yield based on Nov. 1 conditions was forecast at 51.2 bushels per acre, down 0.3 bushels from October but up 0.2 bushels from 2020. The forecast average yield also would be the second highest on record if realized. Harvested area was forecast at 86.4 million acres, unchanged from the prior forecast but up 5% from 2020. USDA's soybean production and average yield forecasts both were below the average trade expectations of 4.484 billion bushels and 51.9 bushels per acre.

Source: World Grain