



DRY BULK WEEKLY

WEEK 04 | Monday February 1 2021



D&F
SHIPPING MARKET ANALYSIS

LATEST COMMODITY NEWS

Iron Ore

- THE DAWN OF AN IRON ORE SUPER CYCLE

Coal

- CHINA'S COASTAL FREIGHT RATES FALL AS COAL DEMAND EASES

Grains

- BIGGEST PURCHASE OF U.S. CORN YET - CHINA'S CONTINUED PURCHASING OF U.S. CORN BOOSTS GRAIN PRICES

Other News

- CHINA'S OVERALL INDUSTRIAL PRODUCTION IN DECEMBER ROSE YEAR-ON-YEAR BY 7.3%

Capesize Spot Routes

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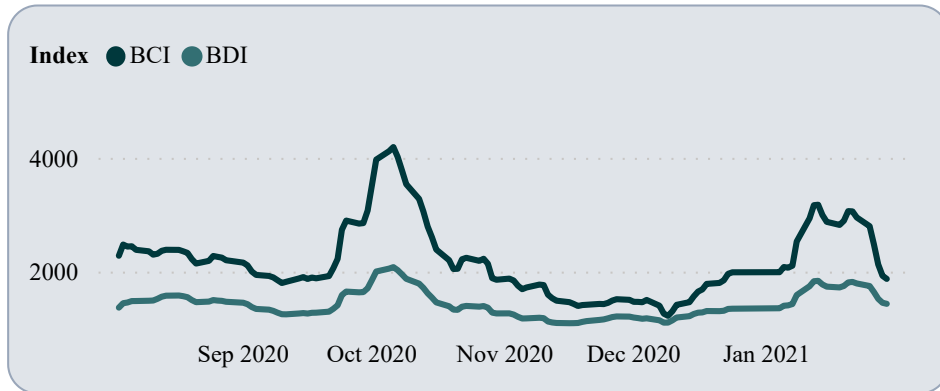
Weekly Commodity Updates

Broker's Meeting Point - Available Cargoes

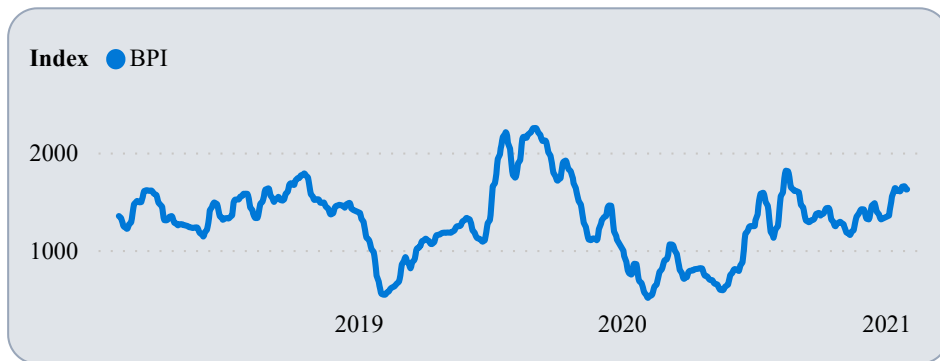
Timecharter Hire Rates

Commercial Class	Wk 2	Wk 3	Wk 4	WoW%	Avg. 2021	YoY%
<input type="checkbox"/> CAPESIZE						
2 Y	17,500	17,500	18,625	6.4%	17,281	2.9%
1 Y	17,000	17,250	18,250	5.8%	16,625	13.1%
6 M	16,500	16,750	17,625	5.2%	16,094	18.4%
<input type="checkbox"/> PANAMAX						
1 Y	12,750	13,000	15,000	15.4%	13,188	8.4%
6 M	13,125	13,375	13,625	1.9%	13,188	10.6%
2 Y	12,875	13,125	15,875	21.0%	13,134	3.6%
<input type="checkbox"/> ULTRAMAX						
6 M	10,875	11,375	12,875	13.2%	11,375	14.8%
1 Y	10,625	11,125	13,250	19.1%	11,281	13.4%
2 Y	10,625	10,625	13,500	27.1%	11,219	6.9%
<input type="checkbox"/> SUPRAMAX						
6 M	10,375	10,625	12,375	16.5%	10,875	14.9%
1 Y	9,750	10,000	12,625	26.3%	10,531	14.1%
2 Y	9,625	9,625	13,125	36.4%	10,500	5.6%
<input type="checkbox"/> HANDY						
2 Y	9,375	9,375	10,875	16.0%	9,750	-4.4%
6 M	9,250	9,625	10,000	3.9%	9,469	7.8%
1 Y	9,000	9,250	10,500	13.5%	9,438	8.5%

Bulkcarrier Freight Market

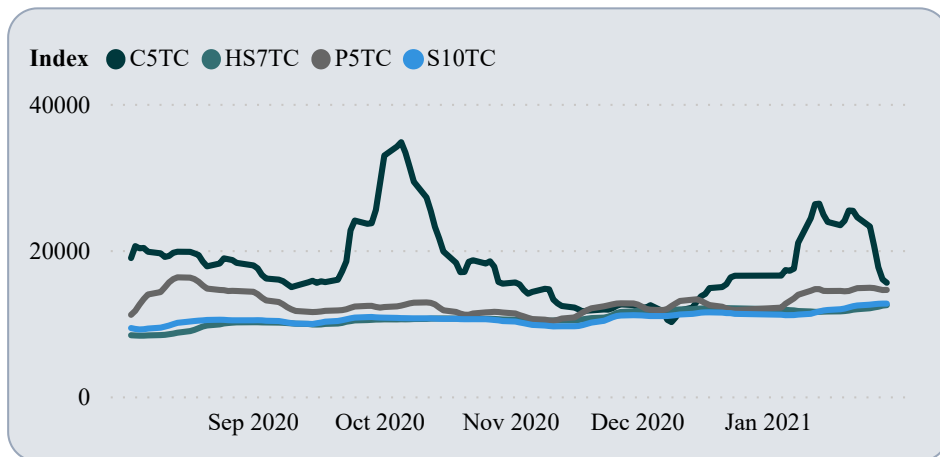


Index	15/01	22/01	29/01	WoW%
BDI	1,754	1,810	1,452	-19.8%
BCI	2,893	2,970	1,890	-36.4%
BPI	1,616	1,659	1,633	-1.6%
BSI	1,086	1,142	1,165	2.0%
BHSI	653	670	701	4.6%
C5TC	23,989	24,631	15,675	-36.4%
P5TC	14,545	14,934	14,695	-1.6%
S10TC	11,951	12,566	12,820	2.0%
HS7TC	11,745	12,056	12,615	4.6%



The fall of the BDI index observed last week has a name, and it is called Capesize.

The fall is attributed to an expected seasonal dip in cargo demand ahead of the Chinese New Year which dragged the Capesize segment, while at the same time the specific ship type was affected by the decreased productivity of Western Australia's mining giant companies as Rio Tinto etc. This time of the year usually represents a seasonal low period for the Capesize segment.



The Baltic dry index fell by 19.8% to 1452, a decline of 358 points. The Capesize segment indicated a massive drop of 36.4% and closed at 1890 points. The routes (C5) West Australia-Qingdao and the competitive route (C3) Tubarao-Qingdao saw a decline of 21.9% and 10.4%, respectively. The Capesize 5TC settled at \$15,675 at the end of the week, a fall of \$8,956.

Capesize Spot Rates	08/01	15/01	22/01	29/01	WoW%	2019	2020	2021	YoY%
Tubarao-Qingdao - C3	15.74	19.56	19.25	17.25	-10.4%	18.6	14.8	18.3	47.8%
Saldanha Bay-Qingdao - C17	11.63	15.14	14.45	12.91	-10.7%	13.8	11.3	13.9	-1.0%
Bolivar-Rotterdam - C7	10.29	12.76	14.14	11.49	-18.7%	9.6	8.1	12.4	52.2%
Tubarao-Rotterdam - C2	7.44	10.43	10.63	8.35	-21.4%	8.2	6.6	9.6	52.1%
West Australia-Qingdao - C5	8.31	8.81	7.87	6.15	-21.9%	7.7	6.7	8.3	44.5%

Capesize Tripcharter	08/01	15/01	22/01	29/01	WoW%	2019	2020	2021	YoY%
Continent-Mediterranean/ China-Japan - C9	29040	45100	46125	32275	-30.0%	34995	27699	40286	45.4%
Gibraltar-Hamburg/ Transatlantic RV - C8	19445	29475	36425	23250	-36.2%	18376	13752	28125	104.5%
China-Brazil RV - C14	12968	18664	18073	13341	-26.2%	17202	11731	16464	40.3%
China-Japan/ Transpacific RV - C10	18921	21667	17133	9221	-46.2%	17164	13042	19219	47.4%

Bulkcarrier Freight Market



Panamax Spot Rates	04/01	08/01	15/01	22/01	WoW%	2019	2020	2021	YoY%
USG - Qingdao - P7	41.05	47.02	47.49	47.46	-0.1%		39.6	46.0	1.2%
Santos - Qingdao - P8	30.43	35.82	36.95	36.54	-1.1%	34.5	28.4	35.3	10.6%

Panamax Tripcharter	08/01	15/01	22/01	29/01	WoW%	2019	2020	2021	YoY%
Skaw-Gib/ HK-S. Korea-Taiwan - P2A	20809	23859	23777	23836	0.2%	21073	18016	23362	29.7%
Skaw-Gib/ Transatlantic RV - P1A	14775	16685	16608	17055	2.7%	12653	9502	16470	73.3%
Singapore RV via Atlantic - P6	11335	14340	15260	14620	-4.2%	12963	10665	14237	33.5%
HK-S. Korea-Taiwan/ Transpacific RV - P3A	10714	12928	13477	12838	-4.7%	11231	9101	12613	38.6%
S. China/ Indonesia RV - P5	10722	13472	13036	11933	-8.5%	10895	8619	12470	44.7%
HK-S. Korea- Taiwan/ Skaw-Gib - P4	4185	4536	4574	4518	-1.2%	4839	2714	4473	64.8%

Supramax Tripcharter	08/01	15/01	22/01	29/01	WoW%	2019	2020	2021	YoY%
USG/China-S. Japan - S1C	24761	24150	24433	24839	1.7%	21143	19869	24596	23.8%
Canakkale via Med-BI Sea/ China-S. Korea - S1B	19400	20311	22904	24114	5.3%	18304	17591	21018	19.5%
USG/ Skaw-Passero - S4A	21818	20796	20325	20939	3.0%	14637	13266	21058	58.7%
W.Africa via ECSA/ N. China - S5	15022	16280	16783	17235	2.7%	14620	12844	16222	26.3%
Skaw-Passero/ USG - S4B	11775	11869	12769	13156	3.0%	7645	7570	12183	60.9%
S.China via Indonesia/ S.China - S10	9679	11093	11807	11729	-0.7%	8811	6735	10913	62.0%
W.Africa via ECSA/ Skaw-Passero - S9	9700	10618	10946	11148	1.8%	9305	6951	10527	51.4%
N. China/Australia-Pacific RV - S2	9179	10236	11050	11114	0.6%	8949	7178	10211	42.3%
S.China via Indonesia/ EC.India - S8	9067	9933	10308	10175	-1.3%	8832	5981	9774	63.4%
N. China/ W. Africa - S3	4270	4830	5340	5780	8.2%	4679	2613	4934	88.8%

Handysize Tripcharter	08/01	15/01	22/01	29/01	WoW%	2019	2020	2021	YoY%
USG via USG-ECSA/ Skaw-Passero - HS4	15979	15400	15443	16157	4.6%	10845	10014	15637	56.2%
Rio de Janeiro-Recalada/ Skaw-Passero - HS3	14217	13544	14050	14689	4.5%	13489	10398	13918	33.8%
Skaw-Passero/ Boston-Galveston - HS2	12986	11829	12286	12996	5.8%	8617	8557	12364	44.5%
Skaw-Passero/ Rio de Janeiro-Recalada - HS1	13014	11879	12307	12996	5.6%	8407	8213	12392	50.9%
S. East Asia/ Singapore-Japan - HS5	11013	11250	11457	11856	3.5%	8642	7231	11328	56.7%
N. China-S- Korea-Japan/ N.China-S. Korea-Japan - HS6	9475	9913	10164	10669	5.0%	8079	6481	9935	53.3%
N. China-S. Korea-Japan/ S. East Asia - HS7	9175	9313	9707	10050	3.5%	7869	6129	9483	54.7%

The BPI index moved slightly downward (-1.6%) although still within the range seen since early January. The routes (P7) and (P8) noticed a mild drop of 0.1% and 1.1%, respectively. Tripcharter rates for most of the monitored routes were also down w-o-w, with the exception of (P2A) and (P1A) which saw a slight improvement of 0.2% and 2.7% respectively. Despite the stability in the Panamax segment, the route (P5) witnessed a reduction of 8.5% and closed last Friday at \$11,933 a fall of \$1,103.

The Supramax and Handysize segments witnessed another positive week, with improvements all across the board. Charters from the USG and Mediterranean led the table in terms of rates, however the major changes were seen in routes S1C and S3 for the Supramax sector. Charters out of South China were the only ones that showed a mild decrease both around -1%. As to the Handysize Tripcharter rates, the positive tone did not leave any area behind with an improvement range of 3.5%-5.8%.

Sale & Purchase Market



Latest Transactions

Week	Ships Sold	Age	DWT	Price (US\$)	Notes	Owner	Country of Buyer
4	ASL MARS	17	175,085	\$10,000,000		ERASMUS	
4	SAKURA WAVE	11	88,300	\$12,700,000		SATO STEAMSHIP	
4	UNA MANX	0	82,000	\$29,500,000			China
4	CORAL AMETHYST	9	78,092	\$16,500,000		CONCHART COMMERCIAL	Cyprus
4	PIREAS	15	76,598	\$10,300,000		CHRONOS SHIPPING	Cyprus
4	THESSALONIKI	15	76,598	\$10,300,000		CHRONOS SHIPPING	Cyprus
4	NICOS L	19	73,193	\$6,500,000		VRONTADOS	China
4	SBI VIRGO	4	63,629	\$15,000,000		SCORPIO COMMERCIAL MANAGEMENT	USA
4	DAIMONGATE	4	63,496	\$22,000,000		EASTERN PACIFIC SHIPPING SINGAPORE	
4	GH SEABISCUIT	5	63,368	\$17,750,000		FLEET MANAGEMENT HONG KONG	China
4	TAIZHOU SANFU SF180102	1	63,200	\$23,000,000			
4	ORIENT AMABIE	8	61,393	\$16,500,000		OMC SHIPPING	
4	XING SHOU HAI	5	60,500	\$20,700,000		FORTUNE OCEAN SHIPPING	
4	XING XI HAI	4	60,500	\$21,100,000		OCEANFRATE SHIPMANAGEMENT	
4	DENSA JAGUAR	9	57,280	\$10,800,000		DENSA SHIPPING	China
4	NORDIC HARBIN	10	56,811	\$8,800,000			
4	MIGHTY OCEAN	14	56,083	\$8,500,000		TOSHIN KISEN	China
4	SHEFFIELD	11	55,600	\$9,500,000		ER SCHIFFFAHRT	
4	PETERBOROUGH	12	55,500	\$9,300,000		ER SCHIFFFAHRT	
4	NAVIOS ASTRA	15	53,500	\$7,500,000		NAVIOS SHIPMANAGEMENT	Turkey
4	ALMASI	20	52,342	\$5,500,000		ALMI MARINE MANAGEMENT	China
4	LAST TYCOON	9	34,569	\$8,000,000		MARINE CAPITAL	

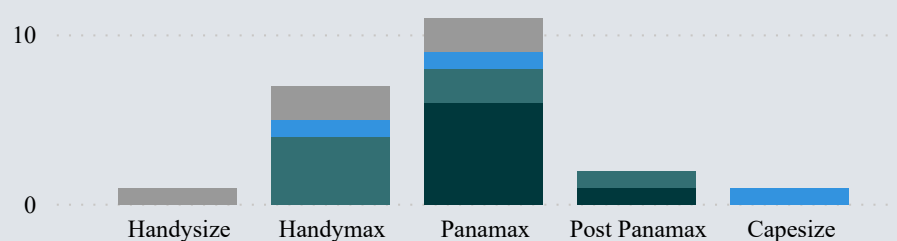
Dry bulk vessels continued to change hands at a high pace despite the good momentum in freight levels earlier this month. In fact, the 4th week was the most active week for the month of January, 22 transactions were reported during the last week of the calendar month.

The deals came to confirm once again that buying appetite exists in the dry bulk market. The significant boost in demand for second-hand vessels indicates that medium-size vessels (7 Ultramax, 7 Supramax, 4 Panamax) are leading the way for the time being. As we mentioned, the buying appetite spread across the mid-size segments, but the underlined point was the age preference as buyers preferred the age category of 5 to 10 years old vessels once again (over half of the sold fleet belonged to that age group). Six transactions related to Chinese shipping companies, while Cyprian maritime companies reported three deals.

Sale of the week: Scorpio Bulkers Inc. announced today that the company has agreed with Eagle Bulk Shipping Inc. to sell SBI Virgo, an Ultramax bulk carrier built in 2017, for \$15 million of cash and a warrant for 212,315 common shares of Eagle Bulk. Delivery of the vessel is expected to take place in the second quarter of 2021.

Ship Sales by Age and Size (Week 4)

Age Group ● 0-5 years ● 10-15 years ● 15-20 years ● 5-10 years



Weekly Volume of Sales

Size	2	3	4	Total
Panamax	4	6	11	21
Handymax	3	7	7	17
Capesize	3	3	1	7
Handysize	2	3	1	6
Post Panamax	2		2	4
Total	14	19	22	55

Annual Volume of Sales

Size Group	2018	2019	2020
Handymax	163	152	138
Handysize	126	118	127
Panamax	94	130	102
Post Panamax	80	53	61
Capesize	53	22	53
VLBC	8	8	19
Total	523	483	500

Demolition Market



Latest Transactions

Week	Vessel	Vessel Age	Location of Delivery	USD / LDT	LDT (MT)	Sale Price
4	MV Algoma Enterprise	42			9194	
4	MV Gloriever	25	Bangladesh	440	9295	\$4,089,800

Demolition Prices for Bulkcarriers- Week Average (USD/LDT)

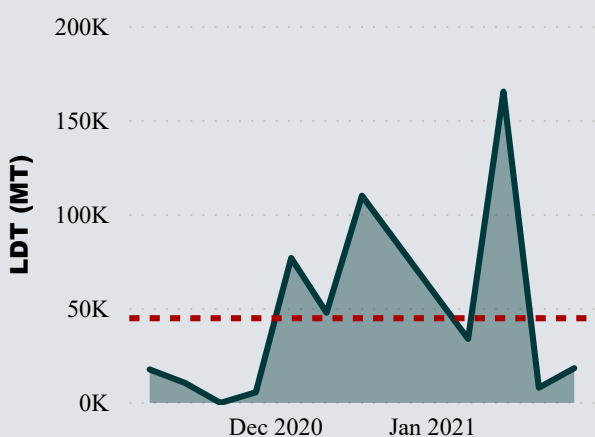
Market	Wk 2	Wk 3	Wk 4	WoW%
Bangladesh	460	440	430	-2.3%
Pakistan	445	435	425	-2.3%
India	435	425	420	-1.2%
Turkey	285	285	270	-5.3%

Another soft week in terms of demolition as we witnessed only two transactions during the 4th week of the year.

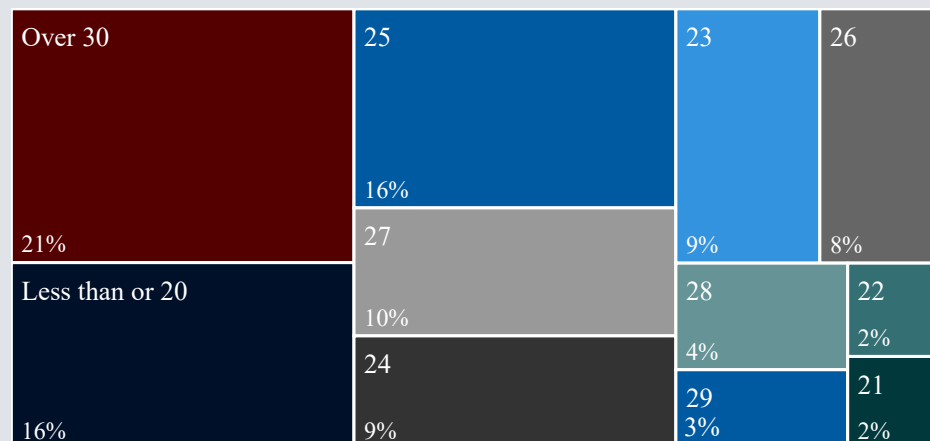
MV Gloriever a 25-year-old Bulk Carrier built in Japan will be delivered in Bangladesh the upcoming weeks. The scrapping price (\$440/LDT) was higher than the average prices that have been reported in the market. Simultaneously, MV Algoma Enterprise, which was built in Canada, will follow the way for scrapping.

For a second consecutive week, the demolition prices persisted with a fall, for the main scrapping destinations. The drop in terms of pricing in India's subcontinent fluctuates between \$5/LDT to \$10/LDT, while in Turkey was observed the highest fall \$15/LDT.

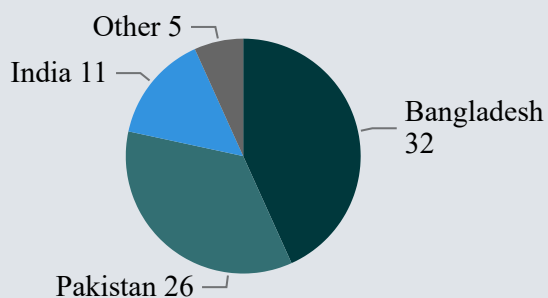
Demolition Activity in the Last 3 Months



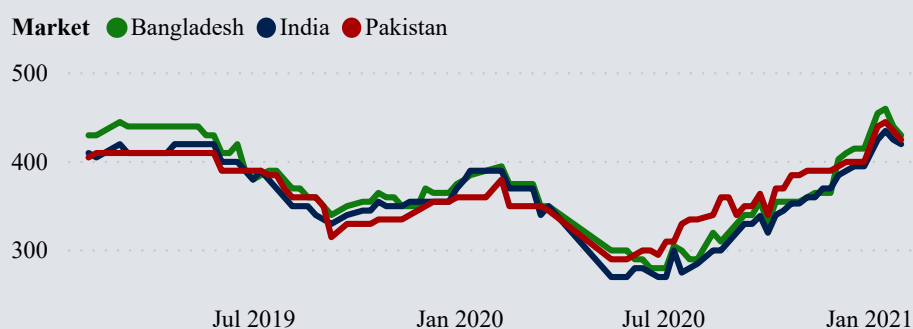
Demolition Age (years) of Vessels in 2020 & 2021 (%)



Location of Delivery - No. Vessels 2020 & 2021



Demolition Prices (US\$/LDT)



Shipbuilding Market



Latest Orders

Week	Size Class	DWT	Units	Delivery	Buyer	Shipbuilder
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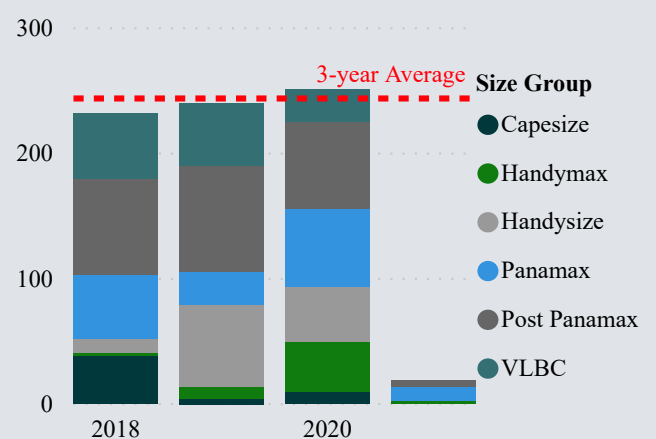
Newbuilding Market Price by Size (Week 4)

Year	Handysize	Ultramax	Panamax	Kamsarmax	Capesize
2018	\$21,900,000	\$24,500,000	\$25,000,000	\$26,000,000	\$44,500,000
2019	\$26,000,000	\$31,000,000	\$32,000,000	\$33,000,000	\$51,000,000
2020	\$26,000,000	\$32,000,000	\$33,000,000	\$34,000,000	\$53,000,000
2021	\$22,000,000	\$25,000,000	\$26,000,000	\$27,000,000	\$47,000,000

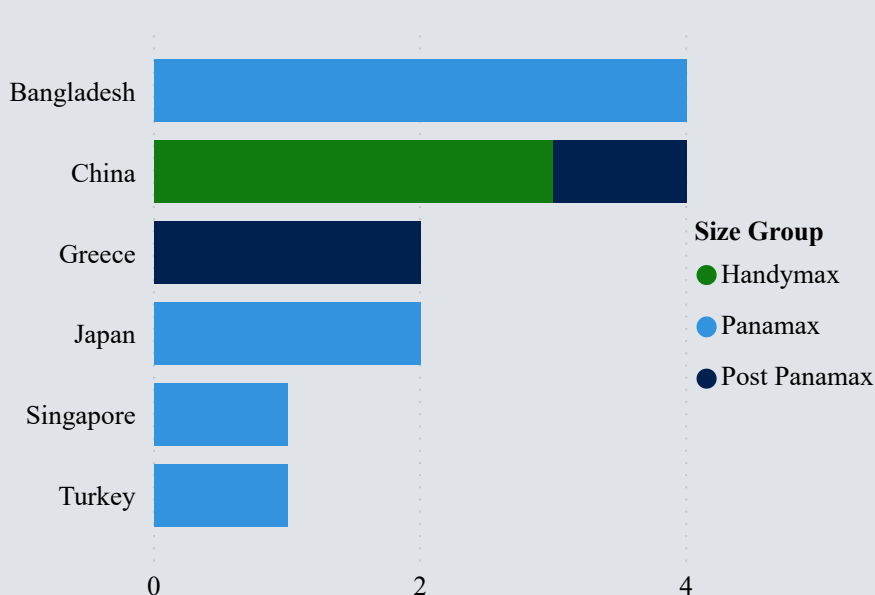
Delivery Year by Size

Size Group	2021	2021/2022	2022	2023	Total
Post Panamax	28		33	8	69
Panamax	26	3	33		62
Handysize	7	9	25	3	44
Handymax	14	4	22		40
VLBC	5		21		26
Capesize	1		2	7	10
Total	81	16	136	18	251

Units by Year and Size Group



Newbuilding Orders by Country of Buyer and Size Class (2021)



A slowdown was observed in terms of new orders the past week, with no new transactions coming to light in week 4. The low activity in the shipbuilding market indicates that the shipowners are not willing to invest due to, among others, unclear regulations.

The ambiguity around the environmental regulations makes it difficult for the shipping companies to decide whether to finance new projects. Meanwhile, various statements were given recently by shipping managers arguing that the companies are observing their competitors in order to see strategic actions in the new building arena.

On the Pricing front, no changes were noticed compared to the previous week.

Bunker Prices & Port Activity



Bunker Prices

Port	VLSFO	MGO	IFO380	IFO180
Fujairah				
08/01/2021	439.00	510.50	333.50	350.00
15/01/2021	453.50	534.50	339.00	350.00
24/01/2021	449.50	531.00	336.00	350.00
29/01/2021	452.00	523.00	333.00	350.00
Hong Kong				
08/01/2021	421.00	437.00	344.50	423.00
15/01/2021	440.00	450.50	350.50	423.00
24/01/2021	435.00	445.00	348.00	423.00
29/01/2021	439.50	450.00	347.50	423.00
Houston				
08/01/2021	405.50	477.00	317.00	375.00
15/01/2021	421.00	486.00	325.50	375.00
24/01/2021	420.00	491.00	322.00	375.00
29/01/2021	411.00	487.50	318.50	375.00
LA/Long Beach				
08/01/2021	447.00	510.50	383.50	529.00
15/01/2021	456.00	502.50	395.50	375.00
24/01/2021	462.00	508.00	396.00	529.00
29/01/2021	463.00	544.00	377.00	529.00
New York				
08/01/2021	426.50	488.00	344.00	383.50
15/01/2021	440.50	501.00	351.50	383.50
24/01/2021	444.50	504.00	349.00	383.50
29/01/2021	449.00	502.00	353.00	383.50
Rotterdam				
08/01/2021	403.00	449.00	327.00	
15/01/2021	415.00	471.00	332.00	
24/01/2021	414.00	456.50	324.00	
29/01/2021	415.00	458.00	326.00	
Santos				
08/01/2021	437.00	516.00		
15/01/2021	446.00	523.00		
24/01/2021	442.00	518.00		
29/01/2021	446.00	528.00		
Singapore				
08/01/2021	435.00	466.00	338.50	
15/01/2021	452.00	482.00	351.50	
24/01/2021	450.50	475.50	345.50	
29/01/2021	451.00	475.50	352.50	

Average bunker Prices

Date	VLSFO	MGO	IFO380	IFO180
08/01/2021	426.75	481.75	341.14	412.10
15/01/2021	440.50	493.81	349.36	381.30
24/01/2021	439.69	491.13	345.79	412.10
29/01/2021	440.81	496.00	343.93	412.10

Time at Port (TAP) and Time at Anchorage (TAA) - Difference WoW

Main Iron Ore and Coal Ports

PORT	TAP (hrs) - WoW	TAA (hrs) - WoW
Dampier	7.20	12.00
Hay point	0.00	-26.40
Newcastle	-2.40	-67.20
Paranagua	62.40	21.60
Ponta da madeira	7.20	79.20
Port hedland	0.00	-4.80
Richards bay	21.60	19.20
Saldanha	-14.40	28.80
Tubarao	-19.20	55.20
Yuzhny	50.40	-57.60

Main Grain Ports

PORT	TAP (hrs) - WoW	TAA (hrs) - WoW
Bahia blanca	38.40	132.00
Ghent	-9.60	7.20
Houston	-79.20	0.00
New orleans	-24.00	
Paranagua	62.40	21.60
Portland or	-2.40	-72.00
Rotterdam	38.40	14.40
Rouen	21.60	-43.20
San lorenzo	-24.00	
Santos	-14.40	14.40
Vancouver	9.60	38.40

No. of Calls by Week and 2020

PORT	3	4	PORT	2020
Bahia blanca	6	6	Bahia blanca	4
Dampier	16	11	Dampier	15
Ghent	8	7	Ghent	9
Hay point	23	28	Hay point	13
New orleans	46	44	New orleans	180
Paranagua	7	14	Paranagua	15
Port hedland	49	61	Port hedland	51
Portland or	9	6	Portland or	5
Richards bay	17	17	Richards bay	30
Rotterdam	7	5	Rotterdam	6
Saldanha	6	12	Saldanha	9
San lorenzo	27	25	San lorenzo	26
Santos	23	19	Santos	27
Tubarao	15	15	Tubarao	14
Vancouver	30	38	Vancouver	22
Yuzhny	9	8	Yuzhny	14

*2020 Port Calls refer to week 4 of that year

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

Size Group ● Capesize ● Handysize ● Panamax ● Supramax

*Next Week Arrivals based on calculated ETA by MarineTraffic



Top 5 Destination Countries of Ships in Ballast by Vessel Size and Arrival Week

Destination Country	3	4	5	Total
☐ AU	160	184	165	509
Capesize	82	90	92	264
Handysize	20	17	15	52
Panamax	49	61	46	156
Supramax	9	16	12	37
☐ BR	52	70	71	193
Capesize	16	17	12	45
Handysize	11	14	9	34
Panamax	24	34	47	105
Supramax	1	5	3	9
☐ CA	29	30	40	99
Capesize	7	3	4	14
Handysize	8	9	9	26
Panamax	12	15	23	50
Supramax	2	3	4	9
☐ US	62	76	51	189
Capesize	1	2	3	6
Handysize	12	21	17	50
Panamax	39	42	23	104
Supramax	10	11	8	29
☐ ZA	33	25	24	82
Capesize	9	9	3	21
Handysize	1	2	3	6
Panamax	11	6	12	29
Supramax	12	8	6	26
Total	336	385	351	1072

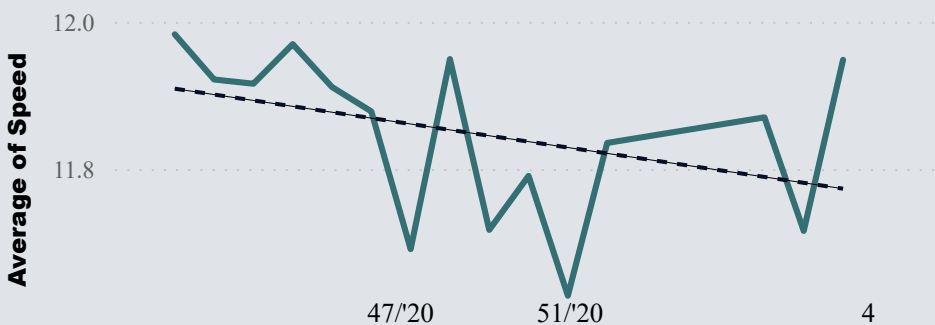
Average Speed of Vessels - Week 4 Arrivals*

Size Group	Average of Speed
Capesize	11.95
Handysize	10.80
Panamax	11.97
Supramax	11.78
Total	11.58

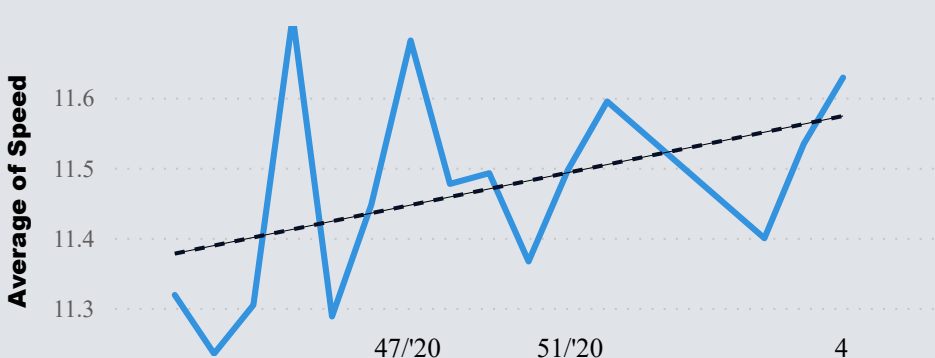
Average Speed of Vessels - Week 5 Arrivals*

Size Group	Average of Speed
▲ Capesize	11.35
Handysize	10.70
Panamax	11.81
Supramax	11.57
Total	11.37

Average Speed of Vessels in Ballast by Arrival Week (100,000+ dwt)



Average Speed of Vessels in Ballast by Arrival Week (10,000 - 100,000 dwt)



Port Hedland's authorities spotted a rise in the number of vessels arriving at the port compared to the previous week, while the neighbour port of Dampier witnessed a fall in vessels arrivals as well as in the shipments to China.

Furthermore, the port of Tubarao stabilized in terms of ship calls compared to the previous week and y-o-y. On the opposite side Richards Bay, Hay Point and Saldanha Bay completed the week with increased vessel calls compared to the last week. D&F analysis expects fewer vessel calls the upcoming week (Week 5) in Australian ports while the Brazilian ports will fluctuate around the same levels.

Main grain ports in USA, South America and Europe showed similar activity levels in terms of calls compared to the previous week, which resonates with stable rates seen across the smaller segments of the dry bulk market.

Regarding bunker prices, while lighter fuels VLSFO and MGO continue to increase, on average the IFO380 has shown a lower price level for the first time in 4 weeks.

GRAINS

Grain prices have recover from their recent fall thanks to an intense week of corn purchasing activity from Chinese buyers (more details in Commodities Update). Average corn prices increased by approximately 7% w-o-w.

An overall increase (+21%) in the loaded tonnage was noticed for ships headed to top 5 destinations by loaded dwt. The main cause has been the tonnage headed to China and going through Panama, increasing by 16.4% and 50% respectively.

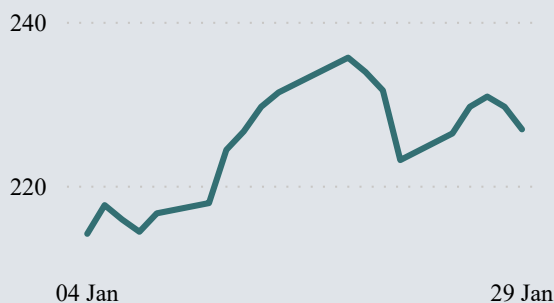
DWT of Loaded Vessels Departing on Week 4 by Origin Port and Destination - Ships under 100,000 dwt

Origin Port	AE	CN	CO	ES	PA	Total
VANCOUVER		613,715	58,608		179,229	851,552
SANTOS				64,000		64,000
SAN LORENZO				192,567		192,567
PORTLAND OR					99,974	99,974
PARANAGUA	148,916					148,916
NEW ORLEANS		75,396	95,764	34,358	522,458	727,976
HOUSTON			22,530		193,073	215,603
BAHIA BLANCA	76,499					76,499
Total	225,415	689,111	176,902	290,925	994,734	2,377,087

Corn Price (\$/bl)



Wheat Price (\$/t)



Soybean Price (\$/bl)



IRON ORE & COAL

The West Australian ports decreased their supply to China by 400k mt.

Port Hedland leads by far in the market, from where it was shipped to Chinese ports nearly 6.8 million tonnes of commodities.

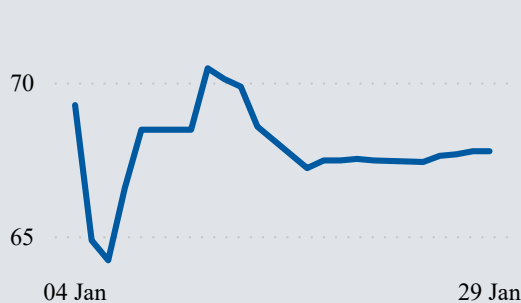
The Dampier port saw a decrease of almost 700K mt in its shipments to china while the port Walcott reached a growth of more than 1.1M mt compared to the previous week.

Iron ore prices fell last week, dropping by \$1.69/mt to 168.13\$/mt, meanwhile coal prices increased by 0.3\$/mt to 67.8\$/mt.

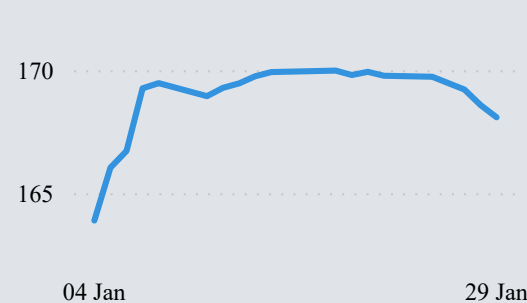
DWT of Loaded Vessels Departing on Week 4 by Origin Port and Destination - Ships over 100,000 dwt

Origin Port	CN	ID	JP	KR	TW	Total
PORT HEDLAND	6,819,971	363,357	590,035	800,529		8,573,892
PORT WALCOTT	2,077,221		604,928	431,208	384,691	3,498,048
DAMPIER	1,666,855					1,666,855
HAY POINT	180,521	93,696	174,691	358,432	81,259	888,599
SALDANHA	183,230					183,230
Total	10,927,798	457,053	1,369,654	1,590,169	465,950	14,810,624

Coal Price This Month (\$/t)



Iron Ore Price This Month (\$/t)



IRON ORE

THE DAWN OF AN IRON ORE SUPER CYCLE

The end of the last iron ore Super Cycle in early 2014 hit hard, especially when the price bottomed in late 2015 at less than US\$40/t. The pull-back depth and six-year span left forecasters with protracted pessimism coupled with depressing price outlooks and a view that seaborne market recovery, flooded by new mine projects was unimaginable. The view was entrenched, even when iron ore price topped US\$120/t in mid-2019 and was interpreted simply as a one-time impact after Vale's tragic tailings dam failure from earlier that year. The entrenched pessimism was so tenacious that it blinded observation of steadily improving fundamentals and developing a strong, healthy market. To the surprise of all market watchers, iron ore price increased by 74% in 2020, remarkably outperforming all other metals by a significant margin.

As a result of iron ore's upward price trajectory over the last two years, industrial and financing market players are being convinced of the demonstrated sustainable recovery so much so that the dawn of a new iron ore Super Cycle is becoming a reality. Iron ore reached close to US\$180/t (62% Fe, CFR China) in December 2020, a level not been seen for almost ten years and in 2021 through late January it has continued in the range of US\$170/t. A new Super Cycle's potential is brought into greater focus when quantitative easing coupled with massive fiscal stimuli, is expected to be the key tool for global economic recovery in a post-COVID-19 world.

COAL

CHINA'S COASTAL FREIGHT RATES FALL AS COAL DEMAND EASES

(Argus) — A sharp fall in coastal freight rates for vessels operating out of China's main coal transshipment port of Qinhuangdao suggests that coal shortages are easing rapidly as temperatures rise and industrial activity slows ahead of the lunar new year holiday. Freight rates for a 50,000-60,000t vessel moving from Qinhuangdao to the south China port of Guangzhou were 45.80 yuan/t (\$7.07/t) on 21 January, down sharply from Yn 65.60/t on 12 January, according to freight data from coal industry association the CCTD. The freight rate was the lowest since 23 November 2020, shortly before coal shortages pushed up coastal freight rates to multi-year highs.

Freight rates averaged Yn64.90/t for 50,000-60,000t vessels operating on the Qinhuangdao-Guangzhou route for the peak period of 15 December 2020-15 January 2021. The latest sharp fall was reflected across the board for other destinations for vessels carrying coal from Qinhuangdao. Freight rates for a 30,000-40,000t vessel delivering coal to another south China port Fuzhou were Yn43.80/t on 21 January, down from Yn61.20/t on 12 January, according to CCTD freight data. Another cold snap is forecast by China's meteorological administration to affect large parts of the country in the coming days. Although this will temporarily boost heating demand for coal, it is unlikely to significantly reverse the trend of easing coal shortages because temperatures in most parts of China are expected to rise again after this cold snap.

Some migrant Chinese workers have started returning to their home provinces for the 11-17 February lunar new year holiday, which is dampening industrial activity and electricity demand. Many other migrant workers are heeding the government's call not to travel over the festive season in a bid to curb the latest Covid-19 outbreak. But it is unclear to what extent factories will limit production runs during the festive period. Some coal consumers are waiting for further falls in spot coal prices before they make further purchases given that demand is still uncertain over this period. The extended suspension of cement production in many parts of the country last week has contributed to the easing of China's coal shortages. The restrictions were imposed on this large coal-consuming sector in 37 administrative regions for environmental reasons because air pollution usually peaks as a result of coal use at this time of year. Cement production in some provinces such as Inner Mongolia, Shanxi and Jilin will be suspended until mid- to late March. Cement production was also halted in other provinces such as Hebei, Henan, Shandong and Shaanxi but the authorities have not said yet when those curbs will be lifted. The restrictions will reduce competition between the cement sector and utilities for coal supplies.

Argus last assessed the market for NAR 5,500 kcal/kg Chinese domestic coal at Yn932.50/t fob Qinhuangdao port, down by Yn27.50/t from a week earlier. The price in US dollar terms was down by \$4.22/t from the previous week to \$144.31/t fob Qinhuangdao.

GRAINS

BIGGEST PURCHASE OF U.S. CORN YET - CHINA'S CONTINUED PURCHASING OF U.S. CORN BOOSTS GRAIN PRICES

(Reuters) -China booked its biggest purchase of U.S. corn yet, the U.S. Agriculture Department said on Friday, buying more at once than any country except the Soviet Union 30 years ago, as it tries to meet a surge in demand for animal feed. The purchase, and a string of deals earlier this week, mean China is on course to become the world's largest corn importer. Its buying spree has driven up global prices of corn and other grains and may stoke food inflation in economies already reeling from the COVID-19 pandemic. *(continue in the next page)*

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(continued) USDA reported private sales of 2.108 million tonnes of corn for delivery to China in the 2020/21 marketing year. It was the second-biggest daily U.S. sale on record, eclipsed only by a deal for 3.72 million tonnes to the USSR in January 1991. It also topped China's previous biggest U.S. purchase of 1.937 million tonnes in July 2020.

China has been looking to boost corn imports, three industry sources told Reuters in October, after storms and drought damage tightened domestic supplies and as the country's pork industry recovers from a deadly swine disease that reduced the hog herd by nearly half. "Their hog herd has recovered faster than most had thought possible," said Jack Scoville, analyst with Price Futures Group. "We're making a new high in futures so it's not like they got a cheap deal. But when your domestic corn prices are north of \$10 (a bushel) there's certainly space for purchases."

The latest sale follows deals earlier this week that netted China a combined 3.74 million tonnes of U.S. supplies, closing out what will be one of the largest U.S. corn export sales weeks on record. Chinese buyers also picked up an additional 132,000 tonnes of soybeans - about two cargoes - for delivery in the 2021/22 marketing year, USDA said on Friday.

The country's corn imports could climb to between 25 million and 27 million tonnes in the current crop year, including 18 to 20 million from the United States, president of AgResource Co, said on Wednesday. If realized, that would make China the world's biggest corn buyer. In the 2019/20 marketing year, Chinese corn imports totaled just 7.6 million tonnes.

This week's sales bring China's total U.S. corn import commitments for the current marketing year to at least 17.7 million tonnes, above the latest USDA forecast for only 17.5 million tonnes in imports from all suppliers. The U.S. corn stockpile is large enough to meet the greater demand, analysts said. The sales follow a steep drop in futures prices last week that opened up a buying opportunity for China, traders and analysts said, though prices rose again this week in response to the purchases.

Soybean futures followed corn higher, with worries about poorly timed rains in Brazil lending support. "It's a wet forecast for Brazil, which means possible (soybean) harvest delays, and also means that they won't be able to get their product out as quickly. That could open up the door for U.S. business," said Brian Hoops, president of Midwest Market Solutions.

Wheat futures also advanced, given that tightening corn supplies could drive up demand for wheat as livestock feed.

Agriculture consultancy Sovecon raised its forecast for Russia's 2020/21 wheat exports by 1.6 million tonnes, to 37.9 million tonnes, citing current high export levels. However, the Russian government said on Tuesday that it had formally approved a proposal to impose a higher export tax on wheat from March in another push to curb a rise in domestic food prices triggered by the COVID-19 crisis.

OTHER NEWS

CHINA'S OVERALL INDUSTRIAL PRODUCTION IN DECEMBER ROSE YEAR-ON-YEAR BY 7.3%

(Breakwaveadvisors) — The Chinese economy has continued to emerge from the pandemic with a stronger economy. Newly released December data has continued to confirm such strength. In December, China's overall industrial production rose year-on-year by 7.3%, which marked the largest growth seen throughout 2020. In December, new lending grew year-on-year by 11%, which has marked the strongest growth seen since September and has continued to signal post-coronavirus support. Also of note is crude steel production in December totalled 91.3 million tons, which has marked year-on-year growth of 8%. Chinese steel prices have remained near multi-year highs despite the strength in production.

Even more impressive in China has been the recent electricity production record that was set in December. China's overall electricity production totalled a record 727.7 billion kilowatt-hours last month. This is 1% higher than the previous record that was set in August and is up year-on-year by 11%. As we have also continued to discuss in our special mid-week updates and weekly reports this year, China's overall electricity production has stayed at a record level so far this month (which remains very atypical for the winter). Domestic thermal coal prices also remain near all-time highs.

Noteworthy for the dry bulk shipping and seaborne coal markets is that China's domestic coal production also set a new record in December, but the growth in China's coal production has continued to pale compared to the growth in China's coal-derived electricity generation. China's coal production totalled a record 351.9 million tons last month, which has marked year-on-year growth of 6%. China's coal-derived electricity generation last month totalled a record 564.7 billion kilowatt-hours, though, which is 11% higher than the previous record that was set in August and (as with overall electricity production) has marked year-on-year growth of 11%.

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