LATEST COMMODITY NEWS

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Coal

NEWCASTLE PORT SUFFERS CONGESTION AHEAD OF SCHEDULED RAIL MAINTENANCE

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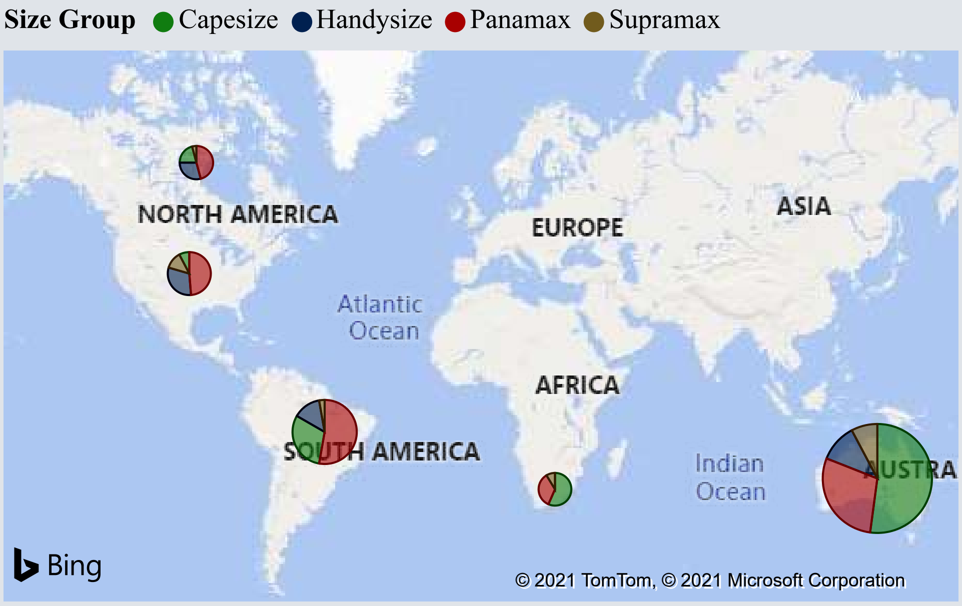
Grains

MEXICO'S US WHEAT IMPORTS DIPS 6%, REMIANS LEADING US WHEAT DESTINATION

CHINA SOYBEAN IMPORT TO SLOW IN SECOND HALF OF 2021

Week	S&P Transactions	Demolition Sales	Newbuilding Orders
29	18		8
28	7		1
27	24	2	11
26	13	1	13
Total	**62**	**3**	**33**

Top 5 Destination Countries of Ships in Ballast by Vessel Size (Week 30 Arrivals)



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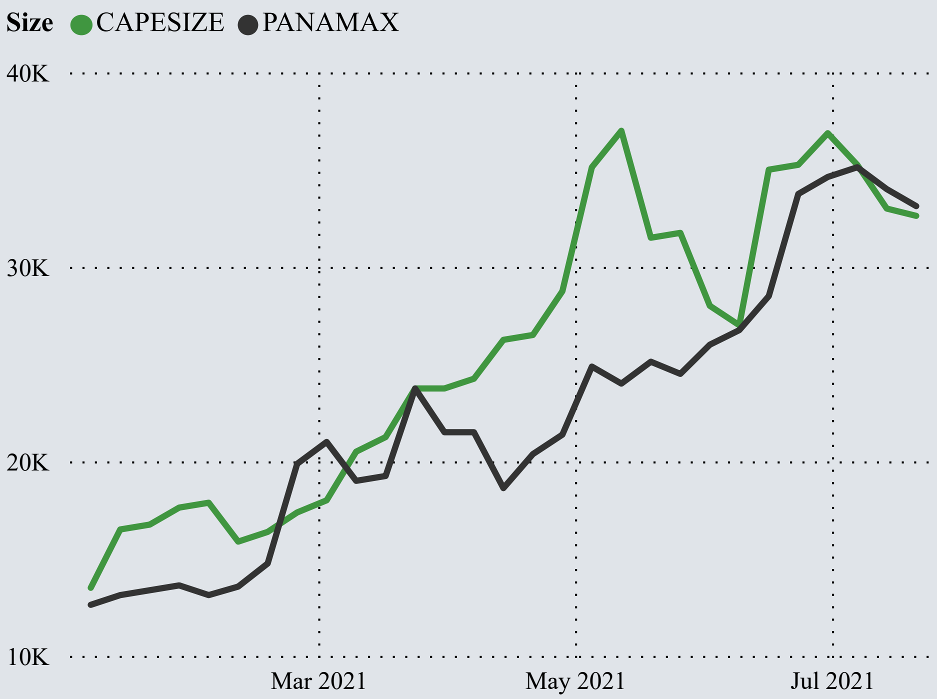
6M TC Hire Rate Average



Sale & Purchase Market

D&F SHIPPING MARKET ANALYSIS

Latest Transactions

Week	Ships Sold	Built	DWT	Reported Price (US$)	Country/ Region of Buyer	Owner	Notes
29	ELINDA MARE	2010	79,648	$17,000,000		OLIVE SHIPMANAGEMENT	
29	GEKI STAR	2008	28,352	$10,000,000		DILIGENT HOLDINGS	
29	GLORIOUS SAWARA	2009	28,339	$11,000,000		PACIFIC CARRIERS	
29	KEN SEA	2009	53,491	$15,000,000	China	IKAROS SHIPPING & BROKERAGE	
29	KIRA OCEAN	1997	30,835	$5,000,000		PACSHIP	
29	MAGNOLIA	2011	82,165	$22,000,000	Greece	DILIGENT HOLDINGS	
29	MS CHARM	2010	32,449	$12,000,000			
29	NEW ASPIRATION	2011	61,448	$21,000,000	Greece	HSIN CHIEN MARINE	
29	NORD HUDSON	2010	61,617	$24,000,000	Europe		
29	NORD TRUST	2009	55,693	$16,000,000		KT MARINE	
29	NORDIC INCHEON	2018	35,817	$20,500,000		NORDIC HAMBURG SHIPMANAGEMENT	
29	PUNTA	2013	52,000	$14,000,000	Croatia		
29	SIDER FAIOCH	2015	38,800	$21,000,000	Europe		
29	VALOVINE	2013	52,000	$16,000,000	Croatia		
29	XING BAO	1997	72,080	$8,000,000	China	CHI OCEAN SHIPPING	
29	HELLASSHIP	2012	181,709				$62,000,000 en bloc
29	PATRIOTSHIP	2012	181,709				$62,000,000 en bloc

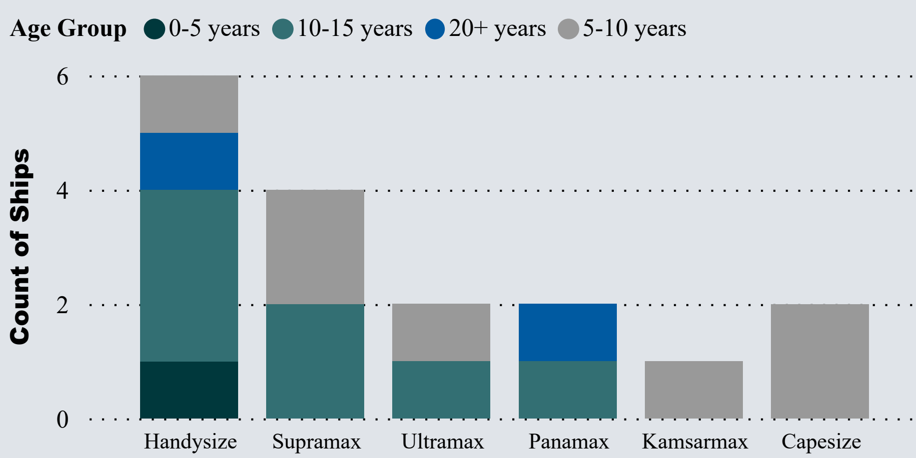
Buying interest came back again to the second-hand bulkcarrier market with 17 deals closed the past week. Attention continues to be focused on small-size segments, although with some interest for Panamax and Capesize vessels.

The small-class vessels sold were a total of 12 with 6 Handysize, 4 Supramax and 2 Ultramax while there were 2 sales recorded for Panamax vessels, 1 Kamsarmax and 2 Capesizes. As to the age range, most of the vessels that changed hands were within the ranges of 5-10 years (7) and 10-15 years (7 ships), although two sales were reported for ships above 20 years old.

Activity in the S&P market picked up from the previous week, as we finally surpass the number of transactions witnessed last year. The interest for small size tonnage remains as the key driver of bulkcarrier sales, however strong and consistent Panamax rates continue to attract investors into that segment.

Sale of the week: The Chinese company Chi Ocean Shipping sold the 1997-built XING BAO to compatriot buyers for US$8 M. XING BAO is a panamax vessel sailing under the flag of Panama. Built by Japanese Hitachi Shipbuilding, the vessel has a carrying capacity of 72,080 t DWT. Her length overall (LOA) is 223.7 meters, and her width is 32.2 meters.

Reported Ship Sales by Age and Size (Week 29)



Weekly Volume of Sales

Size	27	28	29	Total
Supramax	10	1	4	**15**
Handysize	2	3	6	**11**
Panamax	3	1	2	**6**
Ultramax	4		2	**6**
Capesize	2	1	2	**5**
Kamsarmax	1	2	1	**4**
Handymax	1			**1**
Post Panamax	1			**1**
Total	**24**	**8**	**17**	**49**

Annual Volume of Sales

Size Group	2019	2020	2021
Handysize	119	128	125
Supramax	125	125	126
Panamax	86	56	63
Kamsarmax	35	52	58
Ultramax	44	46	64
Capesize	25	53	51
Handymax	26	12	6
Post Panamax	15	9	16
VLBC	8	19	7
Total	**482**	**500**	**515**

Demolition Market

Latest Transactions

Week	Vessel	Vessel Age	Location of Delivery	USD / LDT	LDT (MT)	Sale Price

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

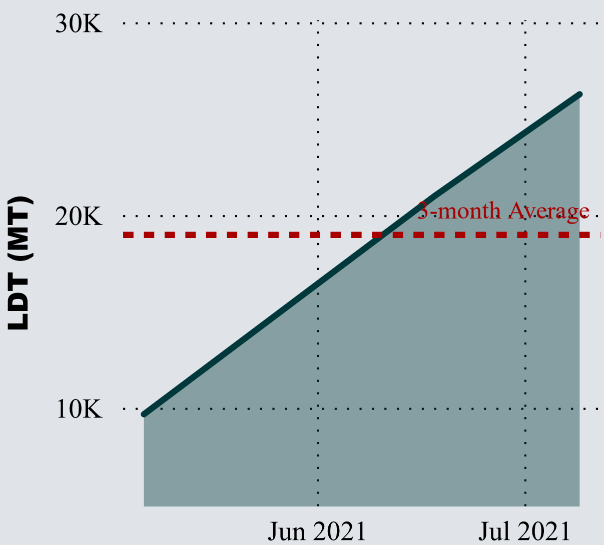
Market	Wk 27	Wk 28	Wk 29	WoW%
Bangladesh	573	580	584	0.7%
India	527	540	533	-1.3%
Pakistan	574	570	580	1.8%
Turkey	280	280	280	0.0%

Demolition activities continue at low levels as expected despite the demand side of the market remaining firm. The interesting activity in the demolition market so far is the competition between Bangladesh and Pakistan buyers for the few available tonnage on offer. The demolition market has become even tighter on the supply side as shipowners revel in strong freight market.

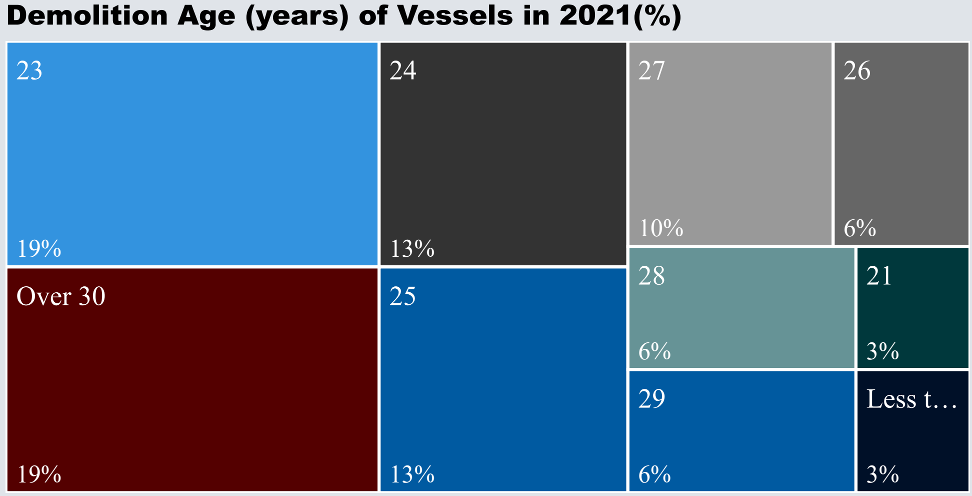
LDT rates have been an upward trend continue this week, with LDT prices rising 0.7% to USD584/LDT in Bangladesh while Pakistan prices were up 1.8% from previous week to USD580/LDT. Prices in India have however receded this week falling 1.3% to USD533/LDT, while Turkey buyers retain USD280/LDT.

The market sentiment has not improved much in the past week and would likely not change in the coming weeks. Bangladesh remains in Lockdown while Pakistan buyers have been hesitant to do business at elevated prices, meanwhile weakening demand in the local steel market in India has caused a lack of interest from Alang scrap buyers.

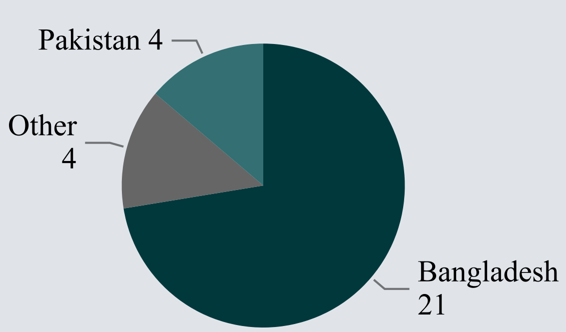
Demolition Activity in the Last 3 Months



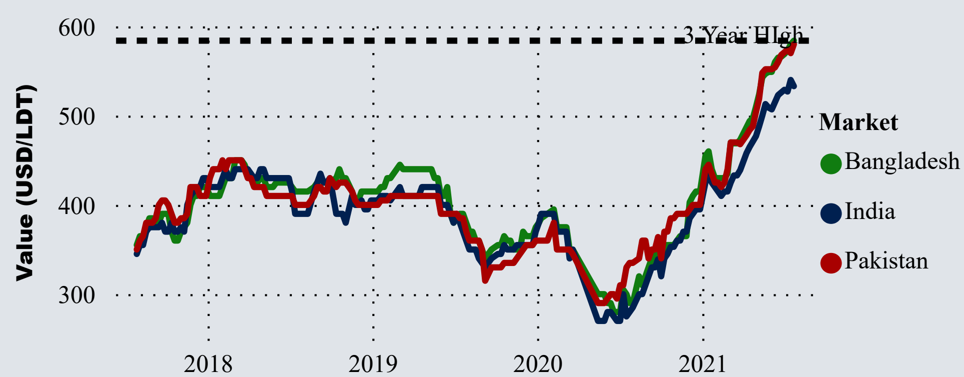
Demolition Age (years) of Vessels in 2021(%)



Location of Delivery - No. Vessels 2021



Demolition Prices (US$/LDT)



Shipbuilding Market

D&F SHIPPING MARKET ANALYSIS

Latest Orders

Week	Size	Units	Delivery	Buyer	Shipbuilder
29	KAMSARMAX	3	2023/2024	Safe Bulkers	Japanese
29	ULTRAMAX	2	2023	ORIX Maritime Corporation	Tsuneishi Zhoushan
29	LNG DUAL FUEL	1	2024	K-Line	Nihon Shipyard
29	LNG DUAL FUEL	1	2024	MOL	Nihon Shipyard
29	LNG DUAL FUEL	1	2025	NYK Line	Nihon Shipyard

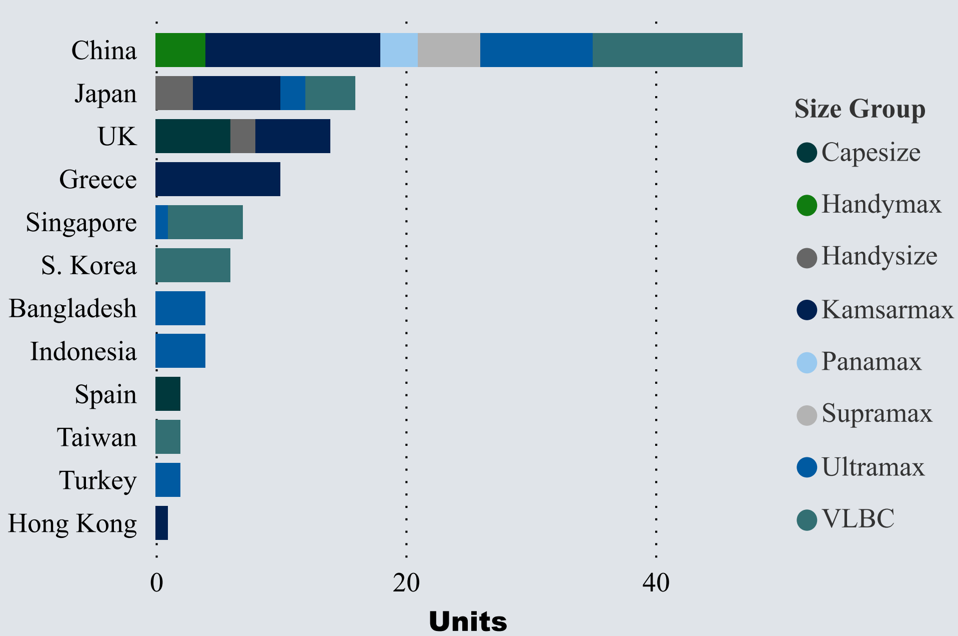
Newbuilding Market Price by Size (Week 28)

Year	Handysize	Ultramax	Panamax	Kamsarmax	Capesize
2021	$27,000,000	$30,000,000	$31,000,000	$33,000,000	$59,000,000
2020	$23,000,000	$26,000,000	$27,000,000	$28,000,000	$48,000,000
2019	$26,000,000	$32,000,000	$33,000,000	$34,000,000	$53,000,000

Delivery Year by Size

Size Group	2022	2022/2023	2023	2023/2024	2024	2025	Total
Handymax	3		1				**4**
Panamax	4						**4**
Post Panamax	3		4				**7**
Capesize	4		14				**18**
Supramax	12		7				**19**
VLBC	23	2	30		2	1	**58**
Handysize	44	5	11		1		**61**
Ultramax	42		11	8			**61**
Kamsarmax	35	17	38	3			**93**
Total	**170**	**24**	**116**	**11**	**3**	**1**	**325**

Orders by Country of Buyer - 2021



This has been a good week for shipyards in Japan with vessels with an estimated 995,000 DWT ordered. Safe Bulkers have returned to the shipyards with the announcement of the acquisition of 3 Kamsarmax from an unnamed Japanese shipyard in furtherance of its fleet renewal programme.

The company had announced the contract for a newbuild Kamsarmax in the preceding week, and with this expands its order book of Kamsarmax to 6. The first of the vessels would be delivered in last quarter 2023 with the rest of the order delivered in 2024.

Japan Marine United Corporation (JMU) and Imabari Shipbuilding Co., Ltd joint venture, Nihon Shipyard has won 3 orders for 1 unit LNG Dual fuelled bulkers from K-Line, MOL and NYK Line each. The Capesize bulk carriers would be delivered in 2024 except for NYK Line's which would be delivered in 2025. According to a statement from MOL, its vessel would be dedicated to transport iron ore and coal for Japan's JFE Steel Corporation under a long-term charter basis.

Lastly Japan's Orix maritime has put on order 2 Ultramax from China's Tsuneishi Zhoushan shipyard. The vessels which would run on Tsuneishi Zhoushan TESS66 Aeroline technology is designed to further improve the wind resistance of the previous model of the vessel launched in 2014. Orix would take delivery of the vessels in 2023.

IRON ORE

VALE IRON PRODCUTION UP 11% Q-O-Q, FORECAST 1MTPD PRODUCTION for 2H21

Mining giant Vale Iron ore production hit 75 million tonnes in 2Q 2021, the company said in its latest production and sales report released on Tuesday last week. The report shows that iron ore production was up 11.3% and 12% q-o-q and y-o-y respectively with the production capacity hitting 330Mtpy. The production increase has been fuelled by higher production Brucutu, seasonal weather improvements in Serra Norte and a strong performance from its Serra Leste operations. Further boost in production came from trouble plagued Itabira complex which has seen increased operations following the reassessments of temporary tailings management solutions. Sales volumes of Iron ore fines and pellets were up 14.2% y-o-y to 74.9Mt in 2Q21. This follows a much-improved pellets production output up 27.4% from 1Q21 to 8 Mt. However, despite the good showing, Vale says production has been setback by interferences caused by installations and commissioning of first of four jaspite crusher in S11D. Further setbacks were in the form of delayed start-up of operations due to pending authorizations leading to a push back into the resumption of Vargem Grande conveyor belt.

Vale has ramped up production as Iron ore prices rallied this year. Iron ore prices been gaining in the second quarter as demand has been outpaced supply. Iron ore supply has been under intense strain in the past year with multiple issues, chief of which was the closure of Vale's Itabira operations due to dam failings. China's strong appetite for Iron ore and increasing steel output was quick to propel the commodity's price in to uncharted territory. Steel manufacturing has hit new heights since the opening of economies around the world from Covid restrictions amid strong demand for the key raw material for most of the world's industries.

WESTERN AUSTRALIA'S IRON ORE CONTINUES TO SHIPMENTS SLIDE WITH 15.46MN DWT SHIPPED

Iron ore shipments from the four largest producers in the Pilbara region of Western Australia (WA) continued to slide in the week to 17 July, despite to a return to more normal operations at Rio Tinto's 45mn t/yr East Intercourse Island (EII) berths. The four largest WA producers — Rio Tinto, BHP, Fortescue Metals and Roy Hill — loaded vessels with a combined 15.46mn deadweight tonnes (dwt) of capacity in the latest week, down from 15.77mn dwt in the week to 10 July and 9pc below average. The decline reflected BHP exporting 12pc less than its rolling average over the past year and Fortescue 21pc less. BHP loaded vessels with 5.07mn dwt capacity in the week to 17 July, which was the least since cyclonic weather impacted shipments in early February. It was 12pc below its average of 5.75mn dwt and down from 5.8mn dwt in the previous week. The firm had a weaker than expected April-June and highlighted skills shortages as an impediment to productivity improvements.

Fortescue's shipments fell to their lowest level since mid-March, having already eased in the previous two weeks from a strong run in May-June ahead of the end of its financial year on 30 June. It shipped 2.78mn dwt, down from 3.07mn dwt a week earlier and 21pc below its weekly average of 3.54mn dwt. Rio Tinto shipments rebounded to 6.43mn dwt in the week to 17 July from 5.95mn in the previous week as its EII terminal at Dampier shipped more ore after a five week maintenance closure. Shipments were still 2pc below its weekly rolling average over the past year of 6.59mn dwt, with fewer ships loaded at its Parker Point terminal at Dampier than in previous weeks. Roy Hill shipped 1.17mn dwt, up from 960,000 dwt in the week to 10 July and 3pc above its rolling average of 1.14mn dwt. China was listed as the destination for 82pc of shipments in the latest week, up from 77pc a week earlier. After including shipments with unconfirmed destinations — most of which are probably headed to China — the percentage was 85pc, up from 82pc a week earlier and above the average of around 82pc. Iron ore rose 0.2% to US$201.90(CFR Tainjin) after dipping 8% during the week

Sources: Argus Media, Comm Sec

COAL

NEWCASTLE PORT SUFFERS CONGESTION AHEAD OF SCHEDULED RAIL MAINTENANCE

Loading operations have resumed at Australia's largest coal export port of Newcastle in New South Wales (NSW) as the port seeks to clear a backlog of over 40 ships following disruption from strong winds over the weekend and ahead of rail maintenance on 24-25 July. There were 43 ships queuing outside Newcastle today, up from 40 on 6 July and remained above the average of 10. Port operators are trying to clear the backlog, during which turnaround times increased to an average of 10.86 days in June from an average of 5.35 days for January-June. The port of Newcastle shipped 13.21mn t of coal in June, up from 11.61mn t in May but down from 14.32mn t in June 2020 and 14.7mn t in June 2019, according to data released by the port authority.

The Port Waratah Coal Services (PWCS) terminals at Newcastle shipped 9.26mn t of coal in June, implying that the neighbouring Newcastle Coal Infrastructure Group (NCIG) terminal shipped 3.95mn t, the highest level since December. NCIG has shipped an average of 3.4mn t/month its shiploader was damaged in November, which is around 1.25mn t/month less than its average in the eight months prior to the incident. The shipping queue outside of Newcastle remains long, despite the June shipping figures at the strongest since January and the first half of July looking equally strong based on initial shipping figures complied by *Argus*.

Demand remains robust from nations outside of China for Australian coal, driving up coal prices and sending the premium for high-grade coal increase to record-high levels. Beijing continues to restrict imports of Australian coal. Strong winds compounded the long shipping queues. Winds swept the NSW coast on 16-17 July and limited access to Newcastle and the smaller coal port of Port Kembla to the south. Both ports have restarted operations, but Newcastle will be further disrupted by planned maintenance on the railway that connects it to coal mines in the Hunter Valley on 24-25 July.

Source: Argus Media

CANADA'S RIDLEY TERMINAL COAL EXPORT DOWN DESPITE FIRM SEABORNE COAL DEMAND

Coal exports out of Ridley Terminals in western Canada dropped in the first half of this year when compared with the same period of 2020. Just over 3.3mn metric tonnes of coal departed the terminal from January through June, data from the Prince Rupert Port Authority show. That compared with 5.52mn t in the same period of last year. Most of the decrease was in thermal coal, which fell to 1.06mn t in the first half of this year from 2.55mn t in the same period of 2020. No steam coal departed Ridley in June, compared with 449,869t a year earlier. It was not immediately clear why exports from the terminal have been falling. Seaborne coal prices and demand have been above 2020 levels. Thermal coal shipments in the first half of this year were likely dragged down by a drop off in output from Coalspur's Vista mine in February, March, and April. The mine however resumed production in May and produced 607,441t of clean coal that month, according to the latest data from the Alberta Energy Regulator.

The regulator also said 425,863t of thermal coal was removed from Alberta for export in May, which is more than five times the amount of steam coal exported from Ridley in May. Coal from western Canada also is exported through Westshore Terminals. Second quarter data for that terminal has not yet been reported. Metallurgical coal exports out of Ridley dipped to 433,454t in June from 568,487t a year earlier and 2.25mn t for the first half of 2021 from 2.97mn t in the same period of 2020. Canada coal exports are currently facing challenges from wildfires in the western part of the country. Railroads Canadian National and Canadian Pacific were forced to temporarily stop operations near Lytton, British Columbia, earlier this month because of the wildfires, and coking coal producer Teck Resources warned customers on 3 July that it could have to declare force majeure on coking coal deliveries. The coal producer later said it expects the fires to have minimal effect on coal operations.

Sources: Argus Media

GRAINS

MEXICO'S US WHEAT IMPORTS DIPS 6%, REMIANS LEADING US WHEAT DESTINATION

The marketing year has been a largely successful one for US wheat farmers with record exports to China. However, USDA export data shows Mexico remains the largest market for US wheat in 2020-21. Other importers rounding out the top five markets for US wheat in 2020-21 included, in order of import volume, China, the Philippines, Japan and the South Korea. Mexico has been the leading importer of US wheat in most recent years, but China leapt into second last year after an 11th place ranking in 2019-20 and a 47th place ranking in 2018-19 following increasing demand for wheat as corn prices surge to record highs. Mexico imported 3,459,200 tonnes of US wheat in 2020-21, maintains its reputation as the leading US wheat market, despite its imports dipping 6% from 3,670,000 tonnes in 2019-20. Mexico was the largest importer of US hard red winter wheat in 2020-21 at 2,234,300 tonnes and the leading importer of soft red winter wheat at 617,600 tonnes.

China imported 3,212,500 tonnes of US wheat in 2020-21 compared with 549,500 tonnes in 2019-20. China was the second-largest buyer of hard red winter wheat in 2020-21 at 1,227,900 tonnes. Additionally, China purchased 744,600 tonnes of hard red spring wheat in 2020-21, making it the third-largest buyer of that wheat class, 179,000 tonnes of soft red winter wheat and 1,061,100 tonnes of white wheat. The Philippines imported 3,174,700 tonnes up slightly from 3,141,900 tonnes in 2019-20. Japan the third largest buyer of US wheat in 2019-20 imported 2,430,900 tonnes of US wheat in 2020-21, down 6% from 2,575,400 tonnes in 2019-20. South Korea rounds up the top five importers of US wheat in 2020-21 purchasing 1,807,700 tonnes, up 35% from 1,340,800 tonnes in 2019-20.

Source: World Grain

CHINA SOYBEAN IMPORT TO SLOW IN SECOND HALF OF 2021

China's soybean imports are set to slow sharply in late 2021 from a record first-half tally, confounding expectations for sustained growth from the top global buyer and denting market sentiment just as U.S. farmers look to sell their new crop. A collapse in hog sector profitability and a sharp rise in wheat feed use are crimping demand in China, where imports this year may now be less than 100 million tonnes, compared with a recent U.S. forecast of 102 million tonnes. As China accounts for 60% of global soybean imports, its diminished appetite - just as U.S. farmers pull in what is projected to be their third-largest harvest ever - stands to add further volatility to the critical crop, which rallied to nine-year highs this year.

"Soymeal demand is reaching rock bottom. Basis is now at minus 120 yuan (in northern China), lowest this year. Demand might come back up, but it sucks now," said a manager with a crusher in northern China that processes two cargoes of soybeans on average per month. "We can't really place orders to make purchases. The volume of U.S. soybean exports will surely be affected." His plant only had one cargo booked for August, while normally it would have been fully booked until after October. As it stands, crushers in key soy processing hub Shandong would lose nearly 400 yuan with each tonne of the oilseed crushed. China imported a record 48.95 million tonnes in the first half of 2021, up nearly 9% on the year as hog herds recovered from a deadly disease outbreak and top producer Brazil shipped a record crop. Now, however, demand is stumbling, analysts say. "The (imports) momentum earlier in the year was quite strong. But then since May, year-on-year increase of imports has been slowing down," said Zou Honglin, analyst with Myagric.com, a trade website.

Source: Reuters