

published weekly

handysize freight index



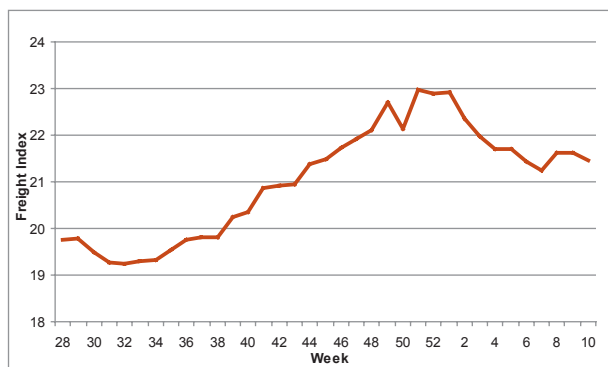
March 10, 2014



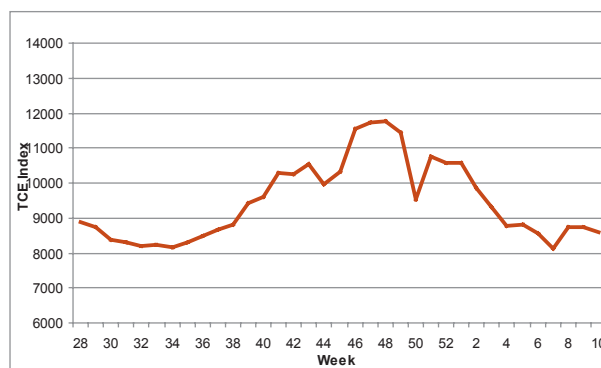
2014

Freight market

Global Handysize Freight Index



Global Handysize TCE Index



Global HFI has fallen by \$0.2/t (0.8% down) this week, while the global TCE Index has dropped by \$119/day.

Handy/Supra freight rates on main trade routes

Cargo	Lot	Loading port	Country	Discharging port	Country	Rate, \$/tonne	w-o-w	TCE 1 bal. day, \$/day	TCE full ballast, \$/day
steel products	40,000t	Odessa	Ukraine	Dubai	UAE	34-35	n/a	29840	15920
steel products	15,000t	Novorossiysk	Russia	Iskenderun	Turkey	18	=	11300	6910
steel products	15,000t	Jubail	Saudi Arabia	1 port	Singapore	28-29	=	8630	2960
pig iron	50,000t	Novorossiysk	Russia	New Orleans	USA	21-22	=	12120	-320
iron ore	40,000t	Vizag	India	Shanghai	China	16-17	=	12500	3050
iron ore	40,000t	South Kalimantan	Indonesia	Shanghai	China	12.5-13	=	16400	8130
nickel ore	55,000t	Surigao	Philippines	Rizhao	China	14-15	=	22400	15580
scrap (sf 55')	30,000t	Rotterdam	Belgium	Damietta	Egypt	28	=	22540	12940
coal	50,000t	South Kalimantan	Indonesia	Southern ports	China	10-11	=	14790	8830
coal	40,000t	Samarinda	Indonesia	Kandla	India	15.5-16	=	11980	3080
coal	25,000t	Yuzhny	Ukraine	Iskenderun	Turkey	14-15	=	15140	8810
urea	25,000t	Yuzhny	Ukraine	Santos	Brazil	32	=	9840	1060
fertilizers	25,000t	Riga	Latvia	Santos	Brazil	32-33	=	16210	5750
wheat	30,000t	Rouen	France	1 port	Tunisia	22-23	=	14090	9290
wheat	25,000t	Nikolayev	Ukraine	Alexandria	Egypt	17-18	=	10520	7030
maize (sf 49-50')	45-50,000t	Rosario	Argentina	Alexandria	Egypt	30	-1,5	12540	3170
maize (sf 52')	45,000t	Gulf of Mexico	USA	Rotterdam	Netherlands	28	-0.5	21690	9250
soybean meals (sf 60-64')	30,000t	Kandla	India	1 port	Iran	24	=	11330	8050
soybean meals (sf 54')	25,000t	Paranagua	Brazil	Rotterdam	Netherlands	29	-0.5	10360	2190
sugar (sf 46')	30,000t	Maceio	Brazil	Constanta	Romania	27-28	-0.5	12310	3440
salt	25,000t	Kandla	India	Guangzhou	China	19	-0.5	6800	40
clinker	35,000t	Quang Ninh	Vietnam	Chittagong	Bangladesh	14-15	=	7230	2230
limestone	50,000t	Dubai	UAE	Mumbai	India	9	=	17940	12710

Metal Expert

27-29 April, 2014

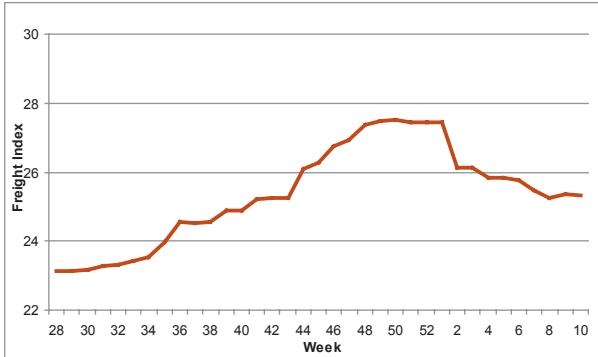
Stresa, Italy

Europe Steel Trade Conference

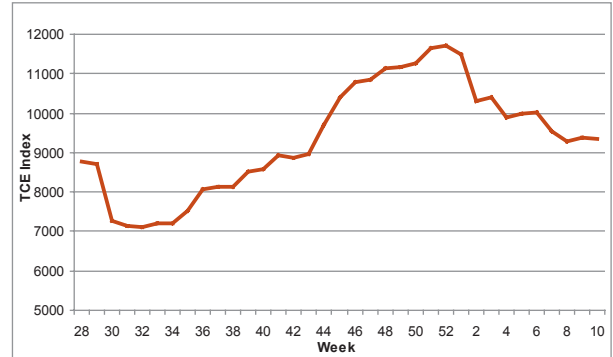
Europe

European HFI has barely changed in early March, while the corresponding TCE index has decreased by \$31/day. This decline was caused by a drop in MED & BISea subregional TCE Index due to a slight increase in local fuel prices.

▶ European HFI



▶ European Handysize TCE Index



For further information on subregional (MED & BI Sea, Baltic & Continent) Handysize Freight and TCE Indices please visit our website

Handysize and Handymax/Supramax shipments have become fewer in the freight market of the **Black Sea** after a slight growth in late February. There are plenty of available vessels in the basin. In some cases, the charterers manage to lower the quotes, though the average freight rates have remained unchanged. Grain and steel products are now being most actively offered for transportation from the Black Sea ports. The delivery costs of 25,000 t of wheat from Nikolayev to Alexandria have stabilized at \$17-18/t, from Odessa to Spain - at \$21-22/t. Carrying 15,000 t of steel from Novorossiysk to Iskenderun still costs \$18/t.

The surplus of such dwt vessels is not that acute in the **Mediterranean Sea**, while there are fewer new spot offers compared to the Black Sea region. Cargo supply from Turkey is rather active now - construction materials are being exported to Egypt, steel products are being carried to the ports of the Aden and Persian Gulfs. The transportation costs of 50,000 t of steel from the Marmara Sea ports to Dubai are \$29-30/t. A 35,000 t lot of clinker is shipped from the same part of Turkey to Alexandria at \$10/t.

Handysize and Handymax/Supramax freight rates may drop in the Black and Mediterranean Seas unless relevant cargo flow grows.

Handysize freight rates have held steady in the Baltic and North Seas in early March, though the number of available vessels has grown slightly in the basin. Scrap, fertilizers and grain are now being regularly offered for transportation from the regional ports. Handysize shipments of coal are fewer at the moment as cargo owners prefer to carry the product in Panamax-lots. The delivery of 25,000 t of fertilizers from Riga to Brazil still costs \$32-33/t, a 30,000 t lot of steel scrap (sf 55') is exported from Rotterdam to Nemrut Bay at \$28/t.

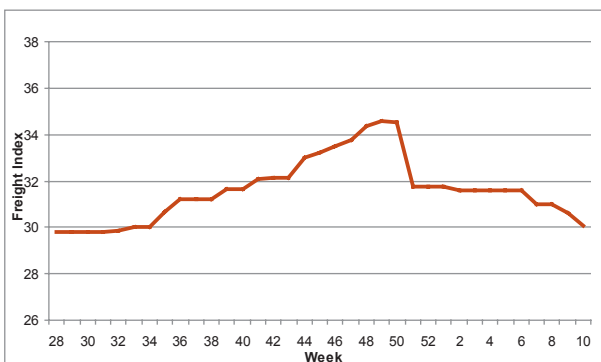
There are plenty of available Supramax vessels in the region even despite their outflow to the western part of the Atlantic Ocean in late February. Such dwt ships are still used mainly for steel scrap shipments from Belgium and the Netherlands. The corresponding freight costs have remained stable. For example, shipping 50,000 t of the material (sf 50') from Antwerp to the Marmara Sea ports costs \$23/t.

There will hardly be any major changes in the segments for Handysize and Handymax/Supramax fleet in the Baltic and North Seas next week.

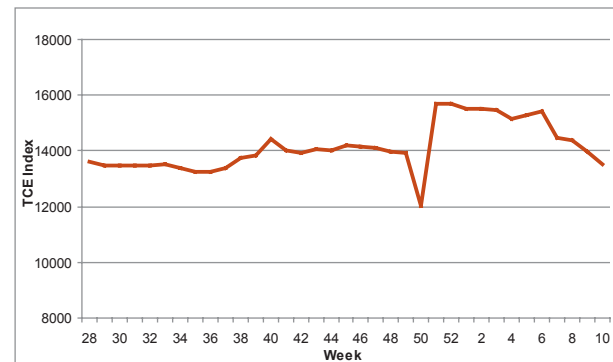
Atlantic Ocean

Atlantic Ocean HFI has decreased by \$0.5/t (1.7% down). The relevant TCE Index has fallen by \$472/day. A drop in the HFI and HTCEI in ECSA was the main reason for this decrease.

▶ Atlantic Ocean HFI



▶ Atlantic Ocean Handysize TCE Index



For further information on subregional (ECSA, USG & USEC) Handysize Freight and TCE Indices please visit our website

Handymax/Supramax quotes keep decreasing in the freight market of the **Atlantic Ocean** in early March. The cost of cargo transportation by Handysize ships has also dropped slightly on certain routes this week.

There is still a surplus of such dwt vessels in South America – grain supply from Brazil and Argentina keeps increasing, though its growth rates are still low. The delivery costs of 40,000-45,000 t of soybean meals (sf 54') from Santos to the ARA ports have dropped by \$1.5/t to \$23-24/t. A 25,000 t lot of soybeans (sf 50') is now carried on the same route at \$26/t (\$0.5/t down).

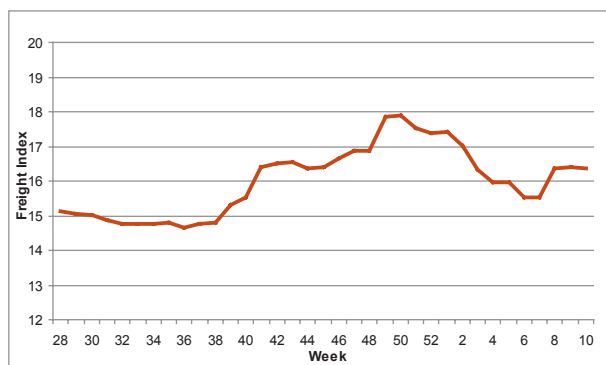
Supramax shipping volumes of agricultural products from the United States have stabilized at a low level. The charterers have managed to lower the relevant quotes by another \$0.5/t due to a cargo shortage and a continuing inflow of fleet in ballast from the southern part of the basin. The delivery cost of 45,000 t of maize (sf 52') from the Gulf of Mexico ports to Rotterdam has fallen to \$28/t. At the same time, Handysize transportation charges have remained stable – a 20,000 t lot of wheat (sf 47-48') is still carried to Sicily at \$41/t.

Export of agricultural products from South American countries is not expected to grow much until early April. Thus, Handysize/Supramax freight rates may drop further next week.

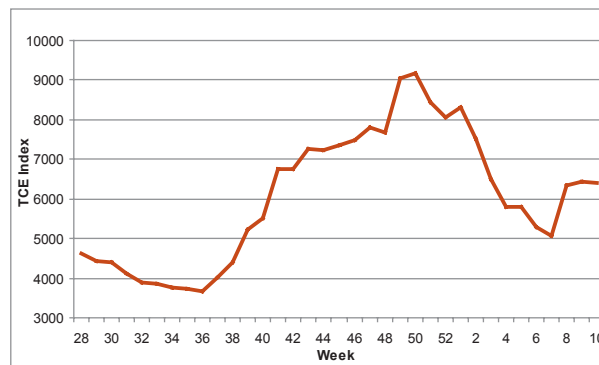
Eastern Region

Eastern Region HFI has remained stable this week, while the Handysize Time-Charter Equivalent Index has decreased by just \$24/day.

Eastern Region HFI



Eastern Region TCE Index



For further information on subregional (Indian Ocean, SEA and Far East) Handysize Freight and TCE Indices please visit our website

Main cargoes are being steadily shipped by Handysize and Handymax/Supramax vessels in the **SEA** and **Far East region** in the beginning of March. Coal and iron ore are being most frequently delivered from Indonesian ports to China, while coal supply to India is less active. Shipping 50,000 t of coal from South Kalimantan to Qingdao is still quoted at \$13/t, to the east coast of India - at \$11-12/t. A 30,000 t lot of iron ore is carried from Indonesia to Shanghai at \$14.5/t on average.

The shipments of nickel ore from the Philippines to China have become brisker. The delivery costs of 55,000 t of the cargo from Surigao to Rizhao have stayed at \$14-15/t. Meanwhile, the rates for mineral ore transportation from Indonesia have remained indicative due to the current export restrictions for the majority of local companies.

At the same time, weakening demand for Russian steel scrap in Southeast Asia has pushed the corresponding quotes down by \$0.5/t. The delivery cost of 15,000 t of the cargo (sf 65-70') from Vladivostok to Taiwan has dropped to \$24/t.

Handysize and Handymax/Supramax freight rates may inch up in the SEA and Far East region in the short term. In particular, market participants forecast an increase in cost of Philippine ore transportation by \$1-2/t by the end of the month, if regional market remains stable.

Handysize and Handymax/Supramax shipping volumes have dropped somewhat in the **Indian Ocean** this week. As a result, the number of available vessels has grown in the basin. Meanwhile, there is now a surplus of such dwt carriers at the west coast of India caused by weak export supply from this part of the region. That has pushed the quotes for sulphur and salt shipments from western India on all routes down by \$0.5-1/t. The transportation cost of 25,000 t of salt from Kandla to Guangzhou has decreased by \$0.5/t to \$19/t. A 53,000 t lot of sulphur is now carried to northern China at \$13-14/t (\$1/t down).

South African coal is now the most popular cargo in the region, while grain from India and limestone from the UAE are being shipped at a moderate pace. Carrying 50,000-55,000 t of coal (sf 39-41') from Richards Bay to eastern India is still quoted at \$20-21/t. A 20,000 t lot of rice in big bags is still transported from Kakinada to Dakar at \$53/t. The delivery of 50,000 t of limestone from Mina Saqr to Mumbai still costs \$9/t.

Handysize and Handymax/Supramax freight market is expected to remain stable after March 10, the corresponding freight rates will hardly change much.

Please check the following links to get more information on cargo shipping costs:

[steel products](#), [ferrous raw materials](#), [coal](#), [fertilizers and chemicals](#), [agricultural cargoes](#) and [construction cargoes](#).

Please click [here](#) for bunker prices.

Freight market

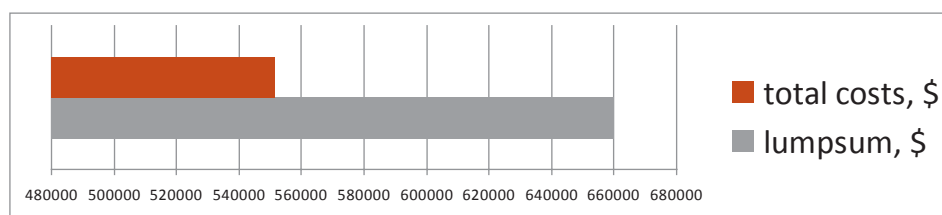
Average time-charter period rates for Handysize/Handymax vessels // week 10, 2014

	Average rate, \$/day	w-o-w
Handymax/Supramax 50,000 - 59,000 DWT	12400	+400
Handysize/Handymax 15,000 - 49,000 DWT	10300	+200

NEW!

Shipowners' costs on Vizag - Shanghai route for 40000t of iron ore // week 10, 2014

lot, t	cargo	port	country	port	country	freight rate, \$/t	lumpsum, \$	vessel DWT
40000	iron ore	Vizag	India	Shanghai	China	16,5	660000	40980



Shipment's economic figures	
TCE, \$/day	11314,44
shipment profitability	19,69%
daily running costs, \$	4487,48
marginal freight rate, \$/t	13,72

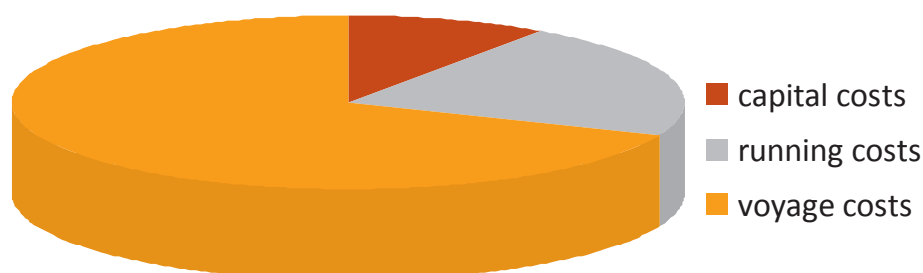
Voyage Timetable	
days at sea (laden)	14,1
% weather days	5%
add. days at canals	0
days at ports*	9,3
ballast days	2,1

depreciation		52336,5	capital costs	52337	
insurance (marine/H&M + P&I)		11941,9	running costs	114457,15	fixed costs
crew expenses	crew wage	42021,2			
	victualling	3512,38			
	miscellaneous	5609,79			
maintenance	annual survey (class endorsement)	1050,34			
	additional ordered class endorsements	322,71			
	intermediate survey (class endorsement)	504,36			
	special survey (class renewal)	591,42			
	drydock/in-water repair&spares during intermediate survey	3626,54			
	drydock repair&spares during special survey	7192,86			
routine repair&spares		2392,65			
flag registration costs		1523,03			
administrative/office expenses		13789,2			
lubricants		10666,6			
communication on board		1364,75			
water		1393,1			
other stores&sundries		6954,34			
bunker		289912	voyage costs	371415,37	variable costs
disbursements port A (incl. agency fees)		26244,4			
disbursements port B (incl. agency fees)		55259,2			
brokerage		13200			

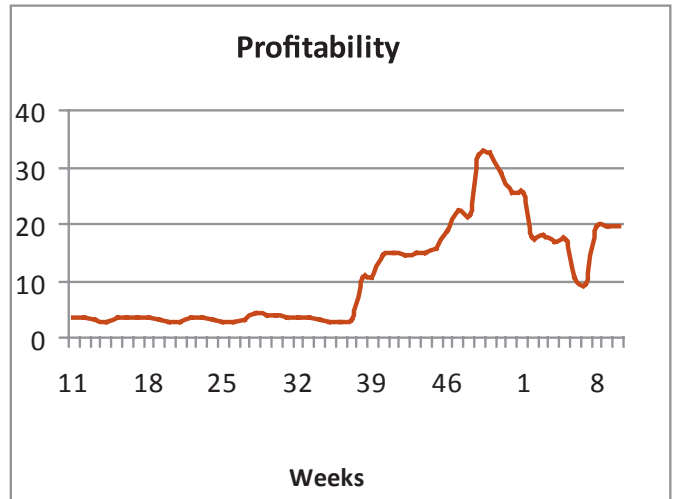
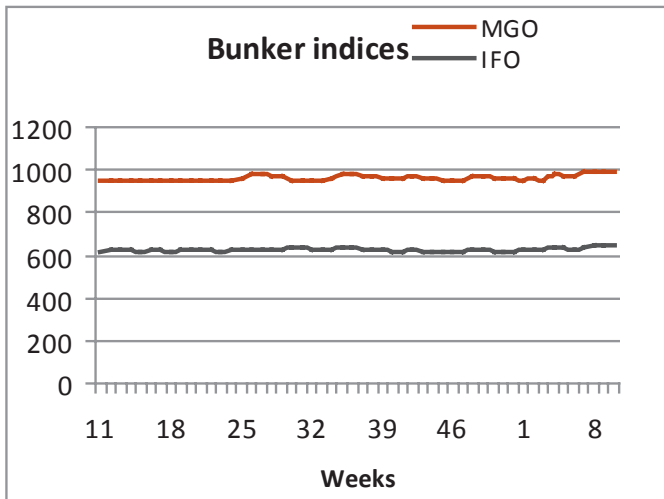
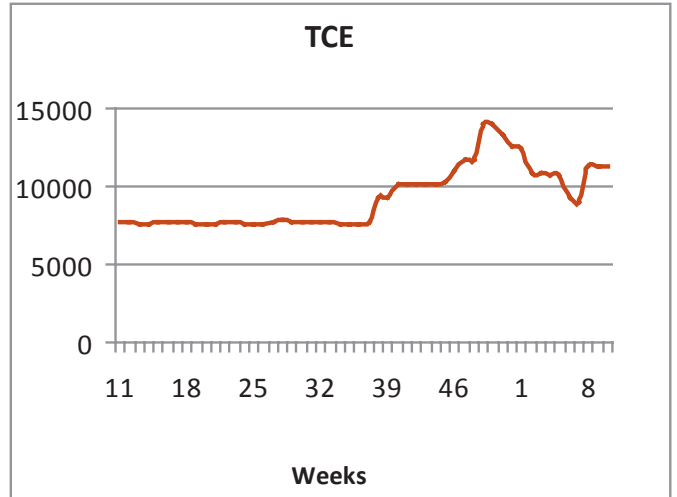
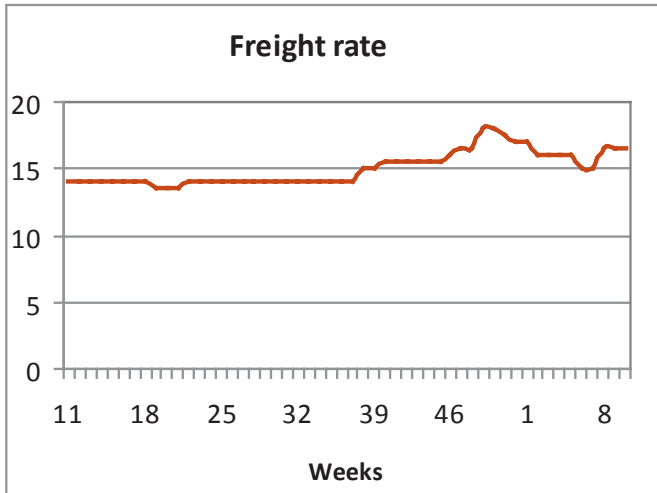
* - considering loading/discharging rates as 8000/12000 SHINC

All calculations apply for approximately 10 years old vessel in relevant conditions

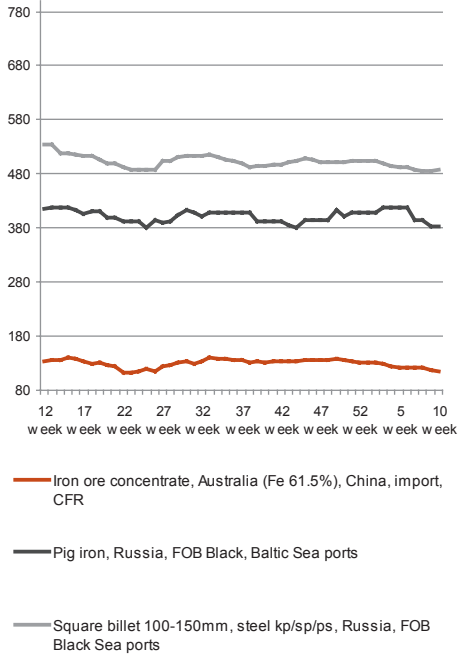
Cost structure



Freight market



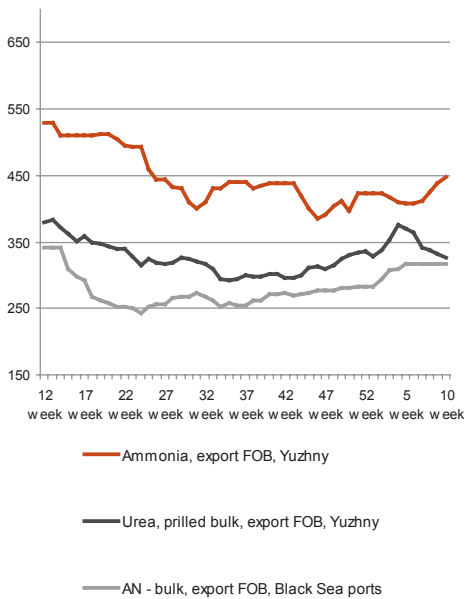
Export and import prices for major ferrous raw materials and steel products



Coal export and import prices



Mineral fertilizer export and import prices



Grain export prices



handysize freight index



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