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BLACK SEA / MED / BALTIC / CONTINENT

Supramax owners have managed to raise TCT rates from BISea due to shorten list of open tonnage

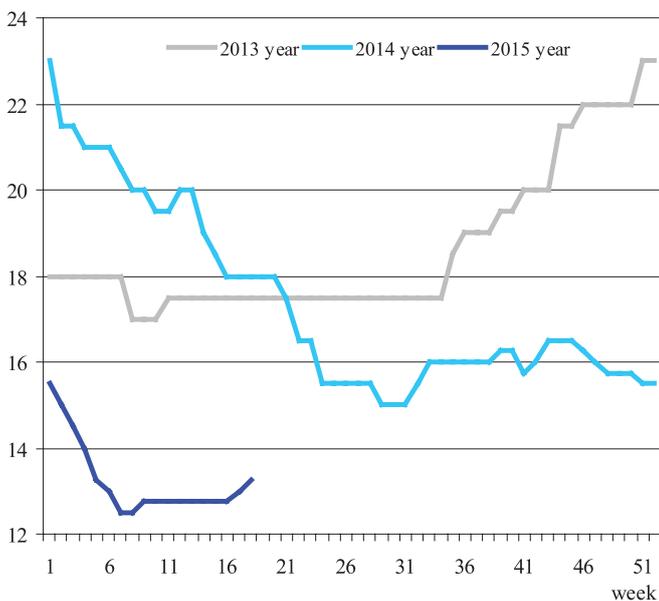
In late April, the number of available Supramax vessels has declined significantly in the spot market of the Black and Mediterranean Seas. The market participants refer this to several offers for grain transportation to Southeast Asia and the Persian Gulf, which appeared in the market at the end of last week. A part of Supramax ships has been chartered, while the owners of remaining carriers have raised the freight and time-charter quotes at once, especially those for fronthaul shipments. In the meantime, most brokers and operators think the increase to be short-term and forecast the rates to go down in the near future. Moreover, the demand for Supramax fleet is weakening after a slight increase given the exceedingly limited cargo offer in the spot/prompt markets.

This week, the time-charter rates for Supramax vessels bss APS dely BISea redel PG are negotiated at \$9,000-9,500/day, those bss APS dely BISea redel FEast – at \$8,000-8,500/day. The Supramax time-charter on the intramed-trips bss dely passing Canakkale is estimated at \$5,000-5,500/day. On the voyage basis, carrying 50,000 t of maize from Ukraine to China costs \$26/t on average.

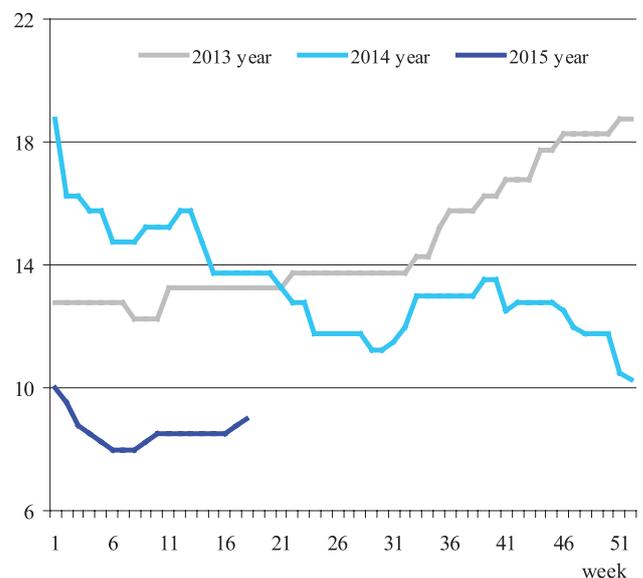
The Handysize transportation segment of the Black Sea freight market remains largely stable despite a downward trend in freight rates for intramed-trips. The shipowners still prefer to operate on long-haul routes, trying to transfer their fleet to other regions. A time-charter deal for coal transportation by over 30,000 dwt Handysize vessel bss APS dely Novorossiysk redel Morocco has been signed at \$4,000/day. A similar ship can be chartered bss dely passing Canakkale via BISea redel EMed at 4,000-4,250/day. It costs \$11.75/t to have 35,000 t of grain carried from Nikolayev to Alexandria. A 25,000 t lot of wheat has been fixed at \$12/t on the same route. The charterers are ready to pay \$13/t for transportation of a smaller lot of maize (given discharge rates of about 6,000 sshex).

Next week, only the brisker cargo flow from the regional ports may push the freight and time-charter rates up in the Black and Mediterranean Seas. Otherwise, the rates may inch down, particularly those for cargo shipments to the Persian Gulf and Southeast Asia.

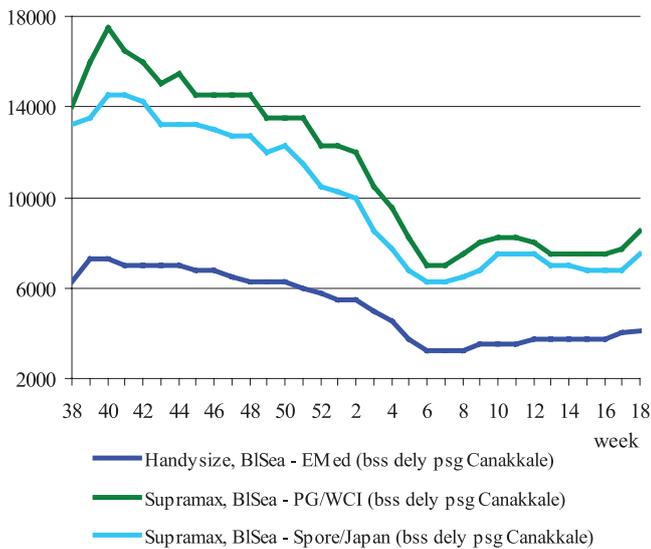
Steel products, 20,000t, Odessa - Adriatic Sea ports, Italy, \$/tonne



Wheat, 25,000t, Constanta - Alexandria, \$/tonne



Time-charter-trip rates, \$/day



Current Supramax abt 55000 dwt TCT rates bss delivery passing Canakkale

intramed route	5-5.5k daily
BISea - PG/India	8-9k daily
BISea - SEA	7-8k daily
BISea - UK/Continent	3-3.5k daily
BISea - USG/USEC	3-3.5k daily
EMed - WAfr	7-8k daily

Current Handysize abt 30000 dwt TCT rates bss delivery passing Canakkale

BISea - PG/India	7k daily
BISea - SEA	6k daily
BISea - WMed	4-4.25k daily
BISea - EMed	4-4.25k daily
BISea - ECSA	3k daily

Main Handy & Supra freight rates ex BISea & Med

Cargo	Lot	Loading port	Country	Discharging port	Country	Given load rate	Given disch rate	Rate, \$/tonne	w-o-w
steel products	40,000t	Odessa	Ukraine	Dubai	UAE	7000x	6000x	23	+0.25
pig iron	50,000t	Novorossiysk	Russia	New Orleans	USA	15000c	15000c	13-13.5	=
pig iron	18,000t	Ilyichevsk	Ukraine	Marghera	Italy	5000c	4000c	13	+0.25
coal (sf 42-45')	25,000t	Yuzhny	Ukraine	Iskenderun	Turkey	10000c	7000c	9-9.5	+0.25
urea (sf 50')	25,000t	Novorossiysk	Russia	Santos	Brazil	8000c	6000x	17.5-18	=
wheat (sf 46-47')	25,000t	Nikolayev	Ukraine	Alexandria	Egypt	8000x	5000x	12	+0.25
wheat (sf 46-47')	25,000t	Odessa	Ukraine	Alexandria	Egypt	8000x	5000x	10-10.5	+0.25
wheat (sf 46-47')	25,000t	Odessa	Ukraine	Mediterranean Sea ports	Spain	8000x	8000x	11	=
maize (sf 49-50')	50,000t	Yuzhny	Ukraine	Northern ports	China	12000x	10000x	26	+0.25

Terms FIOS 1/1.

Handymaxes with grain stand idle in Moroccan ports due to importer bankruptcy

Rumors say that one of Morocco's major wheat importers may declare bankruptcy soon. Our sources report that some 8 Handymax vessels with wheat from France, Bulgaria, Ukraine and Germany are standing idle unloaded in Moroccan ports, as the cargo remains unpaid by the buyers so far.

Morocco's government is raising import duty on wheat to 75% on May 1, as a step to support the local farmers. Moreover, new crop grain of the domestic production will appear in the home market soon. All the above will make supplies of the imported product to Morocco unprofitable. So, exporting companies will be forced to find ways to resell the cargo, which is now waiting for discharge in Moroccan ports.

It is worth noting that Egyptian traders faced a similar situation about a month ago, when they were reselling the grain, arrived to Alexandria, as the buyers had failed to pay for the cargo.

Fees for small-tonnage shipments from BISea ports sliding down further

The cargo traffic remains extremely dull in the Black Sea. There are plenty of available coasters and sea-river vessels in the regional spot market; the market participants report about 50 ships standing idle, while their owners are seeking new cargo offers. In these circumstances, the charterers keep insisting on a decrease in freight level though they have already managed to lower most rates

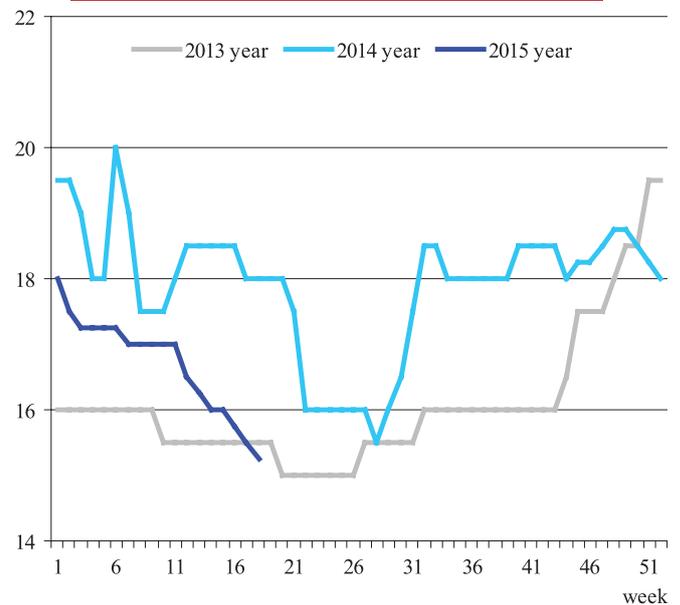
by \$0.25-0.5/t over the week. It should be noted that the upcoming May holidays in many countries of the basin also play into the charterers' hands, as the shipowners are desperately trying to find engagement for their fleet before the long days off.

Besides grain, pig iron and clay are occasionally carried from Ukrainian ports. Steel shipments from Novorossiysk are few. The charterers offer \$17-18/t for transportation of 7-8,000 t of grain from Berdyansk to the eastern Mediterranean and \$14/t for the supply of 5,000 t of wheat from Odessa to eastern Greece. The shipment of 3,000 t of meals (sf 55') from Mariupol to the eastern part of the Mediterranean basin is negotiated at \$30/t. Carrying 4,000 t lot of sunflower seeds (sf 88') from Reni to the Marmara Sea ports is specified at \$22-23/t. A 3,000 t lot of pig iron is exported from Ilyichevsk to the Marmara Sea ports at \$14/t. The transportation of a similar lot of barley from Kherson on the same route costs \$51-53,000 lumpsum. The shipowners quote the supply of 8,000 t of maize from Reni to Lebanon at \$21/t. Traders are ready to pay \$54/t for shipment of 2-2,500 t of wheat from Romania to the ARA ports and \$18/t for transportation of 1,5-2,000 t of the cargo from Constanta to the eastern ports of Greece despite the shipowners' freight idea of \$22/t. Carrying 3,000 t of aluminium from Novorossiysk to Varna costs \$15/t; the same fee is charged for the supply of a similar lot of steel from Varna to Greece. A 3,000 t lot of steel products is exported from Nikolayev to the eastern Mediterranean at \$25/t. Some 1,500 t of the material is shipped from Constanta to the Marmara Sea ports at \$14.5-15/t. The transportation of a slightly larger lot of steel coils from Novorossiysk to eastern Greece is negotiated at \$27-28.5/t. A deal for the supply of 3-4,000 t of ammonium nitrate from Nikolayev to Morocco has been signed at \$34/t.

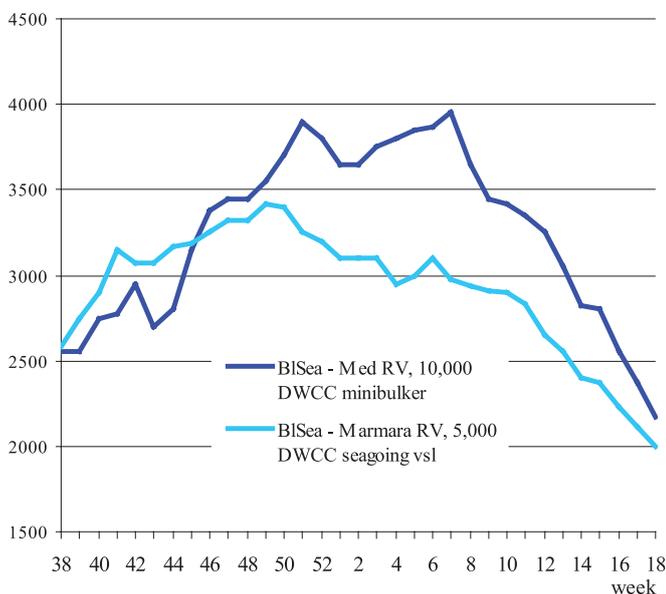
Wheat, 5,000t, Odessa - Adriatic Sea ports, \$/tonne



Steel, 5,000t, Oktyabrsk - Marmara Sea ports, \$/tonne



Average daily earnings given round voyages from BISea, \$/day



Average round voyage TCE (given backhaul leg in ballast), \$/day

Route	Current TCE, \$/day	w-o-w
BISea - Med RV, minibulker 10000 DWCC	2170	-200
BISea - Marmara RV, seagoing vsl 5000 DWCC	2000	-110
BISea - Marmara RV, seagoing vsl 3000 DWCC	1380	-50

Main coaster/minibulker freight rates ex BISEA ports

Cargo	Lot	Loading port	Country	Discharging port	Country	Given load rate	Given disch rate	Rate, \$/tonne	w-o-w
steel products	10,000t	Nikolayev	Ukraine	Skikda	Algeria	3000c	1250x	24-25	-0.25
flat steel products	5,000t	Novorossiysk	Russia	Marmara Sea ports	Turkey	2000c	1500x	13-14	-0.25
aluminium	3-4,000t	Novorossiysk	Russia	Marmara Sea ports	Turkey	1250x	1250x	15-16	-0.25
scrap (sf 65-70')	2-3,000t	Nikolayev	Ukraine	Nemrut Bay	Turkey	750x	750x	25-26	-0.25
coal (sf 46-48')	5,000t	Tuapse	Russia	Samsun (Trabzon, Eregli)	Turkey	3000c	2500x	10	-0.25
fertilizers	8,000t	Kherson	Ukraine	Iskenderun	Turkey	5000c	3500x	19.5-20	-0.75
urea (sf 50')	6-7,000t	Yuzhny	Ukraine	Ravenna	Italy	4000c	3500x	24	=
maize (sf 49-50')	5,000t	Constanta	Romania	Mersin	Turkey	2000x	1500x	20	=
wheat (sf 46-47')	5,000t	Odessa	Ukraine	Alexandria	Egypt	2000x	1750x	22-22.5	-0.25
maize (sf 49-50')	3,000t	Nikolayev	Ukraine	Black Sea ports	Turkey	1250x	1250x	17	=

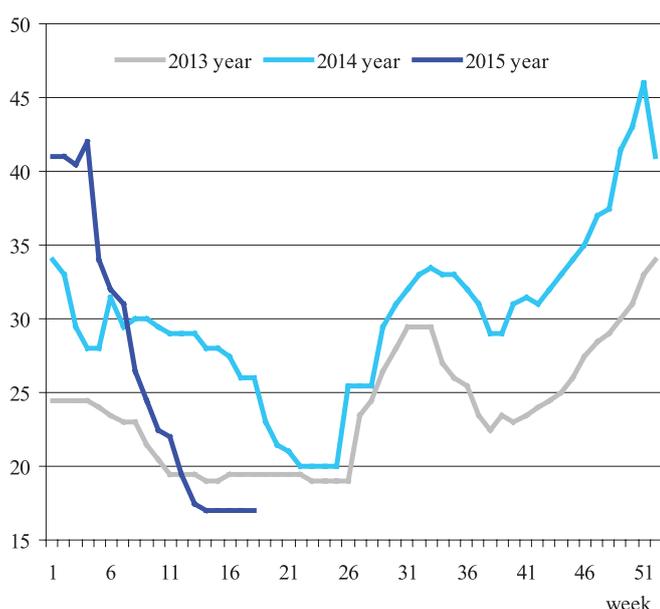
Terms FIOS 1/1.

Azov Sea freight market still on bottom

The situation has not changed much in the Azov Sea freight market this week. The shortage of spot offers for grain transportation does not allow the shipowners to raise the freight level despite all their attempts. Most charterers offer \$16-16.5/t and sometimes even \$15-16/t for the supply of 3,000 t of grain (sf to 52') from Azov to the Marmara Sea ports, and often manage to find a vessel at such rates, adding maximum a \$1/t. A contract for transportation of 3,000 t of wheat from Azov to Mersin has been concluded at \$25/t. According to our sources, the shipping fee for 3,000 t of steel scrap from Rostov to the Marmara Sea ports still stands at \$20/t.

The Black Sea shipping market is likely to remain slack in the near future, though some owners of small dwt fleet expect it to improve slightly after the holidays. Most freight rates may stabilize at the current level in the region. In the Azov Sea, the shipowners will most likely manage to hold the freight quotes stable, though they will hardly succeed in pushing them up.

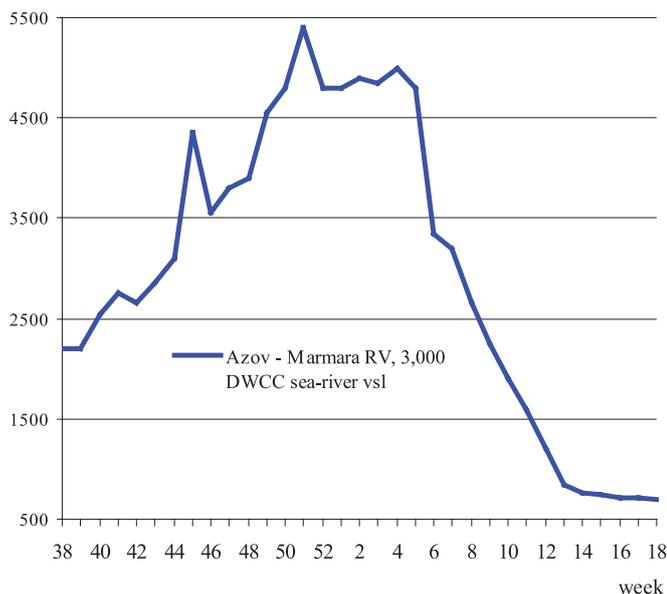
Wheat, 3,000t, Azov - Marmara Sea ports, \$/tonne



Scrap, 3000t, Rostov - Marmara Sea ports, \$/tonne



Average daily earnings given round voyages from Azov Sea, \$/day



Average round voyage TCE (given backhaul leg in ballast), \$/day

Route	Current TCE, \$/day	w-o-w
Azov Sea - Marmara RV, sea-river vsl 3000 DWCC	700	-10

Main coaster/minibulker freight rates ex BISea ports

Cargo	Lot	Loading port	Country	Discharging port	Country	Given load rate	Given disch rate	Rate, \$/tonne	w-o-w
scrap (sf 56-58')	3,000t	Rostov-on-Don	Russia	Marmara Sea ports	Turkey	1000x	1000x	20	=
coal (sf 48')	3-5,000t	Yeisk	Russia	Marmara Sea ports	Turkey	2000c	2000x	14-15	=
coal (sf 48')	3-5,000t	Yeisk	Russia	Samsun (Trabzon, Eregli)	Turkey	2000c	2000x	12-13	=
wheat (sf 46-47')	5,000t	Yeisk	Russia	Alexandria	Egypt	1250x	1250x	26-27	=
maize (sf 50-51')	5,000t	Taganrog	Russia	Marmara Sea ports	Turkey	1250x	1250x	16.5-17	=
wheat (sf 46-47')	3,000t	Rostov-on-Don	Russia	Tunis	Tunisia	1000x	1000x	28	=
wheat (sf 46-47')	3,000t	Azov	Russia	Marmara Sea ports	Turkey	1000x	1000x	17	=
wheat (sf 46-47')	3,000t	Azov	Russia	Black Sea ports	Turkey	1000x	1000x	15	=
maize (sf 50-51')	3,000t	Azov	Russia	Marmara Sea ports	Turkey	1000x	1000x	17-17.5	=
meals (sf 65')	3-5,000t	Yeisk	Russia	Marmara Sea ports	Turkey	1000x	1000x	19	=

Terms FIOS 1/1.

Russia may remove export duty on wheat before July 1

Russia's Ministry of Agriculture thinks it inexpedient to continue export duty on wheat for the next crop season; the duty expires July 1, 2015. According to Nikolai Fyodorov, the former Minister, such a decision will support local producers, as well as help Russia hold its position in export markets.

At present, export quotes for wheat of the new harvest are set at a rather low level of \$190-200/t FOB Black Sea compared to \$ 270/t as of the same date 2014. In the domestic market, the product costs RUB 8,000-8,500/t, that makes selling abroad unprofitable even in case of the export duty removal.

No government's decision on the duty abolition has been taken so far, as the Ministry of Agriculture is to develop measures to regulate purchase prices first. So, consideration on this issue is scheduled for May.

It is worth noting that the export potential of Russian grain in MY 2015/16 is assessed to be rather high. By the end of the harvesting campaign, the overall volume of grain is projected to reach 118 million t, considering a favourable crop forecast and significant carry-over stocks. The domestic consumption is estimated by the Ministry at 73 million t.

Charterers interest in steel transportation from Astrakhan grows

The brokers and shipowners report an increasing number of requests for transportation of steel products from Astrakhan ports, though the firm offers are few, they say. The shipowners ask \$20-21/t for carrying 3,000 t of dwt steel, the charterers offer only \$15-16/t, while deals for such a supply are signed mainly at \$18-18.5/t.

According to ISM experts, the freight rates will hardly grow even in case of brisker shipments of steel products, as it is grain, which remains the market driver in the region, while the volume of grain transportation is not expected to increase in the near future. In March, a total of 45,000 t of steel products were shipped from Astrakhan ports, while the shipping volume of grain amounted to almost 200,000 t.

Coal imports to Ukraine on the rise, exports of Russian coal slow down

A Panamax and a Capesize ships with 72,500 t and 103,700 t of imported coal on board are now being discharged in the Ukrainian port of Yuzhny. Two vessels more with 71,000 t of South African product and 105,000 t of Australian cargo are waiting for calling the port.

In April 18-24, a total of 20,400 t of the cargo were shipped from the port of Novorossiysk to Italy and 10,500 t to Turkey.

The port of Rostov-on-Don processed 31,800 t of coal, out of which 23,200 t were exported to Turkey and 5,200 t to Georgia.

Up to 251,000 t of Russian coal in various lots were shipped from Vanino to China. A 131,000 t lot of the cargo is being carried by a Capesize vessel to South Korea. A Panamax vessel is delivering 77,000 t of coal to Hong Kong. Japanese buyers are waiting 27,500 t of the material to arrive soon.

Maize is a leader in grain exports from Ukraine and wheat in those from Russia

Ukraine exported 497,000 t of grain in April 18-24, and maize was the most popular cargo among the foreign buyers. Up to 184,300 t of maize were shipped in Handymax- and Supramax-lots from Yuzhny, 92,400 t from Odessa and 45,000 t from Ilyichevsk to Egypt (141,000 t), Greece (50,000 t), Sweden (45,000 t) and Italy (33,000 t). Some 25,500 t and 6,700 t of wheat were transported from Odessa to Israel and Egypt respectively. A 10,800 t lot of the product will be delivered from Berdyansk to the Egyptian market. Some 58,000 t of barley were shipped from TIS terminal to Saudi Arabia and 10,000 t of the cargo from Ilyichevsk to Libya. Turkish buyers will receive 16,000 t of soybean shipped from Ilyichevsk and 17,000 t of sorghum delivered from Odessa. Also, 6,500 t of sunflower meal and 3,300 t of wheat bran for the supply from Yuzhny and Kherson respectively are being now carried to Turkey. Sunflower meal was also exported from Ilyichevsk to France (13,200 t) and Israel (5,400 t).

The port of Novorossiysk handled three lots of grain in April 18-24. A 64,000 t lot of barley is headed to Saudi Arabia, a 33,000 t lot of wheat to South Africa and a 25,000 t lot of maize to Lebanon. The port of Rostov-on-Don processed 8,700 t of wheat, out of which 5,700 t will be delivered to Georgia and 3,000 t to Italy. The major volume of meal, exported from the port, was shipped to Turkey (5,800 t), while only 3,000 t of the cargo were headed to Italian buyers.

Up to 14,000 t of wheat and 4,500 t of maize were exported from the port of Azov to Turkey. In addition, 5,000 t of the product will be delivered to Israel and 3,000 t to Greece.

New deep-water container berth to be constructed in Novorossiysk port

NUTEP Container Terminal, a unit of DeloPorts Limited, plans to start construction of a new deep-water container berth No. 38 in the south-eastern part of the port of Novorossiysk this year. O date, the company is holding a tender to choose a general contractor.

The berth No. 38 is to be located in the newly-nourished 4 ha area near the existing bank protection of the berth No. 39. The construction is to be performed in two stages. The first stage includes building a connecting facility of 92 m long between the existing berth No. 39 and the new berth No. 38. At the second stage of the works, a mooring berth will be constructed and crane tracks will be laid.

The canal structure of 340 m long and 15.6 m deep will allow accepting 8,000 TEU container vessels of a draft up to 14.5 m. The facility will increase the annual handling capacity of the terminal by 300,000 TEU to 650,000 TEU.

At present, NUTEP handles container and ro-ro cargoes on the berths of a total length of 875 m, which are capable to receive vessels up to 6,000 TEU. The facilities of the terminal allow to serve up to 350,000 TEU and 1.5 million units of the machinery a year.

The terminal can accommodate up to 10,600 TEU at a time. The cargoes are handled with the use of 50 t RTG KoneCranes and 45 t Ferrari Kalmar reach-stackers.

The railway infrastructure of the terminal allows to accept two trains at a time, each 850 m long. Unloading a train can be fulfilled on two 450 m tracks simultaneously; the cargo processing takes 4-6 hours on average. Railcar discharging is made with the help of Terex rail-stackers of 45 t capacity.

Also, there are the following handling facilities: STS Kocks gantry cranes and Liebherr gantry cranes (all with the lifting capacity of 50 t), 104 t Liebherr mobile cranes, trailers, loaders, stackers and others.

Coaster shipping segment getting weaker in Baltic Sea

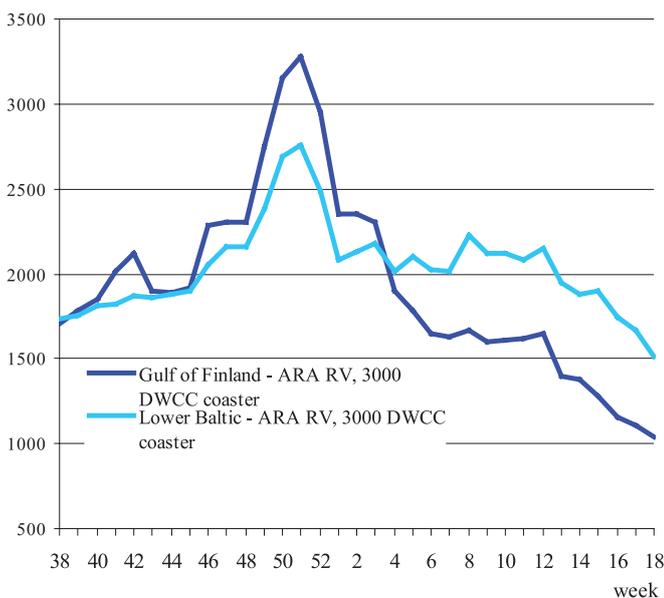
In the Baltic Sea freight market, the situation was quite favorable for the owners of coaster fleet back in March, but it has worsened significantly over the last month. The charterers successfully push the shipping costs down, steadily insisting on their freight ideas.

Exports of fertilizers have dropped to a minimum in April. Offers of ferrous scrap and agricultural products are few in the spot market. In late April, the freight rates have sagged by another €0.5-1/t. The transportation of 3-5,000 t of steel scrap from the southern ports of the Baltic Sea to the north of Spain costs €24.5/t compared to high €20s/t in March.

The shipowners often agree to work with so-called "cheap cargoes" amid a shortage of cargo offers. About 4,000 t of aggregates are exported from Norway to the low Baltic at €6-7/t only.

Some market participants pin their hopes on an increase in commodity flow, particularly timber, in May. At best, this would help the shipowners to avoid a further decline in freight rates.

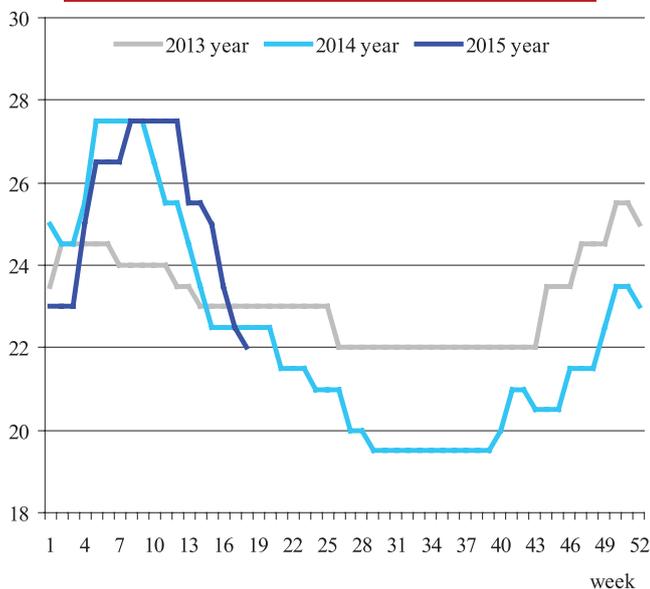
Average daily earnings given round voyages from Baltic Sea, \$/day



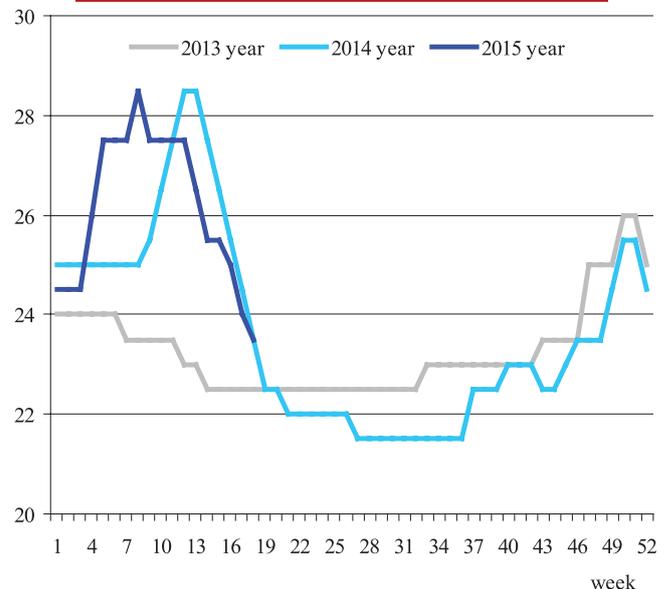
Average round voyage TCE (given backhaul leg in ballast), \$/day

Route	Current TCE, \$/day	w-o-w
Gulf of Finland - ARAG RV, coaster 3000 DWCC	1040	-70
Lower Baltic - ARAG RV, coaster 3000 DWCC	1510	-160

Steel, 3,000t, St. Petersburg - ECUK, €/tonne



Fertilizers, 3-5,000t, Klaipeda - northern ports of Spain, €/tonne



Main shortsea freight rates ex Baltic Sea ports

Cargo	Lot	Loading port	Country	Discharging port	Country	Given load rate	Given disch rate	Rate, \$/tonne	w-o-w
flat steel products	3,000t	St. Petersburg	Russia	Rotterdam / Antwerp	Netherlands / Belgium	1500c	1750x	€17	-0.5
slabs	5,000t	Kaliningrad	Russia	East Coast	UK	2000c	2500x	€19	-0.5
pig iron	5,000t	Riga	Latvia	Lubeck	Germany	2500c	2500x	€12-13	-0.5
scrap (sf 55-60')	3-5,000t	Klaipeda	Lithuania	Northern ports	Spain	1500c	1750x	€24-25	-0.5
fertilizers	3-5,000t	Klaipeda	Lithuania	Rotterdam / Antwerp	Netherlands / Belgium	2000c	2000x	€16	-1
grain	2-3,000t	Klaipeda	Latvia	Hamburg	Germany	1250c	1500x	€15-16	-0.5
saw timber	3,5-4,000m ³	Liepaja	Latvia	East Coast	UK	1750c	2000x	€19-20*	-0.5
saw timber	2,5-3,000m ³	Riga	Latvia	Bordeaux	France	1250c	1500x	€25*	-0.5

Terms FIOS 1/1;

* - per m³

Fertilizer transportation from Baltic Sea on transatlantic routes down

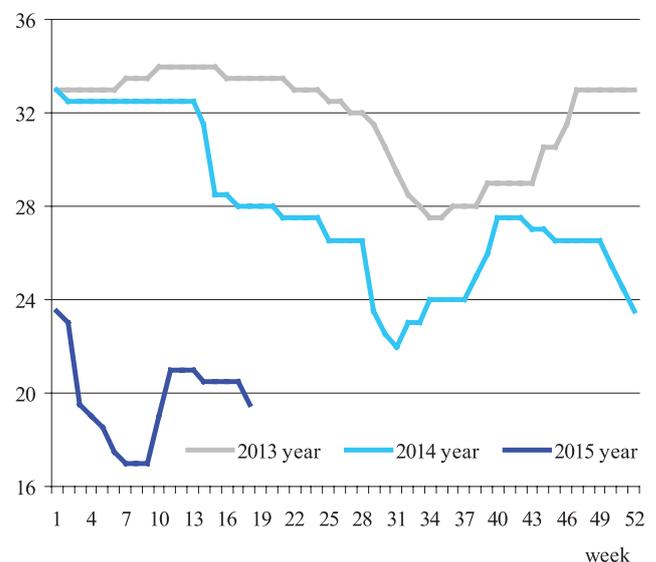
In late April, the situation remains unchanged in the Handysize and Supramax freight market of the Baltic & Continent. The number of requests for transportation of steel scrap and grain to the Mediterranean basin is still rather small. Shipments of fertilizers to Latin American ports are sluggish, while those to India and Southeast Asian countries are somewhat brisker. The surplus of available vessels in the region makes the shipowners consider transferring their fleet to South America, where the situation seems to be more optimistic.

Most freight rates hold steady in the basin. Only those for transportation of fertilizers in Handy-lots have inched down by about \$1/t on transatlantic routes. At present, carrying 30,000 t of fertilizers from Klaipeda to Santos costs \$19-20/t on average (depending on the l/d rates). A deal for the supply of a similar lot of grain from Rouen to Algeria with early May laycan dates has been signed at \$14/t. The shipment of 28,000 t of steel scrap from the Baltic countries (two loading ports) to Iskenderun is negotiated at \$21-22/t. The time-charter rate for Handysize fleet bss dely passing Skaw-Passero via St Petersburg redel Spore-Japan amounts to \$9,000/day. A 24,000 dwt vessel has been chartered at \$8,000/day bss dely passing Skaw-Passero via Scandinavian Baltic and St Petersburg redel Egyptian Med.

ISM experts estimate carrying 45,000 t of steel scrap from Antwerp to the Marmara Sea ports at about \$12/t. The time-charter rates on the same route amount to \$8,500-9,000/day on average. A deal for the supply of a Supramax-lot of fertilizers bss dely Continent via Baltic redel India has been signed at \$10,500/day.

The Handysize and Supramax shipping segments of the Baltic & Continent will hardly recover in the near future. The freight and time-charter quotes will most likely remain stable.

Fertilizers, 25,000t, Riga - Santos, \$/tonne



Rouen port shows 10% increase in grain handling

The port of Rouen, the largest grain port in France, processed 2.195 million tonnes of cargoes in March 2015, a 3.7% growth from March 2014. The handling volume of dry bulk cargoes amounted to 1.194 million t (+6.2%), including 877,000 t of grain (+10.2%). The processing volume of liquid cargoes increased by 2.1% to 842,000 t, that of flour and sugar in bags remained unchanged at 1,500 t.

Euroports to invest in Antwerp Sugar Terminal

According to euroports.com, the company launches its biggest single investment in history for the expansion of its Antwerp based sugar terminal.

The objective of the investment program consists of two parts: expanding the terminal capacities and capabilities for sugar handling and storage and, secondly, increasing the safety and quality features of the dedicated sugar terminal which is one of Euroports priorities.

Euroports has a long standing record of serving the EU sugar industry through its widely known and dedicated sugar terminal Manufert in Antwerp, Belgium.

The investment program is to be completed by September 2016.

Riga Freeport to expand its handling capacity due to construction of new terminal

Latvian stevedoring company RigaBulkTerminal is going to finish the second stage of construction of a new terminal in Riga Freeport by October 2015. The project includes building of two indoor warehouses of a total capacity of 55,000 t for a short-term storage and accumulation of shipload lots. Storage facilities and loading equipment for the bulk carriers will be connected with a conveyor system. After the works are completed, the loading speed will increase to 1,200 t an hour, while the total handling capacity of the terminal will grow to 1.5-2 million t of cargoes per year.

The company also plans to start the third stage of construction, which includes building of warehouses for alumina and other dry bulk cargoes, as well as assembling an additional conveyor system. This will increase the annual handling capacity of the terminal to 2.9 million t of cargoes.

At present, the terminal is capable to process up to 1 million t of dry bulk cargoes per year.

Scorpio to sell three more newbuilds

Scorpio Bulkers Inc. has resumed selling off its newbuilding orders to cut expenses.

According to the company, it has entered into agreements to sell two Capesize newbuilding dry bulk vessels and an Ultramax newbuilding dry bulk vessel for approximately \$111 million in aggregate.

The Capesize vessels are now being constructed in China and South Korea, and are expected to be delivered between Q3 2015 and Q2 2016.

The Ultramax vessel is currently being built in China and has an expected delivery date in Q1 2016.

adapted from worldmaritimeneews

EU Parliament approves CO₂ regulation

Today, the European Parliament has approved in full the law on public disclosure of data on ship efficiency.

The Monitoring Reporting and Verification (MRV) regulation will require ship operators to publicly report information on the environmental performance of ships.

Cargo owners and ship operators have been declaiming the efficiency data, as the more cargo a vessel can carry using the same amount of fuel, the more efficient, cleaner and cheaper the service is.

However, fuel efficiency improvements will be offset by the increase in transport demand. In its latest greenhouse gas (GHG) study the UN's shipping body, the IMO, projects a 50 to 250% rise in shipping emissions by 2050.

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USG / USEC / NCSA / ECSA / WAFR

ECSA and USG Panamax markets under pressure

The situation seems to get worsened in Panamax/Kamsarmax shipping segment of the southern Atlantic. Market participants report a shortage of new offers for grain transportation with May 1-15 laycan dates amid a surplus of fleet and continuing inflow of ballasters from other regions.

According to our sources, the charterers postpone supplies and refrain from signing new time-charter deals, expecting the rates to go down in the near future. The suppliers are now more interested in signing the deals on the voyage-basis, major market players say. This is because the voyage-basis shipping fees for a Panamax-lot of grain from Brazil to China amount to \$21.5-23/t, while the TCT bss rates for a Panamax vessel – to about \$11,500/day + \$150,000 bb bss dely ECSA redel Spore-Japan and those for a Kamsarmax ship – to \$12,000-12,500/day + \$200,000-250,000 bb on the same route, that is equivalent to about \$25-26/t. This week, a deal for transportation of 60,000 t of agricultural products from Santos to northern China has been signed at \$22.7/t with late May - early June laycan dates. A Kamsarmax vessel has been chartered at \$12,000/day + 200,000 bb bss dely ECSA redel Spore-Japan with May 16-18 laycan dates.

Costs of cargo transportation on transatlantic routes have also inched down after last week's increase. The time-charter deals for Panamax fleet bss dely ECSA redel Skaw-Passero are negotiated at \$10,000-11,000/day + \$150,000 bb. This week, a Panamax vessel has been chartered on this route at \$10,250/day + \$125,000 bb with May 7-15 laycan dates, while similar deals were signed at \$11,500/day + \$150,000 bb last week.

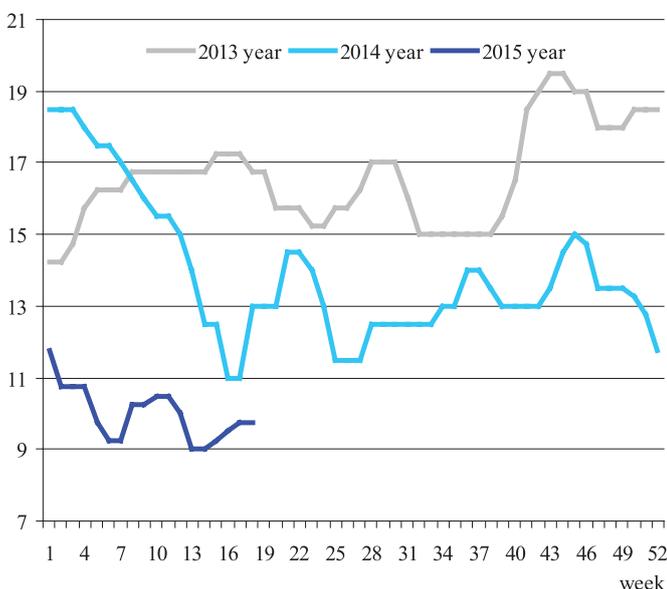
The cargo flow from the U.S. Gulf to the Far East remains dull. Brokers estimate the time-charter for Panamax fleet bss dely Gibraltar via USG redel Spore-Japan at \$10,000-11,000/day. According to our sources, deals for the cargo supply to China in Q3 2015 are negotiated at rather low quotes of about \$28-29/t. The costs of cargo transportation from the northern part of the basin on transatlantic routes hold steady. A Panamax-lot of coal from the Atlantic coast of the U.S. to India has been reportedly fixed at \$22.3-22.5/t. A deal for transportation of 80,000 t of the material from the Gulf of Mexico to Rotterdam has been signed at \$10.55/t with May 10-25 laycan dates (given rather low loading rates as for the Gulf of Mexico –20,000 t shinc only).

Grain shipments to the Far East have become slightly brisker in the Black Sea freight market, but this has not improved the demand for Panamax fleet in the region. The relevant freight quotes remain firm. A time-charter deal for a Panamax vessel bss dely port Said via BISEA redel Port Said has been signed at \$5,500/day. The delivery cost of 60,000 t of wheat from Ukraine to Egypt still stand at \$8/t. The situation has not changed much in the Baltic & Continent. A spot time-charter contract for Kamsarmax transportation of grain bss dely Amsterdam via Continent & Saudi Arabia redel PMO has been concluded at \$12,500/day. A Panamax vessel has been chartered at \$10,700/day for the supply of iron ore concentrate bss DOP dely Continent via Murmansk redel China. A 70,000 t lot of iron ore is exported from Kirkenes to IJmuiden at \$6.25/t.

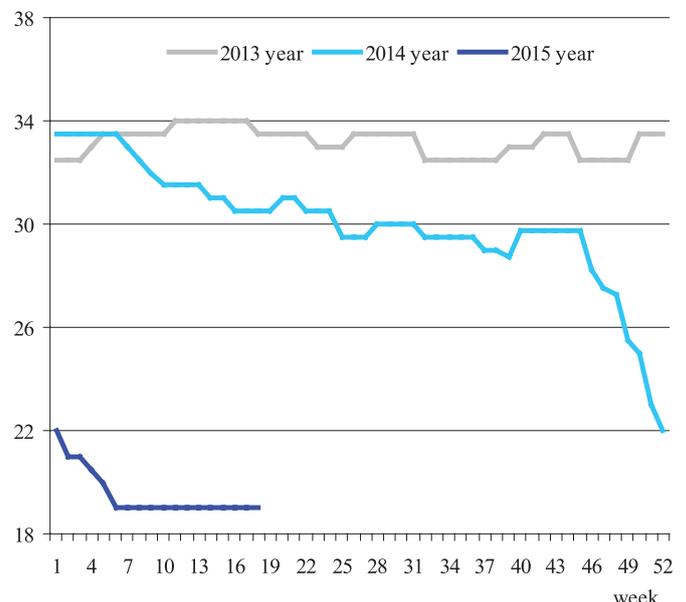
In the short term, the freight rates may go up in ECSA only if the cargo offer strengthens considerably.

The freight rates are not expected to increase in USG, as the commodity flow will hardly increase in the region in the near future. Moreover, the market participants expect the number of available vessels to grow in the Gulf of Mexico in May.

Coal, 70,000t, USG - Rotterdam, \$/tonne



Iron ore, 70,000t, Yuzhny - northern ports of China, \$/tonne



Current Panamax TCT rates bss APS delivery

ECSA - Far East	11-12k daily + 150-200k bb
USG - Far East	14k daily
Continent - Far East	10-11k daily
BISea - SEA	8-9k daily
BISea - USG/USEC	2-3k daily
Transatlantic round voyage trip	5k daily

Main Panamax freight rates in Atlantic Ocean

Cargo	Lot	Loading port	Country	Discharging port	Country	Given load rate	Given disch rate	Rate, \$/tonne	w-o-w
coal	70,000t	Puerto Bolivar	Colombia	Rotterdam / Antwerp	Netherlands / Belgium	30000c	25000c	9-9.5	n/a
coal	70,000t	Gulf of Mexico	USA	Immingham	UK	25000c	25000c	10	=
coal	70,000t	Drummond	Colombia	Iskenderun	Turkey	30000c	20000c	12	=
coal	70,000t	Puerto Bolivar	Colombia	Koper	Slovenia	30000c	20000c	11	=
coal	70,000t	Gulf of Mexico	USA	Tarragona	Spain	25000c	20000c	10	=
coal	70,000t	Atlantic Coast	USA	Jorf Lasfar	Morocco	30000c	15000c	7-7.5	=
coal	70,000t	Ventspils	Latvia	Rotterdam / Antwerp	Netherlands / Belgium	20000c	20000c	5-6	=
wheat (sf 46-48')	60,000t	Rouen	France	Alexandria	Egypt	12000x	5000x	13.5-14	=
wheat (sf 46-47')	60,000t	Odessa	Ukraine	Alexandria	Egypt	10000x	5000x	8	=
maize (sf 52')	55,000t	Gulf of Mexico	USA	Alexandria	Egypt	10000x	5000x	18	=
maize (sf 52')	60,000t	Santos	Brazil	Northern ports	China	8000x	8000x	22-23	=
maize (sf 52')	55,000t	New Orleans	USA	Northern ports	China	10000x	8000x	29-30	=
soybean meals (sf 54')	60,000t	Paranagua	Brazil	Rotterdam / Antwerp	Netherlands / Belgium	8000x	8000x	16-17	=
soybean meals (sf 54')	60,000t	Parana River ports	Argentina	Alexandria	Egypt	8000x	5000x	22-23	=

Terms FIOS 1/1.

Handy and Supra freight and TCT rates from ECSA have stabilized after a slight increase

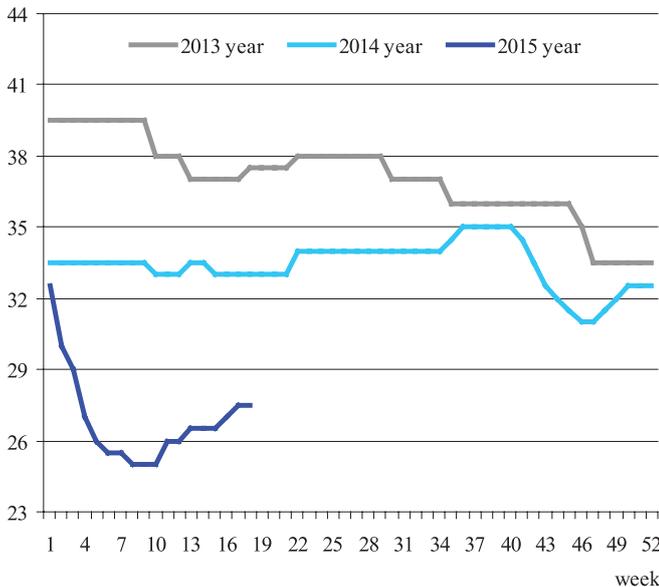
In late April, the cargo offer for transportation by Handymax/Supramax and Ultramax fleet remains limited in the northern part of the Atlantic Ocean, while the number of vessels, available for shipments in May, continues to increase. This week, petcoke has been offered for the supply from the U.S. to the Mediterranean region, Brazil, India and the Far East. There have been also several requests for carrying coke and steel scrap to Turkey, a new route of delivery. The volume of grain transportation from the Gulf of Mexico to the Far East and on transatlantic routes remains very small. Most freight rates have held steady in this part of the basin. The Supramax time-charter on the route the US Gulf - the Far East is quoted by brokers at \$11,000-11,500/day. The prompt time-charter deal for a Supramax vessel has been signed at \$10,000/day bss dely USG redel SEAsia. Another Supramax ship has been chartered in the prompt market at \$10,500/day bss APS dely USG redel Spore-Japan. According to our sources, a 45-50,000 t lot of petcoke from the east coast of the U.S. to the Far East has been fixed at \$32-33/t. The time-charter rates for Supramax fleet bss dely APS USG amount to \$10,000-11,000/day on transatlantic routes. A time-charter deal for such a vessel has been signed at \$9,500/day bss dely NCSA redel Continent. As per the market participants, carrying 45-50,000 t of petcoke from the Gulf of Mexico to Europe (presumably to Dunkirk) costs \$13-14/t with late May laycan dates.

Shipments of South American grain have slowed down. The charterers refrain from placing new orders, expecting the corresponding freight rates to go down soon in this part of the basin, as the number of vessels, open for May, is increasing gradually. South American grain is offered for transportation to Europe, North and West Africa, India, Bangladesh, South Korea. The Supramax time-charter bss APS dely ECSA redel Spore-Japan is quoted at about \$10,500/day + \$150,000 bb, that bss dely Gibraltar via ECSA redel PG - at \$9,000-10,000/day. The prompt time-charter deal for a Supramax vessel bss dely ECSA redel EMed has been signed at \$10,500/day. According to our sources, a 35-40,000 t lot of grain is carried from South America to Egypt at \$24-25/t. The transportation of a Handysize-lot of agricultural products from Argentina to the western Mediterranean ports is negotiated at \$32-34/t (given l/d rates of 5,000 t sshex/2,500 t fshex).

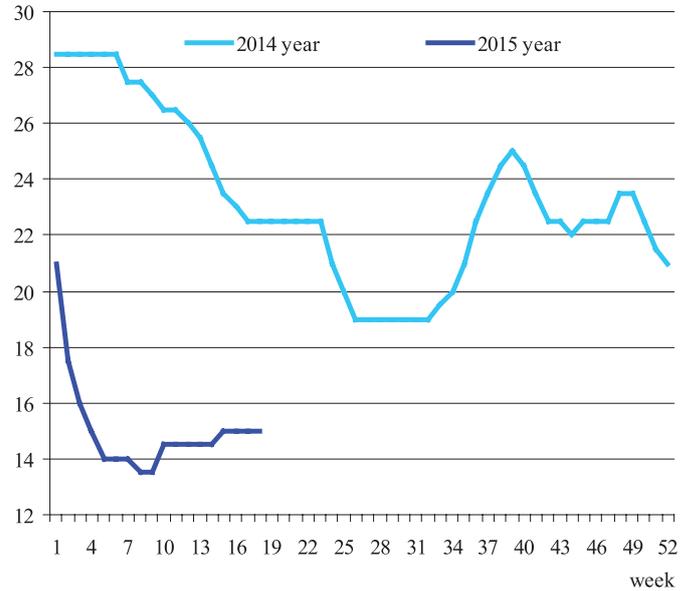
Next week, the freight rates may keep falling in the Gulf of Mexico if the cargo offer remains limited in this part of the basin.

The freight quotes may step up in the southern part of the Atlantic Ocean only if the volume of grain transportation from Brazil and Argentina grows considerably brisker.

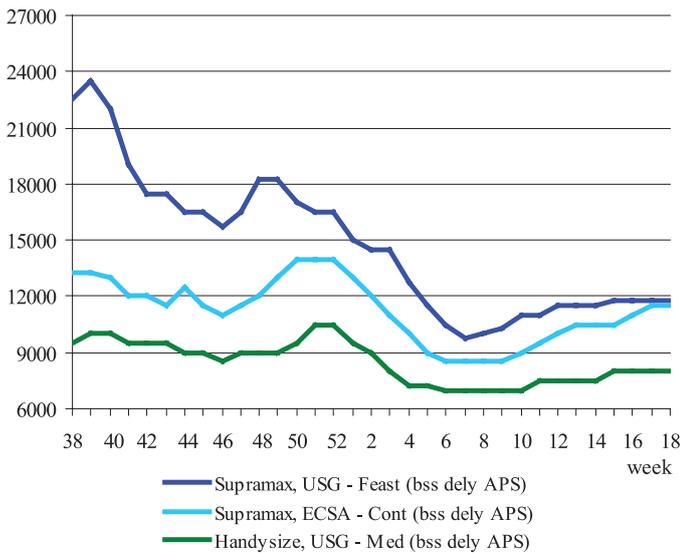
Soybean meals (sf 54'), 25,000t, Paranagua - Riga, \$/tonne



Soybean (sf 50'), 45-50,000t, USG - Rotterdam, \$/tonne



Time-charter-trip rates, \$/day



Current Supramax abt 55000 dwt TCT rates bss APS delivery

USG - Continent	9-10k daily
USG - Med	10-11k daily
USG - Far East	11.5-12k daily
ECSA - Continent	11-12k daily
ECSA - Med	12k daily
ECSA - Far East	10-11k daily +100k bb

Current Handysize abt 30000 dwt TCT rates bss APS delivery

USG - Continent	7-8k daily
USG - Med	8k daily
ECSA - Continent	9k daily
ECSA - Med	10k daily

Handy & Supra main freight rates ex ECSA and USG ports

Cargo	Lot	Loading port	Country	Discharging port	Country	Given load rate	Given disch rate	Rate, \$/tonne	w-o-w
scrap (sf 52-55')	45,000t	Atlantic Coast	USA	Iskenderun	Turkey	7000c	8000c	16	=
petcoke (sf 47')	50,000t	Gulf of Mexico	USA	Krishnapatnam	India	20000c	15000c	25	=
wheat (sf 47-48')	25,000t	Gulf of Mexico	USA	Rotterdam / Antwerp	Netherlands / Belgium	7000x	7000x	18-19	=
wheat (sf 47-48')	25,000t	Gulf of Mexico	USA	Alexandria	Egypt	7000x	4500x	24-25	=
maize (sf 49-50')	45-50,000t	Santos	Brazil	Alexandria	Egypt	8000x	5000x	20	=
maize (sf 52')	45,000t	Gulf of Mexico	USA	Alexandria	Egypt	10000x	5000x	21-22	=
soybean meals (sf 54')	40-45,000t	Rosario	Argentina	Rotterdam / Antwerp	Netherlands / Belgium	8000x	8000x	24	=
soybean meals (sf 54')	25,000t	Paranagua	Brazil	Rotterdam / Antwerp	Netherlands / Belgium	7000x	7000x	23-24	=
soybean meals (sf 54')	25,000t	Paranagua	Brazil	Thessaloniki	Greece	7000x	6000x	25-26	=
soybean (sf 50')	45-50,000t	Gulf of Mexico	USA	Rotterdam / Antwerp	Netherlands / Belgium	10000x	8000x	15-16	=
soybean (sf 50')	45-50,000t	Santos	Brazil	Southern ports	China	8000x	8000x	30	=
sugar (sf 46')	30,000t	Santos	Brazil	Poti	Georgia	7000x	3500x	29	=

Terms FIOS 1/1.

Capesize shipments of Brazilian iron ore keep increasing

The volume of iron ore offered for Capesize shipments from Brazil has risen slightly. There are requests for the supplies to China, Taiwan and Saudi Arabia with May laycan dates. The corresponding deals are negotiated at higher rates compared to last week. The charterers are ready to pay \$10-10.3/t for transportation of a Capesize-lot of ferrous raw materials from Brazil to China, while the shipowners insist on \$10.5/t. A 170,000 t lot of iron ore from Itaguaí to Qingdao has been fixed at \$10.75/t in the spot market. The number of cargo offers for the supply to Europe is small. There are only several requests for coal shipments from Colombia to the ARA ports (the charterers' freight ideas have risen to \$5.4-5.5/t) and from the Atlantic coast of the U.S. to Yuzhny (with May 12-21 laycan dates). Shipments of iron ore from Canada to China are negotiated at \$12.3-12.5/t. There are also the requests for cargo transportation from Brazil to Rotterdam with May laycan dates. A contract for the supply of 160,000 t of coal from Bolívar to Rotterdam has been concluded at \$5.3/t with June 1-15 laycan dates. A similar lot of iron ore from the Black Sea ports to northern China has been fixed at \$9.75/t only.

Golden Ocean rearranges its fleet

Bermuda-registered dry bulk shipping company Golden Ocean Group Limited has taken various initiatives as to its fleet, including adjustments to its newbuilding program, in an attempt to strengthen its cash position and balance sheet amid a weak market.

Among those measures, Golden Ocean has agreed a leaseback sale of eight of its Capesize vessels with Ship Finance International Ltd. The vessels were built in Korea and China between 2009 and 2013. The total acquisition price will be \$272 million (\$34 million on average per a ship). The vessels are expected to be delivered to Ship Finance in July 2015, subject to customary closing conditions. The ships will be chartered on the time-charter basis by Golden Ocean subsidiary for a period of 10 years. The daily base TC rate will be \$17,600 during the first seven years, and \$14,900 thereafter. Under the deal, Golden Ocean will have a purchase option after year 10 of \$112 million en bloc, and if such option is not exercised, Ship Finance will have the option to extend chartering by 3 years at \$14,900 per day.

Golden Ocean says that it has also reached agreements with several of its yards to delay the construction of the newbuilding contracts with about 75 months on aggregate basis.

Golden Ocean has also agreed to sell four of the Capesize vessels, which are currently under construction at a Chinese yard, to a third party. The company plans to finalize the construction of the vessels and transfer ownership to the new owner upon delivery from yard. For three of the vessels, Golden Ocean said it would charter the vessels back on time charter for 6 to 12 months, in line with the original contract price.

Further, the shipping company has sold the vessels Channel Alliance and Channel Navigator to a third party, as part of the company's fleet renewal. These vessels will be delivered to new owners by the end of June 2015.

Following these deals, Golden Ocean said it would have secured financing for all newbuilding contracts except nine vessels with delivery in 2016 and 2017.

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Canada offers 50 port facilities for sale

Canada's government has launched the Ports Asset Transfer Program (PATP) to help on the transfer of 50 Transport Canada-owned port facilities to local interests.

The PATP program includes engagement, sale and divestiture phases. If a port facility does not sell, the program will offer it for divestiture.

The key features of the new program include a specific timelines for negotiations and transactions with interested parties during the sales and divestiture phases; broader criteria to allow new port operators to expand or upgrade ports; greater flexibility for continued operations or possible alternate uses; the ability of Canada Port Authorities to acquire ports.

Funding for this new program was announced as part of Economic Action Plan 2014.

Since 1996, the government of Canada has divested 499 ports through its previous Port Divestiture Program.

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INDIAN OCEAN / PG / SEA / NOPAC

Imbalance between the number of available Handy/Supra vessels and cargo offer in Asia-Pacific pushes rates down

In late April, most Handymax/Supramax freight rates have dropped by \$0.5-1.5/t in the Asia-Pacific region. A weak trade in the major commodity markets, and as a result, a limited cargo offer amid a surplus of available vessels, make the shipowners reduce the freight rates.

The transportation costs of Indonesian coal have sagged by \$0.5/t on all routes, those of Russian material from Vanino have fallen by \$1/t. It costs \$7-7.5/t to have 50,000 t of coal shipped from Banjarmasin to eastern India and \$9/t to the western ports of the country. Contracts for the supply of 50,000 t of the cargo from South Kalimantan to southern China are concluded at \$4.5-5/t. The time-charter deals for Supramax fleet bss DOP dely Spore via Indo redel Thailand are signed at \$4,500/day despite the shipowners' ideas of \$5,000-5,500/day. The transportation of 20,000 t of coal from Vanino to Shanghai is charged at \$10-11/t, from Posyet on the same route – at \$8-9/t.

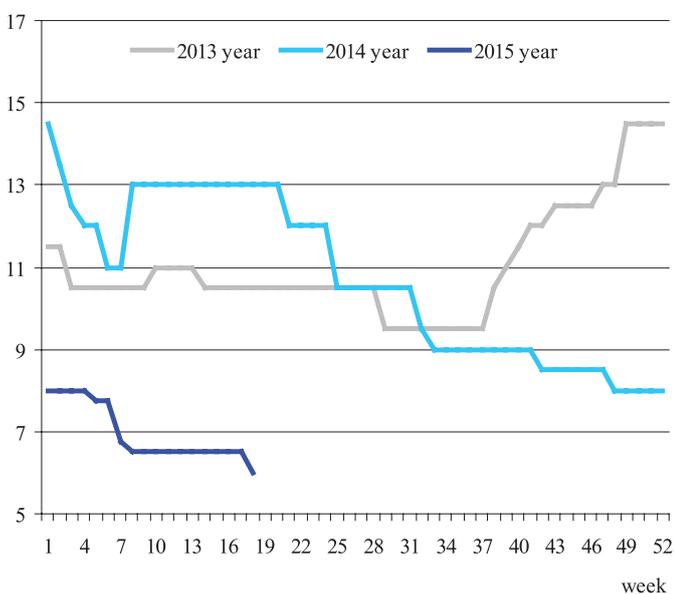
The shipping volumes of ore cargoes remain small. The relevant freight quotes have stepped down by \$0.5/t. According to brokers, a Supramax vessel has been chartered for the supply of nickel ore bss DOP dely Spore via SEAsia redel China at \$5,750/day. On the voyage-basis, shipping 50-55,000 t of the cargo from Surigao to Rizhao costs \$6-6.5/t.

The transportation volumes of Australian grain have dropped significantly on traditional routes. The market participants refer a dull trade in this segment to the noncompetitive prices for Australian grain compared to those for European, Ukrainian and Russian products. The freight rates for cargo shipments in Supramax- and Handymax-lots have dropped by \$1-1.5/t. The transportation of 50,000 t of grain from Kwinana to southern China is estimated at about \$9-11/t. A similar lot of the product is exported from the west of Australia to Saudi Arabia (the Persian Gulf ports) at \$15-16/t.

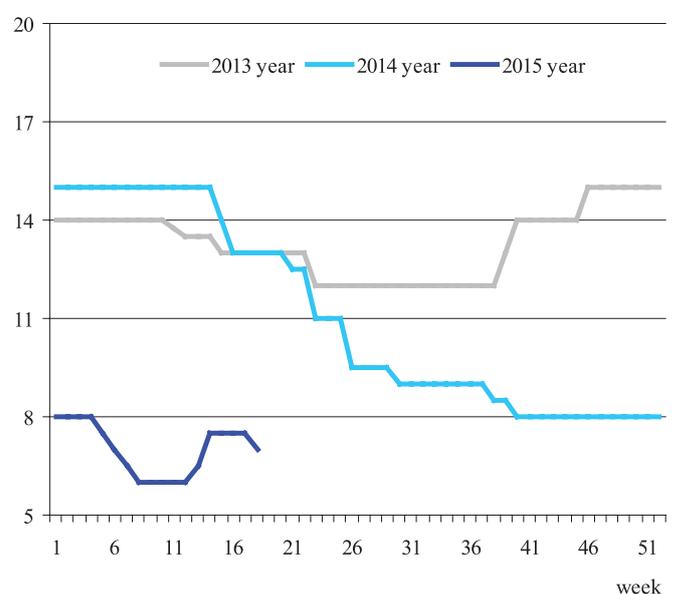
Steel is occasionally supplied from China or South Korea to Southeast Asia. The Supramax time-charter bss DOP dely Bohai Bay via CJK redel SE Asia is quoted by brokers at \$5,000-6,000/day. The time-charter deals for above 30,000 dwt Handysize vessels bss APS dely Busan redel SE Asia with May 3-5 laycan dates are signed at \$5,000/day.

Next week, the Handysize and Handymax/Supramax freight traffic is likely to remain slack in the Asia-Pacific region. Certain freight rates may go down further in the basin.

Coal, 40,000t, Samarinda - Guangzhou, \$/tonne



Iron ore, 25,000t, Kemaman - Rizhao, \$/tonne



Main Handy & Supra freight rates ex Asia-Pacific ports

Cargo	Lot	Loading port	Country	Discharging port	Country	Given load rate	Given disch rate	Rate, \$/tonne	w-o-w
iron ore	30-35,000t	Kuantan	Malaysia	Northern ports	China	5000c	10000c	7	-0.5
alumina	25,000t	West Coast	Australia	Shanghai	China	14000c	10000c	13	-0.5
nickel ore	55,000t	Surigao	Philippines	Rizhao	China	6000c	12000c	6.5-7	-0.5
coal	55,000t	Samarinda	Indonesia	East Coast	India	8000c	10000c	7	-0.5
coal	50,000t	South Kalimantan	Indonesia	Qingdao	China	8000c	12000c	7	-0.5
coal	50,000t	Newcastle	Australia	Dangjin	South Korea	23000c	12000c	10	-0.5
coal	40,000t	Samarinda	Indonesia	Guangzhou	China	6000c	10000c	6	-0.5
coal	25,000t	Bengkulu	Indonesia	Tianjin	China	7000c	8000c	11-12	-0.5
grain	27-30,000t	Perth	Australia	Shanghai	China	7500x	5000x	13-14	-1.5
clinker	55,000t	Cam Pha	Vietnam	Chittagong	Bangladesh	5500c	3500c	9-10	=

Terms FIOS 1/1.

Capesize shipments of iron ore grow brisker in Asia-Pacific region

Iron ore supplies to China, made primarily by Capesize fleet, have risen significantly in the Asia-Pacific region and the Indian Ocean mainly due to the increase in purchases from Chinese steelmakers, who are building up the production. Besides regular supplies from Australia, the number of cargo offers for shipments in such lots from South Africa, Chile, Mauritania, Liberia and Malaysia has also grown.

Deals for transportation of 170,000 t of iron ore from Western Australia to Qingdao are signed at \$4.4-4.5/t; only one shipment has been fixed at \$4.65/t. The time-charter rates for Capesize fleet for Pacific RV with late April laycan dates are negotiated at \$6,000-6,500/day. Carrying 150,000 t of ore from the Malaysian terminal Teluk Rubiah (port of Lumut) to Qingdao with May 1-5 laycan dates costs \$2.5/t. The time-charter rate for Capesize vessels bss DOP dely Japan via Chile redel N.China amounts to \$7,500/day. A contract for the supply of 160,000 t of ore from Buchanan to Rizhao with May 1-10 laycan dates has been concluded at \$9.6/t. A 145,000 t lot of the cargo will be shipped from Nouadhibou to Qingdao at \$11.45/t in mid-May. Deals for transportation of 160,000 t of iron ore from Saldanha Bay to Qingdao are signed at about \$6.8-7/t. It costs \$11.5/t to have a Panamax-lot of the material exported on the same route.

Capesizes underloading with coal in Newcastle may push the freight rates up

The max permitted draft for the vessels departing from Newcastle has been reduced from 15.2 m to 14.9 m due to flooding.

Owners of about 130-135,000 dwt Capesize fleet, who traditionally operate from this Australian port, will have to cut the volume of coal loaded onto a vessel by 3-5,000 t. The TPC for Capesize fleet reportedly amount to 95-105 mt/cm. The shipowners may insist on a \$0.2/t increase in freight rates to offset the vessels' underloading.

A Capesize ship delivered 130,000 t of coal from Newcastle to Qingdao at \$6/t before a draft cut, while now the transportation of 125-127,000 t of the cargo from Newcastle to northern China may cost \$6.2/t.

Costs of timber transportation from Russian Far East ports keep falling

The fees for small-tonnage timber shipments from Khabarovsk Krai (the Far East) to China and South Korea have dropped by another \$1-2/cu m. At the beginning of last week, a 3,500 cu m lot of saw logs from Vanino to Taicang with late April laycan dates was fixed at \$23/cu m. At present, deals for the supply of 5,400 cu m of timber from Sovetskaya Gavan on the same route are signed at \$22/cu m.

Transportation volumes of the material have declined sharply. The major market players refer this to a plunge in timber prices in April. So, quotes for spruce have fallen to \$90-110/cu m FOB Busan. Larch is available at \$70-90/cu m on the same basis, \$20-30/cu m down.

It is worth noting that timber shipping volumes were steadily growing in March. Up to 77,100 t of the cargo were handled in the ports of the Khabarovsk Krai, a 4,300 t increase compared to February. About 57,200 t of timber were processed in the ports of Primorsky Region against 52,200 t in February.

Designation of Yemeni ports as warlike operations area

According to ukpandi.com, the International Bargaining Forum (IBF) has designated the Yemeni ports as zones being under the risk of war operations. Starting from April 17, 2015, the International transport workers Federation has introduced special work conditions for seafarers.

Thus, the company shall inform the seafarers if the vessel is bound to or may enter any Warlike Operations area. The seafarer has the right not to proceed to such area. If the seafarers agree to work in the area, every member of crew shall be paid a bonus equal to 100% of the 5 day basic wage even if the vessel stands in the port for 1 hour only; the same fee is paid for each day the ship stays in a warlike operations area. The seafarer or his family has the right for a double compensation for disability or death.

The period of being in the warlike operations area starts from berthing till vessel's departure.

When operating in the high risk area, the seafarers, who work with IBF, are applied with benefits and entitlements.

India and Iran plan transport corridor deal

This week, India's Shipping Minister Nitin Gadkari is finalizing investment plan for major upgrade works at Iran's Chabahar port, meeting with Iranian authorities in Tehran.

The port project has already accumulated commitment of \$85 million from the Indian government and is seen as a rival to China's recently announced involvement in Pakistan's Gwadar port.

Indian government has reportedly committed \$22.9 million a year for the ongoing port operations under a proposal to see the port operated via an Indian JV company, composed of Jawaharlal Nehru Port Trust (JNPT) and the Kandla Port Trust (KPT), which will sign a 10 year leasing agreement.

India is going to expand its presence at the Chabahar port to obtain a sea-land access route into Afghanistan through Iran's eastern borders.

Located in the Sistan-Baluchistan Province on Iran's southeastern coast, the port should prove to be of strategic importance to India due to opening up trade routes to Afghanistan.

adapted from shippingtribune

Grain shipments from Australia on sharp decrease

Transportation volumes of Australian grain have declined significantly in the second half of April. The freight rates for cargo shipments in Supramax- and Handymax-lots have sagged by \$1-1.5/t. The transportation of 50,000 t of grain from Kwinana to southern China is charged at about \$9-11/t. A similar lot of the product is exported from western Australia to Saudi Arabia (the Persian Gulf ports) at \$15-16/t. Market participants refer a dull trade to noncompetitive prices for Australian grain compared to those for European, Ukrainian and Russian product.

According to ISM, milling wheat is quoted at about \$245-250/t FOB Aus, while the cargo is available at \$210-215/t FOB Bl.Sea, \$202-208/t FOB Germany and \$200-204/t FOB France. The average price for feed barley amounts to \$230-240/t FOB Aus, while the French product costs \$204-207/t FOB.

Costs of Handy/Supra shipments of Indonesian coal keep sliding down

In late April, the transportation costs of Indonesian coal by Handymax/Supramax fleet have dropped by another \$0.5/t on all routes. A decrease is caused by the slack importers' interest in the product, resulted in shortage of cargo offers amid a surplus of available vessels in the region.

At present, it costs \$7-7.5/t to have 50-55,000 t of coal carried from Banjarmasin to eastern India, and \$9/t – to the western part of the country. Deals for the supply of 50,000 t of the cargo from South Kalimantan to southern China are signed at \$4.5-5/t. The time-charter rate for Supramax fleet bss DOP dely Spore via Indo redel Thailand amounts to \$4,500/day, though the shipowners' ideas are \$5,000-5,500/day.

Coal imports to China have been steadily declining since the beginning of 2015 to reach its minimum to date due to the number of limitations, imposed by China's government in its attempt to support the home industry by boosting the consumption of the domestic product only at Chinese power plants.

India raises import duty on sugar to 40%

India's government has raised import duty on sugar further to 40% this time, to prevent the inflow of cheaper foreign product amid a sharp decline in prices for the commodity. The duty was last increased from 15% to 25% in August 2014.

In March, sugar futures in New York have dropped to their lowest level since 2009 due to a surge in cargo supplies from Thailand to India. According to the Indian Sugar Mills Association, the prices for the commodity have plunged below the production costs in the country amid weak demand and growing stocks.

Sugar output is forecasted to reach 27 million tonnes in India this marketing year, which starts on October 1.

BHP Billiton postpones Port Hedland expansion

According to morvesti, BHP Billiton has announced its plan to reduce production of iron ore and postpone the US \$500 million project aimed on the capacity expansion at Port Hedland.

In its report released last week, the company announced it is going to postpone the expansion project in the inner harbor of Port Hedland. According to the report, the existing capacity margins have exceeded the company's expectations and are able to provide handling of ore at a planned level of 290 million tonnes.

First Panamax coal shipment from WICET

The first coal shipment departs from Wiggins Island Coal Exporting Terminal today. The vessel Toro Orient leaves Gladstone Harbour early this afternoon heading to Hong Kong.

The first shipment of about a 73,000 t lot of coal marks the end of a three-year construction period at the facility.

It has been 11 years since the \$2.6 billion project was first discussed and its owners, who visited WICET last month, were excited to see the first piles of coal quickly growing at the stockyard.

adapted from gladstoneobserver



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