

published weekly

Panamax

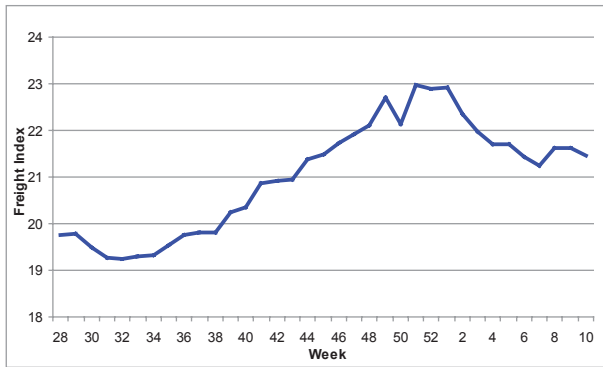
freight index

March 10, 2014

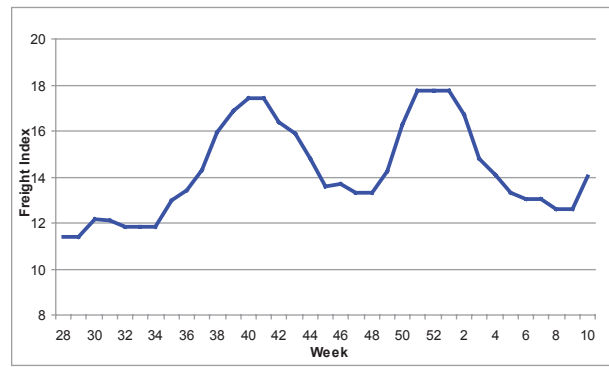


2014

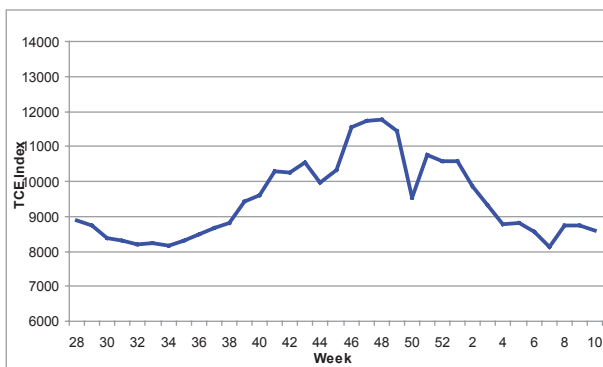
Global Panamax Freight Index



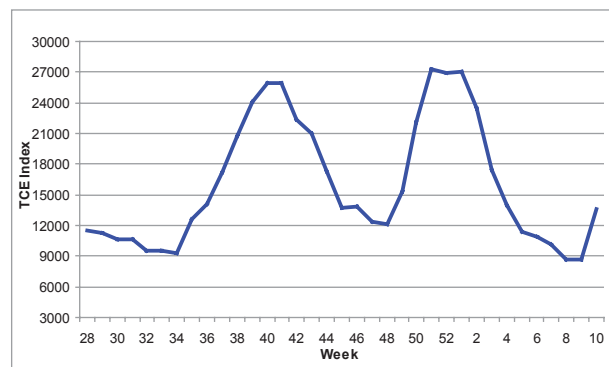
Global Capesize Freight Index



Global Panamax TCE Index



Global Capesize TCE Index



Global PFI has dropped by \$0.3/t (-2.1 %) this week, the TCE of the global market has decreased by \$1162/day. In its turn Global CapeFI has grown by \$1.4/t (11%) in early March and Global Cape TCE Index has gained \$4949/day.

Panamax/Cape 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
iron ore concentrate	130,000t	Constanta	Romania	Northern ports	China	22	+0.5	42550	13780
iron ore	120,000t	Narvik	Norway	Hamburg	Germany	6,5-7	+2	28910	19740
iron ore	150,000t	Sohar	Oman	Qingdao	China	7	=	18700	720
iron ore	150,000t	Tubarao	Brazil	Gijon	Spain	9.5-10	+1	29460	9810
iron ore concentrate	70,000t	Yuzhny	Ukraine	Northern ports	China	31-32	-0.5	30490	8690
manganese ore	70,000t	Maputo	Mozambique	Qingdao	China	22	=	22680	6320
coal	70,000t	Yuzhny	Ukraine	West Coast	India	23-24	-0.5	37970	16350
coal	70,000t	Ventspils	Latvia	Rotterdam / Antwerp	Netherlands / Belgium	5,5-6	-0,5	8700	4950
coal	70,000t	Riga	Latvia	La Coruna	Spain	7	-0,5	9030	2870
coal	70,000t	Gulf of Mexico	USA	Hamburg	Germany	16-17	-0,5	20080	4480
coal	70,000t	Drummond	Colombia	Iskenderun	Turkey	17	-0,5	21830	4760
coal	70,000t	Newcastle	Australia	Dangjin	South Korea	15-16	=	25600	7830
coal	70,000t	South Kalimantan	Indonesia	Northern ports	China	10.5-11	-0,5	24740	12420
wheat	60,000t	Odessa	Ukraine	Alexandria	Egypt	13-14	=	14800	11530
maize (sf 52')	55,000t	New Orleans	USA	Qingdao	China	48-49	-0,5	27360	10510

Metal Expert

27-29 April, 2014

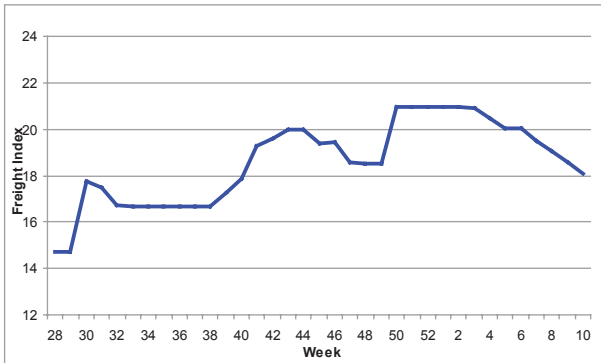
Stresa, Italy

Europe Steel Trade Conference

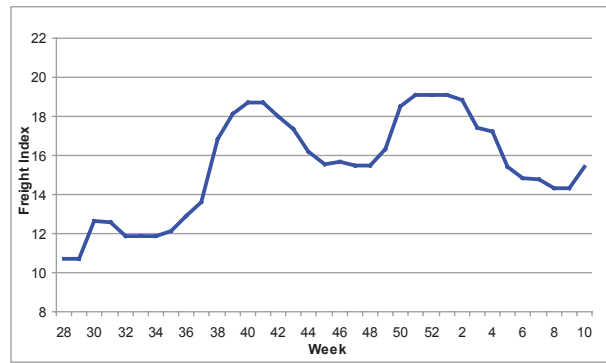
West

Western Region PFI has been decreasing since early February, it has dropped by \$0.5/t (2.5% down) over the last week. The corresponding time-charter equivalent has fallen by \$/day. At the same time, CapeFI has inched up by some \$1.1/t (7 % down), while the average time-charter equivalent has increased by \$4135/day.

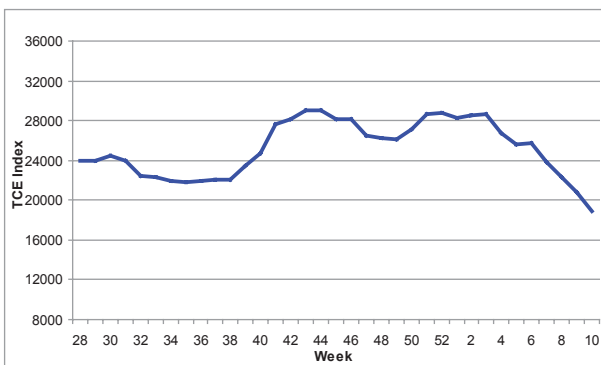
Western Region PFI



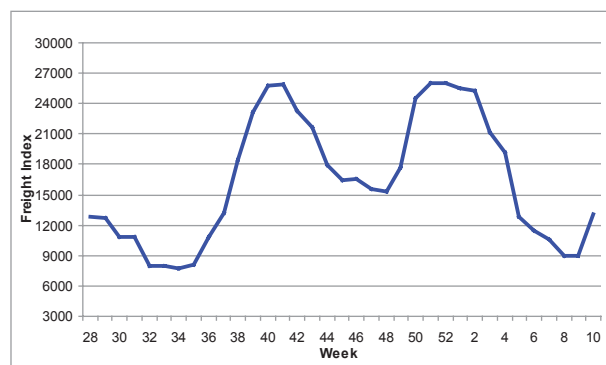
Western Region CapeFI



Western Region Panamax TCE Index



Western Region Capesize TCE Index



For further information on subregional (Europe, Atlantic Ocean) Panamax Freight and TCE Indices please visit our website

The demand for Panamax vessels keeps falling in **Europe**. The offers of coal and iron ore for transportation by such dwt ships are sporadic, however a surplus of available vessels both in the Black and Mediterranean Seas and at the coast of north-western Europe does not allow the shipowners to avoid a further drop in freight rates. The cost of cargo transportation from the ports of the Baltic and North Seas has decreased by \$0.5-1/t this week. Now, 70,000 t of coal are carried from Murmansk to Liverpool at \$7/t (\$1/t down), shipping 60,000-70,000 t of fertilizer from Klaipeda to China costs \$44/t (\$0.5/t down). The quotes for cargo deliveries on eastern routes have dropped by \$0.5/t in the Black Sea, while those have remained stable within the region as well as on transatlantic routes. Carrying 70,000 t of iron ore from Yuzhny to China now costs \$31-32/t. Meanwhile, the transportation costs of 60,000 t of wheat from Odessa to Alexandria have stayed at \$13-14/t.

There is a different situation in Capesize segment. The demand for such dwt vessels is strong in the regional spot market. Freight rates have grown by \$2/t in the Baltic and North Seas, while those have inched up just by \$0.5/t in the Black Sea ports. The shipping fees for 120,000 t of iron ore from Narvik to Hamburg have risen to \$6.5-7/t, a 130,000 t lot of the cargo is now carried from Yuzhny to the northern ports of China at \$24/t.

Panamax freight rates are likely to stabilize in Europe next week, while Capesize ones may go up further if the demand for such vessels grows in the global market.

Panamax shipping volumes are still limited in the freight market of the **Atlantic Ocean** in early March. Grain deliveries from Brazil have become brisker, though the shipowners have to agree on a further decrease in quotes (by another \$0.5/t this week) due to a surplus of available vessels in South America. The transportation costs of 55,000 t of maize (sf 52') from Santos to China have fallen to \$39-40/t. At the same time, the majority of market participants already negotiate the deals for grain shipments in April at rates by \$1-1.5/t higher than the current ones amid the forecasts of growing cargo supply from South America next month. It should be

noted that some shipowners who considered the possibility of transferring their fleet from the Pacific Ocean to the east coast of South America are still working in Southeast Asia where the conditions are more favorable now.

Shipments of agricultural products from the ports of the Gulf of Mexico have remained slack, the relevant cargo flow to the Far East is minimal. Coal is still being offered for transportation from the United States to Europe in small volumes. The cost of cargo delivery by Panamax vessels from North America has also decreased by \$0.5/t despite the fact that the surplus of vessels in this part of the region is not as acute as in its southern part. Now, 60,000 t of soybean meals (sf 54') are exported from Paranagua to the ARA ports at \$21-22/t.

Iron ore is being rather actively carried by Capesize vessels from the Brazilian ports. The demand for such dwt ships has improved pushing the relevant quotes up by \$1/t on transatlantic routes and by \$2/t - for shipments to China. The delivery costs of 160,000 t of iron ore from Tubarao to Qingdao have risen to \$21-22/t, those of 150,000 t of the cargo from the same port to Rotterdam - to \$10-11/t.

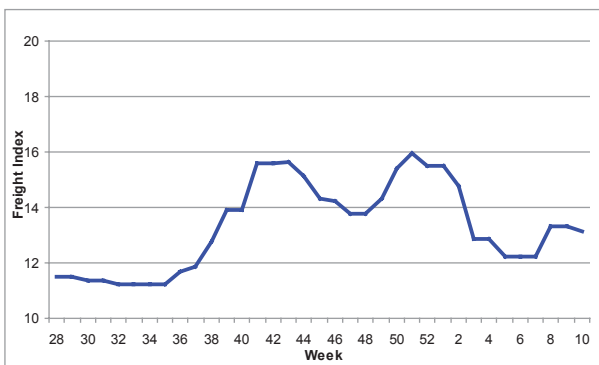
Panamax freight rates may drop further in the Atlantic Ocean in mid-March (though the last time they fell to the current level in May 2013), while Capesize ones are likely to grow further.

East

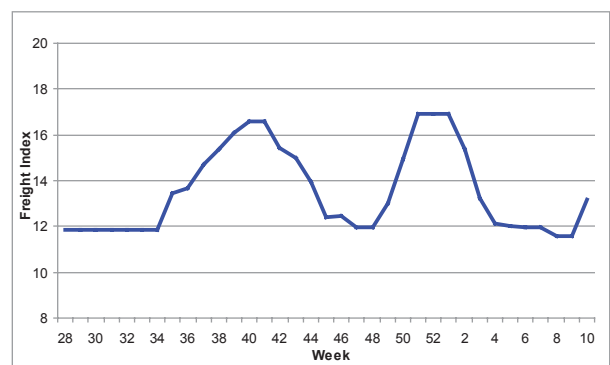
Eastern Region PFI has decreased by \$0.2/t (1,5% down) in early March. It should be noted that Indian Ocean PFI has dropped the most. Eastern Region Panamax TCE Index has fallen by \$510/day.

Eastern Region CapeFI has grown by \$1.6/t or 14% this week, while the average time-charter equivalent has added \$5446/day.

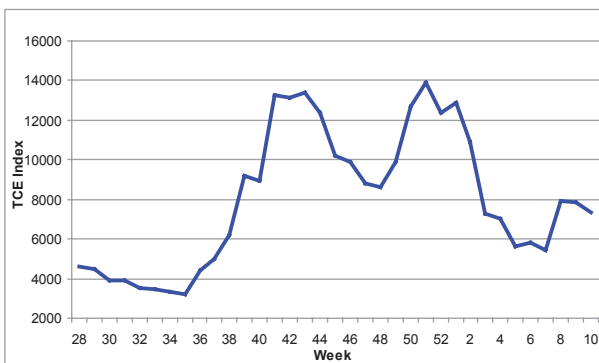
Eastern Region PFI



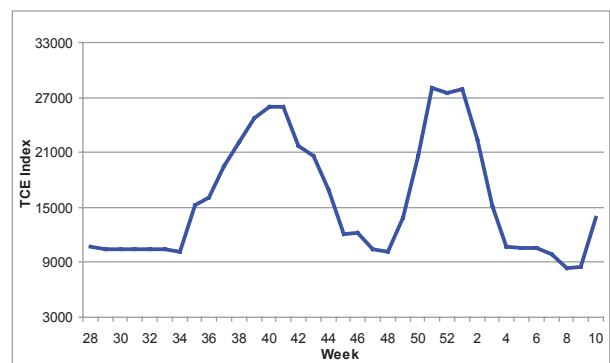
Eastern Region CapeFI



Eastern Region Panamax TCE Index



Eastern Region Capesize TCE Index



For further information on subregional (Indian Ocean, Asia-Pacific Region) Panamax Freight and TCE Indices please visit our website

Capesize freight rates have increased significantly in the **SEA** and **Far East region** in early March due to a growing demand for such vessels in the global market. The delivery costs of Australian coal and iron ore to China and South Korea have risen the most (by \$2-3/t). The cost of iron ore transportation from the Philippines to China has grown by \$1/t. The shipping fees for 130,000 t of coal from Newcastle to Dangjin have gone up to \$14-14.5/t. Carrying 170,000 t of iron ore from Subic Bay to northern China now costs \$5-6/t. A 150,000 t lot of the cargo is shipped from western Australia to Qingdao at \$10-11/t. It should be noted that the increase in freight rates for Australian iron ore is partially connected to the shipowners' intention to offset their previous losses caused by the cyclone in the northwestern part of the continent.

Meanwhile, Panamax delivery costs of coal from Indonesia to China and South Korea have dropped by \$0.5/t. Despite regular shipments of Indonesian product, a surplus of Panamax vessels in the region has primarily affected the cost of cargo transportation to the Southeast Asian countries. Now, 60,000 t of the cargo are carried from Samarinda to Guangzhou at \$9.5-10/ t. The charges for coal shipped in such lots from Russian and Australian ports have stayed the same – a 70,000 t lot of the product is still transported from South Kalimantan to eastern India at \$9-10/t.

Next week, Capesize freight rates may grow further in the SEA and Far East region, while Panamax ones are likely to go down.

The demand for Capesize vessels has grown significantly in the freight market of the **Indian Ocean** in early March. The deals for cargo transportation by such ships are signed mainly for the second half of March at the rates being significantly higher as compared to last week's level. According to the market participants, the above situation has occurred amid a possible reduction in the number of available vessels in the region due to the expected recovery in grain shipments from South America in Q2'2014.

Coal delivery costs have added \$1-2/t on all routes, those of iron ore from South Africa and Oman to China have grown by \$2-3/t. Carrying 150,000 t of coal (sf 39-41') from Richards Bay to Gangavaram is now quoted at \$13/t (\$1.5/t up), to Rotterdam - at \$9-10/t (\$2/t up). The transportation costs of 160,000 t of iron ore from Saldanha Bay to Qingdao have risen by \$3/t to \$16-17/t.

At the same time, Panamax shipping volumes of coal to Indian and European ports have dropped slightly, pushing the freight rates down by \$1/t and \$1.5/t respectively. Delivery costs of 75,000 t of the cargo from South Africa to Mundra have decreased to \$17-18/t, to Rotterdam - to \$13/t.

The demand for Capesize vessels is expected to stay strong in the freight market of the Indian Ocean in mid-March, that may push the corresponding rates up further. Panamax transportation costs are likely to remain stable.

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

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

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

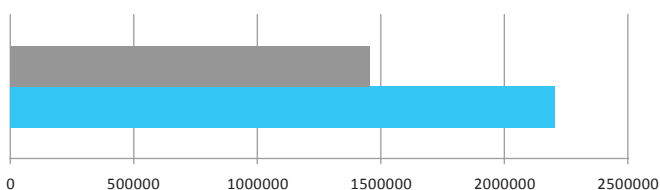
Average time-charter period rates for Ultramax/Panamax vessels // week 10, 2014

	Average rate, \$/day	w-o-w
Ultramax/Panamax 60,000 - 79,000 DWT	13800	=

NEW!

Shipowners' costs on Yuzhny - Qingdao route for 70000t of iron ore concentrate // week 10, 2014

lot, t	cargo	port	country	port	country	freight rate, \$/t	lumpsum, \$	vessel DWT
70000	iron ore concentrate	Yuzhny	Ukraine	North Coast	China	31,5	2205000	71489



Shipment's economic figures

TCE, \$/day	29166,14
shipment profitability	51,5%
daily running costs, \$	6014,91
marginal freight rate, \$/t	20,57

Voyage Timetable

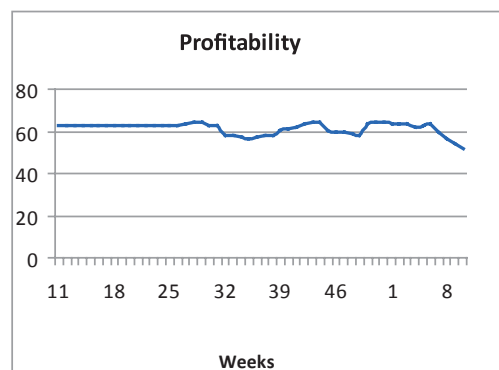
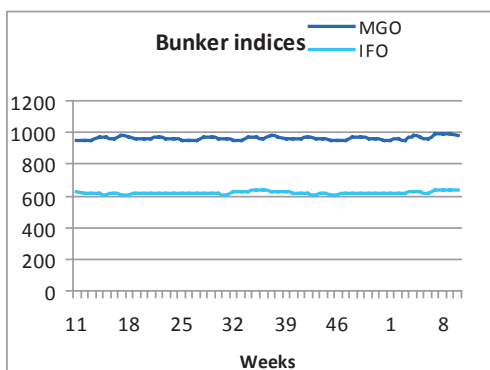
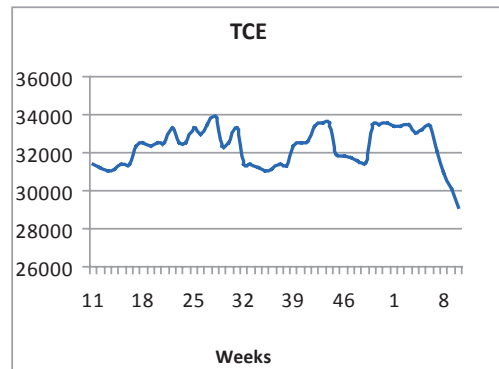
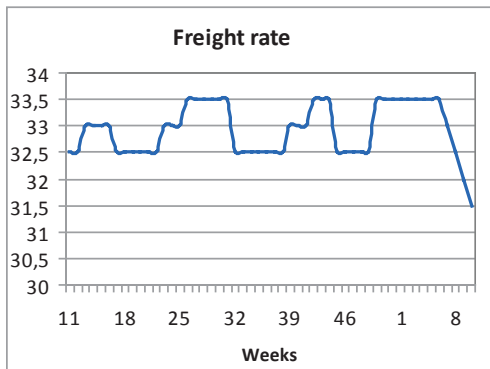
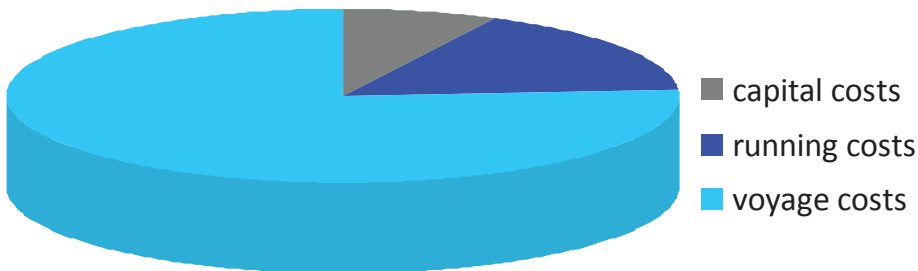
days at sea (laden)	29,4
% weather days	5%
add. days at canals	2,5
days at ports*	4,8
ballast days	2,1

Freight market

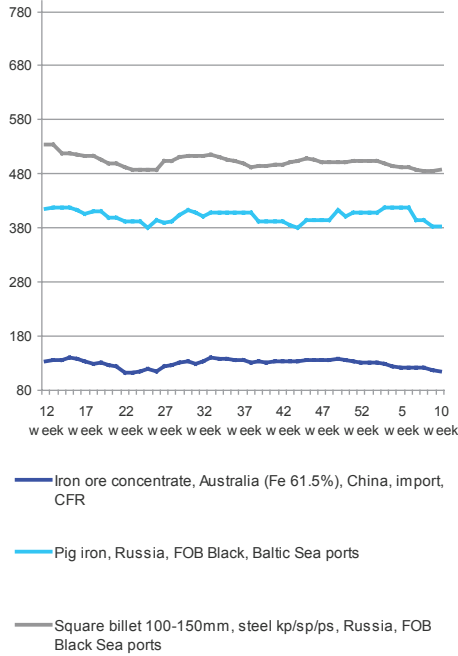
		total costs, \$			
		1455431,16			
depreciation		104645	capital costs	fixed costs	
insuranc (marine/H&M + P&I)		22336,3			
crew expenses	crew wage	82173,3	operating costs		
	victualling	7039			
	miscellaneous	9725,83			
maintenance	annual survey (class endorsement)	2301,63			
	additional ordered class endorsements	643,24			
	intermediate survey (class endorsement)	1067,37			
	special survey (class renewal)	1386,56			
	drydock/in-water repair&spares during intermediate survey	7832,18			
	drydock repair&spares during special survey	15144,5			
routine repair&spares		4828,6			
flag registration costs		2878,97			
administrative/office expenses		28449,6			
lubricants		30090,5			
communication on board		2347,81			
water		3121,98			
other stores&sundries		12023,2			
bunker		708812	voyage costs		variable costs
disbursements port A (incl. agency fees)		211071			
disbursements port B (incl. agency fees)		53744,5			
canal transit dues	Bosphorus	21209,6			
	Suez Canal	78459			
brokerage		44100			

* - considering loading/discharging rates as 40000/30000 SHINC
 All calculations apply for approximately 5-10 years old vessel in relevant conditions

Cost structure



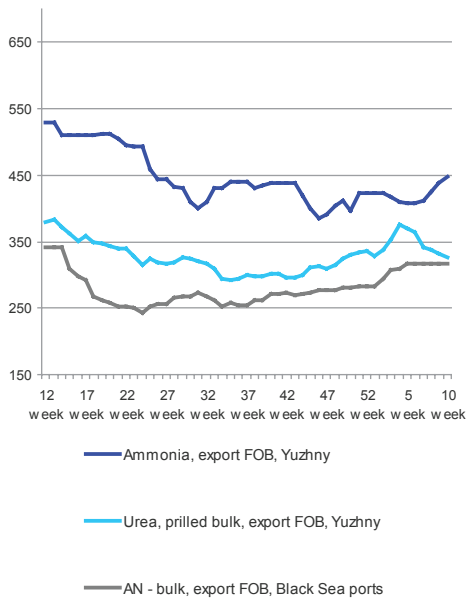
Export and import prices for major ferrous raw materials and steel products



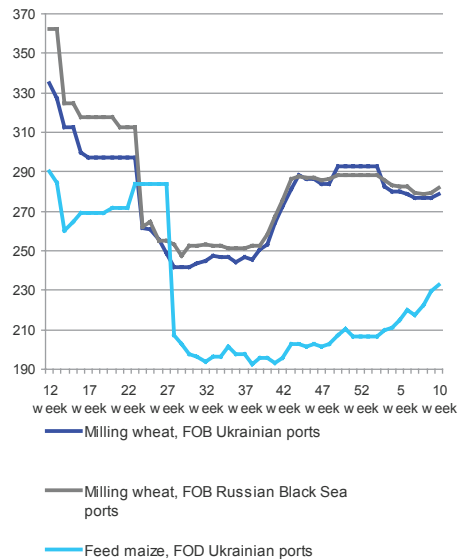
Coal export and import prices



Mineral fertilizer export and import prices



Grain export prices





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