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Commodity Insights

Supramax Market Overview: Bulks review, Performance & Latest Sustainability Update

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EMEA Shipping

November 2023

S&P Global Commodity Insights

Agenda

- ❑ An introduction to S&P Global Commodity Insights Shipping
- ❑ Major Bulk trade flows-Supramax
 - Grains carried overview
 - Coal carried overview
- ❑ Minor Bulk trade flows-Supramax
 - Carried overview to China
 - Carried overview to India
- ❑ Supramax
 - Performance
 - Main bunker hubs
 - Platts Alternative fuels
 - EU-ETS
- ❑ Summary

S&P Global Commodity Insights Shipping

Consists of a global team, working from London, Singapore, Houston and Gurgaon

Global commodity benchmark provider

Platts freight rate assessments used in physical and FFA contracts

Dirty and Clean Tankers, Dry Bulk, Containers, LNG freight

Hundreds of daily assessments, real time news, analysis, unique reports, podcasts, videos

Hands-on expertise in freight markets through daily engagement with a wide variety of sources, including brokers, charterers, shipowners, traders, agents etc.

Robust methodology to ensure transparency and integrity in all assessments



IOSCO-regulated FFA benchmarks

DIRTY TANKERS

- VLCC, Persian Gulf-China, 270kt
- VLCC, USGC-China, 270kt
- Aframax, UKC-UKC, 80kt (Dated Brent)
- Aframax, USGC-UKC, 70kt

CLEAN TANKERS

- LR1, Persian Gulf-Japan, 55kt



S&P Global Commodity Insights and Dry Bulk Shipping

- Assess and publish spot rates for Capesize, Kamsarmax, Panamax, Ultramax, Supramax, and Handysize
- Assess and publish TCE and \$/mt prices
- Scrubber and non-scrubber ships, and Scrubber Premium Index
- Daily commentaries including fixtures, open requirements and market updates



Daily Publications

Digital or Print

- PDF published daily
- Online interactive data platform: Platts Connect
- Data packages available via API

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Specifications Guide Global Freight

Latest update: May 2022

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Dry Freight Wire

Volume 10 / Issue 211 / November 3, 2023

Time charter equivalent (Basis Bunker Fuel 0.5%, November 3 (\$/day))

Route	Vessel Delivery	Load port	Discharge port	Platts symbol	Close	Change
Platts Dry Index						
Capesize						
PCTCE5L	China-Japan range	Port Hedland, Western Australia	Qingdao, China	MRYA000	10,475	+1537
PCTCE8L	China-Japan range	Saldanha Bay, South Africa	Qingdao, China	MRYS000	9,350	+335
PCTCE3AL	China-Japan range	Tubarao, Brazil	Qingdao, China	MRYC000	9,286	+286
PCTCE3BL	ARA range/passing Passero	Tubarao, Brazil	Qingdao, China	MRYD000	21,709	+443
PCTCE7L	ARA range/passing Passero	Puerto Bolivar, Colombia	Rotterdam, Netherlands	CIBC000	20,145	+1092
PCTCE19L	China-Japan range	Hay Point, Australia	Rotterdam, Netherlands	CDAR000	-2,512	-3284
Cape T4 Index	Weighted Time Charter Equivalent Average			ACAZA00	10,186	+913
Panamax						
PPTCE6eL	South China	South Kalimantan, Indonesia	Paradip, India	CRYB000	9,710	-79
PPTCE6L	South China	South Kalimantan, Indonesia	Mundra, India	CRYC000	9,759	-88
PPTCE44L	South China	East Kalimantan, Indonesia	Guangzhou	CRYBE00	9,522	-338
PPTCE3eL	East coast India	Richards Bay, South Africa	Paradip, India	CRYD000	11,799	-347
PPTCE2L	East coast India	Richards Bay, South Africa	Mundra, India	CRYE000	11,861	-355
PPTCE47L	West coast India	Mina Saqr, UAE	Paradip, India	DELM000	16,753	-128
PPTCE8L	North China	Hay Point, Australia	Paradip, India	MRYE000	9,893	-455
PPTCE7L	North China	Hay Point, Australia	Qingdao, China	MRYF000	9,737	-688
PPTCE20L	North China	Vancouver, Canada	Qingdao, China	CDCAE00	10,265	-858
PPTCE10L	Gibraltar	Hampton Roads, Virginia	Rotterdam, Netherlands	GCHB000	15,217	-1516
PPTCE26L	Singapore	Santos, Brazil	Qingdao, China	GSBQ000	12,816	-771
PPTCE261L	Gibraltar	Santos, Brazil	Qingdao, China	GSBQ000	19,834	-675
PPTCE27L	Busan	New Orleans, Louisiana	Qingdao, China	DNQB000	18,186	-394
KMAX 9 Index	Weighted Time Charter Equivalent Average			AKMIA00	12,672	-703
Ultramax: Asia-Pacific						
PUTCE22L	Singapore	South Kalimantan, Indonesia	Paradip, India	CSKPC00	11,776	-551
PUTCE23L	Singapore	South Kalimantan, Indonesia	Navlakhi, India	CSKNC00	11,850	-890
PUTCE21L	East coast India	Richards Bay, South Africa	Paradip, India	CRBQC00	6,110	-1037
PUTCE27L	East coast India	Richards Bay, South Africa	Kandla, India	CRBKC00	5,456	-1125
PUTCE24L	South China	East Kalimantan, Indonesia	Guangzhou, China	CRSQA00	7,957	-813
PUTCE33L	East China	Newcastle, Australia	Campha, Vietnam	CRNCA00	9,798	-296
PUTCE19L	West coast India	Mina Saqr, UAE	Paradip, India	MRSPA00	12,428	-483
APUI5 Index	Weighted Time Charter Equivalent Average			APUIA00	9,187	-557
Ultramax: Atlantic						
PSTCE12L	SWP	New Orleans, Louisiana	Kashima, Japan	DNQBA00	25,047	+91
PSTCE17L	SWP	Houston, Texas	Krisnapatnam, India	GPHTE00	30,150	+375
PSTCE11L	SWP	New Orleans, Louisiana	Iskenderun, Turkey	CIPHA00	17,584	+378
PSTCE291L	Gibraltar	Santos, Brazil	Qingdao, China	GSBOE00	14,909	-595
PSTCE32L	Recalada	San Lorenzo, Argentina	Bejaia, Algeria	GARBF00	17,154	-139
PSTCE16L	Rotterdam	Rotterdam, Netherlands	Aliaga, Turkey	MSRAA00	18,337	-295
AUI 6 Index	Weighted Time Charter Equivalent Average			AUIXA00	20,416	-130

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Today in Dry Freight Wire

Time charter equivalent (Basis Scrubber Fitted), November 3 (\$/day)	2
Scrubber premium index, November 3 (\$/day)	3
Time charter equivalent (LNG Bunkers), November 3 (\$/day)	4
Capesize, November 3 (\$/mt)	4
Panamax: Asia-Pacific, November 3 (\$/mt)	5
Panamax: Atlantic, November 3 (\$/mt)	6
Supramax, November 3 (\$/mt)	6
Handymax, November 3 (\$/mt)	7
Handysize, November 3 (\$/mt)	7
Containers, November 1 (\$/mt)	8
Weekly sugar, November 2 (\$/mt)	8
Dry bulk heards	9

PCTCE20: Saldanha Bay-Qingdao TCE



Source: S&P Global Commodity Insights

Subscriber Notes

Platts to launch three KMAX 9-derived Panamax dry bulk freight assessments on Dec. 1	17
Platts proposes to amend specifications for all Platts Bunker Charge assessments from January 1, 2024	18

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[www.twitter.com/SPGCIShipping](https://twitter.com/SPGCIShipping)

Market on Close Process - Shipping

Market Discussion

- Day to day contact with:
 - Charterers
 - Shipbrokers
 - Owners
 - Operators
- Market Survey
- Identification of price outliers

MOC

- Discussion and registration around submissions
- Assessment time

Review

- Second view examines the assessments
- Checking benchmarks meet required standards

Publication

- Price publication along with market commentary



Recent launches

Platts launched a **Platts Dry Index** based on weightages allocated to **Cape T4, KMAX 9, APSI5, APUI 5, ASI 6, AUI6** indexes, from Nov. 1

Vessel	Index	Weighting (%)
Capesize	Cape T4	60%
Kamsarmax	KMAX 9	25%
Ultramax	APUI 5	5%
Supramax	APSI 5	5%
Ultramax	AUI 6	2.5%
Supramax	ASI 6	2.5%

- Daily assessments, expressed in \$/day
- Dual TCEs: reflect scrubber and non-scrubber fitted vessels
- Fed by daily Platts bunker prices in representative ports: HSFO, 0.5% marine fuels, MGO
- Robust and transparent methodology
- Reflects real supply-and-demand fundamentals of the dry bulk market

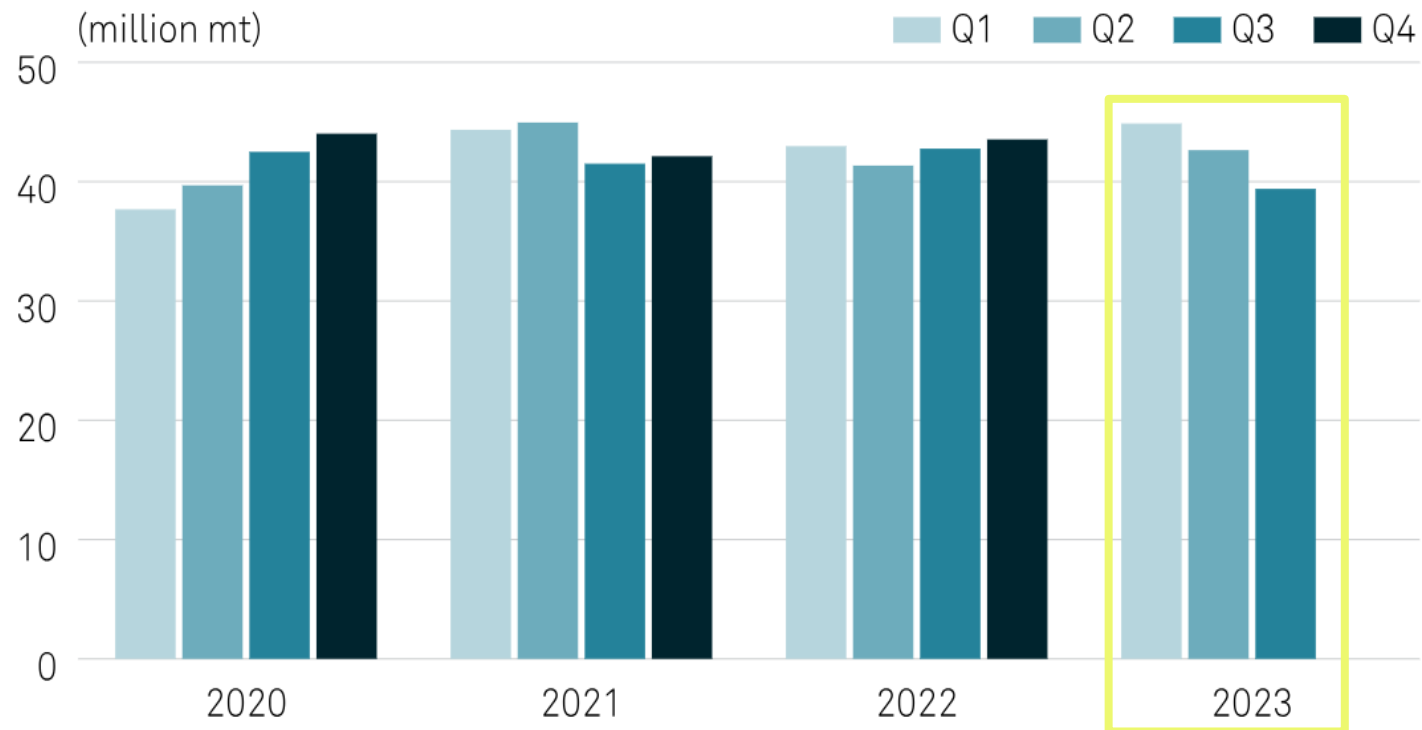
Major Bulk Flows

Carried overview
Grains



Major Bulk – Grains carried overview

Total Agribulk Supramax-Ultramax volumes carried



Source: S&P Global Commodities at Sea

2023 Agribulk Supply:

Q2: 150 MMt, ↓3%

Q3: 149 MMt, ↓1%

Brazil Leads Exports; US and Argentina Lower

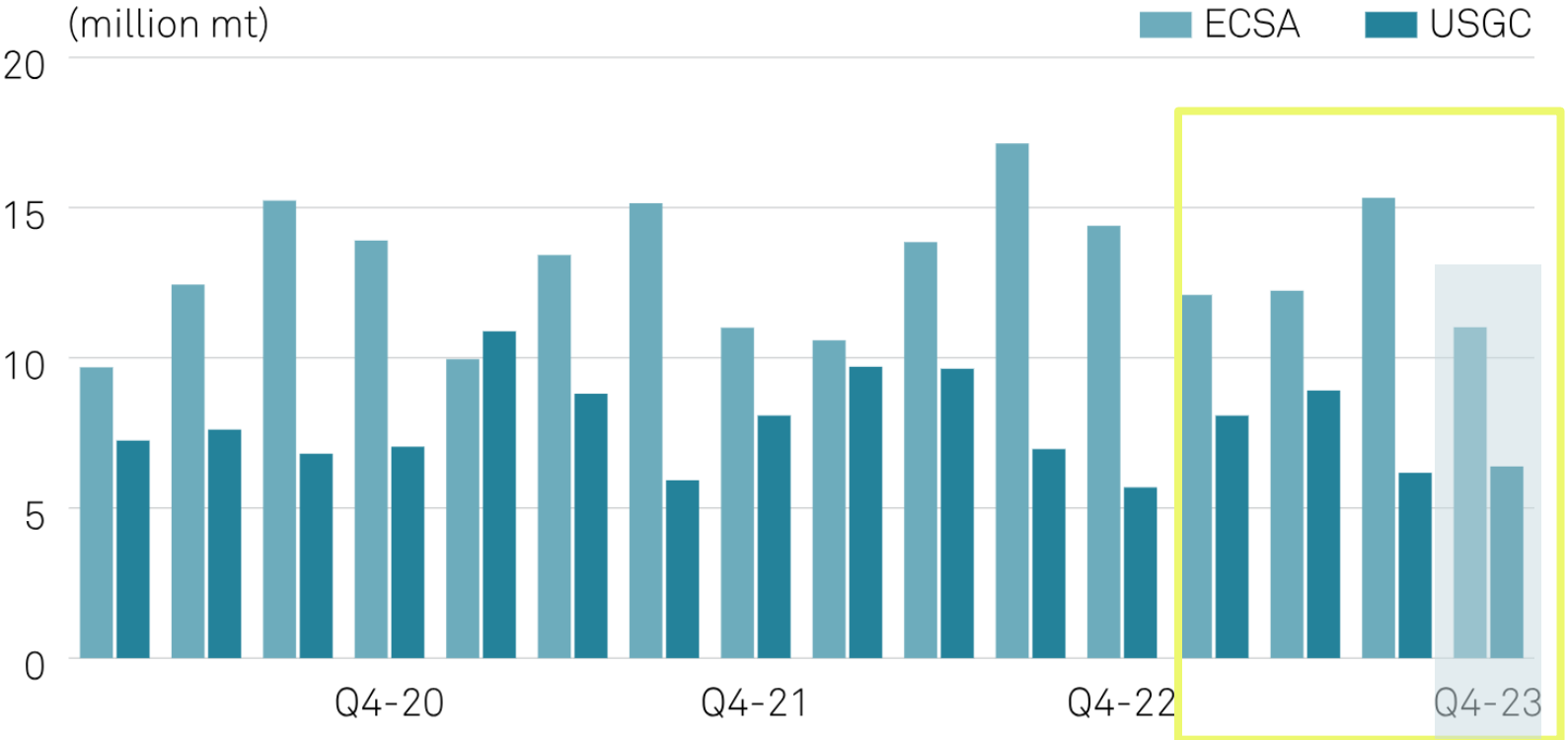
Supra/Ultra carrying Volumes:

Q2: 42 MMt, ↓6%

Q3: 39 MMt, ↓7%

Major Bulk – Grains carried overview

Agribulk Supramax-Ultramax vol. carried, ECSA vs USGC regions



Source: S&P Global Commodities at Sea

Grain Export Competitiveness
Brazil remains a lead source
U.S. grain exports decrease

2022 Supramax/Ultramax Volumes

- ECSA agribulk: 56 MMt (↑13% y-o-y)
- Brazilian agribulk: 33 MMt (↑14% y-o-y)

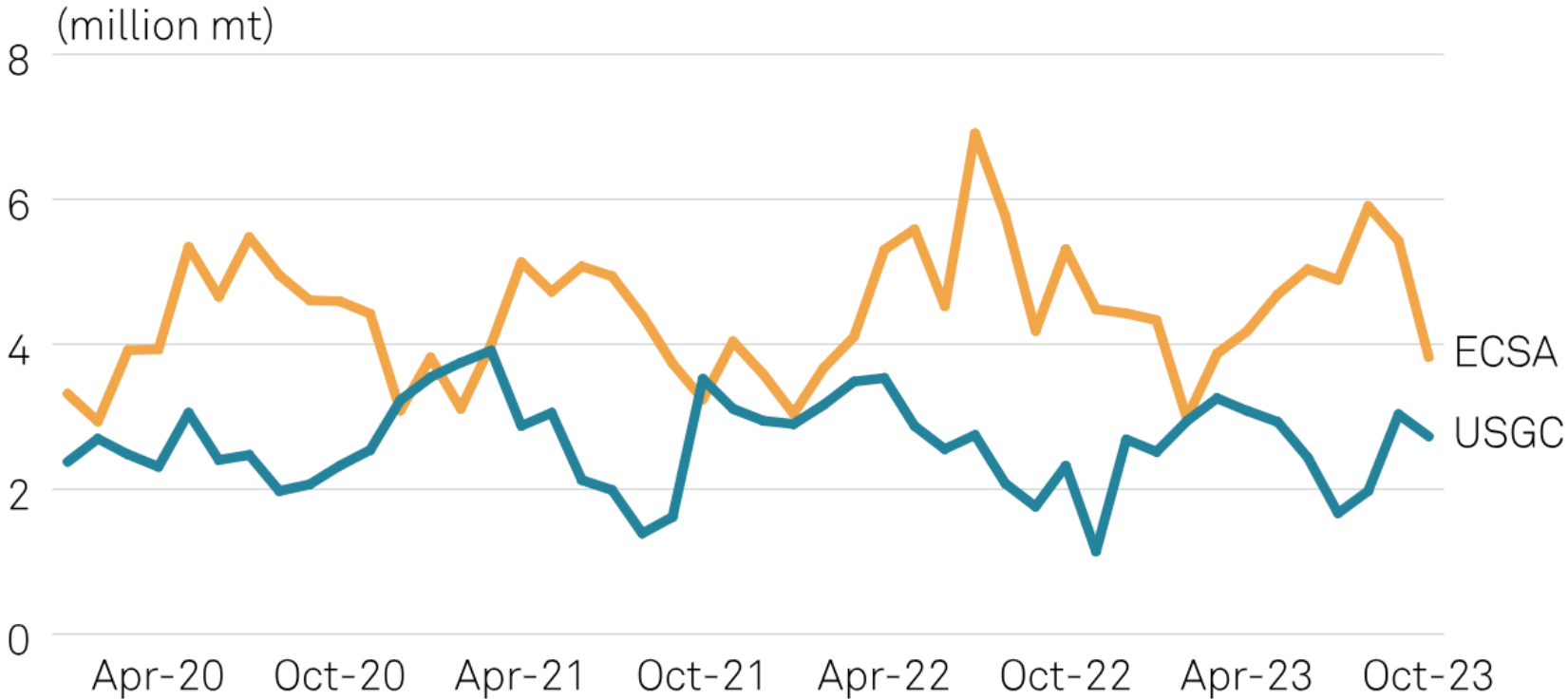
2023 Brazilian Agribulk Growth

Brazilian agribulk Q3-2023: 10.6 MMt (↑1% y-o-y from 10.5 MMt in Q3-2022)

ECSA at 15.3 MMt Q3-2023 (↓10% y-o-y from 17.1 MMt in Q3-2022)

Major Bulk – Grains carried overview

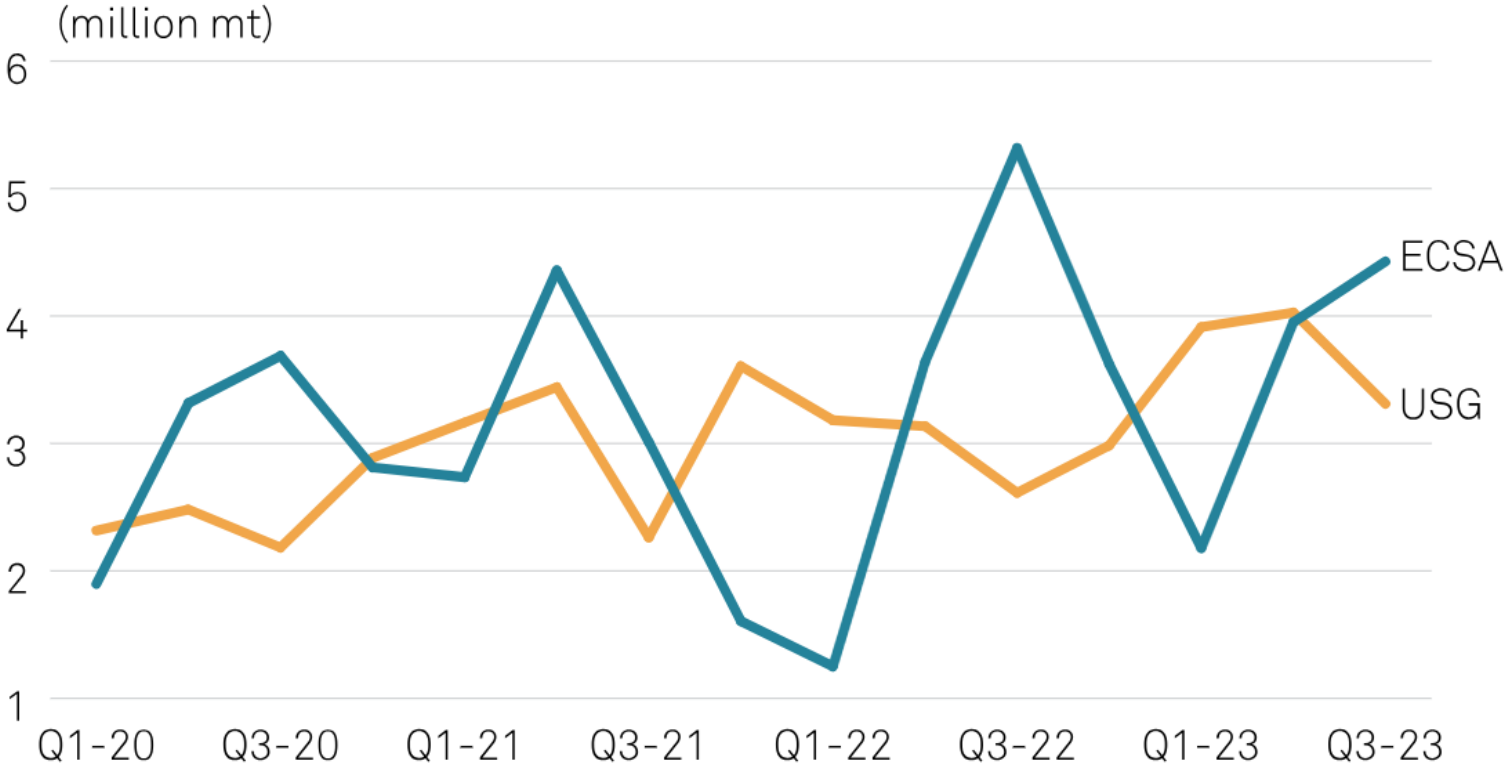
Agribulk Supramax-Ultramax volumes carried, ECSCA vs USGC



Source: S&P Global Commodities at Sea

Major Bulk – Grains carried overview

Agribulk volumes discharged to Far East, ECSA vs USG regions



Source: S&P Global Commodities at Sea

Global demand drops in 2023, China & stable

Q3-2023:
- **ECSA volumes to Far East: 4.4 MMt (↓17% y-o-y)**
Brazilian agribulk to China steady at 1.7 MMt (→)

-**USGC volumes to Far East: steady at 1.7 MMt (→)**

Argentina and US to China shipments diminish

Major Bulk – Grains freight overview

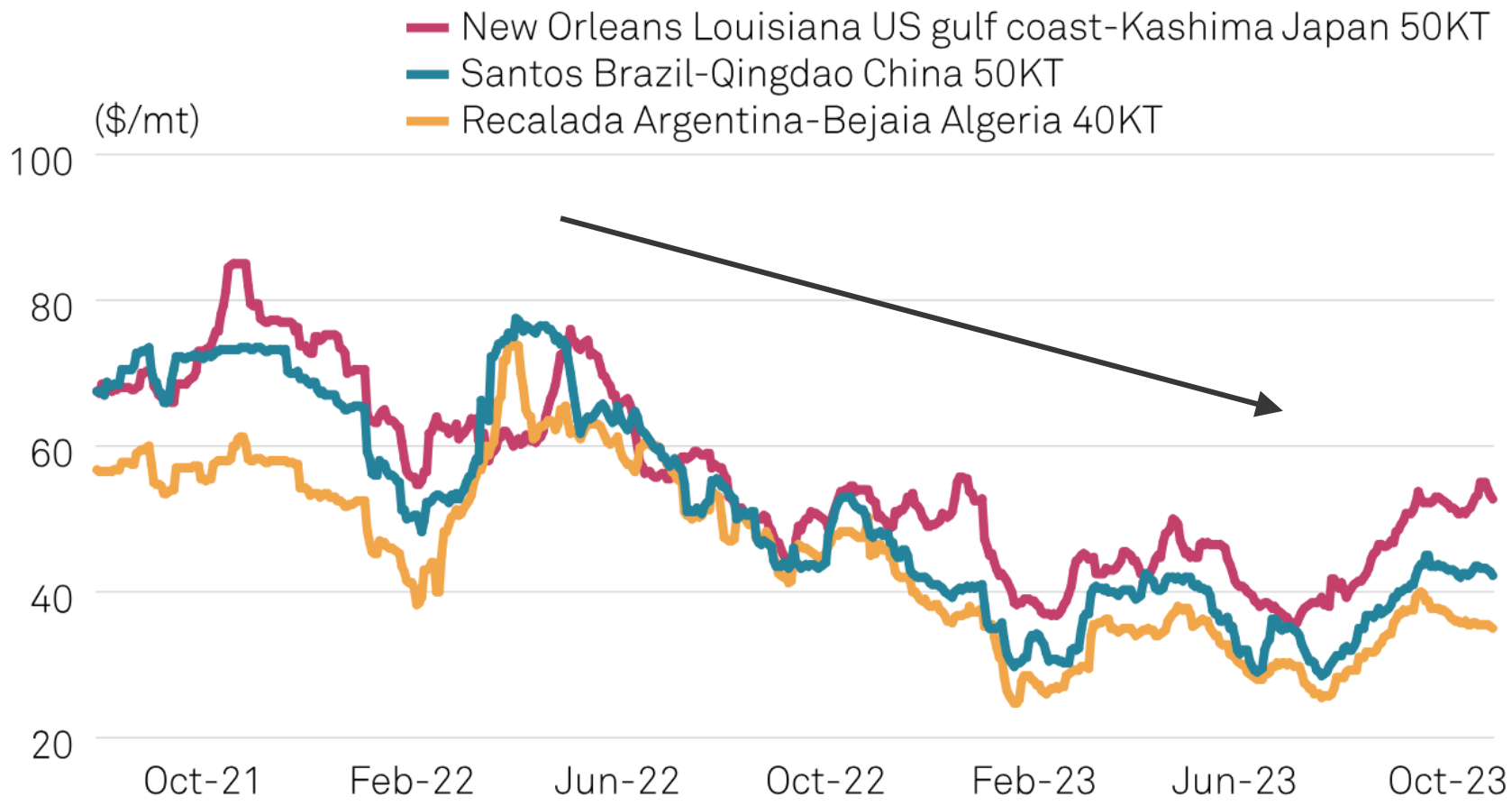
Grain main routes Supramax



Source: S&P Global Commodity Insights

Major Bulk – Grains freight overview

Grain main routes Supramax



Source: S&P Global Commodity Insights

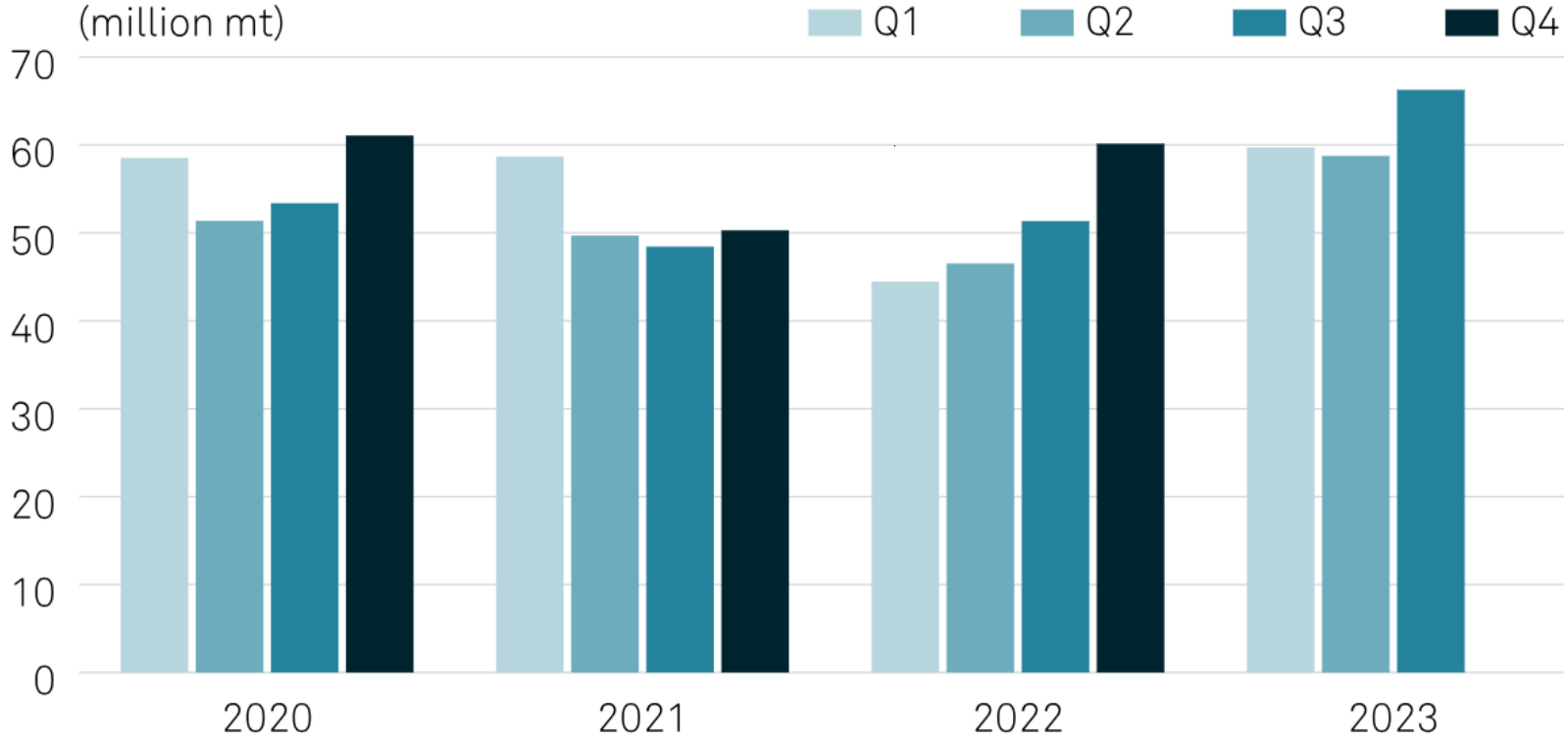
Major Bulk Flows

Carried overview
Coal



Major Bulk – Coal carried overview

Total Coal Supramax-Ultramax volumes carried



Source: S&P Global Commodities at Sea

Coal Supply Boost in 2023

Beneficial weather boosts Japan and South China supply.

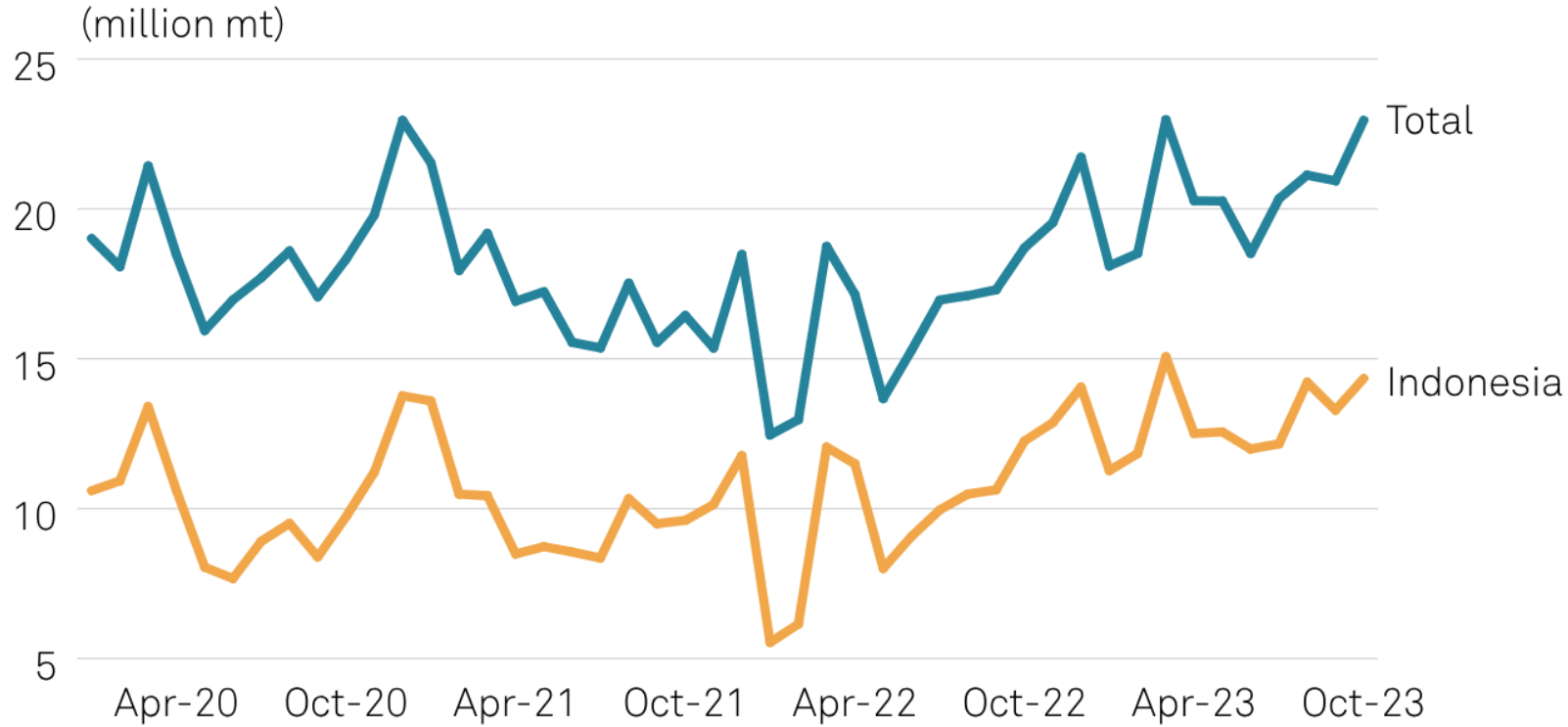
Q3 sees 62.2 MMt

↑5% q-o-q

↑21% y-o-y

Major Bulk – Coal carried overview

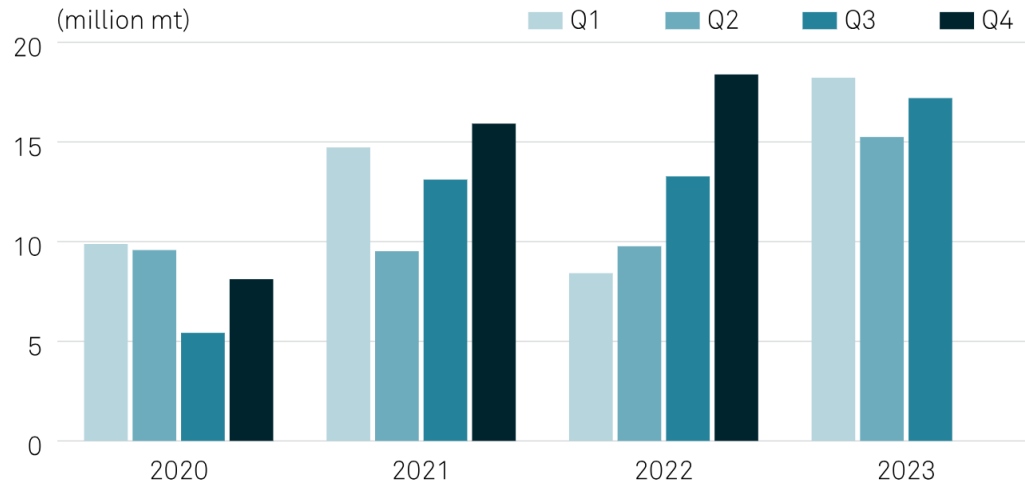
Total coal Supramax-Ultramax volumes carried vs Indonesia



Source: S&P Global Commodities at Sea

Major Bulk – Coal carried overview

Indonesia-China, Supramax-Ultramax coal volumes carried



Source: S&P Global Commodities at Sea

Russia-China, Coal Supramax-Ultramax volumes carried



Source: S&P Global Commodities at Sea

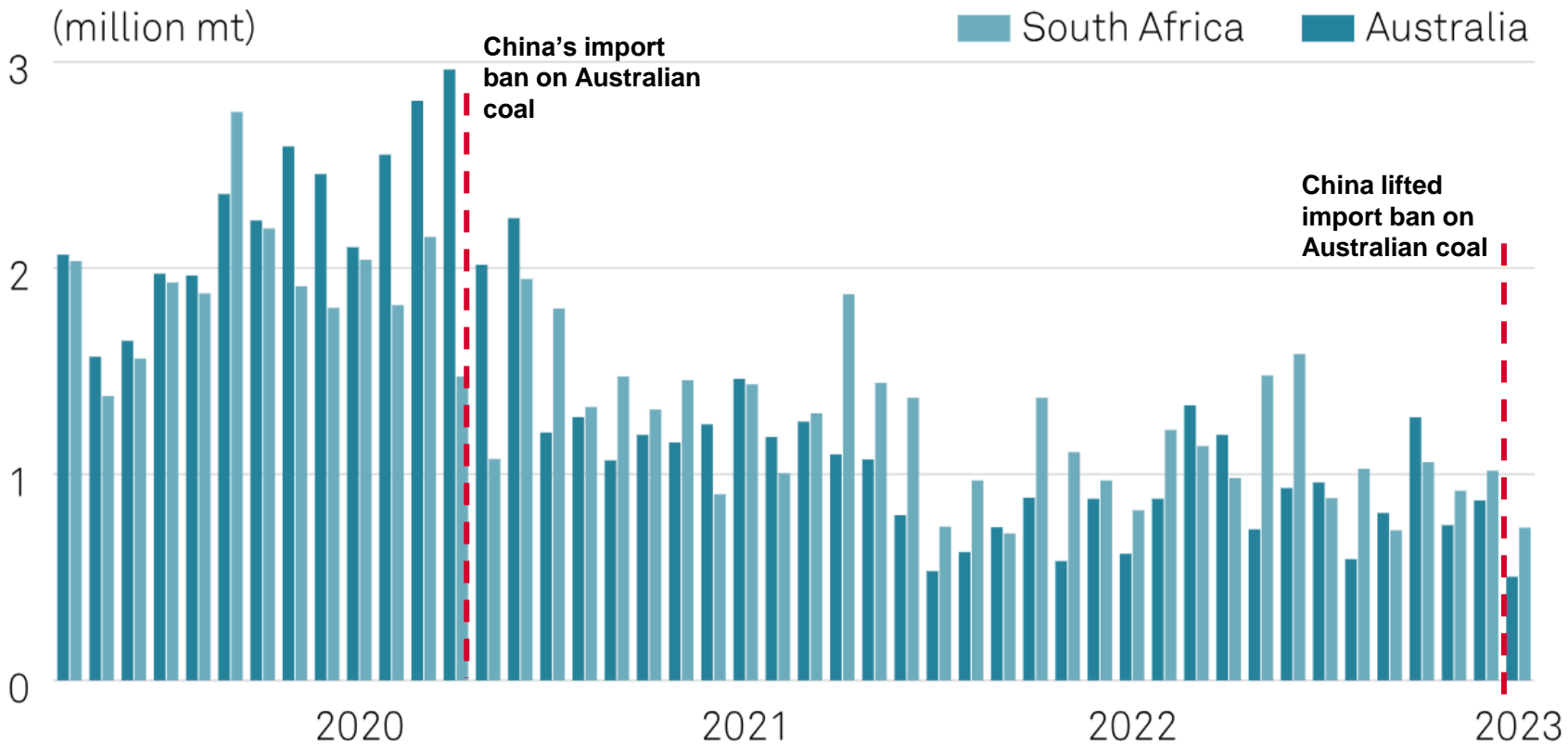
Persistent heatwave in mainland China supported coal demand

Indonesian coal exports to China on Q3-23 at 17.2 MMt, ↑13% q-o-q

Strength in Russian coal exports continued

Major Bulk – Coal freight overview

Coal Supramax-Ultramax volumes carried, other exporters



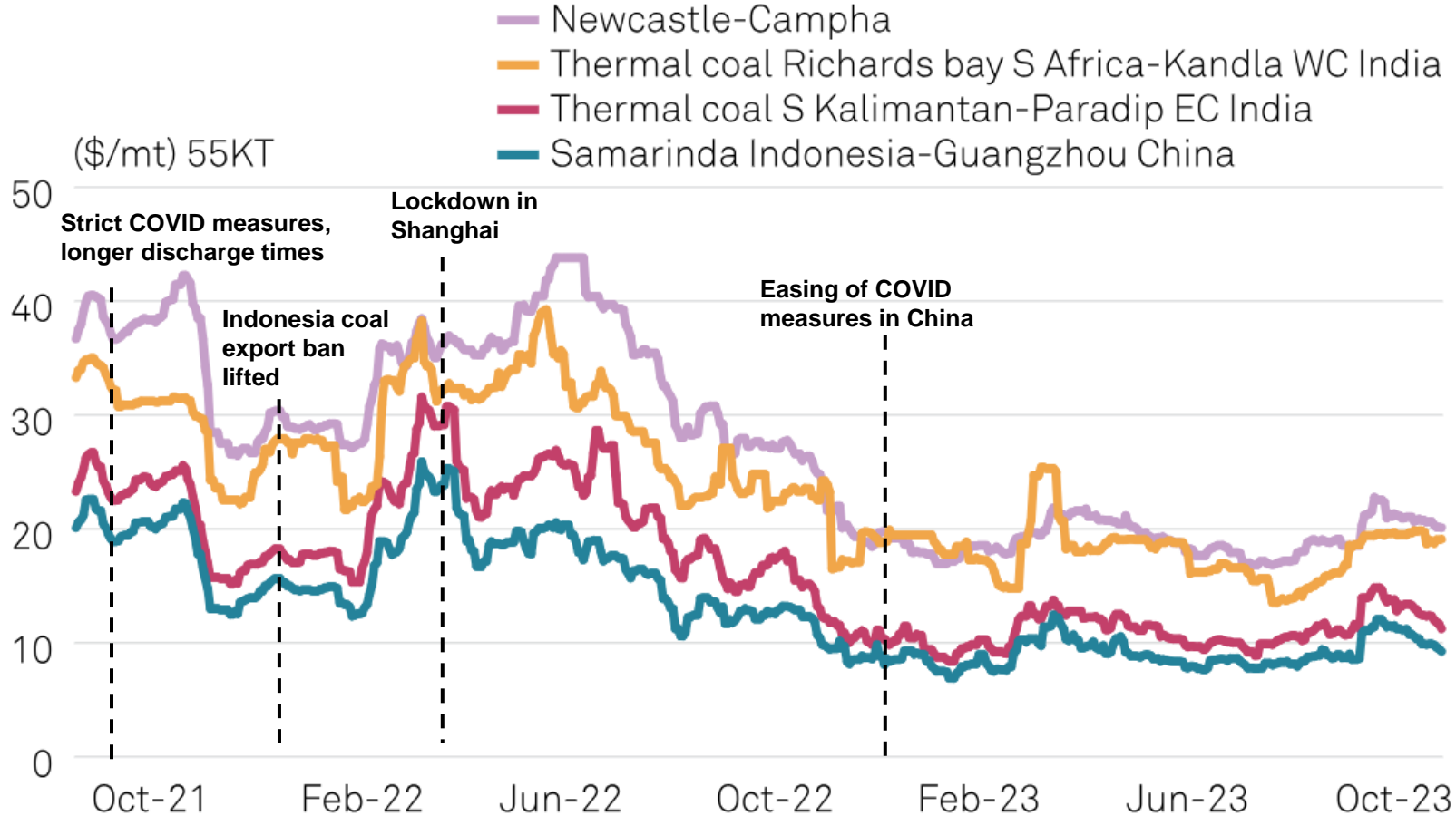
Source: S&P Global Commodities at Sea

-Australian shipments to China rebound post-ban lift, with a preference for larger sizes

-South African exports face a plateau due to lower demand and rail issues

Major Bulk – Coal freight overview

Coal main routes Supramax



Source: S&P Global Commodity Insights

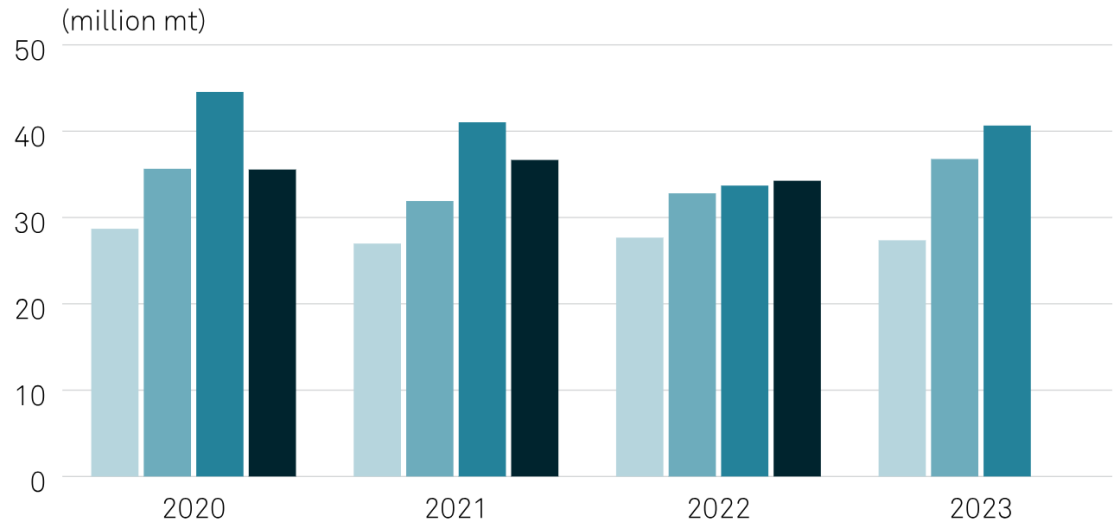
Minor Bulk Flows

Carried overview



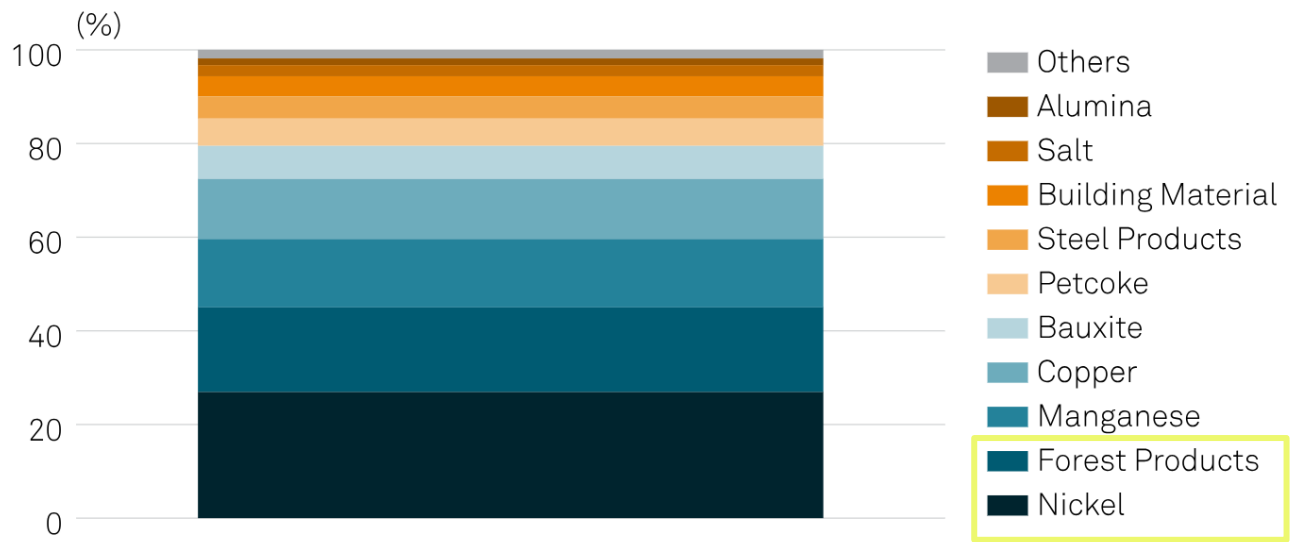
Minor Bulk– Carried overview

Minor bulk volumes Supramax-Ultramax carried to China



Source: S&P Global Commodities at Sea

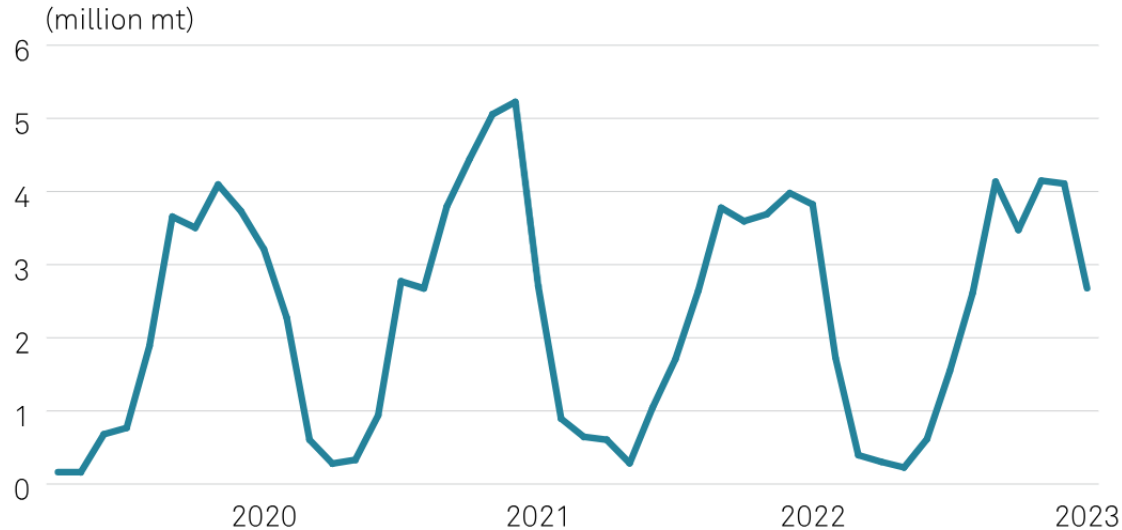
Minor Bulk by commodity type discharged to China



Source: S&P Global Commodities at Sea

Minor Bulk– Carried overview

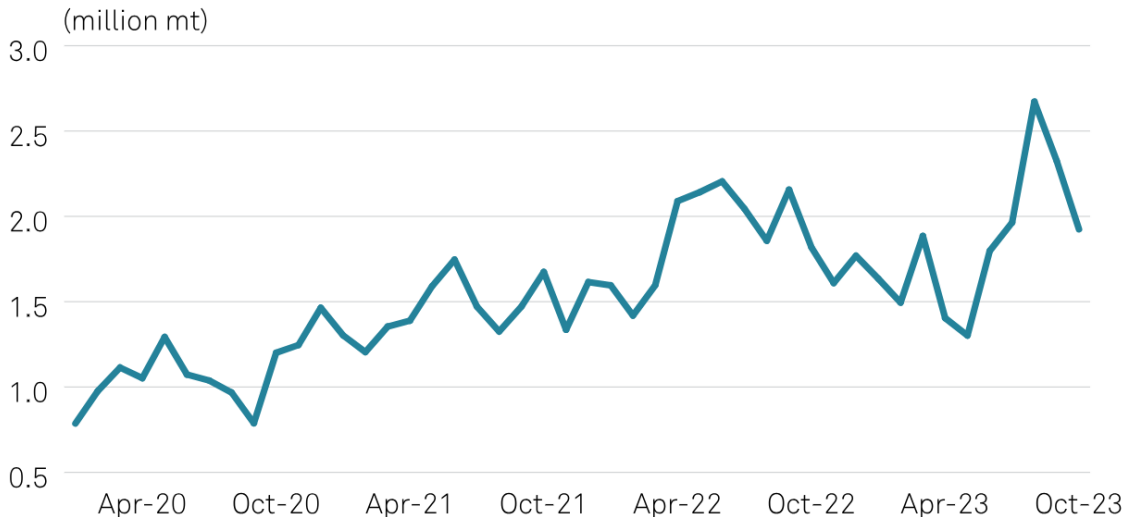
Nickel volumes Supramax-Ultramax carried to China



Source: S&P Global Commodities at Sea

-Nickel ore trends reflect monsoonal impacts

Forest Product volumes Supramax-Ultramax carried to China

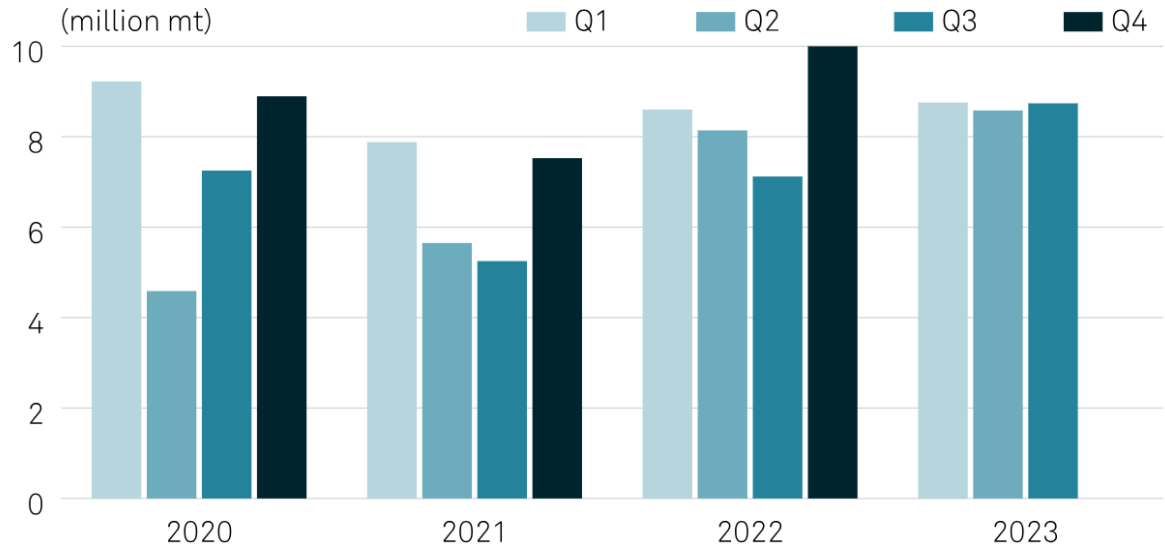


Source: S&P Global Commodities at Sea

-Forest products up y-o-y despite broader economic softening

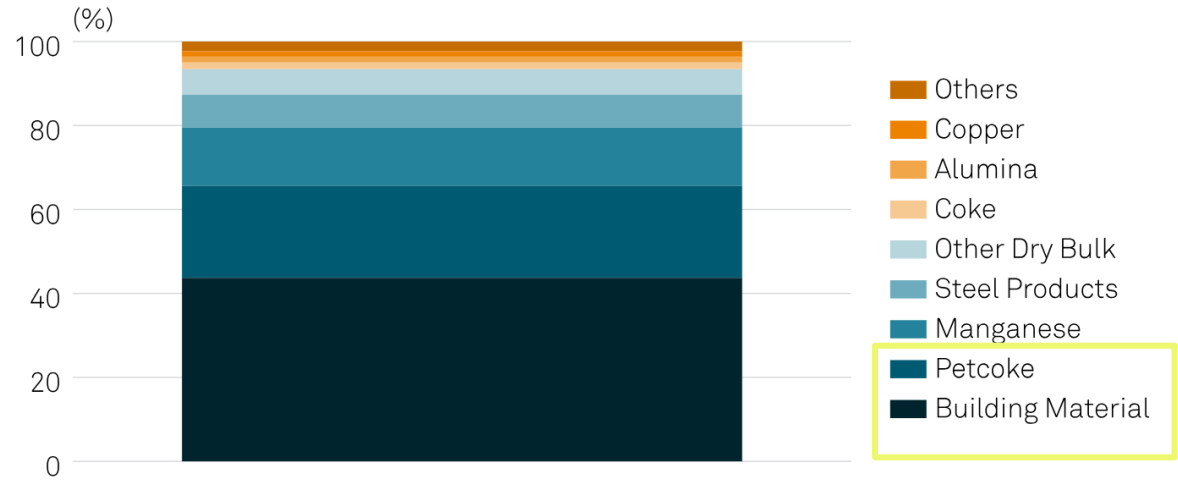
Minor Bulk– Carried overview

Minor Bulk volumes Supramax-Ultramax carried to India



Source: S&P Global Commodities at Sea

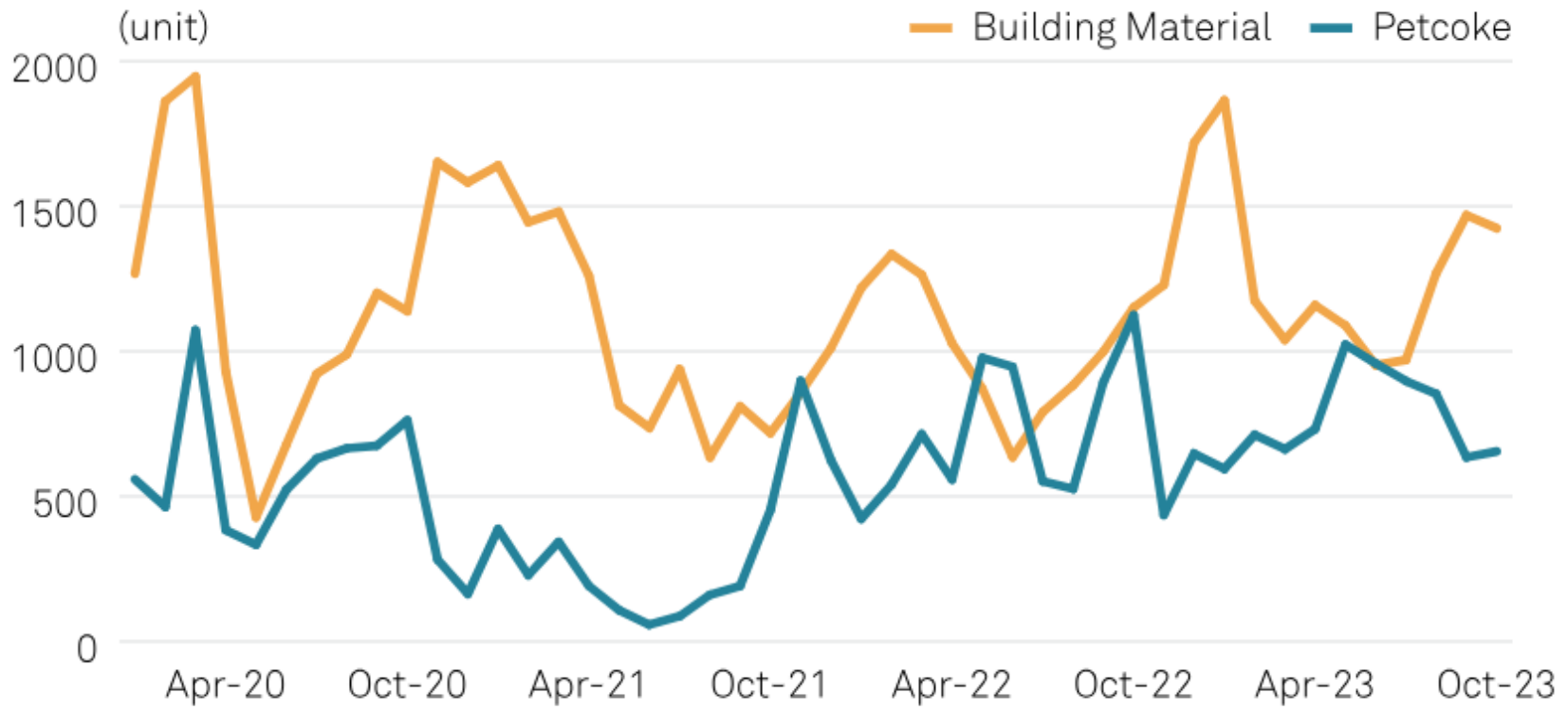
Minor Bulk by commodity type discharged to India



Source: S&P Global Commodities at Sea

Minor Bulk– Carried overview

Minor Bulk volumes Supramax-Ultramax carried to India



Source: S&P Commodities at Sea

-Consistent rise in building material and petcoke imports

-India's economy showcases resilience with steady growth

-FY 2023: GDP expected to slow to 5.8%, rebounding to over 6.0% in FY 2024

Minor Bulk– Carried overview

Petcoke-Supramax main routes



Source: S&P Global Commodity Insights data

Supramax overview

Performance

Main bunker hubs

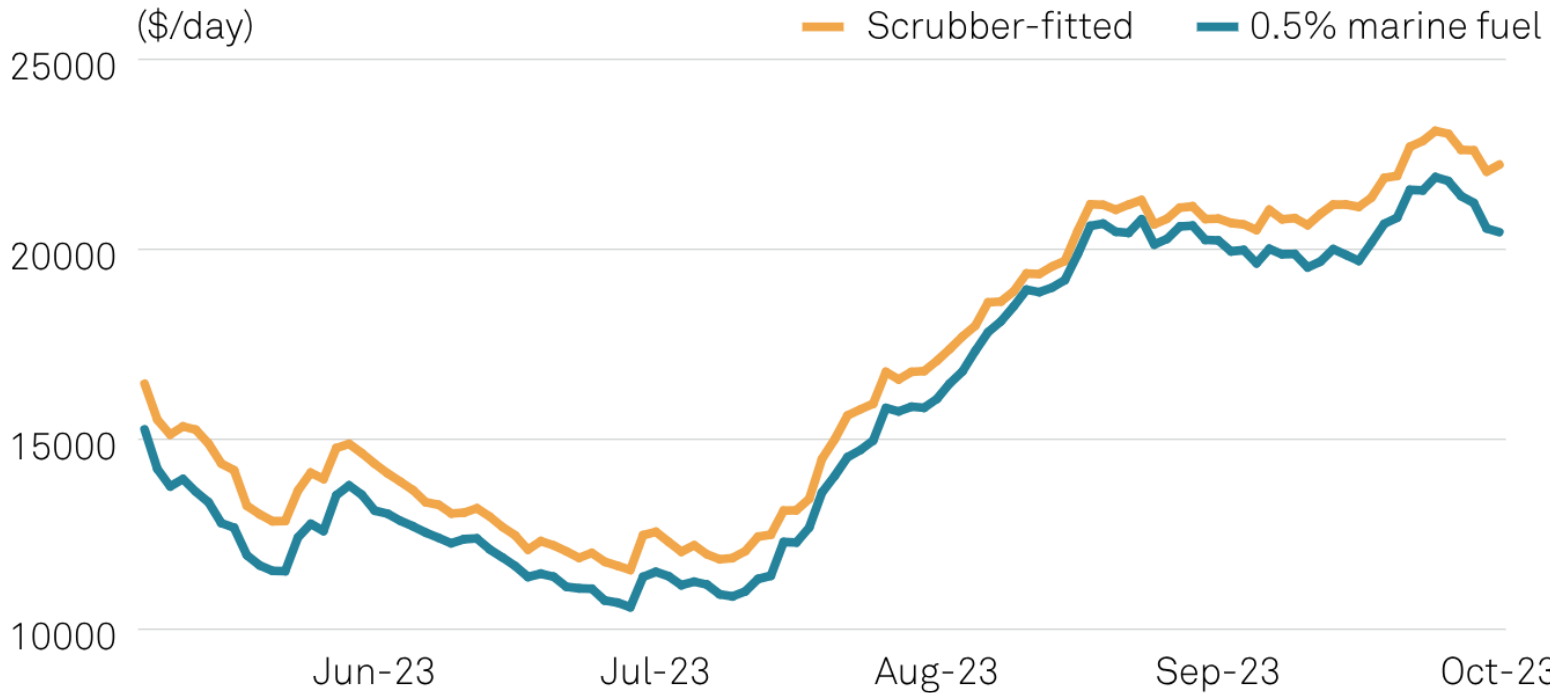
Alternative fuels

EU- ETS



Supramax overview performance

Atlantic weighted TCE average, 0.5% vs Scrubber fitted



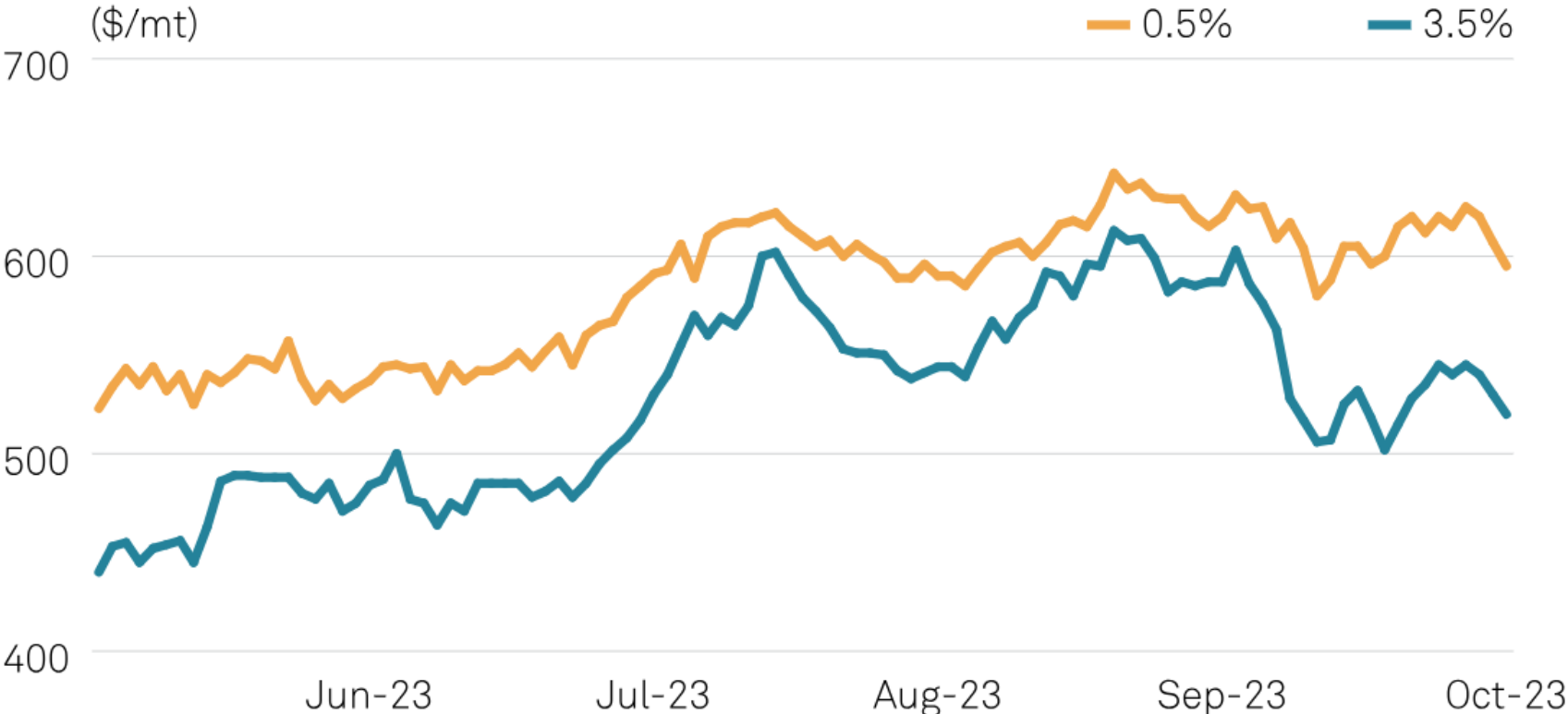
Source: S&P Global Commodity Insights data

Routes: New Orleans-Kashima 22%, Houston-Krishnapatnam 17%,
New Orleans-Iskenderun 5%, Santos-Qingdao 33%, San Lorenzo-Bejaia 20%,
Rotterdam-Aliaga 3%

Source: S&P Global Commodity Insights

Marine fuels main hubs

Rotterdam, 3.5% vs 0.5% marine fuel oil



Source: S&P Global Commodity Insights data

Supramax overview performance

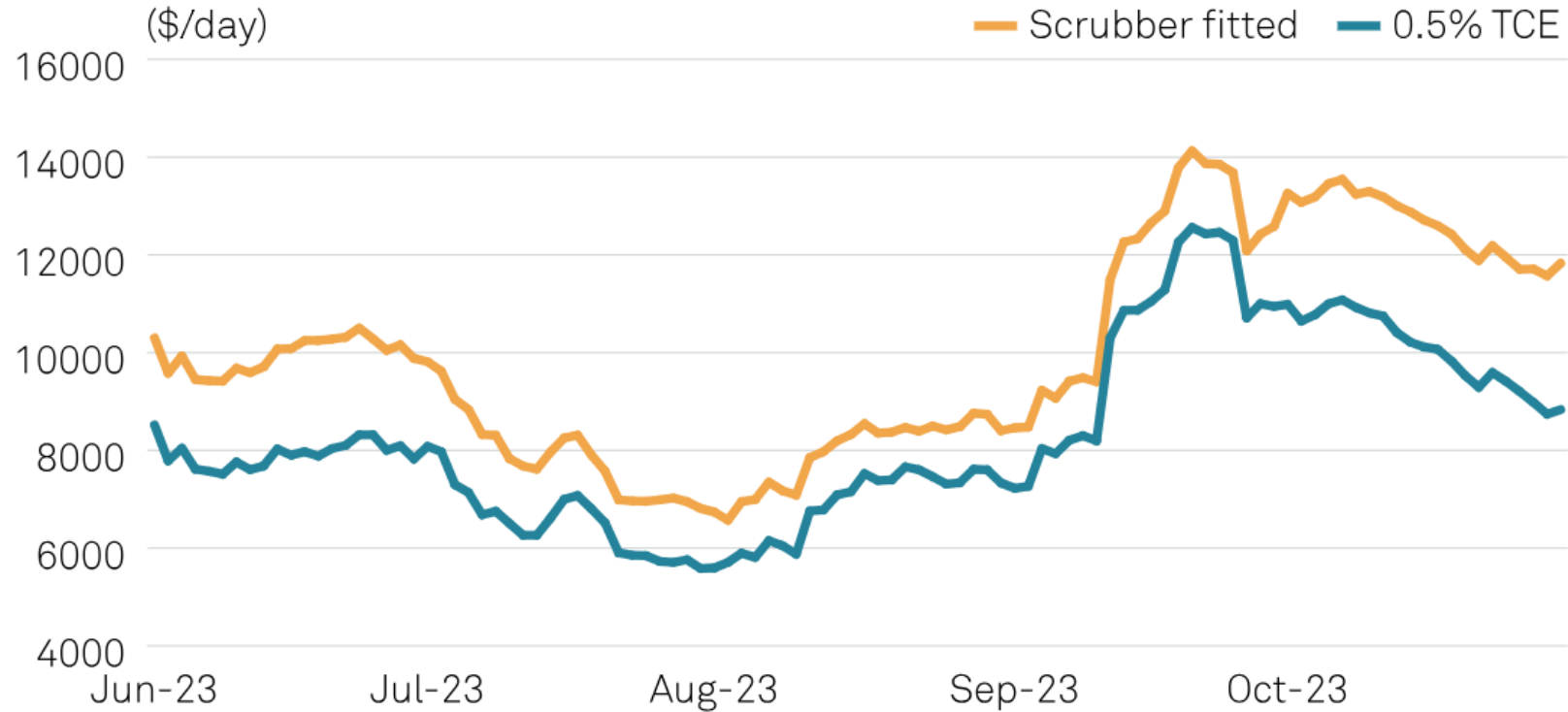
Rotterdam, Hi-5 spread



Source: S&P Global Commodity Insights data

Supramax overview performance

Pacific Weighted TCE Average, 0.5% vs Scrubber Fitted



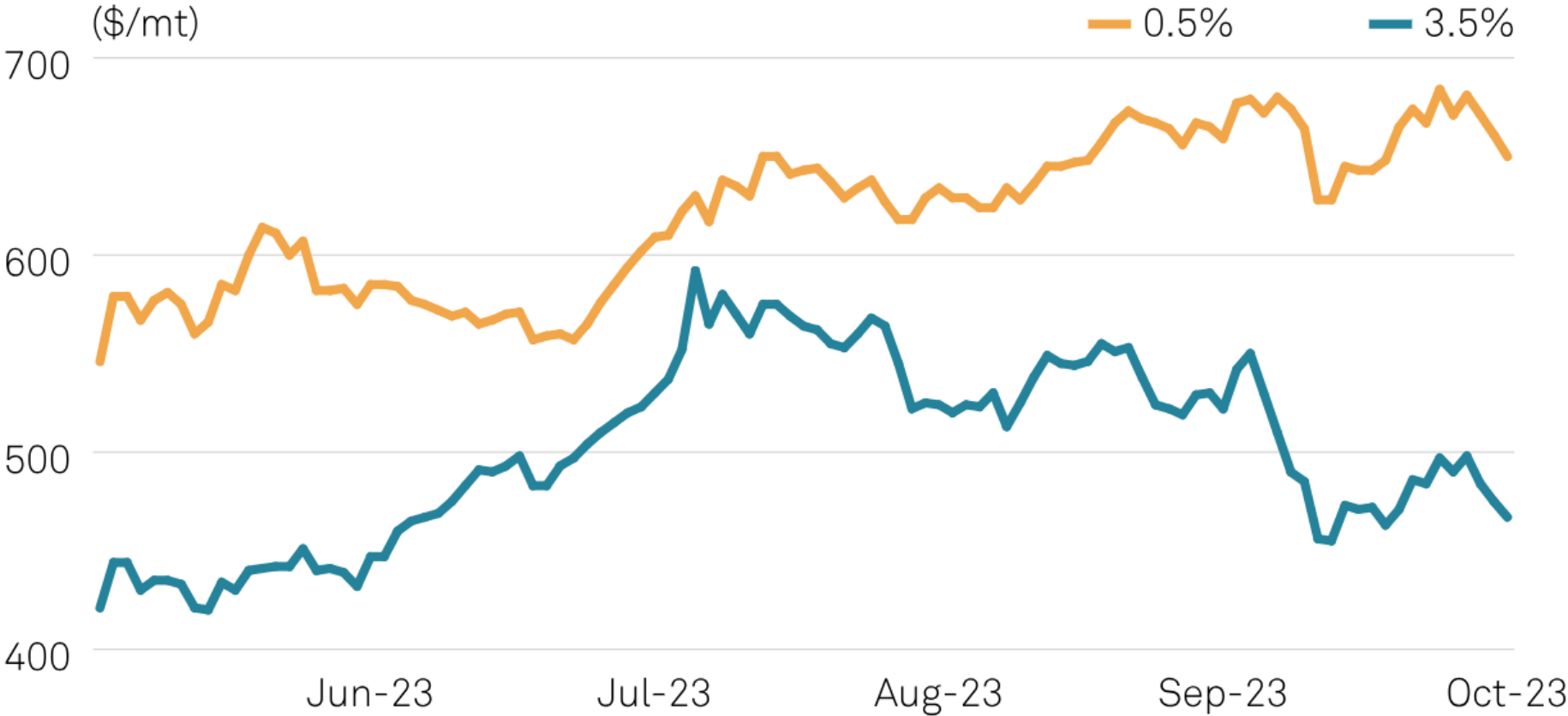
Source: S&P Global Commodity Insights data

Routes: Newcastle-Campha 49%, Kalimantan-Paradip 8%, E Kalimantan-Guangzhou 10%, Richards Bay-Paradip 23%, Mina Saqr, UAE-Paradip 10%

Source: S&P Global Commodity Insights

Marine fuels main hubs

Singapore, 3.5% vs 0.5% marine fuel oil



Source: S&P Global Commodity Insights data

Marine fuels main hubs

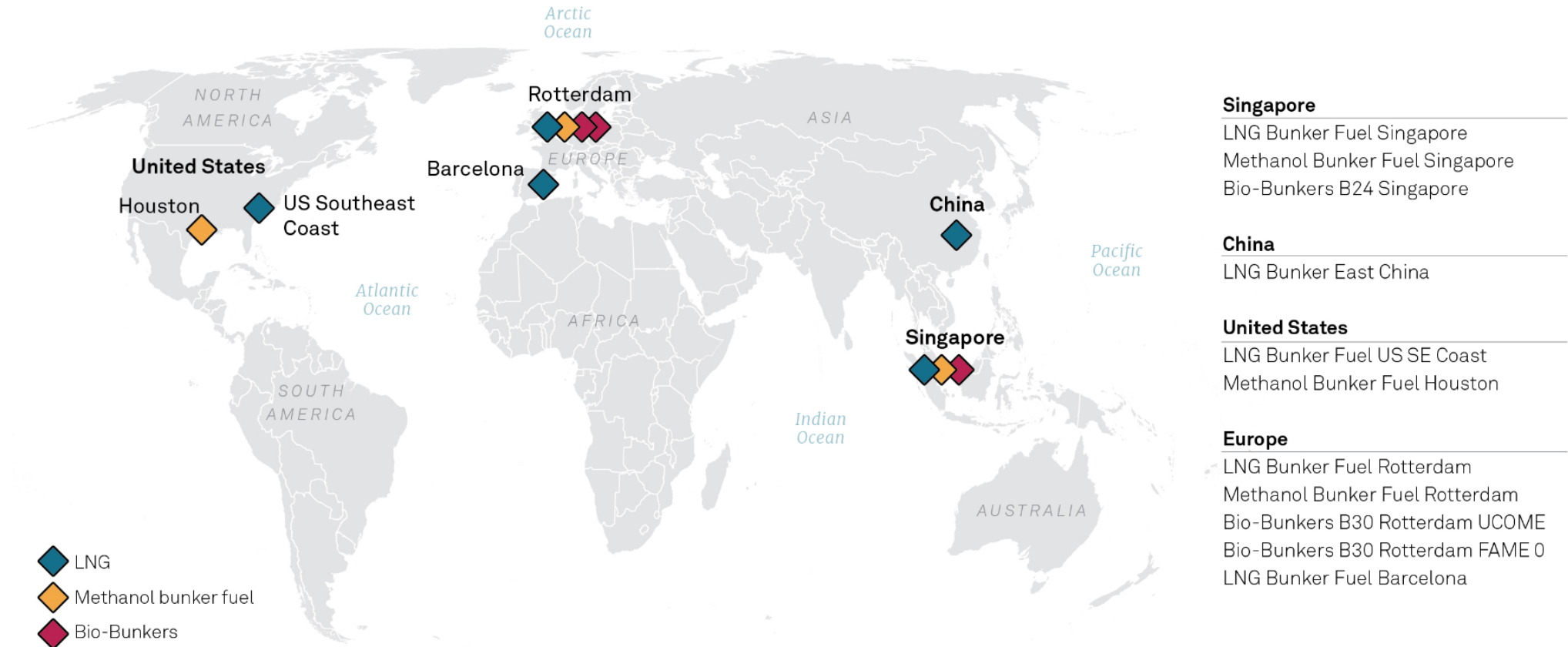
Singapore, Hi-5 spread



Source: S&P Global Commodity Insights data

Alternative marine fuel

Alternative marine fuel assessments



Source: S&P Global Commodity Insights; CI Information Design

European Union's Emissions Trading System (ETS)

Shipping decarbonization at a glance

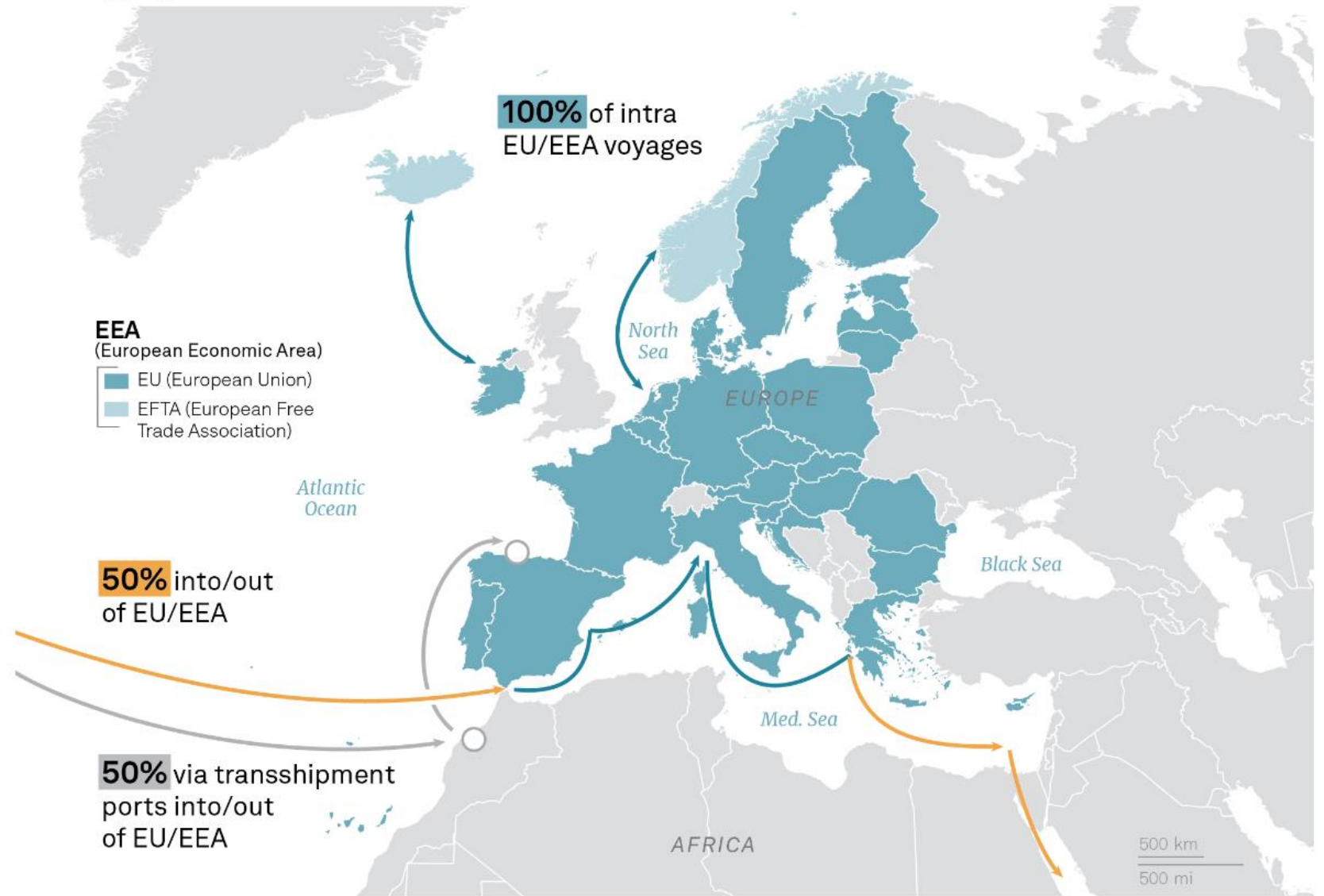
The carbon emission charge would reflect emissions on voyages at EU/EEA berths at:

- 40% in 2024
- 70% in 2025
- 100% in 2026

and reflect the cost to offset

- 100% for intra-EU voyages and
- 50% of emissions for inbound and outbound between EU and non-EU members

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Source: S&P Global Commodity Insights; CI Information Design

Summary

- 1. Agribulk supply drop but China maintains demand; Brazil leads**
 - 2. Coal supply to grow driven by favorable weather in Japan and South China, alongside a steady growth in Russian coal exports**
 - 3. Minor bulk shipments to China, driven by nickel and forest products showing promising q-o-q growth so far. India's economy is maintaining robust growth, the segment carried building materials and petcoke cargoes**
 - 4. Stronger Hi-5 spread expands earnings of scrubber-fitted Supramax bulkers in both basins, both TCE and Hi-5 spreads in the Pacific being double those of the Atlantic.**
 - 5. EU-ETS Charges: EU/EEA voyages: 40% (increases to 70% in 2025, 100% by 2026)**
 - Intra-EU/EEA: 100% emissions charge**
 - EU to non-EU: 50% emissions charge**
- **Recent launches - Platts Dry Index (PDI)**
- **Platts to launch carbon emission charges and carbon-accounted Dry Bulk Freight assessments**

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