

MARITIME GLOBAL REPORT

Hope on the horizon

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Technical Specifications			
Category	Maritime Global Report	Model / SKU	Hope-on-the-horizon
Standard	DIN	Certificate	ABS, LR, BV, DNVGL, NK, KR, IRS, RMRS, CCS
Warranty	12 Months unless specified otherwise	Origin	China

Today, researchers from the dry-bulk desk of UK brokerage ICAP Shipping told clients there is a chance the tides could turn despite the chronic glut in global fleet capacity.

In a briefing about the grain trades the analysts acknowledged that US grain, soybean and soybean export volumes have hit record lows but said the trend could change this autumn.

If exports were to increase from current levels of around 1.3 million tonnes per week to roughly 3.0 million, they claim this would be enough cargo to support demand for an additional 25 to 30 panamax each week.

ICAP pointed out that the US has 42.3 million tonnes of outstanding grain, soybean and soybean meal sales, which represents the highest level the region has seen since record keeping began in 1990.

Its researchers also noted that a tripling of current weekly trade flows is not beyond the realm of possibility as these

volumes are consistent with those experienced in years that enjoyed similar sales commitments.

If the US grain market were to see a seasonal upswing come October the firm's dry-bulk analysts are confident that volumes would support freight rates for both panamax and supramax trading in the Atlantic Basin.

Observers note this would bode well for operators with exposure to the spot market, like Genco Shipping & Trading, and owners like Eagle Bulk Shipping, which oversees a fleet of more than two dozen supramax bulkers.

In Eagle Bulk's second-quarter conference call CEO Sophocles Zoullas noted South American grain exports provided a much needed boost in the first leg of 2013 but said this came to a seasonal close in May, which, in his opinion, took a toll on panamax in particular.

Looking forward the executive said: "A bumper harvest in North America is expected to increase exports for grain products providing further support for supramax and panamax in the fall."