

HIGHLIGHTS

- Pacific Capesize rates fall further
- Vale's return pushes Atlantic Capesizes up
- Pacific Panamax rates up on bunkers

HEADLINES

- Panocean's 4Q dry bulk profits fall again
- Norden bulk shipping profits slide
- Canada wheat stocks down more on the year

COMMODITY UPDATE

Daily wrap of dry commodity market news.

Iron ore

Anglo American's iron ore output fell to 13.8mn t in the fourth quarter, down by 12pc from a year earlier.

China's automobile production in January fell by 21.7pc from the previous month but rose by 51.2pc from January 2023 to 2.41mn units.

Coal

Storms and labour shortages pushed Australia's Queensland coal shipments to an 11-month low in January, with ship queues remaining stubbornly high.

Coal inventories at China's key transshipment ports of Qinhuangdao and Caofeidian dropped in the week to 7 February, as utility offtake outweighed weaker inbound deliveries.

Grains

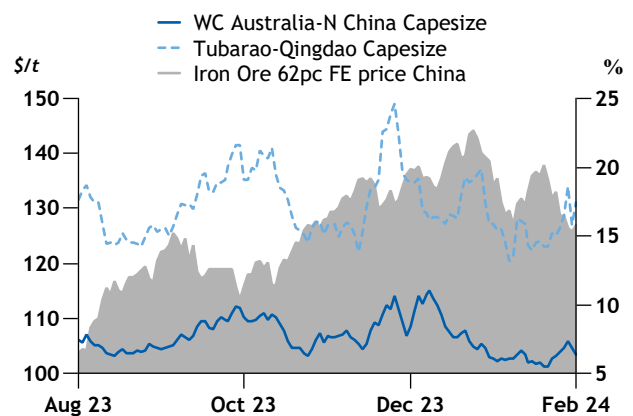
Reduced rainfall in north Africa is expected to bring 2023-24 Algerian wheat imports to 8.7mn t, their highest level since 2016-17, according to the US Department of Agriculture (USDA).

The Algerian government has encouraged citizens to reduce their bread consumption in order to lower wheat imports, but consumption is expected to remain stable due to low bread prices, according to the USDA.

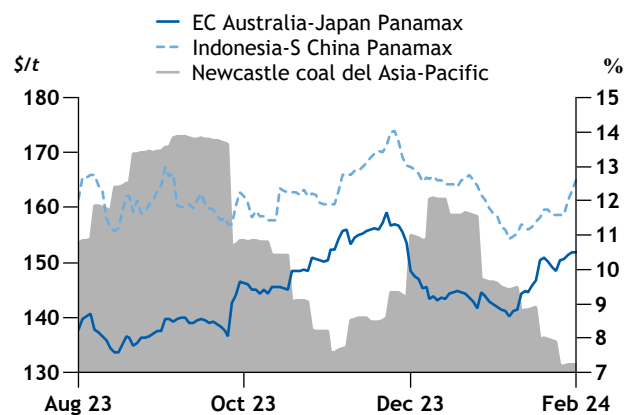
Key dry bulk freight rates

Route	Size '000t	Commodity	Rate \$/t	+/-	TCE non-scrubber \$/day
Capesize					
WC Australia-N China	170	Iron ore	8.10	-0.55	11,427
Tubarao-Qingdao	170	Iron ore	24.50	+2.50	20,175
Newcastle-Zhoushan	130	Coal	12.75	-0.85	13,173
Richards Bay-Krishnapatnam	150	Coal	15.35	-0.10	15,722
Panamax					
Murmansk-Rotterdam	75	Coal	-	-	-
Richards Bay-Rotterdam	75	Coal	14.30	+0.40	-
EC Australia-Japan	75	Coal	13.80	nc	-
Indonesia-S China	75	Coal	7.85	+0.05	-
Santos-Qingdao	60	Grain	40.30	nc	-
Kalama-Qingdao	65	Grain	23.90	+0.40	-

Weight of Freight - Iron shipments to Asia-Pacific



Weight of Freight - Coal shipments to Asia-Pacific



CAPESIZE

Pacific Capesize rates slide

Capesize freight rates fell on Thursday again in the Pacific basin as chartering activity slowed ahead of the lunar new year, while Atlantic rates surged on the back of new demand as Brazil's Vale returned to the market.

Pacific Capesize rates fall

The west Australia to north China rate stepped 55¢/t lower to \$8.10/t on Thursday. Iron ore producer Rio Tinto secured the vessel loading from 25-27 February at \$8.10/t. Fellow iron ore producer BHP fixed another ship loading from 26-28 February at the same level where the market had settled.

By the end of trading day in Singapore Panocean secured the 179,701 deadweight tonne (dwt) Fellowship loading after 28 February, at \$8.50/t but this included a premium because of the later loading window.

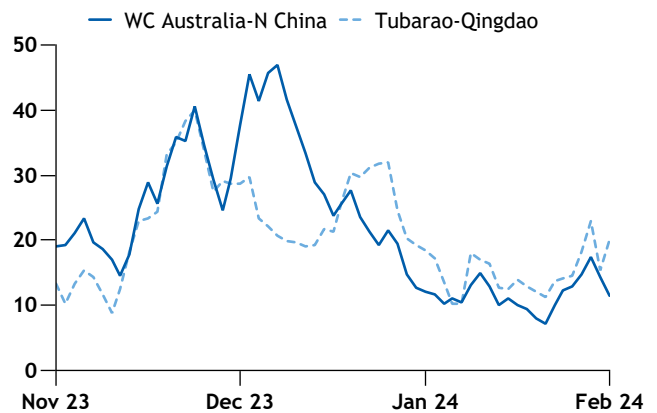
Seaborne iron ore prices in China jumped on Thursday despite slow trading activity before the upcoming lunar new year.

Capesize forward freight agreements (FFA) surged after yesterday collapse by the end of the London trading day indicating physical rates could recover soon as China-based shipowners will be absent from the market soon. The level for February jumped by \$2,225/d to \$18,500-19,000/d, while March's level rose by \$2,425/d to \$21,000-21,500/d, according to one shipbroker.

Atlantic Capesize rates surge

The Tubarao to Qingdao Capesize jumped by \$2.50/t to \$24.50/t reversing the recent fall as discussions centred around this level. Iron ore producer Vale returned to the

Capesize time charter comparison (non-scrubber) '000 \$/d

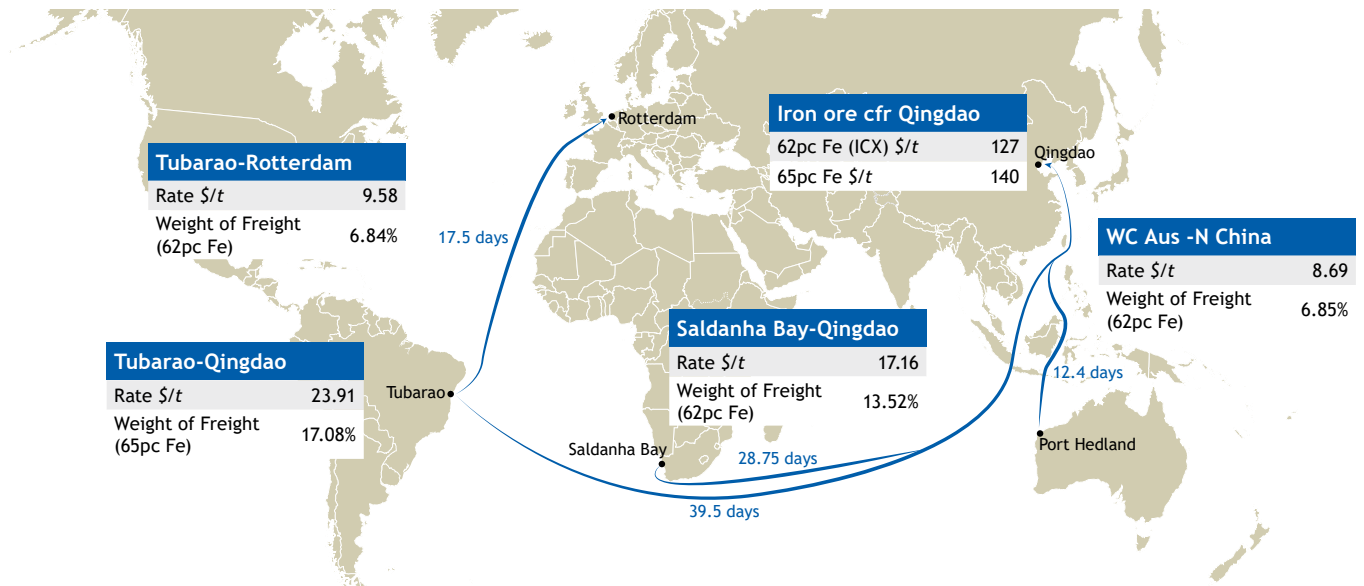


spot market with several cargoes and discussions in the \$23-24.20/t range. Fellow iron ore producer Usiminas and a number of other charterers made cargoes available as well, which added pressure from the demand side.

Saldanha Bay to Qingdao rate ticked up by 10¢/t to \$17.10/t as discussions centred around this level, while chartering activity was slow.

Capesize rates								
Route	Size '000t	Commodity	Rate \$/t	+/-	TCE non-scrubber \$/day	TCE scrubber \$/day	Scrubber differential \$/day	
Pacific								
WC Australia-N China	170	Iron ore	8.10	-0.55	11,427	17,422	-5,995	
Hay Point-Fangcheng	160	Coal	9.55	-0.65	13,015	18,992	-5,977	
Hay Point-Zhoushan	160	Coal	9.55	-0.65	14,433	20,328	-5,895	
Gladstone-Fangcheng	160	Coal	9.95	-0.65	12,992	18,965	-5,973	
Gladstone-Zhoushan	160	Coal	9.95	-0.65	14,357	20,250	-5,893	
Hay Point-Rotterdam (06 Feb)	160	Coal	15.00	+2.50	6,102	13,093	-6,991	
Newcastle-Fangcheng	130	Coal	12.75	-0.85	11,863	18,294	-6,431	
Newcastle-Zhoushan	130	Coal	12.75	-0.85	13,173	19,541	-6,368	
Indian Ocean								
Saldanha Bay-Qingdao	170	Iron ore	17.10	+0.10	17,413	24,428	-7,015	
Richards Bay-S China	150	Coal	15.60	+0.10	16,244	22,952	-6,708	
Richards Bay-Krishnapatnam	150	Coal	15.35	-0.10	15,722	21,880	-6,158	
Richards Bay-Kandla	150	Coal	11.75	-0.10	11,132	17,156	-6,024	
Atlantic								
Tubarao-Qingdao	170	Iron ore	24.50	+2.50	20,175	27,464	-7,289	
Tubarao-Rotterdam	170	Iron ore	9.90	nc	-2,299	4,399	-6,698	
Puerto Bolivar-Rotterdam	160	Coal	13.10	+0.10	23,333	26,970	-3,637	
Richards Bay-Rotterdam	150	Coal	9.25	+0.05	-3,806	2,649	-6,455	
US east coast-ARA	120	Coal	15.60	+0.05	-	-	-	
US east coast-east coast India	120	Coal	40.85	nc	-	-	-	

CAPESIZE IRON ORE ROUTES



Figures on map are rolling weekly averages

PANAMAX

Asia-Pacific Panamax rates up on bunkers

A rise in bunker prices increased freight rates for Asia-Pacific dry bulk Panamax vessels, despite flat time charter rates.

The cost to move a 75,000t shipment from Indonesia to south China moved up by 5¢/t to \$7.85/t. The price of 0.5pc sulphur fuel oil at Zhoushan is expected to rise by about \$4/t to \$627/t, before Singapore’s close on Thursday. Bunker rates went up in line with higher crude, following the lack of progress on a Hamas-Israel peace agreement.

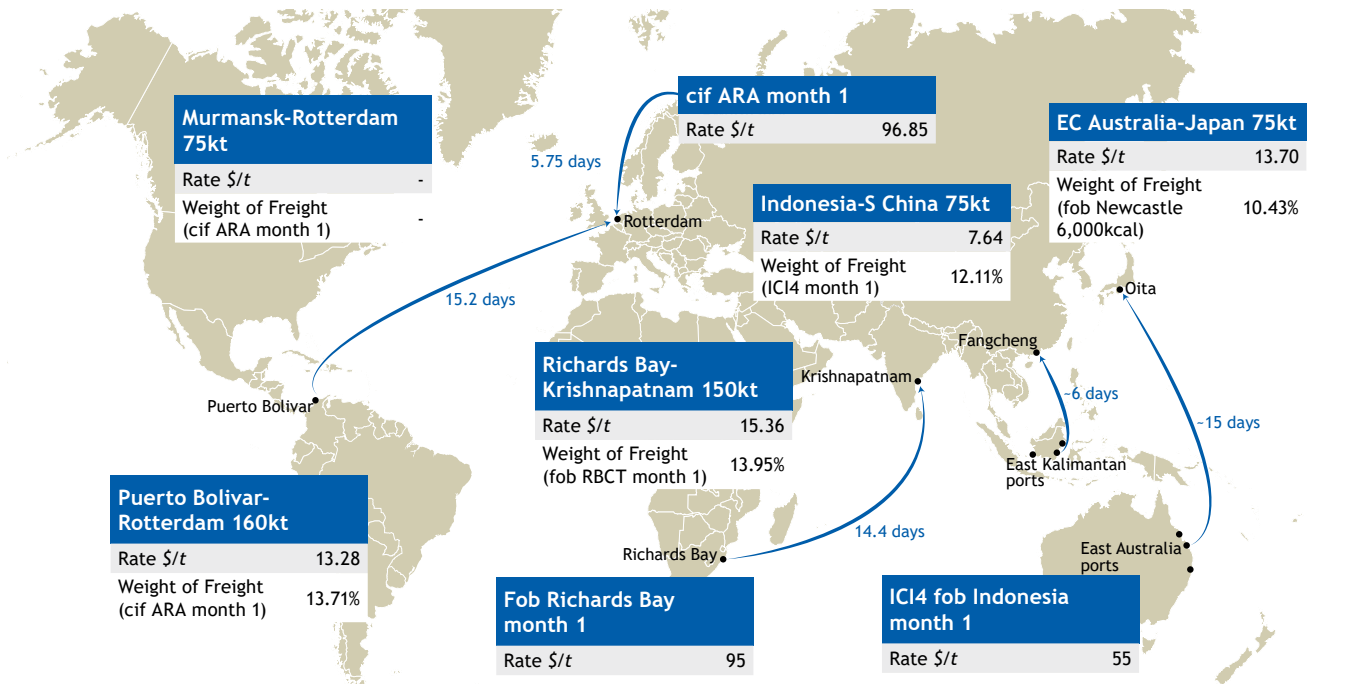
“There’s not much of a push coming from either side on our end today, we’ve approached shipowners with cargoes and charterers with vessels, but both sides are waiting for a bid and/or offer to start, but neither side’s giving anything that can be bridged”, a shipbroker said.

Chinese demand for coal could emerge because of lower coal inventories as utility offtake outweighed weaker in-bound deliveries. Stocks at China’s major coal transshipment port of Qinhuangdao fell to 5.15mn t as of 7 February, down from 5.82mn t a week earlier, according to data from coal industry association the CCTD. And inventories at Caofeidian decreased to 3.55mn t as of 7 February from 3.67mn t a week earlier. Cold snaps across parts of China could also continue to support power demand in the coming days.

But coal demand is likely to be pressured when the week-long lunar new year holiday begins. And the drop in physical Capesize rates could also spread pessimism in the market and prompt bid and offers to move down. The cost to move a 170,000t Capesize shipment from west Australia to north

Panamax rates				\$/t
Route	Size '000t	Commodity	Rate	+/-
Pacific				
EC Australia-Japan	75	Coal	13.80	nc
EC Australia-S Korea	75	Coal	13.05	+0.05
EC Australia-EC India	75	Coal	15.70	+0.05
EC Australia-S China	75	Coal	13.75	+0.05
Indonesia-Japan	75	Coal	9.45	+0.05
Indonesia-S Korea	75	Coal	8.25	+0.05
Indonesia-EC India	75	Coal	10.65	+0.05
Indonesia-S China	75	Coal	7.85	+0.05
WC North America-Japan	75	Coal	13.75	+0.20
WC North America-ARA	75	Coal	21.50	+0.50
US west coast-Japan	70	Pet Coke	21.65	+0.30
Kalama-Qingdao	65	Grain	23.90	+0.40
Vancouver-Qingdao	65	Grain	19.75	+0.40
Atlantic/Black Sea				
Murmansk-Rotterdam	75	Coal	-	-
Richards Bay-Rotterdam	75	Coal	14.30	+0.40
Puerto Bolivar-Rotterdam	75	Coal	14.20	+0.40
US east coast-ARA	75	Coal	13.70	+0.30
US east coast-Japan	75	Coal	39.00	+0.50
US east coast-east coast India	75	Coal	33.35	+0.40
US Gulf coast-ARA	75	Coal	16.15	+0.30
Santos-Qingdao	60	Grain	40.30	nc
Odessa-Qingdao	65	Grain	-	-
Novorossiysk-Qingdao	65	Grain	58.00	nc
Odessa-Alexandria	65	Grain	-	-
Novorossiysk-Alexandria	65	Grain	29.00	nc
Houston-Rotterdam	65	Grain	18.45	+0.35
Houston-Qingdao	65	Grain	49.75	+0.65

CAPESIZE/PANAMAX COAL ROUTES



Figures on map are rolling weekly averages

CCF (Carbon cost of freight) indexes						
Route	Size '000t	Commodity	Lump sum \$		\$/t	
			One-way	Round-trip	One-way	Round-trip
Hay Point-Rotterdam	160	Coal	88,506	164,351	0.55	1.03
Hampton Roads-Rotterdam	120	Coal	25,561	47,111	0.21	0.39
Houston-Rotterdam	75	Coal	18,397	35,151	0.25	0.47
Tubarao-Rotterdam	170	Iron ore	34,448	64,786	0.20	0.38
Houston-Rotterdam	65	Grain	18,180	34,934	0.28	0.54
Port Arthur-Rotterdam	50	Petroleum coke	20,176	37,767	0.40	0.76

Supramax/Handysize rates				\$/t
Route	Size '000t	Commodity	Rate	+/-
Pacific				
US west coast-China	50	Pet Coke	29.70	+0.60
EC Saudi Arabia-west coast India	50	Pet Coke	14.25	+0.05
EC Saudi Arabia-China	50	Pet Coke	20.40	+0.10
Indonesia-north China	20	Pet Coke	22.85	nc
Atlantic				
US Gulf coast-ARA	50	Pet Coke	21.45	-0.15
Venezuela-ARA	50	Pet Coke	19.80	+0.05
US Gulf coast-Turkey	50	Pet Coke	26.00	-0.15
US Gulf coast-Brazil	50	Pet Coke	22.05	nc
US Gulf coast-China	50	Pet Coke	56.55	+1.05
US Gulf coast-east coast India	50	Pet Coke	50.85	+0.95
US Gulf coast-west coast India	50	Pet Coke	49.70	+0.90
Brazil-north China	30	Pet Coke	65.50	+0.05
Argentina-north China	24	Pet Coke	89.35	+0.10

China fell by \$1.15/t to \$8.10/t from \$9.25/t on 6 February. **West coast North America Panamaxs tick up**
 An influx of fresh cargo into China and Indonesia increased chartering activity and reduced tonnage on Wednesday and raised Panamax rates along the west coast of North America to \$11,000/d.
 Rates along the US west coast-Japan route increased by 30¢/t to \$21.65/t.
 Shipowners' offers were largely unchanged due to steady

vessel supply, but increased demand meant greater competition for charterers and forced them to raise their bids.
Atlantic Panamax tonnage tightens
 Limited tonnage in the north Atlantic to transport Europe-bound mineral cargoes on Thursday increased Panamax rates.
 Chartering activity for Asia-bound Panamaxs rose in the lead up to the lunar new year, also putting upward pressure

on bulker rates.

Low supply boosts transatlantic rates

A steady flow of cargo as well as low vessel supply in the north Atlantic raised rates along the US east coast-Rotterdam route by 30¢/t to \$13.70/t, which slightly outpaced the overall increase of 2pc on transatlantic routes.

Relatively warm weather this winter balances decreased wind generation, keeping European coal demand fairly steady.

Asia-bound rates up on last-minute demand

A last-minute rise in chartering activity before the lunar new year kept the supply of Asia-bound Panamaxes limited and put upward pressure on rates.

Rates along the Houston-Qingdao route rose by 65¢/t to \$49.75/t on Thursday, which matched the collective 1.3pc increase for Panamaxes travelling from the US east coast and Gulf coast to Asia-Pacific.

Ample tonnage in the south Atlantic basin and a typical decline in chartering activity around the lunar new year mean it is unlikely rates will noticeably increase during the second half of February.

ANNOUNCEMENT

All data change announcements can be viewed online at www.argusmedia.com/announcements. Alternatively, to be added to the email distribution list for all announcements, please email: datahelp@argusmedia.com.

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Coal + Freight - Global
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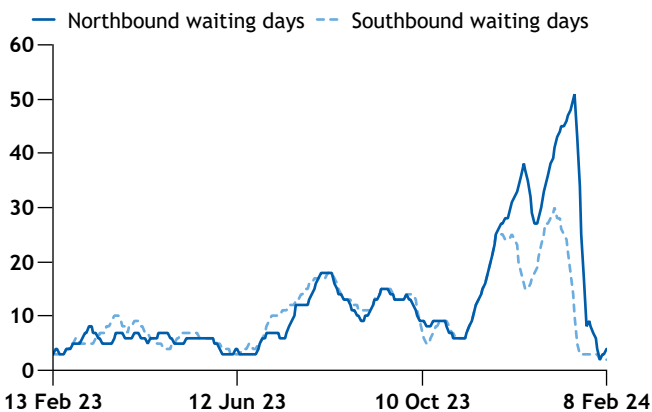
Panama Canal delays		days	
	Northbound	Southbound	
Panamax locks	6	2	
Neopanamax locks	2	5	

Panama Canal auction prices (weekly)		\$
Transit slot type	Price	
Neopanamax	282,500.00	
Panamax	545,250.00	

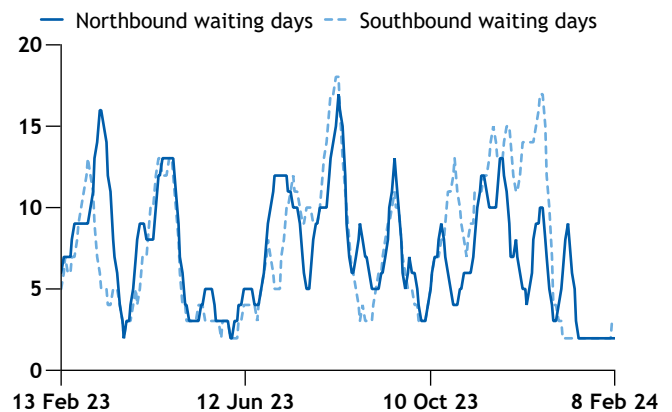
Russian-origin coal freight rates				\$/t	
Loading Port	Destination Port	Size '000t	Rate	+/-	
Market rates					
Ust-Luga	west coast India	75	45.00	-2.00	
Ust-Luga	China	75	57.00	-2.50	
Ust-Luga	Iskenderun	75	22.00	-1.00	
Taman	China	160	36.00	-1.00	
Taman	west coast India	75	35.50	-2.00	
Taman	Iskenderun	75	15.50	-0.50	
Murmansk	China	75	58.00	-2.50	
Vostochny	south Korea	75	7.50	nc	
Vostochny	north China	75	8.50	nc	

Petroleum coke freight 4-week averages			\$/t	
Route	Size '000t	Rate		
US Gulf-ARA	50	21.57		
Venezuela-ARA	50	19.97		
US Gulf-Turkey	50	26.13		
USWC-China	50	28.97		
USWC-Japan	70	21.26		
US Gulf-Brazil	50	21.85		
US Gulf-China	50	52.52		
US Gulf-east coast India	50	48.52		
EC Saudi Arabia-west coast India	50	14.40		
EC Saudi Arabia-China	50	20.61		

Panama Canal delays for Panamax locks days



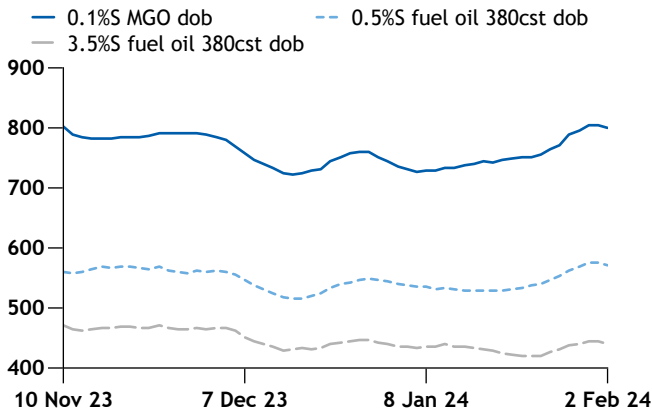
Panama Canal delays for Neopanamax locks days



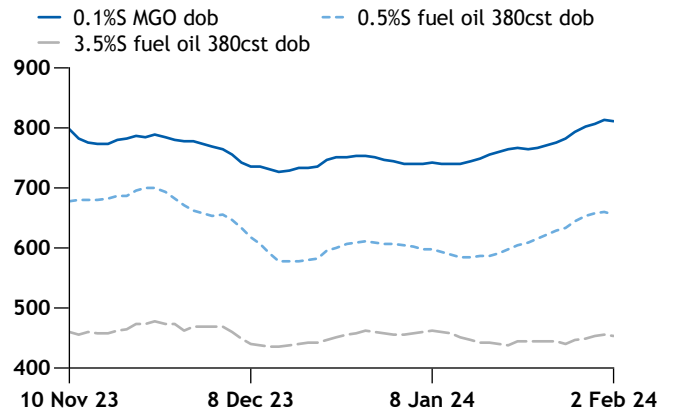
BUNKERS

Conventional

Rotterdam bunker prices (0.5%S, 3.5%S, MGO) \$/t

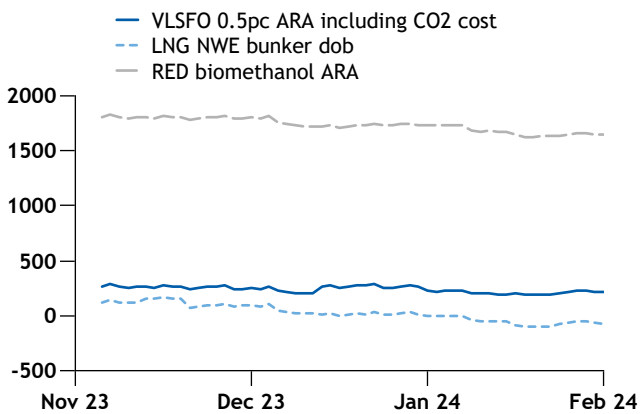


Singapore bunker prices (0.5%S, 3.5%S, MGO) \$/t

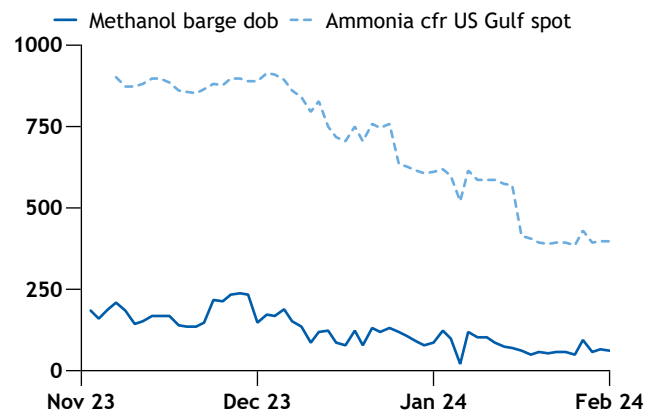


Alternative

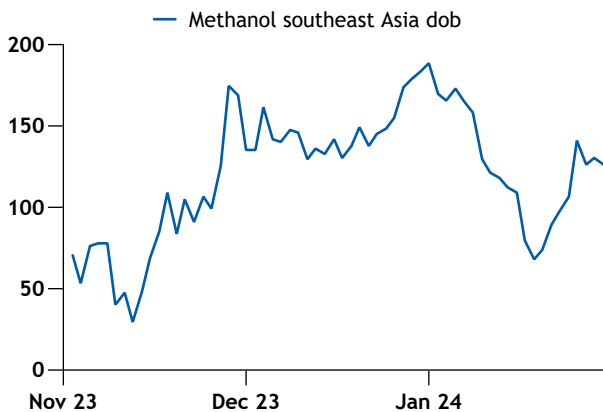
Rotterdam - LNG, others as premiums to VLSFO \$/t



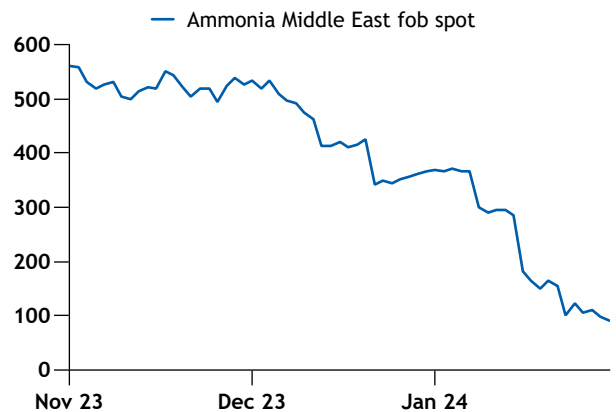
USGC - Methanol, ammonia as premiums to VLSFO \$/t



Singapore - Methanol premium to VLSFO \$/t



Middle East - Ammonia premium to VLSFO \$/t



NEWS

Panocean's 4Q dry bulk profits fall again

South Korea-based ship owner and operator Panocean's profits declined again in the fourth quarter compared with a year earlier as the dry bulk spot market softened and containership losses mounted, while tanker and LNG business was stagnant.

Panocean posted net profits of 15.5bn won (\$11.6mn) in the fourth quarter, down from W122.6bn a year earlier, as a result of lower revenues from the dry bulk and container divisions.

The dry bulk division's operating profits in the third quarter also fell, to W44bn from W92bn a year earlier. Capesize and Panamax revenues were driven up by higher demand for imported coal in China and port congestion in Brazil, but revenues for smaller vessels slipped in the fourth quarter.

Panocean expects the dry bulk market to move higher this year as it believes Chinese coal and iron ore demand will step up on the strength of higher steel production as the Chinese government continues its aggressive policy to boost the economy. Panocean expects cargo demand to rise following the lunar new year holiday, strengthened by the earlier harvest in South America.

Stricter environmental regulations will also push the demolition of non-economical and older vessels in the second half of this year.

Panocean's owned and chartered-in dry bulk fleet consists of 41 Capesize, 40 Panamax, 81 Handymax and 31 Handysize vessels, with a total capacity of about 22mn dwt. Its owned fleet has not changed significantly but it has reduced its chartered-in fleet across all of the key sizes over the past three months, as it did in the third quarter of last year.

The company has a number of long-term contracts for Capesize and very large ore carrier ships – 16 vessels are chartered to Brazilian iron ore producer Vale and 12 to South Korean firms, comprising six to utility Kepco, four to steelmaker Posco and two to Hyundai Steel, according to Panocean.

The company is also expanding into gas carriers to diversify its business, with Panocean set to receive nine new LNG carriers in 2024-25. And the company is expecting delivery of four new Ultramaxs in 2026 and two containerships this year.

By Andrey Telegin

Norden bulk shipping profits slide

Danish shipowner Norden's profits fell in the fourth quarter of last year because of lower revenues in the dry bulk and product tanker markets.

Norden's fourth-quarter profits fell to \$43.1mn, down by

59.4pc from \$204.6mn a year earlier. The firm's assets and logistics division, which owns Norden's fleet, generated just 5pc of its profit, contributing \$2mn, down from \$73mn in the same period a year earlier.

The company's freight services and trading division, which operates its tanker pool, delivered \$41mn in the third quarter, down from \$131mn in the same period of 2022.

Overall dry bulk spot freight rates declined last year, "despite a strong rebound in the last quarter of the year". Imports to China rose significantly, despite lower economic activity and a challenged property market, but it was partially offset by lower demand across the world, Norden said.

The company forecast a further slide in profits for this year, to \$150-250mn, compared with \$400mn over the full year of 2023.

Norden expects the dry bulk market to remain volatile as demand in China and rest of the world is projected to be moderate and because of persistent macroeconomic uncertainties. By the end of 2023, Norden's owned dry bulk fleet amounted to eight vessels, including five Capesizes, and 41 leased ships. The company last year purchased 11 and sold 10 vessels, primarily in the product tanker segment.

Norden last year returned to the Capesize market segment of dry bulk shipping after more than seven years and acquired five Capesizes. In the smaller sizes, the shipowner has ordered six new 64,000 dwt dry bulk [Supramax vessels](#).
By Andrey Telegin

Canada wheat stocks down more on the year

Canada's total wheat stocks fell further below year-ago levels as of 31 December, according to data from Statistics Canada (StatCan).

The stocks were 10pc down on the year on 31 December, compared with 2pc down year on year on 31 July.

Canada's total wheat stocks stood at 20.7mn t as of 31 December, down at farms and commercial storages by 12pc to 16.7mn t and by 4pc to 4mn t, respectively.

This is a steeper year-on-year decrease than StatCan reported at the end of the 2022-23 season on 31 July, [when total stocks were](#) only 2.2pc lower than at the end of 2021-22.

The widening year-on-year decrease has been driven by the [fastest export pace](#) in at least eight years, despite a drop in wheat output.

As for barley, the 2023-24 lower output did not result in a year-on-year drop in stocks, which stood at 5.5mn t, up by 6pc on the year. Ample global feed grain supplies, including in China's domestic market, may have contributed to a slower export pace. And lower domestic feed barley demand, with consumption down by 17pc to 2.9mn t, is likely

NEWS

to have left larger volumes both at farms and in commercial storages.

Canola

Canada's canola stocks were up by 1.3pc to 12.9mn t on the year as of 31 December. Higher stocks at farms, up by 6pc to 11.7mn t, more than offset lower volumes stored commercially, down by 28pc to 1.2mn t.

StatCan attributed the year-on-year rise to a slower export pace because of ample global supply of other oilseeds.
By Anna Sneiderman

Argentina, Australia wheat export forecasts rise

Argentina and Australia are set to export more wheat this season than anticipated last month, according to the US Department of Agriculture's (USDA's) latest *World Agricultural Supply and Demand Estimates* (Wasde) report.

The USDA raised its forecasts of Australian and Argentinian wheat exports for the 2023-24 marketing year by 500,000t each, to 19.5mn t and 10.5mn t, respectively, from January projections. For Australia, the increase comes from lower anticipated domestic feed consumption, but for Argentina, from higher forecast output because of favourable weather late in the harvest.

Russia's wheat production and exports forecasts remained unchanged from January, at 91mn t and 51mn t, respectively, according to the report.

The USDA now pegs Ukraine's 2023-24 wheat exports at 15mn t, up from the 14mn t forecast last month, citing "larger exports to the EU".

The USDA's Ukraine corn exports forecast has also risen, to 23mn t from 21mn t, although still significantly below the Argus-projected 27mn t and compared with the 29.2mn t [forecast](#) by the USDA's Foreign Agricultural Service.

Brazil's soybean output projection slipped to 156mn t from 157mn t in January, but forecast exports climbed to 100mn from 99.5mn on "strong early-season shipments", the report says.

The USDA lowered Brazil's corn production estimate to 124mn t from the 127mn t it forecast last month, on "expectations of a smaller safrinha".

USDA reduces Brazil's 2023-24 crop outlook

The US Department of Agriculture's (USDA) estimates for Brazil's 2023-24 soybean and corn crops fell further amid unfavorable weather conditions in the season's initial stages.

Brazil is now set to produce 156mn metric tonnes (t) of soybeans in the 2023-24 crop, a 1mn t decrease from the previous *World Agricultural Supply and Demand Estimates* (Wasde) monthly report in January. Adverse weather conditions in Mato Grosso and Parana states decreased projections.

That compares with 162mn t produced in the 2022-23 oilseed crop and the 149.4mn t projected by Brazil's national supply company Conab in [its latest report](#) for the 2023-24 season.

USDA increased its estimates for Brazilian exports to 100mn t from 99.5mn t last month, while maintaining domestic consumption projections at 57.5mn t.

Beginning stock projections rose by 2mn t to 37.4mn t, following an identical increase in output for the 2022-23 cycle. Expected ending stocks for 2023-24 season totaled 36.3mn t, a 500,000t hike from the previous report.

Corn outlook falls

USDA revised down its estimates for Brazil's 2023-2024 corn crop to 124mn t, a 3mn t tumble from January, as expected acreage fell.

That is above Conab's 113.7mn t forecast for the current crop and 13mn t – or 9.5pc – below 2022-23 record volumes.

Export estimates also dropped to 52mn t from 54mn t last month, while ending stocks projections fell by 1mn t to almost 6mn t. Domestic demand and beginning stocks remain expected at 77.5mn t and 10.3mn t, respectively.

USDA revised exports projections for the 2022-23 corn season to 56mn t, down by 1 mn t from the previous estimate.

By Maria Albuquerque

China's January automobile output slips back

China's automobile production and sales in January fell sharply from the previous month, while recording a robust increase from a year earlier.

Production in January fell by 21.7pc from the previous month but rose by 51.2pc from January 2023 to 2.41mn units, according to the China Association of Automobile Manufacturers (CAAM). Sales in January fell by 22.7pc from the previous month but were up by 47.9pc from a year earlier to 2.439mn units.

Passenger car sales and output fell by 24.2pc and 23.2pc respectively from the previous month to 2.115mn units and 2.083mn units in January. Passenger car sales and output in January rose by 44pc and 49pc respectively from a year earlier.

Production and sales in January rose sharply from a year earlier because of the low base levels in January 2023 with the impact of the Covid-19 pandemic, market participants said.

Auto production and sales posted month-on-month falls in January because demand was expected to shrink following a sales push from sellers in November and December 2023, participants added. [Vehicle production in November 2023 set an all-time high at 3.093mn units](#), according to

NEWS

CAAM. November and December are typically a period for vehicle sellers to push sales to meet results for the whole year.

China exported 443,000 vehicles in January, down by 11.2pc from December 2023 but up by 47.4pc from a year earlier, CAAM said.

China's new energy vehicle sales and output totalled 729,000 units and 787,000 units respectively in January, down by 39pc and 33pc from the previous month but up by 79pc and 85pc from a year earlier.

China's auto sector accounts for less than 10pc of its total steel demand and around a third of global auto sales. The sector is a key driver of demand for hot-rolled coil (HRC) and other flat steel products. Argus-assessed Shanghai HRC ex-warehouse prices fell by 40 yuan/t (\$5.58/t) from 29 December 2023 to Yn4,020/t on 31 January 2024.

AM expects apparent steel demand to grow in 2024

Luxembourg-based steelmaker ArcelorMittal sees apparent steel demand in key regions increase in 2024, but real demand will remain lacklustre.

Apparent consumption in the world excluding China is to grow by 3-4pc on the year in 2024.

Chinese economic growth is to weaken next year, amid continued real estate weakness, but government stimulus will likely keep steel demand in China stable, to slightly positive, up to 2pc.

Apparent demand in the EU is expected to grow by 2-4pc. "The destocking that impacted apparent demand in 2023 is not expected to continue in 2024," ArcelorMittal said. A minor dip in real demand is anticipated, primarily within the construction sector.

ArcelorMittal's EU steel production in 2023 dropped by nearly 10pc to 28.8mn t owing to planned maintenance of BF 2 in Bremen, Germany, a reline of BF A in Gent, Belgium, and production cuts at BF 1 in Fos, France. The Fos BF was **idled** in October 2023 for technical reasons, and the company said today it has not yet made a decision regarding restarting it. Arcelor noted that disruptions to Red Sea steel shipments might create some inventory issues in the EU.

The company remains upbeat on the Indian market, expecting steel consumption to grow 6.5-8.5pc, while US apparent steel consumption is to rise by 1.5-3.5pc in 2024.

By Elif Eyuboglu

Anglo American's Oct-Dec iron ore output down

UK-South African mining firm Anglo American recorded weaker iron ore production during October-December against a year earlier on logistics constraints, while its metallurgical coal output increased marginally.

It produced 13.8mn t of iron ore for the quarter, down by 12pc from a year earlier following a planned slowdown at the company's South African operations to align with third-party logistics constraints. Operations at South Africa's Kumba produced 7.2mn t of iron ore, down by 27pc, with most of the reduction because of lower production to align to third-party rail capacity and ease mine stocks constraints.

Production at Brazil's Minas Rio operations increased by 15pc to 6.6mn t, which was the operation's best quarterly performance, Anglo American said.

The company forecasts to produce 58mn-62mn t of iron ore this year, having produced 59.9mn t in 2023. Kumba operations are expected to produce 35mn-37mn t, while output at Minas Rio is expected to reach 23mn-25mn t.

Iron ore sales were 16.4mn t during October-December, up by 18pc from a year earlier.

Anglo American's steel-producing coal output for the quarter rose by 2pc from a year earlier to 4.8mn t, taking **2023 production to 16mn t** and up by 7pc against the previous year. All its coal operations are in Australia. The quarterly output reflected steady performance at its Aquila operations and firmer performance at the Grosvenor mine, partly offset by continuing challenging strata conditions at Moranbah. It forecast production of 15mn-17mn t of coal this year.

Metallurgical coal sales of 3.8mn t during the quarter were lower than production because of the timing of sales, Anglo American said. Hard coking coal sales were 2.98mn t, while pulverised coal injection grade and semi-soft coal sales were 808,000t.

A reclassification at its Dawson project based on coal qualities resulted in an adjustment for the year of around 300,000t to steel-producing coal from thermal coal.

The company sold 494,000t of thermal coal during October-December, up by 4pc from a year earlier.

The Russia-Ukraine conflict resulted in many sellers of metallurgical coal **switching supplies to thermal coal** in 2022 for better price realisations.

By Deepali Sharma

ANNOUNCEMENT

The holiday calendar showing which Argus reports are not published on which days is now available online <https://www.argusmedia.com/en/methodology/publishing-schedule>





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June 12-14, 2024 | Houston, Texas, US
Argus Clean Ammonia North America Conference
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November 2024 | Location: TBC
Argus Clean Ammonia Europe Conference
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February 2025 | Location: TBC
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Argus Dry Freight is published by Argus Media group

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ISSN: 1751-309X

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