

March 2023

Restart of Platts Black Sea Dry Bulk Freight assessment

Overview

Due to increased spot activity in the Black Sea Handysize dry bulk shipping market, and the renewal of the UN-brokered Black Sea Grains Initiative effective March 18, Platts, part of S&P Global Commodity Insights, will rename and resume publishing one dry bulk freight assessment from April 3, 2023. Platts suspended the publication of bids, offers, trades and indicative market values for commodities loading or delivering in the Black Sea on Feb. 24, 2022, due to uncertainty regarding the escalation of the Russia-Ukraine conflict. The affected dry bulk assessments have remained suspended since that date. Platts welcomes feedback on the future of any impacted assessments.

What are Platts Dry Bulk Freight assessments?

Platts dry bulk spot freight assessments reflect the transactable value of chartering a vessel at 16:30 London time for the Atlantic basin, expressed in US dollars per metric ton (mt).

What is the Black Sea Grain Initiative?

The UN-brokered Black Sea Grain Initiative, a safe-passage agreement enabling the restart of commercial grain exports from three key Ukrainian Black Sea ports, was first signed July 2022 by Russia, Ukraine and Turkey and was renewed for a second time March 18, according to an official UN statement.

Which ports are included in the assessment?

The assessment will keep most of its former specifications as published in the S&P Global Freight Methodology guide. However, cargoes lifted from a wider pool of Northwest

Black Sea loading ports — including but not limited to the three key Ukrainian ports specified by the Black Sea Grain Initiative, Odesa, Chornomorsk and Yuzhny/Pivdennyi — will be included in the assessment. Based on market feedback, Platts understands the Handysize \$/mt freight values from each of these Northwest Black Sea ports to Alexandria, Egypt, to be closely aligned, and more dependent on individual trades than on the choice of loading port.

What is a Handysize vessel?

The Handysize vessel class used as the basis for this assessment is a dry bulk carrier ship of up to 20 years of age, with a typical size of 32,000 tons deadweight, a draft of 10.15 meters (m) and a length overall of 178 m.

What are the key assumptions underpinning the assessment?

The 25,000 mt tonnage specified in the assessment represents the weight of the grain cargo carried. For this assessment, 10-30 days forward laycan has been used, with assumed load and discharge rates of 8,000/5,500 mt and turnaround time at load/discharge ports of 24/12 hours. Platts may normalize freight rates for charters of a different size for assessment purposes, including prorating the market rate to the size of the cargo reflected in the assessment. In addition, any loadings, or deliveries to alternate ports, or fixtures outside of specified laycans, may be normalized to the stated basis for assessment purposes.

For more information, please visit our website at www.spglobal.com/platts, or reach out to the team via email at dryfreight@spglobal.com.

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