

## **Low Capesize Fleet Growth & Strength in Brazilian Iron Ore Exports**

As we discussed back in our June 24th Weekly Dry Bulk Report, guidances from major miners in Brazil have been pointing to Brazil's iron ore exports falling year-on-year this year by a total of 27.5 million tons (Vale's is expecting a year-on-year decline of 46.1 million tons, while CSN is expecting a year-on-year increase of 3 million tons and Anglo American's Minas Rio mine is expecting a year-on-year increase of 15.6 million tons). While guidance from the major miners points to Brazil's exports being set to fall year-on-year this year by a total of 27.5 million tons, total Brazilian exports through the first six months of this year have already fallen year-on-year by 23.4 million tons. This implies that the final six months of this year will see a year-on-year decline of only 4.1 million tons.

If this does occur, then total Brazilian exports during the final six months of this year would average 34.3 million tons. In comparison, during the first six months of this year they averaged 26.8 million tons. Such strong volume compared to earlier this year would be very positive for the capesize market going forward — and, already, Brazilian iron ore exports have been rising in recent weeks which has been allowing the capesize market to find significant support as anticipated. Also remaining extremely helpful has been the fact that capesize fleet growth has remained extremely low. In addition, many existing capesize vessels continue to be temporarily removed from the fleet to be fitted with scrubbers.

Jeffrey Landsberg | Managing Director  
[Commodore Research & Consultancy](#)

*Commodore Research & Consultancy is a full-service consultancy that publishes weekly reports and provides analysis on the dry bulk market and China. Analysis in this commentary should not be considered investment recommendations. Careful attention is made to ensure that all data and information used is accurate. Commodore Research & Consultancy will not be held accountable for any direct or indirect errors. This commentary is prepared for informational purposes. Commodore Research & Consulting is not affiliated with Breakwave Advisors LLC, ETF Managers Group LLC or ETFMG Financial LLC (the "non-affiliated companies"). The non-affiliated companies assume no liability as regards to any investment, divestment or retention decision taken by any investor on the basis of this commentary. In no event will the non-affiliated companies be liable for direct, indirect or incidental, special or consequential damages resulting from the information in this commentary. Commodore Research & Consultancy receives a fee for the preparation of this commentary.*