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Bulk report – Week 18 2016

Capesize

It has been a quieter week across all the vessels sizes due to the Orthodox Easter celebrations, Golden week in Japan, holidays in Korea and Ascension Day in Europe.

Despite the various holidays there has been some activity on the west Australia to China route, which at the end of last week was being fixed at around \$4.35 and now the rates are sub \$4.00 with a number of vessels rumoured fixed by Rio Tinto at \$3.75. Saldanha Bay to China has also weakened from last week's level of around \$6.40 with \$6.25 being fixed this week and today's published level almost \$6.00.

T/C rates in the Pacific have eased, earlier in the week Naval Bulk fixed the *Cape Genesis* (182,097 built 2012) delivery Zhoushan for an east coast Australia round voyage at \$8,100, whilst today there is talk of the same charterers having fixed a smaller vessel *Nightwing* (170,000 built 2004) retro Caofeidian early May for a trip via Newcastle to China at \$4,650. A larger vessel the *Berge Ishizuki* (181,458 built 2011) was fixed by Oldendorff delivery retro Caofeidian early May for an Australian round voyage at \$5,500.

There has been a lack of cargo in the Atlantic and these levels have come off, Itaguaí to Qingdao was fixed earlier at \$8.60 on Cargill tonnage with Cara, whilst today there is talk of the *Bulk Spain* (176,000 built 2011 Mittal vessel) fixing for Acu loading to Qingdao basis 22 May onwards at \$8.30 with Anglo American.

Very few T/C fixtures emerged, but K-Line fixed the *Salt Lake City* (KNoble controlled vessel 171,809 built 2005) for delivery Ijmuiden 8 May trip via Colombia and Israel with redelivery passing Passero at \$9,000. The *Mineral Honshu* (181,408 built 2012) was fixed earlier in the week delivery Rotterdam 6 May for a trip via Brazil to Turkey with redelivery passing Passero at \$11,750, which brokers commented was a very firm rate, but since then the sentiment has been weaker.

Panamax

In the Atlantic a slight build up of tonnage combined with a lack of enquiry for early dates has led to softening rates. At the beginning of the week we saw a 77,000 dwt 2004 vessel getting cover at \$7,100 daily + \$210,000 ballast bonus for an east coast South America front haul with mid May dates. Towards the end of the week similar size tonnage was being covered at \$7,000 daily plus a tick under \$200,000 ballast bonus for the same direction. Trans-Atlantic business also suffered with little fresh activity an 82,000-dwt 2012 built was covered basis delivery Gibraltar prompt for a trip via Santarem redelivery Gibraltar-Skaw range at \$5,500 daily.

In Asia a softening tone again appeared. Rates from North China eased and with tonnage building up this put pressure on rates from the South. A 74,000-dwt 2011 built was fixed basis delivery Qinhuangdao early May for an Australian round at \$4,750 day whilst further south an 81,000-dwt 2010 built was covered basis delivery passing Taiwan for a trip via Indonesia redelivery India in the mid \$4,000's.

Period activity remained with a 2012 built 75,000-dwt open Dongwu mid May for 4 to 7 months worldwide trading at \$5,500 daily. A 75,000-dwt 2001 built was taken for 12-16 months period at \$5,000 daily.

It is difficult to gauge how the market will fare looking forward into next week but with the return to normal working maybe a bottom might have been reached. It is 'crystal ball time yet again!

Supramax/Handysize

Supramax

The various holidays around the world during the past ten days has managed to bring most routes down, causing the indices for both handy and supramax to stall. The feeling is next week will see the downwards trend continue.

Despite the short London week there was still a reasonable amount of fixture activity. Period was slow with only a few fixtures to note. A 56,556-dwt was fixed for short period delivery Sohar at about \$5,700 daily.

From the US Gulf brokers suggested a 61,393-dwt had concluded a trip via India with a Cape of Good Hope redelivery at \$10,300 daily. A 56,000 tonner also was fixed delivery US Gulf trip redelivery India at \$11,500 daily. From Recalada another Ultramax was fixed for trip Mediterranean at \$8,000 daily and a Tess 58 fixed the same trip at \$9,000 daily while a Dolphin 57,000-dwt managed to fix delivery Santos trip India at \$8,100 daily plus a ballast bonus of \$80,000. A Tess 58 was reported today delivery Santos for a trip to China at \$8,200 daily plus a ballast bonus of \$82,000. A 55,700-dwt was linked to a delivery Dakar trip via Baltic to east Mediterranean at \$7,150 with German charterers.

From Singapore, a Tess 58 fixed a trip via Indonesia to Thailand at \$5,500 daily, whilst a Tess 52 was fixed delivery Hong Kong trip via Indonesia to Thailand at \$3,900 daily. A 55,688 tonner covered delivery China trip via Indonesia to west coast India at \$4,500 per day. One back haul was reported for a Nacks 58 delivery Xingang redelivery US Gulf at \$2,000 daily. Sources reported an Ultramax had secured a trip delivery Fujairah at \$4,000 daily for the first 50 days with the balance at \$8,000 for trip into east coast South America. There was a rumour that a large Supramax had concluded a trip delivery East Africa trip Far East at about \$7,000 daily.

Handysize

Not many fixtures in this sector came to light this week. The *Corinth* 31,842-dwt built 2002 fixed delivery Egyptian Mediterranean trip via Black Sea to Turkish Mediterranean at \$5,250

daily. A 30,000-dwt was suggested covered delivery US Gulf trip via Red Sea redelivery Port Said at about \$7,750 daily. A 2014 built 39,000 tonner concluded a trip delivery Continent redelivery east coast Mexico at \$6,000 daily. A 34,697-dwt secured something in the upper \$6,000s delivery south Brazil trip Continent. The only fixture collected from the Far East was a 29,000-dwt delivery Singapore trip Vietnam at \$4,750 daily. No period information was heard for these sizes this week.

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