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Bulk report – Week 19 2016

Capesize

An upturn in rates as the week closed out with some much needed action in the Atlantic. The question of sustainability remained and some gains reflect rises in bunker values. There were increased bids for transatlantic routes with rates from Colombia. Several ships fixed cargoes to Turkey with rates showing near \$6.00 equivalents on the C7 Puerto Bolivar/Rotterdam run. Fronthaul too improved with talk that an average ship achieved \$14,000 daily for a trip to the East. Oldendorff booked a ship for a Narvik/India cargo at \$15,500 daily having earlier booked the *Pelopidas*, 176,006 dwt 2011 built, from Dunkirk via Trinidad the east at \$13,000 daily.

Rates from Brazil to China also ticked up with Anglo American fixing a couple of ships late this week from Sudeste to Qingdao at \$8.00.

In the East, the majors were active for late May cargoes from West Australia to China with rates hovering near \$3.75-80 for 170,000 tonne 10% cargoes – up at least 30 cents from mid-week.

Timecharter activity was limited, although a 179,000 tonner fixed from Krishnapatnam via Richards Bay to China at \$5,000 daily.

Panamax

Rates were largely/flat steady as the week closed out with South America again playing a pivotal role. Owners dug their heels in on forward rates and those charterers with May positions have had to concede firmer numbers. A 74,000 tonner 2001 built achieved \$7,500 daily, plus a \$250,000 bonus, for 27-28 May from Recalada to the East, with rumours of kamsarmax fixing at similar levels on this run or slightly more. There was talk of increased trading in the north Atlantic, with a kamsarmax fixed from Immingham via Murmansk to Plomin at \$6,000 daily.

In the East, rates were largely flat with a touch more optimism over South America boosting owners resolve. A newbuilding Imabari 84,000 tonner fixed ex yard for a NoPac round at \$5,400 daily. Period rates continued to hover in the low to mid-\$5,000 daily, depending on delivery and specification of the ship.

Supramax/Handysize

This week has seen weaker rates within the Atlantic but appeared to be flat to steady in the Pacific.

From the Atlantic, fewer new cargoes east coast South America lead to an easing in rates. An ultramax 63,000 dwt was covered with a large grain house at \$8,250 daily, plus \$82,500 ballast bonus, for a front haul. Rates for vessels staying within the Atlantic also eased with a 56,000 dwt 2015-built fixed, basis delivery Recalada for trip to the east Mediterranean at \$7,500 daily. Cement movement from the Mediterranean to West Africa this week where a 58,000 dwt achieved \$8,000 daily from Algeria trip to West Africa. The star market of the Continent seemed to be fading this week with supramax scrap runs from here to the east Mediterranean trading at under \$10,000 daily.

Again on the handysize, rates eased this week with tonnage being more readily available from the Continent. A 34,000 dwt was fixed, basis Rotterdam for a scrap run to east Mediterranean at \$8,750 daily earlier on in the week, then a few days later similar sizes achieved in the low \$8,000s. Little fresh enquiry appeared from the South Atlantic. From the

US Gulf, handysizes were achieving at close \$11,000 daily but this was for trips to west coast South America – not generally a favoured destination.

Asia seemed to be treading sideways and positionally. A 58,000 tonner open Cebu fixed a trip via Indonesia to west coast India with coal at \$6,750 daily. A 56,453 dwt fixed basis delivery Ho Chi Minh via Philippines with nickel ore to China at \$5,300 daily. NoPac reports were elusive but a Tess 58,000 was understood to have fixed with a Japanese charterer via west coast Mexico redelivery Japan at \$5,000 daily. From Australia, coal cargoes into India were being covered basis passing Singapore at close to \$5,000 via east coast to India on supramaxes. Little was reported for the smaller sizes.

Period reporting was thin although a 45,000 dwt was reported to have fixed for two to three laden legs redelivery worldwide at \$7,700 daily. There was a rumour that a Greek owned Imabari 53 went for three to five months with redelivery worldwide in the low \$7,000s.

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