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Bulk report – Week 20 2016

Capesize

A rollercoaster this week as rates rose sharply in all areas by Tuesday but fell away by Thursday. These blips once again underline the fragility of the market with a hesitation from the charterers weakening owners' resolve. The key West Australia route reached $4.60 by Tuesday, but today saw rates for a 2-5 June 170,000 tonne 10% cargo from Dampier to Qingdao drop to $4.20. Timecharter rates too slipped with the 176,320 dwt 2011 built *Alpha Confidence* open CJK fixing for an Australian round with Jiangsu at $5,000 daily.

There was period interest and a 171,000 tonner 2003 built vessel achieved $7,400 daily from Rio Tinto with Qinhuangdao delivery for six to nine months trading.

Brazil trading was sluggish with the major shipper suggesting June cargoes have now been covered. Rates fixed were hovering in the low $8.00 range. The north Atlantic saw some active fixing earlier in the week, but from just a few charterers with the Puerto Bolivar/Rotterdam rates showing gains, but dropping once again to below $6.00 with talk of a cargo fixed on a ballaster into Ashkelon at just $5.80. Timecharter rates rumoured varied widely but were now more likely to be in the low $9,000 daily and fronthaul trips in the mid-teens.

Panamax

The focus once again was on South America with this market largely determining activity. Rates were mixed with some charterers conceding reasonable numbers for May loaders and a reasonably steady flow of new cargoes for first half of June. Rates varied depending on size and position with eco-ships still largely seeing rates near the mid $7,000s daily and $250,000 bonus. A Hudong type allegedly agreed $7,000 daily plus a $200,000 bonus from east coast South America to the East. The north Atlantic was relatively busy but much of the Baltic business has now been covered. US Gulf tonnage remained tight for prompt positions and a committed 81,000 tonner fixed from the Mississippi River to the Mediterranean with petcoke at $9,500 daily plus a $95,000-bonus basis Cape Passero redelivery.

In the East, north Pacific business was limited and here rates have eased now nearer the mid $4,000s than $5,000 daily for round voyages. Owners with tonnage in southeast Asia have half an eye to South America and as a stop-gap have been willing to take India cargoes at lower numbers, but a fair amount of east coast Australia coal into India has now been covered. An eco-kamsarmax managed $6,250 daily from Sual via Indonesia to India.

Supramax/Handysize

A European holiday on Monday for Ascension day virtually brought the market to a halt. London and a few hard working European brokers attended their desks but not many were able to contact the right principals to get something in the book. The slowness continued throughout the week, but the US Gulf sector for supramax and ultramax has been buoyant with some good levels achieved. No period fixing of note this week for the sizes 25,000-65,000 deadweight. The BDI had an active upwards start but Wednesday and Thursday both had slight losses.

A Tess 58 was linked for a fixture delivery western Mediterranean trip St Lawrence at $5,100 daily. A smaller cousin about 45,000 dwt fixed delivery Canakkale trip Persian Gulf at $8,000 daily. Brokers reported a 61,000 tonner covered delivery Norfolk trip Finland with coal at $8,850 daily, while a smaller 53,000 dwt was booked for a trip delivery US east coast for a trip redelivery east Mediterranean at $10,000 per day. The US Gulf/Far East run paid $14,500-15,000 daily for a Tess 58 type while earlier in the week a similar type only managed to secure $12,000 daily. Levels for east coast South America continued their slide south and sources reported the *Million Bell* 58,665 dwt 2011 built fixed for delivery Santos for a trip Chittagong at $7,500 daily plus a $75,000 ballast bonus. Other fixtures were talked about but no firm information was forthcoming.

In the East, a Dolphin 57,000 dwt was suggested fixed delivery Singapore prompt for trip via Indonesia with coal to China at $5,000 daily, while a larger 61,500 dwt vessel managed a higher $5,250 per day. Another Dolphin fixed the same business and rate but delivery Ho Chi Minh. Keeping with the Dolphin types another secured about $7,000 for delivery Phu My trip via Thailand to Chittagong. At the end of last week, the *Draftdodger* 66,000 dwt 2016 built fixed delivery Japan trip via China to southeast Asia at $6,000 per day.

The usual mix for handysizes with only a few fixtures coming to light. A fertilizer cargo from the Baltic to east coast South America was concluded at $6,000 daily with a 33,000 tonner while a similar vessel secured for a wider redelivery range of US east coast-east coast South America at $7,500 daily. Continent to West Africa paid $7,500 again with a 33,000 dwt vessel. XO covered a 38,000 dwt 2009 built handysize delivery River Plate trip Turkey at $6,300, with owners currently talking of few firm cargoes left in the area.

An Imabari 28 fixed delivery Taipei trip via Japan and east coast India with redelivery Singapore at $5,000 daily, and a slightly larger 32,000 tonner concluded delivery Vietnam trip via India redelivery Singapore at $4,000 daily. Overall marginal gains were made in the East for these handysizes.

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