Baltic Briefing

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Bulk report – Week 28 2016

Capesize

Rates softened from Brazil as the week closed out with reports of 1-10 August 170,000-tonne 10% cargo fixed from Tubarao to Qingdao at $9.15. For cargoes heading north rates were also low – around the upper $4.00s – but some owners were keen to relocate here as this market was firmer and disconnected from the south. A super eco fixed from north France via Seven Islands to the East at $16,800 while a ship close to the BCI ship description fixed at a flat rate of $14,750 daily for a similar trip including a Narvik/Persian Gulf option. Transatlantic activity included a 2011-built 179,000-tonner booked from Gibraltar for a north coast South American round with Gibraltar at $6,750 daily while late rumours included a younger vessel achieving higher number.

In the East, the West Australia/China rate hovered around the mid $4.00s with most of the week owners were fixing at $4.55 then dipping to $4.50, but a report that a Chinese charterer today paid $4.60 for a 29 July onwards cargo on this run. Timecharter talk included a 179,000-tonner 2015-built achieving $8,750 daily for north China delivery for round voyage.

Panamax

There was an optimistic end to the week for owners with rates in the Atlantic and Pacific basins stronger. The north Atlantic remained tight for prompt tonnage with a 2016-built 80,000-tonner fixing from Hamburg for a trip via Kokkola to the north Continent at $12,500 daily.

The Black Sea has been increasing active for grain exports with Mediterranean attracted away from ballasting towards the US Gulf or South America. A 75,000-tonner 2001-built fixed from Iskenderun via the Black Sea to the east at $13,900 daily.

The US Gulf slowed but there remained the expectation of more cargo August/September. Despite the many suggesting South America would slow rates have held with eco tonnage still seeing $8,000 daily and a $300,000 bonus for trips from east coast South America to the East.

With improving numbers in the East, many owners may consider sitting tight and not ballasting. Added to that, period rates have improved with a 2003-built panamax fixing and failing (allegedly as the charterer was out of time) at $7,000 daily for three to five months. A kamsarmax failed for eight to 11 months trading at $7,000 daily and was not said to have fixed period again in the low $7,000s. A 75,000-tonner 2009-built open South Korea allegedly went at $8,000 daily for a NoPac round. Southeast Asia rates too improved hovering around $7,000 to as much as $8,500 daily for short runs depending on the ship.

Supramax/Handysize

Supramax

The Black Sea market was this week the place to be with owners sharing a dramatic increase on levels for the supramax sizes. East coast South American and US Gulf areas lost pace, but numbers are all on the increase for Asian deliveries. Overall it was a busy week for everyone covering this sector.

Period was on the menu for a few charterers with one taking a 61,600-dwt ultramax for about 12 months at $6,250 daily. A 2007 built 52,000 tonner achieved $5,800 daily for six months delivery in the Philippines and there was talk of another similar size covered in the low $6,000's for about 8-11 months with delivery at Singapore. Rumours about a 57,500-dwt vessel having fixed in the region of $7,000 daily for 8-11 months delivery South East Asia have so far not been confirmed.

From East Coast South America an ultramax fixed to Iran at $12.000 plus $200,0000 ballast bonus. A 54,000-dwt was linked to a trip to West Africa at $10,000 daily.

The *Western Heroya* 2015 built 61,297-dwt fixed delivery Conakry trip Black Sea at $4,550. Petcoke from the US Gulf to Continent was covered at $10,000 daily with a 52,500-dwt ship.

There were a variety of fixtures from Black Sea and Eastern Mediterranean with trips Chittagong paying $12,350 for a 58,000-dwt and an earlier fixture of a 57,000-dwt went at $10,350. Brokers advised a trip to South East Asia paid $14,000 for a 61,600 tonner. Earlier in the week the same kind of ship fixed $12,750 which was a good rate at the time. Ships even started to fix delivery Red Sea via Black Sea with one achieving $6,250 daily redelivery Chittagong and another going to Singapore-Japan at $6,500 with sizes of 50,341-dwt and 53,206-dwt respectively.

Scrap from Continent to Turkey was reported at $9,500 on the *New Kosmos* 56,011-dwt built 2005.

Chinese coal and nickel ore cargoes are a plenty this week and a number of deals just kept improving on those last achieved. A couple of smaller vessels about 49,000-dwt fixed delivery Manila trip China at $8,000 daily and the other delivery Singapore trip via Indonesia to CJK at $7,000 daily.

The *Bulk Uruguay* fixed nickel ore delivery Hong Kong trip via Philippines to China at $7,250 daily.

A Dolphin 57 concluded a trip delivery CJK redelivery US Gulf at $2,900 daily for the first 65 days and the balance at $7,000 daily. Another larger vessel managed only $2,800 daily for the first 66 days with delivery South Korea.

Brokers advised South Africa to China paid $7,000 daily with a 45,000 tonner. An inter PG trip secured $5,500 daily for a 53,000-dwt 2007 built.

Handysize

This was another active week for the handy contingent and levels moving up still in Far East while the Atlantic dropped off slightly in US Gulf and East Coast South American theatres. The Continent witnessed a positive week and the Black Sea followed the larger sizes and went up but not as dramatically so far. Overall the BHSI index showed a daily plus ‘sign’ but only two points for Monday, Tuesday and Wednesday with Thursday only one point.

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