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Bulk report – Week 30 2016

Capesize

A gloomy week for the big ships with rates falling significantly in the past week. BHP Billiton fixed three cargoes on Thursday for 18 August onwards with one at \$3.85, 3.95 and \$4.00 on the key West Australia/China run. Rio Tinto allegedly had tonnage today at \$3.85. Timecharter activity slowed although a 2012 built 181,000 tonner fixed from Beilun for a round voyage at a rumoured \$6,500 daily for redelivery north China. A similarly aged 176,000 dwt vessel went at \$4,700 daily for Caofeidian delivery for an Australian round. There was some activity from Saldanha/Qingdao and charterers succeeded in trying to undercut the last done \$6.30 with Anglo American fixing a cargo at \$6.05. Brazil/China rates too dropped sharply with an unconfirmed report that a mid-August cargo fixed from Tubarao to Qingdao at \$8.50. Transatlantic activity was piecemeal with a 170,000 10% per long ton cargo for shipment from Tubarao to Rotterdam fixed four cents lower at \$4.19. A 7-11 August 160,000 tonne 10% coal cargo went at \$4.80 from Puerto Bolivar to Rotterdam.

Panamax

A disappointing week after the promise last week with rates falling across the board. Ongoing South American exports continued to play a prominent role in the market but here too rates

slipped over the week, but sources said some new business was quoted late on. Rates for standard panamaxs hovered around the mid \$7,000s and mid \$200,000 bonus, and higher for eco kamsarmaxes.

However sources suggested with spot Pacific rates coming off the South American market will be dragged down and impact on the US Gulf as more owners look to ballast.

There was fresh interest from the US Gulf but with cargoes now for September load. Here a kamsarmax (ballasting from the East) fixed for a trip to the East at \$11,000 daily plus a \$210,000 bonus. Transatlantic trading slowed significantly over the week with the longer duration rounds barely reaching \$6,000 daily. A 74,000 tonner 2001 built open Immingham reportedly fixed for a trip via Poland with Gibraltar-Skaw redelivery with some suggesting the rate could be in the low \$5,000s daily.

In the East, there was a good volume of fixing as owners dropped rates to secure cargoes before the week closed out. Rates for round voyages for standard LMES were at best in the low-mid \$5,000s and upper \$5,000s to \$6,000 daily for kamsarmaxes. An 8 year old 76,000 tonner open Chiba spot fixed a NoPac/China grain run at \$5,750 daily.

Supramax/Handysize

Supramax

It was one of the slowest weeks for some time and rates in most sectors went downhill. Brokers reported a general lack of requirement and as the market moves into August the fear of a continued slide is in the air.

One of the major charterers this week booked a London-controlled 61,000 tonner for eight to 12 months at \$7,500 daily delivery Black Sea and redelivery worldwide. Little else was reported for the longer charters this week.

From the east coast of South America, a Tess 52 was taken delivery Recalada at \$10,000 daily plus \$100,000 ballast bonus with minimum 55 days to west coast India and the *Maria*, a 2011 built 58,407 dwt took a sugar cargo delivery Santos trip to PG-Japan range at \$10,750 plus \$175,000. The US Gulf produced a few deals this week, one 55,259 dwt going to the Mediterranean with petcoke at \$8,500 daily and a larger 63,000 tonner accepting \$9,500 daily for a trip to Morocco. Allegedly a Supramax had fixed to Singapore-Japan at \$13,000 daily.

A few scrap cargoes moved from their usual Baltic loading areas to the eastern Mediterranean at rates between \$8,300 daily up to \$8,600 daily. The *JS Narmada* 2013 built 63,500 dwt covered at \$9,000 dop Constantza for a trip to South Africa redelivery Cape Town.

Reports from Asia revealed that the *Amoy Action* 2010 56,873 dwt fixed delivery Jingtang spot trip via Philippines redelivery China with nickel ore at \$6,750. The *Banos A*, a 57,000 Dolphin fixed another nickel ore cargo delivery dop Machong trip via Philippines to China \$7,500. A 51,215 dwt covered delivery Kosichang trip via Indonesia redelivery Philippines with coal at \$6,250 daily.

A smaller vessel 47,000 dwt concluded a steel cargo delivery Tianjin trip to South East Asia at \$6,500 daily. The *Million Bell* 2012 built 58,665 dwt covered delivery dop Haldia 30 July fixed for a trip via Indonesia to India at \$7,000 daily.

Handysize

This sector held up the best in the last week of July. Most days witnessed an increase in four of the six index routes. US Gulf and east coast South America were the negative areas.

The only conversation in regards to period for the smaller sizes from informed sources was about a 33,000 dwt that may have taken \$7,500 daily for an Atlantic delivery, but the full details were not discovered. With holiday time upon us some of the decision makers were unlikely not to be in their offices so perhaps period was not high on the agenda.

Details emerged that a 28,000 tonner fixed a local coastal run in Brazil at \$7,500 daily while a 35,000 dwt fixed delivery Itagui trip to Baltic at \$6,000 daily. From the Spanish Mediterranean, it was observed that a 32,739 dwt vessel fixed a trip to east coast South America at \$4,000 daily.

In Asia, the *Pan Kristine* 2011 built 33,303 dwt secured \$7,500 daily delivery CJK for a trip redelivery PG while the *Crane Island* 2009 32,155 dwt covered delivery Kashima prompt trip via CIS redelivery North China with coal at \$5,500 daily.

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