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Bulk report – Week 34 2016

Capesize

A sustained improvement for the big ships over the week and some sources suggested these improvements could hold. Rates have climbed steadily and the busy West Australia/China run gained upwards of 40 cents over the week to reach \$4.85 or even a tick more. A couple of Newcastlemaxes have been done at \$4.75 from Port Hedland to Qingdao. Timecharter rates too improved with the 2016 built 179,000 dwt *Alpha Optimism* fixing with a South Korean charterer for retroactive delivery CJK 22 August for a West Australian round at \$9,000 daily.

Improvements too were seen from Saldanha Bay/Qingdao with talk that something was possibly done at \$8.15 but allegedly a smaller size and slower load. Added to this, Brazil activity was evident from operators and from Vale with rates reaching \$9.75 for Tubarao/Qingdao and today talk of an option agreed on this run at \$10.00.

The north Atlantic has generally proved the weakest link but there remained several Puerto Bolivar/transatlantic cargoes in the market. Rates were a touch healthier for front-haul for ships open in the Atlantic with a 180,000 tonner open Gibraltar trading at \$12,000 daily versus \$13,000 daily.

Panamax

Rates fell for transatlantic cargoes in a slow week that saw a build-up of tonnage and spasmodic inquiry. There were reportedly ships willing \$5,000 daily for quick round voyages and rates agreed on voyage equating to less than that. The pace eased from the US Gulf for cargoes to the East and charterers were able to push rates lower. A 75,000 tonner 2011 built fixed for a 10-12 September cargo at \$10,000 daily plus a \$250,000 bonus for Southwest Pass delivery.

South America trading was largely flat with rates for standard Kamsarmaxes for September positions hovering around \$7,500 daily plus a \$250,000 bonus from east coast South America to the East. A well described Kamsarmax was today reported at \$7,900 daily plus a \$290,000 bonus for 10-15 September delivery on this run.

Despite active fixing in the East, rates remained flat as charterers drip fed cargoes into the market. A clear out of orders over the course of the week has left some prompt tonnage facing challenges in the north. A 2004 built 76,700 tonner spot Ulsan went to Glencore for a NoPac round with grain at \$5,375 daily. Rates for Kamsarmaxes in China for Indonesia round were hovering around the low \$5,000 daily.

Period rates for Kamsarmaxes remained in the low \$6,000 daily range. However, a 77,000 tonner in the East agreed nine to 11 months trading at \$6,250 daily.

Supramax/Handysize

Supramax

A positive week for most of the Indices and brokers were still talking markets up in Asia and the Black Sea. Continent and US Gulf theatres were still relatively good but a lack of fixtures reported was noticeable. Period did not seem to be high on many charterers' lists but a 56,000 tonner open in Fujairah confirmed \$6,600 daily for four to six months. An Index deal was secured by a 63,608 dwt vessel built 2015 delivery Bangladesh for 10 to 12 months at 112 percent of the BSI index. In Asia two 56,800 dwt vessels found period cover for seven to nine months at \$6,750 and eight to 12 months at \$6,100 daily.

A 63,500 dwt built 2015 concluded delivery Brazil for a trip to east coast India/Bangladesh range at \$10,350 daily plus \$140,000 ballast bonus while a smaller 52,000-tonner managed to obtain \$10,000 plus \$100,000 for delivery Rio Grande for a trip with redelivery India-Japan. A 59,000 tonner fixed delivery US Gulf trip Peru-Chile at \$15,000 daily. Sources said a Dolphin

57,000 dwt secured \$10,500 daily basis delivery Immingham for a trip via Baltic to India. A scrap cargo Baltic to Portugal was covered at about \$9,000 daily with a 50,000 dwt vessel.

Brokers advised a 46,667 dwt fixed delivery Canakkale trip to West Africa at \$10,250 per day.

In Asia levels just kept improving. Indonesian coal to China was a big feature with a 63,000 dwt securing \$7,300 delivery Kohsichang, a 57,600 tonner \$8,000 delivery Xiamen and a 57,700 dwt \$7,800 delivery Singapore. Brokers reported a 55,338 dwt 2005 built ship fixed delivery CJK for a trip to East Africa redelivery passing Maputo at \$6,000 for the first 60 days and \$7,500 for the balance. A 52,000 dwt was alleged fixed delivery Far East for a trip to the US Gulf at \$4,000 daily with an expected escalation.

The usual nickel ore cargoes were also on the broker list of fixtures this week. One 52,000 tonner covered basis delivery Tieshan for the trip via Philippines to China at \$7,000 daily while another was taken at \$7,500 per day delivery Dongguan. NoPac and Australian round voyages were being covered at levels between \$7,000 up to \$8,000 per day.

Handysize

Overall better rates paid from Asia and the Continent with the US Gulf and east coast South America still not performing as well.

A 38,056 dwt fixed delivery Recalada to Baltic at \$6,750 daily. Another vessel, about 30,000 dwt, was confirmed taken basis delivery Recalada for a trip to north coast South America with Cargill at \$5,500 daily. Allegedly a 35,000 tonner covered a trip via the Black Sea and the Red Sea with redelivery Port Said at \$8,000 daily while a similar sized ship agreed \$9,000 daily delivery Icdas trip to West Africa. Sources disclosed a 28,000 tonner was booked delivery Abidjan for a trip to India at \$8,500 daily.

The Emma Bulker 2010 built 31,887 dwt fixed delivery Changzhou for a trip Port Hedland at \$5,300 daily. P.G. to China went at \$3,000 daily with a 33,000 tonner. A granite cargo was shipped on the Teng Hang 35,022-dwt built 2011 accepting delivery Kandla at \$5,500 daily for trip to east coast India.

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