Baltic Briefing

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Bulk report – Week 35 2016

Capesize

A positive end to the week as BHP Billiton fixed a 17 September onwards 170,000 tonne 10% cargo from Port Hedland to Qingdao at $4.80 and $4.90. Rio Tinto having fixed overnight at $4.55 for Dampier has also now paid $4.80. Timecharter rates were also firmer with 180,000 tonnes now fixing around the mid $8,000 daily range for round voyages to the East. Added to this there were more Brazil cargoes and rates moved to around $10.00 for Tubarao/Qingdao with rumours over whether this level was concluded but likely a timecharter equivalent. There was said to be a touch more activity further north but the rate for Puerto Bolivar to Rotterdam was still hovering near the high $4.00s. There was talk of a ship fixing on timecharter from Brazil to turkey at $5,000 daily with MOL and K-Line also reported fixing from Brazil to the Continent or Mediterranean.

Panamax

Owners with prompt tonnage in the North Atlantic looking for round voyages continued to struggle with voyage rates once again showing very low timecharter returns. Owners faced rates of under $5,000 daily unless very well described. Trading was sluggish from the US Gulf, especially fronthaul, although a thirsty kamsarmax failed with a grain house for the run east via the Cape of Good Hope at a low $8,500 daily plus a $250,000 bonus. A 76,000 tonner fixed today from east coast South America to the East for mid- September in the low-mid $7,000 and a low-mid $200,000 bonus.

Spot tonnage faced challenges in the East as rates fell over the past few days. Some talked of more inquiry for second half September and owners were trying to resist any further falls, but the market needs a fresh injection of new business. A 74,000 tonner spot China agreed $4,600 daily for a trip via east coast Australia to India. NoPac trading has been scarce and rates around $5,000 daily and over were largely only for modern eco kamsarmaxes. Period trading has been discussed and some limited business done but standard panamaxes were slightly more than rates in the mid $5,000s for short periods.

Supramax/Handysize

Supramax

A short week with the UK bank holiday last Monday making it a very slow start.

Atlantic started to pick up again with some better rates witnessed from the US Gulf and east coast South America. Asia remained a positive area with rates still holding. Period featured with a few charterers taking cover and one 63,488 dwt managed obtain $7,700 daily for six to eight months delivery north China, and a similar size went at $8,000 for five to eight months. A Tess 58 concluded four to six months period at $7,250 daily with delivery Shanwei. There was additional talk that Index related deals are being discussed for the ultramax sizes.

Rates from Santos and Recalada were hovering around the $10,000 to 10,750 daily mark with ballast bonuses of about $100,000-150,000 paid for various destinations between PG-Japan range. The *Bittern*57,809 dwt built 2009 fixed delivery Recalada trip to Skaw-Passero at $9,500 daily and reports that a 47,186 dwt vessel confirmed $7,250 daily for trip into the Mediterranean. A US Gulf to Continent with wood pellets paid $14,000 daily with the *Atlantic Island* built 2014 61,311 dwt. US Gulf to Singapore-Japan was being talked with rates about $15,000-16,000 daily but no fixtures so far being completely confirmed. Scrap from Aalborg was covered with a 63,235 dwt vessel at $11,000 daily for a trip into Turkish Mediterranean while a smaller 54,000 tonner secured $9,000 for the same trip basis a Rotterdam delivery.

Asia levels were fixing around the $7,500-8,200 for coal cargoes giving delivery Singapore trip via Indonesia to China with the usual 57,000 tonners. Nickel ore was another cargo being moved and one 58,000 dwt built 2012 built was reported fixed delivery CJK for a trip via Philippines back to China at $7,750 daily.

Three other shipments secured only $6,700, $6,900 and $7,000 daily while a Tess 58 managed to hit as high as $8,500 daily.

Handysize

Hardly any change on the BHSI this week. The Atlantic for all four routes dropped marginally on Thursday. Brokers were not willing share much information on these sizes as usual and nothing reported for period.

A Danish charterer took the 32,787 dwt *Mel Vision* for a pig iron cargo delivery Skaw via Baltic to ARAG at $7,750 daily. There were unconfirmed reports about a 34,000 tonner having fixed delivery US east coast for a trip to Brazil at about $6,100 daily. A 37,000 dwt was said fixed at about $7,500 daily delivery Port Arthur trip to French Mediterranean with petcoke. Rumours a 39,000 dwt was covered delivery east coast South America to Black Sea at about $8,750 daily. Sources reported a 38,000 dwt basis delivery US Gulf trip to west coast South America at about $10,250 daily. In Asia a 28,000 dwt was said fixed delivery Japan trip to Hong Kong at $8,000 daily. A 34,000 tonner fixed inter PG business at $5,000 daily.

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