

BalticBriefing

Baltic Exchange member news, views and events



Bulk report – Week 36 2016

Capesize

An upbeat finish to the week with some heralding and early start to an anticipated stronger fourth quarter. The more cautious were simply hoping that any correction would result in a gentler fall in rates and not to previous lows. Holidays in Singapore on Monday and China at the end of the week could prove a test of nerves. An active Brazil market with fewer ballasters saw rates improve and charterers look to Atlantic ships for their cargoes and in turn impacting on north Atlantic rates. More cargo from Colombia too resulted in improved numbers. Rates for first half October 170,000-tonne 10% cargoes from Tubarao to Qingdao were now nudging \$12.00 with rumours of \$11.80 paid today. Colombia/Rotterdam coal rates hit \$6.00 this week while a 2015-built 181,000-tonner coming open Skaw 19 September was rumoured to have fixed a round voyage at close to the mid \$8,000 daily range but possibly for a quick Narvik round.

In the East, West Australia/Qingdao was again active and rates climbed steadily over the week with a rumour today that a prompt cargo fixed from Port Hedland to Qingdao at \$5.70. Timecharter rates too improved significantly with a well described two-year-old 182,500-tonner fixed from Jintang for a West Australian round at \$12,550 daily.

A cargo was fixed on voyage basis this week from Australia to Rotterdam at an improved rate, with the rate equating to near \$5,000 daily, but details were kept under wraps.

Panamax

North Atlantic tonnage faced tougher trading this week with transatlantic business in short supply and for average panamax rates struggling to hold in the mid \$4,000 daily or \$5,000 for quick Baltic round voyages. The focus has been on fronthaul with a touch more activity from the US Gulf with rates for 74,000-tonners in the low \$10,000s and low \$200,000s bonus for mid-September cargoes. South American business continued to tick over with rates for well described kamsarmaxes still near \$8,000 daily plus a \$300,000 bonus from the east coast to the Singapore-Japan range.

The East has seen increased activity with a clear out of early ships and more NoPac and Australia cargo with the latter possibly benefitting from an improved capesize market. A Japanese-controlled kamsarmax fixed from Kobe for an Australian round at an improved \$6,750 daily. Rates for Baltic panamax types were generally coming closer to the mid-high \$5,000s daily for delivery Japan for NoPac rounds.

Period fixing was in evidence and with longer term deals agreed. A grain house booked a 2016-built kamsarmax for China delivery for a year at \$7,000 daily with an option of a further year at \$8,000 daily and a 2012-built kamsarmax from the same stable from Taichung for similar options at \$6,500 daily and \$7,000 respectively.

Supramax/Handysize

Supramax

A slow start to the week with Labour Day celebrations in the US and less activity in the Pacific.

In the Atlantic, a standard 57,000-tonner fixed at \$10,250 daily plus \$130,000 ballast bonus basis east coast South America delivery for a trip to the East. A 63,000-dwt was reported booked mid-week from the US Gulf for a trip to Spain at \$12,000 daily and a smaller vessel open in the same area was reportedly paid \$8,000 daily for the run to south Brazil. Two scrap cargoes were covered at mid \$8,000s and \$9,000 daily from Continent to the east Mediterranean. Grains secured a level in the low-mid \$9,000 daily inter Baltic.

Rates from north China climbed as high as \$6,000 daily for steel to Southeast Asia. Two supramax types open south China were booked to load sand at \$6,100 and \$6,500 daily for trips redelivery Singapore. Coal runs from Indonesia to China ranged from \$9,000 daily on an

ultramax at the beginning of the week to \$7,000s on smaller tonnage giving Singapore delivery. Nickel ore stems were currently fixing at low to mid \$7,000s basis Southeast Asia delivery or about \$6,000 to \$7,000 daily basis north China to CJK range.

Short period fixtures maintained similar levels towards the end of the week. A 57,000-dwt open CJK and a Tess-58 open Vietnam managed to fix at \$7,000 and \$8,000 daily respectively. Another 58,000-dwt was fixed around \$7,000 daily for three to five months with PG delivery. There was talk of an ultramax fixing and failing delivery Damietta for 12 to 20 months at \$8,000 daily.

Handysize

A very uninspiring week within this sector and the BHSI moved down a few points every day. Brokers talked of more tonnage than requirements with the upcoming week likely to be slow.

There was talk of handysizes fixing east coast South America to the East in the region \$7,500-8,000 per day. Sources said a 37,500-dwt secured \$6,500 daily delivery Recalada for a trip to the Continent and on the return a 38,000-tonner was covered at \$6,250 delivery Continent with redelivery Brazil. Rumours circulated of a handy fixed delivery Safi for trip Brazil at something in the low \$5,000s. Another Imabari 28 fixed delivery Milos for a trip to the Egyptian Mediterranean at \$6,500 daily. A 37,000 tonner rumoured at \$8,750 daily for delivery Canakkale for a trip to the US west coast.

In Asia a 33,000-dwt was taken at \$6,600 daily delivery China for a trip to west coast India and another similar size was reported covered delivery CJK trip for trip to South Australia with steels and project cargo at \$4,500 daily for the first 30 days with \$6,000 for the balance. Very little else was reported.

A 38,000-dwt vessel was said fixed delivery Durban for a trip to Singapore-Japan at \$7,000 daily.

For daily dry bulk assessments from the Baltic Exchange please visit

www.balticexchange.com/market-information/