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Bulk report – Week 37 2016

Capesize

The sudden dip in physical rates this week was largely seen as a mid-week blip with then some aggressive moves to drive rates down, but as the week closed the market bounced back and this despite the Asian holidays. Today the market pushed up with still a significant volume of business to be done.

In the East, the major shippers from West Australia were largely in evidence most of the week and on the run to China rates dropped mid-week to \$5.05 and early today regained significant ground to hit \$5.75 with owners wanting in excess of \$6.00. There was a report earlier of a 187,000 tonner 2015 built fixing from north China for a West Australian round at \$15,000 daily but there was much debate on the actual rate agreed. Today a 2011 built 175,000 tonner open Jingtang fixing an Australian round at \$11,500 daily.

In the Atlantic, the Tubarao/Qingdao rate dropped from the upper \$11.00s at the end of last week to rumours of a tick under \$11.00 concluded mid-week albeit with a ship hit by the Hanjin bankruptcy, but today rates talked were back up in the high \$11.00s.

A similar pattern further north with a CCL vessel fixed for a 13 October onwards 160,000 tonne 10% cargo from Puerto Bolivar to Rotterdam at \$6.15.

Panamax

Rates largely drifted slightly lower in most areas with so far the US Gulf and east coast South America front haul showing the most resistance. However, with the cargo volume thinner from the latter area some ballasters were continuing on further north adding to the competition in the US Gulf. Limited transatlantic business saw rates slide from South America to the Continent. Some owners with ships near the Cape of Good Hope took the option of fixing a quick trip from Kamsar rather than opt for the longer trip from South America. Rates on offer were similar with one ship fixed aps Kamsar to the Continent at \$6,000 daily. There was a touch more transatlantic activity further north but rates softened with transatlantic rounds worth little more than \$4,000 or the low \$4,000 daily for the BPI type.

US Gulf rates to the East were still hovering around the low-mid \$10,000s daily plus low-mid \$200,000 bonus for standard kamsarmaxes and similarly around the upper \$7,000s and upper \$200,000 bonus for trips from east coast South America.

In Asia, major holidays curtailed fixing but here the key activity switched to the north with NoPac grain in evidence. A 2013 built kamsarmax open spot Nansha fixed earlier this week for NoPac round at \$6,500 daily while a 2004 built 73,300 tonner open Mizushima went at a rate in the low \$6,000s daily range. Brokers said there remained a fairly healthy list of inquiry but the list of prompt ships too continued to grow.

Supramax/Handysize

Supramax

A mixed bag this week with upward pressure remaining for prompt vessels open east coast South America whilst other areas such as the Black Sea and the US Gulf performing less well with a lack of enquiry and build-up of vessels. A 61,000 dwt was fixed basis delivery Paranagua for a trip redelivery Continent at around \$9,250 daily. For trips from east coast South America to south east Asia and the Far East, a 57,000 dwt was reported booked basis delivery Santos for a trip with sugar redelivery Chittagong for a minimum of 65 days at \$10,400 daily plus \$130,000 ballast bonus.

A longer tonnage list in the east Mediterranean saw rates ease and a 56,000 dwt was fixed basis delivery Canakkale via the Black Sea redelivery Singapore-Japan at approximately

\$9,500 daily. From the Continent owners fared a little better with a 55,000-tonner achieving \$13,900 daily from Bremen for a trip via the Baltic redelivery India at \$13,900 daily.

Overall a slow week in the Pacific as holidays for most of the week in some Asian countries. A large ultramax was paid a rate in the high \$7,000s basis Singapore to move coal from Indonesia to China. Rates were in the low to mid \$6,000s level on smaller sizes on the same route. With the same delivery position, mid-high \$7,000s was reported on a 56,000 dwt for a trip to India at the end of the week. For nickel ore stems from the Philippines to China, a Tess 52 type fixed \$5,500 daily and a Dolphin 57 type fixed \$6,300 daily both with delivery south China. A 56,000 tonner open CJK area was booked for a trip via NoPac to the Far East at mid \$5,000s. Rates for longer duration routes from north China to west Africa ranged from low to high \$4,000s basis a 65-day duration and \$6,500 to \$7,000 daily for the balance.

Period trading was a little slow but rumours emerged that a 56,000 tonner open in the East was fixed for a short period at \$7,750 daily and a 58,000 dwt open west coast India was also covered on short period at \$6,800 daily.

Handysize

There were public holidays in many parts of the world this week, but the BHSI had a fairly stable time and overall moved very little, with south east Asia routes faring better than those in the Atlantic.

A 30,000 dwt was fixed basis delivery east coast South America for a trip to the Continent at \$5400 daily. Later in the week a sugar cargo was reported covered on a 37,000 dwt basis delivery Santos for a trip to Puerto Cabello at around \$6,000. Little was reported fixed from the Continent and brokers commented that with a lack of enquiry, pressure remained on the owners.

From Asia at the beginning of the week, a 32,000 dwt reportedly fixed basis delivery China trip redelivery India at \$8,000 daily. A small handysize was said fixed to move bagged rice from Thailand to West Africa in the low \$20.00s on voyage basis. Brokers commented that with the Chinese long weekend charterers had to pay firmer rates to cover their positions prior to the break.

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