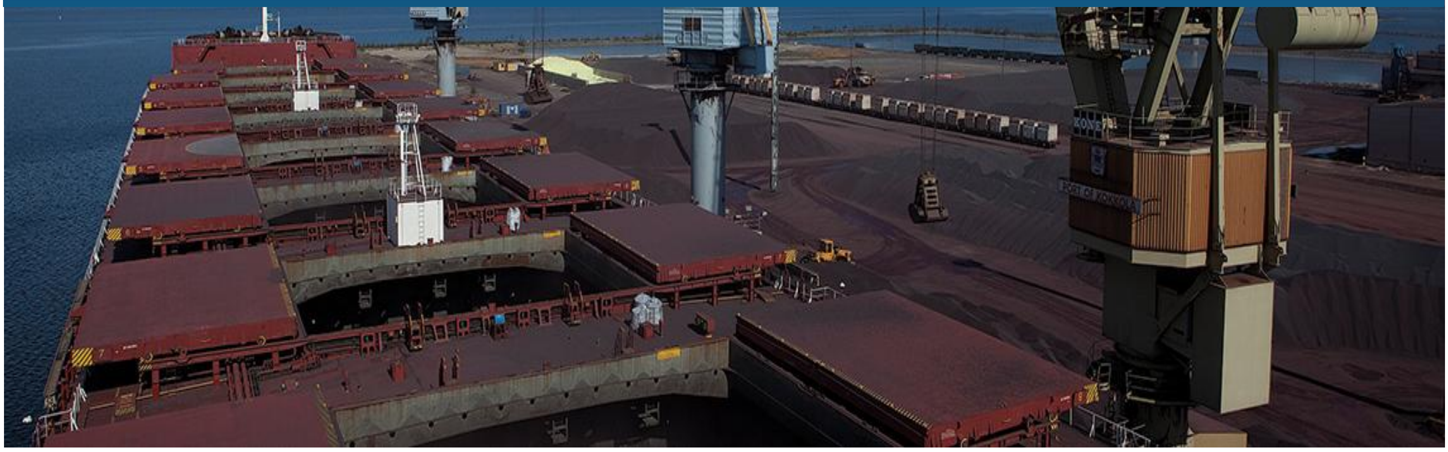
Baltic Briefing
Baltic Exchange member news, views and events



Bulk report – Week 38 2016

Capesize

Quite an active week as rates firmed up on all the routes every day. The Pacific rally initially seemed to be due to bad weather affecting vessel's positions but the demand continued throughout the week, even after various prompter liftings were covered at higher levels. By the end of the week rates were in the region of $6.45 for Dampier to Qingdao which Rio Tinto fixed on the Marigo P (178,923-dwt, 2016-built) and CCL tonnage basis 8/10 October loading.

ArcelorMittal were said to have paid $13.50 for CCL tonnage for their 165,000 10% coal cargo from Hay Point to Gijon and Rotterdam and Dunkirk, whereas earlier in the week Tata fixed the Mineral Beijing (174,083-dwt, 2004-built) for Haypoint to Ijmuiden at $10, although clearly this was a single port discharge.

The T/C levels reflected a similar improvement with Caravel fixing the appropriately named Alpha Optimism (179,299-dwt, 2016-built) for an Australian round voyage at $19,000 daily, with brokers commenting this vessel is a very economical consumer.

The Atlantic became increasingly tight for tonnage and showed considerable improvement, recently K-line fixed the SwissMarine vessel China Progress (174,322-dwt, 2006-built) delivery Amsterdam spot for a trans-Atlantic round voyage at $13,500.

For Atlantic ore to China, the Sunlight (172,572-dwt, 2000-built) open spot in south Brazil fixed with SwissMarine basis 5 October loading at $12.50, and Noble fixed a Classic Maritime newcastlemax for CSN to Qingdao at $13.45. Whilst Rio Tinto were said to have covered their Seven Islands to Qingdao mid-October cargo on Oldendorff tonnage at $14.75.

Overall, the 5TC average moved from $10,929 last Friday to $15,301 yesterday, which is up $4,372 i.e. about 40% increase. It remains to be seen where the market goes next week.

Panamax

An improved week for this sector with a daily increase in the BPI. Sentiment remains strong going into the last few days of September and brokers talk of a lack of tonnage in some areas, combined with possible Cape cargoes being split, was also assisting the panamax owners.

Ships ballasting into east coast South America were achieving levels of around $8,000 daily plus $300,000bb basis 82,000-dwt sizes for trips back to Singapore/Japan. Brokers reported a smaller, older vessel of 72,465-dwt, 1998-built, securing $7,700 daily plus $270,000 ballast bonus for delivery River Plate to Iran with redelivery Muscat. One owner managed to fix his kamsarmax delivery Dahej for a trip via Plate to Singapore-Japan at $7,000 daily.

A 75,000-dwt was covered delivery Jorf Lasfar 25/28 September dates for trip via Barcarena redelivery Japan at $9,900 daily to a grain house. Rates also picked up from US Gulf with front hauls for the kamsarmax sizes at the end of the week now going in the region $11,000 daily plus $320,000 ballast bonus.

In Asia, NoPac rounds were fixing at levels of $5,250 for 75,000-dwt and $6,500 daily for an 80,800-dwt. Sources advised a 93,000 tonner secured $7,000 for an Australian round voyage with delivery and redelivery in China.

Supramax/Handysize

Supramax

The Atlantic side started quiet with more activity towards the end of the week while the Pacific market kept firm especially for vessels open in north China to CJK area.

A Dolphin 57 was covered basis delivery Hamburg for a trip to east coast South America at $6,250 daily for the first 45 days and the balance at $8,250 daily. Two ultramaxes open Baltic-Continent both fixed to east coast South America at $7,500 and $7,300 daily respectively in the middle of the week.

A 54,000-dwt was taken from Canakkale to PG at $12,250 daily. Rates from US Gulf to India direction were seen at high $11,000s on a 57,000-dwt.

At the beginning of the week a Tess 58 type achieved $7,100 daily delivery Singapore for a trip via Indonesia to China, later in the week a vessel of similar size fixed $6,000 daily but basis delivery Kohsichang for the same route.

Nickel ore stems from the Philippines had been fixing in rates around $6,750 level with south China delivery to China.

Steel fixtures reportedly booked at $6,300 daily with north China delivery to southeast Asia. Ultramaxes to India fixed at $8,500 daily basis Singapore and $7,600 daily basis Thailand. A longer duration trip was fixed on a Dolphin 57 to US Gulf in the low-mid $3,000s for the first 65 days and $7,000 daily for the balance.

Period fixtures included a 63,000-dwt delivery Kohsichang fixed for four to six months at $7,350 daily, and a 56,000-dwt delivery Vietnam fixed for five to seven months at $6,750 daily, and a 58,000-dwt delivery Fujairah fixed for two to four months at $6,000 daily.

Handysize

A balanced week with brokers in this sector keeping busy for all deliveries. Overall some better rates being paid for Asian cargoes and tonnage demand seems to be improving. Talk about levels trying to push forward for east coast South America and Black Sea so far could not be substantiated. No period activity reported this week except a 34,274-dwt was allegedly on subjects agreeing delivery Penang for two to three laden legs at something in the region of $6,750 daily.

A 35,000-dwt covered delivery Baltic for a trip to the US Gulf at $5,500 daily for the first 45 days and $7,200 for the balance, the same level as covered last week on a 37,000 tonner. A steel cargo was taken on the Atlantic Laurel 2012-built 33,271-dwt at $6,250 daily basis delivery Canakkale trip via Black Sea to Egyptian Mediterranean. Other vessels of similar size were also fixing around this level and up to $6,500 for inter-Mediterranean trading.

An Imabari 28 type was reported fixed at $6,500 delivery Sea of Marmara for business to the Continent. Whilst Recalada to Continent paid $6,000 daily this week on a 36,000-dwt vessel.

In Asia, brokers reported the IVS Knot 33,143-dwt 2010-built secured about $7,300 daily delivery Makassar trip via west coast Australia with concentrates to China. It was suggested a 34,000-dwt vessel was taken delivery Far East for a trip to Bangladesh at $9,000 daily.

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