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Bulk report – Week 40 2016

Capesize

A surprisingly busy week for the big ships despite the Chinese holidays, as owners and operators showed resistance at the start of the week that reaped rewards at the close. The Atlantic market led the way where increased interest highlighted the often limited amount of tonnage available. Rates soared for transatlantic runs with the *York* 2015 built from Immingham 15 October for a round at \$17,000 with Cargill. The *Anangel Future* 2015 built 179,000 tonner achieved \$24,000 daily from Hamburg 22 October for a trip via Narvik to the Persian Gulf with Oldendorff. On the run from Tubarao to China rates clocked in the mid to high 12.00s. The East saw a significant volume of fixing with the West Australia to China rate gaining 60 cents from mid-week to close out around \$6.20. Most of the major Australian shippers were active in addition to several operators.

Panamax

More activity for panamaxs as the week drew to a close with rates largely steadier. The Atlantic saw a touch more transatlantic business but rates for standard panamaxs were still short of the mid \$5,000s daily range. Fronthaul activity was limited from the north but there appeared to be some action from the US Gulf where trip east rates for kamsarmaxes were

hovering around \$10,750 daily plus a \$275,000 bonus, but some put the rate a touch lower. East coast South America continued to feature albeit at a slower pace with well described ships allegedly fixing at over \$8,000 daily and \$300,000 bonus. There were those cautiously optimistic for the Chinese return to work.

In the East there was some optimism generated on the back of the capesize upturn, but this was mainly for the post panamax where some were seeing \$7,500 to \$8,000 daily for coal rounds. There was a tick more interest for NoPac cargoes but little movement so far in rates. A grain house was said to have vessel on subjects for a NoPac round at a rate in the mid \$5,000s but little else emerged.

Supramax/Handysize

Supramax

The week began with holidays in Germany, Korea, Australia and China. India joined the queue at the end of the week and these all lead to minimal movement.

There was some period activity reported basis various delivery points in the world. Western Bulk took a 55,000 tonner basis Abidjan delivery for about three to five months period at \$8,500 daily. Cofco covered a 56,000 dwt open CJK at \$6,000 daily for about eight to 12 months trading with intention of clinker to West Africa as the first leg. Bunge was linked to a 52,000 dwt delivery east coast South America for duration of minimum 90 days up to about five months at \$8,500 daily. An ultramax type open Karachi was fixed for about five to seven months trading at \$7,500 daily. Finally a Dolphin 57 vessel with delivery SW Pass in late October was linked to Clipper at \$8,900 daily for about three to five months trading.

In general, the time-charter rates for US Gulf delivery strengthened however for vessels open West Africa and Canakkale levels were a shade weaker.

A 63,000 dwt ultramax was fixed at \$9,000 daily for the US Gulf to Continent – possibly the intention is petcoke. A 58,000 tonner did \$13,250 daily also for US Gulf loading but with Singapore-Japan redelivery and around \$12,000 level was done on a trip to India. A supramax of smaller size open Douala reportedly booked for a trip to Black Sea at \$5,750 daily and a 58,000 dwt delivery Canakkale was fixed for a run via Black Sea to South Africa with grain at \$9,300 daily.

A quiet week in Asia and the rates for major routes did not fluctuate much. A 61,000 tonner open Indonesia was reported to have achieved \$8,000 daily for coal to China. A 60,000 dwt

was fixed with east coast India delivery at \$6,000 for a round trip via Indonesia back to India. Mid \$6,000s numbers were heard on a 57,000 dwt with delivery Japan for CIS to southeast Asia coal.

Handysize

A relatively flat week across all routes with the indices, at the time of publishing, dropping at the princely rate of two points a day.

The Atlantic remained the busier of the two basins, with holidays in China during the week. Pressure remained on rates achievable from east coast South America where a 37,000 dwt was taken by a large grain house basis delivery Recalada for a trip to Continent/Black sea range at \$4,750.

Things looked a little more positive from the US Gulf, a 35,000 dwt was fixed for a trip redelivery Japan at \$8,750 daily. A mixed bag from the other side of the 'Pond'. The Continent remained very quiet with little being reported and discussed, however a 32,000 was rumored fixed for a trip delivery Skaw via the Baltic to east Mediterranean with sawn timber at \$7,250. From the east Mediterranean a 37,000 dwt was fixed for a trip to West Africa at \$9,000 daily, whilst earlier in the week a 46,600 dwt was fixed basis a trip via Black Sea redelivery Tunisia at \$6,750.

From Asia, with the main holiday in China, activity centered around south east Asia and Indian Ocean. A 29,000 dwt was fixed basis delivery west coast India for a trip via Bangladesh redelivery passing Singapore at \$5,000 daily. A 30,000 dwt was heard fixed for a trip via the Persian Gulf to east coast India at \$6,500 daily. Otherwise very little was heard. A bit of activity on the period front where a 37,000 dwt open West Africa mid-October was for taken for minimum 45 days up to 11 months trading with options at \$4,250 daily for first 45 days then \$6,500 daily for the balance period.

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