

BalticBriefing

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Bulk report – Week 49 2016

Capesize

Hopes that the recent firm rates would be maintained until at least the end of the year were dashed as the week closed out. A few days of mayhem as owners scrambled for cover over the Christmas/early January saw rates slashed in Brazil and West Australia. Activity from Brazil slowed significantly, culminating in a 5-10 January 170,000-tonne 10% cargo fixed from Sudeste to Qingdao at \$11.00 with this route commanding a premium over Tubarao. The north Atlantic market remained slow for most of the week with very little activity. An economical 180,000-tonner fixed mid-week from Gibraltar 18-19 December for a trip via Ponta Da Madeira to Rotterdam at \$13,000 daily with this being a rate not repeatable today. However, there remained few ships open in the Atlantic and sources suggested it would take only a slight increase in demand to push rates back up.

In the East, there was a report FMG secured a ship for 23-25 December to move a 160,000-tonne 10% cargo from Port Hedland to Qingdao at \$5.25 – down one dollar from last done the same time last week. The 2015-built 182,000-dwt Red Cherry fixed earlier from Japan 12-14 December for a West Australia round with MOL at \$12,500 daily.

On the Saldanha Bay/Qingdao run the rate here dropped to \$8.00 for a 1-3 January 170,000-tonne 10% cargo.

Panamax

A bullish market for most of the week especially in the Atlantic but trading has now slowed and there was the sense that rates topped as a softer sentiment affected rates. A tight supply of tonnage in the north Atlantic and buoyant demand kept rates high with a 76,400-tonner open Oxelosund reportedly fixed earlier this week for a quick Baltic round with Gibraltar redelivery at \$31,000 daily. However demand has now tailed off and rates look set to ease. From the US Gulf, a 2014-built Kamsarmax fixed from Southwest Pass for a trip to the East via the Cape of Good Hope at \$14,500 daily plus a \$450,000 bonus. Charterers have been sourcing tonnage in the East for US Gulf cargoes which will keep a cap on rates.

In the East, a Kamsarmax open Dafeng fixed for a NoPac round at \$8,750 daily and sources said at the start of the week similar tonnage was seeing \$10,000 daily.

As spot rates slipped, period charterers retreated from the market. A 79,000-dwt 2012-built vessel open mid-China fixed and failed for seven to nine months at \$9,000 daily and today sources said there was little interest for this type of period even around \$8,500 daily.

Supramax

Overall a positive-moving week on most of the routes in the Atlantic while the market in the East seemed to start softening. An Ultramax of 63,000-dwt open west coast Central America was fixed at \$19,000 daily for a trip to India-Japan range. A 56,000-dwt 2006-built delivery in Mississippi River was booked for a trip with grain to the Caribbean at \$17,500 daily. A 57,000-dwt from the US Gulf was taken for two laden legs with Atlantic redelivery slightly over \$20,000 per day. A 55,000-dwt 2012-built was fixed to South America at \$18,000 daily with SW Pass delivery.

The Pacific market appeared to be slowing down with fewer stems from Indonesia this week but the Persian Gulf Area remained strong. The rate for a standard load via Indonesia was reported at \$6,000 daily basis south China delivery to Thailand, and \$7,250 daily basis Indonesia delivery to China. A 66,000-dwt 2014-built open in the Gulf was reportedly paid for a trip to the Far East at \$13,750 daily. A 55,000-dwt 2016-built open west coast India was fixed at \$12,000 per day for a trip via Iran to China.

More period fixtures had been reported this week as a trend in view of the upcoming holiday seasons. A 57,000-dwt 2011-built was covered for four to seven months with Savona delivery at \$12,500 daily. A 53,000-dwt 2009-built delivery Barranquilla was fixed for three to six months at \$14,000 daily. An Ultramax newbuilding from shipyard in Japan was booked for three to five months at \$7,000 daily and a Chinese controlled Dolphin 57 was fixed for four to seven months at \$6,700 daily basis Singapore.

Handysize

The market just kept improving for this sector. Asia has not been as exciting with minimal action and rates virtually at a standstill. The opposite was said for the Atlantic, especially the US Gulf which was very strong. On the period side, two modern 39,000 tonners were booked basis delivery US Gulf for minimum four to about six months charter with redelivery Atlantic at \$11,000 per day. Sources advised the Centurius 33,647-dwt built 2011 was taken for two to three laden legs redelivery Atlantic at \$8,500 with a Tarragona delivery.

A 32,000-dwt was concluded for a trip delivery French Bay to West Africa at \$11,000 daily and an Imabari 28 was reported fixed delivery Ghent trip to West Coast Mexico at \$11,500 per day. Brokers reported the Gea 33,562 dwt built 2005 was covered delivery dop Casabanca for a trip via US Gulf with grains redelivery Puerto Quetzal-Caldera range at \$9,500 daily. In the eastern Mediterranean 28,000-tonners were fixing at about \$8,000 per day for trips via the Black Sea back to the east Mediterranean while a larger 33,000-dwt achieved \$10,400. Another 28,000-tonner went to the Continent at \$8,250 and a 24,000-tonner accepted \$8,500 for the same trip. This week witnessed a 30,465-dwt vessel fixing at \$11,000 per day delivery Vitoria for a trip to the Caribbean.

A steel run inter Persian Gulf concluded at \$5,100 daily with a 33,100-dwt vessel while a 34,000 tonner accepted \$7,500 delivery Persian Gulf to China at \$7,500 daily. An inter Asia trip was fixed and failed at \$6,000 per day with a 33,000-tonner.

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