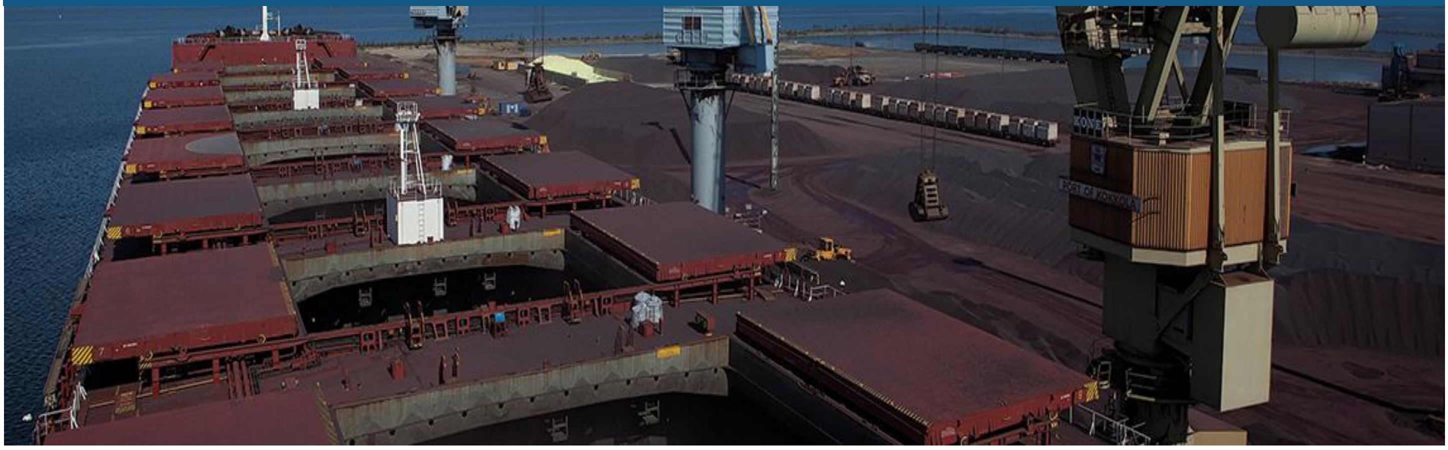
Baltic Briefing

Baltic Exchange member news, views and events



Bulk report – Week 50 2016

Capesize

The gloomiest of ends to the year looming large for the big ships with rates dropping sharply in all areas. In the Atlantic, the coal run from Puerto Bolivar to Rotterdam fell to $6.00 for 1-10 January while a 181,000-tonner open Port Talbot fixed for a transatlantic round at $9,500 daily. However, there was just a glimmer of hope here with Atlantic tonnage still tight and it would not take much fresh inquiry to halt the slide. Front haul rates were also lower today with reports that a SwissMarine vessel fixed a cargo from Port Cartier to Kashima for December-January with the rate said to be under $14.00 despite earlier reports suggesting $14.75 was agreed.

Rates also took a hit from Brazil to China with one of the major charterers pushing to fix under $10.00 but with the market weak and bunkers values up fewer ships have headed off in ballast and some were said to be talking in the high $10.00s for nearby ships.

In the East, the key West Australia/China rate dropped under $5.00 for early January tonnage with Rio Tinto and BHP Billiton fixing around $4.95. Timecharter rates slumped with a 177,000-tonner open Zhoushan fixing mid-week at $5,100 daily for a trip via east coast Australia to north China.

Panamax

The bull run for Panamaxes particularly in the Atlantic came to a halt as the week drew to a close with owners now seemingly prepared to drop rates substantially to cover the festive period and into the New Year. Some described the cuts as ‘brutal’ – today a 2013-built post-Panamax fixing from Gibraltar 26-30 December for two to three laden legs within the Atlantic at $7,500 daily. A 75,000-tonner open Stade fixed and failed for a Murmansk redelivery Cape Passero at $12,900 but with rate not repeatable. From South America, Cargill booked a 77,000-tonner from east coast South America to Skaw-Cape Passero at $11,500 daily.

In the East, owners/operators were less willing to risk the ballast to an uncertain South American market and chased the rounds locally. Tonnage coming open in the north faced limited choices and the NoPac round rate was now in the $6,000s daily, but there was still some resistance further south for Indonesian cargoes; it remained unclear if this would be sustained.

Supramax

A relatively quiet week with rates improving in the Atlantic and trading slowing down in the Pacific. Period wise, a 63,000-dwt 2015-built was reportedly booked for four to six months at $14,750 per day basis South West Pass delivery. A 50,000-dwt 2002-built open Beira was taken for three to five months at $9,250 daily. A 52,000-dwt 2002-built was re-let at $6,750 daily delivery China for three to five months.

The pace was slowed in the Atlantic this week. Rates from the US Gulf area were maintained but some suggested the market there had reached the ceiling as the year end approached. A 55,000-dwt 2009-built delivery in the US Gulf was fixed at $13,500 daily plus a ballast bonus of $300,000 to Nigeria. A rate in the low $20,000s was reported with the same delivery to the Far East on a 56,000-tonner. Another 55,000-dwt 2013-built open east coast South America was covered for a trip to Bejaia at $14,000 per day. The same level was reported on a 56,000-dwt open Turkey for its trip to West Africa.

In the East, vessels open north China were fixed at $6,250 daily for a longer run to the Persian Gulf and $4,500 daily to the Continent. A quick steel trip went at $5,750 per day on a Tess 58 from Rizhao to Southeast Asia. Coal runs from Indonesia to China were covered at $7,000 daily basis Singapore delivery on a 56,000-dwt and $5,600 daily basis Hong Kong delivery on a similar-sized tonnage.

Handysize

This sector has performed better than most this week with some very notable fixtures being concluded as the BHSI reached its highest level of 596 since 7 April 2014 when it touched 588.

Going into next week the question was how many ships and requirements remained for 2016. On the period front, rumours a 37,000-tonner accepted $10,500 for four to six months delivery Santos.

The IVS Shikra 2008 built 29,664-dwt fixed a healthy $11,500 delivery Avonmouth for a trip to USEC.

The run from the east Mediterranean to Continent was paying mid $8,000s while a 37,000-dwt was concluded delivery Canakkale to the US Gulf at $8,300 daily. Brokers reported a 38,000-tonner was taken delivery Santos for a trip via the River Plate to north coast South America at $14,000 per day and other deals were being fixed from the South Atlantic at good levels but information was hard to obtain.

A 37,000-tonner was booked delivery south China to east coast India via Australia at $7,250 daily and an Imabari 28 was taken delivery Singapore for two laden legs redelivery Singapore-Japan at $6,750 daily.

Other business inter-Asia and Far East tended to move around the $6,000 levels.

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