

# BalticBriefing

*Baltic Exchange member news, views and events*



## Bulk report – Week 1 2017

### Capesize

A stronger than expected start to the year and so much healthier than most would have expected a few weeks ago, but rates started to slip in the East as the week closed out while the Atlantic proved positional. Here some operators seemingly had little faith in the February position in the Atlantic with rates down, but the area generally remained tight for tonnage. For instance, a February cargo from Puerto Bolivar to Rotterdam was fixed at \$7.65 and then \$7.45 this week and an end January cargo fixed at \$8.50. Further north, a 12 January onwards cargo from Port Cartier to Dunkirk went at a very firm \$9.75. Voyage business was also concluded allegedly showing timecharter equivalents of rates near the mid-\$20,000 daily range.

There was also activity from Tubarao to Qingdao with Panocean fixing a CCL vessel for a 25-30 January cargo at a tick under \$14.00.

In the East, the key West Australia/Qingdao run had been holding comfortably over \$6.00 but today saw BHP Billiton reportedly fixing a 21 January onwards cargo at \$6.00. Rates from South Africa to the East rose significantly with a 25-30 January tender from Saldanha Bay to Qingdao fixed at \$10.10 with a total 1.25% commission.

## Panamax

This week saw an upturn in fortunes for Atlantic traders with rates in all areas firmer. The US Gulf was tighter for tonnage and here a grain house took a prompt vessel from the US Gulf to the East via Panama at \$14,250 daily plus a \$425,000 bonus. Transatlantic rates were stronger and earlier a 2002-built 78,000-tonner fixed passing Cape Passero 7-8 January for a trip via Itacoatiara to Skaw-Gibraltar at \$8,400 daily.

South America remained active with several ships fixed this week from the east coast to the East, with levels for good Kamarmaxes nudging the mid-\$9,000s daily and \$450,000 bonus.

However, owners with tonnage in the East faced challenges particularly with those with tonnage in the north. Some sources said this was still the result of owners too keen to fix pre-Christmas which resulted in rates dropping far more sharply than needed. This week has been an active fixing week but rates were still low with an 81,000 tonner open Rizhao fixing something a touch under \$5,000 daily for a NoPac round. However, there were charterers taking period tonnage with a 77,000-tonner 2015 built fixed basis retroactive Haldia 29 January for nine to twelve months at \$9,100 daily while a newbuilding 82,000 tonner ex yard in the East went for a year at \$8,500 daily with an option of a second year at \$10,000 daily with a grain house. A Japanese charterer fixed a 2016 built Kamsarmax for four to eight months with Dalian delivery at a rumoured \$8,750 daily.

## Supramax

The year has started on a downward trend although at the last minute today a few brokers looking long and hard at the US Gulf suggested the market there could be finely balanced. All indices dropped on a daily basis except for the US Gulf front haul which gained a small gain of 66 points today. One short period was concluded with a 61,631 dwt for 100-200 days delivery Gibraltar with redelivery worldwide at \$11,000 daily.

Scrap was back on the menu and a couple of fixtures hit the screens for delivery Continent to east Mediterranean at \$11,000 and \$11,500 for around 56,000 dwt sizes. US Gulf to China this week has paid \$17,400 for a good 63,581 dwt vessel. Transatlantic trips were concluding at around \$14,000 to \$16,500 for Algeria and Spain. Coal was the cargo taken on a 56,780 dwt vessel basis delivery USEC to Eastern Mediterranean at \$13,000 per day.

A trip from north Brazil to Mediterranean was reported at \$13,250 with a 56,000 tonner with subsequent fixtures likely to be down on this number. East coast South America to PG-Japan

was covered with the Bao Run 2014 built 63,319 dwt at \$12,500 daily plus \$250,000 ballast bonus.

Levels in Asia just kept dropping and with the Chinese holidays looming there was little signs of any improvement.

A 52,000 tonner was reported going from South China to West Africa at \$4,200 at the end of the year and again any new fixtures will be at lower levels. Brokers suggested rates from Singapore to China via Indonesia were now trading under \$6,000 daily. The Phu Lan Hai 2010 built 56,965 dwt was fixed delivery Mumbai for a trip to China at \$8,000 daily while a later fixture was recorded on a 56,000-tonner delivery Chittagong to China at \$4,250 per day.

### Handysize

A daily decrease on all Handy indices was expected and it happened with currently little respite. Tonnage continued to build up and a lack of requirements continued to force levels down.

One period fixture came to light of the Asia Energy an Imabari 28 built 2001 reported fixed for a short period of about five to seven months delivery Far East at \$5,500 daily.

Business basis delivery eastern Mediterranean to UK/Continent has been paying levels of around \$5,000 per day while a 32,579 dwt vessel was reported fixed delivery Damietta to west coast India at \$10,750 daily.

A cement cargo from Greece to the US east coast concluded at \$8,000 with a vessel of around 30,000 dwt.

East coast South America deliveries, which were paying levels of around \$11,000-11,500 to Continent/Mediterranean, have this week dropped to about \$9,500-10,000.

Very little emerged from Asia this week on these sizes. One 38,000 dwt 2008 built ship was fixed and failed delivery Kosichang trip to the Continent at a rate in the high \$3,000s.

Inter Persian Gulf trade paid for early January dates \$7,500 per day but a middle January position on the same ship of 34,601 dwt covered at \$6,500 daily.

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