

BalticBriefing

Baltic Exchange member news, views and events



Bulk report – Week 7 2017

Capesize

A more optimistic end to the week for the big ships with rates moving up in some areas. The Australian miners were in evidence in greater force as the week closed out and rates moved up sharply with BHP Billiton booking tonnage for 27 February onwards from Port Hedland to Qingdao at \$4.70. Reports of Rio Tinto fixing a cargo from Dampier at \$4.80 were denied but others insist this rate has been done for 2-4 or 3-5 March. There were also rumours that \$5.00 has now been done. Other rates climbed on the back the BCI C5 route with the Teluk Rubiah/Qingdao up 55 cents to \$3.45 and a 170,000-tonne 10% cargo booked from Saldanha to Qingdao at \$7.45. Despite an easier spot mark for couple of weeks, period rates have held although activity has largely remained under wraps. Brokers suggested rates for Baltic 180,000-dwt types still seeing around \$11,000 daily for 12 months while recently a good 171,000 tonner went at rate said to be around the mid \$10,000s.

The north Atlantic market has been busier this week with increased coal cargoes for transatlantic shipments. Rates on the key routes such as Puerto Bolivar to Rotterdam hovered around \$5.75-80. A good eco 180,000-tonner fixed mid-week from Sines for a transatlantic

round at \$8,600 daily. Brazil/China trades have been slower and here rates talked ranged from the mid-\$9.00s for owners fixing direct and nearer \$10.00 for others.

Panamax

The north Atlantic market came under pressure over the week with the pace of new business slower and tonnage building. South America pace slowed with February cargoes from Brazil/Argentina to the east diminished but still February ships to fix. As a result, rates came under pressure as those owners with early March cargoes picked of some February tonnage. Rates have slipped but demand for March generally was expected to be good and most owners willing to sit tight. Kamsarmaxes on the early positions saw rates slip under \$9,000 daily and \$400,000. However, there was talk that a 2010-built 82,000-tonner fixed on this run at \$9,300 daily plus a \$430,000 bonus but this was not clear if this was for very end February or early March.

The pace continued in the east although slowed as the week closed out. Rates held steady despite fears of force majeure NoPac but ships now were once again being nominated. The market too saw support from coal out of Australia and Indonesia, period rates too held at generally improved numbers. A 74,000-tonner 2002-built fixed from Kobe mid-week for a NoPac round at \$7,000 daily while a two year older 75,700-tonner open Qingdao fixed for an Australian round at \$7,150 daily.

Period talk included a 77,000-tonner 2006-built open Takehara 22-28 February booked for 5 to 8 months trading at \$8,750 daily and largely for grain cargoes.

Supramax/Handysize

Supramax

The Atlantic market had been slipping, but climbed back towards the weekend especially on rates from the US Gulf. Some ship owners chose to keep their vessels in the Atlantic awaiting for more improvement and activity. The highlights of the week came from the East which showed no signs of slowing down on all trading routes as well as period fixtures. A 63,000-dwt 2015-built open in Indonesia was booked for three to five months at \$8,000 daily redelivery worldwide. Another similar-sized was paid at the same level with delivery in east coast India

but for a one-year trading. A 58,000-dwt delivery in west Africa was fixed for three to five months at mid \$8,000s with Atlantic redelivery.

Tonnage open in east coast South America with spot dates struggled slightly, but brokers saw the sign of more trading coming in early March. Two 61,000-dwt vessels were fixed at \$17,250 daily to China and \$17,000 daily to Turkey respectively both delivery US Gulf. A 57,000-dwt 2011-built was covered at \$19,500 daily from the Gulf to west coast South America. A 57,000-dwt 2009-built was fixed basis delivery Carboneras to US Gulf with cement at \$4,000 daily. For trip from Recalada to China, a 63,000-dwt 2015-built was paid \$11,750 daily plus a ballast bonus of \$175,000. A 58,000-dwt basis delivery Continent was fixed for a trip to the east Mediterranean in the mid \$9,000s for a Gallo scrap cargo.

Stems from Indonesia to China were dominating this week if compared to those heading to India. A 57,000-dwt 2011-built was fixed at mid \$6,000s basis Taichung to Thailand, a 56,000-dwt 2013-built was fixed at mid \$7,000s basis Vietnam delivery to China and a 57,000-dwt at \$8,000 daily basis Singapore to China. A 61,000-dwt 2016-built open Hong Kong was booked for a trip via Australia to Southeast Asia at \$7,000 daily. NoPac fixtures were reported with stronger rates than last done. A 55,000-dwt was fixed at \$7,150 daily basis passing Busan for a NoPac run back to Southeast Asia, and a 60,000-dwt was done at \$8,000 daily for a similar trip with delivery in north China. The rate for moving steel was said to be in between \$5,000 to \$6,000 daily from north China to Southeast Asia depending on the size of the ship. Further west, a 57,000-dwt 2010-built was booked to China at mid \$8,000 delivery in Djibouti

Handysize

As the Asian market swings into action routes HS5 and HS6 had a daily increase and some anticipating a further increase over the next days. Levels in the Atlantic continued a downward trend but later in the week, brokers were talking about some possible improvement for levels giving delivery in east coast South America.

A 34,146-dwt 2011-built was rumoured to have booked a wheat cargo basis delivery Skaw for a trip via the Baltic with redelivery Continent at \$6,400 daily. A major grain house was linked to a Handy vessel taking grain from the Black Sea to Spain at \$5,000 daily sources advised the Melody 2010 30,116-dwt which was open Egypt prompt fixed delivery Canakkale via Black Sea to Lagos at around \$7,000 per day. A 28,000 tonner covered inter Med business at

\$5,350 daily. A 33,000-dwt was on subjects for a trip from the east Mediterranean for a trip to the US Gulf with a split rate in the mid \$3,000s for first 50 days and the mid \$6,000s thereafter.

A 33,000-tonner open US Gulf was fixed for a trip to the east Mediterranean in the low \$9,000s.

A 38,243-dwt that ballasted from Durban fixed an east coast South American coastal trade at about \$8,000 daily. The Strategic Equity 2014 39,521-dwt was reported covered at \$7,750 aps Recalada for a trip to the Caribbean while a similar size vessel went to the Mediterranean at \$8,250 daily. Also this week a 34,111-dwt concluded a trip delivery Rio Grande trip to West Africa at \$7,750.

The Kotor 32,987-dwt was linked to a trip delivery Hong Kong to Persian Gulf at \$7,250 per day.

A 37,000-dwt was reported booked basis delivery Kosichang for a trip via Thailand redelivery China with tapioca in the mid \$5,000s. A cargo of salt was concluded on a 34,000 tonner delivery Singapore via Australia to China at \$5,850 daily while an inter Asia trip paid \$5,000 with a 29,516-dwt vessel.

For daily dry bulk assessments from the Baltic Exchange please visit

<http://www.balticexchange.com/market-information/>