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Bulk report – Week 10 2017

Capesize

The week ended with firmer markets both in Brazil and West Australia. Vale boosted activity and was rumoured to have taken seven vessels for Brazil/China runs with rates ranging from the low \$14.00s to \$15.00 basis end March dates and some going into early April. There remained other operators in the market and Caravel too booked tonnage as the week closed out fixing at \$14.50. Further north, the Atlantic market was less active and information was thin. There had seemed to be signs of the market firming, but rates slipped with Cargill booking EdF tonnage for a Puerto Bolivar/Rotterdam cargo at \$6.50 after rumours earlier in the week that \$6.70 was done. Timecharter trading was limited but mid-week, a 179,000-tonner open Cape Passero, 15 March fixed for a run to the east at \$23,000 daily but it was not clear if this was via the Black Sea.

West Australia rates held steady most of the week and this without all the miners in the market. There was active fixing from operators, with rates generally well supported around low \$6.00s. As the week closed out, Rio Tinto and FMG entered the market with the former rumoured to have taken several ships and so far the rate peaked around the mid-\$6.00s. A 175,000-tonner fixed from CJK for a West Australian round at \$14,000 daily. Period activity remained in

evidence with a 175,000-tonner 2010-built fixed from Jintang, for four to seven months trading at \$12,000 daily while Koch Shipping remained active taking a Newcastlemax from Qingdao for 11 to 13 months trading at \$15,500 daily.

Panamax

Yet again, South American activity has been the focus and the lynchpin of the market supporting the Atlantic market and Asia. Trading slowed as the week closed out, with owners able to fix on a dop basis or retroactive delivery in the east and Indian Ocean with some big numbers reported. A 2014-built Kamsarmax fixed retroactive Dahej 28 February for an east coast South America round voyage at \$14,000 daily with rates improved for all sizes and ages. Most expected a still active April market but for those March presenters it remained more uncertain with some brokers suggesting there were owners willing to wait for 1 April laydays. Sentiment has largely driven north Atlantic trading with rates holding and even improving despite a good tonnage supply and limited business. A 77,000-tonner 2014-built open Port Talbot was rumoured booked for a US east coast round in the low \$10,000s daily. An 87,000-tonner open Gibraltar was today rumoured fixed at close to \$17,000 daily for a trip east although this could be via the Orinoco. US Gulf trading remained very limited.

In the east, the pace slowed as charterers held off in an effort to cool the market. Rates in southeast Asia for Indonesia trips both locally and to India were comfortably in five figures with a 75,000-tonner paid \$12,250 daily from Zhangzhou via Indonesia to China. Even though NoPac trading slowed rates for Japan-South Korea delivery for standard, Panamaxes were still holding around the low \$10,000s daily and substantially more for eco Kamsarmaxes. Period trading also took a breather but rates still at steady numbers. A 2012 -built 80,888-dwt vessel open Japan fixed to a grain charterer for 12 to 13 months trading at \$10,400 daily.

Supramax

Another stronger week on the Supra-Ultramax with more period activity appearing. An Ultramax new building was relet for one year at close to \$10,000 daily open in the east when the week began. A Supramax open in Thailand was concluded at \$9,000 daily later of the week basis Thailand delivery for about three to five months. A 55,000-dwt open east Mediterranean was fixed for short period and redelivery Singapore-Japan at \$12,500 per day.

The Atlantic basin fared better a 61,000-dwt fixed at \$13,300 daily plus \$335,000 ballast bonus for a trip Santos, redelivery south east Asia. A 53,000-dwt fixed up river for a

trans-Atlantic round redelivery in the Mediterranean at \$11,250 daily. The US Gulf was slowing down towards the end of the week, however a 58,000-dwt was rumoured fixed with a large grain house for US Gulf to Turkey at \$15,000 daily. At the beginning of the week, a 63,800 was heard fixed for a trip US Gulf to China at \$21,000 daily. Tighter tonnage appeared from the Continent, a 58,000-dwt was fixed for a scrap run basis delivery north Spain via the Continent, redelivery Turkey at \$10,500 daily.

In the Pacific, quite some period activity was happening but more fixtures failed at the end of the week on both time charter trip and short period trading.

NoPac trip was concluded over \$10,000 daily on a 58,000-dwt open in Japan. Ultramax open in Southeast Asia achieved rates in the \$9,000s for a strand trip via Indonesia to China or between \$10,000 to \$11,000 daily basis Singapore delivery for such trade. A trip to the Persian Gulf paid \$7,000 daily basis north China delivery on a 58,000-dwt and \$8,000 daily to west coast India on a 55,000s basis CJK delivery.

Handysize

Rates remained largely unchanged today as the week closed out with these sizes showing gains over the week. Period trading was also in evidence with a 32,000-dwt fully fixed basis delivery CJK for six to eight months at close to \$8,000 daily. A 28,000 tonner open Fangcheng, went to Navision for three to five months trading but a rate was not reported.

In the Atlantic some of the activity has gone to ground with sources citing off market trading from the US Gulf to the east. Owners were largely expecting rates levels to be maintained.

From South America, a 2015-built 38,000-tonner fixed from Vila do Conde to Norway at \$12,000 daily and a 34,000-tonner from the Continent for a steel round to Italy at \$10,000 daily.

In the east, a 37,000-tonner 2007-built, open Surabaya 21-22 March, fixed for a trip via Australia to the east at \$10,000 daily. A 28,000-tonner agreed a rate in the mid \$8,000s daily from Singapore via Australia to Singapore-Japan.

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