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Bulk report – Week 30 2017

Capesize

A stronger week for the big ships but some cracks appearing as the week closed out with BHP Billiton managing to fix at lower rates on the West Australia/China route. This rate reached \$6.60 Thursday but early today the major Australian shipper secured tonnage for a 21-23 August 170,000-tonne 10% cargo from Port Hedland to Qingdao at \$6.25 having previously fixed at \$6.30 and Thursday at \$6.50. Timecharter rates also strengthened with a five year old 176,400-tonner fixed from Zhanjiang 5-10 August for a west Australian round voyage at around \$15,000 daily. Rates from Brazil too strengthened, hovering around \$14.00 for end August-early September from Tubarao to Qingdao and a report that \$14.35 was concluded for 20-30 September. There was some fronthaul activity from the north Atlantic albeit on voyage with Rio Tinto fixing a cargo with an Oldendorff Newcastlemax from Seven Islands to Qingdao around \$18.00 with brokers putting this rate at \$26,000 daily on a BCI type if starting from Rotterdam. JFE was also said to have awarded a tender to move a 1/15 September cargo from Quebec to Japan at \$23.00 but it was not clear who secured the tender. There was much positive talk for transatlantic business but little reported fixed. Timecharter rates early this

week were around the upper \$6,000-\$7,000 daily but as the week closed out many talked numbers with five figures.

Panamax

The north Atlantic appeared tighter for tonnage as the week closed out with rates steady to firmer for round voyages and fronthaul although volume was limited. LMEs open northwest Europe were fixing at \$10,000 to \$10,500 daily. Trading increased from east coast South America with rates firming. A 2011-built kamsarmax fixed retroactive Singapore for an east coast South American round at \$10,750 daily while a 76,000 tonner 2005-built agreed \$11,000 daily plus a \$350,000 bonus for delivery passing the Cape of Good Hope via east coast South America to the east. As the pace quickened more owners with tonnage in the east were increasingly tempted to balance lending support to the market there. Add to that a few ships have now been fixed from China for US Gulf rounds with rates for LMEs hovering around \$8,500 daily and kamsarmaxes around \$9,000 daily. For now, there was some hesitancy for local trades as charterers backed off as the week closed out but MOL conceded \$11,000 daily to a 77,160-dwt 2014-built Imabari type open Nanjing for an east coast Australia/Japan run at \$11,000 daily. Period business included a 2011-built 81,500-tonner fixing retroactive Singapore 29 July for four to six months at an improved \$11,000 daily.

Supramax

Rates declined slightly in the Black Sea area and remained weak in the US Gulf, but were firmer a little for tonnage open east coast South America. It was also a negative week for all the Asia timecharter routes. On the period front, two ultramax vessels delivery west coast and east coast India were both fixed at \$10,500 daily respectively for short period redelivery worldwide. A 63,000-dwt 2016-built open north China was booked for about three to five months at \$10,200 daily also with worldwide redelivery, and a 55,000-dwt 2010-dwt delivery South Korea went for the same period at \$8,850 daily.

At the beginning of the week, a 56,000-dwt and a 57,000-dwt were both fixed basis Canakkale delivery via the Black Sea at \$11,000 daily to Egypt and \$16,000 to the Far East respectively. A 63,000-dwt 2017-built delivery east coast South America was paid \$13,500 daily plus a ballast bonus of \$350,000 for a trip to Chittagong. A 60,000-dwt 2015-built did the same run at a similar level for moving sugar. A 63,000-dwt 2016-built delivery US Gulf was paid tick over \$20,000 per day for a trip via the Suez to India.

In the East, a trip via Indonesia to south China went \$10,000 daily delivery Singapore on bigger-sized ships, and the market considered that this was on the high side this week. A

53,000-dwt 2007-built was booked for north China redelivery at \$8,300 daily delivery Singapore. Nickel ore via the Philippines to China was reportedly fixed at \$9,350 and \$9,500 daily on two 63,000-dwt both delivery north China.

Handysize

The handy index had a gentle decline this week with rates across all routes under negative pressure with US Gulf and South American routes taking the hardest hit. A lack of fresh cargoes from the Continent also adding to the malaise with some commenting that summer had finally arrived.

A 35,000-dwt 2001-built was reported fixed for a scrap run from the Continent to Turkey in the low \$8,000s whilst a 32,000-dwt 2006-built was also fixed from here for a trip via the Baltic to Buenaventura at \$9,500 daily. From the east Mediterranean, a 38,000-dwt was fixed to south Spain at around \$8,000 daily with clay. Across the Atlantic from east coast South America there was little of note. A 28,000-dwt was fixed in the high \$9,000s for a transatlantic run and a 39,000-dwt 2016-built was fixed for a coastal trip at close to \$10,000 daily.

As usual very little came to light from the Asian sectors. A 28,200-dwt 2011-built handy was fixed for a trip from south China to north Asia at \$6,750 and for slightly longer business a 38,000-dwt was heard covered basis delivery China for two laden legs in the mid \$8,000s. With a lack of period interest looking forward some brokers commented that the negative trend could remain next week.

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