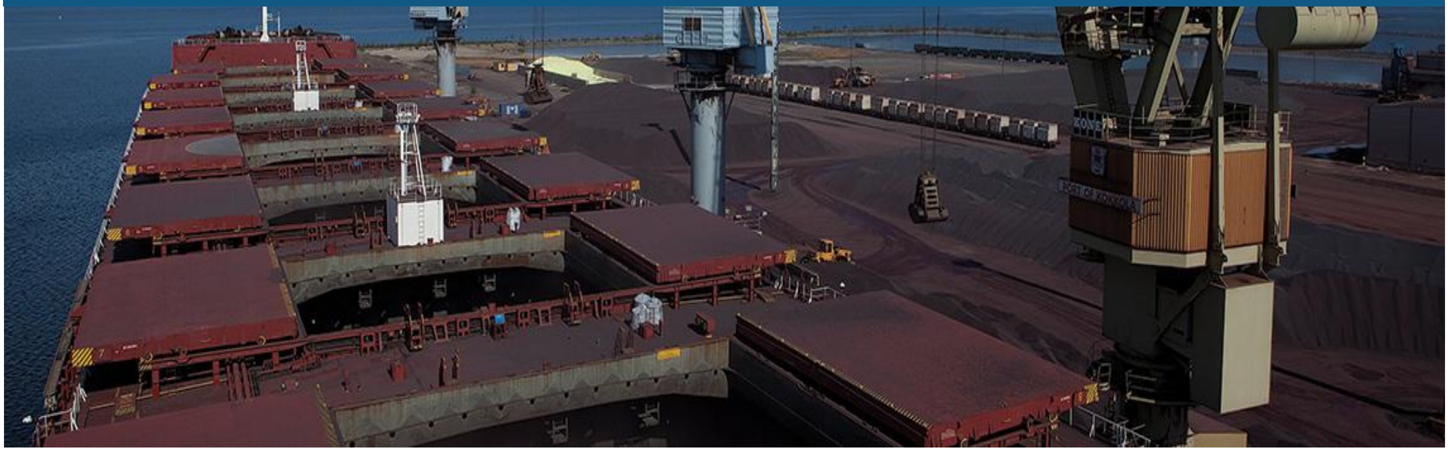
Baltic Briefing

Baltic Exchange member news, views and events



Bulk report – Week 32 2017

Capesize

A strong week for the big ships with rates rising in all areas, although Brazil was the more active with rates from Tubarao to Qingdao reaching $17.30. Timecharter rates too rose sharply with a 175,000-tonner 2010-built fixed from Zhanjiang from 19 August for a Brazil round at $20,500 daily. North Atlantic rates too firmed both for front-haul and Atlantic rounds with an eco 181,000-tonner fixed from Rotterdam for a minimum 75-day trip to the east at $35,000 daily. Rates on the key Bolivar/Rotterdam route also strengthened with a cargo concluded at $8.70.

West Australia/China cargoes were not as prevalent but rates rose, but not quite at the same pace, and by the week's close levels were nudging the mid $7.00s. Rio Tinto and FMG were the more active with BHP Billiton largely absent from the spot market. Saldanha/Qingdao rates also rose significantly, although the picture was less clear with talk Sedibang did a cargo in the high $13.00s. As the spot market rose, charterers snapped up tonnage for short periods taking tonnage in the high $16,000s to $17,000s daily for around four to six months trading. Beyond that period most were talking lower rates for longer durations, seemingly less confident about the market beyond the first quarter next year.

Panamax

A buoyant market with most areas of the market seeing rate rises with only the North Atlantic showing slower growth. Here tonnage was in more plentiful supply, but brokers suggested it would not take much new business to see gains here. South America, and increasingly the US Gulf, saw the most action with these two markets largely served by ships in the East. This in turn, combined with coal activity largely from Indonesia, helped to support rates for the local trades. Kamsarmaxes were fixing in the low $12,000s up to $13,000 daily for south-east Asia delivery for east coast South American round voyages, while a 2011-built 82,000-tonner open Kunsan fixed for a US Gulf round at $12,000 daily. Short period rates here too firmed with a 16-year old 74,000-tonner fixing from Zhoushan for four to seven months trading at $10,500 daily and a Tess-82 in Japan booked at $12,000 daily for five to eight months trading.

Supramax

Rates were generally firm in both the Atlantic and Pacific this week. The US Gulf market continued to rise mainly due to pressure for August positions. Tonnage in the Mediterranean reportedly tightened towards the end of the week whilst rates from east coast South America remained relatively stable. In the Pacific, increased amount of cargoes prompted owners to push for higher numbers. Limited period fixtures were reported.

In the Atlantic, a scrap cargo to Turkey was reportedly fixed on timecharter at $9,500 daily delivery Liverpool on a Chinese-built ultramax vessel, and $8,500 daily paid basis delivery Ghent on a 58,000-dwt 2007-built for a similar trip. A 61,000-dwt 2016-built was fixed from the US Gulf to the Far East at $19,500 daily with August dates. From east coast South America, a 57,000-dwt 2009-built was booked for Singapore-Japan redelivery at $12,400 daily plus a ballast bonus of $240,000. A Tess-58 vessel was linked to redelivery Algeria at $15,000 daily delivery Recalada, and a 63,000-dwt 2016-built delivery Tubarao was reported to have fixed at 15,500 daily for iron ore via the Red Sea to redeliver in Port Said.

In the East, nickel ore stem via the Philippines to China paid $10,500 daily on a 61,000-dwt 2017-built delivery south China and $8,750 daily on a 56,000-dwt 2010-built delivery north China. A 63,000-dwt 2017-built was concluded at $8,000 daily delivery Taiwan for a trip via Indonesia to India, and a 56,000-dwt 2006-built was fixed for a similar run at $7,000 daily delivery north China. A coal run via Indonesia to China was booked at $10,500 daily on a 63,000-dwt 2017-built delivery near the loading port.

Handysize

With the summertime holidays in the Northern Hemisphere it was generally a quiet week. Overall routes in the Asian sector fared better than the Atlantic with fresh enquiry coming into play.

From the Continent, a 34,000-dwt open Kaliningrad was fixed at close to $10,000 daily for a scrap run to Turkey. From east coast South America little was reported, but a 34,000-dwt 2011-built was fixed for a trip Santos to the Mediterranean in the low $10,000s and a 30,100-dwt was fixed from north Brazil to Portugal at $8,900.

Asia was a touch more active and a 28,000-dwt 2008-built was fixed from Kuala Tanjong for Australian round in the upper $6,000s, whilst a 32,000-dwt was fixed delivery Malaysia trip with alumina via west Australia redelivery Singapore-Japan at $6,375. Further north, a 36,000-dwt 2013-built open Japan was booked for a trip to Singapore at $7,500 daily. Period activity was scarce and looking forward brokers commented it was difficult to see what direction the market would take.

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