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Bulk report – Week 39 2017

Capesize

The market thrived despite the Asian holidays, with rates rising on most of the key routes and paper trading buoyant, but there was a slow end to the week, largely as owners held off. There were also reports of some Chinese ports experiencing delays running up to 15 days. The Australian miners were active most of the week, with Rio Tinto leading the way, rates climbed 70 cents breaking through the \$8.00 barrier and finishing the week at US\$8.10. Timecharter rates improved to around US\$20,000 daily for standard types for Australian rounds.

Saldanha/Qingdao rates strengthened now paying over US\$14.00 for 170,000-tonne cargoes while the Brazil/China trade firmed with end October cargoes now around the mid \$18.00s.

The feel-good factor also spread to the north Atlantic with fresh inquiry tipping the fragile balance of tonnage in the owners' favour. Rates gained over a dollar for 160,000-tonnes from Puerto Bolivar to Rotterdam with an end October-early November cargo booked at a rumoured US\$9.15. Transatlantic charter rates were in the upper teens with a 179,000-tonner 2015-built open Cape Passero fixing at \$18,750 daily for a transatlantic round. Front haul included talk of 176,000-tonner 2012-built booked basis APS east coast Canada to South Korea at US\$28,000 daily plus US\$800,000 ballast bonus with the ship having passed Gibraltar 1 October.

Panamax

An unpromising start to the week due to the holidays, with fixtures concluded either side of the weekend reflecting the assumption the week would be quiet. By late Tuesday, sentiment began to change and suddenly there was talk of increased cargoes in both the Atlantic and the Pacific and with the paper market fanning the flames rates began to recover. Kamsarmax rates for transatlantic rounds strengthened and were now closer to the mid US\$11,000s daily while for trips from northwest Europe via the US east coast to the east with coal finished around the low US\$19,000s daily.

Early positions in the Atlantic became tight, and grains from the US Gulf fixed at US\$42.00 for early November dates, up about US\$1.50 from last week. The Black Sea was also busier with several vessels taken for both front haul and short grain trips within the Atlantic. Rates for the trips east improved over the week and were now around US\$20,000 daily. East coast South American grains owners reverted to asking for retroactive delivery again as the market swung in their favour.

In the Pacific, early tonnage in the north was scarce and lead the recovery with rates firming considerably for NoPac cargoes, and although rates strengthened in the south for a change the pace was slower here. At the end of the week Japanese charterers were active and taking tonnage at US\$14,000 daily and above for round voyages, returning levels to seen in mid-September.

Short period activity also returned with a 2013 kamsarmax agreeing US\$12,750 daily at the end of the week, after several other vessels had fixed for similar periods.

Supramax

With the Moon Festival holidays in Asia this week, the market remained relatively quiet and it seemed to have found a floor. Rates eased initially but over the week there was some resistance with period cover taken. A new building ultramax reportedly fixed short period delivery Cebu, with minimum duration four months trading in the upper US\$12,000s redelivery worldwide.

The Atlantic Basin remained 'hit and miss'. The US Gulf traded down with a 58,400-dwt 2013 built booked delivery Key West, for a trip to Japan at approximately US\$18,500 daily and a 61,500-dwt 2015 built agreed US\$16,000 daily for a run to the Mediterranean with petroleum coke. The east coast South American market was tougher to gauge with a slow decline early

on but charterers now taking cover. Black Sea rates remained flat with a 66,500-dwt 2015-built booked delivery Canakkale for a trip to Salalah at US\$12,500 plus US\$237,500 ballast bonus.

The Asian basin was relatively busy despite the holidays. A 52,300-dwt mid-October Kosichang fixed for a trip to Bangladesh at US\$12,000 daily and further north a 63,300-dwt 2017-built accepted US\$11,000 daily delivery CJK via Indonesia to China. On the round voyage routes trading remained flat. A 56,100-dwt open Singapore fixed at US\$12,000 daily via Australia redelivery China. In the Indian Ocean, a 55,700-dwt 2011-built agreed delivery Durban for a run east at US\$12,000 daily plus a US\$225,000 ballast bonus.

Handysize

Rates for tonnage delivery east coast South America eased over the week and the market on the Continent also weakened. The Asian holidays slowed trading in the east but rates strengthened as the week progressed. For period trading, a 32,000-dwt 2010-built was reportedly fixed for two to three laden legs delivery Ireland at US\$11,000 daily with Atlantic redelivery excluding west and south Africa.

A 46,000-dwt 1999-built was booked at US\$14,250 daily delivery east coast South America run to the east Mediterranean, and a 34,000-dwt 2013-built delivery Santos was fixed US\$12,500 for a trip to the Black Sea. A trip from the Black Sea to east coast India was paid US\$16,600 daily on a 43,000-dwt delivery Canakkale. More cargoes were evident from west Australia later in the week. A 23,000-toner open in south China was fixed to load via CIS at a rate in the mid US\$6,000s redelivery Southeast Asia.

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