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Bulk report – Week 40 2017

Capesize

Vale hoovered up several ships for its November program from Brazil to China taking at least 14 vessels with a mix of newcastlemaxes and standard capesizes in a 24-hour period. Sources said the majority were fixed direct with the owners/operators at rates reaching a low of US\$17.30 for mid-November onwardss for cargoes from Tubarao to Qingdao. The Brazilian major was also rumoured mid-week to have taken a VLOC for 230,000 tonnes basis mid-November from Tubarao to Qingdao at \$17.55. The week started with the C3 rate in the mid US\$18.00s. Further north, fronthaul rates were holding reasonably steady in the upper \$20,000s daily for ships northwest Europe. Opinions varied for the transatlantic run but a 160,000-tonne coal cargo fixed from Puerto Bolivar to Iskenderun at US\$10.30 early in the week with some willing to pay near \$10.00 as the week closed out for Rotterdam. A 2016-built 181,000-tonner fixed from Taranto via Brazil and the Black Sea with Cape Passero redelivery at US\$22,500 daily.

In Asia, the busy C5 route saw rates climb back over US\$8.00s for cargoes from Dampier to Qingdao where draft issues was a factor. From Port Hedland a few cargoes were fixed for 24

October onwards at US\$7.95 at week's end there was talk of BHP fixing at US\$8.20 for 22/25 October. Timecharter rates were hovering in the very low \$20,000s daily for a BCI type, with a slightly better described vessel booked mid-week at US\$22,500 daily for an Australian round.

Panamax

After a sluggish start to the week due to numerous holidays, rates firmed everywhere as the week progressed. There has been a healthy volume of short period fixing as charterers either took some cover, or were forced to cover positional cargoes with owners in a position of strength. Generally short period rates improved by more than US\$1,000 per day compared to last week, in both basins.

There was talk of US Gulf/China grains being fixed around \$43.50/\$43.75 per metric ton for second half November and on timecharter a 2013 built kamsarmax was fixed close to US\$17,000 daily plus US\$700,000 ballast bonus delivery US Gulf 1-10 November dates, which is a marked improvement on rates from last week.

Details of transatlantic trades proved elusive all week, however rates were considerably firmer with a 2007 panamax fixing US\$14,000 daily for an Atlantic round voyage, representing an increase of more than US\$2,000/day.

In the east, north Pacific grains were the driving force with modern kamsarmaxes fixing in excess of US\$14,000 daily for round voyages, compared to sub US\$13,000 last week. Rates in south Asia increased as charterers had to pay extra to prevent owners ballasting to east coast South America. Larger vessels benefitted more from Australia and Indonesia as charterers looked to maximize lifts, with a post-panamax fixing at US\$17,000 daily from Taiwan for an Indonesia to Japan stem.

Supramax

Supramax routes had a mainly positive week, especially with the US Gulf market and transatlantic trips from east coast South America to the Mediterranean achieving a higher fixture level. Brokers described the sentiment to be firm, with expectation it might last a while. On the period front with redelivery in the Atlantic, an ultramax type delivery Norway was fixed for about four to six months at US\$13,750 daily and a 56,000-dwt delivery in the west Mediterranean was fixed for about three to five months at US\$11,500 daily. A 63,000-dwt newbuilding was fixed at US\$12,750 daily delivery in the Philippines for about four to six months and redelivery worldwide.

A trip from the US Gulf paid US\$23,000 daily on a 58,000-dwt to China and US\$18,250 daily on a similar-sized for moving coal to the east Mediterranean. A 52,000-dwt was booked from east coast South America to the Mediterranean at a rate in the mid US\$15,000s. A 60,000-dwt delivery Durban was fixed via South Africa to Japan at US\$13,000 daily plus a ballast bonus of US\$300,000. Coal trading from Indonesia remained active after the Pacific came back from holidays. Taking Singapore delivery, two 56,000-dwt were both fixed for a trip to China at US\$14,500 daily and US\$15,000 daily respectively. From the Indian Ocean, a 63,000-dwt was fixed at US\$12,000 daily from the Middle East Gulf to India, and another ultramax vessel did US\$14,750 daily from west coast India to China.

Handysize

Rates on handy vessels slowed down in the Pacific but improved sharply in the US Gulf and east coast South America towards the end of the week.

At the beginning of the week, a 34,000-dwt was booked from the US Gulf to west coast Central America at US\$13,000 daily. A trip from east coast South America paid US\$13,000 daily on a 37,000-dwt to redelivery in the Gibraltar/Skaw range, and US\$15,000 daily on a similar-sized for moving grains to the Continent/Mediterranean. In the east, an Australia round voyage paid US\$12,000 daily on a 28,000-dwt delivery in Indonesia, and a 24,000-dwt open north China was reportedly fixed for a trip to Thailand at US\$8,500 daily.

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