

BalticBriefing

Baltic Exchange member news, views and events



Bulk report – Week 43 2017

Capesize

The week saw a record rise in the BCI 5TC values early in the week but then tailed off latterly. Vale, in what now seems a regular monthly foray, took several ships off market for December liftings from Tubarao to Qingdao. Details were kept in short supply but reports circulated of three to 18 vessels allegedly direct with owner/operators at rates around US\$16.50. Nearby rates were closer to US\$18.00 on this run but for very prompt loading dropped to the low US\$17.00s. Further north, rates have improved with talk that in excess of US\$11.00 was done on the run from Puerto Bolivar to Rotterdam although this was said to be the voyage equivalent based on rates around US\$24,000 to the low US\$25,000s daily. There was little activity fronthaul, although a cargo fixed from Seven Islands to Qingdao at close to US\$23.00 which some suggested equated to around the low US\$30,000s daily. Interest from the miners in the East was spasmodic, here early gains were largely the result of weather delays in China. On the key West Australia/China run rates dropped to US\$8.15 from Dampier to Qingdao with Rio Tinto the most active in the area. Period activity was again slow with charterers only prepared to consider three to five months: in essence a Brazil round and with forward paper

for the calendar 2018 in the upper US\$13,000s, this was unlikely to entice owners for longer durations.

Panamax

The transatlantic market has been extremely quiet with very few trades reported throughout the week and it appeared early vessels were having to offer on later dates in an attempt to obtain cover. A grain house booked an 82,000-dwt Tsuneishi built kamsarmax from Gibraltar for a 55-day trip with grain from the Baltic to Turkey at US\$11,500 daily, Cape Passero redelivery. The early US Gulf grain positions suffered with a 10-15 November stem to China being fixed at US\$40.25 per tonne whereas 20-30 November was fixed at \$42.00. East coast South America was also slower than usual with charterers again beginning to rate tonnage on an APS basis.

North Pacific grain volume remained strong, but rates still dropped as owners looked to fix within the Pacific as the US Gulf grain market was not offering a viable alternative. Two kamsarmaxes fixed round voyages, delivery South Korean ports at US\$14,000 daily, whereas at the end of the previous week a newbuilding had achieved US\$16,500 daily from a similar delivery. Despite the Steel Authority of India continuing to fix numerous coal cargoes on voyage basis, the volume of fixtures into India slowed and combined with weakening sentiment, rates dropped sharply.

Short period activity was understandably sparse but rates have eased by at least US\$1,000 per day with a kamsarmax fixing for four to seven months at US\$13,000 daily.

Supramax

The week started with high expectations but the market closed on a quiet note. Very limited period activity was seen although a 57,000-dwt open US Gulf was failed for three to five months trading redelivery Atlantic at US\$16,000 daily. In the Atlantic, brokers reported pockets of resistance to downward pressure especially from the US east coast with tonnage tight. An ultramax was fixed delivery Norfolk for a coal run redelivery Egyptian Mediterranean at US\$22,500 daily. Black Sea rates steadied with a 57,000-dwt covered delivery Canakkale for a trip via the Black Sea redelivery Singapore-Japan at around US\$19,000 daily. A lack of fresh business in the US Gulf led to slow trading and a similar situation also evident in east coast South America. In Asia, the market declined as the week progressed. A 57,900-dwt was reported fixed delivery Lianyungang for a trip via the Philippines redelivery China with nickel ore at US\$12,500 daily. A 58,000-dwt open Singapore early November went for a trip via Indonesia redelivery China at US\$14,750 daily. From the Indian Ocean, the Dubai Crown

55,300-dwt agreed delivery South Africa redelivery Middle East Gulf – west coast India range at US\$12,500 daily plus US\$250,000 ballast bonus.

Handysize

Overall, a quiet week in this sector with ample tonnage supply reported in both basins. The US Gulf was the only area showing positivity towards the end of trading with some brokers still seeing firm numbers here. The east coast South America and the Pacific both softened from mid-week. Period trading included a 32,000-tonner 2010-built fixing for a minimum four months duration delivery east coast South America at mid US\$11,000s with redelivery in the Atlantic.

A 37,000-dwt 2009-built was reportedly fixed from the US Gulf to west Africa at US\$15,000 per day. A 32,000-dwt 1997-built delivery Istanbul was booked for a run via the Black Sea at US\$10,000 daily redelivery in the Gibraltar Biscay Bay range, and an inter-Black Sea trip paid a 37,000-dwt at a rate in the mid US\$11,000s.

Most fixture information came from the East with a 28,000-dwt 2008-built and a 33,000-dwt 2010-built both delivery South Korea fixing for a trip to Thailand at US\$10,850 and US\$11,000 daily respectively. A 35,000-dwt 2010-built was booked to the Middle East Gulf at US\$10,000 daily delivery north China. A 39,000-dwt 2016-built delivery Indonesia was booked at US\$14,000 daily for Australia loading back to the Far East. From the India Ocean, a 25,000-dwt 1997-built delivery west coast India was paid US\$15,500 daily redelivery Red Sea with Yemen excluded.

For daily dry bulk assessments from the Baltic Exchange please visit

<http://www.balticexchange.com/market-information/>