

BalticBriefing

Baltic Exchange member news, views and events



Bulk report – Week 48 2017

Capesize

Weather delays in China upsetting schedules fuelled further rate rises in the east, with the West Australia/China rate nudging US\$10.00, a level not seen for about three years. A miner wanting prompt tonnage conceded US\$12.50 as the week closed out, for a ship to make 4 December cancelling in Port Hedland. BHP Billiton paid US\$9.90 for an 11-13 December 170,000-tonne 10% cargo from Port Hedland to Qingdao. Timecharter rates also soared with a 181,000-tonner open Huanghua fixing an Australian round at US\$29,000 daily. Period demand intensified, with a 2004-built 176,000-tonner fixed for about a year with Lianyungang delivery at US\$17,500 daily to Korea Line. There was also a rumour that a 180,000-tonner fixed a four to six month period at a firmer US\$27,000 daily.

Rates from Saldanha Bay/Qingdao rose sharply with a 22-23 December cargo fixed at US\$15.50. The positive sentiment spilled over into Brazil, but fixing was more measured with rates in excess of US\$20.00 and a rumour that US\$21.00 was done for end December dates. Further north, there were few ships open and although a limited cargo list owners made gains. With talk of rates approaching and over US\$30,000 daily for transatlantic rounds and equivalent C7 rate for Bolivar/Rotterdam exceeding US\$13.00 level. Front haul fixing was

largely thin but again rates talked ranged in the upper US\$30,000s and one cargo fixed from Baltimore/Kandla at US\$29.50 that reportedly equated to US\$40,000 daily.

Panamax

Rates finally improved this week, the significant gains in the cape market have been a major driving force in improving sentiment but also providing split cargoes in both the Atlantic and Pacific. Grain enquiry increased considerably which added to already healthy mineral demand, pushing up levels everywhere including east coast South America which had suffered the most recently. The US Gulf front haul market lead the way with kamsarmaxes suddenly being reported around US\$17,000 daily plus US\$700,000 ballast bonus, up from around US\$15,000 daily and US\$500,000 ballast bonus previously, plus talk of a voyage fixture concluded in excess of US\$44.00 per metric ton. With a lack of vessels ballasting to the US Gulf from the east, charterers began taking tonnage Skaw-Gibraltar delivery at around US\$20,000 daily, whilst there were still ballasters for east coast South America the increased activity this last week has seen many of them covered. Transatlantic mineral volume remained strong, coupled with limited tonnage supply on the north Continent and upcoming holidays, rates look set to continue rising. Whilst the Pacific also saw gains and increased period demand, many considered that more fresh enquiry was needed to maintain this, with sentiment and an improving Atlantic market only able to provide short term support.

Supramax

The US Gulf market picked up significantly with more activity reported since the mid-week. Rates improved for tonnage in east coast South America and the Pacific but remained weak on the Continent. Increased period activity was evident in the east with two 56,000-dwt open mid to north China both fixing for four to six months at rates in the mid US\$9,000s redelivery worldwide. A 2013-built ultramax open in the Pacific in the first quarter next year was fixed for 8 to 11 months at US\$11,500 daily also with worldwide redelivery.

In the Mediterranean, a 56,000-dwt 2012-built open Canakkale was fixed for a trip via the Black Sea to Singapore-Japan range at US\$16,300 daily. Two sister ultramax vessels were both fixed from east coast South America to the Far East at US\$13,600 daily plus US\$360,000 ballast bonus and US\$14,000 daily plus US\$400,000 ballast bonus respectively. From the US Gulf, a 61,000-dwt 2015-built was booked for bauxite from Jamaica to China at US\$24,100 daily.

From the east, a 56,000-dwt 2007-built with good eco speed was fixed for a trip via NoPac at US\$8,850 daily delivery CJK back to Singapore-Japan range. A coal trip to India paid

US\$13,000 daily on a 58,000-dwt 2016-built, and US\$11,700 daily to China on a 55,000-dwt 2009-built both delivery Indonesia. An India coastal trip was reported to have booked at US\$11,750 daily on a 63,000-dwt 2014-built from east to west coast India. A 57,000-dwt paid US\$12,000 daily delivery RBCT plus a ballast bonus of US\$200,000 for a trip to India.

Handysize

The handy sector slowly recovered towards the end of the week. Rates pushed higher for supramax vessels in the Pacific and this had a positive impact on activity for east-bound handies.

A 30,000-dwt 2017-built vessel was paid US\$9,000 daily basis Tunisia delivery for a run via the Black Sea back to the Egyptian Mediterranean with grain. A 32,000-dwt 2014-built open Eregli was covered to the US Gulf at US\$9,350 daily. In the Pacific, a 28,000-dwt 2010-built open north China was fixed for a steel trip to Indonesia at US\$8,200 daily, and a 38,000-dwt 2015-built open CJK was reportedly booked to move metcoke to Japan at US\$9,650 daily. A 32,000-dwt open Vietnam was paid US\$8,100 daily for a clinker trip to north China at the beginning of the week.

For daily dry bulk assessments from the Baltic Exchange please visit

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