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Bulk report – Week 1 2018

Capesize

After the dramatic fall in rates during the holiday period, the first full day saw sharp drops in the BCI but then swiftly regained some ground as the first week of new year closed out. The key West Australia/China rate dropped to \$5.30 end 2017, it touched \$7.00 last week and then eased back to the upper \$6.00s. The focus in the east was on voyage with timecharter activity limited and rates struggling to reach the mid-teens. Period interest was there last week with a well described 179,700-tonner booked for about 12 months trading with east coast India delivery to a major charterer at \$20,000 daily. The biggest swing in rates was seen in the Atlantic with tonnage tight. The Puerto Bolivar/Rotterdam route registered a one US dollar gain in 24 hours with the rate hitting the mid \$11.00 but with talk that timecharter business was done showing higher equivalents. A 175,800-tonner 2011-built open northwest Europe fixed on this run at \$25,000 daily while Vale covered a 16-25 January cargo from Ponta Da Madeira to Taranto on voyage basis, with some suggesting the timecharter equivalent was over \$30,000 daily. Activity from Brazil slowly increased with the Tubarao/Qingdao rate hovering around \$17.00 to \$17.50.

Panamax

The year began slowly with a portion of the market on extended holidays but as the week progressed the amount of activity began to improve and Thursday saw the first positive Index since the 13 December 2017. The FFA market lead the way showing a sharp increase in the early trade and throughout the week there has been a healthy amount of period interest with rates maintained at pre-Christmas levels in the \$12,000s for a short period kamsarmax. In the Atlantic, rates have improved for fronthaul business especially from the US Gulf, due to increased grain demand, with a 2010-built 82,000-tonner fixed from the Continent via the US Gulf and the Cape of Good Hope to the east with grains at \$19,000 daily. Demand also increased from east coast South America the market remained flatter. Transatlantic rates also improved slightly and sentiment is positive. The Pacific had a far more sluggish beginning, the limited concluded trades showed weaker rates and early tonnage under pressure. Thursday was again a turning point, with sentiment buoyed by the combination of mounting spot market enquiry and the paper market with the week ending on a positive note. A Japan delivery kamsarmax reportedly fixed for a NoPac round at \$11,500 daily.

Supramax

After the widespread holidays it was a slow start, with activity slowly increasing without specific direction. There was little reported on the period front although a 58,000-dwt was fixed basis delivery north China prompt for three to five months trading, redelivery worldwide at \$9,500. Some brokers reported more interest in this sector as the week closed out but few confirmed fixtures.

The Atlantic was generally quiet with rates from the US Gulf remaining flat and little fresh enquiry from east coast South America with owners struggling to fix at last done. Over the festive period a 58,000-dwt was reported fixed basis delivery Gibraltar via US Gulf to China at \$14,000 daily. From the Mediterranean negative pressure was seen. A 64,000-dwt fixed delivery Gibraltar trip via Jorf Lasfar redelivery in the US Gulf at \$7,500 daily and a 63,000-dwt was reported fixed delivery Canakkale prompt trip via Black Sea redelivery Singapore – Japan in the mid \$16,000s.

The Asian sector saw increased activity but tonnage kept supply kept pace. A 56,000-dwt was fixed delivery Busan for a trip to India at \$7,000 and a 57,000-dwt did a China trip via Indonesia redelivery Vietnam at \$6,500.

Handysize

A difficult start in the Handy sector, with negative sentiment across most routes. Only a trickle of information coming to light as participants awaited clear direction.

Brokers reported an easing in rates for transatlantic runs but there was little activity. The usual grain movements from the Continent to Mediterranean continued with 30,000/5 wheat from Rouen to Algeria covered at an easier \$18.00 pmt basis 10,000 Shex load and 2500 Fhex discharge. A 33,000-dwt open east Mediterranean was fixed for two to three laden legs with various Atlantic redelivery ranges but no more details were known.

The Asian markets saw a little more activity, a 39,000-dwt being covered basis delivery CJK for a trip redelivery Singapore in the very low \$7,000s. A 28,800-dwt Imabari was reported fixed basis delivery Singapore for a trip via west Australia redelivery Singapore-Japan at an easier \$7,000.

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