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Bulk report – Week 3 2018

Capesize

The week ended with further losses on all the routes, as the published Cape 5TC value now stands at US\$11,571 which is over US\$5,500/day under the value at the start of the week. The ore rates from Brazil lost almost US\$2 with vessels fixing in the region of low US\$14.00s for Tubarao by week's end. From west Australia the rate decline was less intense as levels fell from around the US\$6.00 mark to in the region of US\$5.60.

In the Atlantic, the lack of fresh cargo severely affected rate levels with the timecharter rates now being assessed at almost half what they were one week ago at under US\$15,000, but little was officially reported fixed.

There has been some period activity with rates linked to the Cape 5TC published rates, the New Dalian (180,371-dwt 2010-built) open CJK end January fixing for 12 months at 105% of the 5TC with Cargill who also fixed the Tiger Jiangsu (180,096-dwt 2010-built) delivery China 15/28 Feb for 11-13 months at 102% 5TC.

Panamax

Last week saw consistent period fixing with charterers keen to try and take vessels for a year rather than shorter period. Several well described kamsarmaxes fixed in the mid and upper US\$13,000's this week for one year, whilst the smaller panamaxs fixed between US\$11,000 and US\$11,900, which showed a widening differential between the sizes.

The Atlantic appeared to see a clearance of the early vessels and now looks more balanced with several charterers now fixing tonnage for short period at premiums to spot market rates. The US Gulf market was quiet all week, however east coast South America remained very active for both January and February dates, with ballasters from the East and India being picked off at largely unchanged levels.

The Pacific has been more of an enigma. Indonesia was very active and there were good volumes of cargoes to India, but spot rates were under pressure and completely at odds with the period market. Vessels open in the North either had to consider fixing short duration business in the South, ballast to East coast South America, or agree deliveries passing South Korea after short ballasts in order to cover the limited cargoes from the North Pacific. The softer rates might have been much lower had it not been for the positive sentiment produced by the period activity.,

Supramax

Up until Friday morning the index had only moved two points, with the last three days seeing no change and this was reflected in a rather lacklustre week. Despite this, charterers sought period cover, a 63,000-dwt was fixed in direct continuation from Taiwan for about 10-12 months redelivery worldwide in the mid US\$11,000 and a 57,000-dwt was fixed for four- six months in the low US\$10,000s from Visakhapatnam.

After the gains of the previous week the US Gulf remained steady, a 56,000-dwt was covered was covered for a trip with redelivery in central Mediterranean at US\$23,250. Brokers saw a build-up of tonnage from east coast South America with a 61,400-dwt being covered delivery Paranagua prompt for a trip to China at US\$14,250 plus US\$425,000 ballast. Again, the Continent and Mediterranean areas also remained flat with a lack of fresh enquiry, a 63,389-dwt fixed delivery Canakkale prompt trip via Black Sea re-delivery Continent at US\$9,500.

Brokers saw more activity from Asia, however a ready supply of tonnage kept the market evenly balanced. A 54,800-dwt was fixed delivery Taipei for a trip to Chittagong at US\$9,000. From south East Asia a 55,300-dwt fixed delivery Singapore for a trip via Indonesia redelivery China at US\$10,500. Elsewhere, a 53,000-dwt open China fixed a backhaul to the Baltic in the

high US\$4,000s. Very little activity was reported for the NoPac with rates once again seemingly treading sideways.

Handysize

A slow week for the handy sector but the east coast South America area was fairly active, with more fresh cargoes and tighter tonnage list towards end. Rates slipped further in the Pacific basin, especially on smaller vessels.

Larger vessels from east coast South America were reportedly fixed at US\$18,000 to west coast South America or in the US\$16,000s for a trip to the Mediterranean. From the Mediterranean Sea, a 36,000-dwt 2015-built was paid US\$11,000 delivery Otranto for a run to west Africa with clinker, and another similar-sized open Canakkale did a coal trip via Black Sea to the Egyptian Mediterranean at mid US\$8,000s.

In the east, a 31,000-dwt 2011-built was fixed at US\$8,250 from Port Kelang to west coast India and a 32,000-dwt open Fujairah was paid US\$8,000 for a trip with urea via east coast India back to Singapore. Two similar-sized vessels were booked at low US\$8,000 from South Korea to north China and US\$7,000 from north China to South Korea both to load via CIS.

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