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Bulk report – Week 8 2018

Capesize

The market showed signs of recovery even before the Chinese return to work, with a push on the West Australia/China run. All the major Australian shippers came into the market and rates broke US\$7.00 for 7-10 March cargoes, so far peaking at US\$7.40 for 15 March onwards. Delays were building in Chinese ports not helped by dense fog over Bohai Bay, closing some ports at the week closed out. Sentiment remained positive as the week closed out with ongoing period interest supporting the market. Timecharter rates improved, with Panocean booking a 19-year old 172,000-dwt from Beilun for a Richards Bay/South Korea trip at US\$15,800 daily. However, the Brazil to China trade remained muted and although some rate gains were seen, the market remained in a stand-off. Rates hovered around the mid-high US\$16.00s but brokers suggested the market needed increased activity from Brazil. Further north saw very limited activity both transatlantic and fronthaul. Rates from Puerto Bolivar to Rotterdam were barely holding around US\$8.00 and timecharter rates estimated around US\$11,000 daily.

Panamax

The market came to life mid-week after the Chinese festivities particularly from east coast South America where activity there was driving the market and helping to support a slower trading in the east. This combined with good period activity led to a bullish close to the week with sentiment positive going forward. A newbuild Oshima kamsarmax fixed ex-yard at a very strong US\$16,000 for one-year delivery mid-March.

There was a good volume of fixing from east coast South America with the pressure now for April with rather than March with rates rising for both aps and dop delivery with ships now fixing in the upper US\$15,000s daily and upper US\$500,000s bonus for the run east – up from the low US\$14,000s + low US\$400,000s BB a week ago. A well described JMU kamsarmax fixed delivery Kohsichang mid-March via east coast South America back to the east at an improved US\$15,500 daily. The Pacific market was understandably more subdued but there was a steady flow of NoPac and Indonesia cargoes but so far owners eyed the stronger rates from east coast South America and healthy period interest rather than fixing short rounds in the east. Within the Atlantic, owners raised their ideas considerably curbing trading, apart from those charterers willing to chase the offers. Cargoes predominantly were for the shorter mineral trades from the north Continent to the Baltic.

Supramax

A subdued start to the week with the Chinese New Year celebrations in full flow but as the week closed rates across all routes made positive gains. Period activity was seen with charterers looking for cover in both basins. A 63,000-dwt was reported fixed delivery Portbury for four to six months trading redelivery Atlantic at US\$14,000 daily.

Atlantic activity centred on the US Gulf this week with rates there remaining firm. A 61,000-dwt was fixed for a trip from Vera Cruz to the Arabian Gulf at US\$24,500 and a 63,300-dwt was reported fixed for a trip from north coast South America to south Brazil at US\$17,000. A 63,400 open Santos was booked around the mid-low US\$15,000s for a transatlantic run. Rates also improved from the east Mediterranean, with a Supramax fixed for a fronthaul in excess of US\$18,000. From the Continent, rates also improved as a 63,500-dwt was rumoured fixed delivery Norway for a trip via the Continent to east Mediterranean with scrap at US\$17,000.

In Asia rates too firmed with a 57,000-dwt reported booked with clinker basis delivery Fangcheng for a trip via Vietnam to Bangladesh at US\$14,500. More activity was seen as the week drew to a close for NoPac rounds but no definite fixtures surfaced. From the Indian

Ocean, a 64,000 was on subjects delivery Durban for a trip Pakistan in the mid US\$12,000s and US\$250,000 ballast bonus.

Handysize

The handy sector started its recovery mid-week with the return to work in the Pacific after the Chinese New Year celebration. Brokers reported more cargoes for March dates appearing in the Atlantic and the tonnage list tightened in the east for the large-sized handy vessels.

Whilst the Atlantic routes showed positive gains, the east coast South America market was said to be rather flat while the US Gulf market improved at a faster pace. A Tess 45,000-dwt type open Paranagua was reportedly fixed basis Vitoria delivery for a trip with pig iron to the US east coast at approximately US\$11,000 daily. A coal trip paid US\$18,000 daily on a 43,000-dwt open Mersin at the end of the month to run via the Black Sea to India. In the Pacific, there was talk of a 37,000-dwt fixing for a NoPac Round voyage at a rate in the mid US\$9,000s basis delivery in the Far East, and two 32,000-dwt vessels were reported to have fixed at US\$8,000 daily for trips from the Far East to Southeast Asia.

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