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Bulk report – Week 9 2018

Capesize

Cautious optimism was eroded early in the first full working week since the Chinese New Year holidays. Rates quickly fell on the key West Australia/China run despite at least 10 ships fixed in one day. By mid-week this rate stood at \$6.20 but some resistance emerged and with more operator interest evident, rates recovered to the mid \$6.00s by the close of the week. Timecharter rates varied with a 2004 175,000-tonner fixed from Zhoushan for an Australian round at \$10,000 daily and a 2010-built 179,000-tonner fixing at \$13,000 daily. East Australia trading provided a premium with a 171,000 tonner fixing a round at \$14,000 daily. Brazil activity sporadic with rates around \$16.00 for prompt-first half March dates from Tubarao to Qingdao and around \$16.50 for late March onwards.

North Atlantic remained extremely slow particularly on the transatlantic trades. EZDK took a ship coming from Qingdao for a cargo from Tubarao to El Dekheila at \$6.95. Front haul rates included a 2004-built 180,000-tonner fixed from Rotterdam for coal from the US Gulf or the US east coast to India at \$26,00 daily. Despite an uncertain spot market, charterers continued to take tonnage for period with rates for standard capes in the east still seeing around \$20,000 daily for a year.

Panamax

Period rates continued to defy spot market fluctuations with rumours of a modern Kamsarmax fixed at \$15,000 for one year and a 76,000 dwt of similar age fixed at \$14,000/\$15,250 for one option one year. Mid-week, a Post Panamax open India also achieved a firm \$16,250 for five to seven months, yet rates from east coast South America softened for March dates with talk of \$31.75 per mt agreed Brazil/China. Talk of April fixed multiple times at \$35.00 per mt. The north Atlantic suffered from a lack of fresh enquiry, with only a few INL breachers achieving healthy levels for short Baltic rounds, combined with competition from the ballasters now rating business from Kamsar and north coast South America. A Panamax ballasting from the east fixed aps Kamsar for a trip to Stade at \$12,625 plus \$135,000 ballast bonus, and another ballaster said to have just fixed Kamsar to San Ciprian.

The Pacific generally remained steady. There was good volume of round voyages and continued Indonesian activity but with more owners now considering inter Pacific business due to falling FFA values and a softening east coast South American market, levels mirrored last done. Two modern Kamsarmaxes achieved low-mid \$13,000s for Australian rounds but similar units still discounted for positional trips to India which fixed at under \$11,000 in preparation for the second quarter east coast South American market.

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

The Supramax section remained buoyant with all areas making gains especially from the Asian sector with sentiment positive. Period activity was seen with a Dolphin 57 open Ningde fixed for minimum four to about six months trading at \$12,500 and a 63,000-dwt open Subic

Bay early March put on subjects at \$14,500 for five to eight months trading, however it was unclear if subjects were lifted.

Atlantic routes remained stable. From the US Gulf a 58,700 was reported fixed basis delivery Houston for a trip to the Mediterranean with petcoke at \$19,000. A 53,300 was fixed basis delivery SW Pass trip redelivery west coast Central America/west coast South America at \$22,000. More activity was seen from the east Mediterranean as a 63,200-dwt was reported basis delivery Canakkale redelivery China at \$24,000, and a 52,000-dwt was fixed also delivery Canakkale trip via Black Sea redelivery Egypt at \$11,600. A mixed bag from east coast South America with a 57,000-dwt was rumoured fixed basis delivery Recalada from the 8 March with days waiting for a trip to Bejaia with grains at \$14,000.

In Asia stronger numbers were seen. A 58,000-dwt open Singapore was said to be booked for an Indonesia trip redelivery south China at \$15,000. A 56,000-dwt was reported fixed basis delivery Kaohsiung 5-10 March trip via Philippines redelivery China with nickel ore at \$13,000. From the Indian Ocean a 55,600-dwt was taken basis delivery Richards Bay trip redelivery west coast India at \$12,250 plus \$225,000 ballast bonus.

Handysize

Rates from the US Gulf stayed positive whilst the east coast South America market slipped towards the weekend. Since mid-week, the Pacific market showed strong improvement and rates moved sharply higher for both larger and smaller-sized handy vessels delivery in the Far East as well as Southeast Asia.

In the Atlantic, a voyage fixture of 30,000 tonnes maize from Topolobampo to Puerto Cabello was reportedly fixed on a 34,000-dwt at \$29.00 with 6,000 tonnes load and 3,000 tonnes discharge rate. A 38,000-dwt was paid \$13,000 daily delivery Recalada for a trip to the Continent. From the east, a 32,000-dwt was fixed on subjects from South Korea to Southeast Asia at a rate close to mid \$9,000s, and a 38,000-dwt was fixed at \$11,000 daily basis delivery in north China for a trip to Singapore. A 33,000-dwt open Singapore was reportedly booked at \$10,500 daily for Australia round voyage with redelivery in Singapore-Japan range. For longer durations, a 38,000-dwt open Thailand in early March for a trip to the Tampa-Veracruz range at US\$7,500 daily for the first 58 days and \$11,500 daily thereafter.

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