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Bulk report – Week 16 2018

Capesize

This week has seen the Cape 5 timecharter weighted average almost double. Similarly, the Brazil to China ore rates climbed over \$4.50, from mid-\$13.00s, to somewhere in the \$18.00s. Despite all this activity, the West Australia ore rates have moved a modest amount. There have been daily fluctuations, with FMG paying \$7.50 for a prompt ship, compared to rates of around the \$6.50 level the previous week. Fewer fixtures have emerged on timecharter, with a 14-year old 180,000-tonner fixing from Rizhao for a round voyage in the East, at \$15,000 daily. While earlier this week, the *Aqua Vision* (180,353 2011), open Zhuhai 20-23 April, went to Jiangsu Steamship in direct continuation for an Australian round voyage at \$12,950. Saldanha Bay/Qingdao rates firmed, last done was \$12.80 on the Mineral Stonehenge for early May loading to Anglo American. There was a little period activity, with ArcelorMittal re-letting the *Pelopidas* (176,006 2011), open China 1-5 May for 9-12 months, at \$17,850, in addition to the Pacific Bulk vessel *Cape Splendor* (206,070 2014), agreeing \$23,500 retroactive, sailing to Lanshan 10 April, for balance of period (about 7-9 months). However, in both cases a charterer was not reported.

Panamax

Period interest continued, despite the disparity with spot rates, with the ongoing improvement in the Cape market further boosting the sentiment. The paper market tried to bounce a few times this week, but the declining BPI repeatedly dampened resolve. The North Atlantic was very active in the first half of the week, with a decent clear out of early tonnage, however, rates still softened and there were many reports of ships fixed on timecharter, which, proved to be the equivalent to voyages rates. Further South, East coast South America maintained a reasonable cargo demand, but this was matched by supply, so rates drifted as the week progressed from around \$16,500 plus \$650,000 ballast bonus for front haul on a modern Kamsarmax, to around \$15,500 plus \$550,000 ballast bonus. The Pacific remained subdued throughout the week, with a lack of mineral cargoes and an abundance of early ships putting rates under pressure. Those particularly impacted, being Post Panamaxes, however, NoPac grains saw a steady volume of fixing, and rates here showed a little more resistance. Expectation was more optimistic for later dates, with several brokers noting healthy enquiry on forward positions.

Supramax

Overall a week lacking activity in the Atlantic, but some suggested a floor might have been found in certain areas. Most of the Atlantic routes made gains, and the US Gulf market was picking up again towards the weekend. However, it was also reported that a longer tonnage list was evolving in the Mediterranean, with more market players keen to take vessels for period in the area, but was still fairly flat in East coast South America. In the Pacific, it remained a struggle for the rates to achieve the last done level.

A 57,000-dwt open Canakkale, was fixed via the Black Sea and Red Sea, to redeliver in Port Said at \$9,500 early part of the week. A 63,000-dwt open Iskenderun, was booked West Africa with clinker, at \$10,500. From the US Gulf, a 58,000-dwt was fixed from South-West Pass for grain, to West coast Central America, at a rate around \$20,000. Another Ultramax vessel went from the US Gulf area at \$24,000 to the East. From East coast South America, a 58,000-dwt was fixed at \$16,500 to the Mediterranean; another similar-sized agreed a trip to Adabiya, with redelivery in Port Said, at \$17,000 basis, Tubarao delivery.

In the Pacific, steel runs from North China to South-East Asia, were reported ranging from \$8,000 to \$9,000. Nickel ore trips were fixed at \$12,000 on Ultramax vessel open Thailand, or, \$10,000 on a 53,000-dwt open South China. Two 56,000-dwt open Hong Kong and Singapore were fixed for Indonesia coal trips to China, at \$9,500 and \$11,000 respectively. A coal trip from Indonesia to West coast India, was reportedly done at the low \$13,000s on a 58,000-dwt basis delivery Cebu, and \$9,000 on a 56,000-dwt basis delivery South China. From the Indian

Ocean, a 56,000-dwt delivery Bandar Imam Khomeini, was fixed for moving sulphur, via Iran, to China at \$15,000. An iron ore trip from Iran to China paid \$16,000 on a 58,000-dwt basis delivery Mesaieed.

Handysize

The Pacific basin saw a continuous fall throughout the week, and the negative sentiment continued in the US Gulf, while the rates struggled to push up further from East coast South America. Most of the areas remained largely flat. On the period front, a 38,000-dwt open Paranagua, was booked for four to six months at \$13,000 redelivery in the Atlantic.

A voyage fixture of 40,000 tonnes, 10% stem, from Up-River to Algeria, was booked at \$30.75, with 8,000mt load and 5,000mt discharge plus 5% total commission structure. A 28,000-dwt open Dneprobugsky, was fixed for a front haul business, with long duration, at a rate in the low \$13,000s. A voyage fixture of 25,000-tonnes, 10% barley, was done from Rouen to Tunisia, at \$23.75, with 10,000 mt load and 2,500 mt discharge. From the East, a 28,000-dwt open Busan, was booked for a trip via Japan to South-East Asia with scrap cargo, at \$8,300. A 37,000-dwt open Lanqiao, was concluded to move logs from New Zealand to China, at \$11,500. A 38,000-dwt open Sandakan was fixed for a trip, via Australia, to North China with alumina, at \$10,250.

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