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Bulk report – Week 17 2018

Capesize

Rates eased in the East, as the week closed out with the momentum slowing. Levels on the key West Australia/China run dropped to \$7.25, in what appeared to be pre-holiday jitters, after climbing in excess of the mid-\$7.00s before stalling. The Australian miners were taking ships, with Rio Tinto securing tonnage for 13 May onwards at the end of the week from Dampier to Qingdao at \$7.25, but with improved drafts in Dampier, brokers said. Timecharter rates hovered around \$16,000 to \$17,000 daily for Australian round voyages. Brazil trading slowed after a sharp rate rise on the key Tubarao/Qingdao run, and although easing, rates were still around \$18.00, however, with claims, a rate in the high \$17.00s was agreed. Tonnage was tight in the North Atlantic, and rates pushed up, with reports of end-May cargo fixed from Puerto Bolivar at \$10.40 basis Rotterdam. The transatlantic timecharter rate slipped, but was still close to \$20,000 daily, although activity slowed, fronthaul rates were still in the low to mid \$30,000 daily. With uncertainty going forward, and a flat forward paper curve, period trading slowed with some failing evidently. A 2011-built 176,000-tonner fixed this week for seven to ten months trading with first-half May, delivery China, at \$18,500 daily. The gap remained wide between charterers and owners ideas for now.

Panamax

There were fewer period trades, as the bid/offer gap widened due to the declining spot market, but the few deals done were still at solid levels. Atlantic rates softened in the North due to the oversupply of tonnage, despite a relatively healthy amount of enquiry. Grain sales to China for the US stopped due to the introduction of the anti-dumping charges, and despite this leading to increased volume from an already busy East coast South American market, potential increases were off-set by the large number of ballasters and owners struggling to maintain rates. Modern Kamsarmaxes were fixing at \$14,800 plus a \$480,000 ballast bonus, but it was unlikely that this level would be on the table for very long, with sources suggesting mid-May cargoes have mostly been covered. The Pacific saw a touch more mineral demand, but rates in the South fell. Although the North experienced a flurry of greatly improved fixtures, mainly for NoPac cargoes, sources attributed this to the upcoming Golden Week in Japan, combined with a holiday in China (Monday and Tuesday). Regardless, the improvement was enough to see the BPI P3a rise unexpectedly on Thursday, when rates on other routes dropped, with the highlight a very well described Kamsarmax in Japan fixing at over \$14,000 for a trip via NoPac to South China.

Supramax

With the onset of various holidays in the Asian sector next week, this basin saw more activity than the Atlantic this week. There was period cover sought, with a 63,000-dwt open CJK end April, fixed for four to six months, trading redelivery worldwide, at \$13,000. While further South, a 56,000 open Kosichang was fixed for three to six months, redelivery worldwide, at \$12,750.

A mixed bag from the Atlantic, with limited fixtures surfacing. A 58,000-dwt open Turkey was booked for a trip, via the Black Sea, redelivery Singapore-Japan, in the upper \$17,000s. From the Continent, a 53,000-dwt was fixed for a scrap run from Liverpool to the Mediterranean, at around \$14,000. An easing of interest from East coast South America saw a 55,000-dwt fix basis Recalada, for a trip to the Mediterranean, in the mid \$14,000s. From the US Gulf, a 55,000-dwt open New Orleans early May, agreed a rate in the mid \$15,000s to move wood pellets to the Continent.

There was a touch more nickel moved this week. A 57,000-dwt open Yangjiang, was fixed for a trip, via the Philippines, redelivery China, at \$11,750. For coal runs, a 61,000-dwt was fixed basis delivery Surabaya, for a trip via Indonesia, redelivery India at \$15,000. A 50,200-dwt open Phu My, also went for two to three laden legs redelivery worldwide, at \$10,000. From the Indian Ocean, a 63,500-dwt was fixed for a trip delivery Mumbai, via West coast India,

redelivery China, at \$14,000. Finally, for South African business, a 63,500-dwt went delivery Krisnapatnam, via South Africa, redelivery Singapore-Japan range at \$13,150.

Handysize

Overall it was a relatively slow week, with the week beginning much as it had finished the previous week. Lower rates were reported from East coast South America, US Gulf and the Pacific basin towards the end of the week. A 33,000-open West Mediterranean was reportedly fixed for three to five months, trading with worldwide redelivery at approximately \$11,000. Another similar-sized open in the same area was concluded at \$9,500 for two to three laden legs, with redelivery in the Atlantic at \$9,500. From East coast South America, a 38,000 was booked to move grain to Spain at \$12,750 – a rate brokers considered at the low end. From the US Gulf, a 35,000 did intra-Gulf business at around \$8,000, and two 34,000s, open US East coast, were fixed to Veracruz at \$6,500, and the Western Mediterranean at \$10,000, respectively. In the Pacific, a 32,000-dwt open South China agreed \$9,000 for a run via Vietnam, and redelivery in the Philippines. Similarly, a 28,000 open Singapore, was fixed to the Philippines at \$8,500. A trip with limestone paid \$9,000 on a 43,000 from Singapore to East coast India.

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