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Bulk report – Week 19 2018

Capesize

A positive mood for the coming days, with rates firming again as the week closed out. In Asia, the key C5 route, West Australia/China, peaked at \$8.55, but then lost ground as a holiday in Europe unsettled the market and this combined with a then sluggish Brazil market. Within 24 hours, rates dropped to \$8.00 but then 24 hours later gained 40 cents, with increased activity from the Australian miners and operators. As rates rose, owners were increasingly trying for timecharter, with Australian rounds in the low \$20,000 daily range. For much of the week Brazil activity had been intermittent, with rates for May in the upper \$17.00s and only in the low \$18.00s for early June. However, a long expected/hoped for, but ultimately sudden, surge of activity from Vale mid-week onwards combined with other cargoes to see June rates hit \$19.00. There was also activity from South Africa, with rates also heading higher, reaching the upper \$14.00s. The North Atlantic saw more limited trading, but rates here too rose sharply mid-week, but then eased off with the Ascension Day holiday, before recovering with talk of a voyage cargo from Port Cartier to Rizhao fixing at \$28.00, allegedly showing a timecharter equivalent of \$36,000 to \$37,000 daily. Charterers continued to have an appetite for period business, with a one year old Newcastlemax fixed for 10 to 12 months, trading at \$24,000

daily, and a 5-year old Newcastlemax, booked at \$22,000 daily for 9 to 12 months, trading both with China delivery.

Panamax

Period fixing was again evident this week, with the paper market well supported, despite the BPI being slightly negative on a daily basis. The mood was that the Pacific had bottomed out and was showing signs of improvement with increased demand, but this was off-set by the Atlantic, which was less impressive. The paper market took its lead from the Pacific sentiment, although period rates are slightly lower compared to last month's levels, with a new build Kamsarmax delivering ex-yard fixed for one option, one year, at \$13,500 and \$14,500 respectively. Increased mineral demand from Indonesia and Australia added to ongoing NoPac activity, fuelling the improvement, but rate increases were slow and unspectacular.

European holidays disrupted Atlantic trading, and the North still appeared over supplied, with vessels agreeing less than last done. EC South America remained active, but vessels still struggled to maintain previous levels, as many ballasters en route and Kamsarmaxes now generally fixing around \$14,500 plus \$450,000 ballast bonus.

Supramax

A story of two halves this week, with routes from the Asian market at better levels than the Atlantic. There was limited short period activity reported, with a 57,000-dwt fixed basis delivery Xiamen prompt for three to five months trading redelivery worldwide at \$11,500, and a 53,000-dwt booked delivery Singapore for two to three laden legs at similar levels.

In the Atlantic, the market experienced a slow week, with widespread holidays across Europe. Key areas such as the US Gulf lost ground with very little demand, which put owners under pressure. A 61,000-dwt was linked to a petcoke run from here to the East Mediterranean at around \$14,750. EC South America also saw very little fresh enquiry, and with an oversupply of tonnage, rates remained easier. A grain house was rumoured to have fixed a vessel basis delivery Fazendinha for a trip to the US Gulf, at under \$10,000. Elsewhere, a 62,000-dwt was fixed for a trip from the East Mediterranean, redelivery US Gulf at \$7,700.

As the week progressed trading increased in the East with both South Asia and North Asia seeing a fairly tight tonnage supply, and more enquiry coming into the market. A 50,300-dwt open Nansha, was booked for a trip via Indonesia to China at \$12,000. A 63,000-dwt was reported basis delivery Dalian, for a trip via NoPac, redelivery Chittagong, at \$13,000. However, activity in the Indian Ocean remained stagnant.

Handysize

With widespread holidays throughout the week, brokers reported an uneventful time lacking any real action or impetus. Overall, routes in the Asian market performed better than the Atlantic, which saw lacklustre activity. Opinions were divided over EC South America, and a 38,000-dwt was rumoured fixed at around \$12,500 levels for a trip to Morocco but further details were not confirmed. Elsewhere, a 43,900-dwt was fixed for a trip from Conakry redelivery Black Sea in the mid \$8,000s. A 31,800-dwt was reported booked from East Mediterranean to Haiti with bagged cement at \$10,000. A touch more activity was seen from the US Gulf, with a 37,000-dwt fixed from here to WC Central America at \$12,750. A 38,000-dwt was also fixed from the US Gulf to Yuznhy at approximately \$11,000, and another 38,000-dwt was booked from Vila Do Conde with alumina to the Baltic in the mid-high \$11,000s. Off the Continent, a 29,000-dwt was fixed basis delivery passing Skaw with scrap, via Denmark, redelivery East Mediterranean at \$11,000. From Asia, very little surfaced, despite improved numbers discussed with players keeping information close to their chests. A 33,000-dwt fixed at \$10,000 from North Asia to SE Asia, and a 33,000-dwt was fixed basis delivery Japan trip with steels to the Persian Gulf at \$10,500. The direction for the coming week remained unclear but players are hoping that activity will pick up next week when everyone has returned from “mini breaks”.

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