

BalticBriefing

Baltic Exchange member news, views and events



Bulk report – Week 20 2018

Capesize

Dramatic drops over the week for the big ships, with the hope of further improvements as the week began being dashed mid-week. Ongoing unrest in Guinea and disruption to bauxite exports saw some vessels re-let on the market, prompting uncertainty with those vessels chasing rates lower, especially from Brazil. As the week closed out, rumours circulated that Vale took a clutch of ships in the low \$17.00s for June dates from Tubarao to Qingdao. Further north, there were rumours of weaker transatlantic rates negotiated, and timecharter levels slipped further down. In the East, even though bunker rates in Singapore kept firming, voyage rates came off sharply, seemingly as some owners preferred to stay local rather than ballast towards South Africa or Brazil. The major Australian miners were largely present for most of the week, with rates dropping to the low \$7.00s, compared to the mid \$8.00s seen the previous week, despite bunker prices continuing to rise in Singapore and China. However, today there is talk of Rio Tinto fixing for early June dates at \$7.45, and others taking tonnage at \$7.65 region, so perhaps a floor has been found. As paper values took a hit this appeared to side-line operators. Louis Dreyfus was confirmed taking the '*Ianthe*' (180,018 2009) for

seven to nine months, trading with 5-15 June delivery Nagoya, at \$20,650 daily, but the rate was said to be agreed the week ending 11 May.

Panamax

Despite being an active week with plenty of fixing, the index remained relatively flat throughout the week. Atlantic rates slipped, while Pacific rates edged up slightly. With more enquiry in the North Atlantic, owners had an opportunity to cover, but at levels generally below last done, and even East coast South American rates softened at the beginning of the week, before recovering to levels similar to those seen last week, as several charterers took multiple ships for end May and early June stems. There has been a big clear out this week, including the last remaining May stems, with some owners having to wait for slightly later cargoes to find cover. Vessels in the North Pacific continued to achieve slightly improved levels from NoPac, although the volume of enquiry seemed to be slowing, whilst further south, rates appeared flat, as the mineral volume was matched by the healthy tonnage availability. Period interest continued, and rates are still strong in spite of the flat market, with Kamsarmax's fixing at around \$13,000/low \$13,000's for short periods in the Pacific.

Supramax

It was another week of opposites in this sector. The Atlantic remained in the doldrums, whilst in contrast, the Asian market remained on a firm footing. Bearing this in mind, the period market saw increased activity, with an Ultramax 63,000-dwt, open Ulsan, booked for three to five months period, in the mid \$13,000s, and a 57,500-dwt open Chiba concluded for three to six months, trading at \$12,750.

The Atlantic saw a very lacklustre week. The impact of minimal fresh enquiry from US Gulf and East coast South America saw rates slide. A Supramax was rumoured to be covered from US Gulf to West coast Central America at around \$17,000, whilst from South America, a 56,000-dwt was fixed delivery Recalada for a trip to Ireland in the mid \$13,000s. The Mediterranean-Black Sea market also saw very limited demand and an increased number of vessels becoming available.

More cargo appeared in the Asian sector this week and rates pushed up. A 63,500-dwt open Singapore was fixed at \$18,000 for a trip via Indonesia to India. There was also increased activity in the nickel ore trades. A 56,800-dwt open South China was booked via the Philippines to South China at \$12,500, option redelivery North China at \$13,000. NoPac business was plentiful and a 53,400-dwt open Japan fixed in the upper \$12,000s for a trip redelivery SE Asia. Comparatively little was seen from the Indian Ocean, but a 61,100-dwt

was reported booked delivery Maputo for a trip redelivery Singapore-Japan at \$12,500 plus \$250,000 ballast bonus.

Handysize

Both the Atlantic and Asian markets remained largely flat throughout the week, with little activity reported. The overall Handy index stayed in the positive zone, with minimal improvement on any routes. From East coast South America, a well-described 43,000-dwt was booked for a trip to Iraq at \$13,500, plus a ballast bonus of \$350,000. A 38,000-dwt open Tampa was fixed for a trip via Panama City to redeliver in UK-Continent range at \$11,000. In the East, a 34,000-dwt achieved \$10,000 basis on delivery in Ho Chi Minh for an Indonesia round trip, and a similar-sized open CJK, was fixed for a trip via CIS to China at \$9,200.

For daily dry bulk assessments from the Baltic Exchange please visit

<http://www.balticexchange.com/market-information/>