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Bulk report – Week 21 2018

Capesize

A depressing time for the big ships as rates eased across the board, with the Atlantic particularly short of cargo, while levels in the East fell despite active fixing from West Australia. The lack of Brazil cargo continued to have a major impact on the market, with at least 40 ships in ballast from now until the end of June and Vale reportedly now covered for June. This in turn has led to some owners/operators preferring to stay in the East, and here, rates were chased lower. As the week closed out, the key West Australia/China route stood just about over \$7.00, and with a holiday in the UK Monday, and Singapore on Tuesday, there appeared little to cheer the market. Timecharter rates were barely holding in the teens, with a 2016 built 179,000 tonner fixed at a tick \$13,600 daily for an Australian round voyage. The sheer volume of tonnage impacted significantly on back haul runs, with a 150,000-tonne 10% cargo, Saldanha Bay to El Dekheila, 15-24 June, shipment fixed at a tick over \$6.00, showing a negative timecharter return. Brazil trading was again very slow, and a 15-20 June, 170,000-tonne 10% cargo, from Tubarao to Qingdao stood at just over \$16.00. Further north, there was again limited cargo available, and the rate from Puerto Bolivar to Rotterdam tumbled to \$7.95, with the timecharter rate for transatlantic rounds at barely \$10,000 daily, and that was if owners could get charterers to respond. There remained ongoing period activity,

with owners increasingly keen to obtain cover and rates have eased, with only super eco types obtaining anything over \$20,000 daily for up to a year, with a wider spread on the period.

Panamax

Atlantic rates continued to come under downward pressure, with a lack of activity especially from the US Gulf and for longer voyages. Owners/operators dropped rates sharply for the quick rounds in order to gain more time, while hoping for an uptick in the market. A 2009-built 83,000-tonner agreed around \$6,000 daily, Rotterdam delivery, for a quick Baltic round voyage, with the longer rounds generally fixing at under \$9,000 daily and only super eco tonnage seeing more than five figures for round voyages. A 2016 built Kamsarmax fixed from Gijon for a trip via the US East coast to Japan via the Panama Canal, at \$18,500 daily. While a 2008-built 77,000 tonner agreed \$16,000 from Tarragona via the US Gulf and the Panama Canal to Japan. The pace slowed from East coast South America, with a 79,000-tonner fixed for a trip from the area to SE Asia around the mid \$14,000s, mid \$400,000 bonus. In the East, despite an active market from Indonesia, the slower South American market has checked rates, as some owners prefer to stay in the area. The NoPac remained active, but again there were fewer cargoes from East coast Australia and CIS to lend support and owners were slightly reducing their rate ideas. A 2007-built Kamsarmax open Kimitsu fixed for a NoPac round with grain at \$12,500 daily, but sources said the vessel was not fuel economical.

Supramax

A rather slower week than expected, with the Atlantic in the doldrums and the Asian market seeing a little less activity as the week came to a close. Less period activity was seen than of late, with a 63,400 dwt open Japan, rumoured fixed for two to four months, trading at around \$15,000, but some said this was to cover a long duration trip from Vancouver to the Indian Ocean.

In the Atlantic, the US Gulf remained quiet, with Ultramaxs obtaining a rate in the mid-teens for trips across. Once again, it was a very sluggish week from East coast South America. A 52,000 was linked to a trip to the Continent-Mediterranean at around \$13,000. Elsewhere, a 51,000 dwt open Antwerp was linked to trip via the Baltic to the Far East in the high \$14,000s. From the Mediterranean, a 56,800 was reported fixed delivery Iskenderun trip to US Gulf at \$7,500.

As the week progressed the Asian market struggled to maintain last done levels. A 56,800 dwt was booked delivery Singapore for a trip via Indonesia, redelivery China, at \$12,750. A 56,700 fixed delivery Tianjin end May for a trip redelivery India at \$13,500. There was more activity

from the Indian Ocean, a 56,800 dwt reportedly went delivery Mumbai trip via Iran, redelivery China, in the mid \$15,000s. From South Africa, a 63,500 dwt agreed Port Elizabeth delivery for a trip Singapore-Japan at \$12,500 plus \$280,000.

Handysize

The Baltic Exchange Handy Index (BHSI) maintained a similar level as the end of last week, but rates from East coast South America and the US Gulf market slipped further. Fixtures with easier rates were reported and brokers suggested sentiment looked pessimistic. Rates remained fairly flat in the East, with limited period activity reported.

From East coast South America, a trip to the Mediterranean paid \$12,000 on a 45,000 dwt at the beginning of the week and \$9,500 on a 31,000 dwt for moving grain to Morocco. A large-sized Handy vessel was fixed from the US Gulf to West coast Central America at \$12,000, but with a long wait to commence the lay/can. In the Pacific, a 29,000 dwt open Penang, was booked for a trip via South-East Asia to India at \$8,250 early part of the week. A 32,000 dwt open in the Philippines was paid \$9,000 for four to six months, trading redelivery worldwide.

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