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Bulk report – Week 22 2018

Capesize

A turnaround in fortunes for the big ships as the week ended, with rates recovering generally, although the North Atlantic remained slow. Even with increased Brazil activity and rates up, the momentum needed to be maintained to sustain recent gains. The Australian miners were active, and this, combined with interest from operators, meant rates hovered close to the mid \$7.00s for West Australia/China cargoes, having gained 65 cents in a 24-hour period. Demand for tonnage to load coal also underpinned rates, with a 2011-built 169,000-tonner fixed from Beilun for an East coast Australian round, at \$15,000 daily, while a super-eco 182,000-tonner went at \$18,700 daily for an Australian round. The end to the Brazilian truckers strike coincided with a step up in Brazil shipments, with talk today that \$17.50 was done for a 21 June onwards cargo from Sudeste to Qingdao, while a 1-10 July cargo fixed from Tubarao to Qingdao at \$18.00. The North Atlantic saw little action, although there appeared to be fixing from Guinea to China but rates were not disclosed. Transatlantic trading was limited, but an eco-169,000-tonner, 2010-built, open Gibraltar, agreed \$10,500 daily for a transatlantic round. Paper values pushed significantly higher and should stimulate period fixing, brokers said. Koch Shipping reportedly fixed a 177,000-tonner, 2005-built, for 5-12 June, delivery Singapore, at \$18,100 daily for 12 to 15 months trading.

Panamax

After a disjointed start to the week with the holidays in the UK, Greece and Singapore, rates appeared to be under pressure everywhere and the sentiment was initially gloomy. However, as the week progressed, positives began to emerge and ended on an upbeat note. The Atlantic lead the way with rates for end June positions from East coast South America jumping from around \$31.50/\$31.75 per mt, up to \$32.25/\$32.50 per mt, with a well described Kamsarmax fixed on time charter at \$15,750 plus \$575,000 ballast bonus on the same dates. Further north the tonnage list also tightened after a clear out of prompt tonnage, and whilst gains have not been significant, owners were asking for rates at last done. In the Pacific, trading was in thin volume and the Panamax vessels struggled more than their larger counterparts. This developed a two tier market for nearby positions, with only the better described units seeing any improved levels in the spot market. Renewed period interest was evident, helped by an improving FFA market, with Kamsarmaxes fixed at \$13,000/\$13,250 for one year and Panamaxes fixed for shorter periods of four to six months in the low \$12,000s.

Supramax

A short week, with a public holiday in the UK and Greece on Monday, and another on Tuesday in Singapore, led to the market being described as 'lethargic', particularly in the Atlantic, whilst the Pacific remained largely flat. The rates from the US Gulf improved towards the end of the week, but some brokers still reported limited front haul activity. On the period front, a 63,000-dwt open Gibraltar was booked for three to five months, trading at \$13,000, with redelivery in the Atlantic, the ship was fixed at the end of last week.

From East coast South America, a 55,000-dwt was fixed to Chittagong with sugar, at \$13,250 basis Santos delivery, with a ballast bonus of \$325,000. A 63,000-dwt open Cristobal, was booked for a grain run via the US Gulf to the East Mediterranean, at \$13,750. Recent US Gulf fixtures also included a 61,000-dwt fixed at \$14,250, basis Southwest Pass, delivery to Egypt, also with grains.

In the Pacific, a steel trip from North China to Southeast Asia paid \$10,000 on a 55,000-dwt basis delivery Rizhao. A 63,000 tonner open Luoyuan agreed \$13,750 daily to move nickel ore from the Philippines to China. A 55,000-dwt open Zhangzhou, and a 58,000-dwt open Davao, were both booked to move coal via Indonesia to China at \$11,000 and \$14,750 respectively. From East coast India, a 53,000-dwt open spot at Krishnapatnam was fixed for a run via Australia to China at \$9,100.

Handysize

Similar to the larger-sized, the Handysize Index remained largely unchanged throughout the four publishing days. However, the rates from East coast South America and US Gulf routes, moved lower, with little fresh cargo to lend support. The Pacific market also showed few signs of an upturn with little reported. A 45,000-dwt was re-let for a trip from Nemrut Bay via East Mediterranean to Spain at \$10,500 at the beginning of the week. Rumours circulated of a 37,000-dwt fixed from the Continent to the East Mediterranean at \$9,000 daily, a low rate most of the brokers said, but with little else disclosed. A 34,000-dwt open Cuba was reportedly fixed at \$9,300 basis Santo Tomas for a trip to the Black Sea.

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