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Bulk report – Week 23 2018

Capesize

Despite the major Posidonia event in Greece, rates for the big ships took off this week, with the stars seeming to be working in conjunction, with both the Pacific and Atlantic markets active. However, the dampener came as the week closed out and this despite Vale allegedly raiding the market and taking upwards of 10 ships direct with the owners/operators for July at rates around \$19.00. Prior to this, Brazil had gained momentum with June and July cargoes fixed at levels nudging the high \$19.00s and even a rumour of \$20.00 agreed. North Atlantic trading has been very slow in recent weeks but even here a fresh cargo input saw rates from Bolivar to Rotterdam rise to closer to \$10.00 than \$9.00. Mid-week Panocean took a super-eco 2015-built vessel for a 6-15 July cargo from Seven Islands to Beilun at \$24.25, with the ship coming open in Sines.

Increased ore and coal activity from Australia also saw rates firm in the East with levels near the mid \$8.00s on the West Australia/China run for dates from 19 June onwards (almost up \$1/ton on the previous week). As the pace slowed there were some jitters with talk of rates slipping to near \$8.00 and even a tick under. Timecharter activity gained momentum with a well-described ship achieving \$20,000 daily for a West Australia run and the more standard

types in the high teens. Elsewhere there was talk that a 2014 182,000-tonner in ballast from Jintang fixed a cargo from Saldanha Bay to Qingdao at a sharply higher \$14.90, but others suggested the ship involved agreed over \$22,000 daily basis retroactive delivery China.

Panamax

There was significantly more period interest than last week, with rates improving from \$13,000/low \$13,000s for one year on a Kamsarmax last week. Two vessels reportedly fixed at \$14,150 and \$14,650 respectively this week, as well as a newbuilding Kamsarmax achieving \$15,100 for six to eight months period delivery in the Philippines. On the spot market East coast South America has again been a hive of activity with \$35.00 per metric tonne fixed Santos to North China for end June dates, representing an increase of about \$3.00 per metric tonne compared to the previous week. Charterers again began taking tonnage delivery India and the South Pacific on timecharter, rather than arrival East coast South America. Rates in the North Atlantic also improved as the tonnage list tightened, and towards the end of the week a few significantly improved fixtures emerged including a Kamsarmax agreeing \$13,500 for a trip North coast South America to the Mediterranean. The same vessel fixed and failed at the end of last week for similar business at \$10,500. Meanwhile the Pacific has been very positional, with the well described units seeing improved bids especially in the North, with the rest of the market reliant on the improved sentiment driven by East coast South America and the period market to maintain their ideas.

Supramax

With many travelling in Greece this week, the Supra and Ultramaxs remained quiet at the beginning of the week, but rates from the US Gulf started to climb soon after. Brokers also suggested East coast South America market was improving, especially for cargoes loading second-half June onwards. By contrast the Continent and Mediterranean markets remained flat. Overall a week of less activity in the Pacific, but short period fixtures were reported on a 60,000-dwt open South Korea fixing for four to seven months at \$14,000 with worldwide redelivery.

From the US Gulf, a 63,000-dwt was re-let for a coal run to the Mediterranean at \$17,750, whilst a 61,000-dwt was linked to a petcoke trip from the Gulf to Italy, with redelivery basis passing Gibraltar at \$18,000. A trip to Japan was reported to have done at tick over \$20,000 on a 58,000-dwt. From East coast South America, two 63,000-dwt were reportedly fixed to China both in the high \$14,000s plus a ballast bonus in the high \$400,000s. Similar rates were also reported on a similar-sized vessel for moving sugar from Brazil to Chittagong. In the

Continent, there was talk of Supramax and Ultramax vessels fixing for scrap cargoes to the Mediterranean ranging from \$11,000 to \$12,000.

In the East, a 57,000-dwt open in Manila was paid \$12,000 for a trip via Indonesia to East coast India, and a 58,000-dwt open South China was paid \$11,000 for a round trip via Indonesia. Nickel ore trips from the Philippines to China were reported fixed at \$13,000 on a 56,000-dwt basis delivery mid-China. More activity was talked about with increased enquiry for ships open South Africa. Besides choosing to ballast to East coast South America, a 56,000-dwt was fixed at \$12,000 plus mid \$200,000 ballast bonus to the Persian Gulf / West coast India range, and same level reported for East coast India redelivery.

Handysize

The BHSI had minimal changes throughout the week, mimicking a similar pattern as Supramax/ Ultramax vessels in the US Gulf and East coast South America. Some brokers suggested the improvement on the US Gulf reflected the positive movement from the other vessel sizes, but others did not see this happening yet. Brokers also saw a growing tonnage list in East coast South America for the next two weeks. There was a 39,000-dwt open Santos fixed \$10,500 for moving sugar to Algeria in the middle of the week. Little reported from the East this week.

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