

Baltic Briefing

Baltic Exchange member news, views and events



Bulk report – Week 24 2018

Capesize

The Atlantic market improved this week, with increased activity from Brazil for July shipments plus a few June cargoes fuelling rate rises, with close to \$20.00 rumoured paid. Vale took a few July ships from Tubarao to Qingdao early in the week at rates in the low \$18.00s, with others quickly following and pushing rates higher. Further north, there was some increased activity, with tonnage still tight, but this market can swing either way very quickly. Timecharter rates for trips to the East firmed sharply, with a well-described 2014-built 181,000-tonner fixing from Ijmuiden for a trip via EC Canada or Trinidad at \$35,000 daily. Transatlantic business was slower to emerge, but the rate from Puerto Bolivar/Rotterdam was still holding more than \$10.00 and a cargo fixed from Port Cartier to Fos at \$9.25, although the latter business was said to show around \$18,000 daily.

With a holiday in Singapore as the week ended little was expected, but after a mostly flat week here rates on the key West Australia/China run closed out at \$8.00, as FMG picked up three ships for end June loading from Port Hedland to Qingdao. Timecharter rates also firmed, with an 11-year 181,000-tonner fixing basis South Korea delivery for a round voyage at \$18,000 daily. Period trading was evident this week, with charterers eyeing still solid forward curves. A

2004-built 180,000-tonner open Jintang fixed for seven to nine months trading at \$21,000 daily, while a 2016 Newcastlemax Imabari built reported for two years at \$25,000 daily with Japan delivery.

Panamax

A somewhat strange week, which started very slowly following Posidonia, and ended with a holiday in Singapore. Activity from EC South America continued to dominate the market and rates improved particularly for nearby positions but not dramatically, with Kamsarmaxes now fixing just above \$16,500 plus a \$650,000 ballast bonus compared to \$16,000 plus \$600,000 ballast bonus at the end of last week. Elsewhere in the Atlantic, front haul rates rose throughout the week with sufficient enquiry sustaining the gains from various load areas. However, transatlantic rates softened as a lack of fresh business in the North resulted in owners dropping their ideas to find cover. The Pacific saw the recently firm market in the North falter, with rates sharply down from the \$14,000 seen the previous week due to a lack of new business. However, the SE Pacific remained very active, especially from Indonesia, with charterers forced to pay a premium for shorter duration trips, with ships delivering Singapore achieving \$15,000 daily. Period interest continued, particularly for one year, with rates for standard types averaging in the \$13,000s daily.

Supramax

US Gulf captured the spotlight this week in the Supramax-Ultramax pool. Rates moved sharply higher for the Gulf area with cargoes for late June dates lending support. Brokers also suggested that the benchmark for the EC South America market was set particularly high. A short week in Singapore, with a national holiday on Friday and a China holiday coming, slowed activity in the Pacific towards the weekend. On the period front, a 61,000-dwt open South Africa was linked to a one-year period at \$14,250. Another 63,000-dwt open in the Persian Gulf was fixed for a short period at a rate in the low \$14,000s.

A 60,000-dwt and a 63,000-dwt, both open EC US, were fixed for a trip to the Continent at \$18,500 and \$16,500 respectively. A 63,000-dwt open in the US Gulf was booked to redeliver in Brazil at \$18,000. From EC South America, a trip to the Arabian Gulf or the Far East paid a rate in the \$15,000s plus a ballast bonus of ranging from low to high \$500,000 on an Ultramax, similar rates paid for standard Panamaxes on this route.

In the East, a 53,000-dwt open Philippines was fixed for a trip via Indonesia to South Korea at around \$10,750. A coal trip via Indonesia to China ranged from the mid \$11,000s to \$13,000s on Supramax vessels delivery in Singapore. A 56,000-dwt open CJK was booked for moving

steel to Southeast Asia at \$10,500, while a long haul trip to West Africa was reportedly fixed on a 61,000-dwt at \$9,800 for the first 60 days and \$14,000 thereafter, basis North China delivery.

Handysize

Most market sources suggested from EC South America, larger-sized handy vessels were seeing improved offers, with more cargoes in the market for second-half June. However, some were not fully convinced whether the upcoming cargoes would balance out the long tonnage list in the area. Rates for the US Gulf routes climbed further, but little was reported. In the Pacific, activity focused on the bigger sizes over the small handy vessels, brokers said.

A 38,000-dwt open Bahia Blanca was fixed to Brazil at \$8,400. Two 37,000-dwt were fixed both from EC South America to the Mediterranean at \$9,250 and \$11,000. A 28,000-dwt open South China was said to have gone for an Australia round voyage at \$8,600. A 36,000-dwt open Singapore was booked to run via Australia to Japan at \$10,600.

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