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Bulk report – Week 27 2018

Capesize

A punchy week for the big ships that saw Atlantic rates soar, with the tonnage list tight prompting charterers to split cargoes, though, mostly unsuccessfully. Fronthaul rates climbed to the equivalent of over \$40,000 daily, with a cargo allegedly fixed on voyage basis from Port Cartier to Japan at a timecharter equivalent of \$42,500 daily basis 90 days duration.

Transatlantic rates too saw significant gains, with a 165,000-tonne 10% coal cargo from Drummond to Hadera at \$13.75, and a 2010, 169,000-tonner not particularly well-described fixing from Gibraltar for a Colombian round voyage at a rate in the upper \$20,000s. The Brazil/China rate maintained gains, with a 23-25 July cargo booked from Tubarao to Qingdao at \$23.25 and early August cargoes concluded slightly lower. A slower pace initially in the East, but as the week closed out a rumour circulated that a rate in the low \$9.00s was fixed for 19 July onwards from West Australia to China, the highest rate seen for over six months. Rio Tinto and BHP Billiton were both active over the week with the former fixing in the upper \$8.00s. Delays too were building in China, with bad weather proving an issue. Paper values were also sharply up over the week but so far little period activity was reported.

Panamax

The Atlantic tonnage list continued to tighten last week, and sentiment was further helped by the appearance of several Cape splits entering the market, as rates there rose rapidly. But more than once charterers found themselves unable to make the business work on smaller ships. The North Atlantic and the Mediterranean also saw more fronthaul trades. Rates crept up throughout the week, with a modern Kamsarmax fixing at close to \$20,000 from the Continent via North coast South America to the East. East coast South America was slightly more subdued compared to recent weeks, with the continued threat of cheap Ultramax tonnage but rates just about held their ground with a Kamsarmax fixed at close to \$16,000 plus \$600,000 ballast bonus for end July arrival, while an August stem fixed on a voyage basis from Santos to North China at \$34.75 per mt. The Pacific remained oversupplied, and rumours of Indonesian export problems did little to help owners. Rates softened for all but the very well described Japanese units in premium positions although the period/short period market remained flat due to the strong Cape market and improved paper values.

Supramax

A mixed week with a growing tonnage lists in Asia putting rates under downward pressure at the end of last week. In contrast, from the Atlantic there was limited activity reported, but as the week closed out certain areas saw a tightening of tonnage especially in the US Gulf and Mediterranean areas.

From the US Gulf, a 56,700-dwt was reported fixed for a trip with grains to Turkey in the upper \$13,000s. On fronthaul, an Ultramax was linked to a trip to the Far East in the low \$20,000s. Limited activity from East coast South America saw a 57,900-dwt rumoured fixed for a trip to Algeria in the low to mid \$13,000s. In the Mediterranean, a 58,000 open Bejaia was fixed for a trip via the Spanish Mediterranean, redelivery West Africa, in the mid \$11,000s, whilst for trips from the Black Sea area to the Far East another 58,000 was rumoured fixed in the mid \$16,000s. Limited trading from the Continent, with a 56,000 fixed for a scrap run to Turkey at around \$12,000.

The Asian market struggled and a 57,000-dwt was reported fixed basis delivery Singapore for a trip via Indonesia redelivery India at \$12,000. Later, a 56,900-dwt also open Singapore was booked for a trip via Indonesia, redelivery China, in the low mid \$10,000s. Nickel ore runs saw a 57,000 open Lanshan covering also at around \$10,500 for a trip to China.

Handysize

The handy market stayed in the negative zone all week with routes in both basins struggling to show improvement. Sources suggested cargoes circulated in key markets in the Atlantic but

low rates were offered curtailed trade. In the Pacific, fixtures reported on the period front included a 32,000-dwt open Onsan with no further details and two medium-sized fixed \$9,000 delivery, Lugait, Philippines and \$10,500 delivery Samalaju respectively both for two laden legs with redelivery in Singapore/Japan range.

From East coast South America, a 31,000-dwt was fixed for a grain cargo to Dammam at \$14,500 early in the week. From the US Gulf, a 35,000-dwt was fixed for scrap cargo to the Mediterranean at approximately \$9,750. A 35,000-dwt open US East coast was booked to move wood pellets to the Continent at \$11,000. A 38,000-dwt open Canakkale was booked at \$8,000 for a run via Constanza to the Adriatic Sea, and another handy-sized open in the same area was fixed \$9,000 for a fronthaul run to Thailand. In the East, a large Chinese vessel open in Hong Kong was booked for a trip to the Continent at \$8,000 for the first 62 days and \$12,000 thereafter. A 35,000-dwt open Thailand was fixed for logs via Malaysia to West coast India also at \$8,000. A 28,000-dwt open in Indonesia agreed \$10,000 to run via Australia and redeliver in China with concentrates.

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