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Bulk report – Week 30 2018

Capesize

After the BCI timecharter average went over \$26,000 mid-week, the highest level this year, the market then went into a correction. In Asia, the West Australia/China route peaked at \$10.30 for an early position cargo from Port Hedland to Qingdao, but by the week's end dropped to \$9.30 from Dampier. The Australian miners eased back during the week, unsettling the market, with some owners quick to chase rates lower but others suggested it has reached a floor. Saldanha Bay/China rates climbed over \$17.00, then wobbled as charterers dropped their rates. However, this might be short lived, with a Brazil push expected. Late last week, Vale took several ships for first half August, Tubarao/Qingdao, for around \$22.50, and with fewer ships coming, owners were pushing for over \$23.00. CSN reportedly took five ships on Thursday, with a couple allegedly at \$22.50 to China, basis 1.25% total commission. The coming week needs increased activity from both Australia and Brazil to halt declines. North Atlantic fortunes changed, with cargoes drying up particularly for those owners wanting to stay within the Atlantic. The C7 Puerto Bolivar/Rotterdam took a hammering, with a 16-25 August fixed significantly lower at \$11.70. There was fresh fronthaul inquiry, but here too rates dipped, with a well-described 2016-built 179,000 tonner, open Rotterdam 1 August, fixed for a trip to the East, via Port Cartier, allegedly at \$43,000 daily with a South Korean charterer.

Panamax

The Atlantic witnessed some positive gains last week driven largely by shorter trips from the North Continent, with vessels fixed in the upper teens via the Baltic and Murmansk to the Continent/Mediterranean. This firmer tone filtered through to other areas, including the fronthaul market, where a modern Kamsarmax achieved \$24,000 daily, delivery Gibraltar, for a trip via NC South America, to the East. Sources suggested this was mainly for early positions with tonnage supply not as tight as for later dates. EC South America remained very active and small gains were seen for early ships, plus, a noticeable increase in Panamaxes fixed. The highlight was a report of an eco-Panamax, fixed basis WC India, at a strong \$13,750 for a trip via EC South America to the East. The Pacific market was mixed, early tonnage in the South was able to fix via EC South America, dropping outbound pilot delivery. However, further north, it appeared that only the Kamsarmaxes offered any resistance, with concern growing that weather delays might soon cause significant port congestion. Panamaxes regularly fixed NoPac round voyages at \$9,500, but the mood has softened. Post-Panamaxes struggled the most, with charterers lowering their bids as the week progressed. Period activity continued; especially for tonnage in the South or Middle East, but rates remained around last done.

Supramax

The Black Sea area captured most of the spotlight this week, with Ultramax tonnage reportedly fixed over \$20,000 to the East and the tonnage supply tight. A 63,000dwt open Iskenderun went at \$15,000 for a trip via the Black Sea to South Africa with mineral cargo early in the week. A 61,000dwt open Egyptian Mediterranean took \$24,000 redelivery in the Persian Gulf before a 58,000dwt achieved \$20,500 via the Black Sea to the Far East with similar delivery. Rates from the USG and EC South America were largely flat and sentiment less buoyant. From the US-EC, a 63,000dwt fixed at \$17,350 for woodpellets to the Continent, similar level was reported on a 50,000dwt for a petcoke run to India. Asia remained active with trading brisk from the South Africa-Persian Gulf area. On the period front, a 55,000dwt, open WC India, was fixed for three to five months at \$12,250, with redelivery in the Persian Gulf-Japan range. An Oshima type 62,000dwt, open CJK, was booked for four to six months at \$13,500 redelivery worldwide. In the Indian Ocean, a 63,000dwt was booked from Mundra, via the Persian Gulf, to Chittagong at \$13,000. On the usual Indonesia to China coal run, a 58,000-tonner agreed \$11,000 delivery Singapore.

Handysize

The handy market generally remained weak, but the Mediterranean/Black Sea proved the exception. This was the standout area as demand for grain shipments in particular pushed levels forward. A 37,000dwt went from the Black Sea to the Persian Gulf at \$14,000, while another modern eco-32,000dwt fixed at \$10,200, delivery Black Sea, for a trip to Italy. Rates for North Continent deliveries declined, as the previously steady supply of fertiliser stems appeared to have dried up. The outlook appeared uncertain with low scrap demand as August approaches and most mills closing for summer holidays. A 38,000dwt was fixed basis ARAG at \$10,500 for a trip with scrap to the Eastern Mediterranean. From EC South America, a 39,000 tonner agreed \$12,250 daily from Vitoria, for a trip to the Mediterranean, with pig iron, while another 30,000dwt accepted \$11,000 for a grain cargo from Amazon to the Continent. Levels for Pacific routes further softened with little period activity. A 28,000-dwt open Cailan fixed for a trip to EC India, with fertilizer, at \$7,000. A 34,000dwt did an Australia round voyage at \$9,250, and a 38,000dwt took the same money for moving salt to China with both open Singapore.

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