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Bulk report – Week 32 2018

Capesize

Expectations of a further push in the market were largely unfulfilled last week as rates come under pressure in Asia as the North Atlantic trading eased and rates slipped back. West Australia/Qingdao failed to reach \$10.00 and dropped to around \$9.50, with one charterer managing to secure a couple of ships at \$9.20. A Singapore holiday disrupted trading, and the Australian miners were less visible, although Rio Tinto provided fresh interest as the week closed out. Timecharter rates also eased, with a 175,611dwt, 2011-built, open Bayuquan 11 August, fixed to Pacific Bulk and an Australian round at \$20,500 daily, and then reportedly flipped out to K-Line at \$500 more. Trading from Brazil was spasmodic, with Vale briefly appearing in the market again mid-week and linked with a couple of operators to move end of August/early September cargoes at \$23.99, but without broker input. Other charterers were fixing around the low \$24.00s but, with the list of ballasters shrinking for loading positions up to 10 September, many suggested rates could push higher. CSN late in the week took three or four ships at rates in the low \$24.00s basis C3 terms.

Further north, the pace again slowed, and charterers were able to secure lower numbers, with rates on the key C7 Puerto Bolivar/Rotterdam route easing, and business concluded at \$12.50. Fronthaul trading was slow, but a cargo was fixed from Seven Islands to Qingdao early in the week at a rate equating to the low \$40,000s daily. There was some period activity but largely for short duration. K-Line earlier in the week took a 2011-built, 179,000dwt from CJK for four to six months trading linked to the BCI 5-time charterer average.

Panamax

Last week followed the pattern of the previous week with rates under pressure everywhere. However, the Atlantic had a significant spike in activity on Wednesday which saw a clear-out of tonnage with rates flattening at the lower levels. Sentiment improved as the tonnage profile appeared much tighter in the north. EC South America saw a slight increase in rates for end August positions as a few inbound ships experienced delays, with a very well described Sanoyas newbuilding covered at \$16,500, plus \$650,000 ballast bonus to SE Asia, whilst activity for September cargoes so far appeared confined to the voyage basis. Despite some weather disruptions and an injection of fresh enquiry in the East, rates drifted lower throughout the week, with a holiday in Singapore not helping owners' cause. Charterers remained relaxed and waited for lower offers to come to them as the Cape market and paper markets also softened. There was very little evidence of period trading, although one source suggested interest in short period increasing towards the end of the week.

Supramax

A split week, with the Atlantic overall remaining more positive whilst the Asian Basin lost ground. Very little activity on the period front was reported, although a 56,700dwt open Lianyungang was rumoured, covered for seven to nine months and trading at around \$11,000.

Atlantic activity was focussed on the Northern Hemisphere. Brokers said very little fresh enquiry was seen from EC South America, keeping rates flat and moving sideways. A 63,300dwt was reported to have fixed delivery up river for a trip to the continent for just under \$15,000. Elsewhere, increased activity was seen from the USG, with an Ultramax fixed in the low \$26,000s for a trip delivery to SW Pass – redelivery Singapore-Japan range – and, on the trans-Atlantic runs, an Ultramax booked for a trip to Alexandria at around \$19,000. Similarly, stronger levels were reported from the Continent and Mediterranean, albeit on the Ultramax sizes: the 63,400dwt open Sea of Marmara fixed a trip Singapore-Japan at around \$23,000.

With a holiday in Singapore the Asian market lacked impetus. From SE Asia limited coal stems kept a lid on market movement. A 50,200dwt fixed delivery Singapore trip via Indonesia

redelivery China in the low \$10,000s. Very little fresh enquiry was seen from North Asia which again kept rates in check. The Indian Ocean saw more enquiry than of late and a 58,500dwt was reported to have fixed delivery to South Africa for a trip, with redelivery to the Far East at \$12,200 with a \$220,000 ballast bonus.

Handysize

Overall there was limited fresh handysized cargo in the Pacific market last week, and the Singapore National Day holiday on Thursday further added to the lethargy, brokers said. In the Atlantic Basin, there was little change, with the USG remaining weak, but rates from the Skaw-Cape Passero range and EC South America slightly improved. A 35,000dwt, 2014-built, open upriver was fixed for a trip to WC South America at \$13,750. A 38,000dwt, 2016-built open Fortaleza, was fixed at \$11,500 for the balance period, with minimum two-month redelivery worldwide up to mid-November. Early in the week in the Pacific, a 45,000dwt vessel, open Hong Kong, was booked for a trip to China with clinker at \$8,350. A 37,000dwt, 2011-built vessel was paid \$7,000 on first 65 days basis for Kohsichang delivery for a trip to West Africa, and \$9,500 as the balance rates with three ports of discharge. Trips via Australia paid around \$8,000 on a medium-sized handy ship basis for delivery Singapore and redelivery Singapore-Japan range. From the Indian Ocean, a 28,000dwt, 2012-built open Jebel Ali, was fixed to South Africa at \$6,000 for the first 39 days and \$9,500 afterwards. A 38,000dwt, 2015-built vessel was covered at \$8,000 to run from Dahej to China, and a \$32,000dwt, 2007-built logger, open Fujairah, was fixed for a trip via Ras Al Khaimah to WC India at \$10,000.

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