

BalticBriefing

Baltic Exchange member news, views and events



Bulk report – Week 34 2018

Capesize

The Singapore holiday mid-week disrupted trading and unsettled the market, with owners losing some resilience. The market took on a late summer feel with a nearby over supply of tonnage, but many considered the ground lost would be regained. As the week closed the West Australia to China rate dropped to \$9.30 from Dampier to Qingdao for 9-11 September but there were those suggesting a floor had been reached. Essentially rates were still at good numbers, with a 2001-built 172,500dwt open Fangcheng, 29-31 August, fixing for Australia at around \$24,000 daily. Rates eased for cargoes from Saldanha to Qingdao with owners offering rates in the high \$17.00s for 18-20 September cargoes. The Brazil to China route came under pressure with most of the major players absent from the market and rates now allegedly at little more than the mid \$22.00s, shedding around \$2.00 from the previous week. Vessels in ballast continued to head to Brazil, but some sources said the operators of some had cargo in hand and the list numbers available were shrinking. The North Atlantic remained very short of cargo, particularly for Trans-Atlantic rounds, with some putting the Puerto Bolivar to Rotterdam run to low \$11.00. The highlight of the week remained an eco 179,000dwt, 2012-built, fixing from Yuzhny to China (three ports discharge) at \$59,000 daily. Fronthaul

trading has been scarce, although K-Line secured a POSCO tender to move a 150,000dwt, 10% cargo, from Port Cartier to Kwangyang at \$27.23, with K-Line using in-house tonnage.

Panamax

In contrast, the Singapore holiday had very little impact on Panamax to Kamsarmax trading in a very busy week, with rates improving across the board. The North Atlantic mineral trades remained very active, particularly for coal cargoes from northern Europe to the Baltic, with tonnage tight and rates firming. A well-described 84,800dwt, 2016-built, achieved \$18,500 daily from Immingham, prompt for a trip via the Baltic with Skaw-Gibraltar redelivery. The standard Trans-Atlantic rounds were less buoyant with cargoes available fewer as the week progressed. Several ships were taken on a two-laden legged basis, but the durations were not always disclosed, with rates hovering around the upper \$15,000s to low \$16,000s. Fronthaul included a 2017-built, 82,000dwt, fixing from Lulea for a trip via the Baltic to India, with coal via the Suez at a still hefty \$30,000 daily. South America remained active this week with a clear out of cargo and ships for first half of September, with some now taking a watch and wait view. A 2012-built Kamsarmax allegedly went at \$16,000 daily plus a \$600,000 bonus from EC South America to the East, with several ships this week reported on a drop basis from India or SE Asia. In the East the market firmed, particularly for SE Asia with buoyant coal demand from Australia and Indonesia, helped too by South American demand absorbing tonnage. A 75,000dwt open Taiwan allegedly went over \$11,000 for an Indonesia round. The pace appeared to have slowed for NoPac cargoes, but a 2013-built, Kamsarmax reportedly fixed at \$14,000 daily from Zhoushan for a NoPac round journey with a grain house.

Supramax

Increased trading was evident towards the end of the week once Singapore returned to the market Thursday after the holiday. The EC South America and Black Sea remained steady, whilst the USG appeared to be edging down, especially for prompt tonnage. In the East, more Indonesian coal cargoes with end of August cancelling circulated in the market and the remaining limited tonnage helped push rates higher. Moving closer to the fourth quarter, more period fixtures were reported from both basins. A 61,000dwt open in the East Mediterranean was booked for five to seven months at \$15,000 for redelivery in the Atlantic, with additional \$400,000 ballast bonus, with redelivery in the Far East. Another similar-sized delivery in the same area was booked for four to six months at \$14,500 for Atlantic redelivery. Two 63,000dwt open Dalian and CJK were fixed for four to seven months at \$12,800 and \$13,300 respectively, both for redelivery worldwide.

From the USG, rates achieved \$25,000 on a Dolphin 57-type for a trip to India for moving pet-coke. Later in the week, an Ultramax was put on subjects at \$22,000 from SW Pass for a Trans-Atlantic grain trip in early September. A 63,000dwt open Liverpool was booked for a trip with met-coke via Poland to Algeria at \$15,000. Another similar-sized was fixed, basis Canakkale delivery via the Black Sea to the Far East at \$23,000. In the Pacific, a coal trip via Indonesia paid \$13,500 on a 56,000dwt to WC India, and \$11,000 on a 47,000dwt to China – both basis Singapore delivery. A NoPac run was reportedly done at \$12,250 on a 63,000dwt open North China for redelivery to SE Asia.

Handysize

The trend set at the beginning of the week continued with the Atlantic remaining firm, but weak in the Pacific. Brokers suggested that the current stronger rates for Supramaxes could spill over to the smaller sizes and the positive sentiment would hold for slightly longer. The Persian Gulf area was active this week with a plentiful supply of handy cargoes, but the Pacific market showed little sign of improvement. A 38,000dwt was fixed from Antwerp to the USG at \$9,750, while a 38,000dwt, open in the Continent, was fixed for a 30-40 day trip via the Baltic, for redelivery W Africa at \$16,000. A 35,000dwt open Greece was booked for a trip to SE Asia at \$16,000. From EC South America, a 37,000dwt was fixed at \$12,000 for a trip redelivery Skaw-Cape Passero range, and a 31,000dwt was booked to move logs to India at \$13,500. From the Persian Gulf, a 35,000dwt was fixed for four to six months at \$10,000. Another 35,000dwt was fixed from Fujairah to EC India at \$8,500.

For daily dry bulk assessments from the Baltic Exchange please visit

<http://www.balticexchange.com/market-information/>