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Bulk report – Week 36 2018

Capesize

Rates came under pressure for the big ships last week, despite paper values holding at reasonable levels as these trades continued to look for a strong fourth quarter. The Brazil/China rate was very close to slipping under \$20.00, but Vale was at least rumoured to have booked a mini COA for the fourth quarter at near \$20.00 basis a \$300 bunker price. Until now there were only a few operators in the market taking tonnage. Further north this remained famine more than feast, but as the week closed out there were signs of some steadying, with a front haul allegedly booked on a timecharter equivalent for \$36,000 daily, or more over 75 days. In the East rates on the key West Australia/China run came close to \$8.00 level, but as the week closed out it seemed to have reached a floor and now levels close to, or above, \$8.50 are being mentioned for later September dates. Timecharter rates for Australian rounds fell below \$20,000 daily for standard 180,000dwt fixed for Australian rounds.

Panamax

After a hesitant start last week, the Atlantic market succumbed to the lengthening tonnage profile, with voyage fixtures becoming prevalent and Owners discounting the shorter trips to buy some more time. In the South, the market remained steady for end September positions

from EC South America, with better described Kamsarmax units achieving close to \$17,000 plus \$700,000 ballast bonus front haul, however, brokers said October stems appeared thinner and demand was less visible. The Pacific market had started in the same vein as the Atlantic, however, by the middle of the week increased NoPac activity supported rates, partly due to weather delays. Despite a lack of mineral enquiry from Australia, the larger Post Panamax tonnage list appeared to be fairly tight leading to Owners asking for higher than last done levels. There was sporadic period trades including index linked deals with longer period continuing to demand a premium against shorter duration charters.

Supramax

A lacklustre week on BSI, which overall remained relatively static. There was very little period activity recorded, with a large gap between Owners and Charterers expectations.

The Atlantic had mixed moves, whilst some felt that the East Mediterranean lacked fresh impetus, others said they could see a tightening of tonnage. A 58,000dwt was covered basis delivery Canakkale for a trip to SE Asia at \$20,250. Limited activity was reported from the US Gulf, with rates trading sideways. A little more active than of late from EC South America, where a 58,000dwt was linked to a trip to the East Mediterranean, including Lebanon, at around \$17,000. The Continent also lacked fresh cargo.

The Asian market made gains, certainly from the South, with a 56,000dwt reportedly fixed basis delivery Djakarta trip via Indonesia, redelivery China, at \$14,650. Also on nickel ore runs better levels were seen, as a 56,800dwt was fixed delivery North China, for a round voyage via the Philippines at \$11,500. Activity was seen from the Indian Ocean, with a 56,000dwt fixed delivery Abu Dhabi trip via the U.A.E, redelivery WC India in the \$12,000s.

Handysize

The BHSI climbed to 565 last Thursday, a number not seen since early July. Ships trading from EC South America saw a touch more hope and the improvement in the Pacific was visible in the middle of the week, after rates being flat in the past few weeks. Period activity remained limited with a 37,000dwt reportedly fixed for four to six months at \$10,500, open in Malaysia in mid September.

Trade from EC South America for a 37,000dwt paid \$19,500 for moving petcoke to the Persian Gulf. A 28,000dwt open in the Egyptian Mediterranean was fixed at \$11,800 for a grain trip via the Black Sea and redelivery in the Gulf. In the East, a 32,000dwt open Pohang, was fixed in the low \$8,000s for a trip to SE Asia. A 38,000dwt open Tonda was booked for a steel trip via

CIS to Taiwan at \$9,000. Another 32,000dwt, open Map Ta Phut, did \$8,500 for moving sugar from Thailand to Indonesia.

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