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Bulk report – Week 38 2018

Capesize

A mixed week for the big ships with unfulfilled expectations. Rates on the West Australia/China route failed to hold and dropped to \$7.20 for 7-9 October, with timecharter rates shy of the mid \$15,000s, and this despite all the miners in the market. South Africa saw some fresh business in both ore and coal with the rate for Saldanha/China in the mid \$15.00s. Brazil showed early promise with Vale and CSN reportedly taking ships early on, but with many ballasters enroute rates barely moved above \$20.00. In the North Atlantic, rates held for fronthaul runs with eco ships fixed just shy of \$40,000 daily for trips via the St. Lawrence or US East Coast to the East, and some improved numbers talked for transatlantic runs. Some positivity, but the market was described as 'having a lie down', and hoping for recovery after the China and Japan holiday on Monday. With an erratic FFA market, period fixing was limited.

Panamax

A positive end after a slow start last week. South America remained the main driver in the Atlantic, with healthy volumes for October seeing modern Kamsarmaxes fixing at \$17,000 plus \$700,000 ballast bonus. But many now fixing basis, delivery DOP India, in excess of \$15,000

daily rather than having to agree to APS rates. The North Atlantic was over-tonnaged at the beginning of the week with rates coming under pressure, but positive sentiment combined with a little more enquiry also saw rates rise. In the Pacific, the South was very firm with continuing weather disruption plus the option of east coast South America giving owners several choices. Indian coal stems were plentiful and paid a premium over the round voyage rates with Kamsarmaxes fixing between \$15,000 and \$16,000 depending on delivery positions. Whilst the North Pacific saw less enquiry, demand in the South also buoyed rates, underpinned by an end of the week flurry of enquiry prior to the holidays in the East. The period market was subdued.

Supramax

A better week for the BSI index. Ultramaxs were seeing close to \$14,000 for a year in the Asian Basin in limited trading. Momentum remained in the Atlantic Basin with a tight supply of prompt tonnage from east coast South America and increased October requirements coming into play. A 55,000dwt was rumoured fixed delivery La Coruna trip via Barcarena, redelivery Mediterranean in the low \$10,000s. As the week closed, the US Gulf remained positional with a well described 61,000dwt fixed delivery US Gulf for a fronthaul in the mid \$26,000s. Stronger levels from the Mediterranean where vessels were seeing in the low \$20,000s for trips east. Increased demand in SE Asia led to improved numbers with 55,000dwt open Singapore fixing in the mid to upper \$14,000s for a trip via Indonesia, redelivery China, but still limited NoPac cargoes.

Handysize

East coast South America gained star billing for the smaller ships with the biggest rises seen in the market. Rates moved sharply higher from mid-week, with two sister ships of 39,000dwt both fixed to the Mediterranean at \$17,500 and later \$19,750. A 34,000dwt was booked from Porto Alegre to Algeria at \$16,000, with end September dates. Rates remained flat in the Continent-Baltic and Mediterranean-Black Sea area with a period fixture reportedly done at \$10,500 on a 32,000dwt delivery Iskenderun and redelivery in the Atlantic. From the US Gulf, similar to the Supramax-Ultramax pool, there was limited supply, and the route to Skaw-Cape Passero has been over \$10,000 all week but few fixtures came to light. In the East activity was less visible but the firm rates helped to push the BHSI higher. A 29,000dwt was reportedly fixed in the mid \$9,000s for Far East delivery to SE Asia. A 32,000dwt open Thailand was fixed for a trip to Indonesia at a rate close to \$9,000.

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