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Bulk report – Week 4 2019

Capesize

A week of dashed hopes for owners as the optimism evident the previous week evaporated. Rates slipped on all routes and underlying threats of a cyclone in West Australia saw the miners on the side lines. The West Australia/China route fell to \$6.00 for 6 February onwards and cyclone worries receded, many hoped this was the floor. There was timecharter activity, but rates were only just hovering around five figures. Brazil trading was relatively active, and there were signs of firmer numbers as the week closed out with owners proving more resistant to low numbers. Rates were split, with prompt cargoes commanding a premium, with a 10 February onwards booked from Tubarao to China at \$17.25 and second half February at \$16.40. North Atlantic rates dipped with Puerto Bolivar/Rotterdam rates nearer \$8.00 than \$9.00, while fronthaul trades were in the mid \$25,000s for ships not breaching International Navigating Limits (INL's) but the tonnage list was tightening. There was some period activity, with an eco-175,000 booked for 11/13 months close to \$16,000 basis China.

Panamax

Rates continued to slide all week with many hoping a bottom was reached, but some very low trades were still seen. The Pacific began the week actively, despite limited mineral volume,

but slowed significantly towards the weekend, with early tonnage building. Most concluded fixtures for short Indonesian trips to get over the Chinese New Year or repositioning cargoes.

The index slumped by about \$2,000 daily for round voyages in both oceans and looked set to fall further as it was a similar story in the Atlantic. More voyage fixtures were evident, with vessels agreeing Arrival Pilot Station (APS) deliveries to find cover due to a lack of fresh enquiry, with ballasters adding unwelcome competition. The preceding week saw Kamsar to San Ciprian fixed at \$8.25 and \$7.50 per metric tonne, but last week it traded at \$6.00. Period interest dried up, with heavy falls in the FFA market. However, there were still a couple of fixtures with discounted initial periods.

Supramax

It was another poor week for the Baltic Supramax Index (BSI), as it again lost over 10%. Unsurprisingly, period trading was limited but a 63,000 tonner was reported fixed for five to seven months in the high \$11,000s delivery Kwangyang. With large amounts of prompt tonnage, and limited enquiry in the Atlantic, rates dropped. From East Coast South America, Ultramaxs faced rates in the low- mid \$11,000s plus low-mid \$100,000 ballast bonus for trips east. For the transatlantic runs, an Ultramax was rumoured fixed in the mid low \$9,000s. Similarly, the US Gulf remained depressed and from the Continent an Ultramax was fixed from Liverpool to Bangladesh at \$14,000. Vessels in Asia gave APS delivery from Indonesia for coal runs. Nickel ore runs saw a 56,000dwt vessel, delivery Philippines, fixed for a trip to China at \$6,000. With the upcoming New Year celebrations in China there was potential cause for concern.

Handysize

The pressure from long tonnage lists in the key areas in February remained and increased the uncertainty of a recovery. When the Baltic Handysize Index (BHSI) last recorded at 400 level, the rate was higher on the US Gulf route, but lower on the East Coast South America route.

A 39,000 tonner was fixed from the Continent to the US East Coast at low-mid \$8,000s and a Handysize vessel open in Southwest Pass was linked to a trip to the UAE at \$7,250. From East Coast South America, rates fell again with a trip to West Coast South America paying mid \$11,000s on a large Handysize ship. A 36,000 tonner fixed at \$8,000 daily from Recalada for a trip to Kaliningrad, while a 33,000dwt vessel fixed at a similar rate from the same area to India with delivery Durban. In the East, a 33,000 tonner was booked to move salt from Australia to China at \$5,000 daily, basis Singapore delivery. Another similar-sized vessel was fixed at \$9,000 from West Australia to Indonesia with gypsum.

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