

BalticBriefing

Baltic Exchange member news, views and events



Bulk report – Week 6 2019

Capesize

The Vale disaster weighed heavily on the market for big ships, with uncertainty about shipments/future exports leading to a sharp drop in rates. The miners have largely been absent from the market, with just a handful of others there with cargoes to move, and rates are expected to slip under \$13.00 for first half March positions. Ballasters heading to Brazil eyed South Africa as an alternative and there too rates were slashed, falling below \$9.50 with a 4-9 March 170,000-tonne 10% cargo fixed at this rate from Saldanha to Qingdao. These ballasters also put pressure on the North Atlantic market, with some allegedly looking at Colombia destinations in addition to West Africa. Fronthaul activity was slow and even rates for cargoes breaching international navigating limits (INL) dropped sharply, with a Seven Islands/Oita cargo booked in the mid-high \$19.00s. In addition, the Lunar New Year holidays continued to hamper trading, although West Australia/Qingdao rates steadied around \$4.90 for 20 February onwards. Timecharter trading was negligible, however, earlier in the week a well described 180,000-tonner went at \$10,000 for an Australian round, but lesser vessels were likely to see several thousand less as the week closed out.

Panamax

A disrupted week with holidays in the East, but surprisingly the Pacific market looked slightly improved last week. The North Pacific was active, with vessels fixing a little above last done in the \$6,000s and even \$7,000 for round voyages, a coal tender from Australia to India was awarded at \$13.25, when a similar cargo on 28 January was concluded at \$12.05. Richards Bay was also busy with multiple stems fixed into India, which may help the South American market, having been flat last week. Further north, a healthy tonnage supply meant charterers were able to cover on voyage at levels close to zero return on a timecharter equivalent. Brokers commented there had been period interest, although few owners had been willing to commit at current levels.

Supramax

With widespread holidays in Asia last week, activity remained very slow in the beginning, but picked up as the week came to a close. The Baltic Supramax Index (BSI) again saw losses, but once more, these were less dramatic as the week progressed, with key areas showing resistance. Limited period activity surfaced with a 61,000dwt vessel reported fixed for one year delivery Far East, end February-early March, at \$10,500. From key areas such as East Coast South America, rates remained under pressure, with prompt vessels remaining open but a 55,000-tonner fixed delivery Brazil trip, redelivery China, at around \$8,000 plus \$80,000 ballast bonus. For transatlantic runs, a 57,900dwt vessel was fixed delivery Up River trip to Spain at \$5,500. The East Mediterranean also struggled, as a 60,500dwt ship agreed delivery Canakkale trip, redelivery US East Coast, at \$3,500. Limited action surfaced from Asia, but a 63,000-tonner was reported fixed delivery for an East Kalimantan trip, redelivery West Coast India, at \$9,250.

Handysize

The market in the East was largely closed in the first half of the week, with the Chinese New Year celebrations ongoing, while the Atlantic basin continued softening. However, more new orders appeared from East Coast South America and the US Gulf towards the weekend, and the market finally saw a ray of hope after the past few weeks of falling rates. There was ground for optimism on some of the Atlantic routes, whilst the Pacific market was expected to be fully up and running this week.

From the US Gulf, a 33,000-tonner was booked for a trip to West Coast Central America at approximately \$8,000. Another similar-sized open spot in the Caribbean was fixed for a trip from Southwest Pass to the Continent at around \$5,000, with dates from mid-February onwards. A 37,000dwt vessel fixed basis Panama USA for a trip to the UK-Denmark-Continent

at \$5,000. On the voyage front, two coal stems of 38,000-tonnes 10% coal each both from Beira to Visakhapatnam-Paradip range were fixed at \$18.40 and \$19.70.

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