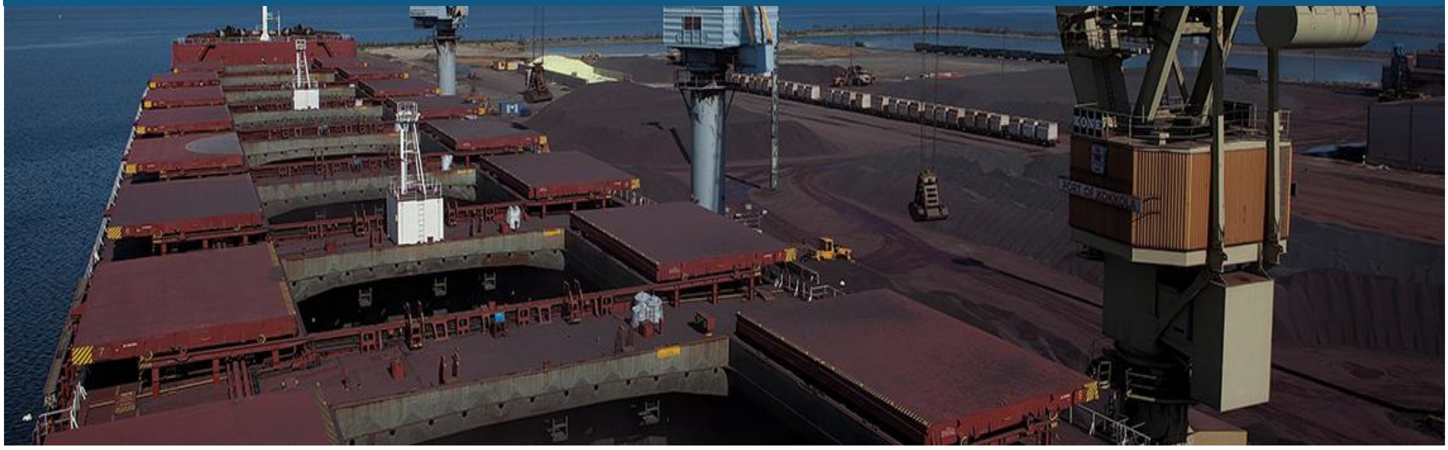
BalticBriefing
Baltic Exchange member news, views and events



Bulk report – Week 7 2019

Capesize

Despite the focus on Vale and reduced Brazil exports, there were signs of further demand this week that checked further falls. On the downside, higher bunker prices negated any real increase in owners’ returns. Other charterers took up some of the slack from Vale, providing several February cargoes from Brazil to China, with rates hovering in the low to mid $13.00s equivalent to loading from Tubarao. As the week closed out, there was a rumour of CSN covering a 10-20 March cargo from Itaguai to Qingdao at $12.99, but this would be basis 1.25%. Further north, St. Lawrence cargoes were the main staple requiring ships to breach International Navigating Limits (INL), but here too rates slipped to the high teens on timecharter equivalent. Rates on the West Australia/China routes recovered to a tick either side of $5.50. Period rates continued to slide, with a 178,000-tonne, 2011-built, vessel fixed for one year with China delivery at $13,100.

Panamax

Rates improved in the Pacific for certain routes due to increased mineral volume combined with owners focusing on particular trades. A Kamsarmax fixed in excess or $8,000 for a North Pacific round, up by $1,000 daily from the previous week. However, trips to India dominated most of the reported trades, including a large increase in fixing from South Africa. This gave an alternative to some of the ballasters heading to South America, which had a slower week. However, sources suggested fixing was being concluded under the radar, with rates struggling to maintain last done levels.   Further north, the Atlantic continued to labour under the weight of available tonnage, with vessels still fixing Arrival Pilot Station (APS) North Brazil, without ballast bonuses. However, brokers noted some owners had chosen to drop anchor rather than fix at present levels and have been spot for a week now. There was some period activity, with vessels having to discount for the first 45 days for Pacific or Indian Ocean deliveries.

Supramax

With the return to work for many, the Baltic Supramax Index (BSI) moved to a positive mode, with gains made on many routes. Period activity resurfaced, with a 58,000dwt vessel open Manila fixed for five to eight months trading in the $7,000s for the first 30 days and the balance $10,500. Most positivity was coming from the US Gulf and East Coast South America, with stronger numbers discussed. A 55,000dwt ship, rumoured fixed in the upper teens for the US Gulf to the Far East with petcoke, but a tight cancelling, was required. Further south a 63,000-tonner was linked to a trip Recalada, redelivery East Mediterranean, at around $7,500. From Southeast Asia, increased activity was registered, with owners bullish and pushing for Dropping Outward Pilot (DOP) rates as a 55,000dwt vessel open Singapore fixed a trip via Indonesia to China at $7,000. There were improved numbers from South Africa, with a 61,400-tonner booked for a trip Arabian Gulf to West Coast India at $10,250 plus $125,000 ballast bonus.

Handysize

A week of continuous improvement saw the Baltic Exchange Handysize Index (BHSI) climb over 300 points. Most of the routes remained in positive territory this week for both reporting sizes, with the US Gulf showing the strongest uptrend. A 38,000dwt vessel was fixed basis Cape Town delivery for a trip via Necochea to the Persian Gulf at $9,750. Large Handysize vessels were reportedly fixed at $8,000 for trips from East Coast South America to the Mediterranean. From the US Gulf, a 38,000-tonner was fixed to the Mediterranean at $9,500, while $8,000 was reported on a 34,000dwt ship for a similar run. Earlier in the week, a 33,000-tonner was concluded from Canakkale to Morocco with grain at $5,000. In the East, a 28,000-tonner was booked from Thailand to move sugar to Indonesia at $6,000, with another similar-sized vessel fixed from North China to Vietnam at a rate in the low $4,000s.

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