

BalticBriefing

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Bulk report – Week 10 2019

Capesize

A faint glimmer of hope with the suggestion the market may have finally bottomed out, with owners attempting to resist further cuts in rates on some routes. There has been a clear-out of early ships in the East, albeit at very low rates. Charterers upped their ideas, with reports of an operator fixing at \$4.80 and another at the equivalent of \$4.95-\$5.00, basis West Australia/China. The week ended with a reasonable volume of operator cargoes and even from a couple of the miners. Timecharter rates remained very low, with a not very well described ship fixing early in the week at \$1,000 for a quick round, with a maximum in the low \$4,000s for longer durations. Brazil remained the talking point, with the lack of spot cargoes severely impacting trade. Eyes are pinned on Vale's return to the market. There was some limited fixing, with an end March cargo booked from Sudeste to Qingdao at \$12.00. North Atlantic rates also fell, even those ships willing to load in St. Lawrence accepting lower rates, which barely showed timecharter equivalents in the mid-teens.

Panamax

Last week the market experienced the first negative index since the beginning of February, with a continued surplus of tonnage in the North Atlantic combined with a lack of fresh enquiry

in the Pacific. The slowdown in the Pacific was exacerbated by Capesize tonnage fixing some of the larger Panamax stems from both Indonesia and Australia, something not seen for a very long time. The recently active North Pacific market also came to an abrupt halt, despite a modern Kamsarmax covered at \$12,000 for round at the start of the week. Talk of Force Majeure in the Mississippi due to flooding stifled trade in the Atlantic. However, fronthaul rates via South America improved, with a vessel covered at excess of \$14,000 retroactive Aughinish via North Coast South America. Another vessel fixed at \$14,250 plus \$425,000 ballast bonus delivery East Coast South America.

Supramax

Overall, it was a firmer week for the Baltic Supramax Index (BSI). Period activity was limited, but a 60,000dwt vessel was fixed for three to five months trading delivery Fangcheng at \$12,500. Stronger rates from the US Gulf for the Ultramaxs moving petcoke were evident, with a 63,000dwt ship fixing at around \$19,000 for a trip to India. For prompt positions from the East Mediterranean a 56,000-tonner fixed at around \$16,000 for a fronthaul. However, as the week came to a close, activity slowed. East Coast South America saw increased trading and rates improved, but little information surfaced. Mixed signals from the Asian arena, more activity was seen, but a lack of fresh cargo from Southeast Asia checked rates. A 61,000dwt vessel was booked Singapore for a trip via Indonesia to China at \$10,500. Tighter tonnage availability in the Indian Ocean nudged rates, with a 57,000dwt ship fixing at \$12,250 plus \$225,000 ballast bonus, delivery Port Elizabeth for a trip to China.

Handysize

The Handysize sector continued to show improvement last week in active trade. Period trading included a 37,000-tonner open Lorient fixed at \$10,750, with redelivery in the Atlantic. For longer duration trips, a Handysize vessel fixed for two to three laden legs from the East Mediterranean at \$6,000 for the first 30 days and \$9,000 thereafter for Atlantic redelivery. From East Coast South America, a trip to the Mediterranean paid \$7,250 on a small Handysize vessel. A 33,000dwt ship agreed \$9,250 from Recalada to Algeria, and a similar rate was reportedly fixed on a similar size from Santos to Casablanca. There was little reported from the US Gulf area, with a touch more Black Sea activity, but on voyage basis. Other trading routes included a 32,000-tonner reportedly booked for timber at \$8,500 from Ghent, via the Baltic, to Egypt. A 36,000dwt vessel was fixed from Amsterdam to Turkey at \$9,000. In the East, a 43,000-tonner in Japan agreed \$10,000 to move petcoke, via the North Pacific, to China. A 32,000dwt ship in the same area was fixed for a trip to Singapore with slag at \$7,350.

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