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Bulk report – Week 11 2019

Capesize

The Baltic Capesize market shrugged off its recent negative sentiment to post daily incremental improvements over the last week. Pacific-led gains were seen early in the week. As the market drew to a close on Friday, higher Atlantic rates were being traded. Demand from all the major miners saw West Australia/China rates lift above \$5.00 last week, rising to the mid-\$5.00s mid-week, and over \$6.00s as the week closed out. Timecharter rates rose sharply, with the Baltic Capesize Index (BCI) route C10 finishing at \$8,117. A well-described 180,000-tonner fixed in the mid \$10,000s. East Australian coal shipments too lent support. Transatlantic rounds traded mid \$4,000s early in the week, rising to mid \$6,000s as the week closed out. A well described modern Capesize, spot Gibraltar, fixed a Colombian round at \$9,000. There is cautious optimism for the new week, but Brazil cargo has remained in short supply, with no end in sight to Vale's woes. There was some limited cargo booked from Itagauí to Qingdao at \$12.00 for prompt dates.

Panamax

A relatively uneventful week finished with a positive outlook. It began slowly, with rates everywhere except South America coming under pressure. Surplus tonnage in the North

Atlantic coupled with dwindling fresh enquiry in the Pacific continued this week. Prompt tonnage seeking to remain in the Atlantic was forced to face Arrival Pilot Station (APS) rates, mainly from North Coast South America. Kamsarmaxes were fixed at \$11,500 with no ballast bonus, but vessels willing to do trips to the East were able to fix from an active South American market. Rates rose slightly, with modern tonnage fixed in the upper \$14,000s plus high \$400,000s ballast bonus. Rates in the North Pacific dropped initially before recovering some ground later in the week, but mainly for the better described units, with tonnage fixing North Pacific rounds at approximately \$9,500. With a change in tone on the paper market, charterers began to ask for period tonnage again, however, there were few trades evident.

Supramax

It was a flat week for the Baltic Supramax Index (BSI) with little movement. Period activity remained limited, but an Ultramax, open Japan, was fixed at \$12,500 for six to eight months trading. The Atlantic market remained static, with limited fresh enquiry from the East Mediterranean-Continent areas. East Coast South America appeared more active, with better levels achieved. A 58,000dwt vessel fixed delivery for an Up River trip to the Arabian Gulf at \$14,000 plus \$400,000 ballast bonus. The US Gulf was finely balanced, with a 52,000-tonner fixing in the mid \$10,000s for a trip with petcoke to the Mediterranean. Demand remained strong in Asia, however, tonnage availability was high, so as the week ended, rates eased. A 56,000dwt ship fixed delivery for a Singapore trip via Indonesia, redelivery China, at \$10,000. Further north, an Ultramax fixed a North Pacific round, delivery Japan, in the \$10,000s. The Indian Ocean saw activity, with a 57,000dwt vessel fixed delivery Damman for a trip to Kosichang at \$10,750.

Handysize

Rates climbed again in both basins in the past week and the Baltic Handysize Index (BHSI) was well supported. It is now above 430, improving over 100 points since mid-February. On the period front, a 38,000dwt ship, delivery in Southwest Pass with prompt date, was booked for four to six months at \$10,300, with redelivery in the Atlantic. A similar-sized vessel, also open in the US Gulf region, was booked for a grain trip to Morocco at \$9,850. A 30,000-tonner was fixed for scrap cargo to the East Mediterranean at \$8,000, delivery Tampa. From East Coast South America, a trip to the Mediterranean was reportedly concluded in the high \$9,000s on a 32,000dwt vessel, and in the mid \$8,000s for a coastal trip on a 28,000dwt vessel. A couple of fixtures were concluded in the \$4,000s for a run from Iskenderun/Canakkale to Egypt. In the East, the Pacific market remained firm in general, with improved numbers discussed and fixed. A small Handysize vessel was paid \$7,500 basis

Indonesia delivery for moving alumina, via Australia, to Singapore-Japan range. A 38,000dwt ship open CJK was fixed at a rate in the low \$9,000s for redelivery in Southeast Asia.

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