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Bulk report – Week 18 2019

Capesize

The market last week was a tale of two halves, with substantial volatility. Beginning the week on a positive note the C5 West Australia to China route opened mid to low \$6.00s. Pushing into the holiday on Wednesday, it rose to mid \$7.00s, before crashing back down to mid \$6.00s by the week's end. Volatile swings like this are a characteristic of the market but that doesn't make it any easier to trade. Many owners in the Pacific were seen to sit out the market by Friday, looking to the week ahead where fortunes may rebound. The Atlantic basin fared similarly throughout this rollercoaster week, trading more off sentiment than solid fundamentals. In the Indian basin, trades were limited, while the East Coast of India faced disruptions and closures because of the effects of tropical cyclone '*Fani*' bringing torrential rains and winds of up to 200 km/h.

Panamax

With further disruption due to ongoing holidays, last week was a little disjointed. However, the market generally held up rather well considering. South America continued to soak up the ballasters with rates hovering around \$15,500 plus \$550,000 ballast bonus for modern Kamsarmaxes. Further north tonnage supply remained well balanced, fixing at levels similar to

last done. Longer grain round voyages fixed at around \$10,500, with vessels ballasting from the Mediterranean, but further north ships were able to achieve around \$13,500 for shorter mineral trips. The holidays appeared to have a greater impact on the Pacific market, although sources suggested there were more trades concluded quietly than was immediately apparent. The period market was active again on the back of increased FFA values, particularly index-linked trades. This included talk of a package deal of four vessels, all index-linked, for five to nine months to the same Charterer.

Ultramax/Supramax

With widespread holidays during the week, the market lacked impetus. Period activity was limited, but a 56,000dwt vessel open US Gulf was fixed for three to five months, redelivery Atlantic, at \$11,000. The Atlantic remained positional, from the US Gulf a 62,000dwt ship fixed a trip delivery South West Pass, via the Panama Canal, redelivery China, in the upper \$22,000s. Some negative pressure was seen from the Mediterranean for Atlantic business. A 57,000-tonner reported fixed delivery Canakkale trip to Houston with cement in the mid \$4,000s. It was a flat week from East Coast South America, a 61,000dwt vessel fixed at \$15,000 for a trip to the UK-Continent. The Asian basin struggled, with a 55,000dwt ship fixing delivery Hong Kong trip via Indonesia, redelivery CJK, at \$8,000. From South Africa a 58,000-tonner was linked to a trip to the Far East in the low \$11,000's plus around \$125,000 ballast bonus. All eyes firmly set on the week ahead to see any concrete moves.

Handysize

It was a slow week in both basins due to the public holidays in many countries on Wednesday. Brokers suggested the rates slightly recovered in the Pacific, despite the holidays, as the week closed. In the Atlantic, negative sentiment remained evident from East Coast South America, with a few vessels fixing and some saying there was a buildup of tonnage. A larger Handysize vessel from the area was rumoured to have fixed at around \$11,000 for two to three laden legs with Atlantic redelivery. From the Continent a 33,000dwt vessel, 2011-built, was fixed at \$10,125, basis delivery Rotterdam, for a trip with scrap to the East Mediterranean. A voyage fixture of 25,000-tonnes 10% urea from Kotka to Dakar was done in the mid \$25.00s, with 6,000 tonnes load and 5,000 tonnes discharge.

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