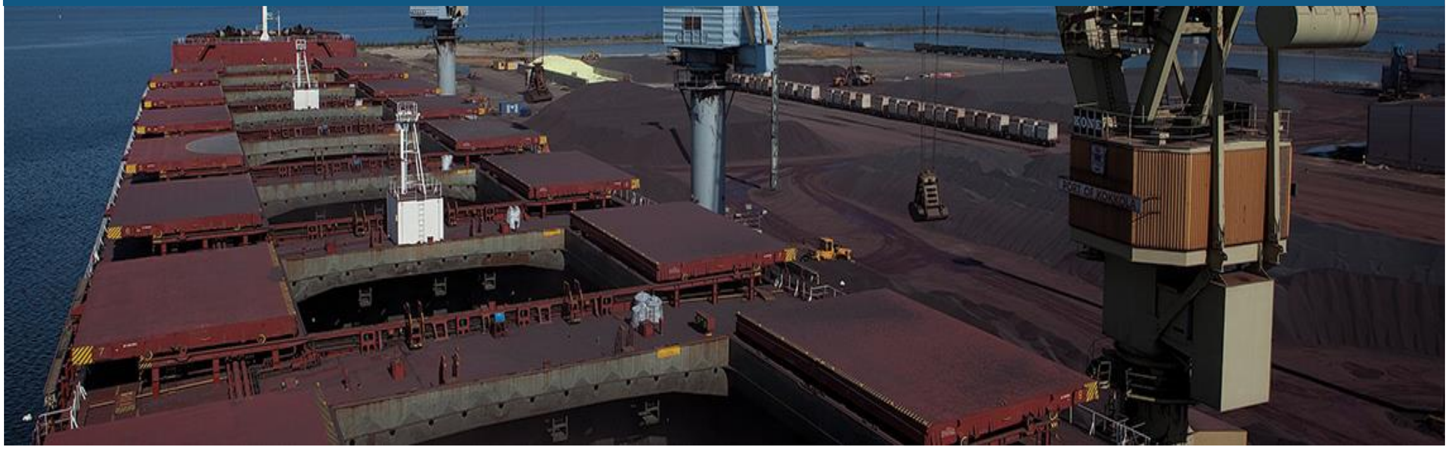
BalticBriefing

Baltic Exchange member news, views and events



Bulk report – Week 28 2019

Capesize

It was a Brazilian affair with a strong splash of bunkers characterising the Capesize market over the past week. Largely traded in European hours, ballaster tonnage was being secured for an ever-tightening window at the end of July. The C3 opened the week at $22.195 to close at $23.864. The lift in voyage rates across the indices on Friday was thought to have been substantially affected by the bunker market, which has been highly volatile this week, particularly in Asia, pushing vessel operating costs up. Trading activity on the West Australian C5 route was relatively mild, with sporadic trading from charterers. The route opened the week at $9.15 to close at $9.509. The Atlantic basin remains tight, although rumours for more competitive offers are being heard in trading. The C5TC continued its rise, closing out on Friday at $27,389 surpassing highs of 2018 while still looking stable and supported.

Panamax

Last Monday started very slowly with little appearing to trade anywhere. However, the market quickly continued its rapid rise as the Atlantic remained starved of early tonnage. In addition, Vale started taking multiple larger units to cover Brazilian iron ore stems to China. Talk of up to 10 vessels being taken in quick succession fanned the flames on an already bullish market, which then saw Panamaxes being taken for two laden legs with minimum durations at $20,000, redelivery in the Atlantic. The East rose steadily, but unspectacularly, until the end of the week. This was driven by Atlantic gains and the paper market, with tonnage in the South fixing South American rounds, or short period, at higher than last done. The North Pacific was subdued until the end of the week. An injection of fresh enquiry from the North Pacific and Australia then saw rates jump further, as charterers were forced to cover with no sign of the market easing in the short term.

Supramax/Ultramax

The Baltic Supramax Index (BSI) remained firmly in positive territory; this was caused by strong demand from the Atlantic. Period activity surfaced, a 63,000dwt vessel fixed delivery North China for approximately four to six months redelivery Singapore-Japan at $10,500. With a lack of fresh tonnage, rates in the Atlantic rose from East Coast South America. Supramaxes were rumoured to have fixed at close to $15,000 plus $500,000 for trips to Singapore/Japan. The Mediterranean/Black Sea also proved fruitful, a 61,000dwt ship was rumoured fixed delivery Canakkale for a trip via the Black Sea and Red Sea with redelivery in Port Said at $17,000. The US Gulf remained firm. From the Continent demand was not as intense. The Asian arena was split, with a build-up of tonnage and lack of enquiry in the North. Further south, activity remained steady. The Indian Ocean also saw better numbers, with Supramaxes seeing close to $14,000 plus $400,000 ballast bonus, delivery South Africa redelivery Singapore/Japan. The attraction from the Atlantic drew vessels away from the area.

Handysize

Overall, it was a positive week for the Baltic Handysize Index (BHSI), with Atlantic routes further improving but the Pacific basin again easing. East Coast South America and the US Gulf market remained active and brokers also suggested the tonnage list appeared to be tight from the Black Sea. On the period front, a 35,000-tonner was fixed from Rio Grande at a rate in the low $13,000s for three to five months. From East Coast South America, a coastal trip was reportedly done at $14,000 on a small-sized Handysize vessel. A trip with sugar to China paid $16,000 on a 36,000dwt ship. Otherwise, a 36,000-tonner open Norway was fixed for a trip to the US Gulf at $9,000 for the first 45 days and $11,500 thereafter. Little was reported from Asia this week.

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