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Bulk report – Week 29 2019

Capesize

Another week of gains as the Atlantic basin continues to be pressurised on tonnage and Brazilian cargoes keep up a steady flow. The Capesize 5TC opened the week at \$26,705 to close Friday at \$32,765, an increase of more than 22%. The Brazilian iron ore market was strong early in the week, with most charterers, owners, operators and traders all present at some stage. Vessels traded hands regularly and at levels that lifted at a startling rate. Brazil to China C3 rate levels varied wildly on date-specific terms with usually only the trade participants knowing the true value at that time. The Pacific took a back-step to this activity but was equally affected by it. Vessels booked in on period and trip charters in the Pacific were equally seen traded for Pacific or Atlantic cargoes, as the transatlantic C8 and Pacific round voyage C10 both lifted to attract vessels. The West Australia C5 route opened at \$9.277 to close Friday at \$10.90.

Panamax

It was another week of continued improvement on all routes. The North Atlantic saw fewer trades last week, but with the limited tonnage, round voyage rates rose over \$1,700 daily. Fronthaul trade jumped by more than \$3,000 daily, with a Panamax reported at \$32,000 for a

trip via Murmansk to China of about 70 days duration. South America seemed to pause midweek, however, activity quickly resumed and rates are now higher even for forward positions into the second half of August. The Pacific also witnessed steady increases finishing the week up \$1,550 for rounds. There were few stand-out fixtures from Australia, with a Panamax taken for a salt stem at \$20,000 from South China. The period market was especially busy at the beginning of the week, with owners happy to take advantage of the present bullish spot market, which looks set to continue in the near term.

Supramax/Ultramax

The Baltic Supramax Index (BSI) made solid gains over the week with demand from most areas. The period market was active, with new-build Ultramaxs fixing between \$12,000 – \$13,000 ex-yard for a year. Cover was also sought in the Atlantic on a 60,000dwt vessel open Mediterranean fixing four to six months redelivery in the Atlantic at \$15,500. Owners remained in the driving seat from the Atlantic. A 56,000dwt ship covered a trip from Egypt, via the Black Sea, redelivery in the Philippines, at \$24,500. The US Gulf remained steady, with Ultramaxs seeing mid-upper \$20,000s for fronthaul business. The Asian arena saw increased activity and stronger numbers being concluded. Ultramaxs achieved in the upper \$10,000- \$11,000s for Pacific rounds. From Southeast Asia, Indonesian rounds remained firm, with a 61,000-tonner fixing delivery Vietnam, via Indonesia, redelivery South China, at \$11,500. From the Indian Ocean a 57,000dwt vessel, open Arabian Gulf, fixed for two to three laden legs, redelivery Arabian Gulf/Japan range, in the mid \$14,000s.

Handysize

The overall Baltic Handysize Index (BHSI) climbed further this week, with the Pacific routes making gains and finally back in the positive. The US Gulf showed some minimal easing signs, whilst firm rates remained in the East Coast South America market. At the beginning of the week, a 39,000dwt ship was fixed from Karmoy for a trip to Veracruz at \$7,500. \$23,000 was registered on a 38,000dwt vessel, basis Recalada to China. From the Black Sea, a 32,000-tonner was fixed to India at \$15,000. In the East, brokers suggested the market was firming with less spot tonnage. A 34,000dwt ship open South Australia was fixed at \$9,000 for a two to three laden leg trip. A small Handysize vessel open Indonesia was fixed at \$8,000 for a trip back to the Far East, and a North Pacific trip paid \$6,500 on a 33,000dwt ship basis Japan delivery and Australia redelivery.

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