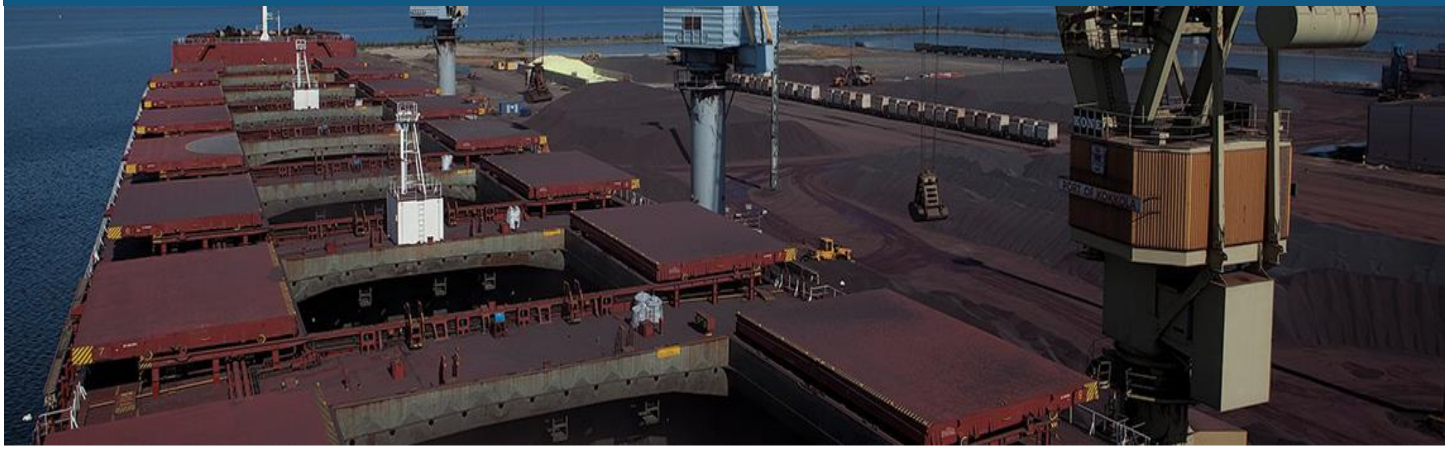
BalticBriefing

Baltic Exchange member news, views and events



Bulk report – Week 31 2019

Capesize

Having hit a high of $32,963 early last week, the Capesize 5TC now stands at $25,749. This is over 20% of its value lost in 10 days. Currently the market is at a bit of a standoff, with a wide bid/offer spread. For the West Australia to China, route the rate seems to be hovering around $9.50 level and for Brazil loading region $22.00 level. A Point Lisas to Yantai cargo was covered at $27.00 basis loading end August. Less timecharters have been fixed, with the most recent being the '*Dione'* (180,132dwt, 2009 build) open Dangjin 6 August at $22,500, for an Australian round voyage, with Panocean. The vessel fixed and failed at a higher level earlier in the week. ArcelorMittal fixed a 2009 built 169,000dwt vessel for their PDM to Fos, mid-August cargo, at $10.50.

Panamax

Throughout last week there was a constant slide in rates and confidence, with much of the recent gains being eroded. The index for transatlantic rounds dropped by almost $4,000 daily, the fronthaul index by $3,335, and the Pacific round by just over $2,500. Towards the end of the week several brokers commented on the North Continent again being very tight for tonnage, with better numbers beginning to be discussed. However this was the only fleeting bright spot all week. The East saw increased cargo volume, especially from Australia, but the plentiful tonnage profile meant that owners continued to have to chase the bids lower, as both the Cape and FFA markets also affected sentiment. Understandably there was less period activity evident, although an Oshima newbuilding Kamsarmax was fixed for one year ex-yard at $15,000.

Supramax/Ultramax

Influenced by the bigger sizes, the Baltic Supramax Index (BSI) had a continuous fall since the beginning of the week. Most of the index routes lost value in both basins and there was limited period activity reported compared with last week. The pressure on US Gulf tonnage was evident, especially for prompt dates and transatlantic runs. In the East, the sentiment showed that owners were considering lower rates for matching the right stems. From East Coast South America, a 50,000dwt ship was fixed for moving sugar to West Africa at $19,000, and a 63,000dwt ship was fixed from Santos for a trip to Chittagong at $15,750 plus a ballast bonus of $575,000. An Ultramax was fixed midweek for petcoke from the US Gulf to Italy at $16,250. By the end of the week the offers for similar trade and route went even lower. In the East, a North Pacific run with grain paid $10,950 on a 61,000dwt vessel basis South Korea delivery. Coal from Indonesia to China paid at mid $8,000s on a 57,000-tonner delivery South China, or mid $9,000s on a similar size basis Hong Kong to India. Nickel ore trade remained active from the Philippines, with a 55,000dwt ship reportedly fixed from Manila to China at $12,000 and a 61,000dwt vessel fixed from Yangjiang at $13,000.

Handysize

Despite three days of no change for the Baltic Handysize Index (BHSI) and minimal improvement throughout the week, the Handysize sector managed to remain in the positive zone. The Pacific market was lending support early in the week, but subsequently slowed down. Brokers suggested the rates for Far East delivery were slightly lagging behind the Southeast Asia delivery. In the Atlantic, further to the US Gulf and East Coast South America's trend from last week, the Continent market also started to show a weaker sign later in the week. A 28,000dwt vessel was fixed from the Continent to North Brazil at $5,750 with a split rate at $9,250 after 40 days. A 35,000dwt ship was fixed from the US Gulf at $12,000 for a trip to the Continent. From East Coast South America, a coastal run paid at a rate in the mid $13,000s on a 28,000-tonner and about $16,700 for a trip to the Far East on a 33,000dwt vessel. From the Pacific, a large Handysize vessel, open Japan, was booked for a North Pacific round trip at $8,000. A 39,000dwt vessel open Vietnam was fixed to r

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