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Bulk report – Week 38 2019

Capesize

The market trended down over this past week, breaking the market out of its upward trending range. While the market traded sideways at the beginning of this past week, it was unable to build any upward momentum and broke to the downside midweek. Brazil to China C3 opened the week at \$25.89 to close out Friday at \$23.705, while West Australia to China C5 opened at \$10.923 to close at \$9.145. Trade activity was moderate throughout the week in the Atlantic, while quieter in the Pacific. Bunker pricing for traders was a wild ride this week as fuel markets absorbed possible scenarios of war risk footing in the Persian Gulf. Prices lifted drastically leaving many to back off trades and wait for the situation to calm. Rates did reduce but are still at elevated levels. The 5TC opened the week at \$33,996 to close at \$31,470. While there was some talk of a floor being reached, Fridays drop of -\$1301 momentum looks still to the downside.

Panamax

The week began with small increases in the Atlantic indices, but this was soon reversed, and the losses accelerated as the week wore on. There was healthy fixing volume for both transatlantic and fronthaul trips, but the earlier tonnage was forced to reduce their offers to find

cover. Brokers felt October positions looked more balanced. The Pacific drifted lower all week, with vessels in the North forced to ballast South. The South American market was not providing its normal support, with charterers concentrating on taking tonnage delivery Arrival Pilot Station (APS) below last done levels. There was hope of a possible surge in fixing this week, prior to Golden Week, but this was the only positive from the week. Very little period trading was reported, although a modern Panamax did fix for a year at \$12,500 basis delivery prompt in Japan.

Supramax/Ultramax

A mixed week overall for the Baltic Supramax Index (BSI), which started in negative mode but as the week closed the trend slowed. Limited period activity was reported, many waiting to see a clearer direction in the market. An Ultramax was covered from the Continent for a short period at \$20,000, redelivery worldwide. From the Atlantic, demand waned from East Coast South America, whilst stronger levels were noted from the Mediterranean. A 55,000dwt vessel fixed delivery for a central Mediterranean trip via the Black Sea, redelivery Southeast Asia, at \$27,500. From the US Gulf Ultramaxs were seeing in the upper \$20,000s for trans-Atlantic runs. From the Asian arena it was a slow start, but demand increased as the week went on. A 61,000dwt ship open Indonesia fixed a trip via Australia, redelivery Japan, at \$17,000. A 53,000-tonner, open Chittagong, was fixed for a trip via East Coast India, redelivery China, at \$15,000. All eyes fixed forward to see the following week's direction.

Handysize

The Baltic Handysize Index (BHSI) stayed still at 691 for the first four days of the week and eventually improved a point by Friday. Overall the sentiment in the Atlantic remained positive, with East Coast South America slightly improving. The rates from the Pacific continued to ease as limited volume lent support to the fixing level, especially for second half September dates cargo. On the period front, a 32,000dwt vessel, open Uddevalla in mid-September, was fixed at \$11,500, with redelivery in the Atlantic. A 33,000-tonner open Lagos was fixed via East Coast South America for a trip to the Persian Gulf at \$24,000, intention petcoke. A 33,000dwt ship open Oran was fixed to run via North France and redeliver in Algeria in the mid \$11,000s. In the East, a 28,000dwt vessel open Ho Chi Minh city was fixed for a trip to CJK at a rate in the high \$8,000s. A 33,000dwt ship open North China and a 38,000dwt ship open South Korea were both fixed for a Pacific trip at \$9,000 and \$11,500 respectively, possibly with steels.

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