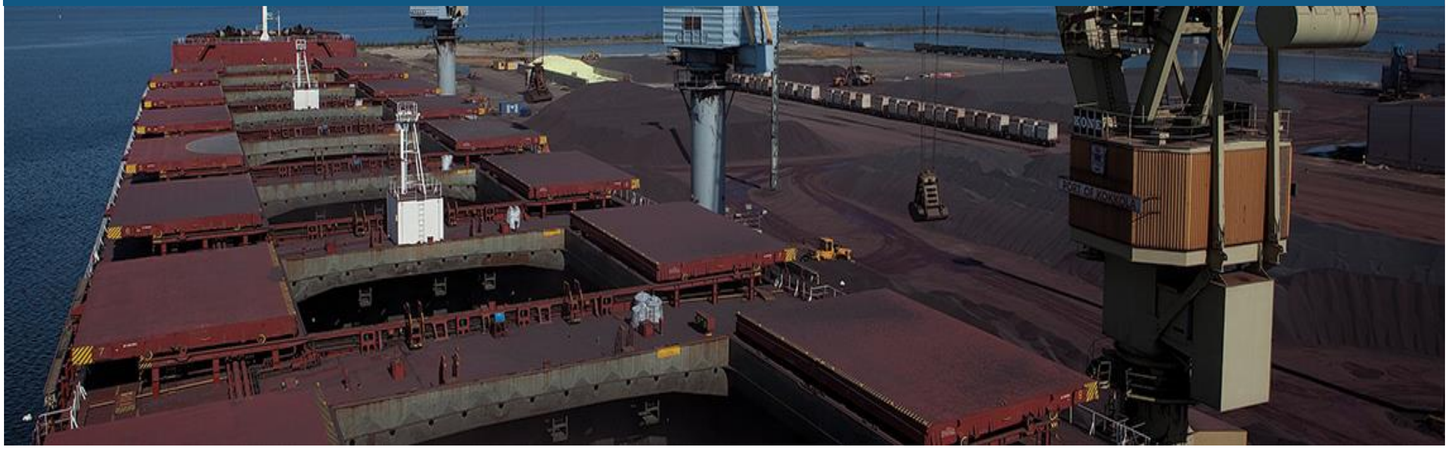
BalticBriefing

Baltic Exchange member news, views and events



Bulk report – Week 47 2019

Capesize

After a week of value being eroded on the Capesize market, Friday brought improved sentiment across most of the routes. The 5TC average opened the week at $20,970 and closed out Friday up $580 to settle at $18,930, illustrating clearly the deteriorating condition of the market. While the Pacific Basin maintained its usual constant flow, improved sentiment built in the Atlantic Basin. Bids were heard to be firmly up across all routes. The Brazil to China C3 route opened the week at $19.04, reaching a midweek low of $18.225. However, with Fridays jump of 72.5 cents, the route settled at almost parity at $19.03 pushing into the weekend. While this current lift is encouraging for a possible last market push before the end of the year, trade activity overall hasn't been reassuring. But as eyes drift to the New Year, and improved clarity post IMO changes, traders are sure to have plans in mind which will hopefully bring improved activity.

Panamax

It was a somewhat mixed bag in the market this week, despite very few pockets of resistance and a hefty softening of rates throughout the week. In the Atlantic, aside from the North Continent/Baltic trades which held steady, the longer fronthaul trips from the US Gulf and East

Coat South America (ECSA) came under severe pressure. A 76,000dwt ship was fixed at $9,500 from ECSA for a Transatlantic round trip. From the US Gulf for Transatlantic business, $14,500 was concluded on an 81,000dwt vessel. From ECSA to the Far East, a 75,000dwt ship agreed $12,500, plus $250,000 ballast bonus. On the shorter duration trips, via the Baltic, the rates ranged between $12,500 and $11,750 for the 82,000dwt tonnage. In the Pacific, improved demand from Australia and the US North Pacific enabled the rates to remain generally steady throughout the week. An 81,000dwt ship covered $10,000 for an Australian round trip whilst a 75,000dwt ship achieved $8,500 for the same run. From the US North Pacific, an 82,000dwt vessel concluded $9,500 for a round trip back to Singapore-Japan. A rate of $8,000 was agreed on a 75,000dwt vessel.

Supramax/Ultramax

The market can be described as ‘cautiously optimistic’ as the week ended. The Baltic Supramax Index (BSI) slowly gained momentum, with some routes in positive territory. There was limited period activity, an Ultramax, open central Mediterranean, covered a short period in the mid $11,000s. Atlantic demand grew from the US Gulf, with a 63,000dwt vessel covering at $15,500 for a petcoke run to the Mediterranean. A 55,200dwt vessel fixed in the low $20,000s for a trip to Japan. East Coast South America remained finely balanced, with limited fresh enquiry. There was more activity from the Continent, where a 63,400dwt vessel fixed for a trip via the Baltic, redelivery in the West Mediterranean, at $14,000. The Asian market also saw a slight improvement in rates, certainly from the South. A 53,000dwt ship fixed at $9,500 delivery Singapore trip, via Indonesia, redelivery Vietnam. From the Indian Ocean, a 58,000dwt vessel fixed from South Africa to West Coast India – Arabian Gulf at $10,500, plus $105,000 ballast bonus.

Handysize

The Baltic Handysize Index (BHSI) fell below 500 by the end of the week, a total decline of 12 points since the beginning of the week. Unlike the bigger-sized ships, which showed signs of improvement, routes in both basins further lost ground throughout the week and little fresh activity came to light. Rates remained weak and vessels overall were still under pressure. A 32,000dwt ship was fixed from the US Gulf for a trip to the Central Mediterranean at low $10,000s. A 38,000dwt vessel open in the US East Coast was fixed for a trip to the Continent at approximately $9,000. In the East, a 39,000dwt ship open Hong Kong was fixed for a trip to CJK at $7,000. A large Handysize vessel was linked to a North Pacific run at mid $7,000s, basis South Korea delivery. A steel trip to Vietnam paid $6,000 on a 32,000dwt vessel from East Coast India.

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