

BalticBriefing

Baltic Exchange member news, views and events



Bulk report – Week 48 2019

Capesize

The market has been well supported over the past week, led primarily by the Atlantic Basin. After bottoming last week, sentiment was seen to improve strongly, with both paper and physical traders buying into the rally. Opening the week at \$18,930 on the Capesize 5TC, it has now lifted to \$23,865. Traders had been eyeing up the second half of December, loading windows out of Brazil in recent weeks citing likely tonnage tightness. They weren't disappointed as C3 was seen to open the week at \$19.030, to end the week at \$22.375. Furthermore, into the North Atlantic a flurry of fronthaul business, now beginning to incorporate ice zone premiums, have kept the basin under tonnage supply pressure heading into the final month of the year. The Pacific Basin struggled to counter the improved sentiment and was seen to lift early in the week past mid \$9's on C5 with a very healthy flow of fixtures being heard. C5 closed out the week at \$9.95 with talk of \$10.00 being concluded.

Panamax

There were significant gains this week, the Atlantic leading the charge, with the Skaw to Gibraltar Transatlantic round-trip route P1A_82, gaining more than \$2,500 in value on the week. Stronger levels were concluded on the Baltic trades, with an 80,000dwt ship achieving

\$13,500 for a trip Skaw-Gibraltar. On the longer Transatlantic trips, an 82,000dwt vessel agreed \$10,500 delivery. The East Coast South America (ECSA) grain front haul activity saw healthy volumes of fixing. With some clearing out the early December shipments towards the beginning of the week the rates began to improve. An 82,000dwt ship was reported as fixing \$13,750 plus \$375,000 ballast bonus ECSA to Far East, while a 75,000dwt vessel achieved \$12,500 plus \$250,000 ballast bonus for same trip. US Gulf grain shipments gained traction with an 85,000dwt ship fixing \$16,000 plus \$600,000 ballast bonus for a US Gulf to Far East trip. Levels improved in the Pacific market too with \$11,000 being concluded on an 81,000dwt ship for an Indonesia to China coal trip. From Australia, at the start of the week, \$8,100 was agreed on an 81,000dwt vessel. However, by the end of the week, this had increased to \$10,000 for the same tonnage and same trip via Australia to China. Period interest also increased on the week with reports of an 82,000dwt vessel achieving \$11,400 for five to eight months worldwide trading.

Supramax/Ultramax

Following on from the previous week, the Baltic Exchange Supramax Index (BSI) remained in positive mode, but both basins remained patchy with some areas recovering whilst others remained flat. Limited period activity surfaced, but Ultramax size saw in the region of mid \$10,000s for the medium period. Stronger levels were seen in the US Gulf with a 61,400dwt ship fixing at around \$17,000 to the east Mediterranean (Med). East Coast South America had better demand, but rates remained static: a 58,000dwt vessel fixing at \$13,000 plus \$300,000 ballast bonus for a trip to Bangladesh. From Asia, activity centred around the south, with a 48,800dwt ship fixing delivery Gresik, Changjiangkou (CJK) at \$11,750. Limited fresh cargo further north, but a 61,000dwt ship fixed delivery CJK trip via Indonesia for redelivery India at \$9,150. The Indian Ocean remained calm, with a 58,000dwt vessel fixing delivery Fujairah for a trip to Bangladesh at \$13,000, whilst another 58,000dwt vessel fixed delivery South Africa trip to west coast India at \$10,500 plus \$150,000 gross ballast bonus.

Handysize

A positive trend started to show in the Handy sector this week, which was last seen back in the end of September this year. The Atlantic market saw a ray of hope for ships in key areas after weeks of weak rates. From East Coast South America, a 38,000dwt ship was fixed for a trip to Southeast Asia at \$15,000s level. Mid-sized Handy vessels were reportedly fixed from Recalada at \$16,000 for a trip to West Coast South America, or \$14,000 for a trip to east Africa. A coal trip via the Baltic to the Continent paid \$12,000 on a 38,000dwt ship delivery to Belfast. Rates also climbed in the US Gulf but saw limited activity reported with the

Thanksgiving holiday at the end of the week. In the East, the sentiment began largely flat but restored in the later stage after exchanging ideas. Overall, minimal changes on the Pacific routes but with some signs of gain.

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