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Bulk report – Week 50 2019

Capesize

This week the Capesize market maintained healthy earnings, as an end of year surge took the Capesize 5TC back up to \$25,202 by mid-week. This lift was predominately led in the Pacific, with strong trading activity from major iron ore charterers. With the steady flow of cargo in the Asia region, the Pacific C10 now trades at a solid 35% premium over the Atlantic C8. The C5 West Australia to China market had a significant jump mid-week, but fell away after a wild trading Friday, to leave the route largely unchanged week on week. Bad weather causing vessel delays in China is expected to cause disruption to upcoming schedules. The North Atlantic sentiment weakened throughout the week, as fixtures out of Brazil, to China, initially jumped in strength. But as a series of fixtures eased the pressure, levels were seen to decline. The Capesize 5TC closed the week down -\$525 to settle at \$23,704.

Panamax

Another week of upward momentum in the Panamax market, with East Coast South America (ECSA) grain trips to the Far East witnessing the largest gains. In the Pacific healthy coal enquiry from Australia and Indonesia kept rates relatively stable on the week. There has been slower trade volume on North Atlantic trades. However, an 83,000dwt vessel agreed \$14,000

delivery from North France, for a trip via the US East Coast to Italy, with redelivery basis Gibraltar – whilst a 73,000dwt ship achieved \$12,000 delivery arrival pilot station (APS), North Brazil, for a trip to Skaw-Cape Passero range. On the ECSA trips to the Far East the high saw an 82,000dwt vessel agreeing to \$14,500 plus \$450,000 ballast bonus, whilst during the early part of the week an 80,000dwt ship agreed \$13,000 plus \$300,000 ballast bonus for the same trip. Out of the US Gulf, a 77,000dwt vessel fixed basis delivery Las Palmas at \$17,000 via the US Gulf to Singapore-Japan. Improved levels were also witnessed from the Black Sea, with a flurry of enquiries and a shortage of tonnage open in the Mediterranean. The high being a 92,000dwt ship achieving \$26,000 on a delivery from Italy, for a trip via the Black Sea to Singapore-Japan. Coming from Australia an 81,000dwt vessel agreed a rate of \$13,000 for a trip via Australia, to China, with coal. A 76,000dwt ship agreed to \$10,000 for the same trip. From Indonesia there have been some contrasting rates, with a 75,000dwt vessel agreeing to \$11,500 for an Indonesia to China trip. In the early part of the week a 72,000dwt ship fixed at \$9,250 for a similar run. From South Africa, little action has been reported, except for a 93,000dwt vessel that was fixed at \$11,850 for a delivery from Malaysia, bound for a trip via South Africa to China.

Supramax/Ultramax

Overall, the Baltic Supramax Index (BSI) remained in positive mode, despite some areas lacking fresh activity. Period activity was limited, but a 60,000dwt vessel, open China, was fixed in the mid \$11,000s for a short period. In the Atlantic as the week closed, stronger numbers were discussed from ECSA for the larger Ultramax. A 66,000dwt ship, fixing from here for a trip to South East Asia at \$14,650 plus \$465,000 ballast bonus. A mixed bag from the US Gulf, with stronger numbers at the beginning of the week, a 57,000dwt ship, fixing for a trip with petcoke to India at \$25,000. From the Asian arena activity remained static. A 56,000dwt vessel fixing delivery from Nanjing, for a trip to the Arabian Gulf at \$6,750. A 63,000dwt ship was fixed for a North Pacific round voyage delivery to Japan, at \$10,000. The Indian Ocean activity saw a 55,000dwt vessel fixing delivery from South Africa, on a trip to China at \$11,000 plus \$100,000 ballast bonus.

Handysize

Many brokers described the week as flat, which was reflected with the Baltic Handy Size Index (BHSI) remaining unchanged for most of the week. Limited period activity surfaced with a 36,000dwt ship fixing delivery from Marmara, for three to five months to the Atlantic, trading at \$10,000. The Atlantic remained stable but as the week closed, sentiment from some areas seemed to be on the turn. A 24,000dwt ship was reported for fixed delivery from Recalada, for

a trip to West Africa with grains at \$12,000, plus \$30,000 ballast bonus. A 37,000dwt vessel was rumoured for a fixed delivery Baltic trip to the East Mediterranean, at \$10,750. Like the Atlantic, the Asian Basin also lacked impetus. A 35,500dwt ship, open Indonesia, was reported as fixed for an Australian round trip at \$9,000. Additionally, a 32,400dwt vessel was reported for a fixed delivery Singapore trip via West Australia, for redelivery to South East Asia at \$7,500. Further north, a 28,000dwt vessel open Japan was linked to a steels run to South East Asia, in the mid-upper \$6,000s.

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