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Bulk report – Week 3 2020

Capesize

The market was relatively stable over this past week putting an end to the past months of more extreme declines. While the Capesize 5TC still softened marginally, opening the week at \$9,438 and closing it at \$8,352, market fundamentals appear to have stabilised with a dismal floor for owners in the Pacific and a tight tonnage situation in the Atlantic commanding a premium. In the Pacific the C5 closed out the week at \$6.832 with the Pacific round C10 trading at \$3,871. While bunkers gave a bit of reprieve earlier in the week helping owners, voyage rates declined in the Pacific putting earnings at firmly sub OPEX levels for standard vessels. Fixing activity has been mild throughout the week with Friday being very quiet. The Atlantic basin's C8 closed out the week at \$14,440 dropping -\$1,035. With Chinese New Year officially starting next week on 24 Jan, most traders will be preparing for an impending quiet market. Whether this results in a ramp up of trading activity in the coming shortened week remains to be seen.

Panamax

A fluctuating week in the Panamax market. After a slow start it showed small green shoots of recovery by mid-week only for activity to appear to slow again come the end of the week.

However, these gains are still some way shy of levels the market witnessed only one month ago. East coast South America again continued to be the main driver lending support to the market not only in the Atlantic but also south east Asian tonnage positions. A rate of \$15,000+\$500,000 was concluded on an 82,000dwt for East Coast South America to Far East. The Pacific market saw some improvement with healthier demand in the north with an 82,000dwt able to achieve \$7,500 for a North Pacific trip basis a China delivery, further south the Indonesia round trips were more akin to \$5,000+\$60,000 gross ballast bonus delivery APS delivery port for 82,000dwt.

Supramax/Ultramax

A lacklustre week again with many areas seeing negative movement. Limited period activity surfaced an Ultramax open north Asia obtaining \$10,750 for 4 to 6 months trading, however there was generally a large gap between owners' and charterers' ideas. The Atlantic suffered with a plentiful supply of tonnage despite some areas seeing improved enquiry. A 63,000dwt fixing delivery Continent trip redelivery east Mediterranean at \$9,500. A 63,300dwt fixed delivery Turkey for a fronthaul at \$16,500. As the week closed better levels of enquiry were noted, but again tonnage supply remained strong. From south east Asia a 61,400dwt fixed delivery east Kalimantan redelivery west coast India in the low \$7,000s. NoPac business was seen a 58,000dwt fixing delivery on the coast redelivery China at \$7,750 plus \$250,000 ballast bonus. The Indian Ocean also failed to inspire, a 58,000dwt fixed delivery west coast India redelivery China at \$6,000.

Handysize

Overall a slow week with negative sentiment continuing in both basins. Activity from the Atlantic remained limited especially in the US Gulf, Continent and Mediterranean area, whilst east coast South America appeared to be the only exception with rates improving. The \$9,000s level was reported on mid to large sized Handy vessels delivery in the US Gulf for a trip to east Mexico or to the UK Continent. A coastal trip from east coast South America paid \$12,800 on a 35,000dwt and a similar-sized was fixed from Recalada to southeast Asia at a tick over \$17,000. The Pacific market largely weakened with more rates basis APS loading. A 28,000dwt open in Indonesia was fixed at \$6,500 basis Australia delivery for a trip to Japan.

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