

# Baltic Briefing

*Baltic Exchange member news, views and events*



## Bulk report – Week 4 2020

### **Capesize**

The market endured heavy losses throughout the past week, with the Capesize 5TC dropping from \$8,352 to \$4,772. In the lead up to Chinese New Year it became quickly evident positions had been managed the week before leaving only minimal loose ends to be tied up. Activity levels were never going to be anywhere near enough to counter an over-tonnaged Asia region. The Atlantic fared the worst of the two basins, dropping from \$14,440 to \$8,475 as what few vessels available were more than enough for the minimal cargoes available. With options dwindling, Brazil to China cargoes were seen to be fixed at bargain basement prices, as ballaster vessels looked to avoid being stranded in no-mans' land. C3 opened the week at \$17.85 to close at \$15.917. Most major charterers on the West Australia to China C5 were absent this week, except for Rio Tinto, who managed to lower the last done seemingly at will. The C5 opened the week at \$6.832 to close out at \$6.155.

### **Panamax**

Rates continued to slide all week with hopes of the market finding a bottom, but some very low trades were still witnessed. The Pacific began the week relatively active, but as Asian holidays approached, the market slowed significantly towards the weekend. Aside from East

Coast South American trade, the Atlantic was bereft of any real vanilla transatlantic trips. Consequently, there was a distinct lack of demand and rates weakened further. On East Coast South America to Far East trades, \$13,750 plus \$375,000 ballast bonus was agreed a few times on nicely described 82,000dwt tonnage. An 81,000dwt vessel was fixed at \$17,500 for a trip via the Baltic sea to China. On the Indonesian coal round trips this week the median rate appeared at around \$4,500 plus \$45,000 ballast bonus. This was on 82,000dwt tonnage, basis delivery arrival pilot station (APS) Indonesia. For longer duration trips via the North Pacific, a healthy looking \$7,500 was achieved a couple of times on 82,000dwt tonnage.

### **Supramax/Ultramax**

Despite a good level of cargo enquiry, the sheer amount of prompt tonnage kept rates in check throughout the week. Chinese New Year celebrations also kept activity levels low from the Asian Basin. Limited period enquiry, but a 58,000dwt ship open East Coast United States, fixing 11-13 months trading at \$11,000 was seen. A 61,000dwt ship open China achieving in the low \$11,000s for similar period was also seen. In the Atlantic, a 63,000dwt vessel covered a transatlantic run from the US Gulf in the upper \$14,000s. Whilst from the South Atlantic, a 56,000wt ship fixed a trip to Southeast Asia at close to \$12,250 plus low \$200,000s ballast bonus. The Asian Basin saw a 56,000dwt ship fixing delivery Samarinda trip to West Coast India at \$4,750. From the Indian Ocean, a 63,000dwt ship covered delivery South Africa trip to Singapore-Japan range at \$11,900 plus \$190,000 ballast bonus. Brokers were waiting to see the direction after the widespread holidays.

### **Handysize**

There was generally more Handysize tonnage appearing in both basins throughout the week. Together with other routes, East Coast South America also started to show weakening signs, with the Baltic Handysize Index (BHSI) remaining in negative territory. Rates from Skaw-Passero range moved sharply lower, with a small gap between East Coast South America and US Gulf redelivery. A 34,000dwt ship delivery in Turkey was fixed at \$4,000 for a trip to North Coast South America/Caribbean redelivery. Another similar-sized ship was fixed from Mukran for a trip to West Africa at \$8,000. Activity was limited in the Pacific, with Chinese New Year approaching. In the Indian Ocean, a 36,000dwt was fixed basis delivery Kandla 22/25 January for a trip to West Coast India at \$5,250.

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