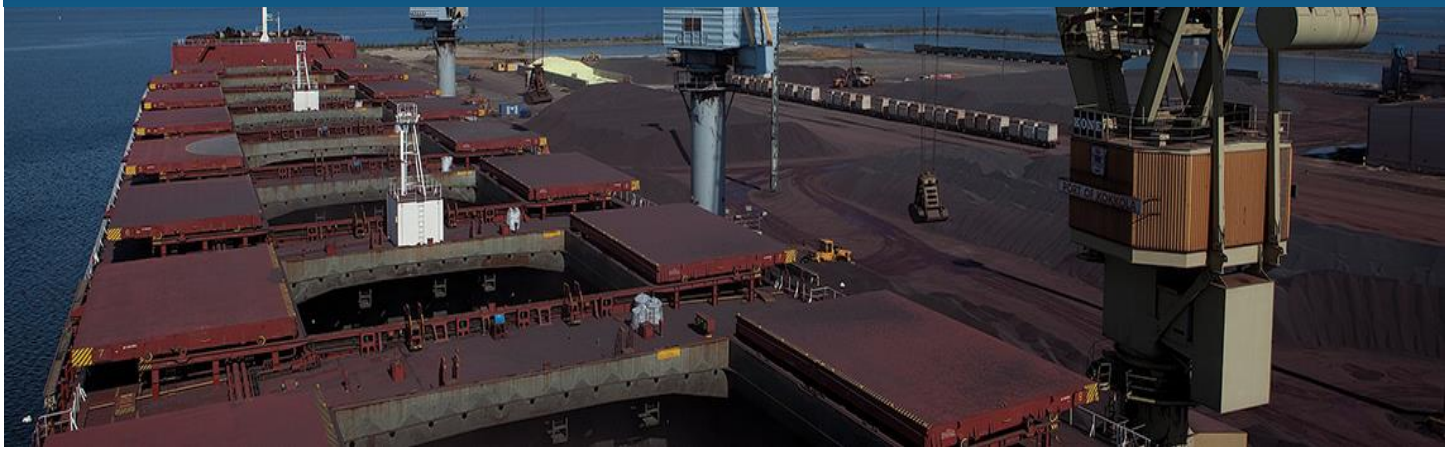
BalticBriefing
Baltic Exchange member news, views and events



Bulk report – Week 7 2020

Capesize

Riding the downward momentum of the previous week, the market was always going to be hard pressed to make any sort of revival. With multiple drivers including Coronavirus, rail flooding in East Australia, rains in Brazil and a tropical cyclone in West Australia causing havoc, the market was seen to bottom out and meander sideways. The Capesize 5TC opened the week at $2,660 to close out at $2,445. While bunker volatility was causing fluctuation in the vessels' earnings, voyage rates were mostly seen to soften throughout the week. C3 Tubarao to Brazil opened at $13.575 closed down at $12.95. West Australia was quiet and spot market fixture activity opened the week at $5.75 closing at $5.595. Remarkably the C10 Transpacific bucked the trend this week as demand for time-charter vessels lifted. The Transatlantic C8 didn't fare so well as dwindling cargo options had most over offered. It now trades at $2,920 which is below the Pacific, the first time since mid-December.

Panamax

It was a relatively strong week overall, with most areas increasing their values over the week. East coast south America again appeared the focus and driver with rates for beginning of March shipments dates improving from last done. The week witnessed some heightened period activity with a bunch of period fixtures mostly fixed with discounted rates for the first 40 days then a premium rate thereafter for balance of the agreed period. From east coast South America to the Far East, the median rate appeared at around $12,250+$225,000 ballast bonus at the start of the week and had increased to $13,300+$330,000 ballast bonus by the end. In Asia, trading was somewhat curtailed by the potential implications of Coronavirus. The NoPac round trip being agreed at $4,350 for 82,000dwt, whilst some owners were discounting rates for quick and repositioning trips with $6,500+$65,000 ballast bonus getting done for an Indonesia to China run.

Supramax/Ultramax

The week started on a poor note, but as it closed a bit more optimism was being felt. Period activity was seen with a 55,000dwt vessel fixing delivery North China for one year at $6,500, for the first 40 days and $10,000 thereafter. It was a story of two halves from East Coast South America: poor levels at the start with a 56,000dwt ship being fixed in the upper $2,000's for a transatlantic run. Later, a 51,000dwt ship was fixed at around $7,000 for similar run. The Mediterranean remained stable whilst the US Gulf was heard to have a little more enquiry as the week closed. From Asia, some said there was more enquiry from Indonesia. However, a ready flow of tonnage held rates in check but a 56,000dwt vessel was concluded basis delivery Singapore via Indonesia redelivery China in the low $6,000s. The Indian Ocean saw slight improvement, with a 52,000dwt ship fixing at $7,000 delivery Arabian Gulf redelivery East Coast India.

Handysize

The index fell below 300 points throughout the week which is at the same level as in mid-February 2019. At the beginning of the week the Handy 7TC average was the highest of all four dry vessel types. Most route indices had minimal movement in both basins, while East Coast South America led the decline. A 38,000dwt vessel, open Fortaleza 15 February was fixed basis north Brazil for a trip to west Mediterranean at $8,000. A mid-sized was failed on subjects basis passing Ushant for trip to China at mid high $8,000s with some waiting on the owner's account. A 33,000-dwt was fixed from Canakkale for a trip with grain to Ireland at $3,500. There was also talks of fixtures at the high end with a 34,000-dwt fixing from Canakkale to Norfolk in the $6,000s and a 29,000-dwt fixing basis Rouen for a grain trip to Morocco at $9,500. Pacific market remained weak and little came to light.

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