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Bulk report – Week 10 2020

Capesize

Little changed for the Capesize market over this past week as fixing levels continue to provide meagre earnings for owners across all routes. Vessel demand continues to be grim and this has led many to sit idle in strategic locations, awaiting direction. Bunker prices have continued to soften yet this has only led to new lows on voyage rates. The North Atlantic Basin has shown signs of tightening, as the Puerto Bolivar to Rotterdam C7 ticked up from \$6.03 to close the week at \$6.35. Although this is thought to be largely sentiment, as fixing volumes remained low. The Brazil to China C3 was one-way traffic this week, with the route taking a particularly heavy blow on Friday, closing out down -0.48 to settle at \$11.845. Ballaster vessels are finding themselves being caught directionless in an ocean wilderness and left as easy pickings. The West Australia to China C5 was stable this week, with most majors taking tonnage. It closed out the week down -.264, to settle at \$4.936. The Capesize 5TC market closed out the week at \$2,542. Capes continue into the new week with little hope of change, alongside the current headwinds on the bow from the global markets.

Panamax

The week began slowly as usual, before activity peaked. Midweek, healthy fixture volume was seen in the Atlantic. With both fronthaul and Transatlantic mineral activity on the rise, firmer bids were observed. Bids are now available for basis delivery this side, with a 2012-built 82,000dwt vessel agreeing \$20,000 for a trip via the Baltic to India, with coal. Support was seen from Transatlantic grains too, but something of a two-tiered market existed. South American business was ably served by ballasters who were willing to operate on cheaper numbers. South America activity dipped briefly, but steady cargo flow for March and April saw rates steady. The highlight was a 2019-built, 82,000dwt ship, fixing \$15,000 plus \$500,000 ballast bonus. In Asia, despite less visibility of fixture rates, sentiment improved on the week against a backdrop of healthy enquiry. In the East Coast South America market, an 82,000dwt ship achieved \$9,000 for an Australian round. Similar sized tonnage agreed \$6,250 for an Indonesian round trip.

Supramax/Ultramax

A bullish week again with better rates being seen across most areas. Period enquiry remained active. A 58,000dwt vessel open Vietnam fixing five to seven months, trading at \$7,000 for the first 30 days and \$10,000 thereafter. The Atlantic made gains, especially from East Coast South America. Demand was seen for Supramax vessels to Algeria, with a 58,000dwt ship seeing \$14,000s level for the Transatlantic runs. For trips to the Far East, Ultramax were covering in the \$14,000s plus \$400,000 ballast bonus. Good cargo enquiry came from the Continent, which saw a tightening of tonnage. Better levels also appeared from Asia, with a 55,000dwt vessel fixing delivery from East Kalimantan for a trip to Vietnam at \$9,100. A 56,000dwt vessel fixed delivery South China trip via Indonesia, redelivery East Coast India, in the \$6,000s. It was a steady week from the Indian Ocean, with a 55,000dwt ship fixing delivery South Africa trip, redelivery East Coast India, at \$11,750 plus \$175,000 ballast bonus.

Handysize

Rates largely improved in the Atlantic Basin this week, which gave strong support to the improvement of the overall index. There were more talks of higher levels being traded in the Continent, compared with last done. In the US Gulf a similarly positive trend maintained, with a number of short period inquiries discussed. On timecharter trip front, a 34,000dwt ship was fixed from Southwest Passero, for moving grain to West Coast Central America, at \$15,000. Meanwhile, the market continued climbing despite more tonnage generally appearing in East Coast South America. Mid-sized Handysize vessels were fixed from Santos to Morocco, at a rate in the mid \$9,000s. There were similar rates for a grain trip from Fazendinha to the Mediterranean. In the Pacific, Australia coastal trips were reported on a 28,000dwt vessel,

fixing at \$5,300 along the West Coast, basis Cigarding delivery. \$2,000 was reported on a 38,000dwt ship for a run from the West Coast to the East Coast.

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