

# Baltic Briefing

*Baltic Exchange member news, views and events*



## Bulk report – Week 26 2020

### Capesize

As the halfway mark of 2020 arrives, the capesize market is making new highs for the year. From persistent lows earlier caused by a barrage of negative factors, the capesize 5TC market has outperformed in spectacular fashion to now reside at \$29641. Breaking for a pause early on in the week, the market renewed conviction mid-week to push higher on the back of the tight tonnage supply in the Atlantic. This is often the case after periods of prolonged weak fundamentals. Vessels are now being seen changing hands in healthy trading, while iron ore pricing continues to support cargoes coming to market. The Brazil to China C3 is now trading often north of \$20 as Vale has been active throughout the week amongst other traders. News of a lessening of the east Australian quarantine measures is a heartening sign that some regions have been able to tackle their Covid-19 issues. The west Australia to China C5 lifted early in the week, before flattening off to now price at \$9.723.

### Panamax

Panamax activity appeared a lot more passive this week, which was largely attributed to **charterers taking stock of their books. This, coupled with owners' reluctance to reduce their offers**, resulted in an inevitable standoff during the first half of the week. However, in the north

Atlantic, solid demand for both trans-Atlantic and front haul trips saw rates continue to rise with \$13,000 agreed for an 82,000dwt delivery this side for an Atlantic round trip. In Asia, trading was somewhat curtailed by Chinese holidays. But with a fresh batch of cargo flow, ex Indonesia parallel to a steady flow ex Australia and NoPac, rates for Pacific rounds averaged **out in the upper \$9,000's. Meanwhile, a very nice spec kamsarmax achieved low \$11,000's** delivery Japan for a NoPac round trip. Period activity was negligible this week with significant falls on the FFA market.

### **Supramax/Ultramax**

A mixed week for the BSI, whilst overall the index remained in positive territory. With Asian holidays taking place, the routes within this area lost ground. Period activity remained buoyant with a 63,000 open US east coast fixing three to five months trading redelivery Atlantic at \$12,000 – and a 57,000 open Indian Ocean fixing five to seven months trading at \$12,500. From the Atlantic, sentiment remained strong with tight tonnage supply in many areas. A 63,000 being fixed delivery Mediterranean for a trip via the Baltic redelivery east **coast India at around \$13,500. From the US Gulf, ultramaxs were seeing in the \$17,000's** for trips to the east. The Indian Ocean remained firm with a 58,000 fixing delivery Singapore trip, via east coast India, redelivery China in the low \$12,000s. Asia remained a little more subdued, with a 55,000 fixing two to three laden legs delivery CJK in the mid \$8,000s. Market direction next week will prove interesting.

### **Handysize**

Brokers remained cautiously optimistic looking forward into next week, with another positive week for BHSI routes. The market pushed further in the US Gulf, whilst charterers continued paying up. There was a fair amount of volume moving in east coast South America but slightly slowed down towards the weekend. Both HS3 route from east coast South America and HS4 route from the US Gulf have been climbing consecutively over a month, with an overall gain over \$2,000 respectively. A 37,000-dwt was fixed from Rio Grande for a trip to the Continent at mid \$9,000s. A 37,000-dwt open Ilheus was fixed for a grain trip to the Black Sea at \$9,500, whilst a 37,000-dwt delivery in the Baltic was fixed for a trip with coal to north Spain at \$7,500. In the East, the positive trend also resumed with a 28,000-dwt open CJK fixing for a trip via South Korea to Singapore at \$7,500.

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