BalticBriefing

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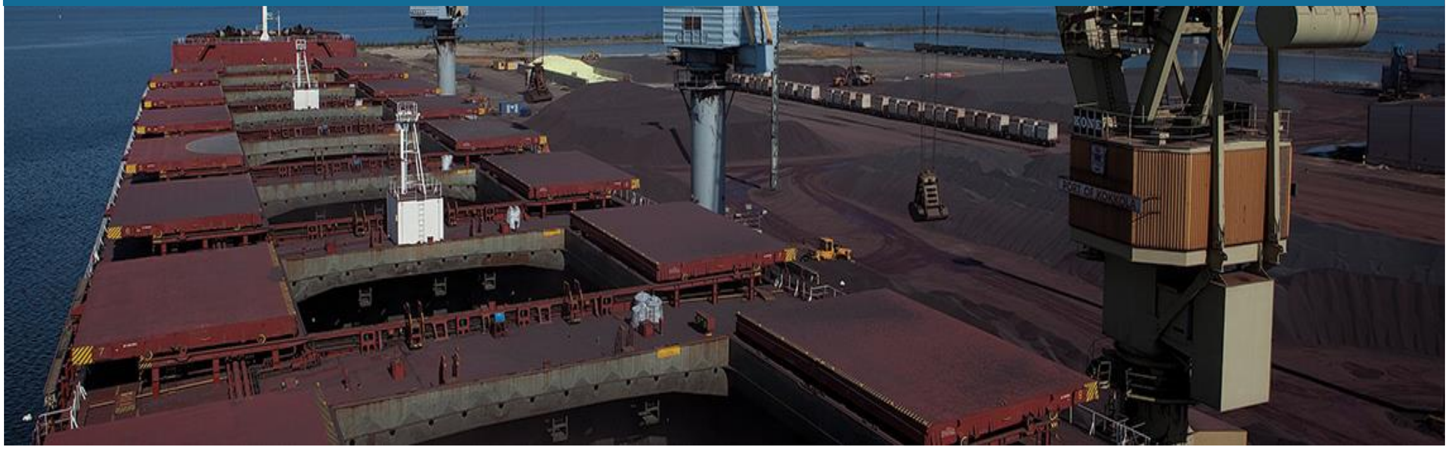

Bulk report – Week 27 2020

Capesize

The Capesize market continues to go from strength to strength, as rates reach highs not seen since September last year. The rally is predominately off the back of the Atlantic Basin crying out for more tonnage. Atlantic charterers from Eastern Canada and Norway are seen to be paying large voyage rates to deliver their iron ore product to China. Iron ore prices have come off recent highs, yet the levels still remain a bonus for miners looking to take advantage – freight costs are an after-thought. The Atlantic Basin Transatlantic C8 broke through the $30,000 level with ease, settling the week at $36,225. The Pacific Basin C10 had more of a struggle in gaining ground with a lull midweek, before closing Friday at $33,529. Voyage routes all posted gains – although price discovery was difficult across the board with rumour and speculation playing a big roll. The West Australia to China C5 gained exactly $1 to settle at $10.723 while the Brazil to China C3 dipped for most of the week before lifting Friday up $0.83 cents to settle at $20.75.

Panamax

The Panamax market initially appeared sluggish with rates in Asia slowly falling throughout the week. In contrast, the Atlantic – and in particular the north – held firm for the most part. By midweek it saw some significant pick-up in activity from South America, which sustained as the week ended. With talk of a healthy grain crop to come from the Black Sea for the second half of July and August, this appeared to support the market in many areas. And, with a large push from FFA's and Capesize rises on Thursday, sentiment quickly turned positive. Trans-Atlantic rates for index duration picked up from mid $12,000's to $13,000 by the end of the week. Meanwhile, the quicker Baltic round trips to Med/Continent featured at around the $15,000 mark. In Asia, despite a lack of fixing volume, mean rates for NoPac rounds for 82,000dwt pegged at approximately $9,500 levels.

Supramax/Ultramax

The overall market was split between the basins with the Atlantic gaining momentum, whilst Asia and the Indian Ocean dampened. Little in the way of period activity surfaced – but a 56,000-dwt open Fujairah fixed four to six months, trading in the mid $12,000s. As the week ended, stronger rates were seen in the Mediterranean and Black Sea areas. A 63,000-dwt fixing in the upper $16,000s basis delivery Canakkale for a trip far east. Brokers also commented that from the US Gulf, Ultramax size vessels were seeing around $15,000 for trans Atlantic runs. Demand in the Indian Ocean weakened a little. However, a 55,000-dwt fixed delivery Singapore trip – via east coast India – redelivery China at $9,000. Rates for Indonesian coal runs were also lower than of late. A 58,000-dwt fixing delivery Vietnam trip via Indonesia redelivery west India in the low $4,000s. Further north a 57,000-dwt fixed delivery CJK trip redelivery west coast India at $3,000.

Handysize

The BHSI climbed above 400 points this week, which was last seen during end March this year. East coast South America was the brightest spark. The HS3 route for transatlantic run achieved a $10,000 benchmark basis for a Baltic 38,000-dwt vessel. However, signs of softening showed in the east, whilst some Pacific route indices started declining. On the period front, a 37,000-dwt open Hamriya next week was fixed at $11,750 with redelivery in Persian Gulf / China range – but the duration was not clear. A 34,000-dwt open Canakkale in mid July was fixed for a trip via the Black Sea to Southeast Asia at $11,500. Meanwhile, a 28,000-dwt was booked for two laden legs Brazil coastal run at $8,750, basis Praia Mole delivery and Paranagua-Rio Grande range for redelivery. Lastly, a 32,000-dwt open New Zealand was fixed for moving logs back to Singapore-Japan at $7,500. A similar-sized open in Vietnam was fixed to Bangladesh at $6,750 and another Handy open CJK was fixed via CIS to China at $6,300.

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