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Bulk report – Week 35 2020

Capesize

The week ended with a flurry of Brazil fixing which is now hovering in the low \$18's – approximately a dollar up on last week. Vale were rumoured to have been active, taking possibly three vessels over 203,000 dwt, in the \$17.50/17.65 region. Meanwhile there was less activity in the transatlantic market where the C7 and C8 routes came off a shade and the fronthaul was relatively static. The Ocean Cobalt (180,200-dwt 2008) which sailed from Mundra on 21 August, was rumoured fixed but no specific details emerged. In the Pacific the benchmark C5 route nudged up around a dollar to \$8.11, with talk of Genco tonnage to Rio Tinto around \$8.20 and possibly CCL tonnage to FMG at around \$8.10 level for 12/14 September. Ore & Metals covered their tender for Saldanha Bay/Qingdao at \$13.30 with 1.25% total for 13/24 September.

Panamax

US Gulf soya bean exports appeared to come to the fore this week with talk in the news of strong volumes to come for the rest of 2020. Charterers principally opted for decent specification and Neo Panama fitted specification tonnage, altering the dynamic in the Pacific somewhat, and signalling firmer rates and sentiment aided by solid enquiry ex NoPac

and Australia. This was highlighted by an 82,000-dwt delivery North China achieving \$15,250 via US Gulf redelivery Far East. In comparison, it was something of a damp squib in the north Atlantic for most of the week as the Continent tonnage count grew. Despite a varied degree of fixing in places, it did little to quell the softening of rates with P1A and P2A shedding \$2,360 and \$778 on the week. Second half September and later arrivals ex east coast South America picked up along with seasonal demand from the Black Sea and rates here marked up midweek, but lacked substantial volume overall.

Ultramax/Supramax

The mixed outlook that characterised the Supramax market this week, could not disguise the underlying weakness owing to a heavy prompt tonnage count in some areas, notably the Black Sea and US Gulf. The indices duly reflected, with the relevant fronthaul routes S1B, and S1C losing \$964, and \$250 respectively on the week. Late on Thursday, an unnamed Ultramax was reported to have fixed a trip from the Black Sea to the Continent at a weaker \$11,000 passing Canakkale, whilst the Anatoli (2018 63,467-dwt) was linked with Meadway basis delivery retro Damietta for a fronthaul at \$25,000 basis min 50 days duration. On a positive, some brokers pointed to increasing tightness from east coast South America for September, with well-described Ultramaxs said to be fixing fronthauls at \$15,250 plus \$525,000. Any recovery in the short term may well prove to be non-linear.

Handysize

Little signs of improvement from the US Gulf or east coast South America this week, similarly the Pacific. Limited vessels were available in the Continent to make August dates whilst the region, together with Mediterranean / Black Sea market, continued their drive forward with rising trend. A 38,000-dwt delivery Dordrecht was fixed for a trip with scrap cargoes to east Mediterranean at \$20,000, a strong rate due to shortage of vessels for loading in the Continent with August cancelling. From east coast South America, a 34,000-dwt was fixed for a trip to the Continent at \$12,000 and the same level was reported on a 38,000-dwt for a trip to east coast Mexico. A 32,000-dwt delivery South Africa in early September was fixed for a trip to the Continent at \$7,500. In the East, a 33,000-dwt open Japan was fixed for a run via CIS to back to South Korea at a rate in the mid \$6,000s..

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