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Bulk report – Week 36 2020

Capesize

The Capesize market suffered a technical correction this week, with the timecharter average shedding \$1792 to close at \$16,252. Whilst the catalyst was not isolated to one loading area, the C5 West Australia round rapidly traded lower on Thursday, dropping from \$7.80 to \$7.05 in successive trades, whilst the benchmark C3 Brazil fronthaul route lost \$1.505 to close at \$16.51 as Vale appeared content to fix ships on the way down from \$17.50 to \$16.35 for second half September dates. Several brokers suggested that a floor had yet to be found on either route, given the prevailing supply/demand dynamic. The North Atlantic, meanwhile, remained short of enquiry, with Glencore covering a 170,000mt Seven Islands fronthaul lifting at a weaker \$20.95, whilst a lone Transatlantic round was fixed at \$10.50. When Cosco covered their 170,000mt Drummond/Eren cargo with CCL on the Aquasalwador (2012 180,012) – the market quickly extrapolated the equivalent C7 at \$8.75. For many Owners, the short trading week must have offered some small respite.

Panamax

A shortened week and a sell-off in the Panamax market this week with the five timecharter average returning a loss of \$1179 to close at \$13,260 on Friday's publishing. Something of a

stand-off appeared for the most part with a wide bid/offer spread failing to kindle much gravitation in both basins. In the Atlantic, activity from EC South America and the US Gulf was confined to a limited number of fixtures with owners' resolve tested to the maximum. Delivery APS NC South America at \$18,000 concluded a couple of times for Transatlantic trips. In Asia, aside from a flurry of fixing midweek ex NoPac, generally at around the \$13,500 mark, there appeared little substantial volume elsewhere from the usual loading regions. Rates subsequently eased and the market here is in need of a fresh injection in order to avoid further erosion. Period activity included \$13,400 being agreed on an 82,000dwt for seven/nine months employment.

Ultramax/Supramax

A level week for BSI with mixed signals from both basins. Period activity was limited but a 55,000-dwt open CJK was fixed for four to six months trading at \$10,500. Brokers described a positional market in the Atlantic with cargo flows and tonnage supply finely balanced. Good numbers were still seen from the eastern Mediterranean as the grain harvest continued. There was a 63,300-dwt fixed delivery Canakkale for a trip via Black Sea redelivery south east Asia at \$24,500. East coast South America remained level with Ultramax size seeing around \$15,000 plus \$500,000 ballast bonus for trips to the Far East. There was a slight build up of prompt tonnage in parts of Asia with limited fresh enquiry. However, demand for nickel ore remained with a 61,000-dwt fixing a south China round voyage via Philippines at \$12,600. The recent demand from the Indian Ocean and South Africa waned with little being reported.

Handysize

It was overall a relatively slow week with both BHSI and the weighted time charter average having a minor decline after remaining in the positive territory for over a month. Some market participants suggested the surge from the Continent / Mediterranean was coming to an end by showing softening signs, whilst little movement was reported from east coast South America, the US Gulf or the Pacific.

A 28,000-dwt open Casablanca was fixed for a trip via the Continent to Durban at \$10,300. There was talk of east coast South America coastal runs fixing at \$10,000s to \$11,000s level on mid-sized Handysize. In the Pacific, a 38,000-dwt open Manila was fixed for a trip to south China at a rate in the high \$7,000s. A 45,000-dwt open CJK was fixed for a trip via Indonesia to China at high \$8,000s.

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