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Bulk report – Week 40 2020

Capesize

Firm trading activity this week has pushed the Capesize 5TC up and over the \$30000 level, reaching near new highs for the year. With the momentum and excitement in the market seen closing out the week there looks to be more to come. The Pacific basin, with China and Korea on public holidays, has been difficult to read with rates in flux. The Transpacific C10 has come under pressure from the other regions as it has begun to be increasingly discounted. With its solid lift today of +3909 to \$28795 it still lags the China Brazil round voyage C14 at \$29200 and the Transatlantic C8 at a whopping \$40,050. With rates surging, it's no surprise owners have neglected the poor C16 backhaul. The route soared \$5935 today to \$14,050 as charterers struggle to tempt tonnage their way. By taking these backhaul trades at this time of the year owners run the risk of mistiming the market for their next leg. Time will tell.

Panamax

Overall a broadly flat week in the Panamax market, the BPI timecharter average losing \$157 to end the week at \$12355. Trading volumes in Asia were largely curtailed by mid-Autumn festival holidays in parts of the Far East and rates here eased as the week went on. In the Atlantic, trade from EC South America was sporadic and rates correlated somewhat by

arrival windows with \$14,900 +\$490,000 and \$14,750 +\$475,000 concluded midweek delivery load port on 82,000-dwt tonnage. Elsewhere in the Atlantic, the US Gulf was relatively active and sourced well by ballasters from the Far East and committed tonnage. Midweek appeared to bring strong demand of minerals from the Baltic Sea and North continent tonnage positions began to tighten, bringing with it a small uptick in rates for some grain trips. There was some uncorroborated talk of several Cape split cargoes entering the Atlantic demand arena, which gave a little push to the market as the week drew to a close.

Ultramax/Supramax

The overall trend of BSI was lower last week with Golden week celebration starting rates and enquiry easing from the Asian basin. Little was heard on the period front as both sides take stock of upcoming trends. From the Atlantic, the Continent remained tight for prompt tonnage and rates remained strong, a 57,000-dwt fixing a scrap run from Amsterdam to Turkey in the upper \$17,000s. The Mediterranean traded upwards with better demand for clinker runs to West Africa leading the way. A 55,000 open Douala fixing a trip via Mediterranean redelivery West Africa at around \$20,500. Activity levels picked up during the week from the US Gulf for Ultramax size, which were achieving around \$26,000 for runs to the Far East. East coast South America remained rather subdued. An Ultramax fixing around \$15,000 plus \$500,000 ballast bonus to the Arabian Gulf. Limited action from Asia, a 63,000-dwt open north China fixing a trip via east Australia redelivery west coast India at \$10,750.

Handysize

East coast South America showed signs of softening this week, whilst the US Gulf continued pushing. The overall index BHSI still maintained its position at the peak of the year. The Pacific remained quiet with countries having long national holidays.

A 32,000-dwt delivery Valencia was reportedly fixed for a grain trip via the Baltic to Algeria at \$11,000. A 23,000-dwt delivery Canakkale in mid-October was fixed for a steel trip to Brazil at \$9,500. A 38,000-dwt open Otranto was also fixed for a similar trip via the Black Sea to east coast South America at \$12,000. From the US Gulf, a 38,000-dwt was fixed for a trip to west coast central America at \$13,500 with redelivery Cristobal. Little activity reported from the East.

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