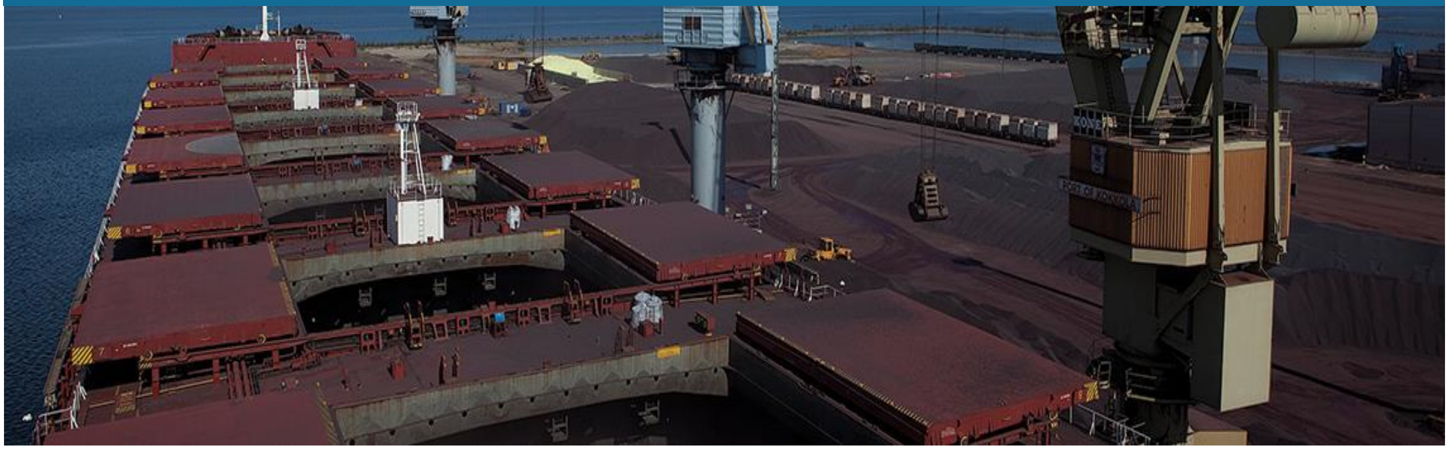
BalticBriefing

Baltic Exchange member news, views and events



Bulk report – Week 43 2020

Capesize

The tide turned positive on the Capesize market this week bringing with it a sense relief and optimism. It both stemmed the mounting losses of late and gave some hope for a year-end rally. Dropping to a recent low of $17,121, the market lifted mid-week to close the week at $18,749 on the Capesize 5TC. The cause of the turn around is not yet clear, but higher fixtures rates were heard predominately on the west Australia to China C5, which closed the week up 0.15 to $7.823, and the Brazil to China C3 which closed up .895 to $17.425. It's been heard that offers have been pulled back and are now seemingly unacceptable for charterers. By Friday, the market was overwhelmingly quiet as principles struggle to find common ground. The quick turn around is not yet a convincing rally as fixture activity fails to impress. Closing the week on a positive note will sit well for owners. However, follow through will be required next week to consolidate any gains. The alternative may be a return to the sideway drifting range bound territory seen in August - or possible further retreat.

Panamax

The Panamax market experienced something of a diverse week, with pockets of resistance appearing in places. But overall a flat to weaker tone beset the market culminating in the time-charter average starting out at $11,681 to close the week at $11,469. In the Atlantic, the US Gulf grain exports fared as the prominent market with a number of deals concluded on ballaster tonnage. Rates varied depending on dates and routing. But the median, returning at around the $16,000 + $600,000 mark, looked to be edging up by end week as a mineral push bolstered confidence. In Asia, steady cargo flow from Indonesia and the NoPac during early part of the week helped to keep rates robust. However, demand enquiry seemed to diminish as the week drew to a close. Low-mid $12,000' s fixed a few times Monday/Tuesday although was now trading at closer to low-mid $11,000's for 82,000-dwt delivery China.

Ultramax/Supramax

The Supramax market presented a relatively mixed picture this week, and although the timecharter average traded flat, ending the week down $45, it was the US Gulf that proved the biggest loser, with the fronthaul route shedding $2325 on the week, whilst the equivalent transatlantic route lost $1100. EC South America also experienced thin demand. The Black Sea meanwhile posted solid gains on increased grain, fertiliser and clinker volumes – the S1B route lifting $718 on the week, to reach $22,225. Brokers also said that the Continent, and Baltic remained positionally tight for those compelled to cover first half November cargoes. The period market meanwhile remained mute, although brokers pointed to the Aurora SB (2009 56,119), which was said to have fixed to Cargill for about four to six months at $8,750 basis delivery CJK – as a sign that belief in the market, was not universal.

Handysize

The Handysize market closely mirrored the larger supras this week, as the timecharter average lost an incremental $28 to close at $10,748. The HS4 US Gulf route proved to be weakest link, with the index shedding $1250 on the week as demand ebbed. Representative fixtures from the US East Coast, meanwhile, included the Buckaroo Bowl (38,233 2012), which was linked with Trithorn basis delivery Norfolk for a trip Egypt at $11,000, whilst the Puck (37,894 2012) was fixed by Norvic delivery Sparrows Point for a trip Tunisia at $11,500. The Continent, meanwhile, was said to be drawing tonnage from the Mediterranean and further afield. Earlier in the week, the Interlink Equity (37,071 2013) was fixed by Pioneer basis delivery Skaw for a trip via Baltic with grain to Morocco at $17,250. Whilst EC South America volumes remain thin however, some brokers questioned for how much longer the current North Atlantic strength could roll forward.

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