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Bulk report – Week 50 2020

Capesize

The Capesize market broke lower this week down to \$10,295 on the 5TC taking it out of its recent range. After a positive end to the week the 5TC now resides at \$11,889. Owners' focus looked to be dwelling on the reliable Pacific cargo flow as prospects further west looked to be dwindling. This situation has increased the pressure on Brazilian charterers who are still looking for tonnage, causing the route to find some renewed positive and robust sentiment coming into the end of the week. The Transatlantic C8 at \$13,440 and the Transpacific C10 at \$13,979 spread narrowed greatly by mid-week while the China-Brazil C14 continues to lag at a much lower \$8,373. As talk of higher bids - and possibly higher fixtures - were rumoured on the Brazil to China C3 the route closed up +73 cents to price at \$13.065. The West Australia to China C5 was quiet on market activity in the later parts of the week but it too seems caught up in the mild positivity of the other route to lift 23 cents today to settle at \$6.991.

Panamax

A firm week in the Panamax market yielding solid rate gains for the owners. The North Atlantic, for the most part, was driven by the quick Baltic rounds with premium rates well in excess of \$20,000 being concluded several times. This in turn hauled up rates for the longer rounds as

owners looked for employment to tie them over and beyond the holiday period. Charterers duly obliging with deals agreed for laden legs and USG trans-Atlantic trips in the mid-teens. A similar picture emerged in Asia, with the Indonesia to China coal supply transpiring as a catalyst for firmer numbers on these trips and filtering into the longer Australia coal trips into Japan/India etc. A \$17,000 figure being the headline rate on a nicely described 82,000-dwt for an Indonesia to China run, whilst \$13,000 emerged as the median rate for NoPac round trips as the immediate firm outlook continued to find support.

Ultramax/Supramax

The Supramax market witnessed something approaching a minor renaissance this week, with some brokers suggesting a tightening supply/demand dynamic, predominantly from the Continent, Black Sea and the US Gulf. The US Gulf fronthaul route proved to be a main beneficiary, gaining \$400 on the week to close at \$22,883. The African Flamingo (2018 63,926) was instructive – fixing to WBC for at \$25,250 delivery APS for an early January position. The Pacific also remained active on Indonesia-China coal volumes, with the Kennadi (63,262 2016) securing \$10,500 basis delivery CJK for a round. The firmer market naturally brought out some period interest – with Cargill lifting the Belmont (63,263 2016) for 11/13 months at \$10,500 basis delivery Yosu. The timecharter average duly closed the week at \$11,337, up \$216, with brokers suggesting that the Atlantic, at least, looked well poised for further gains in the short-term.

Handysize

The movement in the Atlantic basin was not as sharp as previous weeks with mainly east coast South America and the US Gulf lending support to time charter average and BHSI. The improvement from east coast South America became more evident towards the second half of the week whilst the US Gulf remained steady throughout the week. A 37,000-dwt delivery Imbituba was fixed for a trip via Plate to north Brazil at \$14,000. A similar-sized vessel was fixed from Barranquilla for a trip to Tunisia at \$15,000. In the Pacific, south east Asia and Australia region was described to be to be firm. Early in the week, an Imabari 28 open north China was fixed at \$8,000 for two to three laden legs. A 34,000-dwt open Chittagong spot was fixed for an Australia round voyage in the mid \$8,000s. On the period front, a 38,000-dwt was fixed from Altamira for a four to six months trading at \$12,000 with redelivery in the Atlantic.

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