

# Baltic Briefing

*Baltic Exchange member news, views and events*



## Bulk report – Week 1 2021

### Capesize

The market has surely surprised many this week after sparking into life and quickly surpassing levels seen in November and December 2020. The Capesize 5TC ended 2020 at \$16,633 and now closes out its opening week of 2021 at a resounding \$21,131. Activity heated up from the middle of the week before exploding higher on Friday off the back of a heated Brazilian market. While major charterer Vale was said to be absent, rates have climbed quickly on prompter requirements scrambling to cover. Brazil to China C3 settled at up \$1.645 to \$17.33 to end the week. The ballaster line-up is lean, but not overly so. Additional pressure is thought to have been exerted on the market by expectations for this year, manifesting in an elevated derivatives forward curve. In the Pacific, fixing activity was heard to be mild ending out the week, yet rates still surged with poor weather in China cited to be affecting vessel schedules. The West Australia to China C5 settled at the end of the week up \$0.491 at \$9.336.

### Panamax

Historically, the first working week back after holidays tended to be a passive affair - but this week has completely bucked that trend. EC South America led the drive in the Atlantic with

robust demand for first half February arrivals with talk of well in excess of 30 vessels fixed from the market in recent days and likely more. Healthy demand elsewhere in the Atlantic, pitched opposite a tight tonnage supply, compelled to add support to rates. In early week trading, 82,000-dwt delivery Singapore were achieving figures in the \$12,500 region for trips via EC South America to the Far east. This then improved closer to \$14,000. Trading early part of the week in Asia was slow, but by midweek had improved considerably with solid demand appearing. From Indonesia an 82,000-dwt delivery China fixed at \$10,750 for an Indonesian coal run. But by end of the week the mean rate was in excess of \$12,000.

### Ultramax/Supramax

The first week of 2021 was a mixed bag with a slow start. But as the week came to an end, activity levels were increasing. The Atlantic saw demand remain from the Continent, a 56,000-dwt fixing a trip from the Baltic to India in the low \$20,000s. As the week closed, the US Gulf was finely balanced with a 58,000-dwt fixing two laden legs with minimum duration of 70 days redelivery Singapore-Japan at \$20,000. Further south from south America, with demand seemingly increasing, a 58,000-dwt **reached the upper \$13,000's plus upper \$300,000's ballast bonus for fronthaul trips. The Asian arena saw better levels, a 61,000-dwt** open Vietnam fixing a trip via Indonesia redelivery Thailand at \$12,500. Whilst a 52,000-dwt open China fixed a trip via Indonesia redelivery China at \$9,500. The Indian Ocean remained steady, a 61,000-dwt fixing delivery east coast India for a trip to China at \$14,000. All eyes are firmly fixed on the upcoming week.

### Handysize

It was a slow week overall to begin the year with. Most of the Atlantic routes remained in the negative zone, with decline in the Continent being evident compared with the Christmas period. Meanwhile, east coast South America showed no signs of improvement whilst a large number of ships were reportedly stuck in Argentina due to the strike. In the US Gulf, the wide spread between owners and charterers' ideas continued. But it was also suggested that more fresh cargoes were expected to come out to the Gulf market. Minimal changes were reported from the Pacific, with brokers expecting it to maintain a healthy cargo list with relatively tight tonnage supply. On the period front, a 38,000-dwt open Brownsville mid-January was fixed for three to five months at \$12,500 with redelivery in the Atlantic.

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