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Bulk report – Week 7 2021

Capesize

As one of the more wild weeks in the first quarter for the Capesize comes to an end, the market feels more like it's in reprieve mood contemplating what comes next. From last Friday at \$10,304, the Capesize 5TC reached a high on Wednesday of \$15,856 before retreating to close the week out at \$14,224. The Australia and Brazil to China routes battled it out for tonnage throughout the week as Owners were swayed in both directions. The west Australia to China C5 opened the week at \$5.82, peaked at \$8.40 before closing Friday at \$7.05. Throughout the week the paper market was heard to be very active and while the Cape market charged, it was definitely not alone as smaller bulk carrier sizes were treading a similar route. The Panamax sector was arguably the star of the show giving Capes somewhat of a leg up with the smaller cargoes combining for Capesize business - a rarity indeed. While the Capesize market has closed down a little for the end of the week, calm seas are unlikely with so much whipsawing in recent days combined with returning Chinese New Year traders.

Panamax

It was the most vigorous week since 82,000-dwt became the new Panamax benchmark vessel in January 2020, with activity on physical and derivatives. North Atlantic remained fairly firm

with both P1A and P2A making significant rises in the first half of the week on the back of demand for Baltic cargoes and breaching INL. A Kamsarmax delivery in the Continent was fixed for a trip via US east coast to redeliver in Gibraltar at \$26,250. Shorter coal trips via Indonesia were paying a premium over the demand from east coast South America. However, in the second half of the week, charterers also took a little pause after the gap was widened between their ideas versus owners. The period fixtures were active this week, ranging from a 82,000-dwt fixing from east coast India for five to seven months at \$15,250 to a 79,000-dwt fixing from Xiamen for three to five months at \$23,000. For an east coast South America run, the rate started from \$17,000 on a 76,000-dwt delivery west coast India and low \$15,000 delivery Taiwan to \$23,500 on a 82,000-dwt delivery Indonesia and \$22,000 delivery Singapore later of the week.

Ultramax/Supramax

Like the larger sizes, it was a very positive week with a shortage of prompt tonnage and strong sentiment. This lead to the BSI gaining 296 points by week close. Period rates strengthened, a 63,000-dwt open Indian ocean fixing in the low \$20,000s for six to eight months. Rates within the Atlantic leapfrogged with 55-57,000-dwt fixing rates in the upper teens delivery west Africa for round voyages via Brazil to Continent-Mediterranean, with better levels paid for north Brazil loading. From the US Gulf, Ultramax tonnage was seeing rates in the low \$30,000's for fronthaul trips with some commenting that similar rates could be had for some trans Atlantic runs as well. Despite the Chinese holiday, rates saw healthy jumps from Asia. Ultramax vessels seeing in excess of \$15,000 for NoPac round voyages and further south a smaller 53,000-dwt open Singapore fixing a trip via Indonesia to China in the low \$15,000s. A 57,000-dwt open Philippines fixed at \$18,000 for trip to Vietnam. All eyes are focused on the upcoming week to see if the momentum continues.

Handysize

Similar to all other sizes, the question at the end of the week is what next or how far can this dramatic rise go? Compared with the same period last year, when the BHSI was published below 300 points and the time charter average was tick over \$5,000, both are almost three times in value now. The surge started from east coast South America and the US Gulf, soon followed by the Continent and then Pacific later in the week. There was talk of a large-sized Handysize vessel open A-R-A-G fixed for a trip via the Baltic to US east coast at approximately \$26,000, which might include breaching INL. A 35,000-dwt open Brindisi was fixed for a trip via the Black Sea to Santos at \$17,000, whilst in Asia a 34,000-dwt open east coast India was fixed for a trip to the Mediterranean at \$10,000.

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