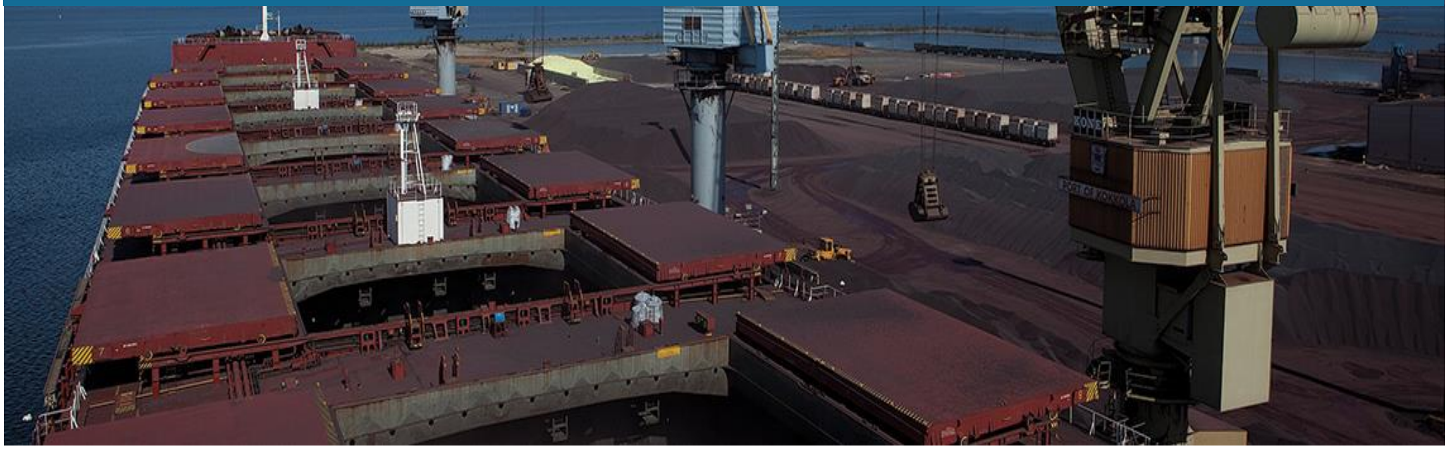
Baltic Briefing
Baltic Exchange member news, views and events



Bulk report – Week 14 2021

Capesize

The Capesize market continued this week with its constant and relatively steady improvement in rate values. The Capesize 5TC lifted 4,058 over the shortened post Easter holiday week to $23,911. While the Transpacific C10 remains the premium paying basin at $27,221, the Atlantic Basin C8 has closed the gap now rated to $19,850, albeit fixtures still remain few and far between in the region. The Fronthaul C9 and Backhaul C16 stood out this week as solid earning fixtures well into the mid $40k regions drove the C9 up to $44,000, while the C16 gathered pace late in the week closing in on $10k to settle at $7,885 with several believing it well undervalued. Out of Brazil, Vale was able to obtain $21 levels for tonnage on C3. But sources say the remaining bids have now all needed to lift - pushing the end of week closing to $22.475. Fixture activity remains strong on the Capesize sector and possibly building without the tailwinds of the smaller sizes.

Panamax

The Panamax market was described by some as floorless this week, with significant declines across the board and at the time of writing no sign of halting. Despite owners' resistance, a burgeoning tonnage count building - especially for the nearby position - combined with a lack of demand and a plunging FFA market heaped pressure on rates. No routes escaped corrections and a glut of fixing and failing vastly reduced voyage rates being concluded, culminating in the EC South America round trip delivery Singapore being valued circa $24,500 on Tuesday now being concluded in the $18,000's for 82,000-dwt on same delivery. Likewise NoPac/Australia round trips diminished from $22,500 early part to now breaching the $20,000 mark with little support evident. The repositioning and shorter duration coal trips via Baltic sea and Indonesia became popular with Owners and rates were discounted here with Owners looking to lock in some cover at least with the immediate outlook looking bleak.

Ultramax/Supramax

Overall, it was a quiet week after the Easter holidays in the West and Qingming Festival in the East. The BSI continued declining within the shortened week, with the time charter average now below $20,000 for the first time since the end of February this year. All key areas in the Atlantic appeared to be slow whilst rates further weakened. Tonnage started building up in the US Gulf with little enquiry to offer support. Most brokers saw no sign of a rapid recovery from the Gulf in the upcoming days and similarly in east coast South America and Skaw-Passero range. On the other hand, in the Pacific rates slightly improved towards the end of the week with all the three time charter routes under Baltic Supramax Asia Index climbed above $20,000. Some brokers saw more short period enquiries for Supramax delivery in the Far East and the period rate remained firm.

Handysize

Since the yearly high so far on the 19 March at 1,360 points, the BHSI continued its steady fall this week and was today down to 1049 points - a drop of over 330 points in three weeks. This week alone, the HS4 has dropped from $15,208 last Thursday to $12,643 which is over $2,500. The Atlantic routes were hit the hardest with reports of lower than last done now being the norm. The shorter week due to Easter reduced the visibility of activity. However, a 38,000-dwt was rumoured to have fixed a trip from the US Gulf to the Spanish Mediterranean at $14,500, whilst a 28,000-dwt had fixed delivery SW pass for a trip to Turkey at $11,000. On the Continent a 34,000-dwt fixed delivery passing Skaw for a trip to the central Mediterranean at $16,000. In Asia, some brokers had said they were starting to see more requirements coming into the market so the bottom may be found soon. A 39,000-dwt open China fixed a trip via Vietnam with redelivery China at $20,000. Whilst earlier in the week, a 33,000-dwt was alleged to have fixed a trip from China via CIS back to China with Coal at $19,000..

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