

# Baltic Briefing

*Baltic Exchange member news, views and events*



## Bulk report – Week 2 2018

### Capesize

It looked set to be a gloomy end to the week particularly in the East where a tentative recovery seen after the holidays had been short lived. Then a brief respite as reports surfaced that US\$6.10 was done on the West Australia/China run but this reportedly referred to timecharter business fixed earlier but this did drive paper values up. As the week closed out, Rio Tinto and FMG were in the market and said seeing tonnage under US\$6.00 but some owners preferred to wait. Timecharter rates took a hit with a 180,000-tonner 2010-built open Bayuquan allegedly agreeing US\$10,000 daily for a round voyage in the east and similarly, short haul runs dropped sharply. Some owners were considering the ballast to look for opportunities from Brazil or South Africa, but trade from both areas has been slow. Rates from Tubarao to Qingdao were nearer the low US\$16.00 range for end January/early February cargoes. The north Atlantic market had been the punchiest where a tight supply of tonnage and demand for ships able to breach INL drove rates higher. At the peak, timecharter equivalents for ships prepared to load from the St. Lawrence for the run east were said in the low US\$40,000s daily. Transatlantic rates too reached levels around US\$30,000 daily, but here too the market came under pressure and rates were shaved as the week closed out. Reports suggested the rate from Puerto Bolivar to Rotterdam was nearing US\$11.00.

## **Panamax**

Spot rates were in a slow decline during the week, but period interest remained steady, especially for one year with modern kamsarmaxes fixing at US\$13,000 daily. The gap between the bid and offer widened as the week progressed, the FFA market weakened with charterers hoping to take advantage of the negative sentiment while owners preferred to fix single trips and wait. The Pacific market was lethargic all week. There was abundant tonnage with fresh enquiry falling short but weather caused delays and some charterers were forced back into the market for replacement ships. There was healthy volume from Indonesia, but this has not been supported elsewhere, with a distinct lack of January stems prompting owners to fixing either short rounds or considering ballasting. The East coast South American market was very busy for January dates but despite this activity rates slipped from around US\$15,500 plus a US\$550,000 ballast bonus to US\$14,500 plus US\$450,000 ballast bonus for kamsarmaxes as the week wore on. The US Gulf saw several vessels failing on subjects for front haul earlier in the week due to bargaining problems. In the North, rates were largely steady for the short rounds.

## **Supramax**

A slow beginning but as the week progressed some key areas saw improved activity certainly within the Atlantic. There was more interest for short period with charterers looking for cover.

Strong demand from the US Gulf saw a big improvement in rates with ultramax sizes seeing in the mid US\$20,000s for trips to the East and vessels booked in the low US\$20,000s for transatlantic business. The Continent also saw a tightening of tonnage with some tempted to ballast to the US Gulf. Slightly improved activity at the end of the week in the Mediterranean with an ultramax booked for a trip from Canakkale via the Black Sea to India in the mid US\$16,000s. A flat week from east coast South America with little fresh enquiry and few changes in rates. Increased activity in the Asian market was tempered by the amount of prompt tonnage.

## **Handysize**

The expectation of a busier week in the first full week back after the holidays failed to materialize and the BHSI dropped a few points with most routes remaining in negative territory. There was some talk of period activity in the later part of the week.

The Atlantic market had a lacklustre mood and a 37,000-dwt was fixed delivery Canakkale prompt for a trip via Turkey with steels to the Continent at US\$8,300.

Asia saw some activity but towards the end of the week but negative sentiment set in with brokers suggesting downward pressure on rates from north Asia but steadier in the south.

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