CAPESIZE

We saw a good recovery in the market last week even though it ended slowly, as all areas of the market remained underpinned with solid demand evident in both basins. The new week despite the holidays could be active, should the momentum from last week continues.

Tuesday started on the quieter side. With the combination of various holidays in Asia, the day had a typical Monday feel to it. Softer fixtures were concluded from West Australia to China, in contrast to the end of last week. There was still a healthy level of enquiry from EC Australia. The quieter feel to the day resulted in several Owners adopting a wait and see attitude.
Sentiment in the North Atlantic was still optimistic, the supply of tonnage remained tight, and fresh enquiry was emerging both within the Atlantic as well as fresh fronthaul. Trading was slow to emerge, as holidays in various countries impacted trading. Despite this, the Atlantic continued to see fresh inquiry in the North, as well as from EC South America. In the East, the key C5 rate was easier in dull trading. Owners appeared willing to wait for post-holiday interest.
In the Atlantic it emerged that last Thursday an undisclosed charterer covered a May 22-26 from Sudeste to Qingdao at $23.40 fio.
Fresh cargoes hit the market from EC Australia and there appeared to be some upside potential forward.
Concluded business included a 2007-built 177,852 dwt vessel fixed to Hyundai Glovis prompt delivery Gangavaram for a trip via Brazil redelivery China at $20,000 daily plus a ballast bonus of $470,000.
Fresh cargoes hit the market from EC Australia and there appeared to be some upside potential forward. On C5 Rio Tinto covered a May 15-17 loading from Dampier at $8.90 fio and was linked with another vessel for similar dates at $8.80. It further emerged that FMG took 2 vessels for May 12-14 ex Port Hedland at $8.75 and $8.60 fio.

Wednesday in the Atlantic South Brazil appeared to be supported. NYK covered their prompt coal loading from Puerto Drummond to Turkey at $14.50 fio. Rio Tinto took a newcastlemax for its May 24-30 loading from Seven Islands to China at $26.45. Vale was rumored to have fixed their C3 Tubarao/Qingdao at $22.40 with the 15th May cancelling.
In the East, Panocean agreed $24,500 daily with a 2020 -built 210,000 dwt vessel May 5-6 delivery Caofeidian on a trip via WC Australia redelivery Singapore/Japan. Richland was linked with a 2004-built 171,015 dwt caper May 6-7 delivery Rizhao on a trip via EC Australia to Singapore-Japan at $17,000 daily. On C5 Rio Tinto fixed a May 16-18 loading from Dampier at $8.75 fio. Softer rates all around but the volume of fixing would determine if things could very well shift upwards.

Thursday, C5 remained the route in need of most impetus.
Coal has been somewhat of a savior this week even if rates achieved there haven't shown much/any premium to C5, it had certainly soaked up a decent number of ships. The Atlantic was very busy, yet was confusing many. The ballasters seemed focused on the trans-Atlantic market whilst North ships looked to snap up the West African stems. C3 rates were fixing below index but some big players remained open for May cargoes so many owners were still hoping that by waiting a bit longer they will be rewarded. A slight shift in sentiment, with fixtures being concluded at marginally declining rates.
The paper came off hard throughout the day and found some support into the close but overall it was a bleak day.

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The Pacific remained rather sluggish so far this week, resulting in a noticeably flat market. Two of the three majors were in the market from West Australia, with only a few fixtures concluded. However, the coal activity ex EC Australia provided some support. On C5 Rio Tinto covered two 18/20 May stems from Dampier at $8.70 and $8.65 fio. Elsewhere Libra fixed their May 12/18 coal stem from Samarinda to Mundra at $6.25 fio basis free D/A's at discharging port.

Friday we have made it to the end of what feels like a long, short week. The physical market was as flat as flat can be.
The approach to the weekend brought little new business and details of concluded business were scarce, with the market drifting slowly on a combination of corrective sentiment and partly slow fundamentals.

PANAMAX

An opening impersonating a Monday with many returning from long weekend holidays, the market was slow to get going. Both basins remained a watching brief with little sign of direction although the early sentiment appeared weaker.

A static market in the North Atlantic, as cargo count was still very low whilst prompt tonnage sought employment also from the South. In the South, a few owners were reluctant to commit their ballasters, as bids had been discounted further.
A few fresh stems for early June had surfaced but charterers were still collecting for such arrivals and focus remained on end May arrivals. Cargill fixed a 2014-built 77,134 dwt scrubber-fitted vessel April 07 delivery retro-Singapore on a trip via EC South America redelivery Singapore-Japan at $17,150 daily with the scrubber benefit going to the charterer.
On the same route Grand Ocean was linked with a 2005-built 75,395 dwt panamax May 18-19 delivery Singapore at $14,750 daily.
An uneventful day in the Pacific, as the derivatives slid down further and the physical market was further pressured as rates drifted and fresh cargo was limited. In the South, we noted more prompt tonnage competing against the same cargoes, alas very few fresh stems appeared especially for pacific round trips, as some Far eastern countries were be on/off holiday this week. A 2011-built 93,201 dwt post panamax was fixed to Jijiao Port April 21 delivery EC Australia for a trip to Taiwan at $11,000 daily plus a ballast bonus of $300,000.
Unnamed charterers booked a 2014-built 81,537 dwt kamsarmax May 02 delivery CJK for a NoPac round at $11,000 daily. ACB fixed a 2013-built 87,146 dwt post panamax Pagbilao 7-8 May for a trip via Indonesia to South Korea at $13,000 daily, whilst Lotus Ocean took a 2003-built 76,629 dwt panamax Hong Kong 1-2 May for an Indonesian round at $11,500 daily.
Wednesday, North Atlantic suffered further losses, as prompt tonnage had to reduce offers in order to find coverage. For fronthaul trips, the North continued to be quiet, while in the South Atlantic bids were also discounted. Bunge was linked with a 2011-built 82,177 dwt kamsarmax April 27 delivery retro-Karaikal for a trip via EC South America redelivery Singapore/Japan at $17,000 daily and a 2008-built 82,338 dwt vessel fixed an undisclosed charterer on the same run May 08 delivery Hazira at $15,250 daily.
In the Pacific, charterers prioritized into covering their own tonnage, before holiday starts again in the East. In the South, we noted a good volume of prompt vessels covering with owners dropping offers. Moving into the second part of the week, market recovery seemed unfeasible. MOL reportedly took a 2015-built 82,072 dwt kamsarmax May 04 delivery Kashima for a NoPac round with petcoke at $15,250 daily. Viterra was linked to a 2008-built 75,213 dwt panamax prompt delivery Incheon for a NoPac round with grains at $10,000 daily. Klaveness reportedly agreed $11,000 daily with a 2014-built 81,793 dwt kamsarmax April 29 Rizhao on a trip via Indonesia to the Philippines. SAIL was active with 3 coal tenders.

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The charterer awarded its May 15-25 Vostochny/EC India at $19.40 fio, its May 25-June 5 on the same route at $19.00 and its May 21-30 from Gladstone to Visakhapatnam at $16.85.

Pacific period business reported SwissMarine fixed a 2017-built 82,215 dwt kamsarmax May 6-10 delivery Tianjin for 5-7 months trading at $17,250 daily.

Thursday the market continued to drift, with little pick up in enquiry. Atlantic remained inactive with little action of note. Even though there was some business from operators entering the market, the backstop tonnage behind did not allow any hopes of much to be done.

In any case tonnage overall remained fairly tight in the North so it continued to be well balanced despite a lack of substantial demand.

Further south, some fresh enquiry entered the market but the list of ballasters continued to grow hence keeping a lid on any potential hike.

The numerous in the east resulted to a very quiet approach to the end of the week with a negative sentiment prevailing.

In the Atlantic, Olam booked a 2014-built 79,167 dwt kamsarmax delivery EC South America 16 May for a trip to Singapore/Japan at $17,000 daily plus a ballast bonus of $700,000, whilst LDC fixed a 2013-built 82,131 kamsarmax Reydarfjordur 4 May for a trip via France to China at $23,000 daily.

In the East, Oldendorff fixed a 82,300 dwt kamsarmax Zhoushan 4 May for a round trip via Esperance at $11,350 daily and ASL a 2020-built 81,480 dwt vessel delivery retro-Qinhuangdao 30 April for a Nopac round at $12,900 daily. Ex Indonesia a 2007-built 76,939 dwt panamax was taken passing Kaohsiung May 5 for a trip to South China at $12,000 daily, whilst Bainbridge fixed a 2012-built 81,678 dwt kamsarmax Taichung 9 May for a trip to India at $8,500 daily.

The week ended with a distinct lack of demand, with rates on some key routes off last dones. The charterers continued to sit unless stuck for a position, but given the available tonnage count in all regions, we only expect to a weaker market with little hopes of a positive change.

SUPRAMAX – HANDYMAX - HANDYSIZE

EAST COAST SOUTH AMERICA / WEST AFRICA

A very quiet and dull week comes to an end, without any reported fixture indicating market's tendency for supramax/ultramax size.

Although the routes on the BSI end up negatively. On the handies at least, market was more demonstratively, with trips ex ECSA to Continent were at high 10ies, while trips to USG were around 20ies, nevertheless trips to Continent/Med were paying markedly less with rates being at mid 10ies.

MEDITERRANEAN/ CONTINENT / BLACK SEA

Both Continent and Mediterranean remained steady this week with continuous holiday to have strong impact on market levels.

Continent witnessed some balance on cargo demand and vessels supply with fixtures close to the last dones. Trips to Mediterranean with scrap would pay $15,000 on a nice supramax while backhaul trips to the other side of Atlantic were traded at low-teens levels. Furthermore front haul trips with clean cargo were discussed at the levels of 20,000s whilst trips to south Africa worth mid-teens levels on supramax vessels and couple hundreds more for ultramax. On the handies, Rouen grains could pay $13,000s levels with Mediterranean redelivery and backhaul trips were traded at very low-teens Mediterranean, also hasn't faced fluctuations this week with little activity

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reported due to the lack of many fresh cargoes, nevertheless the upcoming weeks seem promising. We heard here clinker run to West Africa were covered around 16/17,000 levels and front haul trips at low 20,000s.In addition, we heard here a 58k-dwt was fixed at 15,500 for trip with gypsum to US East Coast.

On the period front, short period on a supramax could pay roughly $16/17,000 while longer duration periods were discussed closer to $13/14,000, always subject to flexibility.

FAR EAST / INDIA

(**Below info on the basis of an average 58k dwt vessel - basis our views/feeling/information on the market)

Market's sentiment remained negative for yet another week, with limited activity and ratings moving lower in all areas. A decent 58 could barely achieve around $10,750/11,250 basis Philippines for a coal shipment via Indonesia to India while Australia rounds have been paying up to $9,250/9,750 basis CJK, subject to the cargo/duration and actual destination. A 58 could secure around $17,500 basis Fujairah for an aggregates shipment to Bangladesh and South Africa levels have been fluctuating around $17,500 plus $175,000 passing Durban for ores to Far East or closer to $16,000 plus $160,000 afsps Richards Bay for coal to India.

On the period front, a 58 could get fixed at around $13,000/13,500 basis Far East delivery for 4/6 months or closer to $14,750/15,250 if basis Persian Gulf, subject to the flexibility offered and vessel's design.

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