

WEEKLY MARKET REPORT

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08th August 2024

Bulk report – Week 32

Capesize

The capesize market showed a steady positive trend throughout most of the week, with the BCI 5TC starting at \$19,499 on Monday and peaking at \$20,509 on Wednesday. Each day saw slight gains, driven by positive sentiment and increasing activity in the Pacific where the major miners became more active midweek, leading to a surge in fixtures and an uplift in sentiment, resulting in the C5 index peaking at \$9.885. The Atlantic market, although quieter, maintained a positive tone with steady improvements in the C3 index, which started the week at \$23.67 and by Friday settled at \$24.695, which was driven by demand from South Brazil and West Africa to China. Late in the week, the market saw a flurry of activity, with a major securing a handful of vessels at varying rates across mid-August to early September dates. The week wrapped up on a quieter note as anticipated due to the holiday in Singapore, with the BCI 5TC ending relatively flat at \$20,213.

Panamax

The Panamax market had a negative return this week. With limited activity emerging, the North Atlantic drifted further as the week progressed, with a few signs of better fronthaul rates midweek failing to materialise into much. EC South America returned an underwhelming level of demand as rates receded throughout the week, \$18,500 + \$850,000 concluded a couple of times delivery Aps load port Mid-August dates for trips to Far East. From Asia, a smattering of NoPac fixtures emerged mid-week, with rates ranging between the \$12,000 and \$14,000 mark, whilst trips via Australia to India were discounted to standard Pacific rounds with some preferring the reposition angle. Rates overall were pegged down as demand ex Indonesia was mostly absorbed up by the smaller and older tonnage with rates now in single digits. Limited period talk this week however reports early part of an 82,000-dwt delivery China fixed basis one-year at \$18,250.

Ultramax/Supramax

As the summer holiday season continued, it was a very lacklustre week. The Atlantic generally saw further weakening, although as the week came to a close some felt there might be a slight upturn from the US Gulf. The South Atlantic remained finely balanced, with a 63,500-dwt fixing a trip from Santos to the Far East in the mid \$17,000s plus mid

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\$700,000 ballast bonus. The Continent-Mediterranean remained fairly uneventful, although it surfaced 56,000-dwt fixed delivery West Mediterranean trip via Suez redelivery Arabian Gulf at \$20,000. The Singapore holiday on Friday did not help a rather flat week as brokers spoke of little fresh enquiry entering into play both north and south. However, a 52,000-dwt fixed delivery North China for a trip to WC India-Pakistan at around \$11,000. Whilst a 65,000-dwt fixed delivery South Korea for a NoPac round in the mid \$13,000s. Period activity remained slow, with a 53,000-dwt open East Africa fixing 4/6 months trading at \$14,000.

Handysize

Like its larger sisters, brokers said that, with many players away on vacation, it was a rather dull week. The Continent-Mediterranean lacked much fresh impetus and brokers said that rates had eased, with a 34,000-dwt fixing delivery Greece for a trip to the Continent in the low \$8,000s. A little more activity was seen from the South Atlantic and rates from here remained rather flat. However, a well-described 40,000-dwt fixed a trip delivery Recalada for a trip to the Continent at \$20,750 (scrubber benefit for owners). From Asia, following on from last week fundamentals varied little, with a 31,000-dwt fixing delivery China for a steels run to the Philippines at \$11,250. Whilst a 37,000-dwt open North China fixed a backhaul to the Continent in the upper \$17,000s. Period activity remained rather thin on the ground, with a 38,000-dwt open Thailand fixing a short period redelivery worldwide in the upper \$15,000s.

Tanker report – Week 32

VLCC

The VLCC market appears to have almost bottomed out now. The 270,000 mt Middle East Gulf to China trip eased one point to WS45.43, which corresponds to a daily round-trip TCE of \$22,429 basis the Baltic Exchange's vessel description.

In the Atlantic market, the rate for 260,000 mt West Africa/China also slipped a point to WS51.44 (which shows a round voyage TCE of \$29,464/day), whilst the rate for 270,000 mt US Gulf/China was reduced by \$175,000 to \$6,870,000 (\$29,597/day round trip TCE).

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Suezmax

Suezmaxes in West Africa were relatively flat this week with the rate for 130,000 mt Nigeria/UK Continent assessed on Thursday at WS76.67 (a daily round-trip TCE of \$24,601). The new route (TD27) from Guyana to UK Continent basis 130,000mt was assessed on Thursday at WS73.5, a reduction of 5 points week-on-week, giving a daily round trip TCE of \$22,348 basis discharge in Rotterdam.

In the Mediterranean and Black Sea region the 135,000 mt CPC/Med route, dropped 8 points to WS88 (showing a daily TCE of \$24,042 round-trip). In the Middle East, the rate for 140,000 mt Middle East Gulf to the Mediterranean (via the Suez Canal) remained around the WS84-85 mark.

Aframax

In the North Sea, the rate for the 80,000mt Cross-UK Continent held at the WS120 level again (translating to a daily round-trip TCE of \$24,310 basis Hound Point to Wilhelmshaven).

In the Mediterranean market the rate for 80,000mt Cross-Mediterranean lost most of the gains made recently, falling 13 points to WS132.44 (basis Ceyhan to Lavera that shows a daily round trip TCE of \$31,125).

Across the Atlantic, the market continues to weaken, although not as sharply as seen recently. For the 70,000mt East Coast Mexico/US Gulf (TD26) the rate fell five points to WS113.75 (a daily TCE of \$16,638 round trip) while the rate for 70,000mt Covenas/US Gulf (TD9) also dipped by five points to WS113.13 (a round-trip TCE of \$16,599/day). The rate for the trans-Atlantic route of 70,000mt US Gulf/UK Continent (TD25) eased by four points to WS124.44 (a round trip TCE basis Houston/Rotterdam of \$23,861/day).

Clean

LR2

LR's in the MEG were subject to increased downward pressure again this week. The 75Kt MEG/Japan TC1 index dipped 15.28 points to WS135.28. The 90kt MEG/UK-Continent of TC20 similarly was knocked down to \$4.2 million (down \$356,250). West of Suez, Mediterranean/ LR2's on TC15 dropped \$641,000 below \$4 million to \$3.49 million.

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LR1

In the MEG, LR1's followed their larger counterparts this week. The 55kt MEG/Japan index of TC5 dropped 17.18 points to WS138.13 while the 65kt MEG/UK-Continent of TC8 came down \$285,350 to \$3.45 million. On the UK-Continent, the 60Kt ARA/West Africa TC16 index continued along in the mid-WS140s but with a softening sentiment.

MR

MR's in the MEG held at their current floor of WS200 and the TC17 index even saw an incremental improvement of 4.29 points to WS205. UK-Continent MR's took a dramatic downturn this week. The 37kt ARA/US-Atlantic coast of TC2 was hammered down 48.53 points to WS153.13 (\$15,252/day round trip Baltic TCE). The 37kt ARA/West Africa (TC19) was also cut down to the tune of 48.75 points leaving the index at WS172.81.

The USG MR's remained relatively sedate this week, with the relevant indices only fluctuating a small amount by comparison to their behaviour over the last 18 months. TC14 (38kt US-Gulf/UK-Continent) dropped 10 points to WS150. The 38kt US-Gulf/Brazil of TC18 lost 7.5 points to WS220 and the 38kt US-Gulf/Caribbean TC21 went from being marked at \$695,000 to \$622,000.

Handymax

In the Mediterranean, Handymaxes had their freight levels slashed for the second week in a row. The TC6 index went from WS156.39 to WS120.83. In Northwest Europe, the TC23 30kt Cross UK-Continent came off 15% to WS163.61.