

WEEKLY MARKET REPORT

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7th May 2021

Bulk report – Week 18

Capesize

The Capesize market has been trading strongly at lofty levels this past week. The 5TC opened the week at \$40,608, peaked at \$44,817 mid-week before finally retracing to take a breather at \$41,514. The market has been hiking higher since the beginning of April to reach levels not seen in the past decade. While the draw back late in the week was significant, the market remains poised and primed for further healthy trading levels. As usual, the Pacific basin was the busier region for vessels with strong cargo flow coming from the major charterers. With iron ore prices touching \$200 pmt yesterday, the cost of shipping a 170,000mt 10% cargo on the West Australia to Qingdao C5 route closed the week at \$14,427. Further west in the Atlantic Basin, cargo volumes are heard to be sparse. However, the Transatlantic C8 still commands a solid \$41,325 as the vessel to cargo ratio remains precarious and prone to imbalances. The Capesize market has finally taken a break from its stellar run, reminiscent of older times. There are surely more twists and turns in this wild ride to be seen. But as other markets continue to push higher, there may be a good case to say the upward trajectory may soon return.

Panamax

The Panamax market remained fundamentally firm all week, this is despite various global holidays and significant corrections in the FFA market. Midweek saw a splurge of period fixing as both physical fundamentals and FFA's aligned with 2 x 82,000-dwt delivery Asia both achieving \$22,000 and \$21,000 for one year's period. The Atlantic was largely fronthaul led, with limited trans-Atlantic activity. An 82,000-dwt ex Gibraltar achieving \$36,500 for a trip via NC South America redelivery Far East, but rates generally improved daily as ballaster numbers decreased and tonnage count dwindled. Asia was buoyed by an active Indonesia mineral drive. The short rounds to China began the week at around the \$29,000 mark, but had pushed on to \$32,500 by the end of the week. Activity ex NoPac was, by and large, moderate overall. However, decent specification grain clean tonnage was able to achieve over \$30,000 for NoPac grain trips from a Japan delivery point.

Ultramax/Supramax

With many countries enjoying a long weekend, the week started on a quiet note as people returned. The Asian arena picked up a pace and saw positive movement on all Asian routes. The Atlantic was a mixed bag, with areas such as the US Gulf seeing little fresh enquiry. Further south from east coast South America some saw a more positive movement. Period activity was muted, but a 54,000-dwt open Indian Ocean was heard fixed for three to five months trading at \$20,750. From the Atlantic, a 63,000-dwt open mid-May was fixed for a trip to Peru at \$28,000. From the east Mediterranean a 52,000-dwt was fixed for a trip to the Far East at \$26,000. In Asia, more activity from the north Pacific saw a 63,000-dwt open south China fixing a round voyage at \$30,000, whilst a 60,000-dwt open CJK fixed an Australian round voyage at \$30,000.

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Handysize

A positive week for the BHSI, despite holidays in both European and Asian markets. The period market remained buoyant with a 37,000-dwt was fixed for 12 months period basis delivery South Korea and redelivery worldwide at \$19,000. For shorter period, a 38,000-dwt newbuilding log-fitted vessel fixed delivery Dop Ex yard in Japan for four to six month redelivery worldwide at \$29,000. In the Atlantic, East Coast South America saw more activity this week. A 35,000-dwt being fixed for a trip from Dakar via North Brazil to the Black Sea at \$16,000 DOP. In Asia a 37,000-dwt was fixed for a trip from China via Western Australia with Salt back to China at \$25,000. Also a 37,000-dwt open Japan fixed a trip to West Coast South America with Fertilizer at \$26,500.

Tanker report – Week 18

VLCC

In the Middle East, the market for 280,000mt Middle East to US Gulf (routing via the Cape/Cape) is assessed almost a point lower than last week on the back of a weaker market in general. Rates for 270,000mt to China have eased 2.5 points to WS32.5/33 level (showing a round-trip TCE of \$800/day) with sentiment being weaker no doubt partly due to the Far Eastern holidays earlier this week.

In the Atlantic, rates for 260,000mt West Africa to China fell back seven points to mid WS30s (a round trip TCE of \$1.4k/day) and 270,000mt from US Gulf to China saw rates dropped about \$220k to \$4.37m (about \$5.5k/day TCE round-trip).

Suezmax

In the 135,000mt Black Sea/Med market rates have eased a further 1.5 points to WS60 (a round-trip TCE of -\$1.8k/day). In the 130,000mt Nigeria/UK Continent market, rates have steadied at WS55 level (~\$2.2k/day TCE round-trip). The market for 140,000mt Basrah/Med fell another point to about the WS18.5 mark.

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Aframax

In the Mediterranean, the market has slipped slightly with rates for 80,000mt Ceyhan/Lavera losing 2.5 points to WS87.5 (a TCE of about \$2.9k/day basis a round voyage). In Northern Europe, the market for 80,000mt Cross-North Sea remained flat at WS88 (-\$3.6k/day TCE) while rates for 100,000mt Baltic/UK Continent fell back 1.5 points to WS65 (about \$300/day TCE round-trip).

On the other side of the Atlantic, the market continues its rollercoaster ride with rates for 70,000mt Caribbean/US Gulf rising 13 points to WS107.5 (a TCE of about \$7.3k/day). For 70,000mt US Gulf/UK Continent rates gained almost 3 points to WS82.5

Clean

The market for 75,000mt Middle East Gulf/Japan has remained flat at WS71 level (a round-trip TCE of just over \$300/day), while the same voyage on a LR1 has lost 7.5 points to just below WS95 (a TCE of \$4.5k/day).

The market for 35,000mt from the Middle East Gulf into East Africa has risen 23 points to low WS170s after a flurry of activity early in the week resulted in a handful of fixtures concluded at this level.

In the 37,000mt Cont/USAC trade, rates have climbed about 17 points to WS127.5 . The backhaul voyage of 38,000mt US Gulf to UK Continent saw a similar firm sentiment and rates have also risen 17 points to WS90 (showing a combined TCE of about \$8.6/day). The 38,000mt US Gulf to Brazil market has seen a firmer sentiment still with rates rising 23 points to WS172 (a round trip TCE of about 6.8k/day)

It was yet another disappointing week for owners in the 30,000mt clean cross Med trade with the market continuing to try to find the floor. Rates have dropped another 10 points to WS120 level, representing a round trip TCE of about \$2k/day.