WEEKLY MARKET REPORT

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Bulk report – Week 30

Capesize

The capesize market had the stuffing knocked out of it this week as the 5TC dropped from $25,085 down to $17,285. Fixing activity was below average as charterers were able to achieve new lows with ease. Neither basin was spared from the carnage, as the dynamic of the Atlantic holding a significant premium over the Pacific remained. There is some discussion of new cargoes coming to the Atlantic market on both the fronthaul and transatlantic front. However, whether these cargoes can stem the bleed or will serve to provide visibility to further declines is yet to be seen. The Brazil to Far East C3 route shed a solid -$2.50 to settle the week at $15.795 while the west Australia to China C5 declined -$2.123 to draw a line under the week at $6.009. While not alarming, bunkers have been slowly creeping up this week and further eating into the owners' earnings. As the Pacific Basin C10 timecharter route heads quickly towards the sub $10,000 level, next week will be telling as to whether the worst is behind or in front with August almost upon us.

Panamax

The rates in the Atlantic came under severe pressure this week with weighty corrections across all areas of the basin. Demand ex US Gulf was reasonably healthy. But with easing markets elsewhere, the sheer number of committed and ballaster tonnage overwhelmed the Atlantic basin and tipped the scales in favour of the charterers. This enabled them to more or less dictate rates, with some owners discounting for short duration runs to minimise their exposure with an 82,000dwt fixing at $8,000 for a Kamsar bauxite round trip. Despite incremental support midweek from NoPac, it also was an easier market in Asia with rates falling throughout the week. Stagnant Australia and Indonesia markets - and a lack of an EC South America market - failed to clear some of the nearby tonnage, resulting in fewer options for owners. Rates fixed reduced accordingly, with an 81,000 fixing a NoPac grain trip at $10,750 as the week drew to an end.

Ultramax/Supramax

Mixed signals during the week with some routes losing ground as a stand-off appeared between owners and charterers' expectations. It was a lacklustre week from Asia, but despite this levels remained reasonably consistent. Period activity was muted. A 53,000-dwt open Karachi being covered for four to six months trading in the mid $11,000s. There was limited action from the east coast south America. And, as the week closed, rates began to ease. In the US Gulf, brokers said it remained positional with a lack of prompt tonnage. However, enquiry levels waned. A 61,000 covering a transatlantic run from US Gulf to the Continent at around $20,000 at the beginning of the week. From Asia, a 61,000-dwt open south China was covered for an Australian round in the high $9,000s. Trips from Indonesia to India saw ultramax sizes seeing similar levels. Activity was a little more lively than of late from the Indian Ocean. A 55,000-dwt fixing delivery east coast India trip to China was in the $13,000s.

Handy

With the support mainly from the Atlantic basin, the BHSI climbed to the highest point of the year. It surpassed the last peak in early January when the 38,000-dwt benchmark vessel was first introduced. Rates from east coast South America and the US Gulf remained firm, but more signs of softening were shown from the Pacific. On the period front, a 34,000-dwt delivery from drydock in Guangzhou in early August was fixed for four to six months at approximately $7,200. A 28,000-dwt delivery east coast South America was fixed for three to five months at $9,000 with redelivery in Atlantic excluding west Africa. Early in the week, a 38,000-dwt delivery east coast Mexico was fixed at $12,500 for a trip via the US Gulf to the Caribbeans. A 29,000-dwt open Canakkale was fixed for a trip via the Black Sea to Tunisia at $8,500. A 35,000-dwt delivery Jakarta was fixed for a trip via east coast India to Vietnam at $6,000.

Tanker report – Week 30

VLCC

Rates in this sector remained under pressure with a 280,000mt Middle East Gulf to USG via the Cape/Cape routing assessed one point lower at barely WS23. A 270,000mt to China now sits at WS37 level, down five points. Korean charterers with plenty of choice fixed 2002 built tonnage at WS31 basis 274,000mt cargo. In the Atlantic, 260,000mt west Africa to China moved in tandem with Middle East Gulf with WS39 being paid here. Earlier, Shell covered a Brazil to Far East run at WS41.5. Petrochina are said to have taken 'Olympic Luck' for 270,000mt US Gulf to China at $5.7 million, down around $150,000 here.

Suezmax

A tighter tonnage list saw rates for 135,000mt Black Sea/Med creep up 2.5 points to WS55. This was aided also by a firmer west Africa market which saw WS47.5 agreed a number of times before Sahara reportedly took 'Patriotic' at WS51.25. For the 140,000mt Middle East Gulf to Med trip, rates have generally been hovering close to WS22 - although Turkish charterers managed to cover at WS19.

Aframax

In the Mediterranean market, rates have been steady at WS70 level for 80,000mt Ceyhan/Med with the Black Sea at similar numbers. An attractive voyage from Sidi Kerir to Portugal obtained a good response from owners and this was fixed at WS50. In Northern Europe, rates for 80,000mt Hound Point/UK-Cont saw an initial further uptick. They peaked at just below WS100 before easing back somewhat. Litasco are reported to have fixed Trafigura tonnage from Tees at WS85. Rates for 100,000mt Baltic/UK-Cont improved by around 10 points to mid WS60s. However, brokers feel that the market is again coming under renewed downward pressure here and is now assessed at close to WS60. In the 70,000mt Caribbs/USGulf trade, rates were steady in the mid WS70s. The market for 70,000mt USGulf/UK-Cont gained 2.5 points to WS75.

Clean

In the Middle East Gulf, levels for 75,000mt to Japan rates nudged back up to the low WS60s. It was a similar story with the market in the 55,000mt trade, which recovered around 7.5 points to sit now at WS 57.5. It was a much better week for owners plying the 37,000mt UKC to USAC trade with the market now up 25 points at WS105. In the backhaul business from the US Gulf rates eased just over five points to between WS117.5/120 region. It was another lacklustre week in the 30,000mt clean cross-Med trade with rates still stuck in the doldrums at WS80.