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WEEKLY MARKET REPORT

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14th August 2020

Bulk report – Week 33

Capesize

The capesize market this week continued its range-bound trading as neither bulls nor bears managed to take a good hold of the situation. While plenty of volatility remains, the Atlantic basin C8 and the Pacific Basin C10 remain largely unchanged on the previous week, trading in the $18,250 to $22,250 region. On voyage routes the Brazil to China C3 looked to have the wind in its sails early on in the week, before early September pricing bore the brunt of the excess ballasters arriving end August in Brazil. The Pacific C5 voyage took a dip mid-week on poor activity but revived to close the week out at $8.432 - a slight drop on last week. Stable sums up the capesize market at this stage with both sides lacking conviction. The usual northern Hemisphere summer period appears to be taking affect regardless of whether or not traders can leave the home for holidays. The capesize 5TC market closes the week out up a huge $4 to $19,916 week on week.

Panamax

A solid performance from the panamax market this week, with all routes posting gains, driven by the Atlantic. The timecharter average climbed $2,015 to close at $16,415. The TA round voyage - and north Atlantic fronthaul routes - stood out in particular on a limited tonnage supply, with those willing to consider a fronthaul able to secure a decent premium. Kamsarmaxes were offered north of $30,000 whilst an LME was said to have been bid $26,000 basis delivery Gibraltar twice on Thursday. Meanwhile, quick Baltic rounds were being bid low to mid $20,000s dependent on spec. There were clouds on the horizon, however, with some brokers suggesting demand from the US Gulf for the first half of September remained scarce. EC South America, after an active week, also appeared to have fewer enquiries for early September.

Ultramax/Supramax

A more solid week for the BSI with many areas showing positive moves as enquiries increased. Limited period activity surfaced, but a 57,300-dwt open Bin Qasim was fixed for three to five months trading redelivery Arabian Gulf-Japan range at $11,750. The grain season from the east Mediterranean saw stronger rates being discussed. A 61,000-dwt was fixed from the Black Sea to South Africa at $20,100. Like the kamsarmax sector, better levels were seen from east coast south America for ultramax size with rumours that close to $15,000 plus $500,000 being covered for trips to the far east. There was stronger demand in Asia, with a 58,000-dwt open Shanghai fixing a trip via Australia redelivery Vietnam at $9,500. Increased action from the Indian Ocean with supramax vessels fixing in the mid $12,000s plus $250,000 ballast bonus for trips from South Africa to China. Iron or shipments from India to China saw an ultramax fixing delivery east coast India at $17,000.

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Handy

The BHSI had a consecutive week of gains and reached this year's peak, buoyed by a surge from the continent. Brokers also saw a ray of hope for ships trading from the US Gulf, whilst the Pacific routes remained largely flat with sentiment remaining neutral. On the period front, a 30,000-dwt delivery Haiti in early September was fixed for a minimum of four up to about a six month duration at $9,000 with redelivery within the Atlantic. A 32,000-dwt delivery west Africa was fixed for a petcoke trip via Spain to Bahrain at $11,200. A similar-sized vessel was fixed for a trip from Tuzla via the Black Sea to the Mediterranean at $10,500. Towards the end of the week, a 30,000-dwt was fixed to west coast central America for grain from the Mississippi River at $17,500. In the east, a 43,000-dwt overaged ship delivery South Korea was fixed via CIS for a trip to China at $8,000.

Tanker report – Week 33

VLCC

Another week of static rates in this sector. 280,000mt Middle East Gulf to USG via the Cape/Cape routing remained in the very low WS20s while 270,000mt to China at WS33. In the Atlantic, 260,000mt West Africa to China is still being assessed at WS38 level. For the 270,000mt US Gulf to China trip, which saw a few deals concluded, continues to be assessed around $5.4m.

Suezmax

Rates for 135,000mt Black Sea/Med saw rates fall back five points to WS58 region while a similar slip was seen in the 130,000mt West Africa/UKContinent market to WS45. The 140,000mt Middle East Gulf to Med trade saw a minor reduction of about a point to WS21.5.

Aframax

In the Mediterranean market, owners regained some of the recent reductions, with rates improving by seven points to WS65 for 80,000mt Ceyhan/Med. In Northern Europe, rates for 80,000mt Cross-North Sea increased a further three points to about WS86, while 100,000mt Baltic/UKCont saw a similar positive effect to WS60. Across the Atlantic rates have eased with the 70,000mt Carib/USGulf trade now at WS70, down eight points, and 70,000mt USGulf/UKCont voyages shed 10 points to WS70.

Clean

Owners in the Middle East Gulf at last had the chance to make significant gains as volumes of enquiry increased somewhat, leading rates for 75,000mt to Japan to add around 22.5 points to WS77.5 region and with potential for further firming. Likewise, in the 55,000mt trade rates - which started the week in the low WS60s - are now assessed in the low to mid WS90s with WS90 having already been paid for. The 'Bani Yas' and tonnage has subsequently been offering

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at around WS100 for this run. By contrast, it was a disappointing week for owners plying the 37,000mt UKC to USAC trade with the market easing from close to WS90 at the start of the week to sit now at barely WS85, with WS80 agreed on tonnage with last cargo palms. The backhaul business from US Gulf saw plenty of enquiry. Rates for 38,000mt to Europe gained 20 points to sit now at around WS112.5 level and Brazil discharge paying mid WS150s, in contrast to low WS130s at the start of the week. It was another uninspiring week for owners in the 30,000mt clean cross-Med trade with rates unable to gain any traction, remaining flat in the very low WS80S.

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