WEEKLY MARKET REPORT

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11th September 2020

Bulk report – Week 37

Capesize

It was a tough week for Capesize owners as the market was seen to ebb away on underwhelming activity levels. It's uncharacteristic for this time of the year, although 2020 is anything but normal. The week's movement saw Brazil C3 levels shed approximately 90 cents to find a new floor at $15.605, while the Brazil to China timecharter level slid down to $15,227. The North Atlantic market barely got started this week. Rates in the region slid on weak sentiment and lack of cargo. The Pacific basin had Rio Tinto picking up a few vessels at the beginning of the week but hardly the voracious appetite the market is used to. This was possibly down to the fact that the market was going in their direction, yet both BHP and FMG were largely not heard in the market until Friday. The West Australia to China C5 market did manage an uptick of 31.8 cents to end the week at $7.00. The Capesize 5TC did appear to find a bottom on Friday to settle up +173 to $15,248. However, the market remains in dire need of a kickstart sooner rather than later if owners are to see any substantial last quarter rally.

Panamax

With confined demand globally, it proved to be a challenging week for owners with a slow and steady erosion of rates in the Panamax market culminating in the five time charter average shedding $1,223 to end the week at $11,817. In Asia, Post Panamax tonnage for Pacific round trips were able to achieve rates well into the $14,000's during the early part of the week. But with limited mineral trade, this had eroded down to closer to $13,000 as the week ended. With very little action of note in the Atlantic, rates here came under the most pressure with charterers largely able to pick off tonnage at will. Black sea front haul trips were probably the main exception, with rates hovering steadily around the $22/23,000 mark for 82,000-dwt tonnage. Meanwhile, figures in the region of $20,000 were concluded a couple of times for US Gulf trips to the east delivery Cont/Med area for same spec tonnage.

Ultramax/Supramax

A poor week for the BSI, which lost 32 points from last Monday's opening. Period activity remained very limited, but a 63,000-dwt open west coast India was fixed at $13,500 for a short period. Brokers described a positional week from the Atlantic with many areas losing ground with little fresh enquiry. From the Mediterranean, a 63,500-dwt was fixed delivery Turkey for a trip to South Korea at $23,500. East coast south America limited activity, but a 61,200-dwt fixed a trip delivery Recalada redelivery Iraq at around $14,750 plus $4750,000 ballast bonus. It was finely balanced in the Asian arena, but a little more enquiry for north Pacific and Australian business as the week closed. A 63,500-dwt covering in the low $10,00s for a trip delivery China via US west coast redelivery Singapore-Japan. Further south, a 57,000-dwt was fixed delivery east Kalimantan for a coal run to west coast India at $11,000. Indian Ocean remained steady, an

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Ultramax fixing delivery South Africa for a trip to the Far East in the mid $13,000s plus mid $300,000s ballast bonus.

Handy

Despite some small decline the BHSI remained amongst the highest level of the year, with similar figures last seen in early November 2019. The same trend continued from last week with more softening signs from the Continent / Mediterranean region. A quiet start with Labour Day celebrations in the United States followed by a public holiday in Geneva in the middle of the week. The US Gulf and east coast South America were not particularly active or firm throughout the week. Meanwhile, brokers suggested a ray of hope for vessels opening in the Pacific with sentiment firming up slightly. However, the improvement from the East was not sufficient to offset losses in the Atlantic basin for most of the days. Some fixtures of the week included a 33,000-dwt delivery Canakkale fixed for a trip via the Black Sea to Morocco at $10,500. A 32,000-dwt delivery Diliskelesi was fixed for a trip to the US Gulf with steels in the high $9,000s. A 37,000-dwt was fixed for a short trip from Southwest Pass to east coast Mexico at $12,000.

Tanker report – Week 37

VLCC

The Middle East market had a more positive week with gains being made across all routes. For 270,000mt AG/China rates rose seven points to WS32, while 280,000mt to USG via the cape/cape routing is assessed two points up at just shy of WS20. In the Atlantic region, 260,000mt West Africa to China voyages saw rates climb 10 points to WS38.5 and rates for 270,000mt US Gulf/China recovered $250k to $4.7m level.

Suezmax

Rates for 135,000mt Black Sea/Med eased a further two points this week to WS47.5, while 130,000mt West Africa/UKContinent gained five points to WS38. The 140,000mt Middle East Gulf to Med market remained static at about WS16.5-17 level.

Aframax

In the Mediterranean market, the 80,000mt Ceyhan/Med trade saw rates hover around last week's level of WS60. In Northern Europe, rates for 80,000mt Cross-North Sea fell 2.5 points again to WS75 while the 100,000mt Baltic/UKC market lost a handful of points to W42.5/45 region. Across the Atlantic the market fell marginally with rates for 70,000mt Carib/USGulf a point lower at WS55 and USGulf/UKC falling 2.5 points to WS50.

Clean

Owners in the Middle East Gulf have been facing constant downward pressure in the 75,000mt to Japan trade and rates eased from high WS80s to WS82.5 - which was admittedly done on 2004 built tonnage - but there has been no respite for owners here. In the 55,000mt trade the market, rates have been steady in the mid WS70s.

This was a week that flattered to deceive in the 37,000mt UKC/USAC trade with WS 120 done at the start of the week and naphtha cargo loading North Spain was said to have paid WS125. However, limited enquiry and increased ballasters from USAC saw rates slip with the market now hovering slightly above WS110. In the backhaul business for 38,000mt USGulf/UKC, a short week in USA after the Labour Day holiday saw rates still stuck in the doldrums in around the WS62.5 region. Brazil discharge rates followed suit easing 7.5 points to WS 92.5. The 30,000mt clean cross-Med trade held on to its previous gains to sit in the low/mid WS150s with Black Sea cargoes reported fixed at WS170 level.