

## WEEKLY MARKET REPORT

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**2<sup>nd</sup> October 2020**

### **Bulk report – Week 40**

#### **Capesize**

Firm trading activity this week has pushed the Capesize 5TC up and over the \$30000 level, reaching near new highs for the year. With the momentum and excitement in the market seen closing out the week there looks to be more to come. The Pacific basin, with China and Korea on public holidays, has been difficult to read with rates in flux. The Transpacific C10 has come under pressure from the other regions as it has begun to be increasingly discounted. With its solid lift today of +3909 to \$28795 it still lags the China Brazil round voyage C14 at \$29200 and the Transatlantic C8 at a whopping \$40,050. With rates surging, it's no surprise owners have neglected the poor C16 backhaul. The route soared \$5935 today to \$14,050 as charterers struggle to tempt tonnage their way. By taking these backhaul trades at this time of the year owners run the risk of mistiming the market for their next leg. Time will tell.

#### **Panamax**

Overall a broadly flat week in the Panamax market, the BPI timecharter average losing \$157 to end the week at \$12355. Trading volumes in Asia were largely curtailed by mid-Autumn festival holidays in parts of the Far East and rates here eased as the week went on. In the Atlantic, trade from EC South America was sporadic and rates correlated somewhat by arrival windows with \$14,900 +\$490,000 and \$14,750 +\$475,000 concluded midweek delivery load port on 82,000-dwt tonnage. Elsewhere in the Atlantic, the US Gulf was relatively active and sourced well by ballasters from the Far East and committed tonnage. Midweek appeared to bring strong demand of minerals from the Baltic Sea and North continent tonnage positions began to tighten, bringing with it a small uptick in rates for some grain trips. There was some uncorroborated talk of several Cape split cargoes entering the Atlantic demand arena, which gave a little push to the market as the week drew to a close.

#### **Ultramax/Supramax**

The overall trend of BSI was lower last week with Golden week celebration starting rates and enquiry easing from the Asian basin. Little was heard on the period front as both sides take stock of upcoming trends. From the Atlantic, the Continent remained tight for prompt tonnage and rates remained strong, a 57,000-dwt fixing a scrap run from Amsterdam to Turkey in the upper \$17,000s. The Mediterranean traded upwards with better demand for clinker runs to West Africa leading the way. A 55,000 open Douala fixing a trip via Mediterranean redelivery West Africa at around \$20,500. Activity levels picked up during the week from the US Gulf for Ultramax size, which were achieving around \$26,000 for runs to the Far East. East coast South America remained rather subdued. An Ultramax fixing around \$15,000 plus \$500,000 ballast bonus to the Arabian Gulf. Limited action from Asia, a 63,000-dwt open north China fixing a trip via east Australia redelivery west coast India at \$10,750.

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### Handy

East coast South America showed signs of softening this week, whilst the US Gulf continued pushing. The overall index BHSI still maintained its position at the peak of the year. The Pacific remained quiet with countries having long national holidays.

A 32,000-dwt delivery Valencia was reportedly fixed for a grain trip via the Baltic to Algeria at \$11,000. A 23,000-dwt delivery Canakkale in mid-October was fixed for a steel trip to Brazil at \$9,500. A 38,000-dwt open Otranto was also fixed for a similar trip via the Black Sea to east coast South America at \$12,000. From the US Gulf, a 38,000-dwt was fixed for a trip to west coast central America at \$13,500 with redelivery Cristobal. Little activity reported from the East.

### Tanker report – Week 40

#### VLCC

Rates in this sector remained depressed this week. In the Middle East, we saw rates for 280,000mt to USG via the Cape/Cape routing continue to be assessed at around WS17.5, while 270,000mt to China shed a point to WS26.5 region. In the Atlantic, rates for 260,000mt West Africa to China also fell a point to WS31.5 level. However, very slightly lower is being reported this morning on a Tankers International vessel to Petroineos at WS30.75. For voyages of 270,000mt USG to China, rates dropped another \$150k to the \$4.65m mark. Elsewhere, a three-year-old vessel is reported to have fixed at \$4.3m from Hound Point to Ningbo with a subsidiary of French major oil company Total.

#### Suezmax

Rates for 135,000mt Black Sea/Med again remain unmoved at WS45. In West Africa, owners were able to claw back 1.5 points to WS35 level for 130,000mt to the UKC. In the Middle East rates remain weak and 140,000mt Basrah/Med is assessed at a shade below WS16. However, a couple of trader relets have managed to agree rates below this. The latest report of a newbuilding to a Greek refiner is at just below WS10.

#### Aframax

The 80,000mt Ceyhan/Med market again managed to remain static at WS57.5 and the same sentiment was mirrored in the 80,000mt Cross-North Sea route where rates held at WS72.5-75 level. Rates for 100,000mt Baltic/UKC eased a point to WS41.25. Across the Atlantic rates for 70,000mt Carib/USGulf lost 2.5 points to WS52.5 while 70,000mt USG/UKC is now rated at WS45, down five points for the week.

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### Clean

It was overall another uninspiring week for owners. In the 75,000mt Middle East Gulf/Japan trade, rates have shown a modest tendency to firm. But at present the market is only nudging WS65, which is at least an improvement from the WS60 level of a week ago. In the LR1 trade, WS70 was agreed for a prompt loader but with a number of ships ballasting from the east - and limited enquiry only - rates for the natural fixing window are being assessed in the mid to high WS60s.

At the start of this week, the market for 37,000mt UKC/USAC stood at WS85. A subsequent prompt requirement from ARA paid a small premium of WS90 but with a couple of cargoes being withdrawn. Rates are now hovering around WS87.5, with a run to West Africa covered at WS97.5. The backhaul trade did at least show some signs of life. Rates for 38,000mt from US Gulf to UK Continent, which started the week at WS60 region, have climbed around 15 points to WS75 - although enquiry is now limited. The improvement here filtered through to the US Gulf/Brazil trade which added 25 points, with rates peaking at WS107.5. The 30,000mt clean cross-Med trade continued its downward trajectory, starting the week in the high WS80s but presently sits at a paltry WS75.