WEEKLY MARKET REPORT

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6th November 2020

Bulk report – Week 45

Capesize

The Capesize market continued to decline this week, albeit at a more gradual pace, as tonnage demand has become lacklustre to close out the year. The end of the week brought about a small uptick of +244 to settle the Capesize 5TC at $14,421, possibly placing a support level, although others would suggest it will allow for a breather before further declines. The market lifted at the end of the week as several cargo positions appeared to get caught on prompter dates, which commanded a premium in the market. The Brazil to China C3 sits at $14.16 and is currently trading split dates of end November, early December which is causing a wide spread of values. The Pacific market this week reached sub $7 levels with major Charterers easily picking off tonnage at new lows. The West Australia to China C5 posted the end of the week at $6.823, up five cents.

Panamax

Rates in the Panamax market this week slowly ebbed away, except for a couple of hot spots - the Baltic mineral stems and NoPac demand - which appeared well supported. An 82,000-dwt achieving approximately $15,000 midweek for a Baltic trip to East Med redelivery Passero, whilst same size tonnage delivery Continent agreed $13,500 for a Baltic redelivery Continent run. Limited activity arose from EC South America, but an LME agreed a rate of $12,800 +$280,000 delivery Aps basis redelivery Singapore-Japan with sugar. In Asia, the market was described as mainly NoPac centric, with $11,000 delivery China and $9,750 delivery S Korea agreed on Kamsarmax tonnage for round trips. With limited demand surfacing from Indonesia and Australia, the market in the south had a nervous feel for much of the week. And, with news of an alleged impending coal import ban being imposed by China on Australia, this was set to continue into next week.

Ultramax/Supramax

A lacklustre week for the sector with rates and sentiment falling in both basins. Very little in the way of period activity surfaced with both sides reluctant to make any commitments. A 61,000-dwt open China early November was fixed for three to five months trading at around $9,500. From the Atlantic, activity remained subdued from east coast South America. However, a 61,500-dwt was rumoured fixed for a fronthaul in the upper $13,000s plus upper $300,000s ballast bonus. The US Gulf traded sideways, a 56,000-dwt fixing delivery Pascagoula for a trans Atlantic run at $15,000. Activity levels remained stable from the Continent, but good tonnage supply kept rates in check. A 63,000-dwt covering a scrap run to the east Mediterranean in the low $18,000s. Fresh cargo enquiry was limited from south east Asia and tonnage list grew longer. A 55,000-dwt fixing delivery Indonesia for a coal run to west coast India at $9,000.

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Handy

It was a less active week in general, in both basins. Rates slipped in the Mediterranean/Continent and the US Gulf, whilst fresh offers being discussed were said to be lower than before, with the cargo book remaining thin. East coast South America showed signs of improvement towards the weekend, but limited activity was reported. A 33,000-dwt delivery Derince was reportedly fixed for a trip to Southeast Asia with sodash at $15,700. Meanwhile, a 37,000-dwt delivery Canakkale was fixed for a trip to the UK/Continent at $11,500. A small overaged handysize vessel was fixed from Beira for a trip to the Med at $5,000. Earlier in the week, in the east a 33,000-dwt delivery Philippines was fixed for a trip via Australia to West coast India at $8,250.

Tanker report – Week 45

VLCC

Rates remain weak, albeit steady across all sectors. In the Middle East, 280,000mt to USG via the Cape/Cape routing remained at a fraction above WS15, while 270,000mt to China continued to achieve WS26. In the Atlantic, rates for 260,000mt West Africa to China held around the WS29 level and $4.55m region for 270,000mt USG to China.

Suezmax

Rates for 135,000mt Black Sea/Med were maintained at around WS45, while for 130,000mt Nigeria to UK Continent saw a modest two-point gain to between WS32.5 and WS35. In the Middle East market, rates for 140,000mt Basrah/Med improved by about four points to around WS20-22.5 level, with Turkish and Greek charterers fixing at WS20 and a US oil major reported to be replacing a failed WS20 fixture at WS22.5 on an ex drydock vessel.

Aframax

Rates for 80,000mt Ceyhan/Lavera fell back about three points to just over WS61. In Northern Europe rates weakened a couple of points to between WS67.5-70, while 100,000mt Baltic/UKC remained close to WS42. On the other side of the Atlantic, rates for 70,000mt Carib/USGulf are unchanged at WS45, while 70,000mt USG/UKC recovered 2.5 points to around WS44.

Clean

In the Middle East Gulf/Japan trade, rates for 75,000mt are static at WS57.5 level, while the LR1 market regained four points to the WS65 mark. In the 37,000mt UKContinent/USAC market rates continued to slide, settling at around WS67, down around five points from a week ago. The backhaul trade for 38,000ms from US Gulf to UKContinent saw rates dip 2.5 points to WS50, while 38,000mt US Gulf to Brazil remained flat at WS70. The 30,000mt cross-Mediterranean market was unmoved at W77.5 level.