WEEKLY MARKET REPORT

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13th November 2020

Bulk report – Week 46

Capesize

Any lingering doubts concerning the short-term prognosis for the capesize market were swept away this week as the timecharter average shed $2,350 to close at $12,498. A number of factors prevailed, but the erosion in sentiment largely emanated from the FFA market - despite the broader potential of a Covid-19 vaccine led relief-rally in the financial markets. The absence of a fresh influx of cargo pre year-end, whilst in itself is not implausible, left a number of brokers struggling to ascertain the origin of any significant improvement. However, thermal coal sales from Colombia to China may provide some crucial ton-miles to the market. Otherwise, all eyes were on the crude market. The C3 Tubarao-China route duly lost 68 cents to close at $13.71 on the week. The C5 West Australia-China assessment, meanwhile, dropped 56 cents to reach $6.55 with the underlying market spread said to have widened late on Friday to $6.40 at $6.80.

Panamax

A mixed week for the Panamax market. In the Atlantic Baltic/Continent origin, cargo led the support in the north but there remained a real mix of rates being agreed. Coupled with US Gulf grain demand being largely supplied by ballaster tonnage, it made for conflicting views on where true market value was. For early December arrival, an 81,000-dwt retro sailing North China agreeing $11,250 midweek and repeated a few times. Median rates for earlier arrival dates sat at $15,000 + $500,000 delivery APS. EC South America fixtures remained sporadic with low-mid $13,000 + low-mid $300,000 appearing the mean average agreed for Kamsarmax tonnage. In Asia, the market here was cited as NoPac centric with strong support throughout. A better than index 82,000-dwt type achieving mid $11,000's basis delivery Japan. Some reports of fixing and failing ex Indonesia - and with a seemingly large influx of LME tonnage saturating the market - softer rates appeared in the south.

Ultramax/Supramax

The week started in the same vein as the previous one, with sentiment down in many areas. But as it progressed more activity was seen in a few areas within the Atlantic, whilst the Asian arena was mixed. The Indian Ocean saw better levels from South Africa, brokers said. Period activity was limited. A 63,000-dwt was fixed delivery west Africa for four to six months trading redelivery worldwide at $13,500. The US Gulf ended the week on a positive note with the Ultramax size seeing around $23,000 for trips to Singapore-Japan and mid to upper teens for transatlantic runs. More scrap movement from the Continent buoyed numbers with a 61,000-dwt fixing a Baltic to Turkey run at around $21,000. The Asian market lacked fresh impetus from the north. A 52,000-dwt open Busan fixing a north Pacific round at $7,750. Demand was steady from south east Asia a 63,000-dwt open Port Kelang fixing a coal run via Indonesia redelivery west coast India at $9,000.

Handysize

The Handysize route indices largely followed the same trend throughout the week and the BHSI climbed to its highest level during the last 30 days. In general, the east Mediterranean / Black Sea market further softened. East coast South America showed some visible improvement, and similarly, so did the US Gulf. A 31,000-dwt delivery on the Continent was fixed for a trip to Algeria at $13,000 and another 32,000-dwt delivery Dordrecht fixed a similar run at $14,000. A 39,000-dwt delivery Bremen was fixed for moving a scrap cargo to Turkey at $16,000. A 40,000-dwt delivery US Gulf was fixed for a trip to west coast Central America with petcoke at $23,000. In the Pacific, a 34,000-dwt open Manila was fixed at $6,500 for a trip via Indonesia to north China.

Tanker report – Week 46

VLCC

Another week of static rates in this sector although bunker prices have increased by about 10% so the result is lower returns in real terms for owners. In the Middle East, 280,000mt to USG via the Cape/Cape routing remains assessed at WS15 and 270,000mt to China continued to hover around WS26. In the Atlantic, rates for 260,000mt West Africa to China again held around the WS29 level and $4.5-4.525m region for 270,000mt USG to China.

Suezmax

Rates for 135,000mt Black Sea/Med saw a 1-point gain to WS46, while owners in the 130,000mt Nigeria to UKContinent market were able to push rates up to just shy of WS40. In the Middle East market rates for 140,000mt Basrah/Med held at just below WS22.

Aframax

In the 80,000mt Ceyhan/Lavera market, owners managed to claw back three to four points to about WS67. In Northern Europe a marginal one point increase to WS70 level was seen for 80,000mt cross-North Sea and 100,000mt Baltic/UKC remained flat at the WS41 mark.

On the other side of the Atlantic, owners "won by a lot" this week with rates for 70,000mt Carib/USGulf improving by about 13 points to between WS58 level. A 70,000mt USG/UKC saw a 15-point rise to close to WS62.

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Clean

In the Middle East Gulf/Japan trade, owners were able to capitalise on a firmer market with rates for 75,000mt improving 16 points to mid-WS70s. The LR1 market, meanwhile, saw an eight point increase to WS73.5. The MR market also saw a nine-point gain to WS110 for the 35,000mt AG/East Africa trip. In the Western Hemisphere, the 37,000mt UKContinent/USAC market firmed by about 10 points to WS75 level, while the return trip of 38,000ms from US Gulf to UKContinent saw rates maintained at around WS47.5-50 level. The 38,000mt US Gulf to Brazil remained flat again at WS 70. The 30,000mt cross-Mediterranean market was about six points down from a week ago at WS70 level.