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WEEKLY MARKET REPORT

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20th November 2020

Bulk report – Week 47

Capesize

'Resistant' would be one adjective to describe the Capesize market this week, as there was an increasing perception that it had discovered a floor, in several areas – specifically in Asia - where the pivotal C5 West Australia round gained 0.396 $/mt on the week to reach 6.973 $/mt, as all the majors became active. Operators played their part, with the well-described scrubber fitted Maran Glory (2012 180,575) said to have fixed on Thursday at $19,000 basis delivery Fangcheng for a West Australia round. Brazil, meanwhile, proved more prosaic, with Vale seemingly content to pick off early ships at a function of last done – with the Pan Emerald (2012 174,964) said to have fixed a C3 Tubarao-Qingdao lifting at $13.00-$13.25, dependent on laycan. The North Atlantic continued to underperform despite, or because of, a flurry of EC Canada fronthaul fixtures during midweek – the underlying C9 route shed $2,525 on the week to $23,500.

Panamax

Rates continued to gain traction all week with support led by both the North in the Atlantic and the North Pacific in Asia. The Pacific began the week tamely. But with a spate of Australian demand midweek adding to a healthy NoPac order book, this aided rates to continue to rise throughout the week with upper $10,000's/$11,000 for 82,000-dwt type around the mean average for the longer round trips. In the Atlantic, a long list of committed ballasters to the US Gulf appeared for the most part to keep a lid on rates from this origin. But with a healthy demand of both minerals and grains from the North, tonnage count for Continent/Mediterranean open positions for November dates dwindled. This in turn positively impacted rates in most regions of the Atlantic. Period talk included an 81,500-dwt delivery Japan achieving mid $10,000's for about five months charter redelivery Singapore-Japan range.

Ultramax/Supramax

A healthier week for the BSI, which saw a gain of over 46 points from Monday's close. The market was helped by more enquiry from key areas such as the US Gulf and stronger demand from south east Asia. Period activity was limited as both sides watched for clear long-term signals but a 55,000-dwt open Arabian Gulf was fixed for three months trading at close to $11,000. From the Atlantic, well described Ultramax vessels were seeing closer to the mid $20,000s as the week closed. It was a relatively calm week further south, but a 61,000-dwt was reported fixed delivery Brazil trip to China at $14,000 plus $400,000 ballast bonus. From Asia, Indonesian coal exports ramped up. A 60,000-dwt fixing delivery Manila for a trip via Indonesia redelivery west coast India at $10,500. The Indian Ocean saw better activity, a 58,000-dwt fixing delivery South Africa trip to China in the high $12,000s plus high $200,000s ballast bonus.

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Handysize

East coast South America captured the spotlight this week. The surge helped the relevant HS3 route recover back to the level last seen at the end of September and early October this year. Tonnage with November dates were tight - especially in north Brazil where cargoes had been moving fast, brokers said. A 32,000-dwt was fixed basis Praia Mole for a trip to the Continent at $13,000. A similar size did a near identical run from Fazendinha at $14,000 later in the week. Meanwhile, US Gulf showed further improvement, but Continent / Mediterranean region remained soft. A 28,000-dwt delivery San Juan was fixed for a trip via north coast South America to US east coast at $10,500. In the east, a 34,000-dwt delivery Indonesia was fixed for a trip to China with coal at $9,000.

Tanker report – Week 47

VLCC

Rates remain rooted across much of the sector. In the Middle East, 280,000mt to USG via the Cape/Cape routing continues to be assessed at W15 and 270,000mt to China is still hovering around WS26. In the Atlantic, rates for 260,000mt West Africa to China held around the WS29.5 level while 270,000mt US Gulf to China improved by about $90k to $4.6m. This is likely in part due to the $20+/mt rise of bunker prices in the area.

Suezmax

Rates for 135,000mt Black Sea/Med rose 2.5-3 points to low WS50s, while owners in the 130,000mt Nigeria to UKContinent market were unable to stop rates sliding 2.5-3 points to WS36.5/37 level. In the Middle East market, rates slipped two points to WS20 for 140,000mt Basrah/Med.

Aframax

In the 80,000mt Ceyhan/Lavera market, rates have eased to be last assessed at W61. However, a couple of fixtures overnight have been reported at WS57.5 - down 7.5 points week-on-week. In Northern Europe rates for 80,000mt cross-North Sea gained five points to just shy of WS75 and 100,000mt Baltic/UKC firmed 2.5 points WS43.5 level. Across the Atlantic owners were able to capitalise on a continued firmer market and pushed rates for 70,000mt Carib/USGulf up 10 points to WS85. A 70,000mt USG/UKC continued to seesaw around the mid WS60s.

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Clean

In the Middle East Gulf/Japan trade, owners were able to maintain the firming trend of the previous week and rates gained around five to six points for 75,000mt to sit now in the low WS80s. It was a similar story in the LR1 trade with rates for 55,000mt to Japan now up in the WS80 region, representing a four-point improvement from a week ago. The MR market also maintained momentum with rates for 35,000mt AG/East Africa gaining 20 points plus to sit now in the low WS130s. Closer to home, in the 37,000mt UKContinent/USAC trade rates were steady at WS75 level, while WS85 was done in to West Africa. The backhaul trip of 38,000mt from US Gulf to UKContinent saw rates unable to gain any traction, being maintained at a paltry level of mid/high WS40s while the 38,000mt US Gulf to Brazil run eased 2.5 points to WS67.5 region. There was little encouragement for owners plying the 30,000mt cross-Mediterranean trade with the market flat at WS70 level.