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WEEKLY MARKET REPORT

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Bulk report – Week 48

Capesize

The Capesize market this week continued its recent range bound sideways drift hitting a low of $11,996 Tuesday on the 5TC, before closing the week out at $12,712. While the Pacific had more of a muted week, the Atlantic basin stepped up its activity with numerous fixtures being heard out of Brazil and, to a lesser extent, the North Atlantic. Meanwhile, Brazil to China voyage rates were seen strengthened, gaining 39 cents to settle the week at $13.815. It is noted that bunker levels have lifted, thus providing underlying support. With the official Baltic loading window now starting to account for the beginning of January, the pressure is on to fix before the season comes to an end. However, some still see plenty of business yet to be done out of Brazil before any end is met. The Pacific Transatlantic C10 at $15,269 still maintains a solid premium over the Transatlantic C8 at $12,115. The North Atlantic was more active in patches this week but still remains unconvincing and absent of any solid cargo flows. The Pacific C5 voyage route closed the week at $7.118, which is quite reflective of the range bound levels seen on the 5TC.

Panamax

Whilst the North Atlantic - particularly the Baltic region - continued to squeeze rates up in the Atlantic, it was the Pacific leading the way with significant gains made on all trade routes. Asia in recent weeks has been largely NoPac centric, but the rest of the region appeared to come alive this week. Indonesia and Australia competently supported the sector with bountiful coal imports into India and other Asian destinations driving up the rates. There was some talk of $15,000 being concluded on an Australia to India coal trip. But generally such runs were going in the $14,000's for 82,000-dwt. In the Atlantic, rates from the US Gulf to Far East proved to be mostly flatline. Ballaster tonnage off-setting the firmer numbers seen from the Continent-Mediterranean whilst off-season EC South America activity was expectedly sparse. The Baltic was where the action was, mostly with varying rates between $15,000 and $16,000 regularly concluded throughout the week.

Ultramax/Supramax

An encouraging week for the sector, with both basins gaining momentum and rates improving for owners. The BSI closed 88 points up from the previous weeks close with the 10tc average $11,198. Despite this, period activity remained limited. A 63,000-dwt open south east Asia fixing three to five months at $10,700. The Atlantic again saw stronger demand from key areas. From the US Gulf, a 61,000-dwt fixing for a trip to the eastern Mediterranean at around $18,000 and a 63,000-dwt seeing around $24,000 for trips east. The Continent remained firm, with a 51,000-dwt fixing at $24,000 for inter Continent business. Asia again had better activity levels - especially from the south east. A 61,000-dwt scrubber fitted vessel fixing delivery Singapore for a trip via Indonesia redelivery Thailand at $18,000. Further north, for Australian rounds a 53,000-dwt fixed delivery South Korea via Australia redelivery Japan at $9,100. Strong numbers from the Indian Ocean, a 64,000-dwt open Kandla fixed a trip via South Africa redelivery Indonesia at $12,600.

Handysize

The market delivered strong performance from both basins, with the time charter average climbing to the highest point of the year. East coast South America, Continent and the US Gulf all moved sharply higher throughout the week, with the Pacific joining the surge mid week. Australia lent further support with tonnage remaining tight. Larger vessels with clean holds secured a premium whilst Charterers came under pressure. On the period front, a 39,000-dwt open Dakar was fixed basis delivery Santos for a minimum of three months with redelivery in the Far East at $17,500. A 34,000-dwt open in South Korea was later fixed on subjects for three to five months at $9,000. From east coast South America, a 28,000-dwt was fixed for a trip to Skaw-Gibraltar at $14,000. A 32,000-dwt was fixed from US east coast for a trip to Ghent at the same level. A 33,000-dwt open in Thailand was fixed for a trip to the Far East at $9,000.

Tanker report – Week 48

VLCC

Rates climbed slightly. However, with the bunker prices rising about $25/mt, the net result is lower earnings for owners and a deepening of the chasm between income and expenditure. In the Middle East, rates firmed a couple of points to WS28 for 280,000mt to China, while voyages of 270,000mt to USG via the Cape/Cape routing continue to be assessed at WS15/16 level. In the Atlantic, rates for 260,000mt West Africa to China remain rooted at around WS29.5 and rates for 270,000mt US Gulf to China were assessed a marginal $20k higher at $4.62m.

Suezmax

Rates for 135,000mt Black Sea/Med are flat at WS52.5. In the 130,000mt Nigeria to UKContinent market, owners were able to recover three points to WS39. In the Middle East market, rates slipped another one to two points to WS18-19 region for 140,000mt Basrah/Med.

Aframax

In the 80,000mt Ceyhan/Lavera market, owners have managed to regain some recent lost ground with rates having initially dipped to WS57.5 and now seemingly settled at WS60. In Northern Europe, rates for 80,000mt cross-North Sea gained about 3.5 points week-on-week to WS77.5-80 level. The 100,000mt Baltic/UK Cont rose another 2.5 points to WS47.5 level. Across the Atlantic, the three-day week due to the Thanksgiving holiday caused a rush of activity which in turn gave owners some impetus and enabled them to raise the market for 70,000mt Carib/US

Gulf about 20 points to WS105-107.5. Rates for 70,000mt US Gulf/UK Cont were pushed up about 12.5 points to WS80.

Clean

In the Middle East Gulf/Japan trade, charterers held the upper hand and were able to squeeze down rates from low WS80s to mid WS70s. Similarly, in the LR1 trade, rates for 55,000mt to Japan drifted down three points to settle now at around WS77.5. The MR market saw decent activity with rates for 35,000mt AG/East Africa peaking at WS145 before easing back to mid WS130s. Closer to home, the 37,000mt UKContinent/USAC trade flattered to deceive with rates initially sustained at the improved levels of WS100 from a week ago. However, with plenty of ballasters coming across the recovery was brutally snuffed out with WS75 paid by BP. There is now talk of even WS70 having been agreed here. Prior to the Thanksgiving holiday in USA, the backhaul trip of 38,000ms from US Gulf to UKContinent saw rates flat at WS50. Meanwhile, the 38,000mt US Gulf to Brazil run was steady at between WS67.5/70 region. There was at last life in the 30,000mt cross-Mediterranean trade and owners managed to push rates up 15 points to around WS85.