WEEKLY MARKET REPORT

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11th December 2020

Bulk report – Week 50

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 50

VLCC

Rates in this sector marginally improved then lost a little ground late in the week. In the Middle East 280,000mt to US Gulf via the Cape/Cape routing levelled at WS17.5, while 270,000mt to China rose a couple of points early on to nearly WS35 then eased to WS34 level.

In the Atlantic, rates eased overall as demonstrated by 260,000mt West Africa to China. This carried forward the recent momentum to WS37 at the beginning of the week, but latterly dipping to around WS35 whilst 270,000mt US Gulf to China climbed to about $4.76m on Monday but are now assessed at $4.72m level.

Suezmax

Rates for 135,000mt Black Sea/Med firmed five points to WS55, while a similar increase was seen in the 130,000mt Nigeria/UK Continent market to WS42 level. In the Middle East market, 140,000mt Basrah/Med voyages are now assessed three points lower at WS15, likely guided by a recent reported fixture of the Neptune Moon to Repsol at this level.

Aframax

Rates for 80,000mt Ceyhan/Lavera remained static at around the WS57.5-60 mark. And, in Northern Europe, voyages of 80,000mt cross-North Sea are being rated 2.5 points lower than a week ago at WS72. Meanwhile, 100,000mt Baltic/UKContinent assessments were flat at WS45 level. Across the Atlantic rates continued their downward trajectory with 70,000mt Carib to US Gulf now into the low WS50s - about 23 points lower week-on-week - and 70,000mt US Gulf to UK Continent falling a further 16 points to low WS40s.

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Clean

The Middle East Gulf/Japan trade saw a reversal of fortune for the owners in the latter part 0f the week, with rates for 75,000mt climbing from mid WS60s to just over WS80. However, the LR1s fared better with rates here pushing up about 27 points to WS110. The MR market remained flat with rates for 35,000mt AG/East Africa holding around mid WS170s. In the Atlantic trade, the 37,000mt UKContinent/USAC route gained six points to WS82.5-85 region. The backhaul trip of 38,000ms from US Gulf to UKContinent, meanwhile, shed another four points to low WS40s. The 38,000mt US Gulf to Brazil run hovered around last week's level of WS65. In the 30,000mt cross-Mediterranean trade rates firmed from mid WS80s to low WS90s.