

WEEKLY MARKET REPORT

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18th December 2020

Bulk report - Week 51

Capesize

After a promising start, the Capesize market really came alive on Thursday as Vale made a reappearance, lifting at least a clutch of vessels from Brazil, with \$16 appearing to be the C3 Brazil-China high water mark on the Goodship (177,536 2005) for mid January dates. The underlying index climbed \$1.98 on the week. The North Atlantic also joined in proceedings, with decent fixing volume, predominantly on the C7 Transatlantic round – with NYK fixing a Mittal 150,000mt Port Cartier to Fos lifting at \$11.00, which the market was quick to equate to an approximate \$20,000 timecharter equivalent. The C5 West Australia round was a little slower to pick up and, with some of the majors absent, it only rose by 33 cents on the week to reach \$7.24 – capped also by many owners not wishing to sell spot levels too far into the New Year. The timecharter average duly gained \$2,661 on the week to reach \$14,943. Brokers were quick to maintain that the short-term prognosis looked positive.

Panamax

As we approach the end of the last full working week prior Christmas, the Panamax market had a real holiday feel to things overall as rates gently eased as the week wore on. A few pockets of resistance in some areas with improved demand and positional tightness, but overall it proved to be a week of corrections as bids weakened with some eventually being met as holiday cover became the priority for owners. In the Atlantic, the North stood firm to begin the week with solid mineral demand. But rates slowly eroded parallel to demand, \$15,000 concluded on an 82,000-dwt delivery Gibraltar for a US east coast trans-Atlantic trip towards the latter part of the week. In Asia, the market here was essentially Indonesia coal centric, with solid demand to China throughout the week with fixtures agreed on numerous occasions at circa \$15,000 for 82,000-dwt. However, support appeared to wane as we approached the weekend.

Ultramax/Supramax

The last full week for many with Christmas Holidays approaching led to a flurry of activity from key areas such as the US Gulf. The BSI maintained relatively healthy timecharter average closing at \$11,631. More period activity surfaced during the week. A 63,000-dwt open US Gulf heard fixing in the mid \$17,000s for three to five months trading redelivery Atlantic. Elsewhere, a 60,000-dwt open Laizhou fixing five to seven months redelivery Singapore-Japan at \$11,000. In the Atlantic, the US Gulf remained firm with Ultramax size seeing in the low \$20,000s for trips to the east Mediterranean and in the upper \$20,000s for trips to the east. East coast south American was tempered, but a 61,000-dwt fixed a trans Atlantic run in the mid teens. From Asia, a bit of a waiting game. A 55,000-dwt open Manila fixing a trip via Indonesia redelivery China at

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\$13,000 and from the Indian Ocean limited activity saw a 61,000-dwt fixing delivery west coast India trip via Red Sea redelivery India at \$14,000.

Handysize

The US Gulf remained firm throughout the week with positive influence from Supramax / Ultramax. Despite tonnage appearing tight in the area, brokers saw pressure to fix with holidays approaching. There was talk of Handy vessels fixing in the mid teens from the Gulf for inter-Caribbean trips and in the \$16,000s for transatlantic runs. The HS1 and HS2 route with delivery in Skaw-Passero had minor declines. However, the exact delivery point played an important role in each and every fixture in the range. Compared with the Mediterranean, the market was described to be more Continent driven this week with more support lent. A 36,000-dwt was fixed from Ghazaouet for a trip via west Mediterranean to east coast South America at \$11,000. Meanwhile, a smaller-sized open in Poland was fixed for the same direction at \$14,000. In the east, an Imabari 38 type delivery in the Far East reached the level of \$10,000 for a Nopac run or a 2/3 laden-leg trip with redelivery within the region. On the period front, a 37,000-dwt open Kakinada in end December was fixed for three to five months at \$8,400 with redelivery worldwide.

Tanker report – Week 51

VLCC

Rates in this sector were mostly static. In the Middle East 280,000mt to US Gulf via the Cape/Cape routing remain around WS17.5, while 270,000mt to China saw a few fixtures early on at WS34, then WS34.5 and up to WS35 which is where rates are now assessed. There are reports this morning that WS36 has been fixed on subjects. In the Atlantic, rates flattened at WS35 for 260,000mt West Africa to China, and for voyages of 270,000mt US Gulf to China values dipped \$30k to just under \$4.7m.

Suezmax

In the 135,000mt Black Sea/Med market we saw rates soften one point to WS53.5, while rates for 130,000mt Nigeria/UK Continent eased 2.5 points to WS39 with reports this morning of a Spanish charterer fixing on subjects at WS38.5, albeit to Spain. In the Middle East market, 140,000mt Basrah/Med voyages are now assessed 25% lower at WS11.5 on the back of reports of Turkish charterers fixing at WS10 and Italian charterers at a slightly higher rate.

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Aframax

Rates for 80,000mt Ceyhan/Lavera gained three points to WS61.5 region, while in Northern Europe voyages of 80,000mt cross-North Sea and 100,000mt Baltic/UKContinent saw rates flat at low WS70s and WS45 respectively. Across the Atlantic, rates rebounded with 70,000mt Carib to US Gulf now at WS70, a rise of 17.5 points, and 70,000mt US Gulf to UK Continent climbing to high WS60s showing a gain of nearly 20 points.

Clean

The Middle East Gulf/Japan had a solid week with rates for 75,000mt nudging up around two points to WS90. Likewise on the LR1s it was also positive for the owners with the market now hovering around WS120 level, representing a 10 point gain over the week. The MR market saw mixed fortunes with rates for 35,000mt AG/East Africa peaking in low WS180s before slipping back somewhat to around WS165. In the Atlantic trade, the 37,000mt UKContinent/USAC route lost 15 points to WS70 although the backhaul trip of 38,000mt from US Gulf to UKContinent gained 10 points plus to WS55. Meanwhile, the 38,000mt US Gulf to Brazil run also benefitted here, gaining 12 points to WS77. In the 30,000mt cross-Mediterranean trade, rates firmed five points and now sit at WS100 region.