WEEKLY MARKET REPORT

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22nd January 2021

Bulk report – Week 03

Capesize

The Capesize market rocked and rolled these past few days. But by weeks end little had changed on the Capesize 5TC as it settled down -884 to $24,631. This was a positive difference of $733 to the beginning of the week. The market was not without plenty of activity as the Atlantic Basin continues to maintain a strong positive sentiment with the Transatlantic C8 sitting at $36,425 against the Transpacific C10 at $17,133. Hampering logistics efforts in the Pacific had Cyclone Lucas kicked off the cyclone season in the North-West Australia region. The West Australia to China C5 had a decline in value this week of 0.941 to settle at $7.873. The activity out of Brazil has been tense with a standoff between charterers and owners breaking now slightly to the downside. The Brazil to China C3 now trades at $19.245. Period activity has been ticking over at a healthy level as the strong case for this year continues to hold.

Panamax

The week began sedately across the board with markets attempting to find direction. Downward pressure came initially from falling FFA values and a lack of demand early in the week forcing some cheaper levels to be conceded by owners. In the North Atlantic, trades involving breaching INL and forcing ice commanded premium numbers. And with continued tonnage tightness in the north, rates held firm for large parts. Asia trading ticked over with rates relatively steady all week. But all the talk midweek was focused on South America with a very active couple of days. Wednesday - and particularly Thursday - with talk of in excess of 20 ships placed from the market, as the market protagonists booked cover for end February/early March arrival dates at loadport. Period activity included an 82,000-dwt delivery China for five to eight months at $14,000 and an 82,000-dwt delivery North China agreeing $13,500 for 12 months employment.

Ultramax/Supramax

Yet another positive week for the sector, which saw increased demand across all basins. Increasingly, charterers are seeking period cover. A 58,000-dwt open China fixing at around $13,000 for six to nine months trading and an Ultramax size scrubber fitted fixing in the $14,000s. From the Atlantic, east coast South America remained active a 58,000-dwt covering a trip to Bangladesh at $15,000 plus $500,000. Continent – Mediterranean areas also remained firm with Ultra's seeing in the mid $13,000s for trips to South America. From Asia again the market remained firm. A 61,000-dwt open Japan fixing at $13,000 for a north Pacific round voyage and a 56,000-dwt open north China fixing a trip to south east Asia at $9,250. The Indian Ocean saw increased activity with a 58,000-dwt fixing a trip from South Africa to China at

$13,500 plus $350,000 ballast bonus. Meanwhile, a 53,000-dwt fixed a trip delivery west coast India via Arabian Gulf redelivery Bangladesh at $14,000.

Handysize

Both the overall index and the time charter average landed in positive territory this week. Key markets in the Atlantic gradually improved throughout the week. Trading became more active since midweek including some period deals concluded. From east coast South America, a 34,000-dwt and a 38,000-dwt both delivery Santos were fixed for a trip to Morocco at $13,500 and $14,250 respectively. A 38,000-dwt open in the US Gulf was fixed for moving petcoke to the Mediterranean in the $17,000s after she was failed on subjects for a trip to Algeria at $17,500 early of the week. Meanwhile, rates also climbed further in the Pacific as expected. Brokers suggested the tonnage count declined, especially in the Far East, whilst bad weather continued causing delays. A 33,000-dwt delivery Japan was fixed for a NoPac grain trip to South Korea at $10,500.

Tanker report – Week 03

VLCC

The market weakened even further this week with rates dropping and the timecharter equivalent for the main front haul voyages heading towards, if not actually realising, negative returns. In the Middle East 280,000mt to US Gulf via the Cape/Cape routing is assessed another point down at WS18, whilst 270,000mt to China is rated a further four points lower than last week at just below WS30 (which translates into a timecharter equivalent of -$800/day). In the Atlantic, rates for 260,000mt West Africa to China fell two points this week to WS31 (about $1,650 per day). For voyages of 270,000mt US Gulf to China the market dropped another $100k to just below $4.2m, which corresponds to daily earnings of about $8,000/day basis a round voyage.

Suezmax

In the 135,000mt Black Sea/Med market we saw rates climb five points to WS63 (a timecharter equivalent of about $1,400/day). The West African market saw the biggest increase where 130,000mt Nigeria/UK Continent rates to WS57.5 (about $7,000 per day), up almost 20 points week-on-week. In the Middle East, the market for 140,000mt Basrah/Med voyages rose 6.5 points to WS18.5.

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Aframax

Rates for 80,000mt Ceyhan/Lavera were 2.5 points higher this week at WS72.5 level. In Northern Europe, rates for voyages of 80,000mt cross-North Sea dipped a point to WS77.5, while 100,000mt Baltic/UK-Continent saw a drop of three points to WS60 (about $2,500 per day). On the other side of the Atlantic, owners fared better than the previous week with rates for 70,000mt Carib to US Gulf recovering seven points to the high WS80s (about $4,100 per day) and in the 70,000mt US Gulf to UK Continent market rates firmed six points to low WS70s

Clean

In the Middle East Gulf/Japan trade, the pressure has continued to build with limited enquiry. Owners have seen rates eroded further on both the LR routes with 75,000mt to Japan easing almost five points to around WS77.5. Meanwhile, in the 55,000mt trade, the market sits now in the mid WS70s having begun the week in the low WS80S. In the 35,000mt AG/East Africa trade, the start of the week saw rates read just down six points to WS165. They have continued to soften with the market now hovering at around WS160 level. For owners plying the 37,000 Cont/USAC market, levels stabilised at WS110, with a Brofjorden load covered at WS115. The backhaul trade of 38,000mt from US Gulf to UK/Continent saw rates soften 2.5 points back down to WS80, while the 38,000mt US Gulf to Brazil run is now at WS120 level representing a similar small loss of 2.5 points. In the 30,000mt cross-Mediterranean trade, owners again saw a firming market with weather delays contributing to a tighter position list. There was increased activity from East Med with WS160 done a couple of times from Greece - up from WS115 at the beginning of the week. WS185 is on subjects from Black Sea for early February loading.