WEEKLY MARKET REPORT
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19th March 2021

Bulk report – Week 11

Capesize

A steady build for the Capesize market saw the 5TC lift $2,696 to settle the week at $19,437. The trajectory of gains appeared more sustainable this week as pressure continued to build on charterers. Significant tail winds are thought to be coming from the smaller sizes as they have continued their charge upwards this week. Unusual fixtures continue to be heard in the market as charterers have looked to Capesize vessels for respite from their own usual vessel classes. The fixing activity was largely centred around the middle of the week with Friday rumours of it being a softer day. The Pacific West Australia to China C5 remained largely resilient to the wider market throughout the week, only lifting slightly from $9.155 to $9.327. The Brazil to China C3, however, saw fixtures across its loading window which was in strong contango. C3 rates rose $3.2 to close the week at $21.75. Dry bulk FFA's continue to be heavily traded as this past week saw some record volumes being registered.

Panamax

A momentous week for the Panamax market, with sharp rises witnessed on all spot trading at rates not seen for many years. With the FFA market ably supporting a strong outlook, healthy levels were agreed for period on forward delivery positions as well as the nearby position. An 82,000-dwt delivery Pacific in June agreed a rate of $22,000 six to eight months whilst a scrubber fitted 82,000-dwt delivery China end March achieved $26,000 for a similar period. In the Atlantic, trading was typically grain centric with the Americas lending robust support against a shrinking tonnage supply and rates advancing daily on all routes. Asia too saw strong rate increases as trade in the region reached new highs. Strong demand from NoPac saw rates soar through the $30,000 mark a few times. Charterers with Indonesia trips to China were forced to pay a premium with rates in the $40,000's and increasing not uncommon.

Ultramax/Supramax

Split sentiment over the last week, whilst the Asian basin remained firm there was a slight softening from areas in the Atlantic - particularly the US Gulf. Period activity remained active. A 60,000-dwt open Dalian fixing five to seven months at $26,000, whilst a new building 63,000-dwt was heard fixed ex-yard for three years at $14,000. From the Atlantic, sentiment remained firm from east coast South America for the Ultramax size, which were seeing figures in the region of $20,000 plus $1 million ballast bonus for fronthaul trips. Elsewhere, from the US Gulf, a 56,000-dwt was heard fixed at $28,000 for two to three laden legs redelivery Far East. From Asia, a 63,000-dwt open north China fixed a NoPac round at $26,000. Further south a 61,000-dwt was fixed for a coal run delivery Gresik trip via Indonesia to west coast India at $26,000. Rates remained strong from the Indian Ocean a 63,000-dwt fixing at $19,500 plus $950,000 ballast bonus for a South Africa to Far East run.

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Handysize

Overall it was slightly quieter in the Atlantic this week with limited activity in the Continent and slower pace in other key areas. Despite the level remaining high, east coast South America and the US Gulf showed signs of softening and had their biggest decline of the year so far. Period fixtures include a 32,000-dwt fixing from Sfax at approximately $17,000 for short period and a 34,000-dwt fixing from Israel for a year at $17,500 with redelivery in the Atlantic. Meanwhile, in the east, the timecharter average rates on the 3 Pacific routes are three times as high as they were during the same period last year. The surge was over $1,000 within a day on each route in the mid of the week. A 28,000-dwt delivery Kashima next week was fixed for a trip to Southeast Asia with steels at $28,000 mid-week. A 32,000-dwt delivery Kaohsiung was fixed for a trip via Japan to Singapore with cement at $30,000 earlier of the week.

Tanker report – Week 11

VLCC

Rates have firmed slightly in the Atlantic and remain unmoved in the Middle East.

For the 280,000mt Middle East to US Gulf trip (routing via the Cape/Cape), rates again continue to be assessed at the WS18-18.5 level. And for voyages of 270,000mt to China, rates remain in the region of about WS28.5 (showing a TCE of minus $5.5k/day). In the Atlantic, rates for 260,000mt West Africa to China saw an improvement of 0.7 points to WS31 (a TCE of about $110/day round-trip) and 270,000mt from US Gulf to China saw rates climb $250k to just shy of $4.4m, showing a TCE of about $6k/day on a round trip basis.

Suezmax

In the 135,000mt Black Sea/Med market, rates have risen 2.5 points to WS77.5-78 ($8,700/day TCE) with owners here benefitting from a tightening Mediterranean Aframax market, enabling Suezmaxes to cover some Aframax cargoes. The 130,000mt Nigeria/UK Continent market saw a similar gain to WS67 (about $8.8k/day TCE). However, Glencore have been reported this morning to have covered at WS65 if their cargo is Europe-bound. The market for 140,000mt Basrah/Med increased by about 1.5 points to WS20.

Aframax

In the Mediterranean, charterers remain under pressure from owners where the market for 80,000mt Ceyhan/Lavera has climbed a further 19 points to mid WS130s (basis a round voyage, about $23.2k/day TCE). In Northern Europe, 80,000mt Cross-North Sea rates pushed on a further four points to WS120 (a TCE of about $16.3k/day), although it is reported this morning that Trafigura have covered a Tees/UKCont voyage at WS115. Rates for 100,000mt Baltic/UK Continent have improved another 12 points to WS125 ($32.5k/day TCE).

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On the other side of the Atlantic, the recent pressure that owners have been able to apply has been relieved and rates for 70,000mt Caribbean/US Gulf have fallen 17 points to low WS150s (a TCE of about 22k/day) while in the 70,000mt US Gulf/UK Continent market rates shed 11 points to WS110.

Clean

It has been a more positive week for Owners of LR tonnage where the 75,000mt Middle East Gulf/Japan trade saw rates nudge up from WS91.25 at the start of the week to sit now at WS95. It was a similar story on the LR1s, with rates for 55,000mt to Japan increasing - albeit by a larger margin of 10 points to around WS 121.75. However, the market here is date sensitive and a 1 April load cargo was reported covered at WS 115. That said, the tonnage list here is looking tight with much of it controlled by just a few owners and brokers feel that if volumes of enquiry are maintained there is potential for further firming. The 35,000mt AG/East Africa trade has continued to firm, gaining almost six points to just shy of WS192.5. For owners plying the 37,000mt Cont/USAC trade there has been a lot of volatility, with the market starting the week at around WS 170. Owners felt more confident and were even offering at WS 200 region. However, a number of ships failed and other cargoes went on handysize tonnage and the optimism faded. A cargo from Sines went on subjects at WS170 but failed and was then refixed at WS150, which is where the market now appears to have settled. In the 38,000mt backhaul trade from US Gulf to UKContinent there was negligible movement with rates holding in the low WS70s. It was a similar story for runs to Brazil where the market was maintained at close to WS112.5. The market for Continent to West Africa mirrored the weakening trend in the Cont/USAC market, and rates here eased 20 plus points to WS160 level. There was little excitement in the 30,000mt cross-Mediterranean trade with the market here ticking over at WS120.