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WEEKLY MARKET REPORT

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Bulk report – Week 15

Capesize

The market turned for all Capesize routes this past week as the BCI reached new highs for the year. The Capesize 5TC started the week at $23,911, surged early in the week before a lull mid-week. It closed out with a strong gain of 4,339 for the week to $28,250. Both basins had a solid contribution of fixtures this week. The liquid West Australia to China C5, which closed at $11.368, and the Brazil to China C3, which closed at $25.205, were both highly active in volatile trading sessions.

Meanwhile the less frequently traded Backhaul C16 at $14,325 and Fronthaul C9 at $49,200 made significant moves at differing times throughout the week. Rate levels are now closing in on the highs from last year, albeit the build-up in values this time around appear not to be taking off like a spaceship but rather taking considered pauses for evaluation. The flow of fixtures appears strong and supported for the time being as we head into Singapore Maritime Week where the vessel class will surely be at the centre of many discussions.

Panamax

A topsy-turvy week for the Panamax market, with the first half starting out in a very bearish trend only for it to rebound mid-week as the market bulls returned with some suggesting the market had possibly over corrected with fundamentals not really changing. Assisted by a rejuvenated FFA market, positional tightness and an increase in demand from both EC South America/North Atlantic and NoPac rates for the most part improved. Typically, trans-Atlantic round trips were fixing at $13,250 for 82,000dwt delivery Gibraltar-Skaw moving on to $18,750 by Friday. A host of Kamsarmax vessels were sourced from Indian Ocean deliveries, rates concluded Monday/Tuesday mostly around the $18,000 mark, elevating to $24,000 by end week. To a lesser degree Asia was slower to react but stronger numbers were agreed out of NoPac, advancing from $19,500 to $21,000 as the week went on, with the South now seeing improvements amid support from EC South America.

Ultramax/Supramax

Positive sentiment returned to the sector this week with increased cargo enquiry from key areas such as the US Gulf where a 63,000 dwt was covered for a trip to the eastern Mediterranean in the upper teens, also from East Coast South America with the uptake on the larger Panamax size. Ultramaxes were seeing in the $19,000s plus $900,000s ballast bonus for trips to Singapore-Japan. Period activity however remained limited, a 63,000 dwt open south east Asia being covered for 3 to 5 months at $23,000 with redelivery Arabian Gulf-Japan range. Stronger levels from the Asian arena, a 53,000 open Singapore fixing a trip to China at $26,000 and brokers saying that the Ultramax size was seeing around mid $20,000s for north Pacific round voyages. From the Indian Ocean healthy rates for prompt tonnage saw a 63,000 dwt fixing delivery retro sailing Singapore for a trip via Mozambique redelivery China at $19,000 plus $50,000 ballast bonus.

Handysize

With the larger sizes making positive moves on their respective indices will it be the turn for the BHSI next? As the week drew to a close there were the first green shoots for owners as some markets possibly arrested their decline.

Both the US Gulf and East Coast South America had slowed their decline on trans-Atlantic runs this week and showed positive returns for the first time since 19 March. Brokers had said that a majority of the early tonnage had been fixed and there were more requirements coming into the market for May. Some also said there was more period enquiry which has given owners some positive news.

The Continent was still under pressure with a 37,000 dwt fixing from the Continent to Brazil at a rumoured $12,500. The Mediterranean was showing better returns where a 37,000 dwt had fixed from Egypt to south Brazil at $14,000 and a 39,000 dwt had fixed from the Black Sea to Spanish Mediterranean at $17,500.

The US Gulf levels appeared to have levelled out with a 28,000 dwt fixing from Tampa to the UK at $11,000 which is similar to levels being concluded last week. In Asia a 38,000 dwt fixed from Surabaya via Australia to CIS at $21,500.

A 38,000 dwt open in China has rumoured to have fixed via Japan to Mombasa with a cargo of steels at $25,000 showing that the levels back haul business is also improving

Tanker report – Week 15

VLCC

It has been a marginally better week for owners all round. In the Middle East Gulf the market for 280,000mt to US Gulf trip (routing via Cape/Cape) is assessed now half a point higher at WS18.75 plus, while rates for 270,000mt to China have gained 3.5 points to about WS34. Short haul to Singapore started the week at close to WS31.75 but SPC subsequently paid WS 36, and the market is now up to around WS35.5. The firmer AG market has filtered through to West Africa where rates for 260,000 to China have gained almost 2.25 points to sit now at close to WS34.25. Meanwhile, 270,000mt from US Gulf to China saw rates firm from $4.175 million at the start of the week with $4.2m agreed and with firmer markets in both West Africa and Middle East Gulf brokers feel there is potential for further increases.

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Suezmax

In the 135,000mt Black Sea/Med market rates have been under pressure and lost around 2.5 points to mid WS60s. It was a similar story in West Africa where the market for 130,000mts to Continent dipped around 1.5 points to barely WS56 and with US Gulf and USAC discharge being now reported fixed at WS50/52.5 respectively, rates to the Continent could well follow suit and ease further.

The assessment of the market for 140,000mt Basrah/Med remained flat at WS20.5.

Aframax

In the Mediterranean the market has continued to weaken with rates for 80,000mt Ceyhan/Lavera losing 7 points to barely WS 80 and Black Sea has been fixed at between WS77.5 and WS80. In Northern Europe charterers have been firmly in the driving seat with the market for 80,000mt Cross-North Sea at around WS85 but it is a bit voyage dependent and it was a similar story in the Baltic with the market for 100,000mt to UK Continent dropping almost 10 points with Petraco taking Front tonnage at WS57.5 with a Med option at WS47.5.

On the other side of the Atlantic rates for 70,000mt Caribbean/US Gulf gained around 5 points to WS81.5 while for 70,000mt US Gulf/UK Continent rates have added 5 points to WS80 although Suezmaxes may prove attractive for a charterer able to combine stems as 145,000MT was fixed to UKContinent at WS37.5.

Clean

Owners have again found themselves on the defensive with the market for 75,000mt from Middle East Gulf to Japan losing 15 points to WS100 region and remains under pressure. The weaker sentiment on the LR2s has also been felt by their smaller cousins with rates for 55,000mt to Japan down around 7 points to WS122.5 with potential to soften further.

In the 37,000mt Cont/USAC trade there was a modest recovery aided by some replacement business with the market stabilising at WS130 representing a gain of about 5 points.

Charterers were quick to capitalise on the softer feel in the 35,000mt AG/East Africa trade with the market dipping from low WS150s to WS145 before a modest recovery to WS147.5.

The 38,000mt backhaul trade from US Gulf to UKContinent had another slow week with the market drifting down 2.5 points to close to WS76/76.5 level while the US Gulf to Brazil trade slipped 8 points to WS115 region and remains under pressure here.

It was a volatile week in the 30,000mt clean cross Med trade with the start of the week seeing a 15 point gain to mid WS180s aided by an active Black Sea market. However, enquiry eased and with more tonnage showing up in the natural fixing window rates quickly reversed with the market now again at around WS170.