WEEKLY MARKET REPORT

Provided by kind permission of the Baltic Exchange

23rd April 2021

Bulk report – Week 16

Capesize

The Capesize market this week reached rate levels equivalent of last year's highs. The 5TC rose $6,242 to settle at the end of the week at $34,762. The Transatlantic C8 roared to life throughout the week and is now the premium paying basin up $12,675 to $37,450. The fronthaul C9 has surpassed last year's peak as Charterers have found little respite from owners in the usual lightly tonnaged region. The more surprising move comes from the Backhaul C16 as owners are demanding premiums for their vessels to perform the longer durations on coal from East Australia to the Continent. The route settled the week at $19,200 with several sources claiming there's more to come. While higher headline levels are regularly being heard, the usual major charterers on the C5 and C3 routes look to be able to command solid discounts for their cargoes. However, their fixtures are having a diminishing return on affecting the wider market. Countering their influence, Owners appear emboldened with the wind in their sails as all routes appear busy with iron ore prices flying and Australian coal looking for a home further afield than the usual China destination.

Panamax

Another contrasting week, this time starting out in a bullish fashion, only for rates to ease as Charterers retracted as an FFA sell off seemed to derail activity resulting in a multitude of deals fixing and failing. Up until this change in trend, the EC South America round trips were well supported with several deals concluded. Rates ranging from an 81,000-dwt rumoured to have achieved $26,750 delivery prompt Singapore to $23,600 basis similar delivery/size ship. Aside from some robust numbers for short duration fronthaul trips, it was the story of a wide bid/offer gap in the North Atlantic with moderate activity overall. Asia proved to be broadly NoPac and Indonesia round trip centric with solid support again up until Thursday when the brakes were put on, typified finely by route P5. The Indonesian round trip beginning the week priced at $21,416 to reach $27,219 by Thursday, before easing again on Friday.

Ultramax/Supramax

A positive week generally for the sector, mainly led by strong demand across the Asian arena with increased cargo enquiry. Period activity was seen with a 63,000-dwt open China fixing three to five months trading at $26,500. The Atlantic remained steady, but the focus was from east coast south America. An Ultramax fixing a fronthaul at $21,250 plus $1.1 million ballast bonus. Elsewhere, from the Mediterranean, more enquiries saw a 52,000-dwt fixing from east Mediterranean to south east Asia in the low $30,000s. From the US Gulf, a 57,000-dwt was fixed for a trip to Japan at $26,000. Stronger levels from the Asian sector saw a 53,00-dwt open Singapore fixing an Indonesian coal run to Bangladesh at $30,000. Whilst for trans Pacific business a 61,000-dwt open south east Asia fixed via Australia back to South Korea at $31,000. In the Indian Ocean rates remained firm with a 63,000-dwt fixing delivery Durban trip to China at $19,000 plus $900,000 ballast bonus.

Handysize

The Handy sector continued to improve this week with the BHSI gaining 86 points since last Friday. We have seen Period fixtures in both basins this week. A 34,000-dwt in Venezuela fixing three to five months at $15,500 redelivery Atlantic and a 37,000-dwt in South East Asia was rumoured to have fixed for four to six months at around $20,000. A 34,000-dwt was fixed for two to three Laden Legs from South East Asia at $25,000 with redelivery for end April delivery. In east coast South America, we have seen the biggest movement with a 37,000-dwt fixed on Monday at $18,000 for a trip from Brazil to the Continent. By the end of the week another 37,000-dwt had fixed a trip from Santos to Morocco at $20,000. In Asia a 37,000-dwt open Hong Kong fixed a trip via Australia to Japan at $23,000.

Tanker report – Week 16

VLCC

In the Middle East the market for 280,000mt Middle East to US Gulf trip (routing via the Cape/Cape) is assessed flat at WS19, while rates for 270,000mt to China have eased one point to about WS34, which shows a round-trip TCE of about $965.

In the Atlantic rates for 260,000mt West Africa to China also remained static at the WS34.5 level, a round-trip TCE of about $2.6k/day and 270,000mt from US Gulf to China saw rates fall around $150k to $4.23m (about $5.7k/day TCE round-trip).

Suezmax

In the 135,000mt Black Sea/Med market rates have steadied at WS65 (~$1.2k/day TCE). In the 130,000mt Nigeria/UK Continent market, rates improved about three points to close to WS60 (~$5.6k/day TCE round-trip). The market for 140,000mt Basrah/Med remained flat at WS21 where a couple of fixtures were reported this week at WS19.5 by a Spanish charterer and WS22.5 by an oil major.

Aframax

In the Mediterranean, the market has eased again - albeit slightly - with rates for 80,000mt Ceyhan/Lavera dipping about 1.5 points to high WS70s (a TCE of about -$500/day basis a round voyage). In Northern Europe, the market for 80,000mt Cross-North Sea remained at WS86 level (-$3.3k/day TCE) while rates for 100,000mt Baltic/UK Continent modestly gained about 3.5 points to the WS62.5 region (about $500/day TCE).

WEEKLY MARKET REPORT
Provided by kind permission of the Baltic Exchange

On the other side of the Atlantic, the market firmed during the week with rates for 70,000mt Caribbean/US Gulf climbing 25 points to WS107.5 (a TCE of about $8.4k/day). For 70,000mt US Gulf/UK Continent rates improved by about 13.5 points to WS94/95 level.

Clean

Charterers have generally been in the driving seat this week and have been quick to exploit the negative sentiment in the market. In the 75,000mt market from Middle East Gulf to Japan rates continued their losing streak and lost 7.5 points to WS80. It was a similar story on the LR1s with rates for 55,000mt to Japan down around 7.5 points to WS106.5 with potential to soften further.

In the 37,000mt Cont/USAC trade the week started on a more positive note with rates marginally firmer at around WS135 and a Mongstad load went at WS142.5 . However, enquiry quickly tailed off. And, with no shortage of tonnage in the natural fixing window, rates soon came under downward pressure with WS115 agreed. A couple of cargoes subsequently went on handysized tonnage. After a relet with last cargo base, oil did WS105 from the Baltic. This was also subsequently agreed for a Continent loader. Unsurprisingly, the weakness in the market here was reflected in the Continent/West Africa trade, which eased 27.5 points to WS117.5.

Charterers were again able to chip away at rates in the 35,000mt AG/East Africa trade with market easing five points to WS140 region. The 38,000mt backhaul trade from US Gulf to UKContinent had yet another slow week with the market drifting down 7.5 points to WS65. Meanwhile, the US Gulf to Brazil trade slipped around 3.25 points to WS108.75.

It was an insipid week in the 30,000mt clean cross Med trade West Med loaders achieving WS145 level while East Med saw slightly higher rates of low WS150s and Black Sea was last covered at WS165 region.