WEEKLY MARKET REPORT

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23rd July 2021

Bulk report – Week 29

Capesize

The market drifted sideways lacking a strong directional lead most of the week, with gains towards the end the 5TC average settling at $32,469 to close the week, up almost $4,000. Looking closer at the regional feel the Transpacific C10 fortunes were on the rise this week lifting over $11,300 to $38,763, while the Transatlantic C8 struggled to maintain what it had, dropping over $1,300 to close at $30,850. The ballaster Brazil to China C14 strengthened well this week by almost $5,000 yet still commands a lower value to the other two routes, although it is almost parity with the T/A C8. The market throughout the week had periods of inactivity as owners appeared to have drawn a line in the sand and were unwilling to lower further. This led to charterers seemingly having to chase the offers which in usual Capesize fashion immediately started to back away faster.

The west Australia to Qingdao C5 rose over $2.50 week on week to end at $13.377. The Capesize pricing remained range bound this week, yet sentiment was improving towards weeks end. Fresh cargoes into the North Atlantic is likely needed for any substantial push which does not appear to be arriving, especially with the European holiday season in affect.

Panamax

A contrasting week for the Panamaxes with the Asian basin proving to be broadly Indonesia centric, as a host of cargoes helped some rates to benefit. Aside from an assortment of coal tender cargoes from Australia to Korea and India, the north of the region continued to be under pressure for most of the week with owners forced to reduce levels to gain any traction. The Transatlantic trips remained under pressure again with tonnage building and with a lack of any serious demand from North America the outlook looks somewhat suspect. Conversely, the fronthaul trips for a large part remained well supported with grain trips ex North France and Black Sea, but with charterers continuing to source tonnage from India and as far out as China, rates for Atlantic positions began to slide as the week closed. Period news had a 94,000-dwt achieve $27,500 for six to eight months delivery north China.

Ultramax/Supramax

Despite widespread holidays the week saw many areas regaining positive sentiment, as demand for prompt tonnage moved rates upwards. Period activity was seen, a 63,000-dwt open US Gulf fixing four to six months redelivery Atlantic at $37,000. In the Atlantic the Mediterranean remained strong, a 61,000-dwt open Turkey was fixed for a trip to southeast Asia at $59,000. Elsewhere a 50,000-dwt open west Africa fixed a trip to China in the upper $30,000s. Tonnage supply for prompt openings was tight from Southeast Asia, with a 56,000-dwt open Indonesia fixing a trip to China at $32,000. A 56,000-dwt open south China fixing an Australian round redelivery Singapore-Japan at $28,500. From the Indian Ocean, a 56,000-dwt open east coast India was fixed for a long duration trip to west Africa with bagged rice in the upper $30,000s. All eyes looking to see if there will be any change in sentiment as the holiday season begins in the northern hemisphere.

Handysize

A week interrupted by holidays around the world has not dampened the positive moves made on the BHSI with the US Gulf in particular moving up by $25,693, with a 38,000-dwt open Vera Cruz fixing a round voyage via the Mississippi River back to Vera Cruz at $29,000 and a 36,000-dwt open in New Orleans fixing via Beaumont to Morocco with an intended cargo of petcoke at $30,000. East Coast South America activity has been limited but a 35,000-dwt open in the River Plate was fixed for a trip to Ireland with grains at $43,000. A 37,000-dwt open in the eastern Mediterranean was rumoured to have been fixed for four to five months with redelivery worldwide at $33,000. In Asia a 37,000-dwt open Japan was fixed for a trip via Southeast Asia to the UK–Continent Range at $29,500 for the first 65 days and $32,000 for the balance.

Tanker report – Week 29

VLCC

Another week of static rates on the whole in this sector. In the Middle East rates for 280,000mt to US Gulf (routing via the Cape/Cape) remains at the WS18-18.5 level while rates for 270,000mt to China are stuck at around WS31.5 (showing a round-trip TCE of minus $3,200/day).

In the Atlantic, rates for 260,000mt West Africa to China are still at WS34.5-35 level (a meagre TCE of $800/day round-trip) and 270,000mt US Gulf to China saw an improvement of $118k to $4.08m (a round-trip TCE of $2500/day)

Suezmax

In the 130,000mt Nigeria/UK Continent market a tightening position list gave owners an opportunity to push rates up and consequently rates gained two points to WS54.5-55 region (a round-trip TCE of about $1,700/day). Meanwhile in the Mediterranean rates for 135,000mt Black Sea/Med remain pegged at around WS60 (a round-trip TCE of about minus $6,000/day). The market for 140,000mt Basrah/Med had another 1.5 points shaved off it at WS26-27 level.

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Aframax

In the Mediterranean, the market has firmed slightly with rates for 80,000mt Ceyhan/Lavera modestly gaining two points to WS90. In Northern Europe the market again remained steady with the rate for 80,000mt Cross-North Sea being maintained at around WS94 (a round-trip TCE of minus $3,300/day). It was a similar story in the 100,000mt Baltic/UK-Continent market with the rate at WS61-62 region (a round trip TCE of about minus $350/day).

Across the Atlantic the market has eased back as more ships became available in the fixing window. Rates for 70,000mt Caribbean/US Gulf dropped seven points to between WS77.5-80, (still a negative TCE on round-trip of minus $2,300/day) while the East Coast Mexico/US Gulf market fell nine points to between WS80-82.5. The market for 70,000mt US Gulf/UK Continent saw rates ease 3.75 points to between WS67.5 and WS70.

Clean

The Middle East Gulf suffered a lack of clarity at the beginning of the week which has then been followed by some testing of rates as the week progressed. On the LR2s to Japan TC1 has come down 2.09 points to WS87.08, a round-trip TCE of $4,818/day. For the moment the LR1's are following suit with TC5 55k Middle East Gulf/Japan at WS86.43 down WS3.57points, a round-trip TCE $2,474/day. TC8 Middle East Gulf to Continent is relatively untested and flat at $20.27/ton. For MR's 35k Middle East Gulf / East Africa (TC17), rates also had a softening down five points to WS130, showing a round-trip TCE of $3,315/day. The Mediterranean market has had another week of non-direction on the Handy size with TC6 30kt Skikda/Lavera consistently around the WS120 mark. The LR2's have been tested a little again with TC15 80k Mediterranean/Japan coming out at $1.59m down $10k, showing a round-trip TCE of minus $8,010.

A somber start to the week for the Baltic/UK-Continent, however there are reports of improved activity at the end of the week. TC9 30k Baltic/UK-Continent currently at WS122.14, which is a round-trip TCE of $2,188/day and TC2 37k UK-Continent/US Atlantic Coast at WS111.67, showing a round-trip TCE of $2,252/day

The LR1's on TC16 60k Amsterdam/Offshore Lome remained static as WS80, as did TC19 37k Amsterdam to Lagos Ws116.67.

Some fluctuations up and down in the Americas this week with TC14 38k US Gulf to UK-Continent route ending up at WS80.71, likewise on TC18 35k from US Gulf to Brazil, after an initial rise of 4.5 points ended up settling at WS119.08, showing a round-trip TCE of $5,034/day.

The MR Atlantic basket TCE rose from $3814/day to $5420/day.