

WEEKLY MARKET REPORT

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6th August 2021

Bulk report – Week 31

Capesize

The Capesize market broke out of its recent range this week as the 5TC peaked on Thursday before easing Friday slightly down at \$36,150. The Pacific routes strengthened throughout the week but softened abruptly on Friday for the Transpacific C10 to be down 485 week on week to \$44,928. The Brazil to China C14 was the main mover settling at \$34,990 on Friday, still a significant discount to the Pacific. The North Atlantic region continues to be the laggard as vessel and cargo counts remain perilously low.

Panamax

We have seen more activity this week in the build up to holidays in Singapore and Japan with both owners and charterers looking to find cover. The Black Sea grain season is fully underway and charterers have been busy sourcing tonnage from Asia. A 76,000-dwt was rumoured to have been placed on subjects basis delivery passing Singapore 10-11 August via the Black Sea redelivery Singapore-Japan at \$31,000. Also a 82,000-dwt was rumoured to have been fixed basis sailing Singapore with prompt dates for a trip via East Coast South America with redelivery Singapore-Japan range at \$33,500. An 83,000-dwt open Rotterdam 12-16 August was rumoured to have been fixed for a trip via the Baltic with redelivery India at \$55,000. In Asia an 82,000-dwt was fixed from China via CIS to China at \$28,000. A 76,000-dwt was reported as fixed from China via North Pacific Canada to China at \$27,000.

Ultramax/Supramax

A positive week overall for the sector with rates remaining firm. Limited period activity circulated, but a 58,000-dwt open Hong Kong was fixed for five to seven months trading at \$31,000. From the Atlantic the main thrust came from demand in the Mediterranean, a 63,000-dwt was fixed for a trip to West Africa at \$48,000. Fresh enquiry was seen elsewhere. On the east coast south America a 61,000-dwt was fixed for a trip delivery Recalada redelivery south east Asia at \$27,000 plus \$1.7 million ballast bonus. Limited information from the US Gulf but a 60,200-dwt was heard fixed for a trip to Brazil at \$40,000. From Asia, despite upcoming holidays healthy interest was seen. A 56,000-dwt open China fixing a North Pacific round voyage redelivery Singapore-Japan at \$29,000. There was coal activity with a 61,000-dwt open CJK fixing via Indonesia redelivery China at \$29,500. Pressure was seen from the Indian Ocean with a 63,000-dwt open Indonesia fixing a trip via South Africa redelivery far east at around \$37,000.

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Handysize

The steady unbroken positive progress of 768 points on the BHSI ended this week with its first negative return since April 2021. However, with a firm Black Sea market, that negative trend was short lived. Period was still active with a 32,000-dwt logs fitted vessel open middle of September in Singapore-Japan range rumoured to have been fixed for six to eight months with redelivery worldwide at \$26,000. A 33,000-dwt logs fitted open in Vietnam with prompt dated was fixed for two laden legs redelivery Singapore-Japan range at \$30,000. In the Mediterranean a 38,000-dwt was rumoured to have been fixed for a trip to East Coast South America at \$36,000 which is one of the firmer regions. In Asia a 37,000-dwt was rumoured to have been fixed on the basis delivery China for a trip to West Africa with an intended cargo of bagged rice at \$29,000 for the first 75 days and \$31,000 for the balance.

Tanker report – Week 31

VLCC

Another week of rates metaphorically stuck in the mire in this sector. In the Middle East the market for 280,000mt to US Gulf (routing via the Cape/Cape) remains in the WS18-18.5 region while rates for 270,000mt to China continue to be maintained at around WS31.5 (showing a round-trip TCE of \$-4,300/day). In the Atlantic, rates for 260,000mt West Africa to China are also stuck at the WS33 mark (a TCE of \$-1,400k/day round trip) and 270,000mt US Gulf to China saw a \$40,000 drop to just above \$4.02m (a roundtrip TCE of \$1.3k/day).

Suezmax

In West Africa, a more populated position list enabled charterers to push rates down 3.5 points to WS51-52 level for the 130,000mt Nigeria/UK Continent market (meaning a round-trip TCE of just below zero). Meanwhile in the Mediterranean rates for 135,000mt Black Sea/Med fell 2 points to just below WS57 (a round-trip TCE of about \$-7,800/day). The Middle East market has continued to be relatively busy although there is still sufficient tonnage to cover this extra activity, with rates for the 140,000mt Basrah/Med trip pegged at the WS26 mark.

Aframax

In the Mediterranean, the market for 80,000mt Ceyhan/Lavera lost a single point this week to about WS85 (showing a round-trip TCE of \$1,400/day). In Northern Europe the market modestly weakened with the rate for 80,000mt Cross-North Sea easing back 1.5 points to WS94 (a round trip TCE of \$-3,900/day). It was a similar story in the 100,000mt Baltic/UK Continent market with the rate at WS61.25 (a round trip TCE of about \$-930/day). Across the other side of the Atlantic, the market has settled and rates for 70,000mt Caribbean/US Gulf are unmoved at just above WS75 (a round-trip TCE of \$-3,500k/day) while the East Coast Mexico/US Gulf market slipped 1 point to WS75 also (a TCE of about \$3,300k/day round trip). The market for

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70,000mt US Gulf/UK Continent dropped 1.25 points to WS66.25 (showing a round trip TCE of \$-2,700k/day, which would be positive basis 1 way econs).

Clean

The Middle East Gulf has seen an upturn all around this week. On the LR2s to Japan TC1 has come up 3.33 points to WS83.33, a round-trip TCE of \$3,285/day. The LR1s have shown some improved activity, TC5 55k Middle East Gulf/Japan at WS104.29 up WS16.08 points, a round-trip TCE \$5,974/day. TC8 Middle East Gulf/UK-Continent also had continued traction up to \$24.39/ton (up \$3.62/ton) yielding a round-trip TCE of \$5,347/day (up \$4,997/day). MR rates 35k Middle East Gulf/East Africa (TC17) also continued to rally 18.5 points to WS169.5, showing a round-trip TCE of \$8,376/day.

The Mediterranean market has had another week of freight rates remaining generally sideways only with an incremental drop. On the Handysize TC6 30kt Skikda/Lavera ended up at WS119.06 (down WS0.94). The LR2s have been steady on TC15, 80k Mediterranean/Japan holding at around the \$1.6m level.

The week has been consistently optimistic for the Baltic with rates climbing, TC9 30k Baltic/UK-Continent currently at WS143.57 (up WS14.28), giving a round-trip TCE of \$5,569/day. On the UK-Continent levels have plateaued and are now dipping, TC2 37k UK-Continent/US Atlantic Coast at WS138.06 (down WS3.61), showing a round-trip TCE of \$6,312/day

The LR1s on TC16 60k Amsterdam/Offshore Lome were relatively stable and showed minor fluctuations up and down settling at WS85 (Down WS1). TC19 37k Amsterdam to Lagos also began to show a decline to WS143.75 (Down WS5.42).

An unrushed start of the week in the Americas has led to a testing of rates. TC14 38k US Gulf/UK-Continent route now at WS83.57 (down WS7.86) and TC18 35k from US Gulf/Brazil, also under a similar pressure at WS122.38 (down WS8.04).

The MR Atlantic basket TCE dropped from \$9,273/day to \$8,289/day.