

WEEKLY MARKET REPORT

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17th September 2021

Bulk report – Week 37

Capesize

Both the overall index and the time charter average jolted significantly higher on Monday, reaching new highs for the year while also closing in on the market highs of 2010. With the surge of C5 west Australia to Qingdao run and the relevant transpacific C10, as well as the support from Brazil to Qingdao trade, the Capesize market pushed even higher on Tuesday but slipped in the middle of the week. The week closed on positive notes with C5 paid up to \$16,773, while Brazil to Qingdao run climbed over \$35.00 on Friday. In the North Atlantic, transatlantic remained relatively quiet with the index posted at \$64,400 at the end of the week. On the period front, a 180,000-dwt 2010-built vessel delivery Singapore in early October was reportedly fixed for a minimum period of 24 months at \$25,500

Panamax

A strong week for the Panamax market, principally for the Atlantic basin, with a good replenishment of mineral cargoes seen all week versus a limited tonnage list. Rates returned to the end of August levels, with reports of charterers taking ships for laden legs in the north Atlantic. From the US Gulf, there was talk of some muted activity. However, this was covered on Far East delivery positions. There were some signs of action ex EC South America for October arrivals. But just like Asia, rates remained largely flat on the week. Route P3a marked up a shade overall, with solid demand ex NoPac the main drivers in the north. The market in general appeared to be fuelled by support in FFAs. This aligned with a firmer cape market and culminated in continued period interest for one-year period and shorter, \$30,000 concluded a few times on 82,000-dwt types with Far East delivery.

Ultramax/Supramax

A stronger week than previously as positive sentiment returned to many areas, with better levels of enquiry from the Atlantic and from Asia after a tightening of tonnage supply after Typhoon Chanthu. Period interest remained firm, a 61,000-dwt open South Korea fixing in the low \$40,000s for short period, whilst further south a 55,000-dwt open Indonesia fixed four to six months at \$36,000. In the Atlantic, stronger levels saw a 63,000-dwt open Portugal fixing in the low \$40,000s for a trip to US east coast. From west Africa a 53,000-dwt was fixed for a trip to China at \$38,000. From Asia, a 56,000-dwt open South Korea fixed a CIS Pacific round at \$36,000. The Indian Ocean gained momentum, with a 56,000-dwt open Chittagong fixing a trip via east coast India to Vietnam in the high \$30,000s. A 57,000-dwt fixed delivery Richards Bay trip to the Baltic at \$34,000.

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Handysize

East Coast South America made positive gains with more enquiry and a lack of tonnage the driving force. A 32,000-dwt fixed low \$40,000's for a River Plate to South Brazil with an intended cargo of grains. A 38,000-dwt open in Brazil with prompt dates fixed for two Laden Legs with redelivery Continent-Mediterranean range at \$38,000. The US Gulf has seen more requirements this week and numbers have begun to improve with a 38,000-dwt fixing from Texas to West Coast South America at \$32,000 and a wood pellets cargo being fixed on a 38,000-dwt from Savannah to the UK at \$23,000. The Mediterranean remains firm with a 32,000-dwt open in Egypt fixing via the Sea of Marmara to Antwerp with a cargo of Steel Coils at \$33,000. Activity in Asia has been limited, but a 38,000-dwt open in China is rumoured to have been fixed for a round trip via Australia at \$35,000.

Tanker report – Week 37

VLCC

Another busy week in the Middle East with COA and spot fixing activity, but also in the Atlantic region - although rates remained flat. In the Middle East Gulf 280,000mt to US Gulf (via the Cape/Cape routing) remains steady around the WS18.5 mark while 270,000mt to China maintained WS34.6 (which shows a trip TCE of about minus \$1.7k per day). In the Atlantic, rates for 260,000mt West Africa to China were kept at WS35/36 level (\$360 per day TCE roundtrip) and 270,000mt US Gulf to China is still at \$4.13m (a TCE of \$1.7k per day roundtrip).

Suezmax

In West Africa the rate for 130,000mt Nigeria/UK Continent is stuck at the WS51.5/52 mark (a round trip TCE of minus \$950 per day) while similarly the rate for 135,000mt Black Sea/Med is still at WS60 (a TCE round trip of minus \$6.8k per day). The Middle East market had a busier week of fixing, with reports of ENI fixing a Zodiac Maritime vessel at WS21.5 to Italy. Shell, meanwhile, fixed two Delta Tankers vessels and a Polemis suezmax at WS23 for western options. The Baltic Exchange route of 140,000mt Basrah/Lavera is now assessed at around the WS22.5 level.

Aframax

In the Mediterranean, 80,000mt Ceyhan/Lavera gained a point to WS87.5 (\$1.4k per day TCE roundtrip). In Northern Europe, 80,000mt Cross-North Sea similarly rose a point to WS92 (a round trip TCE of minus \$5.6k per day). Rates for 100,000mt Baltic/UK Continent recovered 3.5 points to WS60 (a TCE of about minus \$2.4k per day round trip). Across the Atlantic, a number of ballasters from Western Europe has eased the market for the transatlantic trip where 70,000mt US Gulf/UK Continent is now seven points lower than a week ago at WS100 (a TCE of \$6.4k per day round trip). For the shorter local voyages, the position list remains tight and the 70,000mt Caribbean/US Gulf rate was pushed up four points to WS120 (a TCE of \$10.2k per day

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round trip). The rate for 70,000mt East Coast Mexico/US Gulf is up another eight points to WS133.75 (a round trip TCE of \$16.2k per day).

Clean

The Middle East Gulf has seen relatively minor fluctuations up and down this week depending on vessel size. The LR2s to Japan TC1 has dropped 0.06 points to WS107.86, a round-trip TCE of \$9,905/day. The LR1s have seen activity improve as the week has gone on. TC5 55k Middle East Gulf / Japan now in the WS112.5 region after an early week dip to WS107.5. On the MRs, 35k Middle East Gulf / East Africa (TC17) also dropped 6.25 points to WS181.25 - a round-trip TCE of \$9,603/day.

After reaching a floor of WS110 the Mediterranean Handy market has seen continued demand this week and a corresponding rise in rates TC6 30kt Skikda / Lavera now at around the WS115 level. The LR2's have shown a consistently firming sentiment this week and TC15 80k Mediterranean / Japan is now up approximately \$50,000 to \$1.785m.

Stability has prevailed in the Baltic Handy market this week and TC9 30k Baltic / UK-Continent has been consistently repeating WS120. On the UK-Continent MR freight levels have, despite a flurry of activity, continued along the floor of WS100 for TC2 37k UK-Continent / US Atlantic Coast. The premium for TC19 37k Amsterdam to Lagos has been whittled away and is now also pegged around WS100. Acutely aware of ballasters, owners will be cautiously optimistic this clear out of vessels will continue into next week and lift rates from current levels.

On the LR1s, TC16 60k Amsterdam / Offshore Lome has seen a little softening down to WS80.

In the Americas we have seen some increase in open enquiry. However, the backlog of tonnage remains and freight levels are still non-directional for the moment. TC14 38k US Gulf / UK-Continent has levelled off in WS55 region whilst TC18 35k from US Gulf / Brazil is currently marked around WS90.