

WEEKLY MARKET REPORT

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24th September 2021

Bulk report – Week 38

Capesize

The Capesize market continued its assertive rally this past week reaching new highs in dramatic fashion. The Capesize 5TC opened the week at \$53,240 and never looked like taking a backward step as it closed out the week a staggering \$8,069 up settling Friday at \$61,309. The main driving force for the market came from the Pacific, as West Australian charterers were caught early on in the week dealing with a slim selection of choices and troubled vessel schedules resulting from the previous week's weather in eastern China. The West Australia to China C5 leapt up \$3,759 at the beginning of the week to \$20,145 before regressing on Friday to \$19,082. Meanwhile, the Transpacific C10 closed the week out at a hefty \$67,000, off the previous day's high of \$70,742.

Heading west into the Atlantic it's heard that owners are on the hunt for fronthaul cargoes to the detriment of Transatlantic business as we are firmly into Q4 Atlantic strategy. Transatlantic C8 are now prices at \$69,215, while the Fronthaul C9 commands a \$81,775 price tag allowing owners to cash in on their premium position for the price of repositioning to the Pacific.

Panamax

Not quite as sensational as the Cape market and despite varying holidays throughout the week the Panamax market returned to positive territory. Stable fundamentals pitched against tonnage tightness made for the perfect storm with strong gains seen in the Atlantic with most major loading origins seeing solid demand. East coast South America saw good support for second half October arrivals, with talk of an 81,000-dwt accomplishing \$36,500 for a trip via east coast South America with delivery in Singapore. Asia, despite holidays, witnessed steady gains. NoPac grain demand returned as the main driver in the north, with a \$35,500 agreed on an 81,000-dwt delivery Japan for a NoPac round trip the high on the week. Stronger levels too from both Indonesia and Australia to India on the coal trips, with \$38,250 the high rate on an 82,000-dwt delivery Malaysia for a trip via Indonesia to India. Period activity saw an 81,000-dwt achieve \$34,000 for four to six months.

Ultramax/Supramax

With widespread holidays in Asia the week started on a relatively slow note. However, sentiment remained strong in most areas as more enquiry was seen. Period activity included a 63,000-dwt open Southeast Asia fixing five to seven months trading in the low \$40,000s. Better demand was seen from the Mediterranean for Atlantic business, with a 56,000-dwt fixing a trip from Turkey to West Africa at \$52,000. From the US Gulf an Ultramax was heard to have been fixed for a trip to the far east in the low \$50,000s. Further south from east coast South America, limited activity was reported with some seeing tonnage supply growing.

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From Asia, a 63,000-dwt open Kosichang was fixed for an Indonesian coal run to China in the low \$40,000s and Ultramax size also open Southeast Asia were seeing in the low \$40,000s for Australian round voyages. From the Indian Ocean, a 63,000-dwt open Kandla was fixed for a trip to the Continent at \$40,000.

Handysize

A week of positive gains on the BHSI, despite holidays in the Asia region causing activity to be limited, resulting in a new yearly high of 1925 points. East coast South America continues its revival, with a 37,000-dwt fixing a trip from Vila Do Conde to Norway with an intended cargo of alumina at \$37,000, plus a 28,000-dwt fixing from Santos to Morocco with an intended cargo of sugar at \$34,000.

A 35,000-dwt was also fixed from Morocco to Bangladesh at \$45,250. In the Mediterranean a 37,000-dwt was fixed for a trip from Turkey to the US Gulf with an intended cargo of steels at \$41,000. In Asia a 32,000-dwt was fixed from Vietnam to China with an intended cargo of clinker at around \$39,000. Period has been active with a 32,000-dwt open in Brazil being fixed for four to five months with worldwide redelivery at \$35,000.

Tanker report – Week 38

VLCC

Another busy week in the Middle East and the Atlantic, which finally has led to some upward movement on the rates. In the Middle East Gulf a 280,000-mt to US Gulf (via the Cape/Cape routing) is assessed just over a point higher at WS20 as 270,000-mt to China improved 3.5 points to WS39 (which shows a trip TCE of about \$1,900 per day). In the Atlantic, rates for a 260,000-mt West Africa to China firmed by four points to between WS40-41 (a roundtrip TCE of \$5,100 per day). A 270,000-mt US Gulf to China is now rated \$756,000 higher than a week ago at \$5.01 million (a TCE of \$8,500 per day roundtrip) having seen reports of a 270,000-mt east coast Mexico to west coast India fixing on modern tonnage at \$4.1 million, and North Sea to China fixing at \$4.4 million on a 2006-built vessel.

Suezmax

In West Africa the rate for 130,000-mt Nigeria/UK Continent remains stuck at the WS52.5 mark (a round trip TCE of -\$600 per day) while similarly the rate for 135,000-mt Black Sea/Med continues to be at WS60 (a TCE round trip of -\$6,700 per day).

The Middle East market had another busy week of fixing, with reports of Basrah/west voyages done by Turkish, Greek and a couple of other oil majors at WS25 early in the week. A French major oil company was reported to have fixed with east and west options from Basrah at WS27.5 for the Mediterranean. The Baltic Exchange route of 140,000-mt Basrah/Lavera is now assessed at around the WS26.5 level, up four points for the week.

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Aframax

In the Mediterranean, an 80,000-mt Ceyhan/Lavera climbed another two points to just shy of WS90 (\$2,000 per day TCE roundtrip). Meanwhile in Northern Europe, a 80,000-mt Cross-North Sea remained steady at WS 92.5/93 level (a round trip TCE of -\$5,300 per day). Rates for 100,000-mt Baltic/UK Continent rose a point to WS61 (a TCE of about -\$2000 per day round trip). Across the Atlantic, rates for the 70,000-mt US Gulf/UK Continent were held at WS82.5/83 level (a TCE of \$1000 per day round trip) while the market for the shorter local voyages tumbled 10 points as the position list of available tonnage became more populated. A 70,000-mt Caribbean/US Gulf rate is now in the WS94 region (a TCE of \$1,400 per day round trip) while the rate for 70,000-mt East Coast Mexico/US Gulf is dipping just below WS100 (a round trip TCE of \$4,100 per day).

Clean

The Middle East Gulf has seen freight rates generally sideways this week. On the LR2s to Japan TC1 has dropped 0.15points to WS107.71, a round-trip TCE of \$9,624 per day. The LR1's have seen activity subdued this week and TC5 55k Middle East Gulf / Japan has remained in the WS112.5 region. On the MRs, the 35k Middle East Gulf / East Africa (TC17) has risen WS6.67 points on the back of some end of week activity to WS189.17, a round-trip TCE of \$10,534 per day.

After returning to WS115 the Mediterranean Handy market has plateaued there for the TC6 30kt Skikda / Lavera run. The LR2's have had continued momentum this week and have subsequently gone up a further \$195,000 to \$2 million for the TC15 80k Mediterranean / Japan voyage.

he Baltic Handy market has seen a steady flow of enquiry this week and TC9 30k Baltic / UK Continent has come up to WS125. On the UK-Continent MR, freight rates have seen more of the same WS100 as capacity is still oversupplied for TC2 37k UK-Continent / US Atlantic Coast. TC19 37k Amsterdam to Lagos has felt the same effects as TC2 and still is being repeated at WS100 for the moment.

On the LR1's, TC16 60k Amsterdam / Offshore Lomé has seen some encouraging signs for owners, rising to around WS82.5 mark in the latter part of the week and the reported sentiment for next week is, at time of writing, also firm.

In the Americas there has been sustained activity throughout the week and freight levels are now seeing the appropriate up turn. The TC14 38k US Gulf / UK Continent has come up to around WS62.5, whilst TC18 35k from US Gulf / Brazil is pegged at the WS92.5 mark.

The MR Atlantic basket TCE rose from -\$91 at the beginning of the week to \$827 on Thursday.

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