WEEKLY MARKET REPORT

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1st October 2021

Bulk report – Week 39

Capesize

The Capesize market was in a steep climb for most of this week as it reached a pinnacle of $74,786 Wednesday before stalling, regathering, and then pushing on to $75,190 at weeks end. These heights were last visited in November 2009. The market is currently looking very robust on several fronts with vessel tightness on numerous loading windows across the globe, while an energy crisis in several countries add complications. This combination may provide further signal for rallies to come. With that said, the paper market seems less convinced as a steep fall to $50k levels for the Q4 period is pricing. Looking at the Pacific basin, the Transpacific C10 opened the week at $67,000 before surging to $82,854 on the back vessel tightness before charterers managed to pull it back slightly to close the week at $76,328. The Atlantic Basin showed less signs of abating as it hit a high to close the week at $84,750. The Fronthaul C9, a preference for many vessel owners now to close out Q4, was commanding a headline topping $105,650, rising +5950 on Friday alone. The market remains very buoyant with prices a little wild as traders move in big increments.

Panamax

The Panamax market proved to be a mixed picture this week, with the Atlantic shedding recent gains as the North of the region came under severe pressure. Conversely, the Asian basin witnessed some substantial gains with the NoPac trips proving to offer underlying support. Pressure was applied all week in the Atlantic as tonnage built up in the North. And, despite decent demand from the Black Sea, rates eased on both the transatlantic trips as well as the fronthaul. Asia proved to be mostly NoPac centric with solid levels of activity throughout. The highlight was $40,500 being agreed on an 82,000-dwt delivery Japan. However, the mean rate over the week returned circa $37,500 for 82,000-dwt types. The Australia to India coal runs continued to command decent premiums with $36,500 concluded a few times on 82,000-dwt vessels with China delivery. Period activity included a 76,000-dwt agreeing $29,000 for 9/12 months, basis China delivery.

Ultramax/Supramax

Whilst sentiment remained positive in most areas, brokers described a rather lethargic week overall as the upcoming holidays in China kept a lid on activity levels. The BSI made slight gains from the end of last week seeing a week on week gain of 24 points from last Friday's close. Period activity remained. A 52,000-dwt open East Mediterranean fixing in the mid $30,000s for six to eight months trading redelivery Atlantic. From the South Atlantic, the upper $20,000s - plus upper $1 million ballast bonus for fronthaul runs to Asia and the Indian Ocean areas - were seen. Demand remained from the Mediterranean for inter Atlantic business. A 56,000-dwt open central Mediterranean fixing a trip to West Africa at $51,500. With the upcoming holidays, the

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Asian arena waned as the week came to an end. However, a 56,000-dwt fixing a trip from Indonesia to China at $43,000. Good levels were seen from the Indian Ocean, a 56,000-dwt open Chittagong fixing a trip via South Africa redelivery China at $35,000.

Handysize

The US Gulf made large positive strides this week, with a 38,000-dwt fixed for a trip from the US Gulf to the Continent/Mediterranean range at $28,000. A scrubber fitted 40,000-dwt was fixed from Tampico via Houston to North Brazil at $33,000 for a cargo of Petcoke. East Coast South America is a split market with the South Brazil and Argentina region seeing good returns with a 37,000-dwt fixing from Recalada to Peru-chile Range at $54,000. A 33,000-dwt open UK was fixed via the Continent to Brazil with Fertilizers at $36,000. Asia has been less active but a 33,000-dwt open Vietnam fixed two to three laden legs at $35,000 with worldwide redelivery. A 36,000-dwt open Philippines fixed via Australia to South East Asia with Alumina at $35,000. Period saw a 34,000-dwt logger open in Australia fixing for a period in the mid $30,000s plus a $450,000 ballast bonus.

Tanker report – Week 39

VLCC

The Middle East remained active this week, whilst the Atlantic region seemingly quietened, and rates continued to climb albeit at a glacial pace. In the Middle East Gulf 280,000mt to US Gulf (via the Cape/Cape routing) continues to be assessed WS20.5-21 level while 270,000mt to China rose two points to WS41 (showing a roundtrip TCE of $3.2k per day). In the Atlantic, rates for 260,000mt West Africa to China rose two points on the back of Middle Eastern firmness to WS43 ($6.8k/day roundtrip) and 270,000mt US Gulf to China is now rated a modest $20k higher at $5.125m (a TCE of $9k per day roundtrip).

Suezmax

In West Africa the rate for 130,000mt Nigeria/UK Continent improved by two points to almost WS55 (a roundtrip TCE of about $zero), while the rate for 135,000mt Black Sea/Med mirrored this rise to WS62 (a TCE roundtrip of minus $6k per day). The Middle East market continues to be active with reports of Basrah/West voyages done by European charterers, reflected in the assessment of 140,000mt Basrah/Lavera now at WS27, unchanged from a week ago.

Aframax

In the Mediterranean, rates for 80,000mt Ceyhan/Lavera were pushed up 10 points to WS100 ($6.3k per day TCE roundtrip), while in Northern Europe the market for 80,000mt Cross-North Sea saw a 2.5 point gain to WS95 (minus $4k/day TCE roundtrip) and the 100,000mt Baltic/UK Continent route also advanced two points to WS63 (a TCE of about minus $2k per day roundtrip).

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Across the Atlantic, rates for the 70,000mt US Gulf/UK Continent fell 2.5 points to WS 80 (a TCE of minus $300/day roundtrip, or a much more positive TCE if a single trip) while the market for the shorter local voyages tumbled further. For 70,000mt Caribbean/US Gulf the rate is now assessed 10 points lower week-on-week at WS81.5 (a TCE of minus $3.1k/day roundtrip) while the rate for 70,000mt East Coast Mexico/US Gulf had 13 points deducted over the week to WS84.5-85 region (which shows a roundtrip TCE of minus $1.8k/day).

Clean

Another week of balance between supply and demand in the Middle East Gulf and subsequently rates have remained relatively stable. On the LR2s to Japan TC1 has dropped 2.21 points to WS105.36, a round-trip TCE of $8,565/day. The LR1's, despite increased volumes, have also dropped and TC5 55k Middle East Gulf / Japan is now at WS103.57. On the MRs, 35k Middle East Gulf / East Africa (TC17) has resettled region WS195.

Continued momentum in the Mediterranean Handy market this week and TC6 30kt Skikda / Lavera has been tested up WS13.75 points to WS130.63.

The LR2's peaked at around $2.1m early in the week for the TC15 80k Mediterranean / Japan run, charterers drew a line in the sand to quell sentiment and the market has now returned to the $2.0m mark.

The Baltic Handy market saw freight rates tested up early in the week, as a result of a lack of tonnage at the front end of the list. As the week progressed, TC9 30k Baltic / UK-Continent then settled out to WS130.

On the UK-Continent MR freight levels have continued along at WS100 for the TC2 37k UK-Continent / US Atlantic Coast. TC19 37k Amsterdam to Lagos also remains WS100. The excess of available capacity in the region still needs to be cleared out before freight rates can see any real upward progress.

On the LR1s, TC16 60k Amsterdam / Offshore Lomé freight levels have been further pushed up this week and at time of writing WS87.5 is reported on subjects.

In the Americas, healthy activity levels for a second week running have provided the area with another boost. TC14 38k US Gulf / UK-Continent has come up WS17.5 to WS80.36 and TC18 35k from US Gulf / Brazil has risen WS28.75 to WS120.83.