WEEKLY MARKET REPORT

Provided by kind permission of the Baltic Exchange

8th October 2021

Bulk report – Week 40

Capesize

The Capesize market continued its bull rally this week as we move into the tail-end quarter of the year. The Capesize 5TC managed a high of $86,953 on Thursday before closing out the week on a softer note at $83,865. Throughout the earlier part of the week the Pacific basin rose in tandem with the Atlantic on strong sentiment. But was seen to soften as the week ended leaving the Atlantic paying a significant premium. The Transatlantic C8 closed at $95,550 to the Transpacific C10 at $77,692. The Backhaul C16 lifted a shocking +16,175 over the week to close at $62,650. In this prime earning period owners are reluctant to lock in precious time performing positioning cargoes. The opportunity cost of forgoing higher paying fixtures is forcing charterers to make substantial lifts to their bids. The Fronthaul C9, on the higher end of the value spectrum, is reaching well into the six digit levels now as the route closes the week at $118,950. The Capesize market remains well supported and very active. While the market softened slightly towards the end of the week, there appears little sign that the fireworks are coming to an end.

Panamax

Further pressure in the Atlantic this week with the nearby position feeling the squeeze the most. There were some heavily discounted rates agreed - especially for quick trips - as some participants lent towards buying time in the hope of a market revival in coming weeks. By contrast Asia, which was impacted by Golden Week holidays, held steady overall with limited activity - but demand from NoPac maintained flat rates mostly. The North Atlantic proved to be bereft of any significant demand, this is despite signs of some Capesize split cargoes entering the fray. A long tonnage count on the Continent persisted for most of the week applying pressure to rates. The Black sea grain market saw plentiful demand and rates here were deemed steady. However, the lack of a spark from the Americas proved to be the nemesis for owners. Healthy period activity on the week with support FFA's saw an 82,000-dwt achieve $32,000 for 10/12 months.

Ultramax/Supramax

With holidays in China, unsurprisingly the Asian arena lacked impetus overall. Meanwhile, in the Atlantic, demand grew during the week from the US Gulf. Period activity remained in the background, a 60,000-dwt open North China fixing minimum four months to maximum five months trading at $42,500. A 63,500-dwt open Mediterranean was failed for minimum four months Atlantic trading in the mid $40,000s. As said demand returned to the US Gulf, Ultramax sizes were seeing in the mid $40,000s for transatlantic runs. A mixed week elsewhere with limited fresh enquiry from South America, although some brokers said a little more enquiry was being seen from West Africa. From the Indian Ocean levels remained stable. A 56,000-dwt open Jebel Ali fixing a trip via Arabian Gulf to Bangladesh at $49,000. Limited Asian business, but a

61,000-dwt open Indonesia was fixed for a trip to West Coast India at $40,000. Further north, a scrubber Ultramax was fixed for an Australian round from Japan to Indonesia at $38,000.

Handysize

Despite holidays in Asia, the BHSI made further gains and moved above 2000 points for the first time since September 2008. This was mainly down to large positive gains in the US Gulf, which has seen a 38,000-dwt fixing a trip from the Mississippi River to the Mediterranean with an intended cargo of grains at $35,000. This was up from last week when a similar trip was fixed at around $28,000. East Cost South America continued to soften with a 34,000-dwt fixing from Recalada to Kaliningrad with grains at $34,000. However, some felt the levels were reaching the bottom as more requirements were coming into the market. In the Eastern Mediterranean a 31,000-dwt was fixed for a trip via the Black Sea to Brazil at $37,000 and a 38,000-dwt fixed from the Black Sea to China with an intended cargo of Soda ash at $60,500. Asia was inactive but a 28,000-dwt fixed from Thailand via Indonesia to Japan at $29,000.

Tanker report – Week 40

VLCC

The Far Eastern holidays meant that activity eased back this week, although there were a few reported fixtures in the Middle East and West Africa, with rates remaining flat. In the Middle East Gulf 280,000mt to US Gulf (via the Cape/Cape routing) is still at the WS20.5-21 mark while 270,000mt to China was a steady WS40.5-41 (showing a roundtrip TCE of about $1.7k per day).

In the Atlantic, rates for 260,000mt West Africa to China were static at WS42.5-43 level (a TCE of $5k/day roundtrip) and 270,000mt US Gulf to China rose $220k to $5.375m (a TCE of $9.8k per day roundtrip).

Suezmax

In West Africa the rate for 130,000mt Nigeria/UK Continent was boosted by 10 points to a touch over WS64 (a roundtrip TCE of about $3.2k/day), while the rate for 135,000mt Black Sea/Med saw a similar rise to WS73 (a TCE roundtrip of about minus $100 per day). The Middle East market continues to be active with reports of a few fixtures at WS30 and then WS35 and we are now seeing this in the assessment of 140,000mt Basrah/Lavera at WS35.5, up eight points week-on-week.

Aframax

In the Mediterranean, the market firmed and broke through the WS100 barrier on the back of steady enquiry and a tightening position list. Rates for 80,000mt Ceyhan/Lavera rose seven points to WS107 ($8.2k per day TCE roundtrip), while in Northern Europe the market for 80,000mt Cross-North Sea saw rates improve nine points to just short of WS106 ($170/day TCE roundtrip). Rates for the 100,000mt Baltic/UK Continent route progressed 15 points to WS78-78.5 region (a TCE of about $3.8k per day roundtrip).

WEEKLY MARKET REPORT

Provided by kind permission of the Baltic Exchange

Across the Atlantic, the market moved up with rates for the 70,000mt US Gulf/UK Continent 7.5 points firmer than a week ago at WS88 (a TCE of $890/day roundtrip) while the shorter local voyages regained some of their recent losses. Rates for 70,000mt Caribbean/US Gulf are up nine points to WS105-106 level (a TCE of $170/day roundtrip) and 70,000mt East Coast Mexico/US Gulf is six points higher than last week at just below WS92 (which shows a roundtrip TCE of close to minus $900/day).

Clean

The Middle East Gulf has generally continued to trade off this week. The LR2s to Japan appeared to lack cargoes, evident by the drop in rates to sub WS100. TC1 has dropped 6.5 points to WS97.43, a round-trip TCE of $5,458/day. The LR1s have seen steady activity and freight levels have only dropped WS2.14 points this week. TC5 55k Middle East Gulf / Japan is now at WS102.86. On the MR 35k Middle East Gulf / East Africa (TC17) there has not been sufficient demand and freight levels have fallen to WS172.92 (-WS21.66).

Downward pressure in the Mediterranean Handy market this week as tonnage has been building up and TC6 30kt Skikda / Lavera has been tested down to the WS125 region. The LR2s TC15 80k Mediterranean / Japan saw less activity than previous weeks and are subsequently marked at 1.775m for now. The Baltic Handy market has also dropped off and TC9 30k Baltic / UK-Continent has ended up at WS120 (-WS10.36).

On the UK-Continent, MRs enquiry levels - combined with no signs of tonnage thinning out and bunker prices still up - is maintaining the current status quo. Both TC2 37k UK-Continent / US Atlantic Coast and TC19 37k Amsterdam to Lagos are as WS100.

On the LR1s, TC16 60k Amsterdam / Offshore Lomé have resettled at the WS85 mark after a brief surge to WS87.5 early in the week.

In the Americas healthy activity levels look to have dampened this week and the list of available vessels has regrown. TC14 38k US Gulf / UK-Continent has dropped WS6.07 to WS73.93 and TC18 35k from US Gulf / Brazil has followed suit and also come down WS6.79 to WS115.71. The MR Atlantic basket TCE dropped from $2860/day to $1129/day.