

WEEKLY MARKET REPORT

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3rd December 2021

Bulk report – Week 48

Capesize

Both the overall index and timecharter average (5TC) gradually recovered back to the level last seen at the end of October, with BCI and 5TC posting at 4594 and \$38,096 by the end of the week. Tonnage appeared tight in both basins. In the Atlantic, gossip was limited - especially for the transatlantic trade - but some strong fronthaul fixtures were reported in the second half of the week. The Atlantic routes remained in positive territory throughout the week. A premium was demanded on early arrival vessels for C3 the Brazil to Qingdao run, as well as the C5 the west Australia to Qingdao run. C3 closed the week at \$29.14 with the relevant C14 time charter route reflecting at the level of \$30,000. C5 was marked at \$13.036 on Friday with fixtures reportedly done at the same level. The relevant C10 transpacific round voyage posted at \$36,167 - a marginal improvement compared with \$34,787 when the week started.

Panamax

The Panamax market witnessed further rises this week with the Atlantic charting significant gains straight from the get-go. This eventually fed into the Asia market midweek as fresh demand here as well only added to improvement in rates across the board. The Atlantic saw both a mineral and grain led charge, pitted against a tight tonnage count from the Continent and Mediterranean positions. A scrubber fitted 81,000-dwt agreeing \$38,500 for a NC South America round. In the background came support further south from EC South America with solid levels of demand. Asia began the week with somewhat of a two-tier looking market. The south was led by sound demand ex Indonesia and support from the Atlantic, but the North was looking less well supported. However, by midweek the NoPac, US Gulf and Australia markets rallied. The resultant rates picked up and a 82,000-dwt delivery Korea fixing \$23,500 for an Australian round trip.

Ultramax/Supramax

A stronger week across the board with increased activity from some key areas, such as the US Gulf and South East Asia. This led to a tightening of prompt tonnage availability. Period activity was seen and a 63,000-dwt open US Gulf was fixed for minimum three to about five months trading redelivery Atlantic at \$35,500. Elsewhere, a 58,000-dwt open Kuwait was fixed for about one year at \$22,000. In the Atlantic, demand was seen from the US Gulf, a 55,000-dwt fixing in the upper \$40,000s for a trip to Japan. From the Mediterranean, a 56,000-dwt was fixed from the East Mediterranean for a trip to the US Gulf at close to \$30,000. In Asia, more cargo was seen from Indonesia. A 63,000-dwt open Port Kelang fixing a trip via Indonesia redelivery China at \$29,000. Whilst for Pacific rounds a 57,000-dwt open South China was heard fixed for an Australian round in the mid \$20,000s.

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Handysize

A story of two halves with many saying it was a slow start. As the week progressed demand in Asia increased and sentiment was healthier from the Continent. Limited period activity surfaced, but a 34,000-dwt open in the Mediterranean was fixed for one year at \$20,000. In the Atlantic, a 37,000-dwt was heard fixed from Klaipeda with scrap to the East Mediterranean in the \$40,000s. Whilst from East Coast South America, a 35,000-dwt was heard fixed delivery Recalada trip to Chile at \$50,000. Elsewhere, from the US Gulf, a 37,000-dwt fixed a petcoke run from Houston to Denmark at \$28,000. From Asia, a 37,000-dwt open North China early December trip via Japan to Thailand in the low \$20,000s. Similar rates were also being discussed for handysized vessels open South East Asia for Australian round voyages.

Tanker report – Week 48

VLCC

The market eased again in both the Middle East and the Atlantic. For the 280,000mt Middle East Gulf to US Gulf (Cape/Cape routing) trip rates have dipped from about W21.5 to the WS21 level, while the rate for 270,000mt Middle East Gulf to China slipped 1.5 points to WS40 (a roundtrip TCE of \$731/day). In the Atlantic market, rates for 260,000mt West Africa to China dropped two points to a shade under WS41 (a TCE of \$2.9k/day roundtrip) and 270,000mt US Gulf to China lost a little over \$100k to \$5.253m (a TCE of \$8.5k per day roundtrip).

Suezmax

In West Africa, the market has steadied with the rate for 130,000mt Nigeria/UK Continent modestly dipping and then recovering to end the week up a point at WS58 (showing a roundtrip TCE of about \$2.9k/day). The market for 135,000mt Black Sea/Med was flat at WS64.5-65 level (a TCE roundtrip of about minus \$2.9k per day). In the Middle East Gulf minimal activity again has led to no movement in the rate for 140,000mt Basrah/Lavera, which remains a fraction above the WS34 level.

Aframax

In the Mediterranean, the market for 80,000mt Ceyhan/Lavera was lowered again with rates losing two points to just below W95 (\$5.4k per day TCE roundtrip). In Northern Europe the market for 80,000mt Cross-North Sea fell away six points again to WS97 region (a TCE of about minus \$940/day). The rate for 100,000mt Baltic/UK Continent eased a mere 3.5 points to just under WS78 (a TCE of about \$7.6k per day roundtrip). On the other side of the Atlantic, the market returned after the Thanksgiving Holiday and straight back in to a firming market. The 70,000mt Caribbean/US Gulf rate rose six points to WS120 (a TCE of \$10.5k/day roundtrip) and the rate for 70,000mt East Coast Mexico/US Gulf climbed nine points to WS124 (\$13.5k/day TCE roundtrip). The market for the 70,000mt US Gulf/UK Continent trip continued the positivity of the previous week and gained another nine points to midway between WS125 and WS127.5

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(a TCE of \$14.3k/day roundtrip however, as usual, basis one-way economics this improves significantly).

Clean

The Middle East Gulf has been relatively lacklustre this week and freight rates generally sideways for the most part. On the LR2s TC1 has dipped to WS108.21 (-2.86) a round trip TCE of \$8287/day. The LR1s activity has improved at the end of the week and TC5 55k Middle East Gulf / Japan is up 4.64 points to WS115.71 a roundtrip TCE of \$6640/day. The MRs have also had an incremental improvement and 35k Middle East Gulf / East Africa (TC17) has inched up WS3.3 points to WS185. In the Mediterranean, the Handymax activity continued to put ships on subs this week without moving rates. TC6 30kt Skikda / Lavera is stable at WS 140 (- WS 0.36). The LR2s, TC15 80k Mediterranean / Japan has been under pressure and seen rates slide to the \$2.1m mark. The Baltic Handy market has been busy with multiple cargoes hitting the market this week. TC9 30k Baltic / UK-Continent is now WS 185.71 (+WS 14.64). On the UK-Continent, MRs have had good activity levels throughout this week and another uptick in freight rates. TC2 37k UK-Continent / US Atlantic Coast is currently marked at WS168.83 (+WS4.4). TC19 37k Amsterdam to Lagos has also continued upwards and is now WS170 up 1.43 points. On the LR1s, TC16 60k Amsterdam / Offshore Lomé has been largely unchanged throughout the course of the week despite the busy MRs and is now WS137.93 (-WS2.07). In the Americas, after a slow start and both runs bottoming out, around WS80 for TC14 and WS132.5 for TC18 improved activity is now inducing an upturn in freight. TC14 38k US Gulf / UK-Continent is now WS 83.57 and TC18 38k from US Gulf / Brazil WS 134.64. The MR Atlantic basket TCE rose from \$9525/day to \$10739/day.