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WEEKLY MARKET REPORT

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Bulk report – Week 4

Capesize

The Capesize market looked to have found a bottom by week's close as rates descended throughout before bouncing back a little at the end. The 5TC weighted average opened the week at $7,390, descended to a low of $5,826 before settling at week's end to $8,918. Both the Transpacific C10 and Brazil China C14 ballaster route priced below the index during the week both showed upticks to close at $6,963 and $8,023 respectively. The Transatlantic C8 continues to command a premium over the other regions yet was largely left unaffected over the week as the route closed at $11,325, up +125 compared to end of last week. West Australian miners were mildly active with fixtures over the last few days but were largely in the driving seat pushing down prices and providing meagre returns to owners as the C5 closed at $7.523. With the rates finding a floor, there is mixed views on whether there is any drive to lift rates from the doldrums. However, as Chinese New Year is about to begin many in the market will go quiet during this time so odds are stacked against any revival.

Panamax

It proved to be another week of further considerable losses for the Panamax market, retracting back to values witnessed in Q2 2021. With countless ballasting and spot tonnage unfixed, resistance from owners was scarce as tonnage far outweighed demand. This resulted in charterers driving down bids - especially in the Atlantic region. Here, rates reduced close to $4,000 week-on-week on both P1A and P2A routes with little sign of abating. Several APS EC South America deliveries reported fixed for transatlantic rounds equating to the equivalent of $10/11,000 delivery DOP this side, with the quick Baltic round trips now fixing in the single digits. Asia fared marginally better as Indonesian coal appeared back on stream along with a fair level of Australia coal enquiry. With seemingly strong confidence for the rest of 2022, solid period interest appeared as the one bright spark this week. Several deals concluded including an 81,000-dwt delivery China achieving $23,500 for 5/7 months employment.

Supramax / Ultramax

Mixed fortunes for the sector over the last week as sentiment improved from Asia and the Indian Ocean regions. However, by contrast, the Atlantic lost ground. This did not deter period interest though. A 64,000-dwt open Continent fixing for one year at 116-116.5% of BSI including an option or redelivery Far East paying a bonus of $400,000. The Atlantic suffered losses with limited fresh enquiry from many areas. A Ultramax was heard fixing from East coast South America for a transatlantic run at around $23,000. Elsewhere, a 56,000-dwt fixed delivery Egypt trip US East Coast at $15,000. Stronger interest from the Indian Ocean. A 62,000-dwt fixing delivery Chittagong via South Africa redelivery Far East at $21,500. In Asia, A 56,000-dwt fixing a trip from Indonesia to India at $21,000 whilst another 56,000-dwt fixed delivery

Singapore via Indonesia redelivery China at $18,500. With the Chinese New Year holidays upcoming, it remains to be seen if this momentum continues.

Handysize

Further reductions this week on the BHSI with both Atlantic and Pacific basins continuing to make negative moves. In East Coast South America, numbers have tumbled with lack of enquiry and a 37,000-dwt fixing from Recalada to Tunisia at $21,500. A 32,000-dwt fixed from Recalada to West Africa at $25,000. In the US Gulf, pressure also remained with a 38,000-dwt fixing for a trip from the US Gulf to the Continent with an intended cargo of wood pellets at $16,000. From the Mediterranean, a 37,000-dwt was fixed for a trip from Damietta to East Coast South America at $13,000. From Asia, with the Chinese New Year closing in, activity has been limited. However, a 40,000-dwt newbuild fixed from Japan via Australia to China with an intended cargo of concentrates at $19,000. A 34,000-dwt open in Mongla fixed via East Coast India to South East Asia with an intended cargo of steels at $17,000.

Tanker report – Week 4

VLCC

A static week for the VLCC market, despite approaching Chinese New Year. For 280,000mt Middle East Gulf/USG (via Cape of Good Hope) the market remains at WS17.5 while 270,000mt Middle East Gulf/China route was maintained at WS35.5 (which shows a round trip TCE of minus $5,200 per day), with Unipec reported taking three modern ships at close to this level during the course of the week. In the Atlantic region the 260,000mt West Africa/China trip is valued the same as last week, hovering around WS37 (a round-trip TCE of minus $2,500 per day) The 270,000mt US Gulf/China market saw significant weakness, where rates plunged $172,500 to just below $4.5 million (a round-trip TCE of minus $3,000 per day).

Suezmax

The rate for 130,000mt Nigeria/UKC gained another six points this week to a little shy of WS65 (showing a round-trip TCE of $3,000 per day) and 135,000mt Black Sea/Augusta improved by three points to just over WS71 (a round-trip TCE showing a few dollars above zero). In the 140,000mt Basrah/West Mediterranean market a few ships were reported on subjects with charterers such as ENI, Tupras and Shell active once again. Rates are being assessed 2.5 points down on a week ago at a fraction below WS30.

Aframax

The 80,000mt Ceyhan/Mediterranean market plateaued this week with rates holding at between the WS97.5-100 level, which shows a round-trip TCE of $5,800 per day). In Northern Europe, rates for 80,000mt Hound Point/UKC were held at WS95 (a round-trip TCE of minus $2,100 per day). In the 100,000mt Baltic/UKC market rates fell a further five points to WS85 (a TCE of $8,700 per day). On the other side of the Atlantic, a slight improvement of 1.5 points was seen in the 70,000mt US Gulf/UK Continent market which is now assessed at between WS107.5-

110 (a round-trip TCE of $7,100 per day). In the local markets the 70,000mt Covenas/US Gulf trip remained at around the WS98 level ($500 per day round-tip TCE) and 70,000mt EC Mexico/US Gulf rates were again held at the WS100 mark (a TCE a little under $3,000 per day round trip).

Clean

Freight levels in the Middle East Gulf were mostly stable over the week. The LR2s of TC1 have held around WS75, a round trip TCE of approximately $2,400 per day and are in need of some increased activity if rates are to upturn. The LR1s have been steadfast all week at about the WS97.5 mark for TC5 55k Middle East Gulf to Japan. On the MRs TC17 was tested down to WS183.75 (-WS7.08), a round trip TCE of $9,334 per day.

West of Suez, the LR2s, TC15 80,000 Mediterranean / Japan have had a welcome upturn with $1.95 million reported fixed a couple of times bringing the negative TCE from the tens into the single figure thousands. The LR1s, TC16 60,000 Amsterdam / Offshore Lomé have been relatively flat with only a small drop of WS1.07 to WS103.93.

On the UK-Continent, MR tonnage supply has continued to build this week resulting in a continued downward pressure. TC2 37,000 UK-Continent / US Atlantic Coast is dropped WS9.72 currently pegged at WS119.72, a round trip TCE of $1,610 per day. TC19 37,000 Amsterdam to Lagos has also lost 8.57 points to WS125 a round trip TCE of $3,684 per day. In the Americas both MR routes have again come off but by less than previous weeks. TC14 38,000 US Gulf / UK-Continent is now WS 83.57 (-WS1.79) and TC18 38k from US Gulf / Brazil WS 125 (-5.36).

The MR Atlantic basket TCE dropped from $6,092 per day to $5,045 per day. The Baltic Handymax market has been chipped away at by Charterers this week TC9 30,000 Baltic / UK-Continent is now at WS160 (-WS10). In the Mediterranean, limited vessel availability, bad weather and Black Sea demand has seen Handymax rates take a jump this week. TC6 30,000 Skikda / Lavera has elevated WS20.31 to WS 170.94.