WEEKLY MARKET REPORT

Provided by kind permission of the Baltic Exchange

17th June 2022

Bulk report – Week 24

Capesize

It was turbulent seas this week as global markets buffeted the Capesize sector. Amongst this turmoil the sector managed to find a floor under its recent softening as sentiment improved in the latter part of the week with the Capesize 5TC lifting $5,111 over the week to finish at $24,776. Miners were heard to be bidding up strongly amidst a tightening tonnage supply at the end of the week on West Australia to China C5 as it settled at $13.49. The North Atlantic was seen to jump in value, despite seemingly few fixtures. They were said to be of high value providing solid signal of the improving market. The Transatlantic C8 now sits at $29,994, once again the premium paying region to the Transatlantic C10 at $22,418. The market looks set to break through on the upside of a recent trading range. Whether there is enough push to keep the market pumping higher, especially while global markets appear far from settled, is difficult to read. Yet coming into the second part of the year history tells us cargo flows will be increasing while downside from $20,000 on the 5TC never seems to last too long under owner resistance.

Panamax

The Panamax market encountered a steady rise this week following recent weeks of falls. A floor was seemingly found on Tuesday, primarily in the Atlantic. However, Asia soon followed suit with improved demand found in both basins. The Atlantic was for the most part grain centric with decent levels of support found in both the North and South Americas absorbing tonnage open Gibraltar-Continent range. This in turn added assistance to rates to the Transatlantic runs the latter part of the week. A 79,000-dwt delivery Cape Passero agreed to a rate of $23,000 for a Transatlantic round trip, typifying route P1a levels. Indonesia coal demand appeared the main driver for the Pacific this week with plentiful activity. And, with an improving EC South America market, the south was well supported. An 82,000-dwt delivery South China agreed $23,500 for an Indonesia to China trip, the highlight of the week.

Ultramax/Supramax

A rather positional week overall. Whilst some key areas such as the US Gulf lacked impetus, from South America better opportunities were seen. Similarly, from Asia, mixed blessings as Indonesian coal business ramped up there was little fresh enquiry from NoPac and Australia. However, although some said period activity had renewed interest, few fixtures surfaced. The Atlantic saw the ultramax size now seeing in the low $20,000s plus low $1,000,000 million ballast bonus for East coast South America fronthaul business. By contrast, an ultramax was heard fixed for a Barranquilla to Argentina under $20,000. Renewed interest from South Asia saw a 63,000-dwt fixing delivery Chittagong trip via Indonesia redelivery West Coast India at around $28,000. Meanwhile, a 55,000-dwt fixed delivery Passing Singapore trip via Indonesia redelivery China at $29,000. Activity from the Indian Ocean saw a 66,000-dwt fixing delivery Hazira trip via Arabian Gulf redelivery Chittagong at $34,000.

Baltic Exchange
Our word our bond

WEEKLY MARKET REPORT

Provided by kind permission of the Baltic Exchange

Handysize

During the week there were more significant drops from East Coast South America, as well as the US Gulf, due to lack of fresh enquiry. A 32,000-dwt fixing from Recalada to Liverpool with an intended cargo of grains at $19,600 and a 34,000-dwt being placed on subjects for a trip from Galveston to Spain at $16,000. The Continent and Mediterranean markets also softened during the week with a 33,000-dwt rumoured to have fixed from Egypt to East Coast South America at around $14,000 and a 35,000-dwt rumoured to have been placed on subjects for a trip from Morocco to Brazil with an intended cargo of fertilizer at $13,000. In Asia, brokers spoke of limited fresh enquiry for prompt tonnage and numbers started to soften. A 44,000-dwt open in Singapore was fixed via Indonesia to China at $29,000. A 29,000-dwt was fixed from Loukou via North China to the Arabian Gulf at $24,000.

Tanker report – Week 24

VLCC

VLCC fixing rates were modestly firmer this week, with 280,000mt Middle East Gulf/USG (via Cape of Good Hope) climbing almost one point to WS26.4 while rates for the 270,000mt Middle East Gulf/China trip were flat at just below WS45 (a round trip TCE of minus $20,300 per day).

In the Atlantic markets the rate for 260,000mt West Africa/China rose a meagre point to WS45.5 (minus $17,500 per day round-trip TCE) and the rate for 270,000mt US Gulf/China voyage rose $106,250 to almost $5.49m (a round voyage TCE of minus $20,200 per day).

Suezmax

Rates for the 135,000mt Black Sea/Augusta changed course this week and rose 17 points to about the WS130 level (a round-trip TCE of $24,100 per day), while the 130,000mt Nigeria/UKC route saw rates soar 21 points to a shade above WS115 (a round-trip TCE of about $15,300 per day). In the Middle East rates for the 140,000mt Basrah/West Mediterranean steadily rose five points to the WS62.5 mark.

Aframax

The 80,000mt Ceyhan/Mediterranean market saw a continued ascent this week, with rates improving a further 21 points through the WS200 barrier to between WS202.5-205 (showing a round-trip TCE of about $41,400 per day). In Northern Europe rates saw upward movements with 80,000mt Hound Point/UK Continent up 18.5 points to WS160 (a daily round trip TCE of $23,600) and for the 100,000mt Primorsk/UK Cont route eight points firmer at WS174 (a round trip TCE of $32,800/day). Across the Atlantic, the 70,000mt EC Mexico/US Gulf route dipped two points at the very end of last week and has now recovered that lost ground to settle back at WS180 (a round-trip TCE of $16,400 per day) and for the 70,000mt Caribbean/US Gulf route rates have remained steady at just over WS175 (a round-trip TCE of about $14,100 per day). For the Transatlantic trip of 70,000mt US Gulf/UK Continent, rates have been pushed up about two points to WS171 ($13,800 per day round-tip TCE).

WEEKLY MARKET REPORT

Provided by kind permission of the Baltic Exchange

Clean

The BCTI continued its impressive rise in recent months with the index finishing the week just a shade over the 1700 mark. In the Middle East Gulf freight levels earnings have continued to grow as owners are feeling able to push for higher rates on the back of plentiful cargoes. And, with more July stems expected, it seems likely that the numbers seen so far could be pushed even higher. LR2s have been very active this week with WS300 (+ WS72.1) done on TC1 75k Middle East Gulf / Japan (equivalent TCE of $55,409/day). West of Suez, on the LR2s, TC15, 80k Mediterranean / Japan, has also seen improved sentiment increasing from US$4.2m last week to US$4.6m

The MRs of TC17, 35kt Middle East Gulf / East Africa, came off 101.66 points to WS459.17 (equivalent TCE of $55,569/day).The LR1s on TC16 60k Amsterdam / Offshore also improved on last week's activity with at least one vessel fixed for a voyage at WS270 and with expectations for higher in the coming weeks.

On the UK-Continent, MRs saw the TC2 (WS365) and TC19 (WS374.29) softening in tandem together as owners are currently less willing to end up in West Africa due to high bunker prices and repositioning costs.

U.S. Gulf MRs have had a good week with TC14, 38k US Gulf / UK-Continent, increasing to WS 178.57 (+6.43) and TC18 the MR US Gulf / Brazil run also improving to finish the week at WS260.71 (+17.14). Baltic Handymax on TC9 30kt CPP Primorsk / Le Havre has crept up this week from WS430 to WS442.86. In the Mediterranean TC6 30kt Skikda / Lavera has improved from WS411.25 to WS491.88.