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# WEEKLY MARKET REPORT

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**6 December 2019**

**Bulk report – Week 48**

**Capesize**

This week the Capesize market maintained healthy earnings, as an end of year surge took the Capesize 5TC back up to $25,202 by mid-week. This lift was predominately led in the Pacific, with strong trading activity from major iron ore charterers. With the steady flow of cargo in the Asia region, the Pacific C10 now trades at a solid 35% premium over the Atlantic C8. The C5 West Australia to China market had a significant jump mid-week, but fell away after a wild trading Friday, to leave the route largely unchanged week on week. Bad weather causing vessel delays in China is expected to cause disruption to upcoming schedules. The North Atlantic sentiment weakened throughout the week, as fixtures out of Brazil, to China, initially jumped in strength. But as a series of fixtures eased the pressure, levels were seen to decline. The Capesize 5TC closed the week down -$525 to settle at $23,704.

**Panamax**

Another week of upward momentum in the Panamax market, with East Coast South America (ECSA) grain trips to the Far East witnessing the largest gains. In the Pacific healthy coal enquiry from Australia and Indonesia kept rates relatively stable on the week. There has been slower trade volume on North Atlantic trades. However, an 83,000dwt vessel agreed $14,000 delivery from North France, for a trip via the US East Coast to Italy, with redelivery basis Gibraltar – whilst a 73,000dwt ship achieved $12,000 delivery arrival pilot station (APS), North Brazil, for a trip to Skaw-Cape Passero range. On the ECSA trips to the Far East the high saw an 82,000dwt vessel agreeing to $14,500 plus $450,000 ballast bonus, whilst during the early part of the week an 80,000dwt ship agreed $13,000 plus $300,000 ballast bonus for the same trip. Out of the US Gulf, a 77,000dwt vessel fixed basis delivery Las Palmas at $17,000 via the US Gulf to Singapore-Japan. Improved levels were also witnessed from the Black Sea, with a flurry of enquiries and a shortage of tonnage open in the Mediterranean. The high being a 92,000dwt ship achieving $26,000 on a delivery from Italy, for a trip via the Black Sea to Singapore-Japan. Coming from Australia an 81,000dwt vessel agreed a rate of $13,000 for a trip via Australia, to China, with coal. A 76,000dwt ship agreed to $10,000 for the same trip. From Indonesia there have been some contrasting rates, with a 75,000dwt vessel agreeing to $11,500 for an Indonesia to China trip. In the early part of the week a 72,000dwt ship fixed at $9,250 for a similar run. From South Africa, little action has been reported, except for a 93,000dwt vessel that was fixed at $11,850 for a delivery from Malaysia, bound for a trip via South Africa to China.

**Supramax/Ultramax**

Overall, the Baltic Supramax Index (BSI) remained in positive mode, despite some areas lacking fresh activity. Period activity was limited, but a 60,000dwt vessel, open China, was fixed in the mid $11,000s for a short period. In the Atlantic as the week closed, stronger numbers were discussed from ECSA for the larger Ultramax. A 66,000dwt ship, fixing from here for a trip to South East Asia at $14,650 plus $465,000 ballast bonus. A mixed bag from the US Gulf, with stronger numbers at the beginning of the week, a 57,000dwt ship, fixing for a trip with petcoke to India at $25,000. From the Asian arena activity remained static. A 56,000dwt vessel fixing delivery from Nanjing, for a trip to the Arabian Gulf at $6,750. A 63,000dwt ship was fixed for a North Pacific round voyage delivery to Japan, at $10,000. The Indian Ocean activity saw a 55,000dwt vessel fixing delivery from South Africa, on a trip to China at $11,000 plus $100,000 ballast bonus.

**Handysize**

Many brokers described the week as flat, which was reflected with the Baltic Handy Size Index (BHSI) remaining unchanged for most of the week. Limited period activity surfaced with a 36,000dwt ship fixing delivery from Marmara, for three to five months to the Atlantic, trading at $10,000. The Atlantic remained stable but as the week closed, sentiment from some areas seemed to be on the turn. A 24,000dwt ship was reported for fixed delivery from Recalada, for a trip to West Africa with grains at $12,000, plus $30,000 ballast bonus. A 37,000dwt vessel was rumoured for a fixed delivery Baltic trip to the East Mediterranean, at $10,750. Like the Atlantic, the Asian Basin also lacked impetus. A 35,500dwt ship, open Indonesia, was reported as fixed for an Australian round trip at $9,000. Additionally, a 32,400dwt vessel was reported for a fixed delivery Singapore trip via West Australia, for redelivery to South East Asia at $7,500. Further north, a 28,000dwt vessel open Japan was linked to a steels run to South East Asia, in the mid-upper $6,000s.

**Tanker report**

**VLCC**

Middle East Gulf rates came under persistent downward pressure early on, although by the end of the week, owners were pushing back. The market for the 270,000mt Middle East Gulf to China dipped to low WS90s, but is now at mid WS90s. This is still down nearly 10 points from a week ago. For the 280,000mt to US Gulf Cape/Cape, rates have been assessed in the low-mid WS50s, dropping down a couple of points. For the 260,000mt West Africa to China, the rates have shed five to 7.5 points during the week, to end up at WS92.5-95 level. The US Gulf/China activity returned, with rates softening about $1m, currently assessed at $10.6m region.

**Suezmax**

The market for 130,000mt West Africa/UK Continent (UKC) firmed over 15 points and is now trading at WS137.5 region. The Black Sea/Mediterranean rates for 135,000mt regained the seven points lost from last week and are now back at WS145. The 140,000mt Basrah/Mediterranean trade was again steady, in low/mid WS60s.

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**Aframax**

Crude rates in the North recovered some of the recent slip, with 80,000mt cross North Sea up over 15 points to WS175-177.5 level. The market for 100,000mt Baltic/UK Continent lagged slightly, regaining only about 10 points to end the week at WS142.5. The Mediterranean market saw recent gains undone, with about 30 points being slashed from last week's levels, to currently sit at WS182.5.

**Clean**

The market for both 75,000mt and 55,000mt, from the Middle East Gulf to Japan was steady, hovering in the low WS150s throughout the week. On the Continent, rates for 37,000mt to the US Atlantic Coast fell away from close to WS180 a week ago, down to mid WS160s. Subsequently, the market eased further to WS160, before WS155 fixed, and failed, from Sines. A replacement vessel was fixed at WS165 and the market now sits back at around WS160 for Amsterdam-Rotterdam-Antwerp (ARA), as enquiry levels improved. There has been plenty of interest also for West Africa discharge, leading to a tighter position list. The market for a 38,000mt backhaul trade from the US Gulf held at WS115.