

WEEKLY MARKET REPORT

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9th December 2022

Bulk report – Week 49

Capesize

The Capesize market was positive over the week, rising in excess of \$1,200 to close at \$13,957. In the Pacific, the rates for the west Australia to Qingdao trade were defined by pre or post-Christmas loading, with more prompt-dated vessels getting paid a premium. The Brazil to Qingdao and the west Australia to Qingdao trades were wandering in the \$19s and \$8s throughout the week, with a lot of fixtures reported on C5 - in particular in the runup to year end. The laycan window for loading in Brazil has now completely moved to the first half of January next year, again early dates were paid a significant premium. Brazil has its rainy season starting in December with the worst weather expected in the upcoming January to February. As a consequence, the volume may drop dramatically. Otherwise, the Atlantic basin remained largely uneventful this week.

Panamax

A firmer week in the Atlantic market, yielding modest rate gains for the owners. The North Atlantic witnessed a mineral cargo push later in the week, with \$17,000 concluded a few times for Transatlantic rounds with December cancelling dates. This in turn supported rates for the longer rounds as owners looked for employment to tie them over and beyond the holiday period. Charterers duly obliged with steady rates agreed for laden legs and the US Gulf fronthaul run, which remained steady all week. A mixed looking picture emerged in Asia. There was an up-tick in demand on the Indonesia to China supply transpiring as a catalyst for slightly firmer numbers on these trips and filtering into the longer NoPac round trips. The median rate NoPac round trips was \$11,500, but as we approach the weekend we end with a sizeable bid/offer gap with neither side willing to concede for now.

Ultramax/Supramax

It was a rather patchy week overall for the sector. From the Atlantic, the US Gulf was the only area to gain traction as demand remained healthy for prompt requirements. Otherwise, most regions lacked much fresh impetus. The Asian arena, having started with a fair amount of demand at the beginning, saw little excitement as the week ended and rates in most places saw downward pressure. Period activity was seen, however, and a 63,000-dwt open Philippines fixed three to five months trading at \$14,000. From the Atlantic, a 56,000-dwt fixed delivery SW Pass for a petcoke run to China at \$27,000. Elsewhere, supramax sizes were seeing around \$11,000-\$12,000 for scrap runs from the Continent to the East Mediterranean. From Asia, a 56,000-dwt fixed from North China to the Arabian Gulf in the low \$7,000s. A 63,000-dwt also fixed delivery North China via Indonesia redelivery Philippines at \$10,500. There was a bit more activity in the Indian Ocean, a 63,000-dwt fixed delivery Port Elisabeth for a trip to China at \$19,500 plus \$195,000 ballast bonus.

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Handysize

Asia has remained balanced in recent days and despite a lack of visible activity the Atlantic saw mixed results. The Continent was said to lack spot cargoes, leading to some Owners discounting. A 30,000-dwt was fixed from Dunkirk to Morocco with an intended cargo of grains at \$8,250 and a 35,000-dwt fixed from Hamburg to Morocco at \$8,750, also with an intended cargo of grains. The South Atlantic has been active with a 40,000-dwt fixing from Recalada with mid-December dates to Fortaleza at \$25,750. A 34,000-dwt fixed Recalada to Paranagua at \$22,000. In Asia, a 37,000-dwt scrubber-fitted vessel was fixed from Japan via Newcastle to China with an intended cargo of concentrates at \$12,700 - with the scrubber for Charterers' benefit. A 37,000-dwt was rumoured to have been fixed from South East Asia via Australia for a round voyage at \$11,500 earlier in the week.

Tanker report – Week 49

VLCC

The VLCC market eased downwards again this week. 270,000mt Middle East Gulf to China is now rated four points lower than a week ago at between WS72.5-75 (a daily TCE round trip of \$40,500). Meanwhile, 280,000mt Middle East Gulf to US Gulf (via the cape/cape routing) trip is assessed 5.5 points down at the WS51.75 level.

In the Atlantic region, the rate for 260,000mt West Africa/China dropped five points to about WS73.5 (a round-trip TCE of \$41,400 per day) and 270,000mt US Gulf/China fell heavily by over \$2.4 million to \$9,318,750 (\$42,300 per day round trip TCE).

Suezmax

The Suezmax market had ups and down last week. Rates for 135,000mt CPC/Augusta recovered 24.5 points to just shy of WS300 (a round-trip TCE of \$158,400 per day). Meanwhile, the 130,000mt Nigeria/Rotterdam voyage dipped by 4.5 points to about WS183 (although maintaining a daily TCE of about \$71,700 round trip). The 140,000mt Basrah/Lavera market slipped another five points to the WS93.5/94 level.

Aframax

In the European Aframax market rates picked up a little. The 80,000mt Hound Point/Wilhelmshaven route rose five points to WS325 (a round-trip daily TCE of \$153,200) and in the Mediterranean, the 80,000mt Ceyhan/Lavera market climbed four points to between the WS362.5-365 level (a daily round trip TCE of \$132,600).

The Stateside Aframax market continued in freefall mode, with rates for the 70,000mt East Coast Mexico/US Gulf route plummeting another 208 points to WS253 (\$60,400 per day round-trip TCE).

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Similarly, the 70,000mt Covenas/US Gulf voyage has tumbled, losing close to 187 points to WS245 (a daily round-trip TCE of \$53,800). For the longer-haul 70,000mt US Gulf/Rotterdam voyage, rates fell by a comparatively small 32.5 points to WS282.5 (\$65,500 per day round-trip TCE).

Clean

LR2s in the Middle East Gulf have remained stable this week with TC1 holding around the WS290 mark all week. A run west on TC20 lost a modest \$42,000, but still sits over the \$6,000,000 level giving a round-trip TCE of just over \$78,000 / day. LR1s have continued to strengthen across the week with TC5 jumping 23.21 points to WS345.71 and a trip west on TC8 hopping over the \$80 /pmt mark to settle at \$5,216,900. MRs have seen an improvement in the region, with TC17 adding six WS points to WS475 and TC12 climbing WS5.32 to WS348.13.

West of Suez, LR1s have fluctuated down and then back up this week. They bottomed out in the WS290s, down from WS330, only to quickly return back up the WS315. There are reports of WS320 currently on subjects. The LR2s have been reasonably active and TC15 has held level at \$5,200,000, with that level widely reported fixed a couple of times during the week. On the UK-Continent, MRs have been held up by demand all around North west Europe. TC2 has hovered around WS405 all week, and similarly TC19 has been pegged steadily at the WS425 mark.

In the US Gulf MR rates have eased off across this week. TC14 lost 13.33 points to WS307.5 and TC18 also shed 15 points down to WS440.83. On a voyage to the Caribbean (TC21) also settled down to \$1,441,667 after a \$1,475,000 fixture reported early in the week.

The MR Atlantic Triangulation Basket TCE lost \$102 from \$71,674 to \$71,572. On the Handymax, TC6 has been subject to little enquiry and tested down by charterers with WS415 reported on subjects several times. In the Baltic, TC9 continues its upward trend with index rising to WS630.36 (+30.36). On Cross continent runs TC23 ticked up and over WS390 where it is held for the moment.