

WEEKLY MARKET REPORT

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2nd December 2022

Bulk report – Week 48

Capesize

The Capesize market was in a 'one step forward, two steps back' mode this week. The average of the 5 time charter routes eventually settled at \$12,598, a decline of \$775 week-on-week. Despite tightness in both basins, especially for December cancelling in the north Atlantic region, limited transatlantic or fronthaul cargoes were circulated in the market. Some brokers felt it was quieter compared with the same period last year. For Brazil loading, views on the 'next done' largely differed due to a mixed spread. Vessels that can make mid-December dates in Brazil were paid higher, but again lacked cargo support. The relevant C3 route was priced at \$19.006 to end the week. In the Pacific, the west Australia to Qingdao trade remained active throughout the week, closing at \$8.98 per metric ton on Friday and showing \$13,518 per day on the China-Japan transpacific round voyage.

Panamax

Overall, it was a positive week for the Panamax market with the Atlantic routes the most prominent risers. This was largely led by solid grain and mineral demand from the usual loading origins. \$24,000 was the highlight, agreed by an 82,000-dwt delivery passing Gibraltar for a trip via US Gulf redelivery Singapore-Japan. In Asia, it was a very positional market with early dates ex NoPac commanding premium rates for the most part. However, it did return a week of minor gains. \$15,000 was the highest reported rate on an 82,000-dwt delivery Korea for a NoPac round trip with sulphur, which explained the premium rate somewhat. A tough week for the coal rates ex Indonesia with smaller/older units discounting. However, we end the week on a slightly firmer footing with much of the nearby tonnage covered coupled with some much-needed Australia demand. Some limited period activity included an 85,000-dwt delivery Japan achieving a rate of \$15,500 for a one-year period.

Ultramax/Supramax

A rather uninspiring week for the sector with no significant movements. The Atlantic generally was seen as rather positional, certainly from key areas such as the US Gulf, whilst the South Atlantic lacked fresh impetus. From Asia a more balanced week was seen with no clear direction. At the start there were good volumes of fresh enquiry in the south, but as the week closed this had abated. From the north there were better levels of enquiry from NoPac and talk of a greater amount of backhaul cargo, but again rates generally remained flat. Period activity was limited but a 63,000-dwt open China was heard to have fixed a short period at \$11,500. From the Atlantic, a 63,000-dwt fixed from the US Gulf for a trip to Turkey at \$21,500. Further south, a 57,000-dwt fixed delivery Recalada for a trip to Morocco at \$20,000. From Asia, a 53,000-dwt open South China fixed via Indonesia to China at \$7,000.

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Handysize

A week encapsulated by a lack of activity saw the BHSI continue to slowly fall. East Coast South America stood out as one of the more active sectors and a 35,000-dwt fixed delivery Upriver Plate for a trip to Tunisia with an intended cargo of grains at \$26,000. A 38,000-dwt fixed from Vila Do Conde to Norway with an intended cargo of Alumina at \$20,000. A 33,000-dwt open in Itaja was fixed via Santos to the Continent at a rate rumoured to be in the low \$20,000 - but some thought it was lower. Asia was described as balanced by sources for the majority of the week, but had shown some signs of possible improvements going forward. A Large handy open in CJK was rumoured to have been fixed earlier in the week for a trip via Australia to China at \$9,000. And, as the week closed, a 38,000-dwt was rumoured to have seen \$12,500 for short period.

Tanker report – Week 48

VLCC

The VLCC market continued its downward spiral this week with the volume of fixture activity much reduced from previous weeks. 270,000mt Middle East Gulf to China is now valued 22 points lower than a week ago at WS86 (a daily TCE round trip of \$50,600), while the 280,000mt Middle East Gulf to US Gulf (via the Cape/Cape routing) trip is being assessed 10 points down at a little over WS60.

In the Atlantic region, the rate for 260,000mt from West Africa to China similarly dropped 22 points to a fraction above WS87 (a round trip TCE of \$53,100 per day) and 270,000mt US Gulf/China has fallen by \$1.875 million to \$12,612,500 (\$67,400 per day round trip TCE).

Suezmax

The Suezmax market also fell back down this week with rates for 135,000mt CPC/Augusta dropping 39 points to just below WS280 (a TCE of \$143,200 per day). For the 130,000mt voyage Nigeria to Rotterdam trip, rates tumbled 25 points to WS186.5 (about \$71,900 per day round trip TCE). The 140,000mt Basrah/Lavera market eased 13.75 points - albeit barely breaking the WS100 barrier.

Aframax

The European Aframax market became another victim of reduced fixture activity and a tonnage build-up, resulting in a lower sentiment. The 80,000mt Hound Point/Wilhelmshaven route slipped a meagre eight points to WS315 (a round-trip daily TCE of about \$143,000). In the Mediterranean, which suffered heavy rate reductions, the 80,000mt Ceyhan/Lavera market dropped 71 points to WS357, although still showed a healthy daily round-trip TCE of \$128,300.

The Stateside Aframax market saw significant rate corrections as a result of the four day Thanksgiving holiday at the end of last week. This allowed charterers room to take stock of their situation while the position list re-populates. For the 70,000mt East Coast Mexico/US Gulf route, rates plummeted 189 points from recent heady highs to WS490 (\$147,400 per day round-trip

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TCE). Similarly, the 70,000mt Covenas/US Gulf voyage had 165 points taken out of the market assessment to WS458 (a daily round-trip TCE of about \$125,100). For the longer-haul 70,000mt US Gulf/Rotterdam voyage, rates were reduced by 65 points to WS328.5 (\$78,600 per day round-trip TCE).

Clean

The Atlantic front and backhaul has been active with TC2 Cont-USAC 37,000 CPP rising over WS24 in the week to close at WS404.17 (a TCE Round trip rate of \$50,006). The TC14 fell by around half the rise to finish at WS263.33 (a minor fall in TCE Earnings to \$28,296 per day round trip). Elsewhere in the Atlantic sentiment has been muted with falls across TC18 and TC21 routes.

In Europe both TC6 and TC9 saw marginal gains, with a jump at the beginning of last week on TC6. There was a high of WS435 eventually settling at WS434.69 (a TCE earning per day round trip of \$81,564). TC9 has remained pretty flat throughout the week with few WS points gained to finish at WS600 (a TCE daily earning of \$81,358 round trip).

The Middle East clean market has been flat. TC1 lost some points to WS293.13 (a TCE of \$68,580 per day). With a similar run on the LR2 going west, TC20 faced a quarter of a million drop to \$6,185,714 (a TCE of \$79,503 per day).

TC15 Skikda-Japan on the LR2s has been pretty positive with a rise of \$358,333 to close at \$5,275,000 for the week (giving a TCE per day round trip earning of \$35,538).