WEEKLY MARKET REPORT

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13th January 2023

Bulk report – Week 2

Capesize

The Capesize market had a positive opening on Monday followed by consecutive declines on the timecharter routes. The Cape5TC fell over $2,000 this week, settling a tick above the $10,000 threshold on Friday. A few period fixtures were reported, including a 171,000-dwt 2013-built vessel open Caofeidian last week fixing for about six to eight months at 85% of the C5TC. A 180,000mt 2006-built open Zhoushan on 1 January was fixed for about four to six months at $10,500 per day and was then relet for loading 170,000mt 10% iron ore from Saldanha Bay in early February to Qingdao at $11.75 per metric ton. The Brazil to Qingdao trade closed the week at $17.708, whilst in the Pacific the west Australia to Qingdao trade was priced between $6.99 to $7.18 throughout the week.

Panamax

It proved to be another week of further considerable losses for the Panamax market, retracting back to values witnessed in August 2022. 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 North Atlantic region. Here rates reduced close to $3,000 week-on-week on route P1A with little sign of abating. Several East Coast South America trips to Singapore-Japan reported fixed for first half February arrival dates with slightly better bids seen on Thursday, but this looked short lived for now. Asia fared no better despite reasonable Indonesian coal demand and a fair level of Australia coal enquiry. With seemingly strong confidence for the rest of 2023, relatively solid period interest again with rates still at a premium to spot. Several deals concluded including an 82,000-dwt delivery China achieving $16,500 for 12 months employment.

Ultramax/Supramax

The malaise continued across the board with limited fresh enquiry in most regions combined with an abundance of prompt tonnage keeping downward pressure on rates. Some brokers commented that with the Lunar New Year festivities coming at the end of next week this trend was set to continue. Limited period activity surfaced as Charterers sort opportunities; a 61,000-dwt open West Africa was heard fixed for six to nine months worldwide trading at $13,000. Also, an Ultramax open in China was heard to have failed at $12,000 for four to six months trading. In the Atlantic, pressure remained from the US Gulf and a 58,000-dwt fixed a trip to Italy with petcoke at $12,750. From the Continent-Mediterranean it was a similar story despite a steady flow of cargo. A 57,000-dwt fixed from East Mediterranean to West Africa at $10,000. Little joy from Asia and a 58,000-dwt open North China was heard fixed at $3,500 for a trip to the Arabian Gulf. Further south, there was limited enquiry from Indonesia and a 57,000-dwt open Hong Kong fixed a trip via Indonesia to South China at $3,750.

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Handysize

With limited enquiry across all regions, we have seen the erosion of rates continue. In East Cost South America, pressure remained from the larger sizes and a 38,000-dwt fixed from Rio De Janeiro to Japan at $15,000. A 35,000-dwt fixed delivery Recalada to the Continent at $11,500 and a 34,000-dwt fixed from Morocco via Paramaribo to India at $9,700. In the Mediterranean, a 36,000-dwt fixed basis delivery passing Canakkale via the Black Sea with redelivery in Algeria and an intended cargo of grains at $8,000. In the US Gulf, a 38,000-dwt fixed from Jamaica to Iceland with an intended cargo of Alumina at $14,000. Tonnage in South East Asia has seen levels soften with a 38,000-dwt fixing from Singapore via Western Australia to Japan with an intended cargo of grains at $8,000. Meanwhile, a 40,000-dwt logger type was rumoured to have been fixed for two laden Legs from Samalaju at $12,750.

Tanker report – Week 2

VLCC

The VLCC market continued to trend downwards this week. 270,000mt Middle East Gulf to China has dropped another eight points to WS44.68, which translates into a round voyage TCE of $18,500 basis the Baltic Exchange's vessel description. Meanwhile, 280,000mt Middle East Gulf to US Gulf (via the cape/cape routing) is now assessed 3.5 points lower at WS35.

In the Atlantic markets, the rate for 260,000mt West Africa/China fell six points to just below WS48 (a round trip TCE of about $23,500 per day) and 270,000mt US Gulf/China fell by a comparatively modest $54,000 to around the $8.38 million mark ($33,700 per day round trip TCE).

Suezmax

The Suezmax market bounced back this week across all regions. Rates for 135,000mt CPC/Augusta climbed 31 points to WS200 (a round-trip TCE of $114,400 per day). For the 130,000mt Nigeria/Rotterdam voyage, rates rose 26.5 points to WS116.5 (a daily round-trip TCE of $48,600) and the 140,000mt Basrah/Lavera market clawed back 2.5 points to just shy of WS74.

Aframax

In the North Sea market, rates for the 80,000mt Hound Point/Wilhelmshaven route fell nine points to a fraction below WS160 (a round-trip daily TCE of $57,100). In the Mediterranean, the rate for 80,000mt Ceyhan/Lavera has rocketed 56 points to almost WS240 (a daily round-trip TCE of $91,100).

Across the Atlantic, the Stateside Aframax market has rebounded again, with the rate for 70,000mt East Coast Mexico/US Gulf recovering recent losses, improving by 55 points to WS195 (about $55,100 per day round-trip TCE). The 70,000mt Covenas/US Gulf market also saw rates recover, gaining 50 points to almost WS180 (a daily round-trip TCE of $44,800). For the longerhaul 70,000mt US Gulf/Rotterdam voyage, rates ascended a meagre five points to about WS166.5 (showing a round trip TCE of about $40,000 per day).

Clean

The CPP tanker market remained mostly under pressure this week and this was reflected in the BCTI dropping by 18.5% to 870.

In the Middle East Gulf, LR fixtures have begun to emerge as the week went on and a widely reported TC1 voyage (75kt MEG/Japan) at WS180 has led the index to WS178.13 (-53.31) level at time of writing. On a voyage West TC20 has also lost $1,214,000 to $4,342,857. Much like their larger sisters the LR1s have been continually marked down this week with TC5 losing 65.85 points to WS217.86 and TC8 shedding $1,366,000 to $3,716,700.

By comparison MRs look to be improving in the region. This was after a big injection of enquiry with TC17 bottoming out in the mid WS220s mid-week and now back up to around the WS240 level.

West of Suez, LR Freight - much like the Middle East - have come off this week. TC16 is currently resting at WS200.71 (-37.15) and TC15 is pegged at $4,008,333 after dropping $870,834.

In North west Europe, MRs have seen decent activity. However, the excess tonnage overshadowed this. Rates have slipped again with TC2 dipping 15.55 points to WS178.89 and TC19 ending up at WS192.86 (-18.57).

Handymax vessels have similarly been subject to downward pressure with TC6 forfeiting 33.75 points and a widely reported Cross Mediterranean run at WS180. It's no surprise this is where the index currently sits. On the UK-Continent TC23 has taken a 22% hit this week dropping 55.63 points to WS193.75.

Much like Europe, the US Gulf MRs have come down significantly again with TC14 dropping below WS100 level (WS91.67 at present) for the first time since February 2022. TC18 came off a similar 15% this week to WS152.08 and a TC21 run to the Caribbean went sub $500,000 ($480,000 at time of writing).