

WEEKLY MARKET REPORT

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16th December 2022

Bulk report – Week 50

Capesize

The Capesize sector saw a surge, especially in the Atlantic since midweek. More cargo from West Africa came to the market and subsequently pushed the Brazil to Qingdao run to a higher level. However, fixtures were lacking as very limited prompt ballasters could make the loading dates. In the North Atlantic, the transatlantic and fronthaul runs moved sharply higher amid a lack of tonnage in the region. Laycan window and the premium from breaching International Navigating Limits were taken into consideration. Meanwhile, sentiment suggested a year-end push. In the Pacific, the West Australia to Qingdao trade remained fairly active, the route being marked at \$8.63 on Friday. Overall the average of the 5 Timecharter routes was priced at \$18,312 by the end of proceedings, a week-on-week increase in excess of \$4,000.

Panamax

A continuation of the previous week, with a slow but steady rise in rates in the Atlantic. The North Atlantic again witnessed a tightening of tonnage supply, with fronthaul trades ex US Gulf prevalent. Coupled with a better volume of transatlantic mineral demand, the positive sentiment endured. \$20,000 was agreed on an 82,000-dwt delivery Continent for a trip via NCSA redelivery Rotterdam, whilst an 81,000-dwt delivery Rotterdam achieved low \$24,000s for a trip via US Gulf redelivery Far East. Asia struggled to get going this week with pressure mounting from the very start as the tonnage count grew. This was pitched against a lacklustre demand book and rates drifted consequently. Despite the gloom in Asia, there was plenty of period discussion and support from the FFA market, with reports of deals concluded proving to be a viable option for some owners. An 82,000-dwt delivery South China agreed \$16,000 for about 11/14 months.

Ultramax/Supramax

A rather patchy week for the sector with some key areas seeing upward momentum and others lacking fresh impetus. In Asia, sentiment was negative throughout the week with little fresh enquiry from both north and south. Tonnage availability grew with owners reducing expectations prior to the upcoming holidays. The Atlantic saw demand increase from the US Gulf sector as tonnage availability become limited for December cancelling. Positive sentiment was seen from the South Atlantic - mainly for fronthaul business. Limited period activity was seen, although a 63,000-dwt open North China was fixed for 10 to 12 months trading at \$13,850. From the Atlantic, a 63,000-dwt was fixed delivery US Gulf trip redelivery China at \$37,000. Elsewhere, a 56,000-dwt open Oran was fixed for a trip to West Africa at \$15,000. In Asia, a 58,000-dwt open North China was fixed for a round voyage via Indonesia at \$8,000. Whilst for backhaul cargoes a 63,000-dwt open North China was heard fixed for a trip to West Africa in the low \$7,000s.

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Handysize

An inauspicious week punctuated with small flurries of activity in certain regions. East Coast South America came under pressure, especially in North Brazil as more tonnage ballasted from the Western Mediterranean and Continent. A 30,000-dwt was fixed Amazon River to West Coast Mexico at \$22,000, whilst a 32,000-dwt was fixed from Itajai via Bahia Blanca to South Brazil at \$17,250. The Continent saw a continued lack of requirements, with a 34,000-dwt fixed from Rouen to Morocco with an intended cargo of grains at \$8,750. In North China -Japan there has been a small increase in steel requirements and a 38,000-dwt fixed from Qingdao via South Korea to the US East Coast at \$12,000. A 36,000-dwt fixed from North China via Japan to South East Asia with a cargo of steels at \$8,050.

Tanker report – Week 50

VLCC

The VLCC market bottomed out at the end of last week and rates have been firming. 270,000 mt Middle East Gulf to China is now 1.5 points higher than a week ago at WS82.88, which translates into a round-voyage TCE of \$50,700 basis the Baltic ship description. The 280,000mt Middle East Gulf to US Gulf (via the cape/cape routing) trip is assessed up one point at WS56.28.

In the Atlantic region, the rate for 260,000mt West Africa/China rose two points to WS81.45 (a round-trip TCE of about \$50,500 per day) and 270,000mt US Gulf/China fell by \$56,250 to a touch above the \$9.53 million level (\$44,350 per day round-trip TCE, about \$400 per day less than a week ago).

Suezmax

The Suezmax market slipped in all markets this week. Rates for 135,000mt CPC/Augusta fell 6.5 points to WS293.44 (a round-trip TCE of \$153,600 per day) while the 130,000mt Nigeria/Rotterdam voyage shed another 10 points to WS170 (a daily round-trip TCE of about \$63,900). The 140,000mt Basrah/Lavera market eased a further four points to WS89.

Aframax

Lost ground this week with the 80,000mt Hound Point/Wilhelmshaven route down three points to WS321.88 (a round-trip daily TCE of \$146,800). In the Mediterranean, the 80,000mt Ceyhan/Lavera market is now 14 points lower at WS371.69 (a daily round trip TCE of \$135,300). The Stateside Aframax market touched bottom and a gentle rise has been seen of late. Rates for the 70,000mt East Coast Mexico/US Gulf route rose eight points week-on-week to WS248.13 (\$56,500 per day round-trip TCE). Rates for the 70,000mt Covenas/US Gulf trip are seen as flat at between WS233-234 (a daily round-trip TCE of \$48,700). For the longer-haul 70,000mt US Gulf/Rotterdam voyage, rates fell 20 points in the first half of the week and have now recovered five points to end up at WS267.5 at close of play on Thursday 15 December (showing a round trip TCE of \$60,000 per day).

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Clean

In the Middle East Gulf this week we've seen the LRs getting some strength back. TC1 has hopped up 18.13 points to settle at WS311.88 and on a run West (TC20) - after dropping into the high \$5,000,000s midweek - has returned back up and over the \$6,000,000 mark. Similarly on the LR1s a 55,000 AG/Japan came up to WS372.86 (+24.29) off the back of significantly reduced vessel availability, with a trip to the West on TC8 climbing around \$250,000 to \$5,480,000.

MRs in the region have been stable all week and the TC17 index has floated around WS475.

In Europe, LR activity looks to have been less potent and the TC15 index came off £191,667 to \$5,033,333. After a widely reported fixture at WS320, TC16 has climbed quickly to this level where it has then stayed.

On the UK-Continent MRs have suffered from a distinct lack in open activity this week. Subsequently, TC2 has come down 23.33 points to settle at WS380.28 and likewise TC19 has shed 25 points to WS398.57.

Over in the Americas the MRs have had a rough week. Freight has been slashed with an average drop of 22% across the three Baltic routes. TC14 is currently marked at WS237.5 (-52.5). TC18 lost WS93.33 to settle at WS332.5 and TC21 had a \$375,000 chunk taken out of it to just over the \$1,000,000 level.

The MR Atlantic Triangulation Basket TCE lost \$12,316 from \$68,755 to \$56,439.

Handymax in Europe have resurged this week. In the Baltic, TC9 continued its charge adding 235 points to be pegged at WS882.14 by the end of the week. TC23 - after a stable period last week - finally skipped up to WS400. TC6 has seen firm sentiment with vessels suffering from weather delays. The index has jumped up to just under WS460 (+42.82) at time of writing.