

WEEKLY MARKET REPORT

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22nd October 2021

Bulk report - Week 42

Capesize

The Capesize market was under pressure across all routes most of time this week. The 5TC and BCI showed a minimal sign of improvement mid-week, but closed on a much weaker note on Friday. Despite the presence of all the miners in the market for the first time since early October, the west Australia to Qingdao voyage route (C5) came off from the peak on Wednesday at \$16.732 to \$14.264 on Friday, whilst the relevant transpacific route closed at \$41,429 per day. In the West, Vale fixtures were said to be building with rumours reported on C3 Brazil to Qingdao run at \$37.75 on end November loading dates, reflecting a value of \$42,823 on the China-Brazil round trip later in the week. Both backhaul and fronthaul trips moved sharply lower towards the weekend, recording \$29,000 and \$83,100 respectively.

Panamax

A week of positive gains in the Panamax market, with the Atlantic bouncing back with some eye-catching gains whilst the Asian basin proving to be more passive by comparison. The Atlantic proved to be well supported in most origins with sturdy demand throughout. The Black Sea provided perhaps the biggest headlines throughout the week, \$42,000 reported paid on an 82,000 dwt delivery India for a trip via Black sea redelivery Far east one of the highlights. Elsewhere an 83,000 dwt was said to have secured \$38,000 for a trans-Atlantic round trip from a North Spain delivery. Asia was again dominated by solid demand ex-NoPac with firming rates throughout, with rumours of mid \$40,000's circulating in the market. Indonesian coal demand was steady by contrast with rates fairly constant throughout the week, whilst Australia was dominated by a host of tender cargoes. Period reports included an 80,000 dwt delivery India agreeing a rate of \$33,000 for 11/13 months.

Ultramax/Supramax

A strong week for key areas in the Atlantic such as the US Gulf, which saw limited fresh tonnage availability. In contrast, as the week closed, limited fresh enquiry appeared leading to more vessels being available and rates lowering in Asia. Period enquiry was seen, although some suggested a widening gap between owners' and charterers' expectations. A 61,000 open Makassar was fixed for 5 to 7 months trading at \$42,000. In the Atlantic strong numbers from the US Gulf, a 61,000 dwt fixing delivery Veracruz via US Gulf redelivery Far East at \$62,000. It was also rumoured that a 61,000 dwt was fixed from Brownsville via Mississippi redelivery West Coast Central America at around \$70,000. At the start of the week in Asia a 63,000 dwt was fixed basis delivery Singapore via Indonesia redelivery China at \$47,000. However as the week closed rates eased: a 63,000 dwt again open south east Asia fixing a trip via Indonesia redelivery China in the low \$40,000s.

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Handysize

This week we have seen East Coast South America bring a halt to its recent negative trend, with positive movements including a 39,000 dwt open in Santos fixed via East Coast South America to the Continent with an intended cargo of steels at \$40,000. The US Gulf region continues to firm with a 38,000 dwt fixing from Galveston to West Africa with a intended cargo of sulphur at \$53,000 and a 38,000 dwt was fixed from Houston for 2 to 3 laden legs with redelivery Atlantic at \$35,000. A 32,000 dwt open in the Baltic was fixed for a trip to the Eastern Mediterranean with an intended cargo of scrap in the high \$30,000's. A 39,000 dwt open in the Newport, UK was fixed for a trip via the Continent to the US Gulf at \$39,000. A 38,000 dwt open in Valparaiso for early November dates has been fixed for a trip to the Continent at \$33,000.

Tanker report – Week 41

VLCC

Another week of modest gains from both Middle East and Atlantic regions. Rates for 280,000mt Middle East Gulf to US Gulf (Cape/Cape routing) are assessed a point firmer at WS21.5 level, while 270,000mt Middle East Gulf to China rose 3 points to WS43.2 (a roundtrip TCE of \$2.2k/day). In the Atlantic, rates for 260,000mt West Africa to China rose 2 points to almost WS45.5-46 level (a TCE of \$6.3k/day roundtrip) and 270,000mt US Gulf to China is \$10k up on last week at \$5.4875m (a TCE of \$8.9k per day roundtrip).

Suezmax

In West Africa a tightening position list and higher demand saw the rate for 130,000mt Nigeria/UK Continent climb 6 points to WS78 (showing a roundtrip TCE of about \$8.2k/day) while the rate for 135,000mt Black Sea/Med rose 7 points to WS82 (a TCE roundtrip of about \$3.9k per day). The Middle East market was busy again and the rate for 140,000mt Basrah/Lavera pushed up 5 points to WS50.

Aframax

In the Mediterranean, the market was firmer and the rate for 80,000mt Ceyhan/Lavera recovered about 6 points to WS106 (\$6.1k per day TCE roundtrip) while in Northern Europe the market for 80,000mt Cross-North Sea and 100,000mt Baltic/UK Continent remained flat at WS107.5 level (\$450/day TCE roundtrip) and WS80 (a TCE of about \$4.5k per day roundtrip) respectively. Across the Atlantic, the market peaked early in the week and has eased slightly. Rates for 70,000mt US Gulf/UK Continent slipped 2 points to just below WS132 (a TCE of \$12k/day roundtrip) while the shorter local voyages dropped 5 points each; 70,000mt Caribbean/US Gulf is now WS146.5 (a TCE of \$15.2k/day roundtrip) and 70,000mt East Coast Mexico/US Gulf is now WS151.25 (translating to a round-trip TCE of \$18.9k/day).

Clean

The Middle East Gulf has appeared to be in a state of flux this week. Freight rates on the bigger size vessels have remained largely stable with just enough open enquiry to maintain the same.

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On the LR2's TC1 rose 2.16 points to WS 92.16, a round-trip TCE of \$2,686/day. The LR1's have stood fast and TC5 55k Middle East Gulf / Japan is still WS125 a round-trip TCE of \$7,970/day. The MR's have been tested down a little and 35k Middle East Gulf / East Africa (TC17) is now WS185 (-WS5.42).

The Mediterranean Handy market saw reduced enquiry in West Med at the beginning of the week forcing a downturn in freight levels TC6 30kt Skikda / Lavera is now at WS 166.63 (- WS 15.87). The LR2's, TC15 80k Mediterranean / Japan held steady at around the \$1.7m mark.

The Baltic Handy market saw good activity throughout this week, the uptick in enquiry has driven freight upwards, TC9 30k Baltic / UK-Continent is now WS 151.43 (+ WS 26.07)

On the UK-Continent MR's have been active, and assisted by a busy Mediterranean, saw a midweek spike in freight to WS130 for TC2 37k UK-Continent / US Atlantic Coast then resettling at the end of the week at WS 119.72. TC19 37k Amsterdam to Lagos followed a similar pattern ending up at WS120.36.

On the LR1's, TC16 60k Amsterdam / Offshore Lomé saw an optimistic boost to WS100 this week but looks to have plateaued there for the moment.

In the Americas moderate activity stemmed a similarly modest rise in freight levels. TC14 38k US Gulf / UK-Continent has come up to WS 73.21(+WS 3.57) and TC18 38k from US Gulf / Brazil rose WS 2.86 to WS111.07.

The MR Atlantic basket TCE rose from \$1404/day to \$2202/day.