WEEKLY MARKET REPORT

Provided by kind permission of the Baltic Exchange

24th June 2022

Bulk report – Week 25

Capesize

The Capesize market was unable to carry the rally from last week as rates were seen to dip sharply this week with the 5TC down 4901 to $19,875. Trade activity throughout the week came in fits and starts with the market struggling to settle. While activity in the Pacific was moderate and the Atlantic was heard to be tightening on tonnage, the financial market was seemingly unconvinced by what it saw, which led forward months derivatives to be sold down. This placed substantial downward pressure on the physical bid offers. The Transpacific C10 - and the currently premium paying region Transatlantic C8 - settled the week at $15,977 and $24,444 respectively. The ballaster routes had a higher number of vessels to choose from this week putting pressure on the C3 and C17 which settled at $29.911 and $21.933. The market tried and failed to break out of its current range. A floor at approximately $20,000 and a ceiling at $25,000 has the Cape market indecisive and muddled looking for solid direction.

Panamax

A steady opening this week for the Panamax market, but it tapered off as weaker rates and negative sentiment encompassed the market. The Atlantic initially saw tight-tonnage count in the North pitted against reasonable levels of grain demand ex EC South America for both Transatlantic and front haul trips. This helped to keep levels well supported and was typified by an 82,000-dwt delivery Gibraltar achieving $25,000 for a trip via NC South America redelivery Skaw-Barcelona range. However, rates did subsequently weaken. Asia was contrasting between the north and south, primarily led by solid levels of coal enquiry ex Indonesia both destined for China and India. And, whilst a vast majority of these deals were concluded on smaller/overaged tonnage at discounted levels, rates elsewhere remained mostly steady but eased as the weekend approached. Limited period activity, reports emerged of an 85,000-dwt delivery Japan agreeing to $27,500 for six to nine months worldwide trading.

Ultramax/Supramax

After a busy period in South East Asia, where a 58,000-dwt fixed from Taiwan via Indonesia to China at $27,000 and a 63,000-dwt was fixed for a trip from Xiamen via Indonesia to West Coast India at $36,750, sentiment softened as Charterers reassessed the markets later in the week. Activity has been limited in the US Gulf with a 63,000-dwt fixing for a trip from SW Pass to UK-Continent range with an intended cargo of wood pellets at $23,500. A 63,000-dwt was rumoured to have fixed earlier in the week a trip from West Africa via East Coast South America to Singapore-Japan range at $32,000. A 62,000-dwt open in Turkey was rumoured to have been placed on subjects for a trip to West Africa with an intended cargo of Clinker at around $26,000. A 63,000-dwt open in CJK fixed for two laden legs at $37,250 with a scrubber for Charterers benefit.

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Handysize

East Coast South America enjoyed a renaissance this week with levels improving due to more enquiry with a 39,000-dwt fixing from Recalada to Egypt at $32,000. Numbers in the US Gulf continued to fall most of the week with a 34,000-dwt rumoured to have fixed for a trip from SW Pass to Israel at $19,000. The Continent and Mediterranean markets softened due to lack of enquiry with a 33,000-dwt fixing from Spain to the US Gulf with bulk cement at $14,500 and a 34,000-dwt fixing from Morocco to East Coast South America at $12,750. Levels in Asia softened slightly due to lack of enquiry in most regions with a 32,000-dwt open in South China fixing a trip to Singapore at $20,000. Period enquiry was said to have been slower but a 38,000-dwt open in North Coast South America was rumoured to have fixed three to five months with worldwide redelivery in the high $20,000s.

Tanker report – Week 25

VLCC

VLCC rates took another step up this week. 280,000mt Middle East Gulf/USG (via Cape of Good Hope) is assessed almost two points higher in the WS28-28.5 region and rates for the 270,000mt Middle East Gulf/China voyage were up four points to WS49 (a round-trip TCE of minus $14,600 per day).In the Atlantic markets similar rises were seen with rates for 260,000mt West Africa/China gathering four points to WS50 (minus $11,800 per day round-trip TCE) and the rate for 270,000mt US Gulf/China voyage improving by $618,000 to $6.174m (a round voyage TCE of minus $13,100 per day).

Suezmax

Rates for the 135,000mt Black Sea/Augusta trip held steady this week at around WS130 (a round-trip TCE of $26,400 per day), while the 130,000mt Nigeria/UKC route saw rates three points higher at about WS117.5 (a round-trip TCE of about $19,700 per day). In the Middle East rates for the 140,000mt Basrah/West Mediterranean modestly rose one point to just break through the WS64 mark.

Aframax

The 80,000mt Ceyhan/Mediterranean market came under pressure this week and rates fell 15 points to around the WS190 level (showing a round-trip TCE of about $37,000 per day). Northern Europe saw increased activity in the North Sea and as a result rates increased by 25 points for 80,000mt Hound Point/UK Continent to almost WS185 (a daily round trip TCE of $40,900) while the 100,000mt Primorsk/UK Cont route remains problematic and rates fell 3.5 points to WS174 (a round trip TCE of $33,200/day). Across the Atlantic, the markets were easing back. The 70,000mt EC Mexico/US Gulf route dropped 22 points to WS180 (a round-trip TCE of $9,600 per day) and for the 70,000mt Caribbean/US Gulf route rates have been pared back 19 points to WS157.5 (a round-trip TCE of about $9,500 per day). For the Transatlantic trip of 70,000mt US

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Gulf/UK Continent, rates have had 12 points deducted this week to WS160 ($12,800 per day round-tip TCE).

Clean

The Middle East Gulf has suffered muted activity on both the LRs and MRs this week. As a result, freight has been put under pressure, TC1 has dropped 7.86 points to WS292.1 and TC5 has also dipped WS27.15 to WS352.1. On the MRs TC17 has taken a 50.83 point hit down to WS494.2. Despite this, both LR routes are still returning over $50k /day and the MRs over $45k /day round-trip TCE.

In the West the LR2s of TC15 have fluctuated around the $4.6-4.4.75m mark all week with the market looking relatively untested for the moment. The LR1s have also take a bit of downturn and TC16 after peaking around WS275 has started to crumble and stands at WS259.3 at time of writing.

On the UK-Continent the MRs have seen just enough demand to keep rates stable all week, TC6 has hovered around WS355-360 all week and TC19 around the WS365-370 mark.

The USG MR market has seen supply/demand balanced this week with sentiment still leaning toward the positive. TC14 and TC18 has subsequently rebounded, TC14 rising 29.29 points to WS252.9 and TC18 similarly hopping up 25.71 points to WS366.4. In light of the USG MR rebound, TC2 is holding steadfast and despite the high bunkers the MRA TCE rose from 41,904 to 47,557.

On the Handymax, TC6 has held over the WS500 mark ticking up incrementally to WS512.5 by the end of the week and returning $96k /day round-trip TCE. Most notably in the Mediterranean / Black Sea market this week has been Handymax vessels reported on subjects in excess of WS900. In the Baltic, TC9 has jumped around 50 points this week from improved activity combined with steady demand off the UK-Continent and currently sits at WS497.9.