

WEEKLY MARKET REPORT

Provided by kind permission of the Baltic Exchange

5th August 2022

Bulk report – Week 31

Capesize

The Capesize market had a forgettable week for owners as rates slipped away, closing the week below \$15,000 on the 5TC. The Pacific and Backhaul trade saw some particularly sharp declines as charterers took full advantage of the weaker sentiment and build-up of tonnage. The tense situation in the Taiwan Straits has had much of the market following closely. But as yet there is very little disruption heard to shipping schedules. The Transpacific C10 closed the week up +\$468 to \$5841, which is approximately operating cost levels for Capesize. The Backhaul C16 dropped to -\$8111, a level not seen since January. In the North Atlantic rates been softening at a slower rate. Traditionally at this time of the year this region is prone to bursts of volatility, yet current low cargo volumes are providing little incentive. Transatlantic C8 closed at \$18,306. Further south from Brazil cargo flow to the Far East was heard to be relatively strong. But again charterers were able to achieve lower levels as Brazil to China C3 closed at \$22,111, down -3,839 over the week. Some of the softening in voyages rates can be attributed to the lowering of fuel prices as global levels have started to relent from recent highs.

Panamax

The week was a whirlwind of activity for the market with solid activity both on the Transatlantic round trips as well as Indonesia from a Pacific perspective. Things did appear to ease back as the weekend approached with rates seemingly under pressure again. However, many did describe the market as confusing. In the Atlantic an 81,000-dwt delivery passing Skaw was heard fixed midweek for a trip via US Gulf redelivery Continent at \$18,500 - a good indicator on route P1A for the week. Despite limited activity the mean average for the longer Pacific rounds were pegged at around \$15,500. Similarly, route P5 the Indonesia round trip, hovered just below \$15,000 for index types whilst the smaller/older units discounted less for same. Period bids and offers continued to be far reaching with little concluded. However, a strong rate was agreed early part on a nice design at \$22,750 delivery central China for five to seven months.

Ultramax/Supramax

Negativity swept across the market in all sectors. There has been significant reductions in Asia, with a 58,000-dwt open in China fixing a trip to the Continent with an intended cargo of steels at \$19,000 after failing for similar business earlier in the week at \$22,000. A 63,000-dwt open in Hong Kong was fixed for a trip via Indonesia to China at \$18,000 and a 60,000-dwt from Japan via Australia to the Arabian Gulf with an intended cargo of Grains at \$19,000. In the Atlantic, a 63,000-dwt fixed from Santos to the US Gulf at \$28,000. A 63,000-dwt open in Rio Grande fixed a trip to Bangladesh at \$18,500 plus a ballast bonus of \$850,000. A 57,000-dwt was rumoured to have been fixed from Casablanca via the Continent to West Coast Central America at \$18,250. In the US Gulf a 63,000-dwt fixed from New Orleans to China at \$27,000 earlier in the week.

The information provided in this report is for the exclusive use of FONASBA associations and their member companies. As such it must not be distributed further

WEEKLY MARKET REPORT

Provided by kind permission of the Baltic Exchange

Handysize

The sector has seen further losses this week with brokers describing minimal activity in both basins, largely due to a lack of enquiry which has seen pressure remain on owners with prompt positions. In East Coast South America, a 34,000-dwt was rumoured to have been placed on subjects for a trip from Necochea to North Brazil with an intended cargo of grains at \$24,500. A 32,000-dwt was also rumoured to have been placed on subjects for a trip from Barcarena to Portugal at \$25,000 and a 39,000-dwt was rumoured to have fixed a trip from Recalada to the Continent at high \$20,000s. However, further details have yet to emerge. In Asia a 36,000-dwt open Taipei for middle of August dates was rumoured to have fixed a trip via Japan to South East Asia at around \$16,000. A 34,000-dwt open in South Korea fixed a trip to South East Asia at \$16,000.

Tanker report – Week 31

VLCC

VLCC rates continued the slide seen last week, although falling bunker prices are still having a positive effect on earnings. For 270,000mt Middle East Gulf/China, rates lost another 1.5 points to WS57.5 (a round-trip TCE of \$13,200 per day, up from \$7,400 per day last Friday) while the rate for 280,000mt Middle East Gulf/USG (via Cape of Good Hope) eased two points to WS32. In the Atlantic, rates for 260,000mt West Africa/China are 1.5 points lower than a week ago at around WS58 (\$15,100 per day round-trip TCE, having been just below \$10,000 per day at the end of last week). 270,000mt US Gulf/China shed \$231,250 to \$7.175 million (showing a round trip TCE of \$14,300 per day, an increase of \$5,600 per day since last Friday).

Suezmax

Rates for 135,000mt Black Sea/Augusta fell heavily this week, losing 26 points to a fraction below WS182 (a round-trip TCE of about \$71,100 per day) while for the 130,000mt Nigeria/UKC trip rates fell a comparatively meagre 4.5 points to the WS130 level (a round-trip TCE of \$32,900 per day). In the Middle East, the rate for 140,000mt Basrah/West Mediterranean continued to fall, losing a further eight points to the WS67.5 level.

Aframax

The Mediterranean market dropped almost 20% this week with the rate for 80,000mt Ceyhan/West Mediterranean falling 52 points to just below WS222 (a round-trip TCE of \$57,600 per day). Conversely, in Northern Europe the market recovered recent lost ground, as the rate for 80,000mt Hound Point/UK Continent gained 16 points to about WS187.5 (a daily round-trip TCE of \$52,800). For the 100,000mt Primorsk/UK Cont route rates improved by a modest five points to between WS220-222.5 (a round-trip TCE of \$71,000 per day).

The information provided in this report is for the exclusive use of FONASBA associations and their member companies. As such it must not be distributed further

WEEKLY MARKET REPORT

Provided by kind permission of the Baltic Exchange

On the other side of the Atlantic, the market steadied this week after a sharp rise last Friday. For 70,000mt EC Mexico/US Gulf rates marginally improved two points over the week to WS250 (a round-trip TCE of \$51,500 per day). In the 70,000mt Caribbean/US Gulf market, the rate eased a single point to WS244 (a round-trip TCE of about \$45,200). For the transatlantic trip of 70,000mt US Gulf/UK Continent, the rate rose 7.5 points to the WS242.5 level (\$44,400 per day round-tip TCE).

Clean

In the Middle East Gulf this week the LR2s have been subject to supply outstripping demand. TC1 has dropped 6.13 points to WS233.25. TC20, after peaking at \$4.75m midweek has dropped back to \$4.69m at the time of writing. The LR1s have been a bit better balanced than the LR2s this week. TC5 bottomed out around WS255 midweek and has since risen back up to WS265. On a trip west, TC8 similarly levelled off at \$3.6m and has since rebounded a little to settle around \$3.8m by end of the week.

The MRs of TC17 faced a major retest down this week losing 97.5 points to WS345. Despite this they are still making over \$30k /day round trip TCE at these levels.

In the West, the LR2s of TC15 have remained flat and untested all week. The TC15 index has subsequently hovered around \$4m all week.

On TC16 the LR1s have been stable all week with WS230 repeated a couple of times.

On the UK-Continent MRs have seen a shortage of ships and continued enquiry this week, fueling the fire for firming sentiment from owners. Charterers are reported to have been looking at bigger and smaller sizes to douse the flames. TC2 is currently marked at WS350.56 (+5.56) and TC19 WS362.14 (+10.71).

The USG MR market has again stolen the show with both owners and charterers pushing into second half August. TC14 has jumped up WS369.17 (+WS44.17) and TC18 has similarly risen WS59.17 to WS475. This takes the routes rout trip TCEs to \$43.7k and \$62k respectively.

On the Handymax cross Mediterranean freight levels limbed again and TC6 rose 32.82 points to WS258.13 taking the TCE back over the \$30k/day round trip.

In the Baltic TC9 has continued along at the WS500-WS505 level this week.