WEEKLY MARKET REPORT

Provided by kind permission of the Baltic Exchange

3rd March 2023

Bulk report – Week 9

Capesize

The average of the 5 Capesize timecharter routes were one step away from breaking through the $10,000 threshold upon closing on Friday after a week of continuous improvement. The BCI climbed over the 1,000-point benchmark on Thursday and despite the backhaul route remaining in the negative territory, positive trends were across the board. Amid the surge, East Australia coal to China - which was finally back in the market - reflected a daily hire of about $10,500 on the Transpacific round voyage. The China to Brazil round voyage, being a trip of a much longer duration but currently rewarding about the same time charter rate as the Transpacific run, or in the mid-high $18s per metric ton on a voyage basis.

Panamax

It was an eventful week with the market finally finding some life. The week did begin slowly, but eventually sparked and was duly accompanied by an FFA drive only to flatten out somewhat as the week ended. In the Atlantic, April arrivals in EC South America was where the majority of the action was at. Nicely described 82,000-dwt types were achieving in excess of $16,500 plus $650,000 ballast bonus delivery Aps midweek. Further north, activity was less liquid. However, rates here rose too with $19,000 plus $900,000 ballast bonus the highlight delivery Aps US Gulf for a trip Far East. In Asia, rates improved and were buoyed somewhat by the pick-up in South America. Rates for Indonesian coal trips to China improved from around the $11,000 level to closer to $13,000 levels by Friday. A solid week too for period with various deals concluded as the nearby optimism in the market persisted. An 81,500-dwt agreed to $16,000 basis six to eight months trading.

Ultramax/Supramax

Generally a positive week for the sector, which saw strong rates being achieved in key areas. With a tight tonnage supply from the South Atlantic, rates pushed up whilst the US Gulf was finely balanced. Activity increased from the Mediterranean again helping the owning side. It was a mixed bag from Asia, but the beginning of the week saw strong demand and healthy numbers being achieved across the board. As the week finished, with most prompt cargoes being covered positive, sentiment dipped and rate levels eased. Period activity was strong and a 63,000-dwt open Continent fixed 12/14 months trading at $17,000. Elsewhere, a 60,000-dwt open Indian Ocean fixed 12/14 months at $16,000. In the Atlantic, an Ultramax was heard fixed for an EC South American fronthaul at $16,000 plus $600,000 ballast bonus. Meanwhile, a 63,000-dwt fixed delivery US Gulf for a Transatlantic run at $18,500. From Asia, a 55,000-dwt open Singapore fixed a Indonesian round voyage to South China in excess of $20,000. A 61,000-dwt open South China fixed a trip via Indonesia redelivery WC India at $19,000.

Baltic Exchange
Our word our bond

WEEKLY MARKET REPORT

Provided by kind permission of the Baltic Exchange

Handysize

Positivity was seen across all regions, with rate levels improving day on day. East Coast South America was said to have limited open tonnage for the first half of March and a 39,000-dwt was rumoured to have been fixed for a trip from Recalada to Denmark with an intended cargo of grains at $15,500. A 37,000-dwt was fixed from Vila Do Conde to Norway with an intended cargo of alumina at $13,500. The Mediterranean was also seeing levels improve with a 34,000-dwt rumoured to have fixed a trip from the Western Mediterranean via the Black Sea to the US Gulf at $9,000. A 38,000-dwt was fixed from Japan via the US West Coast to Singapore-Japan at $14,500 whilst a 35,000-dwt open in the Philippines was fixed via Australia to South China at $12,000. The period market was also active with a 34,000-dwt fixing for multiple legs in the low teens.

Tanker report – Week 9

VLCC

The VLCC market had a positive week with rates (and earnings) improving on all routes. For the 270,000mt Middle East Gulf to China voyage the rate recovered by 3.5 points since last Friday to W70.23, which shows a daily round voyage TCE of $54,600 basis the Baltic Exchange's vessel description. The rate for 280,000mt Middle East Gulf to US Gulf (via the cape/cape routing) is assessed 1.5 points higher at WS42.

In the Atlantic market, the rate for 260,000mt West Africa/China gained three points to about WS70.5, showing a round-trip TCE of $53,700 per day. The rate for 270,000mt US Gulf/China continued ascending and added a further $572,000 to almost $10.13 million ($49,000 per day round-trip TCE).

Suezmax

The rate for 135,000mt CPC/Augusta gained 2.5 points to WS170 (a round-trip TCE of $89,100 per day). In West Africa, the rate for the 130,000mt Nigeria/Rotterdam voyage continued climbing and improved another seven points to end up on Thursday at a little over WS143.5 (a daily round-trip TCE of $66,100). In the Middle East, the rate for 140,000mt Basrah/Lavera is up 3.5 points to almost WS66 with available suitable tonnage remaining elusive.

Aframax

In the North Sea market, rates for the 80,000mt Hound Point/Wilhelmshaven route increased by 26 points to WS180 (a round-trip daily TCE of about $75,100). In the Mediterranean, the rate for 80,000mt Ceyhan/Lavera recovered by eight points to between WS180-182.5 (a daily round-trip TCE of $59,000). Across the Atlantic, the Stateside Aframax market continued to be propelled upwards. The rate for 70,000mt East Coast Mexico/US Gulf rocketed 118 points to WS405 ($153,300 per day round-trip TCE) and the rate for 70,000mt Covenas/US Gulf jumped up 105 points to WS377 (a daily round-trip TCE of $129,400). For the Transatlantic route of 70,000mt US Gulf/Rotterdam, rates increased by 13 points to WS278 (showing a round-trip TCE of $83,500 per day) which may encourage some owners to ballast from Europe.

Baltic Exchange
Our word our bond

WEEKLY MARKET REPORT

Provided by kind permission of the Baltic Exchange

Clean

The Middle East Gulf has been stable by comparison to recent weeks. TC1 (75kt MEG/Japan) dipped an incremental 5.62 points to WS187.19, with a trip west on TC20 shaving away $107,000 to $4,557,000 ($4,600,000 is currently reports on subjects). LR1s have fallen a little harder than their larger counterparts. TC5 came off 28.43 points to WS180.71 and a voyage west on TC8 lost $117,000 to $3,708,000 per day. TCE round trips at these levels are still returning low $40,000 per day on LR2s and high $30,000 per day on LR1s.

MEG MRs have taken some heavy blows again this week with freight being retested down consistently across the week. This has led the TC17 index down 119.43 points to WS198.57.

West of Suez LRs have also been sedate this week. TC16 is currently pegged at WS173.21, down 21.79 points, and TC15 lost $116,000 to $3,991,000.

UK-Continent MRs have been a little quieter this week, possibly due to International Energy Week in London monopolising people's attention. TC2 and TC19 have come down to WS155 and WS165 respectively where they look to have reached a plateau for the moment.

On the Handymax front, TC6 has suffered from limited enquiry and the index has dipped 47.5 points to WS184.38. Similarly, on the UK-Continent, TC23 has shed 71.25 points to WS180.63.

The US Gulf MR Market continued to demonstrate the volatile nature it has been displaying of late. TC14 rose to WS190 midweek from WS133 only to return back to WS167.5 48 hours later. TC18 has similarly peaked at WS290 (up from WS213) and is now currently pegged at WS267.5. On a run to the Caribbean, TC21 shot up from $720,000 to $1,225,000 midweek to then resettle back to $966,667.