

WEEKLY MARKET REPORT

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10th March 2023

Bulk report – Week 10

Capesize

A stronger week overall for the sector as the North Atlantic appeared active with more enquiry since the middle of the week. With fresh tonnage getting tighter the time charter trips for both fronthaul and Transatlantic runs had the biggest improvement amongst all routes, finishing the week at \$16,639 and \$29,344 respectively. The Pacific kept its steady pace as the West Australia to Qingdao run stepped up to \$8.375, a peak so far this year and last seen before Christmas last year. Subsequently, the time charter average for the 5TC rose over \$4,000 compared with last Friday and finished proceedings at \$14,466.

Panamax

A captivating week for the Panamax market with various peaks and troughs seen across all markets. The Transatlantic in the North appeared a little nervous in places with a lack of demand and some voyage fixtures equating to exceptionally low returns. However, there was talk of improved bids for the fronthaul trips come Friday. EC South America saw a mini splurge midweek with end March arrivals capturing better numbers, \$17,000 +\$700,000 was being achieved here. Asia witnessed a firmer week with all origins coming alive and finding support. Indonesia saw a healthy pick up in activity, ably supported by good grain and mineral demand ex Australia and NoPac. \$18,000 was the highlight and concluded end week on an 82,000-dwt delivery China for a grain NoPac round, whilst LME tonnage were comfortably achieving \$15/16,000 levels for trips via Indonesia to China. Period activity came alive too, with \$17,250 concluded on an 82,000-dwt delivery China basis nine to 12 months.

Ultramax/Supramax

A story of two halves, with the start of the week seeing little excitement in Asia at the beginning. However, as the week closed an upturn in fresh cargo enquiry from Indonesia and Australia, combined with a steady supply of backhaul requirements, saw renewed optimism. The Atlantic generally remained firm with stronger levels seen from the South Atlantic and more availability from the Mediterranean. Period interest remained and a 63,000-dwt open Continent fixing around \$18,000 for seven to nine months. A 56,000-dwt open China fixed four to about six months trading at \$14,600. From the South Atlantic, Ultramax sizes were seeing around \$20,000 for Transatlantic runs. From the Mediterranean a 61,000-dwt was fixed at around \$20,000 for a trip to West Africa. In Asia, a 57,000-dwt fixed delivery Cebu via Indonesia redelivery China at \$15,500. A 63,000-dwt (scrubber fitted) open North China fixed a NoPac round redelivery Sudan at \$20,500 with scrubber benefit for charterers' account.

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Handysize

The buoyant mood continued during the week with positive gains in both basins despite a lack of visible activity. East Coast South America was said to have seen fresh grain enquiry enter the market daily. An unnamed large handy was rumoured to have been fixed from South Brazil via the River Plate to Antwerp-Rotterdam-Amsterdam-Ghent range in the region of \$14,000/\$14,500, but no more details surfaced. A 24,000-dwt open in the Eastern Mediterranean was fixed basis delivery Canakkale via the Black Sea to the United Kingdom with an intended cargo of agriproducts at \$7,000. From Asia, brokers spoke of more requirements from Australia and Indonesia with a 37,00-dwt fixing in the mid teens for a trip from Thailand via Southeast Asia to China. It did, however, surface that this failed. Brokers also spoke of more period enquiry. A 33,000-dwt open in North Vietnam was rumoured to have been placed on subjects at \$13,000 for an undisclosed period.

Tanker report – Week 10

VLCC

The VLCC market strengthened dramatically this week with rates (and earnings) sharply improving on all routes. For the 270,000mt Middle East Gulf to China voyage the rate rocketed 27 points (38%) to WS98.55, which shows a daily round voyage TCE of \$92,522 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 19 points higher at WS61.

In the Atlantic market, the rate for 260,000mt West Africa/China escalated 23 points (32%) to almost WS94 showing a round-trip TCE of \$85,800 per day. The rate for 270,000mt US Gulf/China rose a comparatively meagre \$1.015m (10%) to about \$11.12 million (\$58,600 per day round trip TCE).

Suezmax

The rate for 135,000mt CPC/Augusta was pared back this week with rates coming off 3.5 points to WS167 (a round-trip TCE of \$87,000 per day). In West Africa the fundamentals were unable to support the sentiment and rates tumbled 25 points by Thursday's assessment at WS116 for the 130,000mt Nigeria/Rotterdam voyage. Lower rates were expected going forwards, with Portuguese charterers reported to have put a ship on subjects at WS110 for a trip Djeno to Sines. In the Middle East, the rate for 140,000mt Basrah/Lavera is flat, hovering around the WS66 mark.

Aframax

In the North Sea market, rates for the 80,000mt Hound Point/Wilhelmshaven route fell back five points to WS175 (a round-trip daily TCE of about \$72,000). In the Mediterranean, the rate for 80,000mt Ceyhan/Lavera shed seven points - a shade above WS185 (a daily round trip TCE of \$61,100).

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Across the Atlantic, the Stateside Aframax market weakened with tonnage ballasting from Europe to try to latch on to the better earnings. The rate for 70,000mt East Coast Mexico/US Gulf lost 19 points to just below WS385 (\$144,200 per day round-trip TCE). The rate for 70,000mt Covenas/US Gulf fell by almost the same to WS358.75 (a daily round-trip TCE of \$121,800). For the Transatlantic route of 70,000mt US Gulf/Rotterdam, rates slid about 24 points to WS250 (showing a round-trip TCE of \$72,700 per day).

Clean

The Middle East Gulf has been active this week with rates improving on all sizes. TC1 (75kt MEG/Japan) has had a weekly gain of six points to WS195.31 (a round-trip TCE of \$52,300 per day). Meanwhile, the Western discharging TC20 recovered by \$107,000 to 4,735,714. LR2s on the 55kt MEG/Japan run (TC5) have also risen six points to WS188.5 (a daily round-trip of \$35,100). The TC8 (65kt MEG/UKC) remained flat at \$3.7 million. For the MRs, the MEG/East Africa trip (TC17), the rate has risen over 21 points to a shade above WS216 (\$22,800 per day round-trip TCE).

West of Suez, LRs have had a bit of a mixed week with rates for TC15 (90kt Skikda/Japan) marginally falling \$58,000 to \$3.9 million (\$18,300 pd round trip TCE, about only \$100 less than last week). TC16 (60kt Amsterdam/Offshore Lomé) rose 3.5 points to WS175 (a daily round-trip TCE of \$36,100).

UK-Continent MRs have dramatically improved after last week's lull, with TC2 (37kt Cont/USAC) and TC19 (37 ARA/West Africa) gaining about 42 points to WS198.89 (a round-trip TCE of \$24,300 per day) and WS207 (about \$27,000 daily round trip TCE) respectively. There are rumours of WS200+ being on subjects overnight for a TC2 voyage.

On the Handymax, TC6 (30kt Algeria/West Med) has recovered 41 points to WS221 (a daily round-trip TCE of \$34,200). For TC23 (30kt A-R-A/UKC) the rate has improved by 7.5 points to break through WS170.

The US Gulf MR Market has continued to climb with TC14 (38 USG/UKC) gaining about 18 points to a fraction over WS185 (a daily TCE of \$18,500 round-trip) while the 38kt USG/Brazil trip (TC18) rose by 31 points to above WS273 (a round trip TCE of \$41,000 per day). On a run to the Caribbean TC21 has made further gains, up by over \$229,000 to \$1,066,667.