

WEEKLY MARKET REPORT

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24th March 2023

Bulk report – Week 12

Capesize

The Capesize market declined early the week without much support from either of the basins. The timecharter average, however, started to pick up midweek reaching over \$15,000. The direction of the Brazil to Qingdao run changed after the force majeure was lifted, which was declared after the landslide incident last week. This helped the demand out of Brazil with few ballasters to make the second half of April loading, but a wide spread between bids and offers remained. In the Pacific, the West Australia to Qingdao run was priced between mid \$8s to the low \$9s during the week, with the transpacific round voyage sitting above \$17,000 before the weekend approached.

Panamax

Overall, a week of slow erosion for the Panamax market. This is despite some resistance and a midweek push on FFAs. Again, the North Atlantic returned a distinct lack of mineral requirements. This continued to undermine the market here and there were few Transatlantic grain deals of note. An 82,000-dwt achieved \$13,250 for a trip via NC South America back to Skaw-Barcelona. Front haul volumes from the Americas were lacking with limited reports and an 82,000-dwt agreed close to mid \$16,000s plus mid \$600,000s ballast bonus delivery EC South America. Asia returned a mixed week with varying degrees of rates fixed for the route P3A round trips. Rates achieved for BPI82 types ranged from sub \$10,000, for the sub index type and early date tonnage, to \$17,000 for nice grain clean types. With this in mind, the true market value was hard to pinpoint. There was limited period activity, although a 95,000-dwt delivery Japan agreed to \$17,000 for four to six months period.

Ultramax/Supramax

It was a rather patchy week for the sector. Overall sentiment remained fairly healthy in the Atlantic with sustained interest from the US Gulf and Mediterranean regions. Some felt that from South America fresh demand remained fairly flat, but tonnage supply was a little limited. From Asia, limited fresh enquiry was seen in the south putting downward pressure on rates. From the north, there was again limited fresh enquiry. Some commented that the market from here was finely balanced and fairly positional. From the Atlantic, a 61,000-dwt was heard fixed delivery Poland for a trip via the Baltic to India at \$18,250. Elsewhere, a 58,000-dwt was heard fixed delivery West Africa for a trip to East Coast India at \$17,000. From Asia, a 61,000-dwt was fixed delivery Kohsichang via Indonesia redelivery Japan at \$17,000. From the Indian Ocean, a little more activity surfaced. A 53,000-dwt open Dahej end March fixed a trip via West Coast India redelivery Vietnam at \$16,000. Meanwhile, a 63,000-dwt open Mombasa fixed around \$18,000 plus \$170,000 ballast bonus for a South Africa to Pakistan run.

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Handysize

After an unbroken positive run since February 15, the BHSI made its first downward move this week as the Asia basin showed signs of negative moves. A 28,000-dwt was rumoured to have been fixed for a trip from Indonesia to East Coast India with an intended cargo of steels at \$9,000. Meanwhile, a 38,000-dwt open in Thailand was rumoured to have been fixed for a trip to the Arabian Gulf at \$12,500. From the Atlantic, East Coast South America saw a 38,000-dwt fix basis delivery when where ready San Nicolas for a trip to Dakar with an intended cargo of grains at around \$17,000. There had been more activity in the Mediterranean, with a 37,000-dwt fixing basis delivery in the Sea of Marmara via Constanta to Tunisia with an intended cargo of grains at \$12,500. Off the Continent, a 34,000-dwt was fixed from Hamburg to North Coast South America at \$11,000.

Tanker report – Week 12

VLCC

The VLCC market was softer in all regions this week. For the 270,000mt Middle East Gulf to China voyage the rate fell seven points to WS90.32, which shows a daily round voyage TCE of \$83,000 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 two points down at WS60.61. In the Atlantic market, the rate for 260,000mt West Africa/China is three points lower than a week ago at WS89.91, a round-trip TCE of \$82,500 per day. The rate for 270,000mt US Gulf/China is about \$50,000 lower at \$11,750,000 (close to \$66,000 per day round trip TCE).

Suezmax

The rate for 135,000mt CPC/Augusta continued on an upward trend, gaining nine points to just shy of WS182.5 (a round-trip TCE of \$100,500 per day). In the Atlantic, a busy US Gulf export market has been competing with West Africa for tonnage. The rate for 130,000mt Nigeria/Rotterdam is another eight points stronger at between WS142.5-145 level (\$67,800 daily TCE basis a round-trip). In the Middle East, the rate for 140,000mt Basrah/Lavera rose four points to about the WS76-77 mark.

Aframax

In the North Sea market, the rate for the 80,000mt Hound Point/Wilhelmshaven route regained 10 points to WS180 (a round-trip daily TCE of \$76,000). In the Mediterranean, the rate for 80,000mt Ceyhan/Lavera rocketed 90 points to WS300 (a daily round trip TCE of \$124,500) with further gains being capped by Suezmaxes switching focus to Aframax cargoes.

Across the Atlantic, the Stateside Aframax market was weaker. The rate for 70,000mt East Coast Mexico/US Gulf shed 15.5 points to WS382.5 (\$144,400 per day round-trip TCE) and the rate for 70,000mt Covenas/US Gulf lost 10 points to WS362.5 (a daily round-trip TCE of \$124,500). For the trans-Atlantic route of 70,000mt US Gulf/Rotterdam, the rate is 11 points softer at WS261-262 level (showing a round-trip TCE of \$78,500 per day).

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Clean

The BCTI finished the week at 1,191, up from 1,077 the previous week.

Rates for MRs in the US have continued their recent roller-coaster ride. Starting off at WS109.17 for TC14 38,000 US Gulf / UK-Continent, they reached a peak around WS150 before losing most of the gains to settle at WS116.67 at the end of the week. TC18 38,000 MR US Gulf / Brazil followed TC14 to end the week at WS209.17 (+27.5). TC21 38,000 MR US Gulf / Caribbean started the week at \$675,000, peaking at \$966,667 before settling at \$700,000 (+\$25,000).

On TC6 30k MR Algeria / European Mediterranean rates firmed significantly throughout the week due to a combination of poor weather and French port strikes resulting in the index finishing at WS451.25, up WS117.5. The LR1s of TC16 60,000 Amsterdam / Offshore Lome steadily declined over the course of the week losing WS2.85 points to finish at WS179.29.

West of Suez, on the LR2s, TC15, 80,000 Mediterranean / Japan, softened losing \$233,333 and finishing the week at \$3,916,667. In the Middle East Gulf, freight levels registered steady falls from where they were this time last week. The LR2s of TC1, 75,000 Middle East Gulf / Japan, edged down WS1.25 from WS182.50 to finish the week at WS181.25 (+1.56) - a round-trip TCE of \$47,851 per day. LR1s have also seen a similar downward trajectory over the last week with TC5, 55,000 Middle East Gulf / Japan, declining WS13.92 to WS181.79. On TC8 Middle East Gulf / UK Cont, again rates softened throughout the week finishing at 55.38 \$/mt (a lumpsum equivalent of \$3.6m). The MRs of TC17, 35kt Middle East Gulf / East Africa, showed some recovery resulting in a decrease of 37.86 points to WS266.43 a round trip TCE of \$32,524 per day.