

## WEEKLY MARKET REPORT

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19<sup>th</sup> May 2023

### Bulk report – Week 20

#### Capesize

Overall it has been an active week for the capes, with a healthy volume of enquiry in the Pacific. The majors have been busy throughout the week from West Australia to China with iron ore, operators have been fixing, and there have been several tender cargoes to Japan. Despite this volume, the market has struggled to gain any traction. A slight standoff had developed by the middle of the week, but it became apparent that towards the end of the week that owners were reluctant to ballast, which ultimately capped any upside. The Atlantic had more of a subdued start to the week and there was a sense of the market grappling to find some stability. As the week progressed there was a major starting fixing from South Brazil to China, and the rates began to dwindle. The North Atlantic looked to be overmarked at the beginning of the week, and eventually we saw a correction, resulting in rather flat market.

#### Panamax

It proved to be another negative week for the Panamax with no sign of the recent softening trend abating, with little momentum from week beginning and disrupted somewhat by many holidays towards the latter part of the week. The Atlantic appeared predominantly fronthaul led with a steady cargo flow ex NC South America, reports of an 81,000-dwt delivery Continent achieving \$18,800 redelivery Singapore-Japan. There was very little to report on trans-Atlantic, with some mineral voyage stems covered, equating to very low time charter equivalents. In Asia, the market lacked any kind of support. Even the coal exports ex Indonesia failed to materialise with talk of an 82,000-dwt agreeing as low as high \$7,000s for a trip via Indonesia redelivery India. There was limited period reporting but did include rumours of a scrubber-fitted 81,000-dwt delivery North China concluding at a rate in the \$17,000s for mid-term period, with the scrubber benefit heading to charterers.

#### Ultramax/Supramax

Overall a subdued feel for the sector, not helped by widespread holidays towards the end of the week. The Atlantic saw little signs of positive movement, although the US Gulf remained positional. Otherwise, a last of fresh enquiry led to lengthening tonnage availability. A 56,000-dwt was heard fixed delivery lower Baltic for a trip to West Africa with grains at \$16,500. Further south a 61,000-dwt was heard fixed delivery Santos for a trip to Malaysia at \$15,000 plus \$500,000 ballast bonus. A similar story from Asia, despite an small upturn in demand from Indonesia mid-week sentiment remained poor, with limited fresh enquiry further north keeping rates in check. A 57,000-dwt fixed delivery passing Taiwan for a trip via Indonesia redelivery Taiwan at \$8,500 whilst a 56,000-dwt was heard fixed delivery Singapore for and Australian round redelivery SE Asia at \$15,000. Limited action surfaced from the Indian Ocean, although a 59,000-dwt was heard fixed delivery Chittagong via EC India redelivery Arabian Gulf at \$6,000.

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### Handysize

In a generally subdued week lacking in visible activity due to widespread holidays, the Atlantic's negative sentiment continued amid a general lack of enquiry across all regions. In the South Atlantic, a 37,000-dwt open in Buenos Aires was fixed basis delivery via River Plate to Atlantic Columbia with an intended cargo of grains at \$18,000. A 33,000-dwt was rumoured to have been fixed from Brazil to the Mediterranean at \$15,750. Whilst a 37,000-dwt was fixed from Vila Do Conde to Norway with an intended cargo of alumina at \$17,500. On the Continent, a 37,000-dwt fixed from the UK to West Coast India with an intended cargo of fertiliser at \$13,500. Asia was also lacking visible activity, but levels had remained steady with a 35,000-dwt opening in Guangzhou with end of May dates rumoured to have been fixed for a short period at \$11,000 but further details had yet to surface.

### Tanker report – Week 20

#### VLCC

The rate for 280,000mt Middle East Gulf to US Gulf (via the Cape/Cape routing) is now assessed 2.5 points higher than a week ago at WS34.78, while the rate for 270,000 mt Middle East Gulf to China rose seven points to WS49.73 (a round trip TCE of \$27,500 per day basis the Baltic Exchange's vessel description).

In the Atlantic market, the rate for 260,000mt West Africa/China rose eight points to WS54.95, which shows a daily round voyage TCE of \$35,300. Although the US Gulf arena has not been as busy as last week, rates have, since last Friday, firmed by \$1,272,223 for 270,000mt US Gulf/China, which is now assessed at a little over \$8,500,000 (\$37,200 per day round trip TCE).

#### Suezmax

The Black Sea and Mediterranean markets firmed again this week with the rate for 135,000mt CPC/Med rising almost a further six points to WS133.17 (a round trip TCE of \$61,600 per day).

In the Atlantic region, the West African market was again busy. Rates peaked on Wednesday but have fallen back since. For the 130,000mt Nigeria/Rotterdam market, having risen to WS133, is now on a downward trend and assessed at WS129.75 (a round trip TCE of \$59,400 per day) – still 11 points up on assessments a week ago. In the Middle East, the rate for 140,000mt Basrah/Lavera made a mediocre gain of 1.5 points to WS72.38.

#### Aframax

In the North Sea, the rate for the 80,000mt Hound Point/Wilhelmshaven climbed about eight points again to sit between the WS152.5-155 mark (showing a round-trip daily TCE of \$56,800).

## WEEKLY MARKET REPORT

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In the Mediterranean, the rate for 80,000mt Ceyhan/Lavera rose 24 points, with owners able to pile on pressure with a reduced list of available tonnage, to be assessed now at WS190 (a daily round trip TCE of \$65,500).

Across the Atlantic, the Stateside Aframax market peaked on Tuesday and falling off since then, enabled by a few ballasters from Europe arriving after 27 May. The rate for 70,000mt East Coast Mexico/US Gulf rose to the height of WS405 and has now slipped back to WS398.75, a week-on-week fall of two points, with a corresponding TCE of about \$154,500 per day round trip. Meanwhile, the rate for 70,000mt Covenas/US Gulf rose five points to WS380 earlier in the week but has settled back to last week's level, showing a round trip TCE of about \$131,000 per day.

For the trans-Atlantic route of 70,000mt US Gulf/Rotterdam, the rate having risen to WS282 on Tuesday has slipped back to WS270 (a round trip TCE of \$82,900 per day), which is still a seven-point improvement from a week ago.

### **Clean**

#### **LR2**

LR2's took another tumble in the MEG this week, with not enough activity to keep freight levels from dwindling. TC1 took a 33.12 point hit to WS118.13 and run west on TC20 shed \$142,000 to \$3,557,000.

West of Suez, Mediterranean/East LR2's saw another week of sedation, dropping the index another \$233,000 to \$2,700,000.

#### **LR1**

In the MEG, LR1's began to slip as well this week. TC5 has come off 15 points to WS161.07 and a trip to the west on TC8 lost \$167,000 to \$3,199,000.

On the UK- Continent, TC16 saw just enough market movement to keep the index hovering around the WS112.5 - 115 mark.

#### **MR**

MEG MR's took a major correction down this week. The TC17 index came off WS62.85 to WS264.29.

UK-Continent MR's continued to trundle along at what looks to be the bottom of the market at the moment. Suffering from a glut on available tonnage TC2 dipped and incremental 1.66 points to WS125.56 and similarly TC19 dipped 2.15 points to WS135.71.

Much like their sisters trading in the UK-Continent, USG MR's continued along the bottom this week despite what appeared to be a lot of off market fixing. TC14 is still pegged in the low WS80's and TC18 in the mid WS140's. A run to the Caribbean on TC21 managed to hold on a shade over the \$500,000 mark.

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The MR Atlantic Triangulation Basket TCE dropped from \$14,525 to \$13,745.

### **Handymax**

Charterers chipped away at Mediterranean Handymax's this week. The TC6 index dipped from WS150 to WS141.56 with reports of WS140 currently on subs cross Mediterranean.

Up on the UK-Continent the TC23 looks to have reached a floor of WS115 for the moment. Much lower and TCE for this run could go negative (it is currently \$634/day round trip for a Baltic description vessel).