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WEEKLY MARKET REPORT

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9th June 2023

Bulk report – Week 23

Capesize

The week kicked off in the Pacific with a flurry of activity, with all three of the majors in the market from West Australia to China on similar dates. The market gained momentum with an increase in enquiry. Despite a lack of coal enquiry from East Coast Australia, the market remained resilient and rates continued to rise. By the middle of the week, there were expectations of a further push but this did not materialise, leading to a slight correction in rates. As the week drew to a close, the level of activity slowed, but the market has found a degree of stability.

In contrast, the Atlantic has been relatively quieter, although there has been a positive shift in sentiment and some resistance among owners, particularly among the vessels ballasting from the Pacific. Brokers reported improved bids for shipments from South Brazil to China, causing owners to reassess their position and leading to a notable spread between the bid and the offer.

Panamax

A real contrast of a week for the Panamax market. The week began on a firm footing carried over from the previous week with sentiment remaining high. Supported by solid fresh demand in both basins, rates began to gain some gravitas. However, by mid-week the fragility seen in the market in recent weeks began to rear its head again, with bids retracting and, despite offers reducing slightly, a stand-off ensued as the week concluded. The Atlantic was generally led by fronthaul demand with end June arrivals ex EC South America achieving as high as $15,000+$500,000 bb delivery arrival port, whilst early July arrivals saw DOP rates on several occasions. Mineral demand ex Australia ably supported good supply ex Indonesia this week, with a bunch of deals concluded ex Australia for good design 82,000-dwt types at $11,000 but such rates appeared unachievable by end of week with Charterers stepping back.

Ultramax/Supramax

A rather turbulent week for the sector with sentiment remaining poor in most areas. Despite a trickle of fresh cargo appearing brokers spoke of an excess of prompt tonnage available keeping rates in check while owners competed to cover their vessels. From the Atlantic, a 59,000-dwt was heard to have fixed a scrap cargo from the Baltic to US East Coast at $8,250. Further a 61,000-dwt fixed a trip from Greece to US East Coast with cement at $11,000. In Asia, as the week progressed a little more cargo appeared from Indonesia, although again this did little to change the negative feel. A 60,000-dwt open mid China fixing a trip via Indonesia redelivery China at $5,000. Similarly, a 63,000-dwt fixed a trip delivery Hong Kong via Australia redelivery Singapore-Japan at $8,000. Elsewhere, the malaise continued with the Indian Ocean also lacking positive sentiment. A 63,000-dwt fixing a trip from EC India to China with iron ore at $8,000.

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Handysize

With a general undertone of negativity and a lack of enquiry, both basins saw levels soften. A 28,000-dwt open spot in Iskenderun fixed basis delivery Port Said for a trip via the Red Sea to East Coast India with an intended cargo of petcoke at $6,250. A 37,000-dwt was rumoured to have been fixed for a trip from the US East Coast to Turkey with an intended cargo of scrap at a rate between $8,000 to $9,000. In Asia, a 32,000-dwt opening in Thailand was fixed via Australia to Southeast Asia in the low $7,000s. Whilst a 29,000-dwt fixed from Bunbury to Vietnam with an intended cargo of grains at around $12,000. A 40,000-dwt newbuild opening ex-yard in Japan was fixed for a trip to the Continent -Mediterranean at $10,000 whilst a 38,000-dwt opening in CJK was rumoured to have fixed via South Korea to the Philippines with an intended cargo of gypsum in the low $7,000s.

Tanker report – Week 23

VLCC

A busier week and owners have managed to turn rates around, albeit slightly. The rate for 270,000 mt Middle East Gulf to China has improved by about 2.5 points to WS48.36 (a round trip TCE of $24,978 per day basis the Baltic Exchange's vessel description), while the 280,000mt Middle East Gulf to US Gulf trip (via the cape/cape routing) the rate is now assessed almost one point higher at WS32.78.

In the Atlantic market, the rate for 260,000mt West Africa/China climbed almost 2.5 points to WS50.53 (which shows a round voyage TCE of $28,730 per day). The rate for 270,000mt US Gulf/China is now assessed $66,667 higher than a week ago at $7,977,778 ($31,919 per day round trip TCE).

Suezmax

Rates for Suezmaxes have fallen across the board. For the 135,000mt CPC/Med route, the rate has fallen by nine points to WS110.28 (a round trip TCE of j$42,400 per day) while a similar loss was felt for the 130,000mt Nigeria/Rotterdam trip, to WS90.5 (a round trip TCE of $32,500 per day). In the Middle East, the rate for 140,000mt Basrah/Lavera eased five points to WS60.16.

Aframax

In the North Sea, the rate for the 80,000mt Hound Point/Wilhelmshaven slipped five points to a fraction over the WS140 level (showing a round-trip daily TCE of $46,400).

In the Mediterranean, rates tumbled with the 80,000mt Ceyhan/Lavera route shedding 21 points to WS149.5 (a daily round trip TCE of about $42,900).

Across the Atlantic, the Stateside Aframax market has awoken once again. The rate for 70,000mt East Coast Mexico/US Gulf rose over 37.5 points to WS177, which shows a TCE of about $48,600/day round trip. For the 70,000mt Covenas/US Gulf trip, the rate increased by more than 25 points to WS165, representing a round trip TCE of $40,500 per day. For the trans-Atlantic route of 70,000mt US Gulf/Rotterdam, the rate is now nearly 34 points firmer than last Friday at WS177.5 (a round trip TCE of $45,600 per day).

Clean

LR2

MEG LR2's have been subject to bearish sentiment over the last seven days. Freight levels have dwindled as result, TC1 has taken a 29.55 point tumble to WS114.38 and TC20 shed another $684,000 to $3,157,000.

West of Suez, Mediterranean/East LR2's have also dipped. TC15 is currently pegged at $2,729,000, an almost 10% drop and taking the Baltic round trip TCE to just $1,600/day.

LR1

In the MEG, LR1's have also been lacklustre from depleted enquiry. TC5 came off 17.26 points to WS128.57 and on a trip west on TC8 fell from $2,999,000 to $2,575,000. On the UK-Continent, TC16 dipped to WS127.5 mid-week following that number reported on subjects a couple of times but the soft sentiment has led the index down to WS125 at time of writing.

MR

MEG MR's have been recorrected down again this week. Subsequently the TC17 index has dropped from WS260.71 to WS236.43 despite UK-Continent MR's supply heavily outweighed demand this week. The TC2 index came off 17.26 points to WS177.78 and likewise TC19 sunk to WS187.14 (-24.29)

USG MR's saw a mini mid-week hop up, only to then return back down. TC14 peaked at WS126.25 (up from WS120) to then resettle at WS117.5. TC18 topped out at WS187.5 up from WS180 to return back down to WS175 and TC21 similarly maxed out at $714,000 to then go back down to its beginning of the week seat at $658,000.

The MR Atlantic Triangulation Basket TCE dropped from $31,517 to $27,155.

Handymax

Mediterranean Handymax's once again continued to hold at the WS135 mark for the third week in a row. Up on the UK-Continent, TC23 also remained stable in the mid WS130's.