WEEKLY MARKET REPORT

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28th July 2023

Bulk report – Week 30

Capesize

After a slow beginning to the week, the Capesize market experienced a surge on Wednesday with a rise of over $2,500 in a day on its five timecharter routes average. The week closed at $15,180 with +$3,222 week-on-week. Both fronthaul and trans-Atlantic business were particularly active whilst tonnage in the Atlantic tightened. Solid volume lent support and made the North Atlantic the strongest sector of the week. By Friday, vessels delivered in the Continent/Mediterranean were paid close to $36,000 for runs to the Far East. From Brazil, moving iron ore to China was marked in the mid $19s for second half August loading. In the Pacific, the West Australia to Qingdao trade remained stable throughout the week at the level of $7.70. Currently both a trans-Pacific and a China to Brazil round voyage are in the $12,000s per day.

Panamax

It was an eventful week with the Panamax market finally finding some life. The week began slowly, but eventually sparked and was duly accompanied by an FFA drive/some Cape splits in parts only to flatten out as the week ended. In the Atlantic, some much needed mineral demand was evident alongside solid demand ex South America for mid/end August arrival window. 82,000-dwt types delivery Singapore were now achieving somewhere between $10,500 and $11,000 date dependent. Further north, an 82,000-dwt delivery Continent achieved $7,500 for a trans-Atlantic round trip via US East Coast. In Asia, rates improved marginally, buoyed somewhat by the pick-up in South America, but decent levels of Australian coal provided the support for most part of the week and a small smattering of NoPac enquiry mid-week, but pitted against a lengthy tonnage list rates hovered around the $6,000 mark for Australian mineral round trips.

Ultramax/Supramax

Another rather unexciting week for the sector, certainly from the Atlantic, which saw further drops with limited fresh impetus across most areas with the ongoing Summertime slow down. The US Gulf was described as positional whilst the South Atlantic had positional opportunities for owners with prompt vessels, although it did remain fairly uneventful. A 55,000-dwt was heard fixed delivery Recalada for a trip to the East Mediterranean at $14,000. In the US Gulf, a 58,000-dwt was heard to have fixed from SW Pass to the Mediterranean at $9,000. From Asia, stronger enquiry was seen in the south at the beginning of the week and with the recent bad weather some vessels where delayed, which kept levels at a reasonable level. Further north, some saw demand remain for backhaul enquiry but limited fresh enquiry was seen from the NoPac. A newbuilding 64,000-dwt open Japan fixed a trip to Brazil in the high $7,000s. Further south, a 63,000-dwt fixed delivery Koh Si Chang via Indonesia redelivery China at $9,000.

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Handysize

Limited enquiry in the South Atlantic has led to ever growing tonnage availability. A 32,000-dwt was fixed basis delivery Recalada for a trip to the US East Coast with an intended cargo of sugar and duration of about 50 days at $9,000. The US Gulf was also suffering similar issues with limited cargo availability. A 32,000-dwt was fixed from SW Pass to Israel with an intended cargo of grains at $5,000 and a 38,000-dwt fixed from Barranquilla to China with an intended cargo of coal at $10,000. In Asia, a 34,000-dwt opening in Koh Si Chang was fixed for a trip via Kijing to Samalaju with an intended cargo of alumina at $4,750 and a 37,000-dwt was fixed from Papa New Guinea via Australia for a round voyage at around $10,000 with an intended cargo of concentrates whilst a 36,000-dwt open in Japan was linked to fixing for a round trip via Australia in the upper $5,000s.

Tanker report – Week 30

VLCC

The market in the Middle East softened this week, mostly seen in the earnings rather than fixing rates, while the Atlantic markets gained a little. In the Middle East, the rate for 270,000 mt Middle East Gulf to China yesterday was assessed at WS51.33, a week-on-week drop of 0.7 points, although the daily round-trip TCE of $27,800 basis the Baltic Exchange's vessel description is $3,200 lower than last Friday). The 280,000 mt Middle East Gulf to US Gulf trip (via the cape/cape routing) remained flat in the WS32-32.5 range.

In the Atlantic market, the 260,000 mt West Africa/China rate remained steady around the WS53 mark (which shows a round voyage TCE of $31,300/day, which is about $2,000 lower week-on-week). The rate for 270,000 mt US Gulf/China has continued firming and is $461,111 more than last Friday at $8,244,444 (about $33,200/day round trip TCE).

Suezmax

Suezmaxes in West Africa have had another poor week with rates still dropping. For 130,000 mt Nigeria/Rotterdam rates lost another 11 points to settle a little below WS72.5 (a daily round-trip TCE of $18,300). In the 135,000 mt CPC/Med market, rates are down again, losing a further four points to just above WS90 (showing a daily TCE of $24,800 round-trip). In the Middle East, the rate for 140,000 mt Basrah/Lavera gained a point to almost WS60.

Aframax

In the North Sea, the rate for the 80,000 mt Hound Point/Wilhelmshaven faced a reset in the market and is now assessed 15 points down over the course of the week to WS120.36 (showing a round-trip daily TCE of $24,100). In the Mediterranean, the rate for 80,000 mt Ceyhan/Lavera is also on a downward trajectory, losing 16 points since last Friday to WS104 (a daily round trip TCE of $16,100).

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Across the Atlantic, in the Stateside Aframax market, rates are tumbling once again. The rate for 70,000 mt East Coast Mexico/US Gulf collapsed 45 points to WS134.69 (which shows a TCE of $25,700/day round trip) and for 70,000 mt Covenas/US Gulf the rate has tumbled 38 points to WS127.5 (a round-trip TCE of $22,400/day). The rate for the trans-Atlantic route of 70,000 mt US Gulf/Rotterdam has been chopped by 37 points to WS123.13 (a round trip TCE of close to $22,400 per day).

Clean

The BCTI finished the week at 671, up from 610 the previous week.

In the Middle East Gulf freight rates for LR’s have strengthened with TC1 75k Middle East Gulf / Japan, increasing from WS90.28 to finish the week at WS130.17 (+WS39.89), a round trip TCE of $26,757/day. This has had a knock-on effect on MRs with TC17, 35kt Middle East Gulf / East Africa, showing similar gains, resulting in an increase of WS46.43 points to WS255 and a round trip TCE of $29,776/day.

The LR1's of TC16 60k Amsterdam / Offshore Lomé steadily increased over the course of the week, gaining +WS3.43 points to finish at WS114.06.

West of Suez, on the LR2's, TC15, 80k Mediterranean / Japan, were mostly flat ending the week at $2,391,667.

LR1's have also seen a similar gains over the last week with TC5, 55k Middle East Gulf / Japan, steadily increasing WS37.19 to WS138.75. On TC8 Middle East Gulf / UK-Continent rates softened throughout finishing at 43.30 $/mt (a lumpsum equivalent of $2.8m).

Rates for MRs in the US have continued the volatility seen since the beginning of the year, starting off at WS138.33 for TC14 38k US Gulf / UK-Continent, reaching a peak around WS151.25 at the end of the week. TC18 the MR US Gulf / Brazil followed TC14 to end the week at WS228.75 (+7.08). TC21, MR US Gulf / Caribbean, started the week at $787,500 increasing and peaking at $945,833 (+$158,333).

On the UK-Continent, MRs freight levels have been steadily increasing with TC2, 37k UK-Continent / US Atlantic Coast, finishing the week at WS172.75 (+WS13). TC19, 37k Amsterdam to Lagos, followed suit and finished at WS182.5 (+WS13.12).

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