

WEEKLY MARKET REPORT

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11th August 2023

Bulk report – Week 32

Capesize

The week started with the usual slow pace on Monday, but it quickly picked up momentum. In the Pacific, the underlying sentiment remained positive, with two out of the three major players actively participating from West Australia to China. Rates on C5 showed improvement, rising by approximately 15 cents at the beginning of the week. The Atlantic market, while limited in activity, showed optimism in the South Brazil to China region, particularly for end August loaders. As the week progressed, a slightly mixed tone emerged as Singapore's National Day holiday approached. Activity levels varied, with some days showcasing increased participation while others remained quiet. After the holiday in Singapore, the market saw the re-entry of two major players in the Pacific, alongside an increase of operator cargo. However, despite increased activity, the supply of available tonnage gradually started to accumulate due to the reopening of several Chinese ports following last week's typhoons. As a result, rates encountered difficulties and registered a decline towards the end of the week. In the Atlantic, the week's start had been robust, especially from South Brazil to China. However, as the week proceeded and dates shifted slightly forward, activity levels in this region diminished. Despite this decline, market conditions have demonstrated resilience as the week draws to a close.

Panamax

A stronger week overall as tonnage availability remained tight in the North Atlantic, which led to further strengthening for both trans-Atlantic and front haul runs. An 84,000-dwt fixed from Jorf Lasfar via Ponta Da Maderia to the Western Mediterranean at \$15,500. The South Atlantic showed appetite for both August and September tonnage, which also drew tonnage from further afield, while an 81,000-dwt fixing retro sailing Krishnapatnam trip via EC South America redelivery Singapore-Japan at \$13,800. Whilst an 80,000-dwt was fixed basis delivery end August for a trip from EC South America to Singapore-Japan at \$16,250 plus a ballast bonus of \$625,000. In Asia despite local holidays the market remained firm, an 84,000-dwt fixing delivery Japan for a NoPac round in the mid \$11,000s. Better levels of enquiry from the south saw an 81,000-dwt open Koh Si Chang mid-August fix a trip via Australia redelivery China at \$10,000. Period activity was again in demand an 80,000-dwt open Haldia fixed for one year at \$13,500 with worldwide redelivery to a grain house.

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Ultramax/Supramax

A rather more positive week than of late, with better levels being discussed, brokers said. The Atlantic saw positional opportunities from the US Gulf whilst from the South Atlantic more enquiry was seen certainly for the larger ultramax. From Asia, a slightly mixed bag with more activity was seen at the beginning of the week prior to the Singapore holiday, a tightening of prompt tonnage availability ensued helping to maintain a more positive feel despite relatively low activity from the North. Period activity was seen, with a 64,000-dwt fixing delivery Mediterranean for minimum nine months to maximum 12 months trading redelivery worldwide at 115 % of BSI. In the Atlantic A 63,000-dwt was heard fixed for a trip delivery SW Pass redelivery Atlantic Colombia at \$9,000. Further south a 63,000-dwt fixed in the upper \$13,000s plus upper \$300,000s ballast bonus for an EC South American fronthaul. From Asia, a 63,000-dwt open China fixed a NoPac round at \$8,750. Elsewhere, a 63,000-dwt fixed a trip from East Africa to Southeast Asia in the mid \$10,000s.

Handysize

More activities were seen as the week progressed leading to gains across both basins. In the East Mediterranean, a 37,000-dwt fixed basis passing Canakkale via the Black Sea to the West Mediterranean at \$7,400 with an intended cargo of grains. A 34,000-dwt fixed from the French Bay to Abidjan with grains at \$7,200. In the South Atlantic a 37,000-dwt was rumoured to have been fixed from Paranagua to Cadiz with a cargo of sugar at \$9,500. In Southeast Asia, tonnage availability was said to have tightened and a 34,000-dwt logger type opening in Thailand was fixed for two laden legs at \$10,500 whilst a 38,000-dwt was fixed from Port Kelang to China at \$7,250 earlier in the week. Period was also active with a 28,000-dwt opening in Kuchin was rumoured to have fixed for three to five months at \$7,000 for the first 45 days and \$8,250 thereafter.

Tanker report – Week 32

VLCC

The market in the Middle East slipped a little again this week. Owners are seemingly keener on the shorter voyages while rates remain under pressure as tonnage builds up. The rate for 270,000 mt Middle East Gulf to China eased one point to WS47.29 corresponding to a daily round-trip TCE of \$19,431 based on the Baltic Exchange's vessel description, \$2,300 per day lower than last Friday. The 280,000 mt Middle East Gulf to US Gulf trip (via the cape/cape routing) remained around WS30.

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For the Atlantic market, the 260,000 mt West Africa/China rate was steady at the WS53 mark (which shows a round voyage TCE of \$28,200/day). The rate for 270,000 mt US Gulf/China was reduced by only \$27,778 to \$8,250,000 (about \$30,400/day round trip TCE).

Suezmax

Suezmaxes in West Africa have not fared very well again this week, but it would appear the floor has been reached with rates sideways at the latter part of the week. For 130,000 mt Nigeria/Rotterdam the rate has come off two points week-on-week and are now plateauing at the WS65 level (a daily round-trip TCE of \$10,975). In the Mediterranean and Black Sea region the tonnage list is building and the few cargoes available this week received much interest. For the 135,000 mt CPC/Med route rates have fallen two points to round the week out at fractionally below WS75 (showing a daily TCE of about \$9,500 round-trip). In the Middle East, the rate for 140,000 mt Basrah/Lavera recovered 7.5 points week-on-week to WS67.83.

Aframax

In the North Sea, the rate for the 80,000 mt Hound Point/Wilhelmshaven rate has gained a meagre one point to WS97.14 (showing a round-trip daily TCE of \$1,800, still \$300/day less than last Friday). In the Mediterranean market the rates struck bottom and owners collectively pushed, and got, increased fixing levels. The rate for 80,000 mt Ceyhan/Lavera gained 9.5 points to WS98 (a daily round trip TCE of \$10,700).

Across the Atlantic, in the Stateside Aframax market, rates for the shorter voyages have ceased to decline. For the 70,000 mt East Coast Mexico/US Gulf route, the rate modestly rose 1.5 points to WS105 (which shows a TCE of \$7,631/day round trip, in line with last Friday's value) and for 70,000 mt Covenas/US Gulf the rate has stabilized at WS97.5 (a round-trip TCE of \$7,420/day, about \$600/day less than a week ago). The rate for the trans-Atlantic route of 70,000 mt US Gulf/Rotterdam, however, has been reduced by five points to WS114.06 (a round trip TCE of \$16,737 per day).

Clean

LR2

LR2's in the MEG have suffered from dwindling activity this week and coupled with a short week in Singapore freight levels have come off. TC1 is currently sitting at WS122.22 (-28.06) with WS120 widely reported on subjects. For a run to the UK-Continent the TC20 index has also dipped \$393,000 to \$3,575,000.

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West of Suez, Mediterranean/East LR2's went dormant again this week and TC15 index shed \$208,000 to \$2,891,667.

LR1

In the MEG, LR1's took a major correction this week. The TC5 index dropped 27.81 points to WS145 and similarly for a trip to the UK-Continent, TC8, came down \$307,000 to \$2,964,000.

On the UK-Continent, TC16 remained level all week in the WS125-WS130 range.

MR

MEG MR's were subject to downward pressure this week again and as a result the TC17 index haemorrhaged 25 points to WS217.86.

UK-Continent MR's were driven firmly upwards this week with tonnage scarcer than previous weeks and demand plentiful. TC2 shot up 18 points to WS178.25 and naturally TC19 also went from WS170.31 to WS188.44.

USG MR's saw a recharge in freight levels this week after steady enquiry and vessel availability hindered by, amongst other items, Panama Canal delays. TC14 added 5.83 points to WSWS140.83 and TC18 likewise climbed 6.66 points to WS210.83. Meanwhile a run to the Caribbean on TC21 went from \$825,000 to \$845,833.

The MR Atlantic Triangulation Basket TCE climbed from \$25,129 to \$28,148.

Handymax

In the Mediterranean, Handymax's lacked enquiry this week and the TC6 lost 7.78 points to WS136.94

Up on the UK-Continent, Handymax's continued firming albeit modestly and TC23 hopped up from WS178.33 to WS185.56.