

WEEKLY MARKET REPORT

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18th August 2023

Bulk report – Week 33

Capesize

As the week unfolded, the Capesize market saw a blend of stability, resistance, and shifts in sentiment across both the Pacific and Atlantic regions. The Pacific market commenced the week with a steady but balanced pace. The presence from two out of the three major players, accompanied by operator cargoes and a handful of tender cargoes painted a picture of consistency. However, the supply of available tonnage continued to expand, putting pressure on rates. Despite the healthy cargo volume, this surplus of tonnage kept rates relatively flat throughout the early part of the week. Sentiment shifted midweek as owners exhibited some resistance. This change resulted in a positive turnaround, with rates on C5 improving by approximately 0.60 cents. Yet, this momentary improvement was brief, swiftly eclipsed by the extensive tonnage list, effectively restraining any further room for upside. The Atlantic market began with a positive undertone that persisted throughout the week. Encouraging reports of more substantial fixtures originating from South Brazil and West Africa to China kept owners' confidence buoyant. This upbeat sentiment saw an increase in activity levels, contributing to a noteworthy uptick in rates. However, the market's forward outlook began to exhibit signs of caution as the market began adopting a positional stance, where index dates started to obtain a premium, although there is a growing perception that rates might start declining as shipments dwindle and dates move forward.

Panamax

Overall, a positive week for the sector that saw healthy demand from South America combined with a shortage of tonnage rates pushed up. In the North Atlantic, an 80,000-dwt was fixed delivery Gydnia via the Baltic to Turkey at \$24,500. The push from South America saw an 81,000-dwt fixing at \$17,000 plus \$700,000 ballast bonus for a front haul redelivery from Singapore to Japan. In Asia, with good levels of enquiry both from Australia and sustained demand from the NoPac again, stronger rates were seen. An 85,000-dwt open Yeosu fixing an Australian round at \$12,500. As the week drew to a close sentiment, Asia became a little more cautious with Indonesian business slowing down. However, with the demand from South America, owners were reluctant to take a cut in ideas. A healthy amount of period cover was seen, with an 82,000-dwt open North China fixing 9 to 11 months trading with worldwide redelivery at \$14,350.

Ultramax/Supramax

A positive week for the sector, with a shortage of tonnage combined with healthy demand in key areas such as the US Gulf and South America, better levels were achieved. A 64,000-dwt open East Coast South America fixing a trip redelivery from the US Gulf to the East Coast Mexico in the low to mid \$18,000s. From Asia, despite some holidays in the region, the sentiment remained positive. Tonnage availability became tight, which saw charterers increasing bids to secure tonnage. A

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61,000-dwt Southeast Asia was heard fixed for an Australian round at close to \$14,000. A 63,000-dwt open South China fixing a trip via Indonesia redelivered to West Coast India at \$12,000. Better amount of enquiry from the Indian Ocean saw Ultramax sizes fixing in excess of \$15,000 plus \$150,000 ballast bonus for delivery to South Africa and redelivery to China. The appetite for the period maintained, with a 63,500-dwt open China fixing at \$13,750 for one year's trading redelivery worldwide at \$13,750.

Handysize

The handy market saw gains this week across the sector. In the South Atlantic, tonnage availability was said to be tight, and a 37,000-dwt fixed from Rio Grande to WC Central America at \$19,500 whilst a 35,000-dwt fixed basis delivery when we are ready Upriver Plate for a trip to the Eastern Mediterranean in mid \$13,000's. The Black Sea was also more active with a 37,000-dwt fixed passing Canakkale via the Black Sea to the Western Mediterranean at \$7,400; whilst a 36,000-dwt was fixed for a similar voyage in the mid to high \$7,000's. In Southeast Asia, tonnage availability was also a factor and a 38,000-dwt was fixed from the Philippines via Australia to China at \$12,500 and a 32,000-dwt opening in Kandla was fixed passing Colombo via Australia to Indonesia with a cargo of Alumina at \$8,750. The period market was also active with a 38,000-dwt fixed from Georgetown, Guyana for 12 months at 105.5% of the BHSI.

Tanker report – Week 33

VLCC

The week progressed unhurriedly, with the Middle East to the US Gulf (routing via the Cape/Cape) incrementally dipping to W26.22 (-3.95), while MEG to China is valued at the W46.21 level (showing a round trip TCE of \$18,686/day). In the Atlantic, rates for 260,000 mt from West Africa to China are around the WS51 mark (a TCE of \$26,347/day round trip) and 270,000 mt US Gulf to China saw a gentle rise of \$33,300 to \$8,295,000 (a roundtrip TCE of \$31,435/day).

Suezmax

In West Africa, there were a few chunks of demand, which caused a modest 3.14-point improvement in rates for the 130,000 mt Nigeria/UK-Continent market to the W67.91 level (a round trip TCE of \$13,882/day). Rates for 135,000 mt Black Sea/Med remained level around W75 (a round trip TCE of about \$9,924/day). The Middle East market continued along sedate this week and rates for the 140,000 mt Basrah/Med trip still pegged at around W67.5 mark.

Aframax

In the Mediterranean, the market for 80,000 mt Ceyhan/Lavera improved at a little from W101.17 to the W105.33 mark (showing a round trip TCE of \$15,770/day).

In Northern Europe, the market for 80,000 mt Cross-North Sea saw some minor softening of rates and is now at the WS95.71 level (a round trip TCE of \$2,346/day).

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Across the Atlantic, the Caribbean market has been active with rates climbing off the back of that. 70,000 mt from the Caribbean to the US Gulf jumped 19.38 points to W118.44 while the Gulf of Mexico region has also seen a definite positive sentiment. Rates for 70,000 mt from the East Coast of Mexico to the US Gulf gained 21.56 points to W125 (a TCE of about \$19,600/day round trip) and the market for 70,000 mt from the US Gulf to UK-Continent improved a meagre 2.82 points to WS118 level (showing a round trip TCE of 19,223,000/day).

Clean

LR2

LR2's in the MEG, after hitting the floor this week, began to optimistically resurge. TC1 is currently sitting at WS132.22 (+11.11) after WS130 has been reported as fixed several times. A run to the UK-Continent on TC20 also improved, seeing the index hop up \$287,500 to \$3,667,750 (\$28,400/day Baltic vessel round trip TCE).

West of Suez, Mediterranean/East LR2's continued along sluggishly this week. The TC15 index lost \$45,000 to \$2,770,833.

LR1

In the MEG, LR1's also took a turn upwards this week. The TC5 index improved 13.43 points to WS151.56 and similarly for a trip to the UK-Continent on TC8, went up over \$300,000 to reach \$3,235,700.

On the UK-Continent, TC16 held flat again all week in the WS125-127.5 range.

MR

MEG MR's rebounded with gusto this week seeing the market go through the gears upwards. The TC17 index as a result added 48.57 points to WS265.71 (over \$30,000/day round trip TCE). UK-Continent MR's were the star of the show this week, seeing TC2 rise to reach WS198.5 (+26.75) and the first time back up at these levels since early June. TC19 followed suit and climbed 29.38 points to WS210.63. USG MR's also saw another uptick in freight levels this week. Panama Canal delays were still firmly headlining news in the region. TC14 accrued another 26.67 points and TC18 also climbed 43.34 points to WS254.17. Meanwhile, a run to the Caribbean on TC21 hopped over the \$1,000,000 mark to \$1,066,667.

The MR Atlantic Triangulation Basket TCE climbed from \$27,148 to \$36,623.

Handymax

In the Mediterranean, Handymax's had a welcome 57.23-point boost on the TC6 index to WS196.67

Up on the UK-Continent, Handymax's were resolute and saw the TC23 index at WS185 all week.

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