

WEEKLY MARKET REPORT

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8th September 2023

Bulk report – Week 36

Capesize

The capesize market witnessed an eventful week. It began energetically in the Pacific, where all three major players actively participated, leading to a positive response to the C5 market. As the week progressed, the market experienced fluctuations in trading volumes, resulting in the market remaining relatively stable by the middle of the week. However, with the substantial cargo volume, owners started to exhibit resistance, injecting a sense of bullish sentiment into the market, and resulting in a further rise in rates. In contrast, the Atlantic market saw limited discussions and activity at the beginning of the week. However, as laycans shifted forward, owners were able to show some resistance. As the week unfolded, there was a gradual uptick in activity, marked by fresh enquiry in the North Atlantic. This led to more robust fixtures being concluded and an increase in trading levels from South Brazil and West Africa to the Far East. The week concluded positively, with improved fixtures in both the Pacific and North Atlantic, leading to increased rates and a promising outlook.

Panamax

The Panamax market began the week mostly on a firm footing with the continued bullish trend particularly in Asia carrying on from the back of last week's push. Conversely the Atlantic began nervously with limited fresh demand in the North of the basin for trans-Atlantic trips pitted against an ever-expanding tonnage count. South America was steady rather than exhilarating with end of September arrivals a mix of APS plus BB deals, plus some DOP SE Asia fixtures emerging with reports of \$13,500 concluded on several deals. In Asia, steady support for both NoPac grains and Australia minerals throughout the week gave some impetus to the market, with rates returning between \$13,000 and \$14,500 dependent on trade/delivery position. With healthy Indonesia demand continuing in Southeast Asia positions, there was good demand from all angles. Some period activity of note with several deals reported the highlight an 82,000-dwt delivery China achieving \$14,500 basis 6/8 months.

Ultramax/Supramax

A stronger week overall for the sector, which saw improved activity and stronger rates being discussed. The Atlantic saw healthy demand both from the US Gulf and Continent-Mediterranean with limited fresh tonnage appearing. However, as the week closed some saw a slight tempering of fresh enquiry. From Asia, strong demand was seen from the Indian Ocean-South Africa region, which seemingly buoyed owners' expectations despite a relatively limited amount of fresh

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enquiry from SE Asia and further north. Demand remained healthy for period cover, a 56,000-dwt open Mumbai fixing minimum five months to maximum seven months trading at \$12,500. In the Atlantic, a 56,000-dwt fixed from SW Pass to Atlantic Colombia at \$18,000. Whilst a 63,500-dwt fixed delivery United Kingdom trip via Morocco redelivery India at \$24,000. In Asia, an Ultramax was fixed delivery Philippines trip via Indonesia redelivery China at \$15,000. From the Indian Ocean a 63,000-dwt fixed delivery Chittagong trip via South Africa redelivery China at \$12,750.

Handysize

A mixed week for the sector. Whilst overall sentiment remained positive in the Atlantic, there was a rather lacklustre feel from the Asian arena. Brokers said the Atlantic saw better levels of fresh enquiry both from the South Atlantic and Continent-Mediterranean regions helping keep rates at reasonable levels. From Asia, it was finely balanced with some seeing prompt tonnage availability grow in the north but limited fresh enquiry. Period activity was seen, with a 33,000-dwt fixed delivery SE Asia for short period at \$11,000. In the Atlantic, a 38,000-dwt fixed from EC South America for a trip to the Continent at \$15,000. From Asia, a 37,000-dwt open North China fixed a trip to SE Asia at \$8,000. Further south a 28,000-dwt was heard fixed basis delivery Singapore for an Australian round voyage redelivery Far East at \$9,000.

Tanker report – Week 36

VLCC

VLCCs in the Middle East remained flat to soft this week, with reports of activity under the surface preventing rates from heavily crumbling and but open market activity still sedate. The rate for 270,000 mt Middle East Gulf to China lost another 1.68 points to WS36.46, rendering a daily round-trip TCE of \$4,661 basis the Baltic Exchange's vessel description. The 280,000 mt Middle East Gulf to US Gulf trip (via the cape/cape routing) was marked again, this time 1.03 points lower than last week to WS22.64.

In the Atlantic market, the 260,000 mt West Africa/China rate dipped by 2.89 points to WS43.55, which shows a round voyage TCE of \$15,426/day. The rate for 270,000 mt US Gulf/China was reduced by \$277,778 to \$7,144,444 (about \$20,622/day round trip TCE).

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Clean

LR2

LR2's in the MEG held stable this week with a few bits of enquiry maintaining the supply/demand balance. TC1 continued along in the mid WS130's seeing the Baltic TCE of hold in the \$26,000-27,000/day region). Meanwhile, a run to the UK-Continent on TC20 dipped \$90,000 to \$3.79m.

West of Suez, Mediterranean/East LR2's saw the TC15 index continue to trundle along at the \$2.92m level with no sign of movement at the moment.

LR1

In the MEG, LR1's mirrored the behaviour of the LR2's. The TC5 remained flat and hovering around the WS145 mark whilst for a trip to the UK-Continent on TC8 ended the week at \$3.27m (down \$50,000).

On the UK-Continent, TC16 crept up 6.25 points to WS161.25 and was seemingly unaffected by the current state of the MR market in the region.

MR

MEG MR trade has been spotty this week and the TC17 index has danced around the high WS280's – low WS290's. Some consistency will be needed next week to establish a firm direction.

UK-Continent MR's took a sharp correction downward this week. TC2 shed just under 50 points to WS170.75 and the TC19 index likewise lost WS49.06 to WS180.94. Baltic round trip TCE's are now circa \$16,000 and \$20,000/day respectively for the runs.

In the USG MR's have been notably busy, particularly on short haul business this week, but this has not kept Baltic routes from dropping. TC14 lost 10.83 points to WS134.17 and similarly TC18 dipped 6.66 points to WS234.17. For a run down to the Caribbean on TC21 freight levels dropped below the \$1m mark again to \$933,000 (-\$66,000).

The MR Atlantic Triangulation Basket TCE dropped from \$35,248 to \$26,029.

Handymax

In the Mediterranean, Handymax's were put under pressure this week and TC6 took a 21% drop of 56 points to WS201.67. Up on the UK-Continent, the TC23 index continued stably along in the low WS190's.

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Suezmax

Suezmaxes in West Africa saw an uptick in activity this week. This combined with vessels failing subject and replacements required has helped drive a firming sentiment this week. Rates improved 3.09 points for the 130,000 mt Nigeria/Rotterdam trip to WS73.41 (a daily round-trip TCE of \$17,067). In the Mediterranean and Black Sea region, the 135,000 mt CPC/Med route held resolute this week and panellists continued to assess TD6 in the low WS70's albeit with a 0.5 point improvement to WS72.4 (showing a daily TCE of about \$8,082 round-trip). In the Middle East, the rate for 140,000 mt Basrah/Lavera ticked up 2.52 points to WS59.19.

Aframax

In the North Sea, the rate for the 80,000 mt Hound Point/Wilhelmshaven took a re-correction down this week, dropping below the WS100 mark, with TD7 currently sitting at WS92.29 down 10 points from last week. The TCE for the run is now in the hundreds of dollars per day rather than thousand. In the Mediterranean market, the rate for 80,000 mt Ceyhan/Lavera haemorrhaged another 11.73 points this week to WS90.83 (a daily round trip TCE of \$7,676).

Across the Atlantic, all routes for the Stateside Aframax market took another drop in freight rates for the second week on week. The rate for 70,000 mt East Coast Mexico/US Gulf fell five points to WS96.88 (which shows a TCE of \$5,397/day round trip) and for 70,000 mt Covenas/US Gulf the market rate dropped another 7.19 points to WS97.5 (a round-trip TCE of \$7,672/day). The rate for the trans-Atlantic route of 70,000 mt US Gulf/Rotterdam has also lost 4.68 points to WS109.38 (a round trip TCE of \$15,294/day).