WEEKLY MARKET REPORT

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22nd September 2023

Bulk report – Week 38

Capesize

The Pacific market started with a positive outlook, maintaining healthy cargo volumes driven by substantial coal shipments from East Coast Australia to the Far East. Rates initially increased, but as the week progressed, a notable shift occurred. Owners began contemplating ballasting towards the Atlantic, creating additional pressure in the Pacific market. Despite the presence of all three major players mid-week, the Pacific market displayed signs of stability but later experienced a softening trend, which was partially attributed to a decline in the FFA market. Meanwhile, the Atlantic remained relatively quieter, with limited discussions and a shortage of prompt tonnage in the North Atlantic. South Brazil and West Africa to the Far East continued to be well supported, but rates for earlier dates softened and bid-offer spreads widened. Overall, the week saw fluctuating dynamics in both the Pacific and Atlantic markets, marked by shifts in sentiment and rates.

Panamax

The week began positively in the Panamax sector, with both the Atlantic and Pacific basins well supported with good demand on all the major trades. However, as the week closed some of the gains appear to have been eroded somewhat. In the Atlantic, decent South America demand seen throughout, coupled with evidence of October arrival US Gulf stems, gave the market some impetus it had been lacking in recent weeks. However, ballast tonnage count now appears heavy, keeping a lid on rates as the weekend approached. Asia started with healthy demand ex NoPac and Australian mineral business, but like the Atlantic, the week appears to have tailed off a touch with wide bid/offer gaps appearing as a different opinion enveloped true market value. Period activity was evident, with several one-year deals concluded, including $16,250 concluded on a scrubber fitted 82,000-dwt whilst $15,000 agreed on a standard 82,000-dwt type delivery Taiwan.

Ultramax/Supramax

A strong week overall for the sector. Sustained demand was seen from the US Gulf for fronthaul trips to Asia. Whilst strong demand was once again seen from the Continent, Mediterranean regions helping to keep rates at good levels. Tight tonnage availability was an aspect in the South Atlantic, although some cautioned that fresh enquiry was limited for October as the week closed. The Asian arena similarly saw stronger numbers being achieved throughout the week as enquiry from Indonesia remained abundant. The North also saw better demand both from the NoPac and for backhaul steel requirements from China to the Continent. Period cover was still sought. A 63,000-dwt open India fixing at $16,000 for 5 to 7 months trading, whilst another 63,000-dwt open China fixed one year at around $14,000. In the Atlantic, a Supramax was heard fixed from the Baltic to WC India at $28,000. From Asia, a 63,000-dwt open South Korea was fixed for a NoPac round with wood pellets at $16,000. A 63,000-dwt open North China was fixed for a trip to the Continent at $12,750 for first 65 days and $16,000 for the balance. Further south, a 63,000-dwt open South Vietnam fixed a trip via Indonesia redelivery South China at $20,500.

Handysize

In a largely positive week across a majority of sectors in the handy market, gains were seen in both basins. The Continent and Mediterranean saw increased cargo availability and limited tonnage with a 34,000-dwt fixing from the Immingham to the Mediterranean at $22,000. The Black Sea was also active, with a 28,000-dwt fixing from Constanta to Morocco with an intended cargo of grains at $17,000 to a grain house. The South Atlantic has seen levels contract due to a lack of fresh enquiry and a 34,000-dwt was fixed from Recalada to East Coast India with an intended cargo of petcoke at $19,000. In the US Gulf, a 37,000-dwt was fixed from Mobile to the Continent with an intended cargo of pellets at $14,500. Activity was said to have been limited in Asia, but a 37,000-dwt was linked to fixing from CJK to Southeast Asia in the $9,000s. A 35,000-dwt was fixed from San Francisco to intention China at about $14,000.

Tanker report – Week 38

VLCC

The market saw a turnaround in rates across the board, which started in earnest midweek. The rate for 270,000 mt Middle East Gulf to China climbed 12 points to WS49.88 corresponding to a daily round-trip TCE of $21,852 basis the Baltic Exchange's vessel description. The 280,000 mt Middle East Gulf to US Gulf trip (via the Cape/Cape routing) was assessed 3.5 points higher at WS26.89.

For the Atlantic market, the 260,000 mt West Africa/China rate rose eight points to WS51.65, which shows a round voyage TCE of $25,192/day. The rate for 270,000 mt US Gulf/China climbed $883,333 to $8,094,444 ($27,843/day round trip TCE).

Clean

The BCTI finished the week at 869, up from 849 the previous week.

Rates for MRs in the US have flattened out slightly following the steady falls experienced since September. TC14: 38k US Gulf / UK-Continent finished the week unchanged at WS87.08. TC18: the MR US Gulf / Brazil came off more gradually from WS177.08 to end the week at WS170 (-

WS7.08). TC21: MR US Gulf / Caribbean fared better increasing and peaking at $535,833 (+$19,166).

On the UK-Continent, MRs freight levels have been steadily increasing with TC2: 37k UK-Continent / US Atlantic Coast finishing the week at WS192.25, (+WS13.75). TC19: 37k Amsterdam to Lagos, followed suit and finished at WS201.88 (+WS13.13).

The recent September gains on the LR1's of TC16 60k Amsterdam / Offshore Lomé flatted out over the course of the week finishing at WS165.63 (-WS2.5).

West of Suez, on the LR2's, TC15: 80k Mediterranean / Japan, continued to remain steady ending the week at $2,945,833, a small gain of $33,333 from the week before.

In the Middle East Gulf freight rates for LR's have softened with TC1: 75k Middle East Gulf / Japan, falling from WS141.11 to finish the week at WS135.28 (+WS5.83) a round trip TCE of $26,326/day. This has had a knock-on effect on MRs with TC17: 35kt Middle East Gulf / East Africa, showing losses resulting in a decrease of WS26.42 points to WS264.29 a round trip TCE of $29,974/day.

LR1's have also seen a similar losses over the last week with TC5: 55k Middle East Gulf / Japan, steadily decreasing WS7.19 to WS162.19. TC8: Middle East Gulf / UK Contintent, again rates softened slightly throughout the week finishing at $51.70/mt (a lumpsum equivalent of $3.36 million).

Suezmax

Suezmaxes in West Africa continue to struggle, with the rate for the 130,000 mt Nigeria/Rotterdam trip losing another 11 points to WS66.82 (a daily round-trip TCE of $11,949). In the Mediterranean and Black Sea region, the 135,000 mt CPC/Med route was held again at the WS72.5-73 level (showing a daily TCE of $7,566 round-trip). In the Middle East, the rate for 140,000 mt Basrah/Lavera increased by two points to WS61.61.

Aframax

In the North Sea, the rate for the 80,000 mt Hound Point/Wilhelmshaven route slipped back four points to the WS90 region (showing a negative round-trip daily TCE of about -$2,800). In the Mediterranean market, the rate for 80,000 mt Ceyhan/Lavera showed signs of a recovery, climbing 24 points by the end of Thursday to WS108.61 (a daily round trip TCE of $16,800), and the climb will likely continue with overnight reports of WS112.5 being on subjects for a TD19 trip.

Across the Atlantic, in the Stateside Aframax market, a different story unfolds with the rate for 70,000 mt East Coast Mexico/US Gulf losing 11 points to WS80 (which shows a negative TCE of -$3,300/day round trip) and for 70,000 mt Covenas/US Gulf the market rate was reduced 10 points to WS90.71 (a round-trip negative TCE of -$377/day). The rate for the trans-Atlantic route of 70,000 mt US Gulf/Rotterdam shed another 10 points this week to settle at WS90 (a round trip TCE of $7,045/day).