

## WEEKLY MARKET REPORT

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**10<sup>th</sup> November 2023**

### **Bulk report – Week 45**

#### **Capesize**

The week began with an encouraging start in the Pacific market, marked by positive sentiment and a notable increase in volume with several tenders and operator-controlled cargoes, leading to a market increase of approximately 90 cents on C5. In the Atlantic, positive momentum continued, with rising bids and a scarcity of offers. Tuesday saw a bustling day in the Pacific, with all three major players actively engaging in trading, leading to further price increases on C5 and robust fixtures. However, as the week progressed, market activity in the Pacific gradually declined, resulting in a regression of freight rates and a softening of conditions. The North Atlantic remained tight with limited activity and unfixed cargoes. Thursday marked a return to positive sentiment in the Pacific, with increased market activity and rising freight levels. The Atlantic region also showed positive indicators, with higher bids and a widening gap between offers. Overall, it was a week of fluctuations with strong starts, dips, and rebounds in both the Pacific and Atlantic markets, with the North Atlantic remaining tight.

#### **Panamax**

The week returned a strange feel for the Panamax market. Underlying factors in the North Atlantic suggested the gains seen would be more significant but failed to materialise as much as anticipated by some. Elsewhere, rates mostly ticked up on the back of reasonable demand versus a balanced tonnage count. The Continent/West Med tonnage profile appeared tight all week, with solid demand ex NC South America/US Gulf and US East Coast rates gained all week, with an 82,000-dwt delivery Continent agreeing a rate of \$27,000 for a trip via US East Coast to India. Asia returned a mixed bag, decent activity in the south, with sound coal demand ex Indonesia and Australia, whilst the north appeared slightly slower, with the headline being an 82,000-dwt delivery China achieving \$13,500 for an Australian round trip redelivery South China. Limited period activity but reports emerged of an 82,000-dwt delivery China achieving \$13,000 basis 5/7 months trading.

#### **Ultramax/Supramax**

Whilst positive sentiment returned to some areas it was a rather uneventful week for the sector. In the Atlantic, many players were away from their desks for Eisbein. Having said that, positive momentum was seen from the US Gulf with strong demand for both fronthaul and trans-Atlantic cargo. From the South Atlantic, limited fresh enquiry was seen, although with the demand from the US Gulf rates remained rather passive from here. A slight change in direction as the week

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progressed in Asia, which saw a slight tightening of prompt tonnage with better levels of fresh enquiry. Appetite for period cover remained rather slow. In the Atlantic, a 61,000-dwt was heard fixed delivery US Gulf for a petcoke run to India at \$38,500. From Asia, a 62,000-dwt fixed basis delivery Vietnam trip via Vietnam redelivery China at \$13,000. The Indian Ocean remained rather subdued, with a 56,000-dwt fixing delivery Salalah trip to West Coast India at \$9,000.

### Handysize

Negativity continued across most of the handy sector this week with continued lack of fresh enquiry and growing tonnage lists, combined with various shipping events, contributing to the lack of visible activity. The US Gulf and US East Coast remained the sole region of positivity, although information was limited. In the South Atlantic, a 32,000-dwt was fixed for a trip from Santos to WC India with a cargo of sugar at \$13,500 and a 37,000-dwt fixed from Sepetiba to NC South America at \$13,250. On the Continent a 35,000-dwt was linked to fixing from Hamburg via Rouen to Morocco at \$13,000. In Asia, activity was also muted with a 38,000-dwt fixing from Singapore via Australia to Japan at a rate between \$6,500 and \$7,850, whilst a 37,000-dwt fixed from Samalaju via Bunbury to Japan at \$7,000. Whilst a 37,000-dwt was rumoured to have been placed on subjects for a trip from Bangsapan for an Australia round trip in the low \$6,000s.

## Tanker report – Week 45

### VLCC

The market was quiet this week and rates slipped a little on the back of minimal chartering activity. The rate for 270,000 mt Middle East Gulf to China eased three points to WS68.04, which translated to a daily round-trip TCE of \$47,145 basis the Baltic Exchange's vessel description. The 280,000 mt Middle East Gulf to US Gulf trip (via the cape/cape routing) is now assessed at WS36.63, which is two points lower than last Friday.

In the Atlantic market the rate for 260,000 mt West Africa/China also was reduced by three points to WS69.05 (which shows a round voyage TCE of \$48,740/day) while the rate for 270,000 mt US Gulf/China is \$50,000 less than a week ago at \$10,183,333 (\$46,376/day round trip TCE, which is actually up \$500/day on last week's number).

### Suezmax

Suezmaxes in West Africa had an uneasy week, with next to no enquiry and a number of ballasters coming from the East adding to a well-populated list of available ships in November. Sentiment was lower and when cargo did get quoted, owners were very keen to fix. The rate for 130,000 mt Nigeria/UK Continent collapsed 47.5 points to WS111.59 (a daily round-trip TCE of \$45,194) with the likelihood rates will continue to drop next week. In the Mediterranean and Black Sea region,

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the 135,000 mt CPC/Med route has not had such a dramatic fall as seen in West Africa, with rates now 11 points off last week's number at WS155.50 (showing a daily TCE of \$78,863 round-trip). In the Middle East, the rate for 140,000 mt Middle East Gulf to the Mediterranean fell back to levels seen a few weeks ago, losing 10 points week-on-week to just below WS80.

### **Aframax**

In the North Sea, the rate for the 80,000 mt Cross-UK Continent route has lost another 2.5 points to WS195 (showing a round-trip daily TCE of \$88,838 basis Hound Point to Wilhelmshaven). In the Mediterranean market, the rate for 80,000 mt Cross-Mediterranean has reset, losing 22.5 points since last Friday to WS238.67 (basis Ceyhan to Lavera, showing a daily round trip TCE of \$90,220).

On the other side of the Atlantic, while the rate for the trans-Atlantic voyage has come down significantly over the week, rates for the shorter voyages peaked mid-week and are coming down now, but still above those of last Friday. The rate for 70,000 mt East Coast Mexico/US Gulf (TD26) climbed 22 points to WS294 on Wednesday but have now slipped to WS284.38 (a daily round-trip TCE of \$97,053) while the 70,000 mt Covenas/US Gulf rate is consistently placed 20 points behind TD26 and last assessed at WS264.69 (a round-trip TCE of \$81,658 per day). The rate for the trans-Atlantic route of 70,000 mt US Gulf/UK Continent has shed 37.5 points week-on-week to WS220 (a round trip TCE basis Houston/Rotterdam of \$61,099/day).

### **Clean**

#### **LR2**

LR's in the MEG have been limited in open market activity, with a large proportion of the industry in Dubai. The 75kt MEG/Japan TC1 index lost 6.67 points to WS138.33. The 90kt MEG/UK-Continent TC20 run to the UK-Continent similarly shed \$100,000 off its value to \$3.825m.

West of Suez, Mediterranean/East LR2's on TC15 were left motionless again after another week of market inactivity. The index is currently pegged at \$3.23m (-\$16,667).

#### **LR1**

In the MEG, LR1's saw a softening compared to their larger counterparts this week despite a few more fixtures in the market. The 55kt MEG/Japan index of TC5 dropped from WS153.75 to WS141.88 and on the 65kt MEG/UK-Continent of TC8 ticked down \$128,700 to \$3.19m.

On the UK-Continent, the 60Kt ARA/West Africa TC16 index, hovered around the WS170-172.5 mark all week. The Baltic TCE for the run is still returning around \$35,000/day round trip at these levels.

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### **MR**

MR's in the MEG saw freight levels suffer again for the third week-on-week. The 35kt MEG/East Africa TC17 index, dipped circa six points to WS203.93.

UK-Continent MR's started optimistically and then lost steam mid-week after demand began to thin out. The 37kt ARA/US-Atlantic coast of TC2 climbed to WS214.5 from WS200 to then resettle at WS209.5 at the time of writing. TC19 (37kt ARA/West Africa) followed the same pattern, topping out at WS224.38 after starting the week at WS211.25 to then end up at WS219.69.

The USG MR's ramped upwards this week, with issues surrounding the Panama Canal again playing a major factor in the market. TC14 (38kt US-Gulf/UK-Continent) shot up 26.79 points to WS146.43 and 38kt US Gulf/Brazil on TC18 also went from WS200 to WS237. A 38kt US-Gulf/Caribbean TC21 run added 51% to its value taking the index back to the tune of \$363,000 to \$1.07m.

The MR Atlantic Triangulation Basket TCE climbed for the third week from \$27,865 to \$35,548.

### **Handymax**

In the Mediterranean, Handymax's had a welcome upturn this week and we saw the TC6 index resurge 27.67 points to WS225. Up in northwest Europe, the TC23 30kt Cross UK-Continent climbed incrementally to WS166.94 (+4.16).