

WEEKLY MARKET REPORT

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17th November 2023

Bulk report – Week 46

Capesize

The week commenced with a subdued market due to Singapore's Diwali holiday. However, the Pacific region saw a positive turn on Tuesday, marked by increased trading volumes and improved fixtures on C5, supported by a solid volume of coal cargoes. The midweek surge continued in the Pacific, driven by Japanese tender cargoes and heightened coal shipments from East Coast Australia and Indonesia, resulting in a further 40-cent increase on C5. Meanwhile, the Atlantic market witnessed notable activity, especially from southern Brazil and West Africa. Towards the end of the week, the Pacific market maintained the positive momentum. Brokers talked of some port closures in China caused by strong winds potentially causing delays, however, with all three miners actively participating there were further gains. Meanwhile, the Atlantic region sustained its optimistic outlook, with firm fixtures and an upward climb in the C3 index, which gained over \$2 to close at \$22.589. Overall, the week saw dynamic market conditions, with the Pacific region driving increased activity and positive sentiment persists in the Atlantic.

Panamax

A dramatic week for the Panamax market, chiefly in the Atlantic with rates accelerating sharply. The north of the arena appeared mostly mineral centric but stable grain demand was seen too ex US Gulf and NC South America. This was coupled with a highly firm market ex US Gulf for the Supramax and Ultramax sectors, lending support to the remarkable moves seen in the market. Quick Baltic round trips were achieving \$30,000 by the end of the week, with longer trans-Atlantic trips now in the low \$20,000s, with some voyage business edging closer to mid \$20,000s on an equivalent basis. Whilst rate increases were less spectacular in Asia than the Atlantic, a solid week for the basin saw solid levels of demand predominantly mineral led ex Australia and Indonesia. Multiple short period up to one-year deals concluded this week. The one-year mark averaging out around the low-mid \$14,000s mark for 82,000-dwt types delivery to the Far East.

Ultramax/Supramax

A stronger week than recent weeks, with better levels of enquiry and a tightening of prompt tonnage from key areas. The Atlantic was led from the US Gulf where demand was very strong, certainly for fronthaul trips. A 63,500-dwt was heard fixed for a trip from Pascagoula to India with petcoke at \$47,500, whilst another Ultramax was heard to have fixed a trans-Atlantic run from the US Gulf at \$32,000. There was also a bit more interest from the South Atlantic and again rates seemed to be on an upward trajectory. From Asia, a more positive feel as fresh enquiry from Indonesia led to a reduction of prompt tonnage availability. A 58,000-dwt was heard fixed delivery Singapore for a trip via Indonesia redelivery China at \$15,000. Further north, a 56,000-dwt was fixed basis delivery China for a steels run to SE Asia in the mid \$6,000s. On the period

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front, a 63,000-dwt open Haldia was heard to have been extended in direct continuation for 12 months trading at \$14,000.

Handysize

Positivity swept back into the Atlantic this week, helping guide the BHSI to an upward trajectory after a sustained period of decline. The US Gulf was said to be lacking tonnage availability and charterers had begun to source tonnage from Europe and West Africa to cover their requirements. The Continent and the Black Sea had shown improvements in levels of fresh enquiry in recent days with rumours of a large handy fixing from the Continent to the US Gulf at around \$13,000 but further details had yet to surface. In northern Brazil, levels had also improved for owners, with a 40,000-dwt fixed from North Brazil to Norway at \$17,500 in the early part of the week, whilst a 34,000-dwt fixed from Itaquí to Singapore-Japan in the high teens. In Asia, activity was still said to be subdued in general but brokers spoke of the first signs of positivity creeping into some regions as levels of fresh enquiry had improved.

Tanker report – Week 46

VLCC

The market rebounded this week after the return to so-called 'normal' post-Bahri Week. The rate for 270,000 mt Middle East Gulf to China rose seven points to WS74.04, which corresponds to a daily round-trip TCE of \$54,787 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 two points higher at WS38.25.

In the Atlantic market, the rate for 260,000 mt West Africa/China climbed a little over five points to WS72.10 (which shows a round voyage TCE of \$52,249/day), while the rate for 270,000 mt US Gulf/China is \$172,222 stronger than a week ago, at \$10,177,778 (\$45,749/day round trip TCE).

Suezmax

Suezmaxes in West Africa had another week of softening returns. The rate for 130,000 mt Nigeria/UK Continent fell a further seven points to WS98.86 (a daily round-trip TCE of \$36,179). In the Mediterranean and Black Sea region the 135,000 mt CPC/Med route dropped about 15 points to WS137.90 (showing a daily TCE of \$66,918 round-trip). In the Middle East, the rate for 140,000 mt Middle East Gulf to the Mediterranean slipped almost three points to WS75.

Aframax

In the North Sea, the rate for the 80,000 mt Cross-UK Continent route has been reduced by another 15 points to WS180 (showing a round-trip daily TCE of \$75,724 basis Hound Point to Wilhelmshaven). In the Mediterranean market, the rate for 80,000 mt Cross-Mediterranean has had another poor week, coming off 37 points to WS196.89 (basis Ceyhan to Lavera to show a daily round trip TCE of \$49,735).

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On the other side of the Atlantic, charterers have been able to lower the market again, while owners are unable, at the moment, to stem to tide. The rate for 70,000 mt East Coast Mexico/US Gulf (TD26) is 29 points lower than a week ago at WS252.50 (a daily round-trip TCE of \$81,912) while the 70,000 mt Covenas/US Gulf rate has been reduced 26 points to WS236.25 (a round-trip TCE of \$69,182/day). The rate for the trans-Atlantic route of 70,000 mt US Gulf/UK Continent has shed a further 12.5 points week-on-week to WS207.50 (a round trip TCE basis Houston/Rotterdam of \$55,792/day).

Clean

LR2

LR's in the MEG have been subject to some further testing down this week. The 75kt MEG/Japan TC1 index lost another 11.39 points to WS123.89 where it looks to have plateaued for the moment. The 90kt MEG/UK-Continent TC20 run to the UK-Continent also devalued to the tune of \$306,000 to \$3.44m.

West of Suez, Mediterranean/East LR2's on TC15 revitalised this week from some activity in the market. The index hopped up from \$3.22m to \$3.57m.

LR1

In the MEG, LR1 freight levels dipped again this week in line with their larger siblings. The 55kt MEG/Japan index of TC5 dropped from WS140.31 to WS132.5 where it appears to have stabilised for now and the 65kt MEG/UK-Continent of TC8 is currently pegged at \$2.96m.

On the UK-Continent, the 60kt ARA/West Africa TC16 index, pushed up and optimistic 15.31 points this week to WS187.81. This took Baltic TCE for the run up over the \$40,000/day round trip.

MR

MR's in the MEG had a small resurgence this week. The 35kt MEG/East Africa TC17 index, climbed just under seven points to WS209.29.

UK-Continent MR's continued on their downward trend this week. The 37kt ARA/US-Atlantic coast of TC2 dropped too WS186.5 from WS200. Similarly TC19 (37kt ARA/West Africa) lost 9.88 points to be currently marked at WS200.75.

The USG MR's powered on upwards this week, driven by consistently high demand. TC14 (38kt US-Gulf/UK-Continent) jumped up another 66.79 points to WS211.43 seeing the Baltic TCE for the run nearly double to \$28,000/day round trip. The 38kt US Gulf/Brazil on TC18 added 27% to its value from last week with it currently at WS301.43 and a 38kt US-Gulf/Caribbean TC21 trip pumped up another 39% this week to \$1.44m.

The MR Atlantic Triangulation Basket TCE climbed for the fourth week from \$34,227 to \$44,856.

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Handymax

In the Mediterranean, Handymax's had another upturn this week reflected in the TC6 index hopping up 41.67 points to WS266.67.

In Northwest Europe, the TC23 30kt Cross UK-Continent remained settled in the mid WS160's.