

## WEEKLY MARKET REPORT

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24<sup>th</sup> November 2023

### Bulk report – Week 47

#### Capesize

For the first half of the week, the market faced subdued activity, particularly in the Pacific with a slight downward movement on rates on C5. The Atlantic market also experienced limited activity, with discussions on C3 reflecting a somewhat subdued sentiment. As the week progressed, the Pacific saw lower trading volumes, resulting in a decline in market activity and increased pressure, with rates on C5 dropping by approximately a further 85 cents. However, the Atlantic witnessed heightened activity late in the day, particularly originating from South Brazil and West Africa to the Far East. A positive shift occurred in the Pacific on Thursday, with two out of three miners actively participating in the market, accompanied by a handful of operator-controlled cargoes, halting the rate decline on C5 and leading to a notable recovery of lost ground. As the week draws to a close, all three miners have been present and C5 has surged by \$1.35. The Atlantic market also saw increased activity, contributing to significant rate recovery, especially from South Brazil and West Africa to the Far East routes, with the early arrival demanding a significant premium. The North Atlantic, although relatively quiet, maintained positive sentiment due to a fresh influx of cargoes and constrained tonnage supply, resulting in significantly stronger fixtures towards the end of the week. The BCI 5TC started the week at \$22,447 and dropped to \$20,029 by mid-week to close today at \$28,071.

#### Panamax

Another week of upward momentum in the Panamax market, with the North Atlantic trips seeing the largest gains. In the Pacific, healthy coal enquiry from Australia and Indonesia kept rates relatively stable on the week, whilst solid grain demand ex NoPac also lent support in the north of the basin. There has been slower trade volume from South America, although an 81,000-dwt delivery Singapore fixed at \$14,250 for a trip via EC South America redelivery Far East. In the east ex Australia, an 81,000 dwt delivery Japan achieved a shade over \$15,000 for an Australian mineral round trip whilst from Indonesia some contrasting rates, with a 75,000 dwt vessel agreeing to \$14,000 for an Indonesia to China trip. In the early part of the week, a 75,000 dwt vessel fixed at \$12,500 for a similar run. A flurry of period fixtures, including reports of an 82,000 dwt delivery Japan-China achieving \$14,500 for two years employment.

#### Ultramax/Supramax

The positive momentum continued throughout the week despite the holiday in the United States and Japan. The Atlantic saw sustained demand from key areas such as the US Gulf and it was a similar story from South America, with a 53,000 dwt heard to have fixed delivery Santos for a

## WEEKLY MARKET REPORT

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fronthaul in the mid \$15,000s plus mid \$500,000s ballast bonus. In the US Gulf a 56,000 dwt fixed at \$30,000 for a trip to the United Kingdom. Mixed signals from the Asian arena but overall it remained cautiously optimistic. A 61,000 dwt open North China fixing an Australian round at \$11,500, while further south, a 58,000 dwt open Sarawak was fixed for a trip via Indonesia redelivery China at \$13,000. Sustained demand in the Indian Ocean saw a 63,000 dwt fixing delivery Visakhapatnam for a trip via South Africa for a fronthaul at around \$14,500. It was also worth noting that period activity increased a 63,000-dwt open Italy was heard for 3 to 5 months trading at \$18,500

### Handysize

The Atlantic saw daily improvements due to limited tonnage availability. On the US East Coast, charterers continued to source tonnage from further afield with a 38,000 dwt fixing from Tyne, UK via St Lawrence to the Continent-Mediterranean at \$18,000 whilst a 38,000 dwt opening in Casablanca was fixed basis delivery Escoumins via Quebec to the UK-Continent at \$27,500. In the Mediterranean, a 39,000 dwt fixed from Nemrut Bay to the US Gulf at 12,000 for the first 45 days and \$13,500 for the balance. In the South Atlantic, a large handy was rumoured to have been bid in the upper teens for a trip from Recalada to North Coast South America. In Asia, sentiment was also showing signs of positivity but at present limited information had yet to surface. Period activity was said to be limited as owners look to maximise income from the present improved markets, although a 35,000 dwt opening in Mundra was fixed for 2 to 3 LL at \$9,900.

### Tanker report – Week 47

#### VLCC

The market turned back down this week, although at the time of writing, the latest bottom has been found and owner's sentiment has improved with the tonnage list once again looking tighter. The rate for 270,000 mt Middle East Gulf to China lost eight points to WS65.91, which corresponds to a daily round-trip TCE of \$43,697 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 2.5 points lower at WS36.

In the Atlantic market the rate for 260,000 mt West Africa/China has been reduced by five points to WS67.22 (which shows a round voyage TCE of \$45,733/day) while the rate for 270,000 mt US Gulf/China is \$118,889 softer than a week ago, at \$10,070,000 (\$44,852/day round trip TCE).

## WEEKLY MARKET REPORT

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### **Suezmax**

Suezmaxes in West Africa had a relatively static week. The rate for 130,000 mt Nigeria/UK Continent improved marginally by 1.5 points to close to WS100 (a daily round-trip TCE of \$37,010). In the Mediterranean and Black Sea region, the 135,000 mt CPC/Med route dipped two points to a fraction below WS135 (showing a daily TCE of \$61,005 round-trip). In the Middle East, the rate for 140,000 mt Middle East Gulf to the Mediterranean slipped 1.5 points to around WS73.

### **Aframax**

In the North Sea, the rate for the 80,000 mt Cross-UK Continent route has fallen by a further 14 points to WS166.07 (showing a round-trip daily TCE of \$63,985 basis Hound Point to Wilhelmshaven). In the Mediterranean market, the rate for 80,000 mt Cross-Mediterranean continues a poor run of form for owners, with a few within the well-stocked Greek-controlled fleet now ignoring the Russian 'premium business', coming off 29 points to WS153.56 (basis Ceyhan to Lavera that shows a daily round trip TCE of \$43,536).

On the other side of the Atlantic, the Thanksgiving holiday has meant the market has been quiet since Wednesday. The focus, even on Wednesday, was for tonnage coverage over the long weekend and early next week, in particular for the longer trans-Atlantic voyage where the rate was beginning to bounce back after the recent losses. The rate for 70,000 mt East Coast Mexico/US Gulf (TD26) is 46 points weaker than last Friday at WS198.13 (a daily round-trip TCE of \$56,040), while the 70,000 mt Covenas/US Gulf rate has shed another 40 points to WS187.19 (a round-trip TCE of \$47,716/day). The rate for the trans-Atlantic route of 70,000 mt US Gulf/UK Continent is 20 points lower than last Friday at WS180.31 (a round trip TCE basis Houston/Rotterdam of \$44,583/day), although earlier in the week Repsol were reported to have covered at WS155, then various charterers had plunged for tonnage and successive fixtures were done at WS175 and WS180, with WS185 being reported on subjects to Mercuria for a relatively prompt cargo that is due to load on Monday.

### **Clean**

#### **LR2**

LR's in the MEG have regained some strength this week. The 75kt MEG/Japan TC1 index rose almost 10 points to WS133.61 (about \$25,000/day TCE). The 90kt MEG/UK-Continent TC20 run to the UK-Continent also recovered, rising almost \$200,000 to over \$3.6m.

West of Suez, Mediterranean/East LR2's on TC15 added another \$25,167 to be last assessed at a little above \$3.625m.

## WEEKLY MARKET REPORT

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### LR1

In the MEG, LR1 freight levels did not follow the bigger units. The rate for 55kt MEG/Japan (TC5) dropped another six points to WS126.25. For the 65kt MEG/UK-Continent (TC8) market, the rate has fallen from \$2.96m to \$2.9m.

On the UK-Continent, the 60kt ARA/West Africa (TC16) market has had another positive week, with the rate 11 points firmer at WS200.81, which translates to a round trip daily TCE of just shy of \$44,500.

### MR

MRs in the MEG lost its recent momentum. For 35kt MEG/East Africa (TC17) the rate fell seven points to WS202.86.

UK-Continent MRs continued on their downward trend this week. The 37kt ARA/US-Atlantic coast of TC2 dropped six points to WS126.25 (a round trip TCE about \$20,300/day). In comparison TC19 (37kt ARA/West Africa) only lost 2.5 points to be marked at WS197.50.

The USG MR market had a three-day-week due to the Thanksgiving holiday, however the rates were steeply climbing until Wednesday. TC14 (38kt US-Gulf/UK-Continent) has powered on another 28 points to WS245 (a daily round-trip TCE of over \$35,000). The 38kt US Gulf/Brazil on TC18 also added 28 points to be assessed at WS335.70 and for the 38kt US-Gulf/Caribbean TC21 trip the rate improved more than \$50,000 to just over \$1.8m.

### Handymax

In the Mediterranean, Handymax's had yet another upturn this week with TC6 improving by 10 points to WS295.56.

In northwest Europe, the TC23 30kt Cross UK-Continent route increased modestly by five points to WS178.89.