

WEEKLY MARKET REPORT

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15th December 2023

Bulk report – Week 50

Capesize

The capesize market experienced a dynamic week, with distinct developments in the Pacific and Atlantic regions. The Pacific market started the week on a high note, driven by port closures in North China due to weather and the presence of all three major players from West Australia to China, leading to a robust rise of \$1,155 on the BCI 5TC to \$36,475. Despite a setback mid-week due to alleviated port delays, the Pacific rebounded on Thursday with the closure of three more ports in North China and continued major player activity, resulting in a positive shift in C5 rates. In contrast, the Atlantic faced challenges with sluggish activity, widening bid/offer gaps, and weaker fixtures from South Brazil and West Africa to the Far East. Overall, the BCI 5TC closed the week at \$34,107, reflecting the market's regional fluctuations and ongoing uncertainties.

Panamax

The beginning of the week saw a slight correction across most areas with a good amount of fresh tonnage and limited enquiry seeing rates slip further. The North Atlantic lacked fresh impetus, although as the week progressed there remained demand from the South Atlantic and some saw a tightness of tonnage supply for January dates, which helped maintain a fairly even level. An 80,000-dwt open India fixed a trip via EC South America for a trip to Singapore – Japan at \$14,000, while an 81,000-dwt fixed a front haul basis delivery Gibraltar trip via US Gulf redelivery Singapore-Japan at \$29,000. From Asia, little excitement as limited fresh enquiry from Indonesia and NoPac came into play. A 74,000-dwt open China fixed a trip via Indonesia redelivery Japan at \$15,000. Period action was limited, although an 82,000-dwt open Singapore fixed 6/8 months trading redelivery worldwide at \$17,000.

Ultramax/Supramax

A rather positional week ensued for the sector, but overall sentiment remained rather poor. In the Atlantic, slower demand from key areas such as the US Gulf saw rates slip from the recent highs while in the South Americas, a relatively tight tonnage supply saw rates maintain their levels. From Asia, little fresh enquiry appeared in the north and NoPac regions, which saw some tonnage ballast towards South Asia where cargo enquiry remained steady, but rates generally remained flat. Period activity slowed, with a 61,000-dwt coming open worldwide in February-March 2024 was heard fixed for 13-16 months trading at 120% of BSI. In the Atlantic, a 63,500-dwt was heard fixed delivery West Africa for a trip to China at \$32,000 with nickel ore. From Asia, a 63,000-dwt open China fixed an Australian round redelivery Singapore-Japan at \$12,000. From

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the Indian Ocean, a 63,000-dwt fixed delivery South Africa for a trip to India-Bangladesh at \$23,000 plus \$250,000 ballast bonus.

Handysize

A week of positivity across the Atlantic with continued limited tonnage availability the main driving force. Late improvements were seen for owners on the Continent, with a 38,000-dwt opening prompt in Rotterdam fixing for a trip to the Eastern Mediterranean with an intended cargo of scrap at \$27,000. The US Gulf similarly saw further improvements this week with a 39,000-dwt fixing from Panama City to the UK-Continent with an intended cargo of wood pellets at \$30,000. Prompt vessels in the South Atlantic were in high demand and brokers spoke of more voyage requirements for Far East and WC South America destinations, with a 37,000-dwt opening in Praia Mole was fixed for a trip basis delivery Recalada to WC South America with an intended cargo of grains at \$45,000 to a grain house. In Asia, the market was more subdued in terms of visible activity and levels remained stable, with a 43,000-dwt fixed from Indonesia to China with coal in the mid \$13,000s.

Tanker report – Week 50

VLCC

The market lost ground this week across the whole sector. For the 270,000 mt Middle East Gulf to China route, the rate devalued about 10 points to WS55.92, which shows a corresponding daily round-trip TCE of \$35,716 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 three points lower than a week ago at the WS32 level.

In the Atlantic market, the rate for 260,000 mt West Africa/China dropped nine points to WS56.50 (which shows a round voyage TCE of \$37,172/day), while the rate for 270,000 mt US Gulf/China plummeted \$1,133,333 to \$8,127,778 (which translates to a round-trip TCE of \$33,662/day).

Suezmax

Suezmaxes in West Africa fell back this week, with assessments for 130,000 mt Nigeria/UK Continent route dropping four points to WS97.18 (a daily round-trip TCE of \$37,756). In the Mediterranean and Black Sea region, the 135,000 mt CPC/Med route eased off three points to WS131.50 (showing a daily TCE of \$61,032 round-trip). In the Middle East, the rate for 140,000 mt Middle East Gulf to the Mediterranean recovered a point to a shade above WS68.

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Aframax

In the North Sea, the rate for the 80,000 mt Cross-UK Continent route slackened off another four points to WS136.07 (showing a round-trip daily TCE of \$40,925 basis Hound Point to Wilhelmshaven). In the Mediterranean market the rate for 80,000 mt Cross-Mediterranean softened by six points to WS120.75 (basis Ceyhan to Lavera, showing a daily round trip TCE of \$27,627).

On the other side of the Atlantic, the market has almost steadied. The rate for 70,000 mt East Coast Mexico/US Gulf (TD26) has slipped one point to WS132.50 (a daily round-trip TCE of \$27,365) and the 70,000 mt Covenas/US Gulf rate eased two points to WS127.5 (a round-trip TCE of \$24,842/day). The rate for the trans-Atlantic route of 70,000 mt US Gulf/UK Continent conversely climbed five points to WS156.25 (a round trip TCE basis Houston/Rotterdam of \$37,881/day).

Clean

LR2

LR's in the MEG saw freight climb for the second week with plenty of activity working the balance of 2023 cargoes this week. The 75Kt MEG/Japan TC1 index gained another 18.61 points to end up at WS149.44. The 90kt MEG/UK-Continent TC20 run to the UK-Continent also hopped up \$562,500 to \$4,156,250.

West of Suez, Mediterranean/East LR2's on TC15 also optimistically climbed \$283,000 this week to \$3.7 million.

LR1

In the MEG, LR1's followed the path of their larger compatriots. The 55kt MEG/Japan index of TC5 jumped up 21.57 points to WS151.88 and the 65kt MEG/UK-Continent on TC8 ascended to the tune of \$285,000 to \$3.14 million.

On the UK-Continent, the 60Kt ARA/West Africa TC16 index held stable with and incremental 5.31 point climb to WS203.75.

MR

MR's in the MEG looked to have peaked early this week at around the WS243 mark for a TC17 run the index has since dipped back down to WS234.29.

UK-Continent MR's were muted early this week and the Baltic indices both began to drop, although by differing amounts. The 37kt ARA/US-Atlantic coast of TC2 bottomed out around WS190 and following some activity later in the week has since rebounded up to WS197 at time of writing. On a TC19 run (37kt ARA/West Africa) the index held stable in the mid-WS230's.

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The USG MR's took a significant downturn this week as we understand fewer cargoes and the tonnage list replenishing with vessels played a significant role. TC14 (38kt US-Gulf/UK-Continent) shed just under 20% of its value losing 53 points to WS214.29. The 38kt US Gulf/Brazil on TC18 similarly came off from WS374.64 to WS310.71. A 38kt US-Gulf/Caribbean TC21 trip dropped \$496,428 to \$1.29 million, more than quarter of its value.

The MR Atlantic Triangulation Basket TCE went from \$57,987 to \$48,387.

Handymax

In the Mediterranean, Handymax's held resolute all week around the WS265 level.

Up in northwest Europe, the TC23 30kt Cross UK-Continent had another upturn this week, with the index hopping up 25 points to WS240.83.