WEEKLY MARKET REPORT

Provided by kind permission of the Baltic Exchange

8th March 2024

Bulk report – Week 10

Capesize

Throughout the week, the capesize market experienced shifts in sentiment and activity. The week commenced robustly in the Pacific, with all three miners bustling with activity, driving up rates, and causing C5 to spike by at least $1.00. However, as the week progressed there was a notable softening in market sentiment, particularly evidenced by a substantial drop in the BCI 5TC which plummeted by $3,142 to reach $31,260, and the C5 index experienced a significant drop of $1.56 to $12.90. This decline was attributed to subdued activity in both the Pacific and Atlantic markets. In the Atlantic, bids were swiftly withdrawn from South Brazil and West Africa to the Far East, widening the gap as owners sought to resist. However, the market saw a turnaround towards the end of the week, influenced by positive movements in the FFA market and a pickup in activity in both basins. In the Pacific brokers have also noticed an increase in operator-controlled cargoes helping the C5 index to edge back up, with the C5 index ending the week at $14.40. Activity in the Atlantic notably picked up, particularly from South Brazil and West Africa to the Far East. With reports of fixtures in the high $29.00s from Tubarao to Qingdao, followed by $30.50, and today there are reports of $31.25 concluded. All in all, it has been a volatile but positive week, illustrated by the BCI 5TC rising by $2,205 to close at $35,201.

Panamax

Mixed market signals highlighted well with a volatile FFA market failed to dampen spirits in the Panamax sector, with significant gains made. Transatlantic volume remained thin still, but positive sentiment radiated from firmer rates on the fronthaul trips. South America mid-week became the market's driving force, with the April arrival window absorbing several vessels at firmer rates compared to end March where rates inevitably became discounted. Typically, some of the well described units were able to achieve around the $20,000 mark arrival delivery Singapore for route P6 trips. This seemingly impacted positively on south positions in the Pacific basin with solid levels of demand from Indonesia and Australia adding some gravitas to an already well supported market, with $20,000 achieved a few times on 82,000-dwt types on Australia mineral round trips. Period activity was muted possibly impacted by a volatile FFA market, but reports emerged of a 93,000-dwt delivery China fixing at $16,250 basis four to seven months, also an 81,000-dwt open North China fixed 12 to 14 months trading at 122.5 percent of BPI.

WEEKLY MARKET REPORT

Provided by kind permission of the Baltic Exchange

Ultramax/Supramax

A week of mixed fortunes for the owning side of things. The Atlantic overall lacked much fresh impetus certainly from the US Gulf, whilst there was also limited possibilities from the South Atlantic. The Continent-Mediterranean saw some action although rates generally remained flat. However, a more positive feel from the Asian arena with tonnage supply remaining tight, the rates being seen were healthy. Period cover was short, a 58,000-dwt open China was fixed for one year at $16,500, and a 56,000-dwt open SE Asia fixed seven to nine months at $16,000. From the Atlantic, a 61,000-dwt open West Africa fixed a trip to China with manganese ore at $28,500 and a 58,000-dwt open Mediterranean fixed a trip to the US Gulf at $16,000. From Asia a 61,000-dwt open Singapore fixed a trip via Malaysia redelivery SE Asia at $21,000. A 56,000-dwt open Philippines fixed a trip via Indonesia redelivery Bangladesh at $24,000. It remains to be seen if the optimism in the Asian basin can continue through to the upcoming week.

Handysize

After an extended period of decline, the first shoots of positivity emerged in the US Gulf, with more visible activity, a 39,000-dwt opening in Tampa fixing to the Continent with grains at $11,500 whilst a 40,000-dwt fixed from Baltimore to Turkey with an intended cargo of scrap at $13,000. The South Atlantic also showed promise of improvements with a 36,000-dwt rumored to have fixed from Antonina to the Continent with sugar at around $18,500 and a 38,000-dwt fixing from Recalada to WC South America with grains at $27,000. The positivity seen in Asia last week continued for a majority of the week with rumors of upper teens being achieved on larger handies for trips from South East Asia via Australia to China and a 38,000-dwt logger was rumored to have fixed for 2 to 3 laden legs in the $17,000's but as the week progressed there was a shift in balance and numbers had begun to soften as cargo availability reduced.

Tanker report – Week 10

VLCC

The market sharply rose early in the week, and now sentiment is lacking. The rate for the 270,000 mt Middle East Gulf to China climbed to WS74.55 on Tuesday easing back to last be assessed at WS71.5 which is a week-on-week gain of 11 points and corresponds to a daily round-trip TCE of $48,914 basis the Baltic Exchange's vessel description.

Baltic Exchange
Our word our bond

WEEKLY MARKET REPORT

Provided by kind permission of the Baltic Exchange

In the Atlantic market, the 260,000 mt West Africa/China route experienced something similar, insofar as rose to WS75.05 and has gradually fallen back to an overall week on week gain of nine points at WS72 which shows a round voyage TCE of $49,796 per day. The rate for 270,000 mt US Gulf/China ascended to $9.4 million and has since slipped back to $9,083,333 (a weekly rise of $172,222) providing a round-trip daily TCE of $44,881.

Suezmax

Suezmaxes in West Africa remained around the WS102.5-103 level for the 130,000 mt Nigeria/UK Continent trip (a daily round-trip TCE of about $38,000). In the Mediterranean and Black Sea region the rate for 135,000 mt CPC/Med eased about one point to the WS108 level (showing a daily TCE of $38,200 round-trip). In the Middle East, the rate for 140,000 mt Middle East Gulf to the Mediterranean (via the Suez Canal) eased eight points to WS97.5 basis routing via the Suez Canal.

Aframax

In the North Sea, the rate for the 80,000 mt Cross-UK Continent has fallen a solitary point to about WS125 (showing a round-trip daily TCE of around $26,300 basis Hound Point to Wilhelmshaven).

In the Mediterranean market the rate for 80,000 mt Cross-Mediterranean has managed to recover 44 points to WS151.72 (basis Ceyhan to Lavera, that shows a daily round trip TCE of just over $39,000).

Across the Atlantic, the Stateside market has risen slightly. The rate for 70,000 mt East Coast Mexico/US Gulf (TD26) rose 2.5 points WS180 (a daily TCE of $42,929 round trip) while the rate for 70,000 mt Covenas/US Gulf (TD9) firmed 2 points to WS174.69 (a round-trip TCE of $38,260 per day). The rate for the trans-Atlantic route of 70,000 mt US Gulf/UK Continent (TD25) has 9 points added to the WS200 level (a round trip TCE basis Houston/Rotterdam of approximately $48,700 per day).

The market further weakened this week. The rate for the 270,000 mt Middle East Gulf to China route lost another six points to WS59.95 which corresponds to a daily round-trip TCE of $36,270 basis the Baltic Exchange's vessel description.

Clean

LR2

LR2 freight levels in the MEG looked to have reached a floor this week. The 75kt MEG/Japan TC1 index bottomed out at WS144 and has since returned to WS151. The 90kt MEG/UK-Continent TC20 trip to the UK-Continent similarly reached a floor of $4.38 million mid-week then climbing back up to $4.57 million at time of writing.

WEEKLY MARKET REPORT

Provided by kind permission of the Baltic Exchange

West of Suez, Mediterranean/East LR2 freight remained in the doldrums this week seen in the TC15 index going from $4.81 million to $4.51 million.

LR1

In the MEG, LR'1's followed the behavior of their larger sisters this week. The 55kt MEG/Japan index of TC5 stopped at the WS166 level and is currently pegged at WS173. The 65kt MEG/UK-Continent of TC8 levelled off at $3.89 million to then tick back up to $3.97 million.

On the UK-Continent, the 60kt ARA/West Africa TC16 trip trundled along in the mid-low WS170's all week.

MR

MR's in the MEG have been reportedly stable over the last few days. The TC17 index is currently marked at WS328 after halting its previous downturn at WS317 earlier in the week.

Up in the UK-Continent MR's lost steam this week. The 37kt ARA/US-Atlantic coast of TC2 index dipped from WS231 to WS173. On a TC19 run (37kt ARA/West Africa) the index shed 50 points to WS197.

The USG MR's made a significant resurgence this week following a plethora of enquiry into the market. TC14 (38kt US-Gulf/UK-Continent) shot up 70 points to WS226.43. The 38kt US Gulf/Brazil on TC18 also jumped to WS307 (+W75). The 38kt US-Gulf/Caribbean TC21 added 62% to its value and is currently at $1.14 million. The Baltic round TCE for the trip climbed by 121% to $46,000 per day as a result.

Handymax

In the Mediterranean, Handymax's continued along the TC6 index at WS320 all week, still returning $57,000 per day Baltic round trip.

Up in North West Europe, the TC23 30kt Cross UK-Continent dipped 21.11 points to WS238.33.