

WEEKLY MARKET REPORT

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22nd March 2024

Bulk report – Week 12

Capesize

Similar to last week, the Capesize started positively but it was soon paused. The Capesize 5TC struggled in the negative territory in the rest of the week, breaking the \$30,000 threshold and eventually settling at \$28,875 on Friday. After the cyclone across Western Australia, C5, the West Australia to Qingdao trade continued its turbulent journey by reaching over \$13 mid-week before ultimately closing at \$12.171. C3, the Brazil to Qingdao trade hovered at the level of \$30 but ultimately closed at \$28.535. Atlantic round voyage and front haul runs both declined, but they are still about twice of the values compared with the second half of March last year, at \$25,642 and \$56,625 respectively.

Panamax

It proved to be a compelling week for the Panamax sector, where the Atlantic appeared to provide a positional divide with the North Atlantic tonnage under pressure due to a lack of demand. With \$20,000 agreed for an 83,000-dwt delivery NW Africa for a trip via NC South America redelivery Skaw-Gibraltar, rates now appeared sub \$19,000 for the same criteria. Further south the seasonal steady flow of cargo from the Americas kept rates largely flat but appeared to be tapering off as the week ended as a wide bid/offer spread emerged with Charterers stepping back. Asia too saw steady declines as the week progressed with the north of the basin in particular coming under pressure, whilst further south some limited support lent by steady coal demand ex Indonesia along with grain supply emanating from South America. Plenty of period activity the headline rate being an 82,000-dwt delivery Vietnam achieving \$24,000 basis 6/8 months.

Ultramax/Supramax

A more positive affair for the sector overall with a strong amount of demand from the Atlantic outpacing the lower activity levels seen from the Asian arena, although there was seemingly a more robust feel from the Indian Ocean as the high levels seen in the South Atlantic saw vessels looking further afield. In the Atlantic, demand from the South Americas saw a 63,000-dwt fixing a trip from South America to Singapore-Japan in the very low \$20,000s plus low \$1 million ballast bonus. For trans-Atlantic runs a 63,000-

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dwt fixed again from South America to the Continent-Mediterranean at \$27,000. From the US Gulf a 61,000-dwt was heard to have been fixed for a trip to Japan at \$27,000. From the Indian Ocean, a 61,000-dwt fixed delivery Port Elizabeth redelivery Far East at \$23,000 plus \$230,000 ballast bonus. Whilst from Asia limited fresh enquiry from Indonesia saw a 60,000-dwt fixing delivery Hong Kong trip via Indonesia redelivery South Korea at \$15,000.

Handysize

The handy sector saw more visible activity in the Atlantic and levels seeing steady improvements. On the Continent, a 36,000-dwt was linked to fixing from Grenaa via Rostock to Morocco at \$17,250 whilst a 32,000-dwt fixed from Hartlepool to the US Gulf at \$13,300. The South Atlantic, continued to see a lack of available tonnage and a 32,000-dwt was rumored to have fixed from Recalada to the Persian Gulf in the \$20,000s. Also, a 37,000-dwt fixed from Vitoria to Rotterdam at around \$20,000 earlier in the week. More activity was also seen in the US Gulf and US East Coast with a 38,000-dwt fixing from Norfolk to the Continent at \$11,000. The Pacific region had remained balanced in general with a 38,000-dwt opening in Qingdao fixing a trip to the Persian Gulf at \$14,000, whilst a 37,000-dwt fixed from Bayuquan for an inter Far East trip in the \$15,000s.

Tanker report – Week 12

VLCC

The market eased slightly this week in all regions. The rate for the 270,000 mt Middle East Gulf to China slipped 4 points to WS71.50 which corresponds to a daily round-trip TCE of \$49,319 basis the Baltic Exchange's vessel description.

In the Atlantic market, the 260,000 mt West Africa/China route softened 3.5 points to WS72.40 showing a round voyage TCE of \$50,562 per day The rate for 270,000 mt US Gulf/China dropped \$77,778 since last Friday to \$9,088,889 providing a round-trip daily TCE of \$45,225.

Suezmax

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Suezmaxes in West Africa were slightly firmer, with four points added to the 130,000 mt Nigeria/UK Continent voyage (a daily round-trip TCE of \$39,400). In the Mediterranean and Black Sea region the rate for 135,000 mt CPC/Mediterranean remained flat at around the WS106.5-107 level (showing a daily TCE of around \$36,000 round-trip). In the Middle East, the rate for 140,000 mt Middle East Gulf to the Mediterranean (via the Suez Canal) was assessed one point firmer at WS96.50, with the last done reported to be at WS67.5 via the Cape of Good Hope (due to the ongoing Red Sea issues which include a reported resurgence of Somali piracy).

Aframax

In the North Sea, the rate for the 80,000 mt Cross-UK Continent gained four points to WS143.57 (a daily round-trip TCE of \$41,515 basis Hound Point to Wilhelmshaven).

In the Mediterranean market the rate for 80,000 mt Cross-Mediterranean has decreased by one point to WS172.39 (basis Ceyhan to Lavera, that shows a daily round trip TCE of \$49,335).

Across the Atlantic, the Stateside market has tumbled comparatively. The rate for 70,000 mt East Coast Mexico/US Gulf (TD26) fell 23 points to WS150.31 (a daily TCE of \$29,772 round trip) and the rate for 70,000 mt Covenas/US Gulf (TD9) slumped by 22 points to WS146.56 (a round-trip TCE of \$27,303 per day). The rate for the trans-Atlantic route of 70,000 mt US Gulf/UK Continent (TD25) shrank by 31 points to WS148.75 (a round trip TCE basis Houston/Rotterdam of \$30,385 per day).

Clean

LR2

After reaching a ceiling LR rates began to drop this week in the MEG. After topping out a WS320 (up from WS278) the rate for 75kt MEG/Japan is currently pegged at WS313. The 90kt MEG/UK-Continent TC20 voyage similarly stopped climbing at \$7.9 million to then resettle at \$7.8 million.

West of Suez, Mediterranean/East LR2's improved modestly this week and the TC15 index went from \$4.38 million to \$4.41 million.

LR1

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In the MEG, LR1's freight followed the pattern of the LR2's but not to the same magnitude. The 55kt MEG/Japan index of TC5 ultimately went from WS285 to WS311 peaking mid-week at WS318. The 65kt MEG/UK-Continent of TC8 hit a roof of \$6 million this week (currently at \$5.8 million) with the Baltic description TCE via Suez breaching \$80,000 per day round trip.

On the UK-Continent, the 60kt ARA/West Africa stalled this week and fell, the TC16 index went from WS217 to WS211.

MR

MR's in the MEG also charged upwards this week. TC17 35kt MEG/East Africa shot up 59 points to WS421 (it currently sits at WS416) this took the Baltic round trip TCE for the trip to around \$51,000 per day.

Up in the UK-Continent MR's came under pressure this week from charterers. The 37kt ARA/US-Atlantic coast of TC2 came down roughly in the same format as it went up last week, the index dropped from WS251 to WS206. On a TC19 run (37kt ARA/West Africa) the index followed suit and shed 48 points down to WS224 across the week.

Another week of ups and downs for the USG MR's this week. TC14 (38kt US-Gulf/UK-Continent) after a little ten point spike in to the mid 190's is now back in the mid WS180's. The 38kt US Gulf/Brazil on TC18 hovered around the high WS270's to low WS280's and the 38kt US-Gulf/Caribbean of TC21 dropped by went from \$878,000 to \$900,000 and is back down at \$871,000 at time of writing.

Handymax

In the Mediterranean, 30kt Cross Mediterranean (TC6) climbed circa 30 points to WS350 where it looks to have settled out.

Up in Northwest Europe, the TC23 30kt Cross UK-Continent improved modestly WS263 (+WS10).