

WEEKLY MARKET REPORT

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12th April 2024

Bulk report – Week 15

Capesize

At the beginning of the week, the Pacific market showed promising activity with healthy cargo volumes. However, despite this, conditions slightly weakened, and the Atlantic market remained subdued, as the week got underway. Nevertheless, as the week progressed, the Pacific market saw increased activity, particularly before the Singapore holiday, with C5 stabilizing around the \$8.90 mark. Meanwhile, the Atlantic market continued to lag behind, with minimal engagement and limited discussions. Despite a quiet day during the midweek holiday in Singapore, there was a positive turn as the market rebounded, reflecting growing confidence. Improved timecharter fixtures led to substantial surges in the C10 and C5 indices, signaling a positive momentum shift. Similarly, the Atlantic market showed signs of improvement, with a widening gap between bids and offers as the bids began to improve. Overall, it has been a positive end to the week as evidenced by the BCI 5TC rising by \$641 to close at \$21,164 having started the week at \$18,226.

Panamax

A mixed week, the opening part returned weaker rates only to find some impetus mid-week to flatten out as the week ended. In the Atlantic, a pick-up of grain demand mid-week both from South and North Coast South America drove rates forward, an 81,000-dwt delivery North France achieving \$23,000 for a trip via NC South America redelivery Far east. The north of the arena by comparison lacking demand but weirdly saw a tightening tonnage count to leave rates in the balance. Asia blighted by various holidays had a muted feel but we end with solid demand appearing primarily ex Australia, a scrubber fitted 82,000-dwt delivery China was heard fixed at \$15,000 for a trip via EC Australia redelivery India and with firm sentiment emanating from the South Atlantic rates would have appear to be supported. Limited period fixing; however, an 82,000-dwt delivery China was heard fixed basis six to nine months at \$18,000.

Ultramax/Supramax

Mixed blessings for the owning side this past week, whilst the Atlantic appeared rather positional the widespread holidays in Asia saw limited action although sentiment seemingly remained fairly positive with tonnage supply remaining relatively tight. From

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the Atlantic better levels were seen from the US Gulf but from the South Atlantic it remained finely balanced. There was also more fresh enquiry from the Mediterranean and Continent. A 60,000-dwt open US Gulf was heard fixed for a trip via Red Sea redelivery Port Said. A 63,000-dwt open North Continent was also heard fixed for a trip via the Baltic to South Africa at \$18,500. From Asia, a 57,000-dwt fixed delivery passing Hopping trip via East Kalimantan redelivery WC India at \$10,000. Whilst a 53,000-dwt fixed delivery Singapore trip via Indonesia redelivery China at \$12,750. More activity surfaced from the Indian Ocean, a 63,000-dwt fixing delivery Port Elizabeth trip redelivery China at \$22,500 plus \$225,000 ballast bonus.

Handysize

In a week with more holidays across large portions of the globe due to Eid, visible activity remained muted. In the South Atlantic, limited cargo availability remained an issue for Owners and a 32,000-dwt was rumored to have been fixed for a trip from Recalada to Algeria with an intended cargo of grains at \$16,500 whilst a 37,000-dwt opening in Nueva Palmira was rumored to have failed on subject's basis delivery when we're ready via the River Plate to Algeria at \$18,500. There were unconfirmed rumors on the Continent of a 37,000-dwt fixing from the French Bay to North Coast South America at around \$10,000 but further details had yet to surface. In Asia, cargo availability from Australia and Indonesia remained limited, keeping levels soft for tonnage in the region, with a 37,000-dwt opening in EC India being fixed basis delivery passing Singapore via Australia to North China with an intended cargo of grains at \$11,000.

Tanker report – Week 15

VLCC

The market slacked off slightly this week. The rate for 270,000 mt Middle East Gulf to China lost three points to WS61.95 which corresponds to a daily round-trip TCE of \$38,241 basis the Baltic Exchange's vessel description.

In the Atlantic market, the 260,000 mt West Africa/China trip eased by 2.5 points to WS62.72 which shows a round voyage TCE of \$39,629 per day The rate for 270,000 mt US Gulf/China is assessed \$65,500 lower at \$8,399,500 translating into a round-trip daily TCE of \$39,716.

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Suezmax

The Suezmax market in West Africa was boosted by a tightening position list and a busy US export market enticing West Africa players away. For the 130,000 mt Nigeria/UK Continent voyage rates steadily rose 22 points over the week to WS129 (a daily round-trip TCE of \$52,733). In the Mediterranean and Black Sea region rates climbed about 13 points to a little over WS122.5 for the 135,000 mt CPC/Mediterranean trip (showing a daily TCE of about \$47,810 round-trip). In the Middle East, the rate for 140,000 mt Middle East Gulf to the Mediterranean (via the Suez Canal) was assessed flat at just below WS100.

Aframamax

In the North Sea, the rate for the 80,000 mt Cross-UK Continent recovered nine points to WS140.07 (a daily round-trip TCE of \$39,297 basis Hound Point to Wilhelmshaven).

In the Mediterranean market the rate for 80,000 mt Cross-Mediterranean shot up over 34 points to WS203.56 (basis Ceyhan to Lavera, that shows a daily round trip TCE of \$64,575).

Across the Atlantic, the Stateside market has continued climbing once again. The rate for 70,000 mt East Coast Mexico/US Gulf (TD26) has had 81 points added to last Friday's rate, standing now at WS240.63 (a daily TCE of \$69,025 round trip) and the rate for 70,000 mt Covenas/US Gulf (TD9) is now 75 points higher than a week ago at WS 228.75 (a round-trip TCE of \$58,648 per day). The rate for the trans-Atlantic route of 70,000 mt US Gulf/UK Continent (TD25) is 35 points firmer week-on-week at WS224.44 (a round trip TCE basis Houston/Rotterdam of \$56,454 per day).

Clean

LR2

In the MEG this week LR2 freight continued to crumble this week. The TC1 rate for 75kt MEG/Japan dropped a further 26 points to WS162 and the 90kt MEG/UK-Continent TC20 voyage also dipped to the tune of circa \$640,000 to \$4.9 million

West of Suez, Mediterranean/East LR2's saw a 10% drop of \$441,000 to \$3.83 million.

LR1

In the MEG, LR'1 freight also remained on a downward trajectory this week. The 55kt MEG/Japan index of TC5 went from WS224 to WS189 exactly 1 month on from when it breached over WS200. The 65kt MEG/UK-Continent of TC8 shed another \$614,000 to \$3.99 million.

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On the UK-Continent, the 60kt ARA/West Africa lost eight points to go sub WS200 and is currently at WS198. At these levels earnings are still \$37,000 per day on Baltic description round trip.

MR

MR's in the MEG also felt the pressure from the larger vessel markets in the region. TC17 35kt MEG/East Africa lost 29 points to WS280.

On the UK-Continent MR's were subject to downward retesting this week. The 37kt ARA/US-Atlantic coast of TC2 came down 17 points to WS184. On a TC19 run (37kt ARA/West Africa) the index also had a 26 points cut out from it, to its current level of WS212.

As with the Continent the USG MR's have come down over the last week. TC14 (38kt US-Gulf/UK-Continent) lost another 11 points of value down to WS194. The 38kt US Gulf/Brazil on TC18 went from WS291 to WS279 and the 38kt US-Gulf/Caribbean of TC21 went below \$1m dropping 15% down to \$950,000.

Handymax

In the Mediterranean, 30kt Cross Mediterranean (TC6) had a hefty 53 point (22%) drop to WS190.

Up in North West Europe, the TC23 30kt Cross UK-Continent improved 11 points to WS228. Taking the Baltic round trip TCE to just under \$30,000 per day.