

WEEKLY MARKET REPORT

Provided by kind permission of the Baltic Exchange

19th April 2024

Bulk report – Week 16

Capesize

The Capesize market witnessed an eventful and generally positive week. Early in the week, a subdued start led to cautious attitudes among market participants, with slight declines in the BCI 5TC and C3 index. However, a notable turnaround occurred midweek, as sentiment improved markedly, particularly in the Pacific market. Increased coal demand from East Australia to China and weather conditions impacting operations in China drove a surge in rates. Throughout the week, all three major miners remained active in the Pacific, contributing to upward pressure on rates for both the BCI 5TC and C5 index. Stronger fixtures were reported, with rates reaching as high as \$12.10 for C5, a \$1.50 increase on the week. Activity in the South Atlantic, particularly from Brazil and West Africa to the Far East, also contributed to the positive momentum, with rates climbing steadily. With a slight tightening of the tonnage list in the Pacific towards the end of the week, sentiment remained buoyant, supported by ongoing demand and firm rates. By the end of the week, the BCI 5TC settled at \$23,543, marking a significant improvement from the week's start.

Panamax

Most of the excitement emanated from the Atlantic again last week. The continued lack of early tonnage in the North had a profound effect on rates, with sound trans Atlantic demand rates lurched forwards with mention of various voyage cargoes fixed at above index timecharter equivalents. \$30,000 was rumored fixed for a US East coast to China on 82,000-dwt type delivery this side the headline rate with fronthaul trades from the North Atlantic also increasing, adding further fuel to the fire. The Pacific market rose steadily throughout the week buoyed by the firm sentiment seeping in from Atlantic market. Several vessels fixed for EC South America rounds, again at a premium to Pacific rounds which hovered around the \$15,000 mark. Several period fixtures were reported due to an improving outlook and steady increasing paper values, a shade over \$20,000 perhaps the highlight for a nicely described 82,000-dwt delivery China for 6 to 8 months trading.

WEEKLY MARKET REPORT

Provided by kind permission of the Baltic Exchange

Ultramax/Supramax

A positive week for the sector with stronger rates being achieved in most areas. The Atlantic saw sustained interest from the US Gulf and healthy demand from the Continent and Mediterranean, whilst the South Atlantic saw reasonable levels of fresh enquiry. A steady supply of Indonesian coal demand helped maintain rates from South Asia, whilst further north brokers spoke of a healthy volume of NoPac and backhaul business. Period cover was short, a 63,000-dwt open North China fixing a short period at \$19,250, whilst a 57,000-dwt also open North China fixed 12 months trading at \$16,500. In the Atlantic, a 63,000-dwt was heard fixed for a trip from US Gulf to Japan with wood pellets at \$26,000. From the Mediterranean, a 53,000-dwt fixed delivery Egypt trip to West Africa at \$14,000. In Asia, a 56,000-dwt fixed from SE Asia via Indonesia redelivery South Korea in the low-mid \$17,000s. For backhaul enquiry, a 56,000-dwt was heard fixed delivery South China for a trip to West Africa at \$12,500 and then a split rate of \$15,500 after 65 days.

Handysize

Positivity returned to the Handysize sector as the week progressed. The US Gulf, saw a reduction in tonnage availability and a 39,000-dwt fixed from SW Pass to North Coast South America with a cargo of grains at a rate between \$10,000 and \$11,000. Also, a 35,000-dwt fixed from Columbia to the Caribbean with an intended cargo of coal at around \$11,000. In the South Atlantic, cargo availability increased, which combined with a reduction in draft in the River Plate added pressure to charterers. A 28,000-dwt was fixed from Recalada via Upriver to Poti with a cargo of grains at \$16,000. The Continent and Mediterranean were said to be lacking direction, however a 38,000-dwt who was said to be unable to carry dirty cargo and had limited employment opportunities fixed from Nador to the US Gulf with a cargo of barytes at \$11,000. Whilst information from Asia was limited, brokers spoke of more positivity as the cargo-to-tonnage balance changed in the owner's favor.

WEEKLY MARKET REPORT

Provided by kind permission of the Baltic Exchange

Tanker report – Week 16

VLCC

The market continued the downward trend this week. The rate for 270,000 mt Middle East Gulf to China repeated a weekly three point reduction and now sits at just below WS60 which corresponds to a daily round-trip TCE of about \$36,000 basis the Baltic Exchange's vessel description.

In the Atlantic market, the 260,000 mt West Africa/China trip eased by about 1.5 points to WS62.89 which shows a round voyage TCE of around \$39,600 per day. The rate for 270,000 mt US Gulf/China is assessed \$100,000 lower at \$8,585,000 translating into a round-trip daily TCE of \$40,941.

Suezmax

The Suezmax market in West Africa took a tumble this week with the 130,000 mt Nigeria/UK Continent trip losing 18 points during the week to WS108.72 (a daily round-trip TCE of \$40,939). In the Mediterranean and Black Sea region the rate slipped seven points to WS115.10 for the 135,000 mt CPC/Mediterranean trip (showing a daily TCE of about \$42,225 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 again at the WS96-97 level.

Aframax

In the North Sea, the rate for the 80,000 mt Cross-UK Continent gained a meagre two points to WS143.21 (a daily round-trip TCE of \$41,650 basis Hound Point to Wilhelmshaven).

In the Mediterranean market the rate for 80,000 mt Cross-Mediterranean was reduced by 16 points to end up at WS187.08 (basis Ceyhan to Lavera, that shows a daily round trip TCE of \$56,427).

Across the Atlantic, the Stateside market has been hammered back down, with the rate for 70,000 mt East Coast Mexico/US Gulf (TD26) being reduced by 49 points to WS187.19 (a daily TCE of \$45,907 round trip) and the rate for 70,000 mt Covenas/US Gulf (TD9) is now 44 points lower than a week ago at WS180.63 (a round-trip TCE of \$40,277 per day). The rate for the trans-Atlantic route of 70,000 mt US Gulf/UK Continent (TD25) lost 31 points week-on-week to rest at WS189.44 (a round trip TCE basis Houston/Rotterdam of \$44,321 per day).

WEEKLY MARKET REPORT

Provided by kind permission of the Baltic Exchange

Clean

LR2

In the MEG this week LR2 freight received a welcome upturn in freight rates this week. The TC1 rate for 75kt MEG/Japan resurged 41 points to WS207 and the 90kt MEG/UK-Continent TC20 voyage similarly cranked up its value by \$1.28 million to \$6.38 million.

West of Suez, Mediterranean/East LR2's saw another drop this week due to inactivity to \$3.46 million (-\$142,000).

LR1

In the MEG, LR'1 freight also turned back up this week. The 55kt MEG/Japan index of TC5 went from WS193 to WS231 taking the Baltic round trip TCE for the run back to just under \$40,000 per day. The 65kt MEG/UK-Continent of TC8 hopped up 16% to \$4.74 million.

On the UK-Continent, the 60kt ARA/West Africa dropped by 11 points this week to WS185.

MR

MR's in the MEG also showed positive movement this week. The TC17 35kt MEG/East Africa index added 22 points to its value this week to settled at WS306.

On the UK-Continent MR's took more downward pressure this week. The 37kt ARA/US-Atlantic coast of TC2 shed 10 points to WS174. The TC19 run (37kt ARA/West Africa) the index managed to hold on to its value only dropping by two points overall this week to WS208.

USG MR's have taken a battering this week from a large oversupply of vessels. TC14 (38kt US-Gulf/UK-Continent) another 41 points down to WS149 with the TCE dropping 37% to \$13,900 per day round trip. The 38kt US Gulf/Brazil on TC18 went from WS276 to WS239 and the 38kt US-Gulf/Caribbean of TC21 dropped by 27% across the week to \$664,000.

Handymax

In the Mediterranean, 30kt Cross Mediterranean (TC6) shot up 114 points this week to WS305. This lifted the Baltic TCE for the Run by 114% to \$53,600 per day round trip.

Up in Northwest Europe, the TC23 30kt Cross UK-Continent improved for the second week on week to WS248 (+18).