WEEKLY MARKET REPORT

Provided by kind permission of the Baltic Exchange

29th April 2024

Bulk report – Week 17

Capesize

The Capesize market endured a challenging week, marked by persistent negativity across both the Pacific and Atlantic regions. The week commenced sluggishly, with the BCI 5TC dropping by $1,133 on Monday, setting a negative tone. Conditions generally deteriorated in both regions, with decreased rates and limited activity, reflecting softer market sentiment. However, the level of activity picked up during the course of the week, particularly in the pacific, with all of the miners active, although the negative trend continued, albeit with a slight slowing in the rate of decline. Weakness in the Atlantic was evident, with subdued sentiment from South Brazil and the North Atlantic contributing to the overall downtrend, with only sporadic upticks of activity towards the end of the week. As the week draws to a close, the BCI 5TC settled at $18,012, reflecting a loss of $4,398 over the course of the week.

Panamax

The Panamax market began the week in a bullish mood continuing the firm sentiment carrying on from the back of last week's push. EC South America lacked any momentum all week, and despite firmer rates exchanged for early arrivals the P6 window in general remained widely gapped and mostly flat. The North Atlantic saw a real mix, with some trans-Atlantic voyage cargoes returning super cheap time charter equivalents. Front haul runs overall remained steady, talk of an 80,000-dwt delivery Continent agreed $25,500 for a trip via US Gulf redelivery Far east. Similarly in Asia, talk of some support seen ex NoPac for grains and Australia minerals, thus giving some impetus to the market mid-week $15,500 agreed several times for 82,000-dwt types delivery China for Nopac round trips. Period activity remained prevalent with a host of deals around the $19,000 mark agreed for short period upto 1 year basis delivery Far east.

Ultramax/Supramax

A solid week for the sector overall although as the week ended some felt that a ceiling had been reached from the US Gulf and South Atlantic arenas. From Asia, there was a good amount of fresh enquiry from South East Asia with a plentiful supply of Indonesian coal and nickel ore cargoes. With the upcoming holidays in China, it remains to be seen if this moment will continue. From The Atlantic, a 63,000-dwt was seen fixed delivery

East Coast South America for a trip to China in the mid $18,000s plus mid $800,000s ballast bonus. Elsewhere, a 63,000-dwt fixed delivery Spain via the North Continent to the East Mediterranean at $18,500. In Asia, a 63,000-dwt fixed delivery Ceba trip with coal via Indonesia redelivery Southeast Asia at $24,000. Further north, an ultramax fixed delivery China for a backhaul to the Caribbean at $16,000 for the first 65 days and $21,000 thereafter. Period activity remained buoyant, a 63,000-dwt open Jebel Ali fixing 11 to 13 months worldwide trading at $17,500. A 58,000-dwt open in the US Gulf fixed 5 to 7 months redelivery Atlantic at $16,000.

Handysize

Visible activity was muted across the Handysize sector, with a mixed week in the Atlantic as the Pacific showed more promise. In the Mediterranean, cargo availability has reduced, and negative sentiment has crept into the region, with a 37,000-dwt fixing from the Turkish Mediterranean to the US Gulf in the mid-teens and another 37,000-dwt fixed passing Cape Matapan via Iskenderun to the Caribbean with a cargo of clinker at $14,000 example of the lower levels. Whilst pressure remained on Owners in the US Gulf, a 33,000-dwt fixed from Port Arthur to East Coast Mexico with petcoke at $17,500 and 38,000-dwt fixed from Savannah to the Continent with wood pellets at $12,000. Asia saw continued positivity with improving cargo availability, a 37,000-dwt fixed from Putain via Australia to China at $13,000 and a 38,000-dwt fixing from Maptaphut via South East Asia to North China at $14,000, whilst a 34,000 in North China fixed a trip to South East Asia at $12,000.

Tanker report – Week 17

VLCC

The market stagnated this week. The rate for 270,000 mt Middle East Gulf to China remained at just below WS60 which corresponds to a daily round-trip TCE of about $35,700 basis the Baltic Exchange's vessel description.

In the Atlantic market, the 260,000 mt West Africa/China trip eased by another point to WS61.33 which shows a round voyage TCE of around $38,200 per day. The rate for 270,000 mt US Gulf/China is assessed $35,000 lower at $8,580,000 translating into a round-trip daily TCE of $41,090.

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Suezmax

The Suezmax market in West Africa remains soft with the 130,000 mt Nigeria/UK Continent trip losing 2.5 points during the week to WS102.61 (a daily round-trip TCE of $37,791). In the Mediterranean and Black Sea region the rate stuck at the WS114-115 level for the 135,000 mt CPC/Mediterranean trip (showing a daily TCE of about $42,000 round-trip). In the Middle East, the rate for 140,000 mt Middle East Gulf to the Mediterranean (via the Suez Canal) was assessed two points lower at just below WS95.

Aframax

In the North Sea, the rate for the 80,000 mt Cross-UK Continent eased 1.5 points to WS141.07 (a daily round-trip TCE of $40,434 basis Hound Point to Wilhelmshaven).

In the Mediterranean market the rate for 80,000 mt Cross-Mediterranean has steadied at the WS184-185 level (basis Ceyhan to Lavera, that shows a daily round trip TCE of about $55,600).

Across the Atlantic, the Stateside market has continued to soften with the rate for 70,000 mt East Coast Mexico/US Gulf (TD26) having lost 15 points to WS161.25 (a daily TCE of $34,981 round trip) and the rate for 70,000 mt Covenas/US Gulf (TD9) has also been reduced by 15 points to WS154.69 (a round-trip TCE of $30,699 per day). The rate for the trans-Atlantic route of 70,000 mt US Gulf/UK Continent (TD25) conversely gained three points to WS179.72 (a round trip TCE basis Houston/Rotterdam of $41,331 per day).

Clean

LR2

In the MEG this week LR2 freight plateaued after last week's positive resurgence. The TC1 rate for 75kt MEG/Japan dipped a modest three points to WS208 and the 90kt MEG/UK-Continent TC20 voyage went from $6.45 million to $6.33 million.

West of Suez, Mediterranean/East LR2's improved a little with the TC15 index adding $33,000 to its value up to $3.53 million.

LR1

In the MEG, LR1 freight levels were also relatively flat. The 55kt MEG/Japan index of TC5 hovered around the WS230's to WS240's. The 65kt MEG/UK-Continent of TC8 also floated around the high $4 million's with it currently pegged at $4.95 million.

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On the UK-Continent, the 60kt ARA/West Africa was significantly busier this week, regrettably for owners this did not stop the TC16 index dropping from WS185 to WS181.

MR

MR's in the MEG showed strong firming for the second week on week. The TC17 35kt MEG/East Africa index shot up 103 points to WS413 with the Baltic TCE for the run improving by 48% to over $50,000per day round trip.

On the UK-Continent MR's had another week of overbearing downward pressure. The 37kt ARA/US-Atlantic coast of TC2 dropped another ten points across the week to WS169. The TC19 run (37kt ARA/West Africa) the index also dropped 20 points to WS190. The Baltic round trips for the runs are now around $17,000 and $21,000 per day respectively.

USG MR's have had another hard week with no sign of recent downward trajectory stopping. TC14 (38kt US-Gulf/UK-Continent) came off another 12 points down to WS136. The 38kt US Gulf/Brazil on TC18 went from WS236 to WS218 and the 38kt US-Gulf/Caribbean of TC21 dropped by 13% across the week to $569,000.

Handymax

In the Mediterranean, 30kt Cross Mediterranean (TC6) recorrected down after last week's freight spike, the index lost 54 points to WS242

Up in North West Europe, the TC23 30kt Cross UK-Continent dipped to WS223 (-23).