

WEEKLY MARKET REPORT

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3rd May 2024

Bulk report – Week 18

Capesize

After an initially sluggish start to the week, the market picked up pace ahead of the impending holidays, particularly in the Pacific, leading to a slight uptick in the C5 index, which nudged up accordingly by 0.385 cents to \$9.965. Conditions in the Atlantic remained challenging as the week got underway, with sporadic improvements. As expected, mid-week was rather subdued with minimal activity, although Thursday marked a significant upswing post-holiday, driving the BCI 5TC up substantially by \$2,117, reaching \$19,670. Positive sentiment emerged particularly in the North Atlantic, with increased cargo enquiry and a tightening tonnage list and substantially stronger fixtures, reflecting a significant rise in the C8 index, which rose today by \$5,215 to \$17,429. As the week comes to an end, there's a noticeable slowdown in activity, but optimism prevails. In the Pacific, the C5 index inched up by 0.255 to reach \$10.70, while the C3 index saw a more significant rise of 0.905, reaching 26.665. Overall, it has been a positive conclusion to the week, highlighted by the BCI 5TC climbing by \$2,496 to hit \$22,166, marking a substantial increase of \$4,913 for the week.

Panamax

A week whereby activity was largely fragmented by various holidays spread across the globe. The Atlantic basin saw minimal fresh demand but with a modest tonnage count rates held steady for most part for limited trans-Atlantic and front haul fixtures. A mini grain push came mid-week ex EC South America, rates nudged up for end May arrivals Asia with a host of fixtures concluded in excess of \$20,000 delivery SE Asia/India region for South American round voyages. Asia blighted by various holidays also lacked energy this week despite an obvious increase in Indonesia and Australia coal demand, with the Indonesian round coal trips being the most engaging beginning the week around the \$14,000 mark but increasing to closer to \$16,000 by the close. Unsurprisingly, with minimal support from the FFA market, there returned limited period news, although reports surfaced of an 82,000-dwt delivery in China achieving \$17,150 basis one-year period.

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Ultramax/Supramax

With widespread holidays both in the Atlantic and Pacific regions it was a rather staggered week. The Atlantic generally saw softer tones as demand slipped from the US Gulf and Mediterranean. Mixed feels from the South Atlantic as the week closed some brokers saw increased volumes of fresh cargo. From Asia, rates remain rather flat albeit at reasonable levels. Fresh enquiry was limited from Southeast Asia, but tonnage supply able to keep up. From the Indian Ocean, demand remained again a rather sideways feel to the market during the course of the week. From the Atlantic, a 63,000-dwt fixed delivery Mississippi River to the Continent with wood pellets at \$20,000. Whilst a 60,000-dwt fixed a trip from US Gulf to the Far East in the mid \$20,000s. From Asia, a 53,000-dwt fixed delivery Vietnam for a trip via Indonesia redelivery China at \$17,000. Elsewhere, a 56,000-dwt fixed delivery WC India redelivery Far East at \$16,000. Period activity seen was limited, but a 63,000-dwt open Southeast Asia was heard fixed for 3/5 months trading redelivery Arabian Gulf – Japan at \$20,000.

Handysize

In a week littered with widespread holidays including Labour Day and the Greek Orthodox Easter, visible activity was muted and the overall sentiment across the handy sector was softer. Tonnage lists were said to have expanded this week across the Continent and the Mediterranean due to the limited visible fresh enquiry. In the South Atlantic, sources spoke of limited enquiry remaining for the first half of May. Whilst the US Gulf also remained under pressure a 43,000-dwt opening in Havana was linked to fixing from SW Pass to the Eastern Mediterranean with an intended cargo of grains at \$9,250 and a 38,000-dwt fixed from Mobile to the UK-Continent with wood pellets at around \$11,000. Activity was also subdued across Asia, levels were said to have remained more stable with many expecting activity and positivity to return next week once a majority of holidays had concluded and players returned to their desks.

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Tanker report – Week 18

VLCC

The market improved this week despite the Chinese Labour Day holiday 1/5 May. The rate for 270,000 mt Middle East Gulf to China gained five points to WS65.75, which corresponds to a daily round-trip TCE of \$43,301 basis the Baltic Exchange's vessel description.

In the Atlantic market, the 260,000mt West Africa/China trip also rose five points to WS67.56, which shows a round voyage TCE of around \$45,765 per day. The rate for 270,000mt US Gulf/China is climbed on the back of a tightening position list by \$362,500 to \$9,000,000 translating into a round-trip daily TCE of \$45,325.

Suezmax

The Suezmax market in West Africa softened again this week with the 130,000mt Nigeria/UK Continent trip losing eight points to WS100.67 (a daily round-trip TCE of \$37,475). In the Mediterranean and Black Sea region the rate is three points weaker at WS111.10 for the 135,000mt CPC/Mediterranean trip (showing a daily TCE of \$40,604 round-trip). In the Middle East, the rate for 140,000mt Middle East Gulf to the Mediterranean (via the Suez Canal) remained flat at a fraction below WS95.

Aframax

In the North Sea, the rate for the 80,000mt Cross-UK Continent recovered two points to WS143.93 (a daily round-trip TCE of \$44,724 basis Hound Point to Wilhelmshaven).

In the Mediterranean market the rate for 80,000mt Cross-Mediterranean has been reduced by 16 points to WS168 (basis Ceyhan to Lavera, that shows a daily round trip TCE of about \$48,224).

Across the Atlantic, the Stateside market has again continued to soften, but not as sharply as previous weeks, with the rate for 70,000mt East Coast Mexico/US Gulf (TD26) losing only three points to WS161.88 (a daily TCE of \$36,183 round trip) and the rate for 70,000mt Covenas/US Gulf (TD9) has also been reduced by 2.5 points to WS155.63 (a round-trip TCE of \$31,760 per day). The rate for the trans-Atlantic route of 70,000mt US Gulf/UK Continent (TD25) fell by six points to WS180.56 (a round trip TCE basis Houston/Rotterdam of \$42,357 per day).

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Clean

LR2

In the MEG this week LR2 freight managed enough activity to hold on from dropping. The TC1 rate for 75,000t MEG/Japan hovered around the WS205 and the 90,000t MEG/UK-Continent TC20 voyage is currently pegged at \$6.1m, down from \$6.3m

West of Suez, Mediterranean/East LR2's softened again this week seeing the TC15 index drop by \$225,000 to \$3.34m.

LR1

In the MEG, LR1 freight weakened a little this week. The 55,000t MEG/Japan index of TC5 lost 15 points to WS223.8. The 65kt MEG/UK-Continent of TC8 lost \$39,650 to \$4.87m.

On the UK-Continent, the 60,000t ARA/West Africa has taken a recorrect down this week as the market has been quiet again. The TC16 index has gone from WS179.7 to WS169.2.

MR

MR's in the MEG bounced down and back up this week. The TC17 35,000t MEG/East Africa index bottomed out at WS340 mid-week down from WS411.4 but has since returned to WS360 at time of writing.

On the UK-Continent MR's remained relatively stable this week. The 37,000t ARA/US-Atlantic coast of TC2 climbed 5.3 points to WS170.6. The TC19 run (37,000t ARA/West Africa) the index followed suit going from WS185 to WS190.3.

US Gulf MR's regained some upwards momentum this week, which was welcomed by owners. TC14 (38,000t US-Gulf/UK-Continent) hopped up 11.8 points to WS144.6. The 38kt US Gulf/Brazil on TC18 went from WS211.8 to WS223.9 and the 38,000t US-Gulf/Caribbean of TC21 shot up 20% to \$614,286.

Handymax

In the Mediterranean, 30,000t Cross Mediterranean (TC6) levelled off this week holding at around the WS242.5 mark. Up in Northwest Europe, the TC23 30,000t Cross UK-Continent crept up a modest 4.4 points to WS213.9.