

## WEEKLY MARKET REPORT

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12<sup>th</sup> July 2024

### **Bulk report – Week 28**

#### Capesize

This week finished on a positive note with the Capesize 5TC increasing by \$942, finishing the week at \$27,388. The rate for C8 transatlantic round voyage, significantly increased by over \$3,000 on Wednesday, reaching \$29,464, driven by a swap deal involving a Drummond to Gijon cargo. There were also notable increases in fronthaul cargoes from the North Atlantic later in the week, particularly for first half of August dates. Fixture levels increased as vessels with prompt dates were scarce in attracting interest from charterers. The C9 index climbed to finish the week at \$63,250/day. More activity surfaced from Brazil, with fixtures concluded in the \$27/tonne within the index window, which is now fully shifted to August. In the Pacific, the C5 index moved around the \$10/tonne benchmark, showing \$22,455/day for a transpacific round voyage.

#### Panamax

An active and busy week for the Panamax market culminated in decent gains made as the Atlantic market came to the fore once again, with South America absorbing tonnage worldwide, adding support to markets. The Atlantic saw improved levels tonnage count shrank mid-week. From the South, an 82,000-dwt vessel was fixed delivery EC South America end-July for a fronthaul at \$19,250 plus \$925,000 ballast bonus, whilst an 82,000-dwt fixed delivery West Mediterranean for a transatlantic run at \$13,000. In Asia, a mixed week with the draw from EC South America owners hardened their ideas for Indonesian business, although further north, tonnage levels remained high meaning rates lacked impetus despite a healthy amount of cargo from Australia. Meanwhile, an 82,000-dwt fixing delivery North China for a trip via NoPac redelivery Japan at \$15,000. Period activity was mostly muted, although reports mentioned an 82,000-dwt delivery China fixing two years at \$18,250.

#### Ultramax/Supramax

A week of steady improvements in the US Gulf with a lack of tonnage availability a large driving force behind the positivity, with unconfirmed rumours of an Ultramax fixing trips to Singapore-Japan at around \$30,000 but further details had yet to surface. In the Mediterranean, a 57,000-dwt opening in Otranto was rumoured to have been fixed from

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Canakkale via Russia to China at \$24,000 but details on the routing had yet to emerge. Visible activity remained in the Asian markets with a 57,000-dwt fixing from Bayaquan via Goa to the Mediterranean-Continent with an intended cargo of steels at \$15,500 for the first 65 days and \$17,500 for the balance of the charter. A 61,000-dwt opening in CJK fixed via the east coast of Australia to the Philippines at \$16,000. The period market also remained active with a 56,000-dwt opening ex-drydock in Zhoushan fixing for a year at \$14,000 whilst a 63,000-dwt new building opening ex-yard in Japan was fixed for 12 months at \$17,900 to Japanese charterers.

### Handysize

Large gains were seen in the US Gulf region this week with a 42,000-dwt fixing from SW Pass to the West Coast at a rate in the low \$20,000s, whilst a 37,000-dwt opening in East Coast Mexico was fixed basis delivery SW Pass for a trip to Morocco with an intended cargo of grains at \$17,500 to a grain house with unconfirmed rumours of another vessel fixing at closer to \$20,000. In the South Atlantic with improving levels of fresh enquiry a 38,000-dwt was linked to fixing from San Lorenzo to the Caribbean at \$21,000. Levels began to improve in the Asia markets with a 40,000-dwt rumoured to have been fixed from Australia to the Philippines at around \$20,000 and a 38,000-dwt fixed from Japan to West Coast Central -US West Coast at around \$16,000. A 28,000-dwt opening in Penang fixed a trip to China at around \$9,000 but further details have yet to surface.

## Tanker report – Week 28

### VLCC

The VLCC market had another week of slightly weakened rates, with the benchmark 270,000mt Middle East Gulf to China slipping two points by Thursday to WS46.53, which gives a daily round-trip TCE of \$22,642 basis the Baltic Exchange's vessel description.

In the Atlantic, the 260,000mt West Africa to China TD15 trip was flat, with rates holding at the WS53 mark, showing a round voyage TCE of a little over \$30,200/day. The rate for 270,000mt US Gulf to China fell by \$282,500 to \$7,335,000 corresponding to a round-trip daily TCE of \$32,235.

## WEEKLY MARKET REPORT

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### Suezmax

The Suezmax market in West Africa held at last week's level of around WS99 for the 130,000mt Nigeria to UK Continent TD20 benchmark route (a daily round-trip TCE in excess of \$36,700), while the 135,000mt CPC/Mediterranean route slipped a point to WS118.55 (showing a daily round-trip TCE of \$46,152). In the Middle East, the rate for 140,000mt Middle East Gulf to the Mediterranean (via the Suez Canal) continues to be assessed around the WS93 level.

### Aframax

In the North Sea, the rate for the 80,000mt Cross-UK Continent hovered around WS130 (translating to a daily round-trip TCE of about \$31,000 basis Hound Point to Wilhelmshaven).

In the Mediterranean market, the rate for 80,000mt Cross-Mediterranean remained at a steady WS151 (basis Ceyhan to Lavera that shows a daily round trip TCE of marginally above \$39,600).

Across the Atlantic, Hurricane Beryl provided some uncertainty in the market at the beginning of the week, although by Thursday earnings had improved. For the 70,000mt East Coast Mexico/US Gulf (TD26) the rate has bounced back by 22 points to just shy of WS195 (a daily round-trip TCE of almost \$51,000) while the rate for 70,000mt Covenas/US Gulf (TD9) improved by 14.5 points to close to WS185 (a round-trip TCE of nearly \$43,000/day). The rate for the transatlantic route of 70,000mt US Gulf/UK Continent (TD25) regained only three points to WS182.78 (a round-trip TCE basis Houston/Rotterdam of \$43,184/day).

### Clean

#### LR2

MEG LR2's have been somewhat lacklustre this week and have subsequently come under pressure. The TC1 rate for 75Kt MEG/Japan dipped 8.61 points to WS173.06 taking the Baltic TCE to just under \$40,000/day round trip. The 90kt MEG/UK-Continent TC20 voyage went from \$5.91m to \$5.77m.

## WEEKLY MARKET REPORT

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West of Suez, Mediterranean/East LR2's came back down from last week's improvement, meaning the TC15 index (80kt Med/Far East) lost \$58,333 to \$3.85m.

### LR1

In the MEG, LR1 movement has been voyage direction dependent. The 55kt MEG/Japan index of TC5 went from WS224.4 to WS215.9 and the 65kt MEG/UK-Continent of TC8 settled up \$357,000 at \$5.26m, with majority of vessels preferring eastern discharge.

On the UK-Continent, a 60kt ARA/West Africa run on TC16 held flat in the mid WS130's with the TCE stable at just under \$21,000/day Baltic round trip.

### MR

MR's in the MEG held stable this week. The TC17 35Kt MEG/East Africa index stayed around the WS245-250 level. This is still around \$24,800/day Baltic round trip.

On the UK-Continent MR's began to drop this week. The 37kt ARA/US-Atlantic coast of TC2 settled at WS178.4 down 11.25 points. The TC19 voyage (37kt ARA/West Africa) also dropped from WS207.8 to WS198.8.

As USG MR's came under heavy downward pressure again this week. TC14 (38kt US-Gulf/UK-Continent) bottomed out at WS148.57 and is currently at WS156.79. The 38kt US Gulf/Brazil on TC18 similarly came down 42.15 points to WS225.7. The 38kt US-Gulf/Caribbean of TC21 came off circa 30% to \$650,000.

The MR Atlantic Triangulation Basket TCE dropped \$4,588 to \$31,551.

### Handymax

In the Mediterranean, 30kt Cross Mediterranean (TC6) improved 50 points to WS235. This took the Baltic round trip TCE up 66% to \$35,095/day. In northwest Europe, the TC23 30kt Cross UK-Continent improved a modest 7.97 points to WS170.56.