

## WEEKLY MARKET REPORT

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**02<sup>nd</sup> August 2024**

### **Bulk report – Week 31**

#### Capesize

The week commenced with a tepid start as the BCI 5TC index slipped, reflecting limited activity in both regions. As the days progressed, the Pacific saw a reasonably robust list of available cargoes, although activity was still somewhat stagnant. Midweek, the market faced challenges despite heightened activity, with the BCI 5TC index experiencing a notable drop, sliding \$1,017 to settle at \$19,717. Ample tonnage availability in the Pacific hindered any potential gains, while weaker fixtures in the Atlantic further pressured the market. Towards the end of the week, the Pacific showed signs of stability with all miners active and an increase in coal cargoes. Despite decent volumes, the market struggled to gain momentum. However, by Friday a couple of stronger fixtures were reported resulting in the C5 index finishing the week at \$9.820. Overall, the week concluded on a mixed note. Conditions in the Atlantic remained subdued, while the Pacific showed slight improvement, leading to a \$313 increase in the BCI, which settled at \$19,299.

#### Panamax

A compelling week in the Panamax market. The North trans-Atlantic runs providing numerous points of discussion, with wide ranging views on where true market value lay. Tight tonnage count this side persisted all week, whilst those owners looking to minimise duration and secure positioning for latter contracts, securing the few mineral voyage cargoes available. Unsurprisingly returning a heavily discounted equivalent way below index levels. An underwhelming week ex-South America, with only a brace of end August arrival deals concluded basis delivery APS load port basis around the \$19,000 + \$900,000 mark. The Asian basin saw decent volume ex-Australia and Indonesia, however tonnage particular in the North of the region forcibly keeping a lid on rates. A mix of rates emerging ex-Australia, the median rate overall came to around the \$14,000 mark. Period activity overall but did include reports of an 82,000-dwt delivery China agreeing \$18,250 basis 5/7 months trading.

#### Ultramax/Supramax

A rather uneventful week for the sector as the ‘summertime blues’ kicked in. The recent upturn from the US Gulf ended as demand fell away putting downward pressure on rates. The South Atlantic also lacked much fresh impetus with rates hovering around

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last down. The Continent - Mediterranean was seen as positional with limited fresh enquiry appearing. From Asia, a fairly similar story but some said it was a bit more positional. As the week progressed, the Indonesian coal demand slipped down and prompt tonnage lists grow. A 55,000-dwt fixing delivery Koh Sichang for a trip via Indonesia redelivery WC India at \$13,000. Further north, there was intermittent demand, with a 63,000-dwt open China fixing a trip via Gulf of Aden redelivery Mediterranean at \$16,000 for the first 65 days and \$18,000 for the balance. For NoPac business a 58,000-dwt open Japan fixed a soda ash run via NoPac redelivery Southeast Asia at \$14,000. The Indian Ocean remained fairly subdued, with a 60,000-dwt fixing delivery Hamriyah trip via Arabian Gulf redelivery WC India in the mid \$18,000s. It was also noted that with the general lack of demand, period activity also dropped off as many players waited to see if the fundamentals may change.

### Handysize

With the Summer holiday season in the Northern hemisphere and the Olympic games in Paris, it has been only what can be described as a rather uneventful week for the sector. The Atlantic was rather positional. Some felt that a slight upward trend remained both from the US Gulf and South Atlantic, although it was patchy. A 38,000-dwt rumoured fixed in the mid \$19,000s for an Upriver Plate trans-Atlantic run. However, it also surfaced that a 35,000-dwt fixed from North Brazil to the Mediterranean at around \$15,000. The Continent-Mediterranean lacked fresh impetus but a 40,000-dwt fixed delivery United Kingdom trip via the Baltic redelivery West Africa (non HRA) in the mid \$15,000s. From Asia, as the week progressed, brokers said it was becoming increasingly evident that lower cargo volumes were being felt and that the amount of prompt tonnage increased. From the Indian Ocean, limited action again saw a 32,000-dwt fixed delivery Damman for a trip via the Arabian Gulf redelivery EC India at \$11,000.

## Tanker report – Week 31

### VLCC

The VLCC market fell away this week, losing recent gains. The 270,000 mt Middle East Gulf to China trip lost eight points to WS47, corresponding to a daily round-trip TCE of \$23,656 basis the Baltic Exchange's vessel description.

In the Atlantic market, the rate for 260,000 mt West Africa/China eased five points to WS52.39 (which shows a round voyage TCE of \$30,028/day), whilst the rate for

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270,000 mt US Gulf/China was reduced by \$335,000 to \$7,100,000 (\$30,929/day round trip TCE).

### Suezmax

Suezmaxes in West Africa were again weaker this week, with the rate for 130,000 mt Nigeria/UK Continent dropping another seven points to WS80.39 (a round-trip TCE of \$26,268/day). Baltic Exchange has introduced a new route (TD27) from Guyana to UK Continent basis 130,000mt, which was assessed on Thursday at WS80.56, giving a daily round trip TCE of \$26,034 basis discharge in Rotterdam. In the Mediterranean and Black Sea region the 135,000 mt CPC/Med route slipped a further 2.5 points to about WS97.5 (showing a daily TCE of just below \$31,000 round-trip). In the Middle East, the rate for 140,000 mt Middle East Gulf to the Mediterranean (via the Suez Canal) remained around WS85.

### Aframax

In the North Sea, the rate for the 80,000mt Cross-UK Continent held at the WS120 level (translating to a daily round-trip TCE of a little over \$23,200 basis Hound Point to Wilhelmshaven).

In the Mediterranean market the rate for 80,000mt Cross-Mediterranean recovered recent losses, gaining 18.5 points to WS146.67 (basis Ceyhan to Lavera, that shows a daily round trip TCE of about \$37,800).

Across the Atlantic, the market continues to collapse. For the 70,000mt East Coast Mexico/US Gulf (TD26) the rate fell a further 71.5 points to WS128.33 (a daily TCE of \$17,851 round trip) while the rate for 70,000mt Covenas/US Gulf (TD9) capitulated 62.5 points to WS118.44 (a round-trip TCE of \$18,145/day). The rate for the trans-Atlantic route of 70,000mt US Gulf/UK Continent (TD25) lost almost 25 points to WS128.33 (a round trip TCE basis Houston/Rotterdam of \$24,742/day).

### Clean

#### *LR2*

LR's in the MEG continued to trundle along stable this week. The 75Kt MEG/Japan TC1 index floated around the WS150 mark. The 90kt MEG/UK-Continent of TC20 is also coasted along at the \$4.4m - \$4.6m position all week.

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West of Suez, Mediterranean/ LR2's on TC15 maintained their recumbency at \$4.2m for the second week on week.

### *LR1*

In the MEG, LR1's remained relatively flat this week. The 55kt MEG/Japan index of TC5 continued to hover around the WS155 level while the 65kt MEG/UK-Continent of TC8 did dip \$100,000 to \$3.73 million. On the UK-Continent, the 60Kt ARA/West Africa TC16 index lingered prostrate in the high WS140's.

### *MR*

MR's in the MEG ticked along with just enough enquiry to prevent softening. The 35kt MEG/East Africa TC17 index, as a result, resided at WS200 all week.

UK-Continent MR's looked as though they were going to recover mid-week. The 37kt ARA/US-Atlantic coast of TC2 peaked at WS211 mid-week but then returned quickly back to the WS200 level. TC19 (37kt ARA/West Africa) similarly hopped up to WS230 at the same time and then dropped back to WS220 by the end of the week.

The USG MR's were by comparison to recent behaviour relatively flat this week. Within the week TC14 (38kt US-Gulf/UK-Continent) stayed around the WS155-165 level. The 38kt US-Gulf/Brazil of TC18 did by comparison drop 15 points from WS242 to WS227 and the 38kt US-Gulf/Caribbean TC21 was assessed around the \$677,000-750,000 range all week.

### Handymax

In the Mediterranean, Handymax's took a heavy hit and TC6 30kt Cross-Med lost 59 points to WS156. Up in northwest Europe, the TC23 30kt Cross UK-Continent shed 15 points to WS191.