

## WEEKLY MARKET REPORT

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17<sup>th</sup> January 2025

### **Bulk report – Week 03**

#### Capesize

The Capesize market experienced a mixed week, beginning strongly before losing ground as the days progressed. Monday saw the BCI 5TC rise to \$13,391, driven by a pickup in Pacific activity and tightening tonnage in the North Atlantic. The Pacific market showed signs of recovery with increased miner activity and improved fixtures, narrowing the earnings gap between C3 and C5 routes. The North Atlantic was bolstered by reports of a significantly stronger fronthaul fixture lifting sentiment. However, momentum slowed midweek. Despite steady cargo inflows, fixing volumes tapered off, and the market flattened out. By the end of the week, momentum faltered, Pacific activity remained subdued amid weather uncertainties developing off the coast of West Australia, while the Atlantic saw muted trading and a widening gap between the bid and the offer on C3. Overall, it was quiet end to the week with the BCI 5TC dropping \$739 to \$11,555.

#### Panamax

The Panamax market experienced a mixed and volatile week. After a slow start, there were signs of recovery by mid-week, only for activity to taper off again as the week closed. Despite some gains on specific trades, these improvements remain barely above operating costs. Additionally, with only a slight increase in period rates this week, the immediate outlook appears bleak, offering little reason for optimism.

The Pacific market saw some improvement with healthier demand in the north with the highlight being an 82,000-dwt able to achieve \$9,250 for a North Pacific trip basis a Korea delivery. Further south, the Australian round trips were more akin to mid-high \$6,000's but market participants monitoring whether the North will assist to drive sentiment higher elsewhere too. As is customary this time of the year, plenty of period activity emerged, mid \$12,000's achieved a few times for 82,000-dwt types delivery China-Korea for short period, whilst the highlight being an 82,000-dwt delivery Korea fixed 5/8 months at \$13,750 with a grain house.

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### Ultramax/Supramax

The general malaise in the sector continued throughout the week as limited fresh enquiry appeared, and prompt tonnage remained readily available. Rates across the board slid down further as charterers remained in the driving seat. Limited cargo saw a 64,000-dwt fixing from the US Gulf to WC South America in the mid \$19,000s. From EC South America, a 58,000-dwt fixed a trip from Santos to Egypt at \$12,750. The Mediterranean similarly lacked impetus, a 53,000-dwt fixing from Spain to West Africa at \$8,000. From the Indian Ocean, demand remained poor, a 60,000-dwt fixing from South Africa to China at \$12,250 plus \$125,000 ballast bonus. In Asia, a 55,000-dwt open N China fixed an Indonesian round in the mid \$4,000s. Further south, a 56,000-dwt open Thailand fixed a trip via Indonesia redelivery China at \$4,000. Period action remained patchy, a 60,000-dwt open Dammam fixing 5-7 months trading at \$12,250. With the upcoming Chinese New Year, fundamentals seem hard to change.

### Handysize

Another challenging week for the sector with rates in both the Atlantic and Pacific regions facing continued downward pressure. The Continent and Mediterranean market also remained under pressure due to insufficient support, there was a noticeable shortage of scrap cargoes and a lack of eastbound trips from the Black Sea, resulting in rates slightly lower than previous levels. A 39,000-dwt fixed delivery aps Black sea redelivery US Gulf with steels at \$5,500. In the South Atlantic and U.S. Gulf, sentiment remained subdued, with tonnage count seeming to maintain its length, putting further pressure on rates. A 39,000-dwt open Veracruz 25/30 Jan fixed delivery SW Pass trip East coast Mexico with grains \$10,500 and a 35,000-dwt fixed delivery aps Recalada redelivery Vitoria at \$10,500. Meanwhile, the Asian market maintained its negative tone, showing no signs of recovery. A 37,000-dwt open Japan fixed delivery aps Tianjin trip redelivery SE Asia at \$6,000.

## Tanker report – Week 03

### VLCC

A very busy market, building on the momentum from last week, has provided owners with a strong opportunity to boost rates. And boost them they have, with rates climbing by over 50% on average and nearly doubling in TCE values! The 270,000 mt Middle East Gulf to China trip (TD3C) over the week has been dragged up by almost 28 points (56%)

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to WS77.10 giving a daily round-trip TCE of \$56,891 (improving 109%) basis the Baltic Exchange's vessel description.

In the Atlantic market, a similar situation was experienced with rate for 260,000 mt West Africa/China (TD15) rising 24.67 points (47.5%) to WS76.56 (corresponding to a round voyage TCE of \$56,375 (up 86%) per day), while the rate for 270,000 mt US Gulf/China (TD22) gained \$3,315,000 (51%) to \$9,775,000 (which shows a daily round trip TCE of \$52,659, an increase of over 91%).

### Suezmax

The Suezmaxes still are not the belles of the ball, although rate have improved across the board this week. The 130,000 mt Nigeria/UK Continent voyage (TD20) recovered 20 points to WS86.39, meaning a daily round-trip TCE of \$32,367 while the TD27 route (Guyana to UK Continent basis 130,000 mt) gained nearly 13 points to WS86.39, which translates into a daily round trip TCE of \$28,064 basis discharge in Rotterdam. For the TD6 route of 135,000 mt CPC/Med, the rate improved by 13.5 points to WS90.05 (showing a daily TCE of \$27,706 round-trip). In the Middle East, the rate for the TD23 route of 140,000 mt Middle East Gulf to the Mediterranean (via the Suez Canal) gained 18 points to the just over the WS97.5 mark.

### Aframax

In the North Sea, the rate for the 80,000 mt Cross-UK Continent route (TD7) hovered around the WS110 level giving a daily round-trip TCE of about \$19,000 basis Hound Point to Wilhelmshaven.

In the Mediterranean market, the rate for 80,000 mt Cross-Mediterranean (TD19) having collapsed last week, started to recoup and rose by nearly 22 points to WS122.22 (basis Ceyhan to Lavera, that shows a daily round trip TCE of \$28,245).

Across the Atlantic, the market spiked last Friday but has turned downwards again. The 70,000 mt East Coast Mexico/US Gulf route (TD26) and the 70,000 mt Covenas/US Gulf route (TD9) saw rates drop this week by 18 and 16 points to both end up at the WS138-139 level, which shows a daily round-trip TCE of \$27,848 and \$24,884 respectively. The rate for the trans-Atlantic route of 70,000 mt US Gulf/UK Continent (TD25) has fallen back heavily by over 33 points to WS135.56 (giving a round trip TCE basis Houston/Rotterdam of \$28,772 per day) which is unlikely to be attractive enough to encourage European ballasters for the time being.

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### Clean

#### LR2

MEG LR2's began the week continuing upwards with strong momentum only to then pause. TC1 75kt MEG/Japan climbed another 41.39 points to WS174.17. A voyage West on TC20 90kt MEG/UK-Continent went from \$3.81m to \$4.42m.

West of Suez, Mediterranean/East LR2's remained level around the \$3.1m mark.

#### LR1

The TC5 55kt MEG/Japan index also rose again this week with the index assessed 17.19 points higher at WS174.69. A trip to the UK-Continent on TC8 65kt MEG/UK-Continent also followed suit going from \$2.82m to \$3.34m.

On the UK-Continent, the TC16 60kt ARA/West Africa index came down a modest 6.11 points to WS115.56 where it has remained for most of the week.

#### MR

MR's in the MEG saw continued activity this week. The TC17 35kt MEG/East Africa index jumped from WS210 to WS247.14 and has since dipped back to WS229.29 where it currently sits.

UK-Continent MR's firmly shot up this week. The TC2 index 37kt ARA/US-Atlantic coast was pumped up 45.31 points to WS174.06 showing a Baltic TCE of just shy of \$20,000 /day round trip. TC19 37kt ARA/West Africa also rose in tandem with TC2 and its additional 45.93 points took the index to just over the WS200 level.

MR's in the USG resurged this week. TC14 38kt US-Gulf/UK-Continent was marked 40.36 points higher than last Friday at WS141.43. TC18 the 38kt US Gulf/Brazil index also climbed from WS162.86 to WS202.14. A trip to the Caribbean on TC21, 38kt US-Gulf/Caribbean climbed by 71% to \$757,143 seeing the Baltic round trip TCE for the run climb by 259% from \$6,856 to \$24,632 /day.

The MR Atlantic Triangulation Basket TCE went from \$18,027 to \$29,990.

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### Handymax

Both BCTI Handymax routes improved this week. In the Mediterranean, TC6 index went from WS136.67 to WS167.78 and up on the UK-Continent the TC23 30kt Cross UK-Continent firmed to WS189.17 (+35.56).