

WEEKLY MARKET REPORT

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24th January 2025

Bulk report – Week 04

Capesize

The Capesize market endured a challenging week, with a steadily declining trend across the board. The BCI 5TC shed \$2,852 over the week, closing at \$8,156. In the Pacific, miner activity remained sparse, with only one miner consistently present. Fixtures from West Australia to China hovered in the low \$6.00 range early in the week but slid to \$5.85 by the end of the week. While cargo volumes appeared stable, limited demand and increasing tonnage weighed heavily on sentiment. The South Atlantic showed initial promise midweek, driven by fresh inquiry from South Brazil and West Africa to China, momentarily lifting the C3 index. However, mounting tonnage in ballast and weaker trans-Atlantic activity caused a sharp decline, with the C3 and C8 indices dropping significantly by weeks end.

Panamax

Rates continued to slide all week with hopes of the market finding a bottom, but some very low trades were still witnessed. The Pacific began the week active, but as Asian holidays approached, the market slowed significantly towards the weekend. The Atlantic was bereft of sufficient demand to counterbalance against the sheer volume of ballaster tonnage that has harshly impacted rates on most trade routes. From South America to Far East trades, a big spread between the voyage and time charter rates, \$30.00 concluded a couple of times for second half February arrivals equating low against the timecharter equivalent rates compared to spot pricing. In Asia, previously seen robust rates ex NoPac unwound this week, rates in the \$7,000's not uncommon whereas far ranging rates for the Australian round trips, between \$4,000 and low \$5,000's. As is historically seen this time of year a reasonable amount of period activity, 82,000-dwt's achieving between \$13,750 and \$12,000 for short period up to 1 year.

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Ultramax/Supramax

Another poor week for the sector as the continued uncertainty and lack of fresh cargo led to rates sliding across the board. The Atlantic remained very subdued, from the US Gulf very little enquiry was seen, a 61,000-dwt fixed delivery US Gulf with petcoke to China at \$16,000 mid-week. Elsewhere another 61,000-dwt was heard fixed delivery West Africa trip to China at \$12,000. From Asia, with a build-up of prompt tonnage it remained bleak from an owner's point of view. A 56,000-dwt fixing a trip from Indonesia to China \$3,000. Further north, limited options remained, a 61,000-dwt fixing a NoPac round basis delivery Busan at \$8,000. Similarly backhaul options remained limited, a 57,000-dwt was heard fixed from China to West Africa in the mid \$7,000s. The Indian Ocean also lacked inspiration, a 59,000-dwt fixing delivery South Africa for a trip to China at \$10,000 + \$100,000 ballast bonus. With the upcoming Chinese holiday, it seems difficult for this trend to see any great change.

Handysize

The market this week saw minimal visible activity across both basins. The rates kept going down across the Continent and the Mediterranean with sentiment appearing generally soft. A 30,000-dwt open spot Castellon/Spain fixed trip delivery Safi to redelivery Dakar-Abidjan with gypsum \$5,000. In the South Atlantic and U.S. Gulf, sentiment remained subdued, with tonnage count seeming to maintain its length and putting further pressure on rates. A 38,000-dwt fixed delivery Recalada to redelivery Peru \$15,000. In Asia, the tonnage count has been increasing throughout the week, leading downward pressure on rates and some brokers anticipating further market softening. A 37,000-dwt fixed delivery Paradip 27th Jan coastal trip redelivery Kandla at \$ 6,000.

Tanker report – Week 04

VLCC

The market crashed back close to the levels seen 2 weeks ago. The 270,000 mt Middle East Gulf to China trip (TD3C) fell 23 points to WS54.15 giving a daily round-trip TCE of \$31,568 basis the Baltic Exchange's vessel description.

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In the Atlantic market, the rate for 260,000 mt West Africa/China (TD15) tumbled 18 points to WS59.33 (corresponding to a round voyage TCE of \$37,517 per day), while the rate for 270,000 mt US Gulf/China (TD22) lost \$1,285,000 to \$8,750,000 (which shows a daily round trip TCE of \$44,635).

Suezmax

The Suezmaxes have weakened as well although as this asset size had not reached the heady highs seen on VLCCs, the reduction is less dramatic. The 130,000 mt Nigeria/UK Continent voyage (TD20) fell 9 points to WS76.67, meaning a daily round-trip TCE of \$27,132 while the TD27 route (Guyana to UK Continent basis 130,000 mt) fell 5.5 points to WS73.67 which translates into a daily round trip TCE of \$24,904 basis discharge in Rotterdam. For the TD6 route of 135,000 mt CPC/Med, the rate lost almost 2 points to WS88.25 (showing a daily TCE of \$27,097 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) eased a point to around the WS98.5 level.

Aframax

In the North Sea, the rate for the 80,000 mt Cross-UK Continent route (TD7) hovered around the WS110 level again giving a daily round-trip TCE of about \$19,691 basis Hound Point to Wilhelmshaven.

In the Mediterranean market the rate for 80,000 mt Cross-Mediterranean (TD19) rose 7 points to WS131.78 (basis Ceyhan to Lavera, that shows a daily round trip TCE of \$34,055).

Across the Atlantic, the market slackened further. The 70,000 mt East Coast Mexico/US Gulf route (TD26) and the 70,000 mt Covenas/US Gulf route (TD9) saw rates lose around 14 points to both end up at the WS117 level, which shows a daily round-trip TCE of around \$19,000 and \$17,300 respectively. The rate for the trans-Atlantic route of 70,000 mt US Gulf/UK Continent (TD25) fell back 15 points to WS115.28 (giving a round trip TCE basis Houston/Rotterdam of \$22,130 per day) which will not encourage ballasters from Europe for the time being.

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Clean

LR2

MEG LR2's plateaued and began to fall back down this week. TC1 75kt MEG/Japan was assessed 31.39 points less to WS140 and heading West on TC20 90kt MEG/UK-Continent went from \$4.36m to \$3.94m.

West of Suez, Mediterranean/East LR2's of TC15 managed to tick up \$100,000 to \$3.27m.

LR1

The TC5 55kt MEG/Japan also came down significantly this week, dropping 33.43 points to take the index to WS139.98. A run to the UK-Continent on TC8 65kt MEG/UK-Continent also came off nearly 25% to \$2.84m.

On the UK-Continent, the TC16 60kt ARA/West Africa index climbed to WS123.89 (+9.17) off the back of some early week activity.

MR

MR's in the MEG saw a dramatic recorrect down this week. The TC17 35kt MEG/East Africa index shed 40.72 points to WS185.71 but has held here for the last 2 days at time of writing.

UK-Continent MR's topped out this week. This was around the WS180 mark for the TC2 index 37kt ARA/US-Atlantic coast which since its peak mid-week has returned back to WS167.19 taking the Baltic TCE for the run back below \$20,000 /day round trip to \$18,175 /day. TC19 37kt ARA/West Africa also peaked at a hair over WS200 but is now back to WS189.06.

Freight for MR's in the USG came off in steps this week. TC14 38kt US-Gulf/UK-Continent was marked 12.15 points lower than last Friday at WS115.71 with the Baltic TCE showing \$9,526 /day for the trip. TC18 the 38kt US Gulf/Brazil index dropped from WS185 to WS165.71 and a Caribbean run on TC21, 38kt US-Gulf/Caribbean came down 21% to \$495,000.

The MR Atlantic Triangulation Basket TCE went from \$28,100 to \$25,020.

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Handymax

Both BCTI Handymax routes improved again this week. In the Mediterranean, TC6 index shot up 47.23 points to WS221.67 and up on the UK-Continent the TC23 30kt Cross UK-Continent went from WS190 to WS193.89.