

## WEEKLY MARKET REPORT

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17<sup>th</sup> February 2023

**Bulk report – Week 7**

### **Capesize**

There was an overriding negative sentiment in the sector this week as the Cape 5TC average fell from \$4,432 to \$2,246 on Friday. This was largely led by the Atlantic and a number of fixtures are down significantly. However, it was also due to a lack of cargoes available. Owners are reportedly considering idling tonnage to wait out a recovery. The Pacific was busy with all of the miners in the market throughout the week, but the C5 route was fixing at \$6.30 at the start to \$6.05 by the end. There was very little activity from Brazil, with fixtures for end March dates reported in the region of \$16.25. There were backhaul cargoes reported at fixed negative \$10-12,000, but cargoes from Canada and Colombia to the Far East dragged the market down. With the onset idling tonnage, a recovery is not expected by Owners to be on the immediate horizon. Without fresh cargoes away from the usual West Australia - and shorter runs - the current low returns may continue. However, some were reporting a floor may have been reached.

### **Panamax**

A healthy amount of activity, but overall rates remained under downward pressure in most areas. The Atlantic saw a reasonable amount of volume from South America and rates were seen basis delivery EC South America in the mid \$14,000s plus mid \$400,000s ballast bonus for nearby dates. From Asia, again there were little signs of a change of direction as Owners were just happy to get their vessels covered. Rates for an Australian round were generally in the \$8,000s for an 82,000-dwt, dependent on delivery point. Limited volume from Indonesia saw a 75,000-dwt fixing delivery Philippines for a round voyage at \$7,000. Period activity saw Owners seeking short term period. It also surfaced that an 81,000-dwt open South China fixed for six to nine months trading redelivery worldwide at \$14,500 for the first six months and then \$16,000 for balance.

### **Ultramax/Supramax**

A more positive feel generally during the course of the week. The Atlantic saw stronger demand from the US Gulf and more grain movements from the East Mediterranean buoyed demand from there. A Supramax was heard to have been fixed basis delivery Canakkale trip via Ukraine to Bangladesh in the \$17,000s. From South America there appeared to be a clear out of prompt tonnage and demand could grow - but it was too early to see much upward movement in rate. From Asia again better levels of enquiry were seen from the south. A 58,000-dwt was heard fixed basis delivery Indonesia via Australia redelivery Singapore-Japan in the mid \$12,000s. Meanwhile, a 55,000-dwt open Surabaya fixed a trip via Indonesia redelivery China at \$9,000. The Indian Ocean saw activity and a 56,000-dwt fixed a trip delivery Salalah to East Coast India at \$13,500. Period activity was limited but a 61,000-dwt open Bin Qasim fixed short period in the upper \$13,000s.

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### Handysize

Glimmers of positivity crept into the sector, but some cautioned that it could be short-lived. A 32,000-dwt was fixed for a trip from Lisbon to the US Gulf at \$8,000. A 32,000-dwt fixed from Jorf Lasfar to Nemrut Bay with an intended cargo of steel billets at \$6,500. A 35,000-dwt fixed basis delivery United Kingdom for a trip to the Eastern Mediterranean with an intended cargo of scrap at \$8,150. Elsewhere from South America, a 35,000-dwt was heard fixed delivery Pecem trip redelivery US Gulf with steels at \$8,000. From Asia it was finely balanced. A 34,000-dwt was rumoured to have been placed on subjects for a trip from Jakarta via Western Australia to Taiwan with a cargo of salt at \$9,000. There was also still an appetite from Charterers for longer duration with a 32,000-dwt open Vietnam fixing for two to three laden legs at \$10,250.

### Tanker report – Week 7

#### VLCC

The VLCC market continued its positive trajectory this week with some freight climbing back to levels not seen since December. For the 270,000mt Middle East Gulf to China voyage the rate rose by 8.9 points (13.9%) to WS66.32. This shows a daily round voyage TCE of \$46,125 per day basis the Baltic Exchange's vessel description. The rate for 280,000mt Middle East Gulf to US Gulf (via the cape/cape routing) is assessed a further 2.44 points higher, taking it just over the WS40 mark.

In the Atlantic the 260,000mt West Africa/China improved by 5.36 points to WS65.5, showing a round-trip TCE of \$44,864 per day. The rate for 270,000mt US Gulf/China climbed \$377,778 (15.61%) to just over \$8.78 million (\$35,000 per day round trip TCE).

#### Suezmax

The rate for 135,000mt CPC/Augusta climbed and incremental 4.22 points this week to 166.72 (a round-trip TCE of just under \$86,000 per day). In West Africa, the 130,000mt Nigeria/Rotterdam voyage was more active this week. Levels ticked up 11.25 points to WS125.34 (a daily round-trip TCE of about \$53,501 per day). In the Middle East, the rate for 140,000mt Basrah/Lavera held stable in the mid WS50s.

#### Aframax

In the North Sea market, rates for the 80,000mt Hound Point/Wilhelmshaven route took another 4.68 point dip to WS153.13 (a round-trip daily TCE of \$50,119). In the Mediterranean, the rate for 80,000mt Ceyhan/Lavera had a 13.44 chunk taken out of it to WS172.5 (a daily round-trip TCE of \$53,629). Across the Atlantic, the Stateside Aframax market rebounded with gusto. The rate for 70,000mt East Coast Mexico/US Gulf improved by 25.63 points to the WS195 region (about \$54,500 per day round-trip TCE). Meanwhile, the rate for 70,000mt Covenas/US Gulf jumped 30.31 points to WS190 (a daily round-trip TCE of \$49,031). For the Transatlantic route of 70,000mt US Gulf/Rotterdam, rates also continued upwards, rising 33.58 points to sail over WS200 and up to WS214.29 (showing a round-trip TCE of \$58,144 per day).

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### Clean

In the Middle East Gulf, LR2s have been leading the charge this week with consistently firming sentiment throughout. TC1 has surged 59.94 points to WS184.38 (a 48% rise) and a TC20 run west climbed \$917,000 to \$4,550,000. LR1s have been following their larger peers and TC5 (55,000t MEG/Japan) ended up at WS214.64 (+71.43) by the end of the week. On a voyage to the UK-Continent (TC8) jumped up \$558,000, to \$3,866,000. MRs have been capitalising on a positive period this week with TC17 hopping up another 33.57 points to WS387.14 and a round-trip TCE of \$52,518 per day.

West of Suez, LRs have also been progressing this week and TC15 has risen \$1,100,000 to \$4,000,000 tanking the round-trip TCE back into the black and up to \$17,650 per day. TC16 has also been optimistically improving, seeing the index hop up 49.29 points (30%) to WS212.86 and just shy of \$50,000 per day round-trip TCE.

MRs on the UK continent have suffered with activity levels dropping off this week. TC2 has been cut back 28.89 points to WS264.44 and similarly TC19 has ended up at WS274.29 (-29.28).

UK-Continent Handymax vessels on TC23 (30,000t Cross UK-Continent) have rocketed 91.87 points this week to WS263.75.

In the Mediterranean, TC6 has been resolute this week from a balance of enquiry and available tonnage. WS265 has been fixed repeatedly and led the index to this level at time of writing.

In the Americas, MRs have been modestly improving this week. TC14 regained 15 points to WS210.83 and TC18 improved 17.5 points to WS312.5. Meanwhile, a TC21 run to the Caribbean was propelled up \$358,000 to \$1,392,000.