

WEEKLY MARKET REPORT

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3rd February 2023

Bulk report – Week 5

Capesize

As China returned from their Lunar New Year holidays there was hope in some quarters that the market would see a recovery from the steep declines of January. There was optimism that a floor had been found, as there were only marginal daily falls. However, the rot continued with weaker fixtures reported generally and a largely flat C5 West Australia market. The Capesize TC Average finished the week at \$3,561. The backhaul C16 route saw limited activity, a fixture from RBCT to Denmark at \$6 led the TC route down. There was activity from Brazil and a Newcastlemax fixed at \$17.00 for index dates. By the finish, Baltic Capesize fixtures were reported at \$15.50/16.00 levels. It was a slow start to the week on the C5 route. As the week progressed all majors were active, with the trading band set between \$6.3 and \$6.45. Period wise it was quiet, a 2005 177,000-dwt was reported fixed for five to eight months basis prompt delivery China at \$13,000.

Panamax

It proved to be another week of steady declines for the Panamax market. With a heavy ballaster list and increased tonnage count, resistance from owners was mostly scarce. This resulted in charterers driving down bids, especially in the Atlantic region with Asia marginally bucking the trend. In the Atlantic, aside from some brief NC South America grain demand in the early part, it has been lacklustre with both P1A and P2A routes. Both came under pressure with little sign of abating. A couple of 76,000-dwt were reported midweek basis aps EC South America delivery for trips across to Continent-Mediterranean at \$10,000, which highlighted well the downfall here. In Asia, the market fared marginally better - especially for clean led business. However, with a weak and pessimistic EC South America market South East Asia positions saw little joy. Rates for the limited Indonesia coal trades were severely discounted by the smaller and older units.

Ultramax/Supramax

A story of split fortunes over the last week for the sector. The Atlantic remained in the doldrums with an oversupply of prompt tonnage in the North and South Atlantic. The Continent and Mediterranean lacked fresh impetus. But by contrast, the Asian market saw healthy demand with better levels of fresh enquiry in Southeast Asia. Further north, there was again better demand from the North Pacific and for backhaul requirements to the Atlantic. Although demand for period remained, there was little reported. From the Atlantic, a 61,000-dwt fixed delivery South America for a trip to the West Mediterranean at \$12,000, whilst a 63,000-dwt open US Gulf fixed a trip to the Far East with petcoke at around \$14,000. From Asia, a 60,500-dwt fixed delivery SE Asia via Dampier redelivery Indonesia at \$12,500. Further north, an Ultramax was heard to have fixed a trip delivery North China redelivery Black Sea excluding Russia and Ukraine at \$8,000.

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Handysize

BHSI made small gains as positive sentiment in Asia continued, as more enquiry entered the market. In Asia, a 32,000-dwt fixed delivery Vancouver for a trip to China with an intended cargo of grains at \$12,500. A 32,000-dwt fixed from South Korea to Southeast Asia at \$5,500 after failing on subjects for similar business at \$4,500 earlier in the week. The Atlantic saw more activity, with a 33,000-dwt fixing from Poland to Turkey with an intended cargo of scrap at \$7,500 and a 32,000-dwt fixing from Brazil to China at \$14,000 with an intended cargo of logs. A 33,000-dwt fixed from Alexandria to the Spanish Mediterranean at \$8,500 with an intended cargo of steels. Period was also more active with a 28,000-dwt fixing basis delivery China for three to five months trading at \$9,100. In the Atlantic, a 28,000-dwt was rumoured to have been fixed for around six months at about \$9,000.

Tanker report – Week 5

VLCC

For the 270,000mt Middle East Gulf to China voyage, the rate again rose by a point to WS49.27. This shows a daily round voyage TCE of \$20,300 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 half a point lower at WS34.5.

In the Atlantic markets, the rate for 260,000mt West Africa/China was flat at WS49.73 (a round-trip TCE of about \$21,200 per day). The rate for 270,000mt US Gulf/China fell \$150,000 to about \$7.327 million (\$19,800 per day round trip TCE).

Suezmax

The Suezmax market was weaker this week. The rate for 135,000mt CPC/Augusta dropped 30 points to WS168 (a round-trip TCE of \$86,100 per day). Rates remain under pressure though. Midway through the week ENI were reported to have fixed a 2006 Built Greek controlled Suezmax at WS170 and overnight reports today have reports of a Spanish controlled 2012 built vessel on subjects to Inpex at WS135. In West Africa, for the 130,000mt Nigeria/Rotterdam voyage, rates fell 11 points to WS111.5 (a daily round-trip TCE of about \$43,000). In the Middle East, the rate for 140,000mt Basrah/Lavera had 10 points chopped away and now rests around the WS55-56 mark.

Aframax

In the North Sea market, rates for the 80,000mt Hound Point/Wilhelmshaven route climbed 2.5 points to nearly WS166 (a round-trip daily TCE of about \$57,600). In the Mediterranean, the rate for 80,000mt Ceyhan/Lavera tumbled another 21.5 points to the WS198-199 region (a daily round-trip TCE of \$66,200). Across the Atlantic, vessel availability became tight again and rates have begun to climb up in the Stateside Aframax market. The rate for 70,000mt East Coast Mexico/US Gulf rose 12.5 points to WS162.5 (about \$38,400 per day round-trip TCE). Meanwhile, the 70,000mt Covenas/US Gulf advanced by 18.5 point to WS155 (a daily round-trip TCE of

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\$33,100). For the Transatlantic route of 70,000mt US Gulf/Rotterdam, rates are on an upward trajectory, rising 29 points to WS180 (showing a round trip TCE of \$43,500 per day).

Clean

The BCTI finished the week at 626, down from 659 the previous week.

In the Middle East Gulf, freight levels have fallen with cargos not covering available tonnage. Most routes have consequently registered continued decreases from where they were this time last week. The LR2s of TC1, 75,000 Middle East Gulf / Japan, declined from WS106.88 to WS95.63 (-WS11.25) a round-trip TCE of \$10,068 per day. LR1s have also seen a similar downward trajectory over the last week with TC5, 55,000 Middle East Gulf / Japan, declining 7.14 points to WS126.43. On TC8 Middle East Gulf / UK Continent, again the rates were barely budging from last week's numbers finishing at \$42.95/mt (a lumpsum equivalent of approximately \$2.79m).

The MRs of TC17, 35,000 Middle East Gulf / East Africa, showed some recovery resulting in an increase of 98.63 points to WS237.92 a round-trip TCE of \$24,667 per day. West of Suez, on the LR2s, TC15, 80,000 Mediterranean / Japan, have also softened losing \$283,333 and finishing the week at \$2,391,667. The LR1s of TC16 60,000 Amsterdam / Offshore Lomé were mostly flat, ending the week up WS4.29 points at WS135.

On the UK-Continent, MRs freight levels have evened out. TC2 37k UK-Continent / US Atlantic Coast finished the week at WS140, (-WS1.67). TC19, 37,000 Amsterdam to Lagos, followed suit and finished at WS150 (-WS1.43).

Rates for US Gulf MRs have slowed their rate of decline and now appear to be levelling out as more vessels ballast to the Continent. TC14 38,000 US Gulf / UK-Continent, finished the week at WS70 (-5.42). TC18 the MR US Gulf / Brazil followed TC14 to end the week at WS127.08 (-5.42). MR Atlantic Basket finished the week at \$10,319 per day (-575).