

## WEEKLY MARKET REPORT

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**10<sup>th</sup> February 2023**

**Bulk report – Week 6**

### **Capesize**

It has been a relatively quiet week, with a mild degree of adjustments from both basins. The average of the 5 Capesize timecharter routes eventually broke the \$4,000 threshold on the last day of the week, pricing at \$4,033, which is about a 15 per cent rise compared with last Friday. The Brazil to China voyage trade started the week at \$16 and remained in the \$16s throughout the week. The West Australia to Qingdao iron ore trade was reportedly done in the low \$6s but the overall activity was rather muted. In the Atlantic, there was limited support for both Transatlantic and fronthaul trips. On the period front, there was talk of three Newcastlemax types fixing all with delivery in the Pacific mid/second half of February. However, the rates were not disclosed.

### **Panamax**

Despite healthy activity, the Panamax sector continued on its turbulent path this week. There was talk of a floor being reached in both basins, which could be argued is premature. However, we do end the week with rates mostly broadside. The Atlantic witnessed marginally better volume but it was still limited chiefly to South America where a steady flow ensued. Rates for March arrivals on the fronthaul trips via East Coast South America were contained to the \$13,000s, plus \$300,000s delivery APS load port. A stable end to the week in Asia for the shorter Indonesia trades with healthy activity. The longer NoPac and Australia round trips were sparse against tonnage count - although some premium rates did emerge for specific trades. We end the week in need of a fresh injection if we are to see any sustainable improvements. Period news included a newbuilding delivery ex yard China achieving \$15,000 for 12 months period.

### **Ultramax/Supramax**

A lethargic week overall for the sector with prompt tonnage availability outstripping demand in most areas. The effect has been that rates struggled as Charterers remained firmly in the driving seat. However, as the week closed, some felt that a bottom may have been reached with more enquiry on the horizon. There was period interest, but brokers commented there remained a big gap between Owners and Charterers expectations. The Atlantic overall remained negative. A 61,000-dwt fixing a trip from the US Gulf to the Mediterranean at \$9,000. Further south, from East Coast South America, a 55,000-dwt fixed a trip to China at \$11,000 plus \$100,000 ballast bonus. For Transatlantic runs, another 55,000-dwt fixed delivery Recalada redelivery Italy at \$10,000. It was a similar story in the Asian arena, a 63,000-dwt open Philippines fixing a trip via Indonesia to China at \$8,000. Elsewhere, a 63,000-dwt was heard fixed from India to China at \$7,000.

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### Handysize

Split sentiment over the course of the week, as the Atlantic was largely negative whilst Asia more positive. East Coast South America remained under pressure and a 35,000-dwt was heard to have been fixed from Recalada to Brazil at \$10,000, whilst a 34,000-dwt fixed from Aratu to Constanza at \$8,000. In the Mediterranean, a 37,000-dwt was rumoured to have been fixed from Egypt to West Africa at \$9,500. The US Gulf lacked impetus as some Owners decided to ballast away from the region to secure employment. From Asia, brokers saw more period interest with Charterers expressing a preference in longer duration. A 37,000-dwt newbuilding linked to a year's period basis delivery in Japan at 115% of the BHSI and a 38,000-dwt open in Hong Kong fixed for 12 to 14 months at \$14,000. A 28,000-dwt open in China was fixed for four to six months at around \$9,000.

### Tanker report – Week 6

#### VLCC

The VLCC market had a more positive outcome this week with rates (and earnings) rising across the board. For the 270,000mt Middle East Gulf to China voyage, the rate rose by 3.5 points (6-7%) to WS53 which shows a daily round-voyage TCE of \$26,500 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 two points higher at WS37.

In the Atlantic markets, the rate for 260,000mt West Africa/China improved by nine points (16-17%) to WS59 showing a round-trip TCE of \$34,600 per day. The rate for 270,000mt US Gulf/China climbed \$905,000 (about 12%) to just over \$8.416 million (\$30,300 per day round trip TCE).

#### Suezmax

The rate for 135,000mt CPC/Augusta dropped by 3.5 points this week to just below WS162 (a round-trip TCE of \$81,400 per day). In West Africa, for the 130,000mt Nigeria/Rotterdam voyage, rates remained steady at between WS110-112.5 (a daily-round trip TCE of about \$43,200 per day). In the Middle East, the rate for 140,000mt Basrah/Lavera also remained flat at between WS55-56.

#### Aframax

In the North Sea market, rates for the 80,000mt Hound Point/Wilhelmshaven route had a 2.5 point trim to WS163 (a round-trip daily TCE of \$56,700). In the Mediterranean, the rate for 80,000mt Ceyhan/Lavera lost another 10 points to WS187.5 (a daily round-trip TCE of \$61,200). Across the Atlantic, the Stateside Aframax market seems poised. The rate for 70,000mt East Coast Mexico/US Gulf improved by four points to the WS168-169 region (about \$42,000 per day round-trip TCE). The rate for 70,000mt Covenas/US Gulf rose by three points to a little over WS160 (a daily round-trip TCE of \$36,100). For the Transatlantic route of 70,000mt US Gulf/Rotterdam,

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rates continued upwards, rising five points to between WS180-182.5 (showing a round-trip TCE of \$44,800 per day).

### **Clean**

The Clean Product tanker market has seen improvements on all sectors and sizes this week, highlighted by the BCTI climbing from 629 to 822.

In the Middle East Gulf, available tonnage has been quickly snapped up and owners' sentiment has been appropriately firmer. TC1 has come up 26.62 points to WS123.5 and a TC20 run west has gained \$560,000 to \$3,610,000. LR1s have been similarly better with TC5 (55,000t MEG/Japan) settling at WS142.5 (+13.21) by the end of the week. On a voyage to the UK-Continent (TC8) has hopped up \$383,000, sailing over the \$3,000,000 mark to \$3,250,000. MRs have been the greatest improvers of the region this week with TC17 jumping up 92.85 points to WS327.14 and a round trip TCE of \$41,126 per day.

West of Suez, LRs have also begun to climb. TC15 has risen to the tune of \$347,500 to \$2,737,500. This is still a negative TCE round-trip earning, but is heading in the right direction and into the negative hundreds rather than thousands. After trawling along at WS130 for a couple of weeks the LR1s of TC16 also saw a welcome boost and the index currently sits at WS155.

In the UK-Continent, MRs have flourished with TC2 and TC19 both climbing around 150 points to WS289.44 and WS298.57 respectively. Similarly, on the Handymax TC23 (30,000t Cross UK-Continent) has climbed off the WS130s floor it had been sat on and gained 26.87 points to WS161.25.

In the Mediterranean, TC6 rose firmly back over the WS200 mark to WS214.38 taking the round trip TCE back over the \$30,000 per day.

In the Americas, strong sentiment has caused a surge in MR rates. TC14 gained 56.67 points to WS127.5 and TC18 improved 78.33 points to WS205.83. Meanwhile, a TC21 run to the Caribbean ended up at \$775,000 (+\$373,333).