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WEEKLY MARKET REPORT

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4th June 2021

Bulk report – Week 22

Capesize

The Capesize market found little to support levels this week as a steady slide in rates saw the 5TC drop $4,681 over the week to settle at $20,933. The market was at a similar level only back in late March / early April where the 5TC found some support at the 17-20k range. Similar to previous weeks, activity appeared lacklustre while it was heard that tonnage levels had built up on several prompter positions, which combined with a general lack of cargoes to cause the weakness. In the West at the end of the week the Transatlantic C8 dropped a further $1,090 to $16,875. However, it was heard that more cargo was thought to be coming to the market. The fronthaul C9 at $37,365 was rumoured to have had some higher paying fixtures over the past couple of days giving some hope on the horizon for owners. In the Pacific the Transpacific C10 at $23,333 is still easily the best paying region. But in the race down, the spread to other regions is beginning to narrow. Laycans for West Australia to China are dated at the end of June so the market is now pushing into the second half of the year. With stellar returns for owners in recent months the expectations may be high for the second half of the year as Covid-19 remains prevalent and other dry shipping sectors buoyant.

Panamax

Despite the downwards influence from Capesize, both the timecharter average and BPI largely improved this week. Support from grains from east coast South America continued. Since midweek promising rates were reported on Baltic Index type vessels open in Skaw-Gibraltar range for fronthaul trips. North coast South America continued the rise with brokers seeing more Kamsarmax size cargoes and paying premiums on Gibraltar delivery. In the east there were mixed feelings with opinions divided among brokers on Pacific round voyages. On the period front a 2019 built 82,000-dwt delivery Tianjin in early June was fixed for five to seven months at $27,500 with worldwide redelivery. For east coast South America round voyages a Kamsarmax was paid $31,000 delivery east coast India early in the week and a similar sized vessel was reportedly paid at similar level basis Singapore delivery later in the week. An 82,000-dwt was paid $25,000 basis 20/28 June delivery Santos for a trip to China plus a $1.5 million ballast bonus.

Ultramax/Supramax

A week of mixed fortunes as limited fresh enquiry from the Asian arena early in the week lead to rates easing. But as it ended, brokers said some resistance was seen from owners. The Atlantic fared better with positive gains in most areas. Period cover was sought with Ultramaxes in the Atlantic seeing around $30,000 for short period, whilst a 64,000-dwt open in the Far East saw around $24,000 for one year. There were better numbers from the Continent as Ultramax saw in the upper $20,000s for scrap runs to the east Mediterranean. Whilst from east coast South

America the Supramax size was seeing in the mid $30,000s for transatlantic runs. From Asia, a 57,000-dwt was fixed delivery south China for an Indonesian round at $25,000. Strong numbers were again seen from the Indian Ocean with the Ultramax size seeing in the upper $19,000s plus high $900,000s ballast bonus for trip from South Africa to China.

Handysize

The Atlantic and Asia markets moved in different directions this week, resulting in the first negative return of the BHSI since the April 15, after a continuous climb of 344 points. The Atlantic saw all markets make positive moves, with brokers feeling that more positive moves are to come. The Navios Lyra (34,718 2012), open Taranto June 5, fixed for 120 to 160 days with redelivery worldwide at $24,000 to Seacape. In Asia, a 32,000-dwt open China was rumoured to have fixed nine to 11 months with redelivery in the Pacific at $17,000. In the US Gulf, the Centurius (33,367 2015) was rumored to have fixed basis delivery SW Pass for a trip to Spanish Mediterranean with Grains at $19,750 to Triomphe. The Integrity Daido (39,287 2019) fixed basis delivery Dop Bilbao via Antwerp to the US Gulf with steels at $21,500. And the Ocean Honesty (38,276 2013) fixed basis delivery DOP Japan to the Mediterranean with steels at $30,000.

Tanker report – Week 22

VLCC

In the Middle East the market for 280,000mt to US Gulf (routing via the Cape/Cape) is assessed about half a point weaker at just below WS19. Rates for 270,000mt to China have dipped, last assessed at WS34-34.5 level (showing a round-trip TCE of minus $100/day). However, reports overnight detail a couple of fixtures on subjects to Chinese charterers in the WS32.5-33.5 range. In the Atlantic, rates for 260,000mt West Africa to China are assessed a point lower at WS35-35.5 region ($2,130/day TCE) with very little fixture activity on the route again this week. It's worth noting that Brazilian charterers are reported on subjects with Bahri's 2017 built 'Rimthan' 270,000mt at WS32.8 for a voyage Brazil to North China. Meanwhile, 270,000mt for a trip from US Gulf to China saw rate assessments drop $217k to $4.2m (a TCE of about $4.2k/day).

uezmax

In the 135,000mt Black Sea/Med market, rates remained static at the WS57.5 level (a round-trip TCE of about minus $5.8k/day). In the 130,000mt Nigeria/UK Continent market rates eased a point to the WS47.5 mark (a round trip TCE of minus $1.6k/day). The market for 140,000mt Basrah/Med is rated a point higher at WS24, while Turkish charterers earlier this week went on subjects with Sovcomflot's 2010 built SCF Baikal at WS24.5 basis the revised Worldscale flat rate and owners picking up the port costs at Basrah..

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Aframax

In the Mediterranean, the market has fallen with rates for 80,000mt Ceyhan/Lavera losing four points to WS85-86 region (a TCE of about $1.5k/day basis a round voyage). In Northern Europe rates have dipped, with the market for 80,000mt Cross-North Sea three points lower than last week at WS90 (about minus $3.6k/day TCE round trip). Rates for 100,000mt Baltic/UK Continent are down three points at WS65 (a round trip TCE of about minus $450/day). Across the Atlantic, the market has continued to weaken with a build up of prompt tonnage in the US Gulf. Rates for 70,000mt Caribbean/US Gulf lost four points to WS80 (a TCE of about minus $1700/day round trip). Meanwhile, the newly published 70,000mt East Coast Mexico to US Gulf route shed five points to WS80 (about minus $1150/day TCE). Owners demonstrated some eagerness to fix the 70,000mt US Gulf/UK Continent route, thereby dropping the market nine points to the WS68 level (which shows a TCE of minus $1.6k basis a round trip, obviously basis single trip economics this would be a positive number).

Clean

In the Middle East Gulf LR2 owners have faced a flat market with rates for 75,000mts to Japan stuck at WS80 level. The LR1s have seen rates come under downward pressure with the market for 55,000mts easing from just below mid WS90s to sit now at close to WS 87.75 region. The negative sentiment here has also filtered through to the MRs with rates starting the week just shy of WS175. However, these have gradually eased down with ENOC now reported to have taken Zodiac tonnage at WS162.5 for 35,000mts in to East Africa.

For owners trading MRs from the Continent it was a slightly better week with rates for 37,000mts to USAC initially firming to WS135, which is where the market has presently settled. There was no such luck coming the other way with rates for 38,000mts from US Gulf to UK Continent easing five points to WS65 and runs to Brazil have been hovering in the WS105 region.

For owners plying the 30,000mts clean trade in the Mediterranean it has been a week to forget with charterers holding the upper hand as rates have been constantly eroded, falling from high WS150s to mid WS140s, with both Spanish Med and Sicily loaders subsequently fixed at this level and brokers feel there is potential for further weakening.