Baltic Exchange
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WEEKLY MARKET REPORT

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9th July 2021

Bulk report – Week 27

Capesize

The market staged a turn around this week lifting $3,199 on the TC average to settle Friday at $30,972. Timecharter levels now look to be trading towards the upper range of $35,000, where it has attempted several times recently to break through without success. Activity in the Atlantic basin has been stronger over the past week, which will be need impetus in pushing this market to new highs. The fronthaul C9 had a significant push to close out the week as Charterers were heard paying up for tonnage. The Brazil to China C3 was a steady gainer throughout the week, now at $26.875, while the timecharter C14 on the route ticked up to $28,046. The ballaster route remains the laggard against the transpacific C10 at $30,367 and the transatlantic at $34,275. The Pacific basin, which hasn't been impressing on activity levels, ended the week on a softer note as Charterers appetite appears tempered. Now solidly into Q3, many expectations are optimistic for new highs. While the market remains in the current trading range earnings for Owners are considered reasonable. The market appears well supported so downside risk is thought to be limited. Many are now waiting for the upside break out.

Panamax

A mixed week, which started with rates appearing to be slightly under pressure due to thin activity and talk of Capesize tonnage eating into some transatlantic stems from north America as a result of a tight tonnage count in the Skaw-Gibraltar position. Solid support all week on fronthaul rates principally ex Continent and Black Sea, with route P2A averaging around the $55,000 mark. Some support was found midweek for early August arrivals ex EC South America, predominantly on the back of FFA gains. Asia proved to be largely sluggish all week. Aside from several Japanese coal stems - and a splattering of Korean coal tenders - support was lent further afield from the Black sea and EC South America but it proved to be a testing week at times for Owners in the east with a lack of demand in the region. Typically, the P3A rate averaged around the $32,000 mark.

Ultramax/Supramax

A lacklustre feel from most regions this week, as little fresh enquiry combined with a build-up of open tonnage resulted in easing of rates. The BSI lost ground week on week closing at 2,891. Period levels, however, remained firm. A 61,000-dwt open UK fixing minimum five months at $37,000 and 61,000-dwt open China fixing one year at $29,000. From the Atlantic, more scrap movements saw 57,000-dwt fixing in the upper $30,000s from the Continent to east Mediterranean. From the US Gulf a 55,000-dwt was fixed for a petcoke run to China at $43,500. Meanwhile in Asia, a 53,000-dwt open south China fixed an Indonesian coal run to China around

$25,000 level. Further north, a 57,000-dwt open north China fixed a trip to Bangladesh at $31,000. In the Indian Ocean area, a 58,000-dwt was fixed delivery South Africa redelivery Pakistan at $33,000 plus $550,000 ballast bonus. All eyes are on the upcoming week to see if there is any change in direction.

Handysize

Activity was limited this week in the Atlantic but a positive sentiment remained. East coast South America has seen the upwards trend slow but a 37,000-dwt was rumoured to have fixed basis delivery APS Recalada and redelivery Continent at $42,000. A 36,000-dwt open in Antonina was rumoured to have been fixed basis delivery DOP via River Plate to Brazil with grains at $41,000. The Black Sea grains season has started with brokers feeling this region will continue to strengthen in the coming weeks. A 40,000-dwt, meanwhile, was rumoured to have been fixed basis delivery Cannakale to the US Gulf at $30,000. Asia has seen positive moves in most regions with a lack of prompt tonnage allowing Owners to achieve improved levels. A 36,000-dwt open Indonesia was rumoured to have been fixed basis delivery DOP via Australia to China at $28,000, whilst a 35,000-dwt logger was rumoured to have fixed for two Laden Legs with redelivery Pacific at $33,000.

Tanker report – Week 27

VLCC

In the Middle East the market for 280,000mt to US Gulf (routing via Cape/Cape) continues to be assessed around the WS18-18.5 mark while rates for 270,000mt to China have remained flat at WS31.5-32 level (showing a round-trip TCE of about minus $5k/day). In the Atlantic, rates for 260,000mt West Africa to China were again kept flat at WS33.5 (a TCE of minus $1,800/day round trip) and 270,000mt US Gulf to China is now assessed $20k lower at $3.95m (a roundtrip TCE of just below zero/day).

Suezmax

In the 130,000mt Nigeria/UK Continent market rates have been hovering around the WS49-50 level (a round-trip TCE of about minus $1,800/day). Meanwhile in the Mediterranean rates for 135,000mt Black Sea/Med are being assessed static at WS60 (a round-trip TCE of about minus $6,400/day). The market for 140,000mt Basrah/Med softened 1.5 points to WS30.

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Aframax

In the Mediterranean, the market looks to have bottomed out and is rebounding - albeit currently on a small scale. Rates for 80,000mt Ceyhan/Lavera are up six points to nearly WS94 (showing a round-trip TCE of $4,300/day). In Northern Europe, the market continued to slide with the rate for 80,000mt Cross-North Sea now at WS93 (a round trip TCE of minus $4,600/day), down six points from a week ago. In the 100,000mt Baltic/UK Continent market the rate fell eight points this week to WS60 (a round trip TCE of minus $1,400/day). Across the Atlantic the market has eased slightly as rates for 70,000mt Caribbean/US Gulf and East Coast Mexico/US Gulf sunk two points to WS78 (a TCE of about minus $3,200/day and minus $2,800/day round trip respectively), while the 70,000mt US Gulf/UK Continent market saw a slight gain early in the week and then eased off, ultimately slipping two points week-on-week to WS69.5 (which shows a TCE of about minus $2,400/day basis a roundtrip, turning positive basis single trip economics).

Clean

Levels continued to be flat in the Middle East Gulf, with LR2's to Japan (TC1 75k) hovering around WS75 and for LR1's (TC5 55k) about WS78, both barely showing a positive TCE. For the MR cargoes to east Africa (TC17 35k), by midweek levels fell about 10 points to WS135, which ATC fixed on the BW Hawk for 15/17 July. But by end of week they might have paid WS145 for 10/12 July. Naphtha rates from WC India to Japan (TC12 35k) dropped a similar amount to around WS87 level, which is about minus $1,500/day TCE. In Asia MR's for Singapore to EC Australia (TC7 35k) fell three points with recent fixture at WS117.50 by Ampol on Nord Miyako. There was a fall of over $1/ton on South Korea to USWC (TC10 40k) where last done was $750k lumpsum. A cargo to Hawaii for 18/20 July was covered at around $625k level. For South Korea to Singapore (TC11 40k) $190k was fixed by Shell, which is about 40 cent drop. The TCE for this shows over minus $5,500 on a roundtrip. Atlantic rates for Cont/ west Africa were static at WS80 on LR1 (TC16 60k) and around WS120 for MRs (TC19 37k). Continent to USAC (TC2 37k) perked up a little early in the week but was last fixed at WS115 and looking softer. For Handies on Baltic/Continent market (TC9 30k) and cross Mediterranean (TC6 30k) rates are stuck at around WS120, showing a TCE in the region $1,500-$1,200/day. The US Gulf market lost about 10 points with cargoes for Continent (TC14 38k) fixing around WS80-82.50 level and for Brazil (TC18 38k) WS122.50 was fixed twice.