

WEEKLY MARKET REPORT

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30th July 2021

Bulk report – Week 30

Capesize

The Capesize market strengthened this week as Pacific routes were affected by weather incidents pushing the 5TC up \$3,244 week on week to settle at \$35,713. China endured typhoon In-Fa throughout the week as it closed ports and disrupted tonnage flows along the eastern seaboard. The Transpacific C10 added a whopping \$4,238 on Friday alone to close out the week at \$45,413 as the effects translated through to the charter rates. The Backhaul C16 also turned up the heat on Friday, rising \$4,460 to \$11,895 as stronger fixtures had been heard in the latter part of the week. Owners reluctant to lock in for the discounted route now demand more for their vessel's valuable time.

The other Capesize routes couldn't help but be influenced by the changing sentiment yet were less volatile in their movements. The Atlantic basin continues to suffer from a lack of cargo, yet the market seems eager for the region to spark into life. At \$31,690 the Transatlantic C8 is a far cry from the Pacific levels. Moving into the new week, effects from the typhoon are expected to lessen as order begins to be restored. Whether that lowers market volatility remains to be seen.

Panamax

A tepid week for the Panamaxes with limited activity, resulting in softer rates overall as weaker sentiment kicked in. The Atlantic witnessed the largest falls, with activity primarily led by grain trading ex North France and the Black Sea as the season continued in full flow. But this demand alone was insufficient to stem the losses as nearby tonnage continued to build against slender demand. An 80,000-dwt achieved \$49,500 delivery Aps North France for a grain trip to China. EC South America was largely subdued as first half August arrivals were forced to discount in order to fix. This in turn failed to rally an ailing Pacific market lacking in momentum aside from the short Indonesia coal trips which remained fluid on the week, route P5 averaging \$29,400 overall this week with limited movement. Period activity was restrained but did include an 86,000-dwt delivery China fixing \$31,650 for three to five months employment.

Ultramax/Supramax

Overall a week of positive gains as sentiment remained strong in many areas although it was a gentler push, some brokers commented. Period activity was seen with a 56,000-dwt open West Africa fixing for four to six months trading redelivery Atlantic at \$33,500. Elsewhere a 63,000-dwt open Arabian Gulf fixing a similar period at close to \$40,000. Demand from the Mediterranean kept rates solid. An Ultramax was heard fixed basis delivery Canakkale via Black Sea redelivery west Africa including Nigeria at \$50,000.

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Activity levels tempered from east coast South America, but for trips from West Africa to China a 57,000-dwt was heard fixed in the mid \$40,000s. Asian activity saw a 52,000-dwt fixing an Indonesia to China run at \$38,000, however limited fresh North Pacific activity was seen. The Indian Ocean was firm, with a 52,000-dwt open Paradip fixing via South Africa redelivery east India at \$32,500. Whilst from South Africa for direction China Ultramax size were seeing around \$30,000 plus \$1 million ballast bonus.

Handysize

The continuation of positivity remains this week despite some negative moves in East Coast South America, where a lack of activity was attributed to the change in outlook. However, a 38,000-dwt was fixed for a trip from Recalada to west coast South America at \$53,500. The Black Sea grains season is fully underway and a 39,000-dwt fixed from Egypt to the Caribbean at \$39,000.

A 32,000-dwt open Italy was fixed via the Black Sea to the US Gulf at \$32,000. The US Gulf has been active also with a 32,000-dwt open east coast Mexico via the Mississippi River to west coast south Central America at \$35,000. In Asia, a 38,000-dwt open in CJK was fixed via Japan to Southeast Asia at \$29,000 with steels. A 37,000-dwt open China fixed for one year redelivery worldwide at \$25,000 and a 32,000-dwt Eastern Mediterranean was fixed for three to five months with redelivery Atlantic at \$32,000.

Tanker report – Week 30

VLCC

On the whole yet another week of static rates in this sector. In the Middle East the market for 280,000mt to US Gulf (routing via the Cape/Cape) is rooted in the WS18-18.5 region while rates for 270,000mt to China are being maintained at WS31.5 (showing a round-trip TCE of \$-4.9k/day).

In the Atlantic, rates for 260,000mt West Africa to China remain at WS34.5 (a TCE of \$-850/day round trip) and 270,000mt US Gulf to China saw a slight increase to \$4.125m early in the week but have now settled back to where they were a week ago at \$4.0875m (a roundtrip TCE of \$1.2k/day).

Suezmax

In West Africa a slightly more active week has seen owners able to maintain rates for the 130,000mt Nigeria/UK Continent trade at WS55 (a round-trip TCE of about \$1k/day). Meanwhile in the Mediterranean rates for 135,000mt Black Sea/Med are still pegged at around WS60 (a round-trip TCE of about \$-7.2k/day). The Middle East market has been a little more active too, however tonnage is able to soak up the extra activity. Rates for 140,000mt Basrah/Med remain stuck at the WS26 mark.

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Aframax

In the Mediterranean, the market has eased a little with rates for 80,000mt Ceyhan/Lavera losing recent gains and settled back to WS87.5 (showing a round-trip TCE of \$1.5k/day). In Northern Europe the market marginally gained with the rate for 80,000mt Cross-North Sea up 1.5 points to WS96-97 level (round trip TCE of \$-3.3k/day). It was a similar story in the 100,000mt Baltic/UK Continent market with the rate at WS62-63 region (a round trip TCE of about \$-730/day).

Across the Atlantic the market has again eased off a little with rates for 70,000mt Caribbean/US Gulf dropping 1.5 points to between WS75-76 (a round-trip TCE of \$3.9k/day), while the East Coast Mexico/US Gulf market fell two points to WS76-77 level (a TCE of about \$3.3k/day round trip).

The market for 70,000mt US Gulf/UK Continent remains flat at WS67.5 (which shows a round trip TCE of \$3k/day, turning positive basis one way economics).

Clean

The Middle East Gulf has seen activity on all sizes, with rates shifting both up and down dependent on vessel size. On the LR2s to Japan TC1 has come down 6.66 points to WS80.42, a round-trip TCE of \$1,983/day. The LR1's have shown a bit of momentum, with TC5 55k Middle East Gulf / Japan at WS88.57 up WS3.21 points, a round-trip TCE \$2,269/day. TC8 Middle East Gulf to Continent has seen some positive change off the back of this week's improved activity to \$20.77/ton (up \$0.58/ton). MR rates 35k Middle East Gulf / East Africa (TC17) also had an upturn, 13 points to WS143, showing a round-trip TCE of \$4,562/day.

The Mediterranean market has had another week of stability. On the Handy size TC6 30kt Skikda/Lavera repeating more of the same at WS120. The LR2's have been steady with a small rise on TC15 80k Mediterranean/Japan coming out at \$1.61m (up \$15k).

An engaged week for the Baltic/UK-Continent, rates have jumped as a result but look to have ceased developing towards the end of the week. TC9 30k Baltic/UK-Continent currently at WS127.15 (up WS7.14), which is a round-trip TCE of \$2,535/day and TC2 37k UK-Continent / US Atlantic Coast at WS129.72 (up WS18.33), showing a round-trip TCE of \$4,593/day

The LR1's on TC16 60k Amsterdam/offshore Lome were relatively unaffected by the activity in the region until the end of the week. TC19 37k Amsterdam to Lagos now WS83.5 (up WS3.5).

Continuing activity in the Americas this week saw the TC14 38k US Gulf/UK-Continent route ending up at WS84.29 (up WS4.26). TC18 35k from US Gulf/Brazil, also following suit at WS125 (up WS6.21).

The MR Atlantic basket TCE rose from \$5034/day to \$7165/day.

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