

WEEKLY MARKET REPORT

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10th December 2021

Bulk report – Week 49

Capesize

The Capesize market peaked mid-week from its recent rally as the 5TC marked down -\$1344 on the last day of the week to settle at \$40,035. A tonnage tightness in several positions, particularly in the north Atlantic, led to gains early on in the week. However, sustained downward pressure from the Pacific and Ballaster routes took its toll as the week progressed. The West Australia to China C5 closed out at \$13,732. And while the route suffered substantial losses to end the week, there is said to be tightness on loading position in the nearby dates. The Transpacific C10 now rates \$39,308, while the China Brazil China ballaster route C14 now rates at \$27,268 to the Transatlantic C8 at a stronger \$52,750. The Brazil to China C3 heading into next week will largely be focusing on loading dates in the new year. This will likely coincide with a slowdown coming into the Christmas holiday period, as various traders look to risk travel protocols to navigate perilous Covid rules in heading home for some long overdue family time.

Panamax

The week began on a bright note for the Panamax segment with a positive and firmer looking market carried over from previous. However, this proved to be very short lived with both basins easing. The support had ebbed away with Charterers now taking a firm hold on the market. The Atlantic saw tonnage build up in most areas. And, without any distinct enquiry, rates had to give and duly obliged. Committed ships agreed to APS levels equivalent to sub index rates basis DOP delivery only applied further pressure. A 82000-dwt delivery Rotterdam agreeing \$36,000 for an EC Canada round trip midweek. Asia followed a similar pattern. The south of the region began brightly as Atlantic demand lent some support. But again insufficient NoPac/Australia demand proved to be the catalyst for further corrections in the market. An 87000-dwt delivery South Korea fixing \$23,000 for an EC Australia round, typifying the softer market.

Ultramax/Supramax

A positive week overall with most areas seeing stronger demand. More enquiry appeared from key areas such as the US Gulf and Indonesian coal demand was up putting pressure on rates. Period activity was seen, with Ultramax size open China fixing in the mid to upper \$20,000s for one year. In the Atlantic, a 63,000-dwt from the US Gulf fixed 10/12 months trading redelivery Atlantic at \$30,000. From the Atlantic, increased activity from The Continent saw 57,000-dwt fixing a scrap run to the East Mediterranean in the upper \$30,000s. From the US Gulf a 55,000-dwt was heard to have fixed a run to the Black Sea in the high \$30,000s. In Asia, pressure for prompt tonnage saw a 63,000-dwt fixing delivery Philippines via Indonesia redelivery China at \$33,000. On backhaul runs from Asia, a 55,000-dwt was fixed for a trip to the Black Sea at \$20,500. All eyes on the upcoming week to see if this momentum will continue.

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Handysize

Some small rises on the BHSI with positive sentiment in Asia and parts of the Atlantic. A 28,000-dwt open in Vietnam was fixed for a quick South East Asia round trip at \$20,000. The US Gulf region has seen more cargo enquiry. A 39,000-dwt rumoured to have been fixed for a trip to New Zealand in the low \$30,000s. In East Coast South America the market remains firm with a 38,000-dwt fixing a trip from Brazil to North coast South America in the low \$40,000's. A 34,000-dwt open in Northern Europe was fixed for a trip via the Baltic to the Western Mediterranean at \$32,000. A 34,000-dwt open in Otranto fixed via the Black Sea to Tampa-Vera Cruz range with an intended cargo of steels at \$29,000 and a 37,000-dwt open in Turkey was fixed for a trip to North Coast South America – East Coast South America range at \$29,000.

Tanker report – Week 49

VLCC

The market continued to slide on this sector. 280,000mt Middle East Gulf to US Gulf (Cape/Cape routing) rates are assessed almost a point lower than last week at close to WS20. The rate for 270,000mt Middle East Gulf to China fell almost two points to WS38 (showing a roundtrip TCE of minus \$1.3k/day). In the Atlantic market, rates for 260,000mt West Africa to China dropped 1.5 points to WS39.5 (a TCE of \$1.3k/day roundtrip) and 270,000mt US Gulf to China shed \$600k to \$4.66m (a TCE of \$3.2k per day roundtrip). Latest reports have a major trader taking a 2019 scrubber-fitted Greek ship at \$4.6m.

Suezmax

In West Africa, the market has taken a positive turn with rates for 130,000mt Nigeria/UK Continent gaining 16 points to WS76 (a roundtrip TCE of \$10.8k/day). The market for 135,000mt Black Sea/Med has seen rates move in the same direction, climbing 13.5 points to just shy of WS80 (a TCE roundtrip of about \$6.1k per day). In the Middle East Gulf, again there has been very little activity with the only notable fixture being a Spanish charterer taking a Suez Pool vessel at WS30 for a Basrah/Spain trip, bringing the assessment of 140,000mt Basrah/Lavera down about three points to the WS31.5 level.

Aframax

In the Mediterranean, the market for 80,000mt Ceyhan/Lavera steadied early in the week and has now made a modest 1.5 point gain to just below WS105 (\$8.8k per day TCE roundtrip). In Northern Europe the market for 80,000mt Cross-North Sea recovered two points to WS101.25 (a TCE of \$855/day) and the rate for 100,000mt Baltic/UK Continent gained a point to the WS80 region (a TCE of about \$7.7k per day roundtrip). Across the Atlantic, the market tightened and rates took an upward turn. The 70,000mt Caribbean/US Gulf rate rose 35.5 points to just below WS160 (a TCE of \$22.1k/day roundtrip), mostly on the back of a booming 70,000mt East Coast Mexico/US Gulf market where rates shot up 38 points week-on-week to WS167.5 (this shows a roundtrip TCE of \$27.7k/day). The market for the 70,000mt US Gulf/UK Continent trip saw

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rates shift nine points upwards to just under WS138 (a TCE of \$16.8k/day roundtrip however, as usual, basis one-way economics this improves dramatically).

Clean

A medley of mixed activity in the Middle East Gulf this week. On the LR2s TC1 has seen just enough activity to maintain the current level and sits at WS106.07 - a round trip TCE of \$7677/day. The LR1s have been steady all week and TC5 55k Middle East Gulf / Japan is up 7.65 points to WS129.79 a round-trip TCE of \$9673/day. The MRs were slow to start but rallied by the end of the week. The 35k Middle East Gulf / East Africa (TC17) has jumped up WS21.25 points to WS 207.92.

In the Mediterranean, the Handymax have stolen the show this week with lots of enquiry off prompt dates propelling rates up. TC6 30kt Skikda / Lavera is currently WS270 (+ WS127.81). The LR2s, TC15 80k Mediterranean / Japan, showed no support for any further growth and at the time of writing still hold at around the \$2.1m mark. The Baltic Handy market has been continually busy all week. TC9 30k Baltic / UK-Continent has been further tested upward to WS212.14 (+WS23.93).

On the UK-Continent, MRs have again had good activity levels throughout this week and another uptick in enquiry. TC2 37k UK-Continent / US Atlantic Coast is currently marked at WS181.67 (+WS18.06). TC19 37k Amsterdam to Lagos has had a similar rise up to WS186.07 - up 18.57 points. On the LR1s, TC16 60k Amsterdam / Offshore Lome has been unaffected by the activity of other vessel sizes in the region and is currently marked at WS135.71 (-WS1.08). In the Americas, more healthy activity has driven a further upturn all around. TC14 38k US Gulf / UK-Continent is now WS 120 (+WS33.57) and TC18 38k from US Gulf / Brazil WS 182.14 (+WS45).