WEEKLY MARKET REPORT

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6th May 2022

Bulk report – Week 18

Capesize

The Capesize market has made the most of the short working week as rates have lifted strongly, with the 5TC now residing at $24,002 - up $6262 week on week. The positive market sentiment was largely Pacific led yet that didn't stop the Atlantic Basin and ballaster trades from getting in on the act, as all regions posted big gains. Cargo levels in the north Atlantic are heard to be poor yet a wide range of rate levels have been mentioned as the market struggles for visibility in the region as usual. The Transatlantic C8 now sits discounted at $17,200 to the Ballaster C14 at $22,018, while the Transpacific commands a premium at $27,754. A big mover and the focus of much market attention is the Backhaul C16 at $18,475, currently pricing above the Transatlantic C8. Coal flows continue to be strong, boosting this feeder route into Europe largely due to the current geopolitical situation. The Capesize market flow remains anything but normal currently as premium and discount routes appear to be swinging and unstable.

Panamax

A midweek physical and FFA surge gave the Panamax market some much needed impetus following a few fragmented weeks owing to holidays. Improved demand from the Americas proved to be a key catalyst to gains in most markets this week as EC South America grain impacted the gains seen both for tonnage open ex Mediterranean and Southeast Asia. In the North Atlantic there was reports of an 82,000-dwt delivery UK achieving $31,000 for two laden legs within the Atlantic with spot TA rates, essentially with optionality, hovering slightly lower with support found. The pick of the fronthaul trips appeared to be rumours of an 82,000-dwt delivery Sunda Strait via EC South America to Far east at $33,500. Asia, which was impacted by holidays, returned something of a two-tier market, with much of the Indonesian coal trips discounted somewhat by the smaller/older tonnage. The longer trips hovered around the $23,000 mark via NoPac and Australia.

Ultramax/Supramax

With many holidays over the last week, the sector had a rather lacklustre feel with limited fresh enquiry in a few areas. In the Atlantic brokers said the US Gulf remained fairly strong and some said there was an increase in demand from the Continent/Mediterranean regions. The Asian arena remained relatively flat. Period activity saw a 60,000-dwt fixing delivery South Korea for minimum 24 months to maximum 28 months trading at $22,250. In the Atlantic, a 58,000-dwt was heard fixed from the North Continent for a trip to the East Mediterranean at $25,000. From South America, a 60,000-dwt fixed delivery Brazil trip to the US Gulf at $42,000. In Asia, limited information flowed but a 55,000-dwt open Cebu fixed a trip West coast India at $33,000 option East coast India at $35,000. From the Indian Ocean a 55,000-dwt fixed delivery Durban trip to South Korea – Japan in the mid $30,000s plus around mid $400,000s ballast bonus

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Handysize

In a week full of holidays and limited visible trading the BHSI retained a positive trend in both basins. The biggest moves came in East Coast South America with a 37,000-dwt fixing from Vitoria to the Continent with an intended cargo of pig iron at $40,000 and a 38,000-dwt fixing from Santos to the United Kingdom with an intended cargo of Sugar at $42,000. The US Gulf has also seen large gains, with a 38,000-dwt fixing from the Mississippi River to Atlantic Colombia at around $41,000. Also, a 37,000-dwt fixed basis delivery South West Pass to East Coast Mexico at $40,000. In Asia, a 28,000-dwt open in Thailand fixed via Australia to South Korea with an intended cargo of sugar at $24,500 and a 26,000-dwt open in Taiwan was fixed via Australia to China with an intended cargo of Alumina at $26,000

Tanker report – Week 18

VLCC

The VLCC sector continued on the downward path with 280,000mt Middle East Gulf/USG (via Cape of Good Hope) being assessed about 1.5 points lower than last week to slightly below WS24.5. In the 270,000mt Middle East Gulf/China market rates fell almost two points to WS44.7 (a round trip TCE of minus $8,300 per day). In the Atlantic, the continued reduced demand kept owners under pressure and in the 260,000mt West Africa/China market rates are almost three points lower than a week ago at a fraction below WS45.25 (minus $6,200 per day round-trip TCE). In the 270,000mt US Gulf/China market the rate has lost another $425,000 and the latest assessment is a little over $5.3m (a round voyage TCE of minus $8,800 per day).

Suezmax

Rates for the 135,000mt Novorossiysk/Augusta fell a further 25 points this week and the latest assessment is at the WS145 level (a round-trip TCE of $41,300 per day). Overnight reports detail an Italian charterer fixing at WS135 for a voyage similar to TD6. The market continues to be under pressure, amid further uncertainty on oil from Novorossiysk post-EU sanctions. In West Africa meanwhile, rates have marginally picked up. 130,000mt Nigeria/UKC is rated 3.5 points firmer at WS79 (a round-trip TCE of $870 per day). For the 140,000mt Basrah/West Mediterranean route the rates have eased one point to just above WS45.

Aframax

The 80,000mt Ceyhan/Mediterranean market saw an improvement this week, recovering eight points to around the WS157.5-160 region (a round-trip TCE of $24,500 per day). In Northern Europe the rate for 80,000mt Hound Point/UK Continent were flat at the WS155 level (a round-trip TCE of $22,600 per day). In the Baltic Sea, sentiment has led the market to decline heavily again. The 100,000mt Primorsk/UK Cont trip is assessed 72 points down on last week's rate at around the WS212.5-215 level (a round voyage TCE of $59,100 per day), with more uncertainty on this in light of the up-coming EU sanctions. Across the Atlantic, the Aframax market saw a continued decline with rates for the shorter-haul 70,000mt EC Mexico/US Gulf route falling about

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22 points to close to the WS157.5 mark (a round-trip TCE of $11,200 per day). For the 70,000mt Caribbean/US Gulf trip, rates dropped 24 points to WS151.5 (a round-trip TCE of $9,100 per day).In the 70,000mt US Gulf/UK Continent market, rates are down 18 points week-on-week at the WS150 level ($11,200 per day round-tip TCE).

Clean

In the Middle East Gulf the LR market has continued to drive upwards this week. LR2s of TC1 75k Middle East Gulf / Japan climbed 51.43 points to WS288.57 returning just under $60,000 /day round trip TCE. The LR1s have also pushed but with lesser traction. TC5 55k Middle East Gulf / Japan came up to WS307.14 (+WS7.85). A trip west on TC8 rallied about $300,000 to the $4.7m mark.

West of Suez on the LR2s, TC15, the 80k Mediterranean / Japan run again showed encouraging signs and gained another $150,000 to $3.65m this week. The LR1s of TC16 60k Amsterdam / Offshore Lomé, look to have stabilised for the moment after rising 22.86 points to WS219.26, a round trip TCE of $30,401 /day.

In the Middle East Gulf TC17 remained flat around the WS420 mark for the week with activity levels stable. On the UK-Continent MRs saw continued fixing activity pushing freight rates, despite the available tonnage looking to have increased. TC2 37k UK-Continent / US Atlantic Coast climbed 24.44 points to WS327.22 and TC19 moved up to WS340.71 (+27.14). The USG MR market saw its resurgence continue this week driven by sentiment. TC14 38k US Gulf / UK-Continent came up 46.43 points to WS237.14 and TC18 the MR US Gulf / Brazil trip took a larger jump to WS309.29 (+80). The MR Atlantic basket TCE rose from $32,605/day to $42,999/day.

The Baltic Handymax market continues to be tiered for the moment, TC9 30kt Primorsk / Le Havre saw a 25 point rise to WS375 by the end of the week. In the Mediterranean TC6 30kt Skikda / Lavera's plateaued this week from plenty of vessels available, rates remained in the WS275-WS277.5 region all week, still returning around $37,000 /day round trip TCE.