WEEKLY MARKET REPORT

Provided by kind permission of the Baltic Exchange

14th October 2022

Bulk report – Week 41

Capesize

The Capesize market softened this week as a lack of fresh cargo and activity, particularly in the Atlantic hampered, efforts to push higher. The Capesize 5TC lowered 1909 over the week to settle at $17,965. A small uptick in sentiment to end the week may be a sign of resistance by owners to not allow rates to fall lower. The Pacific market had a flurry of West Australia to China fixtures at the close, which pushed the Transatlantic C10 up to $13,318, while the Transatlantic C8 still provides a healthy premium now pricing at $25,139. Brazilian trade activity to the Far East was an area that looks likely to continue softening. The C3 dropped 1.434 over the week to $23.233 with earnings on the route pricing slightly lower than the Pacific and North Atlantic. Some owners considering a last long-haul ballasting trip before the year ends will be met with limited options in what has been a largely disappointing final quarter to date.

Panamax

The week began on a muted note for Panamax vessels. Draft issues in the US Gulf, as well as talk of a slowing Ukrainian Black Sea program, impacted the north Atlantic. Meanwhile, in Asia, it proved to be a largely flat week. NoPac was perhaps the exception with a steady flow. As the week progressed, the Atlantic saw tonnage slowly build up in most areas. Without any distinct enquiry rates it had to give - and duly obliged. $19,000 concluded on an 82,00-dwt delivery North Spain for a Transatlantic round early part, but had softened since. Asia followed a similar pattern. The south of the region saw a steady flow of Indonesia enquiry, but matched by an ample tonnage count. NoPac was active but insufficient Australia demand proved ultimately to be the catalyst for further corrections in the market. An 86,000-dwt delivery China fixed at $18,000 for an Australia round, which typified the weaker market.

Ultramax/Supramax

Despite the return to work for many in Asia, the arena failed to gain any positive momentum, with many seeing a lack of fresh enquiry from most areas and a build up of prompt tonnage. However, the Atlantic saw better levels of interest and rates remained positive overall. Period activity surfaced and a 60,000-dwt open China fixed four to six months trading in the low $18,000s. Meanwhile, for a year's trading a 60,000-dwt open Singapore was fixed in the upper $16,000s / low $17,000s region. From the Mediterranean an Ultramax was heard to have been fixed for a trip to West Africa in the upper $20,000s. From the US Gulf a 62,000-dwt fixed for a trip to West Coast Central America in the low $30,000s. From Asia, there was limited action. However, a 62,000-dwt open Japan fixed a trip to the US Gulf at $16,000. From the Indian Ocean a 58,000-dwt fixed delivery West Coast India trip to China in the low $16,000s.

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Handysize

Despite BHSI making negative moves this week, part of the Atlantic showed a positive trend with a 43,000-dwt fixing from the Black Sea to the Continent at $23,000. Meanwhile, a 37,000-dwt was rumoured to have been fixed for a trip from the US Gulf to Spain with an intended cargo of Petcoke at $23,500. In East Coast South America, brokers spoke of a stable market and a 39,000-dwt was fixed from Barcarana to the Caribbean with an intended cargo of grains at $26,000. In Asia, numbers had softened with a 36,00-dwt open in CJK being placed on subjects for a trip via Australia to Japan with an intended cargo of sugar at $13,500. Period has seen more enquiry and a 30,000-dwt open in the Eastern Mediterranean was fixed for 12 months with worldwide redelivery at $13,750. A 36,000-dwt open ex-drydock was fixed for three to five months at $18,000.

Tanker report – Week 41

VLCC

VLCC rates have recovered once again over the last week, with the return of the Far Eastern market players. For the 270,000mt Middle East Gulf/China voyage rates rose six points to around the WS87.5 mark (a round trip TCE of about $47,800 per day). The rate for 280,000mt Middle East Gulf/USG (via Cape of Good Hope) gained two points to just above WS48.5.

In the Atlantic, rates for 260,000mt West Africa/China improved by three points to almost WS87 ($48,200 per day round-trip TCE). For the 270,000mt US Gulf/China market rates pushed up another $325,000 to a little above $10,250,000 (showing a round-trip TCE of $42,200 per day).

Suezmax

Rates for 135,000mt Black Sea/Augusta also recovered, gaining 10 points to WS185 (a round-trip TCE of $76,700 per day) with Shell reported to have a Greek-managed vessel on subjects at this level from CPC Terminal at this level. For the 130,000mt Nigeria/UKC trip rates returned to the highest level since the second half of April 2022, lifted by almost 22 points to WS146 (a round-trip TCE of $45,300 per day). In the Middle East the rate for 140,000mt Basrah/West Mediterranean is assessed a couple of points up at round the WS65-W66 level.

Aframax

Rates in the Mediterranean market continued on an upward trajectory, albeit a modest one this week, with the rate for 80,000mt Ceyhan/West Mediterranean improving a further three points to almost WS225 (a round-trip TCE of nearly $62,000 per day). In Northern Europe, rates are slightly firmer with 80,000mt Hound Point/UK Continent now assessed four points higher week-on-week at a touch over WS204 (a daily round trip TCE of $65,100 per day). For the 100,000mt Primorsk/UK Cont route the rate is assessed about a point higher than last week at WS224 (a round-trip TCE of $71,660 per day, in line with last Friday).

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Across the Atlantic, the market made steady gains this week with the rate for 70,000mt EC Mexico/US Gulf pushing up 14 points to between WS212.5-215 (a round-trip TCE of $38,000 per day) while the rate for the 70,000mt Caribbean/US Gulf improved by 17 points to just over WS207.5 (a daily round-trip TCE of $34,700). For the Transatlantic route of 70,000mt US Gulf/UK Continent, the rate has climbed 13 points to WS220 (showing almost $40,300 per day round-tip TCE).

Clean

In the Middle East Gulf this week early activity saw rates begin to creep up. TC1 gained 26.87 points to WS196.25 and a trip west on TC20 hopped up over $500,000 to end up at $4,283,333 by the end of the week. The LR1s have similarly show a bit of momentum; TC5 has gained 20 points to WS191.43 and a voyage to the west crept up from $3,000,000 to around $3,200,000.

AG MRs have perked up considerably this week as well with TC17 climbing up to WS367.08 (+61.66).

West of Suez, LRs have been somewhat lacklustre this week. Despite this, TC15 has optimistically gained just under $100,000 to settle at $3,766,667. TC16 has been the personification of stability this week remaining at WS230 throughout.

On the UK-Continent, MRs have picked up this week fueled by activity from North west Europe and the Baltic. TC2 has risen 21.67 points to WS270 and similarly TC19 was propelled up to WS280.71 (+24.28).

In the US Gulf early activity looked to be generating the same reaction we've seen recently in the region with high volatility. The market then appeared to temporize and reassess what will happen next. TC14 picked back up from WS176 to WS206 only to then dip back down to WS201 by the end of the week. Likewise, TC18 jumped from WS270 of WS305 and then returned to WS300.

The MR Atlantic Triangulation Basket TCE gained $5495 from $29,722 to $35,667.

On the Handymax, in the Mediterranean after a positive start on TC6 - and the index rising over 16 points - the market has levelled off at WS335 for the moment. In the Baltic TC9 has been stable around the WS382.5 level all week.