

WEEKLY MARKET REPORT

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15 November 2019

Bulk report - Week 46

Capesize

For most of the week the rates were nudging up under a flurry of activity in the Pacific as levels for the West Australia to China C5 route were being fixed in the upper eight-dollar level for usual 170,000dwt vessel, 10% cargo. FMG fixed a Newcastlemax for end-November, loading at \$8.65. By the end of the week there was a softer tone and the route ended being marked close to \$8.75. Kepco covered a couple of Australia cargos to Youngheung, loading end-November. There was talk of Saldanha Bay to Qingdao fixing for early December in the \$15's, but nothing has been verified. Rates from Brazil moved into the upper \$18's out of Tubarao, with talk of Cargill fixing the 'Amigo II' (179,016dwt, 2011 built) possibly at \$19.00 for 6 December onwards. Vale were mentioned as having taken some tonnage, but no details have been confirmed. With further fixtures rumoured from St Lawrence, the fronthaul levels are hovering around \$35,500. This is almost \$500 down from the end of last week.

Panamax

The Panamax market sell-off continued in the same vein from the previous week, with all sector indices continuing to lose ground on the week. This was despite some suggestions of the market possibly finding a bottom mid-week. In the Atlantic, the longer Transatlantic round-trip rates ranged from \$14,250 for a 75,000dwt vessel to a high of \$15,500 for an 84,000dwt vessel, basis East Coast South America delivery. The shorter duration trips via the Baltic Sea were few and far between, with a 76,000dwt ship achieving \$9,000, whilst \$11,000 was fixed on similar sized tonnage. Activity was limited from South America to the Far East, but rates ranged from \$14,250, plus \$425,000 for a 76,000dwt vessel, to \$14,750 plus \$475,000 on an 82,000dwt vessel. In the Pacific, traded volumes were relatively healthy, with some Indonesian trips to China reported. This included an overaged 72,000dwt ship concluding at \$6,500 and an 82,000dwt ship fixing at \$8,500. The longer duration round-trips, via Australia, were also seen to weaken. The highest rate reported being \$9,750 on an 82,000dwt vessel, down to the lowest of \$7,500 on a 76,000dwt vessel.

Supramax/Ultramax

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Handysize

The gloomy trend from last week continued, with brokers seeing limited activity overall. Negative movement remained with neither basin showing any sign of improvement. Most of the owners and charterers chose to keep the fixtures in the dark as the rates were said to be bearish. On the period front, a 28,000dwt vessel open Istanbul next week was fixed for nine to twelve months at \$8,700, with redelivery in the Atlantic. A similar-sized vessel open in the same area was paid \$6,000 for a single trip to East Coast South America. From East Coast South America, a 34,000dwt ship was booked for a quick trip to North Brazil at \$12,000. A 36,000dwt vessel open Skagen was fixed for a trip to Sea of Marmara at \$10,550. In the East, a 33,000dwt ship open Vietnam was fixed for a quick trip to Singapore at \$6,000 early in the week.

Tanker report

VLCC

With at least half of the VLCC market participants meeting in Dubai this week, fixture activity has been sporadic, with rates slipping slightly. However, the market is reported to have bottomed and is now rebounding. This is evidenced by a couple of fixtures reported on subjects at improved levels. 270,000mt Middle East Gulf (MEG) to China was last rated at WS 75, down two points week-on-week, although at time of writing, WS 76 is reported on subjects. Meanwhile, 280,000mt MEG to the US Gulf (USG), basis Cape/Cape, has fallen a couple of points to WS 45. However, a newbuilding is reported fixed at WS 39.5. In the Atlantic basin, 260,000mt West Africa to China was last assessed a couple of points lower than a week ago at WS 80 level. However, WS 83.5 is now being reported on subjects. The market for 270,000mt USG to China is rated \$1.3m lower at about \$9.5m.

Suezmax

The 130,000mt West Africa to UK-Continent market recovered about 25 points, with rates now in the WS 110/112.5 region. 135,000mt Black Sea to the Mediterranean improved around 7.5 points to WS 125/127.5 level. Rates for 140,000mt Basrah to the Mediterranean were flat in the mid WS 40s.

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Aframax

A recovery was seen West of Suez this week, where rates for 80,000mt Ceyhan to the Mediterranean gained 70 points to WS 157.5/160 level. While the 80,000mt North Sea to UK-Continent trade saw rates rocket 90 points to WS 182.5. On the other side of the Atlantic, rates for 70,000mt Caribbean to USG rose 30 points to WS 155 and a 70,000mt USG to Mediterranean trip improved similarly to now sit at WS 140.

Clean

It has been a volatile week in the 75,000mt Arabian Gulf (AG) to Japan trade, with rates losing around 7.5 points, before recovering to WS 112.5/115 region. It was a similar scenario in the LR1 market, with 55,000mt to Japan starting the week in the high WS 130s, before dipping down to WS 130. It then recovered to WS 140 and subsequently WS 145 has been agreed. In the 37,000mt Continent to US Atlantic Coast trade, a plethora of tonnage caused rates to slip a further 10 points to WS 120. It was a steady week for owners in the 38,000mt USG to UK-Continent backhaul trade, with rates hovering in the mid-WS 120s.