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WEEKLY MARKET REPORT

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30th June 2023

Bulk report – Week 26

Capesize

Throughout the week, the Capesize market experienced mixed dynamics. Monday began with a relatively active start as the major players fixed cargoes from West Australia to China, alongside tender and operator cargoes. However, rates softened slightly despite the activity. Tuesday saw increased pressure in the Pacific and Atlantic markets, resulting in further rate declines. By the middle of the week the Pacific experienced minimal activity leading up to the upcoming holiday in Singapore. Nevertheless, the market appeared to be finding a certain level of stability. In the Atlantic, despite a significant surge in activity with brokers reporting the fixing of five to six ships by a major, the market sentiment turned negative, resulting in further easing of rates. Moreover, the growing number of ships in ballast has exacerbated the downward pressure on the market earlier in the week. Overall, the week witnessed a combination of activity, rate fluctuations, and market pressures across both regions.

Panamax

A muted week in the Panamax market, with rates easing in all areas as the week progressed. In the Atlantic, the trans-Atlantic trades were lacking yet again and despite slightly better rates paid for grain clean ships ex-Continent for fronthaul grains trip, the north of the basin remained under pressure. Activity remains steady ex-EC South America a host of deals concluded for mid-July arrival window, with rates around the $14,500 + $450,000 mark basis delivery aps load port for 82,000-dwt types. Despite less salvation from EC South America and for most days weaker FFA values, there was less of a decline in rates out of Asia. However, easier rates concluded over the week, with some appealing design types achieving rates in the low $10,000s for the longer Pacific round trips, although the rate on Friday for both Australia and Indonesia round trips was more akin to $9,250 for BPI index types.

Ultramax/Supramax

A week of split sentiment. Whilst the Asian arena remained fairly buoyant, although it did quieten down at the end with holidays, the Atlantic overall lost traction. From the US Gulf an abundance of tonnage and limited fresh enquiry saw downward pressure on rates. From South America it remained finely balanced. Better levels of activity were reported from Asia and rates slowly gained momentum. Period activity was seen, with a 63,000-dwt fixing for 12 months trading delivery Italy redelivery worldwide in the low to mid $13,000s. From the Atlantic, a 63,000-dwt fixed delivery North Brazil redelivery Singapore-Japan at $14,000 plus $400,000 ballast bonus, whilst a 56,000-dwt was heard fixed from the US Gulf to the Continent in the mid $5,000s. From Asia, a 61,000-dwt fixed a trip from Indonesia to China in the low $10,000s, whilst a 63,000-dwt fixed delivery Japan via NoPac redelivery Bangladesh at $11,500.

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Handysize

In a week with national holidays and shipping events, the handy sector was generally in decline due to the lack of fresh enquiry. East Coast South America, which has been positive of late, displayed signs of slowing down and even softening with an oversupply of tonnage beginning to show. A 37,000-dwt was rumoured to have been placed on subjects for a trip from Santos to Casablanca at $11,000 and a 38,000-dwt rumoured to have been fixed from North Brazil to Tunisia at $12,000. A 37,000-dwt was fixed from Canakkale via the Black Sea to Algeria at $7,000 with an intended cargo of grain. In Asia, a 33,000-dwt was fixed from Singapore via Australia to Japan at $7,850, whilst a 38,000-dwt opening in Japan was fixed for a trip to Southeast Asia with an intended cargo of slag at $5,700. Period activity saw a 28,000-dwt open Vila Do Conde fixing for three to five months with Atlantic redelivery at $8,000.

Tanker report – Week 26

VLCC

A fairly quiet week as owners and charterers took stock of last week's activity. Rates continued sliding downwards, although on Thursday it seems a floor was found and started a gentle climb, regaining a solitary point from Wednesday. In the Middle East, the rate for 270,000mt Middle East Gulf to China lost two points since last Friday at WS51.71 (a round trip TCE of $29,700/day basis the Baltic Exchange's vessel description), while the 280,000mt Middle East Gulf to US Gulf trip (via the cape/cape routing) is now rated about half a point lower at WS35.61.

In the Atlantic market, the rate for 260,000mt West Africa/China dropped three points week-on-week to WS52.70 (which shows a round voyage TCE of $31,800/day). The rate for 270,000mt US Gulf/China is now assessed $1,283,333 less than last Friday at $8,088,889 (about $33,000/day round trip TCE).

Suezmax

Suezmaxes have had a quiet week, with sentiment driving rates downwards. In West Africa, the lack of firm enquiry combined with available tonnage building up led to lower rates. On Thursday an Angola/Europe cargo received almost a dozen offers and ended up fixing at WS95, although for 130,000mt Nigeria/Rotterdam the rate has dropped 17.5 points to WS102.5 (a daily round-trip TCE of $40,900). In the 135,000mt CPC/Med market the rate is assessed eight points lower than a week ago at WS112.95 (producing a daily TCE of $45,100 round-trip) and in the Middle East the rate for 140,000mt Basrah/Lavera lost about 6.5 points to WS56.28.

Aframax

In the North Sea, the rate for the 80,000mt Hound Point/Wilhelmshaven shed five points to WS130.31 (showing a round-trip daily TCE of $37,100) and in the Mediterranean the 80,000mt Ceyhan/Lavera rate lost only a point since last Friday at close to the WS140 mark (a daily round trip TCE of $37,900).

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Across the Atlantic, the Stateside Aframax market continued a downward trend. The rate for 70,000mt East Coast Mexico/US Gulf fell 43.5 points to WS148.13 (which shows a TCE of about $35,000/day round trip) and for 70,000mt Covenas/US Gulf the rate has dropped 33.5 points to WS145.31 (which shows a TCE of about $32,300/day round trip). For the trans-Atlantic route of 70,000mt US Gulf/Rotterdam, the rate fell a comparatively modest 7.75 points to WS147.19 (a round trip TCE of $34,000/day).

Clean

LR2

MEG LR2's have fluctuated up and down this week as the region has had to deal with the Eid holidays. TC1 peaked at WS127.22 midweek (+11 points from Monday) to then resettle back down to WS117.5 at time of writing. Similarly, TC20 peaked at $3,559,000, up from $3,325,0000, and is now back down at $3,343,000.

West of Suez, Mediterranean/East LR2's have continued to trundle along around the $2,500,000 - $2,600,000 mark all week.

LR1

In the MEG, LR1's followed a similar pattern of their larger siblings. TC5 after bubbling around the mid WS150's has started to come down and is currently pegged at WS149.06. Likewise, TC8 has ultimately dipped from $2,933,000 to $2,832,000.

On the UK-Continent, TC16 has not deviated from its current course and still sits in the low WS120s, with a notable lack of activity at the moment.

MR

MEG MR's have been retested down this week, seeing the TC17 index shed 41.07 points to WS188.93.

After a slow start, a large chunk of enquiry mid-week stimulated some upward movement the UK-Continent MR's. TC2 hopped up to WS140.25 (+15.25) and TC19 similarly added 16.88 points to WS151.88.

USG MR's have accelerated upwards this week, with a pre-Independence Day rush being regularly cited as the reason. The momentum has taken TC14 up 32.5 points to WS140 and TC18 to WS222.5 (+41.67). A run to the Caribbean on TC21 also shot up $210,000 or 30% this week to $909,167.

The MR Atlantic Triangulation Basket TCE climbed from $18,087 to $26,519.

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Handymax

Mediterranean Handymax's, after ticking up to WS145 end of last week, have plateaued there this week.

Up on the UK-Continent, TC23 has been chipped away at this week and we have seen the index dip from WS135 to WS122.78.