

WEEKLY MARKET REPORT

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4th August 2023

Bulk report – Week 31

Capesize

The cape market had a sluggish start to the week but gradually exhibited signs of improvement and positivity as the week progressed. The anticipated momentum in the Pacific fizzled out by the middle of the week despite the presence of two of the major players. However, there was an uptick in coal enquiry that boosted owners' confidence amid a sense of resistance and rates nudged back up towards the end of the week. In the Atlantic more favourable bids were being discussed from South Brazil and West Africa to China in the early part of the week. However, some owners chose to be cautious, resulting in slightly subdued conditions early on. By the middle of the week there was a notable uptick in activity, with several fixtures being concluded at rates slightly surpassing the C3 index on that day. The North Atlantic provided substantial market support last week, but so far this week, the cargo flow has not matched previous levels. As the week draws to a close there are encouraging reports of a robust fronthaul fixture from West Africa to China being concluded, leaving a positive impression to conclude the week.

Panamax

The week returned a whirlwind of activity for the market with solid activity both in the North Atlantic round trips, as well as from Indonesia and to a lesser extent ex Australia in the Pacific basin. The strong pace did appear to ease back as the weekend approached with rates stalling but the fundamentals in the Atlantic continue to lend support. In the Atlantic a scrubber fitted 81,000-dwt delivery Continent was heard fixed mid-week for a trip via US East Coast redelivery Continent at \$12,000 with the scrubber benefit going to charterers. Despite limited activity, firmer rates were paid for NoPac round trips on decent type tonnage on favourable deliveries, but the market remains underwhelming with the P3a average hovering around the \$7,000 mark. Period bids and offers continued to be far reaching with little concluded. However, an improved rate of \$12,000 was paid for an 81,000-dwt delivery China for 6/8 months period.

Ultramax/Supramax

A rather mixed week overall for the sector with sentiment still at a low ebb. However, the Atlantic saw some positional opportunities from key areas such as the US Gulf. The South Atlantic saw divided opinion with some stronger rates being achieved. From Asia, the south saw very limited activity and the prompt tonnage count increasing. Further north, some said that signals were a little more encouraging, with better demand for backhaul requirements. On the period front, a good described 63,000-dwt was fixed delivery Philippines for 3 to 5 months trading at \$14,000, whilst a eco 55,000-dwt was rumoured to have been fixed basis delivery China for two years at 110% of the BSI. In the Atlantic, a 56,000-dwt was heard fixed delivery EC South America for a trans-Atlantic run at \$14,000. A 56,000-dwt fixed delivery US Gulf trip to SE Asia in the low \$11,000s. From Asia, a 63,000-dwt fixed a trip delivery China via Indonesia redelivery North

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Continent at \$8,000. A 53,000-dwt fixed delivery Koh Si Chang trip via Indonesia redelivery China at \$7,000.

Handysize

Brokers spoke of a relatively inactive week across the handy sector but some felt parts of the Atlantic might have found the bottom albeit on a temporary basis. An unnamed vessel was rumoured to have been fixed basis delivery Iskenderun for a trip to North Coast South America-Caribbean range in the mid \$7,000s and a 33,000-dwt fixed from Morocco to the Continent at \$5,000. A 37,000-dwt was fixed from South Africa to Singapore-Japan range at \$9,000. In Asia, there was more reported activity with a 37,000-dwt fixing with prompt dates from Thailand via Australia to China with an intended cargo of spodumene at \$7,000. A 37,000-dwt opening in Port Kembla was fixed via Eastern Australia to Singapore-Japan range with an intended cargo of concentrates at \$9,250. Period interest from charterers had remained and a newbuild 40,000-dwt was rumoured to have been fixed ex-yard in October for two years period at \$14,200.

Tanker report – Week 31

VLCC

The market in the Middle East eased again this week, while the Atlantic rates remained steady. In the Middle East, the rate for 270,000 mt Middle East Gulf to China dipped a further 2.5 points to WS48.50 corresponding to a daily round-trip TCE of \$22,200 basis the Baltic Exchange's vessel description. The 280,000 mt Middle East Gulf to US Gulf trip (via the cape/cape routing) shed 1.5 points to WS30.17.

In the Atlantic market, the 260,000 mt West Africa/China rate remained around the WS53 mark, which shows a round voyage TCE of \$29,200/day. The rate for 270,000 mt US Gulf/China was reduced by a meagre \$32,898 at \$8,205,556 (about \$31,100/day round trip TCE).

Suezmax

Suezmaxes in West Africa have had another poor showing this week with rates dropping, albeit by only a few points. For 130,000 mt Nigeria/Rotterdam rates shed about 2.5 points to WS65.91 (a daily round-trip TCE of \$12,800). In the 135,000 mt CPC/Med market, rates have fallen further, losing 7.5 points this week to WS81.55 (showing a daily TCE of \$16,100 round-trip). In the Middle East, the rate for 140,000 mt Basrah/Lavera dipped early in the week to close to WS50 but have since returned to levels seen last Friday at WS58.

Aframax

In the North Sea, the rate for the 80,000 mt Hound Point/Wilhelmshaven dropped about 20 points to WS100 (showing a round-trip daily TCE of \$6,300). In the Mediterranean, the rate for 80,000 mt Ceyhan/Lavera continued on a downward spiral, losing 13.5 points this week to WS87.94 (a daily round trip TCE of \$6,500).

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Across the Atlantic, in the Stateside Aframax market, rates continued to tumble with owners fighting for the shorter voyages that maintain their eligibility for trans-Atlantic trips later in August. The rate for 70,000 mt East Coast Mexico/US Gulf lost a further 27 points to WS105 (which shows a TCE of \$10,300/day round trip) and for 70,000 mt Covenas/US Gulf the rate has been reduced by another 26 points to WS100.94 (a round-trip TCE of about \$10,000/day). The rate for the trans-Atlantic route of 70,000 mt US Gulf/Rotterdam is now six points lower than a week ago at WS120.94 (a round trip TCE of \$22,500/day).

Clean

LR2

After a positive start this week LR2's in the MEG look to have topped out for the moment. TC1 came up 10.83 points steadily across the week to WS156.39. TC20 similarly climbed 7.8% incrementally to \$3,981,250. West of Suez, Mediterranean/East LR2's have seen welcome recharge in freight levels, the \$375,000 improvement of the TC15 index to \$2,916,667 has taken the Baltic TCE for a run back into positive numbers.

LR1

In the MEG, LR1's have been notably leading the charge this week in the region. TC5 climbed 20.63 points to WS176.78 and TC8 added £264,500 to rest at £3,278,600. On the UK-Continent, TC16 pushed upward by surrounding markets and a handful of enquiry saw WS125 fixed and the index rose to WS126.56 (+11.37).

MR

MEG MR's were subject to some retesting down this week. The TC17 index dipped 12.14 points to WS245.

On the UK-Continent a surge in MR enquiry drove a short burst upwards in freight levels. TC2 peaked beginning of the week and WS170.25 and has since been corrected back down to WS162. TC19 naturally followed suit and after topping out at WS180.63 is currently at WS171.56. USG MR's saw downward pressure from a tonnage abundance this week. TC14 has been reported on subject at WS145, with the index pegged at WS143.33. TC18 has dipped 16.67 points to WS208.33. A TC21 voyage has been reported at \$850,000 late in the week so no surprises, which is where the index currently sits.

The MR Atlantic Triangulation Basket TCE saw dropped from \$30,114 to \$27,341.

Handymax

In the Mediterranean, Handymax's have seen cross Mediterranean freight brought down to WS145, which is where the TC6 index currently lies. Up on the UK-Continent, TC23 jumped 10 points early in the week to WS183 and has resettled back to WS179.72.

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