

## WEEKLY MARKET REPORT

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**23<sup>rd</sup> February 2024**

### **Bulk report – Week 8**

#### **Capesize**

Throughout the week, the capes witnessed a notable increase in activity after a slow start. This uptick is evidenced by the BCI 5TC, which commenced at \$20,378 on Monday, experienced a slight dip on Tuesday, and rose to \$26,079 by Friday's close. Early in the week there were reports in the Pacific of weather factors that could potentially cause delays. Strong winds and dense fog forced the closure of several ports in China. Additionally, attention was drawn to a tropical cyclone expected to move west across the Kimberley region in Western Australia, prompting mining companies to monitor the situation closely and leading to reduced activity on C5. However, by mid-week, the level of activity in both the Atlantic and Pacific picked up as well as the market. The Atlantic was extremely busy, particularly from South Brazil and West Africa to the Far East with several fixtures being concluded on C3, initially there were reports of \$24 being fixed, followed by \$24.75, then on Thursday reports of \$25.75, resulting in a 1.73 increase on the C3 index from Tuesday to Thursday, which published at \$25.65, today the C3 index has risen by 0.53 to \$26.180. In the Pacific all three major miners were active towards the end of the week, brokers observed a slight tightening in tonnage availability against a healthy cargo list, resulting in fixtures on C5 moving up quickly from \$9.50 levels to \$10.50 and as the week draws to a close there have been reports of low \$11.00s being concluded, with the C5 index rising by 0.815 to \$11.205. All in all, it has been a very positive end to the week.

#### **Panamax**

It returned a week of steady declines for the Panamax market. With the Atlantic basin providing a heavy ballaster list and increased tonnage count, resistance proved to be mostly scarce. This resulted in charterers driving down bids, noticeably for the few trans-Atlantic runs, whereas from South America the nearby dates remained heavily discounted, an 82,000-dwt delivery aps load EC South America early March dates agreeing to \$17,000 + \$700,000 for a trip redelivery Singapore-Japan. Asia bucking the trend for the first part of the week returned decent levels of activity culminating in firmer rates only to falter a little as the week ended with several deals fixing and failing mid-week and we end the week with a mostly flat outlook with split views and the bid/offer spread widening. NoPac rounds initially concluding closer to \$16,000 were now mean priced at around the \$15,000 mark. Period activity limited, the highlight being an 82,000-dwt delivery China fixed basis 1 year at \$18,000.

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### Ultramax/Supramax

Rather mixed fortunes for the sector over the past week. The Atlantic was described as positional by many as limited fresh enquiry was seen from the US Gulf and Continent – Mediterranean regions seeing an easing of rates. However, from the South Atlantic demand remained which kept rates relatively stable. By contrast a good amount of fresh enquiry was seen in both the Indian Ocean and Asia leading to stronger rates being achievable. In the Atlantic, a 61,000-dwt fixed a trip from West Africa to China with iron ore in the upper \$20,000s. Whilst another 61,000-dwt fixed a trip from the Continent to the East Mediterranean at \$18,000. From Asia, a 54,000-dwt fixed from Singapore for a trip via Indonesia to China at \$16,000. Whilst a 57,000-dwt open Inchon fixed a round voyage via Australia in the mid \$11,000s. In the Indian Ocean, a 64,000-dwt fixed a tripe delivery Port Elizabeth redelivery China at \$26,000 plus \$260,000 ballast bonus.

### Handysize

Gains were seen on the BHSI this week mainly led by the resurgence in the Pacific with levels of fresh enquiry improving across Australia, Indonesia, China and NoPac, a 33,000-dwt opening in Fancheng was fixed via Vietnam with redelivery Singapore-Japan with an intended cargo of cement at \$6,500 whilst a 32,000-dwt opening in Japan was fixed for a round trip via Nopac at \$10,000. Period interest also remained with a 33,000-dwt opening in China linked to fixing for four to six months at \$11,550, whilst a 28,000-dwt opening in WC India fixed for multiple legs at \$10,000. The Continent remained active with a 37,000-dwt opening in Immingham fixing via Murmansk to Brazil with an intended cargo of fertilizer at \$17,000. With recent reductions to the draft in the River Plate Charterers are now having to utilize larger vessels to lift the handy stems. The lack of cargo in the US Gulf continued with a 37,000-dwt fixing from Savannah to the Continent with pellets at \$10,500.

## Tanker report – Week 8

### VLCC

The market tumbled this week with Middle East Gulf players leading the retreat. The rate for the 270,000 mt Middle East Gulf to China route lost over 25 points to be last assessed at WS67.86 which corresponds to a daily round-trip TCE of \$44,612 basis the Baltic Exchange's vessel description.

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In the Atlantic market, the 260,000 mt West Africa/China was reduced by 18 points to WS70.10 which shows a round voyage TCE of \$47,598 per day, while the rate for 270,000 mt US Gulf/China was slimmed by \$711,111 to \$9,388,889 (providing a round-trip daily TCE of \$47,524).

### Suezmax

Suezmaxes in West Africa eased further this week with the rate for 130,000 mt Nigeria/UK Continent slipping four points to WS109.09 (a daily round-trip TCE of \$41,747). In the Mediterranean and Black Sea region the rate for 135,000 mt CPC/Med slid sharply down by 13 points to WS115.20 (showing a daily TCE of \$42,666 round-trip). In the Middle East, the rate for 140,000 mt Middle East Gulf to the Mediterranean (via the Suez Canal) hovered around the WS107-108 level despite the ongoing troubles in the Red Sea. For the Cape of Good Hope routing the rate has slipped from around WS80 to the mid-WS70s.

### Aframax

In the North Sea, the rate for the 80,000 mt Cross-UK Continent route remained around the WS160 level (showing a round-trip daily TCE of about \$54,600 basis Hound Point to Wilhelmshaven).

In the Mediterranean market the rate for 80,000 mt Cross-Mediterranean collapsed 41 points to WS157.5 (basis Ceyhan to Lavera, that shows a daily round trip TCE of \$41,779).

Across the Atlantic, the Stateside market has weakened slightly. The rate for 70,000 mt East Coast Mexico/US Gulf (TD26) slipped four points to WS194.38 (a daily TCE of \$51,545 round trip) and the rate for 70,000 mt Covenas/US Gulf (TD9) also eased four points to WS187.5 (a round-trip TCE of \$43,464 per day). The rate for the trans-Atlantic route of 70,000 mt US Gulf/UK Continent (TD25) fell 10 points to WS203.75 (a round trip TCE basis Houston/Rotterdam of \$50,198 per day).