

WEEKLY MARKET REPORT

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10th May 2024

Bulk report – Week 19

Capesize

Following the UK Bank holiday, Tuesday marked a strong start for the Capesize market with rising rates in both the Pacific and Atlantic regions, driven by increased miner activity and healthy cargo volumes particularly in the Pacific. The C5 index moved up by \$0.84 to \$11.650. There were significant gains in the North Atlantic with a tightening tonnage list that led to the C8 index climbing by \$10,142 to \$27,571, and the C9 index also saw a notable increase of \$4,125, reaching \$49,500. The trend continued into Wednesday, albeit with slightly reduced activity in the Pacific, maintaining an upward trajectory. Towards the end of the week the Pacific saw heightened activity but a stabilization of the Pacific market with steady cargo volumes, while the Atlantic experienced minor adjustments, leading to a softer condition overall. The BCI 5TC experienced a slight decrease of \$937, closing the week at \$27,301.

Panamax

The Panamax market returned a week of steady gains with little sign of the firm trend abating, with fundamentals appearing strong in favor of the owners. The Atlantic appeared predominantly fronthaul led with a steady mineral flow ex US East Coast as well as solid grain demand ex NC South America, reports of a scrubber fitted 81,000-dwt delivery Gibraltar trip via NC South America achieving \$31,000 redelivery Singapore-Japan. There was very little to report on trans-Atlantic, with minimal activity. In Asia, the market witnessed significant gains, route P5 yielding a \$2,662 gain week-on-week highlighting the spike in activity ex Indonesia with exceptional demand seen, reports of various deals concluded around the \$20/21,000 mark for trips via Indonesia redelivery India, delivery SE Asia. There was limited period reporting but did include rumors earlier in the week of an 81,000-dwt delivery to China agreeing \$20,000 basis 5 to 7 months employment.

Ultramax/Supramax

All eyes focused on the Asian arena this week as rates pushed higher with stronger demand from Indonesia seeing owners' expectations rise. This also led to slightly stronger levels being achieved further north. By contrast, the Atlantic remained rather subdued, by the impact of various holidays. A lack of demand from areas such as the Continent – Mediterranean and US Gulf saw the positive sentiment erode. There did remain an appetite for period cover, a newbuilding 64,000-dwt was fixed ex yard at \$19,000 for one year elsewhere a 57,000-dwt open WC India was heard to have fixed one year at \$15,000. From the Atlantic, a 60,000-dwt was heard fixed delivery East

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Mediterranean to the US Gulf in the low \$13,000s, whilst a 61,000-dwt fixed a scrap run from the North Continent to East Mediterranean at \$15,000. From Asia, a 52,000-dwt open SE Asia fixed a trip via Indonesia redelivery China at \$19,000. Further north, a 61,000-dwt open China fixed a NoPac round in the upper \$17,000s.

Handysize

A rather subdued week with holidays across both basins with limited visible activity and fresh enquiry surfacing. Pressure remained on owners across the Continent and the Mediterranean with a 32,000-dwt rumored to have ballast from Annada to fixed passing Canakkale via the Black Sea to Rosyth with a cargo of grains at \$8,250 whilst a 39,000-dwt open in Tyne fixed from Bremen to the US East Coast with a cargo of lumber at \$14,500. There were rumors of a 37,000-dwt fixed from the Eastern Mediterranean to Brazil with an intended cargo of fertilizer in the low \$7,000s. Asia in contrast showed positivity as a 35,000-dwt fixed from Port Hedland via Australia to China with an intended cargo of minerals at \$22,000 and a 34,000-dwt fixed from Caofeidan via North China to Vietnam with a cargo of metallurgical coke at \$15,500. The Arabian Gulf also showed signs of more activity with a 35,000-dwt fixing from Dohar to Madagascar in the \$13,000s with bagged cargo.

Tanker report – Week 19

VLCC

The market took another step up this week. The rate for 270,000 mt Middle East Gulf to China increased about 5.5 points to WS72 which translates to a daily round-trip TCE of \$50,617 basis the Baltic Exchange's vessel description.

In the Atlantic market, the 260,000 mt West Africa/China trip rose about seven points to WS74.72 showing a round voyage TCE of around \$54,000 per day. The rate for 270,000 mt US Gulf/China climbed by \$155,000 to \$9,275,000 corresponding to a round-trip daily TCE of \$47,548.

Suezmax

The Suezmax market in West Africa rebounded this week with the 130,000 mt Nigeria/UK Continent trip adding ten points to the rate at WS110.94 (a daily round-trip TCE of \$43,592). In the Mediterranean and Black Sea region the rate hovered around the WS110-112.5 level for the 135,000 mt CPC/Mediterranean trip (showing a daily TCE of around \$41,000 round-trip). In the Middle East, the rate for 140,000 mt Middle East Gulf to the Mediterranean (via the Suez Canal) remains around the WS95 mark.

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Aframax

In the North Sea, the rate for the 80,000 mt Cross-UK Continent had another point added, settling around the WS144-145 level (a daily round-trip TCE of a shade over \$44,500 basis Hound Point to Wilhelmshaven).

In the Mediterranean market the rate for 80,000 mt Cross-Mediterranean stayed flat at WS165-166 region (basis Ceyhan to Lavera, that shows a daily round trip TCE of about \$46,700).

Across the Atlantic, the 70,000 mt East Coast Mexico/US Gulf (TD26) trip was relatively flat at around WS171.5 (a daily TCE of about \$40,200 round trip) and the rate for 70,000 mt Covenas/US Gulf (TD9) has settled at last week's level of WS166 (a round-trip TCE of a little over \$35,800 per day). However, the rate for the trans-Atlantic route of 70,000 mt US Gulf/UK Continent (TD25) fell by 14 points since last Friday to WS183.06 (a round trip TCE basis Houston/Rotterdam of \$43,261 per day), keeping ballasters from Europe at bay, for now.

Clean

LR2

MEG LR2's recovered nicely this week. The TC1 rate for 75,000 mt MEG/Japan hopped up 27.2 points to WS230 and the 90,000 mt MEG/UK-Continent TC20 voyage went from \$6.02 million to \$6.51 million. West of Suez, Mediterranean/East LR2's weakened for the third week on week. The TC15 index dropped \$125,000 to \$3.2 million.

LR1

In the MEG, LR1 freight followed suit of the larger siblings. The 55,000 mt MEG/Japan index of TC5 went from WS222.5 to WS230.6. The 65,000 mt MEG/UK-Continent of TC8 climbed \$221,000 to \$5.1 million. On the UK-Continent, the 60,000 mt ARA/West Africa came off again this week. The TC16 index is currently down another 10.6 points to WS156.4.

MR

MR's in the MEG began to resurge this week. The TC17 35,000 mt MEG/East Africa is pegged at WS386.4. Up 15 points from this time last week.

On the UK-Continent MR's received a welcome (from owners) upturn this week. The 37,000 mt ARA/US-Atlantic coast of TC2 climbed 11.3 points to WS199.4 taking the Baltic TCE back over the \$20,000 per day round trip. The TC19 run (37,000 mt ARA/West Africa) the index also went from WS198.4 to WS219.4.

USG MR's continued their upward momentum this week. TC14 (38,000 mt US-Gulf/UK-Continent) jumped another 25.7 points to WS170.4. The 38,000 mt US Gulf/Brazil on

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TC18 similarly added 20.7 points to its value taking it to WS245.4 and the 38,000 mt US-Gulf/Caribbean of TC21 was jacked up another 40% to \$860,714.

Handymax

In the Mediterranean, 30,000 mt Cross Mediterranean (TC6) pushed up another 20 points this week to WS265. Up in Northwest Europe, the TC23 30,000 mt Cross UK-Continent also improved significantly, settling at WS245 (+31.1).