

WEEKLY MARKET REPORT

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24th May 2024

Bulk report – Week 21

Capesize

The Capesize Timecharter Average (C5TC) closed on a positive note on Friday before entering the last week of May, which will start with a public holiday in the UK next Monday. The C5TC at \$21,674 is about \$500 lower week-on-week but \$5,000 higher year-on-year. West Australia to China trade hovered in the range from high \$9s to mid \$10s, with a public holiday in Singapore interrupting mid-week. Good weather was finally reported from Brazil, followed by more activity towards the second half of the week, eventually settling at \$24.765. It was a tricky and a mixed bag in the Atlantic as both high and low fixtures were reported. Laycan can be the crucial factor in fixing trans-Atlantic and fronthaul runs.

Panamax

The Panamax market returned mostly a flat week, however in parts of the Asian basin a steady rise ensued with solid levels of demand and firm fundamentals. The Atlantic disappointed by comparison, the trans-Atlantic voyages in particular returning an underwhelming week with thin visibility. Fronthaul activity fared slightly better with steady grain and mineral demand emanating from the Americas both North and South. Reports mid-week of an 81,000-dwt delivery Gibraltar achieving \$26,000 for a trip via US Gulf to China. In Asia plentiful activity with sound demand from all major load origins. Strong rates especially ex Australia were witnessed with reports of an 82,000-dwt delivery China agreeing \$19,500 for a trip via Australia redelivery Japan, and with talk over \$20,000 was achieved for same run on index type tonnage. Period activity was minimal, but the highlight did include rumors of a modern 81,000-dwt delivery Japan achieving \$20,000 basis 10/14 months period.

Ultramax/Supramax

A rather subdued week for the sector as holidays both in Europe and Asia interrupted the flow. In the Atlantic, little fresh enquiry was seen resulting in lower rates being discussed as prompt tonnage remained readily available. A 56,000-dwt was fixed from the US Gulf to the Continent at \$13,000. Whilst further south a 52,000-dwt was heard fixed for a sugar run from Santos Southeast Asia at around \$14,500 plus \$450,000

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ballast bonus. From Asia a similar lacklustre feel, certainly from Southeast Asia, again limited fresh cargo being blamed. A 60,000-dwt fixing delivery Thailand via Indonesia redelivery South China at \$19,500. Further north, brokers said there was a reasonable amount of enquiry, however tonnage availability remained healthy keeping rates in check. The Indian Ocean despite a fair amount of action remained static, a 63,000-dwt fixing a trip from South Africa to China at \$22,000 plus \$220,000 ballast bonus. Period action was limited but a 57,000-dwt open Indian Ocean was fixed for three to five months trading redelivery worldwide at \$15,000.

Handysize

Cargo availability was said to have begun to improve across the Atlantic, but with a large amount of prompt tonnage levels limited the positive gains so far. The most visible activity was seen in the US Gulf as a 39,000-dwt was fixed for a trip from SW Pass to North Coast South America at \$10,400 while a 39,000-dwt fixed from the US Gulf to the Continent with an unspecified dirty cargo at \$10,500. A 35,000-dwt was fixed from Houston via the Red Sea with redelivery in Port Said with an intended cargo of grains at \$11,000. In the South Atlantic, a 40,000-dwt fixed from Recalada to Singapore-Japan at \$24,500. Positivity remained across the Asian markets with healthy levels of cargo availability helping maintain the upwards trend despite holidays in Singapore this week. The Arabian Gulf also remained active with a 38,000-dwt fixing a trip to Bangladesh with urea at \$19,000 with an option on redelivery passing Singapore at \$14,000.

Tanker report – Week 21

VLCC

The VLCC market took a turn downward this week with the rate for the benchmark 270,000 mt Middle East Gulf to China at WS68.48 which provides a daily round-trip TCE of \$47,578 basis the Baltic Exchange's vessel description.

In the Atlantic market a similar situation unfolded. The 260,000 mt West Africa/China weakened by three points to WS71.44 showing a round voyage TCE of \$51,384 per day, and the rate for 270,000 mt US Gulf/China fell by \$265,000 to \$9,530,000 corresponding to a round-trip daily TCE of \$50,951.

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Suezmax

The Suezmax market in West Africa remained flat this week, with the rate for 130,000 mt Nigeria/UK Continent trip having rebounded last Friday hovered around the WS110 level (a daily round-trip TCE of \$44,092). In the Mediterranean and Black Sea region the rate gained nine points to WS122.55 for the 135,000 mt CPC/Mediterranean trip (showing a daily TCE of \$49,957 round-trip). In the Middle East, the rate for 140,000 mt Middle East Gulf to the Mediterranean (via the Suez Canal) improved two points to a fraction above WS97.

Aframax

In the North Sea, the rate for the 80,000 mt Cross-UK Continent increased eight points to WS153.21 (a daily round-trip TCE of a shade under \$52,000 basis Hound Point to Wilhelmshaven).

In the Mediterranean market the rate for 80,000 mt Cross-Mediterranean was boosted by 47 points to WS244.44 (basis Ceyhan to Lavera, that shows a daily round trip TCE of \$87,342).

Across the Atlantic, the market eased. For the 70,000 mt East Coast Mexico/US Gulf (TD26) the rate fell 20 points to WS130 (a daily TCE of about \$22,300 round trip) and the rate for 70,000 mt Covenas/US Gulf (TD9) was also 20 points lower than a week ago at WS129.38 (a round-trip TCE of \$22,123 per day). The rate for the trans-Atlantic route of 70,000 mt US Gulf/UK Continent (TD25) fell by another seven points to WS158.33 (a round trip TCE basis Houston/Rotterdam of \$35,164 per day), further discouraging ballasters from Europe.

Clean

LR2

MEG LR2's saw freight spike this week despite a mid-week bank holiday in Singapore. Benefiting from tonnage availability thinning the TC1 rate for 75,000 mt MEG/Japan jumped 19.44 points to WS270 and the 90kt MEG/UK-Continent TC20 voyage went from \$7.23 million to \$7.84 million.

West of Suez, Mediterranean/East LR2's began to improve this week. The TC15 index hopped up \$116,000 to \$3.63 million.

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LR1

In the MEG, LR1 freight followed suit of its larger siblings. The 55,000 mt MEG/Japan index of TC5 went from WS273.13 to WS293.13 following a WS295 fixture reported late in the week. The 65kt MEG/UK-Continent of TC8 floated between the \$6 - 6.1 million mark.

On the UK-Continent, a 60,000 mt ARA/West Africa run on TC16 levelled off around the WS155 mark.

MR

MR's in the MEG began to move up optimistically this week. The TC17 35,000 mt MEG/East Africa is marked at WS415.71. Up 18.57 points from last week.

On the UK-Continent MR's were tested down this week. The 37,000 mt ARA/US-Atlantic coast of TC2 shed 16.7 points to WS174.69 tanking the Baltic TCE down to \$18,925 / day round trip. The TC19 run (37,000t ARA/West Africa) the index also went from WS212.5 to WS195.31.

USG MR's ultimately managed to creep up this week although it was reported this was largely on sentiment anticipation. TC14 (38,000 mt US-Gulf/UK-Continent) ticked up five points to WS143.57. The 38kt US Gulf/Brazil on TC18 similarly climbed 4.29 points to WS212.86 and the 38kt US-Gulf/Caribbean of TC21 despite peaking mid-week around \$642,000 is currently sat at \$612,000.

Handymax

In the Mediterranean, 30,000 mt Cross Mediterranean (TC6) dropped 21.11 points to WS225.

Up in Northwest Europe, the TC23 30,000 mt Cross UK-Continent also weakened, seen in the index going from WS250 to WS 222.22.