

WEEKLY MARKET REPORT

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07th June 2024

Bulk report – Week 23

Capesize

The week concluded on a quiet yet optimistic note, with the BCI 5TC experiencing a slight increase of \$178, reaching \$24,867. Cargo volumes have remained stable in the Pacific, where trading activity gradually increased, culminating in a significant rise midweek. The C5 index saw incremental gains throughout the week, ending at \$11.245. In the Atlantic, sentiment was upbeat, particularly for the South Brazil and West Africa to China markets, resulting in the C3 index consistently rising, closing the week at \$25.765. However, the Trans-Atlantic market remained somewhat subdued, with little trading activity. Additionally, there were a couple of stronger fixtures from East Coast Canada to the Far East, pushing the C9 index up to \$49,156 by the end of the week.

Panamax

A compelling week for the Panamax market, thwarted in parts by shipping functions during Posidonia week, but a strong mid-week push from both the South and North America for route P6 window gave the market as a whole some momentum. The North Atlantic remained underwhelming still but sufficient fronthaul enquiry both grains and minerals ate away at some of the burgeoning tonnage count, indicatively an 82,000-dwt delivery Continent agreed \$27,000 for a coal trip via US East Coast redelivery India. Asia, aided by strength from South America saw healthy rises too, with solid demand all week both from Australia and Indonesia, whilst the NoPac market less so, reports mid-week of an 81,000-dwt delivery Japan fixed at \$17,000 for an Australian round trip, around the mean average for the week. Period activity was limited overall, however did include reports of a newbuilding 82,000-dwt delivery ex yard China fixed basis four to six months at \$19,400.

Ultramax/Supramax

With the large gatherings from around the world during Posidonia week the sector was a rather subdued affair. In the Atlantic, the US Gulf bucked the overall downward trend as a slightly more positive sentiment was seen, although limited fresh fixing surfaced. As the week closed, green shoots were appearing from the South Atlantic, maybe following the uptick in the Panamax sector again though information remained scarce. Elsewhere

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the Mediterranean lacked impetus, a 58,000-dwt fixed a trip delivery East Mediterranean redelivery West Africa at \$10,750. Asia also remained rather subdued, a 61,000-dwt fixing a trip delivery Indonesia redelivery China at \$15,500. Whilst a 56,000-dwt fixed delivery South China for a trip via Campha to Chittagong at \$16,000. The Indian Ocean was rather muted, a 63,000-dwt open Tuticorin fixing a trip via South Africa redelivery China at \$17,000. From the Arabian Gulf a 61,000-dwt fixed a trip via West Coast India redelivery China at \$17,000. All eyes on the upcoming week to see if these trends will continue.

Handysize

With Posidonia attracting many to its shores the Atlantic was muted, with limited fresh enquiry and a sense of negativity shrouding the region. A 40,000-dwt opening in Ijmuiden was fixed basis delivery Brake for a trip to the US East Coast with an intended cargo of steels at \$10,750 whilst a 34,000-dwt was fixed from North France to Morocco with an intended cargo of grains at \$7,000. A lack of prompt enquiry in the US Gulf continued and some vessels were said to be taking seven days waiting time to secure their next employment. The South Atlantic similarly saw limited prompt enquiry but signs of improvements for the end of June and into July gave some hope of positivity returning. A week of two halves for the Asia markets which started brightly for Owners with limited tonnage availability with a 38,000-dwt opening in Mundra fixing via Australia to the Arabian Gulf at \$14,000 but activity dwindled as the week progressed.

Tanker report – Week 23

VLCC

The VLCC market weakened further this week with the rate for the benchmark 270,000 mt Middle East Gulf to China falling another four points to WS53.75 which provides a daily round-trip TCE of \$32,300 basis the Baltic Exchange's vessel description.

In the Atlantic, the market was softer. The 260,000 mt West Africa to China was 2.5 points lower than a week ago at WS57.67 showing a round voyage TCE of \$36,988 per day, and the rate for 270,000 mt US Gulf to China fell by \$335,000 to \$8,560,000 corresponding to a round-trip daily TCE of \$44,071.

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Suezmax

The Suezmax market in West Africa took a downward turn this week. The rate for 130,000 mt Nigeria to UK Continent eased by six points to WS109.56 (a daily round-trip TCE of \$44,368). In the Mediterranean and Black Sea region the rate slipped two points to WS121.95 for the 135,000 mt CPC/Mediterranean route (showing a daily TCE of \$50,243 round-trip). In the Middle East, the rate for 140,000 mt Middle East Gulf to the Mediterranean (via the Suez Canal) is assessed 2.5 points lower than last Friday at WS105.06.

Aframax

In the North Sea, the rate for the 80,000 mt Cross-UK Continent gained 22 points to WS172.08 (a daily round-trip TCE of \$67,301 basis Hound Point to Wilhelmshaven).

In the Mediterranean market the rate for 80,000 mt Cross-Mediterranean collapsed by 50 points to WS183.50 (basis Ceyhan to Lavera, that shows a daily round trip TCE of \$57,200).

Across the Atlantic, rates have continued to climb, still on the up-lift part of the rollercoaster ride. For the 70,000 mt East Coast Mexico/US Gulf (TD26) the rate steadily rose 46 points to WS213.44 (a daily TCE of \$59,864 round trip) and the rate for 70,000 mt Covenas/US Gulf (TD9) was almost 40 points up on last Friday's rate at WS201.25 (a round-trip TCE of \$50,803 per day). The rate for the trans-Atlantic route of 70,000 mt US Gulf/UK Continent (TD25) rose by a comparatively meagre five points to WS200 (a round trip TCE basis Houston/Rotterdam of \$50,647 per day), which on the face of it is still not enough to attract ballasters from Europe, so there is scope for further improvement.

Clean

LR2

MEG LR2's saw freight take another tumble this week. Much of the industry has been in Posidonia enjoying the festivities. The TC1 rate for 75kt MEG/Japan dropped another 10% to WS203.61 and the 90kt MEG/UK-Continent TC20 voyage is went from \$6.64 million to \$6.2 million.

West of Suez, Mediterranean/East LR2's flattened out this week. The TC15 index hovered around the \$4-4.1 million level.

LR1

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In the MEG, LR1 freight clung on a bit better than its larger siblings. The 55kt MEG/Japan index of TC5 went from WS251.88 to WS244.69. The 65kt MEG/UK-Continent of TC8 lost \$314,000 of its value to \$4.59 million.

On the UK-Continent, a 60kt ARA/West Africa run on TC16 was recorrected back down ten points to WS163.33 taking the Baltic TCE for the run just below the \$30,000 per day round trip.

MR

MR's in the MEG took another week of downward pressure. The TC17 35kt MEG/East Africa is currently pegged at WS358.57 (-17.14)

On the UK-Continent MR's came off around 20% this week from minimal activity. The 37kt ARA/US-Atlantic coast of TC2 shed 40.62 points to WS154.69 or a Baltic round trip TCE of \$15,585 per day. The TC19 run (37kt ARA/West Africa) also went from WS215.94 to WS175.31.

As USG MR's stole the show last week upwards, this week the shoe was on the other foot and they headed firmly down. TC14 (38kt US-Gulf/UK-Continent) dipped by 42.86 points to WS225.71. The 38kt US Gulf/Brazil on TC18 went from WS342.86 to WS301.43 and the 38kt US-Gulf/Caribbean of TC21 dropped by 22% to \$1.29 million.

Handymax

In the Mediterranean, 30kt Cross Mediterranean (TC6) was battered back down to the tune of 59.45 points to WS218.33. This is still however over \$31,000 per day Baltic round trip.

Up in North West Europe, the TC23 30kt Cross UK-Continent went from WS222.72 to WS209.44.