

## WEEKLY MARKET REPORT

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14<sup>th</sup> June 2024

### **Bulk report – Week 24**

#### Capesize

The Capesize's had a slow start due to holidays in Asia, leading to subdued activity. Early in the week, the Pacific was quieter, with limited trading, leading to a slight dip in the C5 index and the BCI 5TC. The South Brazil and West Africa to China markets initially saw positive sentiment with a significant tightening of tonnage in ballast. As the week progressed, there was a decline in activity in the Pacific, particularly due to a shortage of coal cargoes from East Coast Australia. This led to a further drop in the C5 index and a further decline in the BCI 5TC. However, the Atlantic market experienced a rise in cargo demand, and by Wednesday, several tender cargoes emerged, offering some support. A surge of fixtures occurred late in the day, particularly from South Brazil and West Africa to the Far East, leading to a very bullish market on Thursday. This activity caused substantial increases in the BCI 5TC by \$2,144 and the C3 index, with the latter soaring by \$1.42 to reach \$26.55. As the week comes to a close, a notable gap between bids and offers in the Atlantic has resulted in reduced market activity. This imbalance has also adversely affected the Pacific market, leading to a downturn. Consequently, the BCI 5TC has decreased by \$227, finishing the week at \$24,525.

#### Panamax

The Panamax market encountered significant rises this week. A strong demand push in the Atlantic was for the most part grain centric with decent levels of support found in both the North and South Americas particularly for first half July arrival dates. Interestingly despite making big gains, the trans-Atlantic returned a two-tiered market with mineral business trading at a discount to the grain runs especially ex US East Coast and St Lawrence, where committed tonnage continued at heavily discount rates. An 82,000-dwt delivery Gibraltar agreed to a rate of \$18,000 for a grain trip via North Coast South America redelivery Skaw-Gibraltar whilst reports of a voyage cargo fixed ex St Lawrence to Continent at a timecharter equivalent of \$8,000 highlighting well the wide discrepancy. Indonesia coal demand appeared the main driver for the Pacific this week with plentiful activity and with an improving East Coast South America market, the South remained well supported.

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### Ultramax/Supramax

A story of two halves became evident as the week progressed. The Atlantic gained traction through out mainly led from the North Atlantic with better levels of fresh enquiry and limited prompt tonnage. A 63,000-dwt fixing from US East Coast to West Coast India in the upper \$20,000s. From the South Atlantic the upward curve was slightly more sedate but still stronger numbers were being discussed. A 56,000-dwt fixed delivery East Coast South America for a trip to the central Mediterranean in the mid \$20,000s. That being said, the Asian arena struggled, brokers spoke of little fresh cargo from South East Asia and little excitement from North Pacific and Australasia adding to owners' woes. An Ultramax was heard fixed basis delivery Hong Kong for a trip via Indonesia redelivery Vietnam at \$15,000. Further north, a 63,000-dwt open North China fixed a North Pacific round in the upper \$15,000s. The Indian Ocean also lacked much fresh impetus although a 61,000-dwt fixed a trip delivery Port Elizabeth redelivery China at \$21,000 plus \$210,000 ballast bonus.

### Handysize

A week of change across both basins as the Handysize market saw a new breath of life breathed into the US Gulf with a 38,000-dwt fixing basis Southwest Passage for two to three laden legs with a minimum of 75 days duration to Singapore-Japan at \$16,850 whilst a 39,000-dwt fixed from Tampico via the US to Morocco with a cargo of coal at \$15,000. The Mediterranean similarly saw improvements with a 38,000-dwt fixing from Damietta to the South Atlantic with Steels at \$8,000 whilst a 34,000-dwt was rumored to have fixed from Antalya to the US Gulf with steels in the \$8,000's. In Asia, activity was muted with holidays and a lack of fresh enquiry in general, a 37,000-dwt fixed from Mikawa to South East Asia with a cargo of steel slabs at \$11,500 whilst an open hatched boxed shaped 33,000-dwt was fixed from Ichihara to West Coast India to Arabian Gulf at \$16,500.

## Tanker report – Week 24

### VLCC

The VLCC market continued heading downwards this week with the rate for the benchmark 270,000 mt Middle East Gulf to China falling a further two points to WS51.10 which provides a daily round-trip TCE of \$28,577 basis the Baltic Exchange's vessel description.

In the Atlantic, here too the market was softer. The 260,000 mt West Africa to China was almost two points lower than last Friday at WS56.56 showing a round voyage TCE of

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\$34,982 per day, and the rate for 270,000 mt US Gulf to China fell by \$305,000 to \$8,215,000 corresponding to a round-trip daily TCE of \$40,050.

### Suezmax

The Suezmax market in West Africa outlook reversed the recent drop this week, helped in part by a firming Suezmax market in the US Gulf and Caribbean region. The rate for 130,000 mt Nigeria to UK Continent regained five points to WS113.72 (a daily round-trip TCE of \$58,800). In the Mediterranean and Black Sea region the rate hovered around the WS123 level for the 135,000 mt CPC/Mediterranean route (showing a daily TCE of about \$50,000 round-trip). In the Middle East, the rate for 140,000 mt Middle East Gulf to the Mediterranean (via the Suez Canal) is assessed four points lower than last Friday at around WS100.

### Aframax

In the North Sea, the rate for the 80,000 mt Cross-UK Continent gained another two points to WS174.17 (a daily round-trip TCE of \$67,741 basis Hound Point to Wilhelmshaven).

In the Mediterranean market the rate for 80,000 mt Cross-Mediterranean lost another 19 points to WS162.72 (basis Ceyhan to Lavera, that shows a daily round trip TCE of \$45,784).

Across the Atlantic, rates continue to climb albeit not as sharply as in previous weeks. For the 70,000 mt East Coast Mexico/US Gulf (TD26) the rate was a solitary point firmer at WS246.88 (a daily TCE of \$73,464 round trip) and the rate for 70,000 mt Covenas/US Gulf (TD9) was seven points up on last Friday's rate at WS238.75 (a round-trip TCE of \$64,301 per day). The rate for the trans-Atlantic route of 70,000 mt US Gulf/UK Continent (TD25) rose by 17 points to WS228.61 (a round trip TCE basis Houston/Rotterdam of \$59,746 per day), which might just encourage some ballasters from Europe.

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### Clean

#### LR2

MEG LR2's saw a mixed reaction on freight levels this week. The TC1 rate for 75kt MEG/Japan recovered four points to WS200.56 while the 90kt MEG/UK-Continent TC20 voyage fell by \$168,750 to \$5,925,000.

West of Suez, the Mediterranean/East LR2's did not fare well either, the TC15 index was reduced by \$216,666 to a little over \$3.8 million.

#### LR1

In the MEG, LR1 freight was lower. The 55kt MEG/Japan index of TC5 falling 11 points to just below WS230. The 65kt MEG/UK-Continent of TC8 lost \$193,050 to just above \$4.41 million.

On the UK-Continent, a 60kt ARA/West Africa run on TC16 has lost four points this week to WS157.78 taking the Baltic TCE for the run to about \$27,500 per day round trip.

#### MR

MR's in the MEG took a tumble this week, but from heady heights. The TC17 35kt MEG/East Africa fell from WS365 to WS337 (showing a daily TCE of about \$40,000 per day round trip)

On the UK-Continent MR's, the 37kt ARA/US-Atlantic coast of TC2 recovered 22 points to WS163.44 which translates to a Baltic round trip TCE of \$16,642 per day and the TC19 run (37kt ARA/West Africa) climbed 23 points to WS184.69.

Across the Atlantic, the MR's continued downwards with TC14 (38kt US-Gulf/UK-Continent) collapsing 74 points to WS136.43 (about \$12,300 per day basis a round trip TCE). The 38kt US Gulf/Brazil on TC18 went fell 70 points to WS212.86 (a daily round trip TCE of \$26,327) and the 38kt US-Gulf/Caribbean of TC21 dropped by over 41% to \$680,000.

### Handymax

In the Mediterranean, 30kt Cross Mediterranean (TC6) continued to take a beating with the market reducing by 33 points to WS178.89 (a round trip TCE now of a little under \$20,000 per day). Up in North West Europe, the TC23 30kt Cross UK-Continent went from WS180 to WS167.5.