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WEEKLY MARKET REPORT

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21st June 2024

Bulk report – Week 25

Capesize

The week began quietly due to a holiday in Singapore, leading to a minor initial dip. However, as the week progressed, market activity picked up significantly, especially with the re-entry of miners into the market in the Pacific, which boosted cargo volumes. The Pacific saw a steady increase in activity, helped by an increase in coal shipments from East Coast Australia, with the C5 index experiencing upward trends. By the end of the week, the C5 index had risen, reflecting the healthy cargo volumes and late-week fixtures reaching up to $11.095. In the Atlantic, the market showed robust support, especially for the South Brazil and West Africa to China markets. This increased activity was reflected in the C3 index, which also saw a rise by the week's end to close at $27.375. Notably, the C9 index saw a significant boost due to higher rates for tender cargoes from East Coast Canada to the Far East. Overall, it has been a positive conclusion to a busy week, with the BCI 5TC rising by $526 to reach $26,059.

Panamax

A subdued week for the Panamax sector. Trans-Atlantic trades were few and far between, and a general decline became evident in both grain and mineral demand in the basin. EC South America returned a contrasting week with some mixed rates reported, limited activity overall but P6 index dates appeared well balanced whilst first-half July arrival dates remained softer with committed and ballaster tonnage undermining any potential upside in rates. Typically, midweek fixtures on an Aps load port basis were circa $19,250 + $925,000 basis 82,000-dwt types. The Asian market continued to ease throughout the week, with support hard to come by as the tonnage count continued to grow, and with limited enquiry ex NoPac mineral demand ex Australia and Indonesia returned insufficient to prevent the softening of rates in the arena. On the period front, there were reports of an 82,000-dwt delivery China agreeing $17,500 basis 12/15 months trading.

Ultramax/Supramax

''Steady as she goes'' summarised the week for the sector, while some described the Atlantic as rather positional as rates were under downward pressure in the US Gulf. A 53,000-dwt fixed delivery southwest pass trip to the East Mediterranean in the low $20,000s. Other areas such as the Continent-Mediterranean saw better demand than of late, which helped owners. From the South Atlantic, there was a slight pick-up in levels being traded. An Ultramax was heard to have fixed and EC South America fronthaul at $18,000 plus $800,000. As the week progressed the Asian arena saw demand for backhaul steels and general cargoes from the north, which helped keep owners' expectations high. A 63,000-dwt fixing from North China to the Continent via the Cape at $15,000 for the first 65 days and $18,000 for the balance. From the south, demand remand rather steady, with a 59,000-dwt fixing delivery SE Asia via Australia redelivery WC India at $20,000. Period interest remained fairly slow, although a 64,000-dwt open Thailand fixed for period up to minimum September/maximum December 2024 redelivery worldwide at $19,500.

Handysize

The highlight in the handy sector was the resurgence of the US Gulf with limited tonnage availability helping levels improve substantially. A 37,000-dwt fixing from SW Pass to Ireland at $17,000 whilst a 38,000-dwt fixed from Morocco via the St Lawrence to the Mediterranean with iron ore at $12,000. A 34,000-dwt was fixed from Puerto Cabello for two to three laden legs with Atlantic redelivery at around $13,500. The was also positivity across the Mediterranean and the Continent with improving levels of enquiry, with a 36,000-dwt fixing from Constanta to Morocco at $13,500. The South Atlantic showed negative sentiment as the current supply of cargo was unable to satisfy the demand of open tonnage. In Asia, visible activity was muted with holidays in Singapore also a factor, with a 38,000-dwt fixed from Lianyungang to the Arabian Gulf-West Coast India with steels at $15,500 whilst a 38,000-dwt fixed from Singapore via Cigading to the Continent also with steels at $12,000.

Tanker report – Week 25

VLCC

The VLCC market gently eased further this week with the rate for the benchmark 270,000mt Middle East Gulf to China slipping a point from last Friday to WS49.90, which provides a daily round-trip TCE of $26,482 basis the Baltic Exchange's vessel description.

In the Atlantic, the market was similarly weaker. The 260,000mt West Africa to China was down another point for the week at WS56.22 showing a round voyage TCE of $32,817 per day, and the rate for 270,000mt US Gulf to China fell by $225,000 to $7,975,000 corresponding to a round-trip daily TCE of $37,460.

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Suezmax

The Suezmax market in both West Africa and the Mediterranean/Black Sea region was flat this week. The rate for 130,000mt Nigeria to UK Continent held at the WS112 level (a daily round-trip TCE of around $44,000) and the 135,000mt CPC/Mediterranean route remained close to WS122 (showing a daily TCE of a little above $48,000 round-trip). In the Middle East, the rate for 140,000mt Middle East Gulf to the Mediterranean (via the Suez Canal) is assessed 3.5 points lower than last Friday at just below WS95.

Aframax

In the North Sea, the rate for the 80,000mt Cross-UK Continent shed four points to WS170 (a daily round-trip TCE of $63,274 basis Hound Point to Wilhelmshaven).

In the Mediterranean market the rate for 80,000mt Cross-Mediterranean fell another 7.5 points to WS147.5 (basis Ceyhan to Lavera, that shows a daily round trip TCE of $37,414).

Across the Atlantic, negative waves were also being felt. For the 70,000mt East Coast Mexico/US Gulf (TD26) the rate slipped five points to WS235.63 (a daily TCE of $67,666 round trip) and the rate for 70,000mt Covenas/US Gulf (TD9) was also five points softer at WS225.63 (a round-trip TCE of $58,528/day). The rate for the trans-Atlantic route of 70,000mt US Gulf/UK Continent (TD25) fell back nine points to WS200.56 (a round trip TCE basis Houston/Rotterdam of $49,240/day).

Clean

The BCTI finished the week at 799, down from 831 the previous week.

Rates for MRs in the US have seen increases with plenty of cargoes available for those vessels positioned to take advantage. TC14, 38,000 US Gulf / UK-Continent finished the week up at WS206.43 (+WS70), TC18 the MR US Gulf / Brazil increased from WS212.86 to end the week at WS305 (+WS92.14), and TC21, MR US Gulf / Caribbean again offered increased returns to owners with the index increasing from US$680,000 to US$1,017,857 (+US$337,857).

On the UK-Continent, MRs freight levels have been steadily decreasing with TC2 37,000 UK-Continent / US Atlantic Coast finishing the week at WS154.38, (-WS9.06). TC19 37,000 Amsterdam to Lagos followed the same pattern and finished at WS175.31 (-WS9.39).

TC16, 60k Amsterdam / Offshore Lomé continued its steady decline this quarter and finished the week at WS152.22 (-WS5.56).

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West of Suez, rates on the LR2's, TC15, 80,000 Mediterranean / Japan, also continued to come off ending the week at $3,525,000, a decline of -$291,667 from the week before.

In the Middle East Gulf, freight rates for LR's have barely moved with TC1, 75,000 Middle East Gulf / Japan, finishing the week at WS200.83 (+WS0.27) at a round trip TCE of $49,306/day. This lacklustre movement is reflected in MRs with TC17, 35,000 Middle East Gulf / East Africa, starting the week at WS337.14 and ending up at WS335.36 (-WS 1.78) at a round trip TCE of $39,018/day.

LR1s have also seen similar unspectacular moves over the last week with TC5, 55,000 Middle East Gulf / Japan, creeping up to WS240 from WS229.38 (+WS 10.62). On TC8, Middle East Gulf / UK Continent, rates increased slightly throughout the week finishing at 71.10 $/mt (a lumpsum equivalent of $4.62m).