

WEEKLY MARKET REPORT

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19th July 2024

Bulk report – Week 29

Capesize

It was only on Thursday that the Capesize 5TC climbed to positive territory and became closer to \$25,000. But the correction on Friday eventually settled the week at \$24,652. In the Pacific, there was more resistance from owners towards the end of the week, which pushed C5 to \$9.725 in the end. Meanwhile, more coal cargoes from East Australia to China were fixed on timecharter trips according to report. Brazil to Qingdao had an active week for both first and second half of August loading. C3 stopped drifting for a day but that was not sufficient to cover the retreat felt throughout the week. The north Atlantic felt under pressure in general, transatlantic and fronthaul runs were marked at \$25,750 and \$55,188, respectively.

Panamax

Sentiment in the South Atlantic began to decline for the middle of August liftings below the current prompt levels a 76,000-dwt was rumoured to have fixed basis delivery EC South America on the 13th of August for a front haul requirement at \$17,000 plus a \$700,000 ballast bonus, whilst 80,000-dwt vessel fixed with prompt dates passing Singapore via EC South America to Singapore-Japan at \$15,750 against a mid-August delivery was placed on subjects basis delivery passing. Activity in Asia was also said to be improving, but levels had so far remained balanced with an 84,000-dwt fixing from Kinuura with prompt dates via Eastern Australia to South China at \$15,000; whilst an 81,000-dwt fixed from Lanshan via Nopac to China at \$15,250 earlier in the week. Period activity was also visible with an 81,000-dwt fixing basis delivery in Kaohsiung with prompt dates for five to eight months at \$16,500 and a 76,000-dwt rumoured to have been placed on subjects basis delivery CJK for five to seven months in the upper \$14,000's.

Ultramax/Supramax

With the Atlantic in summer holiday mode, it remained a rather positional market. Sentiment from the US Gulf was mixed, as brokers saw a slight weakening of fronthaul rates whilst trans-Atlantic runs remained fairly firm. A 63,000-dwt fixing delivery US Gulf for a trip to Finland in the low \$26,000s. The Continent – Mediterranean lacked

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much fresh impetus with 63,000-dwt vessels seeing in the \$11,000s for Mediterranean backhauls to US. The South Atlantic remained fairly active although rates for ultramax size hovered around the mid to low \$16,000s plus low to mid \$600,000s ballast bonus. From Asia, brokers said that there remained ample tonnage supply although there were still some reasonable levels achieved. A 61,000-dwt open Anyer fixed a trip via Indonesia redelivery South China at \$19,000. The Indian Ocean lacked fresh enquiry keeping a downward trend some said. Period activity remained rather muted, but a 63,000-dwt open Indian Ocean fixed for 3/5 months trading redelivery worldwide at \$14,500.

Handysize

A week of minimal visible activity across both basins in the handy sector. In the Atlantic, a general lack of fresh cargo enquiry which added pressure to the market. Positivity continued across the South Atlantic with a 43,000-dwt rumoured to be on subjects basis delivery WWR Upriver for early August to West Coast South America intention Ecuador at \$27,500, whilst a 37,000 dwt was fixed delivery South Brazil trip to Continent at \$17,000. With continued improvement, gains were also seen in the US Gulf region this week with 33,000-dwt fixing from Camden via the US East Coast to Turkey with an intended cargo of Scrap at \$17,000. Asia experienced a generally balanced week with backhaul demand and owners' resistance to fix ships for backhaul trips which has some positive impact on the implied rates for the routes, but numbers had remained steady as the week progressed.

Tanker report – Week 29

VLCC

The market held relatively steady this week with enough enquiry to maintain rates. The 270,000mt Middle East Gulf to China trip rose half a point to WS46.9 corresponding to a daily round-trip TCE of \$23,262 basis the Baltic Exchange's vessel description. The 280,000mt Middle East Gulf to US Gulf trip (via the cape/cape routing) is also now assessed +0.65 points at WS47.85.

In the Atlantic market, while the rate for 260,000mt West Africa/China dipped 0.64 points to WS52.33 (which shows a round voyage TCE of \$29,684/day), the rate for 270,000mt US Gulf/China is also \$130,000 softer at \$7,215,000 (\$31,528/day round trip TCE).

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Suezmax

Suezmaxes in West Africa softened this week with activity being notably light. The rate for 130,000mt Nigeria/UK Continent went from WS99.17 to WS94.89 (a daily round-trip TCE of \$34,229). In the Mediterranean and Black Sea region the 135,000mt CPC/Med route, came down 13.2 points to WS105, following a widely reported fixture at that level (showing a daily TCE \$35,925 round-trip). In the Middle East, the rate for 140,000mt Middle East Gulf to the Mediterranean eased by just under four points to around WS88.7.

Aframax

In the North Sea, the rate for the 80,000mt Cross-UK Continent route rocketed another 40 points to WS213.57 (showing a round-trip daily TCE of \$103,055 basis Hound Point to Wilhelmshaven). In the Mediterranean market, the rate for 80,000mt Cross-Mediterranean firmed by another six points to WS220.28 (basis Ceyhan to Lavera showing a daily round trip TCE of \$79,117).

On the other side of the Atlantic, the trans-Atlantic market remained stagnant with the short haul voyages improving. The rate for 70,000mt East Coast Mexico/US Gulf is 33.13 points firmer than a week ago at WS235.63 (a daily round-trip TCE of \$69,181) and the 70,000mt Covenas/US Gulf rate climbed 30 points to WS222.5 (a round-trip TCE of \$57,658/day). Despite this the rate for the trans-Atlantic route of 70,000mt US Gulf/UK Continent didn't budge from WS185 (a round trip TCE basis Houston/Rotterdam of \$43,960/day).

Clean

LR2

LR's in the MEG we subject to downward pressure this week. The 75Kt MEG/Japan TC1 index dropped 12.78 points to WS160.28. Similarly, for a 90kt MEG/UK-Continent TC20 run freight has come down half a million dollars to \$5,230,000.

West of Suez, Mediterranean/East LR2's on TC15 saw a welcome improvement and the index rose just under 10% to \$4,240,000.

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LR1

In the MEG, LR1's have also suffered a sharp cut in freight levels this week. The 55kt MEG/Japan index of TC5 went from WS215.94 to WS188.75. Likewise, on the 65kt MEG/UK-Continent of TC8 lost circa \$514,000 to \$4,730,000.

On the UK-Continent, the 60Kt ARA/West Africa TC16 index readjusted upwards to around the WS145 level where it rests for the moment.

MR

MR's in the MEG held on to enough activity to keep rates from really sliding. The 35kt MEG/East Africa TC17 index, as a result, lost an incremental 8.57 points to WS239.29.

UK-Continent MR's began to optimistically push back up this week. The 37kt ARA/US-Atlantic coast of TC2 hopped up 20 points to WS199.06. TC19 (37kt ARA/West Africa) as usual mirrored this and is currently pegged at WS219 (+20). These improvements have taken the round trip TCE's back into the mid/high-twenties of thousands of dollars per day.

The USG MR's after having managed to climb from the WS140's to WS225's (TC14) began on of their usual downward tracts this week. Within the week TC14 (38kt US-Gulf/UK-Continent) went from WS170 to WS225 and back down to WS170 where it currently lies.

The 38kt US-Gulf/Brazil TC18 run has followed the same pattern going from WS250 to WS300 and now back to WS250. A 38kt US-Gulf/Caribbean TC21 run peaked at \$1,190,000 mid-week but returned back down to \$771,000 by end of the week.

The MR Atlantic Triangulation Basket TCE peaked mid-week around the \$44,000 mark but is now back at \$36,651.

Handymax

In the Mediterranean, Handymax's dropped back this week TC6 30kt Cross-Med index deflated 42.78 points to WS203.89.

Up in northwest Europe, the TC23 30kt Cross UK-Continent managed to climb 15 points up to WS185.