

WEEKLY MARKET REPORT

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20th September 2024

Bulk report – Week 38

Capesize

The Capesize market experienced a week of mixed activity, highlighted by a strengthening Pacific, South Brazil and West Africa to China routes, while the North Atlantic market struggled initially. Early in the week, the Pacific gained momentum with the involvement of all three major miners and increasing fixtures, driving up the C5 index. However, mid-week saw a slight softening as miner activity waned, leading to lower bids and a slight decline in rates. In contrast, the Atlantic, which was initially quiet, showed a gradual recovery. The South Brazil and West Africa routes picked up steam mid-week, with the C3 index significantly firming by Thursday, with rates rising above \$28 for C3 fixtures, supported by a stronger FFA market. As the week draws to a close activity has tapered off both in the Pacific and Atlantic. The BCI 5TC ended the week higher at \$26,826, reflecting improved sentiment, particularly in the latter half.

Panamax

A cautiously optimistic week for the Panamax market as period demand crept into the market, with the Atlantic routes the most prominent risers. This was largely led by solid mineral and grain demand especially from the US Gulf, with an aps rate of \$18,500+\$850,000 reported fixed on a scrubber fitted 82,000-dwt for a trip redelivery China, whereas slight increases seen for rates ex South America for first half October arrival window. In Asia, numerous holidays in the region impacted trading and a two-tier market ensued but overall, it returned a flat week, with NoPac demand being the catalyst for the P3A route hovering flat at around \$14,000 on the week for 82,000-dwt types. In the south of the arena, rates fluctuated but generally hovered around the \$12,000 mark for smaller LME types. Various period deals concluded, the highlight being an 82,000-dwt delivery China achieving close to \$17,000 basis 6/8 months.

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Ultramax/Supramax

Mixed fortunes this week for the sector. The Atlantic was varied with the US Gulf being fairly firm at the beginning of the week but towards the end, some said it had eased. A 64,000-dwt fixing from there for a trip to WC India with petcoke at \$27,50 whilst there was a 63,000-dwt fixed a trans-Atlantic run redelivery East Mediterranean at \$23,000. The South Atlantic lacked fresh impetus and rates remained under downward pressure. The Continent-Mediterranean were described as positional, with a 63,000-dwt fixing from Rotterdam via the Baltic to the East Mediterranean with scrap at \$17,000. The widespread holiday in Asia at the beginning of the week saw a rather slow start, but positive sentiment grew in the latter stages. A 63,000-dwt open South China fixing a trip redelivery Bangladesh in the mid \$20,000s. Demand from Indonesia slowly gathered pace, with a 63,000-dwt fixing delivery Koh Sichang via Indonesia redelivery China at \$16,000. The Indian Ocean saw active rates remain fairly stagnant, with a 56,000-dwt fixing from Durban to China at \$15,500 plus \$155,000 ballast bonus. Period action was limited but a 60,000-dwt open Southeast Asia fixed for 13-15 months trading at \$15,750.

Handysize

Mixed performance this week as activity picked up in the US Gulf, leading to slight increases in rates. A 40,000-dwt open in Houston was fixed via the US Gulf to West Coast South America at \$22,000. However, owners with vessels open in the South Atlantic continued to face limited options, with negative sentiment persisting throughout the week. The Continent -Mediterranean appeared more supported, with prompt cargoes being covered and an uptick in fresh demand, resulting in rates being exchanged a tick above the last done levels. A 39,000-dwt vessel was reported fixed delivery Canakkale to the US Gulf with steels at \$9,500 whilst another 39,000-dwt was fixed delivery Liverpool via Skaw redelivery East Mediterranean with scrap at \$12,750. In Asia, the market remained generally balanced. Despite spot orders being covered and the cargo book shrinking, vessels were still in demand.

Tanker report – Week 38

VLCC

The VLCC market has continued to firm with overall gains made in all sectors, although again this week not so much in the Atlantic. The 270,000 mt Middle East Gulf to China trip rose another 5.5 points week-on-week to WS60.05, which gives a daily round-trip TCE of \$39,068 basis the Baltic Exchange's vessel description.

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In the Atlantic market, the rate for 260,000 mt West Africa/China climbed 3.5 points to WS61.83 (corresponding to a round voyage TCE of \$41,457/day), whilst the rate for 270,000 mt US Gulf/China bounced around the \$7,500,000 mark, printing on Thursday at 7,512,500 (\$35,467/day round trip TCE).

Suezmax

Suezmax rates have not shrunk back, and in some areas, owners have managed to force rates upwards. In West Africa, the 130,000 mt Nigeria/UK Continent voyage recovered a singular point to WS79.64 (a daily round-trip TCE of \$27,540). The TD27 route (Guyana to UK Continent basis 130,000mt) was assessed on Thursday at WS78.5, which is also up a point, translating into a daily round trip TCE of \$26,537 basis discharge in Rotterdam.

In the Mediterranean and Black Sea region the rate for 135,000 mt CPC/Med finally rose, improving by 11.5 points week-on-week to WS91.45 (showing a daily TCE of \$27,979 round-trip). In the Middle East, the rate for 140,000 mt Middle East Gulf to the Mediterranean (via the Suez Canal) gained a point to around the WS95/96 level.

Aframax

In the North Sea, the rate for the 80,000mt Cross-UK Continent remained at WS115 (translating to a daily round-trip TCE of \$21,507, which is about \$1,000/day more than a week ago, basis Hound Point to Wilhelmshaven).

In the Mediterranean market the rate for 80,000mt Cross-Mediterranean slipped two points to WS117.5 (basis Ceyhan to Lavera, that shows a daily round trip TCE of \$24,398).

Across the Atlantic, the market has again softened further with the 70,000mt East Coast Mexico/US Gulf (TD26) route and the 70,000mt Covenas/US Gulf (TD9) route each losing six points over the week to around the WS91/91.5 level (a round-trip TCE of a little over \$9,000/day for either voyage). The rate for the trans-Atlantic route of 70,000mt US Gulf/UK Continent (TD25) lost 15 points to WS101.67 (a round trip TCE basis Houston/Rotterdam of \$17,005/day).

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Clean

LR2

LR's in the MEG showed the optimistic beginnings of freight improvement this week after a somewhat lengthy lull. TC1 added 10.84 to its value points leaving the index currently at WS140.28 with the Baltic TCE for the run crept up to a few hundred dollars shy of \$30,000/day. For a trip west on a TC20 we have seen the index rise 5% or \$181,684 to the \$4.48m level. West of Suez, Mediterranean/East LR2's on TC15 ticked back up over the \$3m mark this week to \$3.01m. The Baltic TCE for the run is still under \$10,000/day (currently \$8,063/day) but market improvement will definitely draw some optimism.

LR1

In the MEG, LR1's also added some value this week albeit a little more modestly. On a TC5 run 55,000 CPP AG/Japan the index rose 6.87 points to WS162.5. For a voyage west on TC8, there has also been a hop up to the tune of \$125,450 to take the route to \$3.8m. On the UK-Continent, the TC16 index held resolute to continue along at the WS115 mark all week.

MR

MEG MR's have taken a reconfirm down early on this this week. The TC17 index dipped 19.29 points to WS210 on Tuesday where it has remained stable for the moment.

UK-Continent MR's looked took some downward pressure this week. TC2 has shed 10.89 points to WS123.29 and TC19 similarly lost 11.88 points to WS143.18.

Some ups and downs on USG MR rates this week albeit of small magnitude from what the market is capable of. TC14 ultimately climbed 5.72 points to WS136.43 compared to this time last week via a peak WS143.21 in the middle of the week. TC18 mirrored this behaviour and is currently pegged at WS190.36 (up WS6.79) but topped out at WS193.57 mid-week. For a run down to the Caribbean on TC21, we saw the index reach a ceiling of \$620,714 and is currently assessed at \$600,000, up \$17,857 from last week. The MR Atlantic Triangulation Basket TCE lost \$237 to \$23,133.

Handymax

In the Mediterranean, Handymax's were relatively muted this week and ticked up 4.02 points to WS132.91. Up on the UK-Continent, the TC23 hovered around the high WS160's - low WS170's all week.