

## WEEKLY MARKET REPORT

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27<sup>th</sup> September 2024

### **Bulk report – Week 39**

#### Capesize

This week saw significant positive momentum in the Capesize market. The BCI 5TC surged by \$3,436, closing the week at \$30,598, driven largely by robust activity in the North Atlantic region. Monday began with an encouraging uptick in both the Pacific and North Atlantic, pushing the BCI to \$27,162. Despite some uncertainty in the Pacific due to a miner withdrawing from the market, overall demand for forward dates provided support mid-week. The South Brazil and West Africa to China markets remained relatively subdued but showed resilience as offers held firm at \$28 on C3 and above. North Atlantic routes played a key role throughout the week, with consistent gains in transatlantic and fronthaul routes. By Thursday, the C8 index surged by \$6,535 to \$29,071, driven by key fixtures from a major charterer followed by a further increase of \$2,715 on Friday, to end the week at \$31,786. Overall, while the Pacific basin experienced some flatness, the Atlantic strength propelled the market forward, leading to a bullish end to the week.

#### Panamax

A lethargic week for the Panamax market, with limited action in the Atlantic in the South whilst the North of the region fared marginally better but insufficient to prevent the slow drifting of rates. Unsurprisingly activity eased in Asia, as the week progressed with impending Golden Week holidays, and despite some injection of fresh demand ex NoPac, this failed to make any profound impact, and rates drifted. Back in the Atlantic, voyage rumours referenced \$54,000 fio being agree for a US Gulf to China grain cargo for October dates, but precise details were lacking. In Asia, reports of \$15,000 being achieved a few times for NoPac trips on index type tonnage delivery Japan/Korea. Better period activity came to light this week, unconfirmed reports of \$17,000 being agreed for one year on a scrubber 82,000-dwt type delivery Japan, whilst \$17,000 was also achieved on an 76,000-dwt, delivery China basis 4/6 months.

#### Ultramax/Supramax

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A rather lacklustre week from an Atlantic perspective with little excitement and rates generally losing ground as fresh demand remained weak from key areas. The South Atlantic particularly saw limited fresh enquiry a 60,000-dwt fixing from Santos to Chittagong at \$15,500 plus \$550,000 ballast bonus. From the US Gulf a 57,000-dwt fixed a trip to the East Mediterranean at \$18,500. By contrast the Asian arena started the week optimistically, a 63,000-dwt open China fixing a trip to Bangladesh at \$18,750, Further south, a 56,000-dwt open Manila fixed a trip via Indonesia redelivery Bangladesh at \$19,000. Whilst demand remained from the Indian Ocean rates remained relatively flat, a 63,000-dwt fixing delivery South Africa for a trip the Far East in the mid \$15,000s plus very low \$500,000s ballast bonus. However, with the upcoming holidays in China demand slowed as the week ended. Period action in the first half saw a 63,000-dwt open North China fixing short period at \$18,250.

### Handysize

This week, the market saw a mixed performance with slight movements across both basins. Both the Continent and Mediterranean regions continued their positive momentum and market appearing more supported with rates edging slightly above previous levels. A 37,000-dwt open Varna 27 Sept reported fixed delivery aps Constanza to redelivery Banjul with grains \$11,000. In contrast, the South Atlantic faced ongoing challenges, with a lack of fresh inquiries and minimal activity. The U.S. Gulf market also remained subdued, showing signs of weakening support. A 37,000-dwt open Houston 24 Sep fixed delivery Southwest Pass redelivery Tampico (Gulf of Mexico) with grains \$17,000. In the Pacific, activity stayed robust, with sentiment maintaining an optimistic tone, tonnage availability remained tight, while the cargo book showed healthy volumes. A 37,000-dwt vessel open in Tianjin was reported fixed a trip to Indonesia \$16,500.

## Tanker report – Week 39

### VLCC

The VLCC market peaked early in the week, and by Wednesday was falling back steadily. The 270,000 mt Middle East Gulf to China trip fell 6 points to WS54.35 which gives a daily round-trip TCE of \$32,152 basis the Baltic Exchange's vessel description.

In the Atlantic market, the rate for 260,000 mt West Africa/China dropped 5 points to WS57.22 (corresponding to a round voyage TCE of \$35,610 per day), whilst the rate for 270,000 mt US Gulf/China managed to remain relatively steady, losing \$55,000 week-on-

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week to \$7,477,500 (\$34,367 per day round trip TCE), however there are reports of an Admic vessel on subjects to Resource Marine loading 3rd decade October at \$8,000,000 late on Thursday.

### Suezmax

Suezmax rates have fallen away this week. In West Africa, the 130,000 mt Nigeria/UK Continent voyage shrunk by 6 points to WS73 (a daily round-trip TCE of \$22,791). The TD27 route (Guyana to UK Continent basis 130,000mt) was assessed on Thursday, 4 points lower at WS75 which translates into a daily round trip TCE of \$23,624 basis discharge in Rotterdam. In the Mediterranean and Black Sea region the rate for 135,000 mt CPC/Med eased back 6 points to WS84.60 (showing a daily TCE of \$21,841 round-trip. In the Middle East, the rate for 140,000 mt Middle East Gulf to the Mediterranean (via the Suez Canal) remained around the WS95 level.

### Aframax

In the North Sea, the rate for the 80,000mt Cross-UK Continent again remained at WS115 (translating to a daily round-trip TCE of \$21,099 basis Hound Point to Wilhelmshaven).

In the Mediterranean market the rate for 80,000mt Cross-Mediterranean contracted by 7 points to WS108.89 (basis Ceyhan to Lavera, that shows a daily round trip TCE of \$19,340).

Across the Atlantic, the market softened further in an attempt to find the new low. The 70,000mt East Coast Mexico/US Gulf (TD26) route and the 70,000mt Covenas/US Gulf (TD9) route both printed at WS84.69 on Thursday, between 5-6 points lower than a week ago showing a round-trip TCE of \$5,727 and \$6,686 per day, respectively). The rate for the trans-Atlantic route of 70,000mt US Gulf/UK Continent (TD25) was static at the WS101/102 mark (a round trip TCE basis Houston/Rotterdam of \$16,173 per day).

### Clean

#### LR2

LR's in the MEG continued their upward track this week albeit in a somewhat restrained fashion. TC1 climbed 6.64 points taking the index to WS147.78. For a voyage to the west on TC20 the index rose a modest 78,000 to around the \$4,610,000 mark.

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West of Suez, Mediterranean/East LR2's on TC15 held relatively flat seeing an incremental improvement of \$37,500 to \$3,090,000.

### *LR1*

In the MEG, LR1's hopped up optimistically early in the week. On a TC5 run 55kt CPP AG/Japan the index jumped 7.5 points to WS170 points where it looks to have plateaued for the moment. For a voyage west on TC8 the index has settled up at the end of the week at \$3,900,000 (+\$71,500) .

On the UK- Continent, the TC16 index held firm for the second week on week at around the WS115 level.

### *MR*

MEG MR's have taken yet another recorrect down this week. The TC17 index was assessed 24.29 points lower than this time last week to WS185.

UK-Continent MR's faced their own woes this week. TC2 dropped nearly 20% across the week and saw the index dip below WS100 for the first time since September 2021, its currently marked at WS94.56. TC19 in turn also shed 23.75 points off its value to WS113.83.

USG MR's had their fair share of negative pressures this week. TC14 went from WS135 to WS120 with the Baltic TCE for the run just managing to hold over the \$10,000 per day round trip. TC18 followed and is currently pegged at WS171.43 (down WS17.5). For a run down to the Caribbean on TC21 we saw the index cut down a little over 20% to \$477,143, the lowest it's been for a year.

The MR Atlantic Triangulation Basket TCE lost \$5,645 to \$16,251.

## Handymax

In the Mediterranean, Handymax's were battered down 29.72 points to WS102.91 and the Baltic round trip TCE for the run now only at \$200 per day at this level.

On the UK-Continent, the TC23 dropped from WS160.68 to WS126.94