

WEEKLY MARKET REPORT

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18th October 2024

Bulk report – Week 42

Capesize

This week began with optimism, particularly in the Pacific, which saw early strength, buoyed by improved demand from miners and fresh coal cargoes. However, the momentum quickly reversed as the week progressed, and by midweek, market sentiment was bleak. The C5 route rates dropped from \$10.25 to end the week at \$8.965. The South Brazil and West Africa to China routes similarly softened, with a widening gap between bids and offers and C3 rates correcting downward from the low \$25s to \$22.1 by weeks end. The North Atlantic felt mixed throughout with some transatlantic activity, but overall softening with fronthaul rates dropping substantially from \$48,206 to \$41,094. Overall, the BCI 5TC had lost \$4,997 over the week, closing at \$18,875, reflecting the accelerating market decline.

Panamax

A lethargic week for the Panamax market saw a brief rally in trans-Atlantic activity towards the end, but otherwise, there was minimal action on fronthaul trips from both the South and North, leading to a slow drift in rates. An 82,000-dwt delivery Continent secured \$18,000 for a trip via the US East Coast redelivery India with coal, but activity was otherwise muted. The Pacific market also remained sluggish, with disappointing demand out of NoPac and Australia failing to support rates. Over the course of the week, numbers for longer runs drifted lower, as seen when an 82,000-dwt delivery China fixed at \$11,400 for an EC Australian round trip on Friday, down from \$14,000 for the same run and vessel type on Tuesday. This illustrates the gradual decline in rates. With limited support from the FFA market, period activity was unsurprisingly restricted, though there were reports of a 76,000-dwt delivery China fixing at \$14,200 for one-year employment.

Ultramax/Supramax

Two sides of a coin this week for the sector as the Atlantic generally saw upward momentum whilst the Asian arena lost ground. The high point from the Atlantic remained the US Gulf which saw stronger numbers being achieved predominately for trans-Atlantic runs, although fronthaul gained a little. An Ultramax was heard fixed for a trip to the East

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Mediterranean in the mid \$26,000s and for fronthaul runs a 63,000-dwt fixed around \$24,000. The South Atlantic remained finely balanced, although there seemed to be a bit of demand from North Coast South America, a 63,000 fixing a trip from North Brazil to the Mediterranean at \$21,000. By contrast, the Pacific lacked fresh impetus and tonnage availability grow. A 56,000-dwt fixing delivery Vietnam for a round voyage via Indonesia at \$14,000. Also, a 63,000-dwt open Indonesia fixed a trip via Australia redelivery Arabian Gulf at \$18,000. Demand remained from the Indian, with Ultramax sizes seeing \$20,000 plus \$200,000 ballast bonus for trip from South Africa to India.

Handysize

Generally, the market has seen a mixed performance this week. In the Continent and Mediterranean, limited information emerged and rates remained generally stable around recent levels. A 37,000-dwt open in Skikda was fixed for a trip to North France with clinker at \$12,000. In contrast, the South Atlantic and U.S. Gulf markets showed strong fundamentals and positive sentiment driven by robust demand for October dates and tight tonnage availability. A 37,000-dwt open in Praia Mole secured a trip to the Caribbean, intention Rio Haina at \$16,000. Additionally, a 36,000-dwt was fixed for a trip from SWP to NCSA at \$13,500. In Asia, the market showed signs of softening, however sentiment remains optimistic supported by healthy cargo volumes and a decent clearing of prompt vessels. A 37,000-dwt vessel was fixed for delivery from Hong Kong (12-15 Oct) for a trip via Vietnam to Singapore with cement at \$12,750. On the period side, a 32,000-dwt vessel open in Chittagong was fixed for 4 to 6 months at \$12,850.

Tanker report – Week 42

VLCC

The VLCC market ceased the recent decline. The 270,000 mt Middle East Gulf to China trip marginally improved by 1 point to WS56.60 which gives a daily round-trip TCE of \$34,839 basis the Baltic Exchange's vessel description.

In the Atlantic market, the rate for 260,000 mt West Africa/China ended the week 1.5 points up at WS61.11 (corresponding to a round voyage TCE of \$39,968 per day), and the rate for 270,000 mt US Gulf/China dipped \$97,500 week-on-week to \$8,300,000 (a daily round trip TCE of \$40,988), although at time of writing \$8,100,000 is reported to be on subjects.

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Suezmax

Suezmax owners managed to recover recent market rate losses. In West Africa, the 130,000 mt Nigeria/UK Continent voyage (TD20) rose 3 points to WS99.64 (a daily round-trip TCE of \$38,250). The TD27 route (Guyana to UK Continent basis 130,000 mt), fared a little better to be on a par with TD20, rising 8 points to WS100, which translates into a daily round trip TCE of \$38,300 basis discharge in Rotterdam. In the Mediterranean and Black Sea region, the rate for 135,000 mt CPC/Med had a much better week, climbing 14 points to WS114.70 (showing a daily TCE of \$44,964 round-trip). In the Middle East, the rate for 140,000 mt Middle East Gulf to the Mediterranean (via the Suez Canal) gained a further 1.5 points to WS105.06.

Aframax

In the North Sea, the rate for the 80,000 mt Cross-UK Continent held steady at WS122.92 (translating to a daily round-trip TCE of just over \$26,500 basis Hound Point to Wilhelmshaven).

In the Mediterranean market, the rate for 80,000 mt Cross-Mediterranean dipped slightly by 1 point to WS176.94 (basis Ceyhan to Lavera, that shows a daily round trip TCE of about \$53,400).

Across the Atlantic, the market fell again. Rates for the 70,000 mt East Coast Mexico/US Gulf (TD26) route and the 70,000 mt Covenas/US Gulf (TD9) route fell 10-11 points each, showing a daily round-trip TCE of \$37,705 and \$42,536, respectively. The rate for the trans-Atlantic route of 70,000 mt US Gulf/UK Continent (TD25) recovered 3 points to WS174.44 (a round trip TCE basis Houston/Rotterdam of \$41,555 per day).

Clean

LR2

LR's in the MEG began showing signs of recovery after some time paused at WS115. TC1 ticked up 10.28 points at the end of the week to WS125.28 and for a trip west on TC20 the index climbed \$56,646 to \$4.16m.

West of Suez, Mediterranean/East LR2's on TC15 held stable and was assessed around the \$2.8m mark all week.

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LR1

In the MEG, LR1's to the East also saw a little improvement in freight levels this week. The TC5 index 55kt CPP AG/Japan was marked 11.25 points up on this time last week to WS136.88. On the other side of the coin, a voyage west on TC8 lost a little value to currently sit at \$3.52m (-\$85,000).

On the UK-Continent, the TC16 market didn't dipped a meagre 0.83 points to WS108.61.

MR

MEG MR's dropped off a little after peaking at WS241.43 early in the week. The TC17 index as a result was assessed 5 points weaker than last week and currently sits at WS236.41.

UK-Continent MR's were steady this week. TC2 hovered around the high WS80's – low WS90's, ultimately the index dipped by 3%. TC19 followed suit, reaching WS120.63 in the earlier part of the week to tick back up to WS125.63 by the end.

USG MR's came back under heavy downward pressure this week. TC14 was cut back down to the tune of 66.43 points to WS130.71. TC18 suffered the same fate shedding 66.43 points to WS182.86. For a trip down to the Caribbean on TC21, a 42% cut on freight levels saw the index dip 42.4% to \$514,286.

The MR Atlantic Triangulation Basket TCE came off by \$11,728 to \$17,218.

Handymax

In the Mediterranean, Handymax's continued their current upturn as the TC6 index climbed 31.95 points to WS158.89.

Up on the UK-Continent, the TC23 held flat this week in the mid WS130's.