

## WEEKLY MARKET REPORT

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**25<sup>th</sup> October 2024**

### **Bulk report – Week 43**

#### Capesize

The Capesize market faced a persistent downturn this week, with the Baltic 5TC declining daily to end at \$15,395, down \$2,779 from Monday. In the Pacific, limited mining demand early in the week led to a softening in the C5 route, hindered by a growing tonnage list. However, there were slight rate improvements that surfaced midweek, supported by stronger FFA market. Meanwhile, the South Brazil and West Africa to China markets saw varied activity, with C3 bids around the low \$20s, although by the end of the week a \$20.85 fixture emerged on C3, showing some mixed resilience. The North Atlantic experienced significant pressure, with both transatlantic and fronthaul routes recording considerable declines, particularly impacting the C9 index, which saw notable dips. By week's end, some fresh fronthaul cargo from EC Canada hinted at potential demand recovery in an otherwise subdued Atlantic basin.

#### Panamax

This week saw continued downward pressure across the market, with both the Atlantic and Pacific basins struggling to gain momentum. Early in the week, both regions experienced growing tonnage lists, leading to rate declines, particularly in the Pacific. The P5TC index dropped steadily, reaching \$10,945 by Friday.

In the Atlantic, weak cargo availability and increasing vessel supply contributed to sliding rates. Although there was some grain activity from East Coast South America (ECSA), it failed to halt the downward trend, with rates at around \$12,750 for a trip redelivery Singapore-Japan range. Meanwhile, the Pacific showed more resilience, supported by consistent demand for Indonesian routes with rates around \$12,000 all week. By midweek, the market appeared to be searching for a floor, with some resistance from Owners in the East, while the North Atlantic remained particularly fragile. Despite a slight increase in grain activity towards the end of the week overall sentiment remained cautious, and further rate erosion is possible without an increase in cargo volumes.

There was some period activity with an 82,000-dwt fixed for 4/6 months at \$14,500 and another reported fixed for 5/7 months at \$15,000.

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### Ultramax/Supramax

It was a highly positional week. Those with vessels available in the US Gulf likely fared the best, as rates remained relatively strong, with Ultramax sizes seeing fronthaul rates in the mid \$20,000s. However, the South Atlantic was a rather muted affair with tonnage availability growing and limited fresh enquiry. A 56,000-dwt vessel was fixed at around \$12,500-\$13,000, plus a ballast bonus of \$250,000-\$300,000 for a fronthaul. Slightly better demand was noted from the Continent, with increased scrap demand; a 60,000-dwt reported fixed delivery Antwerp, heading to the East Mediterranean at \$21,000. In contrast, the Asian arena faced downward pressure, as tonnage supply exceeded demand in both the northern and southern regions. A 56,000-dwt fixed delivery Koh Sichang, making a trip via Indonesia redelivery in China at \$13,000. Further north, a 63,000-dwt fixed delivery Japan, undertaking a North Pacific round trip with redelivery to Southeast Asia in the very low \$13,000s. The Indian market appeared patchy, with a 56,000-dwt vessel fixed delivery EC India for a trip to China at \$8,750.

### Handysize

Generally, the market has seen a mixed affair this week. In the Continent and Mediterranean regions, there is a sense of stability, supported by a healthy cargo book especially increasing scrap orders. A 39,000-dwt open Rotterdam 21 Oct reported fixed delivery Skaw via Mukran for a trip redelivery Conakry with grains at \$13,000. In the U.S. Gulf and South Atlantic region, market fundamentals remained strong and contributes a positive outlook with rates were edging slightly higher. A 38,000-dwt reported fixed for delivery South West Pass to redelivery West Coast South America at \$17,500. A 40,000-dwt open Barranquilla was fixed delivery aps Santa Marta to redelivery Spain with coal at \$15,000. Meanwhile, the Pacific market was showing softer sentiment due to increasing tonnage and limited cargo availability from the North Pacific and Australia. A 38,000-dwt open Qingdao was fixed via South East Asia to Continent / Baltic with steels at \$13,800 for first 70 days than \$16,000. On the period side, sources indicate that inquiry was generally limited this week, with operators showing reluctance to take on risks as we move into Q1.

## Tanker report – Week 43

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### VLCC

The VLCC market held at the levels reported last week in the East, while a mixed reaction was seen in the Atlantic. The 270,000 mt Middle East Gulf to China (TD3C) trip remained at the WS57 level which gives a daily round-trip TCE of about \$35,100 basis the Baltic Exchange's vessel description.

In the Atlantic market, the rate for 260,000 mt West Africa/China (TD15) ended the week 1 point up at WS62.83 (corresponding to a round voyage TCE of \$41,447 per day), and the rate for 270,000 mt US Gulf/China (TD22) dropped by \$162,500 to close the week at \$8,032,500 (a daily round trip TCE of \$38,581), although at time of writing \$8,000,000 is reported to be on subjects for a trip the South Korea.

### Suezmax

Suezmax rates slipped globally this week. In West Africa, the 130,000 mt Nigeria/UK Continent voyage (TD20) eased by a point to WS97.89, meaning a daily round-trip TCE of \$36,675. The TD27 route (Guyana to UK Continent basis 130,000 mt), fell by 4 points to WS95.56, which translates into a daily round trip TCE of \$35,092 basis discharge in Rotterdam. For the TD6 route of 135,000 mt CPC/Med, the charterers were able to gain a little more control, and the rate slid 2 points to WS112.65 (showing a daily TCE of \$42,798 round-trip). In the Middle East, the rate for the TD23 route of 140,000 mt Middle East Gulf to the Mediterranean (via the Suez Canal) is assessed 3 points lower than a week ago at WS101.94.

### Aframax

In the North Sea, the rate for the 80,000 mt Cross-UK Continent (TD7) firmed by 19 points to the WS145 mark (giving a daily round-trip TCE of just over \$44,300 basis Hound Point to Wilhelmshaven).

In the Mediterranean market, the rate for 80,000 mt Cross-Mediterranean (TD19) steadily fell by 11 points over the week to WS165.22 (basis Ceyhan to Lavera, that shows a daily round trip TCE of about \$46,961).

Across the Atlantic, the market continues to decline. Rates for the 70,000 mt East Coast Mexico/US Gulf (TD26) route and the 70,000 mt Covenas/US Gulf (TD9) route fell about 20 points each to the WS151 level, showing a daily round-trip TCE of about \$33,800 and

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\$30,800, respectively. The rate for the trans-Atlantic route of 70,000 mt US Gulf/UK Continent (TD25) was reduced by 14 points to WS169.17 (a round trip TCE basis Houston/Rotterdam of \$39,203 per day), which, for the time-being, should keep ballasters from Europe out of the equation.

### Clean

#### *LR2*

LR2's in the MEG came back under downward pressure this week, with several reports of demand easing up. TC1 dropped 13.05 points to WS120.28 mark (A Baltic TCE of around \$22,000 / day). Meanwhile, a run to the UK-Continent on TC20 shed around \$231,000 of its value to the \$3.96m level, with the round trip TCE around the \$36,000 / day mark via Suez.

West of Suez, Mediterranean/East LR2's despite a dormant market, saw a \$16,667 improvement on TC15 taking the index up to \$2.9m.

#### *LR1*

In the MEG, LR1's were also put under pressure this week after starting positively. The TC5 index was ultimately squashed by 10 points to WS128.13 and similarly for a trip to the UK-Continent on TC8, dipped by \$213,000 to \$3.35m.

On the UK- Continent, TC16 remained flat again with the index floating around the WS108-109 level.

#### *MR*

MEG MR's came under the same pressure that the LR's did this week. The TC17 run as a result dipped 31.42 points to WS204.29.

UK-Continent MR's saw enough activity to keep the indices bubbling along at the same levels. TC2 has held in the WS90-95 region with TC19 also floating around WS125-130 level.

USG MR's trajectory slowed and plateaued this week. TC14's overall value lost 6.07 points to WS129.29 and TC18 weakened by 9.64 points to WS174.29. Meanwhile a run to the Caribbean on TC21 sunk back was cut down 22% to \$394,286 this impacted the TCE for the run by 64% and is now only \$3,900/day on a Baltic description round trip.

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The MR Atlantic Triangulation Basket TCE dropped from \$18,165 to \$15,669.

### Handymax

In the Mediterranean, Handymax's were pushed down later in the week after holding out in the mid WS150's for a few days, the TC6 index came down to WS148.61 (-11.11). Up on the UK-Continent, the TC23 index remained stable at the high WS130's to low WS140's all week.