

WEEKLY MARKET REPORT

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1st November 2024

Bulk report – Week 44

Capesize

The Capesize market reflected a gradual softening this week, especially in the Atlantic, where activity remained sparse and transatlantic fixtures weakened. The week opened with limited interest from miners in the Pacific, further compounded by disruptions at Chinese ports due to adverse weather. The Atlantic also faced downward pressure throughout the week, with the C3 index easing consistently due to an abundance of vessels in ballast. The North Atlantic market saw limited activity early in the week, with TA rates initially dropping while fronthaul held firm. Despite an uptick in activity midweek, driven by an increase in coal cargoes from East Australia, the Pacific market softened again as Singapore prepared for Deepavali. The C5 index oscillated slightly, ending the week at \$8.60. The Singapore holiday on Thursday curtailed activity, leading to flatness in the Pacific, though Brazil and South Africa markets saw steady demand. By the end of the week, the BCI 5TC held steady, closing at \$15,329, a slight decline of \$36.

Panamax

A week blighted by various holidays, unexpectedly a slower pace in both basins. Much of the focus in the Atlantic came from trans-Atlantic runs, the early part of the week seeing a mini push, with reports of an 82,000-dwt delivery Continent achieving \$9,500 for a trip via US Gulf redelivery this side, the headline. Further South, rates came under pressure as limited trade and a softer outlook ensued. Asia remained steady but unspectacular all week, primarily led by strong grain demand. However, an oversupply of nearby tonnage kept rates in check, varying rates agreed but the mean average of \$11,500 returned the benchmark on 82,000-dwt types delivery China for NoPac round trips. Indonesian coal demand was mostly

endorsed by smaller/older types with rates flat at around the \$12,000 mark. Period activity remained meagre, although reports emerged of an 82,000-dwt type delivery China fixing basis 1 year on an index linked basis at 112% of the BPI.

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Ultramax/Supramax

It was a rather poor week for the sector, not helped by widespread holidays in both Europe and Asia. The Atlantic struggled to gain any traction with demand from the Americas thinning and downward pressure on rates being seen. A 63,000-dwt fixing from the US Gulf to China at \$22,500. Further south, a 64,000-dwt fixed from EC South America for a trans-Atlantic run at around \$17,000-\$18,000. The Continent / Mediterranean remained finely balanced, although a 56,000-dwt fixed delivery Continent trip East Mediterranean with scrap at \$15,000. The recent declines seen from the Asian arena continued with supply outnumbering demand and prompt tonnage readily available. A 61,000-dwt fixed delivery Koh Sichang via Indonesia redelivery S. China at \$13,000. The Indian Ocean also came under pressure a 61,000-dwt fixing delivery South Africa trip to China at \$18,000 plus \$180,000 ballast bonus. Period activity remained very languid, a 58,000-dwt open Vietnam fixing 4 to 6 months trading at \$13,500.

Handysize

The sector saw limited visible activity across both basins this week. In the Continent and Mediterranean regions, the market remained finely balanced, showing some support with rates edging slightly above previous levels. A 33,000-dwt open Teesport 3-5 November heard fixed delivery passing Skaw via Rostock to Algeria with grains at \$12,000. The U.S. Gulf and South Atlantic saw generally quiet week overall and market fundamentals showed little change with rates generally holding steady around last done levels. A 37,000-dwt fixed delivery Upriver for a trip to redelivery Greece at \$17,000. A 39,000-dwt open Mobile 2 November was heard fixed for short trip redelivery US Gulf with petcoke at \$16,500. In Asia, the tonnage count has been increasing throughout the week, leading downward pressure on rates and anticipating further market softening. A 37,000-dwt fixed delivery dop Cebu prompt trip to redelivery Pakistan with bulk cargo at \$11,000.

Tanker report – Week 44

VLCC

The VLCC market dropped of this week across all areas. The 270,000 mt Middle East Gulf to China (TD3C) trip lost 4 points to WS52.85, which gives a daily round-trip TCE of about \$31,265 basis the Baltic Exchange's vessel description.

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In the Atlantic market, the rate for 260,000 mt West Africa/China (TD15) tumbled 8 points at WS54.39 (corresponding to a round voyage TCE of \$33,451 per day), and the rate for 270,000 mt US Gulf/China (TD22) dropped by \$230,000 to close the week at \$7,777,500 (a daily round trip TCE of \$37,437).

Suezmax

Suezmax rates suffered another drop in value. In West Africa, the 130,000 mt Nigeria/UK Continent voyage (TD20) slipped 4 points to WS94.83, meaning a daily round-trip TCE of \$35,857. The TD27 route (Guyana to UK Continent basis 130,000 mt), eased 3 points to WS91.44 which translates into a daily round trip TCE of \$33,602 basis discharge in Rotterdam. For the TD6 route of 135,000 mt CPC/Med, owners gave up another 5 points, at WS106.10 (showing a daily TCE of \$38,628 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 again, at WS98.06.

Aframax

In the North Sea, the rate for the 80,000 mt Cross-UK Continent (TD7) fell 13 points to the WS130 mark (giving a daily round-trip TCE of just over \$32,000 basis Hound Point to Wilhelmshaven).

In the Mediterranean market the rate for 80,000 mt Cross-Mediterranean (TD19) collapsed by 42 points to WS121.00 (basis Ceyhan to Lavera, that shows a daily round trip TCE of about \$27,400).

Across the Atlantic, the market spent another week in decline mode. Rates for the 70,000 mt East Coast Mexico/US Gulf (TD26) route and the 70,000 mt Covenas/US Gulf (TD9) route fell another 5-6 points each to the WS142.5-145 level, showing a daily round-trip TCE of about \$28,500 and \$31,400, respectively. The rate for the trans-Atlantic route of 70,000 mt US Gulf/UK Continent (TD25) fell by WS4 points to WS159.72 (a round trip TCE basis Houston/Rotterdam of \$36,754 per day).

Clean

LR2

MEG LR2's have been subject to bearish sentiment over the last week with tonnage plentiful. Freight levels have dwindled as result, TC1 75kt MEG/Japan has taken a 12.5-

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point tumble to WS105 and TC20 90kt MEG/UK-Continent shed another \$200,000 to \$3.75m.

West of Suez, Mediterranean/East LR2's have clung on this week. TC15 is currently pegged at \$2.97m, a just under \$80,000 step up and taking the Baltic round trip TCE to \$7,662 /day.

LR1

In the MEG, LR1's have also been lacklustre from depleted enquiry. TC5 55kt MEG/Japan came off 5 points to WS121.79 and on a trip west on TC8 65kt MEG/UK-Continent fell from \$3.34m to \$2.14m.

On the UK-Continent, TC16 remained dormant with the index assessed around WS110 all week.

MR

MEG MR's also saw their freight levels drop this week. Subsequently, the TC17 index has dropped from WS193.71 to WS170 despite enquiry reported to have been a little better.

UK-Continent MR's continued to be squeezed this week. The TC2 37kt ARA/US-Atlantic coast index came off 7.5 points to WS84.38 and likewise TC19 37kt ARA/West Africa sunk to WS114.69 (-11.87).

USG MR's resurged optimistically last week. TC14 jumped 42.5 points to WS176.07. TC18 also shot up to WS222.14 (+47.14). TC21 added 72% to its value from last week and is currently pegged at \$728,571 up from \$423,571.

The MR Atlantic Triangulation Basket TCE climbed from \$17,548 to \$24,633.

Handymax

Mediterranean Handymax's dipped from WS145.28 to WS140.56.

Up on the UK-Continent, TC23 came down circa 10 points to WS128.33.