

WEEKLY MARKET REPORT

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15th November 2024

Bulk report – Week 46

Capesize

The Capesize market showed a strong overall performance this week, with the Baltic 5TC gaining momentum and rising significantly from Monday's \$20,872 to end the week at \$26,777. Early week enthusiasm in the Pacific came from high activity levels on C5, with miners securing fixtures at improving rates, peaking at \$10.60-\$10.75 levels by week end. This was helped by an increase in operator activity. The South Brazil and West Africa to China markets also saw considerable rate increases as offers hovered around \$25.00 basis C3, with fixtures holding in the \$24.00 range for December dates mid-week, before pushing up to \$26.00 as the week draws to a close. In the North Atlantic, the Transatlantic and fronthaul routes saw activity pick up, supporting a sharp hike in rates by mid-week, and ending the week at \$26,943 (C8) and \$47,200 (C9) respectively.

Panamax

The week returned a strange feel for the Panamax market. Underlying factors in the North Atlantic suggested the gains seen would be more significant but failed to materialise as much as anticipated by some. Elsewhere, rates mostly ticked up on the back of reasonable demand versus a balanced tonnage count. Much of the better numbers for Transatlantic were said to be longer than index duration trips to the East Mediterranean, \$11,000 being agreed on an 75,000-dwt delivery France for a trip via US Gulf to Egypt with redelivery Cape Passero. Asia returned a mixed bag, steady activity in the North, with sound grain demand ex NoPac, whilst the South appeared slightly slower, with the headline being an 82,000-dwt delivery Japan achieving \$14,750 for a NoPac round trip redelivery Singapore-Japan. An uptick in period activity this week with reports emerging of a scrubber fitted 82,000-dwt delivery China achieving \$15,000 basis 2 years trading.

Ultramax/Supramax

An interesting week, with many describing the market as positional, as owners' opportunities and expectations are largely shaped by where their vessels are open. In the Atlantic, results were mixed: while the US Gulf remained relatively subdued, the Continent saw a bit more optimism, driven by stronger demand. A 60,000-dwt fixing from

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the North Continent to the East Mediterranean at \$19,750. However, demand from the West Mediterranean was tempered by the volume of vessels open in the east Mediterranean, a 61,000-dwt fixing from Port Said to West Africa at \$11,500. EC South America remained patchy, a 61,000-dwt fixing from Recalada to the UK-Continent at \$17,000. From Asia, however it remained rather poor, a 58,000-dwt fixing delivery Pusan for a NoPac round redelivery SE Asia at \$9,000. Further south, limited demand from Indonesia saw a 63,000-dwt open Indonesia fixing a trip to China in the mid \$13,000s. The Indian Ocean, whilst demand remained again rates remained rather underwhelmed, a 56,000-dwt fixing delivery Richards Bay for a trip to India at \$12,750 plus \$127,500 ballast bonus.

Handysize

Another challenging week for the sector as sentiment remained poor both in the Atlantic and Pacific arenas. In the Continent and Mediterranean market, sentiment remained largely positional, with minimal activity recorded. The rates held rather steady, hovering around previous levels. A 39,000-dwt open Teesport prompt heard fixed delivery passing Skaw trip via Baltic redelivery East Mediterranean with scrap at \$15,000. The overall tone in both the U.S. Gulf and South Atlantic markets remained negative, driven by ongoing increase in available tonnage, which has exerted downward pressure on freight rates. In the U.S Gulf, a 32,000-dwt heard fixed delivery Houston for a trip redelivery Algeria with grains \$11,000. In the South Atlantic, a 36,000-dwt open Venezuela 18/21 Nov were fixed delivery dop via Atl. Colombia to Denmark with coal at \$11,000. The Pacific market also had another quiet week with limited fixing activity reported, the tonnage list appearing relatively longer and the cargo book sees little to no change. A 37,000-dwt open Singapore 6th Nov fixed delivery Singapore redelivery PG at \$13,000 and a 28,000-dwt heard fixed delivery South Philippines via SE Asia to Far East at \$8,000.

Tanker report – Week 46

VLCC

The VLCC market rebounded this week. The 270,000 mt Middle East Gulf to China trip (TD3C) recovered 5 points to WS54.10 which gives a daily round-trip TCE of \$32,383 basis the Baltic Exchange's vessel description.

In the Atlantic market, the rate for 260,000 mt West Africa/China (TD15) has improved by 3.5 points to WS55.72 (corresponding to a round voyage TCE of \$34,637 per day),

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while the rate for 270,000 mt US Gulf/China (TD22) dropped by another \$237,500 to \$7,300,000 (a daily round trip TCE of \$33,599).

Suezmax

Owners have been under pressure again this week with all the Baltic Exchange Suezmax routes losing ground. In West Africa, the 130,000 mt Nigeria/UK Continent voyage (TD20) fell by another 8 points to WS75.67, meaning a daily round-trip TCE of \$24,416. The TD27 route (Guyana to UK Continent basis 130,000 mt) went a bit further, dropping 12 points to WS72.22 which translates into a daily round trip TCE of \$21,983 basis discharge in Rotterdam. For the TD6 route of 135,000 mt CPC/Med, yet another 6 points were pulled from owners with the route now assessed at WS90.48 (showing a daily TCE of \$26,626 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) lost a point to WS91.22.

Aframax

In the North Sea, the rate for the 80,000 mt Cross-UK Continent route (TD7) fell about 4 points to WS121.25 (giving a daily round-trip TCE of \$25,204 basis Hound Point to Wilhelmshaven).

In the Mediterranean market, the rate for 80,000 mt Cross-Mediterranean (TD19) eased 3 points to WS118.31 (basis Ceyhan to Lavera, that shows a daily round trip TCE of \$24,387).

Across the Atlantic, again the market spent the week in the doldrums, although there is a little bit of positivity expected over the next few days with tightening positions and available cargoes. Rates for the 70,000 mt East Coast Mexico/US Gulf route (TD26) and the 70,000 mt Covenas/US Gulf route (TD9) fell 21-22 points each to the WS95-97.5 level, showing a daily round-trip TCE of about \$10,300 and \$10,600, respectively. The rate for the trans-Atlantic route of 70,000 mt US Gulf/UK Continent (TD25) lost 17 points to WS111.11 (a round trip TCE basis Houston/Rotterdam of \$19,537 per day).

Clean

LR2

LR's in the MEG have not had an easy week with plenty of available tonnage. The 75kt MEG/Japan TC1 index bubbled around the WS95 level. The 90kt MEG/UK-Continent

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TC20 run to the UK-Continent did, however, suffer after several fixtures reported mid-week at around the \$2.85m level have driven the index down the \$2.91m (-\$550,000).

West of Suez, Mediterranean/East LR2's on TC15 came down another \$166,666 to \$2.67m.

LR1

In the MEG, LR1 freight was a mixed bag this week. The 55kt MEG/Japan index of TC5 ticked up from WS103.75 to WS106.25 after a couple of fixtures reported later in the week. The 65kt MEG/UK-Continent of TC8 was a different story, and currently pegged at \$2.52m (-\$314,600).

On the UK-Continent, the 60kt ARA/West Africa TC16 index remained stable at WS112-113 all week.

MR

MR's in the MEG were flat this week. The 35kt MEG/East Africa TC17 index ultimately dipped a modest 2.86 points to WS167.14.

UK-Continent MR's showed a late week flutter of improvement. The 37kt ARA/US-Atlantic coast of TC2 came up 5 points to WS90.31. Similarly, TC19 (37kt ARA/West Africa) bottomed out at WS121.88 mid-week and is back up at WS126.25 at present.

The USG MR's showed an inkling of the volatility they've become known for again this week. TC14 (38kt US-Gulf/UK-Continent) sunk to WS137.14 from WS162.5 only to then return to WS146.79 across the last 5 working days. The 38kt US Gulf/Brazil on TC18 mirrored TC14 bottoming out at WS185.71 from WS210.36 and is currently WS196.43. The 38kt US-Gulf/Caribbean TC21 trip pumped is currently marked at \$464,286 down from \$605,000 with a stop at \$400,000 mid-week.

Handymax

In the Mediterranean, Handymax's went sub WS100 this week -6.39 to WS95.83 taking the Baltic TCE for the trip into the negative.

Up in North West Europe, the TC23 30kt Cross UK-Continent regained a little to WS120.28 (+3.61).