

WEEKLY MARKET REPORT

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22th November 2024

Bulk report – Week 47

Capesize

The Capesize market experienced a challenging week, marked by a gradual softening across both basins. Monday began quietly, with rates in the Pacific and from South Brazil and West Africa to China sliding amidst limited fresh cargo and standoffish sentiment between owners and charterers. The North Atlantic showed early signs of tonnage build-up, adding downward pressure. As the week progressed, the Pacific basin experienced notable corrections, where C5 rates dropped by a dollar, driving the Baltic C5TC down by nearly \$3,000 to \$23,291. Activity from South Brazil and West Africa to China as well as the North Atlantic remained muted, with softer spot fixtures reflecting weaker sentiment. Midweek, the Pacific rebounded slightly, buoyed by robust activity from all three major miners and improved coal demand, which nudged C5 rates upward. Despite this, the Atlantic remained subdued, with limited movement on C3. The week concluded with steady but uninspiring Pacific trading, while Atlantic's sluggishness persisted, reflected in a softer BCI 5TC, closing the week at \$21,778.

Panamax

Despite healthy activity, the Panamax sector continued on its turbulent path this week. There are still mixed views in the Atlantic, the grain versus mineral spread seemingly still exists, whilst fronthaul in general has witnessed further softening of levels. So, we end the week with rates mostly broadside. The Atlantic witnessed better volume but it was still limited chiefly to trans-Atlantic trips where a steady flow ensued, an 82,000-dwt delivery NW Africa fixing at \$12,000 for a US Gulf round redelivery Atlantic, vessel's favourable delivery reflective in rate. Despite steady activity, it returned an unspectacular week in the Asian basin. The longer NoPac and Australia round trips were sparse against tonnage count, but did include an 82,000-dwt delivery Korea agreeing \$11,000 for a trip via EC Australia redelivery China. We end the week in need of a fresh injection if we are to see any sustainable improvements. Period news included reports of an 85,000-dwt delivery China achieving \$15,700 for 12 months period.

Ultramax/Supramax

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Another rather sombre affair for the sector, certainly in the Atlantic as downward pressure remained in most areas. Whilst there had been a bit of activity from the US Gulf rates in the region remained relatively poor. A 63,000-dwt fixing from here to the East Mediterranean at \$19,000. The South Atlantic lacked fresh impetus a 64,000-dwt was heard fixed from EC South America for a fronthaul in the \$14,000s plus low \$400,000s ballast bonus. As week ended, the Asian arena seemed to have turned a corner as demand increased both from the north. A 63,000-dwt was heard fixed basis delivery CJK for a NoPac round redelivery South Korea at \$12,000. Further south, a 55,000-dwt fixing delivery Singapore trip via Indonesia to China in the mid \$10,000s. Period action remained muted, but a 64,000-dwt was fixed basis delivery Far East January 2025 for 2 years trading at 117 percent of BSI 58.

Handysize

This week, the market has shown a mixed performance across the regions. In the Continent and Mediterranean, there's a sense of stability, supported by a healthy cargo book and ongoing scrap orders. For instance, A 34,000-dwt open Gijon heard fixed delivery APS Rotterdam redelivery East Mediterranean with scrap in the \$12,000. In the South Atlantic, market fundamentals remained strong particularly for larger sizes indicating continued support. A 41,000-dwt open Vitoria 20 Nov fixed delivery APS Recalada for trip to Peru at \$20,000. In contrast, the U.S. Gulf is experiencing a sluggish market with limited activity and a continued downward trend, driven by an oversupply of tonnage. A 40,000-dwt open East coast Mexico reported fixed delivery Southwest Pass to redelivery West Coast Central America at \$16,500. 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 heard fixed delivery DOP Indonesia via West Australia to Indonesia with salt at \$13,000.

Tanker report – Week 47

VLCC

The VLCC market began the week in a seemingly robust position with indications of market improvement following on from the Bahri event last week, to then be recorrected back down. The TD3C benchmark 270,000 mt Middle East Gulf to China went from WS56.8, peaking at WS58.8 is currently marked at WS53.95, providing a daily round-trip TCE of \$32,721 basis the Baltic Exchange's vessel description.

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In the Atlantic, the market followed the same behaviour as the MEG. The 260,000 mt West Africa to China peaked mid-week at a little over WS60 returning down to WS57.17 and showing a round voyage TCE of \$36,653 per day. The rate for 270,000 mt US Gulf to China remained stable in the \$7.3 - \$7.4m region all week corresponding to a round-trip daily TCE of \$35,415.

Suezmax

The Suezmax market in West Africa took showed signs of a modest upturn this week. The rate for 130,000 mt Nigeria to UK Continent climbed 4.45 points to WS79.56 (a daily round-trip TCE of \$26,866). In the Mediterranean and Black Sea region the rate managed to tick over the WS90 level for the 135,000 mt CPC/Mediterranean route (showing a daily TCE of about \$26,505 round-trip). In the Middle East, the rate for 140,000 mt Middle East Gulf to the Mediterranean (via the Suez Canal) is assessed 1.06 points higher than last Friday at WS92.

Aframax

In the North Sea, the rate for the 80,000 mt Cross-UK Continent crept up to WS126.33 (+WS5.5) generating a daily round-trip TCE of \$29,324 basis Hound Point to Wilhelmshaven.

In the Mediterranean market the rate for 80,000 mt Cross-Mediterranean hopped up to the tune of 18.91 points to WS137.72 (basis Ceyhan to Lavera, that shows a daily round trip TCE improvement on 38% of \$34,303).

Across the Atlantic, rates spiked early in the week to then pause and loose a little steam. For the 70,000 mt East Coast Mexico/US Gulf (TD26) the rate was ultimately 14.45 points firmer a WS113.89 (a daily TCE of \$17,632 round trip) and the rate for 70,000 mt Covenas/US Gulf (TD9) was 15 points up on last Friday's rate at WS112.5 (a round-trip TCE of \$16,780 per day). The rate for the trans-Atlantic route of 70,000 mt US Gulf/UK Continent (TD25) rose by 15.28 points to WS133.61 (a round trip TCE basis Houston/Rotterdam of \$27,559 per day).

Clean

LR2

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MEG LR2's saw freight levels improve incrementally this week. The TC1 rate for 75kt MEG/Japan added 4.45 points to its value taking the index to WS100.28 while the 90kt MEG/UK-Continent TC20 voyage climbed by \$193,813 to \$3.04m.

West of Suez, the Mediterranean/East LR2's were somewhat muted, the TC15 index managed to recover a modest \$20,833 to a little over \$2.65 million.

LR1

In the MEG, LR1's indicated some positive trend this week. The 55kt MEG/Japan index of TC5 went up 3.44 points to WS108.75 and the 65kt MEG/UK-Continent of TC8 added \$85,800 to hold just over \$2.58 million.

On the UK-Continent, a 60kt ARA/West Africa run on TC16 continued long the WS112.5-115 path holding the Baltic TCE for the run to about \$15,500 per day round trip.

MR

MR's in the MEG remained relatively flat. The TC17 35kt MEG/East Africa hopped up 3.57 points to WS170 (showing a daily TCE of about \$13,510 per day round trip).

On the UK-Continent MR's, the 37kt ARA/US-Atlantic coast of TC2 jumped up 38.13 points to WS129.69 which translates to a Baltic round trip TCE of \$10,794 per day and the TC19 run (37kt ARA/West Africa) climbed 30 points to WS157.81.

Across the Atlantic, the MR's also improved from this time last week. TC14 (38kt US-Gulf/UK-Continent) hopped up 14.28 points to WS164.64 (about \$18,692 per day basis a round trip TCE). The 38kt US Gulf/Brazil on TC18 went from WS200.71 to WS216.79 (a daily round trip TCE of \$27,707) and the 38kt US-Gulf/Caribbean of TC21 cranked up 26% to \$677,143.

Handymax

In the Mediterranean, 30kt Cross Mediterranean (TC6) continued upward with gusto, the index settled 72.22 points higher than last week at WS176.11.

Up in Northwest Europe, the TC23 30kt Cross UK-Continent went from WS121.39 to WS163.89.