

## WEEKLY MARKET REPORT

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14<sup>th</sup> February 2025

### **Bulk report – Week 07**

#### Capesize

The Capesize market saw a generally softer trend this week, with the 5TC declining over the first three days before stabilising as activity picked up to close at \$5,939. However, this still reflected a week-on-week loss of over \$1,000, marking its lowest level since late February 2023, and the lowest time-charter average among the four dry bulk sectors. In West Australia, cyclone conditions disrupted operations at Port Hedland and Dampier, while a fire was reported at the Praia Mole Coal Terminal in Brazil. C3 Tubarao to Qingdao and C5 West Australia to Qingdao routes closed the week at \$16.755 and \$6.03 respectively. A growing number of ballasters were observed in the South Atlantic, with some competing with vessels in the Continent-Mediterranean region for transatlantic and fronthaul business. C8 the transatlantic round voyage was marked at \$3,643 whilst C9 the fronthaul run stood at \$24,906. A 208,000-dwt Newcastlemax was fixed for 20-22 months at \$26,000.

#### Panamax

A week of steady declines for the Panamax market returned this week. With the North Atlantic basin under pressure for most part, resistance proved to be mostly scarce. This resulted in charterers driving down bids, noticeably for the few trans-Atlantic runs available. South America for the nearby dates remained discounted, whereas for index dates, some support was evident as seen by an 82,000-dwt delivery Singapore achieving \$10,000 for a trip via South America redelivery Singapore-Japan. Asia bucking the trend for the first part of the week returned decent levels of activity culminating in firmer rates, only for rates to plateau a little as the week ended. NoPac rounds hovered around the \$10,000 mark with several deals concluded, whilst from Australia the mean average was circa \$9,000 for round trips. There was some heightened period activity seen this week, the highlight being \$14,750 agreed both on an 82,000-dwt delivery China fixed basis 5/7 months, and an 85,000-dwt delivery Bangladesh for 11/13 months period charter.

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### Ultramax/Supramax

Another buoyant week for the sector, as renewed interest pushed demand up, helping rates gain ground in most regions. The Atlantic saw stronger demand from the East Mediterranean, brokers said, although fixing information remained limited. From the US Gulf, better levels were seen again, with a 63,000-dwt fixing a trip from the US Gulf to the Far East in the mid-\$19,000s. Meanwhile, in the South Atlantic, a 63,000-dwt fixed delivery Recalada for a trip to the Continent at around \$20,000. Positive sentiment remained in Asia, with a 63,000-dwt fixing delivery South China for an Australian round at \$10,000, while better demand on backhaul runs saw a 58,000-dwt securing mid-\$10,000s for a trip from China to the Mediterranean. The Indian Ocean lagged slightly, with a 56,000-dwt fixing delivery Port Elizabeth for a trip to China at \$9,000 plus a \$90,000 ballast bonus. Period interest remained, with a 56,000-dwt open Mediterranean fixed at the beginning of the week for 4 to 6 months' trading, redelivery worldwide, at around \$11,000.

### 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 35,000-dwt heard fixed delivery Continent redelivery East Mediterranean with scrap in the \$9,000s. In the South Atlantic, market fundamentals remained strong particularly for larger sizes and indicating continued support. A 40,000-dwt fixed delivery Recalada trip to redelivery WC Central America at \$18,000. In contrast, in the US Gulf, although rates were gently improving, overall action was minimal comparing to other routes. A 38,000-dwt reported fixed delivery South West Pass to redelivery Balboa-Puerto Quetzal range with agriproducts \$11,800. Meanwhile, in Asia, the market remains strong, with a healthier demand-supply balance, particularly in Southeast Asia, where several strong fixtures were reported. A 40,000-dwt heard fixed Kunsan spot fixed for trip delivery South Korea to redelivery West Coast of India with steel products at \$12,000.

## Tanker report – Week 07

### VLCC

An active week in the VLCC sector has enabled charterers to drag the rates down, although there is resistance from owners which is edging the rates back up today. The 270,000 mt Middle East Gulf to China trip (TD3C) fell to mid-WS50s early in the week

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but has now gained a couple of points since, ultimately losing 7 points over the week to end up at WS59.40. The corresponding round-trip TCE is \$37,525 per day basis the Baltic Exchange's vessel description.

In the Atlantic market, the rate for 260,000 mt West Africa/China (TD15) fell to below WS60 early in the week and has now risen to the WS62 level, a week-on-week reduction of 6 points. This gives a round voyage TCE of just over \$40,000 per day. The rate for 270,000 mt US Gulf/China (TD22) lost nearly \$500,000 to end the week at \$8,347,500 which shows a daily round trip TCE of \$41,811.

### Suezmax

Suezmax owners have come under pressure this week, although activity in the US Gulf region has given owners a glimmer of hope. The rate for 130,000 mt Nigeria/UK Continent voyage (TD20) has been pushed down 6 points to WS88.61, meaning a daily round-trip TCE of \$34,785, while the TD27 route (Guyana to UK Continent basis 130,000 mt) only lost a point to WS87.5, which translates into a daily round trip TCE of \$33,856 basis discharge in Rotterdam. For the TD6 route of 135,000 mt CPC/Med, there are due to be a monster 39 cargoes in March, and the market has run with this news. The rate has been pushed up 5 points this week so far to WS104.50 (showing a daily TCE of a \$41,011 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) dropped 2 points to WS91.22.

### Aframax

In the North Sea, the rate for the 80,000 mt Cross-UK Continent route (TD7) remained flat at the WS107.5 level, giving a daily round-trip TCE of \$25,619 basis Hound Point to Wilhelmshaven.

In the Mediterranean market, the rate for 80,000 mt Cross-Mediterranean (TD19) has been pushed up again by 20 points to WS153.06 (basis Ceyhan to Lavera, that shows a daily round trip TCE of \$44,666).

Across the Atlantic, the market has stagnated. The 70,000 mt East Coast Mexico/US Gulf route (TD26) and the 70,000 mt Covenas/US Gulf route (TD9) has fallen 4 points to settle on Thursday at the WS113-114 level, which shows a daily round-trip TCE of about \$15,000 and \$16,000, respectively.

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The rate for the trans-Atlantic route of 70,000 mt US Gulf/UK Continent (TD25) also slumped by 4 points to WS128.61 (giving a round trip TCE basis Houston/Rotterdam of \$26,814 per day).

### Clean

#### LR2

MEG LR2's saw an uptick in enquiry this week leading to a gentle upturn in freight levels. TC1 75kt MEG/Japan climbed 22.5 points to WS125.56 and TC20 90kt MEG/UK-Continent went from \$3.3m to \$3.63m.

West of Suez, Mediterranean/East LR2's of TC15 remained quiet this week and the index dropped 5% to \$2.99m.

#### LR1

LR1's also crept upwards this week. The TC5 55kt MEG/Japan index added 8.75 points to take it to WS129.69. A voyage Westwards on TC8 65kt MEG/UK-Continent settled at the end of the week at \$2.61m up from \$2.5m.

On the UK-Continent, the TC16 60kt ARA/West Africa index dipped from WS132.22 to WS128.06.

#### MR

MR's in the MEG held resolute at WS190 all week which is where the TC17 35kt MEG/East Africa index is currently pegged. The Baltic TCE for the runs remains around the \$16,000 /day round trip.

UK-Continent MR's crumbled this week. The TC2 index 37kt ARA/US-Atlantic coast notably had its 50-point rise of last week recorrected back down over the course of 72 hours seeing the index go from WS163.44 to bottom out at WS116.88 by close of play Wednesday. The index has since returned to WS125.63 (\$10,340 /day Baltic round trip). The TC19 run of 37kt ARA/West Africa continues to pay a circa WS22.5 point premium over TC2.

In the US Gulf, lack of enquiry and continued trepidation has led to TC14 38kt US-Gulf/UK-Continent sinking from WS106.43 to WS94.29. The TC18 the 38kt US Gulf/Brazil index mirrored TC14 and dropped 9.64 points to WS146.43. A Caribbean

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run on TC21, 38kt US-Gulf/Caribbean also lost 16% of its value to be assessed at \$410,714.

### Handymax

BCTI Handymax routes dropped in value across this week. In the Mediterranean, TC6 index lost 33.05 points to WS166.39 and up on the UK-Continent the TC23 30kt Cross UK-Continent went from WS205.28 to WS172.22.