

WEEKLY MARKET REPORT

Provided by kind permission of the Baltic Exchange

8th November 2024

Bulk report – Week 45

Capesize

The Capesize market experienced steady improvement this week, supported by robust demand and active trading in both the Atlantic and Pacific basins. Starting the week on a stable note, the BCI 5TC index rose gradually from \$15,332 on Monday to close at \$19,210 by Friday. In the Pacific, consistent activity from the miners and the operators, combined with weather-related delays, fuelled rate increases. The C5 index climbed from \$8.820 on Monday to settle at \$9.78 by Friday, as fixtures ranged from \$8.70 to \$9.80 later in the week. Meanwhile, the Atlantic basin also strengthened, especially from South Brazil, where a prominent miner's demand helped lift the C3 index from \$20.380 on Monday to \$22.145 by weeks end. The North Atlantic markets saw significant support, with TA and fronthaul indices notably increasing, reflecting tight tonnage and an increase in volumes.

Panamax

With confined demand globally, it proved to be a challenging week for owners with a slow and steady erosion of rates in the Panamax market, culminating in the 5TC average losing further value. With limited action of note in the Atlantic, rates here came under the most pressure with charterers holding the upper hand, although delivery DOP was still evident several times for Transatlantic as tonnage count remained low. Fronthaul activity for mid-November arrival ex South America continued to be fixed basis APS&BB, \$14,000 + \$400,000 agreed on a couple of occasions, highlighting the negative market trend here. In Asia, decent specification 82,000-dwt types for trips via NoPac were able to achieve rates well into the \$11,000s during the early part of the week. However, with limited mineral trade, this had eroded down to rates in the \$10,000s as the week ended. Limited period activity but did include reports of an 82,000-dwt delivery China achieving \$16,900 basis 9/12 months.

Ultramax/Supramax

Another meagre week for the sector with very little encouragement from an owner's perspective. The Atlantic continued to slide, as the South Atlantic, whilst seeing a reasonable amount of enquiry remained over supplied with tonnage, a 56,000-dwt fixing

WEEKLY MARKET REPORT

Provided by kind permission of the Baltic Exchange

delivery Rio Grande trip to US East Coast in the low \$17,000s. From the North Atlantic little demand was seen. Again, rates remained under downward pressure. A Supramax was rumoured fixed from The US Gulf for a fronthaul at around \$18,000. The Continent-Mediterranean similarly lacked fresh impetus. As prompt tonnage availability remained healthy from the Asian arena, there was no end in sight to the downward trend, a Supramax open South Korea was heard to have been fixed for a NoPac round in the low \$10,000s. Limited enquiry further south saw a 63,000-dwt fixing from Indonesia to China at \$16,000. The Indian Ocean fared little better, a 63,000-dwt fixing a salt run from Kandla to China at \$12,000.

Handysize

It has been a challenging week for the sector, with rates in both the Atlantic and Pacific regions continuing to face downward pressure. In the Continent and Mediterranean, the overall sentiment remains stable, with fixtures emerging that suggest rates are holding steady at levels similar to the most recent deals. A 39,000-dwt open Amsterdam fixed for a trip via Murmansk to Brazil at \$13,000. In the U.S. Gulf and South Atlantic regions, sentiment remained soft in general with the increase in available tonnage and limited activity which has kept pressure on rates. A 39,000-dwt heard fixed delivery Houston 10/15 Nov for a trip to Egypt Med with grains at \$16,500. And a 37,000-dwt open Paranagua fixed delivery Recalada to South Africa with grains at \$17,000. The Pacific market also remained under pressure; rates were generally dipping below previous levels across the region. A 39,000-dwt open Fremantle 13-16 Nov fixed trip via Kwinana to Cigading with wheat at \$17,500. In the period market, a 38,000-dwt open Casablanca fixed for 4-6 months redelivery WW at \$13,750.

Tanker report – Week 45

VLCC

The VLCC market lost ground again this week. The 270,000 mt Middle East Gulf to China (TD3C) trip is now 6 points lower than a week ago at WS47.05, which gives a daily round-trip TCE of \$24,373 basis the Baltic Exchange's vessel description.

In the Atlantic market, the rate for 260,000 mt West Africa/China (TD15) has been reduced by 3 points to WS50.78 (corresponding to a round voyage TCE of \$29,004 per day), and the rate for 270,000 mt US Gulf/China (TD22) dropped by another \$187,500 to \$7,562,500 (a daily round trip TCE of \$35,108).

WEEKLY MARKET REPORT

Provided by kind permission of the Baltic Exchange

Suezmax

Suezmax rates have struggled again this week. In West Africa, the 130,000 mt Nigeria/UK Continent voyage (TD20) fell by 9 points to WS85.44, meaning a daily round-trip TCE of \$29,866. The TD27 route (Guyana to UK Continent basis 130,000 mt), dropped by 6 points to WS85.25, which translates into a daily round trip TCE of \$29,478 basis discharge in Rotterdam. For the TD6 route of 135,000 mt CPC/Med, another 6 points were extracted from owners to settle the end of the week at WS96.75 (showing a daily TCE of \$31,200 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 4 points lower than a week ago, at WS93.11.

Aframax

In the North Sea, the rate for the 80,000 mt Cross-UK Continent (TD7) fell about 3 points to WS125 (giving a daily round-trip TCE of a little over \$28,100 basis Hound Point to Wilhelmshaven).

In the Mediterranean market the rate for 80,000 mt Cross-Mediterranean (TD19) has steadied and settled at the WS121.5 mark (basis Ceyhan to Lavera, that shows a daily round trip TCE of about \$25,730).

Across the Atlantic, the market spent yet another week in 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 11-12.5 points each to the WS132 level, showing a daily round-trip TCE of about \$23,800 and \$25,400, respectively. The rate for the trans-Atlantic route of 70,000 mt US Gulf/UK Continent (TD25) dumped 26 points to WS133.89 (a round trip TCE basis Houston/Rotterdam of \$27,248 per day).

Clean

LR2

Tonnage has remained plentiful for MEG LR2's this week. As a result, we have seen TC1 75kt MEG/Japan drop to less the WS100 for the first time since July 2023, with index dropping 8.61 points WS95.83. The TC20 90kt MEG/UK-Continent came down \$262,500 to \$3.49m where it looks to have plateaued for the moment.

West of Suez, Mediterranean/East LR2 freight dipped a little this week. TC15 is currently marked at \$2.85m (-\$127,083).

WEEKLY MARKET REPORT

Provided by kind permission of the Baltic Exchange

LR1

In the MEG, LR1's have followed the same path of their larger counterparts in the region. The TC5 55kt MEG/Japan index lost 16.56 points to WS105, and on a trip west on TC8 65kt MEG/UK-Continent fell from \$3.21m to \$2.87m.

On the UK- Continent, TC16 remained flat with the index assessed around WS111 all week.

MR

MEG MR's also saw their freight levels hold this week. Subsequently, the TC17 index looked to have reached a floor for the moment the index sat at WS170 all week.

UK-Continent MR's managed to hold on to levels despite limited activity. The TC2 37kt ARA/US-Atlantic coast index remained level around the WS85 and the delta to expanded as the TC19 37kt ARA/West Africa index ticked up 10.93 points to WS125.31.

USG MR's lost a little steam this week and vessels continued to ballast into the region. TC14 shed 11.78 to WS167.86. TC18 also came down to WS217.14, down 12.15 points from this time last week. TC21 dipped 17% or \$107,000 to \$655,000.

The MR Atlantic Triangulation Basket TCE climbed from \$24,451 to \$22,939.

Handymax

Mediterranean Handymax's came off for the second week on week seen in the TC6 index going from WS141.94 to WS117.78.

Up on the UK-Continent, TC23 dropped another 11.67 points this week to WS116.39.