

## WEEKLY MARKET REPORT

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**06<sup>th</sup> December 2024**

### **Bulk report – Week 49**

#### Capesize

The Capesize market faced a challenging week, with the BCI 5TC steadily declining, shedding \$3,909 across the week to close at \$12,727, reflecting subdued sentiment and oversupply of tonnage in both basins. While the Pacific saw intermittent injections of fresh cargo, oversupply of tonnage persistently weighed on rates, with the C5 index dropping from \$8.705 on Monday to end the week at \$7.415. Limited fixtures from West Australia to China underscored the subdued activity, despite occasional support with coal cargoes from East Australia. The Atlantic market struggled similarly, particularly the South Brazil and West Africa to China markets, where muted demand and an oversupply of ballasters weighed on rates. The C3 index fell from \$19.19 to end the week at \$17.48. However, as the week draws to a close, brokers observed some resistance from Owners on C3, while the North Atlantic displayed signs of a potential recovery. Slightly firmer fixtures began to emerge, hinting at possible upside.

#### Panamax

Mid-week saw life injected into the market across most areas of the Atlantic. Decent levels of both grain and mineral demand added some impetus to a stagnant market and small gains were witnessed. A mini-rally emerged ex South America with improved offers being hit for end December arrival dates in which many felt would seep into January arrival rates but has yet to be fully tested, with \$14,500+\$450,000 delivery load port arguably the highlight this week on a decent spec 82,000-dwt for end December arrival. From Asia, little excitement as limited fresh enquiry from both Australia and NoPac came into play, but the market was said to have found something a floor as the week concluded. An 82,000-dwt delivery Korea was reported fixed at \$11,000 for a NoPac round trip with grains. Period action was limited, although reports emerged of a new building 82,000-dwt delivery ex yard China fixing at \$14,250 basis 10/15 months.

#### Ultramax/Supramax

Another rather protracted week for the sector as rates across most areas struggled to gain any positive momentum. In the Atlantic, both the north and south lacked much fresh impetus. Brokers said little demand was seen from the south however there was a plentiful supply on tonnage. From the US Gulf a rather uneventful week, a 56,000-dwt

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was fixed delivery Port Arthur for a short trip to Spain at \$20,000. Demand from the Mediterranean waned, a 63,000-dwt fixing delivery Damietta redelivery EC South America at \$6,000. From the Asian arena, it is a similar story as vessel availability was easily sufficient to keep up with demand. From the north, a 64,000 fixed delivery CJK for a NoPac round redelivery Philippines at \$11,000. Further south, a 56,000-dwt fixed delivery Singapore via Indonesia redelivery SE Asia at \$12,000. The Indian Ocean was described as positional, a 64,000-dwt fixed delivery Chittagong trip via EC India redelivery China at \$10,000. With the festive season fast approaching it will be interesting to see what happens next.

### Handysize

It's been a challenging week for the sector, with rates in both the Atlantic and Pacific regions continuing to face downward pressure. Across the Continent and Mediterranean, the market showed a lack of fresh impetus with overall sentiment remaining positional. Rates continued to hover around the last done. A 32,000-dwt was fixed for delivery aps Canakkale on a trip via Turkey to Goa, redelivering in Bangladesh at \$9,500. In the South Atlantic, market fundamentals remained relatively unchanged, with transatlantic cargoes continuing to be the main driver for the region. A 37,000-dwt vessel, open in Salvador between 25/27 November, was fixed for delivery aps Recalada for a trip to West Coast South America at \$21,000. However, the US Gulf market was very quiet, primarily due to the Thanksgiving holiday festivities, with little fixing activity reported. Charterers have been bidding lower than previously agreed levels. A 38,000-dwt fixed delivery SW Pass to redelivery West Coast with grains at \$14,750. In the Pacific, challenges persist with rising free tonnages and limited cargo availability. However, some sources suggest that the market may have reached its bottom, with no further significant rate drops expected. A 28,000-dwt vessel was fixed for delivery dop Vancouver to redelivery Japan with petcoke at \$13,000.

## Tanker report – Week 49

### VLCC

The VLCC market continued the downward trajectory this week. The 270,000 mt Middle East Gulf to China trip (TD3C) dipped a further 2 points to WS43.35 which gives a daily round-trip TCE of \$21,967 basis the Baltic Exchange's vessel description.

In the Atlantic market, the rate for 260,000 mt West Africa/China (TD15) lost 3 more points to WS49.39 (corresponding to a round voyage TCE of \$29,104 per day), while the

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rate for 270,000 mt US Gulf/China (TD22) dropped by \$146,667 to \$7,170,000 (a daily round trip TCE of \$33,638).

### Suezmax

Owners continued applying pressure on charterers this week. In West Africa, the 130,000 mt Nigeria/UK Continent voyage (TD20) rose 6 points to WS92.06, meaning a daily round-trip TCE of \$34,748. The TD27 route (Guyana to UK Continent basis 130,000 mt) climbed 13 points since Wednesday 27th November to WS90.56 which translates into a daily round trip TCE of \$33,627 basis discharge in Rotterdam, helped in the main by a rising Aframax market in the US Gulf region. For the TD6 route of 135,000 mt CPC/Med, the rate remained flat at the WS100 level (showing a daily TCE of \$35,554 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) hovered around the WS92 mark.

### Aframax

In the North Sea, the rate for the 80,000 mt Cross-UK Continent route (TD7) remained around the WS125 level (giving a daily round-trip TCE of \$30,213 basis Hound Point to Wilhelmshaven).

In the Mediterranean market the rate for 80,000 mt Cross-Mediterranean (TD19) eased by 2.5 points to WS143.11 (basis Ceyhan to Lavera, that shows a daily round trip TCE of \$37,910).

Across the Atlantic, after the Thanksgiving weekend, rates turned and rocketed upwards. Since Wednesday 27th November, rates for the 70,000 mt East Coast Mexico/US Gulf route (TD26) and the 70,000 mt Covenas/US Gulf route (TD9) have risen 80 points to WS175-176 region, showing a daily round-trip TCE of \$41,325 and \$45,711, respectively. The rate for the trans-Atlantic route of 70,000 mt US Gulf/UK Continent (TD25) has climbed 72 points to WS191.89 (a round trip TCE basis Houston/Rotterdam of \$48,443 per day)

### Clean

### LR2

Following last week's improvements, LR's in the MEG stalled and lost steam this week. TC1 75kt MEG/Japan eased down 8.56 points to WS111.72 and a trip westerly on TC20 90kt MEG/UK-Continent the index held stable around the \$3.4m mark.

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West of Suez, Mediterranean/East LR2's on TC15 plateaued after ticking over the \$3m level at \$3.09m.

### LR1

In the MEG, LR1's remained flat this week. TC5 55kt MEG/Japan held stable in the WS110-112.5 region. Conversely, a run to the UK-Continent on TC8 65kt MEG/UK-Continent dipped from \$2.7m to \$2.54m.

On the UK-Continent, the TC16 60kt ARA/West Africa index held resolute around WS120 this week.

### MR

MR's in the MEG climbed optimistically this week. The TC17 35kt MEG/East Africa index, as a result, climbed up to WS198.57 from WS180 after a widely reported fixture mid-week at around WS195.

UK-Continent MR's dipped early in the week only to rebound swiftly. The TC2 index 37kt ARA/US-Atlantic coast dropped from WS128.75 to then return just as dramatically to WS126.88. TC19 37kt ARA/West Africa followed the same pattern and is currently pegged at WS170 up from WS159.38 5 days ago via a stop at WS148.75.

MR's in the USG resurged with gusto this week. TC14 38kt US-Gulf/UK-Continent was assessed 20.35 points higher by the end of the week at WS158.21. TC18 38kt US Gulf/Brazil index climbed 22.15 points to WS224.29. A local voyage on TC21 38kt US-Gulf/Caribbean also jumped up 65% to \$802,857.

The MR Atlantic Triangulation Basket TCE gained \$4,357 to \$27,045.

### Handymax

In the Mediterranean, Handymax's yoyoed with TC6 crashing from WS216.11 to WS150 over a 3 day period to then recorrect back up to WS172.22 at time of writing.

Up on the UK-Continent, the TC23 30kt Cross UK-Continent index came back under pressure and dropped from WS178.89 to WS149.72 this week.