

## WEEKLY MARKET REPORT

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10<sup>th</sup> January 2025

### **Bulk report – Week 02**

#### Capesize

The Capesize market experienced a turbulent week, beginning with notable softness but regaining momentum by Thursday and closing on a positive trajectory. The 5TC average started at \$10,696 per day, dropped to \$9,123 per day midweek, and rebounded to \$12,010 per day by week's end. In the Pacific, the market remained under pressure due to a persistent oversupply of tonnage. Limited miner activity and fixtures concluded in the low \$6 range, causing the C5 index to decline from \$6.84 on Monday to \$6.245 by Friday. Meanwhile, the South Brazil and West Africa markets gained strength as tighter tonnage availability for late January dates supported firming rates. The C3 index rose from \$17.64 to \$18.155 over the week, underpinned by increased fixing activity. The North Atlantic saw a shift in sentiment towards the end of the week, bolstered by extreme weather and limited tonnage availability. This led to a rally on the transatlantic (C8) and fronthaul (C9) routes, with rates climbing to \$16,857 per day and \$31,813 per day, respectively.

#### Panamax

The decline in the Panamax market showed no signs of abating this week, with further substantial corrections in both basins. In the Atlantic, despite decent demand both mineral and grains in the North, this fell short against the build-up of tonnage count, which ultimately weighed heavily on the deals reported this week. Limited talk midweek of a floor being found from EC South America appeared premature, with charterers still able to pick off the ample ballasters for index arrival dates, with rates now appeared to be in the \$8,000's as opposed to \$9,000's first part of the week. Asia also remained downcast, rates ex NoPac the exception remaining steady all week as tonnage remained tight in the North, whereas the South mirrored something of a bloodbath as both rates ex Australia and in particular Indonesia came under severe pressure, with rates in the \$1,000's agreed ample times on the older/smaller LME types.

#### Ultramax/Supramax

The start of 2025 for many would be one to forget as both the Atlantic and Asian arenas failed to gain any real traction. Fresh enquiry remained limited and there was a considerable amount of prompt tonnage which remained open after the holiday season.

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In the Atlantic, a 63,000-dwt was fixed from the US Gulf to the East Mediterranean at \$18,500, whilst for fronthaul business a 58,000-dwt fixed a trip to Japan at \$17,250. From the South Atlantic, again opportunities remained limited a 63,000-dwt fixing delivery EC South America trip to Bangladesh at \$13,400 plus \$340,000 ballast bonus. The abundance of tonnage in the Asian arena saw a 57,000-dwt fixing an Indonesian round basis delivery South China in the mid \$5,000. Limited steel movement further north saw a 61,000-dwt fixing a trip to the Continent at \$8,750 for the first 75 days and \$12,000 for the balance. Period action remained subdued; a 63,000-dwt open West Africa fixing 3/5 months trading redelivery worldwide at \$14,000.

### Handysize

As anticipated, the first full week of the new year has seen limited activity across both the Atlantic and Asian basins, with market sentiment remaining generally subdued. In the Atlantic, market maintains a soft tone, as the tonnage count maintain its length across most loading areas. A 28,000-dwt fixed delivery Montevideo 15/30 Jan trip to redelivery West Coast Central America with agriculture \$15,700. A 36,000-dwt fixed delivery Praia Mole to redelivery North Coast South America at \$13,500. Similarly, in Asia, the overall sentiment also remains negative, owners with prompt vessels are adjusting their expectations due to the limited cargo availability, which has resulted in rates falling below the previous levels. A 38,000-dwt fixed delivery Singapore trip via Thailand to redelivery Indonesia with sugar at \$7,500. Period activity was limited too with most operators are hesitant to take on risk at this time.

## Tanker report – Week 02

### VLCC

The market has been coasting along the baseline since before the Festive Season started, and now that concerned participants are focussed and have the new year's goals to achieve, all are back on the proverbial hamster wheel. Since the turn of the New Year, rates have climbed, not significantly, however the owners seem to have the bit between their teeth right now. The 270,000 mt Middle East Gulf to China trip (TD3C) over the week rose 3.5 points to WS47.05 giving a daily round-trip TCE of \$24,997 basis the Baltic Exchange's vessel description.

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In the Atlantic market, a similar story played out with the rate for 260,000mt West Africa/China (TD15) also rising 3.5 points to WS50.72 (corresponding to a round voyage TCE of \$29,577 per day), while the rate for 270,000mt US Gulf/China (TD22) firmed by \$212,500 to \$6,315,000 (which shows a daily round trip TCE of \$26,593).

### Suezmax

The Suezmaxes appear to be the uglier sisters, with rates falling on all the Baltic routes. The 130,000 mt Nigeria/UK Continent voyage (TD20) fell by almost 4 points to WS63.06, meaning a daily round-trip TCE of \$19,250 while the TD27 route (Guyana to UK Continent basis 130,000mt) lost over 7.5 points to WS61.83 which translates into a daily round trip TCE of \$18,056 basis discharge in Rotterdam. For the TD6 route of 135,000mt CPC/Med, the rate was reduced by 4 points to WS76.10 (showing a daily TCE of \$17,968 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) had 5 points taken out of it, down to the WS80 level.

### Aframax

In the North Sea, the rate for the 80,000mt Cross-UK Continent route (TD7) ended up 10 points down for the week at WS110 (giving a daily round-trip TCE of \$21,550 basis Hound Point to Wilhelmshaven).

In the Mediterranean market the rate for 80,000mt Cross-Mediterranean (TD19) was on a downward spiral and collapsed 41.5 points to just slip under the WS100 mark (basis Ceyhan to Lavera, that shows a daily round trip TCE of \$17,541).

Across the Atlantic, the market improved. Basis week-on-week values, the 70,000mt East Coast Mexico/US Gulf route (TD26) and the 70,000mt Covenas/US Gulf route (TD9) saw increases of 14.5 points and 12.5 points to reach the WS132.5-135 levels, which shows a daily round-trip TCE of \$27,476 and \$24,021 respectively. The rate for the trans-Atlantic route of 70,000mt US Gulf/UK Continent (TD25) has climbed up almost 12 points to WS129.72 (giving a round trip TCE basis Houston/Rotterdam of \$27,965 per day), which may encourage some ballasters from Europe to ruin the party.

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### Clean

#### LR2

MEG LR2 freight strengthened this week off the back of significantly improved demand generating firming sentiments. TC1 75kt MEG/Japan jumped 14.33 points to WS132.22. A run to the West on TC20 90kt MEG/UK-Continent went from \$3,330,000 to \$3,750,000.

West of Suez, Mediterranean/East LR2's on TC15 dipped by \$70,833 to \$3,150,000.

#### LR1

The TC5 55kt MEG/Japan index also rose steeply this week climbing 34.88 points to WS155.63 . A trip to the UK-Continent on TC8 65kt MEG/UK-Continent also ticked up \$264,290 to \$2,810,000

On the UK- Continent, the TC16 60Kt ARA/West Africa index dipped an incremental 3.33 points to WS123.89 over the course of the week.

#### MR

MR's in the MEG saw flurry of activity mid-week this took its part in driving TC17 35kt MEG/East Africa index upwards by 9.14 points and back up over the WS200 mark to WS205.

UK-Continent MR's began to improve this week. The TC2 index 37kt ARA/US-Atlantic coast bottomed out at WS104.38 and an influx of enquiry assisted in it moving back up to WS107.5. TC19 37kt ARA/West Africa followed the same path and is currently marked at WS132.81.

MR's in the USG sunk downward this week. TC14 38kt US-Gulf/UK-Continent was marked 34.64 points lower than last week at WS98.93. TC18 the 38kt US Gulf/Brazil index is also dropped from WS193.93 to WS161.07. A trip to the Caribbean on TC21, 38kt US-Gulf/Caribbean also came down by circa 20% to \$435,714.

The MR Atlantic Triangulation Basket TCE went from \$21,547 to \$14,998.

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### Handymax

In the Mediterranean, Handymax rates ticked down and the TC6 index went from WS163.06 to WS131.67.

Up on the UK-Continent, the TC23 30kt Cross UK-Continent firmed a little to WS150.17 (+6.84).