

MARKET REPORT

Week 27 2025- 14th July

COMMENTS

Vietnamese government were taken by surprise by President Donald Trump's recent declaration of a 20% tariff agreement, a figure significantly higher than the 10-15% they had anticipated. While Vietnamese state media and officials have remained publicly silent on the specific rate, behind-the-scenes efforts are reportedly underway to negotiate a more favorable outcome. The unexpected announcement came after a phone call between President Trump and Vietnam's General Secretary To Lam. Sources familiar with the confidential talks revealed that immediately following the call, To Lam instructed his negotiating team to persist in their efforts to lower the tariff rate. The 20% figure was a shock to the Vietnamese side, who believed they had secured a more advantageous deal. Despite the initial confusion and the higher-than-expected tariff rate, some foreign investors have reacted positively to the news. The resolution of the immediate uncertainty surrounding the tariff negotiations has been viewed as a favorable outcome for Vietnam, contributing to a recent rally in the local stock market. Investment funds have noted that with a trade agreement framework in place, a major source of economic risk has been diminished, boosting investor confidence.

The Baltic Dry Index increased by 13.52% to 1,663 points, while capesize saw a strong recovery in Brazilian iron ore exports and rising Atlantic freight rates. Panamax/Kamsarmax experienced upward momentum due to South American shipments, while tankers experienced OPEC+ production increases and a resilient diesel market. Containers experienced a 5.7% fall in freight rates.

DRY BULK

The Baltic Dry Index surged to 1,663 points on Friday, July 11, 2025, marking a significant 13.52% increase from the previous day. This substantial daily gain comes in contrast to the index's performance over the past month and year.

Despite the daily spike, the BDI has experienced a 15.50% decrease over the last month. When compared to the same period in the previous year, the index shows a 16.73% decline. The data is based on trading of a contract for difference (CFD) that tracks this key benchmark for dry bulk shipping rates.

Capesize: In the Pacific, freight rates for Australian iron ore cargoes scheduled for late July have firmed up. The Atlantic market, meanwhile, is showing signs of a robust recovery, particularly on the Brazilian iron ore route to China. This resurgence is attributed to a significant increase in cargo volumes, with Brazil's iron ore exports reaching an eight-year high in May. Consequently, spot freight rates in the Atlantic surged in early June due to a scarcity of available vessels. The overall downward trend is influenced by persistent weakness in the North Atlantic's transatlantic trade. The transatlantic route closed the week at approximately US\$12,500 per day

Panamax/Kamsarmax: In the Atlantic, the market is showing upward momentum, largely driven by early August cargo shipments originating from South America. This increase in demand has been a key factor in supporting freight rates. Recent reports indicate a surge in the Panamax sector within the Atlantic basin. The Pacific market is also maintaining a positive trajectory, bolstered by new cargo inflows from both South America and Indonesia. While gains in Asia have been more limited, the consistent demand from these regions is helping to keep the market stable. The Pacific round voyage rate for a Panamax vessel was reported to be in the region of US\$12,700 a day. Recent data from the Shanghai Shipping Exchange



shows the China-Japan/Pacific round-trip voyage for a Kamsarmax vessel at \$13,686 per day. Another key route, from Southern China via Indonesia to South Korea for a Panamax vessel, was at \$12,722 per day.

Supramax/Ultramax:The Atlantic shipping market is experiencing a significant upswing, with transatlantic (T/A) rates for Panamax vessels nearing US\$20,000 per day. This surge is attributed to a persistent shortage of vessel supply coupled with a steady influx of new cargo.

Handy size: The Handy segment of the dry bulk market has demonstrated a robust performance this week, with firm rates reported across both the Pacific and Atlantic basins. This positive trend is attributed to a combination of factors, including tight tonnage availability in certain regions and steady demand. In the Inter-Pacific region, demand for Handy size vessels has reportedly outstripped supply, leading to healthy charter rates. Recent market data shows rates for routes such as South Korea to the US West Coast at approximately \$11,000 per day Long-term charter rates for a Handy vessel in the Far East have also been noted around the \$11,000 mark. These figures align closely with the reported settlement of Inter-Pacific rates in the high \$9,000s per day. The Atlantic basin has also experienced a strong market for Handy vessels. The Baltic Handysize Index (BHSI) 7-time-charter average was recently reported at \$11,520. More specific transatlantic routes, such as from the US Gulf to the Continent, have seen rates around \$15,000 per day. Conversely, routes from the Continent to the East Coast of South America have been fixed at lower levels, around \$6,000 per day.

Baltic Exchange Dry Bulk Indices

INDICES	CURRENT	LAST WEEK	LAST YEAR	W-O-W CHANGE	Y-O-Y CHANGE
BDI	1,663	1,436	1,997	+15.81%	-16.73%
BCI	2,104	1,855	3,296	+13.42%	-36.17%
BPI	1,860	1,520	1,678	+22.37%	10.85%
BSI	1,219	1,081	1,364	+12.77%	-10.63%
BHSI	645	633	741	+1.90%	-12.96%

Dry Bulk – S&P Report

VESSEL NAME	TYPE	DWT	YEAR	BUILT	PRICE (MILLION) USD	COMMENTS / BUYERS
MOUNT K2	CAPE	176,820	2011	JAPAN	26.5	CHINESE BUYERS
PACIFIC SOUTH	CAPE	176,000	2012	CHINA	27.0	UNDISCLOSED
AVICL ATERMIS	KMAX	81,782	2019	CHINA	24.2	UNDISCLOSED
LUCKY HARMONY	PMAX	76,629	2003	JAPAN	6.4	UNDISCLOSED
MONA LISA	UMAX	63,453	2019	JAPAN	28.5	GREEK BUYERS
IVS SWINLEY FOREST	UMAX	60,492	2017	JAPAN	23.2	FAR EASTERN BUYERS
MEDI MANILA	SMAX	57,903	2014	CHINA	17.7	UNDISCLOSED
TENRO MARU	SMAX	57,593	2016	PHILIPPINES	22.0	GREEK BUYERS
JIN GANG	SMAX	56,928	2009	CHINA	10.8	SINGAPOREAN BUYERS
RIVA WIND	SMAX	53,533	2005	CHINA	7.8	CHINESE BUYERS
APJ JAI	SMAX	56,594	2011	CHINA	11.25	CHINESE BUYERS



DENEH HARMONY	HANDY	36,888	2020	JAPAN	25.0	UNDISCLOSED
HOPE	HANDY	36,000	2010	CHINA	7.9	MIDDLE EASTERN BUYERS

TANKERS:

Despite OPEC+ continuing its planned production increases for September, global oil prices have maintained their strength. This sustained demand is creating a ripple effect across the shipping industry, leading to a notable increase in activity for tanker owners. In an unexpected turn, the diesel market is showing remarkable resilience, driven by strong demand in Europe and unforeseen refinery outages. Contrary to some market expectations, OPEC+ has been proceeding with a gradual increase in oil production. The plan, initiated in April 2025, involves unwinding previous production cuts of 2.2 million barrels per day (bpd) on a monthly basis through to the end of September 2025. This wide arbitrage has created a strong economic incentive for traders to move diesel cargoes from Asia and the Middle East to capitalize on the higher prices in Europe. Consequently, this has boosted demand for LR2 and MR tankers, the primary vessels used for these long-haul and intra-regional product movements.

VLCC: The Middle East Very Large Crude Carrier (VLCC) market is currently experiencing a gradual decline, primarily driven by an oversupply of vessels and sluggish summer demand. This situation has pushed freight rates down to levels seen before recent conflicts in the region, while a "wait-and-see" approach from charterers is extending the period of market weakness. 270,000mt MEG/China ended the week at WS49 while 260,000mt WAFR/China close slightly higher at WS53.

Suezmax: The West African Suezmax market is currently experiencing a significant downturn, with freight rates steadily declining throughout the week. This bearish trend is primarily attributed to a surplus of available vessels far outweighing the regional demand for crude oil transportation.

The benchmark route for a 130,000 metric ton (mt) cargo from Nigeria to the UK-Continent (UKC) has seen rates fall to as low as WS 80. This represents a significant drop and reflects the challenging conditions for tanker owners in the region. Recent reports from late June 2025 indicated rates for the Nigeria to UK-Continent voyage (TD20) were around WS89.72, while a mid-June report saw a plunge to WS74. A key contributing factor to the oversupply in West Africa is the repositioning of ballast vessels from the Middle East Gulf (MEG). The recent easing of geopolitical tensions in the MEG has led to a calmer shipping market in that region. Consequently, with less risk and a softer market in the Gulf, vessel owners are seeking opportunities elsewhere, leading to an influx of tonnage into the West African market.

Aframax: The Aframax market in the Middle East has experienced a downturn, with freight rates concluding lower despite a steady flow of short-haul fixtures. This decline is largely attributed to an oversupply of vessels, a challenge that is also impacting the Mediterranean market. In the Med, 80,000mt Ceyhan/Lavera lost a point closing at WS127.

Clean:

Recent market activity shows a notable decline in freight rates for Long Range 2 (LR2), Long Range 1 (LR1), and Medium Range (MR) tankers, influenced by a seasonal downturn and easing geopolitical tensions. In the Middle East Gulf (MEG), LR2 rates for the TC1 route to Japan have slipped, with figures ending the week around the WS110. More specifically, reports from early July indicated the TC1 75kt MEG/Japan index dropped to WS120. This downward trend is attributed to a widespread softening of tanker freight rates across most segments.



The MR tanker market has also experienced a significant drop in rates. Despite consistent activity, increased competition for cargo, partly due to the weakness in the LR segment, has pushed rates down. In the US Gulf (USG), the rate for MRs on the TC14 route to the UK-Continent (UKC) plummeted by approximately 50 points, settling in the WS130s. One report specified the TC14 rate dipped by 57.15 points to WS130.71.

Tankers values

TYPE	DWT	NB CONTRACT	NB PROMPT DELIVERY	5 YEARS	10 YEARS	15 YEARS
VLCC	310,000	126	147	112 (E)	83(E)	51
SUEZMAX	160,000	87	94	77 (E)	62 (E)	40
AFRAMAX	115,000	75	77	64 (E)	50 (E)	35
LR1	73,000	60	62	51 (E)	42 (E)	25
MR	51,000	49	50	41 (E)	30 (E)	21

Tankers S&P Report

VESSEL NAME	TYPE	DWT	YEAR	BUILT	PRICE (MILLION) USD	COMMENTS / BUYERS
KOI	LR1	74,635	2010	S. KOREA	23.3	GREEK BUYERS
PGC COMPANION	LR1	72,825	2005	CHINA	10.0	UNDISCLOSED
PGC MARINA	LR1	72,807	2005	CHINA	10.0	UNDISCLOSED
SAN FERNANDO	MR	48,315	2005	JAPAN	12.1	UNDISCLOSED
GWEN	PROD/ CHEM	19,702	2008	JAPAN	16.2 (STST)	GMS

CONTAINERS

Freight rates continued to decline during this week amid softening demand and excess capacity. Drewry's World Container Index (WCI) dropped by about 5.7% to around USD 2,812 per 40ft container, marking the third consecutive weekly decrease. Rates from Shanghai to Los Angeles fell 15% to about USD 3,180, and to New York by 11% to roughly USD 5,070.

The rate decline is driven by weaker US-bound cargo demand following the temporary suspension of higher US tariffs on Chinese imports, with expectations of further softening in the second half of 2025 due to surplus capacity and uncertain trade policies.

Despite the rate drops, schedule reliability improved significantly, with global container shipping schedule reliability reaching 65.8% in May 2025, up 7.4 percentage points month-on-month and the highest since November 2023. Maersk led carriers with 75.9% reliability, followed by Hapag-Lloyd at 72.5%.

Container Values



CONTAINERS (BY TEU)	GEARED / GEARLESS	NB CONTRACT	NB PROMPT DELIVERY	5 YEARS	10 YEARS	15 YEARS
900 ~ 1,200	Geared	24	26	20	16	10
1,600 ~ 1,850	Gearless	31	35	29 (E)	23 (E)	18
2,700 ~ 2,900	Gearless	44	46	39	35	26
5,100 ~ 5,300	Gearless	59	82	66	-	41

S&P Containers Report

VESSEL NAME	TYPE	TEU	YEAR	BUILT	PRICE (MILLION) USD	COMMENTS / BUYERS
SHIRIN M	SUB PMAX	2,546	2007	CHINA	21.0	GREEK BUYERS

