

Splash

247.com

Amid depressed rates environment, bulk carriers slow down

[Sam Chambers](#)

January 22, 2025



The dry bulk market is in its traditional pressure period between Christmas and Chinese New Year. The severity of the downturn is highlighted by the fact that January average bulker speeds across the globe are at lows not witnessed for more than a decade, according to data from Banchero Costa (see chart below).

Monthly average laden speeds have been recorded by Ursa Shipbrokers at 10.59 knots, below the previous record lows of January 2024 and December 2024, both at 10.66 knots.

“The reasons are to cut down on emissions with all the environmental regulations hitting shipowners, but most importantly to cut down on voyage costs as lower speeds – or slow steaming – allow for lower bunker expenses,” Ralph Leszczynski, Banchero Costa’s head of research, told *Splash*.

Leszczynski said this has been particularly relevant over the last five years as bunker costs have been bumped up by the switch to more expensive low sulphur fuels, and voyage distances have increased.

The Baltic Exchange’s dry bulk index fell for a sixth straight session on Tuesday to an over one-year low as rates weakened across all vessel segments.

The weak freight rates are also impacting the sale and purchase scene with the spread widening between buyers and sellers.

“Buyers seek discounts supported by weak freight markets and sellers are benchmarking against December sales or waiting to see if earnings pick up after the Chinese New Year holidays,” brokers Hartland noted in a recent report.

BULKCARRIERS - AVERAGE SPEED IN KNOTS

(04 Jan 2025 ; LAST 10 YEARS)

