

Fearnleys Weekly Report

Week 52 - December 30, 2021

Printer version

Tankers

Comments

VLCC

A quiet start as we head into the last chapter of the year, accentuated by the Christmas and New Year breaks in certain parts of the world. While the remainder of the week will provide some more activity, it's likely to be muted, as the first decade January stems in the MEG are seemingly covered, and charterers have some time up their sleeve. Ample supply to cover expected demand leaves charterers in no rush to progress. TD3 hovers around the WS 41 level with corresponding TCE equivalents below OPEX for many. The Atlantic Basin is also quieter with the January program from the USG all but complete and few active cargoes out in the market. Bring on 2022.

Suezmax

The Suezmax market has been dead quiet over the Xmas holidays. Very few fixtures to talk about, both in the East and West, but the few that have been done, have been done at last done levels. Tonnage list going into the New Year is fairly balanced in the West, which promising with the lack of activity we have seen the last week. The East remains as it has been for a long time now, stable. MEG/East still being fixed just above WS 70, and going into 2022 we don't see too much downside in this market. All eyes are now on the New Year and a new start, and owners' expectations for a better market are definitely there.

Aframax

Christmas week was a quiet one with quite a few deals being done under the radar with people repeating last done levels. Charterers tried to fix as forward as possible, and supply of vessels look quite balanced for the time being. As we move forward we expect rates to move sideways. When the full Urals program is out it will be easier to get a better picture.

The Med/Bsea market has also been in the Christmas doldrums this week with very little cargo activity. As we move towards the end of the final week 2021 there is a buildup of prompt ships in the area, and the market needs a good test from a cross-Med or ex-Bsea voyage to see where we stand in terms of rate levels. Going into next week we expect the market to remain soft with little activity.

Rates

Dirty (Spot WS 2021)

MEG/WEST (280 000)	WS 20.5	-0.5 ↓
MEG/Japan (280 000)	WS 41.0	-0.5 ↓
MEG/Singapore (280 000)	WS 41.5	-1.0 ↓
WAF/FEAST (260 000)	WS 42.5	0.0 →
WAF/USAC (130 000)	WS 62.5	0.0 →
Sidi Kerir/W Med (135 000)	WS 75.0	0.0 →

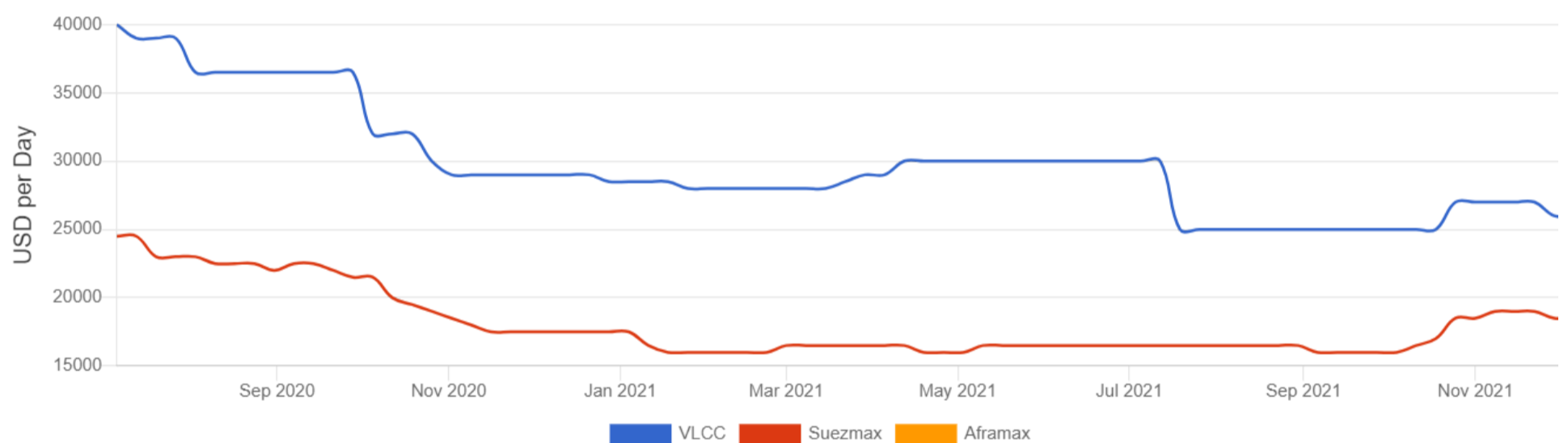
N. Afr/Euromed (80 000)	WS 107.5	-5.0 ↓
UK/Cont (80 000)	WS 112.5	0.0 →
Caribs/USG (70 000)	WS 110.0	-10.0 ↓

1 Year T/C (USD/Day)

VLCC (Modern)	\$24000.0	\$0 →
Suezmax (Modern)	\$17500.0	\$0 →
Aframax (Modern)	\$19000.0	\$0 →

VLCC

VLCCs fixed in all areas last week	36	-20 ↓
VLCCs available in MEG next 30 days	140	-8 ↓

1 Year T/C Crude**Dry Bulk****Comments****Capesize**

As usual and as expected, a dull and eventless finish to the year. Spot volumes very low, with most players either on holidays or having covered their needs/balanced their books prior festivities. Average daily earnings generally flat after 2 months of more or less continuous slashing, estimated around USD 18-19k. Weather and covid concerns in Chinese ports have spurred speculations over impending reduced supply of tonnage, but with only 2-4 fixable stems ex West Australia per day there is no apparent recovery in sight and the c5 milk route hovers around a modest USD 9'ish pmt. Limited number of early ballasters heading for ECSAM, matching an even lower number of iron ore cargoes shown by Brazilian miners. Transatlantic business is close to zero, whilst forward values remain insufficient to support period discussions to any serious extent.

Panamax

The Christmas period has really settled in with something of a holiday feel to the market all over. Few positions are getting overed as they are spot otherwise the dry bulk market has taken vacation this week.

Supramax

Despite the holiday mood, the Supra market showed some good resistance, and all segments seems enjoying last push of the year. Strong demand in the Atlantic for loaders in the USG and ECSA pushed rates further up. In Asia, the demand/supply was more balanced. The period activity increased, with rates improving across the borders. Trips from the Continent to USG/ECSA reporting to fix around USD 30,000 pd, like the rates from Black Sea/Med to USG. Ultramax delivering USG fixing above USD 50,000 pd. ECSA seeing strong USD 25,000 pd plus approximately USD 1.5 mill for trips to Asia. In the East, Supramax delivering North China fixed at USD 25,000 pd for a trip via the Russian Pacific port to China/Korea. Australian trip paying low/mid USD 20, 000 pd depending on vessels' delivery.

Rates

Capesize (USD/Day, USD/Tonne)

TCE Cont/Far East (180 DWT)	\$38,056	-\$8,144 ↓
Australia – China	\$8.9	-\$0.8 ↓
Pacific RV	\$16,555	-\$3,088 ↓

Panamax (USD/Day, USD/Tonne)

Transatlantic RV	\$22,850	-\$12,915 ↓
TCE Cont/Far East	\$32,341	-\$9,168 ↓
TCE Far East/Cont	\$15,108	-\$806 ↓
TCE Far East RV	\$20,144	-\$2,436 ↓

Supramax (USD/Day)

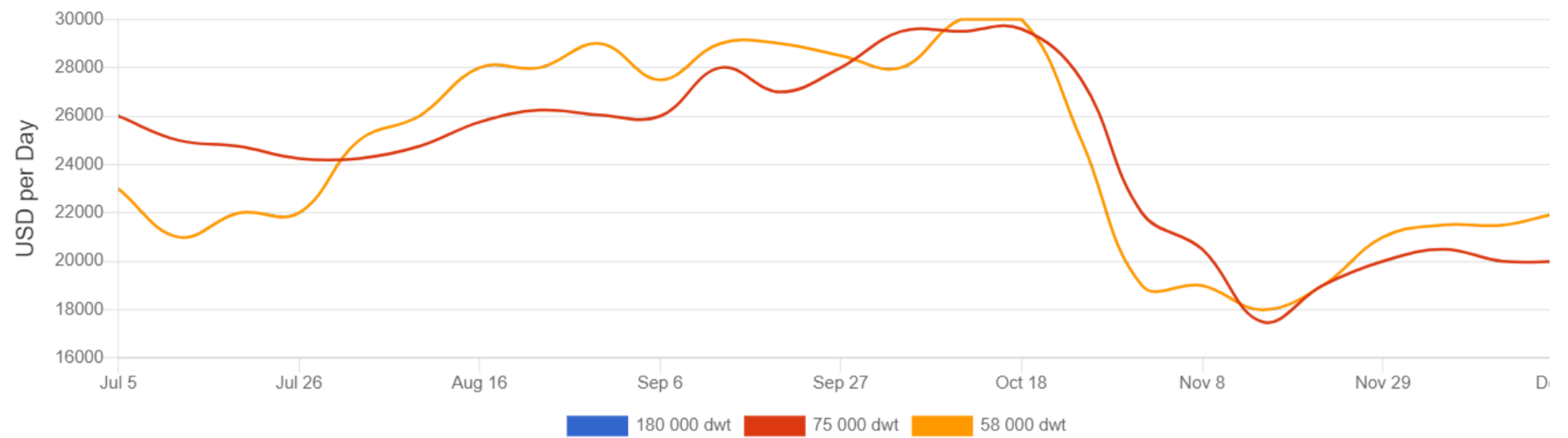
Atlantic RV	\$29,600	-\$4,450 ↓
Pacific RV	\$20,671	-\$365 ↓
TCE Cont/Far East	\$37,250	-\$1,029 ↓

1 Year T/C (USD/Day)

Newcastlemax (208 000 dwt)	\$27,000	-\$1,500 ↓
Capesize (180 000 dwt)	\$21,500	-\$1,500 ↓
Kamsarmax (82 000 dwt)	\$21,500	\$0 →
Panamax (75 000 dwt)	\$20,000	\$0 →
Ultramax (64 000 dwt)	\$25,000	\$500 ↑
Supramax (58 000 dwt)	\$22,500	\$500 ↑

Baltic Dry Index (BDI)

\$2,217

1 Year T/C Dry Bulk**Gas****Chartering**

As the year draws to a close, market has been quiet this week and there isn't much activity to report East or West. Last done deals remain around USD 73-74 RT/C in the MEG, and around USD 118-119 H/C in the US. With more Asian countries going on their year-end holidays, we don't expect to see much other activity until next week.

LPG Rates**Spot Market (USD/Month)**

VLGC (84 000 cbm)	\$1,700,000	\$0 →
LGC (60 000 cbm)	\$1,100,000	\$25,000 ↑
MGC (38 000 cbm)	\$900,000	\$0 →
HDY SR (20-22 000 cbm)	\$650,000	\$0 →
HDY ETH (17-22 000 cbm)	\$790,000	\$0 →
ETH (8-12 000 cbm)	\$530,000	\$0 →
SR (6 500 cbm)	\$420,000	\$0 →
COASTER Asia	\$285,000	\$0 →
COASTER Europe	\$290,000	\$0 →

LPG/FOB Prices - Propane (USD/Tonne)

FOB North Sea/ANSI	\$698	\$0 →
Saudi Arabia/CP	\$795	\$0 →
MT Belvieu (US Gulf)	\$570	\$49 ↑
Sonatrach/Bethioua	\$730	\$0 →

LPG/FOB Prices - Butane (USD/Tonne)

FOB North Sea/ANSI	\$672	\$0 →
Saudi Arabia/CP	\$750	\$0 →
MT Belvieu (US Gulf)	\$621	\$40 ↑
Sonatrach/Bethioua	\$715	\$0 →

LNG Rates

Spot Market (USD/Day)

East of Suez 155-165 000 cbm	\$85,000	-\$5,000 ↓
West of Suez 155-165 000 cbm	\$65,000	-\$5,000 ↓
1 Year T/C 155-160 000 cbm	\$95,000	-\$3,000 ↓

Newbuilding

Activity Levels

Tankers	Increasing	Increasing
Dry Bulkers	Increasing	Increasing
Others	Strong	Strong

Prices

VLCC	\$109.0	\$0.0 →
Suezmax	\$76.0	\$0.0 →
Aframax	\$61.0	\$0.0 →
Product	\$41.5	\$0.0 →
Newcastlemax	\$64.0	\$0.0 →
Kamsarmax	\$36.0	\$0.0 →
Ultramax	\$34.0	\$0.0 →
LNGC (MEGI) (cbm)	\$207.0	\$0.0 →

Sale & Purchase

Prices

Dry (5 yr)

Capesize	\$47.5	\$0.0 →
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Kamsarmax	\$33.0	\$0.0 →
Ultramax	\$30.0	\$0.0 →

Dry (10 yr)

Capesize	\$35.0	\$0.0 →
Kamsarmax	\$23.5	\$0.0 →
Ultramax	\$24.0	\$0.0 →

Wet (5 yr)

VLCC	\$74.0	\$0.0 →
Suezmax	\$47.5	\$0.0 →
Aframax / LR2	\$42.0	\$0.0 →
MR	\$30.0	\$0.0 →

Wet (10 yr)

VLCC	\$50.0	\$0.0 →
Suezmax	\$32.0	\$0.0 →
Aframax / LR2	\$27.0	\$0.0 →
MR	\$20.0	\$0.0 →

Market Brief**Exchange Rates**

USD/JPY	113.72	-0.19 ↓
USD/KRW	1182.65	6.85 ↑
USD/NOK	9.10	0.21 ↑
EUR/USD	1.13	-0.01 ↓

Interest Rates

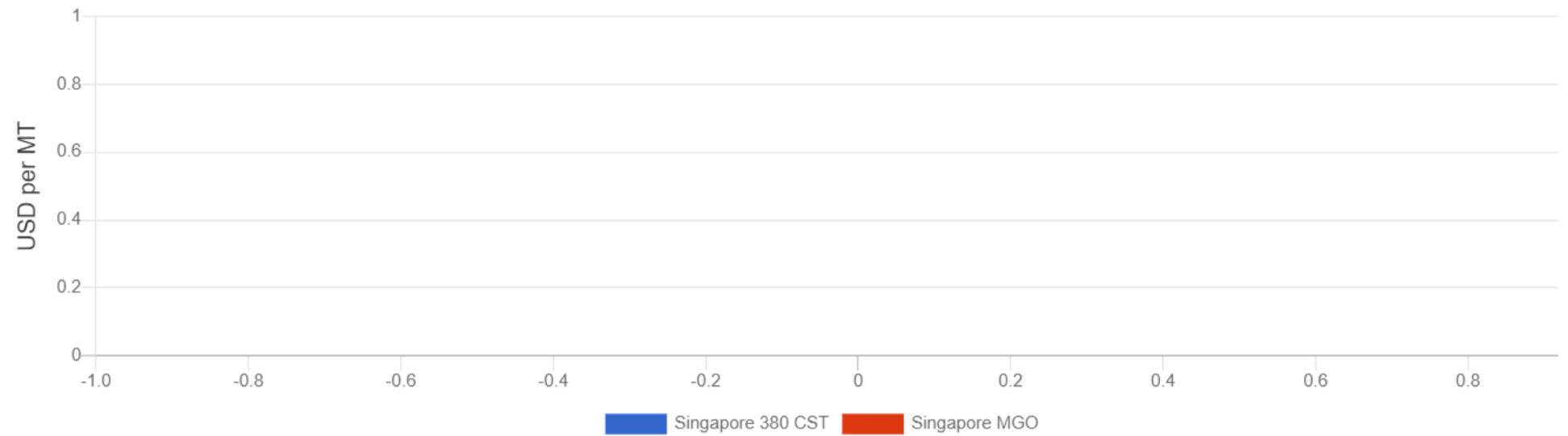
LIBOR USD (6 months)	0.29%	0.00% ↑
NIBOR NOK (6 months)	1.07%	0.11% ↑

Commodity Prices

Brent Spot	\$79.50	\$3.50 ↑
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Bunkers Prices

Singapore 380 CST	\$458.0	\$29.0 ↑
Singapore Gasoil	\$676.0	\$30.5 ↑
Rotterdam 380 CST	\$442.5	\$23.0 ↑
Rotterdam Gasoil	\$677.0	\$47.0 ↑



All rates published in this report do not necessarily reflect actual transactions occurring in the market. Certain estimates may be based on prevailing market conditions. In some circumstances, rates for certain vessel types are based on theoretical assumptions of premium or discount for particular vessel versus other vessel types.

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