Fearnleys Weekly Report

Week 12 - March 23, 2022

Printer version

Tankers

Overview

MEG

A general easing of burker prices should have been anticipated bearers' bottom lines over the last week, down close to USD 825,000 for VLSFO in Spore. However, any savings were quickly transferred to the charterers pocket as rates have dropped in accordance Voyages MEG to the East sit in the mid 30s depending on route/quality of ship. Rates off to charterers who have some idle time/in mode and playing the "fear-card" to perfection, picking ships off left, right and centre under the radar and leaving an impression of an inactive market when the opposite appears to be true, as charterers plow into their April slams.

West Africa, clearly influenced by tonnage from the East as rates to China down to a last done of WS 37. Elsewhere in the Atlantic there is some hope, as prompter dates in the USG provide small gains, up to USD 5.4m to Ningbo.

Atlantic

Black Sea Suezmax rates have been one of the few shining lights in an otherwise Flacciid market, and for obvious reasons. Therefore, when news started to filter through that the CPC SPM's had suffered serious "storm damage", possibly hampering exports for number of weeks, a sharp intake of breath was likely taken by the Black Sea players. The good news is that only one SPM is temporarily out of action whilst the remaining SPM is working normally. In the wider market, rates appear to be a little firmer in West Africa where an East run will trade WS 90's with TD20 trading mid WS 80's. BOT/East is holding onto WS 90 by its fingertips whilst TD15 has done very well to hold onto WS 40's for a straight run. Ex/Jomo/North China has seen a number of Suezmax's drawn into the mix as freights trade circa USD 1m.

Clean

Rates for the Naea/Baltic Atlantic market came off on the back of less activity. We still see quite high premiums for Russian trade despite a downward correction in rates. Some owners are not willing to fix current levels as the exposure for high burner prices due to the current situation in Ukraine is too high and they are waiting for better days. The Med market was somewhat flaccid after an alternative for those owners sitting with idle vessels on the Cont. Going forward we might see rates firm a bit.

Med/Blsea: Over the course of the last week we have seen healthy cargo activity push the rates up about 20 points before it all slowed down again, and rates have come back down to where they were prior to the weekend. One to watch going into next week is further developments concerning Novo port and the CPC pipeline.

Dirty

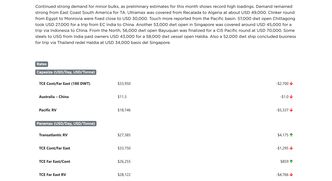
Dirty (Clean WS 2012)	
MEG/WEST (280 000)	WS 20.0
MEG/Japan (280 000)	WS 36.0
MEG/Singapore (280 000)	WS 36.5
WAF/EAST (260 000)	WS 37.0
WAF/USAC (130 000)	WS 75.0
Sidi Kerir/W Med (135 000)	WS 92.5
N. Afr/Euromed (80 000)	WS 135.0
UK/Cont (80 000)	WS 125.0
Caribs/USG (70 000)	WS 160.0

Time T/C USD/Day	
VLCC (Modern)	$21000.0
Suezmax (Modern)	$15000.0
Aframax (Modern)	$19000.0

LPG

VLCCs fixed in all areas last week	62
VLCCs available in MEG next 30 days	189

Time T/C USD/Day



Dry Bulk

Overview

Capesize

Slowdown for the big ships on key routes, consequent average daily earnings losing 20 pct w-o-w to come in at bit over USD 17k. World steel production lower than for same period last year - and dominating West Australia/China and Brazil/Feast trades both remain at far from full speed. A Europe in need for substantial long haul coal volumes to fill the void of Russian material only partly compensates, mildening a soft tendency by taking ship capacity out of the ordinary Pacific and front haul trades. Growing concern over Mediterranean tonnage build-up as Black Sea exports, normally absorbing some 10 units/month, have come to a complete stop - transatlantic market in deep need of increased mineral volumes to maintain levels. Forward expectations and thus period interest remain fairly speculative and far above spot - representative fixtures include 180,000 dwt, built 2015, done for close to 2 years at a handsome USD 32k.

Panamax

A significant week of gains in the Panamax market when writing, largely Atlantic centric as activity for the transatlantic trips improved significantly. Pacific activity and focus was given to the EC and NC South America with options to ex US Gulf and with bids further increasing against a tighter looking tonnage count, the front haul trip appeared to be impacted to this despite a lack of fixing. Asia continued to be reserved by comparison and largely flat aside from limited action ex NoPac with rates improving slightly over last done.

Some representative fixtures this week:

Ursula Maria (82,167/2015) Cap Hing 23 April runoversf fixed basis 5/8 months redelivery Worldwide at USD 32,000 to Cargill

YM Glow (81,863/2015) retro sailing Stage 19 March fixing for a trip via US Gulf option NC South America redelivery Skaw-Gibraltar range at USD 28,500 with Cargill.

Nexos Felicity I (81,962/2020) delivery ex EC South America 10 April was heard fixed for a trip redelivery Skaw-Gibraltar at USD 50,000.

Frontier Leader (81,383/2013) retro sailing Hong Kong 21 March was placed on subjects for a trip via EC Australia redelivery India at USD 29,000.

Ainsy Sunny (78,398/2006) C.R and March secured by NS United for a trip via NoPac redelivery Japan at USD 26,500.

Perseus (82,815/2013) Yiyohsein prompt placed on subjects for a trip via NoPac redelivery Singapore-Japan with intention grains at a rate tick below USD 30,000.

Boyang Garnet (75,764/2007) Rotterdam 23 March was fixed for a trip via NC South America redelivery Skaw-Gibraltar at USD 24,500 with Louis Dreyfus.

Kamsarmax

Continued strong demand for minor bulks, as preliminary estimates for this month shows record high loadings. Demand remained strong from East Coast South America for TA. Ultramax was covered from Recalada to Algeria at about USD 49,000. Clinker round from Egypt to Morocco were fixed close to USD 30,000. Touch more reported from the Pacific basin. $7,000 dwt open Chittagong took USD 27,000 for a trip from EC India to China. Another $3,000 dwt open in Singapore was covered around USD 45,000 for a trip via Indonesia to China. From the North, 58,000 dwt open Bayuquan was finalized for a C15 Pacific round at USD 70,000. Some steels to USG from India paid owners USD 45,000 for a 58,000 dwt vessel open Haldia. Also a 52,000 dwt ship concluded business for trip via Thailand redel Middle at USD 34,000 basis dwt Singapore.

Ultramax

Dirty (Clean WS 2012)	
TCE Cape/Far East (180 DWT)	$33,950
Australia - China	$11.3
Pacific RV	$18,146

Panamax (Clean WS 2012)	
Transatlantic RV	$27,585
TCE Cape/Far East	$33,750
TCE Far East/Cont	$26,255
TCE Far East RV	$28,122

Kamsarmax (USD/Day)	
Atlantic RV	$27,794
Pacific RV	$33,286
TCE Cape/Far East	$21,383

Time T/C USD/Day	
Newcastlemax (208 000 dwt)	$37,000
Capesize (180 000 dwt)	$29,000
Kamsarmax (82 000 dwt)	$31,000
Panamax (75 000 dwt)	$28,500
Ultramax (64 000 dwt)	$31,000
Supramax (58 000 dwt)	$29,000

Baltic Dry Index (BDI)	
Baltic Dry Index (BDI)	$2,575

Time T/C USD/Day

Gas

Overview

EAST

There's been a handful of deals concluded or placed on subs for Middle East second decade April cargos this week, mostly in the high 50s freight range. East/West freight differential is again pointing in favor of the West and with less waiting in Panama (about at 4 days both North and South bound). This will attract more ships away from the East. Foreseeing less vessels available coupled with VLSFO bunkers increasing some 6-7% since last Friday on the back of again rising crude - we expect freight to move back above the 60-dollar mark from here.

WEST

This week has already seen twice as many fixtures compared last week and the position list is now mainly dominated by pure shipowners. April cargoes are still in play and slowly but surely, early May is coming within fixing range. Although there have been over 30 spot fixtures for April thus far, we expect the last remaining handful of end April vessels to soon find suitable cargos. The last done deals ex USG/USEC were concluded at USD 90/5 nOC and low USD 50 HyT, and owners are attempting to pull freight upwards from here. Time being, the ship is owners' and owners supply looks relatively tight and in control of a few owners for the front of May and it seems freight will increase gradually as time progresses.

LPG Rates

Mini Market (USD/Month)	
VLGC (84 000 cbm)	$750,000
LGC (60 000 cbm)	$750,000
MGC (38 000 cbm)	$910,000
HDY SR (38 22 000 cbm)	$690,000
HDY ETH (17-22 000 cbm)	$790,000
ETH (8-12 000 cbm)	$510,000
SR (6 500 cbm)	$460,000
COASTER Asia	$280,000
COASTER Europe	$340,000

LPG FOB Prices - Propane (USD/Tonne)	
FOB North Sea/ARA	$792
Saudi Arabia/CP	$895
MT Balviken (US Gulf)	$779

LPG FOB Prices - Butane (USD/Tonne)	
FOB North Sea/ARA	$851
Saudi Arabia/CP	$920
MT Balviken (US Gulf)	$752
Sonatrach/Bethioua	$860

LNG Rates

Mini Market (USD/Day)	
East of Suez 155-165 000 cbm	$37,000
West of Suez 155-165 000 cbm	$39,000
1 Year T/C 155-160 000 cbm	$102,500

Newbuilding

Activity Levels

Tankers	Increasing
Dry Bulkers	Increasing
Others	Strong

Prices

VLCC	$112.0
Suezmax	$77.5
Aframax	$62.5
Product	$42.0
Newcastlemax	$64.0
Kamsarmax	$36.0
Ultramax	$34.0
LNGC (MEGI) (cbm)	$220.0

Sale & Purchase

Tanker

Dirty (1 yr)	
Capesize	$47.0
Kamsarmax	$35.0
Ultramax	$35.0

Clean (1 yr)	
Capesize	$32.0
Kamsarmax	$25.5
Ultramax	$27.0

Wet (1 yr)	
VLCC	$74.0
Suezmax	$48.0
Aframax / LR2	$45.0
MR	$30.0

Wet (10 yr)	
VLCC	$51.0
Suezmax	$35.0
Aframax / LR2	$30.0
MR	$20.0

Market Brief

Exchange Rates

USD/JPY	118.50
USD/KRW	1235.50
USD/NOK	8.92
EUR/USD	1.10

Interest Rates

LIBOR USD (6 months)	1.38%
NIBOR NOK (6 months)	1.89%

Commodity Prices

Brent Spot	$115.50

Bunkers Prices

Singapore 380 CST	$663.0
Singapore Gasoil	$1,075.0
Rotterdam 380 CST	$663.0
Rotterdam Gasoil	$1,134.5

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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