Fearnleys Weekly Report

Week 17 - April 22, 2022

Printer version

Tankers

Overview

VLCC

To the casual observer, the VLCC market may look quiet and uninteresting this week. But, (and it's a big 'but') there is a long list of ships on subs/fixty fixed with no details. Charterers successfully working from the shadows, leaving an impression of a quiet market with little or no traction, when in fact the opposite seems to be true. 5-Oil fixed and lowered MEG/S Korea to the mid 40's (WS points), Vitol fixed MEG/Korea at WS 45 (down 5 points), Repsol around WS 45 level for MEG/China - maintaining with modern, steel vessels could try to push the upwards, as the Victoria mine of a derby on the position list and at the head of sailings, a couple of market quotes in fresh. With Suezmaxes coming, VLCC opportunities in the Atlantic are becoming a little tired, and there is a fizzle heading that way. But hope remains.

Suezmax

Markets are invariably nonlinear as highlighted by the recent shift in fortunes of the Atlantic Suezmax market. Whilst the downward momentum in the Atlantic has been underway for some time, it has been only in the last week that it has become pronounced this week with too many bareboats heading into the Atlantic and a similar scenario impacting rates for Russia loads (albeit, not to the same degree of course). Second decade TD20 is fixing up to mid-month, suggesting a chunk of cargoes have already covered, therefore we expect rates to threaten the WS 50 mark with an East run trading around WS 100. MEG/East will follow the same trend. TD23 looks consigned to the WS 40's unless we see a drastic uptick of inquiry. It's not all doom and gloom and we expect this market remain volatile in the short/medium term.

Aframax

Aframax east sentiment in the Baltic were reduced significantly on the back of a greater tonnage supply despite expected tougher EU sanctions over imports of Russian Oil and gas from May 15. In the North Sea we expect rates to continue to move sideways with a slight downward pressure due to lack of cargo activity in the first decade of May. But once the SPR exports from the USG kicks in, which could favor Aframax, we might see rates firm again.

The Med/Black market took a softer downward correction this week much due to the FM in Libya resulting in lack of cargo activity. TD19 has taken a 60-70 point drop since last week. We foresee a continued soft Aframax segment in the week to come. One to watch is revival of Libyan ports.

Freia

Freia Spot rate (WS Points)		
MEG/WEST (280 000)	WS 27.5	-4.5 ↓
MEG/Japan (280 000)	WS 47.0	-5.0 ↓
MEG/Singapore (280 000)	WS 48.0	-4.5 ↓
WAF/FEAST (260 000)	WS 52.5	-8.5 ↓
WAF/USAC (130 000)	WS 92.5	-67.5 ↓
Sidi Kerir/W Med (135 000)	WS 110.0	-67.5 ↓
N. Afr/Euromed (80 000)	WS 150.0	-82.5 ↓
UK/Cont (80 000)	WS 160.0	-10.0 ↓
Caribs/USG (70 000)	WS 180.0	-65.0 ↓

Time T/C (USD/Day)		
VLCC (Modern)	$24000.0	$0 →
Suezmax (Modern)	$24000.0	$13,000 ↓
Aframax (Modern)	$24000.0	$0 →

FFAS

VLCCs fixed in all areas last week	50	24 ↑
VLCCs available in MEG next 30 days	140	-16 ↓

Freia TC Index

Dry Bulk

Overview

Capesize

The market is improving towards the end of the week, ahead of the holidays coming up Monday and Tuesday. C5 being the most active route, with freight rates in the low USD 12s pmt being concluded. All the miners are active. Another active route is India/India, while Brazilian ones still more or less absent, but have affected by the negative trend on the C3 route. However, the average index is at USD 18,500, and still improving.

Panamax

Underwhelming activity in the Atlantic continued to erode both rates and confidence with both routes PIA and P2A yielding significant corrections. Asia remained largely under pressure too with little support of note, despite an influx of fresh demand. Sentiment remains negative at the volume covering the scrubber fitted Alencod (80,729/2020) Tianjin 14 April for about 9 to 12 months at USD 30,000 with the scrubber benefit going to charterers.

Some representative fixtures this week:

ASA TEAM (75,825/2006) Barcelona prompt hot TCT via NCSA redel Skaw-Gib USD 27,500 - CARGILL.

ALPHA PRIDE(76,596/2009) Rotterdam 26/30 Apr H/T via Ulsuf redel Gibraltar USD 30,000 - CARGILL.

GOLDEN FRIEND (81,206/2020) Skrubber) Dues 29 Apr trip via USGulf redel China-Kch 28,000 - CARGILL (Scrubber benefit for charterer).

TBN 55,900/10 Isaurite Kamsar/San Ciprian $74 fhex 26,000/25/15,000SIC USD 19.50 PID - COBELFRET.

PENEY (81,886/2016) Piraeus prompt heard hot TCT redel MEG USD 27,500 + BB - AL GHURAIR.

STAR TRADER (82,181/2015) retro Haldia 14 Apr hot TCT via ECSA redel F East NPO.

Supramax

Supramax segment stronger numbers largely driven by the USG. A 63,000 dwt was fixed around USD 60,000 from USG to Mediterranean, and a 56,000 dwt was covered for petcoke run to Far East at low USD 40,000. Otherwise, it was little reported from the Atlantic. From the Pacific basin a Supramax open South China was fixed for a trip from Philippines to China with nickel ore at high USD 20,000. On the period side, 55,000 dwt open in the East was fixed around USD 33,000 for 3 to 4 months, and Ultramax in the Atlantic covered at USD 24,500 for 1 year with ww redel.

In general demand growth in the Supra segment has been weak, with the year-on-year change having been negative since October last year.

Freia

Dirtyfloat (USD/Day, USD/Tonne)		
TCE Cape/Far East (160 DWT)	$34,405	$2,330 ↑
Australia - China	$12.2	$2.3 ↑
Pacific RV	$24,133	$10,987 ↑
Panamax (USD/Day, USD/Tonne)		
Transatlantic RV	$26,650	$1,225 ↓
TCE Cape/Far East	$36,810	-$458 ↓
TCE Far East/Cont	$19,621	$754 ↑
TCE Far East RV	$23,353	-$1,180 ↓
Supramax (USD/Day)		
Atlantic RV	$32,725	$2,307 ↑
Pacific RV	$27,814	$493 ↑
TCE Cape/Far East	$23,658	$241 ↑
Time T/C (USD/Day)		
Newcastlemax (208 000 dwt)	$36,000	$1,250 ↑
Capesize (180 000 dwt)	$28,000	$1,750 ↑
Kamsarmax (82 000 dwt)	$29,500	$1,500 ↑
Panamax (75 000 dwt)	$26,500	$1,500 ↑
Ultramax (64 000 dwt)	$31,000	$0 →
Supramax (58 000 dwt)	$28,000	$500 ↑
Baltic Dry Index (BDI)	$2,425	
Time T/C Dry Bulk		

Gas

Overview

EAST

The momentum on freight seen in the East in recent weeks has come to a halt. Last done deal for Singapore-Japan range was done around USD 70 Baltic, but with the current length that we are seeing on freight box 1h May MEG, we expect next deal do be done sub USD 70. At the time of writing, one Indian major is trying to defer loading dates for a Red Sea lifting, and meanwhile we are waiting for more market requirements before Golden Week kicks in from next week.

WEST

It seems like the market has taken a bit of breather, but with "Golden Week" coming up one should expect more fixing to be done this week as the western market still remains fairly strong. Only two spot fixtures concluded so far this week with last done at mid 80s for the Japan-Korea range and low USD 70s Houston/Flushing. We have so far seen about 30 spot fixtures in May and expect the last few remaining vessels left in end May to soon find suitable cargos before focus shifts entirely to June and the summer months. Vessel supply looks tight, and with Panama waiting up to 8 days North- and 10 Southbound, it should add even more tightness to the market.

Freia Index

Freia Index (USD/Month)		
VLGC (84 000 cbm)	$1,100,000	$200,000 ↑
LGC (50 000 cbm)	$1,100,000	$100,000 ↑
MGC (30 000 cbm)	$940,000	$0 →
HDY SR (20-22 000 cbm)	$710,000	$0 →
HDY ETH (17-22 000 cbm)	$820,000	$0 →
ETH (8-12 000 cbm)	$525,000	$0 →
SR (6 550 cbm)	$480,000	$0 →
CO&STER Asia	$270,000	-$5,000 ↓
CO&STER Europe	$360,000	$0 →
LPG/FOB Prices - Propane (USD/Tonne)		
FOB North Sea/ARA	$840	$0 →
Saudi Arabia/CP	$940	$0 →
MT Belview (US Gulf)	$664	-$29 ↓
Sonatrach/Bethioua	$870	$0 →
LPG/FOB Prices - Butane (USD/Tonne)		
FOB North Sea/ARA	$905	$0 →
Saudi Arabia/CP	$960	$0 →
MT Belview (US Gulf)	$610	-$18 ↓
Sonatrach/Bethioua	$930	$0 →
LNG Freia		
Spot Market (USD/Day)		
East of Suez 155-165 000 cbm	$48,000	$5,000 ↑
West of Suez 155-165 000 cbm	$52,500	$7,500 ↑
1 Year T/C 155-160 000 cbm	$101,000	$2,000 ↑

Newbuilding

Activity Levels

Tankers	Increasing	Increasing
Dry Bulkers	Increasing	Increasing
Others	Strong	Strong

Prices

VLCC	$115.0	$1.0 ↑
Suezmax	$78.5	$0.5 ↑
Aframax	$63.0	$0.5 ↑
Product	$63.0	$0.0 →
Newcastlemax	$65.0	$0.0 →
Kamsarmax	$36.0	$0.0 →
Ultramax	$34.0	$0.0 →
LNGC (MEGI) (cbm)	$223.0	$2.0 ↑

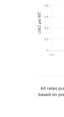
Sale & Purchase

Prices

Dry 5 yrs		
Capesize	$52.0	$4.5 ↑
Kamsarmax	$36.0	$0.5 ↑
Ultramax	$35.0	$0.0 →
Wet 5 yrs		
Capesize	$36.0	$3.5 ↑
Kamsarmax	$27.5	$1.0 ↑
Ultramax	$27.0	$0.0 →
Wet 10 yrs		
VLCC	$76.0	$2.0 ↑
Suezmax	$52.0	$3.0 ↑
Aframax / LR2	$45.0	$0.0 →
MR	$32.5	$1.5 ↑
Wet 15 yrs		
VLCC	$54.0	$3.0 ↑
Suezmax	$36.0	$1.0 ↑
Aframax / LR2	$32.5	$0.5 ↑
MR	$22.5	$0.5 ↑

Market Brief

Exchange Rates		
USD/JPY	118.50	2.53 ↑
USD/KRW	1225.50	7.25 ↑
USD/NOK	8.92	-0.03 ↓
EUR/USD	1.10	0.00 →
Interest Rates		
LIBOR USD (6 months)	1.83%	0.11% ↑
NIBOR NOK (6 months)	1.66%	0.02% ↑
Commodity Prices		
Brent Spot	$105.00	-$1.50 ↓
Bunker Prices		
Singapore 380 CST	$716.0	-$63.5 ↓
Singapore Gasoil	$1,094.0	-$123.5 ↓
Rotterdam 380 CST	$614.5	-$26.0 ↓
Rotterdam Gasoil	$1,208.0	-$37.0 ↓



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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