Fearnleys Weekly Report

Week 24 - June 15, 2022

Printer version

Tankers

Comments

VLCC

With the dust settled after another Pozidonia, we catch up on deals done during the week. Plenty of AG ships on subs not details as rates struggle to make any headway, despite increasing fuel costs. AG/Korea sits at the w/ex53 level, a couple of points discount if you find yourself handicapped in any way. With June closing around 140 fixtures, volume is decent and Umoor already exploring July options.

Other sizes showing improvement, albeit heavily driven, VLs may follow suit, as a number plucked from the list in Rotterdam, Cape of Good Hope etc, with no details attached. Therefore a Charterer may find that as they go to the list for a ship, it will likely be thinner than it first appears. USG/Korea has edged up to $5.675m. With a tighter list, higher business and firmer Shaxes, further Atlantic firming likely.

Suezmax

Recent changes in the behaviour of the Atlantic crude oil trade has created it's own algorithm, with peaks and troughs revolving themselves to the market well in advance of the norm. This algorithm comes with a caveat, as long as the East is quiet and keeps throwing ships back onto the Atlantic list, participants will have a degree of forewarning. We're in the middle of one of those upward trends now with TD20 trading at about WS0-115 whilst the USG and Americas in general still look very interesting with Owners likely to make further gains. Vico's may provide a cap of sorts in the Atlantic but that segment may be tighter than anticipated. This optimism falls flat in the East where only TD23 provides sufficient enquiry to actually call itself a market. That route trades in the WS50's with further upside.

Aframax

There is still a great demand from specific charterers for any vessels willing to load ex Russian ports. Despite some maintenance scheduled for some strategic export ports in the Nsea basin there is sufficient activity for both fuel and crude leaving other Owners in a position to push for a bit more than last done. Market looking a bit firmer in the Med/Black sea have seen a firming trend this last week with benchmark routes moving as much as +WS50-60 points w.o.w.With surrounding markets offering attractive alternatives and with charterers reaching and with long hauls in the mix - we expect the natural window to remain firm as lists looking tighter.

Freight

Clean (Clean WS 2022)		
MEG/WEST (280 000)	WS 26.0	0.0
MEG/Japan (280 000)	WS 45.0	1.5
MEG/Singapore (280 000)	WS 46.0	2.0
WAF/FEAST (260 000)	WS 47.0	1.5
WAF/USAC (130 000)	WS 112.5	22.5
Sidi Kerir/W Med (135 000)	WS 105.0	7.5
N. Afr/Summed (80 000)	WS 180.0	60.0
UK/Cont (80 000)	WS 145.0	5.0
Caribs/USG (70 000)	WS 177.5	2.5
Time T/C (USD/Day)		
VLCC (Modern)	$25500.0	$0
Suezmax (Modern)	$19000.0	$0
Aframax (Modern)	$21500.0	$0

VLCCs

VLCCs fixed in all areas last week	67	14
VLCCs available in MEG next 30 days	168	-4

Time T/C chart

Dry Bulk

Comments

Capesize

Stable or tiny tick up at still mediocre and lower-than-expected levels for the big ships. Whilst the Brazil/China conference trade continues to disappoint in volume, transatlantic is showing signs of promise - average daily earnings for typically c.5 cost up more than $20k/day over the last 3 days. Pacific rounds stuck in ballast waiting for cargoes/charterers to come back to life. Australia/China iron ore trade not pushing capacity - value for specific rounds stuck in ballast 18-19k/day territory. Slight improvements on other trades contribute to overall daily earnings putting on 5 pct to come in at just above usd 25k. Short-term forward values still in contango, and period capes much in demand - representative recent fixtures include 181000 dwt built 2014 done for 4-6 months at usd 35k.

Panamax

A week of positive sentiment with talk abound of a floor being found in both basins. There was fresh fronthaul enquiry from the Atlantic in turn improving the bids, and along with the coal-fuelled inter-Atlantic rates being talked up, this has yet to transpire into physical fixtures, but sentiment remains firm for now. Similarly in Asia, plentiful fresh enquiry ex Indonesia appeared to lend support in the Southeast Asia region and surrounding area with rates seemingly finding a floor, the next week or so are an interesting watch.

Some representative fixtures this week:
Louis Dreyfus booking the Kythira I (BK,64,224 blt) ex ECSA 18 June for a trip redelivery Skaw-Gibraltar at a rate in the region of $42,000
Cargill were linked with the Lia M (BK,084 2015) sailed Kakinada 26 May for a trip via EC South America redelivery Far east at approximately $25,000 + $150,000 ballast bonus.
Mba Gouvarin (93,352 2001) Tianjin 20/25 June 4/6 mos redel wwide $22,000 - Norvic
Zeus (93,393 2001) Jurukabel 04-16/ 18 Jun hol-nit rumoured to Arosa/Hnhat nitr
Korea Shipping Corp covered hopac grain order 5/12 Jul rumoured fixed a LME open S Japan at under $25,000 +ntl
Heteren TBN 75,000 TD coal Semirara/Zhangjin 26 Jun/3 Jul 12000sdayimmediacy,72500ofcnc $19.39 fio - Kepco tender

Supramax

Capesize (180 000 dwt)

$21,975 — $615

TC3 Cont/Far East

$33,309 — $116

TC3 Far East/Cont

$19,251 — $0

TC3 Far East RV

$22,904 — $261

Panamax (USD/Day)

Atlantic RV

$21,268 — -$2,807

Pacific RV

$27,106 — $678

TC4 Cont/Far East

$23,267 — $714

Time T/C (USD/Day)

Newcastlemax (205 000 dwt)

$33,500 — $250

Capesize (180 000 dwt)

$27,500 — $250

Kamsarmax (82 000 dwt)

$23,000 — -$1,000

Panamax (75 000 dwt)

$22,000 — -$1,000

Ultramax (64 000 dwt)

$21,500 — -$1,500

Supramax (58 000 dwt)

$24,500 — -$2,000

Baltic Dry Index (BDI)

$2,387

Time T/C Dry Bulk

Gas

Comments

EAST

The BLPG2 index continue to come off, and as a result nobody seems to be in a rush to move on upcoming shipping requirements. The only players that have tested freight since last week has been a handful of Indian majors, but each of these deals have all been concluded at discount to the previous deal.

We are however seeing stronger upstream production, and many of the Middle Eastern suppliers are dealing with higher inventory of LPG. We therefore expect to see more spot fixb cargos in the market over the coming weeks.

WEST

The same story applies for the West market. BLPG2 and 3 are coming off rapidly and will by the looks of it, enter double digit freight before activity resumes.

About six fixtures have been concluded for July loadings ex USG/USEC, thus, there is plenty of room for spot activity, albeit at rates somewhere in between capex and opex.

LPG Rates

East Market (USD/Month)		
VLGC (84 000 cbm)	$1,000,000	-$100,000
LGC (60 000 cbm)	$1,050,000	-$100,000
MGC (38 000 cbm)	$900,000	-$20,000
HDY SR (20-22 000 cbm)	$710,000	$0
HDY ETH (17-22 000 cbm)	$820,000	$0
ETH (8-12 000 cbm)	$515,000	$0
SR (6 500 cbm)	$465,000	$0
COASTER Asia	$270,000	$0
COASTER Europe	$380,000	$0
LPG/CO2 Parcel (Freight/Month)		
FOB North Sea/ARA	$725	$0
Saudi Arabia/CP	$750	$0
MT Belview (US Gulf)	$622	-$22
Sonatrach/Bethioua	$730	$0
LPG/FOB Pdam - Spore (USD/Tonne)		
FOB North Sea/ARA	$803	$0
Saudi Arabia/CP	$750	$0
MT Belview (US Gulf)	$553	-$30
Sonatrach/Bethioua	$825	$0

LNG Rates

East Market (USD/Day)		
East of Suez 155-165 000 cbm	$81,000	$0
West of Suez 155-165 000 cbm	$91,000	-$5,000
1 Year T/C 155-160 000 cbm	$140,000	$0

Newbuilding

Active orders

Tankers	Slow	Slow
Dry Bulkers	Slow	Slow
Others	Moderate	Moderate

Prices

VLCC	$120.0	$1.0
Suezmax	$81.0	$1.0
Aframax	$63.5	$0.5
Product	$45.0	$0.0
Newcastlemax	$66.0	$0.0
Kamsarmax	$37.1	$0.5
Ultramax	$35.5	$0.5
LNGC (MEGI) (cbm)	$228.0	$1.0

Sale & Purchase

Tanker

Last 5 yrs

Capesize	$54.0	$1.0
Kamsarmax	$38.0	$0.0
Ultramax	$34.5	$0.0

Dry 10 yrs

Capesize	$38.0	$0.5
Kamsarmax	$28.5	$1.0
Ultramax	$28.0	$1.0

Wet 10 yrs

VLCC	$78.0	$0.0
Suezmax	$54.0	$1.5
Aframax / LR2	$30.0	$2.0
MR	$33.0	$0.0

Wet 20 yrs

VLCC	$55.0	$0.0
Suezmax	$39.0	$0.0
Aframax / LR2	$33.0	$1.0
MR	$23.0	$0.0

Market Brief

Interest Rates

USD/JPY	118.50	-2.55
USD/KRW	1235.50	-7.25
USD/NOK	9.24	-0.01
EUR/USD	1.10	0.00

Interest Rates

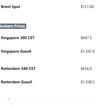
LIBOR USD (6 months)	2.67%	0.37%
NIBOR NOK (6 months)	1.85%	0.05%

Commodity Prices

Brent Spot	$121.00	$1.00

Bunker Prices

Singapore 380 CST	$647.5	$19.0
Singapore Gasoil	$1,347.0	$1.0
Rotterdam 380 CST	$656.0	$11.0
Rotterdam Gasoil	$1,338.5	-$4.5



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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