Fearnleys Weekly Report

Week 25 - June 22, 2022

Printer version

Tankers

Commentary

VLCC

Quite a turn around this week. Owners have the bit between their teeth and are looking to continue market gains over the last week or so. Driven by an active Atlantic market, with rates creeping up USD 2000 for USG/East on Monday, it set the tone and the West Africa market followed suit (jumping to WS 50 Mark/China), as only modern approved tonnage would fit the requirements. What followed was a mixed bag of fixture activity, with some charterers (mainly those with tonnage to fill in the East) being forced to outbid other charterers entering the market and owners looking to push (at the time of writing) onward. Stating the WS 50 at Monday, charterers that can escape on handicapped/old can do so, but it remains only a few points discount. Plenty of cargoes still to work, so it remains all to play for during the remainder of the week.

Sentiment

In the Atlantic, Aframaxes continue to lend physical/psychological support to Suezmaxes while VLCCs could, conversely, cap Suezmax gains. In the East, the Suezmax market is being supported by the Aframax market, which is being underpinned by support mechanism for the Atlantic current crop of fixture charterers choosing to pothole the market with multiple tayors being spread out over a wide date-range. This allows momentum to build and imbues owners with confidence to ask for more. In the East, MEG/West trade flows continue to increase which has naturally benefited freight rates, particularly as both 75 and 20 tonne crane vessels are in demand which helps then the list for eastbound requirements. TD23 is likely to hit WS 70's whilst a China run won't give you much change from WS 102.5-107.5 on a modern ship.

Aframax

A few Aframax owners, who aim to for premium business ex Baltic, are also considering fixing cross Hess cargos as a time filler. Despite this, the current Hess market is looking very tight for and month loadings. Owners are with workable tonnage in position is rightfully asking for higher than last done rates. We see this firm Hess/Baltic market trend continue going forward. The Med/Black market was exclusive throughout last week with rates correcting up as charterers trying secure prompt tonnage to cover 3rd decade June/1st decade July requirements. Slightly different story this week as charterers been holding back and with lower cargo activity the lists now looking healthier, resulting in rates coming off again. We foresee a softer/stable market for the balance of the week.

Rates

Dirty Clean WS 2022		
MEG/WEST (280 000)	WS 27.0	1.0 ↑
MEG/Japan (280 000)	WS 47.0	2.0 ↑
MEG/Singapore (280 000)	WS 48.0	2.0 ↑
WAF/FEAST (260 000)	WS 50.0	3.0 ↑
WAF/USAC (130 000)	WS 112.5	0.0 →
Sidi Kerir/W Med (135 000)	WS 105.0	0.0 →
N. Afr/Rotterdam (80 000)	WS 135.0	15.0 ↑
UK/Cont (80 000)	WS 185.0	35.0 ↑
Caribs/USG (70 000)	WS 162.5	-15.0 ↓
Time T/C (USD/Day)		
VLCC (Modern)	$25000.0	$0 →
Suezmax (Modern)	$19000.0	$0 →
Aframax (Modern)	$23000.0	$0 →

VLCC

VLCCs fixed in all areas last week	55	-12 ↓
VLCCs available in MEG next 30 days	152	-16 ↓

Time T/C Chart

Dry Bulk

Commentary

Atlantic

Markets are shaking as the fear of recession is increasing, which is also making a big impact on Capesize expectation as steel and iron ore prices are dropping. We see freight for West Australia-China, which is the biggest flow for seaborn iron ore, is down by 16% in two trading days and the average of all routs down 23%. It's also interesting to note that forward expectations of hire is down from 27,500 last week to 22,500 now.

Sentiment

The market began slowly entering a new week, no holidays of note but the market had yet to find a clear direction with a mixture of views for next done deals. However, the majority felt rates in the Atlantic appeared relatively healthy so far with fundamentals largely unchanged from the end of last week. The market in Asia appeared at first sight a little sloppy, but yet again market players had yet to show their hands so a little too early to call the market.

Some representative fixtures this week:

KM Singapore (80,559/2011) ex dd Zhoushan 26/30 Jun fwd 1 year USD 25,000 - Tongli.

Sakizaya Queen (81,858/2018) Gibraltar 25-27 Jun fhd tct via NCSA relet Skaw-Spain Med USD 27,500 - Bunge.

Panamax Nostos (76,820/2005) Hazira 24-25 Jun fhd subs tct via ECSA redel Feast USD 23,500 - Cofco.

Flag Mette (80,785/2016) Passero 24/26 Jun fhd subs 29/30,000 2-3 legs redel Atlantic - Uttabulk

Sea Proteus (81,162/2013) Manila 30 Jun fhd Aussie ex mid USD 26,000's.

CL Tianjing (81,315/2016) Fangcheng 20/21 Jun tct via Indonesia redel India USD 25,000 -LSS.

Rates

Capesize (USD/Day, USD/Tonne)		
TCE Cont/Far East (180 DWT)	$40,889	$2,444 ↓
Australia - China	$11.2	-$1.6 ↓
Pacific RV	$13,845	$1,664 ↓
Panamax (USD/Day, USD/Tonne)		
Transatlantic RV	$25,050	$1,640 ↑
TCE Cont/Far East	$34,627	$572 ↑
TCE Far East/Cont	$19,176	-$363 ↓
TCE Far East RV	$22,498	-$795 ↓
Supramax (USD/Day)		
Atlantic RV	$19,934	-$1,040 ↓
Pacific RV	$27,300	$264 ↑
TCE Cont/Far East	$22,342	-$816 ↓
Time T/C (USD/Day)		
Newcastlemax (208 000 dwt)	$28,000	$5,500 ↓
Capesize (180 000 dwt)	$22,500	$5,000 ↓
Kamsarmax (82 000 dwt)	$25,000	$2,000 ↑
Panamax (75 000 dwt)	$23,500	$1,500 ↑
Ultramax (64 000 dwt)	$27,000	-$500 ↓
Supramax (58 000 dwt)	$23,500	-$1,000 ↓
Baltic Dry Index (BDI)	$2,349	

Time T/C Dry Bulk

Gas

Commentary

EAST

The Indian majors continue their high activity in the East with both a couple of deals and a cargo out for mid July dates with one more expected this week. A couple of other market players have also been making some movements. Focus is now shifting towards mid month dates as early July fixing seems to be as good as done, and we have almost seen a dozen deals for early dates with last fixture concluded at USD mid 70s for non-India and USD low 90s for India. With the latest activity considered we expect freight to remain firm.

WEST

The western freight rates are on the rise again and we are starting to see freight enquiries for August dates. On the one hand, freight is gaining momentum in the end of July although for the vessels left open in the first half, the threat of waiting time is imminent. We have seen over 20 spot fixtures out of the USG/UEC so far in July and owners are now aiming around USD 110 Houston/Chiba and high 60s Houston/Flushing. With a handful of uncovered July and early August cargoes out there and the position list in the hands of few players in addition to the arb supporting today's freight we expect rates to at least maintain.

LPG Rates

East Market (USD/Month)		
VLGC (84 000 cbm)	$1,050,000	$100,000 ↑
LGC (60 000 cbm)	$1,050,000	$0 →
MGC (38 000 cbm)	$910,000	-$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 →
CDGASTER Asia	$270,000	$0 →
CDGASTER Europe	$380,000	$0 →
LPG/FOB Prices - Propane (USD/Tonne)		
FOB North Sea/ARA	$735	$0 →
Saudi Arabia/CP	$750	$0 →
MT Balviks (US Gulf)	$630	$0 →
Sonatrach/Bethioua	$730	$0 →
LPG/FOB Prices - Butane (USD/Tonne)		
FOB North Sea/ARA	$803	$0 →
Saudi Arabia/CP	$750	$0 →
MT Balviks (US Gulf)	$536	$4 ↑
Sonatrach/Bethioua	$825	$0 →
LNG Rates		
Time Charter (USD/Day)		
East of Suez 155-165 000 cbm	$60,000	$0 →
West of Suez 155-165 000 cbm	$60,000	$0 →
1 Year T/C 155-160 000 cbm	$135,000	$0 →

Newbuilding

Activity Levels

Tankers	Slow	Slow
Dry Bulkers	Slow	Slow
Others	Moderate	Moderate

Prices

VLCC	$120.0	$0.0 →
Suezmax	$81.0	$0.0 →
Aframax	$63.5	$0.0 →
Product	$43.0	$0.0 →
Newcastlemax	$66.0	$0.0 →
Kamsarmax	$37.5	$0.0 →
Ultramax	$35.5	$0.0 →
LNGC (MEGI) (cbm)	$228.0	$0.0 →

Sale & Purchase

Tanker

Dw 5 yr old		
Capesize	$54.0	$0.0 →
Kamsarmax	$38.0	$0.0 →
Ultramax	$34.5	$0.0 →
Dw 10 yr old		
Capesize	$38.0	$0.0 →
Kamsarmax	$28.5	$0.0 →
Ultramax	$28.0	$0.0 →
Blk 15 yr old		
VLCC	$78.0	$0.0 →
Suezmax	$54.0	$0.0 →
Aframax / LR2	$51.0	$1.0 ↑
MR	$33.5	$0.5 ↑
Blk 20 yr old		
VLCC	$55.0	$0.0 →
Suezmax	$39.0	$0.0 →
Aframax / LR2	$34.0	$1.0 ↑
MR	$24.0	$1.0 ↑

Market Brief

Exchange Rates

USD/JPY	118.50	2.53 ↑
USD/KRW	1235.50	7.25 ↑
USD/NOK	9.24	-0.01 ↓
EUR/USD	1.10	0.00 →

Interest Rates

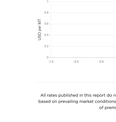
LIBOR USD (6 months)	2.84%	0.00% ↑
NIBOR NOK (6 months)	1.85%	0.00% ↑

Commodity Prices

Brent Spot	$114.50	$1.50 ↑

Bunker Prices

Singapore 380 CST	$598.0	-$49.5 ↓
Singapore Gasoil	$1,381.5	$34.5 ↑
Rotterdam 380 CST	$598.5	-$37.5 ↓
Rotterdam Gasoil	$1,337.0	-$1.5 ↓



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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