Fearnleys Weekly Report

Week 30 - July 27, 2022

Printer version

Tankers

Comments

VLCC

Clear evidence over the past few days that around WS 60 MEG/East seems to be the level at which owners (including those attached of course) are willing to profit take and fix away. Certainly, led by the rates, the MEG market has wobbled over the last few days, down to WS 57.5 MEG/Korea, despite continued enquiry and no real change in the fundamentals (apart from some cheaper bunkers). At the time of writing, there are a couple of cargoes working MEG/East, and still have seen only 1X or so cargoes done in the 10-20 window. Owners should not panic.

The US Gulf has seen successive deals higher than last done, up to USD 7.5m to Ningbo. However, West Africa has remained light on volume and Smaers are also running out of steam. Without late August WaP enquiry, or fresh September USG stems, owners will have to fight to hold recent gains.

Product

East and West Suezmax markets have seen rates stall over the last week as open market enquiry levels fizzled out. Off market enquiries have evidently been able to fix at last done levels without being smoked into the open market and as a result there's a softer feel to proceedings today. With Vitol's fleeting capped there is no upside for Suezmax in the East where MR/Eastport probably trades maximum 10bld x WS217.5-10 whilst TD23 will do well to stay out of WS70's territory. In the West there's a little more optimism with firm Med/ Atlantic enquiry and rates creeping levels and as such this will hold a number of Suezmax's in that region and away from wah. Nationally, TS20 has a notional floor and trades mid WS30's with further enquiry needed to maintain these levels. Tbk is following Africa's at about WS50.

Product

North Sea/Baltic took a step back this week on the back of weak cargo activity in the area. A few vessels ballasted out of the area to seek better alternatives but still this didn't help the rates to improve. We expect rates to move sideways in the short term before we see some improvement later in August. Med/Black rates held steady for another week as Libya is back fully operational with a lot of prompt requirements. Supply of vessels in the area is still tight for cross Mediterranean runs but also for CPC-approved vessels which helps owners to earn. Sentiment in the area is strong and we expect rates to remain steady for the week to come.

Freight

Clean Spot (WS 2022)		
MEG/WEST (280 000)	WS 35.0	0.0 →
MEG/Japan (280 000)	WS 60.5	-1.0 ↓
MEG/Singapore (280 000)	WS 61.5	-1.0 ↓
WAF/EAST (260 000)	WS 61.5	-1.0 ↓
WAF/USAC (130 000)	WS 132.5	-2.5 ↓
Sidi Kerir/W Med (135 000)	WS 190.0	0.0 →
N. Afr/Rumeml (80 000)	WS 280.0	40.0 ↑
UK/Cont (80 000)	WS 185.0	-10.0 ↓
Caribs/USG (70 000)	WS 220.0	-42.5 ↓

T/time T/C (USD/Day)		
VLCC (Modern)	$23,000.0	$0 →
Suezmax (Modern)	$22,000.0	$0 →
Aframax (Modern)	$20,000.0	$0 →

VLCC

VLCCs fixed in all areas last week	56	-11 ↓
VLCCs available in MEG next 30 days	168	37 ↑

Dry Bulk

Comments

Capesize

As signaled in July last year, the market is slow and lacking requirements. Rates are consequently coming off and US is presently in the same line 70s, compared to upper 90s same time last week. A bigger drop on the C3 route, presently marked at USD low 28s has spared to mid 31 last week. And even a bigger drop seen on the C7 route, marked at USD 22 last week and presently real value sub USD 19.

Panamax

After the Panamax market levelled out and turned positive last week, this week has been more mixed. The FFA drop on Monday caused a pull back from the charterers to re-evaluate levels and market direction. In the Pacific, market felt under pressure with low enquiry and a lot of tonnage coming open mid-month. Rates consequently dropped. In the Atlantic, we saw a drop in cargo volume and tonnage list are more or less balanced, and levels concluded at last done. The tonnage count in Atlantic is reduced and low for next two weeks, therefore we reckon Atlantic market may be stable this week. ECSA is flat and tick below last done, therefore we need a clearing out current vessels before seeing any improvement. There is still very limited period business being reported.

Supramax

The Supra and Ultra Atlantic market remain pretty much unchanged from previous July weeks. Though we can notice ECSA market was a bit more active compared to previous week, though levels remained unchanged. Supra 58,000 dwt was fixed at USD 30,000 pd delivery North Spain to Atlantic Colombia. Another Supra 52,000 dwt was fixed from Brazil to Lagos with sugar at USD 32,000 pd paying premium for HRA.

Black Sea market expects some improvement after Ukraine and Russia signed agreement regarding the removal of the blockage at Ukrainian ports. Market reacted positive and remains stable in Black sea and Mediterranean. Trips to Far East paying around USD 20,000 pd on Ultramaxes basis Constanta-Far East.

Pacific basin showed some signs of recovery and rates increased by USD 1,000 pd. Trips to China on Supra with dely Indo was fixed at USD 23,000 pd.

Supramax with dely SE Asia fixed USD 25,000 pd. An Ultra 63,000 dwt with dely N China was fixed at USD 31,500 pd for a trip via China to WCCA.

Freight

Capesize (USD/Day, USD/Tonne)		
TCE Cont/far East (180 DWT)	$42,438	-$8,201 ↓
Australia - China	$10.2	-$0.5 ↓
Pacific RV	$13,282	$727 ↑
Panamax (USD/Day, USD/Tonne)		
Transatlantic RV	$19,545	$2,110 ↑
TCE Cont/Far East	$28,241	$1,727 ↑
TCE Far East/Cont	$12,970	$91 ↑
TCE Far East RV	$16,209	$213 ↑
Supramax (USD/Day)		
Atlantic RV	$22,054	-$784 ↓
Pacific RV	$21,064	-$815 ↓
TCE Cont/far East	$19,033	-$188 ↓
T/time T/C (USD/Day)		
Newcastlemax (208 000 dwt)	$24,500	-$1,500 ↓
Capesize (180 000 dwt)	$19,500	-$1,500 ↓
Kamsarmax (82 000 dwt)	$20,000	-$500 ↓
Panamax (75 000 dwt)	$18,500	-$500 ↓
Ultramax (64 000 dwt)	$21,500	-$500 ↓
Supramax (58 000 dwt)	$17,000	-$1,000 ↓

Baltic Dry Index (BDI) $2,807

Gas

Comments

EAST

The fixing window has shifted to mid-2H August in the MEG. After seeing several deals concluded last week the market has calmed down, and there has not been too much to report thus far. A location in Indian Majors have tested the market, but as the lineup of ships looks well supplied we don't expect charterers to rush in for uncovered cargos. East freight is still trading at a premium to West, but we expect this gap to be further removed in the days to come.

WEST

This week we have been deals done both in the USG and West Africa, but fixing activity still remains slow in the West. Last done deal is now concluded at USD mid 90s Houston/Chiba range, but it is likely freight has to drop even more before we see an uptick in activity unless the arb soon gives some support. If neither of this happens it is a possibility we soon will see prompt open ships in the USG as the month of August are just a few days away.

LPG Prices		
Spot Market (USD/Month)		
VLGC (84 000 cbm)	$1,050,000	$0 →
LGC (60 000 cbm)	$950,000	$0 →
MGC (38 000 cbm)	$915,000	-$20,000 ↓
HDY SR (22-22 000 cbm)	$700,000	$0 →
HDY ETH (17-22 000 cbm)	$820,000	$0 →
ETH (8-12 000 cbm)	$500,000	$0 →
SR (6 500 cbm)	$450,000	-$15,000 ↓
COASTER Asia	$270,000	$0 →
COASTER Europe	$350,000	-$15,000 ↓
LPG/FOB (Main 3 Volume USD/Tonne)		
FOB North Sea/ARA	$696	$0 →
Saudi Arabia/CP	$725	$0 →
MT Belview (US Gulf)	$591	$3 ↑
Sonatrach/Bethioua	$700	$0 →
LPG/FOB (Main 3 Volume USD/Tonne)		
FOB North Sea/ARA	$657	$0 →
Saudi Arabia/CP	$725	$0 →
MT Belview (US Gulf)	$508	$12 ↑
Sonatrach/Bethioua	$630	$0 →

LNG Prices		
Spot Market (USD/Day)		
East of Suez 155-165 000 cbm	$47,000	$0 →
West of Suez 155-165 000 cbm	$42,000	-$3,000 ↓
1 Year T/C 155-165 000 cbm	$133,000	$0 →

Newbuilding

Market Comm		
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	$61.0	$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

Prices		
Dry 5 yrs		
Capesize	$54.0	$0.0 →
Kamsarmax	$38.0	$0.0 →
Ultramax	$34.5	$0.0 →
Dry 10 yrs		
Capesize	$38.0	$0.0 →
Kamsarmax	$29.0	$0.0 →
Ultramax	$28.0	$0.0 →
Wet 5 yrs		
VLCC	$82.0	$2.0 ↑
Suezmax	$56.0	$1.0 ↑
Aframax / LR2	$51.0	$0.0 →
MR	$36.5	$2.5 ↑
Wet 10 yrs		
VLCC	$59.9	$3.9 ↑
Suezmax	$41.5	$1.0 ↑
Aframax / LR2	$38.5	$4.5 ↑
MR	$27.0	$3.0 ↑

Market Brief

Currency 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)	3.35%	-0.03% ↓
NIBOR NOK (6 months)	1.85%	0.00% →

Commodity Prices		
Brent Spot	$99.50	-$3.50 ↓

Bunker Prices		
Singapore 380 CST	$495.5	$9.0 ↑
Singapore Gasoil	$1,047.0	-$51.5 ↓
Rotterdam 380 CST	$477.5	$4.5 ↑
Rotterdam Gasoil	$1,099.5	-$36.5 ↓

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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