Fearnleys Weekly Report

Week 31 - August 03, 2022

Printer version

Tankers

Comment

VLCC

The VLCC market dropped a couple of points compared to last week and looks to be 'holding' now at WS 38 on MEG-China. Owners' offers are still decent for a smaller fixture and as some are already declaring their vessels for September, Cargills the reason for slight further drop going forward as owners might seek more profit taking. The position list looks well balanced for the time being, as we move into the final decade in August as MEG there should be about 60 more cargoes left if to continue with past couple of months.

USG taken a slight dip as last done USG/Korea now at USD 72 mill, but with uncertainties on the positions on the Continent it will be interesting to see what next done is on a 'safe' vessel.

Tankers

The Suezmaxes in the West remains rather active, after TD20 got a small correction last week. The V's taking out Suez-cargoes was bound to have the effect on the market, but even after the market still remains in the WS 100's, USD and Brazil dates as well which keeps the rates in the West at decent levels. In the East we don't see much crude going long from MEG, but a busy fuel market for the time being keeps the Aframax owners happy as India keep rates at current levels. Going forward we expect rates to remain rather stable, with some downward pressure as we are going in to holiday season, motorically August tends to be a more quiet month, but so far we have not seen much change.

Aframax

Rates in the Nsea have climbed up this week as activity picked up and a couple of owners were fixed out of the area leaving less options to the charterers. Activity in the area is expected to remain healthy, however there might be some downward risk as Suezmaxes could possibly step in for cross Nsea runs. Moving forward we expect rates to remain healthy and move even higher unless bigger sizes are there to cap them. After a few active weeks, we have seen a drop in freight levels in the Med/Black market this week. With lower activity, tonnage list is looking slightly healthier giving charterers bit more leverage. We might see this softening trend continue somewhat unless cargo activity picks up again. The area is still offering owners respectable returns though, with tc19 route currently showing around USD 76,000 TCE.

Dirty

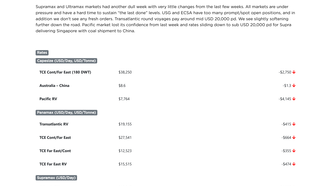
Dirty Clean WS 2022		
MEG/WEST (280 000)	WS 34.0	-1.0 ↓
MEG/Japan (280 000)	WS 58.0	-2.5 ↓
MEG/Singapore (280 000)	WS 59.0	-2.5 ↓
WAF/FEAST (260 000)	WS 60.0	-1.5 ↓
WAF/USAC (130 000)	WS 130.0	-2.5 ↓
Sidi Kerir/W Med (135 000)	WS 180.0	-10.0 ↓
N. Afr/Euromed (80 000)	WS 210.0	-20.0 ↓
UK/Cont (80 000)	WS 187.5	-2.5 ↓
Cariba/USG (70 000)	WS 240.0	20.0 ↑

Time TC (USD/Day)		
VLCC (Modern)	$26000.0	1000 ↑
Suezmax (Modern)	$21000.0	$2,500 ↑
Aframax (Modern)	$18000.0	$6,500 ↑

VLCC

VLCCs fixed in all areas last week	53	-1 ↓
VLCCs available in MEG next 30 days	164	-4 ↓

Time TC Chart



Dry Bulk

Comment

Capesizes are under pressure with disappointing demand from Brazil as well as Australia. The US route is presently in the mid USD 20's and expected to well in the 10s one week ago. As for C3 out of Brazil, there has been concern about fixtures at sub USD 24 level, being down from USD 28 level. There is concerning backlog of early tonnage and lack of expectations for the very near future, but rather a belief we will have a positive correction into the autumn.

Panamax

Another softer week for the Panamax market as owners felt the recent pressure continue across all basins, some limited resistance in the north Atlantic but this was largely position list with fundamentals weaker overall. We start seeing slight increase of tonnage in the Pacific and Atlantic next weekend, but for now it looks like owners will have to accept softer rates as charterers will provide much need fix cargo but frontload still limited. Period demand has been active and in line with FFA as we start moving towards Q4 with better expectation. Market is flat but need volume in order keeping current levels. Holidays in mid Europe and we don't see a big market fluctuation because of this.

Some representative fixtures this week:

Wi Jade (75,378 2014) Stade 2 August was said to have been secured on subjects but little else emerged.

Rumours first thing today of the Meritia (81,834 2019) retro sailing Hadda 26 July fixing for a trip via EC South America redelivery Far East at $22,000 Cenergie.

ETG Aquarius (81,976 2021) Tianjin 29/31 July fixed for a trip via NoPac redelivery Singapore-Japan at $16,750 to Klaveness.

Climate Respect (86,461 2022) Nsts 30/31 July fixed for a trip via EC Australia redelivery Japan $24,000 with Oetchi.

Anglo Mariner (78,681 2011) (scrubber) Taichung 29-30 Jul lcl via EC Aussie redel Spore-Jpn $17,000 cnr.

Mighty Star (81,835 2020) (scrubber) in GC Nagoya 9-10 Aug tct via NoPac (~options) redel Spore-Jpn $18,000 – Oldendorff.

Eleftemi (82,006 2009) Zhanjiang 4 Aug lcl via EC Aussie redel Japan $8,000 – MOL.

Yangze 21 (82,122 2012) Matsuura 6/8 Aug lcl via Australia redel Spore-Japan $17,250 cnr.

Capesize

Supramax and Ultramax markets had another dull week with very little changes from the last few weeks. All markets are under pressure and have a hard time to sustain "the last done" levels. USG and ECSA have too many prompt/spot open positions, and in addition we don't see any fresh orders. Transatlantic round voyages pay around mid USD 20,000 pd. We see slightly softening further down the road. Pacific market told its confidence from last week and rates sliding down to sub USD 20,000 pd for Supra delivering Singapore with coal shipment to China.

Tankers

Spot Market (USD/Month)		
TC2 Cont/far East (130 DWT)	$18,250	-$2,750 ↓
Australia - China	$8.6	-$1.1 ↓
Pacific RV	$7,764	-$4,145 ↓

Panamax (USD/Day, USD/Tonne)		
Transatlantic RV	$19,155	-$415 ↓
TC2 Cont/far East	$27,341	-$664 ↓
TC3 far East/Cont	$12,523	-$355 ↓
TC5 far East RV	$15,315	-$474 ↓

Supramax (USD/Day)		
Atlantic RV	$19,540	-$1,986 ↓
Pacific RV	$18,250	-$2,107 ↓
TC9 Cont/far East	$19,167	-$133 ↓

Time TC (USD/Day)		
Newcastlemax (208 000 dwt)	$23,000	-$1,500 ↓
Capesize (180 000 dwt)	$18,000	-$1,500 ↓
Kamsarmax (82 000 dwt)	$20,000	$0 →
Panamax (75 000 dwt)	$18,500	$0 →
Ultramax (64 000 dwt)	$21,000	-$500 ↓
Supramax (58 000 dwt)	$19,500	-$500 ↓

Baltic Dry Index (BDI)	
BDI	$1,731

Time TC Dry Bulk

Gas

Comment

EAST

An active start to the week with a flurry of cargos both ex Middle Eastern ports and Australia has made sure to remove a lot of open vessels from the position list. Many of the cargos have gone the luxury of a variety of ships to pick and choose and so we have seen the Baltic dropping a couple of dollars in just the two first trading days of the week. At the time of writing one ship has been placed on subs of about 5 fixtures and less than Tuesday Baltic print to a European trader, while another trader is working to replace another sub fixture. Actual availability on August dates in the East is decreasing and as competition on the remaining cargos diminishes, we expect market to be bottoming out for now in the high 50s.

WEST

We have entered the first week of August and people are back from vacation, we have witnessed a higher pace of activity fixing wise than we have seen the last couple of weeks. The position list last week looked long in the front of August but now has been shrunken as traders ended up programming their rotels. Currently there are only 8 ships left in August where half of them is in the Yet and one is prompt soon. Moving into September vessel availability looks tight as shipowners are sending their ships via Suez/Cape and freight is set to increase again this period after seeing deals done around the 90 dollar mark recently.

LPG Prices		
Spot Market (USD/Month)		
VLGC (84 000 cbm)	$710,000	-$100,000 ↓
LGC (60 000 cbm)	$850,000	-$50,000 ↓
MGC (38 000 dwt)	$915,000	$0 →
HDY SR (25-22 000 cbm)	$710,000	$0 →
HDY ETH (17-22 000 cbm)	$820,000	$0 →
ETH (8-12 000 cbm)	$300,000	$0 →
SR (6 500 cbm)	$450,000	$0 →
COASTER Asia	$270,000	$0 →
COASTER Europe	$350,000	$0 →
LPG/FOB Prices - Propane (USD/Tonne)		
FOB North Sea/ARA	$696	$0 →
Saudi Arabia/CP	$725	$0 →
MT Balexo (US Gulf)	$604	$11 ↑
Sonatrach/Bethioua	$700	$0 →
LPG/FOB Prices - Butane (USD/Tonne)		
FOB North Sea/ARA	$657	$0 →
Saudi Arabia/CP	$725	$0 →
MT Balexo (US Gulf)	$596	$3 ↑
Sonatrach/Bethioua	$650	$0 →

LNG Prices		
Spot Market (USD/Month)		
East of Suez 155-165 000 cbm	$45,000	-$2,000 ↓
West of Suez 155-165 000 cbm	$40,000	-$2,000 ↓
1 Year T/C 155-160 000 cbm	$130,000	-$3,000 ↓

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	$63.0	$0.0 →
Newcastlemax	$66.0	$0.0 →
Kamsarmax	$27.5	$0.0 →
Ultramax	$35.5	$0.0 →
LNGC (MEGI) (cbm)	$228.0	$0.0 →

Sale & Purchase

Prices		
Vlcc (5 yr)		
Capesize	$64.0	$0.0 →
Kamsarmax	$38.0	$0.0 →
Ultramax	$34.5	$0.0 →
Dry (10 yr)		
Capesize	$38.0	$0.0 →
Kamsarmax	$29.0	$0.0 →
Ultramax	$28.0	$0.0 →
Wet (5 yr)		
VLCC	$82.0	$0.0 →
Suezmax	$56.0	$0.0 →
Aframax / LR2	$51.0	$0.0 →
MR	$36.5	$0.0 →
Wet (10 yr)		
VLCC	$58.0	-$0.5 ↓
Suezmax	$41.5	$0.0 →
Aframax / LR2	$38.5	$0.0 →
MR	$27.0	$0.0 →

Market Brief

Exchange Rates		
USD/JPY	118.50	2.02 ↑
USD/KRW	1,315.50	7.25 ↑
USD/NOK	9.24	-0.01 ↓
EUR/USD	1.10	0.00 →

Interest Rates		
LIBOR USD (6 months)	3.31%	-0.03% ↓
NIBOR NOK (6 months)	1.85%	0.00% →

Commodity Prices		
Brent Spot	$100.50	-$1.50 ↓

Bunkers Prices		
Singapore 380 CST	$506.5	$11.0 ↑
Singapore Gasoil	$1,026.5	$30.5 ↑
Rotterdam 380 CST	$506.0	$28.5 ↑
Rotterdam Gasoil	$1,022.0	$37.5 ↑

Net Position

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.

Disclaimer