Fearnleys Weekly Report

Week 41 - October 12, 2022

01 Tankers

VLCC

The VLCC market has been hovering each side of the W80 mark MEG/east in the week gone by, depending on destination and the vessel's trading background. Much of the fixing activity has been conducted under the radar and charterers have manged to keep a lid on things. However, at the writing moment "panic" has started to set in and cargoes have been toppling into the marketplace on top of each other for the last week of October loading. Adding to that some prompt-ish replacement jobs for ships failing to clear and the owning community is yet again "smelling blood". By all accounts we will go into the November MEG program with a miniscule overhang, signalling a continued upward bias. Owners' confidence has been further supported by a number of USG export cargoes paying $10+mill for the benchmark Ningbo discharge.

Suezmax

The Atlantic continues to see scores of ships disappear off market as most Charterers try to keep everything low-key rather than risk a cargo out in the open . This quickly became apparent to one unlucky Charterer who obviously hadn't read the memo and duly paid up at W145 for a Td20 run. Opaque markets normally have an adverse impact on rates, but not this time, as it appears Owners are openly trumpeting the fact when their ships are on subjects and/or fully fixed, which has fed into the present market momentum in a positive manner. Black Sea is done for the month and with CPC/ROK last trading at USD 6M we wouldn't be surprised if Charterers take a peak at early November dates. The East market has slowed down after a previously busy week but Owners still looking circa WS140's for a China run on modern tonnage.

Aframax

Same story in the Nsea market last week as rates moved sideways with Charterers fixing tight to repeat last done levels. There are still delays in some strategic discharge ports limiting the options for Charterers while most of the Owners in position are focusing solely on Russian business. We don't foresee any downside risk moving forward and we might see rates moving even higher.Little change in the Med market last week with Owners keeping the momentum alive as market remained busy for another week. Charterers have found it hard to bring rates lower as tight/balanced supply of vessels persists in whole West of Suez market and activity is healthy. As we move closer to end-month fixing window and with CPC loadings for Aframaxes coming back for November we anticipate rates to continue improving.

Rates

Dirty
(Spot WS 2021, Daily Change)

Click rate to view graph

MEG/WEST	280'	47.5	2.5
MEG/Japan	280'	81.0	3.5
MEG/Singapore	280'	82.0	3.0
WAF/FEAST	260'	84.0	1.5
WAF/USAC	130'	137.5	12.5
Sidi Kerir/W Med	135'	137.5	2.5
N. Arf/Euromed	80'	225.0	-5.0
UK/Cont	80'	202.5	0.0
Caribs/USG	70'	195.0	0.0

1 Year T/C
(USD/Day, Weekly Change)

Click rate to view graph

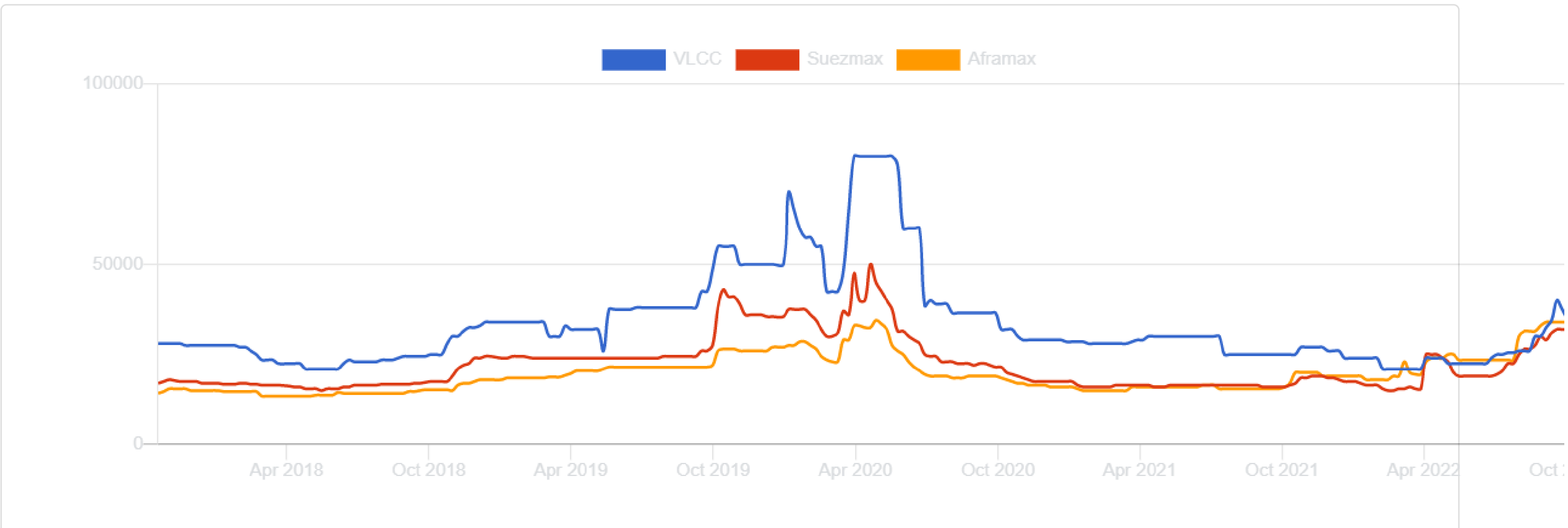
VLCC	Modern	$35,000	$0
Suezmax	Modern	$32,500	$500
Aframax	Modern	$34,000	$0

VLCCs

Click rate to view graph

Fixed in all areas last week	62	18
Available in MEG next 30 days	142	-5

1 Year T/C Crude



02 Dry Bulk

Capesize

The average 5 tc cape rate was USD 21,000 last week compared to present average USD 18,250. The c5 route is marked 9,2 down from 9,6 pmt last week. Ie it is the fronthaul trade being the most volatile route, with rates coming off from 44,000 to 38,000 over the last week. The c3 rate is more or less unchanged. Period rate is steady, but mainly for index linked deals.

Panamax

The Panamax market yielded a further week of losses as the market in the Atlantic appeared to idle, with little activity of note. Some spoke of certain grain trips paying a premium over mineral trades, but a wide bid/offer gap curtailed any decent activity. Conversely Asia witnessed minor gains primarily on the back of the NoPac trade but overall a week of minimal action despite an influx of Indonesian coal demand further south.

Supramax

BSI keeps good resistance with little change on the value of 1708 closing today.
With the Asian market coming back after Golden week, we see more activity though rates remain flat.
Atlantic keeps positive momentum with good demand in key areas such as ECSA and USG. The cargoes from the Mediterranean and Black pushed rates to a higher level.
US Gulf has good volume and keeps charterers busy finding prompt tonnage. We expect the market to be flat for the next week with better value in the Atlantic basin.

Rates

Capesize
(USD/Day, USD/Tonne, Daily Change)

Click rate to view graph

TCE Cont/Far East 180'	$38,406	-$157
Australia/China	$9.3	-$0.2
Pacific RV	$13,127	-$782

Panamax
(USD/Day, USD/Tonne, Daily Change)

Click rate to view graph

Transatlantic RV	$18,715	-$705
TCE Cont/Far East	$28,060	-$1,072
TCE Far East/Cont	$14,220	$9
TCE Far East RV	$17,808	-$11

Supramax
(USD/Day)

Click rate to view graph

Atlantic RV	
$20,924	$1,208 ^

Pacific RV	
$15,563	-$312 v

TCE Cont/Far East	
$23,921	$3,438 ^

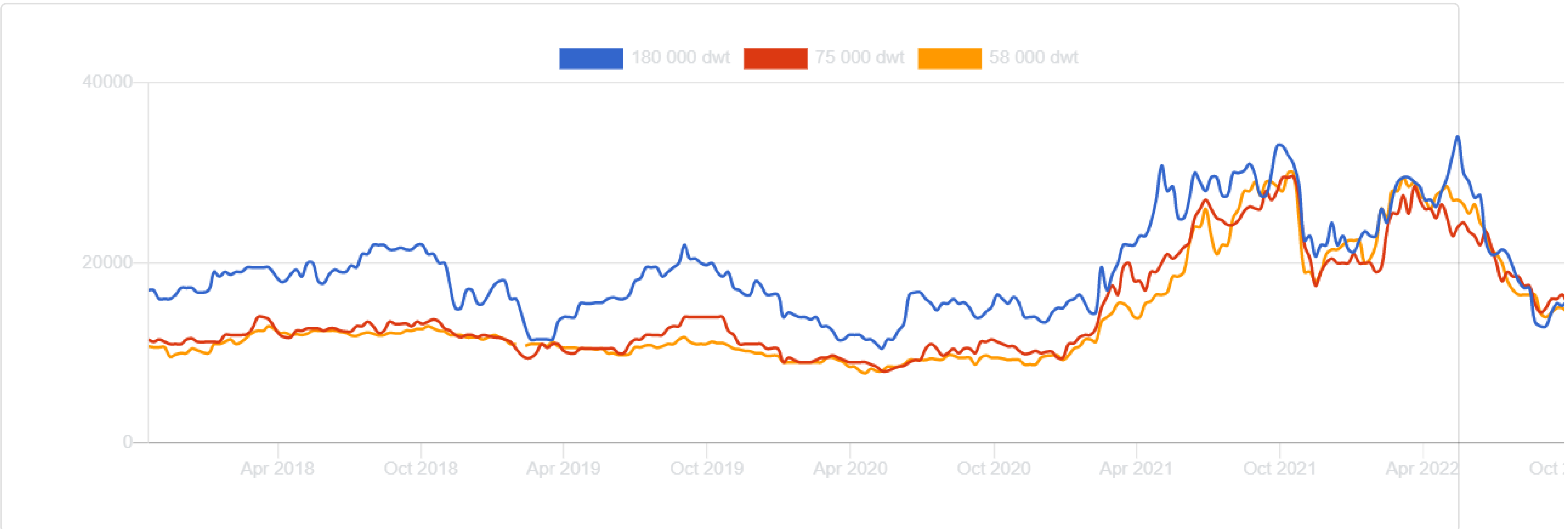
1 Year T/C
(USD/Day, Weekly Change)

Click rate to view graph

Newcastlemax	208'	$18,250	-$1,250 v
Kamsarmax	82'	$18,000	$500 ^
Ultramax	64'	$17,500	$0 >
Capesize	180'	$14,250	-$1,500 v
Panamax	75'	$16,000	$500 ^
Supramax	58'	$14,500	$0 >

Baltic Dry Index (BDI)
1873

1 Year T/C Dry Bulk



03 Gas

Chartering

EAST
Adnoc dates were published yesterday with reports of some lifters getting advanced. Fixing activity for 1H Nov has been minimal so far, apart from a few players testing freight ideas for early Nov. How much OPEC+ oil cut from Nov onward would impact to the LPG production in MEG remain to be seen, but the sentiment in the east remains stable/strong so far.

WEST

The Western freight market also continues being strong as we see it trading with a small premium to the Eastern market. At the time of writing we count well over 20 spot fixtures out of the USG so far for November with last done deal concluded at mid $130s Houston/Chiba and mid $70s H/F. We can still find a couple vessels left open for early Nov dates, but most players are looking both mid and late Nov dates. Vessel availability this period is tight, especially 10-20 Nov range, and with the arb widening in addition to an increase in waiting days in the Panama Canal we remain bullish.

LPG Rates

Spot Market
(USD/Month, Weekly Change)

Click rate to view graph

VLGC	84'	$1,850,000	$50,000
LGC	60'	$1,200,000	$0
MGC	38'	$900,000	$0
HDY SR	20-22'	$750,000	$0
HDY ETH	17-22'	$780,000	$0
ETH	8-12'	$490,000	$0
SR	6.5'	$440,000	$0
COASTER Asia		$270,000	$0
COASTER Europe		$300,000	$0

LPG/FOB Prices - Propane
(USD/Tonne, Weekly Change)

Click rate to view graph

FOB North Sea/Ansi	$532	$0
Saudi Arabia/CP	$590	$0
MT Belvieu (US Gulf)	$438	-$7
Sonatrach/Bethioua	$550	$0

LPG/FOB Prices - Butane
(USD/Tonne, Weekly Change)

Click rate to view graph

FOB North Sea/Ansi	$553	$0
Saudi Arabia/CP	$560	$0
MT Belvieu (US Gulf)	$456	$4
Sonatrach/Bethioua	$545	$0

LNG Rates

Spot Market
(USD/Day, Weekly Change)

Click rate to view graph

East of Suez 155-165k CBM $275,000 $25,000 ▲	West of Suez 155-165k CBM $275,000 $45,000 ▲	1 Year T/C 155-165k TFDE $182,500 $2,500 ▲

04 Newbuilding

Activity Levels

Tankers	Dry Bulkers	Others
Slow	Slow	Moderate

Prices

(Million USD, Weekly Change)

Type	Size	Price	Weekly Change
VLCC	300'	$121	$0
Suezmax	150'	$81	$0
Aframax	110'	$64	$0
Product	50'	$44	$0
Newcastlemax	210'	$66	$0
Kamsarmax	82'	$38	$0
Ultramax	64'	$36	$0
LNGC (MEGI) (cbm)	170'	$240	$0

05 Sale & Purchase

Prices

Dry	5 yr old	10 yr old	Wet	5 yr old	10 yr old
Capesize	$48.0	$33.0	VLCC	$85.0	$64.0

Dry	5 yr old	10 yr old	Wet	5 yr old	10 yr old
Kamsarmax	$32.0	$24.0	Suezmax	$60.0	$45.0
Ultramax	$30.0	$22.5	Aframax/LR2	$56.0	$42.0

06 Market Brief

Exchange Rates
(Daily Change)

USD/JPY
145.73 2.53

USD/NOK
10.72 -0.01

USD/KRW
1432.30 7.25

EUR/USD
1.03 0.00

Interest Rates
(Daily Change)

LIBOR USD (6 month)
4.45% 0.15%

NIBOR NOK (6 month)
2.58% 0.00%

Commodity Prices
(Daily Change)

Brent Spot
$94.50 -$3.50

Bunker Prices
(Daily Change)

Singapore

380 CST
$412 $20

MGO
$1,078 $123

Spread MGO/380 CST
$666 $104

Rotterdam

380 CST

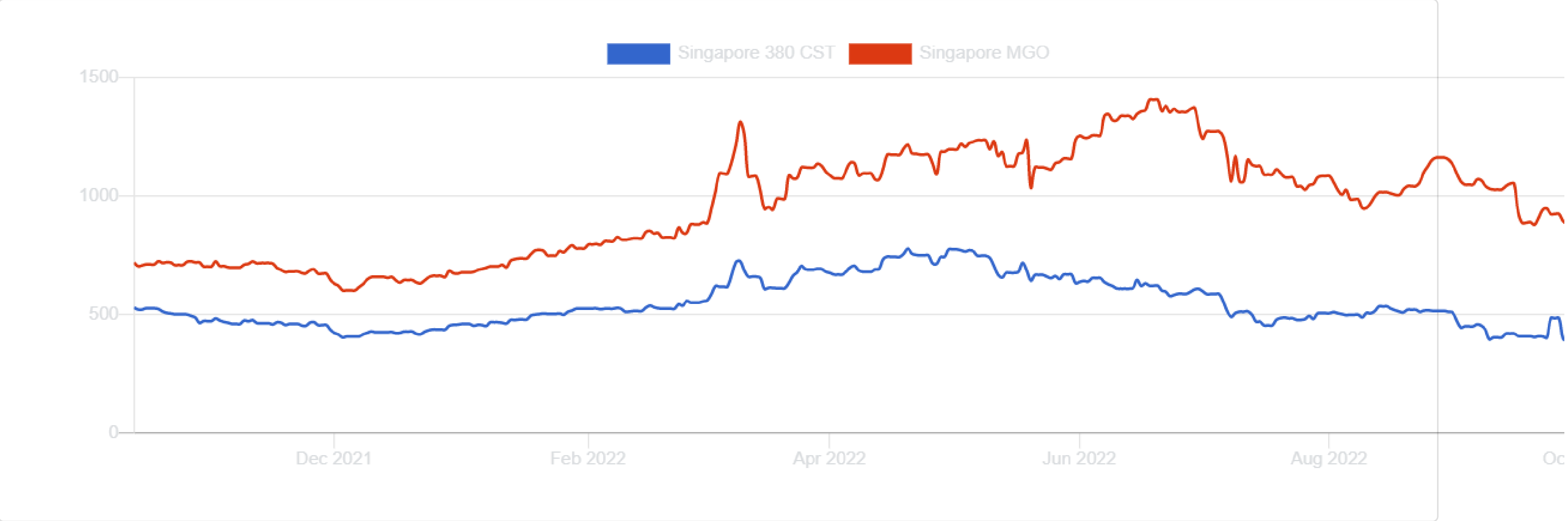
$407 -$11

MGO

$1,040 $56

Spread MGO/380 CST

$634 $67



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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