

Fearnleys Weekly Report

Week 49 - December 07, 2022

Printer version

Tankers

Comments

VLCC

The London party week in full swing, but the VLCC market not seeing much festive spirit. Rates for MEG/East dropping through the WS 70's as owners look to draw a new defensive line. It was a rapid retreat, but to some extent owners have slowed what was a frantic slide. Support from the Suezmaxes showing steady strength (for now), and therefore opportunities open for VLCC 'toe stepping' on their smaller sisters, as 1mb stems prove financially attractive in both the MEG and Wafr. TD3 sits at WS 73.5 levels at the time of writing, but charterers will look to chisel away. TD15 WS 70 to test, with 130kt stems touted and a quiet USG. A softer feel ahead, but with calmer waters. Third decade MEG stems yet to hit the market and this could give owners some stimulus.

Suezmax

Not the all-out capitulation that some thought was inevitable with the East market holding up remarkably well. Tupras were forced to take a ship that has yet to go through west coast India and managed WS 95 for a TD23, suggesting a degree of resistance. Conversely, any further upside is ultimately capped by VLCCs. Ex Wafr, the front end of the list remains fairly tight but similarly, VLCCs provide a cap. The Black Sea has an increasing number of vessels unable to transit southbound Bosphorus with P&I clubs unwilling and practically, unable to provide the assurance requested by the Turkish government. This will have to be sorted out at government to government level with TD6 trading WS 295 + protective clause. USG is dead and needs further enquiry.

Aframax

The Nsea market remained steady last week. Activity slowed down a bit as relets were used for own cargoes by charterers, but the thin position list preserved rates from falling. We expect market to remain strong moving forward in December and rates to move sideways. In the Med/BSea we saw high volatility on the rates last week as owners fixed well-below last done early in the week but managed to push back again. Market seems to be slightly oversupplied but healthy activity and a bunch of laden vessels stuck in the Turkish straits due to the P&I letter will help rates remain strong.

Rates

Dirty (Spot WS 2021)

MEG/WEST (280 000)	WS 52.5	-10.0 ↓
MEG/Japan (280 000)	WS 73.5	-21.5 ↓
MEG/Singapore (280 000)	WS 74.0	-21.0 ↓
WAF/FEAST (260 000)	WS 72.5	-25.0 ↓
WAF/USAC (130 000)	WS 187.5	-5.0 ↓
Sidi Kerir/W Med (135 000)	WS 235.0	0.0 →
N. Afr/Euromed (80 000)	WS 375.0	-10.0 ↓

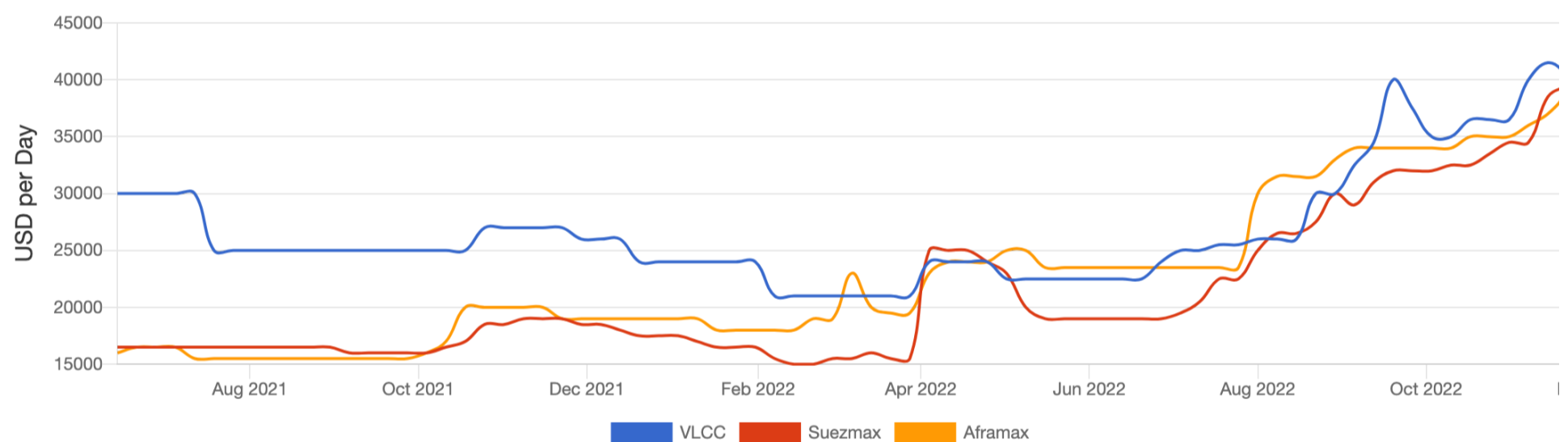
UK/Cont (80 000)	WS 325.0	0.0 →
Caribs/USG (70 000)	WS 265.0	-295.0 ↓

1 Year T/C (USD/Day)

VLCC (Modern)	\$36500.0	-\$2,500 ↓
Suezmax (Modern)	\$40500.0	\$0 →
Aframax (Modern)	\$43000.0	\$0 →

VLCC

VLCCs fixed in all areas last week	52	10 ↑
VLCCs available in MEG next 30 days	145	1 ↑

1 Year T/C Crude**Dry Bulk****Comments****Capesize**

The spot in the Pacific has recently been showing some positive signs and c5 is up from 8.6 last week to present USD 8.8 level, expected to increase further throughout this week. C3 on the other hand is still under pressure with market level around USD 19 level, down from upper USD 19s one week back. Year-end is approaching and everyone is adjusting to next year realities; hoping for an end of the corona in China, higher exports from Vale, and a solution to the CII imposed by Bimco.

Panamax

Positive sentiment continued in most parts for the Panamax market. North Atlantic rates remained steady, further South premium rates continued to be paid for December arrival dates whilst January arrivals have yet to be tested. Asia saw a large bid/offer spread but on the whole saw firmer rates traded on most routes with increased demand dictating proceedings.

Supramax

In a view of the Panamax market outlook, it does not seem like we can expect any significant upwards movement in earnings before year-end though. However, the number of vessels heading to the major loading countries in Asia reached all-time highs last week, which could support things a bit the next weeks.

Ultramax open Douala 10 December was fixed at USD 22,500 bss del Rio Grande for a trip to Med. Another Ultramax was booked bss Damietta for a trip with clinker redelivery West Africa around USD 17,000. Scrap run from Baltic to Turkey was done at USD 6,000. From the East, Supramax fixed around USD 13,000 for trip via Indo to China.

Rates
Capesize (USD/Day, USD/Tonne)

TCE Cont/Far East (180 DWT)	\$28,250	\$0 →
Australia – China	\$8.8	\$0.4 ↑
Pacific RV	\$13,891	\$2,482 ↑

Panamax (USD/Day, USD/Tonne)

Transatlantic RV	\$16,245	\$635 ↑
TCE Cont/Far East	\$23,686	\$454 ↑
TCE Far East/Cont	\$9,266	\$447 ↑
TCE Far East RV	\$11,748	\$400 ↑

Supramax (USD/Day)

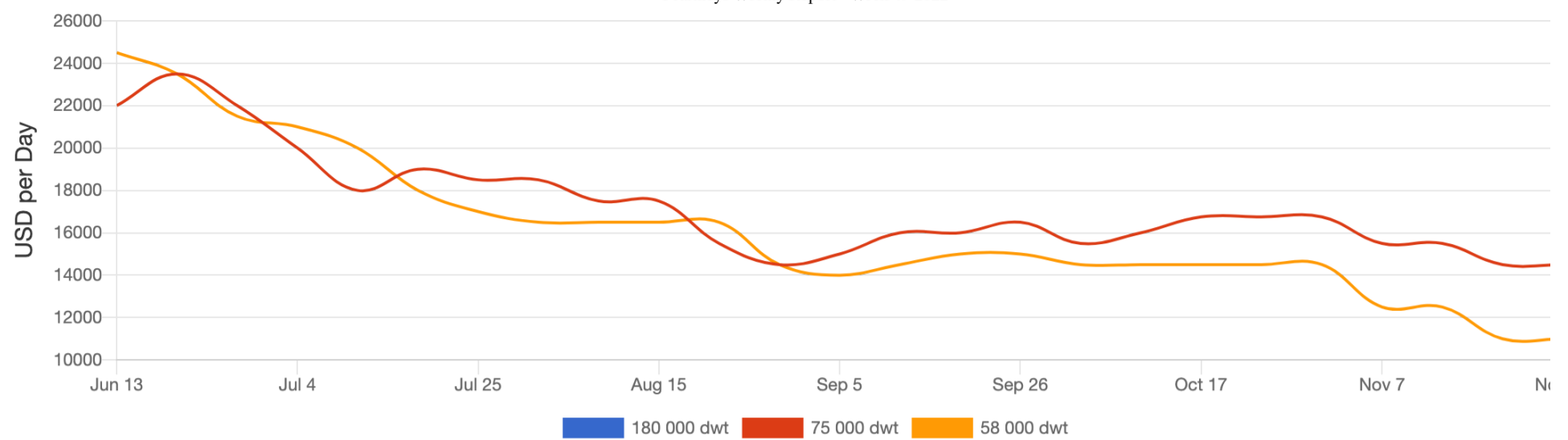
Atlantic RV	\$17,459	-\$220 ↓
Pacific RV	\$9,056	-\$7 ↓
TCE Cont/Far East	\$20,000	-\$975 ↓

1 Year T/C (USD/Day)

Newcastlemax (208 000 dwt)	\$17,000	\$750 ↑
Capesize (180 000 dwt)	\$13,000	\$500 ↑
Kamsarmax (82 000 dwt)	\$16,000	\$500 ↑
Panamax (75 000 dwt)	\$14,500	\$0 →
Ultramax (64 000 dwt)	\$13,000	\$0 →
Supramax (58 000 dwt)	\$11,000	\$0 →

Baltic Dry Index (BDI)	\$1,373
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1 Year T/C Dry Bulk



Gas

Chartering

EAST

A total of 26 spot fixtures have been done in December out of the Middle East, and with first round of January acceptances published last week the fixing window is gradually shifting to next month. We are still left with a fair number of open ships around end December, some of which may consider going West unless willing to accept waiting time for January cargoes. Some charterers are holding back their relets unless substantially higher than last done freight is obtained. The East premium is currently benchmarked at around 10-dollar premium above the West before waiting in the Panama Canal. Now seeing crude coming off, canal waiting decreasing and freight in the US seemingly easing, we are strongly dependent on a healthy volumes early January ex Middle East to support current levels.

WEST

With only a couple ships left for 1H January dates in USG we expect fixing focus to soon shift to 2H Jan. In total, we have seen 16 spot fixtures for January out of the USG with last done concluded at around USD 200 H/C. Vessel supply for the rest of January still looks tight but with some players looking to secure a long voyage, ballasting via Suez/Cape, while the market is still hot is making the position list potentially longer. This, in addition to a fall in estimated waiting time in Panama down to 17 days northbound and 3 days southbound, making freight softening a bit.

LPG Rates

Spot Market (USD/Month)

VLGC (84 000 cbm)	\$3,700,000	\$0 →
LGC (60 000 cbm)	\$2,000,000	\$0 →
MGC (38 000 cbm)	\$1,325,000	\$200,000 ↑
HDY SR (20-22 000 cbm)	\$800,000	\$0 →
HDY ETH (17-22 000 cbm)	\$860,000	\$0 →
ETH (8-12 000 cbm)	\$500,000	\$0 →
SR (6 500 cbm)	\$450,000	\$0 →
COASTER Asia	\$270,000	\$0 →
COASTER Europe	\$310,000	\$10,000 ↑

LPG/FOB Prices - Propane (USD/Tonne)

FOB North Sea/ANSI	\$557	\$0 →
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Saudi Arabia/CP	\$610	\$0 →
MT Belvieu (US Gulf)	\$354	-\$57 ↓
Sonatrach/Bethioua	\$572	\$0 →

LPG/FOB Prices - Butane (USD/Tonne)

FOB North Sea/ANSI	\$588	\$0 →
Saudi Arabia/CP	\$610	\$0 →
MT Belvieu (US Gulf)	\$422	-\$8 ↓
Sonatrach/Bethioua	\$590	\$0 →

LNG Rates

Spot Market (USD/Day)

East of Suez 155-165 000 cbm	\$160,000	-\$15,000 ↓
West of Suez 155-165 000 cbm	\$200,000	-\$20,000 ↓
1 Year T/C 155-160 000 cbm	\$184,000	-\$1,000 ↓

Newbuilding

Activity Levels

Tankers	Slow	Slow
Dry Bulkers	Slow	Slow
Others	Moderate	Moderate

Prices

VLCC	\$121.0	\$0.0 →
Suezmax	\$81.0	\$0.0 →
Aframax	\$63.5	\$0.0 →
Product	\$43.5	\$0.0 →
Newcastlemax	\$66.0	\$0.0 →
Kamsarmax	\$37.5	\$0.0 →
Ultramax	\$35.5	\$0.0 →
LNGC (MEGI) (cbm)	\$240.0	\$0.0 →

Sale & Purchase

Prices

Dry (5 yr)

Capesize	\$44.0	\$0.0 →
Kamsarmax	\$31.0	\$0.0 →
Ultramax	\$29.0	\$1.5 ↑

Dry (10 yr)

Capesize	\$30.0	\$0.0 →
Kamsarmax	\$23.5	\$0.0 →
Ultramax	\$23.0	\$1.0 ↑

Wet (5 yr)

VLCC	\$91.0	\$0.0 →
Suezmax	\$62.0	\$0.0 →
Aframax / LR2	\$56.0	\$0.0 →
MR	\$40.0	\$0.0 →

Wet (10 yr)

VLCC	\$66.0	\$0.0 →
Suezmax	\$45.0	\$0.0 →
Aframax / LR2	\$42.0	\$0.0 →
MR	\$30.0	\$0.0 →

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)	5.19%	-0.02% ↓
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NIBOR NOK (6 months)	2.58%	0.00% →
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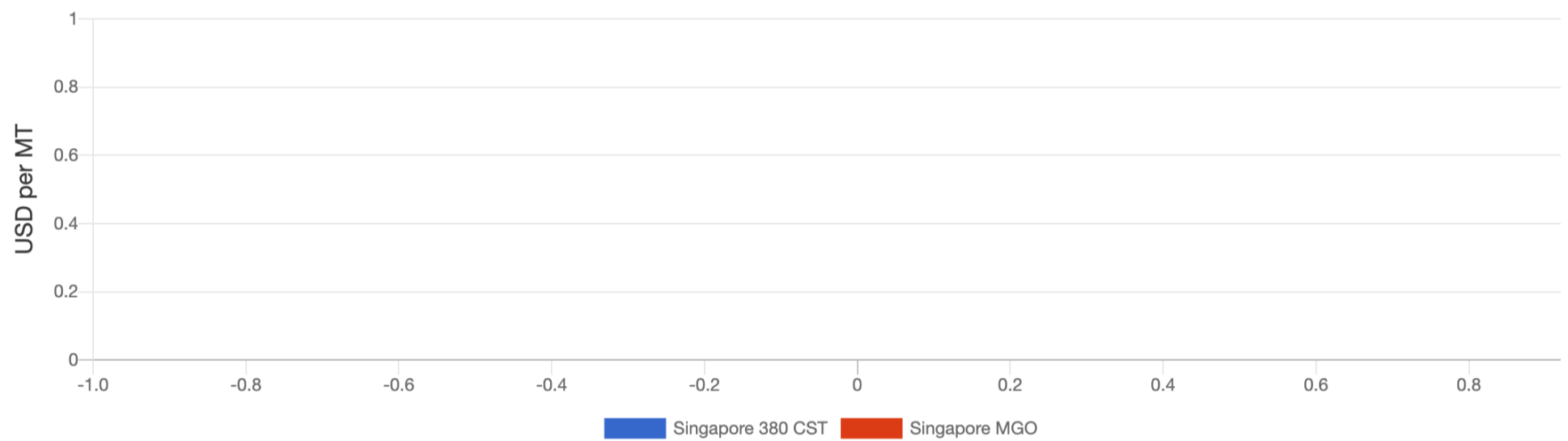
Commodity Prices

Brent Spot	\$82.50	-\$3.50 ↓
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Bunkers Prices

Singapore 380 CST	\$375.5	-\$14.5 ↓
Singapore Gasoil	\$921.5	-\$55.5 ↓

Rotterdam 380 CST	\$363.5	-\$3.5 ↓
Rotterdam Gasoil	\$853.5	-\$7.5 ↓



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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