

Fearnleys Weekly Report

Week 1 - January 04, 2023

Printer version

Tankers

Comments

VLCC

The softening trend continued for the VL's this past week. However, as we have seen multiple times in 2022, the Atlantic has the power to turn direction and drive rates upwards and there are some green shoots of recovery. USG Afras busy, Smaxes tighter in Wafr and USG VL activity is flowing with multiple vessels on subs, no details. Rates for USG/Ningbo were fixing at USD 8.35m, but charterers will find for prompter laycans, it is a much shorter list. For later dates, Eastern ballasters come in to play as the MEG list remains well populated. 120 or so MEG cargoes fixed for January, so there remains 15-20 to do, but there remains twice as many ships jostling to provide transport. Rates now slowly moving towards 2023 worldscale, and TD3 sits below the WS 50 level. If we are not at the bottom, it is likely around the corner.

Suezmax

The global Suezmax market looks to have bottomed and is now exhibiting modest upside in most load-zones. In the East, a continual flow of prompt Fuel Oil tenders continues to trim the early side of the list with rumours of one such fixture attaining WS 180 for an East run. Conversely, the natural window is not so generous as there has been some partial cannibalization of rates from VLCCs on short-voyage India deals, which leaves a long East in need of a proper test. In the West, firmer Aframax markets in the Mediterranean and USG have added some much needed support with TD6 likely to trade WS 170's, purely on the back its smaller relatives success. TD20 has been caught in the middle of the Med' Afra' crossfire and a number of Suezmax have been taken on part cargo which has significantly tightened the WAFR list.

Aframax

As expected, activity on Aframaxes in the Nsea was slow last week and rates moved sideways. Charterers took advantage of the weak Suezmax market and combined stems into bigger size vessels for local runs. Surrounding areas are firming and with owners considering ballasting away to achieve better returns we might have seen the bottom of this market before rates move north again. Different picture in the Med with activity picking up, delays in the Turkish Straits increasing, and list suddenly becoming very short. All these led to rates jumping more than 50p and owners trying to push for more on a every cargo. Moving forward we expect rates to remain firm but further upside potential could be limited.

Rates

Dirty (Spot WS 2023)

MEG/WEST (37.0)	WS 37	-10.5 ↓
MEG/Japan (51.5)	WS 51.5	-15.0 ↓
MEG/Singapore (53.5)	WS 53.5	-14.0 ↓
WAF/FEAST (50.0)	WS 50	-17.5 ↓
WAF/USAC (102.5)	WS 102.5	-27.5 ↓
Sidi Kerir/W Med (125.0)	WS 125	-25.0 ↓
N. Afr/Euromed (240.0)	WS 240	47.5 ↑
UK/Cont (167.5)	WS 167.5	-32.5 ↓
Caribs/USG (145.0)	WS 145	-35.0 ↓

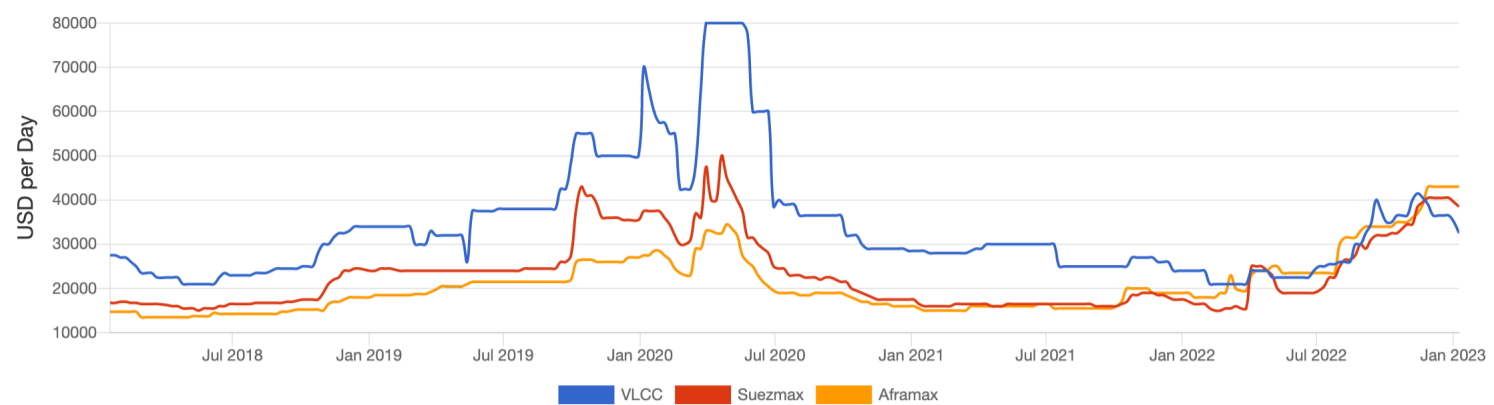
1 Year T/C (USD/Day)

VLCC (Modern)	\$32,500	-\$2,500 ↓
Suezmax (Modern)	\$38,500	-\$1,000 ↓
Aframax (Modern)	\$43,000	\$0 →

VLCC

VLCCs fixed in all areas last week (Modern)	\$60	\$14 ↑
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VLCCs available in MEG next 30 days (Modern)	\$153	-\$2 ↓
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1 Year T/C Crude**Dry Bulk****Comments****Capesize**

Decent amount of cargo in the market as people seek to cover prior Chinese New Year, very much like what we saw prior Christmas. That said, the activity is expected to be short lived and slow down dramatically during the holidays. This together with the upcoming rain season in Brazil, the confidence to push the market is lacking. Hence levels are not really improving on the current activity, and in fact slightly down week on week.

Panamax

A further decline for the Panamax market, the Atlantic continued to be awash with ballasters and committed ships consequently cheaper rates were agreed, with talk in places of some waiting time at load port absorbed by owners highlighting the plight in the market. No better news emanated from Asia neither, despite a healthy-looking demand book, excess tonnage count continued to drive rates further down on the longer round trips. The available offers ex Indonesia to China now deemed too low for some Kamsarmax owners who preferred to sway elsewhere in the hope of better returns.

Supramax

Similar trend as across other segments. Tonnage building up against limited fresh cargoes/enquiries. Supramax from USG to Far East done sub USD 20,000. Ultramax with grains from Gdansk to Nigeria was fixed around mid-12,000 USD. Ultramax bss del Port Elizabeth for a trip to China was employed at USD 17,000 + USD 170,000 ballast bonus. Pacific round voyage was executed around USD 4,000 this week. Very limited talks on period.

Rates**Capesize (USD/Day, USD/Tonne)**

TCE Cont/Far East (180 DWT)	\$31,813	\$250 ↑
Australia – China	\$7	-\$0 ↓
Pacific RV	\$7,091	-\$577 ↓

Panamax (USD/Day, USD/Tonne)

Transatlantic RV	\$10,635	-\$1,085 ↓
TCE Cont/Far East	\$19,459	-\$546 ↓
TCE Far East/Cont	\$4,641	-\$628 ↓
TCE Far East RV	\$7,356	-\$337 ↓

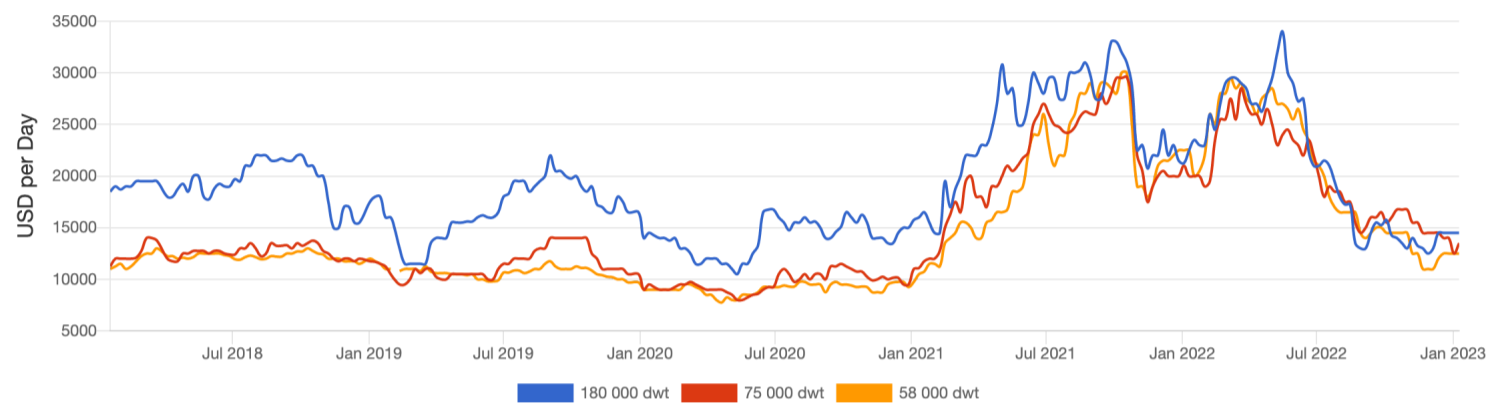
Supramax (USD/Day)

Atlantic RV	\$11,700	-\$2,836 ↓
Pacific RV	\$5,469	-\$781 ↓
TCE Cont/Far East	\$15,604	-\$2,046 ↓

1 Year T/C (USD/Day)

Newcastlemax (208 000 dwt)	\$18,500	\$0 →
Capesize (180 000 dwt)	\$14,750	\$250 ↑
Kamsarmax (82 000 dwt)	\$15,000	\$1,000 ↑
Panamax (75 000 dwt)	\$13,500	\$1,000 ↑
Ultramax (64 000 dwt)	\$14,000	-\$1,000 ↓
Supramax (58 000 dwt)	\$11,000	-\$1,500 ↓
Baltic Dry Index (BDI)	1043	

1 Year T/C Dry Bulk



Gas

Chartering

EAST

February fixing in the Middle East is underway and we have seen 4 deals concluded, 2 in end Jan and 2 in early Feb, so far this week all done above 80 RT/C. There is also a firm cargo from an Indian major and a tender in play. We anticipate more activity to come as we are still waiting for the Aramco acceptances. The overall export volumes from the Middle East in February are however expected to be down due to planned maintenances in the region, but it remains to see how this will affect shipping market.

WEST

With a rush of fixtures last week and into the two first days of this one, the pace of fixing has seemingly slowed down a bit. At the time of writing, we count 23 fixtures (15 early, 6 mid, 2 end) in Feb out of the USG. There should still be room for lots of more fixing in second half of Feb as only 4-5 spot deals have been done this period. We are currently seeing a couple of uncovered cargoes out there for end Feb dates. Looking at the position list for the rest of February we see 4-5 vessels left in mid Feb and 5-6 in the end. Last done ranges between high USD 120s to mid-mid/low USD 130s H/C.

LPG Rates

Spot Market (USD/Month)

VLGC (84 000 cbm)	\$1,900,000	\$100,000 ↑
LGC (60 000 cbm)	\$1,500,000	\$0 →
MGC (38 000 cbm)	\$1,050,000	-\$150,000 ↓
HDY SR (20-22 000 cbm)	\$800,000	\$0 →
HDY ETH (17-22 000 cbm)	\$875,000	\$0 →
ETH (8-12 000 cbm)	\$530,000	\$10,000 ↑
SR (6 500 cbm)	\$480,000	\$10,000 ↑
COASTER Asia	\$270,000	\$0 →
COASTER Europe	\$380,000	\$10,000 ↑

LPG/FOB Prices - Propane (USD/Tonne)

FOB North Sea/ANSI	\$520	\$0 →
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Saudi Arabia/CP	\$590	\$0 →
MT Belvieu (US Gulf)	\$408	-\$2 ↓
Sonatrach/Bethioua	\$560	\$0 →

LPG/FOB Prices - Butane (USD/Tonne)

FOB North Sea/ANSI	\$540	\$0 →
Saudi Arabia/CP	\$605	\$0 →
MT Belvieu (US Gulf)	\$504	\$34 ↑
Sonatrach/Bethioua	\$580	\$0 →

LNG Rates

Spot Market (USD/Day)

East of Suez 155-165 000 cbm	\$125,000	\$0 →
West of Suez 155-165 000 cbm	\$90,000	-\$30,000 ↓
1 Year T/C 155-160 000 cbm	\$160,000	-\$11,000 ↓

Newbuilding

Activity Levels

Tankers	Slow	
Dry Bulkers	Slow	
Others	Moderate	

Prices

VLCC	\$121	\$0 →
Suezmax	\$81	\$0 →
Aframax	\$64	\$0 →
Product	\$44	\$0 →
Newcastlemax	\$66	\$0 →
Kamsarmax	\$38	\$0 →
Ultramax	\$36	\$0 →
LNGC (MEGI) (cbm)	\$240	\$0 →

Sale & Purchase

Prices

Dry (5 yr)

Capesize	\$43	
Kamsarmax	\$30	
Ultramax	\$29	

Dry (10 yr)

Capesize	\$29	
Kamsarmax	\$23	
Ultramax	\$23	

Wet (5 yr)

VLCC	\$91	
Suezmax	\$63	
Aframax / LR2	\$57	

Wet (10 yr)

VLCC	\$69	
Suezmax	\$47	
Aframax / LR2	\$43	

Market Brief**Exchange Rates**

USD/JPY	131.80	2.53 ↑
USD/KRW	1246.50	7.25 ↑
USD/NOK	9.96	-0.01 ↓
EUR/USD	1.07	0.00 ↓

Interest Rates

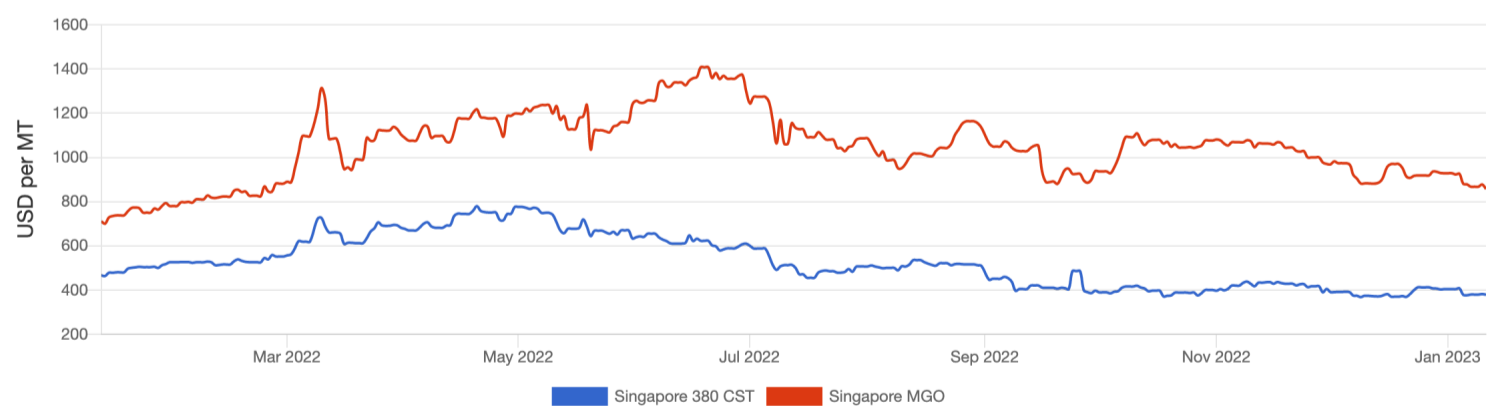
LIBOR USD (6 months)	5.20	0.06 ↑
NIBOR NOK (6 months)	3.12	0.00 →

Commodity Prices

Brent Spot	80.00	1.50 ↑
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Bunkers Prices

Singapore 380 CST	379.50	-28.50 ↓
Singapore Gasoil	857.50	-68.50 ↓
Rotterdam 380 CST	372.50	-17.00 ↓
Rotterdam Gasoil	839.50	-58.50 ↓



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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