

# Fearnleys Weekly Report

Week 6 - February 08, 2023

Printer version

Tankers

Comments

VLCC

We are entering another familiar cycle in the VL market, a pattern seen a number of times in 2022. The Atlantic (mainly USG) activity picks ups, rates jump, and the rest of the market is dragged along with it. The price for a VLCC USG/Ningbo has climbed USD 100k on successive fixtures, currently sitting at USD 8.4m. With West Africa/East also positive at the WS 60 level, modern vessels will ballast West purely for the richer hunting grounds not found in a lagging MEG market. As always however, the risk of dilution remains.

East of Suez (TD3C) rates creeping up in the low WS 50's, and owners will be hoping for a pop in rates to match Western returns, but the February MEG program is close to completion and it's a short month also. However, the position list looks more balanced than for some time, as many ships turn left at Rondo.

Suezmax

Since the beginning of the Ukraine war the Suezmax market has become hardwired to extreme volatility, with buy-in on both side of the phone (charterers and owners), and when there's buy-in from both parties, events usually become self-fulfilling. On that note, West Africa appears to have bottomed and with the prospect of a firmer VLCC market, there's also a psychological comfort blanket. TD20 is reported on subjects at between WS 105-110, suggesting that the Atlantic market has bottomed with probable upside in the offing. In the East, moderately firmer VLCCs will likely prevent further cannibalization of Suezmax stems. MEG/China on modern should trade 130KT x WS 130's whilst TD23 should keep its head above WS 50 with possible upside.

Aframax

Market activity in the Nsea has been rather limited as we have seen relets being fixed between oil companies or being programmed for own cargoes. However, rates this week have been maintained at similar levels as last week. Going forward we expect rates to move sideways as the tonnage list looks rather balanced compared to the expected cargo volume for second half of February.

Last week, activity slowed down in the Med and as a result rates for local runs lost some more ground while the rates for CPC-Med runs also moved lower despite the long waiting days in Turkish Straits. Liftings of Azeri crude are uncertain now after the earthquake in South Turkey, something that could put rates under further downward pressure moving forward.

Rates

Dirty (Spot WS 2023)

<b>MEG/WEST (37.5)</b>	WS 37.5	2.5 ↑
<b>MEG/Japan (52.5)</b>	WS 52.5	2.5 ↑
<b>MEG/Singapore (53.5)</b>	WS 53.5	3.5 ↑
<b>WAF/FEAST (58.5)</b>	WS 58.5	9.5 ↑
<b>WAF/USAC (112.5)</b>	WS 112.5	0.0 →

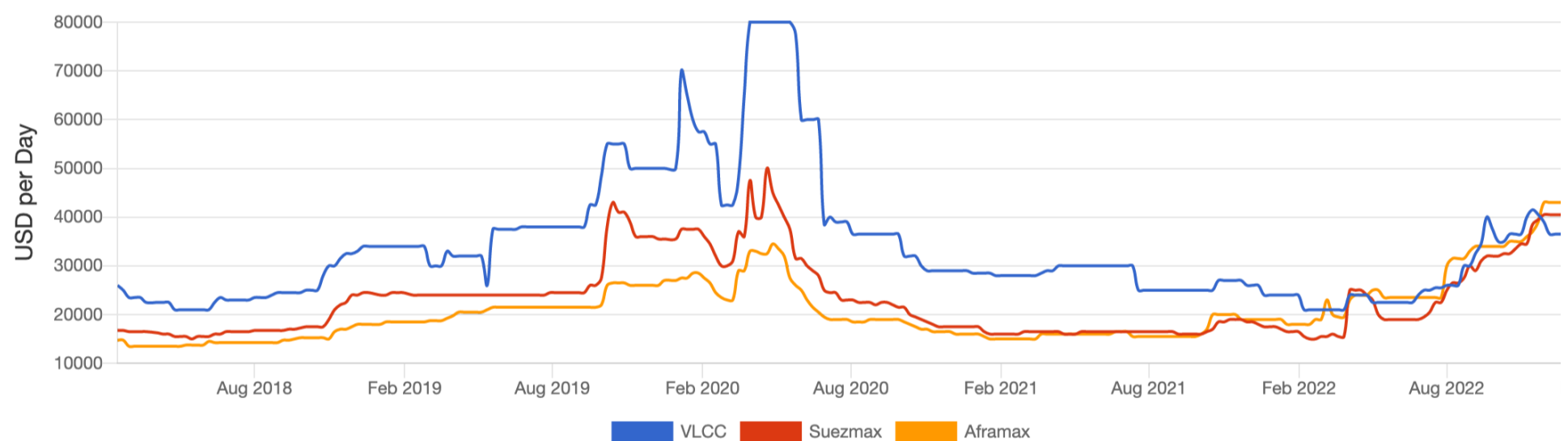
<b>Sidi Kerir/W Med (130.0)</b>	WS 130	0.0 →
<b>N. Afr/Euromed (190.0)</b>	WS 190	-10.0 ↓
<b>UK/Cont (165.0)</b>	WS 165	0.0 →
<b>Caribs/USG (157.5)</b>	WS 157.5	7.5 ↑

**1 Year T/C (USD/Day)**

<b>VLCC (Modern)</b>	\$33,500	\$500 ↑
<b>Suezmax (Modern)</b>	\$39,500	\$1,000 ↑
<b>Aframax (Modern)</b>	\$40,500	\$0 →

**VLCC**

<b>VLCCs fixed in all areas last week (Modern)</b>	\$70	\$12 ↑
<b>VLCCs available in MEG next 30 days (Modern)</b>	\$142	-\$5 ↓

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

The Capesize market is extremely quiet as activity in both basins has slowed down dramatically. Though we see tonnage building up, the rates have stabilized as owners now facing close to zero return. Going forward it's hard to see rates going further south, but with more available tonnage building up we don't see a massive uptick "overnight".

**Panamax**

The recent declines in the market failed to diminish again this week with further cheaper rates reported trading and fixed. This said, in some quarters came talk that owners' resistance appeared a tick more resolute with hopes for some of a floor being found in the market, but evidence was in short supply with both basins losing further ground.

**Supramax**

The Supramax market is still a bit muted post CNY. Further decline within the Atlantic as lack of fresh enquiries and very little reported. Petcoke run from USG to Far East fixed around USD 12,000 on a 56,000 dwt. From the East, NoPac seem to find the ground. Supramax from Singapore was fixed from Indo China round at USD 7,000, same round done on Ultramax open Philippines at USD 8,000. Ultramax open Mumbai fixed around USD 13,000 for del Kandla redel Far East.

## Rates

## Capesize (USD/Day, USD/Tonne)

TCE Cont/Far East (180 DWT)	\$19,013	\$444 ↑
Australia – China	\$6	\$0 ↑
Pacific RV	\$2,736	\$127 ↑

## Panamax (USD/Day, USD/Tonne)

Transatlantic RV	\$5,140	-\$300 ↓
TCE Cont/Far East	\$14,991	-\$327 ↓
TCE Far East/Cont	\$3,803	-\$37 ↓
TCE Far East RV	\$8,178	-\$49 ↓

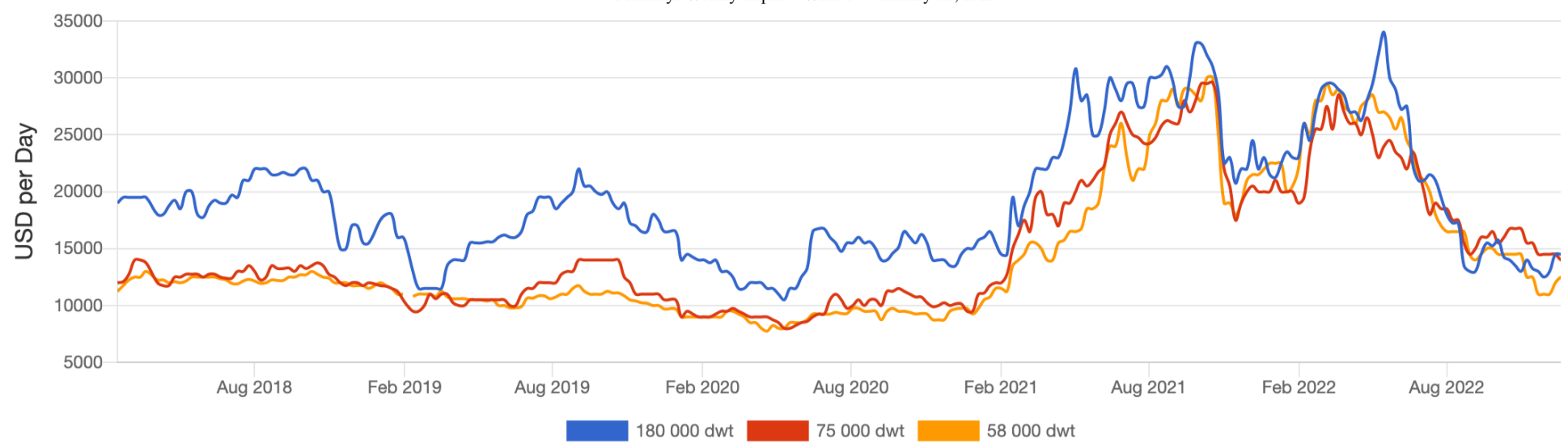
## Supramax (USD/Day)

Atlantic RV	\$7,104	-\$589 ↓
Pacific RV	\$6,600	-\$100 ↓
TCE Cont/Far East	\$13,208	-\$634 ↓

## 1 Year T/C (USD/Day)

Newcastlemax (208 000 dwt)	\$19,500	\$0 →
Capesize (180 000 dwt)	\$16,000	\$0 →
Kamsarmax (82 000 dwt)	\$16,500	\$0 →
Panamax (75 000 dwt)	\$15,500	\$0 →
Ultramax (64 000 dwt)	\$14,250	\$0 →
Supramax (58 000 dwt)	\$12,500	\$0 →
Baltic Dry Index (BDI)	603	

## 1 Year T/C Dry Bulk



## Gas

### Chartering

#### EAST

Even with two more rounds of acceptances to go we have had quite a few cargoes already fixed on March dates in the Middle East. At the same time, we have seen some East candidate vessels fixed for cargoes in the West finally making the very front of March rather tight. A bit further into March there is at the time of writing more tonnage to choose from. Looking at the cargo side, maintenance at Ruwais is expected to last during the whole of March, actual impact in terms of decreased volumes remain speculative. Ras Tanura volumes are reported to come back to pre-maintenance levels while Yanbu is expected to remain less active for now.

#### WEST

So far this week 5-6 spot fixtures done in the Western market. At the time of writing, we count a total of 31 spot fixtures (9 first decade, 16 second decade, 6 last decade) out of the USG/USEC in March. There are currently 8-9 ships (4 relets) left in USG for end March, and there could still be a couple more appearing on the list as some ships with February laycans loading in USG/USEC might discharge in the NWE/Med/Waf. Last done concluded at high USD 130s H/C.

### LPG Rates

#### Spot Market (USD/Month)

<b>VLGC (84 000 cbm)</b>	\$2,000,000	-\$100,000 ↓
<b>LGC (60 000 cbm)</b>	\$1,500,000	\$0 →
<b>MGC (38 000 cbm)</b>	\$1,150,000	\$150,000 ↑
<b>HDY SR (20-22 000 cbm)</b>	\$800,000	\$0 →
<b>HDY ETH (17-22 000 cbm)</b>	\$875,000	\$0 →
<b>ETH (8-12 000 cbm)</b>	\$530,000	\$0 →
<b>SR (6 500 cbm)</b>	\$490,000	\$0 →
<b>COASTER Asia</b>	\$275,000	\$5,000 ↑
<b>COASTER Europe</b>	\$400,000	\$0 →

#### LPG/FOB Prices - Propane (USD/Tonne)

<b>FOB North Sea/ANSI</b>	\$706	\$187 ↑
<b>Saudi Arabia/CP</b>	\$790	\$200 ↑

MT Belvieu (US Gulf)	\$418	-\$42 ↓
Sonatrach/Bethioua	\$720	\$160 ↑

## LPG/FOB Prices - Butane (USD/Tonne)

FOB North Sea/ANSI	\$617	\$77 ↑
Saudi Arabia/CP	\$790	\$185 ↑
MT Belvieu (US Gulf)	\$548	\$30 ↑
Sonatrach/Bethioua	\$640	\$60 ↑

## LNG Rates

## Spot Market (USD/Day)

East of Suez 155-165 000 cbm	\$60,000	\$0 →
West of Suez 155-165 000 cbm	\$52,500	\$0 →
1 Year T/C 155-160 000 cbm	\$150,000	\$0 ↓

## 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 &amp; Purchase

## Prices

## Dry (5 yr)

<b>Capesize</b>	\$44	
<b>Kamsarmax</b>	\$30	
<b>Ultramax</b>	\$29	

## Dry (10 yr)

<b>Capesize</b>	\$30	
<b>Kamsarmax</b>	\$23	
<b>Ultramax</b>	\$23	

## Wet (5 yr)

<b>VLCC</b>	\$93	
<b>Suezmax</b>	\$67	
<b>Aframax / LR2</b>	\$60	

## Wet (10 yr)

<b>VLCC</b>	\$71	
<b>Suezmax</b>	\$52	
<b>Aframax / LR2</b>	\$48	

## Market Brief

## Exchange Rates

<b>USD/JPY</b>	132.54	2.53 ↑
<b>USD/KRW</b>	1260.50	7.25 ↑
<b>USD/NOK</b>	10.40	-0.01 ↓
<b>EUR/USD</b>	1.07	0.00 ↓

## Interest Rates

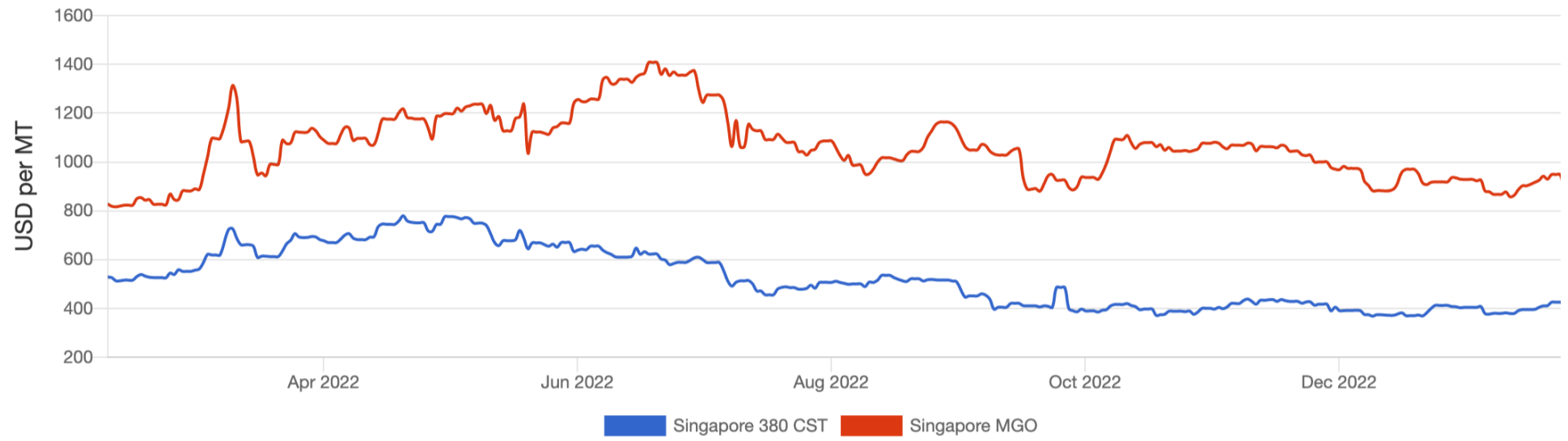
<b>LIBOR USD (6 months)</b>	5.20	0.06 ↑
<b>NIBOR NOK (6 months)</b>	3.12	0.00 →

## Commodity Prices

<b>Brent Spot</b>	83.50	0.50 ↑
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## Bunkers Prices

<b>Singapore 380 CST</b>	390.00	-17.50 ↓
<b>Singapore Gasoil</b>	809.00	-84.50 ↓
<b>Rotterdam 380 CST</b>	388.50	-12.00 ↓
<b>Rotterdam Gasoil</b>	793.50	-86.00 ↓



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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