

Fearnleys Weekly Report

Week 8 - February 22, 2023

Printer version

Tankers

Comments

VLCC

A busy week, with positive moves in the Atlantic, but the MEG was suffering under the paralysis of one particular China discharge cargo. Market speculators held differing views on the outcome, with owners holding for WS 70+, but given the lack of alternative options, WS 66.5 finally on subs this morning. Likely this will unleash the remainder of the first decade stems (another 5-10), as those charterers holding off will come into work. Worth noting the MEG tonnage supply remains healthy for early-mid March. The Atlantic will be key to where the market moves now, where successively higher numbers for USG/East, up to USD 9.25m. A tight USG list for March, but ballasters will certainly dilute off later dates if the MEG softens. IOC working, collecting 5 offers from vessels committed or located West, will test owners resolve.

Suezmax

The global Suezmax market has enjoyed steady gains over the last week with the Atlantic leading the way. The US Gulf list is extremely tight, and this has acted as the main driver, sucking in ships from across the pond. This has had a knock-on effect on West Africa with West Med and Cont weighted tonnage having the luxury of multiple firm markets in their cross-hairs. Td20 is minimum WS 130, but there is likely further upside with the possibility we might conclude the week in the high WS 130's due to above mentioned fundamentals. In the East, steady enquiry has kept the early side of the list very tight on 20 tonne crane requirements with MEG/China on modern in the WS 130's, whilst TD23 has traded WS 60 off early March dates, with it remaining to be seen if owners can carry these gains into the natural window.

Aframax

Despite some replacement jobs and a tight position list in the Nsea, Aframax rates moved sideways last week. Owners did have the chance to push for higher rates, but they were left with the attempt. Unless more owners decide to ballast away, we could face a tighter market. But with moderate activity combined with a populated position list, mainly with oil company and other relets being used for internal cargoes, we expect rates to move sideways. In the Med/BSea, market lost some ground as activity was slow and tonnage list quite long giving charterers the opportunity to push for lower. Another negative factor this week was also Suezmaxes taking out some of the Aframax stems. Moving forward, we expect market to move sideways with a soft touch as stem lists for the 1st half of March don't look that promising.

Rates

Dirty (Spot WS 2023)

MEG/WEST (40.0)	WS 40	0.0 →
MEG/Japan (65.0)	WS 65	0.0 →
MEG/Singapore (66.0)	WS 66	0.0 →
WAF/FEAST (63.5)	WS 63.5	0.0 →
WAF/USAC (130.0)	WS 130	12.5 ↑

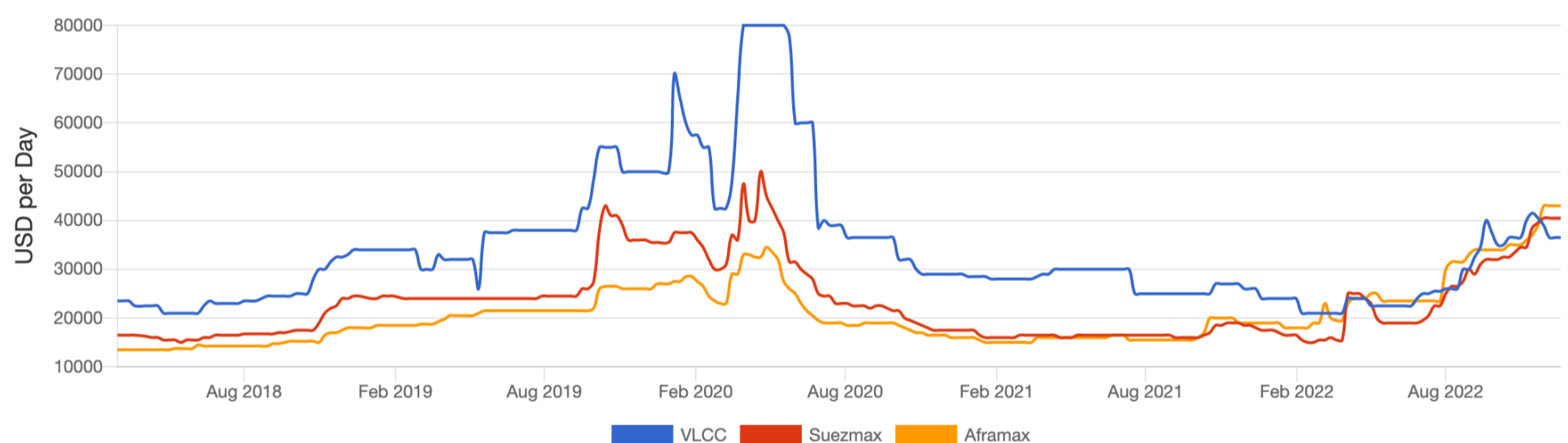
Sidi Kerir/W Med (140.0)	WS 140	10.0 ↑
N. Afr/Euromed (170.0)	WS 170	5.0 ↑
UK/Cont (152.5)	WS 152.5	-2.5 ↓
Caribs/USG (227.5)	WS 227.5	57.5 ↑

1 Year T/C (USD/Day)

VLCC (Modern)	\$35,000	\$0 →
Suezmax (Modern)	\$41,000	\$500 ↑
Aframax (Modern)	\$40,500	\$0 →

VLCC

VLCCs fixed in all areas last week (Modern)	\$52	-\$10 ↓
VLCCs available in MEG next 30 days (Modern)	\$155	\$19 ↑

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

After some weeks with depressing rates, there is finally a small improvement for the big ships and the index is finally showing green numbers again! The c5 route has been concluded at USD 6.35 pmt up from very low USD 6s. Overall average 5 TC is up from USD 2,600 last week to USD 3,250 this week. There is still a good number of owners who prefer to let their ships wait and their persistence will be a key factor in getting returns further up.

Panamax

Early in the week FFA push could perhaps be accountable for turnaround in sentiment in both basins. The North Atlantic appeared mostly unchanged and concerns with little fresh demand and further ships adding to the count, early and committed tonnage still forced to concede APS levels at softer levels. Further south, there appeared some support with better bids heard for second half March and healthier levels starting to be agreed. Asia saw a minor upturn, primarily led by some support ex NoPac and Indonesia which saw better demand, but views remained fairly mixed on whether this was a minor rally or something more fundamental.

A week with little activity of note, thus a clear direction was hard to call and yet to be found. Market continuing to be depressed with little signs of recovery at the moment.

Supramax

Sentiment on Supra and Ultra pushed rates up and was well supported by spot-fixing. In the Atlantic, from the main loading areas such as US Gulf and ECSA owners saw a good number of fresh requirements which added to pressure for March loaders. South America as well enjoyed better demand with charterers chasing owners for offers. Owners are increasing their rates and prefer to keep their tonnage in Atlantic. FH cargoes paying good premiums to last done. Supramax is rating USD 14,500 for TA delivery Brazil for TCT to Med. So far little info with fixtures surfacing, though we expect a good rise in the rates.

Asia saw the same upturn with more fresh inquiries and good demand for prompt tonnage. CP Nanjing (63,526/2017) was reported fixed basis delivery passing Singapore for a trip via Indonesia redelivery Thailand at USD 14,500.

Supra was fixing in the low USD 10, 000 pd for SE Asia RV which is about USD 5,000 higher than a week ago.

Charterers chasing period deals and are willing to pay a premium. Ultramax asking low USD 16,000 for a medium-short period.

We expect the market to continue to rise.

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

TCE Cont/Far East (180 DWT)	\$15,156	\$450 ↑
Australia – China	\$6	\$0 ↑
Pacific RV	\$3,445	\$886 ↑

Panamax (USD/Day, USD/Tonne)

Transatlantic RV	\$5,975	\$1,282 ↑
TCE Cont/Far East	\$15,614	\$1,050 ↑
TCE Far East/Cont	\$3,983	\$254 ↑
TCE Far East RV	\$8,625	\$736 ↑

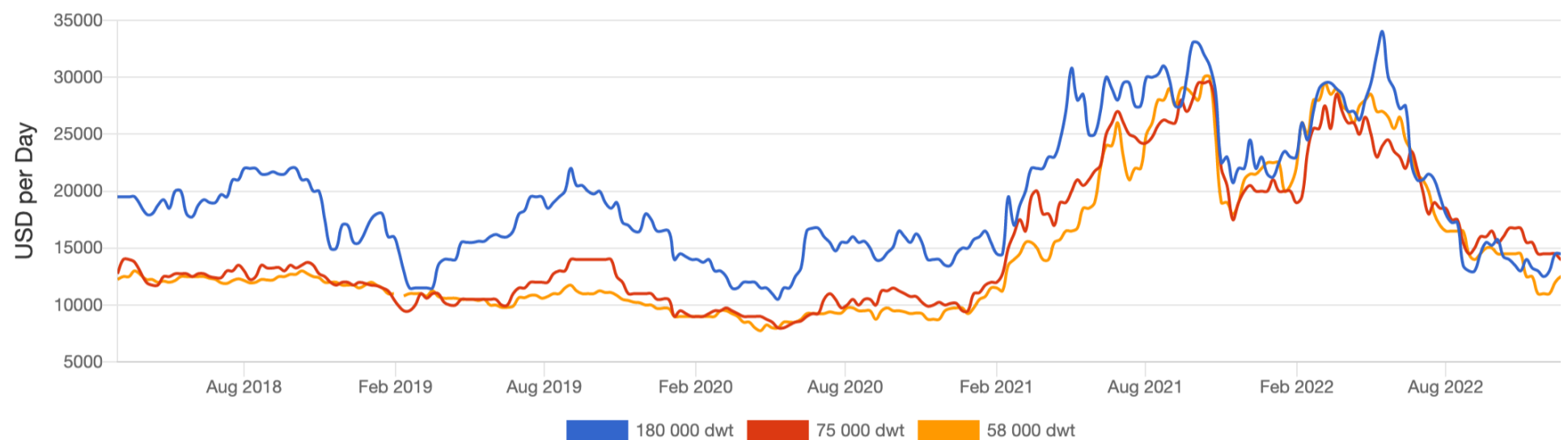
Supramax (USD/Day)

Atlantic RV	\$10,016	\$2,672 ↑
Pacific RV	\$8,969	\$2,419 ↑
TCE Cont/Far East	\$13,379	\$829 ↑

1 Year T/C (USD/Day)

Newcastlemax (208 000 dwt)	\$20,000	\$1,000 ↑
Capesize (180 000 dwt)	\$16,500	\$1,000 ↑
Kamsarmax (82 000 dwt)	\$16,500	\$500 ↑

Panamax (75 000 dwt)	\$15,500	\$500 ↑
Ultramax (64 000 dwt)	\$15,500	\$1,250 ↑
Supramax (58 000 dwt)	\$13,500	\$1,000 ↑
Baltic Dry Index (BDI)	674	

1 Year T/C Dry Bulk**Gas****Chartering****EAST**

There's still a good handful of uncovered requirements ex Middle East around second decade March dates. Some vessels are held back due to uncertainties with itineraries or for own program making actual count of vessels ready to work firm in this window very slim. We have not registered any confirmed spot fixtures into third decade March yet, and with second decade still very much alive and some vessels being swooped up for US cargos, freight is remaining firm.

WEST

With over a 13 dollar jump on the Baltic LPG3 index route yesterday we are seeing the discount in the West shrink, but it is still a small premium in the East. In total we have now seen 12 spot fixtures (6 first decade and 6 second decade) out of the USG/USEC in April and there are only a couple open positions left for early dates, but there could appear a few more as current fixing window is still far ahead. Further into second decade vessel supply continue looking tight and the position list is dominated by pure shipowners. Currently we see several uncovered cargoes out there with last done fixture concluded at around 160 H/C.

LPG Rates**Spot Market (USD/Month)**

VLGC (84 000 cbm)	\$2,500,000	\$200,000 ↑
LGC (60 000 cbm)	\$1,800,000	\$300,000 ↑
MGC (38 000 cbm)	\$1,150,000	\$0 →
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	\$0 →
SR (6 500 cbm)	\$490,000	\$0 →
COASTER Asia	\$280,000	\$0 →
COASTER Europe	\$400,000	\$0 →

LPG/FOB Prices - Propane (USD/Tonne)

FOB North Sea/ANSI	\$706	\$0 →
Saudi Arabia/CP	\$790	\$0 →
MT Belvieu (US Gulf)	\$424	-\$1 ↓
Sonatrach/Bethioua	\$720	\$0 →

LPG/FOB Prices - Butane (USD/Tonne)

FOB North Sea/ANSI	\$617	\$0 →
Saudi Arabia/CP	\$790	\$0 →
MT Belvieu (US Gulf)	\$572	\$37 ↑
Sonatrach/Bethioua	\$640	\$0 →

LNG Rates**Spot Market (USD/Day)**

East of Suez 155-165 000 cbm	\$78,000	\$5,500 ↑
West of Suez 155-165 000 cbm	\$65,000	\$10,000 ↑
1 Year T/C 155-160 000 cbm	\$152,000	\$0 ↓

Newbuilding**Activity Levels**

Tankers	Slow	
Dry Bulk	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	\$44	
Kamsarmax	\$30	
Ultramax	\$29	

Dry (10 yr)

Capesize	\$30	
Kamsarmax	\$23	
Ultramax	\$23	

Wet (5 yr)

VLCC	\$95	
Suezmax	\$67	
Aframax / LR2	\$60	

Wet (10 yr)

VLCC	\$73	
Suezmax	\$52	
Aframax / LR2	\$48	

Market Brief

Exchange Rates

USD/JPY	134.25	2.53 ↑
USD/KRW	1300.20	7.25 ↑

USD/NOK	10.27	-0.01 ↓
EUR/USD	1.07	0.00 ↓

Interest Rates

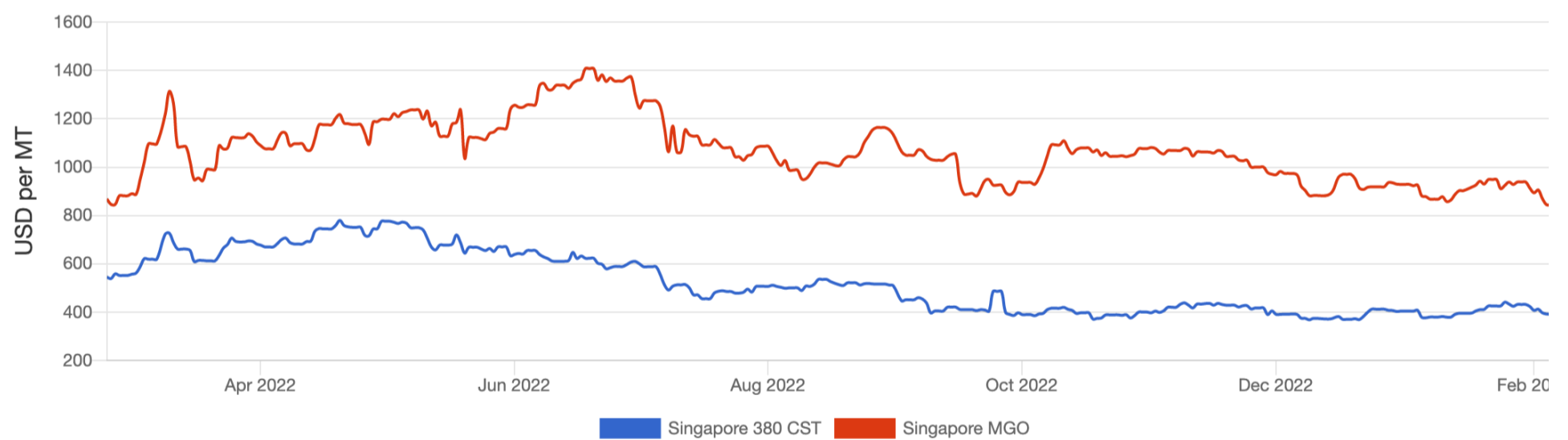
LIBOR USD (6 months)	5.20	0.06 ↑
NIBOR NOK (6 months)	3.12	0.00 →

Commodity Prices

Brent Spot	83.00	0.00 →
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Bunkers Prices

Singapore 380 CST	431.50	4.50 ↑
Singapore Gasoil	784.50	-41.50 ↓
Rotterdam 380 CST	411.00	6.00 ↑
Rotterdam Gasoil	779.00	-36.50 ↓



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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