

Fearnleys Weekly Report

Week 9 - March 01, 2023

Printer version

Tankers

Comments

VLCC

IE week in full swing but more activity in the hostilities of London than on the open VLCC market. However, continued gentle upward pressure continues in the MEG, as a Kuwaiti cargo capable of taking over 15 years found them in short supply, as many older units fixed on Indian business or tempted to the shadows. Only 3 offers and therefore WS 69 on subs. Anything scrubbed and modern will be tempted to turn left at Rondo Island to reap the spoils of the ample flow of US export bbls. And with that the MEG position list is looking more balanced than for some time, with rates now knocking on the "WS 70+ door" eastbound. The Atlantic has been leading the charge in recent months, but the MEG could now take it's turn.

Suezmax

The Suezmax market has been nothing but volatile over the last eight months and will continue in this vein for the foreseeable future. This week highlighted how quickly the Atlantic can swing from a flat to firm trend in the blink of an eye. It commenced with a handful of TD20 cargoes hunting down the few FOC ships that were available in the 17-21/3 window, with rates swiftly firming to WS 140. Owners will likely be holding for a lot more today as there is palpable, upward momentum. The US Gulf continues to export massive quantities of oil and with that comes increased lighterage requirements which should tie up ever increasing volumes of Suezmax and Aframax tonnage with an obvious impact on regional freight rates. In the East, BOT/East should trade in the WS 140's whilst TD23 will find a home in the WS 60's.

Aframax

As expected, we have seen quite a big number of vessels ballasting transatlantic during the last week. Subsequently, the tonnage list in the NSea looks very tight, and rates been pushed upward. Activity in the area have picked up as charterers have been trying to fix ahead of the curve and secure tonnage. Heading into next week, we expect market to strengthen further, but it still depends on if owners will keep ballasting transatlantic for better returns. Compared to the NSea, the Med/BSea market had less ballasters to the USG as earnings have been slightly better, but rates remained flat. However, by the end of last week owners gained more confidence and managed to marginally push rates higher. In the short term, we expect owners to push for higher levels if activity remains healthy.

Rates

Dirty (Spot WS 2023)

MEG/WEST (42.0)	WS 42	0.0 →
MEG/Japan (70.0)	WS 70	3.0 ↑
MEG/Singapore (72.5)	WS 72.5	4.5 ↑
WAF/FEAST (70.0)	WS 70	0.0 →
WAF/USAC (147.5)	WS 147.5	17.5 ↑

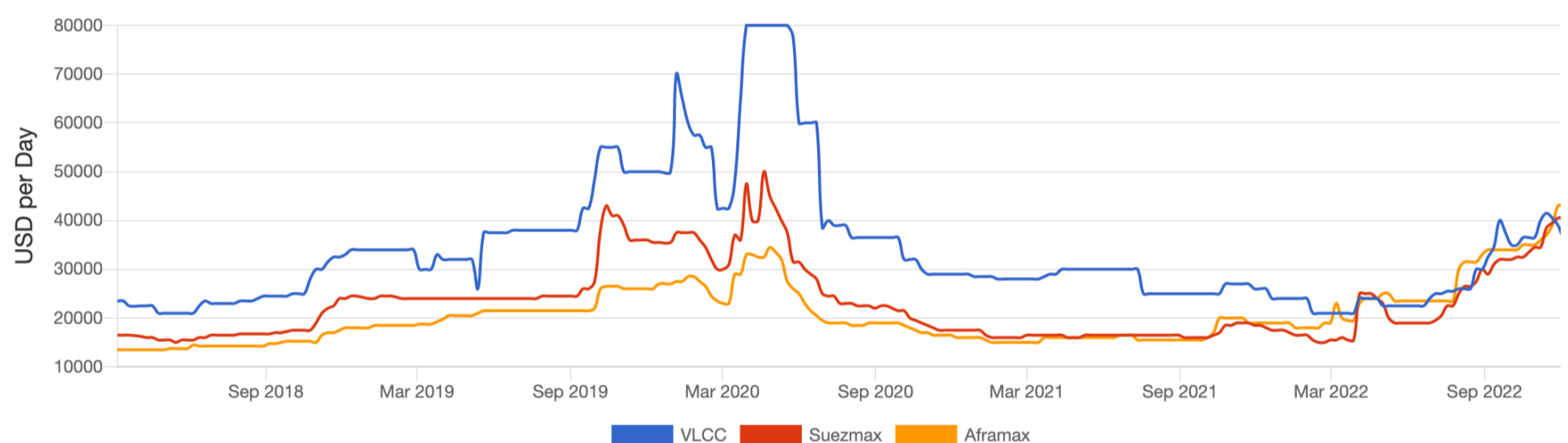
Sidi Kerir/W Med (152.5)	WS 152.5	12.5 ↑
N. Afr/Euromed (180.0)	WS 180	10.0 ↑
UK/Cont (165.0)	WS 165	12.5 ↑
Caribs/USG (335.0)	WS 335	107.5 ↑

1 Year T/C (USD/Day)

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

VLCC

VLCCs fixed in all areas last week (Modern)	\$43	-\$9 ↓
VLCCs available in MEG next 30 days (Modern)	\$152	-\$3 ↓

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

There has been a massive push percentage wise the last week, and though levels itself not fantastic, the sentiment is very strong and market activity solid. The average of all time charter routs is up by 138% and we see the buildup of spot ships seen the last weeks dropping. For the week to come we expect a further increase, but hard to imagine it without some kind of breather.

Panamax

The Panamax market continued to climb again for a further very successive week. Solid demand ex EC South America for March and April arrivals continued to lend support to much of the market in stark contrast to the North Atlantic where demand remains thin and early ballaster ships under pinned trades here. Asia again appeared well supported particularly ex Indonesia with strong demand for the smaller Panamax types, perhaps a reflection of a firming Supra/Ultramax market with Panamax tonnage making more commercial sense for now. Period news included the CL Mona (81,504/2013) Zhoushan 1 March fixed basis 6/8 months at USD 16,000 with Solebay.

Supramax

All-time high count of vessels heading to load and discharge countries in the North Atlantic. Coincident to this, demand is recovering strongly in Asia. This combination of increasing demand and a “wrongly” positioned fleet is what is causing the extremely sharp upturn. The 5-day change of the BSI10TC index was the highest ever as per yesterday’s index closing. Other than the count of vessels heading to the North Atlantic, we are yet to see all-time highs in any other indicator.

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

TCE Cont/Far East (180 DWT)	\$20,094	\$2,669 ↑
Australia – China	\$7	\$0 ↑
Pacific RV	\$9,000	\$1,600 ↑

Panamax (USD/Day, USD/Tonne)

Transatlantic RV	\$11,225	\$700 ↑
TCE Cont/Far East	\$21,064	\$628 ↑
TCE Far East/Cont	\$7,043	\$678 ↑
TCE Far East RV	\$13,682	\$1,332 ↑

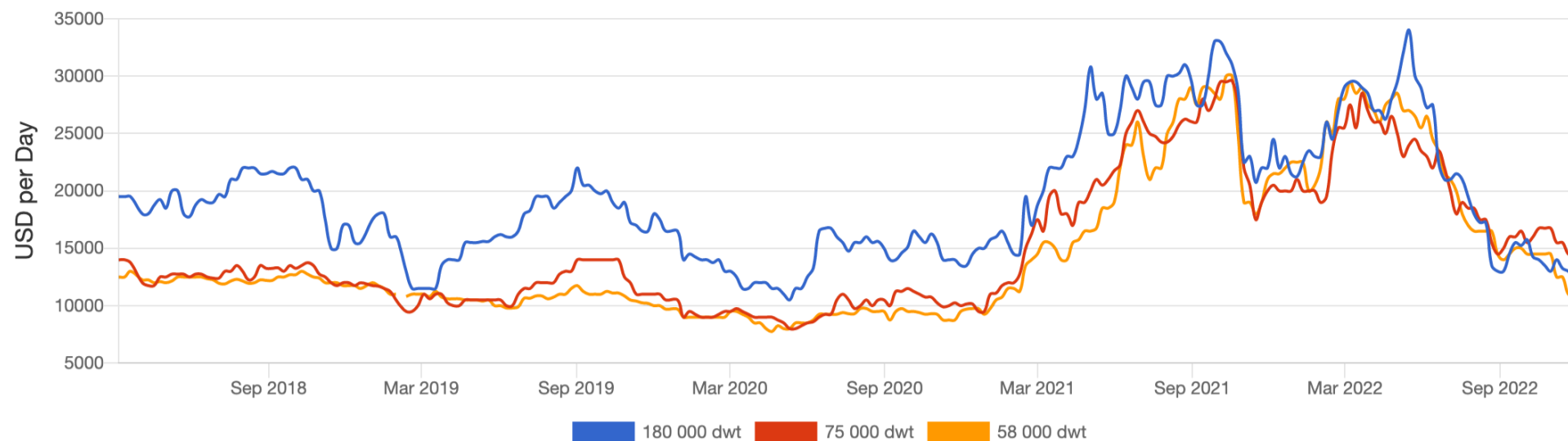
Supramax (USD/Day)

Atlantic RV	\$11,959	\$1,943 ↑
Pacific RV	\$12,469	\$3,500 ↑
TCE Cont/Far East	\$14,700	\$1,321 ↑

1 Year T/C (USD/Day)

Newcastlemax (208 000 dwt)	\$22,750	\$2,750 ↑
Capesize (180 000 dwt)	\$18,250	\$1,750 ↑
Kamsarmax (82 000 dwt)	\$16,500	\$0 →
Panamax (75 000 dwt)	\$15,500	\$0 →
Ultramax (64 000 dwt)	\$15,500	\$0 →
Supramax (58 000 dwt)	\$13,500	\$0 →
Baltic Dry Index (BDI)	1099	

1 Year T/C Dry Bulk



Gas

Chartering

EAST

First round of acceptances for next month in the Middle East is expected later today which eventually would bring us into April spot fixing in the East, but we expect there is more to be done in last decade of March before focus shifts towards April. We count 23 spot fixtures (9 first decade, 9 second decade, and 5 last decade) so far for March, and have only seen one spot deal from the Indian PSUs for the whole month. Freight is relatively stable still with questions being asked of how many spot cargoes there is left on March dates.

WEST

With much of the industry gathered in London for IE Week, the Western freight market has been fairly quiet. We have only registered one spot fixture so far this week and with that said we count 13 spot fixtures out of the USG/USEC for April dates with last done concluded at high 150s H/C and 90 H/F. Currently we see no open positions left for early April dates, but that could change as some vessels still can come open from discharging in NWE/Med/WAF. Further into second and last decade the position list is looking tight and the waiting time in the Neo Panama Canal have increased to 10 days northbound and 14 days south.

LPG Rates

Spot Market (USD/Month)

VLGC (84 000 cbm)	\$2,500,000	\$0 →
LGC (60 000 cbm)	\$1,800,000	\$0 →
MGC (38 000 cbm)	\$1,200,000	\$50,000 ↑
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	\$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 →
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Saudi Arabia/CP	\$790	\$0 →
MT Belvieu (US Gulf)	\$429	\$5 ↑
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)	\$529	-\$43 ↓
Sonatrach/Bethioua	\$640	\$0 →

LNG Rates

Spot Market (USD/Day)

East of Suez 155-165 000 cbm	\$78,000	\$0 →
West of Suez 155-165 000 cbm	\$68,000	\$3,000 ↑
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	136.29	2.53 ↑
USD/KRW	1323.00	7.25 ↑
USD/NOK	10.33	-0.01 ↓
EUR/USD	1.06	0.00 ↓

Interest Rates

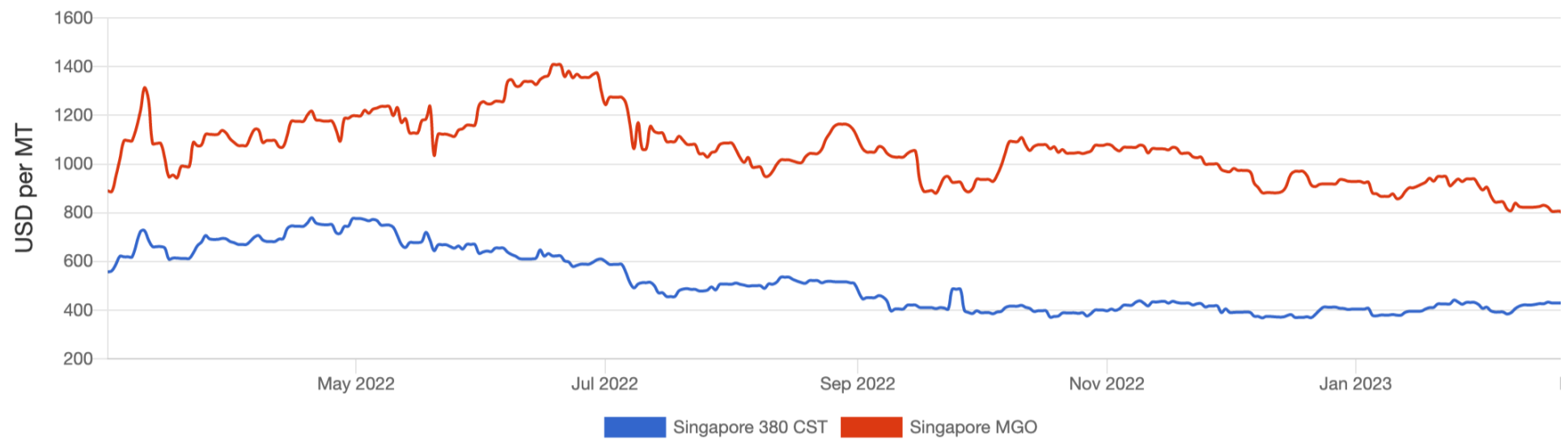
LIBOR USD (6 months)	5.20	0.06 ↑
NIBOR NOK (6 months)	3.12	0.00 →

Commodity Prices

Brent Spot	84.00	1.00 ↑
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Bunkers Prices

Singapore 380 CST	430.00	-1.50 ↓
Singapore Gasoil	795.50	11.00 ↑
Rotterdam 380 CST	403.00	-8.00 ↓
Rotterdam Gasoil	793.00	14.00 ↑



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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