

Fearnleys Weekly Report

Week 16 - April 19, 2023

Printer version

Tankers

Comments

VLCC

Despite announced production cuts the VLCC market continue to show strength with daily earnings at USD 60k give/take for MEG/East runs and higher for Atlantic/East cargoes. Yesterday saw an influx of quoted cargoes and the arrow was pointing to mid WS 70's MEG/East but failed to gain proper traction as owners settled for last done levels or a smidgeon more. On paper still a few MEG cargoes left to be covered for the first week of May, however, further investigation may very well find that the long list of ships on subs with no details attached will marry up with the "public" requirements. Nevertheless, downside firmly capped short term.

Suezmax

Global Suezmax rates have been under downward pressure these last few weeks with the added negativity of Exxon declaring Force Majeure at their Nigeria terminals. Add into the mix recent OPEC+ announcements and there is just cause for uncertainty, at least in the short term. TD20 prices WS 90's today with no evident upside whilst an ever lengthening Cont/Med' list will do little to support those markets. Next stop for TD6 is likely to be in the WS 140'S with weak Med Aframax not helping the cause. The USG has experienced a rather precipitous fall with levels likely to bottom shortly as lightering opportunities come to the rescue. In the East, a trickle of South East Asia activity has focused mainly on older tonnage whilst MEG/East on modern needs a test but should find a home in the WS 130'S. TD23 trades WS 60's.

Aframax

The North Sea Aframax market tumbled last week as activity was low and the tonnage list was mainly dominated by relets which were programmed for own cargoes. The downward pressure also increased with Suezmaxes absorbing significant volumes for local runs. It feels that market has reached the bottom for now, however any upside potential is not in the cards before May dates kick in and activity again could improve.

More of the same for the BSea/Med market as well where inevitably rates took a hit and moved lower as tonnage list was long and activity was moderate. We don't expect rates to improve massively in the short fixture but if charterers rush to secure tonnage at present levels, owners might be able to slightly push for more. Again, we need to see May volumes before this will happen.

Rates

Dirty (Spot WS 2023)

MEG/WEST (47.5)	WS 47.5	2.5 ↑
MEG/Japan (72.0)	WS 72	3.0 ↑
MEG/Singapore (73.5)	WS 73.5	2.5 ↑
WAF/FEAST (69.0)	WS 69	1.0 ↑
WAF/USAC (95.0)	WS 95	-17.5 ↓

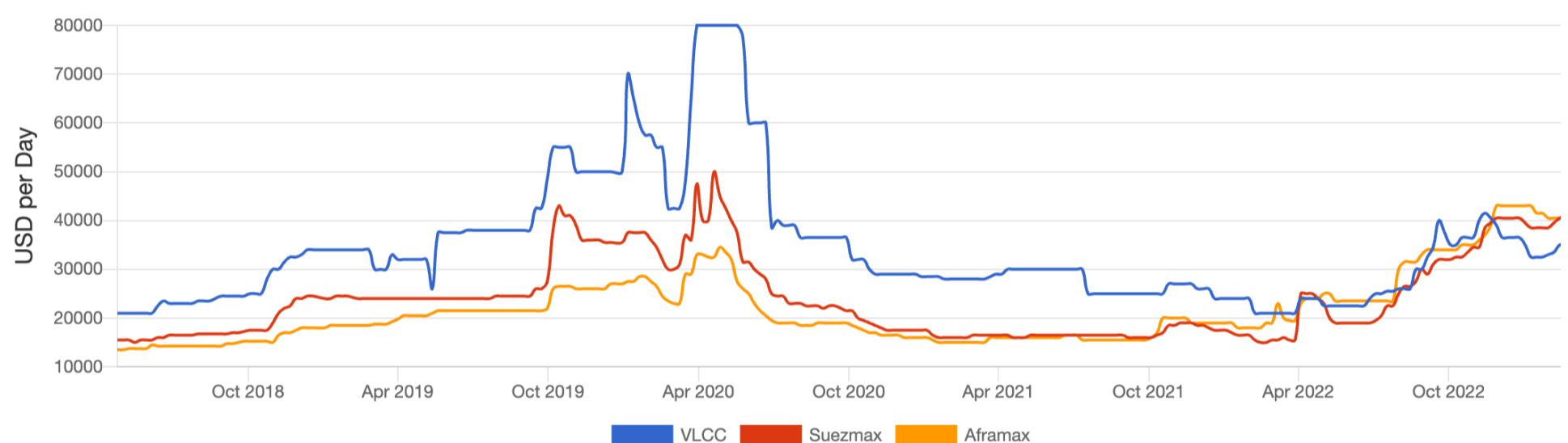
Sidi Kerir/W Med (110.0)	WS 110	-22.5 ↓
N. Afr/Euromed (157.5)	WS 157.5	-37.5 ↓
UK/Cont (140.0)	WS 140	-35.0 ↓
Caribs/USG (127.5)	WS 127.5	-12.5 ↓

1 Year T/C (USD/Day)

VLCC (Modern)	\$36,500	\$0 →
Suezmax (Modern)	\$41,000	\$0 →
Aframax (Modern)	\$44,000	\$0 →

VLCC

VLCCs fixed in all areas last week (Modern)	\$79	\$43 ↑
VLCCs available in MEG next 30 days (Modern)	\$139	\$19 ↑

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

Still some holidays around which have resulted in slightly less activity. Tonnage is in excess, and rates are coming off after a relatively long period of values keeping flat. C5 is below USD 8 pmt now and c3 approaching USD 20. The average BCI is presently just below USD 14,000.

Panamax

Another limited week for the Panamax market with limited fresh demand in both basins failing to quell the current negative trend. All routes saw a steady fall today with little in way of support with sources commenting the few exchanged rates were said to be weaker again, especially in the Atlantic where the declines appeared to be more extensive. From Asia, on early trade there was some talk of some fresh tender cargoes ex Australia for May arrival dates, but this had yet to provoke any positive reaction to rates with charterers happy to stand back and assess.

Supramax

More activity from the Atlantic, stronger rates from USG, also from South Atlantic. Ultra from USG was fixed to Far East with petcoke run around USD 27,000. Ultra from ECSA to China fixed around USD 15,570 plus USD 575,000 ballast bonus. Supramax for trip with del ARA to Med was done around USD 16,000 for a usual scrap stem.

From the East, more fresh cargoes appearing. Indo China round were fixed at USD 10,000. Indo India rounds covered at similar levels.

Rates

Capesize (USD/Day, USD/Tonne)

TCE Cont/Far East (180 DWT)	\$32,825	-\$575 ↓
Australia – China	\$8	-\$0 ↓
Pacific RV	\$10,659	-\$296 ↓

Panamax (USD/Day, USD/Tonne)

Transatlantic RV	\$13,585	\$75 ↑
TCE Cont/Far East	\$24,641	\$36 ↑
TCE Far East/Cont	\$8,313	-\$87 ↓
TCE Far East RV	\$13,548	\$48 ↑

Supramax (USD/Day)

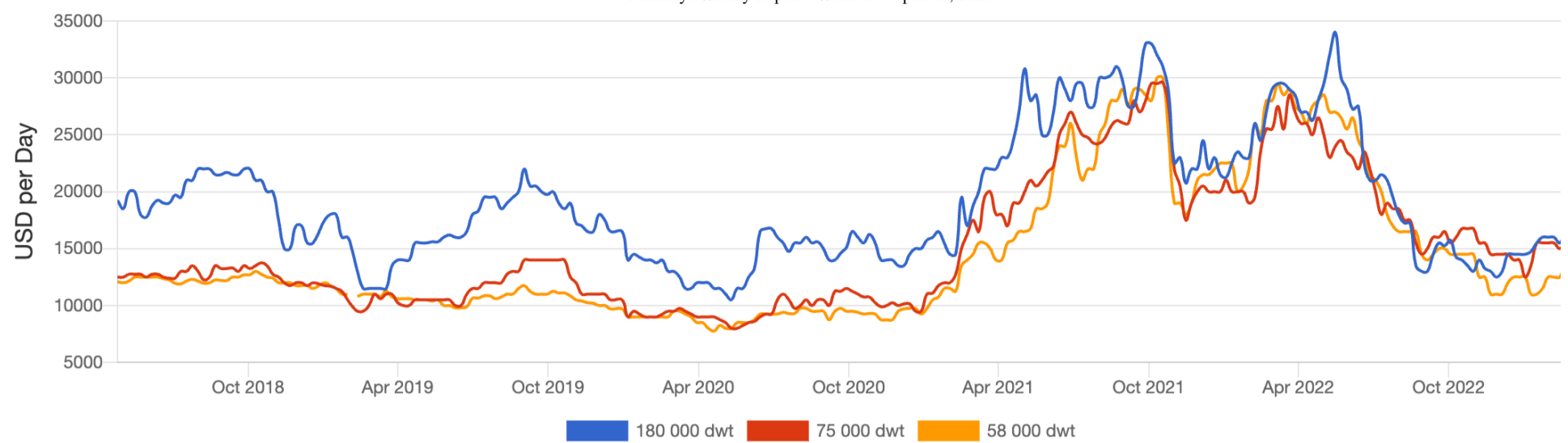
Atlantic RV	\$15,079	\$1,229 ↑
Pacific RV	\$9,719	-\$281 ↓
TCE Cont/Far East	\$19,433	\$391 ↑

1 Year T/C (USD/Day)

Newcastlemax (208 000 dwt)	\$26,500	\$0 →
Capesize (180 000 dwt)	\$21,500	\$0 →
Kamsarmax (82 000 dwt)	\$18,500	\$0 →
Panamax (75 000 dwt)	\$17,000	\$0 →
Ultramax (64 000 dwt)	\$17,500	\$500 ↑
Supramax (58 000 dwt)	\$16,000	\$1,250 ↑

Baltic Dry Index (BDI)	1372	
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1 Year T/C Dry Bulk



Gas

Chartering

EAST

East freight seems to be meeting some resistance on the upside partly helped by less action and softening freight in the West. Freight is currently moving sideways despite a decent flow of cargoes in the East. The first 10 days of May presents a pretty slim selection of open spot candidates, and it seems like one charterer with a late running ship for a 1-2 May laycan needs to be pay a premium to the current market. 2H of the month currently looks relatively balanced.

WEST

The western position list has gotten even tighter than it was start of this week after a couple potential West candidates got absorbed in the East. Fixing first decade May in US seems to be spoken for as we no longer see any vessels left open this period. For the second decade we see two ships in the back, while last decade May currently have 4-5 vessels left and the majority of them are in control of one big owner. So far we have seen 21 spot fixtures in May out of the USG and only 6 of them have been done in 2H May - for reference the monthly average so far this year has been 31-32 spot fixtures. The West is currently trading at a discount of approximately 5 dollars the East.

LPG Rates

Spot Market (USD/Month)

VLGC (84 000 cbm)	\$1,800,000	\$200,000 ↑
LGC (60 000 cbm)	\$1,300,000	\$100,000 ↑
MGC (38 000 cbm)	\$1,200,000	\$0 →
HDY SR (20-22 000 cbm)	\$800,000	\$0 →
HDY ETH (17-22 000 cbm)	\$890,000	\$0 →
ETH (8-12 000 cbm)	\$550,000	\$0 →
SR (6 500 cbm)	\$490,000	\$0 →
COASTER Asia	\$280,000	\$0 →
COASTER Europe	\$420,000	\$0 →

LPG/FOB Prices - Propane (USD/Tonne)

FOB North Sea/ANSI	\$477	\$0 →
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Saudi Arabia/CP	\$555	\$0 →
MT Belvieu (US Gulf)	\$429	\$3 ↑
Sonatrach/Bethioua	\$495	\$0 →

LPG/FOB Prices - Butane (USD/Tonne)

FOB North Sea/ANSI	\$493	\$0 →
Saudi Arabia/CP	\$545	\$0 →
MT Belvieu (US Gulf)	\$418	\$19 ↑
Sonatrach/Bethioua	\$510	\$0 →

LNG Rates

Spot Market (USD/Day)

East of Suez 155-165 000 cbm	\$58,000	\$0 →
West of Suez 155-165 000 cbm	\$38,000	\$0 →
1 Year T/C 155-160 000 cbm	\$123,000	\$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 & Purchase**Prices****Dry (5 yr)**

Capesize	\$49	
Kamsarmax	\$31	
Ultramax	\$31	

Dry (10 yr)

Capesize	\$34	
Kamsarmax	\$24	
Ultramax	\$25	

Wet (5 yr)

VLCC	\$100	
Suezmax	\$67	
Aframax / LR2	\$63	

Wet (10 yr)

VLCC	\$77	
Suezmax	\$52	
Aframax / LR2	\$50	

Market Brief**Exchange Rates**

USD/JPY	134.42	2.53 ↑
USD/KRW	1317.00	7.25 ↑
USD/NOK	10.45	-0.01 ↓
EUR/USD	1.11	0.00 ↓

Interest Rates

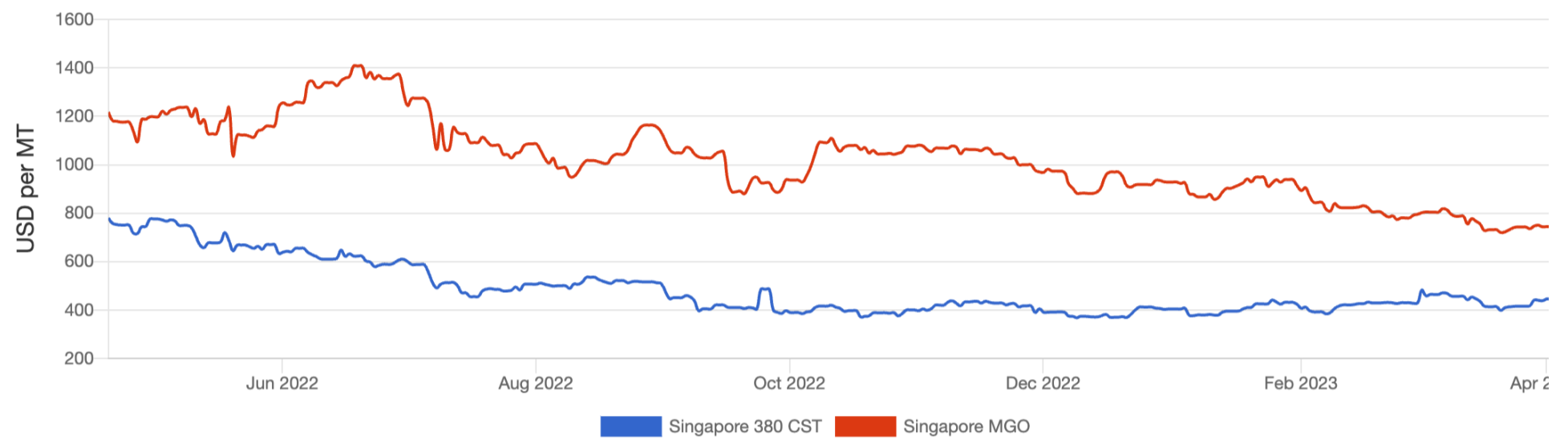
LIBOR USD (6 months)	5.20	0.06 ↑
NIBOR NOK (6 months)	3.12	0.00 →

Commodity Prices

Brent Spot	85.50	-1.00 ↓
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Bunkers Prices

Singapore 380 CST	495.00	-2.50 ↓
Singapore Gasoil	746.50	-14.00 ↓
Rotterdam 380 CST	477.50	0.00 →
Rotterdam Gasoil	757.50	-17.00 ↓



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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