

Fearnleys Weekly Report

Week 17 - April 26, 2023

Printer version

Tankers

Comments

VLCC

Despite the threat of OPEC+ cuts, the MEG volume remains healthy, at least for the 1-10 window of May. We are already up over 50 deals with the 10-20 window now starting to be actively worked. However, the 2nd decade is usually a little quieter and threats of these cuts weigh heavy on owners' minds. Coupled with a market shrouded in mystery, as ships with no details fix away and owners' relief as subs lift at higher numbers. WS 60 TD3C is all the rage at the time of writing, but numbers in the WS 50's are imminent, if not done at the time of this going to press. Little support from the West, as VL's step on Smax toes and USG/Ningbo falling down through the USD 8m levels.

A positive note, 1-year TC on a eco scrubber at USD 57/day fully fixed, shows that even charterers feel there is light at the end of the tunnel for owners.

Suezmax

Last week saw the Atlantic experience a high volume of off-market fixing that looked, at one stage at least, like there could be an impending rally. That scenario has failed to play out and with the Atlantic market recycling ships on shorter voyages and subsequently replenishing the list quicker than the market had hoped for, the outlook is soft. TD20 is now focused on second decade May dates with rates struggling to stay in the WS 90's whilst the much anticipated cavalry in the US Gulf has not arrived with a flat outlook across the pond. In the East, rates took a further tumble when a MEG/Brunei run traded down to 130KT x WS 110 which will now attract VLCC's, with the fray. On the back of this, TD23 might find itself facing WS 50's.

Aframax

In the NSea, rates bounced back in the end of last week, and so far they have remained steady. Relets are dominating a well-balanced list and that prevents owners from pushing higher while at the same time there is for a downward potential if charterers decide to use their own tonnage aggressively. Moving forward we expect rates to move sideways for now before we see laycans for May being worked actively.

Med/BSea rates moved sideways last week as activity was moderate with enough vessels in position. Owners were trying to push for higher on every fixture, however there was little room for push. Heading into next week we might see rates being under upward pressure as tonnage list becomes tighter.

Rates

Dirty (Spot WS 2023)

MEG/WEST (40.0)	WS 40	-7.5 ↓
MEG/Japan (60.0)	WS 60	-12.0 ↓
MEG/Singapore (62.0)	WS 62	-11.5 ↓
WAF/FEAST (59.0)	WS 59	-10.0 ↓
WAF/USAC (92.5)	WS 92.5	-2.5 ↓

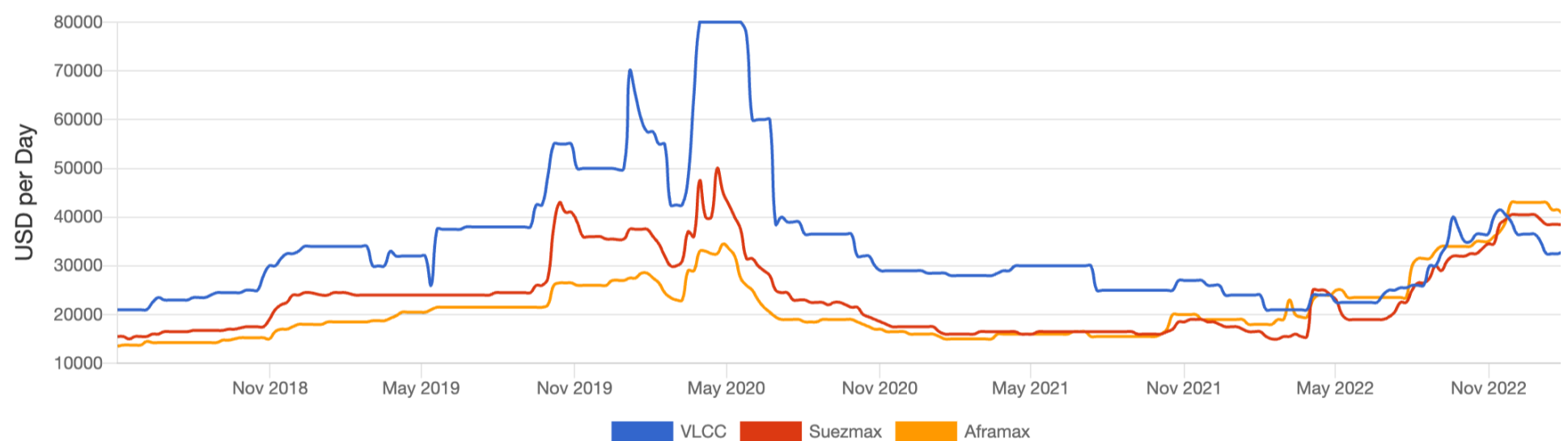
Sidi Kerir/W Med (110.0)	WS 110	0.0 →
N. Afr/Euromed (155.0)	WS 155	-2.5 ↓
UK/Cont (132.5)	WS 132.5	-7.5 ↓
Caribs/USG (85.0)	WS 85	-42.5 ↓

1 Year T/C (USD/Day)

VLCC (Modern)	\$36,500	\$0 →
Suezmax (Modern)	\$40,000	-\$1,000 ↓
Aframax (Modern)	\$44,000	\$0 →

VLCC

VLCCs fixed in all areas last week (Modern)	\$46	-\$33 ↓
VLCCs available in MEG next 30 days (Modern)	\$147	\$8 ↑

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

Winter doldrums finally passed, fundamental industries back in swing, more positives than negatives. Last 5 trading days at times "rollercoasting", nevertheless average daily earnings up 28 pct w-o-w to come in at just short of USD 18k. Major iron ore routes Brazil/China and West Australia/China showing solid volumes, with consequential value of long China-Brazil-China rounds climbing almost 20 pct, short Pacific rounds more than 40 pct. Significant assistance from coal transactions in both basins, taking value of transatlantic trading up almost 50 pct to well above USD 18k/day. Healthy period demand as spot and FFA's support levels worth considering, last conclusions exemplified by vintage 177,000 dwt Far East early May said done for more than 12 months at around USD 17k.

Panamax

A further lack luster week played out in the Panamax market, with further small losses recorded. Tonnage was beginning to build in most areas, pitched against mostly inactive demand owners' resilience was being tested to the full. In the north Atlantic, talk by some of a lengthy looking tonnage list starting to build in the West

Mediterranean, and with-it sentiment began to wane. Asia still lacked any meaningful fresh demand, with it a lack of activity as the bid/offer spread looked well gapped for now, rates for previous done clearly appeared marginally softer. Period news had several deals reported.

Supramax

The trend across all markets remain positive despite some areas such as USG and North Atlantic could see softer rates as the number of ships is greater than the number of new requirements. Rates paid for trips to Far East were achieving close to mid USD 20,000 pd, and trips within the Atlantic were mid USD 10,000 pd. Continent and Mediterranean markets see a sharp shortage of tonnage and rates improving substantially. Owners demanding a premium to go East. Rates from Med to West Africa directions reaching hi USD 10,000 pd. A lack of tonnages in Indian Ocean pushed charterers to pay higher levels. A Supra open WC India was fixed at USD 18,000 pd for EC India range, while Ultramax opened WC India was fixed around USD 20,000 pd. The market in the Pacific basin remained sideways with a potential upside due to coal imports to China on seasonal demand.

Rates

Capesize (USD/Day, USD/Tonne)

TCE Cont/Far East (180 DWT)	\$37,906	\$1,343 ↑
Australia – China	\$9	\$0 ↑
Pacific RV	\$15,000	\$1,205 ↑

Panamax (USD/Day, USD/Tonne)

Transatlantic RV	\$13,245	-\$280 ↓
TCE Cont/Far East	\$24,236	-\$346 ↓
TCE Far East/Cont	\$7,941	-\$259 ↓
TCE Far East RV	\$13,538	-\$204 ↓

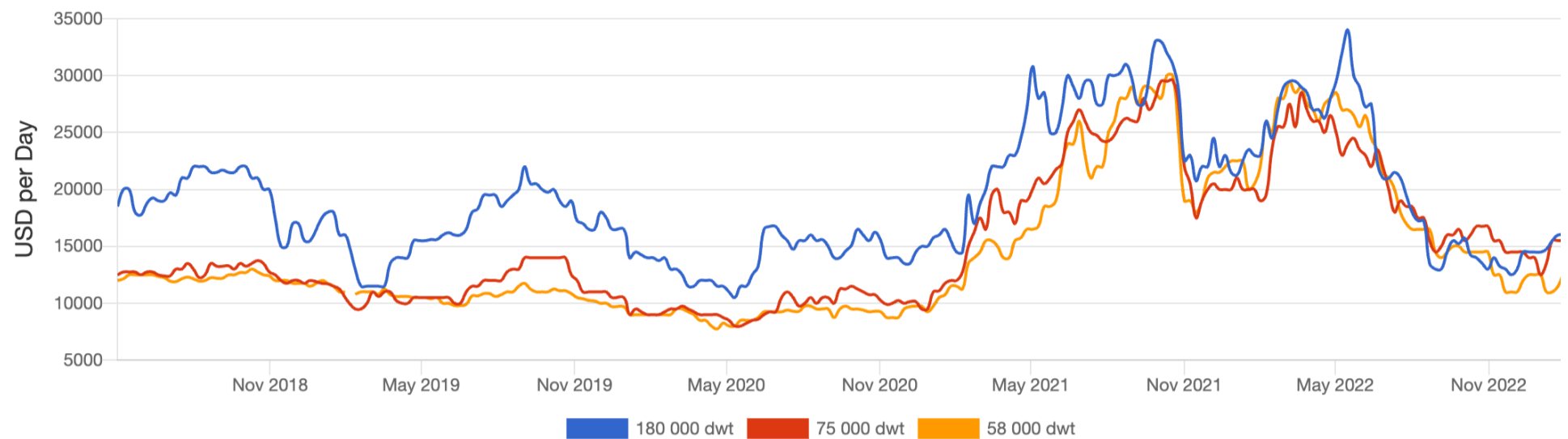
Supramax (USD/Day)

Atlantic RV	\$15,811	\$732 ↑
Pacific RV	\$10,181	\$462 ↑
TCE Cont/Far East	\$19,983	\$550 ↑

1 Year T/C (USD/Day)

Newcastlemax (208 000 dwt)	\$26,500	\$0 →
Capesize (180 000 dwt)	\$21,500	\$0 →
Kamsarmax (82 000 dwt)	\$17,500	-\$1,000 ↓
Panamax (75 000 dwt)	\$16,000	-\$1,000 ↓

Ultramax (64 000 dwt)	\$17,500	\$0 →
Supramax (58 000 dwt)	\$16,000	\$0 →
Baltic Dry Index (BDI)	1536	

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

East activity is remaining on the low side compared to the more active West market. Freight seems to be finding some support in the activity found West of Suez helping freight in the East from falling further despite the relative lack of cargoes, so far. Some ships on the East list will likely go West, but for now the East positions remain well populated. Last done concluded at high 70s RT/C.

WEST

At the time of writing, we have seen 7 spot fixtures in June (6 first decade and 1 second decade) ex USG/USEC while May looks to end at 26-27 spot as we currently see only one open vessel left in the very end of the month. Looking at the position list, it is looking relatively tight as we only see a small handful of workable vessels left in 1st decade June and 4-5 vessels for the first five days of the 2nd decade. Last done fixture out of the USG concluded at mid 130s H/C and high 70s H/F.

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

VLGC (84 000 cbm)	\$1,850,000	\$50,000 ↑
LGC (60 000 cbm)	\$1,300,000	\$0 →
MGC (38 000 cbm)	\$1,200,000	\$0 →
HDY SR (20-22 000 cbm)	\$800,000	\$0 →
HDY ETH (17-22 000 cbm)	\$910,000	\$20,000 ↑
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 →
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LPG/FOB Prices - Propane (USD/Tonne)

FOB North Sea/ANSI	\$477	\$0 →
Saudi Arabia/CP	\$555	\$0 →
MT Belvieu (US Gulf)	\$414	-\$15 ↓
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)	\$403	-\$16 ↓
Sonatrach/Bethioua	\$510	\$0 →

LNG Rates
Spot Market (USD/Day)

East of Suez 155-165 000 cbm	\$55,000	-\$2,000 ↓
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	134.29	2.53 ↑
USD/KRW	1337.00	7.25 ↑
USD/NOK	10.61	-0.01 ↓
EUR/USD	1.10	0.00 ↓

Interest Rates

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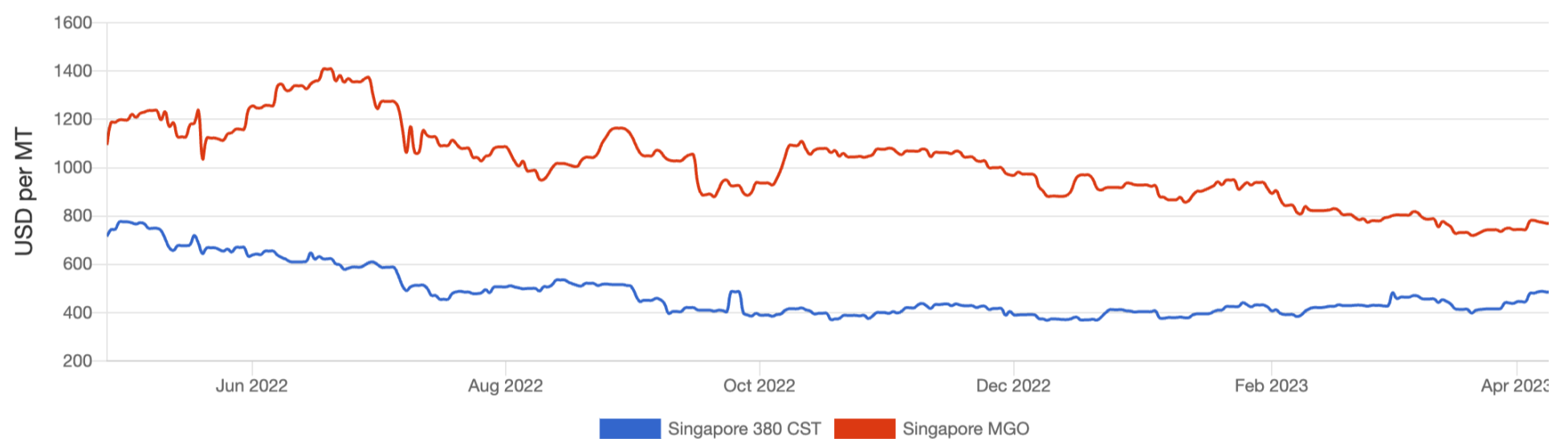
Commodity Prices

Brent Spot	81.00	-0.50 ↓
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Bunkers Prices

Singapore 380 CST	483.50	-11.50 ↓
Singapore Gasoil	731.50	-15.00 ↓

Rotterdam 380 CST	470.50	-7.00 ↓
Rotterdam Gasoil	732.50	-25.00 ↓



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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