

Fearnleys Weekly Report

Week 18 - May 03, 2023

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Tankers

Comments

VLCC

With holidays looming over the tanker market this week, the activity was perhaps unsurprisingly subdued. Those cargoes that did come into the market were fixed quietly with minimal fuss, and clearly, if the rates paid on these had been exciting in any form, owners/charterers would have tried their best to at least hint at it (?). TD3C at the time of writing looks likely to dip below the WS 50 level, and will probably have done so at the time of going to press. West Africa/East numbers also look likely to do similar. The USG remains quiet and focused on the smaller vessels due to the WTI pricing.

With the Iranian Revolutionary guard flexing their muscles in the Straits of Hormuz, in times of old, we would have seen a big shift in owner's attitude. At present, however, little if any effect on rates. At least for now. Fingers crossed for a swift and peaceful resolution.

Suezmax

Bizarrely, despite two vessels being apprehended by the Iranians and a chunk of vessels disappearing in the last 72 hours, rates and sentiment have not improved, at least not for now. Thus far, we have seen an ex dry dock vessel fix a touch below WS 50 for TD23 whilst MEG/China on modern needs a proper test, but for now, we're freighting it in the WS 110'S. The Atlantic has a degree of stability with a similar scenario to the East, where a large volume of ships have fixed with no details. On the surface, we have seen TD20 repeatedly fix at WS 90, which is how we envisage the rest of the week playing out. The USG has seen sustained enquiry for transatlantic runs at the back end of the second decade, which edged rates up to WS 82.5 for a UKC run. If Aframax rates start to show promise by the weekend, then a further support mechanism will come into play.

Aframax

The North Sea Aframax market remained relatively flat at the start of the week, with relets dominating the tonnage list. But we see somewhat increased activity in surrounding areas. The local market is looking balanced right now, but we might see rates firming as owners could push for higher rates in the North Sea area due to better alternatives ballasting out of the area. After tumbling the last two weeks, Med/BSea market touched bottom early this past week as tonnage list started clearing away from prompt vessels. Owners gained some momentum as tonnage list became thinner and managed to earn some extra Worldscale points. Moving forward we expect market to remain firm with the Suezmaxes being the only threat capping Aframax.

Rates

Dirty (Spot WS 2023)

MEG/WEST (35.0)	WS 35	-5.0 ↓
MEG/Japan (50.0)	WS 50	-10.0 ↓
MEG/Singapore (51.0)	WS 51	-11.0 ↓
WAF/FEAST (50.0)	WS 50	-9.0 ↓
WAF/USAC (87.5)	WS 87.5	-5.0 ↓

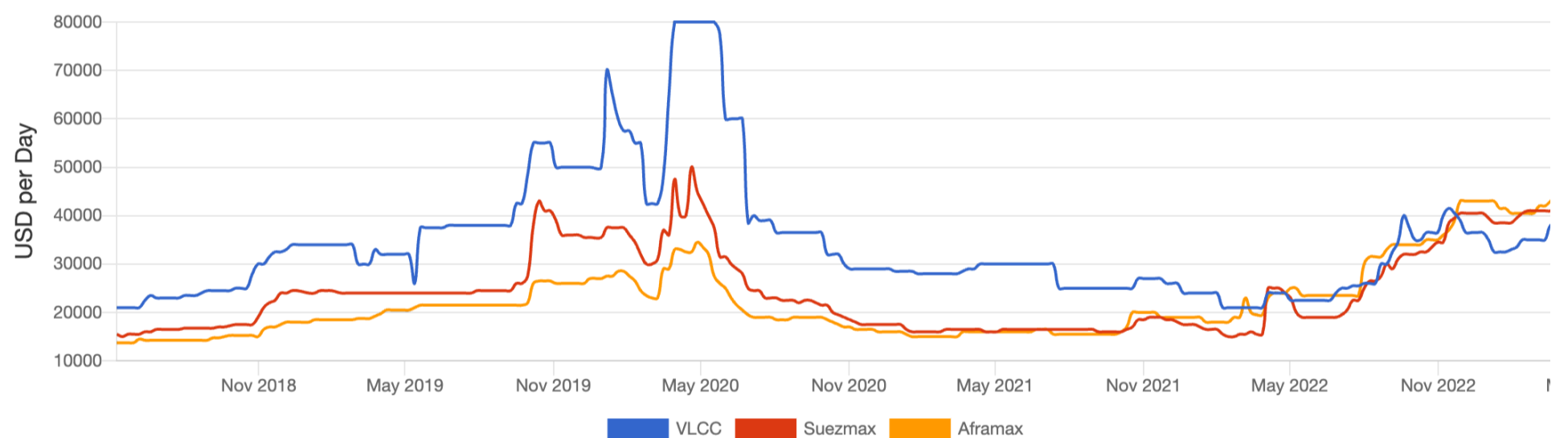
Sidi Kerir/W Med (107.5)	WS 107.5	-2.5 ↓
N. Afr/Euromed (160.0)	WS 160	5.0 ↑
UK/Cont (130.0)	WS 130	-2.5 ↓
Caribs/USG (115.0)	WS 115	30.0 ↑

1 Year T/C (USD/Day)

VLCC (Modern)	\$36,500	\$0 →
Suezmax (Modern)	\$39,000	-\$1,000 ↓
Aframax (Modern)	\$44,000	\$0 →

VLCC

VLCCs fixed in all areas last week (Modern)	\$38	-\$8 ↓
VLCCs available in MEG next 30 days (Modern)	\$162	\$15 ↑

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

Market improved over the last week with the basket for all time charter routs up by 11%. That said, the last few days has been shakier as the holidays made an impact on the activity. Especially the West Australia to China route with iron ore has calmed down dramatically and we see weaker demand and sentiment compared to how it looked at the end of last week. On the other hand, North Atlantic is looking firmer with limited open tonnage and the South Atlantic holding.

Panamax

Many returning from long weekend holidays, the market was slow to get going. Both basins remained a watching brief with little sign of direction although the early sentiment appeared weaker at first sight.

Supramax

Not much reaction after what is often a seasonal bottom during the second half of April. China's demand for Supramaxes and Ultramaxs remain very low despite reopening and stimulus measures.

During this month, China (and India) are expected to increase coal purchases which could be a bullish driver. Elsewhere, there is more vessels being absorbed in the Med/Black Sea region as well as the North Atlantic. However, the major loading countries in Asia and the South Atlantic have on net seen a reduction in vessel absorptions the last weeks.

Rates

Capesize (USD/Day, USD/Tonne)

TCE Cont/Far East (180 DWT)	\$38,869	\$6 ↑
Australia – China	\$9	-\$0 ↓
Pacific RV	\$16,864	-\$368 ↓

Panamax (USD/Day, USD/Tonne)

Transatlantic RV	\$12,270	-\$165 ↓
TCE Cont/Far East	\$22,982	-\$263 ↓
TCE Far East/Cont	\$7,179	-\$112 ↓
TCE Far East RV	\$12,657	-\$232 ↓

Supramax (USD/Day)

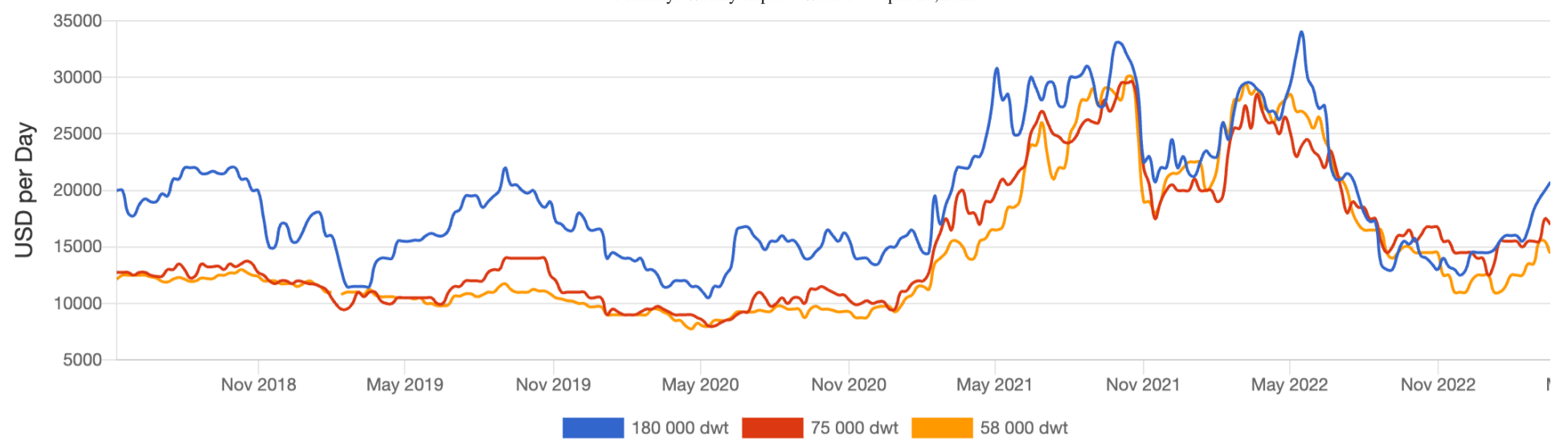
Atlantic RV	\$14,679	-\$1,118 ↓
Pacific RV	\$9,157	-\$1,218 ↓
TCE Cont/Far East	\$19,571	-\$387 ↓

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	\$0 →
Panamax (75 000 dwt)	\$16,000	\$0 →
Ultramax (64 000 dwt)	\$17,500	\$0 →
Supramax (58 000 dwt)	\$16,000	\$0 →

Baltic Dry Index (BDI)	1558
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1 Year T/C Dry Bulk



Gas

Chartering

EAST

Market remains fairly quiet as large parts of Asia is off due to Golden Week. Officially, China will be back tomorrow, and Japan will be on Holiday until next week. QP June dates are already out, but we think the East market will still focus on May dates for a while, considering total spot count in May is just 17 compared to a monthly year-to-date average close to 22.

WEST

Freight rates in the Western market has come off from mid-\$130's to \$130 within the last week, but it now seems that freight rates are on the rise again on the back of a widening arb and relatively tight availability of ships. We continue to see large exports on VLGC from the US and with April ending at 90 liftings and a consistent ratio of around 70% for East destinations, this increases the ton mile significantly for the sailing fleet and supports the bullish freight environment we have witnessed so far this year.

LPG Rates

Spot Market (USD/Month)

VLGC (84 000 cbm)	\$1,650,000	-\$200,000 ↓
LGC (60 000 cbm)	\$1,200,000	-\$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)	\$910,000	\$0 →
ETH (8-12 000 cbm)	\$560,000	\$10,000 ↑
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	\$465	-\$12 ↓
Saudi Arabia/CP	\$555	\$0 →
MT Belvieu (US Gulf)	\$353	-\$61 ↓

Sonatrach/Bethioua	\$485	-\$10 ↓
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LPG/FOB Prices - Butane (USD/Tonne)

FOB North Sea/ANSI	\$470	-\$23 ↓
Saudi Arabia/CP	\$555	\$10 ↑
MT Belvieu (US Gulf)	\$331	-\$72 ↓
Sonatrach/Bethioua	\$490	-\$20 ↓

LNG Rates

Spot Market (USD/Day)

East of Suez 155-165 000 cbm	\$55,000	\$0 →
West of Suez 155-165 000 cbm	\$40,000	\$0 →
1 Year T/C 155-160 000 cbm	\$130,000	\$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	137.52	2.53 ↑
USD/KRW	1342.00	7.25 ↑
USD/NOK	10.73	-0.01 ↓
EUR/USD	1.10	0.00 ↓

Interest Rates

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

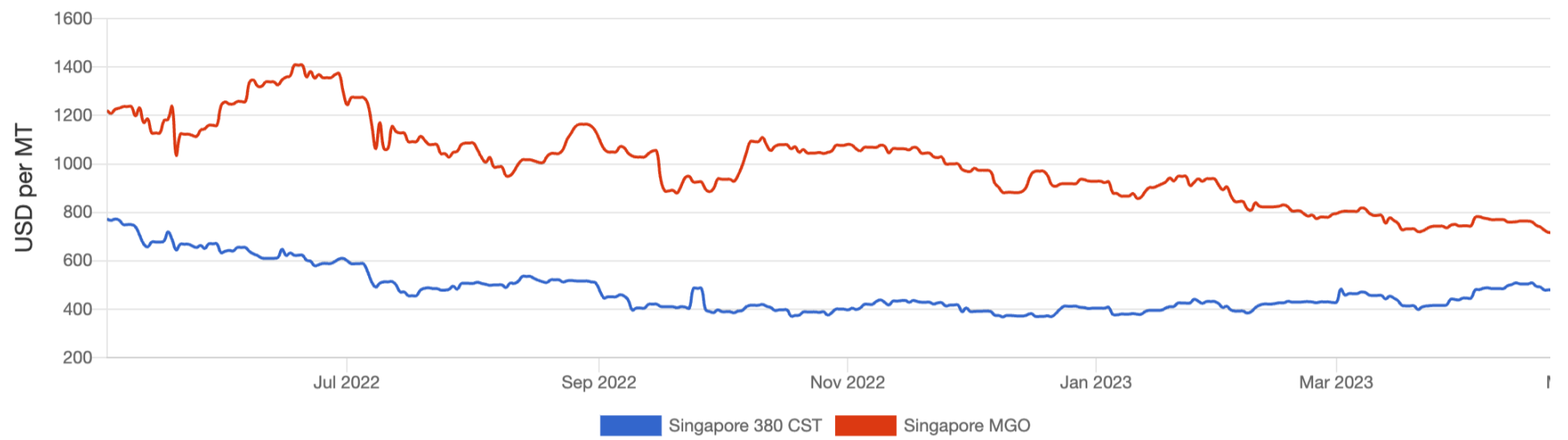
Commodity Prices

Brent Spot	75.50	-4.00 ↓
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Bunkers Prices

Singapore 380 CST	474.50	-9.00 ↓
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Singapore Gasoil	693.00	-38.50 ↓
Rotterdam 380 CST	450.50	-20.00 ↓
Rotterdam Gasoil	679.00	-53.50 ↓



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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