



Fearnleys Weekly Report

Week 21 - May 24, 2023

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01 Tankers

VLCC

With the 1-10 June window drawing to a close in the MEG, the volume count is up to the mid 50's for month and we have only scratched the 10-20 window. However, the recent quiet days are never a good sign for owners, and sentiment rarely avoids taking a hit as patience is tested. It is likely a cargo working now on the open market would test both owners resolve and the WS 50 level for TD3C too. However, the Atlantic has kept decent volume, noticeably West Africa awakening from a recent slumber, with rates up to the WS 55.5 level Wafr/East (on a deal likely concluded last week). But, with OPEC+ cuts, many owners have pointed vessels to the West/USG to avoid the group and therefore dilution is a concern. On the VL's it is looking like a tough summer, but plenty of light at the end of the tunnel.

Suezmax




the WS 130's for TD20, before steadily coming off again into WS 90-100 levels. This pattern is on the cusp of being repeated this week, with last done rates reported at the WS 115 level. Whether the fall is as precipitous as previous crashes comes down to whether owners buy the pattern or fundamentals. If they're looking at the fundamentals, then there's a case for the brakes to be applied but sentiment is more likely to triumph. The main support base in the USG has all but dried up for now and the Black Sea continues to be pinned down by a continuous stream of vessels coming through the Suez Canal, either on spec' or discharging off the back of TD23 voyages. MEG/East has repeated WS 127.5 several times, but we expect this to be tested downwards as softer sentiment from the Atlantic infects the East. TD23 will find a home in the WS 60's with a softer trend.

Aframax

The North Sea Aframax market finally showed some sign of life this week. Rates have slowly firmed during the month of May, and at the time of writing last done in the area is WS 157.5. Also, other areas still pay a higher TCE per day for those willing to ballast out of the area. Owners will try to push for more as the tonnage list for cargoes loading end May/early June looks tight on paper. But moving forward, the market looks a bit more balanced in terms of supply and demand, and we don't expect rates to continue moving north. In the Med and Bsea market, the owners gained some momentum as the tonnage list thinned out for end month loading dates. Moving forward we expect the market to remain firm unless Suezmax would be an alternative for charterers capping Aframax.

Rates

Dirty
(Spot WS 2023, Daily Change)

 [Click rate to view graph](#)

MEG/WEST

280'

35

5^



51	280'	11^
MEG/Singapore 52	280'	12^
WAF/FEAST 54	260'	12.5^
WAF/USAC 117.5	130'	10^
Sidi Kerir/W Med 127.5	135'	12.5^
N. Afr/Euromed 205	80'	42.5^
UK/Cont 157.5	80'	27.5^
Caribs/USG	70'	



1 Year T/C (USD/Day, Weekly Change)

[Click rate to view graph](#)

VLCC

\$34,500

Modern

\$0 >

Suezmax

\$39,000

Modern

\$1,500 ^

Aframax

\$43,000

Modern

-\$1,000 v

VLCCs

[Click rate to view graph](#)

Fixed in all areas last week

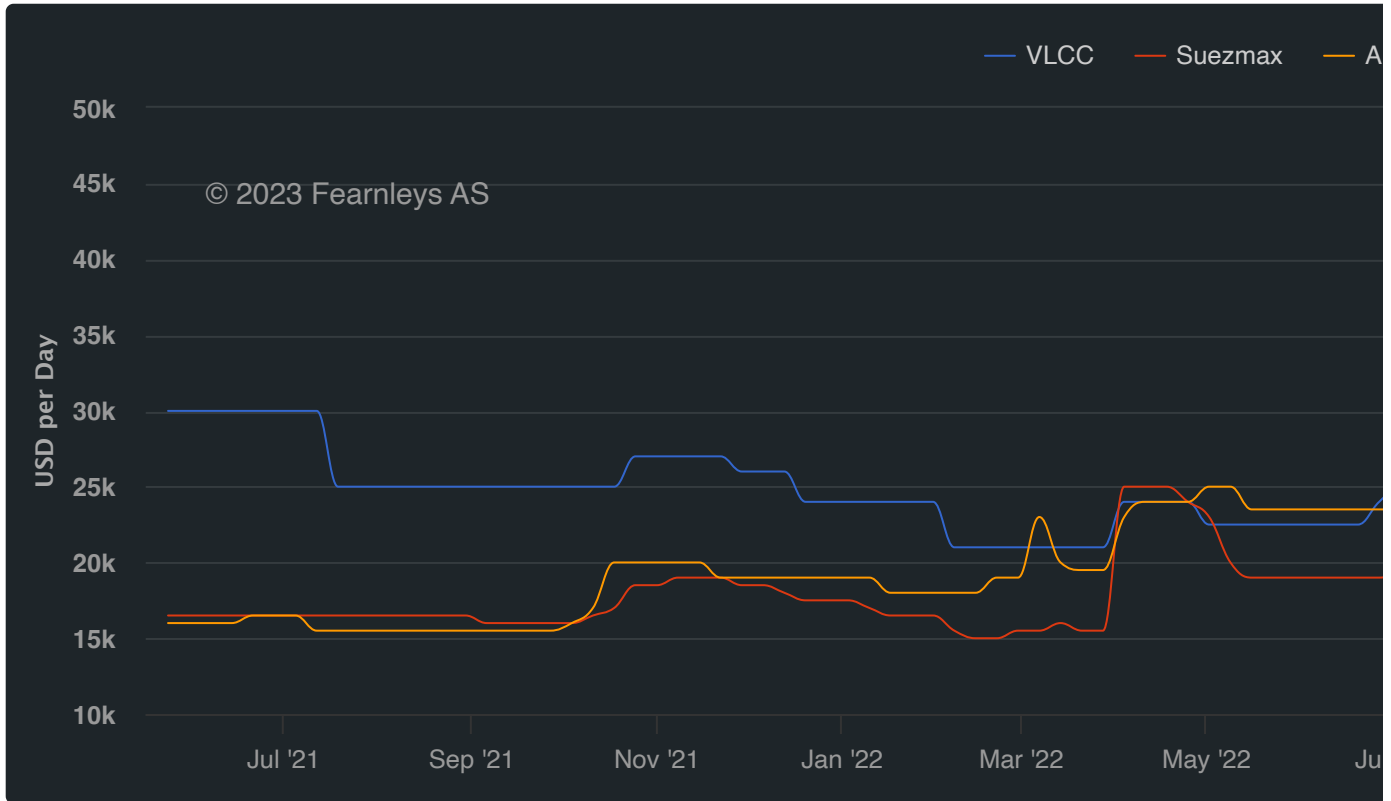
63

11 ^

Available in MEG next 30 days

164

3 ^



02

Dry Bulk

Capesize

Cape rates are under pressure despite relatively ok demand in the Pacific. On the main route c5, the miners have been present, but rates have not been going anywhere, rather slightly down. Overall index is off a couple of thousands, and the biggest drop is in the most volatile par; the Atlantic. Sentiment is dull, but analysts are forecasting an upturn will be coming, along with the summer.

Panamax



Following the end of last week's mini push ex EC South America, whilst limited talk of improved mineral demand ex Australia, otherwise Asia experienced a muted week.

Supramax

Supramax market falling for yet another week. With various public holidays in Europe and the lack of cargo volume, the rates reduced even further. The S10TC at USD 11,151 and FFA all forward value falling sub USD 12,000 for the balance of 2023. In the Pacific, Ultramax 64' dwt fixed delivery Singapore prompt dates for a trip via Indonesia to China at about USD 15,000, and the Supramax 55' dwt delivery South China for a round voyage via Indonesia to China was fixed below USD 10,000. In general, Supramax trading in the Indian Ocean and Pacific basin trading below index value. The Atlantic market looks healthier though all indications showed a weakening market. Ultra 63' dwt was fixed delivery Brazil for a trip to Chittagong at USD 16,750 pd plus USD 675,000 BB. USG market lacking cargo orders, while prompt tonnage building up. Rates are down by USD 2,000-3,000 pd for all directions.

Rates

Capesize
(USD/Day, USD/Tonne, Daily Change)

[Click rate to view graph](#)

TCE Cont/Far East

\$29,969

-\$2,125

Australia/China

\$8.27


-\$0.36

Pacific RV

\$14,368

-\$1,941



 [Click rate to view graph](#)

Transatlantic RV

\$8,765

-\$475 

TCE Cont/Far East

\$18,800

-\$359 

TCE Far East/Cont

\$3,888

-\$112 


TCE Far East RV

\$8,825

-\$229 

Supramax

(USD/Day, USD/Tonne, Daily Change)

 [Click rate to view graph](#)

Atlantic RV

\$13,488

-\$433 

Pacific RV

\$8,219

-\$231 



ICE Cont/Far East

\$16,579**-\$242**▼**1 Year T/C**

(USD/Day, Weekly Change)

Click rate to view graph

Newcastlemax

208'

\$25,000**-\$1,500**▼

Kamsarmax

82'

\$16,000**-\$1,500**▼

Ultramax

64'

\$15,500**-\$1,500**▼

Capesize

180'

\$20,000**-\$1,500**▼

Panamax

75'

\$14,500**-\$1,500**▼

Supramax

58'

\$12,500**-\$2,000**▼

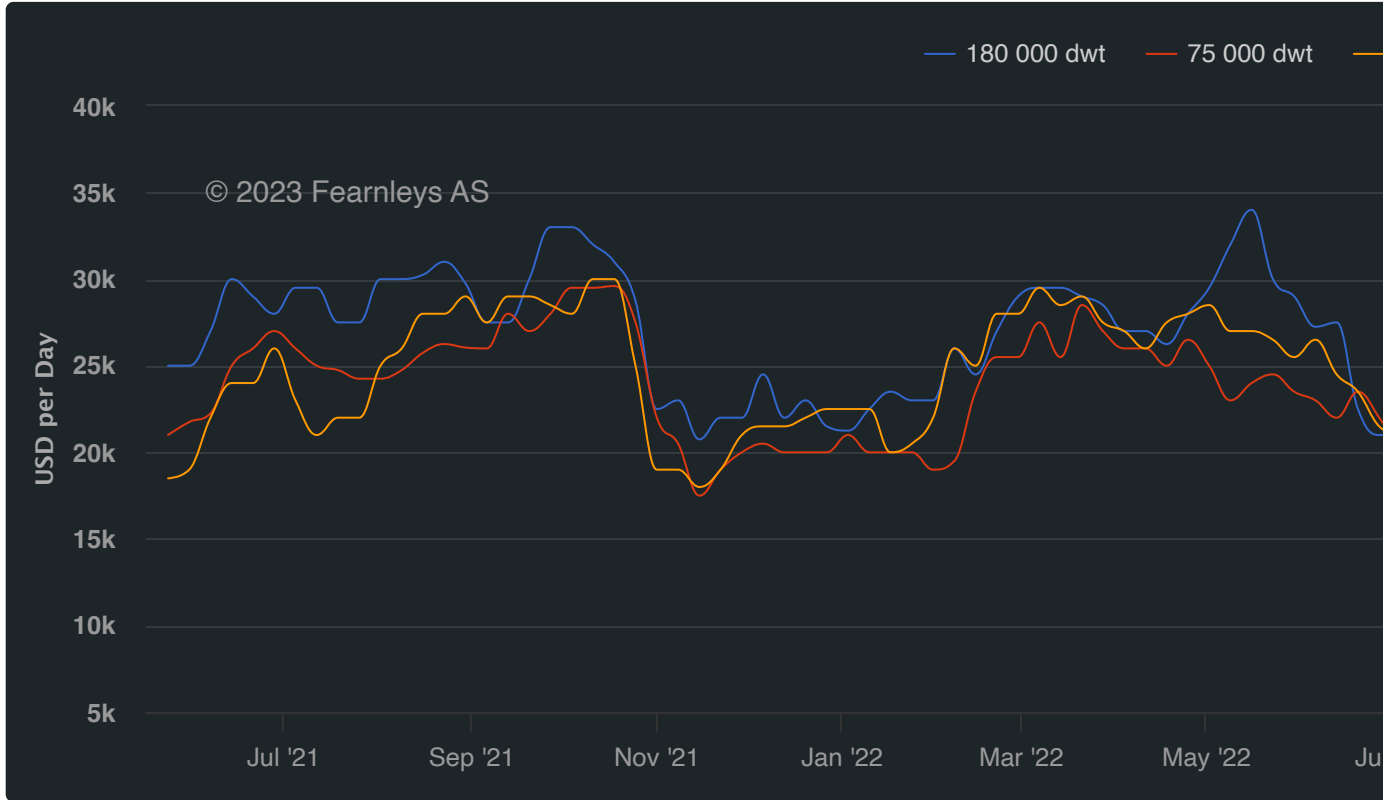


Baltic Dry Index (BDI)

\$1,215

-\$80▼

1 Year T/C Dry Bulk



03 Gas

Chartering

EAST

First half June spot cargoes are still being fixed and freight in this window is



Second half of the month is still facing some uncertainties on itineraries which could be part of the reason why less charterers have started to work these dates as of now. With a strong momentum spilling over from the early part of the month, we expect the fixing window to remain quite far out.

WEST

Activity on freight in the West has cooled off compared to last few weeks, but we are still seeing deals done on the quiet for very end June and 1H July in US. Last done now in the low-mid 150s H/C and low 90s H/F, but one could argue that some of these deals are destined for West discharge. A few traders were reportedly looking at shipping 1st decade July but later pulled back.

LPG Rates

Spot Market (USD/Month, Weekly Change)

[Click rate to view graph](#)

VLGC	84'
\$2,700,000	\$100,000

LGC	60'
\$1,500,000	\$0

MGC	38'
\$1,150,000	\$0

HDY SR	20-22'
\$800,000	\$0



HDY ETH

\$910,000

17-22'

\$0 >

ETH

\$560,000

8-12'

\$0 >

SR

\$490,000

6.5'

\$0 >

COASTER Asia

\$280,000**\$0 >**

COASTER Europe

\$420,000**\$0 >****LPG/FOB Prices (Propane)**

(USD/Tonne, Weekly Change)

Click rate to view graph

FOB North Sea/Ansi

\$464.5**\$0 >**


Saudi Arabia/CP



MT Belvieu (US Gulf)

\$334**-\$3** ✓

Sonatrach/Bethioua

\$485**\$0** >**LPG/FOB Prices (Butane)**
(USD/Tonne, Weekly Change) Click rate to view graph

FOB North Sea/Ansi

\$470**\$0** >

Saudi Arabia/CP

\$555**\$0** >

MT Belvieu (US Gulf)

\$268**\$2.5** ^

Sonatrach/Bethioua

\$490**\$0** >



Spot Market (USD/Day, Weekly Change)

[Click rate to view graph](#)

East of Suez 155-165k CBM

\$41,000

-\$1,000

West of Suez 155-165k CBM

\$30,000

\$0

1 Year T/C 155-165k TFDE

\$120,000

-\$10,000

04 Newbuilding

Activity Levels

Tank Activity

Slow



Slow

Other Activity

Moderate

Prices

VLCC	300'
\$121	\$0 >

Suezmax	150'
\$81	\$0 >

Aframax	110'
\$63.5	\$0 >

Product	50'
\$43.5	\$0 >

Newcastlemax	210'
\$66	\$0 >



\$37.5	\$0 >
Ultramax \$35.5	64' \$0 >
LNGC (MEGI) (cbm) \$240	170' \$0 >

05

Sale & Purchase

Prices

Dry	5 yr old	10 yr old
Capesize	\$49.0	\$34.0
Kamsarmax	\$31.0	\$24.0
Ultramax	\$32.0	\$25.0

Wet	5 yr old	10 yr old
VLCC	\$100.0	\$77.0



Suezmax	\$67.0	\$52.0
Aframax / LR2	\$62.5	\$50.0

06

Market Brief

Exchange Rates

USD/JPY

138.4

-0.38▼

USD/NOK

10.96

0.02▲

USD/KRW

1,319.2

-0.3▼

EUR/USD

1.08

0>



LIBOR USD (6 month)

5.2%

0 >

NIBOR NOK (6 month)

3.12%

0 >

Commodity Prices

Brent Spot

\$78.5

\$1.5 ^

Bunker Prices

Singapore

380 CST

\$451

\$5 ^

MGO

\$704.5

\$8 ^

Spread MGO/380 CST



Rotterdam

380 CST

\$448

\$11^

MGO

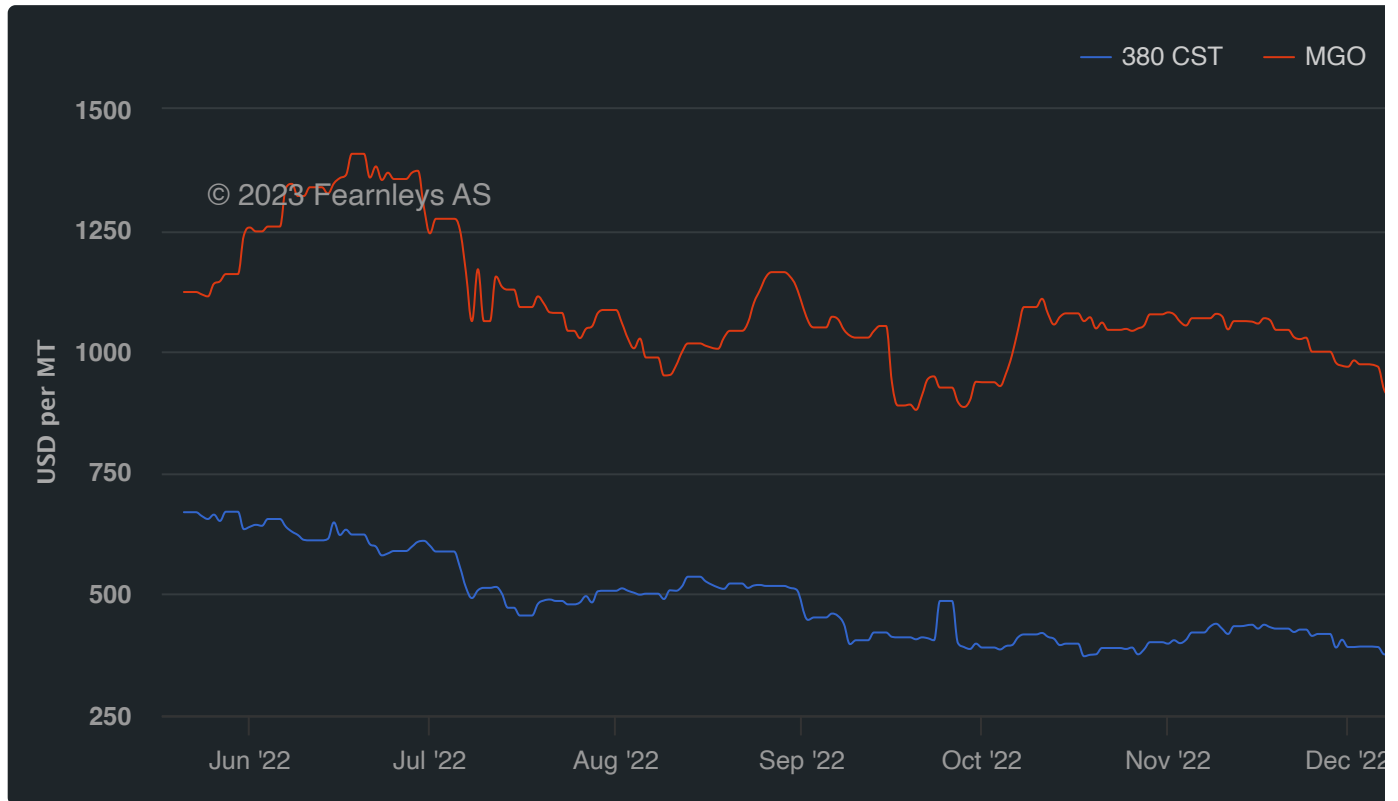
\$683

\$4.5^

Spread MGO/380 CST

\$235

-\$6.5v





certain vessel types are based on theoretical assumptions of premium or discount for particular vessel versus other vessel types.

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