



# Fearnleys Weekly Report

Week 25 - June 21, 2023

[info@hellenicshippingnews.com](mailto:info@hellenicshippingnews.com)

## 01 Tankers

### VLCC

It is a week where pinning the market has proved difficult. 'Date sensitive' is probably the best phrase for the MEG, as very little hangover of ships from June dates into July, has meant a dearth of tonnage for the 1-5 July window. As such, charterers have faced paying higher rates (WS 91.5 paid to Singapore) to secure a ship. However, the VLCC list basis Fujairah has plenty of ex DD vessels (11 ships up to the 10th of July) which will apply some downward pressure and provide a more cost effective option for charterers who can. The list opens out a bit for dates later in the month, so volume will be key, certainly regarding the much-heralded OPEC+ cuts. At the time of writing, we call TD3C around WS 80.

The Atlantic waters have been muddied with the Nigerian tax question, but on the whole owners who offer on Nigerian barrels have understandably been creating elaborate wording to protect themselves. It is perhaps more of an issue for



USG has remained active and an 105 bit vessel fixing at USD 10M USG/NINGBO is a strong rate and more cargoes populate the board at the time of writing. With a little more volume, Atlantic could pick up and show continued strong rates.

## Suezmax

The market is learning to live with the Nigeria Freight Tax issue, as highlighted by latest TD20 cargo attracting 9 offers, with reportedly four of those offers not containing restrictive tax wording. With that in mind, this pocket of the Atlantic will remain slightly inflated compared to other neighboring markets, at least this side of the weekend, with a softer outlook to come as the market adjusts to this kerfuffle.

The Med' and Black Sea have been adequately supplied with tonnage coming through the Canal and this will cap TD6 at max WS 125 for early second decade enquiry.

The East has experienced sustained, first decade enquiry, which has seen plus 15yr vessels attain WS 125 for MEG/East, comfortably pricing a modern unit at WS 130 for the same run.

## Aframax

### NORTH


Just as the sun never sets above the Arctic Circle during the summer months, the North Sea Aframax market seems like a prolonged journey repeating last done levels. Despite very good activity at the beginning of this week, rates have moved sideways. Some owners are looking to ballast to other load areas. But for typical North Sea players, it looks like next cargo won't be till end month or early July dates at the earliest now.

### MED

More of the same in the Med/BSea as well, with activity picking up for end/early July but the owners didn't manage to push rates higher. Tonnage list is pretty balanced at the moment, and we expect rates to move sideways unless 1st decade of July remains busy moving forward.

## Rates



 Click rate to view graph

MEG/WEST

42.5

280'

-2.5▼

MEG/Japan

81

280'

0 >

MEG/Singapore

80

280'

0 >

WAF/FEAST

77.5

260'

0 >

WAF/USAC

127.5

130'

25▲

Sidi Kerir/W Med

130

135'

22.5▲

N. Afr/Euromed

145

80'

-10▼



UK/Cont

135

80'

5<sup>^</sup>

Caribs/USG

160

70'

-30<sup>v</sup>**1 Year T/C**

(USD/Day, Weekly Change)

Click rate to view graph

VLCC

Modern

\$0 &gt;

Suezmax

\$37,000

Modern

\$0 &gt;

Aframax

\$46,000

Modern

\$1,000<sup>^</sup>**VLCCs**

Click rate to view graph

Fixed in all areas last week

45

-8<sup>v</sup>

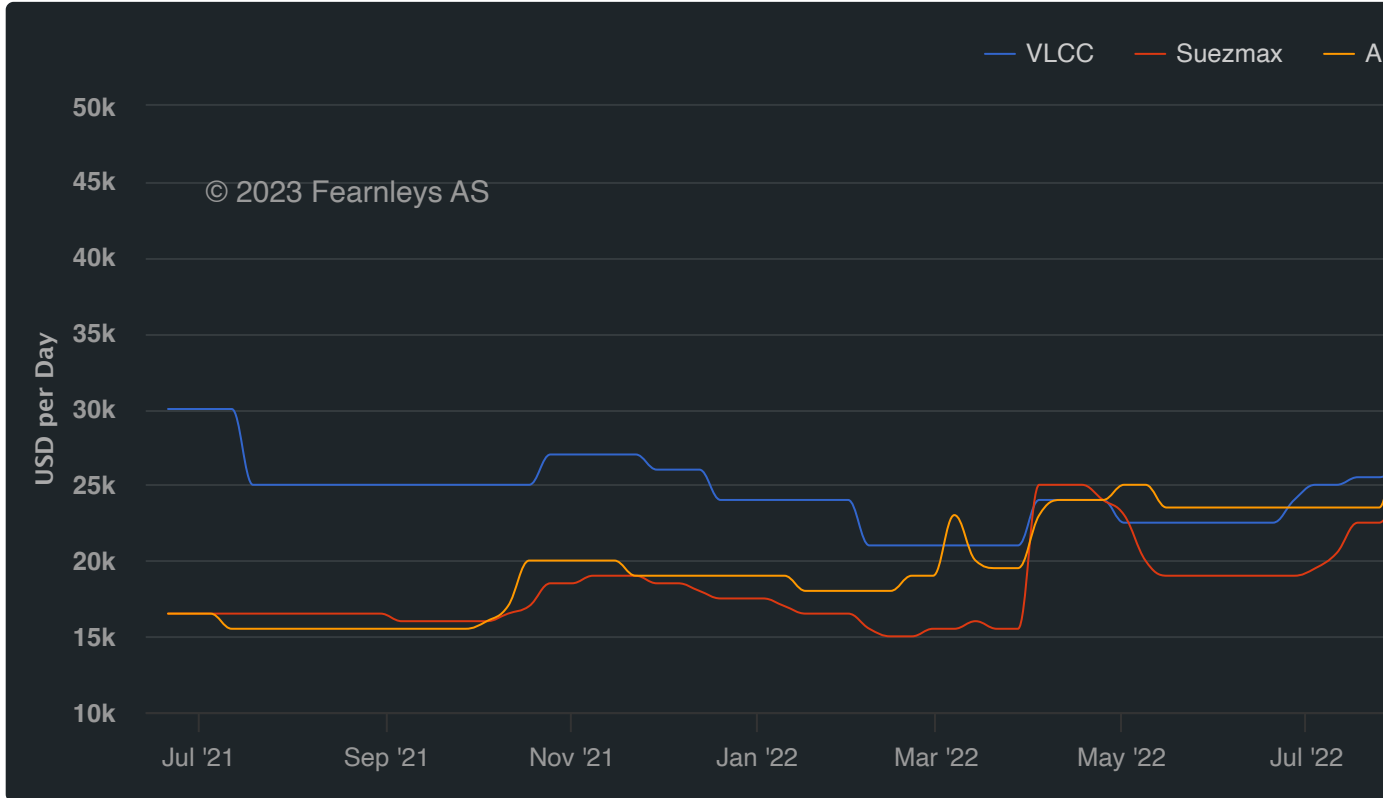


AVAILABLE IN VLCC NEXT 30 days

156

15^

# 1 Year T/C Crude



# 02 Dry Bulk

## Capesize

The activity has been extremely quiet over the last week, however sentiment started to change on Tuesday as the tonnage/cargo balance suddenly looked much healthier in the Atlantic. Thus, sentiment changed to positive with Atlantic numbers gradually



seemingly going turtner up tne next trading days.

## Panamax

Quiet start of the week which continued during the week to close. Little activity nor direction yet identified in the Atlantic whilst despite the usual inauspicious start in Asia with collecting mode firmly in position, the initial signs pointed towards a marginally firmer outlook, however during as week progressed that didn't materialize.

## Supramax

Seasonality and a positive outlook for Capesizes and Panamaxes suggest the Supramax market should rise going forward.

Volumes continue to be strong with Indian Ocean/Pacific shipments up 20% year on year, whereas Atlantic/Med/Black Sea volumes are up 2.5% year on year. Weekly shipments through week 23 displayed below.

Congestion levels continues at historically normal levels, displayed on the bottom right chart.

## Rates

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

 [Click rate to view graph](#)

TCE Cont/Far East

**\$33,319**

**\$2,363** 

Australia/China

**\$8.11**

**\$0.22** 

**\$13,168****\$1,063** **Panamax**

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

[Click rate to view graph](#)

Transatlantic RV

**\$8,065****-\$67**

TCE Cont/Far East

**\$18,277****-\$188**

TCE Far East/Cont

**\$3,814****-\$51**

TCE Far East RV

**\$10,290****-\$268** **Supramax**

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

[Click rate to view graph](#)

Atlantic RV

**\$8,541****\$66**



**\$7,406**

**-\$13** ✓

TCE Cont/Far East

**\$12,908**

**-\$325** ✓

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

[Click rate to view graph](#)

Newcastlemax

208'

**\$23,000**

**\$0** >

Kamsarmax

82'

**\$14,000**

**-\$1,000** ✓

Ultramax

64'

**\$0** >

Capesize

180'

**\$18,000**

**\$0** >

Panamax

75'

**\$13,000**

**-\$1,000** ✓



Supramax

58'

\$12,000

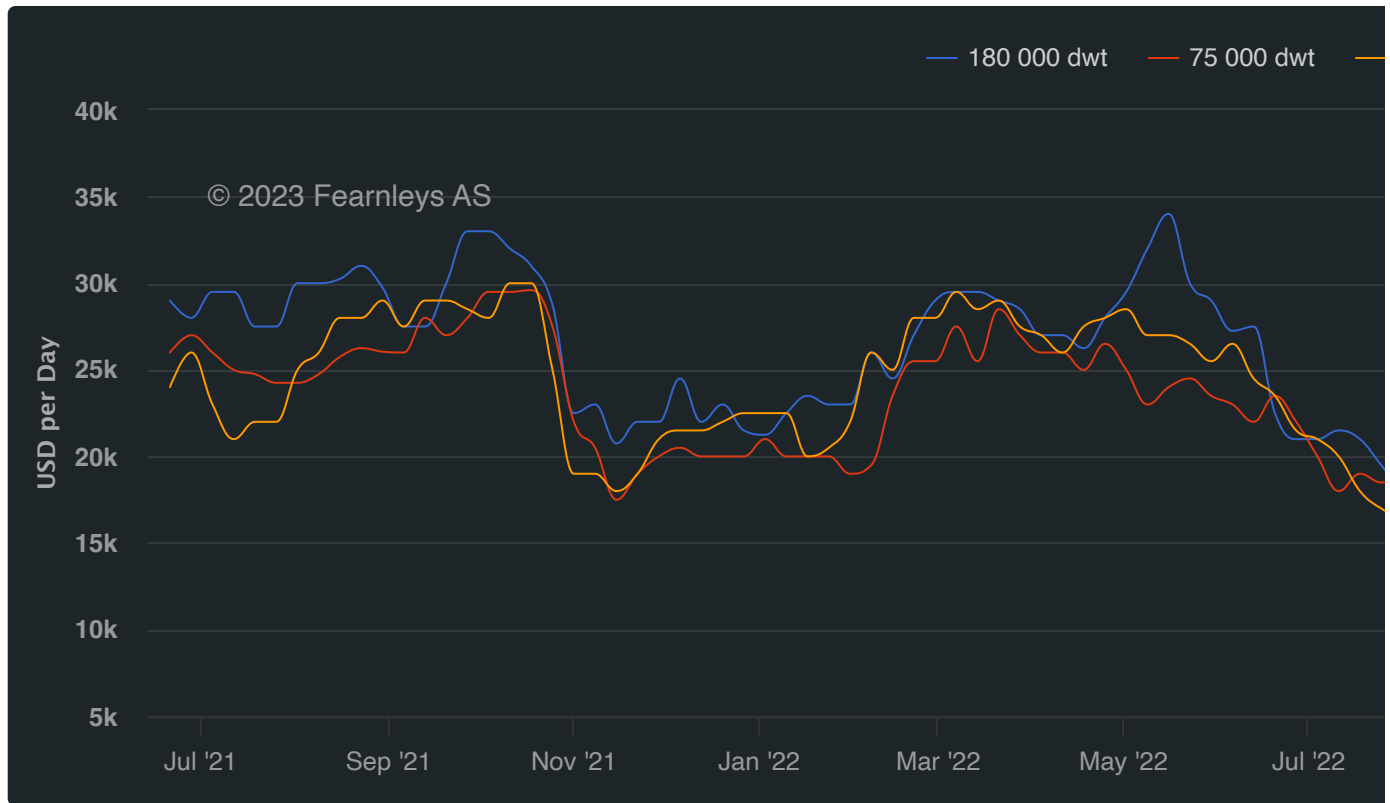
\$0 >

Baltic Dry Index (BDI)

\$1,138

\$60 ^

# 1 Year T/C Dry Bulk



# 03 Gas



## EAST

Earnings are now getting into the USD 100,000 per day on a roundtrip basis in the MEG - more than USD 15,000 earnings added per day compared to its neighbor in the West. While US freight for August already have seen two deals concluded and more cargoes looming, the East market is now focused in the mid-July with one Indian tender still in the works for early month. Freight seems to be rather balanced in the East, and after seeing a robust upsurge lately it seems to be stabilizing slightly now.

## WEST

Although the BLP3 index route jumped 5 dollars yesterday we are still seeing the West trade at a big discount to the East. July fixing ex USG is seemingly concluded, and focus is now fully on August. At the time of writing the position list for the first 10 days of August ex USG is looking tight with only a small handful of firm open ships. In addition, the waiting time in the Panama Canal is expected to increase as new draft restrictions to save water will affect the number of daily transits. That being said, we believe today's strong rates to stay put unless the arb dictates otherwise.

# LPG Rates

## Spot Market (USD/Month, Weekly Change)

 [Click rate to view graph](#)

VLGC

**\$3,100,000**

84'

**\$250,000** 

LGC

**\$1,500,000**

60'

**\$0** 

MGC

38'



HDY SR

**\$840,000**

20-22'

**\$0 >**

HDY ETH

**\$910,000**

17-22'

**\$0 >**

ETH

**\$540,000**

8-12'

**-\$10,000 v**

SR

**\$480,000**

6.5'

**-\$10,000 v**

COASTER Asia


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

COASTER Europe

**\$390,000****-\$10,000 v**

### LPG/FOB Prices (Propane)

(USD/Tonne, Weekly Change)

 [Click rate to view graph](#)

**\$401****\$0 >**

Saudi Arabia/CP

**\$450****\$0 >**

MT Belvieu (US Gulf)


**\$299****\$0 >**

Sonatrach/Bethioua

**\$405****\$0 >**

### LPG/FOB Prices (Butane)

(USD/Tonne, Weekly Change)

 Click rate to view graph

FOB North Sea/Ansi

**\$401****\$0 >**

Saudi Arabia/CP

**\$440****\$0 >**

MT Belvieu (US Gulf)

**\$177.5****\$7 ^**



Sonatrach/Bethioua

\$405

\$0 >

## LNG Rates

**Spot Market**  
(USD/Day, Weekly Change)

Click rate to view graph

East of Suez 155-165k CBM

\$70,000

\$22,000 ^

West of Suez 155-165k CBM

\$75,000

\$23,000 ^

1 Year T/C 155-165k TFDE

\$120,000

\$0 >

# 04 Newbuilding

## Activity Levels



**Slow**

Dry Bulk Activity

**Slow**

Other Activity

**Moderate**

## Prices

VLCC

**\$121**

300'

**\$0 >**

Suezmax

**\$81**

150'

**\$0 >**

Aframax

**\$63.5**

110'

**\$0 >**

Product

**\$43.5**

50'

**\$0 >**



Newcastlemax

210'

\$66

\$0 &gt;

Kamsarmax

82'

\$37.5

\$0 &gt;

Ultramax

64'

\$35.5

\$0 &gt;

LNGC (MEGI) (cbm)

170'

\$240

\$0 &gt;

# 05

## Sale & Purchase

### Prices

Dry	5 yr old	10 yr old
Capesize	\$48.5	\$33.5
Kamsarmax	\$31.0	\$25.0



Ultramax	\$31.5	\$25.0
Wet	5 yr old	10 yr old
VLCC	\$98.0	\$77.0
Suezmax	\$69.5	\$54.0
Aframax / LR2	\$62.5	\$50.0

# 06

## Market Brief

### Exchange Rates

USD/JPY

142.18

0.24^

USD/NOK

10.72

0.07^

USD/KRW

1,287.6

5.1^



EUR/USD

1.09

0 &gt;

## Interest Rates

LIBOR USD (6 month)

5.2%

0 &gt;

NIBOR NOK (6 month)

3.12%

0 &gt;

## Commodity Prices

Brent Spot

\$76

\$0 &gt;

## Bunker Prices

Singapore

380 CST

\$451

-\$1.5 v

MGO



Spread MGO/380 CST

**\$286**

-\$2.5▼

**Rotterdam**

380 CST

**\$498.5**

\$0 >

MGO

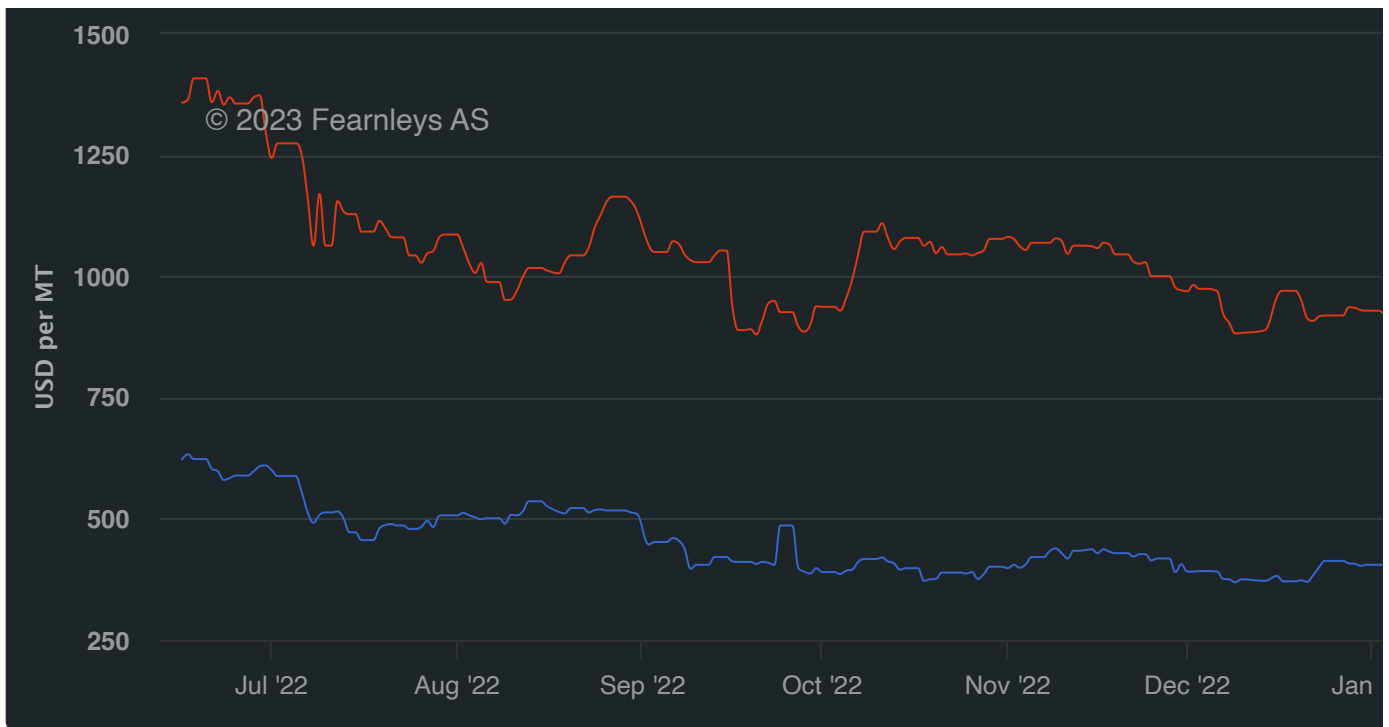
**\$718**

-\$23▼

Spread MGO/380 CST

**\$219.5**

-\$23▼



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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[fearnresearch@fearnleys.com](mailto:fearnresearch@fearnleys.com)

[+4722936000](tel:+4722936000)

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