



Fearnleys Weekly Report

Week 36 - September 6, 2023

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01 Tankers

VLCC

New lows across the board this week as the market reflects the new norm of lower OPEC volume and the now fashionable method of fixing in silence and hiding the details. Owners feeling the need to clear ships off their desks at or just below last done levels and then worry about the next one. We have seen MEG/East in the WS 30's back in May this year, but then the bunker prices were USD 70-80 lower than they are now and so TCE's drift further towards the red. But, at the time of writing, it seems owners are drawing a line. Non-eco vessels are a few thousand dollars above OPEX and non-scrubbers are almost on it. Given the length of lists in all areas, the market is unlikely to do any spring loaded rebound, but charterers may find owners less accommodating, if their ideas sit below last done. As we stand now, it is likely a bottom, unless bunker prices decrease. MEG/East is at WS 37, Wafr/East at WS 44'ish and USG/Ningbo down to USD 7.25m.



With VLCCs and Aframax in the doldrums, one would have logically presumed that the Suezmax market would exhibit similar frailty. Not so. Charterers have been very quick to swoop on early third decade ships for their TD20 requirements which has stabilized rates in the low WS 70's. Balmo paper has curiously been trading at WS 76, so make of it what you will. This is all the more bizarre considering how quiet the general Atlantic market has been, therefore we will have to put this down sentiment.

The East saw a replacement TD23 cargo trade at WS 62.5, but for the natural window, we are pinning mid/high WS 50's on this run with a flat feel.

Aframax

North Sea Aframax rates continued its downward trend this last week. Lack of activity and healthy tonnage lists giving charterers the needed leeway in the current fixing window. Much the same can be said about the Mediterranean/Blsea market, just not been enough activity to keep rates from following that downward curve. For the time being owners are stuck in that equilibrium as surrounding markets unfortunately not offering much better alternatives. We don't expect any notable surprises for the balance of the week.

Rates

Dirty
(Spot WS 2023, Daily Change)

[Click rate to view graph](#)

MEG/WEST	280'
26	0 >
MEG/Japan	280'
43	0 >



43

200

0 >

WAF/FEAST

51

260'

0 >

WAF/USAC

70

130'

0 >

Sidi Kerir/W Med

72.5

135'

0 >

N. Afr/Euromed

100

80'

0 >

UK/Cont

100

80'

-7.5 ✓

Caribs/USG

102.5

70'

-12.5 ✓

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

[Click rate to view graph](#)




\$36,500	Modern \$0 >
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Suezmax \$36,000	Modern \$0 >
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Aframax	Modern \$0 >
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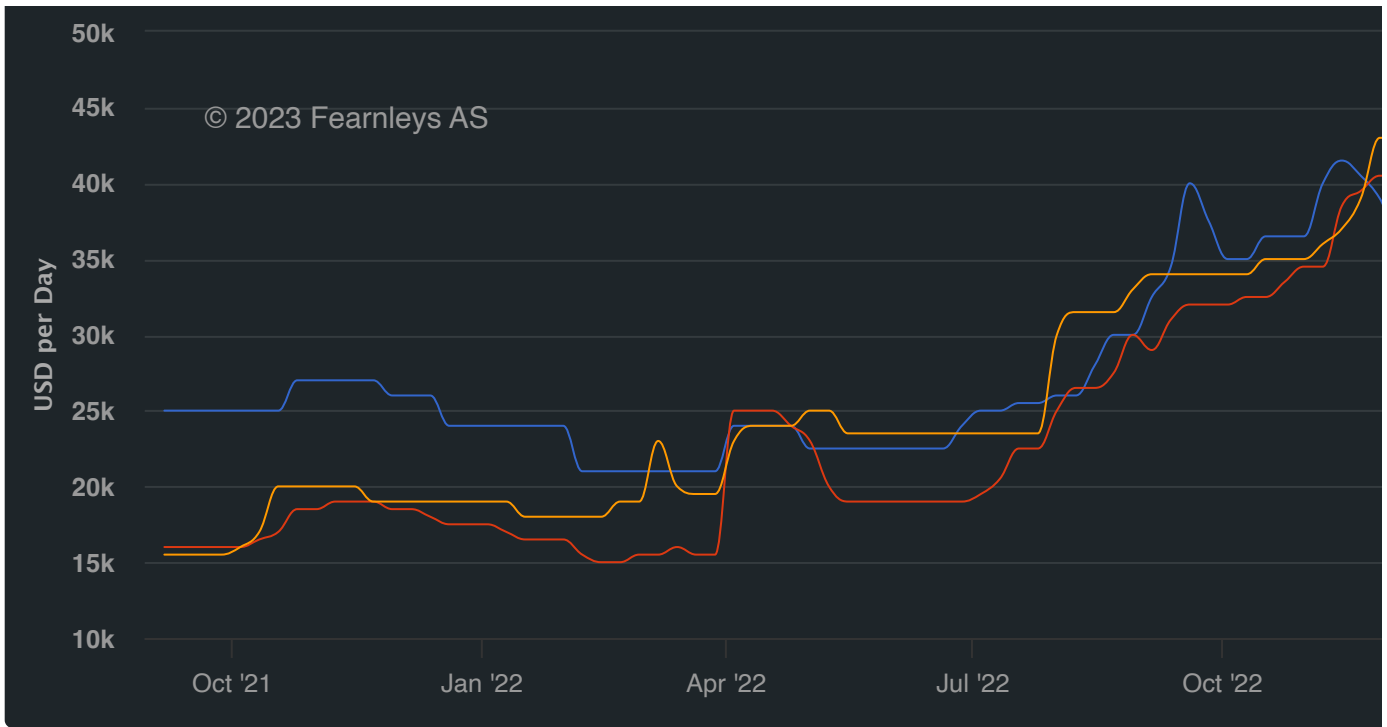
VLCCs

 Click rate to view graph

Fixed in all areas last week 51	0 >
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Available in MEG next 30 days 156	0 >
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1 Year T/C Crude



02 Dry Bulk

Capesize

Volumes remain consistent for mid-late September C5, East Australia, and Pacific business, contributing to slight improvement in optimism. Slight improvement in volumes on South Africa and India business. Volumes remain scarce on West Africa, C3 ex Brazil/China and North Atlantic. Far East tonnage remains abundant while ballasters continue to remain substantial. C5 levels improved slightly and we see a slight uptick to high USD 7 pmt levels. C3/West Africa fixtures are limited and experienced further decline to sub USD 19 pmt levels. On period, we see 180k dwt 2011-build non-scrubber fixed with narrow spread of 4-6 months at high USD 13,000/day.



The East of Suez Panamax fleet has hit low levels, presenting an upside if Asian demand, notably from China, rebounds. The Atlantic continues to underperform, particularly in the North, although South Atlantic regions offer a glimmer of hope. Market sentiment in Asia remains generally buoyant, partially offsetting subdued activity in the U.S. and North Atlantic. Rates are fluctuating across the board, and charterers appear hesitant in both coal and grain sectors. The BPI is down -3.7% week-on-week. The landscape is mixed but tilting towards cautious optimism, demanding vigilant monitoring for imminent market shifts.

Supramax

The Supramax market is slowly gaining its confidence. The Pacific market remains stable however the Atlantic is paying reasonable premiums to last done. All main loading areas in the Atlantic see big demand for September tonnage. In Asia, due to the recent typhoon in the southeast region, many ships needed to be replaced for those ships missing cancellation date. Rates were very much mixed depending on the position and ships able to make laycan.

Period activity picked up as charters interest increased, as we saw more demand for good spec tonnage in the Atlantic. Owners are asking for a premium for Atlantic delivery.

The Darya Mira 61' dwt opened in Finland on 6/11 September, fixed for a trip redelivery Singapore-Japan range with grains at USD 17,500 to Lighthouse Navigation. The Bulk Prudence 61' dwt open Gresik 2 September was reported fixed for a trip via West Australia redelivery Vietnam with grains at USD 14,000 to Western Bulk.

Rates

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

 [Click rate to view graph](#)

TCE Cont/Far East

**Australia/China****\$7.88****\$0.09** **Pacific RV****\$16,464****\$1,496** **Panamax**

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

[Click rate to view graph](#)**Transatlantic RV****\$12,990****-\$295** **TCE Cont/Far East****\$22,164****-\$22** **TCE Far East/Cont****\$6,225****\$56** **TCE Far East RV****\$11,963****\$153**



[Click rate to view graph](#)

Atlantic RV

\$14,529

\$950 ^

Pacific RV

\$8,513

\$19 ^

TCE Cont/Far East

\$19,263

\$730 ^

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

[Click rate to view graph](#)

Newcastlemax

\$17,850

208'

-\$50 v

Kamsarmax

\$14,100

82'

\$0 >

Ultramax

\$13,500

64'

\$0 >



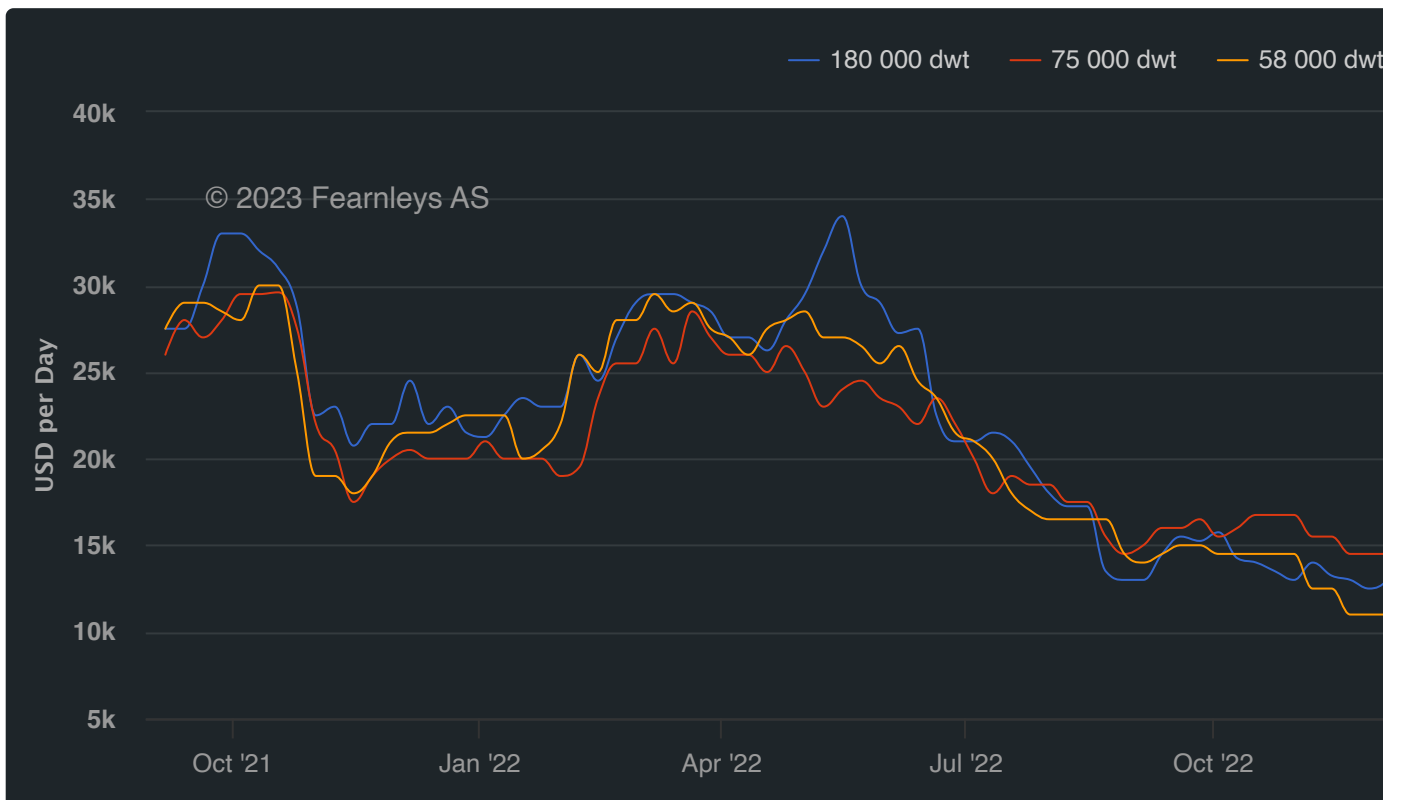
Capesize 180'
\$13,850 -\$50 ▼

Panamax 75'
\$12,600 \$0 ➤

Supramax 58'
\$11,000 \$0 ➤

Baltic Dry Index (BDI)
\$1,081 \$18 ▲

1 Year T/C Dry Bulk





Chartering

EAST

Most people in the LPG industry are not spending too much time attached to their office chairs this week but that doesn't mean the market is at all quiet. There are reports of two deals already done for October dates in the MEG in addition to a cargo tender that is attracting some shipping interest already. A few more deals have also been concluded for end September dates while a third India cargo (for September loading) is to be worked today. Freight rates remain firm and owners ideas are above last done – that being said, at this very moment positions from 4th October and onwards is starting to look a bit more populous.

WEST

So far, this week have seen three/four vessels fixed in the West and we now count 29 spot fixtures for October ex USG/USEC - only five of these are done in 2H Oct. Looking at the position list we see the first available ship in the USG open from 14 Oct onwards with one more coming up in the same decade and only three/four available for the last decade of the month. There are still several uncovered cargoes out there for last decade Oct with reports of the latest fixture ex USG done at a rate of 220 H/C.

LPG Rates

Spot Market (USD/Month, Weekly Change)

[Click rate to view graph](#)

VLGC	84'
\$3,600,000	\$500,000 ^
LGC	60'



MGC

\$1,300,000

38'

\$100,000 ^

HDY SR

\$850,000

20-22'

\$0 >

HDY ETH

\$920,000

17-22'

\$0 >

ETH

\$530,000

8-12'

\$0 >

SR

\$460,000

6.5'

\$0 >


COASTER Asia

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

COASTER Europe

\$315,000**\$0** >



 [Click rate to view graph](#)

FOB North Sea/Ansi

\$505.5

\$35 

Saudi Arabia/CP

\$550

\$80 

MT Belvieu (US Gulf)

\$382


\$32 

Sonatrach/Bethioua

\$530

\$60 

LPG/FOB Prices (Butane) (USD/Tonne, Weekly Change)

 [Click rate to view graph](#)

FOB North Sea/Ansi

\$551.5

\$105.5 

Saudi Arabia/CP

\$560

\$100 



MIT Belvieu (US Gulf)

\$285

\$10.5^


Sonatrach/Bethioua

\$550

\$85^

LNG Rates

Spot Market
(USD/Day, Weekly Change)

 [Click rate to view graph](#)

East of Suez 155-165k CBM

\$130,000

\$0 >

West of Suez 155-165k CBM

\$140,000

\$0 >

1 Year T/C 155-165k TFDE

\$0 >

04



Activity Levels

Tank Activity

Slow

Dry Bulk Activity

Slow

Other Activity

Moderate

Prices

VLCC

\$124

300'

\$0 >

Suezmax

\$82

150'

\$0 >

Aframax

110'



Product	50'
\$44	\$0 >
Newcastlemax	210'
\$66	\$0 >
Kamsarmax	82'
\$36.5	\$0 >
Ultramax	64'
\$34.5	\$0 >
LNGC (MEGI) (cbm)	170'
\$259	\$0 >

05

Sale & Purchase



Dry	5 yr old	10 yr old
Capesize	\$47.5	\$32.5
Kamsarmax	\$32.0	\$23.5
Ultramax	\$28.0	\$22.0

Wet	5 yr old	10 yr old
VLCC	\$93.5	\$72.0
Suezmax	\$71.0	\$55.5
Aframax / LR2	\$61.5	\$49.0

06

Market Brief

Exchange Rates

USD/JPY

147

0.79[^]

USD/NOK

10.76

0.11[^]



USD/KRW

1,333.9

16.6^

EUR/USD

1.07

-0.01v

Interest Rates

LIBOR USD (6 month)

5.2%

0 >

NIBOR NOK (6 month)

3.12%

0 >

Commodity Prices

Brent Spot

\$90

\$1.5^

Bunker Prices

Singapore



\$529

-\$6

MGO

\$919.5

\$6

Spread MGO/380 CST

\$390.5

\$12

Rotterdam

380 CST

\$560

-\$9

MGO

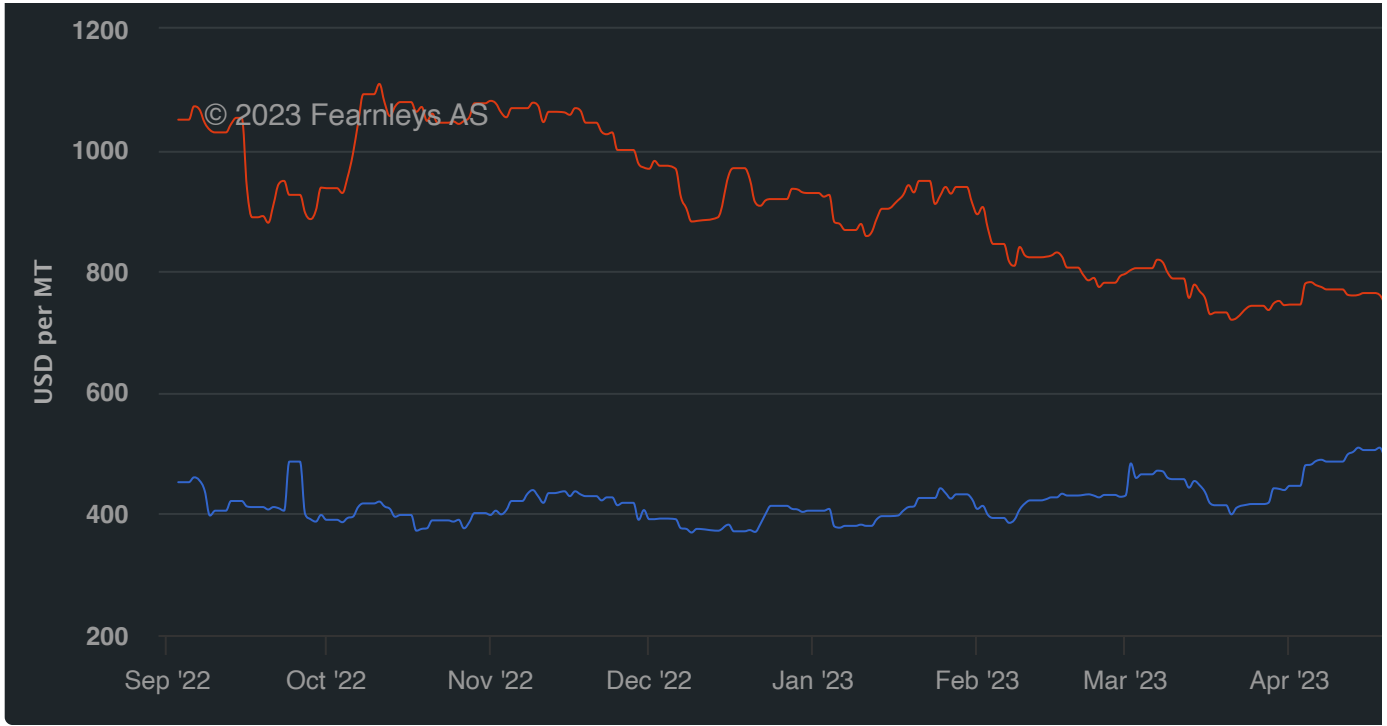
\$930

\$8

Spread MGO/380 CST

\$370

\$17



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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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