



Fearnleys Weekly Report

Week 2 - January 10, 2024

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01 Tankers

VLCC

A busy, breathless week. Plenty of fixing as WS rates moving up WS 10 points since the start of the year. Mainly due to the Atlantic excitement. At the time of writing, TD3C sits just below WS 70, but the MEG market taking a back seat. January volume is closing out with a healthy figure close to the 140 level, so another 10 or so deals to come. We are nearing the end of January dates and the quieter twilight zone between months, so rates likely to level out for the time being.

However, the Atlantic holding all the cards. Sinokor beginning to flex their Atlantic muscles, having taken 5-6 ships on spot voyages, quick subjects, with no cargoes attached. They now ready to work these vessels, fixing one ex EC Mexico to India, but a few more still to fix. With highest they paid at USD 9.7m USG to Ningbo, providing any potential demurrage bill is minimalized, they should be in the money, as we rating TD22 USG/Ningbo at USD 10m. USD 5m has been paid USG/UKC, and West Africa



level. Rates? – we are still low on fixture volume for February in both West Africa and USG, and a lot will depend on Sinokor frame of mind and charterers attitude. Likely a little steadying in the short term but certainly little downside.

Suezmax

The East market has been quiet on the surface with the vast majority of business being done off market, which has done nothing to support rates in the region (OTC markets require noise otherwise they die). Despite the best efforts of tanker-terrorists in the Red Sea, TD 23 continues to soften with last done pricing WS 80 (23 flats). MEG/East appears stuck in limbo with a MEG/China run likely to trade circa WS 130-135 (24 flats).

In the West, the USG/East arb is still wide open which has resulted in a deluge of enquiry from the US Gulf being smoked into the open market. This will further support rates in the wider Atlantic with no evident downside for now.

Aframax

All eyes have been on the USG market as the candidates for local runs look few and far between. Owners continue to push rates higher though with predominantly relet based tonnage we haven't seen the full effects of the USG pull as we have done in the Mediterranean. It remains to be seen if 3rd decade stems will be busy in this region, as dates push out, owners are hoping rates will move upwards too.

The Mediterranean Aframax market continues to show the potential for positive trends in rates, with poor weather affecting itineraries on the few ships that are not being enticed by trade over in the States. Lack of supply or business done off market might stem the increase in rates but should demand increase, then pressure on rates is likely to continue to strengthen the market. Black Sea trade was tested up this week and may well continue with inclement weather causing delays/closures in the Turkish Straits.

Rates

Dirty
(Spot WS 2024, Daily Change)



MEG/WEST

35

280'

0 >

MEG/Japan

55

280'

0 >

MEG/Singapore

56

280'

0 >

WAF/FEAST

57

260'

0 >

WAF/USAC

145

130'

30 ^

Sidi Kerir/W Med

140

135'

22.5 ^

N. Afr/Euromed

145

80'

0 >



180

00

0 >

Caribs/USG

220

70'

0 >

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

[Click rate to view graph](#)

VLCC

\$38,500

Modern

\$0 >

Suezmax

\$42,500

Modern

\$0 >

Aframax

\$39,000

Modern

\$0 >

VLCCs

[Click rate to view graph](#)

Fixed in all areas last week

40

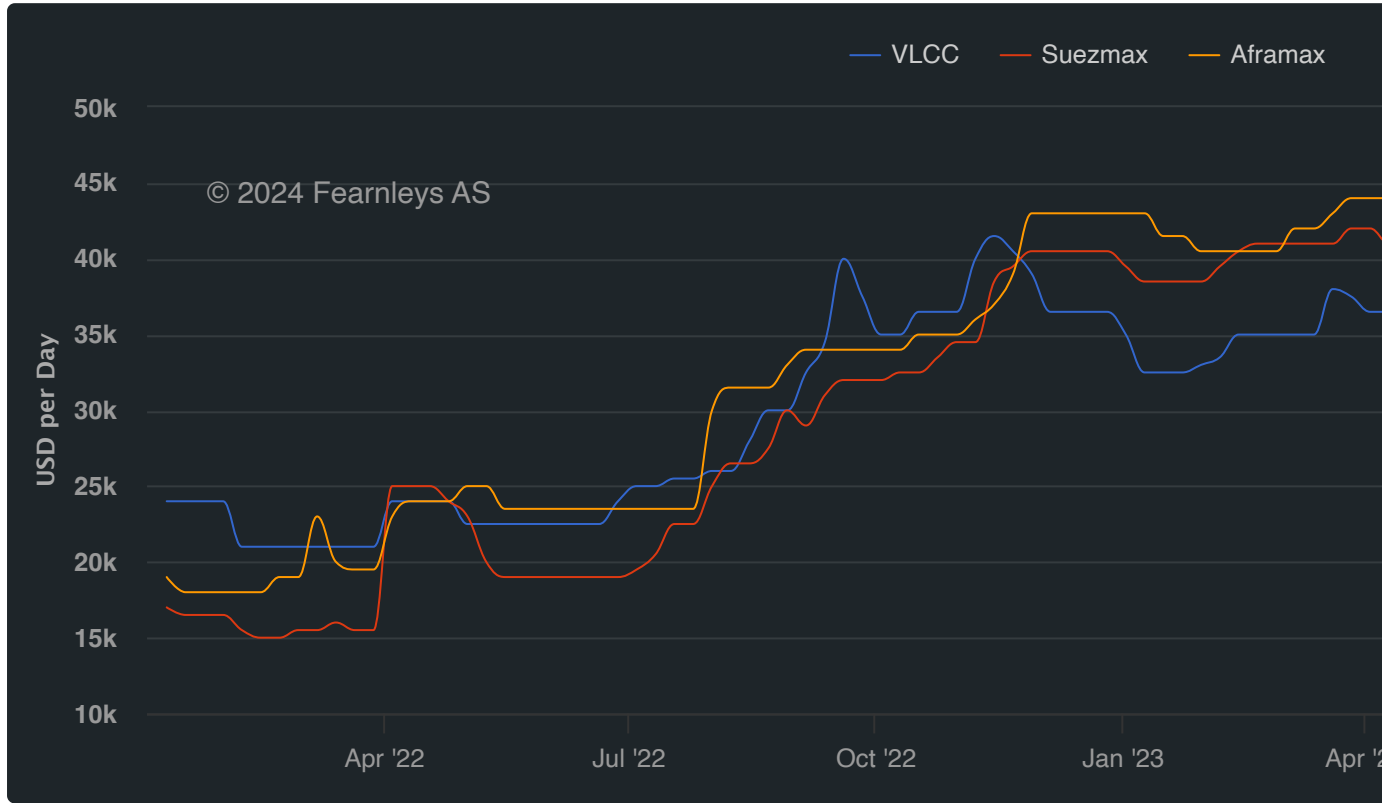
0 >



167

0 >

1 Year T/C Crude



02 Dry Bulk

Capesize

We see a drop in C5 enquiries this week, mostly with late January dates. On the East Australia coal and Pacific front, volume remains steady from last week. On South Africa and Indian business, we see limited enquiries for late January dates. On C3 ex



outstanding enquiries have first half of February dates. The Far East and ballasting tonnage seem to be building up. On C5, we see fixtures concluding at low to mid USD 8 pmt levels by midweek. On C3, we see limited fixtures concluding at high USD 23 pmt levels for early to mid-February dates. One known fixture of a 179k dwt, 2010-build, non scrubber for 9 to 11 months at USD 23,800 per day.

Panamax

Based on the latest reports, thermal coal demand in Asia remains subdued. Additionally, the South American grain export season has yet to start. These factors have contributed to the weakening of the market as expected.


Regarding the seasonal average market development, the market is expected to reach a bottom in either week 5 or week 6. However, it is important to note that the market is subject to fluctuations and can be influenced by a variety of factors.

Supramax

For another week, we see a steady decline in rates for Supra–Ultramax tonnage. Though the cargo flow from the US Gulf and South America remains steady, charterers keep pushing the rates down due to the extensive number of ships opening in the area. Trips from ECSA to Far East fixing at USD 16,000 pd plus USD 600,000 GBB pd. Transatlantic trips pay USD 27,000 pd on modern Ultra basis delivery USG. Oversupply of tonnage in the Continent and Black Sea areas significantly decreased spot rates. Supramax fixing scrap from the North Continent to Turkey at USD 18,500 pd. There are undoubtedly fewer spot cargoes, and the holiday season has an impact on the slow and bearish market. Trips from Mediterranean to ECSA are fixed at a low USD 10,000 pd. Supramax 55' dwt fixed TCT to China at USD 22,000 pd.

Rates

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

 [Click rate to view graph](#)

**\$38,125****\$312^**

Australia/China

\$8.35**-\$0.21v**

Pacific RV

\$16,464**\$1,496^****Panamax**

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

Click rate to view graph

Transatlantic RV

\$15,510**-\$810v**

TCE Cont/Far East

\$23,177**-\$755v**


TCE Far East/Cont

\$5,556**-\$193v**

TCE Far East RV

\$11,465**-\$560v**



 [Click rate to view graph](#)

Atlantic RV

\$19,124

-\$947 

Pacific RV

\$8,725

\$0 


TCE Cont/Far East

\$21,629

-\$721 

1 Year T/C

(USD/Day, Weekly Change)

 [Click rate to view graph](#)

Newcastlemax

\$22,400

208'

-\$1,100 

Kamsarmax

\$14,600

82'

-\$600 

Ultramax

\$14,000

64'

-\$1,000 

**Capesize**

180'

\$18,400**-\$1,100** ▼**Panamax**

75'

\$13,500**-\$700** ▼**Supramax**

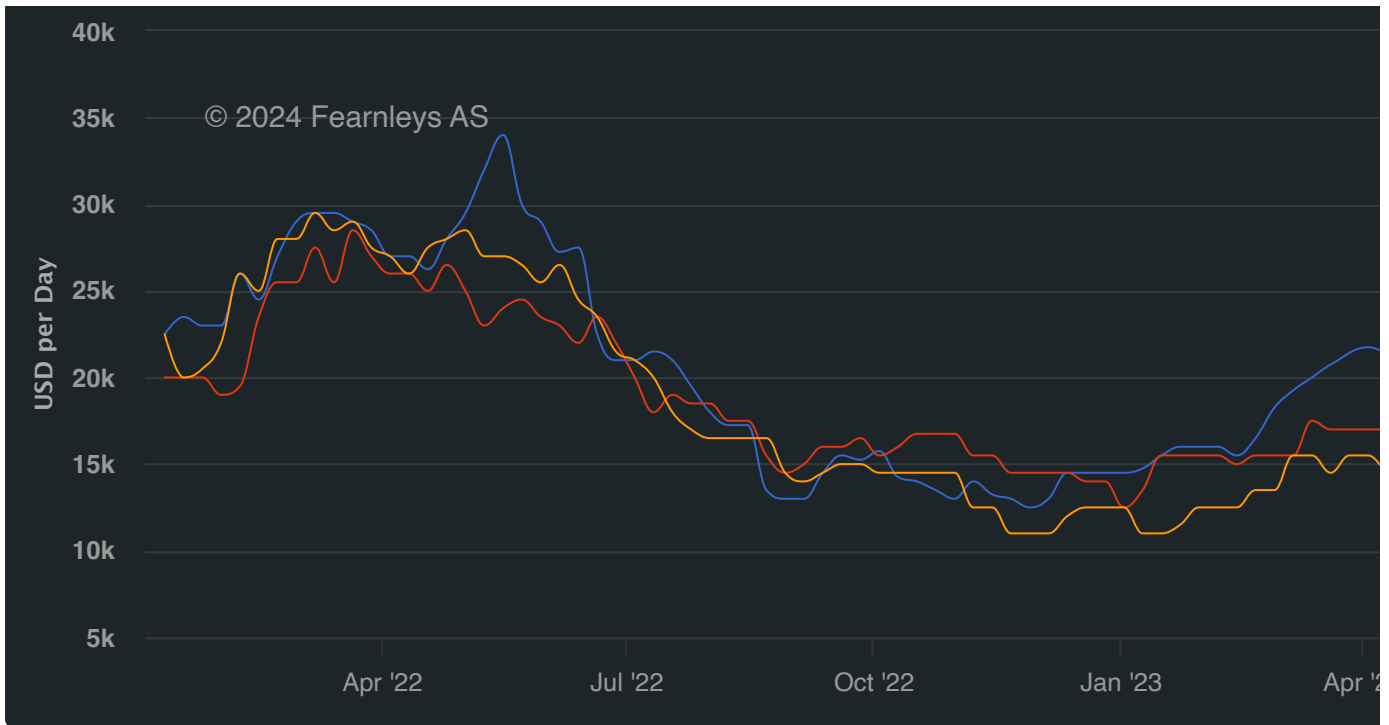
58'

\$12,750**-\$500** ▼**Handysize**

38'

\$12,500**\$0** >**Baltic Dry Index (BDI)****\$1,875****-\$147** ▼

1 Year T/C Dry Bulk



03

Gas

Chartering

EAST

With seven Indian PSU spot fixtures concluded so far on January dates in the Middle East it would be quite naive to expect that more Indian cargoes could save us from this ailing market. The current drastic drop on freight in the West last night would likely further impact the East shortly and it may seem like the East Baltic simply are lagging behind and will correct further as well. With the risk of sounding repetitive, although most of the ships on the East position list could look west, the down trending market coupled with excess tonnage is bound to keep freight in a negative spiral.



with the arb narrowing a lot lately we are now also seeing freight tailing. yesterday we recorded the biggest ever drop on the BLP3 route at 33 dollars and the West is now trading at a big discount to the East. There are currently a few uncovered cargoes out there and we expect these to soon get fixed as we only count 8 so far for February dates ex US – same time last year we had seen over twice as many for February.

LPG Rates

Spot Market (USD/Month, Weekly Change)

[Click rate to view graph](#)

VLGC	84'
\$3,600,000	-\$200,000

LGC	60'
\$2,000,000	\$0

MGC	38'
\$1,500,000	-\$100,000

HDY SR	20-22'
\$950,000	\$0

HDY ETH	17-22'
\$1,250,000	\$0



\$570,000

0-12

\$0 >

SR

6.5'

\$470,000

\$0 >

COASTER Asia

\$280,000


\$0 >

COASTER Europe

\$350,000

\$20,000 ^

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

 Click rate to view graph

FOB North Sea/Ansi

\$491

\$0 >

Saudi Arabia/CP

\$620

\$0 >

MT Belvieu (US Gulf)

\$378

\$15 ^

**Sonatrach/Bethioua****\$510****\$0 >****LPG/FOB Prices (Butane)**
(USD/Tonne, Weekly Change)

Click rate to view graph

FOB North Sea/Ansi**\$499.5****\$0 >****Saudi Arabia/CP****\$630****\$0 >****MT Belvieu (US Gulf)****\$413****-\$10 v****Sonatrach/Bethioua****\$540****\$0 >**

LNG Rates

Spot Market
(USD/Day, Weekly Change)

Click rate to view graph

East of Suez 155-165k CBM



West of Suez 155-165k CBM

\$75,000

-\$20,000▼

1 Year T/C 155-165k TFDE

\$67,000

-\$500▼

04 Newbuilding

Activity Levels

Tank Activity

Increasing

Dry Bulk Activity

Moderate

Other Activity



Prices

VLCC	300'
\$124	\$0 >

Suezmax	150'
\$82	\$0 >

Aframax	110'
\$66	\$0 >

Product	50'
\$46	\$0 >

Newcastlemax	210'
\$66	\$0 >

Kamsarmax	82'
\$36	\$0 >

Ultramax	64'
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LNGC (MEGI) (cbm)

170'

\$261

\$0 >

05

Sale & Purchase

Prices

Dry	5 yr old	10 yr old
Capesize	\$55.0	\$35.0
Kamsarmax	\$32.5	\$23.0
Ultramax	\$30.0	\$24.0
Handysize	\$25.0	\$17.5

Wet	5 yr old	10 yr old
VLCC	\$105.0	\$80.0
Suezmax	\$79.0	\$64.0
Aframax / LR2	\$68.0	\$55.0



Market Brief

Exchange Rates

USD/JPY

143.92

-0.97▼

USD/NOK

10.34

-0.04▼

USD/KRW

1,320.1

1.4▲

EUR/USD

1.09

0>

Interest Rates

LIBOR USD (6 month)

5.2%

0>

NIBOR NOK (6 month)



Commodity Prices

Brent Spot

\$77.5

\$1.5^

Bunker Prices

Singapore

380 CST

\$456.5

-\$5.5 v

MGO

\$751.5

-\$6 v

Spread MGO/380 CST

\$295

-\$0.5 v

Rotterdam

380 CST

\$441.5

-\$2.5 v



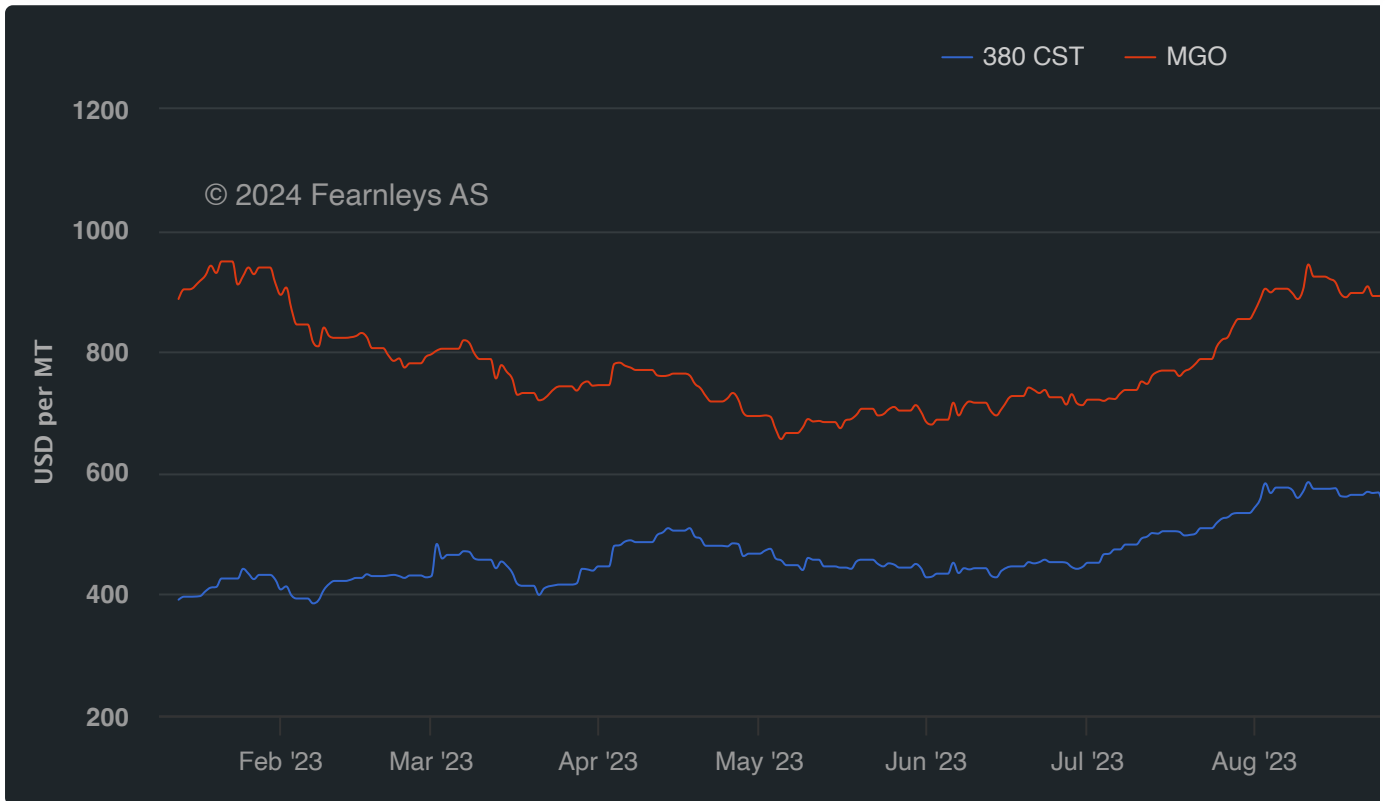
\$742.5

\$0.5^

Spread MGO/380 CST

\$301

\$3^



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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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