

Fearnleys Weekly Report

Week 27 - July 3, 2024

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01 Tankers

VLCC

Uninspiring would be the buzz word for the week, with new lows for MEG/East runs - as a shorter voyage to Thailand agreed at WS 47 (albeit a 15-year+ vessel). Few charterers would be contemplating anything starting with a 5, even on a modern, regardless of where in the East they may discharge, as the summer doldrums remain firmly in place.

Atlantic quiet on the surface and softer on other sizes. For the VL's, we remain low on the cargo count - July 72 Atlantic wide, whereas June at this stage was 83 (although, the opaqueness of the current market does make this trickier to read). With 4th July holidays imminent, likely the US market this week will finish with a whimper. Unlike the potentially catastrophic hurricane Beryl. USG/Rok-Ningbo today sits around USD 7.7m and 3.3m transatlantic.

Ground Hog Day in the Atlantic. TD 20 ended last week feeling overvalued at WS 112.5 but has now corrected down to circa WS 100 (theoretical rate based on most recent West Africa/USAC trades). We expect rates to scratch the floor in the low/mid WS 90's against the backdrop of a marginally over-tonnaged list and from there we envisage a cut and paste of the last 12 months (moderate bounce) based on a USG market that is exhibiting some green shoots.

In the East, there's been a flurry of off market fixing but not enough to prevent further falls. We expect next done MEG/East to trade at WS 110 (+/- 2.5) with downside bias. BOT/UKCM needs a test but we're calling it mid WS 50's via COGH.


Aframax

A slow start to the week in the North Sea with very limited activity coming to the market has seen rates take a hit and fall by a further 10 points. Tonnage availability remains healthy. The USG markets took a hit but bounced very quickly. Independence Day celebrations will limit the activity this week but should be active again at the start of next week.

The market has seen some action this week but steady, with any movement in rates to be incremental in this stagnant market. Slow moving and in a sideways trend with still a few candidates there for charterers to take out, but an increase in activity could see upward pressure put on to rates with tonnage lists looking thinner on the front end and some vessels stuck in discharge ports.

Rates

Dirty
(Spot WS 2024, Daily Change)

 [Click rate to view graph](#)

MEG/WEST


280'

35

0 >

	49.5	200	0 >
MEG/Singapore	50	280'	0 >
WAF/FEAST	55.5	260'	0 >
WAF/USAC	97.5	130'	-12.5 v
Sidi Kerir/W Med	102.5	135'	-2.5 v
N. Afr/Euromed	152.5	80'	2.5 ^
UK/Cont	130	80'	-27.5 v
Caribs/USG		70'	

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

 [Click rate to view graph](#)

VLCC

\$38,500

Modern

\$0 >

Suezmax

\$41,000

Modern

-\$1,000 v


Aframax

\$43,500

Modern

\$0 >

VLCCs

 [Click rate to view graph](#)

Fixed in all areas last week

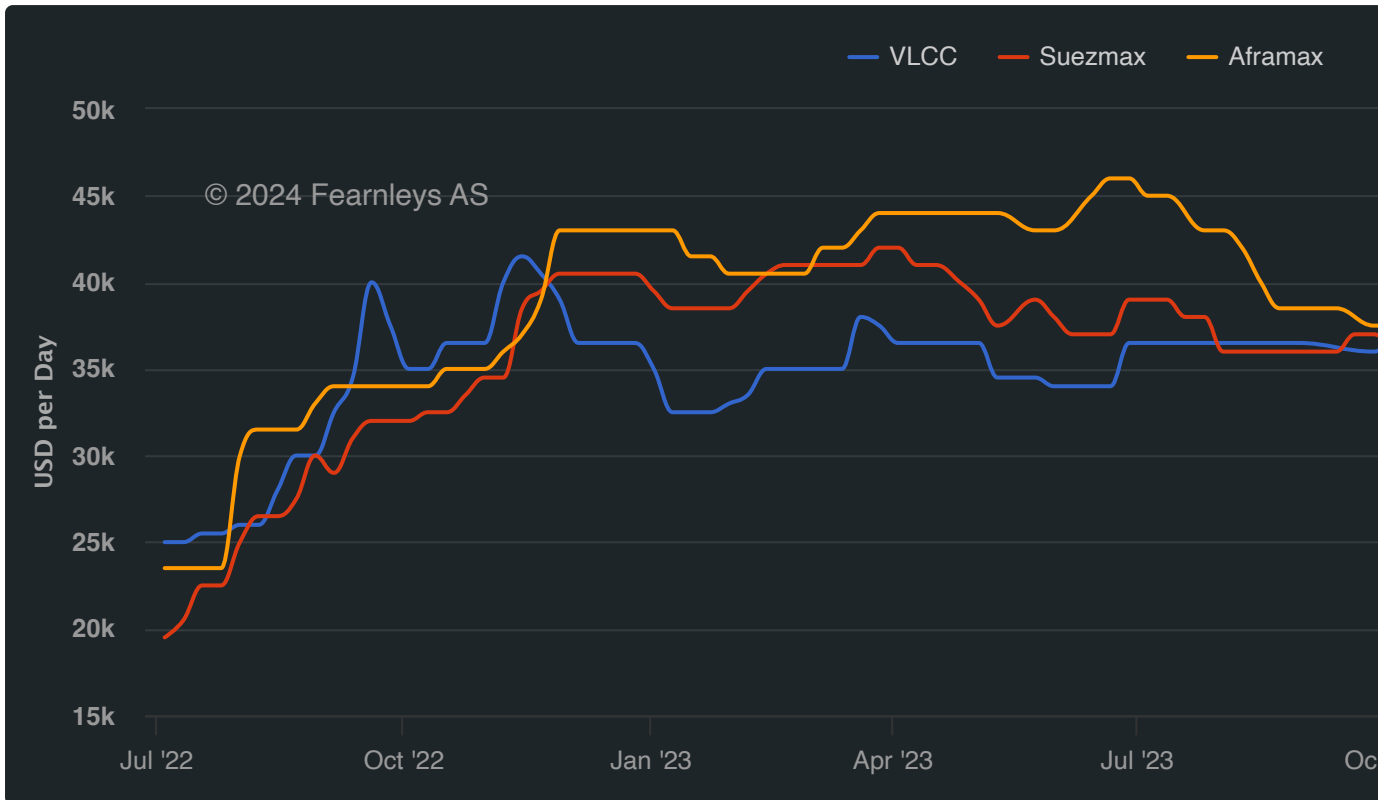
58

-4 v

Available in MEG next 30 days

147

-8 v



02

Dry Bulk

Capesize

On the West Australia front, we see a drop in overall volume in market as we approach mid-week with enquiries from miners, some operators, and limited tenders for primarily second half of July dates. Volumes out of East Australia and other Pacific businesses have dwindled. On C3 ex Brazil to China, we still see some enquires for late July and split dates with majority of enquiries for forward August dates. West Africa volumes are relatively flat from last week with enquiries for late July and early August dates. Far East spot tonnage is increasingly abundant. Ballasting tonnage remains extremely tight for any July dates but heavy for first half of August dates. On

fixtures were near concluding at USD 30+ pmt levels for July dates. For August, we see resistance between charterers to bid up to owners' ideas.

Panamax

The Panamax market is experiencing weakness, particularly in the Atlantic. Rates are eroding due to lack of demand, especially for longer round trips. While fundamental indicators suggest potential growth in the second half of the year, the current market lacks support. Coal markets have softened, and grain activity from South America remains subdued. Owners are willing to discount rates to secure coverage before a potential summer lull. Overall sentiment is bearish, with expectations of further rate declines in the near term.

Supramax

Very little to report as markets across basins remain quiet. Markets remain under pressure due to lack of cargo volumes. ECSA saw little activity end of last week and early this week which was promptly covered tick below last done levels. Similar story to report on West Africa stems. Lack of cargo volumes coupled with ample tonnage in position driving the pattern. In the Indian Ocean region, the usual sulphur, salt, and aggregates cargoes are out in the market, but all covered up. With the monsoon season hitting Western coast of India, we expect less activity in the region for the next 2 months. Limited cargo activity in the Pacific region as well. On the period side, no fresh enquiries and rates remain very high hovering around 18k levels for longer periods. Hopefully the grain season in the Atlantic picks up in the coming weeks and possibly bring in some well needed push in the freight markets.

Rates

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

 [Click rate to view graph](#)


TCE Cont/Far East

\$38,125

\$312^

Australia/China**\$10.86****-\$1.31** **Pacific RV****\$16,464****\$1,496** **Panamax**

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

 [Click rate to view graph](#)**Transatlantic RV****\$12,025****-\$490** **TCE Cont/Far East****\$24,891****-\$395** **TCE Far East/Cont****\$6,103****-\$56** **TCE Far East RV****\$13,275****-\$77** **Supramax**

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

Atlantic RV

\$14,361**\$93** 


Pacific RV

\$13,669**-\$181** 

TCE Cont/Far East

\$21,367**-\$133** **1 Year T/C**

(USD/Day, Weekly Change)

 [Click rate to view graph](#)

Newcastlemax

208'

\$26,600**\$550** 

Kamsarmax

82'

\$17,500**-\$500** 

Ultramax

64'

\$17,500**\$500** 

Capesize

180'

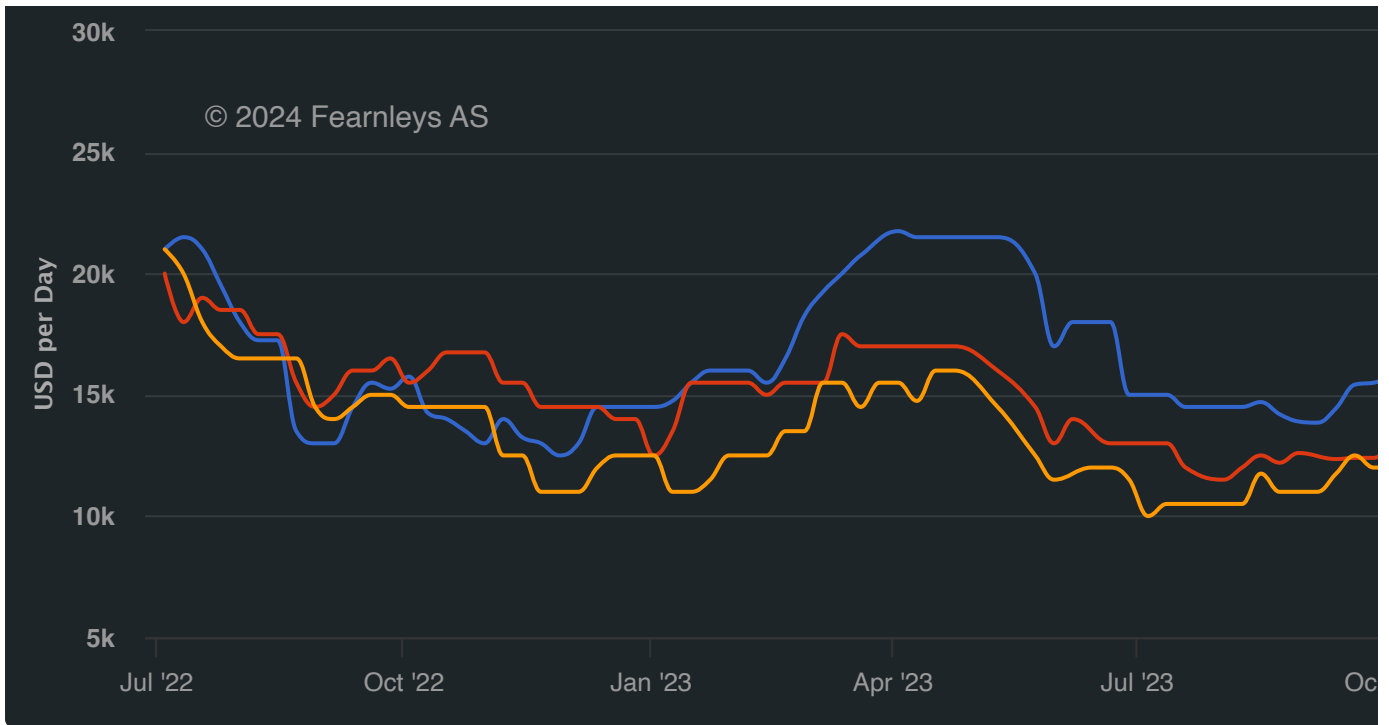
Panamax	75'
\$16,400	-\$300 ▼

Supramax	58'
\$15,500	\$500 ▲

Handysize	38'
\$13,000	-\$1,000 ▼

Baltic Dry Index (BDI)	
\$2,064	-\$115 ▼

1 Year T/C Dry Bulk



03

Gas

Chartering

EAST

So far this week, only two deals have been concluded in the East. Although there were talks of a few other cargoes being worked, they have yet to materialize. July now appears to have a surplus of vessels, and some ships may need to wait until August for their next employment. Despite the length which is particularly apparent in the last five days of July, freight rates remain relatively stable.

WEST

In contrast to last week the West has been stealing most of the attention this week in terms of fixing activity. So far we count 6 spot fixtures for August dates with the last

we still find a chunk of July vessels seeking employment. In addition, the position list for 1H August is starting to build up which could limit the upside.

LPG Rates

Spot Market
(USD/Month, Weekly Change)

 Click rate to view graph

VLGC	84'
\$1,350,000	-\$200,000 

LGC	60'
\$1,100,000	\$0 

MGC	38'
\$950,000	\$0 

HDY SR	20-22'
\$920,000	\$0 

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

ETH	8-12'
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SR

\$470,000


6.5'

\$0 >

COASTER Asia

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

COASTER Europe

\$390,000**\$0 >****LPG/FOB Prices (Propane)**
(USD/Tonne, Weekly Change) Click rate to view graph

FOB North Sea/Ansi

\$543.5**\$48.5^**

Saudi Arabia/CP

\$580**\$0 >**

MT Belvieu (US Gulf)

\$439**\$34.25^**

\$550**\$55^****LPG/FOB Prices (Butane)**
(USD/Tonne, Weekly Change)[Click rate to view graph](#)

FOB North Sea/Ansi

\$493.5**\$52.5^**

Saudi Arabia/CP

\$565**\$0 >**

MT Belvieu (US Gulf)

\$365**\$30.92^**

Sonatrach/Bethioua

\$500**\$75^**

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

\$65,000

\$5,000^

1 Year T/C 155-165k TFDE

\$61,000

\$500^

04 Newbuilding

Activity Levels

Tank Activity

Increasing

Dry Bulk Activity

Moderate

Other Activity

Prices

VLCC	300'
\$127	\$0 >

Suezmax	150'
\$86	\$0 >

Aframax	110'
\$70.5	\$0 >

Product	50'
\$48.5	\$0 >

Newcastlemax	210'
\$72	\$0 >

Kamsarmax	82'
\$37	\$0 >

Ultramax	64'
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LNGC (MEGI) (cbm)

170'

\$264

\$0 >

05

Sale & Purchase

Prices

Dry	5 yr old	10 yr old
Capesize	\$60.0	\$41.0
Kamsarmax	\$37.0	\$29.0
Ultramax	\$35.0	\$27.5
Handysize	\$28.5	\$22.0

Wet	5 yr old	10 yr old
VLCC	\$110.0	\$84.0
Suezmax	\$84.0	\$68.0
Aframax / LR2	\$72.0	\$59.5



Market Brief

Exchange Rates

USD/JPY

161.53

0.39^

USD/NOK

10.7

0.06^

USD/KRW

1,235.5

-7.3v

EUR/USD

0.93

0 >

Interest Rates

SOFR USD (6 month)

5.39%

0 >

Brent Spot**\$86.5****\$0 >**

Bunker Prices

Singapore

380 CST**\$529.5****\$3 ^****MGO****\$773****\$7 ^****Spread MGO/380 CST****\$243.5****\$4 ^**

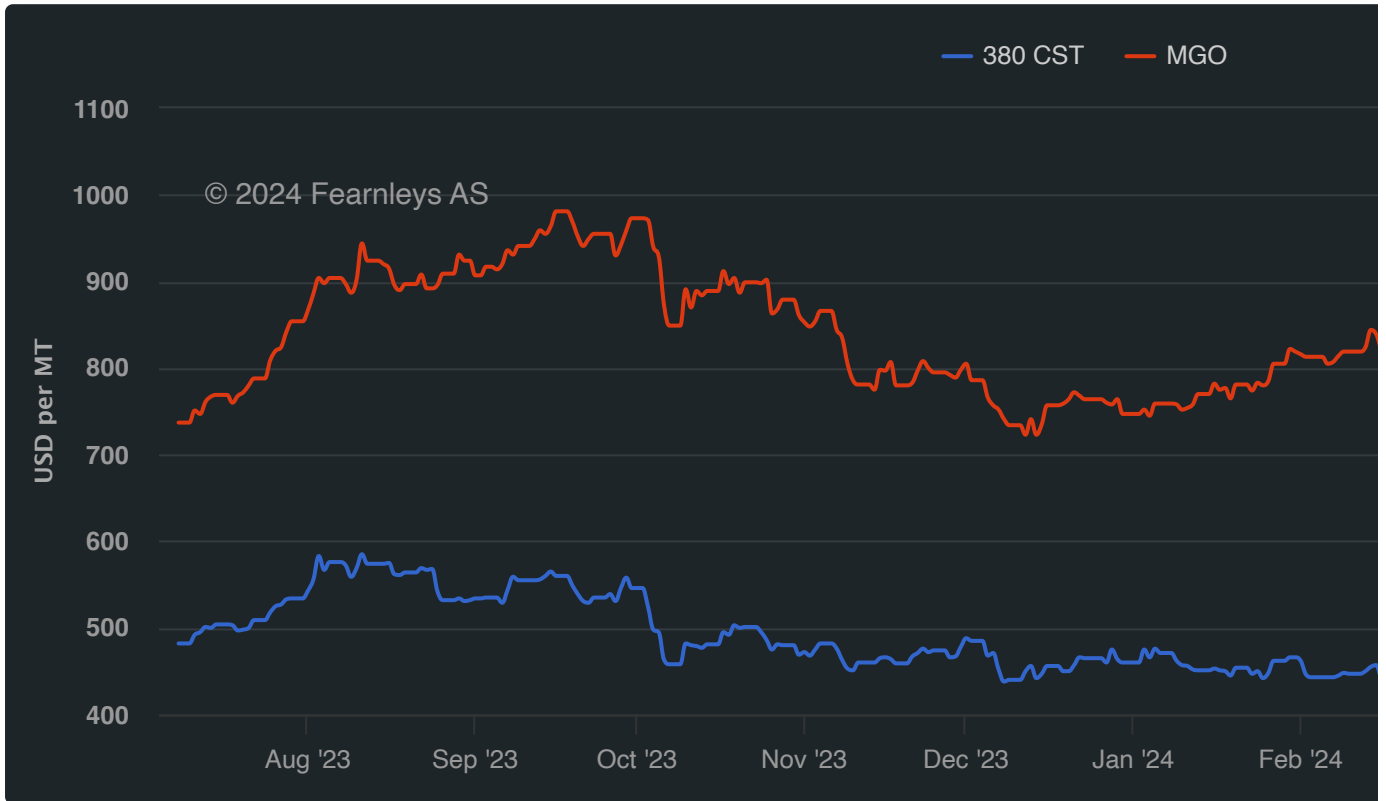
Rotterdam

380 CST**\$518****\$17.5 ^****MGO**

Spread MGO/380 CST

\$259.5

-\$9 



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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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