Fearnleys Weekly Report

Week 28 - July 10, 2024

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01 Tankers

VLCC

More of the same on VLCC's this week as subdued enquiry and the smoke and mirrors tactics continue. In addition, we near the twilight zone as the end July MEG cargoes are fixed and we wait for the early August stems (dates released early next week). Claims from China of multiple modern owners willing WS 46 may need to be taken with a pinch of salt, but little argument the market is soft and their remains a lack short term cheer. Outliers are there to be found on prompter cargoes with a replacement rptd at WS 49. TD3C likely sits around the WS 47 level, but a test required.

The Atlantic is usually the knight in shining armor for the VL market but flattering to deceive at present. Recent deals done transatlantic at USD 3m, and USD 7.4m to USG/Far East. Given the state of the current MEG, more modern vessels opening in

London window and you wouldn't think so.

Suezmax

Summer rates (the troughs, not the peaks) haven't been wildly different from some of the winter/spring rates that we saw earlier in the year, although of course the market has been less volatile. TD 20 is holding steady at WS 97.5 for a straight run with the fixing window now chasing down the balance of the end month cargoes.

The East market is becoming more opaque by the week which has bizarrely played into owner hands with rates probably a touch above where should be had charterers been bothered to quote a cargo and go wide.

Aframax

Market remains steady with a few quiet fixtures taking tonnage, but general market activity remains limited. Tonnage availability remains healthy with forward dates being replenished. Natural window heading towards 3rd decade dates. US markets still attractive to ballast from North Sea.

Mediterranean market has ticked along in a steady fashion with some business being done, but rates holding fast in the region for now. Tonnage outlook is plentiful at the moment and with ships engaging from the North down it will take some increase in volume to see significant pressure mount on rates.

Rates

Dirty
(Spot WS 2024, Daily Change)

Click rate to view graph

MEG/WEST	280'
35	0

49.5

0

MEG/Singapore

280'

50

0

WAF/FEAST

260'

55.5

0

WAF/USAC

130'

97.5

0

Sidi Kerir/W Med

135'

102.5

0

N. Afr/Euromed

80'

152.5

0

UK/Cont

80'

130

0

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
$0

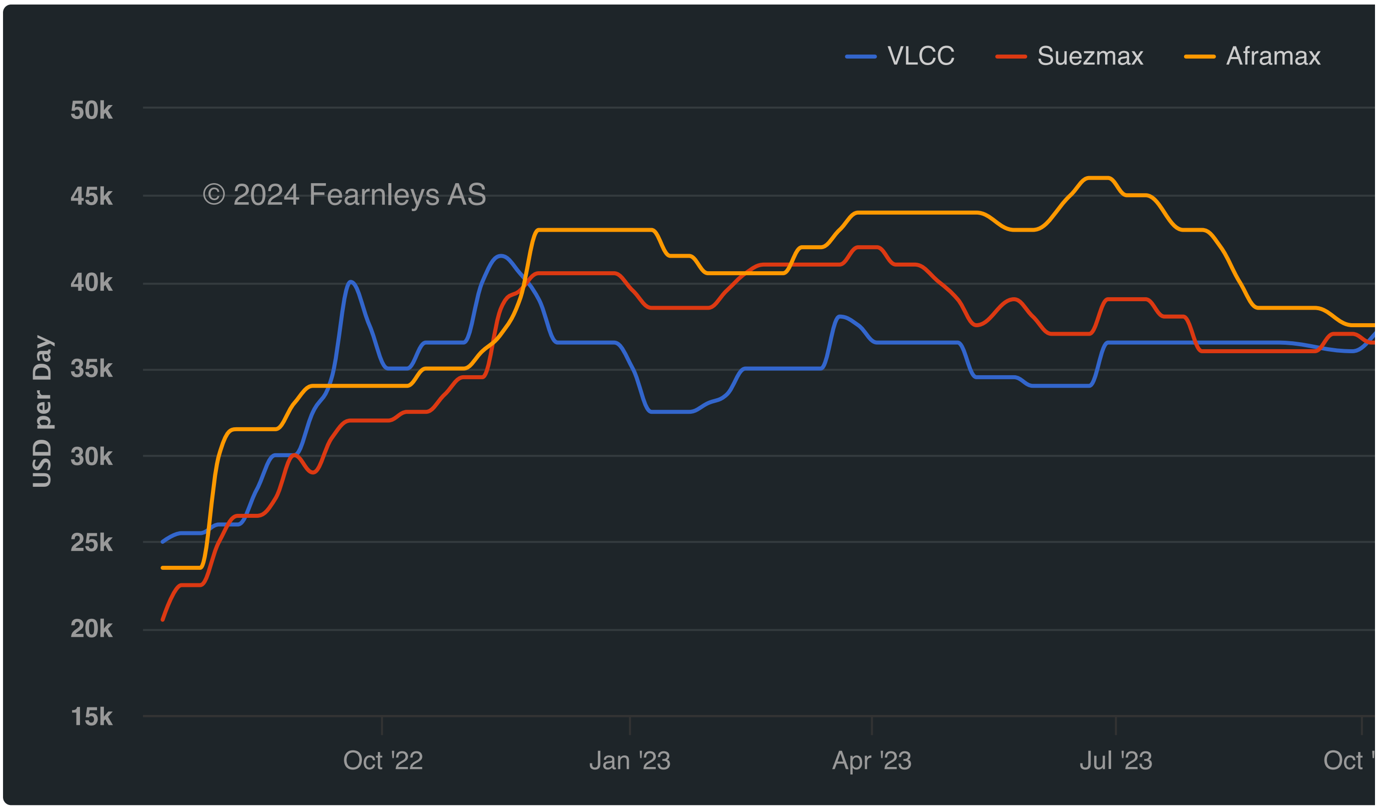
Aframax
$43,500
Modern
$0

VLCCs

Click rate to view graph

Fixed in all areas last week
58
0

Available in MEG next 30 days
147
0



02 Dry Bulk

Capesize

On the West Australia front, we see a general dip in overall volumes in market as we approach mid-week with enquires from miners and some operators primarily for second half of July dates. We see some forward enquiries and interest for August dates as well. Volumes out of East Australia and other Pacific business picked up gradually as we progressed through the week. On C3 ex Brazil to China, we see enquires primarily for August dates with very few looking for late July dates. West Africa volumes remain relatively flat. Far East spot tonnage is increasingly abundant. Ballasting tonnage is increasingly heavy for first half of August dates. On C5, we see at USD 26 pmt levels for early August.

Panamax

The Panamax market is experiencing a subdued week with mixed signals and no substantial improvement despite gains in the FFA market. In the Atlantic, minimal transatlantic activity and a flat market in the South characterized the week, with rates expected to continue falling due to a lack of demand. Asia also saw little change, with insufficient demand causing rates to drift and initial hopes of stabilization from South America not materializing. The overall sentiment remained negative, with limited trade reported and inactive regions like NCSA and USEC, combined with an oversupply of tonnage, giving charters the upper hand to maintain low bids. This has resulted in a weak market outlook overall, with owners facing pressure to lower their ideas further to cover.

Supramax

A subdued start to the week with lack of exchanges and limited fixture report. The volume cargo is thin at both ECSA & the Pacific. Combined with nearby oversupply of tonnage, giving the owners little support than drop ideas further to cover. A similar pattern in the Indian ocean with monsoon season setting in and very low cargo volume giving the charters upper hand to maintain low bids. Rates continued their slow decline throughout last week.

Market is weak.

Rates

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

Click rate to view graph

TCE Cont/Far East

$38,125

$312

Australia/China

$9.94

-$0.08

Pacific RV

$16,464

$1,496

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

Click rate to view graph

Transatlantic RV

$11,370

$375

TCE Cont/Far East

$24,495

$531

TCE Far East/Cont

$6,016

$66

TCE Far East RV

$13,096

$250

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

Atlantic RV

$16,441

$239

Pacific RV

$13,150

-$6

TCE Cont/Far East

$21,475

$108

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

Click rate to view graph

Newcastlemax

208'

$28,100

$1,500

Kamsarmax

82'

$17,750

$250

Ultramax

64'

$17,500

$0

Capesize

180'

Panamax

$16,500

75'

$100

Supramax

$16,000

58'

$500

Handysize

$12,500

38'

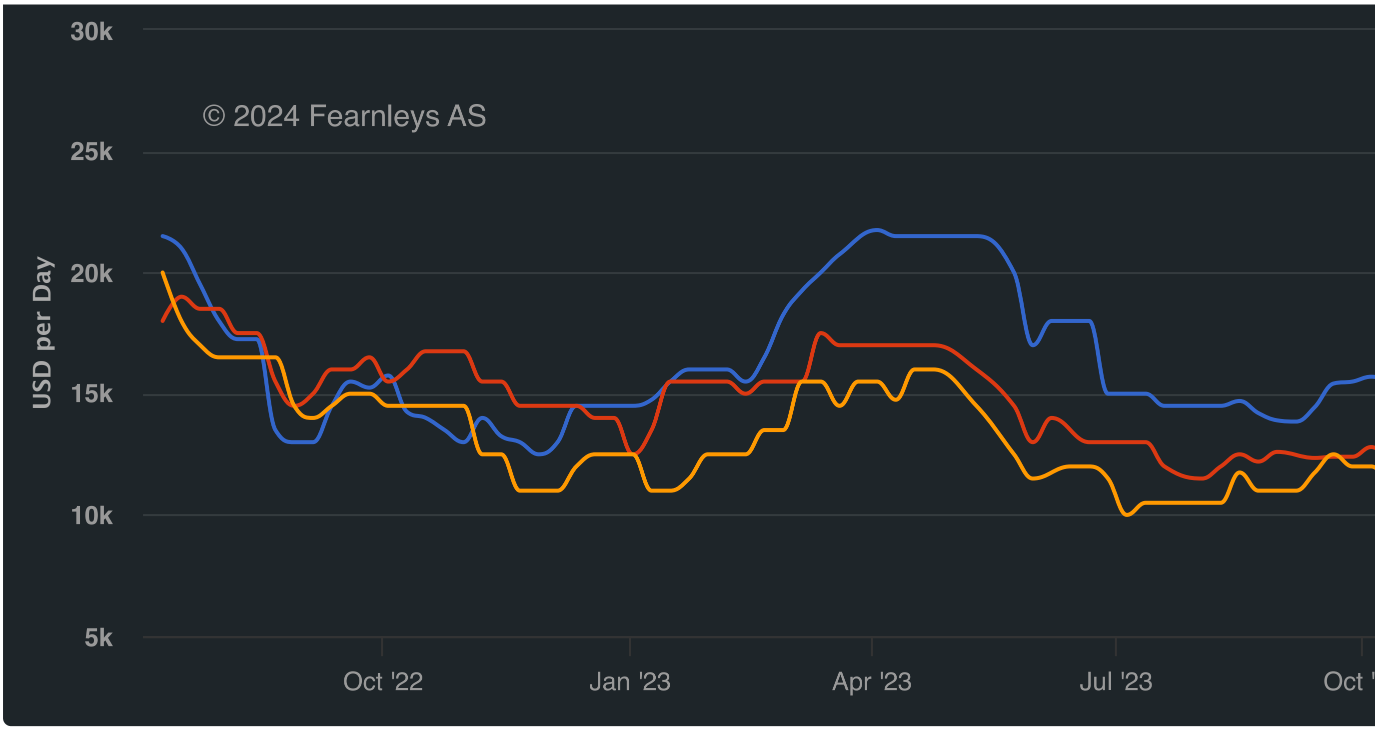
-$500

Baltic Dry Index (BDI)

$1,939

$45

1 Year T/C Dry Bulk



03 Gas

Chartering

EAST

The East market keeps quiet while we are awaiting the remaining acceptances for August. Sentiment is relatively stable but with signs of more potential downside as we haven't seen any spot deals done in the East this week so far. Charterers seem to have time on their side and currently we find ourselves in a bit of a waiting game.

WEST

The Western market has been more or less muted this week. It is expected to remain quiet until the US terminals are back online, and time of writing the Houston ship channel remains closed for inbound/outbound traffic. A spot tender is also expected ships left open for July dates ex USG.

LPG Rates

Spot Market
(USD/Month, Weekly Change)

Click rate to view graph

VLGC	$1,200,000	84'	-$100,000
LGC	$1,100,000	60'	$0
MGC	$950,000	38'	$0
HDY SR	$920,000	20-22'	$0
HDY ETH	$1,250,000	17-22'	$0
ETH	$630,000	8-12'	$0

SR 6.5'

$470,000

$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

$0

Saudi Arabia/CP

$580

$0

MT Belvieu (US Gulf)

$427

-$12

Sonatrach/Bethioua

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

Click rate to view graph

FOB North Sea/Ansi
$493.5 — $0 >

Saudi Arabia/CP
$565 — $0 >

MT Belvieu (US Gulf)
$357 — -$8 ˅

Sonatrach/Bethioua
$500 — $0 >

LNG Rates

Spot Market
(USD/Day, Weekly Change)

Click rate to view graph

East of Suez 155-165k CBM
$50,000 — $11,000 ˄

West of Suez 155-165k CBM

$65,000

$0

1 Year T/C 155-165k TFDE

$61,000

$0

04 Newbuilding

Activity Levels

Tank Activity

Increasing

Dry Bulk Activity

Moderate

Other Activity

Strong

VLCC
$127
300'
$0

Suezmax
$86
150'
$0

Aframax
$70.5
110'
$0

Product
$48.5
50'
$0

Newcastlemax
$72
210'
$0

Kamsarmax
$37
82'
$0

Ultramax
$35
64'
$0

$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
161.09
0.16

USD/NOK
10.62
0.05

USD/KRW
1,235.5
-7.3

EUR/USD
0.92
0

Interest Rates

SOFR USD (6 month)
5.39%
0

Brent Spot

$84.5

-$1

Bunker Prices

Singapore

380 CST

$531.5

-$1.5

MGO

$758.5

-$6.5

Spread MGO/380 CST

$227

-$5

Rotterdam

380 CST

$520.5

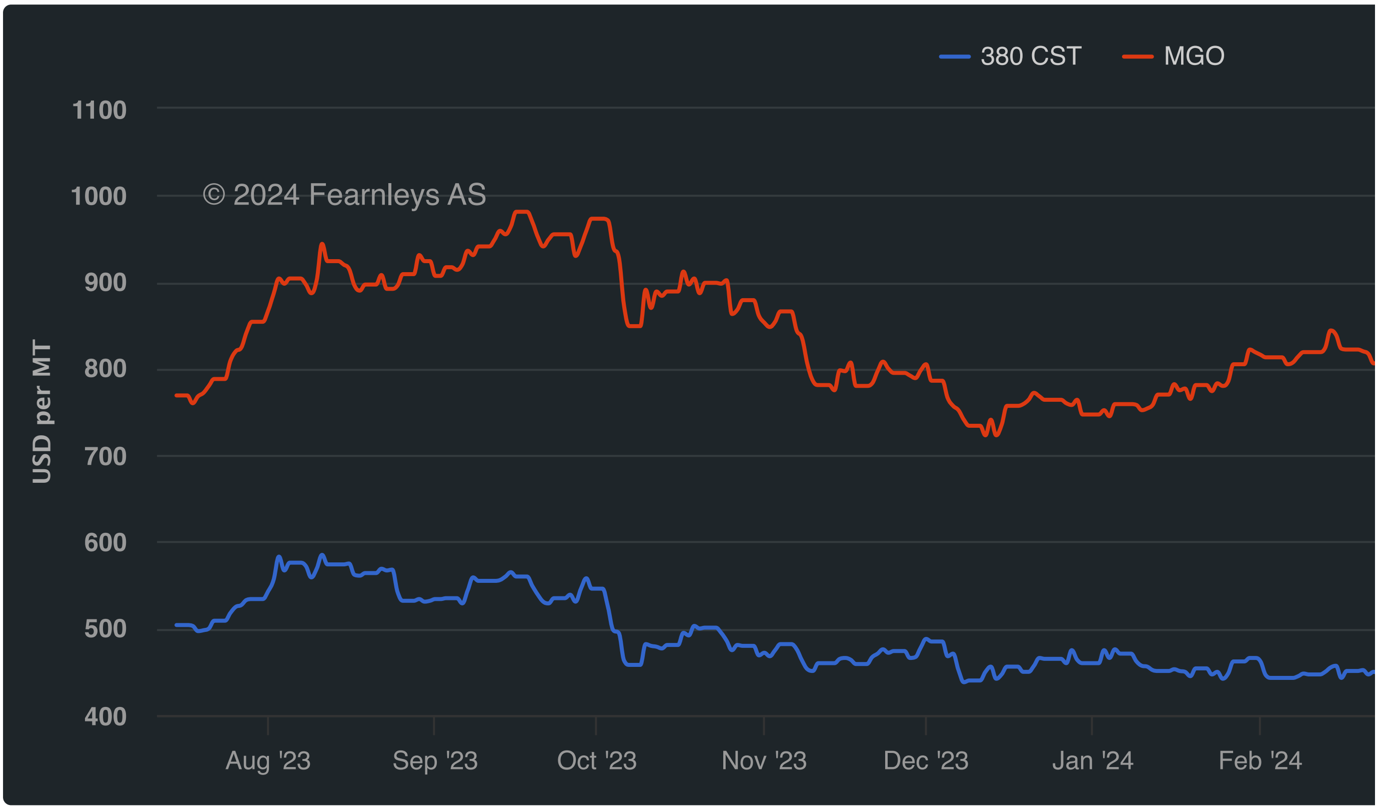
$2

MGO

Spread MGO/380 CST

$242

-$9.5



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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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