

Fearnleys Weekly Report

Week 34 - August 21, 2024

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01 Tankers

VLCC

When the dust settled, August turned out to be a big month enabling rates to recover from the mid WS 40s in a matter of days, with WS 62.5 the highest paid for a MEG/Singapore run. MEG 1-10 September is far from done and owners will be trying to keep the momentum up. With Q4 around the corner, the shorter MEG/East runs are preferred over West Africa or Brazil, as owners want to keep short and are reluctant to lock in for longer voyages at the current levels (depending on the fleet size of course). As a result, West Africa, Brazil and the USG - heading East, are attracting a premium and it should be noted the tonnage situation in the West is also slim pickings.

Owners went into September riding on the wave of WS 60s. But the usual tactic of drip feeding cargoes often played by charterers has been prevalent so far this week

warmer.

Suezmax

The beginning of the end? Is the so called 'summer market' soon to be behind us? It's showing signs is the answer. Guyana cannot take VLCCs from September until April. This is going to add 10 or so more cargoes a month and it's worth adding that the VLCC list in general in the West is not long. USG rates have already started to slowly rise and that will only assist. In the Mediterranean and West Africa there is still early tonnage but you can sense a bit of optimism from owners. MEG has been busier. For Basrah liftings the list is shorter so watch this space. The Suezmax market is showing signs of improvement.


Aframax

With the majority of August North Sea stems covered, activity has been limited as rates maintain at WS 120 level. So far this week we have seen around 10 vessels heading out of the area to benefit from busier markets in the USG and Mediterranean; unless North Sea market activity increases, we expect more to follow. One charterer has now reached into September dates and by the end of the week, with a UK holiday on Monday, a few more stems in September should be worked.

Last done levels look to have been repeated at least for the meantime as September dates begin to work. The lack of volume from Libya and the steady flow of ballasters from the North into the area has recently capped the market, and with supply of tonnage seemingly balanced for the 1st decade of September, it would take a surge of activity to tighten the list and move things on.

Rates

Dirty
(Spot WS 2024, Daily Change)

 [Click rate to view graph](#)

MEG/WEST

280'

Fearnleys

MEG/Japan	280'
60	13 

MEG/Singapore	280'
61	13 

WAF/FEAST	260'
62.5	9.5 

WAF/USAC	130'
75	2.5 

Sidi Kerir/W Med	135'
80	0 

N. Afr/Euromed	80'
125	5 

UK/Cont	80'
120	0 

Caribs/USG

Caribs/USG


70'

115

17.5^

1 Year T/C

(USD/Day, Weekly Change)

 Click rate to view graph

VLCC

\$38,500

Modern

\$0 >

Suezmax

\$41,000

Modern

\$1,000^


Aframax

\$43,000

Modern

\$0 >

VLCCs

 Click rate to view graph

Fixed in all areas last week

58

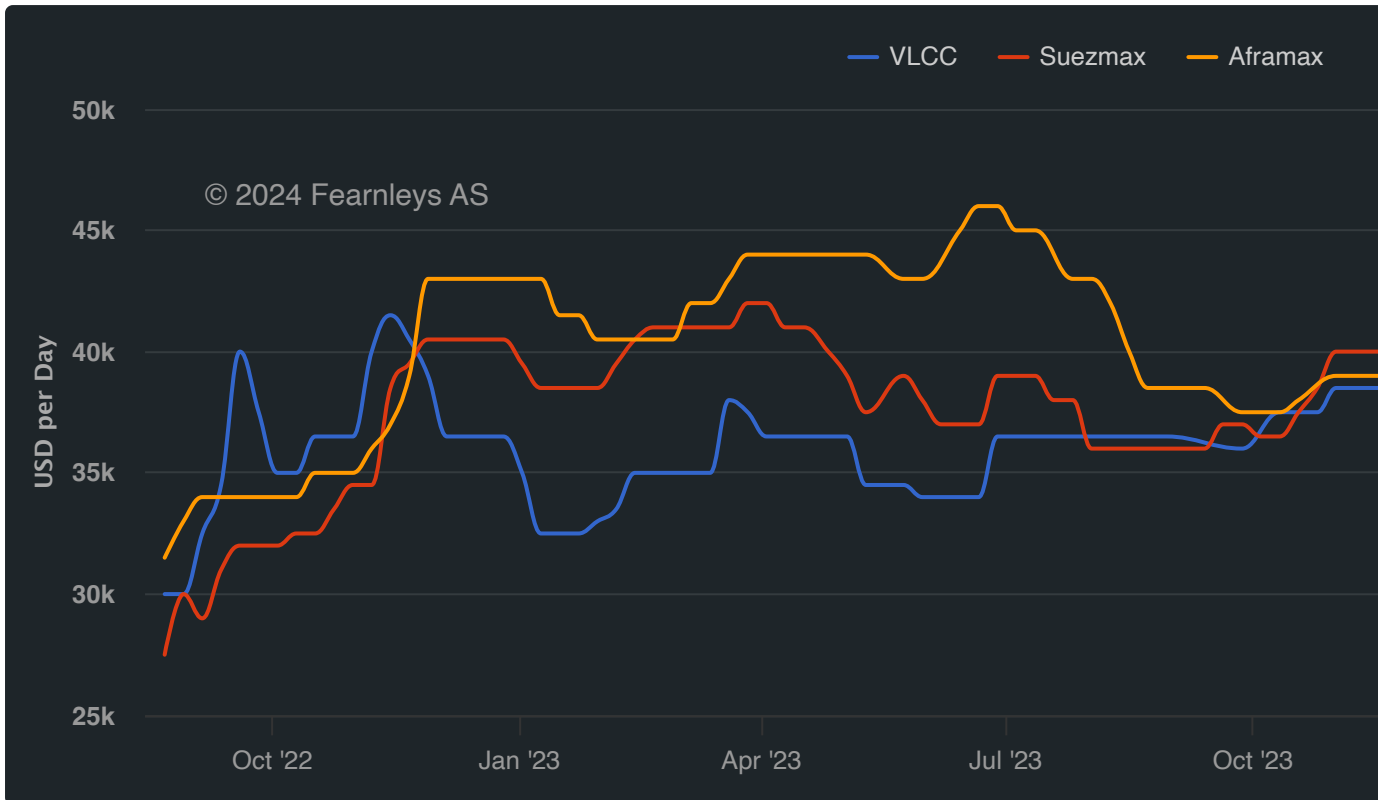
-9v

Available in MEG next 30 days

144

2^

Fearnleys



02

Dry Bulk

Capesize

On the West Australia front, there was active participation from the likes of miners and operators primarily for first half of September dates. Some were seen seeking forward second half September dates. Volumes out of East Australia have improved since last with players enquiring for prompt dates to mid-late September dates. On C3 ex Brazil to China, we see interest for full September dates. Lesser activity was seen on West Africa. Far East spot tonnage tightening while ballasting tonnage is thinning for September with limited vessels still able to meet late August dates. On C5, we see an uptick in numbers with fixtures concluding at USD 11 to low USD 11

FOR MID SEPTEMBER.

Panamax


This week, the Panamax market has been characterized by continued weakness and limited activity, with no fundamental changes observed in either basin. While the Atlantic basin saw long tonnage lists, the Pacific was more balanced, with some owners considering ballasting to ECSA rather than fixing Indonesian round voyages. Despite the current lull, there is potential for a market rally next month, driven by the imminent US grain season, increased coal demand from India, and higher corn shipments from Brazil. However, China's coal import market remains quiet, with a possible rebound dependent on the steel sector's recovery.

Supramax

Another quiet week in the market so far, at least on the surface. Seasonality indicates this week being the bottom for the geared market. With the upcoming grain season in USG, the markets in Atlantic will pick up. Over the past week, very little cargo enquiries ex ECSA and likewise, also in the Pacific. Chinese coal demand remains low. The usual South Africa-China/Japan trips on an Ultra are priced at USD 22,000 + BB. ECSA fronthauls on top of the shelf Ultra done at USD 23,000 levels. EC India-China trips are being fixed at USD 11,000 levels on Supra. Period market is not very active at the moment as everyone is waiting for a further 'drop' in the markets. Last reported on period side was an Ultra opening in Pacific last week covered at USD 17,000 levels for about 8/10 months period. Market sentiment remains flat with expectation of an upswing in Q4.

Rates

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

 [Click rate to view graph](#)

TCE Cont/Far East

FARNLEY'S


Australia/China

\$11.19**\$0.28** ^

Pacific RV

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

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

 Click rate to view graph

Transatlantic RV

\$11,155**-\$540** v

TCE Cont/Far East

\$25,109**-\$649** v


TCE Far East/Cont

\$5,839**-\$41** v

TCE Far East RV

\$12,849**-\$101** v

FRIGHT

 Click rate to view graph

Atlantic RV

\$14,720

-\$87 

Pacific RV

\$12,556


\$50 

TCE Cont/Far East

\$19,717

-\$183 

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

 Click rate to view graph

Newcastlemax

\$27,150

208'

-\$250 

Kamsarmax

\$17,150

82'

\$0 

Ultramax

\$17,500

64'

\$0 

1 Year T/C Dry Bulk

Capesize	180'
\$23,150	-\$250 

Panamax	75'
\$16,000	\$0 

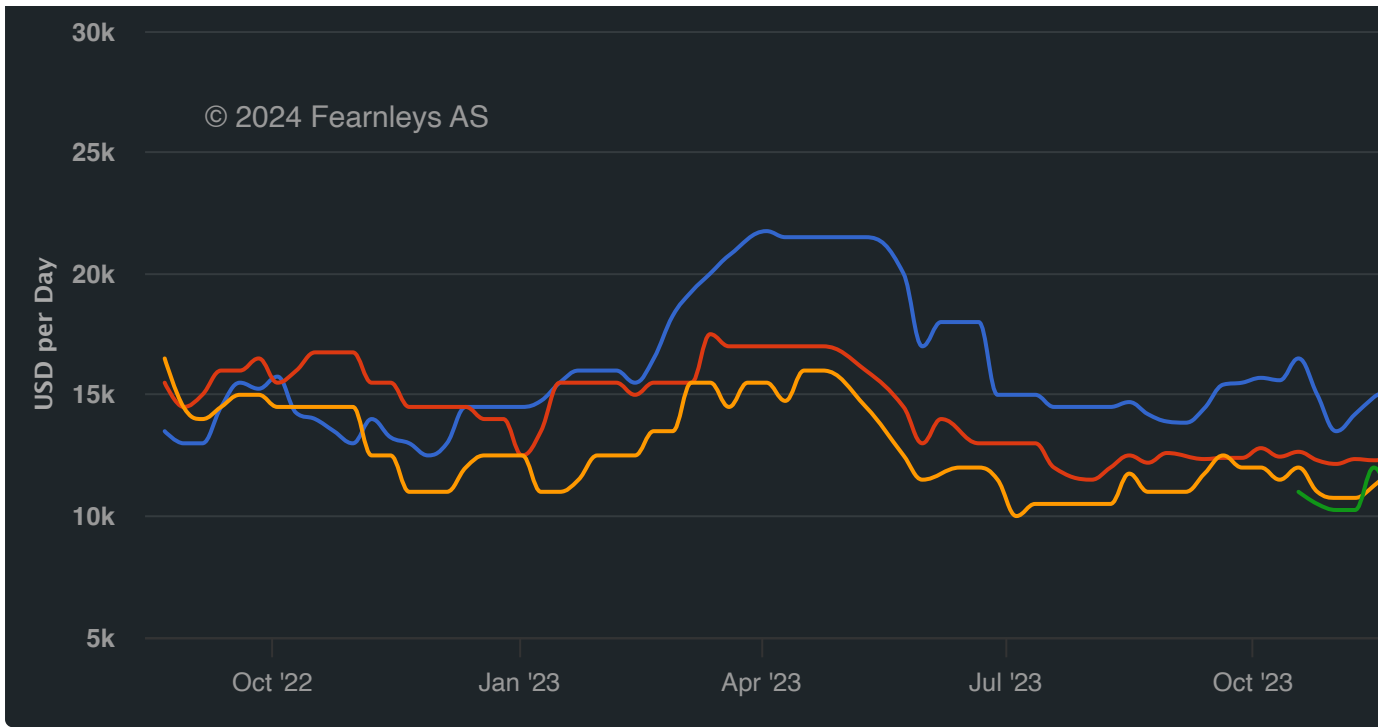
Supramax	58'
\$16,000	\$1,000 

Handysize	38'
\$13,000	-\$250 

Baltic Dry Index (BDI)	
\$1,759	\$24 

1 Year T/C Dry Bulk

Fearnleys



03

Gas

Chartering

EAST


September spot freight have risen from low 40s and into the 60s in just over a week's time. So far this must be said to be due to the continuously prosperous West market which have been leading the way and still is some USD 10k per day higher in theoretical time charter earnings. We currently count 8 spot fixtures from Middle Eastern ports on September dates and judging from the sentiment we are just getting started. At the time of writing there are two Indian cargoes in play for early September.

WEST

out in the market yesterday, but got re-tendered this morning as numbers were too far apart. The position list appears relatively balanced as we see uncovered cargoes both in the US and West Africa. In total we count 18 spot fixtures in September ex USG/USEC compared to an average of 27 spot fixtures YTD 2024. The sentiment in the West is resistant with last done in the low-mid 110s H/C parallel to owners who are trying to add to that level.

LPG Rates

Spot Market
(USD/Month, Weekly Change)

 [Click rate to view graph](#)

VLGC	84'
\$1,250,000	\$200,000 

LGC	60'
\$700,000	\$100,000 

MGC	38'
\$860,000	-\$40,000 

HDY SR	20-22'
\$910,000	\$0 

HDY ETH	17-22'
\$1,220,000	\$0 

Freight

ETH

\$630,000

8-12'

\$0 >

SR

\$470,000

6.5'

\$0 >

COASTER Asia

\$280,000


\$0 >

COASTER Europe

\$420,000

\$0 >

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

 Click rate to view graph

FOB North Sea/Ansi

\$555.5

\$0 >

Saudi Arabia/CP

\$580

\$0 >

MT Belvieu (US Gulf)

LPG/FOB

Sonatrach/Bethioua

\$555

\$0 >

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

 [Click rate to view graph](#)

FOB North Sea/Ansi

\$492

\$0 >

Saudi Arabia/CP

\$570

\$0 >

MT Belvieu (US Gulf)

\$362

\$30 ^


Sonatrach/Bethioua

\$500

\$0 >

LNG Rates

Spot Market (USD/Day, Weekly Change)

 [Click rate to view graph](#)

NEWBUILDS

\$65,000

\$0 >

West of Suez 155-165k CBM

\$45,000

-\$5,000 v

1 Year T/C 155-165k TFDE

\$60,500

-\$500 v

04 Newbuilding

Activity Levels

Tank Activity

Strong

Dry Bulk Activity

Moderate

Fearnleys

Strong

Prices

VLCC	300'
\$127	\$0 >

Suezmax	150'
\$86	\$0 >

Aframax	110'
\$70.5	\$0 >

Product	50'
\$48.5	\$0 >

Newcastlemax	210'
\$73	\$0 >

Kamsarmax	82'
\$38	\$0 >

FRUIT

\$36

04
\$0 >

LNGC (MEGI) (cbm)

\$264

170'

\$0 >

05 Sale & Purchase

Prices

Dry	5 yr old	10 yr old
Capesize	\$64.0	\$45.0
Kamsarmax	\$38.0	\$29.5
Ultramax	\$36.0	\$28.5
Handysize	\$28.5	\$22.0

Wet	5 yr old	10 yr old
VLCC	\$110.0	\$84.0
Suezmax	\$84.0	\$68.0
Aframax / LR2	\$73.0	\$60.0

Market Brief

Exchange Rates

USD/JPY

146.32

0.3^

USD/NOK

10.54

-0.09v

USD/KRW

1,235.5

-7.3v

EUR/USD

0.9

-0.01v

Interest Rates

SOFR USD (6 month)

5.39%

0 >

Brent

Brent Spot

\$77

-\$0.5▼

Bunker Prices

Singapore

380 CST

\$466

-\$6▼

MGO

\$680

-\$12▼

Spread MGO/380 CST

\$214

-\$6▼

Rotterdam

380 CST

\$471.5

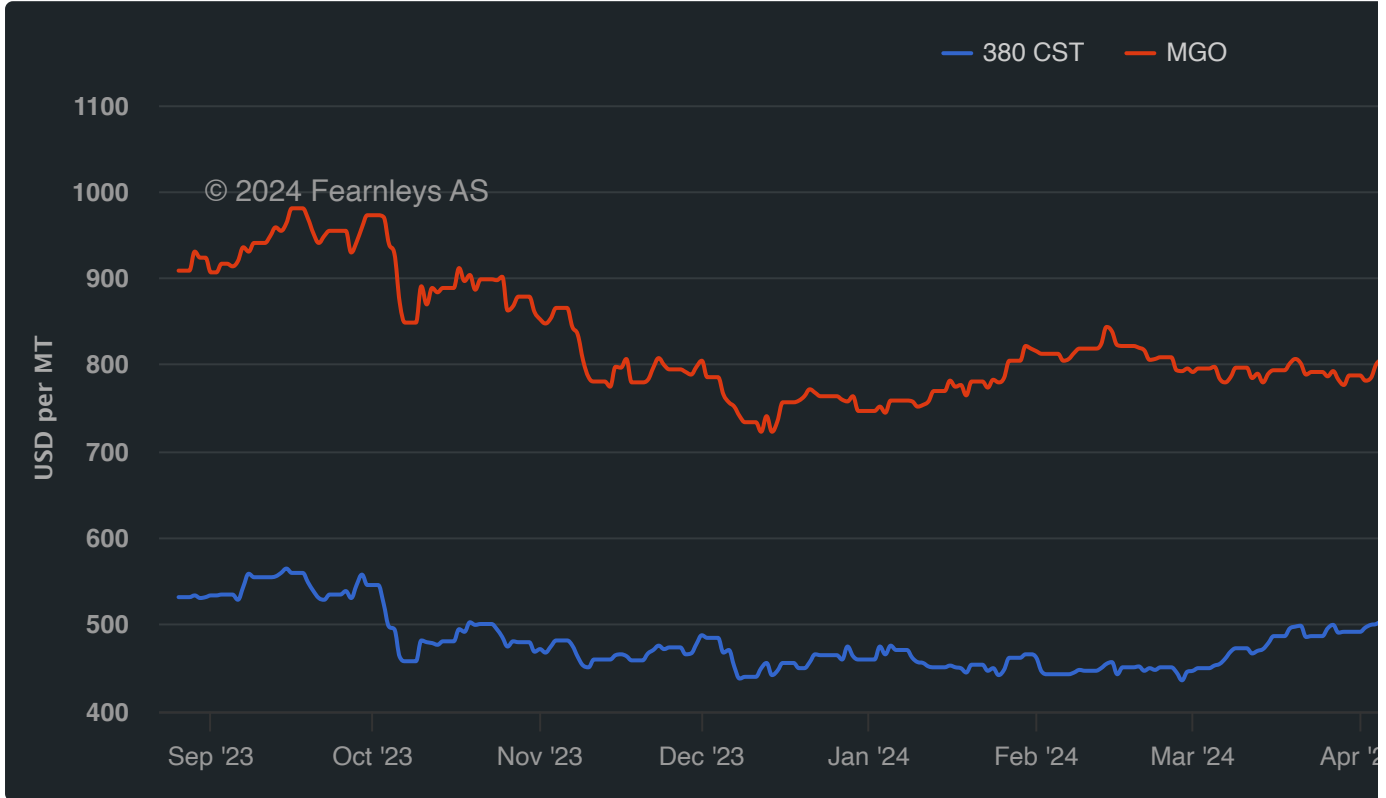
-\$6.5▼

MGO

Spread MGO/380 CST

\$193.5

-\$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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