

## Fearnleys Weekly Report

Week 21 - May 22, 2019

### Tankers

#### VLCC

Owners persistency has paid off to some extent as VLCC rates are now in the low 40's for Meg/East voyages. Earnings are still barely covering opex, however activity in the West and predominantly in the USG area has attracted a handful eastern ballasters for the next fixing window to come, early July. Market steady for now, but owners seem more optimistic as we are entering the summer months.

#### Suezmax

A very strong 3rd decade May & 1st decade June on VLCCS in the Atlantic have left Suez owners fighting over the few pieces that were their natural fixing window in WAFR. Overall, last week was all about absorbing the overhang of tonnage than anything else and this week looks like will be much the same. The level of activity generally is high which helps trimming lengthy position lists, we need this activity to continue before we see any uptick in rates - market is very much flat.

#### Aframax

Aframax rates in the North Sea and Baltic have flattened out over the past week with benchmark routes dropping about 10 points on WS. However, surrounding markets offer an alternative to owners and we have seen some ships repositioning to the Med, while others have been fixed for cargoes ex Med while open on the Continent. The number of ships leaving the area combined with expectations of a decent Baltic program in the beginning of June, should result in an uptick in rates in the week to come. From seeing a short dip in rate levels in the Mediterranean and Black Sea prior to the weekend, the market has corrected and bounced back at the beginning of this week. At the time of writing we have seen Bsea/Med fixed at WS 120. Charterers have seen Suezmaxes come into play as an attractive alternative, resulting in a few charterers opting for the larger tonnage. Even so, we expect to see a steady/firm market in the week to come.

### Rates

DIRTY (Spot WS)	Size	This week	Change
MEG/WEST	280 000	19.0	0.5 ↑
MEG/Japan	280 000	40.0	0.0 →
MEG/Singapore	280 000	42.0	1.0 ↑
WAF/FEAST	260 000	42.0	2.0 ↑
WAF/USAC	130 000	55.0	-2.5 ↓
Sidi Kerir/W Med	135 000	70.0	2.5 ↑
N. Afr/Euromed	80 000	110.0	2.5 ↑

UK/Cont	80 000	100.0	-15.0 ↓
Caribs/USG	70 000	102.5	-15.0 ↓

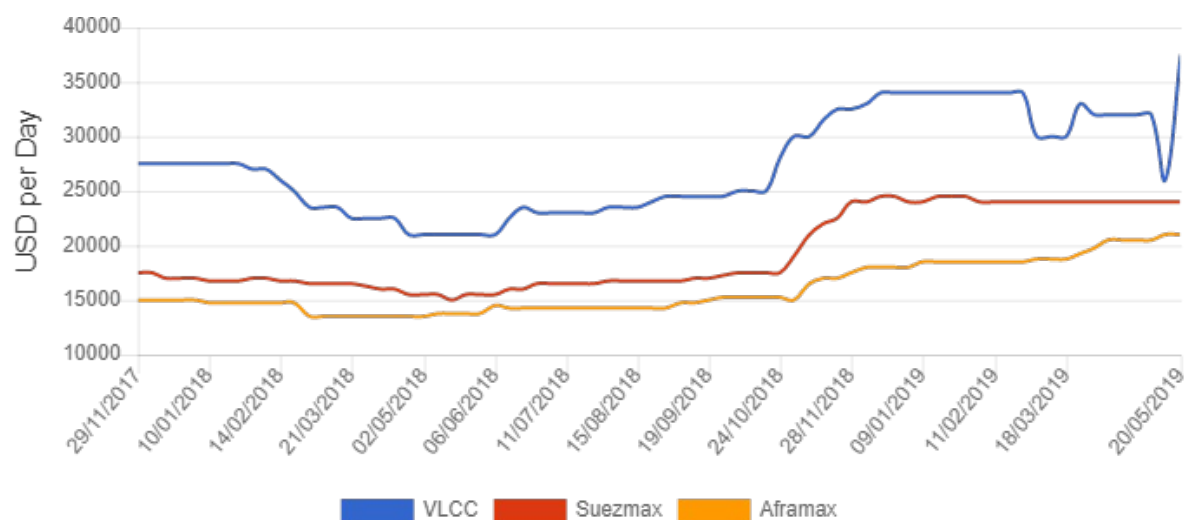
### 1 Year T/C (USD/Day)

VLCC	Modern	\$37,500	\$11,500 ↑
Suezmax	Modern	\$24,000	\$0 →
Aframax	Modern	\$21,500	\$500 ↑

**VLCCs fixed in all areas last week** 95 0 →

**VLCCs available in MEG next 30 days** 130 0 →

## 1 Year T/C Crude



## Dry Bulk

### Capesize

This segment is not yet in equilibrium, but present moderate but positive developments for the big ships nevertheless appear robust. Average spot earnings up 5 pct w-o-w coming in at USD 12300/day, mostly due to Australian iron ore exporters being busy and increasing period appetite amongst major players. The effect of hundreds of units disappearing from spot scene for 1-1.5 months each to fit scrubbers/wbts before deadline now starts to kick in, and an expected return of crucial Brazilian iron ore export capacity may add fuel to an impending fire come summer/autumn. Representative period fixtures include 177000/2005 with end-year drydock coming up reportedly done basis spot delivery Japan for 16-20 months at around USD 15500.

### Panamax

A rather quiet and balanced week without many changes to the rates. The ECSA-market is still firm and to some extent dictating the mood for both hemispheres. A transatlantic round voyage currently pays owners about USD 10,500 per day, while a short fronthaul from the continent yields about USD 18,000. In the east, a Pacific round voyage pays around the USD 9,000's. The BPI 4TC-index is currently at 1268 points, up 25 points from last week.

# Supramax

The Pacific market was stable this week with a slow start due to the holiday in Singapore on Monday. Indo coal was fixing close to 8,000 from south China. The USG/USEC market was firming up slowly, with more cargoes available in the area. Petcoke to Med was fixed at USD 14,000 and to India USD 18,000. The ECSA market is still steadily increasing. Tess 58' is able to obtain 15,000 + for Med and trip to Singapore - Japan paying close to 13500 plus 350,000 BB. Cont is showing little demand and over supply of tonnage which is pressuring rates. FH from Baltic to India pays low USD 12,000.

## Rates

Capesize (USD/Day, USD/Tonne)	This week	Change
TCT Cont/Far East (180 DWT)	\$25,200	\$200 ↑
Tubarao/Rotterdam (Iron Ore)	\$6	\$0 →
Richards Bay/Rotterdam	\$6	\$0 ↑

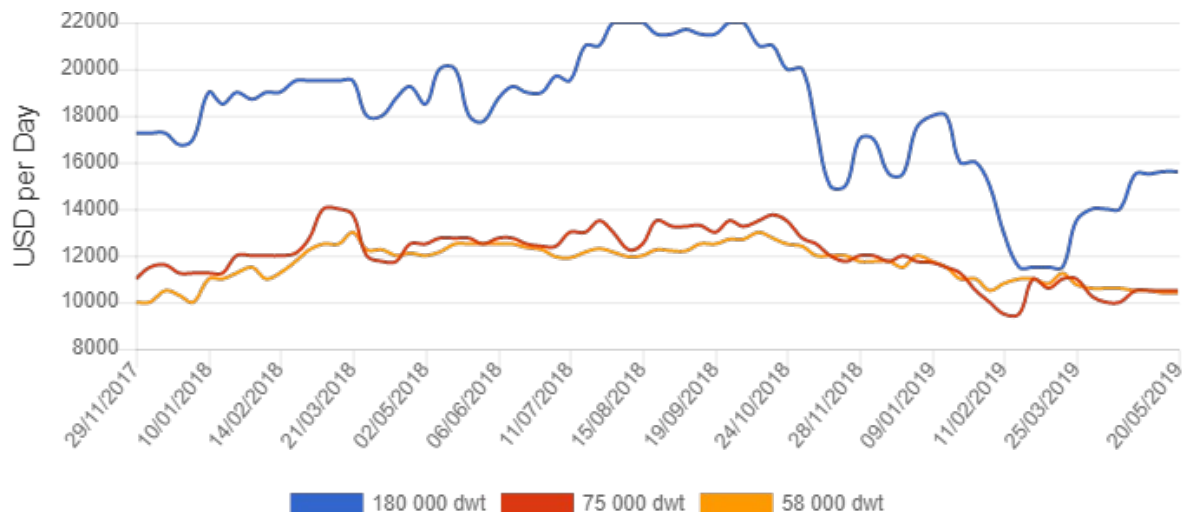
Panamax (USD/Day, USD/Tonne)	This week	Change
Transatlantic RV	\$10,600	\$100 ↑
TCT Cont/Far East	\$18,000	\$0 →
TCT Far East/Cont	\$3,000	\$0 →
TCT Far East RV	\$9,000	\$300 ↑
Murmask b.14-ARA 15/25,000 sc	\$7	\$0 ↑

Supramax (USD/Day)	This week	Change
Atlantic RV	\$8,750	\$550 ↑
Pacific RV	\$8,800	-\$100 ↓
TCT Cont/Far East	\$12,000	-\$900 ↓

1 Year T/C (USD/Day)	This week	Change
Capesize (180 000 dwt)	\$15,600	\$0 →
Capesize (170 000 dwt)	\$13,500	\$0 →
Panamax (75 000 dwt)	\$10,500	\$0 →
Supramax (58 000 dwt)	\$10,500	\$100 ↑

**Baltic Dry Index (BDI)** 1049.0

## 1 Year T/C Dry Bulk



## Gas

### Chartering

We have seen increased activity on shipping East of Suez on the back of June Aramco acceptances that was posted last week. Several ships were booked for 1H June loading in the mid/high usd 50s Baltic, and freight going forward is certainly more bullish as vessel availability remains fairly tight. Owners ideas for next fixing window ie 2H June is moving towards usd 60+ , and it will be interesting to see if/when any deals get booked out at these levels. On a week-on-week basis the Baltic rate have moved up with about USD 4.4 pmt, representing an increase in the Time charter equivalent (T/C/E) rates of about 4,500 per day. The Western VLGC market remains tight on vessel supply for June out of the US Gulf. Freight rates bottomed out in the mid/low USD 90's per ton (Houston/Chiba via Panama) and parallel to a rising Baltic, we expect that owners' rate ideas will keep increasing. As a result of the Baltic jump, the East and West markets are currently trading at par. The US Gulf is still experiencing significant delays.

### LPG Rates

Spot Market (USD/Month)	This week	Change
VLGC (84 000 cbm)	\$1,350,000	\$150,000 <span style="color: green;">↑</span>
LGC (60 000 cbm)	\$800,000	\$0 <span style="color: gray;">→</span>
MGC (38 000 cbm)	\$515,000	\$0 <span style="color: gray;">→</span>
HDY SR (20-22 000 cbm)	\$495,000	\$0 <span style="color: gray;">→</span>
HDY ETH (17-22 000 cbm)	\$730,000	\$0 <span style="color: gray;">→</span>
ETH (8-12 000 cbm)	\$450,000	\$0 <span style="color: gray;">→</span>
SR (6 500 cbm)	\$450,000	\$0 <span style="color: gray;">→</span>
COASTER Asia	\$260,000	\$0 <span style="color: gray;">→</span>
COASTER Europe	\$310,000	-\$20,000 <span style="color: red;">↓</span>

LGP/FOB Prices (USD/Tonne)	Propane	Butane
FOB North Sea/ANSI	\$431.50	\$461.00
Saudi Arabia/CP	\$525.00	\$530.00
MT Belvieu (US Gulf)	\$300.23	\$238.35
Sonatrach/Bethioua	\$425.00	\$465.00

### LNG Rates

Spot Market (USD/Day)	This week	Change
East of Suez 155-165 000 cbm	\$33,000	\$0 <span style="color: gray;">→</span>
West of Suez 155-165 000 cbm	\$65,000	\$0 <span style="color: gray;">→</span>
1 Year T/C 155-160 000 cbm	\$80,000	\$2,000 <span style="color: green;">↑</span>

## Newbuilding

### Activity Levels

Tankers

Dry Bulkers

Others

● Slow

● Slow

● Slow

## Prices

Prices (Million USD)	Size	This week	Change
VLCC	300 000	\$91	\$0 →
Suezmax	150 000	\$61	\$0 →
Aframax	110 000	\$51	\$0 →
Product	50 000	\$37	\$0 →
Capesize	180 000	\$50	\$0 →
Kamsarmax	82 000	\$29	\$0 →
Ultramax	64 000	\$27	\$0 →
LNGC (MEGI) (cbm)	170 000	\$189	\$0 →

## Sale & Purchase

### Prices

Dry	2014	2009
Capesize	\$37.0	\$23.0
Kamsarmax	\$23.5	\$16.0
Ultramax	\$22.0	\$13.3

### Wet

VLCC	\$70.0	\$45.0
Suezmax	\$49.0	\$34.0
Aframax / LR2	\$36.0	\$24.0
MR	\$29.0	\$17.0

## Market Brief

### Exchange Rates

USD/IPY

110.59 ↑ 1.01

USD/KRW

1194.15 ↑ 4.85

USD/NOK

8.75 ↑ 0.01

EUR/USD

1.12 ↓ 0.00

### Interest Rates

LIBOR USD (6 months)

NIBOR NOK (6 months)

2.56% ↑ 0.01%

1.46% ↓ -0.01%

## Commodity Prices

### Brent Spot

\$72.18 ↑ \$1.95

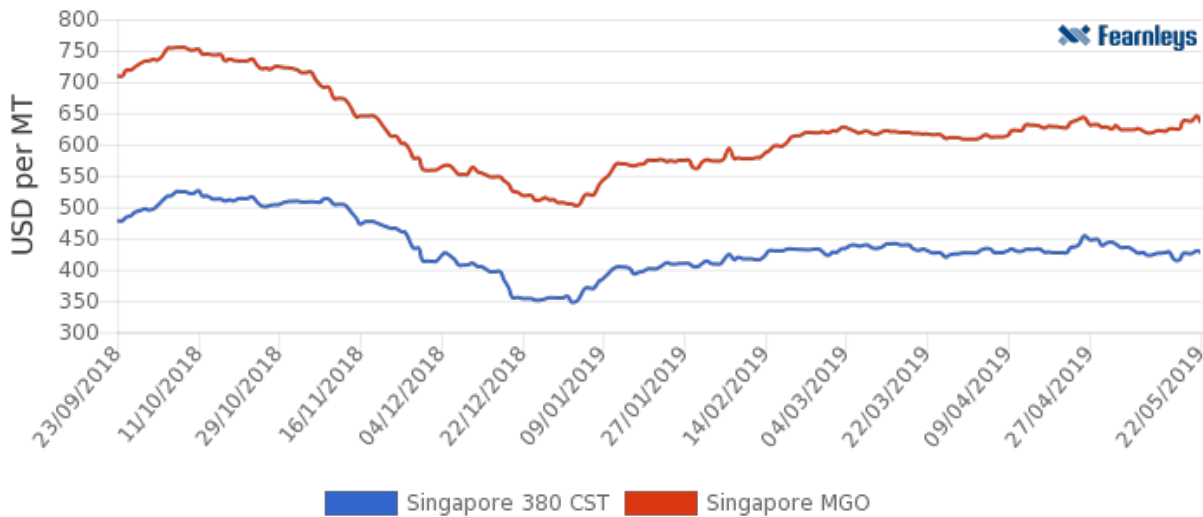
## Bunker Prices

### Singapore

380 CST	180 CST	MGO
\$427	\$454	\$635
<span style="color: red;">↓</span> -\$1	<span style="color: red;">↓</span> -\$12	<span style="color: green;">↑</span> \$10

### Rotterdam

380 CST	180 CST	MGO
\$412	\$458	\$621
<span style="color: green;">↑</span> \$2	<span style="color: green;">↑</span> \$10	<span style="color: green;">↑</span> \$10



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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