

Fearnleys Weekly Report

Week 37 - September 11, 2019

Tankers

VLCC

Increased volumes for the VLCCs and predominantly in the MEG. The monthly count is quickly increasing sharply with close to 1,450 deals done, and it still feels things left to do. That will make September a very busy month. The October program in West Africa also well under way, and with a tightening tonnage list there are some encouraging signs out there for the owners. Rates are off the bottoms and have added a couple of points for the major routes. Owners are again more resistant and are careful to pick out their preferred voyages as it may be the last for the year. I.e. optimism back among the owning community and rates under upward pressure with hopes to 'score' as we approach the end of the year.

Suezmax

Suezmaxes still in the doldrums as the supply of tonnage in all markets have been ample. Hurricanes and bad weather in the Americas managed to rock the boat slightly last week, but it seems now that this market has topped as well as we see ships ballasting from UKC-GIB and over to compete with local tonnage. On a positive note, activity level overall is good, but there is an overhang of ships in the Atlantic and this needs to be absorbed before we start seeing any upward push in rates.

Aframax

The Aframax rates in the Baltic and North Sea have continued to move upwards, to the extent that we have seen routes ex Baltic pick up around 20 worldscale points during the course of the week. There is a healthy amount of activity on the cargo side at the moment, and positions are still tightening, so we expect a firmer market for the remaining of 3rd decade of September. In the Mediterranean and Black Sea we have seen a flat market this week with TD19 being fixed at low to mid 90's worldscale. A number of vessels have however been making their way to the North or USG, so as the position list is tightening in the Mediterranean we are expecting the market to bounce back somewhat in the week to come.

Rates

DIRTY (Spot WS)	Size	This week	Change
MEG/WEST	280 000	26.0	0.0 →
MEG/Japan	280 000	52.5	0.0 →
MEG/Singapore	280 000	54.5	1.5 ↑
WAF/FEAST	260 000	57.0	5.5 ↑
WAF/USAC	130 000	57.5	0.0 →
Sidi Kerir/W Med	135 000	65.0	0.0 →
N. Afr/Euromed	80 000	92.5	2.5 ↑

UK/Cont	80 000	107.5	17.5 ↑
Caribs/USG	70 000	120.0	7.5 ↑

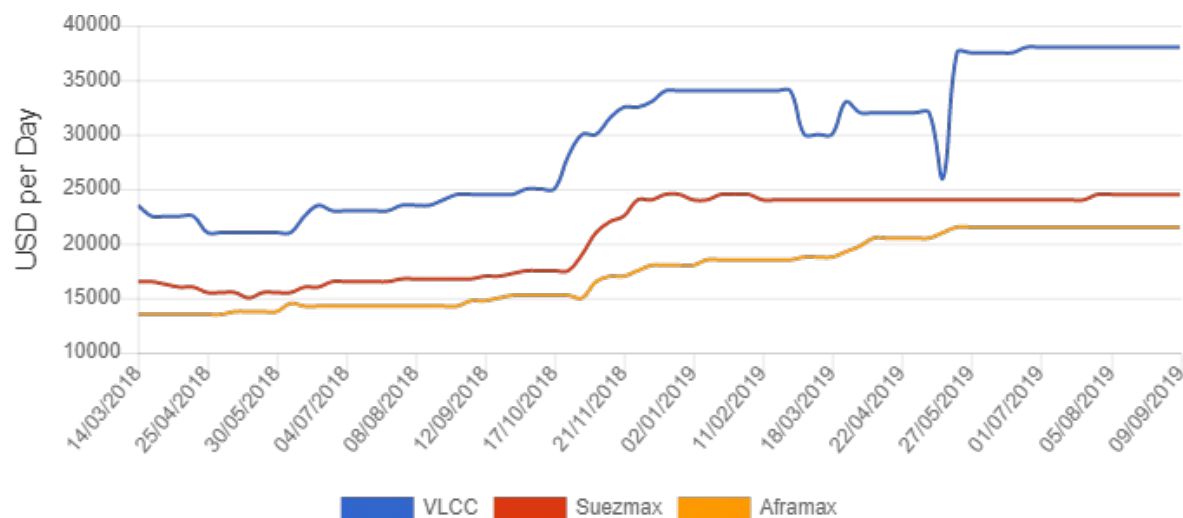
1 Year T/C (USD/Day)

VLCC	Modern	\$38,000	\$0 →
Suezmax	Modern	\$24,500	\$0 →
Aframax	Modern	\$21,500	\$0 →

VLCCs fixed in all areas last week 53 0 →

VLCCs available in MEG next 30 days 140 0 →

1 Year T/C Crude



Dry Bulk

Capesize

Market activity in general has calmed down after we reached close to USD 40,000 per day for the 5TC basket. With less activity, levels have softened down 6% week to week with both the major iron ore routes West Australia to China and Brazil to China. However, all the majors in Pacific BHP, FMG and Rio Tinto are still booking tonnage. Period rates have also seen a correction more or less in line with spot levels, down 6% from last week.

Panamax

The market has clearly taken a breather in the past week, seen from the softening of rates in both basins. In the Atlantic, few fresh cargoes have entered the market, resulting in a slightly more advantageous position for the charterers. The transatlantic round voyages have therefore traded down from around USD 20,000 to about USD 18,500 per day this week. A fronthaul from the Continent currently yields about USD 29,000. In the East, a Pacific round voyage pays around the USD 15,000-mark. The BPI 4TC-index is currently at 2,144 points, down 117 points from last week.

Supramax

A very slow and uneventful start to the week, with somewhat weakening rates across, although still at healthy levels. TA ex US for Continent is fixing in the mid USD 20,000's, while fronthaul paying close to USD 30,000. Continent/ECSA paying around mid teens, while ECSA to Continent/Mediterranean around mid 20,000's. Fronthaul ex Black Sea is paying around high USD 20,000's, while trip to Continent is around USD 16,000. In the Indian Ocean, South Africa rv to Pakistan is paying around USD 14,000+400k gbb, while India/China is paying around USD 20,000. In the Pacific, Indo rv is paying around low USD 12,000 basis delivery South China, and Aussie rv is going at similar levels.

Rates

Capesize (USD/Day, USD/Tonne) This week Change

TCT Cont/Far East (180 DWT)	\$59,695	-\$3,178 ↓
Australia - China	\$10.7	-\$0.7 ↓
Pacific RV	\$30,654	-\$3,429 ↓

Panamax (USD/Day, USD/Tonne)

Transatlantic RV	\$18,675	-\$985 ↓
TCT Cont/Far East	\$28,709	-\$1,005 ↓
TCT Far East/Cont	\$6,589	\$39 ↑
TCT Far East RV	\$14,711	-\$1,470 ↓

Supramax (USD/Day)

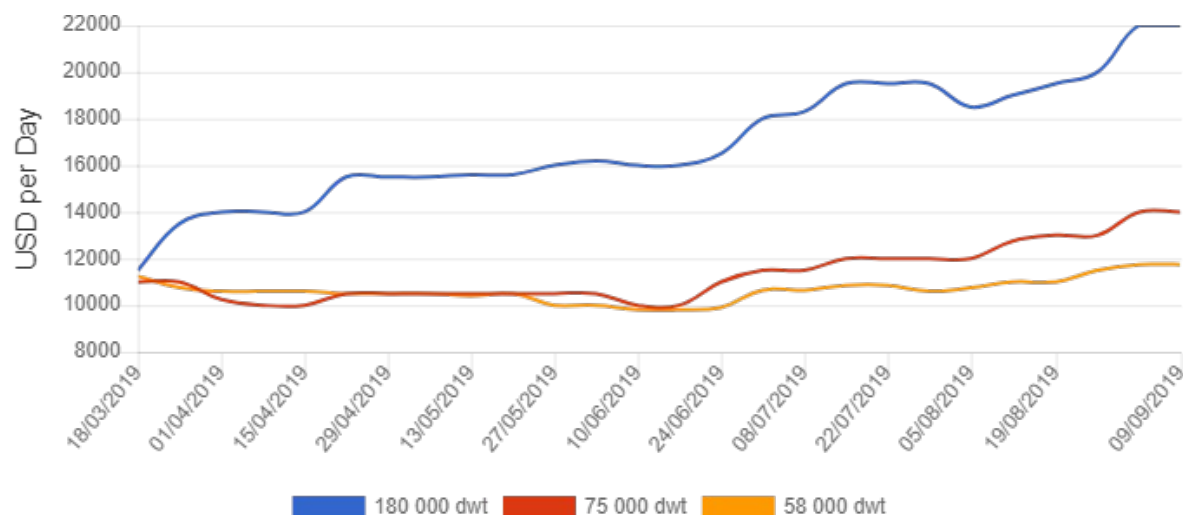
Atlantic RV	\$17,938	\$133 ↑
Pacific RV	\$12,279	-\$507 ↓
TCT Cont/Far East	\$27,321	-\$250 ↓

1 Year T/C (USD/Day)

Capesize (180 000 dwt)	\$20,500	-\$1,500 ↓
Panamax (75 000 dwt)	\$14,000	\$0 →
Supramax (58 000 dwt)	\$11,250	-\$500 ↓

Baltic Dry Index (BDI) 2366.0

1 Year T/C Dry Bulk



Gas

Chartering

EAST:

East market had downward pressure, mainly driven by one major shipowner's dry dock plan, calls Scrubber retrofit. As some want to keep their vessels in East for Q4 dry dock schedule, those vessels only can do limited voyage in East. Even West market still has good premium, East shipping position shows certain length so far. However, we now see many Indian voyage liftings from September, and their new inquiry starting in October, think vessel length would digest sooner or later by Indian demand and congestion. Still we wait for Saudi acceptance, and it would be interesting point which date Saudi will give to term lifters even many nominated 2H October cargo.

WEST:

In the West, there was a continuation of the same prevailing trends as last week; it was a week characterised by increasing delays in the East, and the resulting uncertainty about when ships would be able to make laycans in western load ports. Consequently, charterers seem happy to wait for clarity on timing before fixing in vessels. On the tonnage supply side, there has been an increased interest by traders in reletting their vessels, perhaps to take advantage of high western rates.

LPG Rates

Spot Market (USD/Month)	This week	Change
VLGC (84 000 cbm)	\$1,350,000	-\$50,000 ↓
LGC (60 000 cbm)	\$900,000	\$0 →
MGC (38 000 cbm)	\$815,000	\$0 →
HDY SR (20-22 000 cbm)	\$530,000	\$0 →
HDY ETH (17-22 000 cbm)	\$720,000	\$0 →
ETH (8-12 000 cbm)	\$450,000	\$0 →
SR (6 500 cbm)	\$450,000	\$0 →
COASTER Asia	\$255,000	\$0 →
COASTER Europe	\$300,000	\$0 →

LGP/FOB Prices (USD/Tonne)	Propane	Butane
FOB North Sea/ANSI	\$277.50	\$291.50
Saudi Arabia/CP	\$350.00	\$360.00
MT Belvieu (US Gulf)	\$231.00	\$238.00
Sonatrach/Bethioua	\$286.00	\$312.00

LNG Rates

Spot Market (USD/Day)	This week	Change
East of Suez 155-165 000 cbm	\$56,000	-\$3,000 ↓
West of Suez 155-165 000 cbm	\$60,000	-\$4,000 ↓
1 Year T/C 155-160 000 cbm	\$82,000	\$0 →

Newbuilding

Activity Levels

Tankers

● Slow

Dry Bulkers

● Slow

Others

● Slow

Prices

Prices (Million USD)	Size	This week	Change
VLCC	300 000	\$91	\$0 →
Suezmax	150 000	\$61	\$0 →
Aframax	110 000	\$50	\$0 →
Product	50 000	\$37	\$0 →
Capesize	180 000	\$50	\$0 →
Kamsarmax	82 000	\$28	\$0 →
Ultramax	64 000	\$26	\$0 →
LNGC (MEGI) (cbm)	170 000	\$189	\$0 →

Sale & Purchase

Prices

Dry	2014	2009
Capesize	\$37.0	\$23.0
Kamsarmax	\$24.0	\$16.0
Ultramax	\$22.0	\$13.3
Wet		
VLCC	\$71.5	\$46.5
Suezmax	\$51.5	\$36.5
Aframax / LR2	\$37.5	\$25.0
MR	\$28.0	\$18.0

Market Brief

Exchange Rates

USD/JPY

107.29 ↑ 1.40

USD/KRW

1193.35 ↓ -22.35

USD/NOK

8.96 ↓ -0.15

EUR/USD

1.10 ↑ 0.01

Interest Rates

LIBOR USD (6 months)

2.04% ↑ 0.05%

NIBOR NOK (6 months)

1.67% ↑ 0.01%

Commodity Prices**Brent Spot**

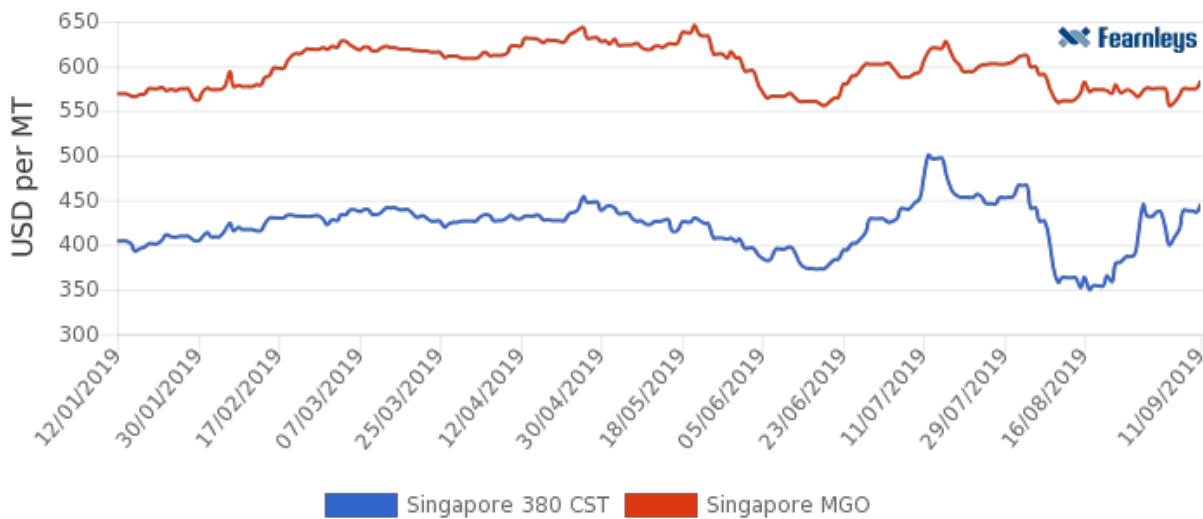
\$62.38 ↑ \$4.12

Bunker Prices**Singapore**

380 CST	180 CST	MGO
\$446	\$486	\$584
↑ \$46	↑ \$59	↑ \$28

Rotterdam

380 CST	180 CST	MGO
\$329	\$395	\$577
↑ \$57	↑ \$53	↑ \$43



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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