

## Fearnleys Weekly Report

Week 40 - October 02, 2019

### Tankers

#### VLCC

An action packed week in the VLCC market, with freight rates surging upwards, A tightening position list in every loading area has made all 'ship classes' workable. Rates are now moving towards 3 digits for Meg/East voyages with corresponding earnings the mid \$ 60k to \$70k per day depending on the voyage in question. Coupled with an active Wafr and Brazilian export market, includes the owning communities' in the current Golden week celebrations.






#### Suezmax

All markets on Suezmaxes are still super bullish. Cargo-activity does not seem to slow down, on the other hand it seems like it just keep increasing. US gulf is looking very tight, which keep the pressure on the whole Atlantic market. The MEG/East market is now three digits ++, making it hard for Owners to considering ballasting to Wafr, and right now it looks like it will just keep going. Tonnage count both in Wafr and MEG is at the lowest this year, and it doesnt seem like this Suezmax market will stop increasing anytime soon.

#### Aframax

In the North the market has continued its upturn this week as activity out of the Baltic and North Sea has been pushing rates upwards. Voyages of longer duration to surrounding markets have been keeping some vessels out of play for a number of days more per voyage and in return tightening the tonnage list. Although we also see a few vessels returning from the Med to take part in the market going forwards, we are expecting a very busy fixing window in the 3rd decade of the month maintaining a firm sentiment going forwards. Likewise the Mediterranean and Black Sea market has stayed firm and rates have continued to move upwards. This has still been due to the healthy amount of cargoes coming into the market allowing owners to keep the pressure on the rates. Going forwards we expect cargo activity to slow down a little, and combined with fact that the rate levels being fixed at the moment are very close to Suezmax-levels, we may see a slightly less firm sentiment in the week to come.

### Rates

DIRTY (Spot WS)	Size	This week	Change
MEG/WEST	280 000	40.0	10.5 
MEG/Japan	280 000	90.0	23.0 
MEG/Singapore	280 000	90.0	22.0 
WAF/FEAST	260 000	90.0	24.0 
WAF/USAC	130 000	85.0	0.0 

Sidi Kerir/W Med	135 000	87.5	0.0 →
N. Afr/Euromed	80 000	170.0	32.5 ↑
UK/Cont	80 000	167.5	42.5 ↑
Caribs/USG	70 000	157.5	15.0 ↑

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

VLCC	Modern	\$48,500	\$6,000 ↑
Suezmax	Modern	\$26,000	\$0 →
Aframax	Modern	\$22,000	\$500 ↑

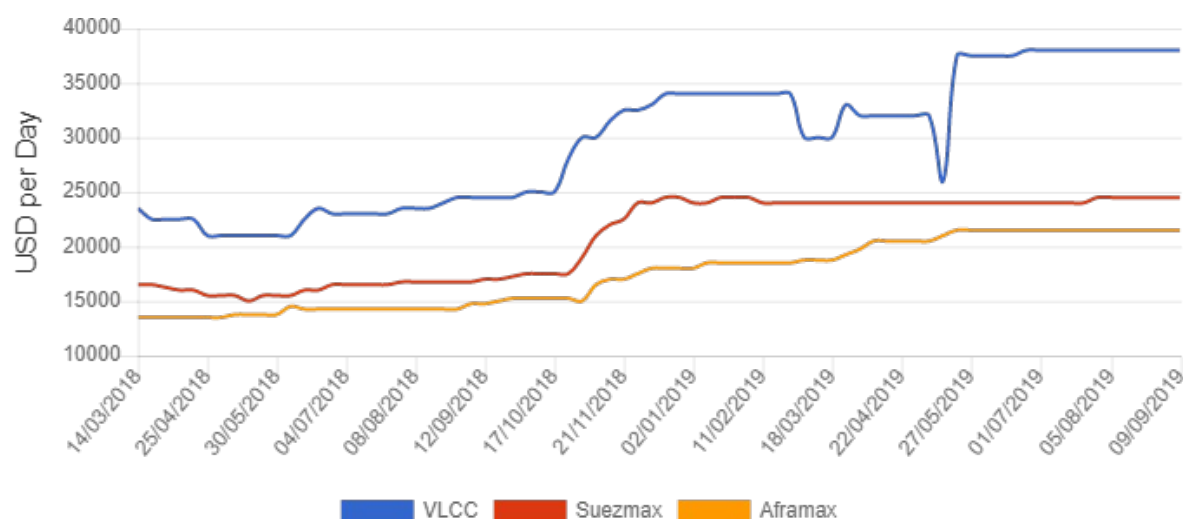
#### VLCCs fixed in all areas last week

75 15 ↑

#### VLCCs available in MEG next 30 days

110 -15 ↓

## 1 Year T/C Crude



## Dry Bulk

### Capesize

The BCI5TC index has dropped 15 % week-on-week, with the most pronounced decline seen the in the Atlantic (down 30% week-on-week).

The recent market correction is attributable so a seasonal slowdown in iron ore demand (August often marks an intermediate top before fresh highs for the year usually comes in December). Coupled with this, there has been too many vessels in ballast towards the South Atlantic, with this number rising from 126 at the start of September to 169 at the latest reading.

However, the last few days there has been an increase in fresh requirements that has supported the market, with the BCI5TC stabilizing at slightly above 24,000 USD p/d. It remains to be seen whether this will be enough to turn around the negative trend.

### Panamax

The week started with a continuous decline in both basins, however, the pacific held up slightly better than the Atlantic, and rates with delivery Pacific even started increasing mid-week. A TA round voyage currently pays owners around the mid USD 14,000 per day on a standard Panamax, while a fronthaul from

the continent now yields around USD 24,000. In the east, a Pacific round voyage pays around the USD 11,500-mark. The BPI 4TC-index is currently at 1725 points, 214 down since last week.

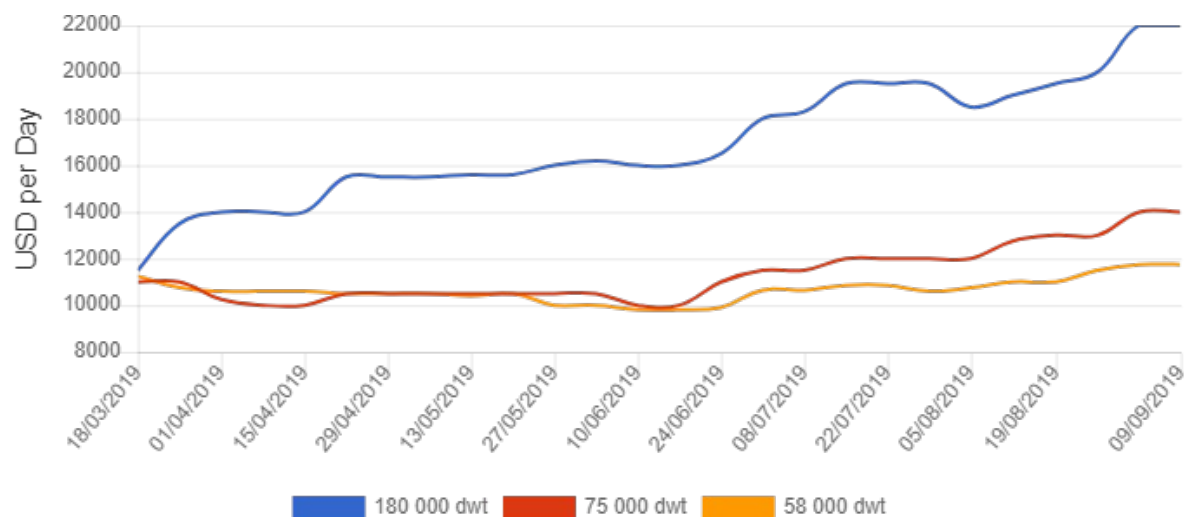
## Supramax

The poor activity related to the Golden week holidays in Asia added pressure on the market with the Baltic Supramax Index losing ground. Atlantic basin suffered from a lack of fresh enquiry, both ex-US Gulf and East Coast South America. The surplus supply in the area of the larger size Panamax/Kamsarmax vessels made owners to accept lower rates. Ultramaxs from ECSA were fixing \$ 20,000. MV CP Shenzhen 63’ dwt reported to be fixed \$ 20,000 APS Up River to Turkey. However Mediterranean markets was holding good momentum where demand for prompt positions remained strong. The rates for Clinker from Med to Wafrika was abating healthy number. Mv Star Challenger 61’ dwt fixed Aps Canakkale tct clinker via Turkey redly Nouakchott at \$19,500 and Supra 53’ dwt vessel fixing delivery for a Turkey trip to the West Mediterranean at \$20,000. Whole fareasrn market was very quiet however there we still some requiremnts to be fixed. The rates were flat with slightly bearish sentiment. Supra 58’ dwt fixing delivery Philippines, via Indonesia, redelivery China, in the mid \$15,000s and mv Peterborough 55’ dwt open HK 1/2 Oct trip via Indonesia redel Thailand \$12,500

## Rates

Capesize (USD/Day, USD/Tonne)	This week	Change
TCT Cont/Far East (180 DWT)	\$49,059	-\$6,714 ↓
Australia – China	\$9.5	\$0.5 ↑
Pacific RV	\$22,667	\$746 ↑
Panamax (USD/Day, USD/Tonne)		
Transatlantic RV	\$14,495	-\$2,080 ↓
TCT Cont/Far East	\$24,173	-\$2,100 ↓
TCT Far East/Cont	\$5,353	-\$389 ↓
TCT Far East RV	\$11,256	-\$975 ↓
Supramax (USD/Day)		
Atlantic RV	\$16,707	-\$1,683 ↓
Pacific RV	\$11,550	-\$150 ↓
TCT Cont/Far East	\$28,071	-\$615 ↓
1 Year T/C (USD/Day)		
Capesize (180 000 dwt)	\$19,750	-\$250 ↓
Panamax (75 000 dwt)	\$14,000	\$0 ➡
Supramax (58 000 dwt)	\$11,000	\$0 ➡
Baltic Dry Index (BDI)	1803.0	

## 1 Year T/C Dry Bulk



## Gas

### Chartering

Although fixing activity has slowed down somewhat this week, the handful of vessels which actually were done ex the USGulf were concluded at rates close to USD 120 per ton on a Houston/Chiba basis. The Baltic LPG index is fairly rapidly catching up with the West market and currently there are only some three/four dollars per ton difference between the East and the West. We think there is still room for the West market to continue to strengthen (or at least remain strong) in the short term, simply due to vessel availability in the USGulf being controlled by a few owners, coupled with bad weather and ullage issues (in some ports) in the Far East delaying vessels' return to Houston.

In the MEG one fixture was reportedly done in the mid/low USD 70s per ton on a Ras Tanura/Chiba basis, something which may lead to a further jump on the Baltic during the next couple of days.

### LPG Rates

Spot Market (USD/Month)	This week	Change
VLGC (84 000 cbm)	\$1,800,000	\$200,000 <span style="color: green;">↑</span>
LGC (60 000 cbm)	\$900,000	\$0 <span style="color: gray;">→</span>
MGC (38 000 cbm)	\$815,000	\$0 <span style="color: gray;">→</span>
HDY SR (20-22 000 cbm)	\$530,000	\$0 <span style="color: gray;">→</span>
HDY ETH (17-22 000 cbm)	\$720,000	\$0 <span style="color: gray;">→</span>
ETH (8-12 000 cbm)	\$450,000	\$0 <span style="color: gray;">→</span>
SR (6 500 cbm)	\$440,000	-\$10,000 <span style="color: red;">↓</span>
COASTER Asia	\$255,000	\$0 <span style="color: gray;">→</span>
COASTER Europe	\$255,000	\$5,000 <span style="color: green;">↑</span>

LGP/FOB Prices (USD/Tonne)	Propane	Butane
FOB North Sea/ANSI	\$315.50	\$369.50
Saudi Arabia/CP	\$420.00	\$435.00
MT Belvieu (US Gulf)	\$227.00	\$243.50
Sonatrach/Bethioua	\$332.50	\$351.50

### LNG Rates

Spot Market (USD/Day)	This week	Change
East of Suez 155-165 000 cbm	\$83,000	\$7,000 <span>↑</span>
West of Suez 155-165 000 cbm	\$88,000	\$16,000 <span>↑</span>
1 Year T/C 155-160 000 cbm	\$82,000	\$0 <span>→</span>

## Newbuilding

## Activity Levels

<div>Tankers</div> <div><div></div> Slow</div>	<div>Dry Bulkers</div> <div><div></div> Slow</div>	<div>Others</div> <div><div></div> Slow</div>
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## Prices

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

## 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

<u>USD/JPY</u>	<u>USD/KRW</u>
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107.86 ↑ 0.44

1199.05 ↑ 3.30

USD/NOK

9.13 ↑ 0.13

EUR/USD

1.09 ↓ -0.01

**Interest Rates**

LIBOR USD (6 months)

2.06% ↑ 0.01%

NIBOR NOK (6 months)

1.77% → 0.00%

**Commodity Prices**

Brent Spot

\$58.89 ↓ -\$4.21

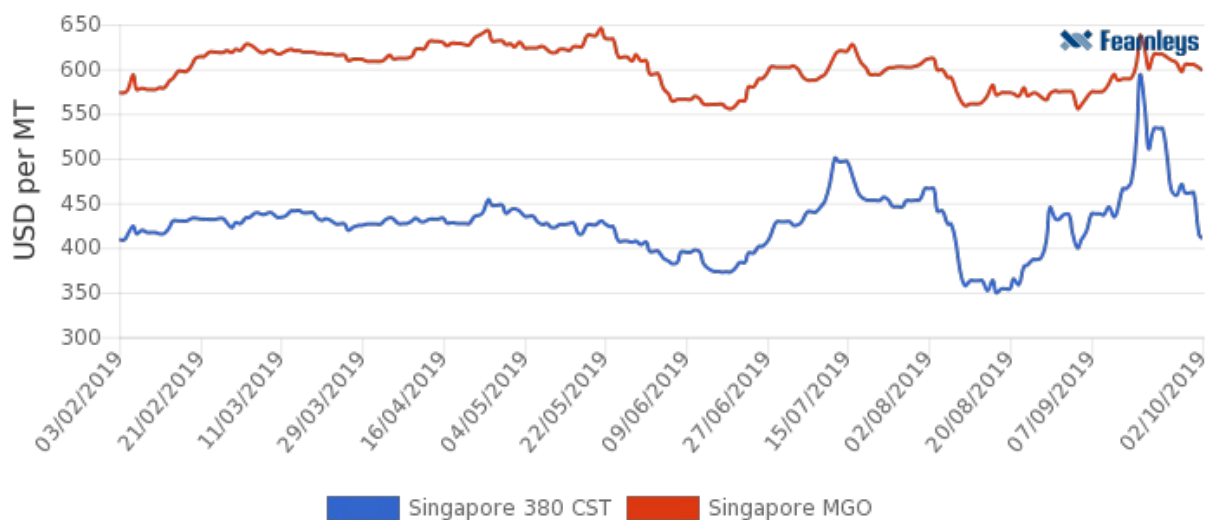
**Bunker Prices**

Singapore

380 CST	180 CST	MGO
\$410	\$438	\$599
<span style="color: red;">↓</span> -\$55	<span style="color: red;">↓</span> -\$82	<span style="color: red;">↓</span> -\$12

Rotterdam

380 CST	180 CST	MGO
\$344	\$373	\$576
<span style="color: red;">↓</span> -\$31	<span style="color: red;">↓</span> -\$67	<span style="color: red;">↓</span> -\$19



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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