

## Fearnleys Weekly Report

Week 45 - November 06, 2019

### Tankers

#### VLCC

The VLCC market has been surprisingly slow this week, with only the odd cargo being drip-fed into the market - and all areas have been correspondingly inactive. As a consequence, rates have dropped, albeit less than previous in similarly quiet spells, with latest benchmark standing at ws85 for MEG/China on modern tonnage, an oil company relet at that. The third decade MEG November program has hardly been touched, so optimism persists within the owning community for another 35-40 cargoes still to be covered. Albeit widened the last few days, the position list still appears balanced when it comes to modern tonnage, although there's an oversupply of restricted ship, old and/or ex d/d etc., hanging like a cloud over the market, as and if workable.

#### Suezmax

In the Atlantic, all markets have really taken a dive this week. Rates in West Africa is coming off in chunks as position-list has been building up for a while and cargo-activity has not picked up at all. USG exports are still quite slow and the only area with decent activity has been Med and Black Sea. Unfortunately, not even close to enough to prevent this decline. In the East, we see the same story. A long tonnage list, and not enough cargoes, and with West Africa coming off there no places to hide for owners. We expect to be close to the bottom soon, but it will take some time to turn this around.

#### Aframax

In the North Sea and Baltic market, rates have come off even more from last week's levels, and we still expect rates to soften further in the week to come. This is mainly due to a lack of cargo activity, and that most of the cargoes that are available have been covered on relets. The number of available vessels is building up, and even if activity level is increased it will take some time for the market to gain firm momentum again. In the Mediterranean and Black Sea, the tonnage list is still long, and activity the last week has been insufficient in having any positive effect on rates. TD19 is currently trading sub-100 levels on world scale. Although we have seen some delays in straits, this has still not had a positive impact on freight levels just yet, and we expect the market remain soft in the week to come.

### Rates

DIRTY (Spot WS)	Size	This week	Change
MEG/WEST	280 000	50.0	-6.0 ↓
MEG/Japan	280 000	85.0	-7.5 ↓
MEG/Singapore	280 000	85.0	-7.5 ↓
WAF/FEAST	260 000	90.0	-4.0 ↓

WAF/USAC	130 000	97.5	-22.5 ↓
Sidi Kerir/W Med	135 000	105.0	-45.0 ↓
N. Afr/Euromed	80 000	95.0	-15.0 ↓
UK/Cont	80 000	95.0	-5.0 ↓
Caribs/USG	70 000	130.0	-40.0 ↓

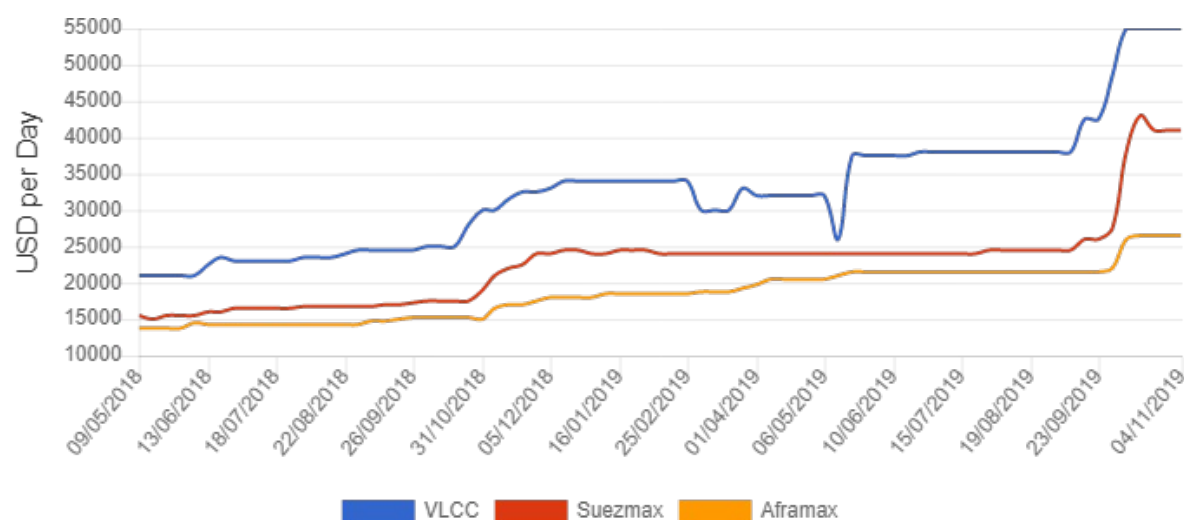
#### 1 Year T/C (USD/Day)

VLCC	Modern	\$50,000	-\$5,000 ↓
Suezmax	Modern	\$39,000	-\$2,000 ↓
Aframax	Modern	\$26,000	-\$500 ↓

**VLCCs fixed in all areas last week** 49 -5 ↓

**VLCCs available in MEG next 30 days** 125 0 →

## 1 Year T/C Crude



## Dry Bulk

### Capesize

Spot market saw some improvements in the beginning of the week with c5 levels increasing to mid 9 pmt levels, but soon to drop back to sub 9s, more or less in line with last week's levels. The demand from Brazil is limited, and freight rates are coming off on the c3 route accordingly. Overall, five TC average dropped 13% from last week to present USD 22,217. Forward values are taking a further hit with next year trading below USD 15,000 level at the time of writing, discouraging owners from fixing period.

### Panamax

A week in the red with a rapid weakening of the BPI in both basins. Both the Atlantic and the Pacific continued to fall significantly, but the rates in the East have been slightly less affected by the softening. A TA round voyage currently pays owners around USD 9,500 per day, while a fronthaul from the Continent yields around USD 20,000. In the Pacific, a round voyage pays owners around USD 10,000 per day. The BPI 4TC-index is currently at 1385 points, 189 down since last week.

# Supramax

Another week of dropping Supramax rates across the basins. In the Pacific, Indo/China fixing around low USD 8,000 with Singapore delivery, while similar trade to WC India paying in the mid USD 8,000. From the Indian Ocean, South Africa/WC India paying around high USD 11k+180k gbb, and from MEG to WC India ships fixed around low USD 12,000. In the Atlantic, Black Sea to ECI/Bangladesh paying around USD 20,000, while trips from Continent to Brazil are fixing in the high USD 7,000. From ECSA fh's paying around 13k+300k gbb, and TA to Continent/Mediterranean paying in the low USD 12,000.

## Rates

Capesize (USD/Day, USD/Tonne)	This week	Change
TCT Cont/Far East (180 DWT)	\$41,950	-\$8,235 ↓
Australia - China	\$9.0	-\$0.2 ↓
Pacific RV	\$22,983	-\$184 ↓

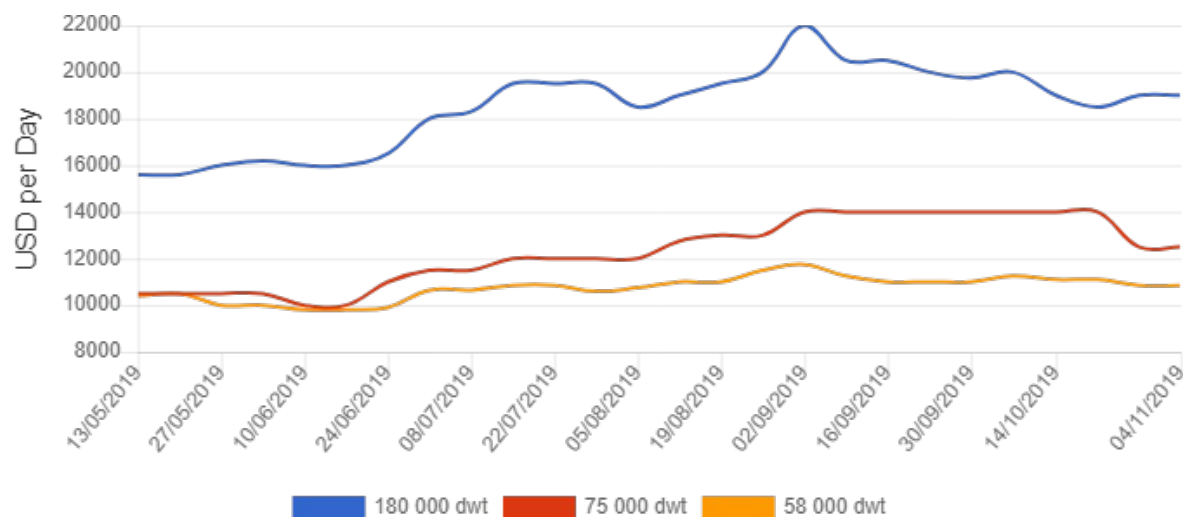
Panamax (USD/Day, USD/Tonne)		
Transatlantic RV	\$9,410	-\$2,370 ↓
TCT Cont/Far East	\$20,155	-\$2,013 ↓
TCT Far East/Cont	\$5,011	-\$378 ↓
TCT Far East RV	\$9,925	-\$1,272 ↓

Supramax (USD/Day)		
Atlantic RV	\$10,969	-\$1,832 ↓
Pacific RV	\$9,957	-\$1,979 ↓
TCT Cont/Far East	\$21,550	-\$3,557 ↓

1 Year T/C (USD/Day)		
Capesize (180 000 dwt)	\$17,250	-\$1,750 ↓
Panamax (75 000 dwt)	\$12,000	-\$500 ↓
Supramax (58 000 dwt)	\$10,500	-\$350 ↓

Baltic Dry Index (BDI)	1656.0
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## 1 Year T/C Dry Bulk



# Gas

## Chartering

This week has been markedly more quiet than last week in the West, although there have been a handful of fixtures. Rates have come off marginally, with fixing now being done slightly below USD 130 H/C. There are a few possible reasons which could explain this cooling in rates. Among them is the emergence of more economical trader relets, netbacks coming in due to stronger Mont Belvieu pricing and fewer freight inquiries due to the fixing period in question simply being so far ahead.

In the East, things were even more quiet, although it is expected that activity will increase after the release of ADNOC acceptances early next week.

## LPG Rates

Spot Market (USD/Month)	This week	Change
VLGC (84 000 cbm)	\$2,050,000	\$100,000
LGC (60 000 cbm)	\$975,000	\$0
MGC (38 000 cbm)	\$925,000	\$55,000
HDY SR (20-22 000 cbm)	\$600,000	\$30,000
HDY ETH (17-22 000 cbm)	\$720,000	\$0
ETH (8-12 000 cbm)	\$450,000	\$0
SR (6 500 cbm)	\$430,000	\$0
COASTER Asia	\$245,000	\$5,000
COASTER Europe	\$260,000	\$0

LGP/FOB Prices (USD/Tonne)	Propane	Butane
FOB North Sea/ANSI	\$358.00	\$422.50
Saudi Arabia/CP	\$430.00	\$445.00
MT Belvieu (US Gulf)	\$271.00	\$300.00
Sonatrach/Bethioua	\$360.00	\$440.00

## LNG Rates

Spot Market (USD/Day)	This week	Change
East of Suez 155-165 000 cbm	\$125,000	-\$5,000
West of Suez 155-165 000 cbm	\$110,000	-\$10,000
1 Year T/C 155-160 000 cbm	\$82,000	\$0

## Newbuilding

### Activity Levels

<div>Tankers</div> <div> Slow</div>	<div>Dry Bulkers</div> <div> Slow</div>	<div>Others</div> <div> Slow</div>
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## 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	\$36	\$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	\$13.0

#### Wet

VLCC	\$74.0	\$50.0
Suezmax	\$52.5	\$37.5
Aframax / LR2	\$40.0	\$28.0
MR	\$29.0	\$18.0

## Market Brief

### Exchange Rates

#### USD/JPY

109.15 ▲ 0.32

#### USD/KRW

1157.45 ▼ -5.65

#### USD/NOK

9.19 ▼ -0.04

#### EUR/USD

1.11 ▼ 0.00

### Interest Rates

#### LIBOR USD (6 months)

1.92% ▲ 0.01%

#### NIBOR NOK (6 months)

1.85% ➡ 0.00%

### Commodity Prices

### Brent Spot

\$62.96 ↑ \$2.72

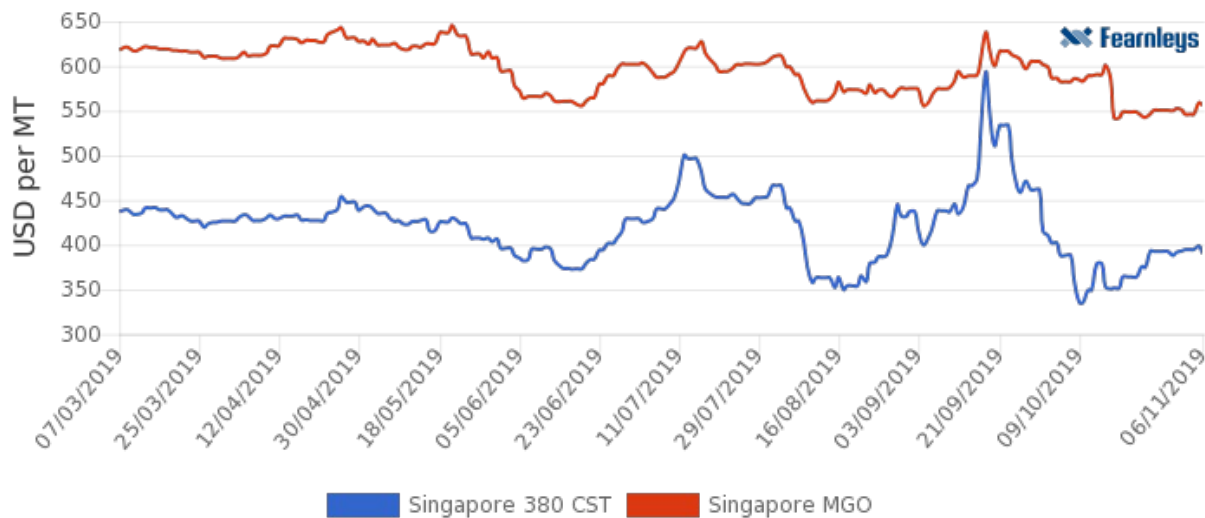
### Bunker Prices

#### Singapore

380 CST	180 CST	MGO
\$390	\$417	\$556
<span style="color: green;">↑</span> \$2	<span style="color: red;">↓</span> -\$1	<span style="color: green;">↑</span> \$6

#### Rotterdam

380 CST	180 CST	MGO
\$286	\$312	\$509
<span style="color: green;">↑</span> \$19	<span style="color: green;">↑</span> \$12	<span style="color: red;">↓</span> -\$1



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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