

Fearnleys Weekly Report

Week 49 2019

Printer version

Tankers

Comments

VLCC

A very tough start for the owners this week as the w100 barrier got broken from both West Africa and Middle East. Earnings are still around US\$70.000 a day, but with activity slowed down along with London Christmas Week, activity will have to pick up severely for owners to see a bounce back to the 3 digits. A tightening positionlist in the east, and cargo Meg count lagging might see owners turning it around next week, as more 3rd decade December cargoes will surface.

Suezmax

While we waited for the Suezmaxes to catch up with their bigger siblings end of last week, the continuous fixing activity that has been going on for some time now are finally starting to have an effect on the market. Ships that are being fixed is not absorbed back into the market quick enough and as such rates in the Atlantic now are on the move. Owners are looking to make up the lost ground from earlier this year and will not settle with last done in what has become a firm market in the Atlantic.

Aframax

As expected rates in the Baltic and North Sea market have picked up this week with the North Sea being the main driving force for the upward pressure. This is because the tonnage list is tight for North Sea cargoes loading up to mid-month. Currently ships open in the Baltic are picking off the stems loading in the 14th - 20th December window. However, the cargo program coming out of the Baltic in the 3rd decade fixing window looks healthy, and therefore we expect the market to remain firm going forwards. In the Mediterranean and Black Sea however, we have seen a downwards correction in rates this week since cargo activity has not been strong enough to prevent tonnage building up in the area. Across the board it has been a quiet week on the cargo side, and we have seen re-lets covering the few cargoes around. In the week to come we will keep an eye on further delays in Straits, and it is expected that activity will pick up somewhat as charterers will want to cover their program through the holiday season.

Rates

Dirty (Spot WS)

MEG/WEST (280 000)	WS 55.0	-7.0 ↓
MEG/Japan (280 000)	WS 95.0	-22.0 ↓
MEG/Singapore (280 000)	WS 96.0	-24.0 ↓
WAF/FEAST (260 000)	WS 95.0	-22.0 ↓
WAF/USAC (130 000)	WS 135.0	20.0 ↑
Sidi Kerir/W Med (135 000)	WS 140.0	10.0 ↑
N. Afr/Euromed (80 000)	WS 187.5	-22.5 ↓

UK/Cont (80 000)	WS 170.0	12.5 ↑
Caribs/USG (70 000)	WS 187.5	-12.5 ↓

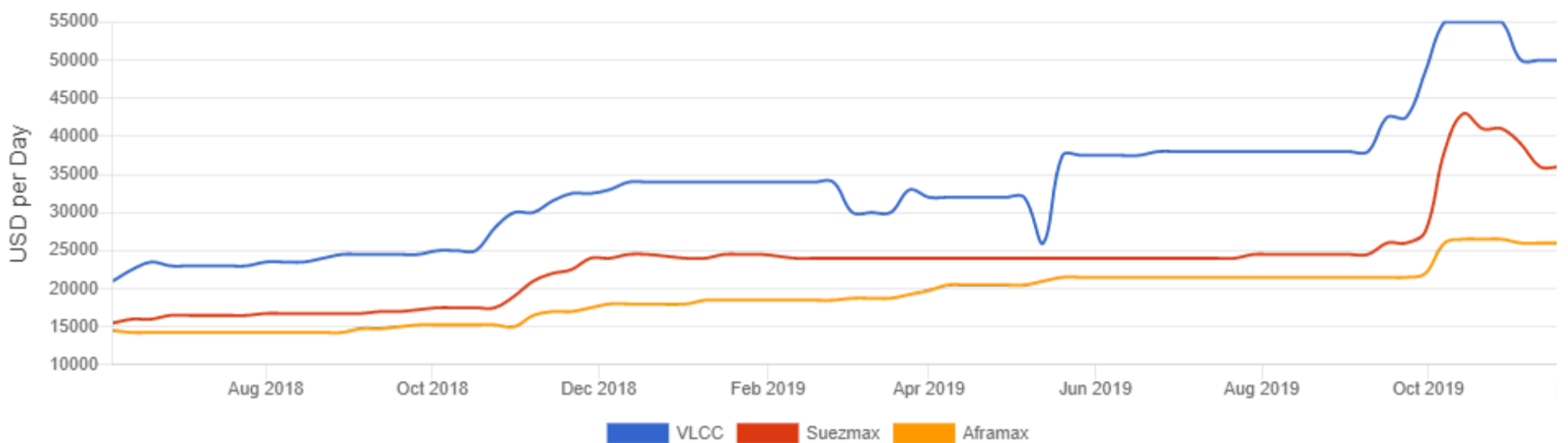
1 Year T/C (USD/Day)

VLCC (Modern)	\$50000.0	\$0 →
Suezmax (Modern)	\$36000.0	\$0 →
Aframax (Modern)	\$26000.0	\$0 →

VLCC

VLCCs fixed in all areas last week	55	0 →
VLCCs available in MEG next 30 days	125	0 →

1 Year T/C Crude



Dry Bulk

Comments

Capesize

Slight improvements at generally healthy levels as spot fundamentals are satisfactory for the big ships. Average daily earnings up some 11 pct w-o-w to come in at USD 25k - the main driver again being high iron ore volumes traded. The west Australia/China trade is seeing a pre-christmas boost with all miners active and subsequent pacific roundvoyage levels up 13 pct to USD 30k for standard 180000-tonners. So far more modest on the crucial Brazil/China route, where miners and operators are busy picking the very few remaining december loaders at steadily improving numbers - China-Brazil-China round value up 6 pct to come in at USD 24k/day. Bunker delivery delays and final preparations for 1 jan 2020 IMO regulations expected to add further upward pressure. Period activity picking up as spot and ffa support more forward confidence, with recent conclusions including 180000 dwt built 2013 fetching the equivalent of arnd usd 18k for abt 12 months basis Far East prompt delivery.

Panamax

Positive sentiment all over, with especially the Atlantic strengthening. The pace was strong at the beginning of the week, but calmed down and settled at better levels mid-week. The Pacific market has also been solid, with Australian coal being the main driver behind it. A TA round voyage pays owners around USD 12,00 per day. A fronthaul from the continent yields around the USD 17,000's. In the Pacific basin, a round voyage pays owners around USD 10,000 per day. The BPI 4TC-index is currently at 1326 points, 215 up since last week.

Supramax

The positive sentiment from the past week turned more sideways this week. We see USG - USEC still have healthy demand and ships getting paid premiums. Tess 58 mv Teal Bulker was fixed USD 25,000 Aps SW pass to WC India with petcoke. Another Supramax was rumoured to be fixed USD 23,000 to Japan. And strong USD 17,000 was paid on Ultramax fro tct from USG to Med

The rest of the Atlantic were rather quiet and positive expectations from owners were fading away. Bsea and East med market didn't provide enough demand to sustain strong rates from previous week. We have seen vessels from West Med ballasting either towards continent or USG direction.

The ECSAM market is stable except we see slightly less orders on the Far Eastern routes. Ultramax for trips to Cont/Med went USD 14,000 level . Supramax rates for trips to Singapore/Japan to \$13,000/d + \$300,000 BB. India ocean and Safrica market remain calm. Supramax delivery Safrica to India was fixed USD10,500 plus 150,000 BB. The Far Eastern market remained stable with positive sentiment.

Rates

Capesize (USD/Day, USD/Tonne)

TCT Cont/Far East (180 DWT)	\$40,875	\$5,700 ↑
Australia – China	\$10.6	\$0.9 ↑
Pacific RV	\$29,775	\$3,442 ↑

Panamax (USD/Day, USD/Tonne)

Transatlantic RV	\$11,685	\$3,370 ↑
TCT Cont/Far East	\$17,255	\$1,537 ↑
TCT Far East/Cont	\$3,933	\$359 ↑
TCT Far East RV	\$9,635	\$1,234 ↑

Supramax (USD/Day)

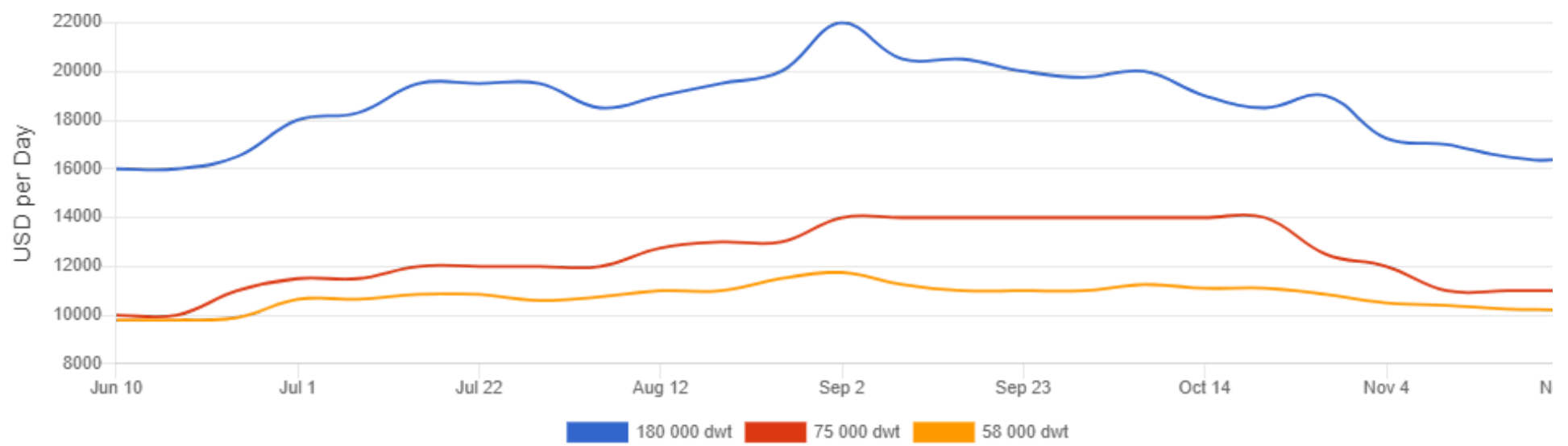
Atlantic RV	\$11,969	\$661 ↑
Pacific RV	\$8,264	\$150 ↑
TCT Cont/Far East	\$16,600	\$693 ↑

1 Year T/C (USD/Day)

Capesize (180 000 dwt)	\$18,000	\$1,500 ↑
Panamax (75 000 dwt)	\$11,000	\$0 →
Supramax (58 000 dwt)	\$10,000	-\$200 ↓

Baltic Dry Index (BDI)	\$1,599	
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1 Year T/C Dry Bulk



Gas

Chartering

December vessel requirements are seemingly more or less sorted and shipping interest has shifted towards January dates in the USG. Several vessels are either fixed for 1st decade January liftings or on subs, including against a cargo tender 6-11 January due today. Freight has bottomed out and is likely to strengthen further in the short term.

The east of Suez market activity is rather limited and freight is now in the high USD 60's RT/Chiba. It is likely that activity will resume once the ADNOC and Saudi acceptances are released.

LPG Rates

Spot Market (USD/Month)

VLGC (84 000 cbm)	\$1,900,000	-\$150,000 ↓
LGC (60 000 cbm)	\$1,000,000	\$0 →
MGC (38 000 cbm)	\$925,000	\$0 →
HDY SR (20-22 000 cbm)	\$620,000	\$20,000 ↑
HDY ETH (17-22 000 cbm)	\$710,000	\$10,000 ↑
ETH (8-12 000 cbm)	\$440,000	\$0 →
SR (6 500 cbm)	\$390,000	\$0 →
COASTER Asia	\$250,000	\$5,000 ↑
COASTER Europe	\$275,000	-\$10,000 ↓

LPG/FOB Prices - Propane (USD/Tonne)

FOB North Sea/ANSI	\$399.50	\$41.50 ↑
Saudi Arabia/CP	\$440.00	\$10.00 ↑
MT Belvieu (US Gulf)	\$274.00	-\$12.00 ↓

Sonatrach/Bethioua	\$405.00	\$45.00 ↑
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LPG/FOB Prices - Butane (USD/Tonne)

FOB North Sea/ANSI	\$436.50	\$14.00 ↑
Saudi Arabia/CP	\$455.00	\$10.00 ↑
MT Belvieu (US Gulf)	\$311.00	-\$29.50 ↓
Sonatrach/Bethioua	\$450.00	\$10.00 ↑

LNG Rates

Spot Market (USD/Day)

East of Suez 155-165 000 cbm	\$95,000	-\$5,000 ↓
West of Suez 155-165 000 cbm	\$100,000	-\$12,000 ↓
1 Year T/C 155-160 000 cbm	\$78,000	\$0 →

Newbuilding

Activity Levels

Tankers	Slow	Slow
Dry Bulkers	Slow	Slow
Others	Slow	Slow

Prices

VLCC	\$91.0	\$0.0 →
Suezmax	\$61.0	\$0.0 →
Aframax	\$50.0	\$0.0 →
Product	\$36.0	\$0.0 →
Capesize	\$50.0	\$0.0 →
Kamsarmax	\$28.0	\$0.0 →
Ultramax	\$26.0	\$0.0 →
LNGC (MEGI) (cbm)	\$188.5	\$0.0 →

Sale & Purchase

Prices

Dry (5 yr)

Capesize	\$37.0	\$0.0 →
Kamsarmax	\$23.5	\$0.0 →
Ultramax	\$22.0	\$0.0 →

Dry (10 yr)

Capesize	\$23.0	\$0.0 →
Kamsarmax	\$16.0	\$0.0 →
Ultramax	\$13.0	\$0.0 →

Wet (5 yr)

VLCC	\$77.0	\$3.0 ↑
Suezmax	\$53.0	\$0.5 ↑
Aframax / LR2	\$41.0	\$1.0 ↑
MR	\$29.0	\$0.0 →

Wet (10 yr)

VLCC	\$51.5	\$1.5 ↑
Suezmax	\$37.5	\$0.0 →
Aframax / LR2	\$29.5	\$1.5 ↑
MR	\$18.0	\$0.0 →

Market Brief

Exchange Rates

USD/JPY	108.55	-0.54 ↓
USD/KRW	1187.10	10.35 ↑
USD/NOK	9.19	0.02 ↑
EUR/USD	1.11	0.01 ↑

Interest Rates

LIBOR USD (6 months)	1.91%	0.00% ↓
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NIBOR NOK (6 months)	1.82%	-0.02% ↓
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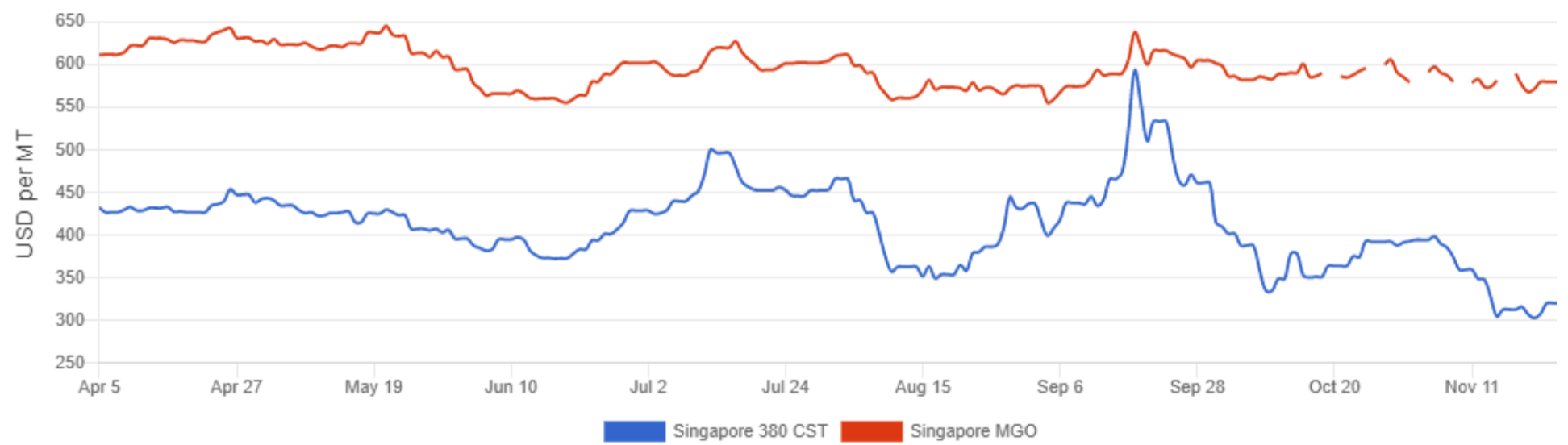
Commodity Prices

Brent Spot	\$60.82	-\$2.57 ↓
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Bunkers Prices

Singapore 380 CST	\$299.5	-\$21.0 ↓
Singapore 180 CST	\$325.5	-\$24.0 ↓
Singapore Gasoil	\$580.5	-\$9.5 ↓

Rotterdam 380 CST	\$240.5	-\$10.0 ↓
Rotterdam 180 CST	\$276.0	-\$8.5 ↓
Rotterdam Gasoil	\$558.0	-\$13.0 ↓



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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