

# Fearnleys Weekly Report

Week 51 2019

Printer version

Tankers

Comments

VLCC

What a rollercoaster ride! As last week drew to a close VLCC rates were on a downward trajectory with MEG/East testing the ws100 mark. However, things turned on a sixpence this week as January cargoes came into play. MEG/East went from ws100 to ws110 in one jump, and panic set in. Rates have since continued to climb, with owners now eying rates above ws120. MEG rates have also been supported by an influx of USG export cargoes, currently trading close to USD 12 million for China/Korea discharge. N.Sea/East has been correspondingly active, and ships discharging in the area have all but been absorbed. Wafr/East runs, however, has been surprisingly few and far between, although we’re seeing signs of a pickup in last decade of January. With a heaving Suezmax market there are few “get out of jail cards” at present, so the run up to Christmas is looking bright for the owning community.

Suezmax

In the beginning of the week, the Suezmax market world-wide looked fairly balanced, and it looked like we would have a situation where owners would be keen to fix their ships before the holidays without putting too much pressure on the charterers. After a very busy Tuesday, tables have turned, and charterers are now the ones that need to fix their cargoes in time for Xmas. The rest of the week, we could see rates moving further with tight position lists in the Atlantic as well as MEG. Still quite a lot of cargoes left uncovered, so the rest of the year is looking really interesting.

Aframax

Freight rates in the Baltic and North Sea market seem to have found their feet around ws235 levels in the Nsea and ws190 levels ex Baltic, depending on what discharge options one needs. Stems loading very end year are currently being fixed with quite a lot of cargo activity taking place off the market. Although certain owners have expressed their willingness to put their clean ships into dirty trade, the tonnage list remains tight, and thus we still expect a firm market going into the new year. Cargo activity has been healthy in the Mediterranean and Black Sea this week and owners are pleased to see the market bounce back. Benchmark routes both ex Bsea and cross-Med have picked up about 25 ws-points, and at the time of writing TD19 is trading just above ws200. As transits through straits keep delaying and charterers are looking to cover their stems ex Bsea for second decade January, we expect the market to remain firm in the week to come.

Rates

Dirty (Spot WS)

MEG/WEST (280 000)	WS 63.0	3.0
MEG/Japan (280 000)	WS 125.0	12.0
MEG/Singapore (280 000)	WS 125.0	13.0
WAF/FEAST (260 000)	WS 112.5	5.5
WAF/USAC (130 000)	WS 142.5	5.0

Sidi Kerir/W Med (135 000)	WS 137.5	2.5 <span>↑</span>
N. Afr/Euromed (80 000)	WS 205.0	25.0 <span>↑</span>
UK/Cont (80 000)	WS 235.0	10.0 <span>↑</span>
Caribs/USG (70 000)	WS 250.0	55.0 <span>↑</span>

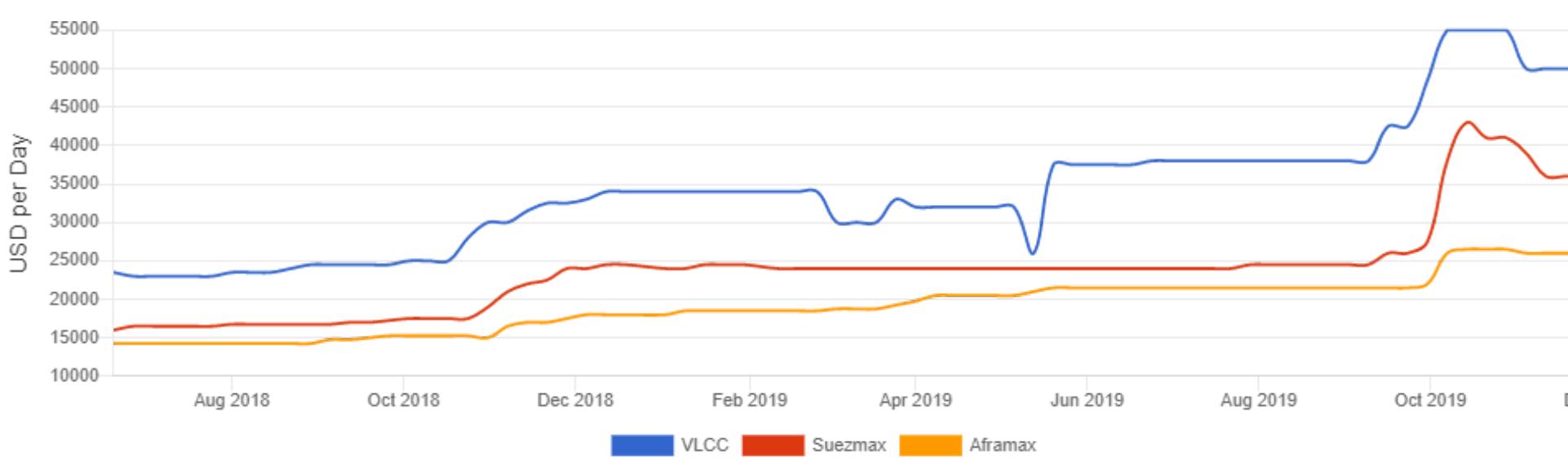
1 Year T/C (USD/Day)

VLCC (Modern)	\$50000.0	\$0 <span>→</span>
Suezmax (Modern)	\$35500.0	\$0 <span>→</span>
Aframax (Modern)	\$27000.0	\$1,000 <span>↑</span>

VLCC

VLCCs fixed in all areas last week	68	0 <span>→</span>
VLCCs available in MEG next 30 days	120	-5 <span>↓</span>

1 Year T/C Crude



Dry Bulk

Comments

Capesize

There has been a rapid drop in rates over the last week. West Australia round is presently in the low 7s and c3 still not seeing any significant change in demand, with levels presently below USD 20 pmt. Period activity remains poor but expected to pick up once we get into the new year.

Panamax

Downwards trend this week in both basins. A TA round voyage pays owners around the mid USD 12,00 per day. A fronthaul from the Continent yields around the mid USD 18,000's. In the Pacific basin, a round voyage pays owners around USD 10,000 per day. The BPI 4TC-index is currently at 1421 points, 22 down since last week.

Supramax

Negative pressure across the board as the year come in for closing. In the Atlantic, scrap cargoes Cont/Emed paying around USD 11,000, while FH ex Bsea is paying in around USD 17,500. From USG, fh yields in the very low USD 20k's while ECSA trip out is trading around USD 13,000+300k gbb. Stronger downwards pressure in the

East, especially in the northern parts. Indo/China coal rv’s paying owners around USD 7,750 bss Spore delivery while Aussie rv’s paying in the high USD 8k’s. Indo coal to WCI is paying around USD 9,000 while in the Indian Ocean, Safr rv to China is trading around USD 12,000+200k gbb.

Rates

Capesize (USD/Day, USD/Tonne)

TCT Cont/Far East (180 DWT)	\$31,915	-\$3,405 ↓
Australia – China	\$7.5	-\$1.9 ↓
Pacific RV	\$14,350	-\$9,200 ↓

Panamax (USD/Day, USD/Tonne)

Transatlantic RV	\$11,570	-\$1,485 ↓
TCT Cont/Far East	\$18,277	-\$312 ↓
TCT Far East/Cont	\$3,986	-\$302 ↓
TCT Far East RV	\$9,088	-\$1,217 ↓

Supramax (USD/Day)

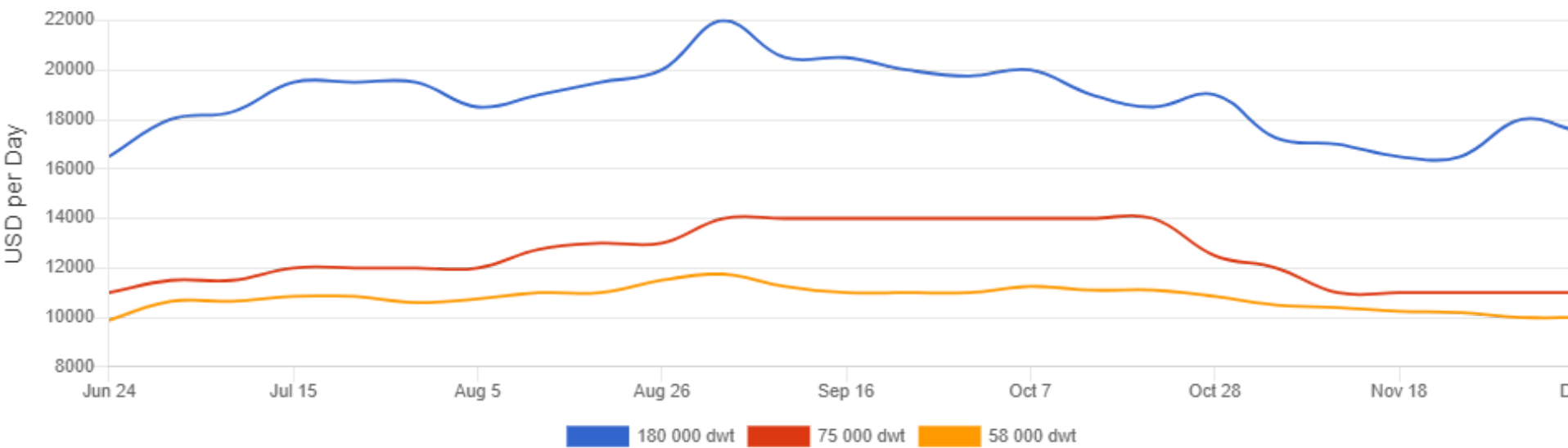
Atlantic RV	\$11,738	-\$416 ↓
Pacific RV	\$7,557	-\$672 ↓
TCT Cont/Far East	\$16,064	-\$443 ↓

1 Year T/C (USD/Day)

Capesize (180 000 dwt)	\$16,500	-\$1,000 ↓
Panamax (75 000 dwt)	\$10,500	-\$500 ↓
Supramax (58 000 dwt)	\$9,700	-\$300 ↓

Baltic Dry Index (BDI)	\$1,281
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1 Year T/C Dry Bulk



Gas

Chartering

The spread in owners’ earnings East vs West narrowed significantly with fixtures reported in the mid 110’s for Houston-Chiba. Together with a firming eastern shipping market we were getting close to a market equilibrium between the two sides of Suez. Then Aramco acceptances for January were finally announced last night with big delays. Some of the lifters were even asked to cancel or defer their liftings mainly due to upstream oil cuts. With more shipping length building from traders in 1H Jan these delays from Middle Eastern suppliers means that freight rates may come under pressure again. Same time it seems like the list of available re-lets in the West is decreasing in size, and as such we don’t expect the western shipping market to continue tumbling downward from here but rather flat out.

LPG Rates

Spot Market (USD/Month)

VLGC (84 000 cbm)	\$1,900,000	\$100,000 ↑
LGC (60 000 cbm)	\$1,000,000	\$0 →
MGC (38 000 cbm)	\$950,000	\$0 →
HDY SR (20-22 000 cbm)	\$650,000	\$0 →
HDY ETH (17-22 000 cbm)	\$720,000	\$10,000 ↑
ETH (8-12 000 cbm)	\$440,000	\$0 →
SR (6 500 cbm)	\$370,000	\$0 →
COASTER Asia	\$250,000	\$0 →
COASTER Europe	\$255,000	-\$10,000 ↓

LPG/FOB Prices - Propane (USD/Tonne)

FOB North Sea/ANSI	\$399.50	\$0.00 →
Saudi Arabia/CP	\$440.00	\$0.00 →
MT Belvieu (US Gulf)	\$267.00	-\$1.00 ↓
Sonatrach/Bethioua	\$405.00	\$0.00 →

LPG/FOB Prices - Butane (USD/Tonne)

FOB North Sea/ANSI	\$436.50	\$0.00 →
Saudi Arabia/CP	\$455.00	\$0.00 →
MT Belvieu (US Gulf)	\$327.00	\$66.00 ↑
Sonatrach/Bethioua	\$450.00	\$0.00 →

LNG Rates

Spot Market (USD/Day)

East of Suez 155-165 000 cbm	\$87,000	\$0 →
West of Suez 155-165 000 cbm	\$95,000	\$0 →
1 Year T/C 155-160 000 cbm	\$76,000	-\$1,000 ↓

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	\$49.5	\$0.0 →
Product	\$36.0	\$0.0 →
Capesize	\$51.0	\$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	\$36.5	\$0.0 →
Kamsarmax	\$23.0	\$0.0 →
Ultramax	\$21.5	\$0.0 →

Dry (10 yr)

Capesize	\$22.5	\$0.0 →
Kamsarmax	\$15.5	\$0.0 →
Ultramax	\$12.5	\$0.0 →

Wet (5 yr)

VLCC	\$77.0	\$0.0 →
Suezmax	\$53.0	\$0.0 →
Aframax / LR2	\$41.0	\$0.0 →
MR	\$29.0	\$0.0 →

Wet (10 yr)

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

Market Brief

Exchange Rates

USD/JPY	109.53	0.82 ↑
USD/KRW	1166.25	-25.10 ↓
USD/NOK	9.02	-0.15 ↓
EUR/USD	1.12	0.01 ↑

Interest Rates

LIBOR USD (6 months)	1.89%	0.01% ↑
NIBOR NOK (6 months)	1.87%	0.05% ↑

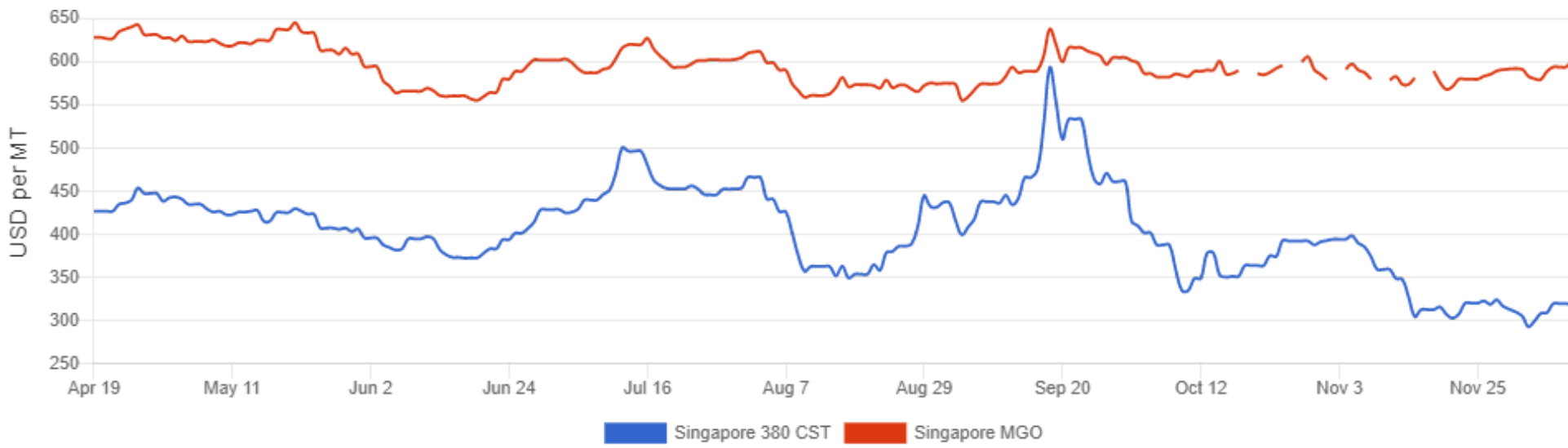
Commodity Prices

Brent Spot	\$66.10	\$1.71 ↑
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Bunkers Prices

Singapore 380 CST	\$338.5	\$16.0 <span>↑</span>
Singapore 180 CST	\$392.0	\$4.5 <span>↑</span>
Singapore Gasoil	\$628.5	\$31.0 <span>↑</span>

Rotterdam 380 CST	\$266.0	\$10.5 <span>↑</span>
Rotterdam 180 CST	\$296.5	\$9.5 <span>↑</span>
Rotterdam Gasoil	\$586.0	\$21.0 <span>↑</span>



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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