

# Fearnleys Weekly Report

**Week 18 - April 29, 2020**

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## **Tankers**

### **Comments**

### **VLCC**

The week gone has on the surface been a quiet-ish one for the VLCC's, with fal fixing stealing the limelight from the spot market. The question on everyone's r production cuts, or adherence to the agreement, would impact the May MEG p usual, and Ramadan not helping to speed things up, it has so far been more or the first half of the month. The Atlantic has been MIA, which has put further pr period fixtures has thus far not resulted in a significant reduction in tonnage av up better than feared, and plummeting bunker prices have by and large compe terms of daily earnings.

### **Suezmax**

The Suez market topped out end of last week with a number of deals done in t rate as charterers managed to regain momentum. Sentiment has taken a rather charterers looking to test the owners and with several FOC units in the west th east, although fundamentally better looking, it is more of the same with sentin it and charterers taking their time. Itineraries still play an important role, but rig ships in the west-med / GIB area that needs clearing before we can see any re

### **Aframax**

In the north sea we still see quite a few Aframax floating with BFOE grades. .

terminals seems to continue into the month of May. Despite a lot of tonnage tie up pressure due to lack of cargo activity and ships start piling up free of cargo load. The reason for this is that nearly everything of oil being transported goes on own k tankers. Charterers have their own relets in position for own cargoes. We therefore expect a pick-up in the coming week as there will be a lot of competition for any quoted cargo in the market. In the Mediterranean and Black Sea we saw rates continue their upward trend but the market has softened at the beginning of this week. There is still a few cargoes booked but however cargo activity is not sustaining the levels of last week. On the positive side we see a pick-up in FO-stems going East potentially sending ships away from the area, which could lead to a cut in the cargo program for May out of Black Sea. In the week to come we expect a pick-up in the cargo program for May out of Black Sea.

Rates

Dirty (Spot WS)

|                            |          |
|----------------------------|----------|
| MEG/WEST (280 000)         | WS 92.5  |
| MEG/Japan (280 000)        | WS 140.0 |
| MEG/Singapore (280 000)    | WS 142.5 |
| WAF/FEAST (260 000)        | WS 135.0 |
| WAF/USAC (130 000)         | WS 137.5 |
| Sidi Kerir/W Med (135 000) | WS 135.0 |
| N. Afr/Euromed (80 000)    | WS 230.0 |
| UK/Cont (80 000)           | WS 200.0 |
| Caribs/USG (70 000)        | WS 220.0 |

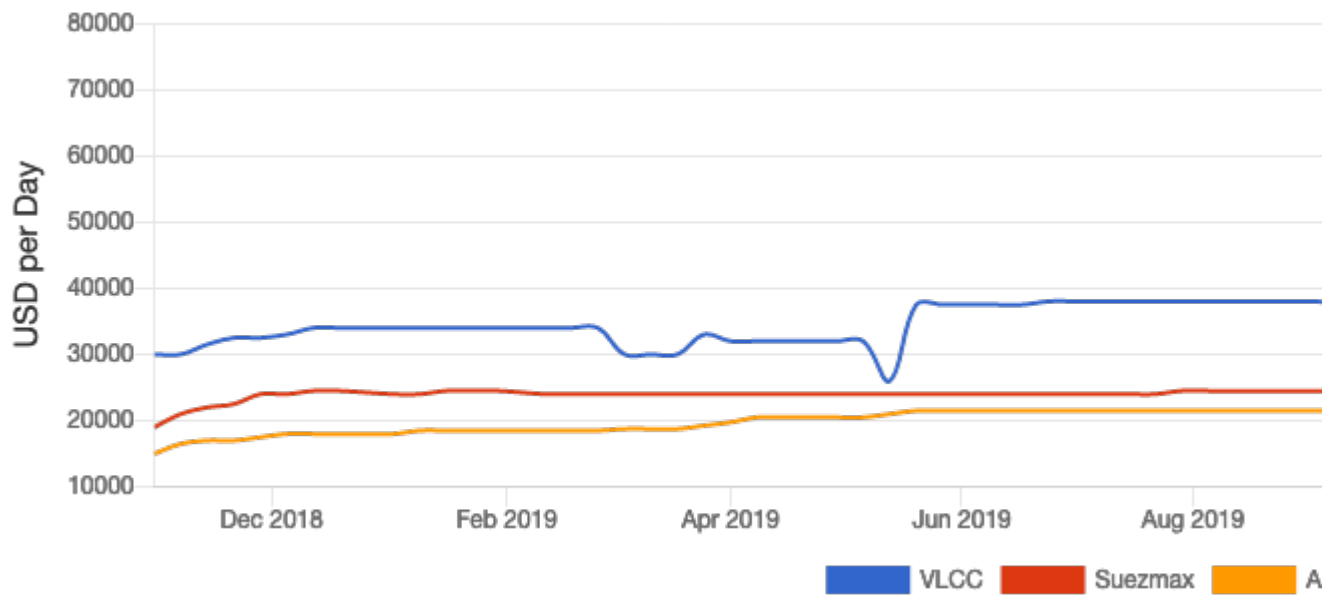
1 Year T/C (USD/Day)

|                  |           |
|------------------|-----------|
| VLCC (Modern)    | \$80000.0 |
| Suezmax (Modern) | \$45000.0 |
| Aframax (Modern) | \$34500.0 |

VLCC

|                                     |     |
|-------------------------------------|-----|
| VLCCs fixed in all areas last week  | 48  |
| VLCCs available in MEG next 30 days | 123 |

1 Year T/C Crude



Dry Bulk

Comments

Capesize

An active Pacific market towards the end of the week, with more volume of West Coast Australian coal. Although this increase in demand is not affecting rate level round is presently marked at USD 4,1 pmt more or less similar to last weeks level freight is approaching USD 10 pmt. On average index is down USD 1000 from last week.

**Panamax**

A very slow start to the week with an uneventful Atlantic market. Some Baltic cargo last done. The same goes for the uscec and usg market. In the Pacific we see the hard Usd 5500 bss North China delivery. The ECSA market is still in play and we see DOP or retro India-Spore range.

**Supramax**

The Supramax and Ultramax market showed resistance and rates started to increase from Brazil and Argentina was the main driver in the South Atlantic market. Arrivals with grain to Egypt for \$7,500 pd. For trip from Miss River to Japan an Ultramax. Continent and Mediterranean basins didn't see much of obvious improvement. Rates to West Africa around \$5 - 6,000 pd level and trip from W Africa to Med/ Bsea. Thus average earning for Supra in Atlantic about \$5-6,000 pd and somewhat higher in East flattened out and seen some premiums on the rates. We are coming from a market of \$4-5,000 pd. Supra fixed delivery S China was at \$4,000 pd for a trip via

**Rates**

**Capesize (USD/Day, USD/Tonne)**

|                             |          |
|-----------------------------|----------|
| TCE Cont/Far East (180 DWT) | \$19,250 |
| Australia – China           | \$4.1    |
| Pacific RV                  | \$6,679  |

**Panamax (USD/Day, USD/Tonne)**

|                          |          |
|--------------------------|----------|
| <b>Transatlantic RV</b>  | \$3,910  |
| <b>TCE Cont/Far East</b> | \$13,500 |
| <b>TCE Far East/Cont</b> | \$1,186  |
| <b>TCE Far East RV</b>   | \$5,824  |

**Supramax (USD/Day)**

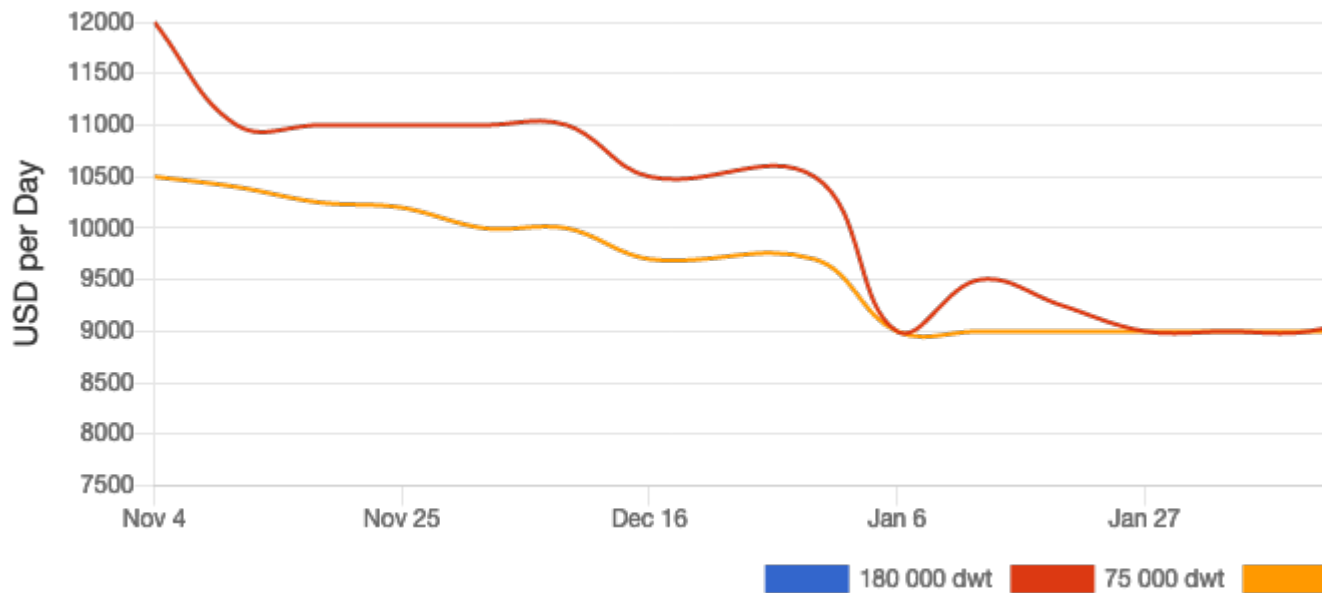
|                          |          |
|--------------------------|----------|
| <b>Atlantic RV</b>       | \$3,938  |
| <b>Pacific RV</b>        | \$4,800  |
| <b>TCE Cont/Far East</b> | \$10,561 |

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

|                                   |          |
|-----------------------------------|----------|
| <b>Newcastlemax (208 000 dwt)</b> | \$13,500 |
| <b>Capesize (180 000 dwt)</b>     | \$11,500 |
| <b>Kamsarmax (82 000 dwt)</b>     | \$9,750  |
| <b>Panamax (75 000 dwt)</b>       | \$8,750  |
| <b>Ultramax (64 000 dwt)</b>      | \$9,500  |
| <b>Supramax (58 000 dwt)</b>      | \$8,250  |

|                        |       |
|------------------------|-------|
| Baltic Dry Index (BDI) | \$643 |
|------------------------|-------|

1 Year T/C Dry Bulk



Gas

Chartering

WEST:  
As a result of bad weather in the Pacific and delays at disports in both East and West, many vessels were open in the final decade of May ex US have slipped into June. While there were only a few fixtures in the US in May, we count roughly 30 fixtures having been done for the month. It has now begun for June; these two things suggest that players are now mostly balanced. Rates are reasonably long going into June, with a mixture of relets and Owner-controlled fixtures. There is some pressure on rates in the short term.

While it is very difficult to make any assertions given the amount of black swan events, it is important to remember that a large number of liftings in the US must go ahead in June. A high number of liftings globally in the last couple of months and longer voyages may have a lagged bullish effect on rates.

EAST:  
The shipping market in the East has been very uneventful so far this week, and there is no word back of a freight tender from an oil major loading Australia.  
With the last rush of fixing that we saw a couple of weeks back, most market participants are now looking for a period of relative stability.

ahead of what’s considering the normal fixing window, and as a consequence t  
for a while. There are talks of a couple uncovered Indian requirements for loadi  
but would likely need some time before these can be firmed up. Meanwhile fre  
balanced with more Owner controlled tonnage available for rest of May, as opp

LPG Rates

Spot Market (USD/Month)

|                         |             |
|-------------------------|-------------|
| VLGC (84 000 cbm)       | \$1,650,000 |
| LGC (60 000 cbm)        | \$1,050,000 |
| MGC (38 000 cbm)        | \$875,000   |
| HDY SR (20-22 000 cbm)  | \$630,000   |
| HDY ETH (17-22 000 cbm) | \$700,000   |
| ETH (8-12 000 cbm)      | \$430,000   |
| SR (6 500 cbm)          | \$340,000   |
| COASTER Asia            | \$240,000   |
| COASTER Europe          | \$215,000   |

LPG/FOB Prices - Propane (USD/Tonne)

|                    |       |
|--------------------|-------|
| FOB North Sea/ANSI | \$152 |
| Saudi Arabia/CP    | \$230 |

|                      |       |
|----------------------|-------|
| MT Belvieu (US Gulf) | \$173 |
| Sonatrach/Bethioua   | \$155 |

LPG/FOB Prices - Butane (USD/Tonne)

|                      |       |
|----------------------|-------|
| FOB North Sea/ANSI   | \$120 |
| Saudi Arabia/CP      | \$240 |
| MT Belvieu (US Gulf) | \$139 |
| Sonatrach/Bethioua   | \$145 |

LNG Rates

Spot Market (USD/Day)

|                              |          |
|------------------------------|----------|
| East of Suez 155-165 000 cbm | \$33,000 |
| West of Suez 155-165 000 cbm | \$36,000 |
| 1 Year T/C 155-160 000 cbm   | \$47,000 |

Newbuilding

Activity Levels

|         |      |
|---------|------|
| Tankers | Slow |
|---------|------|

|                    |      |
|--------------------|------|
| <b>Dry Bulkers</b> | Slow |
| <b>Others</b>      | Slow |

**Prices**

|                          |         |
|--------------------------|---------|
| <b>VLCC</b>              | \$91.0  |
| <b>Suezmax</b>           | \$61.0  |
| <b>Aframax</b>           | \$49.5  |
| <b>Product</b>           | \$36.0  |
| <b>Newcastlemax</b>      | \$51.0  |
| <b>Kamsarmax</b>         | \$28.0  |
| <b>Ultramax</b>          | \$26.0  |
| <b>LNGC (MEGI) (cbm)</b> | \$188.5 |

**Sale & Purchase**

**Prices**

**Dry (5 yr)**

|                  |        |
|------------------|--------|
| <b>Capesize</b>  | \$36.0 |
| <b>Kamsarmax</b> | \$22.0 |
| <b>Ultramax</b>  | \$20.0 |

**Dry (10 yr)**

|           |        |
|-----------|--------|
| Capesize  | \$21.0 |
| Kamsarmax | \$15.5 |
| Ultramax  | \$12.0 |

**Wet (5 yr)**

|               |        |
|---------------|--------|
| VLCC          | \$77.0 |
| Suezmax       | \$53.0 |
| Aframax / LR2 | \$41.0 |
| MR            | \$29.0 |

**Wet (10 yr)**

|               |        |
|---------------|--------|
| VLCC          | \$51.5 |
| Suezmax       | \$37.0 |
| Aframax / LR2 | \$29.5 |
| MR            | \$18.0 |

**Market Brief**

**Exchange Rates**

|         |        |
|---------|--------|
| USD/JPY | 106.95 |
|---------|--------|

|                |         |
|----------------|---------|
| <b>USD/KRW</b> | 1225.10 |
| <b>USD/NOK</b> | 10.40   |
| <b>EUR/USD</b> | 1.08    |

**Interest Rates**

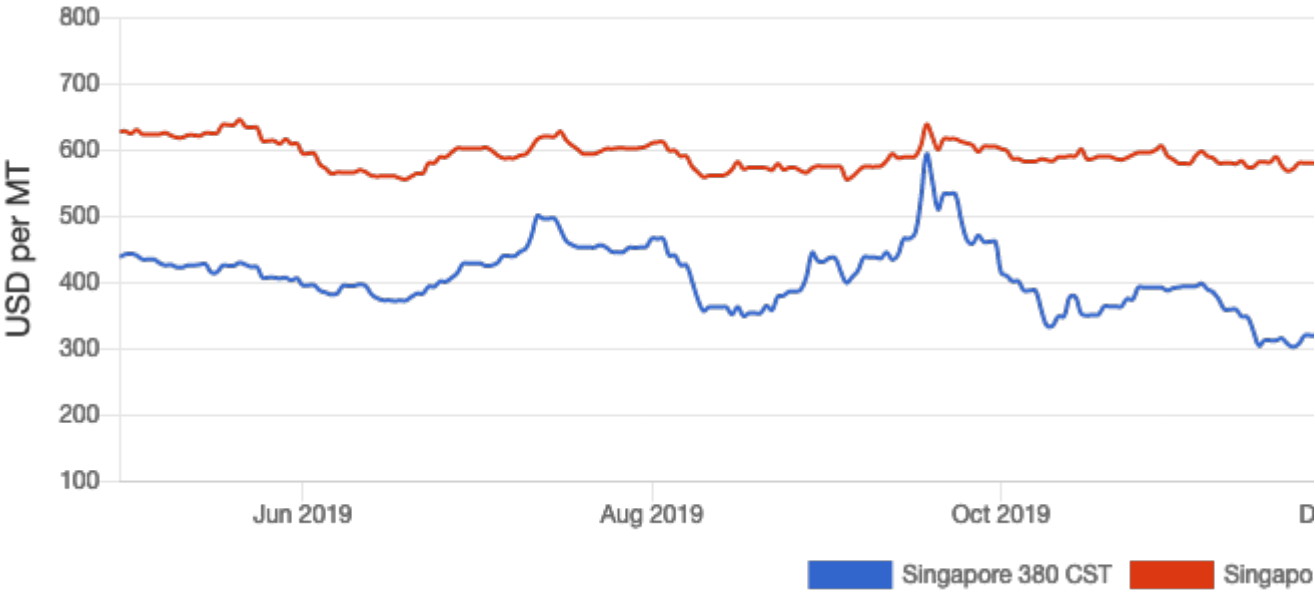
|                             |       |
|-----------------------------|-------|
| <b>LIBOR USD (6 months)</b> | 0.89% |
| <b>NIBOR NOK (6 months)</b> | 0.62% |

**Commodity Prices**

|                   |         |
|-------------------|---------|
| <b>Brent Spot</b> | \$20.50 |
|-------------------|---------|

**Bunkers Prices**

|                          |         |
|--------------------------|---------|
| <b>Singapore 380 CST</b> | \$158.0 |
| <b>Singapore Gasoil</b>  | \$218.5 |
| <b>Rotterdam 380 CST</b> | \$123.0 |
| <b>Rotterdam Gasoil</b>  | \$176.5 |



All rates published in this report do not necessarily reflect actual transaction estimates may be based on prevailing market conditions. In some circumstances based on theoretical assumptions of premium or discount for particular volumes.

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