

# Fearnleys Weekly Report

**Week 20 - May 13, 2020**

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## **Tankers**

### **Comments**

#### **VLCC**

The VLCC market is moving in a sideways fashion, still yielding daily earnings in a longer view has taken a hit after Saudi announced an additional “voluntary” output which was quickly supported by Kuwait and UAE committing to cut an additional output. And, needless to say, with the ongoing pandemic and surrounding restrictions, significantly for quite some time yet. Thus, a certain “urgency” is becoming evident for susceptible owners. As such we see little or no upside going forward, unless we see a move in WTI contracts due to settle next week.

#### **Suezmax**

The Suezmax market is still trying to find its balance. The moment we think it increases, and we have another peak. This time might be different though. The West, but we will have a massive list in the East going into next week. In the W Black Sea being most active, keeping the market at decent levels. North Sea has opening up there, have need to ballast south for cargoes. Going forward we expect stable, at least if we compare it to previous months.

#### **Aframax**

With a large proportion of available vessels on the tonnage list in the North Sea a result less spot cargoes in the market. As activity cooled off a little rates can

level. This week we have seen a bit more activity and owners holding back and each cargo being proposed. Sentiment has changed a bit and we could see rat come. In the Mediterranean and Black Sea, we have seen some activity this week with cargoes coming into the market, among them quite a few FO stems with option tonnage list is still long and with a number of ships available in the natural fixin remained at steady levels throughout the week. In the week to come we expect sideways, if not a slightly softening trend.

**Rates**
**Dirty (Spot WS)**

<b>MEG/WEST (280 000)</b>	WS 35.0
<b>MEG/Japan (280 000)</b>	WS 60.0
<b>MEG/Singapore (280 000)</b>	WS 61.0
<b>WAF/FEAST (260 000)</b>	WS 57.5
<b>WAF/USAC (130 000)</b>	WS 92.5
<b>Sidi Kerir/W Med (135 000)</b>	WS 85.0
<b>N. Afr/Euromed (80 000)</b>	WS 125.0
<b>UK/Cont (80 000)</b>	WS 110.0
<b>Caribs/USG (70 000)</b>	WS 145.0

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

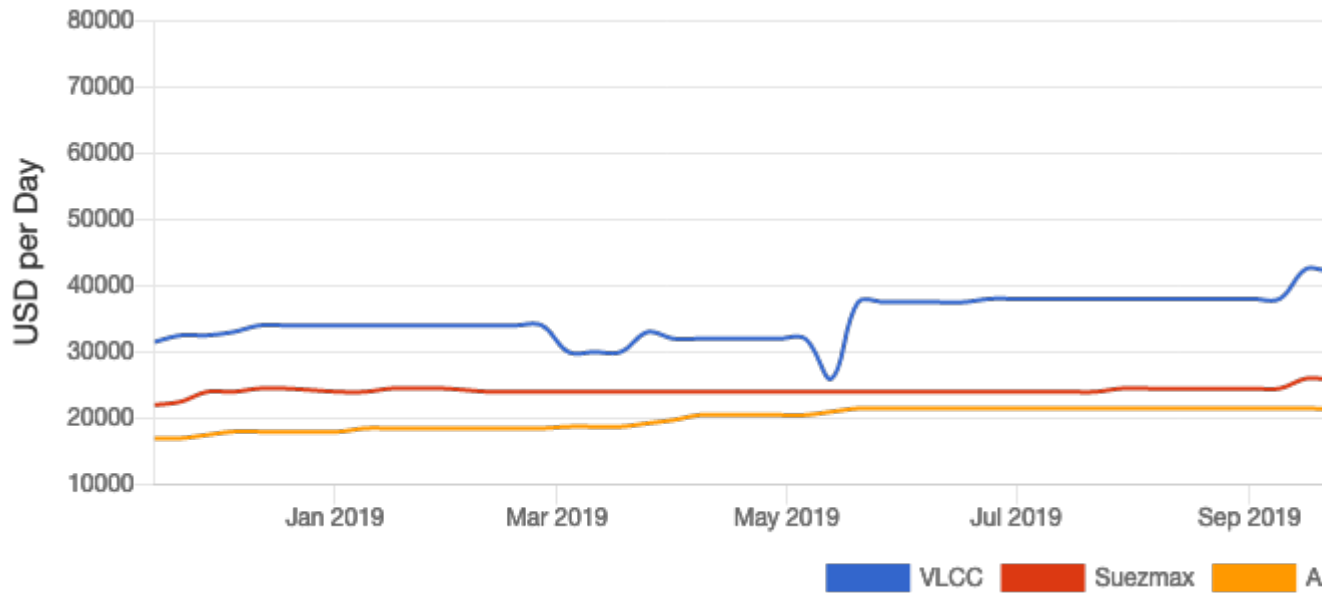
<b>VLCC (Modern)</b>	\$80000.0
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Suezmax (Modern)	\$40000.0
Aframax (Modern)	\$32000.0

VLCC

VLCCs fixed in all areas last week	46
VLCCs available in MEG next 30 days	100

1 Year T/C Crude



- Dry Bulk
- Comments
- Capesize

The heavy drop continued this week with the Brazil-China route still suffering a routes for this segment are down by 19% on voyage basis (c3) and down by 62 activity in other segments gives no support to the basket pricing, which is dow

We now see levels stabilizing as it is simply no margins left before we go into r  
still a lot of available tonnage so it's unlikely to see a significant increase in rate

**Panamax**

With most countries back from holidays, this week has seen more fixing activit  
specific trades. The tonnage list is still long thus it will take time before we will  
however some positive signs are appearing. In the Atlantic we see rounds still l  
ECSA/Far East candidates are being paid around USD 12k + 200k GBB. In the l  
fixed at around 6-7k bss China delivery. Some period fixtures have been report

**Supramax**

Another uneventful week with Cape market close to zero level. Asian holiday la  
beginning of this week, and Corona effect continue to have negative impact ac  
more hopes for Panamax and Kamsarmax that could lead to Supra/Ultramax n  
Asia ranges from USD 5,000-7,000 pd for Pacific round voyages with small up  
was quiet and weak. USG suffers most pressure compare to other areas. From  
fixed USD 5,000 TCT to Mediterranean. Supra delivery Durban via PE was fixe  
TCT to China.

**Rates**

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

TCE Cont/Far East (180 DWT)	\$10,830
Australia – China	\$3.6
Pacific RV	\$2,563

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

Transatlantic RV	\$2,395
TCE Cont/Far East	\$11,386
TCE Far East/Cont	\$1,200
TCE Far East RV	\$6,048

**Supramax (USD/Day)**

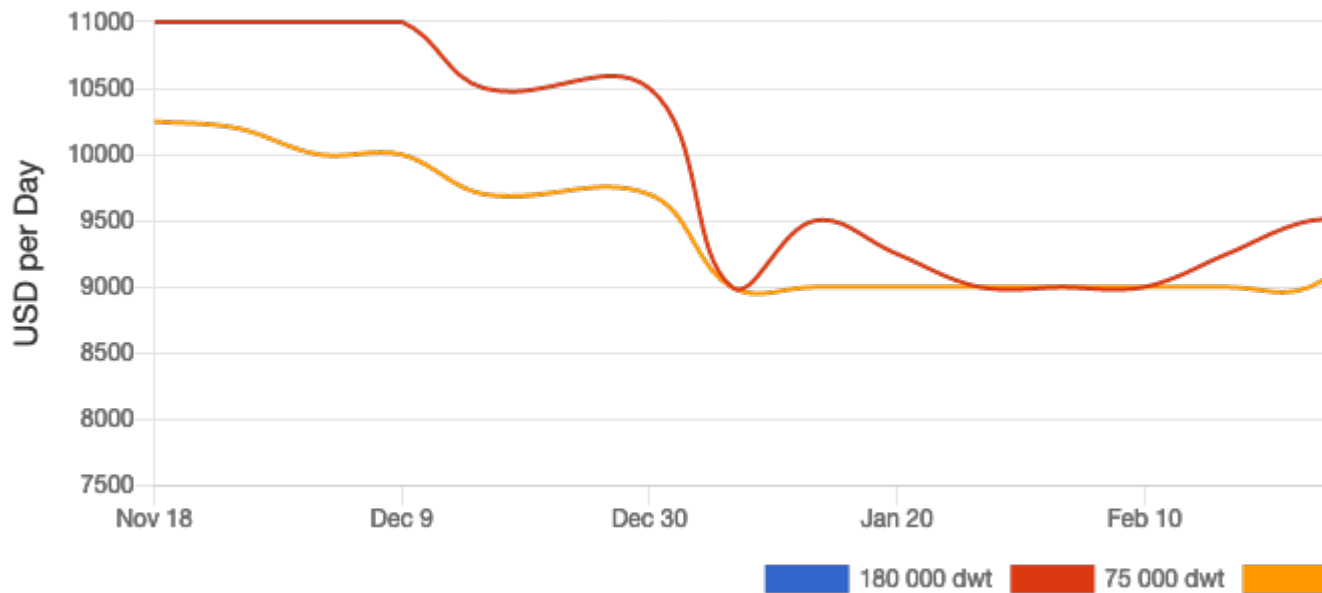
Atlantic RV	\$3,780
Pacific RV	\$5,157
TCE Cont/Far East	\$12,607

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

Newcastlemax (208 000 dwt)	\$12,500
Capesize (180 000 dwt)	\$10,500
Kamsarmax (82 000 dwt)	\$9,250
Panamax (75 000 dwt)	\$8,000
Ultramax (64 000 dwt)	\$9,500
Supramax (58 000 dwt)	\$8,000

Baltic Dry Index (BDI)	\$398
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1 Year T/C Dry Bulk



Gas

Chartering

EAST

Market liquidity has been limited East of Suez this week: on the supply side, a spread throughout May and into June has increased competition between our charterers see a falling baltic and a lengthy positions list and feel there is no pr necessary to do so.

Reduced market activity has made it difficult to say exactly how freight should heard to fix in a 2002-blt vessel at \$45 Ras Tanura/Chiba for early June while a market with a requirement for end May. Although not necessarily the best ben these two things as a reference before the release of Saudi acceptances early r

WEST

In the West, there is a gap between the expectations of charterers, who can't j current netback econs, and those of Owners, who find it difficult to accept frei done. The result of this is a longer positions list with a fair share of relets and a sale throughout June in the US. There has been no news of cancellations in 1H . they are able to leverage that to get better rates for the earlier part of the mor

opinion that weak product sentiment globally means that concessions will need addition of ethane carriers into the VLGC market this week will put further pressure more competitive when it comes to pricing.

**LPG Rates**

**Spot Market (USD/Month)**

VLGC (84 000 cbm)	\$1,250,000
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	\$245,000
COASTER Europe	\$190,000

**LPG/FOB Prices - Propane (USD/Tonne)**

FOB North Sea/ANSI	\$200
Saudi Arabia/CP	\$340
MT Belvieu (US Gulf)	\$207

Sonatrach/Bethioua	\$210
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LPG/FOB Prices - Butane (USD/Tonne)

FOB North Sea/ANSI	\$136
Saudi Arabia/CP	\$340
MT Belvieu (US Gulf)	\$167
Sonatrach/Bethioua	\$195

LNG Rates

Spot Market (USD/Day)

East of Suez 155-165 000 cbm	\$31,000
West of Suez 155-165 000 cbm	\$35,000
1 Year T/C 155-160 000 cbm	\$44,000

Newbuilding

Activity Levels

Tankers	Slow
Dry Bulkers	Slow
Others	Slow



Prices

VLCC	\$91.0
Suezmax	\$61.0
Aframax	\$49.5
Product	\$36.0
Newcastlemax	\$51.0
Kamsarmax	\$28.0
Ultramax	\$26.0
LNGC (MEGI) (cbm)	\$188.5

Sale & Purchase

Prices

Dry (5 yr)

Capesize	\$36.0
Kamsarmax	\$22.0
Ultramax	\$20.0

Dry (10 yr)

Capesize	\$21.0
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<b>Kamsarmax</b>	\$15.5
<b>Ultramax</b>	\$12.0

**Wet (5 yr)**

<b>VLCC</b>	\$77.0
<b>Suezmax</b>	\$53.0
<b>Aframax / LR2</b>	\$41.0
<b>MR</b>	\$29.0

**Wet (10 yr)**

<b>VLCC</b>	\$51.5
<b>Suezmax</b>	\$37.0
<b>Aframax / LR2</b>	\$29.5
<b>MR</b>	\$18.0

**Market Brief**

**Exchange Rates**

<b>USD/JPY</b>	107.24
<b>USD/KRW</b>	1224.85
<b>USD/NOK</b>	10.15

EUR/USD	1.09
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**Interest Rates**

LIBOR USD (6 months)	0.66%
NIBOR NOK (6 months)	0.34%

**Commodity Prices**

Brent Spot	\$30.00
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**Bunkers Prices**

Singapore 380 CST	\$170.5
Singapore Gasoil	\$259.0
Rotterdam 380 CST	\$159.0
Rotterdam Gasoil	\$245.0



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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