

Fearnleys Weekly Report

Week 22 - May 27, 2020

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Tankers

Comments

VLCC

With increased demand China is sourcing more and more supply from the Atla cargoes, adding to ton mile and thinning the MEG position list. Add to that a d with corresponding compressed activity, and the VLCC market was rigged for the very high WS 40's for the benchmark MEG/East route, rates have since shc a WS 64.5 paid for a MEG/China run, and WS 62.5 from West Africa for same c bunker prices are capping some of the gains, but sentiment is a strong driver a cargoes, remaining rates could easily continue to tick up.

Suezmax

Similar to last week, Suezmaxes are struggling all over, with no place to hide at short voyages, or wait it out. The tonnage list in the Atlantic is long, but not ho hand, it looks terrible. Two weeks of almost no activity has built up a list we ha 30-day count in the MEG shows 141 ships on paper, which will make most owne difficult to find any positive signs at all, but things have started happening with the right direction, which should spill over into the Suezmax segment. Additior in Libya as well. It remains to be seen if this is sustainable, but getting Libya ba plus.

Aframax

In the North Sea and Baltic market, we have seen a significant downward correction of activity and even relets are now competing over the few available market capacity. We expect rate levels to dip further and then hover around bottom levels in the short term recovery just yet. The Mediterranean and Black Sea market has more or less managed to hold prompt ships pile up in the area and little activity from charterers has made it difficult to exert upward pressure on rates. At the time of writing, a cross-Med voyage currently returns owners a TCE return of around USD 15,000 per day. One to follow going forward is crude oil activity from Libya.

Rates
Dirty (Spot WS)

MEG/WEST (280 000)	WS 35.0
MEG/Japan (280 000)	WS 65.0
MEG/Singapore (280 000)	WS 67.5
WAF/FEAST (260 000)	WS 62.5
WAF/USAC (130 000)	WS 67.5
Sidi Kerir/W Med (135 000)	WS 65.0
N. Afr/Euromed (80 000)	WS 82.5
UK/Cont (80 000)	WS 95.0
Caribs/USG (70 000)	WS 90.0

1 Year T/C (USD/Day)

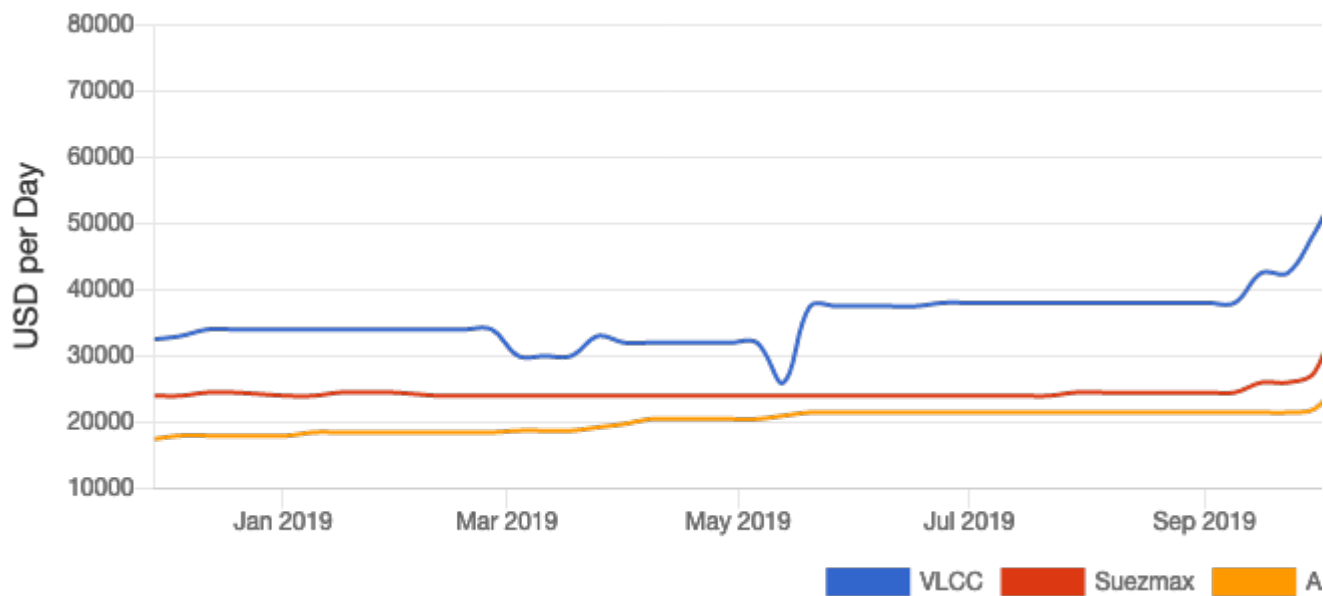
VLCC (Modern)	\$77500.0
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Suezmax (Modern)	\$31500.0
Aframax (Modern)	\$26000.0

VLCC

VLCCs fixed in all areas last week	62
VLCCs available in MEG next 30 days	101

1 Year T/C Crude



Dry Bulk

Comments

Capesize

After last week’s «push», the market started to slide prior the long weekend for so this week. Week on week the Australia-China iron ore route is down by 10% down by 4%. The Brazil-China route has been very quiet and value more or less:

sentiment is also negative for this trade. There has been some period activity, but owners hardly see it as a good timing to go for fixed priced.

Panamax

The Panamax market has seen a very quiet start to the week with holidays end. Although we've seen some rate increase it is a flat tendency with more cargoes. Available tonnage is still outnumbering the requirements. TA's are now fetching being fixed in region 11,000-12,000. In the Pacific, rounds are being fixed in region and duration.

Supramax

Another positive week for the Supramax market with Baltic Index climbing slowly, somehow disrupted to the widespread holidays. South East Asia and India have 63,000 dwt was fixed from EC India to China with iron ore at USD 13,000 pd. A was fixed at USD 9,500 pd for a trip via ECI to China. The Pacific market gains were able to obtain around USD 1,000 premium compared to last week's rates. Markets were comparably quiet again due to the holidays across Europe. Owners asking USD 12,000 for trips to India and Far East. USG still suffers lack of cargo USD 9,000 pd from USEC to China. ECSA see slightly better returns with rates 110,000 GBB Ultramax.

Rates

Capesize (USD/Day, USD/Tonne)

TCE Cont/Far East (180 DWT)	\$15,320
Australia – China	\$4.3
Pacific RV	\$5,488

Panamax (USD/Day, USD/Tonne)

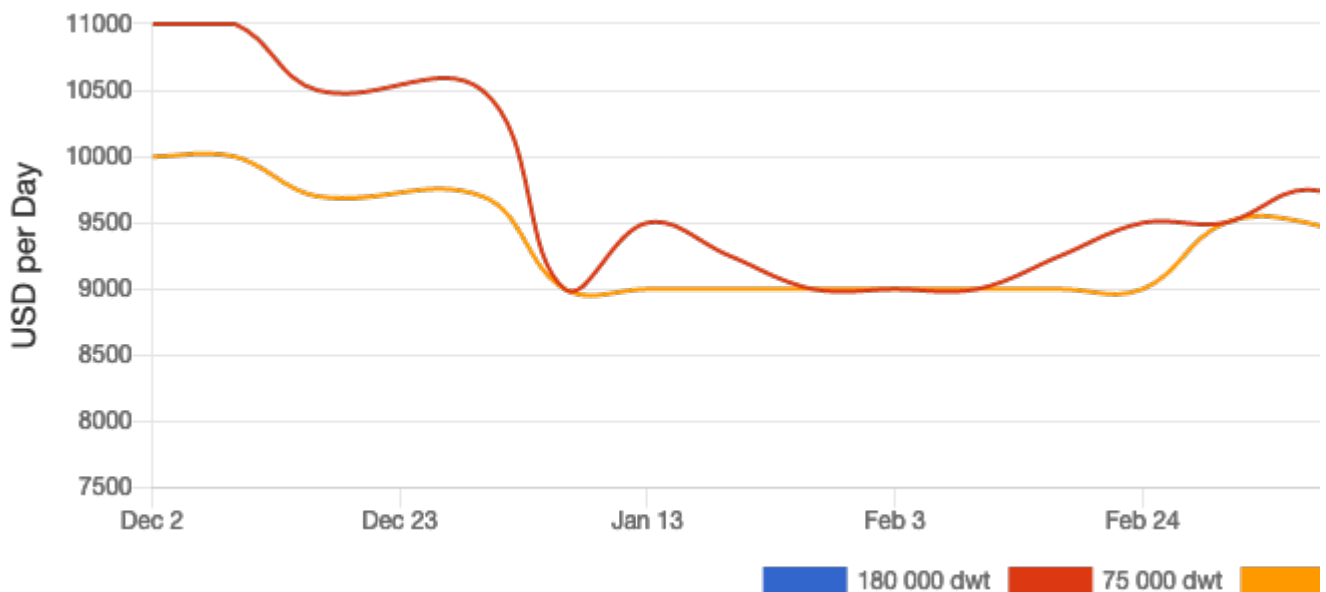
Transatlantic RV	\$2,255
TCE Cont/Far East	\$11,582
TCE Far East/Cont	\$1,388
TCE Far East RV	\$6,973

Supramax (USD/Day)

Atlantic RV	\$3,758
Pacific RV	\$6,214
TCE Cont/Far East	\$12,086

1 Year T/C (USD/Day)

Newcastlemax (208 000 dwt)	\$13,500
Capesize (180 000 dwt)	\$11,500
Kamsarmax (82 000 dwt)	\$9,500
Panamax (75 000 dwt)	\$8,250
Ultramax (64 000 dwt)	\$10,000
Supramax (58 000 dwt)	\$8,500
Baltic Dry Index (BDI)	\$502

1 Year T/C Dry Bulk**Gas****Chartering****EAST**

The week got off to a quiet start with several countries on public holiday on Monday, and a few ships being fixed away for 2nd decade June loading in the Middle East. A few more ships are reported in the lower USD 30s Baltic, and with a continuous lengthy list of available tonnage, chartering will continue to be under pressure. As this trend seems set to continue for current fixtures, owners have decided to send more ships back West via Cape hoping for better rates. There are talks of a few more uncovered cargoes from Indian majors during mid-March, but until writing it remains to be seen how many of these that can actually be firmed up.

WEST

Activity at the start of this week has been limited, with most of the West having a handful of fixtures and FOB transactions has meant that the positions list is a little tight. It remains on the long side with a combination of owner-controlled ships and tonnage fixed for June. There is still a slightly bearish sentiment as a consequence.

Some charterers will be waiting for the release of US stats tomorrow before making decisions on freight. However, given freight length and the fact that inquiries are still focused on May, it might be that charterers will remain relaxed and could be prompted.

LPG Rates

Spot Market (USD/Month)

VLGC (84 000 cbm)	\$700,000
LGC (60 000 cbm)	\$850,000
MGC (38 000 cbm)	\$735,000
HDY SR (20-22 000 cbm)	\$630,000
HDY ETH (17-22 000 cbm)	\$730,000
ETH (8-12 000 cbm)	\$410,000
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)	\$237
Sonatrach/Bethioua	\$210

LPG/FOB Prices - Butane (USD/Tonne)

FOB North Sea/ANSI	\$136
Saudi Arabia/CP	\$340
MT Belvieu (US Gulf)	\$206
Sonatrach/Bethioua	\$195

LNG Rates

Spot Market (USD/Day)

East of Suez 155-165 000 cbm	\$30,000
West of Suez 155-165 000 cbm	\$32,000
1 Year T/C 155-160 000 cbm	\$43,000

Newbuilding

Activity Levels

Tankers	Slow
Dry Bulkers	Slow
Others	Slow

Prices

VLCC	\$90.0
Suezmax	\$60.0
Aframax	\$49.0
Product	\$35.5
Newcastlemax	\$50.0
Kamsarmax	\$27.5
Ultramax	\$25.5
LNGC (MEGI) (cbm)	\$183.5

Sale & Purchase

Prices

Dry (5 yr)

Capesize	\$35.0
Kamsarmax	\$21.0
Ultramax	\$20.0

Dry (10 yr)

Capesize	\$20.0
Kamsarmax	\$14.5

Ultramax	\$11.5
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Wet (5 yr)

VLCC	\$72.0
Suezmax	\$50.0
Aframax / LR2	\$40.0
MR	\$27.5

Wet (10 yr)

VLCC	\$50.0
Suezmax	\$35.0
Aframax / LR2	\$28.0
MR	\$18.0

Market Brief

Exchange Rates

USD/JPY	107.60
USD/KRW	1234.30
USD/NOK	9.88
EUR/USD	1.10

Interest Rates

LIBOR USD (6 months)	0.57%
NIBOR NOK (6 months)	0.39%

Commodity Prices

Brent Spot	\$35.00
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Bunkers Prices

Singapore 380 CST	\$218.5
Singapore Gasoil	\$308.0
Rotterdam 380 CST	\$203.0
Rotterdam Gasoil	\$292.0



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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