

# Fearnleys Weekly Report

**Week 23 - June 03, 2020**

**Printer version**

**Tankers**

**Comments**

**VLCC**

June is generally a happy month, and if it hadn't been for Covid-19 we'd all be in Greece now. That said the weather in Oslo has been better than Greece in the last few days, with clouds on the horizon, as is the case in the VLCC market. With rates having soared, all but a couple of points have now been negated. MEG/east is currently standing at 2.5-5 points older tonnage, and 2.5-5 points more for a modern unit. Still quite a healthy demand to shore up rates. However, everything is interconnected and unless the rot is stopped in the western hemisphere will inevitably follow suit. Bunker prices have also gone up, denting daily earnings further - although still yielding somewhere in the range of the ship's attributes and the voyage in question.

**Suezmax**

The Suezmax market is continuing the downward spiral from last week. The 30 day charter is at the highest year to date. For Owners this means one thing - there is now no room for \$20k/day and Owners now need to focus on minimizing their waiting time and we don't see any signs of improvement going forward either, so for this market to survive would probably need rates to come down to a level where Owners would rather wait than charter.

**Aframax**

As expected we have seen rates in the North Sea and Baltic come off significantly.

more vessels are entering the market as there is no further incentive for storage. congested import terminals turnaround has picked up again and vessels are difficult to get. So with an abundance of available tonnage we expect the downward pressure to continue this week.

In the Mediterranean and Black Sea we have seen the market move sideways a Charterers side is just enough to keep the market balanced. At the time of writing charter rates are just below WS 80, while fixtures ex Bsea have been repeated several times at WS 90. Owners choose not to flee to surrounding markets such as USG and the Caribbean at the moment. As available tonnage keeps piling up in the area we expect the market to continue to come under pressure.

### Rates

#### Dirty (Spot WS)

<b>MEG/WEST (280 000)</b>	WS 35.0
<b>MEG/Japan (280 000)</b>	WS 57.5
<b>MEG/Singapore (280 000)</b>	WS 58.0
<b>WAF/FEAST (260 000)</b>	WS 60.0
<b>WAF/USAC (130 000)</b>	WS 55.0
<b>Sidi Kerir/W Med (135 000)</b>	WS 60.0
<b>N. Afr/Euromed (80 000)</b>	WS 77.5
<b>UK/Cont (80 000)</b>	WS 75.0
<b>Caribs/USG (70 000)</b>	WS 65.0

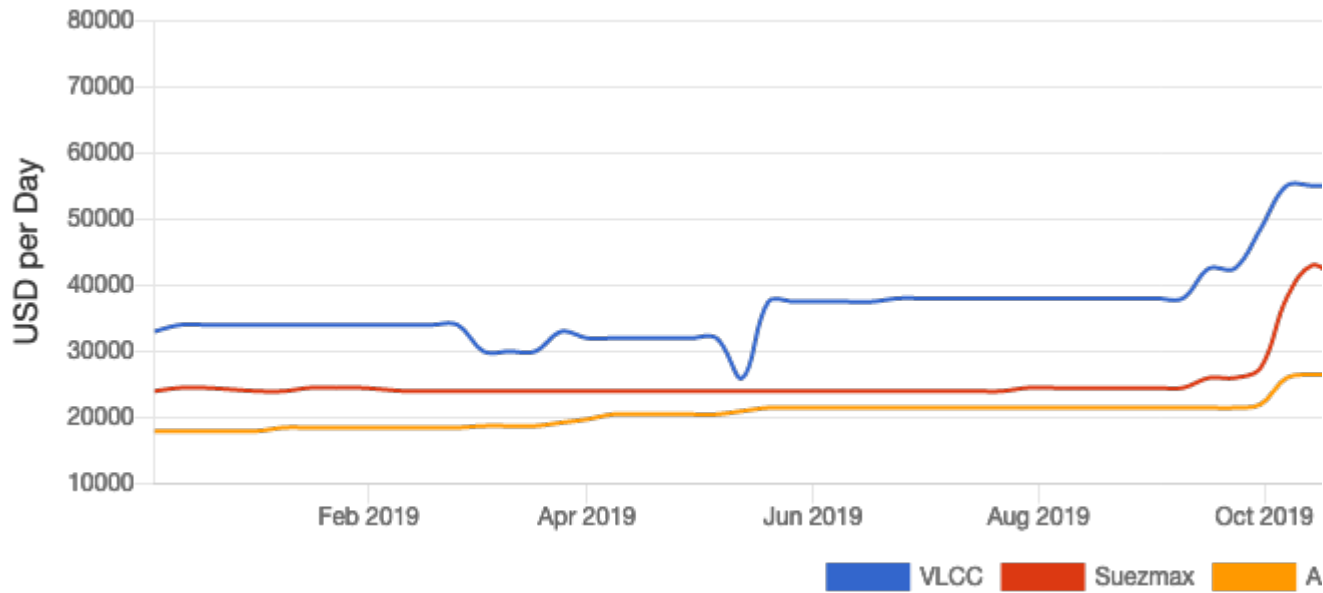
#### 1 Year T/C (USD/Day)

VLCC (Modern)	\$60000.0
Suezmax (Modern)	\$31500.0
Aframax (Modern)	\$25000.0

VLCC

VLCCs fixed in all areas last week	65
VLCCs available in MEG next 30 days	110

1 Year T/C Crude



Dry Bulk

Comments

Capesize

There is finally a more positive trend for the Capes. The average index is USD 5 itself but more interesting is it up excess USD 1,000 in one day. West Australia being fixed in the low USD 5's, up from low USD 4's last week. C3 has been mo freight presently in the low -mid 9's, up from low 8s last week. Period interest i overall a more positive feeling.

**Panamax**

A slow start to the week with most European countries on holiday beginning w with rates slowly climbing – mostly led by Fhaul grain cgos re entering the mrk We also see an increased demand for shorter TA's with coal and iore cgos back around mid/high 3k while the Fhauls again climbed above the 13k mark. In the with EC Indian cgos putting pressure on the other trades as well. NoPac round 7,5-8k.

**Supramax**

Slow start to the week with holidays in many European countries and little con Atlantic USG to Feast, is paying around USD 11000, while same from ECSA is ti gbb. Any TA is paying owners around USD 6000, while Med fh is as well paying Ocean, for ECI/Bdesh trip to Seasia the levels is in the high USD 10k-11000. Me around USD 8000.

**Rates**

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

TCE Cont/Far East (180 DWT)	\$17,030
Australia – China	\$5.0
Pacific RV	\$7,713

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

<b>Transatlantic RV</b>	\$3,430
<b>TCE Cont/Far East</b>	\$13,318
<b>TCE Far East/Cont</b>	\$1,521
<b>TCE Far East RV</b>	\$7,662

**Supramax (USD/Day)**

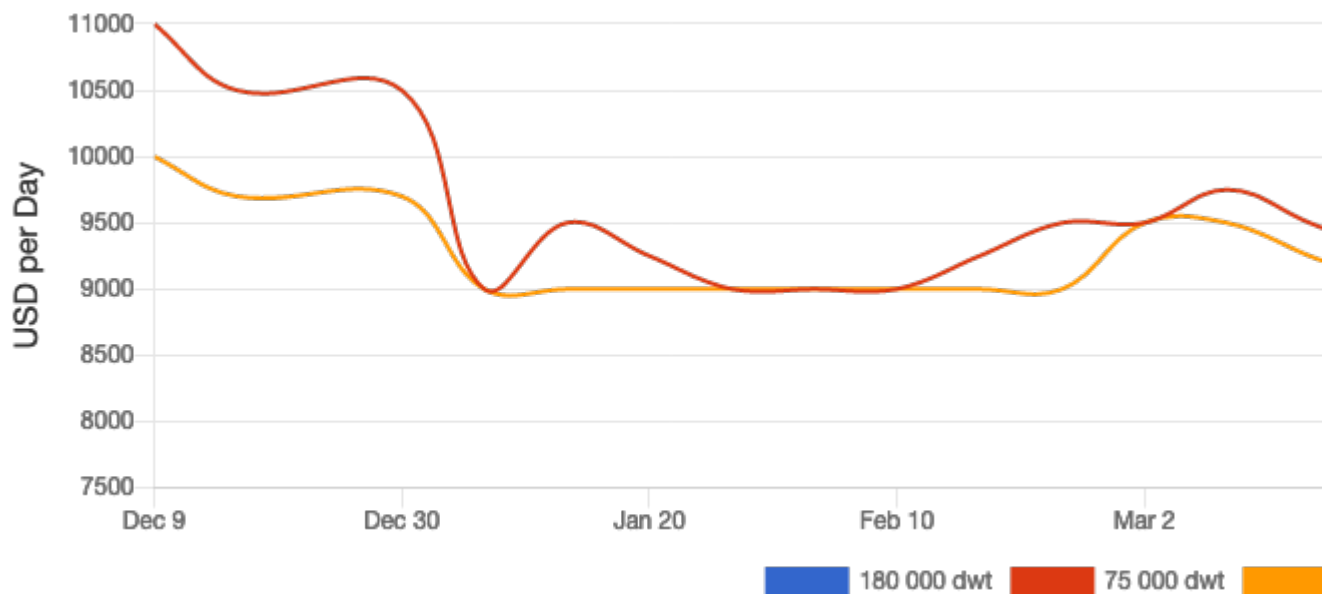
<b>Atlantic RV</b>	\$3,782
<b>Pacific RV</b>	\$6,189
<b>TCE Cont/Far East</b>	\$11,571

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

<b>Newcastlemax (208 000 dwt)</b>	\$14,500
<b>Capesize (180 000 dwt)</b>	\$12,500
<b>Kamsarmax (82 000 dwt)</b>	\$9,750
<b>Panamax (75 000 dwt)</b>	\$8,500
<b>Ultramax (64 000 dwt)</b>	\$10,000

Supramax (58 000 dwt)	\$8,500
Baltic Dry Index (BDI)	\$592

1 Year T/C Dry Bulk



Gas

Chartering

EAST

A few cargoes are being worked in MEG and some have been placed on subs s activity including FOB tenders and a few Indian bound cargoes, length remains widely spread across the month. We also continue to see more owners sending Nevertheless, the question now seems to be where we will find the freight floor below break-even levels.

WEST

Freight rates West of Suez have continued to come under some pressure this v now some \$40pmt cheaper than they were a month ago, waiting time is conside for much of the past year. This might be one factor in why owners have continu been reluctant to be too competitive on freight in recent weeks. Consequently, more success in reducing their freight exposure in June, with owners looking lc turns towards July. While owners’ decision to slow steam ships will help to stre

ultimately there is still the sense that rates have further to fall. The extent to w  
how aggressive owners choose to be when the next round of fixing commence

**LPG Rates**

**Spot Market (USD/Month)**

VLGC (84 000 cbm)	\$600,000
LGC (60 000 cbm)	\$800,000
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	\$250,000
COASTER Europe	\$190,000

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

FOB North Sea/ANSI	\$248
Saudi Arabia/CP	\$350
MT Belvieu (US Gulf)	\$257

Sonatrach/Bethioua	\$255
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LPG/FOB Prices - Butane (USD/Tonne)

FOB North Sea/ANSI	\$222
Saudi Arabia/CP	\$330
MT Belvieu (US Gulf)	\$220
Sonatrach/Bethioua	\$245

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	\$89.0
Suezmax	\$59.0
Aframax	\$48.5
Product	\$35.0
Newcastlemax	\$49.0
Kamsarmax	\$27.0
Ultramax	\$25.0
LNGC (MEGI) (cbm)	\$183.0

Sale & Purchase

Prices

Dry (5 yr)

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

Dry (10 yr)

Capesize	\$20.0
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Kamsarmax	\$14.5
Ultramax	\$11.5

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	108.59
USD/KRW	1225.40
USD/NOK	9.53

EUR/USD	1.12
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**Interest Rates**

LIBOR USD (6 months)	0.50%
NIBOR NOK (6 months)	0.40%

**Commodity Prices**

Brent Spot	\$39.50
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**Bunkers Prices**

Singapore 380 CST	\$230.5
Singapore Gasoil	\$322.5

Rotterdam 380 CST	\$223.5
Rotterdam Gasoil	\$305.0



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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