

Fearnleys Weekly Report

Week 24 - June 10, 2020

Printer version

Tankers

Comments

VLCC

The VLCC market failed to capitalize fully on the upward momentum from Friday MEG/China. Numerically activity has been healthy, but most have been Chinese deals, leaving little to choose from for independent owners. The owning comm high, however, and a W60 concluded midweek – on an oil company relet to boost strength. There are still discounts to be had from the vintage fraternity, but a V MEG/Vietnam on a '03 built unit is not a giveaway either. Rumours of a mass U traded from Venezuela failed to materialize, but the threat of same has cautioned rate levels. Continued OPEC+ cuts through July does not indicate a turnaround earnings in the high \$40k's per day is nevertheless miles ahead of those of the cover OPEX.

Suezmax

The Suezmax market has been down in the gutter for some weeks now and this market managed to stop the falling trend with help from the low VLCC market taking 10 Suezmaxes out of the market, but unfortunately that was not enough. Even with more activity, and 20-25 ships held up in Chinese ports awaiting discharge for meg/east. In the west we have seen an increase in activity as well, but due to still coming off and TCE's on a TD20 run is down towards 16k \$/day. Going forward going anywhere, unless we see more news on Venezuela sanctions which seem

Aframax

Aframaxes trading in the North Sea and Baltic area have seen rates hit rock bottom. With the current lack of activity and even oil company relets looking for improvements in the near future.

In the Mediterranean and Black Sea rates have slowly crumbled down another the week. TCE's on benchmark routes have fallen below OPEX levels and the gap that we are seeing bottom levels. In the week to come we expect the market to still seeing a long tonnage list.

Rates**Dirty (Spot WS)**

MEG/WEST (280 000)	WS 32.5
MEG/Japan (280 000)	WS 58.0
MEG/Singapore (280 000)	WS 59.0
WAF/FEAST (260 000)	WS 59.0
WAF/USAC (130 000)	WS 47.5
Sidi Kerir/W Med (135 000)	WS 47.5
N. Afr/Euromed (80 000)	WS 65.0
UK/Cont (80 000)	WS 72.5
Caribs/USG (70 000)	WS 70.0

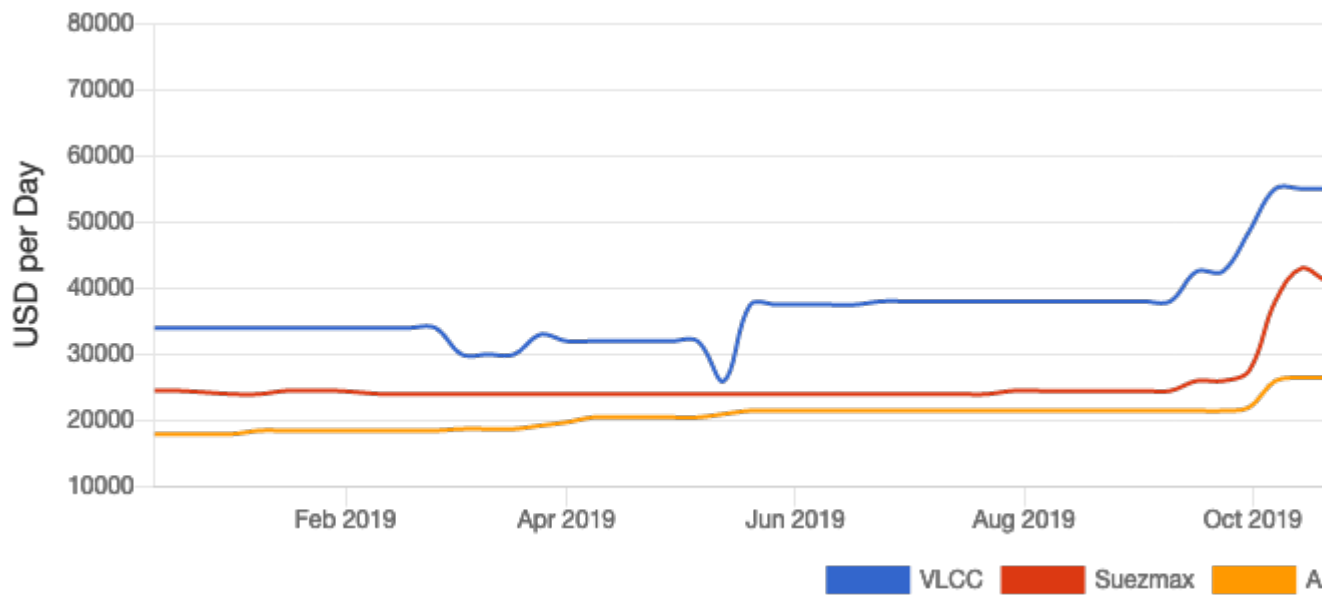
1 Year T/C (USD/Day)

VLCC (Modern)	\$60000.0
Suezmax (Modern)	\$30000.0
Aframax (Modern)	\$23000.0

VLCC

VLCCs fixed in all areas last week	50
VLCCs available in MEG next 30 days	121

1 Year T/C Crude



Dry Bulk

Comments

Capesize

Sentiment still positive as iron ore prices at multi-year highs. West Australian iron ore prices are still high in the Pacific and we see the hire rates on vessels shipping the commodity doubling : still some prompt tonnage left keeping hire levels lower than Pacific, however we expect this to continue further though Brazil is experiencing the COVID-19 setback. The charter basket of all routes is up by 74% from Wednesday last week.

Panamax

It was a slow start to the week across both hemispheres with Fhaults keeping shipping rates bidding lower. Both the P1A and P3A kept sliding with rounds being concluded respectively.

Mid week we do however experience a more positive sentiment, much led by the more split cgo's entering the market.

Supramax

Despite a slow start from the Monday there was heightened activity in both basins that have been in USG and ECSA.

West Africa saw good demand for tonnage both for Far East and Transatlantic. Mediterranean and Continent activity remains low. Indian Ocean and South East Asia saw increasing demand. On the period side Mv Nikolaos A 58k dwt open Surabaya redelivery worldwide at \$9,500 p/day. Forward NB TBN (63,500 2020) delivery at \$10,500.

Rates

Capesize (USD/Day, USD/Tonne)

TCE Cont/Far East (180 DWT)	\$20,100
Australia – China	\$5.8
Pacific RV	\$11,092

Panamax (USD/Day, USD/Tonne)

Transatlantic RV	\$3,655
TCE Cont/Far East	\$13,395
TCE Far East/Cont	\$1,501
TCE Far East RV	\$7,408

Supramax (USD/Day)

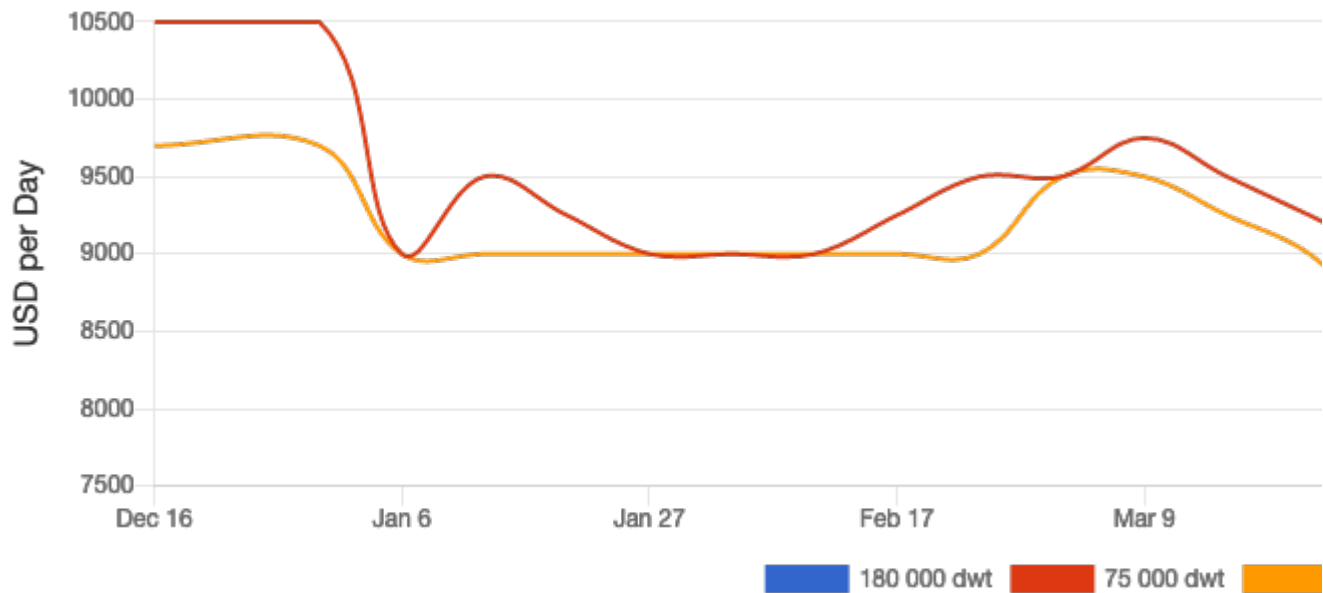
Atlantic RV	\$5,404
Pacific RV	\$6,536
TCE Cont/Far East	\$11,882

1 Year T/C (USD/Day)

Newcastlemax (208 000 dwt)	\$14,750
Capesize (180 000 dwt)	\$13,250
Kamsarmax (82 000 dwt)	\$9,850
Panamax (75 000 dwt)	\$8,600
Ultramax (64 000 dwt)	\$10,250
Supramax (58 000 dwt)	\$8,750

Baltic Dry Index (BDI)	\$764
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1 Year T/C Dry Bulk



Gas

Chartering

WEST:
Little has changed from last week in terms of market sentiment in the VLGC m
players remain bearish with regards to freight rates, while bunkers have contin
writing. These things together have put pressure on earnings for those with tol
of hope within the product market, where netbacks are looking slightly better
interest on both the buy and sell side of FOB cargoes. In theory, this could mea
may be the start of a shift towards a more balanced supply and demand pictur

EAST:
In Middle East the Adnoc acceptances were posted yesterday, and in addition t
that they may also have some spot fob availability. Meanwhile there have also b
discussed from other suppliers for loading within 1st decade July. But with amp
trader relets, freight rates remain under pressure. There is an overhang of abou
likely set to take some waiting time as fixing window is now slowly moving tow
far this week one Indian major booked a ship for end June loading, while a trac
mid June load in the MEG.

LPG Rates

Spot Market (USD/Month)

VLGC (84 000 cbm)	\$500,000
LGC (60 000 cbm)	\$750,000
MGC (38 000 cbm)	\$500,000
HDY SR (20-22 000 cbm)	\$630,000
HDY ETH (17-22 000 cbm)	\$730,000
ETH (8-12 000 cbm)	\$400,000
SR (6 500 cbm)	\$330,000
COASTER Asia	\$250,000
COASTER Europe	\$180,000

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)	\$247
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	107.72
USD/KRW	1197.85

USD/NOK	9.27
EUR/USD	1.14

Interest Rates

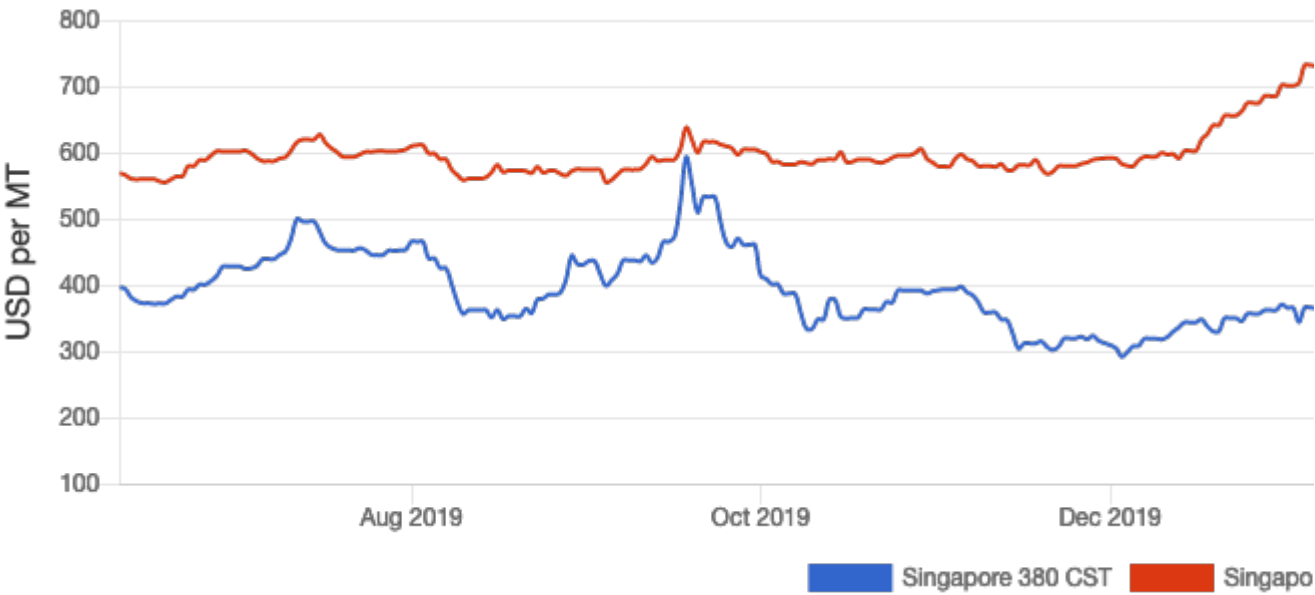
LIBOR USD (6 months)	0.48%
NIBOR NOK (6 months)	0.46%

Commodity Prices

Brent Spot	\$41.00
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Bunkers Prices

Singapore 380 CST	\$253.5
Singapore Gasoil	\$338.0
Rotterdam 380 CST	\$246.5
Rotterdam Gasoil	\$322.0



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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