

# Fearnleys Weekly Report

**Week 30 - July 22, 2020**

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**Tankers**

**Comments**

**VLCC**

The Atlantic market has taken center stage with the lion's share of activity, as the week in the MEG has fallen between the monthly programs. We have seen the drip of early August stems entering the market when charterers deem it necessary. Unipac COA's dominated and rates for modern tonnage remains to test. Delays out East have kept back a flood of tonnage, but current first decade looking like slim pickings will put last done to the test. Worth noting, it has been 2 consecutive months of total monthly fixtures in the 90's. However, had they been regular fixing months in the 130-140's where this market would be...

Waf/ East has remained steady in the ws42-43 level, helped by a busier Suezmax sector. However, the Atlantic is not immune to the quieter MEG, and a number of ballasters have already pointed West.

**Suezmax**

The Suezmax market remains active in West Africa, with a number of charterers reaching deeper into August. For now, eastern ballasters have capped rates in the region, but we may see owners gain some ground if enquiry levels are maintained. These same owners now have the distraction of a MEG market that has gently firmed on the back of sentiment. Additionally, the list has recently been stressed by an increase in tonne miles and delays in China, which will support rates as we broach the second decade.

**Aframax**

Aframaxes trading in the North Sea and Baltic have seen an uptick in rates since last week. This on the back of owners either being fixed or ballasting away from the area, leaving a tight tonnage list for charterers trying to cover 3rd decade stems. In the week to come, we expect to see a downward pressure on rates following the insufficient cargo activity in the area. The Mediterranean and Black Sea market have maintained in an equilibrium state the past week, with straight cross Mediterranean route (td19) trading around ws70 levels. With the current tonnage availability in the region and with a steady flow of cargoes entering the market, we foresee the market to remain stable in the natural fixing window.

**Rates**

**Dirty (Spot WS)**

MEG/WEST (280 000)	WS 22.0	-3.0 ↓
MEG/Japan (280 000)	WS 40.0	-4.0 ↓
MEG/Singapore (280 000)	WS 41.0	-4.0 ↓
WAF/FEAST (260 000)	WS 41.0	-5.5 ↓
WAF/USAC (130 000)	WS 42.5	-2.5 ↓
Sidi Kerir/W Med (135 000)	WS 45.0	-2.5 ↓
N. Afr/Euromed (80 000)	WS 70.0	2.5 ↑

UK/Cont (80 000)	WS 95.0	17.5 <span>↑</span>
Caribs/USG (70 000)	WS 75.0	5.0 <span>↑</span>

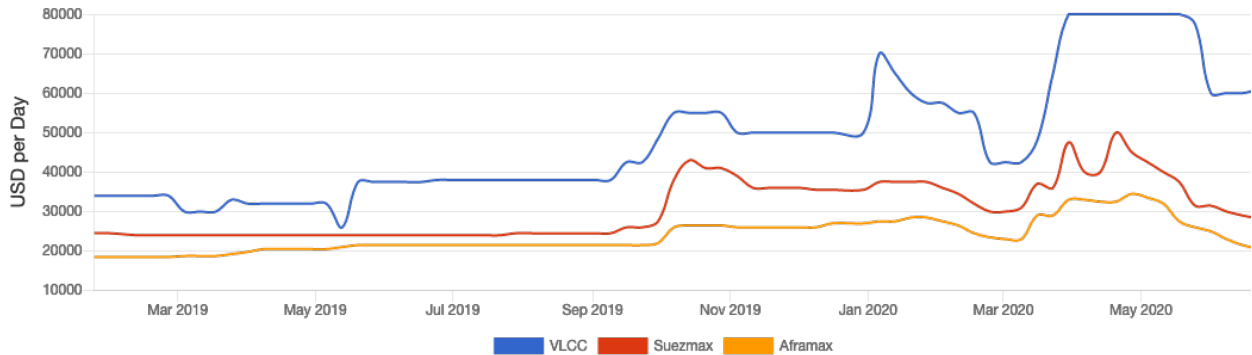
1 Year T/C (USD/Day)

VLCC (Modern)	\$39000.0	\$0 <span>→</span>
Suezmax (Modern)	\$23000.0	-\$1,500 <span>↓</span>
Aframax (Modern)	\$19000.0	\$0 <span>→</span>

VLCC

VLCCs fixed in all areas last week	35	-2 <span>↓</span>
VLCCs available in MEG next 30 days	120	4 <span>↑</span>

1 Year T/C Crude



Dry Bulk

Comments

Capesize

Levels for the big ships spiraling downwards on a combination of modest iron ore/low coal trading volumes and a derivatives market being sold by numerous players lacking faith. Fundamentals, however, remain robust in comparison, and question is when levels will again find a floor and rates again start to pick up. The queue of ballasters heading for Brazil and other Atlantic loading areas is limited, whilst major miners work under the radar and keep picking ships for fronthaul at softening levels. Period activity is limited to floating rate-discussions and a number of candidates being pulled due to recent drop in money being bid.

Panamax

The last week we have seen a sliding market in both basins. In short, the amount of fresh requirements have become rather thin across the board, with quite immediate consequences for hire levels. The fall in rates in the Atlantic has been strongest for TA rounds, with levels down from USD 17-18k mid last week till USD 13-14k at the beginning of this week. The ECSAM/Feast rounds have dropped from USD 16k+600k to just over USD 14k+400k. In the Pacific, the trend is similar but less dramatic, with levels down from mid USD 12k's to low USD 11k. The period market has been very quiet.

Supramax

Despite negative developments in the bigger size segments, the Supra segment still have some resistance, and

the indexes keep rising with good support of physical demand. However, the balance cargo inquiry and tonnage supply may indicate neutral market direction. Market in general lacking direction. Supramax fixed USD 15,500/day delivery ECSA for Med/Cont direction, while Ultramax close USD 20,000/day. On fronthaul, we have seen rates on Supramax at low USD 20,000/day, and on Ultramax high USD 25,000/day, which indicates quite a big spread. Fronthaul had similar levels to last week about USD 14-14,500/day + about 400,000 bb. Market was stable with a bit more optimist compared to last weeks. Tess 58,000 dwt, with delivery Singapore, was done at USD 10,500/day for a trip via Durban to China. Pacific RV for Supra was fixed at USD 8,250/day and close to USD 10,000/day on Ultra.

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

TCE Cont/Far East (180 DWT)	\$40,900	-\$4,000 ↓
Australia – China	\$6.7	-\$1.2 ↓
Pacific RV	\$14,938	-\$5,812 ↓

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

Transatlantic RV	\$12,380	-\$4,075 ↓
TCE Cont/Far East	\$22,170	-\$2,780 ↓
TCE Far East/Cont	\$3,636	-\$257 ↓
TCE Far East RV	\$11,167	-\$634 ↓

**Supramax (USD/Day)**

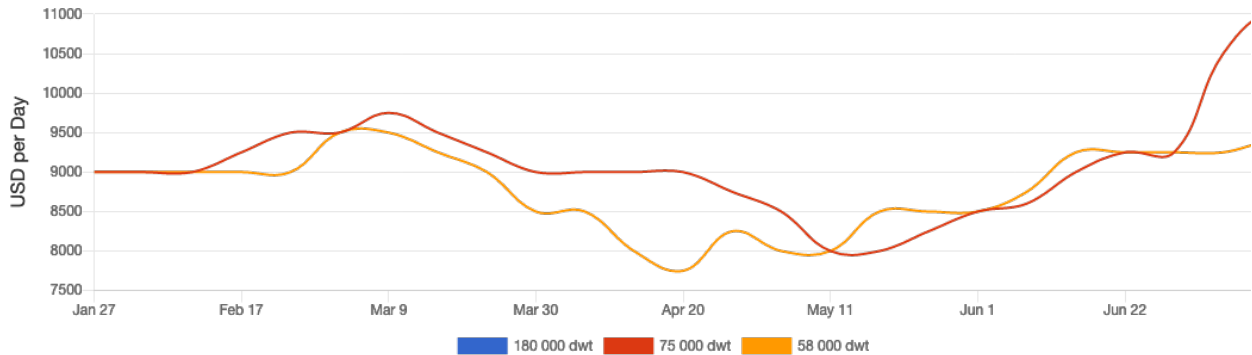
Atlantic RV	\$13,302	\$208 ↑
Pacific RV	\$9,050	\$543 ↑
TCE Cont/Far East	\$21,479	-\$178 ↓

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

Newcastlemax (208 000 dwt)	\$16,750	-\$1,750 ↓
Capesize (180 000 dwt)	\$14,750	-\$750 ↓
Kamsarmax (82 000 dwt)	\$12,000	-\$700 ↓
Panamax (75 000 dwt)	\$10,500	-\$500 ↓
Ultramax (64 000 dwt)	\$10,750	-\$250 ↓

Supramax (58 000 dwt)	\$9,300	-\$100 ↓
Baltic Dry Index (BDI)	\$1,473	

1 Year T/C Dry Bulk



Gas

Chartering

EAST

A continuous introduction of more freight requirements from Indian majors has kept the owners busy this week in the East. Meanwhile, the availability of ships with firm discharge programs up until mid/second half August remains few, and hence some traders have already started to check the market for freight ideas for last decade August loading although this is more than one month ahead. Needless to say, freight rates are under pressure, and last done deal in the market was concluded at a significant premium to last posted Baltic.

WEST

Much of the same story goes for West of Suez where at the time of writing there is no firm positions left on August dates, this could change depending on turnaround for vessels discharging in Europe. Some already have made moves for early September loading laycans, but most owners are comfortable waiting with giving out firm positions as right now time is on their side and scheduling is very blurry this far ahead.

LPG Rates

Spot Market (USD/Month)

VLGC (84 000 cbm)	\$1,000,000	\$300,000 ↑
LGC (60 000 cbm)	\$600,000	\$0 →
MGC (38 000 cbm)	\$600,000	\$0 →
HDY SR (20-22 000 cbm)	\$630,000	\$0 →
HDY ETH (17-22 000 cbm)	\$730,000	\$0 →
ETH (8-12 000 cbm)	\$390,000	\$0 →
SR (6 500 cbm)	\$300,000	\$0 →
COASTER Asia	\$250,000	\$0 →
COASTER Europe	\$135,000	-\$5,000 ↓

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

FOB North Sea/ANSI	\$252	\$0 →
Saudi Arabia/CP	\$360	\$0 →
MT Belvieu (US Gulf)	\$266	\$14 ↑
Sonatrach/Bethioua	\$260	\$0 →

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

FOB North Sea/ANSI	\$308	\$0 →
Saudi Arabia/CP	\$340	\$0 →
MT Belvieu (US Gulf)	\$228	\$30 ↑
Sonatrach/Bethioua	\$340	\$0 →

**LNG Rates****Spot Market (USD/Day)**

East of Suez 155-165 000 cbm	\$33,000	\$1,000 ↑
West of Suez 155-165 000 cbm	\$36,000	\$1,000 ↑
1 Year T/C 155-160 000 cbm	\$44,000	\$0 →

**Newbuilding****Activity Levels**

Tankers	Slow	Slow
Dry Bulkers	Slow	Slow
Others	Slow	Slow

**Prices**

VLCC	\$88.0	-\$1.0 ↓
Suezmax	\$58.0	-\$1.0 ↓
Aframax	\$47.5	-\$1.0 ↓
Product	\$34.5	-\$0.5 ↓
Newcastlemax	\$48.0	-\$1.0 ↓
Kamsarmax	\$26.5	-\$0.5 ↓
Ultramax	\$24.5	-\$0.5 ↓

LNGC (MEGI) (cbm)	\$180.0	-\$3.0 
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Sale & Purchase

Prices

Dry (5 yr)

Capesize	\$36.0	\$0.0 
Kamsarmax	\$21.0	\$0.0 
Ultramax	\$20.0	\$0.0 

Dry (10 yr)

Capesize	\$21.0	\$0.0 
Kamsarmax	\$14.5	\$0.0 
Ultramax	\$11.0	\$0.0 

Wet (5 yr)

VLCC	\$72.0	\$0.0 
Suezmax	\$50.0	\$0.0 
Aframax / LR2	\$40.0	\$0.0 
MR	\$27.5	\$0.0 

Wet (10 yr)

VLCC	\$50.0	\$0.0 
Suezmax	\$35.0	\$0.0 
Aframax / LR2	\$28.0	\$0.0 
MR	\$18.0	\$0.0 

Market Brief

Exchange Rates

USD/JPY	106.91	0.06 
USD/KRW	1197.75	-2.80 
USD/NOK	9.13	-0.16 
EUR/USD	1.15	0.01 

Interest Rates

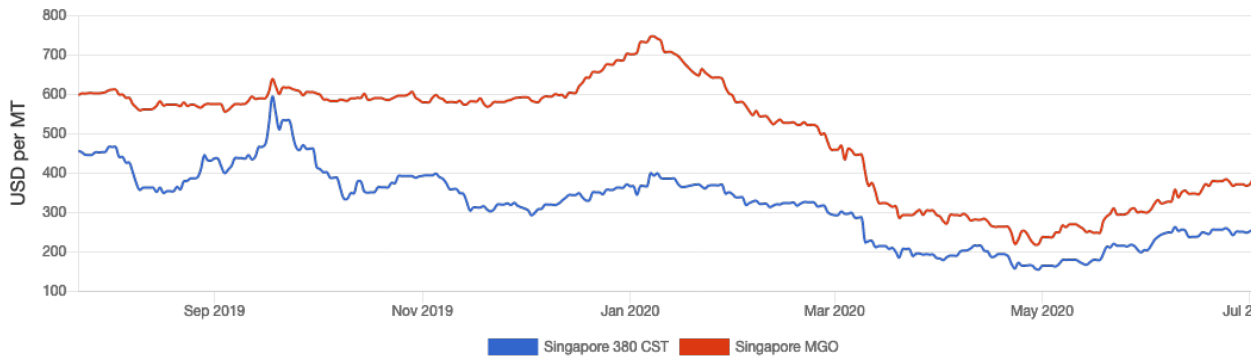
LIBOR USD (6 months)	0.34%	0.01% <span>↑</span>
NIBOR NOK (6 months)	0.43%	-0.02% <span>↓</span>

Commodity Prices

Brent Spot	\$41.00	-\$2.50 <span>↓</span>
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Bunkers Prices

Singapore 380 CST	\$278.0	\$6.5 <span>↑</span>
Singapore Gasoil	\$390.5	\$2.5 <span>↑</span>
Rotterdam 380 CST	\$260.5	\$9.0 <span>↑</span>
Rotterdam Gasoil	\$377.0	\$18.5 <span>↑</span>



All rates published in this report do not necessarily reflect actual transactions occurring in the market. Certain estimates may be based on prevailing market conditions. In some circumstances, rates for certain vessel types are based on theoretical assumptions of premium or discount for particular vessel versus other vessel types.

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