Fearnleys Weekly Report

Week 42 - October 14, 2020

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Tankers

VLCC

With China and Asia back from holidays, the week kicked off with a flurry of enquiry. However, most open market cargoes found dance partners in the high WS20's MEG/East – although a couple of charterers were "stung" with a flat WS30. "Disadvantaged" ships remain all the rage to save a buck, albeit a risky play. One had to pay up 3.25 WS points to replace their first bargain attempt. We seem to have run out of steam come mid-week. The MEG fixture count is now in the mid 90's. Extrapolating from the previous months, people are starting to question whether the October program is a wrap. On positive note, we only count a tonnage overhang of +/- 25 ships moving into the next month. A couple more turn of the month deals are likely, and with that the supply/demand picture looks a tad more balanced than for quite some time.

Suezmax

The Suezmax market seems like a never-ending story at this point. Activity is decent, but there is just way too much available tonnage, in all areas. Some positives in the West the last week though, Libya is now back on, soon at the capacity they were at prior to the shutdown. As a result of that we have had more activity in the Med/Bsea area than in a long time. In the East we are still at bottom levels, even if tonnage-list is looking slightly better than last week. With the activity we see in both East and West, we expect the market to have some potential upside, but it will take time. This week rates will remain steady, and we are not having too high hopes for next week either.