Fearnleys Weekly Report

Week 6 - February 10, 2021

Printer version

Tankers

Comments

VLCC

Another week and more of the same. Rates have remained continually depressed as we build up to the Chinese New Year. The lack of enquiry ex MEG has been a constant issue and at the time of writing, no enquiry outstanding from the region. The Atlantic has been the major source of activity, but rates have flattered to deceive here also. However, we may see higher rates in the near term as the bunker prices follow the oil market upwards. Bunkers now in excess of USD 500/mt in Singapore and owners will have to take this into account. Rates may go up, but TCE if anything will remain level at best. The week will close out with a whimper, but most in the market buckling down and preparing for a brighter future in the medium term.

Suezmax

With rising bunkers and falling rates, owners will be hoping to apply the brakes at some point this week. Something surely has to give. West Africa/East has been pinned down by ballasters and is steady at WS55 and will trade out the remainder of the third decade at similar levels. In isolation, there are some regions that are more stable than others. For example, TD6 appears unlikely to trade sub mid/high WS60's for the balance of the week as the Black Sea tonnage list competes with a very busy Libya program. This in turn may provide a floor for TD20 as Eastern ballasters, who by and large, are looking for long haul, limiting options for the shorter runs into Europe. In the East, TD23 will trade WS17 for a straight run whilst MEG/East (non Basrah) will trade WS47.5-50 on modern.

Aframax

For another week the Nsea/Baltic market didn't show any signs of improvement with rates hovering around bottom levels. On the positive side, fuel oil arbitrage seems to work better now as more inquiries appeared for cargoes to move East or transatlantic. As we move forward and with more flow out of the region rates are expected to persist at current levels in the near term, but a potential uptick on rates for end/early dates. Since last week's slight improvement in the Med/Bsea market, activity has again come off and rates have had a downwards corrected resulting in TCE returns being back to showing red numbers on main routes. One to follow in the coming days is the uncertainties and disruptions in Libyan oil export in regards to salary payments for PFG. We expect the market to move sideways in the week to come.

Rates

Dirty (Spot WS 2021)

MEG/WEST (280 000)	WS 18.0	-0.5 ↓
MEG/Japan (280 000)	WS 31.0	0.0 →
MEG/Singapore (280 000)	WS 31.0	0.0 →
WAF/FEAST (260 000)	WS 32.0	-2.8 ↓
WAF/USAC (130 000)	WS 50.0	-5.0 ↓
Sidi Kerir/W Med (135 000)	WS 60.0	5.0 ↑
N. Afr/Euromed (80 000)	WS 75.0	-2.5 ↓
UK/Cont (80 000)	WS 77.5	0.0 →
Caribs/USG (70 000)	WS 72.5	5.0 ↑

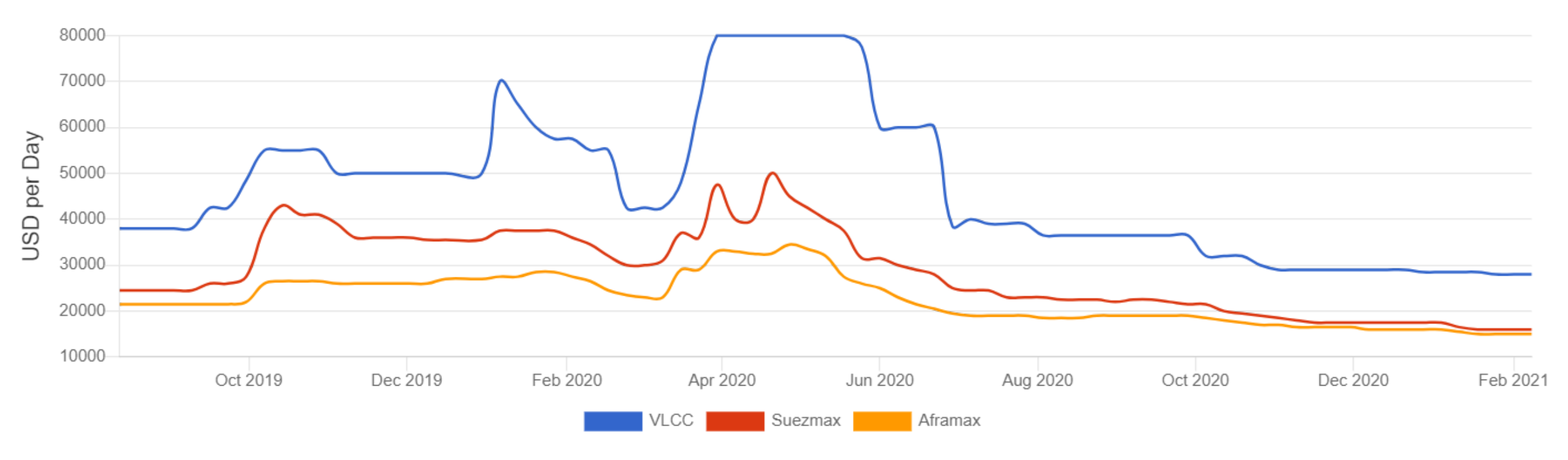
1 Year T/C (USD/Day)

VLCC (Modern)	$28000.0	$0 →
Suezmax (Modern)	$16000.0	$0 →
Aframax (Modern)	$15000.0	$0 →

VLCC

VLCCs fixed in all areas last week	60	30 ↑
VLCCs available in MEG next 30 days	144	-14 ↓

1 Year T/C Crude



Dry Bulk

Comments

Capesize

Chinese New Year is here, and as expected the activity is lower. This results in rates dropping further, down to present average of USD 10,750. For West Australia, the demand for tonnage has been limited for some time, and miners are presently looking at March dates, already. Out of Brazil, ships arriving end of February and up to early March dates have been fetching decent rates, USD 17 pmt and more. Whilst for index dates, the freight has been closer to USD 14 level, although there have been few fixtures for such dates.

Panamax

The market is continuing its positive trend since the start of the week. Mainly driven by South America and North Atlantic trade. On Wednesday we had 20 vessels reported fixed for ECSA trade alone. The North Continent is also working for full pistons and we have seen +30,000 pd for quick rounds. It's not only grains driving the market but also minerals have been active. Period rates continues to push and with +500 on BPI every day it is not likely to ease off any time soon.

Supramax

Different stories from the two basins this week where slowing sings in the Pacific ahead of the Lunar New Year, whereas the Atlantic basin is steaming. From the USG, Ultras fetching in the mid 20's for TA and around USD 30,000 for FH. Backhaul rates from the Continent and East Mediterranean trading in the high teens/USD 20,000, while ECSA fronthaul is around USD 16,000+600k gbb. In the Pacific, Nopac and Aussie rounds are fixing around USD 12,000.

Rates

Capesize (USD/Day, USD/Tonne)

TCE Cont/Far East (180 DWT)	$27,100	-$2,725 ↓
Australia – China	$5.7	-$0.2 ↓
Pacific RV	$6,113	-$1,454 ↓

Panamax (USD/Day, USD/Tonne)

Transatlantic RV	$18,980	$1,560 ↑
TCE Cont/Far East	$25,205	$1,296 ↑
TCE Far East/Cont	$4,531	$40 ↑
TCE Far East RV	$12,935	$411 ↑

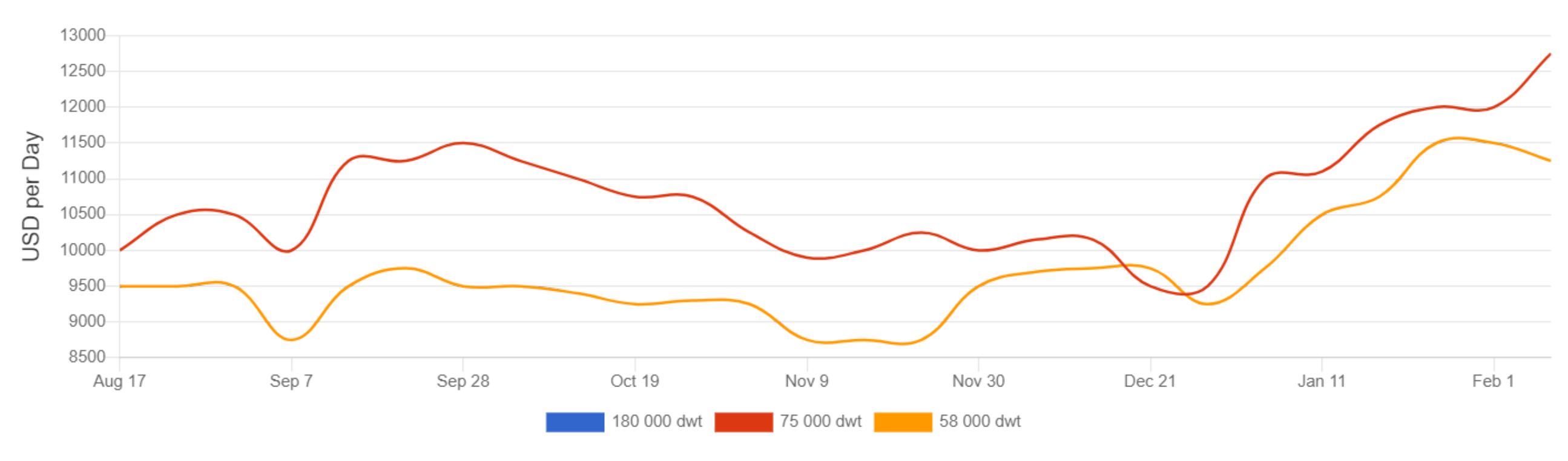
Supramax (USD/Day)

Atlantic RV	$18,906	$1,619 ↑
Pacific RV	$10,443	$0 →
TCE Cont/Far East	$25,550	$1,407 ↑

1 Year T/C (USD/Day)

Newcastlemax (208 000 dwt)	$17,250	$0 →
Capesize (180 000 dwt)	$14,500	$0 →
Kamsarmax (82 000 dwt)	$14,000	$750 ↑
Panamax (75 000 dwt)	$12,750	$750 ↑
Ultramax (64 000 dwt)	$12,750	-$250 ↓
Supramax (58 000 dwt)	$11,250	-$250 ↓
Baltic Dry Index (BDI)	$1,303	

1 Year T/C Dry Bulk



Gas

Chartering

Following a couple of weeks with a fair amount of activity in the West and dominantly US, the market has taken a bit of a breather this week. A few fixtures have been done, and it seems the freight level established last week in the mid-80's pmt for the transpacific freight route, has prevailed this week. As we see it, US cargoes for the first decade of March seem to have been covered more or less, and starting on the 2nd decade we note a relatively meager list of available ships so far.

LPG Rates

Spot Market (USD/Month)

VLGC (84 000 cbm)	$700,000	-$425,000 ↓
LGC (60 000 cbm)	$1,100,000	-$100,000 ↓
MGC (38 000 cbm)	$850,000	-$50,000 ↓
HDY SR (20-22 000 cbm)	$680,000	-$20,000 ↓
HDY ETH (17-22 000 cbm)	$750,000	$0 →
ETH (8-12 000 cbm)	$475,000	$25,000 ↑
SR (6 500 cbm)	$380,000	$10,000 ↑
COASTER Asia	$260,000	$0 →
COASTER Europe	$180,000	$10,000 ↑

LPG/FOB Prices - Propane (USD/Tonne)

FOB North Sea/ANSI	$466	$0 →
Saudi Arabia/CP	$605	$0 →
MT Belvieu (US Gulf)	$453	$22 ↑
Sonatrach/Bethioua	$495	$0 →

LPG/FOB Prices - Butane (USD/Tonne)

FOB North Sea/ANSI	$458	$0 →
Saudi Arabia/CP	$585	$0 →
MT Belvieu (US Gulf)	$435	-$28 ↓
Sonatrach/Bethioua	$510	$0 →

LNG Rates

Spot Market (USD/Day)

East of Suez 155-165 000 cbm	$53,000	-$22,500 ↓
West of Suez 155-165 000 cbm	$65,000	-$20,500 ↓
1 Year T/C 155-160 000 cbm	$48,000	-$1,000 ↓

Newbuilding

Activity Levels

Tankers	Slow	Slow
Dry Bulkers	Slow	Slow
Others	Slow	Slow

Prices

VLCC	$86.0	$0.0 →
Suezmax	$56.0	$0.0 →
Aframax	$46.5	$0.0 →
Product	$34.5	$0.0 →
Newcastlemax	$48.0	$0.0 →
Kamsarmax	$26.5	$0.0 →
Ultramax	$24.5	$0.0 →
LNGC (MEGI) (cbm)	$180.0	$0.0 →

Sale & Purchase

Prices

Dry (5 yr)

Capesize	$36.0	$0.0 →
Kamsarmax	$22.0	$0.0 →
Ultramax	$21.5	$0.0 →

Dry (10 yr)

Capesize	$23.0	$0.0 →
Kamsarmax	$15.5	$0.0 →
Ultramax	$14.0	$0.0 →

Wet (5 yr)

VLCC	$65.0	$0.0 →
Suezmax	$43.5	$0.0 →
Aframax / LR2	$34.0	$0.0 →
MR	$26.0	$0.0 →

Wet (10 yr)

VLCC	$45.0	$0.0 →
Suezmax	$30.0	$0.0 →
Aframax / LR2	$21.5	$0.0 →
MR	$17.5	$0.0 →

Market Brief

Exchange Rates

USD/JPY	104.59	-0.49 ↓
USD/KRW	1116.55	1.95 ↑
USD/NOK	8.48	-0.12 ↓
EUR/USD	1.21	0.01 ↑

Interest Rates

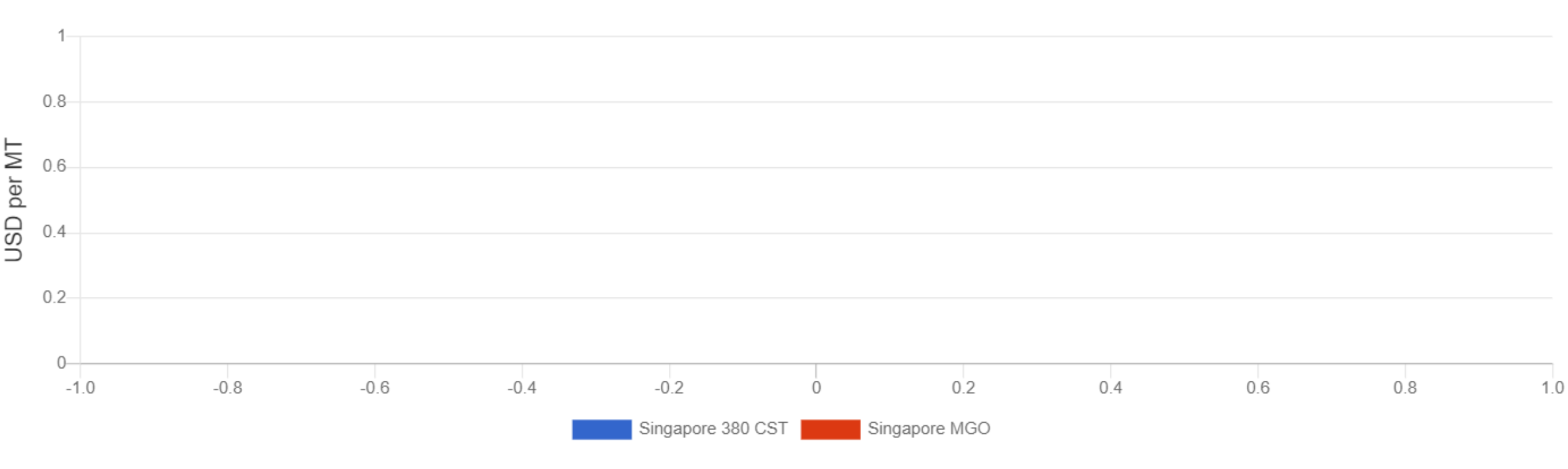
LIBOR USD (6 months)	0.21%	-0.02% ↓
NIBOR NOK (6 months)	0.49%	0.01% ↑

Commodity Prices

Brent Spot	$61.00	$1.50 ↑

Bunkers Prices

Singapore 380 CST	$379.5	$22.0 ↑
Singapore Gasoil	$514.0	$33.0 ↑
Rotterdam 380 CST	$358.5	$17.5 ↑
Rotterdam Gasoil	$508.5	$29.5 ↑



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.

Disclaimer