

Fearnleys Weekly Report

Week 30 - July 28, 2021

Printer version

Tankers

Comments

VLCC

Great Scott! It's been 36 years since "Back to the Future" blasted into cinema theaters and became a pop culture phenomenon, and with the current tanker market continuing to trudge along at a sluggish pace we have to look back to the same era to find its equivalent. The "floor" has arguably been lifted from the year low, with the current conference rate for MEG/East runs holding either side of the ws30 mark depending on a ship's age and trading background, but still a far cry from covering OPEX even for the best of them - and few signs of a major uptick any time soon. As Marty Mcfly said a number of times throughout the trilogy; "This is heavy"!

Suezmax

This week commenced positively with a Td20 run trading at ws57.5, albeit off prompt dates. This produced a modicum an expectation by smoking a couple of forward-date cargoes into the market, which should have sent a booming message to owners that charterers sensed some trouble. Instead of trying to trying benefit from this fixture, owners almost immediately capitulated to below last done levels. For most owners this has become a market of diminishing returns which must surely have some of the older units thinking about trading it all in for the plus USD 600 per ton on offer in Bangladesh. MEG/East trades ws55 on modern whilst Td23 will do well to stay out of low 20's territory. All in all, a fairly flat outlook in both hemispheres.

Aframax

The Nsea/Baltic market didn't show any signs of life last week as rates remained flat at the bottom. Activity in the area is not enough to make the tonnage list shorter and charterers still manage to fix their cargoes at very low rates. We don't foresee any tight window soon hence we expect rates to move sideways next week. In the Med/Black Sea, owners trying to optimize, but with a slight downward correction in freight levels seen at the beginning of this week, owners currently finding themselves battling for cargo opportunities not offering much more than last done levels at best. With the prevailing tonnage availability in the area, we don't expect to see any significant improvement in the near term.

Rates

Dirty (Spot WS 2021)

MEG/WEST (280 000)	WS 18.5	0.0 →
MEG/Japan (280 000)	WS 31.5	0.0 →
MEG/Singapore (280 000)	WS 32.0	-0.5 ↓
WAF/FEAST (260 000)	WS 35.0	0.5 ↑
WAF/USAC (130 000)	WS 52.5	0.0 →
Sidi Kerir/W Med (135 000)	WS 57.5	0.0 →
N. Afr/Euromed (80 000)	WS 87.5	0.0 →

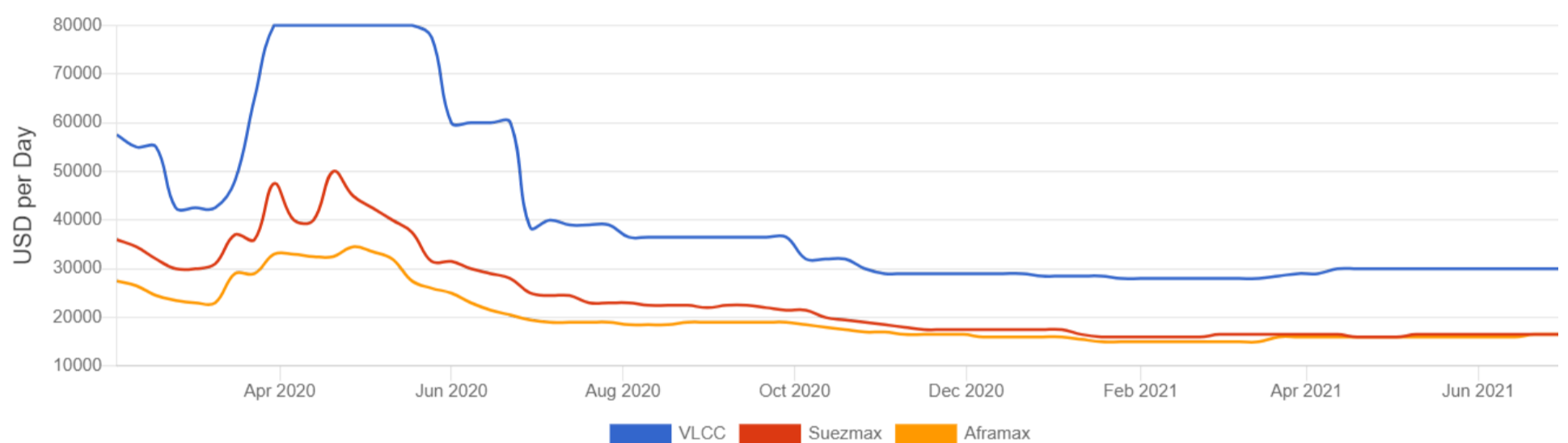
UK/Cont (80 000)	WS 92.5	0.0 →
Caribs/USG (70 000)	WS 75.0	-5.0 ↓

1 Year T/C (USD/Day)

VLCC (Modern)	\$25000.0	\$0 →
Suezmax (Modern)	\$16500.0	\$0 →
Aframax (Modern)	\$15500.0	\$0 →

VLCC

VLCCs fixed in all areas last week	53	8 ↑
VLCCs available in MEG next 30 days	160	-5 ↓

1 Year T/C Crude**Dry Bulk****Comments****Capesize**

Capesizes came under pressure in the beginning of the week due to slow demand and a correction after last week's sudden improvement at the end of the week. However, as cyclones in the Pacific are now coming to an end, it is expected that activity will pick up and rates will improve. We already see more resistance in the Pacific and West Australia in particular. FFA is also trading up.

Panamax

It has been a slow week with less demand, especially in the Atlantic. Mid-week we see some fresh requirements, although index levels keep on sliding. P1A is currently yielding 30k while fronthauls are priced at region 49k. In the Pacific, it has been some activity on shorter periods and also some Pacific rounds which is priced around 28k.

Supramax

Atlantic side tonnage vs cargo remains quite balanced and seems it will remain flat true out the week. Small Supramax in the Black Sea is reported fixed just below 50k for a trip to Far East, while East Med to West Africa is being done at 45k on Ultramax.

Many vessels are still stuck in the CJK area which we expect will put a pressure on the tonnage situation next week - meanwhile Supras are fixing 27k for Indo runs and 33k for Pacific runs.

We expect an ongoing strong market which keep frustrating charterers.

Rates

Capesize (USD/Day, USD/Tonne)

TCE Cont/Far East (180 DWT)	\$54,070	\$1,520 ↑
Australia – China	\$12.9	\$0.6 ↑
Pacific RV	\$36,819	\$2,798 ↑

Panamax (USD/Day, USD/Tonne)

Transatlantic RV	\$30,615	-\$4,210 ↓
TCE Cont/Far East	\$49,718	-\$1,759 ↓
TCE Far East/Cont	\$17,640	\$79 ↑
TCE Far East RV	\$28,535	\$107 ↑

Supramax (USD/Day)

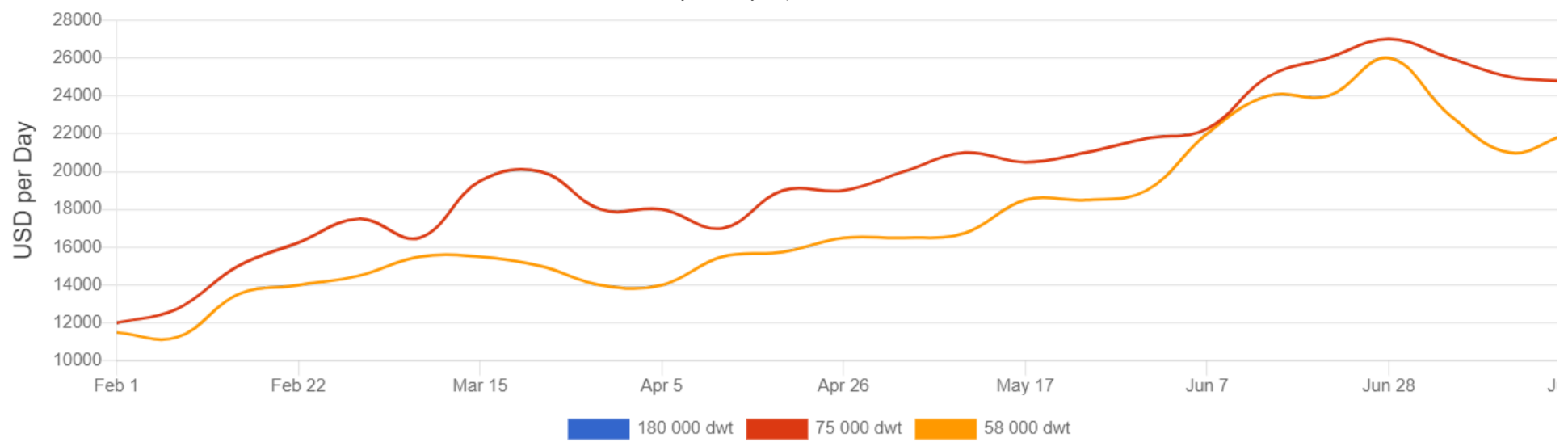
Atlantic RV	\$33,687	\$1,330 ↑
Pacific RV	\$29,057	\$749 ↑
TCE Cont/Far East	\$54,393	\$1,186 ↑

1 Year T/C (USD/Day)

Newcastlemax (208 000 dwt)	\$34,000	\$0 →
Capesize (180 000 dwt)	\$27,500	\$0 →
Kamsarmax (82 000 dwt)	\$26,250	-\$500 ↓
Panamax (75 000 dwt)	\$24,250	-\$500 ↓
Ultramax (64 000 dwt)	\$25,250	\$0 →
Supramax (58 000 dwt)	\$22,000	\$0 →

Baltic Dry Index (BDI)	\$3,154	
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1 Year T/C Dry Bulk



Gas

Chartering

EAST

Last deal in the MEG was done by an oil major whom fixed a ship in the mid-40s Baltic (inclusive of options to go to India). This deal was done last Friday but since then it has been rather muted in the East. We count approx. 15 spot deals concluded from the Middle East in August, but we do expect to see a handful more during 20-30 August before we can close the month off. Meanwhile, a more active market in the US has continued to pull further ships away from the East, and together with recent weather delays seen in around F.E.A, this has started to tighten up the vessel positions list for current fixing window.

WEST

On the back of improved cargo economics together with a stronger shipping market in the East we have started to see deals into the 80s H/C this week. August fixing seems more or less settled with only a few potential vessels remaining as September deals now well underway. At the moment Panama waiting time is around 1 week which is a small improvement from same time last week, however that's not to say schedule planning is all that straight forward with uncertainties still needing to be factored in. Typhoons and bad weather in East China could potentially also create some more disruptions in the short term.

LPG Rates

Spot Market (USD/Month)

VLGC (84 000 cbm)	\$800,000	\$50,000 ↑
LGC (60 000 cbm)	\$800,000	\$0 →
MGC (38 000 cbm)	\$800,000	\$0 →
HDY SR (20-22 000 cbm)	\$650,000	\$0 →
HDY ETH (17-22 000 cbm)	\$770,000	\$0 →
ETH (8-12 000 cbm)	\$475,000	\$0 →
SR (6 500 cbm)	\$390,000	\$0 →
COASTER Asia	\$270,000	\$0 →
COASTER Europe	\$270,000	-\$5,000 ↓

LPG/FOB Prices - Propane (USD/Tonne)

FOB North Sea/ANSI	\$585	\$0 →
Saudi Arabia/CP	\$620	\$0 →

MT Belvieu (US Gulf)	\$565	\$9 ↑
Sonatrach/Bethioua	\$595	\$0 →

LPG/FOB Prices - Butane (USD/Tonne)

FOB North Sea/ANSI	\$576	\$0 →
Saudi Arabia/CP	\$620	\$0 →
MT Belvieu (US Gulf)	\$567	\$20 ↑
Sonatrach/Bethioua	\$605	\$0 →

LNG Rates

Spot Market (USD/Day)

East of Suez 155-165 000 cbm	\$53,000	\$0 →
West of Suez 155-165 000 cbm	\$65,000	\$0 →
1 Year T/C 155-160 000 cbm	\$93,000	\$0 →

Newbuilding

Activity Levels

Tankers	Increasing	Increasing
Dry Bulkers	Increasing	Increasing
Others	Increasing	Increasing

Prices

VLCC	\$96.0	\$0.0 →
Suezmax	\$65.0	\$0.0 →
Aframax	\$54.0	\$0.0 →
Product	\$37.5	\$0.0 →
Newcastlemax	\$58.0	\$0.0 →
Kamsarmax	\$31.0	\$0.0 →
Ultramax	\$28.5	\$0.0 →
LNGC (MEGI) (cbm)	\$193.0	\$0.0 →

Sale & Purchase

Prices

Dry (5 yr)

Capesize	\$43.0	\$0.0 →
Kamsarmax	\$30.0	\$1.5 ↑
Ultramax	\$27.0	\$1.0 ↑

Dry (10 yr)

Capesize	\$30.5	\$0.0 →
Kamsarmax	\$23.0	\$2.0 ↑
Ultramax	\$21.0	\$1.0 ↑

Wet (5 yr)

VLCC	\$74.0	\$0.0 →
Suezmax	\$47.5	\$0.0 →
Aframax / LR2	\$40.0	\$0.0 →
MR	\$28.0	\$0.0 →

Wet (10 yr)

VLCC	\$51.5	\$0.0 →
Suezmax	\$32.0	\$0.0 →
Aframax / LR2	\$26.0	\$0.0 →
MR	\$18.0	\$0.0 →

Market Brief

Exchange Rates

USD/JPY	110.95	0.44 ↑
USD/KRW	1131.75	3.20 ↑
USD/NOK	8.57	0.02 ↑
EUR/USD	1.19	0.00 ↓

Interest Rates

LIBOR USD (6 months)	0.16%	0.00% ↑
NIBOR NOK (6 months)	0.68%	-0.01% ↓

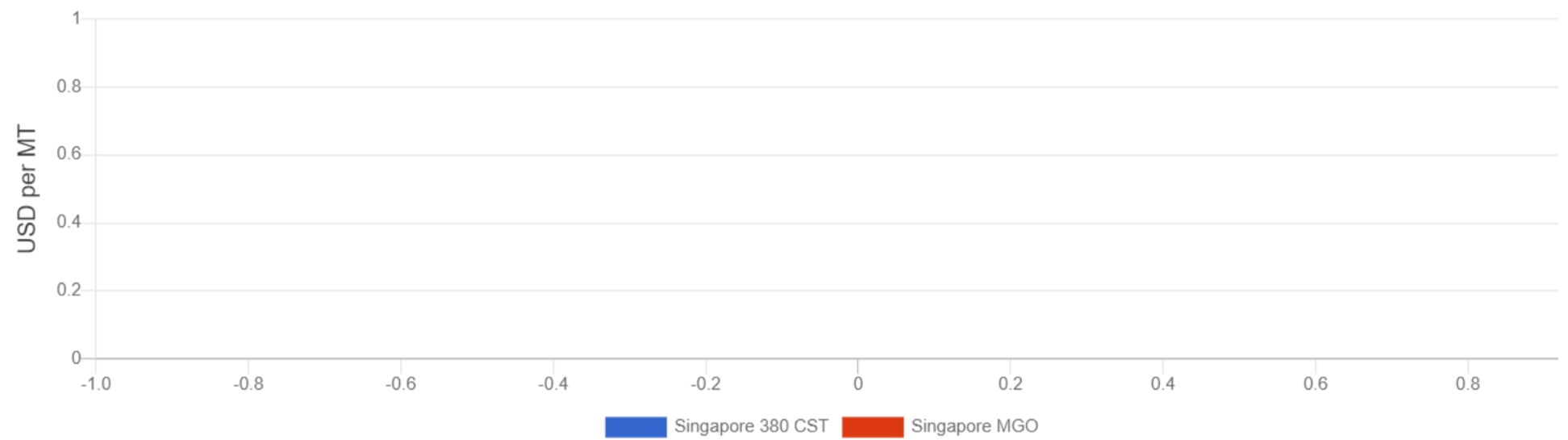
Commodity Prices

Brent Spot	\$74.50	\$0.50 ↑
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Bunkers Prices

Singapore 380 CST	\$421.5	\$10.0 ↑
Singapore Gasoil	\$594.0	\$11.0 ↑

Rotterdam 380 CST	\$411.5	\$21.0 ↑
Rotterdam Gasoil	\$591.5	\$34.0 ↑



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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