Fearnleys Weekly Report

Week 33 - August 18, 2021

Printer version

Tankers

Comments

VLCC

The sluggish pace continues in the VLCC segment, with limited inquiry met by sufficient tonnage supply and rates hovering. MEG/East runs are holding in the very low W30's, and charterers have been slow to progress into next month's loading program. Wafr/East has set at the “conference level” of W33. Eastbound enquiries from the USG have been largely non-existent, but continues to hover around the $4.0 mil level for the benchmark Ningbo-ROK run. On a positive note bunker prices are down in tandem with falling crude prices, and a growing resistance within the owning community has yielded marginal rate gains in last couple of attempts. However, the supply/demand picture is still very much askew and more demand needed for a sustainable shift in fortunes.

Suezmax

Whilst the fundamentals of the market remain weak, it's worth bearing in mind that historically, the middle to end of August has provided a degree of upside for Owners (moderate or otherwise) and therefore we need to take into consideration a number seasonal factors that could come into play . Owners in the West are likely to look for a moderate premium (to last done) to go long-haul in order to hedge against perceived Q4 optimism in the West, whilst conversely, but inline with this theory, we may see backhaul routes, such as Td23, start to soften as Owners look to ballast back to reposition in Europe. For now, Meg/East trades W57.5-60 on modern, Td23 will struggle to stay at W27 and Td20 appears stable in the mid W50's.

Aframax

Aframaxes trading in the Nsea and Baltic area experienced yet another non-encouraging week as Charterers managed to push rates down even lower from a level that was already perceived as the bottom. Unfortunately, we expect the market to move sideways with no immediate recovery in sight just yet.
Much the same can be said about the Med/Bsea market where the few fixtures we have seen have been done at repeat freight levels all week. In the week to come we expect this to continue, if not a slight dip in rates.

Rates

Dirty (Spot WS 2021)

MEG/WEST (280 000)	WS 18.0	-0.3 ↓
MEG/Japan (280 000)	WS 31.25	0.3 ↑
MEG/Singapore (280 000)	WS 31.25	0.3 ↑
WAF/FEAST (260 000)	WS 33.0	0.0 →
WAF/USAC (130 000)	WS 52.5	2.5 ↑
Sidi Kerir/W Med (135 000)	WS 57.5	2.5 ↑
N. Afr/Euromed (80 000)	WS 87.5	2.5 ↑
UK/Cont (80 000)	WS 87.5	-5.0 ↓
Caribs/USG (70 000)	WS 85.0	7.5 ↑

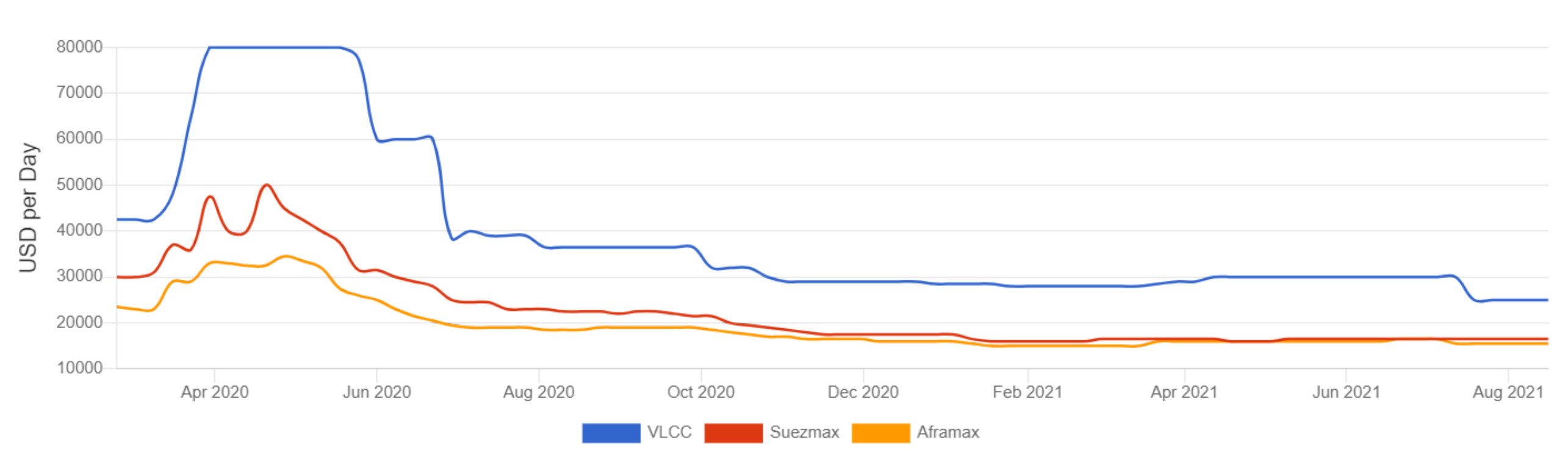
1 Year T/C (USD/Day)

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

VLCC

VLCCs fixed in all areas last week	38	-1 ↓
VLCCs available in MEG next 30 days	166	10 ↑

1 Year T/C Crude



Dry Bulk

Comments

Capesize

Cape market on fire with all arrows pointing up. The average TC rate is now well excess usd 40,000, approaching usd 45,000. The C5 route is presently well in the 15s with c3 in the mid 30s and a general lack of tonnage. Sentiment remains strong also for the near future.

Panamax

After a turn last week with fresh demand in both hemispheres, we see the same firming tendency this week. In the Atlantic we see a tight tonnage list, especially in the North Atlantic. Short Baltic rounds are achieving 38/39k while P1A is priced at ard Usd 33k. In the Pacific the steady flow of Indo coal keeps owners busy and P3A is yielding low 30's. Period activity is also picking up supported by the FFA mrkt.

Supramax

Active start of the week with strong push on FFA driving the physical market higher. Positive sentiment pushed up BSI in all routes reaching above $ 34500.
Rates from Med to West Africa reaching $ 45,000 and scrap paying $ 35,000 similar from Continent to Med . USG is firm but more balanced compared to ECSA, which is lacking tonnage supply. It is also very congested with some reports suggesting waiting tie for discharge in Paranagua up to 40 days.
NOPAC RV on Supra is about $ 32,000 and Backhaul Supramax paying above $,30,000 with delivery China. India Ocean is on fire and we see rates getting agreed in $ 50,000 for East direction. Period market is dominating in the area where Owners asking $40,000 for min 6 months on Ultramax deliver PG-WC India.

Rates

Capesize (USD/Day, USD/Tonne)

TCE Cont/Far East (180 DWT)	$67,300	$11,825 ↑
Australia – China	$15.4	$0.9 ↑
Pacific RV	$49,107	$4,357 ↑

Panamax (USD/Day, USD/Tonne)

Transatlantic RV	$33,575	$2,965 ↑
TCE Cont/Far East	$50,114	$1,975 ↑
TCE Far East/Cont	$18,240	$679 ↑
TCE Far East RV	$30,985	$1,863 ↑

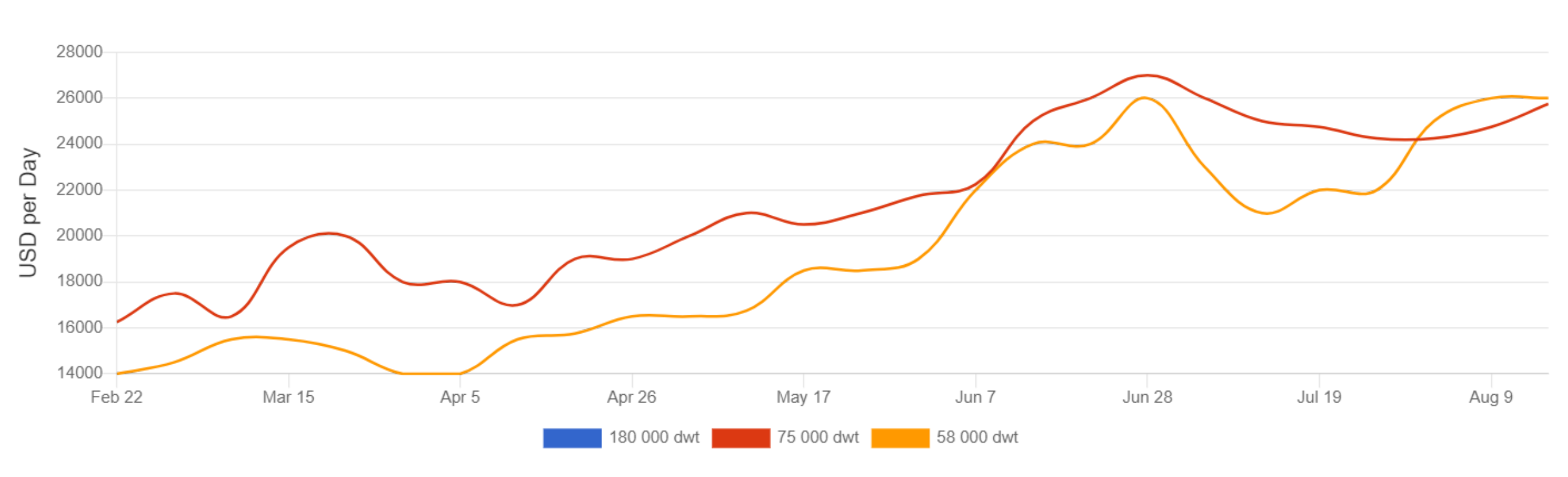
Supramax (USD/Day)

Atlantic RV	$35,575	$527 ↑
Pacific RV	$32,900	$1,571 ↑
TCE Cont/Far East	$56,039	$193 ↑

1 Year T/C (USD/Day)

Newcastlemax (208 000 dwt)	$36,250	$250 ↑
Capesize (180 000 dwt)	$30,250	$250 ↑
Kamsarmax (82 000 dwt)	$27,750	$1,000 ↑
Panamax (75 000 dwt)	$25,750	$1,000 ↑
Ultramax (64 000 dwt)	$30,000	$1,500 ↑
Supramax (58 000 dwt)	$28,000	$2,000 ↑
Baltic Dry Index (BDI)	$3,833	

1 Year T/C Dry Bulk



Gas

Chartering

EAST
The Aramco acceptances for September were published on Monday, and since then we've seen one Indian major fixing a ship for 1st Sep in Yanbu. There is also another Indian freight tender currently being worked for 8-9 Sep in Ras Laffan, but apart from these enquiries activity has been limited. We still see a variety of open trader relets during 1H Sep in the AG, and as a result the sentiment on freight has changed compared to earlier weeks. Last done deal for non-India was reported in the high 40s Baltic, but fixing ideas from some of the Owners has shifted towards mid 40s since then.

WEST
Last week we saw freight rates strengthening on the back of an improved arb US/East causing several Charterers to enter the market for shipping at the same time. A couple deals was concluded in the mid/high $80's at the end of the week, but the unexpected draw in US inventories caused arbs to narrow and consequently put interest for freight at a standstill. That said, on an available ships vs. reported uncovered/available cargoes basis, one could argue that the market looks fairly balanced for September liftings.

LPG Rates

Spot Market (USD/Month)

VLGC (84 000 cbm)	$850,000	-$50,000 ↓
LGC (60 000 cbm)	$725,000	-$25,000 ↓
MGC (38 000 cbm)	$800,000	$0 →
HDY SR (20-22 000 cbm)	$650,000	$0 →
HDY ETH (17-22 000 cbm)	$750,000	-$20,000 ↓
ETH (8-12 000 cbm)	$465,000	-$10,000 ↓
SR (6 500 cbm)	$390,000	$0 →
COASTER Asia	$270,000	$0 →
COASTER Europe	$270,000	$0 →

LPG/FOB Prices - Propane (USD/Tonne)

FOB North Sea/ANSI	$608	$0 →
Saudi Arabia/CP	$660	$0 →
MT Belvieu (US Gulf)	$598	$6 ↑
Sonatrach/Bethioua	$620	$0 →

LPG/FOB Prices - Butane (USD/Tonne)

FOB North Sea/ANSI	$632	$0 →
Saudi Arabia/CP	$655	$0 →
MT Belvieu (US Gulf)	$604	$9 ↑
Sonatrach/Bethioua	$650	$0 →

LNG Rates

Spot Market (USD/Day)

East of Suez 155-165 000 cbm	$67,000	$2,000 ↑
West of Suez 155-165 000 cbm	$72,000	$2,000 ↑
1 Year T/C 155-160 000 cbm	$93,000	$0 →

Newbuilding

Activity Levels

Tankers	Moderate	Moderate
Dry Bulkers	Moderate	Moderate
Others	Strong	Strong

Prices

VLCC	$98.0	$0.0 →
Suezmax	$67.0	$0.0 →
Aframax	$56.0	$0.0 →
Product	$38.5	$0.0 →
Newcastlemax	$60.0	$0.0 →
Kamsarmax	$32.0	$0.0 →
Ultramax	$30.0	$0.0 →
LNGC (MEGI) (cbm)	$201.0	$0.0 →

Sale & Purchase

Prices

Dry (5 yr)

Capesize	$43.0	$0.0 →
Kamsarmax	$30.0	$0.0 →
Ultramax	$27.0	$0.0 →

Dry (10 yr)

Capesize	$30.5	$0.0 →
Kamsarmax	$23.0	$0.0 →
Ultramax	$21.0	$0.0 →

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	109.60	-0.87 ↓
USD/KRW	1176.25	19.80 ↑
USD/NOK	8.89	0.02 ↑
EUR/USD	1.17	0.00 ↓

Interest Rates

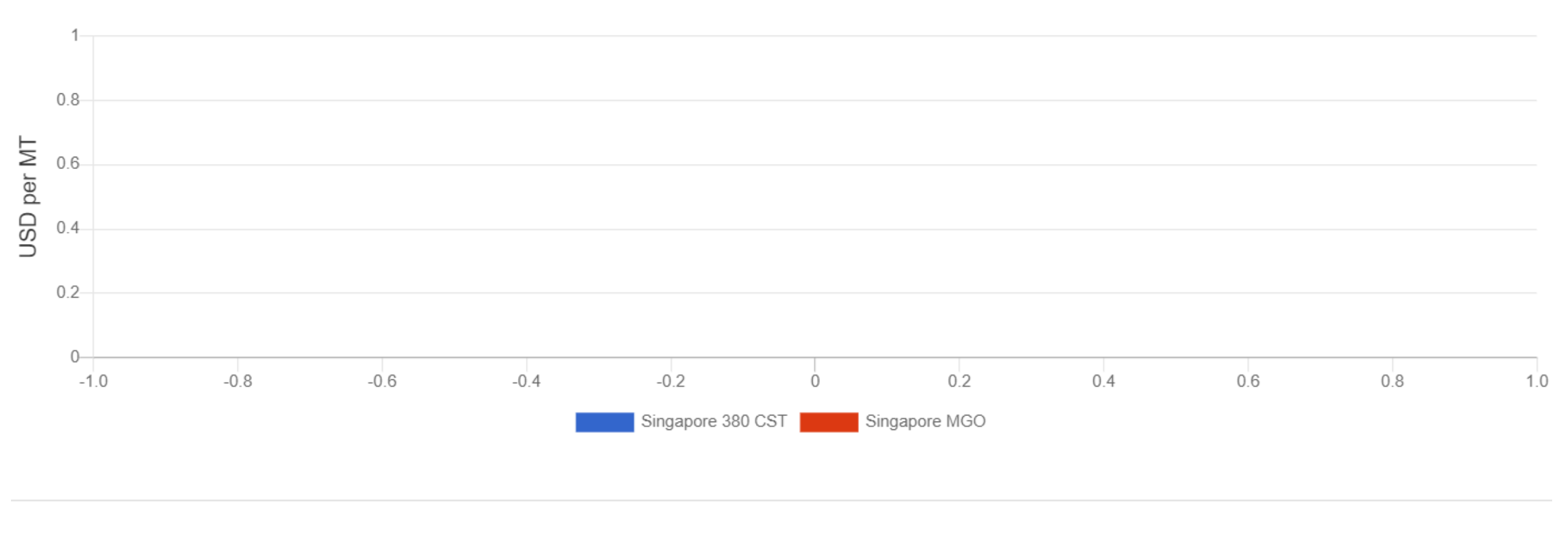
LIBOR USD (6 months)	0.16%	0.00% ↓
NIBOR NOK (6 months)	0.70%	0.01% ↑

Commodity Prices

Brent Spot	$69.00	-$1.50 ↓

Bunkers Prices

Singapore 380 CST	$408.5	-$0.5 ↓
Singapore Gasoil	$563.0	-$5.0 ↓
Rotterdam 380 CST	$394.5	-$6.5 ↓
Rotterdam Gasoil	$562.5	-$5.0 ↓



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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