Fearnleys Weekly Report

Week 37 - September 14, 2022

Printer version

Tankers

Comments

VLCC

Any toppish feel that may have crept into the market was quickly dispelled, despite several offers into open cargoes owners offered high. MEG/East looking north of WS 85 as charterers start to test the water for October stems. A tightening tonnage list and the typhoon presently threatening the Chinese Eastern seaboard could delay berthings and shorten the list further.

The Atlantic (often the driving force for the market, as usually only modern, well approved units will clear) continued swings in owner's favor as USD 9 mill reportedly paid USG/Spore (therefore USD 10m + for Ningbo) and WS 88 for Wafr/China is setting new highs not seen since April 2020. With the US evaluating further SPR oil releases after October, any limits on further rate increases will rest on owner's profit taking and the skill of charterers holding back.

Suezmax

Against a firmer looking Caribs Aframax and VLCC markets, USG/TA traded up last night to 145KT x WS 112.5, with next done likely to be in the WS 120's. In West Africa, a chunk of natural vessels have disappeared and Td20 owners now looking for WS 135-140's, with the fixing window firmly focused on the 1-10 October window. With regards to the Black Sea market, it's worth noting that on the back of a firmer Atlantic market, west Mediterranean positioned vessels have numerous options to fix so there is a floor under Black Sea/Med rates with upside. Td6 trades WS 175-185 whilst a CPC/ROK run prices minimum USD 5.5-5.6m. The East Suezmax market is dead, but with such a firm VLCC market underpinning MEG/China trades WS 134-140.

MEG/East on modern won't give much change from WS 130's and Td23 needs testing but we are calling WS 65.

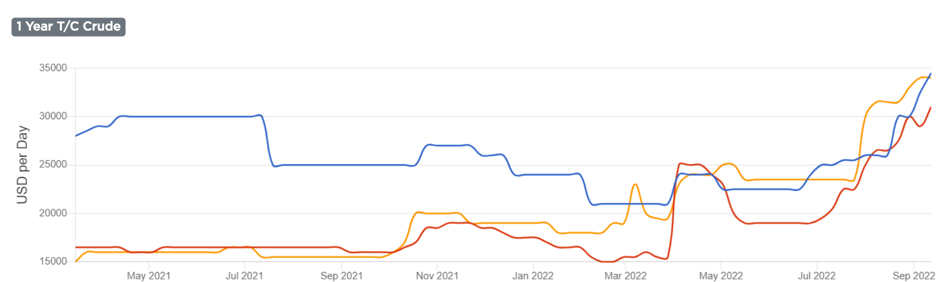
Aframax

Aframax rates in the North Sea declined significantly the last week. The current fixing window is in the 3rd decade of September, and the tonnage list looks quite healthy from a charterer's perspective. We expect rates to move sideways give or take a couple of points till we reach October fixing dates. Med/Bsea market continued trading at low levels with charterers taking advantage of CPC inactivity. It's a tough market for owners as they seek for alternatives away from the area with USG market being the only attractive one in the West. Moving forward we expect rates to remain soft and move sideways, a trend which might persist for the following weeks as well.

Rates

Dirty (Spot WS 2021)		
MEG/WEST (280 000)	WS 50.0	10.0 ↑
MEG/Japan (280 000)	WS 85.0	15.5 ↑
MEG/Singapore (280 000)	WS 87.0	17.0 ↑
WAF/FEAST (260 000)	WS 86.0	15.0 ↑
WAF/USAC (130 000)	WS 130.0	10.0 ↑
Sidi Kerir/W Med (135 000)	WS 142.5	5.0 ↑
N. Afr/Euromed (80 000)	WS 150.0	-12.5 ↓
UK/Cont (80 000)	WS 152.5	0.0 →
Caribs/USG (70 000)	WS 267.5	27.5 ↑
1 Year T/C (USD/Day)		
VLCC (Modern)	$34500.0	$2,000 ↑
Suezmax (Modern)	$31000.0	$2,000 ↑
Aframax (Modern)	$34000.0	$0 →
VLCC		
VLCCs fixed in all areas last week	62	18 ↑
VLCCs available in MEG next 30 days	127	-37 ↓

1 Year T/C Crude



Dry Bulk

Comments

Capesize

Capes are enjoying some positive vibes this week with average index up to USD 13,000. C5 is up from 7.7 last week to USD 10 level whilst c3 is up from 19.3 to 22.3. There is still some potential for further improvements over the next couple of days. The reason for these positive trends is linked to cyclones in China; the same was seen a few weeks back when rates suddenly turned positive.

Panamax

A week of further gains for the Panamax market. The Atlantic continued on its firm path of late with firmer numbers being concluded particularly for the longer fronthaul trips in the North, and whilst mineral transatlantic activity was minimal rates here too improved as further south demand ex EC South America continued to offer support in the Atlantic and Indian ocean/Southeast Asia for the fronthaul trips. Asia continued to witness solid levels of demand ex NoPac and Australia and rates here continued to increase further. Indonesia continued to offer good cargo count.

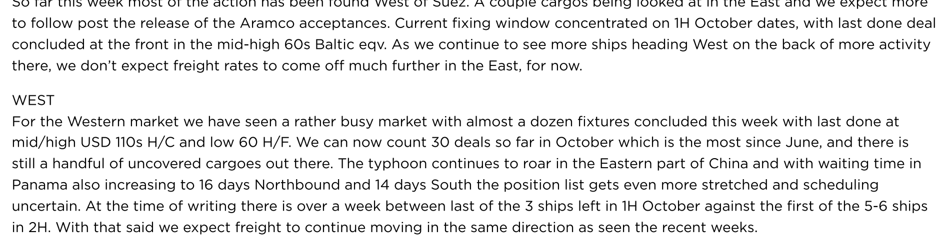
Supramax

Strong surge in vessels heading to the major loading countries in Asia the last weeks, almost up to similar heights as last year. Apart from that there is very little change in the indicators for long term. This week there was although tick more activity from USG and ECSA. From Atlantic, a Supramax open Spain was fixed for fronthaul at USD 20,000. Supra del Algeria for a run to Continent was fixed around USD 19,000. Meantime from USG, Ultramax was fixed at USD 14,000 to East Med and Supra to Morocco at USD 12,000 with petcoke on board. Another Supra fixed to Japan around USD 16,000. From the East it appeared more Australian and NoPac cargoes/requirements. Levels for trip via Indonesia to China was concluded around USD 23,000. China-India rounds paid ca USD 16,000 on Supras this week.

Rates

Capesize (USD/Day, USD/Tonne)		
TCE Cont/Far East (180 DWT)	$28,125	$7,875 ↑
Australia – China	$9.9	$2.1 ↑
Pacific RV	$16,136	$8,959 ↑
Panamax (USD/Day, USD/Tonne)		
Transatlantic RV	$15,610	$2,085 ↑
TCE Cont/Far East	$25,518	$3,791 ↑
TCE Far East/Cont	$14,269	$2,859 ↑
TCE Far East RV	$21,203	$4,257 ↑
Supramax (USD/Day)		
Atlantic RV	$15,782	$411 ↑
Pacific RV	$15,471	$328 ↑
TCE Cont/Far East	$18,092	$167 ↑
1 Year T/C (USD/Day)		
Newcastlemax (208 000 dwt)	$18,000	$1,500 ↑
Capesize (180 000 dwt)	$14,500	$1,500 ↑
Kamsarmax (82 000 dwt)	$17,500	$1,000 ↑
Panamax (75 000 dwt)	$16,000	$1,000 ↑
Ultramax (64 000 dwt)	$17,500	$1,000 ↑
Supramax (58 000 dwt)	$14,500	$500 ↑
Baltic Dry Index (BDI)	$1,595	

1 Year T/C Dry Bulk



Gas

Chartering

EAST
So far this week most of the action has been found West of Suez. A couple cargos being looked at in the East and we expect more to follow post the release of the Aramco acceptances. Current fixing window concentrated on 1H October dates, with last done deal concluded at the front in the mid-high 60s Baltic eqv. As we continue to see more ships heading West on the back of more activity there, we don't expect freight rates to come off much further in the East, for now.

WEST
For the Western market we have seen a rather busy market with almost a dozen fixtures concluded this week with last done at mid/high USD 110s H/C and low 60 H/F. We can now count 30 deals so far in October which is the most since June, and there is still a handful of uncovered cargoes out there. The typhoon continues to roar in the Eastern part of China and with waiting time in Panama also increasing to 16 days Northbound and 14 days South the position list gets even more stretched and scheduling uncertain. At the time of writing there is over a week between last of the 3 ships left in 1H October against the first of the 5-6 ships in 2H. With that said we expect freight to continue moving in the same direction as seen the recent weeks.

LPG Rates

Spot Market (USD/Month)		
VLGC (84 000 cbm)	$1,300,000	$100,000 ↑
LGC (60 000 cbm)	$850,000	$0 →
MGC (38 000 cbm)	$900,000	$0 →
HDY SR (20-22 000 cbm)	$700,000	$0 →
HDY ETH (17-22 000 cbm)	$750,000	-$30,000 ↓
ETH (8-12 000 cbm)	$490,000	$0 →
SR (6 500 cbm)	$450,000	$0 →
COASTER Asia	$270,000	$0 →
COASTER Europe	$315,000	-$5,000 ↓
LPG/FOB Prices - Propane (USD/Tonne)		
FOB North Sea/ANSI	$635	$0 →
Saudi Arabia/CP	$650	$0 →
MT Belvieu (US Gulf)	$548	-$20 ↓
Sonatrach/Bethioua	$640	$0 →
LPG/FOB Prices - Butane (USD/Tonne)		
FOB North Sea/ANSI	$599	$0 →
Saudi Arabia/CP	$630	$0 →
MT Belvieu (US Gulf)	$495	-$25 ↓
Sonatrach/Bethioua	$612	$0 →

LNG Rates

Spot Market (USD/Day)		
East of Suez 155-165 000 cbm	$150,000	$20,000 ↑
West of Suez 155-165 000 cbm	$145,000	$25,000 ↑
1 Year T/C 155-160 000 cbm	$143,000	$0 →

Newbuilding

Activity Levels		
Tankers	Slow	Slow
Dry Bulkers	Slow	Slow
Others	Moderate	Moderate

Prices		
VLCC	$121.0	$0.0 →
Suezmax	$81.0	$0.0 →
Aframax	$63.5	$0.0 →
Product	$43.5	$0.0 →
Newcastlemax	$66.0	$0.0 →
Kamsarmax	$37.5	$0.0 →
Ultramax	$35.5	$0.0 →
LNGC (MEGI) (cbm)	$240.0	$0.0 →

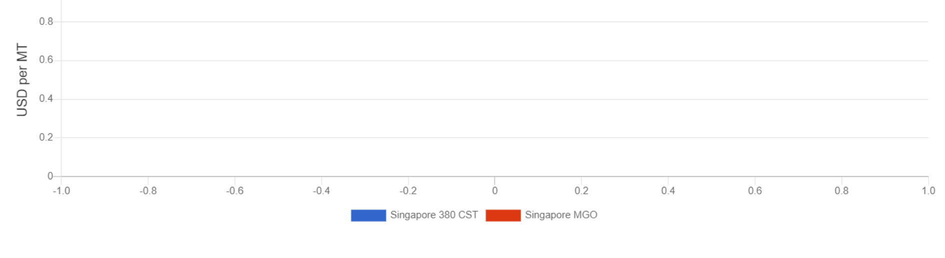
Sale & Purchase

Prices

Dry (5 yr)		
Capesize	$50.0	-$3.0 ↓
Kamsarmax	$34.0	-$3.0 ↓
Ultramax	$30.0	-$4.0 ↓
Dry (10 yr)		
Capesize	$34.0	-$3.0 ↓
Kamsarmax	$26.0	-$1.0 ↓
Ultramax	$24.0	-$3.0 ↓
Wet (5 yr)		
VLCC	$85.0	$0.0 →
Suezmax	$58.5	$0.5 ↑
Aframax / LR2	$54.0	$1.0 ↑
MR	$39.0	$2.0 ↑
Wet (10 yr)		
VLCC	$60.0	$0.0 →
Suezmax	$43.0	$0.0 →
Aframax / LR2	$40.0	$1.0 ↑
MR	$29.0	$1.0 ↑

Market Brief

Exchange Rates		
USD/JPY	118.50	2.53 ↑
USD/KRW	1235.50	7.25 ↑
USD/NOK	9.24	-0.01 ↓
EUR/USD	1.10	0.00 ↓
Interest Rates		
LIBOR USD (6 months)	3.81%	0.05% ↑
NIBOR NOK (6 months)	1.85%	0.00% →
Commodity Prices		
Brent Spot	$93.00	$0.00 →
Bunkers Prices		
Singapore 380 CST	$421.0	-$33.5 ↓
Singapore Gasoil	$1,053.0	-$14.0 ↓
Rotterdam 380 CST	$448.5	$13.5 ↑
Rotterdam Gasoil	$1,077.0	-$17.0 ↓



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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