

Fearnleys Weekly Report

Week 38 - September 22, 2022

Printer version

Tankers

Comments

VLCC

It is not often we report gains of WS 20 points within a week. However, in a similar pattern to last month the Atlantic set the wheels in motion and drove the market upwards, as increased activity and a limited number of ballasters saw rates for USG/Ningbo climb to the USD 9.6m level. East of Suez, a lack of MEG Chinese vessels meant Unipac required significant additional market tonnage and astutely covered requirements on multiple vessels with a minimal uptick in rates. Once the dust settled, other charterers looking at the 1-10 window faced a depleted list, coupled with ships delaying due to Eastern typhoons. At the time of writing, we are north of WS 100 for TD3C and for owners to build on these gains, the 10-20 MEG enquiry coupled with a reignition of what has been quiet Atlantic business will be key.

Suezmax

Ships continue to disappear in the Atlantic basin with no details so we can construe that charterers are wary of making noise and are content with last done levels. With this in mind, we feel TD20 might creep up to WS 140's before the weekend. The US Gulf is gently ticking over with charterers being forced to reach on dates and fix ships not yet free of cargo, which will lead to inevitable mishaps with rates likely to uptick into mid/high WS 120's. For TD6, we are maintaining our numbers simply down to decent tonnage supply and present levels representing a fair deal for both sides of the phone: WS 180's and USD 5.8-5.9 for CPC/S.Korea. In the East, firm numbers have been paid on a short run with Fateh/Mangalore on subjects at WS 165 which possibly prices a China run in the WS 140'S.

Aframax

Nsea/Baltic market remained flat last week with charterers repeating last done levels without much hustle. Activity was moderate and some of the cargoes were covered on relets, preventing the rates from moving higher. Moving forward in October dates we expect market to improve on the back of healthier activity and tight position list. On the other side, despite activity ex CPC being very low, Med market jumped around 40p on the back of hefty cargo program, delays in strategic disports and vessels ballasting to the USG. Owners seem to have the momentum for now so market is expected to be steady in the short term as long as activity remains healthy.

Rates

Dirty (Spot WS 2021)

MEG/WEST (280 000)	WS 55.0	5.0 ↑
MEG/Japan (280 000)	WS 100.0	15.0 ↑
MEG/Singapore (280 000)	WS 102.5	15.5 ↑
WAF/FEAST (260 000)	WS 100.0	14.0 ↑
WAF/USAC (130 000)	WS 135.0	5.0 ↑
Sidi Kerir/W Med (135 000)	WS 152.5	10.0 ↑

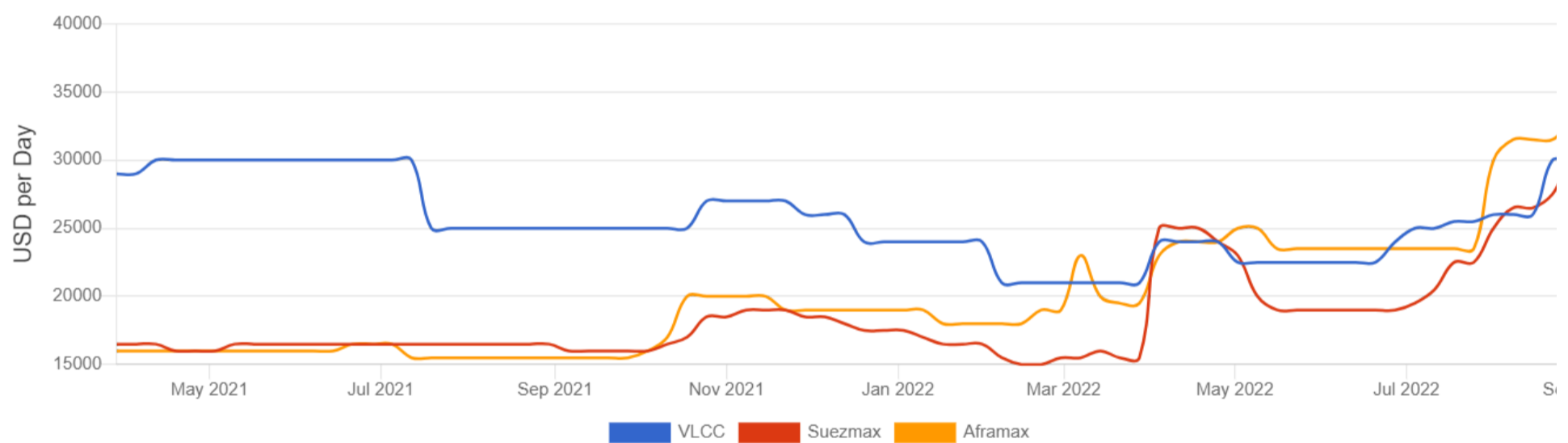
N. Afr/Euromed (80 000)	WS 190.0	40.0 ↑
UK/Cont (80 000)	WS 155.0	2.5 ↑
Caribs/USG (70 000)	WS 245.0	-22.5 ↓

1 Year T/C (USD/Day)

VLCC (Modern)	\$40000.0	\$5,500 ↑
Suezmax (Modern)	\$32000.0	\$1,000 ↑
Aframax (Modern)	\$34000.0	\$0 →

VLCC

VLCCs fixed in all areas last week	55	-7 ↓
VLCCs available in MEG next 30 days	135	8 ↑

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

Capesizes continue the positive trend from last week, on average up USD 4000 from last week. C5 is presently just excess USD 10 pmt and c3 is up from last week's USD 22 to present upper USD 23s with Vale still present. Period tonnage is more in demand and levels are more interesting in order to accommodate more period fixtures.

Panamax

Following on from the UK holiday on Monday, the market saw an active week with the bullish sentiment returning in some parts. This change in fortunes perhaps could be afforded to a fervent FFA market, as sources spoke of a lack of a transatlantic market all in all, however solid demand ex EC South America continued to be a large component in the market as Gibraltar/western Mediterranean positions competed with EC South America ballaster tonnage on the front haul trips. Asia too returned a firmer with activity ex NoPac and Australia again the main drivers with better than last done levels being achieved on decent positioned tonnage.

Supramax

The average index is trading still in the high of USD 10,000, with little gains from last week and closing yesterday at USD 17,382. Atlantic is being under pressure, while the Pacific market is more stable with rates maintaining a range of mid to high USD 10,000 pd. Transatlantic round voyages paying just a bit more than USD 15,000 pd. USG numbers seem to be flat without any significant changes in fresh inquiries. ECSA is stable with little to report. Tess 58 fixed USD 26,000 pd for TCT with grains from Argentina to the Continent. Ultramax asking USD 20,000 pd del West Africa for a trip to the Continent including the UK. The Continent market describes as a horror room without any lives. Vessels ballasting from Continent towards USEC to find employment. The Black Sea and the Mediterranean markets remain volatile driven by Ukraine and Russian exports. The coal cargoes from Russia still pay a big premium, while Ukrainian grains struggle to find suitable tonnage due to the HRA involved. Trips to the Far East paying around USD 18,000 pd.

Rates

Capesize (USD/Day, USD/Tonne)

TCE Cont/Far East (180 DWT)	\$34,063	\$5,938 ↑
Australia – China	\$10.2	\$0.3 ↑
Pacific RV	\$18,964	\$2,828 ↑

Panamax (USD/Day, USD/Tonne)

Transatlantic RV	\$14,425	-\$1,185 ↓
TCE Cont/Far East	\$24,041	-\$1,477 ↓
TCE Far East/Cont	\$14,390	\$121 ↑
TCE Far East RV	\$20,880	-\$323 ↓

Supramax (USD/Day)

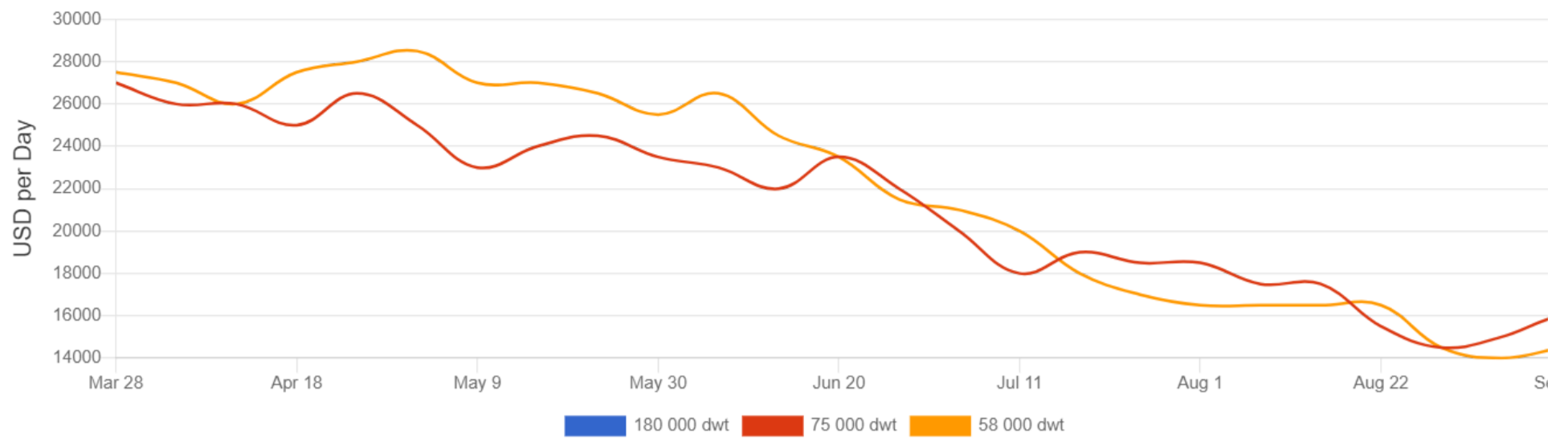
Atlantic RV	\$18,250	\$2,468 ↑
Pacific RV	\$15,864	\$393 ↑
TCE Cont/Far East	\$18,750	\$658 ↑

1 Year T/C (USD/Day)

Newcastlemax (208 000 dwt)	\$19,500	\$1,500 ↑
Capesize (180 000 dwt)	\$15,500	\$1,000 ↑
Kamsarmax (82 000 dwt)	\$17,500	\$0 →
Panamax (75 000 dwt)	\$16,000	\$0 →
Ultramax (64 000 dwt)	\$16,500	-\$1,000 ↓
Supramax (58 000 dwt)	\$15,000	\$500 ↑

Baltic Dry Index (BDI)

\$1,746

1 Year T/C Dry Bulk**Gas****Chartering****EAST**

The Indian majors have been at the center of activity so far this week, but we are now seeing several other players moving on freight for dates further into both mid and end October on the back of rising freight rates. With last non-Indian deal done at mid-70s RT/C we are at the time of writing seeing close to 15 spot fixtures concluded for October dates. We expect Eastern freight rates to remain strong.

WEST

This week we have seen freight rates continue to push upwards with last done deal concluded at mid 120 H/C and high 60s H/F for early November dates. Although focus have shifted towards this period there are still a few vessels left open in October as we have seen close to 40 spot fixtures for that month.

Going forward, vessel supply looks very tight and with bad weather both sides of US, in addition to Panama congestions increasing, it will make scheduling more difficult.

LPG Rates**Spot Market (USD/Month)**

VLGC (84 000 cbm)	\$1,500,000	\$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	\$0 →
ETH (8-12 000 cbm)	\$490,000	\$0 →
SR (6 500 cbm)	\$450,000	\$0 →
COASTER Asia	\$270,000	\$0 →
COASTER Europe	\$310,000	-\$5,000 ↓

LPG/FOB Prices - Propane (USD/Tonne)

FOB North Sea/ANSI	\$635	\$0 →
Saudi Arabia/CP	\$650	\$0 →
MT Belvieu (US Gulf)	\$524	-\$24 ↓
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)	\$478	-\$17 ↓
Sonatrach/Bethioua	\$612	\$0 →

LNG Rates

Spot Market (USD/Day)

East of Suez 155-165 000 cbm	\$150,000	\$0 →
West of Suez 155-165 000 cbm	\$145,000	\$0 →
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	\$0.0 →
Kamsarmax	\$34.0	\$0.0 →
Ultramax	\$30.0	\$0.0 →

Dry (10 yr)

Capesize	\$34.0	\$0.0 →
Kamsarmax	\$26.0	\$0.0 →
Ultramax	\$24.0	\$0.0 →

Wet (5 yr)

VLCC	\$85.0	\$0.0 →
Suezmax	\$58.5	\$0.0 →
Aframax / LR2	\$54.0	\$0.0 →
MR	\$39.0	\$0.0 →

Wet (10 yr)

VLCC	\$60.0	\$0.0 →
Suezmax	\$43.0	\$0.0 →
Aframax / LR2	\$40.0	\$0.0 →
MR	\$29.0	\$0.0 →

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)	4.12%	0.00% ↑
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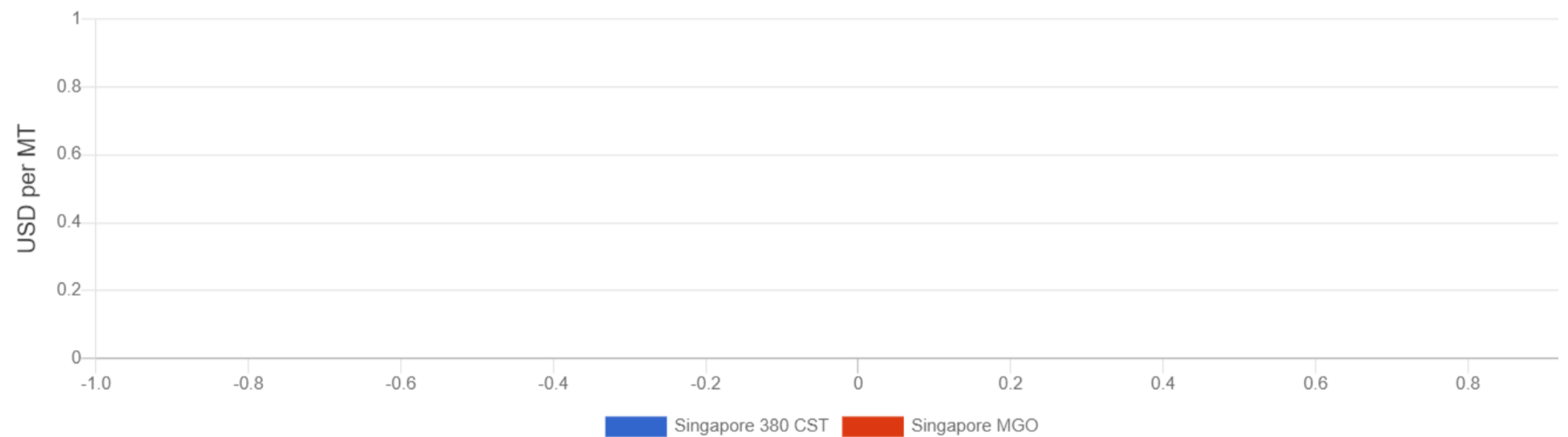
NIBOR NOK (6 months)	2.58%	0.73% ↑
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Commodity Prices

Brent Spot	\$90.00	-\$1.50 ↓
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Bunkers Prices

Singapore 380 CST	\$409.0	-\$12.0 ↓
Singapore Gasoil	\$943.5	-\$109.5 ↓
Rotterdam 380 CST	\$441.5	-\$7.0 ↓
Rotterdam Gasoil	\$999.5	-\$77.5 ↓



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.

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