

Fearnleys Weekly Report

Week 44 - November 02, 2022

Printer version

Tankers

Comments

VLCC

A busy few days with increasing sentiment on the owners side at the time of writing. Rates for MEG/East ticking back up past the WS 100 level as the 3rd decade November stems come into the market and with plenty of support from smaller sizes, the VL market shows no sign of any immediate softening. As in previous months, the Atlantic has driven the increase, as a busy USG has seen rates climb over the USD 12m level for the benchmark Ningbo route and West Africa/East needs a test in the WS 100's. A typhoon currently hitting the Philippines may also slow ballasters. The market today seems like a bear pit, with charterers asking questions and owners playing hard to get. Profit taking is possible, with strong TCE's, modern vessels may prefer to head for the Cape at Rondo, locking in length rather than shorter term gain.

Suezmax

Not the most active week on the surface but there's a steady/poised feel to the global Suezmax market. In the East, short-haul MEG/WCI cargoes are firm at WS 200 whilst we're pegging a TD23 run at WS 100. MEG/China today on modern tonnage is likely to trade WS 180's but needs testing. The Atlantic continues on a firm footing with a TD20 cargo on subs at WS 190, albeit on a vessel that is expected open Lome 12th and ex CPP to boot. The Black Sea retains its crown as the king of opaque markets with very little information filtering through but we peg a third decade TD6 loader at WS 205-210 and a CPC/ROK run unlikely to give much change from USD 7.5m. The USG continues to be the benefactor of a very strong Aframax market with USG/TA trading minimum 145KT x WS 157.5-160.

Aframax

The Nsea market moved more or less sideways again in the last week with earnings yielding around USD 55k pd for a regular Nsea voyage. Going forward we expect rates to firm a bit as quite a few ships have ballasted away from the area and not many regular Nsea players left for the natural fixing window. The Mediterranean market moved sideways over the last week, though a slightly softer undertone in the area beginning this week with regular cross-med routes correcting somewhat down, but again still offering respectable returns. We don't expect any drastic changes in the current fixing window as long as the cargo activity remains as healthy as we have seen over the last few weeks - offering both short and long-haul opportunities for owners.

Rates

Dirty (Spot WS 2021)

MEG/WEST (280 000)	WS 58.0	1.0 ↑
MEG/Japan (280 000)	WS 105.0	6.0 ↑
MEG/Singapore (280 000)	WS 105.0	5.0 ↑
WAF/FEAST (260 000)	WS 102.0	-3.0 ↓
WAF/USAC (130 000)	WS 187.5	12.5 ↑

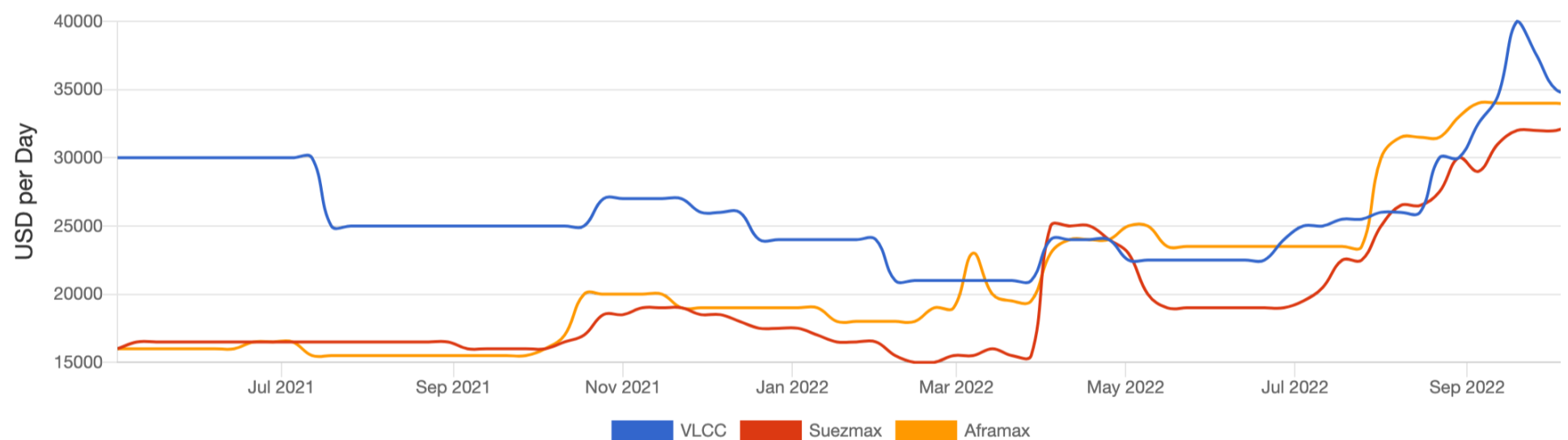
Sidi Kerir/W Med (135 000)	WS 185.0	5.0 ↑
N. Afr/Euromed (80 000)	WS 235.0	-2.5 ↓
UK/Cont (80 000)	WS 210.0	0.0 →
Caribs/USG (70 000)	WS 380.0	0.0 →

1 Year T/C (USD/Day)

VLCC (Modern)	\$36500.0	\$0 →
Suezmax (Modern)	\$34500.0	\$1,000 ↑
Aframax (Modern)	\$35000.0	\$0 →

VLCC

VLCCs fixed in all areas last week	47	1 ↑
VLCCs available in MEG next 30 days	132	-12 ↓

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

The average BCI index lost some USD 5000 daily from last week, to present average just above USD 10,000. C5 dropped one USD to current USD 8 level an c3 is priced sub USD 20 with potential for further drops in the near future, hand in hand with weak fundamentals. China is establishing a team planning to reopen the country by March next year and the forthcoming updated covid guidelines are expected to be good news.

Panamax

Another muted week with little excitement as sentiment remained negative in most areas. Whilst weather issues in South Asia were causing some delays, there was still a ready supply of tonnage. The Atlantic remained subdued with little cargo interest entering the market.

Supramax

As speculated last week, the market did indeed break below the USD 16,000-20,000 pd range seen for three months. Vessels heading to the major loading countries in Asia have dropped slightly, whereas the others are basically unchanged. The ballaster/laden vessel ratio still hovers around 75%, compared to the 70% seen last year. Negative sentiment was sensed across all routes. Little activity from USG mainly due to low water levels in the Mississippi River. Similar story with ECSA.

Tick more activity from the Pacific. Indonesia-India coal run being done at USD 14,000. Indo China rounds were done around USD 8,000. A backhaul with del N China redel Med was fixed around USD 13,500.

Rates
Capesize (USD/Day, USD/Tonne)

TCE Cont/Far East (180 DWT)	\$24,875	-\$6,688 ↓
Australia – China	\$8.1	-\$0.6 ↓
Pacific RV	\$8,550	-\$2,886 ↓

Panamax (USD/Day, USD/Tonne)

Transatlantic RV	\$13,915	-\$2,975 ↓
TCE Cont/Far East	\$23,127	-\$2,464 ↓
TCE Far East/Cont	\$12,939	-\$1,252 ↓
TCE Far East RV	\$15,476	-\$1,680 ↓

Supramax (USD/Day)

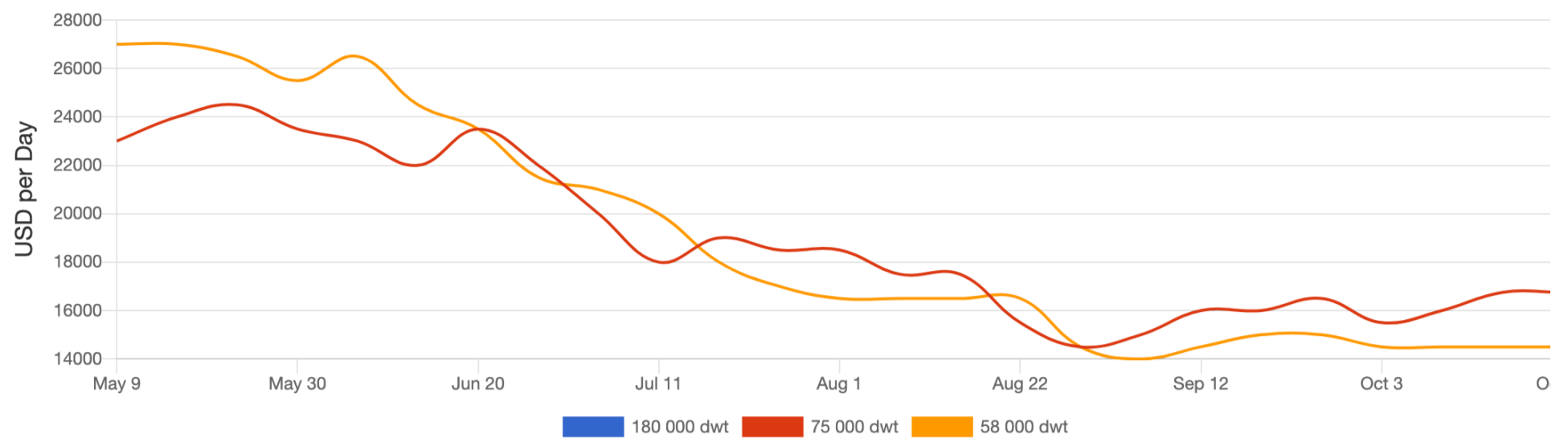
Atlantic RV	\$19,995	-\$1,041 ↓
Pacific RV	\$9,938	-\$3,443 ↓
TCE Cont/Far East	\$24,467	-\$666 ↓

1 Year T/C (USD/Day)

Newcastlemax (208 000 dwt)	\$17,000	-\$500 ↓
Capesize (180 000 dwt)	\$13,000	-\$500 ↓
Kamsarmax (82 000 dwt)	\$18,250	\$0 →
Panamax (75 000 dwt)	\$16,750	\$0 →
Ultramax (64 000 dwt)	\$17,000	\$0 →
Supramax (58 000 dwt)	\$14,500	\$0 →

Baltic Dry Index (BDI)

\$1,321

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

With last done deal ex MEG at USD 110 RT/C the East market maintains an upward sentiment. As we are now in November, we expect the QP and KPC acceptances for next month to be published within this week. Considering the tight market; we may see players in the market for early December cargoes soon, but whether the last decade of November has been finished remains a question mark. The Panama Canal keeps very congested and hearing latest auction price hike to low 900k for a VLGC, if this encourages more owners to ballast the ships from FEA towards Singapore/Suez remains to be seen.

WEST

We have now seen the first fixtures in December out of the USG with last done concluded at USD 180 H/C and USD 101 H/F which accounts for approximately USD 100k per day in TCE. At the time of writing there are still a good amount of uncovered cargoes in early December, but there are currently not enough vessels with firm itinerary to cover them all. There could be a couple more vessels coming open in early Dec as we await discharge schedules. Going forward, vessel supply further into mid and end Dec looks better and some players already looking this period, but it still looks tight. The Panama Canal continues making itineraries uncertain and the arb keeps getting wider. Rates are set to maintain strong.

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

VLGC (84 000 cbm)	\$2,800,000	\$500,000 ↑
LGC (60 000 cbm)	\$1,200,000	\$0 →
MGC (38 000 cbm)	\$1,025,000	\$125,000 ↑
HDY SR (20-22 000 cbm)	\$760,000	\$10,000 ↑
HDY ETH (17-22 000 cbm)	\$850,000	\$20,000 ↑
ETH (8-12 000 cbm)	\$500,000	\$0 →
SR (6 500 cbm)	\$450,000	\$0 →
COASTER Asia	\$270,000	\$0 →

COASTER Europe	\$310,000	\$0 →
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LPG/FOB Prices - Propane (USD/Tonne)

FOB North Sea/ANSI	\$532	\$0 →
Saudi Arabia/CP	\$590	\$0 →
MT Belvieu (US Gulf)	\$442	\$0 →
Sonatrach/Bethioua	\$550	\$0 →

LPG/FOB Prices - Butane (USD/Tonne)

FOB North Sea/ANSI	\$553	\$0 →
Saudi Arabia/CP	\$560	\$0 →
MT Belvieu (US Gulf)	\$424	\$0 →
Sonatrach/Bethioua	\$545	\$0 →

LNG Rates
Spot Market (USD/Day)

East of Suez 155-165 000 cbm	\$325,000	\$0 →
West of Suez 155-165 000 cbm	\$375,000	\$0 →
1 Year T/C 155-160 000 cbm	\$185,000	\$0 →

Newbuilding
Activity Levels

Tankers	Slow	Slow
Dry Bulk	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	\$48.0	\$0.0 →
Kamsarmax	\$31.0	\$0.0 →
Ultramax	\$30.0	\$0.0 →

Dry (10 yr)

Capesize	\$33.0	\$0.0 →
Kamsarmax	\$25.0	\$0.0 →
Ultramax	\$22.5	\$0.0 →

Wet (5 yr)

VLCC	\$85.0	\$0.0 →
Suezmax	\$60.0	\$0.0 →
Aframax / LR2	\$56.0	\$0.0 →
MR	\$40.0	\$0.0 →

Wet (10 yr)

VLCC	\$64.0	\$0.0 →
Suezmax	\$45.0	\$0.0 →
Aframax / LR2	\$42.0	\$0.0 →
MR	\$29.5	\$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

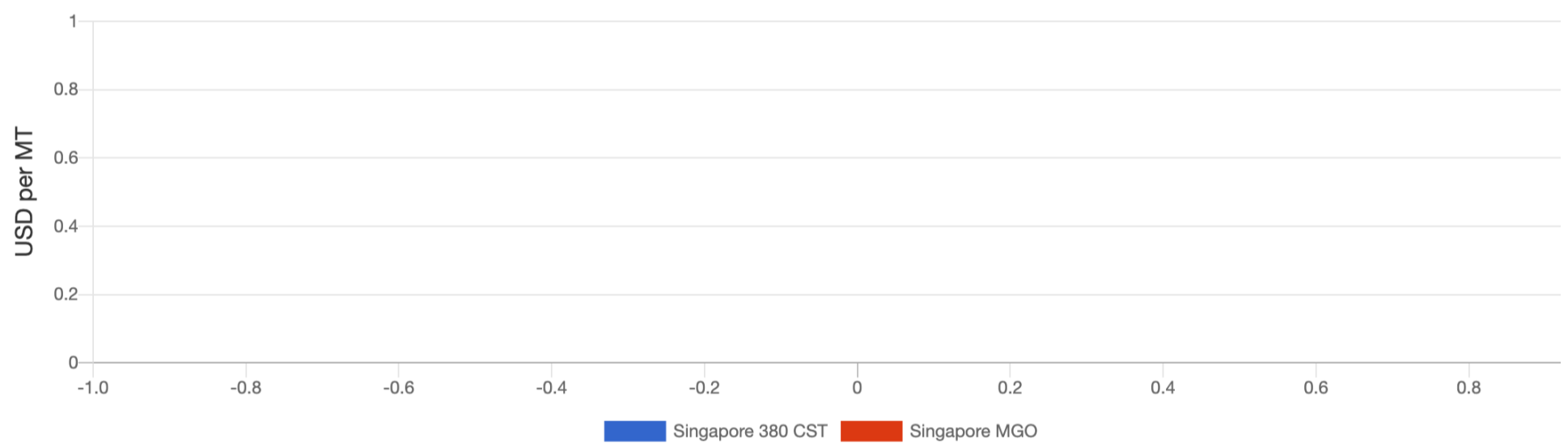
LIBOR USD (6 months)	4.92%	-0.02% ↓
NIBOR NOK (6 months)	2.58%	0.00% →

Commodity Prices

Brent Spot	\$94.50	-\$1.50 ↓
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Bunkers Prices

Singapore 380 CST	\$404.5	\$15.0 ↑
Singapore Gasoil	\$1,077.0	\$34.0 ↑
Rotterdam 380 CST	\$389.0	\$12.0 ↑
Rotterdam Gasoil	\$1,002.5	-\$12.5 ↓



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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