

Fearnleys Weekly Report

Week 45 - November 09, 2022

Printer version

Tankers

Comments

VLCC

Yet again, another firm week for owners, with rates hitting WS 112 for an MEG/Korea run. This places a China discharge (TD3C) at close to the WS 115 level. With November MEG volume reaching 150, there remains 10-15 cargoes still requiring transport and those owners with available tonnage will be licking their lips. With expensive waiting days, owners can be forgiven for profit taking on stems off their dates, but at the time of writing, appetite to continue into firmer territory remain.

The Atlantic market saw a replacement deal Wafr/Thailand paying up WS 7.5 points (from the same owner) at WS 115. USG cargoes continue to flow, despite the SPR release downturn and owners eye rates above USD 13m to China. Short-term outlook remains strong across the market, and current levels unlikely to subside much this side of the New Year.

Suezmax

Suezmaxes in the Atlantic came off last week, as activity slowed down in most areas. Charterers took their chance to sit on cargoes as some of the higher fixtures failed, and took some air out of the balloon. The dip was expected, but owners remained confident in the market as most of third decade in Wafr remained uncovered. Yesterday we saw those dates come in to play and with 6 cargoes trading in the same window, combined with a thin frontside of the tonnage list, rates are recovering to WS 190's on TD20. We have seen same in USG and in Med and Bsea. The East market on the other hand has less activity. Rates holding up well on the short MEG/India runs, while we are lacking MEG/East activity. But, with the V's still looking strong we hope to see more long east cargoes going forward.

Aframax

The Nsea Aframax market ticked a few points in upward direction, but would be considered a bit undervalued by owners who has got better alternatives in other load areas like the Mediterranean or the USG if they are willing to ballast. The tonnage list is still looking tight for any cargoes loading in the 2nd decade of November, and some bad weather in the area is also causing delays. In the Mediterranean, owners seen freight levels move in their favor over the last week. A steady flow of spot enquiries and with charterers searching for alternatives due delays in certain main hubs have continued to put an upward pressure on rates. Suezmax owners have also been in play this week, picking of Afra stems - though predominantly Bsea stems ex CPC. We expect the area to remain attractive in the near term.

Rates

Dirty (Spot WS 2021)

MEG/WEST (280 000)	WS 60.0	2.0
MEG/Japan (280 000)	WS 112.0	7.0
MEG/Singapore (280 000)	WS 113.0	8.0
WAF/FEAST (260 000)	WS 115.0	13.0

WAF/USAC (130 000)	WS 187.5	0.0
Sidi Kerir/W Med (135 000)	WS 185.0	0.0
N. Afr/Euromed (80 000)	WS 250.0	15.0
UK/Cont (80 000)	WS 220.0	10.0
Caribs/USG (70 000)	WS 375.0	-5.0

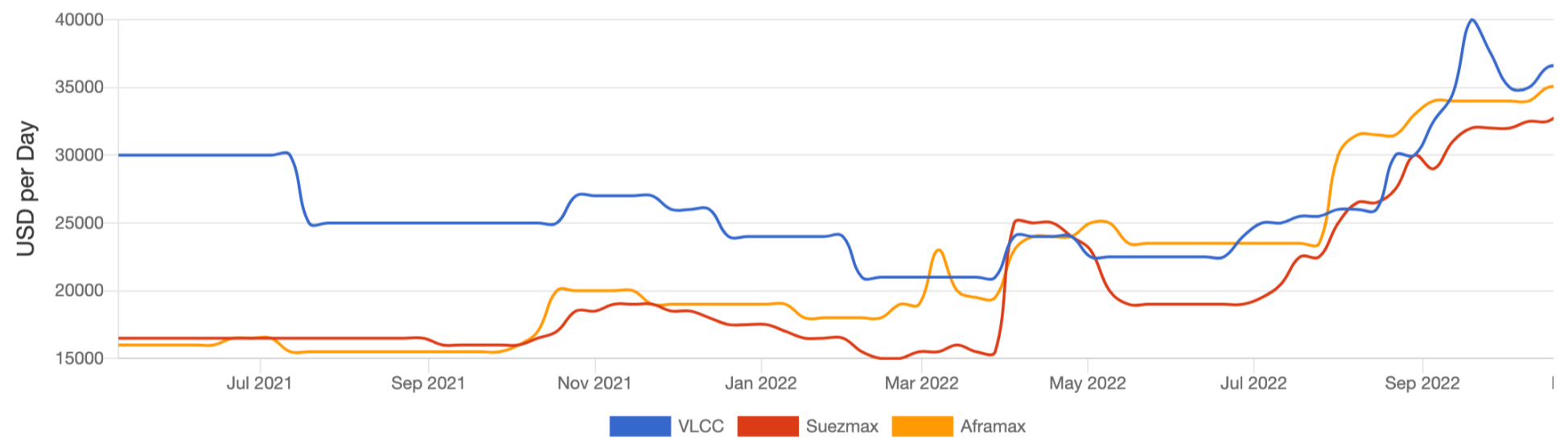
1 Year T/C (USD/Day)

VLCC (Modern)	\$40000.0	\$3,500
Suezmax (Modern)	\$34500.0	\$0
Aframax (Modern)	\$36000.0	\$1,000

VLCC

VLCCs fixed in all areas last week	73	26
VLCCs available in MEG next 30 days	135	3

1 Year T/C Crude



Dry Bulk

Comments

Capesize

Still no autumn rally - but at least significant improvements for the big ships. Main drivers being operational delays (and consequent congestion) at Far Eastern ports plus modestly increasing minerals output from main exporting areas Australia, South Africa, and Brazil. Average daily spot earnings up some 30 pct - from admittedly poor levels - w-o-w to come in at touch below USD 14k and set to climb further. Inter-pacific with its 50 pct rise, and transatlantic healthy despite small volume, showing most promise, whilst concern is for the long-duration China-Brazil-China round still trading at a grim and worrying discount to other routes. Worthy of notion that several industrial players find time right to try to take cargo cover for 2023. Less ugly FFA's give room for more period discussions - recent fixtures include 181,000 dwt, built 2017, done for 9-12 months at USD 14,500, similar unit already priced close to USD 2k up.

Panamax

A softer undertone continued to envelop the Panamax market, with little fresh demand today to alter the current weaker trend. The Atlantic again lacked fresh activity, with both the transatlantic and fronthaul markets consolidated as APS markets. Some weaker voyage rates came to light for transatlantic equating to below index timecharter equivalents, as tonnage continues to build. Asia appeared largely Indonesia centric with the short round trips dominating activity and reports with rates easing a little on previous done. Some period activity of note including talk of the Amphitrite (98,697 2012) Japan 19/20 November fixing for 13/15 months at USD 14,250 with Cobelfret, whilst Oldendorff were linked to the Xing De Hai (82,204 2017) ex dry dock Zhoushan 11-13 November fixed for short period at a rumoured USD 17,000, but further details were less forthcoming.

Supramax

The Atlantic still looks much better compared to Pacific where rates dropped below USD 10,000. Activity in main load areas in Atlantic slowed down. USG trading was slow with rates around USD 17,000 for Supramax TA and around USD 24,000 for TCT to China on Ultramax. ECSA remains stable with 61,000 dwt fixed basis delivery West Africa TCT via ECSA to Spore/Japan with grains at USD 24,000 pd. And TA on Ultramax kept falling, losing some USD 3,000/pd from the previous week on most routes. A 56,000 dwt dely Thailand was reported fixed at USD 8,000/pd for a trip via Indonesia to China, a 57,000 dwt dely Indonesia was done at USD 9,000/pd for a trip via Indonesia to Philippines, a 55,000 dwt dely mid-China took USD 7,500/pd for a trip via delivery Brazil redly Italy.

Rates

Capesize (USD/Day, USD/Tonne)

TCE Cont/Far East (180 DWT)	\$29,000	\$4,031
Australia – China	\$9.0	\$1.1
Pacific RV	\$13,018	\$5,273

Panamax (USD/Day, USD/Tonne)

Transatlantic RV	\$12,850	-\$1,025
TCE Cont/Far East	\$21,073	-\$1,659
TCE Far East/Cont	\$12,554	-\$394
TCE Far East RV	\$15,139	-\$412

Supramax (USD/Day)

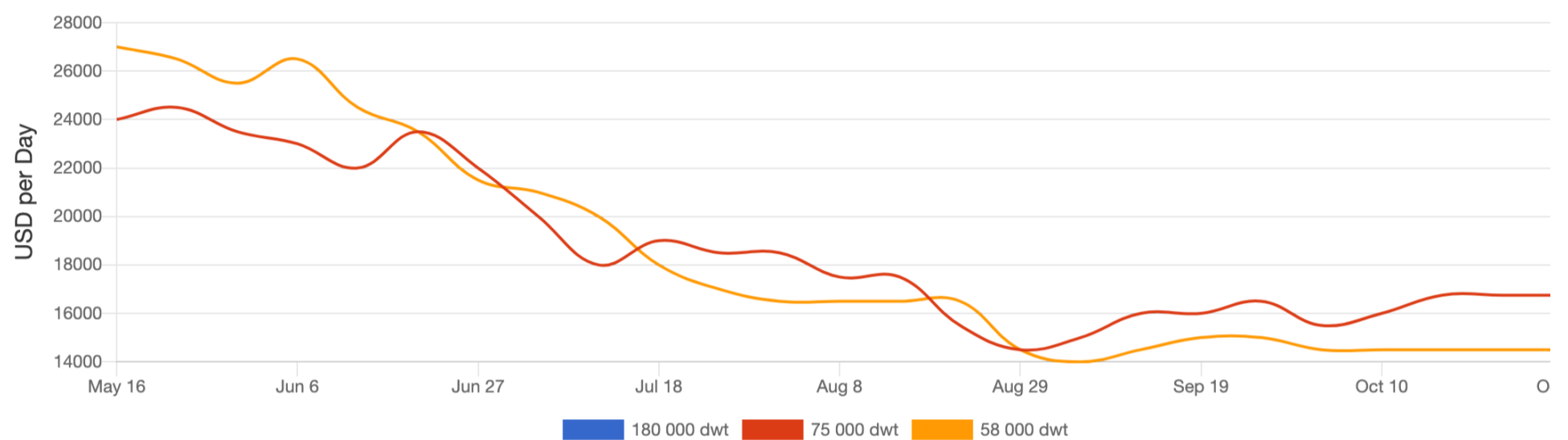
Atlantic RV	\$18,734	-\$628
Pacific RV	\$8,706	-\$723
TCE Cont/Far East	\$23,242	-\$979

1 Year T/C (USD/Day)

Newcastlemax (208 000 dwt)	\$18,000	\$1,000
Capesize (180 000 dwt)	\$14,000	\$1,000

Kamsarmax (82 000 dwt)	\$17,000	-\$1,250
Panamax (75 000 dwt)	\$15,500	-\$1,250
Ultramax (64 000 dwt)	\$14,000	-\$3,000
Supramax (58 000 dwt)	\$12,500	-\$2,000
Baltic Dry Index (BDI)	\$1,393	

1 Year T/C Dry Bulk



Gas

Chartering

EAST

Owners fixing ideas remain strong on the back of a tight East market. There are still some potential November cargoes and offers are few and far between. Looking further out into December there might be more vessels appearing on the East position list as routing via Suez is getting more attractive in tandem with the ever congested Panama Canal. Last done concluded at mid/low USD 120s RT/C.

WEST

So far this week we have seen a handful of vessels been put on subs for 2H December dates at freight levels around USD 180 H/C and mid USD 90s H/F. Currently we only see one ship left in early Dec, two in mid Dec and 5-6 vessels in end Dec. The three first available positions in the USG are relets and the first open ship from a pure shipowner we find around 20 Dec onwards. With only 16 spot fixtures so far in December we should expect at least 10 more deals to be done that month. Looking at a tight position list with few vessels having a firm itinerary and the arb widening a bit again sentiment continue looking strong.

LPG Rates

Spot Market (USD/Month)

VLGC (84 000 cbm)	\$3,000,000	\$50,000
LGC (60 000 cbm)	\$1,600,000	\$400,000
MGC (38 000 cbm)	\$1,025,000	\$0
HDY SR (20-22 000 cbm)	\$760,000	\$0

HDY ETH (17-22 000 cbm)	\$850,000	\$0
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

LPG/FOB Prices - Propane (USD/Tonne)

FOB North Sea/ANSI	\$557	\$25
Saudi Arabia/CP	\$610	\$20
MT Belvieu (US Gulf)	\$462	\$20
Sonatrach/Bethioua	\$572	\$22

LPG/FOB Prices - Butane (USD/Tonne)

FOB North Sea/ANSI	\$588	\$36
Saudi Arabia/CP	\$610	\$50
MT Belvieu (US Gulf)	\$459	\$35
Sonatrach/Bethioua	\$590	\$45

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	\$190,000	\$5,000

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	\$45.0	\$0.0
Kamsarmax	\$31.0	\$0.0
Ultramax	\$28.5	\$0.5

Dry (10 yr)

Capesize	\$31.0	\$0.0
Kamsarmax	\$24.0	-\$1.0
Ultramax	\$23.0	\$0.0

Wet (5 yr)

VLCC	\$87.0	\$0.0
Suezmax	\$61.5	\$0.0
Aframax / LR2	\$56.0	\$0.0
MR	\$40.0	\$0.0

Wet (10 yr)

VLCC	\$65.5	\$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

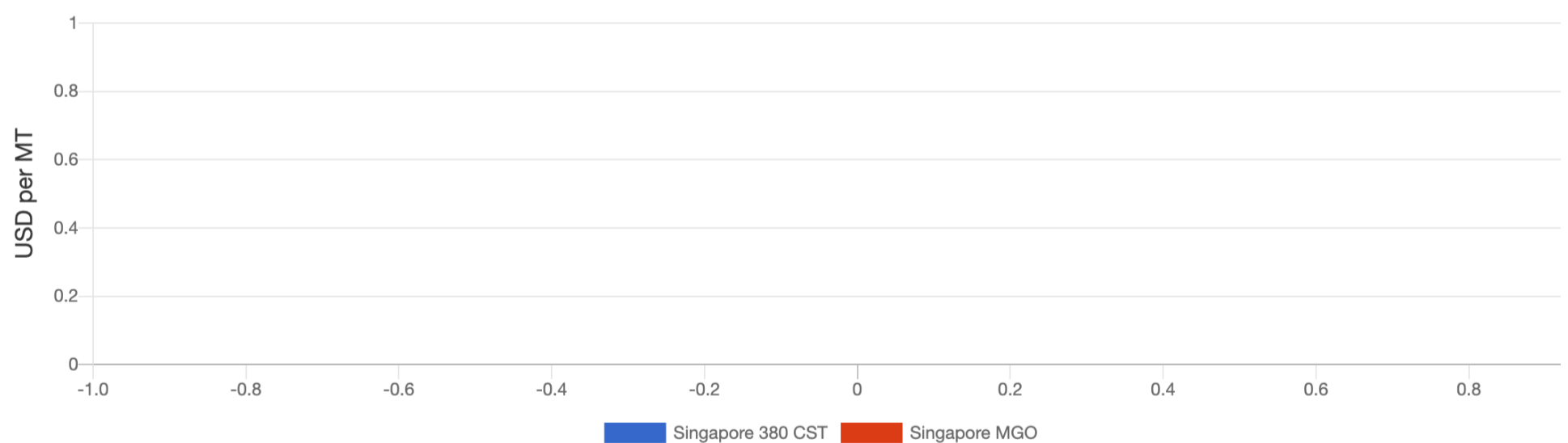
LIBOR USD (6 months)	5.13%	0.14%
NIBOR NOK (6 months)	2.58%	0.00%

Commodity Prices

Brent Spot	\$95.50	-\$3.00
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Bunkers Prices

Singapore 380 CST	\$438.5	\$34.0
Singapore Gasoil	\$1,077.5	\$0.5
Rotterdam 380 CST	\$431.5	\$42.5
Rotterdam Gasoil	\$1,049.0	\$46.5



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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