

Fearnleys Weekly Report

Week 46 - November 16, 2022

Printer version

Tankers

Comments

VLCC

The tonnage list continues to remain tight, and charterers were having to reach out even before the release of stem dates. WS 125 is now on subs MEG/long East and activity continues under the radar to cover. The Bahri event coupled with plenty of first decade business yet to be done, owners will be in no hurry to fix. In the short term the firming sentiment is likely to continue. Charterers will need to come up with a good plan to dent the current trend. The support from the USG continues with 8m now on subs to the UKC with a 15m option East, which is 800k jump on the UKC rate and 1.35m jump on the East rate from the last done. Arguably a straight East run has done 13.65m, either way the rates remain healthy from owners' point of view. Keeping in line WS 120 is also on subs Wafr/East.

Suezmax

The East market hasn't exactly sparked into life this week, but with vessels ballasting west on spec' the list has tightened a tad on the early side, so for now we're freighting MEG/East at WS 185 and a TD23 run at WS 92.5. In the USG, a firm Afra market continues to provide support for Suezmax's whilst a host of lightering opportunities have presented themselves in the natural window. This has cleared out most of the prompt ships, forcing a couple of cargoes to fix vessels with uncertain itineraries, which comes with obvious risks. In West Africa a Spanish run was last booked at WS 195 and with the list opening up after the 5th December we could be close to a cap. The Med and Black Sea are quiet on the surface but Afra's are firm, therefore TD6 trades circa WS 215-220 whilst there's little change from USD 7.9m for Korea run.

Aframax

Nsea market moved sideways for another week with charterers fixing quietly and repeating the rates. Owners that can fix Baltic focused on this last week but with 5th December approaching it remains to be seen what will happen after this date. Meanwhile, rest of the owners might ballast away from Nsea as the other areas keeps climbing, so we will see an uptick on the current rates moving forward. Med and Bsea were very busy and rates surged as inquiries just kept coming. Owners had the upper hand and they managed to consistently push rates higher for every fixture. With very strong sentiment right now, owners are looking to push even higher on the cargoes to come or at least maintain the current levels. CPC and North Africa is expected to remain busy in December, so we don't foresee considerable downward risk.

Rates

Dirty (Spot WS 2021)

MEG/WEST (280 000)	WS 70.0	10.0 ↑
MEG/Japan (280 000)	WS 125.0	13.0 ↑
MEG/Singapore (280 000)	WS 125.0	12.0 ↑
WAF/FEAST (260 000)	WS 120.0	5.0 ↑
WAF/USAC (130 000)	WS 192.5	5.0 ↑

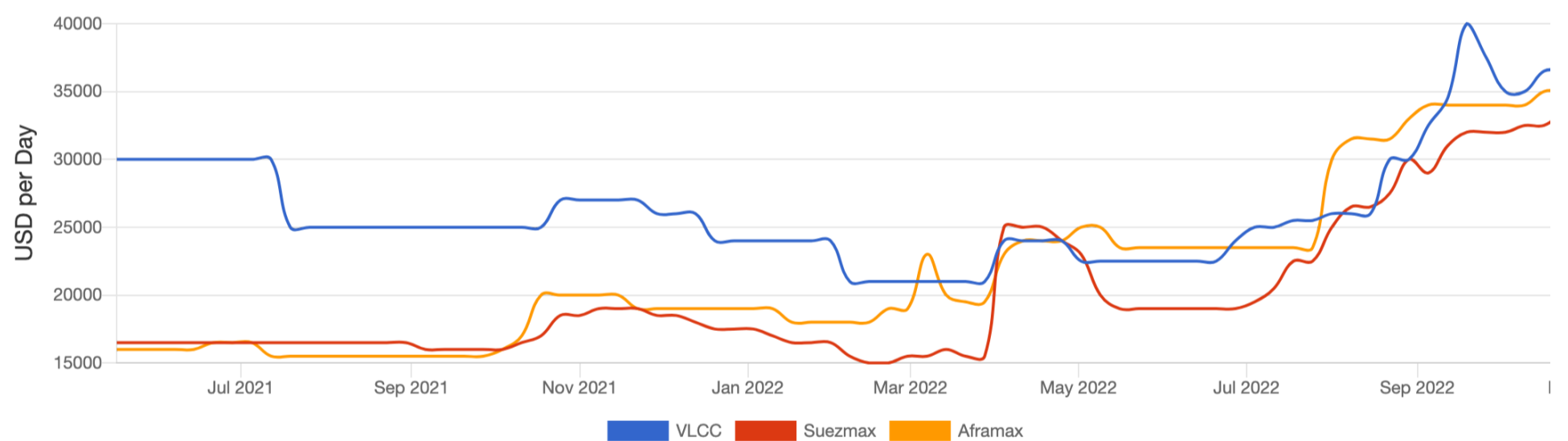
Sidi Kerir/W Med (135 000)	WS 190.0	5.0 ↑
N. Afr/Euromed (80 000)	WS 295.0	45.0 ↑
UK/Cont (80 000)	WS 222.5	2.5 ↑
Caribs/USG (70 000)	WS 430.0	55.0 ↑

1 Year T/C (USD/Day)

VLCC (Modern)	\$41500.0	\$1,500 ↑
Suezmax (Modern)	\$38500.0	\$4,000 ↑
Aframax (Modern)	\$37000.0	\$1,000 ↑

VLCC

VLCCs fixed in all areas last week	73	0 →
VLCCs available in MEG next 30 days	135	0 →

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

Market activity picked up over the last week with more action around the oceans. However, the tonnage count is increasing and the faith for an end of year bounce is losing confidence. We see the average of all time charter routs being marked down 19% week on week. Right now it seems unlikely that we will have a change in sentiment and it's expected to see the spot heading towards the forward pricing seen in FFA market.

Panamax

The Panamax market was largely an Atlantic centric market with much talk of the EC South Market finding some gravitas with numerous rumours emerging. By contrast Asia returned a largely flat and uneventful market with limited activity reported.

Supramax

The ballaster/laden vessel ratio continued to increase the last week, confirming that overall fundamentals remain weak. Apart from that, there has been an increase in vessels heading to the major loading countries in Asia, close to the all-time highs seen in early October. In other major regions there is not much change, with both the South Atlantic and North Atlantic vessel count remaining around the same levels for several weeks. From market 57,000 dwt from Spain to West Africa was fixed around USD 18,000. Bit more activity from USG, where Ultramax was covered at high USD 20,000 for a trip to East. Tick more reported from the Pacific, where bhaul from N China to Continent paid roughly USD 9,000 on Supramax. Ultramax open in N China concluded a trip to India with urea at USD 9,500. Limestone round on 58,000 dwt with delivery Susaki tor a trip to Taiwan closed at USD 7,500.

Rates
Capesize (USD/Day, USD/Tonne)

TCE Cont/Far East (180 DWT)	\$25,938	-\$2,625 ↓
Australia – China	\$8.4	-\$0.8 ↓
Pacific RV	\$10,150	-\$3,991 ↓

Panamax (USD/Day, USD/Tonne)

Transatlantic RV	\$13,970	\$1,380 ↑
TCE Cont/Far East	\$22,691	\$1,950 ↑
TCE Far East/Cont	\$11,603	-\$585 ↓
TCE Far East RV	\$14,095	-\$743 ↓

Supramax (USD/Day)

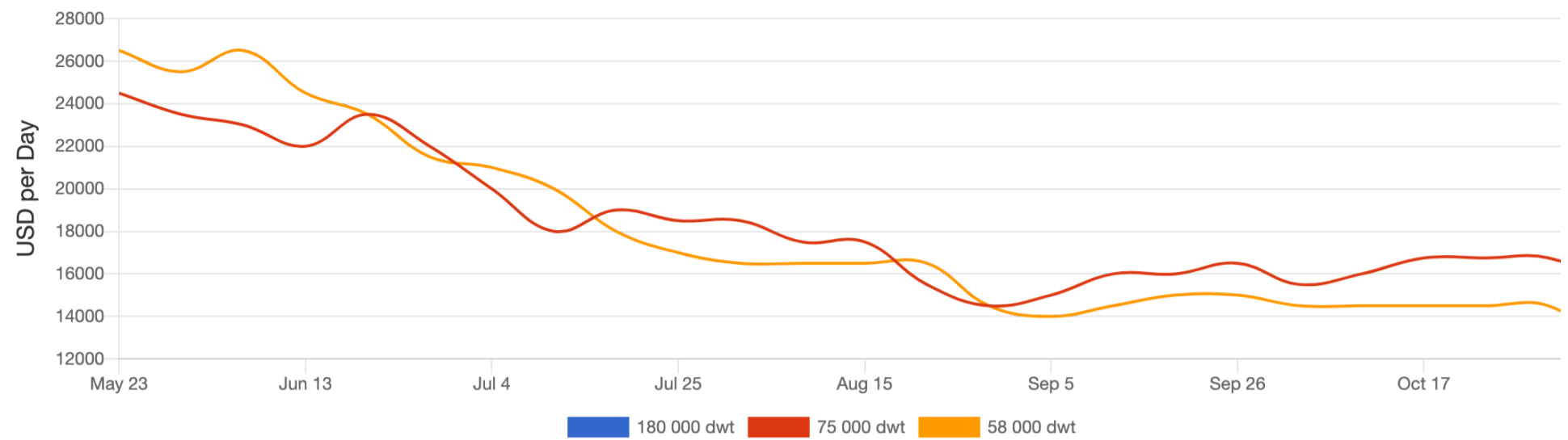
Atlantic RV	\$19,157	\$396 ↑
Pacific RV	\$7,750	-\$831 ↓
TCE Cont/Far East	\$22,917	-\$225 ↓

1 Year T/C (USD/Day)

Newcastlemax (208 000 dwt)	\$17,000	-\$1,000 ↓
Capesize (180 000 dwt)	\$13,250	-\$750 ↓
Kamsarmax (82 000 dwt)	\$16,500	-\$500 ↓
Panamax (75 000 dwt)	\$15,500	\$0 →
Ultramax (64 000 dwt)	\$14,000	\$0 →
Supramax (58 000 dwt)	\$12,500	\$0 →

Baltic Dry Index (BDI)

\$1,288

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

Saudi acceptances are yet to be published and we are awaiting the result of some FOB cargo tenders. A West African tender is believed to be won by a trader using own tonnage and another cargo in the MEG remains uncovered. Owners offer levels seen last night are in the 150s RT/C (last time we saw RT/C this high was back in July 2014), more than 5 dollars above yesterday Baltic. Some further talks of a couple of more expected 1H December Indian cargos will hit the market later and together with the last round of acceptances we expect more shipping activity ex Middle East to continue.

WEST

Latest Baltic print is now showing close to a 20 dollar discount in the West before waiting in Panama as we see the Eastern freight rates climb even further. Three vessels have been put on subs so far this week with last done out of the USG concluded at around USD 200 H/C. In total we have seen a bit over 20 spot fixtures so far for December ex USG, 7 of them in the first half and 14 in the second. Vessel supply for the rest of December looking tight and there are still several cargoes out there to be worked.

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

VLGC (84 000 cbm)	\$3,800,000	\$500,000 ↑
LGC (60 000 cbm)	\$2,000,000	\$400,000 ↑
MGC (38 000 cbm)	\$1,125,000	\$100,000 ↑
HDY SR (20-22 000 cbm)	\$790,000	\$30,000 ↑
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	\$300,000	-\$10,000 ↓
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LPG/FOB Prices - Propane (USD/Tonne)

FOB North Sea/ANSI	\$557	\$0 →
Saudi Arabia/CP	\$610	\$0 →
MT Belvieu (US Gulf)	\$452	-\$10 ↓
Sonatrach/Bethioua	\$572	\$0 →

LPG/FOB Prices - Butane (USD/Tonne)

FOB North Sea/ANSI	\$588	\$0 →
Saudi Arabia/CP	\$610	\$0 →
MT Belvieu (US Gulf)	\$456	-\$3 ↓
Sonatrach/Bethioua	\$590	\$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	\$190,000	\$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	\$44.0	-\$1.0 ↓
Kamsarmax	\$31.0	\$0.0 →
Ultramax	\$28.5	\$0.0 →

Dry (10 yr)

Capesize	\$30.0	-\$1.0 ↓
Kamsarmax	\$23.5	-\$0.5 ↓
Ultramax	\$23.0	\$0.0 →

Wet (5 yr)

VLCC	\$91.0	\$4.0 ↑
Suezmax	\$61.5	\$0.0 →
Aframax / LR2	\$56.0	\$0.0 →
MR	\$40.0	\$0.0 →

Wet (10 yr)

VLCC	\$66.0	\$0.5 ↑
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

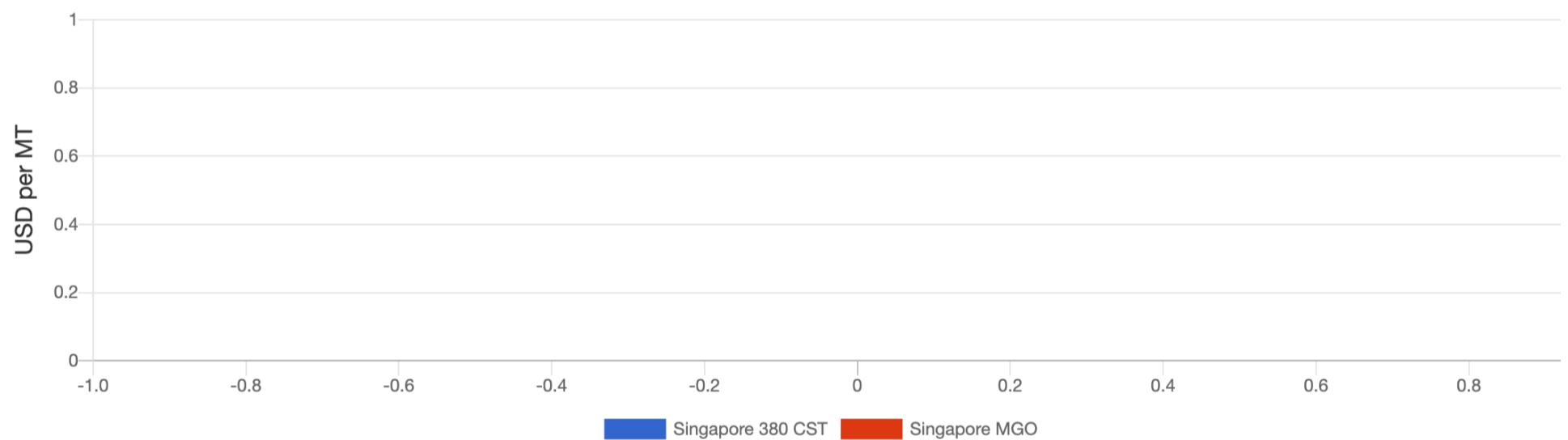
LIBOR USD (6 months)	5.10%	-0.03% ↓
NIBOR NOK (6 months)	2.58%	0.00% →

Commodity Prices

Brent Spot	\$94.00	-\$2.00 ↓
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Bunkers Prices

Singapore 380 CST	\$429.0	-\$4.0 ↓
Singapore Gasoil	\$1,058.0	-\$10.5 ↓
Rotterdam 380 CST	\$424.5	-\$13.5 ↓
Rotterdam Gasoil	\$969.5	-\$95.5 ↓



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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