

# Fearnleys Weekly Report

Week 50 - December 14, 2022

Printer version

Tankers

Comments

VLCC

After a period of steady decline, the VLCC market suddenly metamorphosed Thursday last week. A large number of ships had been quietly picked off under the radar and then Bahri swooped in and fixed half a dozen ships in one go. As a result, every other charterer with uncovered enquiries then toppled in one on top of the other, and MEG/East rates jumped 10 WS points in the space of a handful of fixtures. The frenzy that followed has left the MEG position list wanting for the balance of December, although the fixture count indicates that the month's program is largely covered. The Atlantic has seen a lot of fixing/failing/re-fixing with rates flatlined, and a weakening Suezmax segment it is likely to cap any upside for their bigger sisters.

Suezmax

It's a tale of two hemispheres right now with the Atlantic in free fall, whilst East of Suez, for now, just about holds on to last done levels. The writing has been on the wall in the Atlantic with the rot well and truly setting in after a very quiet seven-day period in the Americas. This led to a slide down to 145KT X WS 131 for a USG/TA run which has set the tone. TD20 is bound to follow suit with charterers likely to slow trade early January dates. TD6 has been extremely generous with charterers bizarrely not in the mood to test this region, preferring to fix end/early dates in and around WS 290 lvs. We expect this generosity to come to a swift end this week.

Aframax

Nsea rates moved sideways last week as activity was healthy and the list still is very thin. Owners are enjoying all-time high returns in this market the last two weeks and they are happy to repeat last-done levels. Moving forward we expect market to remain steady as supply of tonnage will remain tight. In the Med/Bsea rates bounced back on the back of all these vessels being stuck in the Turkish straits due to the P&I wording. Tonnage list is building up in the area so expect rates to take a small step back at some point. However, activity is expected to be firm, so we don't foresee big downward risk on the rates.

Rates

Dirty (Spot WS 2021)

MEG/WEST (280 000)	WS 57.0	4.5 ↑
MEG/Japan (280 000)	WS 82.5	9.0 ↑
MEG/Singapore (280 000)	WS 83.5	9.5 ↑
WAF/FEAST (260 000)	WS 82.5	10.0 ↑
WAF/USAC (130 000)	WS 167.5	-20.0 ↓
Sidi Kerir/W Med (135 000)	WS 215.0	-20.0 ↓
N. Afr/Euromed (80 000)	WS 370.0	-5.0 ↓
UK/Cont (80 000)	WS 325.0	0.0 →
Caribs/USG (70 000)	WS 220.0	-45.0 ↓

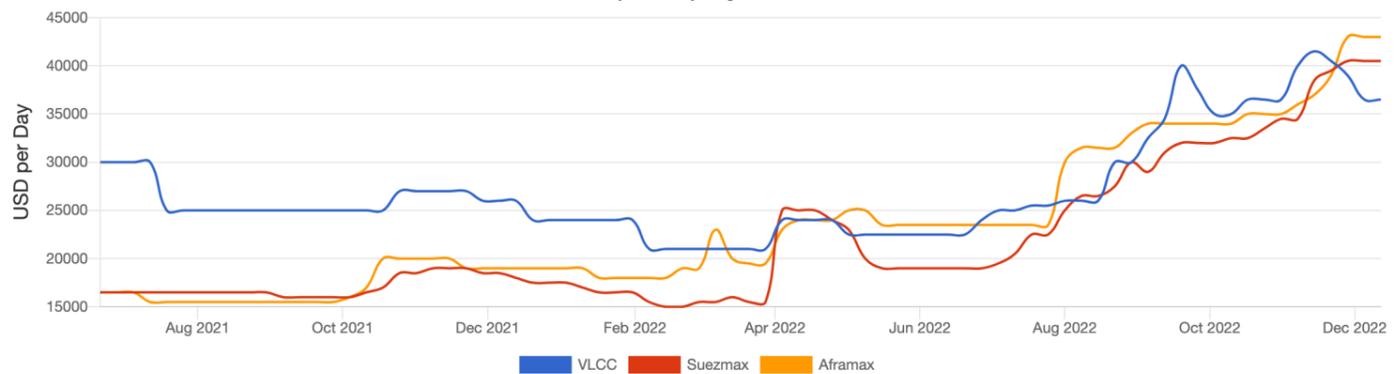
1 Year T/C (USD/Day)

VLCC (Modern)	\$36500.0	\$0 →
Suezmax (Modern)	\$40500.0	\$0 →
Aframax (Modern)	\$43000.0	\$0 →

VLCC

VLCCs fixed in all areas last week	72	20 ↑
VLCCs available in MEG next 30 days	147	2 ↑

1 Year T/C Crude



### Dry Bulk

#### Comments

#### Capesize

No excitement, and very mixed picture, but overall slightly improving for the big ships - average daily spot earnings up 5 pct w-o-w to come in at some USD 14,500. Far East remains a disappointment for owners, with volumes essentially limited to the West Australia/China iron ore trade and consequent transpacific values falling more than 25 pct to USD 11k/day. Atlantic is the bright spot, where in particular West Africa/Far East bauxite trades show promise and push the fronthaul route up a nudge to USD 32k/day and climbing further. Transatlantic mineral volumes also on the increase, lifting earnings for rounds some 15 pct to come close to USD 22k/day. Period activity negligible as 2023 FFA's still only support hire levels not considered by most tonnage providers - expectations for Q1 remains one of caution.

#### Panamax

The Atlantic appeared mostly flat with limited activity. Asia remained confusing, with some feeling a floor had been reached in the North of the basin whilst pressure was still mounting further south on the Indonesia coal runs, ultimately rates appeared to reflect same with small incremental moves. Some more period activity this week.

#### Supramax

The market slightly increased in the Atlantic basin, while Pacific flat with rates holding close to "last done". USG and ECSA markets are the most lucrative areas for the December loader. Supramax delivery USG to Med fixing around USD 22/23,000 pd and FH to East USD 26/27,000 pd level. The Continent market see very few fresh inquiries thus rates slide further down. Modern Ultra 63,000 dwt was fixed at USD 23,000/pd basis dely Skaw/Passero to Med with grains. The Pacific market see increased fixing activity though rates remain low. Ultra 61,000 dwt with dely Indo was reported at USD 14,000/pd for a trip via Indo to S.China, while Supra obtains USD 3,000 pd lower for the same run. Backhaul cargoes from China to the Atlantic paying around USD 778,000 pd.

#### Rates

##### Capesize (USD/Day, USD/Tonne)

TCE Cont/Far East (180 DWT)	\$31,313	\$3,032 ↑
Australia – China	\$8.0	-\$0.9 ↓
Pacific RV	\$11,018	-\$3,523 ↓

##### Panamax (USD/Day, USD/Tonne)

Transatlantic RV	\$17,630	\$1,010 ↑
TCE Cont/Far East	\$24,314	\$632 ↑
TCE Far East/Cont	\$8,728	-\$503 ↓
TCE Far East RV	\$11,068	-\$520 ↓

##### Supramax (USD/Day)

Atlantic RV	\$18,781	\$1,389 ↑
Pacific RV	\$8,719	-\$300 ↓
TCE Cont/Far East	\$19,292	-\$525 ↓

##### 1 Year T/C (USD/Day)

Newcastlemax (208 000 dwt)	\$18,500	\$1,500 ↑
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<b>Capesize (180 000 dwt)</b>	\$14,500	\$1,500 ↑
<b>Kamsarmax (82 000 dwt)</b>	\$16,000	\$0 →
<b>Panamax (75 000 dwt)</b>	\$14,500	\$0 →
<b>Ultramax (64 000 dwt)</b>	\$14,000	\$1,000 ↑
<b>Supramax (58 000 dwt)</b>	\$12,000	\$1,000 ↑
<b>Baltic Dry Index (BDI)</b>	\$1,401	

## 1 Year T/C Dry Bulk



## Gas

## Chartering

## EAST

December fixing is seemingly coming to an end as we only see a couple of vessels left this period. At the time of writing, we count just over 30 spot fixtures out of the Middle East for December. January fixing is finally underway with last done concluded at mid-high USD 130s early Jan out of the MEG. Charterers being more reluctant to move early might signal a weakening sentiment on freight, but it still remains to be seen how many firm cargoes there are to be worked, which could be clearer post Saudi acceptances.

## WEST

Only 2 of the 19 spot fixtures done in January out of the USG are done in 2H Jan, and with only 1-2 vessels left open for 1H Jan we soon expect fixing to fully shift into the last half of January as we move closer to Christmas. The position list for the rest of Jan is looking tight and it is currently dominated by pure shipowners as we only see a couple trader relets available. Although the arb has narrowed lately, we still find owners freight ideas right above the 200-dollar mark.

## LPG Rates

## Spot Market (USD/Month)

<b>VLGC (84 000 cbm)</b>	\$3,700,000	\$0 →
<b>LGC (60 000 cbm)</b>	\$2,000,000	\$0 →
<b>MGC (38 000 cbm)</b>	\$1,500,000	\$175,000 ↑
<b>HDY SR (20-22 000 cbm)</b>	\$800,000	\$0 →
<b>HDY ETH (17-22 000 cbm)</b>	\$875,000	\$15,000 ↑
<b>ETH (8-12 000 cbm)</b>	\$520,000	\$20,000 ↑
<b>SR (6 500 cbm)</b>	\$470,000	\$20,000 ↑
<b>COASTER Asia</b>	\$270,000	\$0 →
<b>COASTER Europe</b>	\$340,000	\$30,000 ↑

## LPG/FOB Prices - Propane (USD/Tonne)

<b>FOB North Sea/ANSI</b>	\$560	\$3 ↑
<b>Saudi Arabia/CP</b>	\$650	\$40 ↑
<b>MT Belvieu (US Gulf)</b>	\$356	\$2 ↑

Sonatrach/Bethioua	\$572	\$0 →
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## LPG/FOB Prices - Butane (USD/Tonne)

FOB North Sea/ANSI	\$566	-\$23 ↓
Saudi Arabia/CP	\$650	\$40 ↑
MT Belvieu (US Gulf)	\$423	\$1 ↑
Sonatrach/Bethioua	\$590	\$0 →

## LNG Rates

## Spot Market (USD/Day)

East of Suez 155-165 000 cbm	\$160,000	\$0 →
West of Suez 155-165 000 cbm	\$185,000	-\$15,000 ↓
1 Year T/C 155-160 000 cbm	\$176,000	-\$8,000 ↓

## 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 &amp; Purchase

## Prices

## Dry (5 yr)

Capesize	\$44.0	\$0.0 →
Kamsarmax	\$31.0	\$0.0 →
Ultramax	\$29.0	\$0.0 →

## Dry (10 yr)

Capesize	\$30.0	\$0.0 →
Kamsarmax	\$23.5	\$0.0 →
Ultramax	\$23.0	\$0.0 →

## Wet (5 yr)

VLCC	\$91.0	\$0.0 →
Suezmax	\$62.0	\$0.0 →

Aframax / LR2	\$56.0	\$0.0 →
MR	\$40.0	\$0.0 →

## Wet (10 yr)

VLCC	\$66.0	\$0.0 →
Suezmax	\$45.0	\$0.0 →
Aframax / LR2	\$42.0	\$0.0 →
MR	\$30.0	\$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

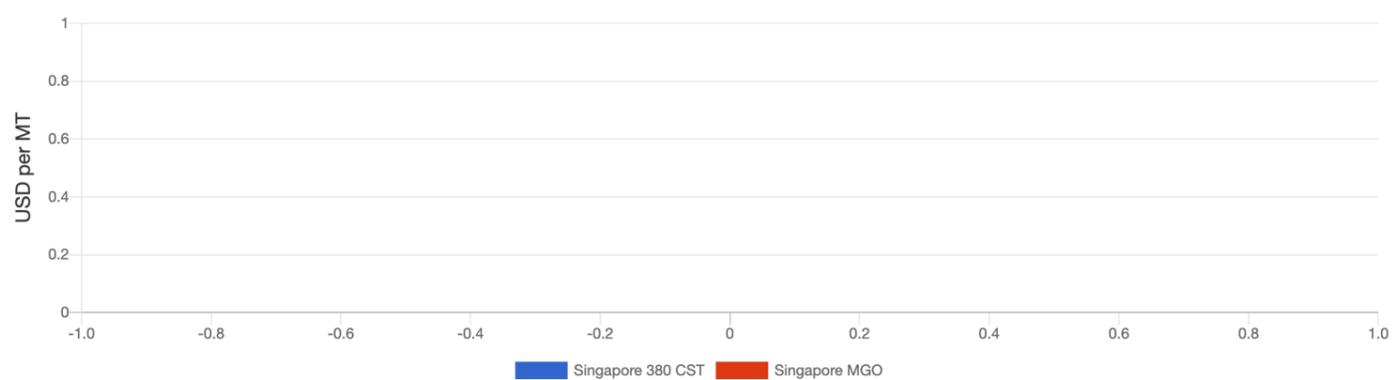
LIBOR USD (6 months)	5.21%	0.05% ↑
NIBOR NOK (6 months)	2.58%	0.00% →

## Commodity Prices

Brent Spot	\$80.50	\$3.50 ↑
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## Bunkers Prices

Singapore 380 CST	\$372.0	-\$20.0 ↓
Singapore Gasoil	\$889.0	-\$85.0 ↓
Rotterdam 380 CST	\$364.5	-\$17.0 ↓
Rotterdam Gasoil	\$846.0	-\$67.5 ↓



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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