

Fearnleys Weekly Report

Week 11 - March 15, 2023

Printer version

Tankers

Comments

VLCC

Presently, we sit in the gap between the March and April stems in the MEG. Charterers will be patiently waiting for stem dates with a cautious eye on the tonnage list. The Basrah dates are out however, and Smaxes actively working, providing plenty of support from below with bigger numbers reported (130 x w175 on subs). Saudi stems expected tomorrow, and there is potential for charterers to play it wrong, falling on top of each other, and we move to three figures MEG/China. However, picking softer candidates from the shadows may be the best tactic, as by the 3rd - 4th April, the MEG list opens out, the other side of this end March bottleneck.

The Atlantic continues to fix at higher levels - USD 11.4m latest USG/East and these decent levels will be needed to continue to tempt ballasters and Wafr remains quiet to test.

Suezmax

A deluge of enquiry blankets the Suezmax market with a firmer outlook in all load-zones. West Africa has displayed massive volatility with the region failing to establish a benchmark for more than a couple of days at most. After bottoming at WS 115, TD20 last traded end March dates at WS 117.5, but those rates are likely to ebb from charterers very quickly with WS 120 on the cards. Across the pond, we have seen enquiry levels tick up and with that so should rates. Lightering continues to thin out the list with evident upside. In the East, WS 70+ been logged for MEG/UKCM, albeit on option cargoes, but with the list of 20T crane vessels thinning out on the early side, a straight run might price close to these numbers before the week has finished. Strong VLCC market also adds an element of psychological support.

Aframax

We had a temporarily dip in Aframax rates in the Nsea this week on the back of lower activity. At the time of writing, we see rates ex West coast Norway pick up fixing at WS 170 levels. Owners will still be very competitive for any TA cargoes from the Cont. We expect the activity to remain healthy for the remainder of the month and rates moving sideways, unless we see more ships ballast or fixed out of the area. Med/BSea bottomed at the start of last week as charterers pushed for lower rates on the back of a longer list mainly consisting of ballasters from the East. Activity was steady, and as a result owners managed to push rates higher again. Market instability persists for another week West of Suez, with the main driver still being the USG market. We expect the Med/BSea to find a new equilibrium around current levels.

Rates

Dirty (Spot WS 2023)

MEG/WEST (60.0)	WS 60	15.0 ↑
MEG/Japan (91.5)	WS 91.5	14.0 ↑
MEG/Singapore (93.5)	WS 93.5	15.0 ↑
WAF/FEAST (91.0)	WS 91	14.0 ↑
WAF/USAC (117.5)	WS 117.5	-12.5 ↓

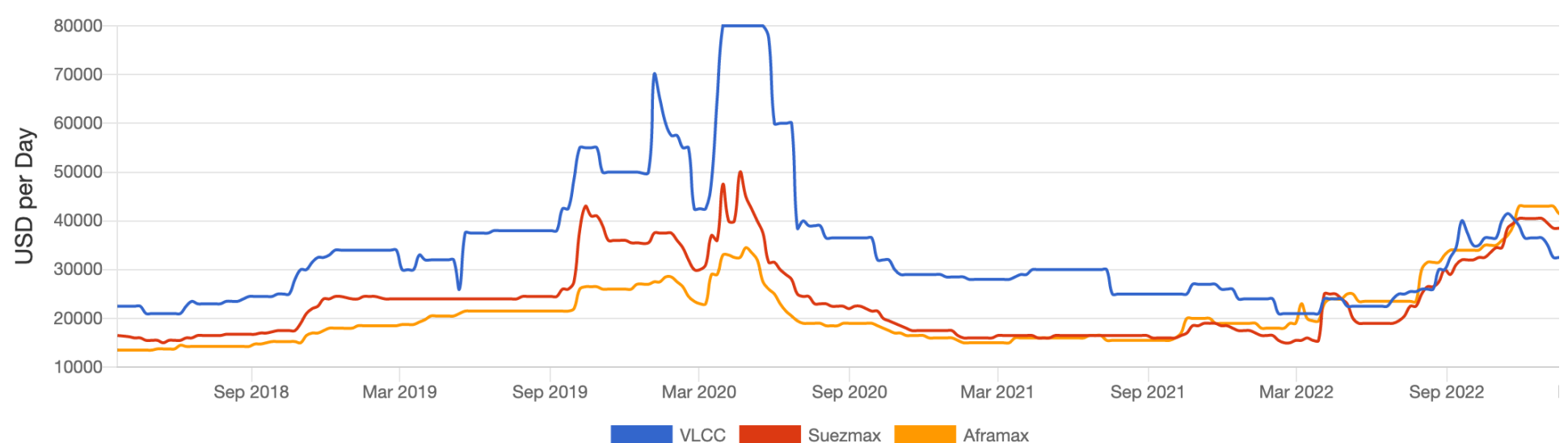
Sidi Kerir/W Med (130.0)	WS 130	-7.5 ↓
N. Afr/Euromed (182.5)	WS 182.5	-12.5 ↓
UK/Cont (170.0)	WS 170	-10.0 ↓
Caribs/USG (350.0)	WS 350	-25.0 ↓

1 Year T/C (USD/Day)

VLCC (Modern)	\$35,000	\$0 →
Suezmax (Modern)	\$41,000	\$0 →
Aframax (Modern)	\$42,000	\$0 →

VLCC

VLCCs fixed in all areas last week (Modern)	\$55	-\$33 ↓
VLCCs available in MEG next 30 days (Modern)	\$151	\$3 ↑

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

What a week for the big ships! After a slow start to the year, activity has really picked up and Capes are in demand. The average index rate is up USD 5,000 from last week, and the C5 is presently priced just excess USD 9 which is up USD 1 from last week. C3 has seen increased activity, and is priced up USD 2 from last week, close to USD 21.50. As a consequence, interest in period tonnage is changed, and more players are now looking to take cover.

Panamax

A week of significant gains for the Panamax market with all markets returning improved rates. The North Atlantic was said by numerous sources to appear tonnage tight with healthy demand driving rates, and with EC South America beginning to push too, these same sources felt further gains to come. Asia, despite being relatively slow in comparison but on reflection appeared well supported with Indonesia coal trips paying better levels even for the smaller and older LME types, coupled with this latest rally ex EC South America the market feels in very bullish mode. Unsurprisingly, some healthy period activity.

Supramax

The trend across all markets remains positive despite some areas such as USG and North Atlantic could see softer rates as the number of ships is greater than the number of new requirements.

Rates paid for trips to Far East were achieving close to USD 20,000 pd, and trips within the Atlantic improved from low USD 10,000 pd to mid USD 10,000 pd.

Black Sea and Mediterranean markets see a sharp shortage of tonnage and rates improving substantially. Owners demanding a premium to go East. Rates from Med to West Africa directions reaching USD 20,000 pd.

A lack of tonnages in Indian Ocean pushed charterers to pay higher levels. A Supra open WC India was fixed at USD 18,000 pd for EC India range, while Ultramax open WC India was fixed around USD 20,000 pd.

The market in the Pacific basin remained stable with potential upside due to coal imports to China.

Supra fixed dely Spore at USD 16,000 pd for a trip to China.

Rates**Capesize (USD/Day, USD/Tonne)**

TCE Cont/Far East (180 DWT)	\$32,188	\$188 ↑
Australia – China	\$9	-\$0 ↓
Pacific RV	\$18,250	-\$241 ↓

Panamax (USD/Day, USD/Tonne)

Transatlantic RV	\$13,495	\$475 ↑
TCE Cont/Far East	\$23,477	\$422 ↑
TCE Far East/Cont	\$10,135	\$66 ↑
TCE Far East RV	\$16,931	\$92 ↑

Supramax (USD/Day)

Atlantic RV	\$12,630	\$226 ↑
Pacific RV	\$13,563	\$1,694 ↑
TCE Cont/Far East	\$18,675	\$1,671 ↑

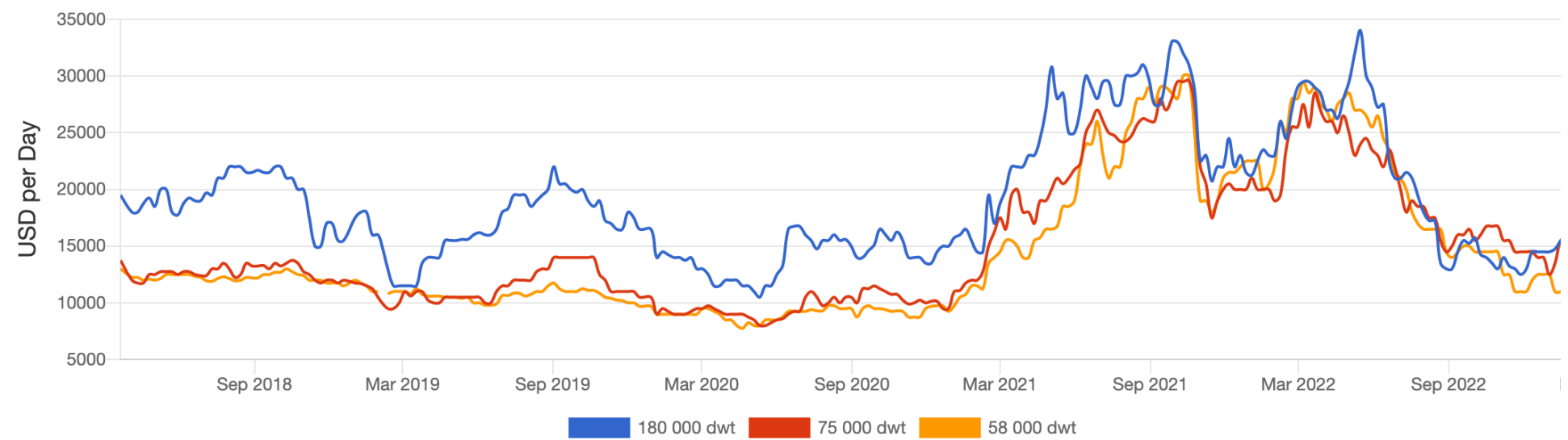
1 Year T/C (USD/Day)

Newcastlemax (208 000 dwt)	\$24,500	\$500 ↑
Capesize (180 000 dwt)	\$20,000	\$750 ↑
Kamsarmax (82 000 dwt)	\$18,500	\$2,000 ↑
Panamax (75 000 dwt)	\$17,500	\$2,000 ↑
Ultramax (64 000 dwt)	\$18,000	\$1,000 ↑

Supramax (58 000 dwt)	\$15,500	\$0 →
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Baltic Dry Index (BDI)	1603
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1 Year T/C Dry Bulk



Gas

Chartering

EAST

After a few quiet weeks we are starting to see a bit more activity in the East. A couple of cargoes are being circulated and a late running ship required some puzzle solving in order to free up a replacement. Tonnage supply is still looking quite sufficient in the East, especially for cargoes with laycans at the end of first decade April and onwards. Reports of less cargoes from both Aramco and Adnoc in April further emphasizes the current downward trend for East spot freight.

WEST

With a small handful of spot fixtures this week we are now counting a total of 23 for April out of the USG/USEC (7 first decade, 12 second decade and 4 last decade).

At this moment we only see a couple open vessels left in mid April while last decade have about 5-6 open positions before we move over to the month of May which currently is looking very tight in the front. Using latest Baltic print we get over a 10-dollar discount in the West before waiting in the Panama Canal. With that being said, freight rates seem to be stabilizing around last done levels at mid 140s H/C for now.

LPG Rates

Spot Market (USD/Month)

VLGC (84 000 cbm)	\$2,400,000	\$0 →
LGC (60 000 cbm)	\$1,600,000	-\$200,000 ↓
MGC (38 000 cbm)	\$1,200,000	\$0 →
HDY SR (20-22 000 cbm)	\$800,000	\$0 →
HDY ETH (17-22 000 cbm)	\$890,000	\$0 →
ETH (8-12 000 cbm)	\$540,000	\$0 →
SR (6 500 cbm)	\$490,000	\$0 →
COASTER Asia	\$280,000	\$0 →

COASTER Europe	\$400,000	\$10,000 ↑
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LPG/FOB Prices - Propane (USD/Tonne)

FOB North Sea/ANSI	\$613	\$0 →
Saudi Arabia/CP	\$720	\$0 →
MT Belvieu (US Gulf)	\$402	-\$61 ↓
Sonatrach/Bethioua	\$640	\$0 →

LPG/FOB Prices - Butane (USD/Tonne)

FOB North Sea/ANSI	\$675	\$0 →
Saudi Arabia/CP	\$740	\$0 →
MT Belvieu (US Gulf)	\$400	-\$38 ↓
Sonatrach/Bethioua	\$690	\$0 →

LNG Rates
Spot Market (USD/Day)

East of Suez 155-165 000 cbm	\$78,000	-\$5,000 ↓
West of Suez 155-165 000 cbm	\$60,000	-\$5,000 ↓
1 Year T/C 155-160 000 cbm	\$152,000	\$0 ↓

Newbuilding
Activity Levels

Tankers	Slow	
Dry Bulkers	Slow	
Others	Moderate	

Prices

VLCC	\$121	\$0 →
Suezmax	\$81	\$0 →
Aframax	\$64	\$0 →
Product	\$44	\$0 →
Newcastlemax	\$66	\$0 →

Kamsarmax	\$38	\$0 →
Ultramax	\$36	\$0 →
LNGC (MEGI) (cbm)	\$240	\$0 →

Sale & Purchase

Prices

Dry (5 yr)

Capesize	\$44	
Kamsarmax	\$30	
Ultramax	\$29	

Dry (10 yr)

Capesize	\$30	
Kamsarmax	\$23	
Ultramax	\$23	

Wet (5 yr)

VLCC	\$100	
Suezmax	\$67	
Aframax / LR2	\$63	

Wet (10 yr)

VLCC	\$77	
Suezmax	\$52	
Aframax / LR2	\$50	

Market Brief

Exchange Rates

USD/JPY	133.05	2.53 ↑
USD/KRW	1307.70	7.25 ↑
USD/NOK	10.56	-0.01 ↓
EUR/USD	1.07	0.00 ↓

Interest Rates

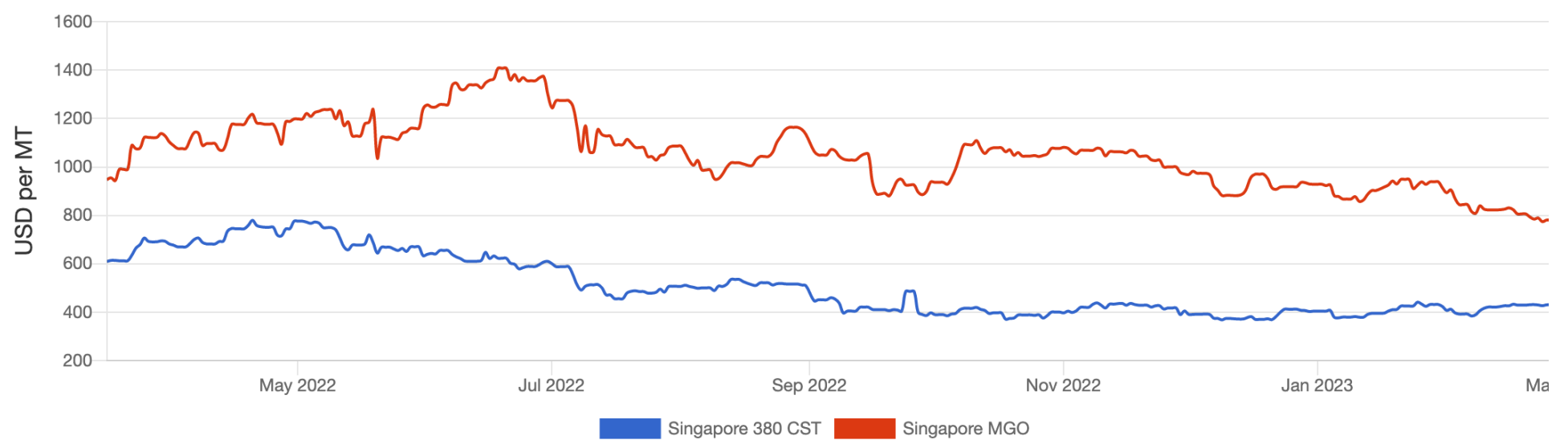
LIBOR USD (6 months)	5.20	0.06 ↑
NIBOR NOK (6 months)	3.12	0.00 →

Commodity Prices

Brent Spot	77.50	-4.00 ↓
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Bunkers Prices

Singapore 380 CST	446.50	-23.00 ↓
Singapore Gasoil	767.00	-47.50 ↓
Rotterdam 380 CST	409.50	-23.50 ↓
Rotterdam Gasoil	772.00	-46.00 ↓



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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