

Fearnleys Weekly Report

Week 13 - March 29, 2023

Printer version

Tankers

Comments

VLCC

Not a busy week on the open market, but ships continue to fix quietly with minimal fuss. As such, charterers have efficiently cleared the first half of April, as rates for Modern vessels MEG/China over the last week have fallen from the mid WS 90's to the mid/high WS 80's (to test) and many vessels fixed with no details will not add to any firmer feel. The current market direction will hinge on owners' patience and ability to hold the line in the face of low surface volumes. In recent months the USG has often driven a turnaround, but activity is yet to materialize & Wafr/East dropped Tuesday to the mid WS 80's. Daily earnings remain good, USD 80k'ish/day, but with much to gain there's also much to lose. The position list is not crazy long and counting owners as opposed to ships will give a fairer reflection of availability.

Suezmax

It says a lot about the psychology of this market, that despite no real support from either the US Gulf or Mediterranean, West Africa has managed to bottom at a very healthy mid/high WS 130's/TD20. Participants, namely charterers, have been burnt by the bounce so many times that they are the ones ironically applying the handbrake, which is preventing further falls. The West African fixing window is firmly focused on 15-20/4, and we count max 2-4 stems left before charterers start sniffing about for early third decade. The list remains tight, and we all know how this algorithm tends to play out. In the East, TD23 has twice traded WS 70, which is a fair reflection of the list and sentiment for that run. MEG/China on modern needs a test but it should find a home at circa WS 150 levels.

Aframax

The North Sea Aframax market seem to have bottomed out at WS 180 for the time being and the tonnage list still looks tight in the front end, but then fairly balanced up to mid-month with a mix of oil company relets and independent owners in position. We have seen quite a few owners ballast away to fix in other load areas outside the North Sea basin. However, going forward we expect the market to remain around current levels depending on dates. It's been a roller coaster week in the Med/Blsea area. The positive momentum took a U-turn end of last week following into this week. Charterers took a step back and managed to find alternatives offering them an escape. Even though the market has cooled off somewhat, owners still seeing nice returns on cross Med voyages. We foresee a soft undertone for the balance of the week.

Rates

Dirty (Spot WS 2023)

MEG/WEST (59.0)	WS 59	-3.5 ↓
MEG/Japan (87.5)	WS 87.5	-5.0 ↓
MEG/Singapore (88.5)	WS 88.5	-5.0 ↓
WAF/FEAST (85.0)	WS 85	-6.0 ↓
WAF/USAC (135.0)	WS 135	-15.0 ↓

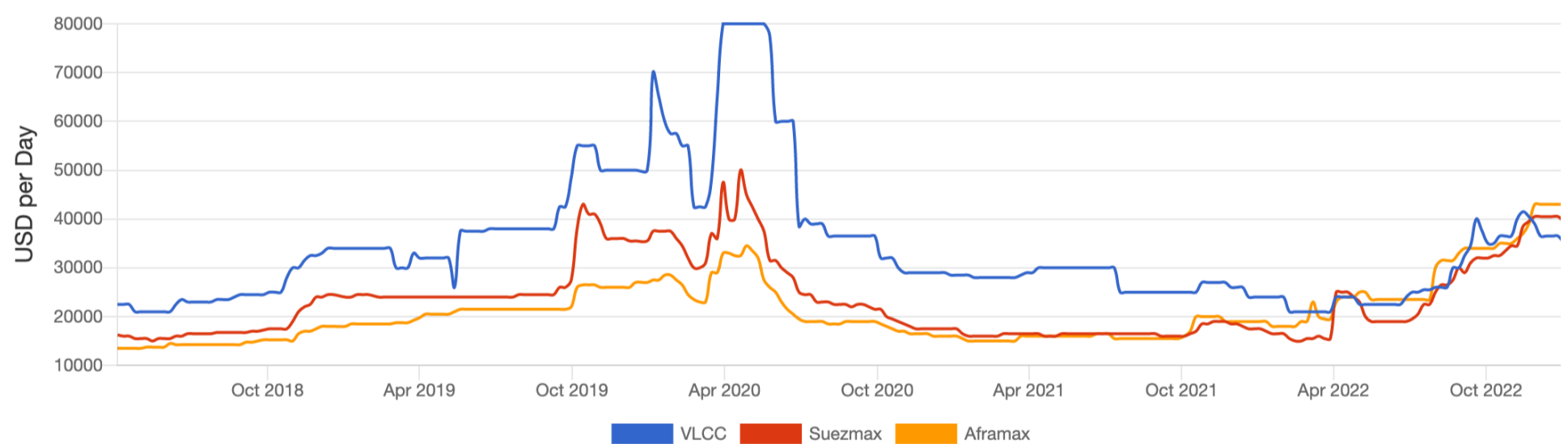
Sidi Kerir/W Med (147.5)	WS 147.5	-2.5 ↓
N. Afr/Euromed (255.0)	WS 255	-45.0 ↓
UK/Cont (180.0)	WS 180	0.0 →
Caribs/USG (280.0)	WS 280	-85.0 ↓

1 Year T/C (USD/Day)

VLCC (Modern)	\$37,500	-\$500 ↓
Suezmax (Modern)	\$42,000	\$1,000 ↑
Aframax (Modern)	\$44,000	\$1,000 ↑

VLCC

VLCCs fixed in all areas last week (Modern)	\$50	-\$19 ↓
VLCCs available in MEG next 30 days (Modern)	\$147	-\$1 ↓

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

Bumpy road for the biggies as long-awaited spring improvement doesn't just come as a straight line. Surprisingly low inter-pacific coal and iron ore flows combined with fast turnaround in Chinese ports pushing average daily earnings for Far East rounds down 25 pct w-o-w to USD 12,500, spot in general down a moderate 5 pct in value to just south of USD 14k/day. Atlantic seeing a healthier development as we speak, with in particular substantial mineral volumes to be moved ex West Africa. North Atlantic is thin on tonnage for April and list of ballasters not scary. Numerous traders, operators, and end-users out to lock in quality period units but bids not matching expectations - recent conclusions limited to indexed structures, exemplified by 181,000 dwt, built 2009, done for about 12 months at BCI AVE5TC + 7 pct.

Panamax

Given activity in recent days it was no great surprise that we ended the week on a quieter note. Limited talk in the Atlantic, but some sources felt optimistic leading into next week with slightly better bids seen for transatlantic trades, but still very limited. Asia again returned a very confusing story, despite much talk of fresh demand

entering the market charterers bids remained very low still consequently little happened as we end the week with a wide bid/offer gap ensuing.

Supramax

The trend across all markets remain flat and lacking more boost. USG and ECSA gained some steam to get owners hope to rise higher. The Continent market remains firm and Far East direction was not preferred, as owners prefer to stay in Atlantic in view of Far East market softening. Ultra 63,000 dwt was fixed from Baltic to East Africa at USD 18,600 pd, and Supra 55' dwt fixing delivery Continent for Med direction around USD 15,000 pd. Black Sea and Mediterranean markets see good demand for tonnage, and rates shooting up. Owners asking a premium to go East. Trips from Med to West Africa paying USD 20,000 pd, and to China direction close to mid USD 20,000 pd. The market in the Pacific basin slides somewhat downwards and mixed rates created confusion of real demand. Ultramax 60' dwt with delivery SE Asia fixed at USD 17,000 pd for a trip via Indo to Japan, and a Supra 58' dwt open North China was rumored fixing low USD 10,000 pd for a trip via Indo to China.

Rates

Capesize (USD/Day, USD/Tonne)

TCE Cont/Far East (180 DWT)	\$29,000	\$500 ↑
Australia – China	\$8	-\$0 ↓
Pacific RV	\$12,618	-\$368 ↓

Panamax (USD/Day, USD/Tonne)

Transatlantic RV	\$11,955	\$30 ↑
TCE Cont/Far East	\$21,900	\$159 ↑
TCE Far East/Cont	\$8,841	-\$38 ↓
TCE Far East RV	\$14,057	\$65 ↑

Supramax (USD/Day)

Atlantic RV	\$15,275	-\$54 ↓
Pacific RV	\$12,494	-\$671 ↓
TCE Cont/Far East	\$19,725	\$258 ↑

1 Year T/C (USD/Day)

Newcastlemax (208 000 dwt)	\$26,500	\$750 ↑
Capesize (180 000 dwt)	\$21,750	\$1,000 ↑
Kamsarmax (82 000 dwt)	\$18,500	\$0 →
Panamax (75 000 dwt)	\$17,000	\$0 →
Ultramax (64 000 dwt)	\$18,000	\$2,250 ↑

Supramax (58 000 dwt)	\$15,500	\$1,000 ↑
Baltic Dry Index (BDI)	1407	

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

Baltic keeps dropping across the board on the back of a weaker product market coupled with a lack of firm shipping requirements. So far we have seen 11 spot deals concluded in April in the Middle East (6 in first decade and 5 in the second) and it remains to be seen how many cargoes will be available until the last decade of April. Some of the early April positions are expected to head West, but with an equally slow market in this region little help is found to shorten the list in the East so far.

WEST

With well over a week without any spot fixtures in the West and freight rates dropping fast, we are now finally seeing willingness to fix after an Indonesian spot tender came out in the market for early May dates in USG. We now see a handful of uncovered cargoes out there for end April/early May with freight ideas around USD 110 H/C, which is a huge discount compared to the East. The position list still shows 8-9 ships left in April and it remains to be seen if there are enough cargoes to cover them all or if some of them will roll over to early May dates.

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

VLGC (84 000 cbm)	\$2,000,000	-\$200,000 ↓
LGC (60 000 cbm)	\$1,400,000	-\$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)	\$550,000	\$10,000 ↑
SR (6 500 cbm)	\$490,000	\$0 →
COASTER Asia	\$280,000	\$0 →

COASTER Europe	\$410,000	\$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)	\$409	\$29 ↑
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)	\$396	\$64 ↑
Sonatrach/Bethioua	\$690	\$0 →

LNG Rates

Spot Market (USD/Day)

East of Suez 155-165 000 cbm	\$65,000	-\$5,000 ↓
West of Suez 155-165 000 cbm	\$39,000	-\$1,000 ↓
1 Year T/C 155-160 000 cbm	\$123,000	-\$17,000 ↓

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	\$46	
Kamsarmax	\$31	
Ultramax	\$31	

Dry (10 yr)

Capesize	\$33	
Kamsarmax	\$24	
Ultramax	\$25	

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	130.65	2.53 ↑
USD/KRW	1299.50	7.25 ↑
USD/NOK	10.45	-0.01 ↓
EUR/USD	1.08	0.00 ↓

Interest Rates

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

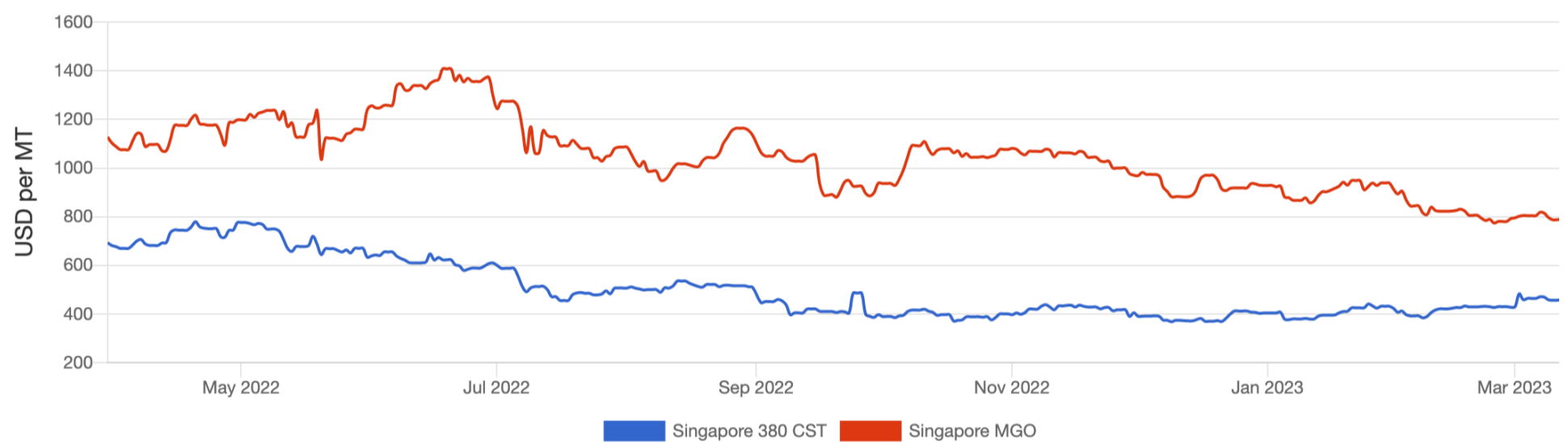
Commodity Prices

Brent Spot	78.50	3.50 ↑
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Bunkers Prices

Singapore 380 CST	441.50	43.00 ↑
Singapore Gasoil	746.50	26.50 ↑

Rotterdam 380 CST	411.00	33.50 ↑
Rotterdam Gasoil	765.50	12.00 ↑



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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