

# Fearnleys Weekly Report

Week 15 - April 12, 2023

Printer version

Tankers

Comments

VLCC

On paper, the MEG April stems seem far from finished. 20 cargoes remain? 30 cargoes? With many ships on subs, no details becoming a daily occurrence, an accurate picture can be hard to ascertain. Many charterers now increasing the way information is leaked, often when/if it suits their next cargo is a clever tactic. However, April is far from finished and the position list for the balance of the month is tightening. A couple of deals reported at WS 70+ MEG/East and owners have regained some lost confidence and showing resistance. Also, April also being the last month before OPEC+ put the squeeze on supply so some may try to maximize what the month has on offer.

A busier Atlantic will assist owners resolve as Wafr/East back to life at the WS 70 level and USG/East rates above USD 10m. Steady to a touch firmer in the short term.

Suezmax

Over the past few weeks, there has been a noticeable lack of activity for Suezmaxes in the Wafr and USG regions, and the situation hasn't changed at the beginning of this week. During the Easter holiday, the number of ships available has been increasing, and when charterers finally decided to take action, a downward correction in rates was inevitable. As of now, TD20 rates have dropped to WS 115, while USG/TA pays about WS 65. Although we are approaching the bottom of the market for this period, owners seem to have lost confidence, and unless there is an increase in volumes, rates may continue to decline. While activity remains relatively stable in the East, rates have softened somewhat due to the situation in the West. Looking ahead, it is expected that the market will reach a new bottom this week.

Aframax

Rates in the NSea moved sideways last week as tonnage list remains balanced and cargo activity is moderate. Most of the owners were happy to repeat last done numbers and moved to the next fixing window while surrounding markets don't offer great alternatives. Moving forward, we expect market to remain flat with no big surprises. On the other side, local Med runs were fixed at lower levels as the slow activity and vessels pilling up in the list gave the opportunity to charterers to fix lower. However, owners still enjoy healthy returns for the non-premium CPC-Med runs despite Turkish Strait delays being at minimum. We don't foresee any significant change for April laycans, but rates might be under further downward pressure if activity remains weak.

Rates

Dirty (Spot WS 2023)

<b>MEG/WEST (45.0)</b>	WS 45	0.0 →
<b>MEG/Japan (69.0)</b>	WS 69	1.5 ↑
<b>MEG/Singapore (71.0)</b>	WS 71	1.0 ↑
<b>WAF/FEAST (68.0)</b>	WS 68	-1.5 ↓
<b>WAF/USAC (112.5)</b>	WS 112.5	-15.0 ↓

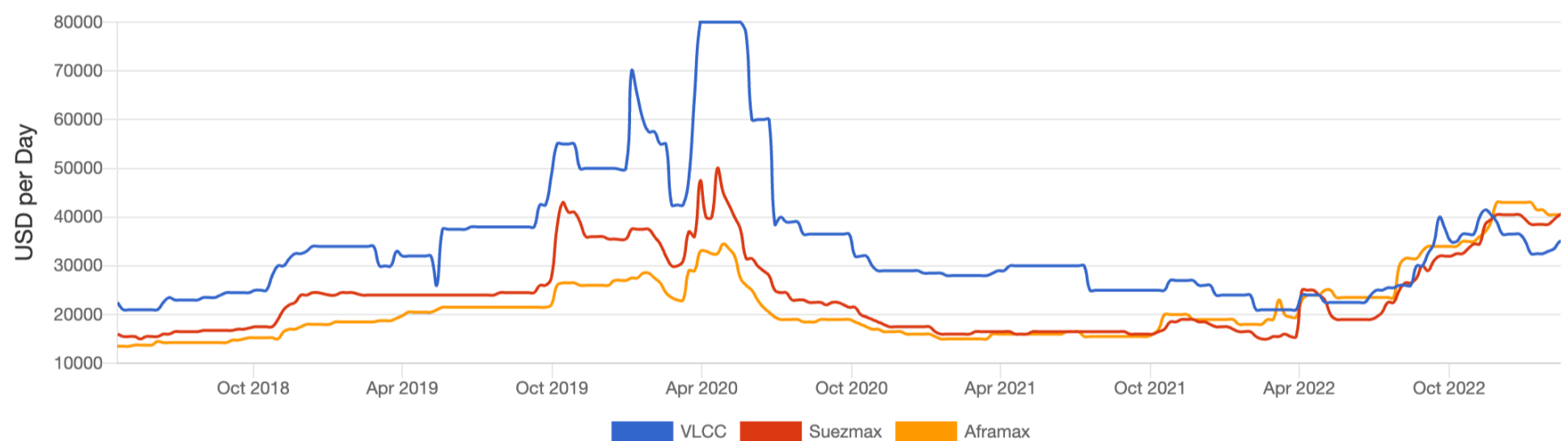
<b>Sidi Kerir/W Med (132.5)</b>	WS 132.5	-7.5 ↓
<b>N. Afr/Euromed (195.0)</b>	WS 195	-20.0 ↓
<b>UK/Cont (175.0)</b>	WS 175	0.0 →
<b>Caribs/USG (140.0)</b>	WS 140	-17.5 ↓

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

<b>VLCC (Modern)</b>	\$36,500	\$0 →
<b>Suezmax (Modern)</b>	\$41,000	-\$1,000 ↓
<b>Aframax (Modern)</b>	\$44,000	\$0 →

**VLCC**

<b>VLCCs fixed in all areas last week (Modern)</b>	\$36	-\$15 ↓
<b>VLCCs available in MEG next 30 days (Modern)</b>	\$120	-\$17 ↓

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

It's been an uneventful week with holidays occupying most of the trading days. However, as it often does, market softened a bit before the holidays as activity slowed down. The downwards trend continued the first trading day as a cyclone towards west Australia halted miners' program. That we currently see a change in sentiment and except the spot dates from west Australia to China, the other basins and especially south Atlantic is looking very healthy, and we do expect better levels the week to come.

**Panamax**

After a strong rebound last week, we started with a slow opening after long Easter holidays as both the charterers and the owners trying to gauge market next direction. The cargo volume has been slow to surface, but tonnage count is still tight in North Atlantic, giving a balanced feel to the market. Further south has also been quieter, and with softer FFA, the charterers are holding back or rating less vs owners' last done. Seems topy market with adjustment on routes this week.

## Supramax

The effect of the Easter holidays kept markets at low activities. Main loading areas in the Atlantic basin such as USG and ECSA are well balanced with sufficient cargo flow to maintain healthy levels. Tese 58 fixed USD 17,500 pd basis delivery in Santos, Brazil, for a trip to Italy. Another Supra 56' dwt fixed delivery ECSA for trips with grains at USD 15,000 pd + 450,000 GBB to China. TA from USG to Cont/Med reported fixing at USD 17,000 pd, and trips to Singapore-Japan paying just a bit more premium. The Supras in the Black Sea market were remarkably quiet due to a lack of fresh cargo and supply of prompt tonnage. Trips to Asia fell to USD 15,000 pd and trips to USG/ECSA at very low USD 10,000 pd. The Far East market still lacks optimism, and rates remain negative. Backhaul cargoes to the Atlantic pay around USD 10,000 pd, and coal trips to China around low USD 10,000 pd for Pacific RV.

## Rates

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

TCE Cont/Far East (180 DWT)	\$34,031	-\$938 ↓
Australia – China	\$8	\$0 ↑
Pacific RV	\$12,718	-\$64 ↓

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

Transatlantic RV	\$15,040	-\$355 ↓
TCE Cont/Far East	\$26,200	-\$345 ↓
TCE Far East/Cont	\$9,125	-\$113 ↓
TCE Far East RV	\$14,550	-\$254 ↓

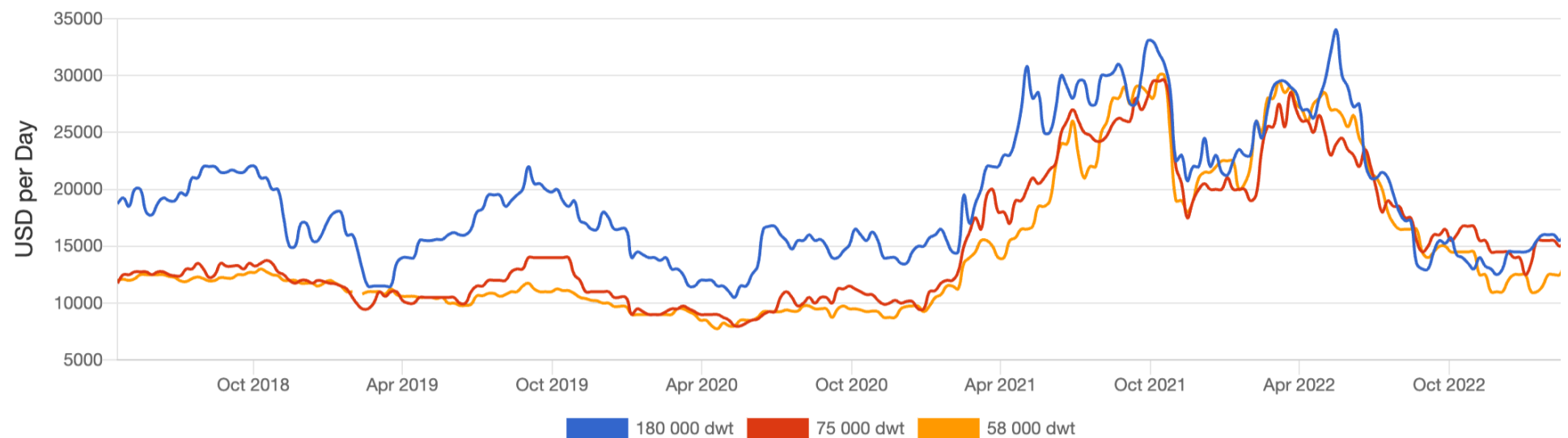
## Supramax (USD/Day)

Atlantic RV	\$13,850	-\$536 ↓
Pacific RV	\$10,000	-\$1,156 ↓
TCE Cont/Far East	\$19,042	-\$837 ↓

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

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

<b>Supramax (58 000 dwt)</b>	\$14,750	-\$750 ↓
<b>Baltic Dry Index (BDI)</b>	1463	

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

ADNOC was released earlier this week as expected and we saw some activity for end April dates, but also for early May. At the time of writing, we count 2 spot fixtures out of the Middle East Gulf with last done concluded at around mid USD 70s RT/C. April fixing looks to soon come to an end as we only see 1-2 available ships left this period. So far, the positions for 1H May in MEG looks balanced unless more ships will ballast to the United States.

**WEST**

With the West back from Easter holidays we are seeing some fixing activity in the US Gulf again. A couple vessels have been fixed at high 110s H/C and with them taken into consideration we are counting 16-17 spot fixtures (12 first decade) so far in May ex USG/USEC. With only a few spot fixtures done in second decade May there should be room for more, although we at the time of writing only see a couple open positions this period, but we can expect a couple additions coming back from discharge in the West. Vessel supply in the last decade also looking tight, and freight rates is set to maintain as we still see the West trade at a pretty big discount compared to the East.

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

<b>VLGC (84 000 cbm)</b>	\$1,600,000	\$200,000 ↑
<b>LGC (60 000 cbm)</b>	\$1,200,000	\$200,000 ↑
<b>MGC (38 000 cbm)</b>	\$1,200,000	\$0 →
<b>HDY SR (20-22 000 cbm)</b>	\$800,000	\$0 →
<b>HDY ETH (17-22 000 cbm)</b>	\$890,000	\$0 →
<b>ETH (8-12 000 cbm)</b>	\$550,000	\$0 →
<b>SR (6 500 cbm)</b>	\$490,000	\$0 →
<b>COASTER Asia</b>	\$280,000	\$0 →

<b>COASTER Europe</b>	\$420,000	\$10,000 ↑
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## LPG/FOB Prices - Propane (USD/Tonne)

<b>FOB North Sea/ANSI</b>	\$477	-\$136 ↓
<b>Saudi Arabia/CP</b>	\$555	-\$165 ↓
<b>MT Belvieu (US Gulf)</b>	\$426	\$17 ↑
<b>Sonatrach/Bethioua</b>	\$495	-\$145 ↓

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

<b>FOB North Sea/ANSI</b>	\$493	-\$182 ↓
<b>Saudi Arabia/CP</b>	\$545	-\$195 ↓
<b>MT Belvieu (US Gulf)</b>	\$399	\$3 ↑
<b>Sonatrach/Bethioua</b>	\$510	-\$180 ↓

## LNG Rates

## Spot Market (USD/Day)

<b>East of Suez 155-165 000 cbm</b>	\$58,000	\$0 →
<b>West of Suez 155-165 000 cbm</b>	\$38,000	-\$1,000 ↓
<b>1 Year T/C 155-160 000 cbm</b>	\$123,000	\$0 ↓

## Newbuilding

## Activity Levels

<b>Tankers</b>	Slow	
<b>Dry Bulkers</b>	Slow	
<b>Others</b>	Moderate	

## Prices

<b>VLCC</b>	\$121	\$0 →
<b>Suezmax</b>	\$81	\$0 →
<b>Aframax</b>	\$64	\$0 →
<b>Product</b>	\$44	\$0 →
<b>Newcastlemax</b>	\$66	\$0 →

<b>Kamsarmax</b>	\$38	\$0 →
<b>Ultramax</b>	\$36	-\$205 ↓
<b>LNGC (MEGI) (cbm)</b>	\$240	\$205 ↑

### Sale & Purchase

#### Prices

#### Dry (5 yr)

<b>Capesize</b>	\$46	
<b>Kamsarmax</b>	\$31	
<b>Ultramax</b>	\$31	

#### Dry (10 yr)

<b>Capesize</b>	\$34	
<b>Kamsarmax</b>	\$24	
<b>Ultramax</b>	\$25	

#### Wet (5 yr)

<b>VLCC</b>	\$100	
<b>Suezmax</b>	\$67	
<b>Aframax / LR2</b>	\$63	

#### Wet (10 yr)

<b>VLCC</b>	\$77	
<b>Suezmax</b>	\$52	
<b>Aframax / LR2</b>	\$50	

### Market Brief

#### Exchange Rates

<b>USD/JPY</b>	133.42	2.53 ↑
<b>USD/KRW</b>	1322.20	7.25 ↑
<b>USD/NOK</b>	10.59	-0.01 ↓
<b>EUR/USD</b>	1.09	0.00 ↓

#### Interest Rates

<b>LIBOR USD (6 months)</b>	5.20	0.06 ↑
<b>NIBOR NOK (6 months)</b>	3.12	0.00 →

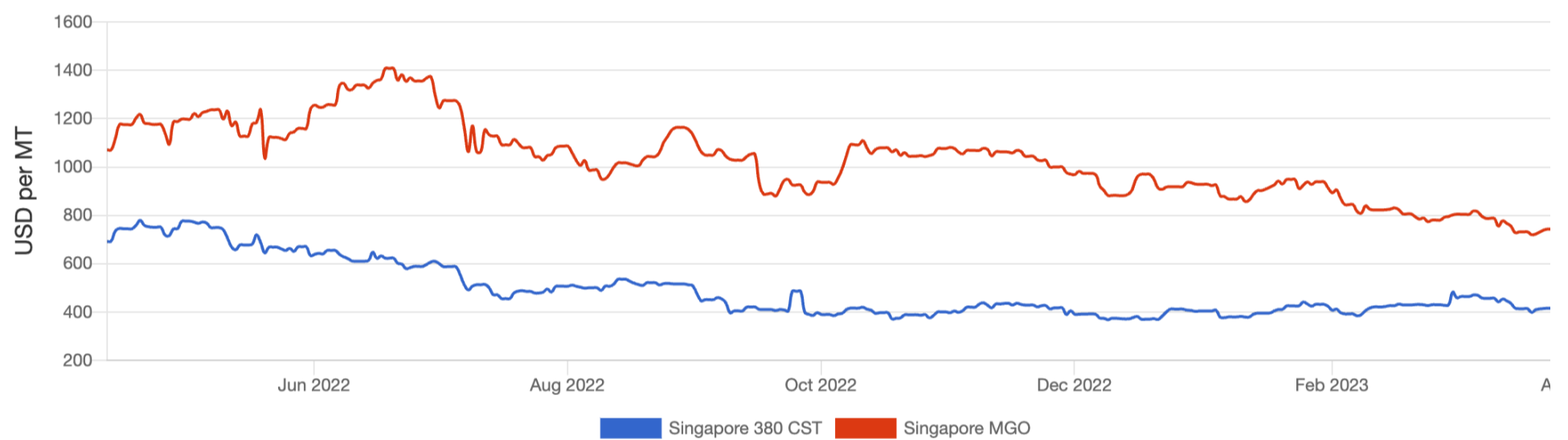
#### Commodity Prices

<b>Brent Spot</b>	85.50	0.50 ↑
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#### Bunkers Prices

<b>Singapore 380 CST</b>	497.50	16.50 ↑
<b>Singapore Gasoil</b>	760.50	-21.50 ↓

<b>Rotterdam 380 CST</b>	477.50	16.50 ↑
<b>Rotterdam Gasoil</b>	774.50	-5.50 ↓



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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