



Fearnleys Weekly Report

Week 22 - May 31, 2023

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01 Tankers

VLCC

A long weekend in many places saw the week start with a mini rush. Some observers may have expected a turn-around or at least a levelling out, however, a couple of "market" fixtures were concluded in both the MEG and the Atlantic squashing any perception of a turnaround, in spite of decent volume. With resistance evaporating charterers took the opportunity to pick off ships in the shadows - presumably at/around similar levels. At the time of writing, MEG/East sits in the mid WS 40's – WS 45 rptd to China, and a WS 43.5 to Korea on favorable terms.

The Atlantic market – Wafr/East took a hit overnight, dropping to a rptd WS 44. Brazil/East at WS 42.4, but it was just one of 5 VLCCs on subs ex Brazil yesterday, coupled with an active fresh quote today, underlining the active nature. However, Suezmaxes continue to offer little support, with my colleague describing it as "low & slow".



After a calm conclusion to the previous week and an extended weekend, the Suezmax market has begun the current week at a sluggish pace. The list of available tonnage in the Western region continues to increase steadily each day, while cargo activity remains notably slow.

Within the last 24 hours, TD20 rates have dropped from WS 115 to low WS 100's, with the possibility of the market further declining into double digits. In the Eastern region, the majority of cargoes this week have consisted of short-haul shipments between the Middle East Gulf (MEG) and India. There are still some fuel cargoes available for MEG/Spore, but overall, the Eastern market appears to be experiencing a weakened demand as well.


Moving forward, we anticipate a further decline in the Suezmax market. However, one positive aspect we can derive from this market situation is the relatively swift fixing window, which could indicate more cargoes left for this week.

Aframax

North Sea Aframax rates moved sideways the past week, and as we approach the middle of the week there are very few fresh fixtures to report. The market needs to be tested, but with a lack of activity and the tonnage list building up, we expect spot earnings to come off slightly in the next fixing window. It's been a quiet start to the week in the Mediterranean as well, and with tonnage lists in favor of charterers we have seen a downward correction in freight levels. We don't foresee any drastic changes near term and expect the area to remain soft if anything.

Rates

Dirty
(Spot WS 2023, Daily Change)

 [Click rate to view graph](#)

MEG/WEST

30

280'

-5✓



MEG/Japan

45

280'

-6▼

MEG/Singapore

46

280'

-6▼

WAF/FEAST

45

260'

-9▼

WAF/USAC

112.5

130'

-5▼

Sidi Kerir/W Med

120

135'

-7.5▼

N. Afr/Euromed

180

80'

-25▼

UK/Cont

152.5

80'

-5▼



160

-150▼

1 Year T/C (USD/Day, Weekly Change)

Click rate to view graph

VLCC

\$34,000

Modern

-\$500▼

Suezmax

\$38,000

Modern

-\$1,000▼

Aframax

\$43,000

Modern

\$0 >

VLCCs

Click rate to view graph

Fixed in all areas last week

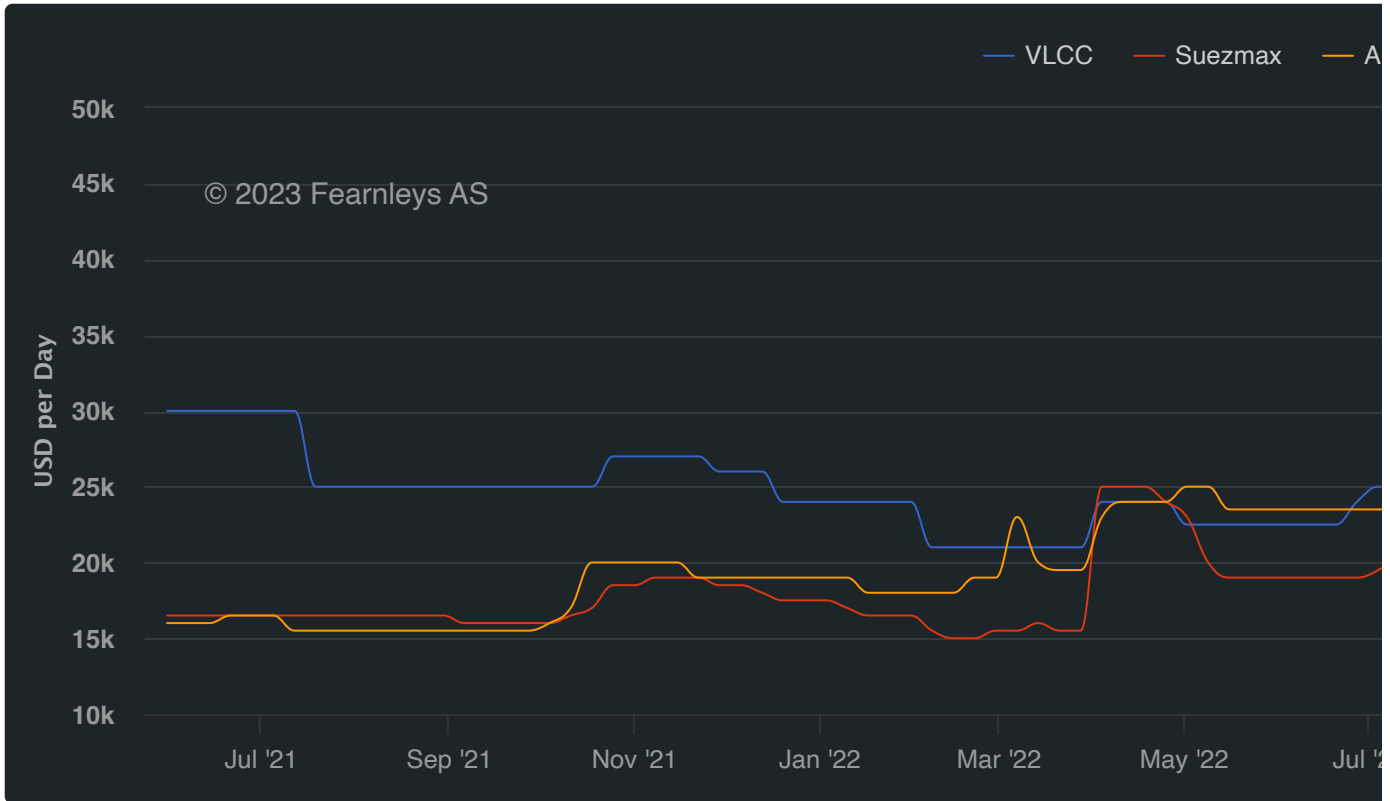
45

-18▼

Available in MEG next 30 days

160

-4▼



02

Dry Bulk

Capesize

Rates are still coming off and new low's are reached in the Pacific where c5 is being fixed below mid 7s. The Atlantic is lacking support and there has been some fixtures concluded equivalent to a zero TCE. Vale have emerged out of Brazil, but so far not demanding a big number of ships, and rates on this route is as well dropping day by day.

Panamax



energically with little activity. In the Atlantic, with a distinct lack of activity in both the north and the south of the arena, sentiment remained weaker with rates continuing to slide. Asia returned a mixed bag, with talk so far this week of better demand ex Indonesia and Australia but offset against a long tonnage list, the market largely remained flat to kick off the weekend.

Supramax

The Supramax market slid further down with rates dropping by more than 10% from last week. The outlook is negative for the upcoming summer months. June is trading below at USD 10,000 and Q3 is just about USD 10,000 pd mark.

Far East market trading below USD 10,000 for Pacific trips on modern Ultramax, while Supra obtaining much less. Owners accepting APS rate with 2-3 days ballast to load port. 52,000 dwt fixed delivery CJK for a trip via South Kalimantan back to CJK around USD 6,500 pd. The Atlantic market had a poor week with very few cargoes surfacing the market while the tonnage count building up. Ultramax reported fixed loading grains in USG at USD 22,000 pd for trip to Far East with grains. Petcoke cargoes from the same area pay a small premium and fixing at USD 23,000- 24,000 pd. Very limited activity was reported in ECSA. Ultramax reported fixed at USD 15,000 pd + USD 500,000 GBB basis delivery Brazil for a trip with grains to Singapore-Japan range. The Continent and Mediterranean markets dropped further last week, and now charts indicate around low USD 10,000 for trips with scrap or clinker.

Rates

Capesize
(USD/Day, USD/Tonne, Daily Change)

[Click rate to view graph](#)

TCE Cont/Far East

\$26,363

-\$1,418

Australia/China



Pacific RV

\$10,677

-\$2,523

Panamax

(USD/Day, USD/Tonne, Daily Change)

[Click rate to view graph](#)

Transatlantic RV

\$7,715

-\$465

TCE Cont/Far East

\$17,645

-\$532

TCE Far East/Cont

\$3,566

-\$119

TCE Far East RV

\$8,288

-\$177

Supramax

(USD/Day, USD/Tonne, Daily Change)

[Click rate to view graph](#)

Atlantic RV



Pacific RV

\$7,538**-\$193**▼

TCE Cont/Far East

\$15,708**-\$300**▼**1 Year T/C**

(USD/Day, Weekly Change)

[Click rate to view graph](#)

Newcastlemax

\$22,000

208'

-\$3,000▼

Kamsarmax

\$14,000

82'

-\$2,000▼

Ultramax

\$14,000

64'

-\$1,500▼

Capesize

\$17,000

180'

-\$3,000▼



\$13,000

73
-\$1,500▼

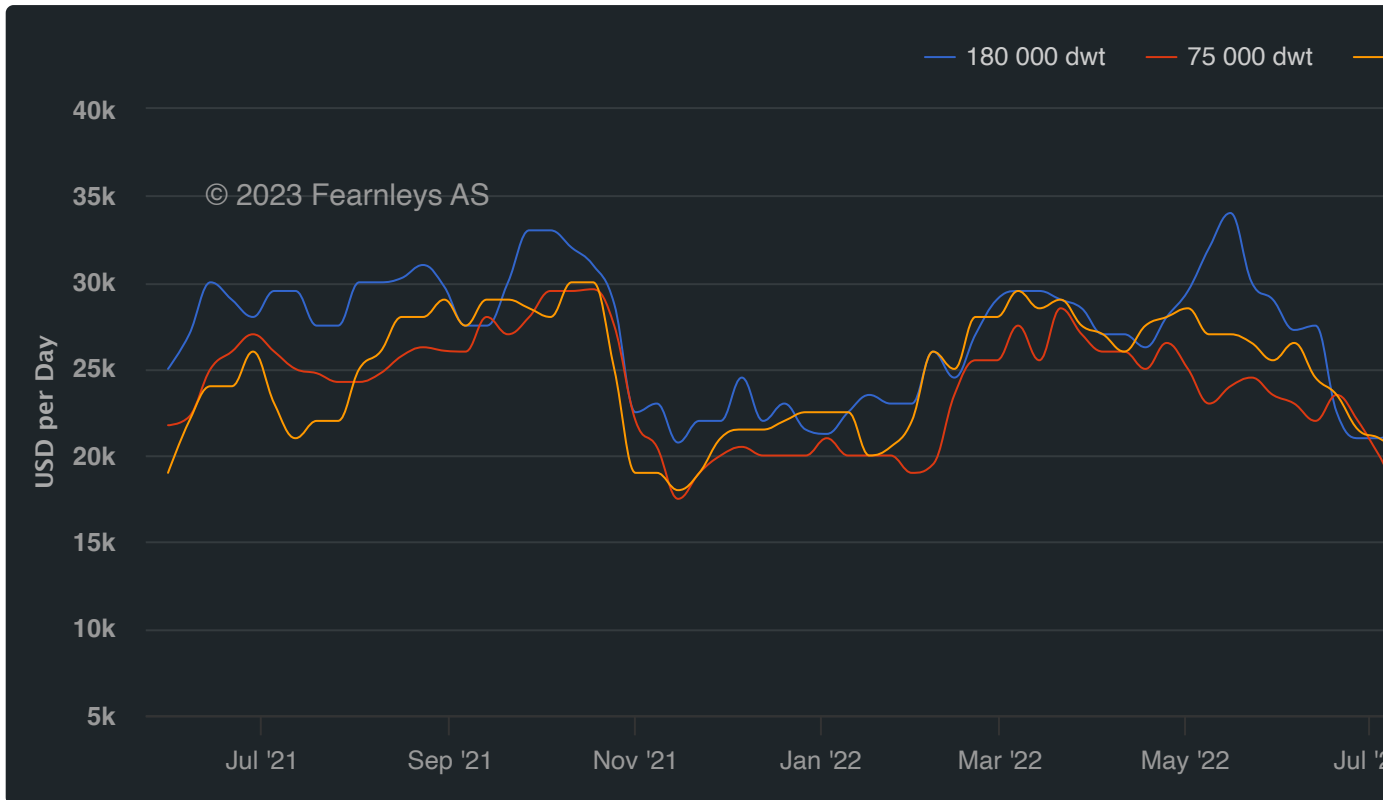
Supramax
\$11,500

58'
-\$1,000▼

Baltic Dry Index (BDI)
\$977

-\$146▼

1 Year T/C Dry Bulk





Chartering

EAST


Freight in the East continues to reap a significant premium to the West with the last done deal now concluded at USD 114. We expect enough cargo requirements for the end of the month to be able to maintain these levels at least a while longer as fixing is still being sorted far out in time and actual firm positions are still a scarce commodity.

WEST

We have seen 12 spot fixtures (6 first decade and 6 second decade) so far in July with last done concluded at mid-high 150s H/C. The current position list is looking relatively balanced for what is left in the first half of the month with 5-6 available positions. For reference, the YTD average for 1H of the month has been just above 15 spot fixtures and the highest number being 17 in the USG/USEC. With freight rates in the East still on the rise we are seeing over a 15-dollar discount in the West using latest Baltic print.

LPG Rates

Spot Market (USD/Month, Weekly Change)

 [Click rate to view graph](#)

VLGC	84'
\$3,000,000	\$100,000 

LGC	60'
\$1,500,000	\$0 



	\$1,250,000	\$100,000
HDY SR	\$840,000	20-22' \$40,000
HDY ETH	\$910,000	17-22' \$0
ETH	\$560,000	8-12' \$0
SR	\$490,000	6.5' \$0
COASTER Asia	\$280,000	\$0
COASTER Europe	\$410,000	-\$10,000

LPG/FOB Prices (Propane) (USD/Tonne, Weekly Change)

[Click rate to view graph](#)

**\$464.5****\$0 >**

Saudi Arabia/CP

\$555**\$0 >**

MT Belvieu (US Gulf)


\$308.5**-\$25.5 v**

Sonatrach/Bethioua

\$485**\$0 >**

LPG/FOB Prices (Butane)

(USD/Tonne, Weekly Change)

 Click rate to view graph

FOB North Sea/Ansi

\$470**\$0 >**

Saudi Arabia/CP

\$555**\$0 >**

MT Belvieu (US Gulf)

\$219.5**-\$48.5 v**



Sonatrach/Bethioua

\$490

\$0 >

LNG Rates

Spot Market
(USD/Day, Weekly Change)

[Click rate to view graph](#)

East of Suez 155-165k CBM

\$38,000

-\$3,000

West of Suez 155-165k CBM

\$30,000

\$0 >

1 Year T/C 155-165k TFDE

\$120,000

\$0 >

04 Newbuilding

Activity Levels



Slow

Dry Bulk Activity

Slow

Other Activity

Moderate

Prices

VLCC

\$121

300'

\$0 >

Suezmax

\$81

150'

\$0 >

Aframax

\$63.5

110'

\$0 >

Product

\$43.5

50'

\$0 >



Newcastlemax

210'

\$66

\$0 >

Kamsarmax

82'

\$37.5

\$0 >

Ultramax

64'

\$35.5

\$0 >

LNGC (MEGI) (cbm)

170'

\$240

\$0 >

05

Sale & Purchase

Prices

Dry	5 yr old	10 yr old
Capesize	\$49.0	\$34.0
Kamsarmax	\$31.0	\$24.0



Ultramax	\$32.0	\$25.0
Wet	5 yr old	10 yr old
VLCC	\$100.0	\$77.0
Suezmax	\$67.0	\$52.0
Aframax / LR2	\$62.5	\$50.0

06

Market Brief

Exchange Rates

USD/JPY

140.22

-0.53▼

USD/NOK

11.05

0.05▲

USD/KRW

1,319.6

-7.3▼



EUR/USD

1.07

0 >

Interest Rates

LIBOR USD (6 month)

5.2%

0 >

NIBOR NOK (6 month)

3.12%

0 >

Commodity Prices

Brent Spot

\$73.5

-\$3.5

Bunker Prices

Singapore

380 CST

\$442.5

-\$7

MGO



Spread MGO/380 CST

\$258

-\$4▼

Rotterdam

380 CST

\$431.5

\$2.5▲

MGO

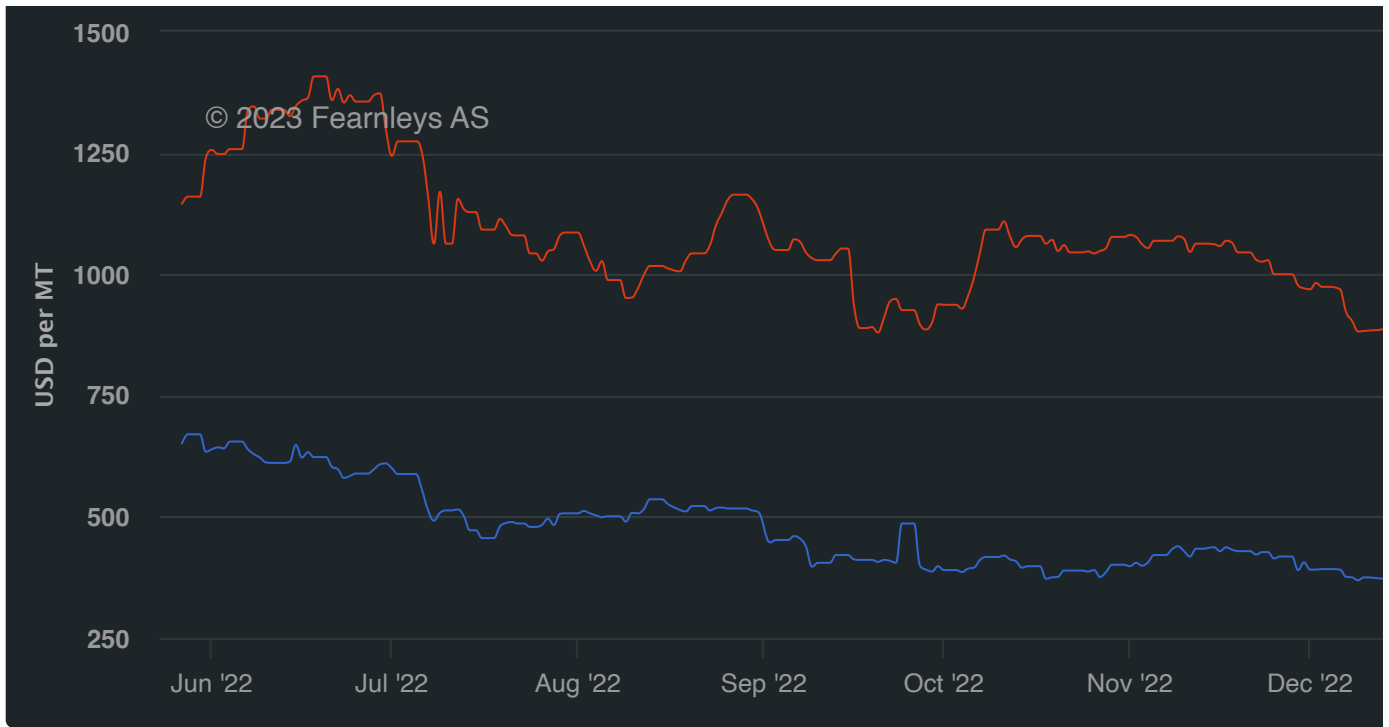
\$669

-\$2.5▼

Spread MGO/380 CST

\$237.5

-\$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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