



Fearnleys Weekly Report

Week 28 - July 12, 2023

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01 Tankers

VLCC

Softer, softer, at least for the time being, as rates for MEG/East slipping into the WS 40's for handicapped (ex DD) vessels, or if premium Korean business. Modern, regular tonnage has remained on the upper side of WS 50 for China discharge and worth noting TCE's remain decent for the summer months, certainly compared to previous years. There is a slight bottoming feel, as vessels have been plucked off the list quietly and efficiently by charterers. How much remains for July laycans is a big question, as the count is already up in the high 130's, in a month touted as one which will feel the wrath of the OPEC+ cuts. The list is not terrifying, so owners should be able to halt further slides.

The Atlantic has also seen rates drift this week, as Suezmaxes, despite good activity have provided little support. Brazil to China runs when quoted gained a lot of interest, and one deal done at WS 46.5 surprised many, but was followed up with another deal



no details at the time of writing.

Suezmax

During the last ten months or so, the Atlantic Suezmax market has been fairly predictable. TD 20 tends to have a floor in the WS 80's and a ceiling in the WS 130-140 range, and there is very little recent evidence to suggest it will play out otherwise (at least in the short-term). TD20 is presently hovering around the WS 90 mark with the fixing window focused on early August dates. It's far too early to suggest that the summer market will deliver the top end of the algorithm, but one can say with a degree of confidence, that the outlook remains volatile.

In the East, a slew of replacement cargoes has failed to wake this region up with 130KT x WS 105 booked MEG/Malaysia for prompt dates and that's where it's likely to trade for the remainder of the week.

Aframax

NORTH

Rates for Aframax rates trading in the North Sea area have been hovering around similar levels for the last week or so. The tonnage list is looking tight for the current fixing windows as not all ships on the list will clear some of the strategic loading ports. There is also a lot of relets open in the area which could absorb the upward pressure. Unless we see some more owners ballasting towards the USG, we expect the market to remain at current levels in the natural fixing window.

MED

The Med/BSea market kept losing ground this week despite healthy activity levels in the area. Available tonnage was more than enough with charterers taking advantage of it by pushing rates a tad lower on every deal. Fixing window has reached quite ahead even for end-month dates for local runs ex Ceyhan, and the market conditions are not expected to change any time soon.

Rates

Dirty
(Spot WS 2023, Daily Change)



MEG/WEST

32.5

280'

-4.5▼

MEG/Japan

51

280'

-7▼

MEG/Singapore

52

280'

-7▼

WAF/FEAST

50

260'

-7.5▼

WAF/USAC

85

130'

2.5▲

Sidi Kerir/W Med

90

135'

-2.5▼

N. Afr/Euromed

125

80'

-10▼



130

00

0 >

Caribs/USG

70'

132.5

-12.5 ✓

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

Click rate to view graph

VLCC

Modern

\$0 >

Suezmax

Modern

\$0 >

Aframax

Modern

\$45,000

\$0 >

VLCCs

Click rate to view graph

Fixed in all areas last week

61

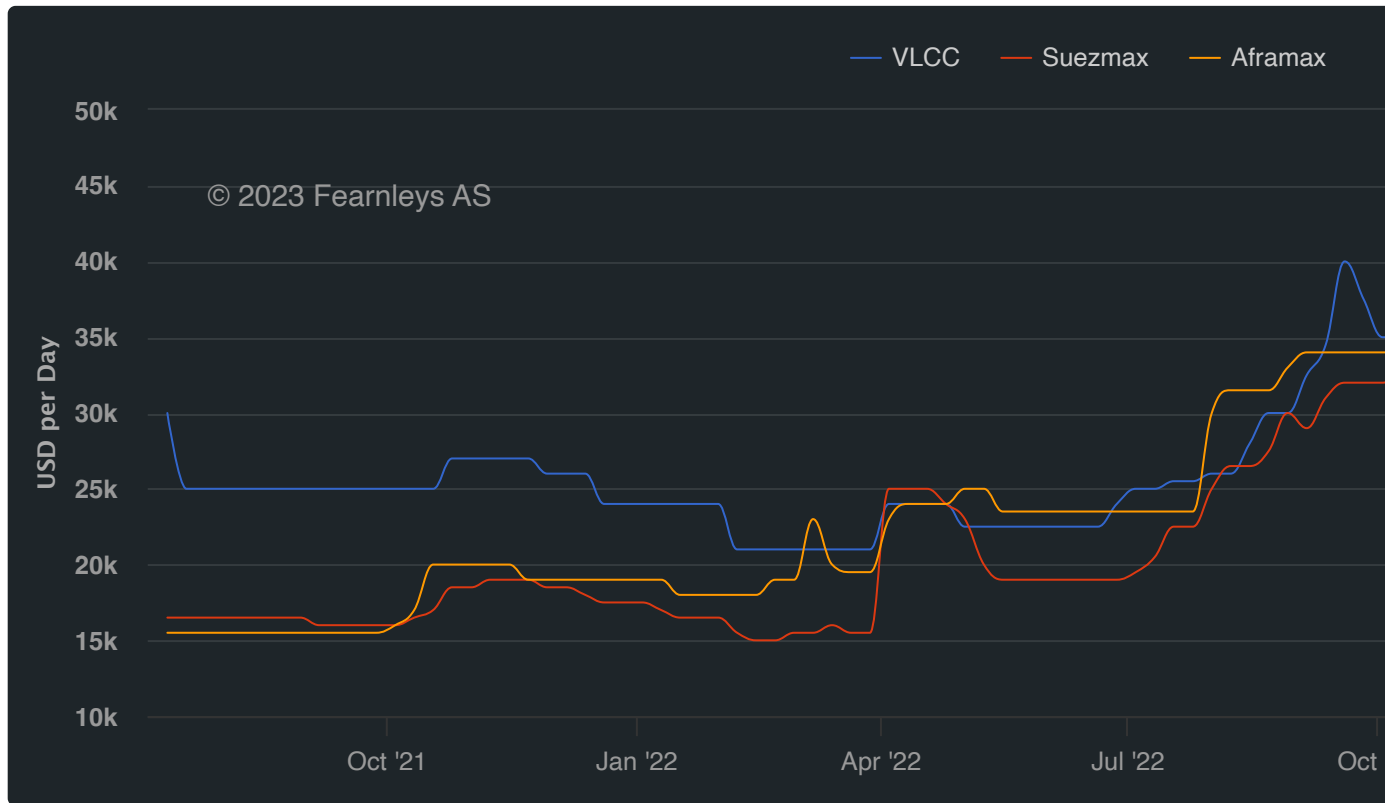
-3 ✓



150

-13▼

1 Year T/C Crude



02

Dry Bulk

Capesize

Marginal gains at still unsatisfactory levels for the big ships - average daily earnings up 13 pct w-o-w where most of the improvement is linked to areas of limited significance. Despite all or most of miners plus handful of operators' active ex West



rounds consequently struggle to support over USD 13-14K. Similar pattern on fronthaul trades ex Brazil and West Africa, as substantial number of early ballasters leave exporters with the upper hand - modest activity and immaterial gains made last 5 trading days. North Atlantic much better balanced but at usual low volumes - talk of sharply improved USD 38k/day paid for trip via St. Lawrence to Feast. Period activity negligible as paper levels allow for nowhere near most tonnage providers' forward earnings expectations/requirements.

Panamax

The movement has picked up in the Atlantic with a good volume of activity both in the south and north of the basin with fronthaul rates in particularly returning solid improvements. Grain trips from USG to Qingdao region now see up to USD 47pmt. On the south side, grain being pumped out of ECSA is putting pressure on spot vessels, with delivery SE Asia round voyage trips via the Atlantic seeing USD 11,800 pd, a +14.41% uptick week to week. We heard BKL type has been covered at US20k (scrubber fitted) from Gibraltar, in which we shall see a more significant gain on the index in the upcoming days. The transatlantic has also seen fresh inquiries with minerals at an improved rate to the Continent but committed tonnage in USG and NCSA still at a discount to find cover. Asia, meantime, continued to be gapped on the bid/offer spread but has seen some improvement in activity.

Supramax

A slight positive sentiment coming from Asia this week, with more cargo inquiries entering the market. However, the Atlantic remains mixed; the USG continues the positive momentum, while the South Atlantic remains unchanged. USG Ultramax 63' dwt are now at around USD 17,000 pd for trips to India-South Japan, but reports coming in with fixtures closer to USD 19,000 pd. Atlantic trips now pay around USD 11,000 on Supramaxes and USD 13,000 on Ultramaxs for trips to Content or Med. In the Asian market, a South China trip via Indonesia to east coast India pays USD 9,000 pd for Ultramaxs and USD 7,500 pd for Supramaxes.

Rates

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



TCE Cont/Far East

\$38,125 \$312^


Australia/China

\$8.11 \$0.01^

Pacific RV

\$16,464 \$1,496^

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

 [Click rate to view graph](#)

Transatlantic RV

\$8,560 \$1,115^

TCE Cont/Far East

\$18,495 \$950^

TCE Far East/Cont

\$2,928 \$1^

TCE Far East RV

**Supramax**

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

Click rate to view graph

Atlantic RV

\$9,282**\$265**

Pacific RV

\$7,000**-\$56**

TCE Cont/Far East

\$10,525**-\$42** **1 Year T/C**

(USD/Day, Weekly Change)

Click rate to view graph

Newcastlemax

\$19,500

208'

\$0

Kamsarmax

82'

\$0

Ultramax

64'

**Capesize**

180'

\$15,000**\$0** >**Panamax**

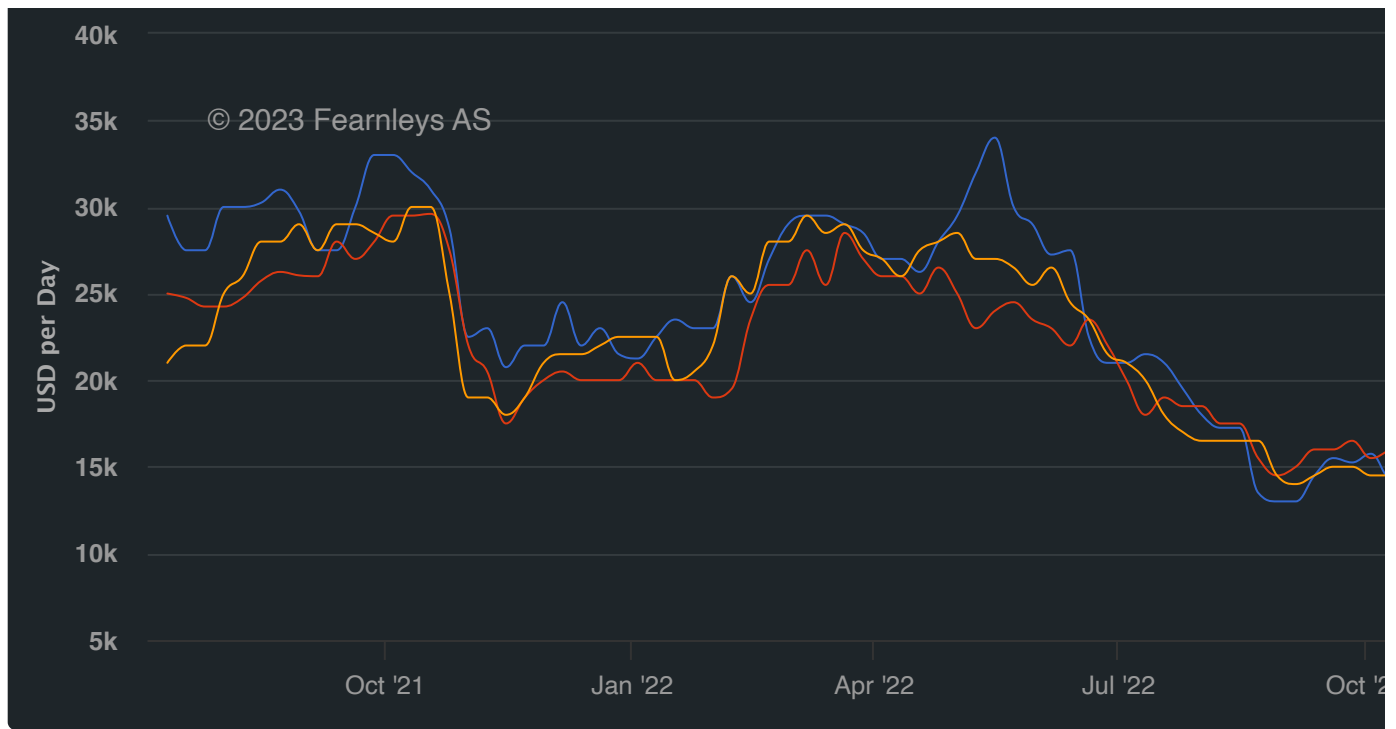
75'

\$0 >**Supramax**

58'

\$10,500**\$500** ^**Baltic Dry Index (BDI)****\$1,088****\$56** ^

1 Year T/C Dry Bulk



03

Gas

Chartering

EAST

The East market has been relatively quiet so far except a replacement deal done for first decade August ex MEG. Positions starting to look pretty healthy for 1H Aug now although some ships are ex India with riskier itineraries. Freight may have some room on the downside followed by positions firming up and more optionality for charterers open-up.

WEST


A ship was yesterday put on subs to an Indonesian spot tender for last decade August dates out of the USG. Apart from that there have been two more spot fixtures



USG/USEC - / first decade, / second decade, and / last decade. At the time of writing the position list is looking tight showing only 1 vessel left in first decade in addition to a couple relets open for swap while we see 5 in the last decade.

LPG Rates

Spot Market
(USD/Month, Weekly Change)

 Click rate to view graph

VLGC	84'
\$3,000,000	\$400,000^
LGC	60'
\$1,500,000	\$0 >
MGC	38'
\$1,350,000	\$0 >
HDY SR	20-22'
\$840,000	\$0 >
HDY ETH	17-22'
\$910,000	\$0 >

**\$530,000**0-12
-\$10,000▼

SR


\$460,0006.5'
-\$10,000▼

COASTER Asia

\$280,000

\$0 >

COASTER Europe

\$370,000**-\$10,000**▼**LPG/FOB Prices (Propane)**
(USD/Tonne, Weekly Change) Click rate to view graph

FOB North Sea/Ansi

\$391.5

\$0 >

Saudi Arabia/CP

\$400

\$0 >

MT Belvieu (US Gulf)

\$330.5**\$44**▲



Sonatrach/Bethioua

\$400

\$0 >

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

Click rate to view graph

FOB North Sea/Ansi

\$270

\$0 >

Saudi Arabia/CP

\$375

\$0 >

MT Belvieu (US Gulf)

\$212

\$45 ^

Sonatrach/Bethioua

\$335

\$0 >

LNG Rates

Spot Market
(USD/Day, Weekly Change)

Click rate to view graph

East of Suez 155-165k CBM



West of Suez 155-165k CBM

\$72,500

-\$2,500 ✓

1 Year T/C 155-165k TFDE

\$107,500

-\$5,000 ✓

04

Newbuilding

Activity Levels

Tank Activity

Slow

Dry Bulk Activity

Slow

Other Activity



Prices

VLCC	300'	\$0 >
Suezmax	150'	\$0 >
Aframax	110'	\$0 >
Product	50'	\$0 >
Newcastlemax	210'	\$0 >
Kamsarmax	82'	\$0 >
Ultramax	64'	



LNGC (MEGI) (cbm)

170'

\$0 >

05

Sale & Purchase

Prices

Dry	5 yr old	10 yr old
Capesize	\$	\$
Kamsarmax	\$	\$
Ultramax	\$	\$

Wet	5 yr old	10 yr old
VLCC	\$	\$
Suezmax	\$	\$
Aframax / LR2	\$	\$



Market Brief

Exchange Rates

USD/JPY	141.42	-1.08▼
USD/NOK	10.42	-0.13▼
USD/KRW	1,292.8	-11.5▼
EUR/USD	1.1	0>

Interest Rates

LIBOR USD (6 month)	5.2%	0>
NIBOR NOK (6 month)		



Commodity Prices

Brent Spot

\$79.5

\$2

Bunker Prices

Singapore

380 CST

\$495

\$3

MGO

\$746.5

-\$4

Spread MGO/380 CST

\$251.5

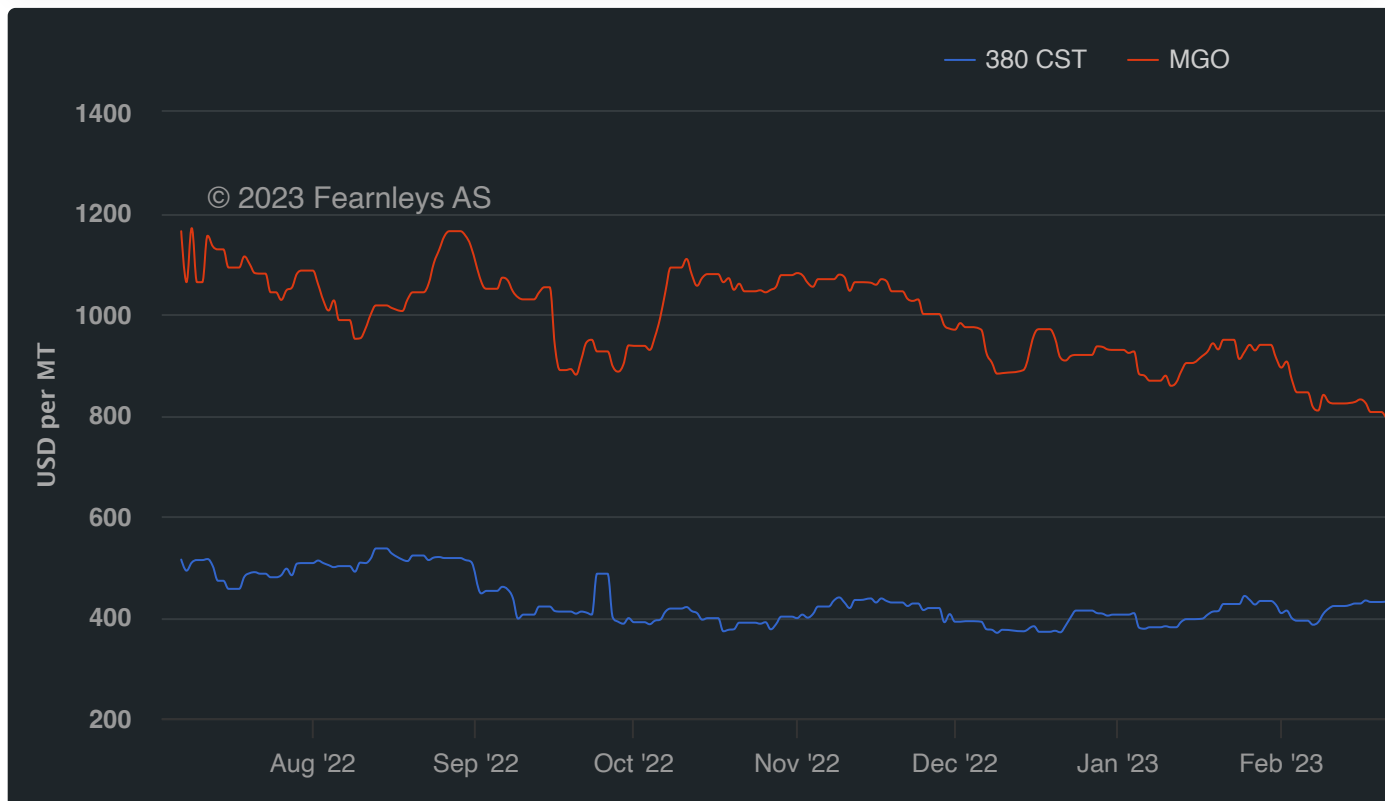
-\$7

Rotterdam

380 CST

\$483.5

\$5

**\$743.5****\$0.5** **Spread MGO/380 CST****\$260****-\$4.5** 

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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