



Fearnleys Weekly Report

Week 33 - August 16, 2023

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01 Tankers

VLCC

All in all, a quietish week, exacerbated by a few public holidays around the world and many major players away from their desks. In addition, we are sitting in the twilight zone between August MEG cargoes closing out and the influx of the September stems. By everyone's count, August has been a quiet month - sub 130 deals and few to come. Some of this can be blamed on the cuts in OPEC production, but really, that should have shown in June/July too. We believe the higher volume for June (162) & July (149) was probably due to a combination of (slight) inventory draw, but also lower Afra/Suez exports month-over-month, and some 'cheating' on quotas! As for rates, ticking down, WS 26 MEG/West and mid WS 40's East.

However, with few willing to commit to a long voyage from the West to East (so far), the Atlantic market has held its ground. Brazilian market quotes receiving 2-3 offers each time, USG exports holding last done levels (USD 8.3m USG/Ningbo), and West



forward-reaching Brazil cargo in the market at the time of writing.

Suezmax

A bizarre set of circumstances have recently seen a Suezmax ballast from the Mediterranean to the MEG to perform a TD23 voyage. So dismal were the returns West of Suez, that this actually made sense. That was last week, and whilst the list for 20T crane vessels remains fairly balanced, it's unlikely we will see a repeat of this scenario in the near future. Otherwise, the East has been quiet on the surface and likely to trade flat.

In the Atlantic, charterers have worked off market to secure a large volume of vessels for first decade West Africa stems, suggesting they think it's bottomed at about WS 65. A market quote has just entered the fray which will set the scene for the balance of the week.


Elsewhere, in the USG there has been steady enquiry with the early side of the list thinning out therefore we are calling USG/UKCM 145KT x WS 54-55 with no downside.

Aframax

Aframax rates in the North Sea area are currently being fixed at bottom levels for yet a consecutive week. At time of writing, the market is WS 95 for a cross North Sea voyage. We need to see more vessels ballast away from the area before we will see any improvement in rates. In the Mediterranean/Blsea, rates picked up slightly over the last week with benchmark route TD19 currently trading around WS 100 level. A steady flow of enquiries from main Libyan hubs keeps the area alive. The tonnage list is still looking fairly healthy, giving charterers some leverage. We expect the market to remain steady/firm in the near term.

Rates

Dirty
(Spot WS 2023, Daily Change)

 [Click rate to view graph](#)



		200
27		-4▼
MEG/Japan		280'
46		0>
MEG/Singapore		280'
47		0>
WAF/FEAST		260'
52		-1.5▼
WAF/USAC		130'
62.5		0>
Sidi Kerir/W Med		135'
65		-10▼
N. Afr/Euromed		80'
102.5		7.5▲
UK/Cont		80'



Caribs/USG

70'

110

15^

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

[Click rate to view graph](#)

VLCC

Modern

\$0 >

Suezmax

Modern

\$36,000

\$0 >

Aframax

Modern

\$40,000

-\$2,000 v

VLCCs

[Click rate to view graph](#)

Fixed in all areas last week

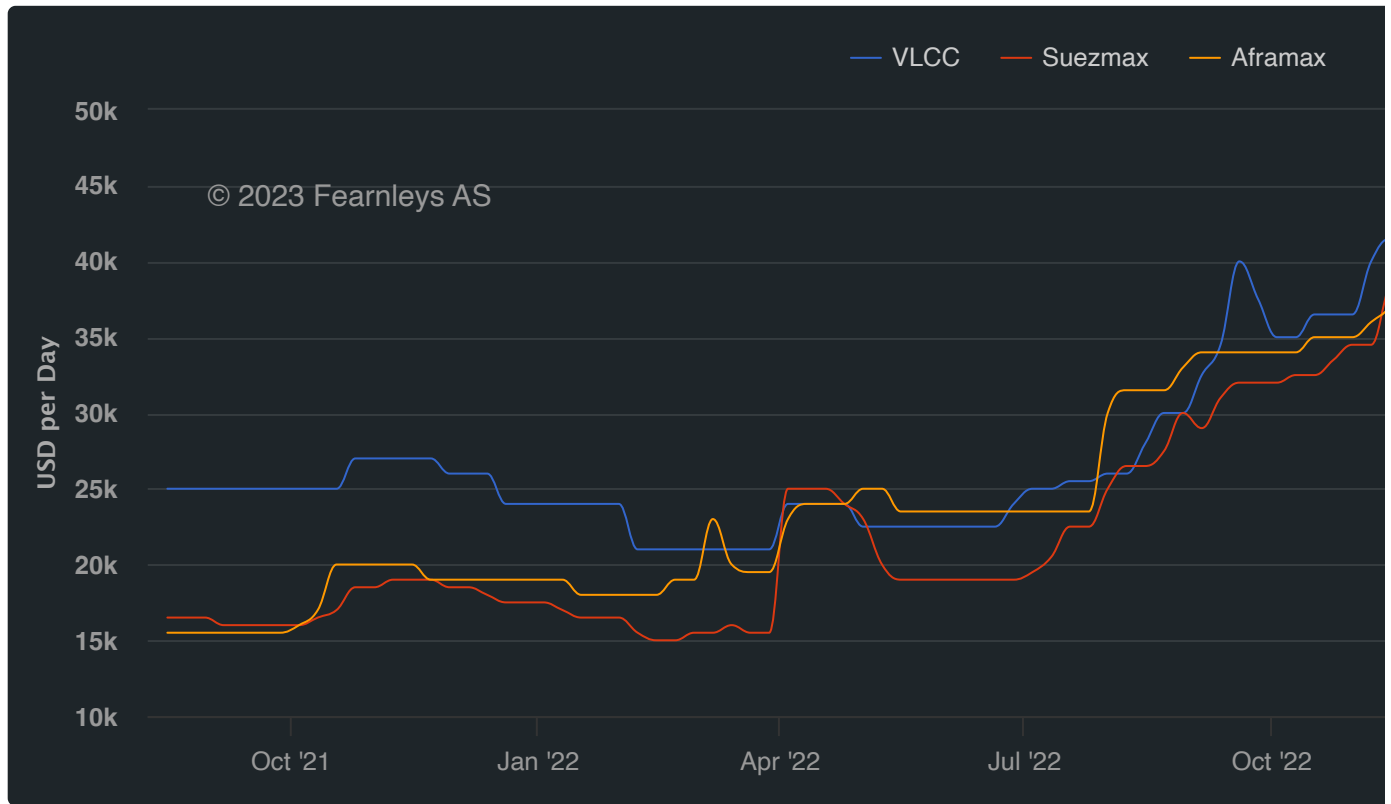
52

4^

Available in MEG next 30 days



1 Year T/C Crude



02 Dry Bulk

Capesize

Still disappointing considering time of year, but finally some fundamental positives for the big ships. Slightly improved physical volumes, partly assisted by smaller segments and paper sentiment, have sent spot rates for two main iron ore trades ticking modestly up. West Australia/China conference rates gaining more than USD 0.50 pmt to exceed USD 8.00 pmt, showing improved returns of around USD 15k/day. Similarly



pmr or close, making ballasting a more attractive alternative for prompt Far East units. Period activity remains low except for index-linked deals giving some potential for possible upside, for fixed-level conclusions latest appears 208,000 dwt/built 2019 done for about 12 months at USD 21,500 to major traders.

Panamax

The North Atlantic continues to experience a limited tonnage supply, leading to gains for owners, especially in the Baltic area for TA and fronthaul. Delays at the Panama Canal hint at further improvements. Meanwhile, the South Atlantic's demand remains robust in September, with owners in ECSA confident in asking prices above previous rates. Additionally, in Asia, there's been an uptick for owners due to limited tonnage and steady enquiries from regions like NoPac, Australia, and Indonesia.

Supramax


Various holidays across the world hindering real action. The USG and ECSA stood out with tick more fixtures represented. A grain run on a Supramax was fixed for del South Brazil to Far East around 13k + 300k bb, and sugar to Nigeria around mid teens.

Continent/Mediterranean rather few fresh requirements. Some of the pmx coal stems out of Baltic being priced on Supras now. From the East, overall sentiment remained positive, but it was experienced a small stand off and wider gap between bid offers with more positive expectations towards market.

Rates

Capesize

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

 [Click rate to view graph](#)

TCE Cont/Far East

\$38,125

\$312 

**\$8.1****\$0.51**

Pacific RV

\$16,464**\$1,496** **Panamax**

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

[Click rate to view graph](#)

Transatlantic RV

\$14,840**\$796**

TCE Cont/Far East

\$23,186**\$697**

TCE Far East/Cont

\$5,116**\$491**

TCE Far East RV

\$10,638**\$488** **Supramax**

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

[Click rate to view graph](#)



\$8,565

\$340

Pacific RV

\$7,800

\$550

TCE Cont/Far East

\$10,788

\$180

1 Year T/C

(USD/Day, Weekly Change)

[Click rate to view graph](#)

Newcastlemax

208'

\$18,700

\$200

Kamsarmax

82'

\$14,000

\$500

Ultramax

64'

\$13,750

\$1,250

Capesize

180'

\$14,700

\$200



Panamax

75'

\$12,500

\$500 ^

Supramax

58'

\$11,750

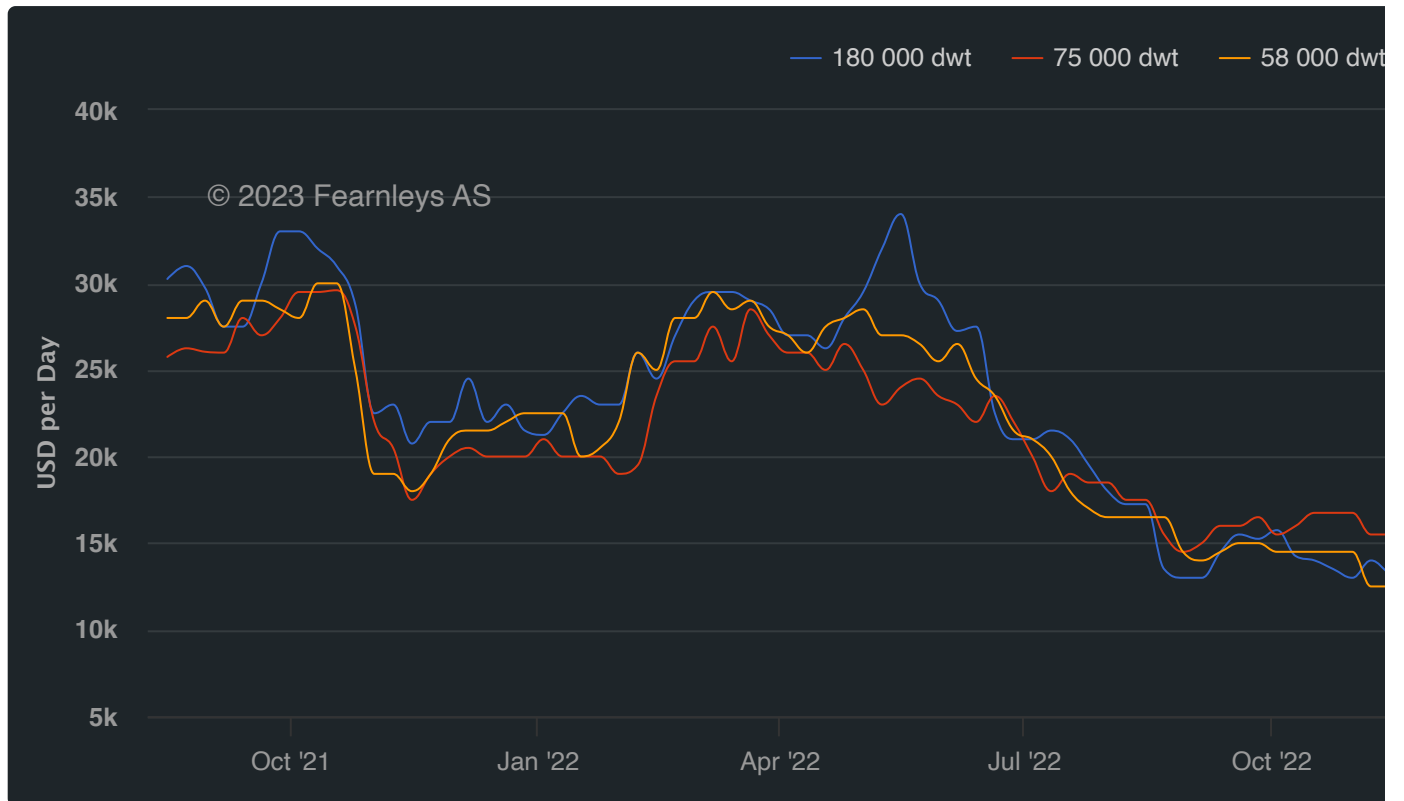
\$1,250 ^

Baltic Dry Index (BDI)

\$1,233

\$67 ^

1 Year T/C Dry Bulk





Chartering

EAST

The East market went back to quiet while seeing more activities in the West. Positions still look healthy before 10th September in MEG, but about half of them are coming out of India (dates may be deferred) and some may go to West, so eventually it could be balanced. So far we only have seen two spot fixtures in the first decade of September, but with Saudi acceptances expected by tomorrow we should expect more activity to come.

WEST

We are no longer seeing any ships left in the end of August and the first available position we find from 12 Sep onwards in the USG. This position is followed by two relets in the same decade while the last decade of the month showing a small handful of about 5 workable ships where 3 of them are still candidates for MEG. At the time of writing, we count 22-23 spot fixtures for September with last done concluded at high 160s H/C and high 90s H/F. Seeing the arb still widening and delays caused by both the Panama Canal and extreme weather, in addition to a relatively tight position list, we can expect today's strong freight rates to maintain.

LPG Rates

Spot Market (USD/Month, Weekly Change)

 [Click rate to view graph](#)

VLGC	84'
\$2,500,000	\$0 >
LGC	60'



MGC

\$1,200,000

38'

\$0 >

HDY SR

\$850,000

20-22'

\$0 >

HDY ETH

\$910,000

17-22'

\$0 >

ETH

\$520,000

8-12'

\$0 >

SR

\$460,000

6.5'

\$0 >


COASTER Asia

\$280,000**\$0 >**

COASTER Europe

\$315,000**\$0 >**



 [Click rate to view graph](#)

FOB North Sea/Ansi

\$470.5

\$0 >

Saudi Arabia/CP

\$470

\$0 >

MT Belvieu (US Gulf)

\$326.5


-\$53.5 v

Sonatrach/Bethioua

\$470

\$0 >

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

 [Click rate to view graph](#)

FOB North Sea/Ansi

\$446

\$0 >

Saudi Arabia/CP

\$460

\$0 >



MIT Belvieu (US Gulf)

\$255.5

-\$138.5▼

Sonatrach/Bethioua

\$465

\$0 >

LNG Rates

Spot Market

(USD/Day, Weekly Change)

Click rate to view graph

East of Suez 155-165k CBM

\$110,000

\$35,000▲

West of Suez 155-165k CBM

\$100,000

\$0 >

1 Year T/C 155-165k TFDE

\$101,500

-\$1,500▼

04



Activity Levels

Tank Activity

Slow

Dry Bulk Activity

Slow

Other Activity

Moderate

Prices

VLCC

\$124

300'

\$0 >

Suezmax

\$82

150'

\$0 >

Aframax

110'



Product	50'
\$44	\$0 >

Newcastlemax	210'
\$66	\$0 >

Kamsarmax	82'
\$36.5	\$0 >

Ultramax	64'
\$34.5	\$0 >

LNGC (MEGI) (cbm)	170'
\$259	\$0 >

05

Sale & Purchase



Dry	5 yr old	10 yr old
Capesize	\$47.5	\$32.5
Kamsarmax	\$31.0	\$23.5
Ultramax	\$28.0	\$22.0

Wet	5 yr old	10 yr old
VLCC	\$90.0	\$72.0
Suezmax	\$69.0	\$54.0
Aframax / LR2	\$61.5	\$49.0

06

Market Brief

Exchange Rates

USD/JPY

145.54

0.46

USD/NOK

10.5

0.04



USD/KRW

1,333.5

8.3^

EUR/USD

1.09

0 >

Interest Rates

LIBOR USD (6 month)

5.2%

0 >

NIBOR NOK (6 month)

3.12%

0 >

Commodity Prices

Brent Spot

\$85

-\$1 v

Bunker Prices

Singapore

**\$574.5****\$0.5**

MGO

\$915**-\$5**

Spread MGO/380 CST

\$340.5**-\$5.5** **Rotterdam**

380 CST

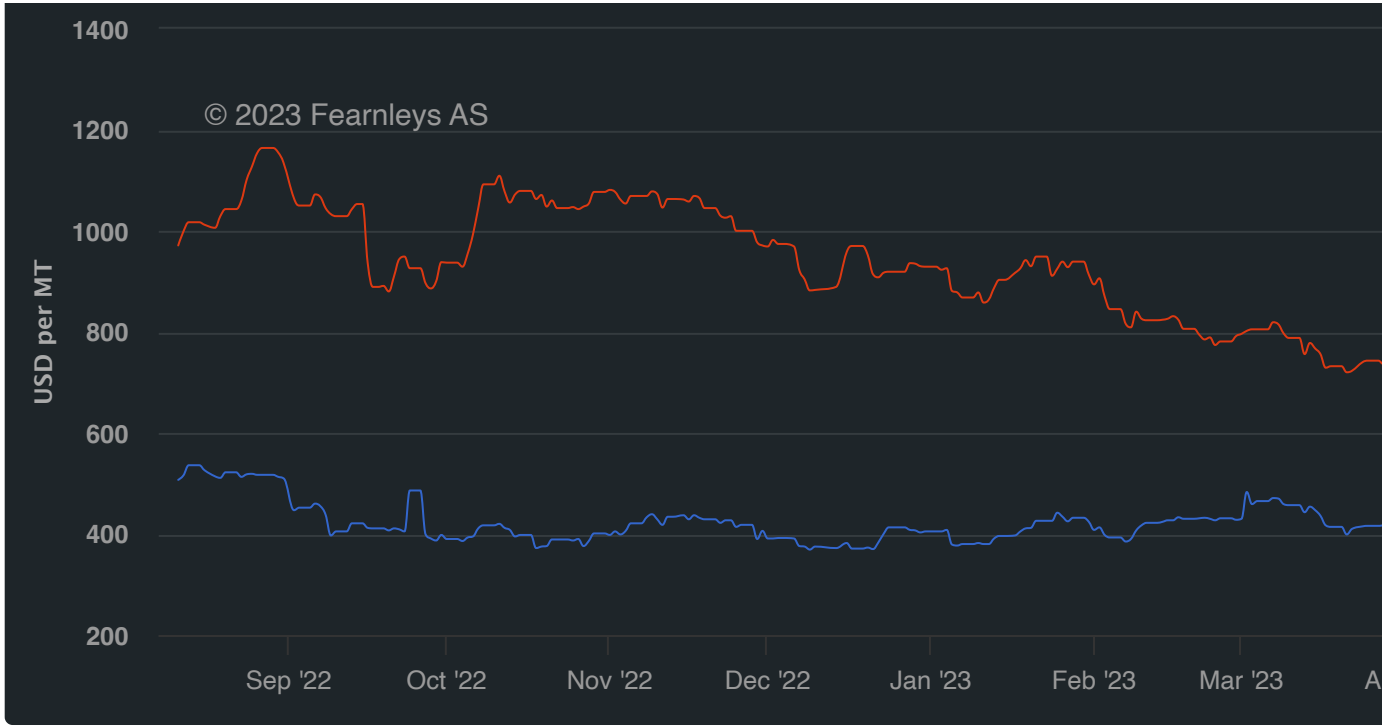
\$580**-\$5.5**

MGO

\$892.5**-\$6.5**

Spread MGO/380 CST

\$312.5**-\$1**



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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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