



Fearnleys Weekly Report

Week 40 - October 4, 2023

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01 Tankers

VLCC

Not the rosier of weeks gone by for the VLCC market that's for sure. Last week closed out with tonnage building in the East and putting pressure on the WS 50 mark for TD3 runs, and sure enough the inevitable happened this week with charterers managing to score in the low WS 40s. The outlook for the back end of this week in the MEG is not looking great. It's now down to the owning community to draw a line in the sand, but this will come at a cost.

In the West, there is still a good cohort of ships ballasting to the Cape and a decent enough supply of local list of ships to pick up any volume that comes from that side of the globe. The story of the week has been Brazil/East fixing twice and the most recent being WS 44.75 for a China run. USG/East sits somewhere in the upper 7m's about now with some downward bias given how little volume we have seen.



Signs of life in the Atlantic where TD20 has slowly traded up to about WS 70 with the fixing window focused on the third decade (October). On a positive note, there is support from across the Atlantic where a steady stream of USG lightering opportunities have trimmed the early side of the list, but worth noting that this region is fed on a diet of mainly local ships with the respective fixing windows (W.Africa/USG) out of kilter with each other dates wise. On a slightly more negative tone, the Mediterranean is still well stocked with tonnage due to constant replenishment from TD 23 voyages, so if there is further upside in West Africa, it's likely to be modest.

In the East, steady enquiry levels should see TD 23 trade out the balance of the week at WS 60, whilst a MEG/China run should remain steady at circa WS 97.5-100 NHC.

Aframax

The North Sea Aframax market started the week with an influx of activity which saw rates push up from last done, but on the surface has now gone a bit quieter. Natural window now 11-13 October. Ballasting USG remains an attractive option for certain tonnage which will keep a check on the list even with vessels coming into the area. Activity has shown consistent flow the past week helping to maintain steady levels in the Mediterranean. Natural tonnage still looks relatively tight for current fixing window as dates push forward and with continued supply, we expect to see owners hold firm. Recent USG action has given owners an outlet for vessels sat off Europe wanting a home and with opportunities in other markets there to entertain, would expect rates to remain steady-ish with any movement wanting to be in an upward trend. Suezmaxes will be watching with interest... again.

Rates

Dirty
(Spot WS 2023, Daily Change)

 [Click rate to view graph](#)

MEG/WEST

280'



MEG/Japan

42

280'

-9✓

MEG/Singapore

43

280'

-9✓

WAF/FEAST

47

260'

-5.5✓

WAF/USAC

67.5

130'

2.5^

Sidi Kerir/W Med

72.5

135'

0 >

N. Afr/Euromed

110

80'

5^

UK/Cont

100

80'

7.5^



Caribs/USG

90

70'

10^

1 Year T/C

(USD/Day, Weekly Change)

[Click rate to view graph](#)

VLCC

\$36,000

Modern

\$0 >

Suezmax

\$36,500

Modern

-\$500 v

Aframax

\$37,500

Modern

\$0 >

VLCCs

[Click rate to view graph](#)

Fixed in all areas last week

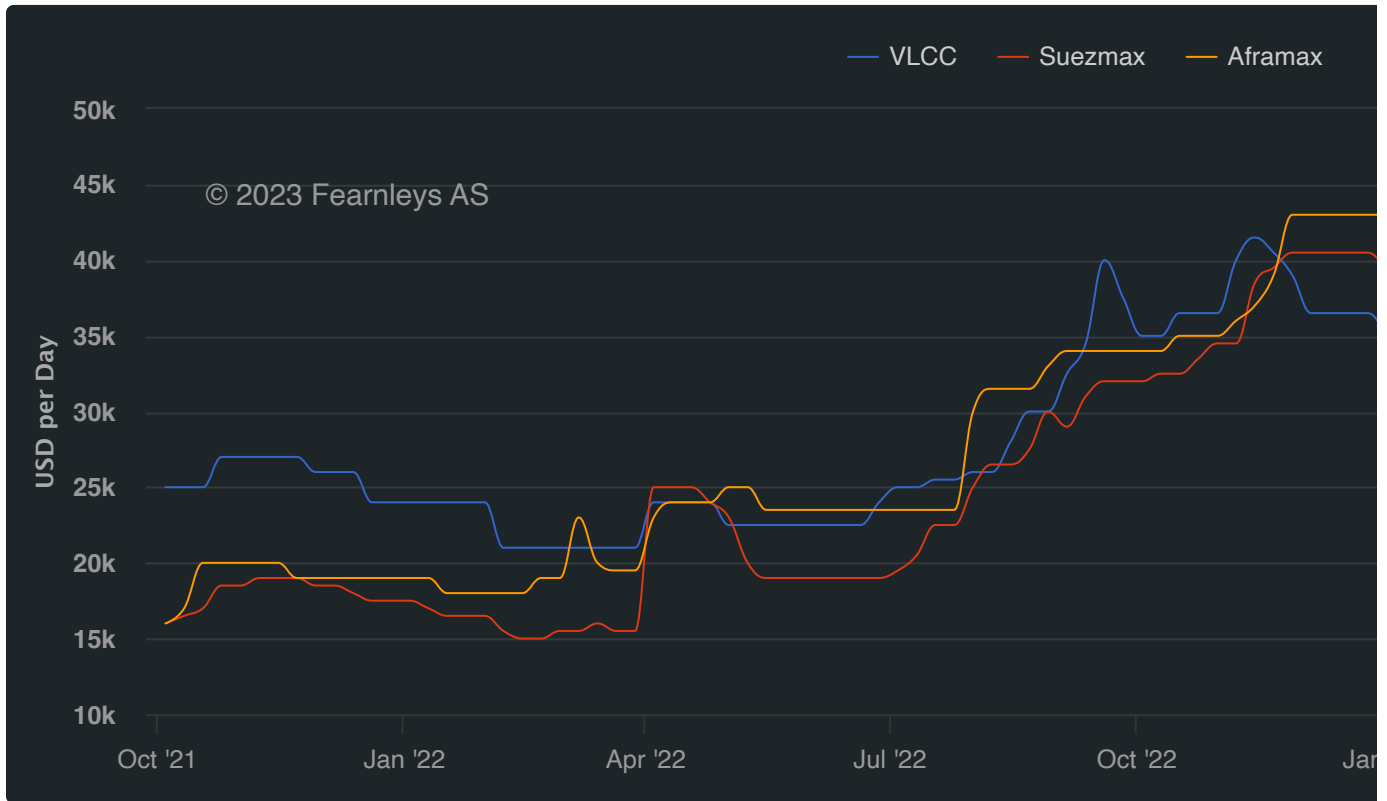
36

-8 v

Available in MEG next 30 days

165

18^



02

Dry Bulk

Capesize

The week started and remained at healthy volume levels on mid-late October C5, East Australia and Pacific. On South Africa and Indian business, we see a slight uptick from last week. On C3 ex Brazil to China, we see healthy volumes from operators and a major miner. On West Africa, volumes remain relatively flat. On a whole, there has been an uptick in market optimism and activity. Far East and ballasting tonnage is tight. On C5, fixtures concluded higher than last week at low-mid USD 10 pmt levels. On C3, fixtures concluded at mid USD 24 pmt levels for late October stems. On



2020-build, non-scrubber for 9 to 11 months at USD 24,000 per day.

Panamax

The Panamax market is experiencing a cautious period, with lingering high congestion in Brazil and a spread-out fleet, especially noticeable to the west of Suez. Despite Asia's high demand for coal, vessel counts to key Pacific regions are notably low. Market activity is overall slow and bearish, particularly in the Atlantic and Asian sectors, partly due to holiday impacts. Meanwhile, the Pacific market is subtly softening, with participants holding a wait-and-see attitude amidst the mixed signals in various locales.

Supramax

The Supramax FFA market has been up all week long despite the holiday season in China. However, the physical market remains at a low with barely any activity on the spot market. Traders in China had covered their positions well before the mid-autumn festival. There has been a dip in the PG-WCI rates for Supra/Ultras and heard couple' vessels open spot and awaiting next employment. Meantime, effective November 01st, 2023 and until further notice, Panamax Plus transits are suspended. Panamax size vessels must transit the Panamax Locks complying with the corresponding maximum TFW draft for the Old Locks. We can expect to see a potential ripple effect of this new regulation on geared vessel sizes in the coming months. Hope we can see activity pick up next week once the traders are back in office in China.

Rates

Capesize

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

[Click rate to view graph](#)

TCE Cont/Far East

\$38,125

\$312



\$9.87

-\$0.04

Pacific RV

\$16,464

\$1,496

Panamax

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

[Click rate to view graph](#)

Transatlantic RV

\$17,615

\$65

TCE Cont/Far East

\$26,018

\$0

TCE Far East/Cont

\$6,271

-\$29

TCE Far East RV

\$12,734

-\$189

Supramax

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

[Click rate to view graph](#)



\$16,611

-\$154 ✓

Pacific RV

\$10,693

-\$170 ✓

TCE Cont/Far East

\$24,792

-\$283 ✓

1 Year T/C

(USD/Day, Weekly Change)

[Click rate to view graph](#)

Newcastlemax

208'

\$19,700

\$200 ^

Kamsarmax

82'

\$13,900

-\$100 ✓

Ultramax

64'

\$14,000

\$0 >

Capesize

180'

\$15,700

\$200 ^



Panamax

75'

\$12,800

\$400 ▲

Supramax

58'

\$12,000

\$0 ➤

Baltic Dry Index (BDI)

\$1,701

-\$15 ▼

1 Year T/C Dry Bulk





Chartering

EAST


Looking to the East earnings are now below USD 100k per day for the first time since the end of August. The East/West earnings spread has come in a bit since yesterday, but it may look like East currently has more downside than what we find currently in the West. We are now counting a total of 21 spot fixtures ex Middle East for October (average so far this year stands at 23) and with tonnage availability still plentiful with about a dozen potential open vessels still on end Oct dates it should be fair to suggest we might see freight coming off further before an eventual floor is found.

WEST

The West market has been more or less muted for the last two weeks as a change in sentiment has been looming and also in the wake of Asian holidays taking place this week. In the short term, the drop in freight rates of about USD 50 per ton seems to have taken the edge off the waiting game, however, it remains to be seen if the last done fixture at USD 200 Houston/Chiba off end November ex USG is the bottom or not. Although the drop in rates on a per-ton basis may feel and seem brutal, the market is still trading above USD 100k per day! Up till today, we've seen about 10 spot fixtures ex USG/EC for November, which compared with an average of about 30 fixtures per month implies that we will see more deals concluded in the weeks to come.

LPG Rates

Spot Market (USD/Month, Weekly Change)

 [Click rate to view graph](#)

VLGC

\$3,000,000

84'

-\$1,400,000 

**LGC****\$2,000,000**

60'

\$0 >**MGC****\$1,500,000**

38'

\$0 >**HDY SR****\$875,000**

20-22'

\$25,000 ^**HDY ETH****\$920,000**

17-22'

\$0 >**ETH****\$530,000**

8-12'


\$0 >**SR****\$470,000**

6.5'

\$10,000 ^**COASTER Asia****\$280,000****\$0 >****COASTER Europe**



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

 [Click rate to view graph](#)

FOB North Sea/Ansi

\$536.5

\$31 

Saudi Arabia/CP

\$600

\$50 

MT Belvieu (US Gulf)

\$377

\$9 

Sonatrach/Bethioua

\$560

\$30 

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

 [Click rate to view graph](#)

FOB North Sea/Ansi

\$559.5

\$8 

**\$615****\$55**

MT Belvieu (US Gulf)

\$352.5**\$19.5**

Sonatrach/Bethioua

\$570**\$20**

LNG Rates

Spot Market

(USD/Day, Weekly Change)

Click rate to view graph

East of Suez 155-165k CBM

\$165,000**-\$27,500**

West of Suez 155-165k CBM

\$150,000**-\$50,000**

1 Year T/C 155-165k TFDE

\$96,000**\$0**



Newbuilding

Activity Levels

Tank Activity

Increasing

Dry Bulk Activity

Moderate

Other Activity

Moderate

Prices

VLCC

300'

\$124

\$0 >

Suezmax

150'

\$82

\$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'
\$260	\$0 >

05

Sale & Purchase



Dry	5 yr old	10 yr old
Capesize	\$47.5	\$33.0
Kamsarmax	\$32.5	\$23.0
Ultramax	\$28.0	\$22.0

Wet	5 yr old	10 yr old
VLCC	\$94.5	\$74.5
Suezmax	\$71.0	\$56.0
Aframax / LR2	\$63.5	\$51.5

06

Market Brief

Exchange Rates

USD/JPY

149.86

0.14^

USD/NOK

10.91

0.16^



USD/KRW

1,352.7

3.9^

EUR/USD

1.05

0 >

Interest Rates

LIBOR USD (6 month)

5.2%

0 >

NIBOR NOK (6 month)

3.12%

0 >

Commodity Prices

Brent Spot

\$91

\$0.5^

Bunker Prices

Singapore

**\$497.5****-\$27.5** ✓

MGO

\$939.5**-\$31.5** ✓

Spread MGO/380 CST

\$442**-\$4** ✓**Rotterdam**

380 CST

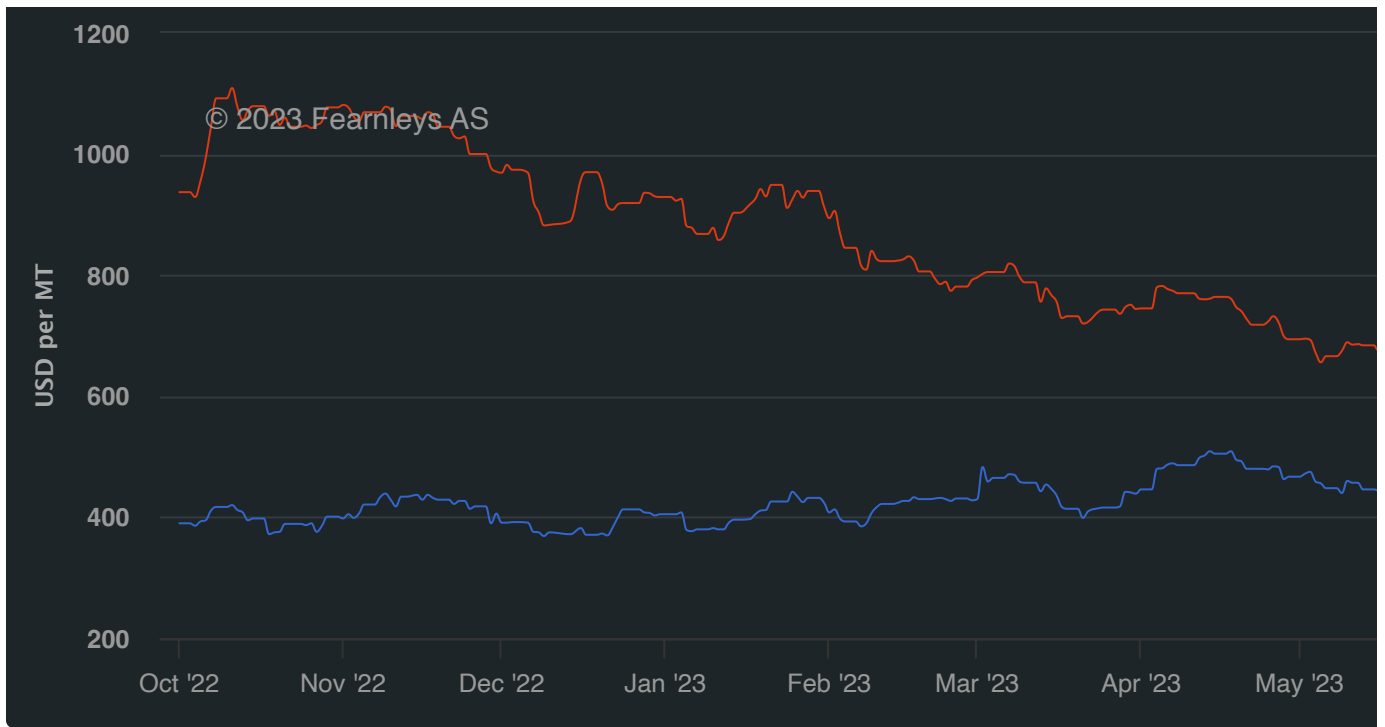
\$547**-\$33** ✓

MGO

\$946.5**-\$25.5** ✓

Spread MGO/380 CST

\$399.5**\$7.5** ^



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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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