



Fearnleys Weekly Report

Week 42 - October 18, 2023

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01 Tankers

VLCC

As we have seen time and time again, the Atlantic market has been the driver of rates pushing numbers further in to the black for VLCC owners. This week is no different as the benchmark TD22 route pushed up through the 10mill mark. Natural candidates for the mid-November cargoes ex USG remain limited and have helped the other markets rise accordingly. The MEG November program hit the ground running on Monday. The position lists are looking a little more ample later in the month but for very early November, in a word, tight, as owners will make the most of the obtained momentum. It remains to be seen if owners are able to cling on to current market levels as production cuts are projected for November.

Suezmax



thick and fast for end October and early November dates thinning the position list significantly for these dates. TD23 lifted some 10 points or so and is now in the mid 80s, and MEG/East has lifted to the WS 120 mark, some 20 points higher than last week. Moving into the second half of the 1st decade in the MEG, it feels like sentiment should hold, if we see a drop off in activity then expect some downward pressure to start emerging. The Atlantic markets also surged on the back of the Aframax and Suezmax being incredibly busy ex USG. Rates have moved up to WS 117.5 level for TD20 voyages and look to be steadying somewhat as the rush of USG cargoes seems to be slowing down. We don't expect a huge drop off in levels in West Africa just yet, but it does feel like a small downward correction is likely, given how rapid the rates moved up.

Aframax

Quite a few owners with vessels open in the North Sea have ballasted away to seek better returns elsewhere on the western hemisphere. The list has thinned out for normal North Sea candidates, and owners trading in the area have managed to push rates upwards. The firm trend looks to continue into end month October loading dates, and we will see higher than last done be paid this week.

Owners in the Mediterranean/Black Sea market held back last week. Owners pushed the market 80-100 points above last-done levels on the back of a very firm USG market. Tonnage list is slowly starting to balance out a bit and we might see rates finding equilibrium around WS 200 levels now, but the market is still moving. Sentiment is still strong, and owners will try to prevent rates from falling.

Rates

Dirty
(Spot WS 2023, Daily Change)

[Click rate to view graph](#)

MEG/WEST

280'

35

7.5



63

200
15.5

MEG/Singapore

64

280'
16

WAF/FEAST

64

260'
14

WAF/USAC

117.5

130'
40

Sidi Kerir/W Med

125

135'
50

N. Afr/Euromed

215

80'
100

UK/Cont

145

80'
40

Caribs/USG

70'



1 Year T/C

(USD/Day, Weekly Change)

Click rate to view graph

VLCC

\$37,500

Modern

\$0 >

Suezmax

\$37,500

Modern

\$1,000 ^

Aframax

\$38,000

Modern

\$500 ^

VLCCs

Click rate to view graph

Fixed in all areas last week

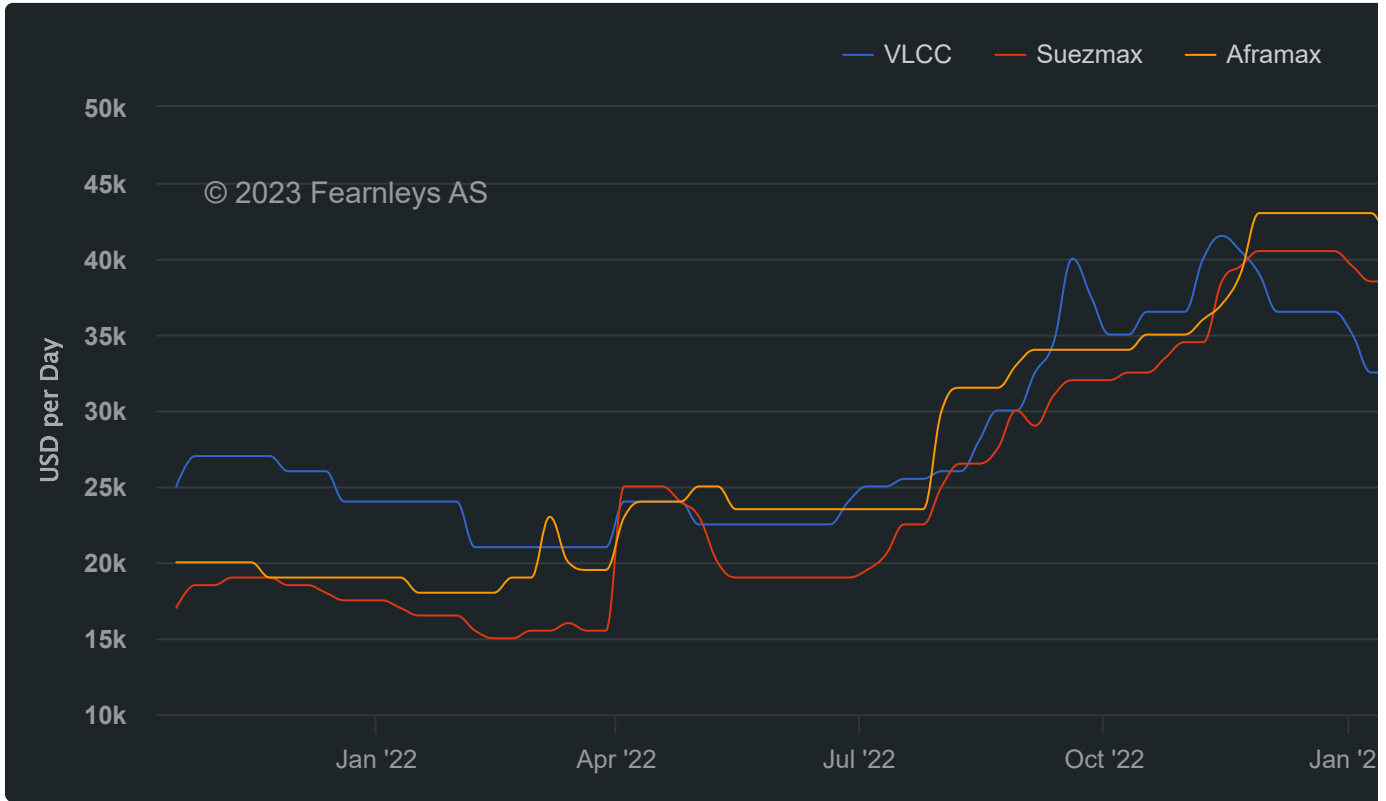
75

15 ^

Available in MEG next 30 days

168

10 ^



02 Dry Bulk

Capesize

We see healthy volume levels for early November C5, East Australia, and Pacific. On South Africa and Indian business, we see several enquiries from operators for end October to mid November. On C3 ex Brazil to China, volumes are present from miners and operators focusing on early November and mid November respectively. On West Africa, we see several fresh enquiries for mid to late November. On a whole, market optimism remains upbeat. Tonnage is moderately tight on Far East, and we see an uptick in ballasting tonnage. On C5, fixtures concluded at high USD 10 pmt to low USD 11 pmt levels. On C3, fixtures concluded at high USD 26 pmt and high USD 25



November at USD 26 versus USD 27/28 pmt. We see hesitation from owners to match charterer bids and adopting a wait and see approach. One known fixture of a 208k dwt 2010-build non-scrubber delivery China at very end October for about 1 year at low USD 20,000/day.

Panamax

The Panamax market experienced a subdued week, particularly in the Pacific region with minimal activity from North Pacific, Australia, and Indonesia, leading some owners to reposition ships towards the Atlantic. The Atlantic, especially the North Atlantic, observed a better sentiment with a notable increase in transatlantic inquiries and concluded fixtures at improved rates. The spread between Cape and Panamax transatlantic widened, hinting at a spillover from Cape splits to Panamax. However, the fronthaul market remained lackluster, and ECSA spot tonnage offers dipped due to a lack of prompt cargoes. Despite some initial excitement on FFAs, the need for more volume to avoid a further decline was emphasized.


Supramax

Overall sentiment remained positive in the Atlantic, with rates increasing both in USG and ECSA. Norvic fixed an Ultramax delivery USG with Petcoke to India at USD 31,000 pd. Another 63,000 dwt was fixed at USD 20,000 pd from North Brazil to Mediterranean destination with grain cargo. From South Brazil, 55,000 dwt was fixed at USD 15,000 pd + 550,000 GBB for trip to Asia. Asian arenas remained quiet. A 63,000 dwt delivery China fixed USD 13,500 pd for a trip via Australia to Japan. The South Pacific was holding stable momentum while north for CJK rates started to fall. We expect the market to be volatile with little certainty of direction.

Rates

Capesize

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

 [Click rate to view graph](#)


TCE Cont/Far East

**Australia/China****\$11.22****\$0.19** **Pacific RV****\$16,464****\$1,496** **Panamax**

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

[Click rate to view graph](#)**Transatlantic RV****\$16,750****\$1,730** **TCE Cont/Far East****\$23,282****\$346** **TCE Far East/Cont****\$5,338****-\$31** **TCE Far East RV****\$13,006****-\$149**



 [Click rate to view graph](#)

Atlantic RV

\$17,011

\$579 

Pacific RV

\$10,488

-\$156 


TCE Cont/Far East

\$24,500

\$50 

1 Year T/C

(USD/Day, Weekly Change)

 [Click rate to view graph](#)

Newcastlemax

\$20,500

208'

\$900 

Kamsarmax

\$13,800

82'

\$200 

Ultramax

\$13,750

64'

\$250 



Capesize

180'

\$16,500

\$900 ^

Panamax

75'

\$12,650

\$200 ^

Supramax

58'

\$12,000

\$500 ^

Handysize

38'

\$11,000

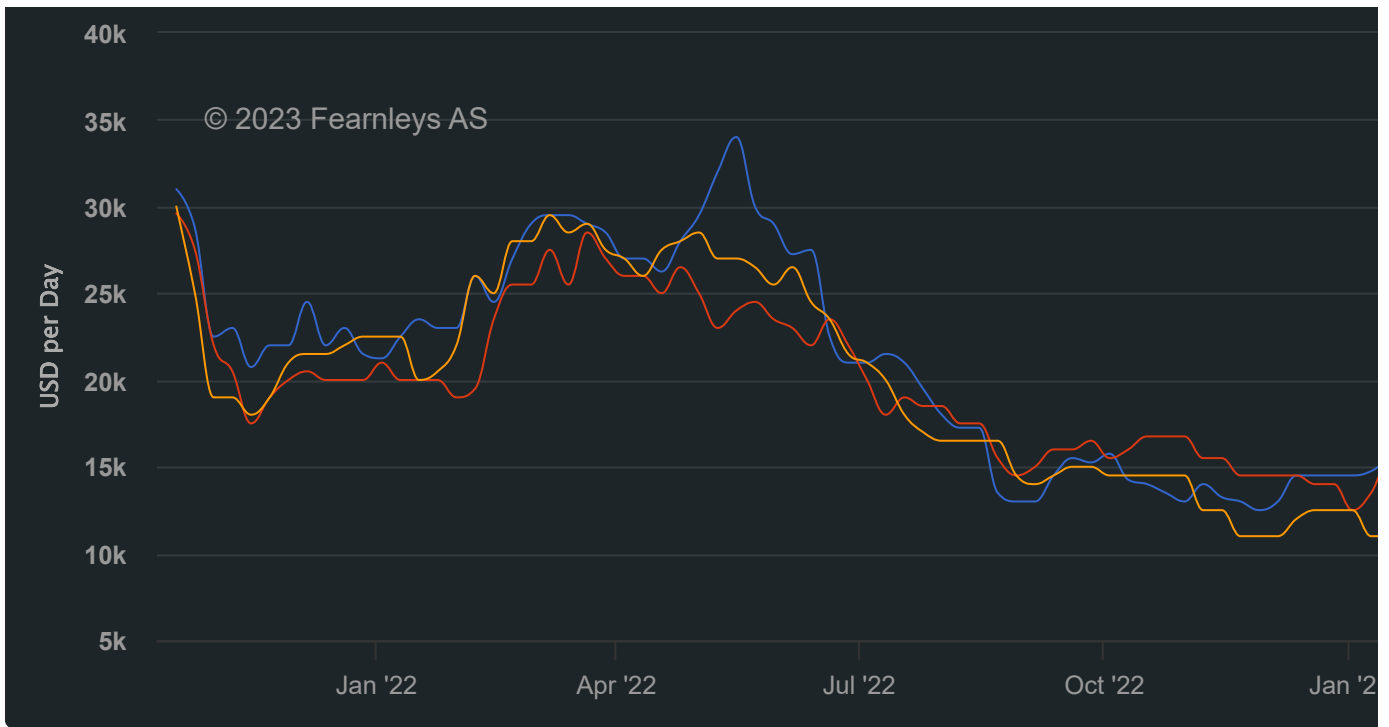
\$0 >

Baltic Dry Index (BDI)

\$2,105

\$47 ^

1 Year T/C Dry Bulk



03

Gas

Chartering

EAST

Within the first two days of this week we have already seen more fixtures concluded in the East than last week as a whole. Nonetheless, availability of open vessels for the first half of November is still plentiful, although it could be argued that the cheapest options are starting to disappear. On the other hand, as long as the general sentiment keeps pointing downward it may be unavoidable for those holding open tonnage to eventually accept lower freight.

WEST


Following the Pertamina tender, which settled approximately USD 40 below the last



premium of 16-17 dollars before waiting in the Panama Canal, currently on the rise. At the time of writing, we count 21 spot fixtures ex USG/USEC for November dates (4 first decade, 8 second decade and 9 last decade), and with a monthly average of 32 deals the last three months we should expect more to come for November. In addition to a very late October position, we are seeing 3 open positions left for second decade November and 7-8 for last decade, but 6 of them are still open for MEG as well. A couple might end up as early December positions due to very late arrivals in November USG.

LPG Rates

Spot Market (USD/Month, Weekly Change)

 [Click rate to view graph](#)

VLGC

\$2,400,000

84'

-\$700,000 

LGC

\$2,000,000

60'

\$0 

MGC

\$1,500,000

38'

\$0 

HDY SR

\$875,000

20-22'

\$0 

HDY ETH

17-22'



ETH

\$550,000

8-12'

\$0 >

SR

\$470,000

6.5'

\$0 >

COASTER Asia

\$280,000

\$0 >


COASTER Europe

\$300,000

-\$15,000 v

LPG/FOB Prices (Propane)

(USD/Tonne, Weekly Change)

 Click rate to view graph

FOB North Sea/Ansi

\$536.5

\$0 >

Saudi Arabia/CP

\$600

\$0 >

**\$368****\$10**

Sonatrach/Bethioua

\$560**\$0** **LPG/FOB Prices (Butane)**
(USD/Tonne, Weekly Change)

Click rate to view graph

FOB North Sea/Ansi

\$559.5**\$0**

Saudi Arabia/CP

\$615**\$0**

MT Belvieu (US Gulf)

\$348.5**\$19**


Sonatrach/Bethioua

\$570**\$0**

LNG Rates

Spot Market



 Click rate to view graph

East of Suez 155-165k CBM

\$140,000

\$0 >

West of Suez 155-165k CBM

\$140,000

\$0 >

1 Year T/C 155-165k TFDE

\$85,000

-\$7,000 v

04 Newbuilding

Activity Levels

Tank Activity

Increasing

Dry Bulk Activity



Other Activity

Moderate

Prices

VLCC	300'
\$124	\$0 >

Suezmax	150'
\$82	\$0 >

Aframax	110'
\$65	\$0 >

Product	50'
\$44	\$0 >

Newcastlemax	210'
\$66	\$0 >

Kamsarmax	82'
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Ultramax

\$34

64'

\$0 >

LNGC (MEGI) (cbm)

\$260

170'

\$0 >

Q5

Sale & Purchase

Prices

Dry	5 yr old	10 yr old
Capesize	\$47.5	\$33.0
Kamsarmax	\$32.5	\$23.0
Ultramax	\$29.0	\$23.0
Handysize	\$25.0	\$18.0

Wet	5 yr old	10 yr old
VLCC	\$94.5	\$74.5



Suezmax	\$75.0	\$60.0
Aframax / LR2	\$65.5	\$55.0

06

Market Brief

Exchange Rates

USD/JPY

149.55

0.01

USD/NOK

10.95

0.02

USD/KRW

1,352.2

-1.4

EUR/USD

1.06

0.01



LIBOR USD (6 month)

5.2%

0 >

NIBOR NOK (6 month)

3.12%

0 >

Commodity Prices

Brent Spot

\$90

\$0.5 ^

Bunker Prices

Singapore

380 CST

\$491.5

-\$3 v

MGO

\$897

-\$14.5 v

Spread MGO/380 CST



Rotterdam

380 CST

\$542

-\$2▼

MGO

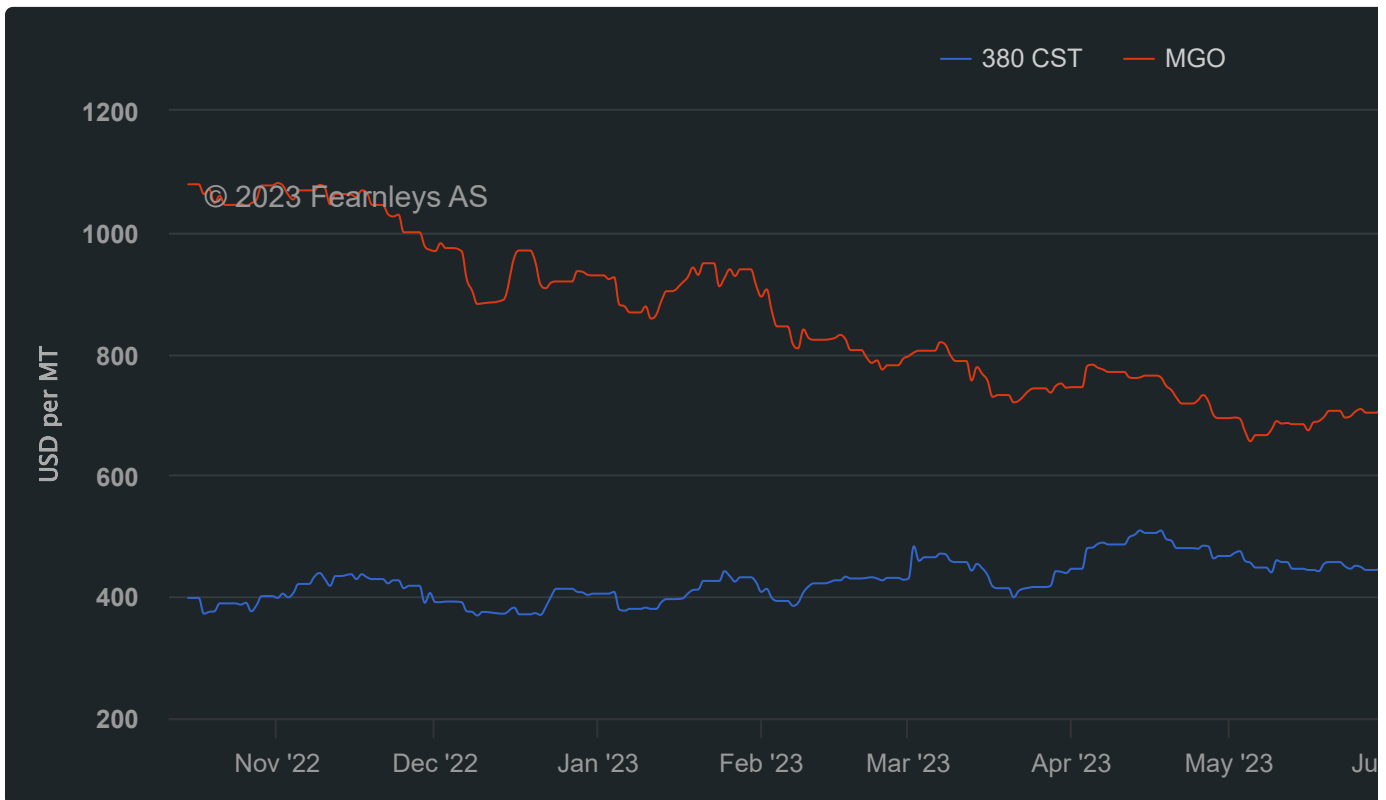
\$893.5

-\$14.5▼

Spread MGO/380 CST

\$351.5

-\$12.5▼





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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