Fearnleys Weekly Report

Week 41 - October 11, 2023

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01 Tankers

VLCC

Just 5 working days ago, owners were fighting a losing battle to keep WS rates north of the WS 40 level MEG/East. Charterers were eyeing up numbers in the mid WS 30’s and S-Oil (as per usual form) found the bottom of the market at WS 33 (albeit bigger cargo size, better terms, etc). However, it is likely rates fell too quickly, as we write these words, WS 50 reported on subs and owners will be pushing for more as the end October stems are cleared out.

As we have seen many times, the Atlantic market provides the impetus for any improvement. With the WTI vs Dubai price differential closing and thus causing the failing a few vessels USG/East last week, there was a pickup in Brazil and other Atlantic activity. West Africa/East rptd just done at WS 50 and USG/East at USD 7.75m. There is limited tonnage availability for the next 30 days in the Atlantic, so higher numbers likely, certainly with some assistance from the smaller sizes.

A yo-yo market, of which we likely to see more of in the coming months.

Suezmax

The MEG market has benefited from a procession of prompt replacement cargoes that has seen rates reach as high as WS 75/TD23. For the natural window, we freight this run at about WS 65 with no downside. MEG/East will pay circa WS 100 with little to suggest rates will come off this side of the weekend.

The Atlantic market has a generally firm feel with TD20 presently trading just under WS 75 (as of going to print) with rates likely reach WS 80 by the end of the week. A high volume of enquiry against a tight tonnage list will maintain momentum in the region.

The USG Suezmax market is underpinned by a firming Aframax market which will support further upside potential.

Aframax

The market in the North Sea started slower than last week with rates hovering around the WS 100 level for cross North Sea. US markets are stronger providing better returns which has seen tonnage ballast away. In the short term at least USG looks to remain active which will pull more tonnage away from North Sea reducing the list further. Natural fixing window now pushing into 3rd decade, and we could see rates firming.

Rates steady/firm in the Mediterranean as owners remain bullish in their approach. Has been minimal week on week growth as the market has struggled to navigate outside influences. However, there is a positive feel amongst owners who anticipate incremental rate increases with increased supply, as we progress into winter months. Natural tonnage continues to be picked off though there should be plenty of options looking forward with vessels heading in off the back of TA fixtures and North Sea earnings falling behind slightly making the Mediterranean market a viable option for ballasters.

Rates

Click rate to view graph

Route	Rate	Size	Change
MEG/WEST	27.5	280'	2.5 ▲
MEG/Japan	47.5	280'	5.5 ▲
MEG/Singapore	48	280'	5 ▲
WAF/FEAST	50	260'	3 ▲
WAF/USAC	77.5	130'	10 ▲
Sidi Kerir/W Med	75	135'	2.5 ▲
N. Afr/Euromed	115	80'	5 ▲

UK/Cont

80'

105

5

Caribs/USG

70'

160

70

1 Year T/C Crude

02

Dry Bulk

Capesize

Panamax

Supramax

Rates

1 Year T/C Dry Bulk

Gas

Chartering

LPG Rates

LNG Rates

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Activity Levels

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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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