



Fearnleys Weekly Report

Week 43 - October 25, 2023

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01 Tankers

VLCC

VLCC has taken a turn for the worse in the week gone by, down some 10 WS points for a MEG/East run since same time last week. In the Atlantic, recently the main catalyst for an upswing the VLCC sector, their smaller sisters have dominated the headlines as Suez- and Aframax rates have gone from strength to strength: However, given a chance VLCCs will put a spanner in the wheels. Even on a part cargo basis freight now supports going the V-route all things equal but thus far the fixing window is out of sync. A domino effect of fixing and failing from the USG has added to the list of ships committed to the area looking for a home. Until VLCCs come back into flavour vis a vis the smaller segments we expect more of the same short term.

Suezmax



trading WS 140. If you look purely at the numbers, there is a case to be made that VLCCs should cap Suezmax, but on further examination, it's obvious that the Suezmax fixing window in West Africa (15-20/11) is simply too early to be impacted by VLCC cannibalization (at least for now). The USG and wider Atlantic are following the same trajectory.

In the East, there's a mixed bag of rates with TD23 last trading WS 75, but with possible upside simply due to sentiment spillover from the Atlantic. MEG/China on modern tonnage should trade WS 130's for now.

This is a sentiment driven market, and we envisage no downside this week.

Aframax

NORTH


In the North Sea, the start of the week has seen some outstanding end month stems being covered some fresh and some replacements mixed in with stems in the first 5 days of November. Very tight early positions have enabled the market to push up with freight rising a further 30 WS points from an already strong positions at the end of last week. The balance of the week should see the balance of the first decade November cover. We will see vessels recirculate into position, but available tonnage will remain fairly tight keeping the freight market strong.

MEDITERRANEAN

It was an energetic start to the week in the Mediterranean market with an uncharacteristically busy Monday clearing most of the end month stems and pushing us in to first decade of November fixing dates. Rates have remained steady with little change w-o-w with TD19 in at 218.67, the same time last week showing 219.44; tonnage for the most part has been available to cover demand. Although West Mediterranean positions of late have been tighter and surged rates somewhat, we still view the market to be around 80 x WS 215 for Ceyhan-Mediterranean with a steady outlook as we move in to a 1-5/11 fixing window, where natural end month itineraries could bring stability or maybe test rates if supply continues.

Rates



 Click rate to view graph

MEG/WEST

280'

31

-4▼

MEG/Japan

280'

53

-10▼

MEG/Singapore

280'

54

-10▼

WAF/FEAST

260'

56.5

-7.5▼

WAF/USAC

130'

137.5

20▲

Sidi Kerir/W Med

135'

132.5

7.5▲

N. Afr/Euromed

80'

215

0>



UK/Cont

80'

210

65 


Caribs/USG

70'

245

40 **1 Year T/C**

(USD/Day, Weekly Change)

 Click rate to view graph

VLCC

Modern

\$37,500

\$0 

Suezmax

Modern


\$38,500

\$1,000 

Aframax

Modern

\$38,000

\$0 **VLCCs** Click rate to view graph

Fixed in all areas last week

44

-31 

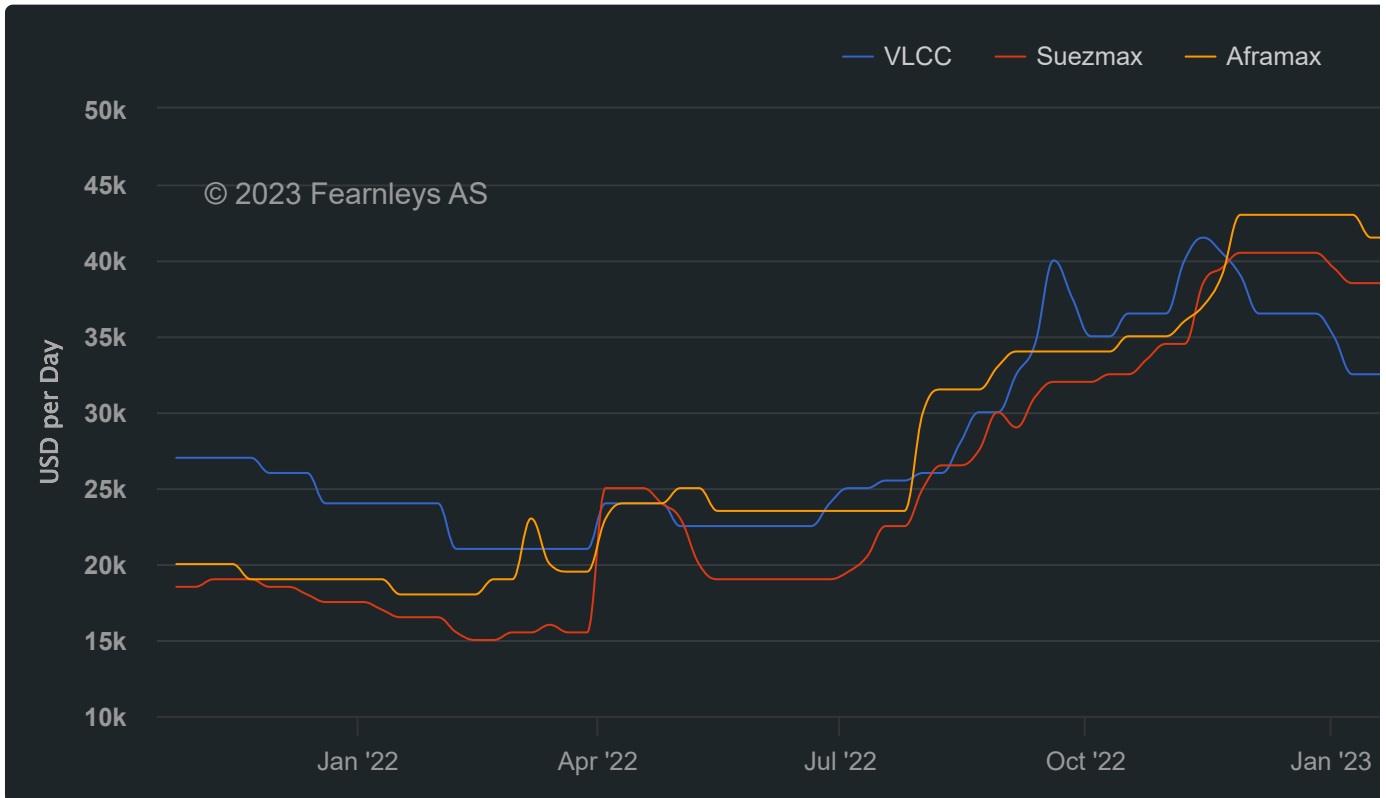


Available in MEG next 30 days

163

-5▼

1 Year T/C Crude



02

Dry Bulk

Capesize

We see volumes thinning for mid November C5, East Australia, South Africa, and Indian business. On C3 ex Brazil to China, volumes are scarce as miners have limited November slots left and are adopting a wait and see approach. On West Africa, there



resistance to take a ship. On a whole, market has moved downwards with diminishing optimism. Tonnage is abundant in Far East with an uptick in ballasters. On C5, fixtures concluded at low USD 10 pmt levels. On C3, fixtures concluded at high USD 24 pmt levels for late November stems with operators. One known fixture of a 210k dwt 2023-build non scrubber for 18 to 21 months at USD 23,000 per day.

Panamax

The Panamax market reveals a significant fleet positioned West of Suez, hinting at a potential upturn if Pacific demand rises. The Pacific activity increased slightly over the week; while coal demand is robust, supply issues persist in Indonesia. Asia presents an unpredictable market with a notable bid/offer spread. The Atlantic reports modest gains in the south, while the north lags. The week in the Atlantic started slowly, dominated by grain, and the North Atlantic shows reduced activity with widening rate disparities. The ECSA remains stable, with the 10-20 November window emerging as a hot spot with notable rates. Overall, the sentiment leans towards optimism despite the slow pace.

Supramax

The geared market had a slow start this week with activity picking up early today and lots of cargoes coming out of the Pacific and the Atlantic alike.

As for Handysizes, vessels being fixed at USD 10,000 levels for SP. EC India-Far East runs fetching around USD 9k levels and in the Atlantic (Brazil-Med/MEG) around low-mid 20ks. On the Supra/Ultra segment, owners asking in the range of USD 13k/11k for about 1 year. Indonesia-India Supra runs going around 10k levels and Indonesia-China runs seen mid 15k's this week. The FFA markets have been flat this week starting with a correction seen today, however expect market to remain in the high until end of last quarter 2023!

Rates

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



TCE Cont/Far East

\$38,125

\$312 ^

Australia/China

\$9.74

-\$0.62 v


Pacific RV

\$16,464

\$1,496 ^

Panamax

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

 Click rate to view graph

Transatlantic RV

\$16,940

-\$300 v

TCE Cont/Far East

\$23,482

-\$86 v

TCE Far East/Cont

\$5,319

\$10 ^

TCE Far East RV



Supramax

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

[Click rate to view graph](#)

Atlantic RV

\$17,600

-\$97▼

Pacific RV

\$9,931

-\$144▼

TCE Cont/Far East

\$22,392

-\$671▼

1 Year T/C

(USD/Day, Weekly Change)

[Click rate to view graph](#)

Newcastlemax

\$19,000

208'

-\$1,500▼

Kamsarmax

\$13,400

82'

-\$400▼

Ultramax

64'



Capesize	180'
\$15,000	-\$1,500 ✓

Panamax	75'
\$12,300	-\$350 ✓

Supramax	58'
\$11,000	-\$1,000 ✓

Handysize	38'
\$10,500	-\$500 ✓

Baltic Dry Index (BDI)	
\$1,832	-\$117 ✓

1 Year T/C Dry Bulk



03

Gas

Chartering

EAST

A widened arbitrage between US and Far East has pulled up the West market which has had a spillover effect on the East. The robust West market has been leading ships away from the Middle East in view of longer voyages and stronger earnings. As second half November fixing in the MEG is well underway charterers are faced with a tighter market and fewer competitive offers than we saw earlier last week. Looking at the balance of November we are now fixing far out and as such there may be additional candidates appearing later on but in conclusion consensus seems to agree that the market is again pointing upwards.



Western freight rates are on the rise with last done at mid 190s H/C after starting the week around 180. We have already seen plenty of fixing this week for both November and December dates counting almost a dozen deals. At the time of writing, we see several uncovered cargoes out there and with the arb still wide in addition to increased waiting in Panama we can expect today's strong freight to stay put.

LPG Rates

Spot Market

(USD/Month, Weekly Change)

Click rate to view graph

VLGC	84'
\$3,200,000	\$300,000

LGC	60'
\$2,000,000	\$0

MGC	38'
\$1,400,000	-\$100,000

HDY SR	20-22'
\$875,000	\$0

HDY ETH	17-22'
\$950,000	\$0



\$550,000

0-12

\$0 >

SR

\$470,000

6.5'

\$0 >

COASTER Asia

\$280,000


\$0 >

COASTER Europe

\$300,000

\$0 >

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 >

MT Belvieu (US Gulf)

\$341

-\$27 ✓



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)

\$346

-\$2.5 ▼

Sonatrach/Bethioua

\$570

\$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

\$145,000

\$5,000 ▲

1 Year T/C 155-165k TFDE

\$83,000

-\$2,000 ▼

04 Newbuilding

Activity Levels

Tank Activity

Increasing

Dry Bulk Activity

Moderate

Other Activity



Prices

VLCC	300'
\$124	\$0 >

Suezmax	150'
\$82	\$0 >

Aframax	110'
\$65	\$0 >

Product	50'
\$44	\$0 >

Newcastlemax	210'
\$66	\$0 >

Kamsarmax	82'
\$36	\$0 >

Ultramax	64'
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LNGC (MEGI) (cbm)

170'

\$260

\$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	\$96.0	\$75.5
Suezmax	\$77.0	\$61.0
Aframax / LR2	\$65.5	\$55.0



Market Brief

Exchange Rates

USD/JPY

149.75

-0.18▼

USD/NOK

11.12

-0.01▼

USD/KRW

1,344.5

-7.7▼

EUR/USD

1.06

0>

Interest Rates

LIBOR USD (6 month)

5.2%

0>

NIBOR NOK (6 month)



Commodity Prices

Brent Spot

\$88

-\$2 ✓

Bunker Prices

Singapore

380 CST

\$485.5

-\$9 ✓

MGO

\$902

\$4.5 ✓

Spread MGO/380 CST

\$416.5

\$13.5 ✓

Rotterdam

380 CST

\$540.5

-\$3 ✓



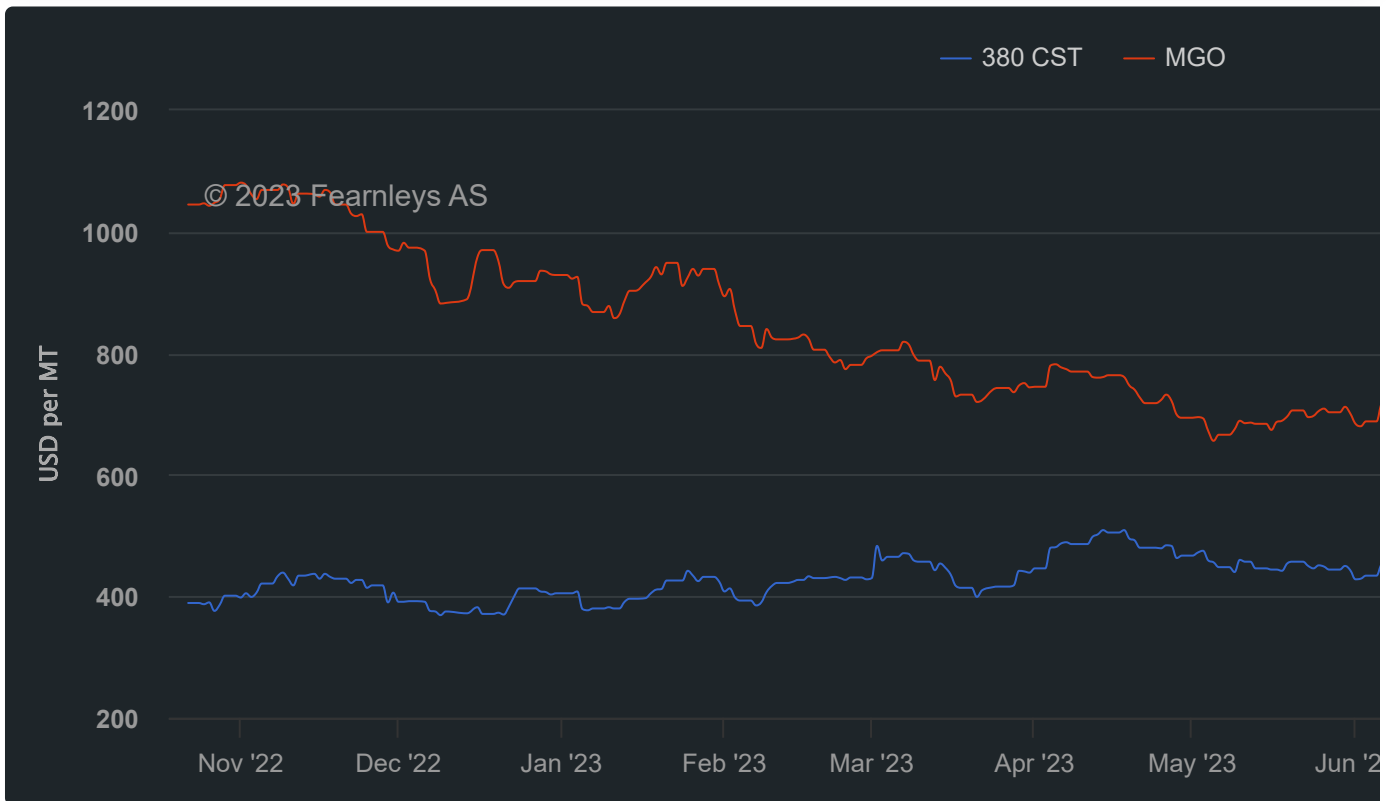
\$871.5

-\$25

Spread MGO/380 CST

\$331

-\$22



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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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