

Fearnleys Weekly Report

Week 9 - February 28, 2024

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01 Tankers

VLCC

A softening market in the East, as the 10-20 March window slowly got underway in the MEG. With charterers working quietly, yet efficiently, rates have fallen to the WS 60 level at the time of writing (Korean cargoes a touch less, albeit on older tonnage), the speed of said drop much to the surprise of some market commentators.

Evidently, a combination of ever lengthening position lists and lack of open market volume taking its toll. The much talked about 'bottom' of the market is continually being sort, but current fundamentals suggest we are not there yet.

Some strength to be found in the Atlantic however, with a USG cargo reportedly only gaining 2 offers at USD 10m + off early April dates, but Petrobras were able to gather 6-7 offers on their stem for 23-24 March, so vessels are ballasting from the East, and a potential dilution more than possible.

Last week told a story of a downwards correction on nearly all sizes. This meant that the early part of this week was about the Suezmax market resetting and finding its levels. The Mediterranean/Black Sea has been overtonnaged and quietly, not helped by the lack of Libya exports. There was a cheap USG/UKCM voyage done below what others considered to be the bottom, and since then the USG has been trying to claw back some momentum. What has helped is a couple of replacements in this market which now sits comfortably in the mid WS 90s. TD20 yesterday paid 130 x WS 102.5 on an oil company relet, and there's a handful of cargoes there to fix this morning. We expect rates to certainly push up to WS 105, if not more. MEG has been somewhat lagging. Very little activity to report. In recent times, owners' sentiment in the West is largely based on USG exports, and for the first time in a while, we are starting to see some cargoes that the owners can use to gain back some ground lost over the last 10 days.

Aframax

A lot of relet programming has depleted available stems, and the lack of activity has seen rates fall further as dates push out to end 1st decade March. Softer surrounding markets also not providing any support and encouraging vessels to ballast. Stem count looking better after 1st decade so we should see some pick-up in activity.

The Mediterranean Aframax market have continued to slip this week with tonnage stacked high for end first decade of March fixing. There is a need for continued activity to tie up vessels and support rates in the region, as we look to find the bottom of this market. The Black Sea has also been tested down and USG showing softer trends; the overall outlook on the Aframax for the time being is poor.

Rates

Dirty
(Spot WS 2024, Daily Change)

 [Click rate to view graph](#)

MEG/WEST

280'

MEG/Japan

59

280'

-11▼

MEG/Singapore

60

280'

-10▼

WAF/FEAST

65

260'

-7.5▼

WAF/USAC

100

130'

-7.5▼

Sidi Kerir/W Med

112.5

135'

-5▼

N. Afr/Euromed

100

80'

-90▼

UK/Cont

142.5

80'

-17.5▼

Caribs/USG


180

70'

-25▼

1 Year T/C

(USD/Day, Weekly Change)

 Click rate to view graph

VLCC

\$38,000

Modern

\$0 >

Suezmax

\$44,000

Modern


\$0 >

Aframax

\$42,000

Modern

\$0 >

VLCCs Click rate to view graph

Fixed in all areas last week

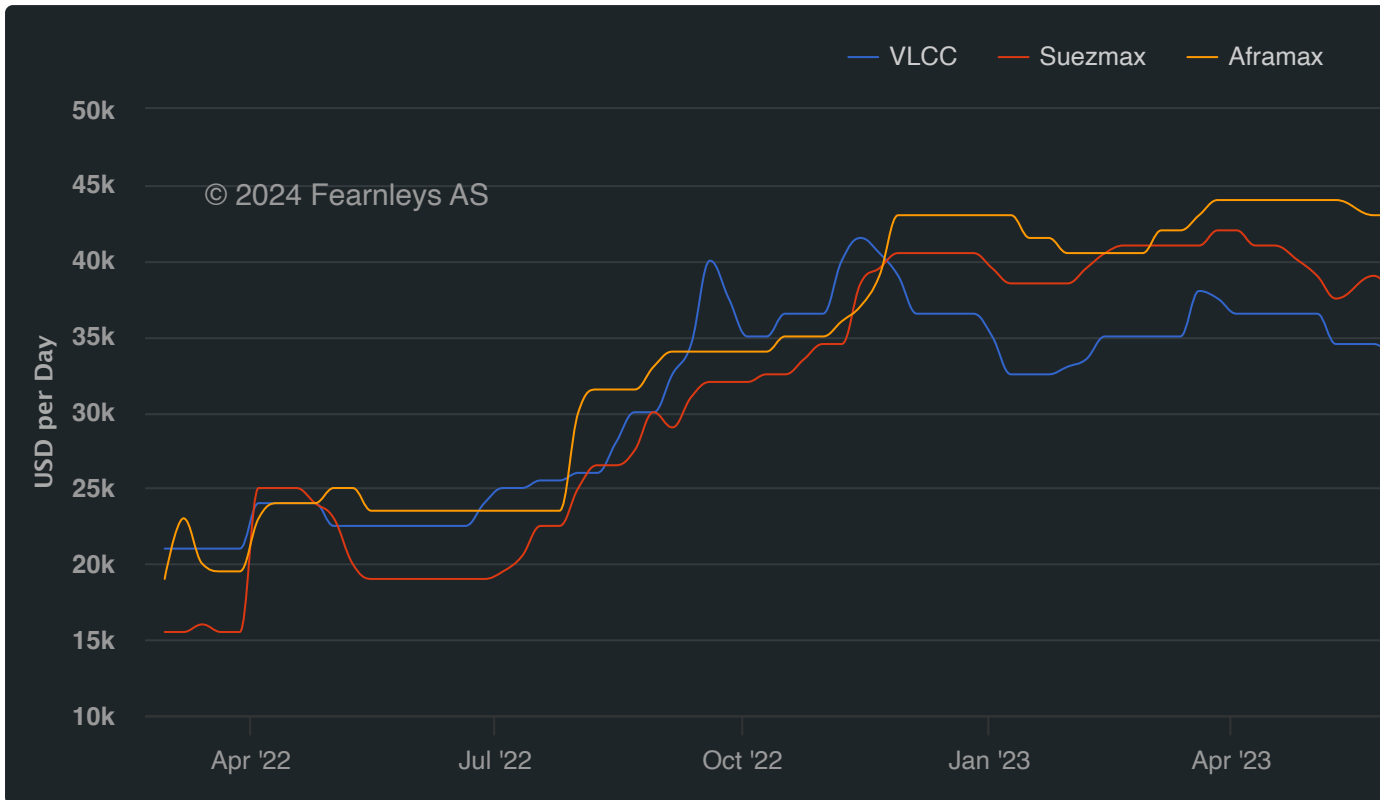
60

1▲

Available in MEG next 30 days

137

-7▼



02

Dry Bulk

Capesize

On the C5 front, we see volumes from miners, operators, and some tenders primarily for second half of March dates. In comparison, things are quieter on the East Australia and Pacific front albeit a slight increase in enquiries from last week. Volumes on South Africa and Indian business remains relatively flat. On C3 ex Brazil to China and West Africa, enquiries are primarily for second half of March dates, and we see some for forward April dates too. Far East tonnage has tightened from last week. Ballasting tonnage weighs heavily on second half of March while tonnage with first half of March dates are scarce. On C5, we see a healthy level of activity with fixtures concluding at

last week with fixtures concluding north of USD 27 pmtd levels for second half of March dates. One known fixture of a 180k dwt, 2016-build, non scrubber for 11-14 months at USD 30,000 per day.

Panamax

This week's Panamax market reveals a nuanced landscape: The Pacific region displayed resilience with healthy demand across traditional loading origins, notably for grain round trips, buoyed by potential upticks from South America. In contrast, the Atlantic faced challenges, particularly in the North, where an excess of unfixed tonnage pressured rates downward, despite slight improvements in the South Atlantic for early April South America FH trips. The overall market sentiment was cautious, with a muted start to the week and continued concerns over fundamental demand and rate declines in the Atlantic, highlighting the market's mixed dynamics and the critical need for volume influx to stabilize conditions.

Supramax

Quiet week so far in the Atlantic. Not much movement in the TA market, and vessels being fixed at last done levels. Good chunk of vessels positioned in ECSA however deals still being done at last done levels. Handy being fixed for ECSA-Mediterranean/USG trips around USD 13,000-14,000 levels. On the Supra/Ultra sizes, we are seeing fixtures reported for ECSA-TA/Mediterranean at low USD 20,000 levels. On the other hand, the Pacific is buzzing with activity and deals being concluded at higher rates vs the last done levels. Indonesia-China Supra stem hearing being done at close to USD 20,000 levels. Period market seeing a lot of activity and quite a few deals reported this week. Sentiment remains positive for Pacific markets.

Rates


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


 [Click rate to view graph](#)

TCE Cont/Far East

Australia/China**\$12.16****\$1.07** ^**Pacific RV****\$16,464****\$1,496** ^**Panamax**

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

 Click rate to view graph**Transatlantic RV****\$11,503****-\$77** v**TCE Cont/Far East****\$22,341****\$0** >**TCE Far East/Cont****\$6,556****\$450** ^**TCE Far East RV****\$16,613****\$820** ^

 Click rate to view graph

Atlantic RV

\$13,375

-\$304 

Pacific RV

\$12,350


\$400 

TCE Cont/Far East

\$25,467

\$59 

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

 Click rate to view graph

Newcastlemax

\$30,500

208'

\$3,600 

Kamsarmax

\$18,050

82'

\$50 

Ultramax

\$17,000

64'

\$250 

Capesize	180'
\$26,500	\$3,600 ^

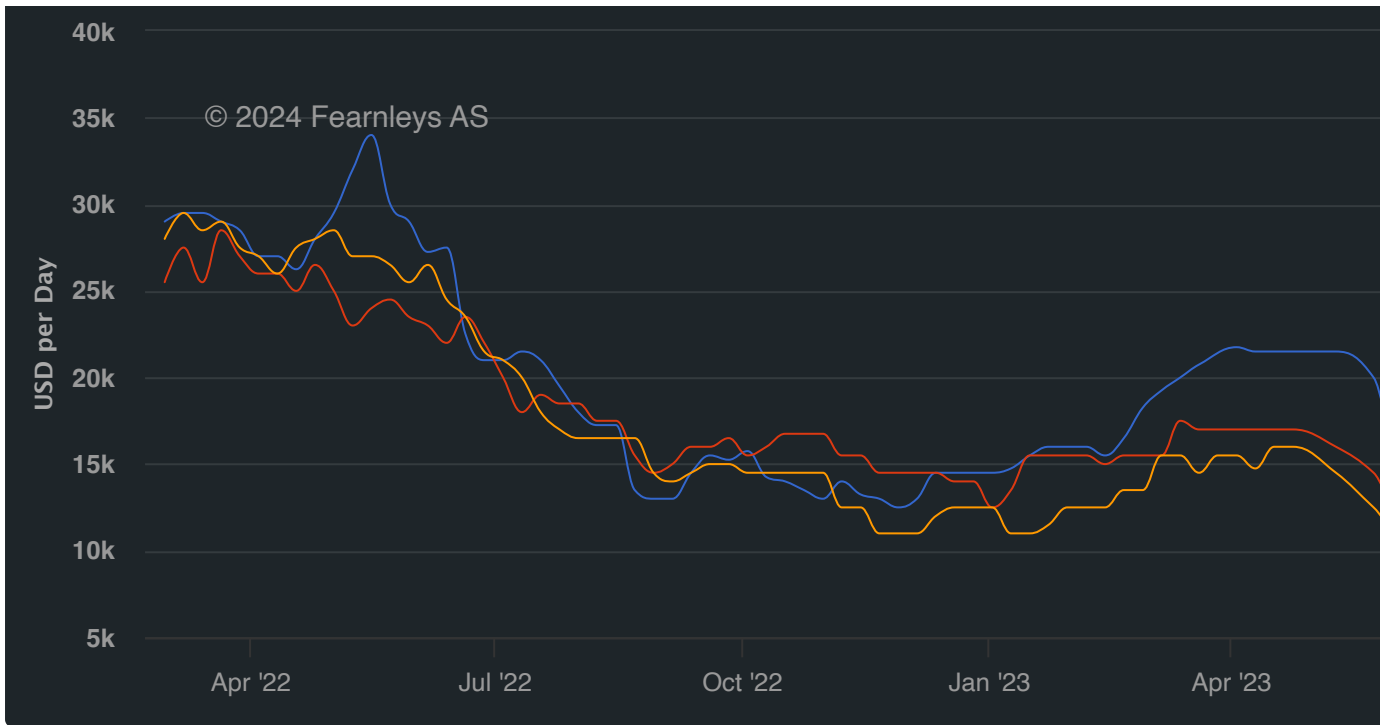
Panamax	75'
\$16,850	\$300 ^

Supramax	58'
\$16,000	\$1,250 ^

Handysize	38'
\$12,500	-\$1,000 v

Baltic Dry Index (BDI)	
\$2,041	\$142 ^

1 Year T/C Dry Bulk



03

Gas

Chartering

EAST

Coming from huge premiums last week freight in the East has now plummeted down back below West earnings. Comparing the spot volumes to an average month we should, at 22 recorded spot deals, be more or less done and dusted already. But there are at least 2-3 additional cargoes lurking on March dates still. How much that helps to keep freight from falling further however remains to be seen. In the US, freight looks less oversupplied which could help East from collapsing.

WEST

With IE Week in London, the Western market has been fairly quiet so far this week. At

or them have been done in the last decade. We still see a few open vessels left in the end of the month before moving into April fixing.

LPG Rates

Spot Market
(USD/Month, Weekly Change)

 [Click rate to view graph](#)

VLGC	84'
\$1,150,000	-\$750,000 

LGC	60'
\$1,100,000	\$0 

MGC	38'
\$950,000	\$0 

HDY SR	20-22'
\$950,000	\$0 

HDY ETH	17-22'
\$1,250,000	\$0 


ETH	8-12'
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SR	6.5'
\$480,000	\$0 >

COASTER Asia	
\$280,000	\$0 >

COASTER Europe	
\$400,000	\$0 >


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

 [Click rate to view graph](#)

FOB North Sea/Ansi	
\$498	\$0 >

Saudi Arabia/CP	
\$630	\$0 >

MT Belvieu (US Gulf)	
\$428.5	-\$42 ✓

\$520**\$0 >****LPG/FOB Prices (Butane)**
(USD/Tonne, Weekly Change) Click rate to view graph

FOB North Sea/Ansi

\$564**\$0 >**

Saudi Arabia/CP

\$640**\$0 >**


MT Belvieu (US Gulf)

\$398**-\$21.5 ▼**

Sonatrach/Bethioua

\$540**\$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

\$40,000

\$0 >

1 Year T/C 155-165k TFDE

\$54,000

\$0 >

04 Newbuilding

Activity Levels

Tank Activity

Increasing

Dry Bulk Activity

Moderate

Other Activity

Prices

VLCC	300'
\$125	\$0 >

Suezmax	150'
\$83.5	\$0 >

Aframax	110'
\$67.5	\$0 >

Product	50'
\$46.5	\$0 >

Newcastlemax	210'
\$66.5	\$0 >

Kamsarmax	82'
\$36.5	\$0 >

Ultramax	64'
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LNGC (MEGI) (cbm)

170'

\$263

\$0 >

05

Sale & Purchase

Prices

Dry	5 yr old	10 yr old
Capesize	\$58.0	\$38.0
Kamsarmax	\$33.0	\$25.0
Ultramax	\$33.0	\$27.5
Handysize	\$26.0	\$19.0

Wet	5 yr old	10 yr old
VLCC	\$107.0	\$82.0
Suezmax	\$81.0	\$66.0
Aframax / LR2	\$68.0	\$55.0



Market Brief

Exchange Rates

USD/JPY

150.55

0.24^

USD/NOK

10.53

0 >

USD/KRW

1,330.9

-0.5 v

EUR/USD

1.09

0 >

Interest Rates

SOFR USD (6 month)

5.39%

0 >

Brent Spot

\$83.5

\$1 

Bunker Prices

Singapore

380 CST

\$436

-\$8.5 

MGO

\$792.5

-\$1.5 

Spread MGO/380 CST

\$356.5

\$7 

Rotterdam

380 CST

\$453.5

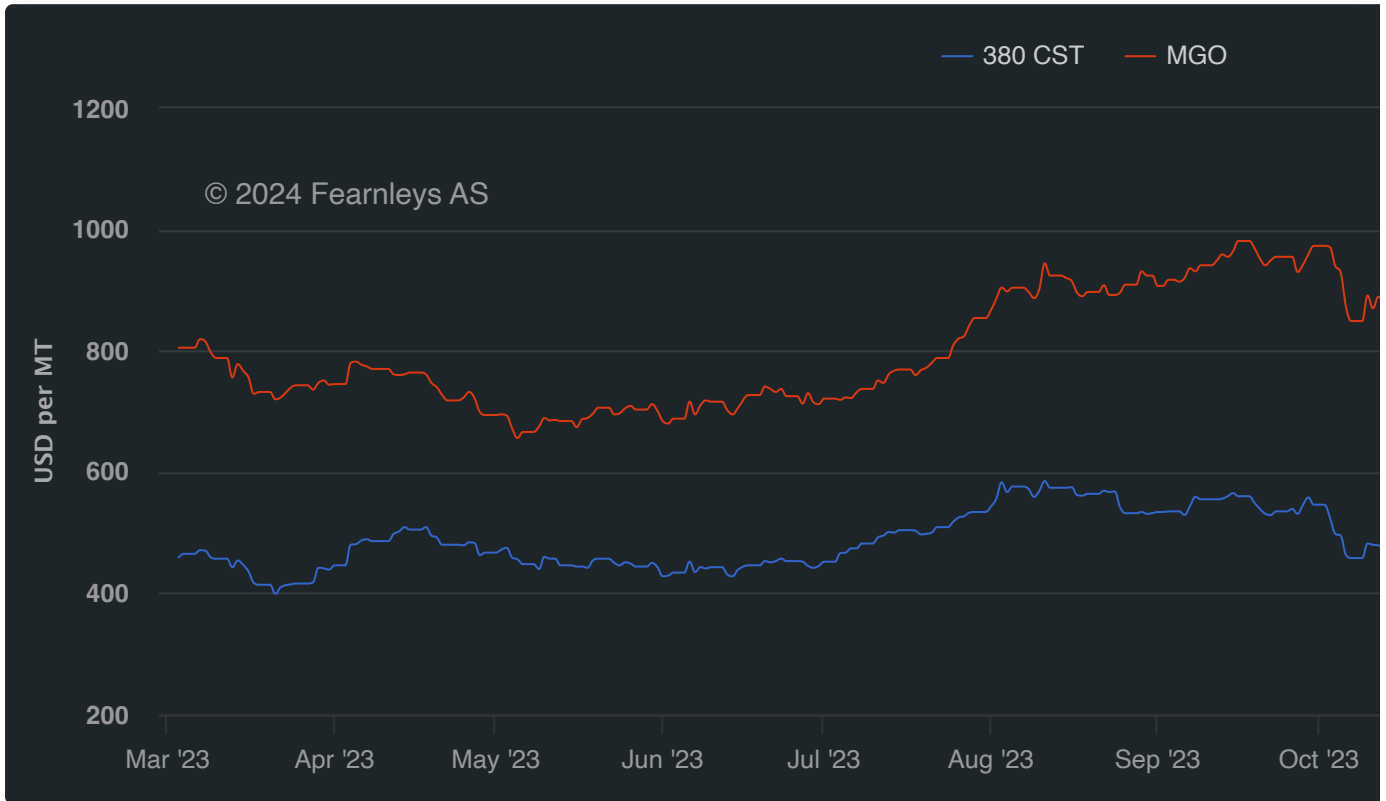
-\$6 

MGO

Spread MGO/380 CST

\$335.5

\$0 >



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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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