

Fearnleys Weekly Report

Week 12 - March 20, 2024

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01 Tankers

VLCC

A very sluggish start to the MEG April program has seen a tonnage buildup, with vessels sailing free of cargo in the East. Coupled with a number of relets, and the scene is set for a rate drop. At the time of writing, one Thailand bound cargo has attracted a reported 10 offers showing the lack of choice available to the build-up of tonnage. Rates will come off, but TCE's are still very attractive and there is no shame for owners fixing on vessels date at a good level. Cargo wise, we are behind schedule and the bulk of early April will come eventually, but with each passing (quiet) day, that MEG list lengthens.

The Atlantic market was saddened at the news of a failure ex USG/Ningbo at USD 9.55m, a decent number, but the 2024 USG/Ningbo average so far stands at USD 9.2m, and if stretched too far above that, it would appear subs can become trickier.

is in the owners' (and Oil Co. relets) hands.

Suezmax

West Africa, busy week so far, April stems in play with questions on the Nigerian Freight Tax waiver coming to an end, which helped rates push slightly higher. Tonnage is a little tighter off the beginning of the month but suspect the market to won't change a great deal going forward.

The Mediterranean-Black Sea, once again all about the Aframax market which remained firm and helped the Suezmax market maintain last done levels from the Black Sea, with the Mediterranean seeing Suezmax vessels covering Aframax cargoes at 80k at WS 170.

US Gulf revolved around the Aframax market once again with market looking softer, understand last done was 145k at WS 82.5, whilst we saw better rate levels covered from Guyana with increased activity helped by the West Africa market, rates running in at 145k at WS 90 for UKCM by mid-week.

The Middle East Gulf, busy start to the week with plenty of action enabling the rates to climb to WS 67.5 for Basrah/UKCM via Cape, little activity East but rates should be around the WS 122.5 for Eastern destinations for modern tonnage.

Aframax

The North Sea has seen very limited activity in the first half of the week. Early tonnage availability has been reduced with vessels ballasting initially towards US, but with market softening in the US tonnage has been turning towards a firmer Mediterranean market. Rates in the region have remained steady and dates now pushing into the last 5 days of the month. Local tonnage should recycle towards the end of the month and be supplemented with tonnage arriving into the area.


Activity in the Mediterranean this week has seen owners test the limits on end month March stems whilst trying to compete with Suezmax for employment. Tighter tonnage off the front end has allowed owners to be bullish on rates, but with Suezmax there to intervene on a level footing and a projected replenishment of tonnage for April dates,

the market as we move forward.

Rates

Dirty

(Spot WS 2024, Daily Change)

 [Click rate to view graph](#)

MEG/WEST	280'
40	3^
MEG/Japan	280'
81	11^
MEG/Singapore	280'
82	11^
WAF/FEAST	260'
80	5^
WAF/USAC	130'
102.5	-2.5v
Sidi Kerir/W Med	135'
102.5	0 >

N. Afr/Euromed

80'

180

0 >

UK/Cont

80'

142.5

10 ^

Caribs/USG


70'

157.5

-20 v

1 Year T/C

(USD/Day, Weekly Change)

 Click rate to view graph

VLCC

Modern

\$39,000

\$1,000 ^

Suezmax

Modern

\$44,000


\$0 >

Aframax

Modern

\$42,000

-\$500 v

VLCCs Click rate to view graph

63

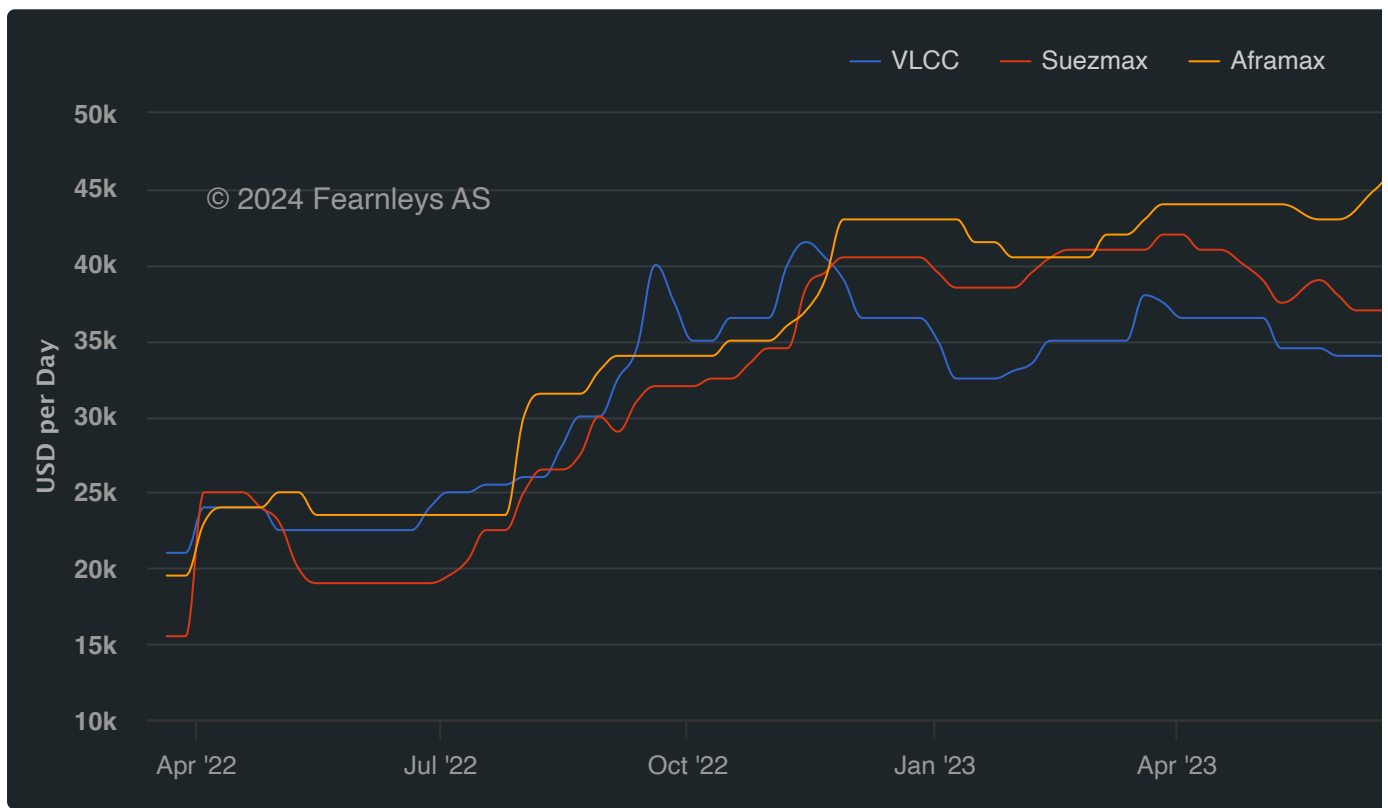
-6 

Available in MEG next 30 days

140

5 

1 Year T/C Crude



02

Dry Bulk

On the C5 front, we see a reasonably healthy volume of enquiries from miners for early April dates and operators from early to mid April dates. Several were seen for second half of April and forward May dates. In comparison, things were quiet on the East Australia coal front at the beginning of the week but gradually picked up as we approach mid-week. Volumes on other Pacific business and South Africa remained flat from last week. On C3 ex Brazil to China and West Africa, we see enquiries primarily for second half of April. Tonnage in Far East remains moderately tight. Ballasting tonnage weighs heavily on April with seemingly few ships left for late March. On C5, we observe the same trend as last week; starting off with fixtures concluding at USD 13 pmt levels and retreating to high USD 11 pmt levels by mid-week. On C3, we see fixtures concluding at USD 28 to USD 29 pmt levels for second half of April dates.

Panamax

The Panamax market has seen divided opinions recently, with the BPI timecharter average slightly up but facing skepticism over its peak, amid a backdrop of a weakening FFA market leading to stand-offs. Despite a subdued start to the week, positive sentiment persists, supported by stable fundamentals across both Atlantic and Asian regions, suggesting potential for future gains. The market is closely watching cargo flow and tonnage availability, crucial for maintaining or improving rate levels, amidst a cautious approach from charterers in response to mixed market signals and firm levels in areas like ECSA.

Supramax

The Pacific and Indian Ocean: On Supra/Ultra sizes, we see lower volumes in terms of cargo in the market. NOPAC RV being done at mid USD 13,000 levels and backhaul trips being priced at around USD 11,000 levels. Meantime on the MEG-India side, the usual WCI-China trips being fixed at USD 17/18,000 levels and inter-MEG trips being done at USD 16,000 mark. Backhaul trips being done at USD 7,000 levels on Supramax.

The Atlantic markets: The USG market remains firm cue the low tonnage count and increased cargo volume. TA being fixed around mid USD 15,000 levels and fronthaul


availability remains tight and trips to Far East being done at high USD 20,000 levels whereas TA trips being done at USD 20,000 levels.

The market on Handy remains firm with ECSA - fronthaul trips being done at USD 24,000 levels and transatlantic trips paying around USD 20,000.

With only 3 months to go for the monsoon season to start in India, we can expect to see less activity on the iron biz from WCI in the coming months and ships being repositioned accordingly. On the other hand, there is still potential for an upside in the Atlantic given the ECSA grain season is not yet at peak levels. Meantime, period market remains active with couple fixtures reported this week. Healthy rates and activity in the Atlantic overall. However, as they say 'Every storm runs out of rain eventually, even a "perfect" one, but the forecast for markets next week is likely more of the same.

Rates

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

 [Click rate to view graph](#)

TCE Cont/Far East

\$38,125

\$312 

Australia/China


\$11.97

-\$1.1 

Pacific RV

\$16,464

\$1,496 

 [Click rate to view graph](#)

Transatlantic RV

\$19,710

\$325 

TCE Cont/Far East

\$31,423

\$253 

TCE Far East/Cont

\$8,863

\$115 


TCE Far East RV

\$19,428

\$193 

Supramax

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

 [Click rate to view graph](#)

Atlantic RV

\$14,036

\$202 

Pacific RV


\$13,786

\$230 

ICE Cont/Far East

\$27,458**\$333** ^**1 Year T/C**

(USD/Day, Weekly Change)

 [Click rate to view graph](#)

Newcastlemax

208'

\$29,450**-\$3,430** v

Kamsarmax

82'

\$20,000**\$0** >

Ultramax

64'

\$17,500**\$0** >

Capesize

180'

\$25,450**-\$3,430** v

Panamax

75'

\$18,500**\$0** >

Supramax

58'

\$15,000**-\$500** v

Handysize

38'

\$14,000

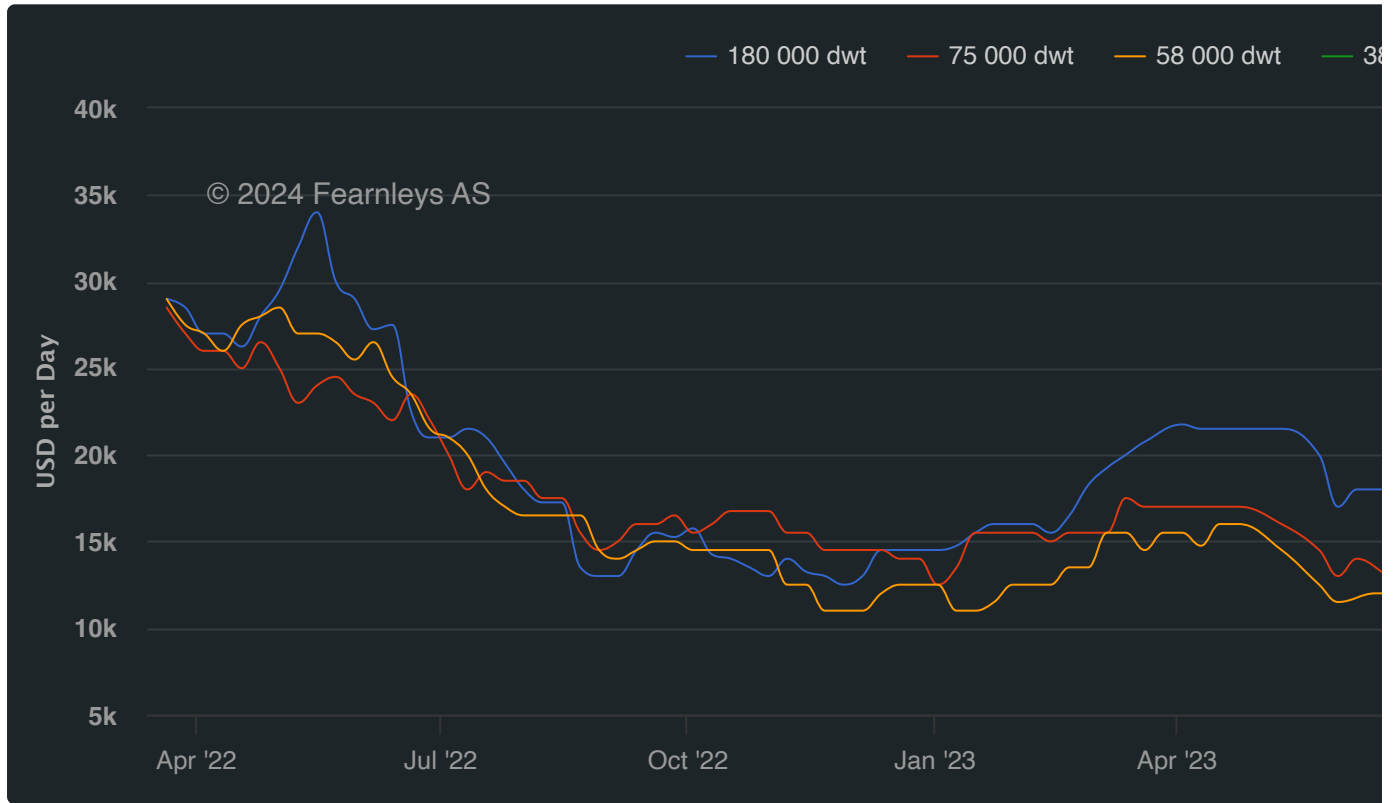
\$0 >

Baltic Dry Index (BDI)

\$2,392

-\$27 v

1 Year T/C Dry Bulk



03

Gas

EAST

The East has been quiet this week with only one spot fixture registered, and in total we now count 7 deals for April dates ex MEG. 6 of these have been done 1-10 April which also is the average for the first decade the last three months. There are currently no signs of Indian PSUs in April just yet – which quoted 7 cargoes in March. With earnings in the West weakening lately, meaning less incentive to sail that direction, we could see more ships considering going East.




WEST

After a rush of deals in the West last week, we have now seen fixing activity slow down and we have so far not seen any spot fixtures this week. Currently we count 25 spot fixtures for April ex USG/USEC and we still see 10+ vessels open in April – the majority of them in the last decade. At the same time there are still half a dozen uncovered cargoes left for end April dates while we find last done at mid 130s H/C.

LPG Rates

Spot Market (USD/Month, Weekly Change)

 [Click rate to view graph](#)

VLGC	84'
\$1,700,000	-\$100,000 
LGC	60'
\$1,100,000	\$0 
MGC	38'
\$1,000,000	\$0 

\$930,000

20-22

\$0 >

HDY ETH

\$1,250,000

17-22'

\$0 >

ETH

\$650,000

8-12'

\$0 >

SR

\$480,000


6.5'

\$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

\$514**\$0 >**

Saudi Arabia/CP

\$630

\$0 >

MT Belvieu (US Gulf)

\$436


\$36 ^

Sonatrach/Bethioua

\$540

\$0 >

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

 Click rate to view graph

FOB North Sea/Ansi

\$573

\$0 >

Saudi Arabia/CP

\$640

\$0 >

MT Belvieu (US Gulf)


\$380.5

\$24.90 ^

Sonatrach/Bethioua

LNG Rates

Spot Market
(USD/Day, Weekly Change)

 [Click rate to view graph](#)

East of Suez 155-165k CBM

\$35,000

-\$3,000 

West of Suez 155-165k CBM

\$42,500

\$5,000 

1 Year T/C 155-165k TFDE

\$54,000

\$0 

04 Newbuilding

Activity Levels

 Tank Activity

Dry Bulk Activity

Moderate

Other Activity

Strong

Prices

VLCC

\$126

300'

\$1^

Suezmax

\$84.5

150'

\$1^

Aframax

\$68.5

110'

\$1^

Product

\$47.5

50'

\$1^

Newcastlemax

210'

Kamsarmax

82'

\$37**\$0.5^**

Ultramax

64'

\$35**\$0.5^**

LNGC (MEGI) (cbm)

170'

\$264**\$1^**

05

Sale & Purchase

Prices

Dry	5 yr old	10 yr old
Capesize	\$58.0	\$39.0
Kamsarmax	\$38.0	\$29.0
Ultramax	\$34.0	\$27.5

Handysize	\$27.5	\$20.5
Wet	5 yr old	10 yr old
VLCC	\$108.0	\$83.0
Suezmax	\$82.0	\$67.0
Aframax / LR2	\$71.0	\$58.5

06

Market Brief

Exchange Rates

USD/JPY

149.2

-0.05▼

USD/NOK

10.69

0.08▲

USD/KRW

1,338.9

6.5▲

EUR/USD

1.09

0 >

Interest Rates

SOFR USD (6 month)

5.39%

0 >

Commodity Prices

Brent Spot

\$87.5

\$2 ^

Bunker Prices

Singapore

380 CST

\$497.5

\$1.5 ^

MGO

\$806.5

\$4.5 ^

Spread MGO/380 CST

Rotterdam

380 CST

\$486

\$4.5 ^

MGO

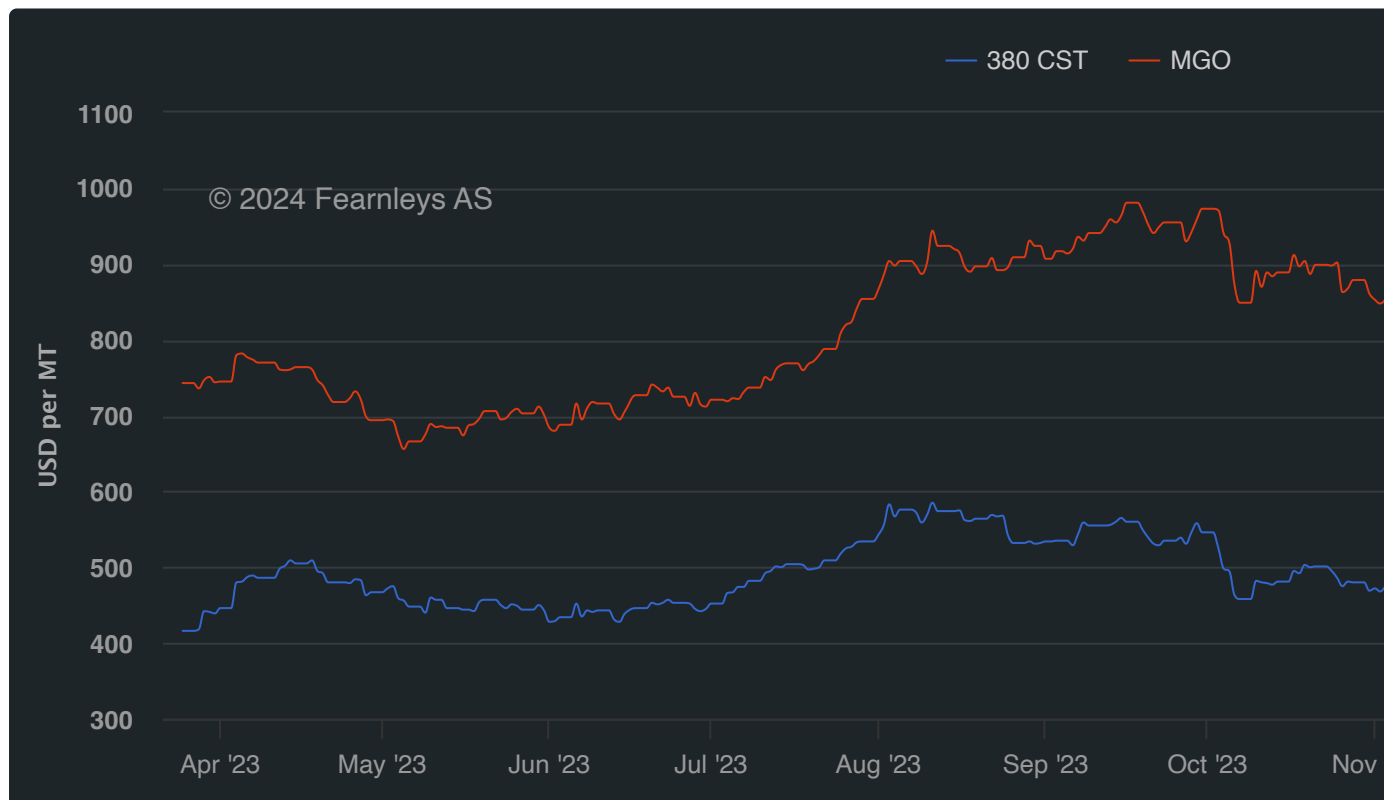
\$816.5

\$4 ^

Spread MGO/380 CST

\$330.5

-\$0.5 v



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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