

Fearnleys Weekly Report

Week 20 - May 15, 2024

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01 Tankers

VLCC

This week marks the twilight zone between the May and June stems in the MEG. A few cargoes have reached out so far, but generally the cargo list is quiet. A steady feel, as we await the bulk of the 1-5 June window. The list will build in the meantime, but once the June stems come in, if there is any rush, we'll have upward pressure. Tonnage is there to soak it up. MEG/China now sits in the low 70's, however this time last month we were in the low 60's, so May has signed off 10 points up.

The Atlantic as often is the case, the more interesting. Anything prompt (i.e. mid-month) in the USG is tight, but it does open up as ballasters will be attracted by USD 9.5m numbers USG/China. Almost too good to turn down.

Suezmax

UDZO peaks at circa WS 110 then tails back into the WS 90's, and that's where we are today. US Gulf Aframaxes will ultimately determine when the inevitable bounce occurs.

In the East, there's a very predictable, steady feel with adequate enquiry to maintain MEG/East at circa WS 110 and BOT/UKCM in the WS 60's.


Aframax

The available tonnage started the week looking relatively tight, but with VLCC and Suez depleting available Afra stems market activity has been sporadic leaving the market moving sideways. Dates pushing out into the 3rd decade with tonnage availability opening back up. US market has softened but is still attractive for tonnage to ballast away.

Cargo volume has stayed consistent throughout the week picking off tonnage one by one. It's tight off prompter dates but a replenish of vessels looking to come back into contention for early June will try to balance things out, but with Suezmaxes working on the back of a sentiment driven by Aframaxes, rates look firm for now with still some stems left to cover in Libya and Ceyhan. Owners remain optimistic and bullish in their approach.

Rates

Dirty
(Spot WS 2024, Daily Change)

 [Click rate to view graph](#)

MEG/WEST	280'
44	-1 

MEG/Japan	280'
71	2 

MEG/Singapore

72

280'

2^

WAF/FEAST

74

260'

2.5^

WAF/USAC

97.5

130'

-10v

Sidi Kerir/W Med

110

135'

-2.5v

N. Afr/Euromed

185

80'

20^

UK/Cont

145

80'

0>

Caribs/USG

150

70'

-20v

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

VLCC

\$38,000

Modern

\$0 >

Suezmax

\$42,500


Modern

\$0 >

Aframax

\$42,500

Modern

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

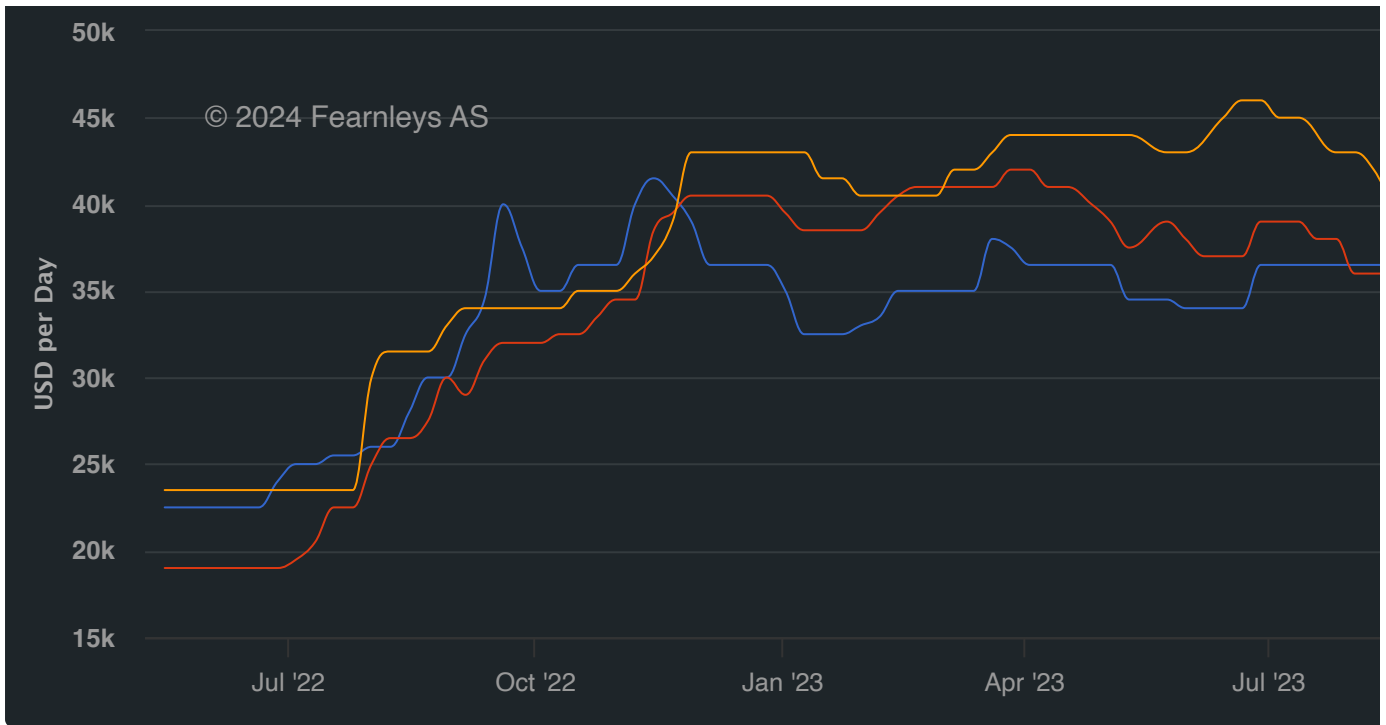
Fixed in all areas last week

72**13 ^**

Available in MEG next 30 days

119**-32 v**

1 Year T/C Crude



02

Dry Bulk

Capesize

On the C5 front, we see a reasonable volume of enquiries from miners and operators primarily for first half of June dates. Some operators were seen seeking tonnage for second half of June dates as well. We continue to see a steady inflow of volumes on East Australia coal and some enquiries out of other Pacific business with first half of June and end May to mid June dates respectively. Volumes out of South Africa have ticked up with enquiries from operators and tender as well for early June dates. On C3 ex Brazil to China, we see enquiries from operators for full June dates. Far East spot tonnage is moderate while ballasting tonnage weighs heavily on first half of June dates with some drifters for end May dates. On C5, we see fixtures concluding at low USD 11 pmt levels at the start of the week and retreating to mid USD 10 pmt levels by

levels for June dates.

Panamax

This week, the Panamax market experienced a significant decline, with both Atlantic and Asian basins showing weaknesses. In the Atlantic, the market remained predominantly focused on front-haul routes, but a lack of trans-Atlantic demand led to a build-up of tonnage, exerting downward pressure on rates. Despite some demand for mineral cargoes in the Asia-Pacific region, overall market sentiment was weak, and freight rates were volatile. Furthermore, a drop in coal shipments and fluctuating demand added to the market's instability. These challenges highlight ongoing issues in balancing supply and demand across both basins.

Supramax

This week has started off slow with very little to report. As the monsoon season draws closer, we see less cargo coming out of WC India. Salt cargo driving the market with most vessels being employed for WC India-Far East salt runs. However, with the tight tonnage count, we see owners asking well above last done levels. With the weather delays in Chittagong adding to the woes, we expect an upswing in MEG-India market in the short term horizon. On the other hand, the ECSA market is very active with spot as well as forward cargoes as the sugar season has started. Good balance with tonnage availability as well. Meantime on the period side, there is still a lot of demand with owners reportedly asking USD 18-19,000 levels for Ultramax opening WCI.

Rates

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

 [Click rate to view graph](#)

TCE Cont/Far East

\$38,125


\$312 

\$10.66**-\$0.41**▼

Pacific RV

\$16,464**\$1,496**▲**Panamax**

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

 [Click rate to view graph](#)

Transatlantic RV

\$15,440**-\$820**▼

TCE Cont/Far East

\$27,918**-\$846**▼


TCE Far East/Cont

\$7,361**-\$161**▼

TCE Far East RV

\$16,800**-\$519**▼**Supramax**

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

 [Click rate to view graph](#)

\$13,432**-\$215** ✓


Pacific RV

\$15,194**-\$312** ✓

TCE Cont/Far East

\$24,533**-\$234** ✓**1 Year T/C**

(USD/Day, Weekly Change)

 [Click rate to view graph](#)

Newcastlemax

208'

\$27,500**-\$3,300** ✓

Kamsarmax

82'

\$18,750**\$0** >

Ultramax

64'

\$19,000**\$0** >

Capesize

180'

\$23,500**-\$3,300** ✓

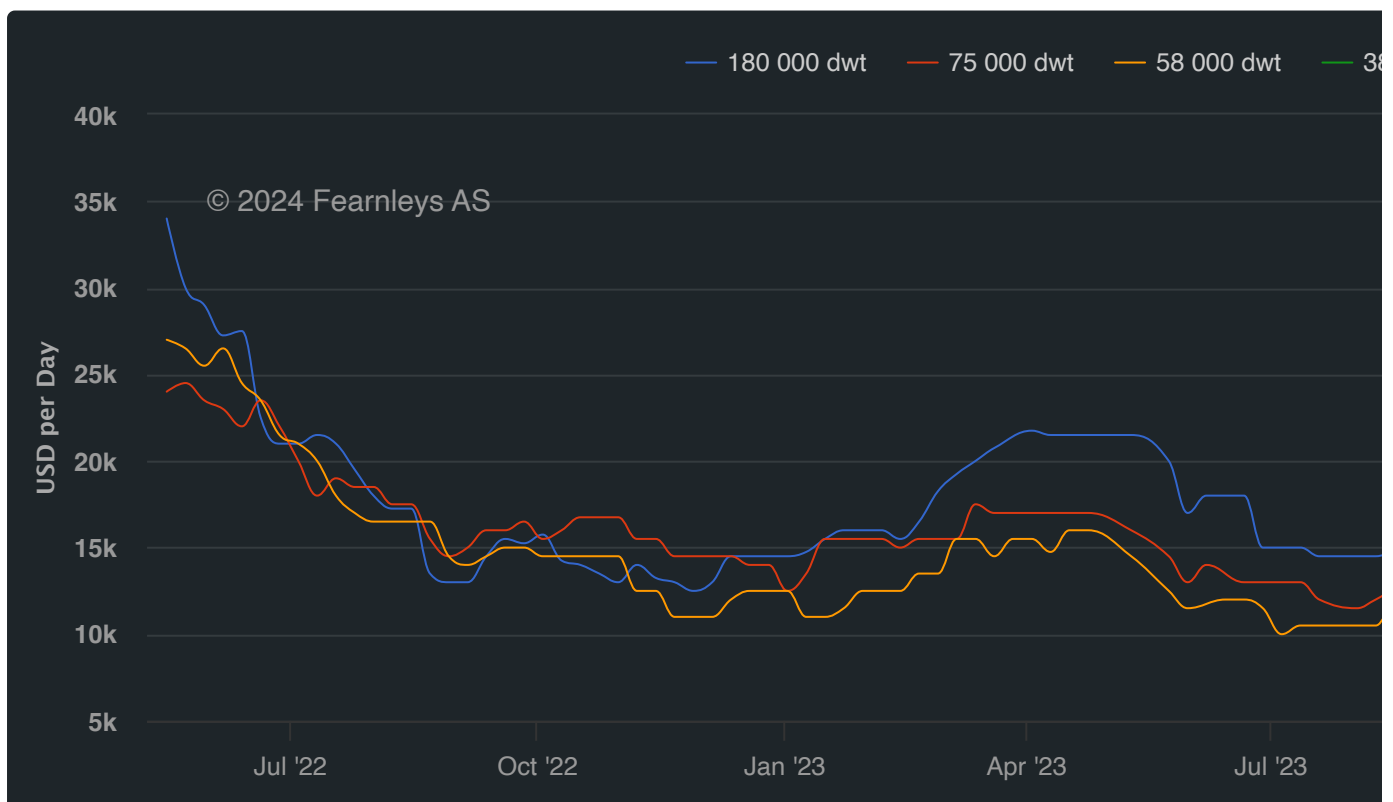
Panamax 75'
\$17,500 -\$50 ▾

Supramax 58'
\$16,500 \$0 >

Handysize 38'
\$14,000 \$0 >

Baltic Dry Index (BDI)
\$1,889 -\$104 ▾

1 Year T/C Dry Bulk





Chartering

EAST

With a limited selection of available vessels for the first days of June, one deal was concluded yesterday at above USD 80. This is only the third deal done on June dates and although the availability looks slightly better a bit further into the month, the majority of the ships open in the first half of June are not necessarily remaining in the East region unless they get 80 and above. With a tender cargo for early June out in the market today and June fixing is finally in full swing.


WEST

A few charterers have been out sniffing last decade June dates and we have at the time of writing only seen one spot fixture so far this week.

We count 23 spot deals for June ex USG/USEC – 10 less than the average the last 3 months. Currently we find 2 vessels left open second decade June USG and 8 in the third decade. Last done at mid 140s H/C.

LPG Rates

Spot Market (USD/Month, Weekly Change)

 [Click rate to view graph](#)

VLGC	84'
\$1,900,000	\$50,000 

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

MGC	38'
\$950,000	\$0 >

HDY SR	20-22'
\$920,000	\$0 >

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

ETH	8-12'
\$670,000	\$0 >

SR	6.5'
\$490,000	-\$10,000 v

COASTER Asia	
\$280,000	\$0 >

COASTER Europe	
\$415,000	-\$10,000 v

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

FOB North Sea/Ansi

\$485.5

\$0 >

Saudi Arabia/CP

\$580

\$0 >

MT Belvieu (US Gulf)


\$363

\$13.5 ^

Sonatrach/Bethioua

\$500

\$0 >

LPG/FOB Prices (Butane)
(USD/Tonne, Weekly Change) Click rate to view graph

FOB North Sea/Ansi

\$451

\$0 >

Saudi Arabia/CP

\$585

\$0 >

MT Belvieu (US Gulf)


Sonatrach/Bethioua

\$490

\$0 >

LNG Rates

Spot Market
(USD/Day, Weekly Change)

 [Click rate to view graph](#)

East of Suez 155-165k CBM

\$39,000

\$0 >

West of Suez 155-165k CBM

\$32,000

\$0 >

1 Year T/C 155-165k TFDE

\$60,000

\$0 >

04 Newbuilding

Tank Activity

Increasing

Dry Bulk Activity

Moderate

Other Activity

Strong

Prices

VLCC

\$127

300'

\$0 >

Suezmax

\$86

150'

\$1 ^

Aframax

\$70.5

110'

\$1 ^

Product

50'

Newcastlemax

210'

\$72

\$3^

Kamsarmax

82'

\$37

\$0 >

Ultramax

64'

\$35

\$0 >

LNGC (MEGI) (cbm)

170'

\$264

\$0 >

05

Sale & Purchase

Prices

Capesize	\$60.0	\$41.0
Kamsarmax	\$37.0	\$29.0
Ultramax	\$34.0	\$27.5
Handysize	\$28.5	\$21.0

Wet	5 yr old	10 yr old
VLCC	\$110.0	\$84.0
Suezmax	\$84.0	\$68.0
Aframax / LR2	\$71.0	\$58.5

06

Market Brief

Exchange Rates

USD/JPY

155.63

0.22^

USD/NOK

11.01

0.08^

USD/KRW

1,376

2.2^

EUR/USD

1.07

0 >

Interest Rates

SOFR USD (6 month)

5.39%

0 >

Commodity Prices

Brent Spot

\$83

\$0 >

Bunker Prices

Singapore

380 CST

\$516.5

-\$3.5 v

MGO

Spread MGO/380 CST

\$210.5

-\$3▼

Rotterdam

380 CST

\$480.5

\$3.5^

MGO

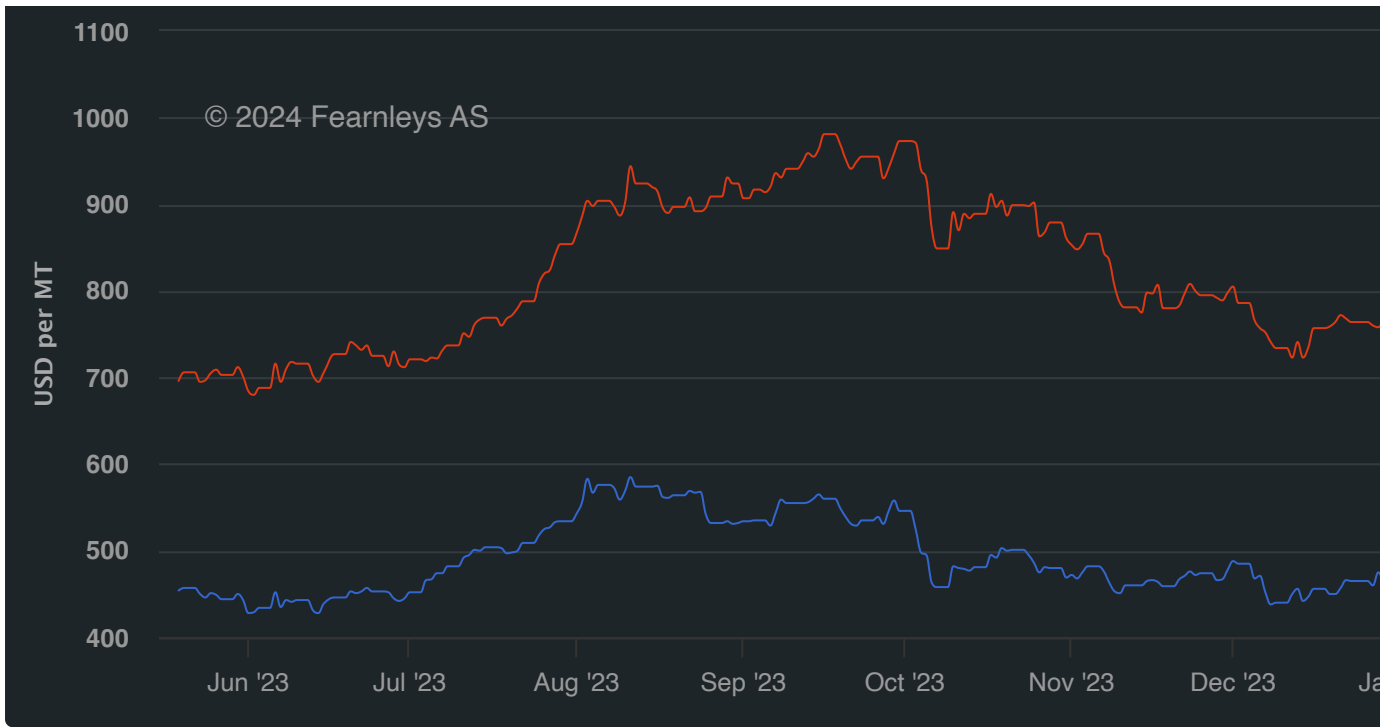
\$739.5

\$2.5^

Spread MGO/380 CST

\$259

-\$1▼



Week 20 - May 15, 2024

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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