

Fearnleys Weekly Report

Week 21 - May 22, 2024

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01 Tankers

VLCC

The only “booster” that works in the VLCC market, apart from underlying supply and demand of course, is transparency. As Mark Twain put it: “Get your facts first, then you can distort them as you please”. Right now, it feels a bit like the owning community fancy they got more to win than lose by being tight lipped, and with that they give charterers the upper hand to change the narrative. The few open market quotes out there can cater for a wider range of the fleet and inadvertently becomes benchmark setters. MEG/East rates are still starting with a 7, but attempts will be made to bring it back into the WS 60’s. A narrowing arb has also lessened appetite for USG export cargoes in the Far East seeing some deals flop and sentiment become a tad wobblier. However, rates in the USD 9 million’s for the benchmark Ningbo discharge is not to be sniffed at and West Africa/East has followed suit with last done at strong WS 75.

There's a lot of positive talk emanating from Atlantic players, but the question is, do the fundamentals support upward movement? We feel that the one shining light is the Mediterranean Aframax market which has brought Suezmax into its crosshairs making TD 6 jump up to WS 122.5. In West Africa, there is a similarly bullish feel, but the outstanding second decade stems suggest it will have to be more sentiment driven that supply demand with max 12mb left to left in that window.

In the East, last done MEG/East is WS 115 (which is up) against a tightening list with no downside. Bot/UKCM (Cape) should pay WS 70'ish - again, no downside.

Aframax

NORTH SEA

Limited activity in the first half of the week but with a tight list, and Mediterranean market rapidly firming and cargoes taking vessels off the Continent rates and sentiment have firmed for the cargoes that have been worked. Natural window end May and will slide into June dates relatively soon. Uncertain positions also adding to the tightness in the list. Still attractive to ballast TA and especially for prompt tonnage to head down to a booming Mediterranean market.

MEDITERRANEAN

A combination of consist cargo flow, sentiment and delays in the Mediterranean has helped owners push the rates. Supply looks balanced on the outlook, and with the Mediterranean being the hottest market in the West, will see ballasters from the Continent wanting in on the action. Suezmax tonnage in the Mediterranean still looks relatively tight, with CPC loadings looking to be mainly dominated by Suezmaxes capping any gains made in this region. It's firm and owners remain bullish in their approach.

Rates

Dirty
(Spot WS 2024, Daily Change)

 [Click rate to view graph](#)

45	280'	1^
MEG/Japan 72	280'	1^
MEG/Singapore 73	280'	1^
WAF/FEAST 75	260'	1^
WAF/USAC 107.5	130'	10^
Sidi Kerir/W Med 130	135'	20^
N. Afr/Euromed 240	80'	55^
UK/Cont	80'	

Caribs/USG

70'

142.5

-7.5▼

1 Year T/C

(USD/Day, Weekly Change)

[Click rate to view graph](#)

VLCC

Modern

\$38,500

\$500▲

Suezmax

Modern

\$43,000

\$500▲

Aframax

Modern

\$42,500

\$0 >

VLCCs[Click rate to view graph](#)

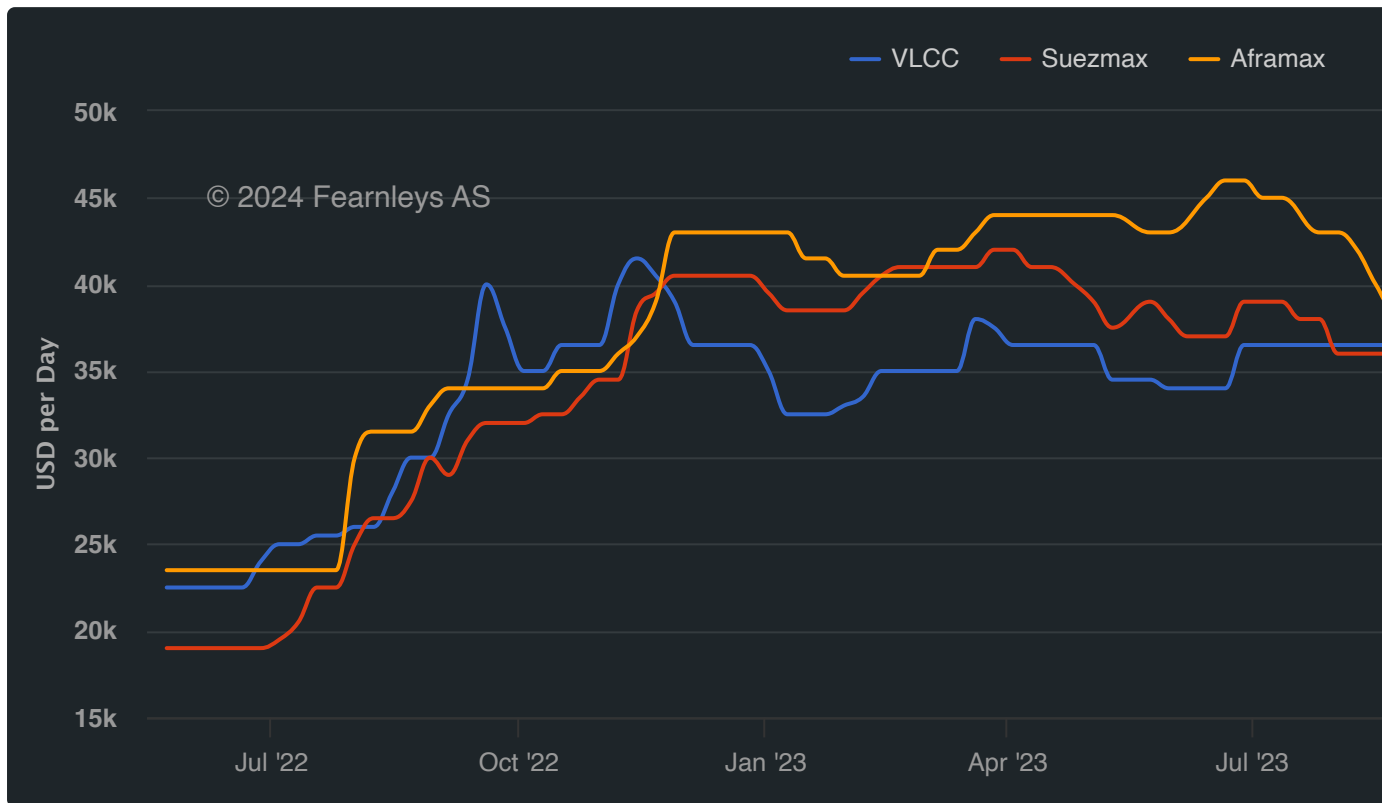
Fixed in all areas last week

59

-13▼

Available in MEG next 30 days

1 Year T/C Crude



02 Dry Bulk

Capesize

On the C5 front, we see a reasonable volume of enquires albeit a tick lower than last week from miners, operators, and tenders primarily for first half of June dates. Operators adopted a more wait and see approach for second half of June C5 forward buying. We continue to see a steady inflow and substantial volumes out of East Australia for full June dates while enquiries for other Pacific business is slightly

and tender as well for primarily early to mid June dates. On C3 ex Brazil to China, we see enquiries from miners and operators centered on second half of June dates. Some operators have started looking at forward July dates as well. Far East and ballasting spot tonnage seem to be relatively moderate. On C5, we see fixtures concluding at low to mid USD 10 pmt levels. On C3, fixtures concluded at low to mid USD 25 pmt levels.

Panamax


This week in the Panamax market saw a bullish trend with the count of vessels in the South Atlantic rising to 420, a development historically followed by significant market rallies. South American rates picked up for late June arrivals, supported by strong FFA figures, while the trans-Atlantic market weakened due to a lack of cargo. In Asia, rates improved for longer routes due to steady business from Australia. Despite a slow start in the North Atlantic post-holidays, ECSA showed resilience with stable volumes. Overall, the market sentiment is firm with expectations of higher averages in Q3.

Supramax

The Atlantic market spreads negative trends in most segments and areas. The trans-Atlantic continues to need more fresh volume, with rates falling sharply for vessels opening the North Continent, Mediterranean, and USG. ECSA saw some resistance support with the volume of fixtures for both trips East and Atlantic. However, some sources suggest that charts are giving bids substantially lower than the last done. Supramax fixing at USD 22,000 pd delivery Brazil for TCT with sugar to East Mediterranean. Japanese Ultramax 63' dwt was rumored fixed at USD 18,000 pd + 800,000 GBB for a trip with sugar to Singapore-Japan range.

On the other hand, Asian markets hold a positive trend, with rates higher than in the Atlantic. Ultramax 63' dwt with delivery Indonesia fixed at USD 25,000 pd for a trip via Indonesia SE Asia, while Supramax owners asking USD 20,000 on similar run. In general, we see health fixing activity with good cargo flow. Nopac and Ausie trop pay high USD 10,000, and some achieve as much as USD 18,000-19,000. Indexes falling consecutively from last week, bringing today BSI (S10TC) USD 15,076.

Rates

 [Click rate to view graph](#)

TCE Cont/Far East

\$38,125

\$312 

Australia/China

\$10.24

-\$0.03 


Pacific RV

\$16,464

\$1,496 

Panamax

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

 [Click rate to view graph](#)

Transatlantic RV

\$13,225

-\$355 

TCE Cont/Far East

\$26,045

-\$137 

TCE Far East/Cont


\$7,412

\$69 

TCE Far East RV

\$17,308**\$366** **Supramax**

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

 [Click rate to view graph](#)

Atlantic RV

\$11,954**-\$339** 


Pacific RV

\$14,475**\$0** 

TCE Cont/Far East

\$22,692**-\$382** **1 Year T/C**

(USD/Day, Weekly Change)

 [Click rate to view graph](#)

Newcastlemax

\$27,300

208'

-\$200 

Kamsarmax

\$18,700

82'

-\$50 

Ultramax	64'
\$17,000	-\$2,000 ▼

Capesize	180'
\$23,300	-\$200 ▼

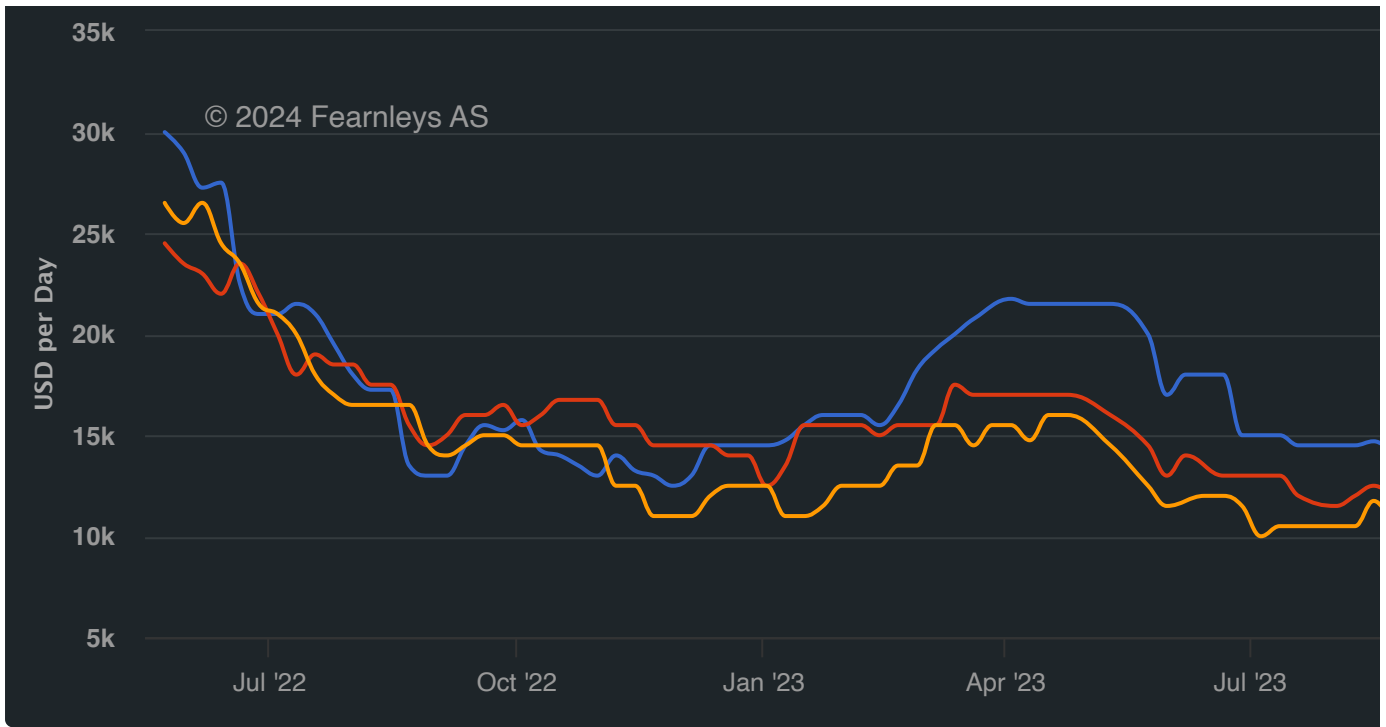
Panamax	75'
\$17,400	-\$100 ▼

Supramax	58'
\$15,500	-\$1,000 ▼

Handysize	38'
\$13,000	-\$1,000 ▼

Baltic Dry Index (BDI)	
\$1,804	-\$25 ▼

1 Year T/C Dry Bulk



03

Gas

Chartering

EAST

Two Middle East spot cargoes were early in the week fixed at substantial premiums above last done. A few Yanbu cargoes have later been fixed for end May and mid June dates for long voyages via Cape in addition to a spot tender out of MEG. In total we now count 10 spot fixtures in June out of the Middle East Gulf. With more owners now ballasting their vessels via Singapore/Cape due to increased waiting times at the Panama Canal, availability looks generally longer in the East than in the West.

WEST

At the time of writing, we count 26 spot fixtures out of the USG/USEC in June. There

decade. July fixing has not yet commenced, but it would not be a big surprise if we see it kick off this week. The vessel supply 1H July is looking relatively tight.

LPG Rates

Spot Market (USD/Month, Weekly Change)

 Click rate to view graph

VLGC	84'
\$2,300,000	\$250,000 

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'
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SR


6.5'

\$480,000**-\$10,000** ▼

COASTER Asia

\$280,000**\$0** >

COASTER Europe

\$415,000**\$0** >**LPG/FOB Prices (Propane)**
(USD/Tonne, Weekly Change) Click rate to view graph

FOB North Sea/Ansi


\$485.5**\$0** >

Saudi Arabia/CP

\$580**\$0** >

MT Belvieu (US Gulf)

\$362**-\$1** ▼

\$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)

\$305**\$6.5 ^**

Sonatrach/Bethioua

\$490**\$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

\$36,000

\$4,000 ^

1 Year T/C 155-165k TFDE

\$60,000

\$0 >

04 Newbuilding

Activity Levels

Tank Activity

Increasing

Dry Bulk Activity

Moderate

Other Activity

Prices

VLCC	300'
\$127	\$0 >

Suezmax	150'
\$86	\$0 >

Aframax	110'
\$70.5	\$0 >

Product	50'
\$48.5	\$0 >

Newcastlemax	210'
\$72	\$0 >

Kamsarmax	82'
\$37	\$0 >

Ultramax	64'
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LNGC (MEGI) (cbm)

170'

\$264**\$0 >**

05

Sale & Purchase

Prices

Dry	5 yr old	10 yr old
Capesize	\$60.0	\$41.0
Kamsarmax	\$37.0	\$29.0
Ultramax	\$34.5	\$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	\$72.0	\$59.5



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 >

Brent Spot**\$83****-\$0.5** 

Bunker Prices

Singapore

380 CST**\$533.5****\$2.5** **MGO****\$739****-\$2** **Spread MGO/380 CST****\$205.5****-\$4.5** 

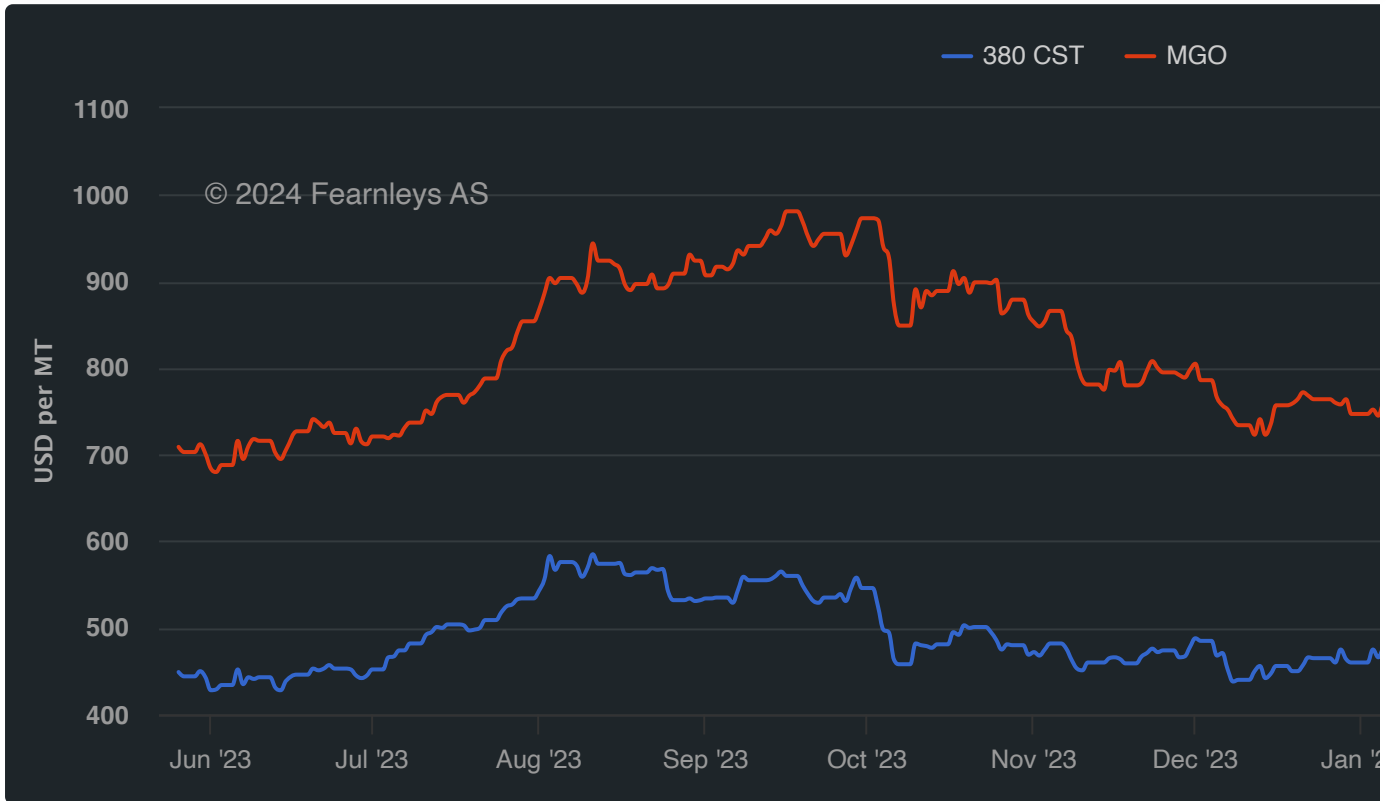
Rotterdam

380 CST**\$475****\$4** **MGO**

Spread MGO/380 CST

\$278

-\$8 



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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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