

Fearnleys Weekly Report

Week 22 - May 29, 2024

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01 Tankers

VLCC

A week of consecutive losses, as charterers played a strong game. At the time of writing, TD3 sits a fraction above WS 60 and likely owners will be resigned to the fact we may be exploring the WS 50's soon. This is far from abnormal, as we see this cycle of high WS 50's to low WS 70's and back again play out every month this year. The cause of concern for owners this time is the speed of the drop, and the buildup of tonnage, both in the East and West. Chinese cargoes have utilized local tonnage, and any left-over oil was mopped up on a need-to-know basis. MEG laycans are now mid-June, usually the quieter decade, so further softening likely.

The Atlantic is firmer on other sizes, TD20 is climbing on the Suezmaxes and VLCC's are rapidly beginning to look good value on the run. Aframax also firm in the USG, so likely there will be some raining on the parade of these sizes by their bigger sisters.

enquiries would be welcome.

Suezmax

135 x WS 120-125 for X UKC has been done a couple of times before the long weekend in the UK, but now owners are sensing a chance to push rates up in all Atlantic markets. The Mediterranean has been a stalwart in recent weeks. Aframax activity providing a strong undercurrent to anything happening on the Suezmaxes, and CPC rates are now up to 135kt x WS 120-125 for CPC/UKCM. Yesterday we've seen a good quantity of ships go on subjects in West Africa as we push towards the end of the second decade in June. 130 x WS 107.5 for West Africa/USAC has been paid indicating TD20 is at least WS 112.5 now with potential to firm due to a tighter list. The USG/Caribbean is firming. There are cargoes working and rates need to push up to come more in line with West Africa. We don't have the UKC/West Mediterranean ballasters which we were seeing this time last week. Finally the MEG, there is not a huge amount of ships coming to the East as regularly anymore. Rates for MEG/East haven't dipped under 130 x WS 110 in some time, but largely this year has traded between WS 115-125. The list is tight and there's rumors of 135 x WS 132.5 having been done.


Aframax

NORTH SEA

This week started with a steady feel with crude stems working in the natural window out to around the 8th of June. Available tonnage looks to be repopulating but is also littered with uncertain positions, and surrounding areas are still attractive to ballast out to. Owners have options so can be more selective over which cargoes to offer to.

MEDITERRANEAN

First decade of June has remained busy in the Mediterranean/Black Sea area and kept rates well above the WS 200 levels. CPC is now covered up to mid-month dates. North Africa fixing mid to end first decade dates with vessels ballasting from surrounding areas as well, as owners look to work the elevated rates in the Mediterranean. Increased requirement has kept the market busy, but Suezmax intervention might limit any drastic movement barring any special requirements. USG is expected to jump which could pull at some tonnage.

Dirty
(Spot WS 2024, Daily Change) Click rate to view graph

MEG/WEST

40

280'

-5▼

MEG/Japan

61

280'

-11▼

MEG/Singapore

64

280'

-9▼

WAF/FEAST

65

260'

-10▼

WAF/USAC

112.5

130'

5▲

Sidi Kerir/W Med

132.5

135'

2.5▲

N. Afr/Euromed

80'

UK/Cont

150

80'

-2.5▼

Caribs/USG


147.5

70'

5▲

1 Year T/C

(USD/Day, Weekly Change)

 Click rate to view graph

VLCC

\$38,500

Modern

\$0 >

Suezmax

\$43,000

Modern


\$0 >

Aframax

\$42,500

Modern

\$0 >

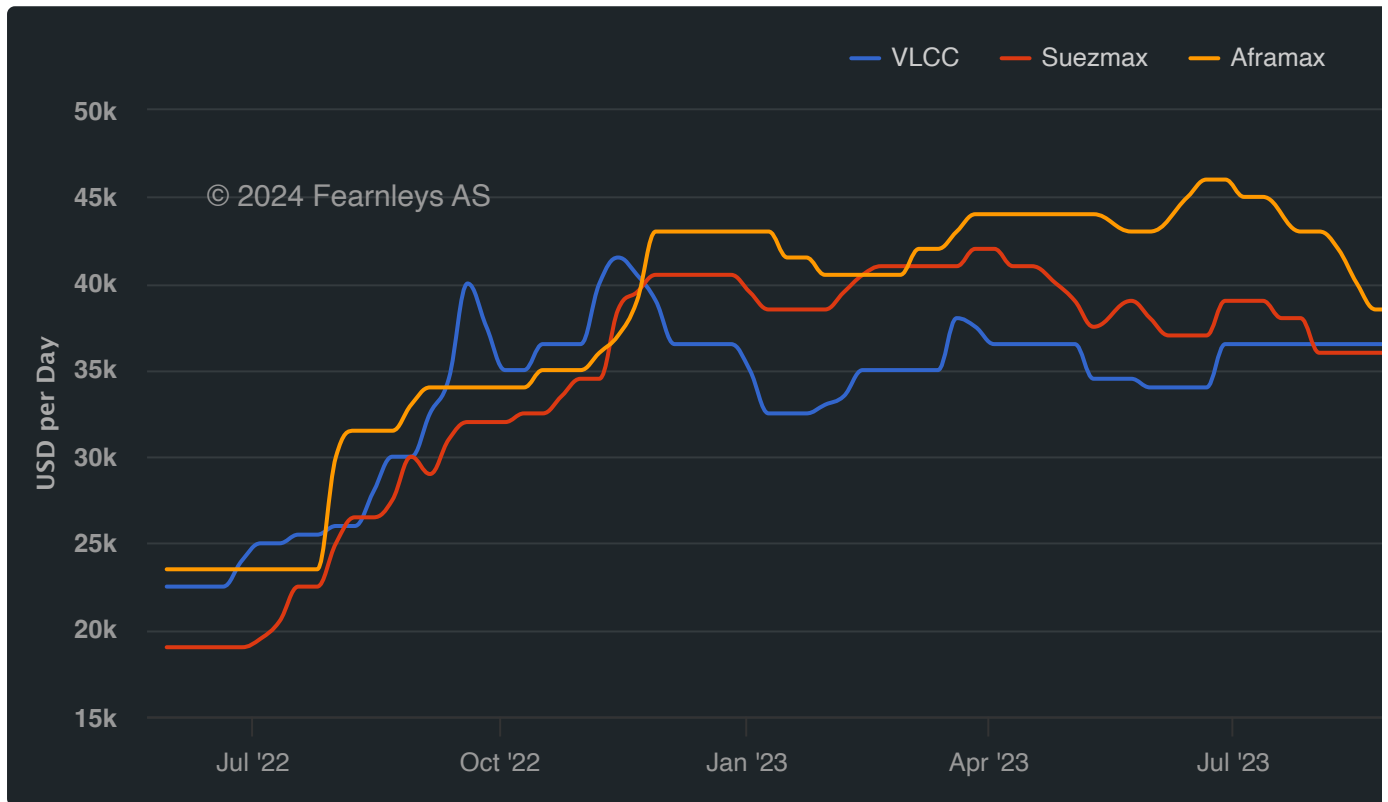
VLCCs Click rate to view graph**Fixed in all areas last week**

Available in MEG next 30 days

154

-1▼

1 Year T/C Crude



02

Dry Bulk

Capesize

primarily for the 10th of June onwards to second half of June dates. Volumes out of East Australia and other Pacific business has dampened. South Africa saw a tick increase in enquiries for second half of June to late June dates. On C3 ex Brazil to China, we see players primarily looking for July dates with limited enquiries for second half of June dates. Far East spot tonnage is relatively abundant for early dates. Ballasting tonnage is evenly weight on second half of June and July dates with some able to make first half of June dates. On C5, we see fixtures concluding at low USD 10 pmt levels. On C3, fixtures concluded at low to mid 24 pmt levels for index dates.

Panamax

The Panamax market is currently showing a bullish trend with 420 vessels heading to or in the South Atlantic, surpassing the critical threshold of 375 vessels that historically triggers significant market rallies ranging from 33% to 100% within 2 to 4 weeks. This trend suggests that the next two weeks might be the lowest market levels seen for the remainder of the year. Following a long weekend in the UK and USA, the market started sluggishly with weak activity and sentiment in the Atlantic region, while Asia presented mixed conditions with some demand offset by a lengthening tonnage list. Despite reasonable tonnage counts, the lack of cargo volume from the USEC and Baltic regions contributes to a widening bid-offer spread and a generally softening market outlook.

Supramax

Transatlantic fixtures on Handy reportedly done at 19k levels. ECSA fronthaul on Supra/Ultra done at USD 25k levels. Our research forecast points toward year-to-date highs in the third quarter, driven by factors viz market seasonality, leading macro indicators, and strong fundamental data. While the market may continue fluctuating within a range of USD 15,000 to 16,000 per day for the next two months, a rally is expected within the coming month.

Despite recent market weakening, a generally bullish outlook for June onwards is maintained. However, weak manufacturing activity in the Eurozone is dampening market fundamentals. The forthcoming release of May manufacturing PMIs for the EU will offer more insight into the situation and the potential pace of expansion. Although

remains in contraction.

Rates

Capesize

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

 [Click rate to view graph](#)

TCE Cont/Far East

\$38,125

\$312 

Australia/China

\$10.1

\$0.12 


Pacific RV

\$16,464

\$1,496 

Panamax

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

 [Click rate to view graph](#)

Transatlantic RV

\$11,750

-\$545 

TCE Cont/Far East

\$25,148

-\$425 

TCE Far East/Cont

\$7,389

-\$60▼


TCE Far East RV

\$17,378

-\$310▼

Supramax

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

 [Click rate to view graph](#)

Atlantic RV

\$11,341

-\$18▼

Pacific RV

\$14,250

-\$69▼


TCE Cont/Far East

\$21,796

-\$112▼

1 Year T/C

(USD/Day, Weekly Change)

 [Click rate to view graph](#)

Newcastlemax

208'

\$26,700

-\$600▼

Kamsarmax

82'

\$18,200

-\$500▼

Ultramax

64'

\$17,000

\$0 >

Capesize

180'

\$22,700

-\$600▼

Panamax

75'

\$16,900

-\$500▼

Supramax

58'

\$16,000

\$500▲

Handysize

38'

\$12,500

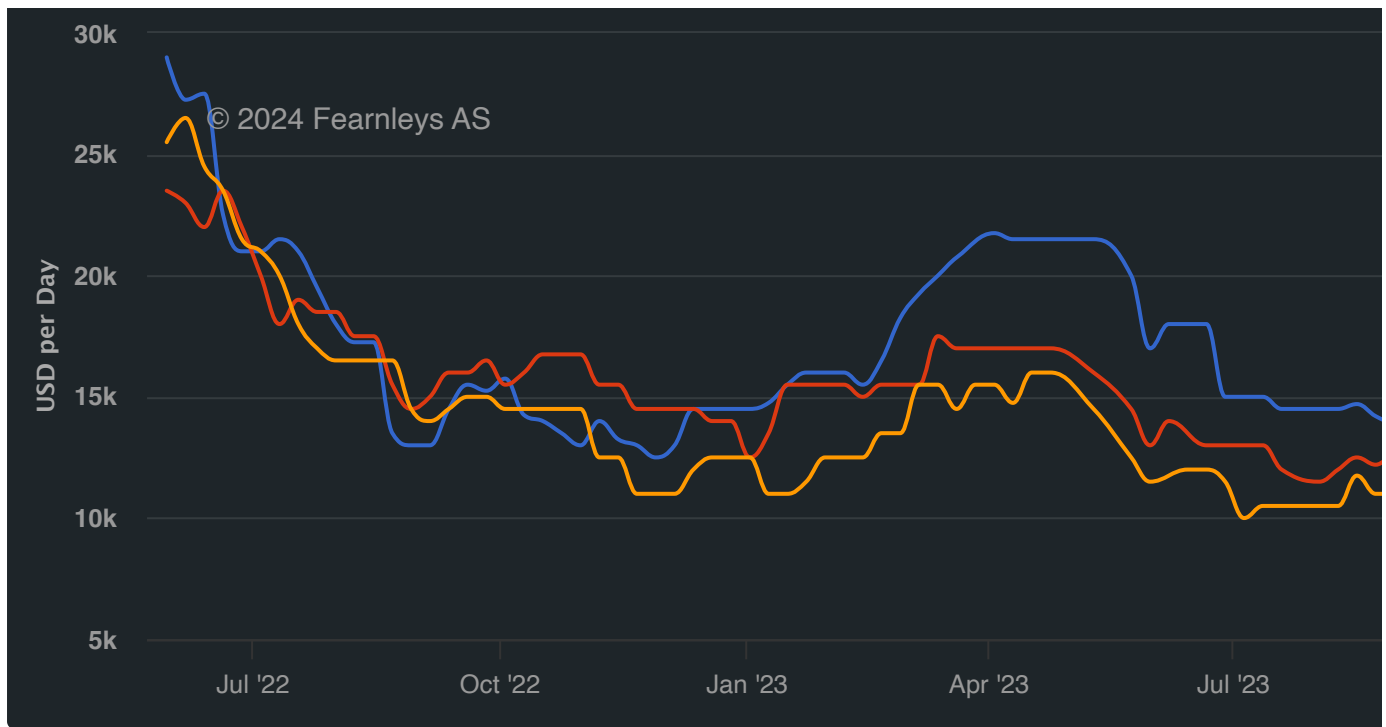
-\$500▼

Baltic Dry Index (BDI)

\$1,790

\$6▲

1 Year T/C Dry Bulk



03

Gas

Chartering

EAST

Fixing window in the East is well into the second half of June and we are yet to see any firm Indian requirements as of yet. One charterer fixed in a ship yesterday as a replacement for own program on earlier dates at about par with Baltic, while another had to re-fix an Australian stem at more than 10 dollars above the fixture concluded in the Middle East. It looks like freight into second half of June got some potential upside, but as of now it remains rather stable with the US market also being quite flat.


WEST

There are still 4 available vessels left end June out of the USG – all being owned by

second decade) and there are currently a few charterers out looking. The current position list is looking balanced the first half of July with the majority of the vessels being in control by three big shipowners. Last done at mid/high 140s H/C.

LPG Rates

Spot Market (USD/Month, Weekly Change)

 Click rate to view graph

VLGC	84'
\$1,950,000	-\$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'
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SR	6.5'
\$480,000	\$0 >

COASTER Asia	
\$280,000	\$0 >

COASTER Europe	
\$410,000	-\$5,000 v


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)	
\$386.5	\$24.5 ^

\$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)

\$301**-\$4 v**

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

\$40,000

\$4,000^

1 Year T/C 155-165k TFDE

\$60,500

\$500^

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

\$84

\$1^

Bunker Prices

Singapore

380 CST

\$533

\$12.5^

MGO

\$729

\$3.5^

Spread MGO/380 CST

\$196

-\$9^

Rotterdam

380 CST

\$477.5

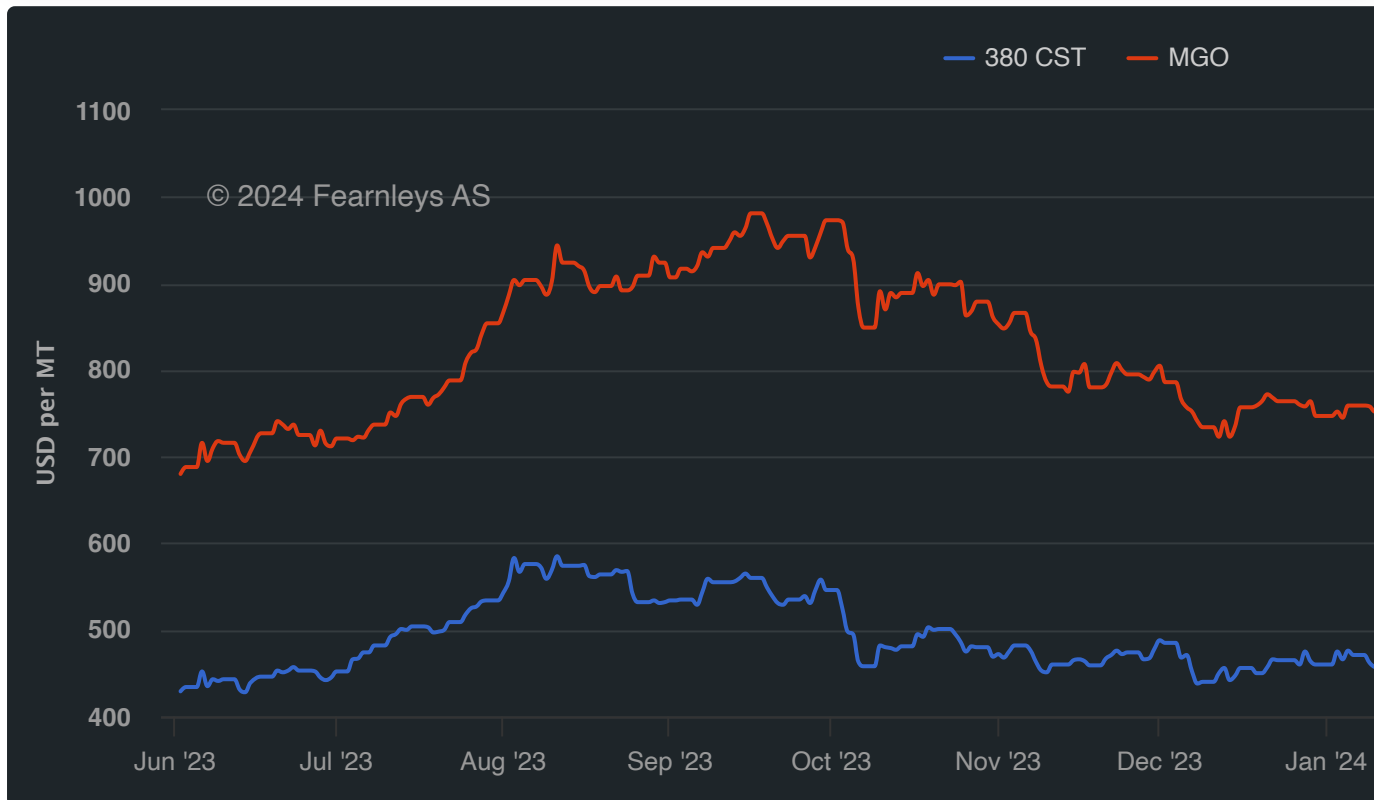
\$5.5^

MGO

Spread MGO/380 CST

\$269.5

-\$3.5 ▼



Week 22 - May 29, 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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