

Fearnleys Weekly Report

Week 25 - June 19, 2024

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01 Tankers

VLCC

Slowly but surely the July stems come trickling into the VL market. As we cast a cursory glance back at June, it shows a light month with below 140 cargoes. But given the veil of secrecy currently sitting over the market, cargo counting can become a little arbitrary. Still, it is certainly a lighter month, but this is not abnormal, as summer cargo counts are often 10+ cargoes below the cold, dark, Northern winter. Rates have struggled over the week, but are showing signs of levelling out at the WS 50 level for TD3. Indeed, one Chinese charterer at the time of writing only gathering 4 offers for early July dates. Significantly lower than the 10+ offers seen on cargoes last week.

The Atlantic has tightened. Assisted by a recent clear out and owners turning the speeds down to 10-11 knots. Ballasters will therefore take that little longer and we see

should be able to halt the slide. USG/ NINGPO staying stubbornly around USD 8.2m.

Suezmax

Market has remained busy in the West with a steady supply of cargoes in most sectors, and this time it's not on the back of the Aframax markets which hasn't seen any movement, but some positive signs are starting to emerge from the US Gulf. TD20 should be around the WS 110 to 112.5 levels, whilst for TD06 we think WS 122.5 will still stand. Middle East Gulf has remained pretty slow with a weaker feel, 4.0m has been concluded for sts Kaz to US Gulf, and estimate going east should pay close to WS 120, possibly a tad less.

Aframax

NORTH SEA


Levels continue to move sideways for the time being in the North Sea market as tonnage lists remain balanced for the natural fixing window, but there is a buzz of activity under the radar as relets make their presence known. With opportunities for non-relet/non-local vessels hard to come by, some vessels are expected to ballast out towards USG which is still offering high returns.

MEDITERRANEAN

Activity in the Mediterranean continued to soften throughout the week as owners and charterers searched for the bottom of this cycle. Owners have had to work in a competitive nature to secure business with the front end of lists being busy and providing charterers with options, but as vessels fix out, owners are on the cusp of being able to hold some ground on numbers as we push into mid-end 3rd decade fixing.

Rates

Dirty
(Spot WS 2024, Daily Change)

 [Click rate to view graph](#)

MEG/WEST

280'

MEG/Japan

51

280'

-2✓

MEG/Singapore

52

280'

-2✓

WAF/FEAST

57

260'

-1✓

WAF/USAC

110

130'

-2.5✓

Sidi Kerir/W Med

105

135'

-2.5✓

N. Afr/Euromed

150

80'

-20✓

UK/Cont

172.5

80'

0 >

Caribs/USG


225

70'

-15▼

1 Year T/C

(USD/Day, Weekly Change)

 Click rate to view graph

VLCC

\$38,500

Modern

\$0 >

Suezmax

\$42,000

Modern


\$0 >

Aframax

\$43,500

Modern

\$0 >

VLCCs Click rate to view graph

Fixed in all areas last week

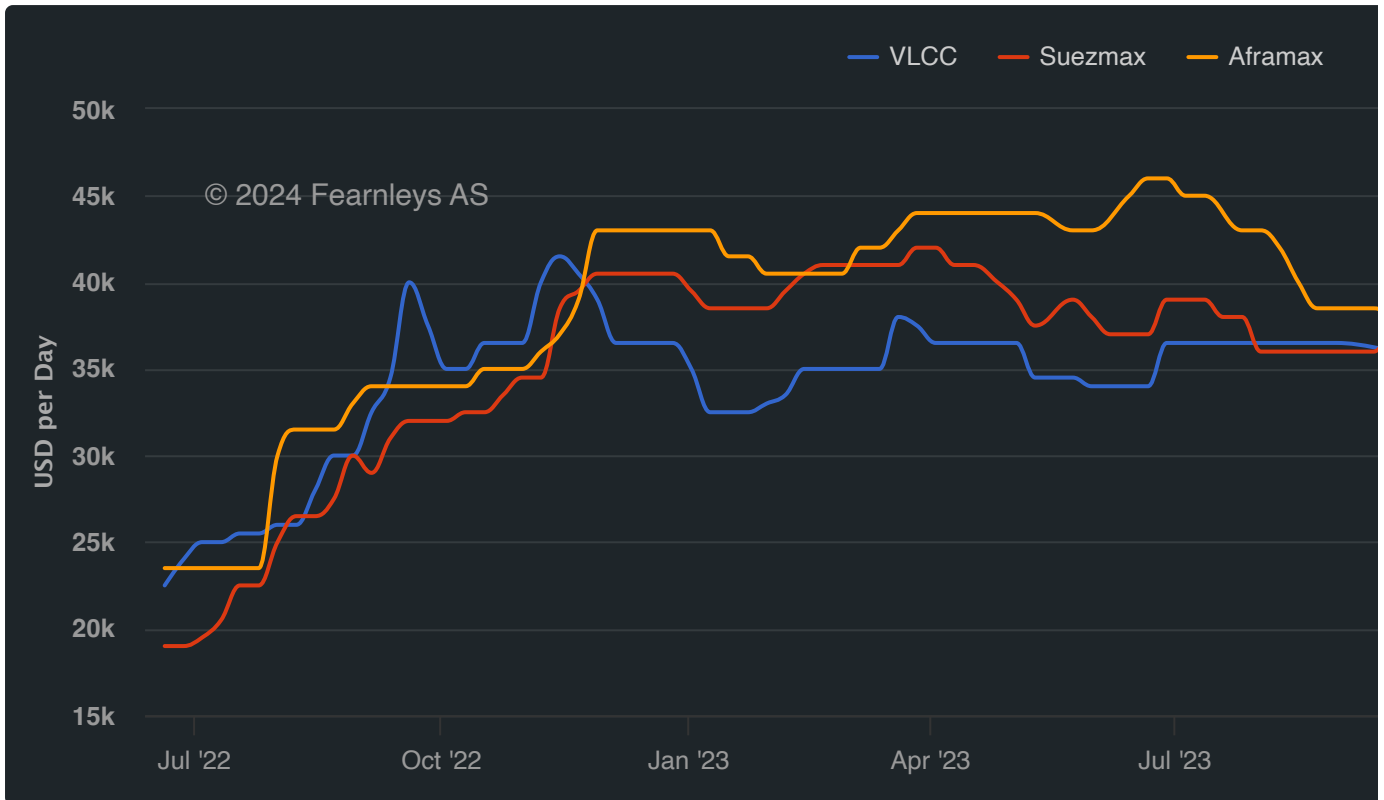
66

0 >

Available in MEG next 30 days

155

-5▼



02

Dry Bulk

Capesize

On the West Australia front, we see a tick drop in enquiries from operators while those of miners and tenders have held up for first half of July dates. East Australia coal volumes have held up as well while enquiries for other parts of the Pacific remain relatively flat. On C3 ex Brazil to China and West Africa, we see enquiries for full July dates. Far East spot tonnage is increasingly abundant while ballasting volume is relatively healthy for first half of July dates. On C5, we see fixtures concluding at mid USD 10 pmt levels at mid-week. On C3, we see a stronger sentiment compared to last

July.

Panamax


This week, the Panamax market began quietly, influenced by holidays in Singapore and the start of Eid, resulting in limited activity and sparse information. The North Atlantic was largely stable with a wide bid/offer spread, while South America saw softer bids and some owners willing to accept lower rates. Following the holidays, grain and mineral activities increased slightly, balancing cargo and tonnage but requiring more volume to keep rates steady. Asia showed mixed rates with a surplus of tonnage in the South. Despite the subdued start, the market outlook remains cautiously positive, with expectations of an upturn driven by seasonal trends and upcoming grain shipments from the Black Sea.

Supramax

There is no significant change from last week's sentiment; the market generally has healthy activities in all geographical basins. Grain and minerals led the commodity movements in the Atlantic. The cargo volume is well balanced with the tonnage supply, giving flat rates with little chance to improve. Despite BSI showing green pillars, we need more cargo volume to increase this market. USG had an incredible push, and rates rose to a high number at the end of last week, but it is more stabilized now. The USG fixtures to Singapore/China were reported at USD 28,000 pd and USD 25,000 pd on Supra. On transatlantic routes, the grains trade to the Mediterranean trading around USD 18,000 pd on Supramax and about USD 20,500 pd on Ultramax. The trips to the Continent paying premium and Ultra was covered at USD 24,000 pd. Indian Ocean and South Africa markets remained stable, with rate keeping a similar level; Ultramax were reported fixed delivery South Africa for trips to China at USD 22,000 pd plus USD 220,000 GBB. The Pacific market remains stable. Supramax trading Pacific coal RV was able to obtain around USD 14,000 pd.

Rates

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

 [Click rate to view graph](#)

\$38,125**\$312** 

Australia/China

\$10.63**-\$0.11** 

Pacific RV

\$16,464**\$1,496** **Panamax**

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

 [Click rate to view graph](#)

Transatlantic RV

\$15,795**-\$210** 

TCE Cont/Far East


\$28,055**-\$159** 

TCE Far East/Cont

\$7,084**-\$81** 

TCE Far East RV

\$16,284**-\$360** 

 [Click rate to view graph](#)

Atlantic RV

\$14,859

\$91 

Pacific RV

\$13,725


\$144 

TCE Cont/Far East

\$21,779

\$158 

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

 [Click rate to view graph](#)

Newcastlemax

\$27,450

208'

\$500 

Kamsarmax

\$18,000

82'

-\$300 

Ultramax

\$17,500

64'

\$500 

Capesize	180'
\$23,450	\$500 ^

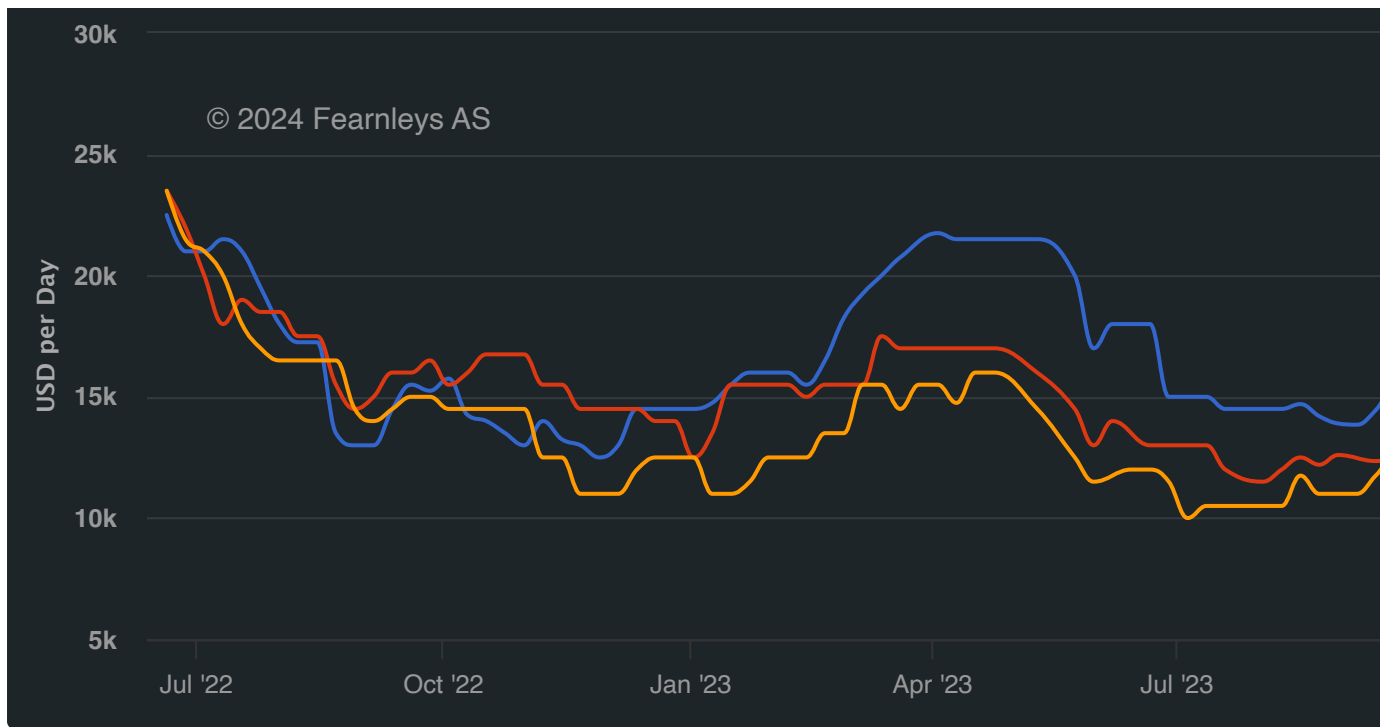
Panamax	75'
\$16,700	-\$300 v

Supramax	58'
\$15,000	\$250 ^

Handysize	38'
\$13,000	\$0 >

Baltic Dry Index (BDI)	
\$1,943	-\$18 v

1 Year T/C Dry Bulk



03

Gas

Chartering

EAST

Baltic printing higher than actual last done out from the Middle East suggests a more optimistic sentiment. That said, based on current volumes (7 spot deals) we are approaching the end of first decade July fixing and with at least five ships that could be East candidates for the same period there is a considerable length still. Currently it looks like the East/West earning spread could be set to widen as we see it likely that freight is stagnating in the East before any eventual upside.

WEST

Since the beginning of last week, the VLGC rates took a tumble in the midst of lack of

week's fixtures have been concluded around the USD 120 mark on a Houston/China via Panama basis.

As of today, the current fixing count ex US in July now stands at 19 deals (6 first decade/9 second decade/4 third decade) compared to a monthly average of 30 fixtures thus far in 2024. Although the number of spot open vessels is diminishing and owners' freight ideas are on the rise parallel to a widening arb, the distribution of arrival timing in the USG and uncovered cargoes remaining is not matching and it remains to be seen how 1H July will be cleared out. At the moment, the product side is the frontrunner relative to shipping.

LPG Rates

Spot Market (USD/Month, Weekly Change)

 [Click rate to view graph](#)

VLGC	84'
\$1,600,000	\$200,000 

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

MGC	38'
\$950,000	\$0 

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

\$1,250,000**\$0 >**

ETH

8-12'

\$630,000**\$0 >**

SR


6.5'

\$470,000**\$0 >**

COASTER Asia

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

COASTER Europe

\$390,000**\$0 >****LPG/FOB Prices (Propane)**
(USD/Tonne, Weekly Change) Click rate to view graph

FOB North Sea/Ansi

\$495**\$0 >**


Saudi Arabia/CP

\$580**\$0 >**

MT Belvieu (US Gulf)

\$404.75**\$20.75** 

Sonatrach/Bethioua

\$495**\$0** **LPG/FOB Prices (Butane)**
(USD/Tonne, Weekly Change) Click rate to view graph

FOB North Sea/Ansi

\$441**\$0** 

Saudi Arabia/CP

\$565**\$0** 


MT Belvieu (US Gulf)

\$334**\$26.5** 

Sonatrach/Bethioua

\$425**\$0** 

LNG Rates

 Click rate to view graph

East of Suez 155-165k CBM

\$38,500

\$0 >

West of Suez 155-165k CBM

\$55,000

\$10,000 ^

1 Year T/C 155-165k TFDE

\$60,500

\$0 >

04 Newbuilding

Activity Levels

Tank Activity

Increasing

Dry Bulk Activity

Other Activity

Strong

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'
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Ultramax

\$35

64'

\$0 >

LNGC (MEGI) (cbm)

\$264

170'

\$0 >

05

Sale & Purchase

Prices

Dry	5 yr old	10 yr old
Capesize	\$60.0	\$41.0
Kamsarmax	\$37.0	\$29.0
Ultramax	\$35.0	\$27.5
Handysize	\$28.5	\$22.0

Wet	5 yr old	10 yr old
VLCC	\$110.0	\$84.0

Suezmax	\$84.0	\$68.0
Aframax / LR2	\$72.0	\$59.5

06 Market Brief

Exchange Rates

USD/JPY	158.11	0.24^
USD/NOK	10.68	-0.04v
USD/KRW	1,235.5	-7.3v
EUR/USD	0.93	0 >

SOFR USD (6 month)

5.39%

0 >

Commodity Prices

Brent Spot

\$85.5

\$1 ^

Bunker Prices

Singapore

380 CST

\$524

\$6.5 ^

MGO

\$733

\$0.5 ^

Spread MGO/380 CST

\$209

-\$6 v

Rotterdam

\$491.5

\$4.5^

MGO

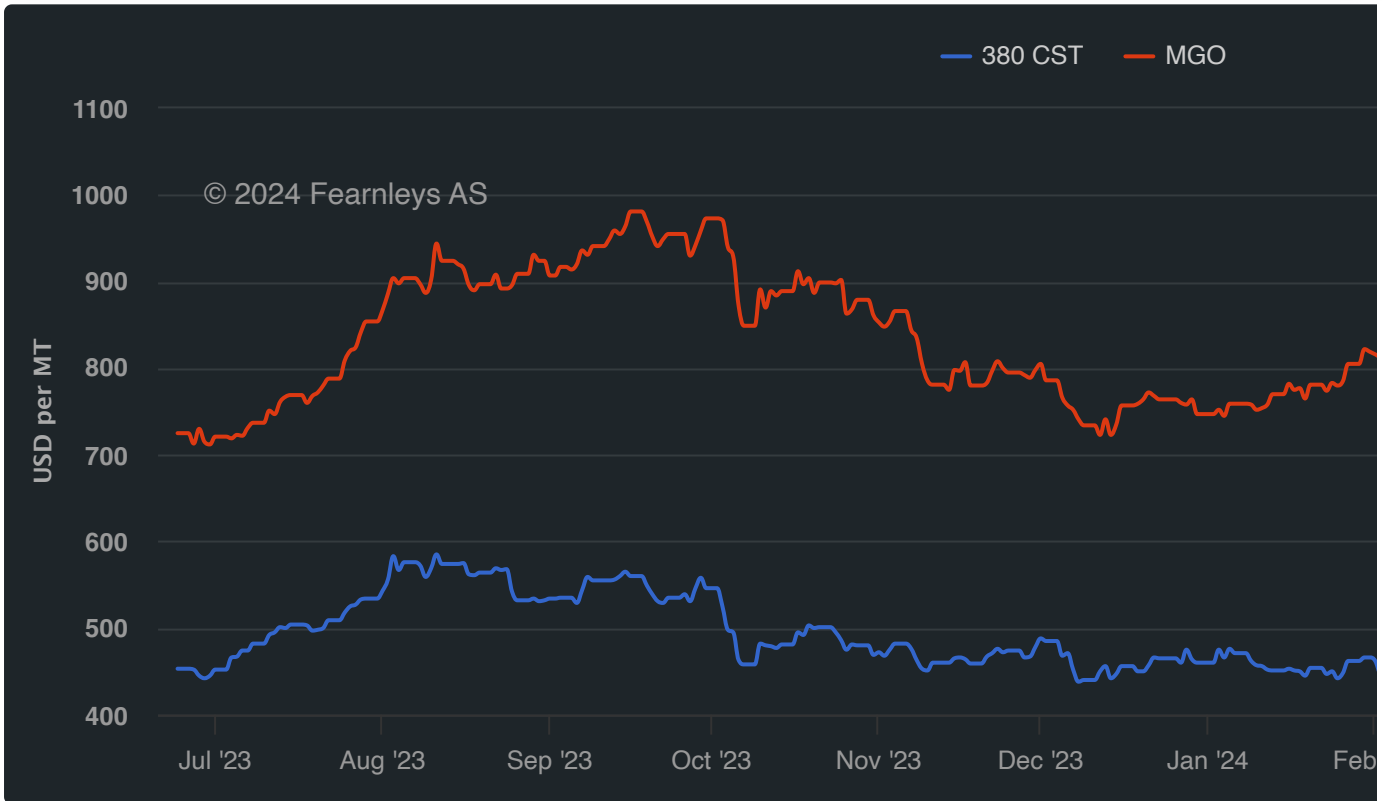
\$754.5

\$3.5^

Spread MGO/380 CST

\$263

-\$1^



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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

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