

Fearnleys Weekly Report

Week 31 - July 31, 2024

info@hellenicshippingnews.com

01 Tankers

VLCC

Last week we wrote about the upswing in the market, green shoots and Worldscale numbers with 40% increases. This week however, it is quite the opposite. We are back in the WS 40's for MEG/East and it highlights that even the best laid plans of owners can be thwarted or rewarded purely by the timing of their vessels open dates. Still, we are in the heart of the Northern hemisphere summer and the TCE's still look a lot better than summers past. TD3 sits mid WS 40's with downward pressure from the Oil Co. relets and a building tonnage list.

The Atlantic has taken a back seat this week and tonnage has built accordingly which is dissuading ballasters for now. West Africa/East sits low WS 50's to test and USG/Ningbo you'll likely get change from USD 7.3m. Tin hats to remain on for now.

Suezmax

particular, the Atlantic Suezmax market, is on its knees. It's not. The comparative year on year August fixing window base is extremely healthy and will provide a huge springboard for owners once Summer comes to a close and we start staring down Q4. Evidently, there have been corrections, with a Ghana/UKCM trading WS 82.5, but if you'd guaranteed an owner these summer rates in February, the majority would have probably taken that number. Nonetheless, there might be a few more points to come off that rate, but that's the summer market for you.

In the East, it's more of the dreary same I'm afraid. The MEG market has become even more opaque which has curiously helped owners. Whilst charterers have tended/preferred to work off market, they have inadvertently been keeping rates in an elevated state. Had they looked at the list in recent months, one can conclude that an open market quote would have delivered cheaper freight.


Aframax

The North continues to be quiet on the forefront and with bits happening under the radar. Demand is expectedly weak exhibiting the traits of a traditional summer market with relets being on hold for internal cargoes and owners looking for the best options available to them. Even with the USG softening, ballasting out is still a safe option for some of the players in position.

In the context of a summer market the Mediterranean has seen some increased activity this week. Owners have been content fixing last done numbers, but with tonnage being worked through they might feel empowered moving forward if opportunities in the second decade keep coming. Suezmax are soft in West Africa and USG so maybe some potential to interject with a few vessels open in the region.

Rates

Dirty
(Spot WS 2024, Daily Change)

 [Click rate to view graph](#)

MEG/WEST

280'

MEG/Japan	280'
47.5	-11.5 

MEG/Singapore	280'
48.5	-11.5 

WAF/FEAST	260'
52.5	-5.5 

WAF/USAC	130'
82.5	-15 

Sidi Kerir/W Med	135'
90	-12.5 

N. Afr/Euromed	80'
135	5 

UK/Cont	80'
120	0 

Caribs/USG


170

70'

-40▼

1 Year T/C

(USD/Day, Weekly Change)

 Click rate to view graph

VLCC

\$38,500

Modern

\$0 >

Suezmax

\$41,000

Modern


\$0 >

Aframax

\$43,500

Modern

\$1,000^

VLCCs Click rate to view graph

Fixed in all areas last week

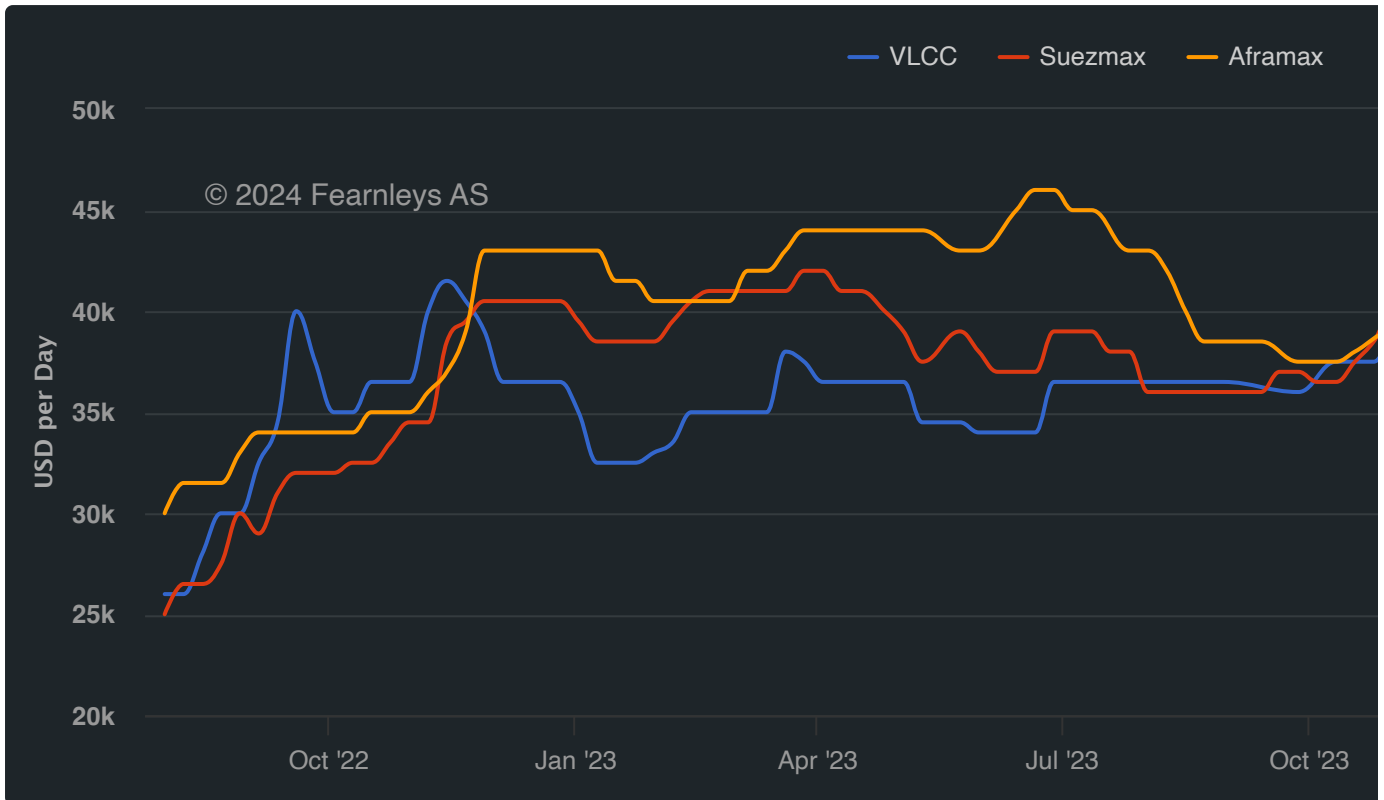
47

-23▼

Available in MEG next 30 days

148

-1▼



02

Dry Bulk

Capesize

On the West Australia front, the week started off quiet but picked up gradually as we approached mid-week with enquiries from some miners and operators for primarily mid to late August dates. Volumes out of East Australia also picked up throughout the week for mid August to September dates. On C3 ex Brazil to China, we see enquiries heavily weighted on second half of August and some seeking for early September dates. On West Africa, we see some interest for second half August and first half of September dates. Far East spot tonnage is abundant while ballasting tonnage weighs heavily on second half of August dates with very limited ballasters able to meet first

On C3, offers are generally in the sub USD 24 pmt to low-mid USD 25 pmt levels and bids are generally at sub USD 24 pmt levels for second half of August dates.

Panamax


This week in the Panamax market saw rates decline further in both basins, with the Atlantic experiencing a notable lack of activity, especially due to an underwhelming South America market affecting both Atlantic and East positions. In the North Atlantic, limited mineral voyage business and cheaper rates contributed to negative sentiment, though there was a positive outlook regarding the volume of grain from NCSA and USG, expected to stabilize levels for the week. Asia showed slightly better activity, but rates continued to fall, with some owners discounting shorter runs to minimize exposure to low rates. Both basins exhibited a cautious approach with mixed views on market value, and the summer season adding to the uncertainty.

Supramax

This week, the Supramax and Handysize markets experienced subdued activity across all regions. In the Atlantic basin, the Supramax market remained lacklustre with minimal fresh inquiries, particularly in the US Gulf where rates faced negative pressure. The South Atlantic also saw reduced interest and weakening rates with a few fixtures reported close to last done levels. Similarly, the Handysize segment reported limited action, though there were indications of slight resistance from owners in the Continent. The Asian markets for both vessel sizes experienced a decline due to a lack of fresh inquiries, with both owners and charters adopting a 'wait and see' approach. The Indian Ocean saw a bit more activity for Supramax sizes with sulphur shipments driving the market, but it has not significantly impacted the overall market sentiment. The general mood was cautious, with limited new fixtures and mixed opinions about potential upward pressure in specific regions.

Rates

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

 [Click rate to view graph](#)

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


Australia/China

\$9.34**-\$0.11** 

Pacific RV

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

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

 [Click rate to view graph](#)

Transatlantic RV

\$15,215**-\$603** 

TCE Cont/Far East


\$27,747**-\$285** 

TCE Far East/Cont

\$6,143**-\$43** 

TCE Far East RV

\$13,596**-\$153** 

 [Click rate to view graph](#)

Atlantic RV

\$16,223

-\$317 

Pacific RV

\$13,238


-\$125 

TCE Cont/Far East

\$20,688

-\$62 

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

 [Click rate to view graph](#)

Newcastlemax

\$26,700

208'

-\$1,500 

Kamsarmax

\$18,000

82'

-\$250 

Ultramax

\$17,000

64'

-\$500 

Capesize	180'
\$22,700	-\$1,500 ✓

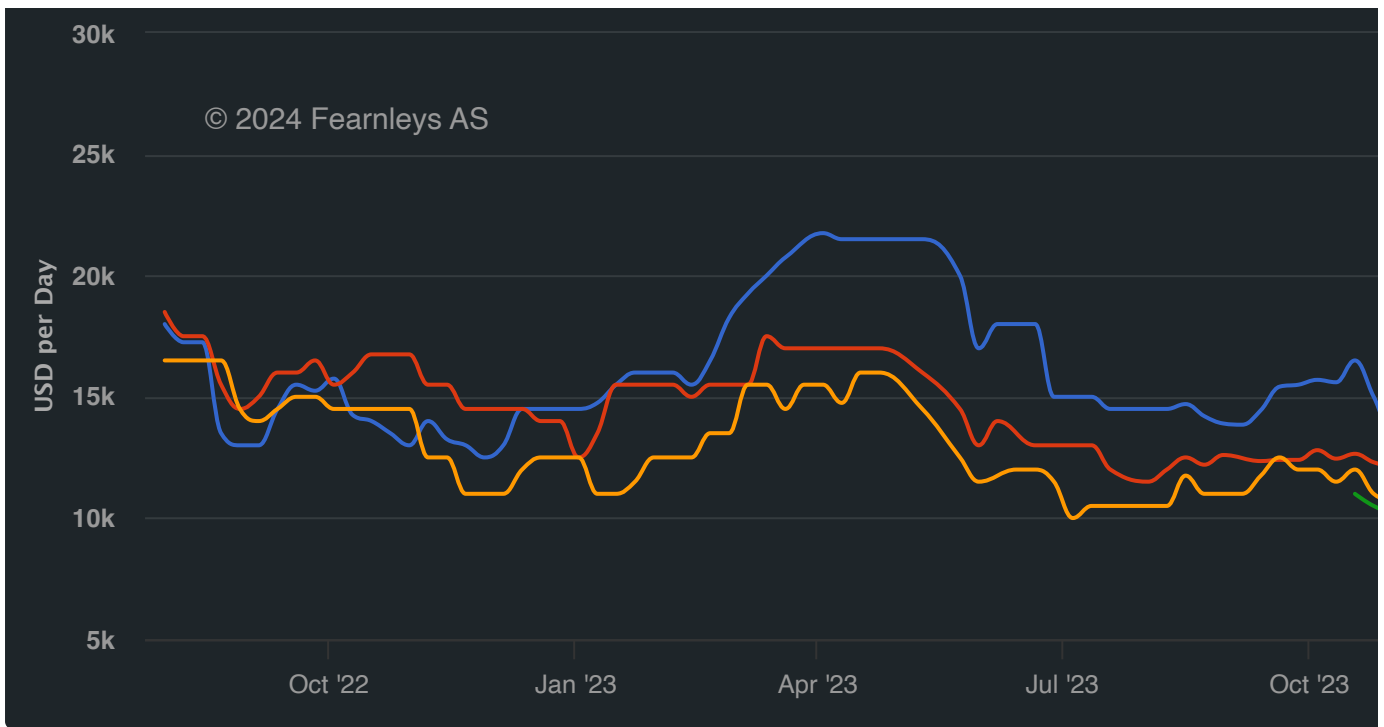
Panamax	75'
\$16,700	-\$300 ✓

Supramax	58'
\$16,000	\$0 >

Handysize	38'
\$12,500	\$0 >

Baltic Dry Index (BDI)	
\$1,708	-\$54 ✓

1 Year T/C Dry Bulk



03

Gas

Chartering

EAST

With just one confirmed fixture in the East so far this week shipping length is continuing to build up. Although spot volumes seem to be at average levels so far this month in the East, the fixing window is creeping closer as a symptom of the current bearish market sentiment. Most of the East candidate vessels could alternatively seek employment in the West, but currently that could look like a way of postponing the problem rather than solving it. Owners are now also more inclined to do shorter voyages hoping that the market will bounce back eventually.

WEST

number of vessels put on subs in the west with last done in the low 90s H/C and around 50 H/F. With current sub deals we count a total of 21 spot fixtures out of the USG/USEC. As of now, there are 9 vessels left for August ex USG, with over half of them being prompt open. The remaining vessels are available from August 18-19 onwards, which is where we find the current fixing window.

LPG Rates

Spot Market (USD/Month, Weekly Change)

 [Click rate to view graph](#)

VLGC	84'
\$850,000	-\$125,000 

LGC	60'
\$800,000	-\$100,000 

MGC	38'
\$950,000	\$0 

HDY SR	20-22'
\$915,000	\$0 

HDY ETH	17-22'
\$1,245,000	\$0 

\$630,000

0-12

\$0 >

SR

6.5'

\$470,000

\$0 >

COASTER Asia


\$280,000

\$0 >

COASTER Europe

\$420,000

\$20,000 ^

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

FOB North Sea/Ansi

\$543.5

\$0 >

Saudi Arabia/CP


\$580

\$0 >


MT Belvieu (US Gulf)

\$387

-\$10 v

Sonatrach/Bethioua**\$550****\$0 >****LPG/FOB Prices (Butane)**
(USD/Tonne, Weekly Change) [Click rate to view graph](#)**FOB North Sea/Ansi****\$493.5****\$0 >****Saudi Arabia/CP****\$565****\$0 >****MT Belvieu (US Gulf)****\$343****\$2 ^****Sonatrach/Bethioua****\$500****\$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

\$54,000

\$0 >

1 Year T/C 155-165k TFDE

\$61,000

\$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	\$64.0	\$45.0
Kamsarmax	\$38.0	\$29.5
Ultramax	\$36.0	\$28.5
Handysize	\$28.5	\$22.0

Wet	5 yr old	10 yr old
VLCC	\$110.0	\$84.0
Suezmax	\$84.0	\$68.0
Aframax / LR2	\$73.0	\$60.0



Market Brief

Exchange Rates

USD/JPY

154.85

0.98 

USD/NOK

10.98

-0.04 

USD/KRW

1,235.5

-7.3 

EUR/USD

0.92

0 

Interest Rates

SOFR USD (6 month)

5.39%

0 

Brent Spot**\$80****\$0 >**

Bunker Prices

Singapore

380 CST**\$504****-\$6.5 v****MGO****\$717****-\$6 v****Spread MGO/380 CST****\$213****\$0.5 ^**

Rotterdam

380 CST**\$475.5****-\$0.5 v****MGO**

Spread MGO/380 CST

\$235

-\$5 



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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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