Fearnleys Weekly Report

Week 3 - January 15, 2025

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01 Tankers

VLCC

The V-market continued its upward trajectory yesterday, and as predicted WS 70 was logged MEG/East numerous times, with corresponding daily earnings upward to USD 50k/day give/take. Saudi stems are still not out thus most of what has been concluded is either intended for other load configurations, pre-empting, or taken as a hedge. However, at current rates corresponding demurrage rates are starting to bite should charterers not get the laycan they were banking on, so we'd not be surprised to see some charterers taking a more "wait and see" attitude until stem confirmations are out. The flip side is of course that as and when we could have another rush to take cover, which could spur rates further up the scale. The Atlantic sprang to life again as well yesterday, with emphasis on USG export which saw an influx of cargoes emerging. Rates similarly soared, upwards to USD 10 million for the benchmark USG/Ningbo route, although by and large now yielding same daily returns as cargoes from West Africa and Brazil, albeit over a longer period. The market may take a capped as with the old Yazz hit; The only way is (probably) up.

Suezmax

Lest we forget, the main driver behind the Q4 2019 bull-run emanated in the East, with those same fundamentals bearing a striking resemblance to what we're seeing today. This conspired to produce enormous VLCC freights which ultimately forced splits onto Suezmax, and the rest, as they say, is history (market went nuts). Hitherto 2019, the Eastern Suezmax market offered zero in terms of global impact , but as we know, that changed dramatically and the Atlantic was awoken from its winter slumber, not by delays in the Turkish straits, but by an East market that savagely spiked. This present market smells rather similar, although in order not to get to carried away, we are at the embryonic stage of this upswing, but exciting it is, nonetheless. Since the Ukraine war, we have been conditioned to look to the US Gulf as the main driver, with Afra's, wagging the tail, as it were, which had flipped previous market analysis on its head. With recent OFAC sanctions and probably more in the offing (scratch that, definitely more sanctions coming), this market is likely to revert to type with the lead being taken from VLCCs (top down), and the butterfly effect, as in 2019, likely further support Suezmax. As of going to print, this segment has no downside in either hemisphere.

Aframax

With the first full week of 2025 in full swing markets are adjusting to the new Worldscale schedule. Activity has been limited so far which is adding pressure on rates with fixing window already pushing into the end of the 2nd decade. US markets are picking up which may bring opportunities, but so far the year remains on the softer side rate wise.

Inactivity through the start of the week along with Suezmaxes absorbing Afra parcels created a very long list of prompt vessels and a steady stream continually coming back around. Summer fundamentals in the middle of Winter has had a negative impact on sentiment and it seems that it will take a while before we see any change to the current situation.

Rates

Click rate to view graph

Route	Rate	Size	Change
MEG/WEST	40	280'	11
MEG/Japan	70	280'	27
MEG/Singapore	71	280'	27
WAF/FEAST	69	260'	21.5
WAF/USAC	80	130'	17.5
Sidi Kerir/W Med	80	135'	0
N. Afr/Euromed	102.5	80'	-7.5

UK/Cont
110
80'
-2.5

Caribs/USG
150
70'
25

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

Click rate to view graph

VLCC
$54,000
Modern
$7,000

Suezmax
$40,000
Modern
$500

Aframax
$32,000
Modern
$0

VLCCs

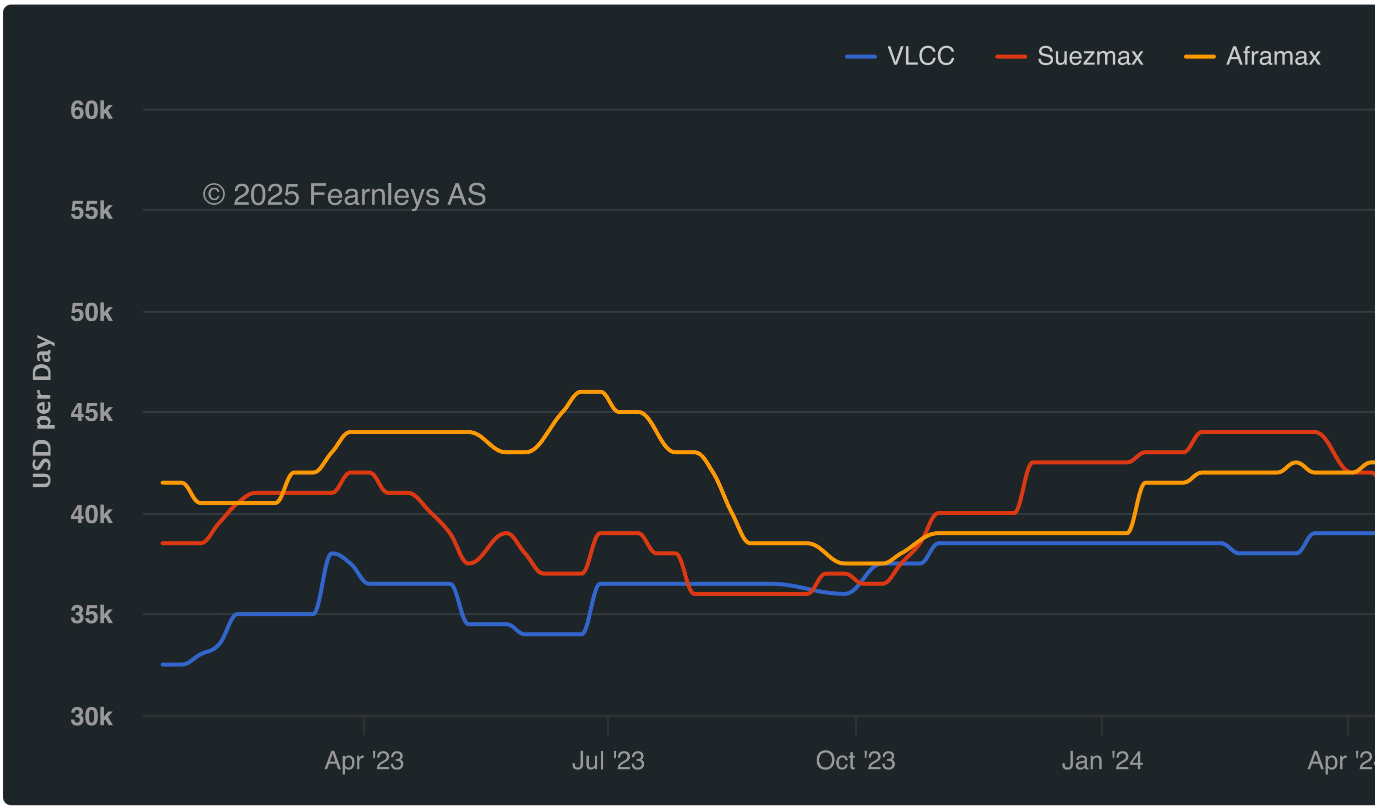
Click rate to view graph

Fixed in all areas last week
86
26

Available in MEG next 30 days

116 -19

1 Year T/C Crude



02 Dry Bulk

Capesize

On the West Australia front, we see a reasonably healthy volume from miners, operators and tenders primarily for early February dates. Volumes out of East Australia and other fronts of the Pacific remains relatively flat from last week. On C3

February. On the West Africa front, enquiries have tapered off since last week. Far East spot tonnage is abundant. Ballasting tonnage is tight for end January dates and heavily weighted for first half of February. On C5, the week has been flat at mid USD 6 pmt levels since start of the week. On C3, we observe some backwardation with end January at USD 19 pmt levels, early February at mid USD 18 pmt levels, and mid-high USD 17 pmt levels for rest of February.

Panamax

This week, the Panamax market experienced continued weakness across both the Atlantic and Pacific basins, with rates declining further due to oversupply and subdued demand. In the Atlantic, limited activity from South America weighed heavily on sentiment, leaving ballaster positions under pressure, while thin visibility in the North led to fixtures at discounted rates. The Pacific offered slightly better volumes, particularly on NoPac runs, but shorter routes remained under significant pressure, with owners discounting heavily to secure cover. Grain trades in the East provided some support, but this was insufficient to counter the overall negative sentiment. A recovery is unlikely before the Chinese New Year, with market hopes focused on increased coal trades and the seasonal ramp-up of South American soybean exports to boost activity.

Supramax

On the Supra/Ultra segment, a negative sentiment dominating across both the Atlantic and Asian markets. Limited fresh enquiry and abundant tonnage supply kept rates under pressure, though we believed the US Gulf may have found a floor for transatlantic runs. Activity remained subdued in the Continent-Mediterranean and Asia, with charterers holding an upper hand due to weak demand. Over the three days, the 11TC average dropped steadily, ending at USD 10,092. On the Handy side, rates under pressure across both basins due to oversupply and weak demand. In the Atlantic, the US Gulf and South Atlantic showed slight activity but remained insufficient to absorb excess tonnage, while the Continent and Mediterranean markets stayed subdued. Asia saw continued soft dynamics, with limited fresh cargo availability pushing rates lower as owners adjusted expectations. Period markets remain relatively quiet for the time being with very few fresh enquiries.

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

Click rate to view graph

TCE Cont/Far East
$38,125
$312

Australia/China
$6.54
$0.09

Pacific RV
$16,464
$1,496

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

Click rate to view graph

Transatlantic RV
$8,350
-$490

TCE Cont/Far East
$14,645
-$314

TCE Far East/Cont

TCE Far East RV

$6,444 $215

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

Click rate to view graph

Atlantic RV

$15,209 -$99

Pacific RV

$12,575 $19

TCE Cont/Far East

$19,179 -$259

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

Click rate to view graph

Newcastlemax 208'

$20,390 -$1,510

Kamsarmax 82'

Ultramax 64'

$13,000 $0

Capesize 180'

$16,390 -$1,360

Panamax 75'

$10,150 -$100

Supramax 58'

$11,000 $0

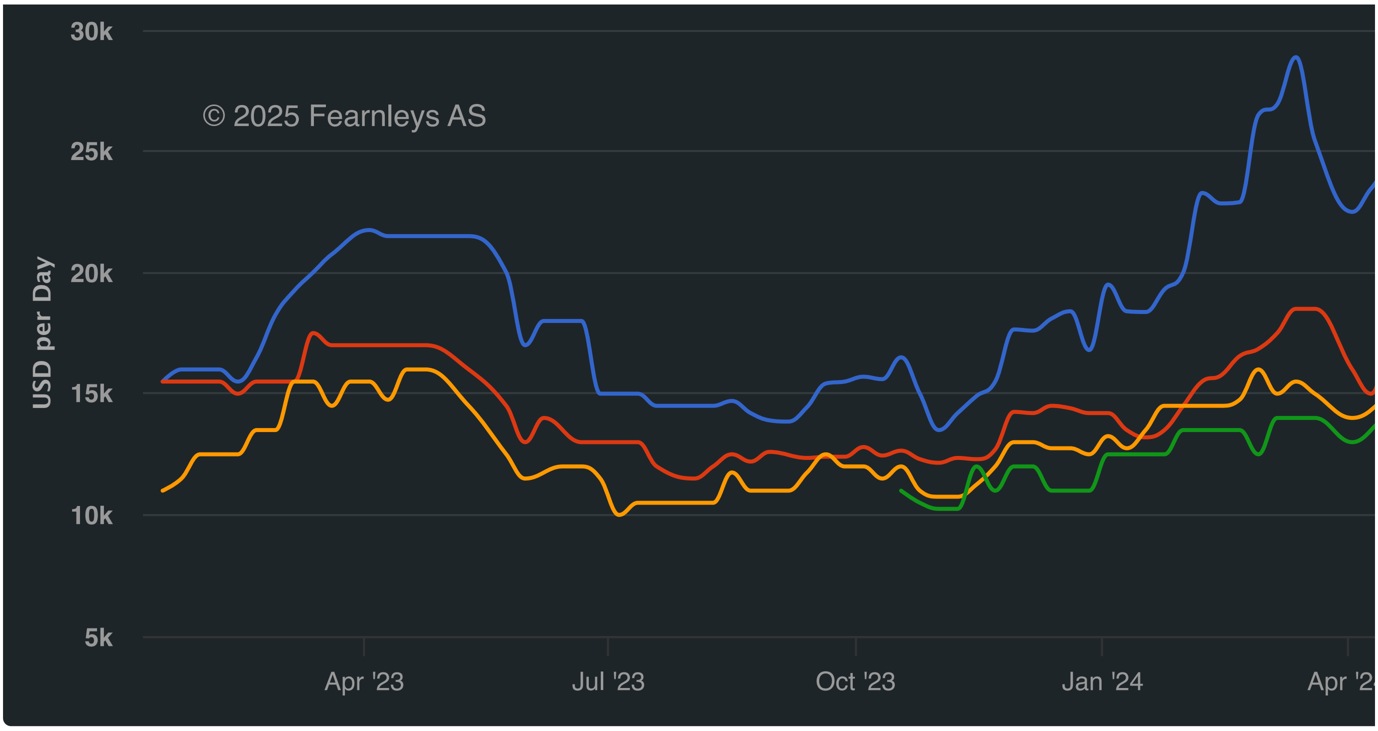
Handysize 38'

$10,000 -$500

Baltic Dry Index (BDI)

$1,063 -$17

1 Year T/C Dry Bulk



03 Gas

Chartering

EAST

Several vessels have been placed on subs East of Suez so far this week, 3 bound for India, with last done around 60 RT/C. January fixing ex Middle Eastern ports is nearly finished with currently only one vessel left end month dates. At the time of writing, we count 18 spot fixtures in January and 2 in February.

WEST

We have seen one spot fixtures ex USG this week, but with a narrowing ARB the activity on shipping has been fairly muted. A couple of players have marketed spot fobs for sale in 2nd decade of February, but time of writing no deals have been

USD 58 H/F.

LPG Rates

Spot Market
(USD/Month, Weekly Change)

Click rate to view graph

VLGC	$1,150,000	84' $0
LGC	$900,000	60' $0
MGC	$850,000	38' $0
HDY SR	$890,000	20-22' $0
HDY ETH	$1,150,000	17-22' $0
ETH	$630,000	8-12' $0

SR

$500,000

6.5'

$0

COASTER Asia

$280,000

$0

COASTER Europe (3 500-5 000 cbm)

$440,000

-$20,000

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

Click rate to view graph

FOB North Sea/Ansi

$528.5

$0

Saudi Arabia/CP

$625

$0

MT Belvieu (US Gulf)

$477

$29

Sonatrach/Bethioua

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

Click rate to view graph

FOB North Sea/Ansi
$537
$0

Saudi Arabia/CP
$615
$0

MT Belvieu (US Gulf)
$558
$22

Sonatrach/Bethioua
$560
$0

LNG Rates

Spot Market
(USD/Day, Weekly Change)

Click rate to view graph

East of Suez 155-165k CBM
$12,000
-$4,000

West of Suez 155-165k CBM

$11,000

-$5,000

1 Year T/C 155-165k TFDE

$24,000

-$1,000

04 Newbuilding

Activity Levels

Tank Activity

Strong

Dry Bulk Activity

Moderate

Other Activity

Strong

VLCC
$127
300'
$0

Suezmax
$86
150'
$0

Aframax
$70.5
110'
$0

Product
$48.5
50'
$0

Newcastlemax
$73
210'
$0

Kamsarmax
$38
82'
$0

Ultramax
$36
64'
$0

$264

$0 >

05 Sale & Purchase

Prices

Dry	5 yr old	10 yr old
Capesize	$60.0	$42.0
Kamsarmax	$34.5	$25.0
Ultramax	$33.5	$25.0
Handysize	$26.5	$19.5

Wet	5 yr old	10 yr old
VLCC	$110.0	$84.0
Suezmax	$81.0	$64.0
Aframax / LR2	$67.5	$53.0

Market Brief

Exchange Rates

USD/JPY
157.76
0.65

USD/NOK
11.44
-0.04

USD/KRW
1,235.5
-7.3

EUR/USD
0.98
0

Interest Rates

SOFR USD (6 month)
4.95%
0

Brent Spot

$80.5

-$0.5

Bunker Prices

Singapore

380 CST

$504

-$6

MGO

$741

-$1.5

Spread MGO/380 CST

$237

$4.5

Rotterdam

380 CST

$475

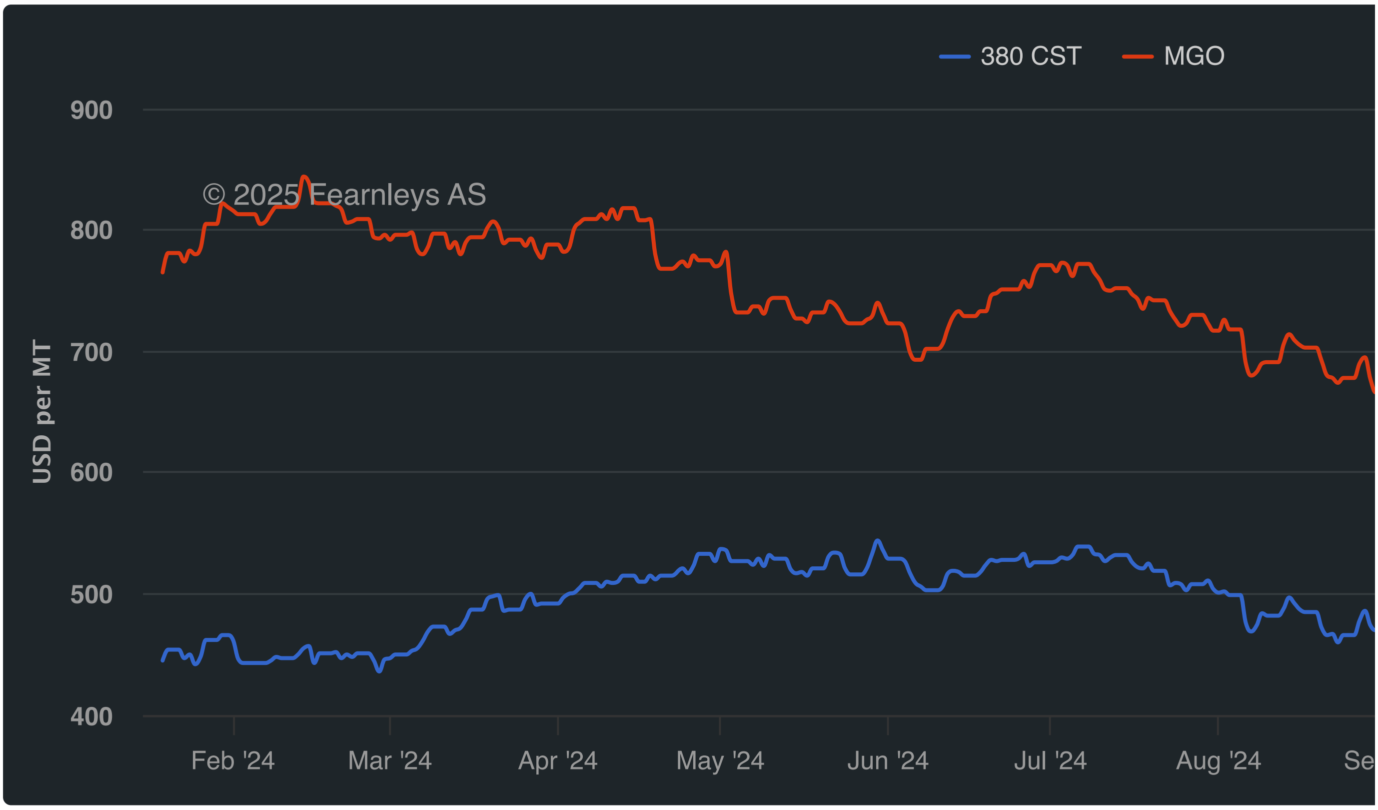
$3.5

MGO

Spread MGO/380 CST

$232.5

-$3



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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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