

Fearnleys Weekly Report

Week 19 - May 08, 2019

Tankers

VLCC

Another lacklustre week in the VLCC market, with ships piling up in Fujairah and Galle. Owners are currently facing returns well below OPEX for most cargo combinations, with rates currently trading in the high W30's from both MEG- and West Africa/eastbound for modern ships – and a 2.5-5 point discount for older units.

Suezmax

Suezmaxes had a slow start after the holiday period as Charterers took advantage of the steady accumulation of tonnage, rates ticked down accordingly.

However owners resistance started to build in West Africa with some preferring to stand off cargoes preferring to sit and wait for the right voyages, this has had a knock on effect with ws 80 now having been paid for waf/east up a handful of points but purely being sentiment driven. Elsewhere the Med and Black sea have ben low on fixing volume with TD6 currently steady at ws 80 no too much will change here for the balance of this week.

Aframax

Aframaxes trading in the North Sea and Baltic have seen healthy activity levels this week, with owners continuously pushing to keep this positive momentum going. With TD7 currently trading around WS 115 levels, we expect a firm sentiment in the natural fixing window in the North. Owners are finally seeing alternatives in surrounding markets which have picked up, such as the Mediterranean and Black Sea, where we have seen an firm upward trend in freight levels. Returns for a TD19 voyage have picked up over the week, from around USD 1000 pd mid last week to USD 12000 pd at time of writing. TD19 currently stands at WS 100. Fresh cargoes have been coming into the market keeping activity levels firm. At the moment owners are finding this a an attractive market to be in and we are expecting them to maintain their stand in the week to come in order to ensure further uptick in freight rates.

Rates

DIRTY (Spot WS)	Size	This week	Change
MEG/WEST	280 000	18.0	-2.0 ↓
MEG/Japan	280 000	37.5	-5.0 ↓
MEG/Singapore	280 000	38.0	-5.5 ↓
WAF/FEAST	260 000	38.0	-7.0 ↓
WAF/USAC	130 000	65.0	5.0 ↑
Sidi Kerir/W Med	135 000	70.0	-2.5 ↓

N. Afr/Euromed	80 000	100.0	22.5 ↑
UK/Cont	80 000	115.0	22.5 ↑
Caribs/USG	70 000	77.5	0.0 →

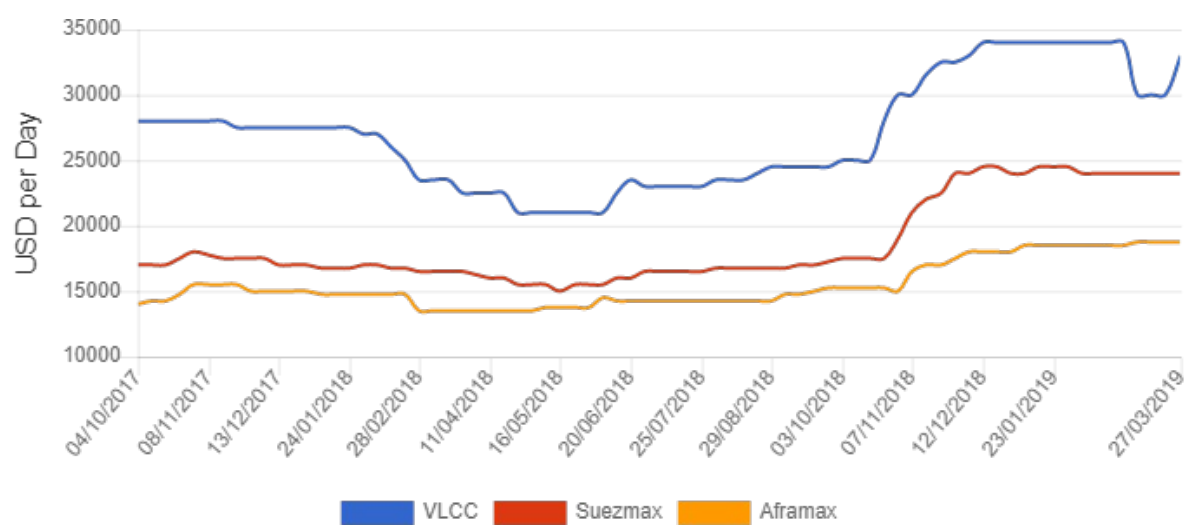
1 Year T/C (USD/Day)

VLCC	Modern	\$32,000	\$0 →
Suezmax	Modern	\$24,000	\$0 →
Aframax	Modern	\$20,500	\$0 →

VLCCs fixed in all areas last week 30 -26 ↓

VLCCs available in MEG next 30 days 131 6 ↑

1 Year T/C Crude



Dry Bulk

Capesize

After the last week's declining market levels, we saw an increase in activity today with some C5 fixtures concluded in the mid-6 range.

FFAs has continued to push upwards the last few days in spite of the Trump announcement and the recent shutdown in steel capacity in China in view of the holidays.

The Atlantic seems tighter on prompt dates going forward, which gives cause for optimism on the near term market outlook.

Panamax

With last weeks holidays in the east and the UK-holiday on Monday, the market has remained quite flat in both hemispheres. With the latest increase in tariffs imposed on China by the Trump-administration, many expect China to take on countermeasures shortly - which obviously can affect the market negatively. A transatlantic round voyage currently pays owners about USD 10,000 per day, while a short fronthaul from the continent yields about USD 17,000. In the east, a Pacific round voyage pays around the low USD 8,000's. The BPI 4TC-index is currently at 1188 points.

Supramax

With holidays in the Far East, market remained quiet this past week. The lack of fresh inquiries disappointed owners both in Pacific and Atlantic basin. However beginning this week we seen push in the East and owners were able to obtain better levels, we also expect market to increase in Fareast. Ultra were reported fixed at higher levels for Indo RV around USD 10,000 pd. Nopac was active with fresh stems and we see levels on Ultras close to USD 11,000 pd dop Japan. Atlantic however was disappointing , with rates declining across all areas. Ultras in ECSA were fxd close to low 13' plus 300k BB for tct Feast. USG suffered oversupply of tonnage both on Ulta/Supra. Bsea have seen more grain stem but still not enough to balance the market. Clinker from Med to Wafrika was fixed at usd 7-8,000 lvl.

Rates

Capesize (USD/Day, USD/Tonne)	This week	Change
TCT Cont/Far East (180' DWT)	\$20,900	\$1,900 ↑
Tubarao/Rotterdam (Iron Ore)	\$6	\$1 ↑
Richards Bay/Rotterdam	\$5	\$1 ↑

Panamax (USD/Day, USD/Tonne)

Transatlantic RV	\$10,000	\$0 →
TCT Cont/Far East	\$17,000	\$0 →
TCT Far East/Cont	\$2,600	\$0 →
TCT Far East RV	\$8,200	\$200 ↑
Murmask b.14-ARA 15/25,000 sc	\$7	-\$0 ↓

Supramax (USD/Day)

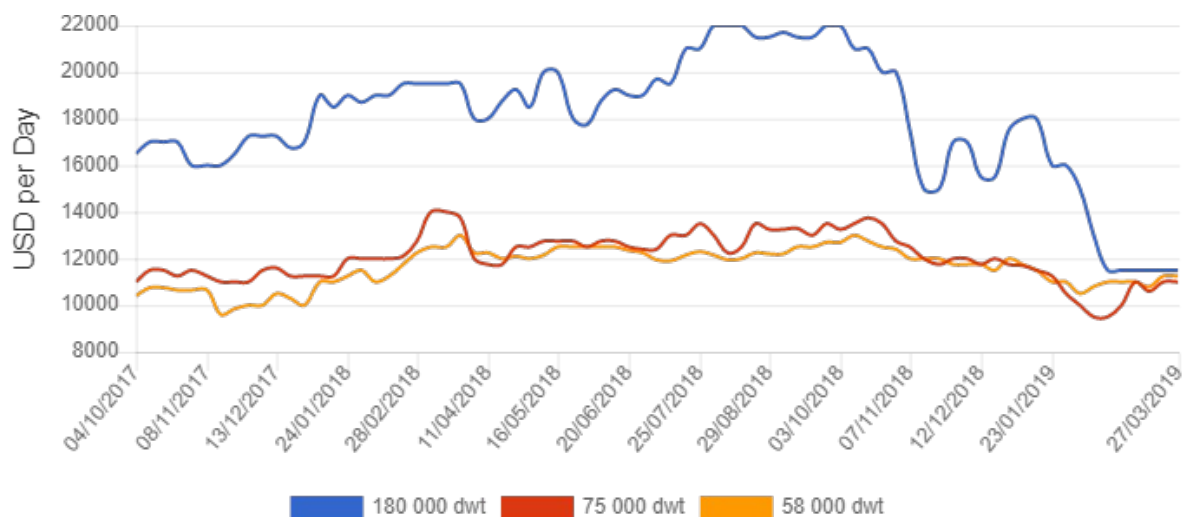
Atlantic RV	\$8,000	-\$500 ↓
Pacific RV	\$9,000	\$250 ↑
TCT Cont/Far East	\$13,000	-\$500 ↓

1 Year T/C (USD/Day)

Capesize (180 000 dwt)	\$15,500	\$0 →
Capesize (170 000 dwt)	\$13,500	\$0 →
Panamax (75 000 dwt)	\$10,500	\$0 →
Supramax (58 000 dwt)	\$10,500	\$0 →

Baltic Dry Index (BDI) 940.0

1 Year T/C Dry Bulk



Gas

Chartering

A couple of vessels were fixed ex US East Coast for loading in the beginning June at the end of last week, otherwise, it has been fairly inactive. Last week's notion we made about the freight market struggling to find its feet, eventually saw a seemingly established floor of mid USD 90's per ton Houston/Chiba via Panama for 1st decade June loaders ex US. A relatively short position list up to around 10th June leaves hopes that freight may remain in this region going forward.

VLGC shipping market East of Suez remains quiet, and the only real requirement seen (HPCL 23-24 May ex Ras Laffan) was eventually withdrawn. We do however expect to see more interest from Indian Charterers later in May, as congestion in India continues and hence their TC ships might run late. Otherwise shipping availability for next fixing window i.e. 2nd half May remains healthy, and one would expect next deal to be done at discount to Baltic. Most players are still not in a rush to do anything though, and also awaiting pending June acceptances from Adnoc and Aramco which should set the tone for end May/early June.

LPG Rates

Spot Market (USD/Month)	This week	Change
VLGC (84 000 cbm)	\$1,325,000	-\$25,000 ↓
LGC (60 000 cbm)	\$800,000	\$300,000 ↑
MGC (38 000 cbm)	\$515,000	\$0 →
HDY SR (20-22 000 cbm)	\$495,000	\$0 →
HDY ETH (17-22 000 cbm)	\$730,000	\$0 →
ETH (8-12 000 cbm)	\$450,000	\$0 →
SR (6 500 cbm)	\$450,000	-\$50,000 ↓
COASTER Asia	\$260,000	\$0 →
COASTER Europe	\$330,000	\$0 →

LGP/FOB Prices (USD/Tonne)	Propane	Butane
FOB North Sea/ANSI	\$431.50	\$461.00
Saudi Arabia/CP	\$525.00	\$530.00
MT Belvieu (US Gulf)	\$306.74	\$249.70
Sonatrach/Bethioua	\$425.00	\$465.00

LNG Rates

Spot Market (USD/Day)	This week	Change
East of Suez 155-165 000 cbm	\$30,000	\$2,500 ↑
West of Suez 155-165 000 cbm	\$52,500	\$1,000 ↑
1 Year T/C 155-160 000 cbm	\$75,000	\$7,000 ↑

Newbuilding

Activity Levels

Tankers

● Slow

Dry Bulkers

● Slow

Others

● Slow

Prices

Prices (Million USD)	Size	This week	Change
VLCC	300 000	\$91	\$0 →
Suezmax	150 000	\$61	\$0 →
Aframax	110 000	\$51	\$0 →
Product	50 000	\$37	\$0 →
Capesize	180 000	\$50	\$0 →
Kamsarmax	82 000	\$29	\$0 →
Ultramax	64 000	\$27	\$0 →
LNGC (MEGI) (cbm)	170 000	\$189	\$0 →

Sale & Purchase

Prices

Dry	2014	2009
Capesize	\$37.5	\$23.0
Kamsarmax	\$24.0	\$16.0
Ultramax	\$22.0	\$13.5

Wet

VLCC	\$67.0	\$45.0
Suezmax	\$49.0	\$34.0
Aframax / LR2	\$35.0	\$24.0
MR	\$29.0	\$17.0

Market Brief

Exchange Rates

USD/JPY

110.88 ↓ -0.50

USD/KRW

1169.95 ↑ 1.80

USD/NOK

8.73 ↑ 0.08

EUR/USD

1.12 ↓ 0.00

Interest Rates

LIBOR USD (6 months)

2.64% ↑ 0.03%

NIBOR NOK (6 months)

1.42% ↑ 0.02%

Commodity Prices

Brent Spot

\$69.88 ↓ -\$2.16

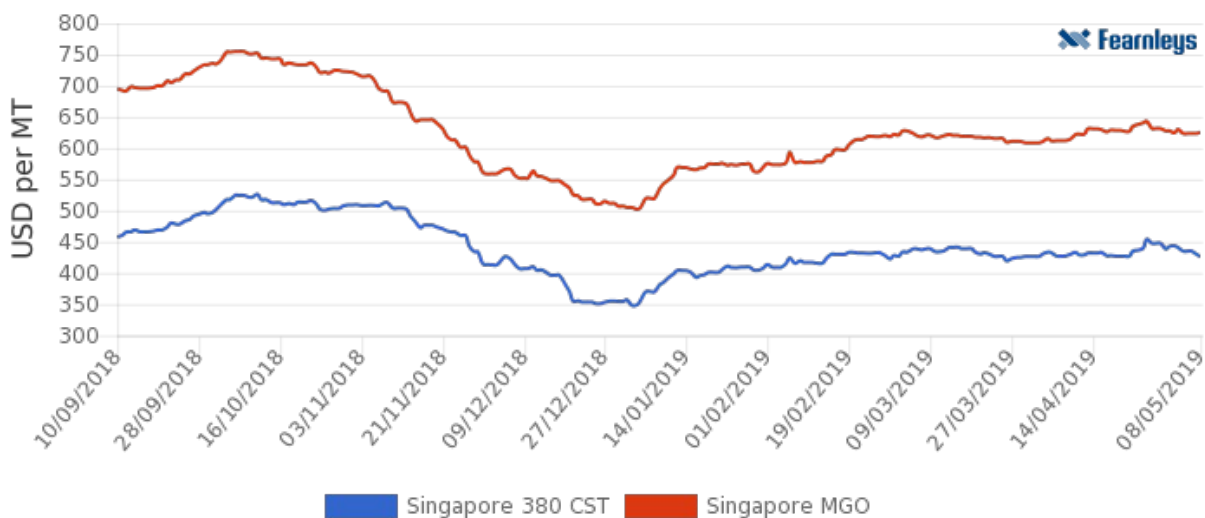
Bunker Prices

Singapore

380 CST	180 CST	MGO
\$426	\$459	\$626
↓ -\$17	↓ -\$19	↓ -\$3

Rotterdam

380 CST	180 CST	MGO
\$410	\$450	\$615
↓ -\$17	↓ -\$20	↓ -\$6



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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