

Fearnleys Weekly Report

Week 30 - July 24, 2019

Tankers

VLCC

The VLCC market sprung to life this week and the fixture count is increasing by the hour, with ships disappearing all over, albeit more under the counter, which does little to help the market malaise. Despite thinning, the position list remains well populated. Thus, overall we still do not see any dramatic changes in fortunes for the owning community in the short term. Downside, however appears capped in low W40's MEG/East for modern unrestricted tonnage and high W30's for their older sisters. The Atlantic has also seen a steady flow of cargoes. However, rates have yet to gain momentum, with West Africa/East stuck in the mid W40's and USG export cargoes in the low to mid \$5 million for the benchmark Korea destination. Increased activity simultaneously for all the major Vlcc routes required for rates to strengthen from present levels.

Suezmax

It has been a busy week for Suezmaxes with an Atlantic market that has had a lot of ships to absorb and with rates mostly moving sideways. Owners managed to dig out some bravery in their closet over the weekend and dared to ask for more as charterers came in to work this week. Rates are now slightly up from last done with the high activity level in both MEG, MED/BSEA and the WAFR will raise owners hope for a continued uptick in rates moving forward

Aframax

Aframaxes in the Baltic and Continent market, as well as in Mediterranean and Black Sea, have been trading more or less sideways over yet another uneventful week. Throughout most of the week ships have continued to pick off the stems coming into the market one by one in order to keep rates on benchmark routes unaltered, however in the last two days we have seen supply of ships surpass demand and a slight downwards correction has taken place; most routes dropping between 2.5 and 5 points. TD19 (cross-Med) currently stands at WS 85 giving owners a TCE of around USD 6750 per day.

Rates

DIRTY (Spot WS)	Size	This week	Change
MEG/WEST	280 000	19.0	0.0 →
MEG/Japan	280 000	42.5	-3.5 ↓
MEG/Singapore	280 000	42.5	-3.5 ↓
WAF/FEAST	260 000	45.0	-1.0 ↓
WAF/USAC	130 000	60.0	2.5 ↑
Sidi Kerir/W Med	135 000	67.5	0.0 →

N. Afr/Euromed	80 000	85.0	-2.5 ↓
UK/Cont	80 000	85.0	-2.5 ↓
Caribs/USG	70 000	80.0	10.0 ↑

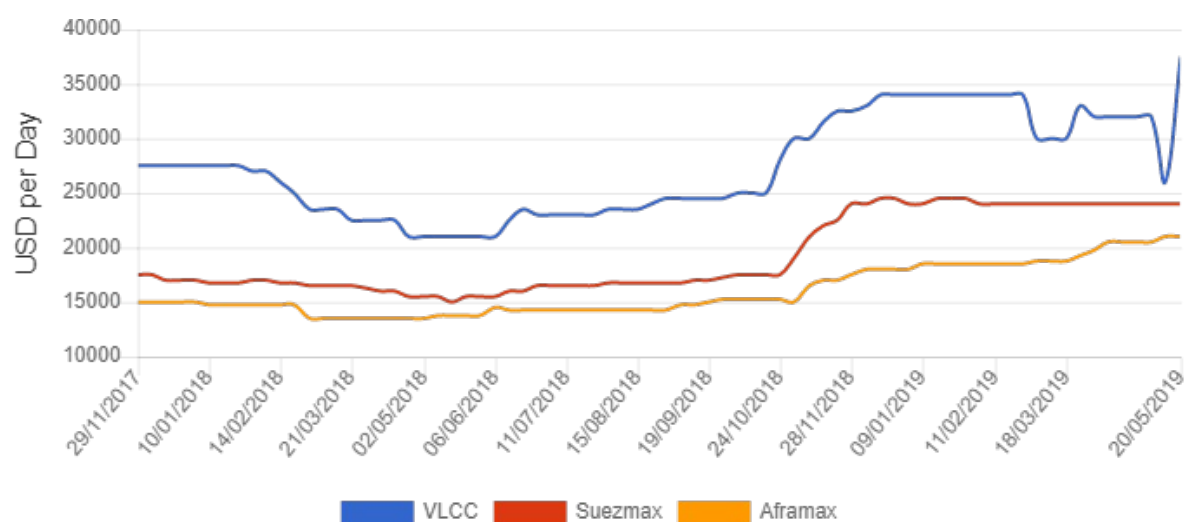
1 Year T/C (USD/Day)

VLCC	Modern	\$38,000	\$0 →
Suezmax	Modern	\$24,000	\$0 →
Aframax	Modern	\$21,500	\$0 →

VLCCs fixed in all areas last week 70 8 ↑

VLCCs available in MEG next 30 days 130 0 →

1 Year T/C Crude



Dry Bulk

Capesize

The market is falling off currently on the back of abundant vessels in the Atlantic basin and a lack of fresh requirements. Some of the recent gains must be attributed to a shortage of vessels in the Atlantic due to low expectations for Vale volumes and as a few vessels were out for scrubber retrofitting.

Still, fundamentals are better, and expected to improve further in the coming months. So the remainder of the year should still see rates at levels giving good returns for owners...

Panamax

Nothing lasts forever, and indicators show that the market may take a breather from the recent weeks heavy increase in rates. Today (Wednesday) was the first time in a long while where the Panamax-index fell, even though the reduction was only USD 84 on the 4TC average and has been in the green up to this point in the week. A transatlantic round voyage for regular Panamax vessels currently yields about USD 21,300 per day, and a fronthaul from the continent pays shipowners around USD 29,000's. In the east, a Pacific round voyage currently pays around mid USD 14,000's per day.

Supramax

The sentiment has remained the same over last 7 days , although the pace of rate increases slowed down . In the Atlantic the upward trend stopped today and USG to Continent pay again around 18500 . Back-hauls voyages to USA/SAM were slightly higher , average USD 500 more by comparison to last Wednesday levels . On the other hand North Continent /Baltic tonnage was in search of cargoes direction East Med/Black Sea , so spot cargoes to USG/SAM had to pay premium rates . Pacific rates stayed very healthy and rose last week by average of USD 1000, whilst Nopac voyages are paying now more or less USD 1000 a day more comparing to last Wednesday reports . The overall BSI index rose from 928 to 1019 , therefore all in all the bullish sentiment prevails in the market .

Rates

Capesize (USD/Day, USD/Tonne)	This week	Change
TCT Cont/Far East (180 DWT)	\$51,682	-\$3,159 ↓
Australia - China	\$9.5	-\$0.9 ↓
Pacific RV	\$26,125	-\$2,625 ↓

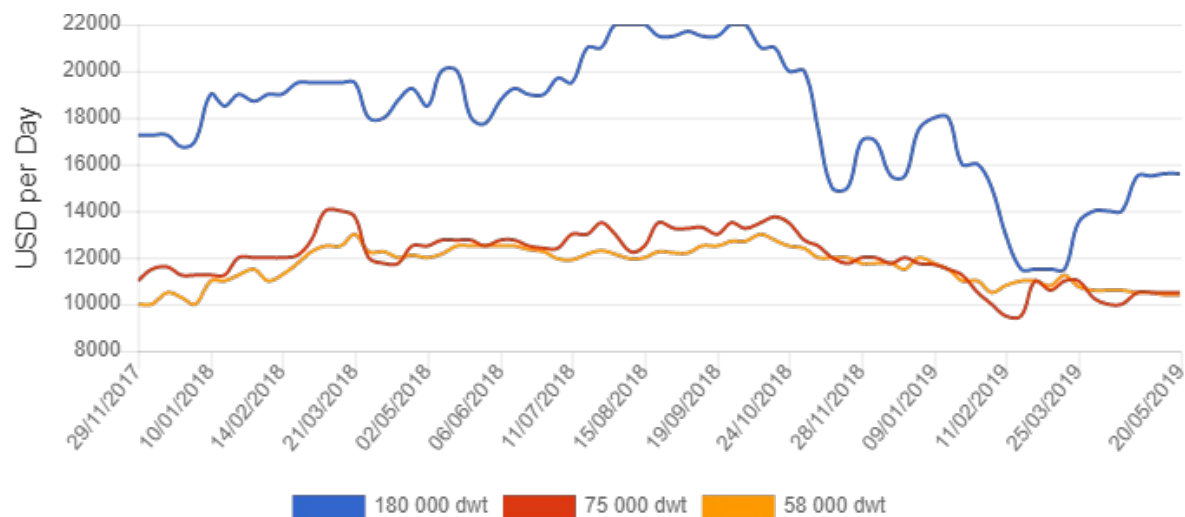
Panamax (USD/Day, USD/Tonne)	This week	Change
Transatlantic RV	\$21,335	\$810 ↑
TCT Cont/Far East	\$28,917	\$1,523 ↑
TCT Far East/Cont	\$6,050	\$976 ↑
TCT Far East RV	\$14,331	\$682 ↑

Supramax (USD/Day)	This week	Change
Atlantic RV	\$13,950	\$245 ↑
Pacific RV	\$9,979	\$1,600 ↑
TCT Cont/Far East	\$23,257	\$818 ↑

1 Year T/C (USD/Day)	This week	Change
Capesize (180 000 dwt)	\$19,500	\$0 →
Panamax (75 000 dwt)	\$12,000	\$0 →
Supramax (58 000 dwt)	\$10,850	\$0 →

Baltic Dry Index (BDI) 2014.0

1 Year T/C Dry Bulk



Gas

Chartering

WEST

Most of this week has been quiet, with freight weakening. It will be interesting to see what impact US inventories will have later today.

Vessel availability has generally remained unchanged. It is a bit too late for cancellations in the first two decades in Aug, so we would expect players to need to come out to fix soon.

EAST

Baltic finally enters the stage of correction. Market decreases by about a dollar day by day, and daily TCE has decreased to lower than \$60,000. Worldwide, less congestion means more vessel supply in the market, but lifting demand is limited so far. Indian demand is being sluggish from May onward and present physical contango set end month FOB lifting status. Even though freight is getting cheaper, we still see many traders relet for Aug in the Eastern market. Considering present Baltic falling speed and downward pressure from many relets, freight heads to \$50,000 level as bottom line in a short term unless we see some bullish events such as Typhoon, Hurricane etc.

LPG Rates

Spot Market (USD/Month)	This week	Change
VLGC (84 000 cbm)	\$1,789,890	-\$133,235 ↓
LGC (60 000 cbm)	\$900,000	\$0 →
MGC (38 000 cbm)	\$775,000	\$65,000 ↑
HDY SR (20-22 000 cbm)	\$500,000	-\$20,000 ↓
HDY ETH (17-22 000 cbm)	\$730,000	\$0 →
ETH (8-12 000 cbm)	\$450,000	\$0 →
SR (6 500 cbm)	\$450,000	\$0 →
COASTER Asia	\$260,000	\$0 →
COASTER Europe	\$270,000	\$0 →

LGP/FOB Prices (USD/Tonne)	Propane	Butane
FOB North Sea/ANSI	\$330.50	\$324.50
Saudi Arabia/CP	\$375.00	\$355.00
MT Belvieu (US Gulf)	\$260.50	\$202.03
Sonatrach/Bethioua	\$335.00	\$340.00

LNG Rates

Spot Market (USD/Day)	This week	Change
East of Suez 155-165 000 cbm	\$54,000	\$0 →
West of Suez 155-165 000 cbm	\$57,000	\$0 →
1 Year T/C 155-160 000 cbm	\$84,000	\$0 →

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	\$50	\$0 →
Product	50 000	\$37	\$0 →
Capesize	180 000	\$50	\$0 →
Kamsarmax	82 000	\$28	\$0 →
Ultramax	64 000	\$26	\$0 →
LNGC (MEGI) (cbm)	170 000	\$189	\$0 →

Sale & Purchase

Prices

Dry	2014	2009
Capesize	\$37.0	\$23.0
Kamsarmax	\$24.0	\$16.0
Ultramax	\$22.0	\$13.3

Wet

VLCC	\$71.5	\$46.5
Suezmax	\$51.5	\$36.5
Aframax / LR2	\$37.5	\$25.0
MR	\$28.0	\$18.0

Market Brief

Exchange Rates

USD/JPY

108.12 ↓ -0.15

USD/KRW

1179.10 ↑ 1.55

USD/NOK

8.69 ↑ 0.15

EUR/USD

1.12 ↓ -0.01

Interest Rates

LIBOR USD (6 months)

2.18% ↓ -0.02%

NIBOR NOK (6 months)

1.58% ↑ 0.01%

Commodity Prices

Brent Spot

\$63.83 ↓ -\$0.52

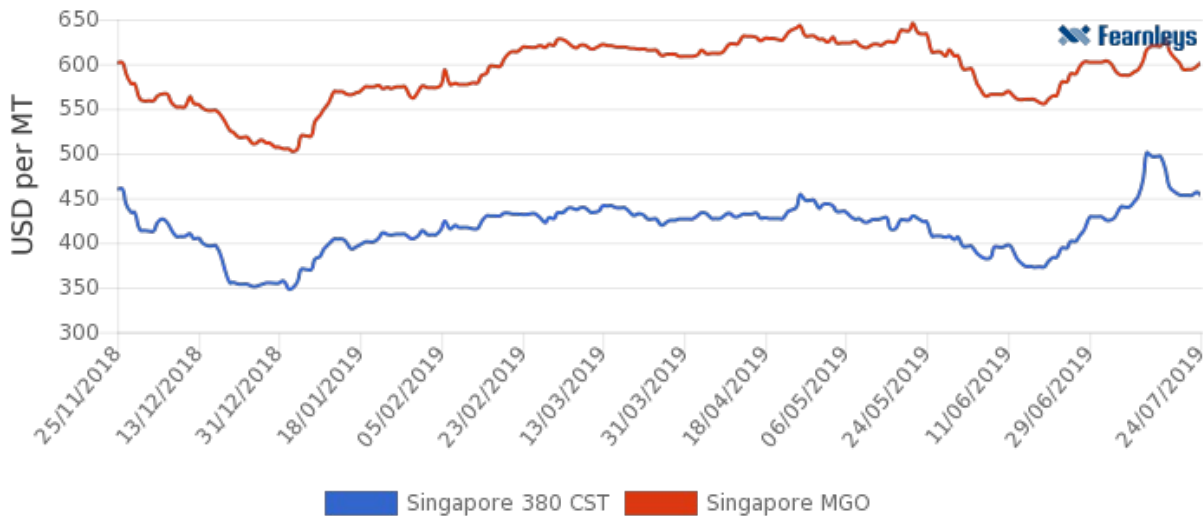
Bunker Prices

Singapore

380 CST	180 CST	MGO
\$453	\$476	\$602
↓ -\$10	↓ -\$21	↓ -\$14

Rotterdam

380 CST	180 CST	MGO
\$372	\$406	\$569
↓ -\$22	↓ -\$25	↓ -\$17



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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