

## Fearnleys Weekly Report

Week 38 - September 18, 2019

### Tankers

#### VLCC

A frantic week to say the least for the Vlcc's. The drone attack on Saudi oil installations over last week-end ignited it all , resulting in sharply increased oil-prices. Bunkerprices also increasing and general activity for all major Vlcc routes soaring. General uncertainties on

Supply has brought everybody in with cargoes , and particularly ex Usg for East. Meg and West Africa also active and rates increasing sharply

For all routes. Whether this incident alone was the only factor for the latest surge remains to be seen as most have been waiting for sharply increasing rates at this time of the year. It may however have affected it stronger and also quicker than it would have without the incident in Saudi. Owners remain optimistic with shorter tonnagelists all over and things are likely to remain firm.

#### Suezmax

A flurry of activity in the Americas have kept the pace up going into this week coupled with a very lively VLCC market in the Atlantic. The lack of natural positions for any USG/CBS business have not allowed for any overhang to form this side of the pond as we have seen ships ballast from WAFR, GIB and UKC to fix in the Americas. With increased bunker prices we see little downside in the rates going forward

#### Aframax

The Baltic and North Sea market has been firm over the past week. However, as relets and some more available tonnage in the Baltic area combined with ballasters from the Mediterranean have taken some of the pressure off for Baltic stems loading in the end of the 3rd decade fixing window. We expect in the week to come a quite balanced market as the tonnage supply meets the demand for the expected crude/fuel oil stems. In the Mediterranean and Black Sea the market has bounced back this week. We have seen a relatively active market with an upward trend in rate levels which has resulted in benchmark routes ex Bsea and cross-Med picking up more than 10 points on worldscale. At the time of writing TD19 currently stands at WS 110. One to keep an eye on in the week to come is the movement of ships sailing from both NWE and Med going TA to take part in the strong USG market, which may benefit the remaining players in Europe when continuing their stand in order to achieve a further increase in rate levels.

### Rates

<b>DIRTY (Spot WS)</b>	<b>Size</b>	<b>This week</b>	<b>Change</b>
MEG/WEST	280 000	30.0	4.0 <b>↑</b>
MEG/Japan	280 000	67.5	15.0 <b>↑</b>
MEG/Singapore	280 000	67.5	13.0 <b>↑</b>

WAF/FEAST	260 000	67.5	10.5	↑
WAF/USAC	130 000	70.0	12.5	↑
Sidi Kerir/W Med	135 000	70.0	5.0	↑
N. Afr/Euromed	80 000	110.0	17.5	↑
UK/Cont	80 000	170.5	63.0	↑
Caribs/USG	70 000	150.0	30.0	↑

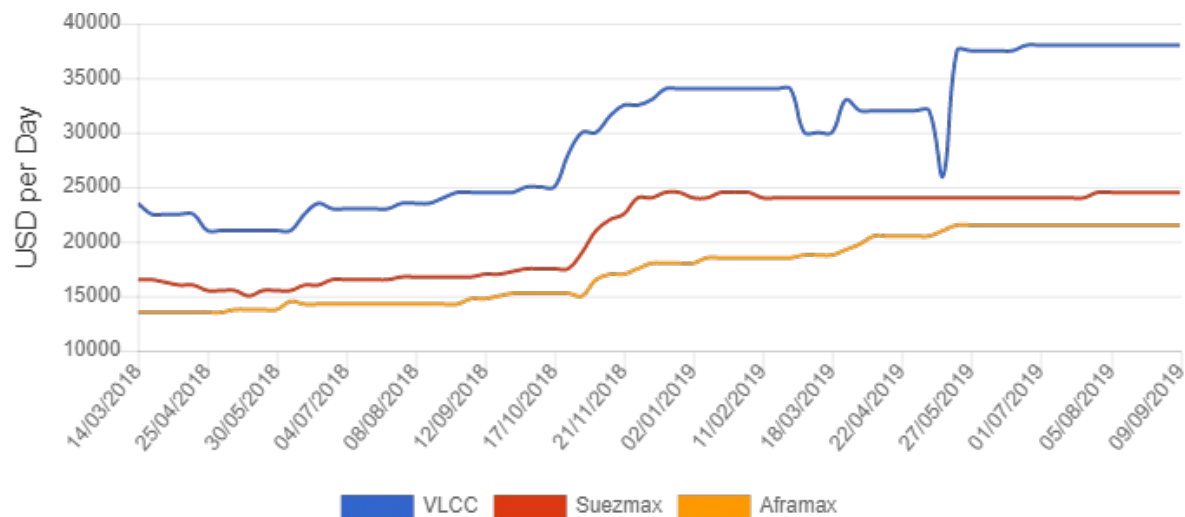
### 1 Year T/C (USD/Day)

VLCC	Modern	\$42,500	\$4,500	↑
Suezmax	Modern	\$26,000	\$1,500	↑
Aframax	Modern	\$21,500	\$0	→

**VLCCs fixed in all areas last week** 68 15 ↑

**VLCCs available in MEG next 30 days** 124 -16 ↓

## 1 Year T/C Crude



## Dry Bulk

### Capesize

The average index value has dropped USD 2,000 since last week. This is not a dramatic drop, but rather a result of relatively lower demand. C5 has moved from USD 10,7 pmt to 10, 4 pmt whilst c7 is unchanged. This trend is a result of many owners will keep their ships in the Pacific in the months to come for scrubber installation prior to IMO 2020.

Period rates have not been too much affected though, and value for one year is still excess 20,000.

### Panamax

A TA round voyage currently pays owners around USD 21,000 per day, while a fronthaul from the continent now pays around USD 30,000. In the east, a Pacific round voyage pays above the USD 15,500-mark. The BPI 4TC-index is currently at points, same level as last week.

### Supramax

The softening sentiment has spread throughout the markets and confidence of the right direction is lacking. The dry bulk index rates moving south slowly and the FFA market struggling to find ground for Q4.

Indo coal trips from China via South East Asia kept good activity level and we have seen rates been steady around USD 12,000's pd levels on Supramaxes. And higher levels on the same trade for Ultramax at mid USD 10,000's pd levels Majority of Indonesian trips into India are being fixed in the usd 12,000/13,000 pd range basis DOP delivery Singapore- South China range.

PG and Indian Ocean was fixing in the mid/high USD 12,000's pd range. Clinker and Gypsum from Mediterranean Spanish trip into West Africa was fixed at USD 17, 000 on Supra. Black Sea grains to China was rumoured fixed USD 32,000 for Ultramax .

## Rates

### Capesize (USD/Day, USD/Tonne) This week Change

TCT Cont/Far East (180 DWT)	\$59,205	-\$490 ↓
Australia - China	\$10.4	-\$0.3 ↓
Pacific RV	\$27,292	-\$3,362 ↓

### Panamax (USD/Day, USD/Tonne)

Transatlantic RV	\$18,740	\$65 ↑
TCT Cont/Far East	\$28,353	-\$356 ↓
TCT Far East/Cont	\$6,210	-\$379 ↓
TCT Far East RV	\$13,564	-\$1,147 ↓

### Supramax (USD/Day)

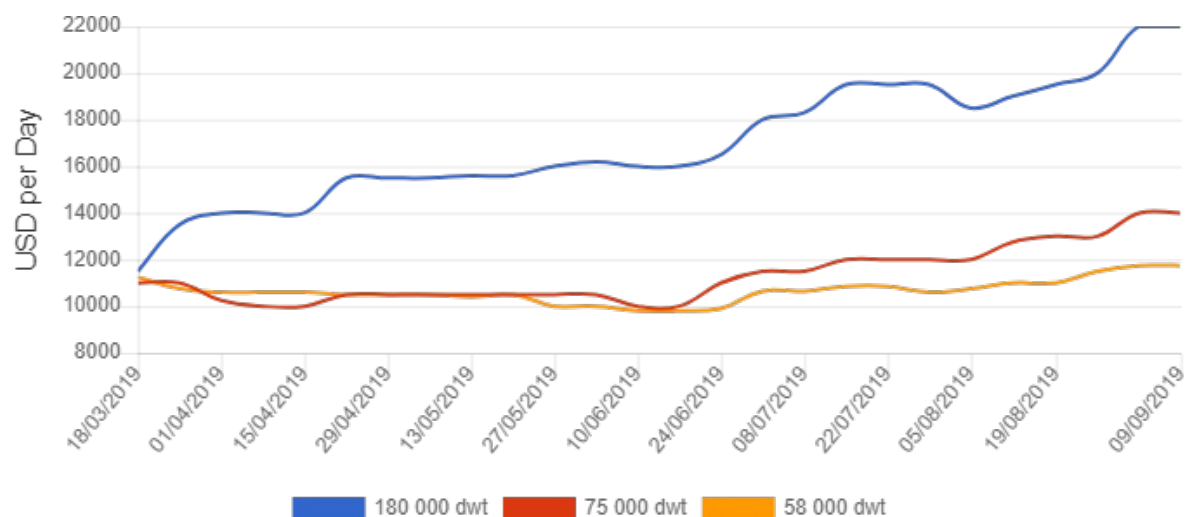
Atlantic RV	\$18,365	\$427 ↑
Pacific RV	\$11,829	-\$450 ↓
TCT Cont/Far East	\$28,293	\$972 ↑

### 1 Year T/C (USD/Day)

Capesize (180 000 dwt)	\$20,500	\$0 →
Panamax (75 000 dwt)	\$14,000	\$0 →
Supramax (58 000 dwt)	\$11,000	-\$250 ↓

**Baltic Dry Index (BDI)** 2266.0

## 1 Year T/C Dry Bulk



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## Gas

### Chartering

#### EAST:

The East market has been in a standstill ever since past week incidents in Saudi Arabia that created a lot of uncertainty. Aramco October acceptances were finally announced last night, and to some peoples surprise it seems that most of the lifters still got nominations within October. However there were a lot of delays as expected, and this has created a vacuum in the market whereby we still have open ships for 01/10 Oct dates, but not that many cargos to fix. We therefore expect more ships to be sent back to the West, which is still also trading at a premium compared to the Eastern market. We also expect next fixing window in the East to slowly move towards 10/20 Oct owns, and Owners ideas are currently in the low/mid \$60s excluding awrip.

#### WEST:

This week has been a game of two halves: prior to the weekend, the market seemed content to wait to see the direction things were going after lengthy delays in the east and as such there was little in the way of fixtures. After the commotion in the middle east over the weekend, players took a day to try to assess what the damage was and what the subsequent impact on the market would be. On one hand, bunkers and crude prices soared, which was one factor in the strengthening of western rates. On the other, a flurry of fixtures has left vessel availability looking much shorter in the West. It will be interesting to see what this means for western rates moving forward

### LPG Rates

Spot Market (USD/Month)	This week	Change
VLGC (84 000 cbm)	\$1,400,000	\$50,000 ↑
LGC (60 000 cbm)	\$900,000	\$0 →
MGC (38 000 cbm)	\$815,000	\$0 →
HDY SR (20-22 000 cbm)	\$530,000	\$0 →
HDY ETH (17-22 000 cbm)	\$720,000	\$0 →
ETH (8-12 000 cbm)	\$450,000	\$0 →
SR (6 500 cbm)	\$450,000	\$0 →
COASTER Asia	\$255,000	\$0 →
COASTER Europe	\$250,000	-\$50,000 ↓

LGP/FOB Prices (USD/Tonne)	Propane	Butane
FOB North Sea/ANSI	\$277.50	\$291.50
Saudi Arabia/CP	\$350.00	\$360.00
MT Belvieu (US Gulf)	\$253.00	\$251.00
Sonatrach/Bethioua	\$286.00	\$312.00

### LNG Rates

Spot Market (USD/Day)	This week	Change
East of Suez 155-165 000 cbm	\$70,000	\$8,000 ↑
West of Suez 155-165 000 cbm	\$70,000	\$10,000 ↑
1 Year T/C 155-160 000 cbm	\$82,000	\$0 →

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# 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

108.21 ↑ 0.92

USD/KRW

1190.65 ↓ -2.70

USD/NOK

EUR/USD

8.96 ↓ -0.01

1.10 ↑ 0.00

### Interest Rates

#### LIBOR USD (6 months)

2.08% ↑ 0.03%

#### NIBOR NOK (6 months)

1.65% → 0.00%

### Commodity Prices

#### Brent Spot

\$64.55 ↑ \$2.17

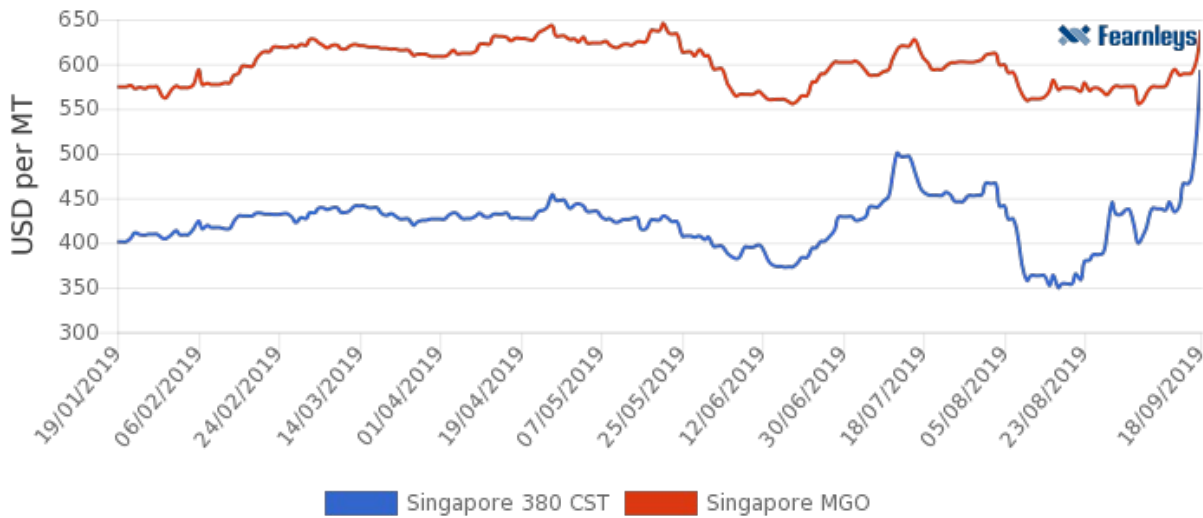
### Bunker Prices

#### Singapore

380 CST	180 CST	MGO
\$594	\$620	\$638
↑ \$148	↑ \$135	↑ \$55

#### Rotterdam

380 CST	180 CST	MGO
\$421	\$476	\$625
↑ \$92	↑ \$81	↑ \$48



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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