Fearnleys Weekly Report

Week 27 - July 06, 2022

Printer version

Tankers

Comment

VLCC

Rates continue to climb across the board, as strong enquiry and a tightening list is firming owner's sentiment. MEG/East is moving up through the WS 50's with WS 53.5 paid on a Vietnam run, albeit prompting dates and a higher speed in the Atlantic. Similar rate increases with Med/East now paying WS 57.5 and plenty of USG cargoes on the board at the time of writing.

However, the disparity between the occidental and unoccidental vessels is stark. With a price differential of eight to double, an owner able to burn the high sulphur can look to the region of USD 26-27k/day at present levels for a MEG/China run. However, for the non eco, non scrubbed vessels, on the same voyage, TCE returns are still struggling to break even. Many will be eyeing the next dry dock as an opportunity to fit a scrubber and level the playing field.

Outlook

Thus far, it's been a fairly active week which hopefully bodes well for the remainder of the third decade. The Atlantic is beginning to find sustained support from MEG/West enquiry which should see supply of ships ballasting straight to West Africa from the East. Russian suitable tonnage is also having a positive impact as most of these owners forego back-haul opportunities as their vessels are considered unsuitable for loading any grain. This is forcing tonnage to come ballast and stem from Black Sea ports. Whilst most regions have trained flat this week, it won't take much for TD20 to firm 2-3 points which in the East, TD23 will see out the remainder of the week trading in the WS 50's. MEG/China needs bedding on modern tonnage but should find a home between WS 52/-60.

Atlantic

Ships remain interested this week in the back of Cpetner supply of vessels and more oil fixtures returning from maintenance. Baltic Sunramax indexes continue to strengthen trying to secure vessels even for 3rd decade dates mainly for Eastbound voyages. Moving forward we might see rates climbing up further if activity remains strong and bigger sizes are not there to undercut Aframaxes. In the Med/Black sea we have seen rates soften this last week. Lack of cargo activity and Status Quo in Libya have led charterers to pick off that tonnage list in a quiet manner. Though there have been more fuel/long haul enquiries this week offering owners an escape from the area. There is a soft undertone for the balance of the week, and one to watch is possible disruptions and shut down of the Caspian Pipeline supplying crude via CPC (Novorossiysk).

Freight

Asian Clean incl. EGA		
MEG/WEST (280 000)	WS 33.0	-1.0 ↓
MEG/Japan (280 000)	WS 55.5	3.0 ↑
MEG/Singapore (280 000)	WS 56.5	3.0 ↑
WAF/FEAST (260 000)	WS 57.5	3.5 ↑
WAF/USAC (130 000)	WS 115.0	2.5 ↑
Sidi Kerir/W Med (135 000)	WS 115.0	0.0 →
N. Afr/Ilumend (80 000)	WS 155.0	-15.0 ↓
UK/Cont (80 000)	WS 175.0	0.0 →
Caribs/USG (70 000)	WS 192.5	12.5 ↑
Time TC (USD/Day)		
VLCC (Modern)	$25000.0	$1,000 ↑
Suezmax (Modern)	$19500.0	$500 ↑
Aframax (Modern)	$23500.0	$0 →

Cargo

VLCCs fixed in all areas last week	50
VLCCs available in MEG next 30 days	142

Time TC chart

Dry Bulk

Comment

Overview

It's been a disappointing week for the big ships as the Pacific has been beaten down almost 30% w-o-w. This has impacted the general sentiment, but not to same extend as there is some signs of improvement in the South Atlantic and South Africa segment. The Pacific still looks gloomy as there is available tonnage around for the expected program, however the rates itself is poor which gives support. In other words, with the Pacific now holding and activity in the West improving you could expect a better week to come.

Capesize

Overall, it was a further week of red numbers for the Panamax indices, a rather flat market with limited activity again. Despite a quiet market numbers drifted and little activity reported. FFA and the Cape market failed to offer any solace with the market seemingly drifting.

Some representative fixtures this week:
The Fogata Navigator (81,960 2012) delivery ex EC South America 16/17 July was alleged fixed for a trip redelivery Far East at $23,750 + $1,375,000 with Oldam.
Ocean Harmony (82,257 2010) Kaohsiung (ACM1) Spore 25/28 Jul fixd subs 11/13 months redel WWide $22,000 – Vitoria.
Am Lineage (81,788 2011) Dunkirk 8 Jul 1/3 months redel Far East $31,250 – Oldam.
Greece Universals (73,802 2005) retro Spore 21 Jun fixd to sea ECSA redel Fare East $19,500 – Oldenkoff.
Corn Rohas (80,178 2020) Izmailiyat Aunan 7 Jul fixd subs tct via EC Aussie redel Vietnam or – Tongli.
Jag Aalok (82,022 2016) Tianjin promot fixd tct via NoPac redel Spore Jun $20,500 – Pac bulk.
Navios Taurus (76,596 2005) Qingzhou 11 Jul fixd subs tct via Indonesia redel S.China $18,000 – Lintao.
Coventry (82,464 2011) Spore 9 Jul fixd tct via Indonesia redel India $26,000 – LSS.

Panamax

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Supramax

Slow start to the week due to US holidays and limited activity from the Atlantic. Little information from Asia as they stay put to see a clear direction.

Baltic Supramax Index down 17 points on July 5th landing at 2,265. This due to slightly too many vessels open for cargo in Asia. BSI weighted TC average down 186 landing at 24,917. Asia TC weighted average down 417 but landing at almost same.

Market is slightly down, however, rates still remain at decent levels. Scrap run from Baltic to SE Asia was done at low USD 20,000. Ultramax from Baltic with feets to ECSA was covered around USD 13,000.

On Indo China round Supramax was fixed around USD 26,000. On the period front 61,028 dwt open Rotterdam 29/30 July fixed USD 22,500 for 1 year.

Index

Capesize (USD/Day, 5MA/Trend)		
TCI Cape/far East (180 DWT)	$42,500	-$2,111 ↓
Australia – China	$10.4	-$1.4 ↓
Pacific RV	$9,400	-$6,082 ↓
Panamax (USD/Day, 5MA/Trend)		
Transatlantic RV	$21,395	-$970 ↓
TCI Cape/far East	$30,055	-$863 ↓
TCI Far East/Cont	$16,243	-$1,895 ↓
TCI Far East RV	$18,806	-$961 ↓
Supramax (USD/Day)		
Atlantic RV	$20,995	$803 ↑
Pacific RV	$24,664	-$715 ↓
TCI Cape/far East	$20,813	-$795 ↓
Time TC (USD/Day)		
Newcastlemax (208 000 dwt)	$26,500	$0 →
Capesize (180 000 dwt)	$21,000	$0 →
Kamsarmax (82 000 dwt)	$22,000	-$1,000 ↓
Panamax (75 000 dwt)	$20,000	-$2,000 ↓
Ultramax (64 000 dwt)	$25,000	$0 →
Supramax (58 000 dwt)	$21,000	-$500 ↓
Baltic Dry Index (BDI)	$2,943	

Time TC Dry Bulk

Gas

Comment

EAST
The Middle East Gulf position list has been looking a bit lengthy lately which has resulted in freight coming off little by little. Now there seems to be some improvement in the balance. The arrival of FOB cargo tenders in other regions which should help absorb more vessels. Indian inventories are also currently on the rise which could cause some delays in ports and consequently more spot requirements from Indian PSUs. One ship was placed on subs earlier this week just above the Baltic benchmark which also could be a sign of freight bottoming out from here.

WEST
With United States off on Monday due to Independence Day we got off to a slow start to the week. Fixing activity is, however, looming in the West with both cargo and subsequent shipping tenders ex West- and North Africa. In the USG, an Indonesian player has floated a vessel requirement and is attracting attention from several players, either against the FOB/CFR tender or the shipping requirement which are both in play.

Freight rates are hovering around the USD 108-110 mark and it is likely that more fixing will take place as the week progresses.

LPG Spot

East Market (USD/Month)		
VLGC (84 000 cbm)	$1,000,000	$0 →
LGC (60 000 cbm)	$1,050,000	$0 →
MGC (38 000 cbm)	$955,000	$0 →
HDY SR (25-22 000 cbm)	$710,000	$0 →
HDY ETH (17-22 000 cbm)	$820,000	$0 →
ETH (8-12 000 cbm)	$500,000	-$15,000 ↓
SR (6 500 cbm)	$465,000	$0 →
COASTER Asia	$270,000	$0 →
COASTER Europe	$365,000	-$15,000 ↓

LPG FOB Prices - Propane (USD/Tonne)

FOB North Sea/ARA	$696	-$39 ↓
Saudi Arabia/CP	$725	-$25 ↓
MT Belview (US Gulf)	$609	-$28 ↓
Sonatrach/Bethioua	$700	-$30 ↓

LPG FOB Prices - Butane (USD/Tonne)

FOB North Sea/ARA	$657	-$146 ↓
Saudi Arabia/CP	$725	-$25 ↓
MT Belview (US Gulf)	$566	-$28 ↓
Sonatrach/Bethioua	$650	-$175 ↓

LNG Spot

East (Fear.USD/Day)		
East of Suez 155-165 000 cbm	$55,000	-$4,000 ↓
West of Suez 155-165 000 cbm	$46,000	-$4,000 ↓
1 Year T/C 155-160 000 cbm	$135,000	$0 →

Newbuilding

Recent Orders

Tankers	Slow	Slow
Dry Bulkers	Slow	Slow
Others	Moderate	Moderate

Prices

VLCC	$135.0	$0.0 →
Suezmax	$81.0	$0.0 →
Aframax	$63.5	$0.0 →
Product	$45.0	$0.0 →
Newcastlemax	$66.0	$0.0 →
Kamsarmax	$37.5	$0.0 →
Ultramax	$35.5	$0.0 →
LNGC (MEGI) (cbm)	$228.0	$0.0 →

Sale & Purchase

Prices

Dwt 10 yr		
Capesize	$34.0	$0.0 →
Kamsarmax	$38.0	$0.0 →
Ultramax	$34.5	$0.0 →
Dwt 15 yr		
Capesize	$28.0	$0.0 →
Kamsarmax	$29.0	$0.0 →
Ultramax	$28.0	$0.0 →
Dwt 5 yr		
VLCC	$88.0	$2.0 ↑
Suezmax	$55.0	$1.0 ↑
Aframax / LR2	$51.0	$0.0 →
MR	$34.0	$0.5 ↑
Dwt 10 yr		
VLCC	$66.0	$1.0 ↑
Suezmax	$45.5	$1.5 ↑
Aframax / LR2	$34.0	$0.0 →
MR	$24.0	$0.0 →

Market Brief

Exchange Rates

USD/JPY	118.50	2.53 ↑
USD/NKR	1215.50	7.25 ↑
USD/NOK	9.24	-0.01 ↓
EUR/USD	1.10	0.00 →

Interest Rates

LIBOR USD (6 months)	2.97%	0.02% ↑
NIBOR NOK (6 months)	1.85%	0.00% →

Commodity Prices

Brent Spot	$102.80	-$3.50 ↓

Bunker Prices

Singapore 380 CST	$555.5	-$52.0 ↓
Singapore Gasoil	$1,210.5	-$132.5 ↓
Rotterdam 380 CST	$542.0	-$49.0 ↓
Rotterdam Gasoil	$1,129.0	-$81.0 ↓

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.

Disclaimer