Fearnleys Weekly Report

Week 32 - August 10, 2022

Printer version

Tankers

Commentary

VLCC

A clever game played by charterers this week, as strong activity is kept in the shadows and vessels are picked off the list. We are up 3 points WS and 3 points TCE on the week, with the WAF/FEAST route leading the way. Rates remain strong in the Atlantic, with MEG/East remaining pegged in the high WS 50's. Owners should maintain some hope as we swing towards the Autumn tracking program, as the list remains balanced and those requiring modern ships will find them a little scarcer. A point of note, WS 65 achieved off-very prompt dates, but given the lack of competition not a reflection on the market, and the weight had been sat in the MEG for a while, so the TCE was close to USD 0.

The Transatlantic activity increased with a number of ships fixing USG/UKC at USD 3.0m, and we expect to see more of this trade going forward.

Comments

The Suezmax market have been absolutely nothing to talk about the last week. Activity has been almost non-existing and the whole market have basically been waiting for a downward correction. This all changed yday with activity picking up in the USG on prompt, and the WS 150 level being hit. The WS 130 level also seems attractive for many open Cont/Med and the only ship willing to look at WAF will be eastern balancers. All of this will create tonnage in these markets, hopefully keeping rates close to last done levels. In the MEG, it's still rather quiet, except from short voyages into India. A bit of ships still basking Aloft or Bass Instead, so we expect the MEG market to remain around current levels.

Aframax

The North Sea/Baltic market been moving sideways this week with rates for a cross UKC paying around WS 180 level. However, with the Baltic program coming out next week, we expect to see a bit more activity. The Mediterranean market have been under some pressure on rates moving into the 3rd decade fixing window. The Med/Black market continued the downward spiral throughout last week. There's been some under the radar activity this week, but not sufficient to support the prompt and available tonnage hence freight levels taken a further dip this week. We don't foresee any real improvements for the balance of the week unless activity bounces back. However, some owners now ballasting away eyeing more promising returns in the USG.

Rates

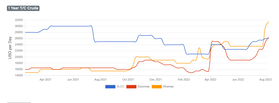
Dirty Clean WS 2022		
MEG/WEST (280 000)	WS 32.0	-2.0 ↓
MEG/Japan (280 000)	WS 58.0	0.0 →
MEG/Singapore (270 000)	WS 59.0	0.0 →
WAF/FEAST (260 000)	WS 59.0	-1.0 ↓
WAF/USAC (130 000)	WS 122.5	-7.5 ↓
Sidi Kerir/W Med (135 000)	WS 147.5	-12.5 ↓
N. Afs/Ceyhan (80 000)	WS 175.0	-85.0 ↓
UK/Cont (80 000)	WS 185.0	-1.0 ↓
Caribs/USG (70 000)	WS 325.0	85.0 ↑

Time T/C (USD/Day)	
VLCC (Modern)	$26000.0
Suezmax (Modern)	$26500.0
Aframax (Modern)	$17000.0

VLCC

VLCCs fixed in all areas last week	62
VLCCs available in MEG next 30 days	139

Time T/C Chart



Dry Bulk

Commentary

Capesize

After last week's drop with an activity blackout, market have found some ground as all the miners are back again for West Australia. However, though market is active and P6 fixtured a bit the physical levels are not dramatically higher as there still is a lot of availed tonnage around as congestion has eased. The expectation for next week is some improvements as levels have been so hard smacked down, however with summer doldrums it's hard to imagine a very big movement.

Panamax

A further slow week activity wise with limited activity emerging. Sentiment consequently appeared weaker in both basins largely owing to a lack of activity according to some but across the board the tonnage profile continues to grow for now.

Some representative fixtures this week:

The Great Triumph (73,833 2015) San Ciprian 13 August was heard to have fixed ColderPort's latest Kamsar to San Ciprian bauxite lift at $16.10 fio.

Yasa Fortune (82,849 2006) Gibraltar 14 August was said to have fixed for a front haul trip at a rate in the mid-upper $20,000s.

Sifnos (81,694 2015) Veracruz 6-9 August was fixed for a trip via EC Australia redelivery India at $18,500.

Amalia (81,783 2015) Gib fi-12 Aug fhd subs tct via NCSA redel Skaw-Gib (intn Jort Leofar) $20,500 – Norden.

Black Pearl (79,600 2012) Hong Kong 12 Aug tct via Indonesia redel India $14,000 + cnr.

Mi Original (81,874 2012) Puttan 9/10 Aug tct via Indonesia redel S China $14,000 + cnr.

ASL Venus (82,153 2011) Masinloc 13 Aug tct via Indonesia redel India $18,000 – Swaters.

Supramax

The Supra market in still ticking activity across at trading areas. Slow start of the week with declining sentiment. ECSA and USG are keeping steady momentous tough rates are not impressive. North Atlantic, Continent and Mediterranean markets suffering lack of inquiry.

Supramax deky Brazil TCT to Algeria fixed at USD 25,000 pd. Trips from Continent to Med with scrap fixing below USD 20's drop on modern Supramax. Trading in Russian grains also showing premium.

Indian Ocean and South Africa markets are stable with rates remaining like last done for backhauls and front/haul trips. Supramax SE DWT open WCI was fixed at USD 20,000 pd for trip to Bangladesh with aggregates. Far Eastern market is trading sideways with fixture reports Tess 58 delivery Singapore - China range via Australia with ongoing rate around USD 20,000 pd, depending on delivery and vessel's specifications.

Rates

Capesize (USD/Day, USD/Tonne)		
TC3 Cont/Far East (180 000T)	$34,469	-$812 ↓
Australia – China	$8.8	$1.1 ↑
Pacific RV	$10,550	$1,177 ↑

Panamax (USD/Day, USD/Tonne)		
Transatlantic RV	$19,545	-$365 ↓
TC5 Cont/Far East	$26,927	-$423 ↓
TC6 Far East/Cont	$11,700	-$685 ↓
TC8 Far East RV	$15,235	-$205 ↓

Supramax (USD/Day)	
Atlantic RV	$17,681
Pacific RV	$16,479
TC9 Cont/Far East	$19,250

Time T/C (USD/Day)		
Newcastlemax (180 000 dwt)	$21,750	-$1,250 ↓
Capesize (150 000 dwt)	$17,250	$750 ↑
Kamsarmax (82 000 dwt)	$19,000	-$1,000 ↓
Panamax (75 000 dwt)	$17,500	-$1,000 ↓
Ultramax (64 000 dwt)	$21,000	$0 →
Supramax (58 000 dwt)	$16,500	$0 →
Baltic Dry Index (BDI)	$1,592	

Time T/C Dry Bulk

Gas

Commentary

EAST

With Singapore off for National day on Tuesday the market naturally took a small breather. So far just a few charterers have been showing interest in early September laycans, but Asmoc acceptances are just around the corner and we expect more shipping instruments to follow. As the cargo troops for next month starting to take shape we will eventually also get a more accurate picture for the shipping balance into September.

WEST

Last week we saw an uptick in activity after a couple of weeks with slow pace in the Western market. So far this week the pace of activity has been on par with last week and we have seen a few more fixtures. Some of the fixtures concluded were in the 90k/91k CBM while we see around 92/ for September dates. There are still some ships left from Jul/Aug in USG with short list of charterers to cover. The arb has narrowed a bit lately which has not been good for freight. A 1.75 million build would help widen it and maybe give freight some support.

Rates

LPG/VLGC Prices - Propane (USD/Month)		
VLGC (84 000 cbm)	$900,000	$100,000 ↑
LGC (60 000 cbm)	$850,000	$0 →
MGC (38 000 cbm)	$915,000	$0 →
HDY SR (20-22 000 cbm)	$730,000	$0 →
HDY ETH (17-22 000 cbm)	$820,000	$0 →
ETH (8 12 000 cbm)	$490,000	-$10,000 ↓
SR (6 500 cbm)	$450,000	$0 →
COASTER Asia	$270,000	$0 →
COASTER Europe	$345,000	-$5,000 ↓

LPG/VGC Prices - Propane (USD/Tonne)		
FOB North Sea/ANSI	$636	-$40 ↓
Saudi Arabia/CP	$670	-$55 ↓
MT Belvieu (US Gulf)	$553	-$51 ↓
Sonatrach/Bethioua	$660	-$40 ↓

LPG/VGC Prices - Butane (USD/Tonne)		
FOB North Sea/ANSI	$608	-$49 ↓
Saudi Arabia/CP	$660	-$65 ↓
MT Belvieu (US Gulf)	$464	-$42 ↓
Sonatrach/Bethioua	$645	-$5 ↓

Ethylene		
Spot Market (USD/Month)		
East of Suez 155-165 000 cbm	$45,000	-$2,500 ↓
West of Suez 155-165 000 cbm	$80,000	$40,000 ↑
1 Year T/C 155-160 000 cbm	$130,000	$0 →

Newbuilding

Recent Orders

Tankers	Slow	Slow
Dry Bulkers	Slow	Slow
Others	Moderate	Moderate

Prices

VLCC	$120.0	$0.0 →
Suezmax	$81.0	$0.0 →
Aframax	$63.5	$0.0 →
Product	$43.0	$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

Tanker

Last 7 days		
Capesize	$54.0	$0.0 →
Kamsarmax	$38.0	$0.0 →
Ultramax	$34.5	$0.0 →

Last 30 days		
Capesize	$38.0	$0.0 →
Kamsarmax	$29.0	$0.0 →
Ultramax	$28.0	$0.0 →

Next 12 M's		
VLCC	$82.0	$0.0 →
Suezmax	$56.0	$0.0 →
Aframax / LR2	$51.0	$0.0 →
MR	$36.5	$0.0 →

Next 30 M's		
VLCC	$59.0	$0.0 →
Suezmax	$41.5	$0.0 →
Aframax / LR2	$38.5	$0.0 →
MR	$27.0	$0.0 →

Market Brief

Exchange Rates		
USD/JPY	118.50	2.33 ↑
USD/KRW	1235.50	7.25 ↑
USD/NOK	9.24	-0.01 ↓
EUR/USD	1.10	0.00 →

Interest Rates		
LIBOR USD (6 months)	3.33%	0.14% ↑
NIBOR NOK (6 months)	1.85%	0.00% →

Commodity Prices		
Brent Spot	$96.50	$1.30 ↑

Business Prices		
Singapore 380 CST	$588.0	$5.5 ↑
Singapore Gasoil	$951.5	-$75.0 ↓
Rotterdam 380 CST	$494.0	-$12.0 ↓
Rotterdam Gasoil	$997.0	-$25.0 ↓

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