

Fearnleys Weekly Report

Week 47 - November 23, 2022

Printer version

Tankers

Comments

VLCC

After a hectic week in Dubai, most charterers return with a more relaxed feel, with plenty of deals having been done under the radar/over the dinner table. TD3C is wobbling, with WS 115 being the last done at present. With a number of oil co. relets pushed and we close in on the quieter 10-20-decade laycans, more downward pressure is possible.

Looking to the Atlantic for strength and plenty to be found on the smaller ships. For the VL's rates are holding, with a number of deals done USG-Ningbo at the USD 14.5m level. However, laycans in Wafr and the USG within range of Eastern ballasters will be under pressure.

Charterers have played the "off-market" game very well to remove what was some considerable heat. Big TCE's remain however, and any major rapid drop in rates looks unlikely, if owners hold their nerve.

Suezmax

The global Suezmax market continues to benefit from a mixture of sustained enquiry levels and regional anomalies, which have combined to deliver a very stable/firm market. In the East, there has been huge volatility with TD23 trading at WS 130 off ultra-prompt dates, whilst natural dates hover around WS 115-117.5 with upside bias (this is mainly down to tighter 2x20 ton crane availability up to 10'Dec'). A MEG/East run needs testing but you're unlikely to see much change from WS 210 with rates will ultimately capped by VLCCs. The Atlantic maintains a highly volatile outlook with all regions cannibalizing the same list which has created logical stresses. Med and USG Aframax cargoes continue to take out early Suezmax tonnage which, for now, will continue to provide solid support.

Aframax

Rates in all three West of Suez markets have surged last week, hitting all-time highs on the back of busy activity that inevitably made the whole supply of vessels tight. Nsea was fixed as high as WS 295 with most of owners refusing to offer as surrounding areas paying much better. Moving forward we expect owners to try to maintain stand then push for more as the list is tight. Question remains on Russian liftings after 5th of December, that will make more tonnage available for non-premium business. In the Med, rates reached levels above WS 400 ex Libya and well above WS 500 ex CPC as owners were trying to push for higher after every fixture. Market might cool off at some point if any of the surrounding areas takes a step back as well, but for the time being we don't expect a big drop in the rates.

Rates

Dirty (Spot WS 2021)

MEG/WEST (280 000)	WS 67.5	-2.5 ↓
MEG/Japan (280 000)	WS 117.5	-7.5 ↓
MEG/Singapore (280 000)	WS 117.5	-7.5 ↓
WAF/FEAST (260 000)	WS 120.0	0.0 →

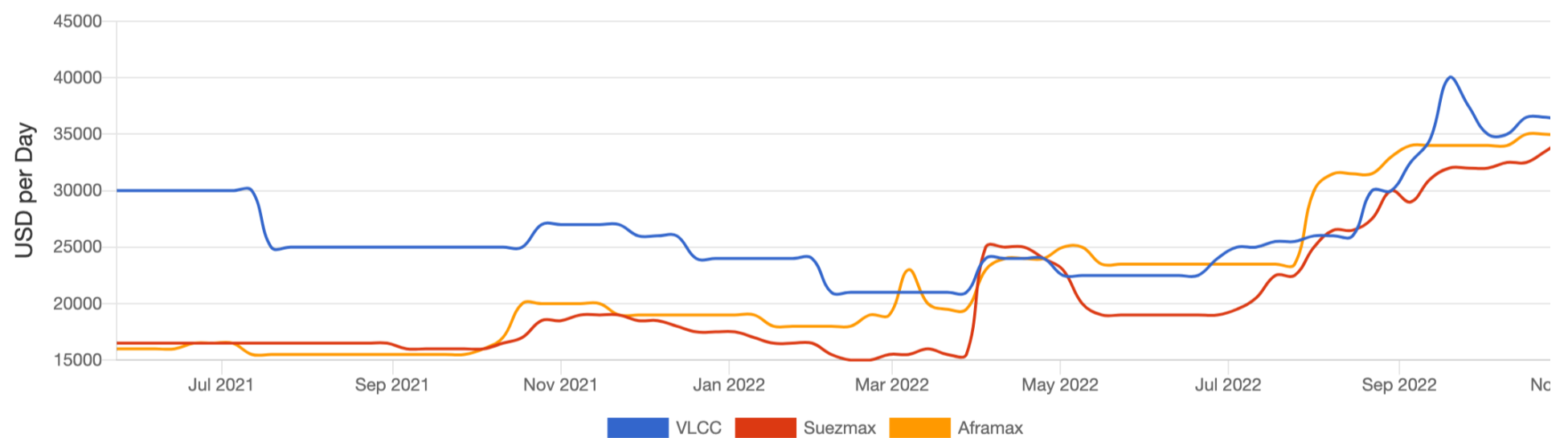
WAF/USAC (130 000)	WS 220.0	27.5 ↑
Sidi Kerir/W Med (135 000)	WS 270.0	80.0 ↑
N. Afr/Euromed (80 000)	WS 415.0	120.0 ↑
UK/Cont (80 000)	WS 300.0	77.5 ↑
Caribs/USG (70 000)	WS 575.0	145.0 ↑

1 Year T/C (USD/Day)

VLCC (Modern)	\$40500.0	-\$1,000 ↓
Suezmax (Modern)	\$39500.0	\$1,000 ↑
Aframax (Modern)	\$39000.0	\$2,000 ↑

VLCC

VLCCs fixed in all areas last week	46	-27 ↓
VLCCs available in MEG next 30 days	138	3 ↑

1 Year T/C Crude**Dry Bulk****Comments****Capesize**

There are presently some improvements in the spot market, although overall average is down USD 1000 from last week. C5 is down from USD 8.375 to USD 7.7 whilst c3 moved from 18.9 to 17.4 at present. 2023 is approaching fast, with Q1 values in the low USD 6000s and generally low expectations for the beginning of the new year. On top, number of Covid cases are increasing in the Far East, with concerns this will have negative impacts on the Chinese economy.

Panamax

Further easing for the Panamax market this week. With the negative sentiment carrying over from the last week there was little positive news so far with both charterers and owners yet to show their hands, but the immediate outlook looked more in charterers favor so far, market negative across the board.

Supramax

Softer undertone continued across all basins in the Supramax market, with few fresh news to bring the market to life.

The Atlantic still looks better compared to Pacific with rates on Supra trading well sub USD 10,000 pd. Though we can clearly see activity in Atlantic reducing in main load areas. USG lost its ground, FH fixture was reported USD 24,000 pd for TCT to South East Asia. ECSA remains stable with 61,000 dwt fixed basis delivery West Africa TCT via ECSA to Spore/Japan with grains at USD 24,000 pd.

Asia market is stabilizing and found a bottom, however rates are still low. A modern Ultramax fixing around USD 8,000 pd for trip from Vietnam to USG.

Rates

Capesize (USD/Day, USD/Tonne)

TCE Cont/Far East (180 DWT)	\$25,750	\$687 ↑
Australia – China	\$7.7	-\$0.3 ↓
Pacific RV	\$7,932	-\$373 ↓

Panamax (USD/Day, USD/Tonne)

Transatlantic RV	\$12,905	-\$900 ↓
TCE Cont/Far East	\$21,309	-\$1,127 ↓
TCE Far East/Cont	\$9,370	-\$1,838 ↓
TCE Far East RV	\$10,918	-\$2,499 ↓

Supramax (USD/Day)

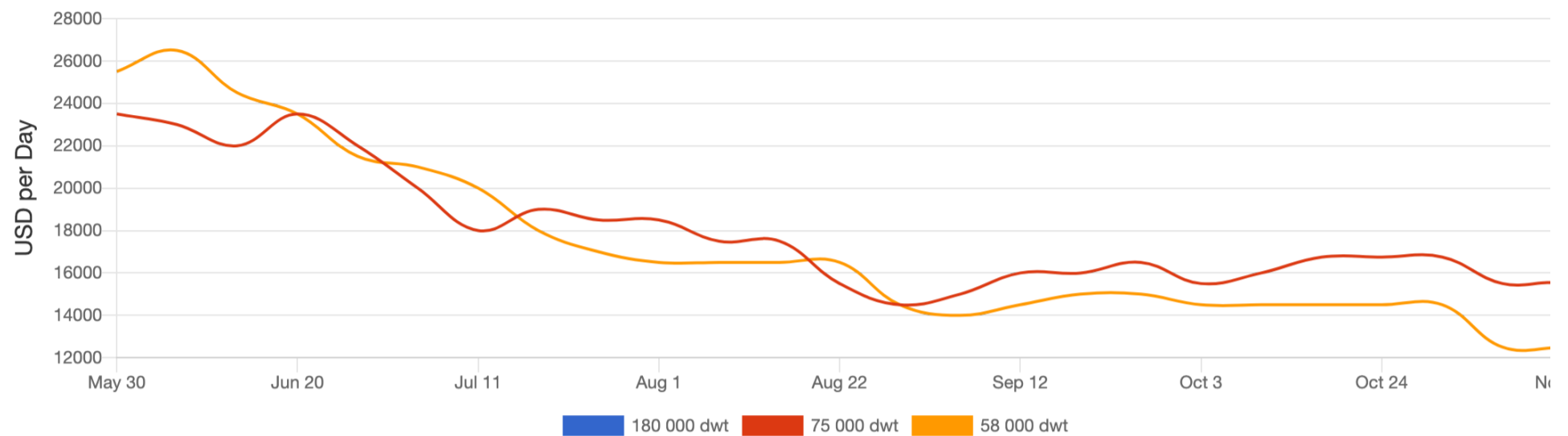
Atlantic RV	\$18,879	-\$208 ↓
Pacific RV	\$7,921	\$252 ↑
TCE Cont/Far East	\$22,975	\$37 ↑

1 Year T/C (USD/Day)

Newcastlemax (208 000 dwt)	\$17,000	\$0 →
Capesize (180 000 dwt)	\$13,000	-\$250 ↓
Kamsarmax (82 000 dwt)	\$15,500	-\$1,000 ↓
Panamax (75 000 dwt)	\$14,500	-\$1,000 ↓

Ultramax (64 000 dwt)	\$13,000	-\$1,000 ↓
Supramax (58 000 dwt)	\$11,000	-\$1,500 ↓
Baltic Dry Index (BDI)	\$1,184	

1 Year T/C Dry Bulk



Gas

Chartering

EAST

East freight is still trading at a big premium to the West at around 20 dollars and that's before including the massive waiting time in Panama. We currently count 13 spot deals done in the Middle East for December (compared to a monthly average of about 30 deals in the past four months). With freight starting to look more balanced into second half of December in the East the pace for fixing seems to have come off a little bit so far this week. Although not by much, it is also worth noticing the decreasing numbers on the indexes which could be an early sign of freight topping out.

WEST

The Western freight market has shifted focus towards January with 5-6 spot fixtures concluded since end of last week, both in 1st and 2nd decade. December fixing looks to soon be finished seeing only one potential candidate left in the very end as we currently count 23 spot deals this month, which is the lowest since August (22 spot). Further on into early January the position list is looking tight with only 5-6 available positions and half of them might end up in MEG. With the Panama Canal still heavily congested at respectively 23 days northbound and 19 southbound in the Neo locks having either a Panamax or a firm itinerary will be a key advantage as we are getting closer to Christmas. Last done fixture concluded at around USD 200 H/C for a Neo-VLGC and a few dollars more for a Panamax.

LPG Rates

Spot Market (USD/Month)

VLGC (84 000 cbm)	\$3,800,000	\$0 →
LGC (60 000 cbm)	\$2,000,000	\$0 →
MGC (38 000 cbm)	\$1,125,000	\$0 →
HDY SR (20-22 000 cbm)	\$800,000	\$10,000 ↑
HDY ETH (17-22 000 cbm)	\$860,000	\$10,000 ↑

ETH (8-12 000 cbm)	\$500,000	\$0 →
SR (6 500 cbm)	\$450,000	\$0 →
COASTER Asia	\$270,000	\$0 →
COASTER Europe	\$300,000	\$0 →

LPG/FOB Prices - Propane (USD/Tonne)

FOB North Sea/ANSI	\$557	\$0 →
Saudi Arabia/CP	\$610	\$0 →
MT Belvieu (US Gulf)	\$433	-\$19 ↓
Sonatrach/Bethioua	\$572	\$0 →

LPG/FOB Prices - Butane (USD/Tonne)

FOB North Sea/ANSI	\$588	\$0 →
Saudi Arabia/CP	\$610	\$0 →
MT Belvieu (US Gulf)	\$447	-\$9 ↓
Sonatrach/Bethioua	\$590	\$0 →

LNG Rates**Spot Market (USD/Day)**

East of Suez 155-165 000 cbm	\$250,000	-\$35,000 ↓
West of Suez 155-165 000 cbm	\$275,000	-\$100,000 ↓
1 Year T/C 155-160 000 cbm	\$185,000	-\$5,000 ↓

Newbuilding**Activity Levels**

Tankers	Slow	Slow
Dry Bulk	Slow	Slow
Others	Moderate	Moderate

Prices

VLCC	\$121.0	\$0.0 →
Suezmax	\$81.0	\$0.0 →

Aframax	\$63.5	\$0.0 →
Product	\$43.5	\$0.0 →
Newcastlemax	\$66.0	\$0.0 →
Kamsarmax	\$37.5	\$0.0 →
Ultramax	\$35.5	\$0.0 →
LNGC (MEGI) (cbm)	\$240.0	\$0.0 →

Sale & Purchase

Prices

Dry (5 yr)

Capesize	\$44.0	\$0.0 →
Kamsarmax	\$31.0	\$0.0 →
Ultramax	\$28.5	\$0.0 →

Dry (10 yr)

Capesize	\$30.0	\$0.0 →
Kamsarmax	\$23.5	\$0.0 →
Ultramax	\$23.0	\$0.0 →

Wet (5 yr)

VLCC	\$91.0	\$0.0 →
Suezmax	\$61.5	\$0.0 →
Aframax / LR2	\$56.0	\$0.0 →
MR	\$40.0	\$0.0 →

Wet (10 yr)

VLCC	\$66.0	\$0.0 →
Suezmax	\$45.0	\$0.0 →
Aframax / LR2	\$42.0	\$0.0 →
MR	\$29.5	\$0.0 →

Market Brief

Exchange Rates

USD/JPY	118.50	2.53 ↑
USD/KRW	1235.50	7.25 ↑
USD/NOK	9.24	-0.01 ↓
EUR/USD	1.10	0.00 ↓

Interest Rates

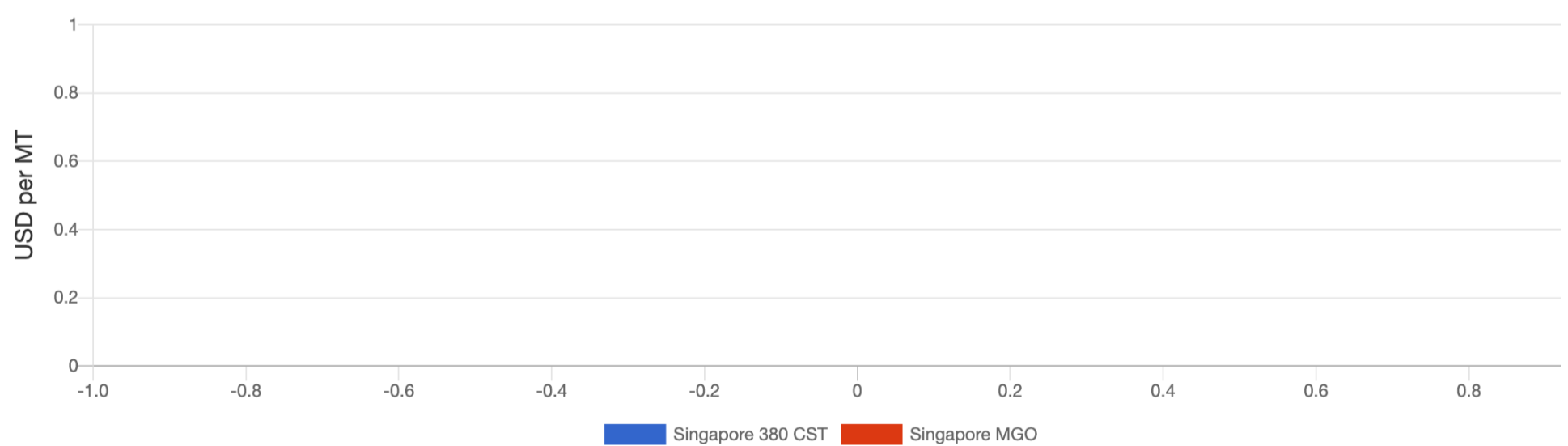
LIBOR USD (6 months)	5.17%	0.05% ↑
NIBOR NOK (6 months)	2.58%	0.00% →

Commodity Prices

Brent Spot	\$88.50	\$1.00 ↑
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Bunkers Prices

Singapore 380 CST	\$426.5	-\$2.5 ↓
Singapore Gasoil	\$1,026.0	-\$32.0 ↓
Rotterdam 380 CST	\$391.5	-\$33.0 ↓
Rotterdam Gasoil	\$921.5	-\$48.0 ↓



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.

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