



Fearnleys Weekly Report

Week 37 - September 13, 2023

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01 Tankers

VLCC

Plenty of deals continue under the radar as rates continue to struggle gaining traction. The September MEG stems are almost at a completion, bar a few very end month stems and/or replacement deals. A healthy volume, with close to 150 cargoes lifted, is a clear USD 30+ million barrels more than the August total. Despite this, tonnage remains in abundance with plenty of ships hanging over into October and rates continue to hover around the WS 36-37 level for TD3C.

In the Atlantic, there is a little more expectation for upward movement, but not by any big jumps, as tonnage remains a little tighter for prompter dates. Any owners looking at a ballast via cape, given the current low rates, locking in a long ballast and it closing out your year, all makes it a little less attractive. As such, fewer ships may be willing to make the move until we see a little improvement.



consistently the month with weakest rates and those with a good memory will know these markets can change quick. With oil price knocking on USD 95, OPEC may need to rethink production cuts in due course.

Suezmax

VLCCs are coming more into play and diluting/capping Suezmax rates. A case in point is a Basrah/West-East stem that is presently looking at both vessel classes. TD23 has traded mid/high WS 50's this week and has only been saved by the fact that Suezmax tend to work out marginally cheaper when going through the ditch (plus port restrictions on larger ladies). However, if the cargo needs to go East, it's a no brainer to take a VLCC over a Suezmax.

The wider Atlantic has a flat fleet with no evident upswing in the offing. TD23 will trade out the balance of the week in the low WS 70's with TD6 pinned down at a steady WS 72.5.

Aframax

The Aframax market in the North Sea hit bottom level end of last week with rates hovering around WS 92.5-95 level. The soft sentiment continued into this week. Despite a tighter tonnage list, we still need to see a bigger cargo volume before we will see any improvement in rates. More of the same in the BSea/Med with rates taking another hit and reaching new low levels. Activity was moderate last week as well and despite charterers fixing for forward dates the rates remained poor. We don't expect any upside potential in the short term as tonnage list is still long enough and surrounding areas don't offer better alternatives.

Rates

Dirty
(Spot WS 2023, Daily Change)

 [Click rate to view graph](#)

MEG/WEST

280'



MEG/Japan

38

280'

0 >

MEG/Singapore

37

280'

0 >

WAF/FEAST

42

260'

0 >

WAF/USAC

130'

0 >

Sidi Kerir/W Med

67.5

135'

0 >

N. Afr/Euromed

85

80'

-15 ✓

UK/Cont

95

80'

-5 ✓



Caribs/USG

95

70'

-7.5 ✓

1 Year T/C
(USD/Day, Weekly Change)

[Click rate to view graph](#)

VLCC

Modern

\$0 >

Suezmax

\$36,000

Modern

\$0 >

Aframax

\$38,500

Modern

\$0 >

VLCCs

[Click rate to view graph](#)

Fixed in all areas last week

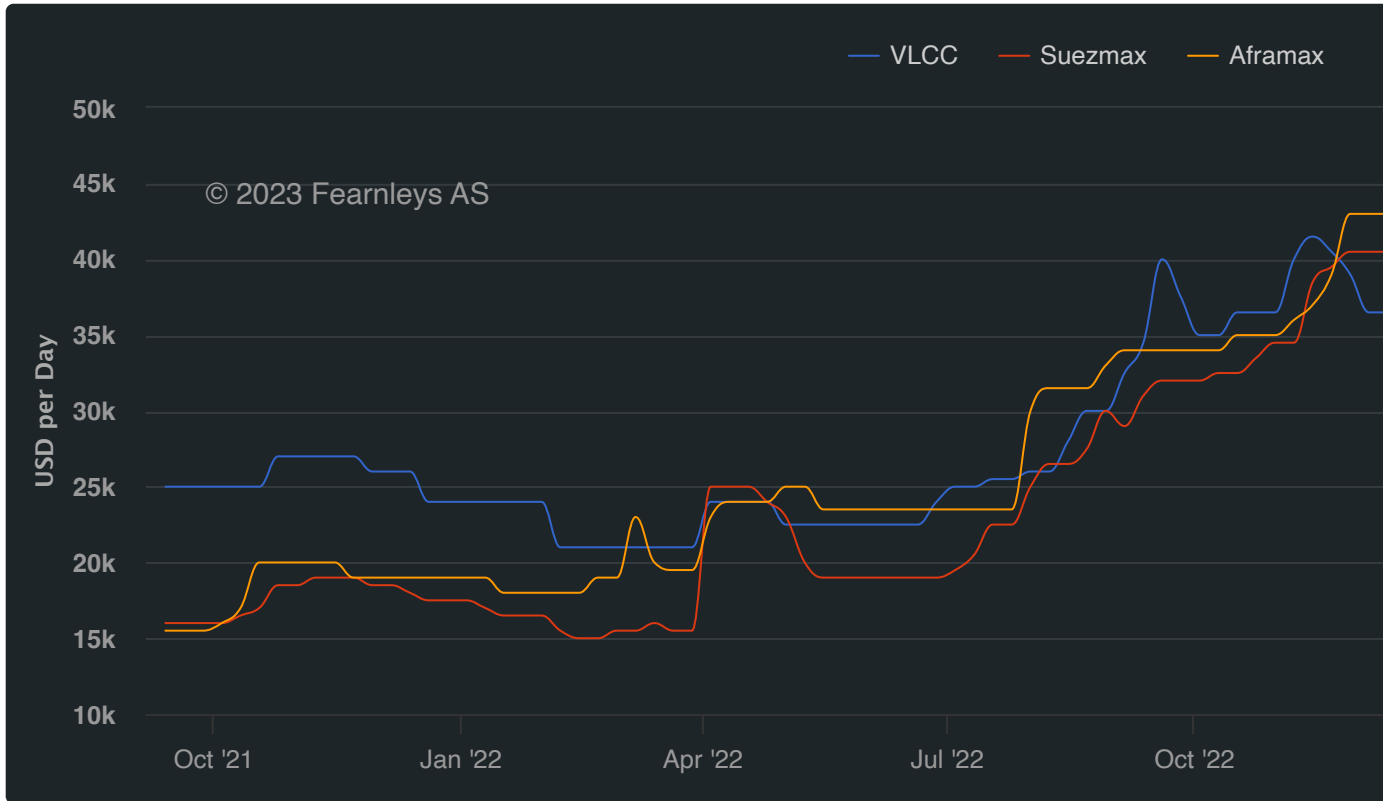
51

0 >

Available in MEG next 30 days

143

0 >



02

Dry Bulk

Capesize

The week started with significant volumes for mid-late September C5, East Australia, and Pacific business, contributing to an uptick in optimism. Late September, South Africa and India volumes hold at reasonably healthy levels. On C3 ex Brazil to China, the week started off quiet and we see very scarce late September-early October stems. C3 activity level increased slightly mid-week for mid Oct. Tonnage in Far East is dwindling but number of ballasters remain substantial. C5 levels increased slightly from last week, with fixtures concluding at low-mid USD 8 pmt levels. On C3, owners are adopting a conservative approach. Limited fixtures concluding at USD 20 pmt



180K DWT 2013 build non-scrubber for one year.

Panamax

The Panamax market remains buoyant, with high vessel counts in East Coast South America boosting a rally that has seen the BPI index reach new highs since July, with a 10.2% increase week-to-week. Factors such as increased vessels heading to the US and a low vessel presence East of Suez could further spur the rally. Despite a slow start this week, strong demand from the US Gulf and NC South America has driven up rates, with a notable increase in front haul trips. The market is watchful, optimistic about sustained growth with potential lifts envisaged in October.

Supramax

Overall sentiment remained very positive in both the Atlantic and Asia basins. Most loading areas seeing rates increasing and owners demanding more money for forward positions.

Activity is picking up on the East of Suez and we're finally seeing lots of cargo orders coming in this morning, especially MEG-India region. 56k dwt heard fixed for EC India to China went for USD 8k, however we expect markets to move up this week.

The FFA opened with a bang and up by USD 300+ and we can see a busy season ahead in the coming months.

Rates

Capesize
(USD/Day, USD/Tonne, Daily Change)

[Click rate to view graph](#)

TCE Cont/Far East

\$38,125

\$312

**\$8.36****\$0.1**

Pacific RV

\$16,464**\$1,496** **Panamax**

(USD/Day, USD/Tonne, Daily Change)

[Click rate to view graph](#)

Transatlantic RV

\$14,350**\$525**

TCE Cont/Far East

\$24,982**\$768**

TCE Far East/Cont

\$6,880**\$139**

TCE Far East RV

\$13,787**\$398** **Supramax**

(USD/Day, USD/Tonne, Daily Change)

[Click rate to view graph](#)



\$15,904

\$302^

Pacific RV

\$9,825

\$487^

TCE Cont/Far East

\$20,879

\$312^

1 Year T/C

(USD/Day, Weekly Change)

[Click rate to view graph](#)

Newcastlemax

208'

\$18,450

\$600^

Kamsarmax

82'

\$13,800

\$0 >

Ultramax

64'

\$13,750

\$250^

Capesize

180'

\$14,450

\$600^



Panamax

75'

\$12,350

\$0 >

Supramax

58'

\$11,750

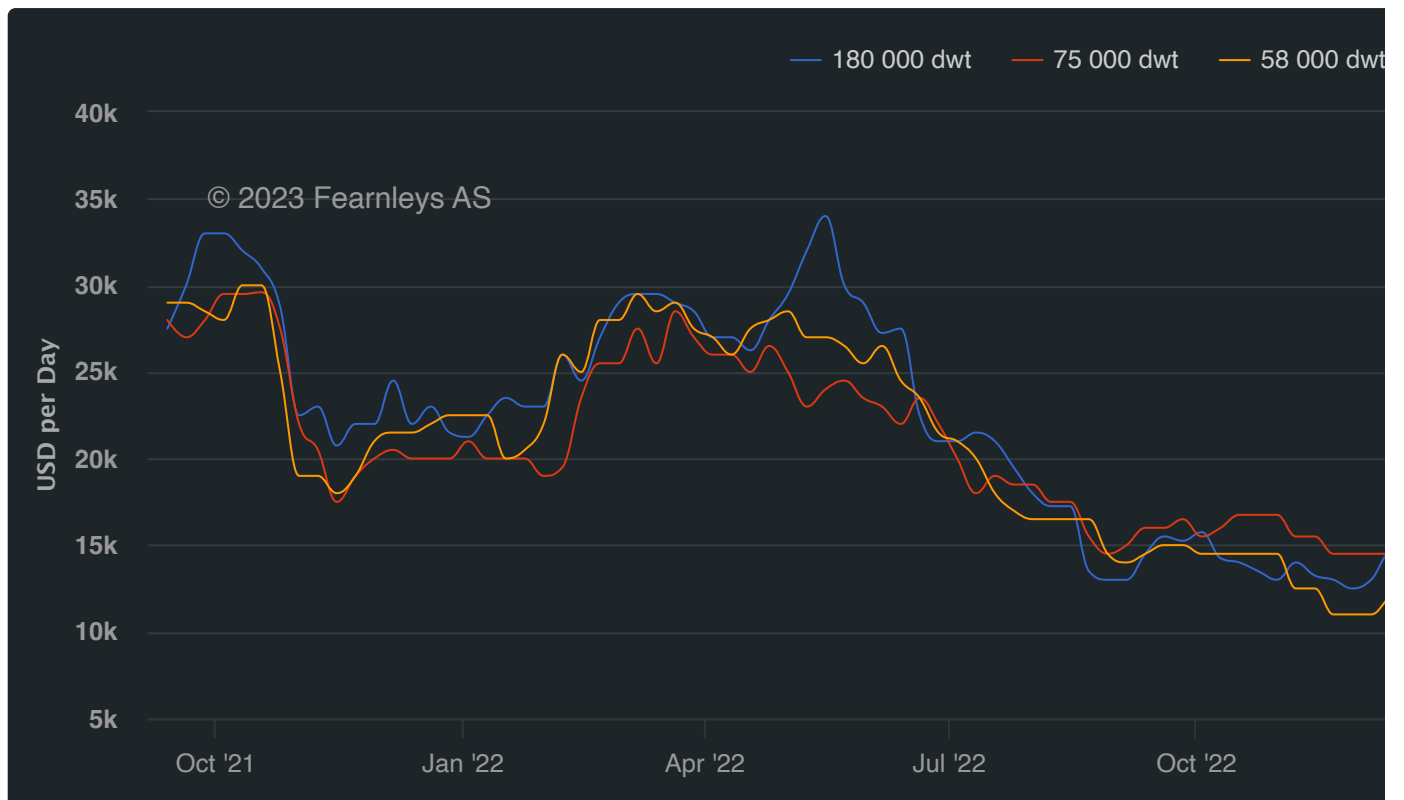
\$750 ^

Baltic Dry Index (BDI)

\$1,290

\$55 ^

1 Year T/C Dry Bulk





Chartering

EAST

With East freight hovering around USD 10 above the West, freight seems to have stabilized a bit so far this week. Aramco acceptances will likely not be published until next week and as such there should be some additional spot requirements still looming for the early part of October. In addition to this, at least one India spot requirement is expected in the first decade of October. For reference, last month we saw 3 India spot fixtures in the East and on average the past 4 months the average is 5 monthly Indian spot fixtures (about 20% of total monthly spot fixtures in the same period). We are yet to see any firm Indian PSU spot requirements this month.

WEST


At the time of writing, we count a total of 36 spot fixtures for October ex USG/USEC – 16 first decade, 10 second decade, 10 last decade. This is the highest number of spot fixtures we have seen for a month so far this year – exceeding the 35 we saw in March.

We are still seeing four open positions left in October – one in the mid and three in the very end of the month before we move into November.

Last done fixture ex USG concluded at mid-low 220s H/C and mid-low 120 H/F.

LPG Rates

Spot Market (USD/Month, Weekly Change)

 [Click rate to view graph](#)

VLGC

\$4,300,000

84'

\$300,000 

**LGC**

60'

\$2,000,000**\$300,000** ^**MGC**

38'

\$1,400,000**\$100,000** ^**HDY SR**

20-22'

\$850,000**\$0** >**HDY ETH**

17-22'

\$920,000**\$0** >**ETH**

8-12'


\$530,000**\$0** >**SR**

6.5'

\$460,000**\$0** >**COASTER Asia****\$280,000****\$0** >**COASTER Europe**



LPG/FOB Prices (Propane) (USD/Tonne, Weekly Change)

 Click rate to view graph

FOB North Sea/Ansi

\$505.5

\$0 >

Saudi Arabia/CP

\$550

\$0 >

MT Belvieu (US Gulf)

\$408


\$26 ^

Sonatrach/Bethioua

\$530

\$0 >

LPG/FOB Prices (Butane) (USD/Tonne, Weekly Change)

 Click rate to view graph

FOB North Sea/Ansi

\$551.5

\$0 >

**\$560****\$0 >**

MT Belvieu (US Gulf)

\$370**\$85 ^**

Sonatrach/Bethioua

\$550**\$0 >**

LNG Rates

Spot Market

(USD/Day, Weekly Change)

[Click rate to view graph](#)

East of Suez 155-165k CBM

\$180,000**\$0 >**

West of Suez 155-165k CBM

\$170,000**\$0 >**

1 Year T/C 155-165k TFDE

\$101,000**-\$500 v**



Newbuilding

Activity Levels

Tank Activity

Slow

Dry Bulk Activity

Slow

Other Activity

Moderate

Prices

VLCC

300'

\$0 >

Suezmax

150'

\$0 >

Aframax

110'



Product

50'

\$0 >

Newcastlemax

210'

\$0 >

Kamsarmax

82'

\$0 >

Ultramax

64'

\$0 >

LNGC (MEGI) (cbm)

170'

\$0 >

05

Sale & Purchase



Dry	5 yr old	10 yr old
Capesize	\$47.5	\$32.5
Kamsarmax	\$32.0	\$23.5
Ultramax	\$28.0	\$22.0

Wet	5 yr old	10 yr old
VLCC	\$93.5	\$72.0
Suezmax	\$71.0	\$55.5
Aframax / LR2	\$61.5	\$49.0

06

Market Brief

Exchange Rates

USD/JPY

146.63

-0.29▼

USD/NOK

10.69

0.04▲



USD/KRW

1,328.3

-2.9▼

EUR/USD

1.07

0>

Interest Rates

LIBOR USD (6 month)

5.2%

0>

NIBOR NOK (6 month)

3.12%

0>

Commodity Prices

Brent Spot

\$92

\$1.5▲

Bunker Prices

Singapore

**\$556****\$1.5^**

MGO

\$959**\$10^**

Spread MGO/380 CST

\$403**\$8.5^****Rotterdam**

380 CST

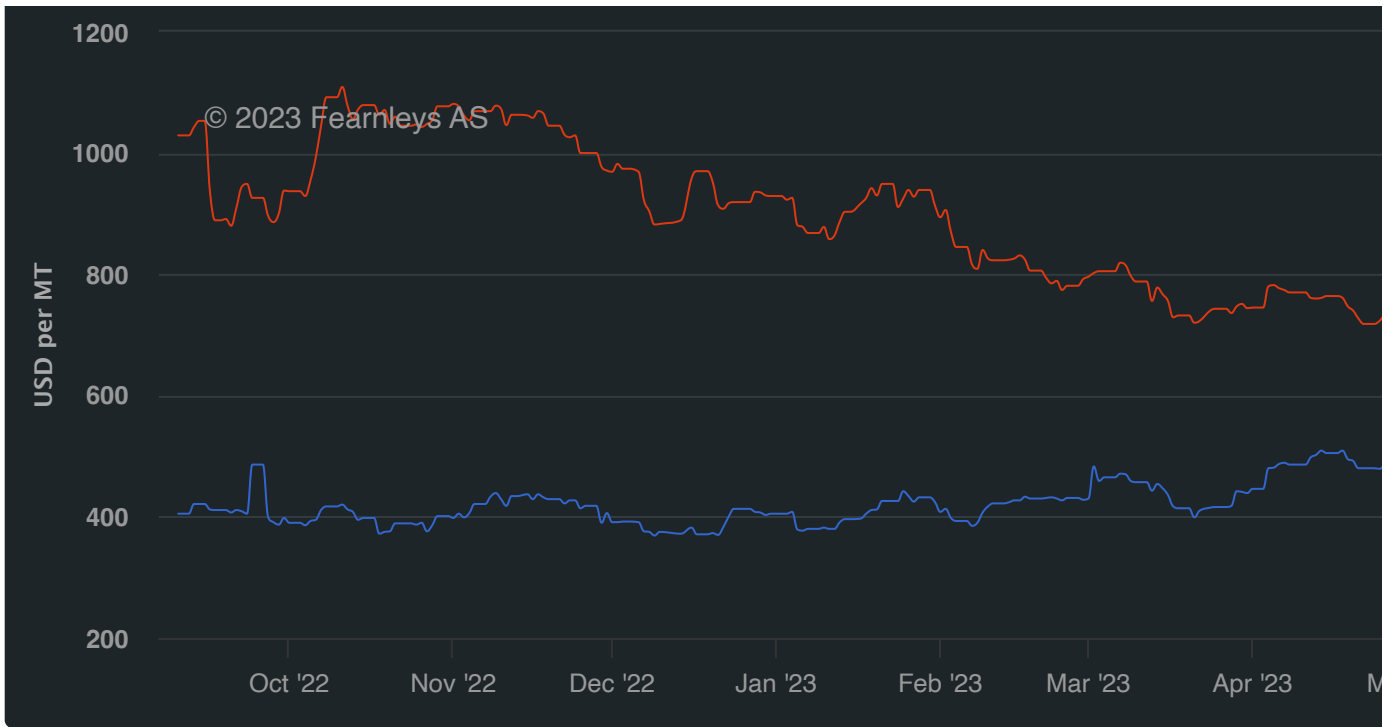
\$591.5**\$6^**

MGO

\$968.5**-\$1.5v**

Spread MGO/380 CST

\$377**-\$7.5v**



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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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