

Fearnleys Weekly Report

Week 36 - September 4, 2024

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01 Tankers

VLCC

The calendar has turned the page to meteorological autumn and logic should dictate a firmer seasonal market, however, the current situation in the VLCC market can be summed up in one word: lethargic. Rates have stabilized in the low to mid WS 40's for MEG/East runs, for now, but mostly down to the owning community having drawn a line in the sand. However, lack of perceived demand could support further downside risk. Activity has largely gone underground, but lack of reported details suggests no game changing fixtures have been concluded. In the Atlantic, the cargo flow is behind the curve, but tumbling oil prices will support the West/East arb. Quiet before the storm?

Suezmax

reasons to be optimistic, but that's for the weeks ahead. Playing what's in front of us, there is a weaker feel in the Atlantic with a number of ships on the cusp of missing the natural fixing window, which is most noticeable in West Africa. Conversely, one region that feels a little undervalued is the US Gulf, which has fallen to 145kt x WS 60's for a TA run, suggesting owners haven't been monitoring the lists and if they had been, they might have held out for something closer to WS 70's.

WS 115 is last done Fujairah/Singapore which pegs a MEG/East run at WS 110. This jump is due to a tight list of FOC ships which are in the hands of just a few owners. We also have less ships being recycled onto the East list due to West/East arb' issues. Momentum with owners in this region.


Aframax

Very limited activity in the North Sea with a lot of programming of oil company tonnage taking a lot of the stems for the first half of the month. Rates have been stable with soft undertones in the first half of the week and with surrounding markets both in the US and Mediterranean not providing support/alternatives, the market looks likely to remain where we are in the short term.

The situation in Libya has had its effect on the Mediterranean Aframax market and where owners have been left with few alternatives, X-Mediterranean rates have borne the brunt of the uncertainty. History has shown that an influx of cargoes should hit the market once the dust settles and with this, owners will look to put pressure on rates as the tonnage gets put to work.

Rates

Dirty
(Spot WS 2024, Daily Change)

 [Click rate to view graph](#)

MEG/WEST


280'

30

-2.5▼

	200
44.5	-3▼
MEG/Singapore	280'
45.5	-3▼
WAF/FEAST	260'
50	-1▼
WAF/USAC	130'
75	0>
Sidi Kerir/W Med	135'
80	0>
N. Afr/Euromed	80'
100	-15▼
UK/Cont	80'
120	0>
Caribs/USG	70'

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


 [Click rate to view graph](#)

VLCC	Modern
\$38,000	\$0 >

Suezmax	Modern
\$41,000	\$0 >

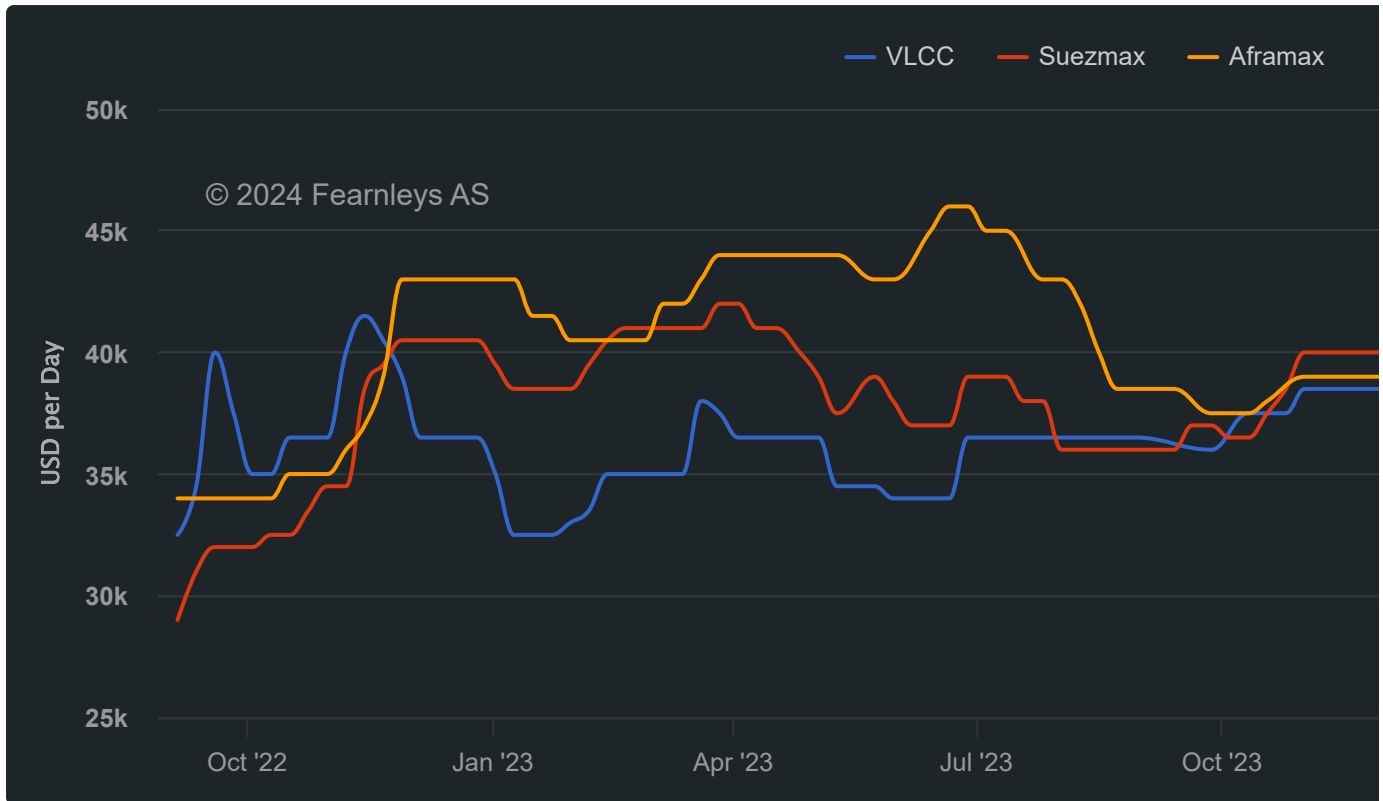
Aframax	Modern
\$43,000	\$0 >

VLCCs

 [Click rate to view graph](#)

Fixed in all areas last week	
72	32 ^

Available in MEG next 30 days	
136	-31 v



02

Dry Bulk

Capesize

On the West Australia front, we see active participation from miners, operators and some tenders primarily for the second half of September dates. Volumes out of East Australia have decreased slightly compared to last for late September dates. On C3 ex Brazil to China, we see limited enquiries for late September dates with most players interested in early October dates. On the West Africa front, activity level is relatively low. Far East spot tonnage is relatively abundant while ballasting tonnage is mainly for second half of September and early October. On C5, fixtures concluded at mid to high USD 11 pmt levels at start of the week but sold down to low USD 11 pmt levels by

pmt levels for October dates.

Panamax

This week in the Panamax market, there are signs of potential improvement with the grain season underway, leading to an increasing number of vessels heading to the US, which could serve as a bullish trigger. However, the BPI5TC index remains below the Handy7TC and BSI58 indices, indicating a slower market rebound. In the Atlantic, the North continues to suffer from an oversupply of tonnage and minimal fresh demand, particularly for transatlantic routes, while fronthaul routes from the US Gulf show better prospects for October dates. In South America, September volumes are under pressure, but the outlook for October remains uncertain. In Asia, while coal demand remains low and the Indian monsoon season is expected to last longer, mineral demand from Australia and Indonesia has slightly improved market sentiment. Despite this, charterers continue to hold the upper hand, with the overall market still weak due to tonnage oversupply and slow demand growth.


Supramax

Market has been quiet past week as cargo volumes were very limited. Towards the end of monsoon season, we will see more cargoes in the market in the Indian ocean region. There is a clear oversupply of tonnage across basins and cargoes are being covered well below last done levels. As for ECSA, couple' fronthaul cargoes in the market. With a relatively slow start to the grain season, we see less cargoes coming out in the Mediterranean/Continent region as well. Meantime, there is healthy demand on the period side on the Supra/Ultra segment.

Rates

Capesize

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

 [Click rate to view graph](#)

TCE Cont/Far East

\$38,125

\$312 

Australia/China**\$11.13****-\$0.64** ▼**Pacific RV****\$16,464****\$1,496** ▲**Panamax**

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

[Click rate to view graph](#)**Transatlantic RV****\$8,430****-\$160** ▼**TCE Cont/Far East****\$21,759****-\$274** ▼**TCE Far East/Cont****\$5,443****\$59** ▲**TCE Far East RV****\$12,332****\$494** ▲**Supramax**

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

Atlantic RV

\$15,209

-\$99▼

Pacific RV

\$12,575

\$19▲


TCE Cont/Far East

\$19,179

-\$259▼

1 Year T/C

(USD/Day, Weekly Change)

 Click rate to view graph

Newcastlemax

208'

\$27,655

\$155▲

Kamsarmax

82'

\$16,350

\$100▲

Ultramax

64'

\$16,500

\$500▲

Capesize

180'

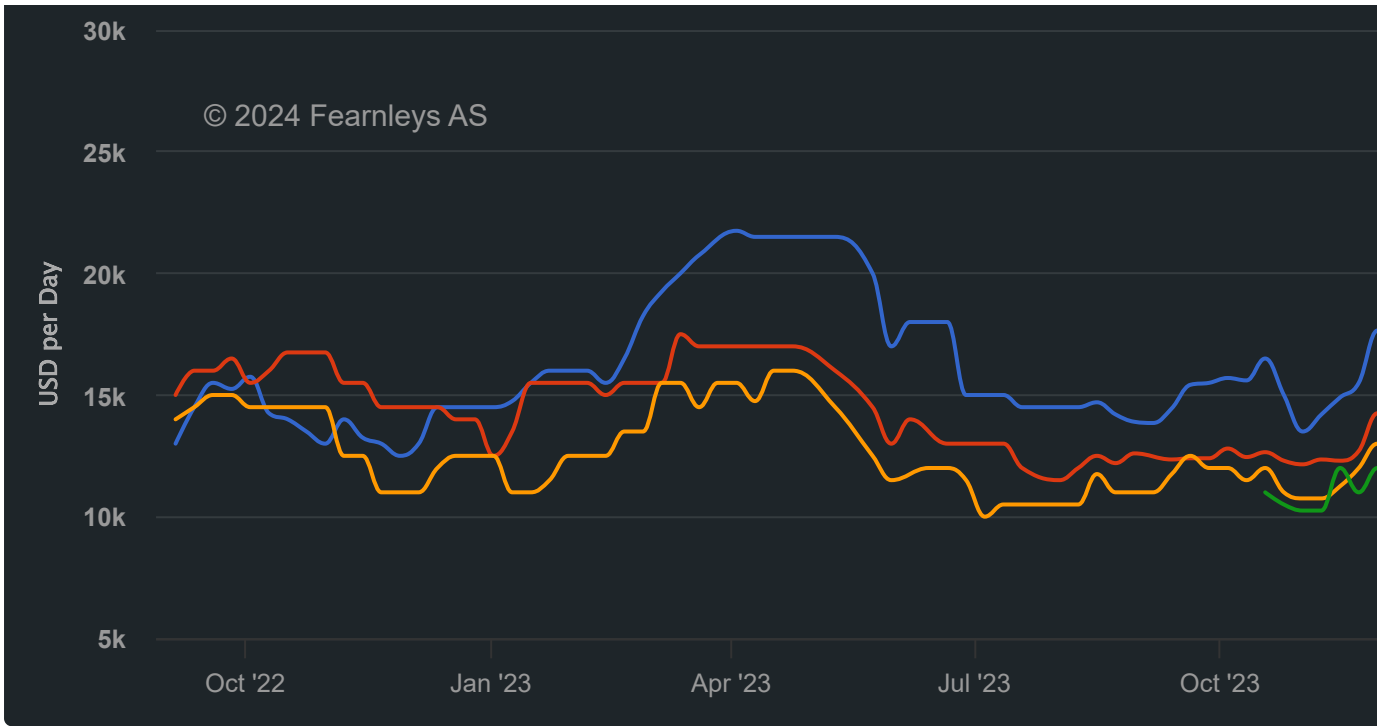
Panamax	75'
\$15,300	\$50 

Supramax	58'
\$15,500	\$1,500 

Handysize	38'
\$12,000	\$0 

Baltic Dry Index (BDI)	
\$1,902	-\$45 

1 Year T/C Dry Bulk



03

Gas

Chartering

EAST

Sentiment on freight has shifted from being on the rise two weeks ago to cooling off in the past week. This is now moving the fixing window closer in time and as such we have seen a vacuum in fixing activity over the course of the past 10 days or so. So far this week we have seen a few enquiries out there with charterers aiming less than last done.


WEST

There still remain 5 ships in the US Gulf for September dates – 1 in the second decade and 4 in the last decade. For the first 10 days of October, we only see 5 open vessels

recently got concluded at low USD T IUS H/C – several dollars below last done. This tender marks the only spot fixture we have seen so far this week, but it is likely that we will see increased activity in the coming days as a result.

LPG Rates

Spot Market (USD/Month, Weekly Change)

 Click rate to view graph

VLGC	84'
\$1,400,000	\$0 >

LGC	60'
\$700,000	\$0 >

MGC	38'
\$860,000	\$0 >

HDY SR	20-22'
\$890,000	\$0 >

HDY ETH	17-22'
\$1,220,000	\$0 >

ETH	8-12'
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SR

6.5'

\$450,000

-\$10,000 ▼

COASTER Asia


\$280,000

\$0 >

COASTER Europe

\$390,000

-\$20,000 ▼

LPG/FOB Prices (Propane)
(USD/Tonne, Weekly Change) Click rate to view graph

FOB North Sea/Ansi

\$555.5

\$0 >

Saudi Arabia/CP


\$580

\$0 >

MT Belvieu (US Gulf)

\$376

-\$32 ▼

\$555**\$0 >****LPG/FOB Prices (Butane)**
(USD/Tonne, Weekly Change) Click rate to view graph

FOB North Sea/Ansi

\$492**\$0 >**

Saudi Arabia/CP

\$570**\$0 >**


MT Belvieu (US Gulf)

\$356**-\$11 ▼**

Sonatrach/Bethioua

\$500**\$0 >**

LNG Rates

Spot Market
(USD/Day, Weekly Change) Click rate to view graph

East of Suez 155-165k CBM

West of Suez 155-165k CBM

\$45,000

\$0 >

1 Year T/C 155-165k TFDE

\$60,500

\$0 >

04 Newbuilding

Activity Levels

Tank Activity

Strong

Dry Bulk Activity

Moderate

Other Activity

Prices

VLCC	300'
\$127	\$0 >

Suezmax	150'
\$86	\$0 >

Aframax	110'
\$70.5	\$0 >

Product	50'
\$48.5	\$0 >

Newcastlemax	210'
\$73	\$0 >

Kamsarmax	82'
\$38	\$0 >

Ultramax	64'
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LNGC (MEGI) (cbm)

170'

\$264

\$0 >

05

Sale & Purchase

Prices

Dry	5 yr old	10 yr old
Capesize	\$64.0	\$44.5
Kamsarmax	\$38.5	\$29.5
Ultramax	\$36.0	\$28.5
Handysize	\$28.5	\$22.0

Wet	5 yr old	10 yr old
VLCC	\$110.0	\$84.0
Suezmax	\$84.0	\$68.0
Aframax / LR2	\$73.0	\$60.0

Market Brief

Exchange Rates

USD/JPY

0

0 >

USD/NOK

0

0 >

USD/KRW

0

0 >

EUR/USD

0

0 >

Interest Rates

SOFR USD (6 month)

0%

0 >

Brent Spot

\$0

\$0 >

Bunker Prices

Singapore

380 CST

\$0

\$0 >

MGO

\$0

\$0 >

Spread MGO/380 CST

\$0

\$0 >

Rotterdam

380 CST

\$0

\$0 >

MGO

Spread MGO/380 CST

\$0

\$0 >



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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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