

## Fearnleys Weekly Report

Week 10 - March 06, 2019

### Tankers

#### VLCC

The VLCC activity is up and so is the optimism among VLCC owners. After recent fall in rates, the trend has turned around and rates climbed back up. Contrary to last month where the activity USG-Cbs led the way we have seen MEG-activity leading the way. Thinner tonnage on the ground in MEG has also affected Wafr/East rates which have firmed in tandem with earnings for the Eco types hovering abt \$40k/day. The jury is still out whether this firming trend is a mere 'flash in the pan' or sustainable.

#### Suezmax

There has been a gradual erosion of both rates and confidence on the Suezmaxes over the past week, tonnage has been steadily building especially in WAfr and even with the slight increase in cargo activity it has not been enough to make a dent in the carry-over of tonnage. In the Med the Suezmaxes had a brief rally of activity when Charterers looked to the million barrel ships to dampen down a firming Aframax market, otherwise the BISea has just been ticking over with td 6 having now levelled off at ws80. Looking forward into next week we expect a steadier feel to the market to be the order of the day with the 2Q beckoning and more challenges ahead.

#### Aframax

Aframax rates in NSea and Baltic are currently under upward pressure. Moving into 3rd decade fixing window in Baltic, there will be a greater volume of cargoes compared to previous months. There is still a requirement for ice class tonnage, but the supply of available tonnage is thinner as more ice class vessels have left the area. On the back of this we expect NSea market to capitalize on a firmer Baltic market and we could see rates jump in the 15-20 March fixing window here. In Med and BISea rates have continued to pick up the past week, especially ex BISea where fixtures ex Novo and CPC to Med are currently at ws135 levels. While rate levels in alternative markets such as US have come off slightly, the steady flow of fresh cargoes coming in to the market in Med/BISea have kept activity levels up. Owners are pleased to see TD19 currently at around ws112.50 levels, with expectations of a firm market in the days to come.

### Rates

DIRTY (Spot WS)	Size	This week	Change
MEG/WEST	280 000	33.0	2.0 ↑
MEG/Japan	280 000	67.5	4.5 ↑
MEG/Singapore	280 000	69.0	5.0 ↑
WAF/FEAST	260 000	66.0	4.5 ↑
WAF/USAC	130 000	62.5	-2.5 ↓

Sidi Kerir/W Med	135 000	67.5	-2.5	↓
N. Afr/Euromed	80 000	112.5	12.5	↑
UK/Cont	80 000	107.5	-2.5	↓
Caribs/USG	70 000	100.0	-45.0	↓

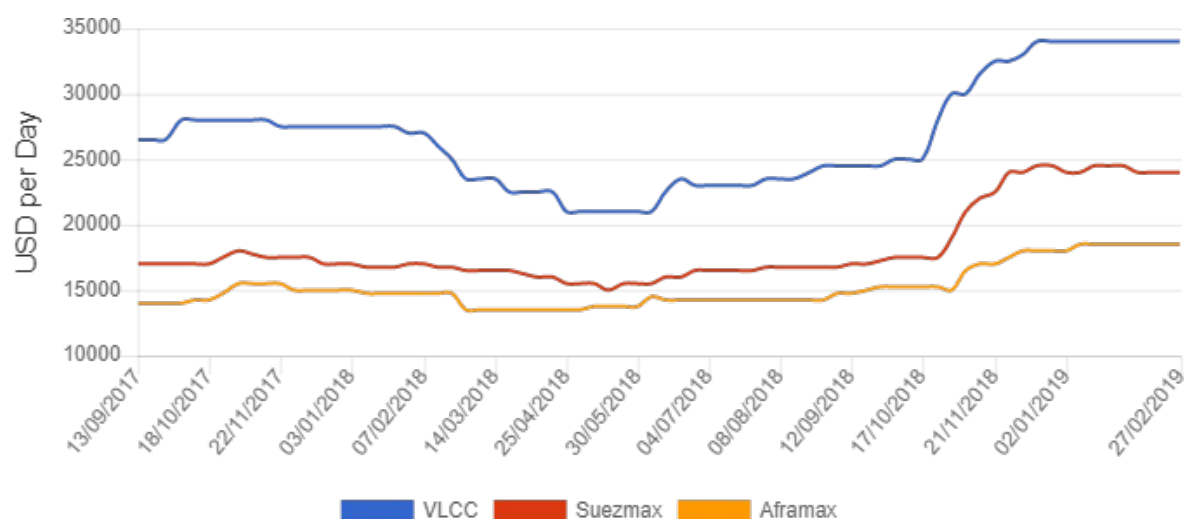
### 1 Year T/C (USD/Day)

VLCC	Modern	\$30,000	-\$4,000	↓
Suezmax	Modern	\$24,000	\$0	→
Aframax	Modern	\$18,750	\$250	↑

**VLCCs fixed in all areas last week** 65 9 ↑

**VLCCs available in MEG next 30 days** 125 0 →

## 1 Year T/C Crude



## Dry Bulk

### Capesize

The smaller ships are continuing to improve, so we reiterate our view from last week that the bottom is in and that an upturn should materialize very shortly. The Capesize to Panamax market ratio is now at 58%, which is the lowest level since early 2016. Every time previously this ratio was at such low levels a market rebound followed.

### Panamax

With rates continuing to improve, especially in the Atlantic, the BPI 4TC-Index has risen 182 points this week, now at 938 points. This is well below the market seen at the beginning of the year, but almost a doubling of the market seen four weeks ago. A transatlantic round voyage currently yields about USD 5,500 per day, while a short fronthaul from the Continent yields around low USD 13,000. In the East, a Pacific round voyage pays around USD 9,000's.

### Supramax

Atlantic has positive sentiment. Supply/demand still looks potentially imbalanced in the Cont still spot tonnage around, scrap run Cont-Turkey USD 9k and USD 5k for tct USG/USEC. ECSA has been flat and 2h March loaders aiming higher than last done. NCSA has seen improved grain flow offering sustained fhaul support to the North. FH from ECSA remain 12500+250k and TA around USD 11k. Pacific has steady flow of coal req ex SE Asia has driven rate sup where we have seen 13k on Ultra and USD 11k on Supra for Indo coal run. An Ultramax open north China was fixed for a trip from NoPac to Singapore-Japan at USD 10500. India is more slow activities due to holidays, but we seen more iore reqs from WC India to China.

## Rates

Capesize (USD/Day, USD/Tonne)	This week	Change
TCT Cont/Far East (180' DWT)	\$16,300	-\$700 ↓
Tubarao/Rotterdam (Iron Ore)	\$5	-\$1 ↓
Richards Bay/Rotterdam	\$5	-\$1 ↓

### Panamax (USD/Day, USD/Tonne)

Transatlantic RV	\$5,700	\$2,200 ↑
TCT Cont/Far East	\$13,000	\$1,000 ↑
TCT Far East/Cont	\$2,400	\$700 ↑
TCT Far East RV	\$9,000	\$1,700 ↑
Murmask b.13-ARA 15/25,000 sc	\$6	\$1 ↑

### Supramax (USD/Day)

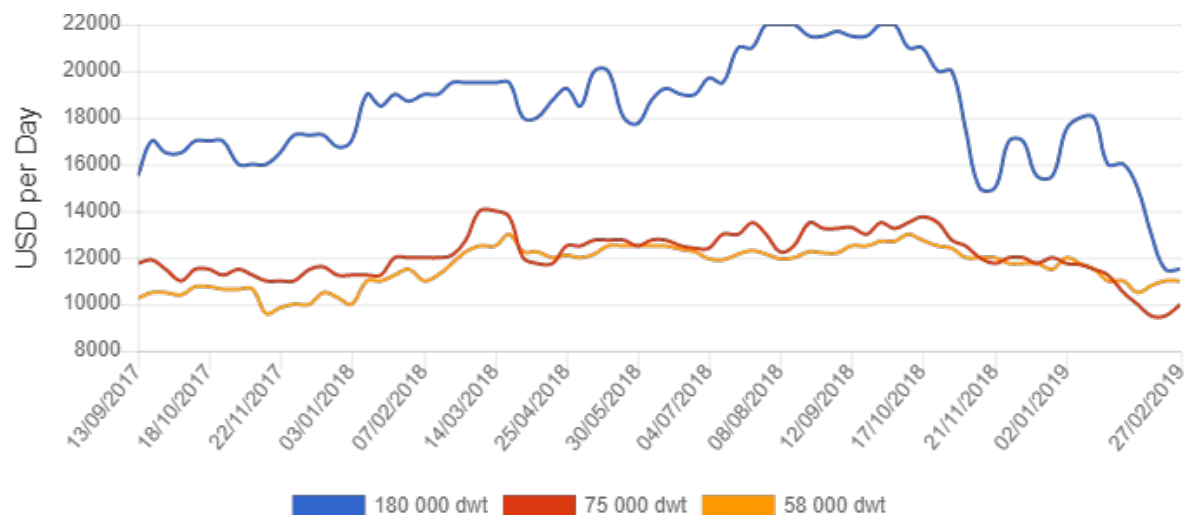
Atlantic RV	\$8,000	\$500 ↑
Pacific RV	\$10,000	\$2,000 ↑
TCT Cont/Far East	\$13,000	\$500 ↑

### 1 Year T/C (USD/Day)

Capesize (180 000 dwt)	\$11,500	\$0 →
Capesize (170 000 dwt)	\$10,500	\$0 →
Panamax (75 000 dwt)	\$11,000	\$1,000 ↑
Supramax (58 000 dwt)	\$11,000	\$0 →

**Baltic Dry Index (BDI)** 663.0

## 1 Year T/C Dry Bulk



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## Gas

### Chartering

The VLGC market seems to have taken yet another breather both East and West this week, as most market players have been occupied in industry functions in Tokyo (this week), following the IP Week in London last week. In the West, a couple of cargo tenders has been put on the market, one FOB and one CFR, both for award later in the week, and is expected to attract some attention. Another FOB tender for a cargo out of West Africa is also expected. One vessel has been fixed on end March dates out of the US Gulf, and this might well be the final March-cargo to come on market. In the East, we have not recorded much activity. Some traders have been working on optimization however so far without much fixing activity. One cargo inquiry from one of the Indian companies attracted some interest, and a ship is currently on subs at levels at a slight premium to the current Baltic. The Baltic has followed the market activity very much and has been moving sideways since last week. The index is currently trading at levels around USD 11-13,000 per day depending on vessel type, which is some USD 4,000 per day lower than current trades in the Western markets.

### LPG Rates

Spot Market (USD/Month)	This week	Change
VLGC (84 000 cbm)	\$375,000	\$0 →
LGC (60 000 cbm)	\$500,000	\$0 →
MGC (38 000 cbm)	\$510,000	\$10,000 ↑
HDY SR (20-22 000 cbm)	\$500,000	\$10,000 ↑
HDY ETH (17-22 000 cbm)	\$750,000	\$0 →
ETH (8-12 000 cbm)	\$450,000	\$0 →
SR (6 500 cbm)	\$540,000	\$0 →
COASTER Asia	\$260,000	\$0 →
COASTER Europe	\$330,000	\$30,000 ↑

LGP/FOB Prices (USD/Tonne)	Propane	Butane
FOB North Sea/ANSI	\$413.00	\$473.00
Saudi Arabia/CP	\$490.00	\$520.00
MT Belvieu (US Gulf)	\$356.00	\$329.00
Sonatrach/Bethioua	\$420.00	\$490.00

### LNG Rates

Spot Market (USD/Day)	This week	Change
East of Suez 155-165 000 cbm	\$27,500	\$0 →
West of Suez 155-165 000 cbm	\$45,000	-\$2,000 ↓
1 Year T/C 155-160 000 cbm	\$75,000	-\$2,000 ↓

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## Newbuilding

### Activity Levels

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Tankers

 Slow

Dry Bulkers

 Increasing

Others

 Increasing

## Prices

Prices (Million USD)	Size	This week	Change
VLCC	300 000	\$91	\$0 →
Suezmax	150 000	\$61	\$0 →
Aframax	110 000	\$51	\$0 →
Product	50 000	\$37	\$0 →
Capesize	180 000	\$50	\$0 →
Kamsarmax	82 000	\$29	\$0 →
Ultramax	64 000	\$27	\$0 →
LNGC (MEGI) (cbm)	170 000	\$188	\$0 →

## Sale & Purchase

### Prices

Dry	2014	2009
Capesize	\$40.0	\$24.0
Kamsarmax	\$25.0	\$16.5
Ultramax	\$24.0	\$0.0
<b>Wet</b>		
VLCC	\$67.0	\$45.0
Suezmax	\$48.5	\$34.0
Aframax / LR2	\$34.0	\$23.5
MR	\$29.0	\$17.0

## Market Brief

### Exchange Rates

USD/JPY

111.90  1.15

USD/KRW

1125.40  6.70

USD/NOK

8.67  0.07

EUR/USD

1.13  -0.01

### Interest Rates

**LIBOR USD (6 months)**

\$2.68 ↓ -\$0.00

**NIBOR NOK (6 months)**

kr 1.29 ↑ kr 0.02

**Commodity Prices****Brent Spot**

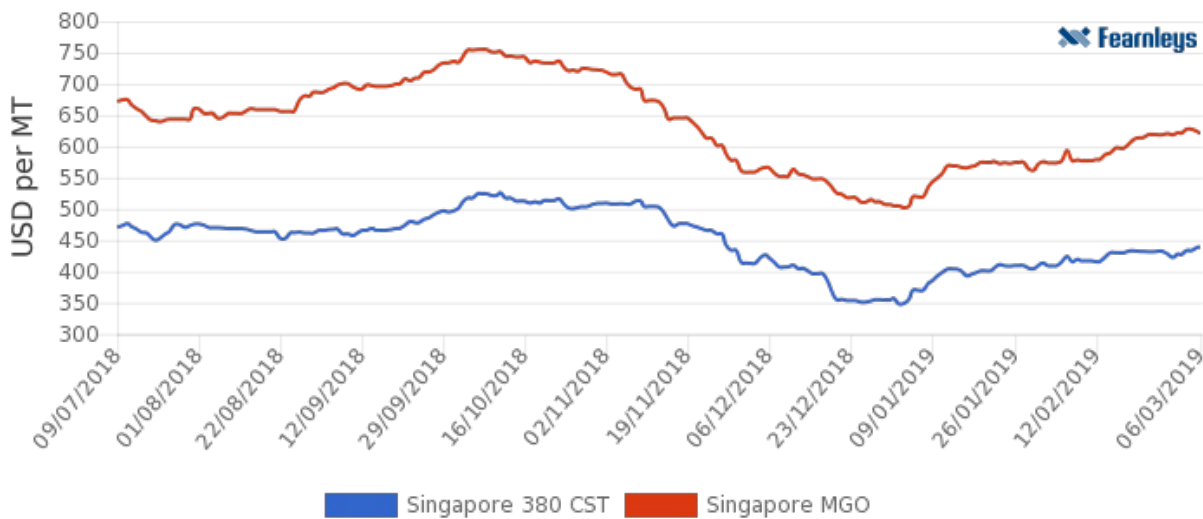
\$65.86 ↑ \$5.86

**Bunker Prices****Singapore**

380 CST	180 CST	MGO
\$439	\$471	\$621
↑ \$11	↑ \$9	→ \$0

**Rotterdam**

380 CST	180 CST	MGO
\$409	\$446	\$581
↑ \$1	↓ -\$7	↑ \$4



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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