

Fearnleys Weekly Report

Week 13 - March 27, 2019

Tankers

VLCC

The VLCC market took a turn for the worse this week, as activity slowed down in all areas and ships of all classes have been piling up. Those charterers dipping their feet in receive double digit offers, with tonnage offering initially below last done levels. Thus, we expect rates to drop further as the week progresses, and owners could find themselves trading at OPEX levels before long. At the time of writing, ws45 has been done on a ship older than 15 years for MEG/East, and modern tonnage will probably follow suit soon.

Suezmax

It has been fairly good activity in the West the last week, and finally the tonnage list for cargoes out of West Africa on natural dates is looking more healthy. Rates are still scraping the bottom of what Owners consider beneficiary compared to throwing anchor and waiting for better times, but at least now we could see a slight improvement going forward. In the MEG, on the other hand, there is not much positive signs for Owners going forward. The list of available tonnage is increasing, and even in a tight window for 20t crane ships, Owners didn't manage to capitalize. Activity in the area still remains decent, but not to the extent where anything will happen rate wise. In the Black Sea, rates are coming off as well, with last done on TD6 at ws60. Not unexpected as the Turkish Strait delays are down to 3-4 days each way.

Aframax

Aframax rates in the Nsea and Baltic took a big hit this week as activity slowed down and there was an abundance of available tonnage offering in on the few cargoes in the market. Rates have hit bottom for now with TCE nearly covering OPEX. We expect these markets to move sideways as we currently see very little support from surrounding markets suggesting any upwards turn in the near future. Although the unbalance between supply and demand in the Mediterranean and Black Sea continues with prompt open ships rolling over from last week, cargo activity has been healthy enough to see the market trade sideways. TD19 is currently at around ws90 levels, and we have seen a few ships fixing Fuel stems and leaving the market heading East. Congestion in the Turkish Straits is finally coming off, resulting in transit time has come down from 8 days mid last week to 3-4 days at the time of writing.

Rates

DIRTY (Spot WS)	Size	This week	Change
MEG/WEST	280 000	23.0	-6.0 ↓
MEG/Japan	280 000	50.0	-9.0 ↓
MEG/Singapore	280 000	51.0	-9.0 ↓
WAF/FEAST	260 000	51.0	-6.0 ↓

WAF/USAC	130 000	47.5	-5.0 ↓
Sidi Kerir/W Med	135 000	47.5	-7.5 ↓
N. Afr/Euromed	80 000	90.0	5.0 ↑
UK/Cont	80 000	90.0	-7.5 ↓
Caribs/USG	70 000	102.5	2.5 ↑

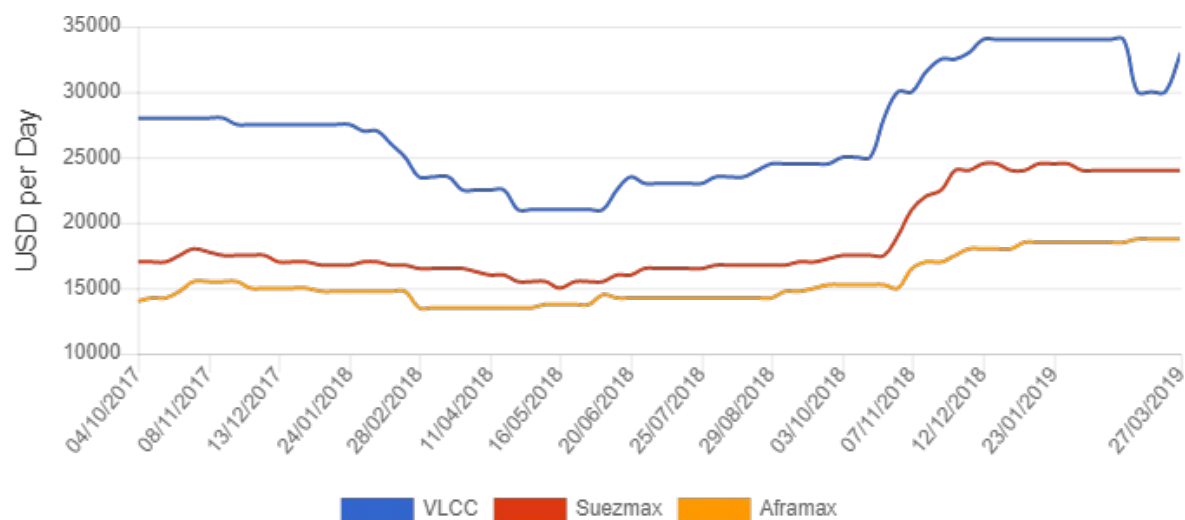
1 Year T/C (USD/Day)

VLCC	Modern	\$33,000	\$3,000 ↑
Suezmax	Modern	\$24,000	\$0 →
Aframax	Modern	\$19,250	\$500 ↑

VLCCs fixed in all areas last week 41 -11 ↓

VLCCs available in MEG next 30 days 125 0 →

1 Year T/C Crude



Dry Bulk

Capesize

Finally some good news again for the big ships after a series of setbacks including historically strong cyclone paralyzing major iron ore loading area West Australia, disrupting maybe as much as 8 million tons over 4 full days. Average daily earnings are still far too low to cover even operating expenses, but increased coal activity in Pacific combined with generally positive mineral volume developments in Atlantic give reason for cautious optimism. The worst of this year may be passed as Vale are expected to return for parts of their temporarily closed-down iron ore facilities. Underlying bright outlook plus improving paper levels give support to quite some period fixing, most recently exemplified by 181,000/16 done for 9-12 months at USD 13,400, 180,000/10 for 4-6 months at USD 13,000, and also 182,000/10 concluded at bci ave5tc + 8 pct basis 12-16 months, all to major players.

Panamax

Even though rates have been lagging behind in the East, the week overall has shown a continued recovery in the Panamax market. A transatlantic round voyage currently yields about USD 8,000 per day, while a

short fronthaul from the Continent yields about USD 15,500. In the East, a Pacific round voyage pays around the mid USD 7,000's. The BPI 4TC-index is up 94 points to 1056.

Supramax

The week started slowly in the Atlantic with Greece off for holidays and after a positive last week in the USG, this week feels more uncertain with increased tonnage supply in the area, where Ultras has been fixing TA's around USD 16k. From ECSA Supras have obtained around 15k for TA round, while Mediterranean to West Africa is paying owners around USD 9k. In the Pacific, a softening feeling in Se Asia by mid-week. Supras fixing around USD 9k for Indo/China, while Nopac rv's is paying around high USD 8k. In Indian Ocean, owners are seeing around mid USD 9k for WCIndia to China, while MEG/ECIndia runs trading around high USD 10k.

Rates

Capesize (USD/Day, USD/Tonne) This week Change

TCT Cont/Far East (180' DWT)	\$13,000	-\$700 ↓
Tubarao/Rotterdam (Iron Ore)	\$4	-\$0 ↓
Richards Bay/Rotterdam	\$4	-\$0 ↓

Panamax (USD/Day, USD/Tonne)

Transatlantic RV	\$8,200	\$2,200 ↑
TCT Cont/Far East	\$15,500	\$1,500 ↑
TCT Far East/Cont	\$2,500	\$0 →
TCT Far East RV	\$7,600	-\$700 ↓
Murmask b.13-ARA 15/25,000 sc	\$7	\$1 ↑

Supramax (USD/Day)

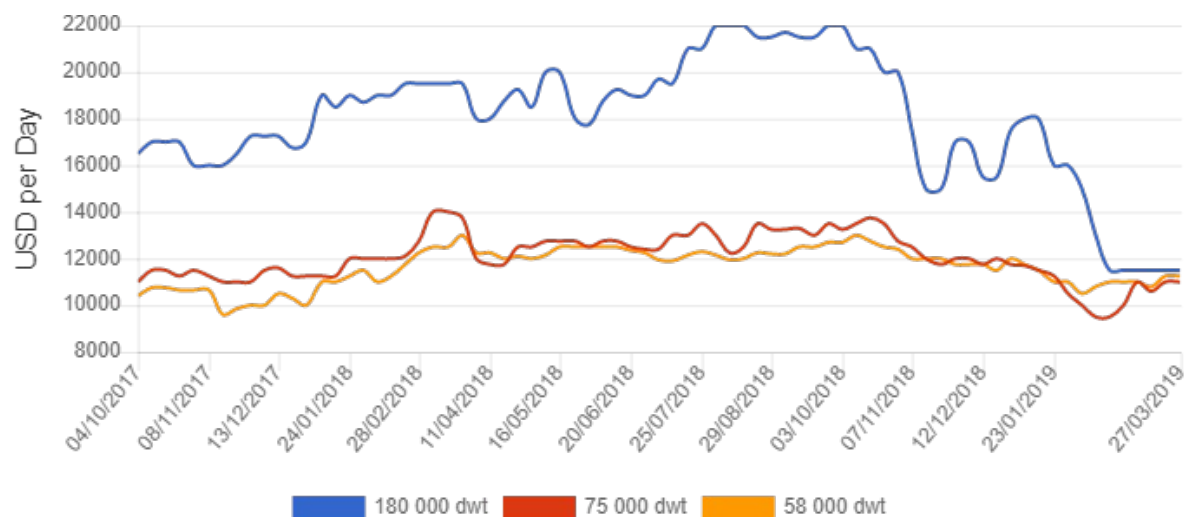
Atlantic RV	\$8,500	\$250 ↑
Pacific RV	\$9,250	-\$250 ↓
TCT Cont/Far East	\$13,750	\$500 ↑

1 Year T/C (USD/Day)

Capesize (180 000 dwt)	\$13,500	\$2,000 ↑
Capesize (170 000 dwt)	\$11,500	\$2,000 ↑
Panamax (75 000 dwt)	\$11,000	\$0 →
Supramax (58 000 dwt)	\$10,750	-\$500 ↓

Baltic Dry Index (BDI) 690.0

1 Year T/C Dry Bulk



Gas

Chartering

The freight market in the Atlantic basin has continued its upward trend. Seemingly, April liftings are covered by now and as a result of scarce vessels availability going into May, we have seen a number of fixtures concluded for first half May at rates ranging from around USD 70 to high USD 70s per ton basis Houston/Chiba and around mid/high USD 30's per ton basis Houston/Flushing. We expect this fixing trend to continue and more fixtures will be done in view of the upcoming industry event next week.

The bullish sentiment on freight from last week continues in the East as healthy shipping demand from the West is keeping the Eastern spot fleet availability tight. Last done deal in the MEG was done in the high USD 30s, and time of writing there are still 3-4 uncovered cargoes for last decade April loading. We therefore expect Baltic to bridge the USD 40 mark fairly soon and the bullish sentiment to continue.

LPG Rates

Spot Market (USD/Month)	This week	Change
VLGC (84 000 cbm)	\$700,000	\$140,000 ↑
LGC (60 000 cbm)	\$500,000	\$0 →
MGC (38 000 cbm)	\$485,000	-\$10,000 ↓
HDY SR (20-22 000 cbm)	\$480,000	-\$10,000 ↓
HDY ETH (17-22 000 cbm)	\$740,000	-\$10,000 ↓
ETH (8-12 000 cbm)	\$430,000	\$0 →
SR (6 500 cbm)	\$500,000	\$0 →
COASTER Asia	\$260,000	\$0 →
COASTER Europe	\$310,000	\$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)	\$335.39	\$295.00
Sonatrach/Bethioua	\$420.00	\$490.00

LNG Rates

Spot Market (USD/Day)	This week	Change
East of Suez 155-165 000 cbm	\$25,000	\$0 →
West of Suez 155-165 000 cbm	\$36,000	\$0 →
1 Year T/C 155-160 000 cbm	\$73,000	\$2,000 ↑

Newbuilding

Activity Levels

<p>Tankers</p> <p>● Slow</p>	<p>Dry Bulkers</p> <p>● Slow</p>	<p>Others</p> <p>● Moderate</p>
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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	\$189	\$1 ↑

Sale & Purchase

Prices

Dry	2014	2009
Capesize	\$38.0	\$23.0
Kamsarmax	\$24.0	\$16.0
Ultramax	\$23.0	\$14.0

Wet

VLCC	\$67.0	\$45.0
Suezmax	\$49.0	\$34.0
Aframax / LR2	\$34.0	\$23.5
MR	\$29.0	\$17.0

Market Brief

Exchange Rates

USD/JPY

USD/KRW

109.78 ↓ -1.61

1130.15 ↓ -0.50

USD/NOK

8.58 ↑ 0.06

EUR/USD

1.13 ↓ -0.01

Interest Rates

LIBOR USD (6 months)

\$2.68 ↓ -\$0.00

NIBOR NOK (6 months)

kr 1.39 ↑ kr 0.03

Commodity Prices

Brent Spot

\$67.97 ↑ \$0.43

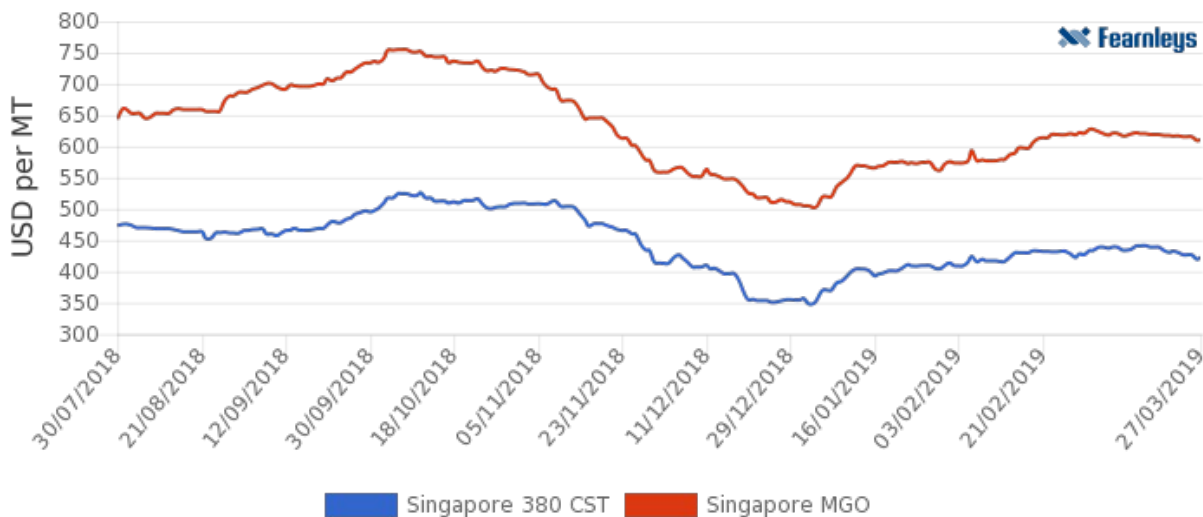
Bunker Prices

Singapore

380 CST	180 CST	MGO
\$423	\$460	\$611
↓ -\$8	↓ -\$3	↓ -\$7

Rotterdam

380 CST	180 CST	MGO
\$407	\$452	\$577
↓ -\$5	↑ \$5	↓ -\$3



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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