

Fearnleys Weekly Report

Week 14 - April 03, 2019

Tankers

VLCC

The VLCC market took a proper beating this week, trading in the mid ws30's MEG/eastbound at the time of writing - barely covering OPEX. Although dramatic, it is not unusual for this time of year, and on a "positive" note, it probably can't go much lower. Alas, we do not foresee a pick-up this side of the summer, although market players are full of optimism for second half 2019.

Suezmax

Another challenging start to the week for owners in the Suezmax market. There was false hope at the latter part of last week as some injection barrels in West Africa stimulated some firmer sentiment, but this fizzled out as reality hit home as there was little action elsewhere West of Suez to support the drive. TD20 briefly fell back to ws50. As third decade dates are now being shown in reasonable volume this action has reignited a firmer sentiment with TD20 threatening ws55 as we write as cargoes attract limited offers. A minor recovery beckons but this will likely be short-lived as Charterers will likely sit back after this period of action.

Aframax

Aframax rates in the North Sea and Baltic have hovered around bottom levels the past week. The only exception has been Owners fixing out of the port of Primorsk in the 12-16 April window. Maintenance on two berths have limited the availability of tonnage meeting the current physical restrictions combined with ice restrictions. However, going forward we expect the market to remain soft as there is an abundance of available tonnage that needs to get fixed before rates will improve.

In the Mediterranean and Black Sea, we have seen the market moving sideways the past week as Owners take a stand in order to maintain current levels for a cross-Med run. Activity from Charterers has been stable, and although prompt ships have rolled over from last week, we have seen few ships ballasting into the area, resulting in a downward correction. In the week to come we expect Owners to maintain their position, as the market is expected to remain soft.

Rates

DIRTY (Spot WS)	Size	This week	Change
MEG/WEST	280 000	22.0	-1.0 ↓
MEG/Japan	280 000	36.0	-14.0 ↓
MEG/Singapore	280 000	37.0	-14.0 ↓
WAF/FEAST	260 000	40.0	-11.0 ↓
WAF/USAC	130 000	52.5	5.0 ↑

Sidi Kerir/W Med	135 000	55.0	7.5	↑
N. Afr/Euromed	80 000	82.5	-7.5	↓
UK/Cont	80 000	90.0	0.0	→
Caribs/USG	70 000	77.5	-25.0	↓

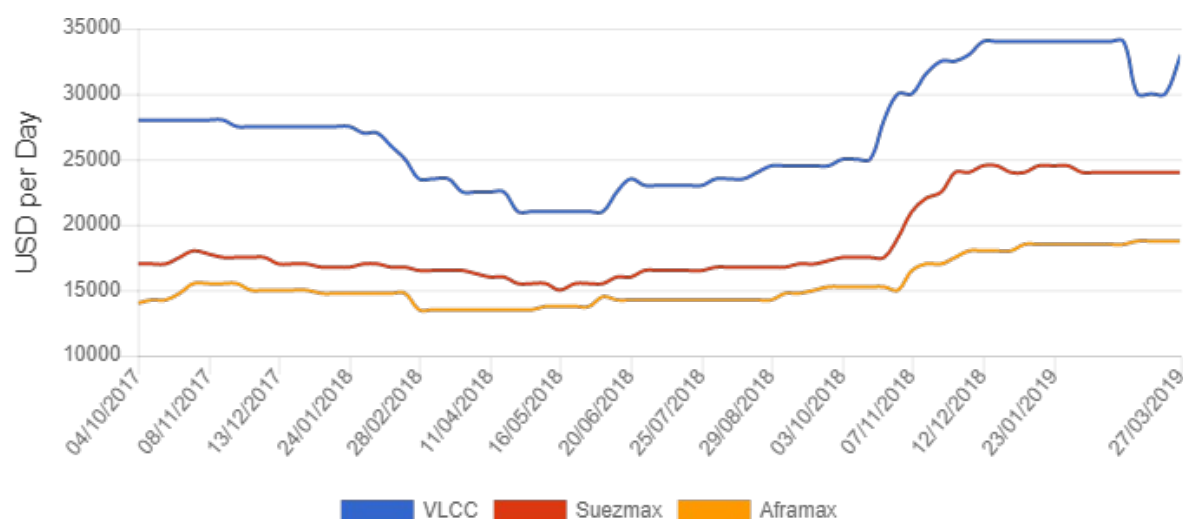
1 Year T/C (USD/Day)

VLCC	Modern	\$32,000	-\$1,000	↓
Suezmax	Modern	\$24,000	\$0	→
Aframax	Modern	\$19,750	\$500	↑

VLCCs fixed in all areas last week 43 2 ↑

VLCCs available in MEG next 30 days 130 5 ↑

1 Year T/C Crude



Dry Bulk

Capesize

Still short-term doom and gloom for the big ships, as market is only slowly absorbing an abundance of prompt units left without employment following some 8 mio tons of West Australia iron ore exports falling out due to cyclone. Apart from certain bright spots on fronthaul, spot is completely on its knees - tc-equivalents of the WAust/China milk route are negative and Brazilian rounds are not much better. Period interest nevertheless remain healthy for quality tonnage, with levels presently bid by major miners at some USD 14,500 for about 1.5 years on modern 180,000-tonners being a positive contrast to average daily spot earnings of less than USD 4000.

Panamax

A continued strengthening of rates in the Atlantic hemisphere has resulted in yet another positive week for the BPI index, despite a slight decrease of rates in the Pacific. A transatlantic round voyage currently pays owners about USD 10,000 per day, while a short fronthaul from the Continent yields about USD 16,500. In the East, a Pacific round voyage pays around the low USD 7,000's. The BPI 4TC-index is up 71 points to 1127.

Supramax

More downward pressure on rates across both basins this week. From the USG, Ultras are fixing in the high-teens and mid-teens for FH and TA, respectively. ECSA have seen some activity this week where Supras fixing around mid USD 13,000 for TA, while from Emed to Wafr rates are around USD 7,000. In the Pacific, the Indo coal rates have been falling especially on prompt dates, where Supras are facing USD 7k in front for rv to China at the time of writing. CIS rv paying owners in the mid 6k bss CJK delivery to SE Asia, while clinker trips from Vietnam to North China is trading around USD high 8k.

Rates

Capesize (USD/Day, USD/Tonne)	This week	Change
TCT Cont/Far East (180' DWT)	\$13,500	\$500 ↑
Tubarao/Rotterdam (Iron Ore)	\$4	-\$0 ↓
Richards Bay/Rotterdam	\$4	-\$0 ↓

Panamax (USD/Day, USD/Tonne)

Transatlantic RV	\$9,800	\$1,600 ↑
TCT Cont/Far East	\$16,500	\$1,000 ↑
TCT Far East/Cont	\$2,500	\$0 →
TCT Far East RV	\$7,200	-\$400 ↓
Murmask b.14-ARA 15/25,000 sc	\$7	-\$0 ↓

Supramax (USD/Day)

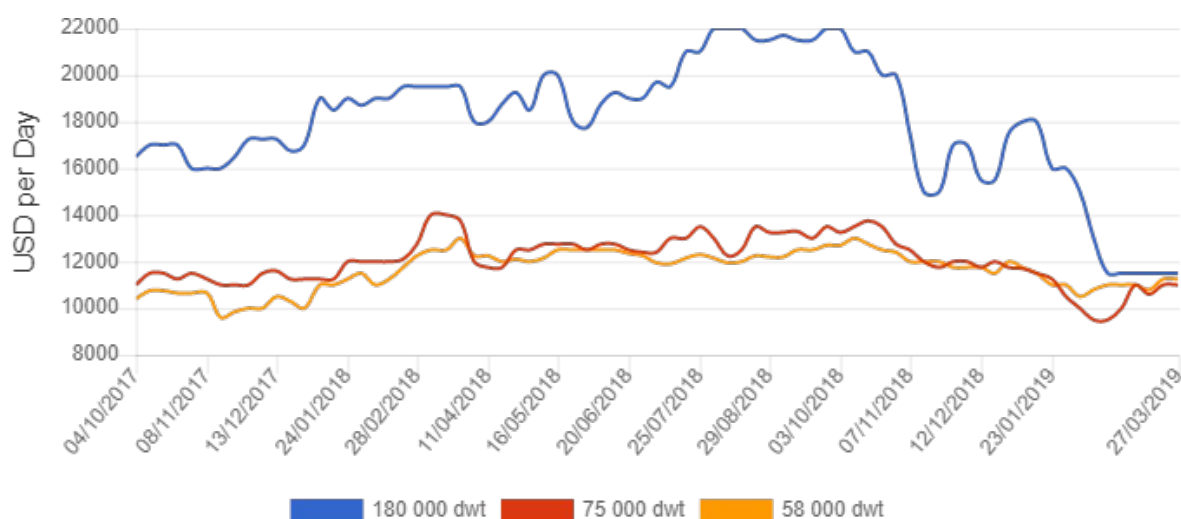
Atlantic RV	\$8,250	-\$250 ↓
Pacific RV	\$8,750	-\$500 ↓
TCT Cont/Far East	\$13,250	-\$500 ↓

1 Year T/C (USD/Day)

Capesize (180 000 dwt)	\$14,000	\$500 ↑
Capesize (170 000 dwt)	\$11,800	\$300 ↑
Panamax (75 000 dwt)	\$10,250	-\$750 ↓
Supramax (58 000 dwt)	\$10,600	-\$150 ↓

Baltic Dry Index (BDI) 674.0

1 Year T/C Dry Bulk



Gas

Chartering

The Eastern VLGC market has tightened up significantly over the past few days, as there are almost no available vessels until the early parts of May. We see more and more inquiries for early May liftings already, although so far only QP and KPC have announced their cargo acceptances so far. Even though QP gave quite some delays to their term lifters, it seems it has no effect to the rather tight vessel situation. The market is now awaiting ADNOC and Aramco acceptances, and only after this, they will decide on their position and whether they will need to charter in or potentially relet their tonnage. The current Baltic (Ras Tanura to Chiba) is closing in on 900,000 per month yesterday, and with the overall tight market situation, we do expect further increase of rates, and T/C/E will probably pass the 1-million-dollar-mark shortly. Last time similar levels were discussed is back in February 2016.

In the West, the market is equally tight. This is also somewhat fuelled by the current problems with Fog in the US Gulf area, which creates significant delays that in turn eat up much of the shipping length. Although there are quite some people off attending an on-going industry function in Houston this week, it does not seem this have affected the market activity too much. We have seen a few fixtures this week for both mid- and end May loading, both out of the Gulf and the East coast. Levels have been steadily moving upwards, and as per last done rates, the ships in the West is currently trading in the high USD 900's per month, reflecting a premium of about 8-10% on the transpacific route.

LPG Rates

Spot Market (USD/Month)	This week	Change
VLGC (84 000 cbm)	\$1,000,000	\$240,000 ↑
LGC (60 000 cbm)	\$500,000	\$0 →
MGC (38 000 cbm)	\$485,000	\$0 →
HDY SR (20-22 000 cbm)	\$480,000	\$0 →
HDY ETH (17-22 000 cbm)	\$730,000	-\$10,000 ↓
ETH (8-12 000 cbm)	\$430,000	\$0 →
SR (6 500 cbm)	\$500,000	\$0 →
COASTER Asia	\$260,000	\$0 →
COASTER Europe	\$280,000	-\$30,000 ↓

LGP/FOB Prices (USD/Tonne)	Propane	Butane
FOB North Sea/ANSI	\$405.50	\$466.00
Saudi Arabia/CP	\$515.00	\$535.00
MT Belvieu (US Gulf)	\$332.14	\$285.45
Sonatrach/Bethioua	\$410.00	\$480.00

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	\$0 →

Newbuilding

Activity Levels

Tankers

● Moderate

Dry Bulkers

● Moderate

Others

● Moderate

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	\$0 →

Sale & Purchase

Prices

Dry	2014	2009
Capesize	\$38.0	\$23.0
Kamsarmax	\$24.0	\$16.0
Ultramax	\$22.0	\$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

111.32 ↑ 0.82

USD/KRW

1136.45 ↑ 2.95

USD/NOK

8.62 ↑ 0.08

EUR/USD

1.12 ↓ -0.01

Interest Rates

LIBOR USD (6 months)

2.67% ↑ 0.02%

NIBOR NOK (6 months)

1.35% → 0.00%

Commodity Prices

Brent Spot

\$69.50 ↑ \$1.53

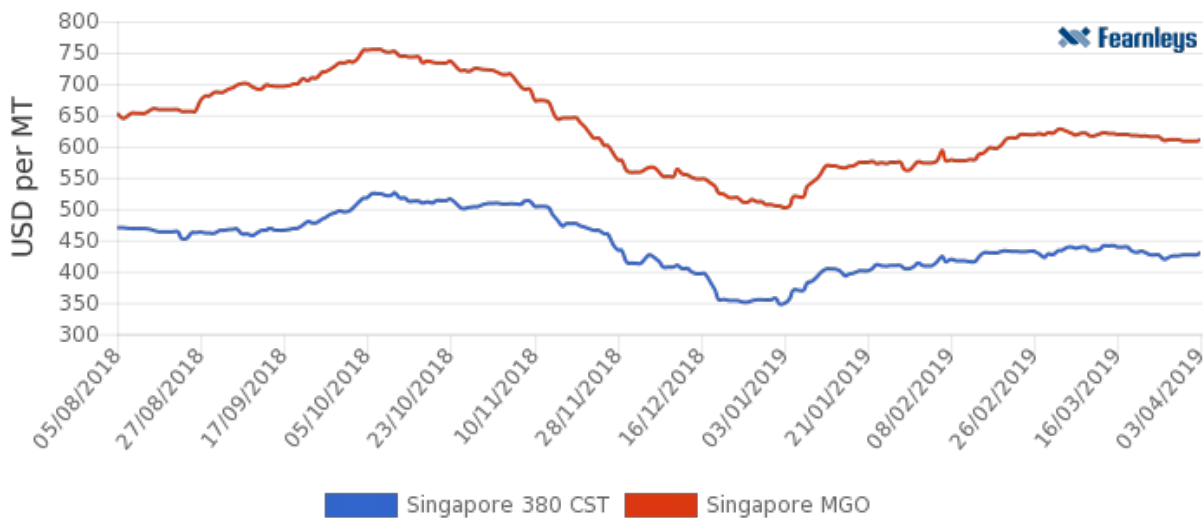
Bunker Prices

Singapore

380 CST	180 CST	MGO
\$431	\$459	\$611
↑ \$8	↓ -\$1	↓ -\$1

Rotterdam

380 CST	180 CST	MGO
\$416	\$457	\$575
↑ \$9	↑ \$5	↓ -\$2



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.

