

## Fearnleys Weekly Report

Week 15 - April 10, 2019

### Tankers

#### VLCC

The final stems for the April program in play and it looks like we will end like at same volumes as we have had the last couple of months. Easter holidays in the West next week and many may want to cover prior to it, but volumes remain steady with May stem confirmations a week down the line. There have been moments when market has appeared to firm a little, but it has simply been insufficient activity for all major VLCC routes for it to happen. Earning still about USD 10k/day with owners carefully selecting their preferred voyages to position themselves for the expected upturn later this summer. In the meantime rates appear flat, though with little downside risk from present levels.

#### Suezmax

Suezmax owners have had a much more encouraging week, a steady flow of cargoes have enabled a thinning of position lists, West Africa has managed to gain some ground with Td20 upto ws65 with earnings back up above 20k per day, double that of just over a week ago. In the coming weeks some owners will be looking to make their move in positioning tonnage to the East for scheduled drydocking, these ships will likely be a target for Charterers. There is market talk of impending recovery at the end of the 2nd quarter, and the coming weeks may be the last chance Charterers are able to steer the market on favourable terms.

#### Aframax

Aframaxes trading in the North Sea and Baltic basin have seen a further softening this week, with the surrounding markets more or less in the same state unfortunately not giving owners much leeway in the search of more prosperous business. We see the market bottomed out in the area, but with the last couple of days being a bit busier in the North we expect owners to put pressure on charterers, asking for rates above last done. In the Mediterranean and Black Sea, rates have moved sideways as a rather quiet week has passed. Quiet but steady, as TD19 is reported at levels just above ws80 throughout the week. Tonnage supply is still in charterers favour, however we believe we have seen bottom levels on rates as TCE is getting close to OPEX-levels. We no longer see much of a rate differential between fixtures ex Black Sea and East Med, since transit in Straits has been running smoothly. In the week to come we expect owners to target the right cargoes in order to minimise waiting time and triangulate their vessel in a sufficient manner.

### Rates

<b>DIRTY (Spot WS)</b>	<b>Size</b>	<b>This week</b>	<b>Change</b>
MEG/WEST	280 000	20.0	-2.0 ↓
MEG/Japan	280 000	36.0	0.0 →

MEG/Singapore	280 000	36.0	-1.0 ↓
WAF/FEAST	260 000	41.0	1.0 ↑
WAF/USAC	130 000	67.5	15.0 ↑
Sidi Kerir/W Med	135 000	65.0	10.0 ↑
N. Afr/Euromed	80 000	82.5	0.0 →
UK/Cont	80 000	80.0	-10.0 ↓
Caribs/USG	70 000	77.5	0.0 →

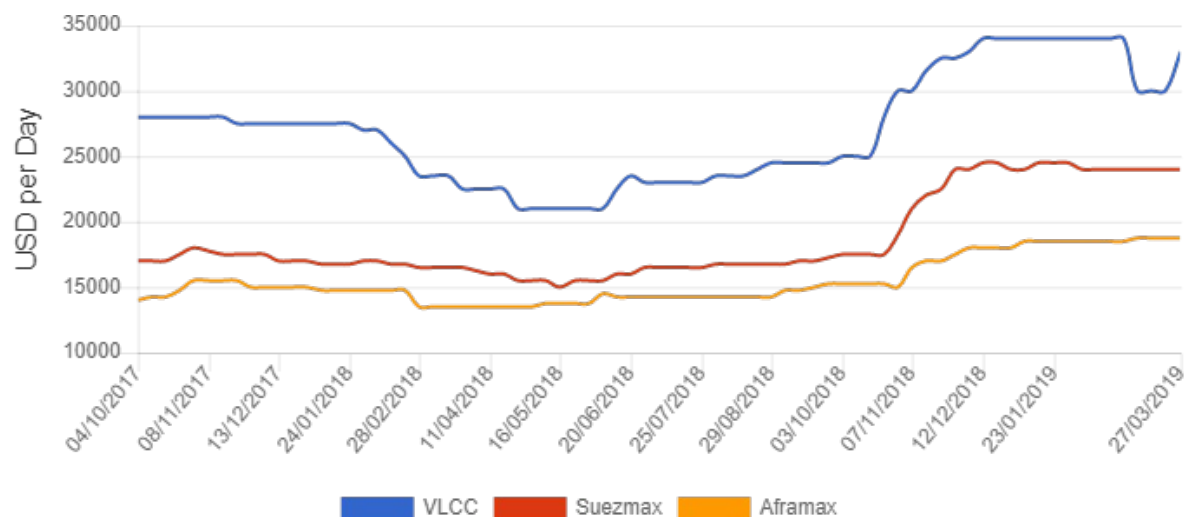
### 1 Year T/C (USD/Day)

VLCC	Modern	\$32,000	\$0 →
Suezmax	Modern	\$24,000	\$0 →
Aframax	Modern	\$20,500	\$750 ↑

**VLCCs fixed in all areas last week** 60 17 ↑

**VLCCs available in MEG next 30 days** 125 -5 ↓

## 1 Year T/C Crude



## Dry Bulk

### Capesize

Despite overall disappointing returns and poor freight levels, there has been a positive trend this week with index gradually up every day. The c5 route is slowly approaching USD 5 pmt whilst c3 remains around USD 13 pmt level with very few charterers active on this route. There is less tonnage left in the Atlantic, resulting in a relatively big increase in the fronthaul rates. There is generally more interest in period tonnage although the overall sentiment is expecting a recovery will take more time.

### Panamax

After a couple of strong weeks, rates are down in both hemispheres. A recovery is, however, anticipated next week as a larger quantity of cargoes has been entering the market in the last couple of days. A transatlantic round voyage currently pays owners about low USD 9,000 per day, while a short fronthaul from the Continent yields about USD 16,000. In the East, a Pacific round voyage pays around the high

USD 6,000's. The BPI 4TC-index is down 53 points to 1,074.

## Supramax

The Baltic Index showed negative figures and dropped even further since last week. It was flat and unexcited market across all basins. USG had limited fresh enquiry and trip to Mediterranean/Continent were fixing around USD 12,000. Trip to India was fixed below USD 17,000. Black Sea was not excited, and oversupply of tonnage put more pressure on rates. Continent saw some better supply of fertilizer, and due to mild weather we saw more cargoes coming from Baltic. India and Middle East market was slow due to local holidays. SE Asia showed more coal supply, and there is a hope of quick recovery.

## Rates

<b>Capesize (USD/Day, USD/Tonne)</b>	<b>This week</b>	<b>Change</b>
TCT Cont/Far East (180' DWT)	\$19,400	\$5,900 <span style="color: green;">↑</span>
Tubarao/Rotterdam (Iron Ore)	\$5	\$0 <span style="color: green;">↑</span>
Richards Bay/Rotterdam	\$5	\$0 <span style="color: green;">↑</span>

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

Transatlantic RV	\$9,300	-\$500 <span style="color: red;">↓</span>
TCT Cont/Far East	\$15,900	-\$600 <span style="color: red;">↓</span>
TCT Far East/Cont	\$2,450	-\$50 <span style="color: red;">↓</span>
TCT Far East RV	\$6,700	-\$500 <span style="color: red;">↓</span>
Murmask b.14-ARA 15/25,000 sc	\$7	-\$0 <span style="color: red;">↓</span>

### **Supramax (USD/Day)**

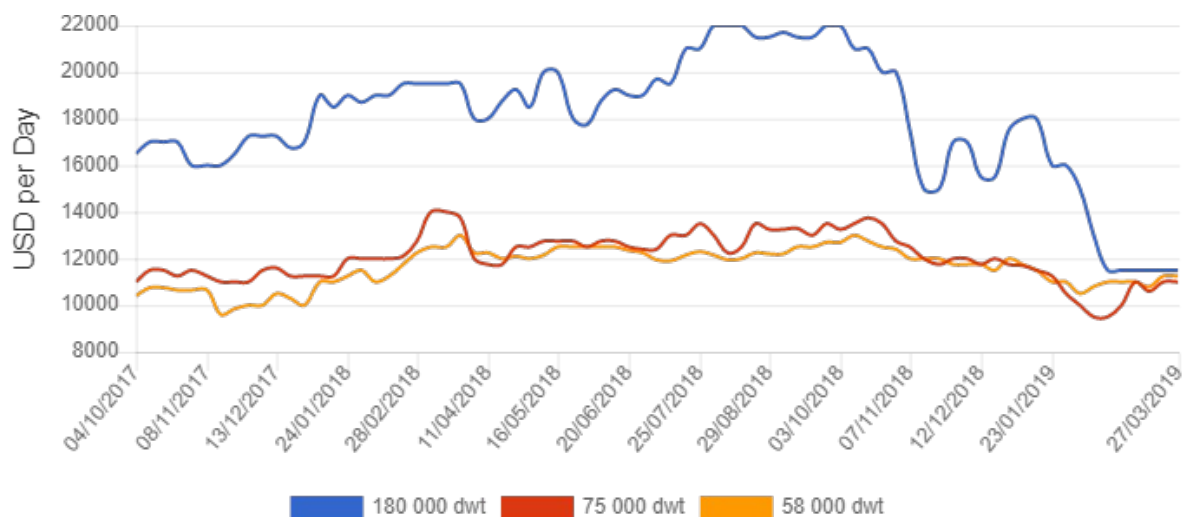
Atlantic RV	\$8,000	-\$250 <span style="color: red;">↓</span>
Pacific RV	\$7,000	-\$1,750 <span style="color: red;">↓</span>
TCT Cont/Far East	\$13,000	-\$250 <span style="color: red;">↓</span>

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

Capesize (180 000 dwt)	\$14,000	\$0 <span style="color: black;">→</span>
Capesize (170 000 dwt)	\$11,800	\$0 <span style="color: black;">→</span>
Panamax (75 000 dwt)	\$10,000	-\$250 <span style="color: red;">↓</span>
Supramax (58 000 dwt)	\$10,600	\$0 <span style="color: black;">→</span>

**Baltic Dry Index (BDI)** 734.0

## 1 Year T/C Dry Bulk



## Gas

### Chartering

Both east and west of Suez the VLGC markets have rallied during the course of the last two-three weeks. The fact is, we have witnessed a ten dollar increase in the BLPG index and further jumps are looming as the May acceptances are not out yet from MEG suppliers. Early May vessel availability is seemingly tight in the MEG and as such there is a feeling of anxiety in the market in case May cargo dates are accepted in the beginning of the month.

In the Atlantic basin, there have been a number of fixtures for laycans up to fifty days ahead, something which in turn is creating challenges with regards to vessel scheduling. Actually, owners currently hold back from further fixing activity simply because there is too much uncertainty. At the time of writing there are basically only a couple of workable VLGCs available for the end of May, however, we expect more vessels available in mid/2nd half May once they have loaded and discharge ports are nominated. As the US terminals are catching up with the delays and things normalize, the inevitable question is, how long will these rates sustain.

### LPG Rates

Spot Market (USD/Month)	This week	Change
VLGC (84 000 cbm)	\$1,100,000	\$100,000 ↑
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	\$0 →
ETH (8-12 000 cbm)	\$430,000	\$0 →
SR (6 500 cbm)	\$500,000	\$0 →
COASTER Asia	\$260,000	\$0 →
COASTER Europe	\$320,000	\$40,000 ↑

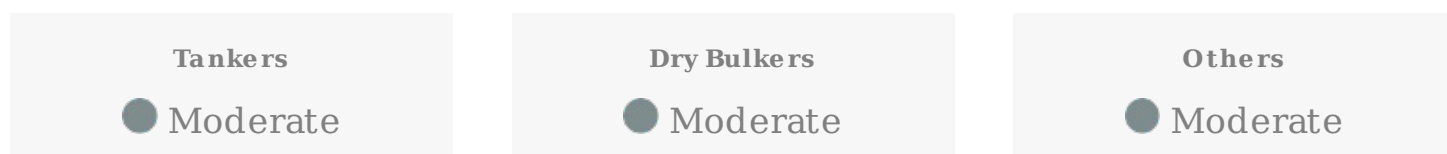
LPG/FOB Prices (USD/Tonne)	Propane	Butane
FOB North Sea/ANSI	\$405.50	\$466.00
Saudi Arabia/CP	\$515.00	\$535.00
MT Belvieu (US Gulf)	\$339.00	\$305.00
Sonatrach/Bethioua	\$410.00	\$480.00

## 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	\$74,000	\$0 →

## Newbuilding

### Activity Levels



## 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	\$35.0	\$24.0
MR	\$29.0	\$17.0

## Market Brief

## Exchange Rates

### USD/JPY

111.13 ↓ -0.19

### USD/KRW

1142.20 ↑ 5.75

### USD/NOK

8.55 ↓ -0.07

### EUR/USD

1.13 ↑ 0.01

## Interest Rates

### LIBOR USD (6 months)

2.63% ↓ -0.02%

### NIBOR NOK (6 months)

1.39% ↑ 0.02%

## Commodity Prices

### Brent Spot

\$70.61 ↑ \$1.11

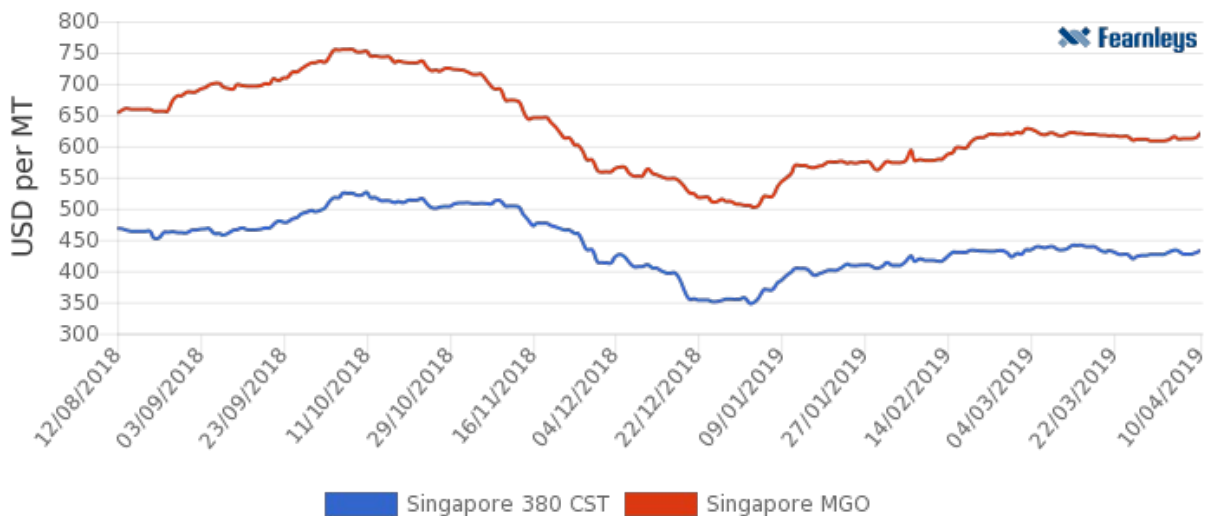
## Bunker Prices

### Singapore

380 CST	180 CST	MGO
\$433	\$472	\$622
↑ \$3	↑ \$13	↑ \$12

### Rotterdam

380 CST	180 CST	MGO
\$422	\$458	\$590
↑ \$7	↑ \$1	↑ \$15



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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