

Fearnleys Weekly Report

Week 33 - August 14, 2019

Tankers

VLCC

After a busy last week the VLCC activity has slowed down whilst waiting for the September MEG program to be confirmed. However, being in the twilight zone between monthly programs is unlikely to cause much suffering as bunkers still trending down and decent TCE's returns at \$30k/day or above. There has been some evidence of "taking" for a date advantage, but there little change in sentiment. Where possible, charterers are still targeting and/or restricted class, which has settled at the very high W40's for MEG/east cargoes, while modern ships rates in the low to mid W50's. Overall it's a holding pattern at the moment, but we do expect charterers to get September as soon as they can. A firm foundation and a tighter than normal position list could well see further improvements once it gets going in earnest.

Suezmax

For the suezmaxes we have had decent activity for all markets last week. The tonnage-count in the Atlantic is better but we still have an overhang of tonnage preventing the rates from moving anywhere. The start of this year has been slow though, and we would need some end-of-year activity to put Owners in a better position going into next MEG the market remains stable. The 30 day tonnage count remains steady just above 100 ships, and Owners are getting around \$18-19k for a round-trip MEG/Spore on a modern eco-ship.

Aframax

The Aframax market in the Baltic and Continent has moved sideways all week, with benchmark routes such as TD17 flattening out at ws 85 and ws 55 respectively. Over the week cargoes have continued to be fixed at steady rates off market, but as we get closer to September dates we expect the window to tighten and the market to have an upward correction. Much to owners dissatisfaction the Mediterranean and Black Sea has also seen yet another dip with plenty of prompt open ships waiting for employment. TD19 currently stands at ws 72.5, and has done so for a while. On a positive note we have seen a slight increase of activity the last day or so, and combined with the current market being widely perceived as rock bottom, owners are becoming optimistic as we approach cargo programs for September.

Rates

DIRTY (Spot WS)	Size	This week	Change
MEG/WEST	280 000	24.5	0.5 ↑
MEG/Japan	280 000	52.0	0.0 →
MEG/Singapore	280 000	53.0	0.0 →
WAF/FEAST	260 000	54.0	-1.0 ↓
WAF/USAC	130 000	55.0	-2.5 ↓
Sidi Kerir/W Med	135 000	57.5	-2.5 ↓

N. Afr/Euromed	80 000	72.5	0.0 →
UK/Cont	80 000	85.0	5.0 ↑
Caribs/USG	70 000	72.5	0.0 →

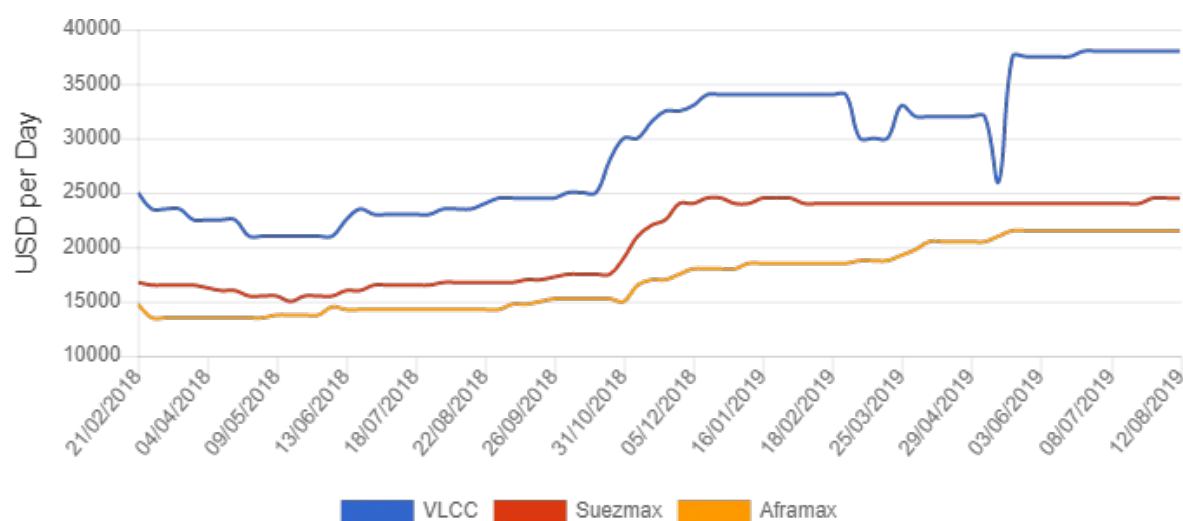
1 Year T/C (USD/Day)

VLCC	Modern	\$38,000	\$0 →
Suezmax	Modern	\$24,500	\$0 →
Aframax	Modern	\$21,500	\$0 →

VLCCs fixed in all areas last week 85 0 →

VLCCs available in MEG next 30 days 125 5 ↑

1 Year T/C Crude



Dry Bulk

Capesize

Confidence regained for the big ships after a brief nervous period, average 180000-tonners now enjoying daily earnings of close to usd 28k. Considerable geographical bunker differentials and weather issues cause tonnage disruptions. whilst iron ore prices are up and all major miners needing/taking prompt units. The West Australia is stable in volume with resultant gains in daily earnings of 23 pct for pacific rounds, coming in at usd 27k. With increased fronthaul activity, transatlantic levels are up 18 pct to print at usd 25k. General outlook is positive reflected in FFA support and a hectic period ahead for extensive scrubber retrofits and IMO 2020 compliance

Panamax

Rates have been increasing in both hemispheres for a good week by now, as we see additional cargoes constantly emerging in the market. The ECSA-market has arguably been the dominant force in pushing the rates, where LME's (around 75.000 DWT) fixing at levels above 18.000 + 800k GBB for grain-trips to the far east. A TARI currently pays owners around USD 20,000 per day, while a fronthaul from the continent now pays about USD 13,500 per day. The BPI 4TC-index is currently at 2089 points from last week.

Supramax

The market started on a quiet cosious mode with a firm undertone at the beginning of the week, however the improvement overall became quite obvious and indexes pushed up. Atlantic basin pushing up with lots of fresh requirements in Black Sea Aran and Continent. Strong demand in ECSA adding pressure for South Atlantic lo fixed above \$16,000 plus \$650,000 BB del ECSA to Japan. Indian ocean experiences shortage of tonnage an pushing up, Tess 58 obtaining \$ 14,000 plus \$400,000 BB TCT South Africa - China. The US Gulf improved s with rates for 63000DWT achieving \$30,000 for FH. Overall rates from the Pacific improved with good supp export from South East Asian to China and India. Supra seen \$10,000 plus for Indo RV and premium paid for discharge.

Rates

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

TCT Cont/Far East (180 DWT)	\$47,127	\$3,168 ↑
Australia - China	\$10.0	\$1.1 ↑
Pacific RV	\$26,821	\$4,679 ↑

Panamax (USD/Day, USD/Tonne)

Transatlantic RV	\$19,620	\$3,245 ↑
TCT Cont/Far East	\$27,930	\$3,163 ↑
TCT Far East/Cont	\$5,881	\$511 ↑
TCT Far East RV	\$13,400	\$2,631 ↑

Supramax (USD/Day)

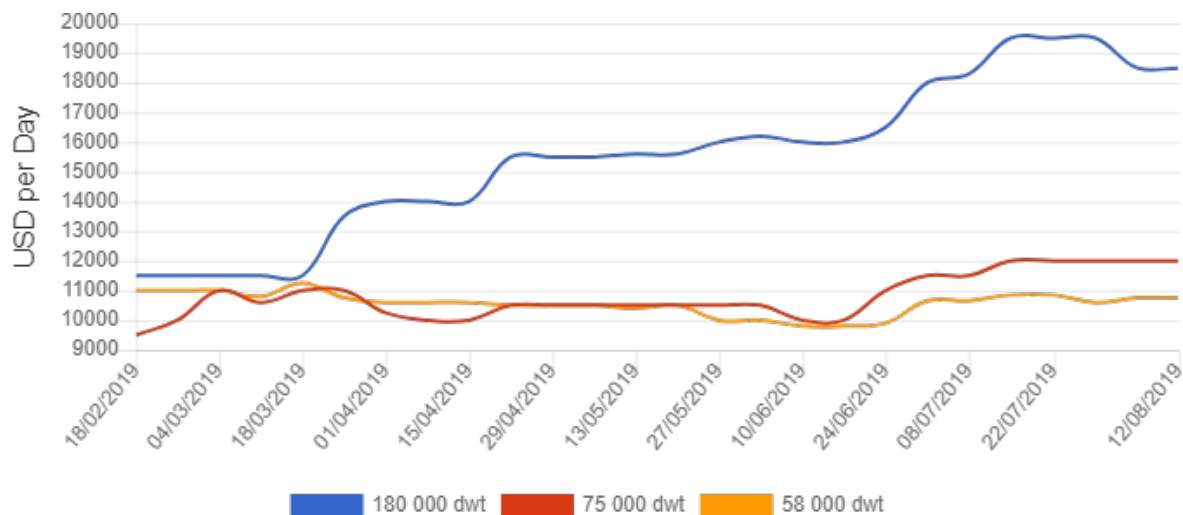
Atlantic RV	\$13,390	\$1,031 ↑
Pacific RV	\$9,786	\$357 ↑
TCT Cont/Far East	\$24,429	\$1,943 ↑

1 Year T/C (USD/Day)

Capesize (180 000 dwt)	\$19,000	\$500 ↑
Panamax (75 000 dwt)	\$12,750	\$750 ↑
Supramax (58 000 dwt)	\$11,000	\$250 ↑

Baltic Dry Index (BDI) 1950.0

1 Year T/C Dry Bulk



Gas

Chartering

EAST:

It has been a relatively quiet week in the East so far with public holidays in the Middle East, Japan and Singapore still left with prompt open ships in August which continue to add pressure on rates, and more Owners have decelerated ballast their ships towards Cape on the back of stronger freight markets in the West. Aramco September acceptance also expected soon, and as per usual we expect to see more activity on freight once those dates are known.

WEST:

In contrast to the last few months, this week has seen the Western VL market flip into a premium relative to the East. There have been two main drivers behind this particular market move. On one hand, a handful of fixtures in the West absorbed much of the slack in vessel availability. On the other is the composition of ownership of the remaining vessels, with the vast majority being controlled by the largest few shipowners. Consequently, H/C via P voyage rates being fixed at around \$110pmt - some \$10 higher than the equivalent Baltic. It will be interesting to see whether rates continue to strengthen and to what extent this might influence the balance of the fleet across East and West.

LPG Rates

Spot Market (USD/Month)	This week	Change
VLGC (84 000 cbm)	\$1,528,237	-\$119,524 ↓
LGC (60 000 cbm)	\$850,000	\$0 →
MGC (38 000 cbm)	\$800,000	\$25,000 ↑
HDY SR (20-22 000 cbm)	\$530,000	\$20,000 ↑
HDY ETH (17-22 000 cbm)	\$730,000	\$0 →
ETH (8-12 000 cbm)	\$450,000	\$0 →
SR (6 500 cbm)	\$450,000	\$0 →
COASTER Asia	\$260,000	\$0 →
COASTER Europe	\$280,000	\$0 →

LGP/FOB Prices (USD/Tonne)	Propane	Butane
FOB North Sea/ANSI	\$276.00	\$270.50
Saudi Arabia/CP	\$370.00	\$360.00
MT Belvieu (US Gulf)	\$212.00	\$197.50
Sonatrach/Bethioua	\$286.00	\$295.00

LNG Rates

Spot Market (USD/Day)	This week	Change
East of Suez 155-165 000 cbm	\$63,000	\$2,000 ↑
West of Suez 155-165 000 cbm	\$68,000	\$3,000 ↑
1 Year T/C 155-160 000 cbm	\$84,000	\$0 →

Newbuilding

Activity Levels

Tankers

● Slow

Dry Bulkers

● Slow

Others

● Slow

Prices

Prices (Million USD)	Size	This week	Change
VLCC	300 000	\$91	\$0 →
Suezmax	150 000	\$61	\$0 →
Aframax	110 000	\$50	\$0 →
Product	50 000	\$37	\$0 →
Capesize	180 000	\$50	\$0 →
Kamsarmax	82 000	\$28	\$0 →
Ultramax	64 000	\$26	\$0 →
LNGC (MEGI) (cbm)	170 000	\$189	\$0 →

Sale & Purchase**Prices**

Dry	2014	2009
Capesize	\$37.0	\$23.0
Kamsarmax	\$24.0	\$16.0
Ultramax	\$22.0	\$13.3
Wet		
VLCC	\$71.5	\$46.5
Suezmax	\$51.5	\$36.5
Aframax / LR2	\$37.5	\$25.0
MR	\$28.0	\$18.0

Market Brief**Exchange Rates**USD/JPY

105.31 ↓ -1.08

USD/KRW

1216.15 ↑ 0.85

USD/NOK

8.91 ↑ 0.00

EUR/USD

1.12 ↑ 0.00

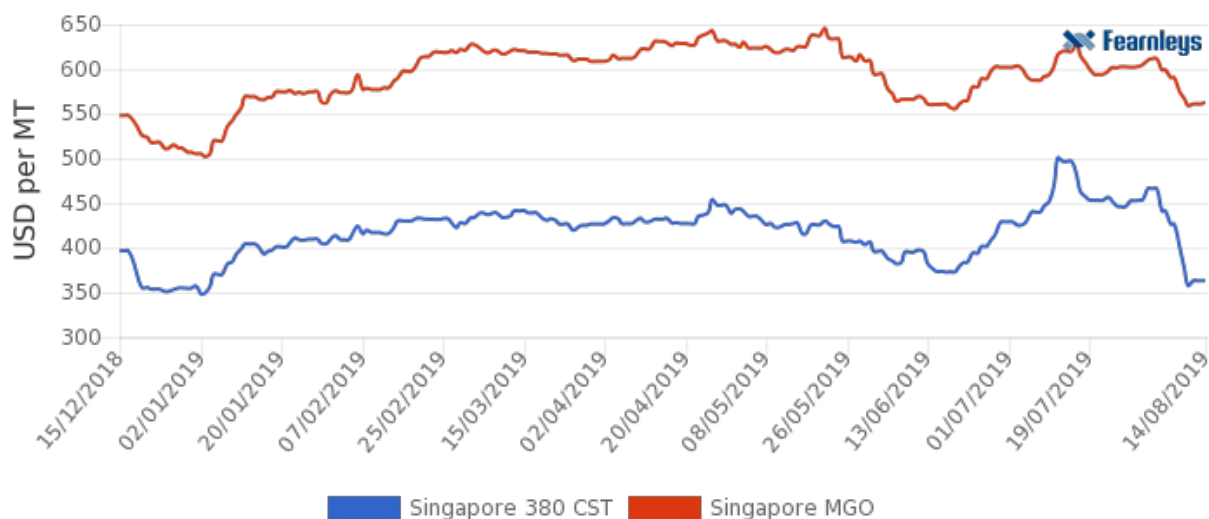
Interest Rates

LIBOR USD (6 months)2.05% ↑ 0.00%**NIBOR NOK (6 months)**1.63% ↑ 0.01%**Commodity Prices****Brent Spot**\$58.57 ↓ -\$1.24**Bunker Prices****Singapore**

380 CST	180 CST	MGO
\$363	\$397	\$563
↓ -\$64	↓ -\$57	↓ -\$28

Rotterdam

380 CST	180 CST	MGO
\$301	\$334	\$532
↓ -\$55	↓ -\$53	↓ -\$34



All rates published in this report do not necessarily reflect actual transactions occurring in the market. Certain estimates may prevail market conditions. In some circumstances, rates for certain vessel types are based on theoretical assumptions of premi for particular vessel versus other vessel types.

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