

Fearnleys Weekly Report

Week 34 - August 21, 2019

Tankers

VLCC

The VLCC market has gone from strength to strength the last week, culminating at the writing moment with high W60's from both MEG- and Wafr/east - yielding daily earning ast \$40k or above. We are now at the last decade MEG cargoes, and when concluded it is not unlikely that rates will level out moving further into the month as tonnage availability widens. The Atlantic has by and large been quiet, although Wafr stems have started to appear whereas Brazilian export continues in an increasing tempo, keeping the firing burning I the west.

Suezmax

Finally we see some positivity in the Suezmax market. This market has been flat at bottom levels for some time with increasing activity and bullish Owners it looks like the table has turned. In wafr we have now got rid of our overhang and the position list is looking really tight. Whats interesting now, is that we also have a rather short count in MEG as well, so both markets are pulling in the same direction. We dont see any reason why this should cargo activity is expected to increase and Owners are finally smelling money.

Aframax

As the surrounding VLCC and Suez markets are currently picking up, the Aframax market in the Baltic and North Sea however is still hovering around bottom rate levels. Although we have seen a bit of activity the past week, such as cargoes out of the area for Eastbound destination, and Baltic September dates in play, we are not expecting a uptick in rates in the week to come. Following the flat market we have seen in the Mediterranean and Black Sea market for a month or so, owners are regaining their optimism today as a spark in activity the last couple of days has resulted in a uptick in rates. Going forwards into September fixing dates we expect to see an upwards correction in rates as the Mediterranean and Black Sea market starts to recover.

Rates

DIRTY (Spot WS)	Size	This week	Change
MEG/WEST	280 000	30.0	5.5 ↑
MEG/Japan	280 000	67.0	15.0 ↑
MEG/Singapore	280 000	68.5	15.5 ↑
WAF/FEAST	260 000	67.5	13.5 ↑
WAF/USAC	130 000	57.5	2.5 ↑
Sidi Kerir/W Med	135 000	67.5	10.0 ↑
N. Afr/Euromed	80 000	75.0	2.5 ↑
UK/Cont	80 000	85.0	0.0 →
Caribs/USG	70 000	75.0	2.5 ↑

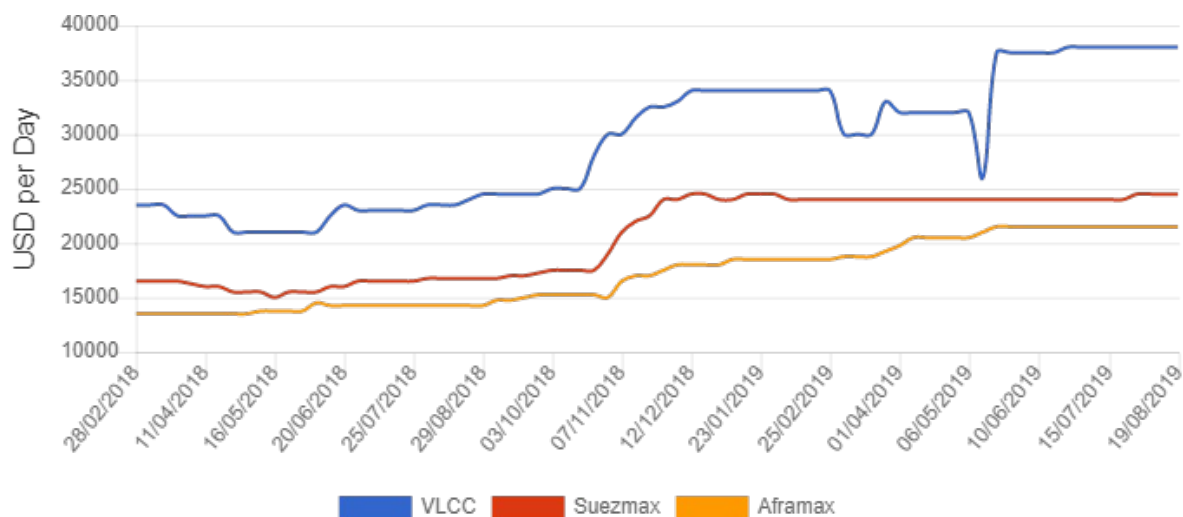
1 Year T/C (USD/Day)

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

VLCCs fixed in all areas last week 59 -26 ↓

VLCCs available in MEG next 30 days 116 -9 ↓

1 Year T/C Crude



Dry Bulk

Capesize

After a significant push last week the market calmed down and started to slide on Friday. The West Australia to Europe route was down from USD 10.00 per metric ton to USD 9.50 per metric ton whilst presently again turning. Brazil to China route has been stable in the low 20's and now showing signs of improvement as well. All in all the market is positive and the capesize segment is confident and well supported.

Panamax

A slow start to the week with few fresh fixtures reported, however the little information that has emerged has shown the market remains firm in both hemispheres. Grains from East Coast South America has remained firm, as efficient 82,000 DWT vessels have fixed around USD 19,000 per day, with delivery India and Singapore, or USD 19,000 + 900,000 per day for delivery APS. With few fixtures in the Atlantic, a Panamax which fixed a Bauxite-run from Jord Lasfar via Karikal to Europe kept the market at similar levels to last week, as regular transatlantic round voyage owners around USD 20,000. A fronthaul from the continent now pays about USD 29,000. In the east, a Pacific round voyage pays above the USD 14,500-mark. The BPI 4TC-index is currently at 2163 points, up 74 points from 1989.

Supramax

Another week with positive push on supra rates across all areas. In Pacific Indo/China rounds fixing around USD 11,000 for Suezmax to Europe and Nopac and Aussie rv's paying around USD 11,000, while AG to China paying in the high 20's. In the Atlantic basin, TA's paying in the low 20k, while fh's ex USG around USD 30,000.

Rates

Capesize (USD/Day, USD/Tonne)	This week	Change
TCT Cont/Far East (180 DWT)	\$51,682	\$4,555 ↑
Australia - China	\$9.7	-\$0.4 ↓
Pacific RV	\$26,588	-\$233 ↓

Panamax (USD/Day, USD/Tonne)

Transatlantic RV	\$19,760	\$140 ↑
TCT Cont/Far East	\$28,682	\$752 ↑
TCT Far East/Cont	\$6,173	\$292 ↑
TCT Far East RV	\$14,621	\$1,221 ↑

Supramax (USD/Day)

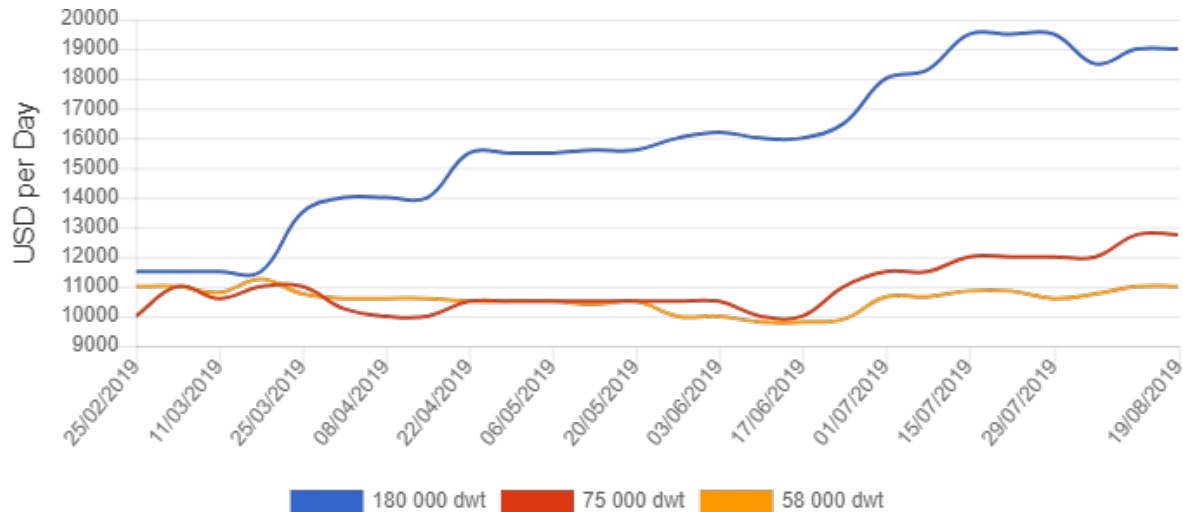
Atlantic RV	\$15,837	\$2,447 ↑
Pacific RV	\$11,400	\$1,614 ↑
TCT Cont/Far East	\$27,125	\$2,696 ↑

1 Year T/C (USD/Day)

Capesize (180 000 dwt)	\$19,500	\$500 ↑
Panamax (75 000 dwt)	\$13,000	\$250 ↑
Supramax (58 000 dwt)	\$11,000	\$0 →

Baltic Dry Index (BDI) 2061.0

1 Year T/C Dry Bulk



Gas

Chartering

West

This week has seen a weakening in the Western premium which built up previously. In the west, this was driven by an abundance of relets through which players looked to benefit from the higher Western rate. Despite limited availability in 1H Sep, there are a larger amount of ships in the second half of the month. It will be interesting whether or not this leads to a further reduction of Western freight rates.

East

There were dynamic movements in the Baltic this week. It weakened quickly from \$60 to low \$50's, before stabilizing at \$60 again. This sudden change was driven by two relets deals which pushed down the market. As those relets went gone and many vessels headed West to seek a premium, the East market turned firm again. Moreover, massive demand finally returned - we expect 5-6 spot inquiries in 1H Sep, which could help tighten the Eastern vessel market. Beside the 1H Sep market change, several Saudi FOB cuts haven't affected anything in the market yet.

LPG Rates

Spot Market (USD/Month)	This week	Change
VLGC (84 000 cbm)	\$1,400,000	-\$128,237 ↓
LGC (60 000 cbm)	\$850,000	\$0 →
MGC (38 000 cbm)	\$800,000	\$0 →
HDY SR (20-22 000 cbm)	\$530,000	\$0 →
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	\$310,000	\$30,000 ↑

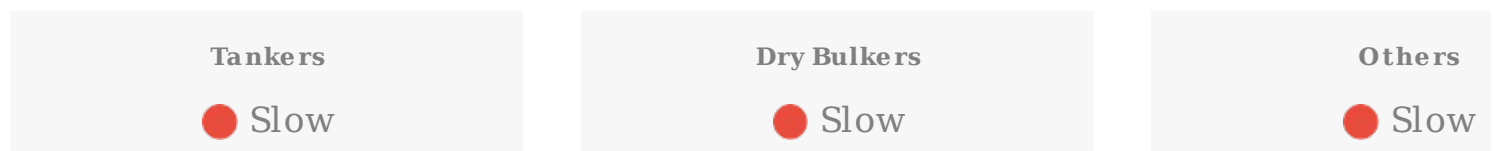
LGP/FOB Prices (USD/Tonne)	Propane	Butane
FOB North Sea/ANSI	\$276.00	\$270.50
Saudi Arabia/CP	\$370.00	\$360.00
MT Belvieu (US Gulf)	\$197.00	\$167.00
Sonatrach/Bethioua	\$286.00	\$295.00

LNG Rates

Spot Market (USD/Day)	This week	Change
East of Suez 155-165 000 cbm	\$65,000	\$0 →
West of Suez 155-165 000 cbm	\$68,000	\$0 →
1 Year T/C 155-160 000 cbm	\$84,000	\$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	\$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

106.32 ↓ -0.32

USD/KRW

1208.00 ↓ -14.20

USD/NOK

9.00 ↑ 0.09

EUR/USD

1.11 ↓ -0.01

Interest Rates

LIBOR USD (6 months)

2.03% ↓ -0.05%

NIBOR NOK (6 months)

1.56% ↓ -0.09%

Commodity Prices

Brent Spot

\$59.74 ↑ \$1.17

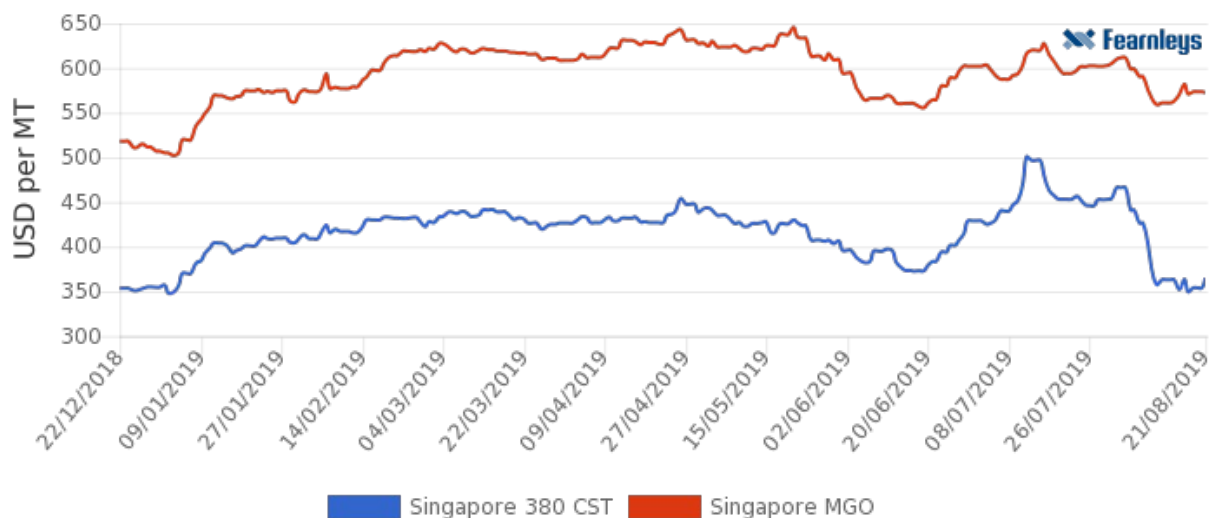
Bunker Prices

Singapore

380 CST	180 CST	MGO
\$365	\$394	\$573
↑ \$2	↓ -\$4	↑ \$10

Rotterdam

380 CST	180 CST	MGO
\$303	\$326	\$547
↑ \$2	↓ -\$8	↑ \$15



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

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