

Fearnleys Weekly Report

Week 35 - August 28, 2019

Tankers

VLCC

After a couple of hectic weeks for the Vlcc's with rates steadily climbing we have seen a few rather quiet days. Activity in general is still there but in a more measured way as charterers took a step back due to the UK holiday on Monday to see if they could ease the firm trend. For now they have managed to slow things down and shave a couple of points off the rates. The optimism for the next couple of months is far from changed among the owning community and merely seen as a 'pit-stop' before it all starts up again. In the Meg we are not even at the half-way-mark for the month whilst the Brazilians are steadily coming into the market for Brazil/East cargoes. Activity in West Africa and US Gulf remains slow but also here expected to see increased activity. The slow-down therefore feels temporary, at least for now.

Suezmax

The suezmarket is still going strong, despite less activity so far this week. Monday was bank-holiday in UK which explains some, but charterers are doing their best to hold back to kill the momentum in the market. This could backfire and we believe the activity will be strong for the rest of the week, with W70 being next done for a wafr/ukc. In the East we have the same story as last week - decent activity and the 30 day count is lower than normal which points towards a better market for the Owners going forward.

Aframax

The Aframax market in the North Sea and Baltic has moved sideways the past week again with rate levels ex Baltic (TD17) standing steadily at WS 55. Although we have in fact seen a small rush of cargoes coming into the market the last couple of days, it has not been enough activity to satisfy the available tonnage in the area, and therefore rate levels have not picked up just yet. However, the cargo program ex Baltic looks healthier for September in the 2nd half, and it will be interesting to see if the market finally moves in the week to come. In the Mediterranean and Black Sea we have seen an upward correction this week with benchmark routes (cross-Med and Bsea-Med) picking up around 10 points over the past 7 days. TD19 currently stands at WS 85 and much to the delight of the owners there is still cargoes in the market yet to be fixed. It is expected the market will stay firm in the week to come.

Rates

DIRTY (Spot WS)	Size	This week	Change
MEG/WEST	280 000	30.0	0.0 →
MEG/Japan	280 000	62.0	-5.0 ↓
MEG/Singapore	280 000	63.0	-5.5 ↓
WAF/FEAST	260 000	61.5	-6.0 ↓

WAF/USAC	130 000	67.5	10.0	↑
Sidi Kerir/W Med	135 000	67.5	0.0	→
N. Afr/Euromed	80 000	85.0	10.0	↑
UK/Cont	80 000	85.0	0.0	→
Caribs/USG	70 000	80.0	5.0	↑

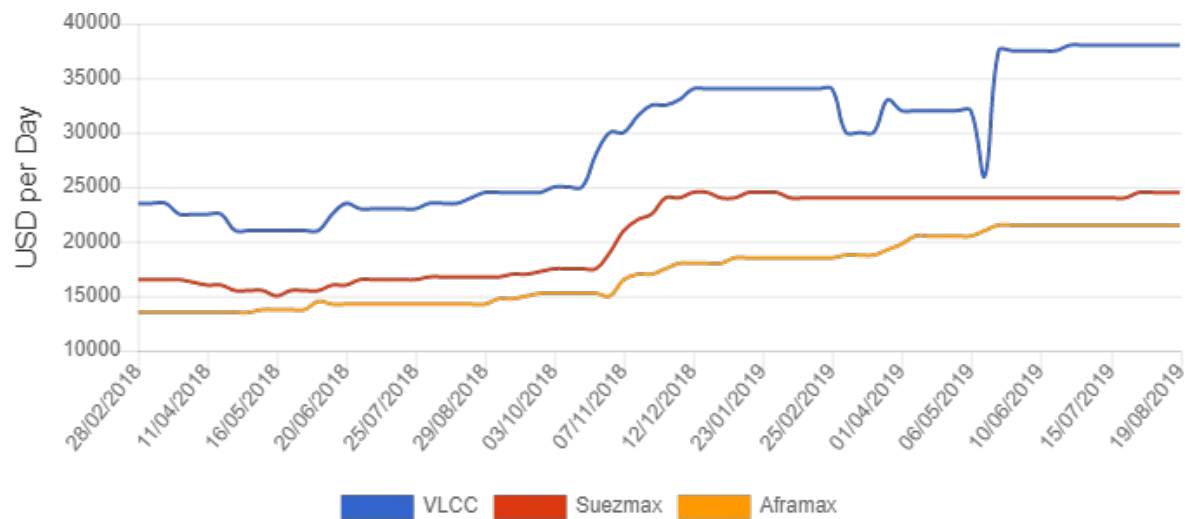
1 Year T/C (USD/Day)

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

VLCCs fixed in all areas last week 59 0 →

VLCCs available in MEG next 30 days 125 9 ↑

1 Year T/C Crude



Dry Bulk

Capesize

Over the last week the Capesize market got stronger as the basket of all routes increased 13%. Especially on the Brasil to China route we have seen a big improvement with USD 4 dollars per metric ton added to the freight. For this route we see significant activity with less and less early tonnage available. This tightness indicates that we are looking at further improvement in the week to come, however it mostly depends on the schedule and activity of one major freight consumer.

Panamax

A TA round voyage currently pays owners around USD 22,000 per day, while a fronthaul from the continent now pays around the mid USD 29,000's. In the east, a Pacific round voyage pays above the USD 15,500-mark. The BPI 4TC-index is currently at 2218 points, up 55 points from last week.

Supramax

Continuous push in most areas, Nopac rv fixing in the USD 14,000s while Indo coal to China is paying around USD 16,000 and Indo coal to ECI around USD 14,000. Still tight tonnage supply in the Atlantic, where bhaul business to USG or ECSA is paying around USD 15,000 while, FH ex Cont is trading close to USD 30,000.

Rates

Capesize (USD/Day, USD/Tonne)	This week	Change
TCT Cont/Far East (180 DWT)	\$55,318	\$2,977 ↑
Australia - China	\$10.5	\$1.0 ↑
Pacific RV	\$30,754	\$4,512 ↑

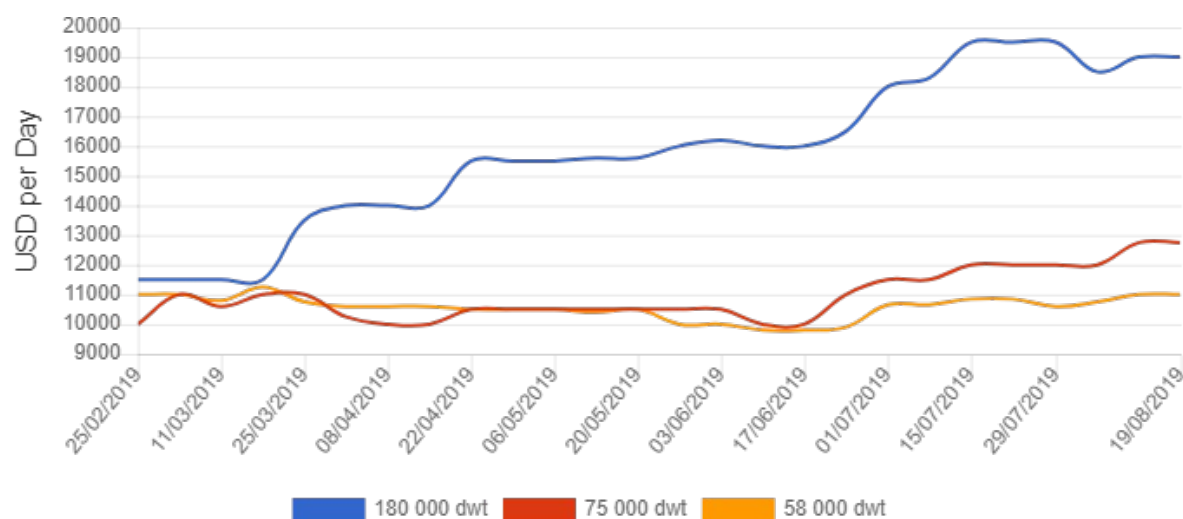
Panamax (USD/Day, USD/Tonne)	This week	Change
Transatlantic RV	\$19,825	\$90 ↑
TCT Cont/Far East	\$29,473	\$891 ↑
TCT Far East/Cont	\$6,400	\$218 ↑
TCT Far East RV	\$15,891	\$1,193 ↑

Supramax (USD/Day)	This week	Change
Atlantic RV	\$16,900	\$1,452 ↑
Pacific RV	\$12,486	\$1,315 ↑
TCT Cont/Far East	\$27,589	\$839 ↑

1 Year T/C (USD/Day)	This week	Change
Capesize (180 000 dwt)	\$20,000	\$500 ↑
Panamax (75 000 dwt)	\$13,000	\$0 →
Supramax (58 000 dwt)	\$11,500	\$500 ↑

Baltic Dry Index (BDI) 2267.0

1 Year T/C Dry Bulk



Gas

Chartering

The West VLGC market has not really seen much activity so far this week. September liftings ex USG are seemingly more or less done, however, the vessel overhang going into October is rather limited to a handful of vessels. Vessels currently discharging in the Far East are being watched carefully as delays due to ullage issues may further exacerbate, potentially leaving early October vessel supply relatively tight.

LPG Rates

Spot Market (USD/Month)	This week	Change
VLGC (84 000 cbm)	\$1,500,000	\$100,000 ↑
LGC (60 000 cbm)	\$900,000	\$50,000 ↑
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	\$300,000	-\$10,000 ↓

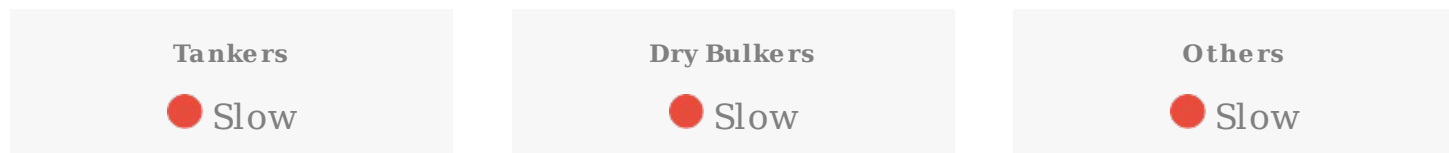
LGP/FOB Prices (USD/Tonne)	Propane	Butane
FOB North Sea/ANSI	\$276.00	\$270.50
Saudi Arabia/CP	\$370.00	\$360.00
MT Belvieu (US Gulf)	\$217.50	\$198.00
Sonatrach/Bethioua	\$286.00	\$295.00

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/IPY

105.92 ↓ -0.40

USD/KRW

1211.25 ↑ 3.25

USD/NOK

9.02 ↑ 0.01

EUR/USD

1.11 ↑ 0.00

Interest Rates

LIBOR USD (6 months)

2.08% ↑ 0.05%

NIBOR NOK (6 months)

1.62% ↑ 0.03%

Commodity Prices

Brent Spot

\$58.70 ↓ -\$1.04

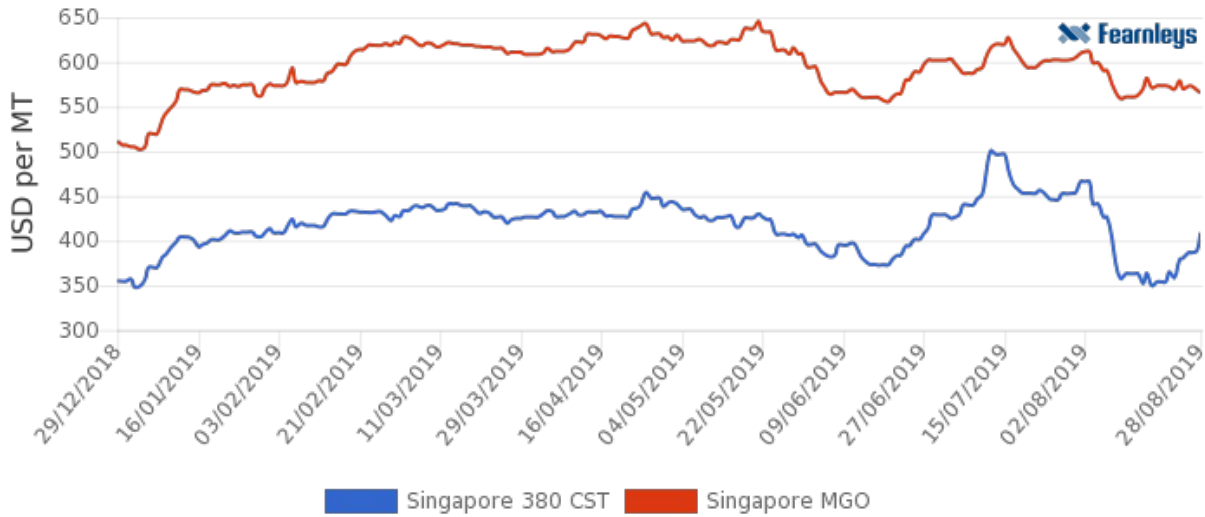
Bunker Prices

Singapore

380 CST	180 CST	MGO
\$409	\$435	\$566
↑ \$44	↑ \$42	↓ -\$7

Rotterdam

380 CST	180 CST	MGO
\$301	\$337	\$546
↓ -\$3	↑ \$12	↓ -\$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.

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