

Fearnleys Weekly Report

Week 46 - November 13, 2019

Tankers

VLCC

An active VLCC market last week, with most fixtures concluded under the radar as the soft trend continues. The MEG count is now moving up towards 135, and with charterers already looking early December loading. Atlantic showing signs of more activity, but at this stage it will most likely dampen the soft trend rather than it is turning around. Most of the tanker market participants are out in Dubai for Bahri Reception and we will not be surprised if by Friday more ships has disappeared under the radar at last done levels.

Suezmax

The Atlantic Suezmax market finally hit bottom this week and even bounced back some points. Some charterers ex West Africa were holding back a bit too long and ended up being above ws100 for Wafr/UKCM. Position list in West Africa is looking short for November dates, and owners finally feeling a bit more bullish after two really slow weeks. One thing that also could help this market going forward is the fog has arrived the Turkish Straits. This, and expected increasing cargo activity, could point towards a positive market the next weeks. In the East, on the other hand, the market is looking really slow. Hopefully a bullish Wafr market could make owners ballast some ships, but until then the we expect the East-market to remain slow.

Aframax

Following a relatively slow week in the Baltic and North Sea market, we have seen an upwards correction in rates the last few days. As the tonnage list is tightening and there still are cargoes in the market yet to be covered in the 20-25 window ex Baltic, we expect the market to stay firm in the week to come. In the Mediterranean and Black Sea, the market has also bounced back this week. Much to the excitement of owners we have seen an active market with an upward trend in rate levels which has resulted in benchmark routes ex Bsea and cross-Med picking up around 20 points on worldscale. Although we still see a healthy tonnage list, we expect the market to stay firm in the week to come due to the sufficient amount of cargoes currently coming into the market.

Rates

DIRTY (Spot WS)	Size	This week	Change
MEG/WEST	280 000	46.0	-4.0 ↓
MEG/Japan	280 000	75.0	-10.0 ↓
MEG/Singapore	280 000	76.0	-9.0 ↓
WAF/FEAST	260 000	80.0	-10.0 ↓

WAF/USAC	130 000	102.5	5.0	↑
Sidi Kerir/W Med	135 000	100.0	-5.0	↓
N. Afr/Euromed	80 000	120.0	25.0	↑
UK/Cont	80 000	110.0	15.0	↑
Caribs/USG	70 000	132.5	2.5	↑

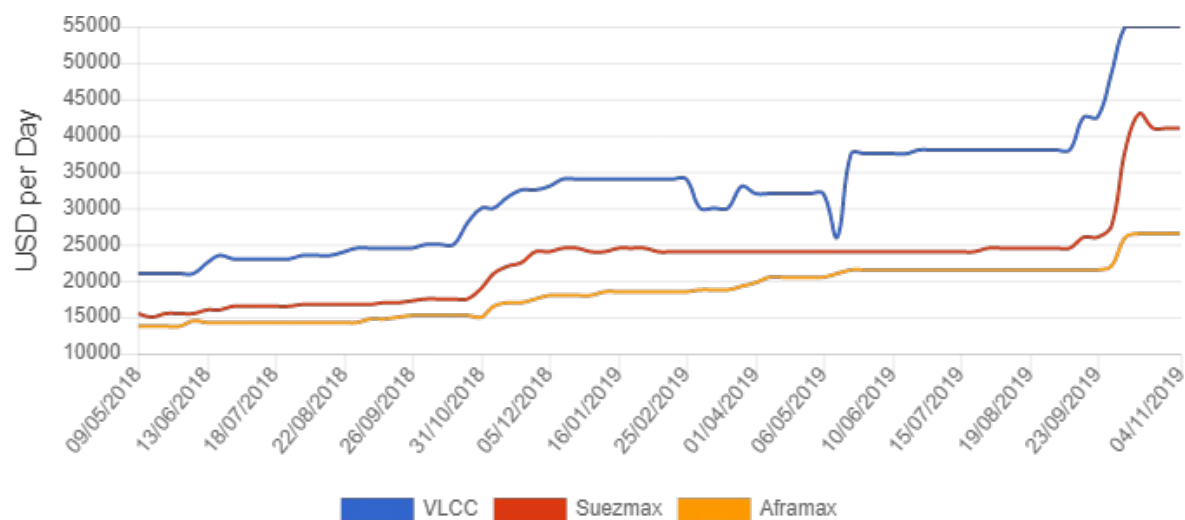
1 Year T/C (USD/Day)

VLCC	Modern	\$50,000	\$0	→
Suezmax	Modern	\$36,000	-\$3,000	↓
Aframax	Modern	\$26,000	\$0	→

VLCCs fixed in all areas last week 48 -1 ↓

VLCCs available in MEG next 30 days 125 0 →

1 Year T/C Crude



Dry Bulk

Capesize

On Wednesday last week, the market for the West Australia-China route c5 traded at USD 9.00, but dropped significantly on Thursday and Friday down to 8.05. However, this week the sentiment changed again and we are currently back to USD 9.00 for this route. The reason for the comeback is simply because of more West Australia activity and all the majors being present, but also due to the Brazil segment waking up picking up tonnage positioned for both basins. The future relay on continued activity from Brazil, and with a fairly low ballaster list this segment can potentially push the basket towards USD 30,000.

Panamax

A very slow start to the week with little activity reported and a few European holidays disrupting trade to some extent. The demand-side was slow with few firm cargoes entering the market, and the market has been in the red in both hemispheres throughout the week. Fewer ECSA-ballasters than have been seen in several months may be a positive sign, but the activity has also slowed down and is expected to continue doing so going forward. Activity in the Black Sea has also dampened significantly. Currently, a TA round

voyage pays owners high USD 7,000 per day, with a couple thousand in premium for short, Baltic runs. A fronthaul from the Continent yields around the high USD 17,000's. In the Pacific, a round voyage pays owners around low USD 8,000 per day, down almost 2,000 since last week. The BPI 4TC-index is currently at 1170 points, 215 down since last week.

Supramax

A poor week across all borders, with tonnage building up and lack of fresh orders. The Baltic Supramax Index (BSI) now reaching level below 800. The period market almost disappears from the focus, as owners simply not ready to face the low rates going forward. Atlantic market was falling steady with limited amount of fresh enquiry. Ultramax loading Norway to China reported to be fixed USD 19,000, some said it was less. Ultramax loading scrap in Baltic to Turkey was fixed at USD 10,000. East Med market was under pressure with lots of prompt tonnage building up, TCT with clinker from Turkey to West Africa was trading at USD 10,000 mark. Fronthaul from Black Sea to Asia was trading close to USD 15,000 on Supramax. The market in East Coast South America followed the trend. Rates were down to USD 12,000 delivery Brazil to Med. 61,000 dwt ship was reported fixed basis delivery Santos trip redelivery Singapore-Japan range at USD 12,000 plus USD 200,000 BB. US Gulf was slow and the gap in the rates remained wide. In Asia rates were sliding further and we see Supra fixing USD 6,000 for round voyage from China via Indonesia.

Rates

Capesize (USD/Day, USD/Tonne)	This week	Change
TCT Cont/Far East (180 DWT)	\$35,950	-\$6,000 ↓
Australia - China	\$8.9	-\$0.1 ↓
Pacific RV	\$23,038	\$55 ↑

Panamax (USD/Day, USD/Tonne)

Transatlantic RV	\$7,790	-\$1,620 ↓
TCT Cont/Far East	\$17,636	-\$2,519 ↓
TCT Far East/Cont	\$3,948	-\$1,063 ↓
TCT Far East RV	\$8,203	-\$1,722 ↓

Supramax (USD/Day)

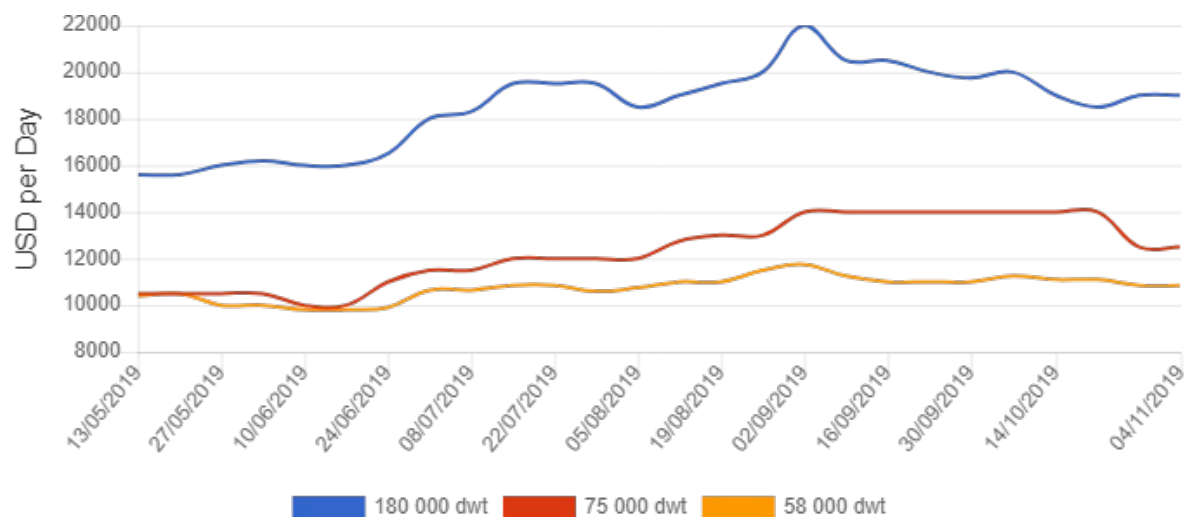
Atlantic RV	\$9,690	-\$1,279 ↓
Pacific RV	\$8,250	-\$1,707 ↓
TCT Cont/Far East	\$15,771	-\$5,779 ↓

1 Year T/C (USD/Day)

Capesize (180 000 dwt)	\$17,000	-\$250 ↓
Panamax (75 000 dwt)	\$11,000	-\$1,000 ↓
Supramax (58 000 dwt)	\$10,400	-\$100 ↓

Baltic Dry Index (BDI) 1354.0

1 Year T/C Dry Bulk



Gas

Chartering

EAST

This week has generally been very quiet thus far and only real activity on shipping has been from the Indian majors. The Baltic seems pretty balanced for now and last done deal reported at USD 77 pmt. We are still awaiting the December Aramco acceptances which ultimately should set next direction on freight going forward.

WEST

This week the Western market seemed to be catching its breath, with rates cooling slightly. Most likely, this is partly due to the market fixing too far ahead and partly to a weakening of netbacks relative to recent weeks. That being said, position lists now look very short for the final fixing period of 2019, with a handful of uncovered cargoes expected in the market. We anticipate West-East freight rates to strengthen again as a consequence.

LPG Rates

Spot Market (USD/Month)	This week	Change
VLGC (84 000 cbm)	\$2,150,000	\$100,000 ↑
LGC (60 000 cbm)	\$1,000,000	\$25,000 ↑
MGC (38 000 cbm)	\$925,000	\$0 →
HDY SR (20-22 000 cbm)	\$600,000	\$0 →
HDY ETH (17-22 000 cbm)	\$700,000	-\$20,000 ↓
ETH (8-12 000 cbm)	\$450,000	\$0 →
SR (6 500 cbm)	\$430,000	\$0 →
COASTER Asia	\$245,000	\$0 →
COASTER Europe	\$275,000	\$15,000 ↑

LPG/FOB Prices (USD/Tonne)	Propane	Butane
FOB North Sea/ANSI	\$358.00	\$422.50
Saudi Arabia/CP	\$430.00	\$445.00
MT Belvieu (US Gulf)	\$275.00	\$336.00
Sonatrach/Bethioua	\$360.00	\$440.00

LNG Rates

Spot Market (USD/Day)	This week	Change
East of Suez 155-165 000 cbm	\$122,500	-\$2,500 ↓
West of Suez 155-165 000 cbm	\$112,500	-\$2,500 ↓
1 Year T/C 155-160 000 cbm	\$81,000	-\$1,000 ↓

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	\$36	\$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	\$23.5	\$16.0
Ultramax	\$22.0	\$13.0

Wet

VLCC	\$74.0	\$50.0
Suezmax	\$52.5	\$37.5
Aframax / LR2	\$40.0	\$28.0
MR	\$29.0	\$18.0

Market Brief

Exchange Rates

USD/JPY

109.15 → 0.00

USD/KRW

1161.15 ↑ 3.70

USD/NOK

9.15 ↓ -0.04

EUR/USD

1.10 ↓ -0.01

Interest Rates

LIBOR USD (6 months)

1.92% ↓ 0.00%

NIBOR NOK (6 months)

1.85% ↑ 0.02%

Commodity Prices

Brent Spot

\$62.06 ↓ -\$0.90

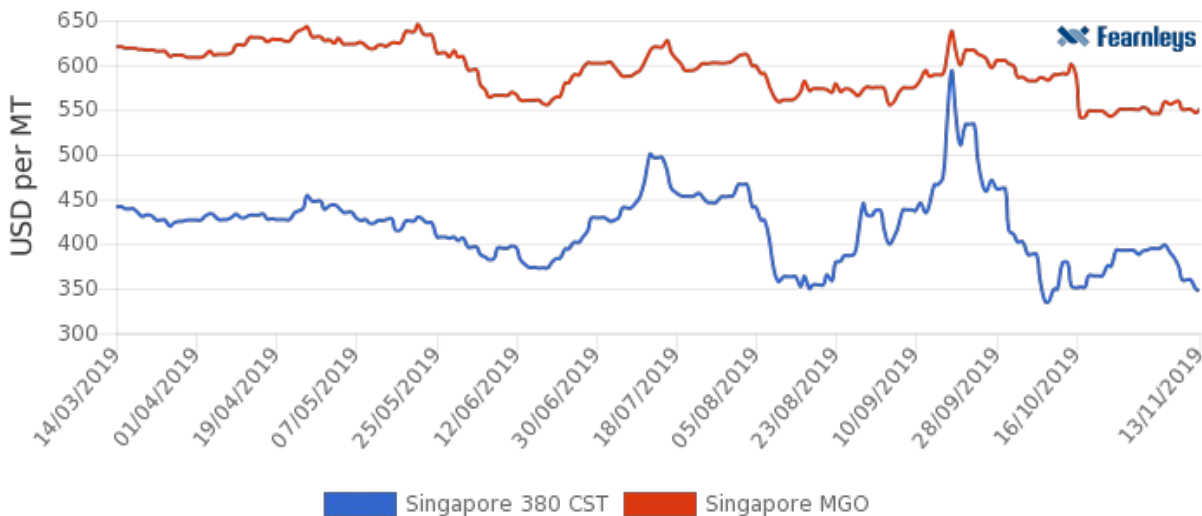
Bunker Prices

Singapore

380 CST	180 CST	MGO
\$348	\$341	\$551
↓ -\$42	↓ -\$76	↓ -\$5

Rotterdam

380 CST	180 CST	MGO
\$253	\$283	\$499
↓ -\$33	↓ -\$29	↓ -\$10



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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