

Fearnleys Weekly Report

Week 24 - June 14, 2023

Tankers

VLCC

The VLCC market has gone from strength to strength in the week gone by. A couple of fixtures have now been logged at WS 79.5 MEG/East, and those charterers still exposed with June MEG bbls will risk having to face something starting with an 8 to be taken out. Some charterers have started reaching into early July, although stem dates are confirmed, and with demurrage rates now well into the USD 70's/day it can prove an expensive exercise. Things will settle down at a stage of course, but not before June is a wrap. USG exports have also sprung to life, knocking on USD 9 million in freight for the benchmark Ningbo discharge, and spiced with continued enquiries from both Brazil and Wafr, now starting with a 7, there's plenty to keep the fire burning. This will in turn tempt more owners to turn their ships left at Galle, further depleting the MEG position list. Come what may of production cuts we can't see this going south in the near future.

Suezmax

Backdated tax demands have been allegedly sent to owners from Nigeria FIRS, creating a lot of uncertainty in the West African market. Although yet to be confirmed as bonafide, this will nevertheless have a knock-on affect on rates with owners ready to make hay. On the back of this, we expect rates to maintain a firmer footing for the balance of the week, at least until there is some sort of resolution with TD20 trading minimum low WS 100's. The wider Atlantic is set to benefit from spillover sentiment which will act as a support mechanism.

East of Suez, the list is well stocked for the present fixing window and our call MEG/China is WS 112.5-115 on modern tonnage, whilst TD 23 will trade in and around last done: WS 50's-60.

Aframax

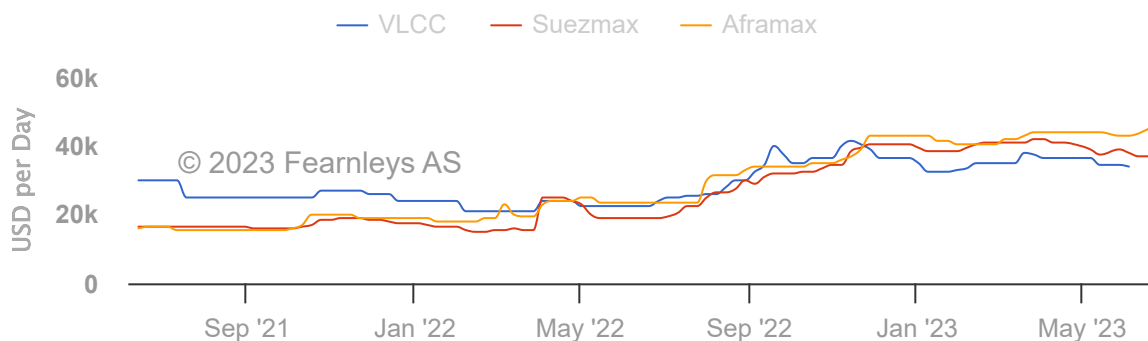
It has been a rather lackluster week for Aframax owners open in the Nsea area. Rates for cross Nsea voyages came off a few more points as the slow activity level were not enough to maintain current levels. Unless we see more ships ballast away, rates will continue to move sideways. Inactivity and a long position list pushed the rates lower in the BSea/Med this week as the fixing window is reaching end-month dates. Despite some owners and relets ballasting to the States, this wasn't enough to prevent rates from softening. Market seems to have reached a bottom, and we need to see July volumes before we can predict any change in the current conditions.

Rates

MEG/WEST	45.00 \$	13.00 ↑
MEG/Japan	81.00 \$	35.00 ↑
MEG/Singapore	80.00 \$	33.00 ↑

WAF/FEAST	77.50 \$	29.00 ↑
WAF/USAC	102.50 \$	17.50 ↑
Sidi Kerir/W Med	107.50 \$	2.50 ↑
N. Afr/Euromed	145.00 \$	-10.00 ↓
UK/Cont	130.00 \$	-10.00 ↓
Caribs/USG	190.00 \$	35.00 ↑
VLCC	34000.00 \$	0.00 →
Suezmax	37000.00 \$	0.00 →
Aframax	45000.00 \$	2000.00 ↑
Fixed in all areas last week	53.00 \$	-37.00 ↓
Available in MEG next 30 days	141.00 \$	-3.00 ↓

1 Year T/C Crude



Dry Bulk

Capesize

Overall, slightly up from last week by approx USD 2,000 to current average of USD 13,000. C5 has been very stable in the mid 8s for some days now and is even the same value as one week back. There were expected more volume on this trade as miners were expected to increase activity end of their financial year in June. C3 is looking slightly stronger on the paper but no real change from last week. The Atlantic is volatile as ever before. All in all, typical pre-summer market.

Panamax

There was a relatively lackluster beginning to the week. However, this turned on FFA on Wednesday. There was minimal activity across both basins with both sides in collecting moods, but at end of week started picking up. More enquiry for July liftings from East Coast South America, but not all charterers were ready to commit to taking coverage at this stage. In the North Atlantic there was a general lack of enquiry for both transatlantic and fronthaul directions in start of week. In the Pacific, a general lack of motivation to fix.

Supramax

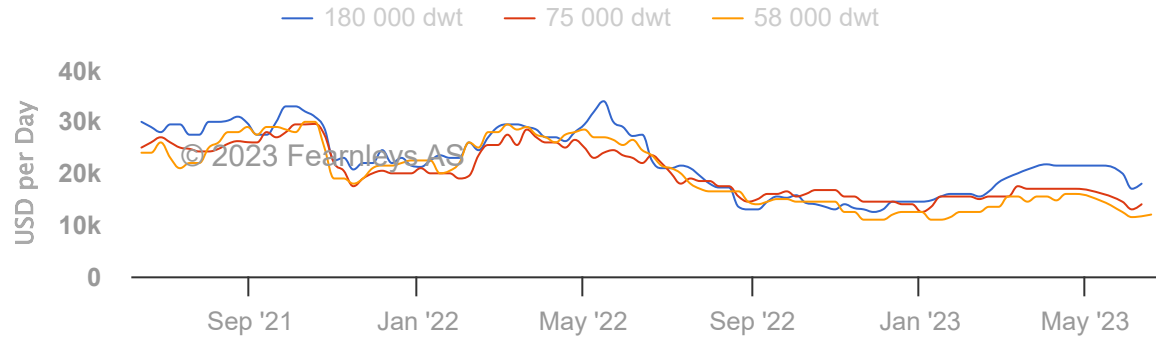
Atlantic Supra/Ultra shipment volumes are up 3.1% year on year whereas Pacific shipment volumes are up 19% year on year, but this has yet to be reflected in the rates. Trip from USG to Med being fixed anything from USD 8,000 to USD 11,000 hence bit mixed signs. Ultramax been paid for trip from ECSA to Far East USD 12,500 + 250k bb. Supramax open Isdemir with slags to disch in Croatia been discussed around USD 9,000. Bit stronger numbers in Pacific. Pacific round voyages concluded around USD 8,000 this week and Indo-India rounds around USD 7,000. Steel run from CJK to USG was covered around USD 7,000.

Rates

TCE Cont/Far East	30956.00 \$	2050.00 ↑
Australia/China	7.89 \$	-0.17 ↓
Pacific RV	12105.00 \$	-959.00 ↓
Transatlantic RV	8132.00 \$	-138.00 ↓
TCE Cont/Far East	18465.00 \$	-149.00 ↓
TCE Far East/Cont	3865.00 \$	-14.00 ↓
TCE Far East RV	10558.00 \$	-35.00 ↓
Atlantic RV	8475.00 \$	23.00 ↑
Pacific RV	7406.00 \$	-13.00 ↓
TCE Cont/Far East	13233.00 \$	-259.00 ↓
Newcastlemax	23000.00 \$	1000.00 ↑
Kamsarmax	15000.00 \$	1000.00 ↑
Ultramax	14000.00 \$	0.00 →
Capesize	18000.00 \$	1000.00 ↑
Panamax	14000.00 \$	1000.00 ↑

Supramax	12000.00 \$	500.00 ↑
Baltic Dry Index (BDI)	1078.00 \$	13.00 ↑

1 Year T/C Dry Bulk



Gas

Chartering

EAST

A more active West market coupled with a solid demand for ships in the East has helped freight sentiment regain momentum. We are set for a record amount of spot fixtures for the first 10 days of any month so far this year as the current count stands at 9 and there are still cargoes to be covered in this period. Aramco acceptances are yet to be published and with very few available ships in the early part of July freight looks set to go on strong.

WEST

Starting this week we saw western freight rates at 140s H/C and now we are seeing last done at mid 150s H/C. We have registered seven spot fixtures in the West so far for the week and with that said we count 22 spot fixtures (7 first decade, 8 second decade and 7 last decade) in total for July ex USG/USEC and already one for August. At the time of writing the vessel supply for the rest of July is looking tight with only a small handful of ships left before we shift focus fully towards August fixing.

LPG Rates

VLGC	2850000.00 \$	150000.00 ↑
LGC	1500000.00 \$	0.00 →
MGC	1250000.00 \$	0.00 →
HDY SR	840000.00 \$	0.00 →
HDY ETH	910000.00 \$	0.00 →
ETH	550000.00 \$	0.00 →
SR	490000.00 \$	0.00 →
COASTER Asia	280000.00 \$	0.00 →
COASTER Europe	400000.00 \$	0.00 →
FOB North Sea/Ansi	401.00 \$	0.00 →
Saudi Arabia/CP	450.00 \$	0.00 →
MT Belvieu (US Gulf)	299.00 \$	-13.50 ↓
Sonatrach/Bethioua	405.00 \$	0.00 →
FOB North Sea/Ansi	401.00 \$	0.00 →
Saudi Arabia/CP	440.00 \$	0.00 →
MT Belvieu (US Gulf)	170.50 \$	-27.50 ↓
Sonatrach/Bethioua	405.00 \$	0.00 →

LNG Rates

East of Suez 155-165k CBM	48000.00 \$	0.00 →
West of Suez 155-165k CBM	52000.00 \$	2000.00 ↑
1 Year T/C 155-165k TFDE	120000.00 \$	0.00 →

Newbuilding

Activity Levels

Tank Activity	Slow
Dry Bulk Activity	Slow
Other Activity	Moderate

Prices

VLCC	121.00 \$	0.00 →
Suezmax	81.00 \$	0.00 →
Aframax	63.50 \$	0.00 →
Product	43.50 \$	0.00 →
Newcastlemax	66.00 \$	0.00 →
Kamsarmax	37.50 \$	0.00 →
Ultramax	35.50 \$	0.00 →
LNGC (MEGI) (cbm)	240.00 \$	0.00 →

Sale & Purchase

Prices

Dry

Segment: Capesize 5YO: 49, 10YO: 34

Segment: Kamsarmax 5YO: 31, 10YO: 25

Segment: Ultramax 5YO: 31.5, 10YO: 25

Wet

Segment: VLCC 5YO: 100, 10YO: 77

Segment: Suezmax 5YO: 67, 10YO: 52

Segment: Aframax / LR2 5YO: 62.5, 10YO: 50

Market Brief

Exchange Rates

USD/JPY	142.18 \$	0.24 ↑
USD/NOK	10.72 \$	0.07 ↑
USD/KRW	1287.60 \$	5.10 ↑
EUR/USD	1.09 \$	0.00 →

Interest Rates

LIBOR USD (6 month)	5.20 \$	0.00 →
NIBOR NOK (6 month)	3.12 \$	0.00 →

Commodity Prices

Brent Spot	76.00 \$	0.00 →
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Bunker Prices

380 CST	451.00 \$	-1.50 ↓
MGO	737.00 \$	-4.00 ↓
Spread MGO/380 CST	286.00 \$	-2.50 ↓
380 CST	498.50 \$	0.00 →
MGO	718.00 \$	-23.00 ↓
Spread MGO/380 CST	219.50 \$	-23.00 ↓

