

## Fearnleys Weekly Report

Week 12 - March 20, 2019

### Tankers

#### VLCC

With the March VLCC MEG program behind us the Owning community was looking forward to a sprout of activity for early April with ambition to push rates up in to the ws60 eastbound. However, activity has thus far been disappointing. Ws59 is last done for a MEG/China run, although still about USD 30k per day in t/c returns on a non eco modern ship - well above historic returns for time of year. USG activity has also halted, and a handful of Owners having ballasted their ships from the east on spec are nervously awaiting fresh export cargoes to take them back east.

#### Suezmax

Continued sparse activity in the West has allowed Charterers to pull rates even further down. The 1st decade in West Africa has been worked at a pedestrian pace with ships being picked off quietly and owners just content to cover cargoes closest to their dates. Meanwhile there has been a reversal of fortunes in the MEG with a flurry of action for first decade April dates and owners managing to wrestle back some control as the list has tightened. The Turkish delays have slowly decreased, and this has allowed more fluidity in the availability for the Black Sea, TD6 has come off to ws70 at the time of writing. The week ahead has a softer tone with still too many ships available and cargoes not seemingly increasing in volume.

#### Aframax

The market for Aframax trading in the North Sea and Baltic came off significantly this week. Rates came under downward pressure due to lack of activity and tonnage building up. Everyone is now waiting to hear when ice restrictions in certain Baltic ports will be lifted. We expect this soft trend to continue. In the Mediterranean and Black Sea we have seen TD19 (cross-Med) drop to ws85 levels at the time of writing. Over the past week rate levels ex Black Sea have dropped from more than ws100 to sub-90 levels. On a lighter note, the current week started with a boost in activity as a steady flow of cargoes have come into the market decreasing the tonnage build up in the area and creating an optimistic vibe among Owners, who hope to see an upturn towards the end of the week, as there currently aren't any obvious alternative markets to flee to.

### Rates

<b>DIRTY (Spot WS)</b>	<b>Size</b>	<b>This week</b>	<b>Change</b>
MEG/WEST	280 000	29.0	-4.0 ↓
MEG/Japan	280 000	59.0	-8.5 ↓
MEG/Singapore	280 000	60.0	-9.0 ↓
WAF/FEAST	260 000	57.0	-9.0 ↓

WAF/USAC	130 000	52.5	-10.0 ↓
Sidi Kerir/W Med	135 000	55.0	-12.5 ↓
N. Afr/Euromed	80 000	85.0	0.0 →
UK/Cont	80 000	97.5	-15.0 ↓
Caribs/USG	70 000	100.0	0.0 →

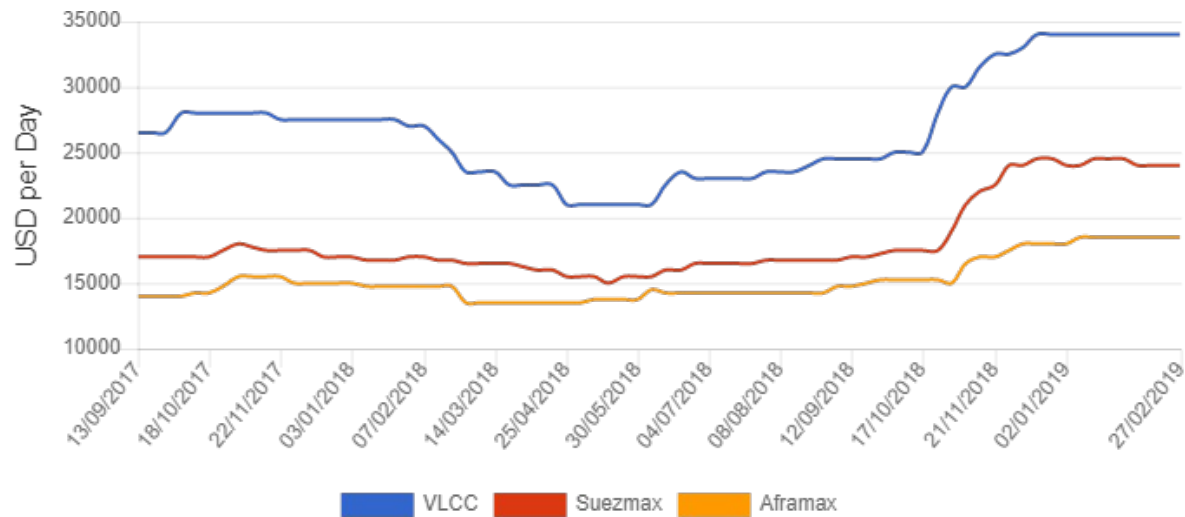
### 1 Year T/C (USD/Day)

VLCC	Modern	\$30,000	\$0 →
Suezmax	Modern	\$24,000	\$0 →
Aframax	Modern	\$18,750	\$0 →

**VLCCs fixed in all areas last week** 52 0 →

**VLCCs available in MEG next 30 days** 125 0 →

## 1 Year T/C Crude



## Dry Bulk

### Capesize

After a period with improving levels, rates again turned red this week. Mainly as a result of a lack of miners in the market. Average index value is presently at disappointing USD 5,000 level. However, there were some good news from Brazil, where operations at Brucutu mine is expected to resume. So far, the effect has been seen in rising dry-bulk shares and improved FFA values. The closure of the mine after the dam burst 2 months ago is estimated to have caused approximately 5 million tons loss in production.

### Panamax

More activity and positive sentiment this week, as rates have been increasing in both hemispheres. A transatlantic round voyage currently yields about USD 5,500 per day, while a short fronthaul from the Continent yields around low USD 13,000's. In the East, a Pacific round voyage pays around the USD 8,000's. The BPI 4TC-index is up 123 points for the week, currently at 962 points.

### Supramax

The Atlantic market remained steady, with more cargo flow in ECSA/ USG, lacking FH. East Mediterranean-Continent areas slow with limited fresh cargoes on the market. Flat market in Asia with slightly weak sentiment. Indian ocean stable with good levels achieved in South Africa. Toss 58,000 fixed for a trip delivery South Africa redelivery Pakistan-WC India close to USD 12,000s plus around USD 200,000 ballast bonus.

## Rates

Capesize (USD/Day, USD/Tonne)	This week	Change
TCT Cont/Far East (180' DWT)	\$13,700	-\$2,600 ↓
Tubarao/Rotterdam (Iron Ore)	\$5	\$0 →
Richards Bay/Rotterdam	\$5	\$0 →

### Panamax (USD/Day, USD/Tonne)

Transatlantic RV	\$6,000	\$1,500 ↑
TCT Cont/Far East	\$14,000	\$2,000 ↑
TCT Far East/Cont	\$2,500	\$300 ↑
TCT Far East RV	\$8,300	\$300 ↑
Murmask b.13-ARA 15/25,000 sc	\$7	\$0 ↑

### Supramax (USD/Day)

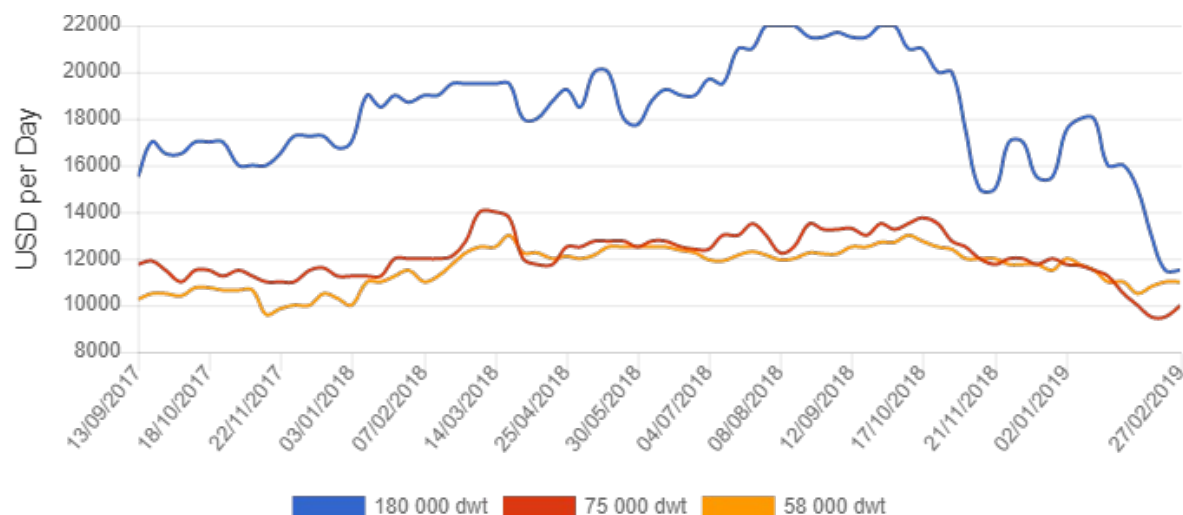
Atlantic RV	\$8,250	\$450 ↑
Pacific RV	\$9,500	-\$750 ↓
TCT Cont/Far East	\$13,250	\$350 ↑

### 1 Year T/C (USD/Day)

Capesize (180 000 dwt)	\$11,500	\$0 →
Capesize (170 000 dwt)	\$9,500	\$0 →
Panamax (75 000 dwt)	\$11,000	\$400 ↑
Supramax (58 000 dwt)	\$11,250	\$450 ↑

**Baltic Dry Index (BDI)** 709.0

## 1 Year T/C Dry Bulk



# Gas

## Chartering

At the time of writing the West market continues its upward trend. Vessel availability for April is relatively scarce for US Gulf and a West Africa cargo tender 18-20 April is seemingly pretty much down to the faith of one or two vessels, if that. We expect short term freight to continue strengthening and overhang of vessels available from April going into May will be reduced significantly.

In the East - Saudi April acceptances came out over the weekend where as expected most lifters got delayed (or even deferred into next month) due to upstream oil cuts. A logical effect to this would usually mean lack of shipping requirements as most cargo dates are now quite forward, but as shipping availability is becoming increasingly tighter in the East; some players have started to move for 2H April dates. Last done deal in the MEG was done in the mid/high USD 30s, and there are still a handful of uncovered cargos to be fixed for 2H April.

## LPG Rates

Spot Market (USD/Month)	This week	Change
VLGC (84 000 cbm)	\$560,000	\$101,000 ↑
LGC (60 000 cbm)	\$500,000	\$0 →
MGC (38 000 cbm)	\$495,000	-\$15,000 ↓
HDY SR (20-22 000 cbm)	\$490,000	-\$10,000 ↓
HDY ETH (17-22 000 cbm)	\$750,000	\$0 →
ETH (8-12 000 cbm)	\$430,000	-\$20,000 ↓
SR (6 500 cbm)	\$500,000	-\$40,000 ↓
COASTER Asia	\$260,000	\$0 →
COASTER Europe	\$280,000	-\$80,000 ↓

LGP/FOB Prices (USD/Tonne)	Propane	Butane
FOB North Sea/ANSI	\$413.00	\$473.00
Saudi Arabia/CP	\$490.00	\$520.00
MT Belvieu (US Gulf)	\$354.93	\$308.00
Sonatrach/Bethioua	\$420.00	\$490.00

## LNG Rates

Spot Market (USD/Day)	This week	Change
East of Suez 155-165 000 cbm	\$25,000	\$0 →
West of Suez 155-165 000 cbm	\$35,000	-\$4,000 ↓
1 Year T/C 155-160 000 cbm	\$73,000	\$0 →

## Newbuilding

### Activity Levels

Tankers

● Slow

Dry Bulkers

● Slow

Others

● Moderate

## Prices

Prices (Million USD)	Size	This week	Change
VLCC	300 000	\$91	\$0 →
Suezmax	150 000	\$61	\$0 →
Aframax	110 000	\$51	\$0 →
Product	50 000	\$37	\$0 →
Capesize	180 000	\$50	\$0 →
Kamsarmax	82 000	\$29	\$0 →
Ultramax	64 000	\$27	\$0 →
LNGC (MEGI) (cbm)	170 000	\$188	\$0 →

## Sale & Purchase

### Prices

Dry	2014	2009
Capesize	\$40.0	\$24.0
Kamsarmax	\$25.0	\$16.5
Ultramax	\$24.0	\$14.0

### Wet

VLCC	\$67.0	\$45.0
Suezmax	\$49.0	\$34.0
Aframax / LR2	\$34.0	\$23.5
MR	\$29.0	\$17.0

## Market Brief

### Exchange Rates

#### USD/JPY

111.39 ↑ 0.01

#### USD/KRW

1130.65 ↑ 0.90

#### USD/NOK

8.52 ↓ -0.11

#### EUR/USD

1.13 ↑ 0.01

### Interest Rates

#### LIBOR USD (6 months)

\$2.67 ↓ -\$0.01

#### NIBOR NOK (6 months)

kr 1.37 ↑ kr 0.03

## Commodity Prices

### Brent Spot

\$67.54 ↑ \$0.85

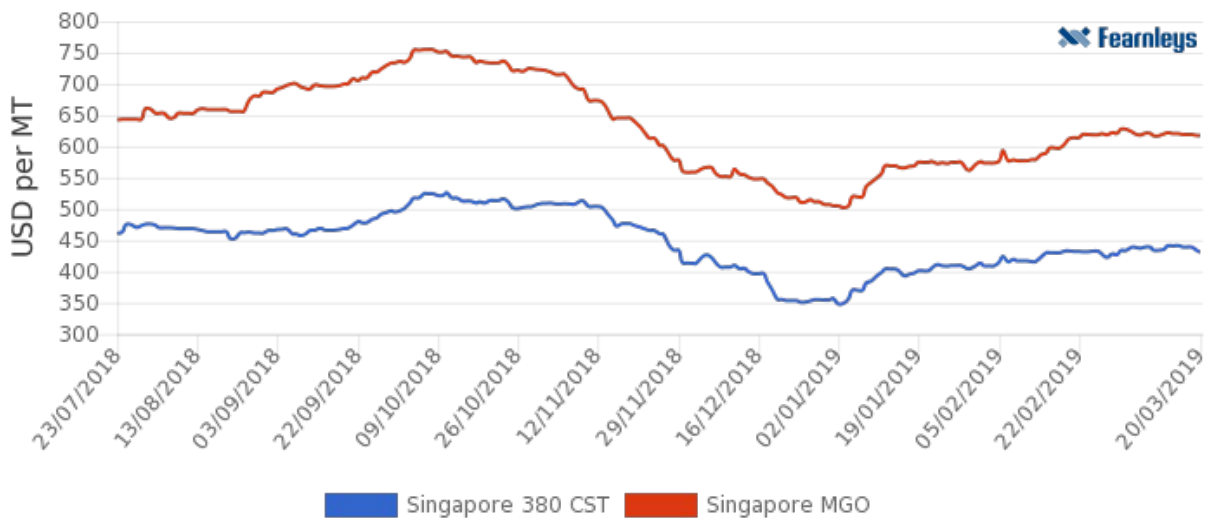
## Bunker Prices

### Singapore

380 CST	180 CST	MGO
\$431	\$463	\$618
<span style="color: red;">↓</span> -\$11	<span style="color: red;">↓</span> -\$6	<span style="color: red;">↓</span> -\$5

### Rotterdam

380 CST	180 CST	MGO
\$411	\$448	\$579
<span style="color: red;">↓</span> -\$6	<span style="color: red;">↓</span> -\$8	<span style="color: red;">↓</span> -\$7



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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