



## Glimmers of hope

This week started on an optimistic note for VLCCs. However, charterers managed to keep the cargo hidden from the market, instead preferring to approach owners privately and using owners' anxiety of too many ships in position to keep repeating last done levels. This resulted in MEG/East and WAF/East repeating at WS 31.5 and WS 34.5 respectively. Towards the end of the week, we saw some recovery in the MEG, with WS 34 for MEG/China due to prompted date and Oman load. Furthermore, with two major Chinese owners announcing to lay up 12 ships, more gains can be expected for the next week.

The Suezmax tonnage supply list in WAF is tighter for early August dates – cargoes left for these laycans could struggle a little or have to repeat WS 55 levels for non-compromised tonnage. We might expect rates to correct down for later dates. WAF/Spain has been seen fixed at WS 52 for 7 – 8 August dates. The AG market is remaining steady with enough tonnage available. We have seen Ras Tanura/Mumbai for 5 Aug dates fix at WS 64.

Aframax owners in the Med saw some gains this past week amid a slimmer list and some action in the market. Still, with charterers continuing to find ways to fix last done, TD19 inched up by a not-so impressive half point to WS 90.8. In the Baltic things started to slow down after a rather busy week, but rates continue to swing sideways at basement levels, leaving a feeling that the coming week won't be much different.

The bulk of the week saw a stand off between charterers and LR2 owners in the AG. Only at the week's end did we see a handful of deals mostly at the same levels as last done, so small gains or small losses were made. This was not a surprise due to the holidays in the Middle East, Singapore and Japan dampening market activity in the past week. TC1 has been very flat with some relaxing of freight and a 2.5 point drop in levels with WS 87.5 on subs at the time of writing. LR1 rates started softening even when some thought they were already on the floor. TC5 sank by 5 points to WS 85 on subs and earnings are between USD 3,000 and USD 6,000 – all in all pretty hopeless and tough to see markets getting weaker from here.

Long tonnage supply and lack of tonnage demand is still hampering the Western LR markets. LR2 owners are resisting any further drops to the market levels for the most part and some are simply refusing to take

part in any long haul activity quotes until rates improve. It looks as though the money has bottomed for now, but shorter intra-west voyages still need to be tested and should attract more interest from owners. LR1s look marginally tighter at the front end but the rates stay steady. Lackluster demand is allowing charterers to pick off tonnage at last done levels which owners are taking but refusing to do less than for the time being.

Holidays in Japan and in the Middle East stopped last week's optimism in the North Asian markets as, cargoes have been few and far between. LR1 freight has dropped off for Australia discharge with WS 87.5 on subjects for a Taiwan load from over WS 100 last week. It is hard to see any immediate change in this market until Chinese export quotas increase.

It has been a positive week for the Far East MRs as rates finally moved up from the bottom. Good enquiry throughout the week helped to clear out the abundance of prompt tonnages giving Owners the opportunity to push rates -Korea/Oz at WS 132.5. Same with the Singapore MRs, we have seen a wave of end-July – early Aug enquires injected in the week which caused front tonnages chipped away. TC7 has been repeatedly covered at WS 130 – X Singapore shot up to USD 110-120k. Owners will be hoping to see a resurgence of fresh cargoes to keep this momentum going. Despite an encouraging amount of inquiry which has gone some way to start clearing the list, already rock bottom freight continues to have pressure applied for AG MRs. TC17 is off 5 points to WS 130.

It has been an active week for West MRs - however the resupply of tonnage has been constant in the UKC with barrels loading in the lower and upper Baltics only going short haul, and this has prevented rates from increasing, and if anything, you could say TC2 has slipped to WS 110 before ending somewhere between WS 110-112.5.

The Med Handies have really continued run out of gas this week with information and activity anything but liquid. WS 120 is for X-Med, WS 130 ex Blsea, and both are trading sideways with an ever present clot of prompt tonnage seeming immovable.

			BDTI	BCTI
			593	460
	Δ W-O-W		↑Firmer	↓Softer
BDA				
	(USD/LDT)	TKR/LRG	TKR/MED	TKR/SML
	This week	567.7	569.5	568.0
	Δ W-O-W	1.2	1.1	0.7
BALTIC TCE DIRTY				
	Route	Qnt	\$/ Day	W-O-W
TD1	ME Gulf / US Gulf	280,000	-15,745	↑Firmer
TD3C	ME Gulf / China	270,000	-3,262	↑Firmer
TD6	Black Sea / Med	135,000	-5,922	↑Firmer
TD8	Kuwait / Sing.	80,000	2,244	↑Firmer
TD9	Caribs / US Gulf	70,000	-2,343	↓Softer
TD14	Asia / Australia	70,000	2,255	↑Firmer
TD17	Baltic / UKC	100,000	-364	↑Firmer
TD20	WAF / Cont	130,000	1,784	↑Firmer
BALTIC TCE CLEAN				
	Route	Qnt	\$/ WS	W-O-W
TC1	ME Gulf / Japan	75,000	4,818	↑Firmer
TC2	Cont / USAC	37,000	2,252	↑Firmer
TC5	ME Gulf / Japan	55,000	2,474	↑Firmer
TC6	Algeria / EU Med	30,000	WS 120	↑Firmer
TC7	Sing. / ECA	30,000	3,625	↑Firmer
TC8	ME Gulf / UKC	65,000	WS 21	↑Firmer
TC9	Baltic / UKC	30,000	WS 122.14	↑Firmer