



## Summer lull strikes again

It has been a very quiet and uneventful on the VLCCs this week. We have seen Ras Tanura/Mai Liao on subs at WS 30.5 for 8-10 September dates, which would be 0.25 points below last Friday's levels. Not much happening also in the UKC, where we saw Hpoint/SK on subs for USD 3.8 Mn for 5-10 September dates. In the Americas, Brazil/East is at WS 31.5, 0.5 WS points softer than previous done.

This week has remained pretty steady/slow in both the AG in WAF for Suezmaxes, and the big conversation this week has been the Med, where most of the action is. We have seen Algeria/Pembroke-Med for 27 August dates fixed at WS 72.5-76, and this was mainly due to the Med being tight and owners putting pressure on rates, thus ending up with such a big jump on rates. Elsewhere, WAF/Rotterdam-UKC is fixed at WS 55-58 for 8 September dates, and there is only a WAF/China cargo working for 7-8 September dates.

In Northern Europe, Aframax charterers have managed to apply further pressure to freight rates, with so little going on and tonnage remaining ample. TD7 has dropped by around 5 WS points since the end of last week, now languishing below WS 90 for the first time since the end of April. TD17 has dropped a point or two, down to WS 57.5-ish levels. There is little to suggest that things will improve much over the coming week, with it becoming increasingly evident that Opec+ would need to hike production up significantly for it to have any real bearing on the markets. It was an almost equally uninspiring week in the Med and Black Sea markets, with very little going on and rates continuing to roll along the bottom, with last done being repeated consistently. Rates on TD19 remain at around WS 85 – 87.5 and, similarly to the North, there is little to suggest that rates will receive any support over the coming days.

It has been much calmer this week for the AG LR2s, who had to start taking some discounts to get cover. TC1 saw scant demand and, after multiple offers for this run, there was a reduction from last week's levels of WS 105 to WS 92.5 on subs today. The position list for September is not hugely extensive but there are enough good ships on the water ballasting to keep downward pressure on rates.

It was also a very unusual week for the AG LR1s, which are valued at the same or more than the LR2s. We have seen this before but it's always a temporary scenario as the freight values sort themselves out soon enough to what is appropriate for their size. For the last five days however, this market has been in a very good standalone position with owners looking to achieve WS 130-140 for TC5. Good solid view moving forward but owners

will be wary of the LR2s spoiling the party as traders get more creative next week on looking to utilise the larger free space that will be offered to them on those routes where upsizing can be accommodated.

MRs have had a busy start to the week, but that was about that in terms of activity with very little seen since Monday and the majority of outstanding cargoes have now been covered and sentiment is softening purely off the back of such limited activity. TC17 reached a high of WS 195 on subjects, but this level failed and WS 182.5 is now on subs, a fall of 7.5 points from the last confirmed deal. Overall, this week has been disappointing and some momentum gained in previous weeks has been lost. Charterers will be looking to carefully manage their cargo enquiry going forward as they regain the upper hand.

Far-East LR's seemed to have taken a speed bump in terms of fresh enquiries. LR2s are seeing more questions being asked but essentially nothing has changed so far. Korea/Singapore runs are valued at USD 500k on a modern vessel while Westbound is going for around USD 2 Mn levels, which could ease considering that AG have chipped off slightly. LR1s are still narrowed but demand isn't aplenty as the weekend closes in. Freight levels on the LR1s are assessed to be slightly higher than the LR2s for Spore discharge, which untested for now will be around USD 525k to USD 550k depending on tonnage. A strong correlation between the LR's and MR's in play.

Although not an overly active end to the week for the Far East MR's, the list remains very tight until end-month and uncertain itineraries have been an issue as well, resulting in a couple of replacement jobs. Looking at the open cargoes, most are covered, but it feels as though charterers are sitting on for the September window. Rates-wise, there does need to be a fresh test across the board, but we have seen - Korea-Singapore/Oz at WS 210 levels and X-Singapore at USD 260k. Still, these unprecedented levels won't last forever, and owners will be hoping to see an injection of September cargoes going into next week.

A dismal week for the MR's in Northwest Europe. Cargo volume did seem to pick up towards the back end of the week, but the number of prompt tonnage had already done the damage and TC2 fell to WS 100 by the end.

Very uneventful week on the Med Handies, with a gentle tick over of activity but rates remaining rooted to the floor at WS 115 for X-Med. There are still plenty of available ships there so it's difficult to see any change next week unless things pick up dramatically.

		BDTI	BCTI	
		608	494	
	Δ W-O-W	↓Softer	↓Softer	
<b>BDA</b>				
(USD/LDT)	TKR/LRG	TKR/MED	TKR/SML	
This week	599.3	603.3	603.1	
Δ W-O-W	7.4	6.8	6.9	
<b>BALTIC TCE DIRTY</b>				
	Route	Qnt	\$/ Day	W-O-W
TD1	ME Gulf / US Gulf	280,000	-15,669	↑Firmer
TD3C	ME Gulf / China	270,000	-3,164	↑Firmer
TD6	Black Sea / Med	135,000	-2,923	↑Firmer
TD8	Kuwait / Sing.	80,000	5,318	↓Softer
TD9	Caribs / US Gulf	70,000	-99	↑Firmer
TD14	Asia / Australia	70,000	9,773	↑Firmer
TD17	Baltic / UKC	100,000	-2,405	↓Softer
TD20	WAF / Cont	130,000	3,073	↑Firmer
<b>BALTIC TCE CLEAN</b>				
	Route	Qnt	\$/ WS	W-O-W
TC1	ME Gulf / Japan	75,000	6,826	↓Softer
TC2	Cont / USAC	37,000	1,168	↓Softer
TC5	ME Gulf / Japan	55,000	13,877	↓Softer
TC6	Algeria / EU Med	30,000	WS 115	↑Firmer
TC7	Sing. / ECA	30,000	16,419	↑Firmer
TC8	ME Gulf / UKC	65,000	WS 30	↑Firmer
TC9	Baltic / UKC	30,000	WS 121.43	↑Firmer