



## Give one, take one

We have seen some positive upwards movement in VLCC rates this week. MEG/East went on subs at +0.25 WS points between Monday and Friday, which is not much, but is still better than taking a step back and losing ground. Owners fixing ex-WAF have been the real winners this week, as rates progressively rose from WS 33 for WAF/East on Wednesday, to WS 36-37.7 for WAF-Djeno/East on subs at the time of writing. Rates from the Americas also gained marginally, denoting weaker differentials for WTI, which arose interest from price-sensitive customers in China and SK, and the return en vogue of Brazilian crudes for Chinese refiners. USG-East is in the USD 4 Mn area, 0.1 Mn more than two weeks ago, while Brazil-China gained about 0.19 WS points this week.

As for Suezmaxes, it has been a slow week in WAF and the market feels quiet/bottoming. Rates have hardly moved, and WAF/UKC can be assessed in the WS 52.5 range. At the moment there is a WAF/Med working for 23-30 September dates. Very quiet also in the AG, with little to report. The market remains quiet/sideways and TD23 is in the WS 24-25 levels.

In the Med and Black Sea, rates have managed to slide by a couple of points over the past week, with TD19 currently assessed around WS 85 – 87.5. There has been some action, but nowhere near enough to raise rates.

Some bad weather and potential disruption in Libya have generated some excitement among owners, but this has yet to have any influence on rates. However, owners are also quietly optimistic about the Black Sea program for October, but after the regular flow of disappointing revelations this year, it will be interesting to see if their positivity is well placed.

To the North, the North Sea and Baltic markets have disappointed once again. Tonnage has built for natural dates and is tallying highly now. This, coupled with the fallen level of activity, has resulted in rates sinking to new lows. TD7 is down to WS 90 – 92.5 levels now, while TD17 has slid to WS 55 – 57.5. Earnings have crumbled down to USD -4,000 per day, their lowest level since October last year, as bunker prices have risen.

The AG LR2 market has stayed a little on the slower side this week and some of the freight routes have suffered a little. What has stayed consistent is the West numbers, as only a few ships want to head that way. The more keenly sought-after AG/Japan runs received several offers and, as a result, TC1 has slipped to WS 105 – 107.5. The list is not overburdened with ships so the forward view remains quite steady even off the back of this calmer week.

We see softer freight on the AG LR1 segment with not a huge amount of

cargo being worked over the last five days. TC5 has dropped 10 points with WS 115 on subs and westbound has also suffered a USD 125k drop on the week with USD 1.65 Mn on subs today for a NNObi Jubail/UKcont. Ships are starting to steadily build up so we don't go into next week with a whole load of enthusiasm in this market.

MRs have seen corrections this week, with TC17 coming under pressure and losing in total 35 points, with a drop of 25 points in one go. Despite beginning the week with rates still trading at 12-month highs, a combination of very slow midweek activity and weakening LR markets has seen owners take the money and run as the horizon has started to look a little gloomy. There are still some cargoes outstanding as the week enters its final stage, but with every deal being done currently at less than last done, charterers are not feeling rushed.

We have seen a steady trickle of cargoes for the LR1s in North Asia this week. LR1 tonnage remains very thin on the ground and uncertain itineraries continue to play havoc for charterers with late running vessels continually needing to be replaced. We have seen a high of USD 550k being paid for a North China/Singapore LR1 cargo, putting Korea/Singapore at about USD 525k. A lot of the fixing on the LR2s has been done behind closed doors, the tonnage list is more plentiful than on the LR1s, but here too rates are steady. Korea/Singapore is on subjects at USD 550k with a UKC option at USD 2.3 Mn. Looking towards next week, LR1 freight should hold at current levels assuming there is similar demand because the supply of tonnage will remain limited, but there could well be pressure on the LR2s given the relative abundance of tonnage.

The Far East MRs struggled this week, seeing a disastrous collapse of rates from a lack of cargoes. Korea/Singapore was put on subjects at USD 330k – Korea/Oz at WS 170. Overall sentiment remains soft in this region.

It has been a slow week of fixing for the West MRs and the long list of ships continues to be picked at slowly, but more cargoes are needed to help move TC2 up from WS 100. There is still a number of ballasters heading to Europe and it is going to need a decent flow of cargoes to help rates recover.

The Med Handies have been a bit busier during the mid-section of this week, with quite a few ships going on subs and the position list is tighter relative to what we were seeing during the first half of the week. With around 10-12 spot ships still, it's still a stretch to call it 'tight', but at least there has been some improvement. Cross-Med has been trading at WS 110 for the majority of the week but there is hope for owners that it could now start to tick back up given the more balanced tonnage list.

			BDTI	BCTI
			609	481
	Δ W-O-W		↓Softer	↓Softer
<b>BDA</b>				
(USD/LDT)		TKR/LRG	TKR/MED	TKR/SML
This week		593.9	596.8	596.5
	Δ W-O-W	-1.8	-2.2	-1.3
<b>BALTIC TCE DIRTY</b>				
	Route	Qnt	\$/ Day	W-O-W
TD1	ME Gulf / US Gulf	280,000	-16,817	↑Firmer
TD3C	ME Gulf / China	270,000	-1,894	↑Firmer
TD6	Black Sea / Med	135,000	-5,886	↓Softer
TD8	Kuwait / Sing.	80,000	2,017	↓Softer
TD9	Caribs / US Gulf	70,000	6,779	↑Firmer
TD14	Asia / Australia	70,000	4,569	↓Softer
TD17	Baltic / UKC	100,000	-3,913	↓Softer
TD20	WAF / Cont	130,000	232	↓Softer
<b>BALTIC TCE CLEAN</b>				
	Route	Qnt	\$/ WS	W-O-W
TC1	ME Gulf / Japan	75,000	9,772	↓Softer
TC2	Cont / USAC	37,000	-99	↓Softer
TC5	ME Gulf / Japan	55,000	7,830	↓Softer
TC6	Algeria / EU Med	30,000	WS 111.63	↑Firmer
TC7	Sing. / ECA	30,000	12,119	↓Softer
TC8	ME Gulf / UKC	65,000	WS 27	↑Firmer
TC9	Baltic / UKC	30,000	WS 120	↑Firmer