



Quiet across all fronts

VLCCs in the AG saw a bit of activity towards the end of the week, while a decent amount of fixing is getting done under the radar. MEG-East has been repeated at WS 42.5 for early Dec, and owners would like nothing more than for it to stop there. This should be the bottom for now as we see a handful of owners dig their heels in to wait for a glimmer of light at the end of the tunnel. WAF is in the WS 44 levels, according to the Baltic Exchange, plainly down to the lack of activity in the West and decent tonnage availability. And it doesn't seem that we are out of the woods yet – lower numbers paid ex-Brazil and an uptick due to previous USG activity might push WAF rates even lower!

Similarly, for the Suezmaxes, all is quiet in WAF – activity levels remain low and there has been little to report this week. Sentiment has not improved, and the Baltic Exchange is reporting TD20 WS 63.64. Not much happening in the AG either – sentiment is not improving, and we can expect rates to continue ticking down in the short term.

There has been little Aframax activity in the North, with the volume of cargoes coming to market falling well short of the expanding tonnage list. Charterers have found themselves with plenty of options and owners' sentiment has softened over the course of the week. On TD7, last done is at WS 107.5. Similarly, TD17 is around WS 92.5 as of the time of writing. The short-term outlook for the Northern markets appears soft, with levels potentially dropping further as we move into next week.

In the Med and Black Sea markets, despite having a steady end to last week, rates have also come off through this. TD19 has softened, sliding with each passing day and settling at around WS 117.5 levels. As with the markets in the North, cargoes have dried up, which, combined with the lengthening tonnage lists (unaided in no small part by vessels ballasting across from other regions), have resulted in softening rates. Charterers once more have the upper hand and, as owners' sentiment continues to soften, rates will be tested further next week.

The LR2 owners in the AG have been of the very ambitious point of view but the demand has not risen to meet their aspirations this week. After a boisterous WS 122.5, TC1 is now on subs at WS 110. A flat week overall with slow demand.

It was similarly dull here on the LR1s this week. While there has been

one older unit that has committed to WS 107.5 for TC5 to assist on a trip to Dry Dock, we would suggest this is a bit of an exceptional case and would assess this run more in the WS 115-117.5 bracket for the rest of the fleet.

It has been extremely quiet in North Asia as far as the LR2s are concerned. LR2s, in particular, have seen minimal activity and owners have been forced to ballast to the Middle East in search of employment for their vessels - Korea/Singapore backhauls are worth USD 475-500k. There has been slightly more going on for the LR1s but even this barely scratches the surface of the tonnage list of available ships. We have seen USD 440k on subjects for Korea/Singapore on a +15-year-old unit and North China loading has paid a premium of USD 470k. However, it's not all gloom and doom as China have announced an increase in export quotas for the end of November and December, which will push more cargoes into the market, but whether this will be enough to move the needle on rates remains to be seen.

North Asia MRs are finally making headway, with the balance of the month looking tight and packed full of uncertain itineraries. With patience though, a few vessels could come out a lot more certain before the end of November. We start to see early December cargoes quoting out and the possibility of a rebound may become a reality next week, especially when Chinese exports start moving. Korea/Singapore is assessed at USD 370k – Korea/Oz is at WS 165. Another dull week has passed in the Singapore MR market as cargo enquiry remains at the bare minimum and any fixing activity has been kept well under the radar. Rates need a fresh test, but X-Singapore is estimated at USD 160k and TC7 at WS 162.5-165.

On the face of it, the MR UKC market has suffered another slow week, however, there appears to have been a lot of business done under the radar, which has eventually tightened the list. Friday did see an injection of cargoes and TC2 finished the week at WS 130 and is now looking tighter/firmer.

It has been a fairly disappointing week for the Med Handies, with not enough cargo volume to keep things afloat and therefore we have seen TC6 rates go as low as WS 135, which is tough considering it's late November and owners probably would have expected a bit more from this week. At the time of writing, TC6 is around WS 140, but there are expectations of more cargoes coming next week.

			BDTI	BCTI
			780	596
Δ W-O-W			↓Softer	↓Softer
BDA				
(USD/LDT)		TKR/LRG	TKR/MED	TKR/SML
This week		624.3	628.3	628.1
Δ W-O-W		6.1	5.4	4.6
BALTIC TCE DIRTY				
	Route	Qnt	\$/ Day	W-O-W
TD1	ME Gulf / US Gulf	280,000	-17,405	↑Firmer
TD3C	ME Gulf / China	270,000	2,261	↑Firmer
TD6	Black Sea / Med	135,000	354	↓Softer
TD8	Kuwait / Sing.	80,000	2,645	↑Firmer
TD9	Caribs / US Gulf	70,000	7,418	↓Softer
TD14	Asia / Australia	70,000	5,942	↓Softer
TD17	Baltic / UKC	100,000	11,796	↓Softer
TD20	WAF / Cont	130,000	2,367	↓Softer
BALTIC TCE CLEAN				
	Route	Qnt	\$/ WS	W-O-W
TC1	ME Gulf / Japan	75,000	9,256	↑Firmer
TC2	Cont / USAC	37,000	3,293	↑Firmer
TC5	ME Gulf / Japan	55,000	5,339	↓Softer
TC6	Algeria / EU Med	30,000	WS 143.75	↑Firmer
TC7	Sing. / ECA	30,000	7,460	↑Firmer
TC8	ME Gulf / UKC	65,000	WS 27	↑Firmer
TC9	Baltic / UKC	30,000	WS 153.57	↑Firmer