AFFINITY TANKER WEEKLY

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One step forward and two steps back

This week started with no real activity to speak of for VLCCs in the AG, and now it is still relatively quiet despite first decade of March stems hitting the market. MEG/China has been put on subs at WS 32 on Thursday, 2 WS points lower than what we saw earlier this week. WAF remains quiet, with rates in the WS 32 levels for WAF/China. Meanwhile, USG exports remain strong with rates adjusting upwards. USG/China is steady at USD 4.4 Mn.

On the Suezmaxes, WAF remains steady/quiet as cargo volumes hitting the market are starting to get lighter. Rates are sideways, in the WS 61 levels for TD20. Looking ahead, we see in the works WAF/UKC 10-11 Mar dates and WAF/TA for 7-8 Mar dates. The Med is steady with limited cargoes in the works, and rates at last done levels. The AG is still active but rates remain sideways – Basrah/Daesan is on subs for 7-9 Mar at WS 57.

In the North and Baltic Seas, options refreshed over the weekend for the upcoming window, so any opportunity Aframax owners had of pushing for higher rates was quickly snuffed out. Ice levels are being tested due to the sheer volume of tonnage left available for the remaining February stems.

The Med and Black Sea markets were similarly unchanged trough the beginning of the week, with the long list of options ensuring that owners have little room with which to manoeuvre.

But things picked up from Thursday, with TD19 gaining a few points up to WS 100 – 102.5. Options now look tighter on the front end for charterers needing specific quality tonnage and, if they want to fix forward, owners should be pushing for more.

In the AG, LRs were trading at parity for the distillate runs this week. Of course this leaves LR1s high and dry, settling for short-haul trips, or LR1-specific voyages. Rates have unavoidably come under pressure; TC5 is assessed in the WS 95-98 range at the time of writing.

We have seen some equally dismal rates for the LR2s, most notably TC1 at WS 75. However, several owners are starting to show some reluctance to offer in on cargos. In fact, there are still ships on the list and cargo volumes are low, but with bunker prices still high, the current rates have become more and more unpalatable. With some of the cheaper units now cleared, there could be some incremental shifts up in rates in the next week.

After an indifferent start to the week, MR owners lit the blue touch paper with TC7 moving from WS 180 to a WS 205 equivalent as we go into the weekend. Charterers have reacted by reaching forward on laycans to ensure they can get cover, which has of course added fuel to the fire, and owners are now asking for even higher freight levels. Overall, the current fixing window is firm, and further incremental freight gains are all but possible.

In the East, North Asian MRs continue to see freight inching upwards, with high numbers being put on subs for prompter laycan cargoes. Japan/Singapore closed the week with USD 540k on subjects, which brings Korea/Singapore around the USD 510-520k levels. Korea/Oz was booked at WS 182.5. There is a couple of Feb stems still uncovered and charterers are getting caught up with a tight list. We could continue to see a steady uptick in rates as we head over into the new week.

Meanwhile, Singapore MRs remained lacklustre with little to report. TC7 remains sideways at WS 155-157.5. Owners are holding their resistance considering the high bunker prices, and we could see a couple of vessels ballasting to the AG in a quest for better TCE returns.

Looking West, this was one of the quietest weeks in a long time in terms of cargo enquiry. The tonnage list is now starting to replenish and will no doubt be tested going forward. TC2 is around WS 170, with owners doing their best to maintain current levels. Baltic Handies had a rather slow and inactive week, but owners have been resilient holding at WS 210 for Baltic/UKC.

With storms blowing in the UK, we can expect some delays and disruptions in the next few days, also leaving potential for replacements come Monday.

This was an exciting week for the Med Handies! We saw a tight list throughout the week, off the back of a firm market which started last Friday. Around Wednesday, it looked like it was going to soften, but a prompt naphtha replacement ex-Blsea at WS 265 reignited the market. TC6 is currently paying WS 250, while Blsea is at WS 270 and, looking ahead, further firming could occur.

	BDTI	BCTI
	694	676
Δ W-O-W	↑Firmer	↑Firmer

BDA

(USD/LDT)	TKR/LRG	TKR/MED	TKR/SML
This week	642.2	643.6	642.9
Δ W-O-W	15.3	13.9	11.7

BALTIC TCE DIRTY

	Route	Qnt	$ / Day	W-O-W
TD1	ME Gulf / US Gulf	280,000	-30,576	↓Softer
TD3C	ME Gulf / China	270,000	-13,141	↑Firmer
TD6	Black Sea / Med	135,000	-3,719	↑Firmer
TD8	Kuwait / Sing.	80,000	-650	↑Firmer
TD9	Caribs / US Gulf	70,000	17,037	↑Firmer
TD14	Asia / Australia	70,000	815	↑Firmer
TD17	Baltic / UKC	100,000	4,470	↑Firmer
TD20	WAF / Cont	130,000	-1,249	↓Softer

BALTIC TCE CLEAN

	Route	Qnt	$ / WS	W-O-W
TC1	ME Gulf / Japan	75,000	-4,899	↓Softer
TC2	Cont / USAC	37,000	8,496	↑Firmer
TC5	ME Gulf / Japan	55,000	293	↑Firmer
TC6	Algeria / EU Med	30,000	WS 241.25	↑Firmer
TC7	Sing. / ECA	30,000	5,184	↑Firmer
TC8	ME Gulf / UKC	65,000	24.54	↑Firmer
TC9	Baltic / UKC	30,000	WS 210	↑Firmer