



## Bulls are still running, but for how long?

After a sanguine first half of the week, market activity for VLCCs in the MEG has toned down as charterers are trying to have the waters calm down a bit before committing again. MEG/China has been repeated several times at WS 55, but we could see some resistance from owners to go lower amid record high bunker prices. It is a similar story also in the Atlantic, with a few outstanding stems, but charterers looking for the right moment to fix.

On the Suezmaxes, the WAF market is starting to stabilise a bit as rates have cooled down slightly. Enquiry remains steady with a few stems still open, and rates are holding in the upper ranges so far – WAF/Europe is on subs at WS 95 at the time of writing. The Med/Bsea is in a similar situation, and rates from Russian ports commanding very high premiums. CPC/Augusta is on subs at WS 295. Meanwhile, the AG continues to keep the momentum with several cargoes working and rates keeping firm.

On the other hand, looking at Aframaxes, the Nsea market continues to firm, as Baltic rates remain incredibly high – about WS 550 for Ust Luga/UKC, thus earning a TCE of over USD 260k/day. Similarly, Bsea rates remain incredibly high however non-Russia business has topped already and is starting to slide a bit. X-Med is around WS 265, and while TCEs are still in the USD 80k-90k/day range depending on the ship, like we have seen in the larger ships, it is likely that charterers will sit and wait until next week before committing.

On the product tankers, LR2s shot through the roof this week amid increasing bunkers, a thinning list and renewed demand for March laycans. There also wasn't the same level of NB ships as fall back options for charterers as well. This, and reluctance for owners to commit as they rather take the "wait and see" approach only led to a natural massive spike in sentiment and rates have lifted off the back of it. TC1 is on subs at WS 150 (from WS 90 done last week).

LR1s have also shot through the roof and this was also aided by a tighter list than the LR2s. Rates are very strong and owners are very hopeful for Monday. We are aware of traders shifting some stem sizes down to MR parcels on seeing some of the LR1 numbers

offered but this won't dim enthusiasm by much. MRs in the AG have been suffering slightly, but with bunkers peaking at over USD 1000/T, freight levels will be increasing to compensate for that.

Meanwhile, in the Far East, most owners are weighing up their options on whether to back haul or ballast back to the AG to take advantage of rates we have not seen in many months. Consequently the opportunity costs doing a back haul and missing out on a cargo out the Middle East has pushed freight up in the Far East.

Also, a consistent stream of fresh cargoes helped to keep rates firm with owners talking in excess of USD 1.65 Mn for Korea/USWC, Korea/Singapore assessed at USD 680k, Korea/Oz on subs at WS 240, with next done likely to jump further.

The Singapore MR market had another big week as well, with rates pushing up relentlessly. TC7, at the time of writing, was seen on subjects at WS 217.5. X-Singapore is at USD 230-240k and we expect rates to firm further.

With recent events in Ukraine, the UKC has transformed this week into a three tier market. Ships who are willing to call Russia and fix Russian counter parts, ships willing to call Russia but not with Russian counter parts, and ships just not willing to fix Russia at all. We saw MR liftings going for as much as WS 320 Russia/UKC-TA. TC2 firmed slightly through the week to WS 150-155 levels.

It was a mad week for the Handies, as developments in Ukraine have made loading ex-Russia extremely difficult. We close the week with WS 415 on subs for a Russian counterparty, WS 325 for non-Russian and WS 180 on subs ex ARA. Developments into next week will be interesting as the region continues to export high volumes.

Also in the south we have seen rates for Russian loadings in the Blsea climb throughout the week. The latest fixture for Blsea/Med for a Handy is on subs for WS 475. X-Med hasn't followed the Blsea, but we still saw some substantial improvements and is now trading at WS 290.

		BDTI	BCTI	
		1474	989	
	Δ W-O-W	↑Firmer	↑Firmer	
BDA				
(USD/LDT)	TKR/LRG	TKR/MED	TKR/SML	
This week	657.0	658.8	658.6	
Δ W-O-W	10.0	10.2	9.8	
BALTIC TCE DIRTY				
	Route	Qnt	\$ / Day	W-O-W
TD1	ME Gulf / US Gulf	280,000	-29,829	↓Softer
TD3C	ME Gulf / China	270,000	-420	↑Firmer
TD6	Black Sea / Med	135,000	145,804	↑Firmer
TD8	Kuwait / Sing.	80,000	7,272	↑Firmer
TD9	Caribs / US Gulf	70,000	12,791	↑Firmer
TD14	Asia / Australia	70,000	8,814	↑Firmer
TD17	Baltic / UKC	100,000	233,699	↑Firmer
TD20	WAF / Cont	130,000	6,956	↓Softer
BALTIC TCE CLEAN				
	Route	Qnt	\$ / WS	W-O-W
TC1	ME Gulf / Japan	75,000	13,667	↑Firmer
TC2	Cont / USAC	37,000	3,954	↑Firmer
TC5	ME Gulf / Japan	55,000	14,945	↑Firmer
TC6	Algeria / EU Med	30,000	WS 284.38	↑Firmer
TC7	Sing. / ECA	30,000	12,139	↑Firmer
TC8	ME Gulf / UKC	65,000	40.71	↑Firmer
TC9	Baltic / UKC	30,000	WS 376.43	↑Firmer