AFFINITY TANKER WEEKLY

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A healthier week for crude tankers

The VLCC market kept getting stronger this week amid healthy amounts of cargoes hitting the market, and a softening bunker complex that is helping alleviate some of the pressure on owners. Rates in the AG remain firmer amid a flurry of fixtures. In the Atlantic, WAF remains at the centre of the action, while the USG remains relatively quiet.

Looking at the Suezmaxes, WAF is getting stronger, with each fixture above last done levels. The list is tighter, and there are still several cargoes in the woodworks. Rates are very healthy, and we could reach the psychological mark of WS 100 for WAF/UKC early next week. The AG is also keeping very busy amid a flurry of AG/West runs. TD23 keeps fixing above last done, and overall sentiment is firm. The Med is steady with a couple of cargoes still in the works, but rates have come off from last week's levels amid potential supply disruptions. Still, Russian loadings keep commanding healthy premiums.

Looking at the Aframaxes, contrary to rumours, Russian crude production appears healthy, with 69 Baltic Sea Rebco stems for April, compared to 62 in March; it is the highest number of cargoes since 2020. Having started the week at WS 300 – 325, Baltic/UKC Russian business is now up to around WS 475 – 525 and sentiment has firmed. Non-Russian Baltic rates have also been dragged up as fixing continues quietly and spurred by a busy North Sea; rates are up by around 20 points to WS 115 – 125, but sentiment isn't as firm as with Russian business.

The Med and Black Sea markets have been active enough, boosted by the return of SPM-1, although SPMs 2 and 3 will remain offline for three-to-four weeks, according to the latest local advice. Owners have been particularly resilient due to the boosts in the North Sea and USG/TA markets and, as a result, they have managed to push rates up to WS 142.5 – 152.5 on cross-Med runs, an increase of around 20 points on the week. Black Sea/Med business is still at WS 250 – 280.

Even if the markets goes a bit quiet now, owners have already demonstrated their resolve and, with so many factors that can change at any moment at play, rates are unlikely to slide just yet. There are rumours that next week's revised CPC program will be lighter on the Aframax side, but we'll have to wait and see.

The LR2 Market started to crack this week. In contrast to the last, we have seen significantly fewer prompt cargoes, and more in the natural fixing windows. There are a lot of ships to work through, and freight is suffering as a result. TC1 can be assessed at WS 160, but on a 'like-for-like' earnings perspective, this would be more like WS 150 –155. And when one considers how much more owners prefer to stay East than West, there is a chance next done would be less then this when tested.

The LR1 segment has been rather flat on cargo demand this week, but we remain in a scenario where the slim position list enables owners to not be too worried and hold their own positions well. TC5 has remained consistent at WS 185 levels and only a Chinese owner is showing a familiar 5-point discount with WS 180 on subs for this route. There is some concern that the freight from the bigger ships will swamp down upon the LR1s next week and we have already seen an LR2 taking an LR1 stem to Singapore at LR1 levels. Not ideal hallmarks for the week to come.

We have seen a busy time of it on the MRs this week. There was a momentary lapse of activity mid-week that did cause a surprising dip in TC17 with WS 295 dropping to WS 282.5 and then WS 277.5 quickly; but after this, there was a second wave of activity that included a decent slug of long-haul activity that included several European cargoes that owners are not at all inclined to fix for geopolitically obvious reasons.

It has been a very steady week for the North Asian MRs. We have seen a flood of Chinese exports, which has kept the list balanced and healthy so far. Korea/Singapore is trading at USD 700-710k, and Korea/Oz has seen a fresh test as WS 260. The Singapore MRs have remained largely flat over the course of the week, especially with a number of off-market deals. The tonnage list is looking ample with the absence of cargoes, and freight has been trading sideways thus far. TC7 closed the week with WS 257.5 on subjects.

MRs in the West have been steady throughout the week, fixing at WS 190 - 195 for TA voyages amid a balanced list overall. Liftings ex-Russian Baltic ports with ice-class ships are paying WS 325. Overall, it was a tough week for Russian exports as charterer and owner ideas rarely matched, and we close the week with WS 350 on subs repeated a few times.

Med Handies have had a fairly steady week on the whole, with a well-balanced list, and cargoes being drip-fed into the market. Owners are seemingly happy to fix at last done levels. TC6 remains steady for now at WS 200. Black Sea runs have been very quiet and last done levels for Black Sea/Med for Russian ports are around WS 350 and non-Russian ports pay WS 217.5. The situation remains unpredictable overall, particularly with news of mines found off the coasts of Turkey and Romania.

	BDTI	BCTI
	1279	921
Δ W-O-W	↑Firmer	↓Softer

BDA

(USD/LDT)	TKR/LRG	TKR/MED	TKR/SML
This week	671.7	673.6	674.0
Δ W-O-W	4.4	4.0	4.7

BALTIC TCE DIRTY

	Route	Qnt	$ / Day	W-O-W
TD1	ME Gulf / US Gulf	280,000	-31,551	↑Firmer
TD3C	ME Gulf / China	270,000	-8,652	↑Firmer
TD6	Black Sea / Med	135,000	63,441	↑Firmer
TD8	Kuwait / Sing.	80,000	3,381	↑Firmer
TD9	Caribs / US Gulf	70,000	37,038	↑Firmer
TD14	Asia / Australia	70,000	10,393	↑Firmer
TD17	Baltic / UKC	100,000	223,993	↑Firmer
TD20	WAF / Cont	130,000	12,116	↑Firmer

BALTIC TCE CLEAN

	Route	Qnt	$ / WS	W-O-W
TC1	ME Gulf / Japan	75,000	15,783	↓Softer
TC2	Cont / USAC	37,000	6,820	↓Softer
TC5	ME Gulf / Japan	55,000	16,703	↓Softer
TC6	Algeria / EU Med	30,000	WS 204.38	↑Firmer
TC7	Sing. / ECA	30,000	19,252	↑Firmer
TC8	ME Gulf / UKC	65,000	43.95	↓Softer
TC9	Baltic / UKC	30,000	WS 345.71	↑Firmer