



## Mind the gap

This week started very quietly for VLCCs in the AG, despite charterers starting to work through second decade cargoes. The West also remains very quiet, with nothing major to report. Fresh cargoes across the board are very rare and, as a result, we could see rates everywhere getting tested.

On the Suezmaxes, WAF volumes remain light and rates have started to drop. The call trend is getting softer and, unless there is an increase in cargoes hitting the market, we foresee this trend to continue for the foreseeable future. The AG remains active, but the malaise affecting other markets has started to affect here as well. The general sentiment remains low and West runs have started to soften a bit, with Basrah/Med being put on subs at WS 46 levels. Also the Med remains active, but a build-up in tonnage is placing a roof above rates.

It's been a largely quiet week across the Aframax markets, but particularly in the Med and Black Sea. A lack of activity also resulted in rates being tested down and, as the week progressed, attention towards more towards long-haul business, leading to further declines on cross-Med, with no change in the status of the four closed Libyan ports.

TD19 began the week at around WS 165 levels but, by Thursday, they had slumped to WS 150.

But owners will be cautiously hopeful for improvement next week should normal operations resume, as is predicted.

Rates in the North European markets have followed the same trajectory. Ballasters coming up from the Med have added to the already ample tonnage and rates in the North Sea, which were soaring little more than a week ago, have been tested down through this week. TD7 has slid from WS 165 levels down to around WS 155.

Baltic rates have also consistently slipped this week, with a limited number of cargoes hitting the market as the tonnage list grows. WC Norway – UKC has slipped by 5 – 10 points since the end of last week, down to WS 155 – 160, but even Russian ice business has collapsed. Rates have tumbled by over 100 points on the week, and we're currently calling it at around WS 270 levels.

On the clean side, LRs in the Middle East go from strength to strength. LR1 westbound rates firmed to a whopping USD 4.25 Mn for a WCI/WAF run and USD 4.2 Mn is on subjects for WCI/UKC. A lot of the tonnage in the fixing window has cleared out and owners with tonnage remaining are still looking to increase freight levels with each fresh cargo. TC5 has firmed to WS 290 on subjects and owners are looking to hit WS 300 levels on next

done. After firming quickly in the first part of the week, the LR2s have stabilised slightly at WS 210 for TC1 which was repeated a couple of times but those owners with tonnage left have designs on higher freight levels and we could see a bump here for any prompt or awkward cargoes.

AG MRs have been basking in the sunshine and frankly, we haven't seen a position list look this tight in quite some time. TC17 has firmed all week, moving on from conference level of WS 310 to now reports of just over WS 330 on subs. Looking towards next week, the outlook is firm and, although there may not be lots of activity, mainly due to the tightness of ships, firm rates are likely to hold and, as LRs improve, MRs should follow suit.

There has been no let-up for charterers in North Asia this week, tonnage is scarce, and rates continue to firm. Numerous cargoes are still yet to be snapped up, and the list is not looking to replenish itself anytime soon. Korea/Oz is on subjects at WS 398. Korea/Singapore is on subjects at USD 1.25 Mn. A few MRs have upsize to seek shelter but whatever is left for the first decade of May will still struggle to get covered. Looking ahead, it will likely be another tough week for charterers. Singapore had a quite interesting week. There are several ships available for the prompt cargoes, but owners are not biting. In fact, many are comparing the earnings in the AG and pricing Singapore accordingly. X-Singapore is at USD 600k. Singapore/Oz can be assessed at WS 390. Owners have every reason to be bullish and the outlook remains firm.

In the West, UKC MRs had a very firm week, as an abundance of cargoes flooded the market. This, coupled with a list plagued with uncertain itineraries really helped the market to climb above WS 300 levels. For now, we assess TC2 at WS 300 and +10 WS points for WAF runs. Similarly, Med MRs had a very busy week on the back of red-hots markets in the AG and UKC. Latest fixed for Med/TA has been WS 295 and, as we reach the end of this week, things have quietened down. There is no doubt that charterers are holding back and trying to let the dust settle down a bit. However, as things stand, we don't predict any softening just yet.

The Baltic Handies have remained fairly steady - Baltic/UKC is at WS 245/325 depending on the counter party. X-Cont is in the WS 275 levels. Handies in the Med have been fairly quiet and steady and as we near the end of this week they continue to trade sideways with levels at WS 270-280 depending on whether it is WMed or EMed. The general expectation is that, even with a long weekend approaching, the market will pick up next week off the back of the larger sizes, so charterers will not be complacent and we have already seen many trying to secure decent itineraries at the current market levels.

		BDTI	BCTI	
		1245	1249	
	Δ W-O-W	↓Softer	↑Firmer	
BDA				
(USD/LDT)	TKR/LRG	TKR/MED	TKR/SML	
This week	687.2	690.5	690.0	
Δ W-O-W	3.0	1.5	1.8	
BALTIC TCE DIRTY				
	Route	Qnt	\$/Day	W-O-W
TD1	ME Gulf / US Gulf	280,000	-24,388	↓Softer
TD3C	ME Gulf / China	270,000	-2,810	↑Firmer
TD6	Black Sea / Med	135,000	62,013	↑Firmer
TD8	Kuwait / Sing.	80,000	24,938	↑Firmer
TD9	Caribs / US Gulf	70,000	17,747	↑Firmer
TD14	Asia / Australia	70,000	27,182	↑Firmer
TD17	Baltic / UKC	100,000	108,841	↑Firmer
TD20	WAF / Cont	130,000	-538	↓Softer
BALTIC TCE CLEAN				
	Route	Qnt	\$/WS	W-O-W
TC1	ME Gulf / Japan	75,000	43,447	↑Firmer
TC2	Cont / USAC	37,000	25,504	↑Firmer
TC5	ME Gulf / Japan	55,000	42,706	↑Firmer
TC6	Algeria / EU Med	30,000	WS 275.31	↑Firmer
TC7	Sing. / ECA	30,000	36,909	↑Firmer
TC8	ME Gulf / UKC	65,000	66.79	↓Softer
TC9	Baltic / UKC	30,000	WS 350	↑Firmer