



## Late blooming

This week started on a quiet foot for VLCCs in the AG, with a few cargoes hitting the market, lots of questions being asked around, but not much being done. However, as we entered in the second half of the week, we saw a flurry of ships going on subs, dragging rates up in the process – TD3C is now at WS 56.9. Quiet in WAF, with rates have steady overall and nothing major to report. Busier in the USG, with freight both east- and westbound testing the upper ranges.

On the Suezmaxes, rates in WAF remained fairly steady with only slight drops. WAF/UKCM has been put on subs at WS 117.5 levels for 21 – 22 July dates. However, if CPC loadings come to a halt following a court decision early this week, we could see charterers and owners turn to WAF, giving rates a boost in the process. The AG remained relatively active throughout the week. Freight, however, remained flat from last week's levels.

Although the Aframax freight market concluded last week in the North Sea on a low – tested down to around WS 145 having hit WS 190 just a week earlier – the FOC list was notably short. As we close the week, TD7 has climbed back up to around WS 210 and, with so few FOC ships left on lists, charterers will find it very difficult to cover any cargoes before the weekend, so rates could move further as we head into next week.

Tonnage has been similarly tight in the Baltic Sea, and owners have continued to push for higher rates after the low of a couple of weeks ago. Baltic Russian business has climbed up to WS 205 with rumours now that WS 240+ is on subs, and the sentiment is firm once again.

A bit further South, however, the Med and Black Sea markets have trended downwards, as was expected. There has actually been a decent level of activity so far this week, but the bad has outweighed the good with five Libyan ports still offline and cross-Med rates are down to around WS 140 – 145 levels. Owners will be nervously keeping an eye on how the situation at Novo develops.

On the large product tankers, we have witnessed one of the more bizarre weeks in what has already been a few months of mad freight hiatus. LR2 rates started the week looking a little fragile and, when tested, slumped below LR1 levels for westbound discharge. USD 3.7 Mn is now on subs for Sikka/UKC for a fully clean ship and a host of other cleaned-up ships have been chartered with a USD 250k discount. On Monday, there was the longest position list since early February, but the bearish overtones were quelled as considerable new flow hit the market, thus trimming the list quite considerably. Rates have only rallied for a very prompt replacement for TC1

- WS 215 over the normal WS 195/197.5 for more forward dates - otherwise we get the sense that levels have bottomed out.

We saw some initial demand on the LR1s, but as the week went on, charterers started leaning towards the LR2 segment, where a bigger unit could be obtained for less money. LR1 owners have been playing it cool, but they would be keen to see more demand soon, and there is a chance they might have to be extra patient with Eid underway and into next week too. Rates for westbound delivery have not been tested since USD 3.9 Mn went on subs for Jubail loading on Monday and, while some suggest that next done cannot be less than USD 4 Mn, the continued silence here might well lead to softening ideas as time passes.

AG MRs have softened this week but remain volatile still, and some are expecting rates to rally next week. TC17 has progressively fallen this week, firstly to WS 487.5 and then further to WS 460, however given the tightness on the list and undercurrent of fixing, some expect rates to rally as we go into the next week.

North Asia MR activity picked up earlier in the week, and consistent cargoes quoted throughout boosted owners' optimism. Korea/Singapore is at USD 1.45 Mn, Korea/Oz is at WS 470. Owners are factoring a freight premium if charterers are looking to get covered promptly, as the fixing window has now moved to the third decade of July. Singapore had a lacklustre week, with just the odd stem quoted. Singapore/Oz can be assessed at WS 440. Looking ahead, the list has mostly cleared out and, even with a trickle of stems, Singapore is looking set to improve in the near future.

Momentum has been slowing down for the West MRs this week, amid less cargo enquiry and a front-heavy tonnage list smothered with last edible/bio ships – not always a charterers' first choice. Rates came under pressure and TC2 cooled down to WS 315 levels. The US market is still performing and owners continue to weigh up opportunities from the USG.

Med Handies this week have been very quiet and, as a result, rates have dropped again to WS 320 for TC6. There are plenty of prompt ships and we could see some further softening.

		BDTI	BCTI	
		1286	1425	
Δ W-O-W		↑Firmer	↓Softer	
BDA				
(USD/LDT)	TKR/LRG	TKR/MED	TKR/SML	
This week	574.7	576.7	576.8	
Δ W-O-W	-16.7	-17.9	-18.6	
BALTIC TCE DIRTY				
	Route	Qnt	\$/ Day	W-O-W
TD1	ME Gulf / US Gulf	280,000	-30,249	↑Firmer
TD3C	ME Gulf / China	270,000	-5,446	↑Firmer
TD6	Black Sea / Med	135,000	28,300	↑Firmer
TD8	Kuwait / Sing.	80,000	9,530	↑Firmer
TD9	Caribs / US Gulf	70,000	46,677	↑Firmer
TD14	Asia / Australia	70,000	19,196	↑Firmer
TD17	Baltic / UKC	100,000	54,338	↑Firmer
TD20	WAF / Cont	130,000	20,375	↑Firmer
BALTIC TCE CLEAN				
	Route	Qnt	\$/ WS	W-O-W
TC1	ME Gulf / Japan	75,000	24,992	↓Softer
TC2	Cont / USAC	37,000	28,559	↓Softer
TC5	ME Gulf / Japan	55,000	35,860	↓Softer
TC6	Algeria / EU Med	30,000	WS 323.75	↑Firmer
TC7	Sing. / ECA	30,000	39,765	↑Firmer
TC8	ME Gulf / UKC	65,000	59.13	↓Softer
TC9	Baltic / UKC	30,000	WS 510.71	↑Firmer