



Crude Tanker Comments

What a week for VLCCs! Lists have been thinning out and significant amounts of cargo have been worked across the board, meaning that rates have kept firming in a way that we haven't seen in many months.

With over 60 cargoes in the MEG in the second decade of August alone, owners' MEG/East ideas have been getting higher by the day - WS 80 is on subs for TD3C, and we could even see higher levels being done as we go into the next week. In fact, it feels that this level of volume will continue for the foreseeable future, as fresh enquiry will have to inevitably enter to top up the current levels.

WAF is also getting firmer, with WAF/East on subs at WS 79.5, and demand remaining sanguine for both east and westbound. Meanwhile, the Americas have skyrocketed, with USG/East into the USD 9 Mn levels, almost USD 2 Mn above what we saw last Friday! We have also seen some activity ex-Brazil.

Rates are at such levels that they have started to attract the attention of players not usually keen or positioned for the USG. In fact, with the tail-end of the US SPR release in October, some could even consider this a warm-up for what is to come...

Suezmaxes in WAF have seen sentiment improve visibly on the back of a bullish VLCC complex. On Friday, WAF/UKC has been seen on subs at WS 137.5 for 29 August dates. Meanwhile, the AG feels quite steady, with Basra/UKCM going on subs at WS 65 for 25 August dates, and overall good activity levels for both east and westbound voyages.

In the Aframax markets, cross-Med rates have inched upwards, settling at around WS 185 on the back of a thinning tonnage list and vessels ballasting to the Baltic. CPC has tested down on the lack of cargoes and building positions in the Black Sea/Turkey.

Rates in the North Sea have tested down over the course of the week, losing a few points due to the lack of enquiry and growing tonnage list off forward dates. TD7 is down to around WS 180 levels,

The USG markets remain strong, with TD9 and TD25 at WS 330 - 335 and WS 265 respectively. Vessels are still ballasting across the Atlantic, which could provide some upside for the European markets.

Product Tanker Comments

This week there has been quite a bit of sub-level fixing for the LR2s in the AG and this didn't really help owners to hold their nerve when it came to the few stems that emerged onto the open market. TC1 has held its own at WS 215 for a fully approved unit and, as is customary in this sector, westbound routes dipped and then rebounded quite quickly as the majority of ships are preferring the idea of staying East of Suez. Owners seem to be quietly confident for the next week as they believe early September stems might well be tougher to cover than what we have been seeing recently.

The LR1s have gently gathered momentum this week, but this has not led to much more in terms of higher numbers getting put on subs. Still, we have seen enough good ships getting tucked away from the position list.

So, while charterers can perhaps have a little more time on their side before paying anything higher than last done, there is some growing optimism amid owners. In fact, WS 290 has been offered for TC5, showing significant ambition as we go into the next week.

It was a calm week overall for the North Asia MRs. A slow injection of cargoes doused owners' optimism and kept the market levelled, trading at last done. The tonnage list is starting to open up for early September, but with a little patience from charterers, next week can be a repeat of this week. Korea/Singapore at USD 1.15 Mn and Korea/Oz is at WS 370. Singapore MRs have remained lacklustre this week, with plenty of vessels off the front-end of the list for charterers to cherry-pick from. There is the chance that a couple of owners might eventually ballast to the better pastures of the north. TC7 is untested but it can be assessed at WS 355-360.

What a dreadful week for UKC MR owners! Freight fell off a cliff - TC2 dropped from WS 310 levels at the beginning of the week to around WS 235 at COB on Friday. Meanwhile, Handies have hovered between WS 240 and WS 250 for X-Cont all week. WS 500 is assessed for Russia-loading.

Med Handies have come under a lot of pressure this week amid a dearth of activity. As a result, TC6 slipped to WS 290. Adding insult to injury, after this weekend, we might see the position list slightly more crowded, and therefore further drops could well be likely.

		BDTI	BCTI	
		1554	1314	
Δ W-O-W		↑Firmer	↓Softer	
BDA				
(USD/LDT)	TKR/LRG	TKR/MED	TKR/SML	
This week	565.3	566.4	568.2	
Δ W-O-W	-1.1	-1.1	-1.1	
BALTIC TCE DIRTY				
	Route	Qnt	\$ / Day	W-O-W
TD1	ME Gulf / US Gulf	280,000	5,538	↑Firmer
TD3C	ME Gulf / China	270,000	39,082	↑Firmer
TD6	Black Sea / Med	135,000	64,555	↑Firmer
TD8	Kuwait / Sing.	80,000	41,982	↑Firmer
TD9	Caribs / US Gulf	70,000	75,299	↑Firmer
TD14	Asia / Australia	70,000	53,198	↑Firmer
TD17	Baltic / UKC	100,000	69,336	↑Firmer
TD20	WAF / Cont	130,000	35,038	↑Firmer
BALTIC TCE CLEAN				
	Route	Qnt	\$ / WS	W-O-W
TC1	ME Gulf / Japan	75,000	40,557	↑Firmer
TC2	Cont / USAC	37,000	16,413	↓Softer
TC5	ME Gulf / Japan	55,000	40,168	↑Firmer
TC6	Algeria / EU Med	30,000	WS 288.13	↑Firmer
TC7	Sing. / ECA	30,000	38,427	↓Softer
TC8	ME Gulf / UKC	65,000	57.82	↓Softer
TC9	Baltic / UKC	30,000	WS 500	↑Firmer