AFFINITY TANKER WEEKLY

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Affinity Research LLP, 44th Floor,
The Leadenhall Building, 122 Leadenhall Street,
London, EC3A 8EE, United Kingdom

T. +44 203 142 0100
F. +44 203 142 0101

E. research@affinityship.com
W. affinityship.com

Crude Tanker Comments

VLCCs in the AG remained relatively steady this week, with lower fresh volumes entering the markets at the beginning of the week, translating into a gradual slide in freight as the week went on. TD3C started Monday at WS 73, and reached a bottom of WS 67 on Wednesday. However, not all hopes were lost, as there were a few cargoes trickling in the market, which, paired with a tighter than average tonnage list of non-handicap vessels, gave freight a boost, with TD3C well above WS 79 at COB on Friday.

WAF also saw some activity this week after a long hiatus without cargoes. As exports are coming back online, we saw an initial downwards trend in freight rates being reversed back to early last week's levels at WS 79.

Meanwhile, the western side of the Atlantic literally stole the show, with a flurry of early/mid October-loading USG cargoes coming online in the second half of the week, as the SPR release programme comes to an end with the proverbial fireworks. USG/China paid USD 5.5 Mn at close of last week, and while we have seen a low of USD 8.3 Mn mid-week, then rates went higher to USD 8.95 Mn being put on subs on Friday, but the Baltic Exchange assessing TD22 at USD 9.1 Mn. While there still are several stems outstanding as we go into the weekend, one might wonder whether this is the end of the party for freight, and before everyone packs up and goes home, there are rumours that we could see another round of SPR releases later on. Whether this is true remains to be seen, but there is no doubt that the market is once again on a bullish foot, and it cannot be excluded that we could see more of this going forwards.

All in all a quiet week for Suezmaxes. A few deals have been done under the radar in the second half, and rates moved upwards only towards the end of the week as a couple of cargoes hit the market. As of COB Friday, the market still feels steady/soft with rates not moving much. TD20 is now in the WS 122.5-126 range, and we could see some support as we go into the next week, as the outstanding stems are being worked. Relatively quiet also in the AG, with sentiment remaining steady/soft throughout the week as activity remained subdued.

Quiet days continue for Aframaxes in the Med. As a result, rates continue their steady decline – almost 30 WS points have been lost since Monday on TD19, and we could see more of the same as we go into the next week. In fact, without any Black Sea enquiry, the market should remain overtonnaged. Also in the North sentiment is getting softer, as the market remained subdued with little demand and a steadily growing tonnage lists that will likely take a while to digest fully.

Product Tanker Comments

It wasn't the best start of the week for LR2 owners in the Middle East, with rumours of under WS 275 for TC1 on off-market deals. However, by mid-week several vessels initially pushed as free were on subjects for cargos that never hit the market, and the position list had shrunk considerably. Any subsequent stems were met with strong resistance from owners, and as a result TC1 has climbed to WS 280 on subjects and USD 5.4m for AG/UKC with both looking like they have legs going into next week.

At the beginning of the week, the LR1 position list was fairly tight, but not one that would suggest that firming was on the cards. However, a scratch of the surface revealed several vessels with reformate/condensate history rendering the list of jet-suitable ships considerably smaller. Owners were alive to these nuances, and we have seen both west and east bound freight firming. There are still cargos uncovered at the end of the week, and it is likely that we will see owners try to move the needle in the next week.

A busy first half to the week followed by quiet sums up this week's activity on the UKC MRs. The steady enquiry against a narrow list pushed rates up to around WS 230-235 for TC2. Still, the majority of opportunities seen were for UKC/WAFR runs with rates touching WS 240 levels. With the US and East markets continuing to impress, owners are being drawn to those regions to secure higher returns. This will only reduce the number of ballasters to Europe and add support to current rates.

It was an active week in the Med, as the Handies have finally begun to climb back up, with TC6 now at WS 185. There are still a few cargoes outstanding so we could well see higher freight on subs this side of the weekend.

What a stellar week for the North Asia MRs! We saw more and more getting done, especially for long hauls, to such an extent that charterers now seem to be opting for LRs and older units in order to secure some kind of discount. Still, owners remain optimistic as we go into the next week ,and with a lingering taste of high returns, it wouldn't take much cargo volume to see owners pushing aggressively again, especially given the higher freight ceiling from the LRs. Korea/Singapore is at USD 1.7 Mn. Korea/Oz closed off at WS 480. Korea/USWC is at USD 3.4 Mn. Sentiments remains firm.

Singapore managed to keep up with its neighbours' earnings throughout the week, with several cargoes keeping the list tight and pushing freights higher. Backed by a firm AG market, we are seeing increased pressures from owners to squeeze higher rates as more options became available. Singapore/Oz on is subjects at WS 477.5. X-Singapore can be assessed at USD 750k. Overall, the Far East is looking in great shape and this will likely carry on into next week.

		BDTI	BCTI
		1432	1211
	Δ W-O-W	↓Softer	↑Firmer

BDA			
(USD/LDT)	TKR/LRG	TKR/MED	TKR/SML
This week	589.0	593.5	596.9
Δ W-O-W	3.7	5.3	4.7

BALTIC TCE DIRTY

	Route	Qnt	$ / Day	W-O-W
TD1	ME Gulf / US Gulf	280,000	9,003	↑Firmer
TD3C	ME Gulf / China	270,000	43,573	↑Firmer
TD6	Black Sea / Med	135,000	70,539	↑Firmer
TD8	Kuwait / Sing.	80,000	47,675	↑Firmer
TD9	Caribs / US Gulf	70,000	46,516	↑Firmer
TD14	Asia / Australia	70,000	56,814	↑Firmer
TD17	Baltic / UKC	100,000	47,835	↑Firmer
TD20	WAF / Cont	130,000	35,022	↑Firmer

BALTIC TCE CLEAN

	Route	Qnt	$ / WS	W-O-W
TC1	ME Gulf / Japan	75,000	65,072	↑Firmer
TC2	Cont / USAC	37,000	17,550	↓Softer
TC5	ME Gulf / Japan	55,000	58,404	↓Softer
TC6	Algeria / EU Med	30,000	WS 187.5	↑Firmer
TC7	Sing. / ECA	30,000	59,947	↑Firmer
TC8	ME Gulf / UKC	65,000	72.33	↓Softer
TC9	Baltic / UKC	30,000	WS 341.43	↑Firmer