AFFINITY TANKER WEEKLY

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Crude Tanker Comments

VLCC rates remain on an upwards trajectory, with owners pushing for more with each fixture. In the AG especially, compromised tonnage is getting cherrypicked, and the list is getting thinner by the day. MEG/China has been put on subs at WS 103.5 for a bunker sire ship, while MEG/Thailand is on subs for WS 106.5 on a 14-year-old ship. Cargo-wise, there is a handful of stems remaining for first decade of October loading, and a handful already appeared for the second decade.

In the West, there is a steadier feeling after a largely quiet beginning to the week. TD15 is at WS 100.6, and there is one westbound cargo left outstanding. In the USG, TD22 is assessed at USD 10.22 Mn LS and, also here there are a couple of stems outstanding from both the USG and Brazil, meaning that it is likely that we could see the upper ranges getting tested after the weekend.

The Suezmaxes in WAF kept ticking along this week, amid steady activity, prompting rates to firm. TD20 is in the WS 139 region – WAF/UKCM has been put on subs at WS 138.75 for 9 October dates and, as the week comes to an end, there are a couple of cargoes still in the works, which could provide some support going forward. Also the AG remained relatively active, with both east- and westbound voyages going on subs. TD23 is firm at WS 66, and we have seen Das Island/UKCM go on subs a couple of times at WS 62.5. Plenty of stems remain outstanding, and there is a chance that rates could be shored up a bit more in the next few days.

Despite a relatively quiet week with limited fresh enquiry, a very tight list helped to boost sentiment for Aframax owners in the Med. Ballasters going to the Baltic and TA kept trickling out throughout the week, leaving just one FOC as the week comes to and end, and only three ships can be expected to be open during the weekend. Still, without CPC cargoes, there is enough safe tonnage around to cover. As a result, rates plateaued by Friday, even as dates are fixing forward.

The North Sea Aframax market remains firm, helped also by a very short list with only two FOC ships, and no vessel expected to become open over the weekend. Rates have been climbing steadily and can be expected to firm further after the weekend. Sentiment has improved for Baltic fixing amid continued action throughout the week, with the almost unavoidable firming of rates as a result.

Product Tanker Comments

LR2 demand slowed to a stop this week. National holidays starting yesterday in the Middle East, which reinforced this sudden dearth in demand and freight reverberations have made itself known as and when intermittently tested. Westbound has been fixed at USD 5.2 Mn, a drop of USD 200k w-o-w. Since then however we saw USD 4.6 Mn go on subs for the same westbound. And, at the time of writing, WS 205 is on subs for TC1, a WS 45-point drop from last done. The longest list since February doesn't bode well as we go into the weekend, and it might take a while to climb back up to where we started.

LR1s had an even more dramatic degree of tonnage exposure, with the longest supply list over the next 15 days basis Fujairah since 27 September 2021. There are several ships in position to cover all the main trade routes, and there is a feeling that, unlike the past few months, owners might accept a bearish short-term forward view.

North Asia MRs kept shining week, and more of this can be expected going forward ahead of China's golden week. In detail, activity slowed down a bit in the latter half the week amid limited fresh cargoes quoted. Not a lot of outstanding stems remain as we go in the weekend, and charterers might be taking LRs for a discount. Singapore MRs remained steady overall. However, we could see some softening ahead amid a weaker AG market, and several ballasters coming in from WCI.

This week has been a bit of a mixed bag for the MRs in the UKC. We saw rising enquiry push rates up significantly, but as the week comes to an end, there is a decent amount of tonnage on the front-end of the list that needs to be cleared out. With minimal enquiry outstanding as we approach the weekend, TC2 is looking soft at around WS 295, and we could see some further testing in the short-term. With the US market booming, USG/Brazil at WS 400 and USG/Chile at USD 3.75 Mn, it's a surprise that owners haven't upped the premium for WAF runs, currently at 10 WS points above TC2. On the positive side, with the TA market holding firm, it is unlikely that there will be ballasters heading to Europe, so once the current list starts to shorten, we should see freight rates shift back up.

Handies in the Med had a positive week overall. Prompt positions continued to tighten throughout the week, and we saw freight rise to WS 275 for TC6. Owners' confidence is high, and we could see further firming going forward.

	BDTI	BCTI
	1497	1228
Δ W-O-W	↑Firmer	↑Firmer

BDA

(USD/LDT)	TKR/LRG	TKR/MED	TKR/SML
This week	594.9	599.8	602.2
Δ W-O-W	5.9	6.3	5.3

BALTIC TCE DIRTY

	Route	Qnt	$ / Day	W-O-W
TD1	ME Gulf / US Gulf	280,000	18,519	↑Firmer
TD3C	ME Gulf / China	270,000	68,674	↑Firmer
TD6	Black Sea / Med	135,000	75,524	↑Firmer
TD8	Kuwait / Sing.	80,000	38,422	↑Firmer
TD9	Caribs / US Gulf	70,000	47,497	↑Firmer
TD14	Asia / Australia	70,000	44,121	↑Firmer
TD17	Baltic / UKC	100,000	50,112	↑Firmer
TD20	WAF / Cont	130,000	40,972	↑Firmer

BALTIC TCE CLEAN

	Route	Qnt	$ / WS	W-O-W
TC1	ME Gulf / Japan	75,000	50,127	↓Softer
TC2	Cont / USAC	37,000	29,601	↓Softer
TC5	ME Gulf / Japan	55,000	46,796	↓Softer
TC6	Algeria / EU Med	30,000	WS 248.13	↑Firmer
TC7	Sing. / ECA	30,000	62,971	↓Softer
TC8	ME Gulf / UKC	65,000	66.09	↓Softer
TC9	Baltic / UKC	30,000	WS 325.36	↑Firmer