



Crude Tanker Comments

As usual, the week started on a quiet foot for VLCCs in the AG. This time, charterers seemed to prefer to sit back and work through the remaining third decade stems at their own leisure, cherry-picking vessels according to their preferred requirements. The pace changed as we approached the mid-week point, as charterers started to hurry their pace in a bid to get cover before the weekend with Bahri Week now in sight. As a result, rates started to firm, with TD3C now at WS 113 levels. With the week coming to an end, enquiry has somewhat stalled a bit, but rates remain firm, holding in line with last done levels, and owners' sentiment is still strong.

On the other hand, the West remains steady with not much fresh enquiry hitting the market, and a quieter feeling in the second half has eased some pressure on rates. As we enter the weekend, WAF remains quiet with no stem outstanding and a longer list, meaning that we could see some softening come Monday. In the Americas, there still are a few cargoes yet to be worked, but the feeling is sideways as the overall market remains subdued.

On the WAF Suezmaxes, it feels like we reached the floor earlier in the week, and the market has subsequently rebounded as enquiry picked up, also boosted by a tight tonnage list. TD20 is firm at WS 190 levels. In the AG, we saw the opposite, with a bit more activity in the first half of the week, but not enough to move rates, and then things petering out as the week is coming to an end. As a result, rates remain steady in the WS 93 levels for TD23. The Med remains sanguine with enquiry steadily hitting the market, especially for CPC loading. As a result, rates keep inching up with each fixture. CPC/Med is now on subs at WS 205 levels, but more is likely to be the next done.

It is a similar story for Aframax, with cargoes continuing to hit the market and boosting rates for both Med and Blsea loading to new highs. The party was being spoiled by Suezmaxes ex-CPC to an extent, saving charterers some money. Still, things got marginally quieter towards Thursday, but owners don't seem to worry, especially as the list keeps thinning as dates get pushed forward and rates inevitably inch up. With no FOC ship at the time of writing and just four potentially opening during the weekend, we see charterers hoping for the best, as it might get very tough if any replacement is needed.

Slow days in the North Sea, with relets starting to surface on the list at the beginning of the week. Tonnage kept being covered quietly throughout, despite the persisting slow feeling on the surface. Owners' sentiment remains strong, and the list of natural players remains tight. As a result, further rises in rates cannot be ruled out; in fact, quite the opposite.

Product Tanker Comments

The LR2 sector has been all over the place this week. At the outset, it only looked bearish and the numbers that followed matched up accordingly, with TC1 slipping to being agreed on subs at WS 155 and westbound also suffering with USD 3.6 Mn agreed on subs for a drydock vessel out of WCI. This westbound figure is getting very close to the LR1 level, but over the last 48 hours, we have been aware of many ships going on subs and the figures have changed accordingly. TC1 has jumped and is on subs at WS 170, while offers for future westbound business are well over USD 4 Mn. Let's see how much resurgence can be mustered ahead of Bahri Week, but there is enough to suggest that freight has moved off the bottom and is not set to soften any time soon.

The LR1 market has largely held steady this week with all trade routes being tested. At the time of writing, the position list remains at its thinnest since the middle of September, and while demand has toned down a notch, the mood is still upbeat from the owners side. TC1 is assessed in the WS 210-215 area, westbound would be somewhere in the USD 3.425-3.5 Mn area.

MRs in the AG have stagnated this week. And, while rates did nudge up slightly at the start with WS 380 on subs, that failed however and WS 370 has been the conference rate thereafter. The list is not overrun with candidates but, with Bahri Week approaching, any additional volumes will likely be covered quietly.

The North Asia MR market has lived up to the billing this week. There were plenty of outstanding cargoes on Monday and charterers piled in with even more as the week continued. Rates for Korea/Australia kicked up to WS 380, but many seem to be sighting WS 400 as the next target. The main driver in this market were the increased Chinese exports, rumoured to be around 6 Mn T this month, which has dramatically added to the need for tonnage around the North China refining region. This surge in demand for tonnage has also pushed rates up for backhaul cargoes and rates have moved from under USD 1 Mn for a N. Asia/Singapore run to USD 1.45 Mn on subjects as we go into the weekend. The Singapore market hasn't fared quite as well and, while there have been cargoes around, they have not been as plentiful as in the North. Rates have improved, TC7 is now up to WS 365, with some owners pushing for more on the outstanding stems.

In the West, MRs struggled to find their rhythm this week. The front-end of the list remained tight, and any prompt cargoes ended up being more of a challenge. TC2 will continue to be tested, but we expect to see it around WS 310 levels. After a disappointing week in the US, we expect to see more ballasters, but sentiment is still strong amid expectations of further cargoes to help support this market.

The NWE Handy market has been extremely busy as the list is narrowing and delays keep the market buoyant. Some owners are pushing for as much as WS 280 for X-UKC. There was a large turnaround in the Med this week, with TC6 climbing from WS 240 to WS 350 at the week's end. Steady activity has reduced the tonnage list greatly, and we could see further rises next week if cargoes keep trickling down...

		BDTI	BCTI	
		1894	1340	
Δ W-O-W		↑Firmer	↑Firmer	
BDA				
(USD/LDT)		TKR/LRG	TKR/MED	TKR/SML
This week		572.4	576.1	578.2
Δ W-O-W		-11.2	-22.0	-21.4
BALTIC TCE DIRTY				
Route		Qnt	\$ / Day	W-O-W
TD1	ME Gulf / US Gulf	280,000	29,672	↑Firmer
TD3C	ME Gulf / China	270,000	79,833	↑Firmer
TD6	Black Sea / Med	135,000	96,307	↑Firmer
TD8	Kuwait / Sing.	80,000	48,712	↑Firmer
TD9	Caribs / US Gulf	70,000	95,793	↑Firmer
TD14	Asia / Australia	70,000	51,740	↑Firmer
TD20	WAF / Cont	130,000	73,491	↑Firmer
BALTIC TCE CLEAN				
Route		Qnt	\$ / WS	W-O-W
TC1	ME Gulf / Japan	75,000	29,572	↓Softer
TC2	Cont / USAC	37,000	32,018	↓Softer
TC5	ME Gulf / Japan	55,000	29,757	↓Softer
TC6	Algeria / EU Med	30,000	WS 358.13	↑Firmer
TC7	Sing. / ECA	30,000	39,496	↑Firmer
TC8	ME Gulf / UKC	65,000	54.11	↓Softer
TC9	Baltic / UKC	30,000	WS 496.43	↑Firmer