



Crude Tanker Comments

VLCCs in the AG are failing to gain any traction amid a lack of fresh enquiry and muted fixing activity. As a result, rates have softened quite dramatically, with TD3C losing over 20 WS points since Monday, now down to WS 108 levels. Any hope of the outstanding cargoes slowing the slide in freight hasn't materialised, and the market has an overall quiet feeling amid uncharacteristically muted activity. Hopes for the next week remain subdued and, unless the proverbial miracle happens, we could see more of the same...

In the Western Atlantic basin, activity started to pick up after a rather quiet Monday, but from Wednesday, sentiment shifted again, and rates started to inch a bit lower after each fixture. USG/China is on subs at USD 14.75 Mn, while Brazil/East currently pays WS 109. There is no stem outstanding at the time of writing and, with activity at current levels, we could see some downwards correction in freight come Monday. Meanwhile, WAF remained largely quiet, with nothing major to report.

On the Suezmaxes, fresh enquiry in WAF has cooled off, but sentiment remains positive after a busy week with strong rates above WS 200. WAF/West is currently trading in the WS 225 range, with WS 230 on subs for TD20, and we expect these levels to remain for the foreseeable. Meanwhile, the AG market is "red hot" at the moment, with strong rates repeatedly being put on subs. Basrah/UKCM is now at WS 130, from the mid WS 90s levels seen last week. And, given the positive fundamentals, it is likely that owners will keep pushing for more come Monday. The Med keeps ticking over, with bad weather rocking the boat and pushing premiums higher. CPC stems are now over the second half of the month, so not as plentiful as previously seen. Still, there is potential for rates to hold, especially given the bad weather forecasted for the next week. For now, CPC/Med has been put on subs at WS 320 for 12 – 13 Dec dates.

Rates in the Med keep skyrocketing for Aframax, as a combination of replacements, bad weather, and a very tight list (one FOC at the time of writing, and no ship to be open over the weekend) are giving owners a golden opportunity to maximise their gains. For now, TD19 is at WS 420 levels, and more could be done next, especially given the persistent bad weather to be expected in the Med next week. On the other hand, the North market remains a bit of a mixed bag. Despite a slower beginning to the week, Nsea rates keep edging up, slowly but surely. Still, weather remains severe and, while owners continue to consider ballasting out to the Med and USG, further scope remains for rates to firm.

Product Tanker Comments

This week was absolutely crazy beyond all expectations for the LR2s in the Middle East. The combination of prompt November laycans, coupled with a much thinner list, gave all the confidence that owners needed to go for the kill. By Tuesday COB, there were up to 18 ships on subs and dramatic rate improvements had been achieved. TC1 lifted from last week's WS 192.5 to WS 280 last done at the time of writing – nearly a 100-point gain on the week! Westbound had to only follow suit and the last done of USD 3.95 Mn from WCI was then beaten on a very grand scale with USD 6.5 Mn going on subs at the very end.

LR1s had to wait a little more this week but the writing was on the wall that they would only follow suit in the wake of the LR2s. Demand took a little longer in coming but then a flurry of LR1 stems got owners very animated and we saw rates leap up as a result. TC5 is now on subs at WS 307.5. Optimism will also likely be there in this sector come Monday.

MRs in the AG had a good week with large gains being made. The position list thinned out dramatically and there are expectations that the market is poised to explode. TC17 firmed to WS 395 on subs twice, that's a 60-point rally w-o-w, and it will likely break through WS 400 as we go into the next week.

The MR market in North Asia is going from strength to strength. Korea/Australia has firmed to WS 450, from WS 420 at the beginning of the week. The Singapore market has also improved with TC7 hitting WS 420 as we go into the weekend. There still are cargoes to cover in both North Asia and Singapore, and owners are showing little willingness to budge.

The UKC MRs remained in their upward trajectory this week. A steady flow of cargoes against a balanced list of tonnage has managed to edge TC2 up to WS 380. The US market remained bullish, however, with Thanksgiving festivities, it will likely take a breather. The Baltic/UKC market is as fluid as ever with premiums varying depending on the counterpart, largely assessed at WS 475 for now.

Handies also remain in high demand for Baltic/UKC runs paying as much as WS 600! And the pull of Russia-willing tonnage has helped improve X-UKC rates further to WS 395. Handies in the Med had a good week as well, with another 50 WS points gained w-o-w. The highest we have seen so far for TC6 is WS 412.5 on a replacement cargo loading from Libya, which means owners will be pushing next done to WS 407.5 levels for a vanilla TC6 run. There still are replacement cargoes available and, with bad weather forecasted for the next week, sentiment is all but optimistic for owners.

		BDTI	BCTI	
		2494	1770	
Δ W-O-W		↑Firmer	↑Firmer	
BDA				
(USD/LDT)	TKR/LRG	TKR/MED	TKR/SML	
This week	527.5	530.6	532.5	
Δ W-O-W	-14.4	-15.3	-15.8	
BALTIC TCE DIRTY				
	Route	Qnt	\$ / Day	W-O-W
TD1	ME Gulf / US Gulf	280,000	42,599	↑Firmer
TD3C	ME Gulf / China	270,000	76,493	↑Firmer
TD6	Black Sea / Med	135,000	170,285	↑Firmer
TD8	Kuwait / Sing.	80,000	73,790	↑Firmer
TD9	Caribs / US Gulf	70,000	180,825	↑Firmer
TD14	Asia / Australia	70,000	74,565	↑Firmer
TD17	Baltic / UKC	100,000	193,154	↑Firmer
TD20	WAF / Cont	130,000	85,594	↑Firmer
BALTIC TCE CLEAN				
	Route	Qnt	\$ / Day	W-O-W
TC1	ME Gulf / Japan	75,000	72,421	↑Firmer
TC2	Cont / USAC	37,000	45,890	↑Firmer
TC5	ME Gulf / Japan	55,000	53,891	↑Firmer
TC6	Algeria / EU Med	30,000	74,592	↑Firmer
TC7	Sing. / ECA	30,000	49,625	↑Firmer
TC8	ME Gulf / UKC	65,000	56,529	↑Firmer
TC23	ARA / UKC	30,000	57,629	↑Firmer