



## Crude Tanker Comments

VLCCs in the AG started the week on the back foot amid minimal fresh cargoes hitting the market. Enquiry started to pick up as the week went on, both over and under the radar and, with the surplus of ships weighing on the list finally starting to dwindle, there were hopes that we could see rates bottom out after the mid-week point. However, things panned out differently, with Suezmaxes “cannibalising” VLCCs’ share of Indian cargoes. This and the continued under the radar fixing did little to alleviate downwards pressure on rates. As the week draws to a close, rates remain soft and without any real sign of lustre. TD3C is soft at WS 44.7 levels and, while this is less than ideal from an owner’s point of view, in terms of TCE this is about USD 30k/day, still well above breakeven levels.

In the Atlantic, WAF remains quiet with little to report - TD15 is soft at WS 47.95. Meanwhile, in the USG, owners seemed to start resisting to fix last done, successfully managing to push up TD22 by about USD 0.1 Mn. As the week comes to an end, rates remain at the bottom of ranges, held only by some under the radar fixing, and as we go into the weekend, a soft feeling remains in the market.

Suezmaxes had a strong start to the week with increased activity in WAF. Rates kept strengthening, pushing TD20 deals over the WS 100 mark already from Tuesday. Furthermore, limited tonnage for end of the month/early February dates is putting additional pressure on charterers, thus adding further mojo to rates. However, with VLCCs still in the doldrums, we have seen the beginning of some competition for the same slice of the pie also here. We are closing the week with WS 115 on Angola/UKCM for 30 Jan dates and, as there are still a few stems outstanding as we head into the weekend, more gains cannot be ruled out come Monday.

Meanwhile, the AG has not been as active this week so far, with Suezmaxes still competing for business with Aframax and VLCCs in the region. And, due to an overall lack of enquiry, there has been little movement on rates for now. TD23 remains in the WS 70.9 levels.

In the Med, activity keeps ticking over, with Suezmaxes proving formidable competitors for Afras, eating a considerable slice of the pie for both ex-Black Sea and X-Med. In fact, on the Aframax, short-haul Libya cargoes struggled to cover with the limited willing Aframax and replacements demanding extraordinary numbers. Only competition from Suezmaxes managed to put a lid on rates. Relets have fixed a few deals as the week comes to a close at WS 270, cooling sentiment. The list still remains limited on the early side for X-Med-willing tonnage, however the dates are now moving on and there are few cargoes outstanding. Looking at the Black Sea, owners able to work Russian cargoes continued to chase premium Russian business this week, pushing freight higher and preventing the list from replenishing. Only towards the end of the week rates seemed to start settling for natural dates.

In the North Sea, the list has been significantly replenished since three ships failed early in the week. However, while Med rates continued to climb, many owners started to consider ballasting there (three did so last week), just as weather remained poor. As a result, while sentiment remains steady, we could see some upwards testing in the near-future.

## Product Tanker Comments

Some seasonal refinery turnaround and ships that committed to long ballasts before Christmas from quieter markets have all arrived into this marketplace at once, at a time when regional CPP exports have started to slow down. Freight has tumbled down sharply as a result, with USD 4.5 Mn on subs for AG/UKC, about USD 0.5-1 Mn less compared to the start of the week’s levels, and TC1 has slumped to WS 180 on subs, but next done will likely be a lot less. West markets still remain very quiet and the raft of ballasting ships into the Red Sea will only squash down the Yanbu exporting numbers very sharply as a result. Next week we only expect very soft numbers coming through but owners are still earning big cash so it’s not all bad news!

With the LR1 tonnage list at its longest since June 2021, this seems to be only the beginning of a significant implosion unfolding. Mid-week we saw a USD 1.5 Mn haircut to the Westbound rates from last done at USD 3.8 Mn on subs for WCI loading and, while TC5 has not been tested, estimations would suggest around WS 200 might well be a ballpark amount next up. Overall, it could be further softening for sure when we return on Monday.

It has been an underwhelming week for MR owners in North Asia. Several ships were ballasting from the South at the start of the week and, while this tonnage was absorbed, rates were forced down. This was also partly due to charterers fixing forward laycans into the fourth week of January. North China/Singapore dropped to USD 875k from USD 1.1 Mn levels last week. The supply of vessels in North Asia suggest that this market alone could well stabilise given the activity and amount of vessels on subjects. However, with vessels coming from further afield to seek employment, the picture is very different, making any equilibrium rather precarious.

In the South, demand remains lacklustre with deals getting swept under the carpet and freight rates under fire. Singapore/OZ is on subjects at WS 250 (2023 flats), a big drop from WS 400 (2022 flats) last week. Negative sentiment keeps building, and the market remains very soft. Sadly, from an owner’s perspective, there could be more frustration to come next week.

There was a disappointing start to the week for the UKC MRs and it finished with signs of recovery. The tonnage list took some time to get covered ,and as a result, rates ended up losing a few points. Still, TC2 is now pricing at WS 185 and remains steady as there are some more cargoes against a short list adding support. With the US market still looking dreadful, WAF should become a more popular destination, and premiums will be compressed to around 10 WS points on top of TA runs. Looking North, only certain owners are still calling Russia and, with ice building in some Baltic ports, things will become more difficult. For now, rates are securing WS 600-650 levels.

The Handies have struggled this week, with MR rates falling, that pressure then trickled down to the smaller sizes, with X-UKC paying WS 190 now, and Med options pricing WS 180. Baltic/UKC for Russian loads is still at WS 900 levels, as the situation remains difficult. It has also been a slow and disappointing week for Med Handies, which have been plagued by a long list. TC6 is on subjects at WS 170 at the time of writing for a vessel without sire. One thing to note is the bad weather that appears to be on the way and, though many vessels still remain in the spot market, potential replacement jobs may help rates to creep up once again.

		BDTI	BCTI	
		1445	857	
Δ W-O-W		↑Firmer	↓Softer	
BDA				
(USD/LDT)	TKR/LRG	TKR/MED	TKR/SML	
This week	526.3	530.0	533.0	
Δ W-O-W	-2.7	-2.5	-2.3	
BALTIC TCE DIRTY				
	Route	Qnt	\$/ Day	W-O-W
TD1	ME Gulf / US Gulf	280,000	6,836	↓Softer
TD3C	ME Gulf / China	270,000	17,099	↑Firmer
TD6	Black Sea / Med	135,000	116,423	↑Firmer
TD8	Kuwait / Sing.	80,000	69,300	↑Firmer
TD9	Caribs / US Gulf	70,000	45,636	↑Firmer
TD14	Asia / Australia	70,000	77,125	↑Firmer
TD20	WAF / Cont	130,000	58,458	↑Firmer
BALTIC TCE CLEAN				
	Route	Qnt	\$/ Day	W-O-W
TC1	ME Gulf / Japan	75,000	44,141	↓Softer
TC2	Cont / USAC	37,000	20,229	↓Softer
TC5	ME Gulf / Japan	55,000	41,127	↓Softer
TC6	Algeria / EU Med	30,000	23,377	↓Softer
TC7	Sing. / ECA	30,000	27,125	↓Softer
TC8	ME Gulf / UKC	65,000	35,623	↓Softer
TC23	ARA / UKC	30,000	14,051	↓Softer