



## Crude Tanker Comments

It was a busy week for VLCCs in the MEG. Third decade stems remained in full swing and, with a steady flow of enquiry coming in, rates firmed steadily throughout the week. The week is closing on a busy note, with rates at the upper end of ranges – TD3C is on subs at WS 52 for end-February dates, and owners seem to be doing their best to keep the pressure on. There are still a couple of cargoes outstanding as we enter the weekend, which keeps hopes high for next done.

In the West, rates bottomed out on Monday, with fresh activity boosting rates and sentiment both in WAF and the Americas. Still, the market seemed to stall at the beginning of the second half of the week, with charterers seemingly trying to take some heat out of the market. Rates recorrected as a result and will probably hold sideways for the near-term. Meanwhile, charterers can be expected to try fixing under the radar when and where they can. The week is closing with WAF-China on subs at WS 58.5 for 10-12 March dates. Meanwhile, in the USG, TD22 went on subs for USD 8.3 Mn. There has also been USD 8.4 Mn going on subs, but it has subsequently failed amid changing sentiment.

On the Suezmaxes, poor weather in Europe all week undermined itineraries from the Continent and through the Mediterranean. With vessels slipping and ballasters being picked off by enquiries in the Americas, the WAF list condensed rather quickly, and was shrunk further by a midweek flurry of TD20 cargoes. TD20 climbed back up to WS 110 levels on subs at the time of writing. In the Med, the Aframax market has been providing a floor for TD6. Whilst the list is not overly flush with tonnage locally, enquiry remained low and force majeure on Azeri stems has already translated into depressed sentiment. Meanwhile, signs of Basrah runs returning to the fray haven't pushed AG markets up as the region simply ticks over, but perhaps some renewal of UKCM runs from Libya and the USG into Europe replacing Azeri barrels may spark a little action. Equally, with Indian refiners taking loadings from either Algeria or Ceyhan in option, owners will hope to get some tips from the East in order to stop the rot in the Med.

On the Afras, X-Med rates gradually declined throughout the week, despite bad weather circulating throughout, and uncertainty around Ceyhan loadings, which are now under force majeure and no news around potential reopening dates. TD19 is now at WS 187, down from WS 197 last Friday, and sentiment is easing, especially as there are seven ships expected to open during the weekend, and weather finally clearing. There is not much happening in the North, with rates starting to test down – TD7 is currently at WS 163. Meanwhile, a large majority of the current FOC list (six at the time of writing, and seven to open during the weekend), are chasing premium Russian cargoes.

## Product Tanker Comments

LR owners in the Middle East have finally managed to get some leverage on freight rates after weeks of fixing at low levels just to clear burgeoning tonnage lists. LR2 freight for AG/West has climbed to USD 3.5 Mn and, while many owners view this as a steppingstone towards higher levels, more cargoes have emerged at the end of the week, making it quite probable that rates will shift up again come next week. TC1 has also moved up to close to WS 120 levels, and owners are equally ambitious in trying to push here.

Short-haul rates for the LR1s have moved up this week, largely due to a firming MR market. TC17 has firmed with WS 325 on subs at the time of writing, up by 82.5 WS points from last Friday, giving TCE returns of over USD 40K/day. TC5 hasn't really been tested, FFAs for BALMO are trading in the WS 180 levels, but the lack of cargoes has meant that owners' aspirations are largely theoretical. Sikka/Brazil went on subs for USD 4.4 Mn, which suggest that WCI/UKC should be fetching around USD 3.5 Mn, but the most that has been achieved is USD 3.1 Mn so far. Nevertheless, there are still some outstanding stems that will need to get covered sooner rather than later, and owners might well move the needle again.

Quiet days continue for MRs in North Asia. The outlook remains soft as owners continue to try to cling onto current levels despite the lack of activity to back it up. Korea/Australia is on subjects at WS 315 for a prompt replacement. Qinzhou/Singapore on subjects at USD 900K. Meanwhile, MR activity in Southeast Asia remains exceptionally quiet, with rates gradually slipping amid a lack of cargoes and plentiful tonnage sitting around. TC7 is on subjects at WS 285. We expect some further softening in the next week.

By contrast, what an explosive week for UKC MRs! The list looked longer than it was, and with an active Med market marching on, it was only a matter of time before the Continent corrected. With a number of ships focusing on Russian business, coupled with some ballasters from the USAC heading towards Gibraltar, there was very little choice for natural positions in the North, and TC2 has rebounded to WS 290 levels. The US market has also enjoyed a positive week, and it will be interesting to see which direction owners choose to head to now. Handies have also enjoyed a better week with more enquiry and the bigger sizes helping. Cross-Continent rates are up to WS 160.

It was a very positive week for Med Handies. Tonnage has gradually tightened amid consistent activity, and last done for TC6 is WS 245 - a jump of 50 WS points since Monday! Bad weather has also seemed to play a part, with a large volume of vessels failing subjects, and stems requiring replacements. The main factor however is the boom of surrounding markets driving owners' sentiment, and we could well see WS 245 beaten quickly after the weekend.

		BDTI	BCTI	
		1205	822	
Δ W-O-W		↓Softer	↑Firmer	
BDA				
(USD/LDT)	TKR/LRG	TKR/MED	TKR/SML	
This week	531.1	537.1	541.5	
Δ W-O-W	1.8	1.9	2.5	
BALTIC TCE DIRTY				
	Route	Qnt	\$ / Day	W-O-W
TD1	ME Gulf / US Gulf	280,000	8,076	↑Firmer
TD3C	ME Gulf / China	270,000	26,537	↑Firmer
TD6	Black Sea / Med	135,000	81,422	↑Firmer
TD8	Kuwait / Sing.	80,000	46,541	↑Firmer
TD9	Caribs / US Gulf	70,000	36,083	↑Firmer
TD14	Asia / Australia	70,000	50,017	↑Firmer
TD20	WAF / Cont	130,000	43,224	↓Softer
BALTIC TCE CLEAN				
	Route	Qnt	\$ / Day	W-O-W
TC1	ME Gulf / Japan	75,000	21,561	↑Firmer
TC2	Cont / USAC	37,000	43,505	↑Firmer
TC5	ME Gulf / Japan	55,000	19,959	↑Firmer
TC6	Algeria / EU Med	30,000	31,558	↑Firmer
TC7	Sing. / ECA	30,000	36,016	↑Firmer
TC8	ME Gulf / UKC	65,000	30,520	↑Firmer
TC23	ARA / UKC	30,000	8,190	↑Firmer