AFFINITY TANKER WEEKLY

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Crude Tanker Comments

It was a sluggish start to the week for VLCCs in the AG, with rates picking up marginally only from Tuesday, as fresh enquiry for second decade cargoes perked up sentiment a bit. Still, while TD3C was expected to reach WS 70 by mid-week, only on Thursday was there confirmation that those levels have been done and repeated. Steady activity continued in the tail-end of the week, keeping rates sanguine as we approach the weekend.

It was a slow beginning to the week in the Atlantic basin, but sentiment remained largely buoyant and rates held in the upper ranges. USD 10 Mn has been repeated for TD22. Steady activity also in WAF, where a TD15 heated cargo was put on subs at WS 75 for 2 – 4 April dates. Still, at the time of writing, TD15 is assessed at WS 70.45. Looking forward, with IE week in London coming to an end and charterers back at their desk, we could see activity perk up a bit in the next week.

On the Suezmaxes, a busy few weeks in the USG have significantly trimmed the tonnage supply in the Eastern Atlantic. This, paired with strong fixing activity in WAF in the first half of the week, kept igniting sentiment, with TD20 peaking slightly above WS 145 levels. Things quieted down a bit subsequently, with rates then coming under pressure and sliding down to WS 143 levels at the time of writing. In the AG, eastern ballasters kept prioritising WAF on modern tonnage. Meanwhile, eastbound voyages remained firm throughout.

Steady activity for Aframaxes in the Med earlier this week meant that rates started to gradually firm, especially in terms of short-haul voyages. Early ships ballasting to the Baltic kept the list thinner in terms of logical X-Med ships, and the majority of the front-end of the list was still focusing on premium or TA business. Meanwhile, the weather remains clear and TS delays keep declining steadily. Although, in the second half of the week, CPC levels tested down on a willing vessel, sentiment didn't appear to be dented, as X-Med rates kept inching up amid positive fundamentals, rising above WS 181 levels at the time of writing.

In the North, the market remained extremely tight on the early side after consistent TA ballasters have left the region – over 11 this week! Charterers keep reaching as far as possible and will hope the dust settles and allows some tonnage to repopulate. While rates are gradually rising for now, TD7 bounced by over 10 WS points to WS 180 by Thursday COB, so scope remains for further growth as we go into the next week.

Product Tanker Comments

The LR2s in the MEG started this week where last week stopped, with charterers making the most of those compromised ships left on the list. Fully approved modern ships had loftier freight ideas, and when we got to the middle of the week, it was clear that these ships would get the opportunity to start flexing their muscles. This has started to come through with westbound rates off the floor of USD 4.3 Mn, with USD 4.6 Mn on subs a couple of times. On the eastbound, WS 180-185 is in the rear-view mirror, with WS 187.5 on subs at the time of writing. The list is thinner for Monday, so it all boils down to how much demand awaits once everyone is back from IE week.

Despite a valiant effort to keep sentiment bullish on the LR1s, there simply was not enough activity for rates to remain high. As a result, freight steadily ticked down as the week progressed, with owners having to make a concrete effort to hunt out long-haul cargoes and do the best they could where they could. That being said, these drops were by no means drastic, TC5 spent the week ticking tentatively between WS 180 and WS 185, and Jubail/UKC has been put on subs at USD 3.7 Mn. Overall, perfectly acceptable levels in terms of TCEs, particularly during what was a rather uninspiring week.

It has been a tough week for MR owners in North Asia, where cargoes have not been very plentiful. And as the amount of fixing dramatically reduced, by mid-week, Japan/Singapore was down to USD 750K, 10 per cent off last done levels. Owners are now starting to look desperate, and it looks like they wouldn't mind seeking cover by settling for lower rates. No changes in the Southeast Asia MR market, where the list is still overtonnaged, and cargo volumes are lacking. TC7 is on subjects with a prompt Singapore ship at WS 215, with further rumours of WS 190 being done for the same. With the MR AG market softening too, owners in the Southeast Asia might seek the only option to ballast to the North for employment. With lacklustre demand and more tonnage in Asia, freight rates might remain soft next week.

It was a slightly busier week in the UKC for the MRs, with more going on than it appeared on the surface. TC2 is at WS 160 for now, and as we draw a close, owners are slightly more optimistic for further improvements going into the next week.

In the Med, it was very quiet throughout the week for the Handies. The market fell by about 25 WS points, with last done for TC6 now at WS 185. Tonnage remains substantial as we go into the weekend, and activity will have to seriously pick up next week for rates to start climbing.

	BDTI	BCTI
	1472	803
Δ W-O-W	↑Firmer	↓Softer

BDA

(USD/LDT)	TKR/LRG	TKR/MED	TKR/SML
This week	535.3	540.8	544.0
Δ W-O-W	0.9	0.9	0.7

BALTIC TCE DIRTY

	Route	Qnt	$ / Day	W-O-W
TD1	ME Gulf / US Gulf	280,000	19,087	↓Softer
TD3C	ME Gulf / China	270,000	52,874	↑Firmer
TD6	Black Sea / Med	135,000	89,191	↑Firmer
TD8	Kuwait / Sing.	80,000	52,614	↑Firmer
TD9	Caribs / US Gulf	70,000	129,402	↑Firmer
TD14	Asia / Australia	70,000	47,417	↑Firmer
TD20	WAF / Cont	130,000	66,104	↑Firmer

BALTIC TCE CLEAN

	Route	Qnt	$ / Day	W-O-W
TC1	ME Gulf / Japan	75,000	48,608	↓Softer
TC2	Cont / USAC	37,000	14,482	↓Softer
TC5	ME Gulf / Japan	55,000	32,499	↓Softer
TC6	Algeria / EU Med	30,000	23,351	↓Softer
TC7	Sing. / ECA	30,000	28,532	↓Softer
TC8	ME Gulf / UKC	65,000	39,557	↓Softer
TC23	ARA / UKC	30,000	11,341	↓Softer