



Crude Tanker Comments

Despite a few attractive market-quoted cargoes eking more points out of the market early on in the week, owners have since stuck to their guns, protecting TCEs against non-comparable voyages/tonnage, rather than just following paid WS numbers with differentials. At these "lower" levels, we know it is often not so clear-cut and so, coupled with a narrowing selection of all qualities of tonnage plus much private fixing, we expect TD3C to land towards the WS mid-50s now. Resistance has also been seen for longer runs ex-Atlantic, as many choose to turn down locking in at what they see as the bottom; Brazil and TD15 runs have also bounced back to the tune of a couple of points, but it is worth noting that any inter-Atlantic cargoes will have a good number of suitors. With August MEG stems arriving next week, owners will look to carry forward the momentum built in the last few days.

On the Suezmax front, rates have continued to creep up in WAFR throughout the week, buoyed by consistent activity. TD20 has climbed to WS 90 – 95 levels, a rise of around 10 points since the start of the week.

The Med has been quieter, with less volume of which to speak. Nevertheless, TD6 has held around WS 95 – 100 levels, inching up towards the end of the week. The firming in WAFR should eventually translate to higher rates here and owners who have been in no rush to fix will hope to reap the rewards next week.

The AG market, on the other hand, may come under further pressure. The AG remains saturated with compromised tonnage and the weak VLCC market is maintaining pressure. An influx of modern and non-compromised vessels are set to join the list at the beginning of next week, which could drag rates down even further.

In the Med Aframax market, rates on TD19 have continued to fall throughout the week. Despite a tight list for well-positioned X-Med vessels, activity has been lacklustre and dates now look to be covered well in advance. Worse still, there are concerns about Libyan volumes as the unstable political situation in the country takes a turn for the worse, hitting sentiment further. Owners will be hoping that the livelier USG market will attract more ballasters in the coming days, which would provide some much-needed support. TD25 jumped to WS 160 as of Thursday evening, a jump of around 20 points on the week, while TD19 is at around WS 120 as of Friday morning.

The North Sea market has been a little more robust. Although rates have been largely unchanged over the course of the week, hovering around WS 130 – 135 levels. But sentiment is firmer here, with ballasters being drawn across the Atlantic at a time when tonnage is already very limited. Rates could rise over the next few days, depending on dates.

Product Tanker Comments

A rather lacklustre week for the LR2s in the AG has come and gone. Tonnage has been in ample supply and cargoes have only been drip-fed into the market at a rate which has allowed charterers to repeat last done levels. TC1 remains at WS 100 levels, with sporadic fixtures at this level done throughout the week. There were four fresh cargoes in the Red Sea, but these were all covered at last done and less than last done levels as vessels ballast from the struggling West of Suez markets. Rates there are between USD 2.1 – 2.3 Mn.

On the LR1s, it has been a similar, underwhelming story. The fixture is count for the week is low and this has inevitably been reflected in rates. TC5 itself has been untested this week, but is assessed around WS 110 – 115. Westbound activity has quietened down, with the rate now assessed at USD 2.35 Mn for a WCI loading. Cross-AG is down to just USD 340,000 on subs, compared to USD 400,000 last week. WS 100 was snapped up for an AG/Singapore run, which represents a 22.5-point drop on the week. There is little sign of improvement in the next week, with good tonnage in position.

The MRs have had a better week, standing firm despite the weak sentiment on the larger sizebands. TC17 jumped 20 points on Monday on the large number of fresh stems outstanding, although owners were cautious not to push too hard and instead settle at a level at which everyone was happy, that being WS 200. This number was repeated a few times before a mid-week wobble saw it slide to WS 195, which it remains. A tight list and charterers' on-going preference the smaller ships have ensured that rates remain steady.

The East of Suez markets remain the preference, with TC12 also rising 20 points over the course of the week up to WS 150, at which it continues to tick along nicely. The on-going weakness in the LR markets may finally weigh on freight next week, however.

To the West, it has been a sobering weak for both the MRs and Handies. TC2 slumped sharply in the middle of the week, with rates faltering down to just WS 115. Some owners were surprised by the lack of resistance amid dubious schedules. In the Med, a disappointing end to the week on both the MRs and Handies meant that rates came under pressure. Plenty numerous vessels failed and cargoes were withdrawn towards the end of the week on the Handies, resulting in a soft end to the week, with TC6 at around WS 170. In the Med, it has been a similar story, while vessels may ballast down to escape the rotten UKC market.

In the USG, the MR market traded sideways on Thursday, with TC14 at WS 110 levels. The position list is becoming tighter on the front-end and owners will be hoping to raise ideas before the weekend arrives. Charterers are reportedly trying to cover at last done levels, but owners may be tempted to see how next week unfolds before fixing their vessels.

		BDTI	BCTI	
		929	578	
Δ W-O-W		↓Softer	↓Softer	
BDA				
(USD/LDT)	TKR/LRG	TKR/MED	TKR/SML	
This week	539.3	544.1	548.4	
Δ W-O-W	-1.9	-1.1	-1.1	
BALTIC TCE DIRTY				
	Route	Qnt	\$ / Day	W-O-W
TD1	ME Gulf / US Gulf	280,000	7,105	↓Softer
TD3C	ME Gulf / China	270,000	29,237	↑Firmer
TD6	Black Sea / Med	135,000	31,939	↑Firmer
TD8	Kuwait / Sing.	80,000	39,457	↑Firmer
TD9	Caribs / US Gulf	70,000	29,951	↑Firmer
TD14	Asia / Australia	70,000	24,011	↑Firmer
TD20	WAF / Cont	130,000	33,533	↑Firmer
BALTIC TCE CLEAN				
	Route	Qnt	\$ / Day	W-O-W
TC1	ME Gulf / Japan	75,000	16,136	↑Firmer
TC2	Cont / USAC	37,000	6,068	↓Softer
TC5	ME Gulf / Japan	55,000	14,323	↓Softer
TC6	Algeria / EU Med	30,000	20,947	↓Softer
TC7	Sing. / ECA	30,000	22,479	↑Firmer
TC8	ME Gulf / UKC	65,000	15,958	↓Softer
TC23	ARA / UKC	30,000	3,707	↑Firmer



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