



## Crude Tanker Comments

VLCCs are hanging in the balance right now. Supply fundamentals look decent as lists are trimmed down to average lengths below July levels across the board so, on that front, there is an optimistic feeling in the market. Still, reported volumes are simply not there, and owners might really have to bleed a stone to win their argument to push rates up.

It is just hard for owners to get proper traction off the natural fixing window, and while they are still showing keenness to take good dates out, it is evident that each cargo is treated as if it could be their last. TD3C has slipped to WS 47.5 – 50 levels, with TD15 around five points higher. The USG market has fared a little better meanwhile, with TD22 assessed around the USD 8.2 Mn mark.

Suezmaxes in the West have been rather subdued this week, with very little supporting fundamentals bar an Aframax market in the USG that looked questionable itself after having dropped significantly on USG/ECC. Resistance thus far has been primarily driven by shock at how drastically rates have dropped. TD6 has slipped to around WS 80 levels, while TD20 is now languishing at WS 65. Returns for a non-ECO vessel remain above OPEX levels, but they have not been this close since the war in Ukraine began.

Not much is in the works as the week is coming to an end and, with the lists remaining healthy, the writing seems to be on the wall for the next week, especially with charterers keeping downwards pressure on rates.

In the AG, we saw the proverbial “dead cat bounce” on Thursday for westbound rates. Ships remain in short supply and the list is thinning further – there are only three vessels left up until the end of the month with just one FOC. However, since we're now fixing off 28 August dates, questions could be raised as to how much volume is left. As far as eastbound goes, the market is saturated with a substantial amount of compromised tonnage, four FOC at the time of writing, and six more are expected to set sail by Monday.

Healthy Med tonnage lists and forward-fixing dates have been dampening Aframax owners' morale. Neighbouring markets have also been faring rather poorly, providing limited chances to escape by ballasting out. Only around the mid-week point a busier day has eroded the list somewhat - dates however have shifted on and, in general, owners' morale remains very low while rates in the Med float around basement levels in the WS 90s - are we at the floor?

North Sea rates have been testing down throughout the week - pretty ominous signs for owners right now with the list still stacking healthy options, and owners pushing the same positions several days in a row. And even with five ballasters TA, and seven to the Med, it feels like the floor is yet to be reached. TD7 is down to just WS 100, registering a hefty loss of around 20 points on the week.

## Product Tanker Comments

The LR2 market has been very much buoyed by sentiment and owners have done well to push, despite a noticeable slowdown in demand towards the end of the week. Freight firmed significantly throughout the week with a massive USD 500k lift on westbound, with USD 4 Mn going on subs Wednesday afternoon. TC1 hasn't been so dramatic with only a five-point rise to WS 155, but sentiment from owners would suggest they expect next done to be more. Owners have a track record of maintaining these hard-fought gains despite seemingly little action. But charterers aren't quite so sure, and we expect they may well try and hold fire at the start of next week to test owners' resolve.

It has been a red-hot LR1 market this week, not subdued by a slowdown in enquiry towards the week's end, when charterers have tried to hold back enquiry. USD 3.2 Mn is on subs for AG/West and WS 175 is on subs for TC5. Looking ahead, it will take some time before owners review their position.

This week provided a glimmer of hope for owners as activity levels were being kept high and freight rates kept climbing in North Asia. Meanwhile, the situation worsened for charterers with new waves of Typhoon Doksuri, which has resulted in numerous vessels having difficulties meeting laycans and getting released, leading them to pay up for replacement vessel jobs. Reports of an increase in Chinese exports for the month of August has also brought in more optimism for owners and we expect next week to be an active one, which brings potential to the market.

It was a sluggish week for the MRs in Southeast Asia, with a lack of fresh activity in the market. Firming AG and North Asian markets have caught the attention of owners to ballast over, which supported the Singapore market by trimming the list and keeping freight flat. Moving forward, we expect rates to continue moving sideways until there is an influx of fresh cargoes.

Overall, this was a steady week for MRs in the UKC. Pockets of activity helped support current levels and kept the tonnage list limited, leaving TC2 trading around WS 160. However, with very little uncovered enquiry, rates will be tested. Rates are still better than expected with it being mid-summer and owners remain optimistic. The US market continues to tick over, with Panama Canal delays providing tailwinds, so we can expect minimal ballasters to Europe in the short-term.

On the surface, it has been a very quiet week for Med Handies, and market sentiment has remained soft throughout. However, private business has been able to balance tonnage and rates have remained relatively flat. Last done for TC6 is now at WS 145 - a drop of 5 WS points since Monday. Tonnage has also been lost to Black Sea business which seems to have picked up this week after a very quiet period. Owners will be hopeful for a busier start to next week, however with August set to be quiet throughout, further softening would not come as a surprise to many.

		BDTI	BCTI	
		810	716	
Δ W-O-W		↓Softer	↑Firmer	
BDA				
(USD/LDT)	TKR/LRG	TKR/MED	TKR/SML	
This week	526.6	533.4	537.7	
Δ W-O-W	-5.8	-4.6	-4.1	
BALTIC TCE DIRTY				
	Route	Qnt	\$ / Day	W-O-W
TD1	ME Gulf / US Gulf	280,000	-518	↓Softer
TD3C	ME Gulf / China	270,000	22,262	↑Firmer
TD6	Black Sea / Med	135,000	16,160	↑Firmer
TD8	Kuwait / Sing.	80,000	31,118	↑Firmer
TD9	Caribs / US Gulf	70,000	9,989	↑Firmer
TD14	Asia / Australia	70,000	24,791	↑Firmer
TD20	WAF / Cont	130,000	12,816	↓Softer
BALTIC TCE CLEAN				
	Route	Qnt	\$ / Day	W-O-W
TC1	ME Gulf / Japan	75,000	36,004	↑Firmer
TC2	Cont / USAC	37,000	14,990	↓Softer
TC5	ME Gulf / Japan	55,000	31,007	↑Firmer
TC6	Algeria / EU Med	30,000	11,290	↓Softer
TC7	Sing. / ECA	30,000	23,492	↑Firmer
TC8	ME Gulf / UKC	65,000	29,931	↑Firmer
TC23	ARA / UKC	30,000	12,690	↑Firmer