



## Crude Tanker Comments

VLLCs are ending the week off on a quiet note. All eyes remain on the CPC market quote as they will try to hit something below TD3C levels – which currently is at WS 44.13. The list has maintained a steady length for the past few weeks, but there are concerns that, after the long weekend, supply might weaken sentiment just that little bit, especially if there isn't much more to come in terms of volume. Again, it would be worth noting that even if further softening were to happen, it should be by just half a point decrements at the most for vanilla runs. On the other side of things, it feels like we should have plenty to come, as we are still very light on second decade WAF after a very quiet first decade, which coincidentally was compounded by a very slow first decade in the MEG. Still, we are already seeing some second decade dates being addressed. We will have to see come Tuesday, but if anything the long weekend might make things that little bit harder for owners to show any sign of resolve by then.

On the Suezmaxes, WAF committed tonnage was close to zero this week. Against this tighter outlook, laycans shifted into the second decade of September, and this counterbalance has driven incremental rather than aggressive hikes in fixing levels. Americas volume, typically substantially lower in the first decade of the month, has continued unabated, helping owners build some momentum, although Med markets have done little to aid TD20, which has remained steady at WS 75 levels at the time of writing. Itineraries infer limited FOC builds ex-West this week (only four non-compromised) so, although the forward window may be curtailed by eastern ballasters, owners will hope that the list is further squeezed by the time we get there.

Aframaxes had an active start to the week with X-Med cargoes at the forefront, the promptest of which have been covered unscathed. Rates subsequently plateaued around the mid-week point, with tricky prompt cargoes covered OP, while charterers started to cover forward dates around last done levels. As the week is coming to an end, we have seen higher levels being paid for a prompt replacement, but for more accommodating laycans rates are stabilizing and we move into the long weekend with WS 105 now repeated and Ceyhan and Libya fairly well covered.

In the North Sea, the list kept tightening amid significant ballasters out the area – seven of which went TA, and three to the Med this week alone. Meanwhile, usual North Sea players remained light on ships, helping market sentiment firm. In fact, rates inched up progressively, gaining almost 10 WS points from last Friday, to WS 105 at the time of writing. As the week is coming to an end, owners' morale remains strong, as cargoes continue to roll with no takers. The list should repopulate somewhat after the long weekend, but owners remain with firm ideas as local earnings lag behind other markets.

## Product Tanker Comments

Once again, the air of expectation on the LR2 this week has not been fully actualized. The list remained tight but the demand once again has not developed enough for anything other than gains that, while still pleasing, are not to the highest heights that many owning types had in mind. We will start Monday with a very tight prompt position and with many commenting that given how diminutive September inquiry has been so far, there are hopes that freight should improve. However, as per most summer seasons, demand is very low and with rumoured refinery turnarounds looming, we don't have a guarantee of improved demand just yet. This quieter week, compromised ships started to offer discounts, and we have seen a 2004 built ship go on subs at WS 122 for TC1, which is 13 WS points less than what a modern ship agreed for the same. Newer tonnage would assess AG/West at around USD 3.85 Mn (which is last done) but Russian history vessels could achieve around USD 3.5 Mn...

The path of the LR1 market has been very similar to the LR2s. The list would only suggest a healthy marketplace for owners, but the same familiar summer lulls have also been felt in this sector for the last few weeks. Both east and west bound remained pretty quiet over the last 5 days, but we note that TC5 failed at WS 157.5 earlier in the week and is now on subs at WS 142.5. Owners remain positive for Monday but (like the LR2s) these hopes would only come reality with more cargo liquidity than we have seen this week.

It has been a tough start of the week for MR owners in North Asia, where cargoes have not been forthcoming and rates declining subsequently. Only around mid-week activity levels picked up, with charterers showing more fresh stems, hoping to get them covered at a discount. By then, Mid China/Singapore run has already softened to USD 600K. Negative sentiment keeps building and the market remains soft. Sadly, from an owner's perspective there might be more frustration to come next week. Similarly, the Southeast Asia MR market continue to suffer due to the lack of fresh activities as a Muara/Australia run trickled down to get on subjects at WS 197.5. Still, with many ballasters to the AG and several ships tied in long haul voyages the list is slim and the outlook for the next week remains steady.

It was a volatile week on the UKC MRs, with brisk activity pushing freight in a seesaw pattern higher and then below and then higher the WS 200 mark for TC2. After a very busy start of the week, the music suddenly stopped in the USG MR market. Overall, it really has been a week full of short haul activity and that naturally raises some questions about resupply to the USG in the next 14 days. USAC tonnage may well now be leaning toward a ballast to Europe now that activity picked up to WS 205 as a last done for TC2. If that does play out, it will be helpful to the USG prospects for next week as the market ought to be an active one as charterers need to cover slightly forward to cover the labor day long weekend.

A robust TC6 market was able to climb higher this week despite underwhelming activity, predominantly due to an ongoing shortage of available tonnage across both east and west Med. Last done on is now WS 255 at time of writing, almost 15 WS points higher than when previously tested, which should keep the market on a steady foot as we head into the long weekend.

		BDTI		BCTI
		797		801
Δ W-O-W		↓Softer		↑Firmier
BDA				
(USD/LDT)	TKR/LRG	TKR/MED	TKR/SML	
This week	504.5	510.6	516.5	
Δ W-O-W	-5.1	-5.0	-4.7	
BALTIC TCE DIRTY				
	Route	Qnt	\$ / Day	W-O-W
TD1	ME Gulf / US Gulf	280,000	-6,335	↑Firmier
TD3C	ME Gulf / China	270,000	16,688	↑Firmier
TD6	Black Sea / Med	135,000	9,300	↑Firmier
TD8	Kuwait / Sing.	80,000	19,391	↑Firmier
TD9	Caribs / US Gulf	70,000	18,240	↑Firmier
TD14	Asia / Australia	70,000	19,318	↑Firmier
TD20	WAF / Cont	130,000	19,586	↑Firmier
BALTIC TCE CLEAN				
	Route	Qnt	\$ / Day	W-O-W
TC1	ME Gulf / Japan	75,000	27,259	↑Firmier
TC2	Cont / USAC	37,000	24,171	↓Softer
TC5	ME Gulf / Japan	55,000	21,892	↓Softer
TC6	Algeria / EU Med	30,000	42,743	↑Firmier
TC7	Sing. / ECA	30,000	21,538	↓Softer
TC8	ME Gulf / UKC	65,000	28,913	↑Firmier
TC23	ARA / UKC	30,000	12,435	↓Softer