



Crude Tanker Comments

After a week of sharp downward corrections and intrigue, this week has been a much-needed stabiliser for VLCC owners. The reduction in rates has levelled out with a steadier sentiment and general consensus that VLCCs have reached the bottom. Last done on vanilla TD3C is WS 36.5, down only half a point from last week's WS 37, with the Baltic Exchange today printing a modest 0.76 per cent drop from Monday, compared with last week's -12 per cent. Other regions have been less resilient, with the USG seeing a few fix/fails help charterers to shave last done on TD22 to USD 7.15 Mn. However, this is still a less dramatic drop for the same voyage than last week. USD 2.50 Mn was posted on a USG/TA run for an LNG-fuelled vessel which, albeit low, does highlight the potential for improved earnings on dual-fuelled ships after this week's uptick in bunker prices. Looking at tonnage supply, there has been a negligible trim and not yet enough to turn the tide for owners. For modern approved vessels East of Suez, we count 29 FOC (21 marketed and eight projected) with a further 12 currently on berth discharging, only one of which has been pushed. Owners will hope that next week begins on the front foot and, with October AG stems set to be released and WAF only beginning to cover early October dates, there is reason to be optimistic.

On the Suezmaxes, USG/WAF interrelations may be muted this week. Whilst there were local FOC ships for the USG, very few TA ballasters might be available to impact early 3rd decade cargoes across the pond. WAF's fixing window up to 20 September is characterised by several ex-Russian candidates that various charterers will be unable/re reluctant to utilise. There are some local WAF/SAF openers, so any firming would be contingent on there being picky and prompt cargoes. For now, TD20 remains steady at low WS 70s levels. On the other side of the pond, TA runs have not presented themselves with USG/East enquiries being unanswered as both Suezmaxes and VLCCs shunned cargoes amid poor TCE returns. Still, as Opec+ extended production cuts further until the end of the year, and general economic negativity eases, demand expectations for WTI remain positive.

The week has started slowly for Afras in the Med, with the list well-stocked with natural X-Med options, but not enough enquiry for sentiment to change. Rates kept testing lower as days went by - CPC rates took a significant drop to WS 110, while vanilla X-Med runs dropped about 10 WS points w-o-w to WS 90 at the time of writing. Overall sentiment remains very weak across the board - Trieste maintenance is now over, and with zero ballasters TA this week, the list has continued to provided healthy options

Owners' sentiment remained weak also in the North Sea, while the tonnage list continued to lengthen amid the glacial pace of action throughout the week. Rates continued to tumble as expected, with TD7 dropping to WS 92, down 10 WS points w-o-w, but in terms of TCE, we are below OPEX levels at USD 5,000/day. It remains to be seen whether we have found a new floor, and while the US and the Med remain softer in terms of sentiment, there are less opportunities to ballast out, while in the North Sea we have seen six TA ballasters this week.

Product Tanker Comments

It has been a positive week for the LR sector in the AG, with an increase in volumes for segments. And while freight levels remained balanced, both LR2s and LR1s look well positioned for the coming weeks. LR2s remain around WS 135 levels for TC1, after having dipped down to WS 130 at one point. Westbound is assessed around USD 3.8 Mn, but ex-Russian units have achieved far less. East Africa deliveries have firmed to WS 135. As we go into the weekend, the general feel is that there is potential for improvement. LR1s have benefited from an increase in short-haul activity, notably on MR stems upsizing and this has helped to thin the list, as has happened in North Asia. X-AGs are fixing between USD 525,000 and USD 450,000 levels. TC5 remains around WS 145 and westbound is at USD 3.3 Mn. All looking well poised into next week.

The Asian MR Market has gone from strength to strength this week. TC7 has bounced up to WS 245 and, in North Asia, fresh stems keep appearing on the radar. Korea/Singapore backhauls are valued at north of USD 800,000, while Transpacific voyages are at USD 2.35 Mn levels. There doesn't appear to be any let up on the horizon and we expect this firmness to continue into next week.

USG MRs had a busy start to a short week, but as the weekend loomed, enquiry has ebbed. Europe is quiet/steady but at WS 175 for TC2 runs, over 30 WS points drop w-o-w, owners in the USAC are looking to ballast toward the USG which has been a buoyant market in terms of export volumes of late and, given turnaround is only expected to be light, owners seem to have faith in the market. At the same time, we are beginning to see the effect of all the multiple short-hauls fixed two-three weeks prior, which are now recirculating and look set to weigh heavily 14-18 September. Charterers with the luxury of 14 September or later will therefore sit tight and let tonnage commit to the USG before testing the market at the start of next week. While we anticipate there will be a good amount of volume in play next week, this does not outweigh our current belief that tonnage might be too heavy and the position list too fractured for current levels to hold.

		BDTI	BCTI	
		713	764	
Δ W-O-W		↓Softer	↓Softer	
BDA				
(USD/LDT)	TKR/LRG	TKR/MED	TKR/SML	
This week	504.0	511.8	516.2	
Δ W-O-W	2.8	3.8	3.5	
BALTIC TCE DIRTY				
	Route	Qnt	\$ / Day	W-O-W
TD1	ME Gulf / US Gulf	280,000	-13,468	↓Softer
TD3C	ME Gulf / China	270,000	4,850	↑Firmer
TD6	Black Sea / Med	135,000	7,950	↑Firmer
TD8	Kuwait / Sing.	80,000	9,843	↑Firmer
TD9	Caribs / US Gulf	70,000	7,403	↑Firmer
TD14	Asia / Australia	70,000	14,973	↑Firmer
TD20	WAF / Cont	130,000	16,147	↑Firmer
BALTIC TCE CLEAN				
	Route	Qnt	\$ / Day	W-O-W
TC1	ME Gulf / Japan	75,000	27,257	↓Softer
TC2	Cont / USAC	37,000	16,320	↓Softer
TC5	ME Gulf / Japan	55,000	21,507	↓Softer
TC6	Algeria / EU Med	30,000	26,786	↓Softer
TC7	Sing. / ECA	30,000	31,000	↑Firmer
TC8	ME Gulf / UKC	65,000	29,569	↓Softer
TC23	ARA / UKC	30,000	13,241	↓Softer