



## Crude Tanker Comments

It seems there has been very little there fresh enquiry for VLCCs, at least on the surface, but in reality plenty of fixing has been going on under the radar. Charterers will be looking to slow things down before the weekend, but one wouldn't be surprised if the desire will be there to quietly cover at slightly above current levels before the uncertainty of Monday. Now comes the question, will owners want to tuck away a vessel if they have managed to hold out until today? Could be a quiet Friday on the surface, but the ball will likely keep rolling under the covers. Chinese cargoes have now dried up for September dates in the MEG, but Basrah October stems have been released, with the others to follow soon. When the first decade begins to properly be addressed in the MEG, owners would be sure to take advantage but it feels, especially in recent times, that it will be heavily dependent on information being circulated to bolster owners' resolve. A notable surge in activity from across the pond, and slow but steady WAF movement ensuing - Atlantic lists are starting to look a little tighter. WS 42.5 was done for Brazil/East, highlighting the slow upward correction.

The week started on a quiet foot for Suezmaxes, with limited fresh activity across the board, and therefore the unavoidable downwards pressure on freight rates that usually comes with it. The softening was accentuated in the Americas and in the AG, where diminishing activity on eastern voyages started to add pressure also on the westbound by increasing the supply. Only in WAF did owners show their mettle and start to dig their heels in, with some promising results, as rates here didn't tread water like in other markets – the Med and UKC in particular. There, the sheer amount of FOC tonnage resulting from low USG activity pushed rates to the floor as owners took a “wait and see” approach favouring short hauls, and in general seemed to prefer to keep their ships in the West, rather than go East of Suez. The week is closing on a quiet/softer note, with USG/TA in the WS 27.5 levels, while TD20 remains steady in the mid-high WS 70s – yet for how long remains to be seen, as pressure from neighbouring markets could start tilting the scales also here.

Continuous slow days lowered Aframax owners' sentiment, while X-Med rates started to test down into the WS 80s, also helped by a continuous refresh of natural X-Med tonnage and completely clear weather. However, as the week is coming to a close, it looks like the market has reached a bottom - with TCEs as poor as they are in the USD 6,000/day range for an Eco ship, signs of resistance have started to emerge. Even with minimal wait and ballast, owners have held their last levels, which very much appear at the bottom for now. That said, overall morale remains weak with not many signs of upward improvement.

Meanwhile, in the North Sea, Monday's initial firming sentiment had been wiped out by Wednesday. Relets and the usual local players populated the list well, while rates started to repeat around last done in the mid-WS 90s. Unavoidably, the week ended on a slow note with very little action to report - rates have settled with relets being programmed. Standout North Sea tonnage remains adequate, and also here there is no sign of any changing sentiment for now.

## Product Tanker Comments

LR2 Owners have done pretty well this week in gleaning improved numbers when demand has been on the lower side, but enough vessels have been secured to allow rates to edge up. Last week's number of WS 135 has been bettered with WS 145 on subs at the time of writing for TC1, and Westbound has moved up by USD 100K, with USD 3.9 Mn now fixed and owners emboldened enough to start asking for over USD 4 Mn moving forward. Demand remains on the lower side and charterers do not need to fall over themselves to secure ships till next week, especially as talk of Indian and Saudi Arabian refinery turnarounds and a weakening paper market might suggest that softer freight levels could be in the offing.

LR1s spiked significantly during the first three days of the week, with the tightest position list for good ships we have ever seen exacerbated by very decent demand. Traction on rates was strong; TC5 lifted from last week's number of WS 145 through WS 155 and then WS 172.5 being agreed yesterday. Westbound voyages have registered less activity and the numbers agreed have remained quiet, but we would suggest that the range would be somewhere between USD 3.25 – 3.45 Mn. The list remains tight and owners are content going into the weekend.

It had been a good start to the week for MR owners in North Asia amid an increase in stems quoted. However, given that MRs have been trading close to parity with the LRs, demand started to decrease in the second half of the week, as charterers maximised their economies of scale, meaning that there might be some softening after the weekend. MRs in SE Asia picked up the pace towards the end of the week with an influx of fresh stems quoted in the market. The tonnage list has thinned out and, given the strong support from firming neighbouring markets, there is a good potential for freight rates to start crawling back up next week should activity levels remain consistent.

It has been a steady week for the UKC MRs; the front end of the list looked narrow in places, but cargo enquiry was minimal. Freight levels were tested but owners showed a fair amount of resistance, leaving TC2 at around WS 180. The USG market is looking ugly after such a long list of prompt ships, sinking to around WS 90 levels. Any ships finishing on the USAC will likely ballast towards Europe, so we expect more ships from 20 September onwards. Handies have remained flat with levels repeating at WS 190 for Cross-Cont voyages. Med Handies have enjoyed a busy week of fixing with a tight position list and plenty of activity, which has seen levels for TC6 firm up to WS 275 and owners are pushing for more as we move into the weekend.

|                  |                   | BDTI    | BCTI    |         |
|------------------|-------------------|---------|---------|---------|
|                  |                   | 740     | 849     |         |
| Δ W-O-W          |                   | ↑Firmer | ↑Firmer |         |
| BDA              |                   |         |         |         |
| (USD/LDT)        | TKR/LRG           | TKR/MED | TKR/SML |         |
| This week        | 504.5             | 511.2   | 516.6   |         |
| Δ W-O-W          | 0.5               | -0.6    | 0.4     |         |
| BALTIC TCE DIRTY |                   |         |         |         |
|                  | Route             | Qnt     | \$/ Day | W-O-W   |
| TD1              | ME Gulf / US Gulf | 280,000 | -14,541 | ↓Softer |
| TD3C             | ME Gulf / China   | 270,000 | 4,092   | ↑Firmer |
| TD6              | Black Sea / Med   | 135,000 | 6,949   | ↑Firmer |
| TD8              | Kuwait / Sing.    | 80,000  | 12,049  | ↑Firmer |
| TD9              | Caribs / US Gulf  | 70,000  | 3,350   | ↑Firmer |
| TD14             | Asia / Australia  | 70,000  | 27,577  | ↑Firmer |
| TD20             | WAF / Cont        | 130,000 | 18,035  | ↑Firmer |
| BALTIC TCE CLEAN |                   |         |         |         |
|                  | Route             | Qnt     | \$/ Day | W-O-W   |
| TC1              | ME Gulf / Japan   | 75,000  | 28,240  | ↑Firmer |
| TC2              | Cont / USAC       | 37,000  | 16,687  | ↓Softer |
| TC5              | ME Gulf / Japan   | 55,000  | 27,523  | ↑Firmer |
| TC6              | Algeria / EU Med  | 30,000  | 47,633  | ↑Firmer |
| TC7              | Sing. / ECA       | 30,000  | 31,130  | ↑Firmer |
| TC8              | ME Gulf / UKC     | 65,000  | 30,850  | ↑Firmer |
| TC23             | ARA / UKC         | 30,000  | 12,365  | ↓Softer |