



## Crude Tanker Comments

The week ends with VLCC rates gradually correcting upwards, having bottomed out mid-week. After a slow start, sentiment began to soften with owners aware the list was opening up to give charterers more options as dates shifted. TD3C dipped below the WS 70 mark for the first time in a week and down to WS 68 by COB Tuesday. Wednesday opened with two AG market quotes, setting the new level of WS 65 for East runs but, with many owners unwilling to do any lower, a bottoming feeling began to permeate. We have since seen rates start to slowly bounce back with last done TD3C at WS 66 at the time of writing and the likelihood of it pushing toward the WS 70 mark next week. Other regions experienced a similar trend, albeit with less volume. All eyes in the Atlantic were on a Brazil market quote achieving WS 67.45 for an East option, which set the benchmark for charterers mulling their dates. TD15 swiftly followed suit by posting WS 68 and falling further to the bottom of WS 66, before climbing back up to WS 68.25 last done as charterers found it challenging to find owners there to repeat WS 66. As expected, the USG has been relatively subdued on the surface owing to Thanksgiving, but we expect it to pick up next week with 3rd decade December stems still looking light and dates moving into January. For now, the market seems well balanced after the mid-week corrections with scope to push on further. A lot of ships have been covered this week, leaving the lists looking rather light on tonnage across all regions off natural dates.

Suezmaxes had a busy start to the week with a 15 WS-point increase on USG/TA. The local list is tightish for the prompt window, which could see owners make gains on cargoes with November laycans. However, there are four vessels ballasting TA on spec with ETAs 1-5 December, which may offer charterers some respite by balancing out the list. Furthermore, the pre-Thanksgiving flurry didn't really materialise, leaving USG/TA around the WS 90 mark. Elsewhere, extensive gains for TD20 look unlikely, especially as enquiry fell silent once again in the second half of the week and each cargo hitting the market receiving multiple offers. Meanwhile, in the MEG, earlier this week, TD23 tested down on the most recent market quote to WS 73.25, but the market softened a bit further to WS 73.

Afras in the Med had a quiet start to the week. However, softening neighbouring Afra markets in the North Sea and USG started to dampen local sentiment. In fact, even with Suezmaxes on the positive turn, the market remained subdued with levels lowering after each subsequent fixture – TD19 is closing the week at WS 149, over 30 WS points less than last Friday's levels. Overall, it is hard to point to positives bar the upcoming poor weather, especially as tonnage is in healthy supply with enquiry limited.

We have seen significant testing also on North Sea rates this week, with the market recording almost a 20 WS-point drop off prompt dates down to WS 162.5. The list opens up considerably off later dates, and very poor weather from 23 November may not be enough to halt further declines, especially as the malaise seems to be quite widespread across markets.

## Product Tanker Comments

The LR2 market has only had a topsy turvy time of it this week! Rates started to rise again, with TC1 lifting from WS 124 to WS 140, which then failed, and westbound improved from USD 3.2 Mn for a ship with Russian history to USD 3.4 Mn being on subs and non-Russian history ships also moving up from USD 3.5 Mn to USD 3.6 Mn fixed this week. Owners are naturally looking for shorter voyages to kill time on the ships while staying in the East markets, so East African imports have stayed flat at WS 110 levels as a result. Tonnage is still quite plentiful into next week but on a variety of backgrounds or peculiarities on what trade routes are preferred and so on. Owners are still cautiously optimistic in waiting out for the familiar lift in freights we tend to see at the end of the year, and we are also aware that refineries should all be on full throughput by the end of next week. Having said all this, there is the shared point of view that, if we do see a lift, it is only likely to be a bit shorter and more muted than what was expected.

The LR1 market started out this week very quiet as the LR2s continue to show much more attractive USD/T upside for the longer hauls when LR1 and LR2 freight levels are this close together. However, the latter part of the week started to show more signs of life, but at a cost, with TC5 slipping from last week's level of WS 130 to WS 120 and WS 122.5 on subs now between four-five times in the last two days. Westbound has been quieter and freight here too are softer, with USD 2.95 Mn on subs for a Ruwais load to UKC with a USD 700K premium for USAC. Our list still shows decent tonnage around for charterers, so we would only need to see more of this recent small lift in enquiry for the LR1s to have any chance of improvement.

The North Asia MR market got off to a good start this week; rates for Korea/Australia climbed to WS 190 only for the activity levels to taper off and this number failing. The week finished very much flat regarding freight levels. Tonnage availability for MRs in SE Asia dropped off this week with owners choosing to fix cargoes ex-North or ballast to the Middle East. TC7 improved marginally to WS 162.5 and, similarly to the North, activity has tailed off as we go into the weekend.

It was a steady week for MRs in the UKC, which has helped narrow the list and, even with Thanksgiving celebrations, the USG market remains the most attractive option for owners who are looking to capitalise on impressive TCEs. We expect owners to continue to ballast from the USAC straight to the USG and, while there is a strong desire for many owners in Europe to try to catch a transatlantic cargo, minimal volumes hitting the market are leaving some gaps. TC2 has edged up to WS 180 by Friday COB.

In the Med, bad weather in the East resulted in multiple requirements for replacements and this, combined with a tight tonnage list, caused rates to rise sharply and hit a high of WS 350 on Monday, with Lebanon runs achieving as high as WS 400. Since Tuesday, activity throughout the Med has been very moderate, and rates have cooled down since then. West Med loading TC6 ends the week at WS 270, with this being last done, while East Med loading has corrected to finish at around WS 300-310. Owners will be hopeful of an active start next week that could bring about the bottom of the market sooner than expected, especially as the list remains very tight and bad weather approaching the West might prompt some replacement needs.

		BDTI	BCTI	
		1233	829	
Δ W-O-W		↓Softer	↑Firmer	
BDA				
(USD/LDT)	TKR/LRG	TKR/MED	TKR/SML	
This week	500.0	508.9	517.1	
Δ W-O-W	-0.3	-0.3	-0.6	
BALTIC TCE DIRTY				
	Route	Qnt	\$ / Day	W-O-W
TD1	ME Gulf / US Gulf	280,000	6,455	↓Softer
TD3C	ME Gulf / China	270,000	44,376	↑Firmer
TD6	Black Sea / Med	135,000	64,591	↑Firmer
TD8	Kuwait / Sing.	80,000	43,524	↑Firmer
TD9	Caribs / US Gulf	70,000		↑Firmer
TD14	Asia / Australia	70,000	36,860	↑Firmer
TD20	WAF / Cont	130,000	36,371	↑Firmer
BALTIC TCE CLEAN				
	Route	Qnt	\$ / Day	W-O-W
TC1	ME Gulf / Japan	75,000	23,476	↑Firmer
TC2	Cont / USAC	37,000	20,582	↓Softer
TC5	ME Gulf / Japan	55,000	14,036	↓Softer
TC6	Algeria / EU Med	30,000	51,095	↑Firmer
TC7	Sing. / ECA	30,000	12,966	↓Softer
TC8	ME Gulf / UKC	65,000	23,978	↓Softer
TC23	ARA / UKC	30,000	11,583	↑Firmer