AFFINITY TANKER WEEKLY

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Crude Tanker Comments

VLCC market fundamentals can best described as poor to very poor. Sentiment has been shot, and now charterers are cashing in on owners' collapsing resolve, which comes despite the Americas rush on Wednesday afternoon. TD3C has slipped fallen well below WS 60 now, tumbling to around WS 55 levels, while WAFR is perhaps only a point or two above. TD22 is down to around USD 8 Mn LS, despite having a busier week.

Owners will be keen to try and turn the tables prior to Christmas, utilising January dates in the MEG and possibly more left to do on the other side of the pond. This appears unlikely now, but next week will reveal all before the Christmas festivities take over.

On the Suezmaxes, TD20 has seen minimal fresh enquiry on the surface this week, with enough vessels in the market to satiate any demand. As a result, rates have started to come under pressure, with TD20 at WS 97 at the time of writing, down from WS 100 on Monday. Stateside, two FOC and seven vessels set to sail by Monday should be able to work laycans up to 26 December. This in turn leaves charterers with healthy options to play with. In the East of Suez, TD23 remained largely date-dependent. Prompter enquiry might move the dial, given the extremely tight tonnage list – rates have started to reflect this by climbing to WS 68 from WS 66 earlier in the week. However, there could be some respite in the near-future, with five Basrah-suitable vessels expected to set sail by Monday.

After a dire start to the week, the tide has turned for Afras in the Med and, from the mid-week point, we have finally started to see some action. Charterers all had the same idea, waiting behind prompt cargoes testing lower, and the result was a huge flurry of activity, with rates bouncing back and X-Med going on subs multiple times at WS 125 from Ceyhan. The list is tightening and, should we continue to see cargoes rolling, there is serious potential for freight to climb up further.

Meanwhile, the North Sea remains plagued by minimal enquiry, while stand-out North Sea candidates remain fairly limited, with natural owners and relets ballasting out. Furthermore, 50 per cent of the FOC list is focussed on Baltic business, giving owners some food for thought. In fact, rates continued to repeat with owners holding their ground in the mid-WS 130s for X-North Sea. As the week draws to a close, the list is relatively thin off forward dates and, with extreme weather on the horizon, this is a market to watch, especially with neighbouring US and Med markets picking up.

Product Tanker Comments

It has been another week illustrating the power of LR2 owners' sentiment to buoy the market even when activity is slow, and to capitalise successfully when the market starts to pick up. While Monday started flat with a backlog of prompt vessels, it was clear from the list that tonnage was not infinite and, with a few deals behind us, the list would quickly look on the thinner side. Owners kept up the banging of the drum and this paid off in the latter part of the week with a flurry of activity. AG/West firmed to a significant USD 4 Mn, up by USD 400k since last done, while TC1 firmed by 15 WS points to WS 160. These numbers are still nowhere near the heady heights of December last year but, after such a disappointing Q4 so far, owners will be pleased with the gains made.

It was a similar story on the LR1s. They began the week with stems left still to cover and the list was fairly thin on vessels, so already there was optimism in the sector. Enquiry continued – enough to keep things interesting and WS 150 went on subs twice for TC5, a 22.5 WS-point move up from last week. A busy TC5, along with some movement on AG/West, was a sea change from what we have come to expect from this sector, which recently has been made up almost entirely of short-haul activity. Westbound also continued to firm, with rates moving from sub USD 3 Mn last week to Bahrain/UKC now on subjects for USD 3.4 Mn – a healthy number supported by jet fuel requirements and a tight list.

It has been a dull and uninspiring week for the Southeast Asia MRs as fresh enquiry continued to decline. The tonnage list has been replenishing despite having some shortage of well-qualified Australia vessels on the front-end. The Singapore/Australia run has been untested after getting on subjects earlier of the week at WS 220. Moving forward, it could be a tough one for owners this time around when freight rates look to be affected with a slight negative correction.

UKC MRs have remained flat this week, with TC2 assessed around WS 195 at the time of writing. There has been enough activity to keep rates around last done, but nothing more. Also, the USG market has opened on a quiet note, with not much enquiry to speak of, pushing TC14 progressively lower to end the week at WS 215 levels. There was a slight uptick in activity on the Med Handies in the first half of the week, but things slowed down again towards the end. Enough has been done to keep levels flat at WS 265 for TC6, but the list is now very heavy, and only a significant inflow of fresh enquiry might be able to rebalance the market.

	BDTI	BCTI
	1103	933
Δ W-O-W	↓Softer	↑Firmer

BDA (USD/LDT)	TKR/LRG	TKR/MED	TKR/SML
This week	496.6	506.2	514.3
Δ W-O-W	0.7	1.1	1.3

BALTIC TCE DIRTY

	Route	Qnt	$ / Day	W-O-W
TD1	ME Gulf / US Gulf	280,000	4,934	↓Softer
TD3C	ME Gulf / China	270,000	33,977	↑Firmer
TD6	Black Sea / Med	135,000	58,899	↑Firmer
TD8	Kuwait / Sing.	80,000	46,775	↑Firmer
TD9	Caribs / US Gulf	70,000	25,084	↑Firmer
TD14	Asia / Australia	70,000	40,439	↑Firmer
TD20	WAF / Cont	130,000	33,465	↓Softer

BALTIC TCE CLEAN

	Route	Qnt	$ / Day	W-O-W
TC1	ME Gulf / Japan	75,000	39,211	↑Firmer
TC2	Cont / USAC	37,000	24,761	↑Firmer
TC5	ME Gulf / Japan	55,000	27,426	↑Firmer
TC6	Algeria / EU Med	30,000	46,935	↑Firmer
TC7	Sing. / ECA	30,000	25,466	↑Firmer
TC8	ME Gulf / UKC	65,000	34,392	↑Firmer
TC23	ARA / UKC	30,000	26,333	↑Firmer