



Crude Tanker Comments

The year is ending with a whimper on the VLCCs. After an active start to the week, with charterers getting stuck into January dates ex-MEG, enquiry has tapered off and rates have been stable and flat since. TD3C is assessed at WS 55 levels and, while levels on MEG/West via the Suez Canal have increased, this is only in keeping with the rise in Suezmax rates, with little volume done on the Vs.

Owners will be hoping that the boost to Suezmax and Aframax tonne-miles in recent days will improve the overall picture for the larger vessels, with little to indicate a pick-up in the VLCC market by itself.

2023 had one more gift for Suezmax owners before it draws to a close. The latest developments in the Red Sea have bullish owners demanding higher and higher rates in exchange for AG runs, resulting in TD23 climbing to WS 90 levels as of late in the week, a hike of around 20 points since last week's close.

Moreover, the pre-Christmas rush has materialised, and cargoes have hit the market in sufficient quantities that owners have been handed the initiative. Myriad vessels are reportedly going on subs and WS 110 is rumoured to have been done on TD20, which would represent a gain of almost 20 points on the week. Charterers may be looking to the festive break for a reprieve, as the momentum is very much back with the owners.

Similarly, Aframax are having a strong end to the year. Enquiry in the Med continues to pour in, now covering January dates, with no let-up just yet. The list of X-Med vessels is particularly short, and owners have managed to hike rates on TD19 to around WS 185 – 190 levels, a leap of around 40 WS points compared to last week.

Owners with vessels on the short list will want to get them covered before the Christmas break, however, but upcoming poor weather will continue to work in their favour.

Rates in the North Sea have also been dragged up sharply this week. The terrible weather across the region has resulted in a very thin list of vessels with safe itineraries, boosting those fortunate owners' hands. Moreover, there are very few North Sea players for early 2024 dates, further shoring up owners' position. TD7 has climbed to WS 185, a jump of around 45 points since the end of last week.

Product Tanker Comments

LRs in the AG were handed a major boost by the escalation of the situation in the Red Sea. Owners have demanded higher rates in exchange for ballasting around the Cape of Good Hope and for operating in the region. Westbound rates soon took off, with a Jubail/West run on subs at USD 5.5 Mn for a ship without Russian history.

The timing of the Red Sea escalation could have been little better, with demand and supply fundamentals also lining up well for owners. As a result, TC1 has been hiked up to around WS 190 levels, and owners are asking for closer to WS 200 on Friday.

The tonnage list remains thin and, although demand has also started to ease, owners remain bullish. Some of the more pragmatic among them will look to cover their vessels ahead of the Christmas break at current levels.

LR1s in the AG have had a similarly good time of it. Both local and long-haul demand has picked up significantly, although owners are favouring West runs. Jubail/West is up to USD 4.6 Mn for a vessel without Russian history, a sharp leap of over USD 1 Mn in just a week. The lack of LR1 tonnage West of Suez and the "fair risk" premium for passing through the Red Sea are unsurprisingly drawing most owners' attention.

East runs have been quieter, but TC5 can be assessed at WS 200 levels as WS 192.5 was last done for AG/Singapore. X-Gulf is now assessed at a not insignificant USD 950,000, while anything into the Red Sea would command in excess of USD 2 Mn for any owner willing to take their vessel into the area.

It appears that most of the excitement was concentrated in the East of Suez. In the Cont, MRs weakened at the beginning of the week, with TC2 tumbling around 10 points down to WS 180 with a surplus of laden vessels opening with December dates. Levels have since settled. The Med has been a bit more active, at least during the first half of the week. MR rates have fluctuated according to cargo grades, load areas and the quality of the vessels themselves. Med/TA is assessed around WS 210.

Med Handysize activity has been steady, too, with private business thinning the tonnage list. TC6 was holding around WS 265 but is being tested towards the end of the week as a lot of business has been tucked away off-market. Owners will be content with current levels before the market breaks for the Christmas period.

		BDTI	BCTI	
		1200	960	
Δ W-O-W		↑Firmer	↑Firmer	
BDA				
(USD/LDT)	TKR/LRG	TKR/MED	TKR/SML	
This week	493.9	503.8	511.9	
Δ W-O-W	-1.9	-1.3	-1.1	
BALTIC TCE DIRTY				
	Route	Qnt	\$ / Day	W-O-W
TD1	ME Gulf / US Gulf	280,000	7,699	↑Firmer
TD3C	ME Gulf / China	270,000	31,790	↑Firmer
TD6	Black Sea / Med	135,000	58,959	↑Firmer
TD8	Kuwait / Sing.	80,000	48,432	↑Firmer
TD9	Caribs / US Gulf	70,000	25,987	↑Firmer
TD14	Asia / Australia	70,000	40,135	↑Firmer
TD20	WAF / Cont	130,000	42,579	↑Firmer
BALTIC TCE CLEAN				
	Route	Qnt	\$ / Day	W-O-W
TC1	ME Gulf / Japan	75,000	51,159	↑Firmer
TC2	Cont / USAC	37,000	20,593	↓Softer
TC5	ME Gulf / Japan	55,000	38,009	↑Firmer
TC6	Algeria / EU Med	30,000	44,834	↓Softer
TC7	Sing. / ECA	30,000	24,148	↓Softer
TC8	ME Gulf / UKC	65,000	55,206	↑Firmer
TC23	ARA / UKC	30,000	26,887	↑Firmer



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