



## Crude Tanker Comments

To round this week up would be to say that VLCC owners have made steady gains despite charterers best efforts to dampen owners' positivity. Poor itineraries and compromised tonnage have been the popular pick for charterers where possible/appropriate this week. This is probably the key factor that has held rates steadier than what many owners would've expected by now, given the fundamentals swaying very much in owners' favour as far as Atlantic is concerned. USG/Far East is now paying USD 9.7 Mn on two occasions despite a few failures reported overnight. Of course, subjects are always crucial in the Americas market, so keeping an eye on how the bulk turn out come Monday will be handy if owners are to press onwards in the new week. Especially as June dates in MEG should be in full swing. Only 4 FOC VLCCs have been pushed in The Atlantic (including those committed to Cape), with 0 Projected. Only 1 pushed currently on the berth also, 0 projected (all excluding compromised vessels).

With the Atlantic being the main driving force behind an increasingly strengthening sentiment, it will be all eyes on MEG as we press on to week 21. Meg/India has been minimal in the last week or so, and with Chinese charterers playing their cards close to their chest; it feels there is some catching up to do from East of Suez whilst comparing returns to that of the West. Usual Friday feelings today with owners reluctant to entertain any chat unless toward or beyond mid-WS 70's today basis TD3C, too much of a jump for charterers to rush into fixing today as things stand. Let's see come Monday.

It was a busy end to the week in WAF with a lot of action both above and below the surface for Suezmaxes. WS 115 is last done on a prompter stem and over 15 vessels have been eroded from the list in the last two days, with relet presence diminished along with FOC availabilities, which leaves a tighter complexion of Gibraltar and UKC tonnage. When taking into consideration that Suezmaxes are still being squirrelled away by Afra enquiry in the Med, some more 1st decade volume is expected to come ex-WAF, and minimal FOC supplementation expected over the weekend - owners will be keen to take advantage of the tight lists and nudge rates further up on TD20.

Across the pond however, the picture remains bearish for owners Stateside. Charterers are very much in the driving seat as they can safely navigate the market with a variety of safe vessels to choose from. East of Suez, the westbound list remains sensitive to enquiry. Basrah suitable vessels with safe itineraries are few and far in between, and with delays discharging in Balikpapan, there's likely to be minimal FOC expected over the course of the weekend - fresh enquiry could tilt the scales further in owners' favour as a result. In the other direction, eastbound has failed to reveal the required volume for owners to capitalise on the tight list and firm Aframax floor so far. That being said, there are vessels in position within the natural window that require Eastbound runs to reposition for DD and so charts still have options to keep rates at bay for now.

This was an electric week with huge cargo volume for the Med Afras. The list has been and remains very tight with no ships open prior to 21 May and X-Med candidates as a whole remain very scarce even off end month dates. The market is firmly in owners' hands. The North Sea market finally saw a burst of action on Thursday, but the number paid remained at WS 142.5. A lot of usual Nsea players have been eroded however the odd one still exist along with relets meaning that there should be enough tonnage yet again to handle the volume.

## Product Tanker Comments

LR2s have gently amped up over the last few days with westbound exports now commanding over USD 7m again with USD 7.25 Mn being last agreed on subs yesterday morning. WS 240 is the last agreed for TC1, up by 12.5 WS points on the week. List is thinning so charterers have had to accept these premiums over the course of the week but at least the progression was steady enough for them to make it a little more palatable in the AG and WCI markets; there have been enough times this year where they have not had anything like this luxury of time but instead had to fall over themselves to cover as quickly as possible; it has been firm this week but not as frenetic as it can be. The Red Sea However has been a bun fight. With Gizan now pumping out LR2 stems with seemingly little notice to chartering desk, rates are very high for those ships that can call there. USD 5.125 Mn was the last on subs for a Gizan load and USD 4.8 Mn the same for a Yanbu load yesterday.

A real buzz of long haul activity kicked off midweek on the LR1s and this already tight list with a whole host of ships turning around on the very busy local X-AG and X-Red Sea markets has lit the blue touchpaper on freight rates with TC5 now lifting 60 WS points on the week with WS 270 on subs last night and USD 6 Mn on subs for Jubail/West, representing a lift of around USD 1 Mn on the week! Good ships are very slim indeed and with Pakistan imports also moving up we are in a very strong market overall. Charterers might well start to look to LR2 and MRs next week as and when they can as this sector will not be offering up much in the way of favours any time soon.

The North Asia MR market experienced an active week, with a steady influx of cargoes entering the market. Initially, freight rates were soft due to the ample supply provided by a long tonnage list. However, steady demand gradually depleted the tonnage list, causing sentiments to bottom out and freight rates to rebound. This led to a Korea/Singapore stem going on subjects at USD 900K. Owners' sentiment remains bullish but the outlook for the next week depends on whether the demand can be sustained, for now, sentiments remain stable/firming.

An uneventful week for the South, with little activity and cargo enquiries in the market. Sentiments, however, were kept stable by a strong AG market providing support.

Volume has been fairly limited this week for the MR market in NWE. The list is more balanced now as a selection of ships are gradually receiving firm discharge orders and rates have bounced around WS 190 levels for TC2 with WAF concluding the week at WS 220. Despite a depressed States market, owners continue to favour TA runs far more than the alternatives in hopes of better returns.

|                  |                  | BDTI    | BCTI     |         |
|------------------|------------------|---------|----------|---------|
|                  |                  | 1195    | 1036     |         |
| Δ W-O-W          |                  | ↑Firmer | ↑Firmer  |         |
| BDA              |                  |         |          |         |
| (USD/LDT)        | TKR/LRG          | TKR/MED | TKR/SML  |         |
| This week        | 521.5            | 530.9   | 536.0    |         |
| Δ W-O-W          | 1.0              | 0.3     | 0.2      |         |
| BALTIC TCE DIRTY |                  |         |          |         |
|                  | Route            | Qnt     | \$ / Day | W-O-W   |
| TD3C             | ME Gulf / China  | 270,000 | 52,477   | ↑Firmer |
| TD6              | Black Sea / Med  | 135,000 | 42,624   | ↑Firmer |
| TD8              | Kuwait / Sing.   | 80,000  | 46,150   | ↑Firmer |
| TD9              | Caribs / US Gulf | 70,000  | 29,337   | ↓Softer |
| TD14             | Asia / Australia | 70,000  | 40,184   | ↑Firmer |
| TD20             | WAF / Cont       | 130,000 | 43,159   | ↑Firmer |
| TD22             | USG / China      | 270,000 | 52,268   | ↑Firmer |
| TD25             | USG / Cont       | 70,000  | 37,310   | ↓Softer |
| BALTIC TCE CLEAN |                  |         |          |         |
|                  | Route            | Qnt     | \$ / Day | W-O-W   |
| TC1              | ME Gulf / Japan  | 75,000  | 66,109   | ↑Firmer |
| TC2              | Cont / USAC      | 37,000  | 22,015   | ↓Softer |
| TC5              | ME Gulf / Japan  | 55,000  | 50,481   | ↑Firmer |
| TC6              | Algeria / EU Med | 30,000  | 38,225   | ↓Softer |
| TC7              | Sing. / ECA      | 30,000  | 39,032   | ↑Firmer |
| TC8              | ME Gulf / UKC    | 65,000  | 81,035   | ↑Firmer |
| TC23             | ARA / UKC        | 30,000  | 36,987   | ↑Firmer |