



Crude Tanker Comments

The main highlight of the VLCC market this week has been the slight revival of reported Americas business, which has been very much missed by owners. Plenty seems to have been done over the last few weeks, but circulation of information has been very poor, rendering useless any attempt to put pressure on charterers.

Otherwise, there is not too much firm business working from what we can see at the moment. Tonnage levels are steady, with not too many vessels forecast to sail over the next few days across the board; we just need to see more consistent volume reported if owners are to try and finally get rates into the green. The VLCC market still remains low and slow for the time being.

Looking to next week, there is a possibility that we could see rates firm ever so slightly with MEG dates soon to be released.

On the Suezmaxes, Stateside, we're ending the week on a sharp downward correction on USG/TA runs as charterers elect to work further forwards, bringing GIB/CONT tonnage into play. This, in addition to a prospectively weaker Aframax floor as ballasters enter the window and the extending local tonnage, brings a softer feel in the US Gulf for the 25-30 July window.

Across the Atlantic, while WAF was buoyed this week by a sensitive States market, the lack of volume and broadening tonnage list (as many as 18 vessels up to end-month dates are expected to be FOC by COB Friday) could result in TD20 dipping.

East of Suez, the outlook is set to remain bearish. TD23(c/c) is oversaturated with as many as 14 x modern 20T lifters advertised within the fixing window, nine of which are FOC. In the other direction, Eastbound tonnage is ranked with a plethora of vessels with safe itineraries, including various ex-DD ships. And so, despite a tighter Aframax floor, an upside seems unlikely for Suezmaxes on Eastbound runs as they cannibalise Aframax volume.

On the Aframax, owners are shifting into "summer mode", but rates in the Med continue to hold at around last done levels. TD19 is currently somewhere between WS 150 – 155, where it has largely held over the past month. For now, the maintenance at Trieste is having little impact on market dynamics but, with rates for this time of year at their highest since 2008 (barring the madness of 2022), owners won't be complaining of TCEs of around USD 35,000 per day for a non-ECO vessel.

In the North Sea, rates continue to languish in the doldrums. There is little action on the surface and TD7 remains at WS 130 levels. Most charterers have relets and, even with 11 vessels ballasting out of the region, there are ample vessels for local runs.

Product Tanker Comments

It has been a very disjointed week for the LR2s in the AG this week, with little by way of testing on the vanilla routes. Owners have held back, believing that they have little to lose given the balanced tonnage list. If demand were to pick up early next week, charterers may be forced to give up above last done levels. On the other hand, should demand remain flat, there is little prospect of much movement in levels, particularly should the summer lull appears, or more dirty vessels clean up. TC1 remains around WS 175 levels and westbound is at USD 5.8 Mn.

In the West, however, LR2s came to life at the end of the week, with a plethora of mid-month ARA-WAFR cargoes covering the top end of the position list. After seeing tonnage tighten so significantly, owners are pushing for higher rates, meaning that a week that appeared to be finishing quietly will instead end on a positive note.

There hasn't been that much going on for the LR1s in the AG either, but owners will be comfortable with the thin tonnage list, aware that the stem that they are looking for should appear soon enough without costing too many waiting days. One area that demonstrates this is the fact that, with fractionally softer 'East only' numbers, the resistance for routing west remains very strong, to the extent that this market moved up healthily to USD 5.25 Mn net of tax for West Coast India/West concluded mid week.

By comparison, it was another relatively disappointing week for MRs in the AG, although there appears to be some light at the end of the tunnel for owners, with tonnage clearing out in response to a dip in rates. TC17 moved around a little, especially when loading ex-Duqm, a route that continues to perplex both owners and charterers. Overall though, the conference level of the week stayed at WS 245. TC12 took a real haircut to WS 185 basis AG/Japan. It is unlikely to be repeatable at these levels but the usual TC12 players are not engaging in the AG currently, while earnings in Singapore are marginally better, despite being a weak market as well.

In the Cont, there was a slower pace this week with fewer cargoes quoted than in previous weeks. The tonnage list is fairly balanced but is showing limited availability on the front end. Rates have gradually dwindled throughout the course of the week with TC2 now rated at 37 x WS 180, and WAFR and Brazil premiums settling at +20. Volatility prevails in the States market, with rates initially softening before firming up to 38 x WS 180 for TC14 by the end of the week.

It was a slightly more buoyant week on the Handies, with reasonable levels of cargo enquiry and a tighter-than-expected tonnage list to go with it, which has given rates a slight boost at the end of the week. X-Cont has been repeated several times at 30 x WS 170. Many owners continue to favour the Med market, where rates outshine the Cont, as x-Med currently pays 30 x WS 240.

		BDTI	BCTI	
		1062	840	
Δ W-O-W		↓Softer	↑Firmer	
BDA				
(USD/LDT)	TKR/LRG	TKR/MED	TKR/SML	
This week	521.4	529.4	534.6	
Δ W-O-W	-2.3	-2.9	-3.5	
BALTIC TCE DIRTY				
	Route	Qnt	\$ / Day	W-O-W
TD3C	ME Gulf / China	270,000	22,642	↓Softer
TD6	Black Sea / Med	135,000	46,152	↓Softer
TD8	Kuwait / Sing.	80,000	40,001	↓Softer
TD9	Caribs / US Gulf	70,000	42,971	↓Softer
TD14	Asia / Australia	70,000	33,304	↓Softer
TD20	WAF / Cont	130,000	36,727	↑Firmer
TD22	USG / China	270,000	32,235	↓Softer
TD25	USG / Cont	70,000	43,184	↓Softer
BALTIC TCE CLEAN				
	Route	Qnt	\$ / Day	W-O-W
TC1	ME Gulf / Japan	75,000	39,405	↓Softer
TC2	Cont / USAC	37,000	19,427	↓Softer
TC5	ME Gulf / Japan	55,000	36,100	↓Softer
TC6	Algeria / EU Med	30,000	35,095	↑Firmer
TC7	Sing. / ECA	30,000	31,032	↓Softer
TC8	ME Gulf / UKC	65,000	66,492	↑Firmer
TC23	ARA / UKC	30,000	16,988	↑Firmer



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