AFFINITY TANKER WEEKLY

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Crude Tanker Comments

The activity has continued through the entirety of the week and VLCC charterers have entered the market, even in numbers today, which is often telling. Owners have achieved progressive gains on runs ex-MEG / WAF / Brazil as seen with today's BDTI prints on TD3C and TD15, whilst they'll hope there is further upside towards the WS 60 mark on the former and into the mid-WS 60s on the latter. The arrival of November stems did help the cause this time around, but consistent activity across all areas was noted as a key factor. The Atlantic had a fair amount of early tonnage to clean up and so rates are yet to really lift off there, but it does look tidier across a range of fixing windows. Smaller crude sizes have shown improvement too and sentiment reflects the fact that levels look quite well underpinned, and owners do also feel they have options on when/what/how to trade.

This week concludes on a stable note for Suezmaxes in West Africa. While there has been a healthy level of enquiry, charterers have strategically moderated rates by releasing volume gradually into the market. A few fixtures have fallen below the WS 100 mark, but with the list still tight, owners will remain quietly confident for next week.

Mid-week saw a significant influx of inquiry from the US Gulf, particularly on Wednesday afternoon and Thursday morning, quickly shifting owners' fortunes. This prevented what seemed like an inevitable softening of the market, given the slower start to the week with limited volume and ample tonnage. At current levels, we anticipate more vessels ballasting across the Atlantic to the US Gulf.

In the AG, activity remained robust with a strong flow of cargoes, which helped trim the list and bolstered owners' sentiment. However, cargoes that reached toward the latter stages of the fixing window were met with less resistance given charterers had a greater range of candidates.

Med Aframaxes had a fairly slow start to the week, with this market remaining on the quieter side overall. Ceyhan levels kept repeating in the WS 176-177 levels, while Algeria and Libya have been fixing slightly lower amid more favourable options in term of ballasters coming from the then-quiet North Sea market.

However, with the North Sea and US markets starting to show positive signs towards the end of the week, we should see the flow of additional ballasters from the continent being stemmed. Looking at cargoes, both Ceyhan and Libya are now well covered until the end of the month, so activity should remain on the quieter side for the time being, but with the list set to remain balanced, sentiment appears to be holding steady as we enter the weekend.

The North Sea Aframax market has been trundling along at last done levels until the very last minute, when a sudden influx of action under the radar saw multiple cargoes being worked. Rates have now started to firm, and one of the usual local players has fixed the majority of their ships away, forcing charterers to look elsewhere. Sentiment has now swung in owners' favour and charterers should treat their end month cargoes with caution.

Product Tanker Comments

There has been consistently decent demand but, once again, the ships available have sponged it for the most part of the week. TC1 was initially repeated at last week's WS 115, but then we saw WS 120 followed by WS 125 concluded on subs and today there is the bizarre number of WS 132.25 on subs for the same. The westbound trade also started off flat, with several ships willing westbound and there was a moment well captured by charterers to bring these levels down with USD 4 Mn. Midweek brought better prospects for owners as the list revealed far fewer ships to work with and off the back of these, we started to see the lift in owners' expectations, which could lead to USD 4.2-4.3 Mn being a feasible range for the next deal done. Charterers might use the weekend as a breather before re-engaging at these higher prices offered. but we would not be too surprised in seeing further premiums agreed in the near future.

The LR1s welcomed back a robust week of demand which, while largely centred around more short-haul cargoes, also saw several longer haul stems in play too. Rate improvements have not been overly inflated, and the thinner list is lending some owners to dare to dream of greater fortunes soon that might also be afforded by the grater headroom that the lift we are seeing in the LR2 segment. TC5 has lifted to WS 137.5 being agreed twice on subs, which represents a 12.5 WS-point lift on the week. Westbound trade was negotiated downwards to USD 3.4 Mn for a Kuwait load but with the thinner list of suitable candidates at the week's end, we would be freighting this one a little more towards the level of USD 3.6 Mn previously fixed. The busy cross-Gulf market remains around USD 325,000 levels and, with so many ships retained in the region off the back of all this local demand, we know that (subject to itineraries) charterers will still see decent ship supply into next week, even if the prices are up a little.

It has been a slow week for the Southeast Asia MR market, with minimal enquiries quoted through the week. Tonnage remained long and well replenished for the natural fixing windows leaving sentiment weak. Freight rates, however, managed to stay relatively flat, with the AG market providing a bit of support keeping TC7 steady on the WS 180 levels. The outlook remains flat for now, with tonnage still long, but will depend heavily on the AG and if more ships can be tempted away.

The MR list in north-west Europe has been plagued with prompt ships throughout and that has stifled any potential increases in TA rates above WS 85. However, WAF enquiry has been busier, and we saw this arranged between WS 125 - 135 levels.

The Med Handies got off to yet another active start this week and, with tonnage already beginning the week thinly, it was clear owners remained in the driving seat after the weekend. Monday through Wednesday, TC6 made gradual gains to reach WS 160 having started at WS 125. Thereafter, a drop-off in enquiry levels yesterday and today, alongside a weak MR market resulting in some taking 30 KT parcels, prevented owners from pushing any higher. As we head into next week, the mood in the owners' camps will be positive, with the hope of seeing further volume on Monday as end-month dates begin to be quoted, and considering the list is balanced in the prompt and five-day windows. Furthermore, weather conditions have already begun to affect itineraries, which will likely have a knock-on effect into next week and could result in the need for prompt replacements.

	BDTI	BCTI
	1043	580
Δ W-O-W	↑Firmer	↑Firmer

BDA

(USD/LDT)	TKR/LRG	TKR/MED	TKR/SML
This week	474.8	481.9	484.3
Δ W-O-W	0.3	-0.1	-1.3

BALTIC TCE DIRTY

	Route	Qnt	$ / Day	W-O-W
TD3C	ME Gulf / China	270,000	35,541	↑Firmer
TD7	UKC / UKC	80,000	29,431	↑Firmer
TD15	WAF / China	260,000	40,564	↑Firmer
TD19	Med / Med	80,000	53,349	↓Softer
TD20	WAF / Cont	130,000	37,661	↑Firmer
TD22	USG / China	270,000	40,109	↓Softer
TD25	USG / Cont	70,000	44,628	↑Firmer
TD26	EC Mex / USG	70,000	43,675	↓Softer
TD27	Guyana / UKC	130,000	38,084	↑Firmer

BALTIC TCE CLEAN

	Route	Qnt	$ / Day	W-O-W
TC1	ME Gulf / Japan	75,000	26,737	↑Firmer
TC2	Cont / USAC	37,000	3,083	↓Softer
TC5	ME Gulf / Japan	55,000	17,605	↑Firmer
TC6	Algeria / EU Med	30,000	14,913	↑Firmer
TC7	Sing. / ECA	30,000	16,881	↑Firmer
TC8	ME Gulf / UKC	65,000	36,287	↓Softer
TC14	USG / UKC	38,000	12,858	↓Softer
TC17	ME Gulf / EAFR	35,000	23,503	↓Softer
TC20	ME Gulf / UKC	90,000	40,690	↑Firmer
TC21	USG / Caribs	38,000	10,957	↓Softer