



Crude Tanker Comments

After a prolonged period of a miserably slow VLCC market with less than last done clipped off with ease, it seems we have not only seen the bottom, but pushed off it, with owners now looking to reach towards/hit the WS 50 threshold before the weekend for a TD3C run. Charterers taking advantage of the lower rates have now resulted in the turning of the tides as lists start to look a lot tidier. TD3C publishing yesterday at WS 47 was behind the curve as many owners look to hold out for something starting with a 5.

As we transition into the weekend before Bahri week, it seems increasingly unlikely that owners will let up. It does beg the question if this is just a rush to cover bases before next week, but either way, the surge in activity leaves charterers with the decision to move prior to the weekend or risk further enquiry filtering in next week. It is still not hugely exciting for owners just yet, but there is finally a foundation on which to build.

As the week comes to an end, it is clear that it has not met Suezmax owners' expectations during what is typically one of the most profitable times of the year. Instead, this week has reflected fundamentals more akin to the height of summer. With WS 92.5 on subs for WAF / East; WS 100 for AG / East; WS 97.5 for TD6; and WS 89 for a short X-Med run, rates have taken significant damage across the board over the past week.

Activity picked up towards the end of the week; however, charterers with dates to work towards the back-end of the fixing window will be under no pressure to flood the market at this juncture across all regions.

On the European Aframax, it has been a similarly stoic week. Although there has been a consistent, steady level of enquiry in the Med, rates have failed to shift from the bottom of WS 120 X-Med and WS 130 for Black Sea runs. Owners have rolled over on increasingly tight tonnage lists, but North Sea ballasters (seven this week) continue to offer charterers, who find themselves in tight spots, get-out-of-jail cards.

The North Sea market finds itself where it has spent much of the second half of 2024. The outlook remains bleak with rates rooted at WS 125 levels, as the front-end of the tonnage list remains excessive. Despite as many as 17 vessels ballasting out of the region, the market remains devoid of life.

Across the Atlantic, the USG / TA market has fallen away over the past couple of days. TD25 is down to around WS 130 levels, shedding 30 points over the past week, amid lacklustre enquiry.

Hope remains that the early Lunar New Year will spur a rise in Chinese demand before the year draws to a close, but time is running out.

Product Tanker Comments

There was a significant pick-up in volumes towards the end of this week, following a very quiet fortnight. Ahead of Bahri Week, cargoes have flooded the market, but charterers were faced with a healthy tonnage list from which to choose, so rates have continued to trend down. TC1 is down to WS 97.5 – 95 levels (the lowest so far this year) from WS 105. Westbound is down to USD 3.5 Mn being fully fixed on Friday after not being tested for a long time.

Demand for shorter-haul is a little livelier, with Southeast Asian imports paying higher for ULSD, but rates have similarly fallen to year-to-date lows of WS 100 for AG/West Coast India fixing.

As we round off the week, the list is certainly thinner than it has been in recent days, but as demand is so sporadic, sentiment is flat for next week as much of the market makes its way to Dubai.

LR1s similarly saw an increase in demand this week, but with such focus on local runs, rates have been pressured by the extensive availability of tonnage at charterers' disposal. USD 200,000 has been repeated for X-AG, while TC5 is down to WS 105, which represents a 20-point drop from last week. Westbound on the LR1s is still untested, but the consensus is that, when it is next done, it will be some way below USD 3 Mn. As on the larger ships, there has been some Southeast Asia demand, with WS 100 reported on more than one occasion, but the abundance of tonnage will probably keep a lid on rates, with five vessels prompt off Fujairah on Friday and more turning up soon.

The MRs on the AG have had little respite this week, with rates continuing to trundle along the bottom and charterers happy to cover at last done levels. This is all despite a balanced tonnage list and tight front-end on Thursday, and an average-ish level of volumes. But TC17 has been covered to WS 120 myriad times and some owners remain uninterested at such low levels. TC12 is at WS 120, while westbound was tested at USD 1.9 Mn. X-AG is still very popular, achieving between USD 150,000 – 170,000 according to optionality, and the Red Sea continues to pay well, although activity is infrequent.

In Northwest Europe, it has been another miserable week for owners, with a lengthy tonnage list and lack of cargoes. TC2 has slumped to just WS 85, and some owners continue to elect to ballast to the USG. Others have fixed short in the hope that there may be a turnaround, but this in turn has resulted in a quick refreshing of tonnage, preventing the list from taking shape. West Africa has been struck by the same malaise, trading at around 37KT x WS 120 – 125.

Handies continue to struggle amid competition with the MRs; rates are down to WS 115 for a natural Handy, and it is similarly taxing in the Med. TC6 is down to WS 105, which has led to an increase in cargoes entering the market, but the hefty tonnage list means that rates could soon fall to WS 100.

		BDTI		BCTI
		913		466
Δ W-O-W		↓Softer		↓Softer
BDA				
(USD/LDT)		TKR/LRG	TKR/MED	TKR/SML
This week		465.4	471.9	474.9
Δ W-O-W		-3.1	-3.1	-2.6
BALTIC TCE DIRTY				
	Route	Qnt	\$ / Day	W-O-W
TD3C	ME Gulf / China	270,000	26,825	↓Softer
TD7	UKC / UKC	80,000	29,249	↓Softer
TD15	WAF / China	260,000	30,502	↓Softer
TD19	Med / Med	80,000	26,066	↓Softer
TD20	WAF / Cont	130,000	29,151	↓Softer
TD22	USG / China	270,000	35,031	↓Softer
TD25	USG / Cont	70,000	25,672	↓Softer
TD26	EC Mex / USG	70,000	19,922	↓Softer
TD27	Guyana / UKC	130,000	29,119	↓Softer
BALTIC TCE CLEAN				
	Route	Qnt	\$ / Day	W-O-W
TC1	ME Gulf / Japan	75,000	13,963	↓Softer
TC2	Cont / USAC	37,000	2,034	↓Softer
TC5	ME Gulf / Japan	55,000	9,532	↓Softer
TC6	Algeria / EU Med	30,000	99	↓Softer
TC7	Sing. / ECA	30,000	12,797	↓Softer
TC8	ME Gulf / UKC	65,000	23,418	↓Softer
TC14	USG / UKC	38,000	18,230	↓Softer
TC17	ME Gulf / EAFR	35,000	13,026	↓Softer
TC20	ME Gulf / UKC	90,000	27,546	↓Softer
TC21	USG / Caribs	38,000	16,599	↓Softer



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