



Crude Tanker Comments

This week has ended in a standoff for VLCCs, as rates seem to be held in the balance after a relet took the market into a plunge. Majority of the list are not taking this as the new conference level, but if the right dates/run present itself, low WS 50s are likely to be achievable for TD3C. The West has been quiet, which doesn't help the owners' cause. Still, on paper, freight rates are in the WS 56 levels for TD15, while runs ex-USG are currently assessed at USD 7.445 Mn. It is also worth noting that Brazil/East has been put on subs at WS 57. Lists seem balanced, but enquiry has to pick up come the new week or the balance might tilt even further in charterers' favour.

Suezmaxes in the West had an active start to the week, with a significant volume of cargoes worked in the Atlantic. Positive momentum has emerged, particularly in West Africa and for USG/TA runs, as tonnage availability tightens and owners regain leverage following a challenging few weeks. The pace has started to slow in the latter half of the week as cargoes dried out, and contrary to previous expectations, rates softened by a fair bit, especially in WAF, where TD20 dropped by over 5 WS points on Friday alone, to WS 74. In Guyana the drop was less pronounced, with TD23 losing just over 2 WS points to also reach WS 74. Holidays in the US next week might give the markets some respite, allowing the tonnage list to replenish, so a fresh injection of enquiries might be needed to put the market back on the right track.

The Med/Black Sea markets have also tightened up, closing the week on a firmer foot, at WS 91 levels for TD6. Bad weather and Turkish Straits delays have given these markets some further support, but on a PMT basis Suezmaxes remain an attractive options for charterers, and could start eating into Afras' share of the pie as we go into the next week.

Activity in the AG has also shown an uptick this week, entering the weekend on a steady foot at WS 91. The market began the week with a surplus of tonnage, which has limited owners' ability to drive rates higher. And while some enquiry allowed owners to inject some upward momentum around the mid-week point, things have quietened down a bit with the weekend looming.

Med Afras had a busy week overall, with rates firming across the board, and TD19 is now around of WS 141 levels, but CPC loadings are currently paying about WS 150. The list continues to remain tight, particularly for CPC candidates, and while some standout options still exist, poor weather forecasts across the Med and Turkish Straits delays (now 9 days northbound and 8 days southbound) are adding further upward pressure to freight rates. Momentum is expected to be carried into next week, but will Suezmaxes take the wind out of the sails?

Typical North Sea! The cards had fallen nicely for owners with all the right ingredients for a market uptick such as a tight list, poor weather and shaky itineraries, and yet, a lack of cargo volumes saw that potential rather unfulfilled. Freight rates stalled at WS 126 levels, after climbing marginally in the first half of the week, but opportunities for owners to push seem to have closed, as enough relets are entering the window to stall any escalation in rates.

Product Tanker Comments

There has been significant throughput on the LR2s this week. Substantial cargo flow being fixed or agreed on subs has taken a burgeoning LR2 position list down to the thinnest level we have seen since the middle of September. We are aware of 31 deals this week agreed on subs or fixed in what appears to be the largest amount of LR2 cargoes in a 5-days period so far this year. Westbound has moved above the USD 3 Mn mark, with USD 3.05 Mn going on subs out of Kuwait and USD 3 Mn on subs out of Qatar, but these ships are from owners with a particular keenness on getting west, but wouldn't be surprised if USD 3.1-3.2 Mn would become the stepping stone moving forward. East African imports are popular this week and tested frequently. With renewed belief that there are to be better fortunes around the corner, taking the short run into East Africa with end November laycan puts ships in a good position before the end of the year for the last cargo of 2024. Giza exports have re-appeared with USD 2.1 Mn on subs and one more stem left to cover. We would imagine owners to be in much more buoyant mood come Monday.

The LR1 list was more extensive than the LR2s, and the week started very slowly and charterers were able to take advantage of this lack of energy to optimise with several X-AG cargoes agreed at the paltry sum of USD 200,000 a few times over. As the week went on a strong undertow of cargos have come through including longer haul stems East and West. Rates have been on the floor for the most part of the week at WS 105 for TC5, but at the close of play we saw WS 107.5 and WS 110 being fixed. Westbound was always going to be pressured down as and when tested, and it was no great surprise to see USD 2.9 Mn concluded for a Sikka/USAC run after weeks of very little. While perhaps the firmer vibes are not quite so palpable as the LR2s we would also expect decent optimism from owners come Monday.

The North Asia MR market kicked off the week on a strong note, driven by a surge in enquiries for stems out of China following the announcement of tax rebate cuts effective 1 December. This spike in demand significantly outpaced supply for end-November loading dates, causing backhaul rates to rise reaching the USD 725,000 levels. The outlook appears flat for the moment, with owners striving to maintain last-done levels. However, with an improved tonnage supply and slower demand, freight rates are likely to face some downward pressure in the coming weeks. SE Asia MRs had a busy start to the week, with rate levels remaining steady, although some have exceeded the last done. While many vessels are currently on subs for short regional hauls, the tonnage list hasn't tightened enough to push rates up significantly.

A strong week for both Handies and MRs in the UKC. The list has tightened though the week and TC2 finishes at WS 145 at time of writing and owners are feeling confident to push rates higher. Similarly, the Handies have enjoyed gains, moving up to WS 165-170 levels for X-UKC movements and a tight list.

Med Handies have had a very active week of fixing, with rates for TC6 rising from circa WS 105 levels to reach WS 192.5 at time of writing (last done on a naphtha stem ex-West Med, where tonnage is very tight now). Where the same numbers can be achieved out of the east remains to be seen. Regardless, owners are confident that freight should continue to look strong as we move into December laycans considering a list that has thinned significantly throughout the week, and the potential weather delays over this period.

		BDTI	BCTI	
		908	627	
Δ W-O-W		↑Firmer	↑Firmer	
BDA				
(USD/LDT)		TKR/LRG	TKR/MED	TKR/SML
This week		468.9	475.8	478.1
Δ W-O-W		0.4	0.5	-0.4
BALTIC TCE DIRTY				
	Route	Qnt	\$ / Day	W-O-W
TD3C	ME Gulf / China	270,000	32,296	↓Softer
TD7	UKC / UKC	80,000	30,010	↑Firmer
TD15	WAF / China	260,000	36,030	↑Firmer
TD19	Med / Med	80,000	36,121	↑Firmer
TD20	WAF / Cont	130,000	23,627	↓Softer
TD22	USG / China	270,000	35,053	↑Firmer
TD25	USG / Cont	70,000	26,338	↑Firmer
TD26	EC Mex / USG	70,000	15,663	↑Firmer
TD27	Guyana / UKC	130,000	23,345	↑Firmer
BALTIC TCE CLEAN				
	Route	Qnt	\$ / Day	W-O-W
TC1	ME Gulf / Japan	75,000	16,409	↑Firmer
TC2	Cont / USAC	37,000	13,026	↑Firmer
TC5	ME Gulf / Japan	55,000	11,443	↑Firmer
TC6	Algeria / EU Med	30,000	25,117	↑Firmer
TC7	Sing. / ECA	30,000	13,917	↑Firmer
TC8	ME Gulf / UKC	65,000	19,038	↑Firmer
TC14	USG / UKC	38,000	15,930	↓Softer
TC17	ME Gulf / EAFR	35,000	13,431	↑Firmer
TC20	ME Gulf / UKC	90,000	21,142	↑Firmer
TC21	USG / Caribs	38,000	14,344	↑Firmer