AFFINITY TANKER WEEKLY

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Crude Tanker Comments

It was another volatile week for VLCCs. TD3C has rocketed up almost 25 WS points since Tuesday evening. Much-needed volume made itself known after an incredibly slow festive period, when lists had ample time to replenish to lengths which had not been seen since July 2025. After a correction as sharp as that seen before Christmas, it is not unusual for the market to experience a buoyancy effect and correct up to a more sustainable equilibrium. WS 69.5 was last paid on a South Korea run with an older, compromised vessel. Sentiment has taken rate assessments north of WS 75, and owners seem more than happy to hold off and wait for something towards the WS 80s while expecting much more to come from next week.

MEG stems are releasing around next Thursday, and supply is far more modest after a busy week across the board. Come Monday or Tuesday, it will be testing up, but it remains to be seen how much third decade is left to cover and whether owners have pushed a little too hard by refusing to fix in more sustainable increments. The needle still tilts in favour of the owners, but all it takes is a few quiet days for them to decide to bite the bullet and take the improved returns off reasonable dates.

After the first working week of the New Year, Suezmax owners can go into the weekend feeling satisfied now that the market in the Atlantic has rebounded. Tonnage for WAFR looked long and the VLCCs were still undercutting the Suezmaxes on freight, which helped feed the bearish feeling; however, the VLCCs rebounded, taking them out of contention on our segment. The front end of the list tightened, allowing owners to push for more amidst the rush of enquiry Wednesday and Thursday, with TD20 rates now forecast at WS 137.5. The USG also saw rates down to WS 110, but they have now boomeranged to WS 125 for TA. CPC rates sank to WS 155 at the start of the week following the news that 15 stems were to be cancelled for January, but now that the rest of the Atlantic has made gains, CPC has also jumped by WS 2.5 points, which is marginal compared to the rises seen in the Atlantic but is a rise nonetheless.

In the AG, Suezmaxes have felt the brunt of the soft VLCC market as VLCCs have cannibalised Suezmax cargoes, but following the green shoots in the West, rates have repeated into the East at WS 130, an increase of 7.5 WS points in a few days. West rates have also nudged up to WS 70.

At the beginning of the week, the list still presented ample tonnage for charterers interested in Med Aframax trade. Rates had bottomed during the previous week, but despite worsening weather throughout this week, there was no real optimism for owners. X-Med dates were already fairly far ahead by Monday, when there was little interest. Black Sea openers continued to ballast to the Med, and tonnage began building, all of which led rates to slip. On Tuesday, they inched marginally lower, with WS 152.5 paid Sidi-Spain. Charterers finally emerged on Thursday with third-decade requirements ex-Libya. Rates stayed in the WS 150s, but a leap on Friday means that TD19 ends the week at WS 170.

In the North Sea, the week started ominously for Aframaxes, with plenty of natural candidates from whom charterers could select. A drop in rates therefore seemed inevitable, and more so after Monday's very limited interest. Enquiry remained low as the week went on, and several vessels ballasted to the Med or TA. More activity is expected soon, and markets nearby are tightening. TD7 currently sits at WS 147.5.

Product Tanker Comments

At times in December, the AG LR list looked long, and sceptics were projecting a weak start to the year, but the LR2s are off to the races. After much enquiry, the list has cleared out such that less than a handful of ships are available in the next 12 days. Activity has been consistent this week apart from Thursday, when four Kuwait-West via Cape vessels were taken at once, all at between USD 4.1 Mn and USD 4.3 Mn. Two had been taken earlier in the week. On top of this, six TC1 agreements had been made in equal fashion at WS 180. EAFR runs had been ticking up nicely, but they will need a fresh test after the recent firming of East and West levels.

If all get fixed, next week will start with a huge proportion of the list cleared away, and what tonnage remains will aim to feast on the spoils of whatever comes next. One must be aware that these levels bring very decent TCE returns; should demand be a bit calmer, which is possible given this week's volumes, owners might be more proactive in taking advantage of current levels, which could then lead to downward pressure. Let that not take the shine off a very good week!

It was a strong start to the year for AG LR1s, whose list stayed tight over the whole festive period. The cargo count for the first week of the year has been well above last year's average, and this is evident when looking at the lack of tonnage available and the direction of the market so far. TC5 is up to WS 190, a 10-point boost on the fresh 2026 flat rate adjustments. Westbound business has only been tested via Suez, but it is plausible that Suez and Cape rates are similar. Last done Suez was agreed at USD 3.2 Mn, but with recent firming, today's levels are more like USD 3.5 Mn. Short-hauls have been fairly busy, which often puts pressure on the tonnage list, so rates have remained buoyant with Jubail-Fujairah being agreed at USD 600,000 for a standard CPP vessel under 15 years old. All in all, it has been an encouraging start to the year.

Things have been busy for North Asian LR1s; the manifold MR cargoes have led to a shortage of these units, and charterers have sought cover on larger sizes. Despite positive sentiment in the Middle East, there have been comparatively few backhaul voyages for LR1s, often at rates below those of the MRs. One cargo went on subjects for Korea-Australia at 60 x WS 180, but this will likely reach WS 190 as TC5 shows promise. It was a similar story for LR2s, who have enjoyed competitive numbers for straight backhaul cargoes into Singapore. Cargoes bound for Australia will likely tick up in line with TC1 numbers, given the firmness of the AG.

It was a busy week for NWE MRs. Tonnage has been tightening all week with increased activity for WAFR stems. TC2 has been repeated multiple times at WS 110, though the latest on subs was freighted at WS 115. The premiums being paid for WAFR over TC2 now sit at WS +55, with the latest reported on subs at WS 170. With a firming TC14 having jumped to WS 190, owners are starting to ballast TA to the higher-paying market. The list remains tight at week's close, and WAFR premiums are expected to persist into next week.

Things were quieter for Med MRs at the beginning of the week as not all the market was back from the festive period. Rates came under some pressure, with the first test dropping market calls by 15 points to WS 125 Med-TA. The back end of the week brought improved activity on- and off-market, and levels have now stabilised at WS 130 TA and WS 150 Med-WAFR. Three potential stems are reportedly outstanding on the surface, and with a quick start next week, rates have the potential to firm.

	BDTI	BCTI
	1259	713
Δ W-O-W	↑Firmer	↓Softer

BDA (USD/LDT)	TKR/LRG	TKR/MED	TKR/SML
This week	408.3	414.7	418.7
Δ W-O-W	-0.9	-1.1	-0.8

BALTIC TCE DIRTY

	Route	Qty	$ / Day	W-O-W
TD3C	ME Gulf / China	270,000	59,536	↑Firmer
TD7	UKC / UKC	80,000	56,863	↓Softer
TD15	WAF / China	260,000	59,260	↑Firmer
TD19	Med / Med	80,000	49,092	↑Firmer
TD20	WAF / Cont	130,000	57,352	↓Softer
TD22	USG / China	270,000	63,480	↑Firmer
TD25	USG / Cont	70,000	61,327	↑Firmer
TD26	EC Mex / USG	70,000	72,485	↑Firmer
TD27	Guyana / UKC	130,000	58,574	↓Softer

BALTIC TCE CLEAN

	Route	Qty	$ / Day	W-O-W
TC1	ME Gulf / Japan	75,000	43,598	↑Firmer
TC2	Cont / USAC	37,000	6,361	↑Firmer
TC5	ME Gulf / Japan	55,000	31,766	↑Firmer
TC6	Algeria / EU Med	30,000	12,167	↓Softer
TC7	Sing. / ECA	30,000	26,726	↑Firmer
TC8	ME Gulf / UKC	65,000	28,033	↑Firmer
TC14	USG / UKC	38,000	21,883	↑Firmer
TC17	ME Gulf / EAFR	35,000	24,341	↓Softer
TC20	ME Gulf / UKC	90,000	39,030	↑Firmer
TC21	USG / Caribs	38,000	30,276	↑Firmer

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