



Hurricane Florence nears, markets expecting some delays

Aframaxes enjoyed particularly rewarding TCEs across the Mediterranean and Black Sea this week, which enticed various vessels to do ballast stretches from the continent, which naturally tightened up tonnage. Luckily, a 5-day maintenance window cross-Primorsk did charterers some favours, as rates would have otherwise skyrocketed, although we have seen some slight increases already. The Baltic was less impacted than the North for this reason, and with few vessels to choose from, rates gradually climbed from 80 x WS 95 to 80 x WS 107.5, WHILE Baltic rates inched up from 100 x WS 70.5+5+15 to WS 75+5+15. While sentiment is fairly balanced for now, the tight list may cause further increases throughout the rest of this and next week.

Suezmaxes, on the other hand, had a good spike of action on TD20 last week, although scarce inquiry damaged sentiment. Earnings are looking to climb in October, with the list also looking Continent dominant. A USD 10 WTI-Brent spread is seeing Aframaxes move into the region from the Americas and driving owner appetite for return voyages.

TD6 was firmer, but WTI moves will likely suppress MED/BSEA crude prices leaving short and transatlantic runs scarce, so TD6 may not actually hike even if E/B moves do.

VLCCs were pleasantly surprised with TD3C tilting in owners' favour after an over tonnage position

list. Although cargo volume in the MEG has been slow at best, it's almost so slow that markets are expecting a rush of business squeezed in around the final days before October. The WS 55 level reached in the MEG today means owners should be more confident that there will be something to play off of for this end of month position.

Things are definitely on the calmer side around the MEG, but some sparks of life in the Atlantic basin may help us support a better position to justify this from. We are not quite there yet, but a good handful of cargoes working in West Africa, added to a continued demand in South America gives us signs of hope the West is about to lend a hand.

The continent did not have much in store for clean markets, with limited enquiry against a sufficient tonnage list for MRs pushed rates down about 30 points, leaving TC2 at a mere 37 x 120. Hurricane Florence, meanwhile, has made its presence known, which could have various ships reroute and potentially cause delays in some areas.

In the Mediterranean, Handies have been trading sideways, with TC6 trading at 30 x 115 and Black Sea 30 x 125. Activity has been fairly steady, although we did start this week with not quite as many PPT Handys as we have seen for the bulk of the summer months, and actually we are actually now looking at 5-6 PPT Handys on the list today. Assuming subs lifted is likely below ten PPT on Monday, it'd be premature to call this progress but a superficial improvement at the very least.

	BDTI	BCTI
	770	511
Δ W-O-W	↓Softer	↓Softer
BDA		
(USD/LDT)	CHINA	SUBCON
This week	188.7	441.0
Δ W-O-W	-2.0	0.5






BALTIC TCE DIRTY				
	Route	Qnt	USD / Day	Δ W-O-W
TD1	ME Gulf / US Gulf	280,000	-13,281	↓Softer
TD3C	ME Gulf / China	270,000	15,503	↑Firmer
TD6	Black Sea / Med	135,000	73	↓Softer
TD8	Kuwait / Sing.	80,000	5,485	↑Firmer
TD9	Caribs / US Gulf	70,000	4,827	↓Softer
TD14	Asia / Australia	70,000	14,581	↓Softer
TD17	Baltic / UKC	100,000	5,904	↓Softer
TD20	WAF / Cont	130,000	11,078	↑Firmer

BALTIC TCE CLEAN				
	Route	Qnt	USD / WS	Δ W-O-W
TC1	ME Gulf / Japan	75,000	6,380	↑Firmer
TC2	Cont / UAC	37,000	2,934	↓Softer
TC5	ME Gulf / Japan	55,000	4,465	↓Softer
TC6	Algeria / EU Med	30,000	WS 114.69	↑Firmer
TC7	Sing. / ECA	30,000	8,296	↓Softer
TC8	ME Gulf / UKC	65,000	WS 21.933	↑Firmer
TC9	Baltic / UKC	22,000	WS 139.64	↑Firmer

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