AFFINITY TANKER WEEKLY

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OPEC cuts raise questions in VLCC markets

Big news in recent weeks, as OPEC agrees supply cuts. While producers hope to make some gains on prices, tanker owners are less keen, particularly those of segments that dominate the ex-AG market. VLCC owners have raised an eyebrow at OPEC's January production cuts, concerned mainly as to what this will do for their activity. With this in mind, VLCCs have begun sliding off their high ride, instead playing the safer game and landing long-haul voyages, and as a result, are accepting the odd point or two off last done. Earnings aren't looking completely abysmal, though, with bunker prices dropping off slightly as well. Next week should also be relatively busy, considering it's the week before Christmas, after which many will be off spending quality family time.

For Aframaxes, the Baltic and North Sea have continued to climb yet again, with a tight list of available tonnage and strong inquiry doing the area many favours. Owners will likely be looking to push for higher Baltic/Short runs, given WS 170 has been achieved for straight Baltic/Cont runs. The region is expecting the trend to continue well into the next week.

Suezmaxes have had a slightly different experience. West Africa rates have been dropping rapidly, while charterers wait patiently for Wafr/Safr itineraries to firm up. The Med is seeing similar activity, where an aversion to BSEA moves is reflective of the sizable Canakkale cancelling demands, which could leave owners facing 2 weeks sitting prone should delays drop off. Instead, they're demonstrating a voracious appetite for xMed stems and soaking up AFRA demand. The MEG market remains firm, the 3rd decade promisingly prosperous.

The Black Sea/Med also continued strong, although today and yesterday turned more steady than anything. WS 215 is still the go to rate for Bsea/Med, and the list remains relatively tight. Weather delays at Milazzo and Sidi have began to come off slightly, allowing vessels to turnaround and become available. The CPC program has now been released, providing 30 cargoes for January – while a majority of first decade has been covered, the mid and end decades look particularly busy, and could hopefully provide owners the chance to continue testing rates and reap the rewards.

	BDTI	BCTI
	1211	910
Δ W-O-W	↑Firmer	↑Firmer

BDA (USD/LDT)	CHINA	SUBCON
This week	141.7	441.9
Δ W-O-W	-19.2	-4.0

BALTIC TCE DIRTY

	Route	Qnt	USD / Day	Δ W-O-W
TD1	ME Gulf / US Gulf	280,000	5,996	↓Softer
TD3C	ME Gulf / China	270,000	46,400	↓Softer
TD6	Black Sea / Med	135,000	146	↓Softer
TD8	Kuwait / Sing.	80,000	211	↑Firmer
TD9	Caribs / US Gulf	70,000	64,155	↑Firmer
TD14	Asia / Australia	70,000	19,008	↓Softer
TD17	Baltic / UKC	100,000	36,419	↑Firmer
TD20	WAF / Cont	130,000	99	↓Softer

BALTIC TCE CLEAN

	Route	Qnt	USD / WS	Δ W-O-W
TC1	ME Gulf / Japan	75,000	29,199	↓Softer
TC2	Cont / UAC	37,000	19,512	↑Firmer
TC5	ME Gulf / Japan	55,000	19,591	↓Softer
TC6	Algeria / EU Med	30,000	WS 230.31	↑Firmer
TC7	Sing. / ECA	30,000	17,698	↑Firmer
TC8	ME Gulf / UKC	65,000	WS 29.772	↑Firmer
TC9	Baltic / UKC	22,000	WS 235	↑Firmer

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