



Slumping into Q3

A lack of activity in the VLCC market meant that freight is still far from satisfying. The AG market has fallen from WS 50 to WS 48 level this week, while WAFR is hovering around the WS 47 level. Rates may not be a big concern, but the AWRP is the biggest concern for charterers in the AG at the moment. There were some trading cargoes at the end July in WAFR with prompt fixing windows, but this still could not help the market to go up. Many ships have been fixed under radar and the next week owners may hold back a little bit to try to push the market.

Suezmax markets are coming off the boil as we enter the traditionally weak Q3 period. TD20's rates have been on the wane all week, shedding more points with each day; we're currently at around WS 61, having started the week over 10 points higher. Charterers have the upper hand, clearing out stems at a rate which suggests that early third decade action could be swiftly killed. As a result, we could be left with 20 days of minimal inquiry. The fuel arb between Rotterdam and Singapore, which may eventually gift Suezmaxes a lifeline, but for now, VLCCs have been the preferred option.

In the Med, meanwhile, earnings on TD6 have just about risen over the course of the week, climbing incrementally. At the time of writing, earnings are at around USD 15,500 per day. A combination of straits delays and an anticipated, high volume of cargoes to close out the month are expected to buoy rates going forward, should owners decide to take advantage.

Aframaxes in the Baltic and North Sea have been balanced throughout the week, with a steady level of enquiry allowing activity to tick over. For now, last done levels should be achievable as the list presents viable options for both Baltic and Cross-North Sea voyages. However, it is looking a little busier.

In the Med and Black Sea, rates were tested down on Thursday, as had been expected. An ENI cargo was especially

low ex-Ceyhan, which contributed to the weaker sentiment and, while it may be particularly low, charterers will be using it to test rates further as much as possible. WS 100 ex-Novo has set a precedent ex-Black Sea for the end of the week and, with the list replenished by Monday, levels will continue to be tested.

Overall it was a steady week for MRs in northwest Europe, with an influx of cargoes hitting the market early doors in order for ships to be cleared prior to the US holiday, rates soon stabilised and for TC2 runs 37 x WS 140 is the level and sentiment is steady for now. The Handies have traded flat at 30 x WS 135 for Baltic - Cont runs and 30 x WS 125 for cross-Cont. The LR1s lost momentum this week as ARA - WAFR dropped to 60 x WS 90 and LR2 rates dove further on Med - Japan to an annual low of USD 1.65 Mn on subjects.

It was an active week in the Med with Black Sea delays being maintained and keeping the list tight, especially in the East Med. Big gains have therefore been made in rates as we reach recently unprecedented levels for this time of year. From starting the week at WS 135, cross-Med has quickly ticked up to finish at around WS 165-170 levels, with a slight East/West divide once again. The big driver has been the Black Sea and TS delays once again causing problems - 30 x WS 200 is now being achieved for BSea / Med. The list feels tight enough to maintain this momentum into the start of next week but if the delays reduce, expect levels to flatten.

It was a steady week on the MRs in the Med, although the 4th July weekend slowing things a little towards the end. 37 x WS 140 is now deemed the level for Med/TA, while WAFR trades are down to 37 x WS 155 levels, date and load dependent. Going East has firmed up after being seen as a less attractive option recently, although as the AG market starts to tighten again that could change - for now USD 750,000 levels Med / Suez are being achieved, with the usual differences up to the AG.

	BDTI	BCTI
	652	545
Δ W-O-W	↓Softer	↑Firmer
BDA		
(USD/LDT)	D/SUBCON	C/SUBCON
This week	415.5	413.6
Δ W-O-W	-4.7	-3.6

BALTIC TCE DIRTY

	Route	Qty	USD / Day	Δ W-O-W
TD1	ME Gulf / US Gulf	280,000	-8,100	↓Softer
TD3C	ME Gulf / China	270,000	19,845	↓Softer
TD6	Black Sea / Med	135,000	15,568	↑Firmer
TD8	Kuwait / Sing.	80,000	14,552	↑Firmer
TD9	Caribs / US Gulf	70,000	-958	↓Softer
TD14	Asia / Australia	70,000	13,030	↓Softer
TD17	Baltic / UKC	100,000	7,182	↑Firmer
TD20	WAF / Cont	130,000	11,574	↓Softer

BALTIC TCE CLEAN

	Route	Qty	USD / WS	Δ W-O-W
TC1	ME Gulf / Japan	75,000	9,577	↓Softer
TC2	Cont / USAC	37,000	11,587	↑Firmer
TC5	ME Gulf / Japan	55,000	7,675	↓Softer
TC6	Algeria / EU Med	30,000	WS 165	↑Firmer
TC7	Sing. / ECA	30,000	12,021	↓Softer
TC8	ME Gulf / UKC	65,000	WS 26	↑Firmer
TC9	Baltic / UKC	30,000	WS 137	↑Firmer



Bunker Prices								
(USD/T)	Fujairah	Δ*	Houston	Δ*	Rotterdam	Δ*	Singapore	Δ*
IFO 380	399	↑	396	↑	388	↑	410	↑
IFO 180	423	↑	450	↑	409	↑	445	↑
MGO	699	↑	630	↑	577	↑	610	↑

EXCHANGE RATES			CRUDE PRICES		
	Value	Δ*	(USD/Bbl)	Price	Δ*
EUR-USD	1.14	↑	Brent	66.33	↑
GBP-USD	1.27	↓	WTI	59.18	↑
USD-JPY	107.70	↑			
EUR-GBP	0.90	↑			
USD-KRW	1,154.80	↓			
USD-SGD	1.35	↓			
GBP-SGD	1.71	↓			

GDP GROWTH						
(%)	EU	India	US	China	World	
Q4 2018	1.2	6.6	2.2	6.4	3.6	
Q1 2019	1.2	5.8	3.1	6.4	3.6	

	Demolition		New Contracts	
	2019 YTD	2018	2019 YTD	2018
Handysize	2	12	0	3
Medium Range	7	25	52	69
Panamax / LR1	4	7	0	17
of which LR1:	3	3	0	14
Aframax / LR2	4	45	17	26
of which LR2:	1	7	10	9
Suezmax	6	23	13	14
VLCC	2	33	15	44
Grand Total	25	145	97	173
			Y-O-Y% Δ*	-44%

Tankers	Fleet					Deliveries			Orderbook				
	2015	2016	2017	2018	May-19	Delivered 2017	Delivered 2018	Delivered 2019	2019	2020	2021	Total Orderbook (Through to 2021)	% of Fleet
Handysize	553	568	579	575	582	18	8	9	9	8	1	18	3.1%
Medium Range	1433	1522	1573	1603	1633	66	56	38	59	80	16	160	9.9%
Panamax / LR1	413	430	444	449	451	21	12	6	17	8	6	31	6.9%
of which LR1:	344	359	372	381	382	18	12	4	13	4	6	23	6.0%
Aframax / LR2	923	967	1002	1008	1038	64	51	34	19	36	18	81	8.1%
of which LR2:	291	324	352	363	382	34	18	20	7	16	6	31	8.1%
Suezmax	485	512	558	567	584	57	32	23	8	30	6	44	7.5%
VLCC	644	689	729	734	766	50	39	34	33	44	8	85	11.1%
Grand Total	4,451	4,688	4,885	4,936	5,054	276	198	144	145	206	55	419	9.2%

*Δ : Change Week on Week



World Oil Actuals (Mn bpd)	Demand			Supply		
	2019	Q1-2019	Q2-2019	2019	Q1-2019	Q2-2019
OECD						
Canada	2.41	2.35	2.37	5.10	4.97	5.06
Europe	14.32	13.99	14.19	-	-	-
Japan	3.67	4.12	3.37	-	-	-
Other OECD	6.46	6.52	6.37	4.71	4.72	4.66
U.S. (50 States)	20.69	20.27	20.52	19.88	19.05	19.76
Mexico	-	-	-	2.00	1.96	2.03
Total OECD	47.66	47.50	46.87	31.68	30.70	31.51
As % of World	47.02	47.27	46.51	31.20	30.66	31.08

Time Charter Rates								
	1-Year	W-O-W	Avg 2018	Avg 2019	3-Year	W-O-W	5-Year	W-O-W
VLCC	33,000	→	23,582	30,167	32,000	→	28,500	→
Suezmax	23,000	→	17,004	22,713	23,250	→	22,250	→
LR2	20,250	→	14,893	19,046	20,500	→	19,250	→
Aframax	20,500	→	14,937	19,213	21,000	→	19,000	→
LR1	16,250	→	12,879	15,065	16,250	→	15,500	→
MR	14,750	→	13,064	13,974	15,250	→	14,250	→
Handysize	13,500	→	11,614	12,926	13,750	→	13,500	→

Non-OECD						
China	14.34	14.29	14.48	4.86	4.86	4.84
Europe	0.76	0.76	0.76	-	-	-
FSU	5.00	4.81	4.87	14.67	14.84	14.53
Other Asia	13.96	13.99	14.11	-	-	-
Other Non-OECD	19.52	19.22	19.50	14.39	13.81	14.59
Total OPEC	-	-	-	35.92	35.93	35.91
Total Non-OECD	53.70	52.99	53.90	69.84	69.44	69.88
As % of World	52.98	52.73	53.48	68.80	69.35	68.92
Total World	101.37	100.48	100.77	101.52	100.13	101.40

Asset Values								
	Newbuilding	W-O-W	Resale	W-O-W	5-YO	W-O-W	10-YO	W-O-W
VLCC	91.00	→	96.00	→	68.50	→	46.00	→
Suezmax	62.00	→	66.00	→	49.00	→	34.00	→
Aframax	51.00	→	52.00	↑	36.00	↑	25.50	↓
LR2	52.50	→	53.00	→	37.00	↑	26.50	↓
LR1	42.00	→	41.50	→	31.00	→	18.00	→
MR	35.50	→	38.00	↑	29.00	↑	18.00	↑
Handysize	33.00	→	35.00	↑	24.50	↑	13.50	→



INDICATIVE VOYAGE FIXTURES										
	Cargo Quantity	Grade	Load	Discharge	Vessel	Charterer	Laycan	Rate	Status	Comment
VLCC										
	270,000 MT	CRUDE	MEG	CHINA	DAISHAN (07)	UNIPEC	19-21 JUL	WS 48	SUBS	SOFT
	260,000 MT	CRUDE	WAFR	CHINA	KHK VISION (07)	UNIPEC	02 AUG	WS 47	SUBS	SOFT
Suezmax										
	130,000 MT	CRUDE	NIGERIA	ROTTERDAM	NAVIGARE TOLERO	TOTAL	22 JUL	WS 60	SUBS	SOFT
	135,000 MT	CRUDE	CPC	UKCM-SINGAPORE	STENA SUNRISE	KMG	23 JUL	WS 82.5-USD 3.3 Mn	SUBS	SOFT
Aframax										
	100,000 MT	FO	VENTSPILS	UKC	SEAWAYS REDWOOD	CLEARLAKE	13-15 JUL	WS 65	SUBS	SOFT
	90,000 MT	CRUDE	NOVO	MED	ISABELLA	OILMAR	21-22 JUL	WS 100	SUBS	WEAK
Panamax										
	55,000 MT	VGO	ANTWERP	PASCAGOULA	ANTIKEROS	CHEVRON	21-22 JUL	WS 92.5	FIXED	SOFT

Spot Market									Affinity Index: Percentage change of our TCE compared to the base day: 7/01/2015 =100	
	Cargo Quantity	Route	Affinity Index*	Affinity TCE (\$/Day)	Δ* WOW	Δ* MOM	Average Year to Date (\$/day)	Average 2018 (\$/day)		
VLCC										
		(TD1 & TD3C)	20	9,453	-19%	160%	11,564	9,108		
TD1	280,000 MT	ME Gulf / US Gulf	-30	-3,005	232%	53%	-48	-5,233		
TD3C	265,000 MT	ME Gulf / China	26	21,911	-10%	61%	23,176	23,448		
Suezmax										
		(TD6 & TD20)	35	20,542	6%	5%	23,560	23,096		
TD6	135,000 MT	Black Sea / Med	41	28,888	11%	6%	32,542	32,563		
TD20	130,000 MT	West Africa / Cont	29	12,196	-5%	1%	14,579	13,629		
Aframax										
		(TD8, TD14 & TD17)	37	17,251	3%	-13%	20,152	16,090		
TD8	80,000 MT	Kuwait / Sing.	65	21,263	-3%	4%	18,558	13,885		
TD9	70,000 MT	Caribs / US Gulf	10	2,971	-66%	-68%	18,127	13,297		
TD14	70,000 MT	Asia / Australia	52	17,163	-1%	-10%	17,375	13,973		
TD17	100,000 MT	Baltic / UK Cont	18	13,326	19%	-34%	24,524	20,413		

*Affinity Index: Base day is 07/01/2015. The Affinity Index is calculated based on our freight rate estimates of the above routes. Starting on 7 January 2015, the Affinity index registers the freight rates from each day and then compares them to the base rate of the start date.



INDICATIVE VOYAGE FIXTURES

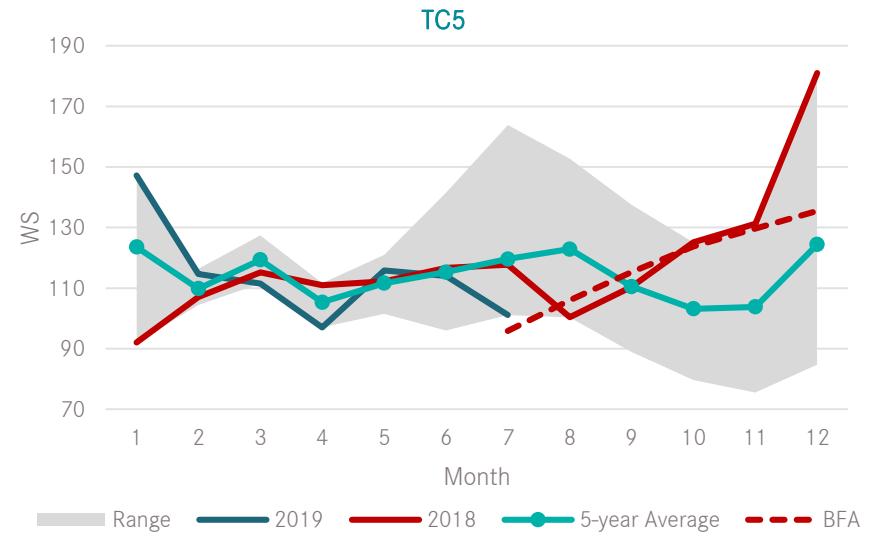
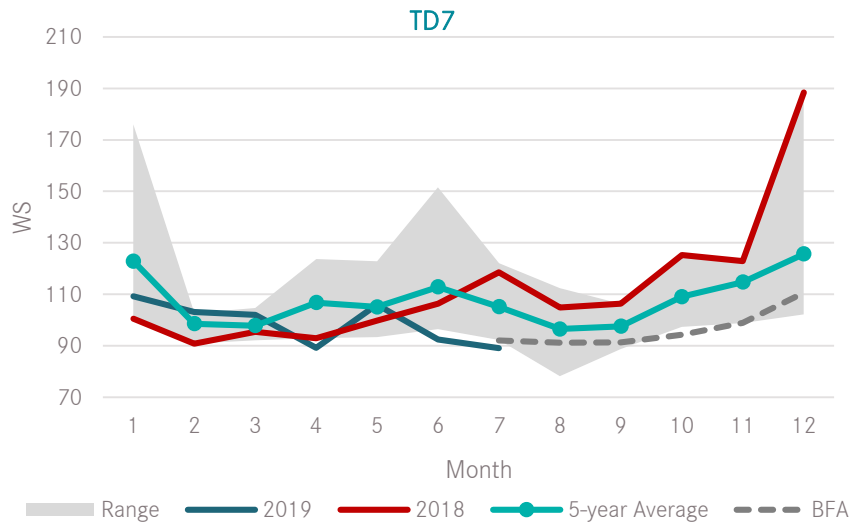
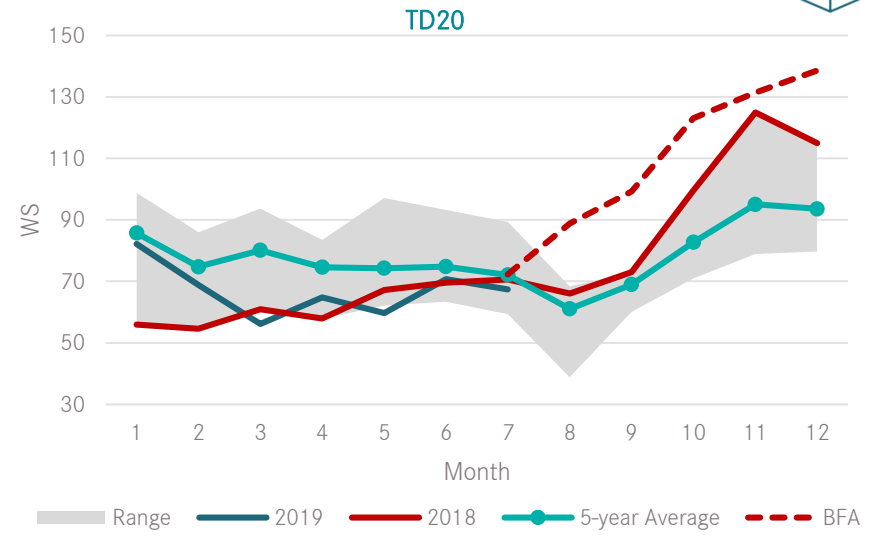
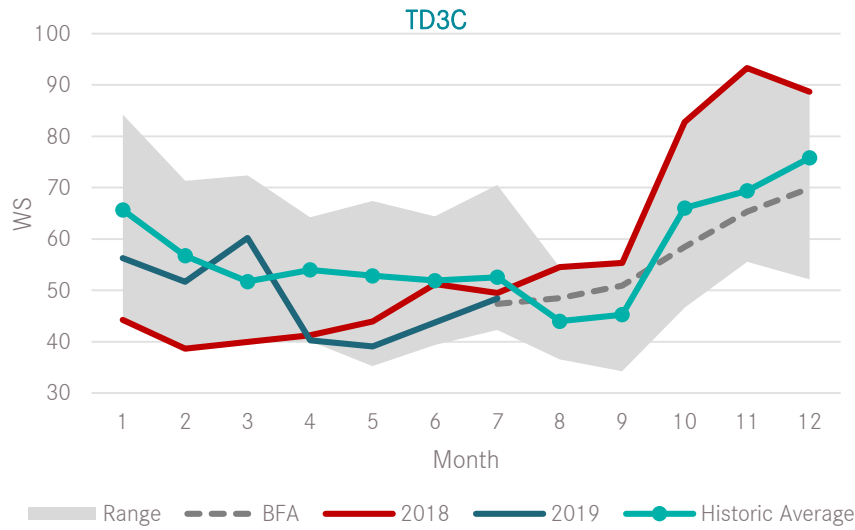
	Cargo Quantity	Grade	Load	Discharge	Vessel	Charterer	Laycan	Rate	Status	Comment
LR2										
TC 1	75,000 MT	NAP	AG	JAPAN	STI SANCTITY	SHELL	11-12 JUL	WS 97.5	FIXED	WEAK
LR1										
TC 5	60,000 MT	NAP	AG	JAPAN	BOLAN	CSSA	11-12 JUL	WS 105	FIXED	SOFTENING
TC 8	55,000 MT	JET	AG	UKC-OPTS	BW TAGUS	CSSA	14-15 JUL	USD 1.8 Mn	FIXED	SOFTENING
MR										
TC 12	40,000 MT	UMS	AG	USAC	GLENDAMERYL (L.VEG)	ATC	07 JUL	USD 1.4 Mn USAC	FIXED	TIGHTER
TC 2	37,000 MT	UMS	ARA	TA	SUNNY BAY	EXXON	15 JUL	WS 140	SUBS	STEADY
TC 6	30,000 MT	CPP	SPMED	MED	GULF MIST	REPSOL	09-10 JUL	WS 160	SUBS	TIGHTER
TC 7	35,000 MT	CPP	JAPAN	OZ	GRANCE ACE 11	ST SHIPPING	04-06 JUL	WS 185	FIXED	STEADY
TC 9	30,000 MT	CPP	VENTSPILS	UKC	STI HAMMERSMITH	VITOL	08-09 JUL	WS 140	SUBS	TIGHT

Spot Market

Affinity Index: Percentage change of our TCE compared to the base day: 7/01/2015 =100

	Cargo Quantity	WS/LS	Affinity TCE (\$/Day)	Δ* W-O-W	Δ* M-O-M	Average 2019 YTD (\$/day)	Average 2018 (\$/day)
LR2							
AG / Japan	75,000 MT	90.00	9,998	-2,679	-6,555	16,048	10,020
AG / UKC	80,000 MT	2.00	16,289	-1,098	-6,516	21,421	12,564
AG / EA	80,000 MT	90.00	10,373	-1,020	-5,727	16,971	11,505
LR1							
AG / Japan	55,000 MT	100.00	7,836	-2,533	-5,476	11,951	7,985
AG / UKC	65,000 MT	1.63	14,821	-2,232	-6,162	18,021	10,783
AG / EA	65,000 MT	112.50	14,490	-203	-3,166	16,593	11,540
MR							
AG / UKC	40,000 MT	1.10	9,048	-5,203	-10,695	15,335	10,046
WCI / Red Sea	35,000 MT	0.40	6,412	-936	-16,302	13,501	6,841
WCI / Japan	40,000 MT	105.00	3,725	-977	-6,423	7,636	4,646
AG / EA	35,000 MT	117.50	6,540	-1,753	-8,970	11,722	8,583

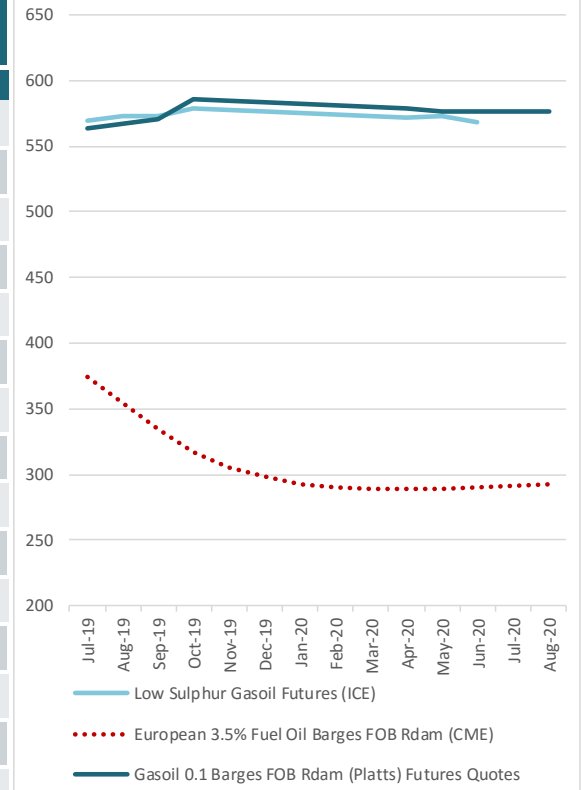
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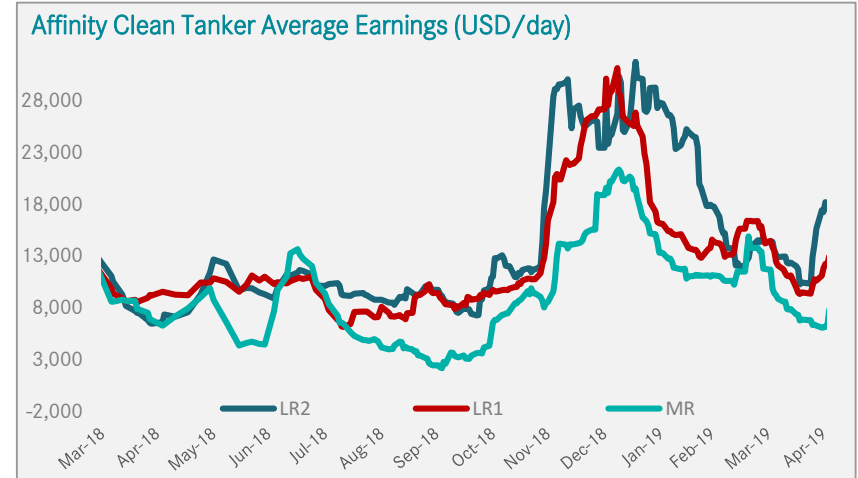
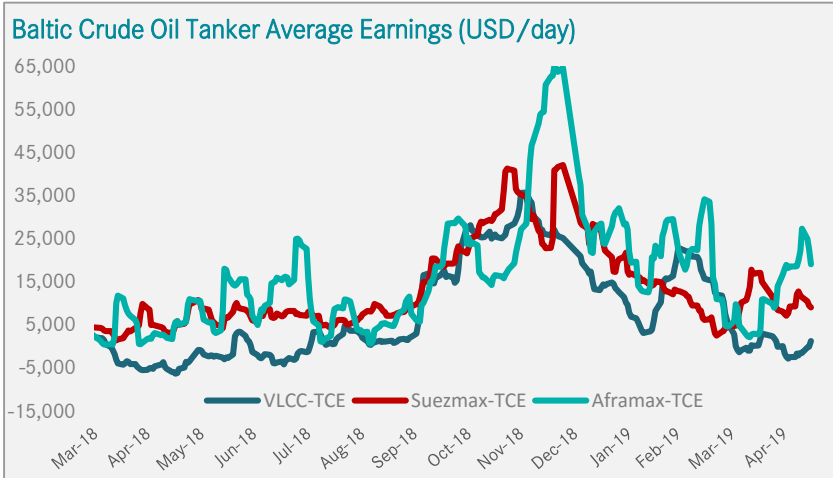




Rotterdam Futures

	Low Sulphur Gasoil Futures (ICE)			European 3.5% Fuel Oil Barges FOB Rdam (CME)			Gasoil 0.1 Barges FOB Rdam (Platts) Futures Quotes		
	05/07/2019	28/06/2019	%Δ	05/07/2019	28/06/2019	%Δ	05/07/2019	28/06/2019	%Δ
Jul-19	570.0	597.8	▼-5%	373.9	379.3	▼-1%	563.9	584.8	▼-4%
Aug-19	572.8	600.3	▼-5%	355.0	361.3	▼-2%	566.8	587.4	▼-4%
Sep-19	572.8	603.0	▼-5%	335.0	343.3	▼-2%	570.9	591.1	▼-3%
Oct-19	578.8	605.5	▼-4%	316.7	326.2	▼-3%	586.1	586.1	▬0%
Nov-19	578.0	604.3	▼-4%	305.5	315.2	▼-3%	584.5	584.5	▬0%
Dec-19	576.0	602.0	▼-4%	298.5	307.8	▼-3%	583.3	583.3	▬0%
Jan-20	575.3	601.3	▼-4%	292.5	301.7	▼-3%	582.7	582.7	▬0%
Feb-20	574.3	601.0		289.6	298.3	▼-3%	581.8	581.8	▬0%
Mar-20	573.3	598.8	▼-4%	288.4	297.1	▼-3%	580.6	580.6	▬0%
Apr-20	571.8	596.5		288.6	296.8	▼-3%	578.7	578.7	▬0%
May-20	573.0	593.8		289.4	297.1	▼-3%	577.0	577.0	▬0%
Jun-20	568.5	594.0	▼-4%	290.4	297.7	▼-2%	576.5	576.5	▬0%
Aug-20				292.7	298.6	▼-2%	576.8	576.8	▬0%
Dec-20	566.0	589.0		300.7	308.5	▼-3%	571.8	571.8	▬0%
Dec-21				314.0	321.2	▼-2%	563.3	563.3	

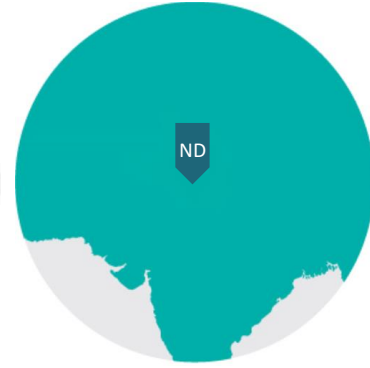




FFA Dirty		Jul	Aug	Sep	Oct	Nov	Dec
	Routes						
TD3C	ME Gulf / China	35.7	41.0	43.6	45.5	49.6	57.0
TD7	North Sea / Cont	79.7	69.4	68.2	67.8	67.4	69.5
TD8	Kuwait / Sing.	112.9	106.0	106.3	108.3	111.4	116.4
TD17	Baltic / Cont	90.5	69.0	66.3	66.3	65.7	74.0
TD19	Baltic / Cont	103.9	105.3	95.9	94.0	94.6	96.7
TD20	West Africa / Cont	61.1	63.9	64.3	65.0	68.0	79.4

FFA Clean		Jul	Aug	Sep	Oct	Nov	Dec
	Routes						
TC2	Cont / UAC	113.5	123.6	120.5	115.8	122.3	134.6
TC5	ME Gulf / Japan	114.0	116.6	121.5	124.5	127.9	140.0
TC6	Algeria / EU Med	149.8	155.8	145.5	139.4	153.1	166.8
TC7	Sing / ECA	165.3	167.0	169.4	171.2	172.4	174.2
TC9	Baltic / UKC	133.1	138.3	132.9	131.2	130.5	136.5
TC12	WCI / Japan	127.4	132.0	130.8	133.3	137.2	148.2
TC14	USG / Cont	89.4	93.5	92.5	92.7	93.0	94.5
TC15	Skikda / Chiba	91.6	89.9	92.7	94.6	96.6	106.1

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