



Festive fixing window provides owners some cheer

MEG-China VLCC rates dropped slightly at the beginning of the week but, towards the end, had begun to firm once more. On Thursday, the Baltic assessed TD3C at WS 93.58, but a fair bit of activity is taking place under the radar in Christmas week. Rates are set to continue to firm into next week, but steadily, rather than sharply.

Suezmax markets have risen globally throughout the week, with the West Africa markets climbing significantly. TD20 started the week at WS 120 and now sits comfortably at WS 137.5. However, WS 140 is rumoured to have been shown by charterers on a private basis, suggesting that levels are still there to be tested a little by owners. A lack of longhaul candidates has seen charterers pay WS 157.5 for WAFR/East voyages, and sentiment for now remains very much firm.

Despite the increase in levels, December volume is beginning to close out in WAFR and there's the possibility this spike in levels may be relatively short-lived. Med/Black sea regions have also increased in more of a steady fashion and AG markets have been driven by AG/India business. However, TD23 levels have managed to climb off the back of this and now sit around the WS 62.5 mark. Owners will remain bullish going into next week and the list will have to be reassessed on Monday to better gauge the directions in which markets will move.

As for Aframax, TD19 rates have seemingly settled for now after sliding over the past week. The Baltic exchange currently assesses TD19 at around WS 180. The northern markets have continued their bounce back from the end of last week, with activity picking up. As a result, we don't expect rates to fall by any notable margin at the start of next week, with sentiment among owners firm.

Refineries in Europe are finishing their maintenance and the Johan Sverdrup field is producing more crude than had originally been expected, all pointing towards solid market fundamentals.

As for product tankers, at the beginning of the week, MR rates have bounced back from a reported WS 165 at the beginning of the week back to WS 182.5, which was seen on subs, with owners trying to leverage the tight list to increase freight rates even further.

The LR market has continued to be slow in the Middle East, however there has been a bit more activity this week. For LR2s, rates on TC1 have declined by 6 WS points to WS 151. The paper market is also weaker than owners would like; the Baltic is currently assessing December at WS 169.8 for TC1. Despite the lack of enquiry, the market has mostly held its value in this prolonged period of inactivity. LR1s saw a similar decline mid-week from WS 156 to WS 149. Currently, it's too soon to say if there will be enough new cargoes to have a positive effect on the market in the next week. The TCE on TC5 was up 123 per cent year-on-year in November. Meanwhile, year-on-year increases for December are set to be more modest, currently just under USD 3,000 greater than December 2018.

West of Suez, London's Christmas party week is coming to a close, with a trickle of activity. Owners have been holding strong, though, with TC2 at around WS 165. LR2s on Med - East have ticked over with USD 3.15 Mn on subs, while LR1s have suffered a far quieter week, with levels down to WS 180.

At the beginning of the week, a lack of dedicated barges for LSFO at Fujairah was causing delays of 2-4 days for vessels trying to bunker there. There are currently 50 vessels anchored in Fujairah, it is the most congested anchorage according to Reuters Eikon statistics.

	BDTI	BCTI	
	1286	809	
Δ W-O-W	↑Firmer	↓Softer	
BDA			
(USD/LDT)	TKR/LRG	TKR/MED	TKR/SML
This week	388.0	365.0	368.0
Δ W-O-W	15.5	-7.7	3.7

BALTIC TCE DIRTY				
	Route	Qnt	USD / Day	Δ W-O-W
TD1	ME Gulf / US Gulf	280,000	41,111	↓Softer
TD3C	ME Gulf / China	270,000	75,614	↓Softer
TD6	Black Sea / Med	135,000	63,276	↑Firmer
TD8	Kuwait / Sing.	80,000	41,742	↑Firmer
TD9	Caribs / US Gulf	70,000	43,498	↑Firmer
TD14	Asia / Australia	70,000	43,251	↑Firmer
TD17	Baltic / UKC	100,000	55,902	↑Firmer
TD20	WAF / Cont	130,000	56,712	↓Softer

BALTIC TCE CLEAN				
	Route	Qnt	USD / WS	Δ W-O-W
TC1	ME Gulf / Japan	75,000	32,967	↓Softer
TC2	Cont / USAC	37,000	16,211	↓Softer
TC5	ME Gulf / Japan	55,000	23,211	↓Softer
TC6	Algeria / EU Med	30,000	WS 239	↑Firmer
TC7	Sing. / ECA	30,000	22,324	↓Softer
TC8	ME Gulf / UKC	65,000	WS 30	↑Firmer
TC9	Baltic / UKC	30,000	WS 185	↑Firmer