



Maintaining a summer status quo

It is as you were in the VLCC market, with a flat market in both the AG and WAFR. TD3C continues to hover around WS 32.75, with around 10 stems covered so far for the first decade of next month, but there hasn't been enough activity to get owners excited.

Similarly, in WAFR, rates are flat at WS 38, despite there being a bit more activity. Likewise, the USG has been a bit busier, with TD22 coming in at USD 5.4 Mn. However, owners would prefer to lock in their vessels for shorter haul voyages, in the hope that rates will pick up sooner rather than later.

It remains unclear whether the AG cargo count will be higher in September, despite Saudi Arabia only pledging to limit export volumes through August.

Suezmax rates in WAFR have held steady over the course of the week, despite a profound lack of activity. TD20 is holding at around WS 45, which equates to earnings of USD 10,500 per day.

It has been similarly quiet in the AG, but rates have begun to slide there. A vessel was fixed at just WS 18.75 on AG/Med with a first decade of September laycan. Sentiment remains poor.

Beyond the negative macroeconomic outlook, the traditional summer lull period has done the Aframax markets no favours. Activity has been very muted in both the Med and Northern European markets; in the latter, the remaining stems for the Baltic in August look likely to go onto relets, with little happening in the North Sea. TD7 is down on the week by 7 WS points to WS 79, while TD17 has shed 5 WS points down to WS 55, and will probably close down on this today.

In the Med and Black Sea, early September stems for the latter are being covered, but there is still very little to report. TD19 is down at WS 63, down by a couple of WS points on the week.

There remains little prospect of imminent recovery. Azeri light

volumes will total only 22 cargoes next month, compared to 25 in August and 23 in July, which was an 11-year low.

LRs East of Suez have continued to kick on from the rate surge of last week. TC1 is up to WS 90, its highest since early June, while TC5 is coming in at just shy of WS 100.

However, LR2 cargoes remain thin on the ground, with a couple flaking away on Wednesday night. Owners may feel that they have not been able to press home the advantage as much as they would have liked. Sentiment remains positive, however, with the expectation that the market will continue to firm.

The LR1 market's prospects are a little more in doubt, however. Things have suddenly gone quiet, exacerbated by the Islamic New Year in the Middle East. Owners are looking to the stems due on Monday to help things kick off once more, hoping that the gains made over the past fortnight will not ebb away.

Smaller product tankers in the UKC have had mixed fortunes meanwhile. TC2 levels quickly rose at the beginning of the week off the back of a short-looking tonnage list, but volumes soon subsided, which has left the market looking steady-to-weak. Levels have held at WS 85, after picking up by 5 points at the beginning of the week.

Cont/WAFR rose as high as WS 105, but WS 100 looks like the more accurate assessment by close of play today. Handies have been slow but are holding at around WS 90 for Baltic/UKC runs and WS 85 for cross-Cont.

In the Med, there has been little improvement for Handies, with rates staying along the bottom at WS 80 cross-Med and WS 90 for Black Sea/Med runs.

On the western LR2s, there has been a good level of enquiry, which has tightened position lists and inflated rates. However, MRs are now looking more competitive for Westbound cargoes, so enquiry may drop next week, particularly for runs into WAFR. Nevertheless, the outlook remains positive, which is a welcome change for owners.

	BDTI	BCTI
	488	415
Δ W-O-W	↓ Softer	↑ Firmer
BDA		
(USD/LDT)	TKR/LRG	TKR/MED
This week	320.2	320.4
Δ W-O-W	3.6	4.9
	TKR/SML	311.4
		21.5

BALTIC TCE DIRTY				
	Route	Qnt	USD / Day	Δ W-O-W
TD1	ME Gulf / US Gulf	280,000	2,551	↓ Softer
TD3C	ME Gulf / China	270,000	15,237	↓ Softer
TD6	Black Sea / Med	135,000	6,368	↓ Softer
TD8	Kuwait / Sing.	80,000	7,837	↑ Firmer
TD9	Caribs / US Gulf	70,000	3,282	↓ Softer
TD14	Asia / Australia	70,000	10,022	↑ Firmer
TD17	Baltic / UKC	100,000	6,919	↓ Softer
TD20	WAF / Cont	130,000	10,676	↓ Softer

BALTIC TCE CLEAN				
	Route	Qnt	USD / WS	Δ W-O-W
TC1	ME Gulf / Japan	75,000	17,022	↑ Firmer
TC2	Cont / USAC	37,000	5,786	↑ Firmer
TC5	ME Gulf / Japan	55,000	13,956	↑ Firmer
TC6	Algeria / EU Med	30,000	WS 80	↑ Firmer
TC7	Sing. / ECA	30,000	5,850	↓ Softer
TC8	ME Gulf / UKC	65,000	WS 25	↑ Firmer
TC9	Baltic / UKC	30,000	WS 89	↑ Firmer