AFFINITY TANKER WEEKLY

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Per Aspera ad Astra

VLCC rates have trended sideways this week, with very little changes of note. TD3C and TD15 remain at around WS 26 and WS 29.5 respectively, with earnings on the former remaining at a lousy USD 6,500 per day. The only uptick this week was on TD22, where levels increased in the middle of the week, but only modestly, climbing by around USD 0.1 Mn to USD 4.6 Mn LS.

Suezmaxes this week reached a 5-week high on available tonnage in WAF. Shell was seen fixing a Baobab/Pembroke at WS 39, but with the lack of cargoes seen in WAF, it was only a matter of time before rates started to correct down from the high 30's we've seen earlier. It seems owners with ballasters from GIB have been demanding higher rates on the back of the activity in the Med, but committed ships from the East and ships in South Africa have proven to be the cheaper options. The Med and the AG have been busier and freight for the major routes out of almost all load regions has inched up. We expect freight next week to be trading sideways for most of the time.

For Aframaxes, the Med market started with promise as Monday and Tuesday saw decent levels of activity, but this eased off during the week and forward dates have been quite comfortably covered now. Despite some weather delays, tonnage has refreshed rapidly enough to the point where good solutions are now available for charterers. Now, rates have eased as we head into the weekend, with rates on TD19 at around WS 60 and Black Sea at WS 62.5.

The North European markets have fared better. TD7 jumped by about 5 points on Thursday, while TD17 has risen more steadily over the past couple of days, inching up to about WS 43.5. There has been a steady rate of fixing throughout the week, which, combined with weather delays both in transit and at load/discharge ports, resulted in tonnage lists tightening. Owners of the remaining available tonnage were able to negotiate rates a little higher. Many have been unwilling or unable to accept recent levels, which is unsurprising, given that earnings had dipped into the negative for non-ECO ships.

We will see if there is potential for further rises next week, but earnings remain very poor.

It has been a quiet week for AG LR2, still, owners have done well to leverage freight levels upward on the cargoes that did come to market. TC1 is oscillating between WS 80 – 85 and owners are talking upwards of USD 1.85 Mn for AG/UKC.

AG LR1s have had a similar week to that of their larger sisters, with unremarkable cargo volumes but firming rates. Owners seem to be hanging their hat on the WS 80 peg for TC5. Westbound has not been tested this week, but there is resistance at the USD 1.3 Mn level for WCI/UKC.

It was a quiet week for western LR1s, but a busier MR market is giving owners hope. There are still a good few vessels left to fix on the front end of the list and there is an abundance of ships ballasting up into Europe from the quieter US market, Brazil and WAF. Given the low rates are so slow we do not foresee a drop in market levels, but at the same time any market recovery looks to be a long way off. West LR2s had a better week, but rates still slipped. Owners seem to be trying to push the market and some storage enquiry has thinned out the early tonnage. The Red Sea levels are decent enough to provide owners with an alternative employment route, but the market looks to remain steady over the next week or so.

It has been another fairly mundane week for the Med Handies - mid week especially was quieter without real inroads into a long ppt tonnage list being made. WS 70 was done for Cross-Med, while ex-Blsea owners at least managed to hold onto WS 80. The list can be expected to build again over the weekend, 18-20 prompt Handies are expected on Monday. One glimmer of hope is the firmer MRs, which could filter down to improved Handy activity.

East Africa MRs firmed to WS 132.5, but later dropped back to WS 127.5 and this was repeated a few times, but WS 145 has been paid on a prompt cancellation, which has peaked owners' interest again. The list on the front end remains tight, but generally the fixing window is moving to end November / early December, but the position list eases up off these dates. Sentiment has been the primary driver on the MRs this week and hence it has proven to be quite fickle.

The North Asia MRs list has been tightened up by a steady volume of cargo this week. Still, rates have yet to see any sizable jump, Korea/Singapore is paying around USD 260k, while Korea/Oz is at WS 97.5-100. Singapore/S.China as of Friday was on subjects at USD 260k, while last done for Singapore/Australia is WS 100, but next done should more towards WS 105.

Elsewhere, TC2 has reacted to a new wave of cargoes at week's end, driving rates up to WS 100 as the list clears out. Premiums to WAF could be stretched to 10 points on top on the back of a busier market but remains the preferred cargo of choice for many owners as the US market remains on its knees.

	BDTI	BCTI
	438	368
Δ W-O-W	↑Firmer	↑Firmer

BDA

(USD/LDT)	TKR/LRG	TKR/MED	TKR/SML
This week	377.8	378.3	374.3
Δ W-O-W	1.5	2.4	-1.2

BALTIC TCE DIRTY

	Route	Qnt	USD / Day	W-O-W
TD1	ME Gulf / US Gulf	280,000	-5,804	↓Softer
TD3C	ME Gulf / China	270,000	6,326	↑Firmer
TD6	Black Sea / Med	135,000	2,318	↑Firmer
TD8	Kuwait / Sing.	80,000	1,999	↑Firmer
TD9	Caribs / US Gulf	70,000	11,113	↑Firmer
TD14	Asia / Australia	70,000	4,334	↑Firmer
TD17	Baltic / UKC	100,000	1,956	↑Firmer
TD20	WAF / Cont	130,000	4,611	↓Softer

BALTIC TCE CLEAN

	Route	Qnt	USD / WS	W-O-W
TC1	ME Gulf / Japan	75,000	14,178	↑Firmer
TC2	Cont / USAC	37,000	8,416	↑Firmer
TC5	ME Gulf / Japan	55,000	9,494	↑Firmer
TC6	Algeria / EU Med	30,000	WS 71.19	↑Firmer
TC7	Sing. / ECA	30,000	7,176	↑Firmer
TC8	ME Gulf / UKC	65,000	WS 22	↑Firmer
TC9	Baltic / UKC	30,000	WS 85.71	↑Firmer