



17 SEPTEMBER 2021

One step forward, two steps back...

After a brief spike at the end of last week, the Atlantic basin has been very quiet as we are starting to see October VLCC stems. We saw WAF/East on subs at WS 36 earlier this week, but on Thursday already the Baltic Exchange is assessing TD15 at WS 35.8 levels. Minimal fixing for end of September dates in the AG has resulted in the market taking the proverbial two steps back after the one step forward. MEG/China is on subs at WS 34, from WS 34.75 seen last Friday.

It has been a quiet week in WAF on the Suezmaxes – TD20 is in the WS 50-51 levels, WAF/East is around WS 57.5 – and a dearth of fresh cargoes might put a lid on rates. We have seen a bit more action in the AG, but it wasn't enough to move rates noticeably. Basrah/Med for 2 Oct dates is on subs at WS 21.5, and there are a couple of stems in the works and that should be enough to keep rates at their current levels at least. All-in-all sideways.

As for Aframaxes in the North Sea/Baltic, the week began on a positive note for owners as cargoes hit the market and owners went about getting their vessels covered. However, by midweek, the steam had come out of the market and some of the gains were soon reversed. September is soon to be fully covered and tonnage remains in abundant supply, so no significant uptick is expected over the coming days. TD7 and TD17 are now assessed at WS 92.5 and WS 60 respectively.

In the Med and Black Sea, sentiment had firmed on the back of a few factors. Tonnage in the area has tightened as vessels have been picked off under the radar and others are ballasting to other regions to try to take advantage of better returns elsewhere. October's healthy Black Sea programme has also given owners some heart, although news that Libya's loading problems at the ports of Es Sider and Ras Lanuf have now been resolved will mean there will be little need for replacements. However, the country remains vulnerable to more disruption as the political situation remains fragile.

As for the product side of things, the AG LR1s have had a decent clear out this week and TC5 rates have bounced back off the WS 110 to WS 115 as we go into the weekend and owners are looking to move the needle along for any upcoming stems. Westbound stems are still not generally preferred by owners although charterers have had some success in taking older units for these runs. It has been a very strange week for the LR2s; cargo supply has ebbed and flowed and rates for TC1 have oscillated between WS 107.5 and WS 110. The tonnage list for September laycans is now very short and owners are talking WS 115. This said, there is very little remaining cargo and we will likely see ships roll into the October window and consequently will

repopulate the list for these laycans, so the outlook is flat.

AG MRs have been fairly balanced throughout. The week started off with a longer list, but it hasn't capitulated to the extent some thought on Monday and Tuesday. Given the 40-odd points that TC17 lost last week, there has been some consolidation and rates have now found their feet. TC12 hasn't been active, but the few deals that have been done are at WS 130. The outlook for next week is more of the same and, as the LR1s show some more life, owners are hopeful that Q4 could be a little more fruitful.

LR1s in North Asia are still in short supply, however, their availability is on par with the cargo demand and rates have traded slightly down this week. Korea/Singapore has been fixed at USD 450k and mid-China/Singapore is at USD 425k. The LR2s are more abundant and here rates have dropped off significantly with USD 475k on subjects for Korea/Singapore as owners are keen to stagger the return of their fleet to the Middle East. Looking forward into next week, there are some headwinds that suggest that perhaps it won't all be plain sailing. Furthermore, with reports of Chinese export quotas being cut for Q4, this means we could well see cargo volume dry up.

The North Asia MRs remained busy at the start of the week, but volumes dropped away later in the week, leading to a more pessimistic view going forward. Korea/Singapore, at the time of writing, was seen on subjects at USD 365k – Korea/Oz at WS 180. But having said that, with a couple of holidays coming up in the Far East coupled with a handful of ballasters heading back from the USWC region, will the market be sustained? The Singapore MRs has remained very slow in enquiry, very little fresh to talk about but under radar activities remains in play. TC7 remains untested but are assessed at WS 170, with X-Singapore paying around USD 160k levels.

In the West, a busier finish to the week on TC2 provides a little optimism in the market, but the sheer supply of tonnage leaves the market trading flat at WS 100.

We saw some improvements in activity this week for TC6, as the better enquiry has supported the thinning list, although rates for now remain bumbling along the bottom around WS 115. Should this activity continue into next week and the list remain tighter, we may start to see some gains on rates, however as has been the case so often this year, owners should not be caught counting their chickens before they are hatched just yet and the list will naturally replenish over the weekend. An end-month rush of cargoes in the 25-30 window could shake things up though.

		BDTI	BCTI	
		616	480	
	Δ W-O-W	↑Firmer	↓Softer	
BDA				
(USD/LDT)	TKR/LRG	TKR/MED	TKR/SML	
This week	592.5	597.0	596.5	
Δ W-O-W	-1.4	0.2	0.0	
BALTIC TCE DIRTY				
	Route	Qnt	\$/Day	W-O-W
TD1	ME Gulf / US Gulf	280,000	-17,370	↓Softer
TD3C	ME Gulf / China	270,000	-2,075	↓Softer
TD6	Black Sea / Med	135,000	-6,801	↓Softer
TD8	Kuwait / Sing.	80,000	1,159	↓Softer
TD9	Caribs / US Gulf	70,000	6,779	→Steady
TD14	Asia / Australia	70,000	4,599	↑Firmer
TD17	Baltic / UKC	100,000	-2,401	↑Firmer
TD20	WAF / Cont	130,000	-955	↓Softer
BALTIC TCE CLEAN				
	Route	Qnt	\$/WS	W-O-W
TC1	ME Gulf / Japan	75,000	9,905	↑Firmer
TC2	Cont / USAC	37,000	-221	↓Softer
TC5	ME Gulf / Japan	55,000	7,186	↓Softer
TC6	Algeria / EU Med	30,000	WS 114.38	↑Firmer
TC7	Sing. / ECA	30,000	10,137	↓Softer
TC8	ME Gulf / UKC	65,000	WS 26	↑Firmer
TC9	Baltic / UKC	30,000	WS 120.71	↑Firmer