



## Some promising steps...

The AG market remains steady for VLCCs – some bits and bobs done here and there, but not enough to move rates. MEG/China is on subs at WS 35.5 for 15 – 18 Feb dates, and sentiment is steady overall. The Atlantic basin is very quiet, with very little done and rates still stuck to range lows. WAF/East is on subs at WS 36.5 and we still see a cargo outstanding.

Positive sentiment is giving a boost to the Suezmaxes in WAF, with Nigeria/UKC now above WS 66 levels – a welcome change from the quietness of the past few weeks, and well above last Friday's WS 60 levels. The Med remains steady, humming with activity, and the AG is also busier. BOT/UKCM is on subs at WS 29.5 levels.

Aframax tonnage in the Med and Black Sea had built up towards the end of last week but, Wednesday, there was a lot of sniping and, all of a sudden, the list appeared in better shape, at least from an owner's perspective.

Having dipped to around WS 95 at its lowest in midweek, rates have since picked back up to around WS 97.5 – 100 for cross-Med and around WS 105 ex-Black Sea. Dates have been covered forward, but charterers will have to remain cautious to prevent owners from clawing back a few more points.

To the North, however, sentiment remains soft, on both ice and non-ice business. Owners have tried to put up some resistance to stop rates from falling too heavily, but activity remains sparse. TD17 has lost more points since the turn of the week, down to WS 82.5 levels.

On the product tankers side, activity is simply not enough for a change in fortunes for the LR2s in the AG. Earnings for most of the voyages are fast approaching zero earnings or even less. Still, some owners rather get a cargo to cover some costs and reduce a portion of their burgeoning outstanding tonnage. TC1 has been quiet but the feeling is that WS 75 would be accepted by most owners. With Chinese New Year taking up the first half of next week, we would only predict continued slow times in the short-term.

The LR1s had a rather unlucky week. There was a very busy Far Eastern backhaul market taking away a bunch of the ballasters, as well as congestion in the AG and Pakistan discharging ports. Sadly, thin demand and a malaise emanated by the very quiet LR2s resulted in no progress

being made. TC5 slumped to WS 95. The list is in better shape moving forward so there is a chance this market will get out of this stagnated state before too long, but for this week things are flat and steady at best.

For most of the week the MR sector seemed to defy logic, achieving consistent returns despite the dire state of the LR market. However, towards the end of the week rates have trended down as ballasters from Singapore and East Africa hit the fixing window. WS 182.5 went on subjects for a TC17 run, down by 7.5 points on the week. Cargo volume has also dropped off and the suspicion is that we could well see a longer than average position list come Monday, which will bring further pressure onto rates.

Looking East, some cargoes in the early part of the week cleared out most of the LR1 vessels left on an already very slender tonnage list in North Asia. However, with the LR2s trading at roughly USD 100k less than LR1s for Korea/Singapore, charterers are expected to utilise these vessels where possible, and this could well undermine the LR1s going forward.

A pre-CNY rush of long-haul enquiry in the North Asia MRs has given some owners a little excitement for the week. Even though front-end of the list is looking tight, charterers managed to hold their ground in keeping rates repeated at last done levels. Meanwhile, it was another lacklustre week for the Singapore MRs, with enquiry slow throughout. The sheer length of the list won't likely be cleared out by short-hauls anytime soon – especially with CNY looming - with the inevitable dire consequences for rates. TC7 has been booked at WS 150, but next done could be less.

In the West, MRs saw quite substantial activity, but unfortunately not enough to stop rates slipping to WS 120 for transatlantic runs. Ice class MRs have tightened up through the week but traded WS 145 for Baltic/UKC-TA throughout. Handies in the Baltic/UKC trade have slipped to WS 160 mid-week and remained flat ever since.

The Handies in the Med had an active week, amid a steady flow of cargoes entering the market. This, coupled with bad weather, allowed TC6 to bounce back up to higher levels, and now it is trading at WS 175, and Blsea/Med trading around WS 185-190.

|                  |                   | BDTI    | BCTI      |         |
|------------------|-------------------|---------|-----------|---------|
|                  |                   | 685     | 549       |         |
|                  | Δ W-O-W           | ↓Softer | ↓Softer   |         |
| BDA              |                   |         |           |         |
| (USD/LDT)        | TKR/LRG           | TKR/MED | TKR/SML   |         |
| This week        | 601.7             | 605.6   | 606.8     |         |
| Δ W-O-W          | 6.1               | 7.4     | 7.8       |         |
| BALTIC TCE DIRTY |                   |         |           |         |
|                  | Route             | Qnt     | \$ / Day  | W-O-W   |
| TD1              | ME Gulf / US Gulf | 280,000 | -24,347   | ↑Firm   |
| TD3C             | ME Gulf / China   | 270,000 | -5,270    | ↑Firm   |
| TD6              | Black Sea / Med   | 135,000 | 69        | ↑Firm   |
| TD8              | Kuwait / Sing.    | 80,000  | 2,337     | ↑Firm   |
| TD9              | Caribs / US Gulf  | 70,000  | 551       | ↑Firm   |
| TD14             | Asia / Australia  | 70,000  | 4,175     | ↑Firm   |
| TD17             | Baltic / UKC      | 100,000 | 8,724     | ↑Firm   |
| TD20             | WAF / Cont        | 130,000 | 3,063     | ↑Firm   |
| BALTIC TCE CLEAN |                   |         |           |         |
|                  | Route             | Qnt     | \$ / WS   | W-O-W   |
| TC1              | ME Gulf / Japan   | 75,000  | -2,432    | ↓Softer |
| TC2              | Cont / USAC       | 37,000  | 1,610     | ↑Firm   |
| TC5              | ME Gulf / Japan   | 55,000  | 2,244     | ↑Firm   |
| TC6              | Algeria / EU Med  | 30,000  | WS 170.94 | ↑Firm   |
| TC7              | Sing. / ECA       | 30,000  | 6,485     | ↑Firm   |
| TC8              | ME Gulf / UKC     | 65,000  | 24.66     | ↑Firm   |
| TC9              | Baltic / UKC      | 30,000  | WS 160    | ↑Firm   |