



Getting off last week's highs

VLCCs in the AG started this week on a slow foot, but business picked up from Tuesday with a few deals being done for the first decade of June loading dates. Rates are remaining in their current ranges, around WS 40.8 levels for TD3C, however, we can expect a slight uptick in the next week as more ships get tucked away. In the west, fresh opportunities remain limited with nothing major to report. WAF remains sideways, with WAF/China getting fixed at WS 43. The Americas are also quiet – Brazil/China was put on subs at WS 42 for 16 – 18 June dates.

Enquiry remains very limited for Suezmaxes in WAF. Cargoes being worked are scarce, and rates are starting to test down a bit. We have seen some shorts being done in the AG at the beginning of the week, but nothing significant enough to move sentiment. The Med remains quiet with nothing major to report – Libyan ports remain closed in force majeure, and opportunities are still rather limited.

This week, Aframaxes have been plagued by soft sentiment in both the Med and Bsea, with rates testing down on the back of limited enquiry and a weaker than usual CPC June loading programme – 23 cargoes in total for the whole month. Market sentiment remains soft also in the North. Nsea rates continue to test down amid limited enquiry. Also the Baltic is plummeting on EU discharging cargoes, and action remains limited overall.

Looking at the product tankers, this hasn't been a great week as far as LR2s in the AG are concerned. Activity levels have dropped dramatically, and ballasters from the East and West have replenished the tonnage list. Consequently, TC1 dropped off WS 30 points in one day and given the continued inactivity we would well see further pressure rates next week.

Meanwhile, there has been a respectable amount of activity for LR1s, and owners have managed to avoid substantial rate drops, settling instead for some small incremental adjustments to secure cargo. Of the two sizes, LR1s are in much better shape going into

next week, but it is still unsure how long they can stay at these levels if we continue to see LR2 rates head south.

AG MRs have remained steady throughout the week, and after some volatility, rates have found their feet. TC17 fell with WS 380 being concluded three times, however, owners have rallied with now WS 385 on subs multiple times, and this appears to be the conference levels. Looking ahead, we could see a few ballasters escaping softer Asian markets, and this could encourage charterers to be patient, but it only takes a trickle of stems to keep rates at these continually high levels.

As mentioned above, Asian MRs were rather unlucky this week. Freight plummeted amid the drip feeding of stems from charterers. Activity did pick up later in the week, but this wasn't reflected freight wise. In fact, we saw charterers opting for older units in order to obtain bigger discounts and set the benchmark lower. But with bunker prices on the rise again, we will be expecting owners to hold their resistance and possibly factor in some premium going into next week. Singapore has had an exceptionally quiet week. X-Singapore is assessed at USD 300k, and Singapore/Oz at WS 350. There are barely any outstanding cargoes left, and after a week of charterers holding out, we should see more stems come online in the next week.

This wasn't the busiest week for UKC MRs. However, there has been a steady trickle of business, which has sustained levels for TC2 between WS 320 and WS 345. Tonnage remained balanced, and it isn't likely to replenish significantly as we go into the next week, especially given that the US markets gathered pace toward the end of the week.

On the other hand, Handies in the Med had a rather busy week. We have seen a good amount of cargoes being quoted throughout the week, and tonnage tightening pushed TC6 up by 60 WS points to WS 365 on subjects at the time of writing. Owners' confidence remains high and we could see more of this in the coming week.

		BDTI	BCTI	
		1101	1469	
Δ W-O-W		↓Softer	↑Firmer	
BDA				
(USD/LDT)	TKR/LRG	TKR/MED	TKR/SML	
This week	667.1	669.0	669.6	
Δ W-O-W	-17.8	-18.2	-16.8	
BALTIC TCE DIRTY				
	Route	Qnt	\$/ Day	W-O-W
TD1	ME Gulf / US Gulf	280,000	-35,293	↓Softer
TD3C	ME Gulf / China	270,000	-16,869	↑Firmer
TD6	Black Sea / Med	135,000	20,116	↑Firmer
TD8	Kuwait / Sing.	80,000	15,515	↑Firmer
TD9	Caribs / US Gulf	70,000	17,288	↑Firmer
TD14	Asia / Australia	70,000	18,180	↑Firmer
TD17	Baltic / UKC	100,000	35,065	↑Firmer
TD20	WAF / Cont	130,000	4,299	↓Softer
BALTIC TCE CLEAN				
	Route	Qnt	\$/ WS	W-O-W
TC1	ME Gulf / Japan	75,000	50,059	↓Softer
TC2	Cont / USAC	37,000	33,452	↓Softer
TC5	ME Gulf / Japan	55,000	42,853	↓Softer
TC6	Algeria / EU Med	30,000	WS 361.88	↑Firmer
TC7	Sing. / ECA	30,000	36,722	↓Softer
TC8	ME Gulf / UKC	65,000	74.66	↓Softer
TC9	Baltic / UKC	30,000	WS 424.29	↑Firmer