



## Crude Tanker Comments

What a week for VLCCs in the AG! It all started with minimal fresh enquiry and a steady/flat sentiment. However, rates started to firm on the back of increasing enquiry, both above and under the radar, and a light front-end of the tonnage list. Charterers swiftly worked through the remaining second and then third decade cargoes, dragging rates up sharply in the process – TD3C was at WS 71.8 on Monday, but on Thursday WS 100 was done for AG/East.

In the West, steady activity in the USG boosted freight to new highs. USG/South Korea was last countered at USD 11.5 Mn, but many owners are thinking about USD 12 Mn or more. This means that TD22 should be just shy of USD 12 Mn. Many charterers have been covering fairly forward dates this week, so there's potential for rates to plateau next week and possibly correct down. WAF remained relatively quiet in comparison to the AG and the Americas, with just a couple of ships going on subs so far this week. Still, as optimism is contagious, rates also here started to rise, with TD15 assessed at WS 93.7 by the Baltic Exchange at the time of writing.

The Suezmaxes remain sandwiched between the opposing trajectories of Aframax and VLCCs: Afras falling across the Atlantic undermines USG Suezmax prospectuses, despite thin local availability. But VLCCs' aggressive firming is lending buoyancy to AG Suezmax expectations. In fact, in the East of Suez, the firming VLCCs coincided with punchier Suezmax sentiment amidst higher levels of activity. Owners, who had their hearts set on ballasting ex-Singapore to WAF and watched sombrely as TCEs there dropped off at a rate of knots, may now see potential for consolation in the rising AG market.

Meanwhile, it was a slow start to the week for Suezmaxes in WAF, with minimal fresh activity, which paired with lengthening tonnage lists as ballasters started to come in, has put some pressure on rates. Whilst high port costs at Djeno mitigated some of the downward jump, especially towards the end - TD20 is assessed at WS 116 at the time of writing - there is no denying that, with ships failing and 9-10 offers for each cargo including a few relets, the WAF market remains under pressure.

Aframaxes in the Med started the week on a busy foot. After Friday's jump in rates by over 10 WS points to almost WS 193, the trajectory this week remained upwards until mid-week - TD19 peaked above WS 196 on Tuesday. However, things got increasingly quieter from Wednesday and, as a result, rates corrected to WS 185 at the time of writing. It was a similar story in the North, where the proverbial dust did settle eventually, and rates started to test downwards, with TD7 at WS 175 levels at the time of writing.

## Product Tanker Comments

LR2s in the AG have been contained by smart playing by charterers this week. While there has only been a small bit of moving up on TC1, with WS 195 being put on subs, we only see a shortening list that charterers have managed well, with quieter deals taking those ships that are happy to accept at or around last done levels. Westbound has held at USD 4.6 Mn for AG and WCI loading, and USD 3.6 Mn has been agreed a few times for Red Sea loading. Singapore and/or East African imports are holding relatively steady around WS 175 – 177.5 for AG, WCI, or Sikka loading. The temperature feels warm from owners as the list remains slim, but charterers have been clever and contained owners' enthusiasm well, for now...

The end of the week sees a more enthusiastic LR1 market, with up to 10 stems uncovered and a thinner list – by-product of quiet fixing over the course of the week. Rates are starting to move now, with WS 200 recently on subs for TC5, as well as USD 4 Mn being shown for a westbound cargo. The stars seem to be aligned for Monday, and owners are in an upbeat mood with good, available ships pretty thin in number.

MR in North Asia started the week with close to zero cargo enquiry, and the small amount of activity that did occur happened below the market surface. Tonnage started to significantly pile up around mid-week, while freight rates continued to correct negatively. With the availability of prompt ships and inconsistent activity level, charterers have the upper hand, and are expected to be able to put further downward pressure on rates next week.

In the South, TC7 is on subjects at WS 170, about 45 WS points off last done at the start of the week. And this is despite the more sanguine activity levels in SE Asia compared to the north. Still, with prompter ships going subjects, the market has a slight chance of stabilising should there be a steadier influx of cargoes quoted in the next week.

It was a bit of a rollercoaster for the UKC MRs this week. An active start ex-Med, especially for naphtha stems which were tricky to cover, fuelled a jump in freight. NWE started to follow, hitting highs of WS 240 on subs for transatlantic ex-Med and WS 195 ex-UKC. Things quickly felt overinflated and charterers took a step back - a few ships failed and we close the week with a falling market, and we expect next done TC2 to be WS 180 levels.

The Handies have been pretty flat, just a slight uptick in freight to WS 170 for X-Cont, but this was mainly driven by sentiment from the MR market filtering down, a bit more active to close the week but ample tonnage remains. In the Med, a steady stream of stems and reduced tonnage saw the market bottom at WS 180, then go on to increase by about 70 WS points. Last done is WS 250 at the time of writing, though rumours of a vessel going on subjects at WS 265 have emerged.

		BDTI		BCTI
		1487		905
Δ W-O-W		↑Firmer		↑Firmer
BDA				
(USD/LDT)		TKR/LRG	TKR/MED	TKR/SML
This week		535.4	540.4	543.6
Δ W-O-W		0.6	0.3	0.4
BALTIC TCE DIRTY				
Route		Qnt	\$ / Day	W-O-W
TD1	ME Gulf / US Gulf	280,000	50,761	↑Firmer
TD3C	ME Gulf / China	270,000	90,176	↑Firmer
TD6	Black Sea / Med	135,000	85,874	↑Firmer
TD8	Kuwait / Sing.	80,000	54,286	↑Firmer
TD9	Caribs / US Gulf	70,000	114,209	↑Firmer
TD14	Asia / Australia	70,000	45,225	↑Firmer
TD20	WAF / Cont	130,000	47,335	↓Softer
BALTIC TCE CLEAN				
Route		Qnt	\$ / Day	W-O-W
TC1	ME Gulf / Japan	75,000	52,656	↑Firmer
TC2	Cont / USAC	37,000	24,093	↓Softer
TC5	ME Gulf / Japan	55,000	37,361	↓Softer
TC6	Algeria / EU Med	30,000	43,154	↑Firmer
TC7	Sing. / ECA	30,000	17,475	↓Softer
TC8	ME Gulf / UKC	65,000	41,735	↑Firmer
TC23	ARA / UKC	30,000	10,710	↓Softer