



## Crude Tanker Comments

VLCCs in the AG began the week in a bit of a stand-off as owners remained very confident and tried to consolidate levels above WS 100. However, as fresh positions were pushed, it became apparent charterers would have more options upcoming for the natural fixing window. This time, charterers showed their resolve to hang tight, feeling that corrections were justified and, by Tuesday, a few cracks started to appear with owners' ideas falling below the WS 100 mark. Further losses have followed and TD3C prints at WS 90 at the time of writing as the drip-feeding of cargoes hasn't been enough to turn the tide around for owners.

Despite US Gulf activity continuing to hit the market across April dates, we've seen a number of Atlantic deals failing for various reasons and adding a little weight back to lists. Rates have subsequently softened gradually there and now are hovering around the USD 11.75 Mn mark, according to the latest BTR print. It's feasible that levels can be repeated/close in all regions still, but it is worth noting that there is a sizeable percentage of owners that are not willing to, and remain confident that volumes will be sufficient next week.

Suezmaxes in WAF had a promising start to the week on the back of firm Med and USG markets, which pushed TD20 above WS 150 levels. Enquiry was steady and a tight list up to 10 April looked promising for freight rates. However, despite a frantic midweek in the Med, the WAF list stock did not really diminish – quite the contrary, as now there are five ships committed ex-East (two effectively prompt and three relets in ballast). This, alongside a few ships failing subs in the past days, the fairly muted impact of French delays on WAF tonnage, and the absence of USG/TA runs have all contributed to suppressing TD20. TD20 moving forward could be further undermined if the AG remains quiet, as seems to be the case for a nervy VLCC market. This might encourage more eastern ships to consider a WAF ballast, something a couple of relets have already committed to in advance.

Aframax X-Med cargoes, fuelled by significant replacement business, kept struggling to find attractive offers for most part of the week. While rates climbed up in the first half, they started to settle thereafter, capped by increasing Suezmax involvement - yesterday saw four failures on X-Med business, which dented sentiment somewhat. With end-month Med inquiry covered, charterers on Afras may gamble on the market cooling off. Amongst Afrat tonnage there are 10 workable open ex-Trieste by 30 March and, despite maintenance, this sort of list alongside several failings gives a topky feel. Of course, this comes with the caveat of whether French refineries start normal operations come Monday.

The week started on a busy foot in the North Sea, with rates gradually ticking up as a result, albeit not to a degree deemed satisfactory by some owners – a mere rise of 7.5 WS points since Monday has once again caused significant ballasters (five TA and two to the Med). As a result, North Sea rates appear to remain significantly undervalued, with plenty of potential to rise further.

## Product Tanker Comments

This week started with discounts being afforded to charterers from those LR2s that had a particular interest in heading West, and USD 4.5 Mn became the conference rate on a few deals. In turn, TC1 slipped a little with WS 170 being agreed for Red Sea loading and WS 175 for an AG loading. But, as the week has developed, we are aware of very large demand kicking in, which has seen a turn in the fortunes of owners and rates have also turned a corner as well. Westbound was last agreed on subs at USD 4.6 Mn for a Sikka load and TC1 is on subs at WS 180, with rumours of more being agreed in the market at this time too. Should all subs be lifted, we are likely to see a thin list on Monday and, with better confidence from owners, rates could be climbing further up...

LR1s haven't quite had the same luck as the LR2s as the position list has not lent itself well with a lot of vessels in the fixing window. Owners have been crying out for TC5, but the liquidity here has been very low with the LR2s being the preferred method of transportation; but we have seen one deal reported at WS 185. Westbound has slipped to those with ships aiming for future Baltic loading. We have seen USD 3.5 Mn for a WCI load. The supply is thinner at the week's end, but we still see decent positions around and, with a lot of short-haul activity, less tonnage is leaving the area. As a result, we still have quite a flat perspective for the LR1s for the start of next week.

It has been a bumper week for the MRs in North Asia. Rates for Korea/Australia have firmed to WS 245, which is now on subjects twice, and we could well see this number get dwarfed next week. There has been some activity going transpacific, culminating in USD 2.25 Mn going on subjects, which is a sizable hike from the sub USD 2 Mn deals that were done last week. The SE Asia market has lagged behind the North, where TC7 has only reached WS 210 by comparison. However, as we have seen in previous markets, when enough of a differential opens up, vessels open in the Singapore region tend to ballast up to take advantage of the higher freight levels, eventually pushing the Singapore market back into equilibrium with North Asia.

UKC MRs have been pretty quiet throughout the week. However, the Med market being so hot has been the driving force and, as the saying goes, "optimism is contagious". So TC2 jumped to WS 280, before levelling off at WS 260 for now, but overall owners' sentiment is bullish. The Handies in NW Europe have been active all week, position certainty was hampered with strikes in France, and the market has enjoyed a steady increase in rates to WS 325 for TC23, but they are likely to improve further into next week to WS 320-235.

It was a huge week for Med Handies. Rates firmed by about 120 WS points for TC6 runs, with WS 450 now last done at the time of writing. A busy Monday set the tone, and a consistent flow of stems that followed throughout the week tightened tonnage considerably. Today the market took a slight breather, but if similar activity levels are seen when we return from the weekend, then who knows, it may firm further still. For now, 12 vessels remain on subjects with roughly four stems left to cover.

		BDTI		BCTI
		1642		1191
Δ W-O-W		↑Firmer		↑Firmer
BDA				
	(USD/LDT)	TKR/LRG	TKR/MED	TKR/SML
This week		536.0	540.4	543.5
Δ W-O-W		0.7	0.0	-0.1
BALTIC TCE DIRTY				
	Route	Qnt	\$ / Day	W-O-W
TD1	ME Gulf / US Gulf	280,000	51,010	↑Firmer
TD3C	ME Gulf / China	270,000	83,019	↑Firmer
TD6	Black Sea / Med	135,000	100,517	↑Firmer
TD8	Kuwait / Sing.	80,000	63,535	↑Firmer
TD9	Caribs / US Gulf	70,000	124,579	↑Firmer
TD14	Asia / Australia	70,000	56,167	↑Firmer
TD20	WAF / Cont	130,000	67,824	↑Firmer
BALTIC TCE CLEAN				
	Route	Qnt	\$ / Day	W-O-W
TC1	ME Gulf / Japan	75,000	47,851	↓Softer
TC2	Cont / USAC	37,000	38,978	↓Softer
TC5	ME Gulf / Japan	55,000	34,001	↓Softer
TC6	Algeria / EU Med	30,000	100,279	↑Firmer
TC7	Sing. / ECA	30,000	25,196	↓Softer
TC8	ME Gulf / UKC	65,000	38,527	↓Softer
TC23	ARA / UKC	30,000	44,213	↑Firmer