



Crude Tanker Comments

Latecomers sprung into the VLCC MEG market working August dates en masse on Wednesday/Thursday, sparking some excitement among owners. WS 50 was the level for all players on the list but with little concrete evidence at the time to justify charterers to pay upwards of high WS 40s. Sentiment stayed strong and collective optimism among owners outweighed the lack of any steady increase in rates. After a stalemate for around two days, an attractive cargo to Vietnam struck at WS 52, catching a few out and leading to a flurry of fixtures, each achieving over last done. This translated over into the Brazil market seeing Eastern runs land at just over WS 61, and with USG also heading toward the USD 3 Mn level TA and talk among owners of USD 7 Mn+ next Eastbound. Supply now looks rather slim across all regions and owners' resolve strong as we head into the weekend. We shall see whether TD3C can press on into the WS 60s come Monday. We have only scratched the surface with September laycans... So, all eyes on Monday whilst we witness both sides hold for now.

On the Suezmaxes, there has been some softening ex-WAF this week with WS 70 on a Kribi/UKCM run, which equates to WS 72.5 for TD20. However, overall owners can be satisfied with this week's performance. Despite vessel supply appearing healthy at the start of the week, sentiment held steady through to Thursday with a flurry of Liza cargoes assisting in consolidating rates and removing any fear of further downside to conclude Friday.

The Med/Black Sea meanwhile remains steady, assisted by further erosion in Atlantic tonnage. Will take a heavy influx of volume to firm the market - a prospect that seems unlikely with Suezmax cargoes for August predominantly covered and the X-Med Aframax floor sitting well enough below making crossover unlikely. There was finally some action in the USG in the closing stages of the. Levels are unlikely to move on substantially, but a five-point gain day-on-day will be a welcomed sight for owners.

After a quiet start to the week for Aframax in the Med, rates tumbled through mid-week. On Wednesday, TD19 fell below WS 120 for the first time since early March. Unlike then, however, the bounce back was nowhere near as strong. Yet, although Thursday remained largely quiet due to holidays, Aframax owners did claw back some points, with WS 125 reportedly on subs.

The list remains on the shorter side, although ballasters from the North Sea are adding to the numbers, while dates are well covered. Maintenance at Trieste from 20 August could be a factor going forwards, however. The North Sea remains awfully quiet, and the list remains well stocked on the prompt end. That vessels continue to ballast over to the Med, despite how weak the market there has become, tells you all you need to know.

Product Tanker Comments

LR2 demand this week has been very much on the slide with very little coming through to make anything of the slightly thinner supply list we have for the working window that has centred around 25-30 August. Owners with vessels on the prompter side of arriving into the AG are starting to employ some cautious optimism but this week rates have flatlined at USD 4,000,000 – 4,200,000 for 90,000mt AG/West and WS 135 – 137.5 for TC1. We are aware of several ships arriving into Fujairah in early September so there are some that suggest that when you consider the prospect that we will be seeing September laycans from Monday that charterers will still have a good amount of tonnage to work with.

The LR1 market really has not lit up this week and in the early part of the week, it was very sad with USD 225,000 agreed on subs for a Jubail/Jebal Ali cargo, representing very different fortunes to what we have largely seen this year. 60,000mt jet for Jubail/UKC via Cape has taken a hit down to its lowest level YTD at USD 2,850,000 (after tax is deducted) agreed on subs last night. The list is slimmer so while it is not all doom and gloom, we would caveat this slimmer supply with the reality that locally traded short-haul business will continue to throw back decent tonnage back into the loading windows moving forward so its hard to get much more excited on future prospects for Monday as things stand.

After a fairly disastrous week prior, MRs on the continent have shown some signs of life with a slight uptick in enquiry and a gradual tightening of the tonnage list. Consequently, we had seen a slight pull back to WS 135 for TC2, before settling back to WS 130 finally, with WAFR and Brazil maintaining the usual +20-point premium. The US continues to struggle, with rates slipping over 20 points throughout the week before regathering some strength at WS 142.5.

The Handy market had been reasonably quiet again with some softening at the start of the week before settling comfortably at WS 130 for X-UKC. Whilst there has been some improvement in enquiry and rates on the MRs, there must be more for the Handies before any meaningful recovery is expected.

In the Med, the week initially began quietly for the Handies, with Monday volumes not enough to raise rates from the WS 120 established last week. However, on Tuesday, activity started to ramp up, prompted perhaps by the looming national holidays across Europe yesterday. Both on- and off-market business whittled down the front of the list (especially well-approved tonnage) and allowed bullish sentiment to creep back into the market. This, along with the odd stem housing specific requirements, enabled levels to jump from to WS 160 by Wednesday and, though the back end of the week has been quiet, the list has remained thin enough to keep the wind in owners' sails (especially in the West where, as of noon London, just one vessel sits prompt and is on hold for o/p). WS 170 is now last done for TC6, though charterers quoting WMED cargoes will need to see significant replenishment over the weekend if they are to maintain levels here. Those loading in the East will see much more optionality come Monday, and thus the potential of a rates split early next week is high. For now, across the board, sentiment remains firm as we head into next week.

		BDTI	BCTI	
		928	619	
Δ W-O-W		↑Firmer	↓Softer	
BDA				
(USD/LDT)	TKR/LRG	TKR/MED	TKR/SML	
This week	502.0	508.5	511.5	
Δ W-O-W	-2.6	-2.4	-2.9	
BALTIC TCE DIRTY				
	Route	Qnt	\$ / Day	W-O-W
TD3C	ME Gulf / China	270,000	36,999	↑Firmer
TD6	Black Sea / Med	135,000	22,575	↓Softer
TD8	Kuwait / Sing.	80,000	33,773	↓Softer
TD9	Caribs / US Gulf	70,000	13,159	↓Softer
TD14	Asia / Australia	70,000	28,186	↓Softer
TD20	WAF / Cont	130,000	23,262	↓Softer
TD22	USG / China	270,000	30,418	↑Firmer
TD25	USG / Cont	70,000	22,625	↓Softer
BALTIC TCE CLEAN				
	Route	Qnt	\$ / Day	W-O-W
TC1	ME Gulf / Japan	75,000	27,589	↑Firmer
TC2	Cont / USAC	37,000	10,615	↓Softer
TC5	ME Gulf / Japan	55,000	13,835	↓Softer
TC6	Algeria / EU Med	30,000	15,367	↑Firmer
TC7	Sing. / ECA	30,000	18,336	↑Firmer
TC8	ME Gulf / UKC	65,000	26,765	↓Softer
TC23	ARA / UKC	30,000	6,179	↓Softer



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