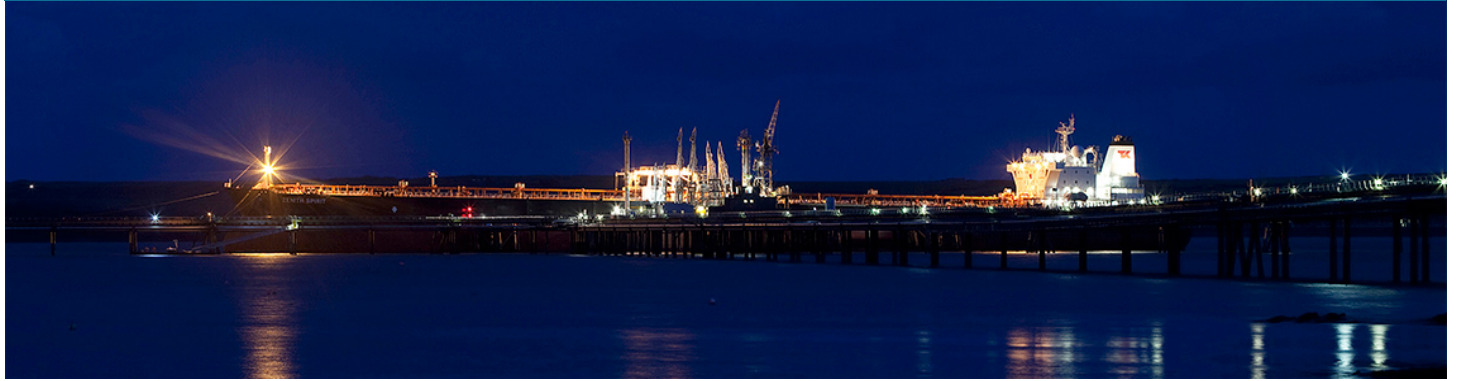




Tanker report – Week 20 2016

VLCCs

It has been a difficult week for owners, with only limited activity in the Middle East Gulf. Rates for 270,000 tonnes going long east initially varied between 7.5/10 points depending on the quality/age of the ship. Total paid WS 72.5 to China on a 2015 built ship while South Korean charterers were able to cover at WS 64 on a 2000 built ship. However, the continued lack of enquiry saw further pressure on the market as Exxon were subsequently able to cover a 270,000 tonnes cargo to Singapore at WS 60 on modern tonnage. Rates for 280,000 tonnes going west held steady in the WS 39/40 cape/cape region for US Gulf, before easing to WS 37, as the tonnage list lengthens and delays in Chinese ports start to ease.

West Africa rates have also weakened as supply and force majeure issues in Nigeria take their toll. Minerva tonnage is understood to have been fixed at WS 59.5 for 260,000 tonnes to China, representing a drop of around 6 points from the start of the week. Similarly, Indian charterers were able to cover a run to WC India at the equivalent of around WS 63.25, being around WS 6 less than previously fixed here. In the North Sea, a Hound Point to Korea run is reported covered at \$5.8 million level while in the Caribbean, a trip to Daesan went at \$6.1

million, and a Singapore discharge went at \$5.0 million. Caribs to WC India is reported to have fixed and failed at \$4.25 million.

Suezmaxes

In West Africa, it has been another grim week for owners with a long tonnage list and ongoing problems in Nigeria. Rates have continued to slide here, with rates for Europe losing around 10 points with the market now hovering between WS 57.5/60 level to Europe, while WS 55 is said to have been paid for US Gulf discharge.

Black Sea rates have felt the chill from the West Africa market and a surplus of tonnage has seen rates ease from mid WS 80s at the end of last week down to WS 77.5, and we understand now that Unipet have covered an early June cargo at equivalent of mid WS 70s basis 135,000 tonnes. In the Mediterranean, Repsol have taken Sovcomflot tonnage for 140,000 tonnes from Sidi Kerir to Spain reportedly at WS 62.5.

Aframaxes

It has been a volatile week in the Mediterranean with rates here initially dropping around 12 points to WS 95 level where they stayed to the middle of the week before a surge of activity saw rates climb dramatically to around WS 115/120 level, with the latter rate being repeated a number of times from the Black Sea, with cargoes still outstanding. However, with the weak suezmax market, the stronger aframax market faces competition here, which brokers feel could put a cap on rates.

In the Baltic, it has been a much better week for owners as healthy levels of enquiry enabled owners to push the market up from mid WS 70s to around WS 100 level, basis 100,000 tonnes cargo quantity. In the North Sea, with charterers looking for end May coverage, the 80,000 tonnes cross North Sea market moved in tandem with the Baltic, gaining around 15 points to WS 120. This came about as a result of a much tighter tonnage list with a number of ships loading here getting discharge orders away from the North Sea area.

In the Caribbean, rates for 70,000 tonnes up coast were stable at WS 95 for the first half of the week. However the steady activity cleared out a lot of early tonnage, subsequently enabling owners to push the market up to around WS 100 level with potential for further firming.

Panamaxes

An active start to the week with good levels of enquiry for end May position, together with limited tonnage availability, saw owners able to push the market up around 15 WS points to settle at WS 110 for 55,000 tonnes from ARA to US Gulf.

Clean

In the 37,000 tonnes Cont/USAC trade, it has been a week of fluctuating fortunes with the market initially losing 3.5 to 4 points to drop down to WS 112.5 before recovering on the back of improved activity. With some uncertain positions and a tighter tonnage list, rates regained lost ground with WS 125 being agreed for west coast Norway loading, while brokers today assess the market off the Continent at around WS 120.

On the 38,000 tonnes backhaul run from US Gulf/UK-Cont, it has also been a volatile week with rates initially dropping down to WS 80 before recovering to a high of WS 90, prior to easing back again to mid WS 80s.

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