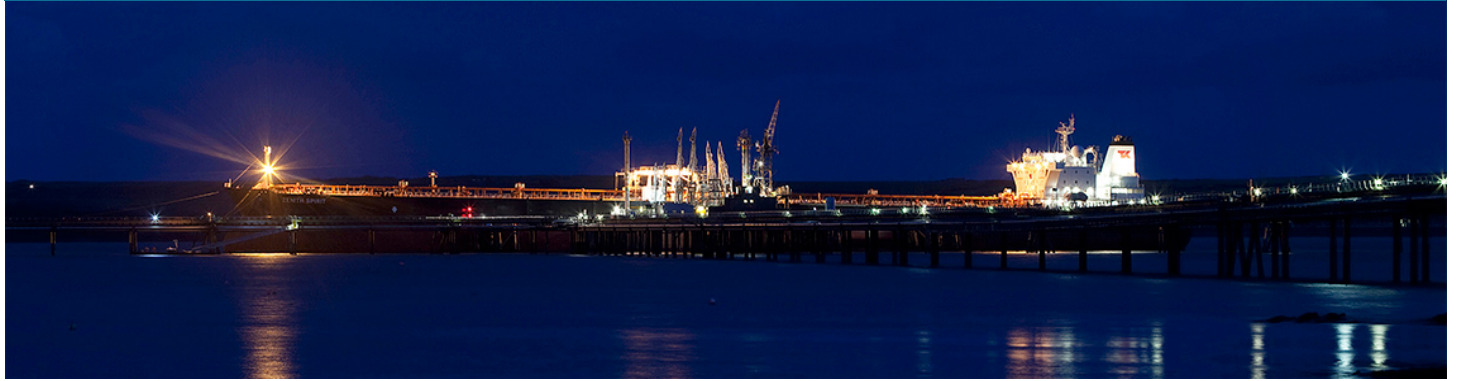




Tanker report – Week 25 2016

VLCCs

It has been another difficult week for owners with those charterers willing to take older, new buildings or tonnage ex-drydock able to cover 270,000 tonnes going long east at rates varying between WS 36.25 and WS 40. However, with a number of deals done off-market surfacing and the tonnage list starting to be trimmed, the feeling is that the market has bottomed out. The 2009 built Front Queen is understood to have achieved WS 47 for a run to China, representing a WS 5.25 point improvement from the start of the week, although it should be remembered there was a very generous laytime allowance here. There has also subsequently been a fixture done on New Kassos to China at WS 43 by Day Harvest, while a new building agreed WS 39 for Taiwan discharge. Similarly, going west the market for 280,000 tonnes to the US Gulf dropped a point down to WS 24 before firmer sentiment from owners lead to a modest recovery, with BP reportedly paying WS 28 to the US Gulf and Athenian tonnage obtained around WS 31 cape/cape but this was for a cargo with wide options hence the premium paid.

West Africa rates have moved in tandem with the Middle East Gulf, with rates initially dropping down to around WS 49 before regaining lost ground to leave the market now largely unchanged at WS 52.5 for China discharge. Enquiry from the Caribbean has been thin on the ground with a run to Singapore said to have been fixed at \$3.60 million representing a drop of around \$1 million from last week, before a recovery of sorts with both ST and Vitol reportedly agreeing \$3.9 million. Similarly, voyages to WC India have now been covered at \$2.9 million in contrast to last week's \$3.5 million. In the North Sea, Hound Point to Korea is understood to have been covered at a steady \$5.2 million while fuel oil from Rotterdam to Singapore went at \$3.5 million with port costs here for charterer's account at load port. In the Mediterranean, Socar reportedly took BW tonnage from Ceyhan to Taiwan at \$4.95 million level.

Suezmaxes

In West Africa, last week's spike was short lived. An active VLCC market has not helped suezmax owners' cause here and oilco relets also came to the fore, knocking 10 WS points off last done, before the market fell even further with WS 67.5 being done to USAC. The market to Europe remains now at barely WS 70 level, down around 15 points from a week ago and under further potential downward pressure. Owners' cause here has not been helped by tonnage that had previously been strike bound in France, coming back in to the market and the same has been felt in the Mediterranean and subsequent knock-on effect in the Black Sea where rates have lost around eight points from last week to settle at around WS75/ 77.5 level for 135,000 tonnes.

Aframaxes

In the Mediterranean, the market has consolidated the gains of last week. Although strikes in France have ended, uncertainty around itineraries there and also in Trieste has left charterers with a far from ideal choice of tonnage, enabling owners to keep the market up at WS 117.5/120 level, although the weak suezmax markets may attract interest for part cargoes, thus capping rate levels accordingly.

In both the North Sea and Baltic, the market has held steady. Rates for 100,000 tonnes from Baltic to UK-Cont have been hovering around the WS 100 level though there is now talk of Clearlake having just covered at WS 97.5. The 80,000 tonnes cross North Sea market

remains unchanged at around WS 125.

The Caribbean has seen steady activity but a long tonnage list has seen owners unable to push the market up, with rates flat at around WS 87.5/90.

Panamaxes

On the Continent , it has been another slow week. The Caribs upcoast panamax market has continued to weaken leading to more tonnage ballasting across and rates for 55,000 tonnes from ARA to US Gulf remain under pressure at around WS 90 level.

Clean

In the 37,000 tonnes Cont/USAC trade, steady activity and a tighter tonnage list has seen owners claw back around five points with the market back up to around WS 95. However the fear is that with the 38,000 tonnes back haul market from the US Gulf so weak at around WS 62.5, tonnage may just ballast back to the Continent , stifling potential further upside here.

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