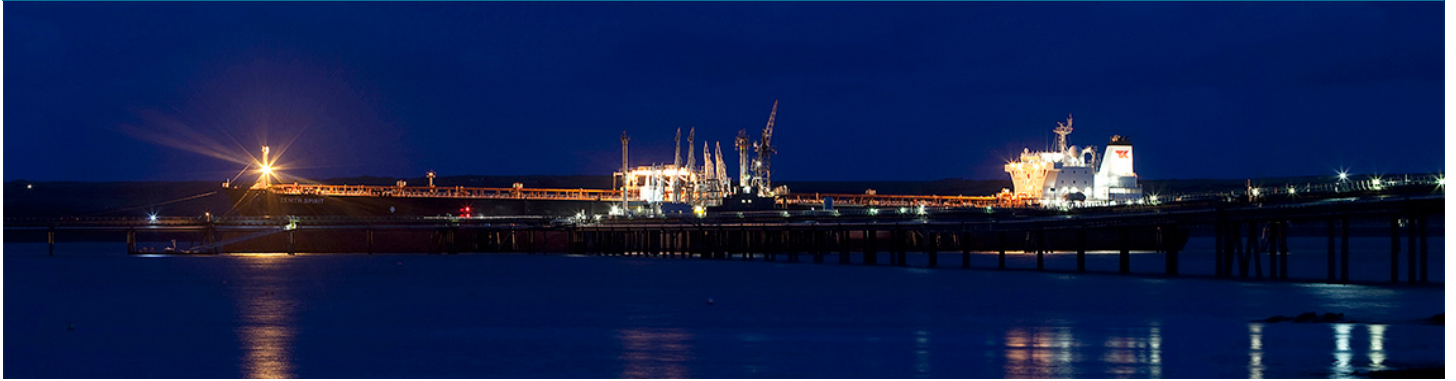




Tanker report – Week 31 2016

VLCCs

There were improved amounts of enquiry in the Middle East as charterers looked to cover the balance of the August program and this led to the market gaining around three points for 270,000 tonnes going long east. China discharge has been fixed at around WS 37/37.5 level, with Korea discharge being covered on 1999 built tonnage at WS 34.5 and this rate was also paid by Cosmo for a run to Japan. Going west 280,000 tonnes to the US Gulf cape/cape is now being assessed at around WS 26 up around four WS points from a week ago.

In West Africa, the market has moved in tandem with the Middle East Gulf and rates here have edged back up to WS 40 which was agreed by Day Harvest on *Hakone* for 260,000 tonnes to China. In the North Sea, Vitol are understood to have taken *Hakata* at \$3.75 million for a voyage from Hound Point to South Korea. In the Caribbean, Reliance are said to have paid \$2.45 for Sikka discharge while \$2.75 million was agreed by ST for US Gulf to Singapore.

Suezmaxes

In West Africa ,the market for 130,000 tonnes hit a new low with BP paying WS 35 for Gungen tonnage, down WS five from the end of last week. Production problems in Nigeria combined with an abundance of tonnage have left rates here under pressure. In the Mediterranean and Black Sea it is a similar story. With Libyan production negligible and plenty of early tonnage, charterers can pick and choose. In the Black Sea, Shell took Aegean tonnage at WS 47.5 basis 135,000 size while Transway and Unipet both paid WS 45 for 140,000 tonnes cargo quantity for Mediterranean discharge.

Aframaxes

In the Mediterranean, healthy tonnage availability has left rates under constant downward pressure. Petrogal had well over a dozen offers before covering 80,000 tonnes from Sidi Kerir to Portugal at WS 55. With the suezmax market also so weak, suezmaxes have also been competing for aframax business only adding to owners' woe here. Black Sea has now been fixed at WS 67.5 with Ceyhan also being assessed in the high WS 60s.

Plenty of tonnage in the north has seen further weakening, with rates in the Baltic, losing a further WS five points as Vitol covered 100,000 tonnes at WS 47.5 before ST and Trafigura subsequently managed to fix at WS 45. In the 80,000 tonnes cross North Sea market rates have seemingly settled in the high WS 70s. Owners' cause in the North Sea is not being helped by VLCCs fixing to the East thus taking out a number of aframax stems.

There is a sense of déjà vu in the Caribbean as, despite an active week rates have stayed largely unchanged in the WS 72.5/75 region with relets around adding to the healthy tonnage list.

Panamaxes

On the Continent, it has been another disappointing week for owners. With tonnage ballasting across from a still weak Caribs/up coast market, rates have eased a further five points to WS 80 for 55,000 tonnes from ARA to the US Gulf and with prompt tonnage here also, brokers feel this level may come under pressure.

Clean

In the 37,000 tonnes Cont/USAC trade, healthy levels of enquiry have trimmed the tonnage list and with a couple of tricky cargoes being fixed at close to WS 100, representing an initial 20 point gain from the start of the week before the market seemingly settled at around WS 92.5. By contrast the 38,000 tonnes backhaul market remains dogged by an abundance of tonnage and has been stuck in the very low WS 50s all week. There was even a report of one deal being concluded at WS 50.

For daily tanker market assessments from the Baltic Exchange please visit

www.balticexchange.com/market-information/