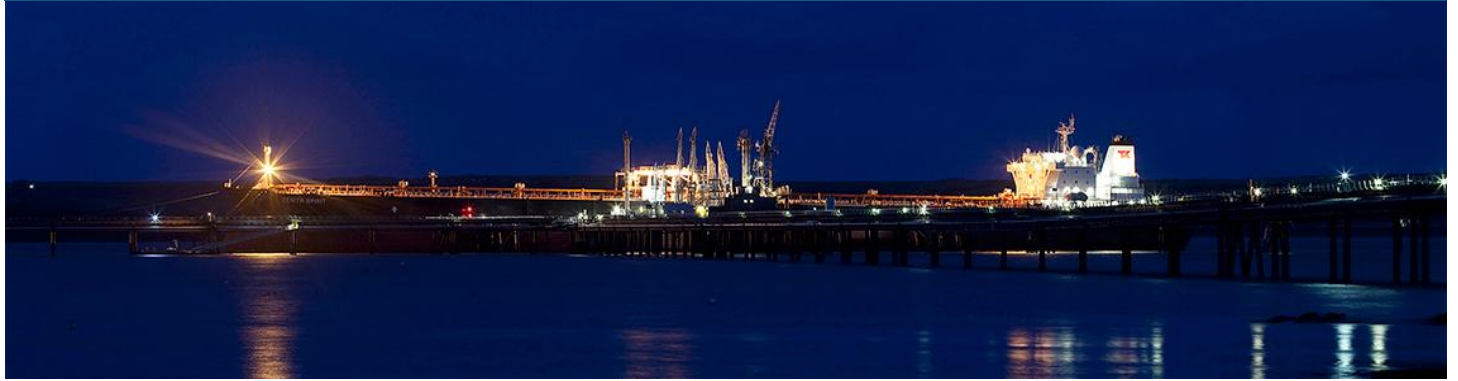




Baltic Briefing

Baltic Exchange member news, views and events



Tanker report – Week 38 2016

VLCCs

The market has been flat in the Middle East Gulf, consequently rates are largely unchanged.

For 270,000 tonnes going long east, the market is still around WS 33/34 level with very low

WS 30s obtainable for over aged, or ex d/d tonnage, while there was even a fixture of a n/b

done at WS 27 for South Korea discharge. Going west, 280,000 tonnes to US Gulf cape/cape

has been steady at around WS 22.5.

VLCC activity has been dominated by high levels of activity in the Atlantic. In West Africa, rates have held steady at around WS 42.5/43 for 260,000 tonnes to China. The suezmax market in West Africa has strengthened considerably, leading to charterers to look at co-loading and Total are understood to have paid WS 47.5 for 260,000 tonnes to UK-Continent, and subsequently they also fixed Olympic tonnage at WS 50, while Indian charterers have been fixing at the equivalent of around WS 41.25 for India discharge. On the Continent, Maran tonnage is said to have fixed at \$3.6 million for Hound Point to South Korea, representing a gain of \$100,000 from last seen here, while Rotterdam to Singapore, which had previously been fixed at \$2.35 million, is understood now to have been covered at around \$2.625 million level. The Caribbean has also improved with Caribs to Singapore reportedly fixed at \$3.2 million, up around \$300,000 from a week ago, while Caribs to WC India has increased \$150,000 and has now been fixed at \$2.45m level.

Suezmaxes

West Africa has gone from strength to strength gaining 30 points and sits now at WS 95 for Europe discharge. Healthy levels of enquiry, especially in the Western Hemisphere, have, for both long and short haul business, seen the tonnage list thinned considerably which has put further pressure on charterers. In the Black Sea rates for 135,000 tonnes have moved in

tandem with the West Africa market, gaining 22.75 points from a week ago to sit now at WS 100 level. In the Mediterranean, OMV covered an Algeria to Singapore option Australia run at \$2.1 and \$2.8 million respectively, while IOC fixed Algeria to Chennai at the start of the week at \$2.5 million. Subsequently BPCL fixed a shorter run to Kochi also from Algeria at \$2.7 million.

Aframaxes

In the Mediterranean, owners were able to push the market up further with a high of WS 115 paid by BP for Aegean tonnage from Ceyhan, albeit off 28 September laycan. Black Sea has been fixed at WS 110 for early October but thereafter the tonnage list is less tight and rates have eased down with cross Med now assessed in the very low WS 100s.

In the Baltic, after an initial brief dip down to WS 62.5, rates have subsequently made a modest recovery to settle at WS 65, while in the 80,000 tonnes cross North Sea trade the market has held at around WS 90/92.5 level.

The 70,000 tonnes Caribbean up coast market saw some replacement business fixing at WS 95 before settling back at WS 90-92.5 region.

Panamaxes

On the Continent, the market for 55,000 tonnes from ARA to US Gulf has held steady in the mid WS 80s while in the Mediterranean rates have lost around 5 points with WS 77.5 said to have been agreed here, and it remains to be seen if this weaker trend in the Med will filter through to the UKC market.

Clean

In the Middle East Gulf, it has been another difficult week for owners with rates for 75,000 tonnes to Japan dropping a further 7.5 points to sit now at around WS 67.5. It has been a similar story in the 55,000 tonnes AG/Japan trade with rates here also softening, down 5 points to WS 80.

In the 37,000 tonnes Cont/USAC trade, it has been a volatile week. On the back of more enquiry and the Colonial pipeline having been out of action, rates gained around 17 points with high WS 80s being fixed before this brief window of opportunity was closed, and with the pipeline subsequently back in action rates fell back to settle at WS 80. It was a similar story in the 38,000 tonnes backhaul trade from US Gulf where rates spiked in the very low WS 90s before quickly falling back to WS 80, leaving rates now up around 3.5 points from a week ago.

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