



Tanker report – Week 41 2016

VLCCs

Firm sentiment has seen the market continue its upward trajectory in all areas. In the Middle East Gulf, the market for 270,000 tonnes going long east moved another 10 points to around the 65 level while rates for 280,000 tonnes to US Gulf are now assessed at around WS 37.5 cape/cape, representing an 8-point gain from a week ago with potential for further gains as owners wait the November Saudi program.

In West Africa, healthy levels of enquiry have attracted the ballasters from the Far East and this has also helped drive the AG market up. For 260,000 tonnes to China rates have climbed 10 points to WS 65 with Taiwan discharge subsequently being fixed at WS 67. For the same size going west, a West Africa/USWC run went at WS 69. This activity has also attracted tonnage from the UK-Continent and Caribs, pushing rates up here with Caribs/Singapore being fixed at \$4.4 million, up \$550,000 from last week. There was even talk of \$4.55 million having been agreed but this deal is understood to have failed. In the North Sea, Hound Point/South Korea went at \$4.6 million in contrast to previous levels of \$4.15 million.

Suezmaxes

West Africa has seen rates fall a further 7.5 points to WS 72.5 as plenty of tonnage gave charterers the upper hand which was not diminished by a number of ships failing subjects at the end of last week. However, with November cargoes now appearing in the market, brokers feel this may prevent further rate losses. In the Black Sea rates moved in sympathy with West Africa with the market now at barely WS 80 for 135,000 tonnes, in contrast to the WS 85 level of a week ago. Vitol are said to have taken Minerva tonnage at \$3.1 million for Black Sea to South Korea. In the Mediterranean, short cross-Med business is said to have

paid WS 82.5 for 130,000 tonnes, while Repsol covered 140,000 tonnes from Sidi Kerir to Spain at WS 70.

Aframaxes

In the Mediterranean, it has been another disappointing week for owners despite a healthy amount of fixing. Rates for 80,000 tonnes are hovering either side of WS 65 depending on the particular voyage in question with Black Sea at WS 65. The Baltic came under pressure with the market dropping 7.5 points to WS 70 basis 100,000 tonnes cargo, but has subsequently regained some lost ground to sit at WS 72.5 level and with a very full program for third decade brokers feel there is potential for further improvement here. In the 80,000 tonnes cross North Sea trade, a slow week saw rates ease a further 10 points to WS 90, however there appears some optimism rates here may benefit from the marginally improved Baltic market and the anticipated uptick in enquiry there.

The 70,000 tonnes Caribbean up coast market has been the stand out performer this week as a tight tonnage list made uncomfortable reading for charterers and rates here have gained almost 30 points to sit now at WS 112.5.

Panamaxes

On the Continent, it has been an uneventful week with limited enquiry with rates steady at around WS 80 level for 55,000 tonnes from ARA to US Gulf, while from the Mediterranean, rates have dipped a further 5 points to WS 75 as a healthy supply of tonnage continues to take its toll.

Clean

In the Middle East Gulf, it has been a somewhat better week for owners with the market for 75,000 tonnes to Japan gaining 15 points to WS 70, while in the 55,000 tonnes AG/Japan trade rates continued to improve with levels now at WS 85 up 10 points from a week ago.

In the 37,000 tonnes Cont/USAC trade, improved levels of enquiry, combined with a tighter tonnage list has pushed the market up 10 points to WS 80. However, in the 38,000 tonnes backhaul trade from US Gulf, rates have been stagnant with the market in the very low WS 50s still giving a negative time charter return here.

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