



Tanker report – Week 2 2017

VLCCs

A very active third decade in the Middle East Gulf has enabled owners to steady the market, with rates for 270,000 tonnes going long east holding at around WS 83/84 level while rates for 280,000 tonnes going west have weakened from WS 53/54 region to around WS 50 cape/cape with talk of Exxon having taken Chinese tonnage at marginally below this rate, with significant discounts achievable for newbuilding, overaged and ex dry dock tonnage.

The start of the week saw rates for 260,000 tonnes in the West Africa/China trade slide from almost WS 90 down to WS 83/84 region and thereafter the market has stabilised at this level. Indian charterers were active also covering runs to both east and west coast India at levels equating to the high WS 70S. The Caribbean has remained strong and Vitol are said to have paid \$6.0 million for Caribbs/China while HOB took Achilleas at \$6.3 million for EC Mexico to Daesan. Reliance paid \$4.15 million for a run to WC India. On the Continent, fuel oil has been fixed from Rotterdam to Singapore at between \$4.25/4.3 million.

Suezmaxes

There has been sufficient enquiry in West Africa to maintain levels at around WS 112.5/115 region basis 130,000 tonnes, aided by healthy amounts of enquiry in Med and North Sea thus clearing out some of the build-up of tonnage. However, after a couple of quieter days with improving availability for the upcoming fixing window, brokers feel rates may come under renewed downward pressure here.

The market has been steady in the Black Sea with rates for 135,000 tonnes settling at around WS 112.5/115 level, while a run to Korea is said to have been fixed at \$3.15 million. There have been good levels of enquiry for long haul business from west to east and a Ceyhan/China run is reported to have been covered by Socar at \$3.5 million.

Aframaxes

In the Mediterranean and Black Sea rates have climbed on the back of a combination of plenty of enquiry with a particularly heavy program in the Black Sea together with weather delays in the Turkish straits and elsewhere in the Mediterranean. Rates are now around WS 185/190 representing a gain of almost 50 points from the start of the week. This may lead to prompt tonnage in the North Sea ballasting down as rates here for 80,000 tonnes have been stuck at around WS 100 all week. In the Baltic, rates for 100,000 tonnes have stabilised at around WS 105 after starting the week at WS 110. However after the recent very cold weather there with the ice season in full swing, brokers feel there is potential for rates to firm here.

In the 70,000 tonnes Caribs/upcoast trade, the status quo has been maintained with the market at WS 145 still with sufficient tonnage to satisfy demand although delays have been building in the US Gulf leading to a modest premium of around five points being achievable for the shorter runs from EC Mexico.

Panamaxes

On the Continent, the market has eased around 15 points down to about WS 170 region for 55,000 tonnes from ARA to the US Gulf with more tonnage looking to ballast across now in light of the significantly weaker up coast market where rates for 50,000 tonnes are now at WS 165/170 in contrast to the WS 210 level of a week ago.

Clean

It has been a disappointing week for owners trading in the Middle East Gulf, where rates have tumbled from WS 150 level to around WS 115 for 75,000 tonnes to Japan. The lack of activity here has been mirrored in the 55,000 tonnes AG/Japan trade with rates here down around WS 27.5 points to sit now also at WS 115.

In the 37,000 tonnes Cont/USAC trade, a lack of enquiry has seen the market shed almost 40 points with last seen here being at WS 160. However in the 38,000 tonnes US Gulf/Continent trade, it has been a better week for owners with healthy levels of enquiry seeing rates rise around 7.5 points to WS112.5/115 level.

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