



Tanker report – Week 10 2017

VLCCs

It has been another difficult week for owners in the Middle East Gulf, with rates coming under renewed downward pressure, despite there being plenty of activity. Contract business took out a chunk of tonnage but there are also a number of disadvantaged ships available which have added to the surplus tonnage. This led to an inevitable weakening with WS 53/54 being agreed to South Korea and around WS 51.5 was paid there on tonnage over 15 years old all for 270,000 tonnes cargo. DHT tonnage did obtain WS 60 for a run to Japan,

also basis 270,000 tonnes quantity but thereafter the market for long east has been assessed in the WS 55/57.5 region. Going west rates for 280,000 tonnes to US Gulf are still evaluated in the high WS 20s, though there has also been talk of 'Maran' tonnage fixing west at around WS 31 cape/cape.

In West Africa, rates for 260,000 tonnes to China have struggled with rates easing marginally to barely reach WS 60. There was a deal done by BP at WS 57.5 east and WS 59 for Indonesia but this was on 2000 built tonnage. Caribbean rates have weakened with US Gulf to Singapore fixing and failing at \$3.95 million while Caribs to WC India runs reportedly went at both \$3.25 and \$3.35 million. On the Continent, fuel oil from Rotterdam to Singapore has been fixed at both \$3.5 and \$3.65 million while crude from Hound Point to South Korea is said to have been fixed at \$4.5 million. In the Mediterranean \$4.8 million was agreed for Ceyhan to Ningbo though this fixture subsequently failed.

Suezmaxes

Owners played their cards well in West Africa, holding off from offering and with the tonnage list tightening, they have managed to force rates up from WS 87.5 a week ago to

around WS 105, which Monroe are understood to have paid for USAC discharge. It has been a similar story in the Black Sea with rates initially climbing from WS 85/87.5 region to WS 97.5 as charterers struggled to find tonnage with a reliable itinerary. Thereafter, owners have remained firmly in control, and with plenty of enquiry, the market has continued to climb dramatically with rates for 135,000 tonnes now at WS 127.5/130 level. There has also been plenty of enquiry for long voyages from Mediterranean going east. Algeria to Singapore went at \$2.35 million while ship to ship Cyprus to Singapore was covered at \$2.125 million region. Closer to home, a Ceyhan/Portugal voyage was fixed at WS 130 basis 135,000 tonnes cargo.

Aframaxes

In the Mediterranean the market for 80,000 tonnes has been steady at around WS 115 level with healthy amounts of enquiry from Black Sea also, keeping rates here at between WS 117.5/120 region .

In the Baltic, rates have come under downward pressure with more ice class tonnage available and rates here for 100,000 tonnes cargo now sit in the very low WS 100s having started the week at around WS 105. It is a similar story in the 80,000 tonnes cross North Sea

trade where rates started the week at WS 105, but a Sullom Voe cargo subsequently went at WS 100 while a Tees/UKCont trip is said to have been covered at WS 95.

For those owners plying the 70,000 tonnes Caribbs/upcoast trade last week, it has been a steady week with rates holding in the low/mid WS 130s. Fog and weather delays have created uncertainty , thus enabling the status quo to be maintained.

Panamaxes

The 50,000 tonnes Caribs up coast market has weakened considerably this week with rates here around WS 110/112.5 and this has led to a number of ships ballasting across. With this renewed supply of tonnage, rates have dropped around 10 points to WS 112.5 for 55,000 tonnes from both ARA and Mediterranean to US Gulf.

Clean

Although there has been healthy demand in the Middle East Gulf for 75,000 tonnes to Japan, sufficient tonnage has left rates largely unchanged with the market hovering here at around WS 105/107.5 region. The LR1s have benefited from increased enquiry and rates here have gained around 10 WS points to sit now at WS 125 level for 55,000 tonnes to Japan.

It has been an encouraging week for owners in the 37,000 tonnes Cont/USAC trade. A flurry of enquiry at the end of last week saw rates climb to WS 140 level and rates have consolidated further with the market now nudging close to WS 150. In the 38,000 tonnes backhaul market, healthy levels of enquiry saw rates peak at WS 122.5 before easing back modestly to around WS 117.5/118.75 region.

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