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Tanker report – Week 21 2017

VLCCs

The market is finally showing signs of starting to nudge back up in the Middle East Gulf. Rates for 270,000 tonnes going to South Korea had been hovering in the mid WS 40s, with China being fixed at around WS 47.5, but China is now understood to have been fixed at WS 50.5. Earlier in the week, there were a couple of deals done at WS 39 to South Korea but these were concluded on older/ex dry dock tonnage. Short east pays around WS 50 region. For 280,000 tonnes to US Gulf rates initially held at between WS 23.25/23.5 cape/cape, before BP took DHT Lion for west options with US Gulf fixed at WS 24.5 Suez/Suez with option of cape/cape at WS 28 although options do also tend to command a slight premium.

In West Africa, rates have nudged up marginally to WS 54 for runs to China with potential for further modest gains, while WS 55 was paid basis Indonesia discharge. Indian charterers fixed a trip to WC India at the equivalent of 260,000 tonnes at WS 54.25 and subsequently a run to EC India is said to have been fixed corresponding to about WS56.75. Total reportedly fixed 260,000 tonnes at WS 64 to US Gulf with UKCont option at WS 66 while Petroineos covered a long voyage to USWC at WS 59. On the Continent there has been fixing and failing, though a Rotterdam to Singapore run

is now understood to have agreed \$2.9 million. Total took Olympic tonnage for a Hound Point/Ningbo run at \$4.2 million while in the Med, Shell are understood to have taken Maran tonnage from Malta to 'east' options at \$2.75 million. In the Caribbean area, USGulf to Singapore has been fixed at \$3.1 million with China at \$ 4.1 million.

Suezmaxes

In contrast to the end of last week when rates briefly peaked at around WS 95, a combination of a long weekend and easing of demand with vlccs having taken away a number of suezmax stems, has seen rates weaken with both WS 87.5 and WS 85 having been done to UKC-Med and the market remains under downward pressure.

In the Black Sea, rates have dropped from low WS 90s to WS 87.5 for 135,000 tonnes to UKC-Med. A Black Sea to EC India voyage went at \$2.2 million Last week a strong aframax market in the Med, lent support to the suezmaxes but with that no longer the case, owners have had to adjust their ideas downwards. In the Med, a short Algeria/Fos run was covered by Petroineos at WS 110 basis 130,000 tonnes and there remains potential for further softening in both Med and Black Sea.

Aframaxes

It has been one way traffic with rates losing almost 50 points in the Mediterranean. There was more tonnage available as the maintenance at Trieste was completed and with plenty of tonnage also coming open in the Black Sea, voyages from there led the market down with Black Sea and Med rates having now settled at WS 100.

Reduced levels of enquiry, combined with upcoming maintenance at Primorsk, led to a buildup of tonnage in the Baltic and rates have dropped just over 20 points from a week ago as Litasco covered 100,000 tonnes at WS 75. North Sea rates have likewise come under pressure and although last seen here for 80,000 tonnes was at WS 102.5, representing a 12.5 point fall, brokers feel there is potential for further softening here.

A long weekend in USA, combined with a buildup of tonnage saw rates for 70,000 tonnes Caribs/upcoast fall steadily from WS 140 at the start of the week to WS 117.5 and there is now talk of WS 110 /112.5 level having been concluded with the market remaining under further potential downward pressure.

Panamaxes

Status quo has been maintained here in the 55,000 tonnes ARA to US Gulf trade with rates largely unchanged at WS 115 with Skikda rates at similar levels.

Clean

Rates bottomed out in the Middle East Gulf with the market for 75,000 tonnes to Japan nudging up almost 5 points to WS 87.5/90 region and it has also been a better week for owners in the 55,000 tonnes AG/Japan trade where rates have firmed around 12.5 points to sit now at around WS 107.5/110 level.

In the 37,000 tonnes Cont/USAC market rates initially firmed almost 5 points from a week ago before settling in the mid WS 150s, but with enquiry seemingly tailing off, brokers feel rates may come under pressure here. The 38,000 tonnes back haul trade saw a slow start to the week before a surge of enquiry propelled rates up to WS 115 level representing a 25 point gain from a week ago.

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