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Tanker Report – Week 37 2017

VLCCs

The October program brought with it increased activity in the Middle East Gulf and with a number of ships ballasting west for better returns, there has been a modest improvement in rates here. For 270,000 tonnes going long east, HMM paid WS 44.75 for South Korea while Glasford paid WS44 to Japan with WS45 for China discharge, representing gains of around 4/4.5 points from a week ago. Going west rates for 280,000 to US Gulf have similarly firmed two points with WS 22 cape/cape having been agreed.

West Africa rates for 260,000 tonnes to China have similarly increased with WS 50 having been fixed here in contrast to the WS 48 seen last week. In the Caribbean, Essar are said to have paid \$3.0 million to Vadinar while US Gulf to Singapore has been fixed at both 3.8 and \$4.0 million respectively. Hound Point to South Korea has been fixed at a steady \$4.2 million.

Suezmaxes

A healthy supply of tonnage in West Africa has seen rates come under downward pressure, and with

a weakening aframax market also making it less attractive to suezmaxes to take part cargoes, rates have eased around four points to WS 65 for 130,000 tonnes to UKC-Med. This has also had a 'knock-on' effect in the Mediterranean-Black Sea. At the start of the week, Chevron fixed 135,000 tonnes at WS 82.5 to Europe with South Korea option at \$2.7 million. Latterly \$2.6 million was done for South Korea with UKC-Med discharge now assessed at just below WS 80. In the Mediterranean UML paid WS 67.5 for 135,000 tonnes from Ceyhan to Sines. In the Black Sea, ST paid \$2.3 million for fuel oil from Taman to Singapore.

In the Middle East Gulf, rates for 140,000 tonnes Basrah light crude going west are hovering between WS 27.5/30 region with last seen here being at WS 29.5 agreed by P66 for USAC discharge.

Aframaxes

Improved availability of tonnage led to the inevitable softening in the market with rates here dropping around 20 points to WS 107.5 paid by Statoil from Ceyhan with similar levels paid also for Libya load.

In the north, rates peaked at WS 87.5 for 100,000 tonnes from Baltic/UKC but with tonnage starting to build up, a trip to the Mediterranean went at WS 77.5, leading brokers to subsequently assess the market at closer to WS 82.5 region allowing for the five-point discount for Med discharge. Cross North Sea rates have held steady at around WS 110 region basis 80,000 tonnes cargo.

The 70,000 tonnes Caribs up coast market has been steady throughout the week at around WS 140 level, despite the latest hurricane there. Although with tonnage starting to tighten up now, WS 142.5 has now been paid, with WS 147.5 done from EC Mexico and there is still potential for further increases here.

Panamaxes

A slow week has seen rates for 55,000 tonnes from both ARA and Skikda come under downward pressure. With tonnage naturally coming open this side, WS 110 was paid from Skikda with ARA load assessed at similar levels now, in contrast to the WS 115 at the start of the week.

Clean

The market in the 75,000 tonnes Middle East Gulf to Japan trade has continued to firm with rates gaining around 7.5 points to WS 120 level. It is a similar story on the LR1s where rates for 55,000 tonnes to Japan have increased from WS 137.5 to settle in the low WS 140s.

A firmer Black Sea and Mediterranean clean market saw rates for 37,000 tonnes from North Spain/Portugal initially rise in to the low WS 130s and thereafter this increase filtered through further to ARA/ near Continent, representing a 32.5-point gain over the week. By contrast, in the 38,000 tonnes back haul trade from US Gulf to UK-Cont, there has been only limited activity going transatlantic and rates here have dropped a further five points to WS 70.

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